

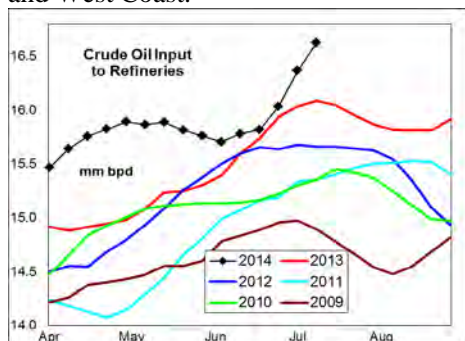


WEEKLY CRUDE OIL FUNDAMENTAL - PRICE TRENDS

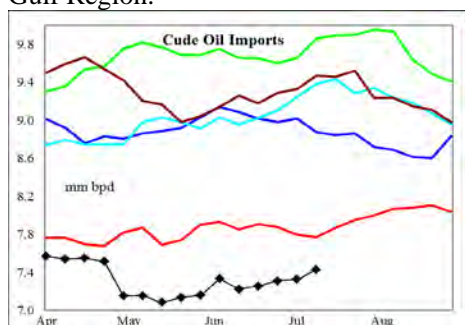
A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com

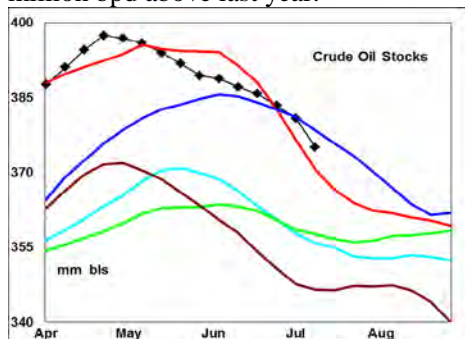
Supply & Refinery Input Crude oil refinery runs increased +374,000 bpd last week, concentrated in the Midwest and West Coast.



Thru put for the latest 4-wk period was +155,000 bpd above a year ago, with the modest increase due to earlier storms that led to unplanned maintenance in the Gulf Region.



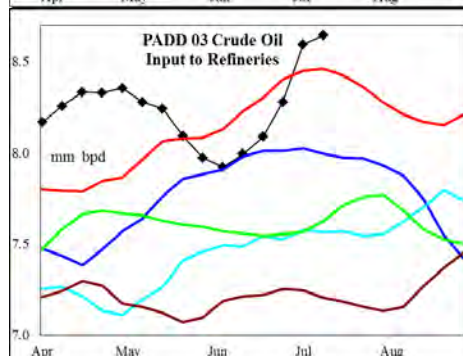
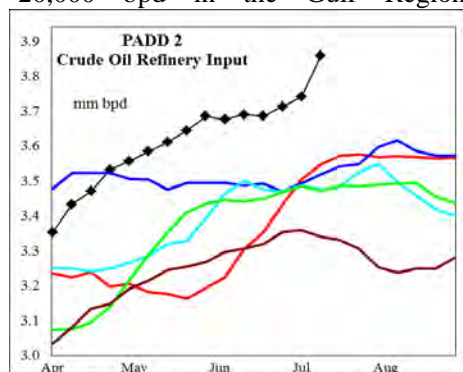
U.S. imports increased +142,000 bpd last week, with the 4-wk average +0.4 million bpd above last year.



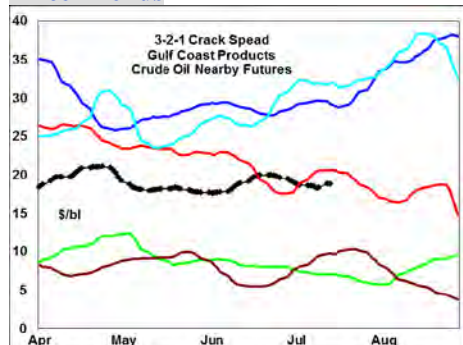
Crude oil stocks fell -7.5 million barrels last week, driven by season high refinery crude oil runs. Cushing saw a -0.7 million barrel draw, driving stock levels to a new record low.

Regional Markets Runs in the Midwest region jumped +0.2 million bpd last week to a new all time high. Runs for

the most recent 4-wks were +226,000 bpd above a year ago in the Midwest, +39,000 bpd on the East Coast, and unchanged in the Rockies. Runs were -92,000 bpd lower on the West Coast and -20,000 bpd in the Gulf Region.



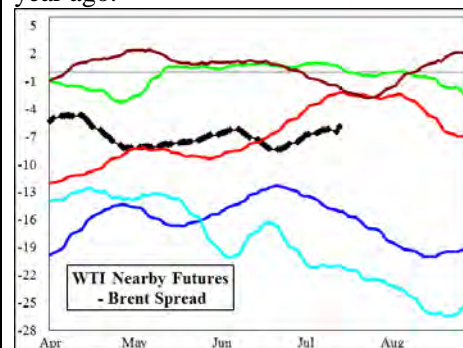
Price Trends



WTI crude oil prices decreased - \$3.75/bbl for the week ending 15Jul14. Gulf Coast RBOB gasoline prices declined -\$3.25/bbl on the week while distillate prices were -\$0.75/bbl lower. Gulf refining margins were nearly unchanged last week, ending at a level slightly below last year (based on WTI crude oil prices).

The forward crude oil price curve

(1st - 4th contract month) trended lower last week, with the spread well below a year ago.



The WTI - Brent crude oil price spread trended higher last week, ending at a level slightly below a year ago.

Prices for Canadian heavy and light crude grades compared to WTI futures trended lower last week, ending at a level that matched 5-yr lows for the period.

WTI Midland crude oil price relative to WTI futures increased slightly last week, but remain near recent record lows. Gulf waterborne domestic crude oil grades relative to WTI trended higher on the week, but remain below a year ago.

Refined Product Trends

Wholesale demand for middle distillates fell a combined -0.5 million barrels on the week, leading to a +3.1 million barrel stock build.

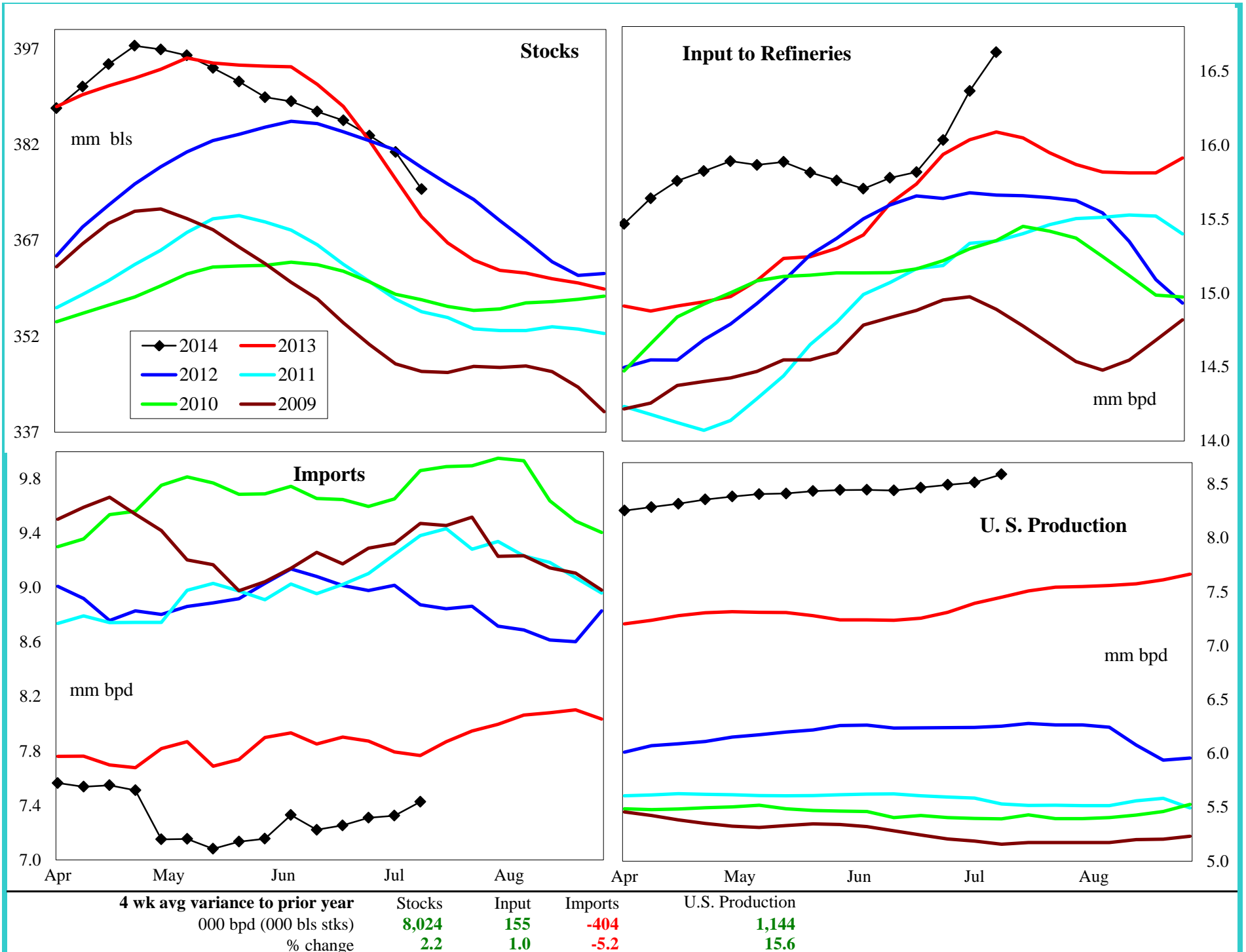
With peak season refinery crude oil runs now occurring, look for a significant improvement in the product supply balance for transport fuels during the next 60-days, in the absence of hurricane disruptions.

Emerging Crude Oil Trends

The West Texas cash market remains very over supplied. Canadian crude oil supplies are also very ample with price differentials to WTI matching record lows.

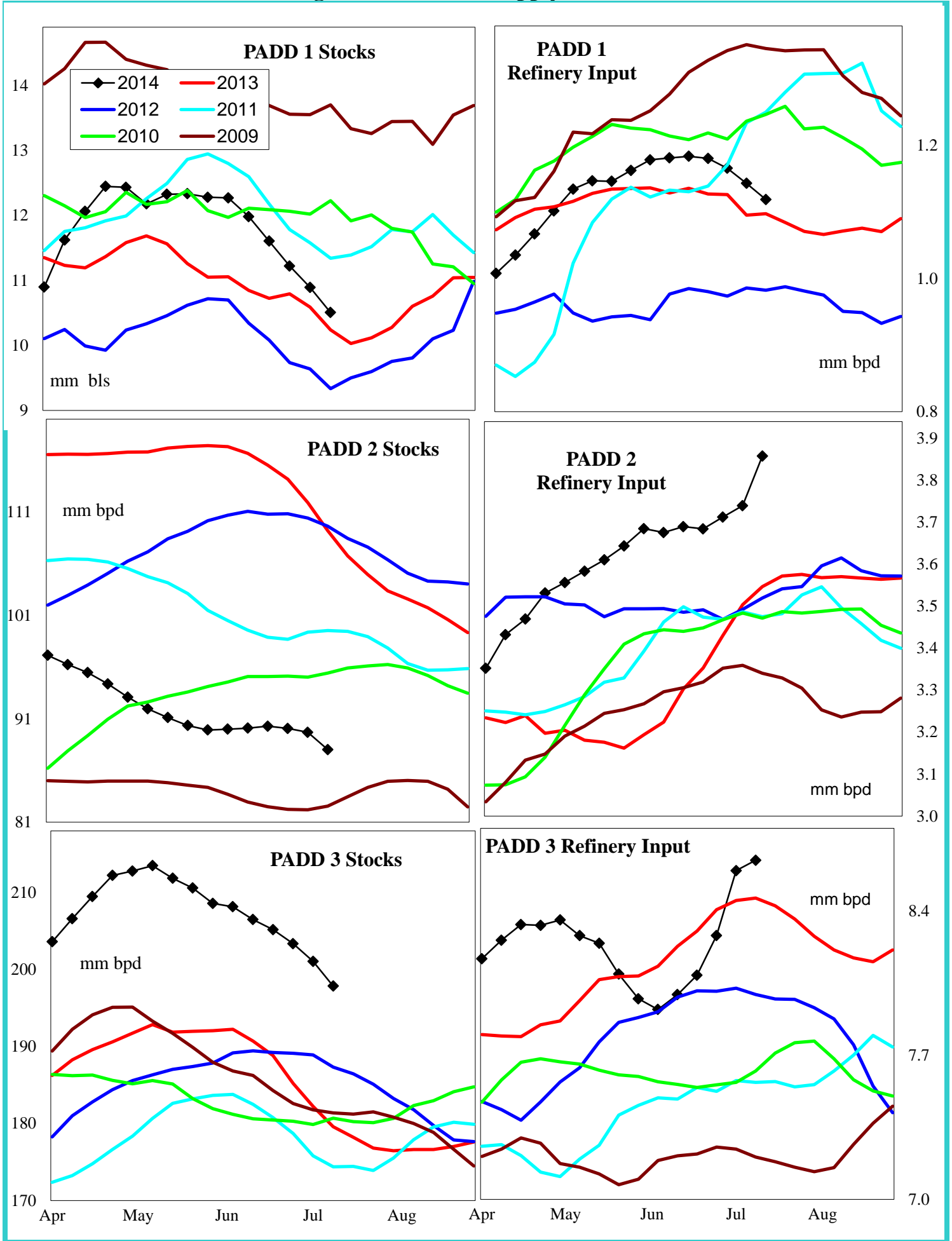
Very high crude oil runs should lead to further stock draws during the next 60-days.

United States Crude Oil Supply and Demand Balance



4 wk avg variance to prior year	Stocks	Input	Imports	U.S. Production
000 bpd (000 bls stks)	8,024	155	-404	1,144
% change	2.2	1.0	-5.2	15.6

Regional Crude Oil Supply / Demand



Crude Oil Price and Margin Trends

