



This Week in Petroleum 1-16-08

Posted by [Robert Rapier](#) on January 16, 2008 - 7:17pm

Topic: [Supply/Production](#)

Tags: [eia](#), [gas inventories](#), [gas prices](#), [oil inventories](#), [oil prices](#), [twip](#) [[list all tags](#)]

With all of the traveling, and then trying to catch up after the holidays, I haven't had time to do a proper TWIP. Thanks to Nate for looking after it during my vacation. Anyway, mostly what we saw for the past month were crude draws, and gasoline inventories climbing back up and getting in pretty good shape prior to spring turnaround season. Part of the draw down in crude was tax-related. Many countries, including the U.S., tax crude inventories at year end. So, there is a bit of a balancing act as refiners try to draw down inventories while still maintaining enough on hand to weather any supply disruptions.

This week saw a large gain across the complex, and crude prices are falling as a result.

DOE: Actuals

Crude oil: Up 4.3 million barrels

Motor gas: Up 2.2 million barrels

Distillates: Up 1.2 million barrels

Complex **Up 7.6 million barrels***

* Total does not add due to rounding

API: Actuals

Crude oil: Up 2.4 million barrels

Motor gas: Up 1.6 million barrels

Distillates: Down 3.3 million barrels

Complex: **Up 0.7 million barrels**

The Bloomberg survey of analyst's expectations

Crude oil: Up 1.3 million barrels

Motor gas: Up 2.3 million barrels

Distillates: Up 1.6 million barrels

Complex: **Up 5.1 million barrels***

* Total does not add due to rounding

[Summary of Weekly Petroleum Data for the Week Ending January 11, 2008](#)

Some highlights:

U.S. crude oil refinery inputs averaged nearly 15.0 million barrels per day during the week ending January 11, down 760,000 barrels per day from the previous week's average. Refineries operated at 87.1 percent of their operable capacity last week.

U.S. crude oil imports averaged 10.4 million barrels per day last week, up 583,000 barrels per day from the previous week. Over the last four weeks, crude oil imports have averaged 10.0 million barrels per day, or 219,000 barrels per day more than averaged over the same four-week period last year.

U.S. commercial crude oil inventories (excluding those in the Strategic Petroleum Reserve) rose by 4.3 million barrels compared to the previous week. At 287.1 million barrels, U.S. crude oil inventories are in the lower half of the average range for this time of year. Total motor gasoline inventories increased by 2.2 million barrels last week, and are near the upper limit of the average range. Total commercial petroleum inventories increased by 3.6 million barrels last week, and are in the middle of the average range for this time of year.

CNN's take:

[Oil below \\$90 on surprise supply increase](#)

NEW YORK (CNNMoney.com) -- Oil prices fell sharply Wednesday after the government reported a surprise increase in crude supplies.

U.S. light crude for February delivery fell \$2.20 to \$89.62 a barrel on the New York Mercantile Exchange. Oil had traded down \$1.21 prior to the report's release.

In its weekly inventory report, the U.S. Energy Information Administration said crude stocks grew by 4.3 million barrels last week, after posting declines for eight weeks in a row. Analysts were looking for a drop of 300,000 barrels according to a Dow Jones poll.

"The market looked at the report as bearish, given the increase in crude stocks," said Andrew Lebow, a broker at MF Global in New York.

My take: As we move into refinery turnaround season from late February through April, we should see crude inventories start to build, and gasoline inventories should get pulled down. That should start a run toward \$4 gasoline.

Sorry for being so brief with this. No chance for me to respond to comments right now. Hopefully I will regain some of my time soon.



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