

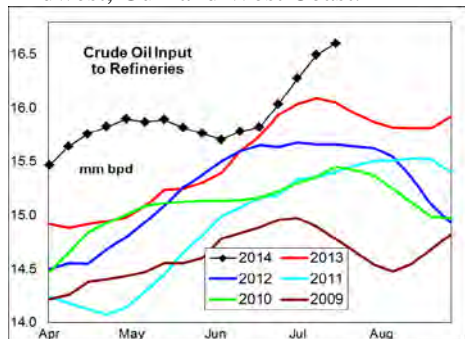


## WEEKLY CRUDE OIL FUNDAMENTAL - PRICE TRENDS

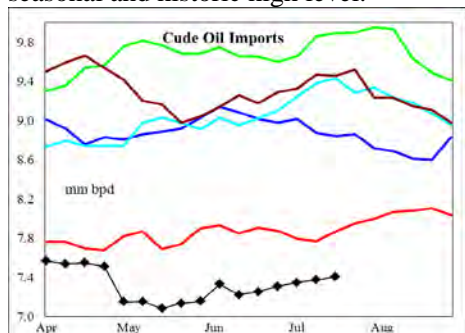
### A Fundamental Petroleum Trends Weekly Report

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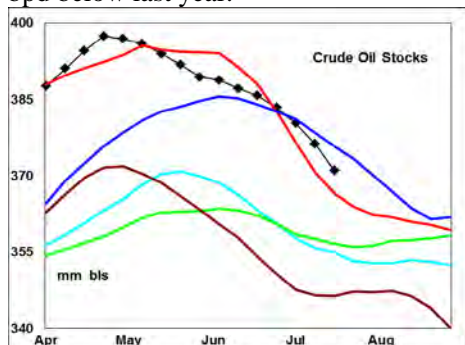
**Supply & Refinery Input** Crude oil refinery runs decreased -28,000 bpd last week, with small declines in the Midwest, Gulf and West Coast.



Thru put for the latest 4-wk period was +305,000 bpd above a year ago, a seasonal and historic high level.



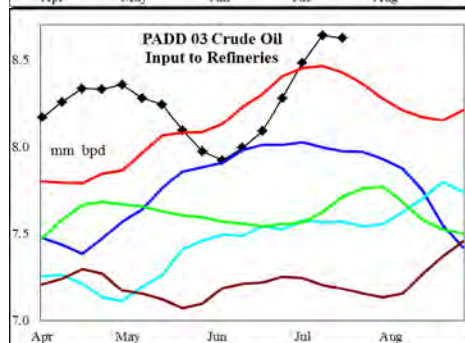
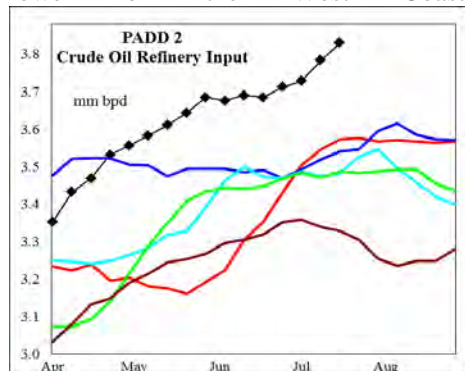
U.S. imports decreased -20,000 bpd last week, with the 4-wk average -0.3 million bpd below last year.



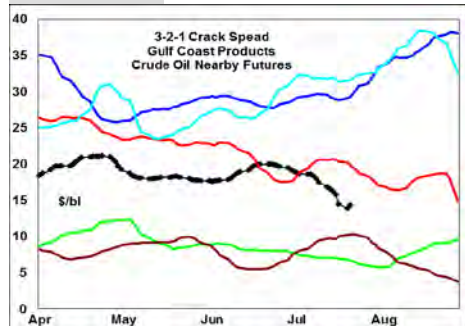
Crude oil stocks fell -4 million barrels last week, driven by season high refinery crude oil runs. Cushing saw a -1.5 million barrel draw, driving stock levels to a new record low.

**Regional Markets** Runs in the Midwest region decreased -28,000 bpd last week, near an all time high. Runs for the most recent 4-wks were +224,000 bpd above a

year ago in the Midwest, +121000 bpd on the Gulf, and +50,000 bpd on the East Coast. Runs decreased -91,000 bpd lower on the West Coast.



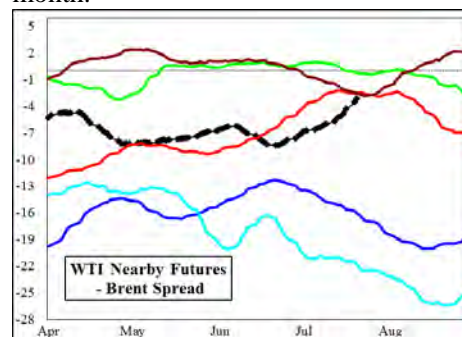
### Price Trends



WTI crude oil prices climbed +\$4/bbl for the week ending 22Jul14. Gulf Coast RBOB gasoline prices declined -\$0.75/bbl on the week while distillate prices were +\$0.25/bbl higher. Gulf refining margins fell sharply last week on weakness in product prices, ending at the lowest level of the year (based on WTI crude oil prices).

The forward crude oil price curve (1<sup>st</sup> - 4<sup>th</sup> contract month) trended sharply higher last week, ending the week at a record high in favor of the prompt

month.



The WTI - Brent crude oil price spread trended higher last week, ending at a level equal to last year.

Prices for Canadian heavy and light crude grades compared to WTI futures trended sharply lower last week, ending at a level below the historic range for this time of year.

WTI Midland crude oil price relative to WTI futures fell back to match recent lows on the week. Gulf waterborne domestic crude oil grades relative to WTI trended higher on the week, ending at a level above two of the last 3-yrs.

### Refined Product Trends

Wholesale demand for gasoline declined -1% below a year ago during the most recent 4-wk period. Combined with season high refinery crude oil runs, all regional gasoline markets are well supplied. Distillate production reached a new record high last week, offsetting a rebound in wholesale demand.

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

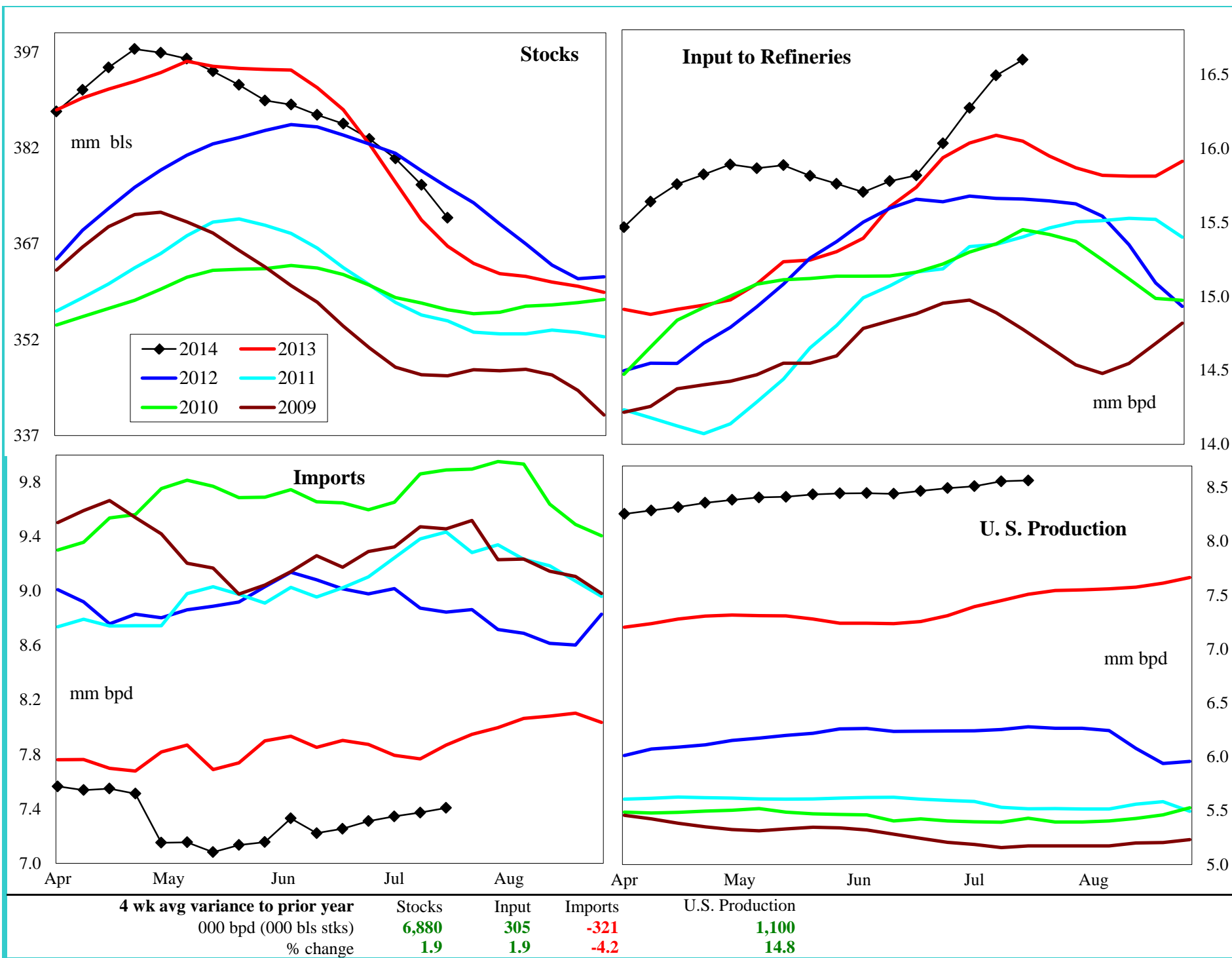
### Emerging Crude Oil Trends

Canadian crude oil markets weakened significantly compared to WTI futures last week. The West Texas cash market remains very over supplied.

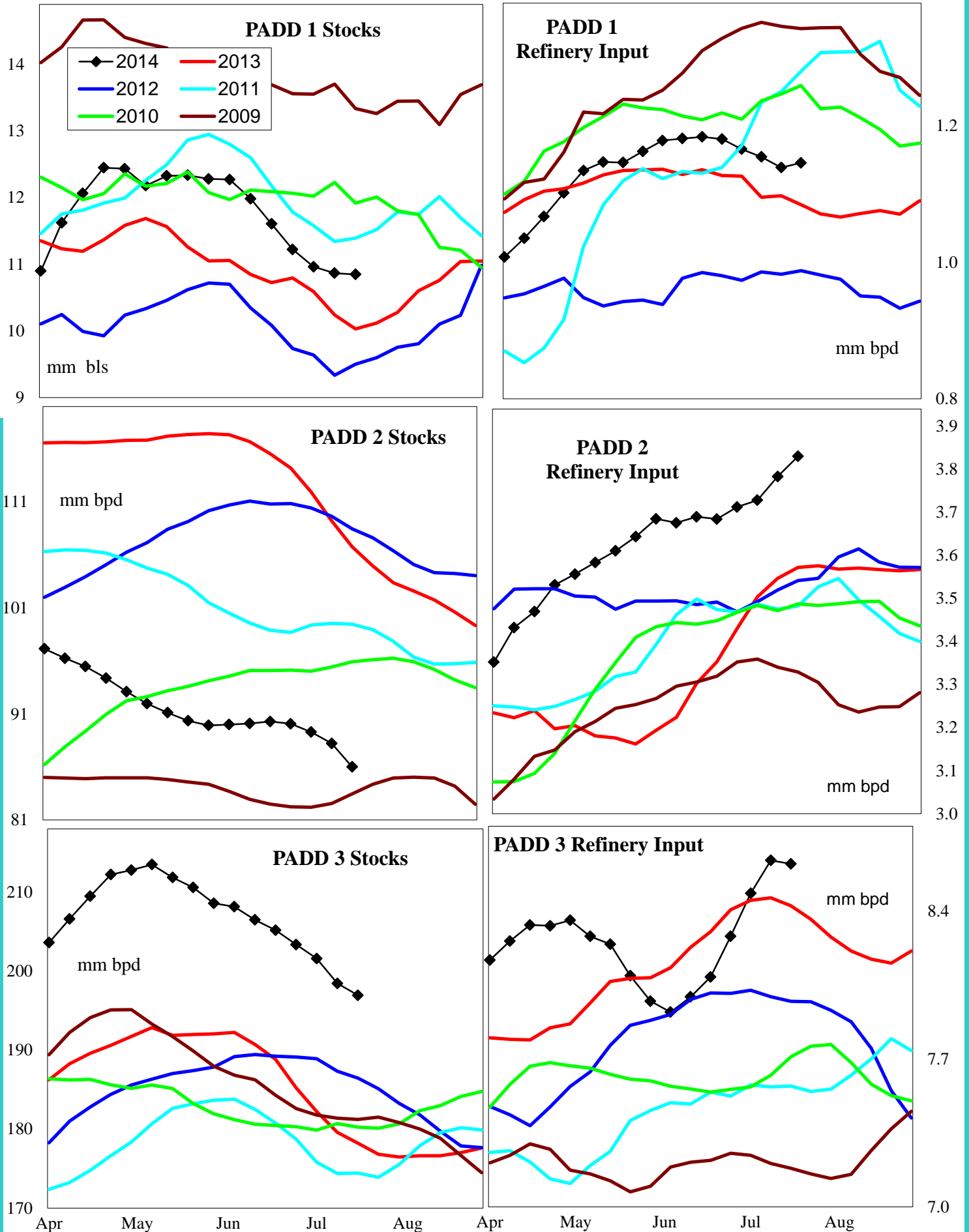
Very high crude oil runs should lead to further stock draws during the next 60-days.

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# United States Crude Oil Supply and Demand Balance



# Regional Crude Oil Supply / Demand



# Crude Oil Price and Margin Trends

