

## 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

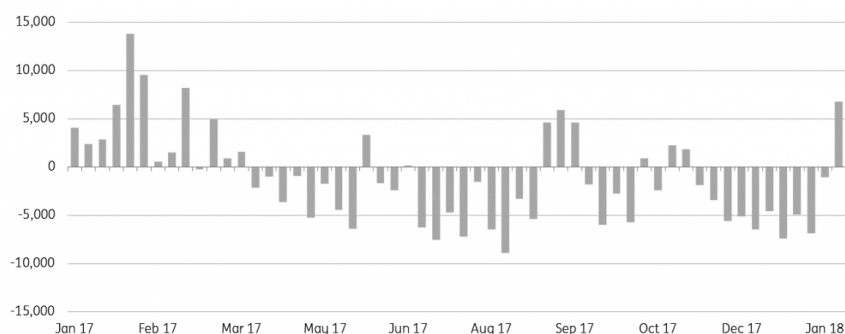
Heading into the release the market was expecting EIA numbers to show a 900MMbbls increase in crude oil inventories, according to a Bloomberg survey. This was less than the 3.23MMbbls increase the API reported yesterday, and so no surprise the market has been under pressure for most of today.

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 8.43MMbbbls/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

## Author

### Warren Patterson

Head of Commodities Strategy

[Warren.Patterson@asia.ing.com](mailto: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>.