

# Weekly Energy Monitor



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**DIVIDEND ASSETS CAPITAL, LLC**

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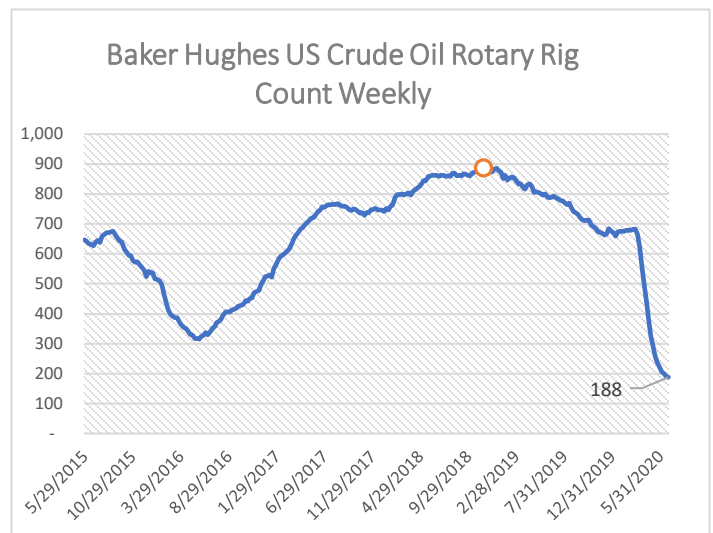
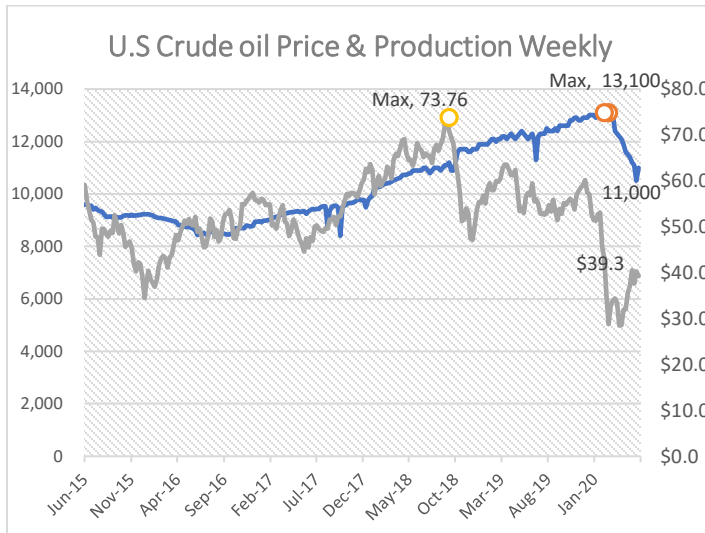
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## DAC Energy Investor Weekly Recap (Data for Week Ended: June 19, 2020)

### U.S. Total Crude Oil Production and U.S. Crude Rotary Rig Count

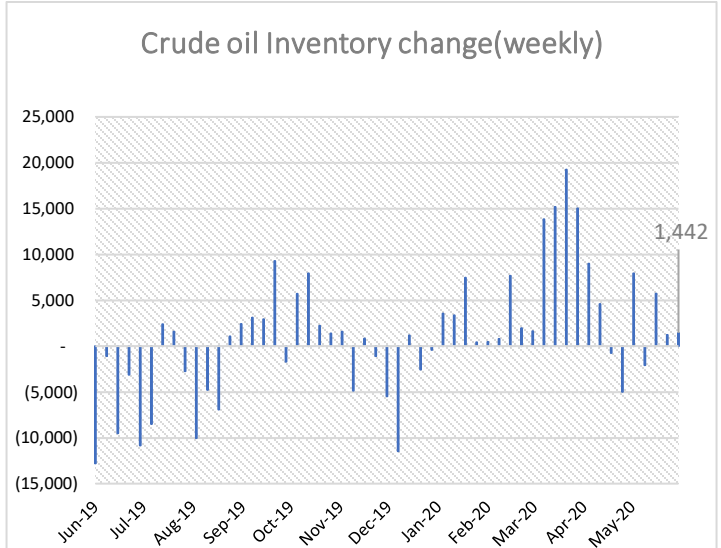
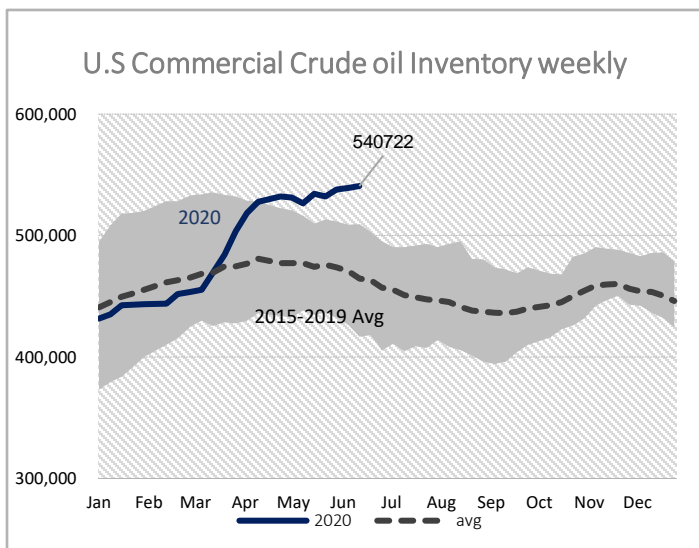
1. As of 6/25/2020, West Texas Intermediate (WTI) oil price was \$39.46 per barrel, 2% lower than the previous week at \$40.27 per barrel.
2. Crude oil production was 11.0 million barrels per day (bbl/d), 500 thousand bbl/d more than the previous week. This was the 1<sup>st</sup> weekly increase since the week ended 3/27/2020.
3. U.S. crude rig count dropped to 188; the 15th weekly decline and less than ¼ of the average operating rigs in 2019 - 774. The historical low is 179 back on 06/05/2009.



Source: DAC, EIA, Bloomberg

### U.S. Commercial Crude Oil Inventories (excluding those in the Strategic Petroleum Reserve) and Inventory Changes

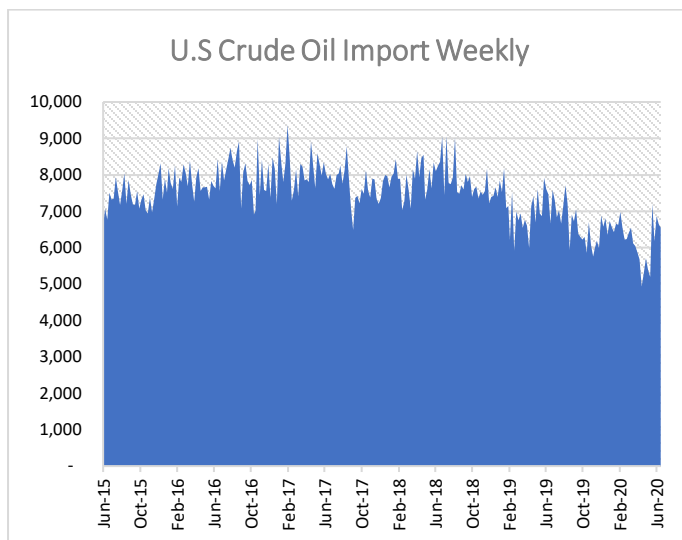
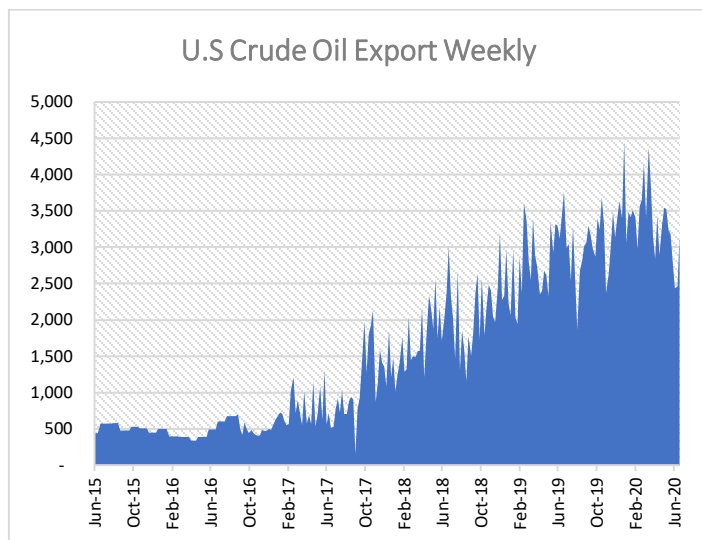
1. U.S. commercial crude oil inventories were 540.7 million barrels. This inventory level is about 16% above the five-year average for this time of year.
2. U.S. commercial crude oil inventories increased by 1.4 million barrels from the previous week, up slightly from last week.



Source: DAC, EIA, Bloomberg

## U.S. Imports and Exports

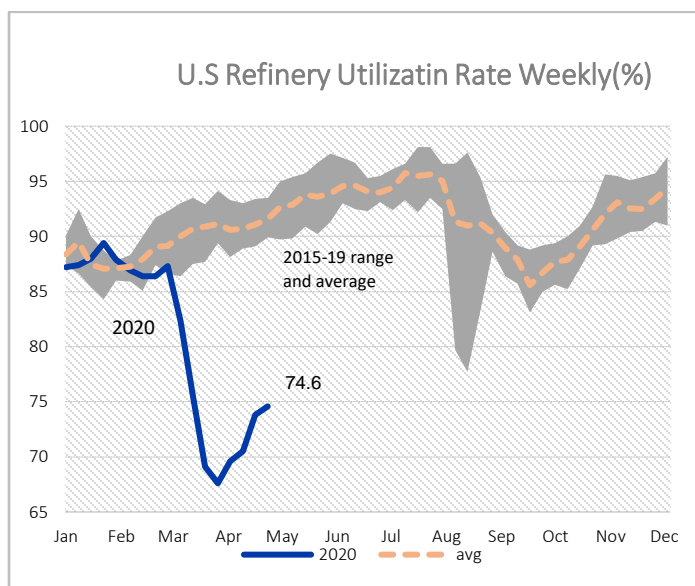
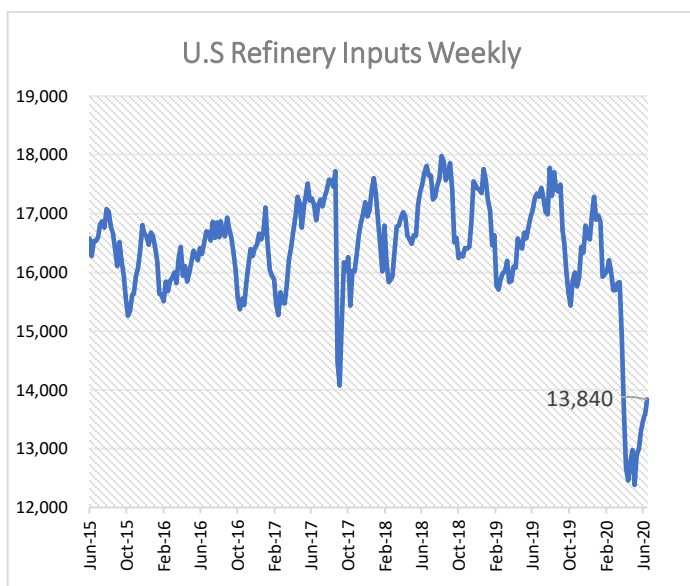
1. The U.S. crude oil exports averaged 3.2 million bbl/d for the week. Over the past four weeks, crude oil exports were about 2.7 million bbl/d, 20.3% below the same four-week period last year. U.S. crude exports require about \$1.41 Brent-WTI differential price premium to break even, down from the historical average of \$4.41. Brent-WTI premium moved to \$2.36.
2. The U.S. crude oil imports averaged 6.5 million bbl/d last week, decreasing by 0.1 million from the previous week. Over the past four weeks, crude oil imports averaged about 6.6 million barrels per day, 11.6% less than the same four-week period last year.



Source: DAC, EIA, Bloomberg

## U.S. Refinery Inputs and Utilization Rates

1. U.S. refinery inputs averaged 13.8 million bbl/d, 239 thousand more than the previous week's average.
2. Refineries operated at 74.6% of their operable capacity last week, the sixth weekly improvement in a row.

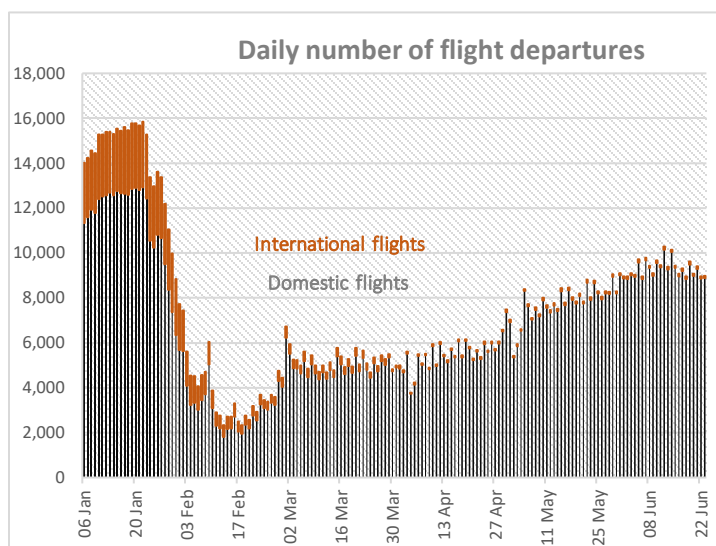


Source: DAC, EIA, Bloomberg

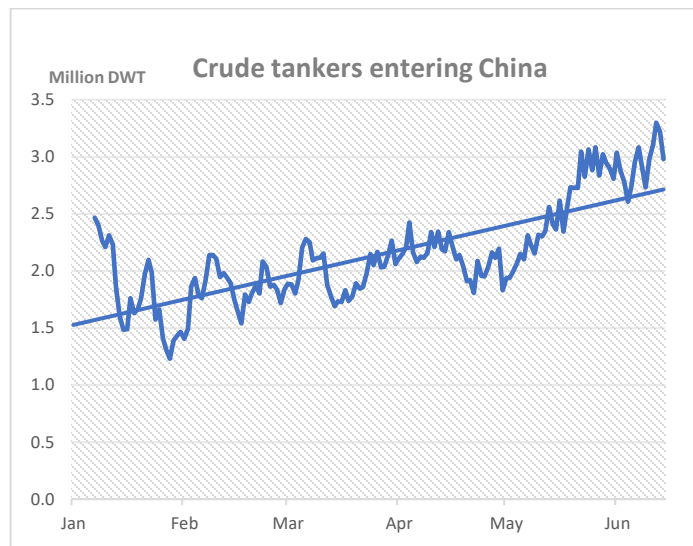
## Charts of the Month

Major Country - Mobility Trends Reports – China (a leading indicator of energy demand)

1. Below is a chart of the daily flight departures from major Chinese airports, which we consider a leading indicator of what might follow for other major countries as economies reopen. Domestic flights recovered noticeably, yet international flights might take much longer to come back to “normal.” Can the new outbreak in Beijing hinder the recovery of domestic flights? Let’s give a couple of weeks to see. ( data updated as of 6/23/2020)
2. The number of crude tankers entering China has increased from February’s low as independent refinery run rates shoot up above their five-year average, indicating demand is gradually improving. (data updated as of 6/14/2020)



Source: Bloomberg, FlightStats, Flightradar24



Source: Bloomberg.

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### Disclosures:

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