Oil and Gas Markets Brief
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1.) The closing bell: oil futures contracts prices closed trading day on Tuesday reversing previous losses and turning to important gains with the Brent wrapping up session at 106.7$ while the West Texas Intermediate (WTI) closed at 97$ in another reflection of volatility of the global oil and gas markets after the Fed announced another interest rate hike of 75 bps in an unanimous vote, instead of the speculated 100 bps hike, as there still remains important concerns over the path of supplies amid a growing demand despite fears of recession and considering recent production disruptions and outages such as in Kazakhstan, Nigeria, as there is still concerns over the capacity by OPEC+ to keep the world oil markets properly supplied as there's still a gap between global oil supplies and demand for the rest of this year, while also prompted by another significant draw in US oil inventories after the recent report by the EIA.

On the other hand, the dollar fell slightly after jumping higher in the dollar index as it wrapped up session at 107 against the major foreign currencies while the euro recovered a slight bit against the dollar to end trading session at 1.0144, Meanwhile, the russian ruble gained a slight bit against the dollar to finalize trading session at 59.36 USD-RUB, the Japanese yen closed trading day at 136.99, gold recovered slightly to close trading session at $1723.4, silver also recovered to trade at $18.7, and the sterling pound in the UK kept on dropping trading at GBP/USD 1.20, while the VIX fell importantly to settle at 23.57, as markets seemed to take the recent hike better than expected.

2.) EIA data: as its usual the Energy Information Administration released its weekly report showing another significant drop in US oil inventories as a consequence both of a high demand of gasoline and consecutive sales by the Biden administration of oil from its Strategic Petroleum Reserves after a recent sale of 20 millions of barrels in continued efforts with the IEA members in order to push down oil and gasoline prices in the U.S. Here are some of the most important numbers of the report for the week ending July 22nd:

Crude: -4.5 MMBD
Gasoline: -3.30 MMBD
Distillates: -0.22 MMBD
Refining rate: 16.02 MMBD
Exports: 4.5 MMBD
Imports: 6.15 MMBD

Significant how both inventories of oil and gasoline have been dropping for the last recent consecutive weeks in the US with refining rates increasing as well while exports have also been jumping representing overall a higher demand for oil and gasoline in the country especially during summer season as gasoline prices have been showing signs of cooling off and dropping below the 4$ per gallon levels in recent days in different states part of the strategy of the Biden administration ahead of the November midterm elections crucial for the Democrats to control the Congress as the popularity of President Biden has been dropping importantly.

Petroleum Supply (Thousand Barrels per Day)	Current Week	Week Ago		Year Ago		Four-Week Averages Week Ending			Cumulative Daily Average		
	7/22/22	7/15/22	Difference	7/23/21	Difference	7/22/22	7/23/21	Percent Change	7/22/22	7/23/21	Percent Change
Crude Oil Supply											
(1) **Domestic Production**[6]	12,100	11,900	200	11,200	900	12,025	11,325	6.2	11,804	10,945	7.9
(2) Alaska	433	435	-2	342	91	427	398	7.2	442	456	-3.1
(3) Lower 48	11,700	11,500	200	10,900	800	11,625	10,950	6.2	11,380	10,493	8.5
(4) **Net Imports (Including SPR)**	1,616	2,760	-1,144	4,018	-2,401	3,064	3,524	-13.1	3,135	3,066	2.3
(5) Imports	6,164	6,519	-355	6,507	-342	6,550	6,425	1.9	6,342	6,037	5.1
(6) Commercial Crude Oil	6,164	6,519	-355	6,507	-342	6,550	6,425	1.9	6,342	6,037	5.1
(7) Imports by SPR	0	0	0	0	0	0	0	0.0	0	0	0.0
(8) Imports into SPR by Others	0	0	0	0	0	0	0	0.0	0	0	0.0
(9) Exports	4,548	3,759	789	2,489	2,059	3,486	2,901	20.1	3,206	2,970	7.9
(10) **Stock Change (+/build; -/draw)**	-1,447	-778	-669	-584	-863	-600	-640	– –	-565	-328	– –
(11) Commercial Stock Change	-646	-64	-582	-584	-62	233	-598	– –	24	-246	– –
(12) SPR Stock Change	-801	-714	-87	0	-801	-833	-42	– –	-590	-83	– –
(13) **Adjustment**[7]	864	881	-17	73	791	667	534	– –	324	504	– –
(14) **Crude Oil Input to Refineries**	16,027	16,319	-292	15,875	152	16,356	16,022	2.1	15,829	14,843	6.6

3.) Natural gas prices: natural gas future prices fell 2% in todays trading session in the U.S. to wrap up session at $8.5 per MMBTU after the EU got a consensus to reduce gas consumption in the middle of a deep division between members of the bloc over this measure. Meanwhile the gas futures prices in Europe of the dutch TTF contracts for October jumped for another straight day to 208 euros as a consequence of the unfolding crisis with Europe rushing to get enough storage capacity before the winter season and at odds over the gas consumption and purchases of gas to Russia just as US LNG exports to Europe seems to not be able to keep its pace in the coming weeks and months due to recent infrastructure problems and accidents.

Meanwhile, Turkey announced it is to expand its exploration for gas in the Eastern Mediterranean, as Europe continues to seek for further alternatives of gas but in such a volatile hub such as the Eastern Mediterranean due to the different interests and intentions by players seeking to maximize their share of gas production such as Cyprus, Egypt, Israel and Greece and where Turkey has shown it is not intent to be left behind the race for gas in the area.

3.) Geopolitical risks and developments: Russia continues its military intervention in the Donbass region although based on recent statements by Russia FM Lavrov Moscow doesn't consider enough the control of the Donbass but it is determined to control the wholle country while Ukraine government announced it is to fully recover control of the city of Kherson currently under control of russian forces just as Russia continues to deepen its propaganda efforts in the occupied Crimea as there are expectations that Ukraine can launch an attack to recover the peninsula from Moscow in whats already a protracted war where no side seems to surrender and to be a war of exhaustion causing important and significant damages to the russian and ukrainian economies and impacting food and energy prices across the world.

The crisis in Libya for its part continues although it was known that its oil production recovered to over 1 MMBD after all force majeure was lifted and blockades vanished although remaining the veritable possibility of renewed interruptions of production if the political crisis in the country continues unsolved without the celebration of presidential elections that can define a clear and unified government as still 2 governments clash for power and control of oil revenues, main cause of the existing problem in the north African country.

Meanwhile in Iraq, another key oil producer and exporter in OPEC, protesters stormed the parliament in the capital Baghdad where hundreds of Iraqi protesters have breached Baghdad's parliament building in a protest against the selection of a nominee for prime minister by Iran-backed parties and after the country experienced drone attacks allegedly perpetrated by Iran backed militias against the US consulate and in the Kurdistan region against gas wells, as it is gradually falling potentially into a political crisis which could end up similarly to whats happening in Libya so far, and which could potentially signify an impact to the second largest oil producer of the OPEC group in moments with growing concerns of supply shortages.

Assessment: As there still exists fears of lack of supply, we can add recent problems regarding exports via the Caspian Pipeline Consortium exporting Kazakh oil, problems with the Atyrau refinery in Kazakhstan, an outage causing an interruption of a pipeline in Nigeria transporting 180.000 barrels, potential new disruptions of oil exports from Libya, the still frozen nuclear talks with Iran and the still block of further Iranian oil exports, sanctions against russian oil exports to Europe, lack of spare capacity enough from OPEC countries especially from Saudi Arabia and the UAE, draining reserves of the US, which altogether are adding real pressures on physical and financial oil markets and prices which seems that can only be brought down via a recession leading to a demand destruction depending on the path of the inflation in high consuming and importing of oil nations.