

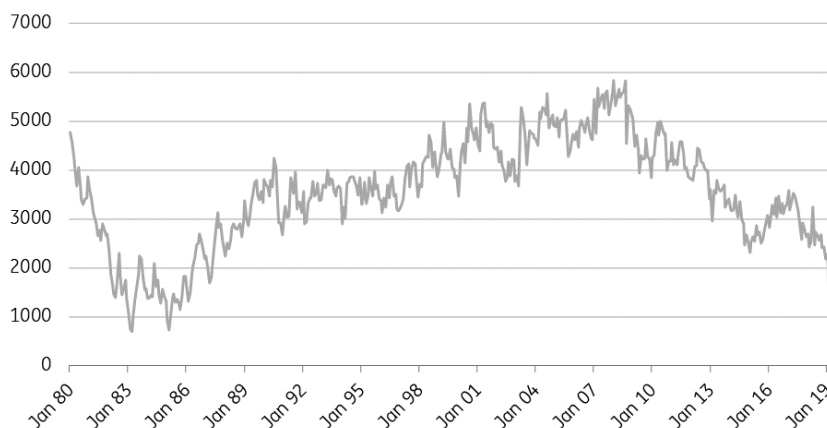
The Commodities Feed: US oil imports plummet

Your daily roundup of commodity news and ING views



Source: iStock

US oil imports from OPEC nations fall to more than a 30 year low (Mbbbls/d)



Source: EIA, ING Research

Energy

US oil inventories: The API yesterday reported that the US crude oil inventories increased by 6.81MMbbls over the last week, significantly higher than the 1.75MMbbls that the market was expecting. The API reported drawdowns of 1.06MMbbls and 2.06MMbbls in gasoline and distillate fuel oil, respectively. The more widely followed EIA report will be released later today.

The bigger-than-expected stock build has weighed on the market, which saw a reversal of much of yesterday's gains following comments from the Saudi oil minister that OPEC+ could continue with their deal through until the end of this year, whilst the market also largely ignored the growing unrest in Venezuela. While a change in regime could mean increased oil output in the longer term, it could also mean short- to medium-term disruptions, while we believe it will not be a quick fix to turn the state of the domestic oil industry around even with a new regime.

EIA monthly oil numbers: Latest monthly data from the EIA shows that US oil production in February averaged 11.68MMbbls/d over the month, a fall of 187Mbbbls/d MoM, and the second consecutive decline in monthly production. We will likely have to see some production estimate revisions coming from the EIA, with output over February 71Mbbbls/d lower than the EIA's estimate in its Short Term Energy Outlook.

Interestingly, the monthly data also showed that US crude oil imports from OPEC nations averaged just 1.6MMbbls/d over February, down from 2.27MMbbls/d in January, and the lowest monthly import volume from OPEC nations seen since February 1986. This decline in imports flows reflects the impact of US sanctions on Venezuela oil imports, along with OPEC production cuts, and in particular, the Saudis reducing export volumes to the US.

Metals

Aluminium under pressure: LME aluminium remains under pressure, with prices briefly breaking below US\$1,800/t at one stage yesterday. Weaker than expected Chinese manufacturing PMI numbers wouldn't have helped, while a number of producers also revised lower their demand growth estimates for this year, which certainly did not help sentiment. Meanwhile, the persistent contango in the cash/3month spread, along with LME inventories edging higher suggests that there is no significant tightness in the spot aluminium market.

Daily price update

	Current	% DoD	ch	%YTD	ch		Current	% DoD	ch	%YTD	ch
ICE Brent (US\$/bbl)	72.8	1.05	35.32			Comex Silver (US\$/oz)	14.9	0.38	-4.12		
NYMEX WTI (US\$/bbl)	63.91	0.65	40.74			LME Copper (US\$/t)	6,415	0.30	7.54		
ICE Gasoil (US\$/t)	638	1.19	24.91			LME Aluminium (US\$/t)	1,797	-1.70	-2.65		
NYMEX HO (USc/g)	208	1.28	23.82			LME Zinc (US\$/t)	2,826	1.20	14.53		
Eurobob (US\$/t)	684	0.07	42.64			LME Nickel (US\$/t)	12,201	-1.68	14.13		
NYMEX RBOB (USc/g)	212	1.94	60.40								
NYMEX NG (US\$/mmbtu)	2.58	-0.69	-12.41			CBOT Corn (USc/bu)	353	0.36	-5.80		
						CBOT Wheat (USc/bu)	419	-1.93	-16.84		
API2 Coal (US\$/t)	66	1.07	-23.26			CBOT Soybeans (USc/bu)	841	-0.74	-4.67		
NYMEX Coking Coal (US\$/t)	204	-0.29	-10.30			ICE No.11 Sugar (USc/lb)	11.99	3.10	-0.33		
						ICE Arabica (USc/lb)	92	0.55	-9.82		
						ICE London Cocoa (GBP/t)	1,936	1.47	9.63		

Source: Bloomberg, ING Research

Author

Warren Patterson

Head of Commodities Strategy

Warren.Patterson@asia.ing.com

Disclaimer

This publication has been prepared by the Economic and Financial Analysis Division of ING Bank N.V. ("ING") solely for information purposes without regard to any particular user's investment objectives, financial situation, or means. *ING forms part of ING Group (being for this purpose ING Group N.V. and its subsidiary and affiliated companies).* The information in the publication is not an investment recommendation and it is not investment, legal or tax advice or an offer or solicitation to purchase or sell any financial instrument. Reasonable care has been taken to ensure that this publication is not untrue or misleading when published, but ING does not represent that it is accurate or complete. ING does not accept any liability for any direct, indirect or consequential loss arising from any use of this publication. Unless otherwise stated, any views, forecasts, or estimates are solely those of the author(s), as of the date of the publication and are subject to change without notice.

The distribution of this publication may be restricted by law or regulation in different jurisdictions and persons into whose possession this publication comes should inform themselves about, and observe, such restrictions.

Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person for any purpose without the prior express consent of ING. All rights are reserved. ING Bank N.V. is authorised by the Dutch Central Bank and supervised by the European Central Bank (ECB), the Dutch Central Bank (DNB) and the Dutch Authority for the Financial Markets (AFM). ING Bank N.V. is incorporated in the Netherlands (Trade Register no. 33031431 Amsterdam). In the United Kingdom this information is approved and/or communicated by ING Bank N.V., London Branch. ING Bank N.V., London Branch is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. ING Bank N.V., London branch is registered in England (Registration number BR000341) at 8-10 Moorgate, London EC2 6DA. For US Investors: Any person wishing to discuss this report or effect transactions in any security discussed herein should contact ING Financial Markets LLC, which is a member of the NYSE, FINRA and SIPC and part of ING, and which has accepted responsibility for the distribution of this report in the United States under applicable requirements.

Additional information is available on request. For more information about ING Group, please visit <http://www.ing.com>.