

## The Administration Might Have Their Eye on Product Exports (Play It Again Sam)

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For the moment, “all’s quiet on the western front.”

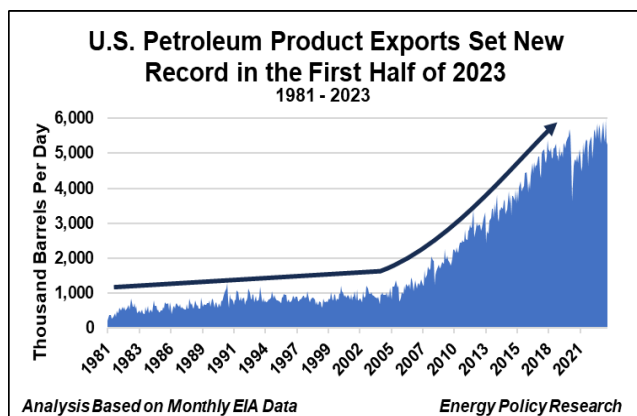


Figure 1 - U.S. petroleum product exports totaled nearly 6.0 million barrels per day (b/d) in the first half of 2023, 2% more than during the same period in 2022. The first half of 2023 saw the most U.S. petroleum product exports during the first six months of any year.

That could change in a heartbeat. Product inventories are tight and refining margins have been strong. U.S product exports are at record levels, 6 MMB/D (see *Figure 1*).

If Russia maintains their product export ban for a month, product stocks could get lower even if we experience some weakness in crude oil prices. This is due to the fact that U.S. refiners will go into large refining turnarounds over the next few months.

While the Administration pays some attention to crude oil prices, it is product prices that get their attention.

We believe it is not out of the question that the Administration might once again revisit the issue of a ban. This would be counter-productive and **would raise prices everywhere.**

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He has testified numerous times before congressional committees and regulatory bodies and has been appointed to the National Petroleum Council (NPC) by every recent U.S. Secretary of Energy. He has briefed the Chairman of the Federal Reserve Board, senior officials at the Government Accountability Office, and a wide range of government agencies on developments in domestic and world petroleum markets. He has also served as consultant to the Iraq Coalition Provisional Authority. During the 1970s and 1980s he frequently appeared on the CBS Evening News anchored by Walter Cronkite.