

February 26th, 2010

MF Global Daily Report

COMMODITIES | ENERGIES

EIA Inventory Preview

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ANALYSIS

EIA Oil Inventory Preview

The EIA is expected to report a build in crude oil stocks of 2.5 MB this week. The build would be slightly above the 1.9 MB increase shown in the five-year average for the week, but should be boosted by higher imports. Oil Movements data showed that between the w/e Feb 20th and Feb 27th, OPEC exports went from +430 kb/d to +20 kb/d. While that may imply a lower import number this week, we have noticed a lag in the cause-effect of Oil Movements' data of between 1 and 2 weeks. Gasoline stocks fell 0.9 MB last week due to a sharp increase in demand and despite a sharp increase in refinery output. We expect those two forces to moderate to some degree this week and produce an unchanged reading in gasoline. This week marks the first week of decline in the five-year average of gasoline stocks, which will remain in place through the w/e May 7th. Distillate stocks could be pressured due to winter weather at the end of the survey week, but EIA is still 6.0 MB below the API, signaling potential to make-up the difference.

EIA Inventories - w/e Feb 26th						API Inventories		
	Actual	Market Estimate	MFGR Estimate	Five-Year Average	Last Week	Converge with EIA	Actual	Previous
Crude Oil			+2.5 MB	+1.9 MB	+3.0 MB			+3.1 MB
Gasoline			Unch	-0.3 MB	-0.9 MB			+1.7 MB
Distillates			-0.5 MB	-1.7 MB	-0.6 MB			-0.8 MB
Utilization			Unch	-0.3%	81.2%			80.8%
Natural Gas			-124 bcf	-129 bcf	-172 bcf			

*The API convergence figures are the amounts that EIA data need to change in order to match the previous day's API figures