



# CHS AM Energy Update

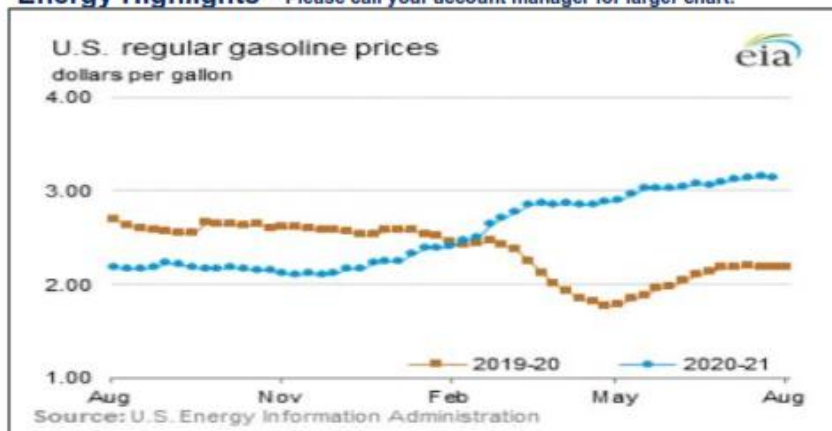
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## Today's Market News

- **EIA Inventory Report:** For the week ending July 23, crude oil inventories fell 4.1 million barrels, gasoline was off 2.3 million barrels, and distillate was down 3.1 million barrels. The drawdown in gasoline stocks was expected, and a huge draw in gasoline stocks on the East Coast could be supportive for the futures market. However, the demand measurement from EIA was a bit disappointing, up nominally at 9.325 million b/d.
- **U.S. oil output:** U.S. oil output could take more than four years to reach pre-pandemic levels, oil producer Hess Corp said on Wednesday, sticking to its spending plan despite rising demand to focus on shareholders returns over growth. U.S. crude prices have jumped over 50% this year but in a departure from previous boom cycles, shale producers have hunkered down to their previously stated plans for spending and production to provide greater investor returns by way of buybacks or dividends.
- **Federal Reserve:** Energy investors took heart after the Federal Reserve said Wednesday the U.S. economy is on the right track for a recovery, even though that suggests the central bank could taper its asset purchases. A strong economy should bode well for fuel consumption.
- **Market Opinion:** Oil rose toward \$75 a barrel on Wednesday and remain relatively bullish to start Thursday's trade after data showed U.S. crude inventories fell more sharply than analysts had forecast, bringing the market's focus back to tight supplies rather than rising coronavirus infections.

## Energy Highlights - Please call your account manager for larger chart.



### U.S. average regular gasoline prices:

The U.S. average regular gasoline retail price decreased nearly 2 cents to \$3.14 per gallon on July 26, 96 cents higher than the same time last year. The Midwest price decreased 3 cents to \$3.03 per gallon, the Gulf Coast price decreased nearly 3 cents to \$2.81 per gallon, and the East Coast price decreased more than 1 cent to \$3.01 per gallon. The Rocky Mountain price increased nearly 4 cents to \$3.60 per gallon, and the West Coast price increased less than 1 cent, remaining virtually unchanged at \$3.88 per gallon.

Contract		NYMEX as of 8:00am	Support	Resistance
AUG RBOB	↑	0.0076 @ 2.3158	2.2598	2.3302
AUG HO	↑	0.0093 @ 2.1653	2.0510	2.1877
SEP Crude	↑	0.32 @ 72.70	70.76	75.00