



WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

A Fundamental Petroleum Trends Weekly Report

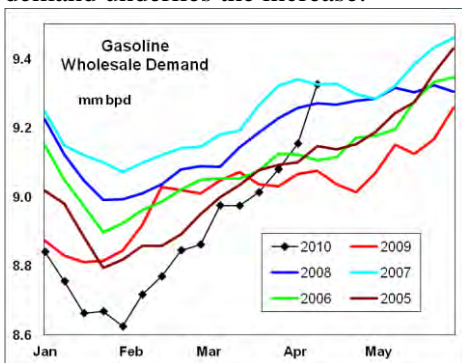
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Wednesday, April 14, 2010



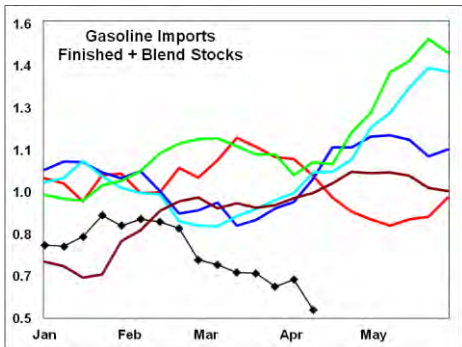
Major Fundamental Trends¹

Gasoline demand has increased +476,000 bpd during the latest 4-wk period. This compares to an average increase of +145,000 bpd during the last 5-years for the same period.

Inclement weather limited demand during February, followed by extremely warm temperatures during March. In addition to the weather factor, meaningful growth in consumer demand underlies the increase.



High gasoline demand has been met by record production which averaged +266,000 bpd above a year ago for the latest 4-wk period. Output has been above the 5-year range for the past month.

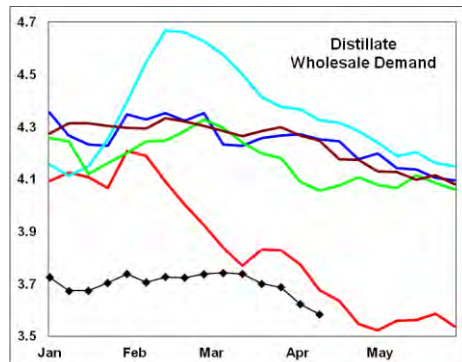


Record output has been partially offset by extremely low imports. Total imports during the latest 4-wk period were down -443,000 bpd from a year ago.

Gasoline stocks are at record highs for this time of year in all regions except New England and Central Atlantic Regions of PADD 1, markets

dependent on imports.

Distillate demand remains extremely weak, down -4.8% for the most recent 4-wk period compared to a years' record low level. Unusually warm temperatures for the last month reduced heating fuel use, contributing to the low level of total distillate demand.



Crude oil stock levels have likely peaked for the spring season as a result of the upturn in refinery runs, which are now above the historic mid range.

Demand for gasoline jumped +245,000 bpd on the week, and has increased +476,000 bpd during the last month.

Wholesale demand (including exports) measured over the last four weeks compared to a year ago: gasoline increased +1%; distillate down -4.8%; jet fuel down -2.8% while residual fuel oil decreased -1.7%.

Stocks forward coverage: Gasoline demand coverage decreased on the week with stocks down -1 million barrels and demand up +249,000 bpd. Coverage remains above the 5-year range.

Distillate demand coverage increased on a +1.1 million barrel stock build and a -54,000 bpd decline in demand. Coverage remains above the historic range.

Jet fuel coverage remains very high on weak demand and high stock levels.

Residual fuel oil coverage increased on a +1.5 million barrel stock build. Coverage remains well above the historic range for the period.

Refinery utilization rates increased last

week on a +209,000 bpd rise in crude oil runs. Runs matched the 5-year mid range, with the latest 4-wk average +282,000 bpd above a year ago.

Gasoline yield % on crude oil runs were unchanged last week on a +156,000 bpd rise in production compared to the +209,000 bpd increase in crude oil runs. Yield % matched the 5-year high for the period.

Distillate yield % on crude oil runs remain near the mid range on a -80,000 bpd drop in production, following the prior week surge of +467,000 bpd.

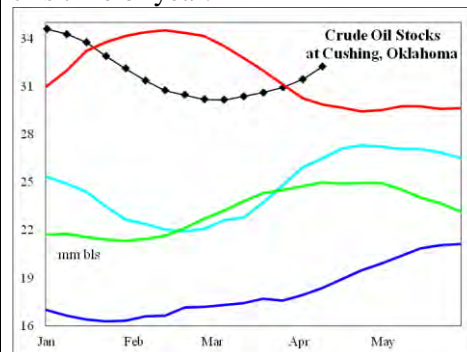
Jet fuel yield % on crude oil runs decreased on a -13,000 bpd drop in output. The yield % remains at the low end of the historic range.

Petroleum Imports of middle distillates increased +62,000 bpd last week, while imports of crude oil and gasoline declined.

During the latest 4-wk period distillate imports decreased -48,000 bpd compared to last year; finished gasoline imports decreased -219,000 bpd, gasoline blend stock imports decreased -223,000 bpd; jet fuel imports were -unchanged while residual fuel oil imports increased +91,000 bpd.

Crude oil imports fell -681,000 bpd last week with declines in all regions East of the Rockies. The decline led to a -2.2 million barrel stock draw. Combined with rising crude oil runs, the seasonal peak in crude oil stocks has likely been reached.

Stocks in Cushing increased +1.1 million barrels to a new 5-year high for this time of year.



¹ Source is latest EIA Weekly Statistics



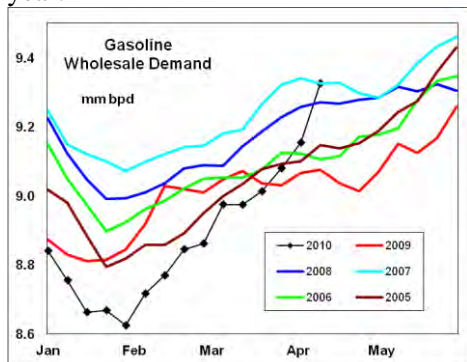
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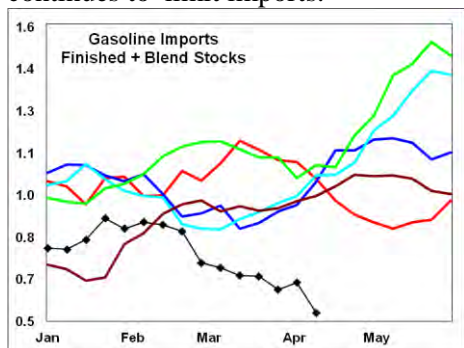
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Product Supply-Demand Trends

Gasoline demand increased +249,000 bpd last week, driven by unusually warm weather. The latest 4-wk average was +89,000 bpd above last year.



Gasoline production increased +156,000 bpd on the week, to a new all time high for the period. Imports decreased -185,000 bpd last week, to a new record low level. Closure of European refining capacity last year continues to limit imports.



Stocks decreased -1 million barrels last week, but remain above the historic range. Stocks are above the 5-year range in all regional markets except PADD 1. Stock levels in the New England and Central Atlantic Regions of PADD 1 are near 5-year lows on very low imports.

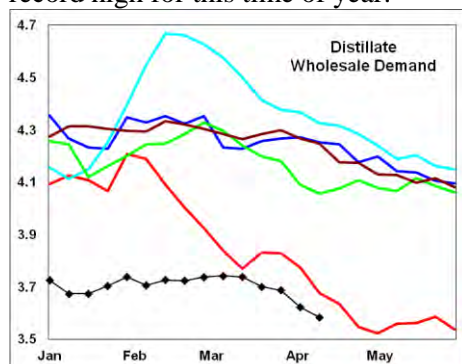
Demand has increased +476,000 bpd during the last month, due in part to a swing from very inclement weather to very favorable weather for driving. Expect the market to remain well supplied, with the exception of PADD 1 regions that depend on imports. Extremely high production extends the risk of a meaningful price pull back over the next 60-days.

Distillate demand declined -54,000 bpd

last week, with the latest 4-wk average -185,000 bpd below last year. Low heating demand on extremely warm weather has depressed demand.

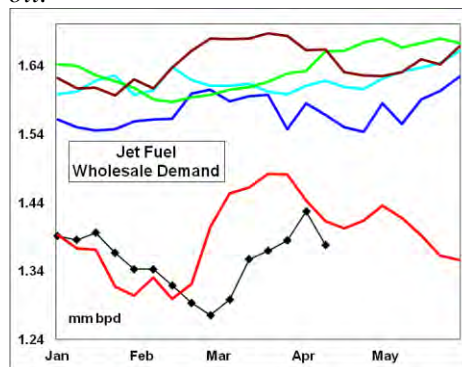
Supply decreased -49,000 bpd last week, on a -80,000 bpd drop in production. The latest 4-wk average supply was -94,000 bpd below last year.

Stocks increased +1.1 million barrels last week. Stock levels are +7.2 million barrels above last years' record high for this time of year.



Demand continues to trend below last years' record low level. Production has trended seasonally higher to near the 5-year mid range. Stock levels are extremely high and beginning to trend seasonally higher.

Gulf refiners will depend on exports for disposition of the increased production. Look for distillate prices to exhibit relative weakness to crude oil.



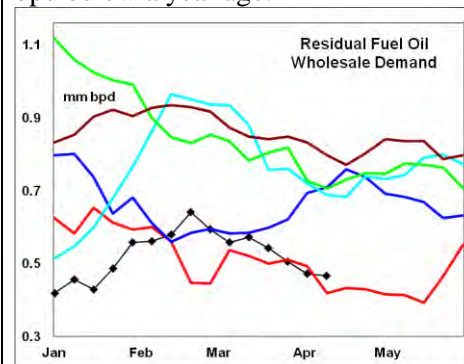
Jet Fuel demand increased +4,000 bpd on the week, but remains below the 5-year range. The latest 4-wk average was -40,000 bpd below a year ago.

Supply increased +18,000 bpd on the week, but remains at the low end of the historic range. The latest 4-wk

average supply was -16,000 bpd below last years' record low level. Stocks increased +0.2 million barrels last week, to a level above the historic range.

Demand continues at a level below last years' extremely low level. While stocks have trended seasonally lower, the level remains a record high for the period. Expect weak jet fuel prices compared to the overall energy complex.

Residual fuel oil demand, including exports, decreased -33,000 bpd last week, with the 4-wk average -9,000 bpd below a year ago.



Imports decreased -8,000 bpd on the week, offset by a +11,000 bpd rise in production. The latest 4-wk supply was +31,000 bpd above last year. Stocks increased +1.5 million barrels to a new high for the period.

Stock levels increased sharply in PADDs 1 and 3 last week, to new record high levels. Lower supply in other regions has pushed stock levels to the low end of the historic range in these regions.

The key regional markets above become extremely over supplied as a result of high imports and weak demand. The over supplied markets should pressure residual fuel prices compared to the overall energy complex.



WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

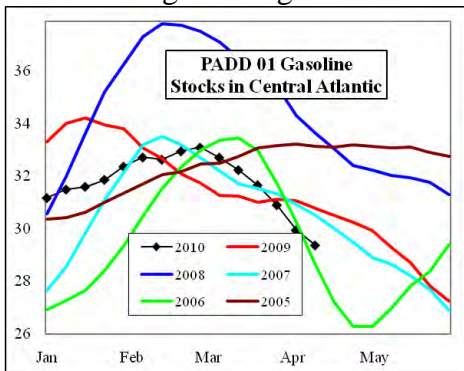
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PADD Supply Trends

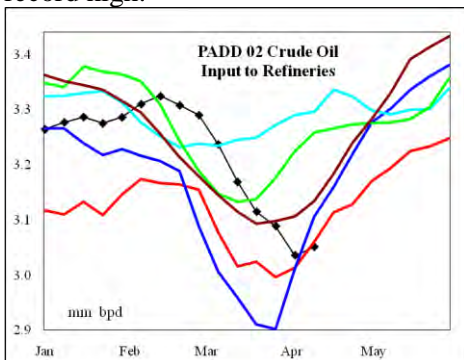
PADD 1 refinery crude oil runs increased +62,000 bpd on the week, to the low end of the historic range. (Accounting for refinery closures last year, run rates were at the mid range). Imports fell - 381,000 bpd on the week, to a record low level. Stocks decreased -1.2 million barrels to a new 5-year low.

Gasoline production increased +58,000 bpd last week, with the latest 4-wk average +311,000 bpd above a year ago. Imports decreased -152,000 bpd to a new seasonal low. Stocks increased +0.6 million barrels but remain very low in the Central Atlantic and New England Regions.



Distillate supply increased +18,000 bpd on the week, but remains near 5-year lows. Stocks increased +0.4 million barrels last week, and remain at record high levels.

Jet fuel supply increased +58,000 bpd, lifting stock levels to a new record high.



PADD 2 crude oil refinery runs increased +22,000 last week, but remain at the low end of the historic

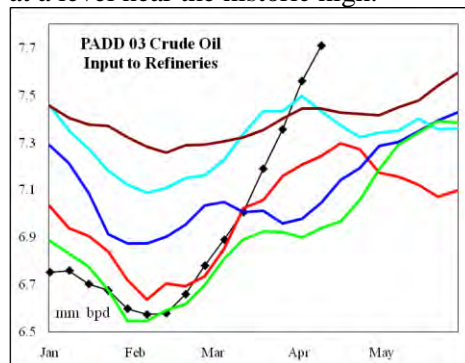
range. Crude oil imports decreased - 89,000 bpd last week, to the low end of the historic range. Stocks increased +1.3 million barrels to a new 5-year high for the period. Stocks in Cushing increased +1.1 million barrels, to a new 5-year high for the period.

Gasoline production increased +148,000 bpd on the week, matching the historic high for the week. Stocks decreased -1.2 million barrels, but remain above the 5-year.

Distillate production increased +40,000 bpd last week, to near the mid range for the period. Stocks increased +0.8 million barrels, signaling a bottoming of seasonal stock levels. The stock level was above the mid range for the period.

Jet fuel production decreased - 13,000 bpd last week, falling to a record low. Stocks decreased -0.5 million barrels to the low end of the historic range.

PADD 3 refinery crude oil runs increased +69,000 bpd last week, to a new all time high for the first 6-months of the year. Imports decreased -331,000 bpd, but remain at a level above nearly the entire past 12-months. Stocks decreased -1.9 million barrels, at a level near the historic high.



Gasoline production decreased -34,000 bpd last week, with the 4-wk average - 265,000 bpd below a year ago. Stocks were unchanged, at a level that is above the historic range.

Distillate production decreased - 177,000 bpd on the week, to the mid range of the historic range. Stocks decreased -0.2 million barrels, but remains +6.7 million barrels above the

prior record level.

Jet fuel supply decreased -24,000 bpd on the week, to a level that is at the upper end of the 5-year range. Stocks increased +0.2 million barrels to a new record high for the period.

Residual fuel oil production increased +23,000 bpd to the mid range. Stocks jumped +0.8 million barrels to a new record high.

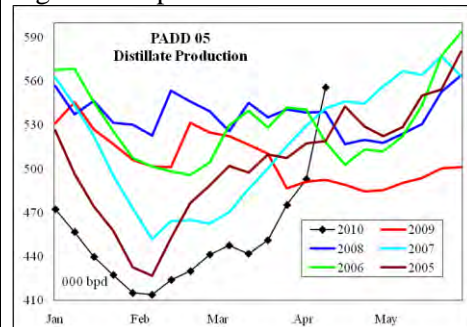
PADD 4 refinery crude oil runs increased +43,000 bpd last week, with the latest 4-wk average +8,000 bpd above year ago levels. Weekly run rates were at the mid range.

Gasoline production decreased - 13,000 bpd on the week, to the upper end of the 5-year range. Stocks increased +0.2 million barrels, and are now at a 5-year high for the period.

Distillate production increased +28,000 bpd to a new record high for the period. Stocks were at the upper end of the 5-year range.

PADD 5 crude oil refinery runs increased +13,000 bpd on the week, to the low end of the historic range. The latest 4-wk average run rate was - 71,000 bpd below a year ago. Crude oil stocks decreased -0.2 million barrels, below the historic range.

Gasoline production decreased - 3,000 bpd last week, but remains at a 5-year high for the period. The latest 4-wk average was +156,000 bpd above last year. Stocks decreased -0.7 million barrels, but remain at a record high for the period.



Distillate production increased +53,000 bpd on the week, to an historic high for the period. Stocks increased +0.1 million barrels but remain below the historic range.


**FUNDAMENTAL
PETROLEUM
TRENDS**

PETROLEUM: Graph Link and Weekly Summary

A Fundamental Petroleum Trends Weekly Report

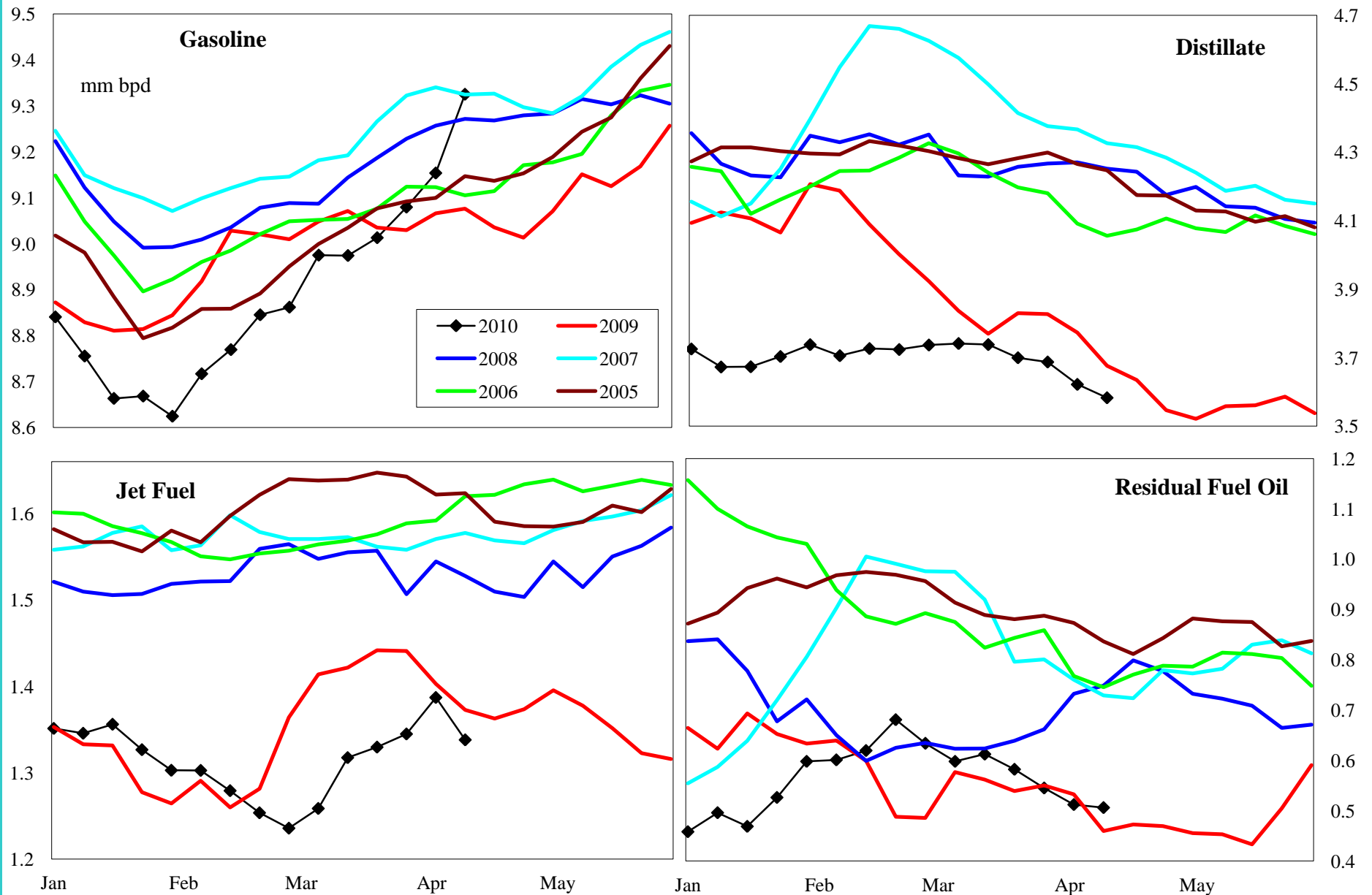
April 14, 2010

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Fundamental Trends	<u>Wholesale Demand</u>	<u>Stocks Days Fwd Coverage</u>	<u>Refinery Utilization</u> <u>Product Yield %</u>				<u>Imports</u>
Supply/Demand Trends	9-Apr-10	EIA-DOE CHANGE FROM PRIOR WEEK					
	000 bpd stocks 000 bls	U. S. Total	PADD				
			1	2	3	4	5
<u>Crude Oil</u>	Stocks	-2,202	-1,186	1,281	-1,932	-210	-155
	Imports	-681	-381	-89	-331	72	48
	Input	209	62	22	69	43	13
	% Utilization	1.10					
<u>Gasoline</u>	Stocks	-1,036	639	-1,162	30	184	-727
	Production	156	58	148	-34	-13	-3
	Imports	-185	-152	0	-37	0	4
	Supplied	249					
<u>Distillate</u>	Stocks	1,107	409	765	-225	105	53
	Production	-80	-24	40	-177	28	53
	Imports	31	6	0	25	0	0
	Supplied	-54					
<u>Jet Fuel</u>	Stocks	160	442	-483	180	128	-107
	Production	-13	12	-13	-3	-5	-4
	Imports	31	46	0	-21	0	6
	Supplied	4					
<u>Residual Fuel Oil</u>	Stocks	1,465	1,153	-208	797	10	-287
	Production	11	5	-18	23	1	0
	Imports	-8	41	-5	-2	0	-42
	Supplied	-33					

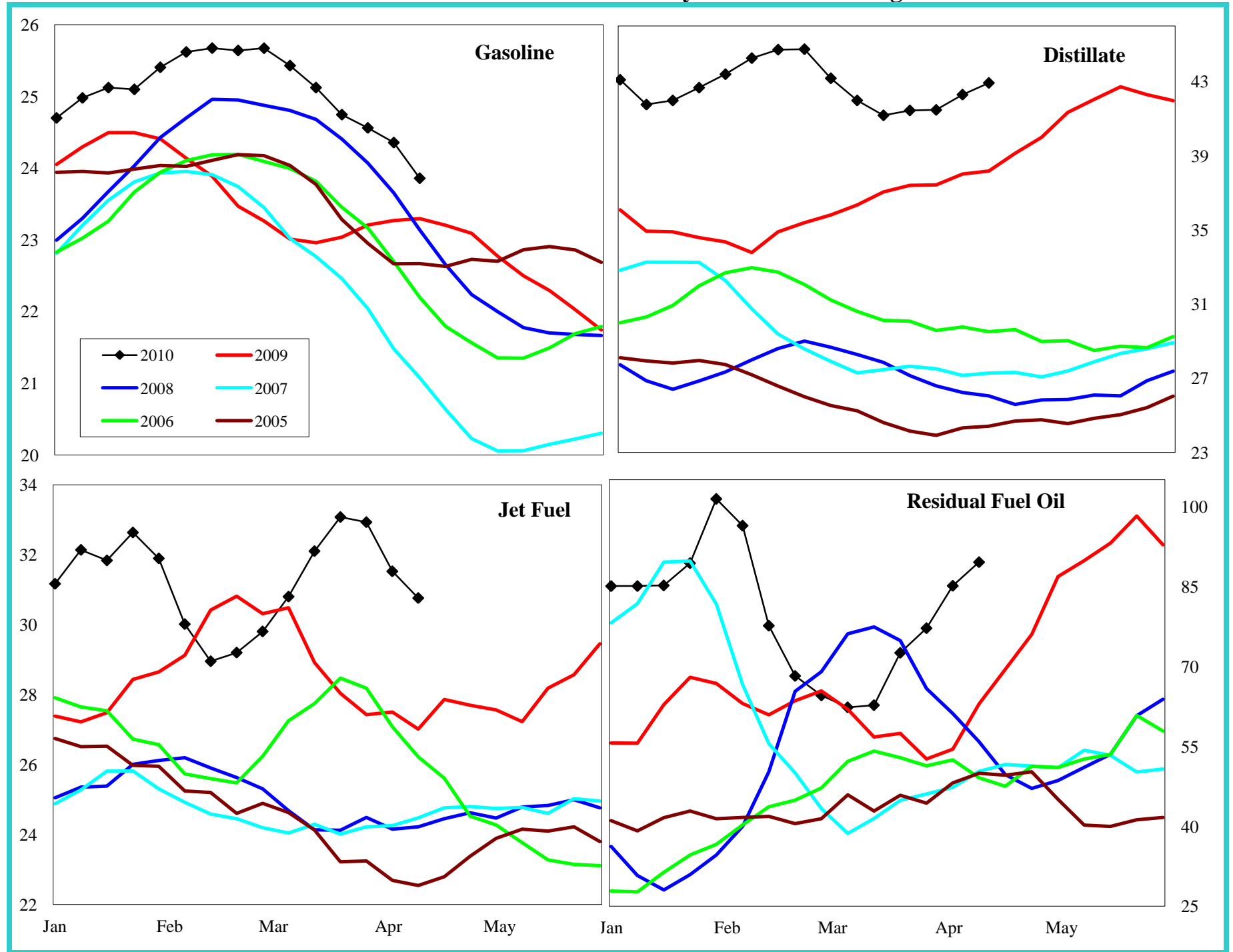
United States Wholesale Petroleum Demand



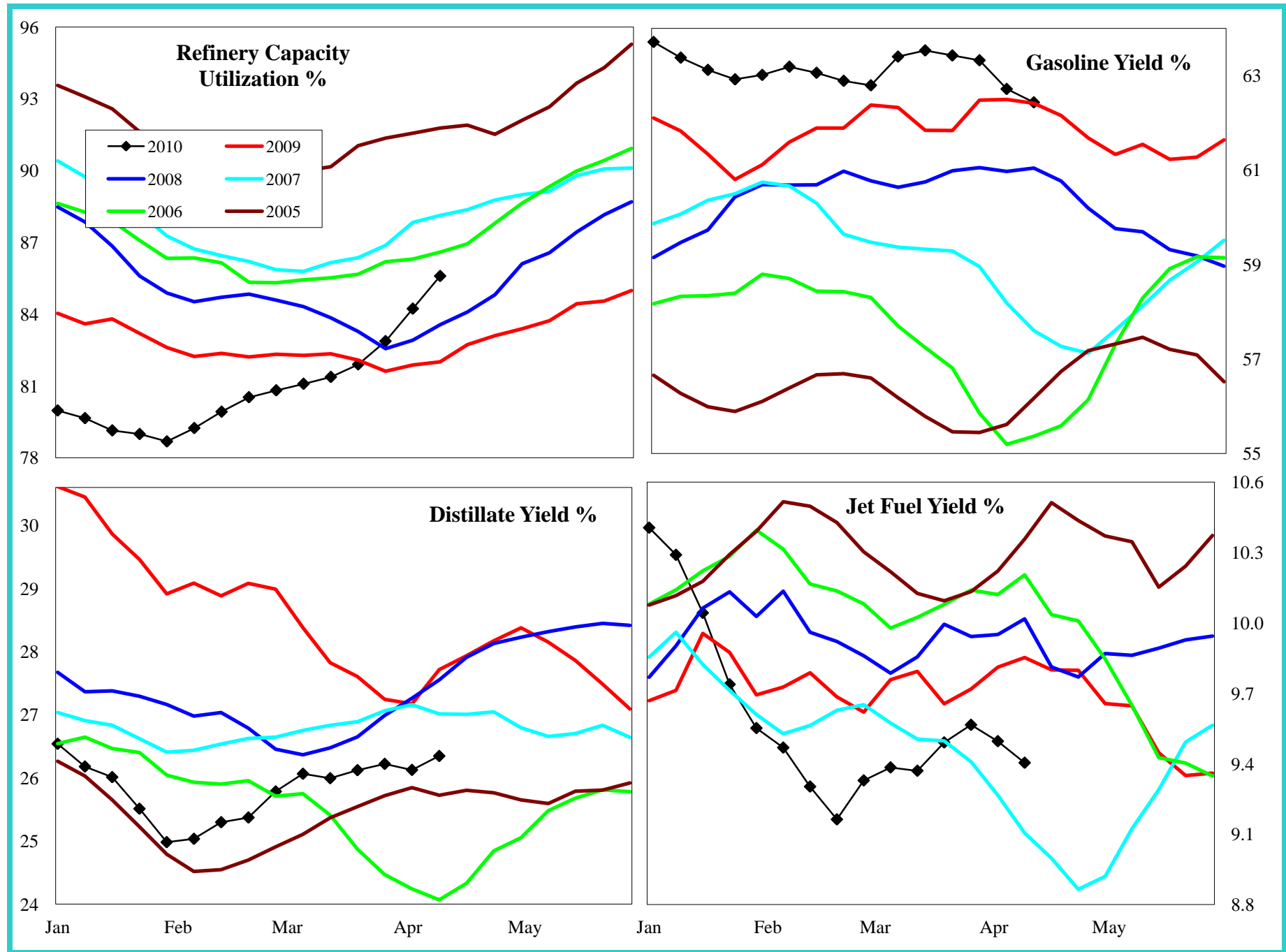
	000 bpd change from prior year				% change from prior year			
	4wk avg	Feb	Jan	Dec	4wk avg	Feb	Jan	Dec
Gasoline	89	16	-35	34	1.0	0.2	-0.4	0.4
Distillate	-185	-177	-371	-79	-4.8	-4.5	-9.1	-2.1
Jet Fuel	-40	-59	6	96	-2.8	-4.4	0.4	6.9
Resid	-9	162	-207	-273	-1.7	32.0	-29.6	-36.3



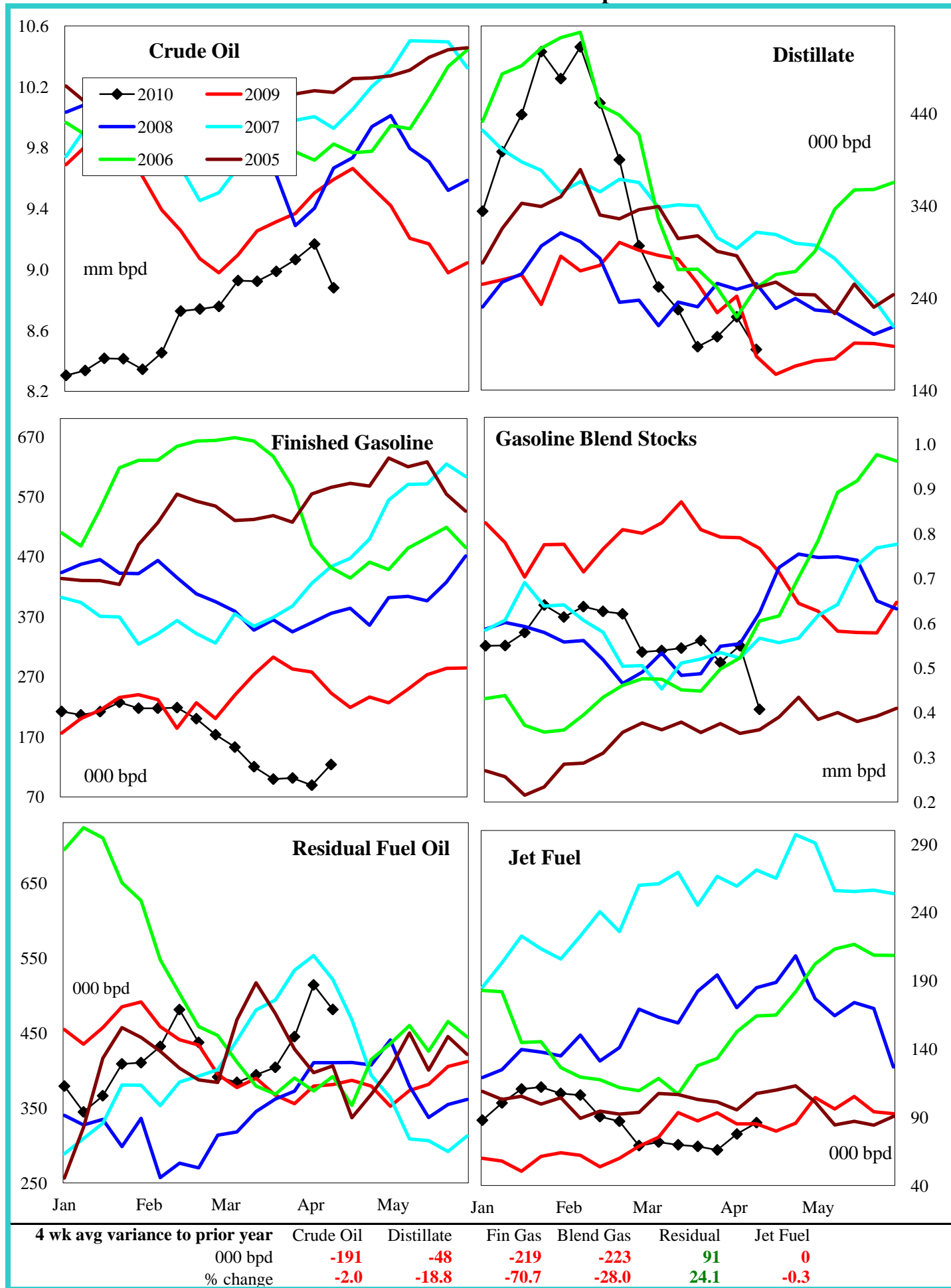
United States Product Stocks: Days Forward Coverage



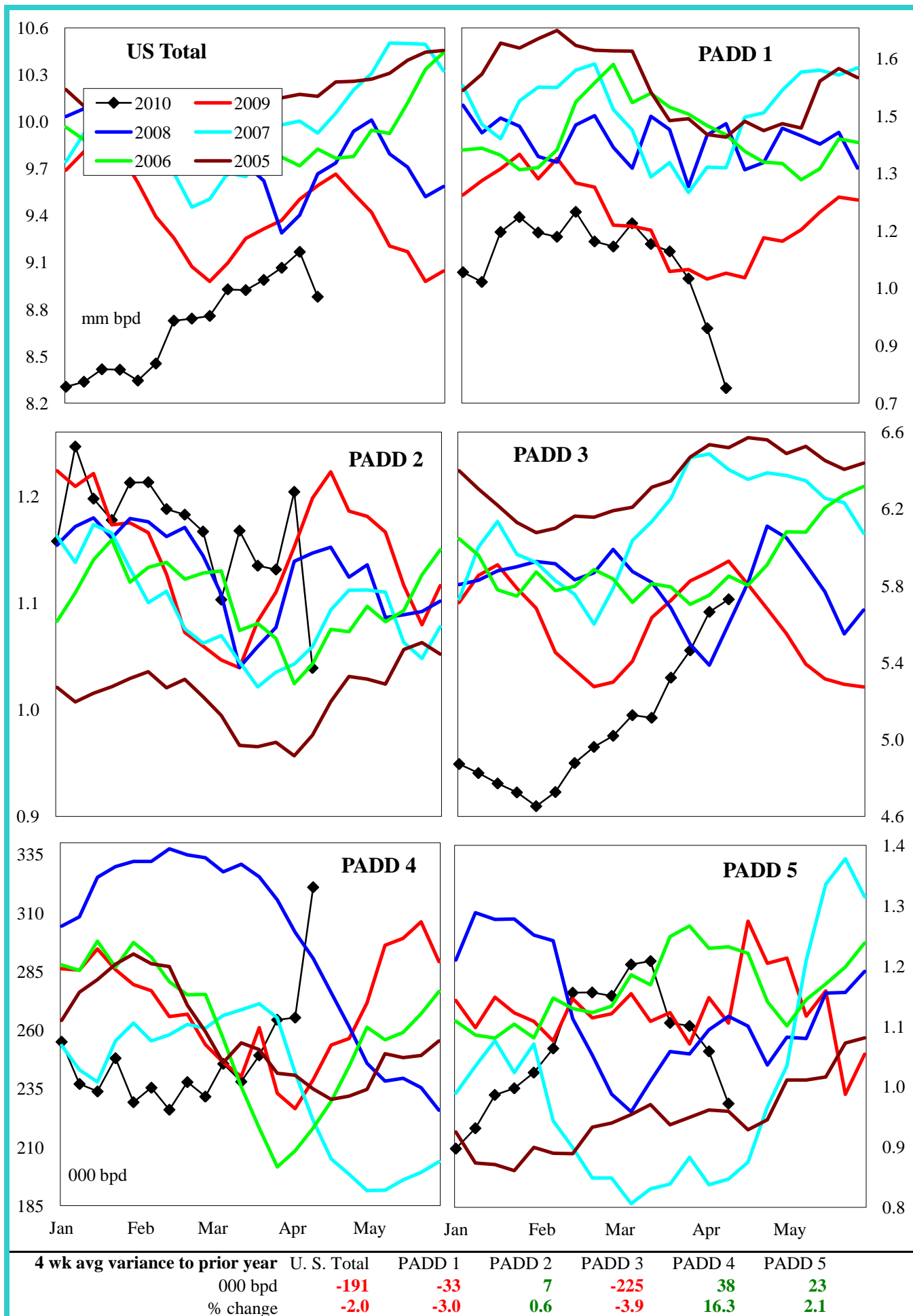
United States Refinery Percent Utilization Rate and Product Yields



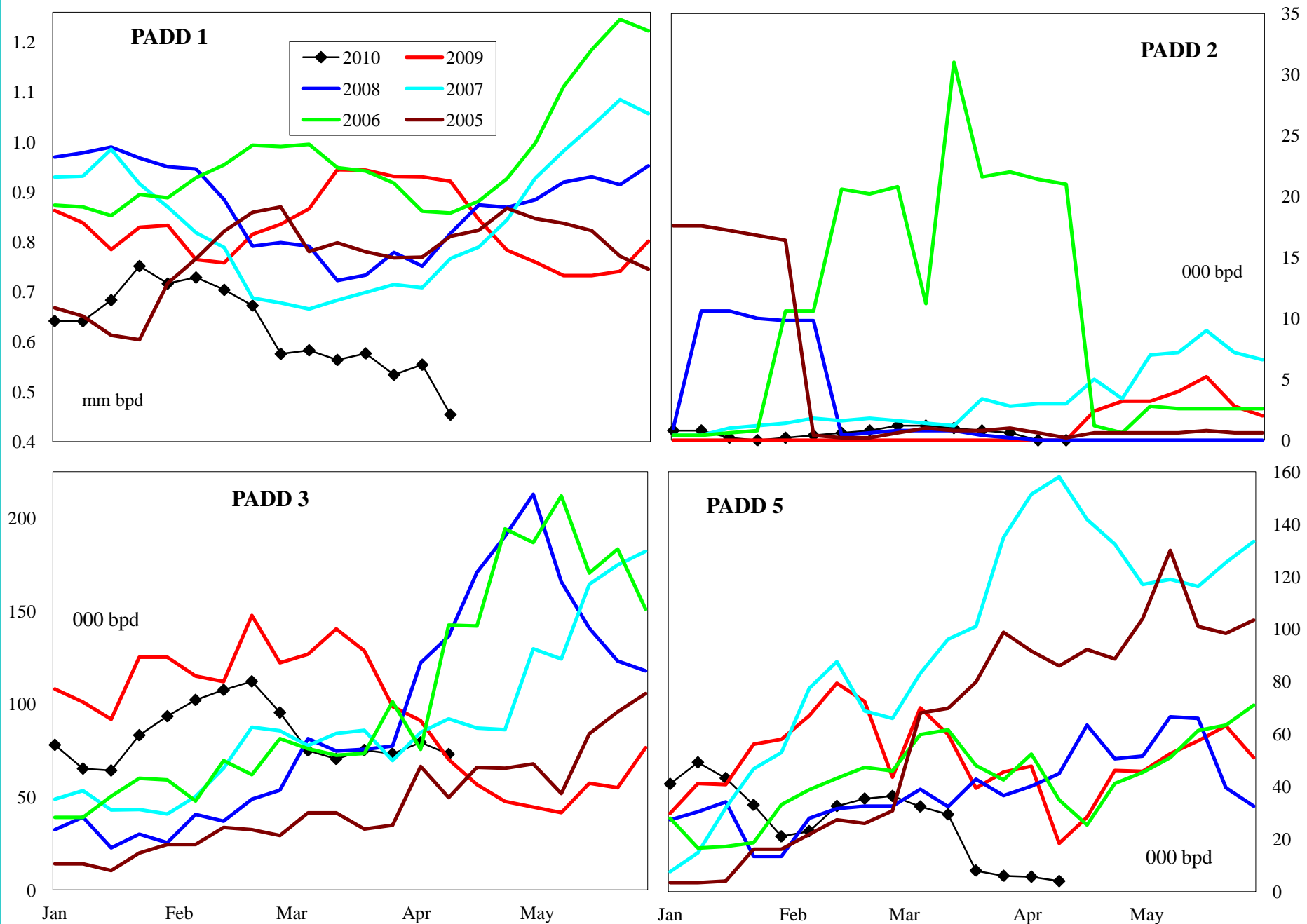
United States Petroleum Imports



Crude Oil Imports by PADD



Gasoline Imports by PADD (Finished + Blend Stocks)



4 wk avg variance to prior year

000 bpd

% change

PADD 1

-356

-37.6

PADD 2

0

#DIV/0!

PADD 3

-34

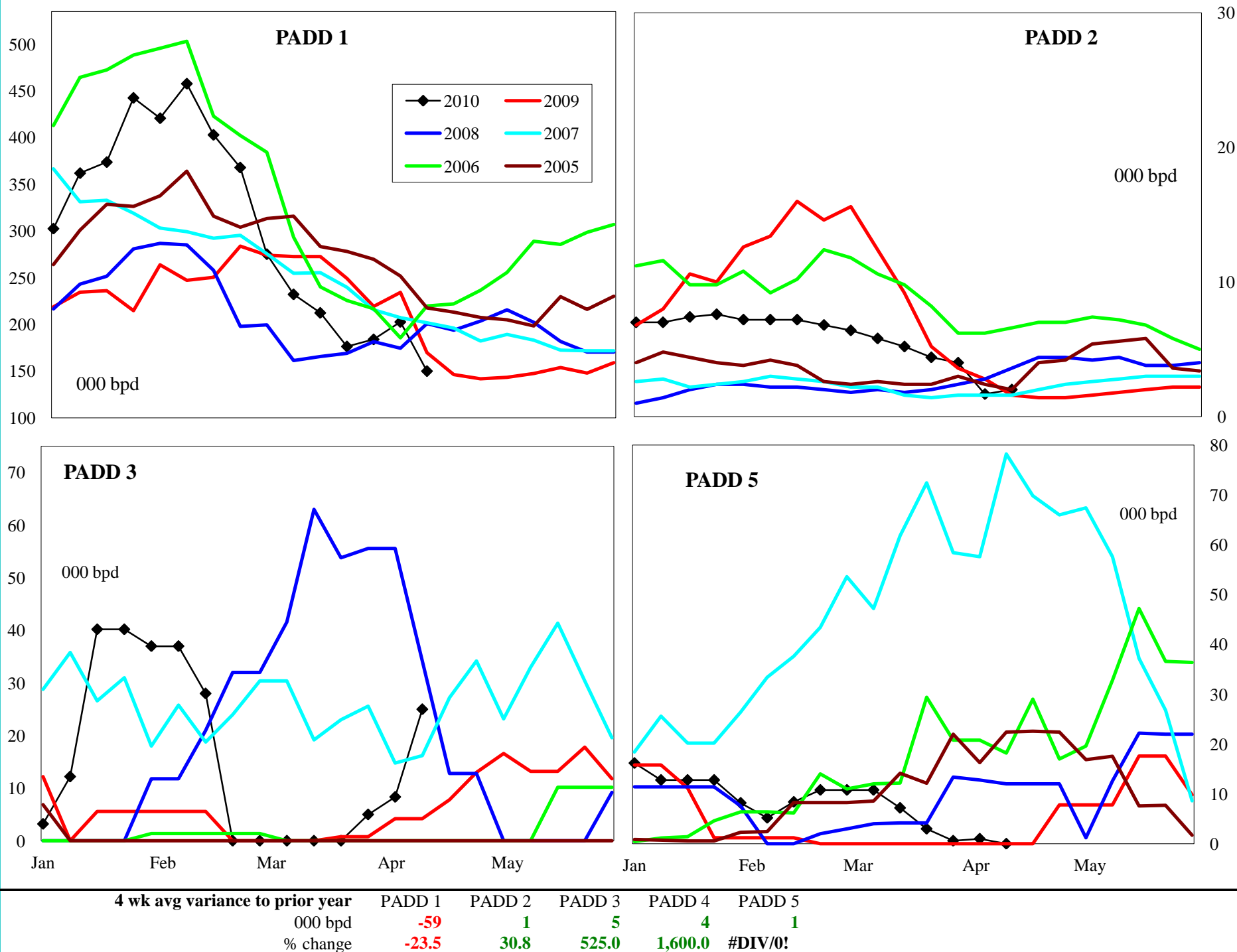
-32.5

PADD 5

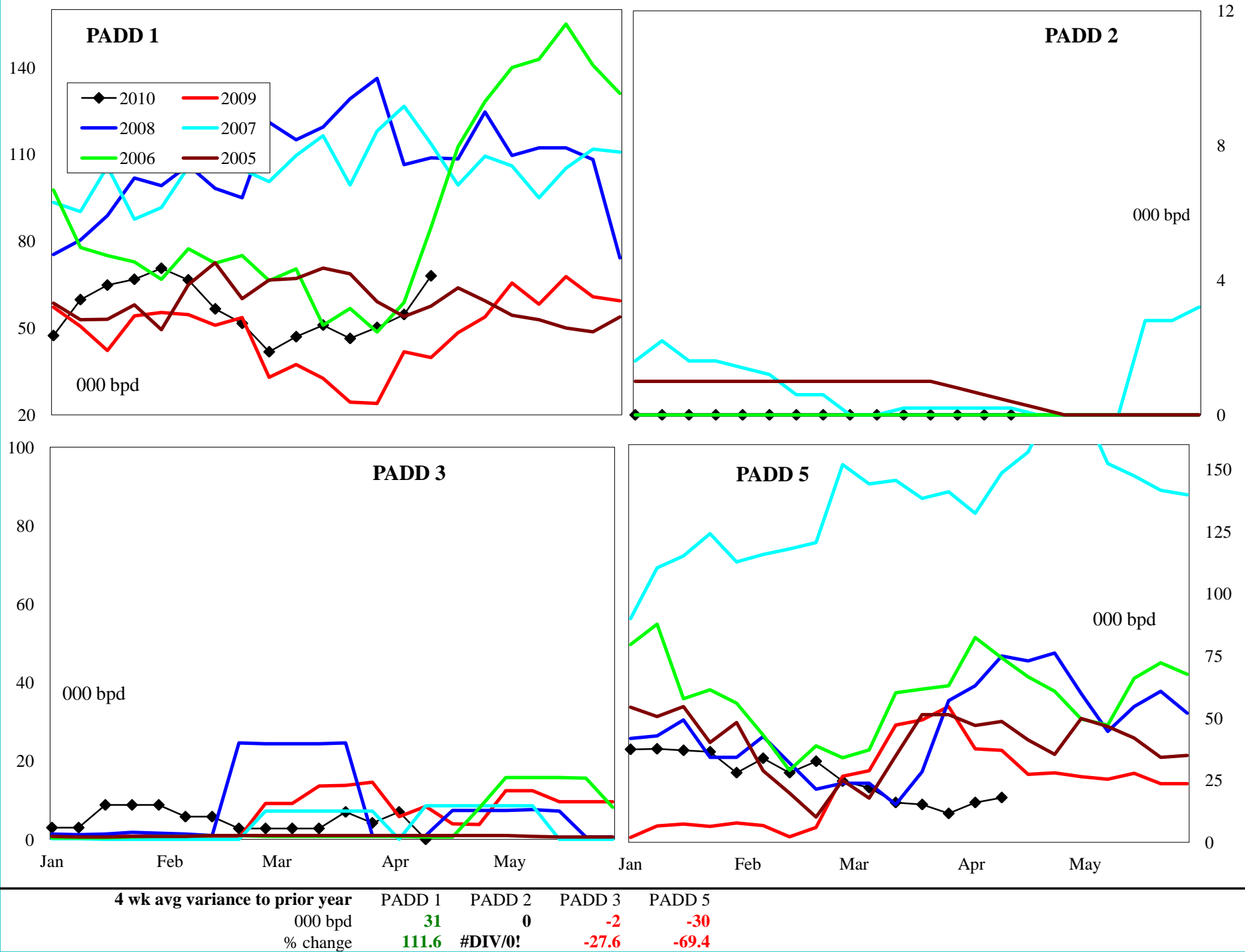
-53

-92.5

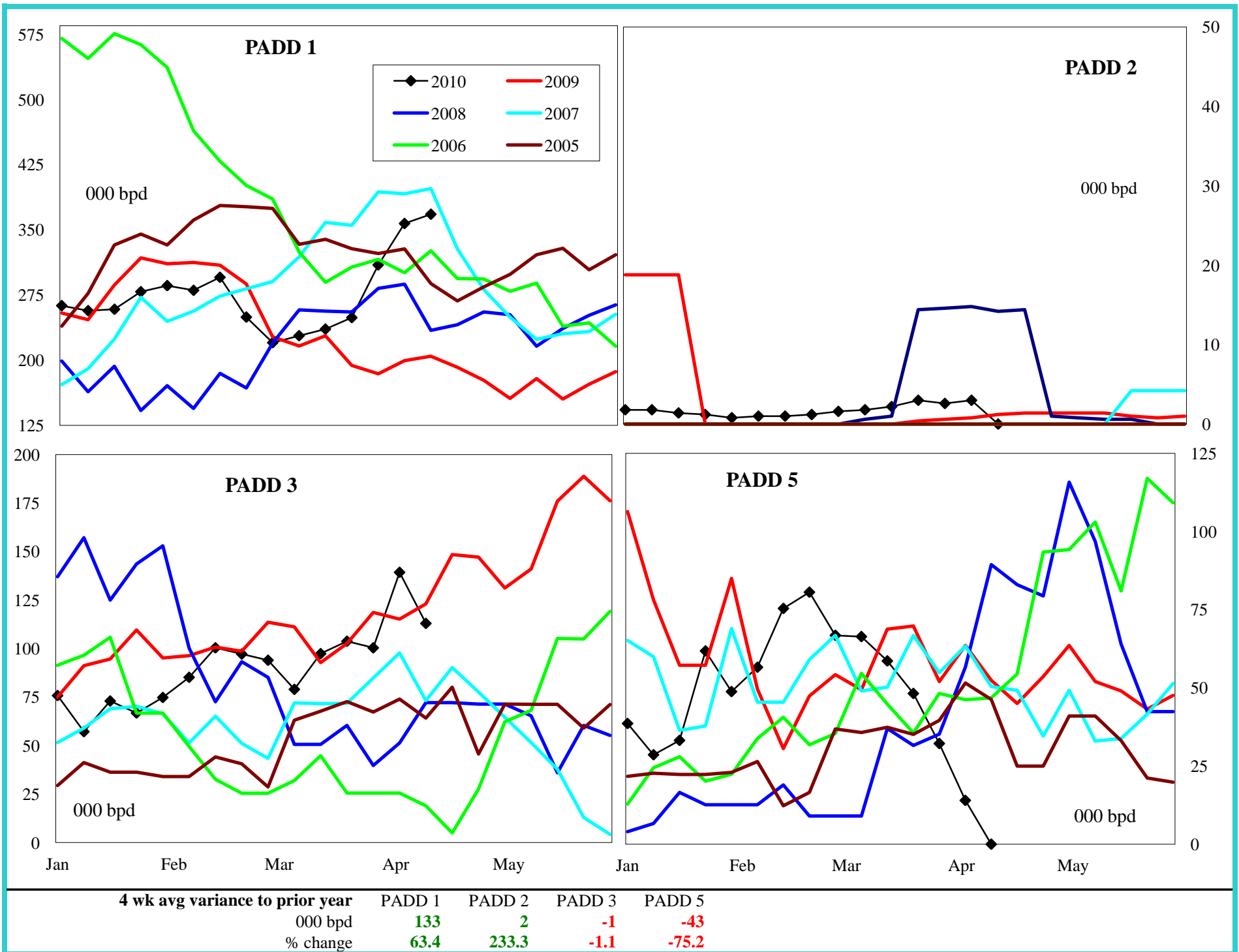
Distillate Imports by PADD



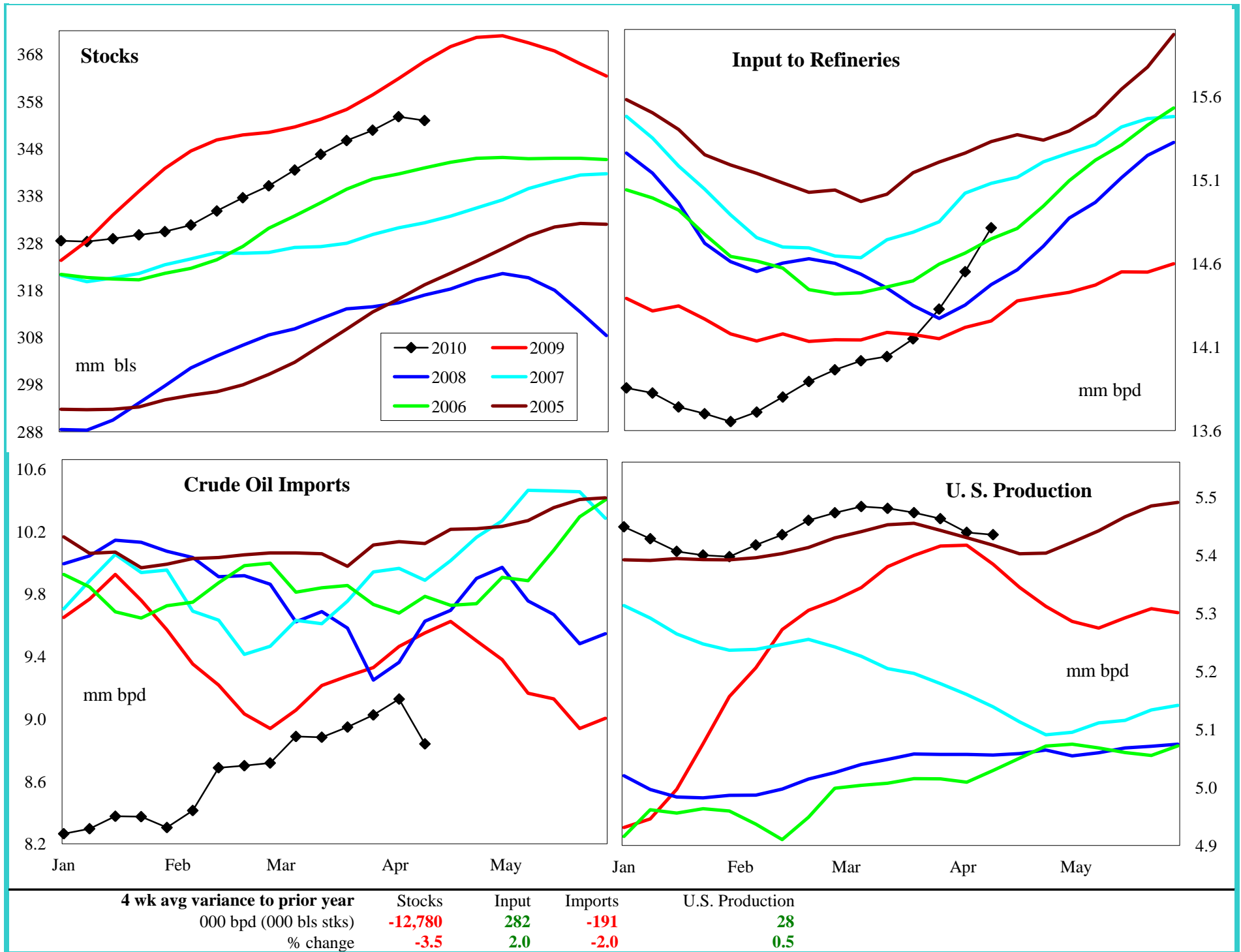
Jet Fuel Imports by PADD



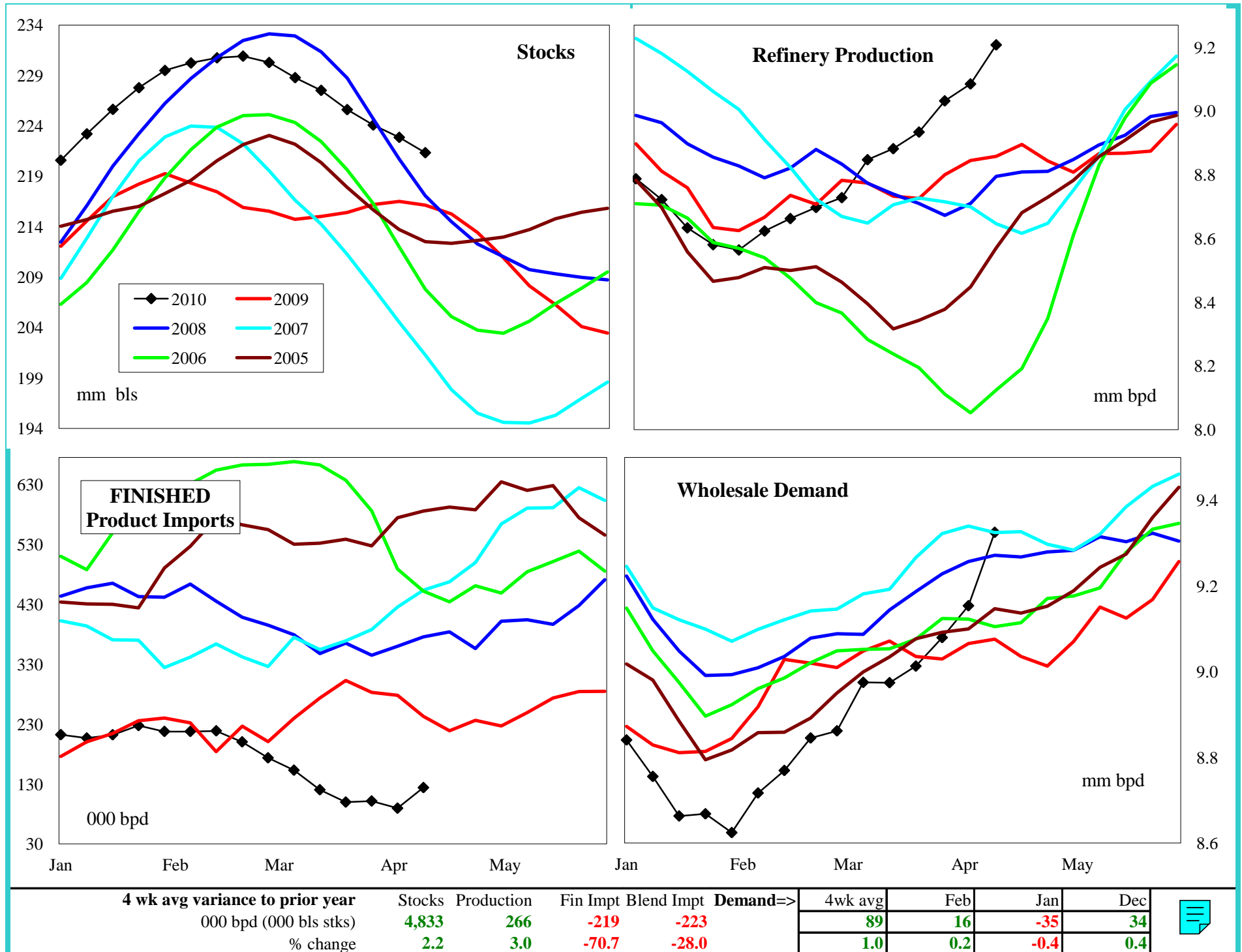
Residual Fuel Oil Imports by PADD



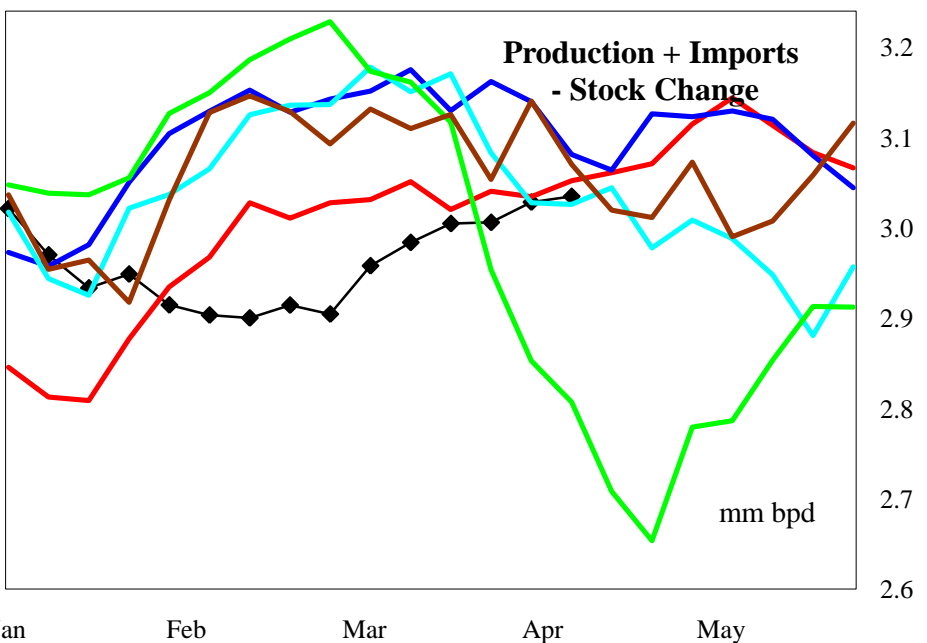
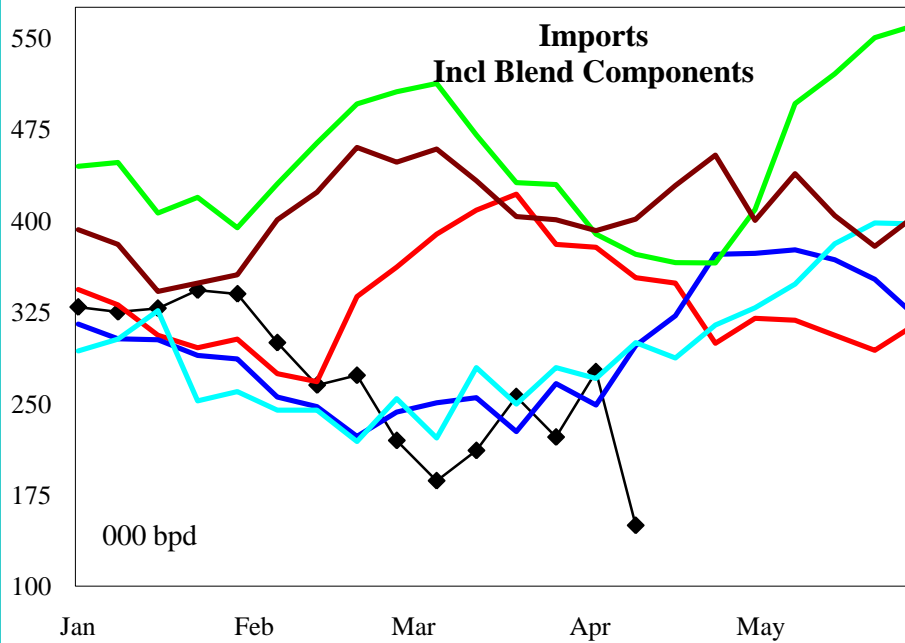
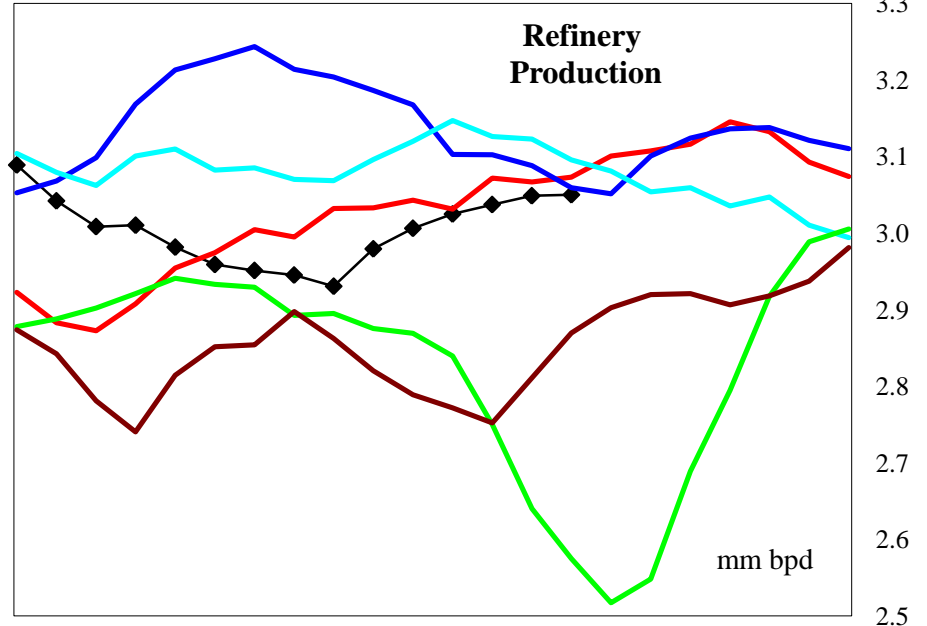
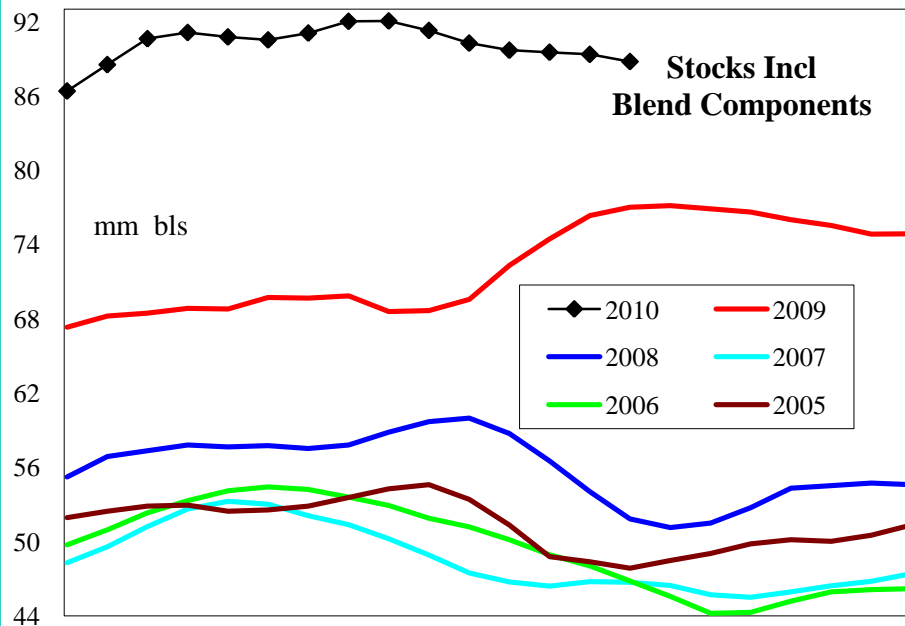
United States Crude Oil Supply and Demand Balance



United States Gasoline Supply and Demand Balance



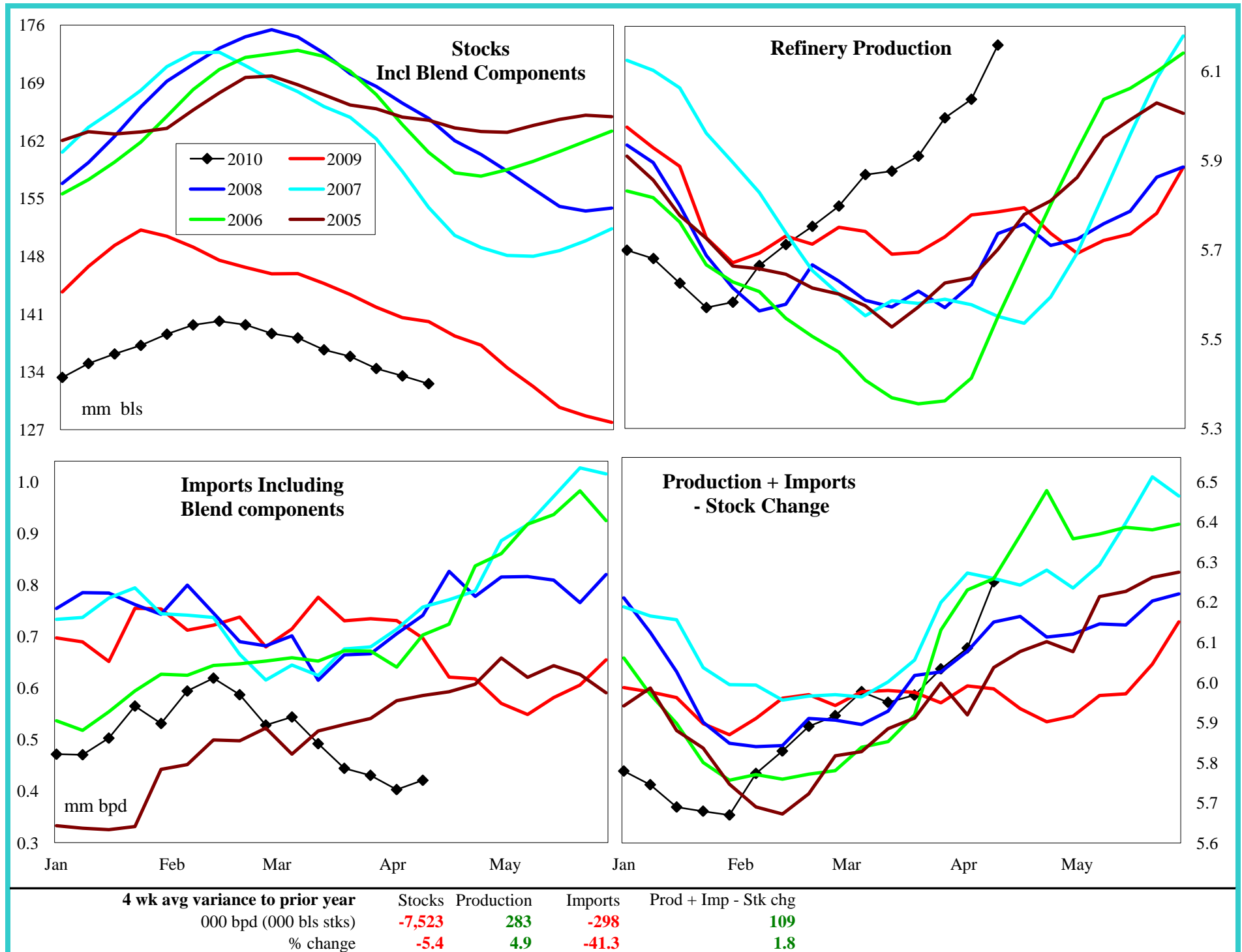
United States Reformulated Gasoline Supply



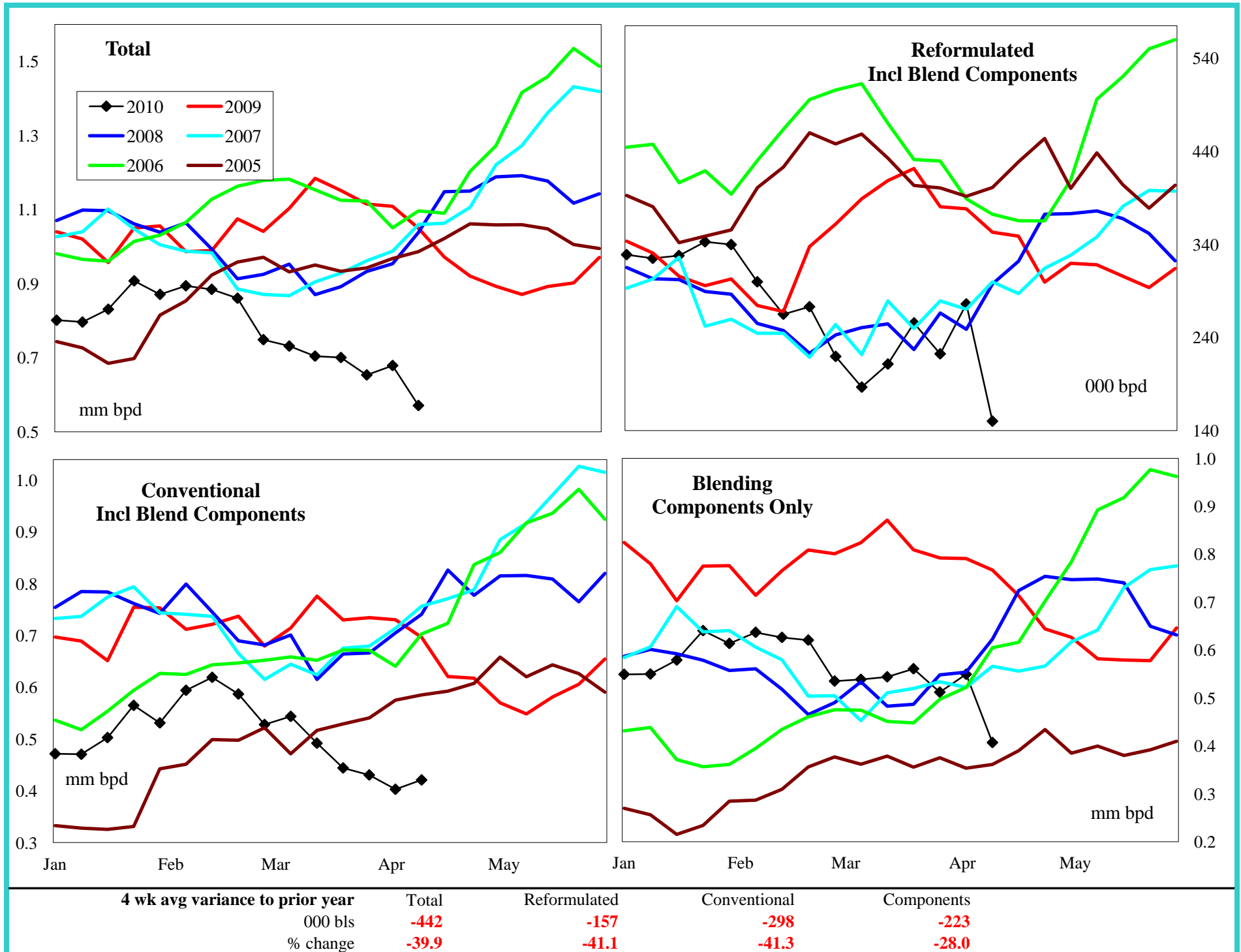
4 wk avg variance to prior year
000 bpd (000 bls stks)
% change

Stocks	Production	Imports	Prod + Imp - Stk chg
11,774	-17	-157	-18
15.3	-0.5	-41.1	-0.6

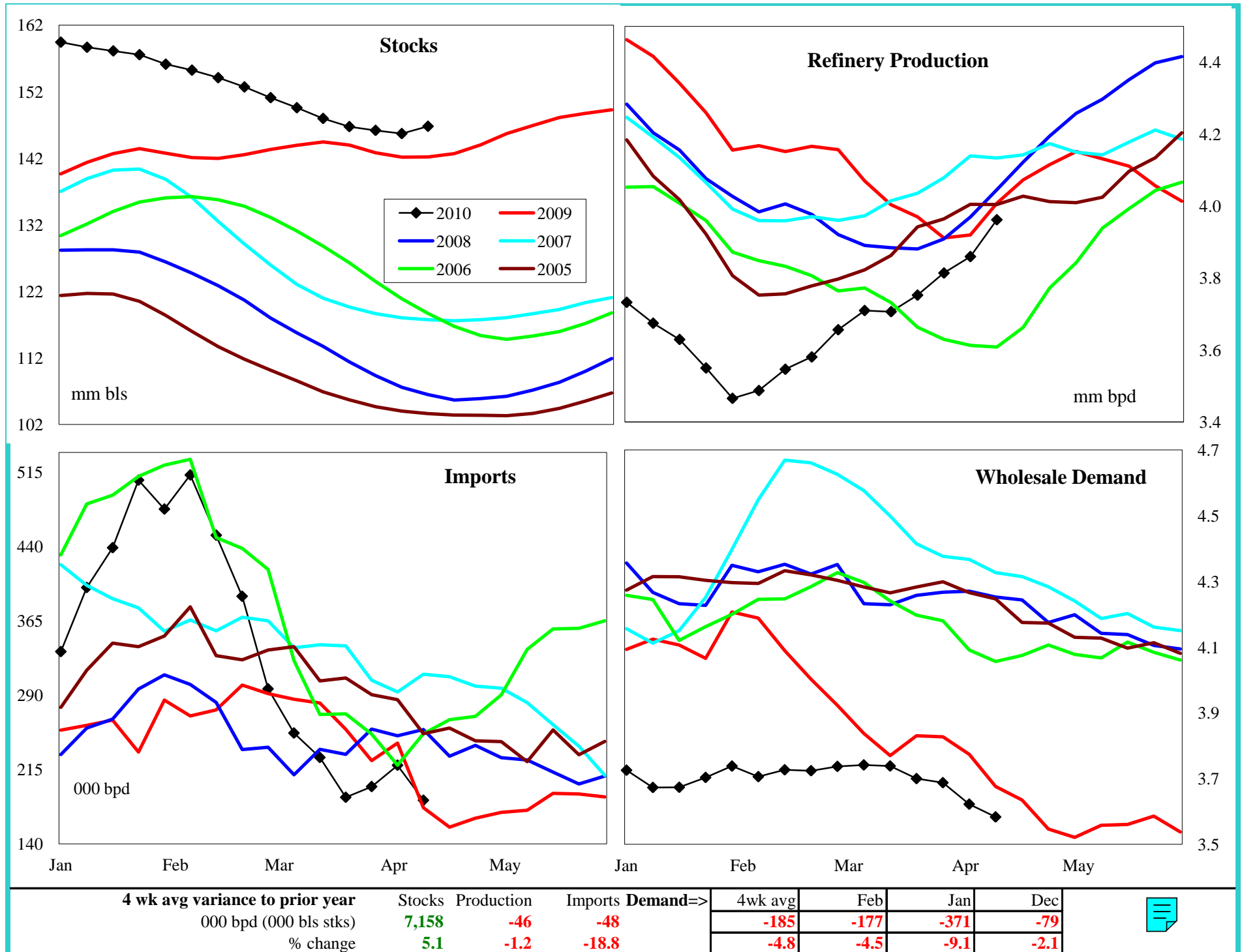
United States Conventional Gasoline Supply



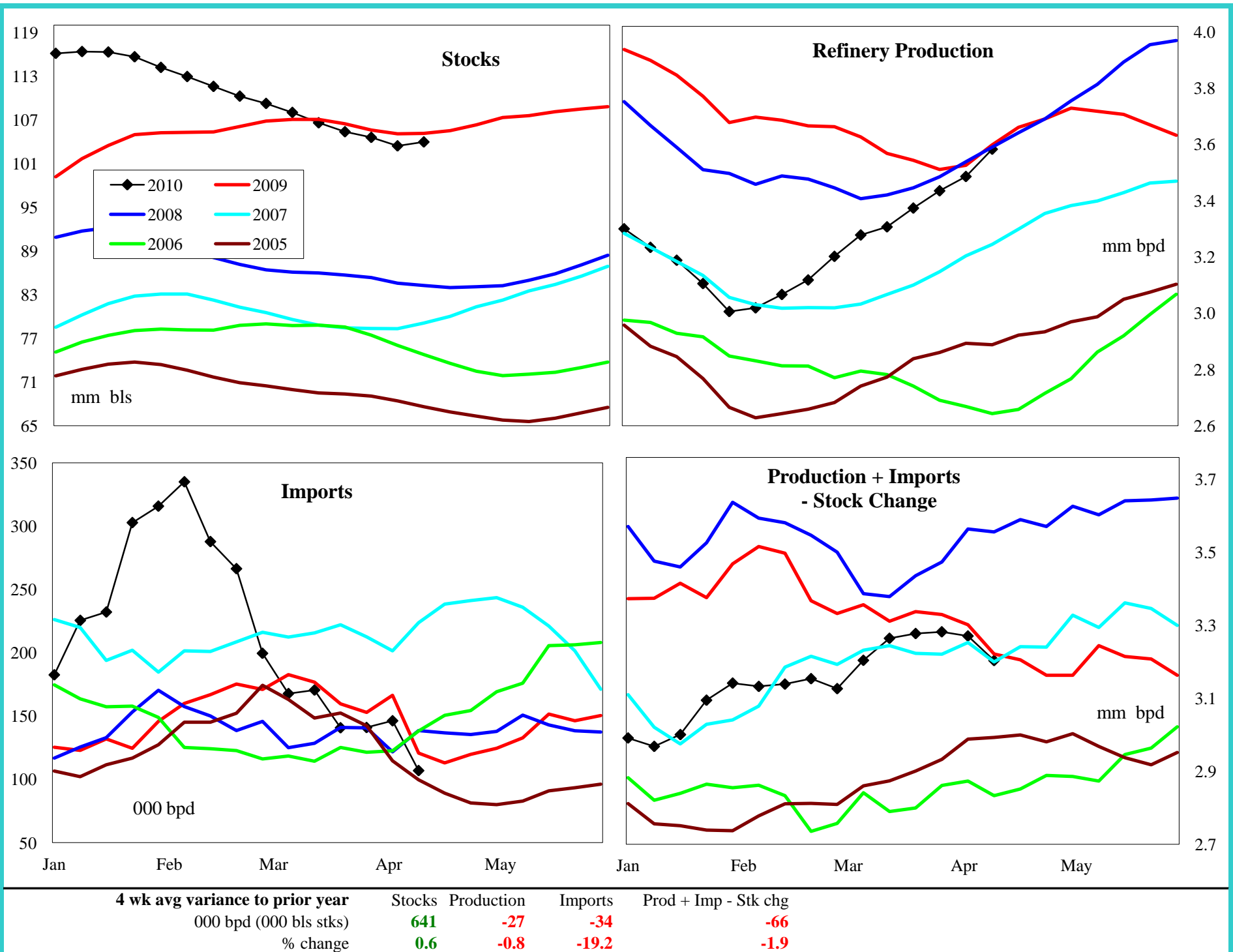
United States Gasoline Imports by Type



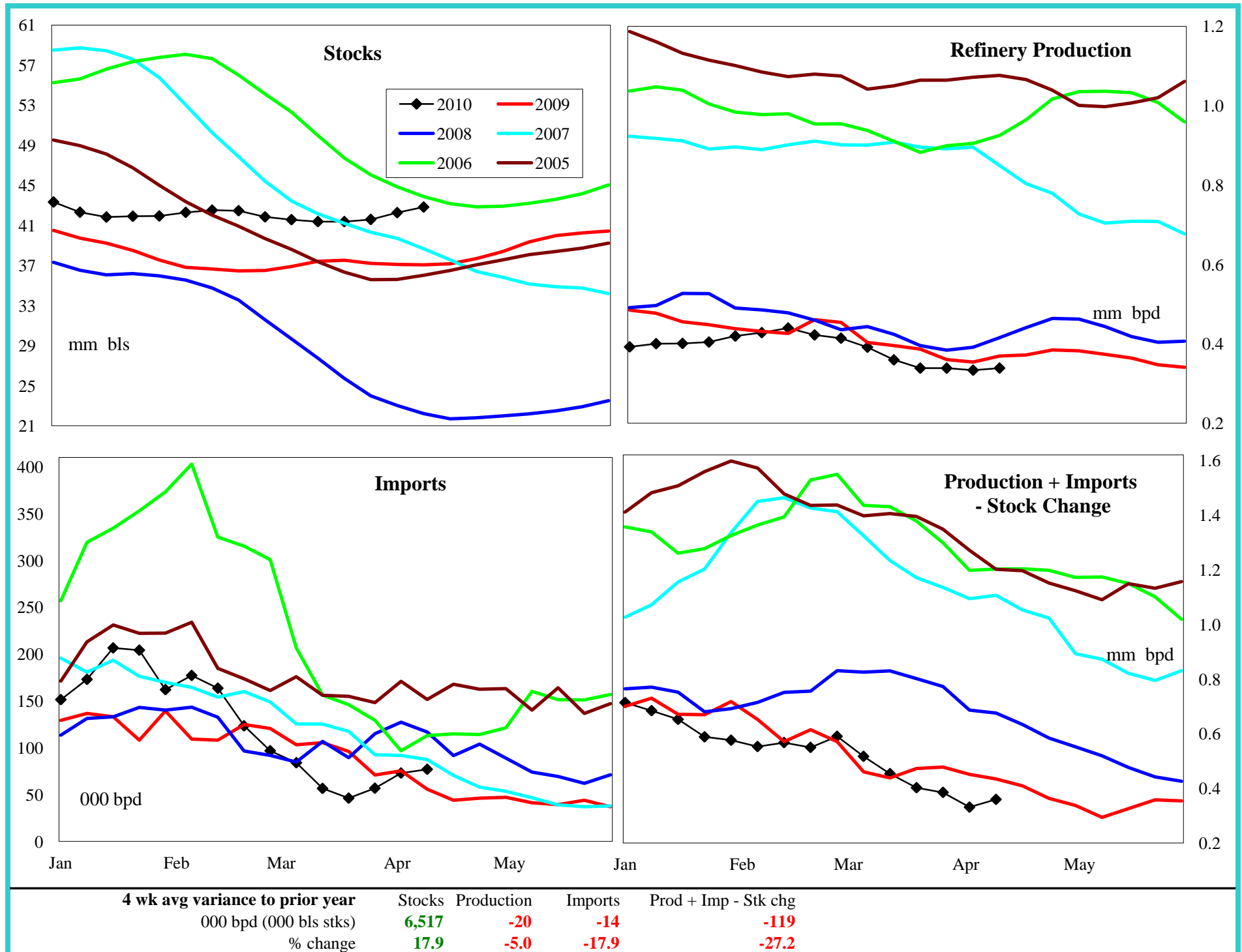
United States Distillate Supply and Demand Balance



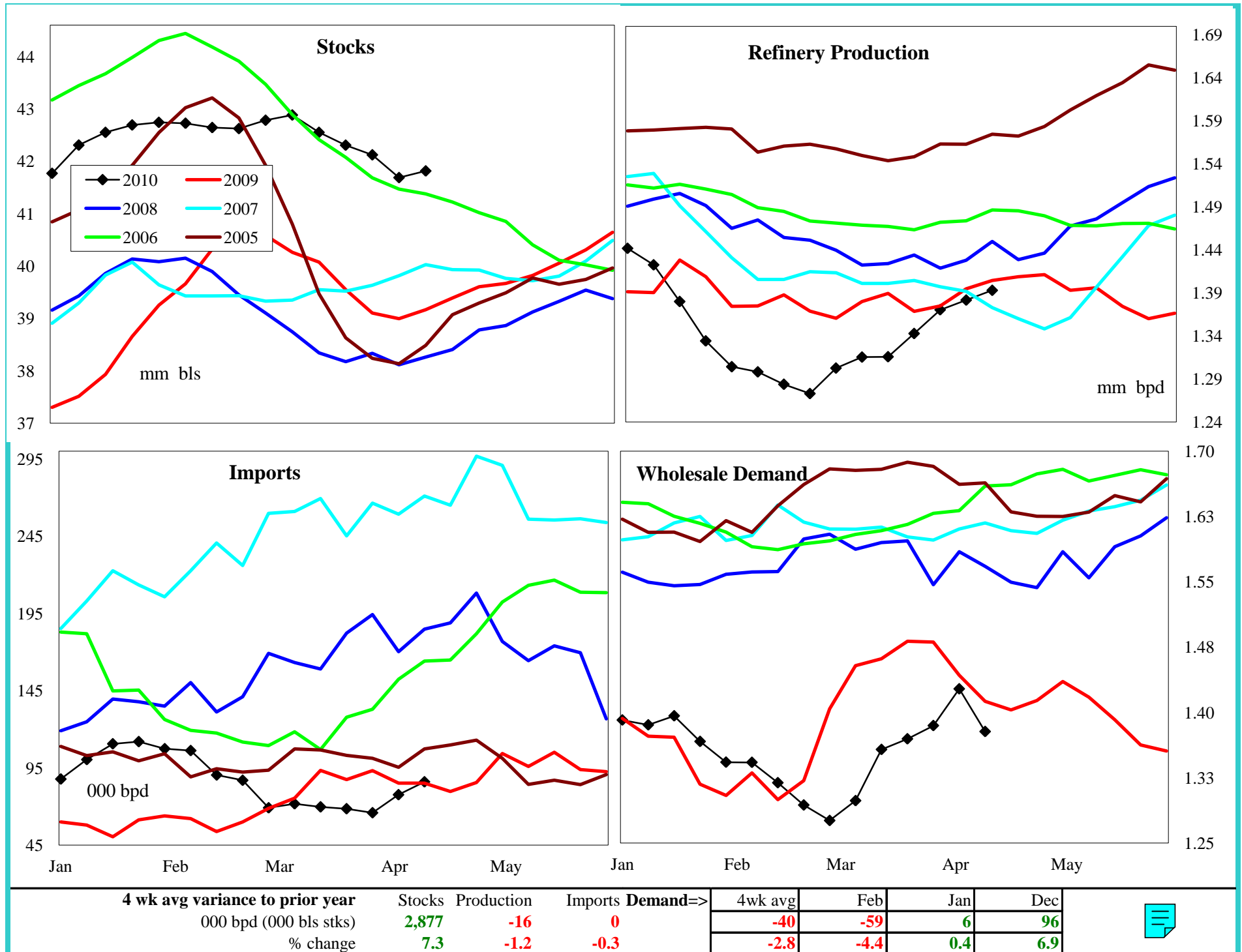
United States Low Sulfur Distillate Supply



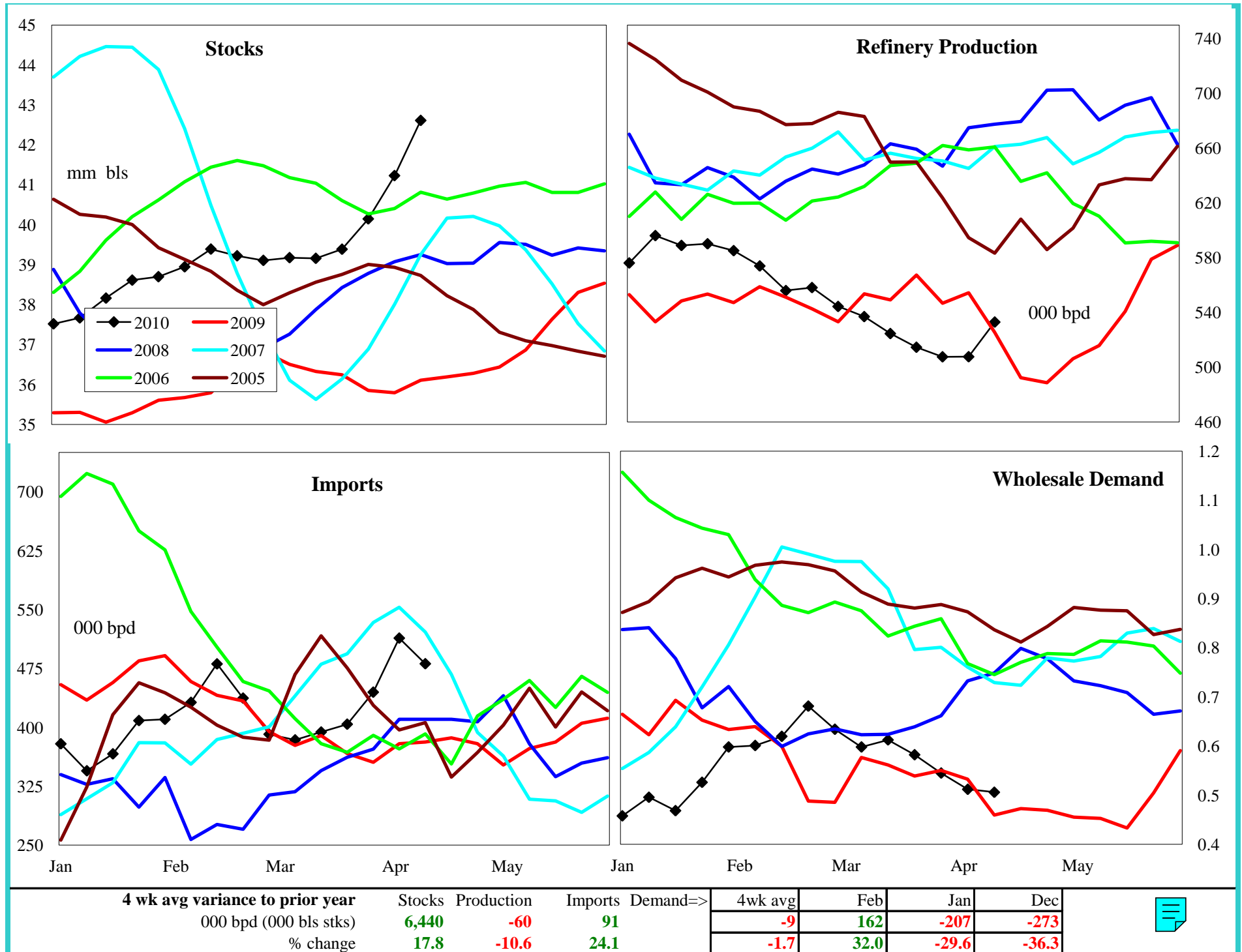
United States High Sulfur Distillate Supply



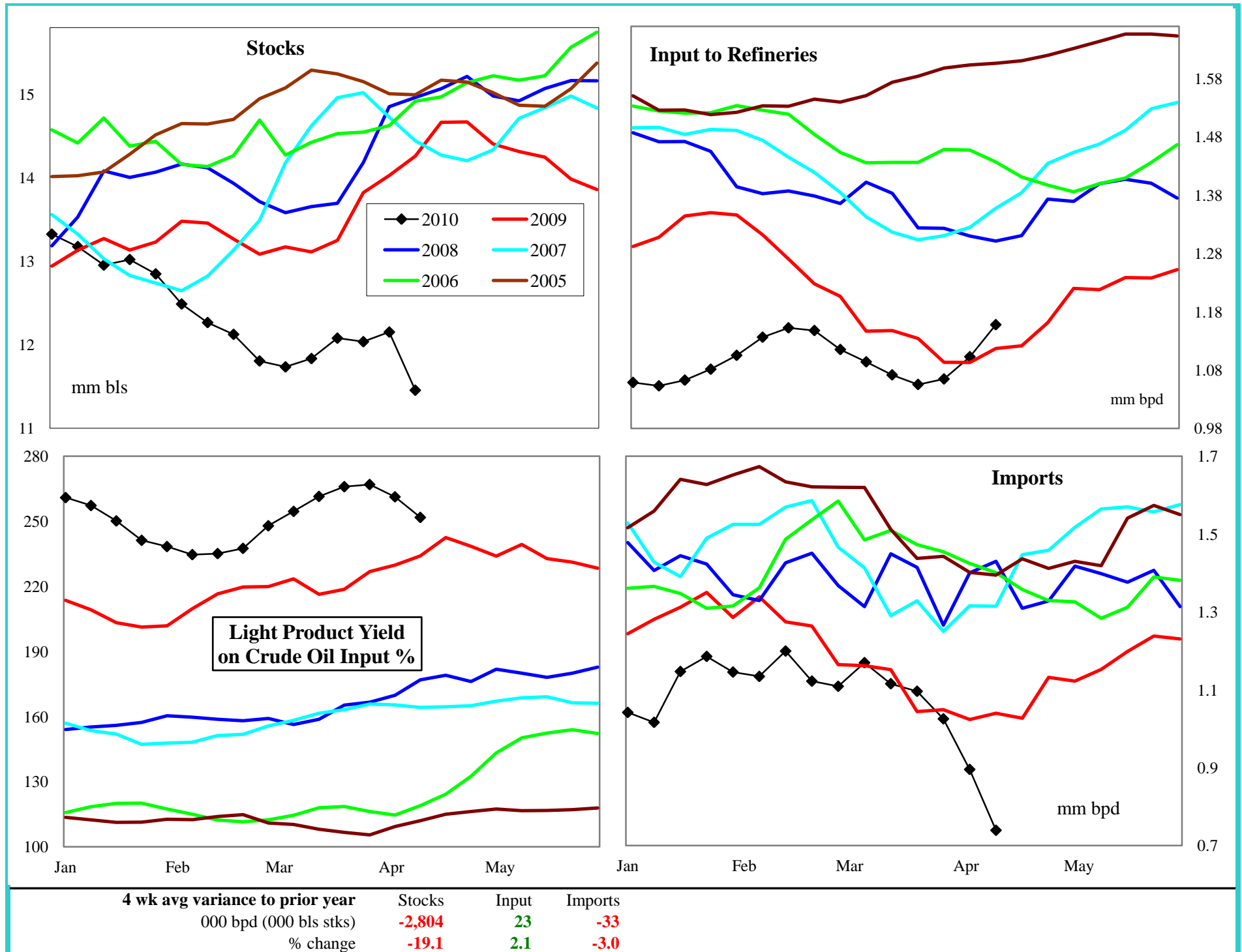
United States Jet Fuel Supply and Demand Balance



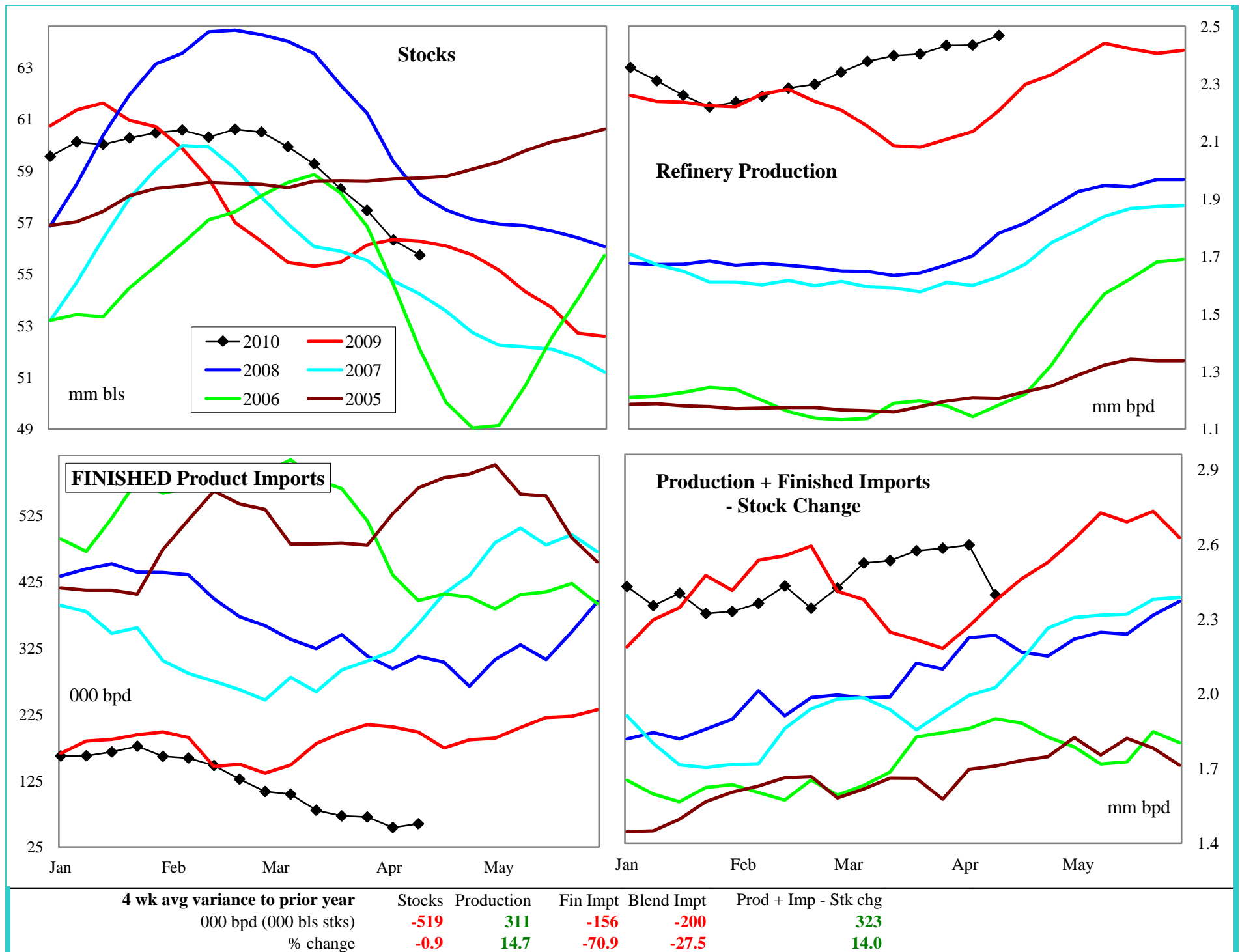
United States Residual Fuel Oil Supply and Demand Balance



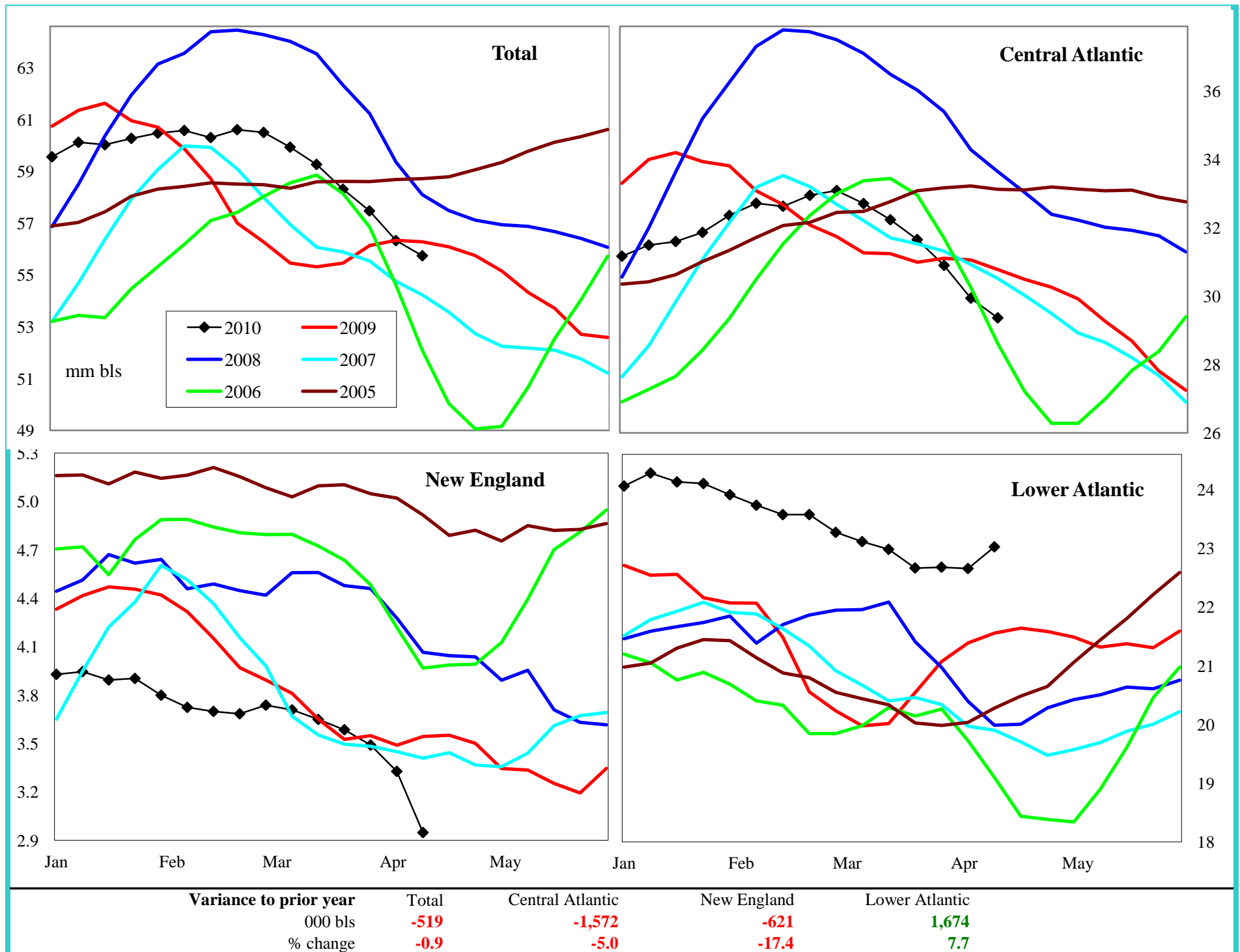
PADD 1 Crude Oil Supply and Refining



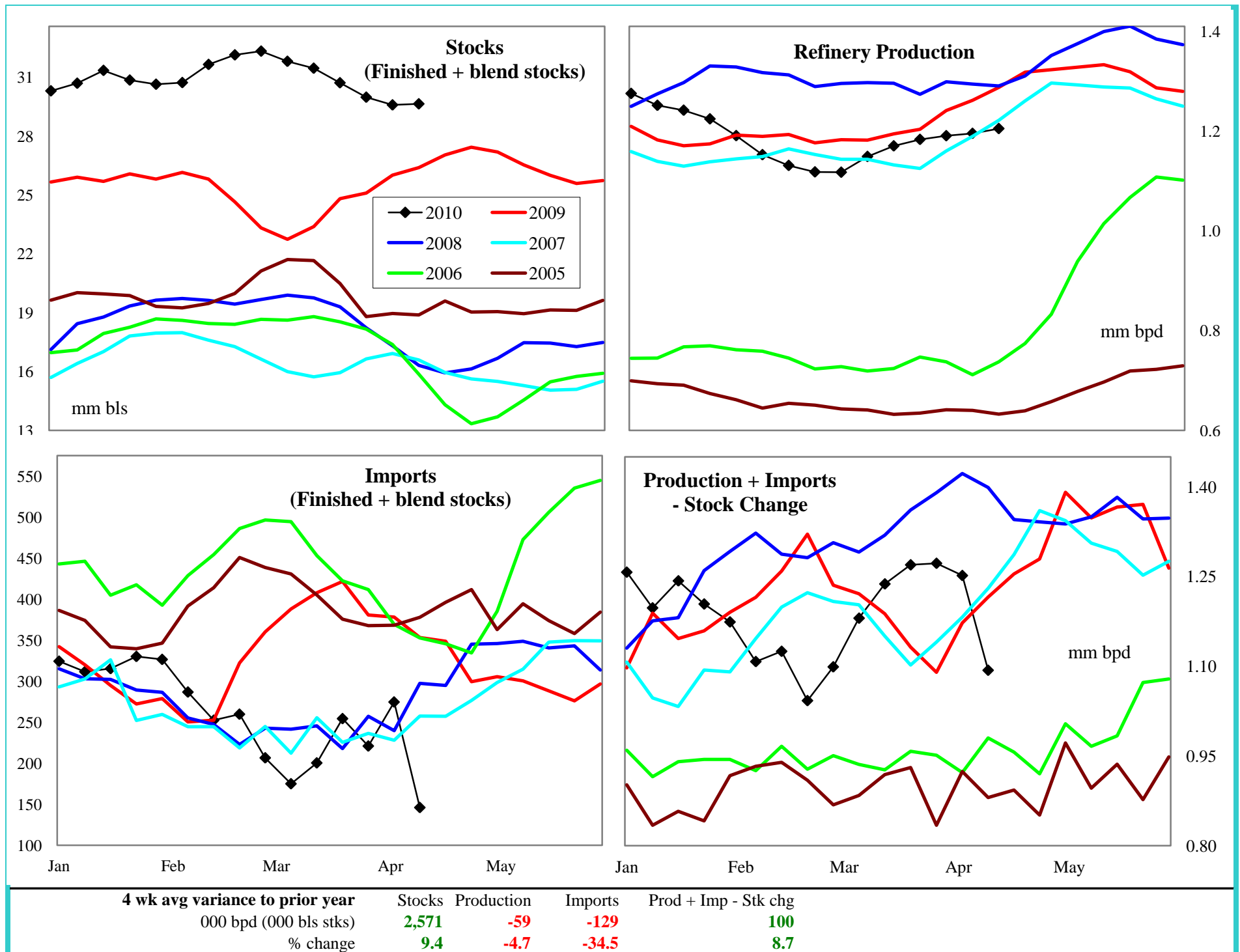
PADD 1 Gasoline Supply



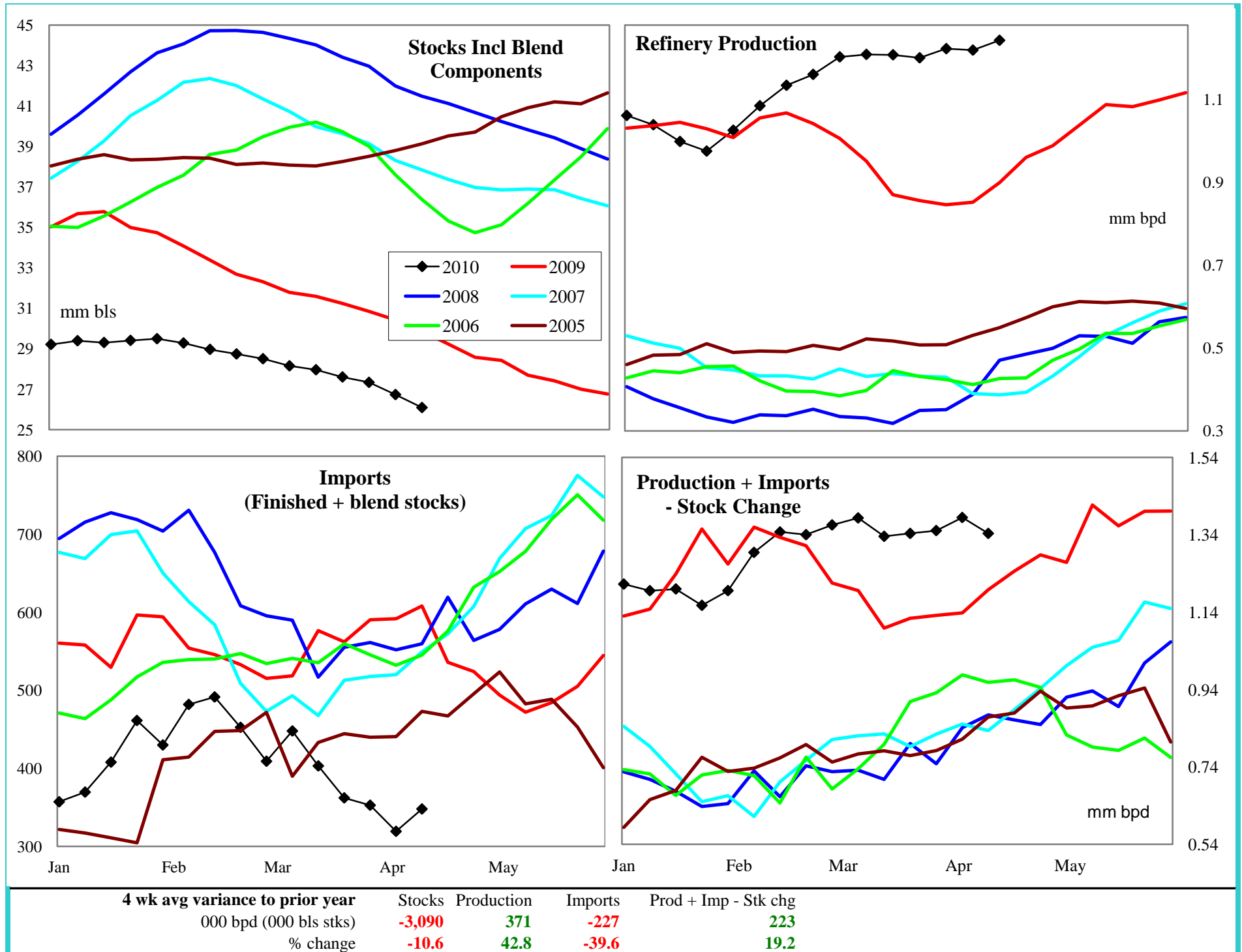
PADD 1 Gasoline Stocks by Region



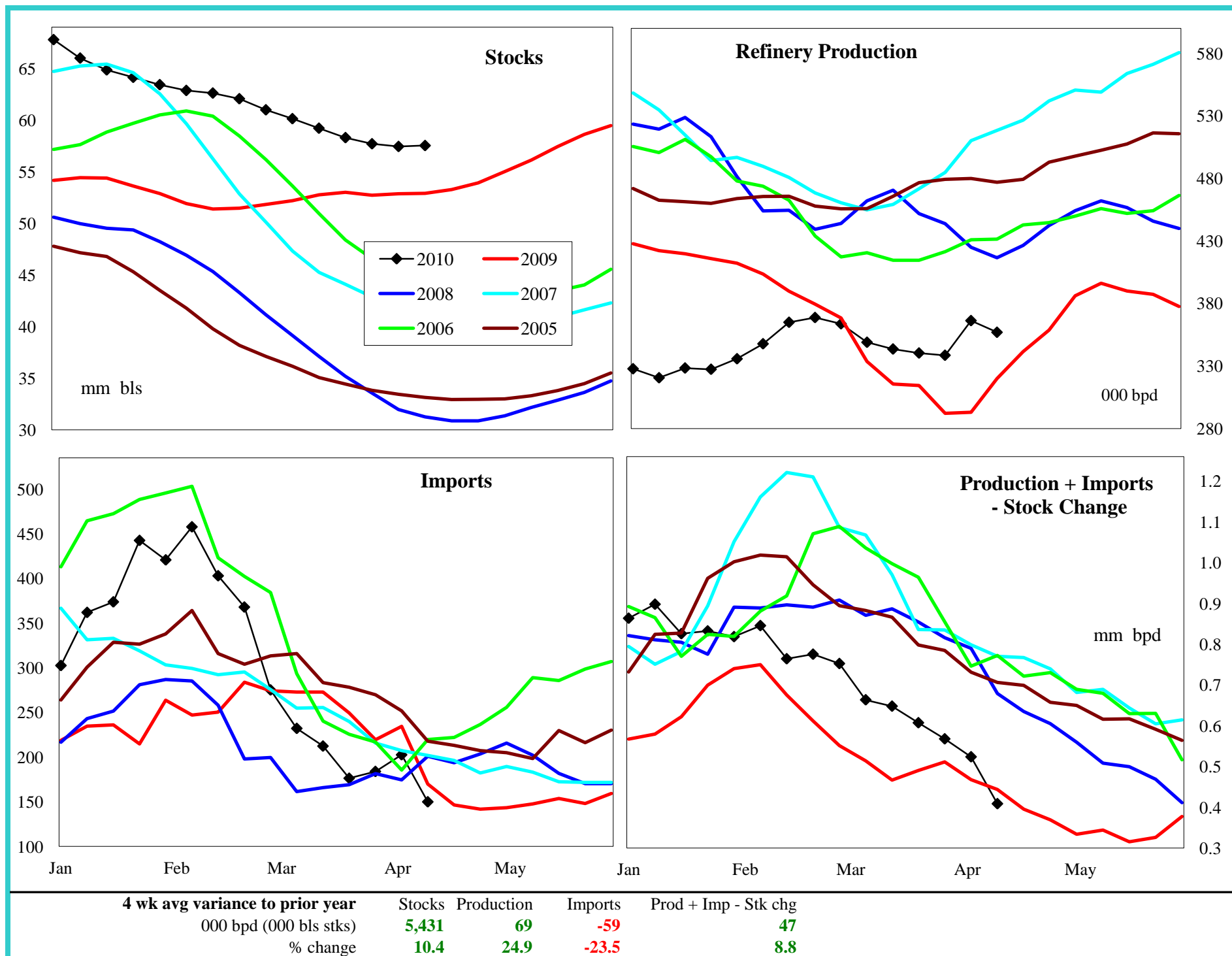
PADD 1 Reformulated Gasoline Supply



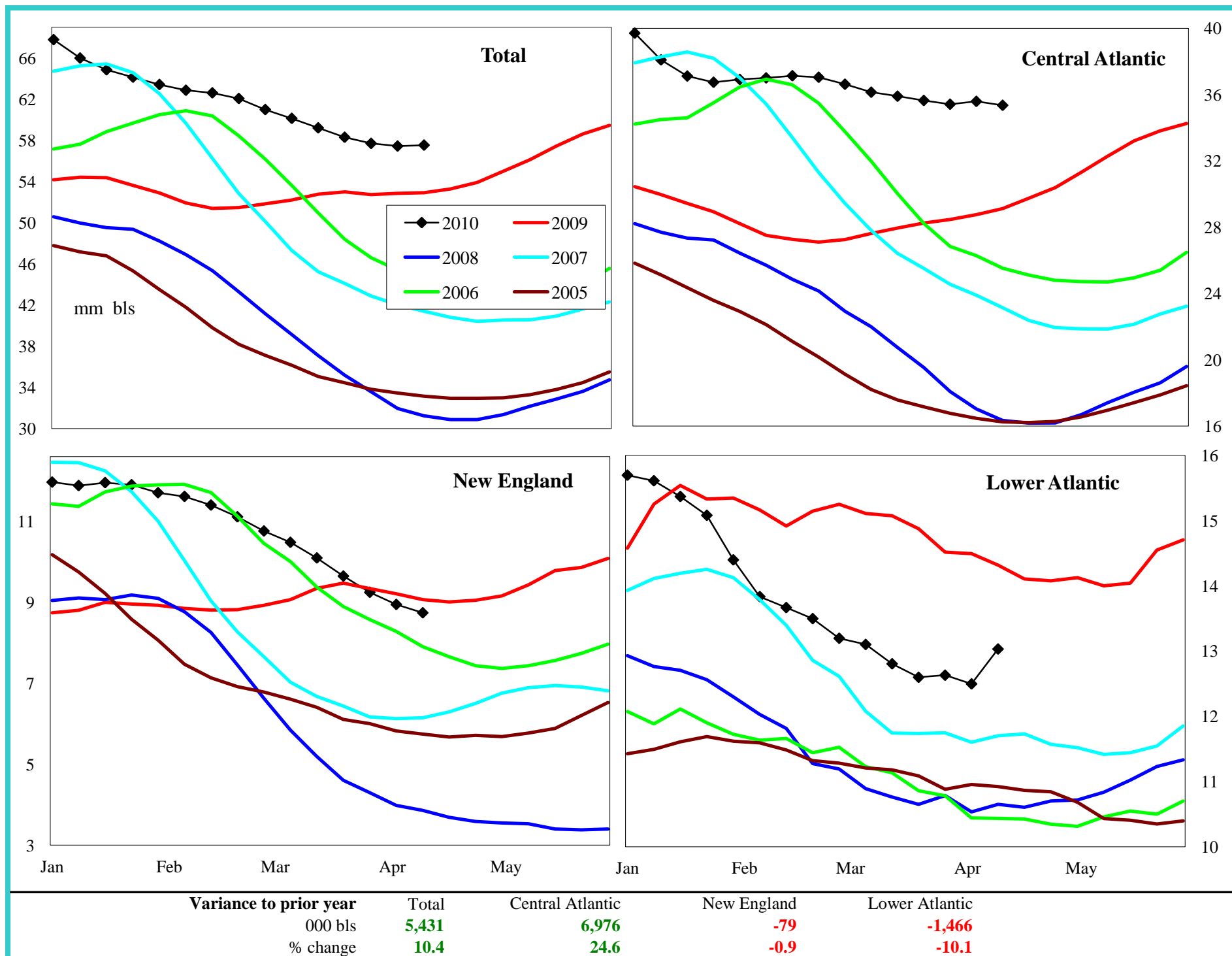
PADD 1 Conventional Gasoline Supply



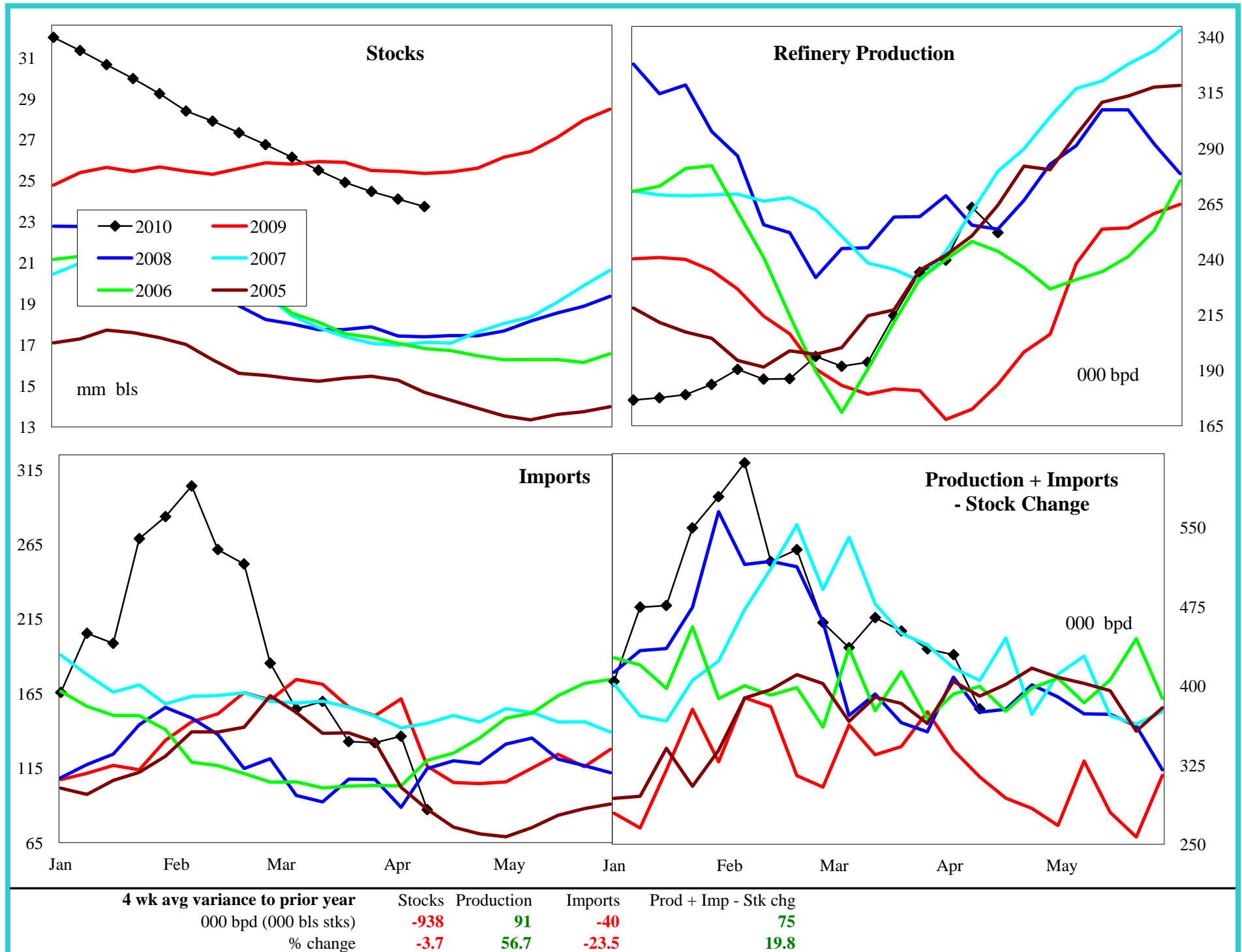
PADD 1 Distillate Supply



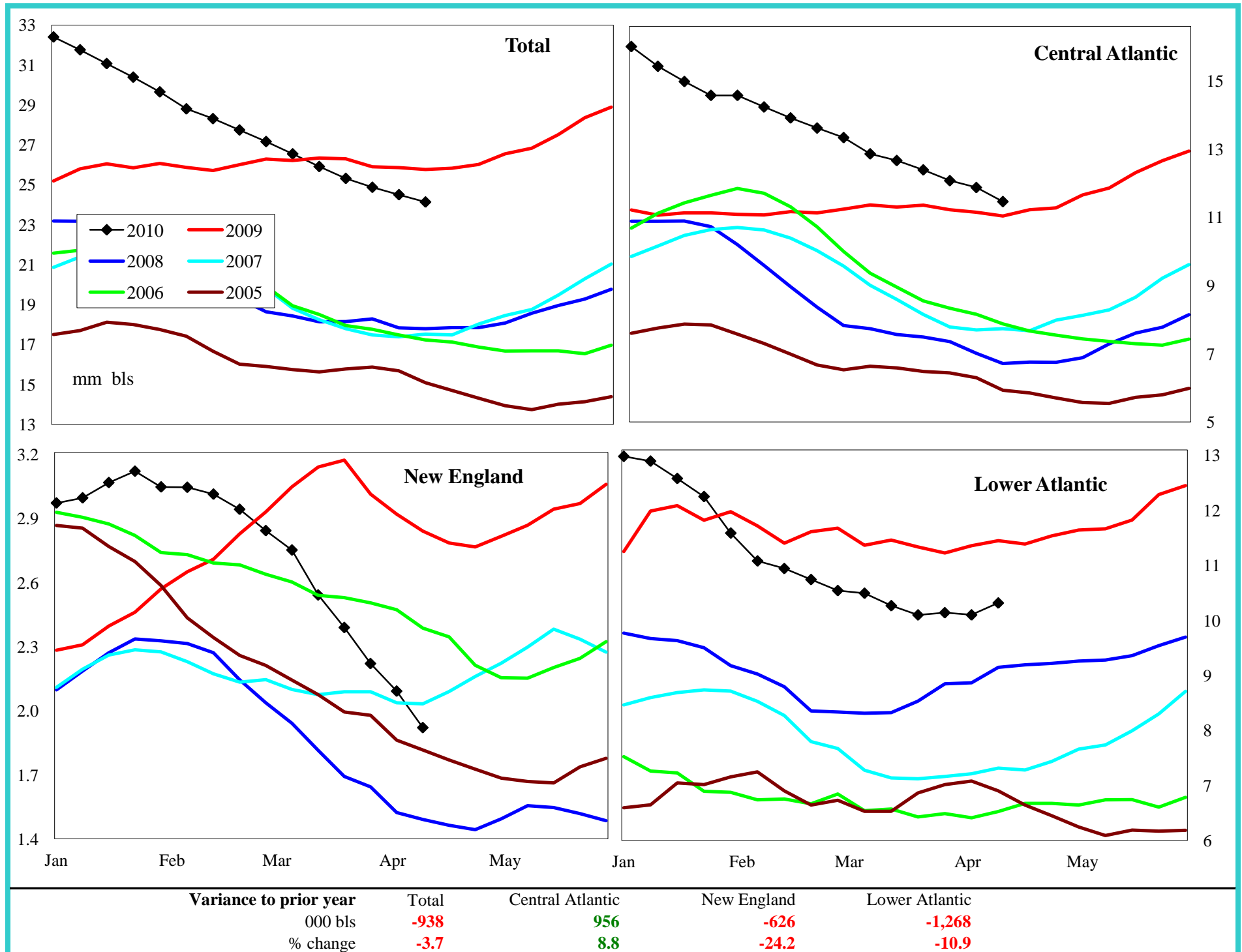
PADD 1 Distillate Stocks by Region



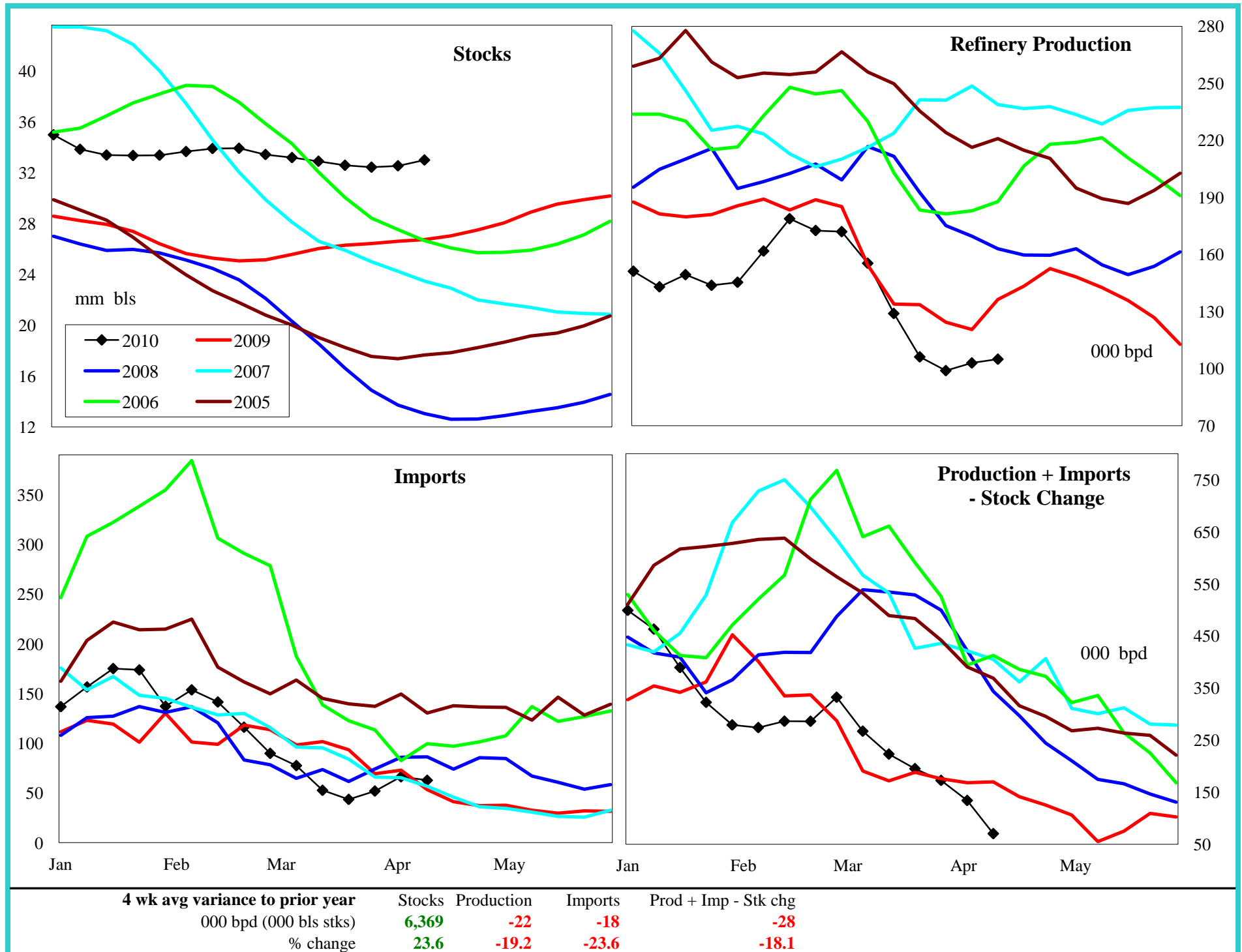
PADD 1 Low Sulfur Distillate Supply



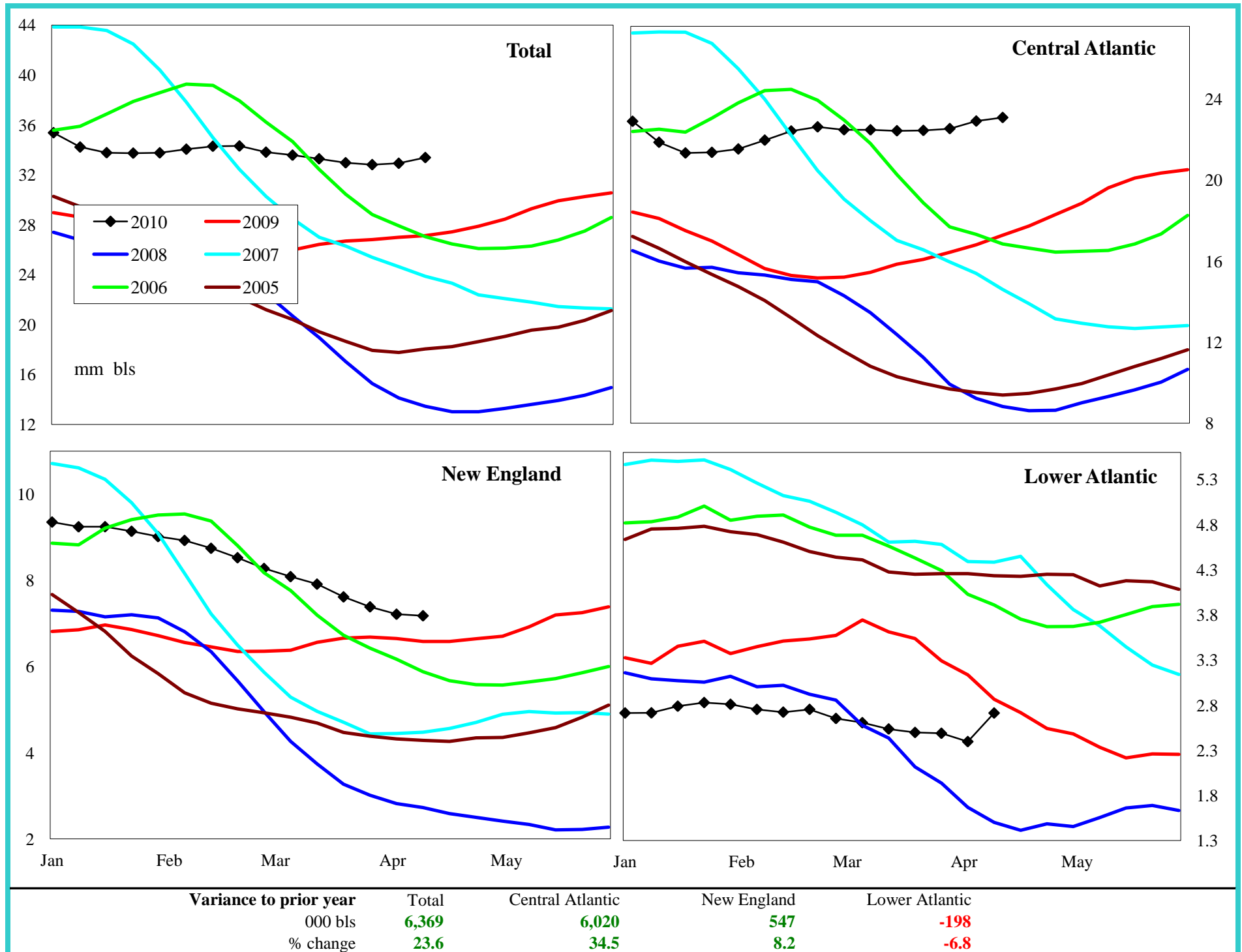
PADD 1 Low Sulfur Distillate Stocks by Region



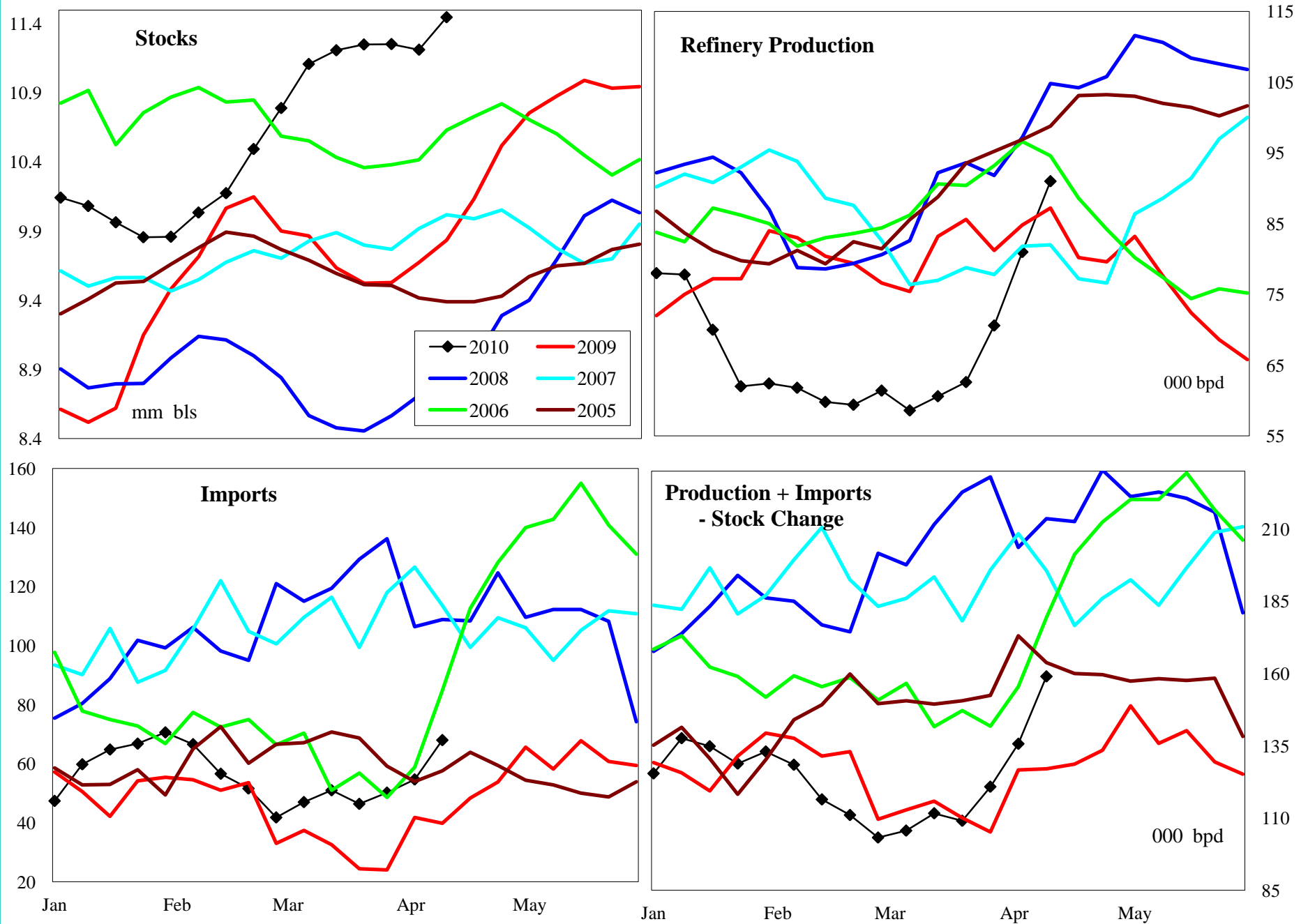
PADD 1 High Sulfur Distillate Supply



PADD 1 High Sulfur Distillate Stocks by Region



PADD 1 Jet Fuel Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

1,612

16.4

Production

-8

-9.9

Imports

31

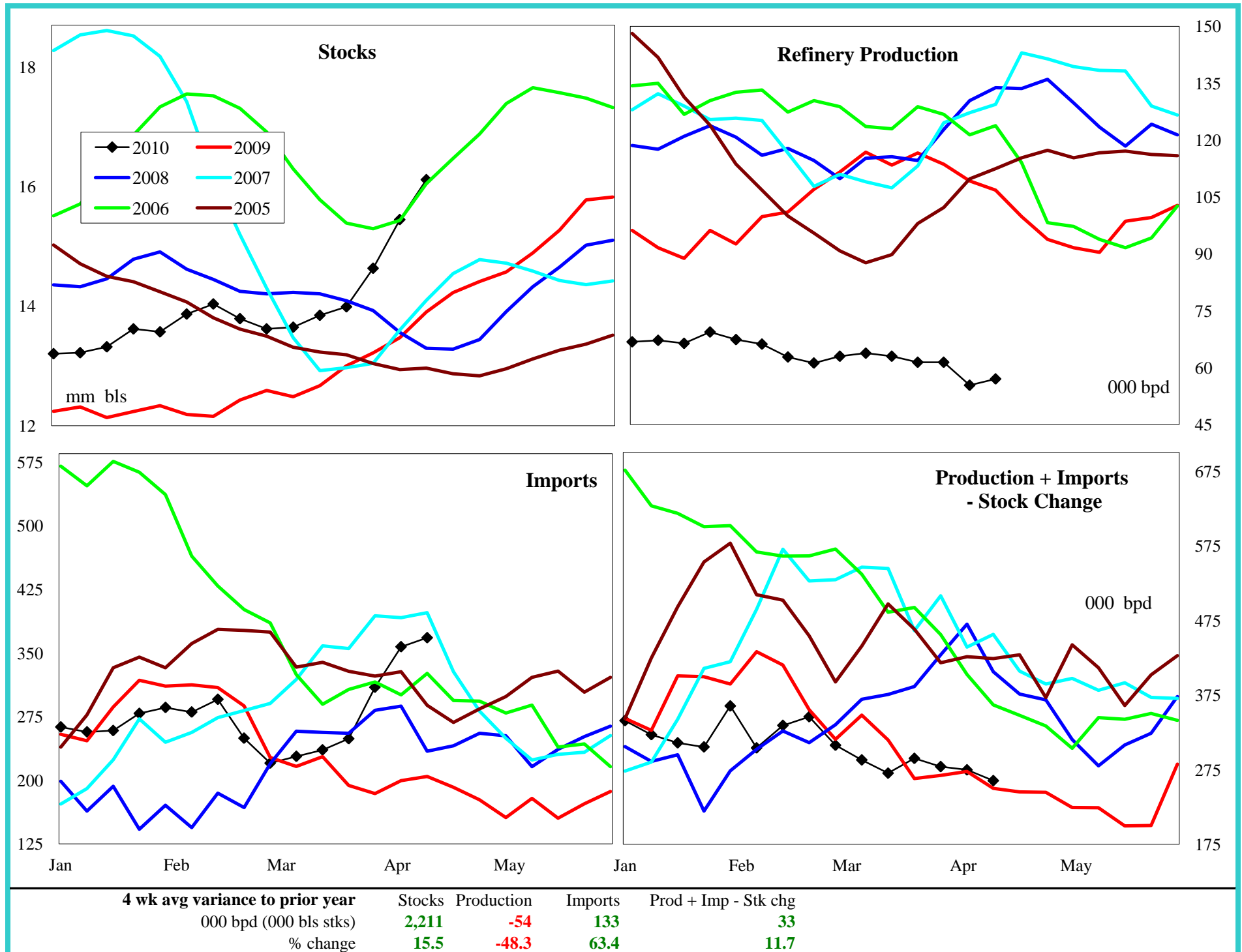
111.6

Prod + Imp - Stk chg

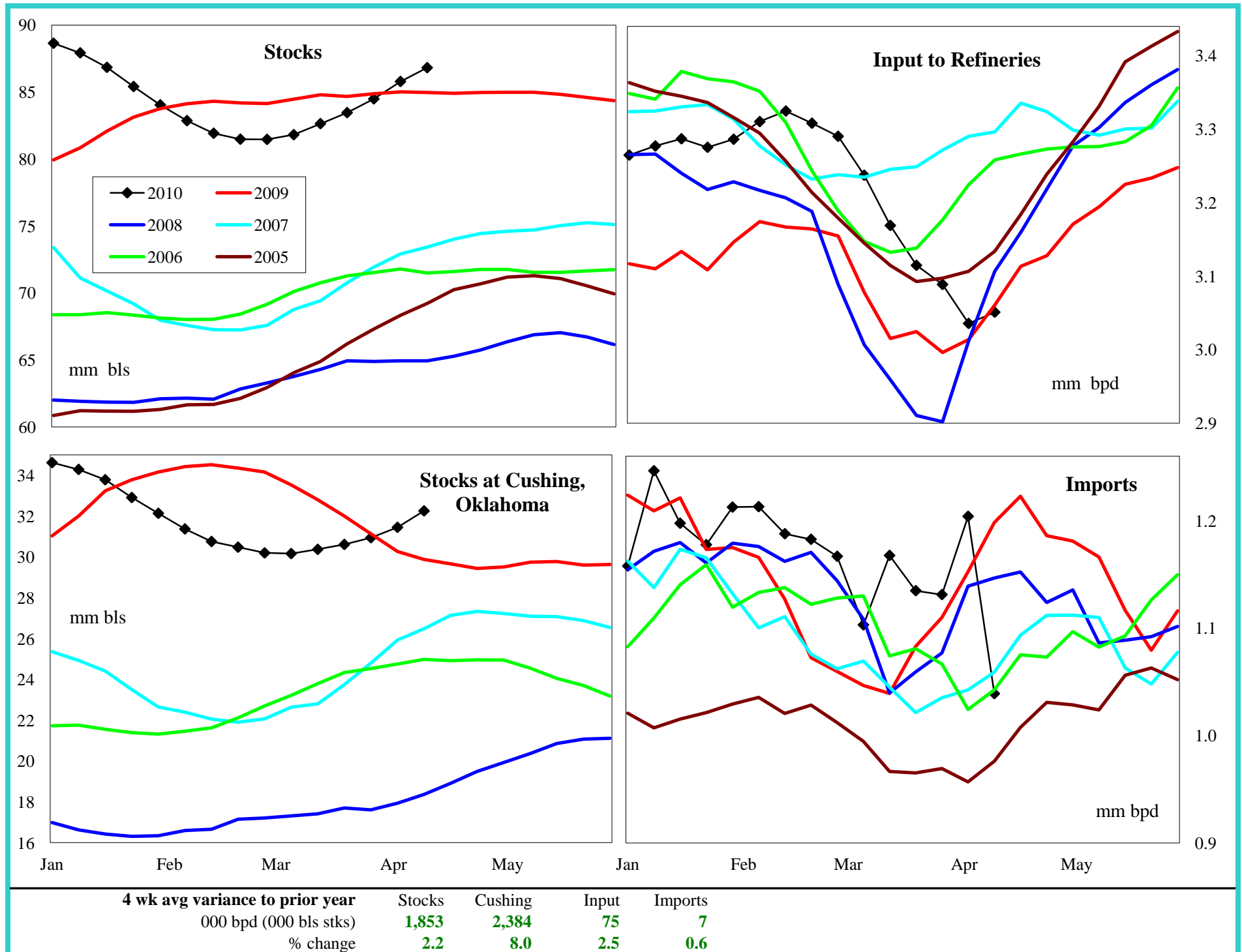
21

18.2

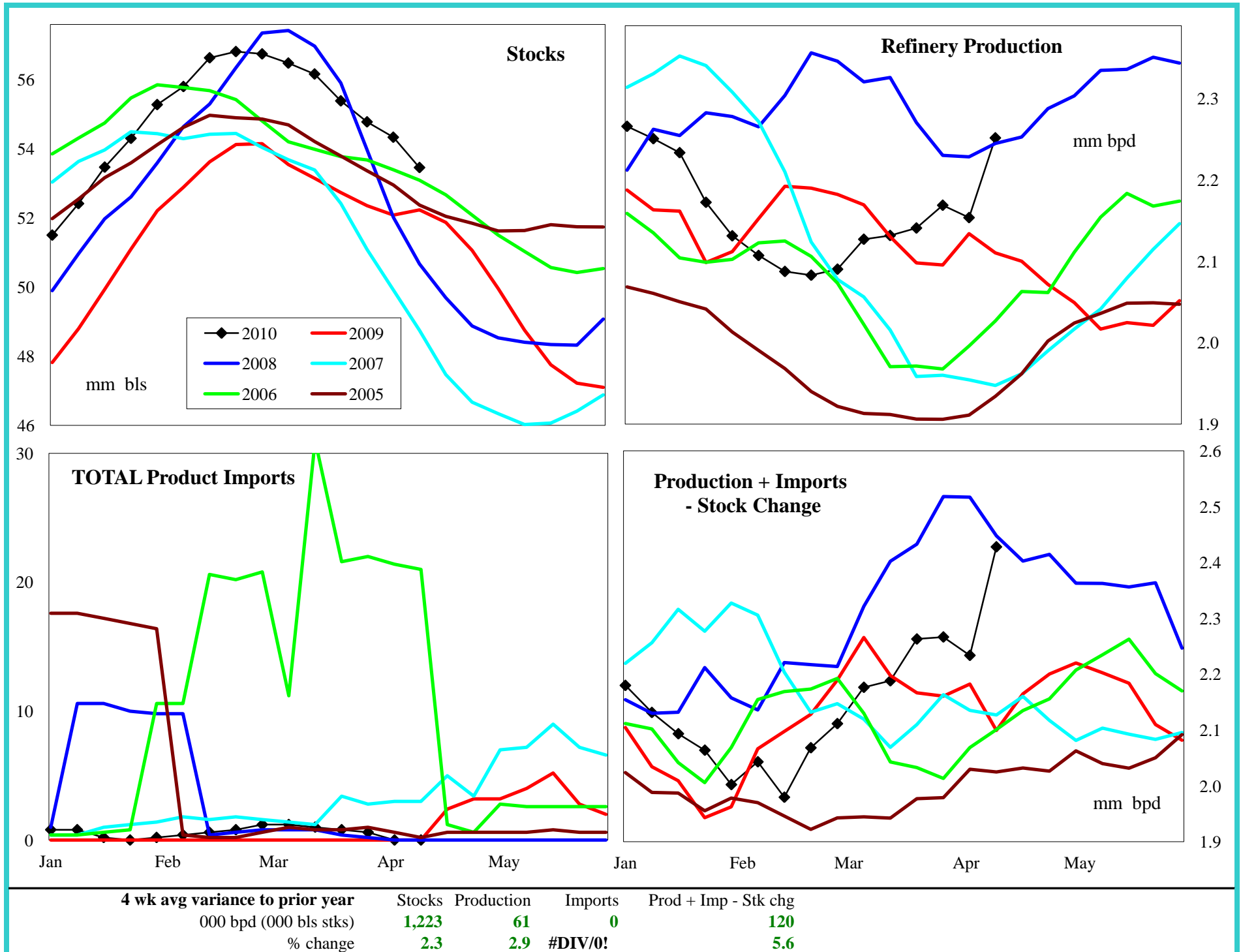
PADD 1 Residual Fuel Oil Supply



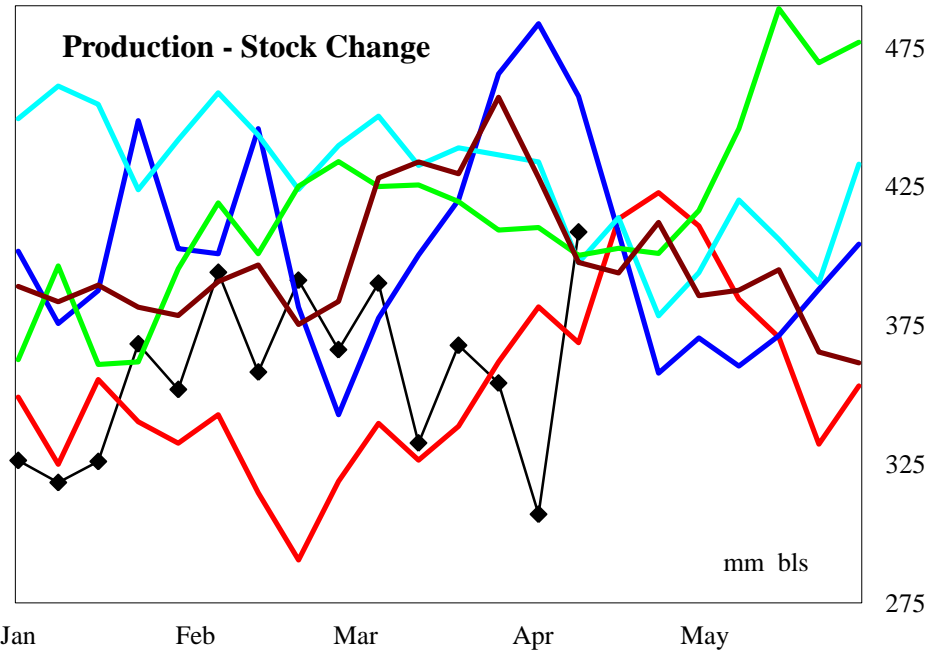
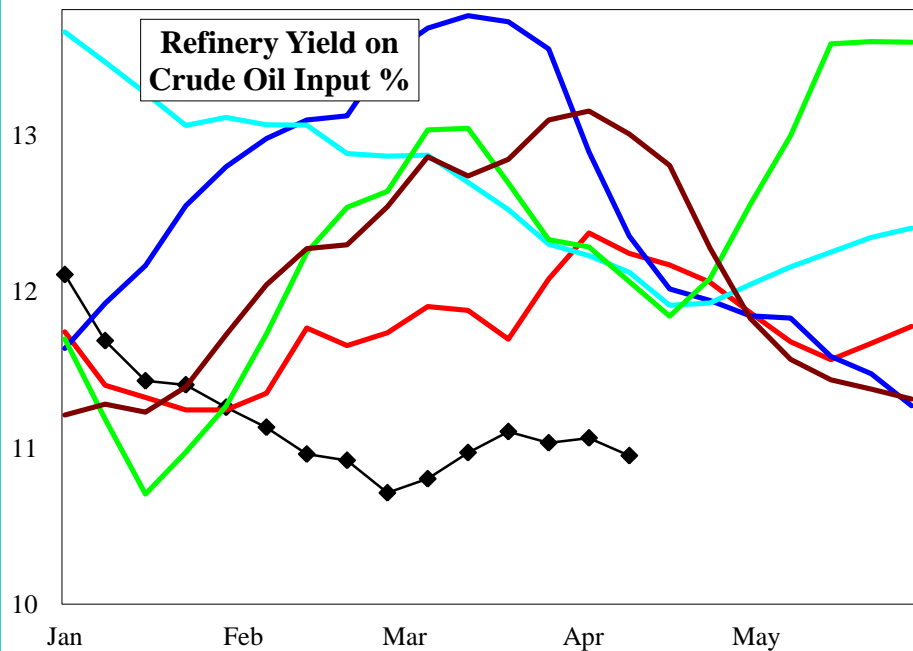
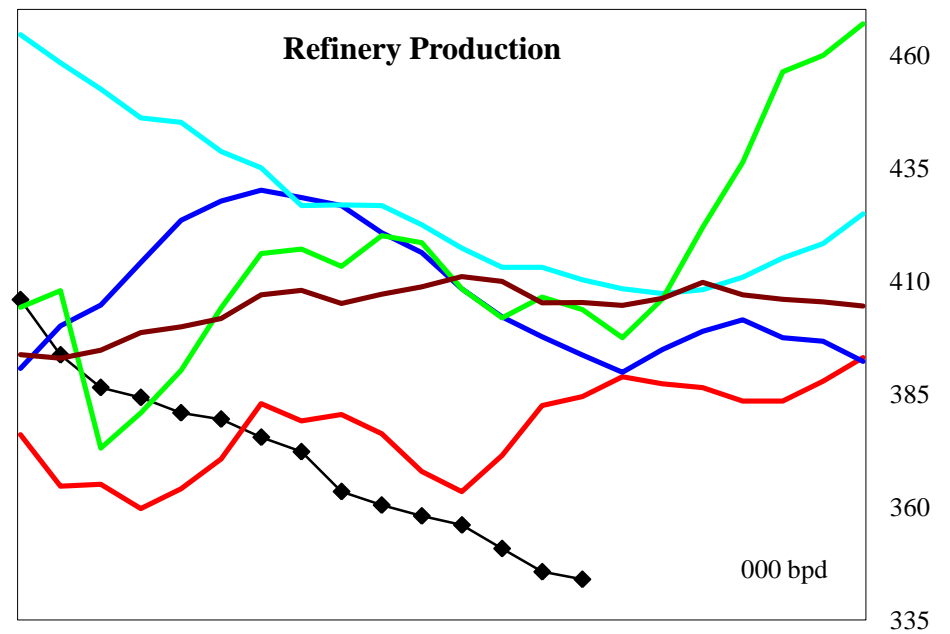
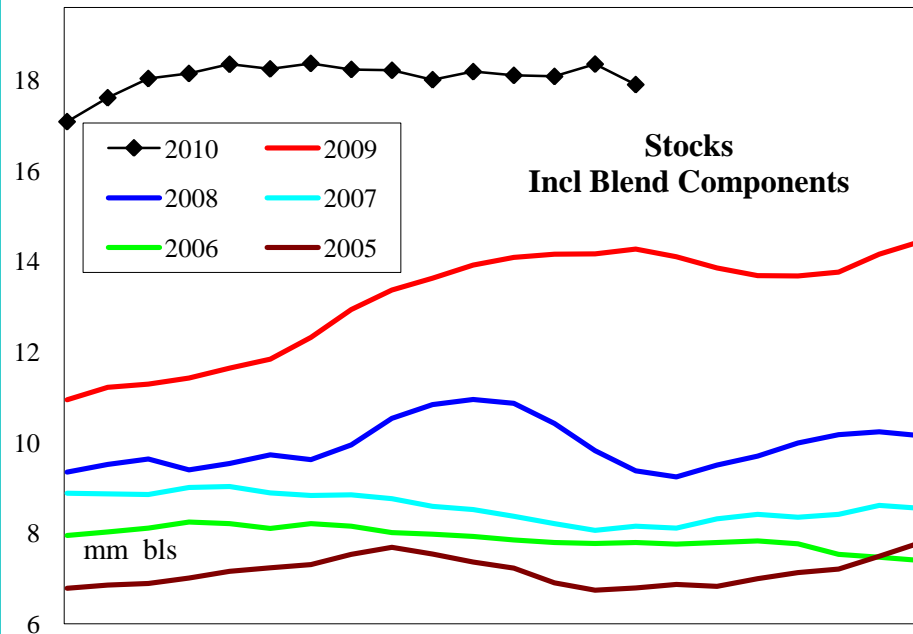
PADD 2 Crude Oil Supply and Refining



PADD 2 Gasoline Supply



PADD 2 Reformulated Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

3,628

24.7

Production

-26

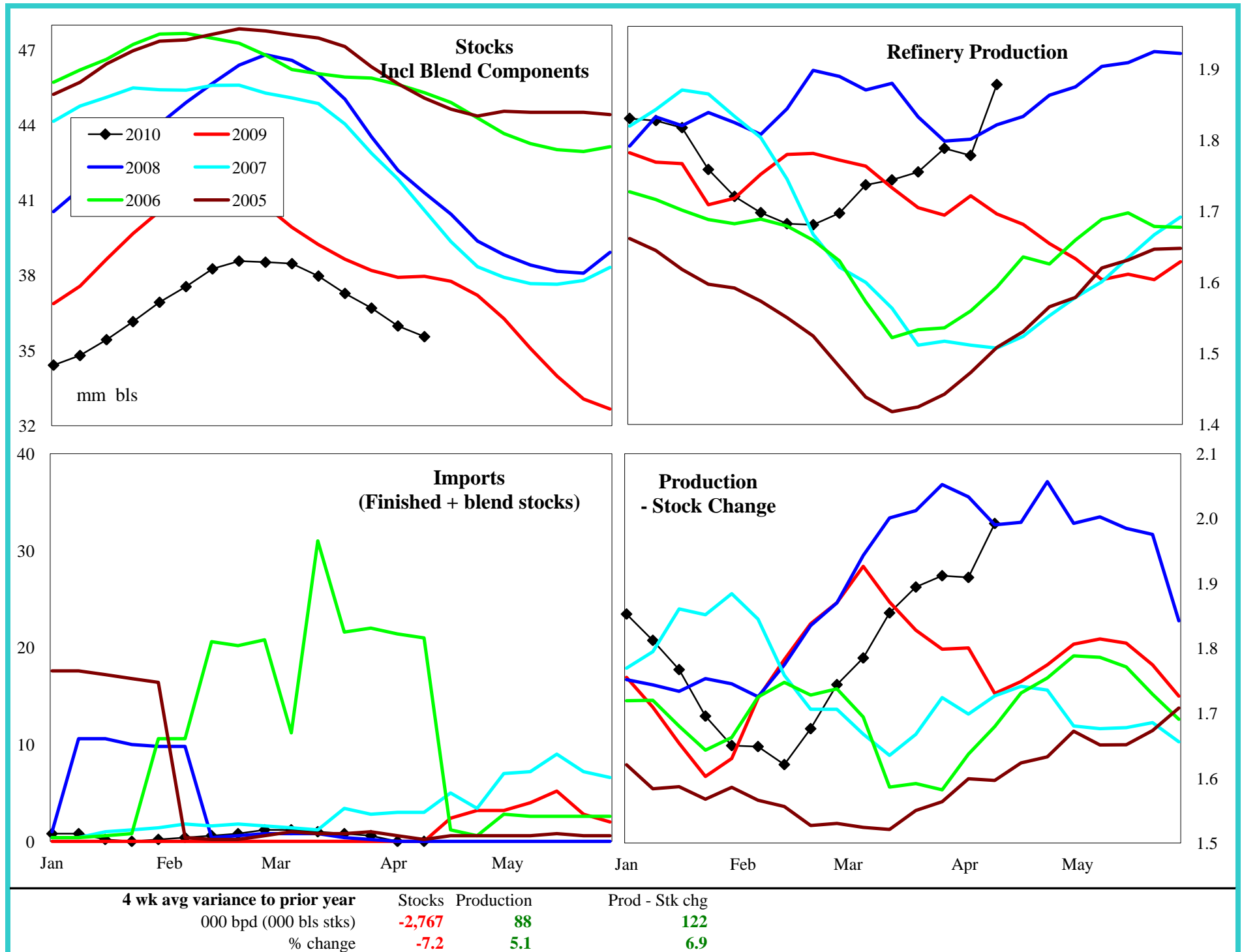
-7.0

Prod - Stk chg

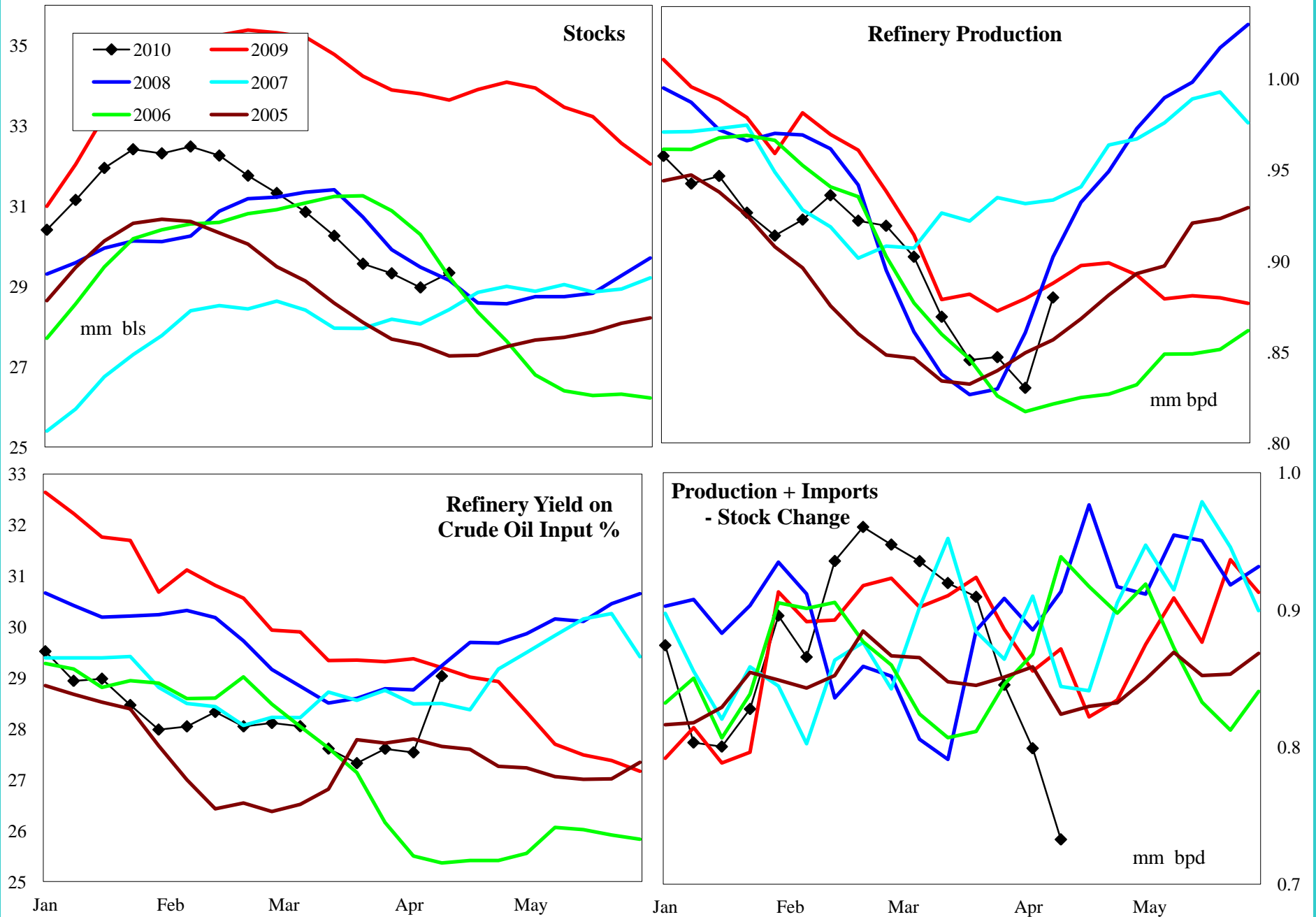
-3

-0.9

PADD 2 Conventional Gasoline Supply



PADD 2 Distillate Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

Production

Imports

Prod + Imp - Stk chg

-4,305

-37

1

-43

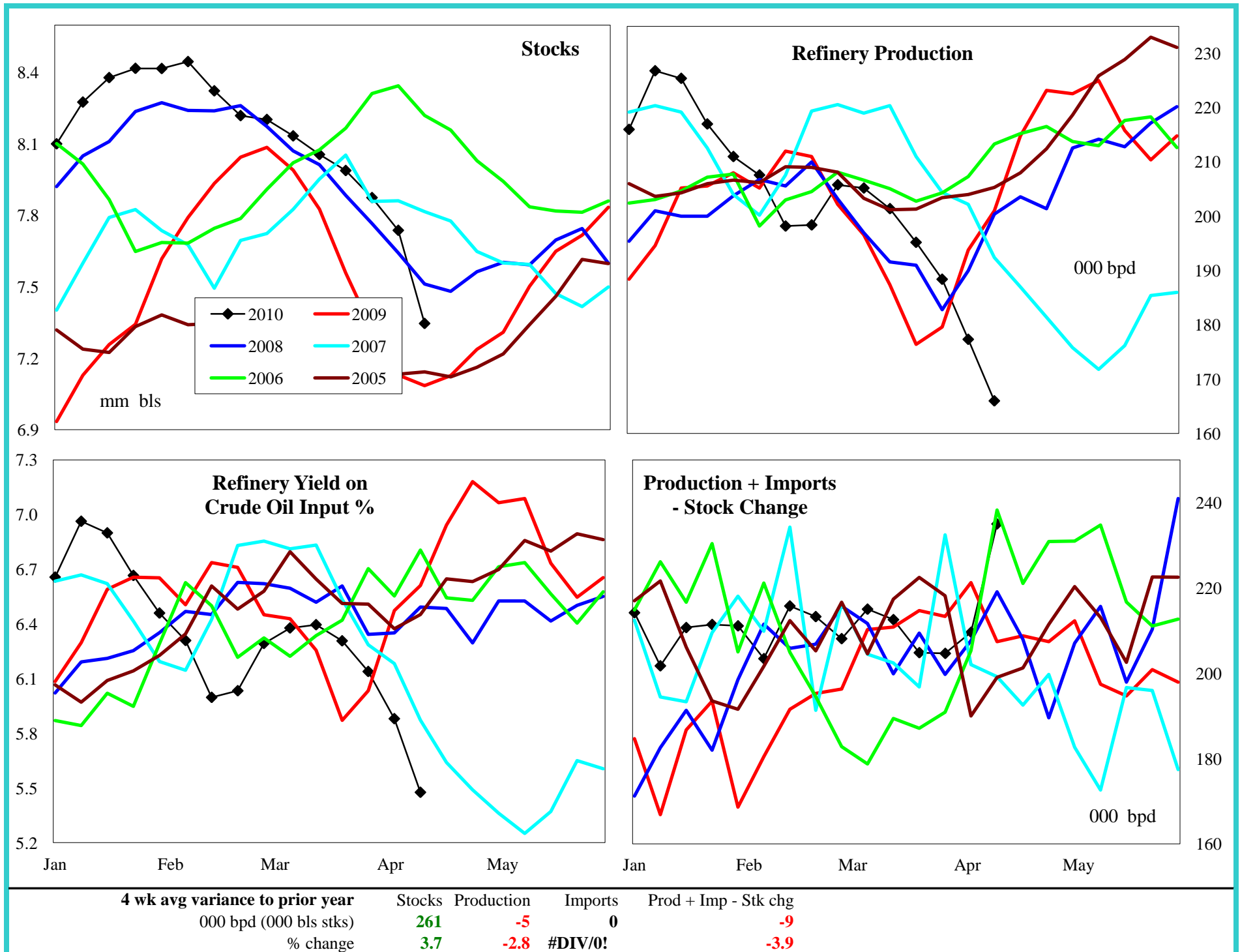
-12.8

-4.2

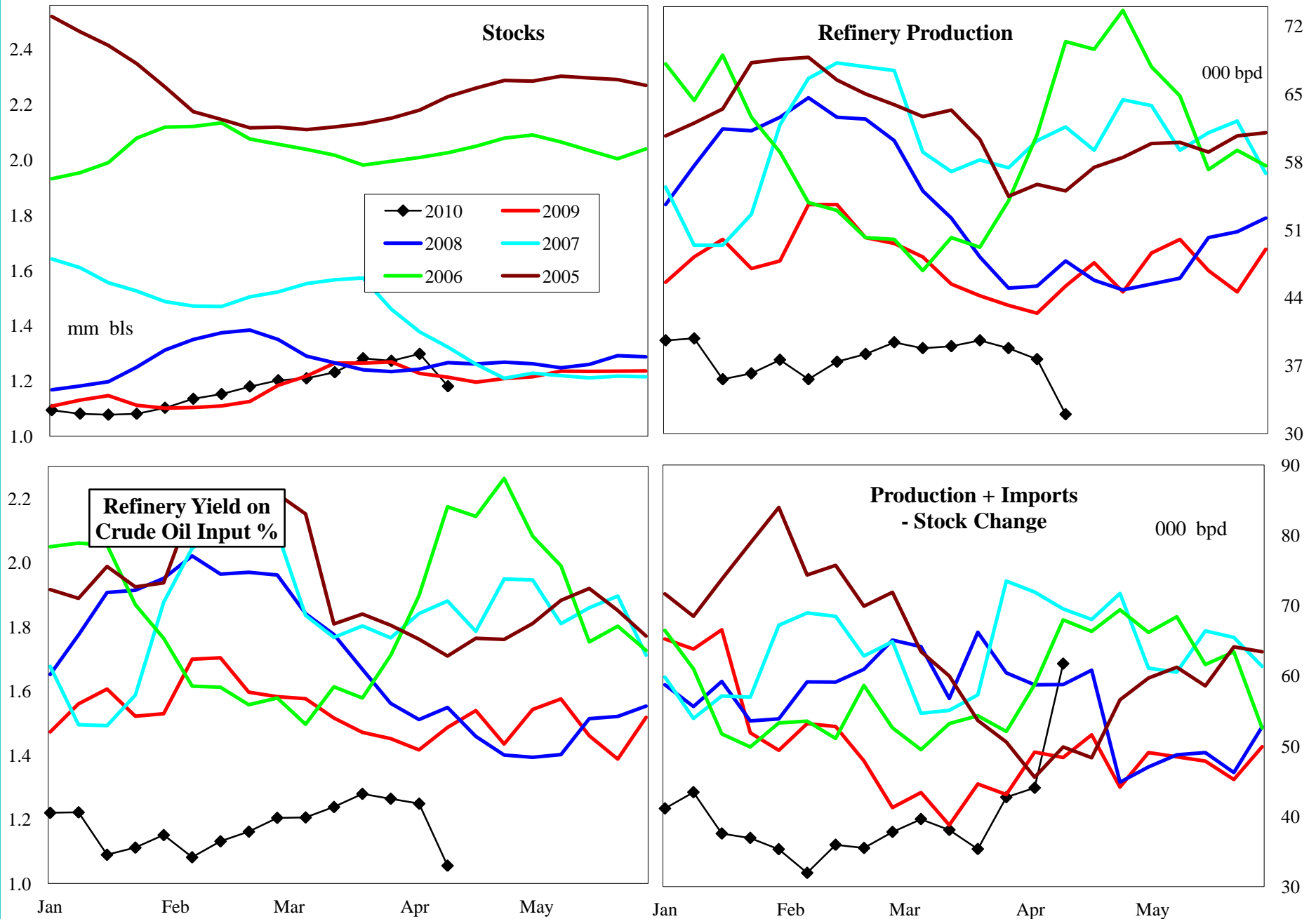
30.8

-4.8

PADD 2 Jet Fuel Supply



PADD 2 Residual Fuel Oil Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

-33

-2.6

Production

-6

-14.3

Imports

2

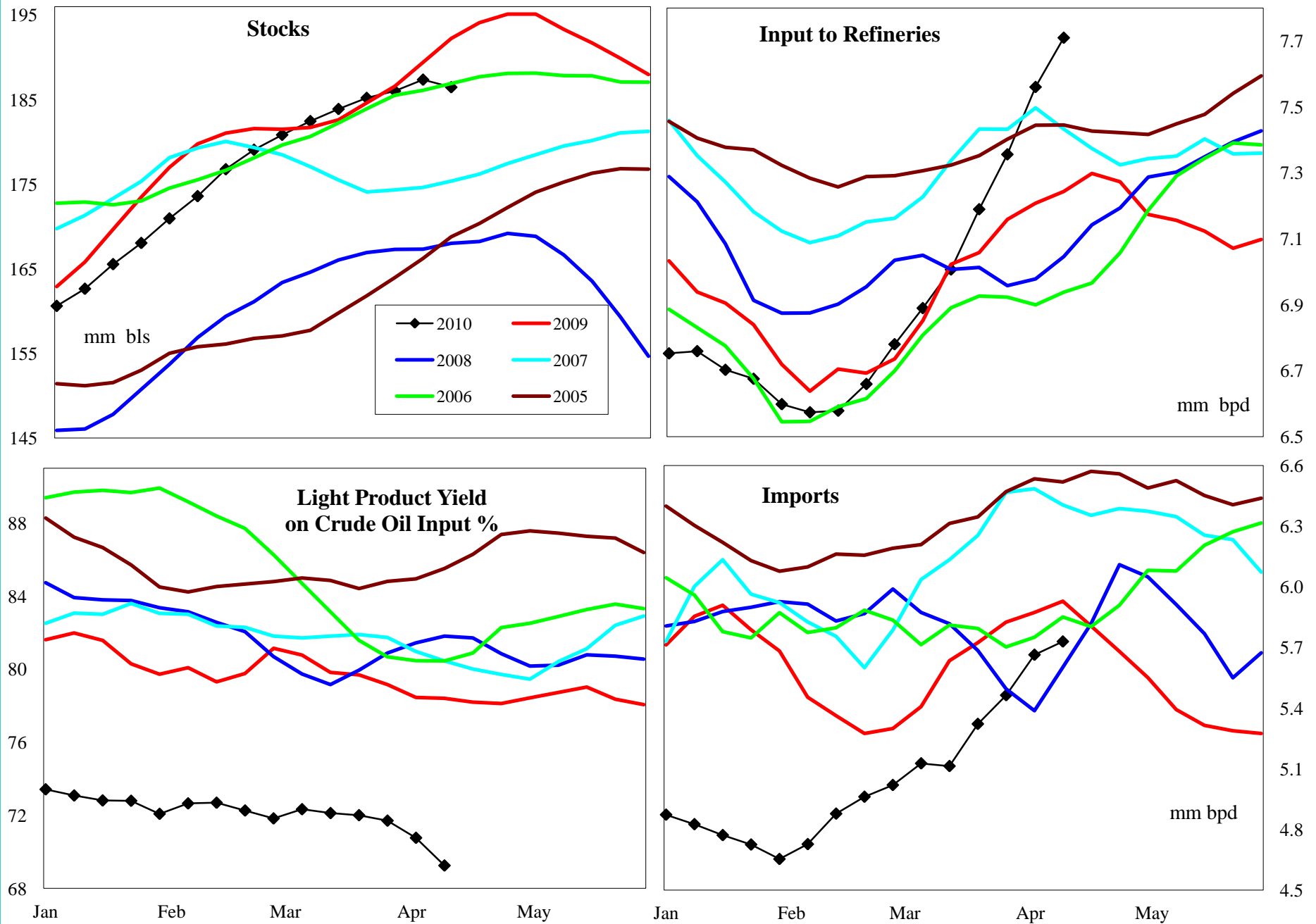
233.3

Prod + Imp - Stk chg

-5

-10.9

PADD 3 Crude Oil Supply and Refining



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

-5,766

-3.0

Input

247

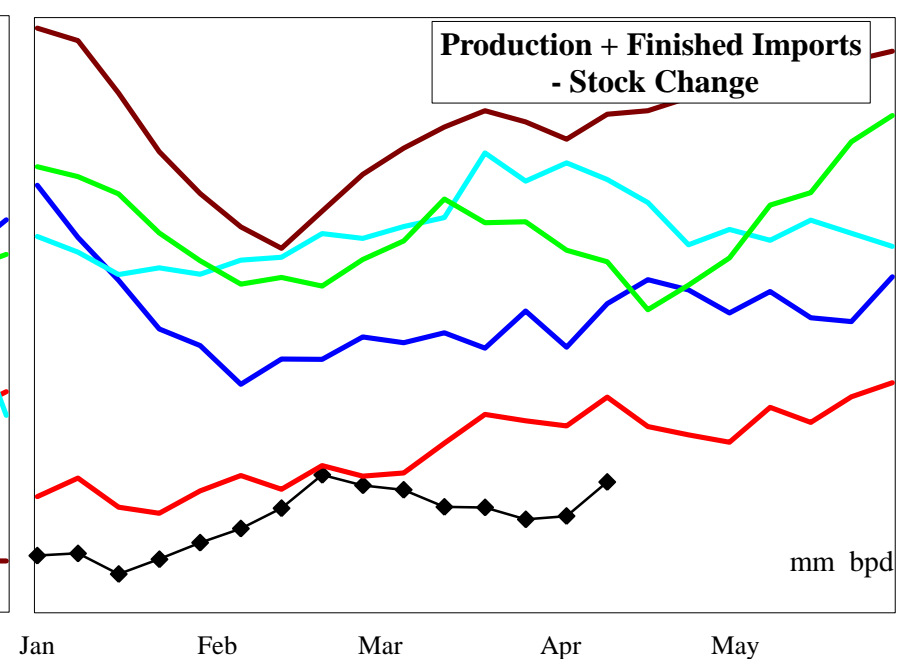
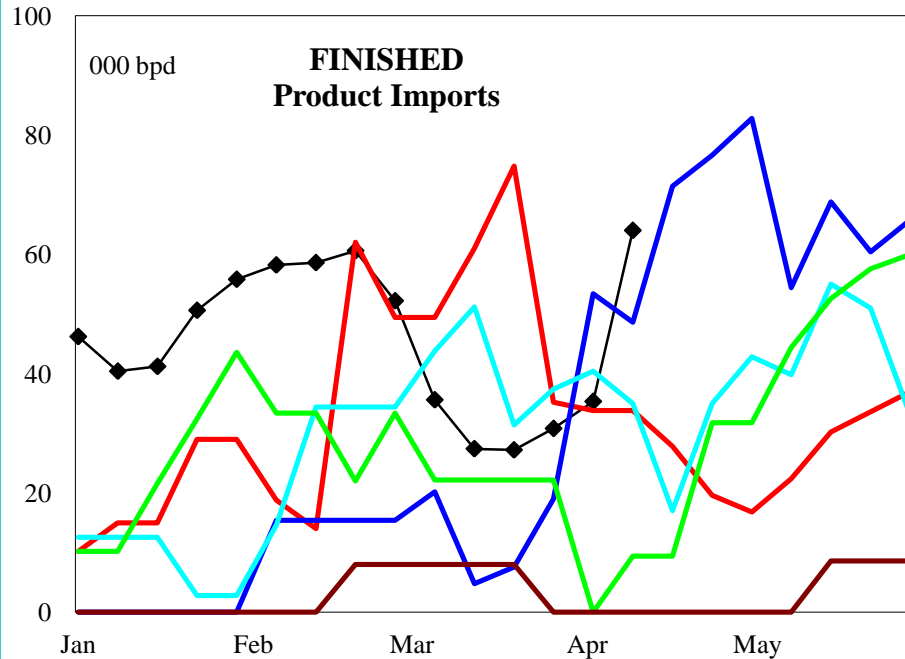
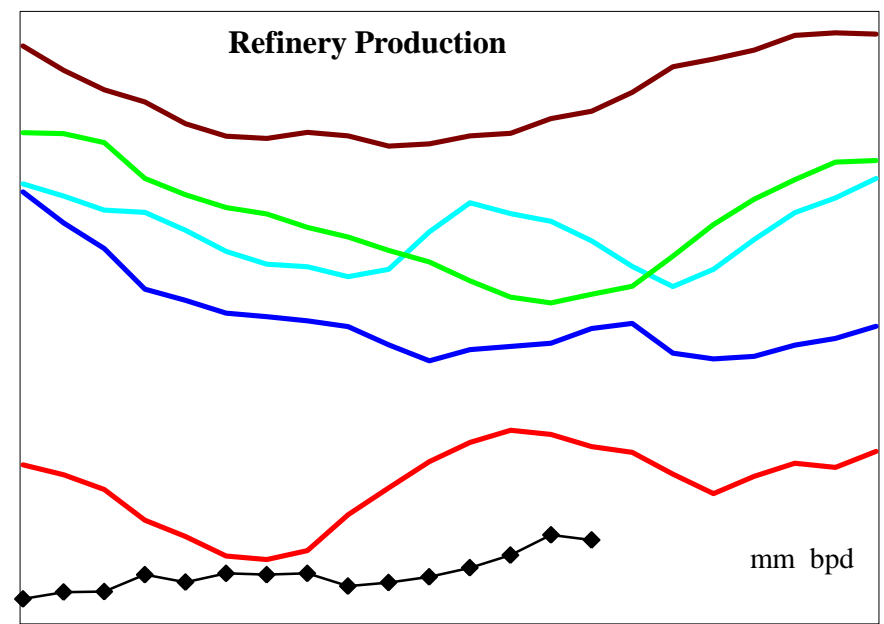
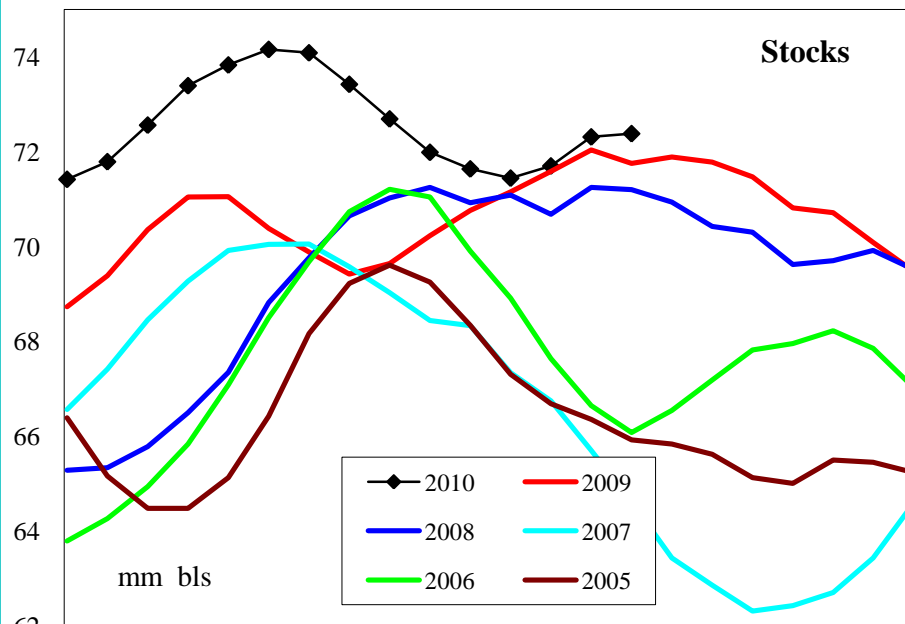
3.4

Imports

-225

-3.9

PADD 3 Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bbls stks)

% change

Stocks

774

1.1

Production

-265

-9.3

Fin Impt

-16

-37.3

Blend Impt

-18

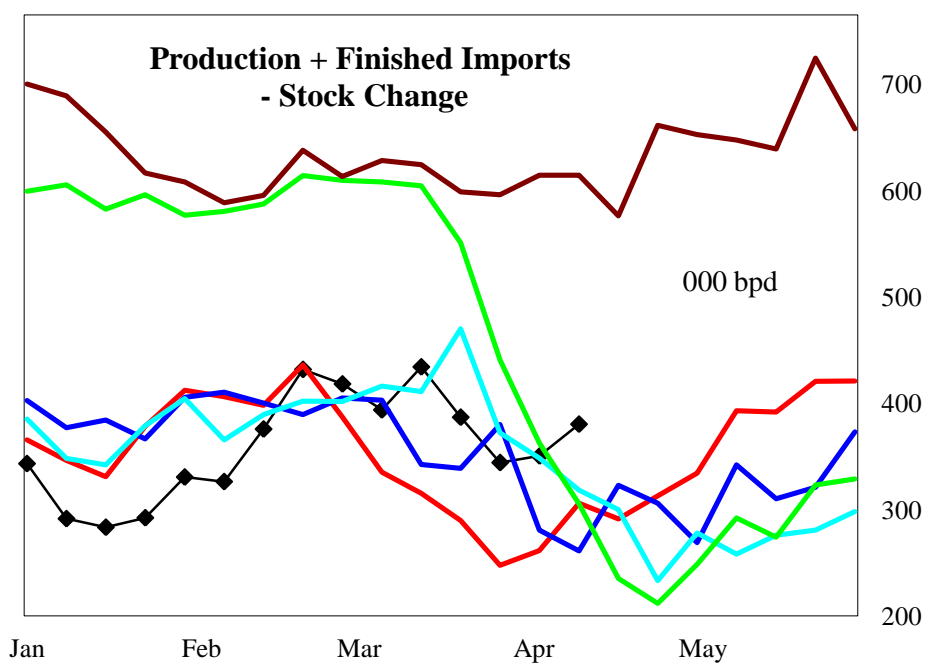
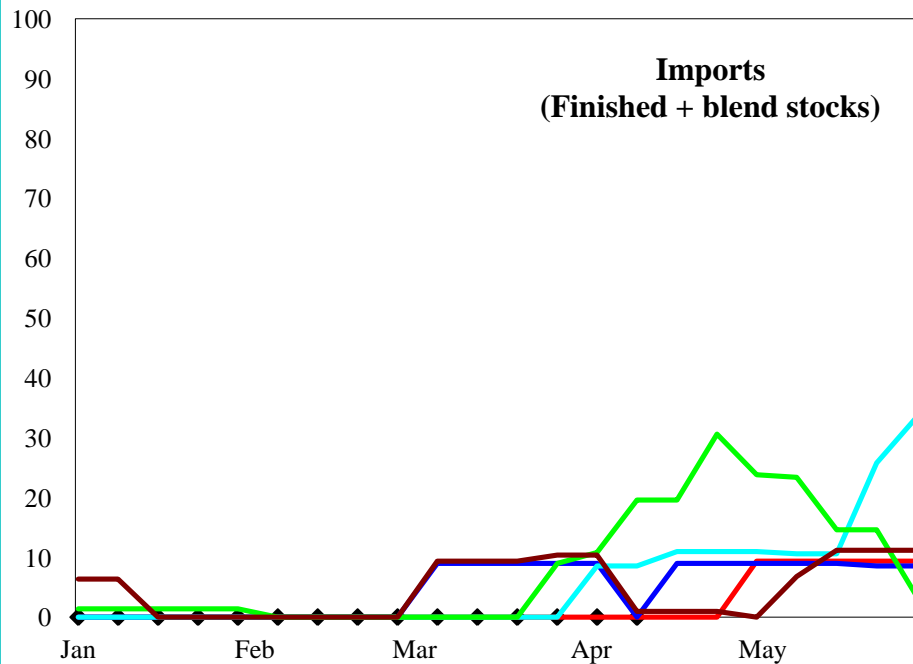
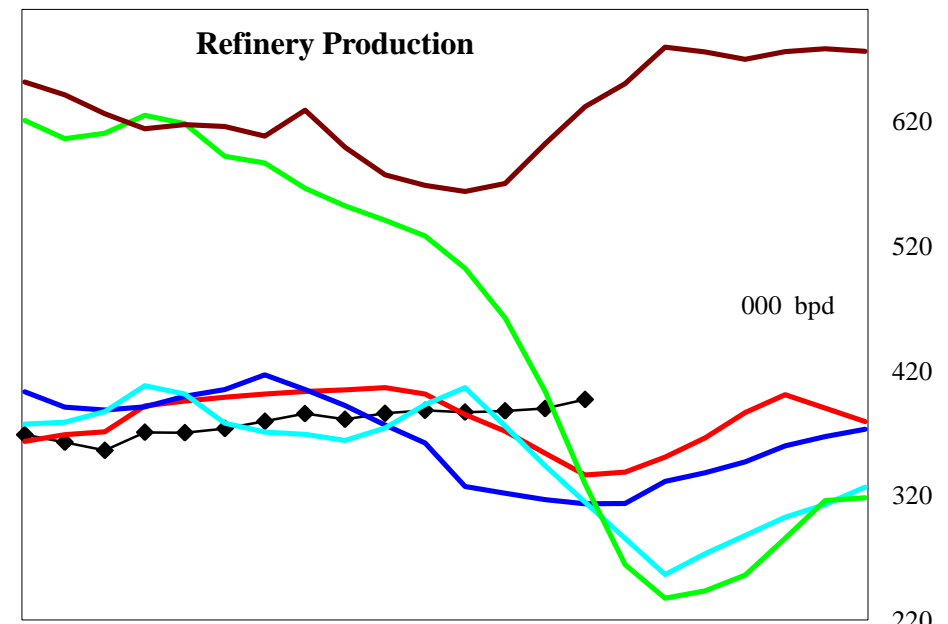
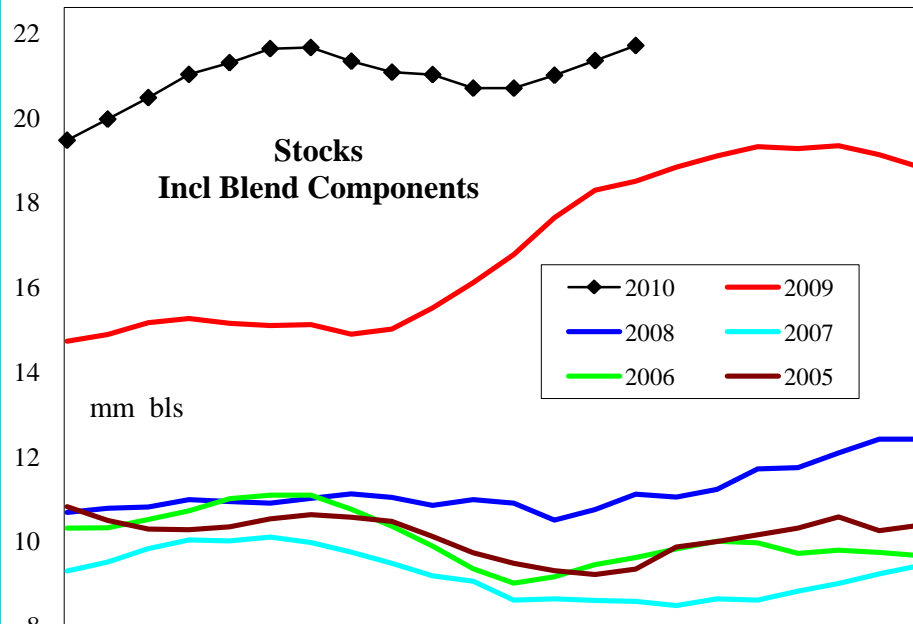
-29.2

Prod + Imp - Stk chg

-317

-11.1

PADD 3 Reformulated Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

2,826

14.7

Production

27

7.4

Imports

0

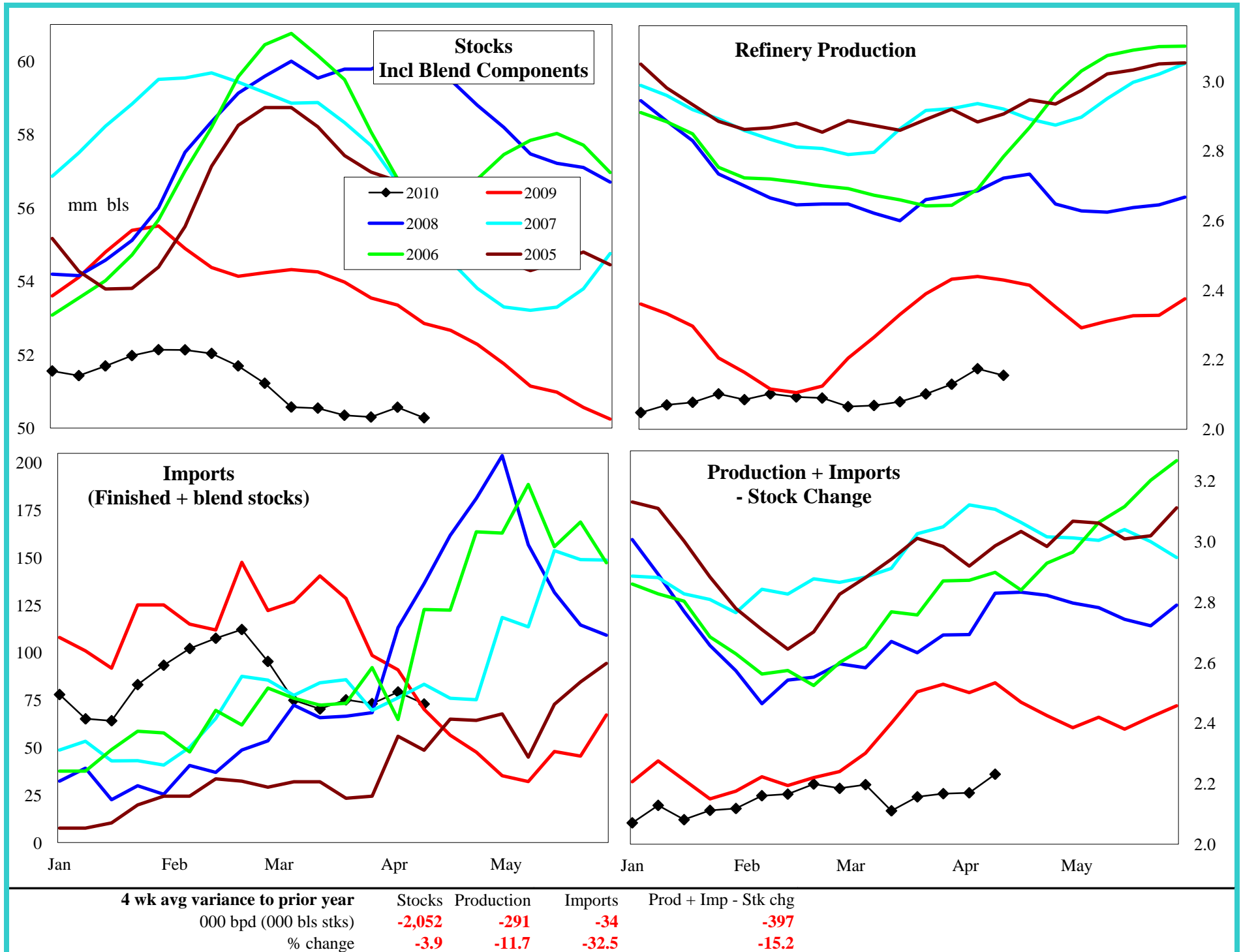
#DIV/0!

Prod + Imp - Stk chg

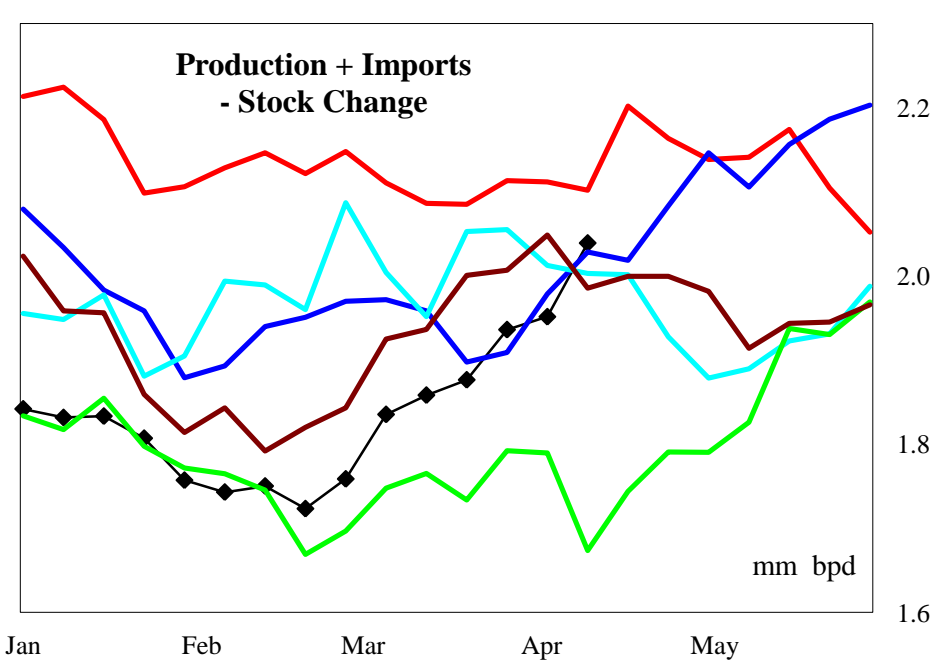
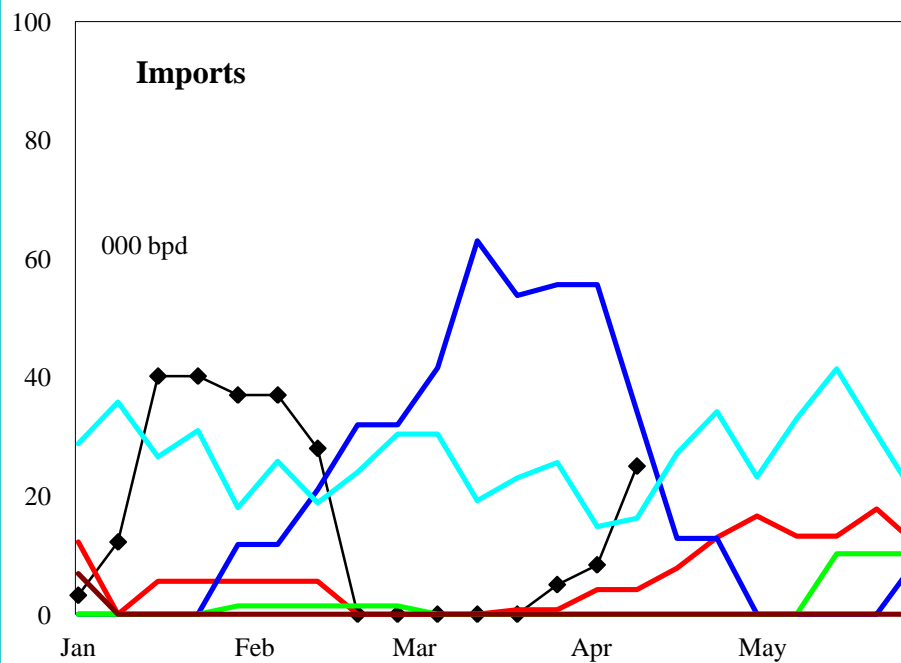
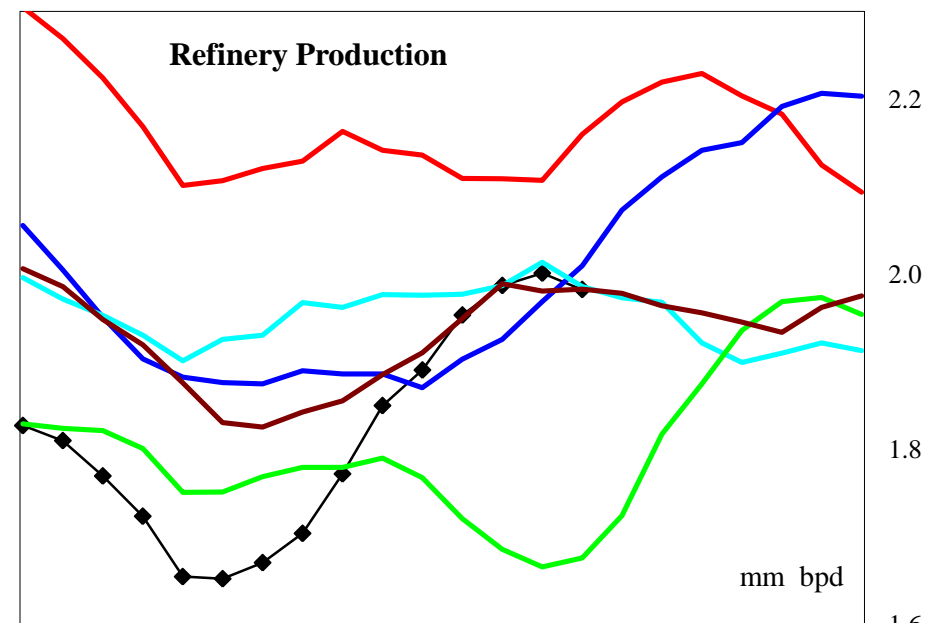
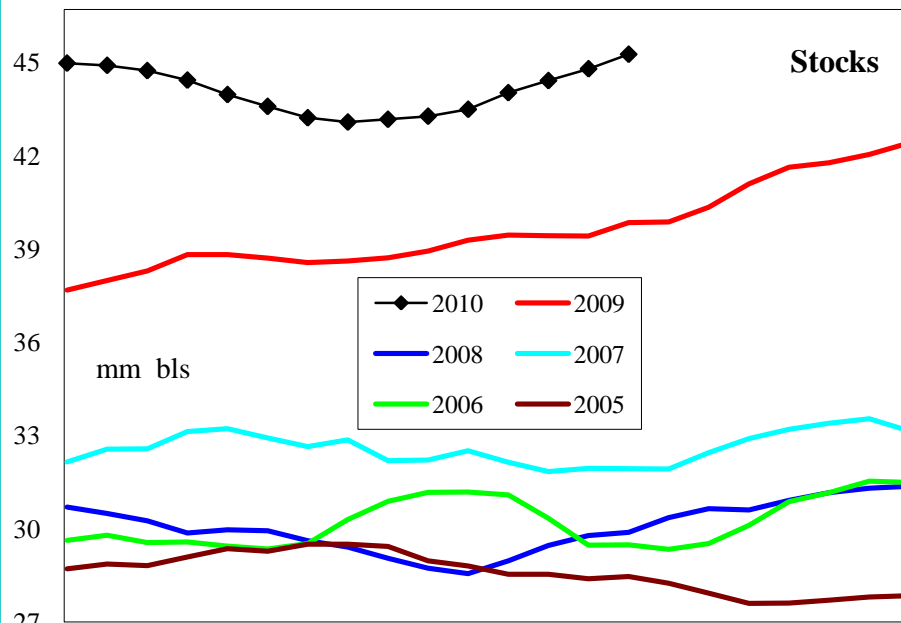
80

31.8

PADD 3 Conventional Gasoline Supply



PADD 3 Distillate Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

6,728

17.3

Production

-78

-3.8

Imports

5

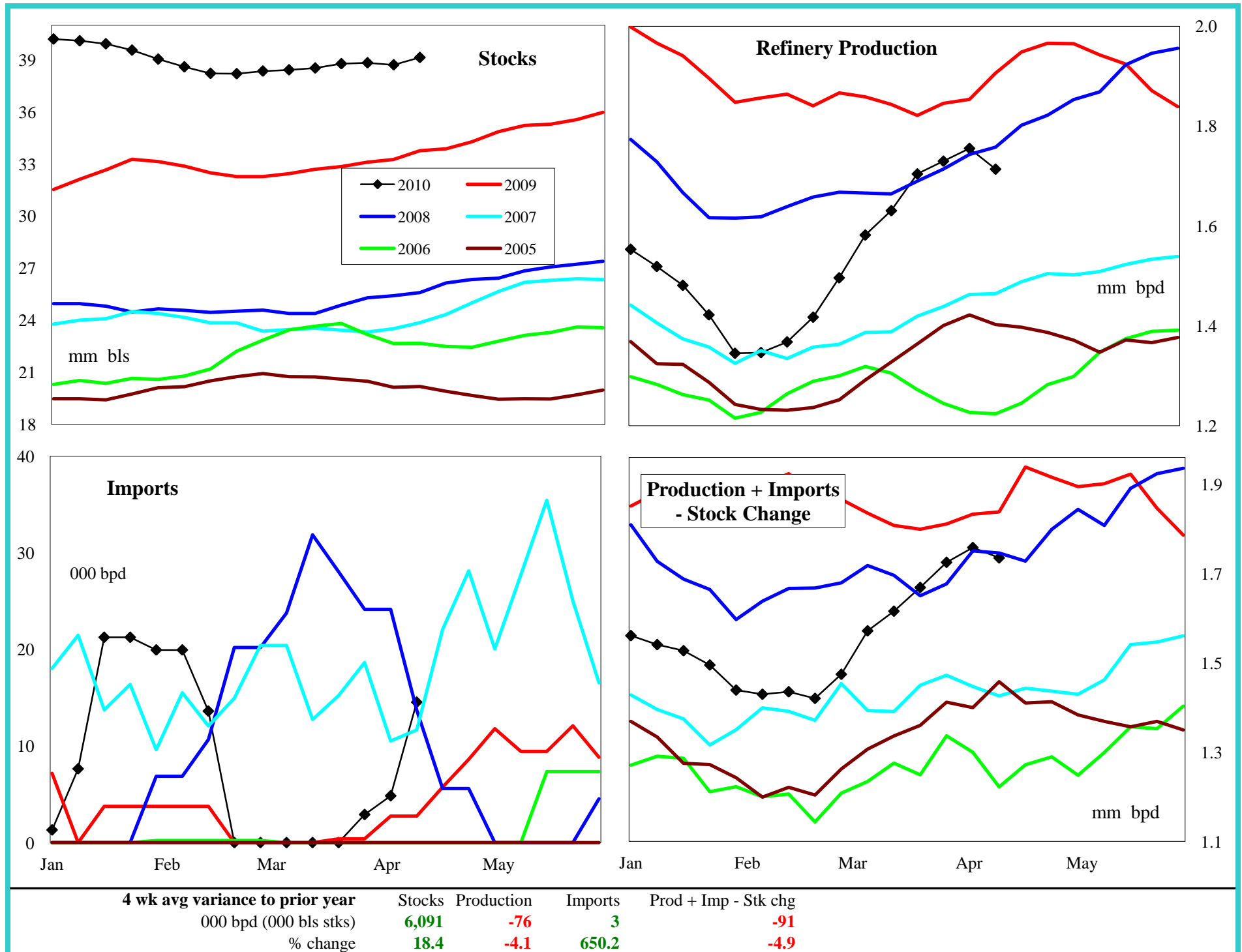
525.0

Prod + Imp - Stk chg

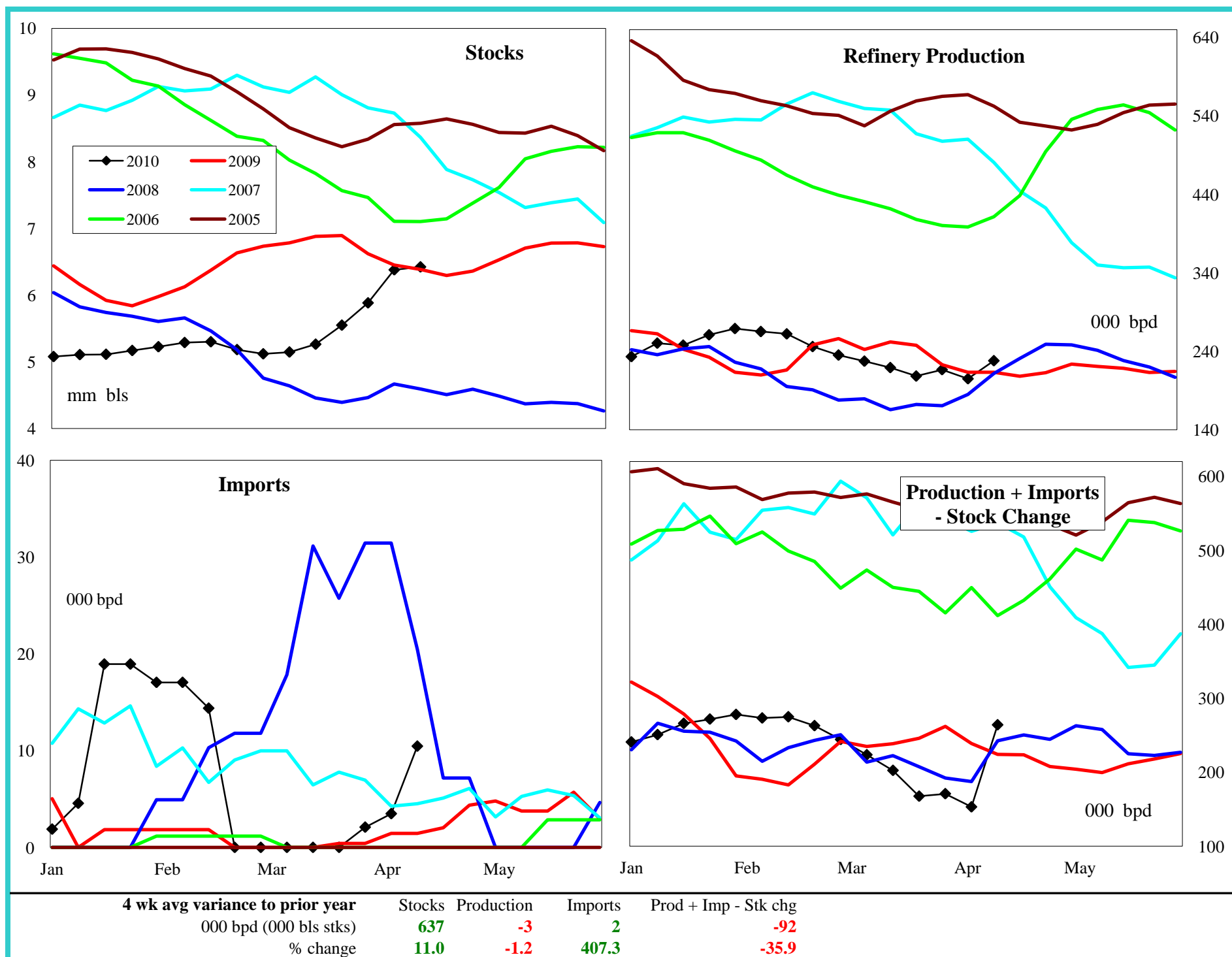
-183

-8.6

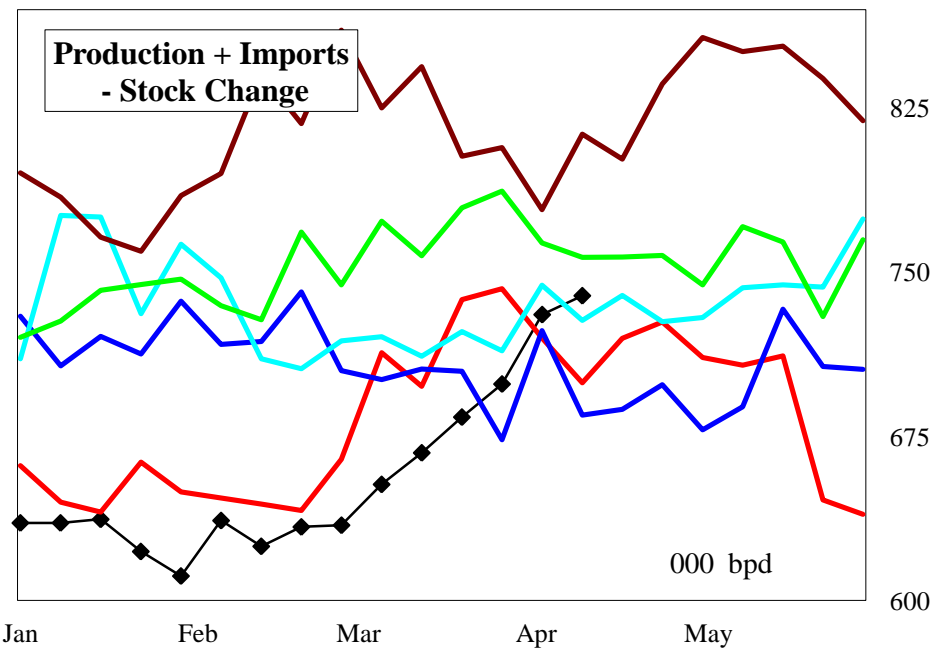
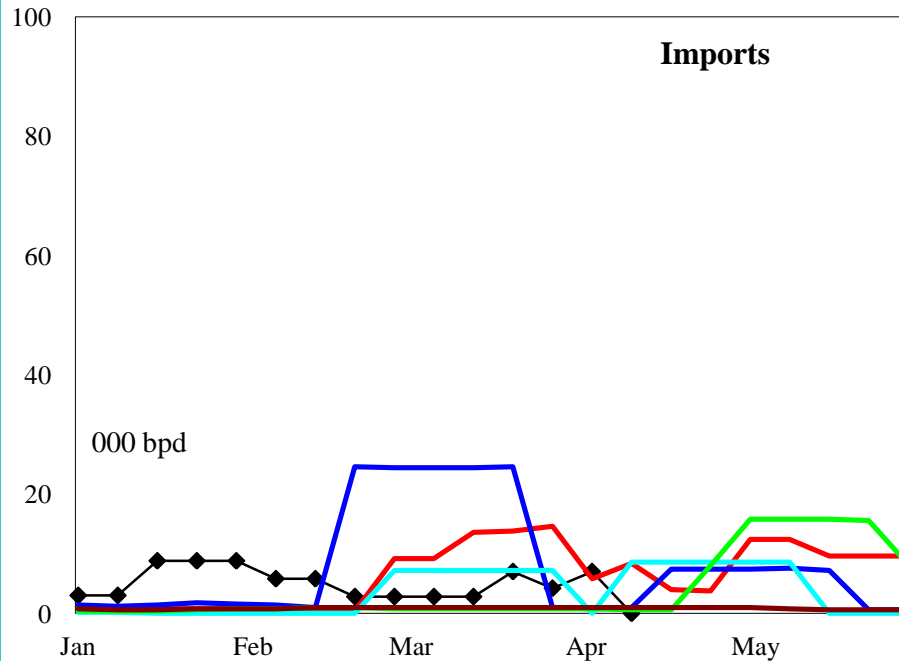
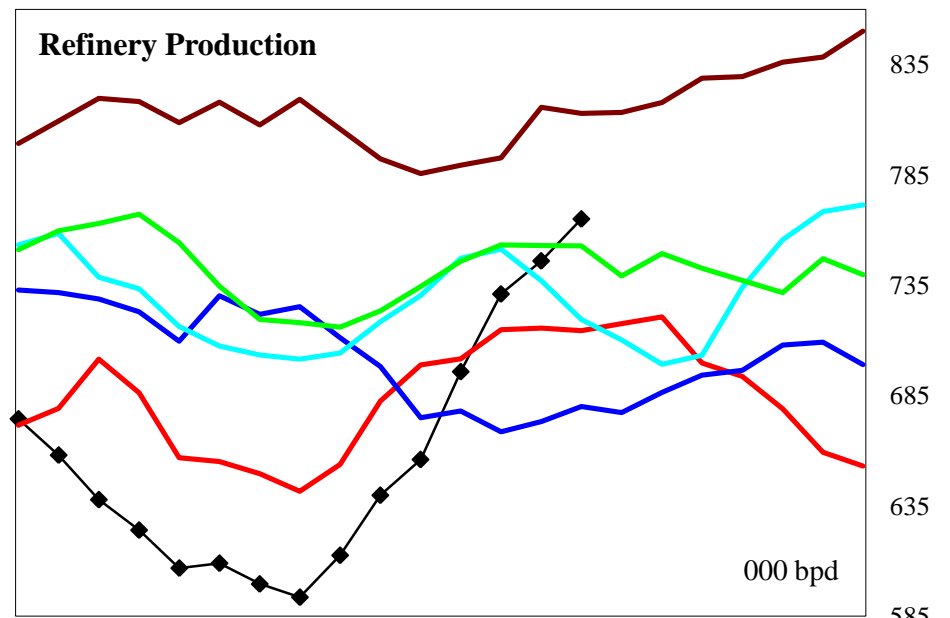
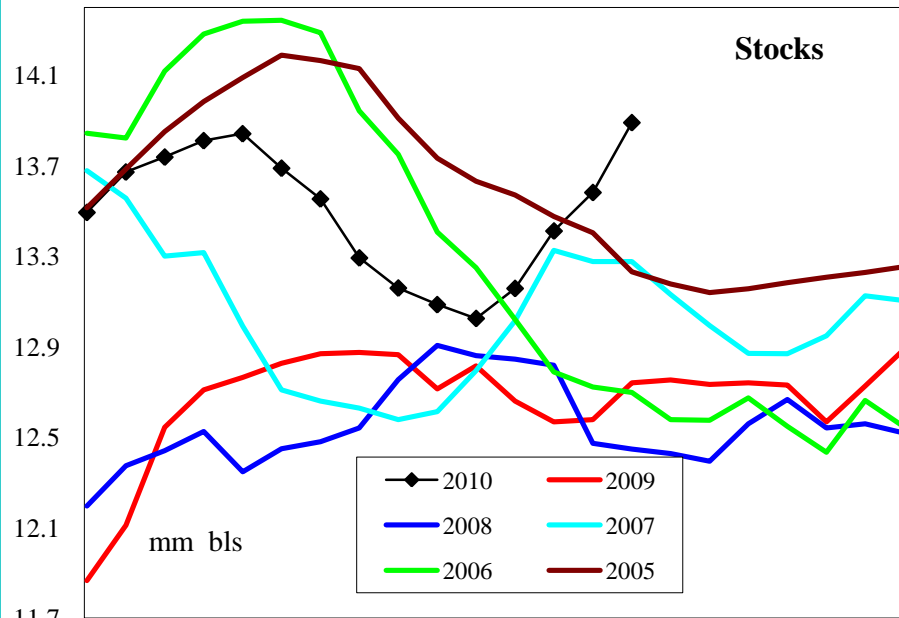
PADD 3 Low Sulfur Distillate Supply



PADD 3 High Sulfur Distillate Supply



PADD 3 Jet Fuel Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

1,151

9.0

Production

26

3.7

Imports

-2

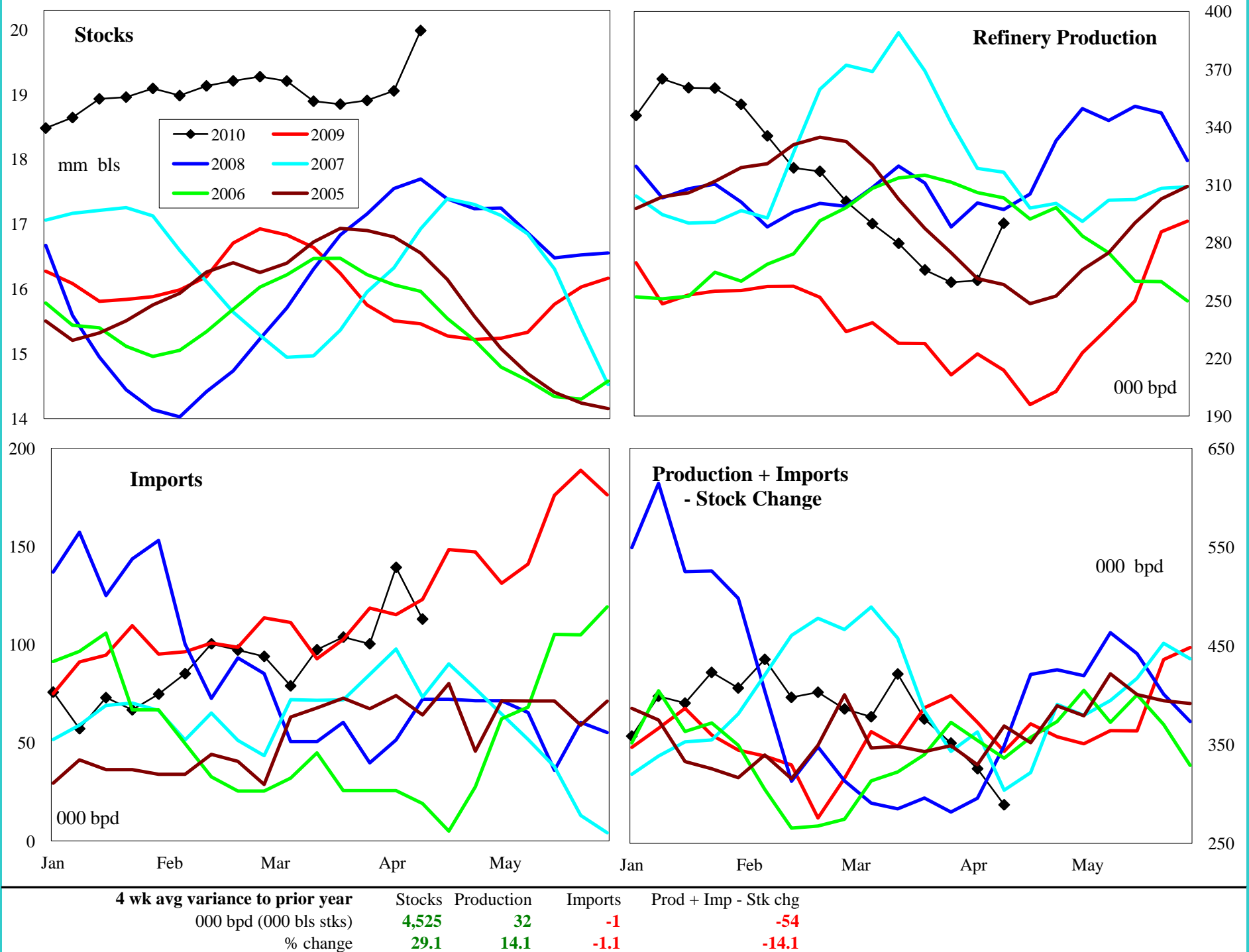
-27.6

Prod + Imp - Stk chg

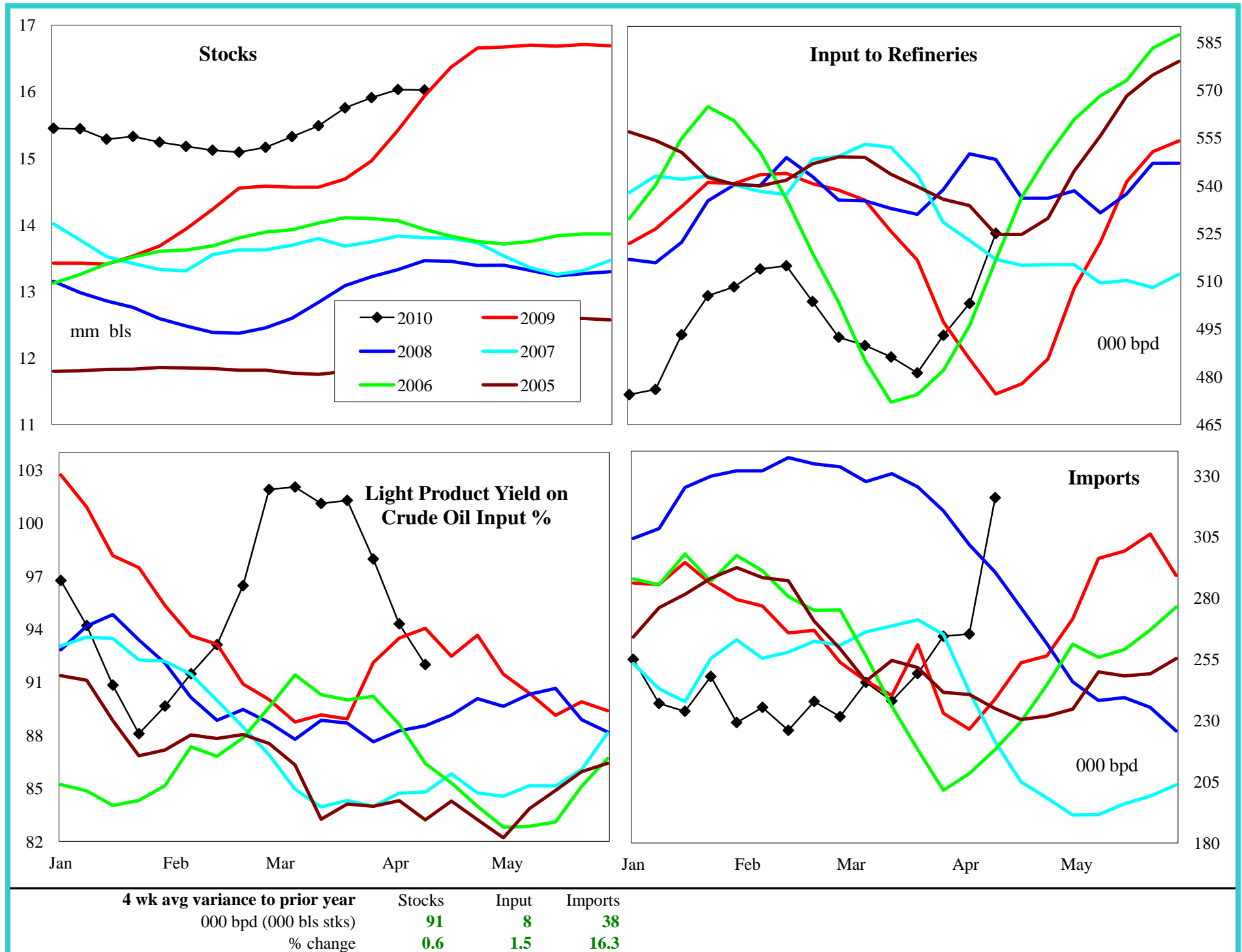
-14

-1.9

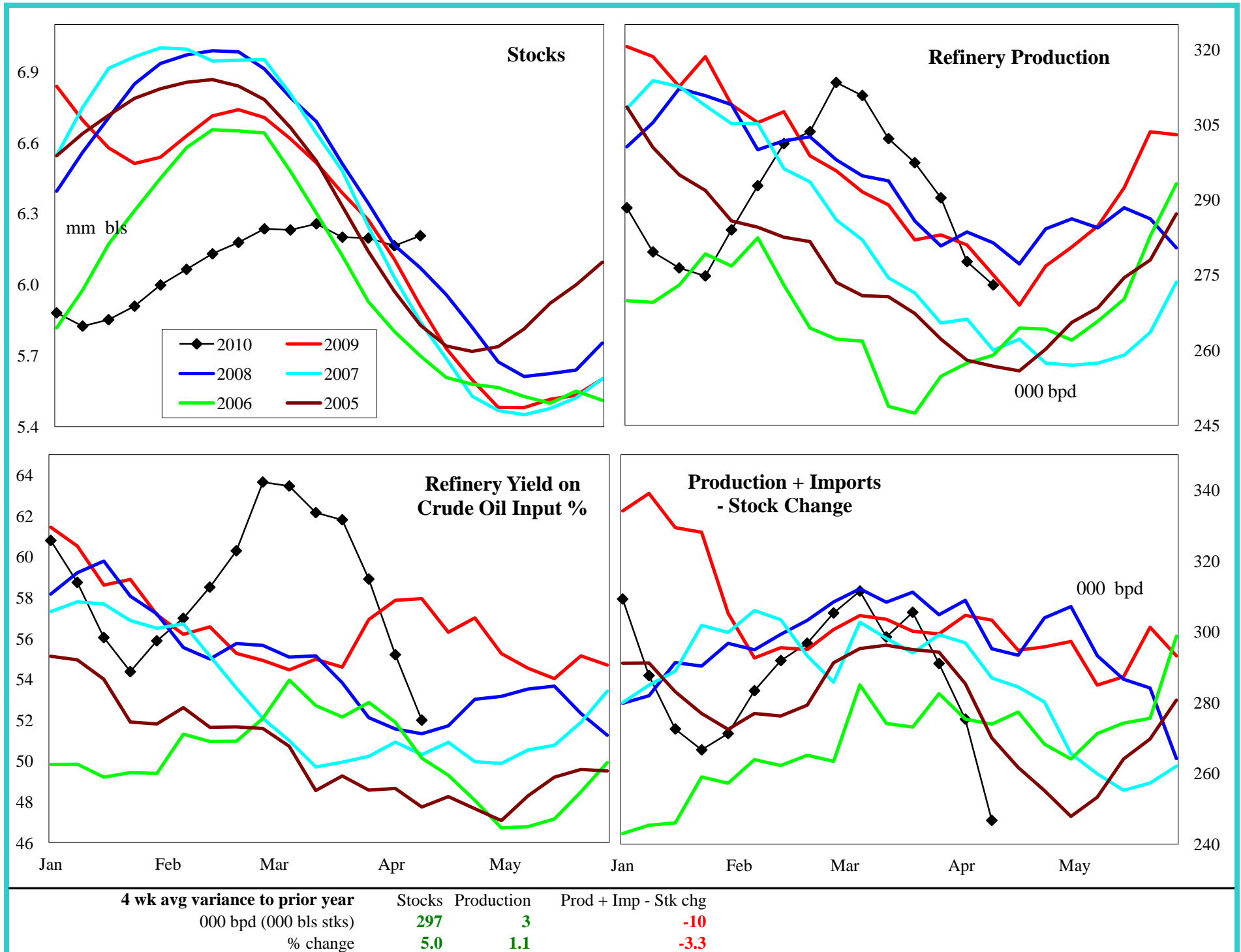
PADD 3 Residual Fuel Oil Supply



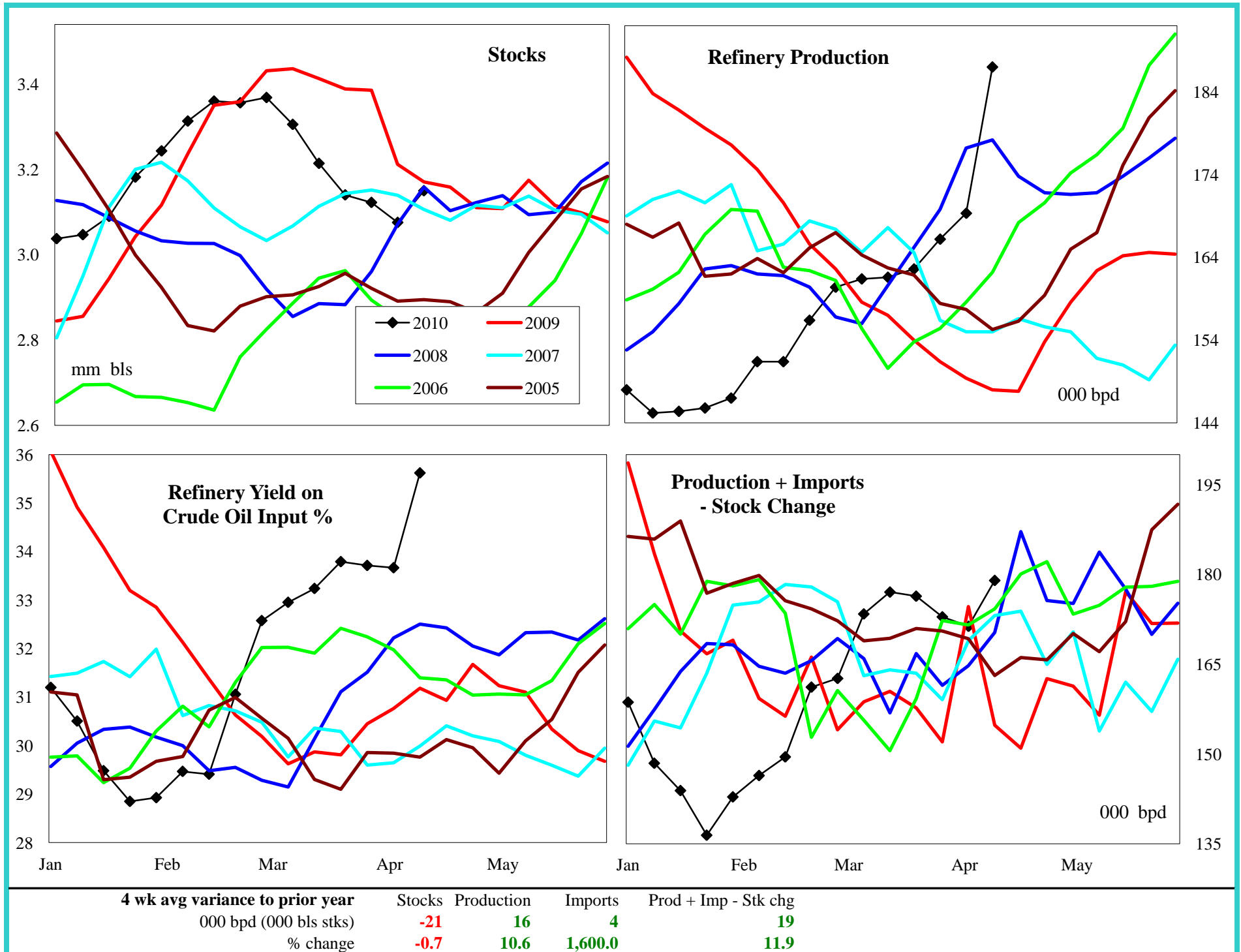
PADD 4 Crude Oil Supply and Refining



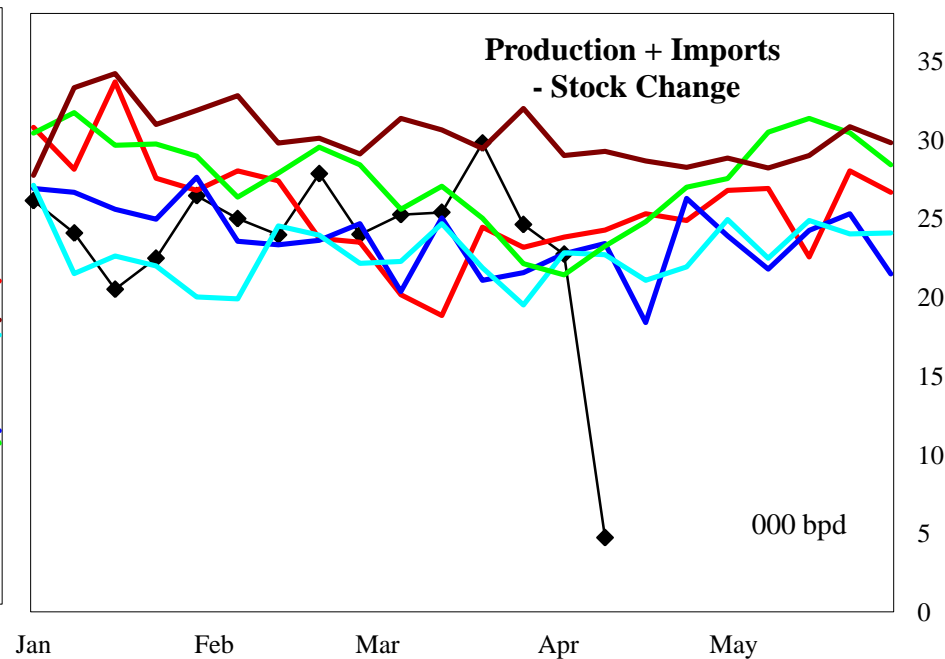
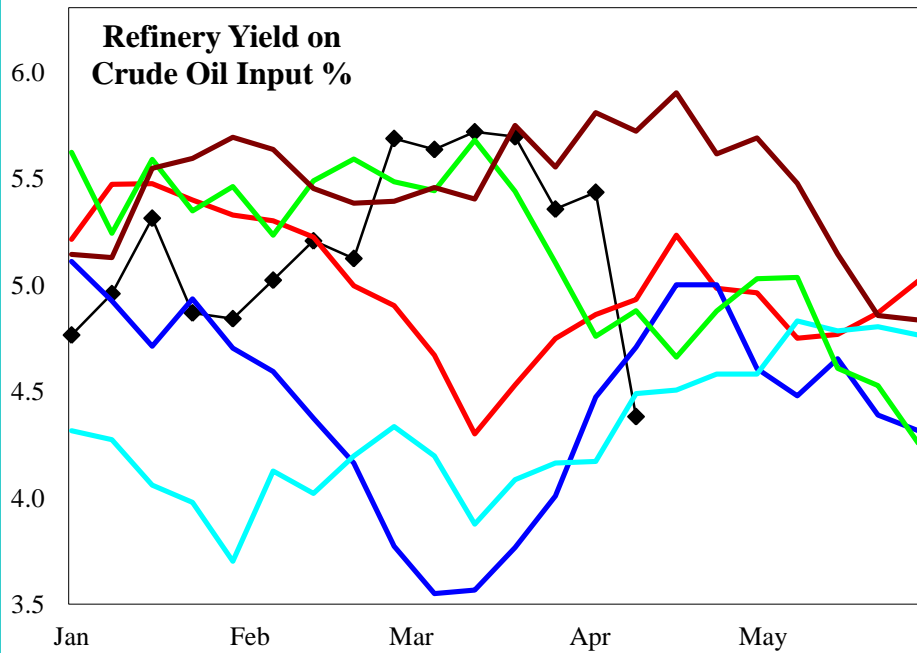
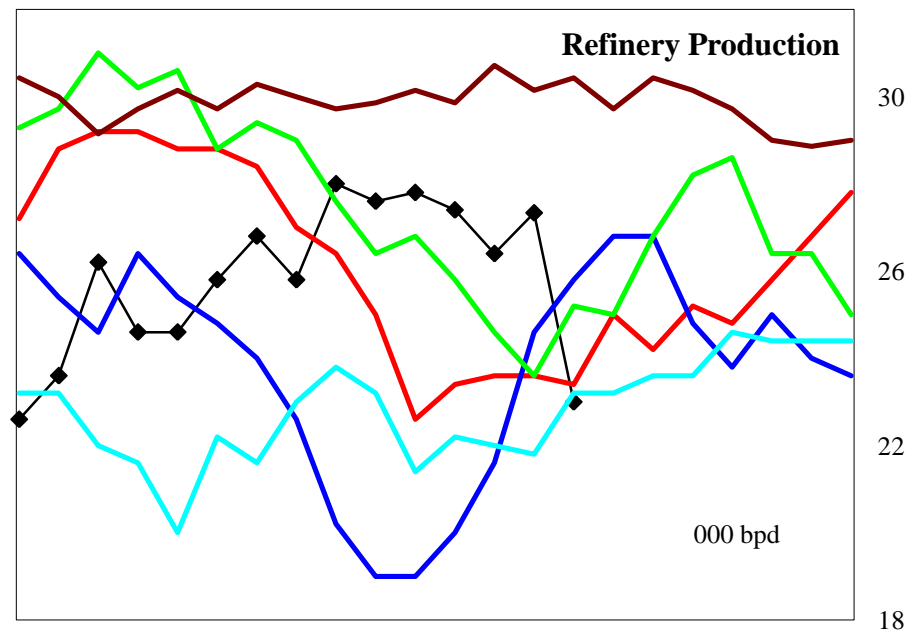
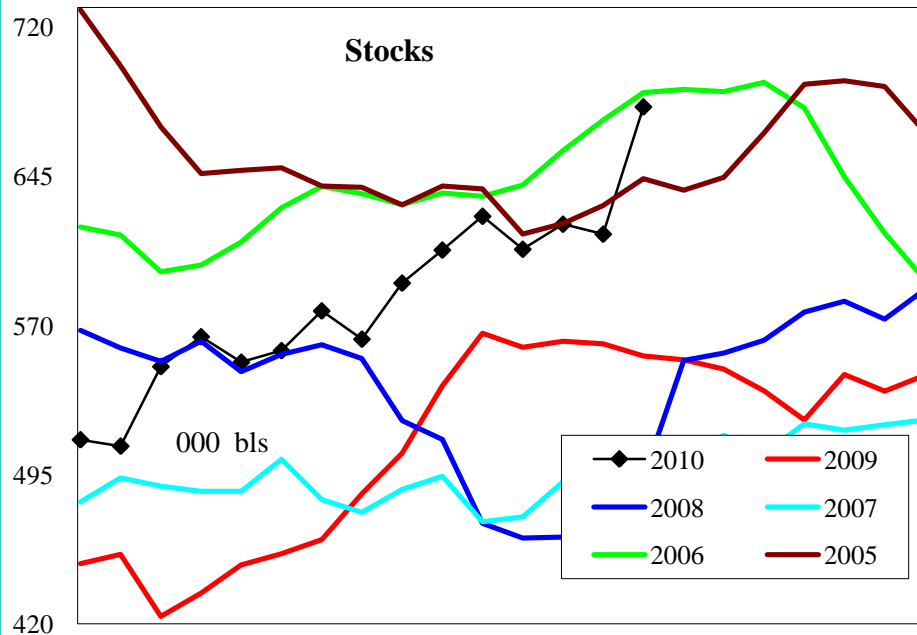
PADD 4 Gasoline Supply



PADD 4 Distillate Supply



PADD 4 Jet Fuel Supply

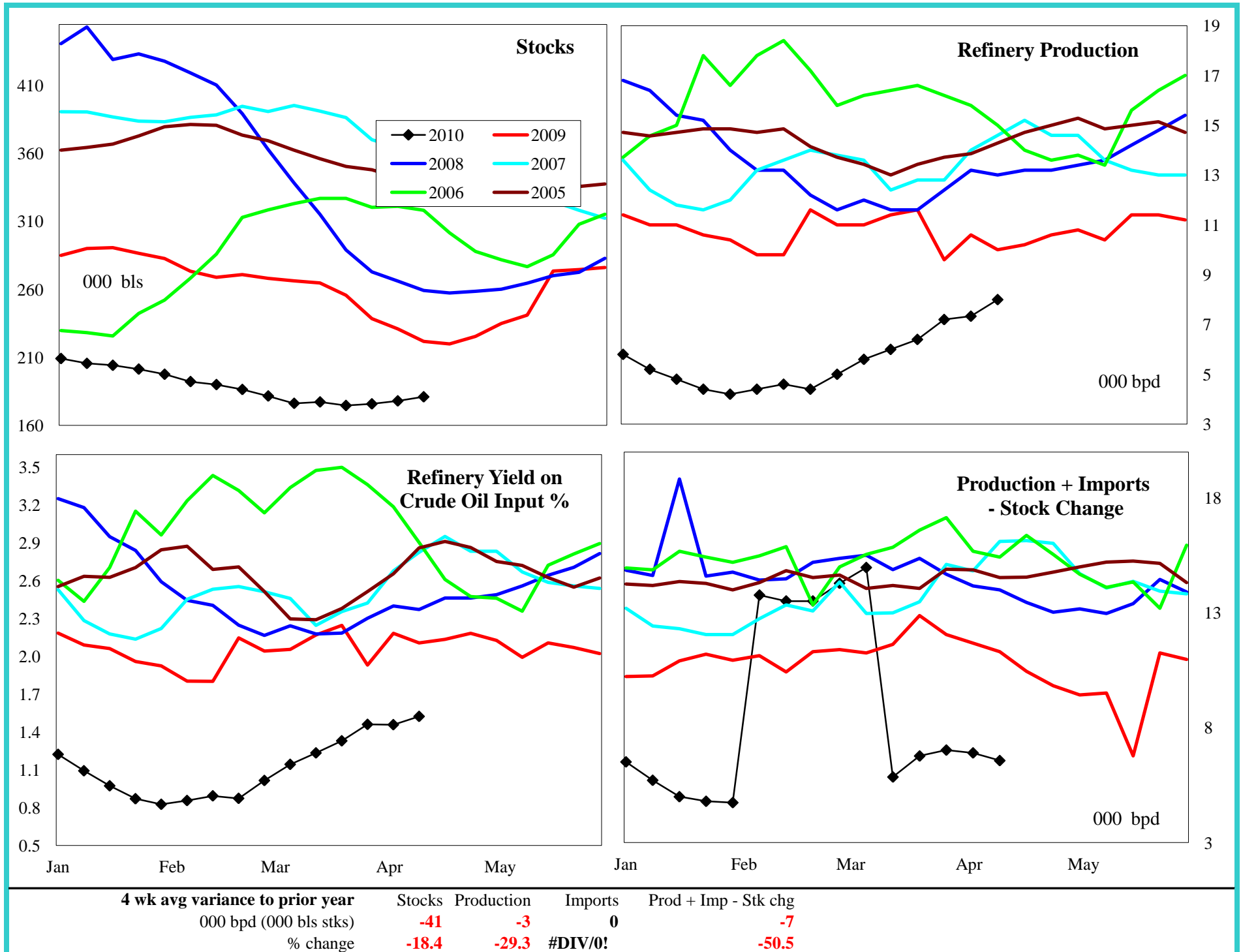


4 wk avg variance to prior year
 000 bpd (000 bls stks)
 % change

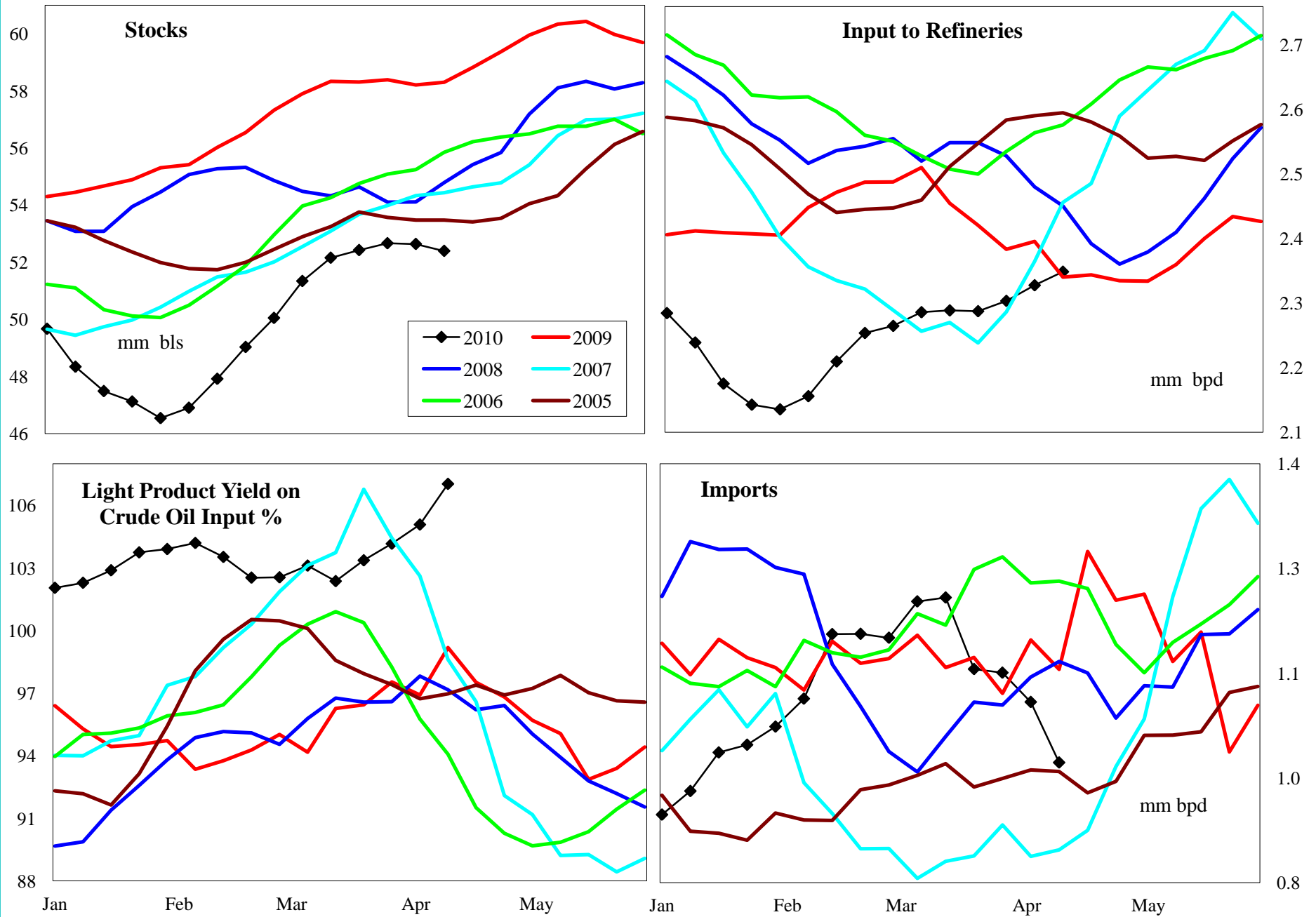
Stocks Production
125 **3**
22.6 **11.8**

Prod + Imp - Stk chg
2
6.6

PADD 4 Residual Fuel Oil Supply



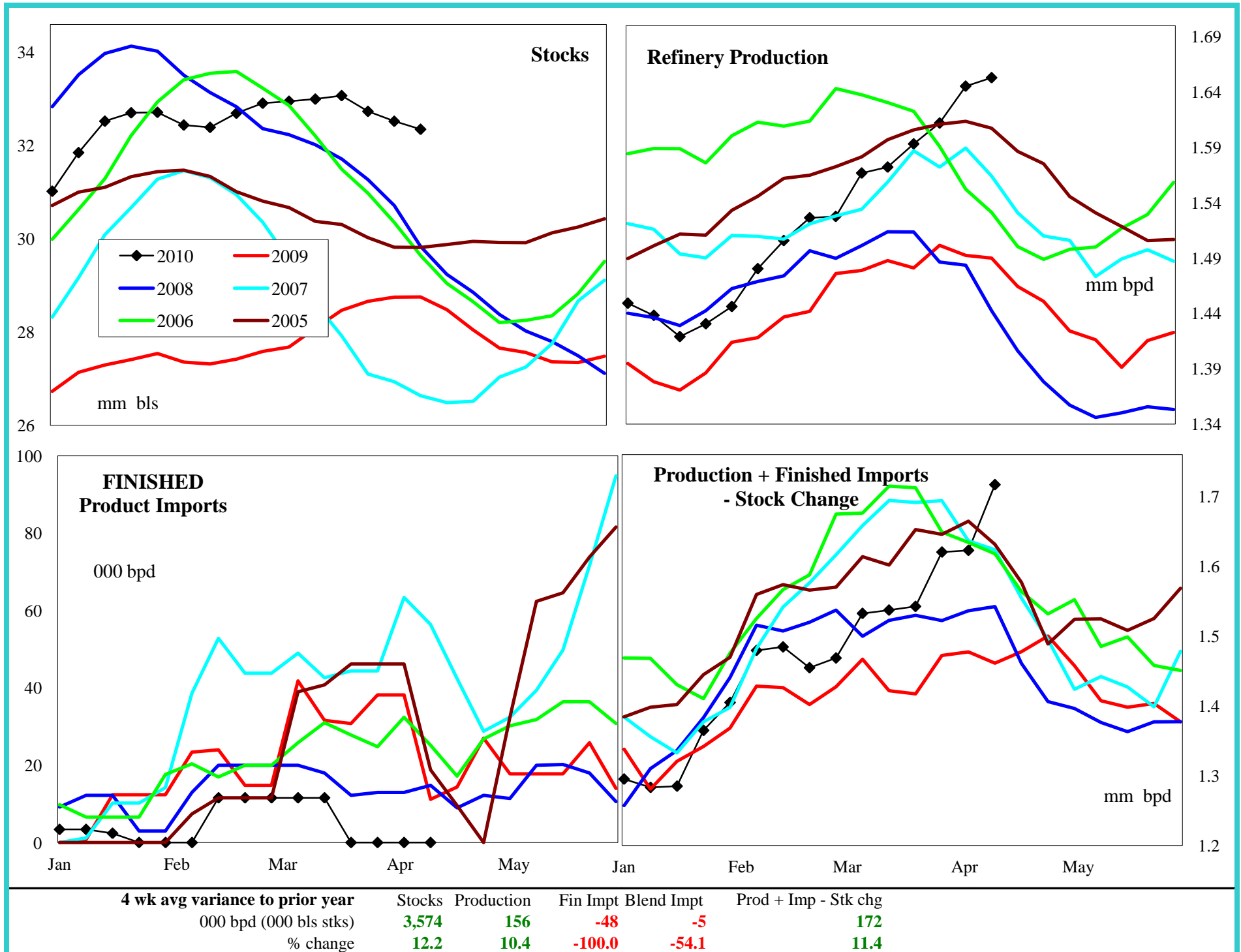
PADD 5 Crude Oil Supply and Refining



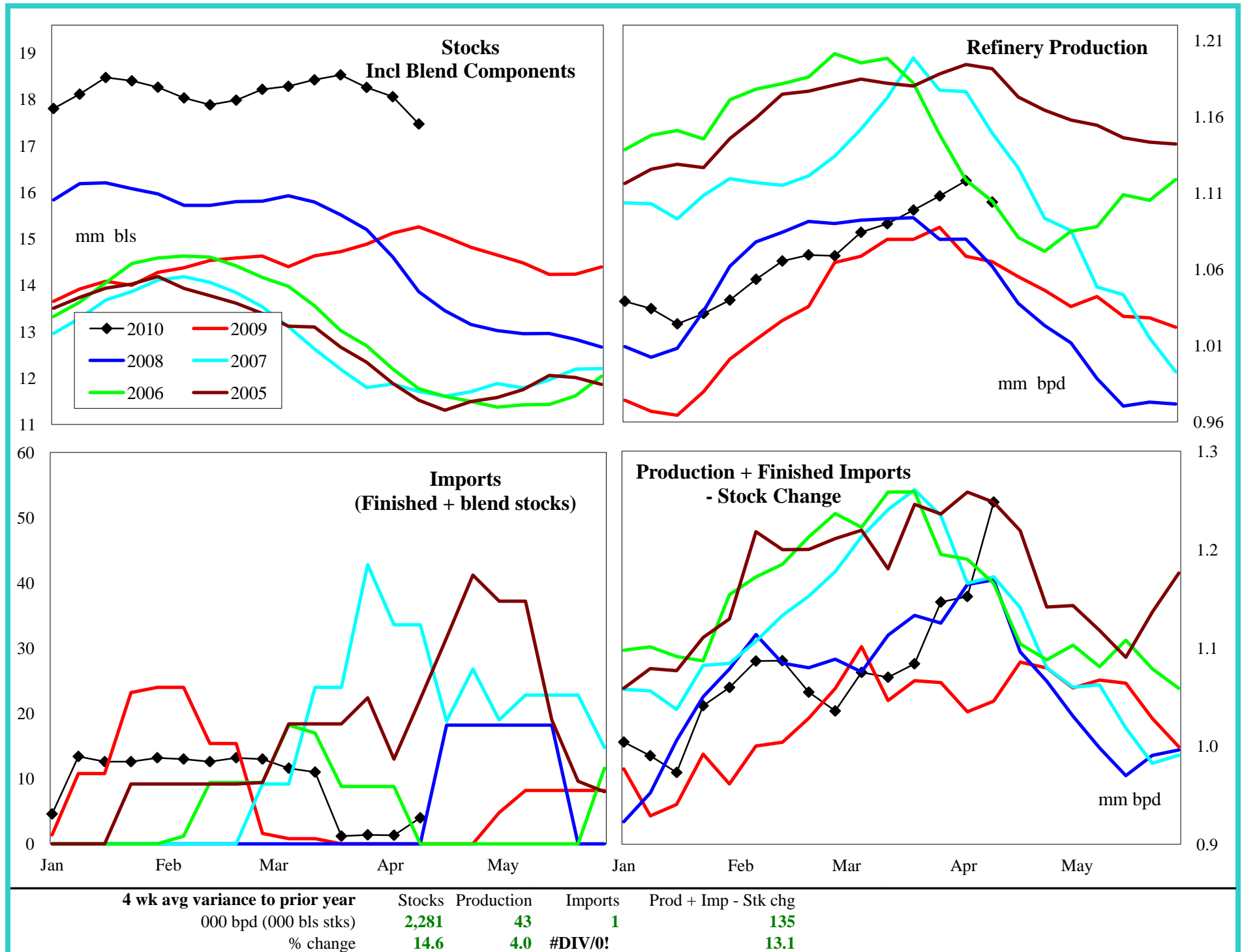
4 wk avg variance to prior year
000 bpd (000 bls stks)
% change

	Stocks	Input	Imports
000 bpd (000 bls stks)	-5,910	-71	23
% change	-10.1	-2.9	2.1

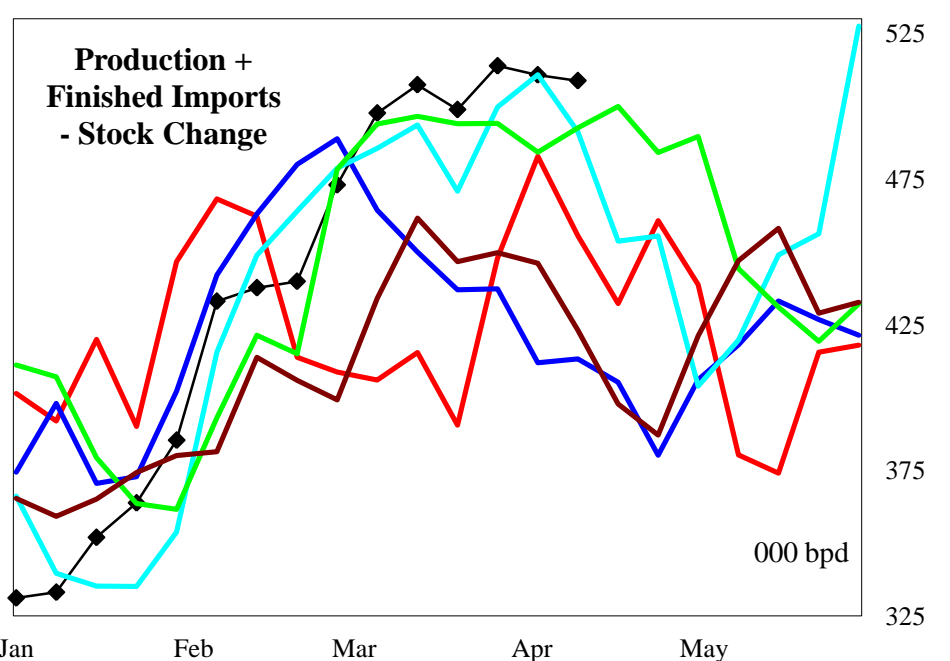
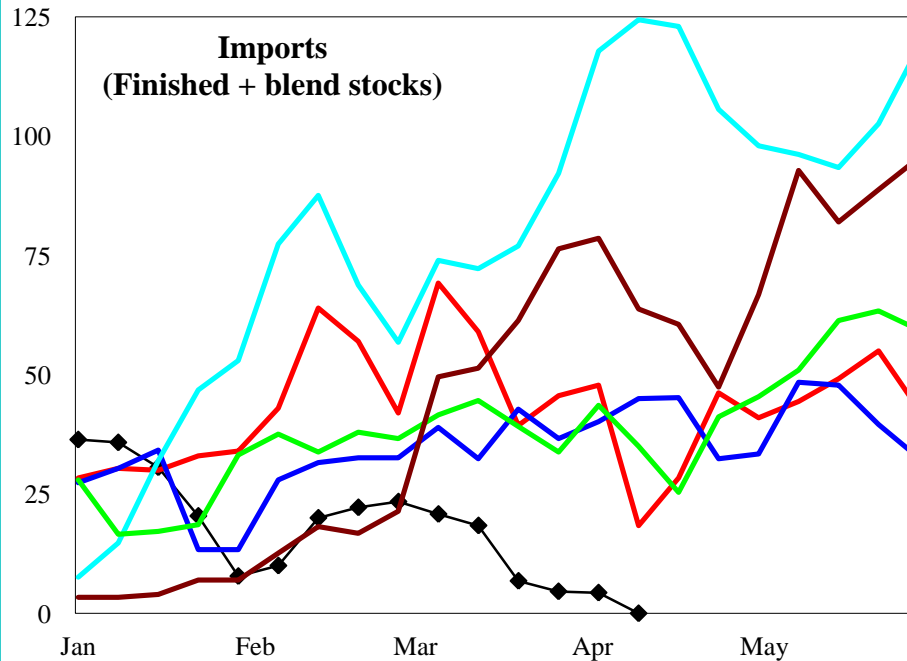
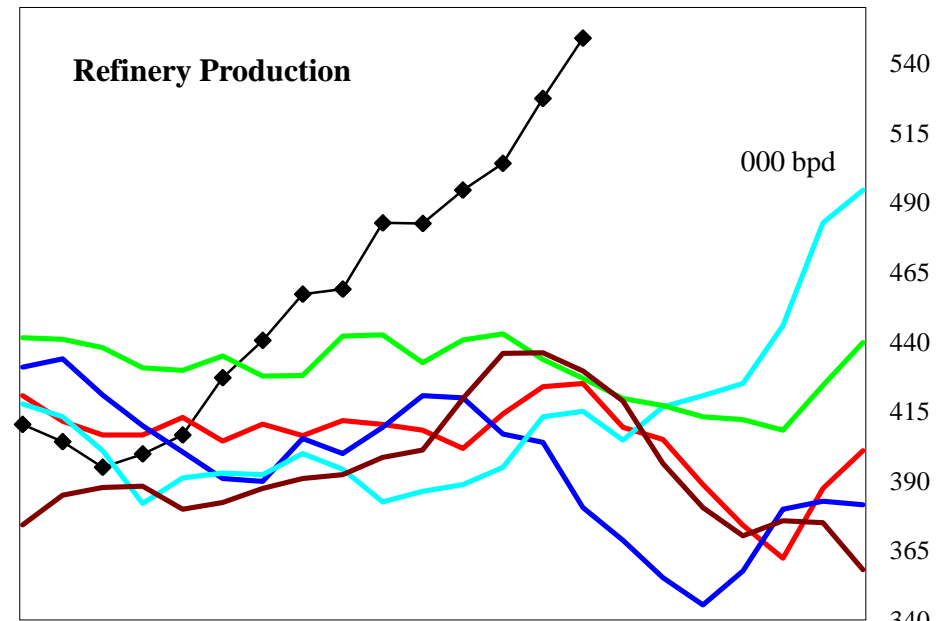
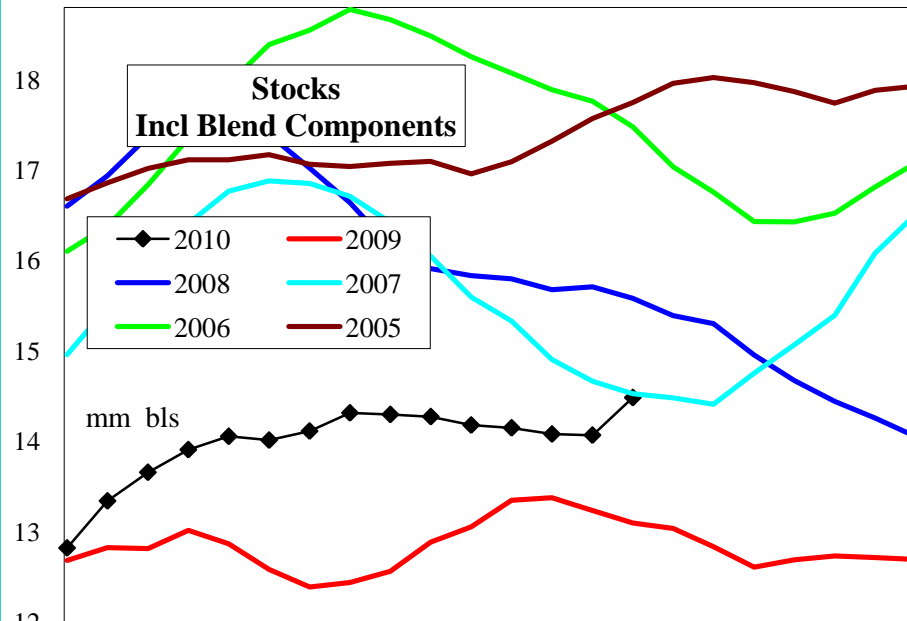
PADD 5 Gasoline Supply



PADD 5 Reformulated Gasoline Supply



PADD 5 Conventional Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

1,293

9.5

Production

113

27.4

Imports

-54

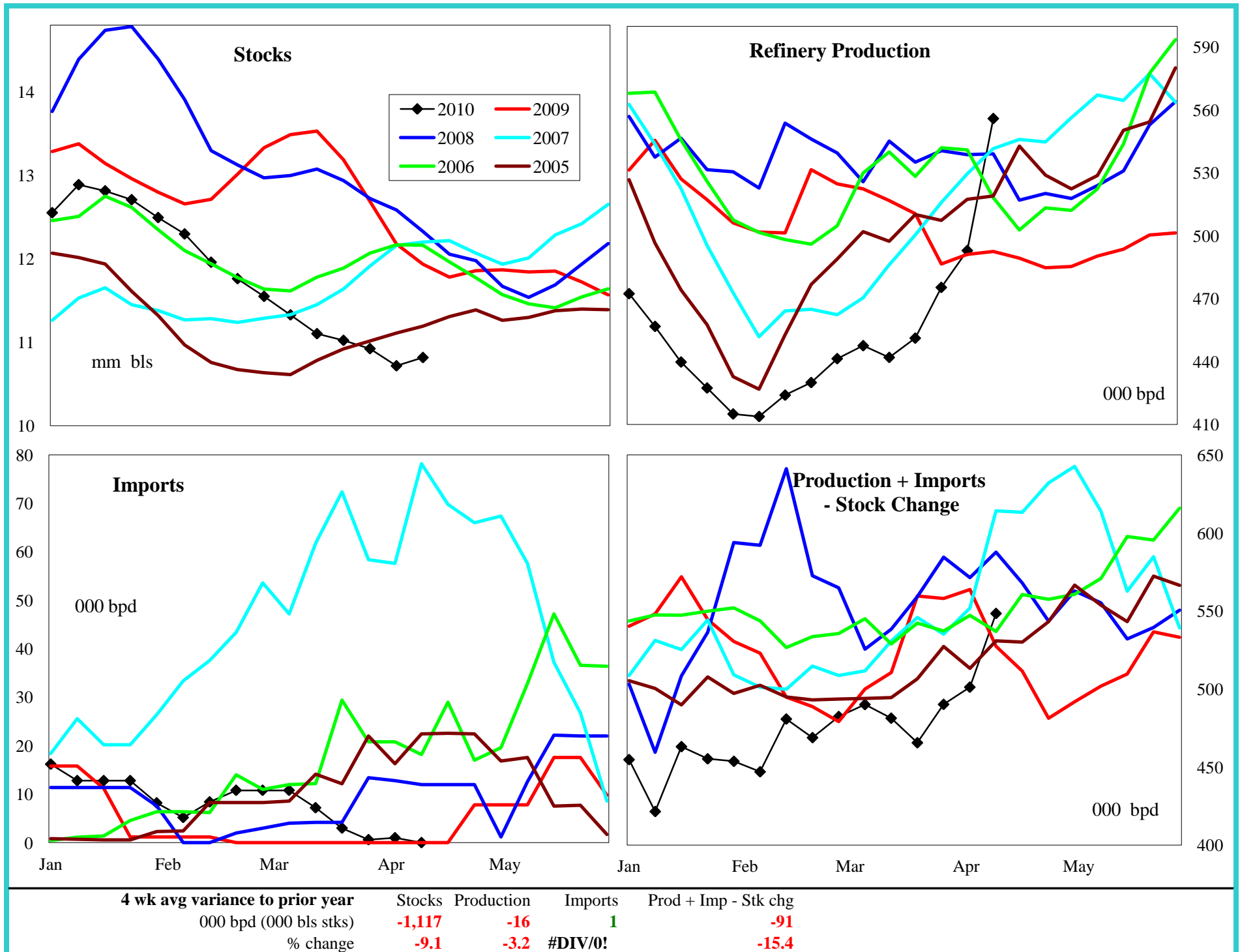
-94.3

Prod + Imp - Stk chg

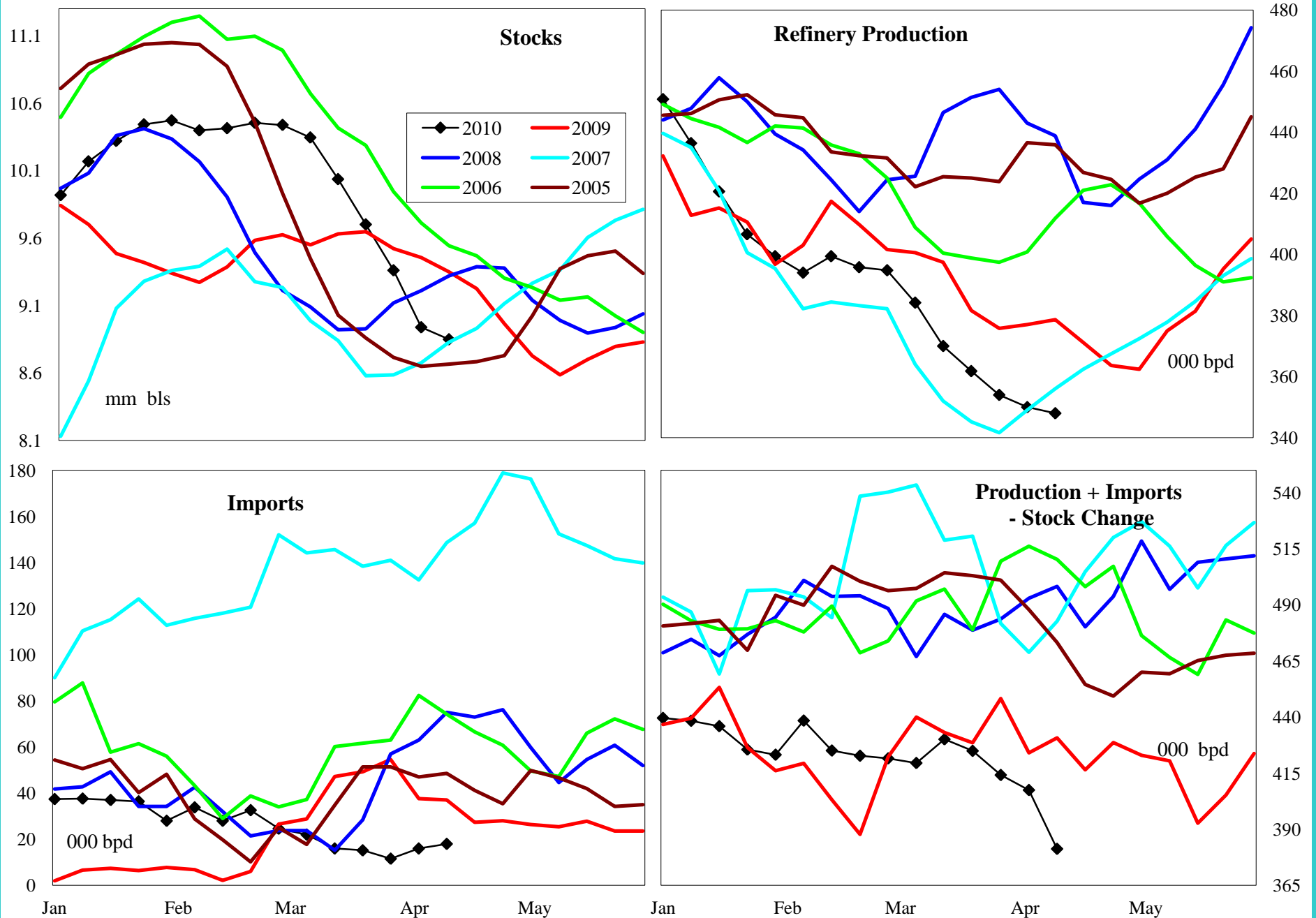
37

7.8

PADD 5 Distillate Supply



PADD 5 Jet Fuel Supply



4 wk avg variance to prior year

000 bpd (000 bbls stks)

% change

Stocks

Production

Imports

Prod + Imp - Stk chg

-606

-29

-30

-19

-6.4

-7.7

-69.4

-4.5

PADD 5 Residual Fuel Oil Supply

