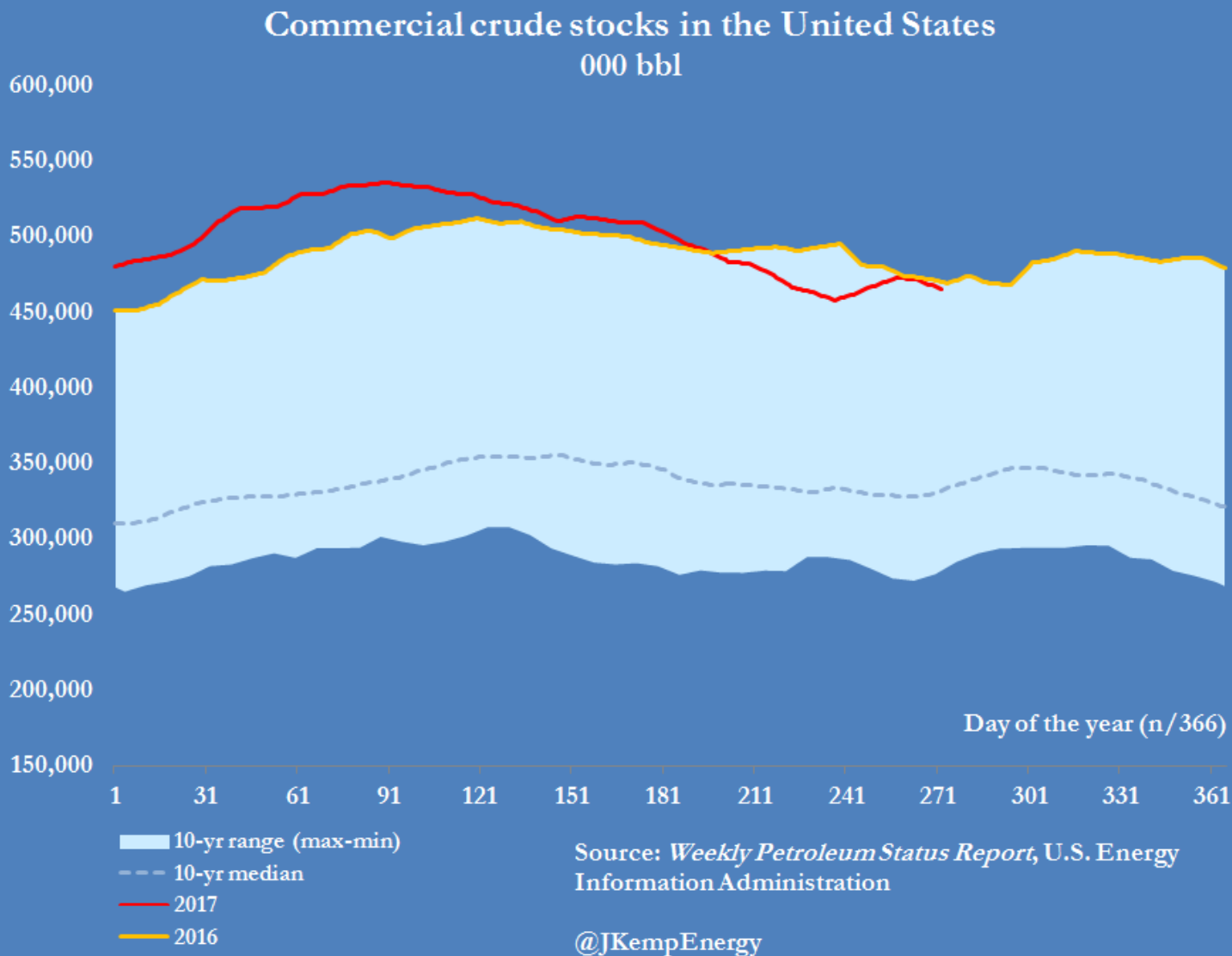


WTI prices and U.S. crude stocks

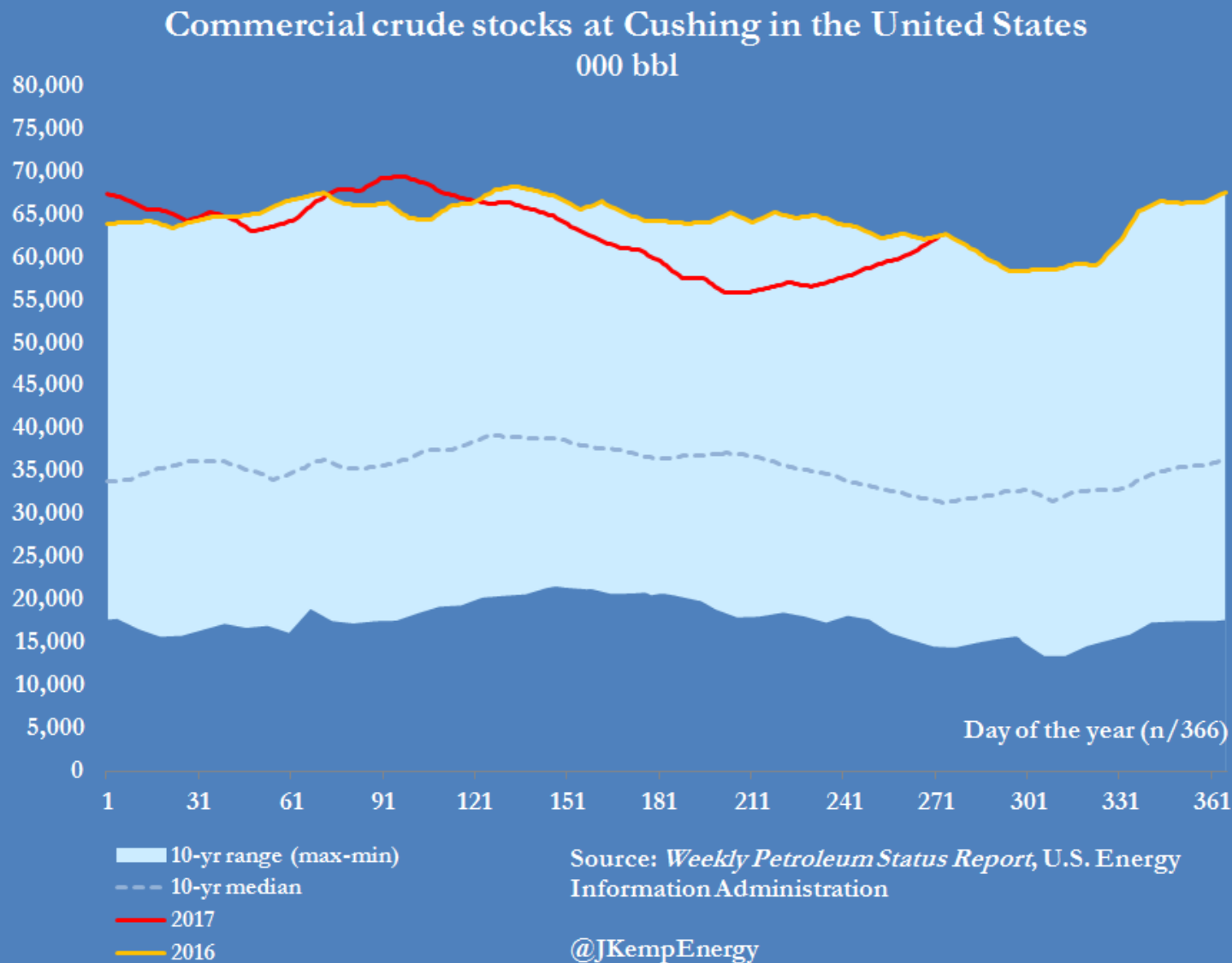
Selected indicators

JOHN KEMP
REUTERS
6 Oct 2017

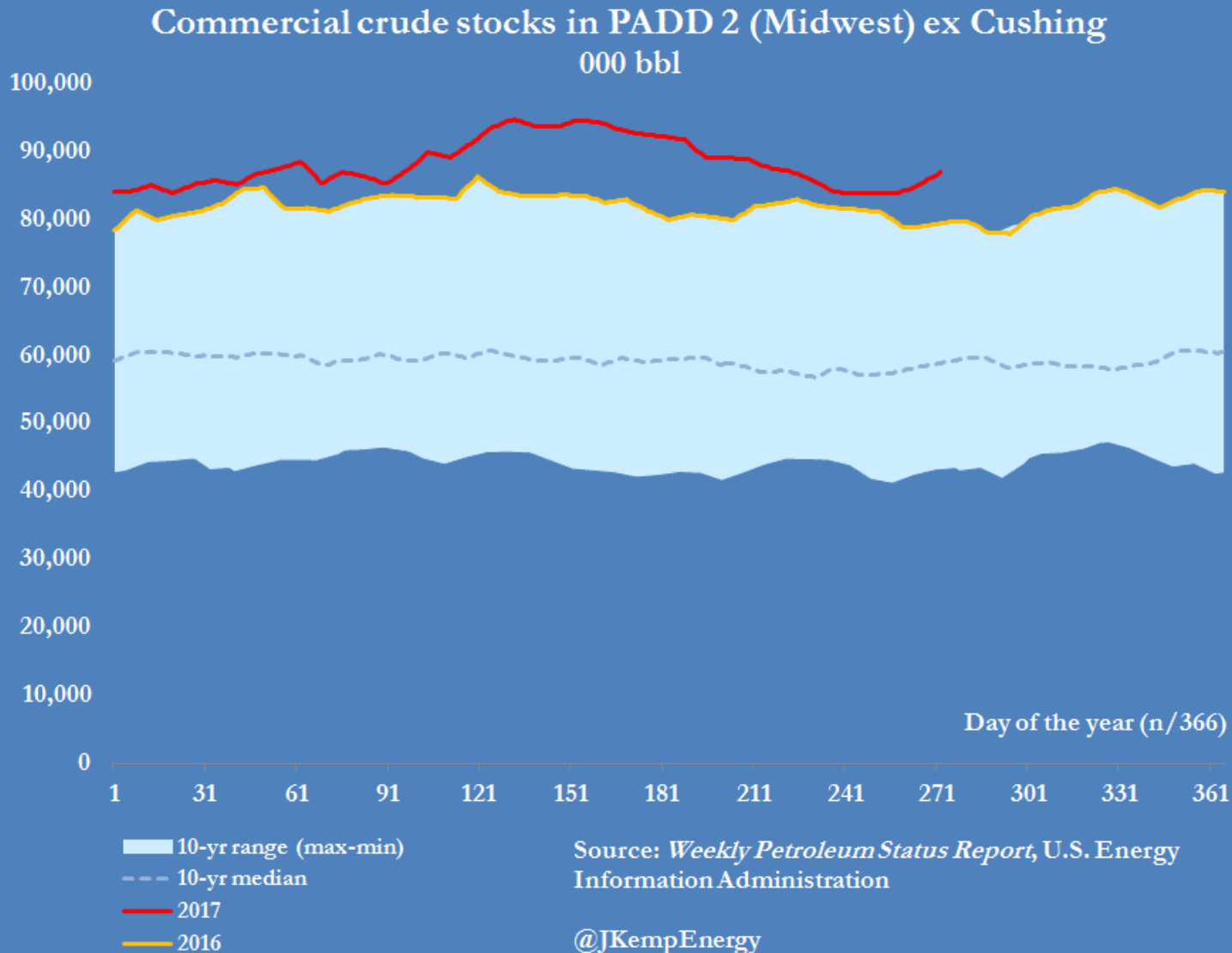
U.S. commercial crude stocks declined by -17 million bbl between Jul 28 and Sep 29



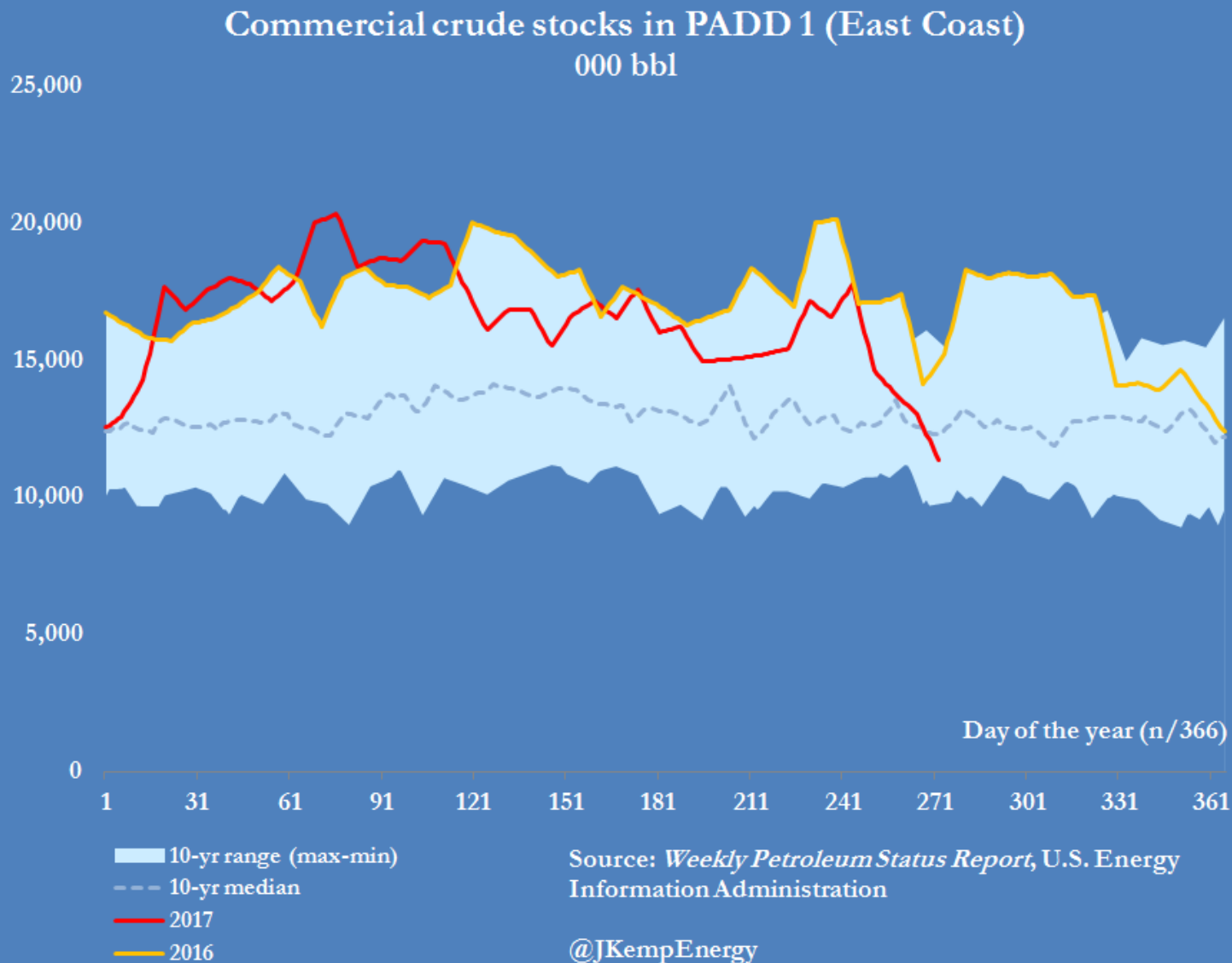
But stocks at Cushing increased by +7 million bbl over the same period (Jul 28 = day 209)



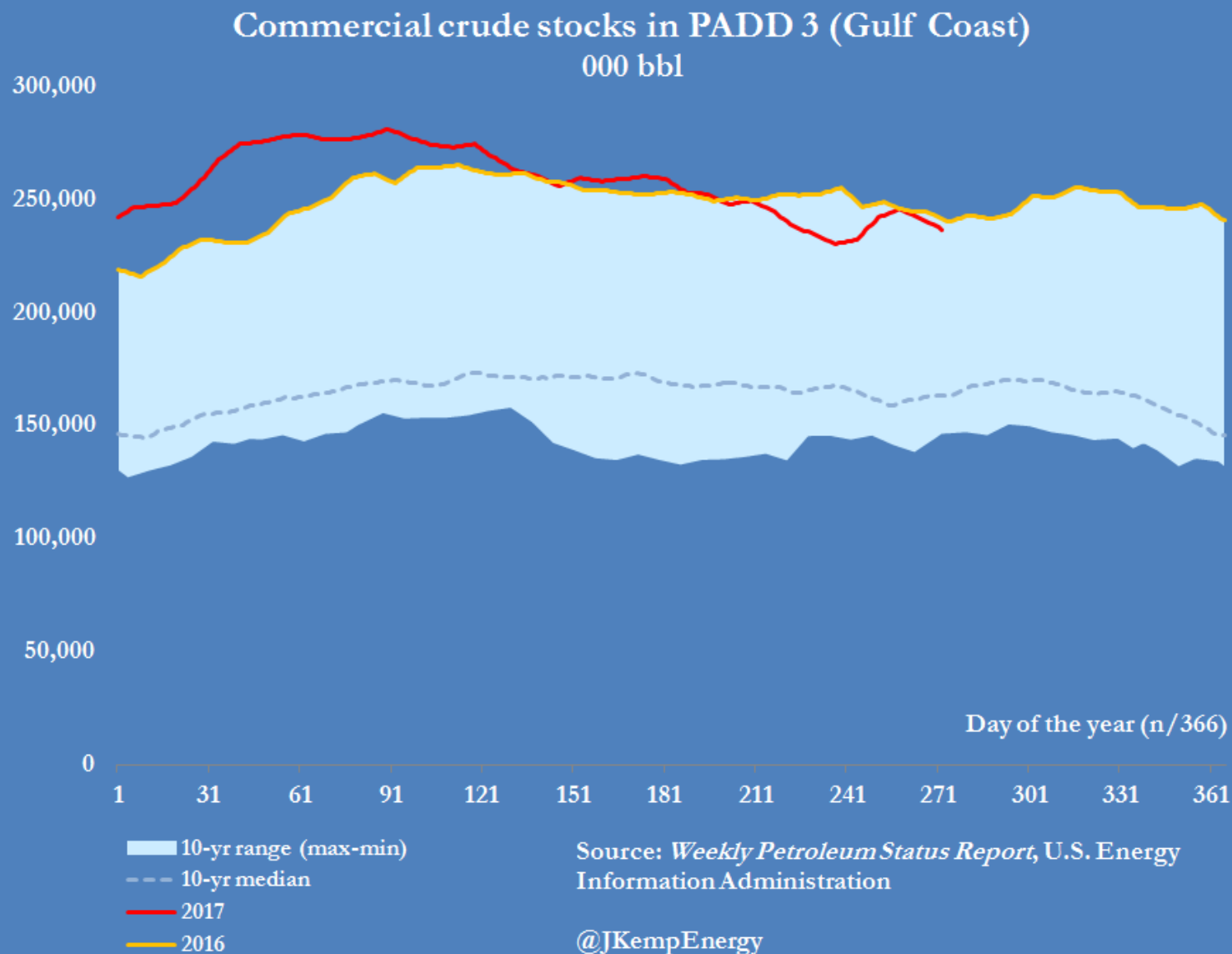
Stocks in the rest of the Midwest are down by just -2 million bbl since Jul — and have been rising since the start of Sep



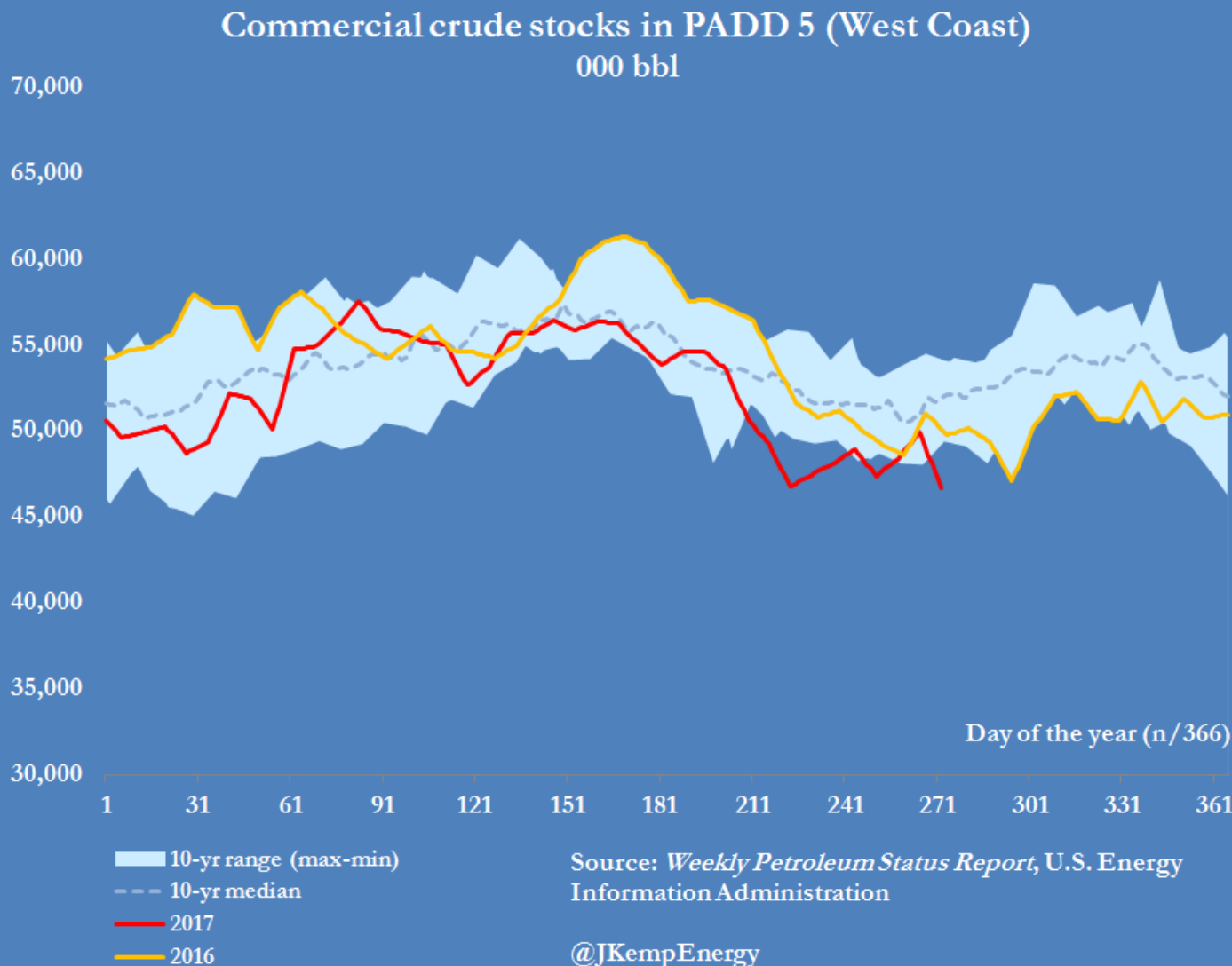
Crude stocks on the East Coast have fallen by -4 million bbl since Jul and are now below 5-year average



Stocks on the Gulf Coast have fallen by almost -13 million bbl since Jul

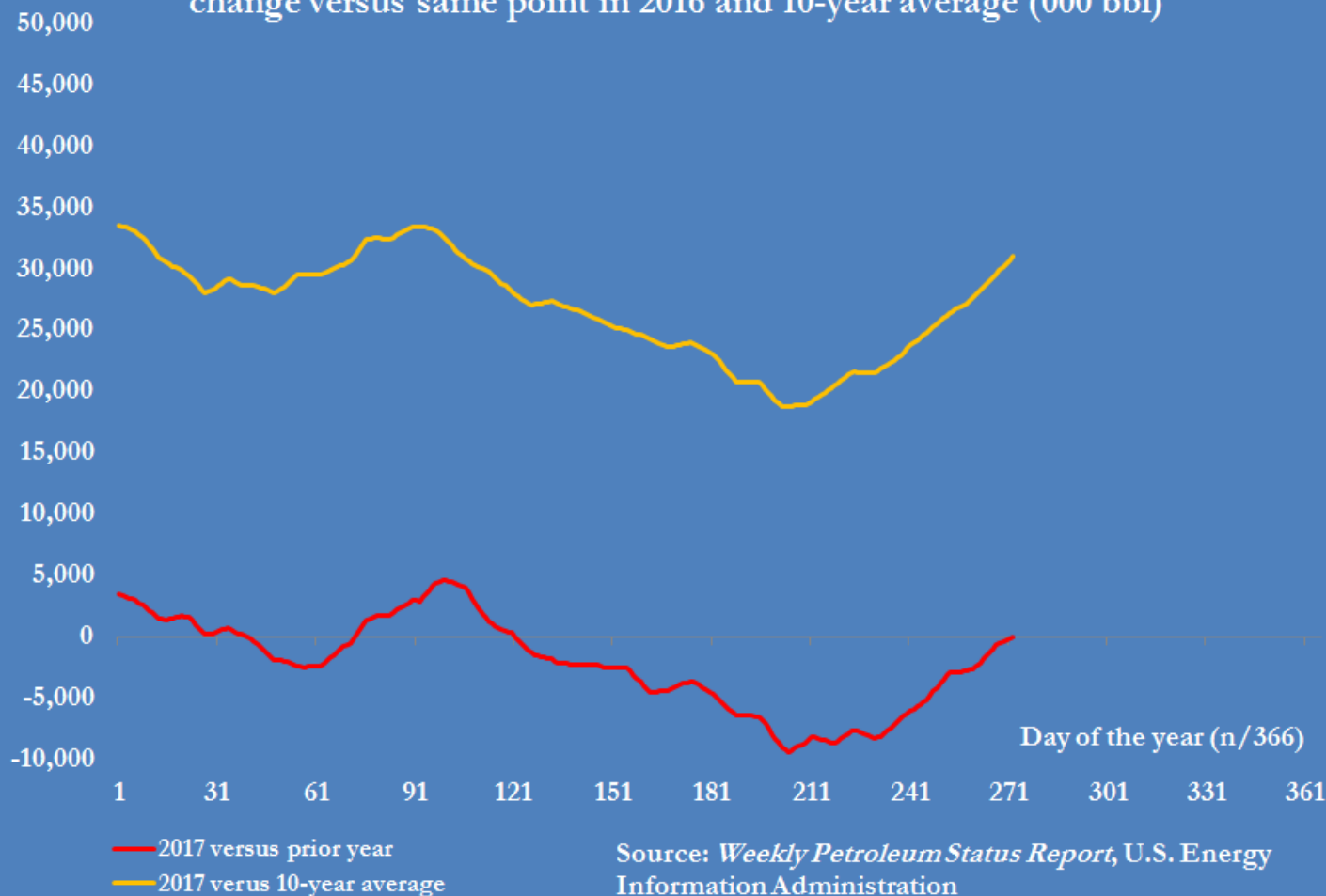


Crude stocks on the West Coast are down -4 million bbl to the lowest seasonal level for more than 5 years

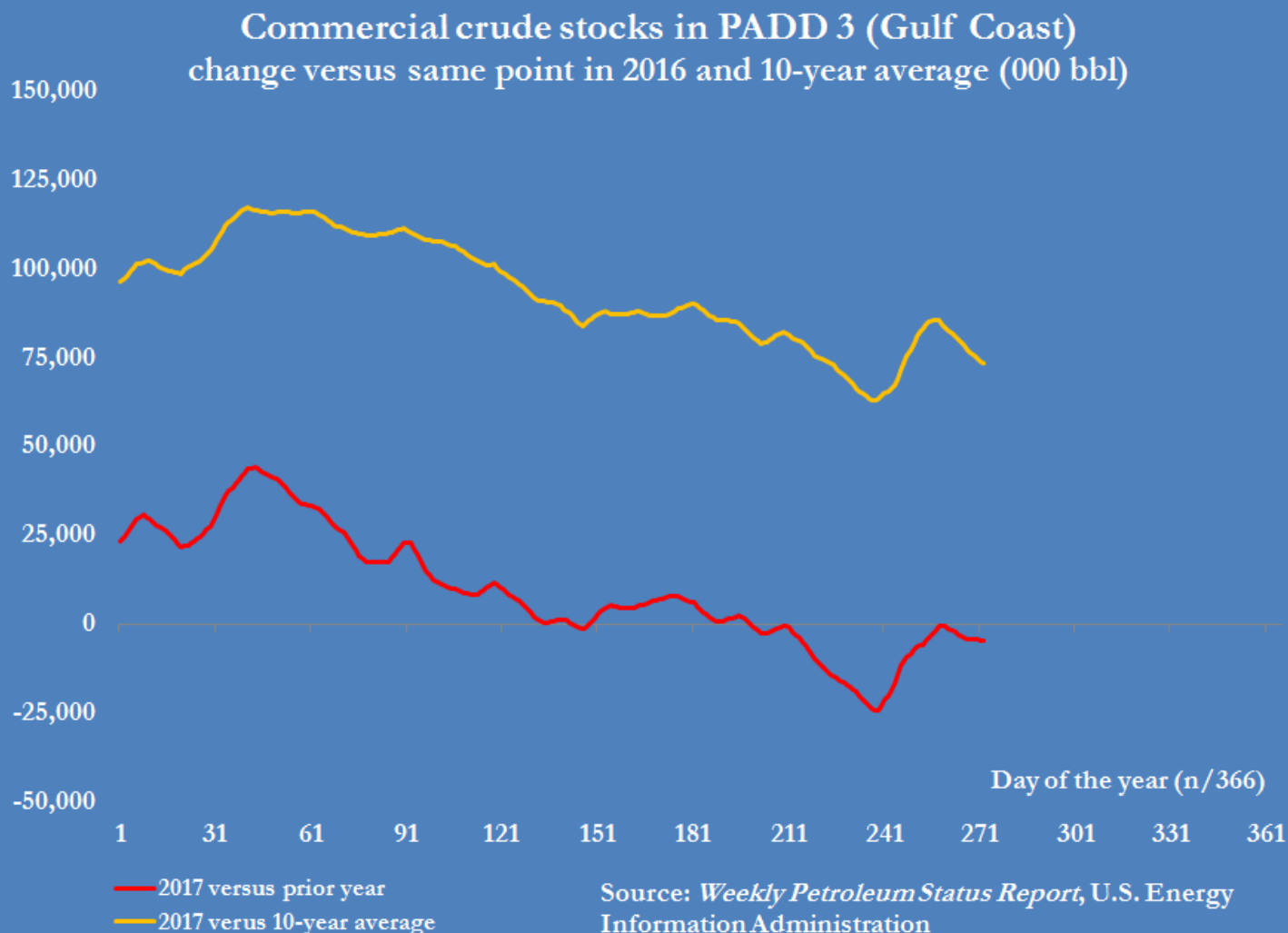


Crude stocks have been rising at Cushing against the normal seasonal trend

Commercial crude stocks at Cushing in the United States change versus same point in 2016 and 10-year average (000 bbl)

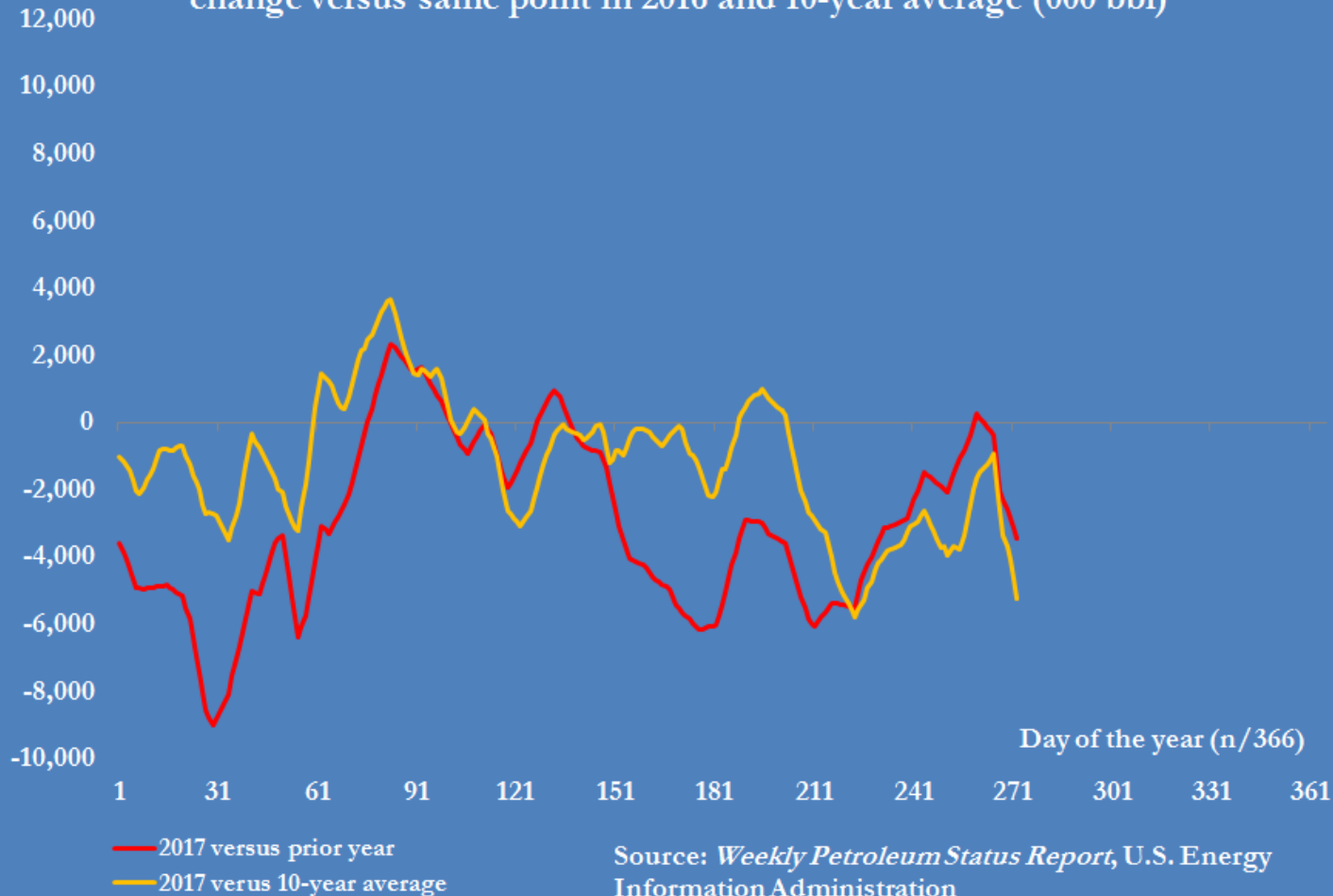


Meanwhile surplus stocks on the Gulf Coast have been drawing down



And crude stocks on the West Coast look tight

Commercial crude stocks in PADD 5 (West Coast)
change versus same point in 2016 and 10-year average (000 bbl)



Source: *Weekly Petroleum Status Report*, U.S. Energy Information Administration

@JKempEnergy

Divergence between stocks at Cushing/PADD 2 and the coasts has coincided with a big increase in Brent-WTI spread

Brent-WTI for delivery in Dec 2017 (US\$/bbl)



WTI calendar spread points to continued oversupply around the Cushing delivery point while Brent spread points to tightening global market

WTI and Brent Time Spreads
Contango (-) or backwardation (+) US\$/bbl

