



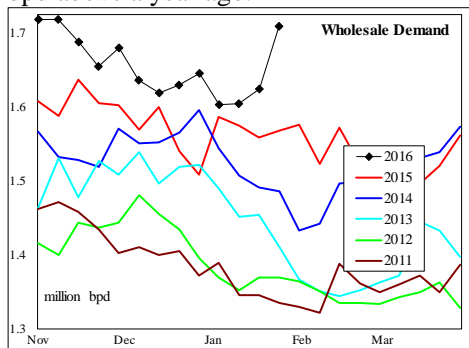
WEEKLY JET FUEL FUNDAMENTAL-PRICE-BASIS OUTLOOK

A Fundamental Petroleum Trends Weekly Report

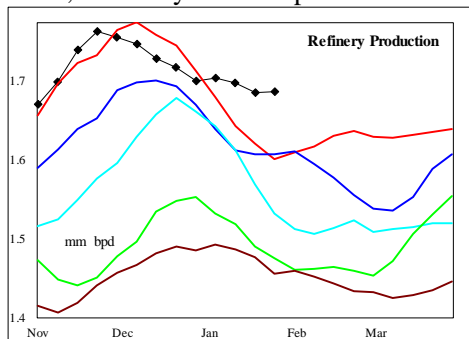
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Wednesday, February 01, 2017

Jet Fuel Fundamental Trends

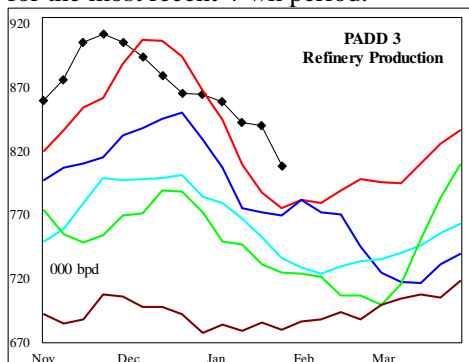
Wholesale demand increased +249,000 bpd on the week, to a level sharply above the 5-yr range. The latest 4-wk average wholesale demand was +97,000 bpd above a year ago.



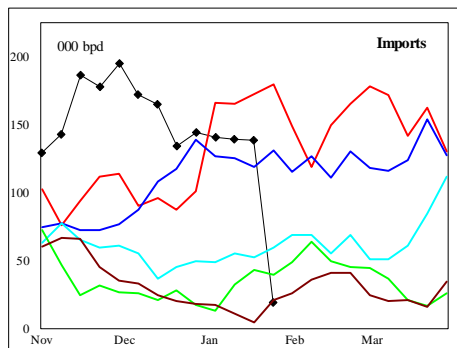
Supply decreased -161,000 bpd on the week, driven by lower imports.



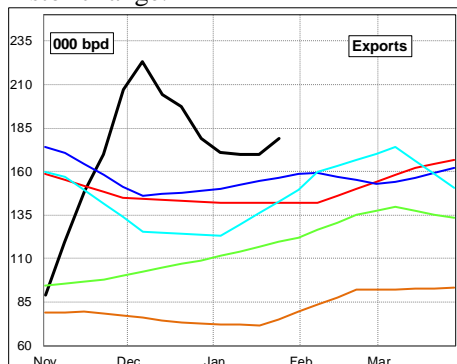
Production for the most recent 4-wk period was +83,000 bpd above a year ago. Production was +12% and +5% above last year in the Midwest and Gulf for the most recent 4-wk period.



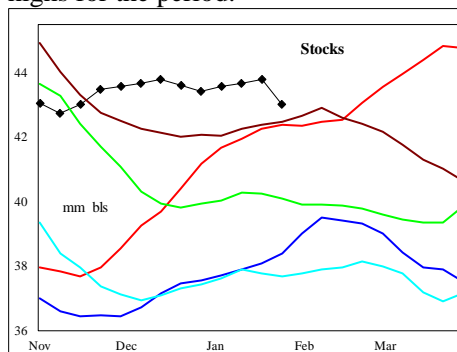
Imports fell -148,000 bpd last week, to a level that matched 5-yr lows. There were no imports to the West coast last week.



Exports were 179,000 bpd for the week ending 27Jan17; a level above the historic range.

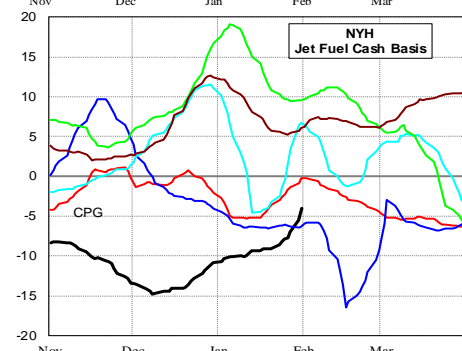
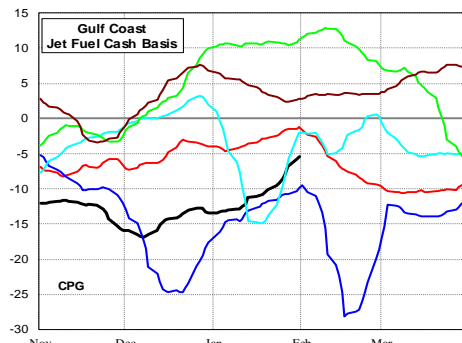


Stocks fell -1.6 million barrels last week; including a -2.8 million barrel draw in the gulf region. Stock levels on the East and Gulf coasts' were each near 5-yr highs for the period.

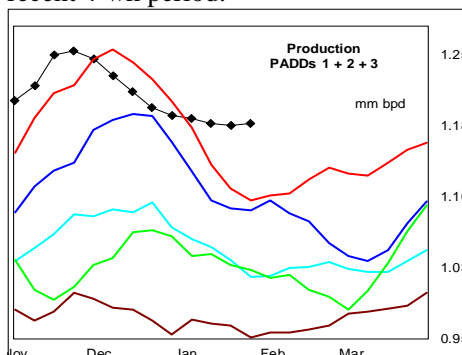


Cash Basis and Refining Trends

Jet fuel cash basis trended sharply higher in all major markets last week. The East Coast still reported basis levels at the low end of the historic range. Gulf basis levels ended the week near the 3-yr mid range. West Coast basis traded near highs of the last 60-days, though still below last year.



Gulf Coast Price Production in regions East of the Rockies has averaged nearly +10% above a year ago for the most recent 4-wk period.

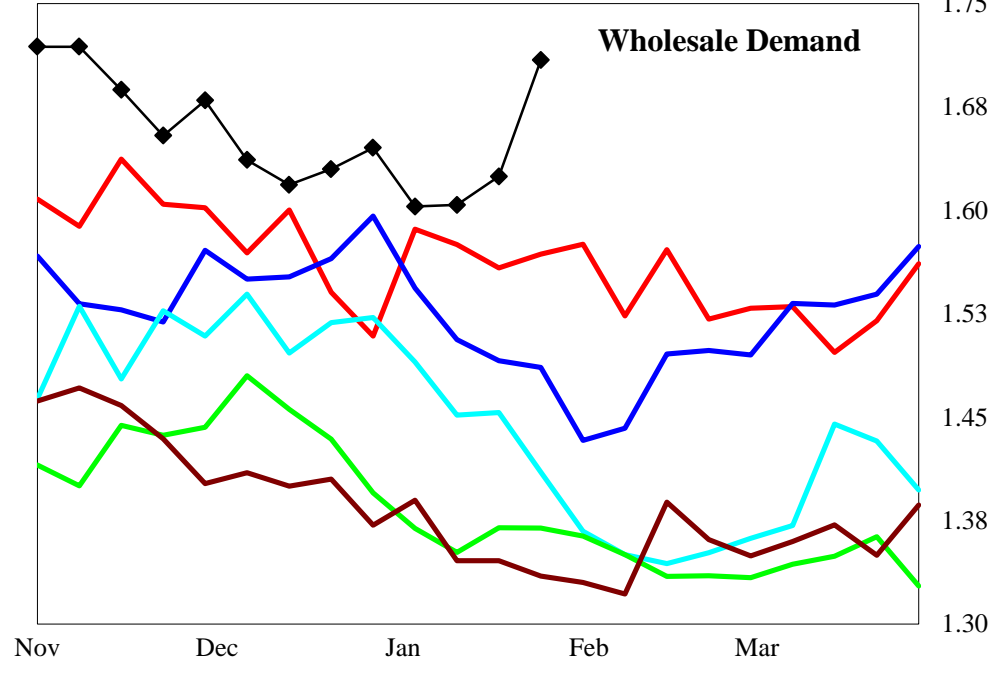
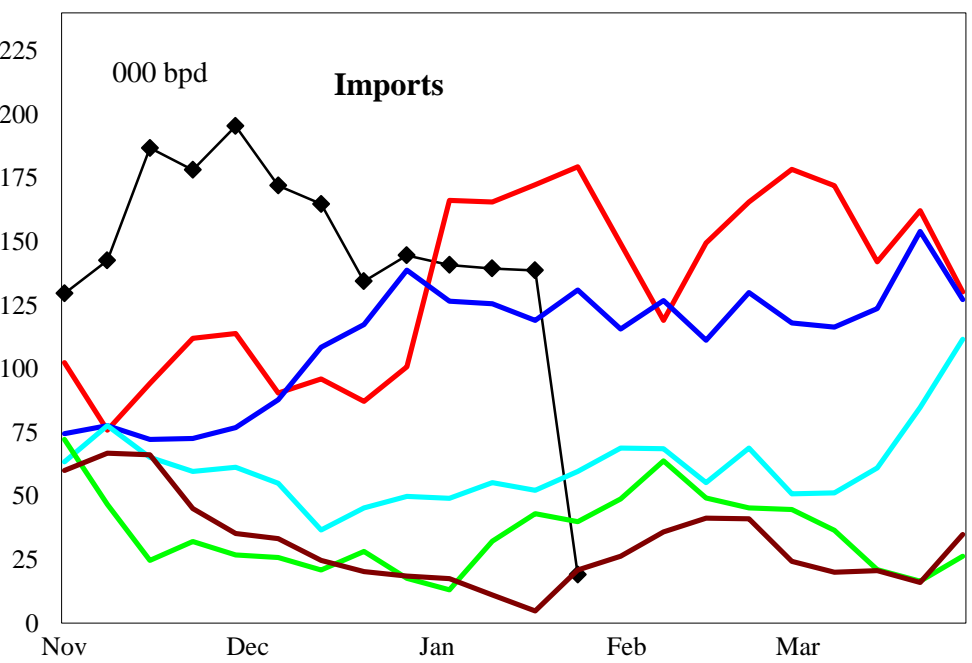
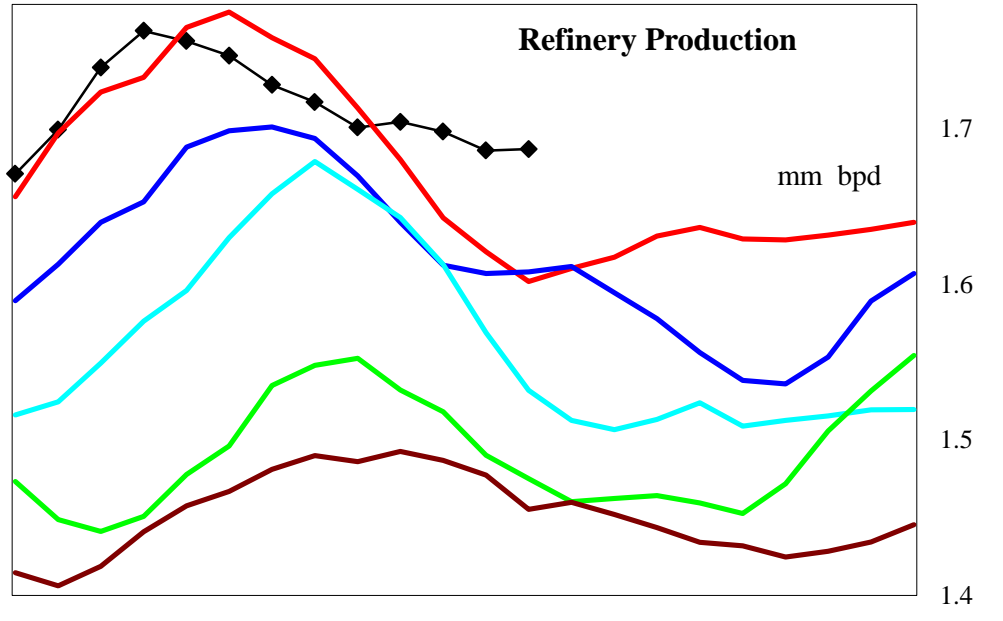
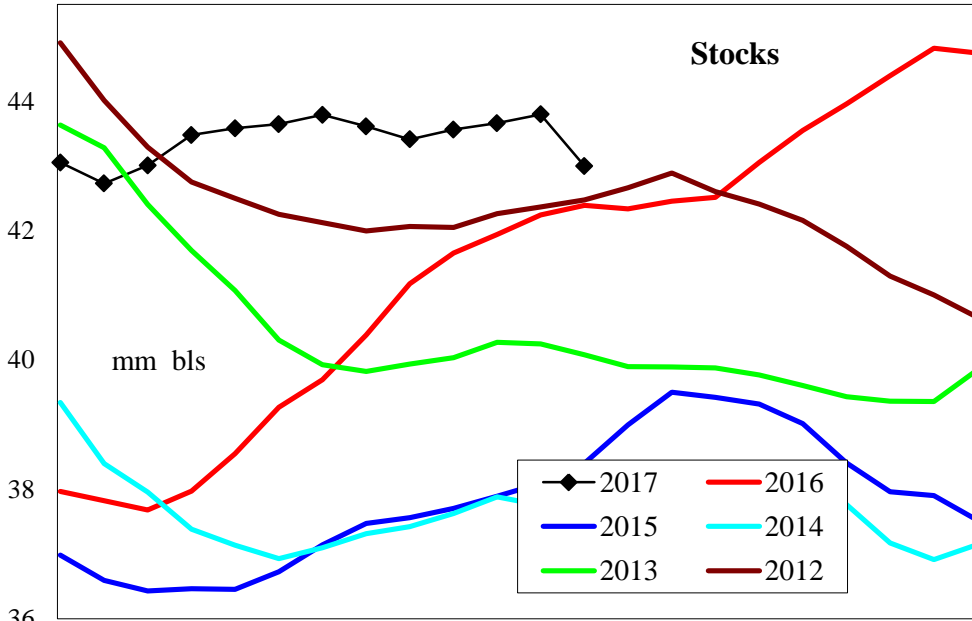


Markets East of the Rockies remain very well supplied, with airlines restocking of private inventories following the holidays and a sharp drop in imports leading to the stock draw last week.

Lower seasonal demand should offset winter refinery maintenance on the Gulf, so that jet supplies remain very ample East of the Rockies. Ample supplies of jet and lower crude oil demand during winter refinery maintenance risk of a winter quarter pull back in gulf spot jet prices.

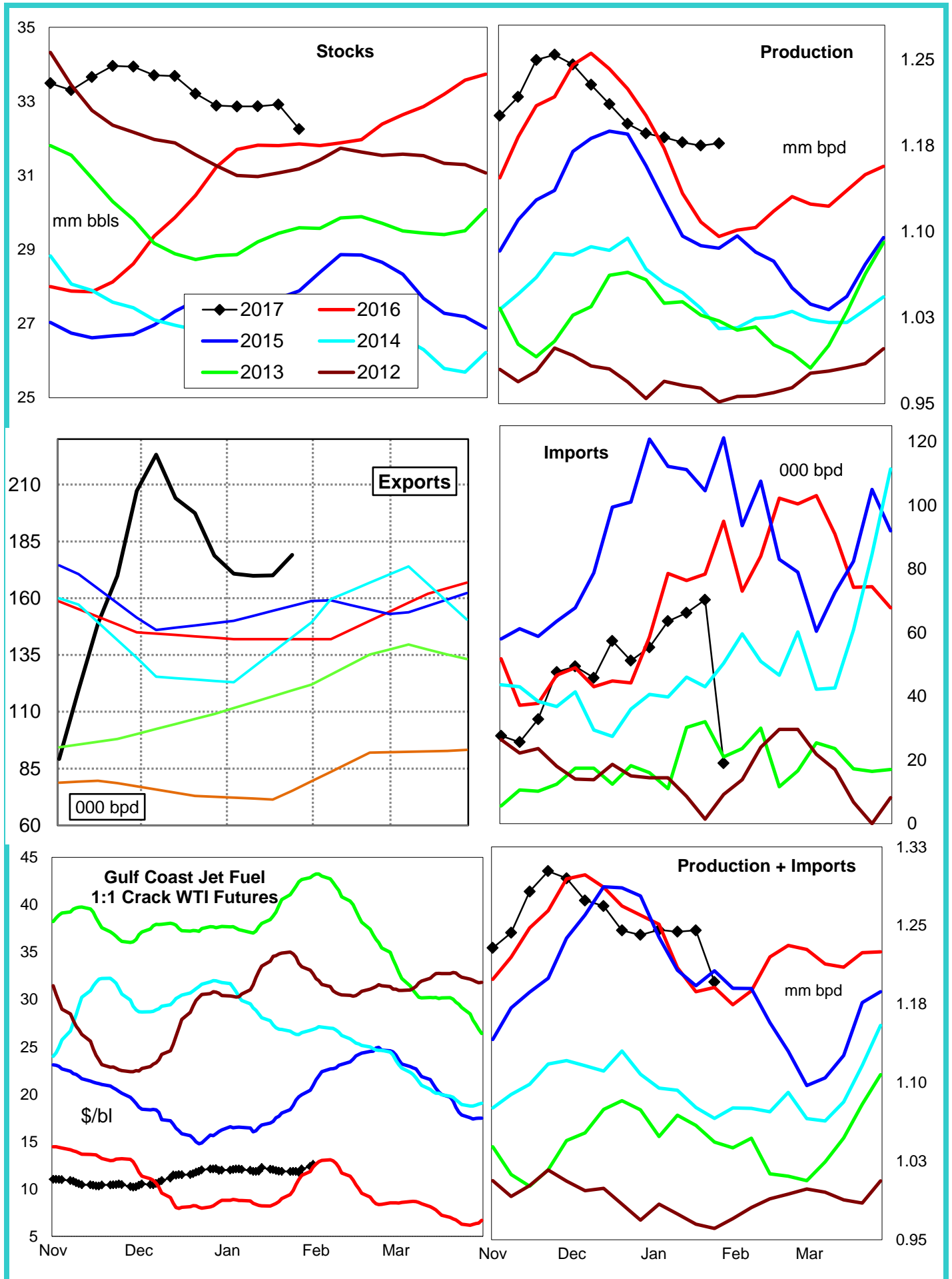
Disclaimer - The information contained on this website and in all its reports reflects the opinion of Fundamental Petroleum Trends. Futures and commodities trading involve significant risk and may not be suitable for every investor. Information contained herein is strictly the opinion of its author and is intended for informational purposes and is not to be construed as a recommendation to sell or buy, or trade in any commodity mentioned herein. Information is obtained from sources believed reliable, but is in no way guaranteed. Opinions, market data and recommendations are subject to change at any time. Past results are not indicative of future results. Charts are developed by Fundamental Petroleum Trends from EIA, NWS, other public data and proprietary models unless otherwise noted and credited.

United States Jet Fuel Supply and Demand Balance

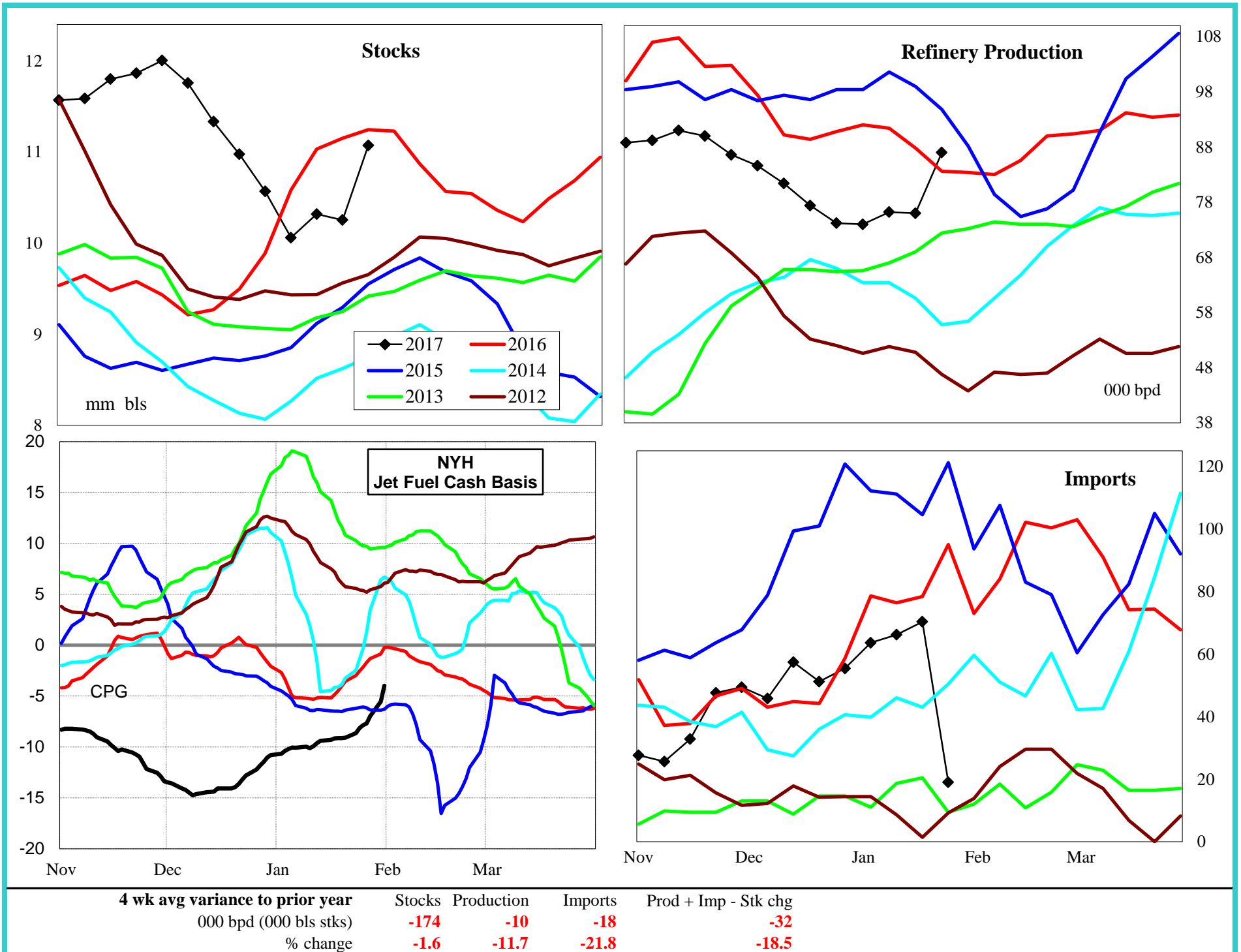


4 wk avg variance to prior year	Stocks	Production	Imports	Demand=>	4wk avg	Dec	Nov	Oct
000 bpd (000 bls stks)	261	83	-44		97	37	83	21
% change	0.6	5.3	-23.1		6.3	2.3	5.3	1.3

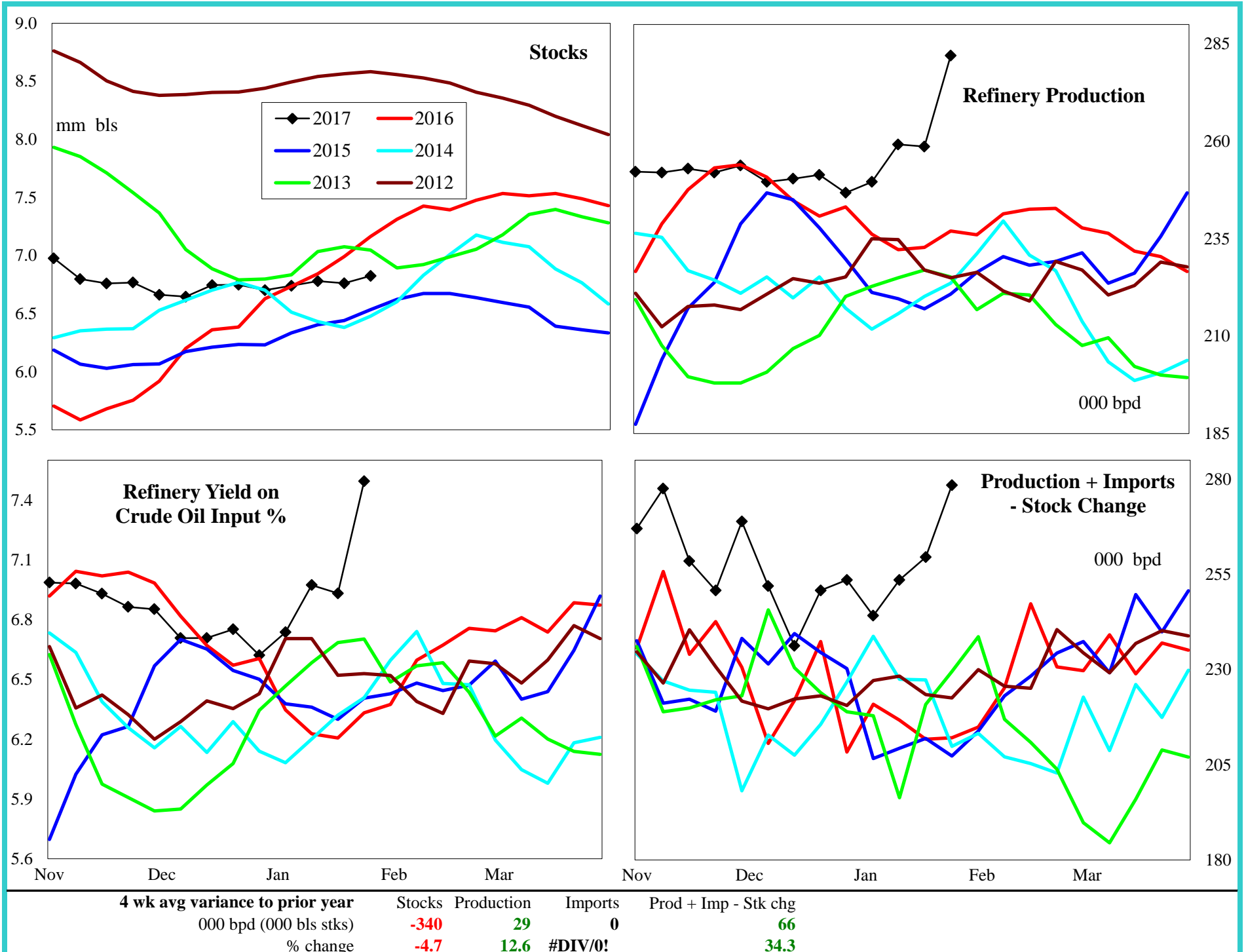
Jet Fuel Supply - Demand PADDs 1 + 2 + 3



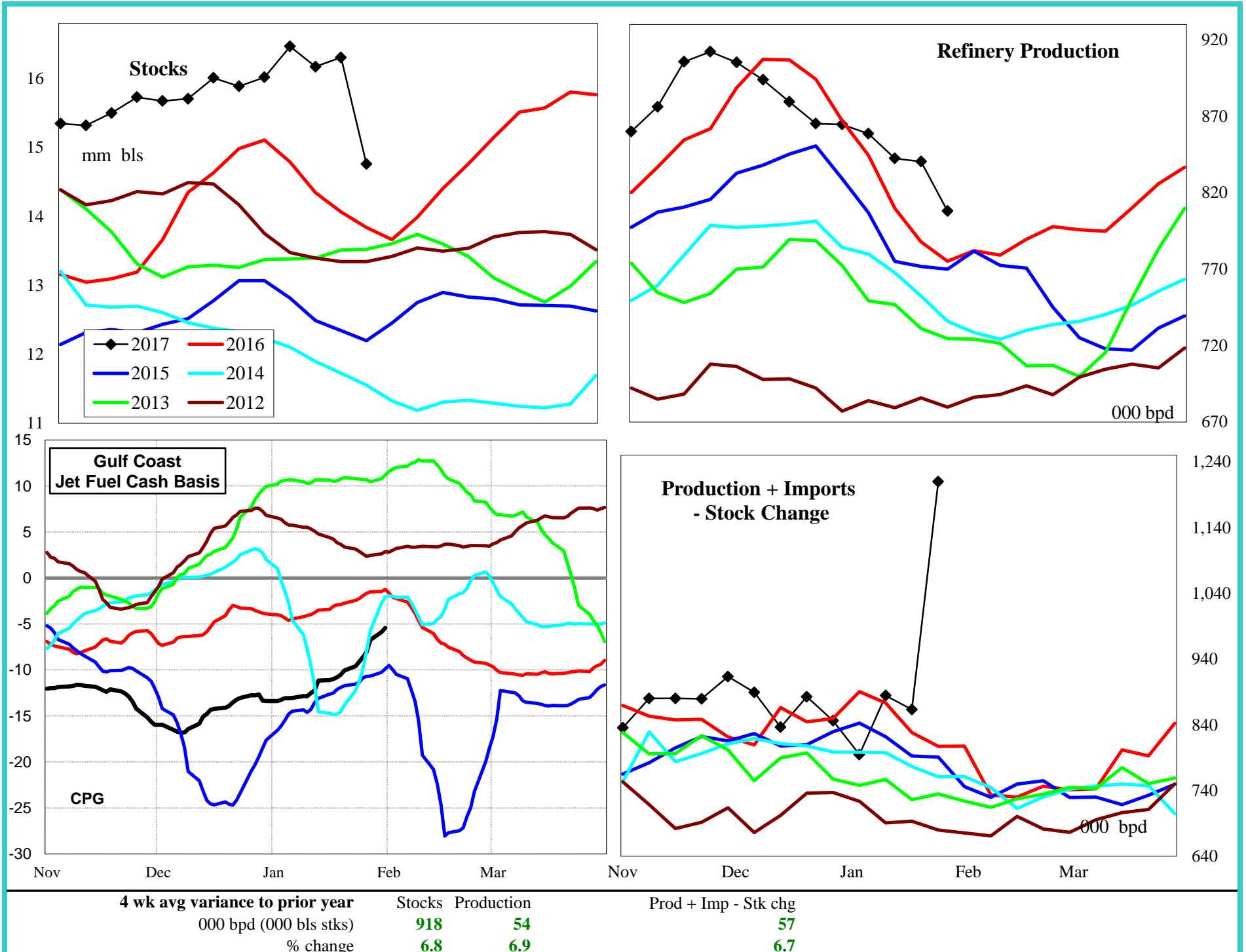
PADD 1 Jet Fuel Supply



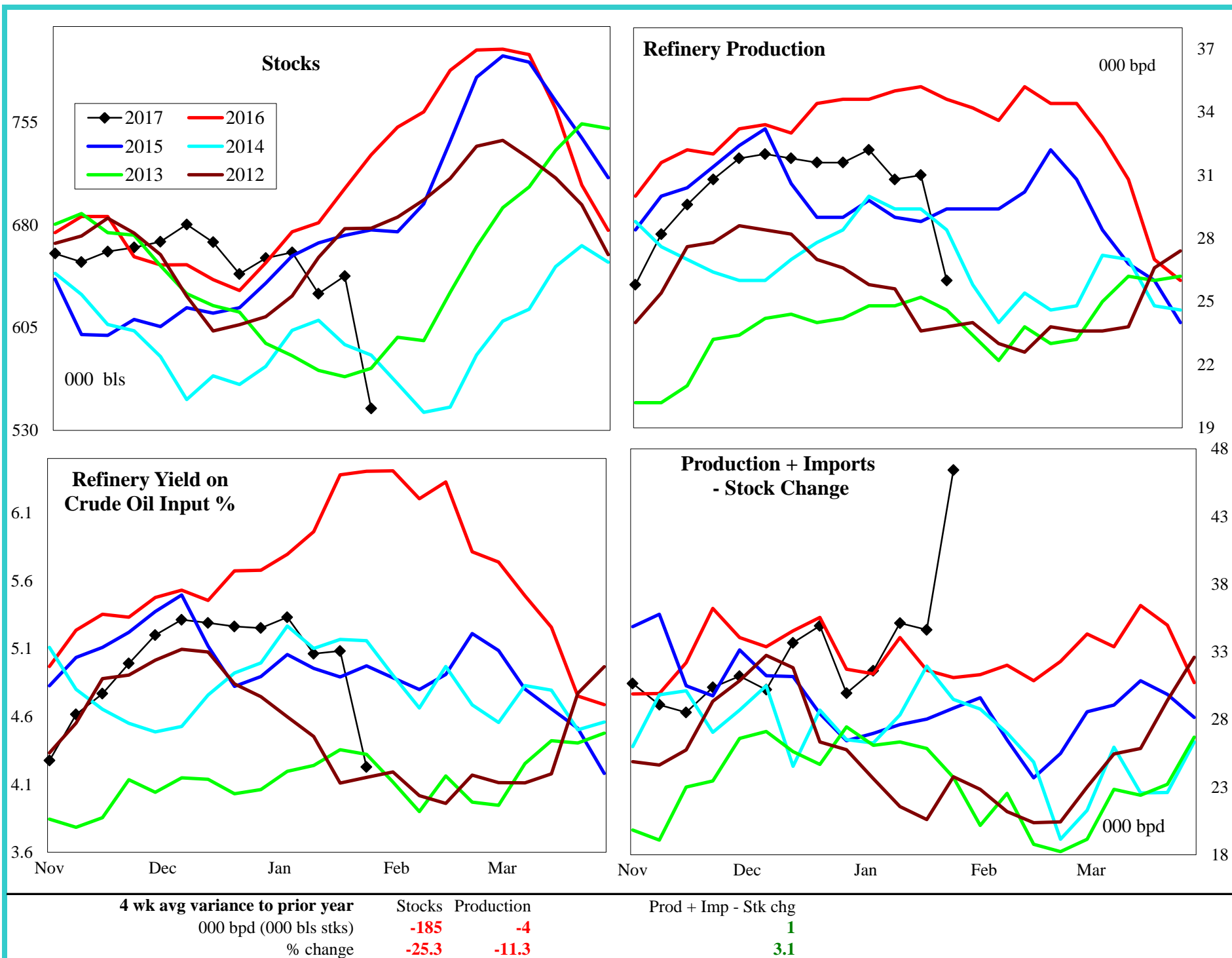
PADD 2 Jet Fuel Supply



PADD 3 Jet Fuel Supply



PADD 4 Jet Fuel Supply



PADD 5 Jet Fuel Supply

