

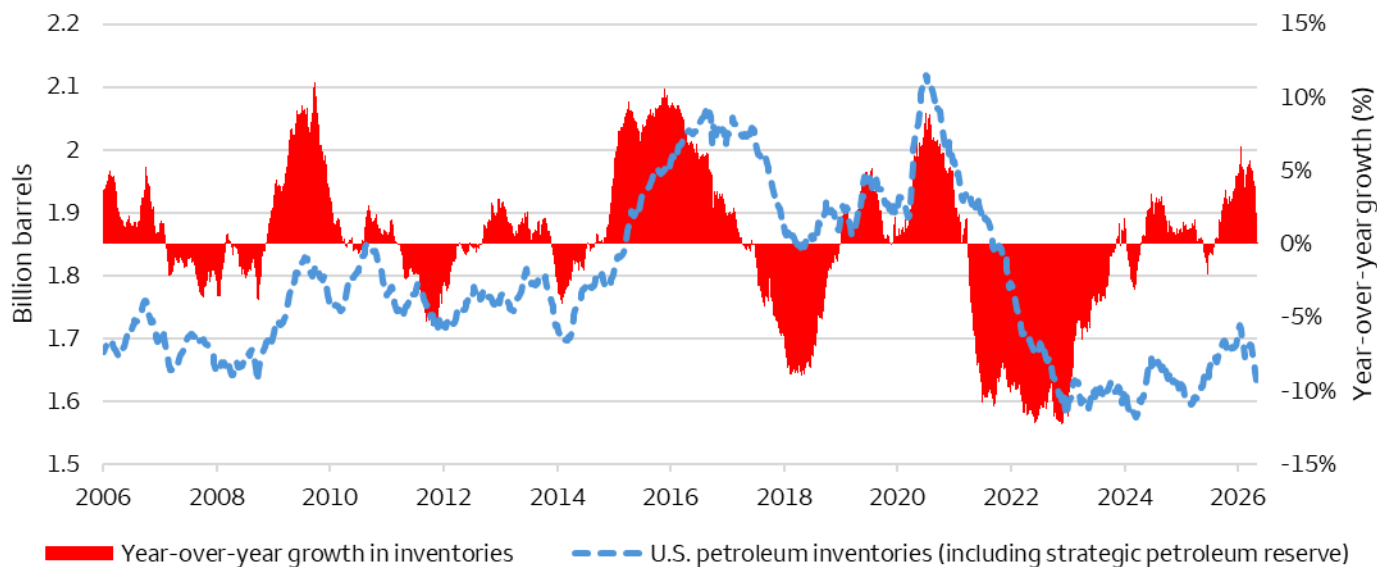


Chart of the Week

Weekly analysis of key themes in markets

June 9, 2026

U.S. energy inventories are tightening



Sources: Bloomberg and Wells Fargo Investment Institute. Weekly data is from January 5, 2006, through May 8, 2026. Petroleum inventories represent total crude oil and petroleum product inventories.

Shrinking U.S. export inventories cause greater petroleum pressures

The U.S. position as a net energy exporter has provided some insulation from the immediate global supply shocks. However, markets are interconnected, meaning the U.S. is not immune to the lasting effects of higher global prices and supply disruptions. With strong growth in U.S. production along with lower transportation risks, trade flows have shifted and are starting to pull on U.S. inventories.

As shown above, inventories have been pressured lower by a surge in exports, heightened refining activity, and an emergency 172-million-barrel release from the Strategic Petroleum Reserve earlier this year. In effect, these drawdowns have reduced some of the U.S. supply buffer heading into the summer.

What it may mean for investors

Upcoming seasonal demand could intensify these pressures, as inventories typically decline during the summer. For consumers, this will likely translate into higher gasoline prices over the coming months. In our view, we do not recommend chasing returns in energy with oil prices already elevated. Instead, we believe taking profits in energy and rotating exposure to our favorable areas such as Precious or Industrial Metals, may offer greater upside.

Mason Mendez, Investment Strategy Analyst

Excerpted from Investment Strategy report (May 26)

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