



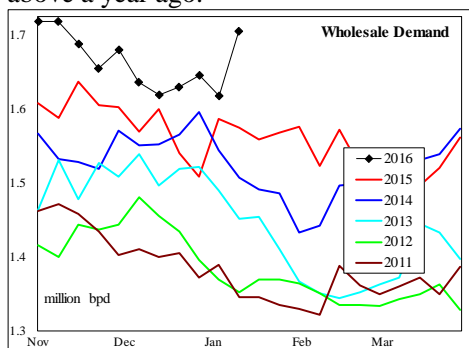
WEEKLY JET FUEL FUNDAMENTAL-PRICE-BASIS OUTLOOK

A Fundamental Petroleum Trends Weekly Report

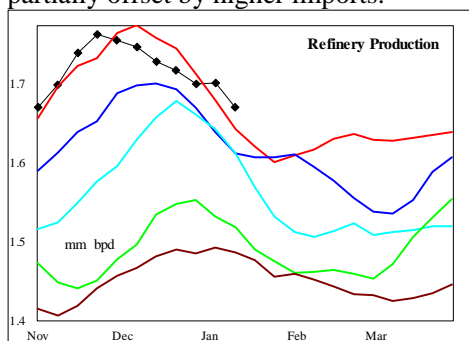
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Thursday, January 19, 2017

Jet Fuel Fundamental Trends

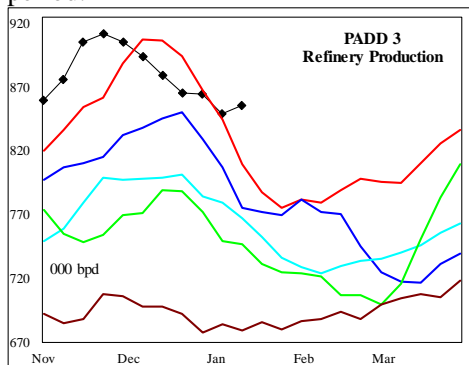
Wholesale demand was nearly unchanged last week at a level above the 5-yr range. The latest 4-wk average wholesale demand was +129,000 bpd above a year ago.



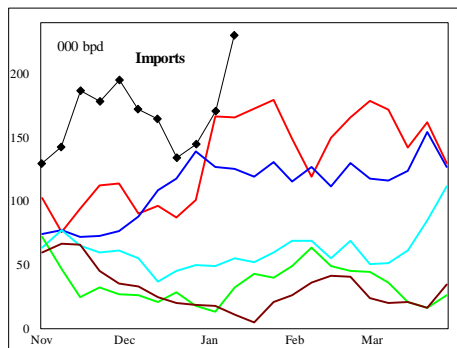
Supply decreased -18,000 bpd on the week, driven by lower production and partially offset by higher imports.



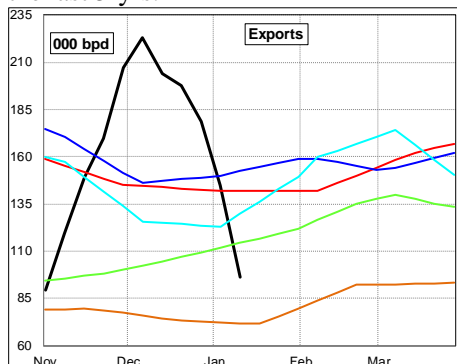
Production for the most recent 4-wk period was +14,000 bpd above a year ago. Production was above a year ago on the West Coast, Midwest and Gulf regions while the East Coast and Rockies were lower for the most recent 4-wk period.



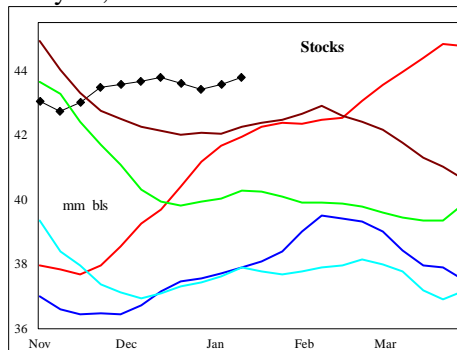
Imports increased +68,000 bpd last week, concentrated on the East Coast. Import levels on the East Coast were a record high for the period.



Exports were 96,000 bpd for the week ending 13Jan17; a level below four of the last 5-yrs.

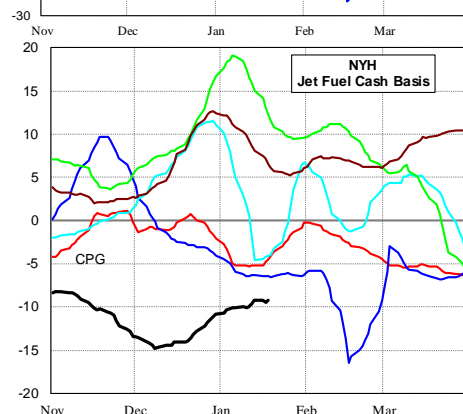
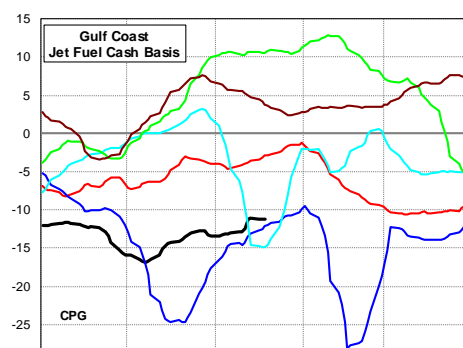


Stocks increased +0.4 million barrels last week; including a +1.3 million barrel build in the Gulf region. Stock levels in the Gulf ended the week +16% above last year, which was also a record.

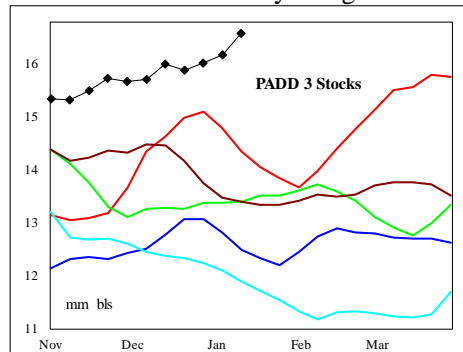


Cash Basis and Refining Trends

Jet fuel cash basis saw limited changed in all major markets last week. Basis levels were below the 5-yr range on the East Coast, near the 3-yr mid range on the Gulf and well above two of the last 3-yrs on the West Coast for the period.



Gulf Coast Price Gulf region stocks ended the week at all time highs, +2.2 million barrels above a year ago.

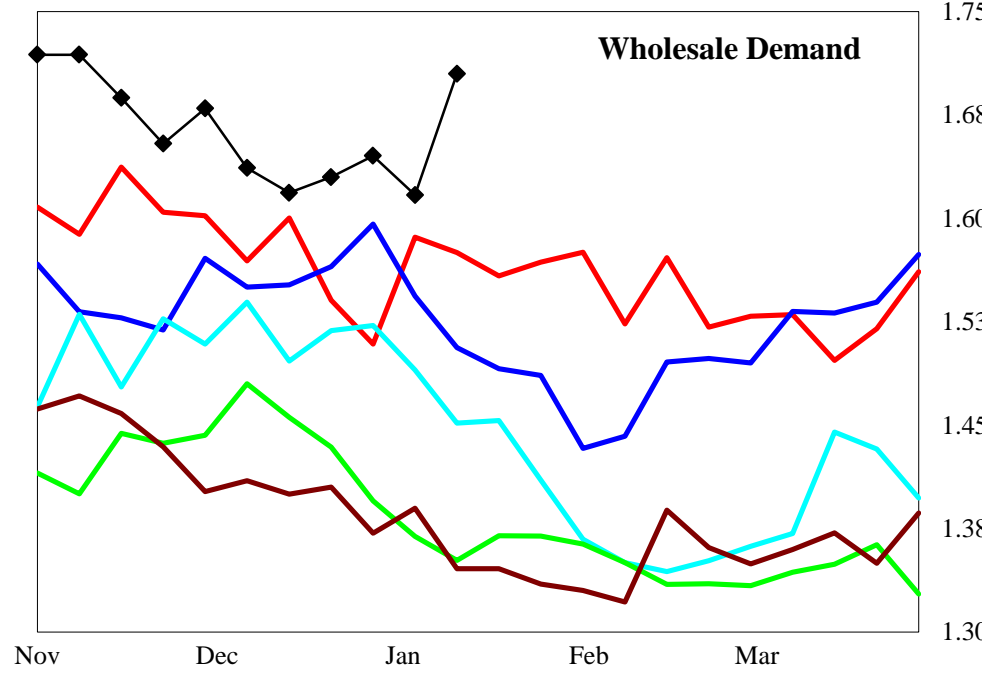
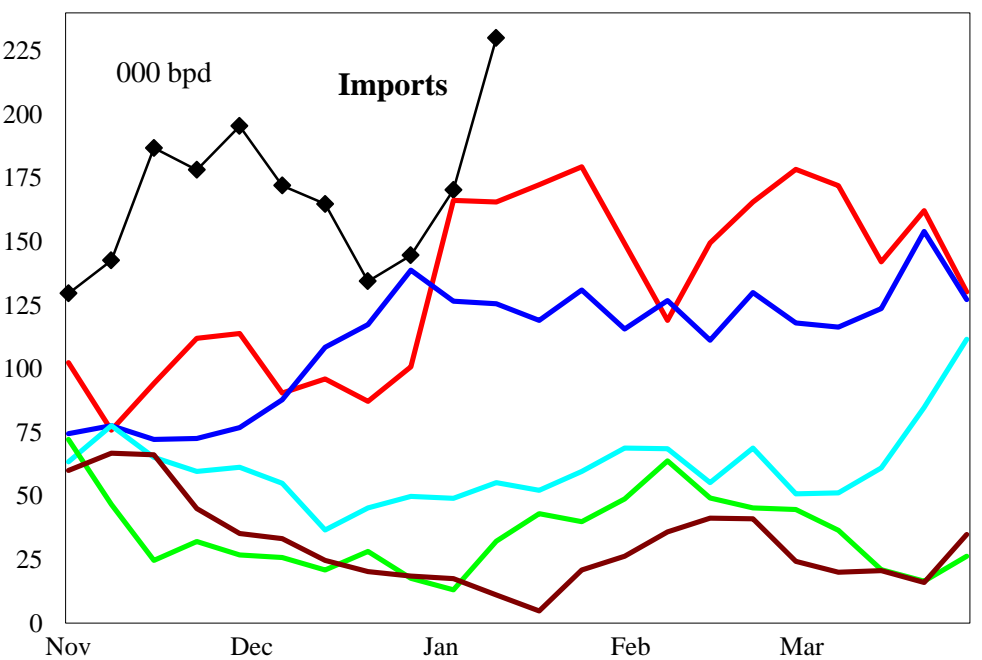
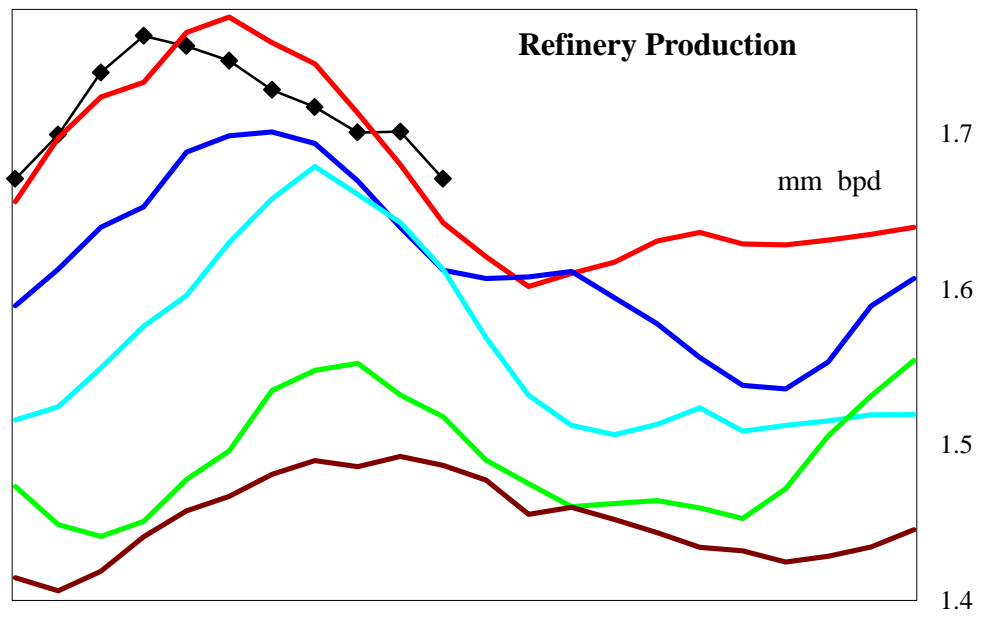
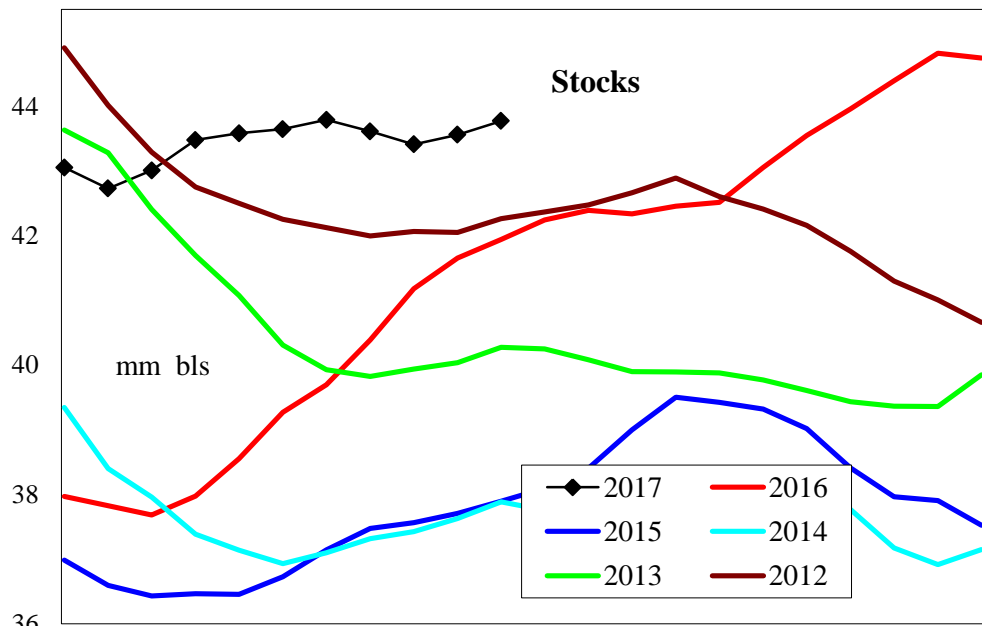


Record high imports last week, limited the stock draw even with season high wholesale demand. Lower seasonal demand should offset winter refinery maintenance on the Gulf, so that jet supplies remain very ample East of the Rockies.

The start of winter refinery maintenance in the Gulf region should reduce demand for crude oil, which combined with high finished product stock levels risk price weakness in the 1st quarter.

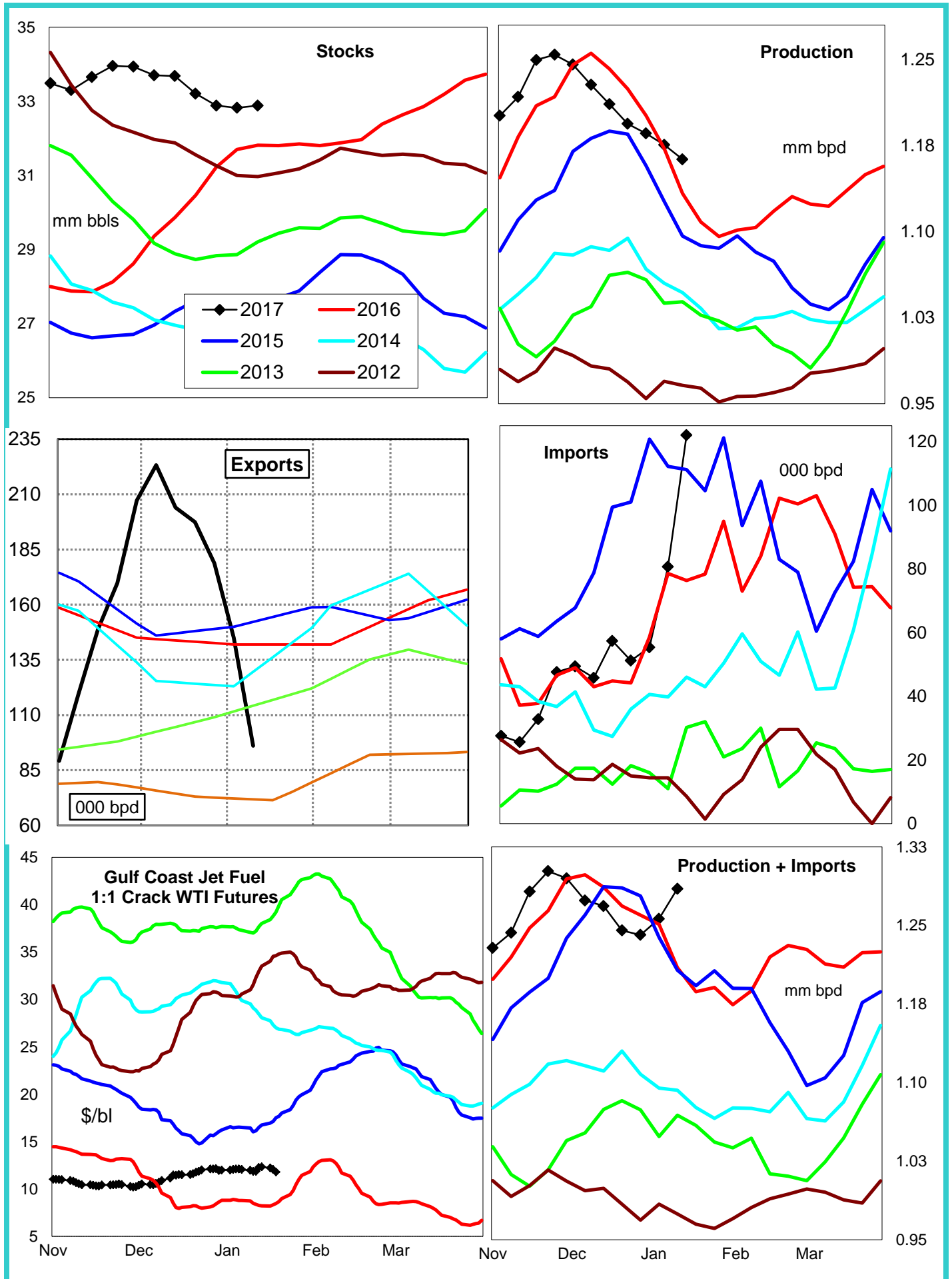
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United States Jet Fuel Supply and Demand Balance

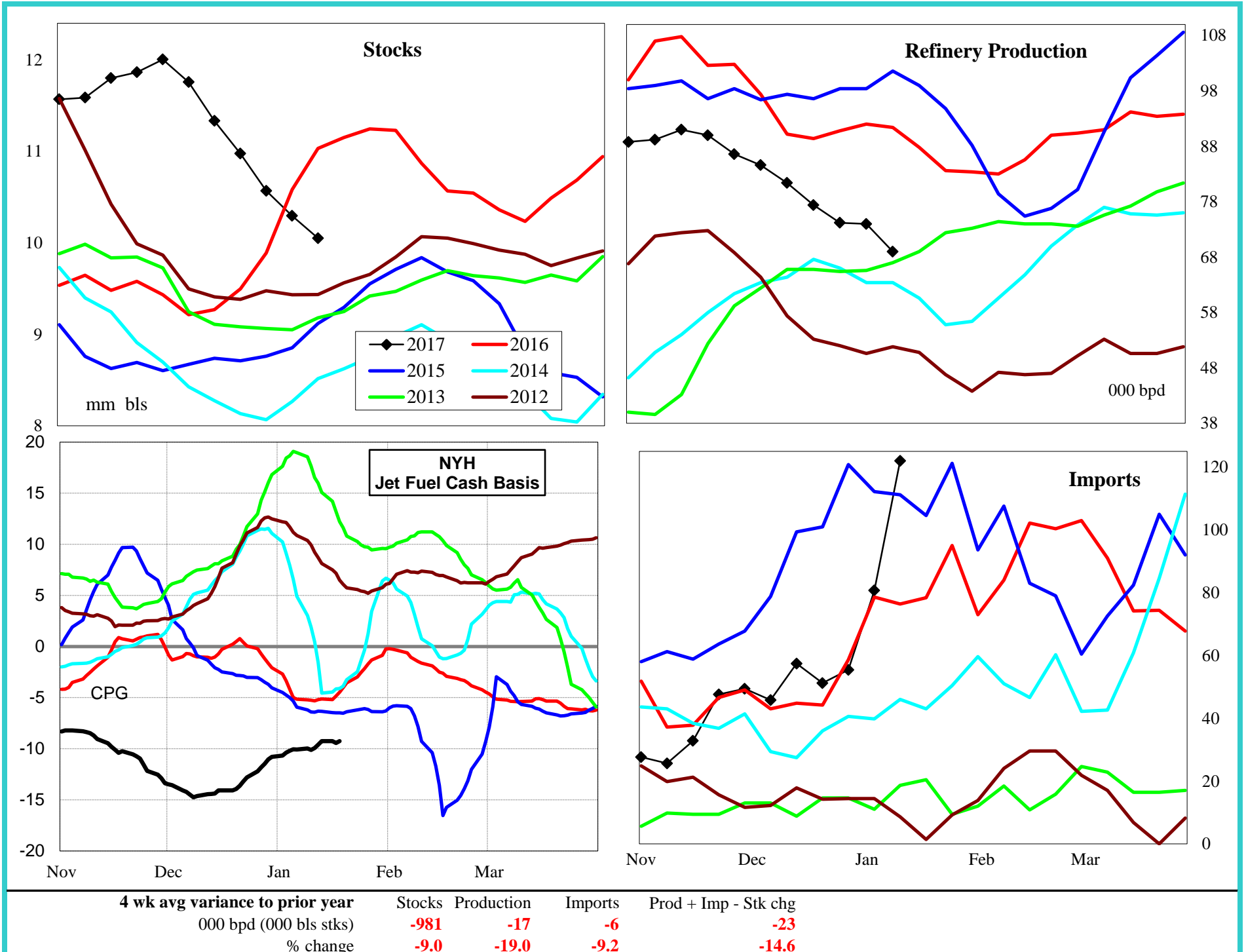


4 wk avg variance to prior year 000 bpd (000 bbls stks) % change	Stocks 1,034 2.4	Production 14 0.9	Imports 25 22.3	Demand=>	4wk avg	Dec	Nov	Oct
					129	37	83	21
					8.5	2.3	5.3	1.3

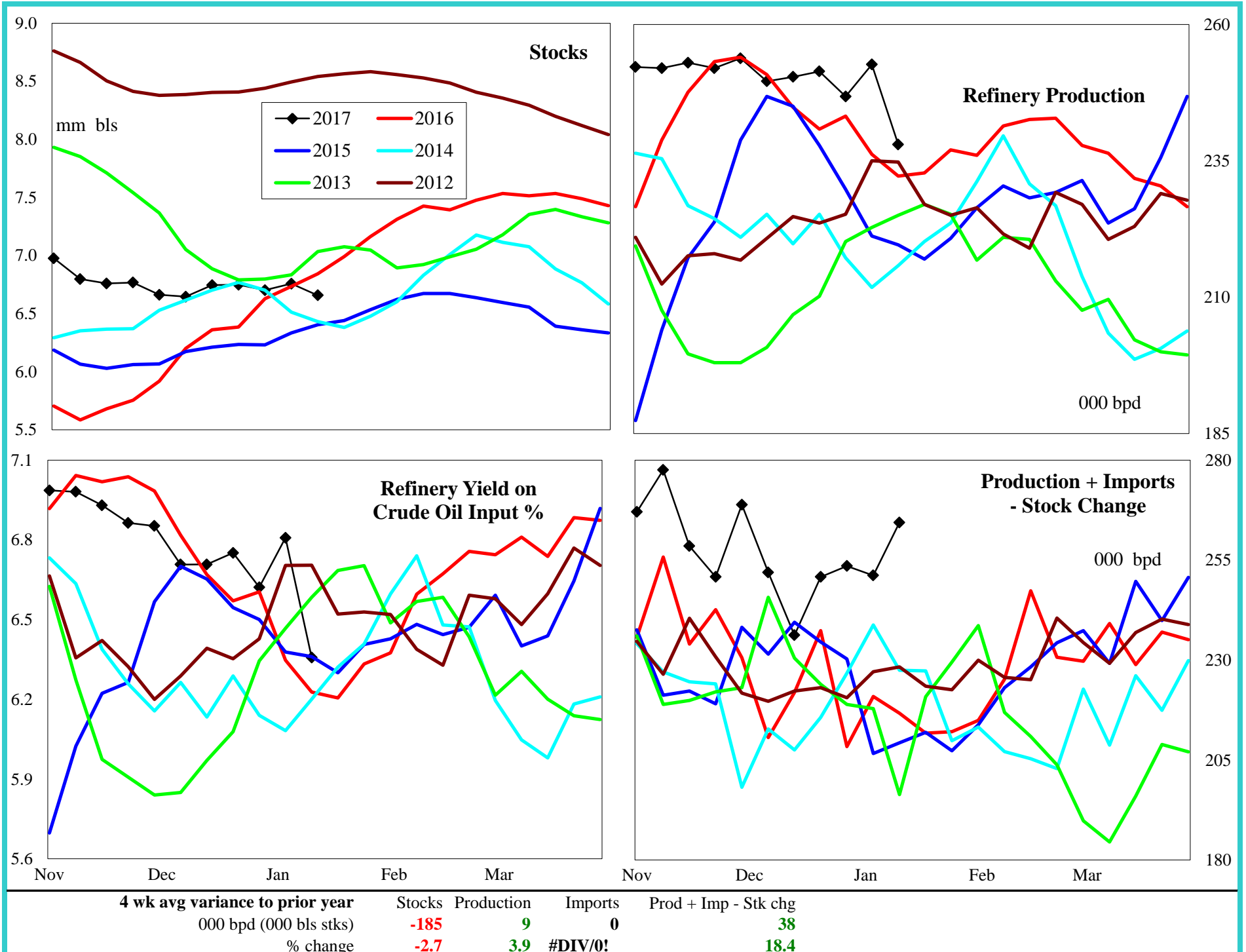
Jet Fuel Supply - Demand PADDs 1 + 2 + 3



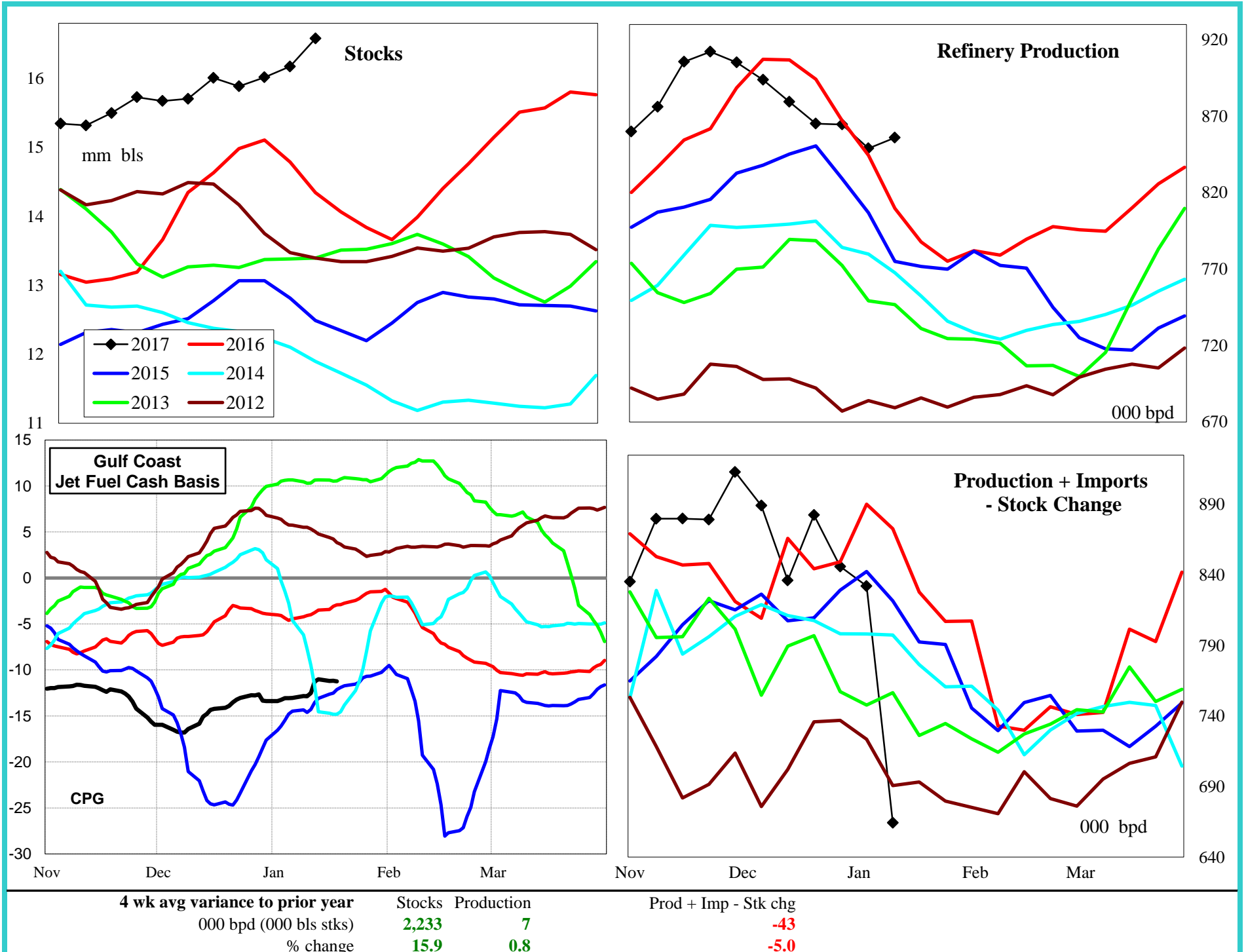
PADD 1 Jet Fuel Supply



PADD 2 Jet Fuel Supply



PADD 3 Jet Fuel Supply

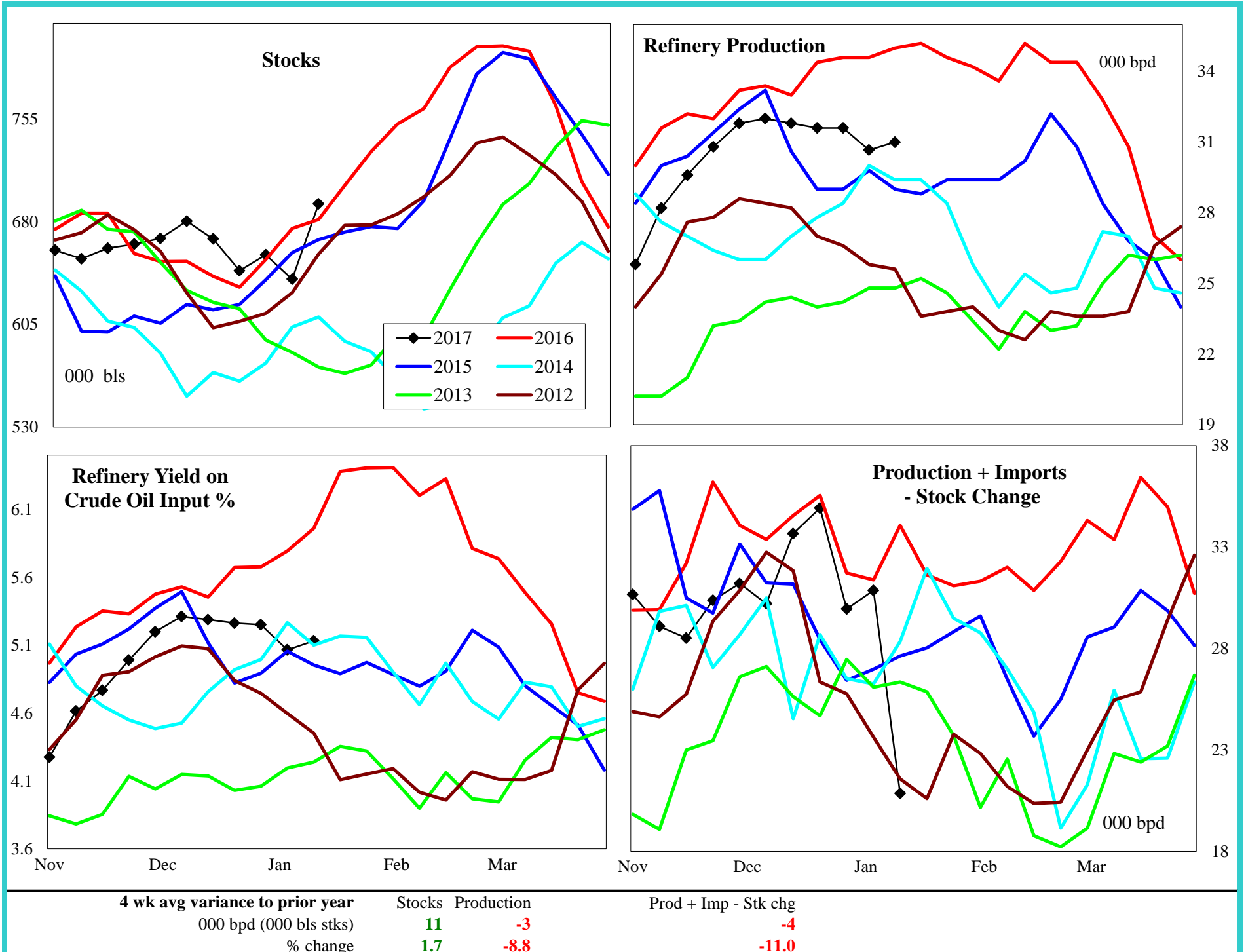


4 wk avg variance to prior year
 000 bpd (000 bls stks)
 % change

Stocks	Production
2,233	7
15.9	0.8

Prod + Imp - Stk chg
-43
-5.0

PADD 4 Jet Fuel Supply



PADD 5 Jet Fuel Supply

