



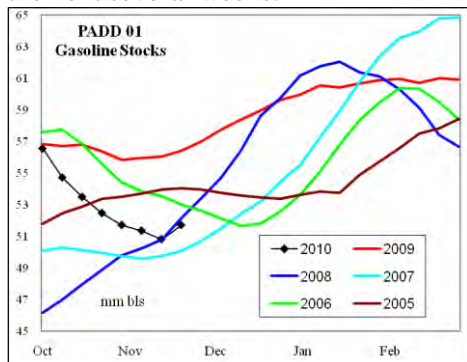
## WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

### A Fundamental Petroleum Trends Weekly Report

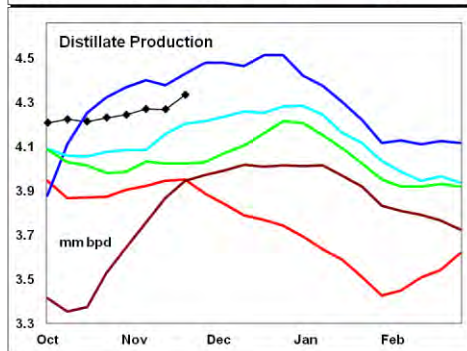
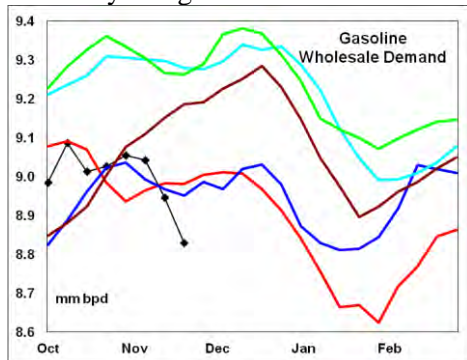
 Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Wednesday, November 24,


#### Major Fundamental Trends<sup>1</sup>

Gasoline stocks in PADD 1 increased +1.5 million barrels last week, the first meaningful build since the last week of August. Restart of refineries in the region, including the Irving plant in Eastern Canada, lower seasonal demand and higher imports should improved the supply balance during the next several weeks.

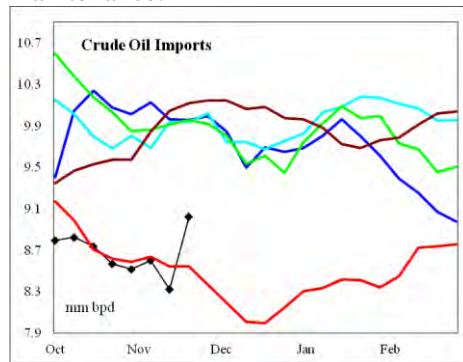


Wholesale gasoline demand was -123,000 bpd lower on the week, extending the recent downtrend. The latest 4-wk average demand slipped below a year ago.



Distillate production was near 5-year highs as refiners maximize output.

Production should continue to increase in the near term as Midwest and East Coast refiners return from maintenance.



Crude oil imports surged +1.2 million bpd last week with increases in all regional markets. The level of imports remains well below years prior to 2010 as a result of refinery closures in PADDs 1 and 5.

Stock levels in all regions other than PADD 1 were at 5-year highs last week, pointing to very well supplied markets. Cushing stocks were +13% above the previous record highs.

**Demand** for gasoline decreased -123,000 bpd last week, while middle distillates saw limited change.

Wholesale demand (including exports) measured over the last four weeks compared to a year ago: gasoline decreased -0.3%; distillate up +11.9%; jet fuel down -1.3% while residual fuel oil decreased -11%.

**Stocks forward coverage:** Gasoline demand coverage fell on a -2.7 million barrel drop in stocks which offset lower demand. Coverage fell below years' record high.

Distillate demand coverage extended the longer term downtrend on a -1.1 million barrel stock draw. The coverage level was well below last years' record high.

Jet fuel coverage declined on a -1.1 million barrel stock draw and +189,000 bpd surge in demand. Coverage matched historic highs.

**Refinery utilization** rates were nearly unchanged on a +9,000 bpd rise in crude oil runs; with increases in PADDs 2 and 4. Crude oil runs for the

latest 4-wk period were +241,000 bpd above last year.

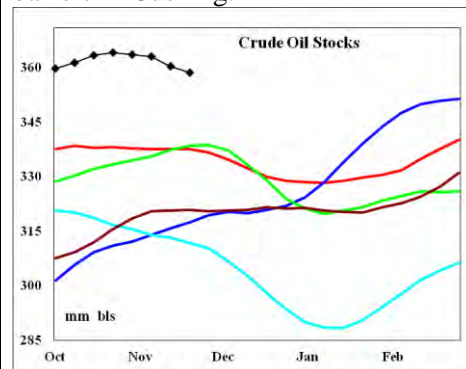
Gasoline yield % on crude oil runs were nearly unchanged last week on a +11,000 bpd rise in production versus a +9,000 bpd increase in crude runs. Yield % was sharply below last years' record high.

Distillate yield % on crude oil runs increased with production up +63,000 bpd compared to little change in crude oil runs. Yield % matched the 5-year high for the period.

Jet fuel yield % on crude oil runs increased on a +42,000 bpd rise in output, with the yield % above the mid range.

**Petroleum Imports** were higher for crude oil and all transport fuels last week.

During the latest 4-wk period crude oil imports decreased -189,000 bpd compared to last year; distillate imports declined -68,000 bpd; finished gasoline imports decreased -63,000 bpd, gasoline blend stock imports declined -13,000 bpd; jet fuel imports were -9,000 bpd lower, while residual fuel oil imports increased +64,000 bpd. **Crude Oil** imports surged +1.2 million bpd last week, which lifted stocks by +1 million barrels on the week. The increase was concentrated in PADDs 2 and 5. Stocks increased +0.6 million barrels in Cushing.



<sup>1</sup> Source is latest EIA Weekly Statistics



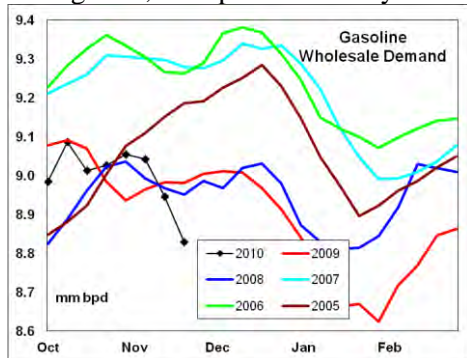
## WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

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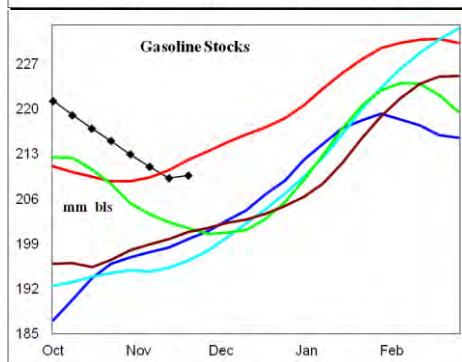
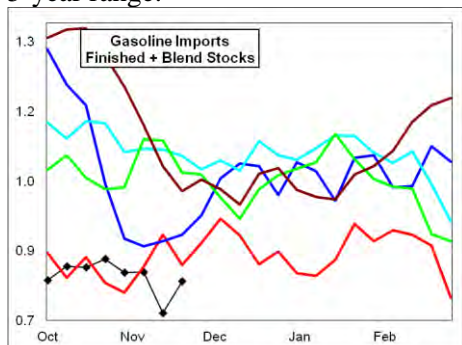
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#### Product Supply-Demand Trends

**Gasoline** demand declined -123,000 bpd last week, with the latest 4-wk average -29,000 bpd above last year.



Production increased +11,000 bpd on the week (including a -147,000 bpd EIA adjustment at the U.S. level); with the level matching the 5-year mid range. Imports increased +222,000 bpd last week, with the level still below the 5-year range.



Stocks increased +1.9 million barrels on the week, with the build concentrated in PADD 1. Stock levels were near last years' record high.

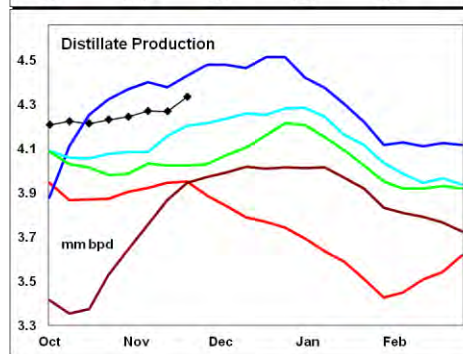
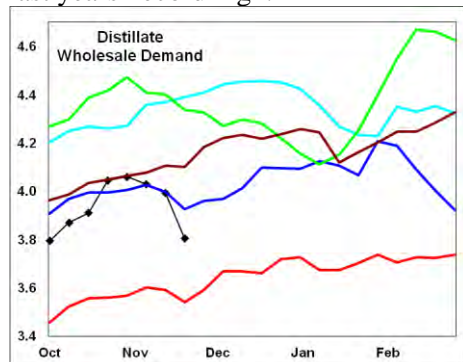
Lower seasonal demand and higher imports led to the first meaningful stock build on the East Coast during the last 2-months. Expect the supply balance to improve significantly as refiners return from

*maintenance and imports rise. Improved supply should lead to price weakness for gasoline compared to the overall energy complex.*

**Distillate** demand increased +24,000 bpd on the week, with the latest 4-wk average up +427,000 bpd year-on-year.

Supply increased +106,000 bpd on the week, with both production and imports higher. Production levels were near 5-year highs.

Stocks extended the seasonal draw, declining -0.5 million barrels. Stock levels were -8.6 million barrels below last years' record high.



*Production continues to trend seasonally higher, and should reach record highs as plants in PADDs 1 and 2 return from maintenance.*

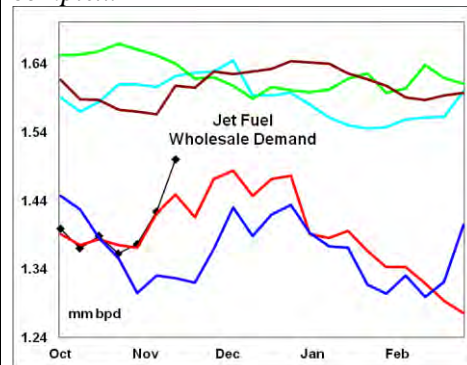
*Demand has pulled back from the recent highs on estimates of lower exports. Expect the rate of stock draws to slow significantly over the next 60-days, with potential of builds early in the 1st quarter.*

**Jet Fuel** demand declined -24,000 bpd last week, with the latest 4-wk average -19,000 bpd below last year.

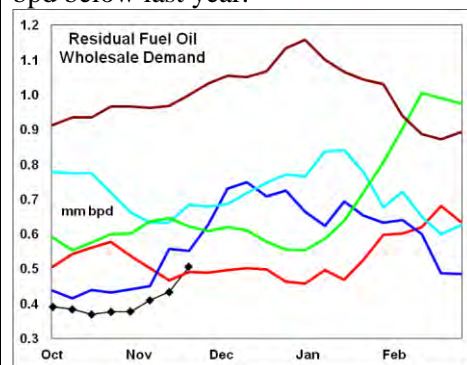
Production increased +42,000 bpd on the week, while imports were +82,000 bpd higher. The sharp jump

in supply offset more robust demand, leaving stocks nearly unchanged. Stock levels were +2.3 million barrels above the prior record high.

*Stock draws should continue in the near term as demand trends higher ahead of the holiday season and refiners return from maintenance over the next 30-days. High stock levels assure the market will remain well supplied. Peak seasonal demand should provide modest price support to jet fuel relative to the overall energy complex.*



**Residual fuel oil** demand, including exports, increased +159,000 bpd last week, with the 4-wk average -48,000 bpd below last year.



Supply (production + imports) decreased -57,000 bpd on the week, due to a drop in imports. The latest 4-wk average was -142,000 bpd below a year ago. Stock levels remain above four of the last five years.

*Wholesale demand remains near last years' record low; driven in part by a -32% drop in production from year ago levels. Higher imports have partially offset the drop in production. Stock levels measured in days of supply remain extremely high.*





## WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

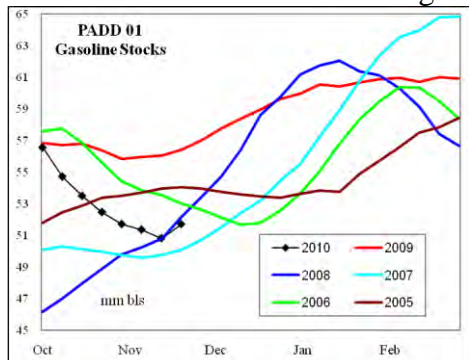
### A Fundamental Petroleum Trends Weekly Report

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#### PADD Supply Trends

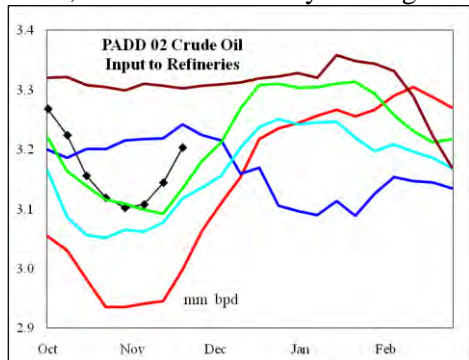
**PADD 1** refinery crude oil runs decreased -8,000 bpd on the week, with the 4-wk average -434,000 bpd below last years' record low rate. Crude oil stocks and imports were each nearly unchanged; with both at record low levels.

Gasoline production was unchanged on the week; with the latest 4-wk average +513,000 bpd above a year ago. Imports increased +210,000 bpd on the week, to a level at the low end of the historic range. Stocks increased +1.5 million barrels, although the level remains below the mid range.



Distillate supply increased +34,000 bpd last week, on higher imports. Stocks increased +0.5 million barrels last week, with the level -5 million barrels below last year.

Jet fuel supply declined -7,000 bpd to a level near last years' lows. Stocks increased +0.8 million barrels last week, to a level near last years' highs.



**PADD 2** crude oil refinery runs increased +99,000 bpd last week, to a level above the 5-year mid range for the period. Imports increased

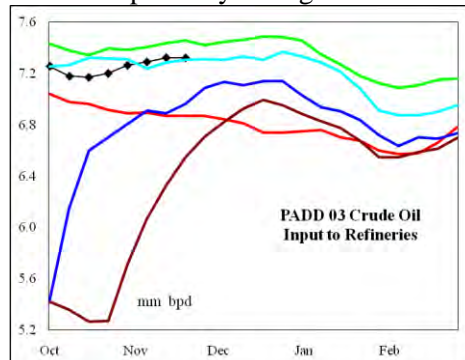
+205,000 bpd on the week, near the prior record high. Stocks increased +2.2 million barrels, including a +0.6 million barrel build in Cushing. Stock levels in Cushing were +13% above the prior record high.

Gasoline production increased +102,000 bpd to a level above the mid range. Stocks fell -0.7 million barrels on the week, to a level near 5-year lows.

Distillate production was nearly unchanged on the week, at a level near 5-year lows. Stocks were unchanged on the week, with the level below the mid range.

Jet fuel production and stock levels each remain very high.

**PADD 3** crude oil runs declined -63,000 bpd last week, with the latest 4-wk average +436,000 bpd above a year ago. Crude imports increased +342,000 bpd on the week, with the level +6% above the 5-year low. Stocks decreased -1.9 million barrels, ending the week +2 million barrels above the prior 5-year high.



Gasoline production was unchanged on the week. Stocks increased +0.4 million barrels last week with the level +6 million barrels above the prior record high.

Distillate production increased +70,000 bpd last week, to a new season high. Stocks declined -0.7 million barrels, to a level near last years' record high.

Jet fuel production increased +25,000 bpd last week, to a level above the last 2-years. Stocks extended the seasonal draw, declining -0.4 million barrels on the week. Stock

levels were +2.3 million barrels above the prior record high.

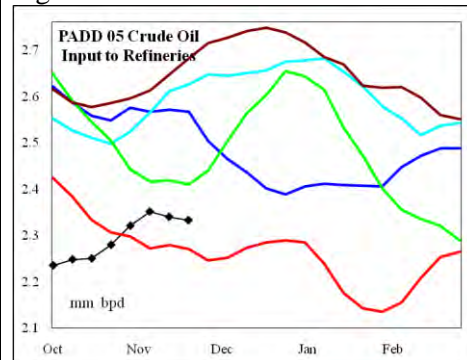
Residual fuel oil supply fell -124,000 bpd on lower imports last week. Stock levels ended the week +1.7 million barrels above the prior record high.

**PADD 4** refinery crude runs increased +43,000 bpd on the week, to a level above the mid range. Crude oil stock levels reached a new record level on a surge in imports.

Gasoline production jumped +44,000 bpd on the week, to a new record high. Stock levels remain at the upper end of the historic range.

Distillate production declined -13,000 bpd last week, to a level below the mid range. Stock levels remain well above the mid range.

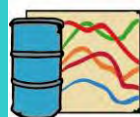
**PADD 5** crude oil refinery runs declined -61,000 bpd on the week to a level near last years' lows. Crude imports surged +552,000 bpd on the week to a level above the historic range. Stocks levels match 5-year highs.



Gasoline production increased +18,000 bpd last week, to a level that matched the 5-year mid range. Stocks increased +0.7 million barrels, to a level above the historic mid range.

Distillate production was nearly unchanged on the week, at a level well below the historic mid range. Stocks decreased -0.3 million barrels to a level that matched the mid range.

Jet fuel supplies jumped +92,000 bpd, driven by a +86,000 bpd rise in imports. Stock levels remain below the mid range as airlines increased private stock holdings.

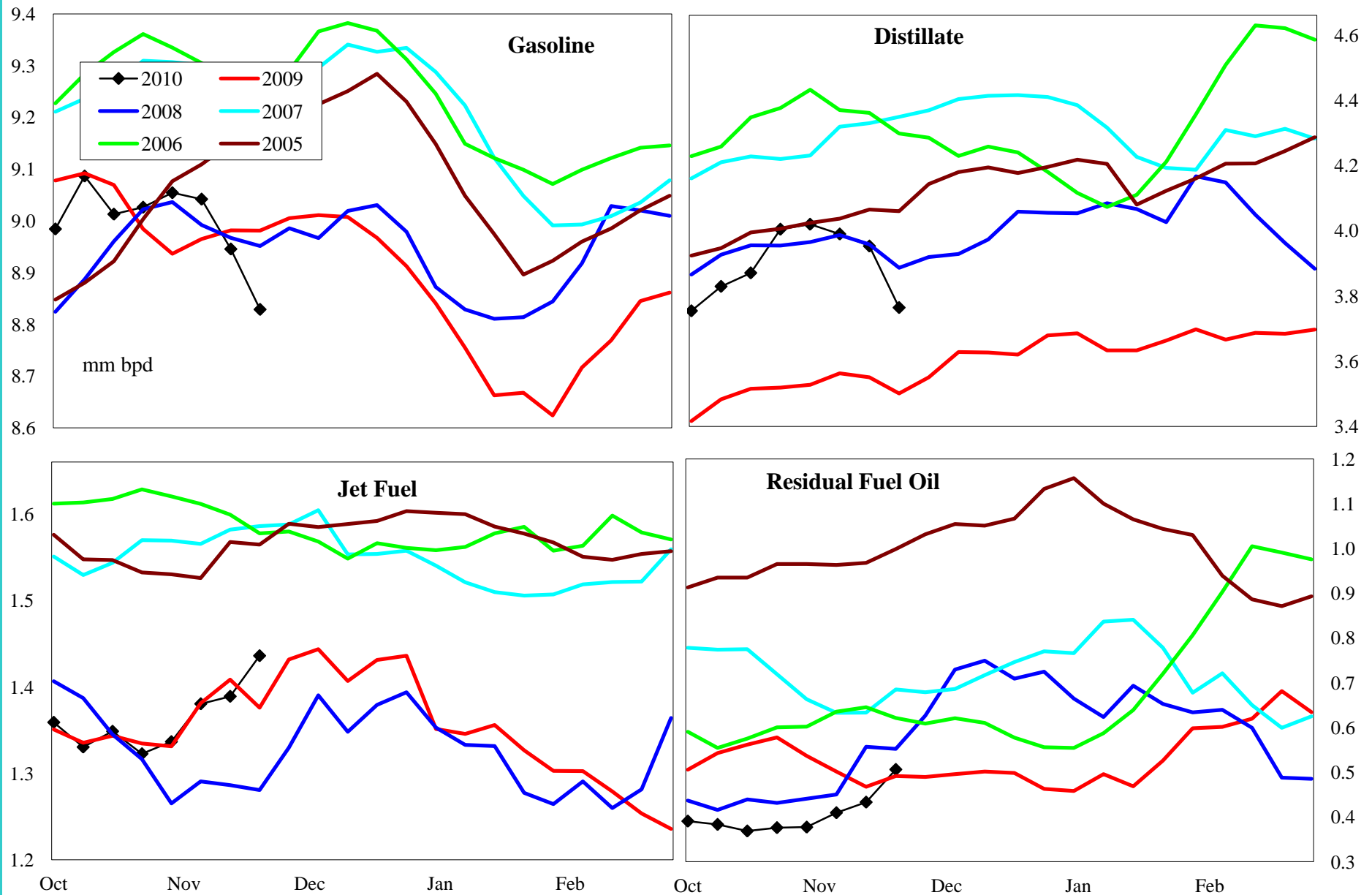

**FUNDAMENTAL  
PETROLEUM  
TRENDS**


# PETROLEUM: Graph Link and Weekly Summary

A Fundamental Petroleum Trends Weekly Report November 24, 2010  
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Fundamental Trends	<a href="#">Wholesale Demand</a>	<a href="#">Stocks Days Fwd Coverage</a>	<a href="#">Refinery Utilization Product Yield %</a>			<a href="#">Imports</a>	
Supply/Demand Trends	19-Nov-10	EIA-DOE CHANGE FROM PRIOR WEEK					
	000 bpd stocks 000 bls	U. S. Total	PADD				
			1	2	3	4	5
<a href="#">Crude Oil</a>	Stocks	1,029	-48	2,228	-1,899	129	618
	Imports	1,160	23	205	342	39	552
	Input	9	-8	99	-63	43	-61
	% Utilization	1.50					
<a href="#">Gasoline</a>	Stocks	1,913	1,461	-672	410	7	706
	Production	11	-12	102	6	44	18
	Imports	222	210	-1	-6	0	19
	Supplied	-123					
<a href="#">Distillate</a>	Stocks	-541	531	-48	-658	-109	-257
	Production	63	-6	6	70	-13	6
	Imports	43	40	-1	0	3	0
	Supplied	24					
<a href="#">Jet Fuel</a>	Stocks	-85	849	-263	-433	0	-239
	Production	42	-2	6	25	5	6
	Imports	82	-5	0	0	0	86
	Supplied	-24					
<a href="#">Residual Fuel Oil</a>	Stocks	-707	446	56	-754	-12	-443
	Production	35	-7	4	9	-3	31
	Imports	-92	85	0	-133	0	-44
	Supplied	159					

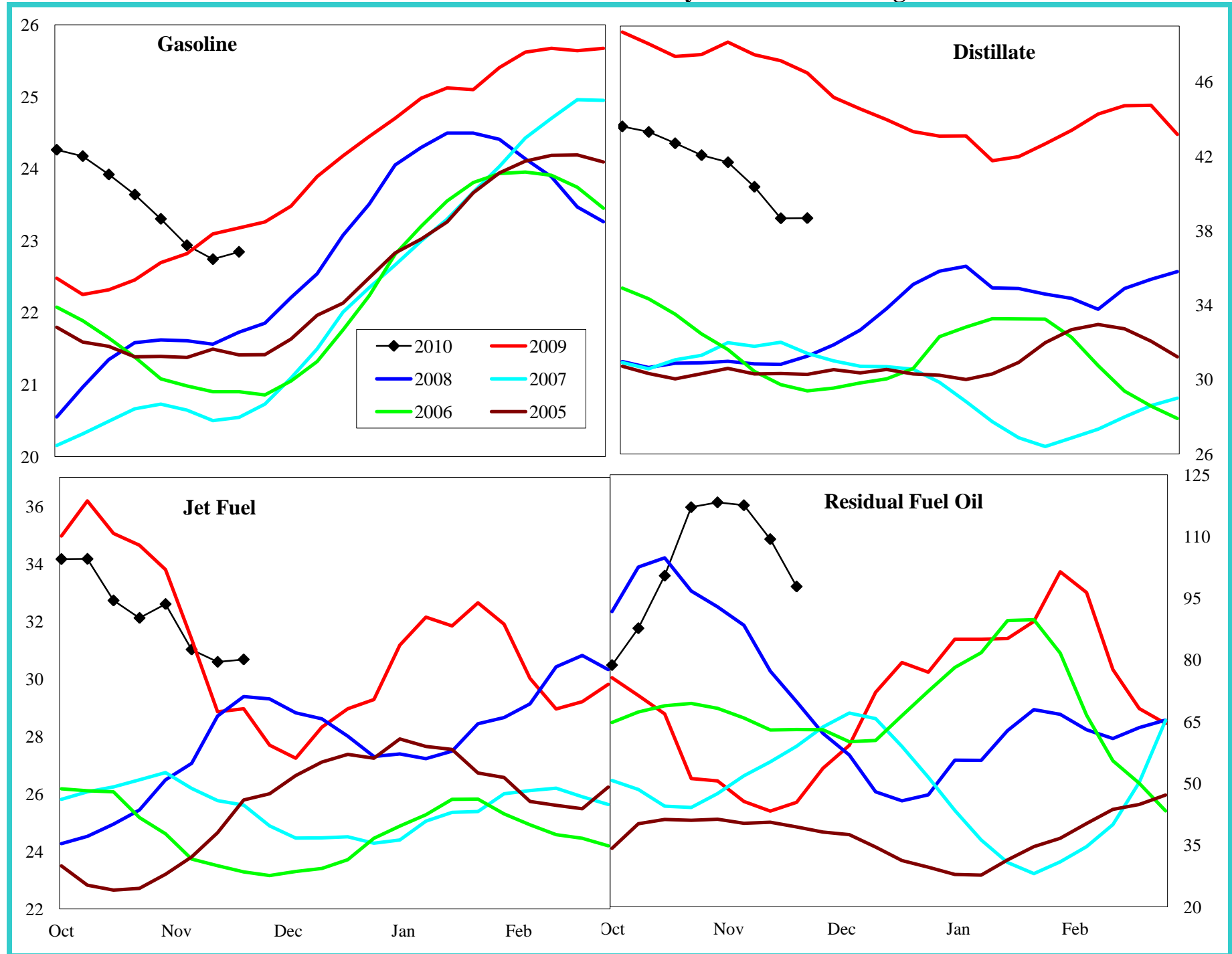
# United States Wholesale Petroleum Demand



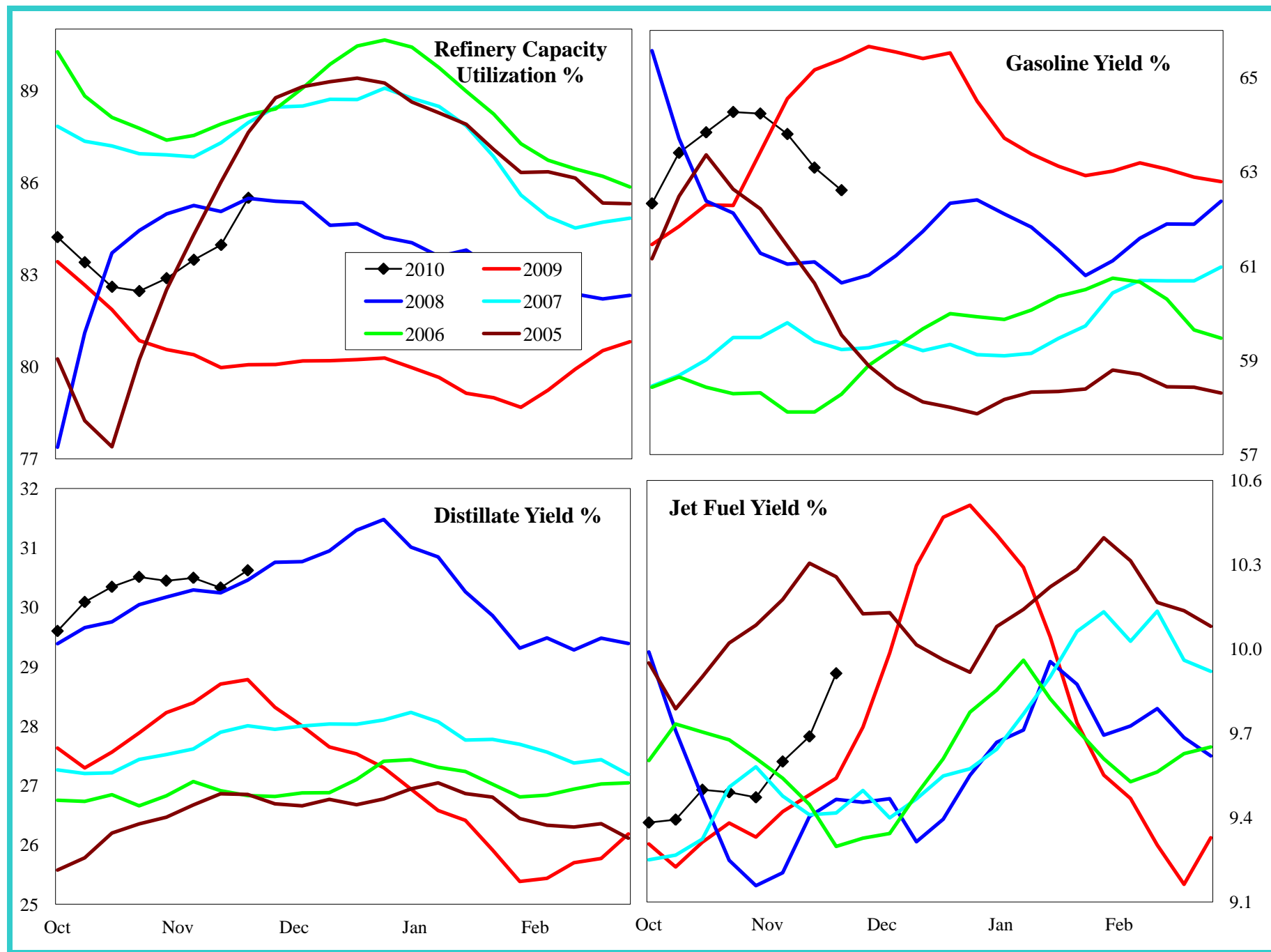
	000 bpd change from prior year				% change from prior year			
	4wk avg	Oct	Jan	Jan	4wk avg	Oct	Sep	Aug
Gasoline	-29	94	149	76	-0.3	1.0	1.7	0.8
Distillate	427	476	229	364	11.9	13.0	6.4	10.6
Jet Fuel	-19	-16	36	0	-1.3	-1.2	2.5	0.0
Resid	-48	-110	76	-22	-10.6	-22.2	22.4	-4.7



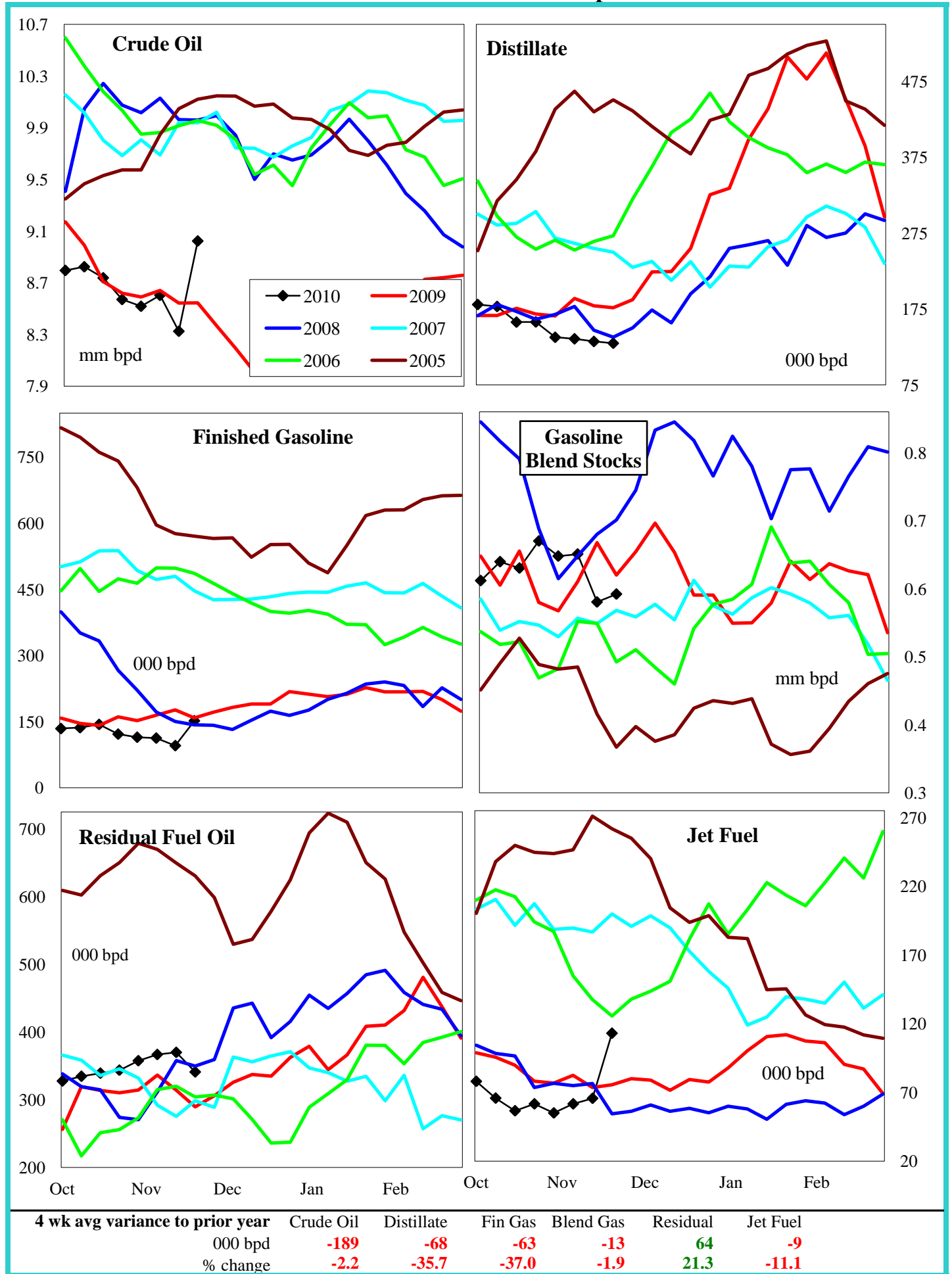
# United States Product Stocks: Days Forward Coverage



## United States Refinery Percent Utilization Rate and Product Yields

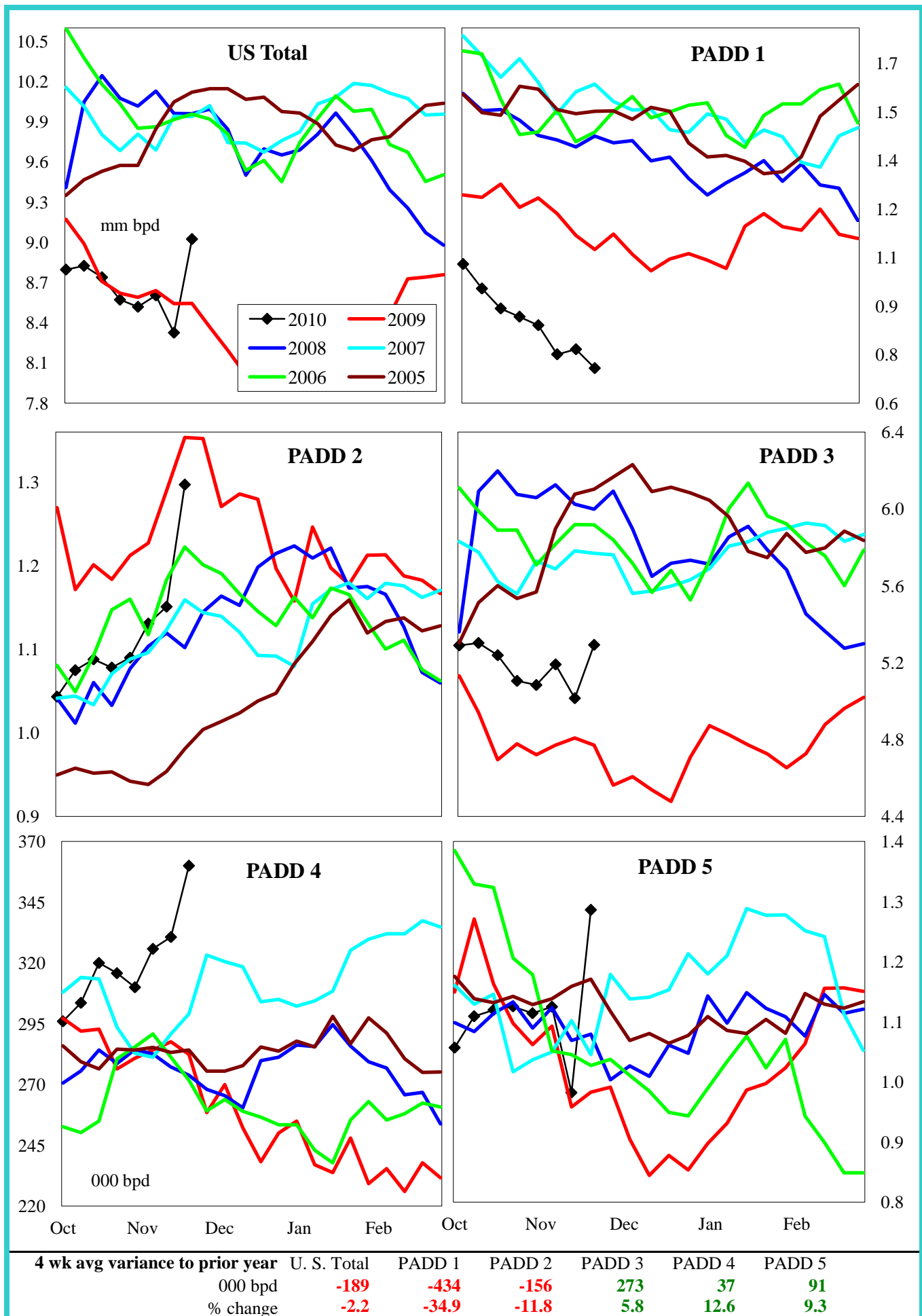


# United States Petroleum Imports

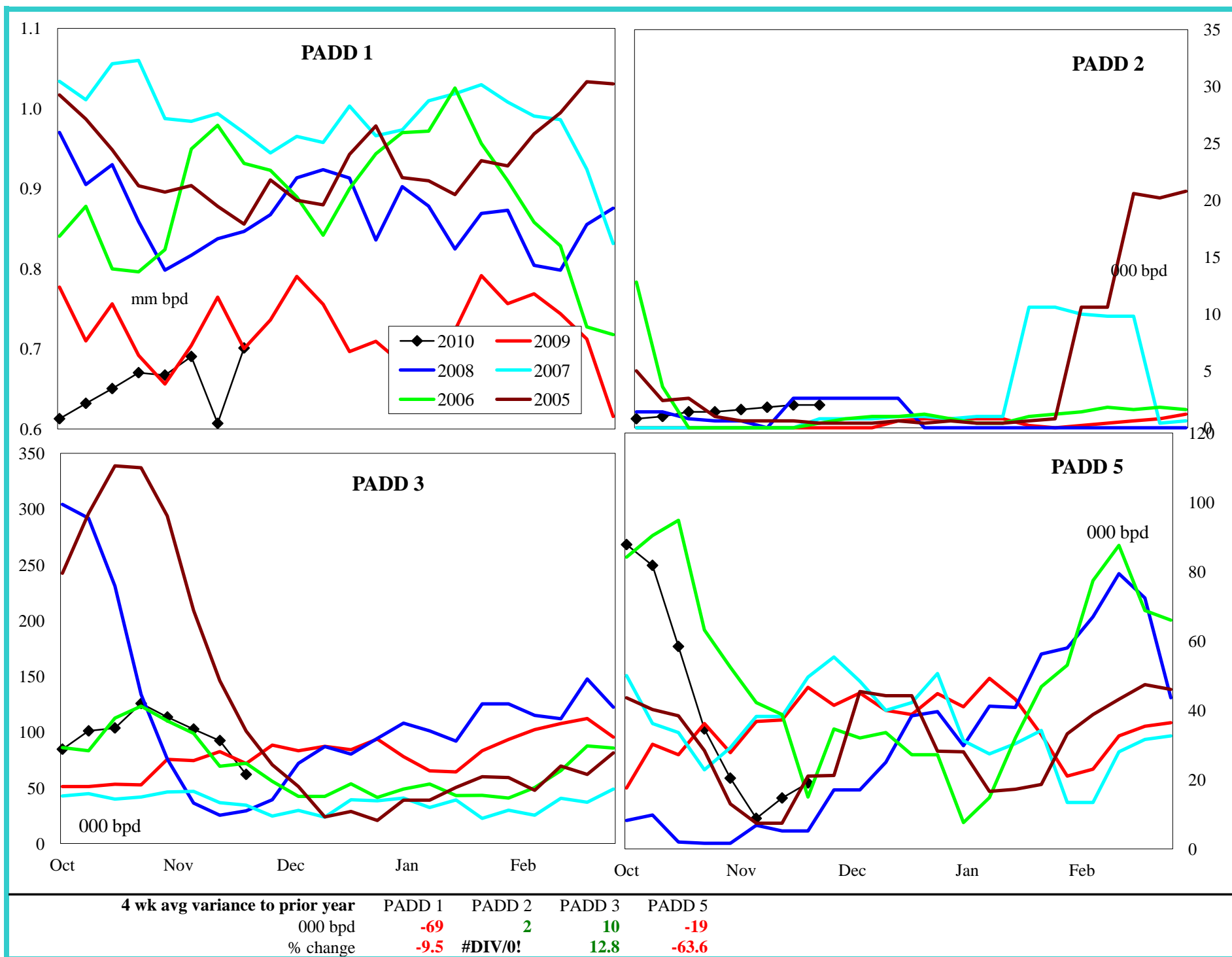




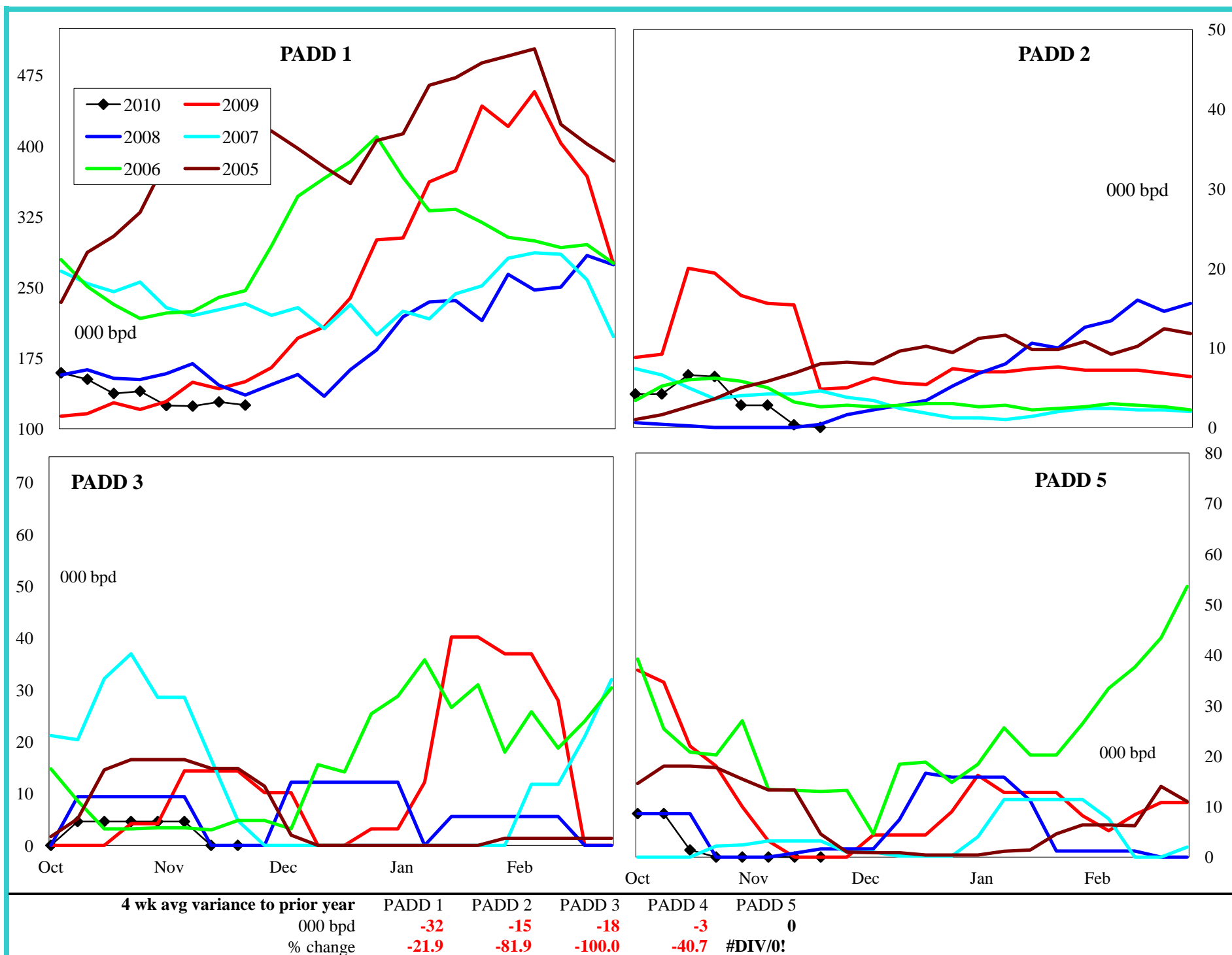
## Crude Oil Imports by PADD



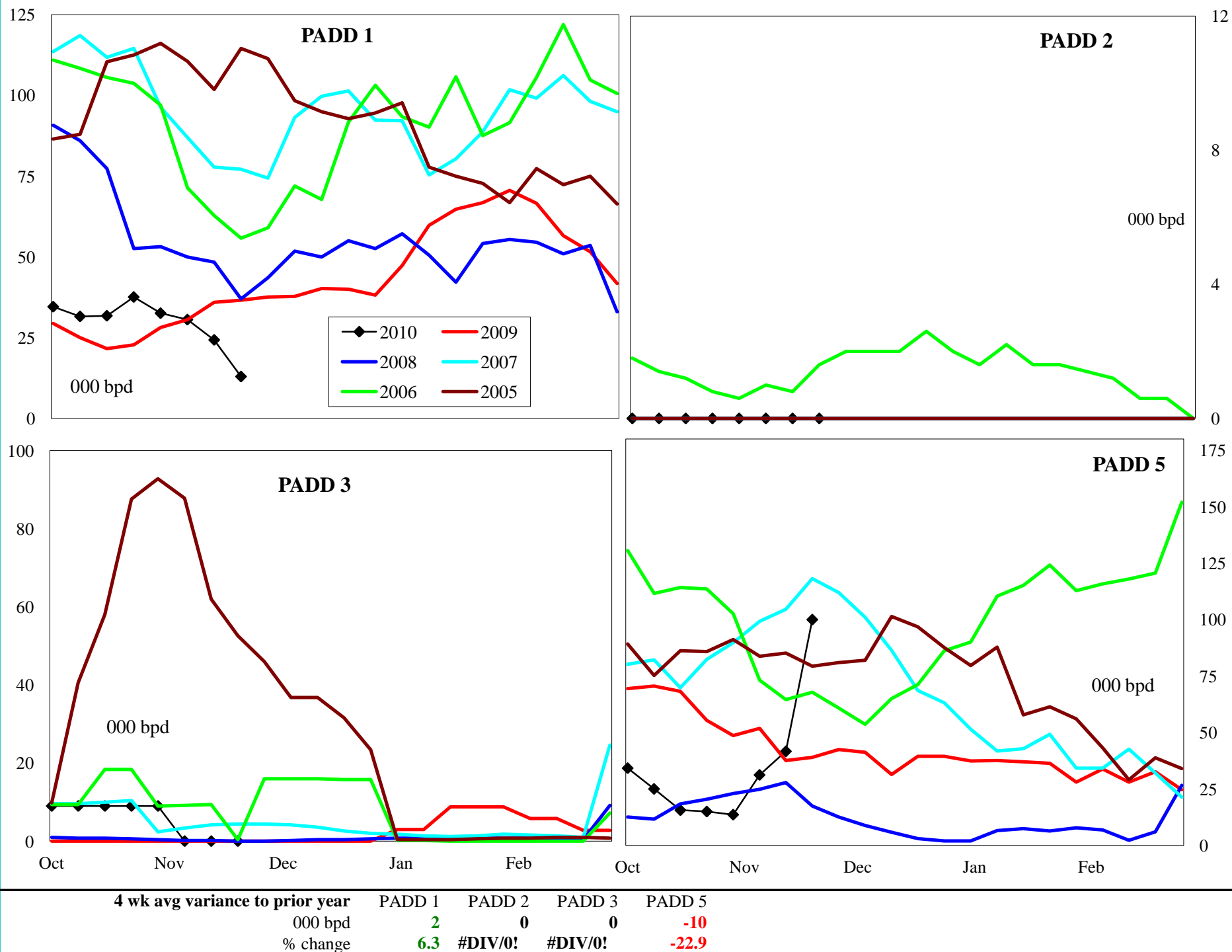
# Gasoline Imports by PADD (Finished + Blend Stocks)



# Distillate Imports by PADD

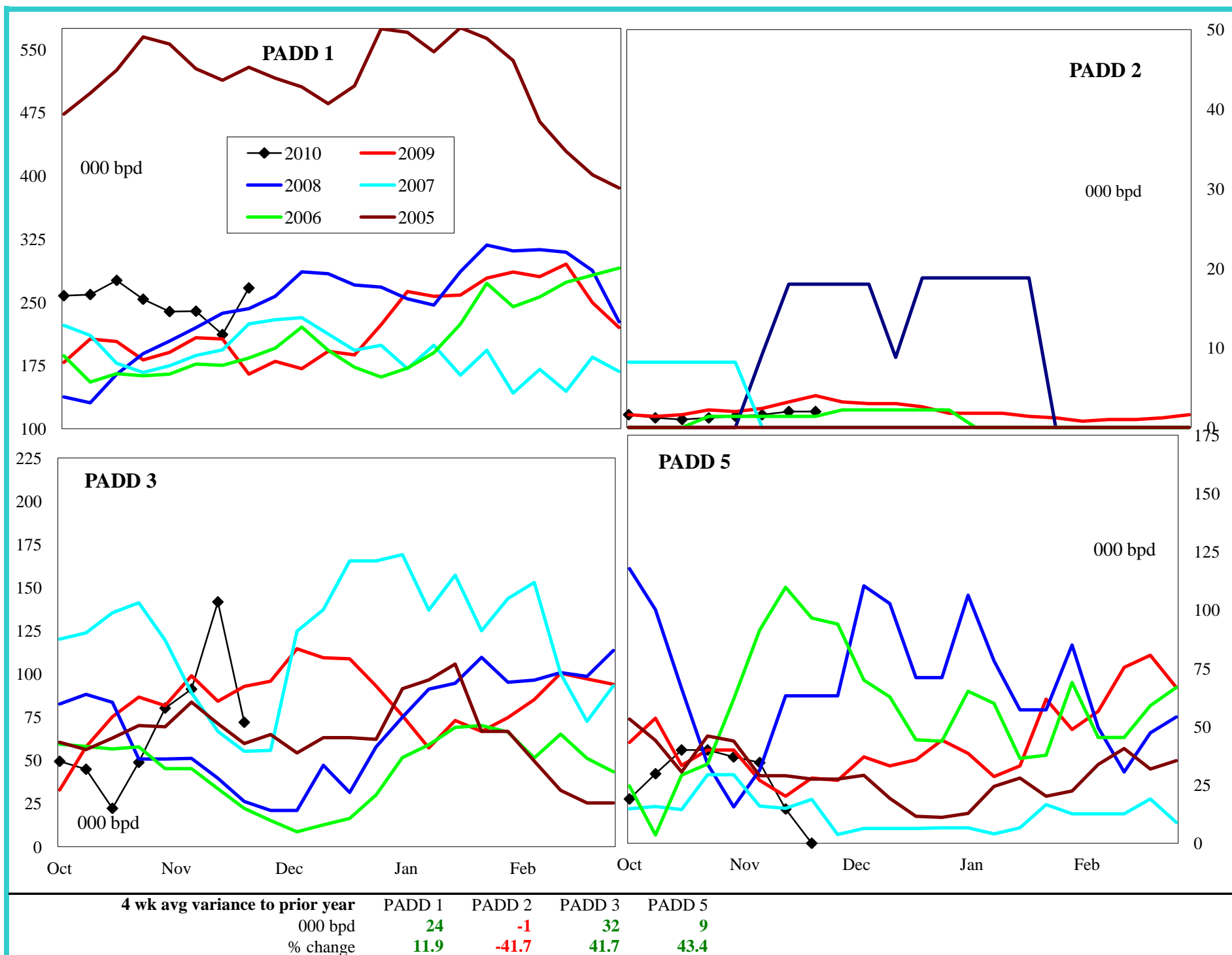


# Jet Fuel Imports by PADD

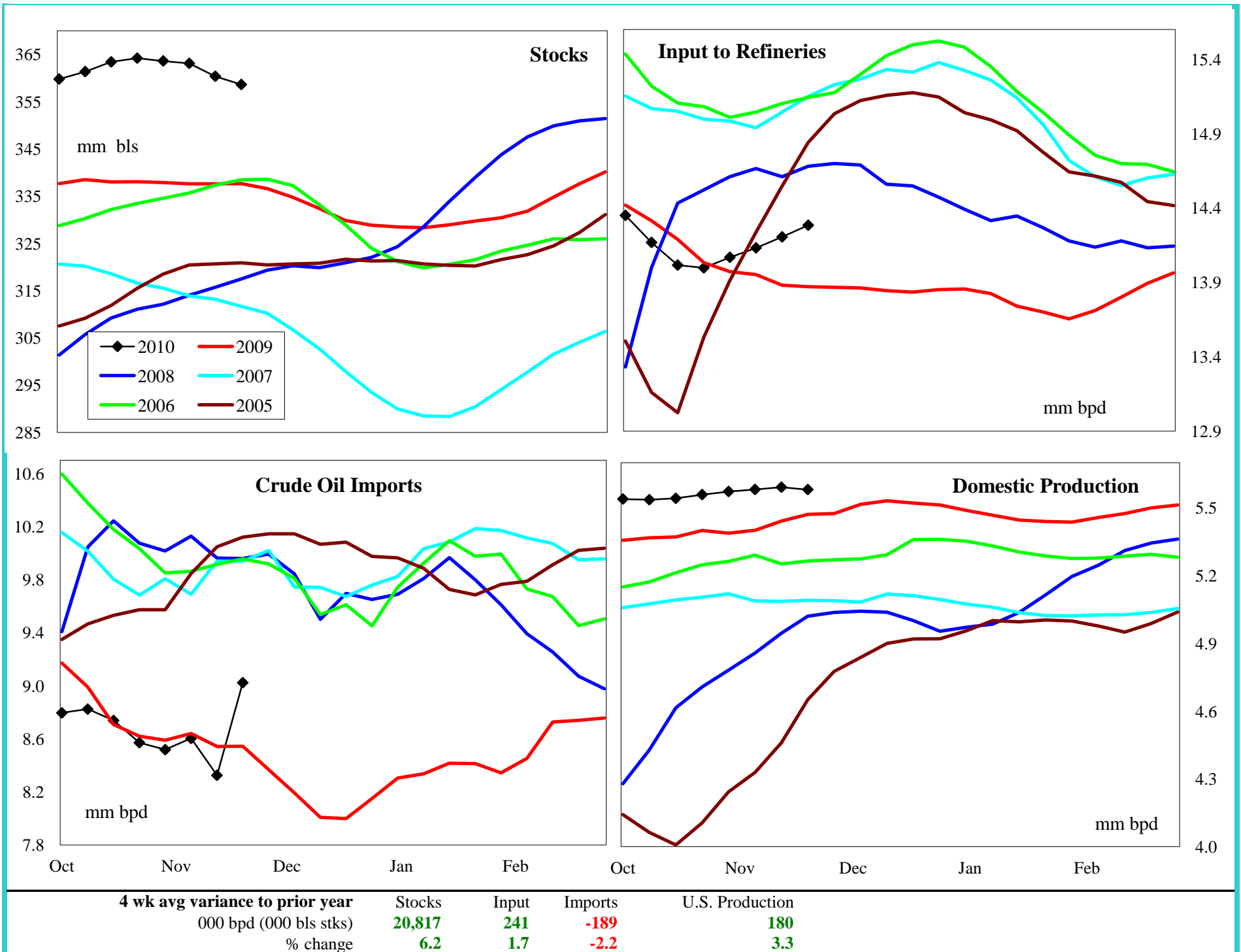




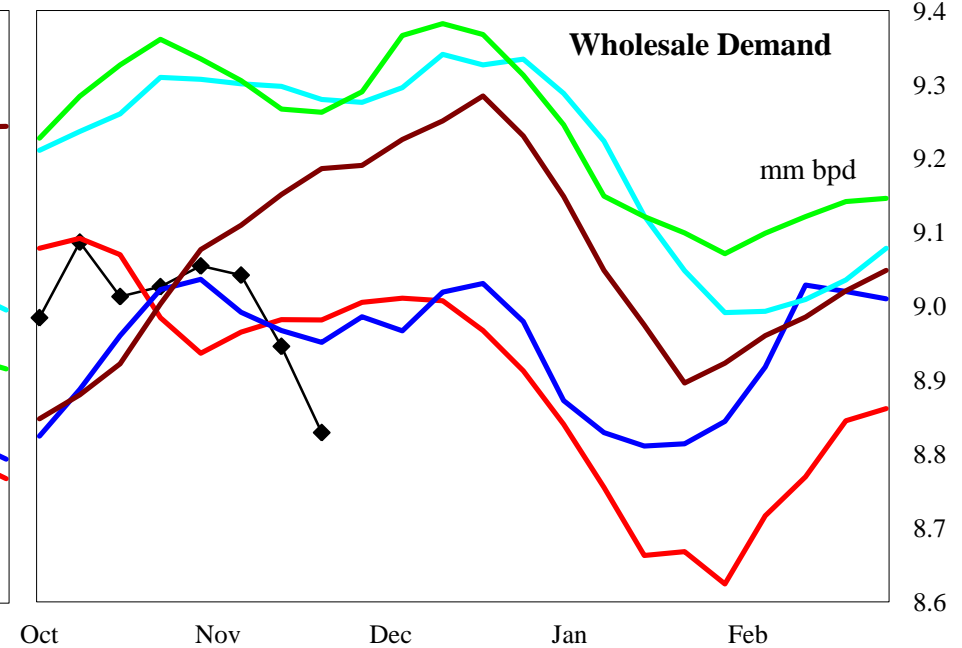
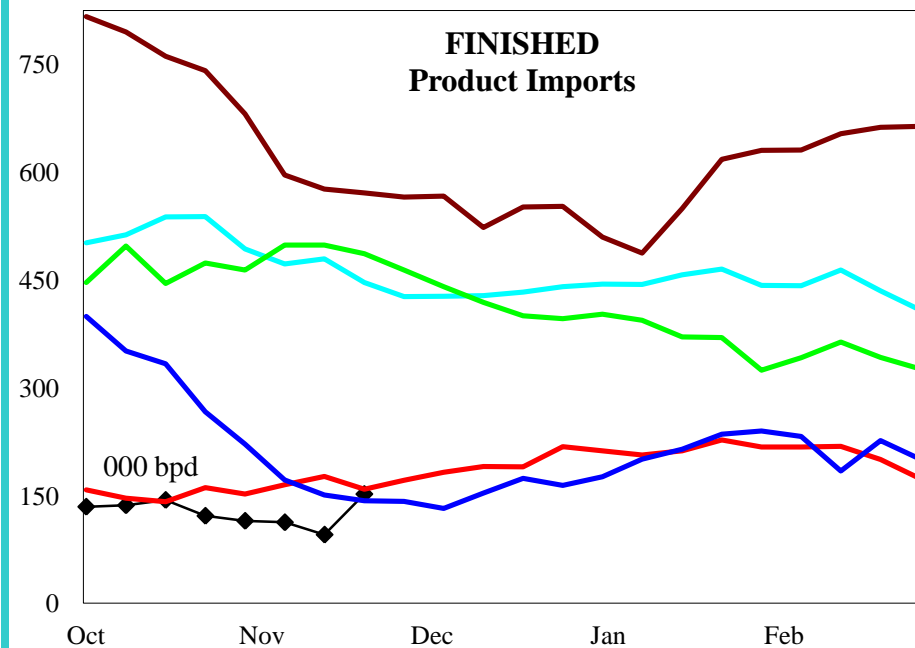
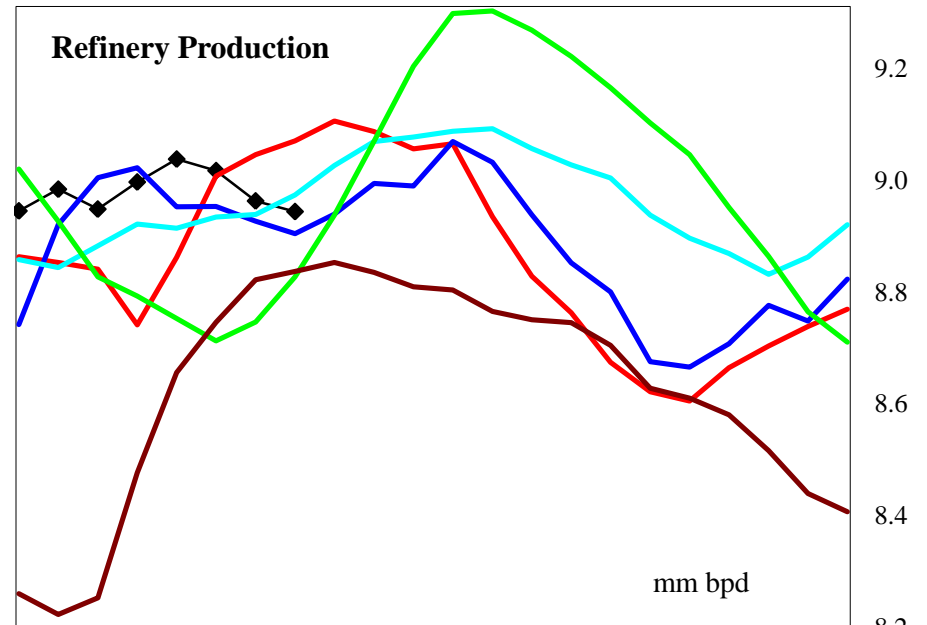
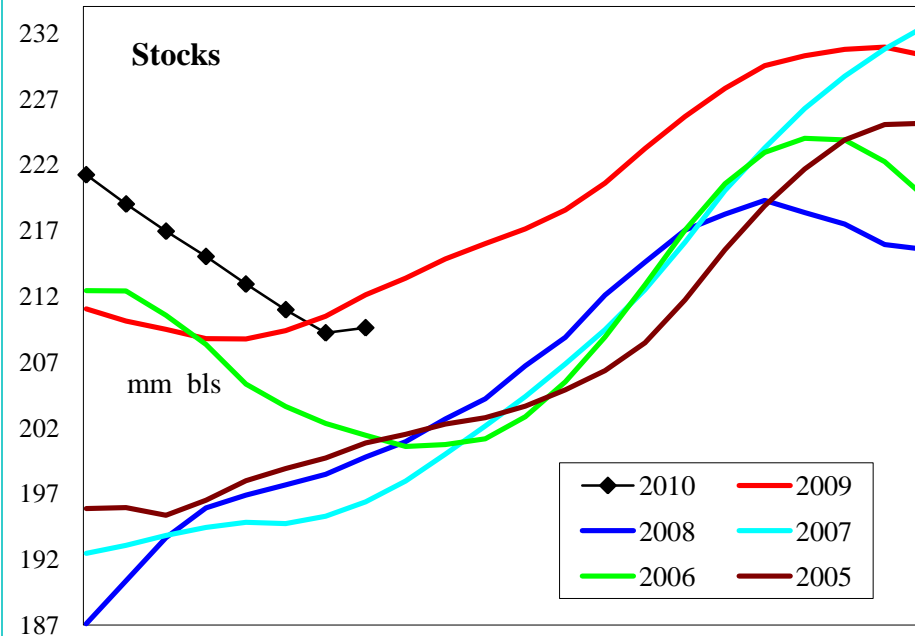
## Residual Fuel Oil Imports by PADD



# United States Crude Oil Supply and Demand Balance



# United States Gasoline Supply and Demand Balance



**4 wk avg variance to prior year**

000 bpd (000 bls stks)

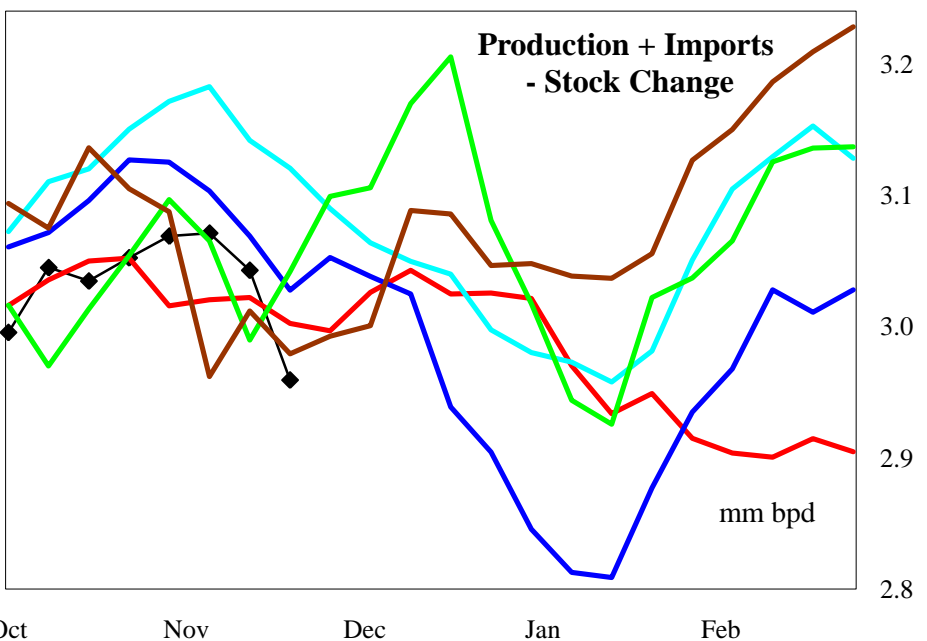
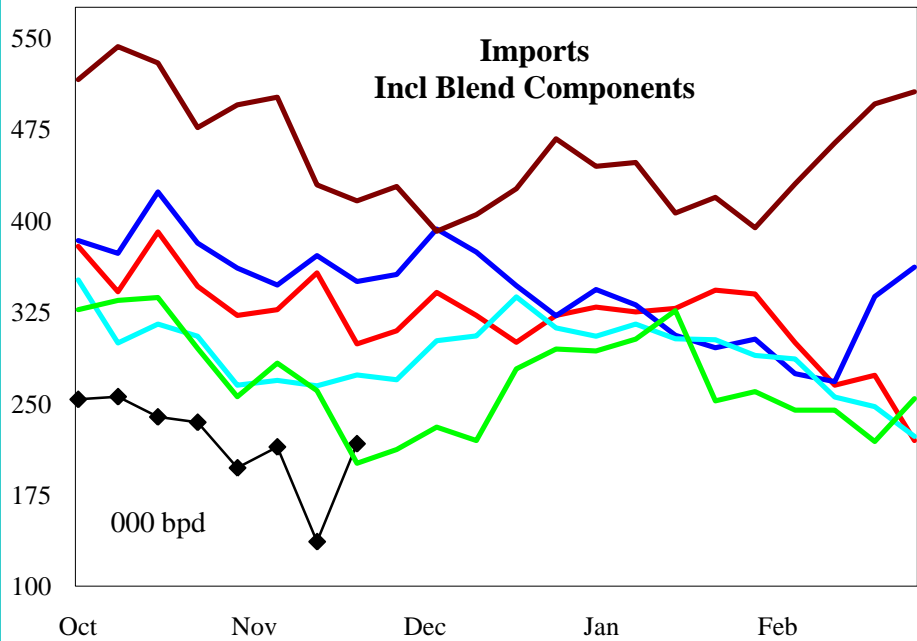
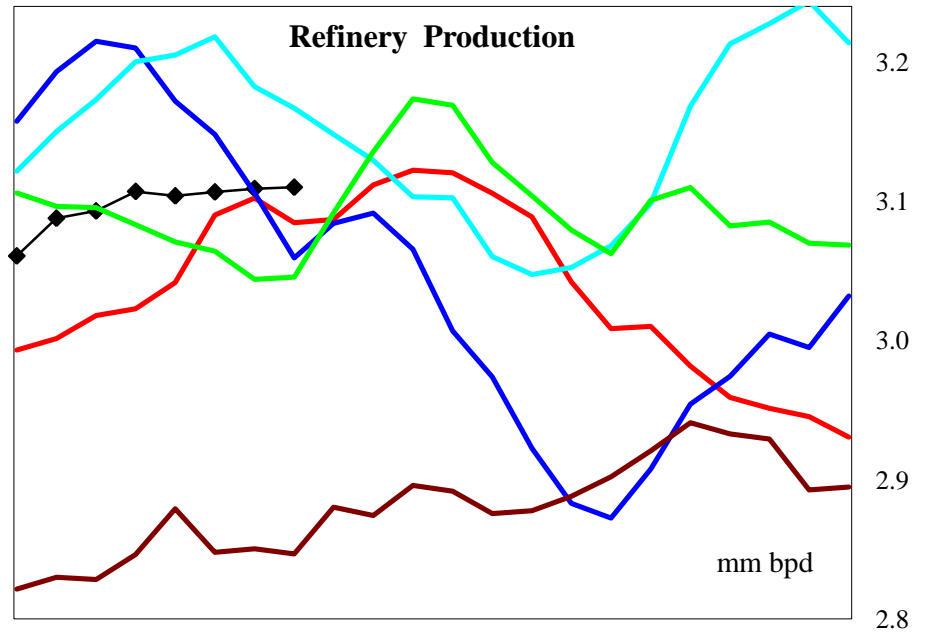
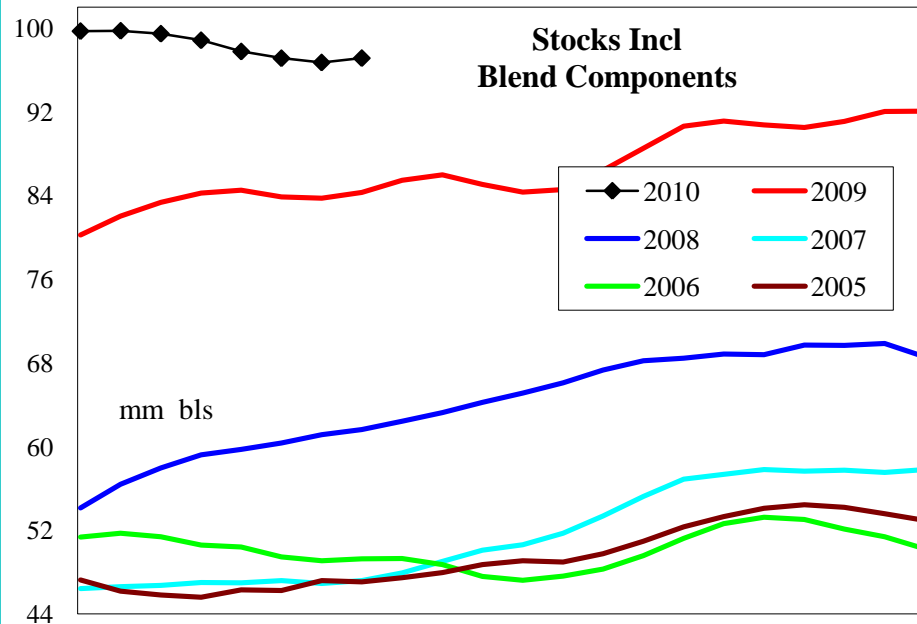
% change

Stocks	Production	Fin Impt	Blend Impt	Demand=>
-493	-83	-63	-13	
-0.2	-0.9	-37.0	-1.9	

4wk avg	Oct	Sep	Aug
-29	94	149	76
-0.3	1.0	1.7	0.8



# United States Reformulated Gasoline Supply

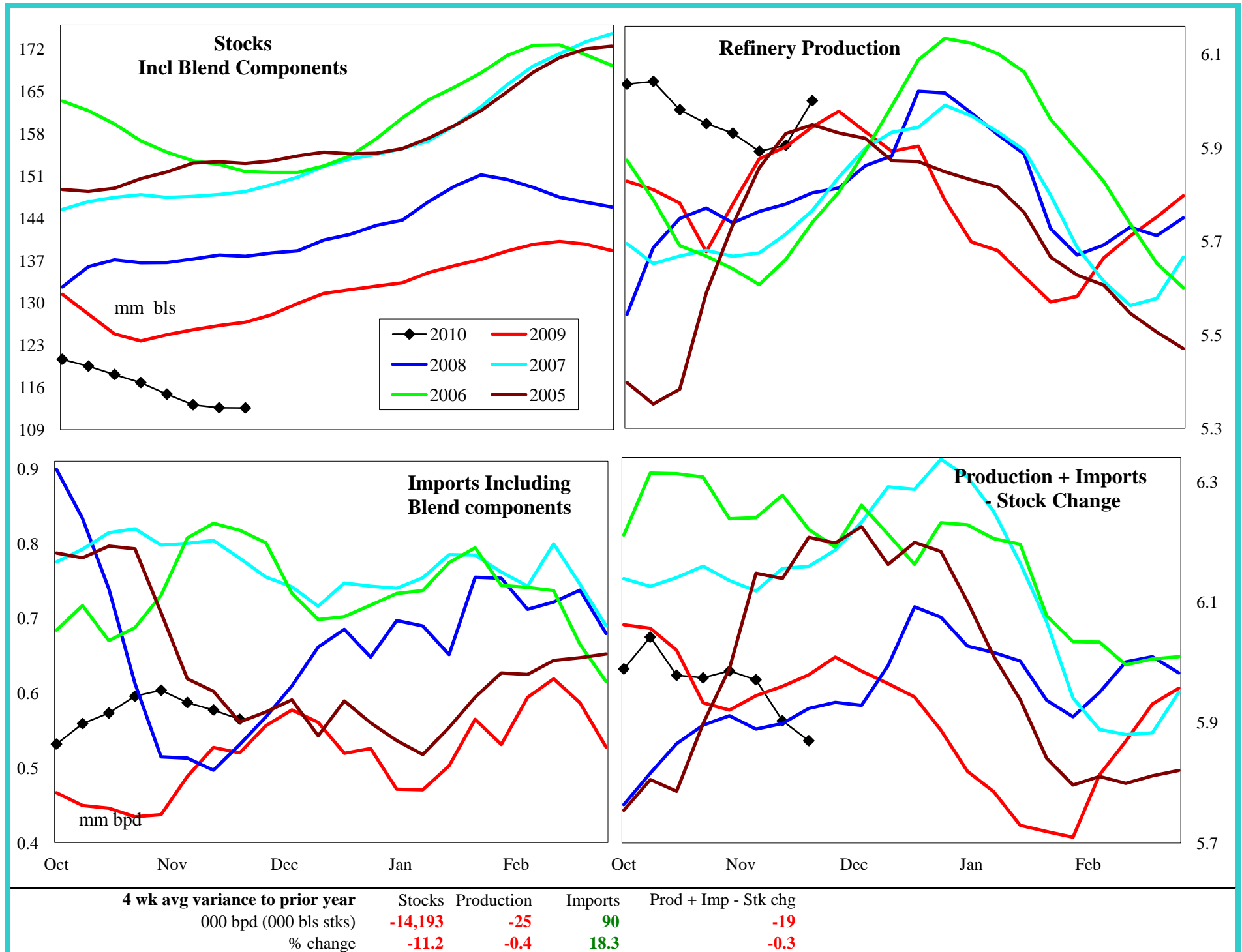


**4 wk avg variance to prior year**  
000 bpd (000 bls stks)  
% change

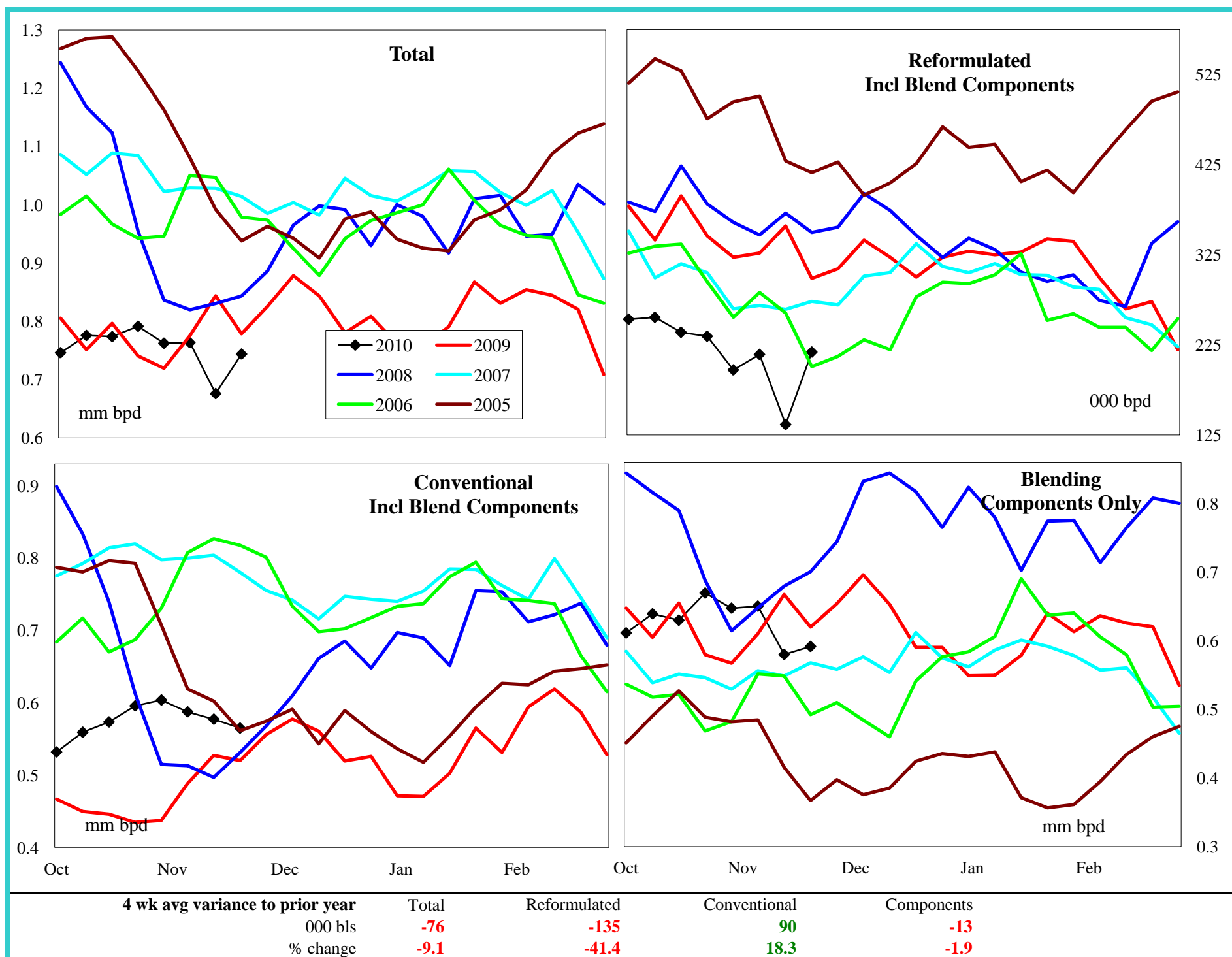
Stocks	Production	Imports	Prod + Imp - Stk chg
12,847	-1	-135	20
15.2	0.0	-41.4	0.7



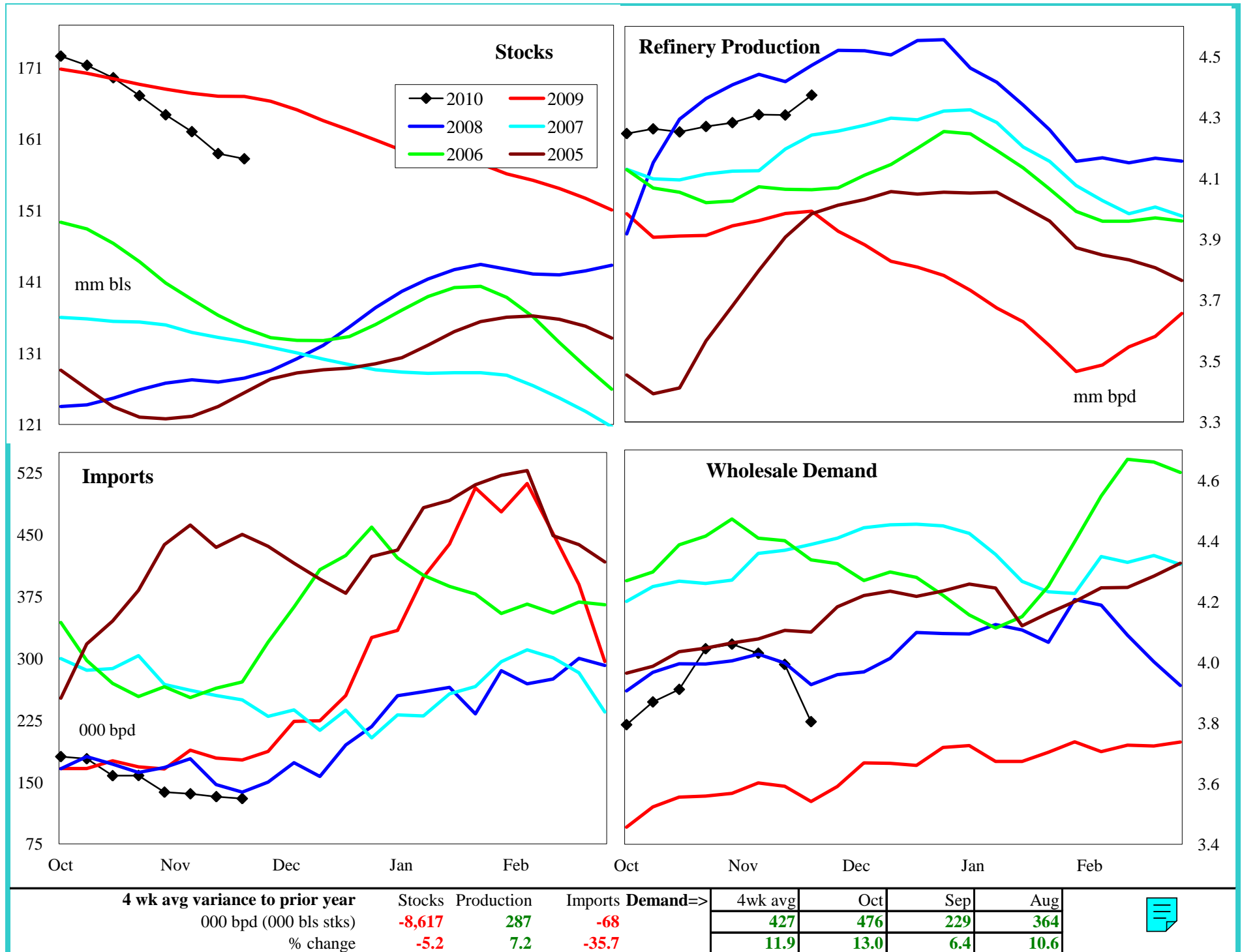
# United States Conventional Gasoline Supply



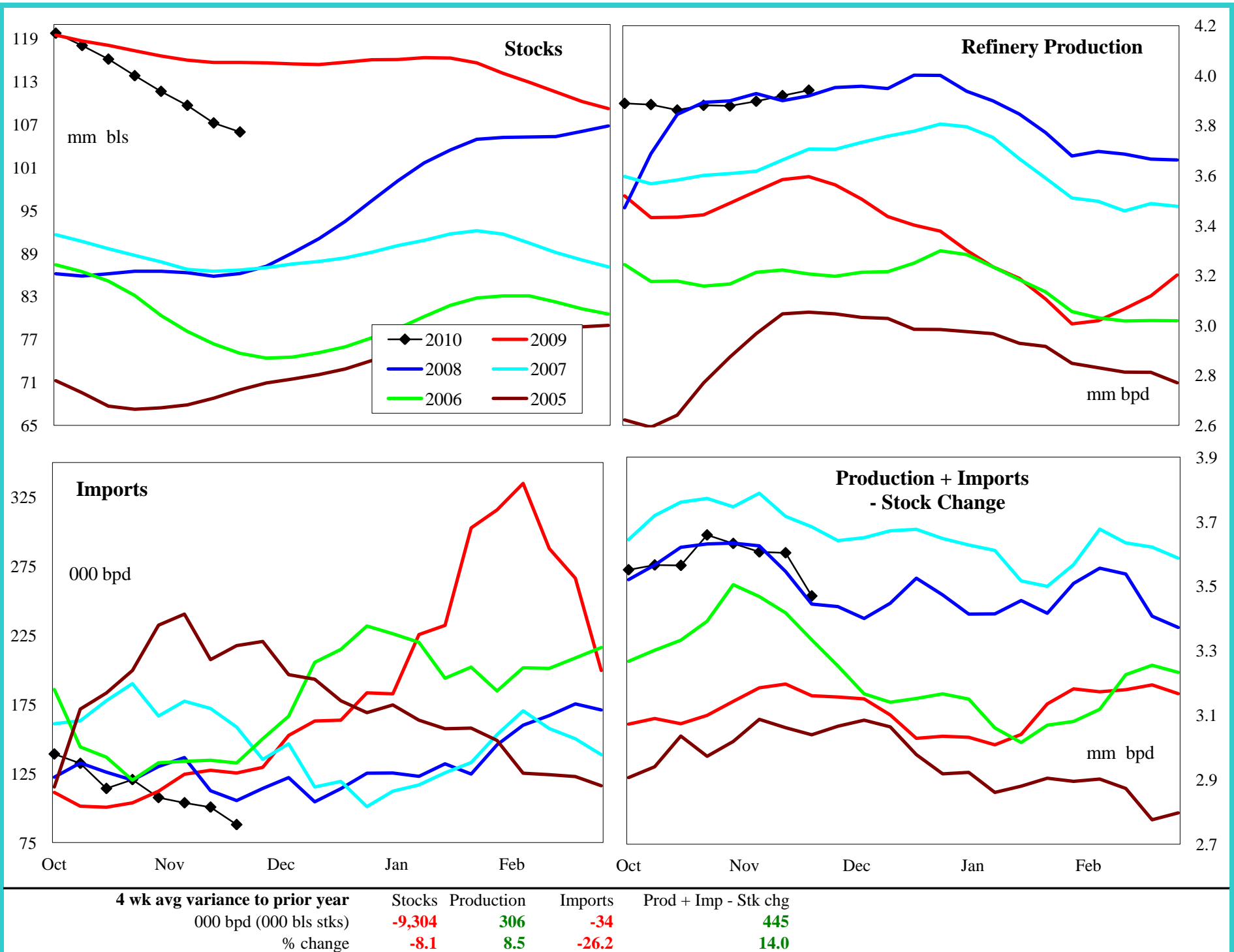
# United States Gasoline Imports by Type



# United States Distillate Supply and Demand Balance

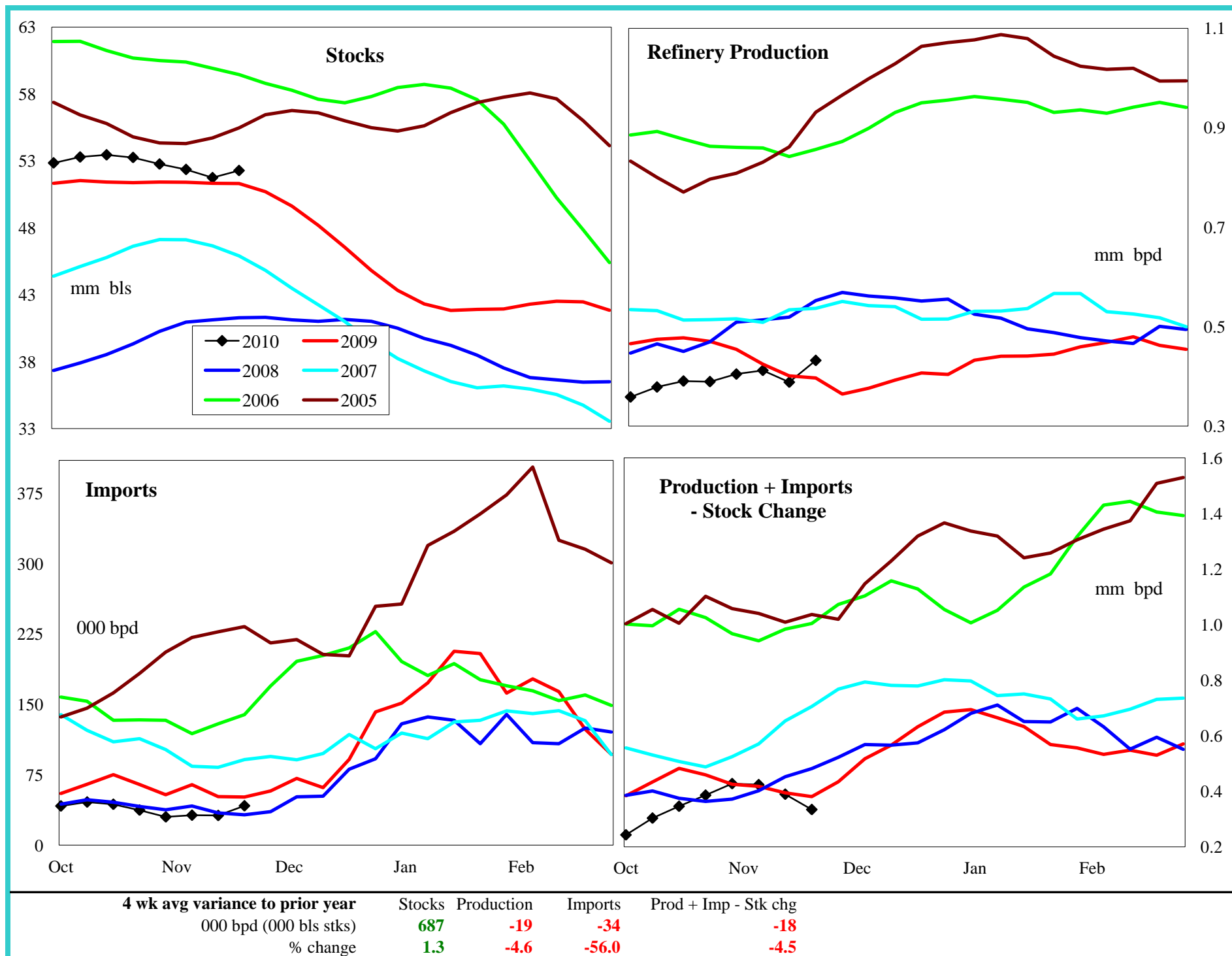


# United States Low Sulfur Distillate Supply

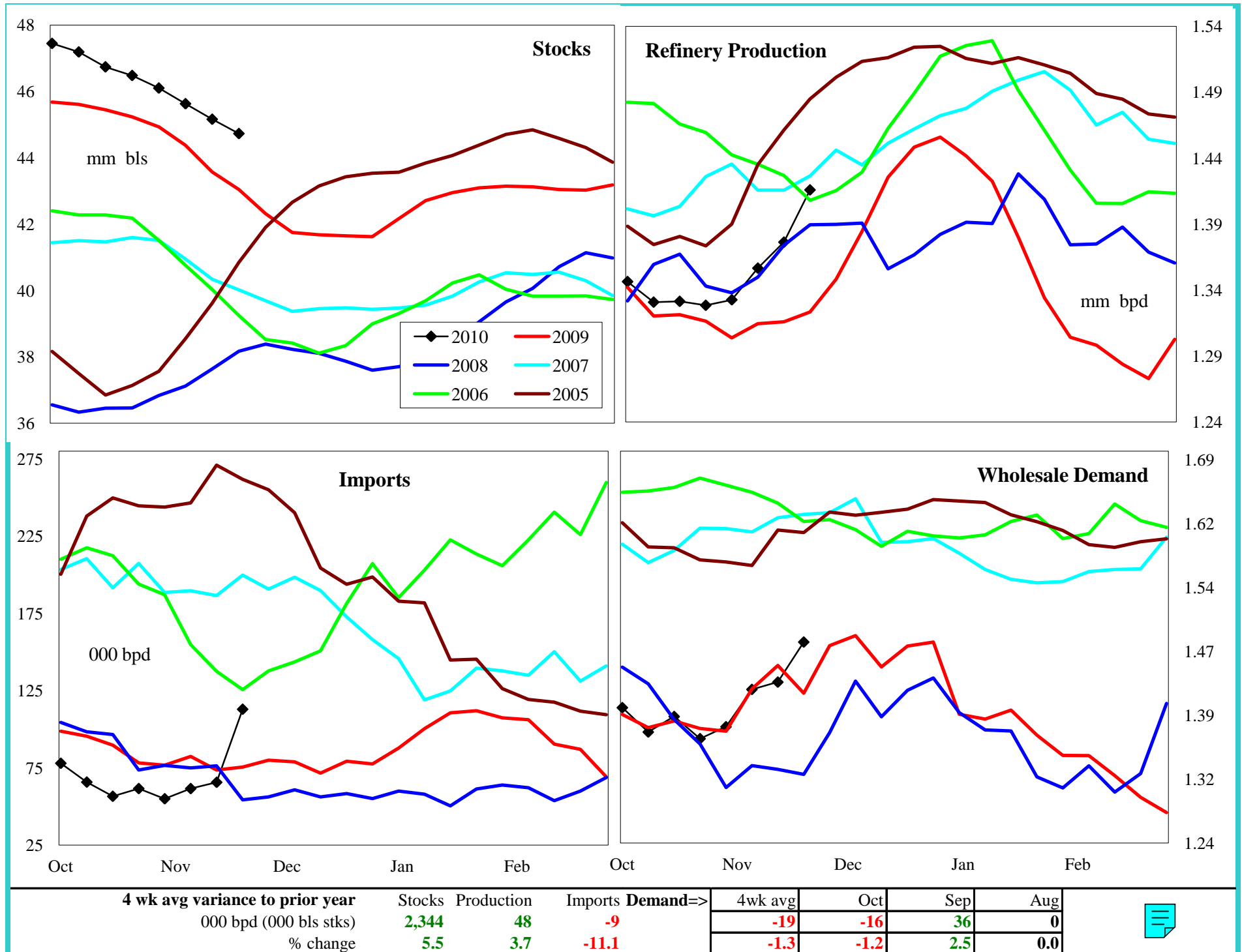




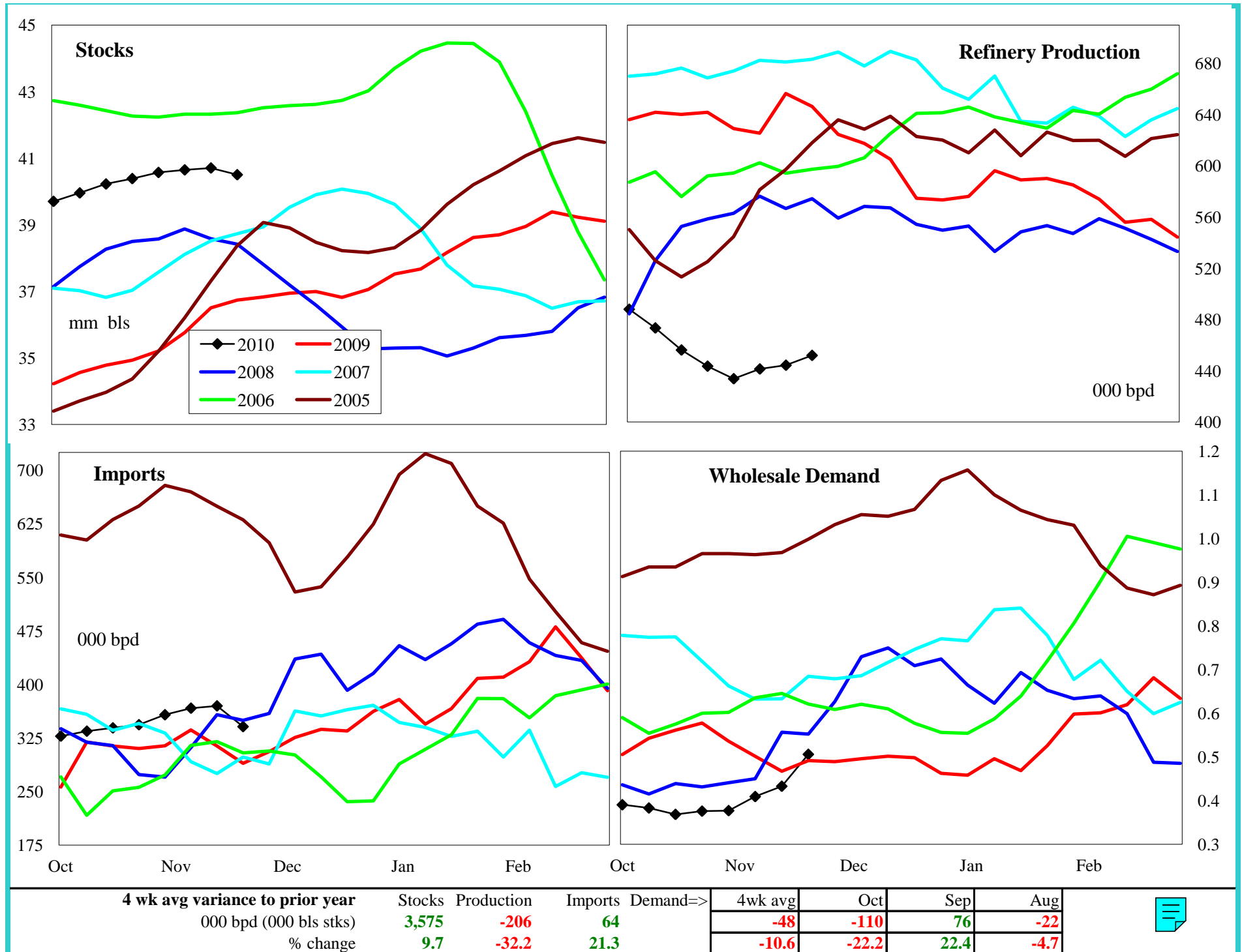
# United States High Sulfur Distillate Supply



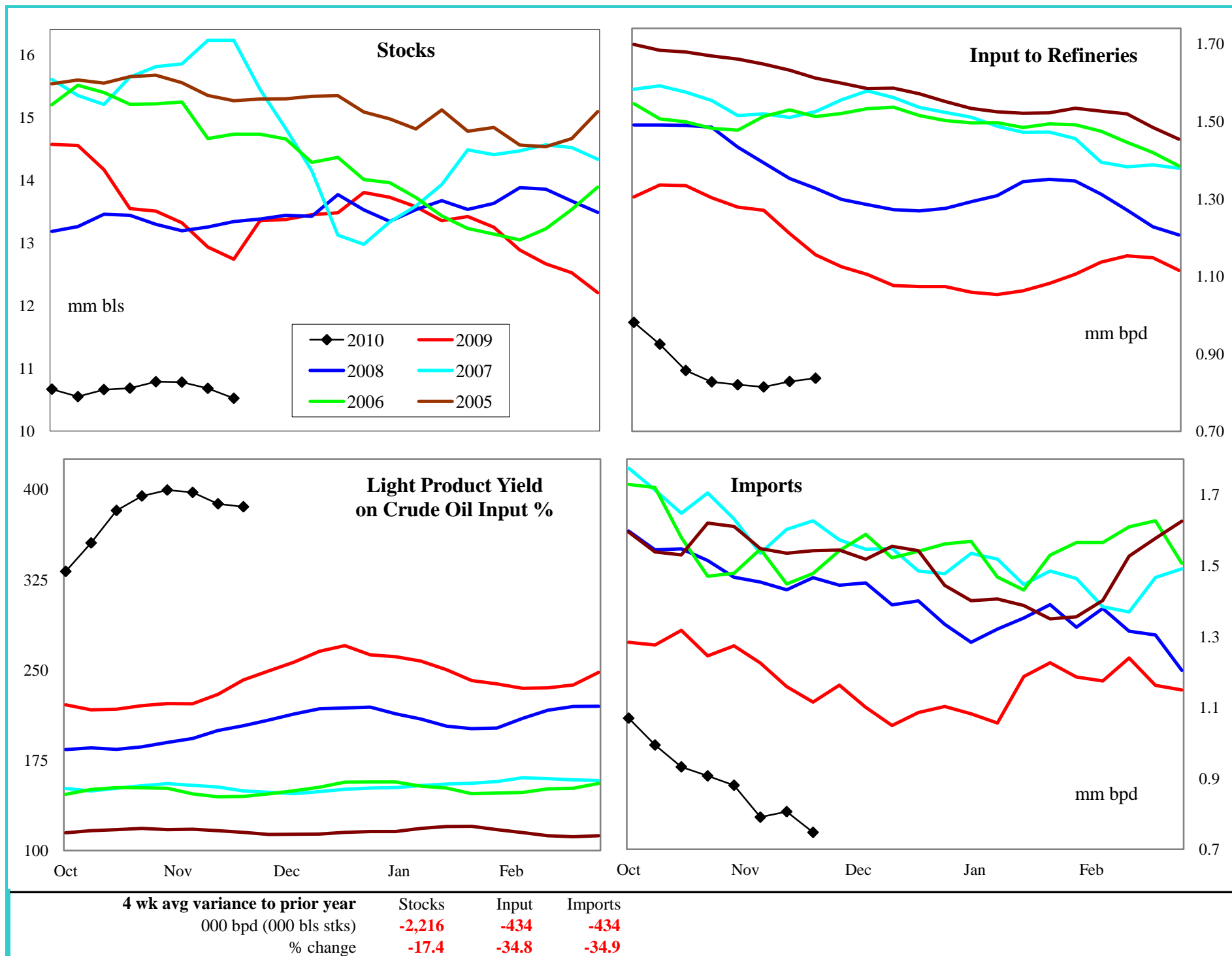
# United States Jet Fuel Supply and Demand Balance



# United States Residual Fuel Oil Supply and Demand Balance

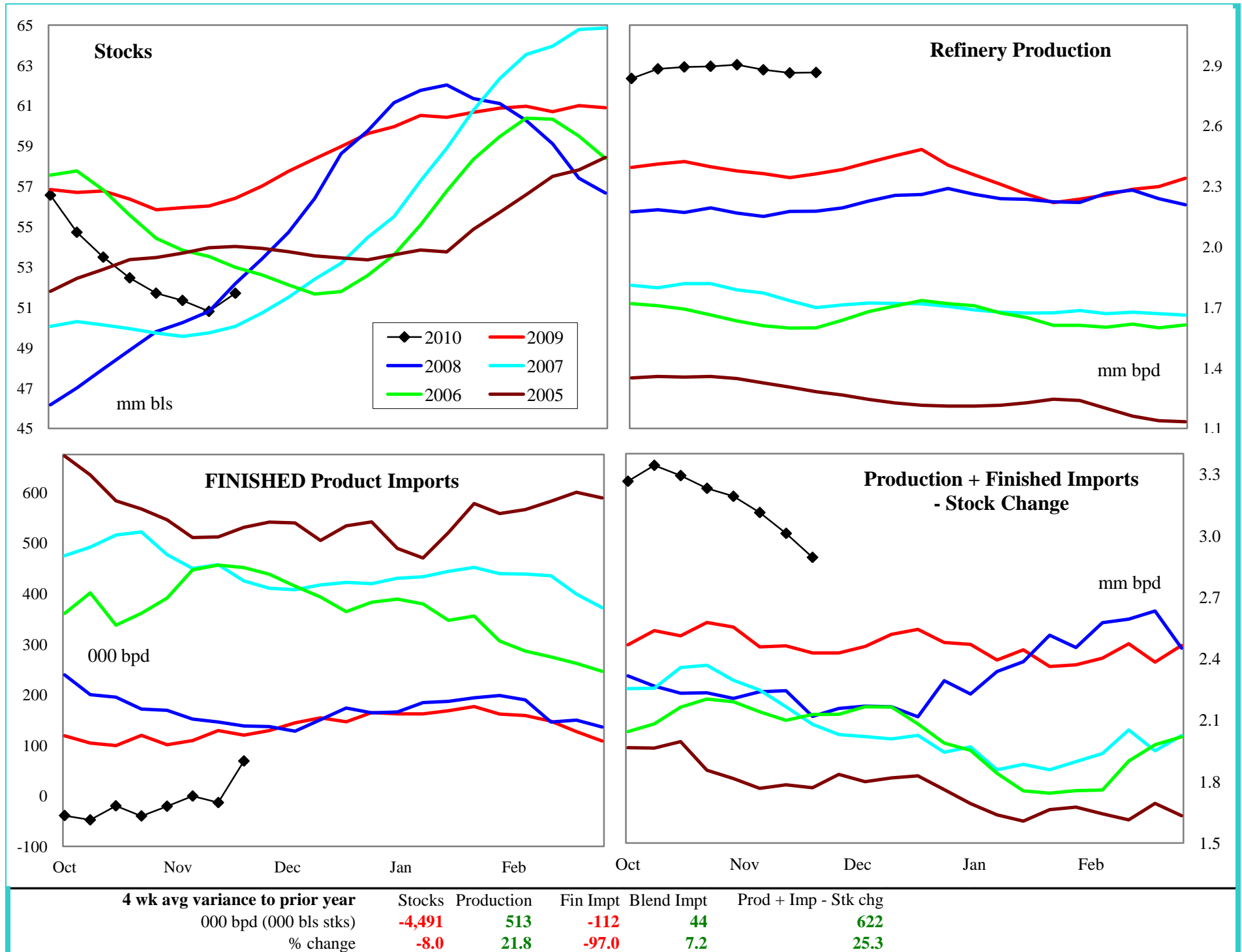


# PADD 1 Crude Oil Supply and Refining

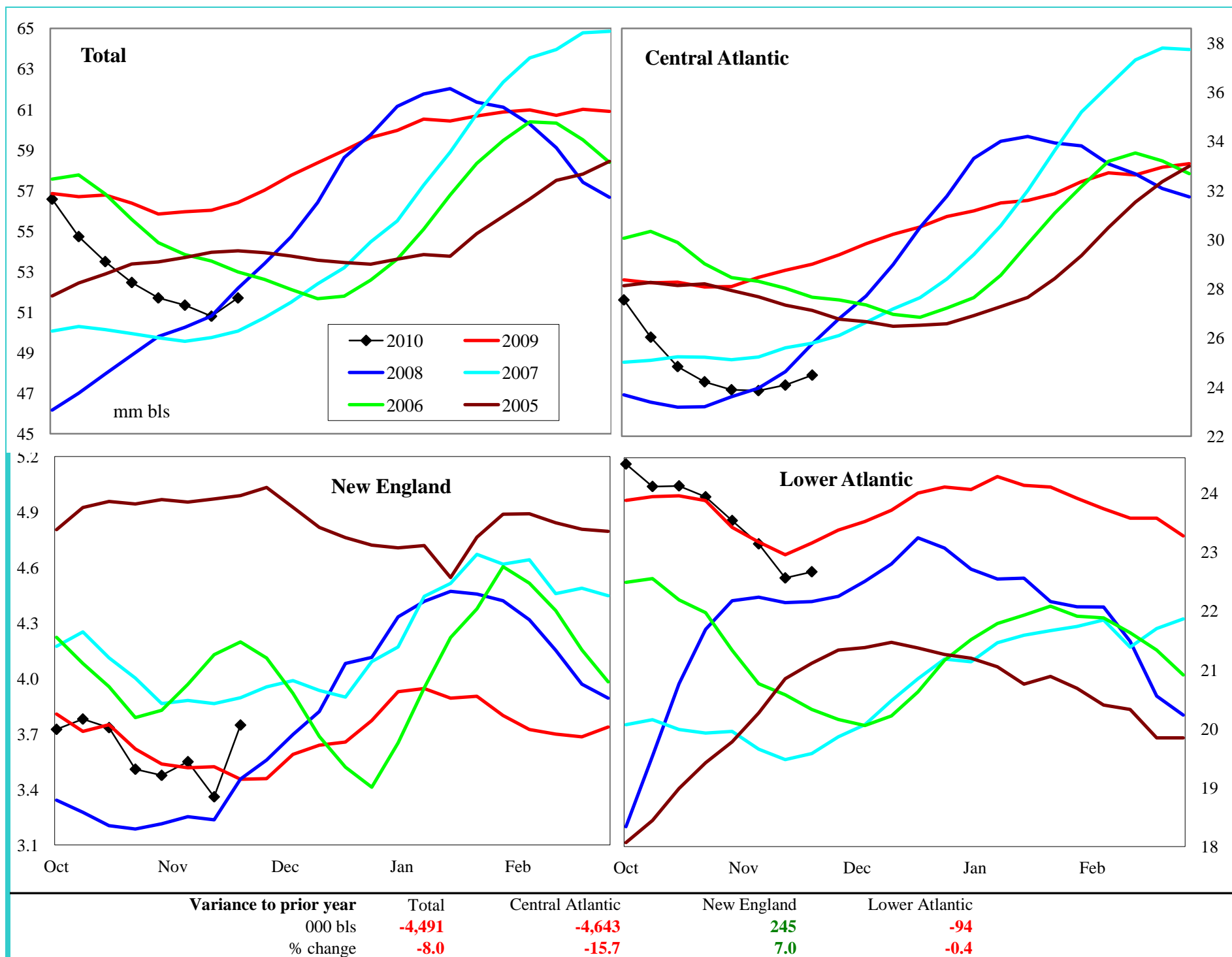




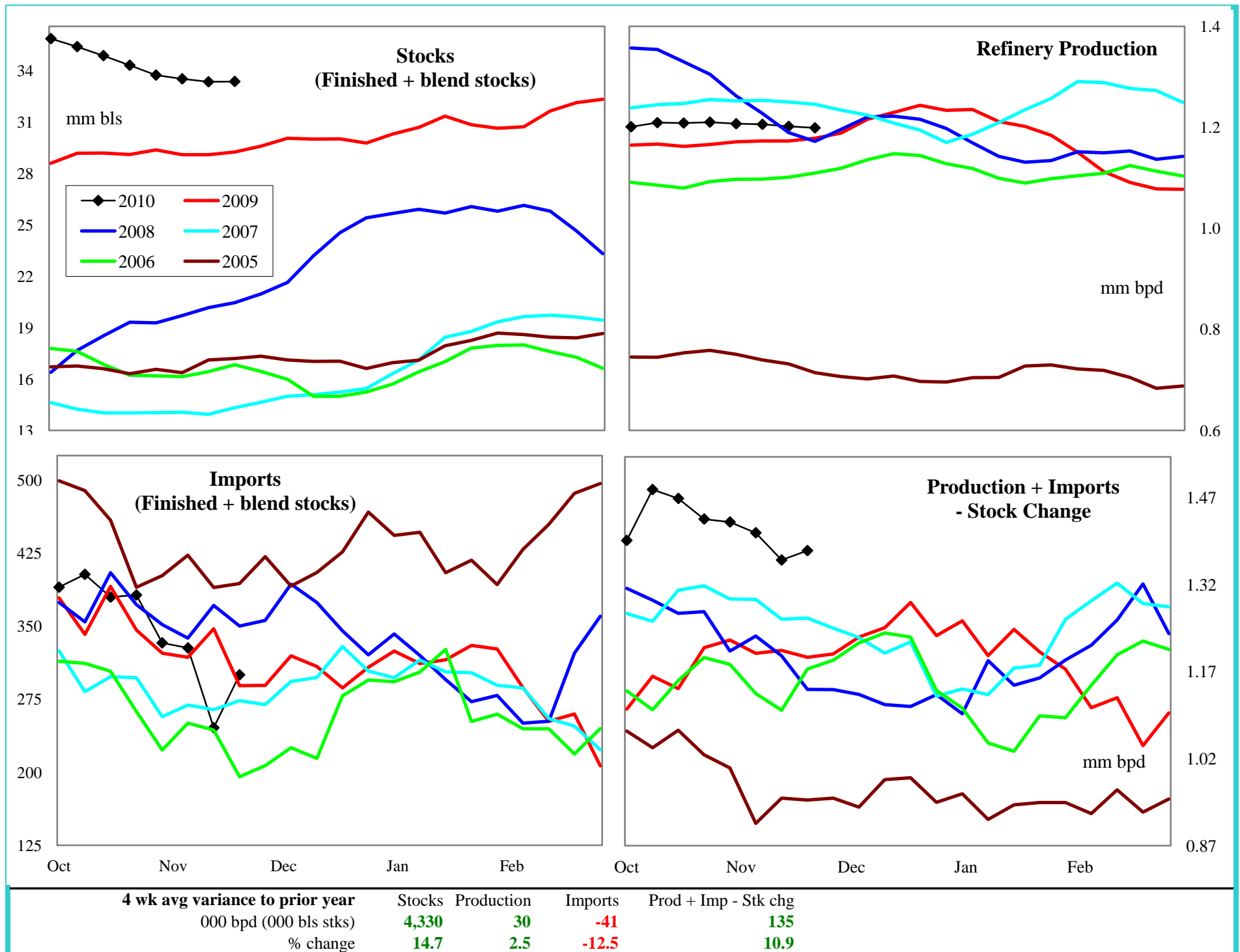
# PADD 1 Gasoline Supply



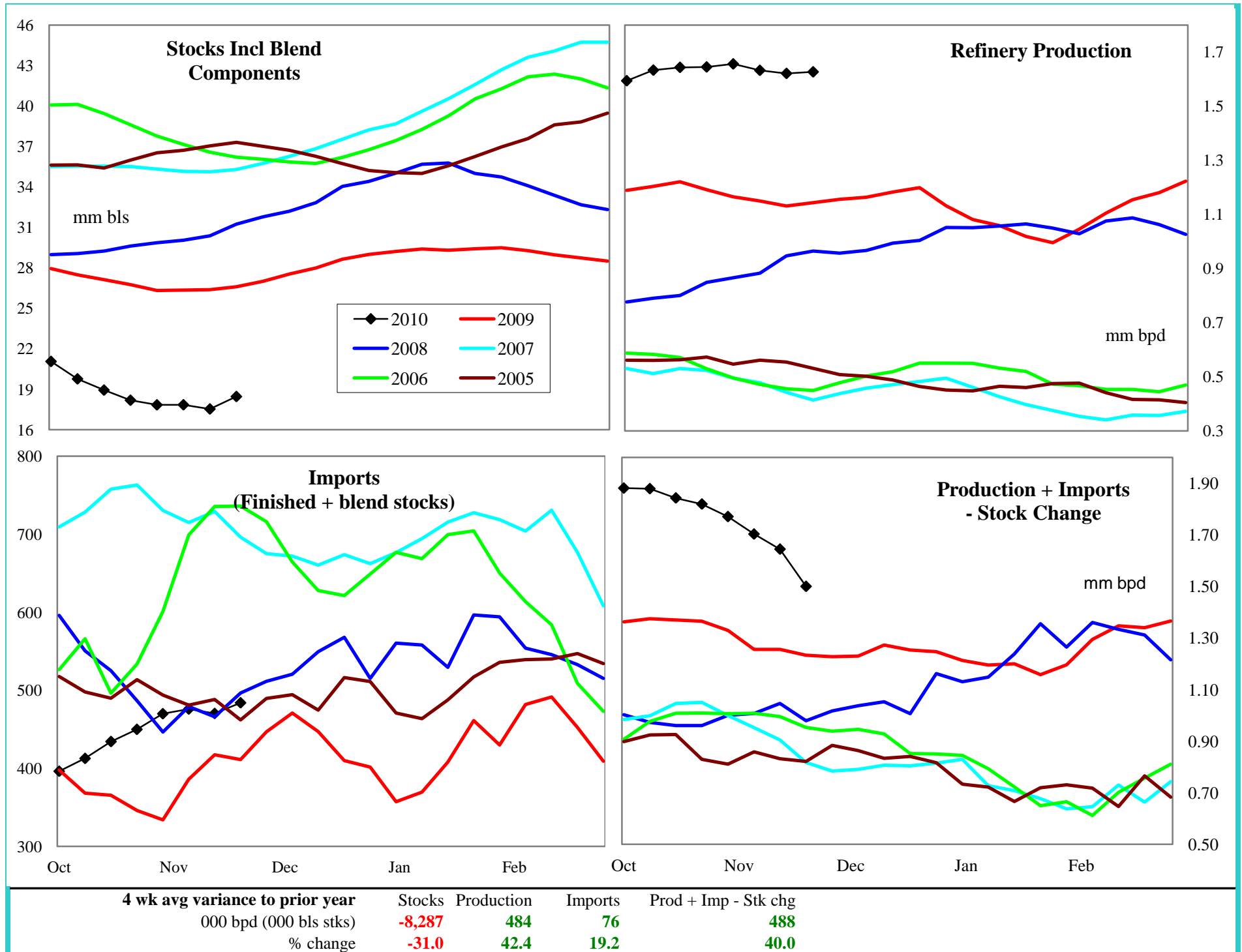
# PADD 1 Gasoline Stocks by Region



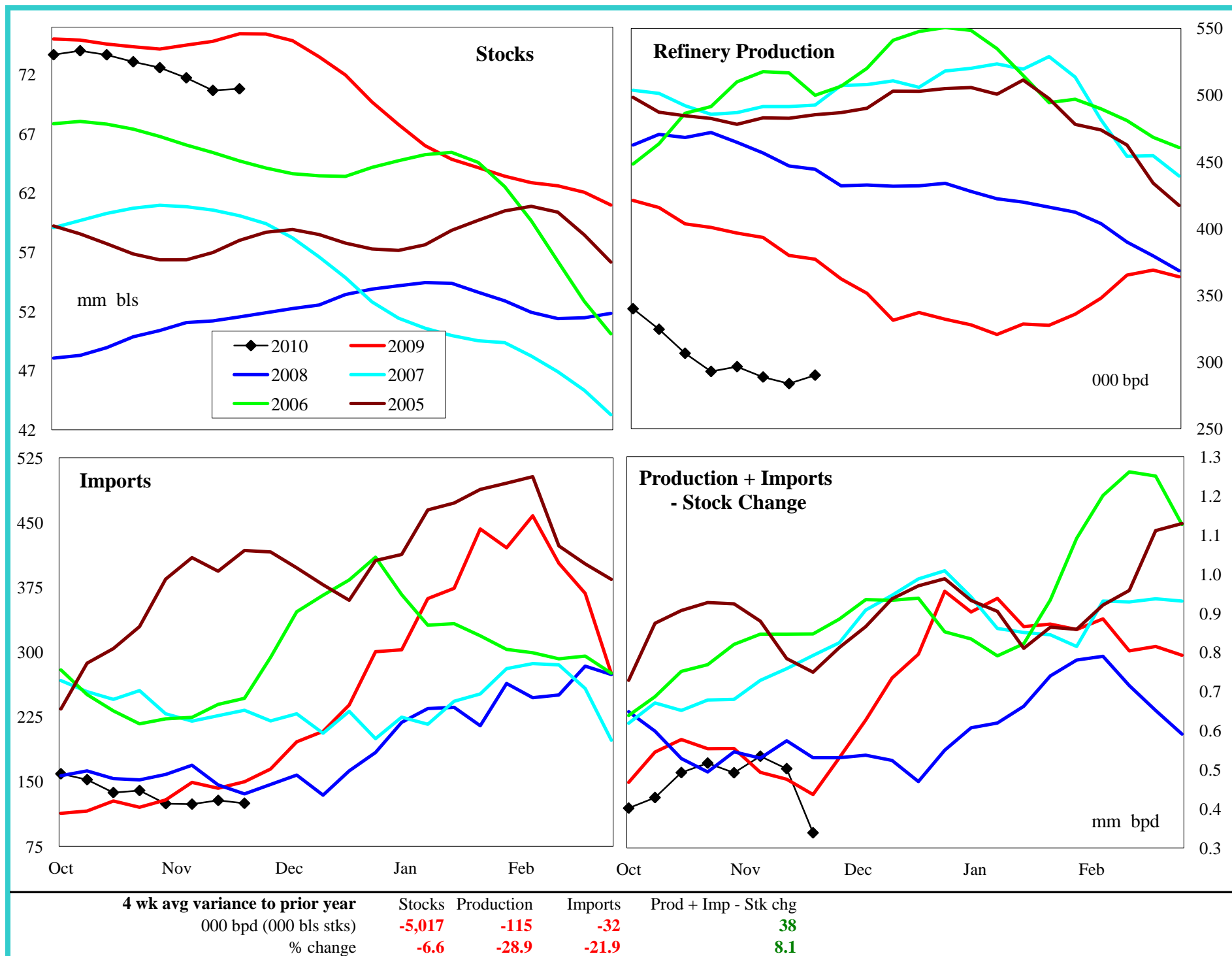
# PADD 1 Reformulated Gasoline Supply



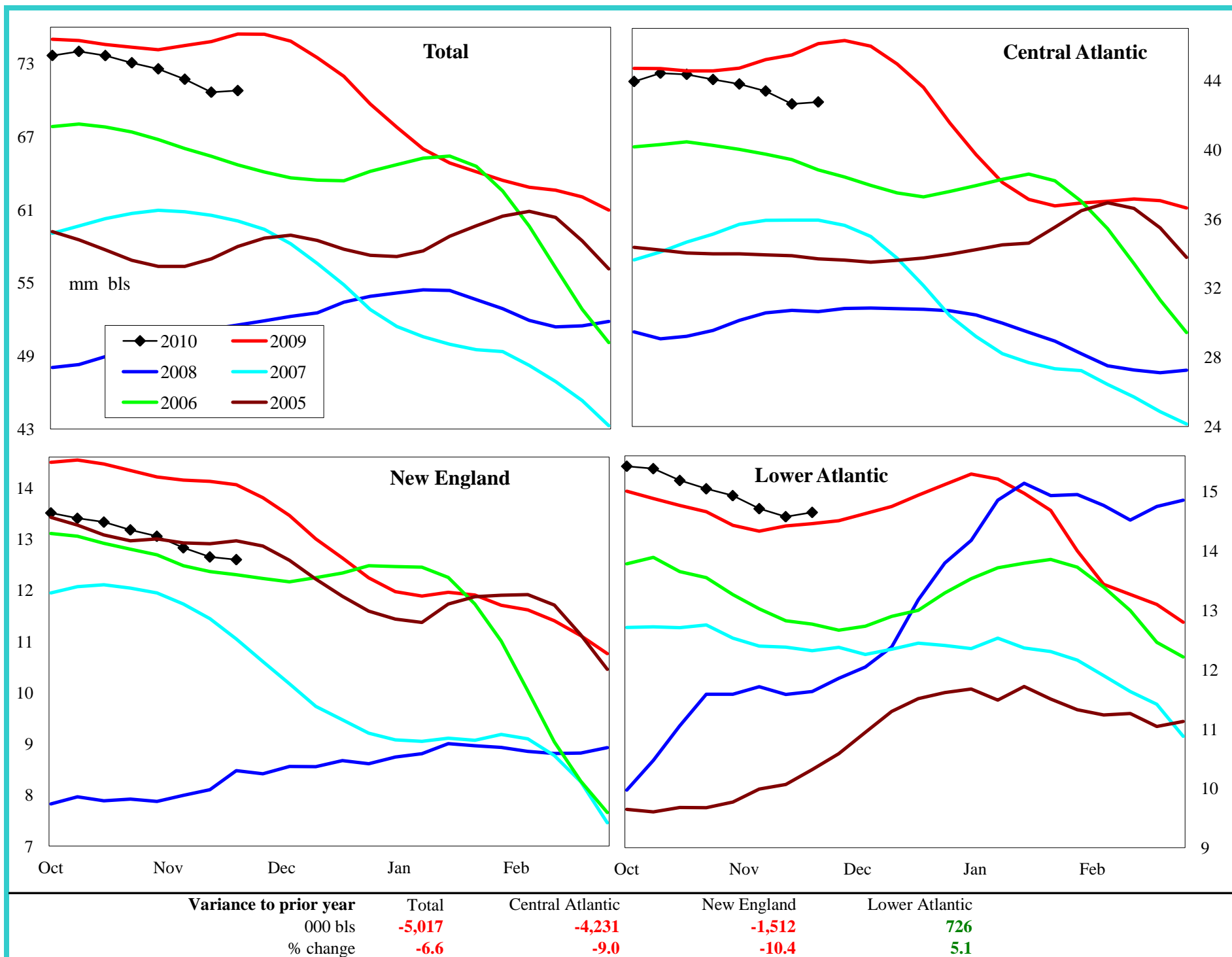
# PADD 1 Conventional Gasoline Supply



# PADD 1 Distillate Supply

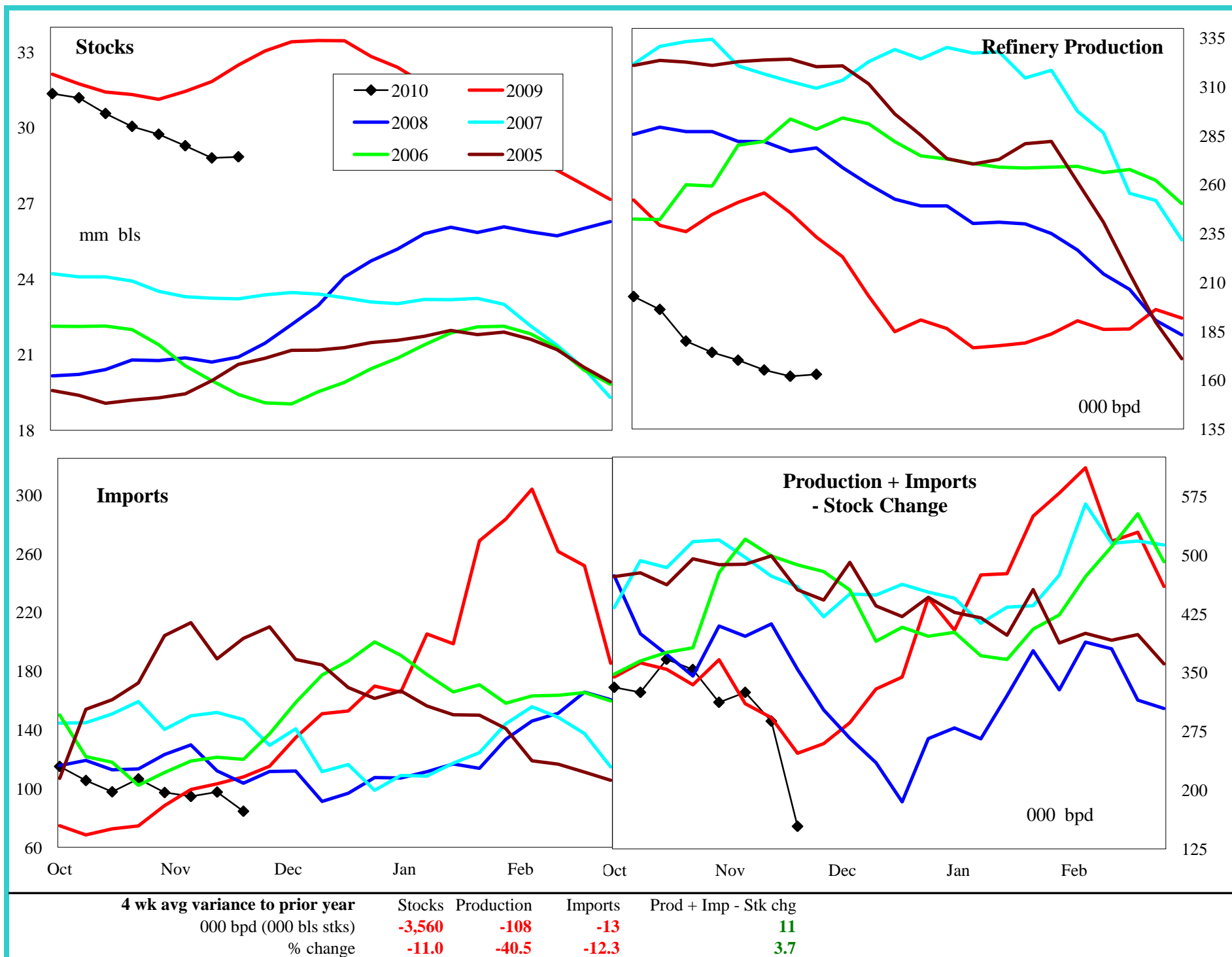


# PADD 1 Distillate Stocks by Region

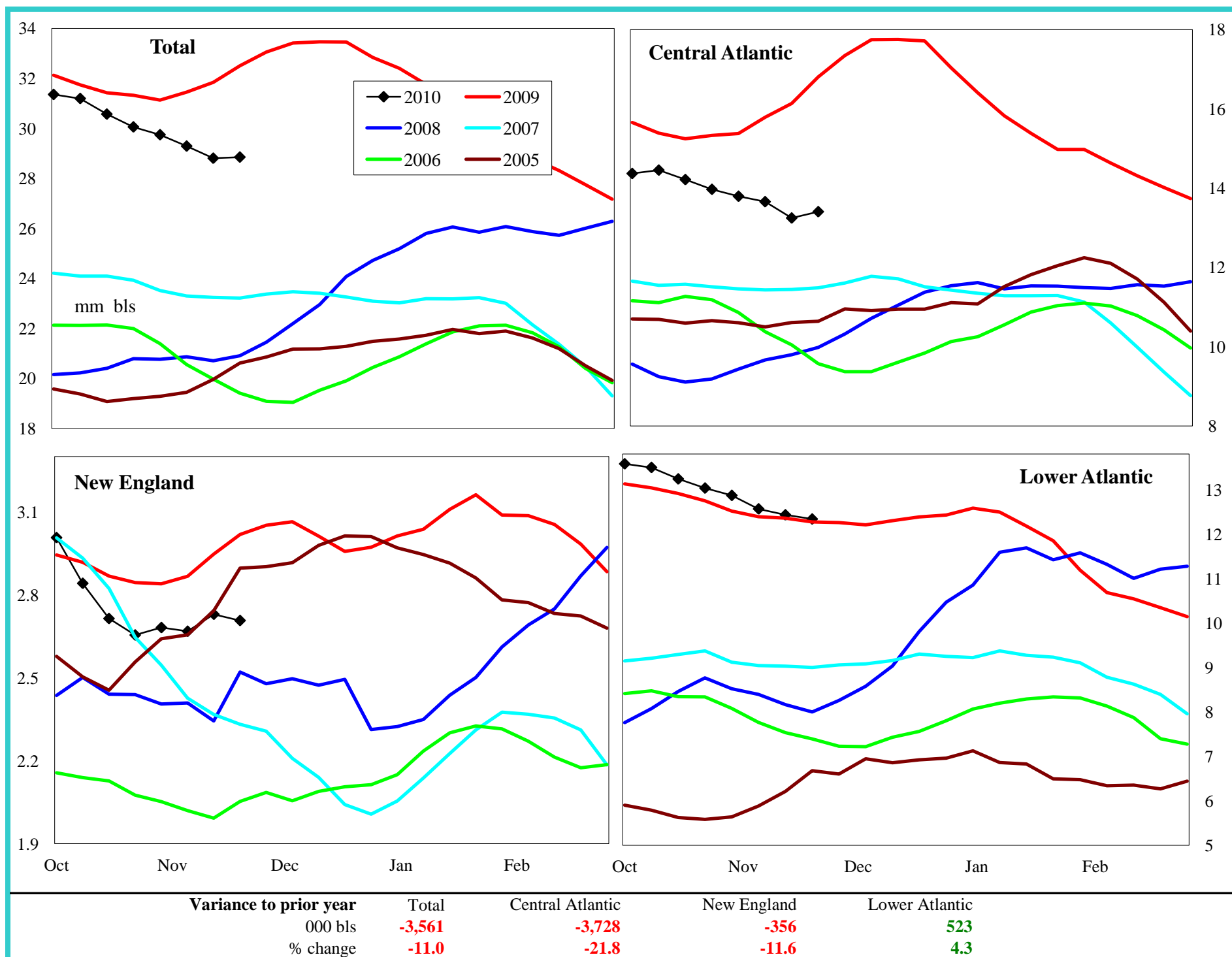




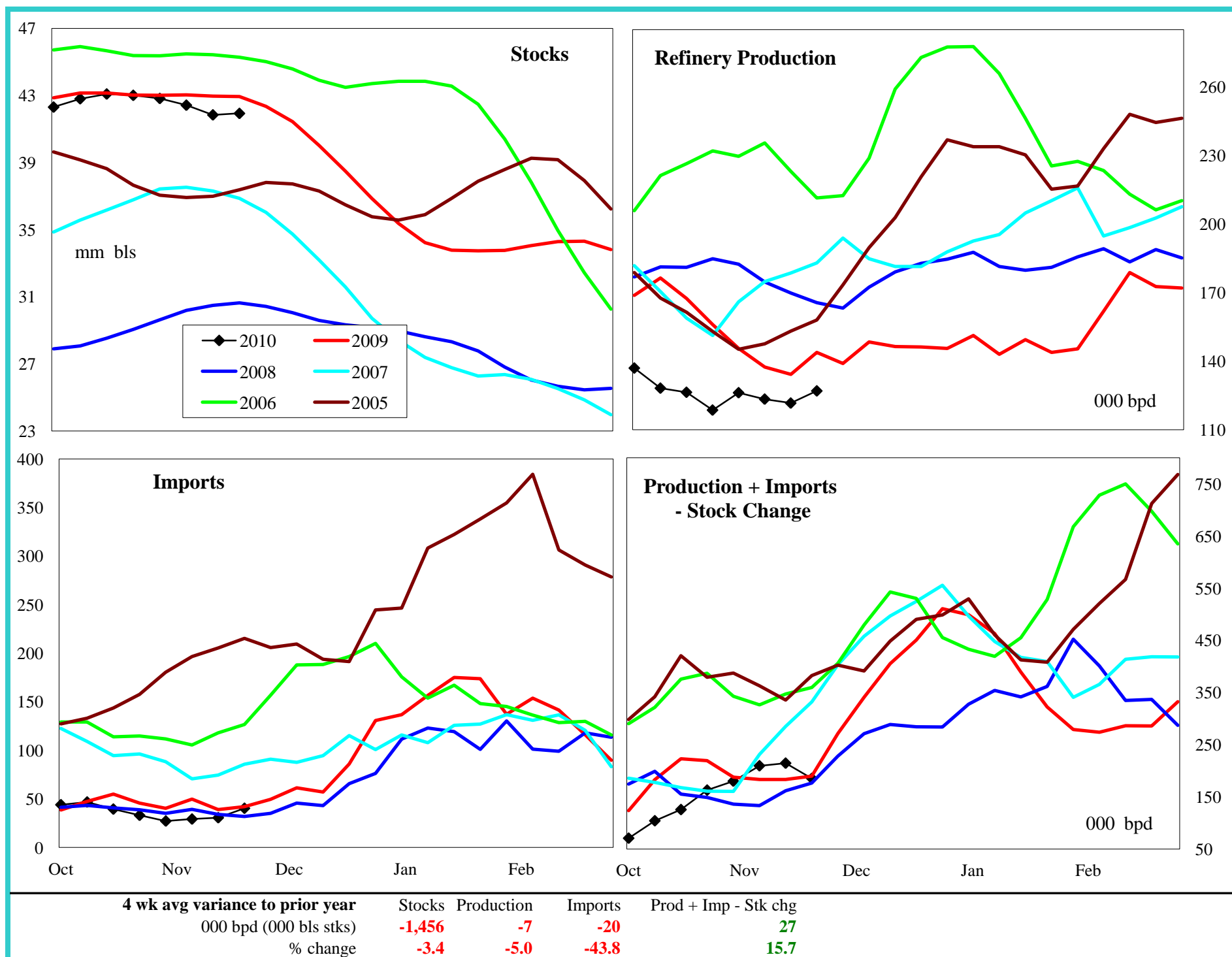
# PADD 1 Low Sulfur Distillate Supply



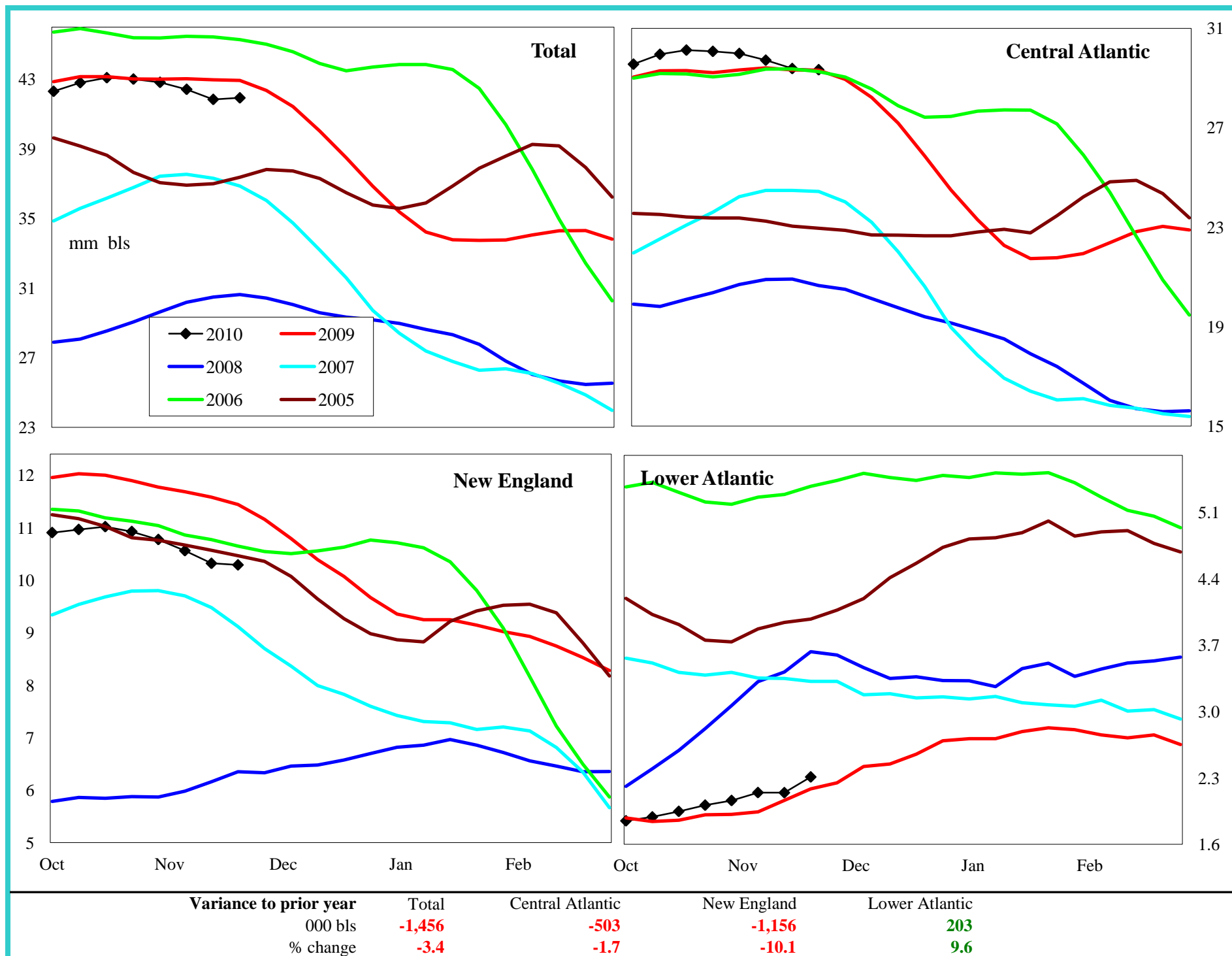
## PADD 1 Low Sulfur Distillate Stocks by Region



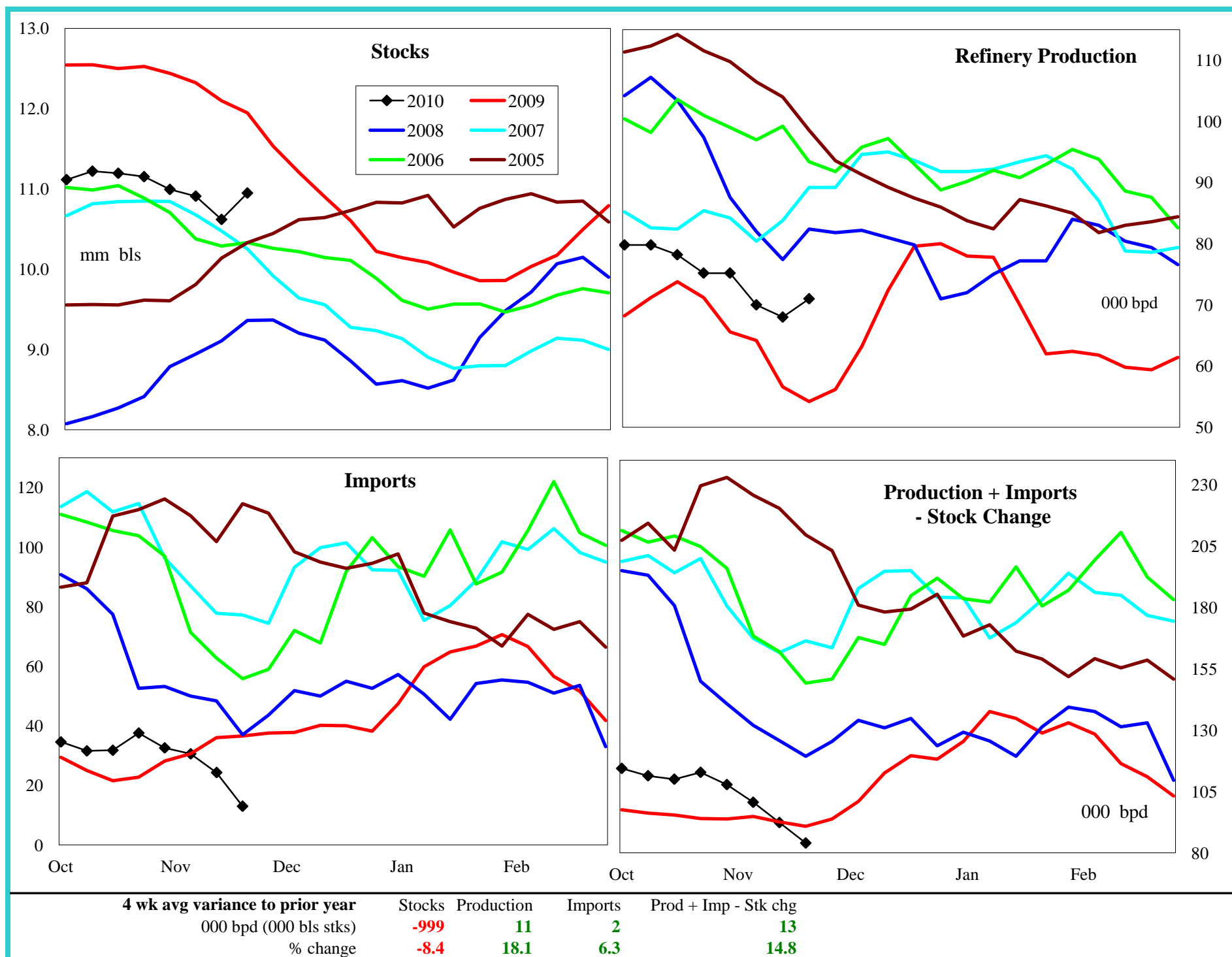
# PADD 1 High Sulfur Distillate Supply



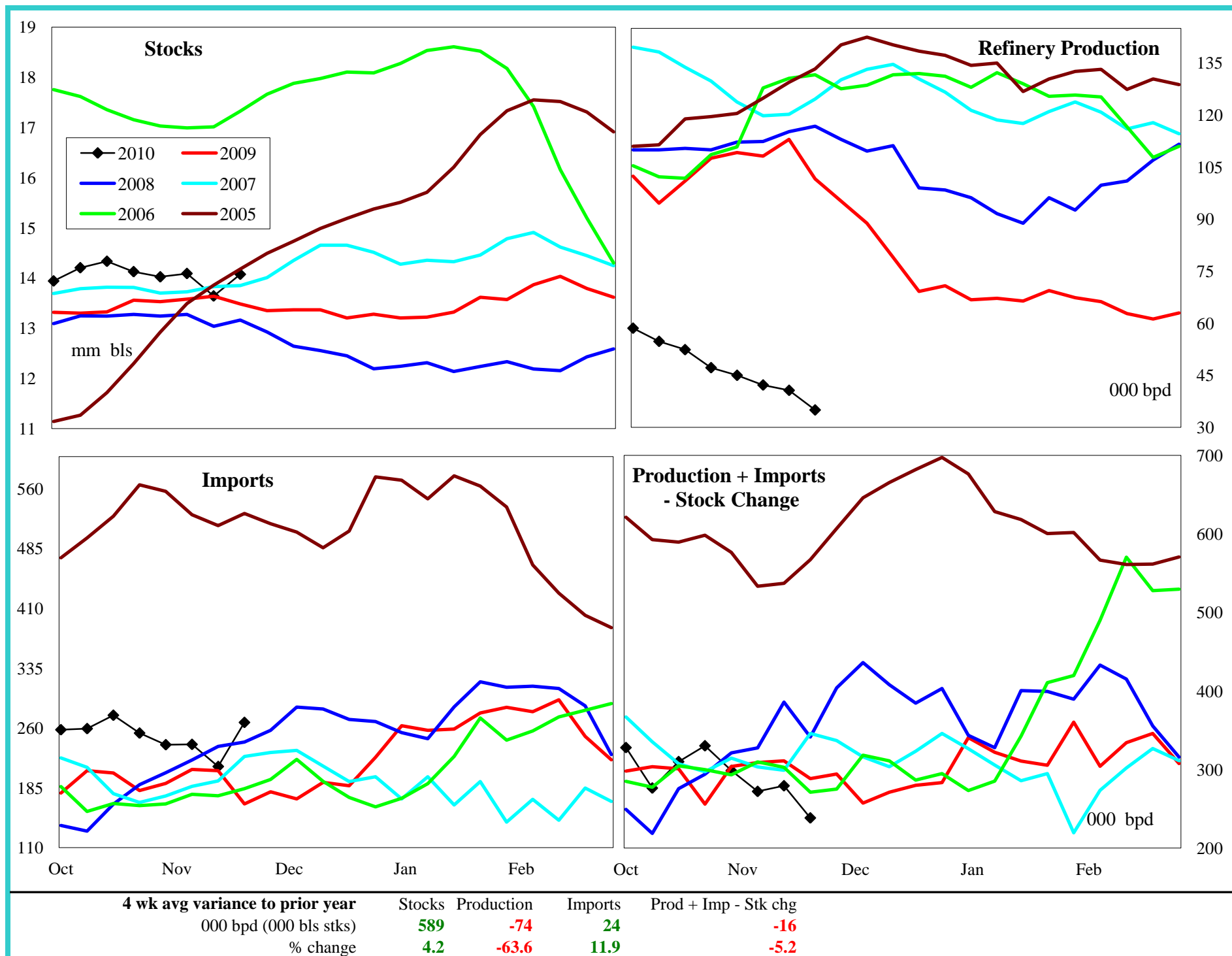
# PADD 1 High Sulfur Distillate Stocks by Region



# PADD 1 Jet Fuel Supply

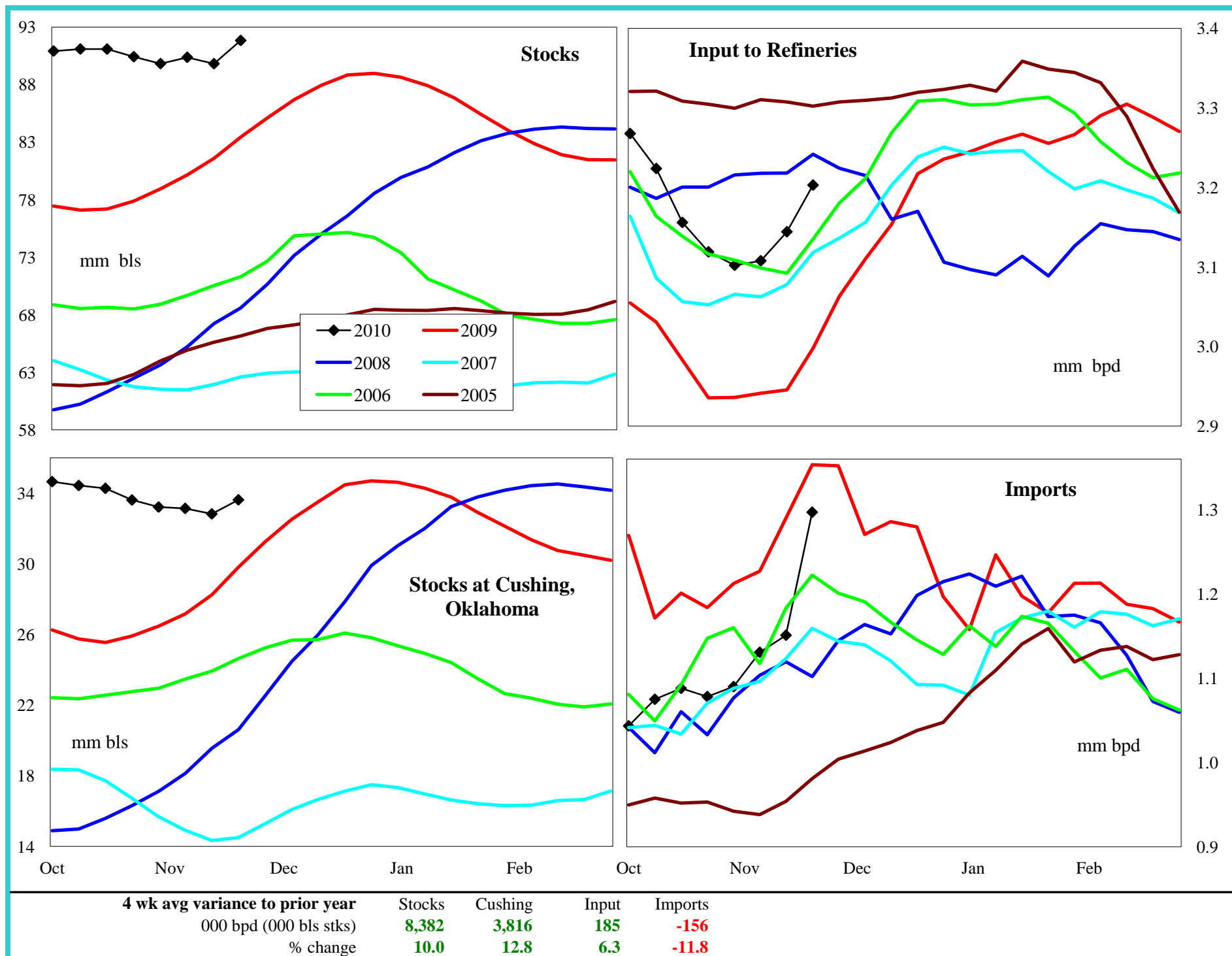


# PADD 1 Residual Fuel Oil Supply

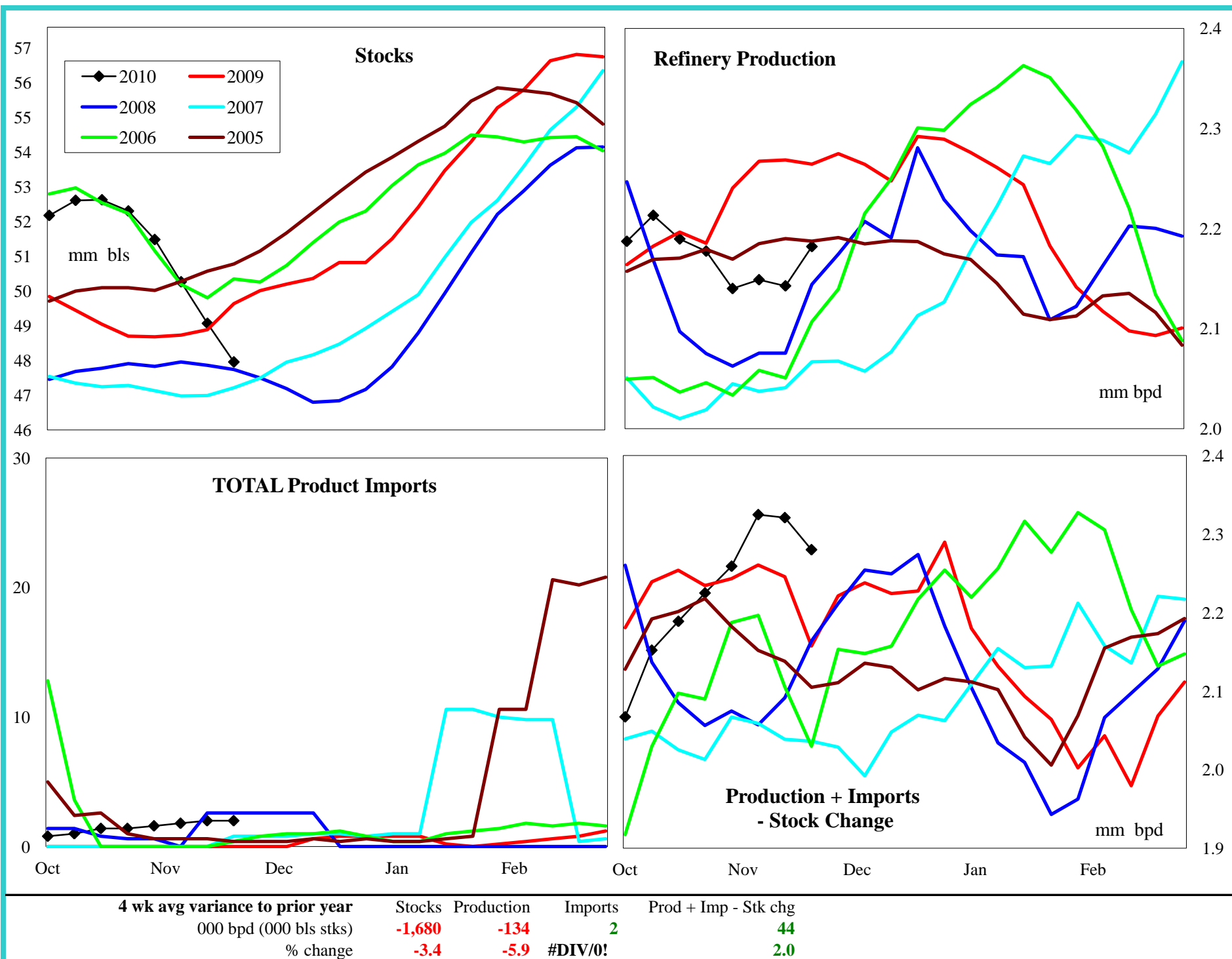




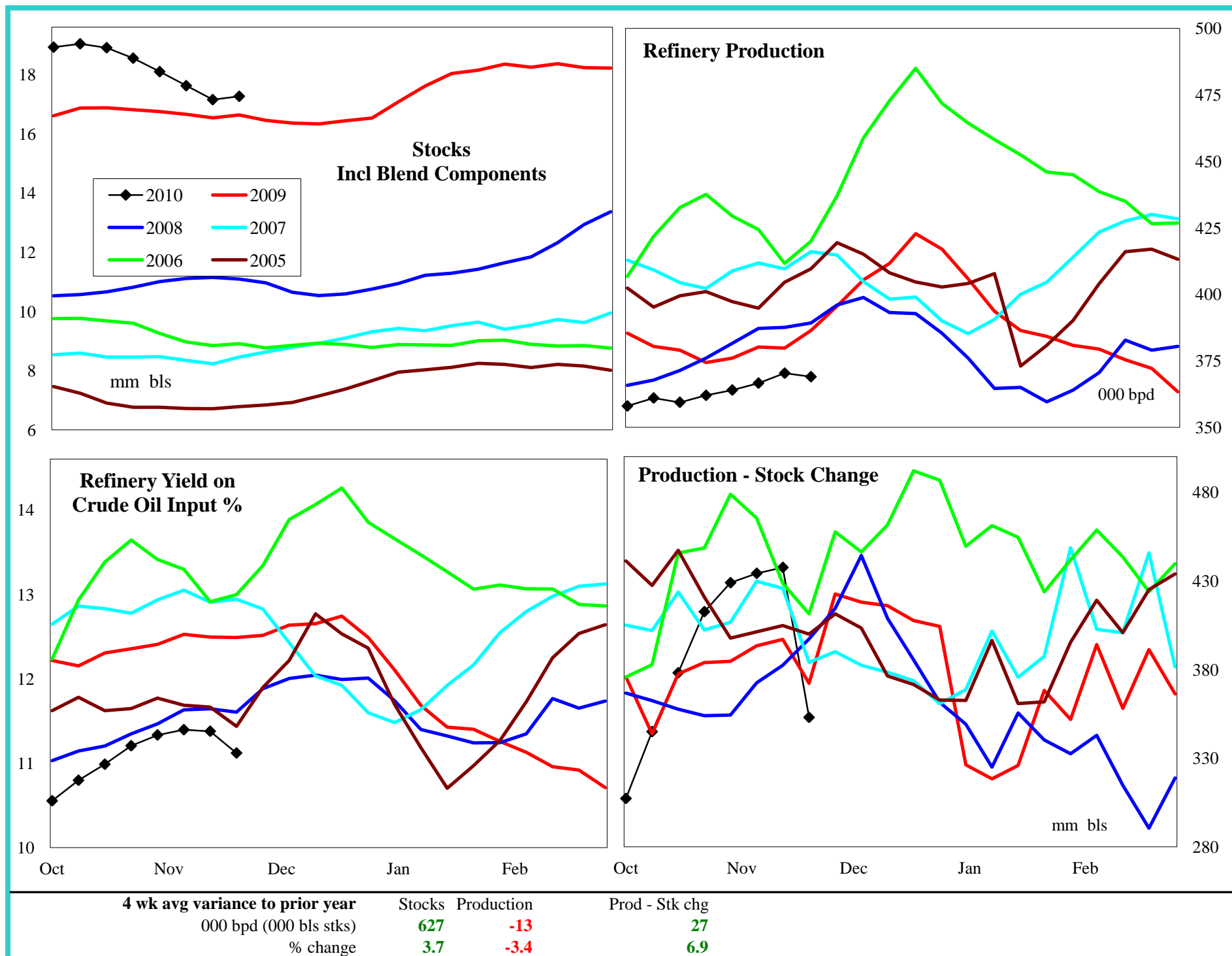
# PADD 2 Crude Oil Supply and Refining



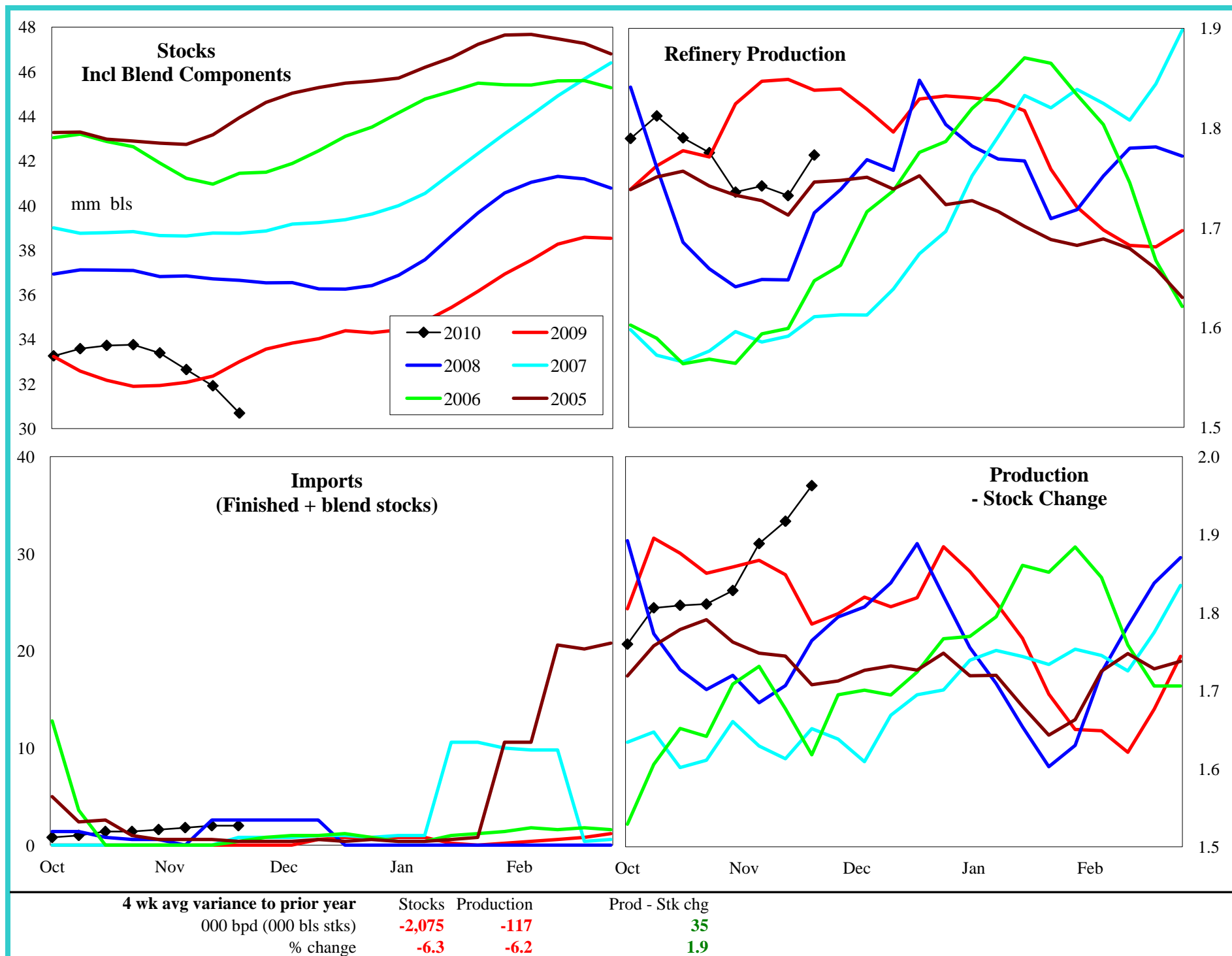
# PADD 2 Gasoline Supply



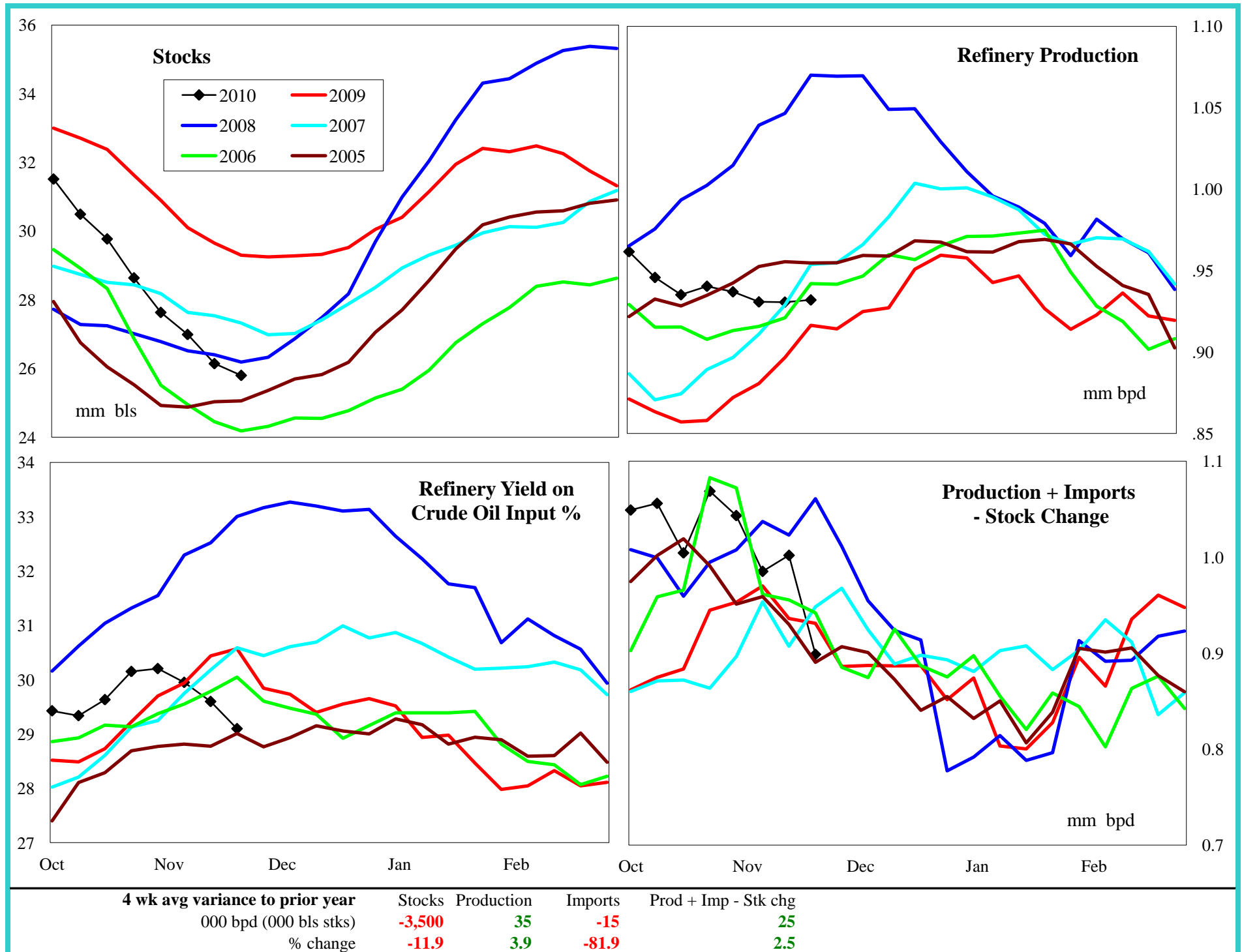
# PADD 2 Reformulated Gasoline Supply



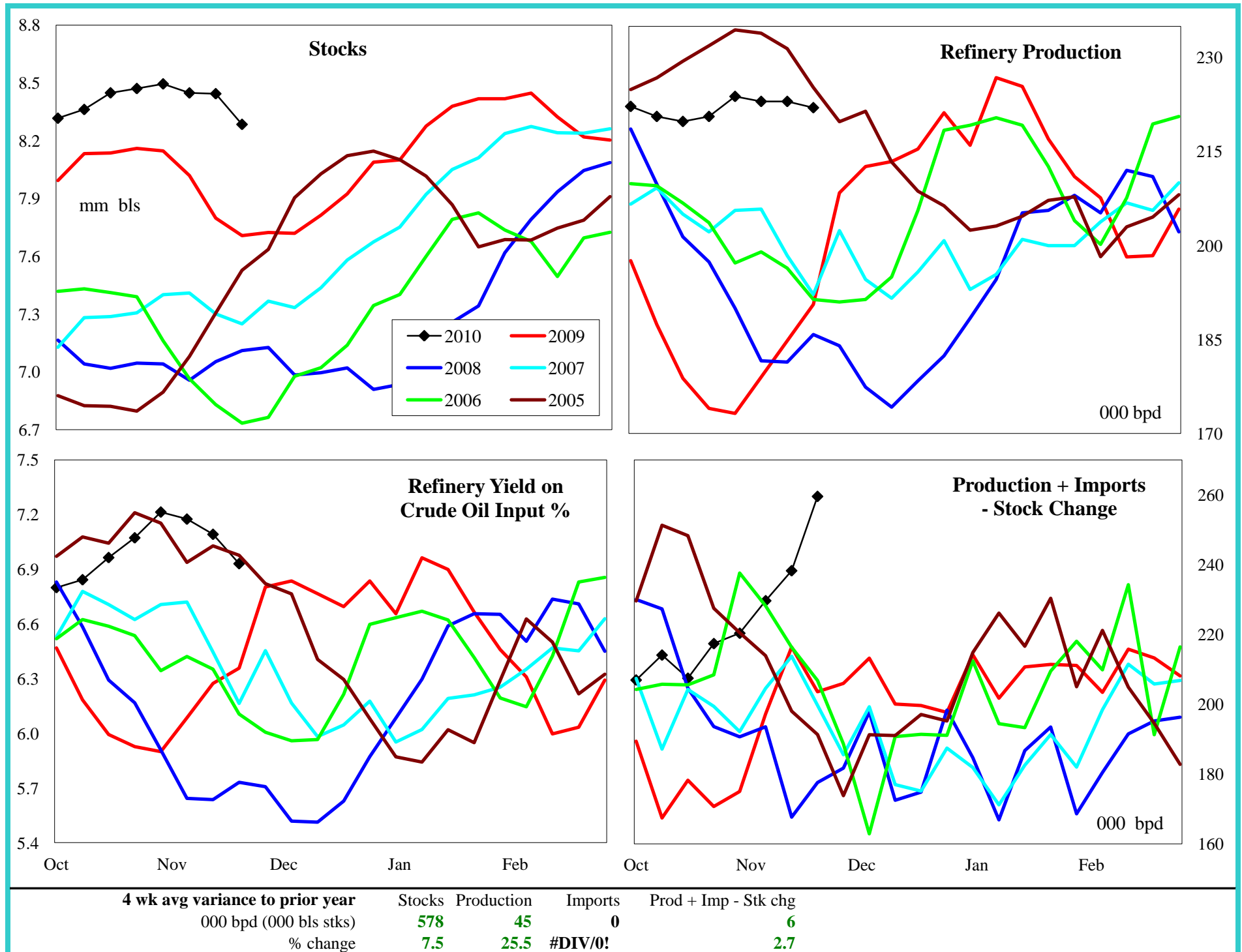
# PADD 2 Conventional Gasoline Supply



# PADD 2 Distillate Supply

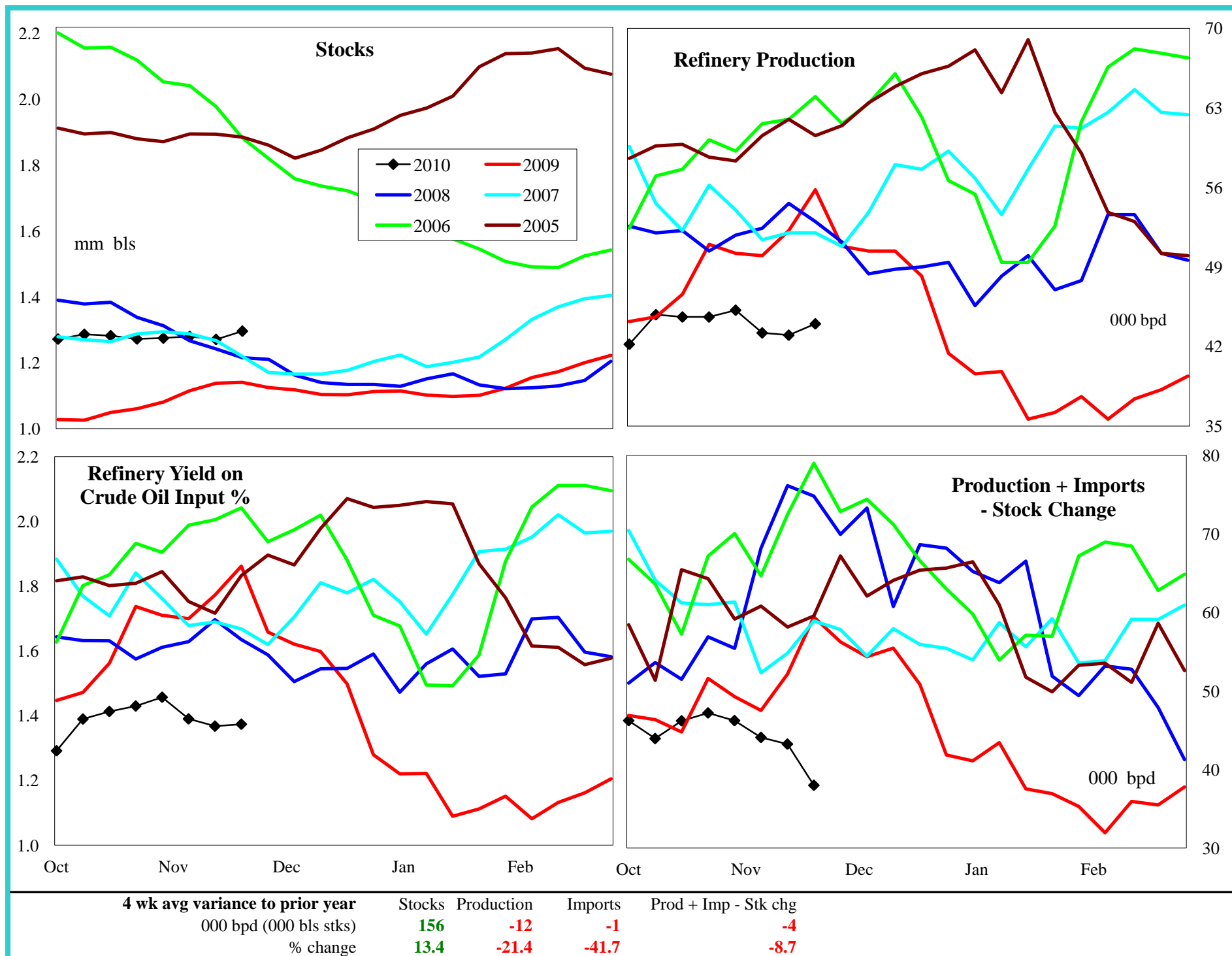


# PADD 2 Jet Fuel Supply

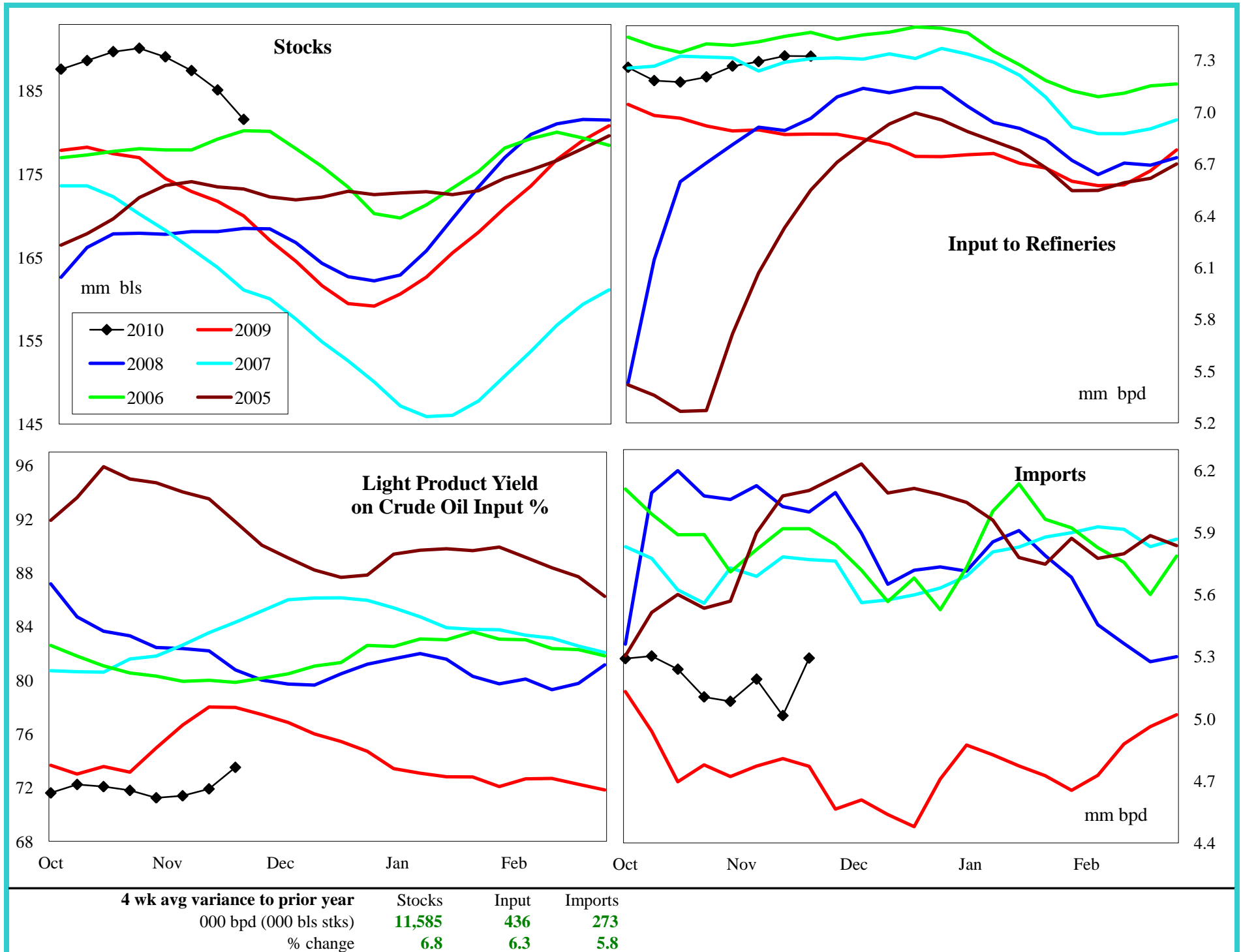




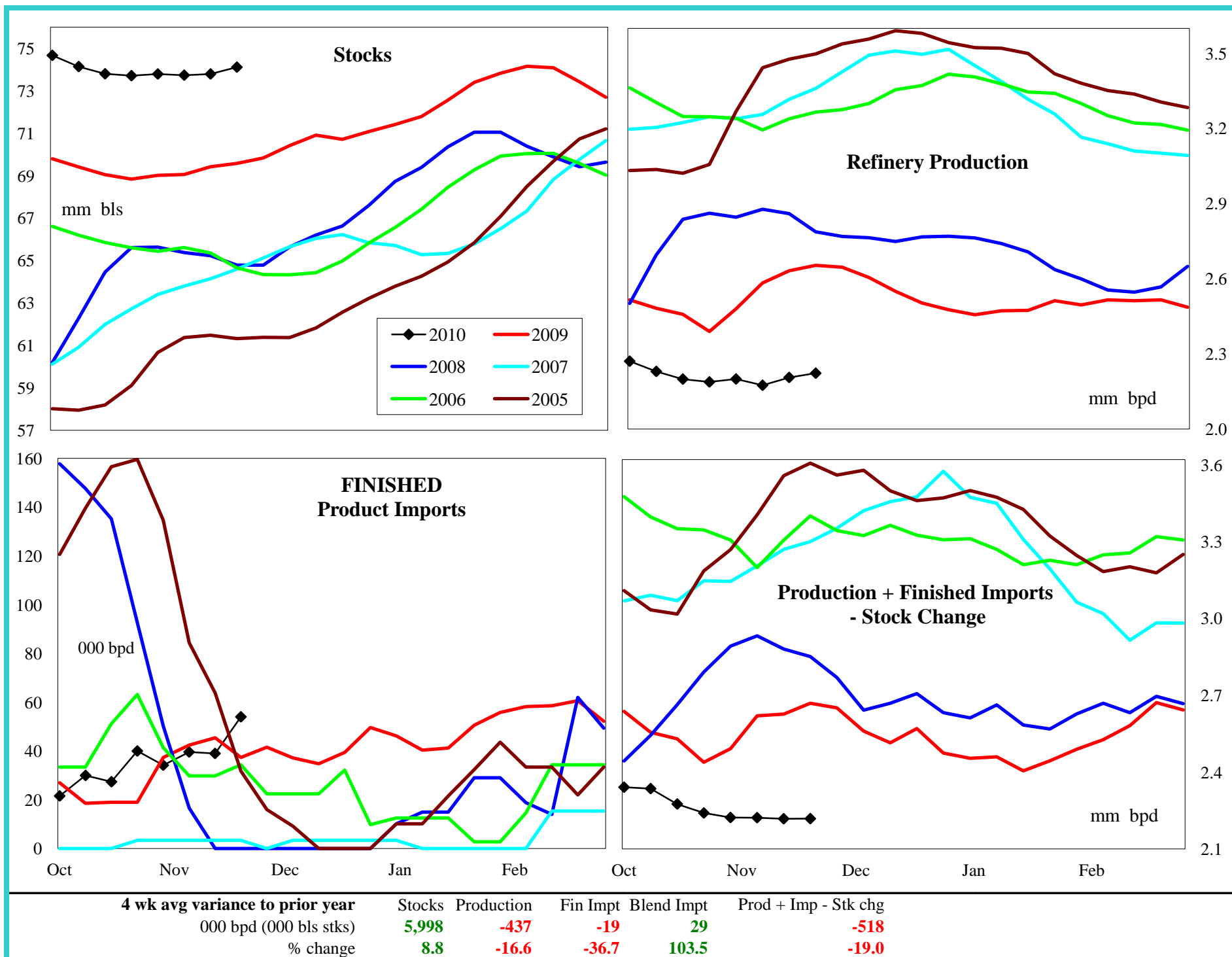
# PADD 2 Residual Fuel Oil Supply



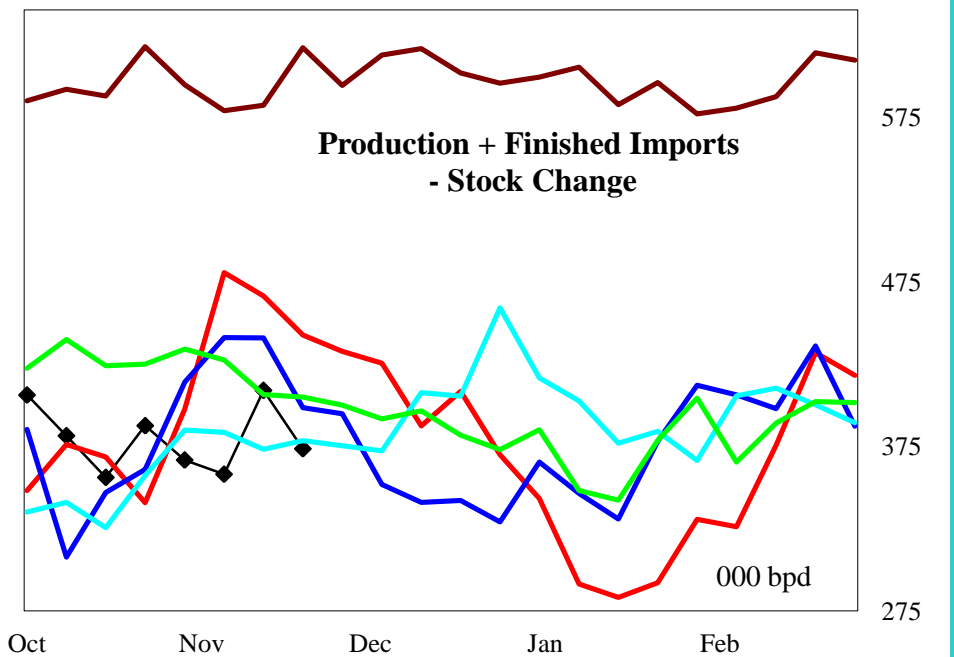
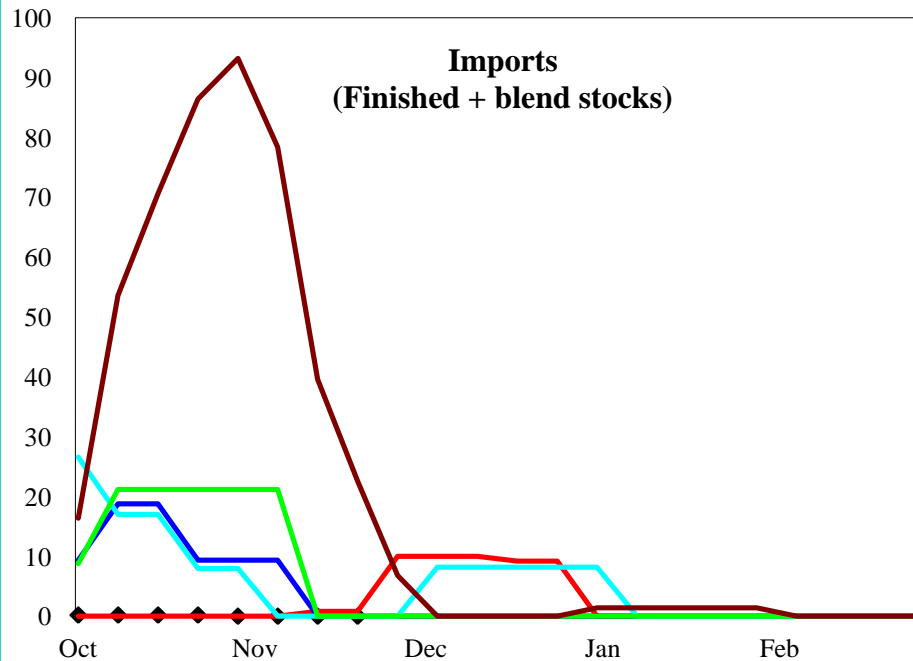
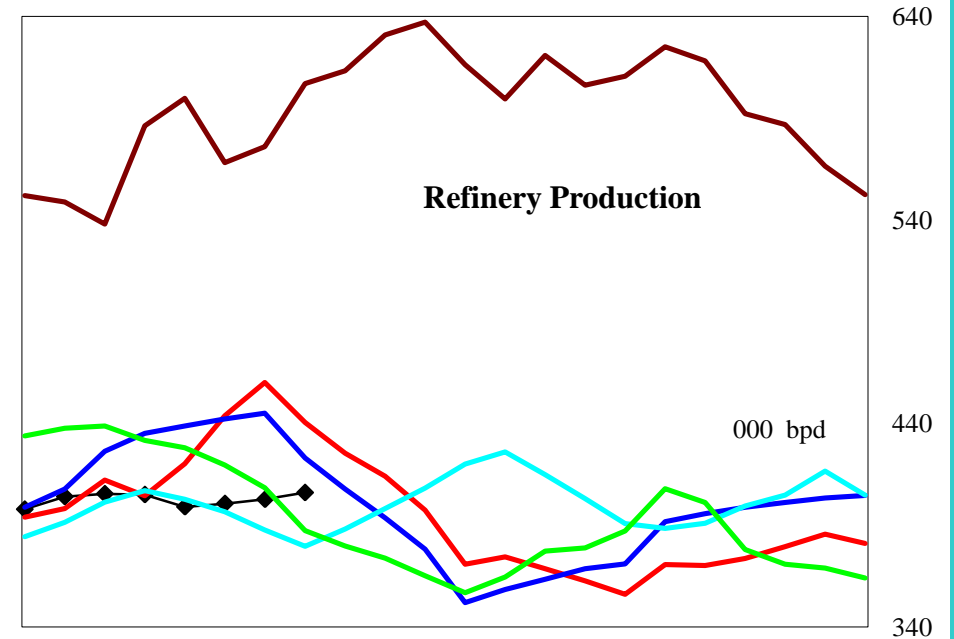
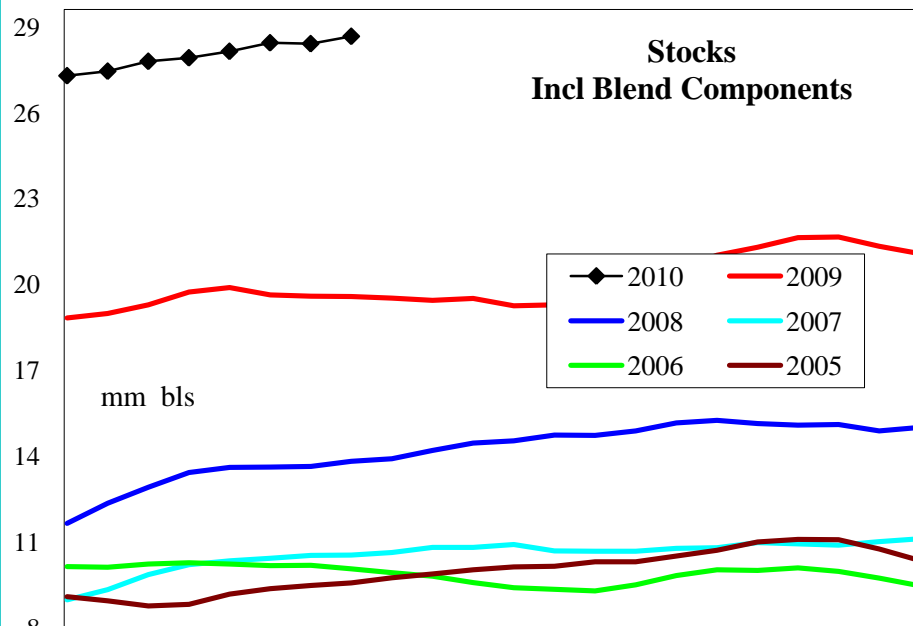
# PADD 3 Crude Oil Supply and Refining



# PADD 3 Gasoline Supply



# PADD 3 Reformulated Gasoline Supply



**4 wk avg variance to prior year**

000 bpd (000 bls stks)

% change

Stocks

9,767

50.6

Production

-58

-12.6

Imports

0

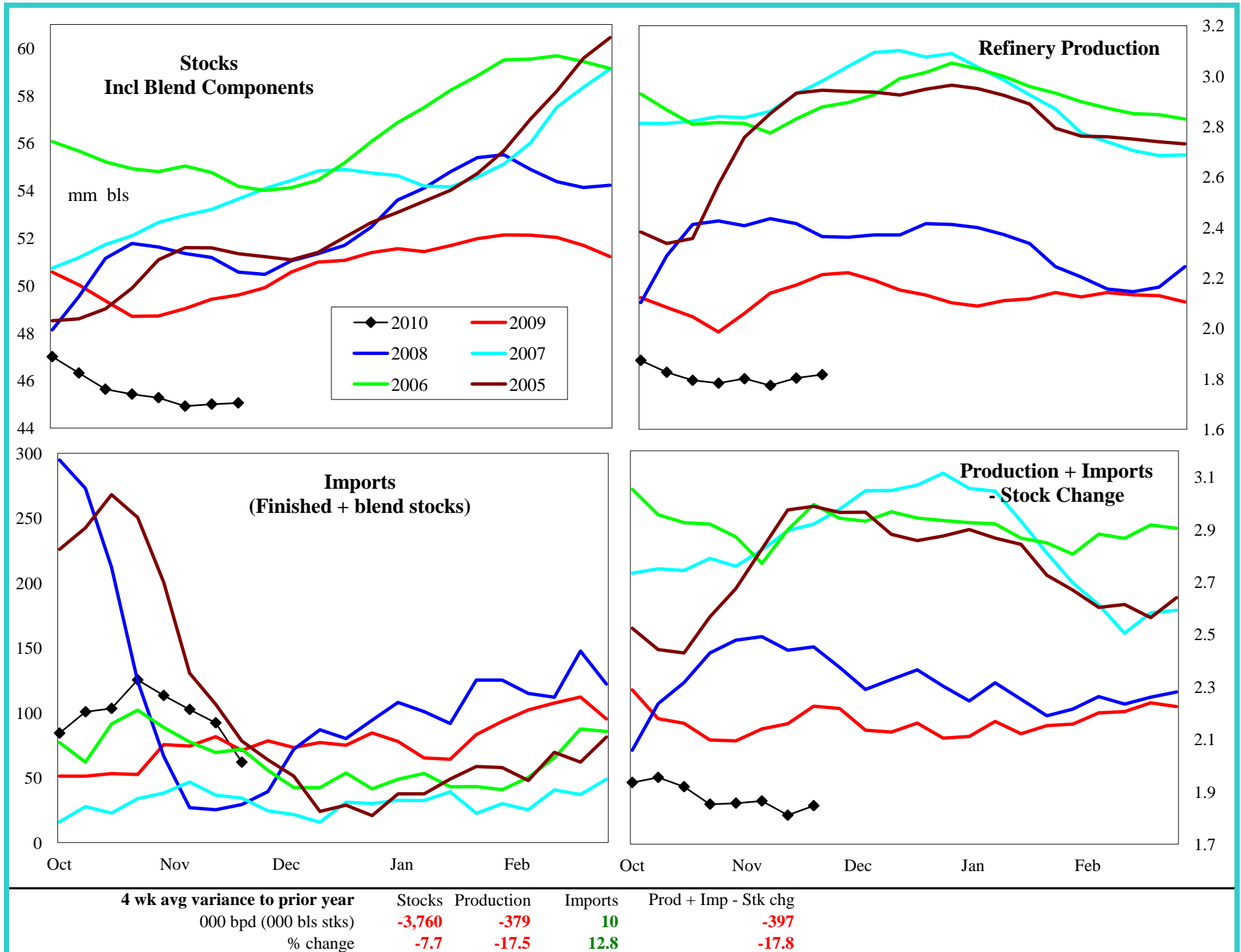
#DIV/0!

Prod + Imp - Stk chg

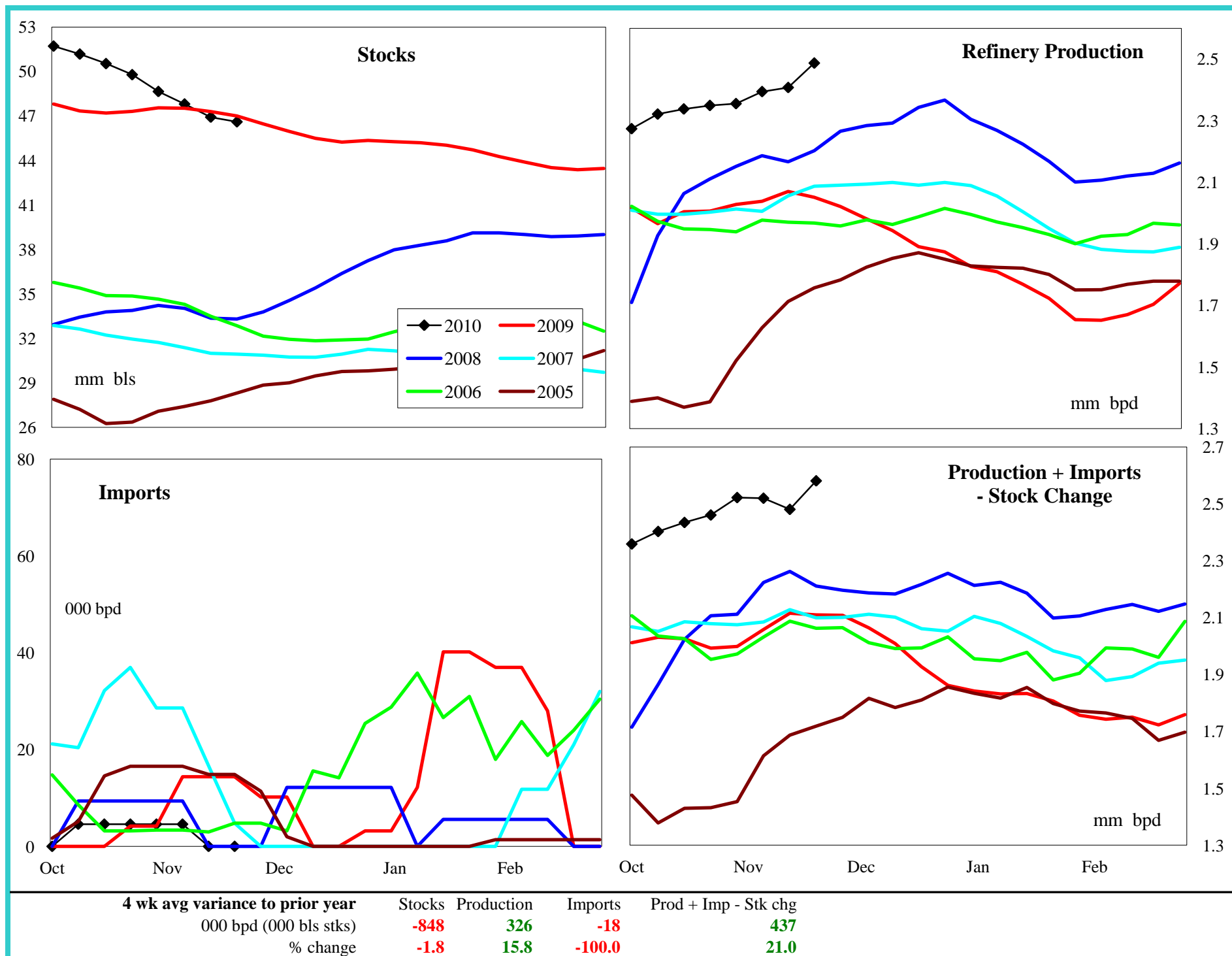
-121

-24.0

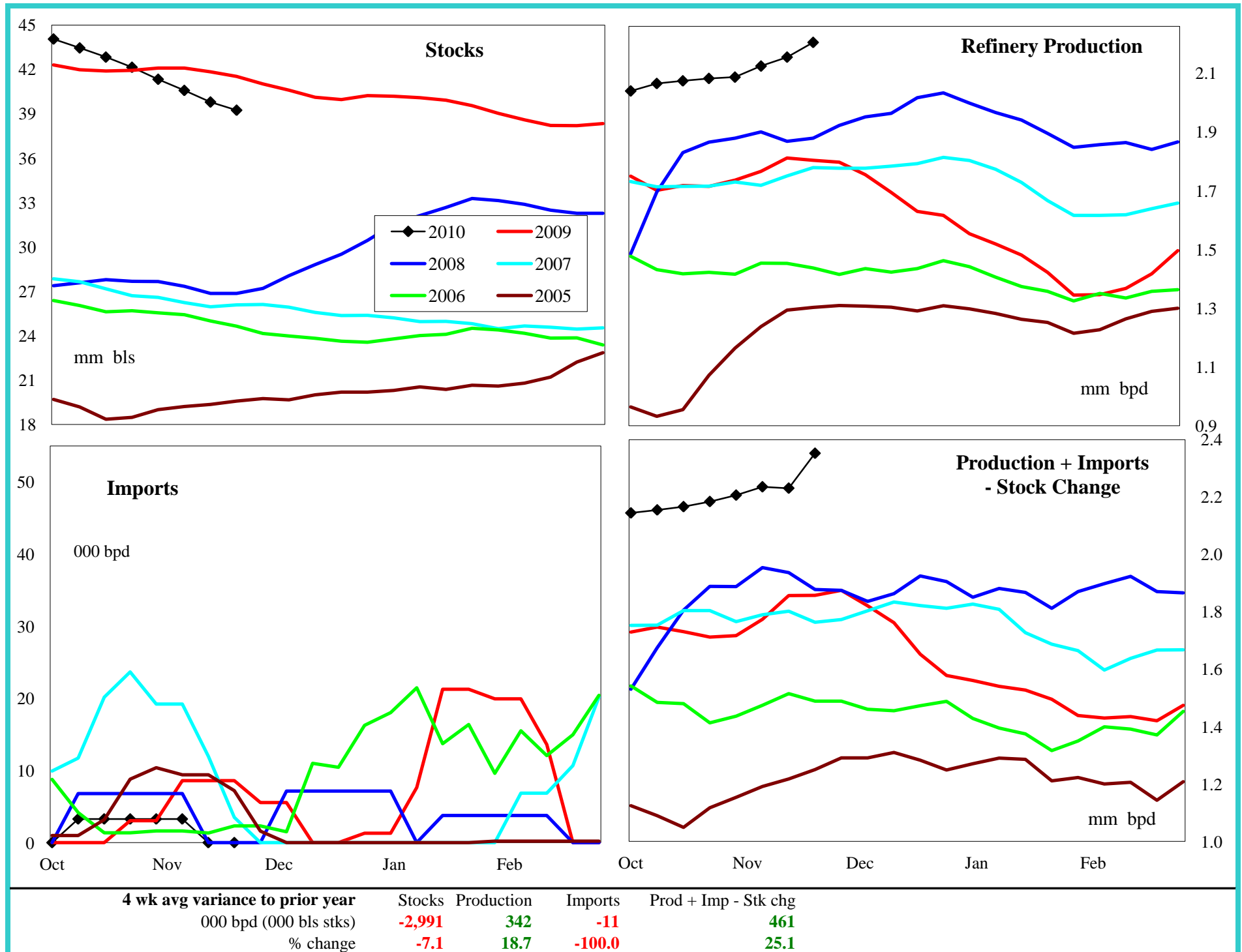
# PADD 3 Conventional Gasoline Supply



# PADD 3 Distillate Supply

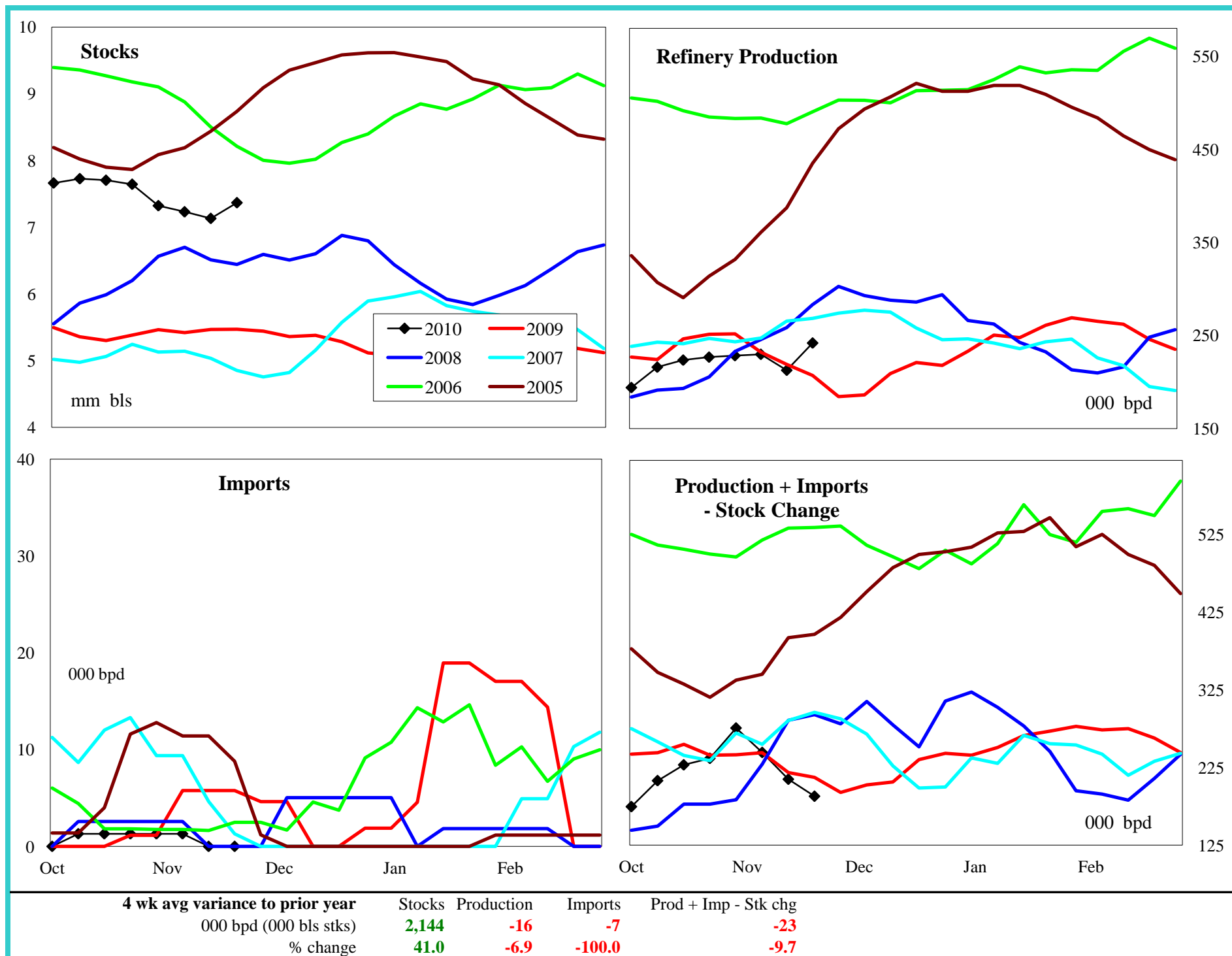


# PADD 3 Low Sulfur Distillate Supply

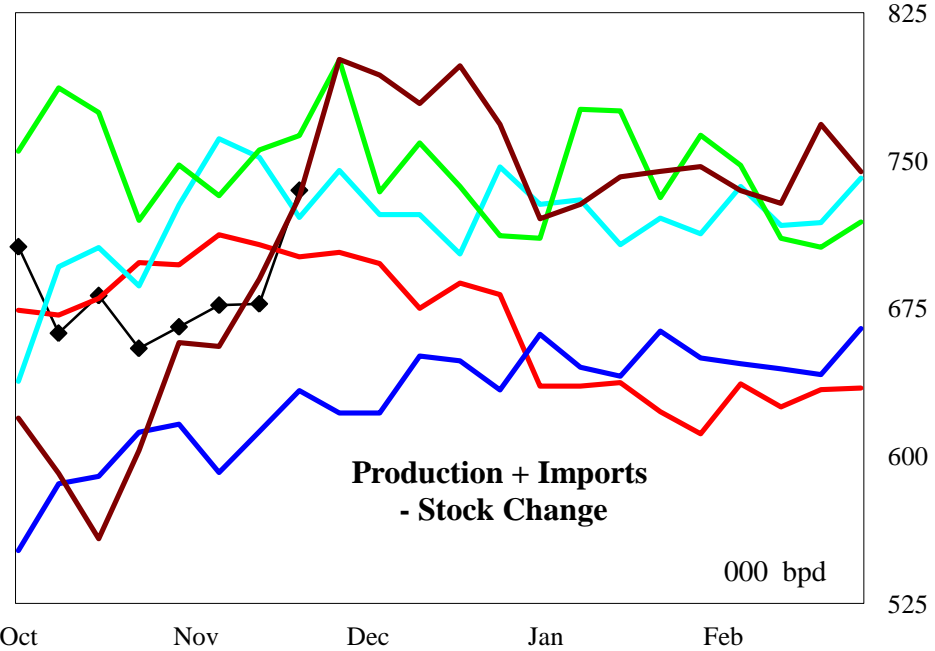
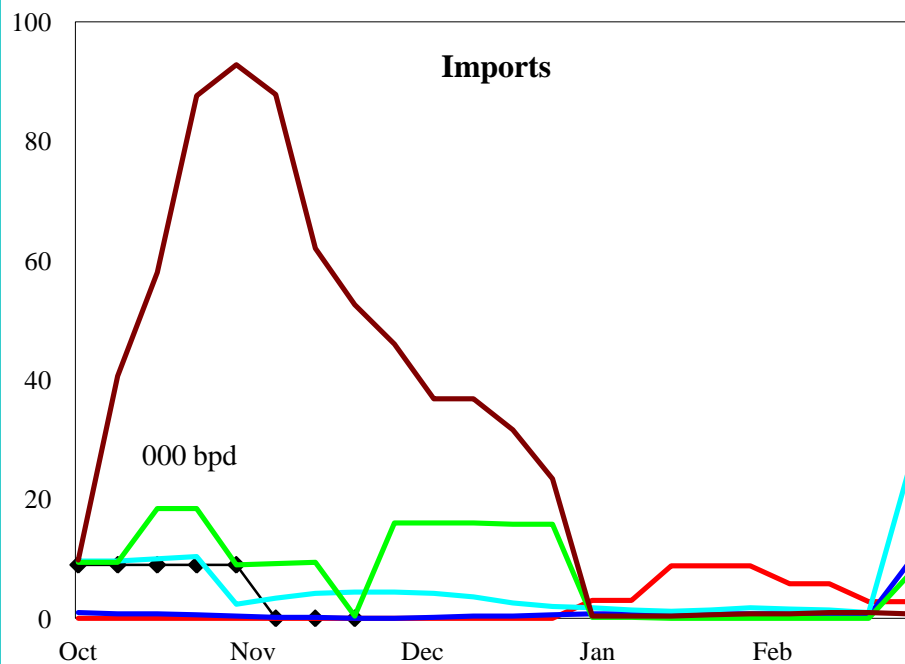
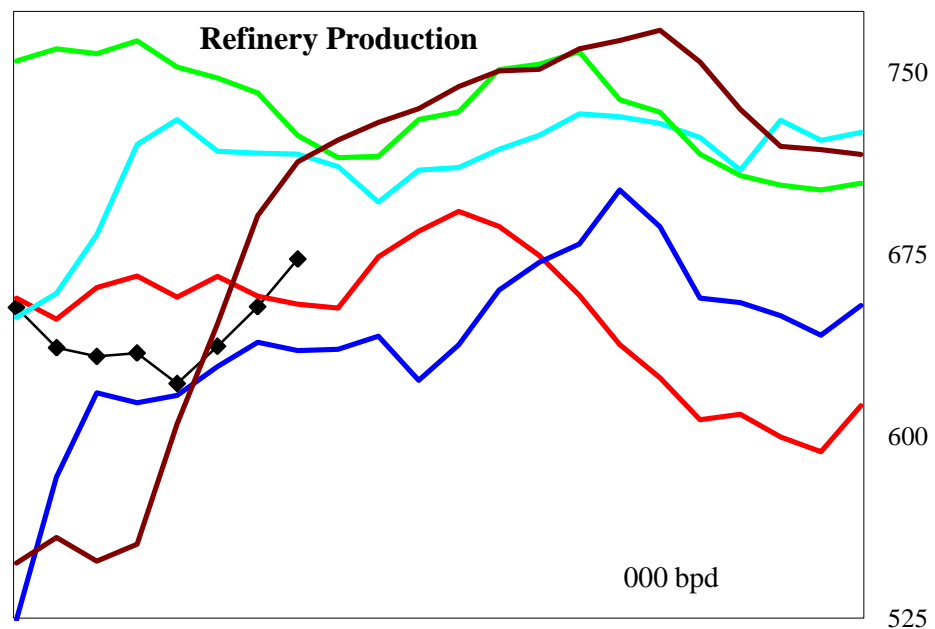
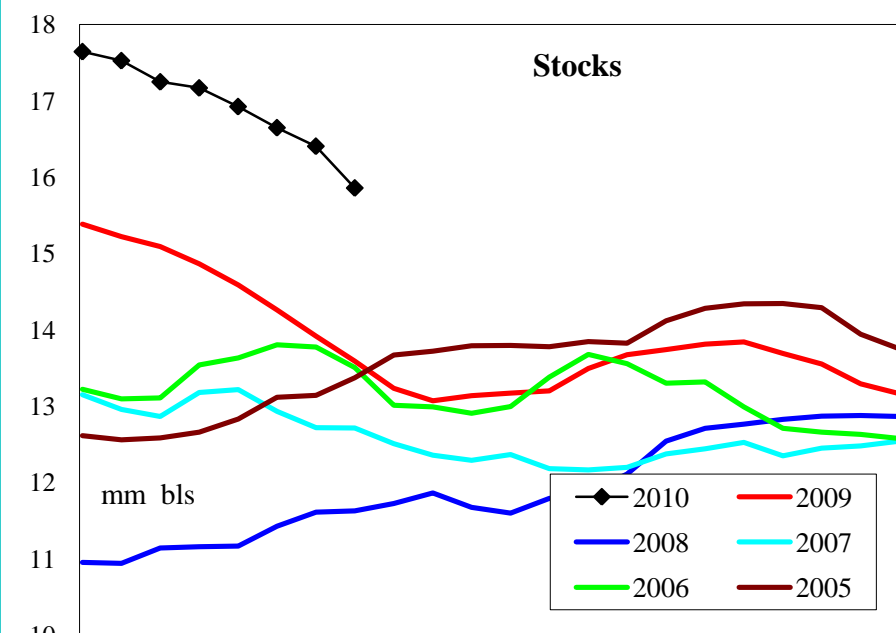




# PADD 3 High Sulfur Distillate Supply



# PADD 3 Jet Fuel Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

2,268

16.7

Production

-27

-4.0

Imports

0

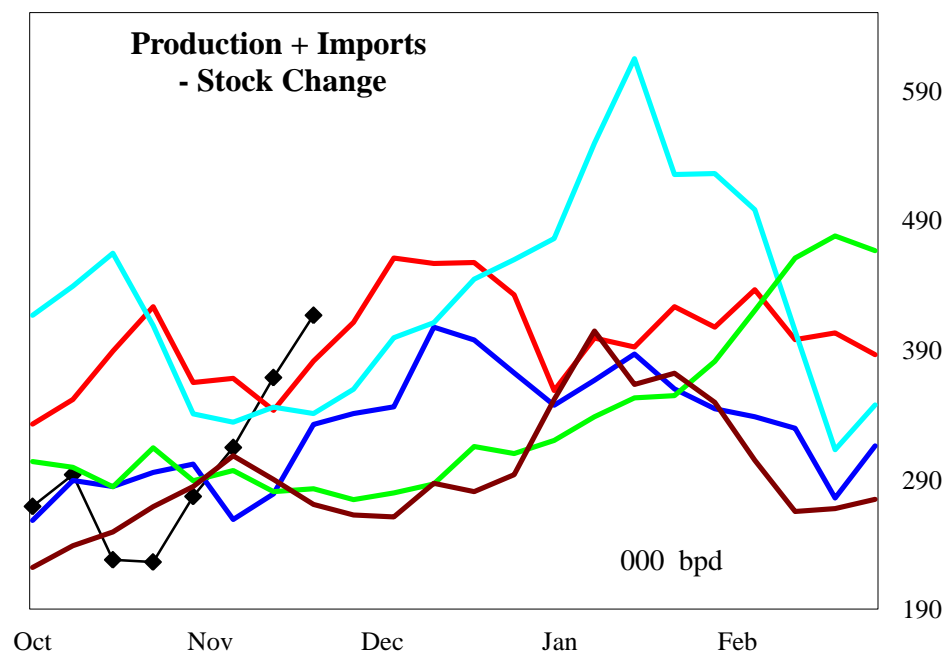
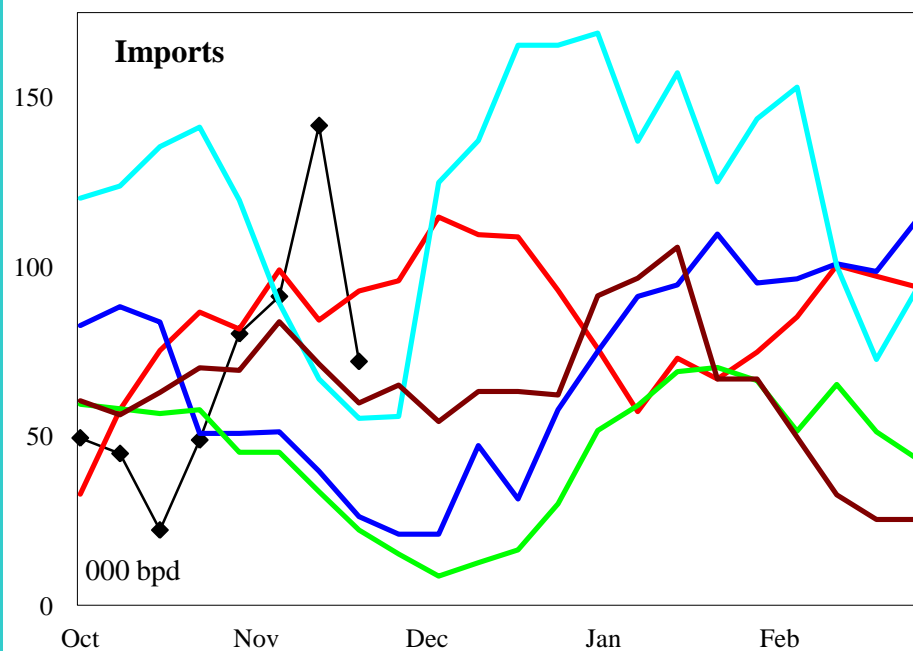
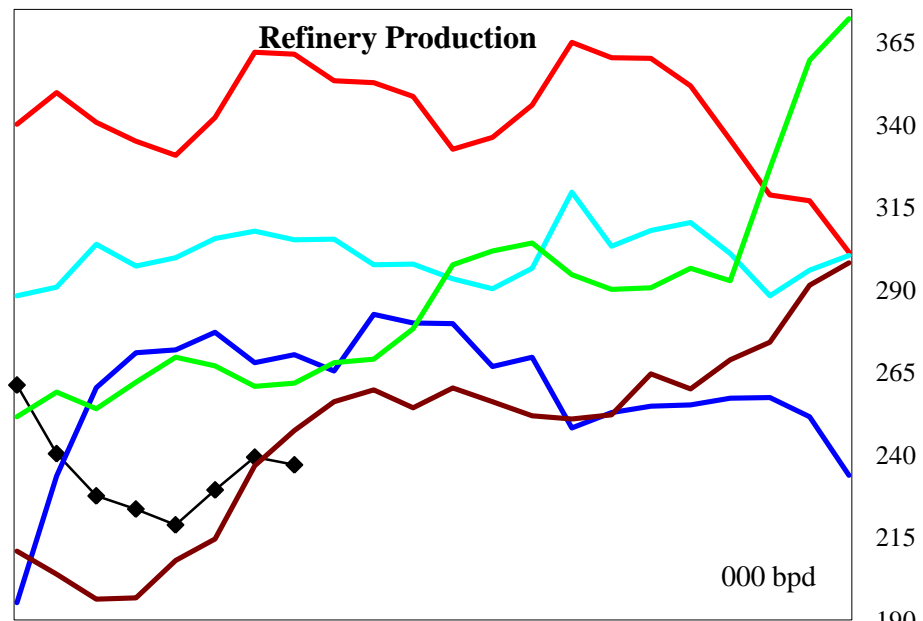
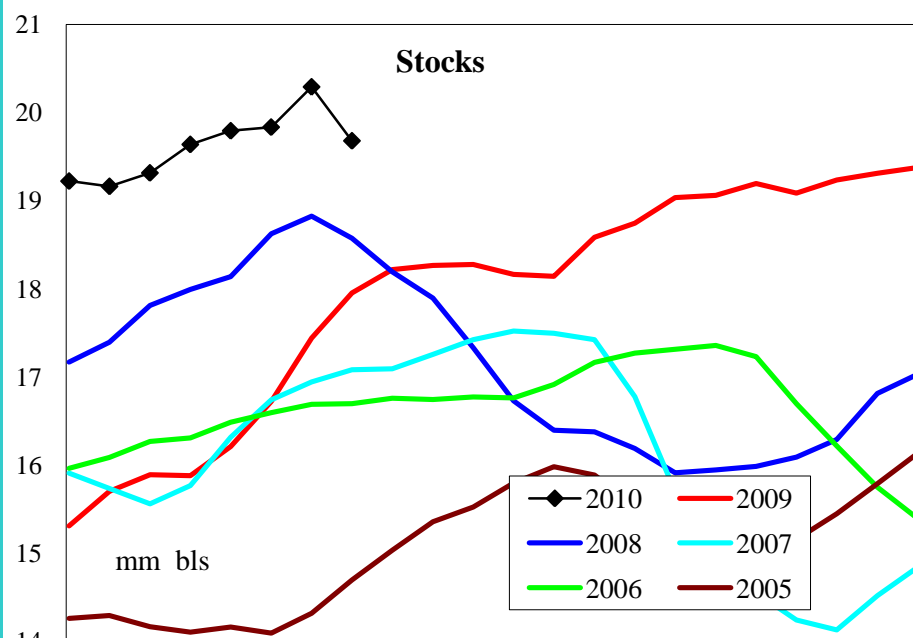
#DIV/0!

Prod + Imp - Stk chg

-15

-2.1

# PADD 3 Residual Fuel Oil Supply



**4 wk avg variance to prior year**

000 bpd (000 bls stks)

% change

Stocks

**1,728**

**9.6**

Production

**-116**

**-33.5**

Imports

**32**

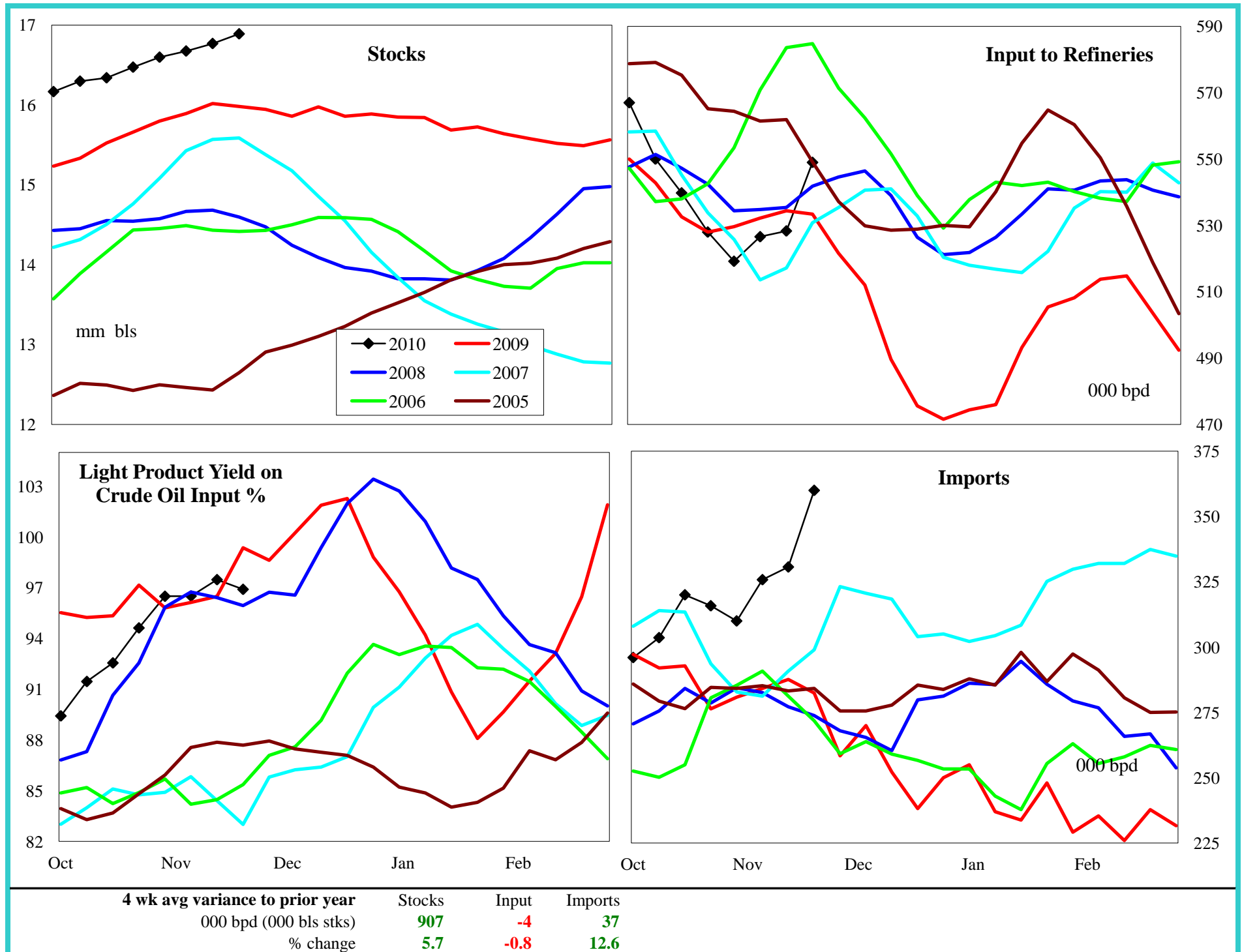
**41.7**

Prod + Imp - Stk chg

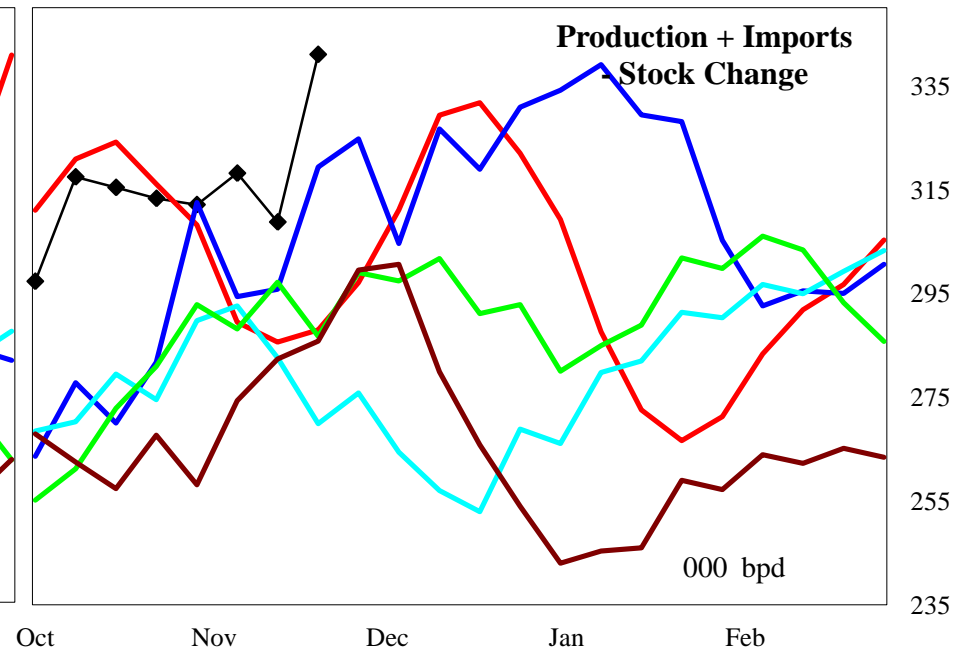
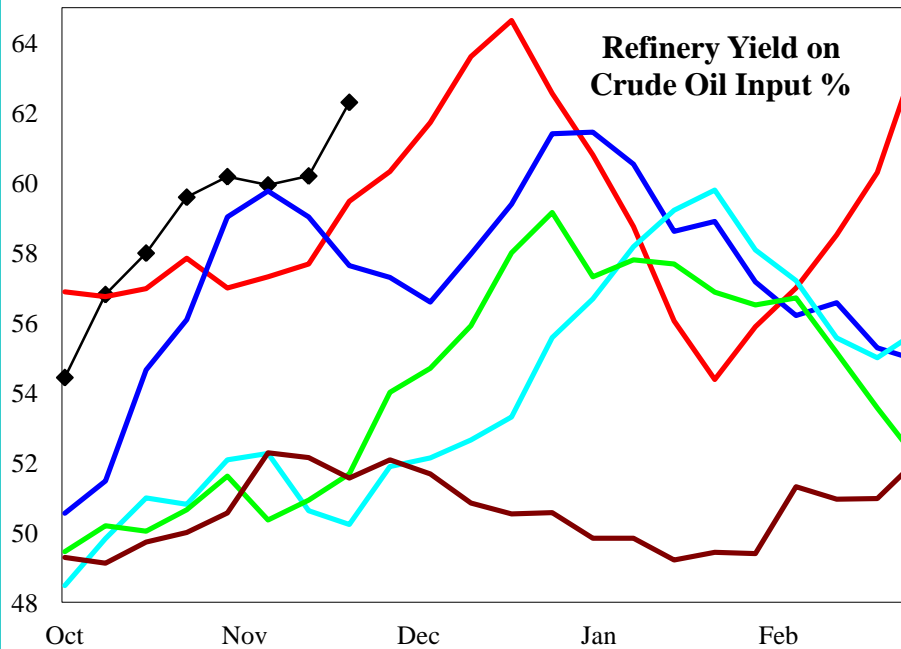
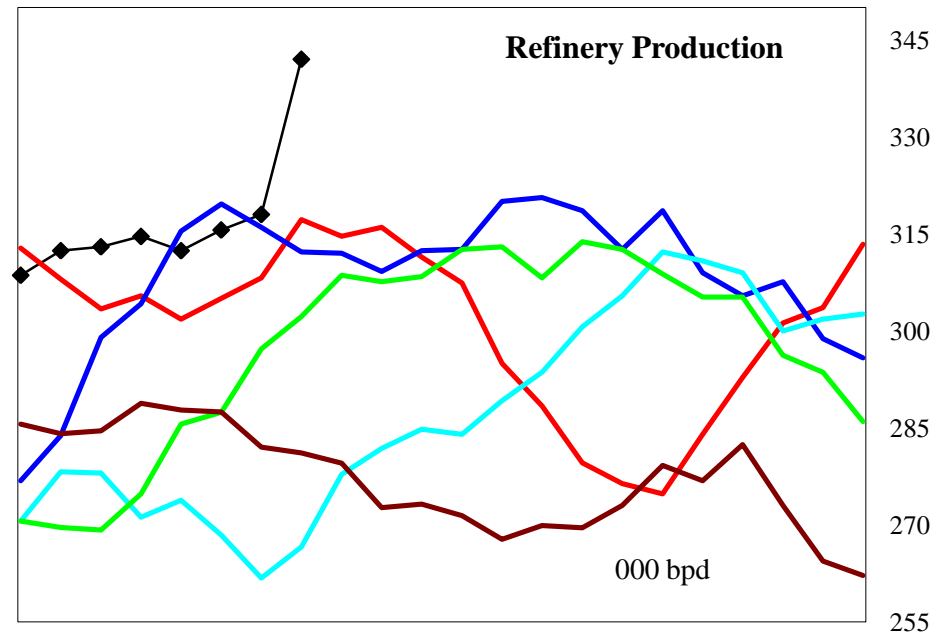
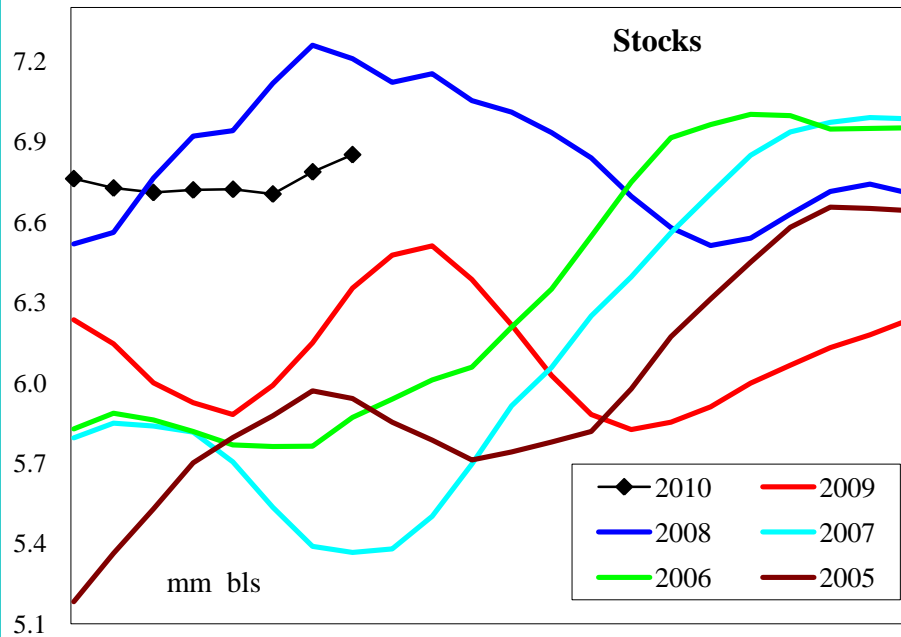
**-28**

**-8.2**

# PADD 4 Crude Oil Supply and Refining



# PADD 4 Gasoline Supply



**4 wk avg variance to prior year**

000 bpd (000 bls stks)

% change

Stocks

Production

Prod + Imp - Stk chg

**498**

**2**

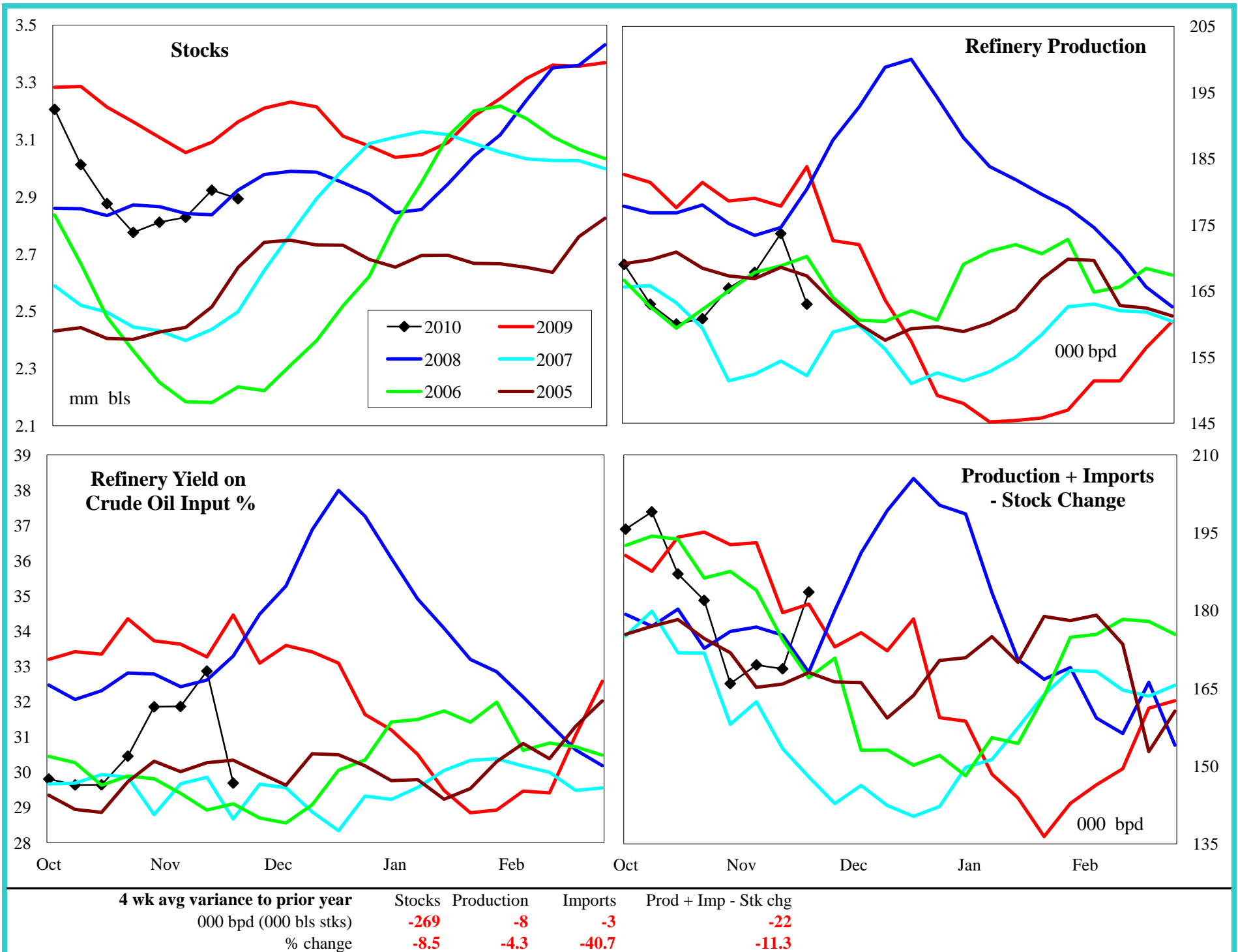
**13**

**7.8**

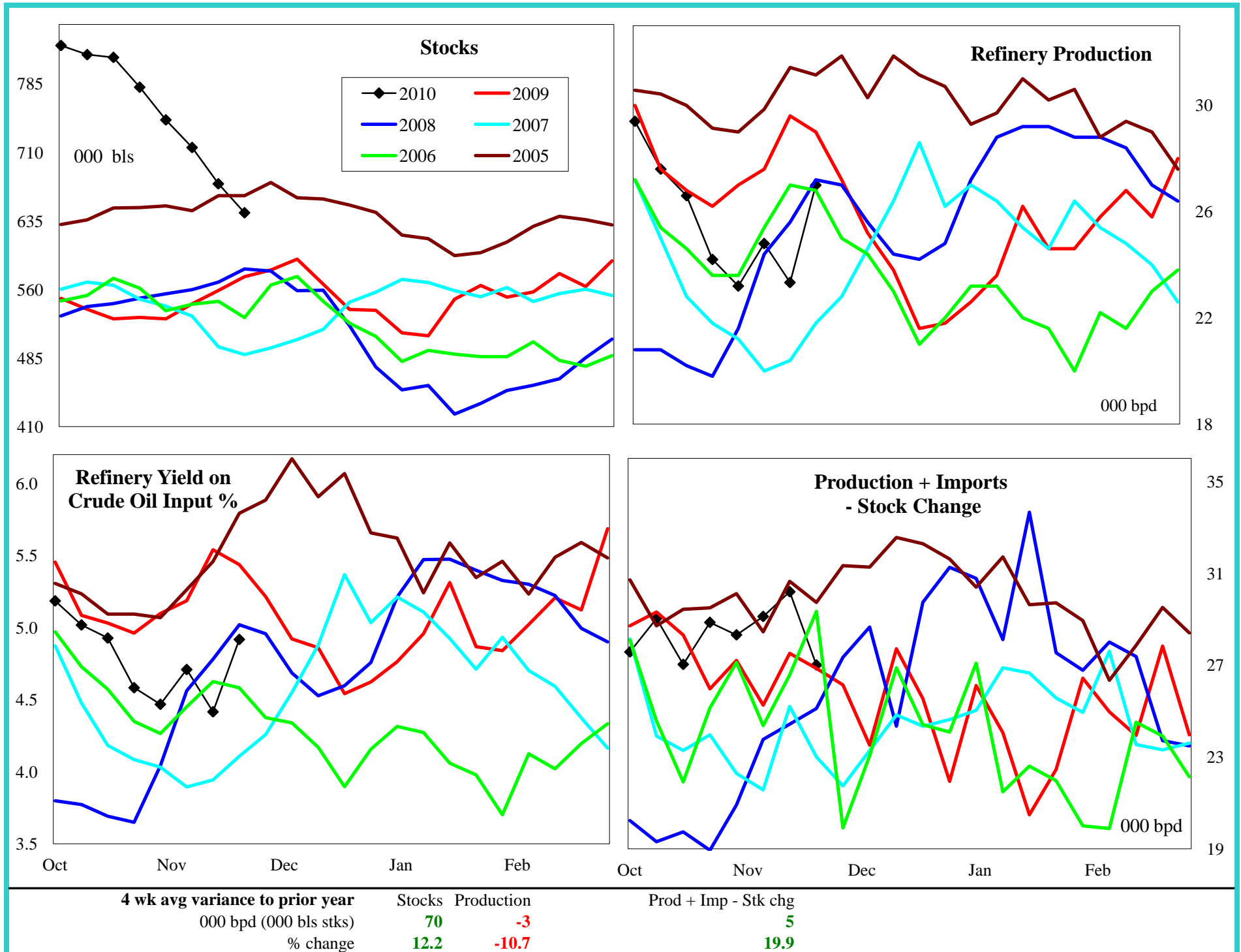
**0.5**

**4.4**

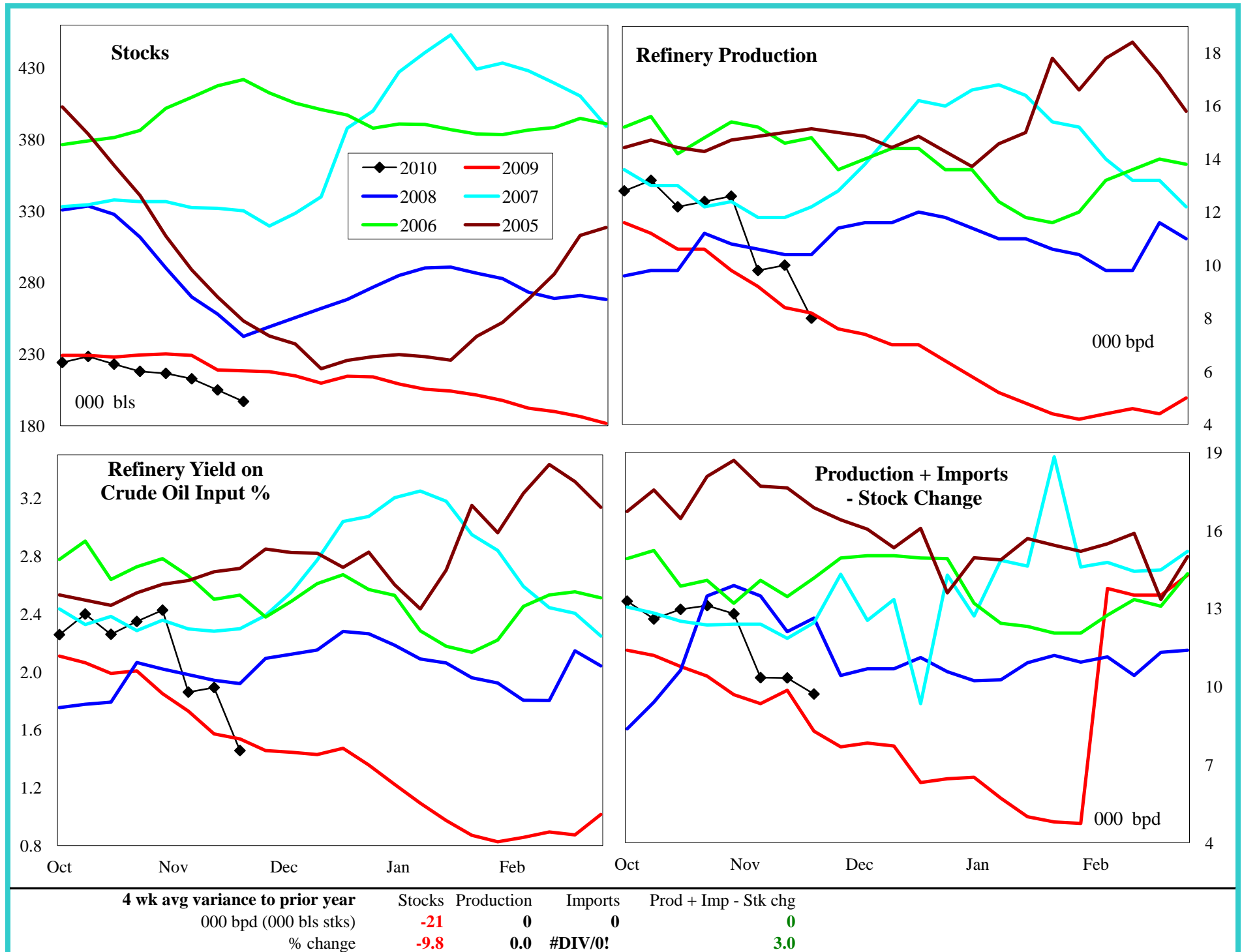
# PADD 4 Distillate Supply



# PADD 4 Jet Fuel Supply

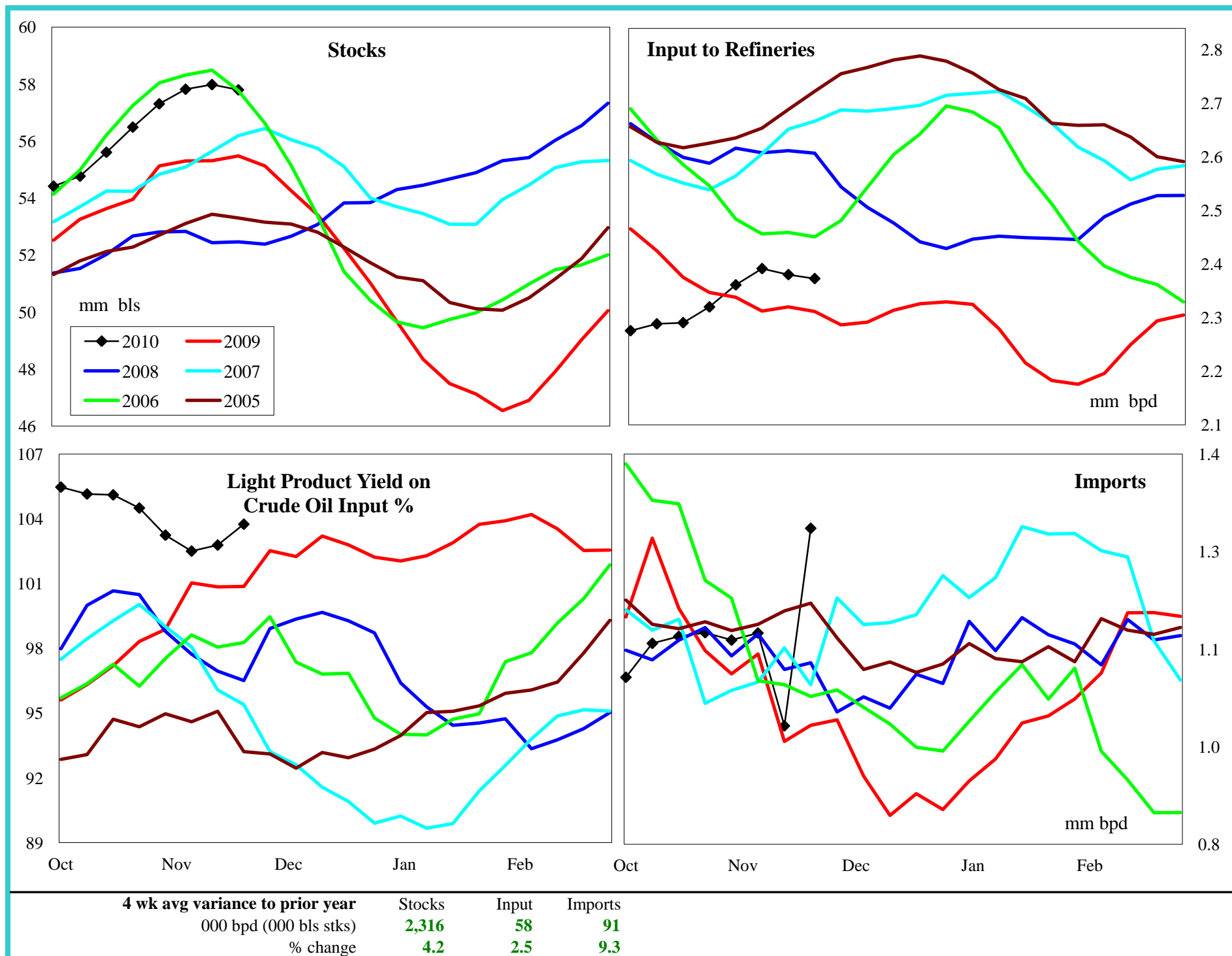


# PADD 4 Residual Fuel Oil Supply

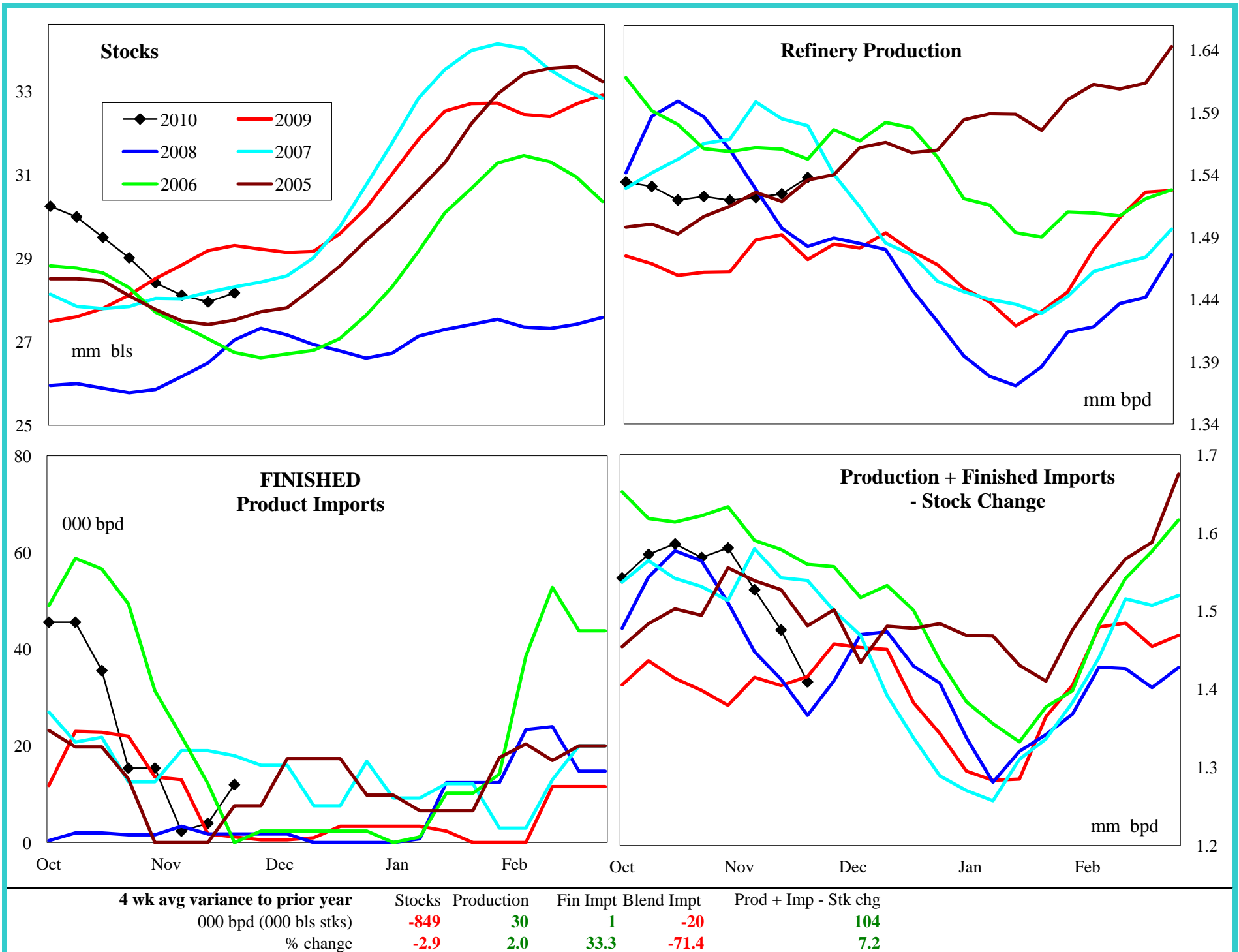




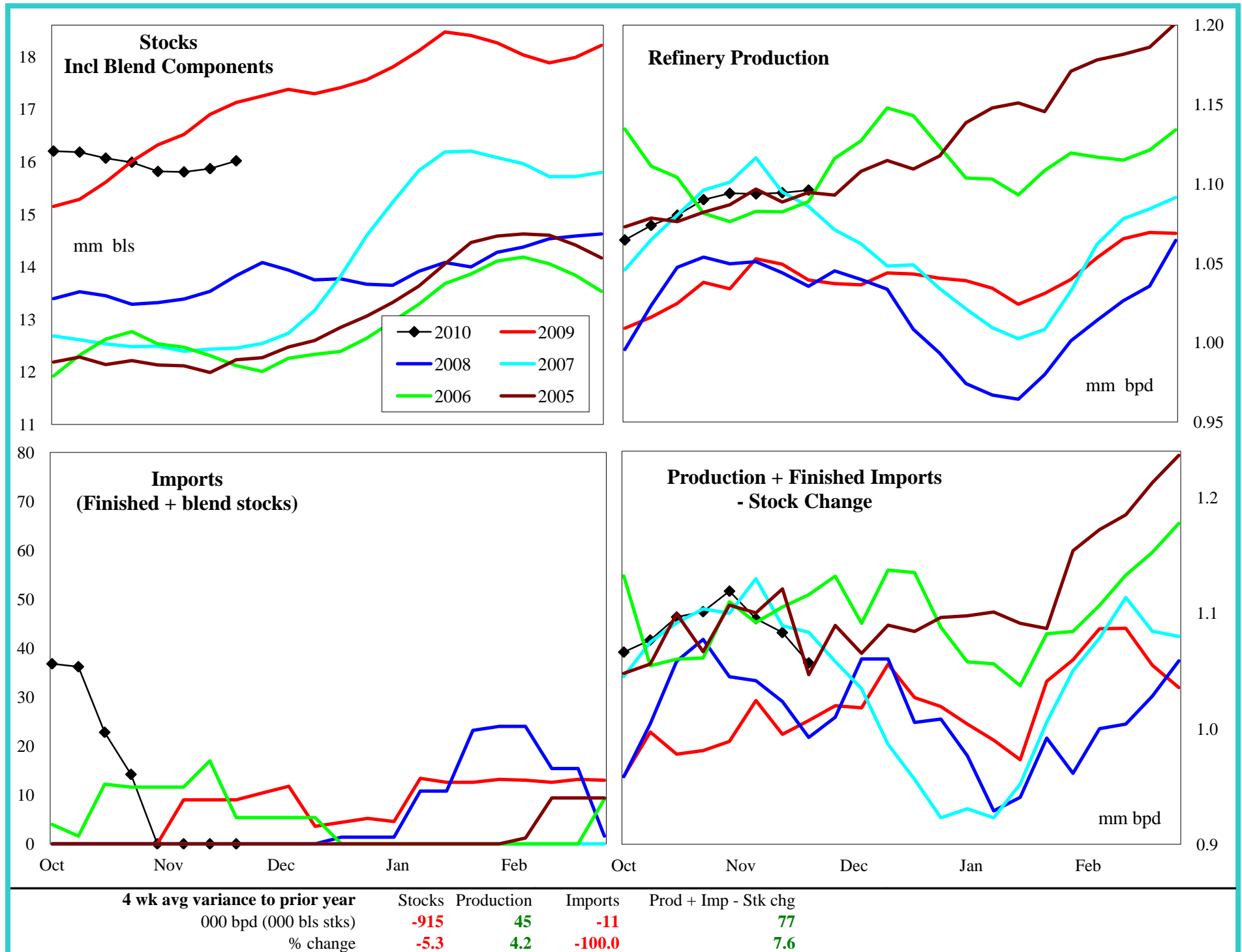
# PADD 5 Crude Oil Supply and Refining



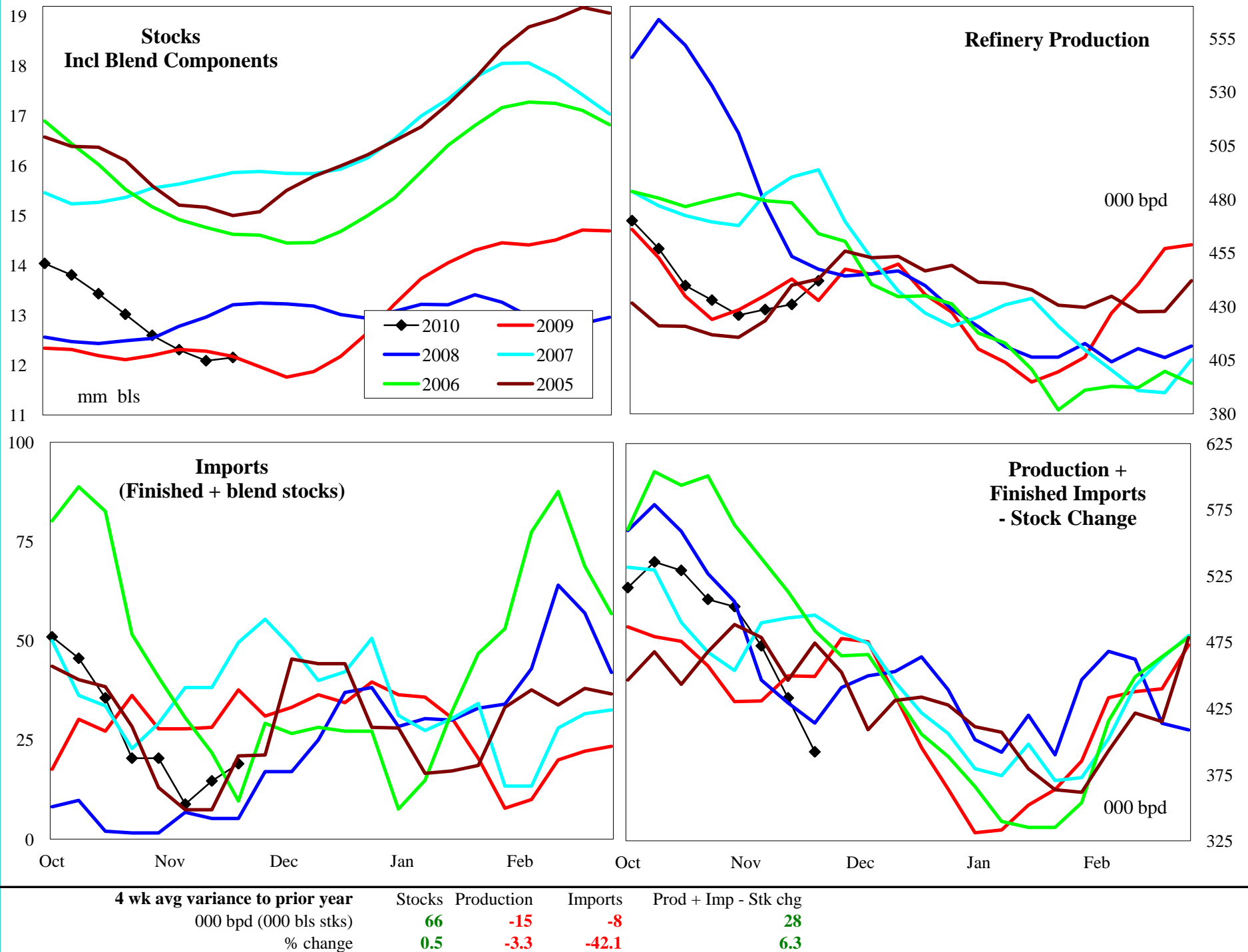
# PADD 5 Gasoline Supply



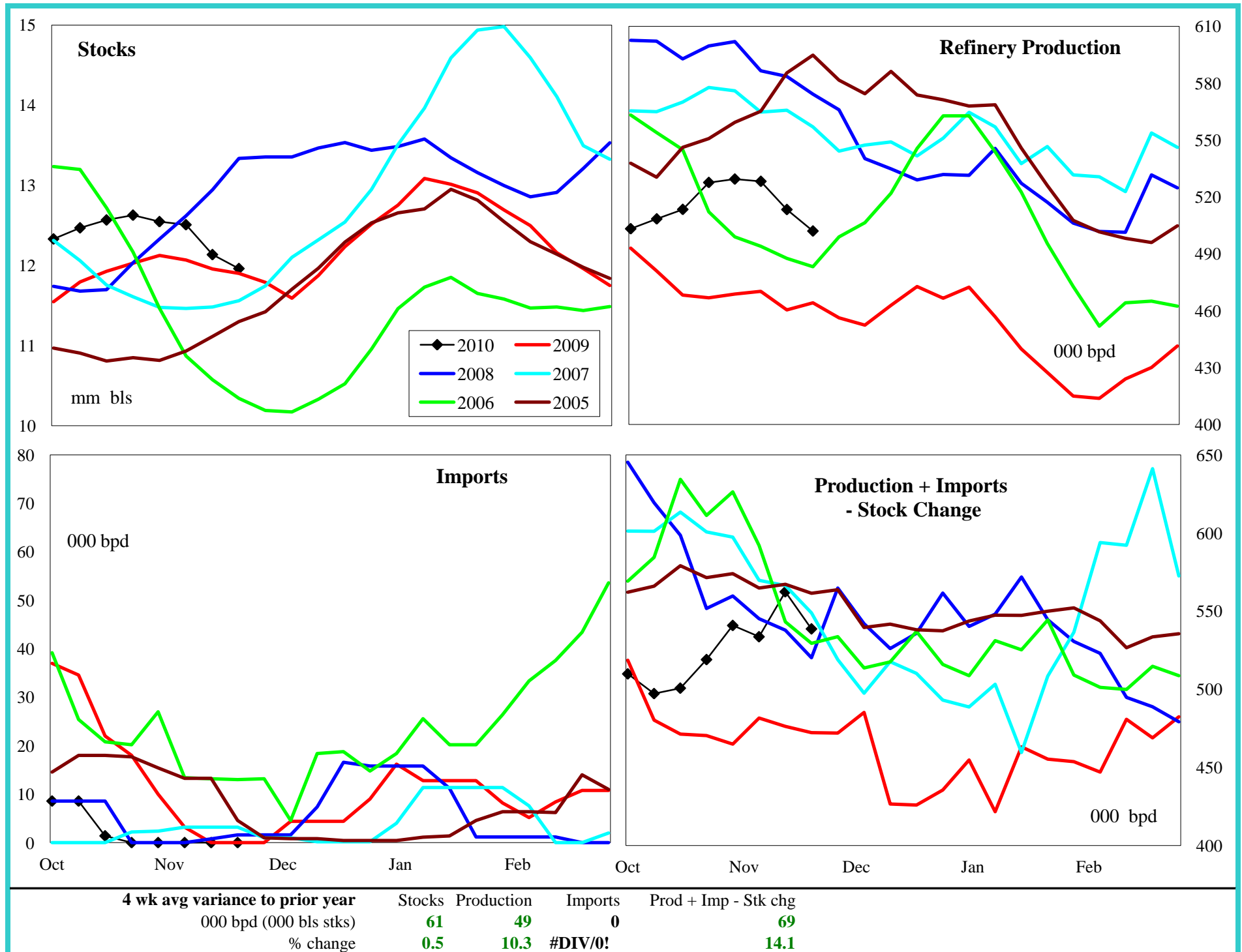
# PADD 5 Reformulated Gasoline Supply



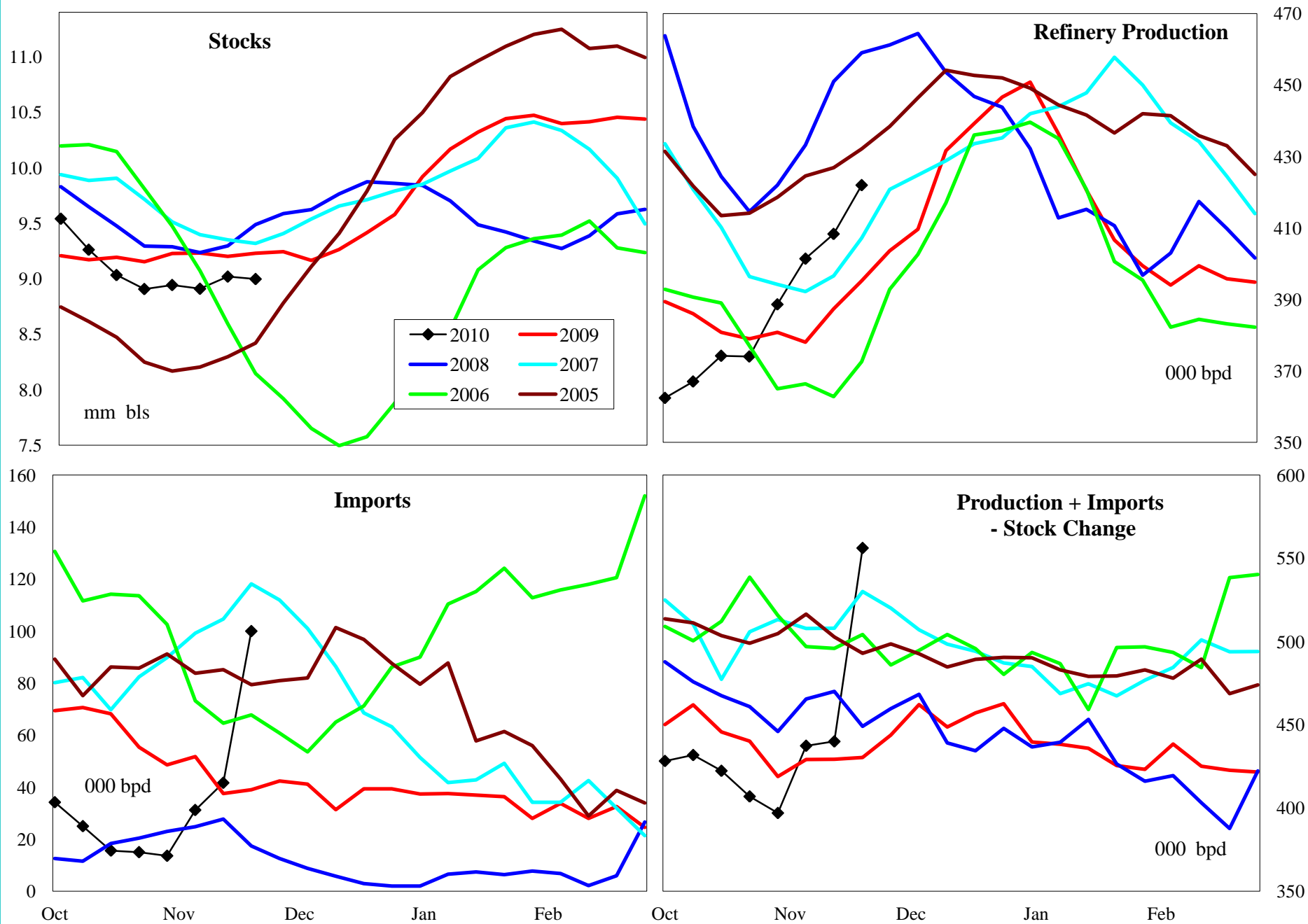
# PADD 5 Conventional Gasoline Supply



# PADD 5 Distillate Supply



# PADD 5 Jet Fuel Supply



**4 wk avg variance to prior year**

000 bpd (000 bls stks)

% change

Stocks

Production

Imports

Prod + Imp - Stk chg

-204

21

-10

-2

-2.2

5.4

-22.9

-0.4

# PADD 5 Residual Fuel Oil Supply

