

## WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

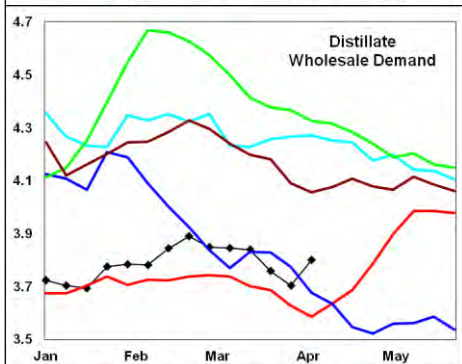
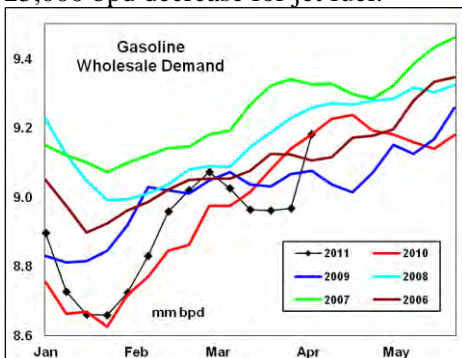
### A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Wednesday, April 13, 2011

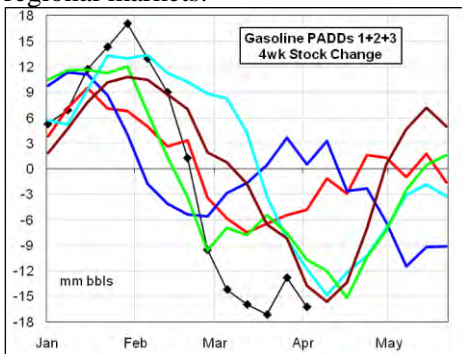


#### Major Fundamental Trends<sup>1</sup>

Wholesale demand for gasoline, distillate and jet fuel were each higher last week, with gasoline up +328,000 bpd. However the latest 4-wk average year-on-year change was a -144,000 bpd decline for gasoline, a +51,000 bpd increase for distillate and a -23,000 bpd decrease for jet fuel.



A gasoline supply squeeze in markets East of the Rockies became more evident last week on a -7.9 million barrel stock draw in these combined regional markets.



Even with weak gasoline demand, stocks in markets East of the Rockies

saw the 6th consecutive record 4-wk draw. Above normal refinery maintenance and low imports into PADD 1 has contributed to this drawdown. Production should rise in the near term as refiners return from maintenance in these regional markets; however, favorable distillate refining economics and limited incentive for imports are likely to constrain gasoline supplies in the near term.

Distillate supplies fell -283,000 bpd last week on a sharp drop in Gulf output. Combined with a weekly increase in demand, stocks fell -2.7 million barrels. Expect a seasonal rise in output and seasonally low demand to support a return to stock building for the balance of the 2nd quarter.

Crude oil imports into PADD 2 have decreased -0.2 million bpd during the last month, stabilizing stock levels, at record high levels.

**Demand** for gasoline jumped +328,000 bpd last week, with distillate also higher.

Wholesale demand (including exports) measured over the last four weeks compared to a year ago: gasoline decreased -1.6%; distillate up +1.4%; jet fuel down -1.6% while residual fuel oil decreased -10%.

**Stocks forward coverage:** Gasoline demand coverage decreased on a -7 million barrel draw in stocks. Coverage levels fell below the last 3-years.

Distillate coverage fell on a -2.7 million barrel stock draw. Coverage levels were below last years' highs.

Jet fuel coverage increased on a +0.5 million barrel stock build. Coverage levels were above four of the last 5-years.

**Refinery utilization** rates fell -3% on a -354,000 bpd drop in crude oil runs. Runs for the latest 4-wk period were -156,000 bpd below a year ago.

Gasoline yield % on crude oil runs increased on a +160,000 bpd rise in production versus the -354,000 bpd fall in crude oil runs. The yield % on

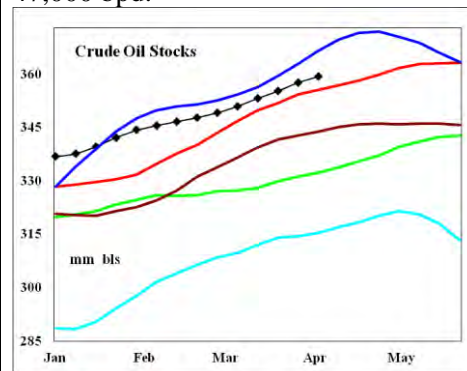
crude oil runs was above the 5-year range.

Distillate yield % on crude oil runs fell on a -254,000 bpd drop in output compared to the decline in crude oil runs. Yield % remains above the 5-year range.

Jet fuel yield % on crude oil runs increased on a +20,000 bpd rise in output, compared to the drop in crude oil runs. The yield % on crude oil runs was a record high for this time of year.

**Petroleum Imports** decreased for crude oil and transport fuels last week a combined -0.6 million bpd.

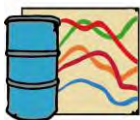
During the latest 4-wk period crude oil imports decreased -316,000 bpd below last year; distillate imports decreased -40,000 bpd; finished gasoline imports increased +22,000 bpd, gasoline blend stock imports increased +199,000 bpd; jet fuel imports were -13,000 bpd lower, while residual fuel oil imports decreased -47,000 bpd.



**Crude Oil** stocks increased +1.6 million barrels on the week, with builds in PADDs 1, 3 and 4. Stocks saw very limited overall change in regional markets.

PADD 2 imports have decreased from a peak of 1.4 million bpd in mid February to 1.2 million bpd in the latest week. This lower level of imports has stabilized stock levels, at record high levels.

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



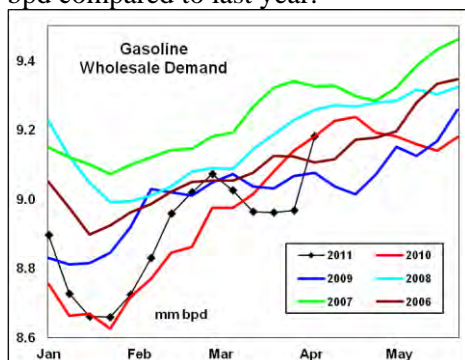
## WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

### A Fundamental Petroleum Trends Weekly Report

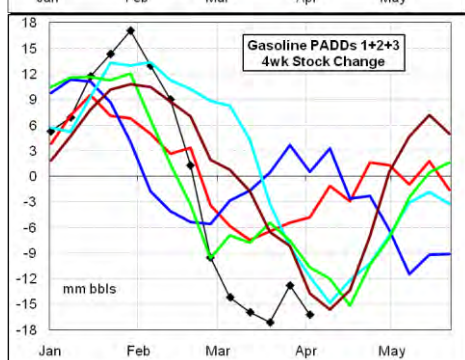
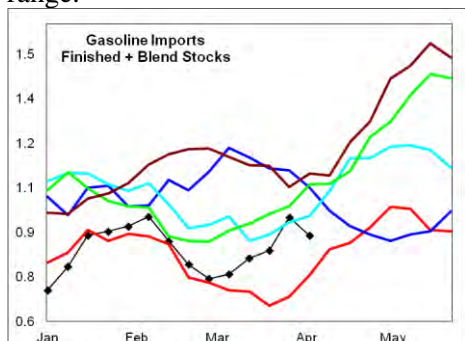
Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Wednesday, April 13, 2011

#### Product Supply-Demand Trends

**Gasoline** demand jumped + 328,000 bpd on the week. The latest 4-wk average demand was down -144,000 bpd compared to last year.



Production increased +160,000 bpd on the week, although output remains -225,000 bpd below last year. Imports fell -188,000 bpd on the week, pushing the level to the low end of the historic range.



Stocks fell -7 million barrels on the week. Stock levels are now well below the last 3-years.

Wholesale demand jumped last week, although, the 4-wk average remains -1.6% below a year ago.

Low production and very low imports, combined with the jump in demand, led to a -16.2 million barrel record stock draw for the latest 4-wk

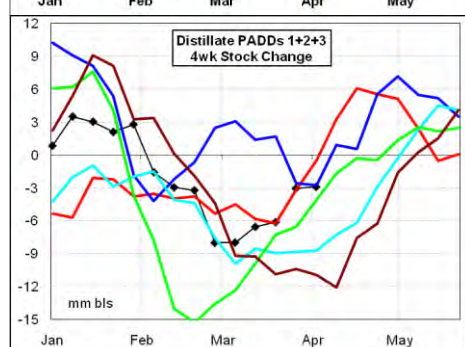
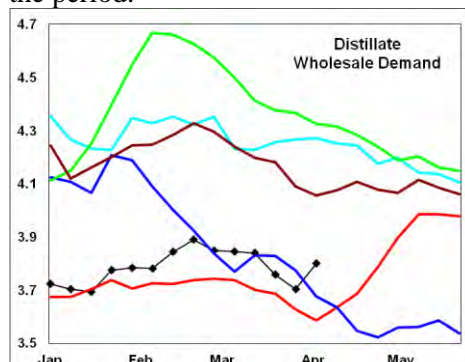
period East of the Rockies.

These trends point to a meaningful risk of a supply squeeze in markets East of the Rockies during the 2nd quarter.

**Distillate** demand increased +128,000 bpd on the week, to a level comparable to the last 2-years. The latest 4-wk average demand was +51,000 bpd above last year.

Supply fell 283,000 bpd on sharply lower production in the Gulf region. Production levels were slightly above the last 3-years.

Stocks fell -2.7 million barrels on the week, with the level +4.1 million barrels above the prior record high for the period.



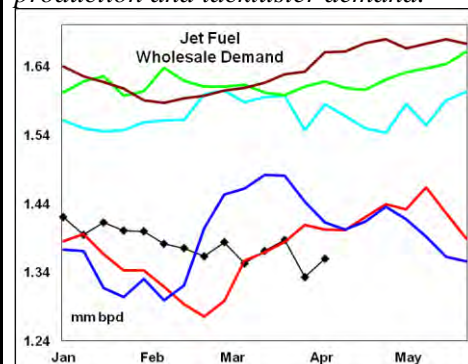
The latest 4-wk stock change in PADDs 1+2+3 was a draw of -3 million barrels, slightly greater than the last 2-years.

Year-on-year growth in demand remains weak. However, sharply lower output last week led to a significant counter seasonal stock draw. Expect an upturn in output as refiners return to operation in the Gulf and East Coast. Combined with ongoing weak domestic demand growth, seasonal stock builds should return for the balance of the quarter.

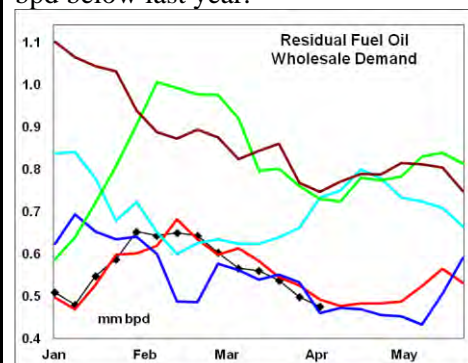
**Jet Fuel** demand increased +11,000 bpd on the week. The latest 4-wk average demand was -23,000 bpd below last years' record low level.

Supply increased +24,000 bpd, on lower production and imports. Stocks increased +0.5 million barrels, with the level above the mid range.

The supply - demand balance is gradually improving on higher production and lackluster demand.



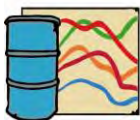
**Residual fuel oil** demand, including exports, decreased -61,000 bpd last week, with the 4-wk average -56,000 bpd below last year.



Supply (production + imports) increased +171,000 bpd on higher imports. The latest 4-wk average supply was -30,000 bpd below a year ago. Stocks increased +0.7 million barrels to a level near historic lows.

Stock levels in the PADD 1 market were -38% below a year ago. Concurrently, Gulf region stocks matched 5-year highs. The Gulf market remains very well supplied on record high imports and high production. Other markets have witnessed permanent reductions in production as refiners upgrade process units.





## WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

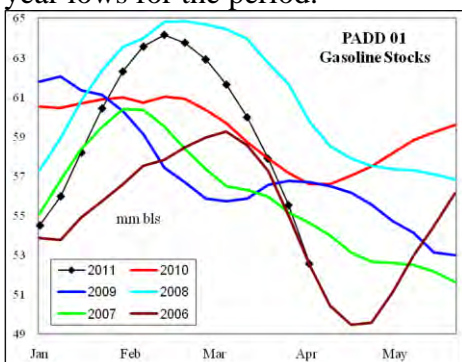
### A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Wednesday, April 13, 2011

#### PADD Supply Trends

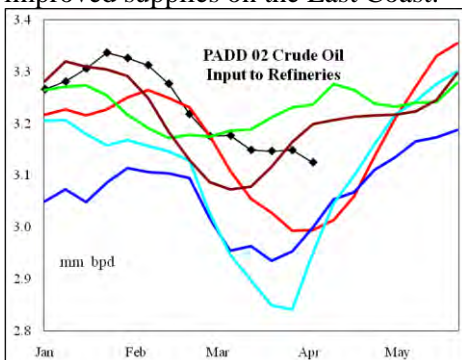
**PADD 1** refinery crude oil runs fell -243,000 bpd last week, to a new record low for this time of year. Extremely low runs are significantly reducing transport fuel supplies in the Central Atlantic Region.

Gasoline production fell -133,000 bpd on the week, while imports also fell -109,000 bpd. Import levels were near historic lows for the period. Low supplies pushed stocks down -3 million barrels, to a level that matched 5-year lows for the period.



Distillate supply was nearly unchanged on the week, and remains at a record low level. Stocks decreased -0.6 million barrels to level below the last 2-years.

Jet fuel stocks decreased -0.4 million barrels last week, with the level below four of the last 5-years. A surge in Gulf region stocks should lead to improved supplies on the East Coast.



**PADD 2** crude oil refinery runs were +165,000 bpd above a year ago for the latest 4-wk period, and well above the last 2-years. Stocks decreased -0.4 million barrels on the week; stocks in

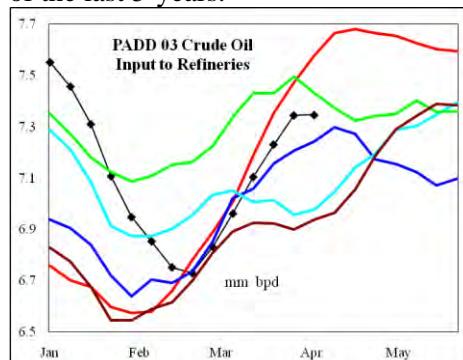
Cushing were unchanged. Import levels matched the 5-year high.

Gasoline production increased +60,000 bpd on the week, at a level below the mid range of the last 3-years. Stocks decreased -1.8 million barrels to a level that matched the 5-year lows for this time of year.

Distillate production was nearly unchanged on the week, at a level above the last 3-years. Stocks fell -1 million barrels on the week, to a level above the mid range.

Jet fuel production surged +40,000 bpd to a new all time high. Stocks increased +0.4 million barrels on the week, to a level at the 5-year mid range.

**PADD 3** crude oil runs declined -137,000 bpd last week. The latest 4-wk average runs were -152,000 bpd below last year. Crude imports increased +0.2 million bpd, with the level -444,000 bpd below the historic range. Stock levels remain below four of the last 5-years.



Gasoline production was nearly unchanged on the week, with imports down -105,000 bpd. Stocks reversed the prior week surge, falling -3.1 million barrels; to a level below the last 3-years.

Distillate supply fell -287,000 bpd, driven by lower production and imports. Stocks decreased -0.9 million barrels last week to a level +15% above the prior historic high.

Jet fuel production decreased -27,000 bpd on the week, to a level near the mid range. Stocks increased +0.7 million barrels, to a level near record highs.

Residual fuel oil supply increased +122,000 bpd on the week, on higher production and imports. Stocks increased +0.8 million barrels to a level that above 5-year highs.

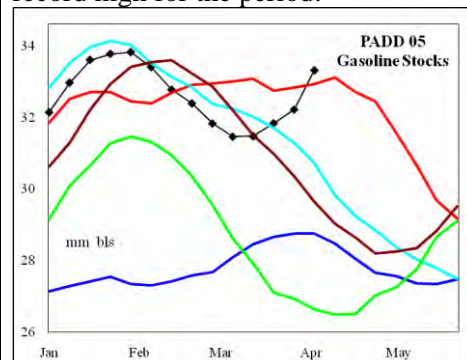
**PADD 4** refinery crude runs decreased -55,000 bpd on the week, to a level below the historic range. Crude oil imports were at the historic mid range. Stocks increased +0.8 million barrels on low refinery run rates. The level remains below the last 2-years.

Gasoline production fell -24,000 bpd on the week, to a level below the 5-year range. Stock levels fell -0.5 million barrels on record low production. The stock level matched 5-year highs for the period.

Distillate production remains below the historic range. Stock levels matched 5-year highs for the period.

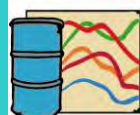
**PADD 5** crude oil refinery runs increased +50,000 bpd on the week, with the latest 4-wk average +46,000 bpd above last year. Crude oil imports reversed the prior week spike, falling -0.4 million bpd. Stocks decreased -0.2 million barrels, with the level -3% below the 5-year range.

Gasoline production increased +60,000 bpd on the week, a level that matched the 5-year mid range. Stocks increased +1.4 million barrels, to a record high for the period.



Distillate production levels remain above the historic range for the 5th consecutive week. Stock levels remain well above the 5-year range.

Jet fuel supply increased +19,000 bpd on the week, with both production and imports higher. Stocks decreased -0.3 million barrels last week.


**FUNDAMENTAL  
PETROLEUM  
TRENDS**


# PETROLEUM: Graph Link and Weekly Summary

A Fundamental Petroleum Trends Weekly Report

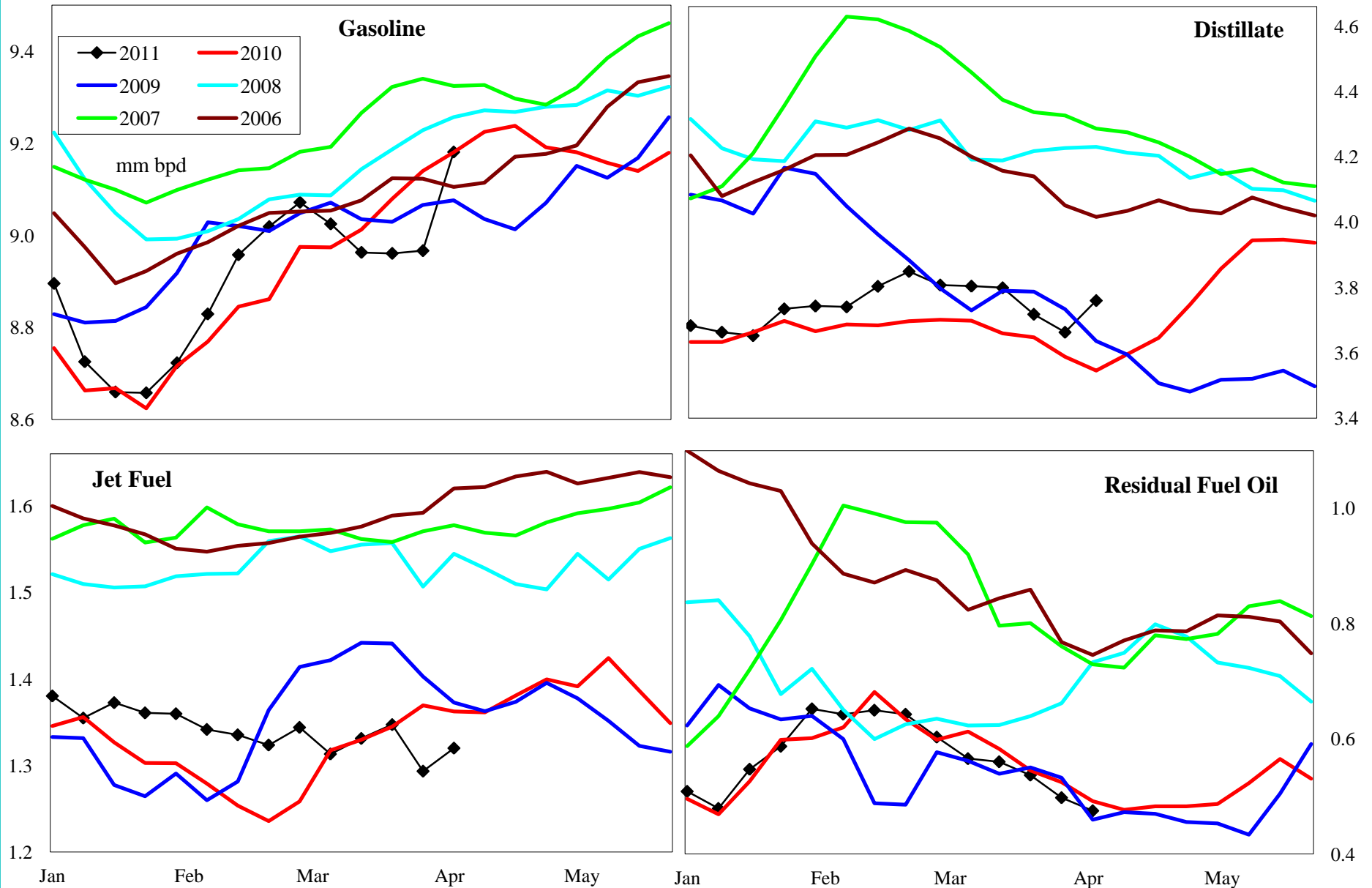
April 13, 2011

Lehi German Tel: 816.505.0980

[www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com)

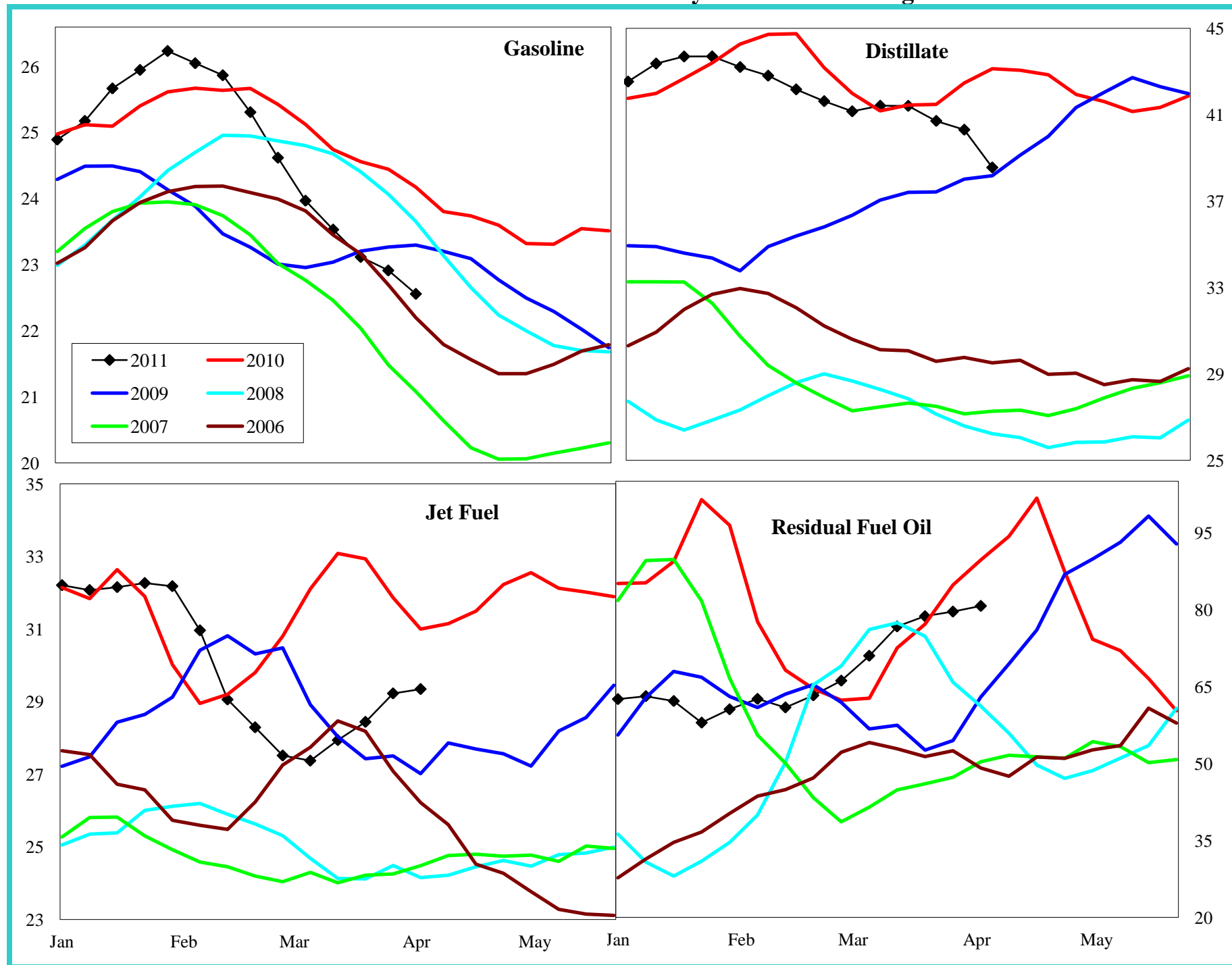
Fundamental Trends	<u>Wholesale Demand</u>	<u>Stocks Days Fwd Coverage</u>	<u>Refinery Utilization Product Yield %</u>				<u>Imports</u>
Supply/Demand Trends	8-Apr-11	EIA-DOE CHANGE FROM PRIOR WEEK					
	000 bpd stocks 000 bls	U. S. Total	PADD				
			1	2	3	4	5
<u>Crude Oil</u>	Stocks	1,627	1,042	-433	404	820	-207
	Imports	-379	-62	-89	180	-1	-409
	Input	-354	-243	29	-137	-55	50
	% Utilization	-3.00					
<u>Gasoline</u>	Stocks	-7,000	-3,005	-1,793	-3,133	-488	1,420
	Production	160	-133	60	-4	-24	60
	Imports	-188	-109	0	-105	0	24
	Supplied	328					
<u>Distillate</u>	Stocks	-2,681	-552	-985	-946	-33	-166
	Production	-253	0	-7	-254	3	5
	Imports	-30	-7	0	-23	0	0
	Supplied	128					
<u>Jet Fuel</u>	Stocks	451	-398	364	687	47	-250
	Production	20	-9	40	-27	2	12
	Imports	4	-3	0	0	0	7
	Supplied	11					
<u>Residual Fuel Oil</u>	Stocks	732	-67	-12	826	-11	-5
	Production	-20	6	-7	15	-2	-31
	Imports	191	99	1	107	0	-16
	Supplied	-61					

# United States Wholesale Petroleum Demand

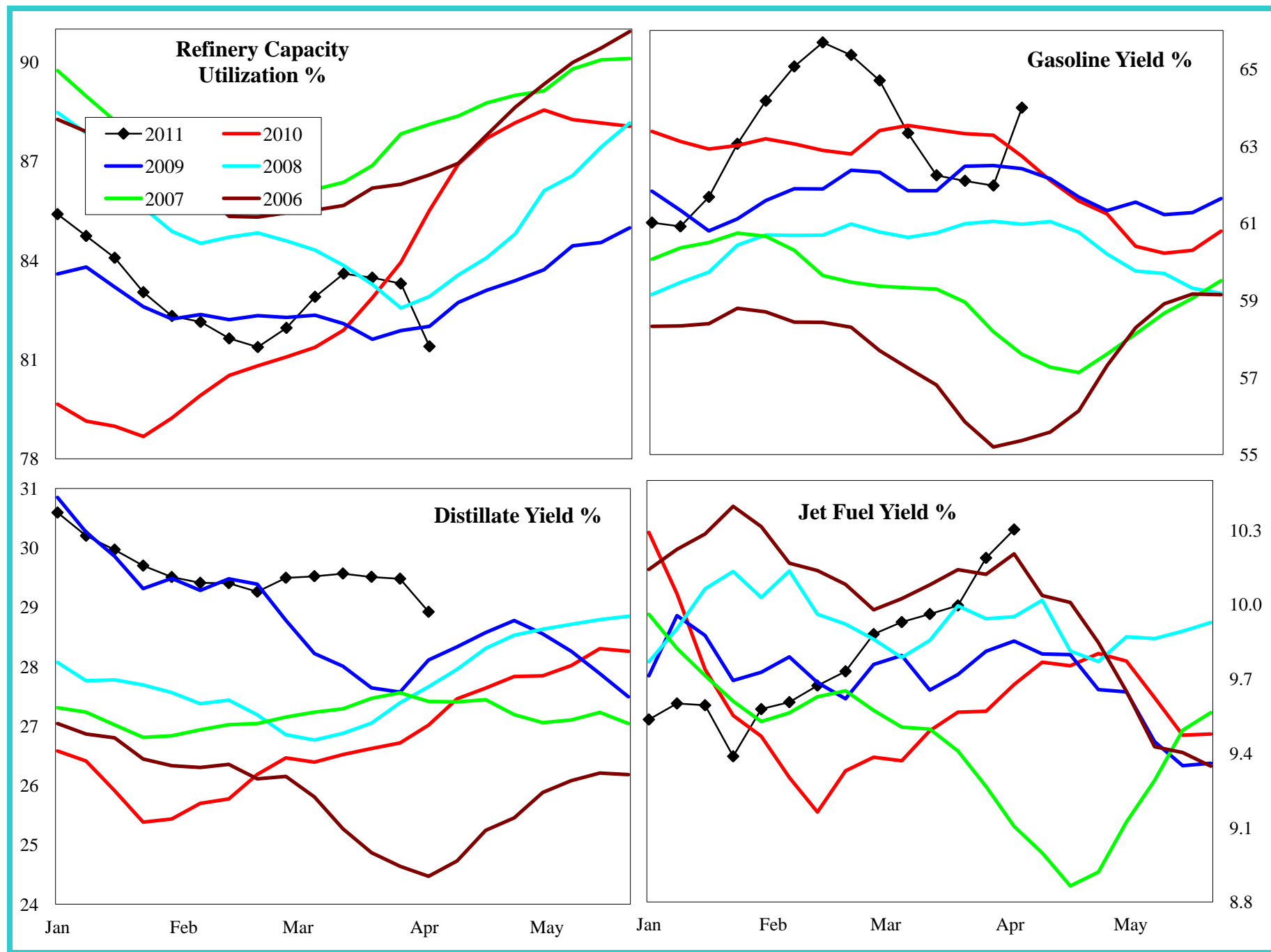


	000 bpd change from prior year				% change from prior year			
	4wk avg	Mar	Feb	Jan	4wk avg	Mar	Feb	Jan
<b>Gasoline</b>	-144	204	415	-113	-1.6	2.3	4.8	-1.3
<b>Distillate</b>	51	39	18	39	1.4	1.0	0.5	1.1
<b>Jet Fuel</b>	-23	-69	11	-10	-1.6	-4.8	0.8	-0.7
<b>Resid</b>	-56	21	106	1	-10.3	3.9	20.7	0.2

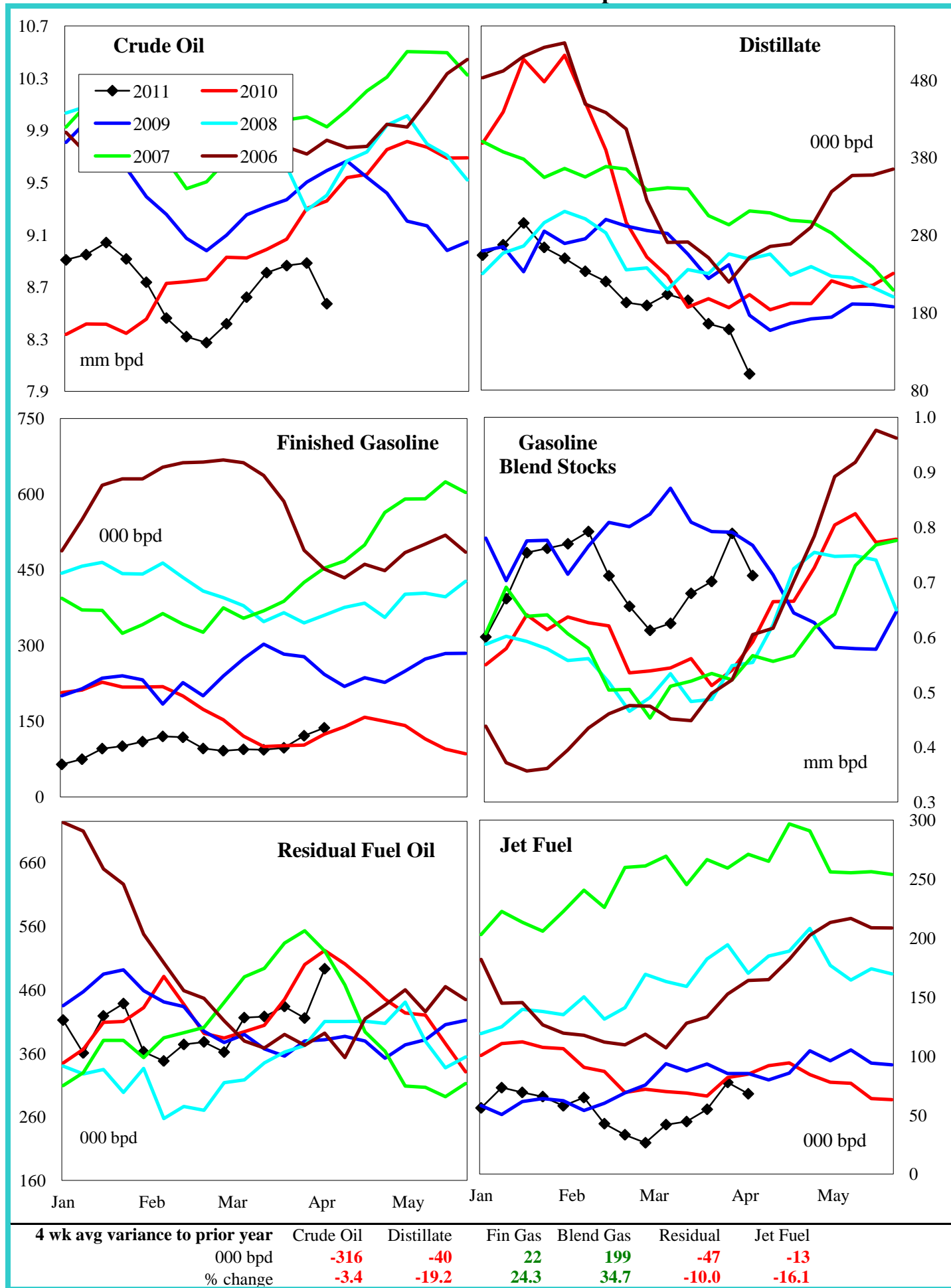


**United States Product Stocks: Days Forward Coverage**

## United States Refinery Percent Utilization Rate and Product Yields

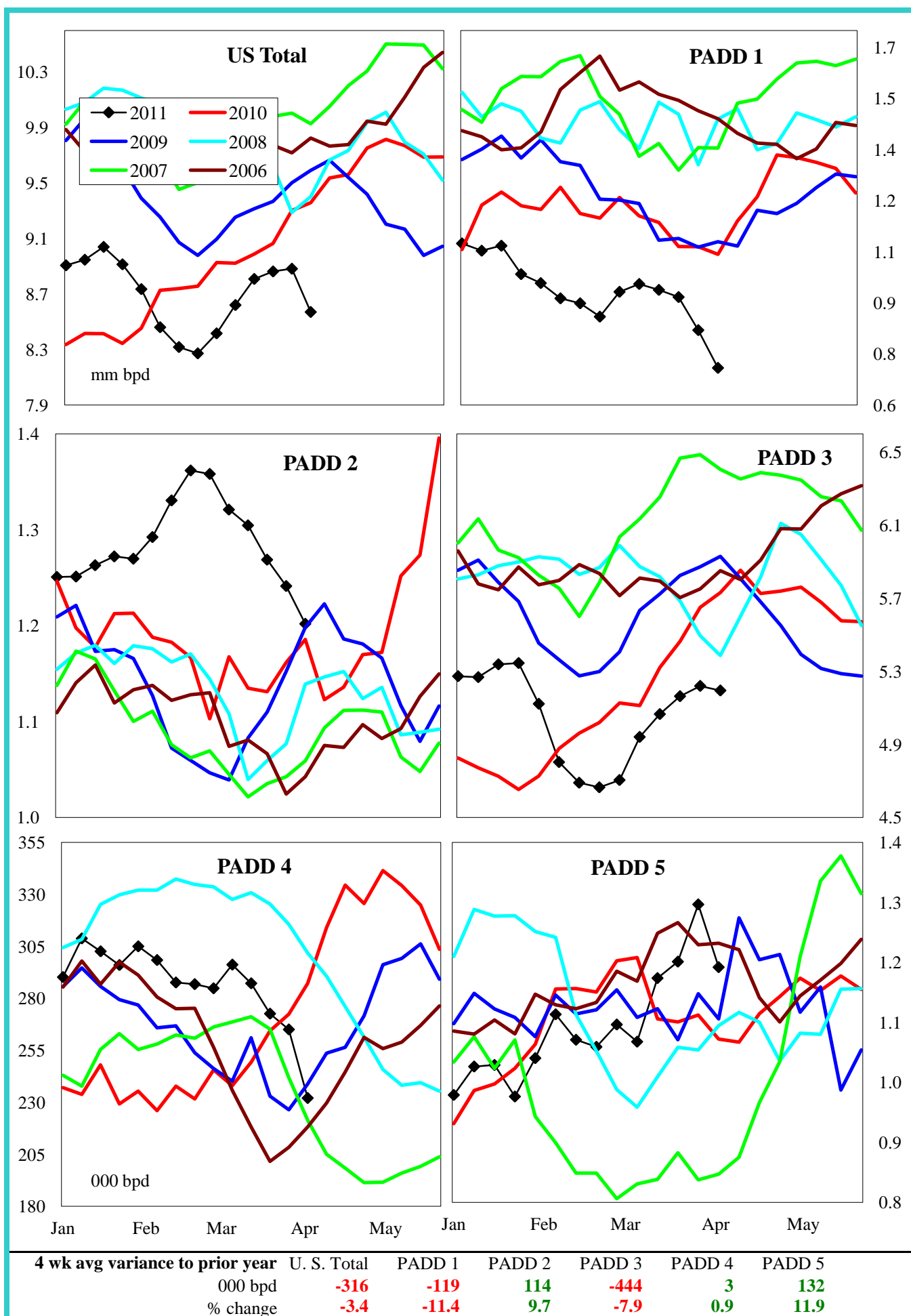


# United States Petroleum Imports

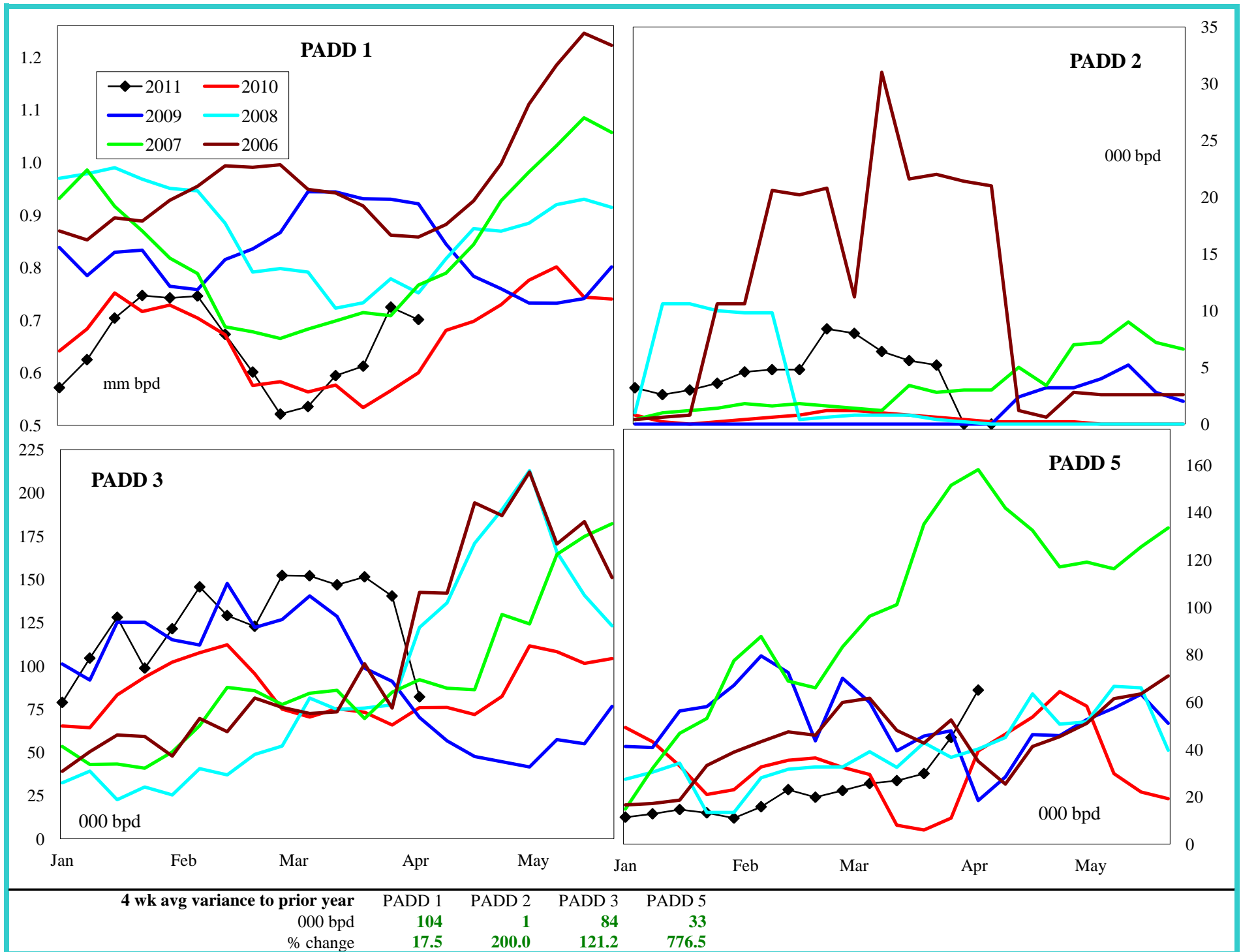




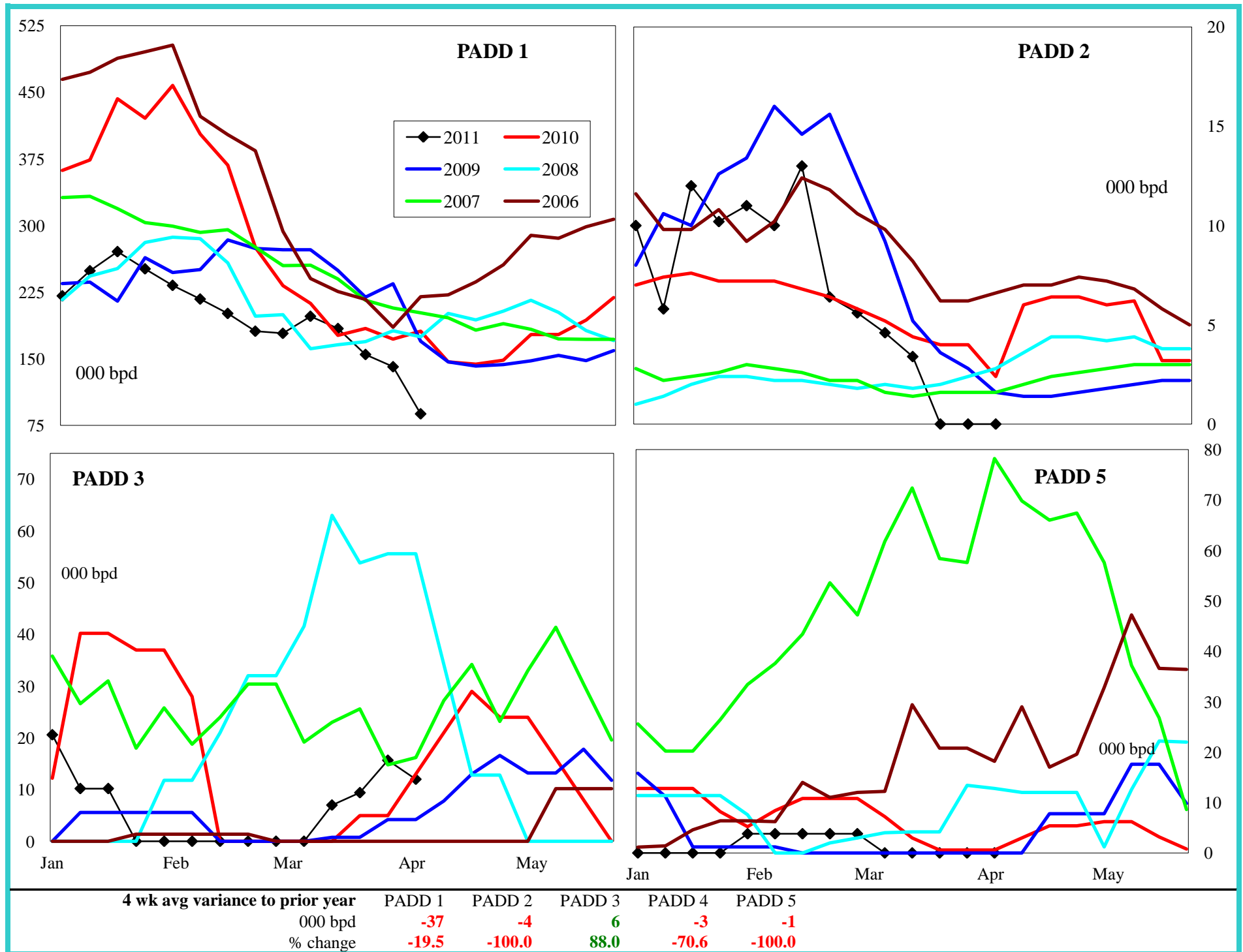
## Crude Oil Imports by PADD



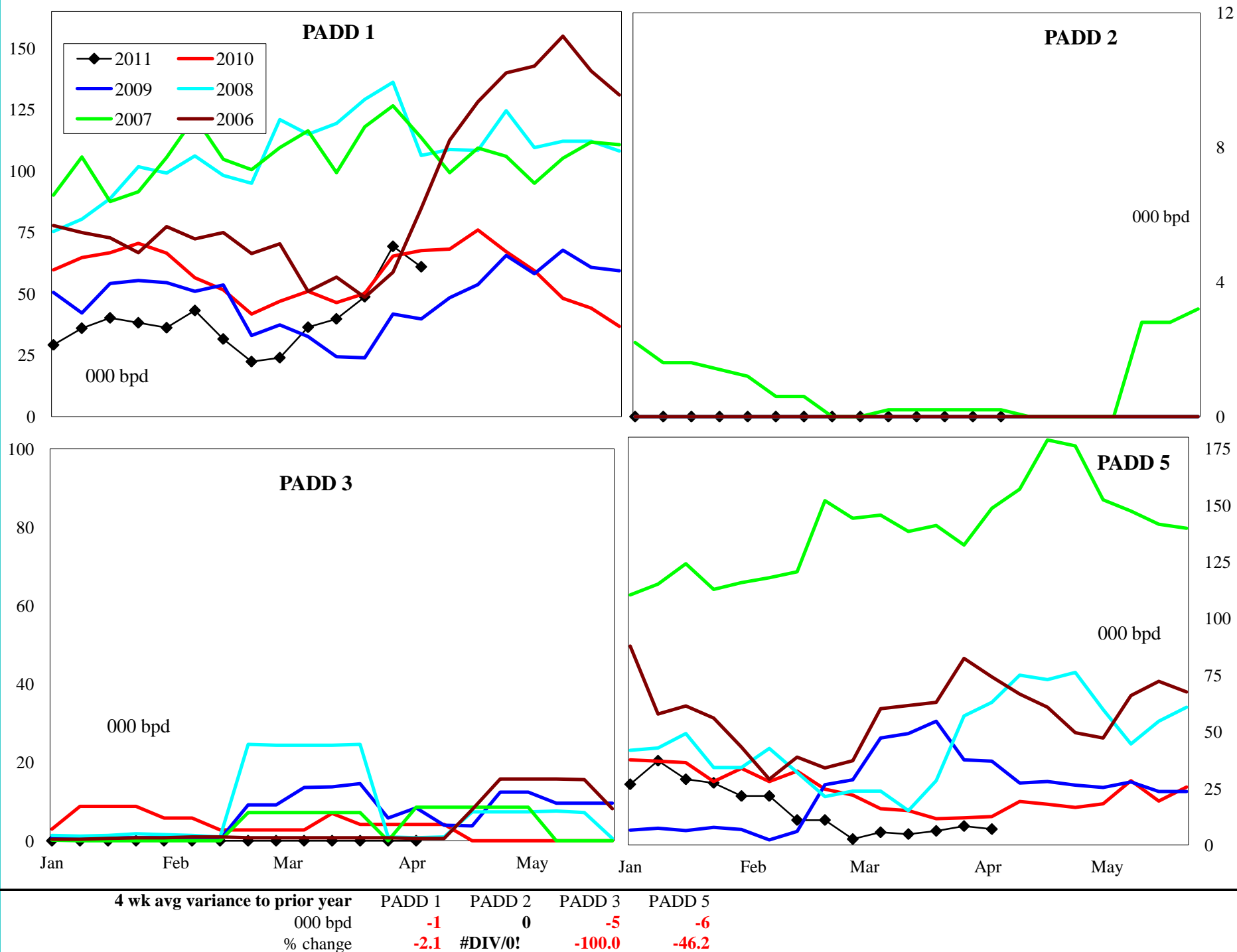
# Gasoline Imports by PADD (Finished + Blend Stocks)



# Distillate Imports by PADD

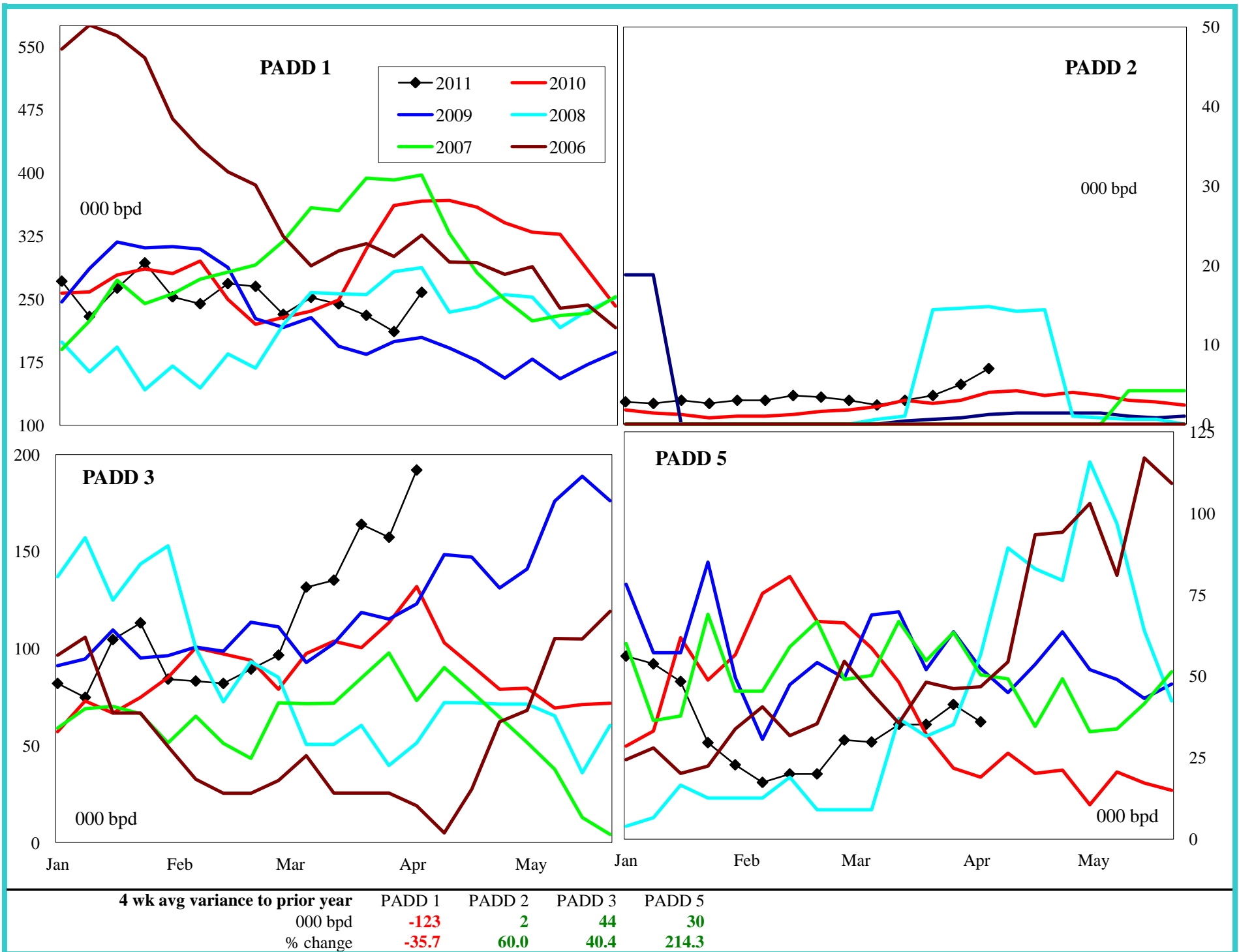


# Jet Fuel Imports by PADD

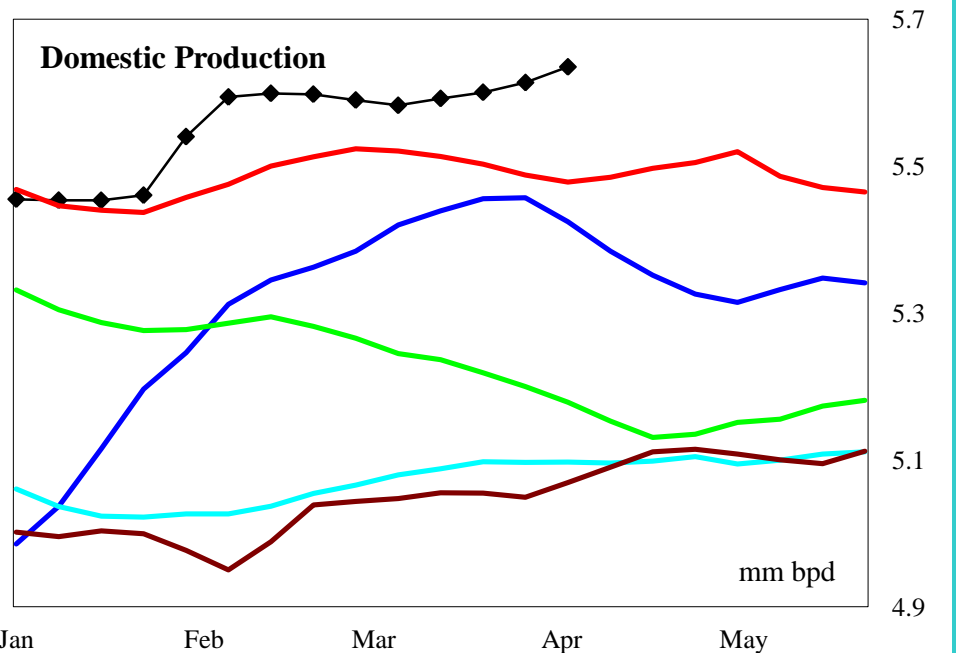
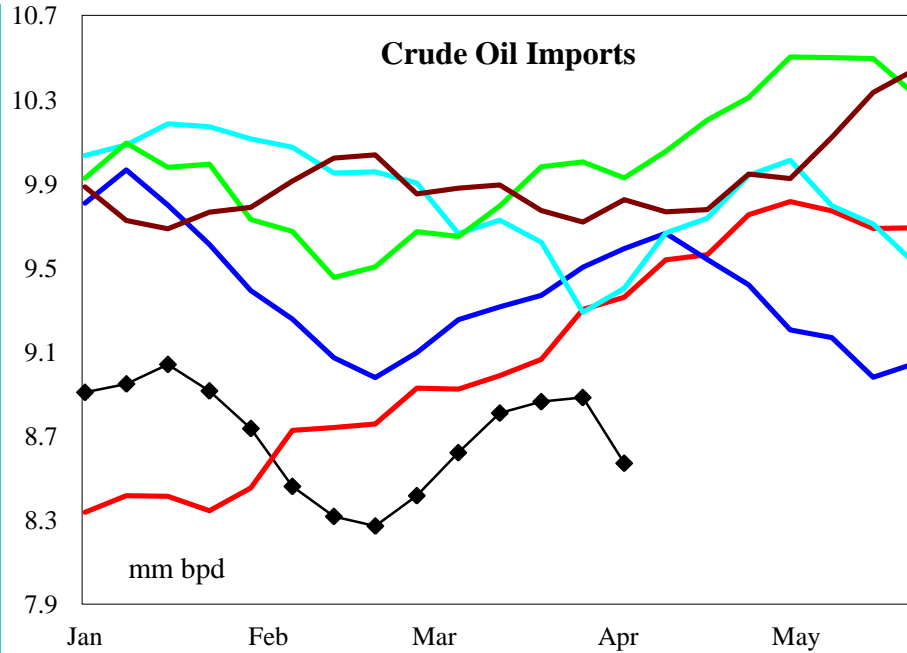
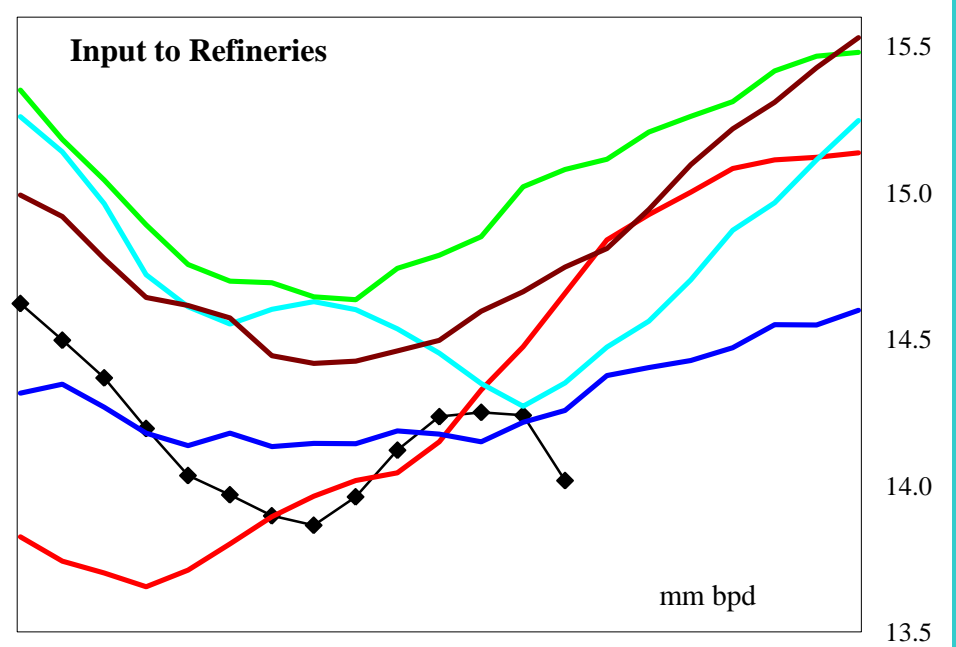
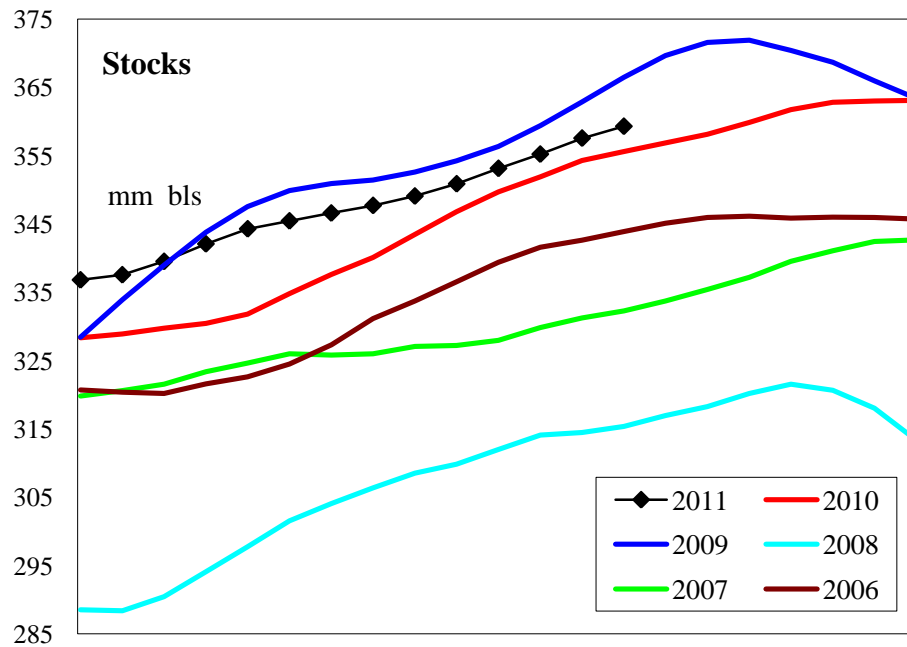




## Residual Fuel Oil Imports by PADD



# United States Crude Oil Supply and Demand Balance



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

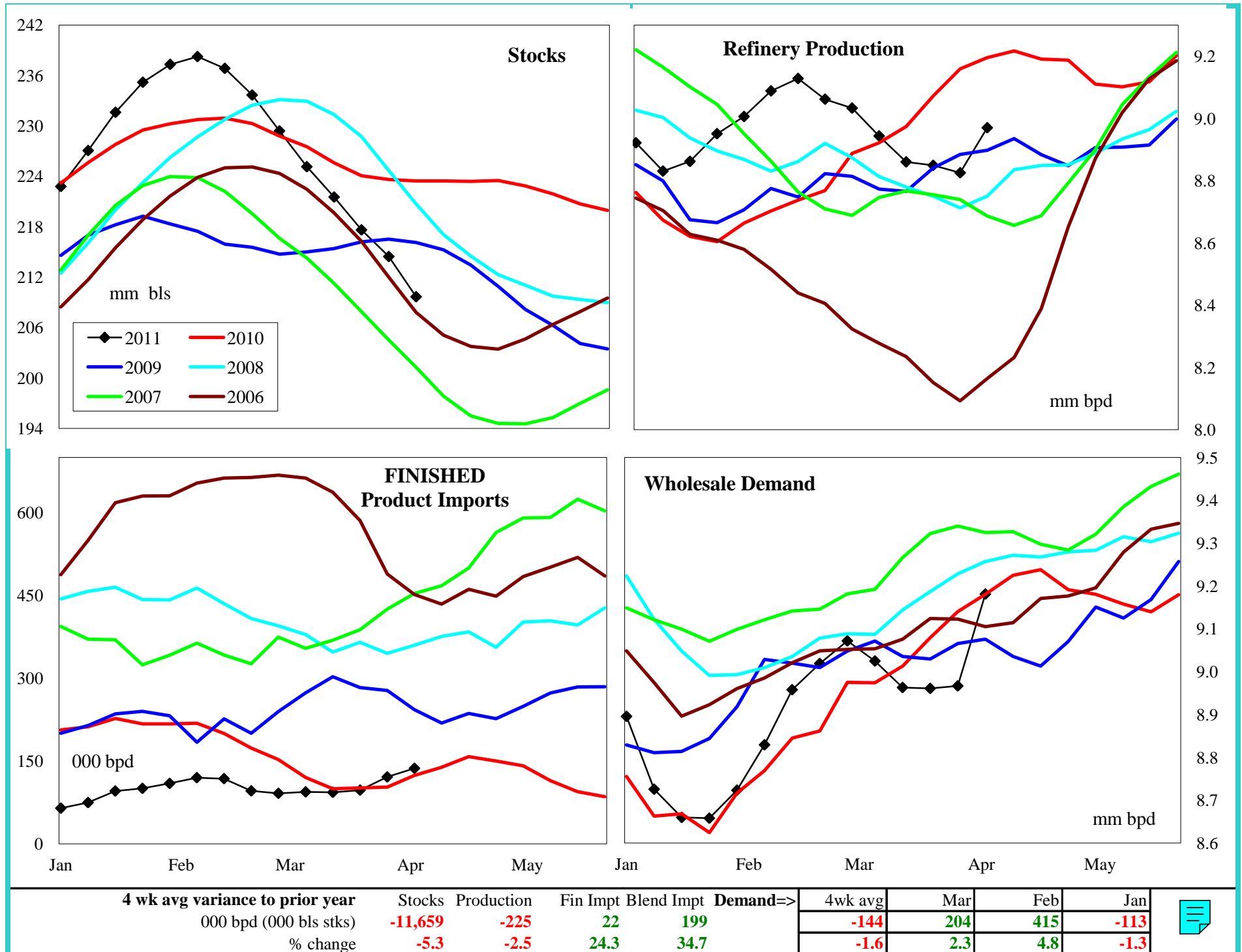
Stocks  
**5,328**  
**1.5**

Input  
**-156**  
**-1.1**

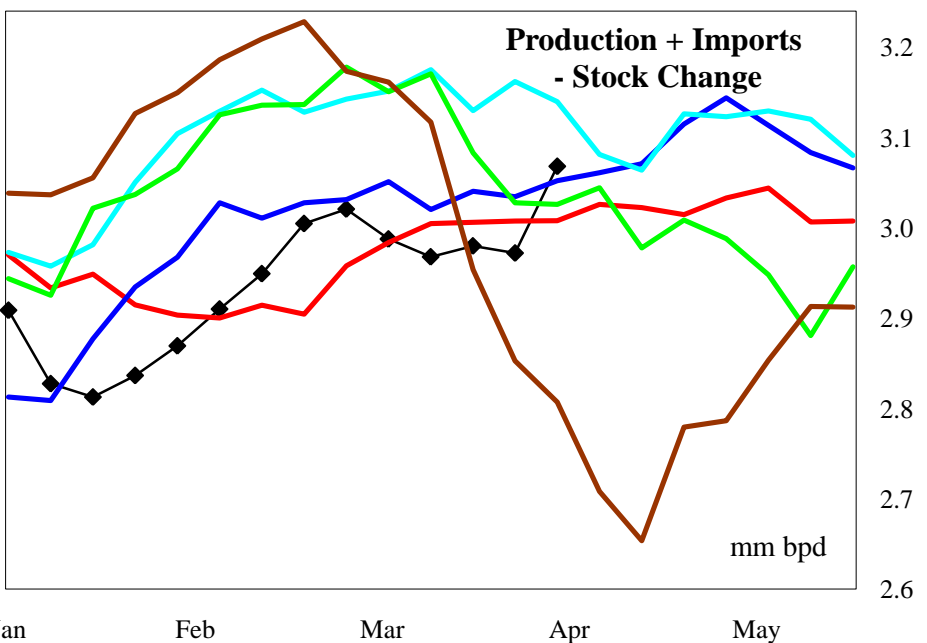
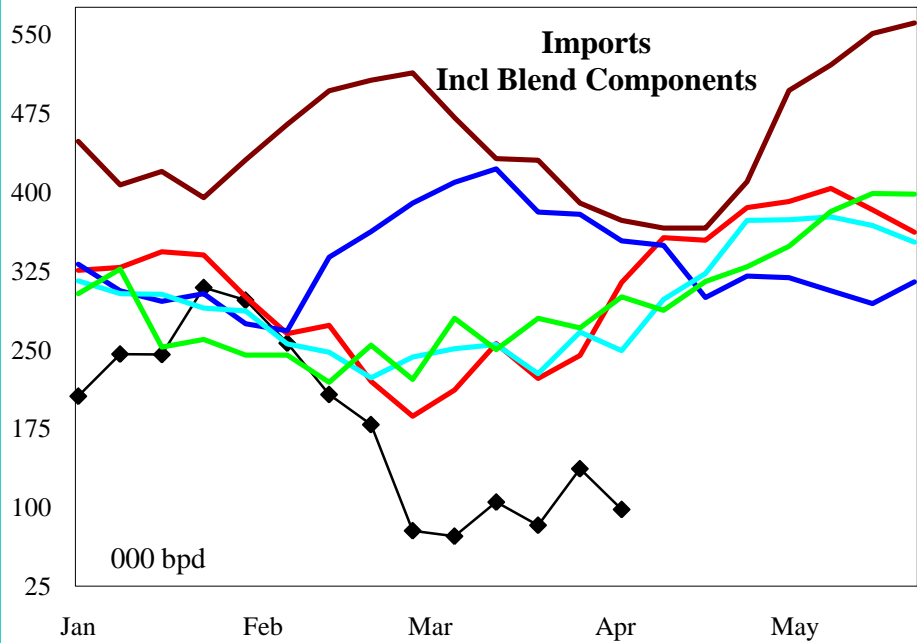
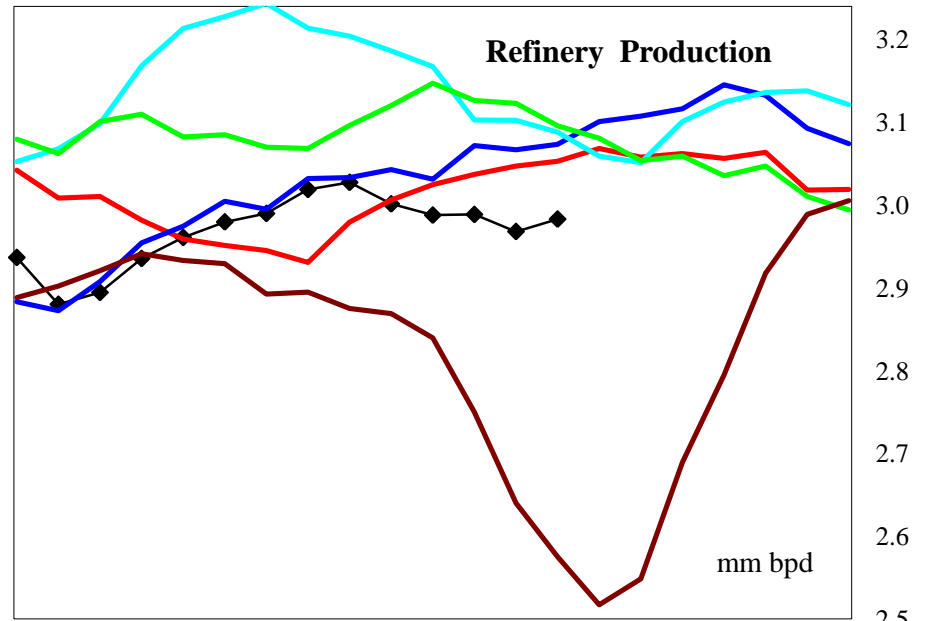
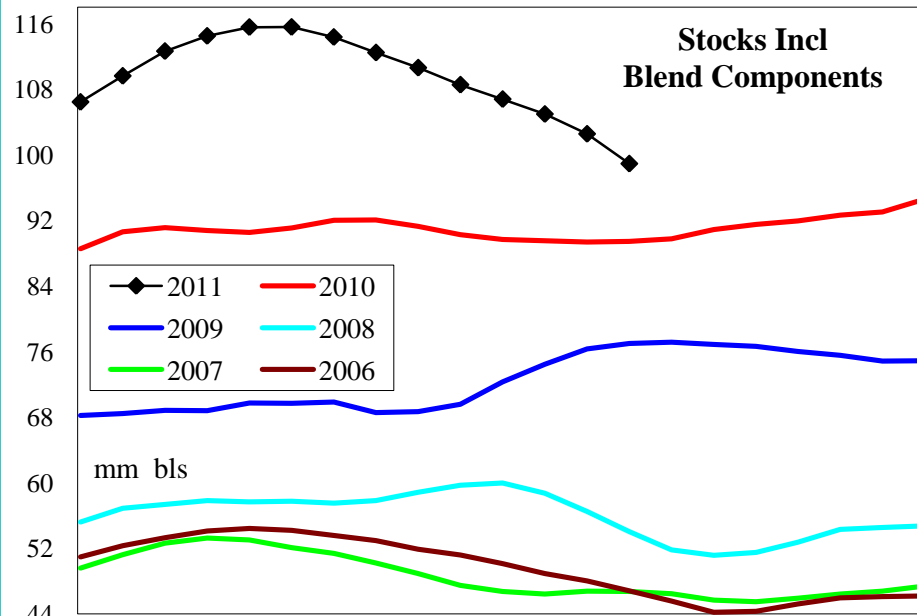
Imports  
**-316**  
**-3.4**

U.S. Production  
**110**  
**2.0**

# 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

9,477

-55

-153

-10

10.6

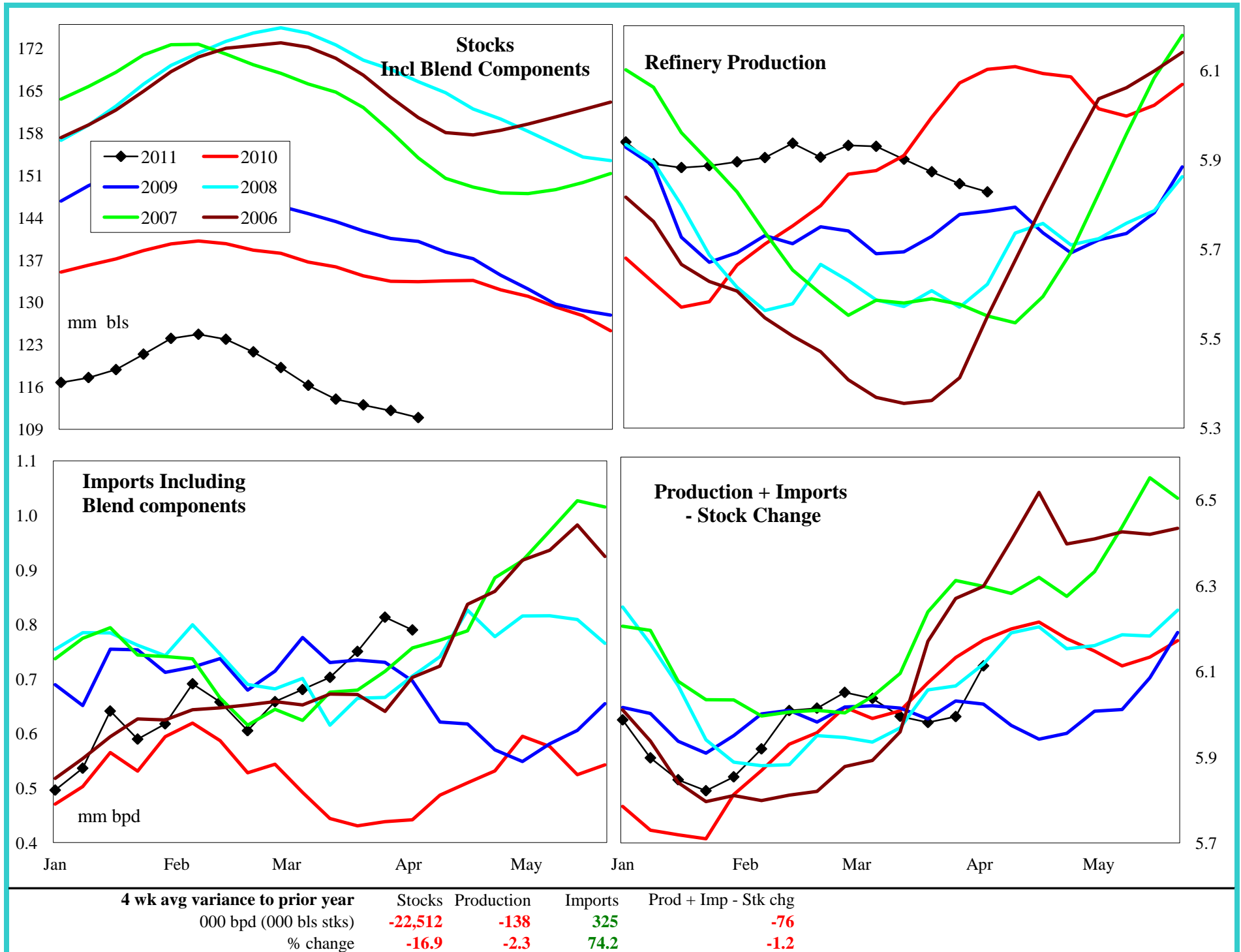
-1.8

-59.2

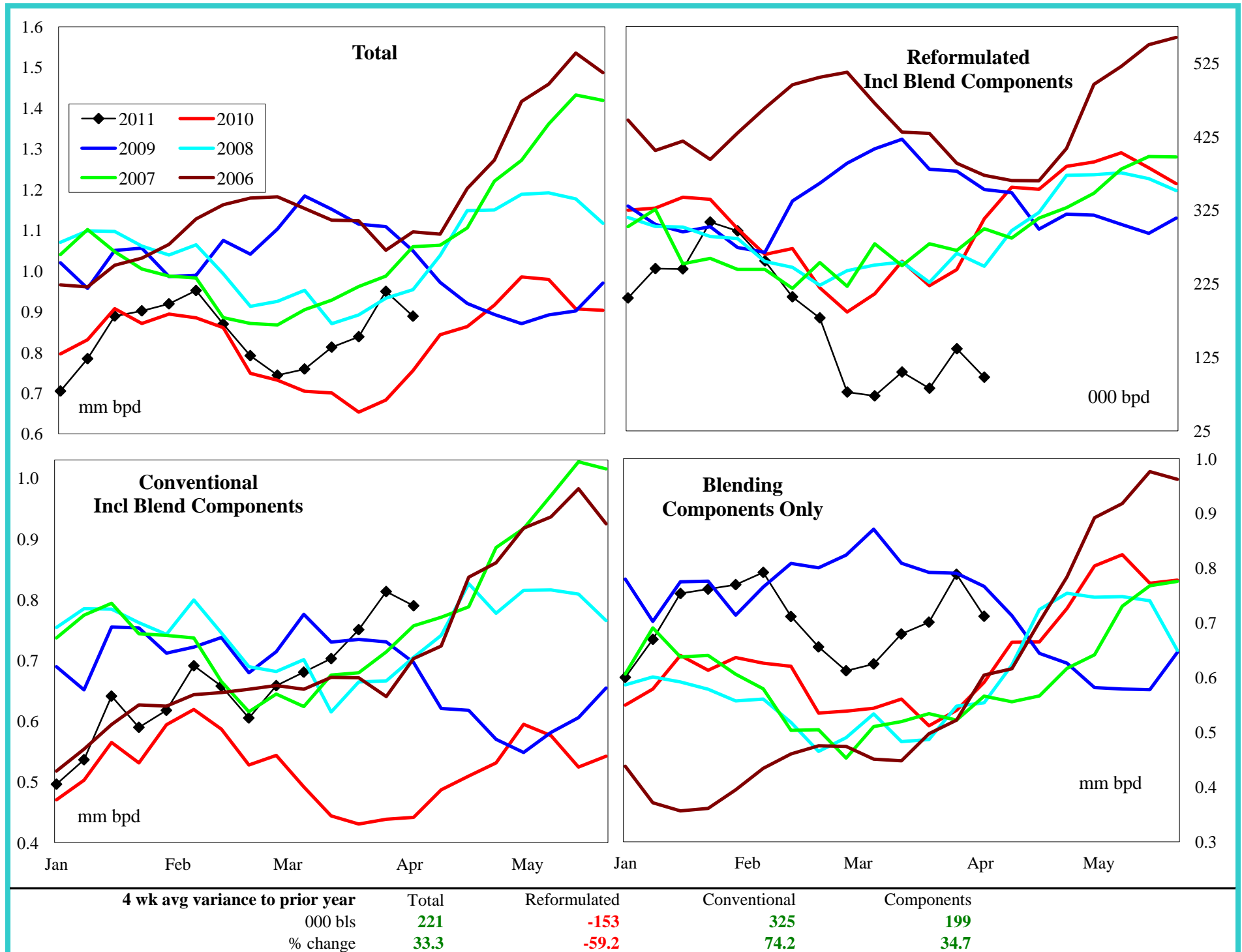
-0.3



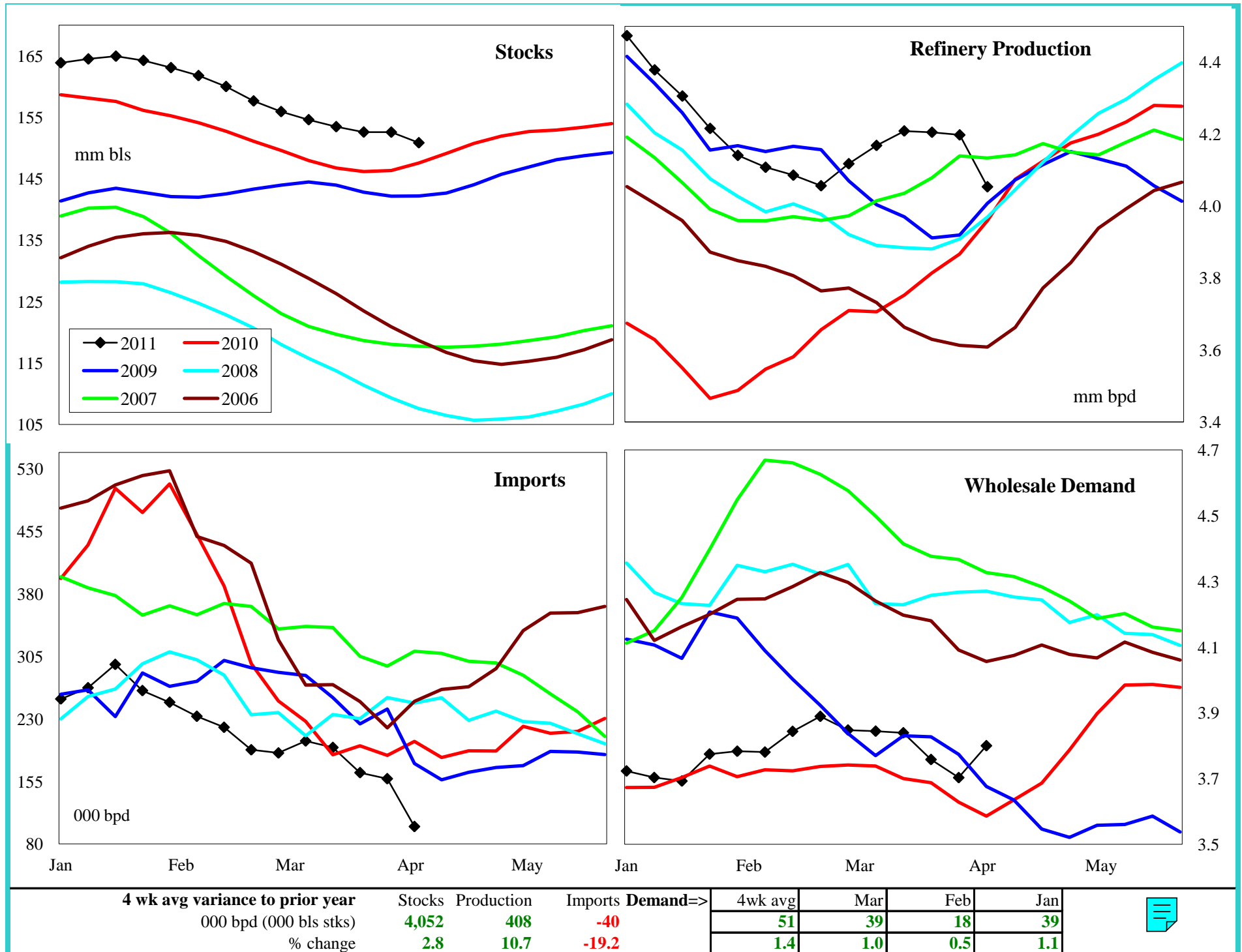
# United States Conventional Gasoline Supply



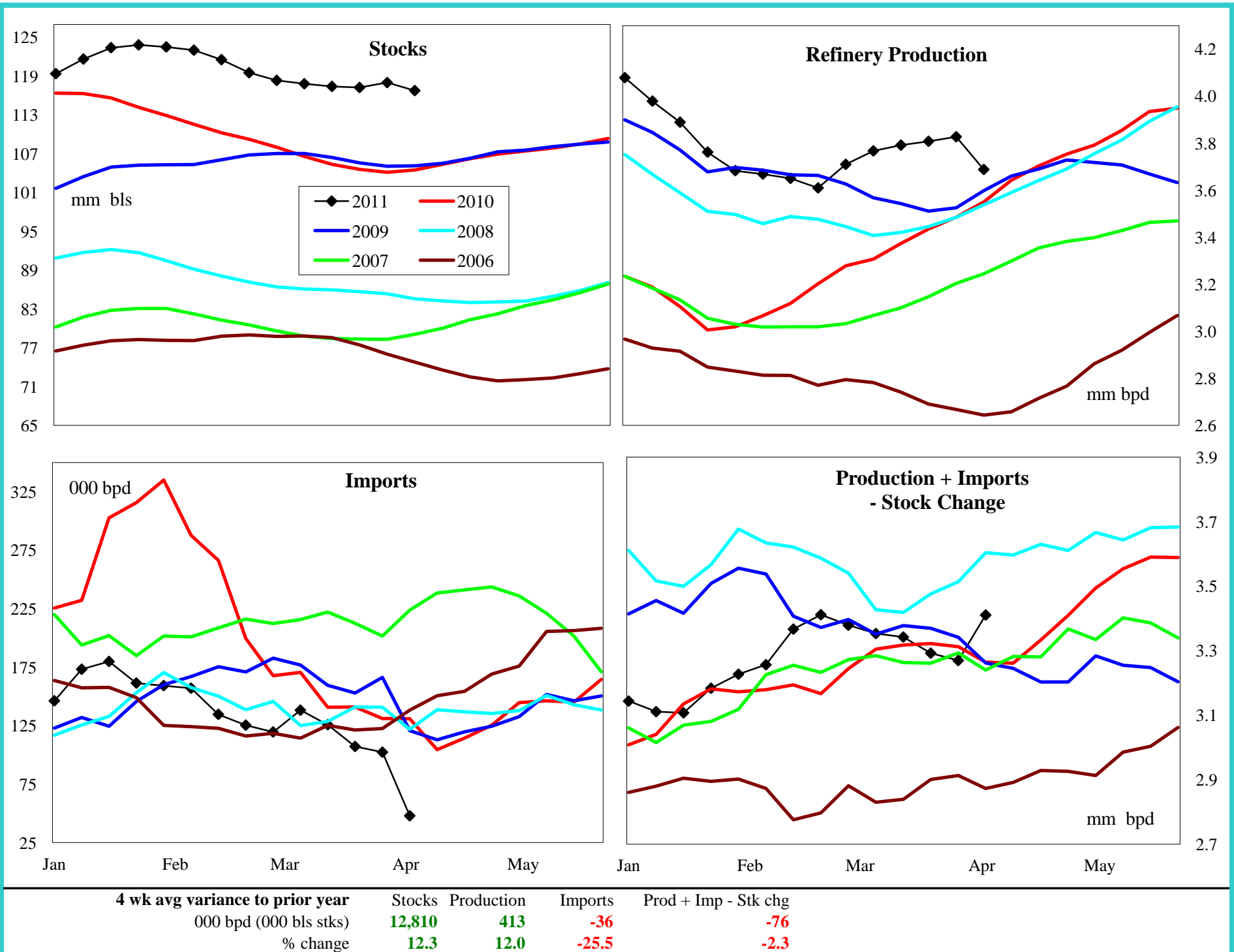
# United States Gasoline Imports by Type



# United States Distillate Supply and Demand Balance

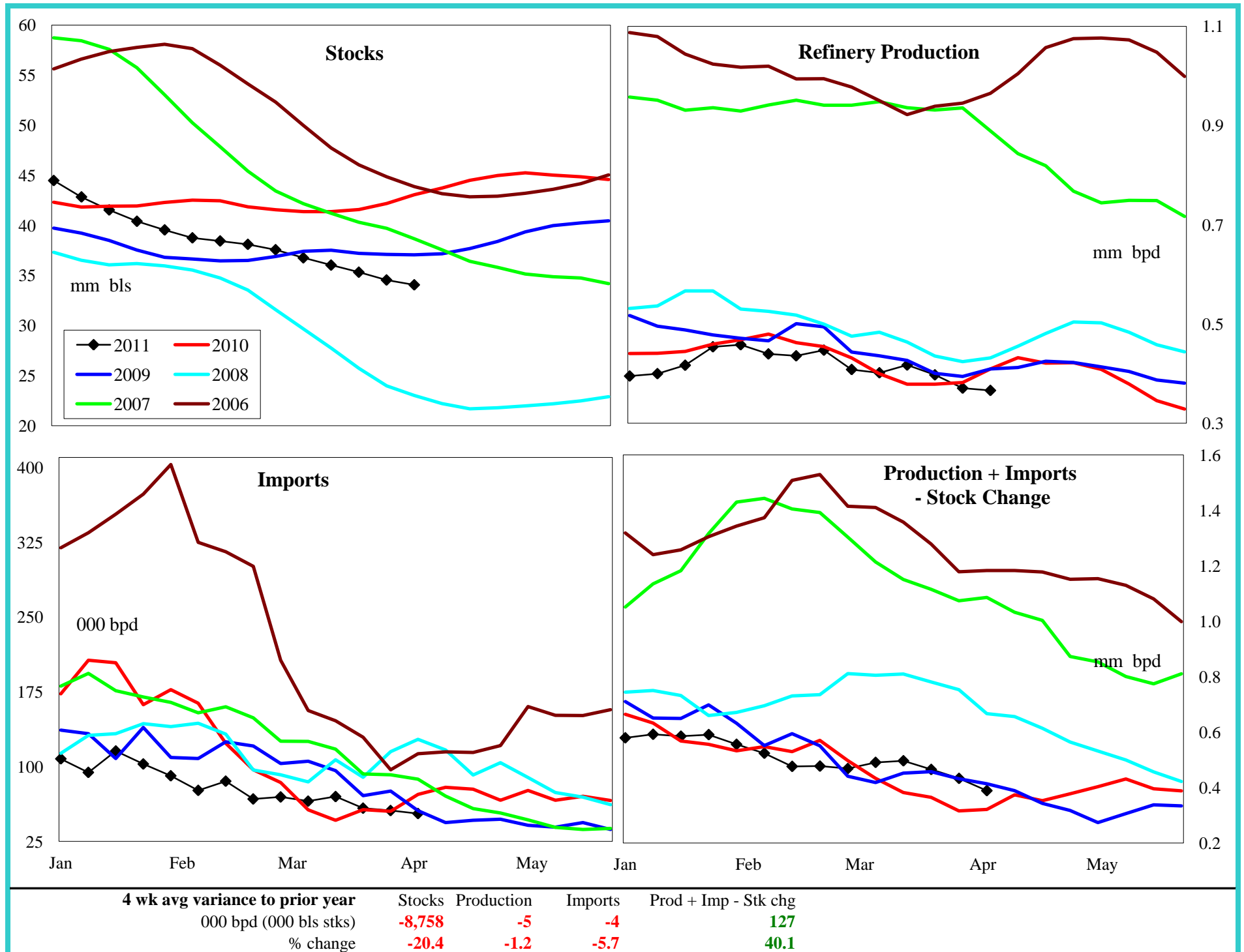


# United States Low Sulfur Distillate Supply

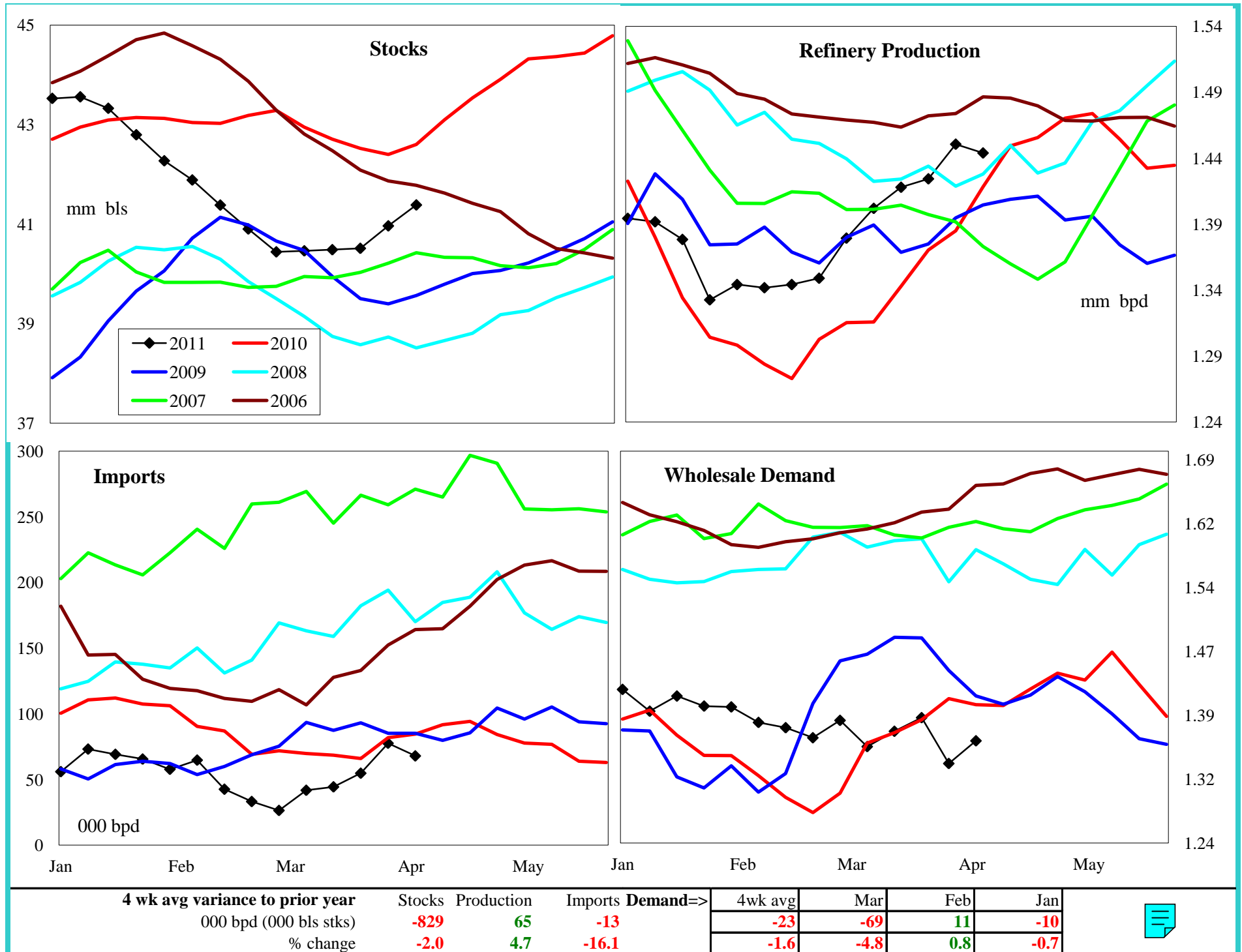




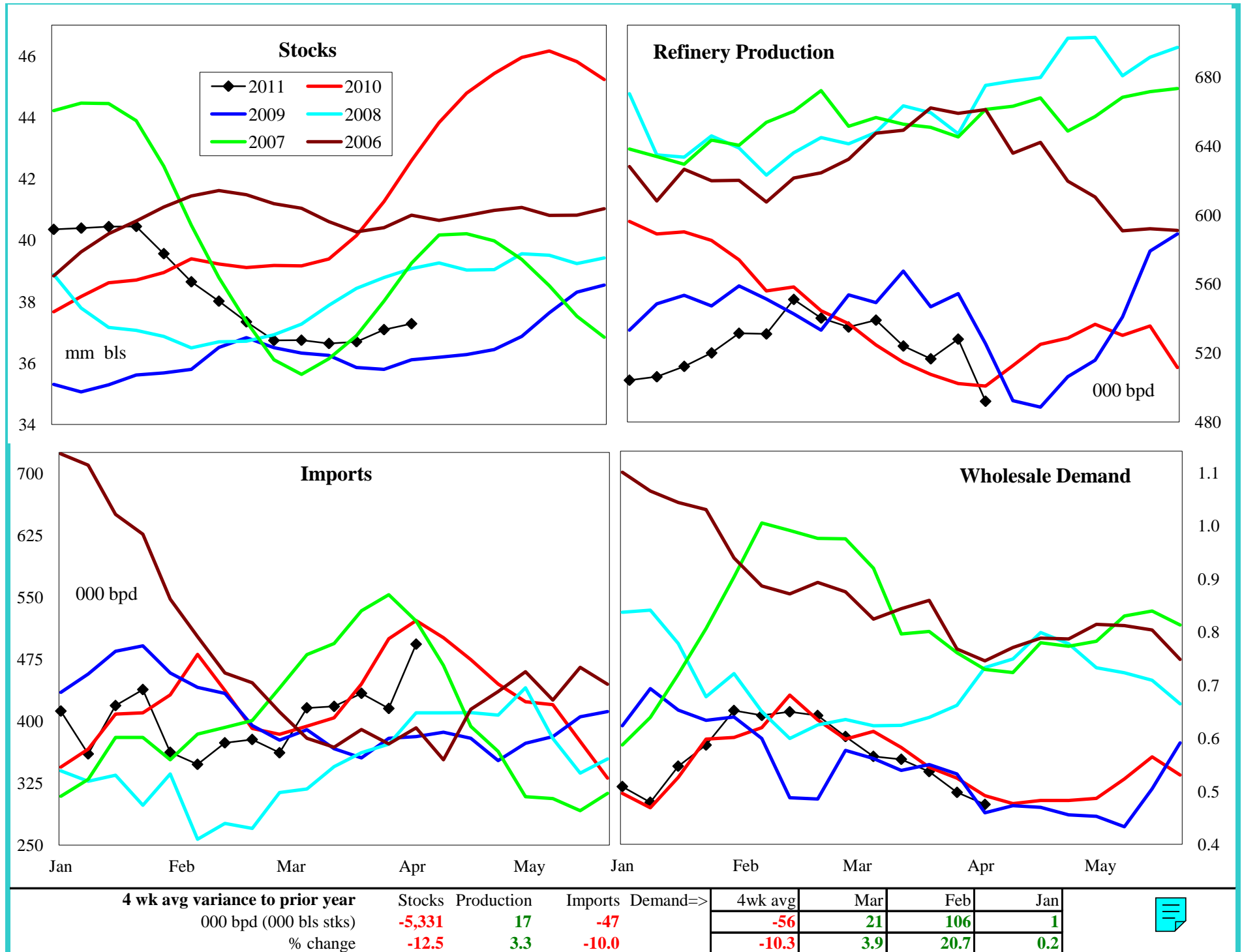
# United States High Sulfur Distillate Supply



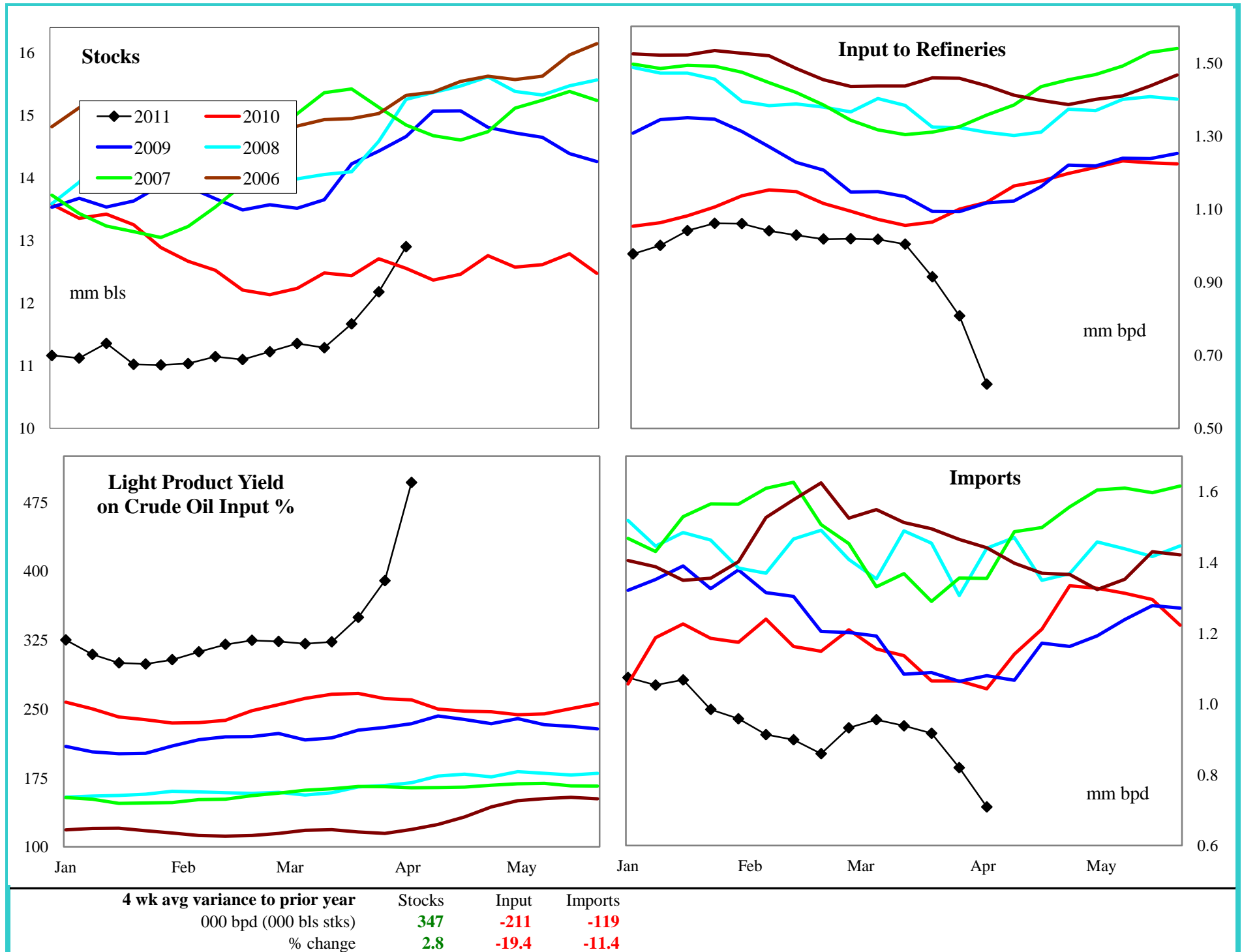
# United States Jet Fuel Supply and Demand Balance



# United States Residual Fuel Oil Supply and Demand Balance

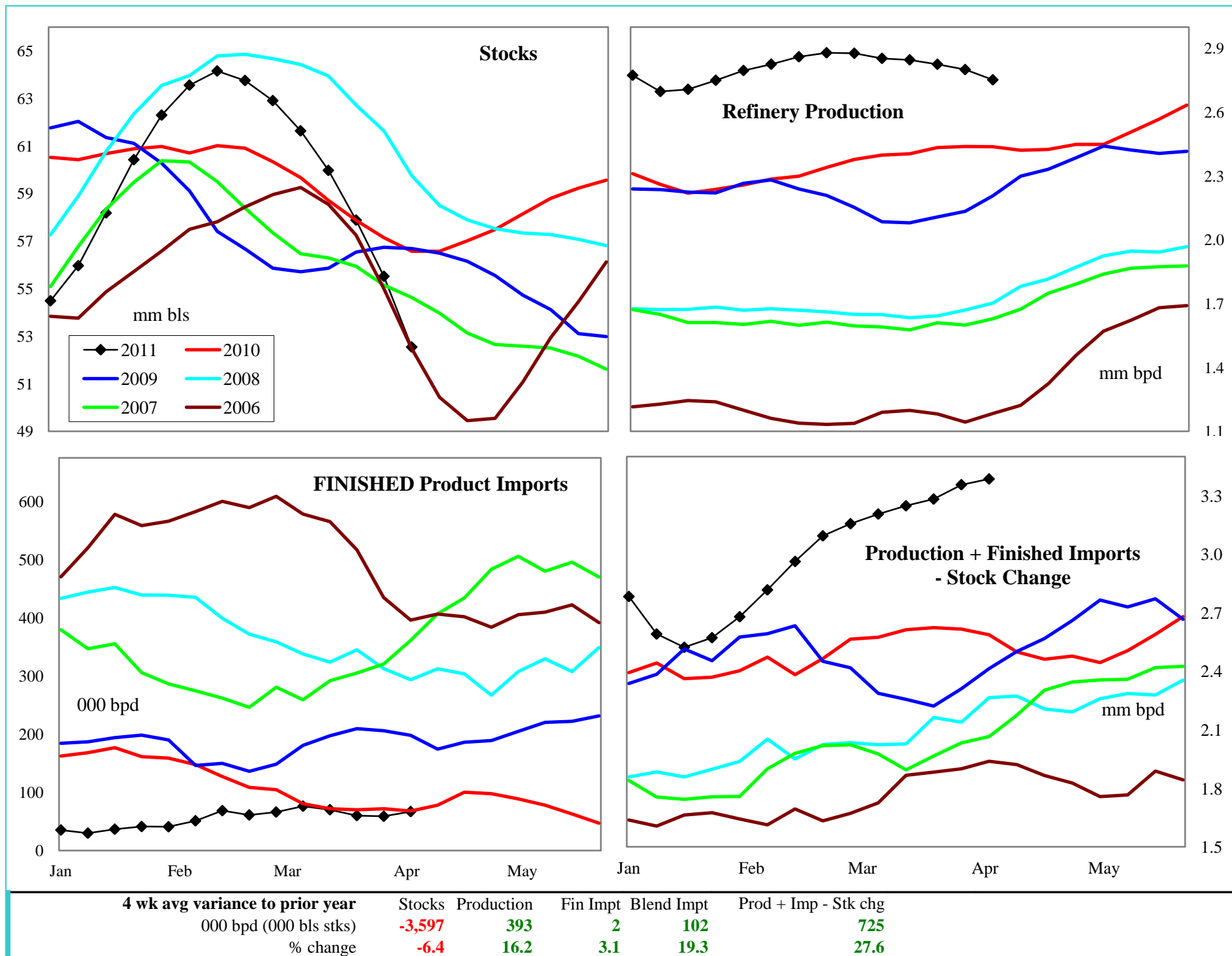


# PADD 1 Crude Oil Supply and Refining

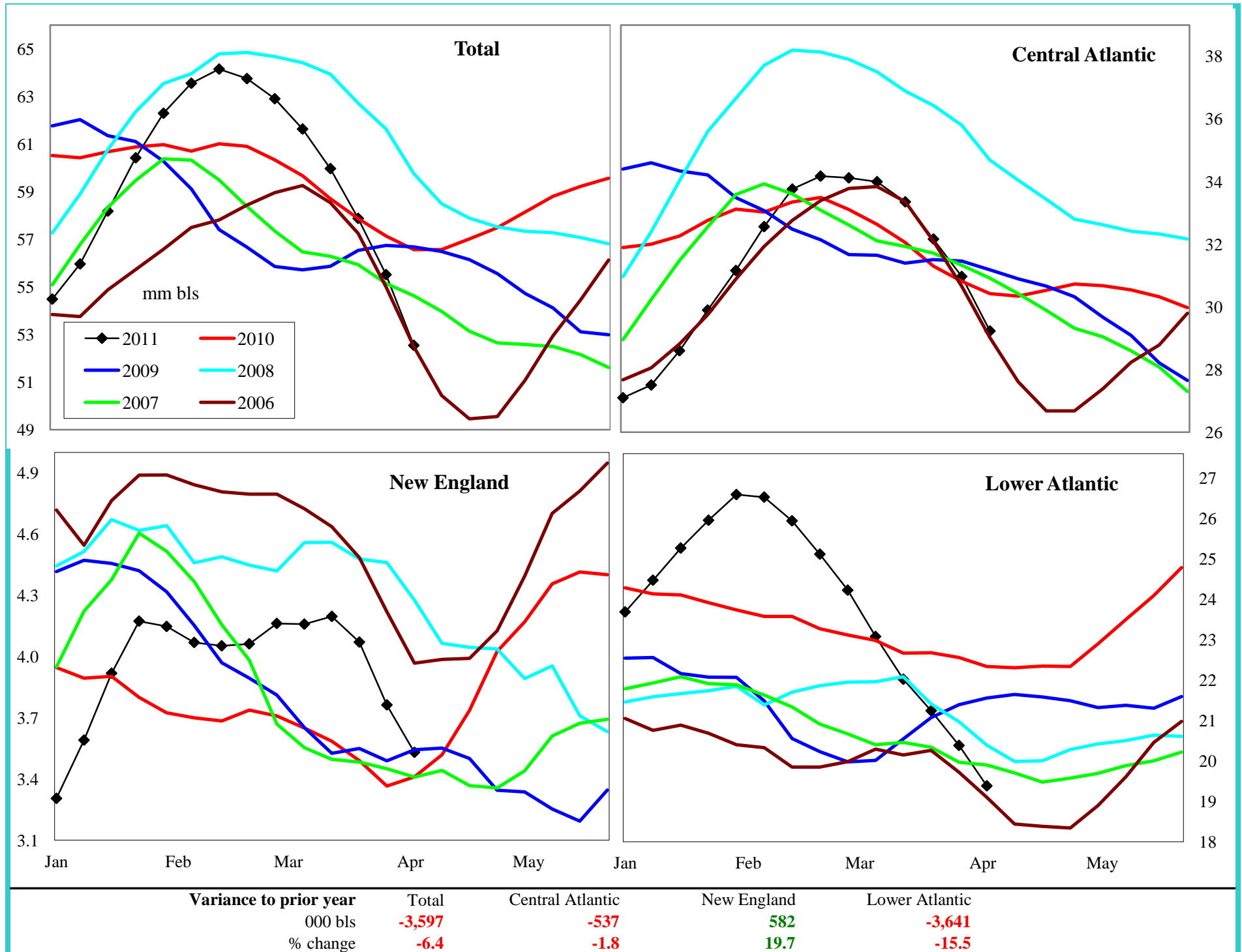




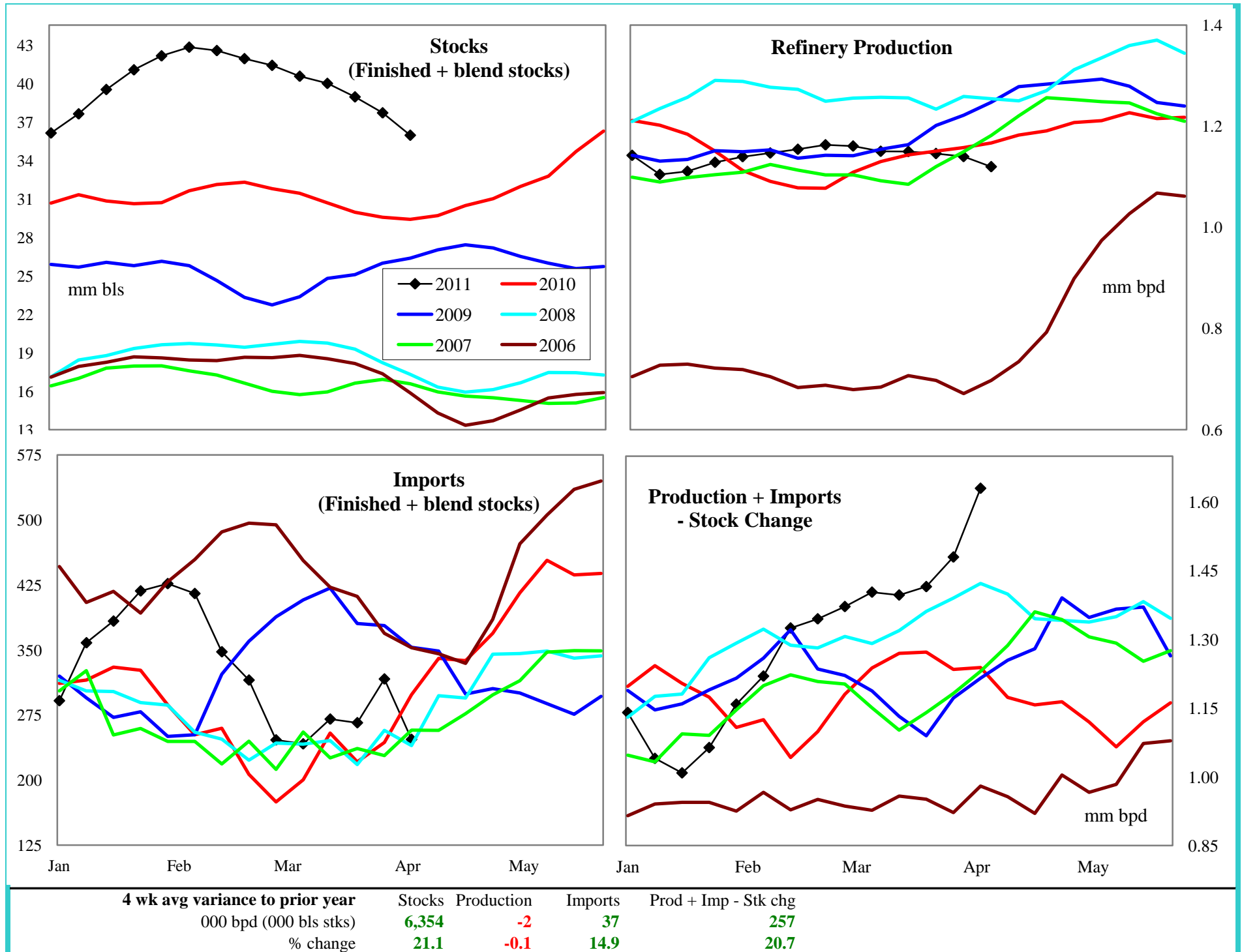
# PADD 1 Gasoline Supply



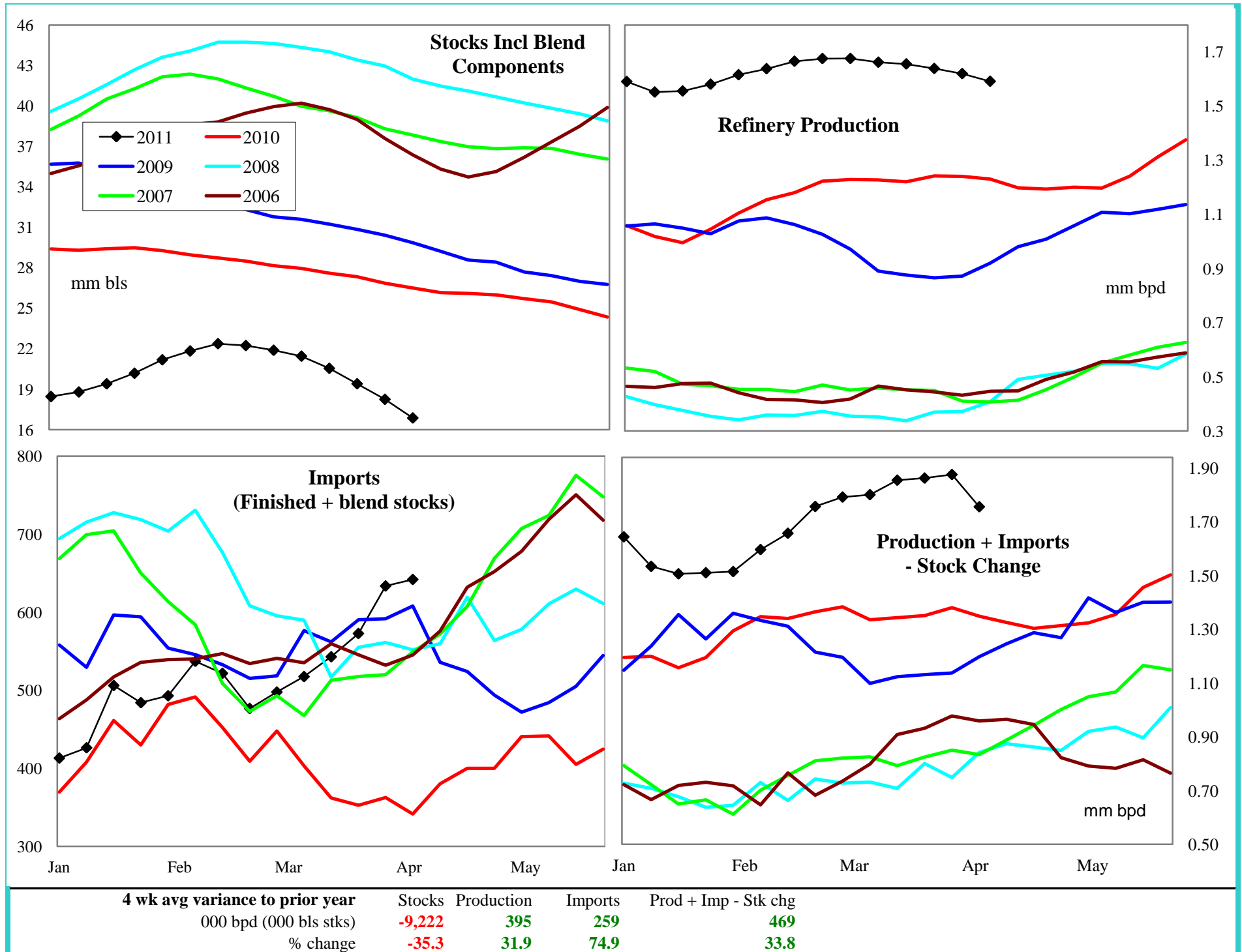
# PADD 1 Gasoline Stocks by Region



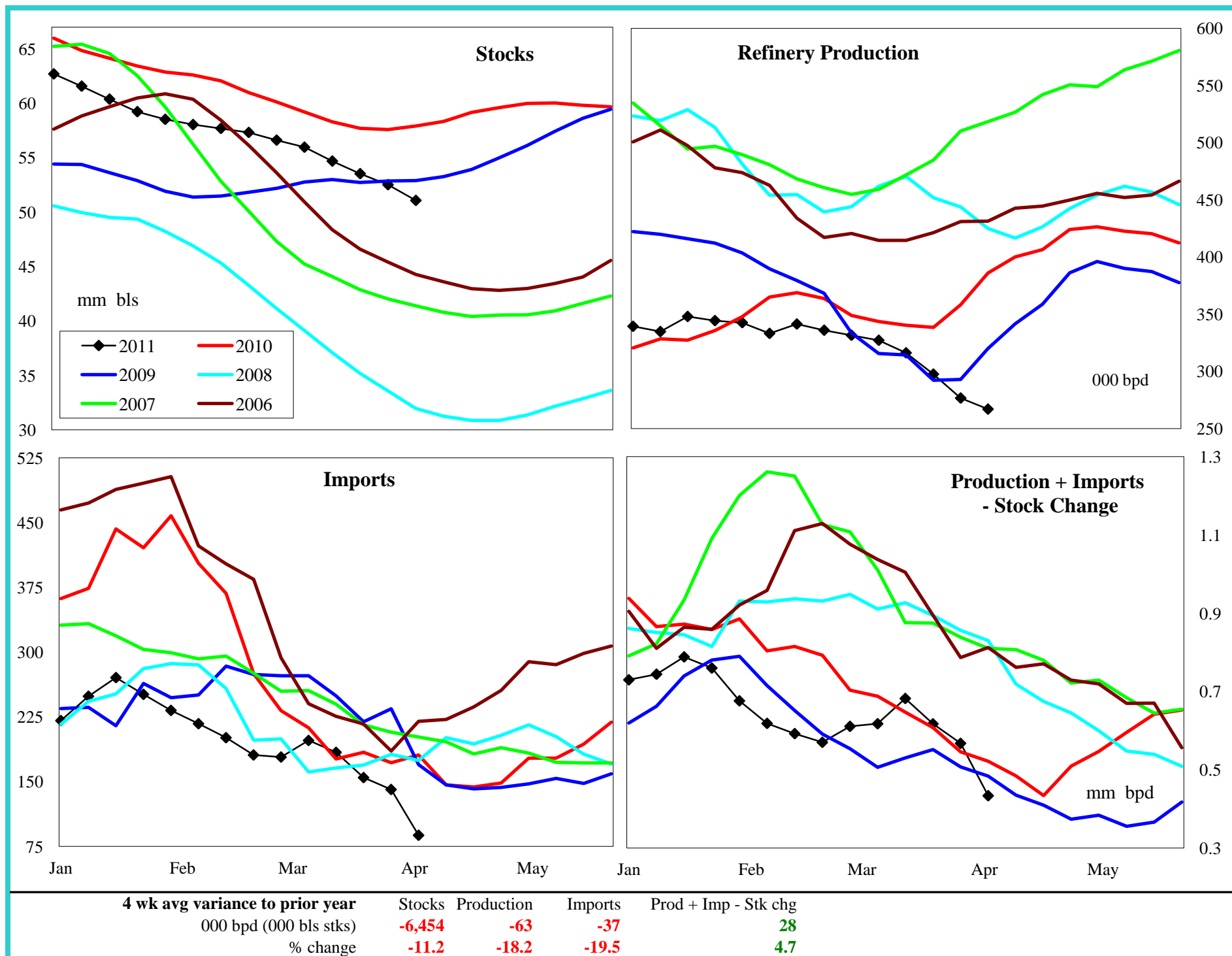
# PADD 1 Reformulated Gasoline Supply



# PADD 1 Conventional Gasoline Supply

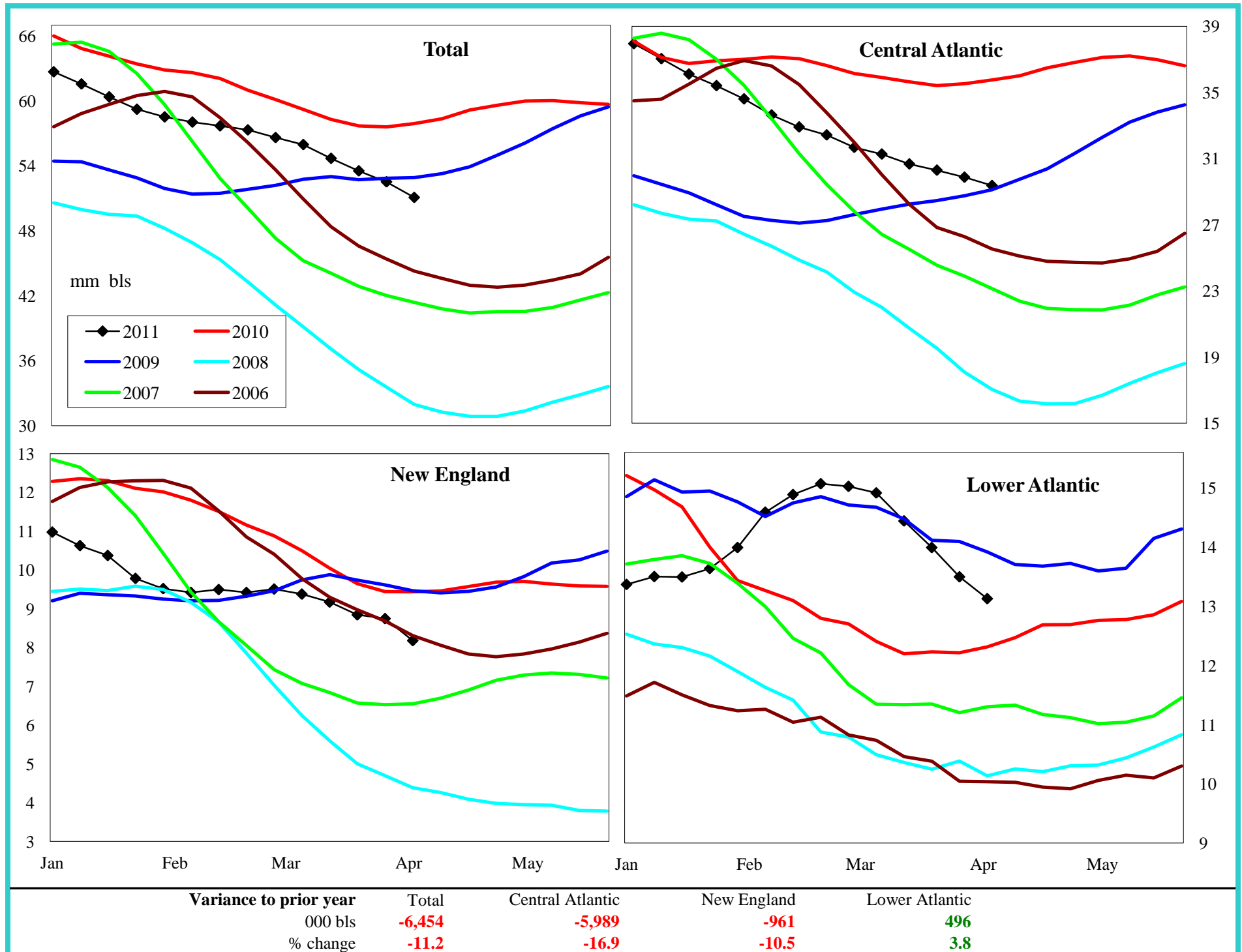


# PADD 1 Distillate Supply

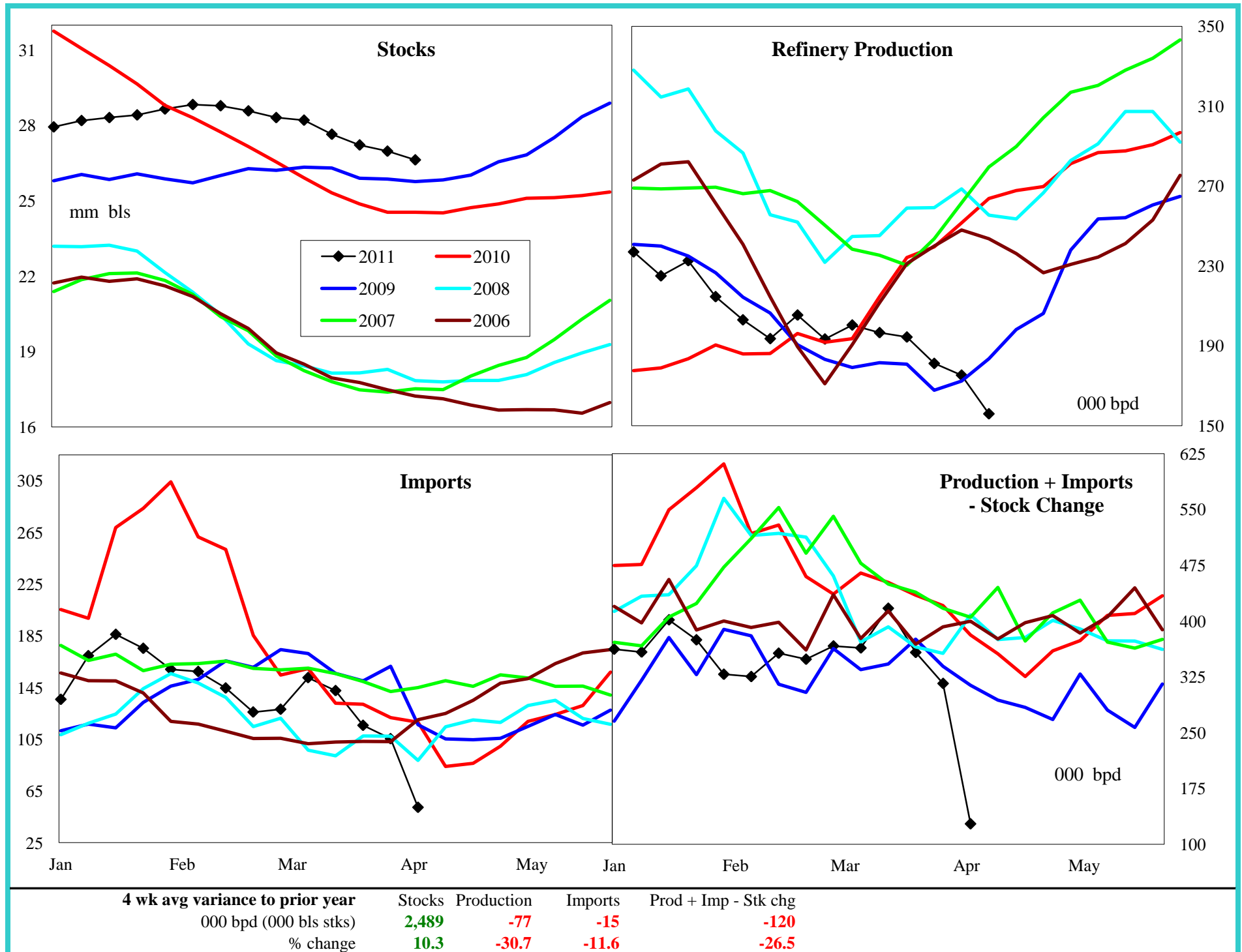




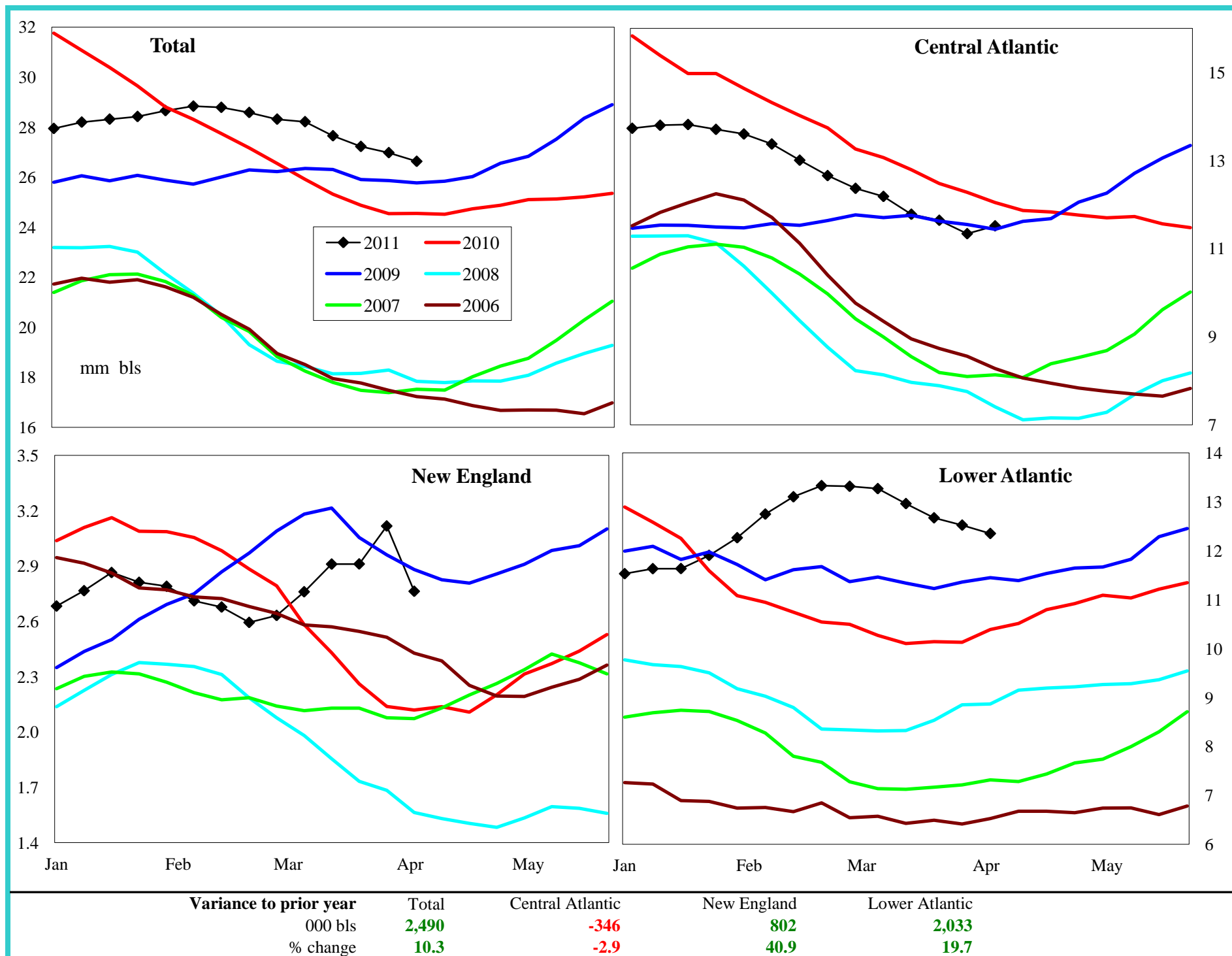
# PADD 1 Distillate Stocks by Region



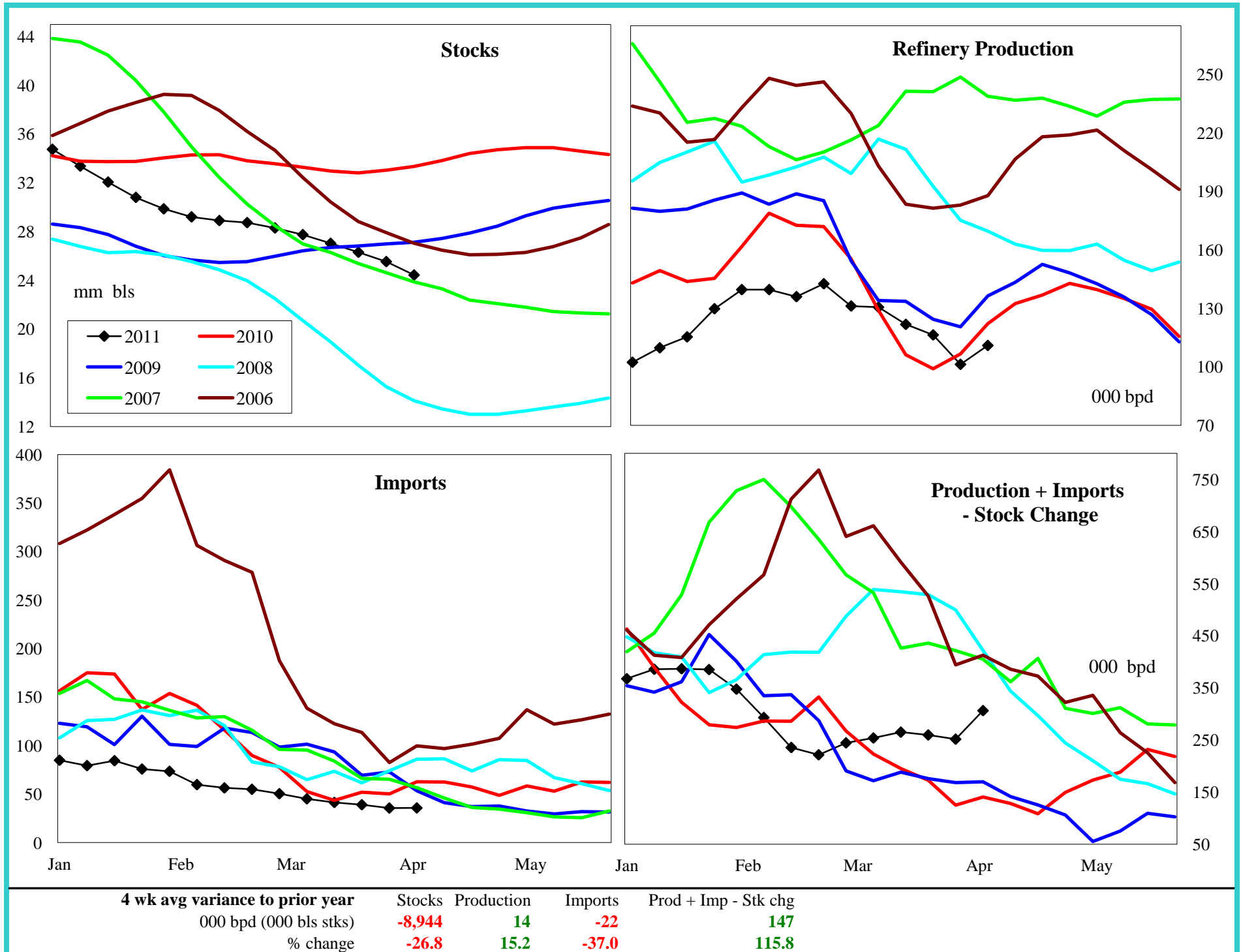
# PADD 1 Low Sulfur Distillate Supply



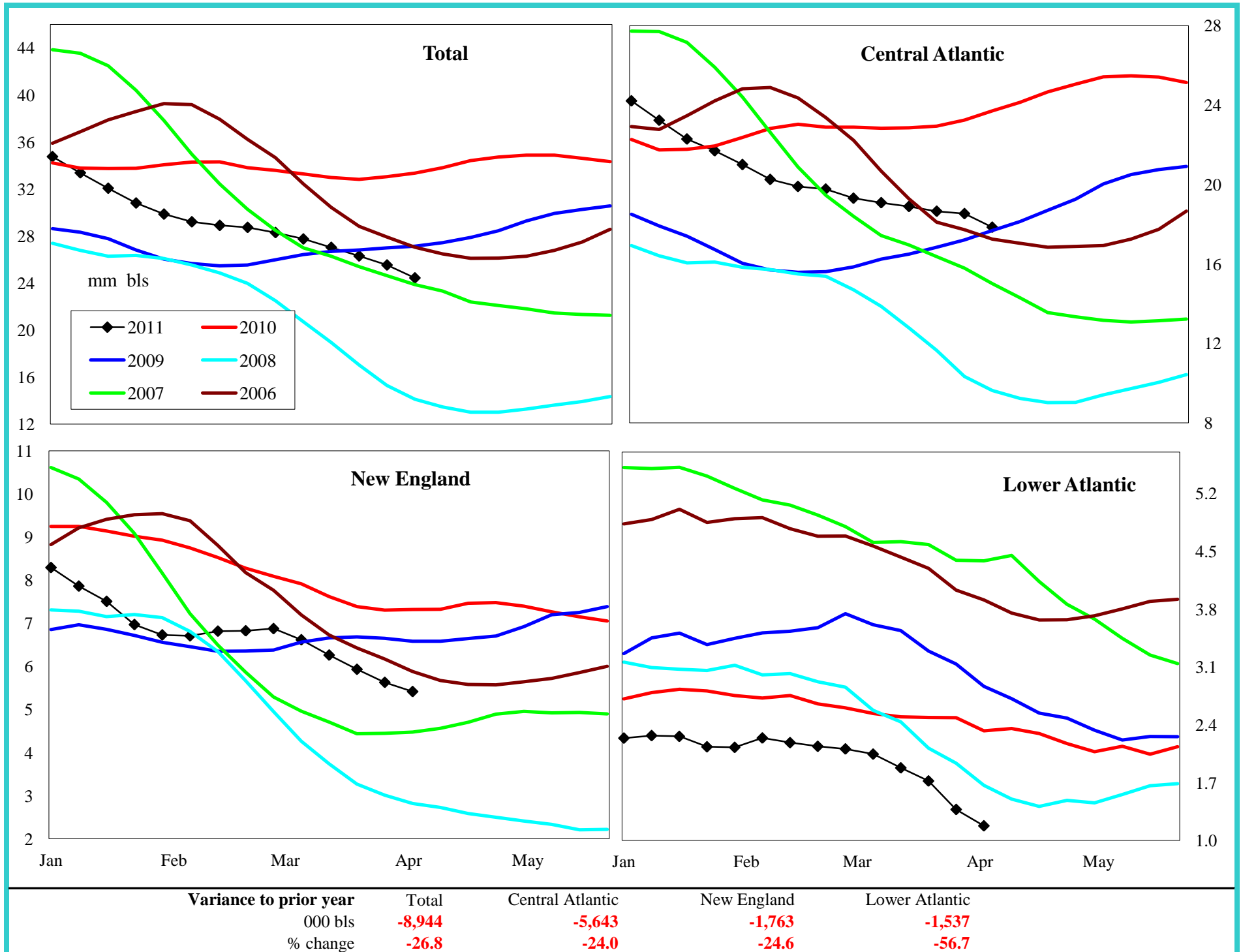
# PADD 1 Low Sulfur Distillate Stocks by Region



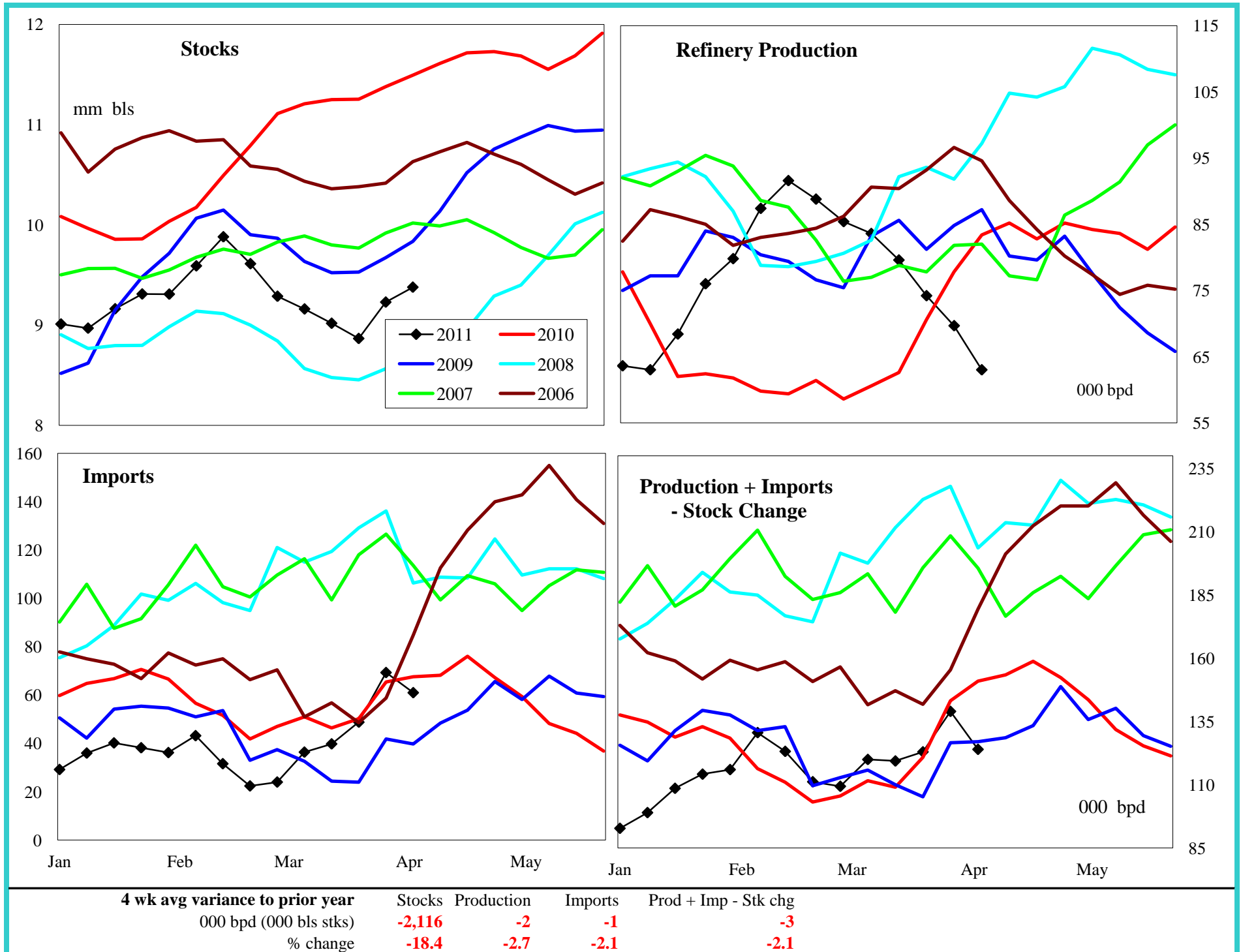
# PADD 1 High Sulfur Distillate Supply



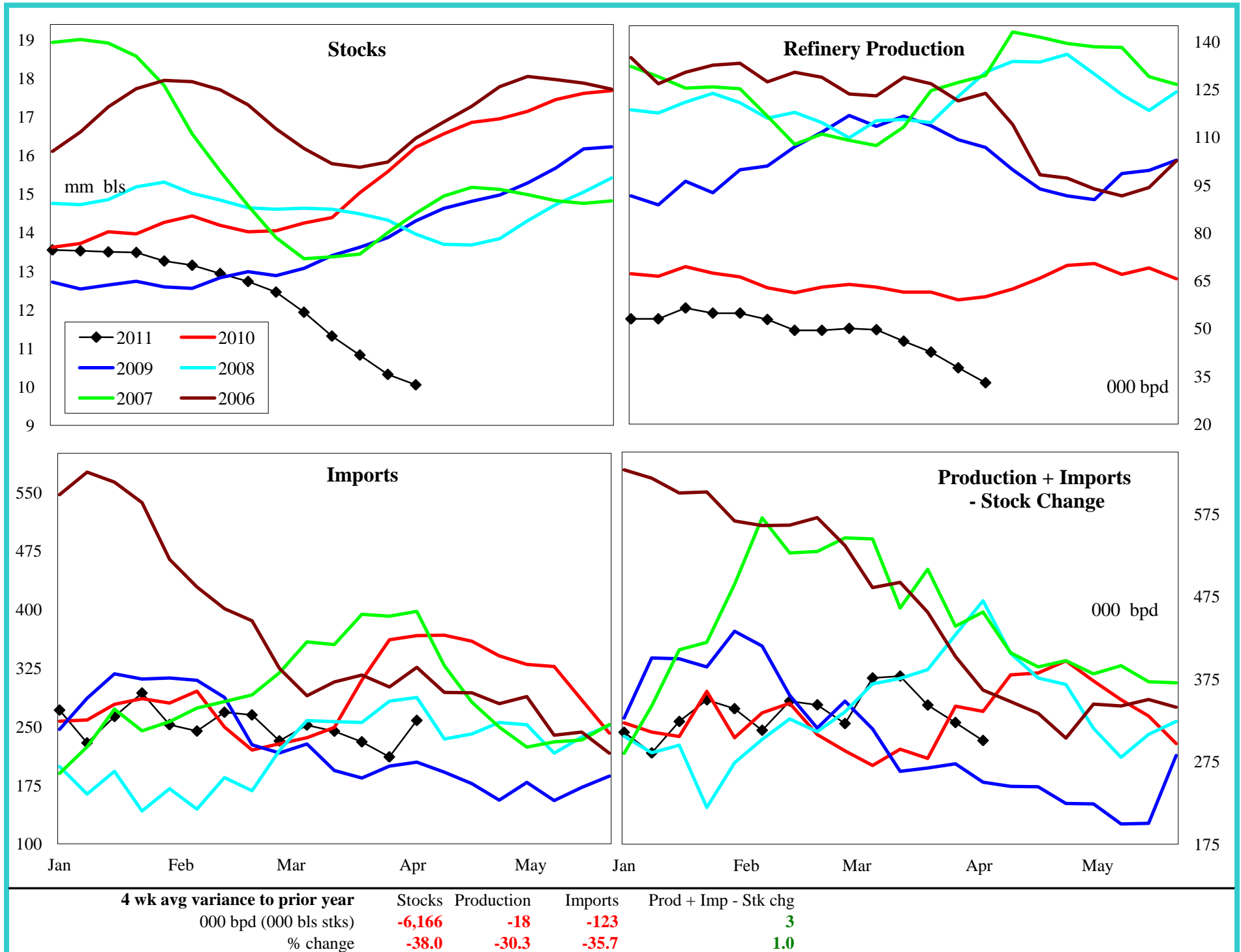
# PADD 1 High Sulfur Distillate Stocks by Region



# PADD 1 Jet Fuel Supply

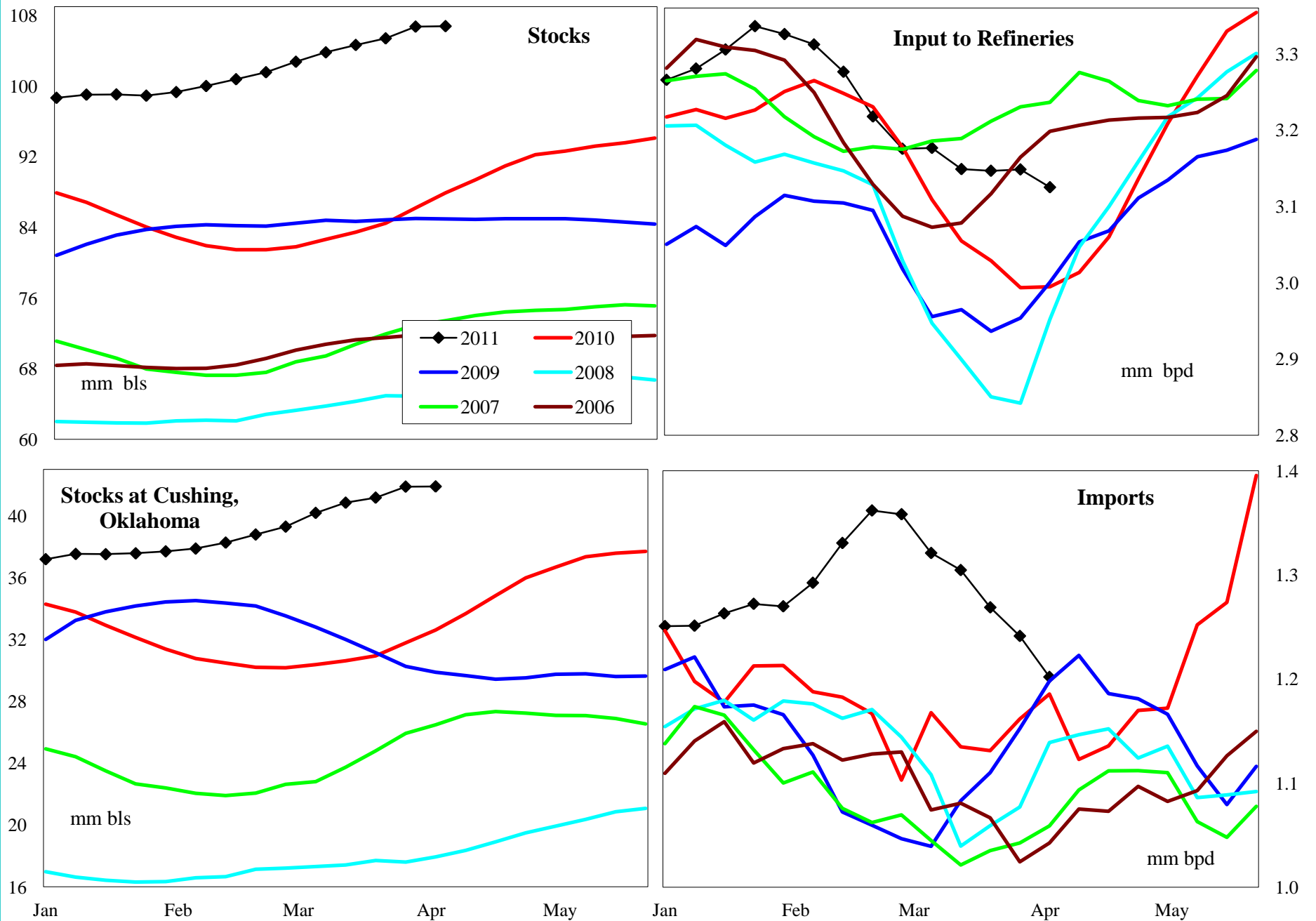


# PADD 1 Residual Fuel Oil Supply





# PADD 2 Crude Oil Supply and Refining



**4 wk avg variance to prior year**

000 bpd (000 bls stks)

% change

Stocks

**18,884**

**21.5**

Cushing

**9,289**

**28.5**

Input

**165**

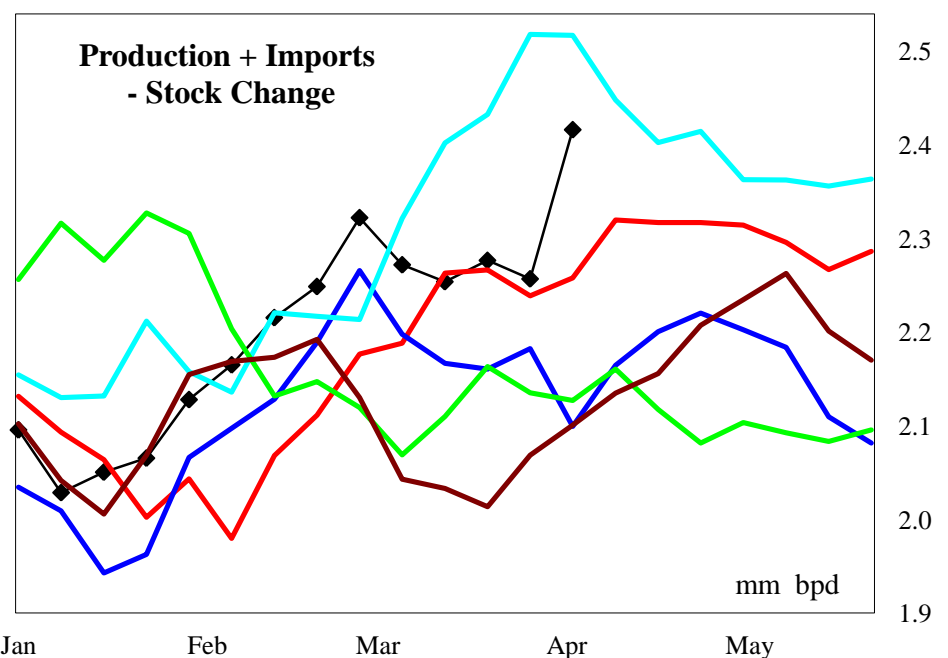
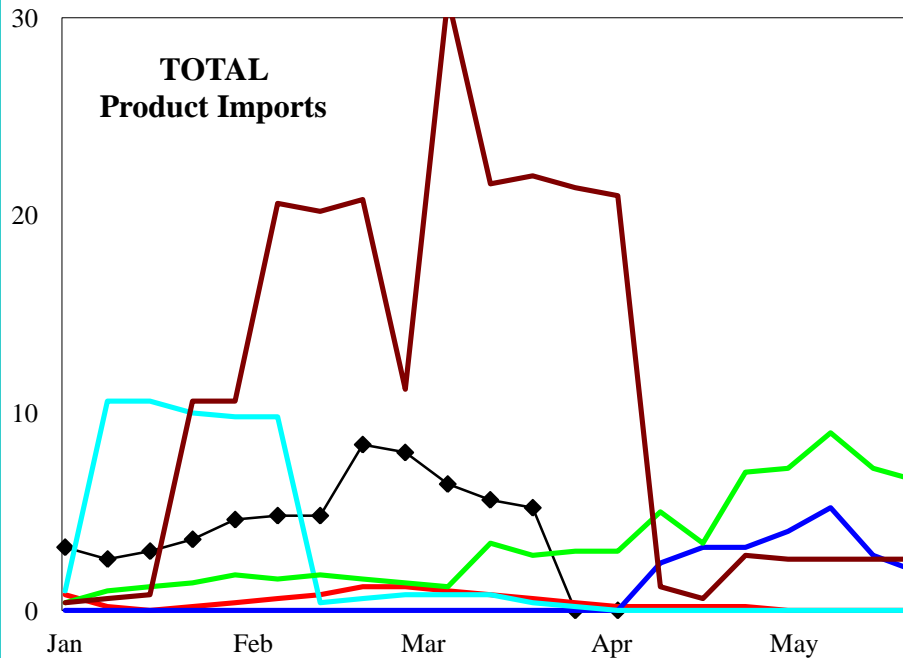
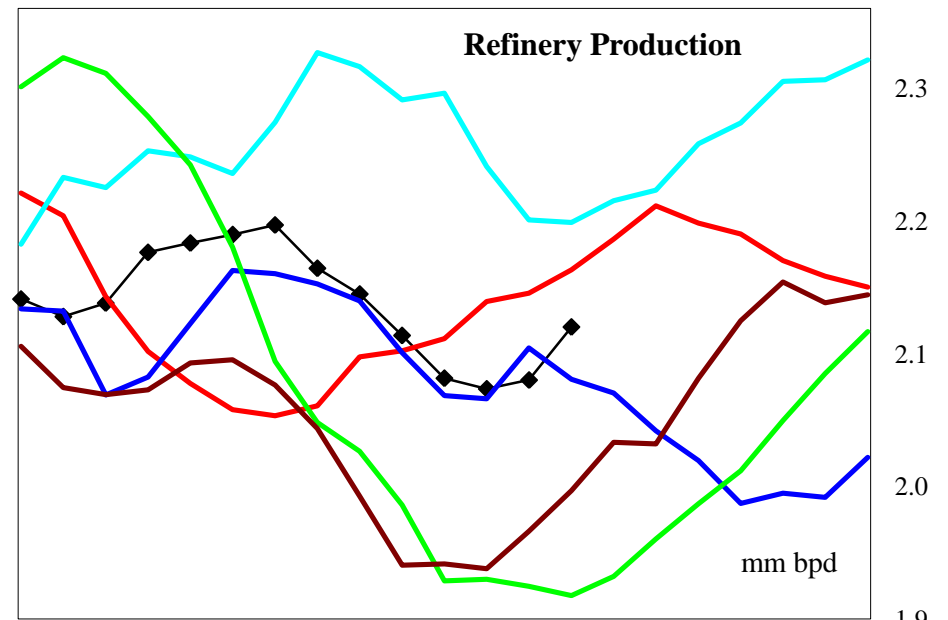
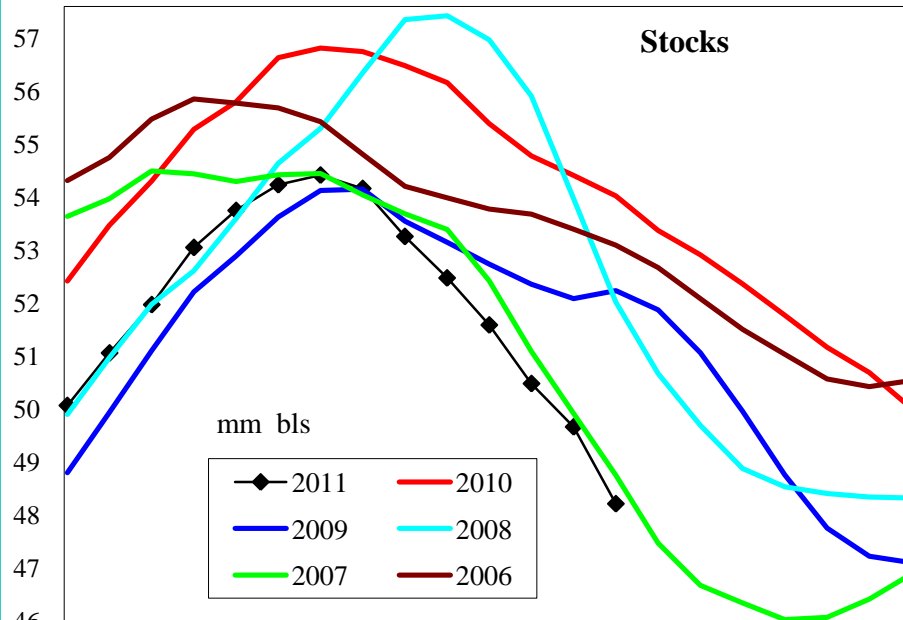
**5.4**

Imports

**114**

**9.7**

# PADD 2 Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

-5,814

-10.7

Production

-49

-2.2

Imports

1

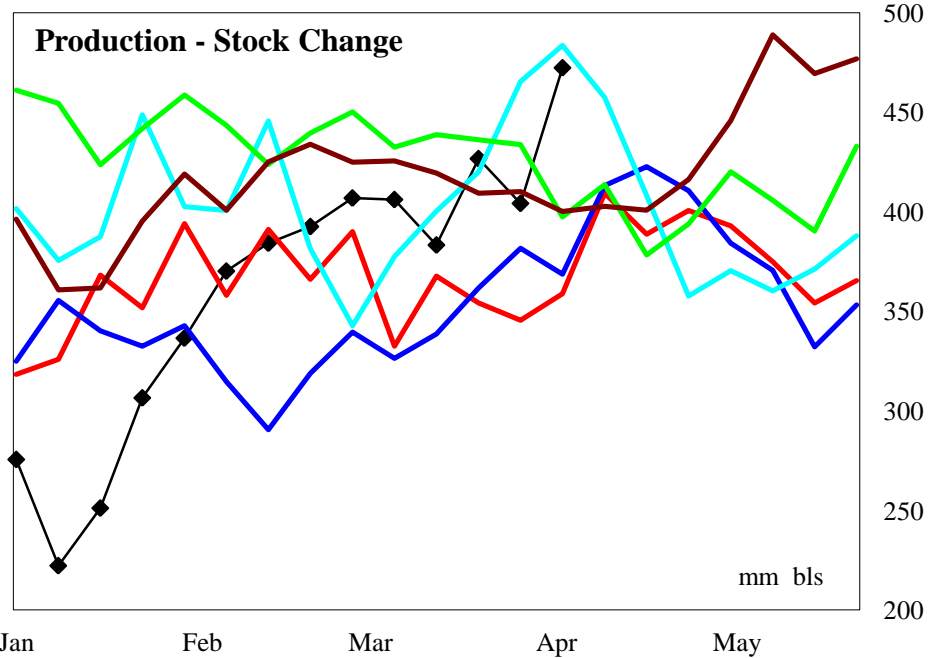
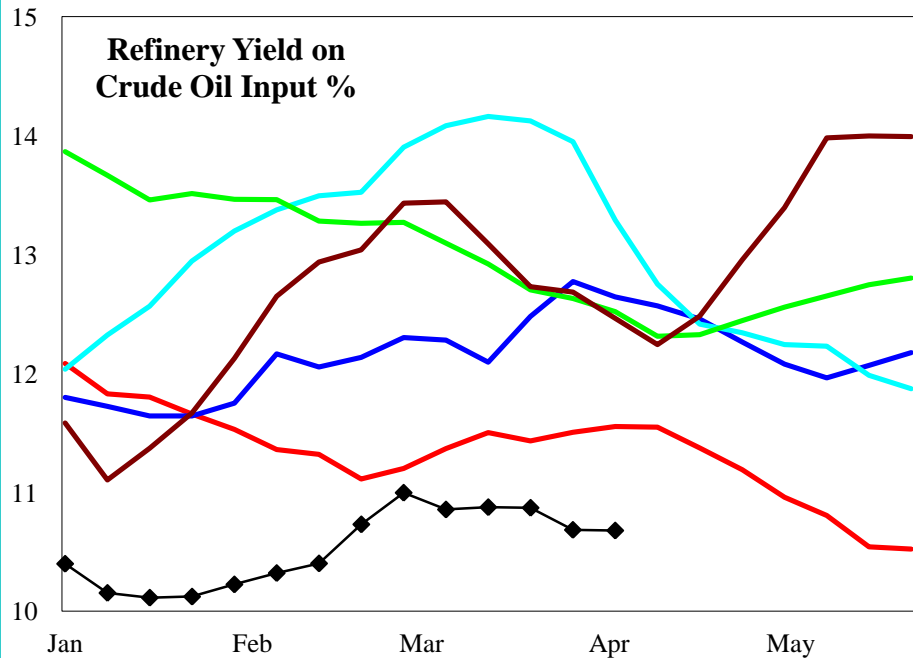
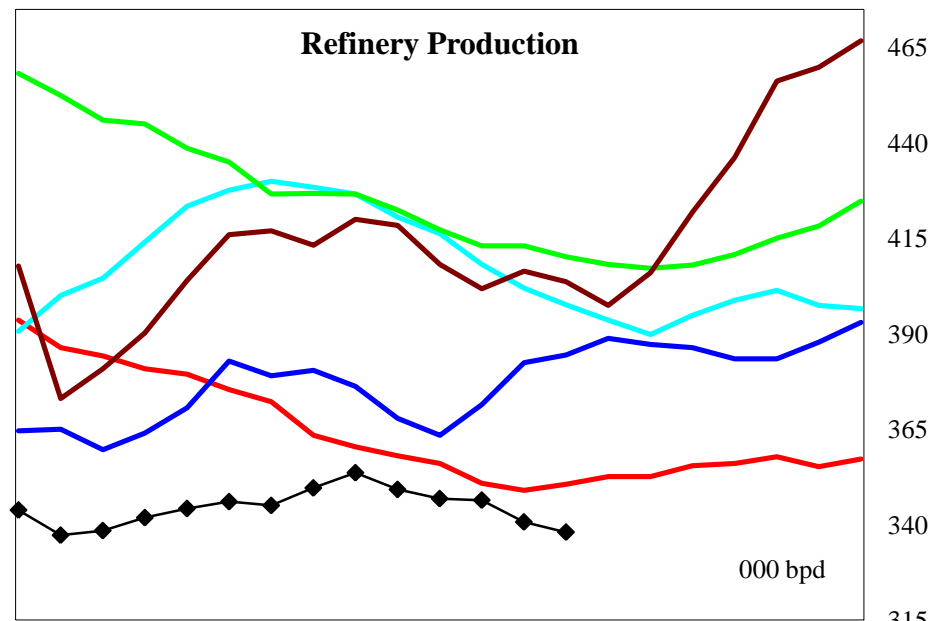
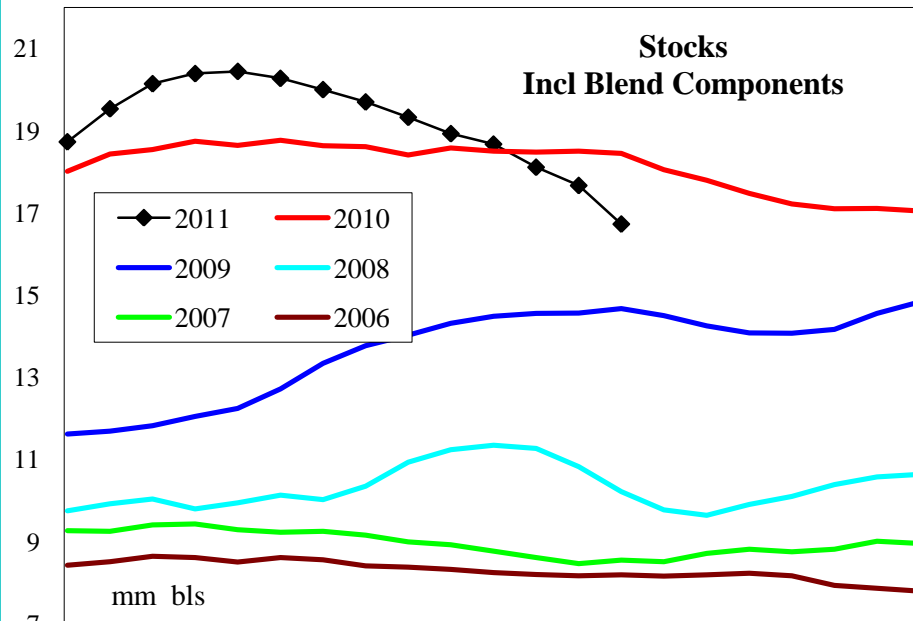
200.0

Prod + Imp - Stk chg

9

0.4

# PADD 2 Reformulated Gasoline Supply



**4 wk avg variance to prior year**

000 bpd (000 bls stks)

% change

Stocks

Production

Prod - Stk chg

**-1,720**

**-9**

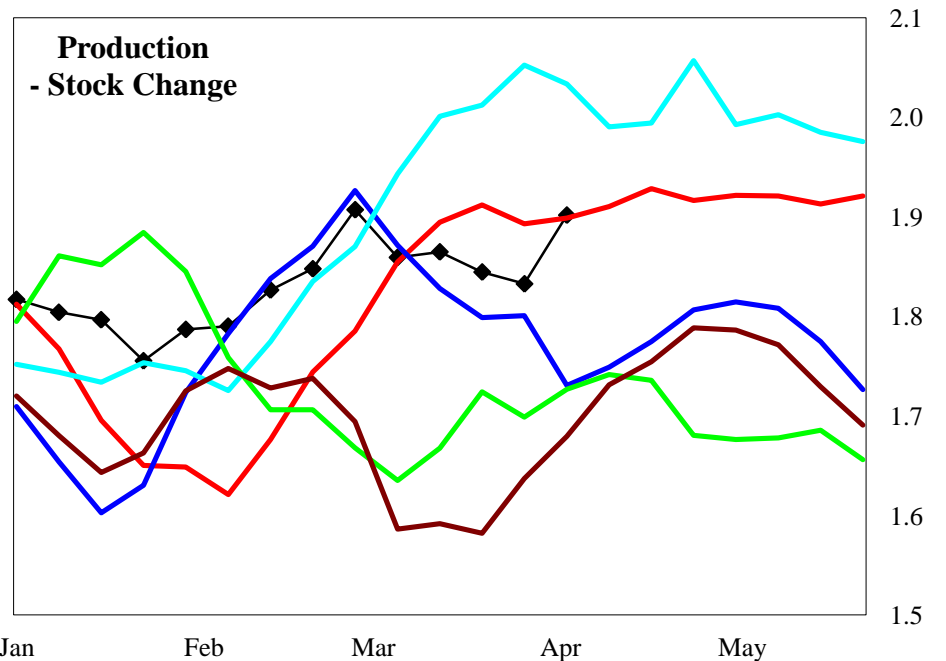
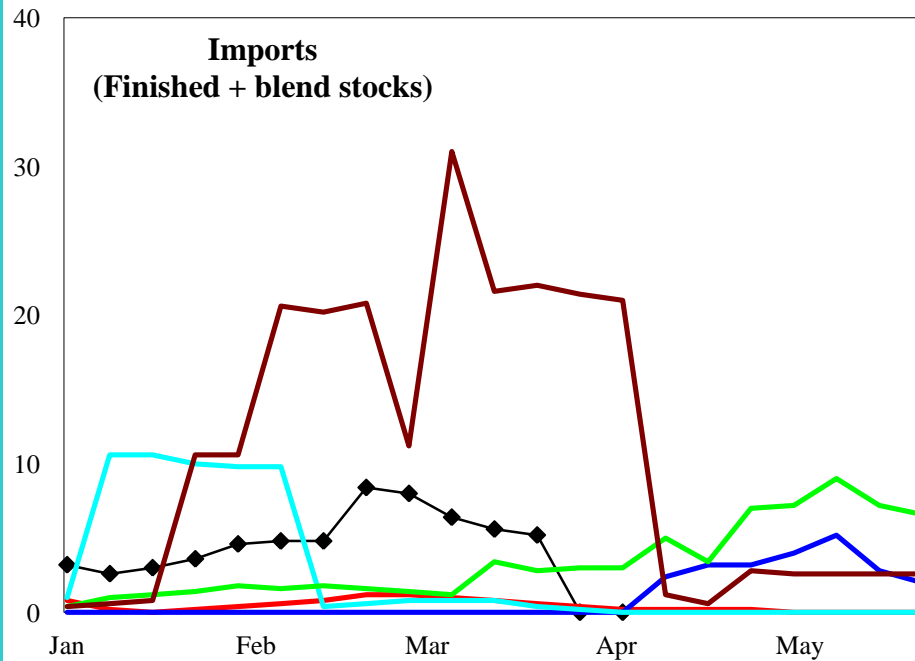
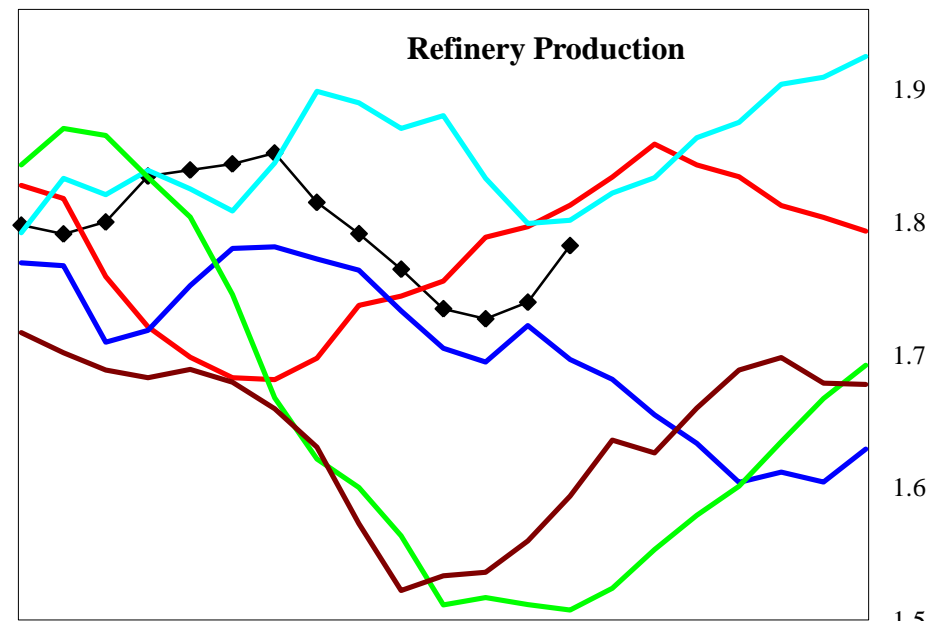
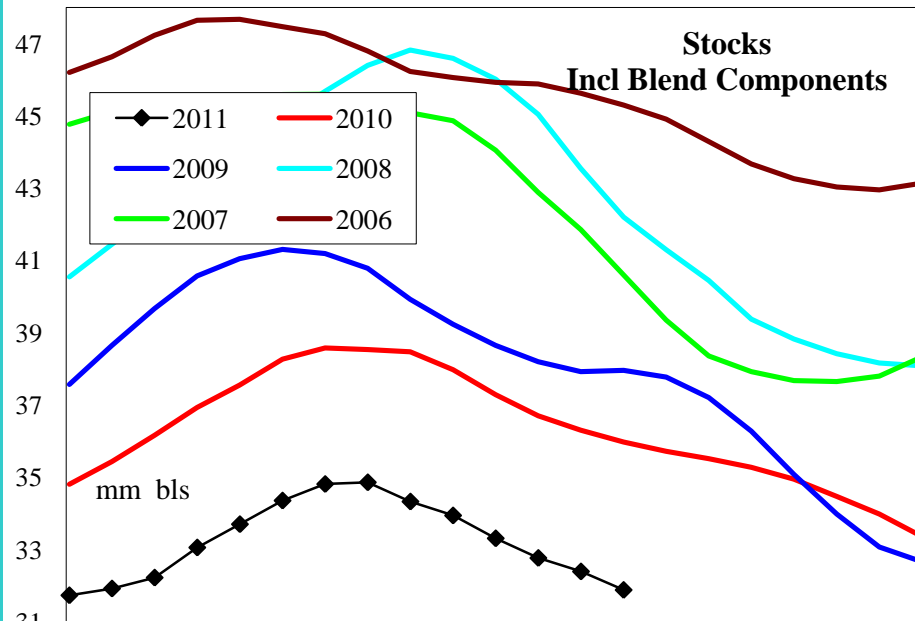
**65**

**-9.3**

**-2.5**

**18.3**

# PADD 2 Conventional Gasoline Supply

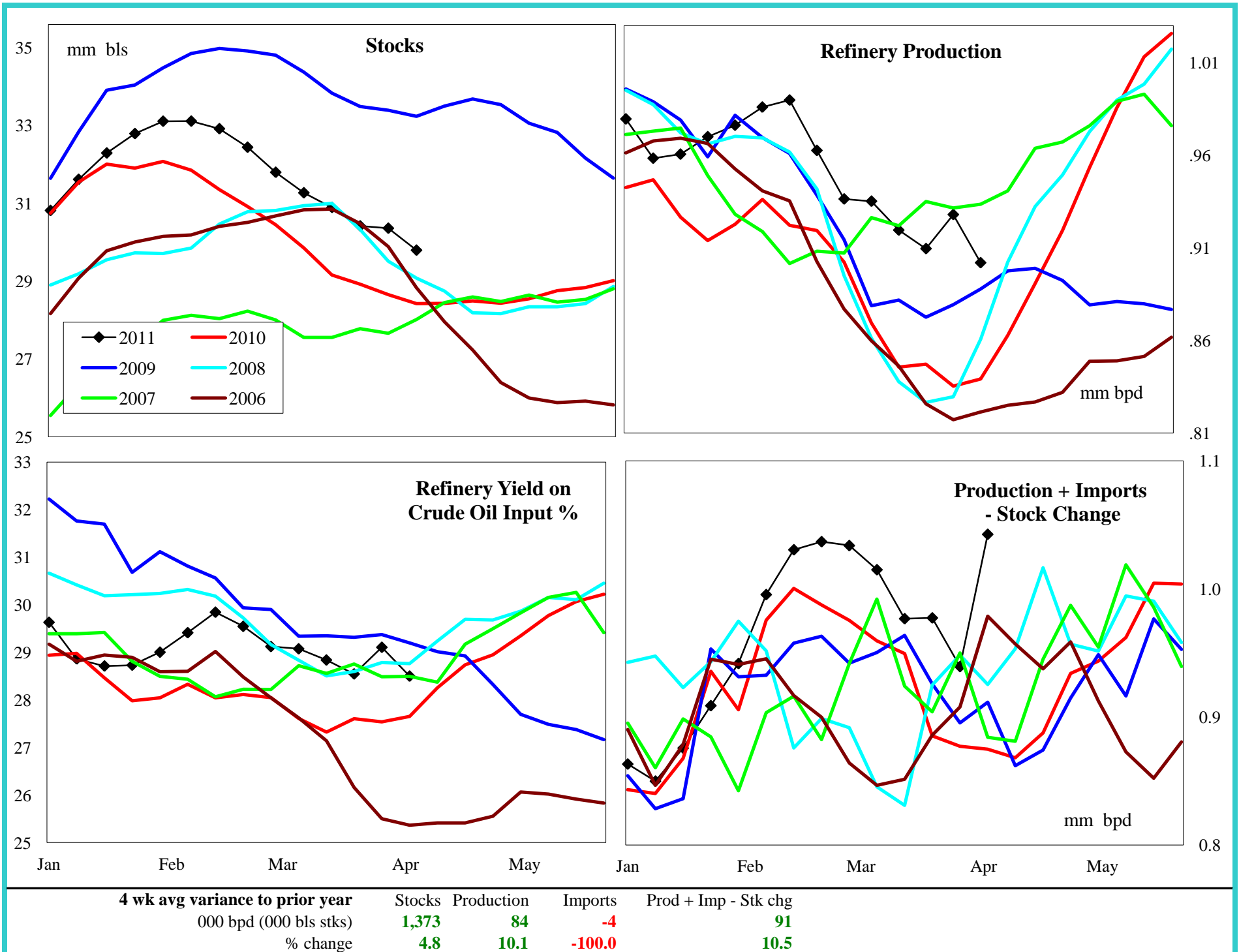


**4 wk avg variance to prior year**  
 000 bpd (000 bbls stks)  
 % change

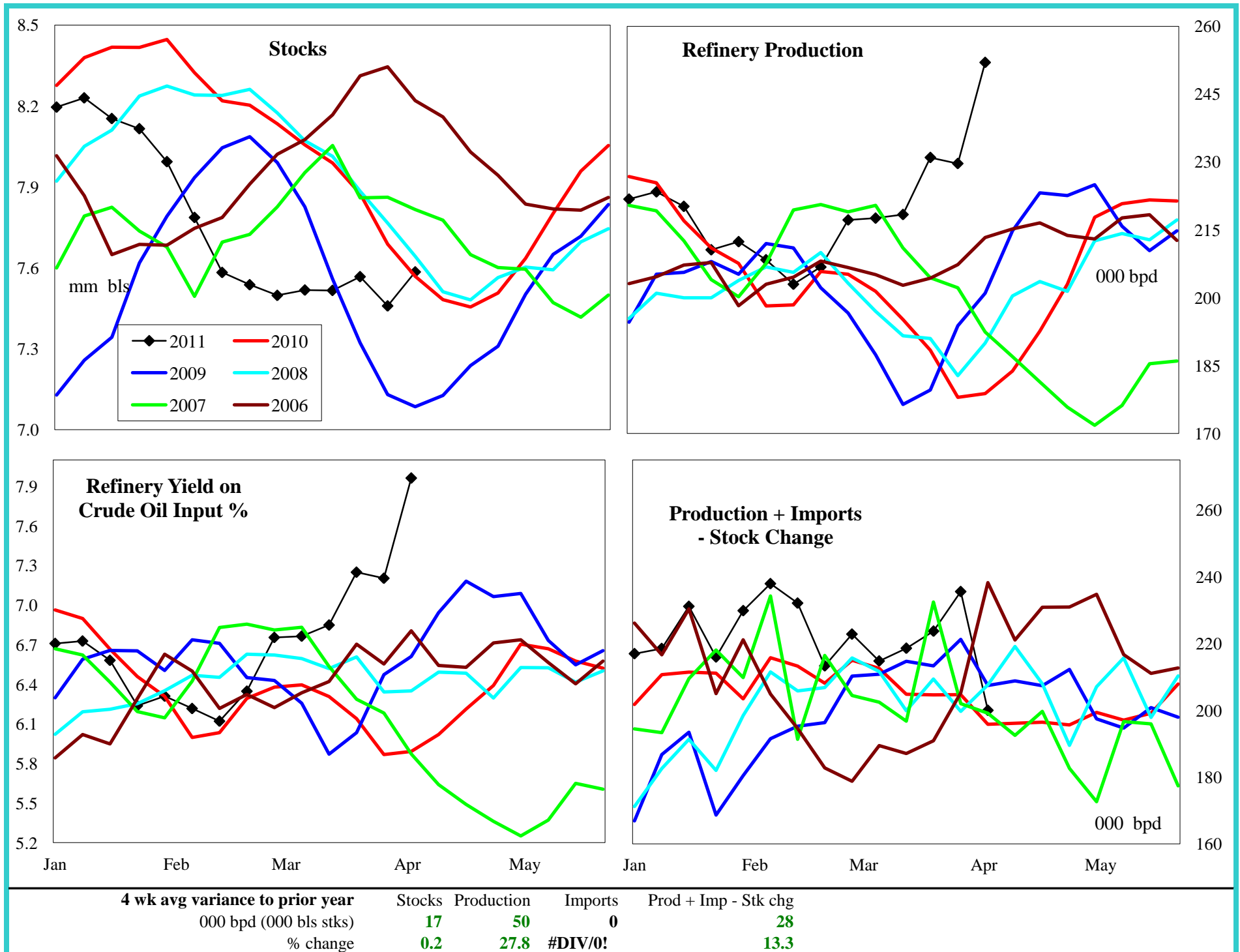
Stocks    Production  
**-3,675**    **-47**  
**-10.3**    **-2.6**

Prod - Stk chg  
**-74**  
**-3.9**

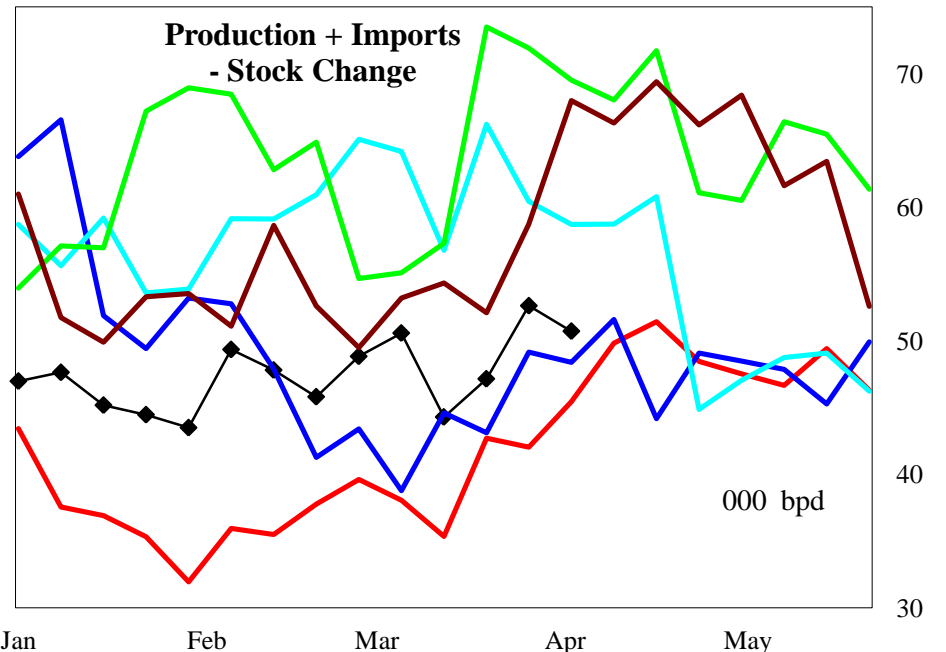
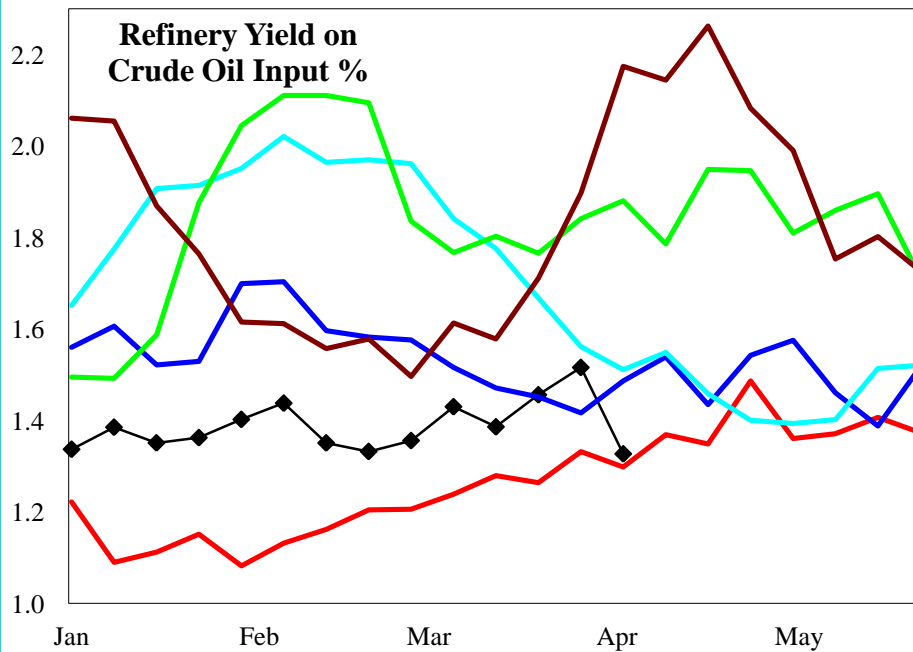
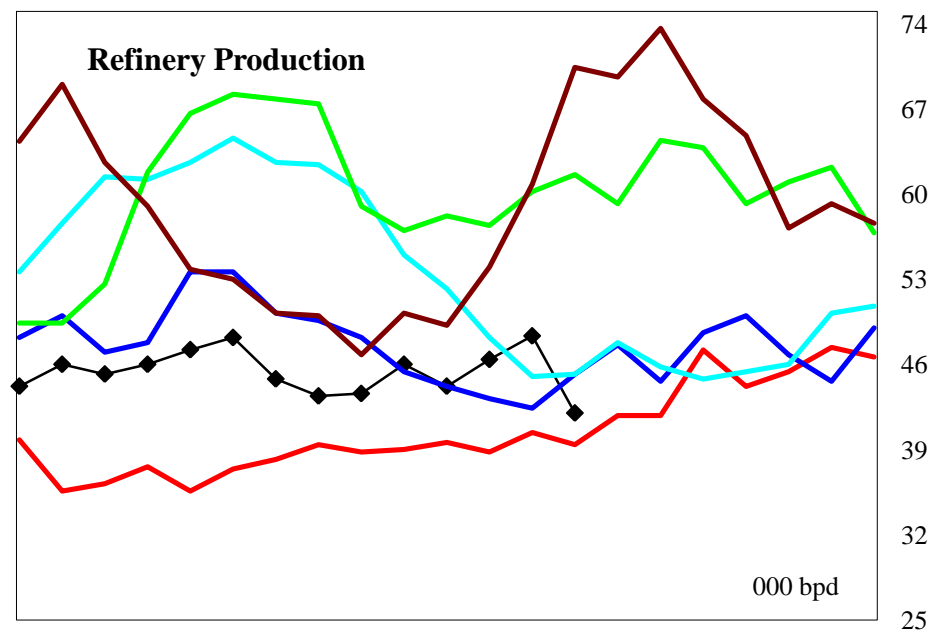
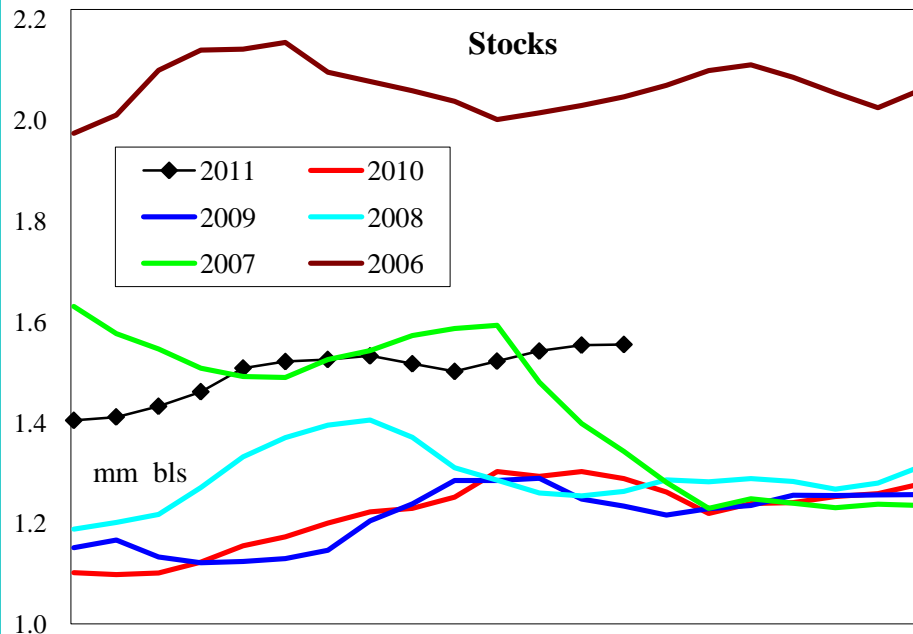
# PADD 2 Distillate Supply



# 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

Production

Imports

Prod + Imp - Stk chg

266

11

2

9

20.4

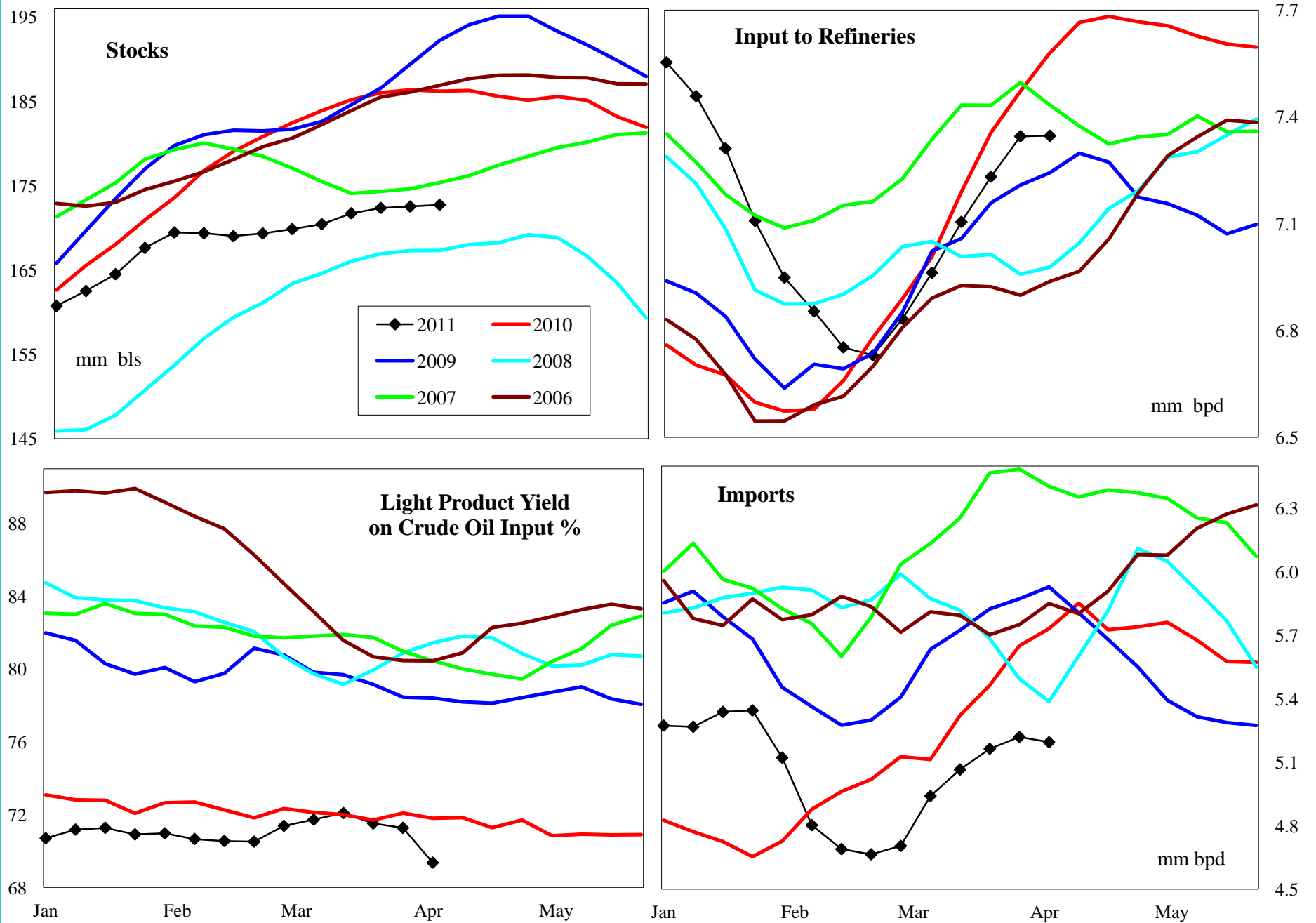
28.7

60.0

22.3



# PADD 3 Crude Oil Supply and Refining



**4 wk avg variance to prior year**

000 bpd (000 bls stks)

% change

Stocks

**-13,463**

**-7.2**

Input

**-152**

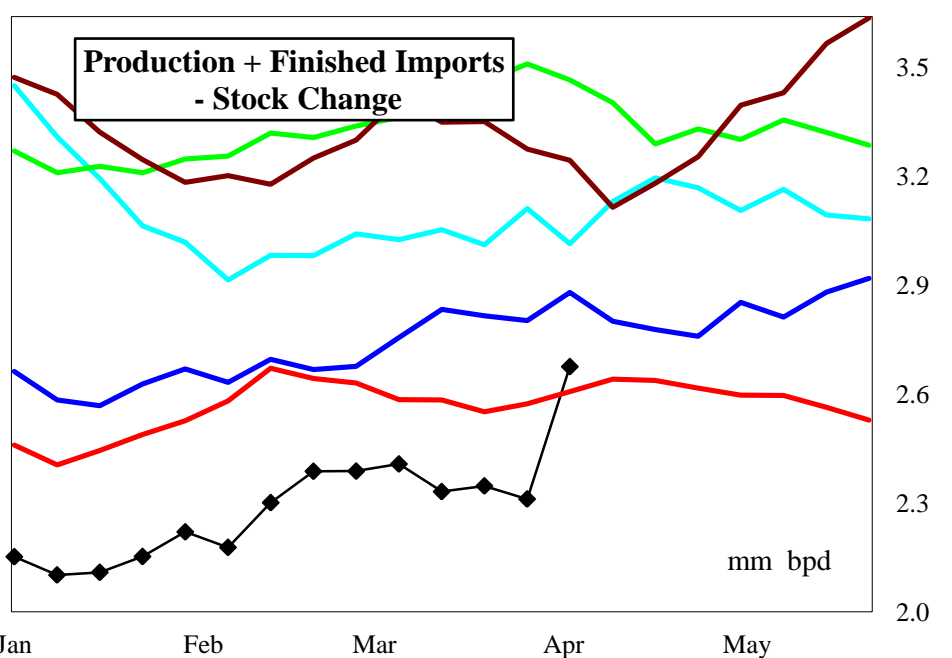
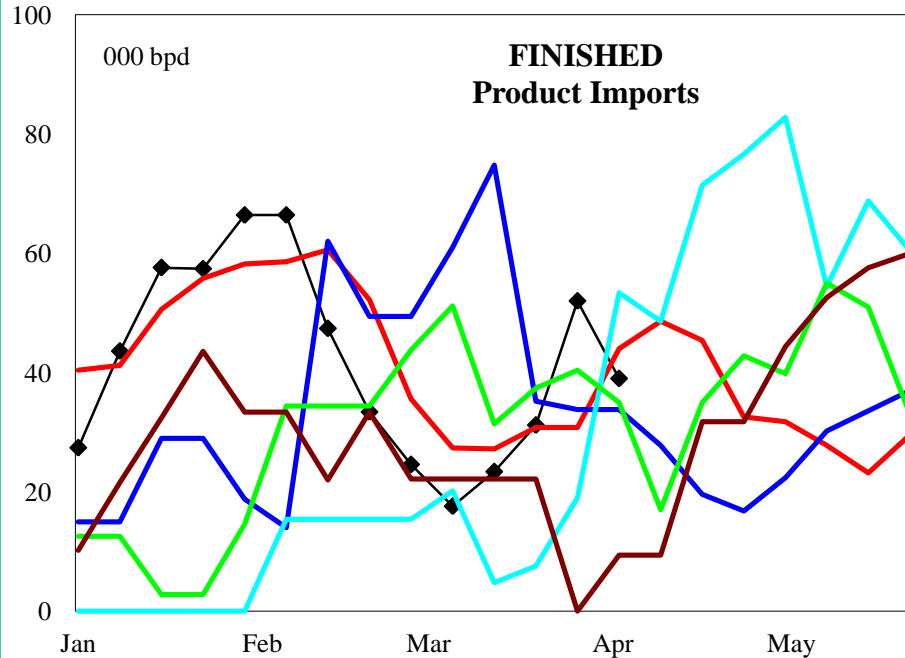
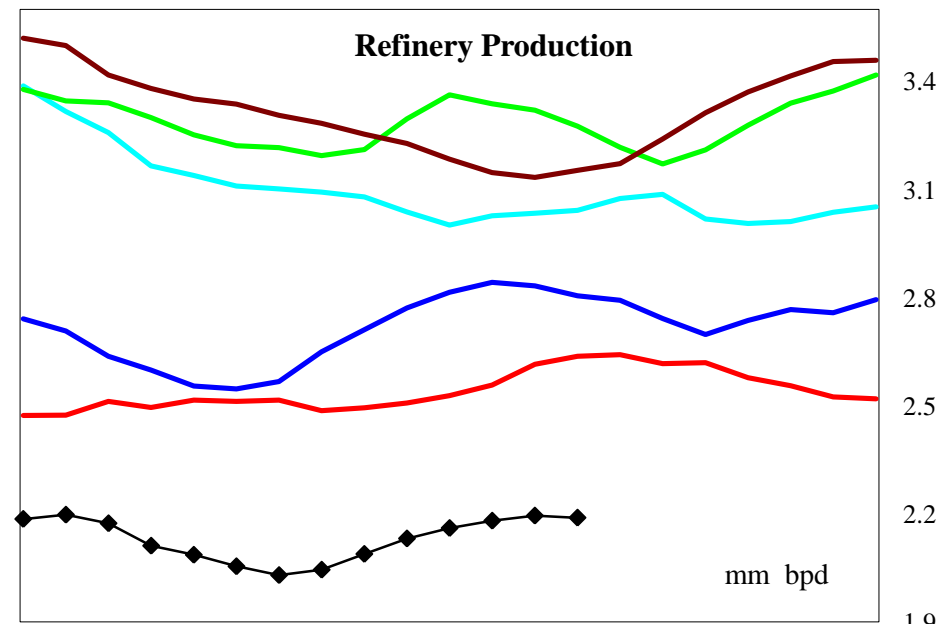
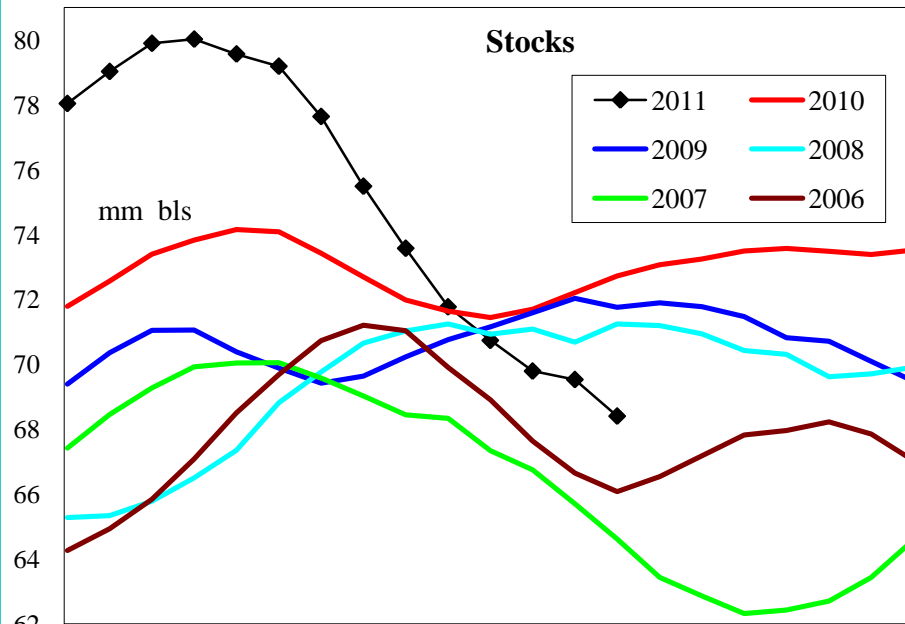
**-2.0**

Imports

**-444**

**-7.9**

# PADD 3 Gasoline Supply



**4 wk avg variance to prior year**

000 bpd (000 bls stks)

% change

Stocks

-3,976

-5.5

Production

-383

-14.8

Fin Impt

13

47.2

Blend Impt

72

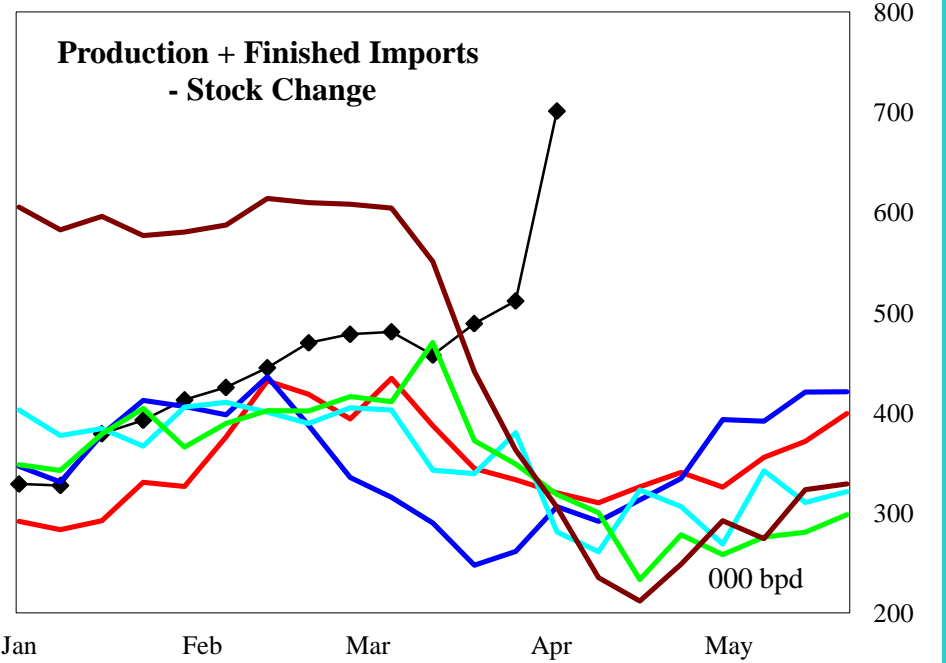
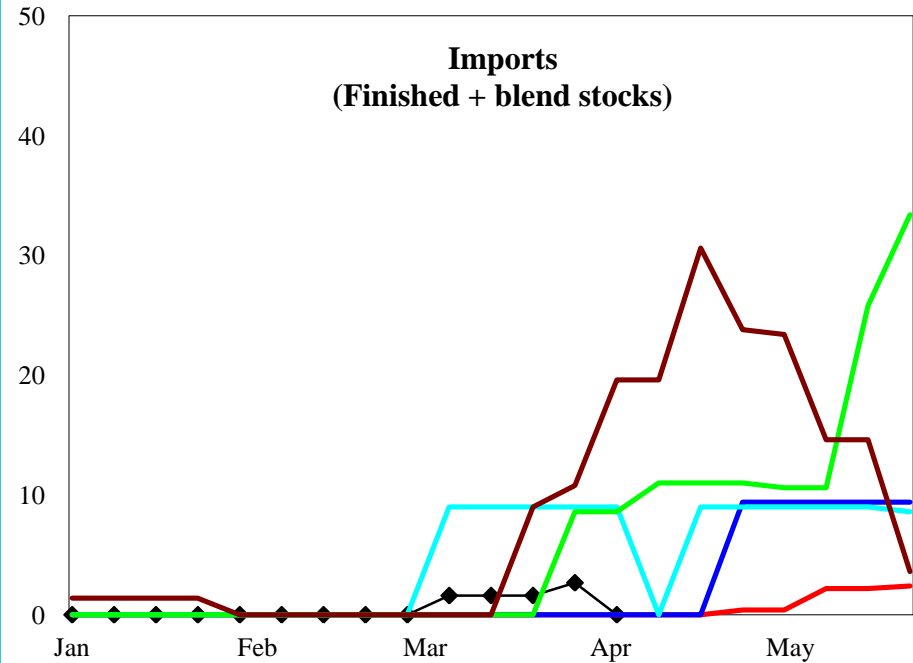
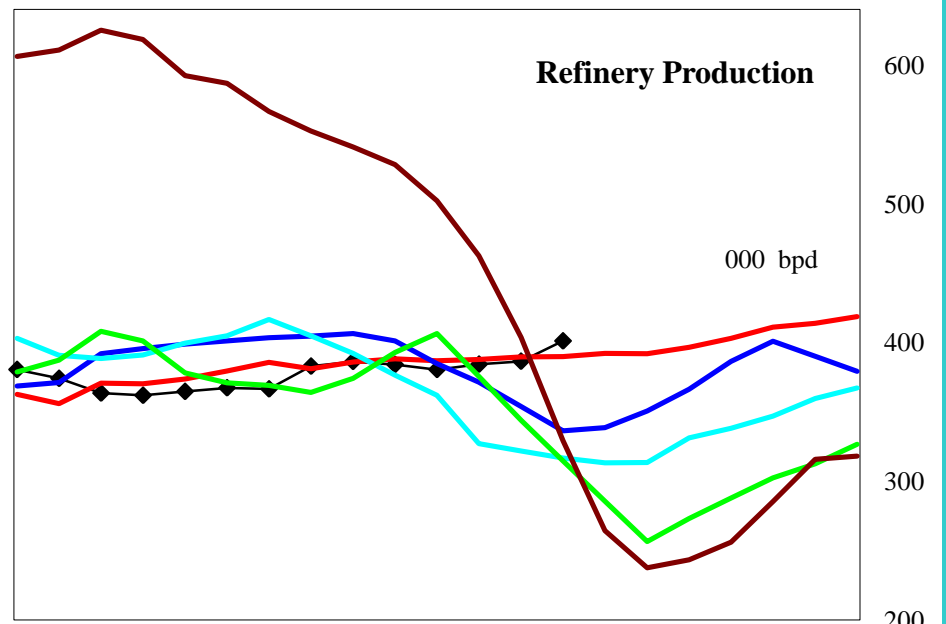
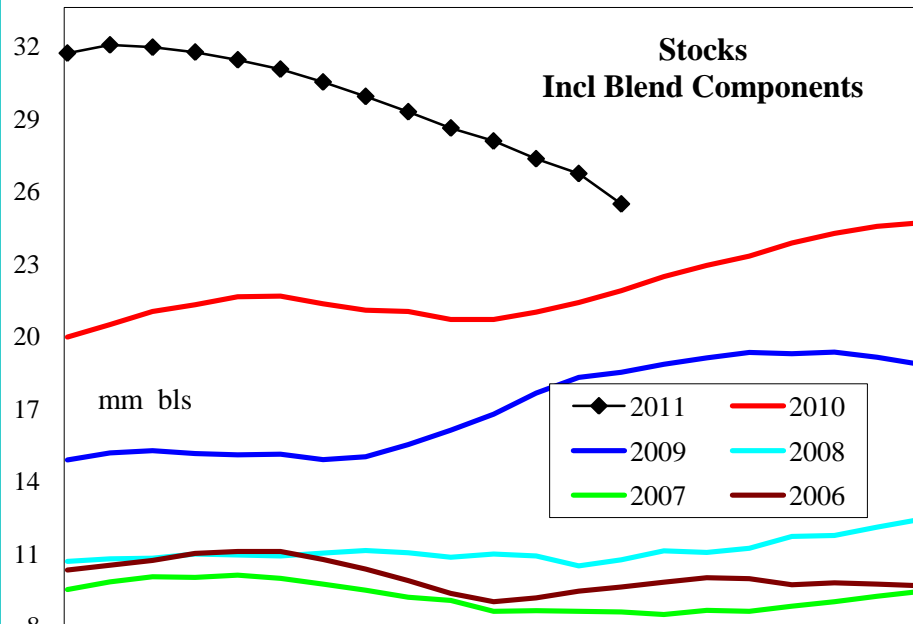
166.9

Prod + Imp - Stk chg

-236

-9.3

# PADD 3 Reformulated Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

3,768

17.0

Production

-5

-1.2

Imports

2

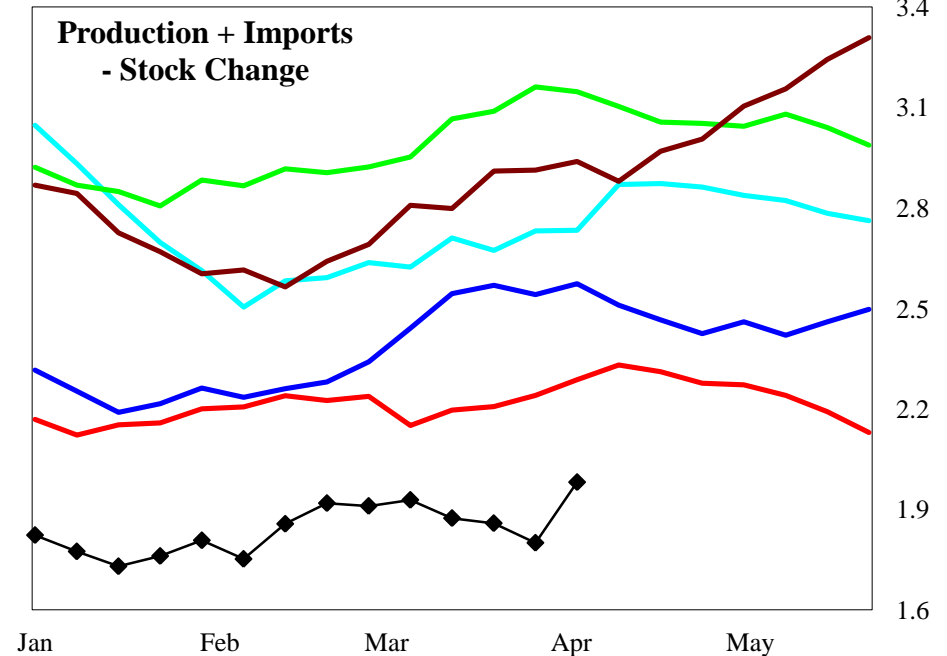
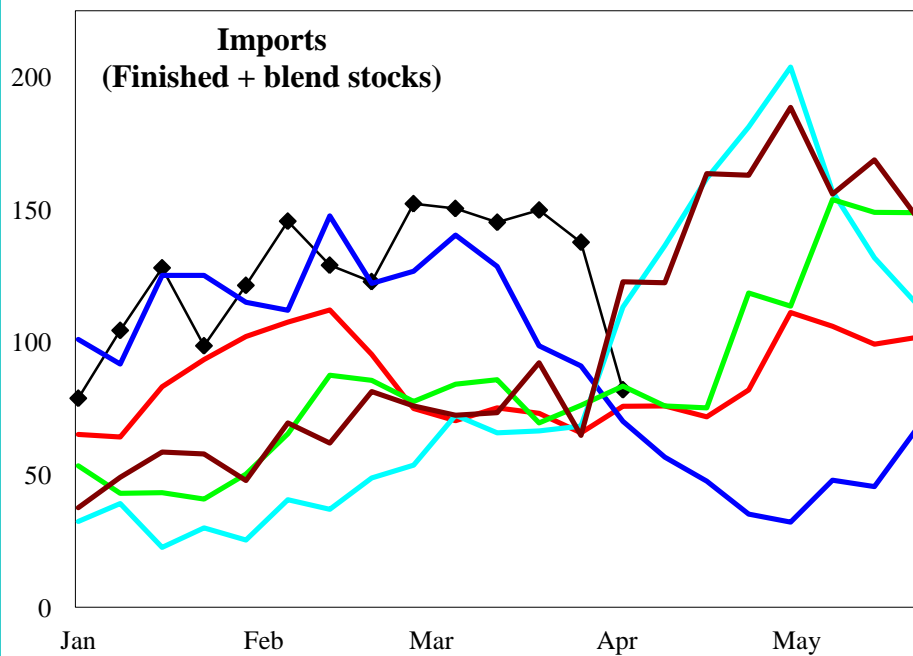
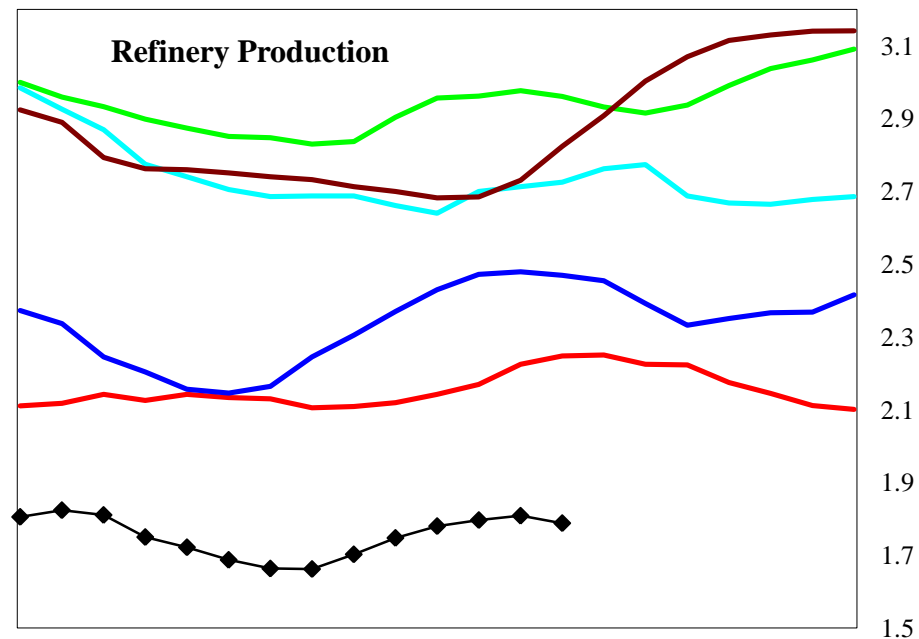
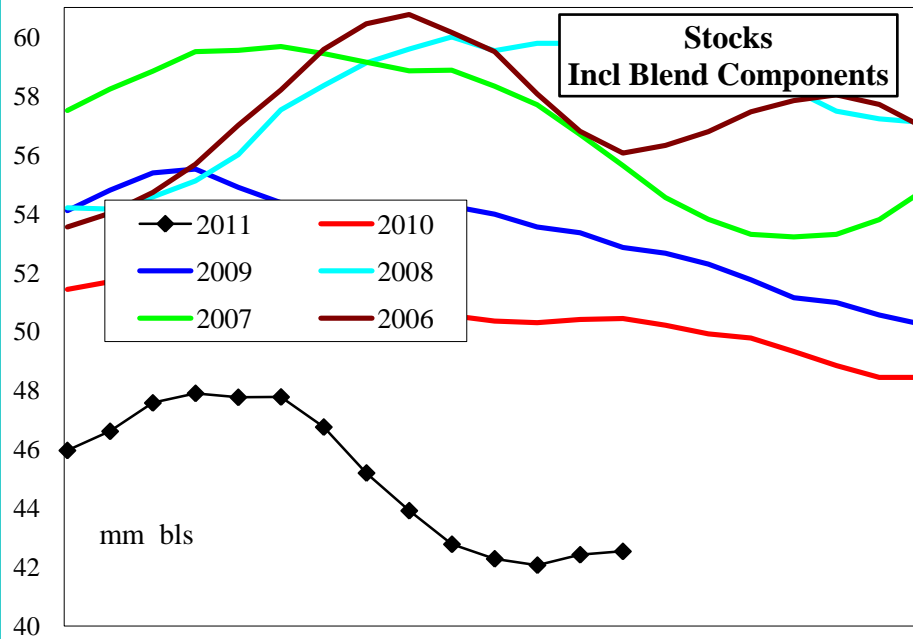
#DIV/0!

Prod + Imp - Stk chg

158

47.8

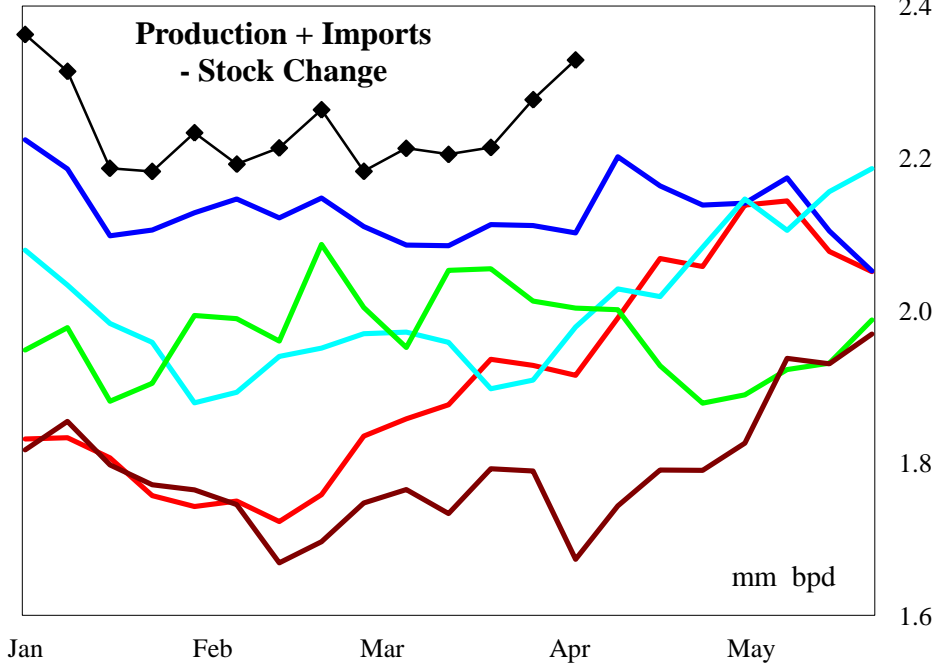
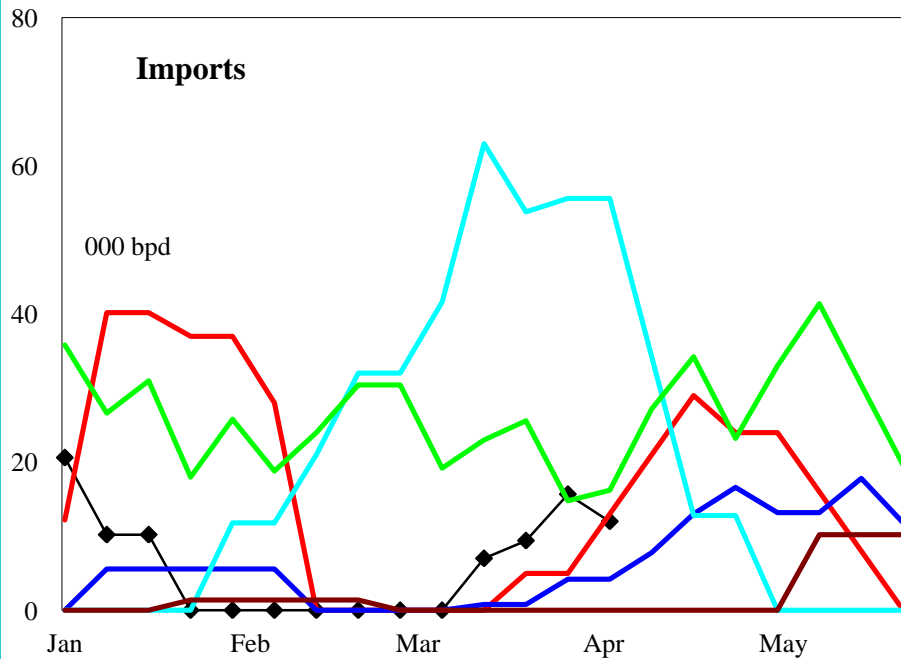
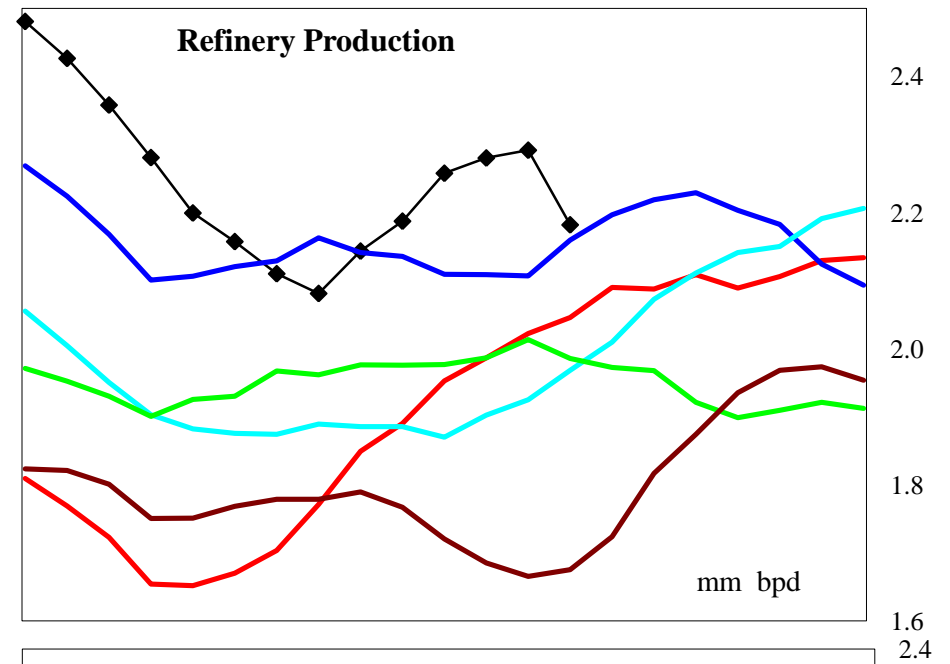
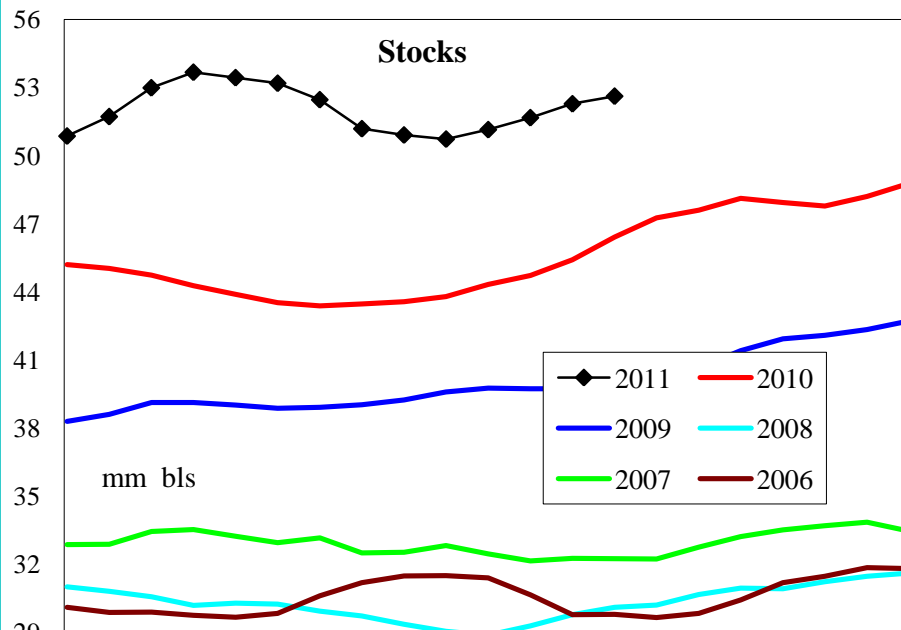
# PADD 3 Conventional Gasoline Supply



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

Stocks	Production	Imports	Prod + Imp - Stk chg
-7,741	-378	82	-394
-15.4	-17.3	118.3	-17.8

# PADD 3 Distillate Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

7,065

15.5

Production

319

16.0

Imports

6

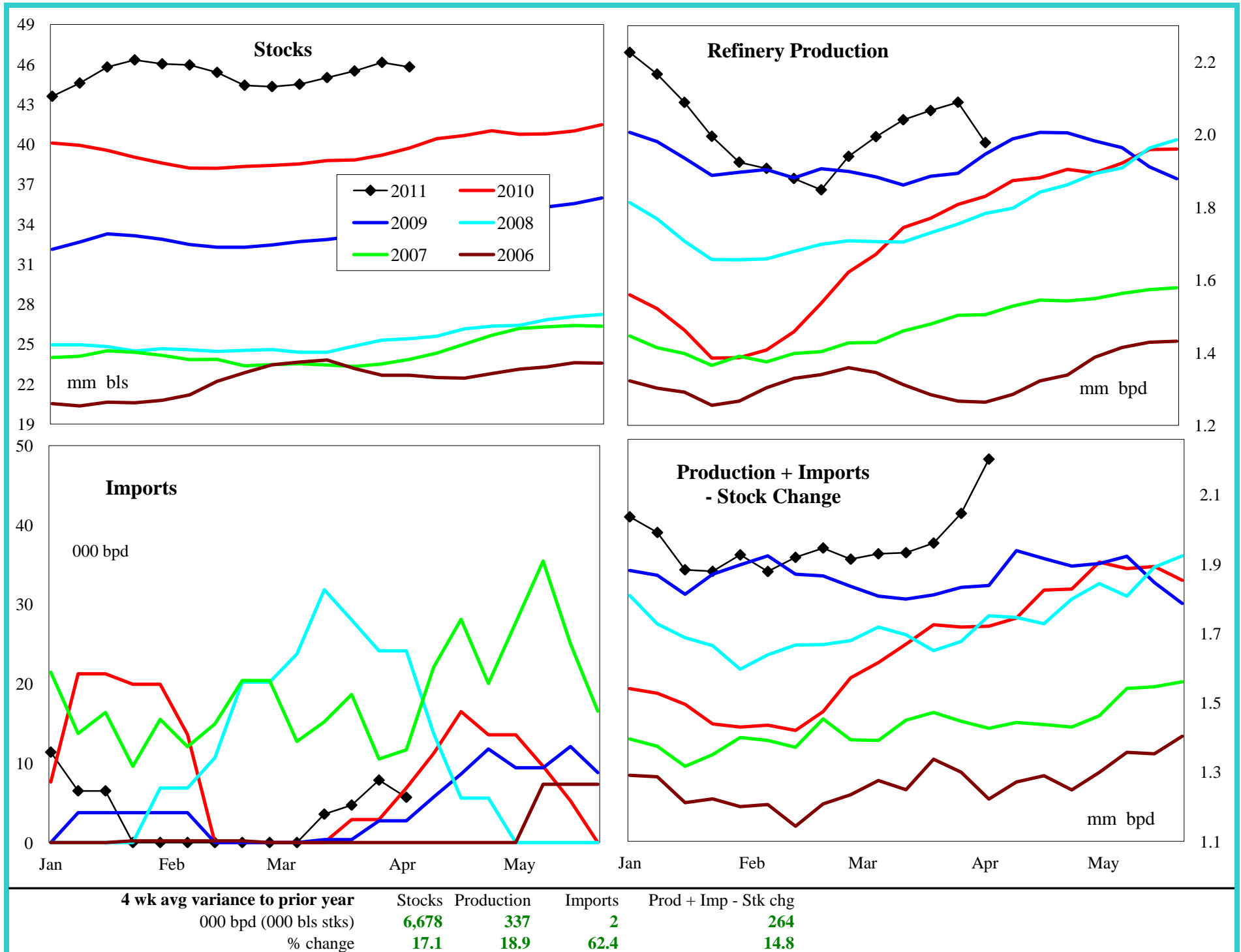
88.0

Prod + Imp - Stk chg

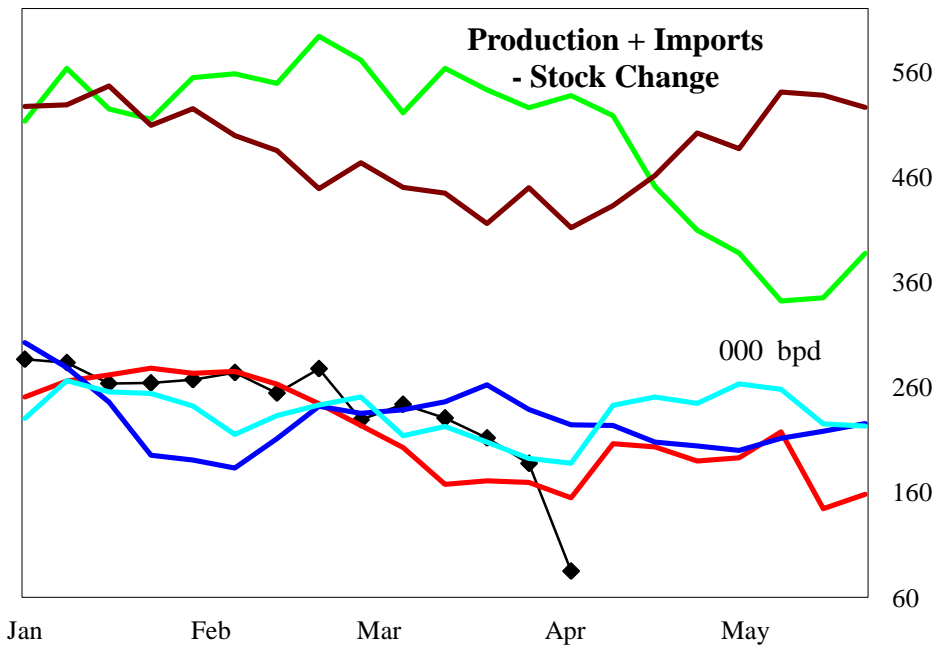
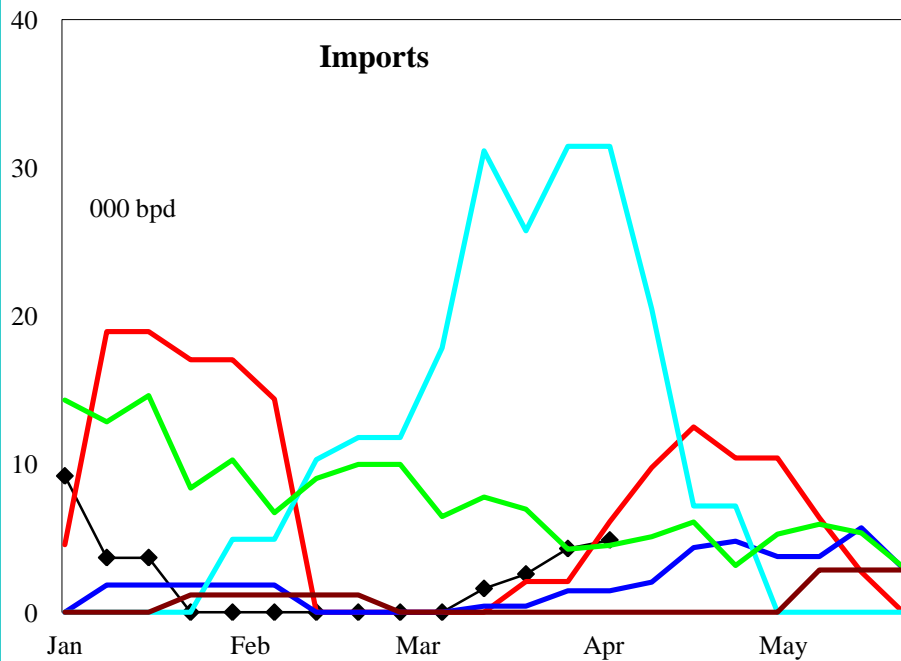
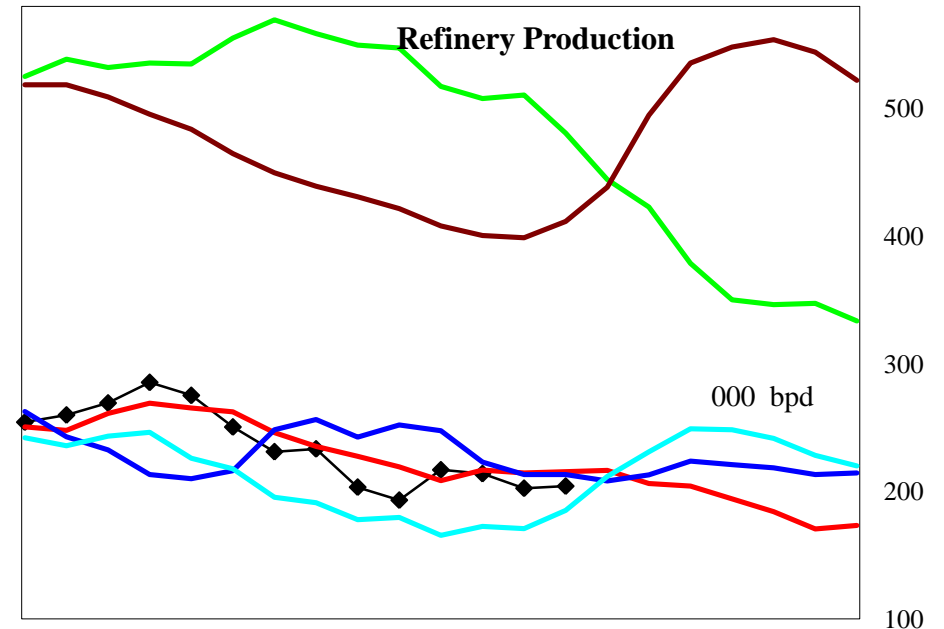
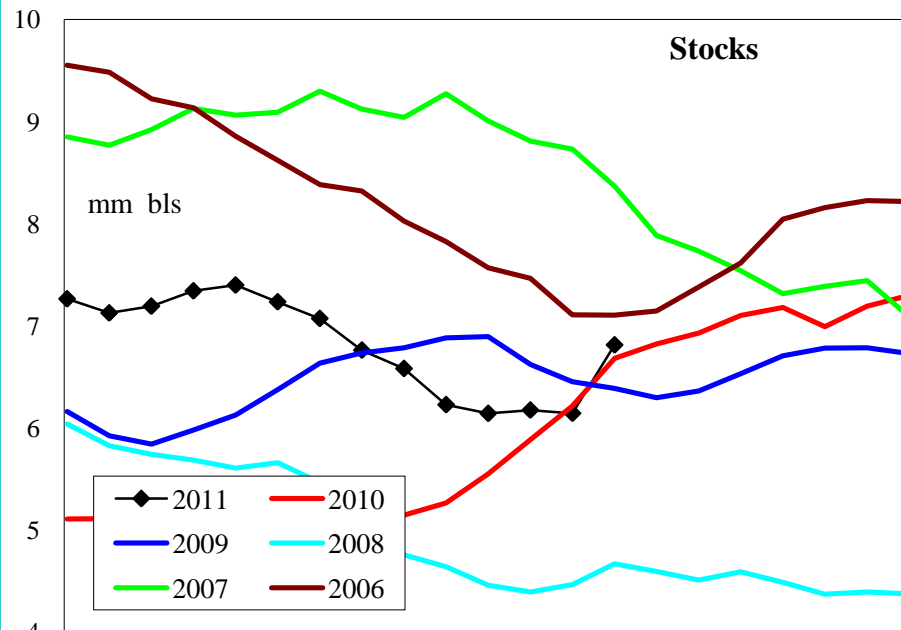
272

14.0

# PADD 3 Low Sulfur Distillate Supply



# PADD 3 High Sulfur Distillate Supply



**4 wk avg variance to prior year**

000 bpd (000 bls stks)

% change

Stocks

387

6.0

Production

-18

-8.4

Imports

1

23.2

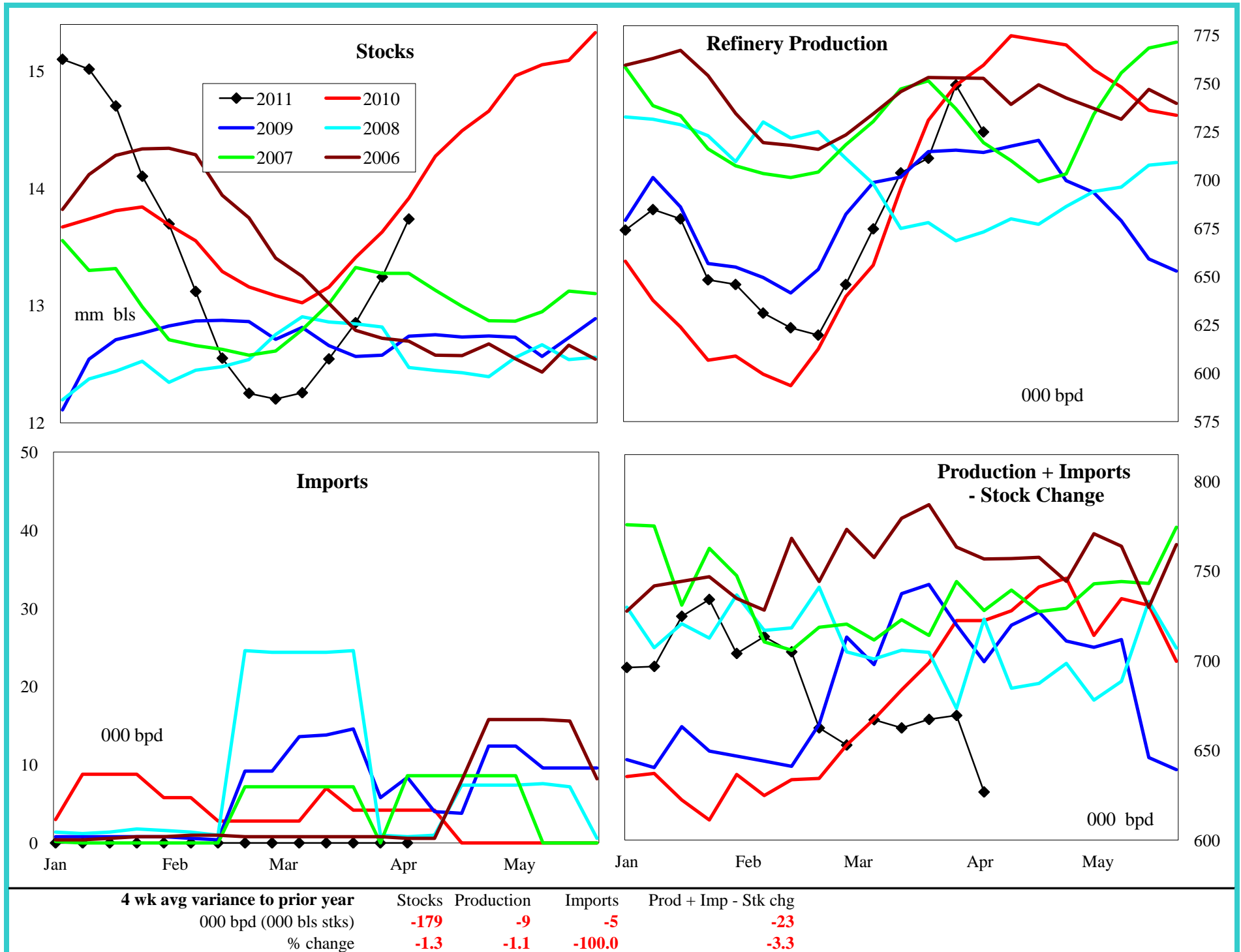
Prod + Imp - Stk chg

5

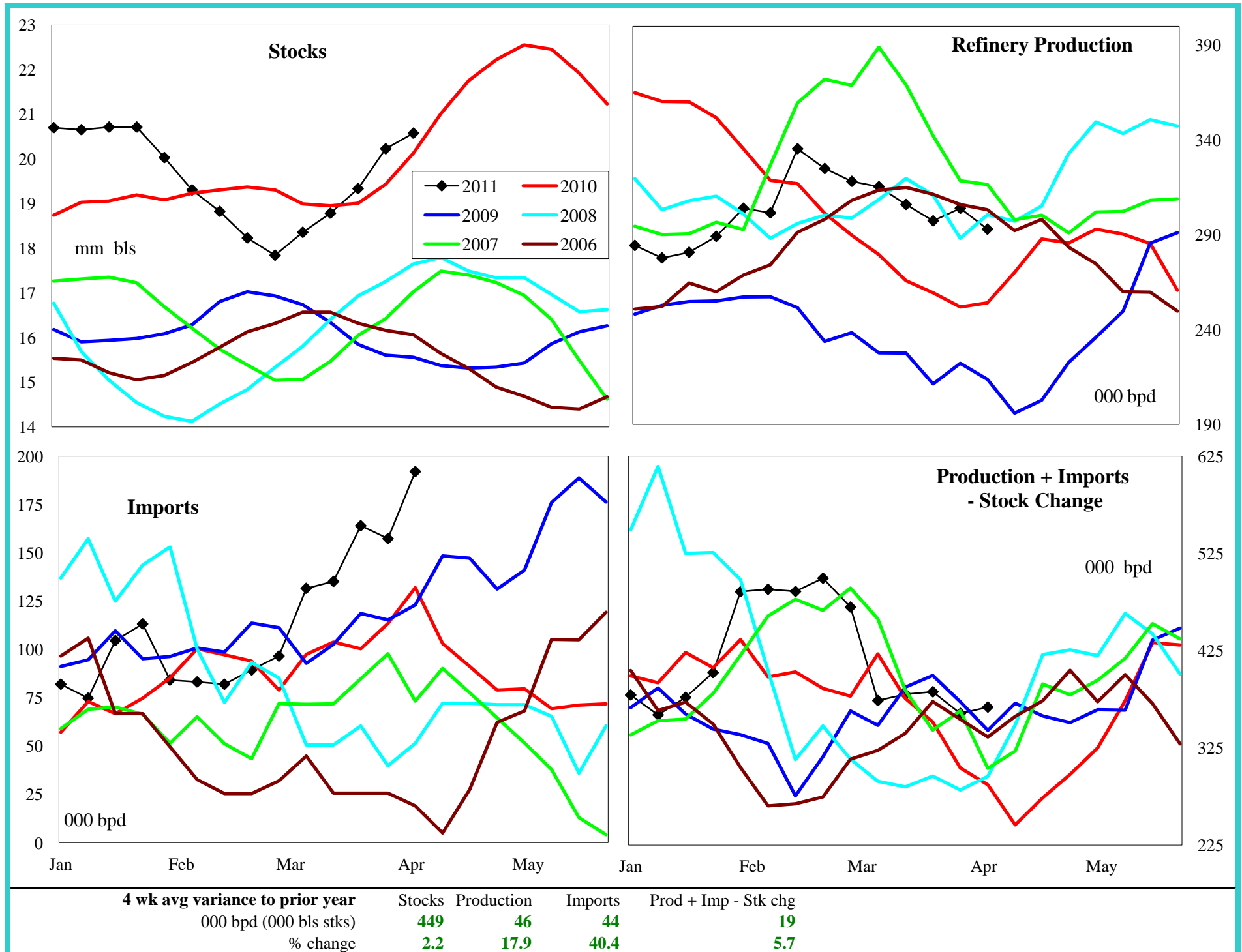
3.2



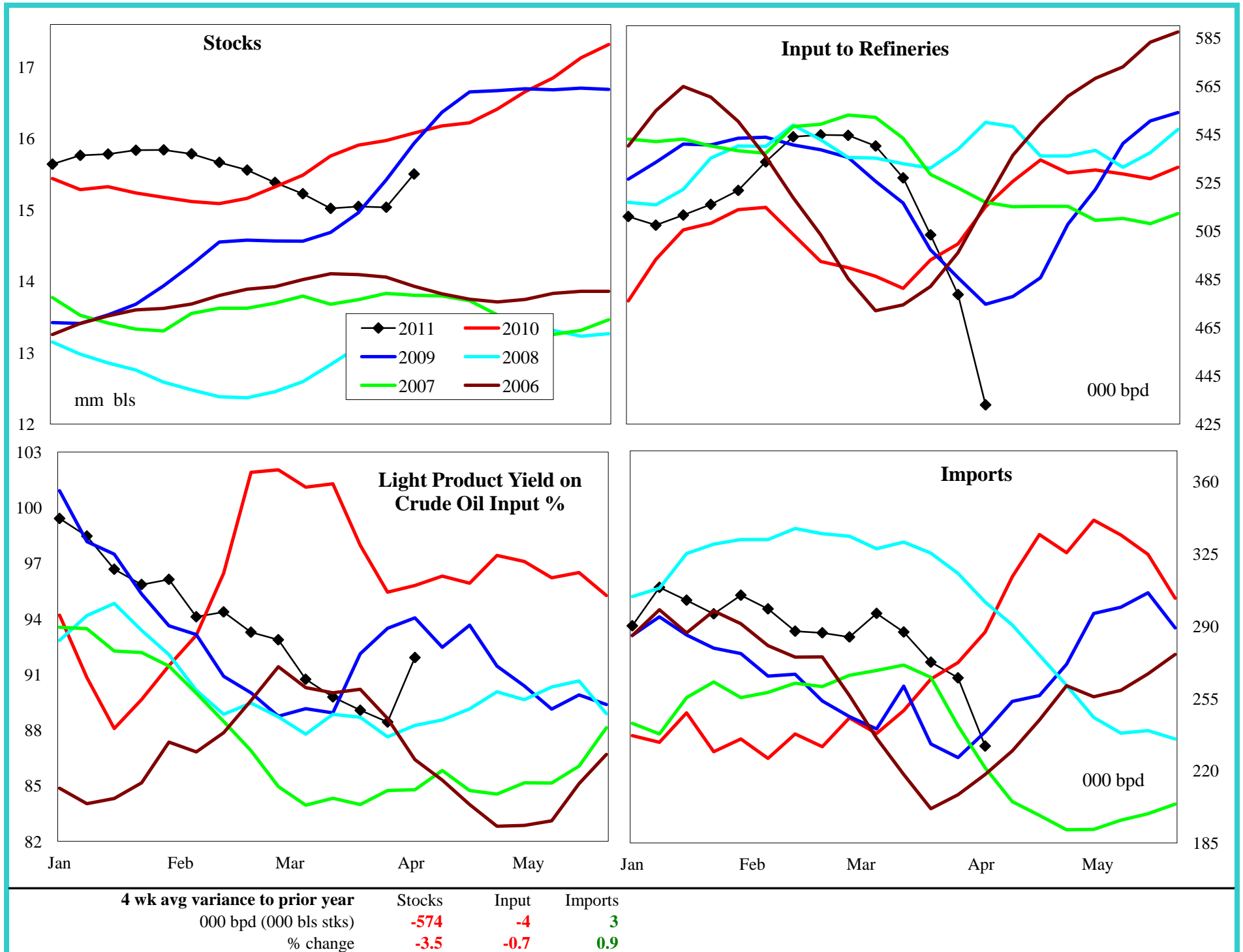
# PADD 3 Jet Fuel Supply



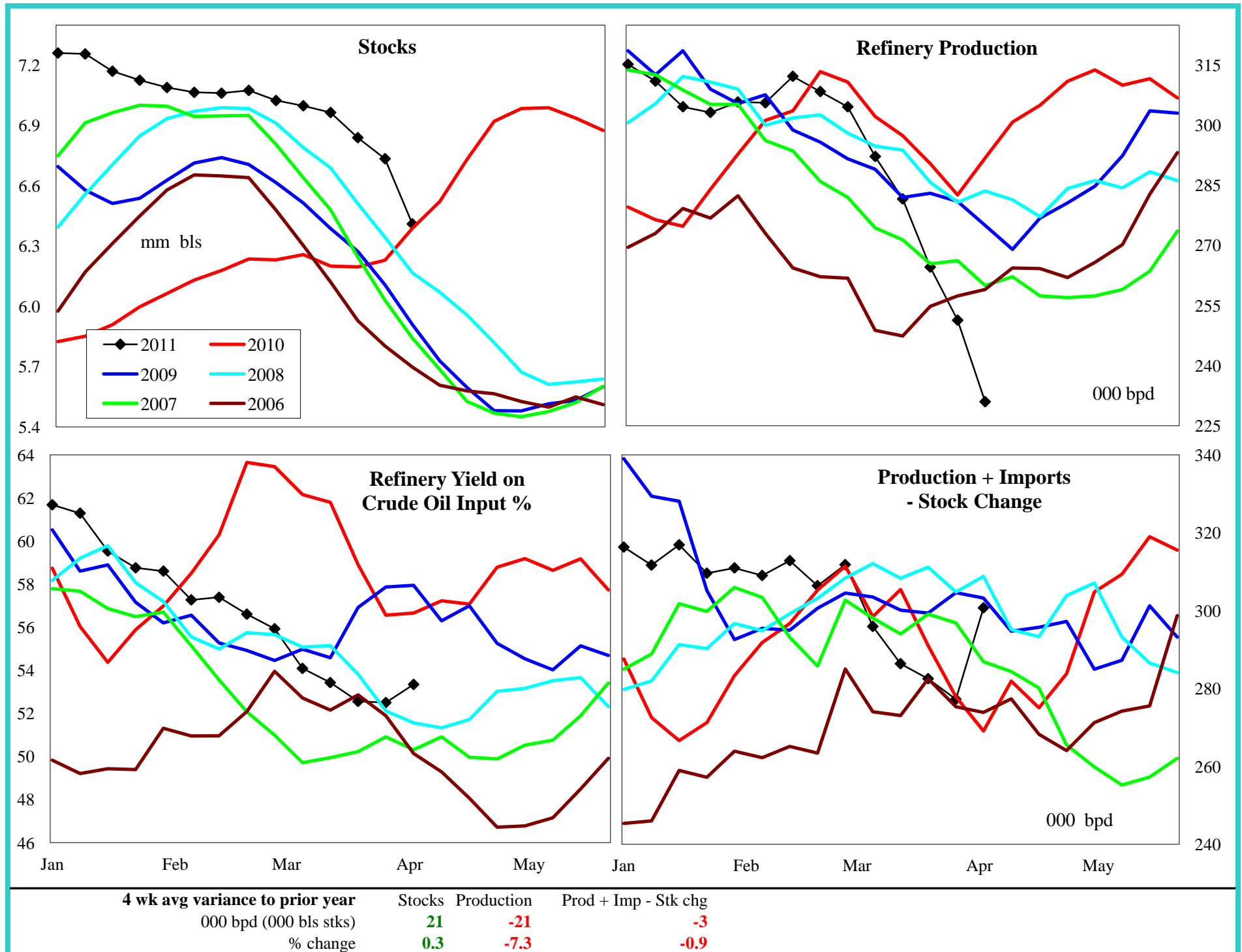
# PADD 3 Residual Fuel Oil Supply



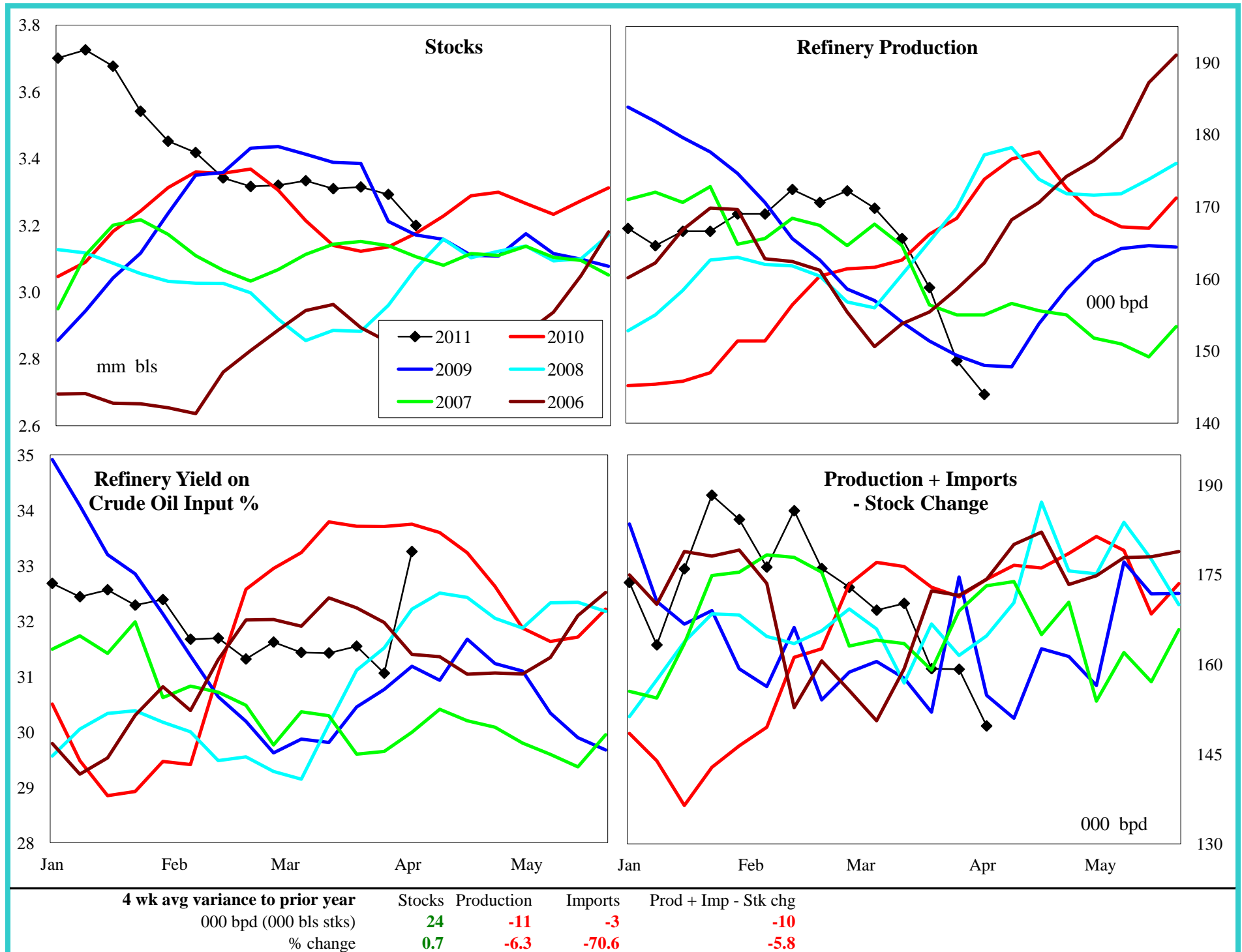
# PADD 4 Crude Oil Supply and Refining



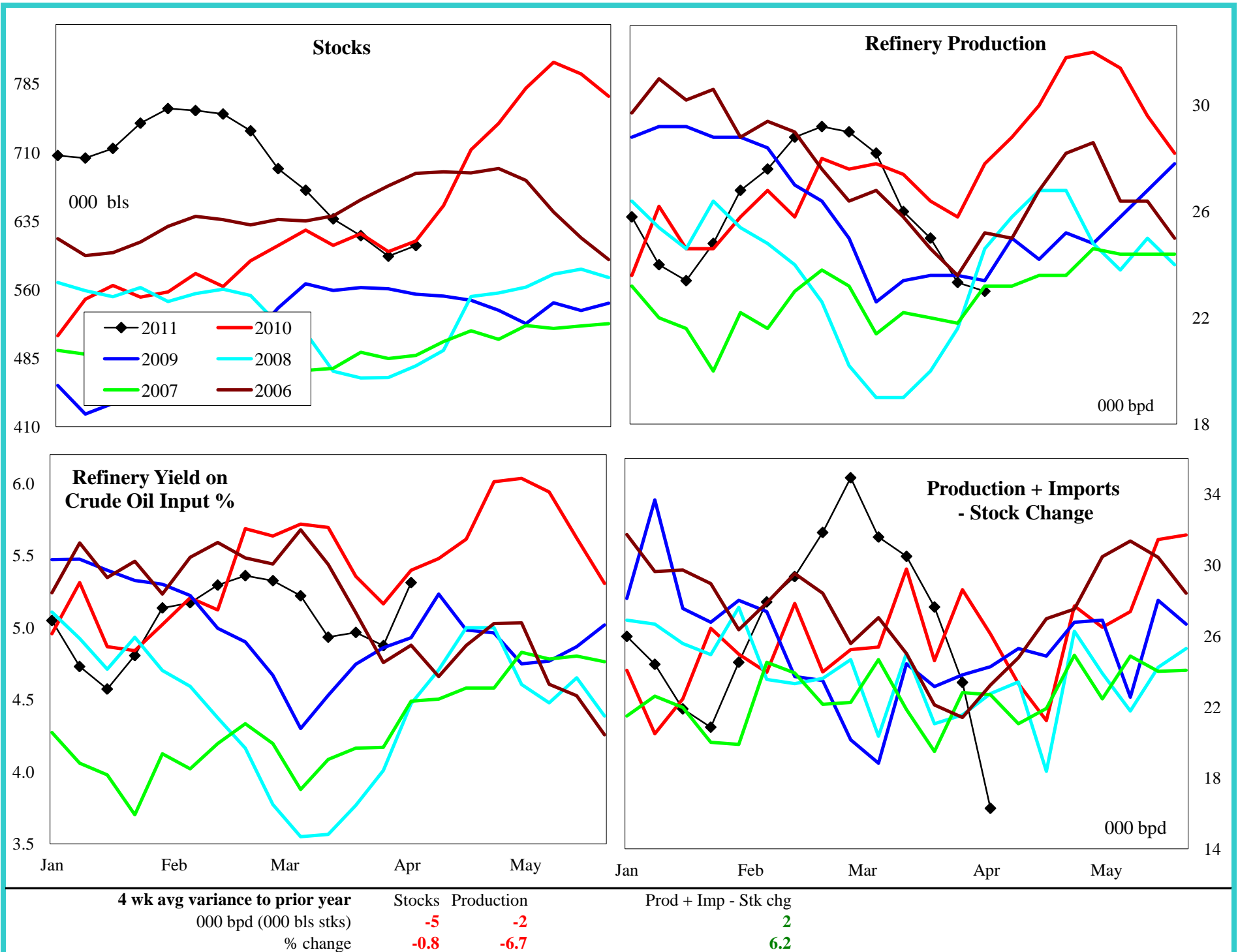
# PADD 4 Gasoline Supply



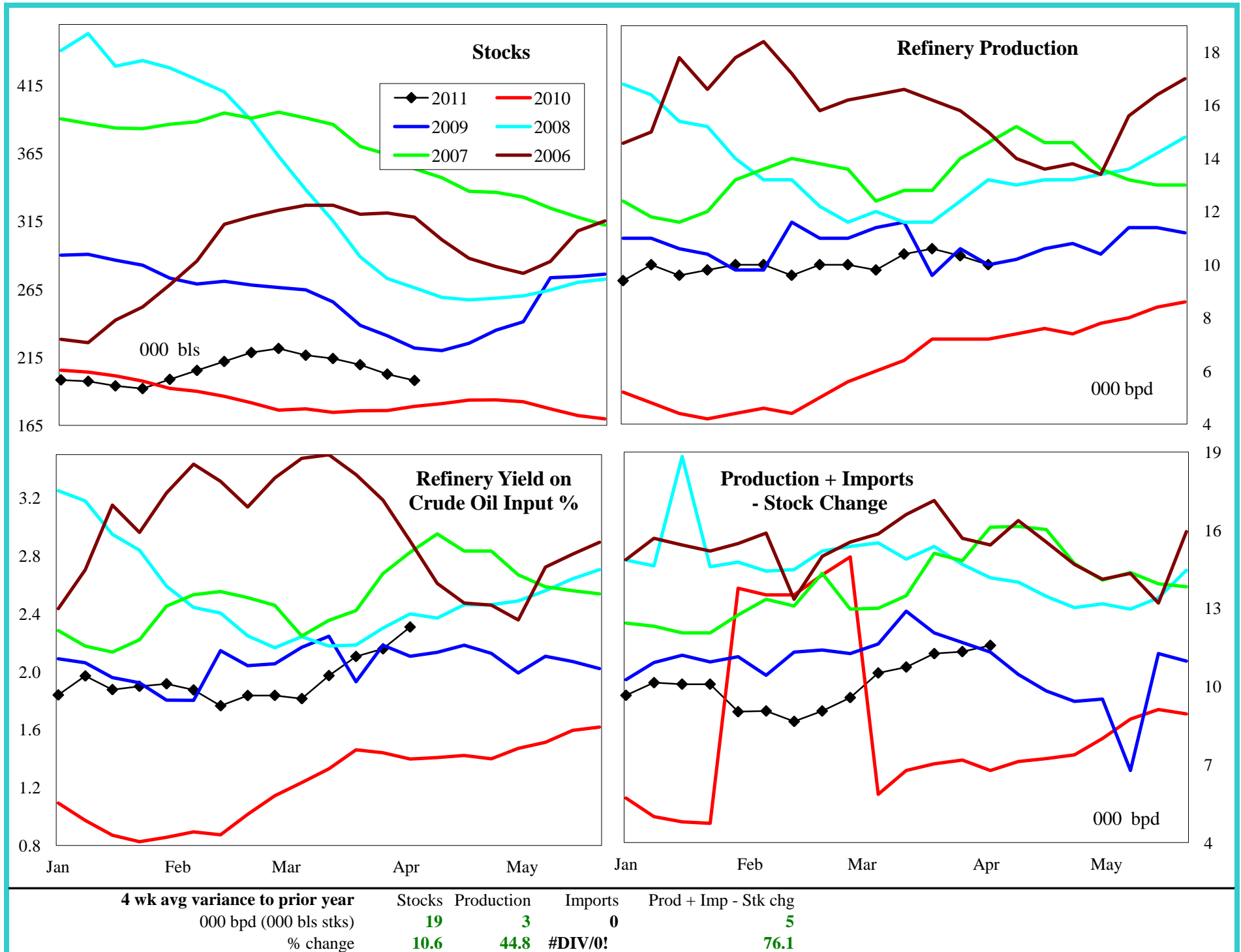
# PADD 4 Distillate Supply



# PADD 4 Jet Fuel Supply

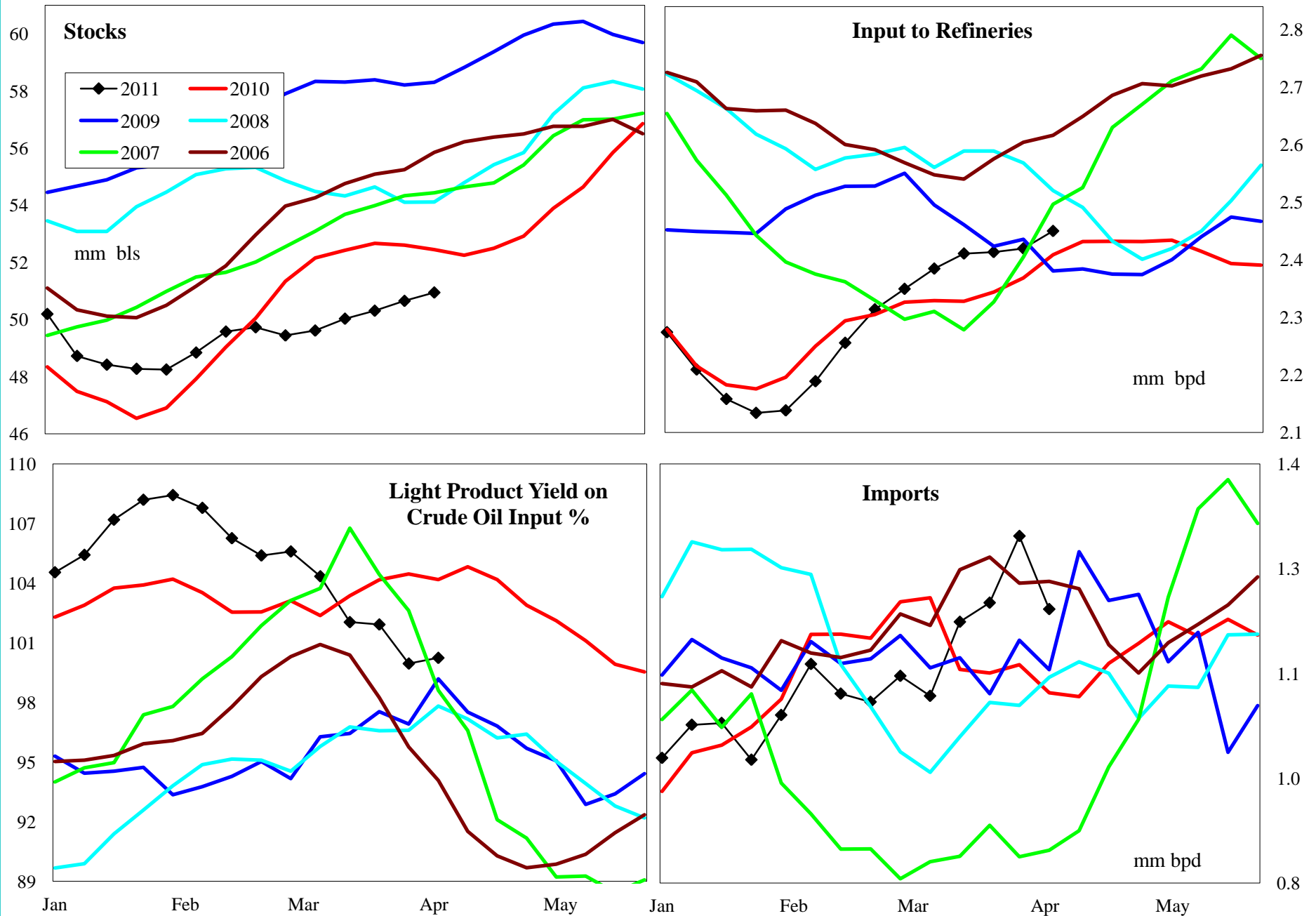


# PADD 4 Residual Fuel Oil Supply





# PADD 5 Crude Oil Supply and Refining



**4 wk avg variance to prior year**

000 bpd (000 bls stks)

% change

Stocks

**-1,502**

**-2.9**

Input

**46**

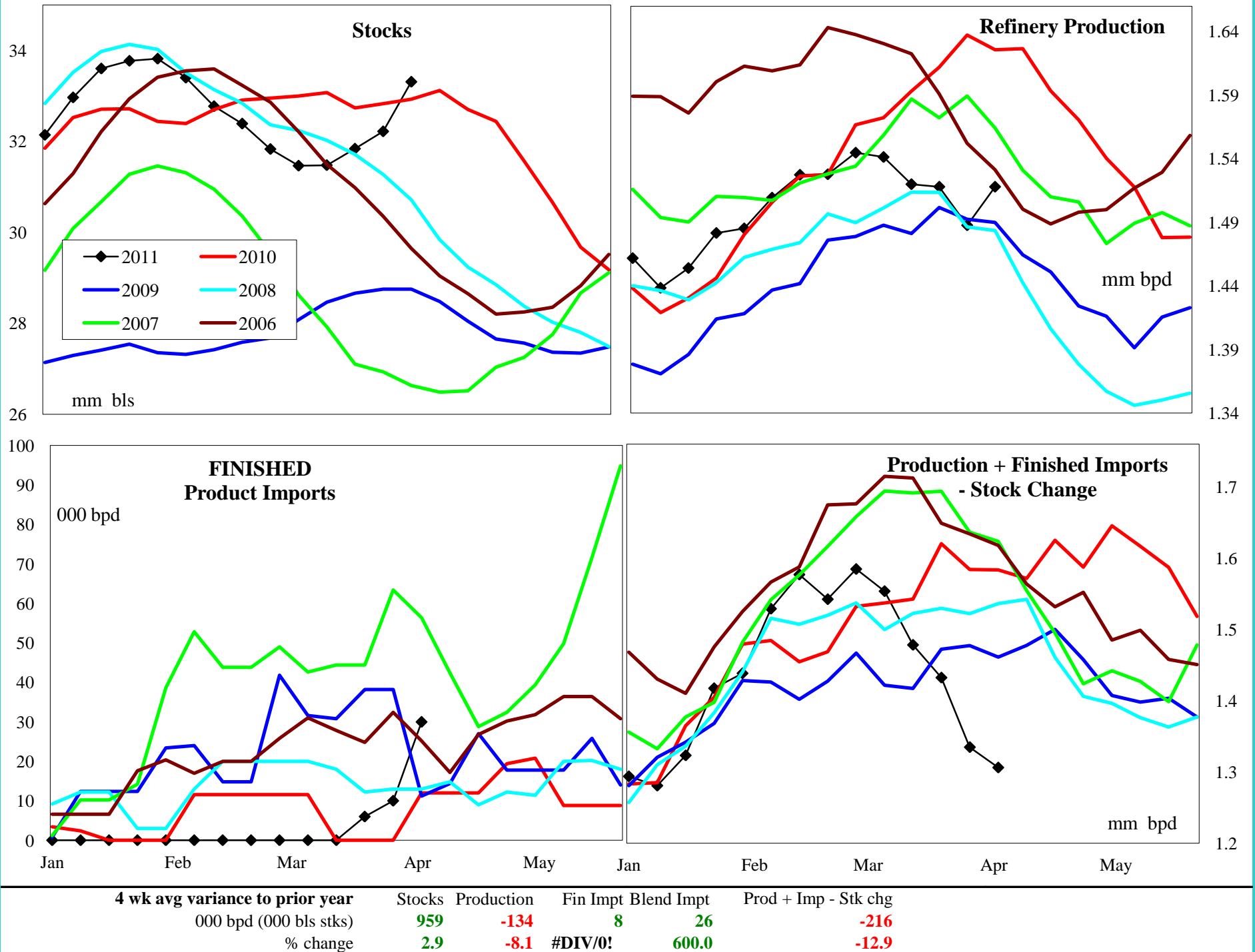
**1.9**

Imports

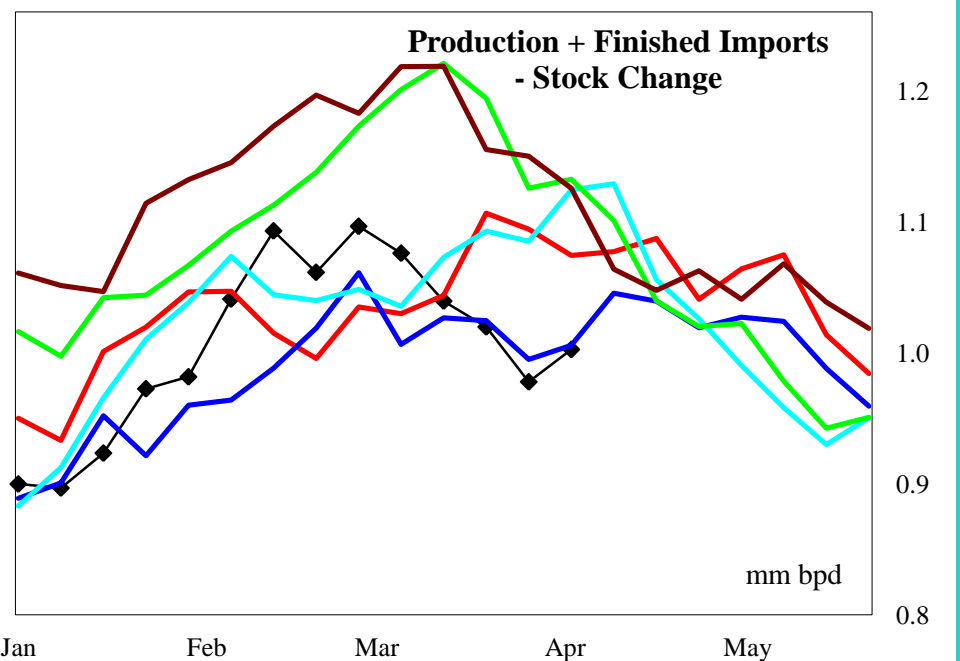
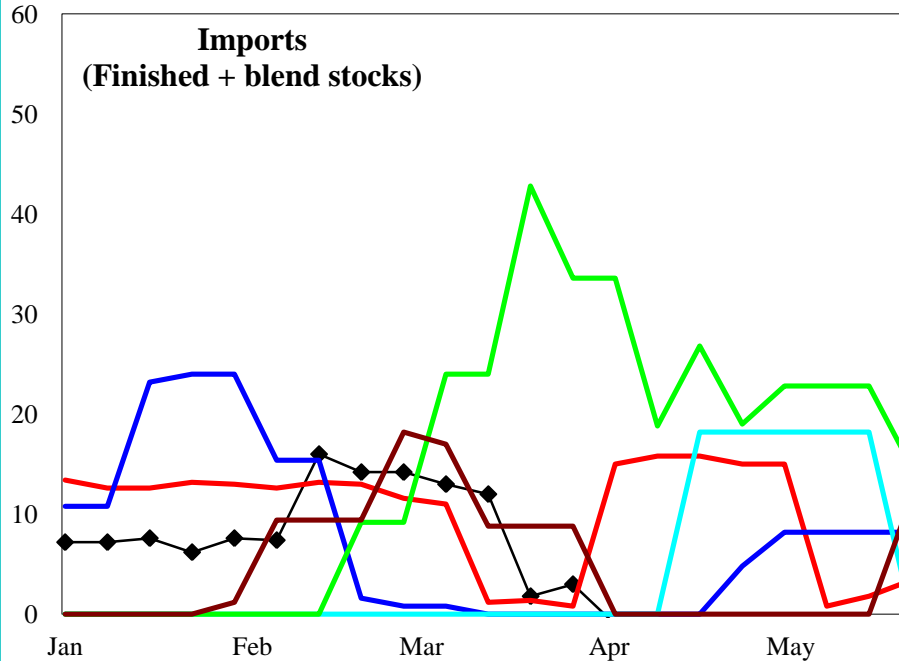
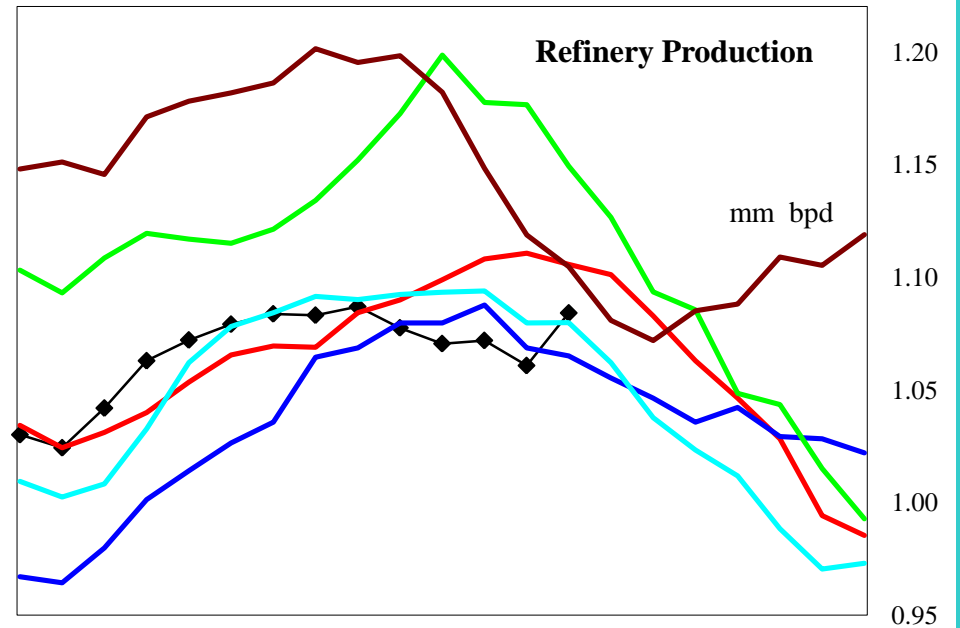
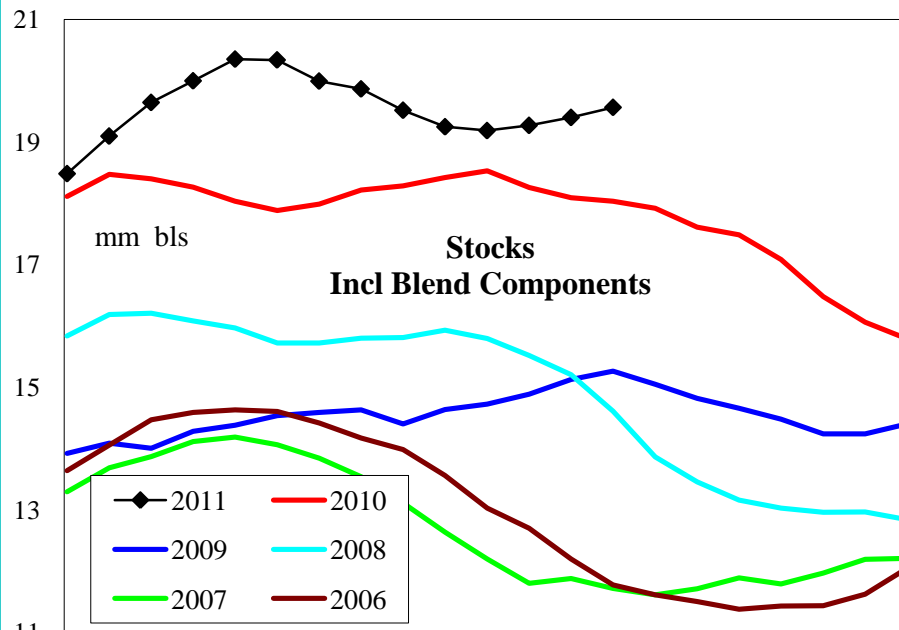
**132**

**11.9**

# PADD 5 Gasoline Supply



# PADD 5 Reformulated Gasoline Supply



**4 wk avg variance to prior year**

000 bpd (000 bls stks)

% change

Stocks

2,094

11.7

Production

-47

-4.2

Imports

1

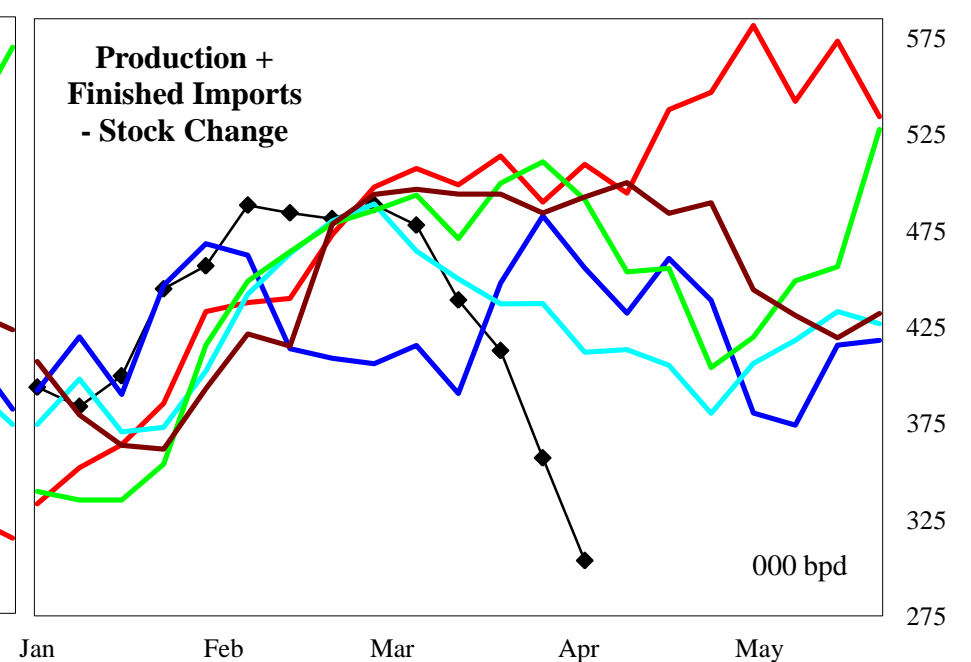
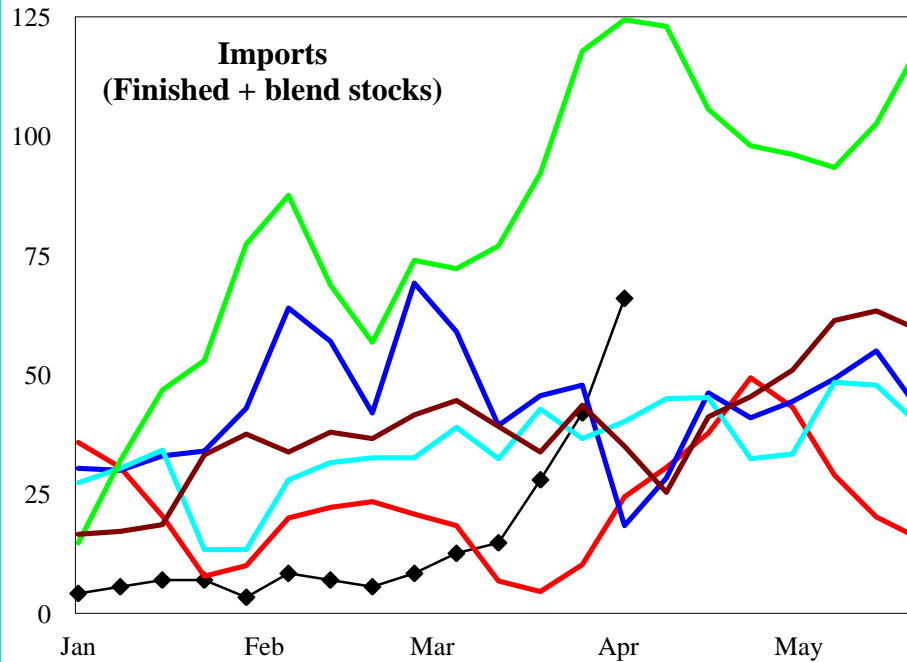
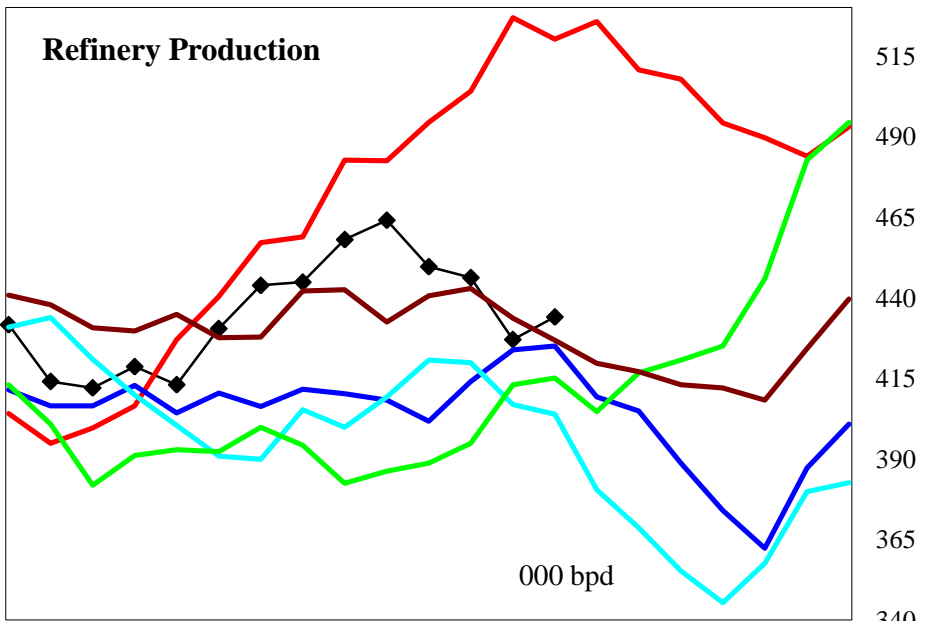
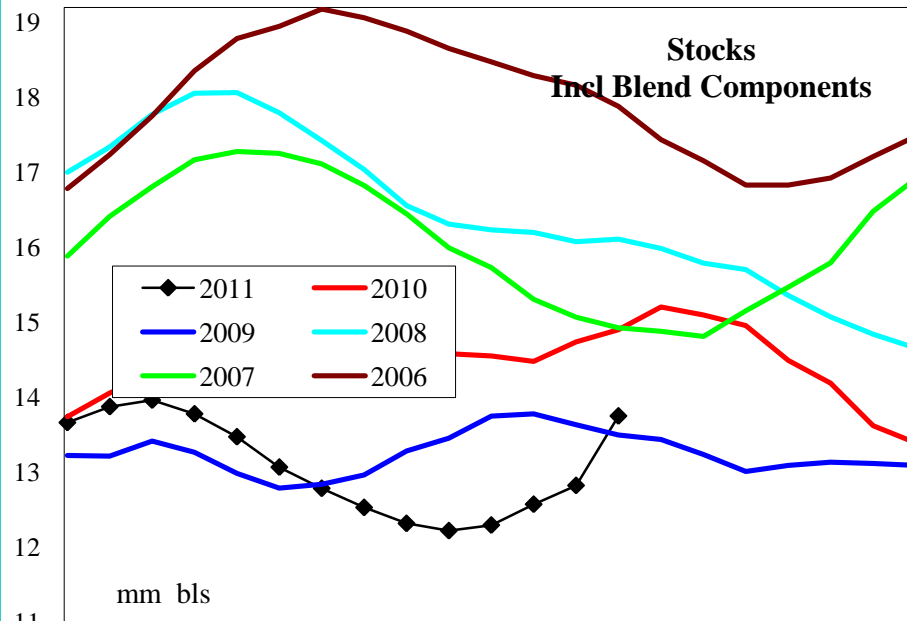
125.0

Prod + Imp - Stk chg

-102

-8.7

# PADD 5 Conventional Gasoline Supply



**4 wk avg variance to prior year**

000 bpd (000 bbls stks)

% change

**Stocks**

**-1,135**

**-7.6**

**Production**

**-87**

**-16.5**

**Imports**

**32**

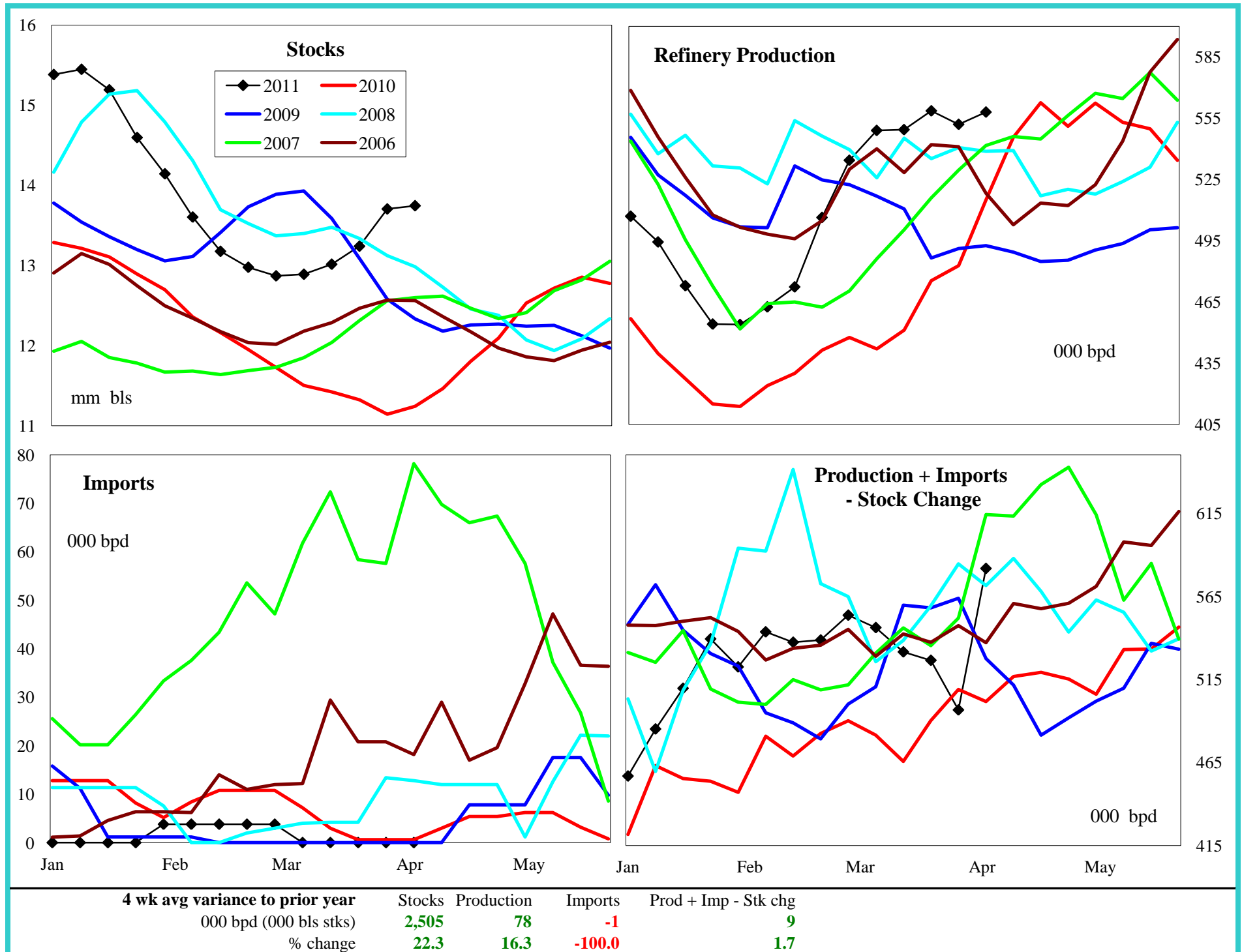
**976.9**

**Prod + Imp - Stk chg**

**-114**

**-22.4**

# PADD 5 Distillate Supply



# PADD 5 Jet Fuel Supply

