



## The Russians are Coming, the Russians are Coming! 2/13/22

It is still unclear what Putin's objectives are. But in a note I wrote over a week ago, I suggested that a full invasion would be like Tic Tac Toe, with no winners. While a full invasion and occupation of Ukraine is unlikely, a partial occupation is plausible. Yet, no physical invasion is still possible.

The U.S. imposed oil sanctions on the Venezuelan national oil company in 2019. We were getting 650,000-B/D from Venezuela before the sanctions were enacted. We were also importing about 250,000B/D of oil from Russia, primarily feedstocks. With the end of imports from Venezuela, Russian oil imports ballooned. They fully offset the oil from Venezuela.

Quietly, Russia is now our third largest oil importer at almost 700,000B/D and is about twice as large as the oil we import from Saudi Arabia. It accounts for about 8% of our imports.

The imports are primarily in the form of feedstocks and go primarily to refiners with sophisticated downstream units.

These refineries crack the feedstocks and produce gasoline and diesel.