

The Commodities Feed: US crude oil stocks jump

Oil prices managed to edge higher yesterday, despite several bearish data releases



Energy- IEA continues to see very well-supplied oil market

Oil prices moved higher yesterday, settling just shy of 0.5% higher, despite a bearish weekly Energy Information Administration (EIA) inventory report. Also, a monthly International Energy Agency (IEA) release again highlighted expectations for a sizable oil surplus in 2026.

The EIA's report showed that US crude oil inventories increased by 6.4m barrels over the last week, larger than expected and more than the 1.3m barrel increase the API reported the previous day. This leaves crude stocks at their highest level since June. Seasonally, they are at their lowest level since 2014. The increase was largely driven by weaker exports, which declined by 1.55m b/d week on week. For refined products, gasoline and distillate stocks fell by 945k barrels and 637k barrels, respectively. These inventory declines come despite refiners increasing utilisation rates by 3.4 percentage points, week on week, to 89.4%. Run rates are expected to increase as refinery maintenance concludes, while healthy refinery margins are likely to also support higher refinery run rates.

The IEA's monthly report continues to indicate a well-supplied market. The agency estimates that

global oil supply will grow by 3.1m b/d and 2.5m b/d in 2025 and 2026, respectively. Meanwhile, demand growth is forecast to be more modest, with the IEA expecting it to increase by just 790k per day (b/d) in 2025 and a further 770k b/d in 2026. In terms of oil inventories, the IEA estimates that global observed stocks surged by 77.7m barrels in September, with a large increase in floating storage. Meanwhile, preliminary data shows that global stocks increased further in October, driven once again by floating storage.

While the ICE gasoil crack has fallen from its recent highs over the past couple of days, it remains at elevated levels, above \$30/bbl. As we head deeper into the Northern hemisphere winter, refinery maintenance season, a number of unplanned refinery outages, Russian sanction uncertainty and low stocks have kept the middle distillate market well-supported. The latest inventory data from Enterprise Singapore shows that onshore middle distillate stocks in the nation fell by 119k barrels over the last week. In the Amsterdam-Rotterdam-Antwerp (ARA) region, gasoil stocks increased by 87kt WoW to 2.29mt, according to Insights Global.

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