

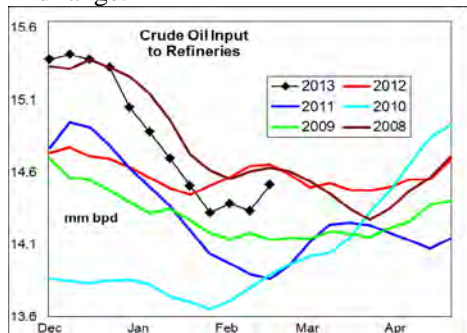


WEEKLY CRUDE OIL FUNDAMENTAL - PRICE TRENDS

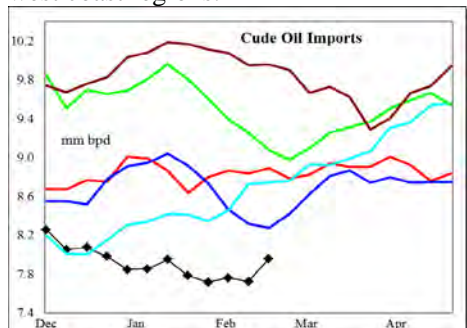
A Fundamental Petroleum Trends Weekly Report

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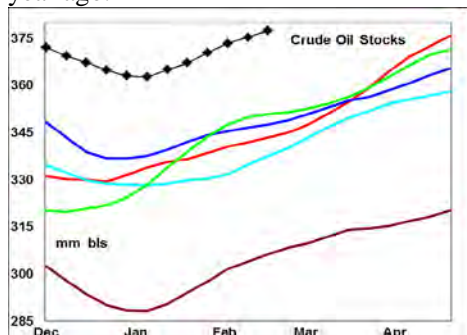
Supply & Refinery Input Crude oil refinery runs increased +335,000 bpd last week, to a level above the 5-year mid range.



Thru put for the latest 4-wk period was -296,000 bpd below a year ago, driven by reduced thru put in the midwest, gulf and west coast regions.

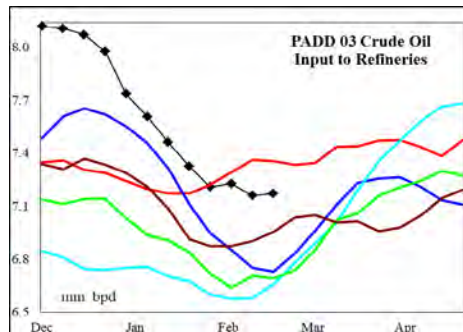


Crude oil imports increased +269,000 bpd last week, to a level above recent record lows. The latest 4-wk average imports were -1.2 million bpd below a year ago.



Crude oil stocks increased +1.1 million barrels on the week, with the increase concentrated in the Gulf region. Crude oil stocks ended the week +33 million barrels above a year ago.

Regional Markets Crude oil runs increased in all major regions last week.

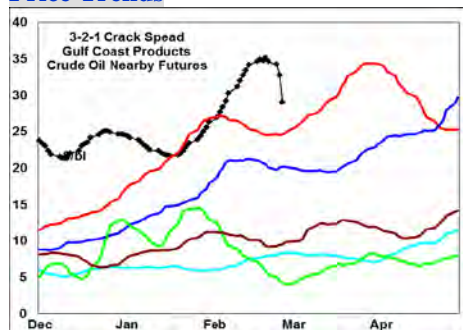


During the most recent 4-wk period runs decreased -157,000 bpd in PADD 3, -103,000 bpd in PADD 2 and -53,000 bpd in the West Coast compared to a year ago. Runs increased +12,000 bpd in PADD 1 and +4,000 bpd in the Rockies compared to last year.

The latest 4-wk average change in imports was a -1.2 million bpd decrease versus last year; while domestic production climbed +1.3 million bpd.

Crude oil imports in the Gulf Region were -1.3 million bpd below a year ago, partially offset by a +0.3 million bpd rise in the Midwest. The deficit in Gulf imports is offset by sharply higher domestic supply.

Price Trends

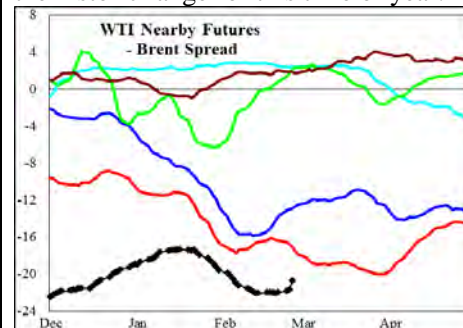


WTI crude oil prices declined -\$1.50/bbl for the week ending 27Feb13. Gulf Coast RBOB gasoline prices fell -\$10/bbl while distillate prices were -\$7.25/bbl lower on the week. Weak refined product prices led to a sharp drop in the Gulf refining margin last week.

The forward crude oil price curve (1st to 4th month calendar spread) trended lower last week, ending the week at a level below the last 3-years.

The WTI - Brent crude oil price

spread trended higher last week on increased Gulf demand for inland crude oil grades. The spread remains below the historic range for this time of year.



Prices for Canadian light crude grades compared to WTI futures trended higher last week, ending at a level near the historic mid range. Heavy Canadian crude grades traded sideways compared to WTI futures during the week, ending at a level above last year's record lows. Waterborne grades trended lower on the week against WTI, although the level remains above last years' record highs. West Texas domestic sour crude oil grades trended higher compared to WTI futures, ending the week near highs of the last 3-years for the period.

Refined Product Trends

Middle distillate demand fell over -0.4 million bpd last week, as lower wholesale prices caused the downstream supply chain to draw down stocks.

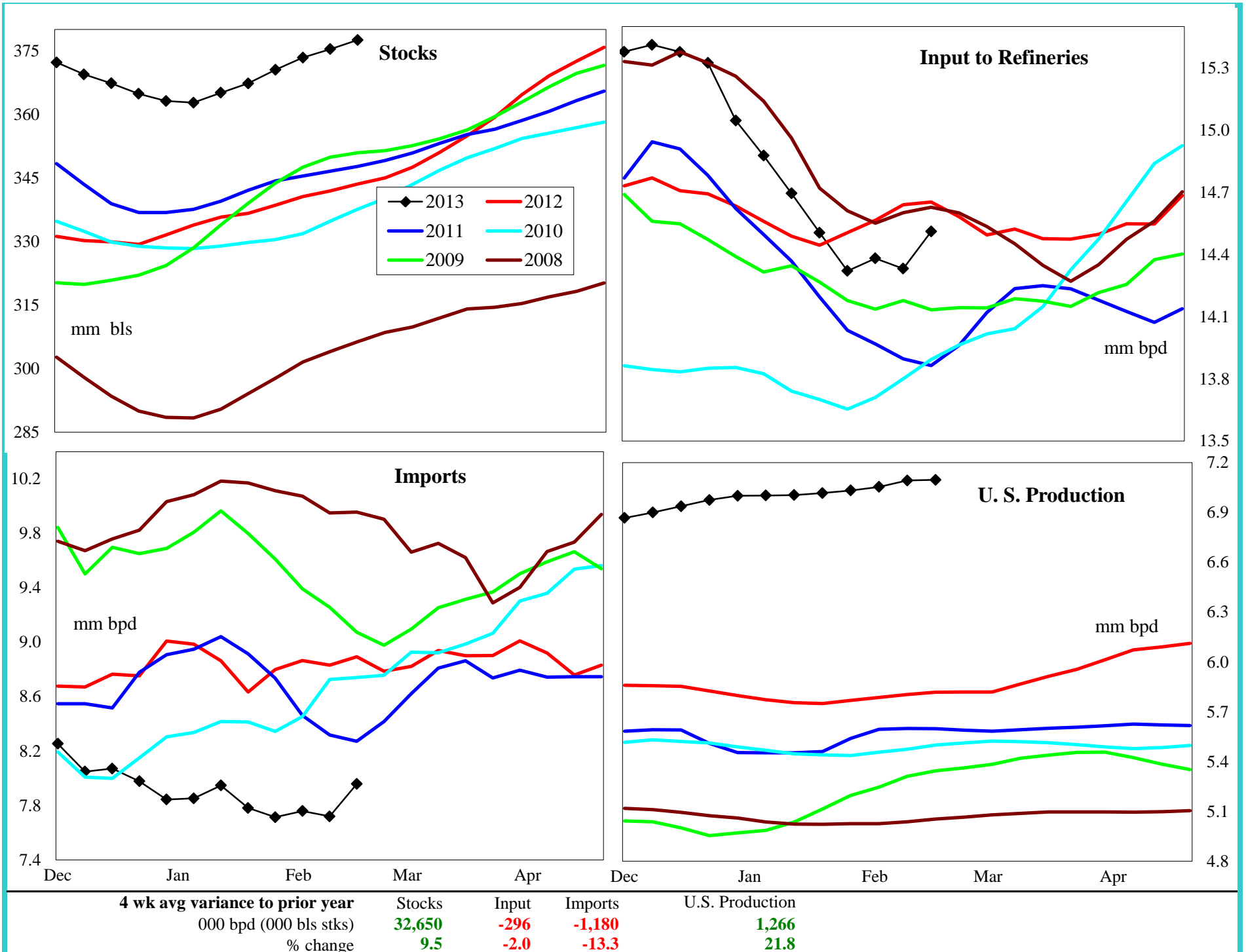
A onetime jump in transport fuel output on blending of intermediate feed stocks as refiners restarted lifted supplies and limited product stock draws for the week.

Emerging Crude Oil Trends

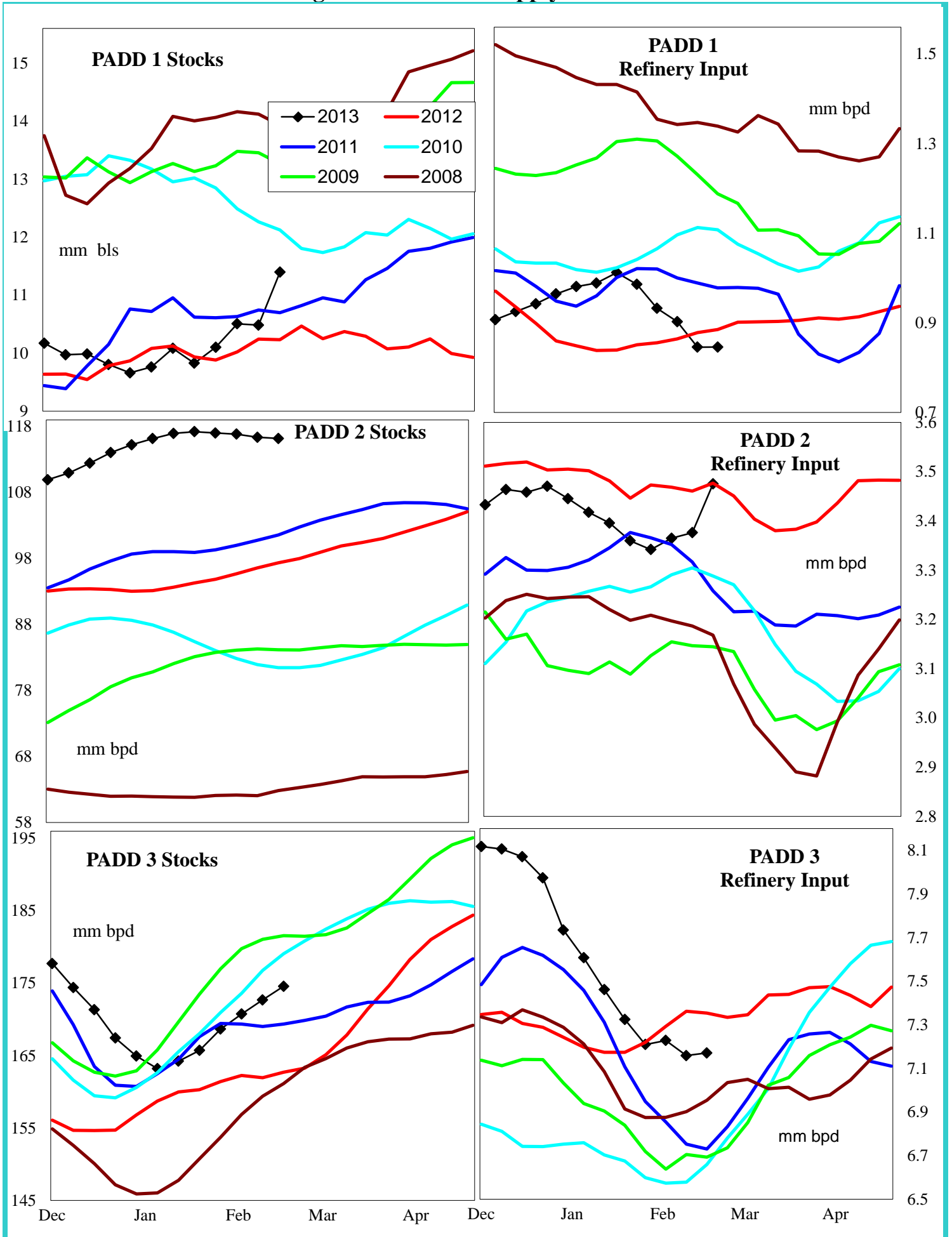
Canadian and domestic inland crude oil prices strengthened against WTI NYMEX futures and waterborne grades last week as refiners increased runs in all major markets. Seasonal refinery maintenance should lead to continued builds in crude oil stocks over the next 60-days. Look for further strength in inland and Canadian grades as gulf refiners increase receipts from these markets.

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United States Crude Oil Supply and Demand Balance



Regional Crude Oil Supply / Demand



Crude Oil Price and Margin Trends

