

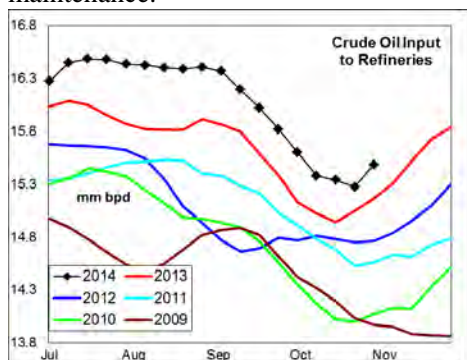


WEEKLY CRUDE OIL FUNDAMENTAL - PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

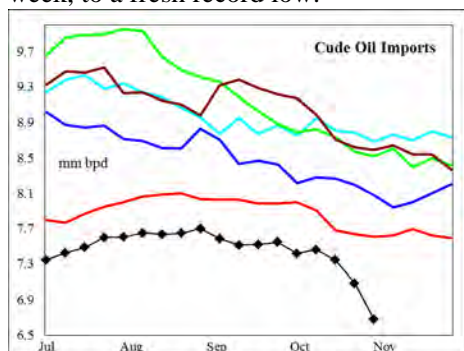
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Supply & Refinery Input Crude oil refinery runs climbed +356,000 bpd last week, with increased concentrated in the Gulf and Midwest. Look for continued run increases as refiners return from fall maintenance.

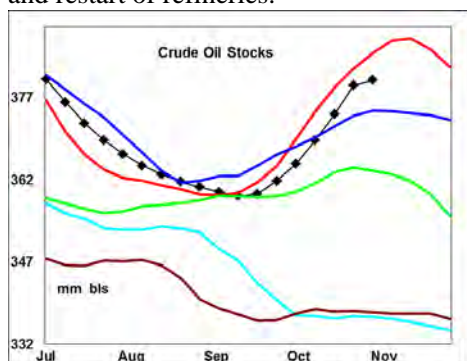


Thru put for the latest 4-wk period was +0.3 million bpd above a year ago, with thru put above last year in all regions except the Midwest.

Imports fell -0.4 million bpd on the week, to a fresh record low.



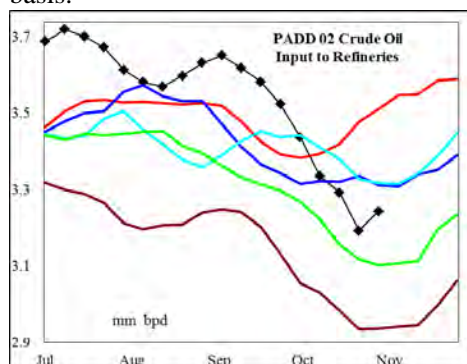
Stocks increased +0.5 million barrels last week, limited by extremely low imports and restart of refineries.



This included a -0.6 million barrel draw in Cushing. Crude oil stocks in the

combined Midwest and Gulf regions have seen a 4-wk build of +18.6 million barrels, a record rate of build.

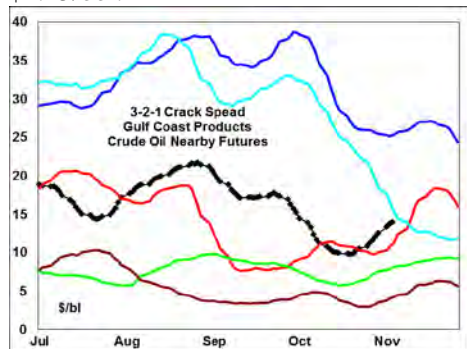
Regional Markets Refinery maintenance in the midwest has resulted in thru put below each of the last 3-yrs; contributing to the spike in diesel cash basis.



During the most recent 4-wk period, crude input on the Gulf was +287,000 bpd above last year, East Coast +242,000 bpd, with the Rockies and West coast nearly unchanged from last year. The Midwest saw a -212,000 bpd decrease.

Price Trends

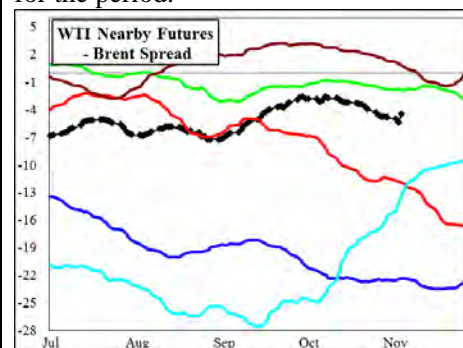
WTI crude oil prices decreased -\$3/bbl for the week ending 05Nov14. Gulf Coast RBOB gasoline prices increased +\$1.75/bbl while distillate prices fell -\$4.25/bbl.



The 3-2-1 crack spread trended higher on the week, to a level equal slightly above last year (based on WTI crude oil prices).

The forward crude oil price curve (1st - 4th contract month) trended lower last week, ending the week at an inversion comparable to the prior highs

for the period.



The WTI – Brent crude oil price spread traded sideways on the week, ending at a level well above each of the last 3-yrs.

Prices for heavy Canadian crude grades compared to WTI futures trended lower last week, although the level remains above each of the last 3-yrs.

WTI Midland crude oil price relative to WTI futures trended sharply higher on the week, ending at a level well above each of the last 2-yrs.

Gulf waterborne domestic crude oil grades relative to WTI trended lower on the week, ending at a level slightly above last year.

Refined Product Trends

Wholesale demand for gasoline climbed to a level above the historic range as the downstream supply chain restocked following the steep price decline. Distillate wholesale demand fell to a level below the 5-yr range. Stock levels for all transport fuels decreased a combined -2.7 million barrels on continue refinery maintenance that limited production rates.

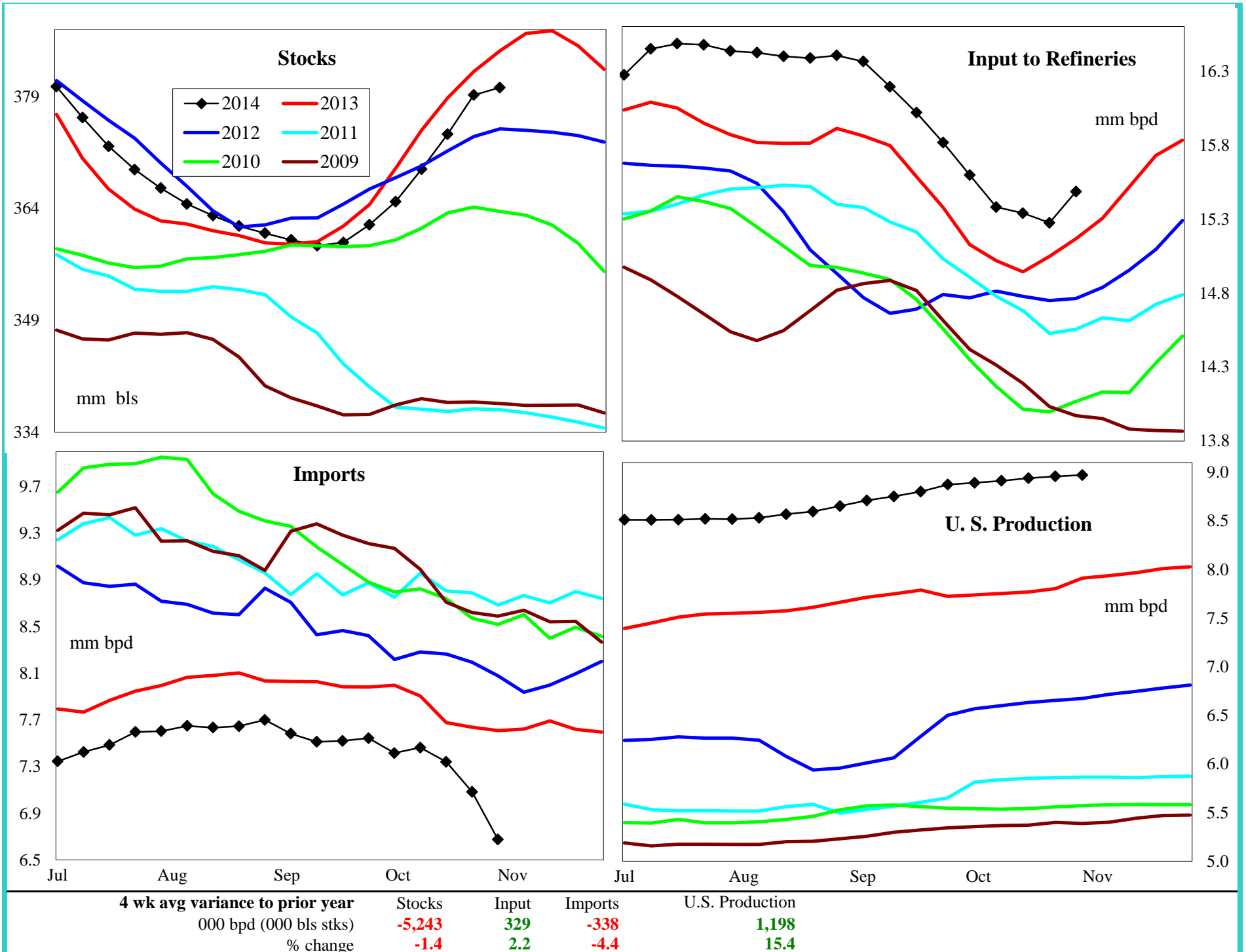
Emerging Crude Oil Trends

Canadian crude oil price differentials to WTI futures are falling sharply on increased supplies. Concurrently WTI cash price differentials are trending sharply higher to levels well above the last 2-yrs on startup of pipelines debottlenecking distribution from West Texas.

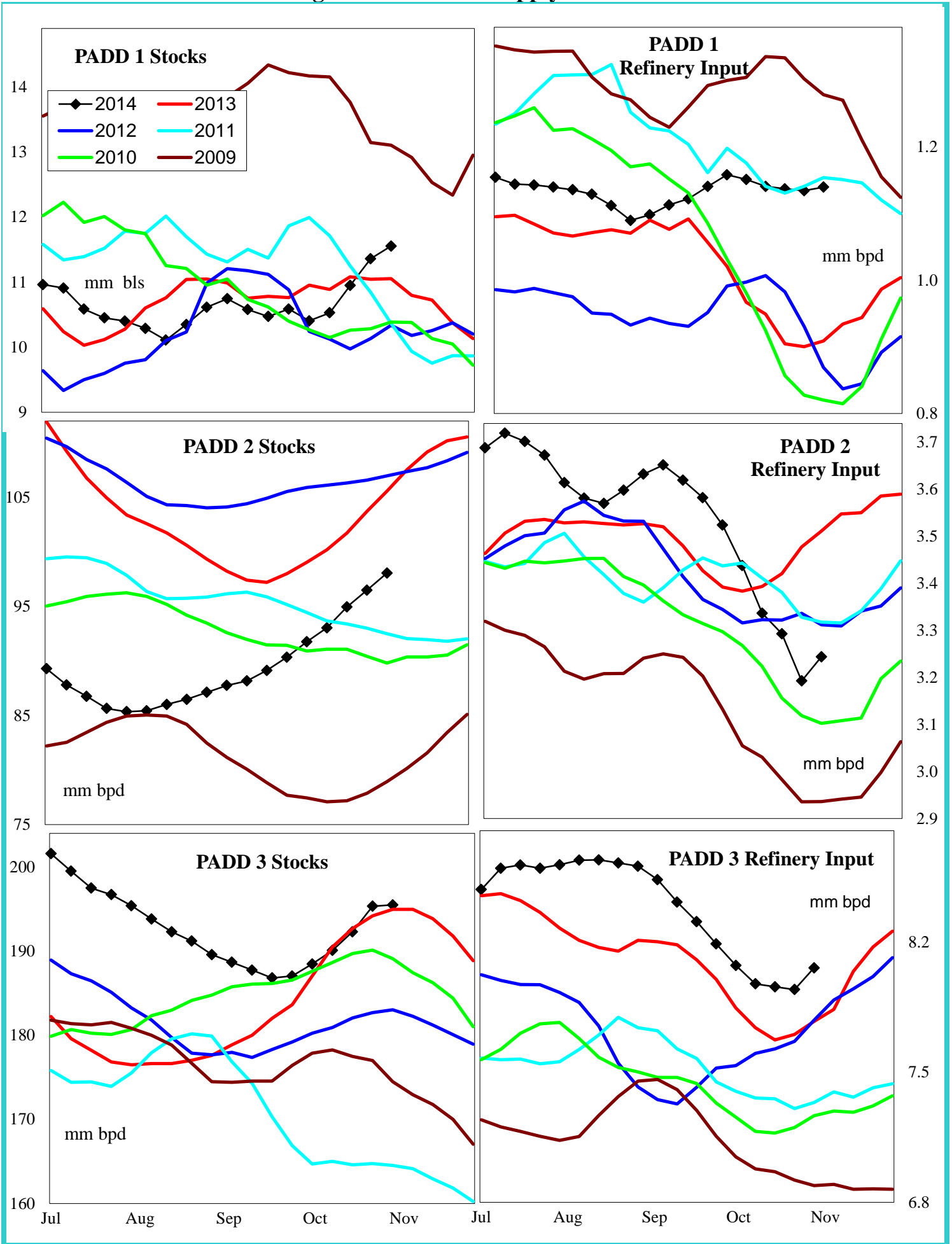
Higher refiner demand for crude oil over the next 30-days and start of winter heating demand should provide support to global oil prices.

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United States Crude Oil Supply and Demand Balance



Regional Crude Oil Supply / Demand



Crude Oil Price and Margin Trends

