



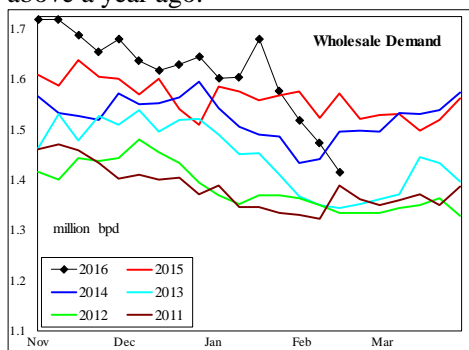
WEEKLY JET FUEL FUNDAMENTAL-PRICE-BASIS OUTLOOK

A Fundamental Petroleum Trends Weekly Report

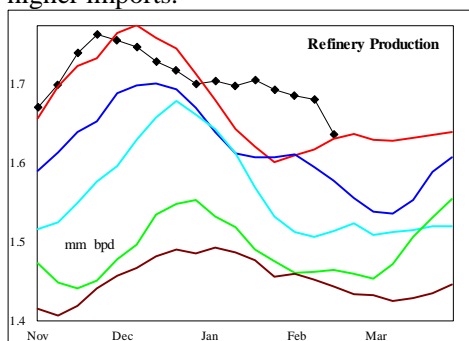
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Thursday, February 23, 2017

Jet Fuel Fundamental Trends

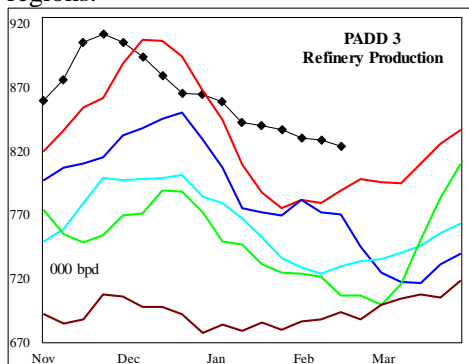
Wholesale demand increased +0.2 million bpd last week to a level below the last 2-yr. The latest 4-wk average wholesale demand was +37,000 bpd above a year ago.



Supply was nearly unchanged on the week with lower production offset by higher imports.

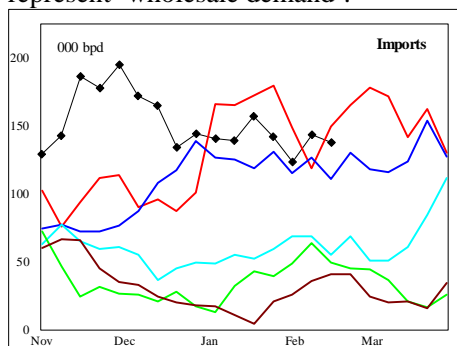


Production for the most recent 4-wk period was +79,000 bpd above a year ago. Production was above a year ago on the West Coast, Midwest and Gulf regions.

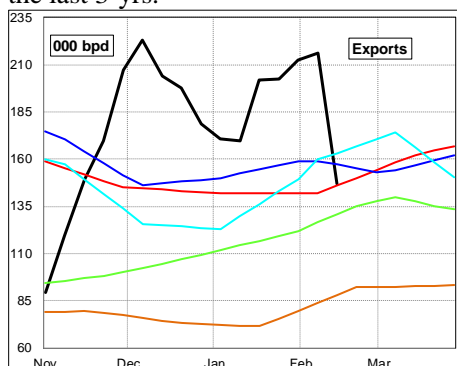


Imports increased +52,000 bpd last week, to a level comparable to a year ago. Weak wholesale demand is due in part to lower imports since the 1st of the year (compared to a year ago), which

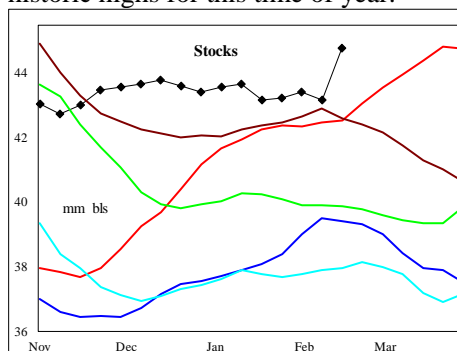
when delivered into private storage represent 'wholesale demand'.



Exports were 147,000 bpd for the week ending 17Feb17; a level comparable to the last 3-yr.

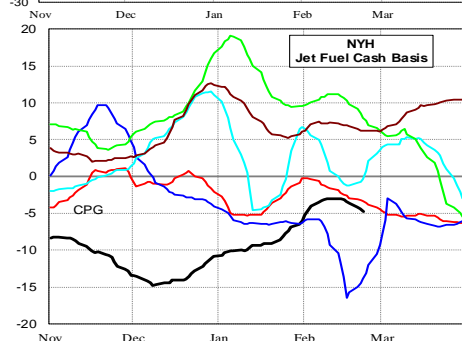
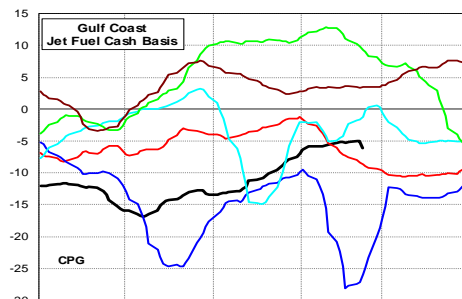


Stocks increased +1.1 million barrels last week, lifting the level to a 5-yr high for this time of year. Stock levels on the East Coast have rebounded to near historic highs for this time of year.

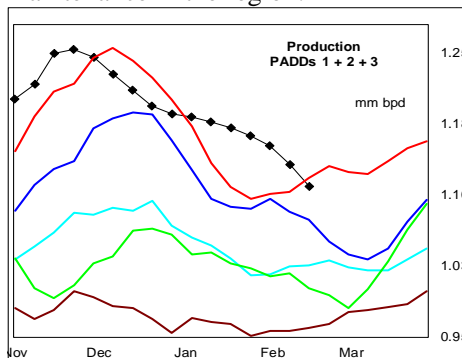


Cash Basis and Refining Trends

Jet fuel cash basis trended slightly lower last week in markets East of the Rockies. Basis levels on the East Coast match the 3-yr mid range for the period, while the Gulf traded above the 3-yr mid range. West Coast basis extended a 6-wk uptrend to a level near last year's 3-yr high for the period.



Gulf Coast Price Production in combined markets East of the Rockies fell below last year's record high for the period on above average refinery maintenance in the region.



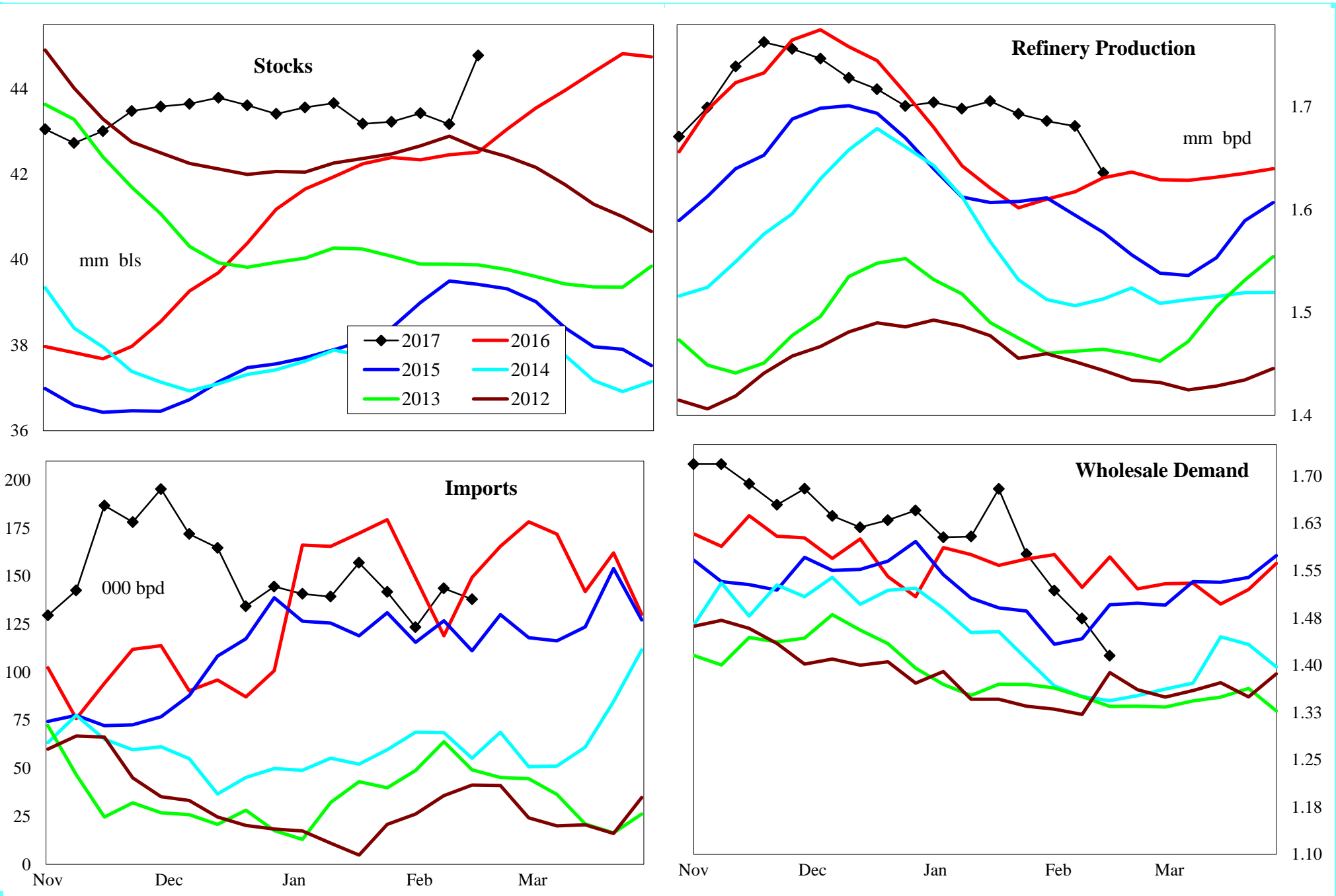
All regional markets except the Rockies show stock levels at the upper end of the historic range for the period. A +1.6 million barrel build on the East Coast, lifted stocks there to near historic highs.

Lower seasonal demand should offset winter refinery maintenance on the Gulf, so that jet supplies remain ample East of the Rockies.

Above average supply of jet fuel and lower crude oil demand during winter refinery maintenance risk pull back in gulf spot jet prices.

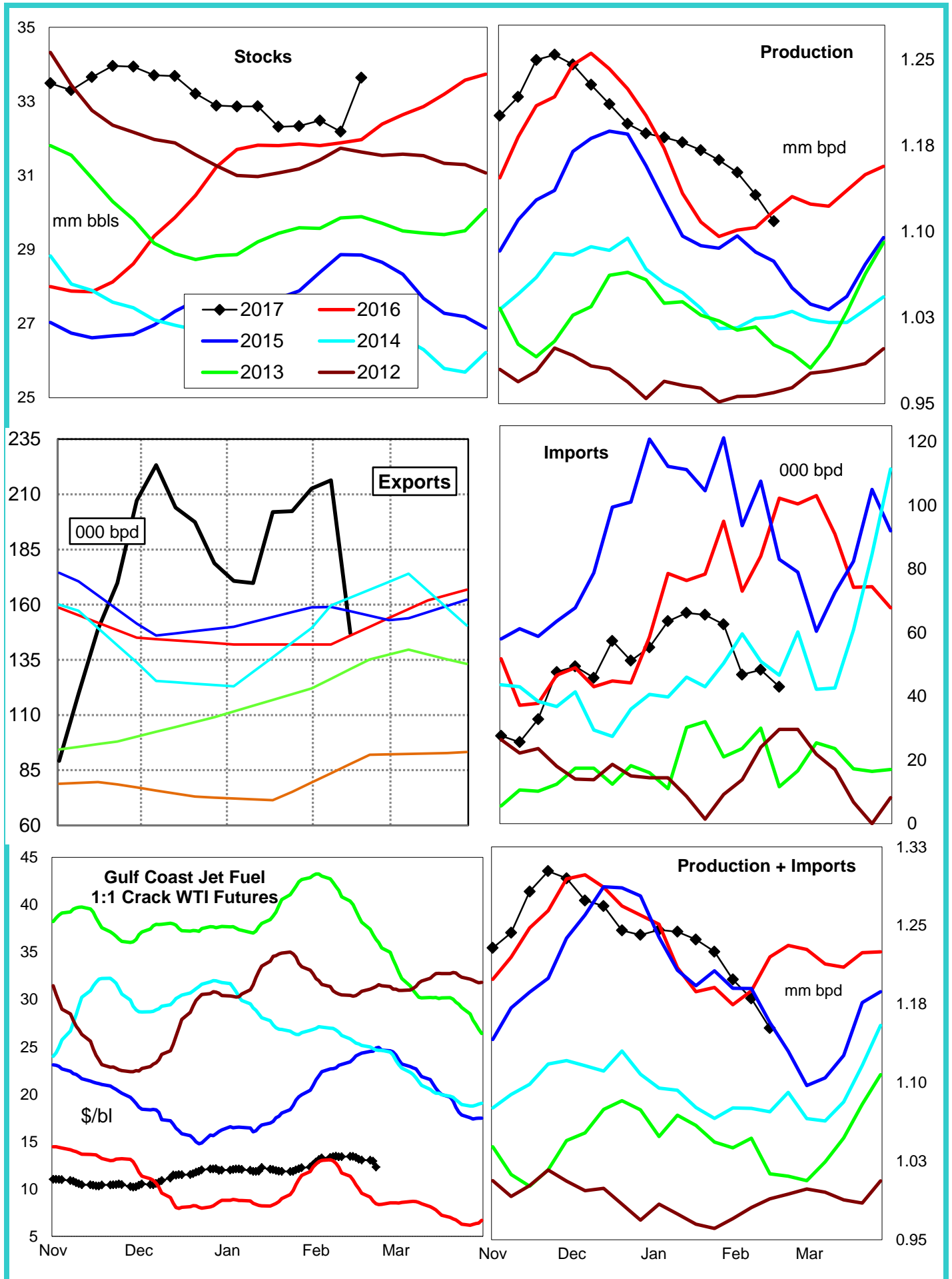
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United States Jet Fuel Supply and Demand Balance

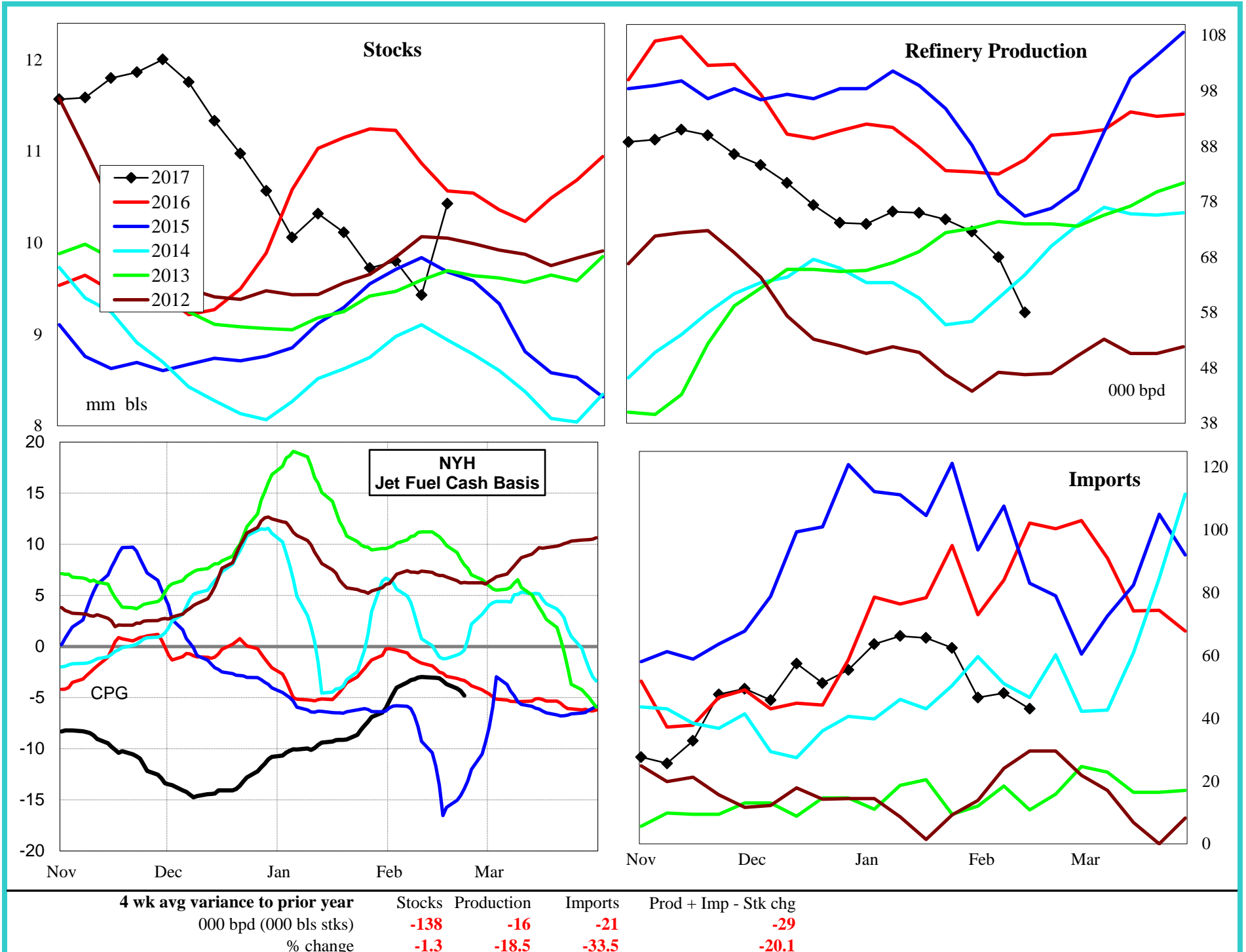


4 wk avg variance to prior year 000 bpd (000 bls stks) % change	Stocks	Production	Imports	Demand=>	4wk avg	Jan	Dec	Nov			
					2,316	79	24	37	228	166	79
					5.5	5.1	27.1	2.5	15.7	11.5	5.1

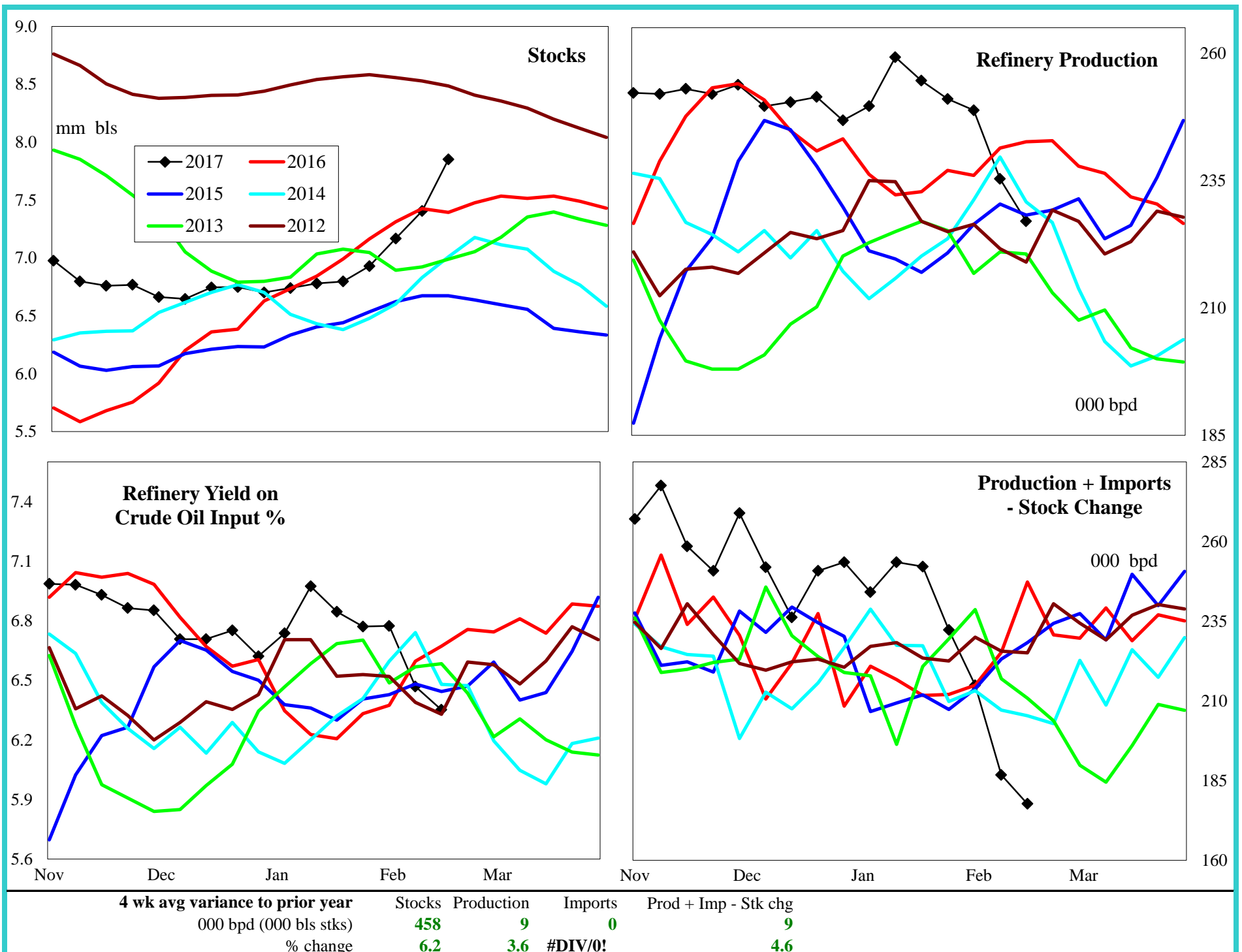
Jet Fuel Supply - Demand PADDs 1 + 2 + 3



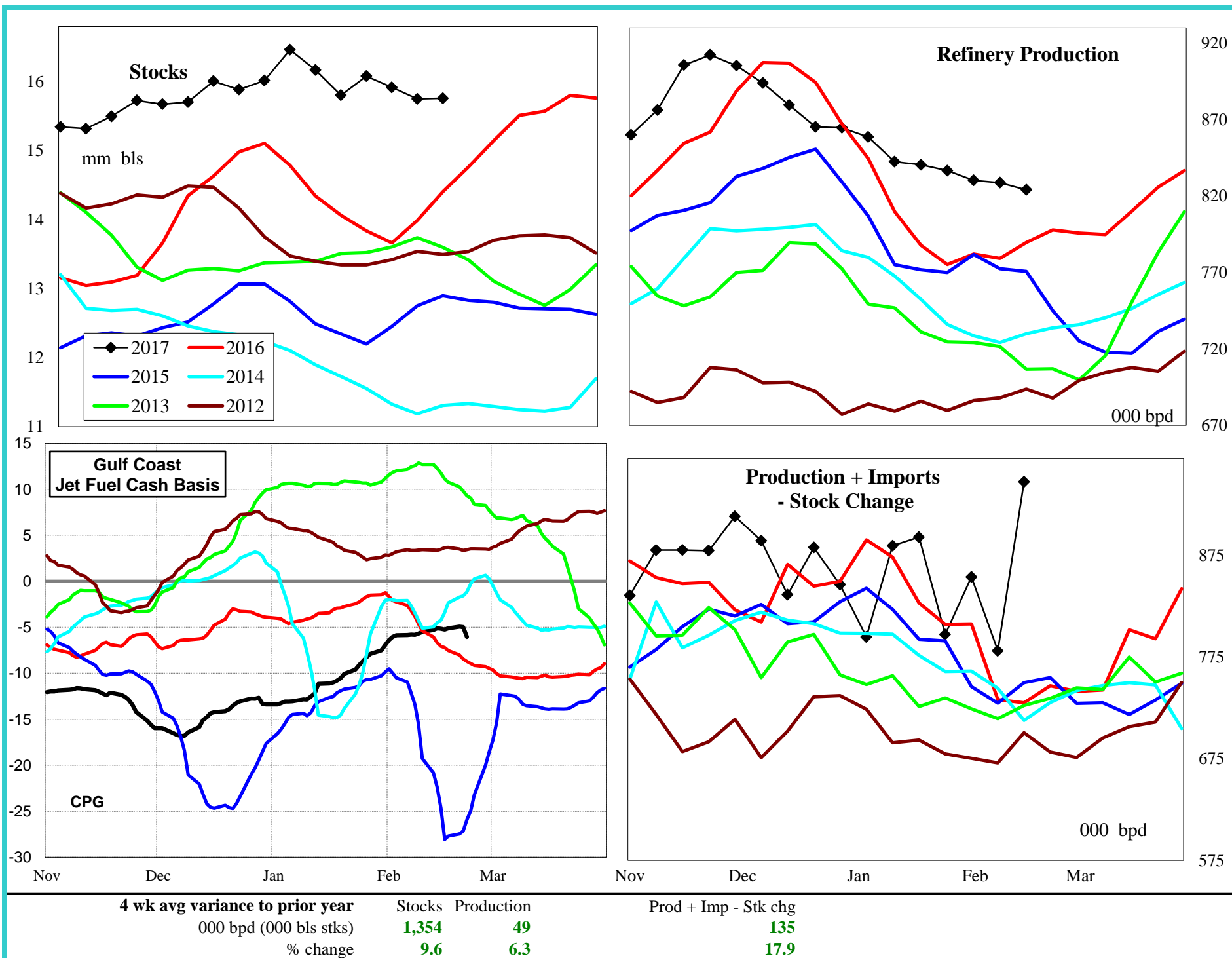
PADD 1 Jet Fuel Supply



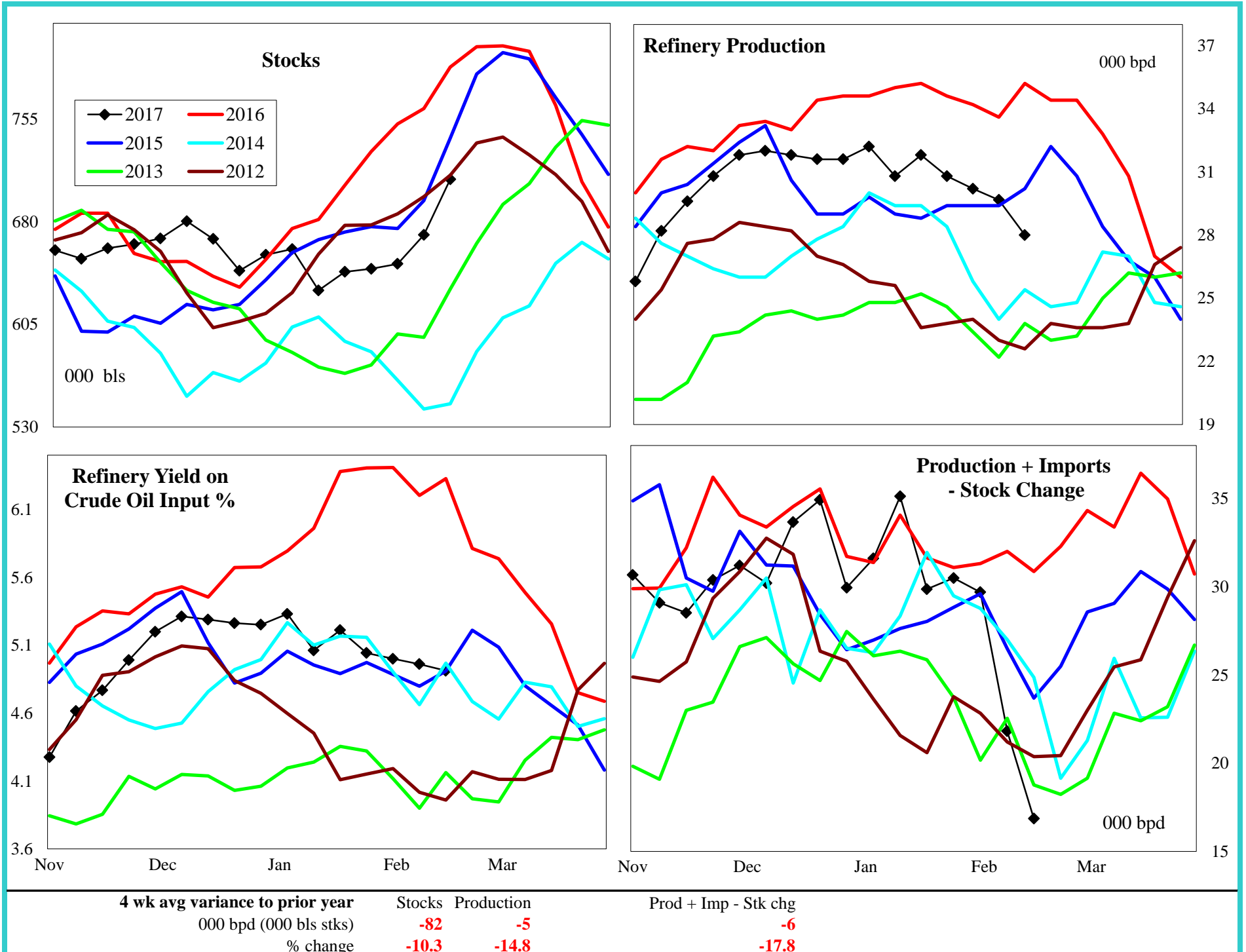
PADD 2 Jet Fuel Supply



PADD 3 Jet Fuel Supply



PADD 4 Jet Fuel Supply



PADD 5 Jet Fuel Supply

