

## US crude oil inventories grow by 6.78MMbbls

Recent downward pressure on the oil market continues, with the EIA reporting the first weekly build in US crude oil inventories since November 2017, and what a build it was



Source: Shutterstock

**6.78** US crude oil inventory increase (MMbbls)  
Exceeds all expectations

Better than expected

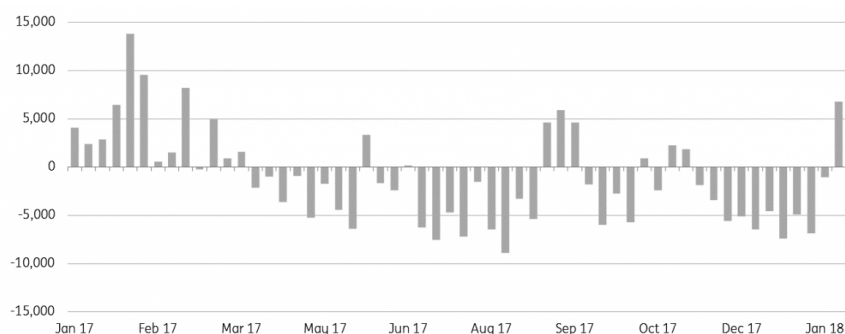
Heading into the release the market was expecting EIA numbers to show a 900MMbbls increase in crude oil inventories, according to a Bloomberg survey. This was less than the 3.23MMbbls increase the API reported yesterday, and so no surprise the market has been under pressure for most of today.

Given EIA numbers exceed API estimates, we would expect further weakness for the oil market in the short term.

## What drove the increase?

The stock build was largely driven by weaker refinery throughout, with utilisation rates falling from 90.9% to 88.1% over the last week. This should be no surprise as we move towards maintenance season.

Crude oil imports also picked up, 389Mbbbls/d higher over the week to total 8.43MMbbls/d. Sticking with trade, we would expect to see a decline in US crude oil exports moving forward given the recent weakness that we have seen in the Brent-WTI spread. This dynamic does mean the potential for further US stock builds in the weeks to come.



Source: EIA

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