



WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

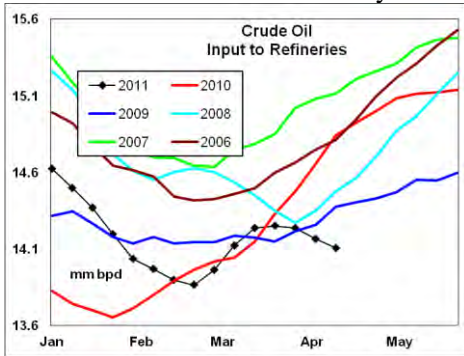
A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Wednesday, April 20, 2011

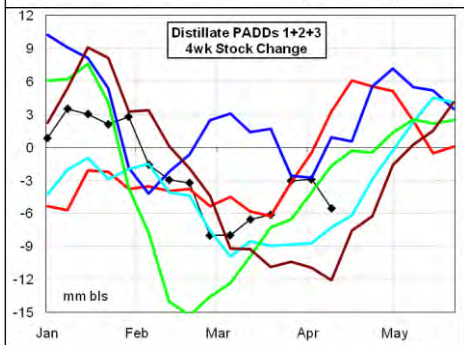
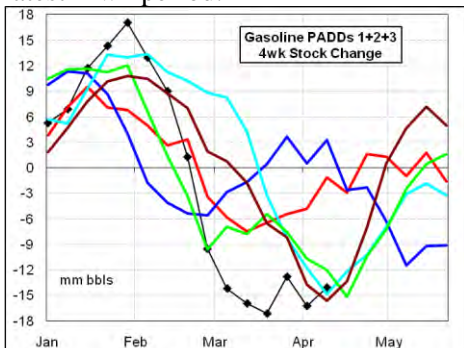


Major Fundamental Trends¹

Refiners are completing spring maintenance later than normal, leading to record low crude oil runs and utilization rates for this time of year.

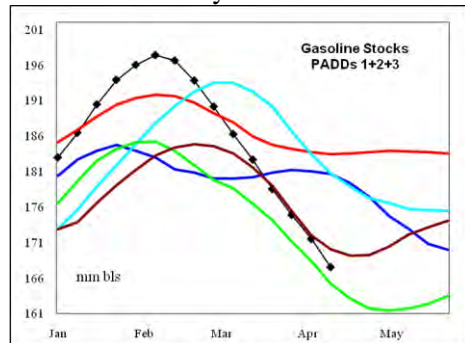


The result has been lower production and above normal stock draws for gasoline and distillate. Draws in markets East of the Rockies were -14 million barrels for gasoline and -5.5 million barrels for distillate during the latest 4-wk period.



The most significant impact on production has been for gasoline, which averaged -0.3 million bpd below last year during the most recent 4-wk period. Imports of gasoline, while

above a year ago, remain well below four of the last 5-years.



Gasoline stock levels in markets East of the Rockies are near 5-year lows. While refiners in PADDs 1 and 3 should ramp up production in the near term, rising seasonal demand is likely to lead to a meaningful supply squeeze by the end of the 2nd quarter.

Demand for distillate jumped +312,000 bpd last week, on a surge in Gulf exports.

Wholesale demand (including exports) measured over the last four weeks compared to a year ago: gasoline decreased -1.8%; distillate up +6.2%; jet fuel down -4.7% while residual fuel oil increased +2.3%.

Stocks forward coverage: Gasoline demand coverage decreased on a -1.6 million barrel draw in stocks. Coverage levels fell below the last 3-years.

Distillate coverage fell on a -2.5 million barrel stock draw. Coverage levels fell below the last 2-years.

Jet fuel coverage decreased on a -0.2 million barrel stock draw. Coverage levels were above four of the last 5-years.

Refinery utilization rates increased +1.1% on a +97,000 bpd rise in crude oil runs. Runs for the latest 4-wk period were -376,000 bpd below a year ago.

Gasoline yield % on crude oil runs increased on a +198,000 bpd rise in production versus the +87,000 bpd increase in crude oil runs. The yield % on crude oil runs was above the 5-year range.

Distillate yield % on crude oil runs

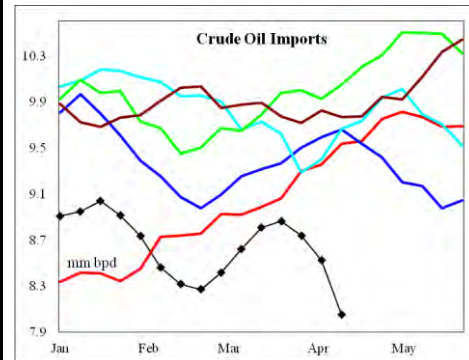
increased on a +107,000 bpd rise in output compared to the small increase in crude oil runs. Yield % remains above the 5-year range.

Jet fuel yield % on crude oil runs decreased on a -34,000 bpd drop in output, compared to the increase in crude oil runs. The yield % on crude oil runs was at the upper end of the historic range.

Petroleum Imports of middle distillates increased last week +203,000 bpd while crude oil, gasoline and residual fuel each decreased.

During the latest 4-wk period crude oil imports decreased -603,000 bpd below last year; distillate imports increased +1,000 bpd; finished gasoline imports increased +11,000 bpd, gasoline blend stock imports increased +217,000 bpd; jet fuel imports were -5,000 bpd lower, while residual fuel oil imports decreased -135,000 bpd.

Crude Oil stocks decreased -2.3 million barrels on the week, with draws in all regions. A -0.5 million bpd drop in imports, to a new record low level for this time of year, underlie the broad stock draw.



Crude stock levels were at/near record highs in PADDs 2 and 4, each supplied by Canadian imports; while at at/near record lows in other regional markets.

Refinery runs were below the 5-year range on above normal maintenance in PADDs 1 and 3. As refiners return from maintenance, imports should surge during the balance of the quarter.

¹ Source is latest EIA Weekly Statistics



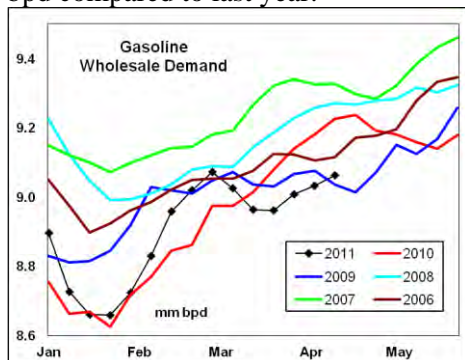
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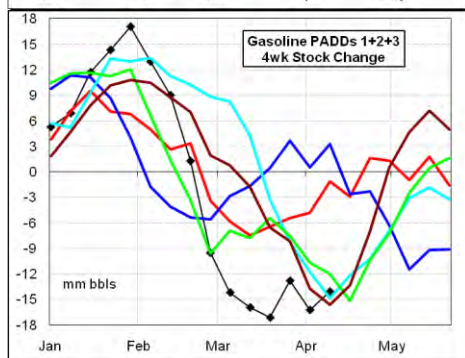
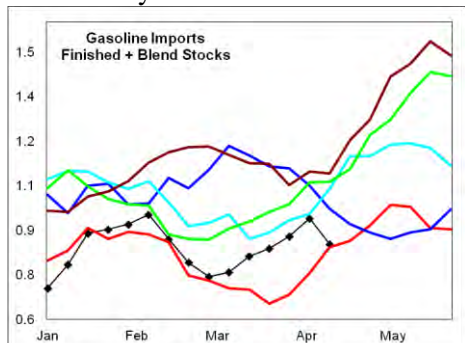
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Product Supply-Demand Trends

Gasoline demand decreased -119,000 bpd on the week. The latest 4-wk average demand was down -163,000 bpd compared to last year.



Production increased +198,000 bpd on the week, partially offset by a -36,000 bpd drop in imports. Import levels matched 5-year lows.



Stocks decreased -1.6 million barrels on the week. Stock levels are well below the last 3-years.

Wholesale demand remains lackluster, offset by record low imports so that stock draws continue at near record rates.

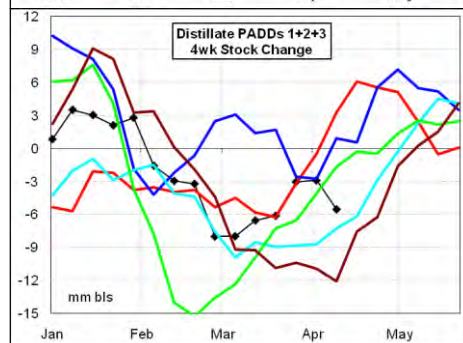
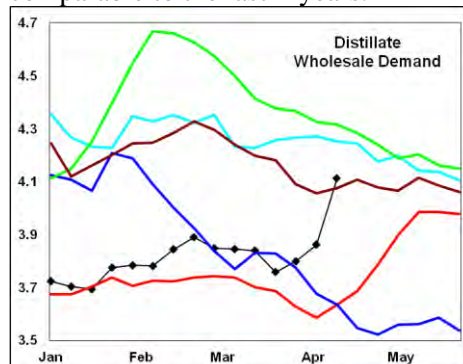
The continued tightening of supply points to a meaningful risk of a supply squeeze in markets East of the Rockies during the 2nd quarter.

Distillate demand surged +312,000 bpd

on the week, driven by a spike in exports from the Gulf. The latest 4-wk average demand was +222,000 bpd above last year.

Supply increased +299,000 bpd on higher production and imports. Production levels matched 5-year highs.

Stocks decreased -2.5 million barrels on the week, with the level comparable to the last 2-years.



The latest 4-wk stock change in PADDs 1+2+3 was a draw of -6 million barrels, compared to +2 million barrel builds for the last 2-years.

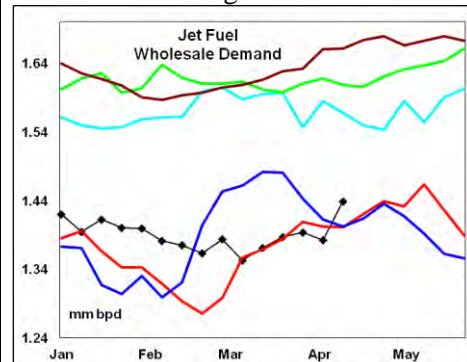
The recent price spike likely underlies last weeks' surge in wholesale demand; overstating year-on-year growth.

A spike in Gulf and East Coast refinery maintenance during the last 2-wks has led to significant stock draws. Expect an increase in output in the near term and moderating in demand growth to lead to seasonal stock builds later in the current quarter.

Jet Fuel demand increased +79,000 bpd on the week. The latest 4-wk average demand was -67,000 bpd below last years' record low level.

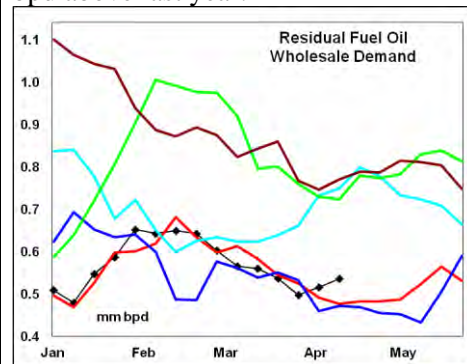
Supply decreased -23,000 bpd, on lower production. Stocks decreased -

0.2 million barrels, with the level above the mid range.



Demand remains comparable to the last 2-years as airlines improve efficiency in the face of near record prices. Stock levels in the Gulf have jumped to near record highs, while other markets are near the mid range. Expect supplies to return to ample levels as refiners ramp up seasonal output.

Residual fuel oil demand, including exports, increased +61,000 bpd last week, with the 4-wk average +11,000 bpd above last year.



Supply (production + imports) decreased -88,000 bpd on lower imports. The latest 4-wk average supply was -110,000 bpd below a year ago. Stocks decreased -0.4 million barrels to a level near historic lows.

Residual fuel oil stocks were near 5-year highs in PADD 03 and at record lows in PADD 01. Stock levels in other regional markets remain comparable to the last 2-years. The Gulf market remains very well supplied on high imports and high production. Other markets have witnessed permanent reductions in production as refiners upgrade process units.



WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

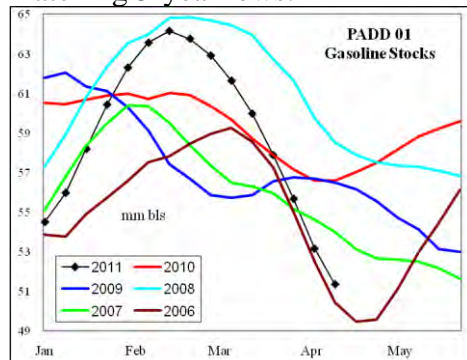
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PADD Supply Trends

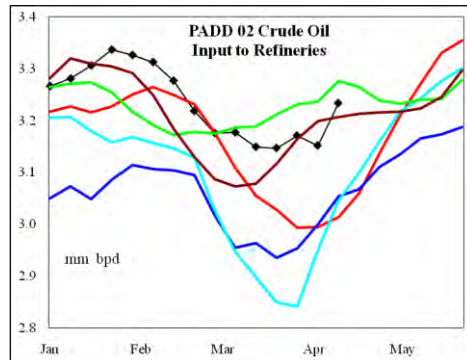
PADD 1 refinery crude oil runs increased +232,000 bpd last week, yet the level remains -300,000 bpd below the 5-year range.

Gasoline production increased +174,000 bpd on the week, while imports declined -91,000 bpd. Import levels matched 5-year lows for the period. Stocks decreased -1.2 million barrels, to a level matching 5-year lows.



Distillate supply increased +130,000 bpd on a jump in imports. Stocks increased +1.1 million barrels to level near the last 2-years.

Jet fuel stocks increased +0.5 million barrels last week, to a level below the mid range. Supply increased +42,000 bpd, supporting the stock build.



PADD 2 crude oil refinery runs increased +108,000 bpd last week, to a level near 5-year highs. Crude oil stocks decreased -0.5 million barrels on the week; including a -0.8 million barrel decline in Cushing. Import levels were above the historic range.

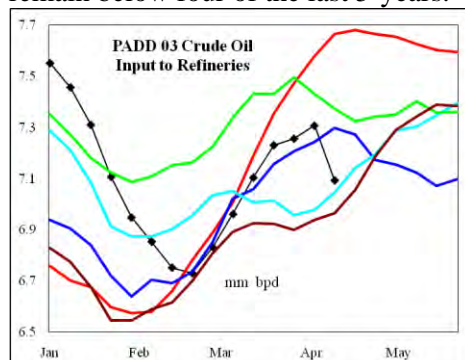
Gasoline production increased +28,000 bpd on the week, to a level above the mid range. Stocks decreased

-1.5 million barrels to a record low for this time of year.

Distillate production increased +13,000 bpd on the week, to a level above the last 3-years. Stocks decreased -0.4 million barrels on the week, to a level above four of the last 5-years.

Jet fuel production decreased -23,000 bpd on the week, although the level remains above the historic range. Stocks increased +0.1 million barrels on the week, to a level above the 5-year mid range.

PADD 3 crude oil runs fell -253,000 bpd last week. The latest 4-wk average runs were -278,000 bpd below last year. Crude imports declined -0.3 million bpd, with the level -0.5 million bpd below last year. Stock levels remain below four of the last 5-years.



Gasoline production increased +84,000 bpd, due in part to a +59,000 bpd rise in blend stock imports. Stocks increased +0.7 million barrels, although the level remains below each of the last 3-years.

Distillate supply increased +69,000 bpd, with production above the 5-year range. Stocks fell -3.6 million barrels on a surge in exports.

Jet fuel production decreased -22,000 bpd on the week, to a level below the mid range. Stocks have increased +1.6 million barrels during the last 6-wks to a level above four of the last 5-years.

Residual fuel oil supply declined -53,000 bpd on the week, on lower imports. Stocks fell -0.8 million barrels to a level near 5-year highs.

PADD 4 refinery crude runs increased

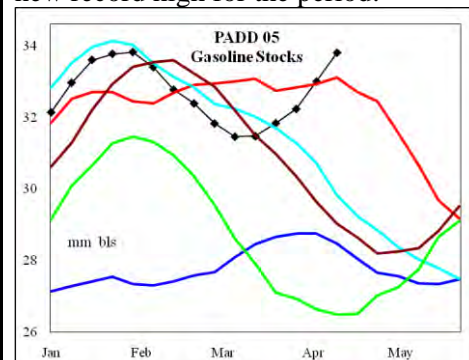
+23,000 bpd on the week, although the level remains below the 5-year range. Crude oil imports were also at the low end of the historic range. Stocks were nearly unchanged, -0.7 million barrels below the last 2-years.

Gasoline production increased +9,000 bpd, although the level remains at a record low for this time of year. Stock levels continued to fall, although the level was near last years' record high.

Distillate production increased +17,000 bpd, to a level below the mid range. Stock levels matched 5-year highs for the period.

PADD 5 crude oil refinery runs decreased -23,000 bpd on the week, with the latest 4-wk average +45,000 bpd above last year. Crude oil imports fell -153,000 bpd, leading to a -0.5 million barrel stock draw. Stock levels remain -1.8 million barrels below the historic range.

Gasoline production increased +11,000 bpd on the week, a level above the 5-year mid range. Stocks increased +0.5 million barrels, to a new record high for the period.



Distillate imports surged last week to 85,000 bpd, a record high level. Concurrently, production levels remain at the upper end of the 5-year range. Stocks increased +0.2 million barrels last week, to a level +1.5 million barrels above the mid range and a record high for this time of year.

Jet fuel supply fell -24,000 bpd on the week, to a record low for this time off year. Stocks have declined -1.5 million barrels during the last 6-wks.


**FUNDAMENTAL
PETROLEUM
TRENDS**


PETROLEUM: Graph Link and Weekly Summary

A Fundamental Petroleum Trends Weekly Report

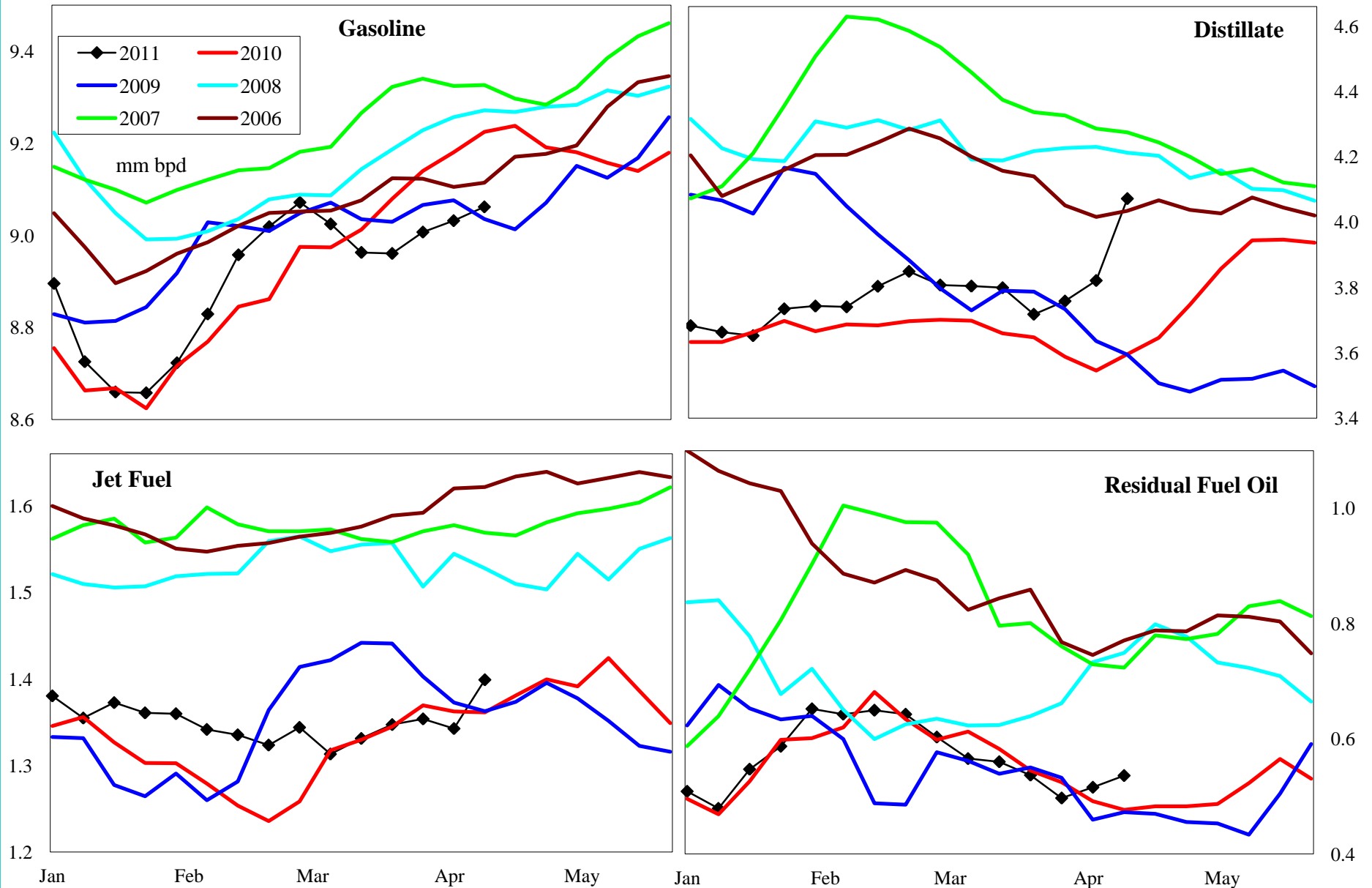
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Fundamental Trends	<u>Wholesale Demand</u>	<u>Stocks Days Fwd Coverage</u>	<u>Refinery Utilization</u> <u>Product Yield %</u>				<u>Imports</u>
Supply/Demand Trends	15-Apr-11	EIA-DOE CHANGE FROM PRIOR WEEK					
	000 bpd stocks 000 bls	U. S. Total	PADD				
			1	2	3	4	5
<u>Crude Oil</u>	Stocks	-2,322	-1,080	-473	-256	-32	-481
	Imports	-518	-147	46	-257	-6	-153
	Input	87	232	108	-253	23	-23
	% Utilization	1.10					
<u>Gasoline</u>	Stocks	-1,583	-1,206	-1,466	694	-97	492
	Production	198	174	28	84	9	11
	Imports	-36	-91	2	59	0	-5
	Supplied	-119					
<u>Distillate</u>	Stocks	-2,504	1,126	-354	-3,554	79	200
	Production	107	11	13	81	17	-13
	Imports	192	119	0	-12	-1	85
	Supplied	312					
<u>Jet Fuel</u>	Stocks	-183	501	59	-52	-35	-655
	Production	-34	29	-23	-22	5	-22
	Imports	11	13	0	0	0	-2
	Supplied	79					
<u>Residual Fuel Oil</u>	Stocks	-385	458	-36	-794	2	-14
	Production	30	4	-8	28	0	5
	Imports	-118	-26	-1	-81	0	-10
	Supplied	61					

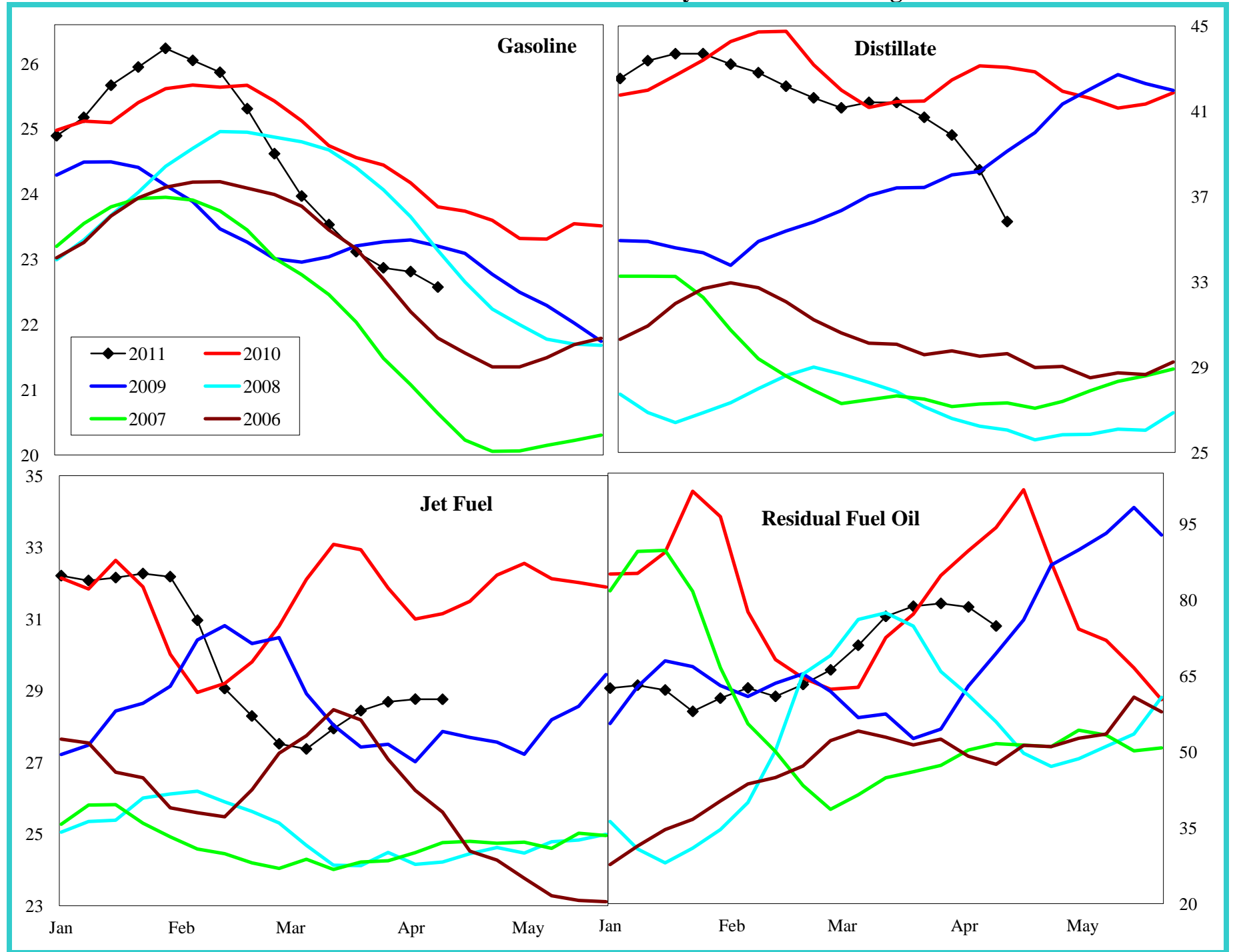
United States Wholesale Petroleum Demand



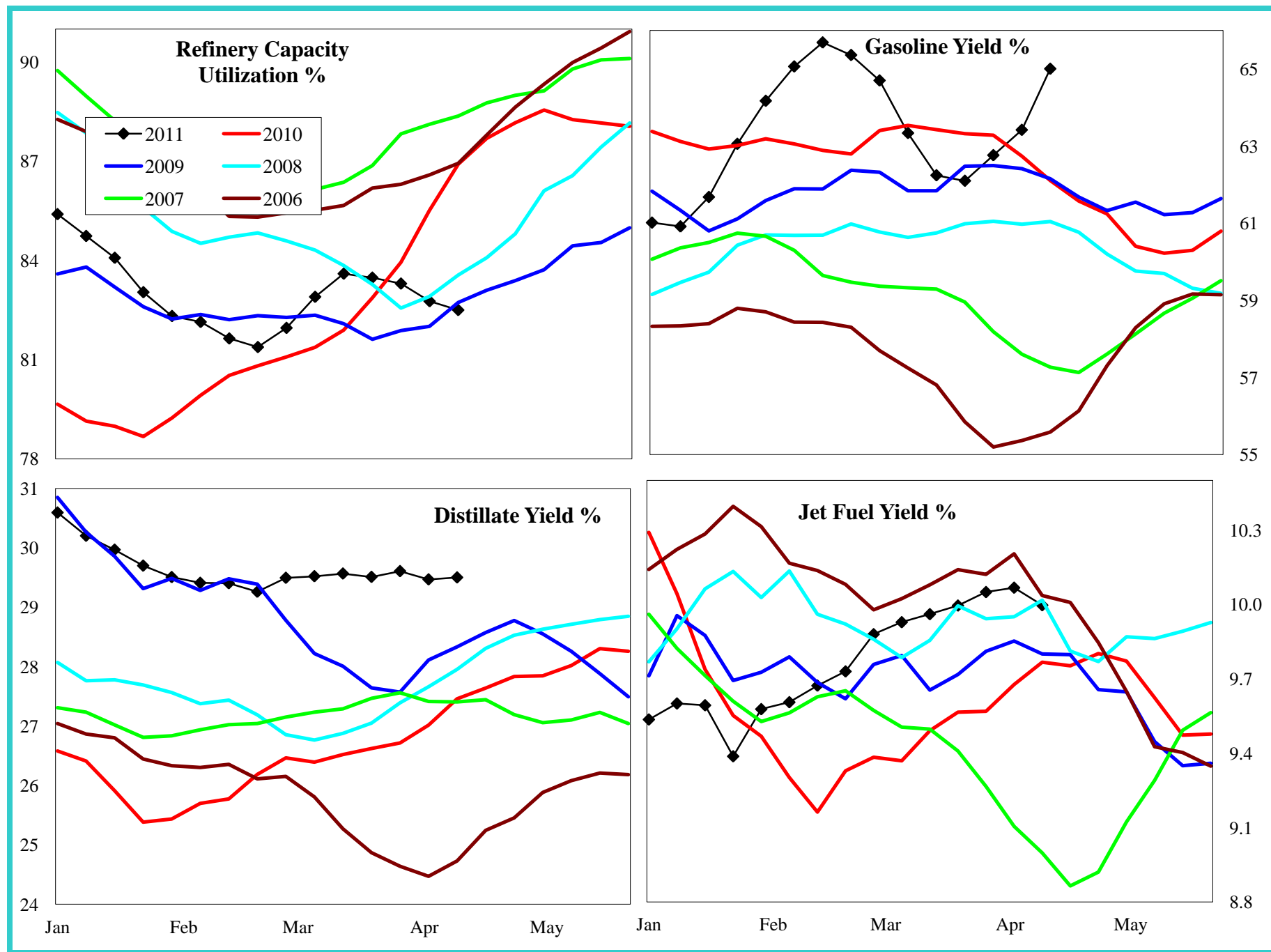
	000 bpd change from prior year				% change from prior year			
	4wk avg	Mar	Feb	Jan	4wk avg	Mar	Feb	Jan
Gasoline	-163	204	415	-113	-1.8	2.3	4.8	-1.3
Distillate	222	39	18	39	6.2	1.0	0.5	1.1
Jet Fuel	-67	-69	11	-10	-4.7	-4.8	0.8	-0.7
Resid	11	21	106	1	2.3	3.9	20.7	0.2



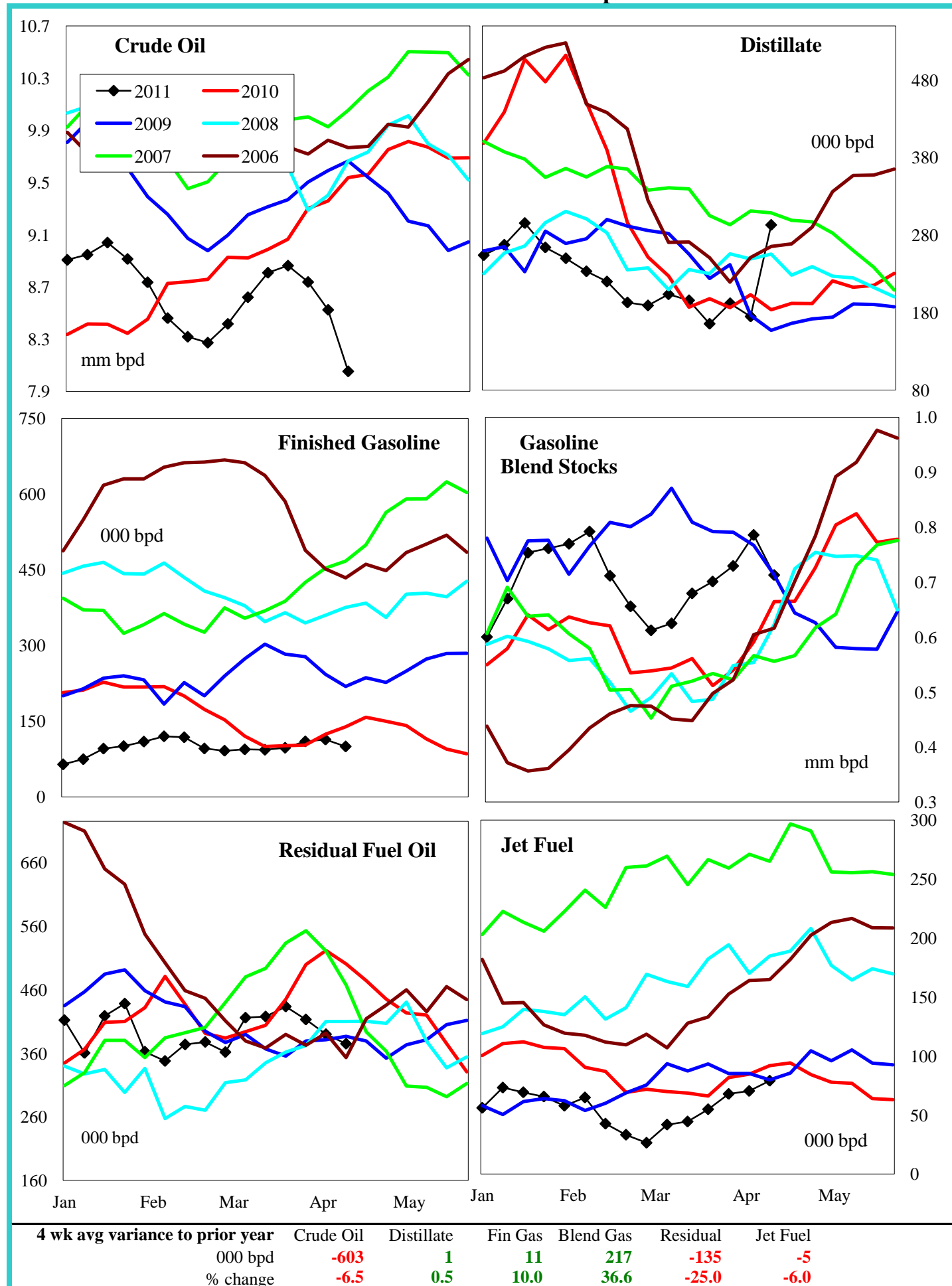
United States Product Stocks: Days Forward Coverage



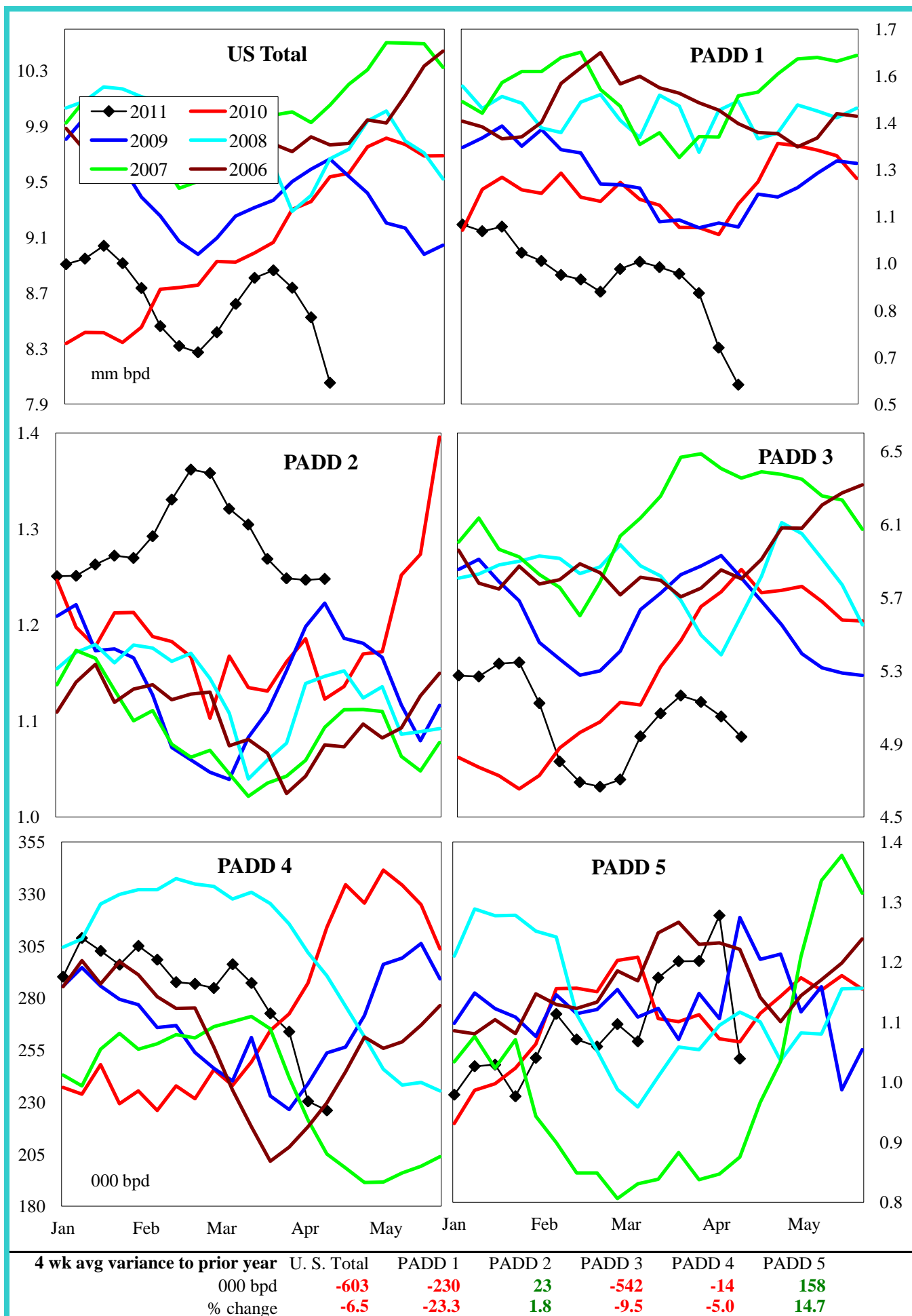
United States Refinery Percent Utilization Rate and Product Yields



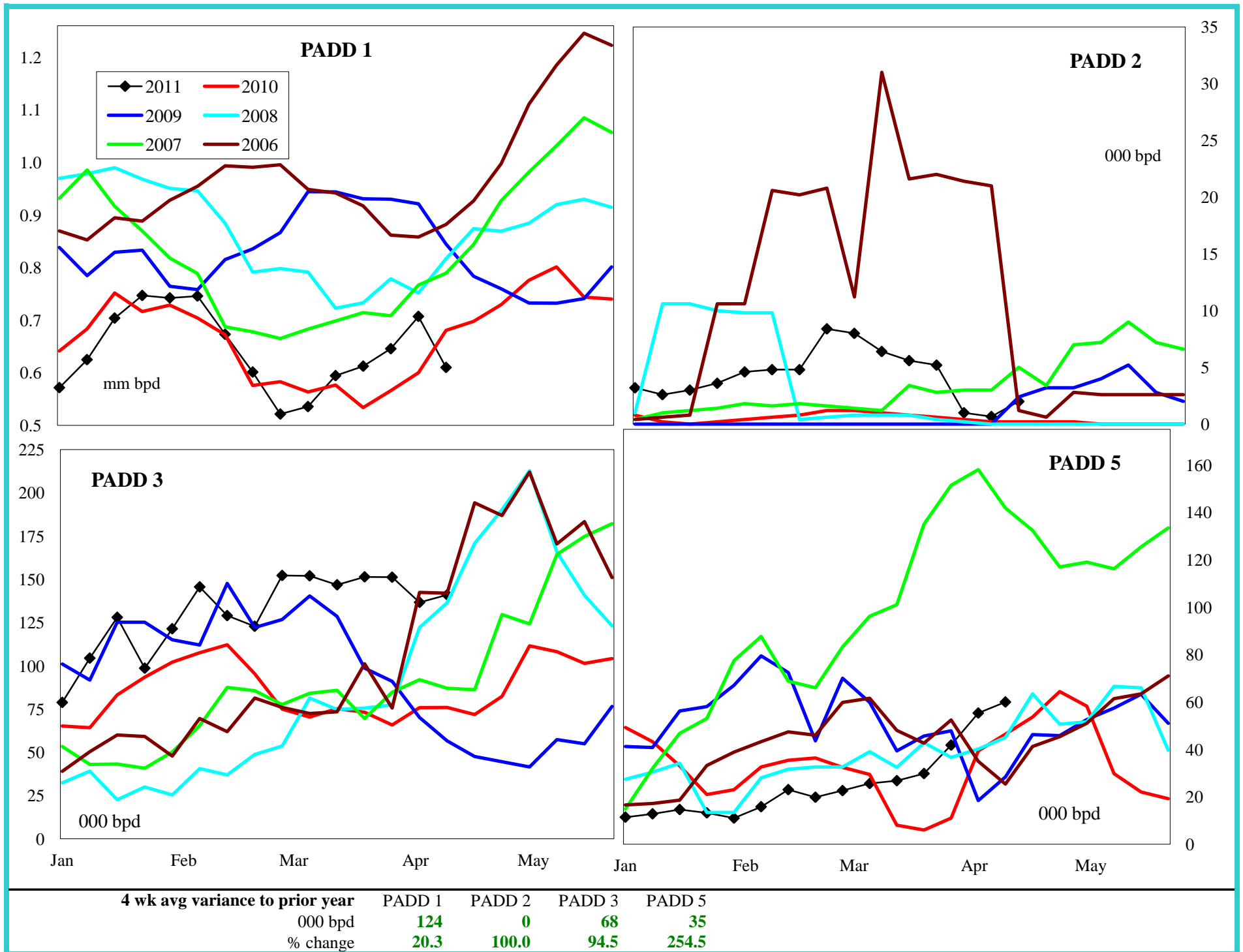
United States Petroleum Imports



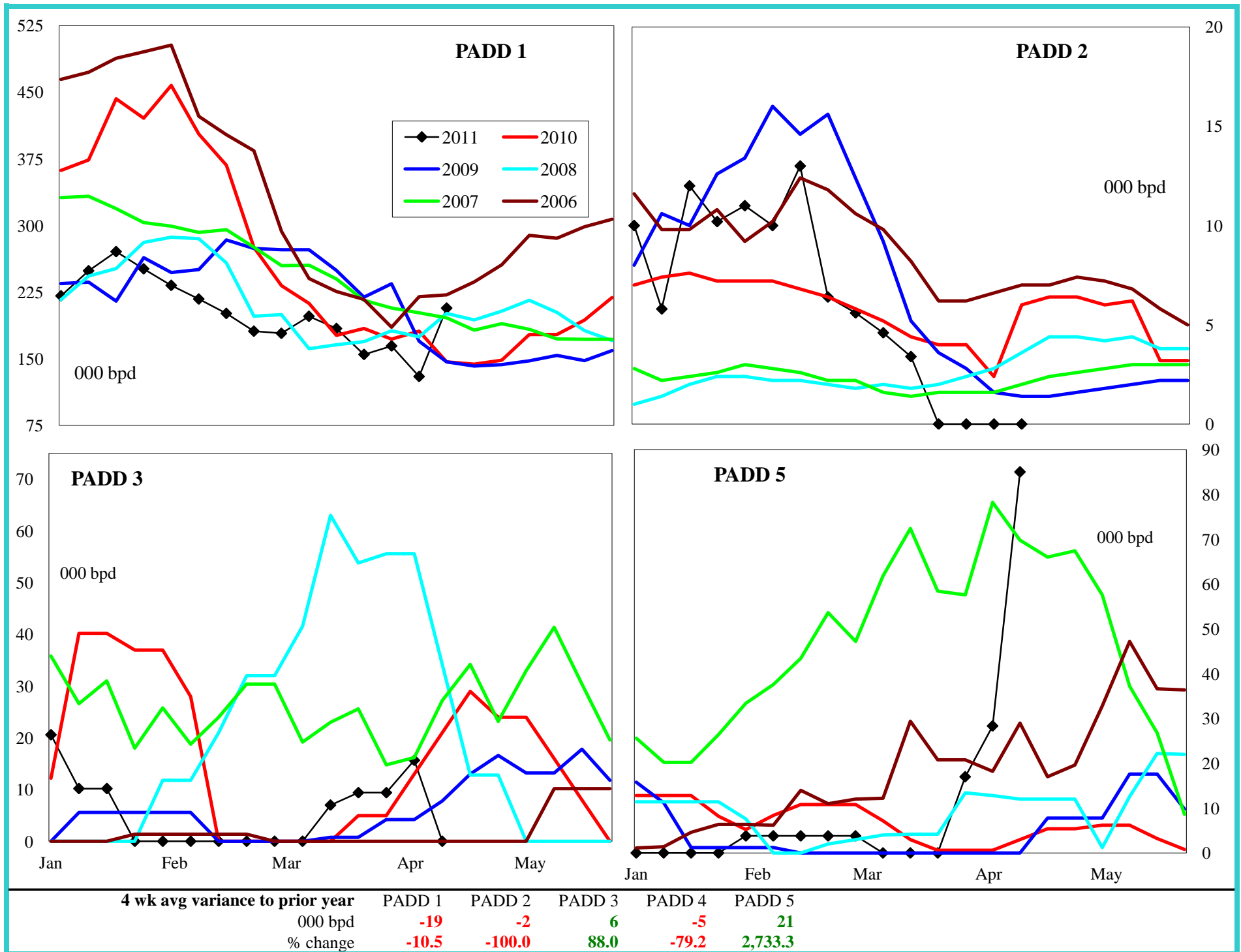
Crude Oil Imports by PADD



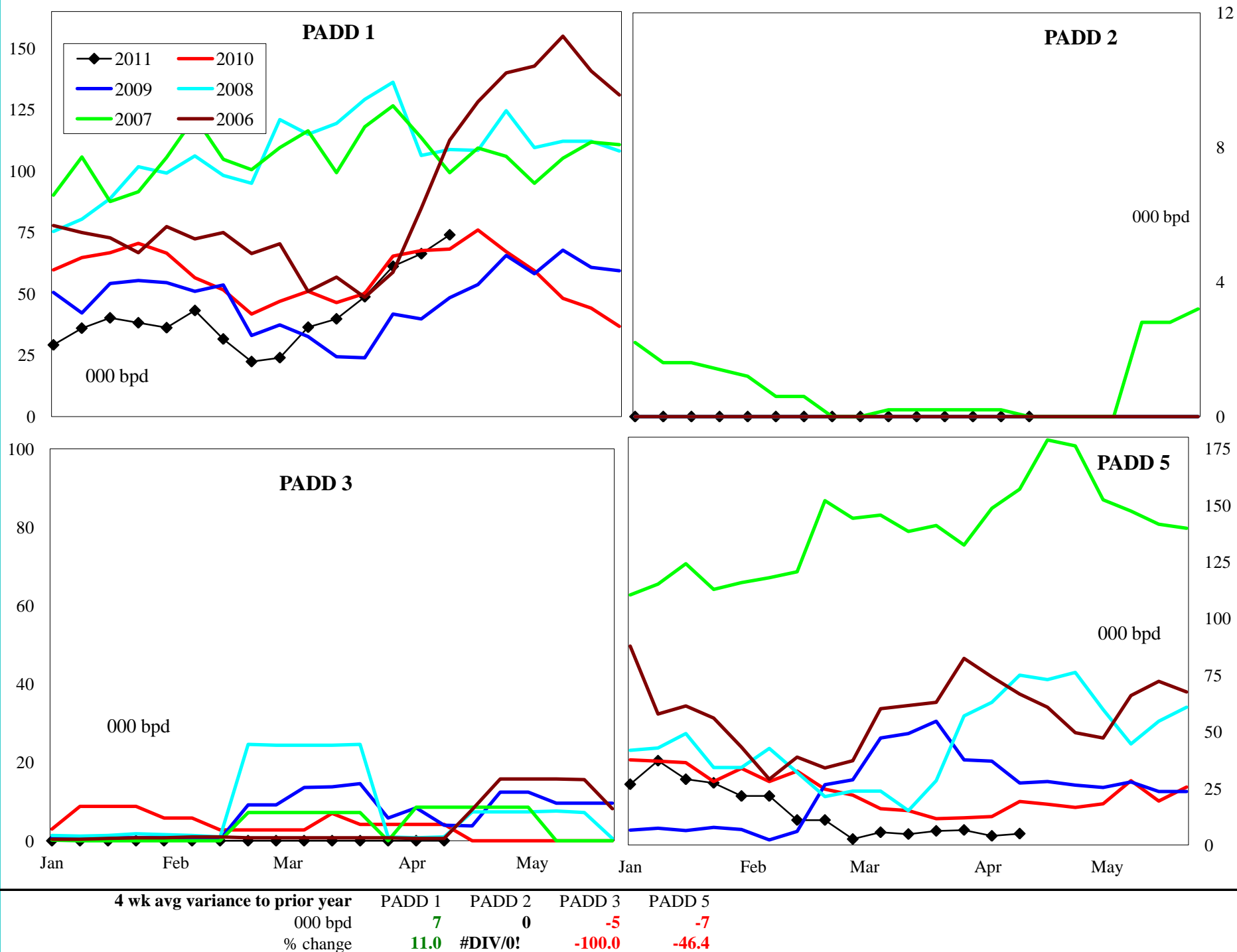
Gasoline Imports by PADD (Finished + Blend Stocks)



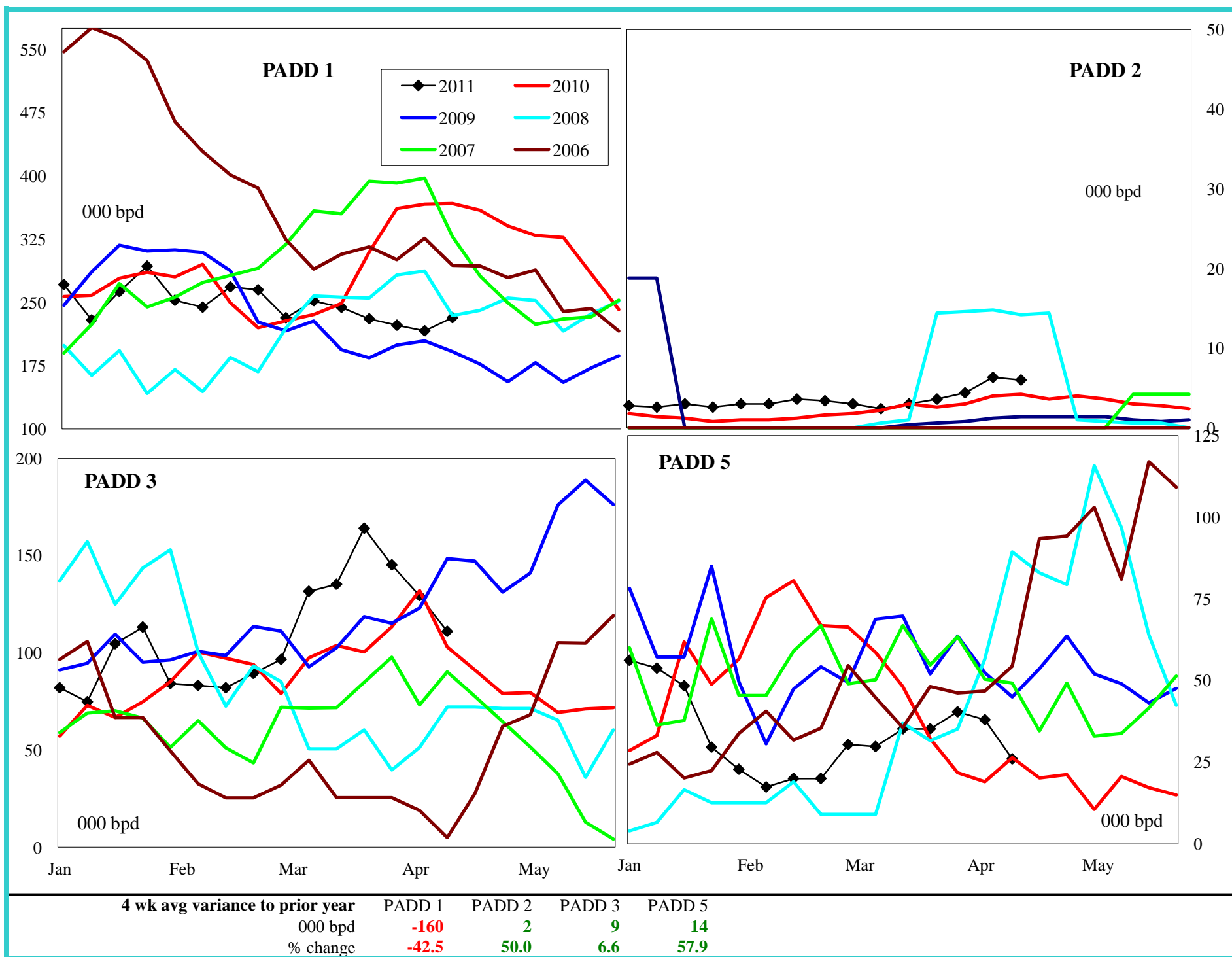
Distillate Imports by PADD



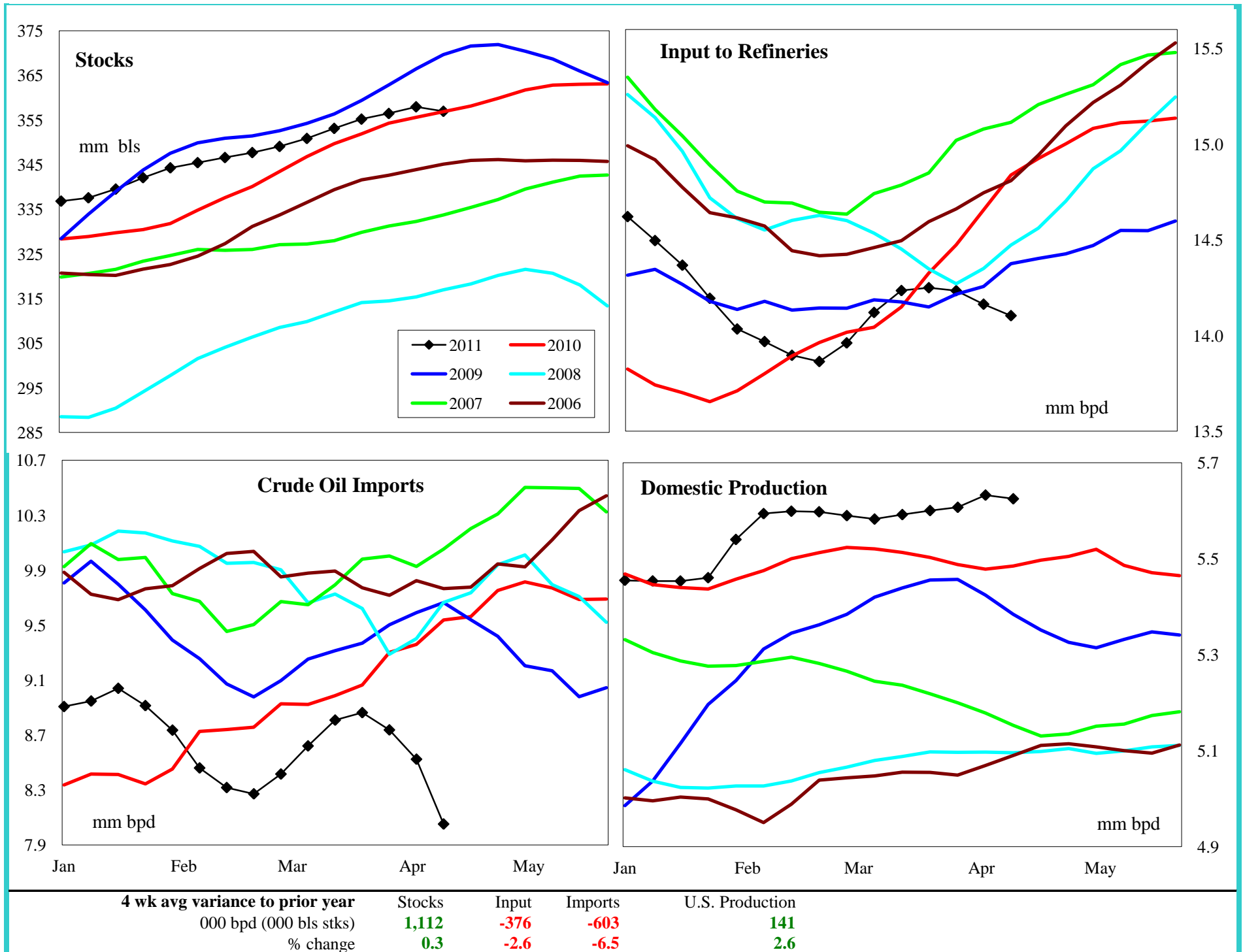
Jet Fuel Imports by PADD



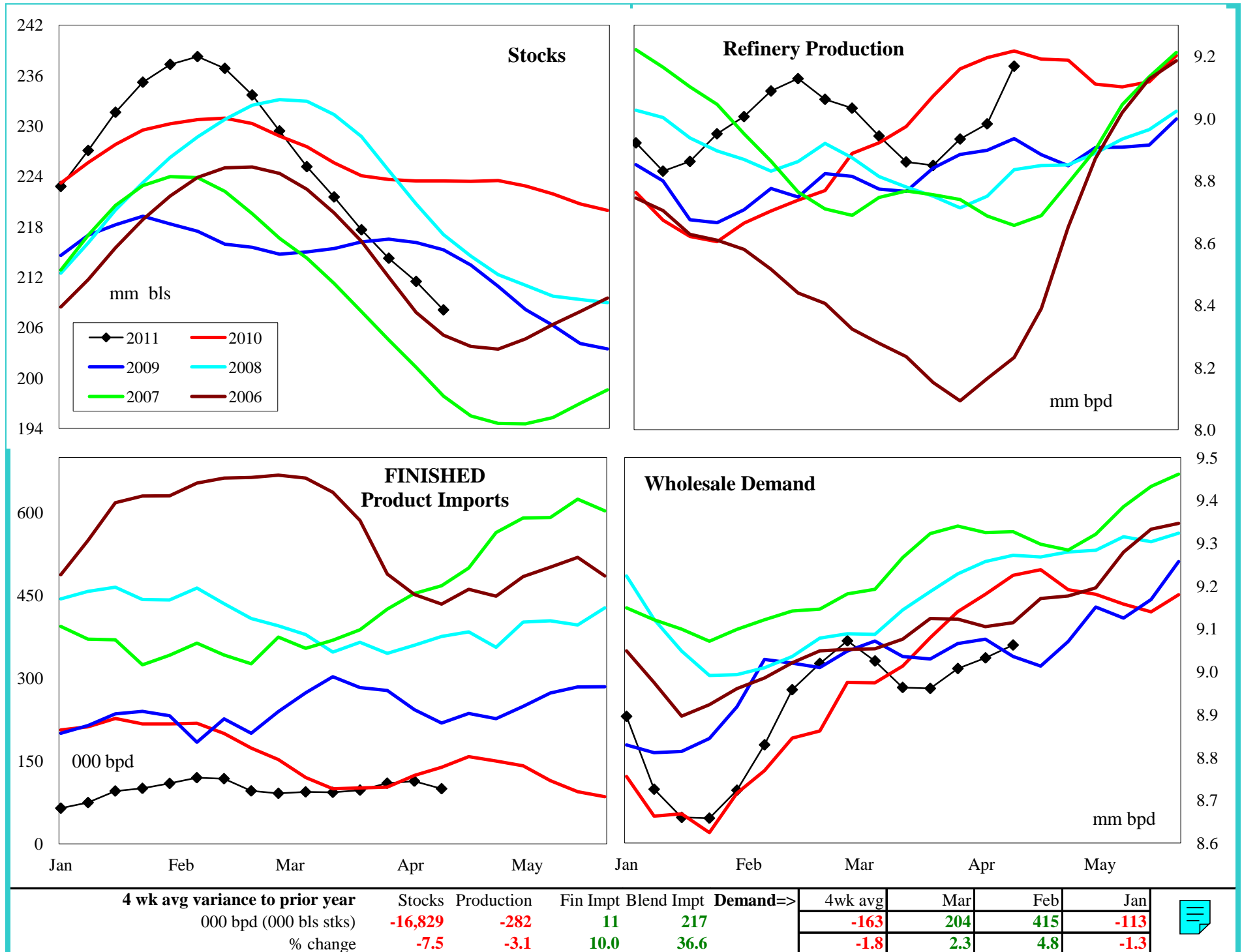
Residual Fuel Oil Imports by PADD



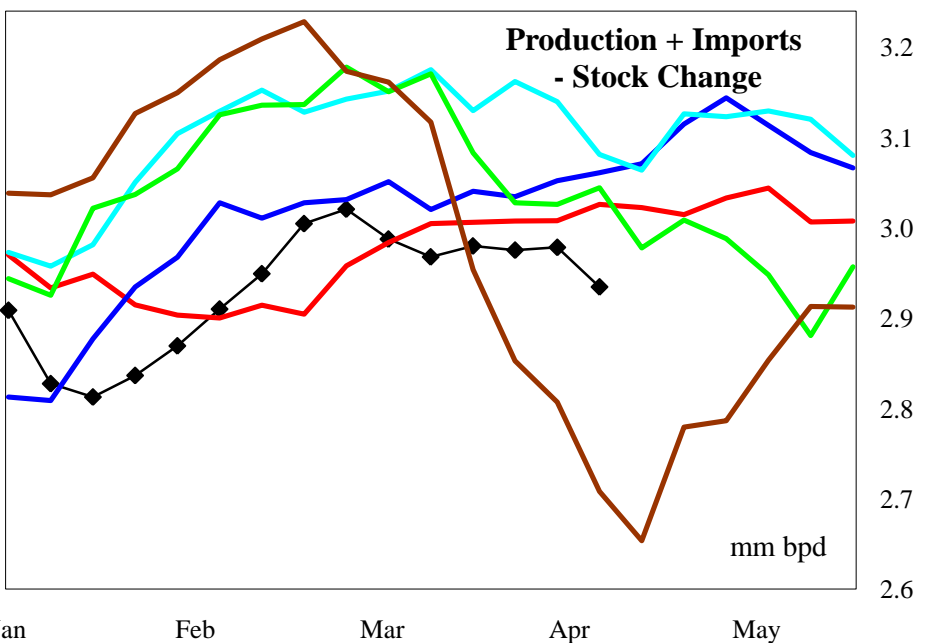
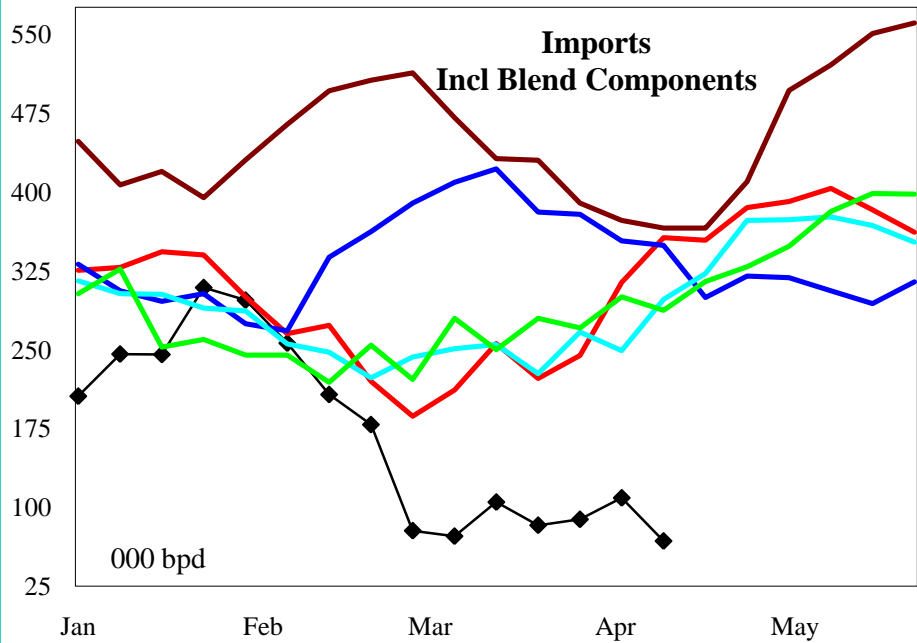
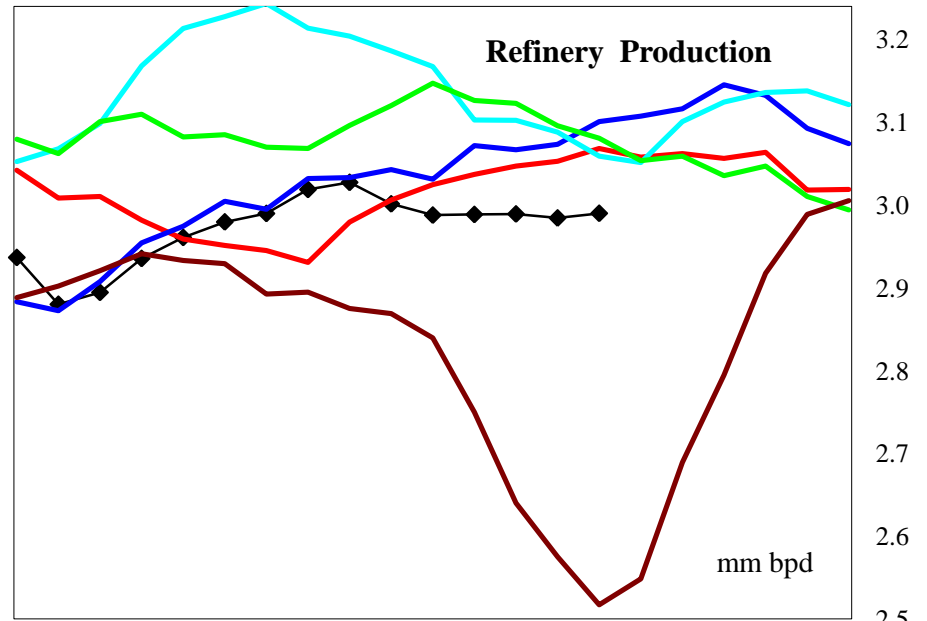
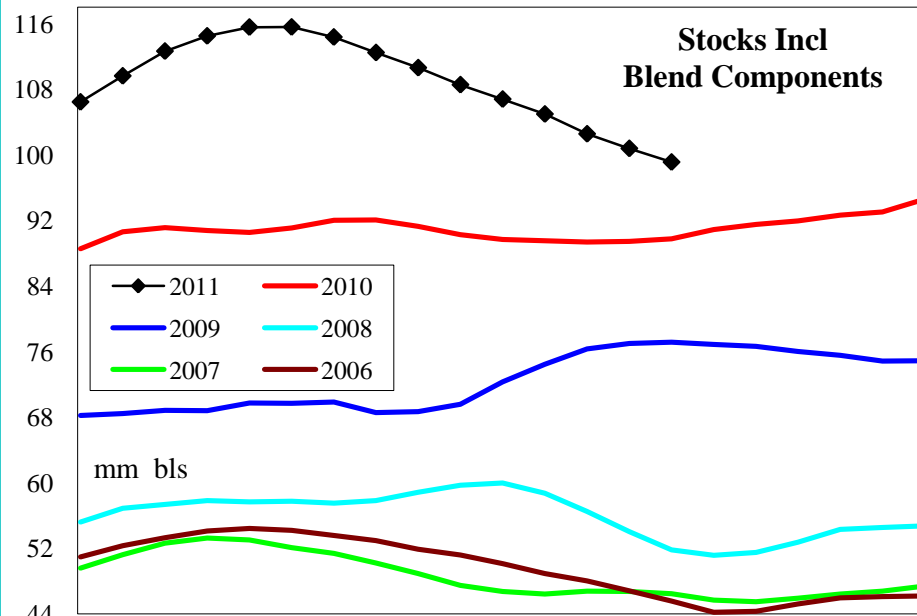
United States Crude Oil Supply and Demand Balance



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

9,353

-78

-197

-45

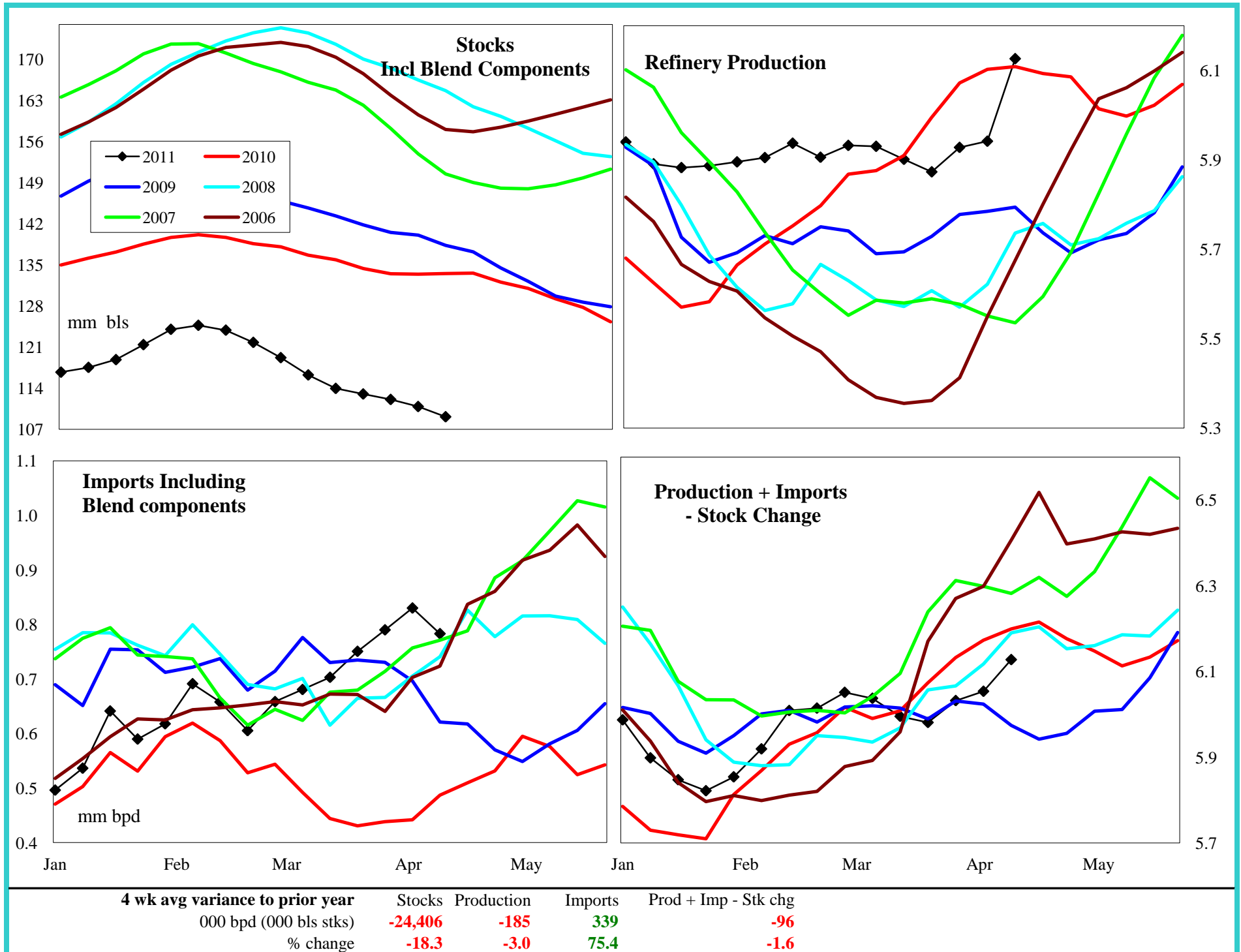
10.4

-2.6

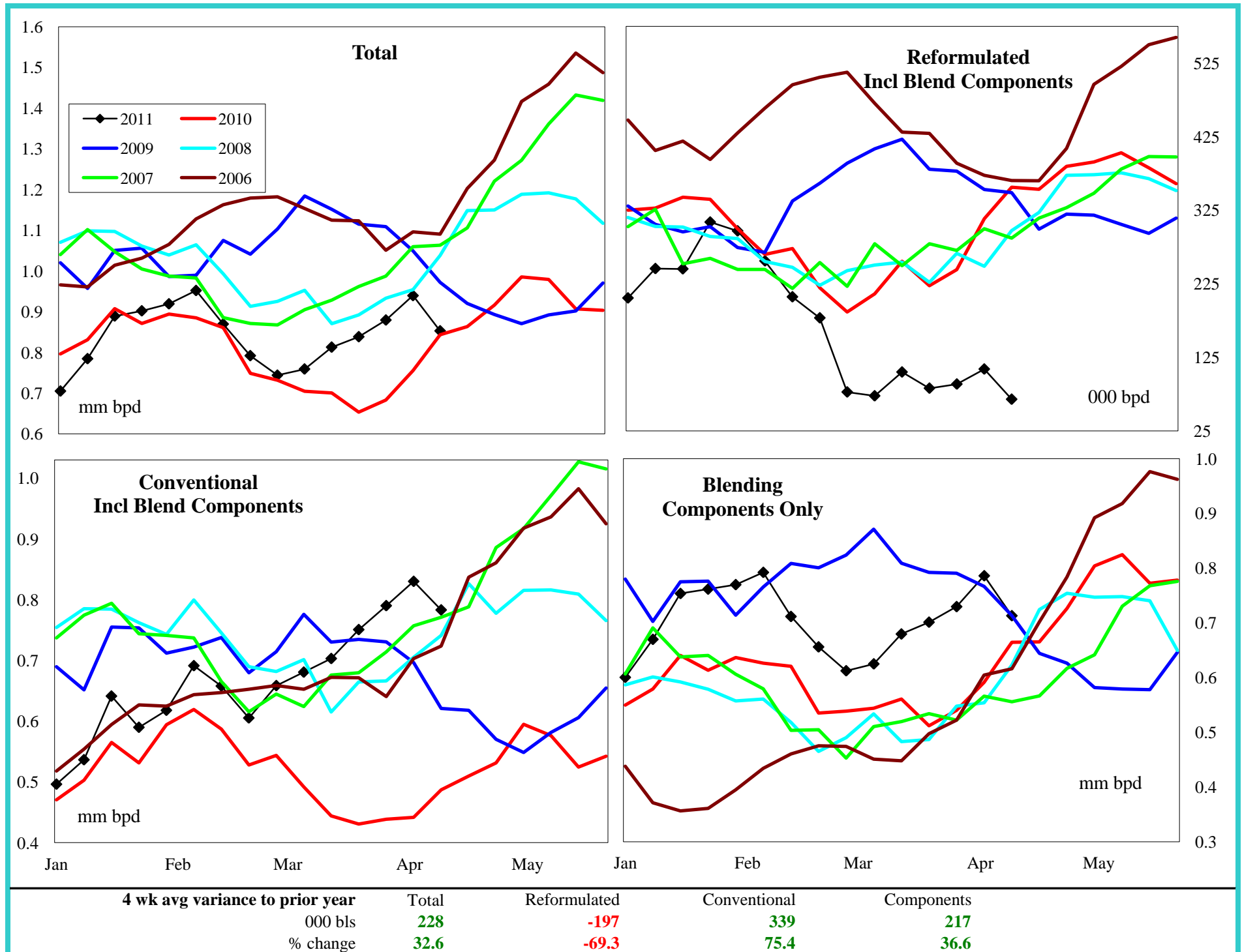
-69.3

-1.5

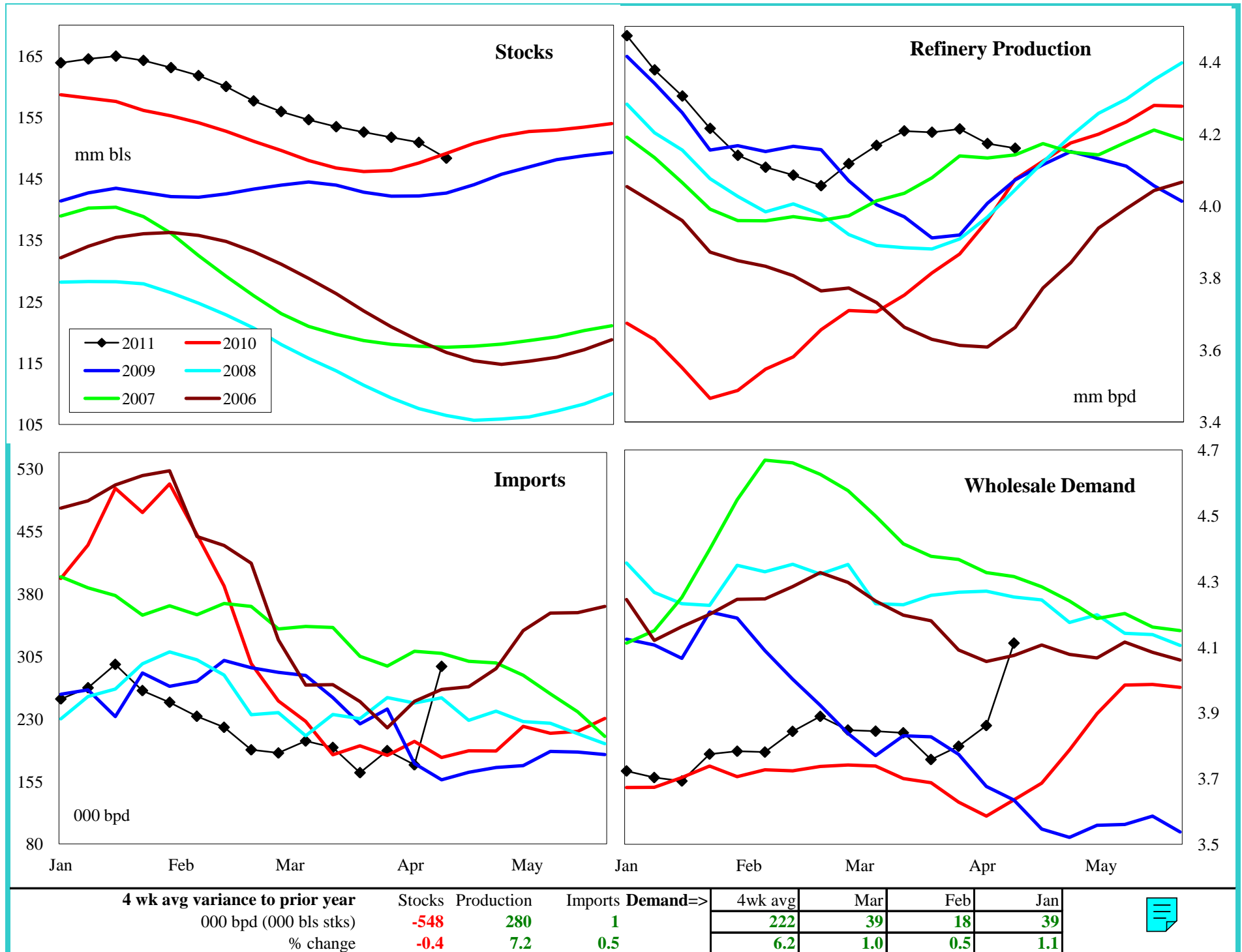
United States Conventional Gasoline Supply



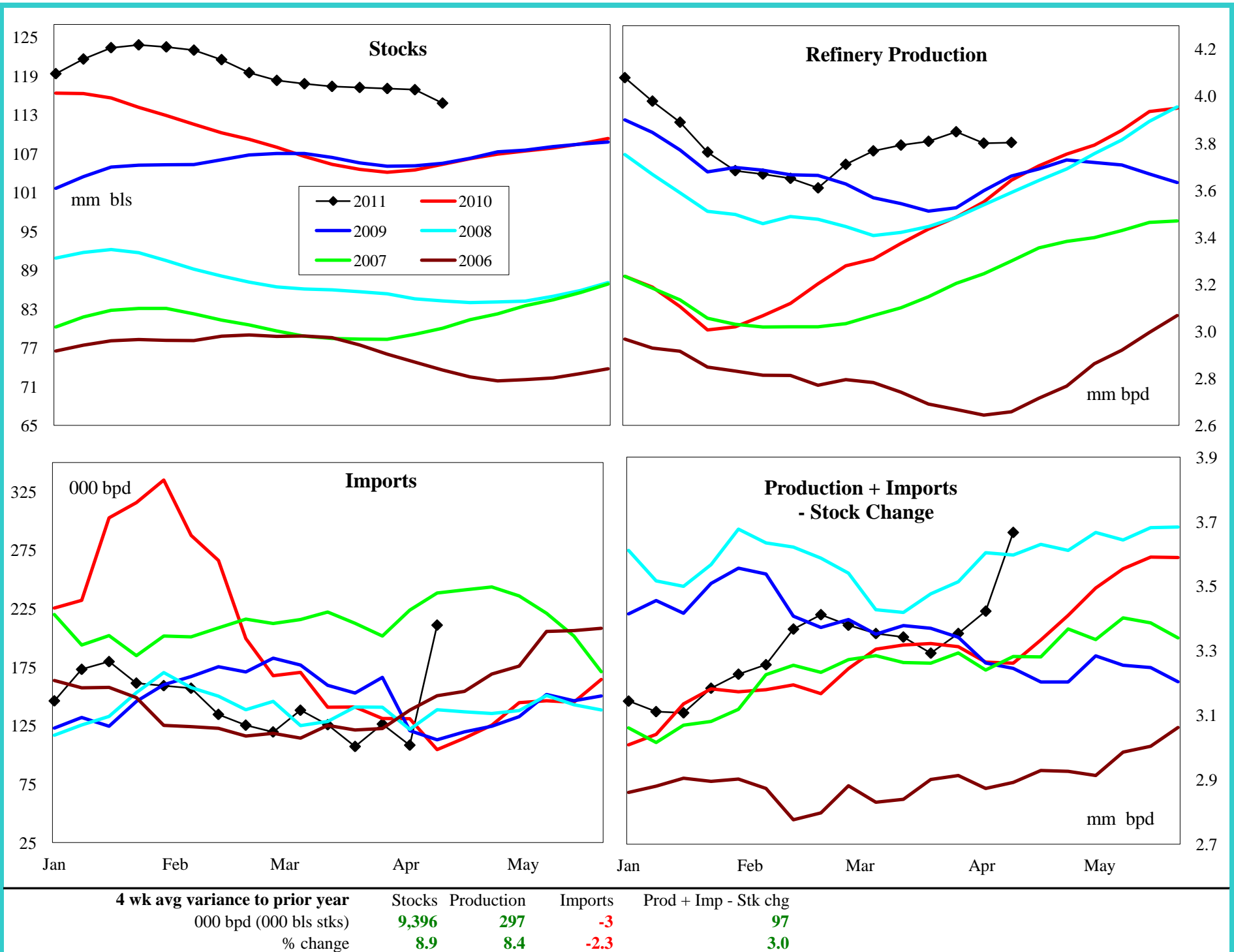
United States Gasoline Imports by Type



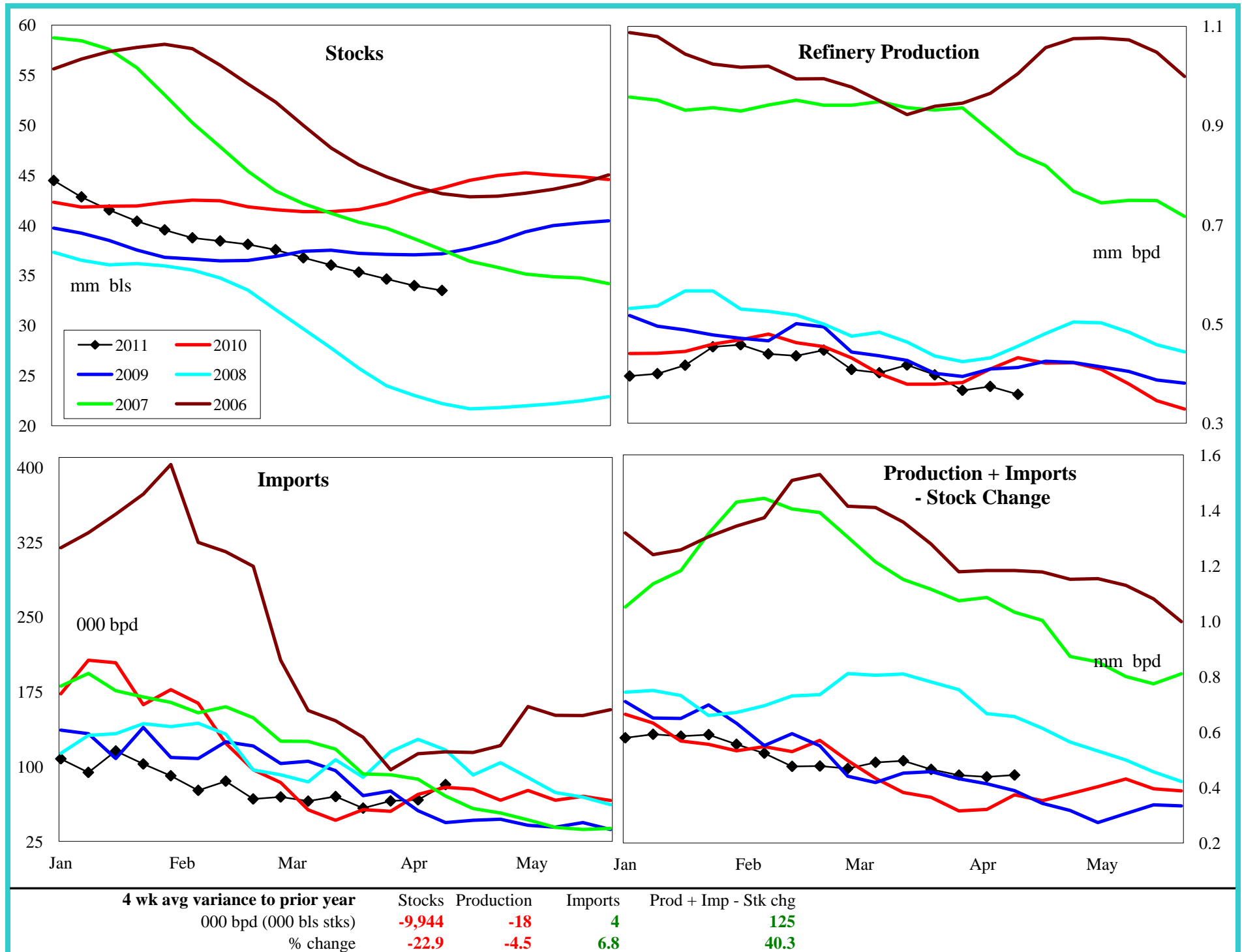
United States Distillate Supply and Demand Balance



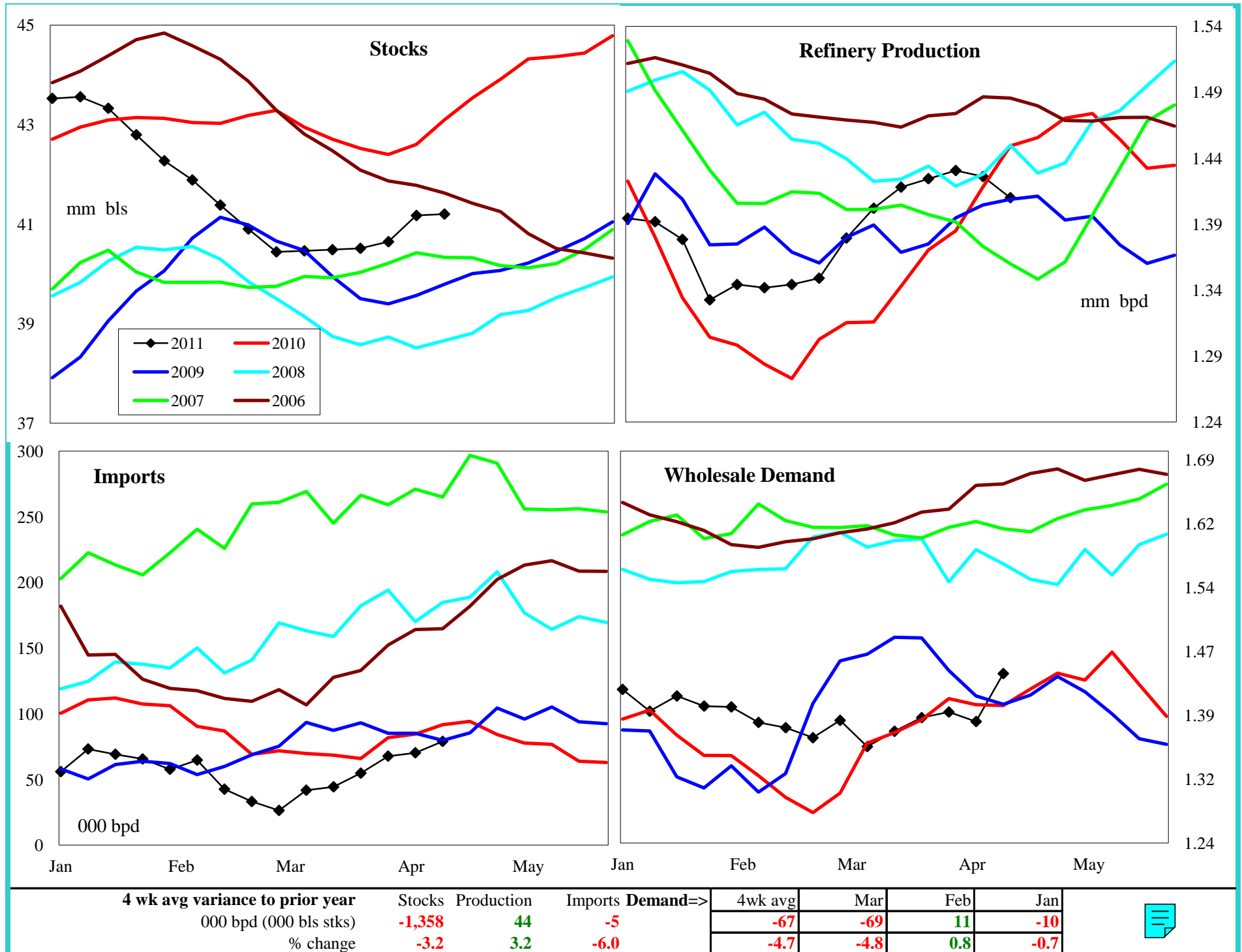
United States Low Sulfur Distillate Supply



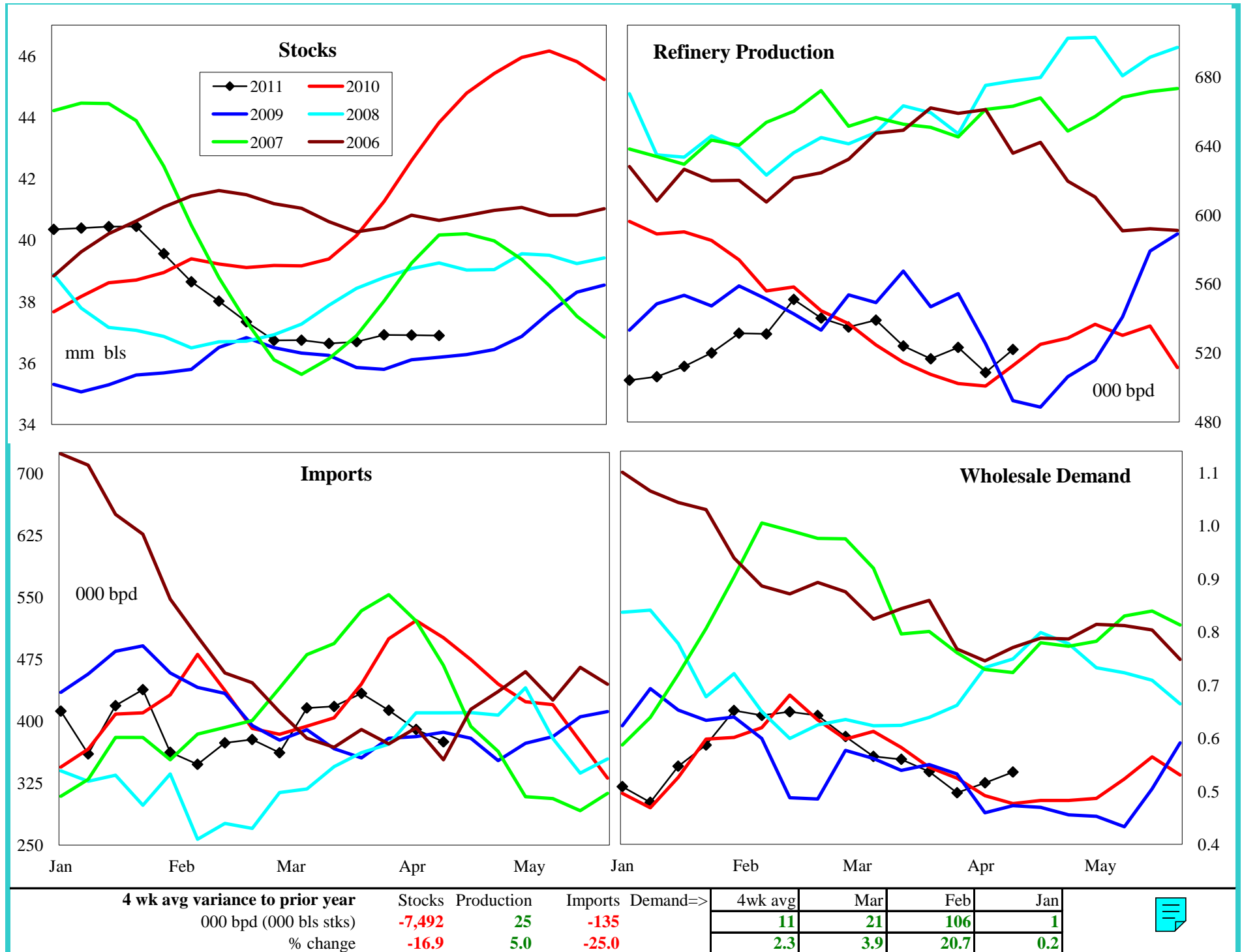
United States High Sulfur Distillate Supply



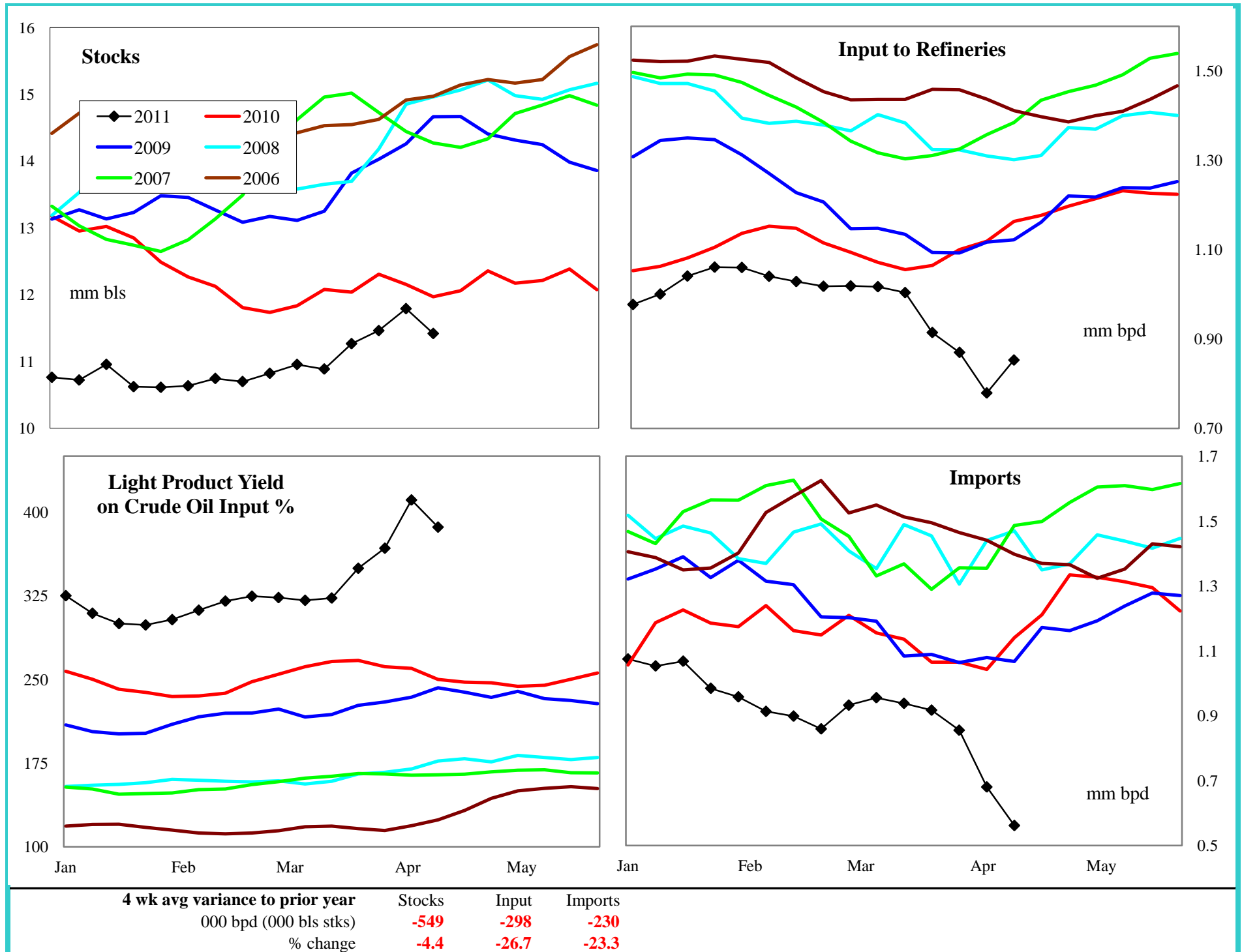
United States Jet Fuel Supply and Demand Balance



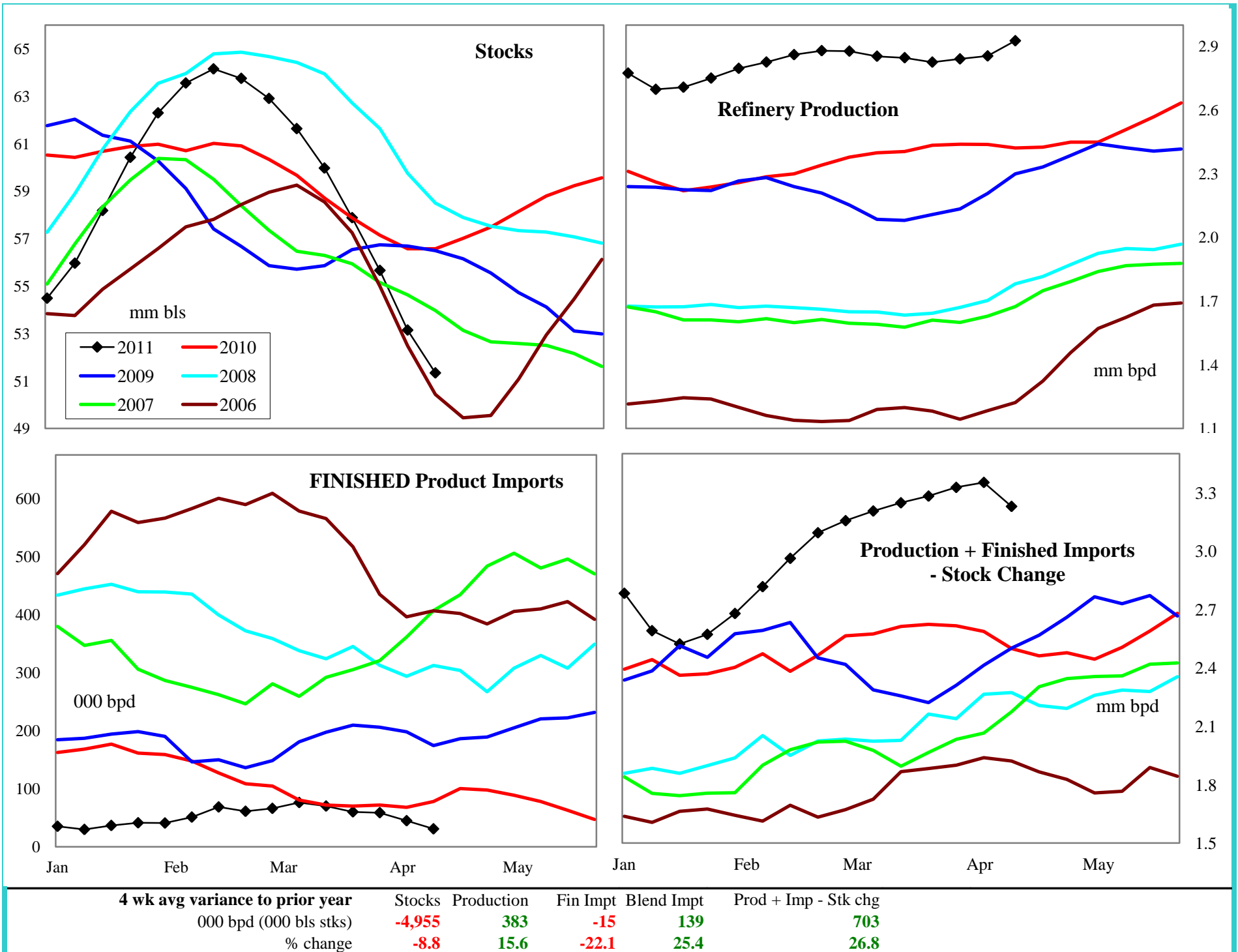
United States Residual Fuel Oil Supply and Demand Balance



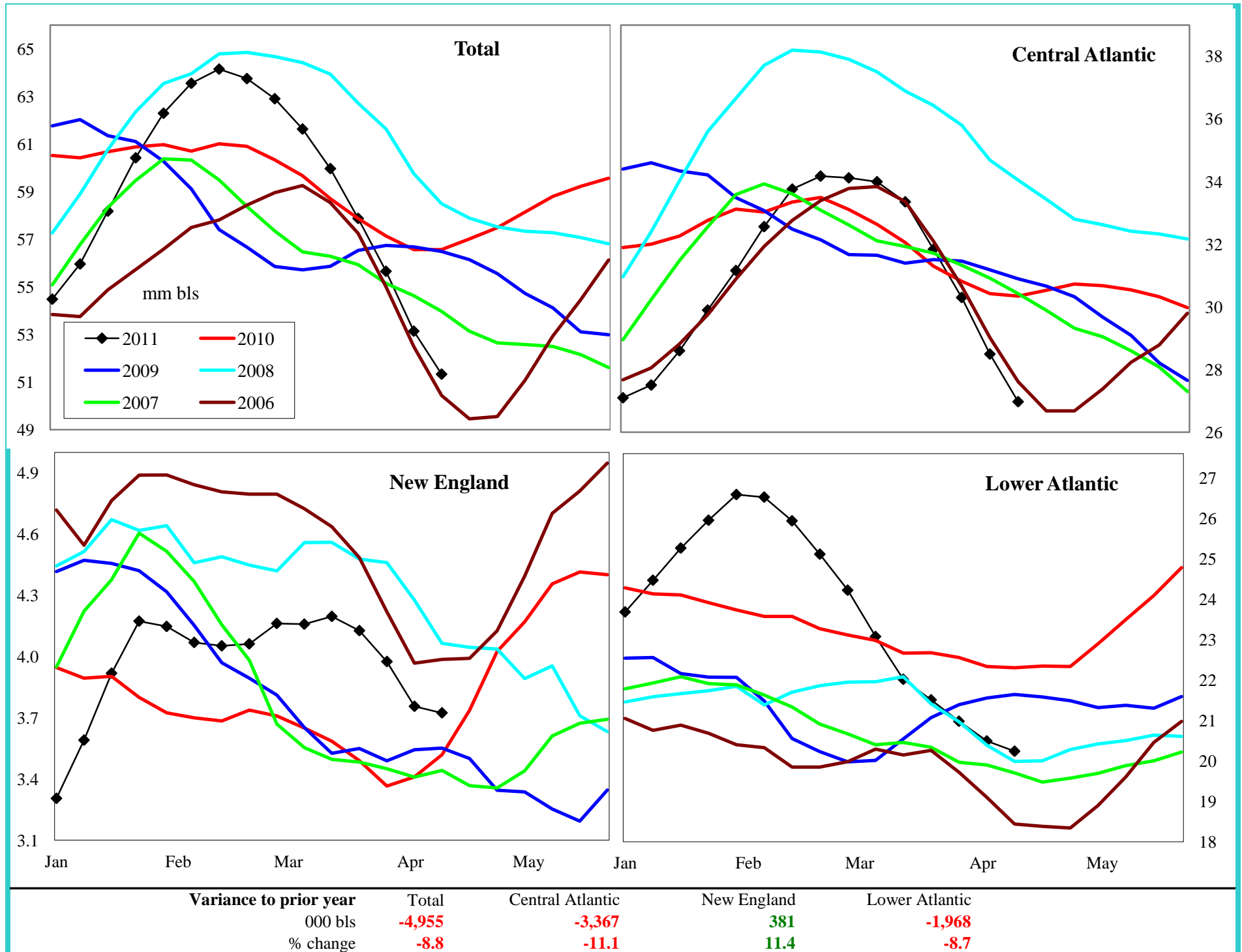
PADD 1 Crude Oil Supply and Refining



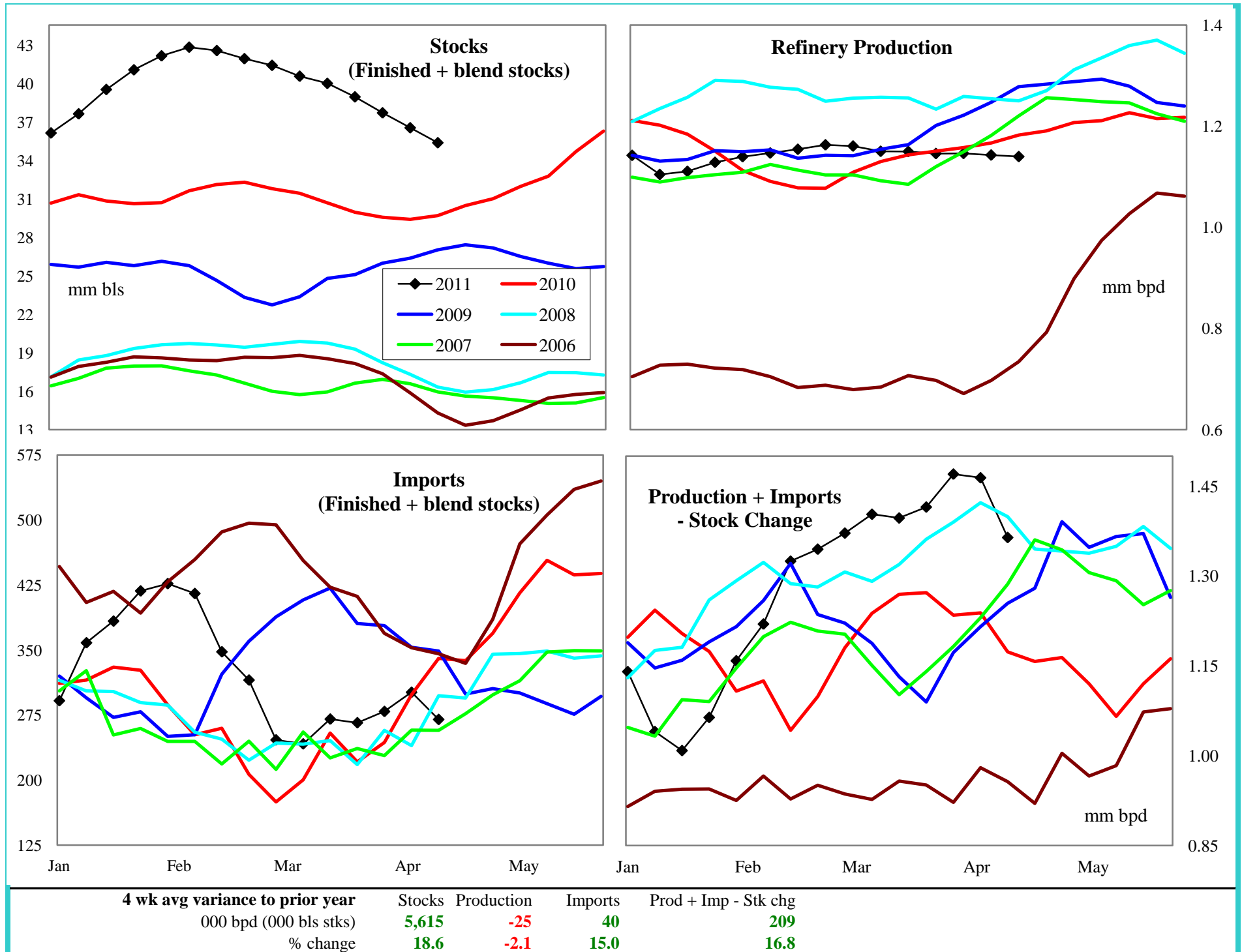
PADD 1 Gasoline Supply



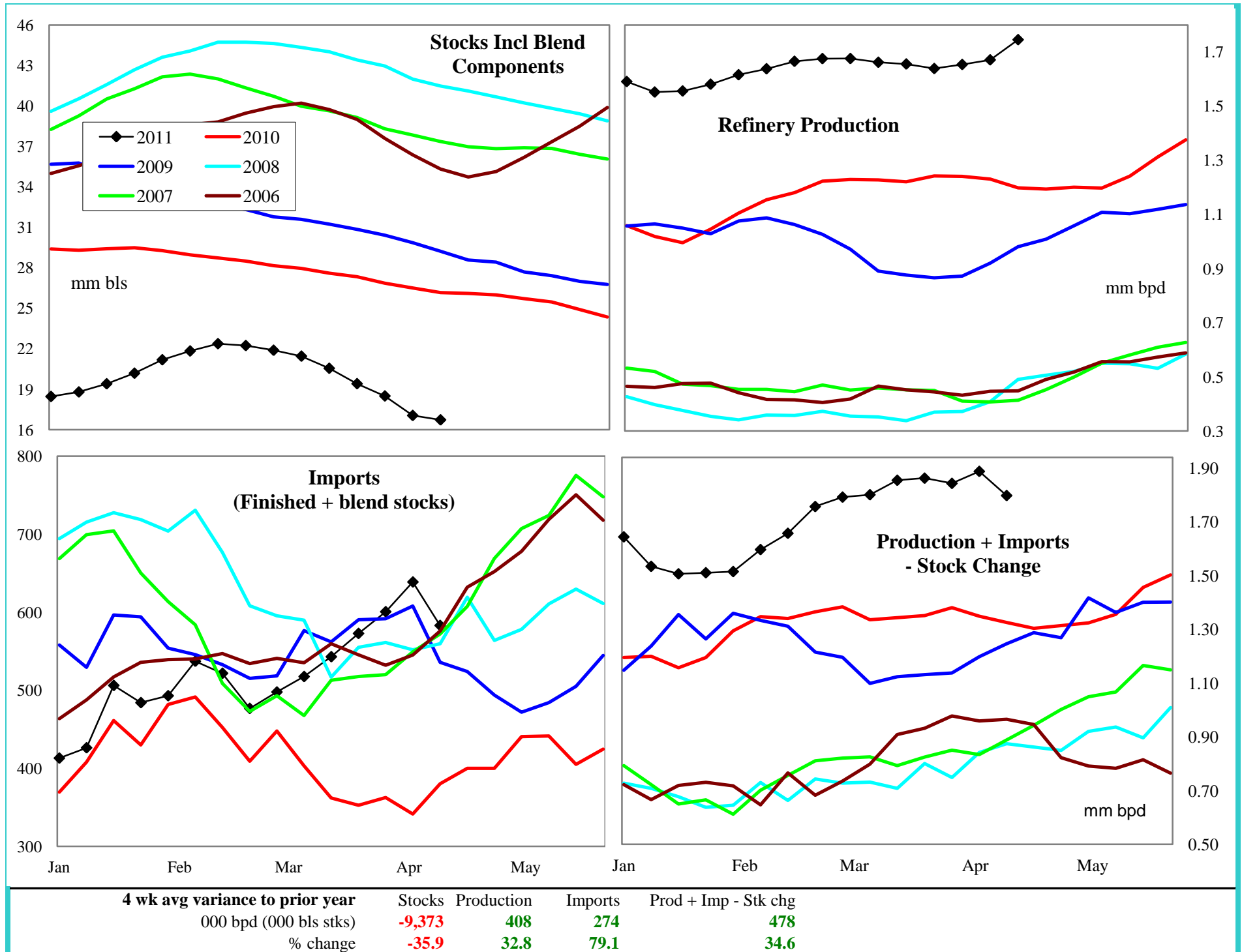
PADD 1 Gasoline Stocks by Region



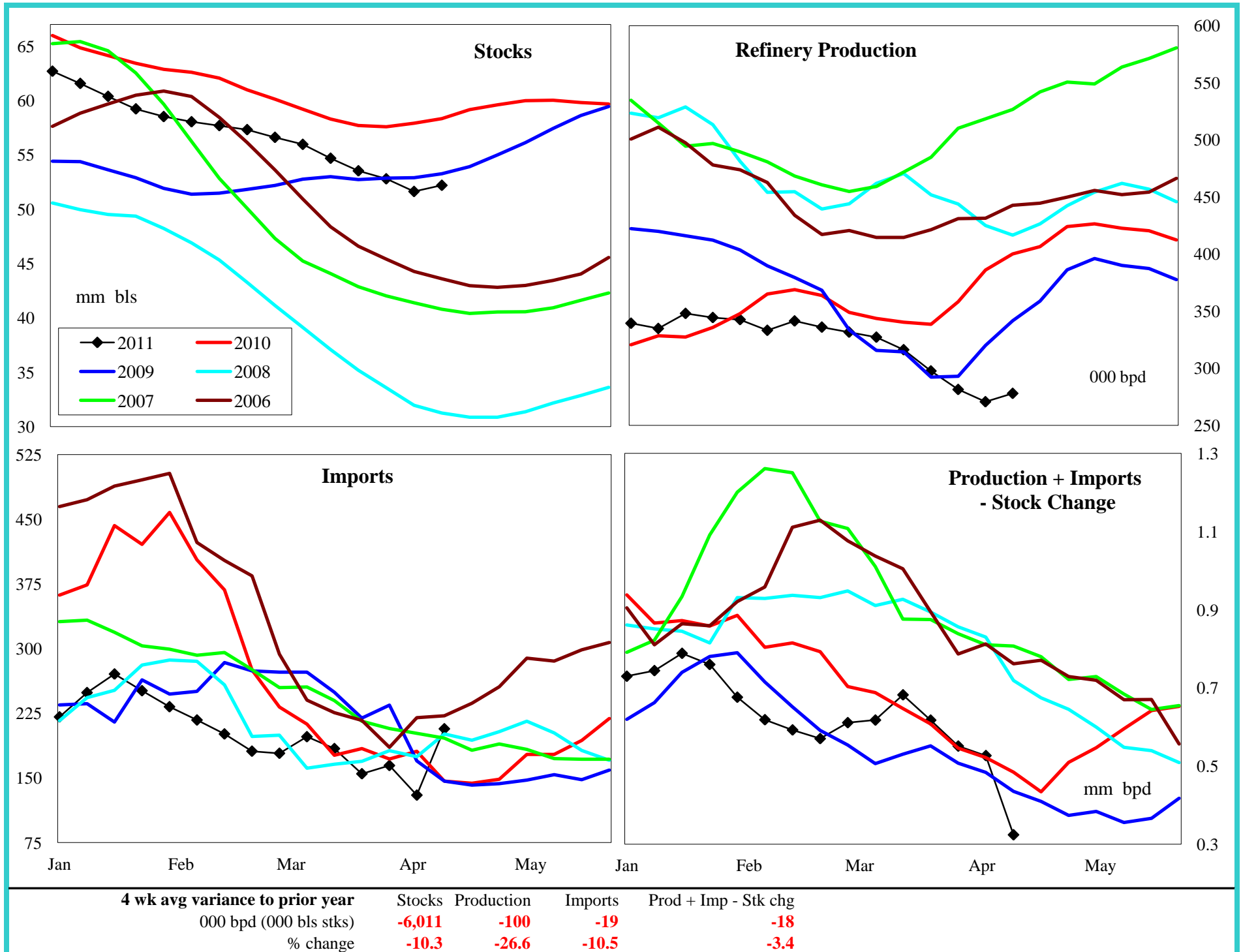
PADD 1 Reformulated Gasoline Supply



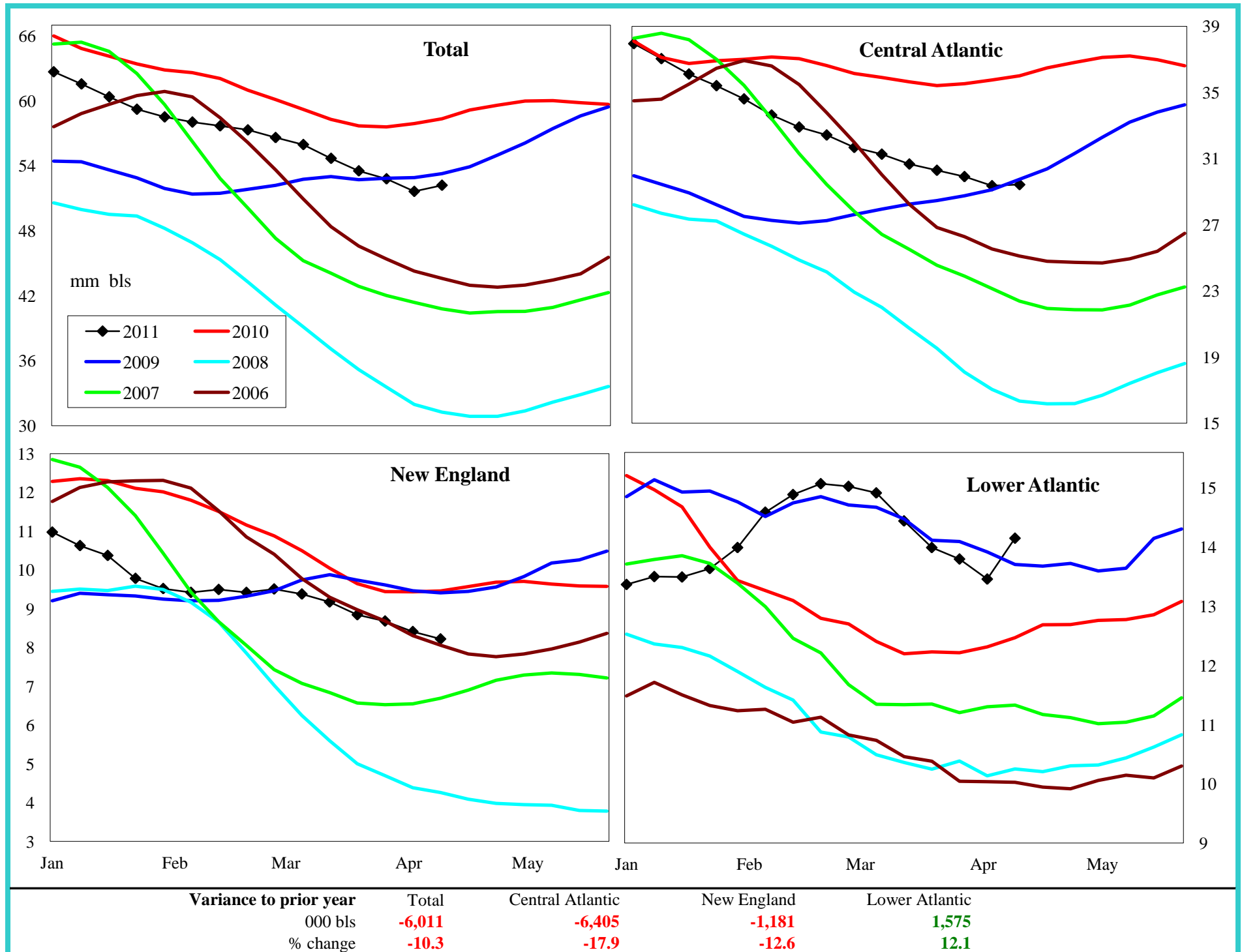
PADD 1 Conventional Gasoline Supply



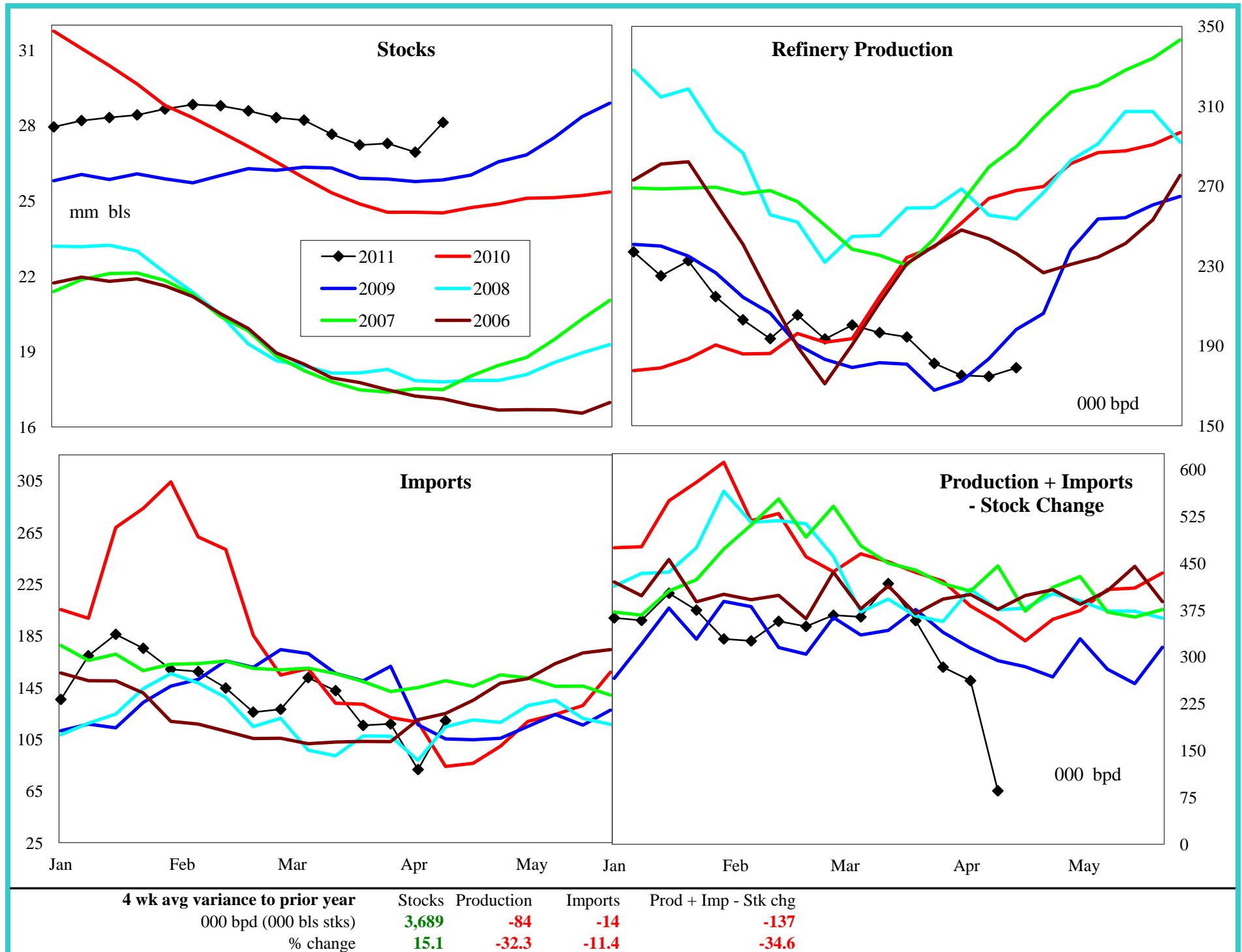
PADD 1 Distillate Supply



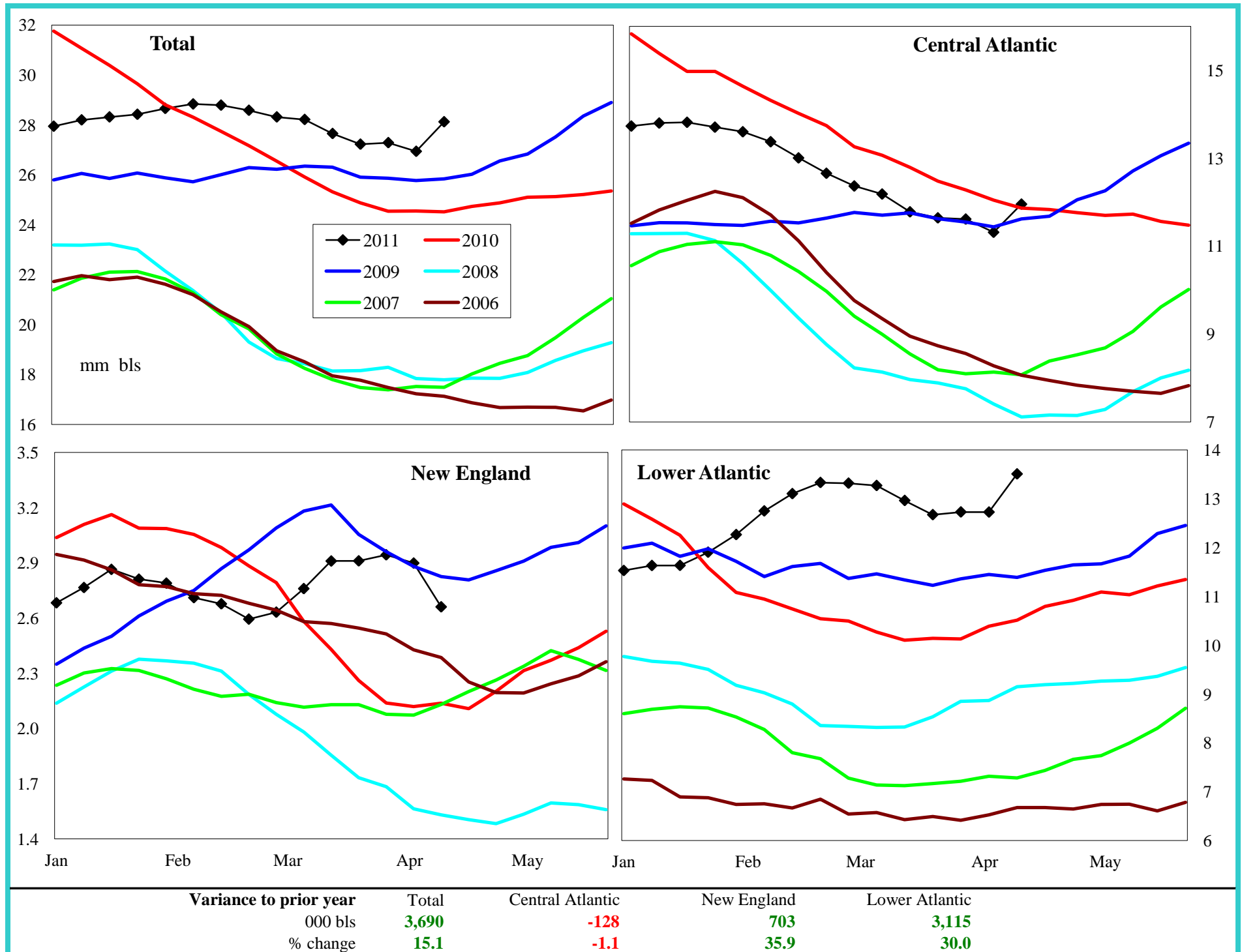
PADD 1 Distillate Stocks by Region



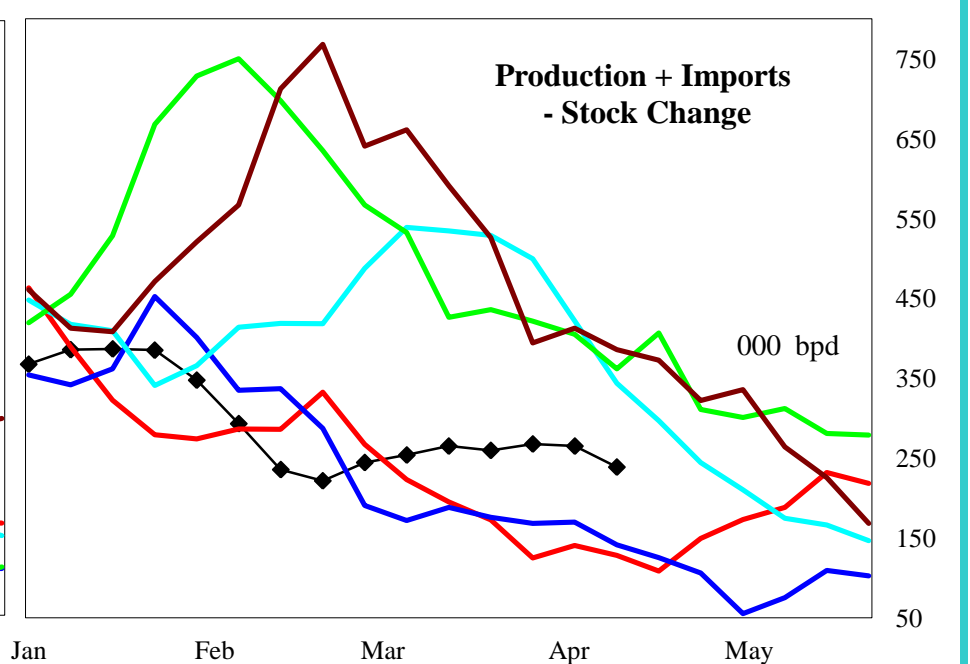
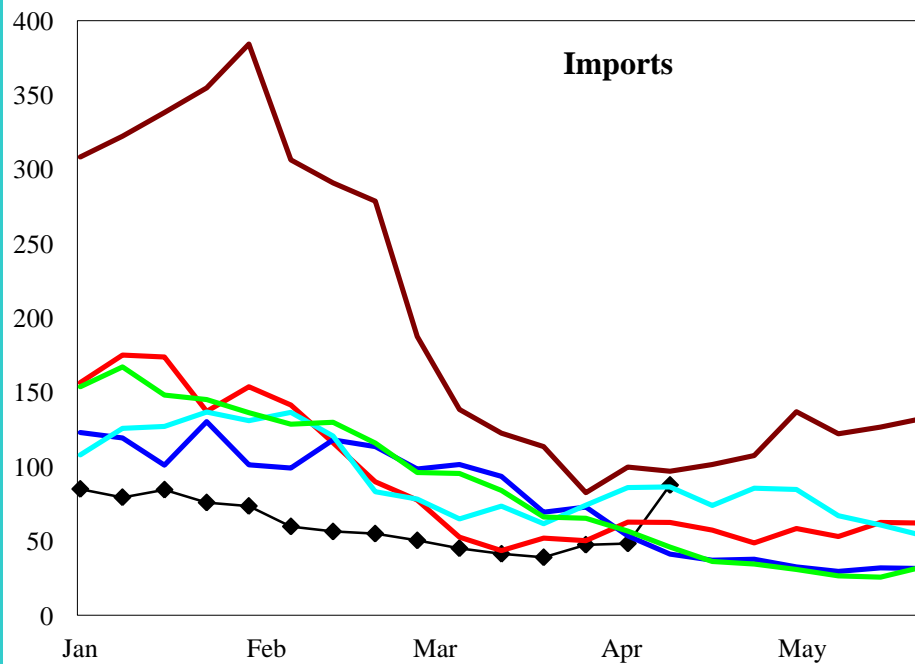
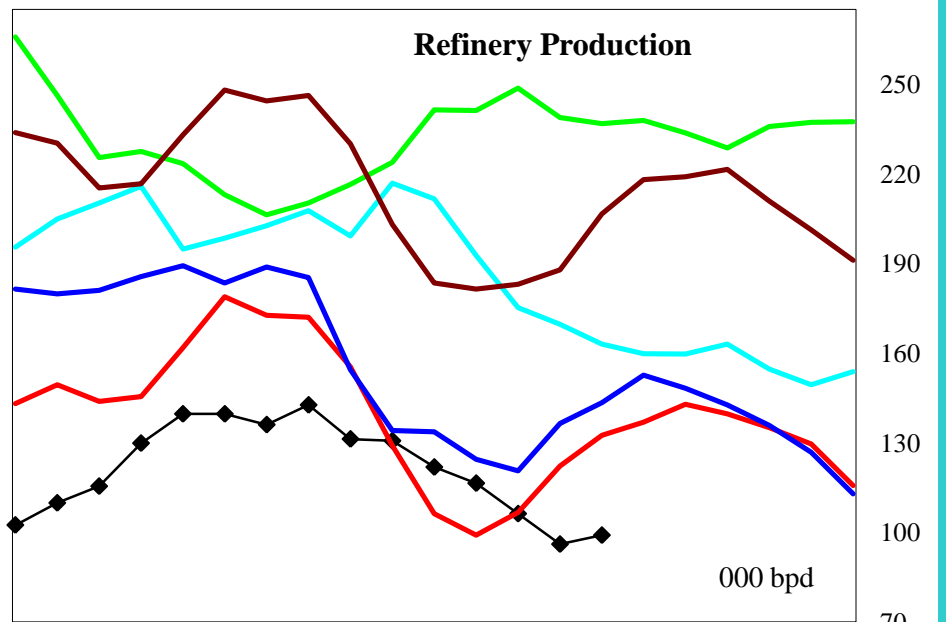
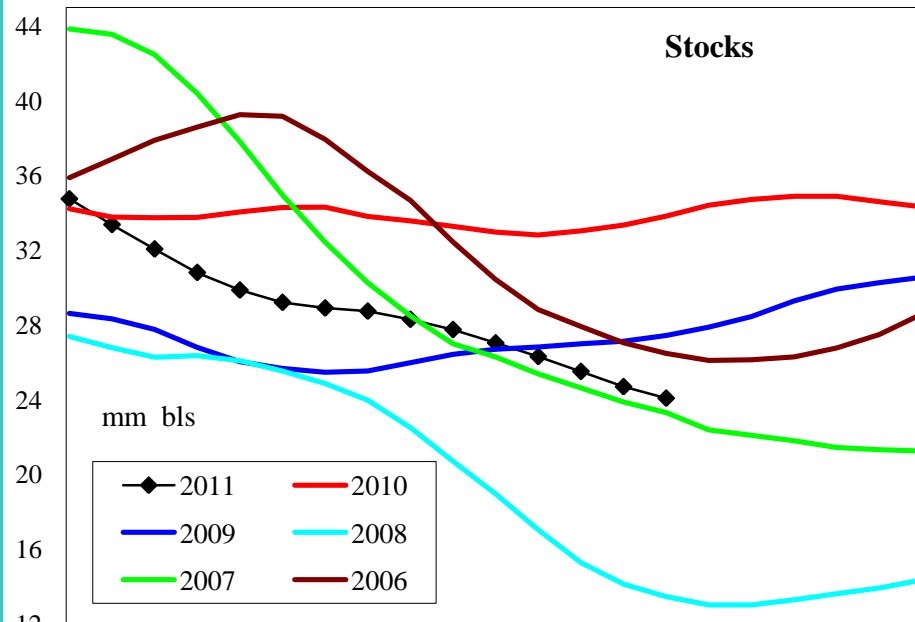
PADD 1 Low Sulfur Distillate Supply



PADD 1 Low Sulfur Distillate Stocks by Region



PADD 1 High Sulfur Distillate Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

Production

Imports

Prod + Imp - Stk chg

-9,701

-16

-5

119

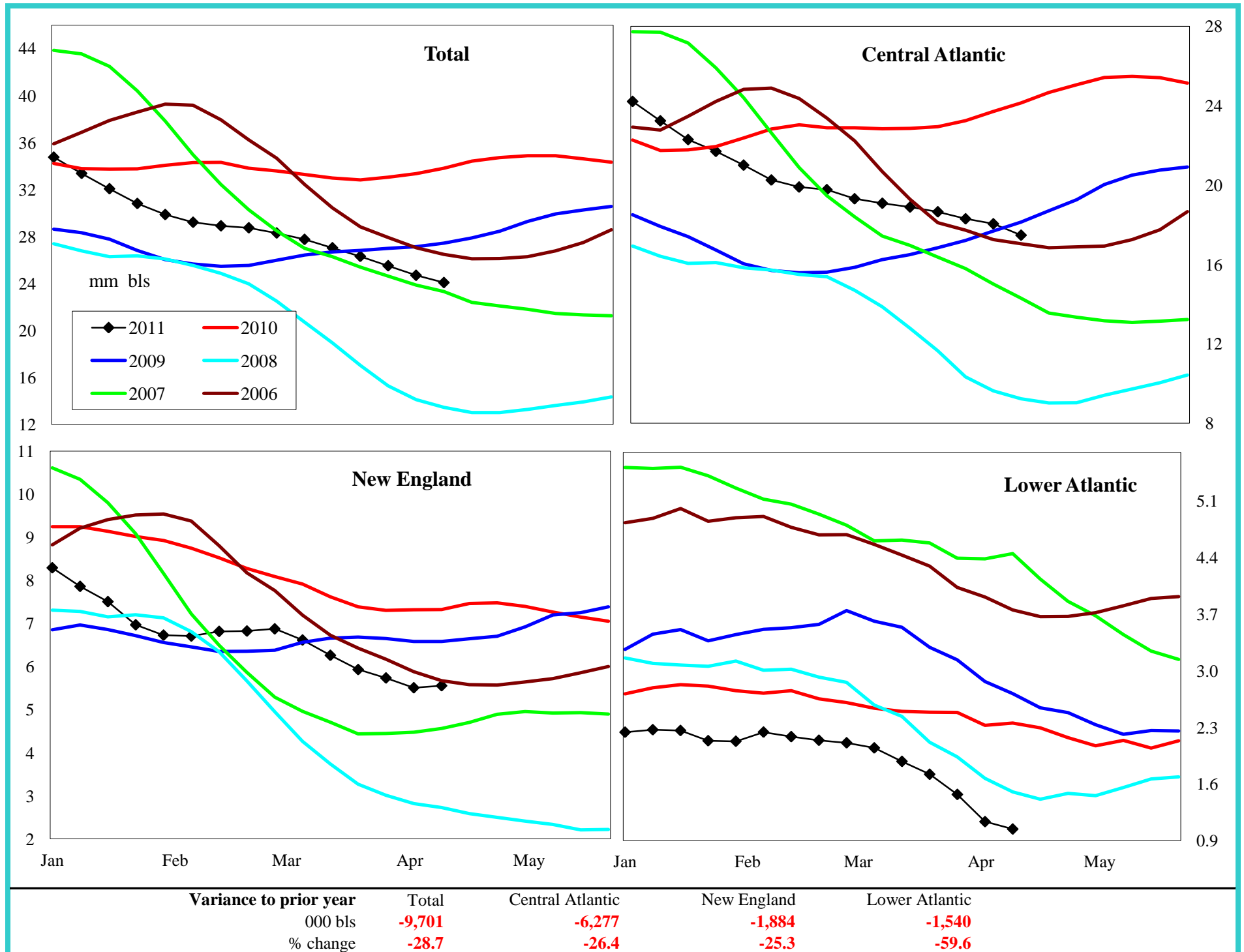
-28.7

-13.7

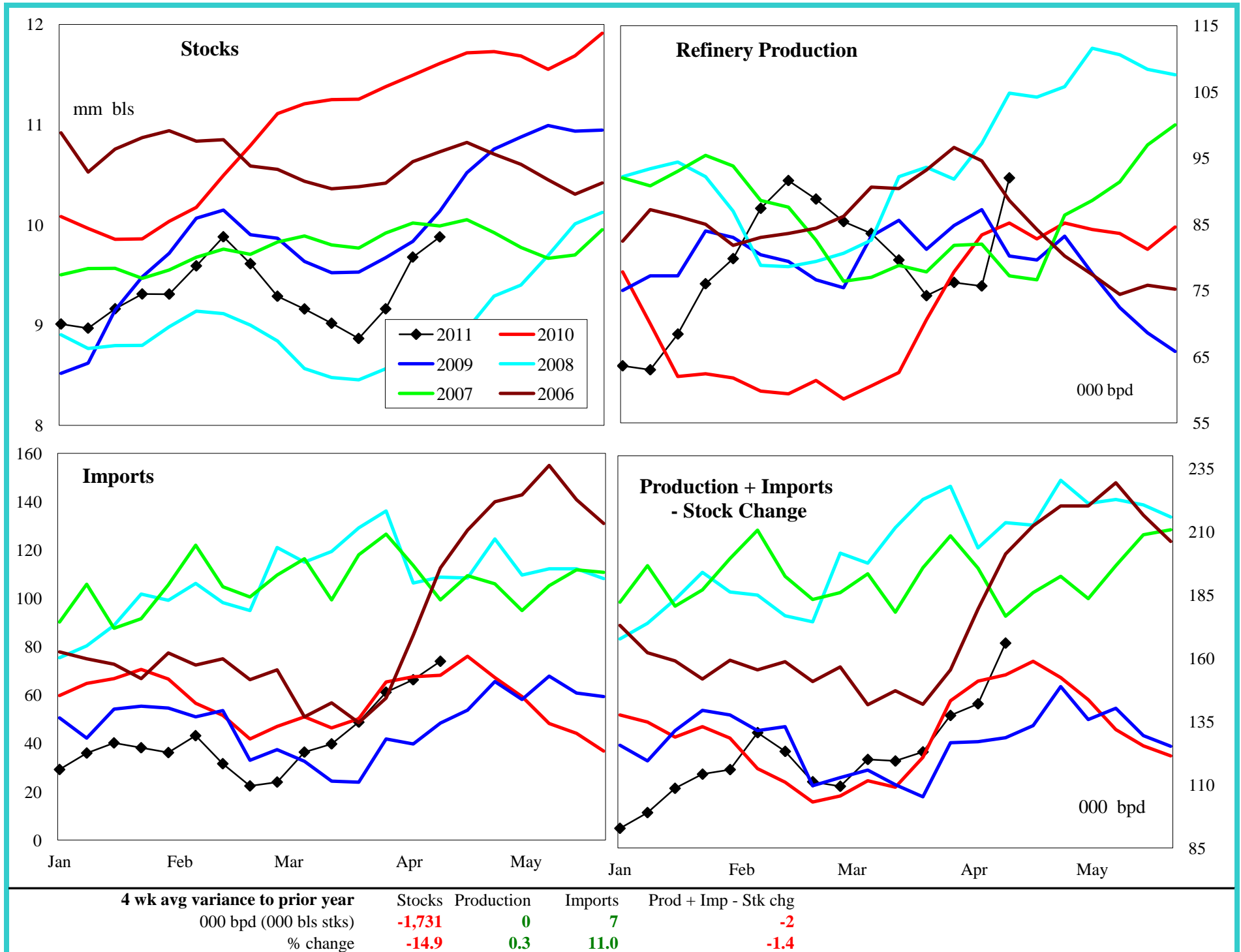
-8.5

91.9

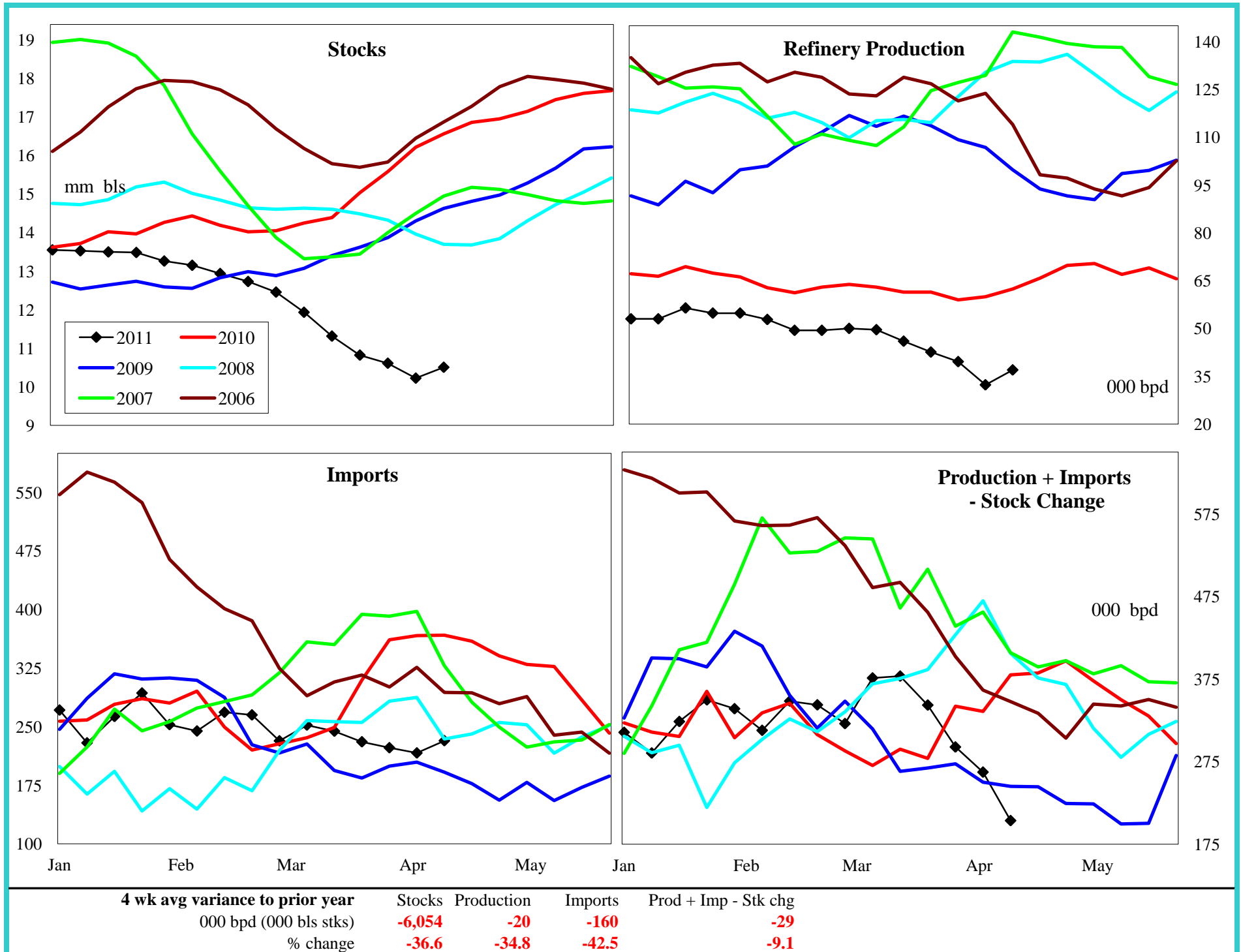
PADD 1 High Sulfur Distillate Stocks by Region



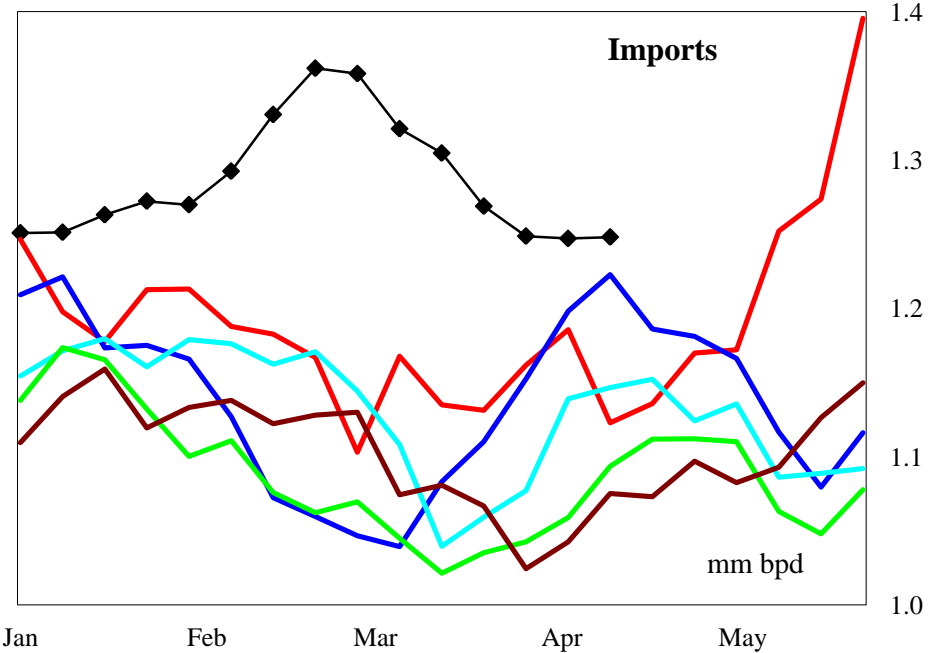
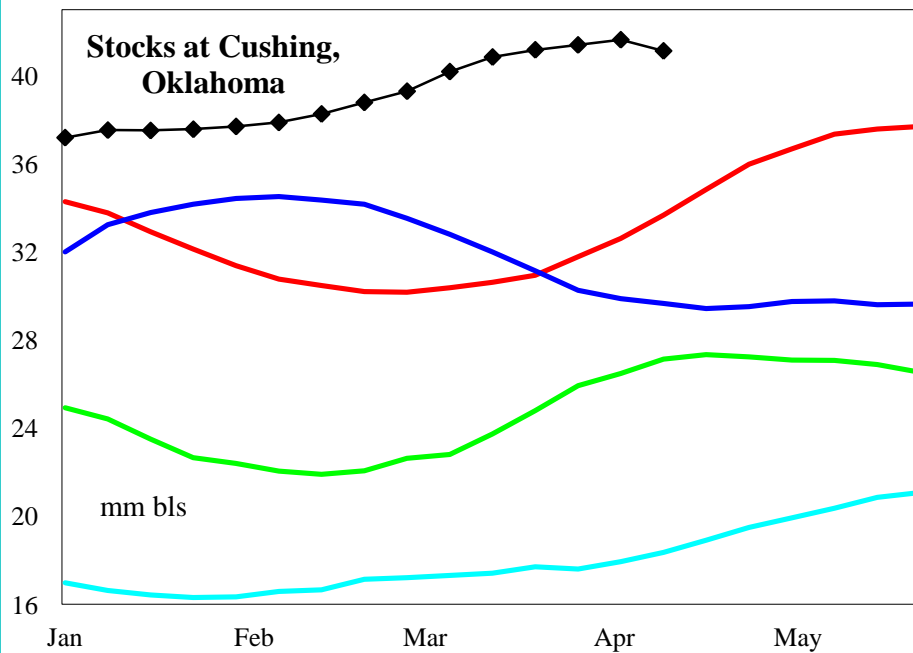
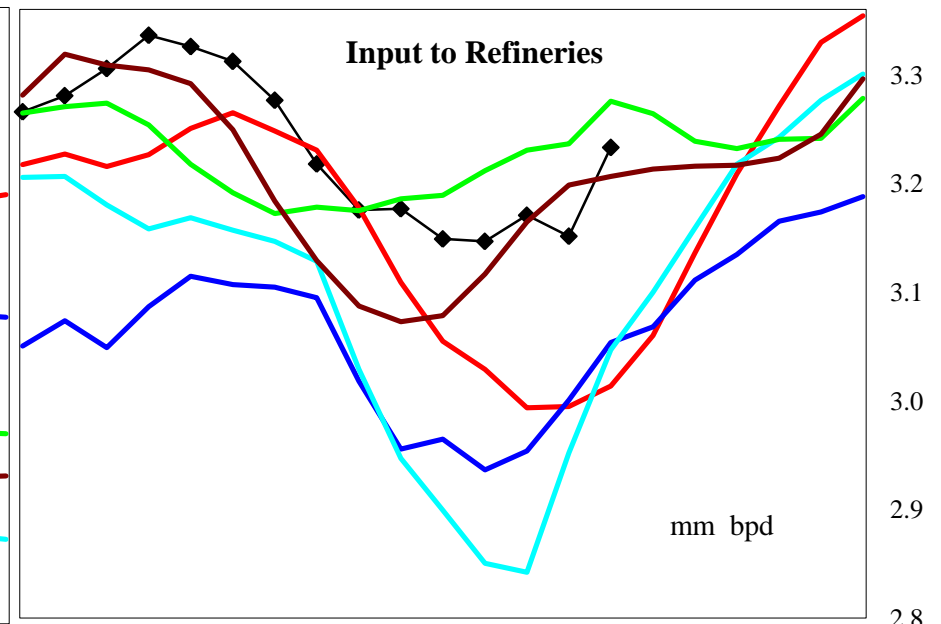
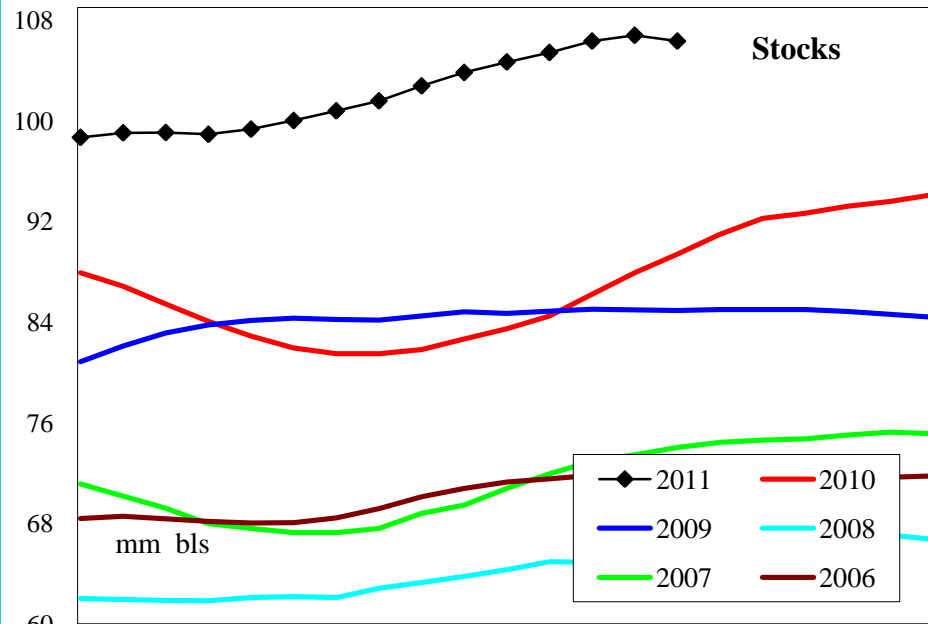
PADD 1 Jet Fuel Supply



PADD 1 Residual Fuel Oil Supply



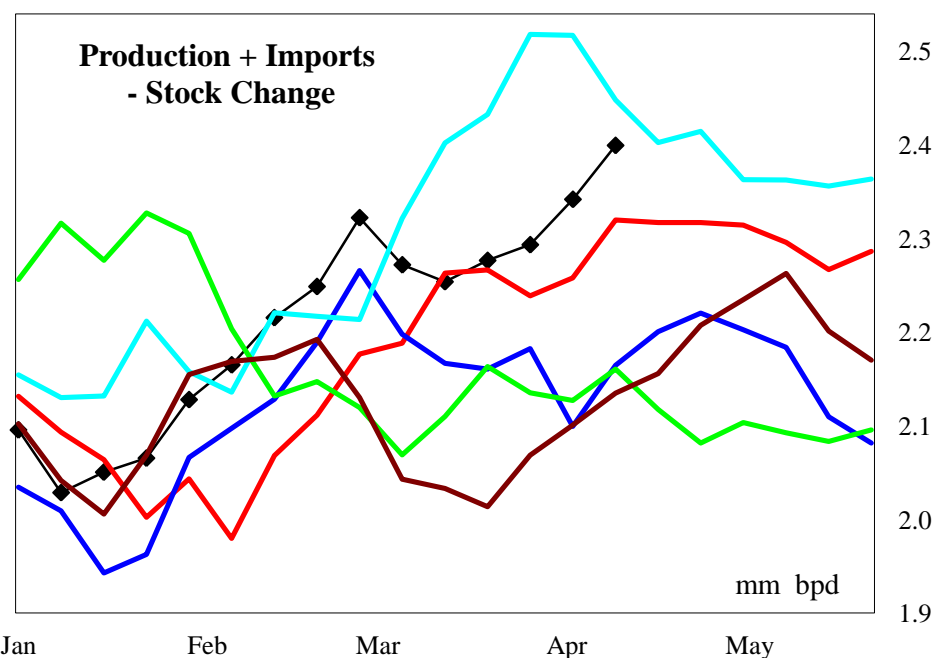
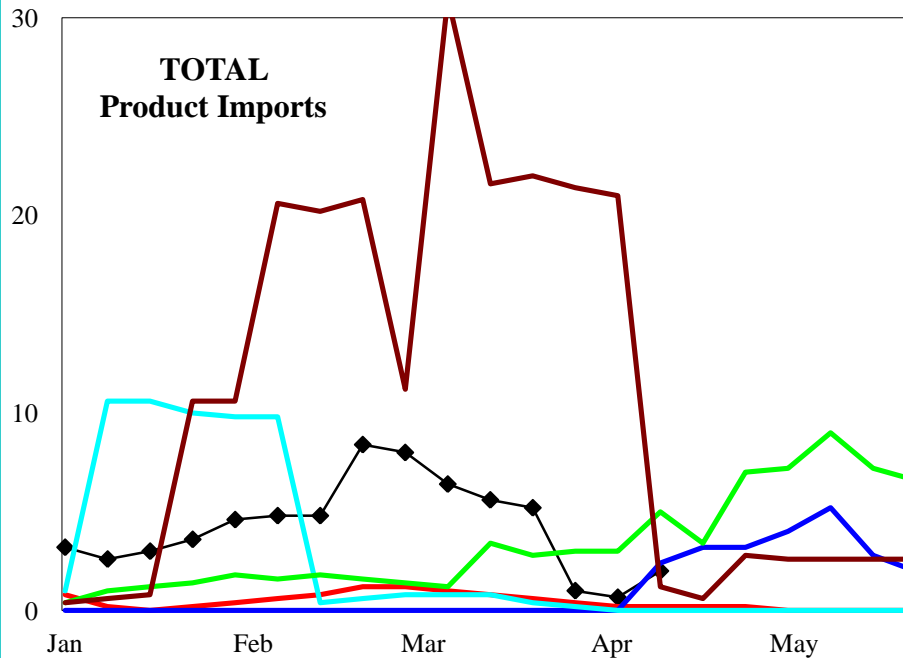
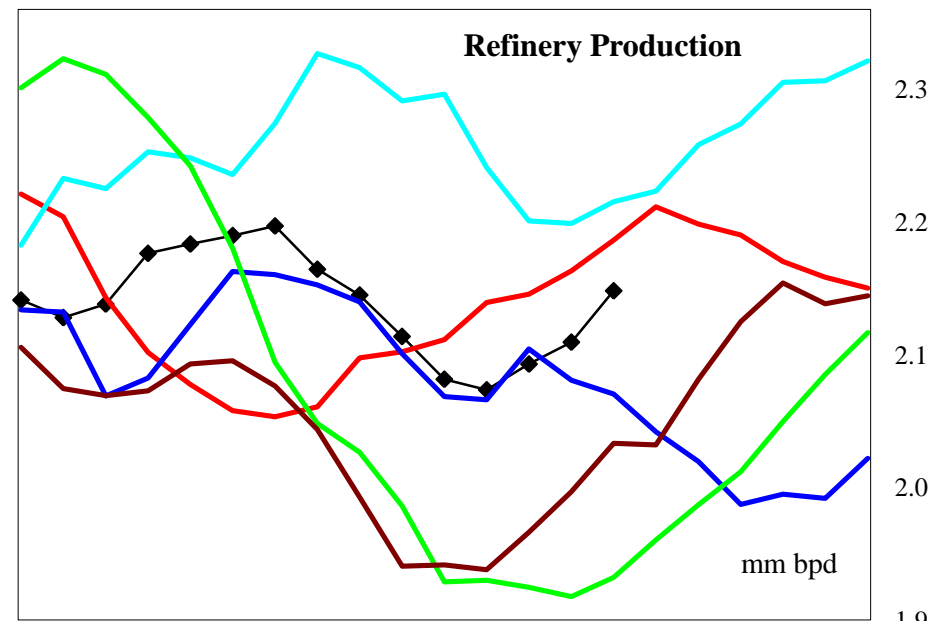
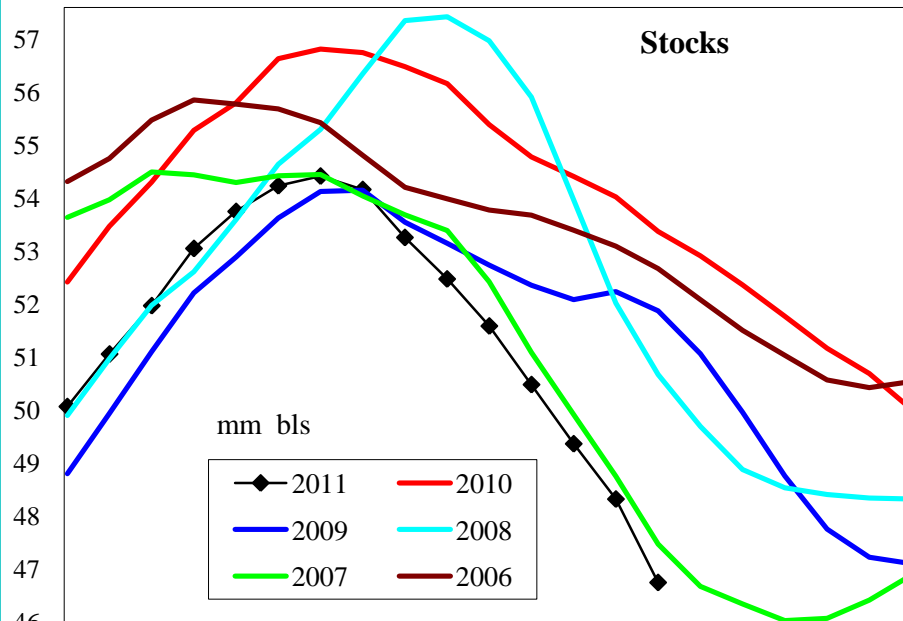
PADD 2 Crude Oil Supply and Refining



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

	Stocks	Cushing	Input	Imports
000 bpd (000 bbls stks)	16,934	7,458	186	23
% change	18.9	22.2	6.2	1.8

PADD 2 Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

Production

Imports

Prod + Imp - Stk chg

-6,627

-50

0

76

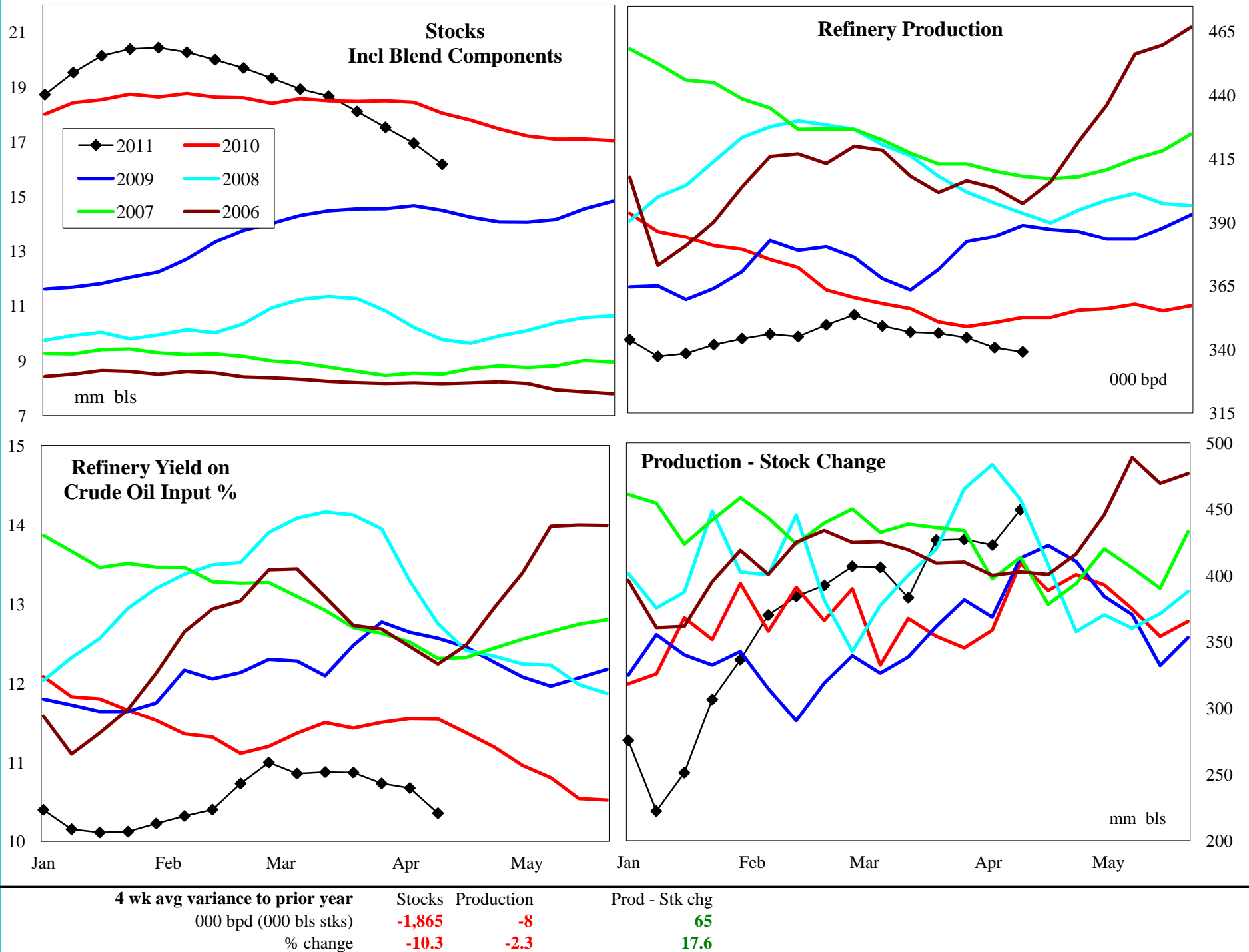
-12.3

-2.3

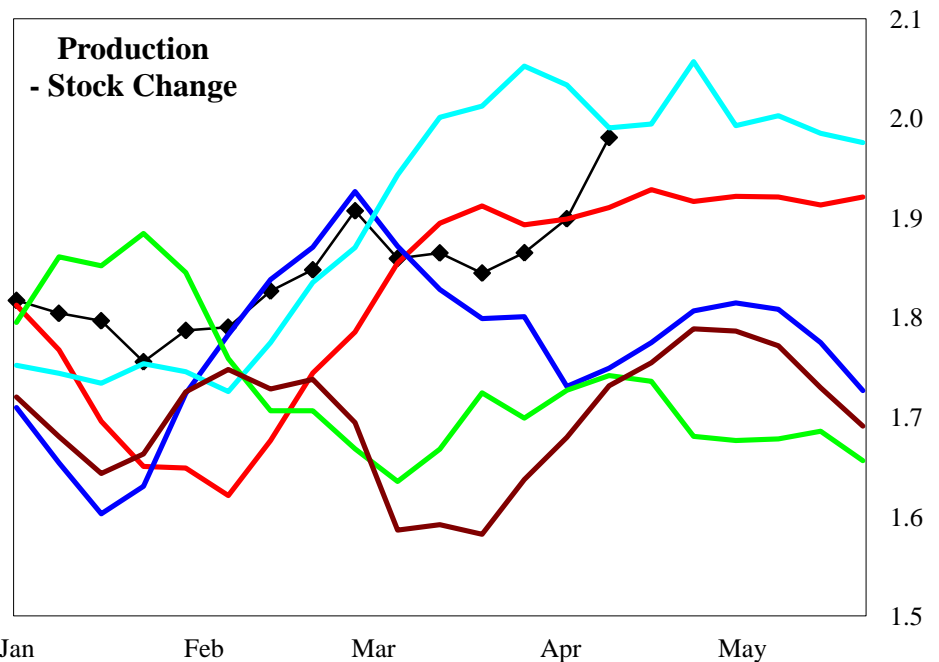
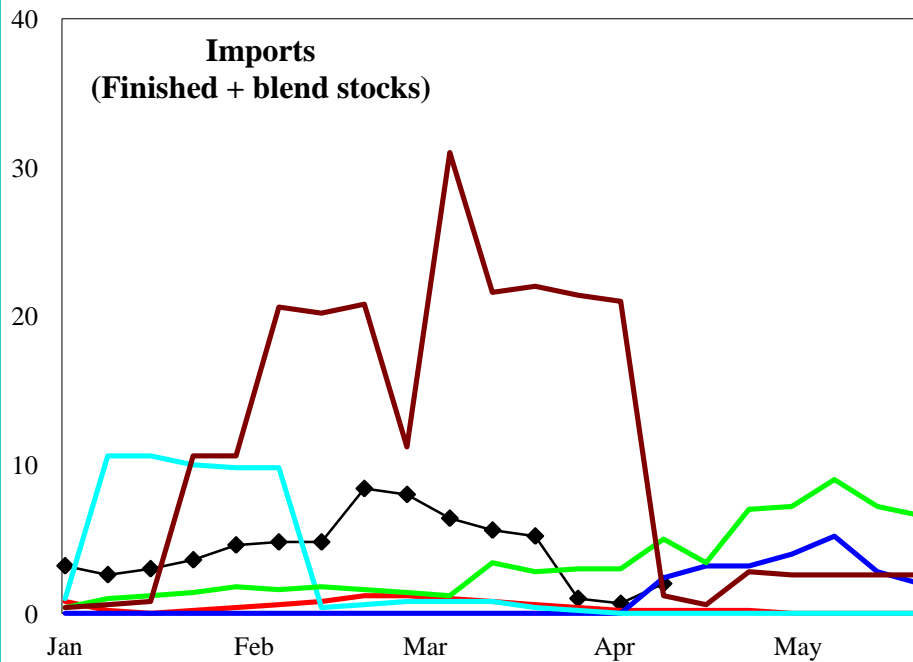
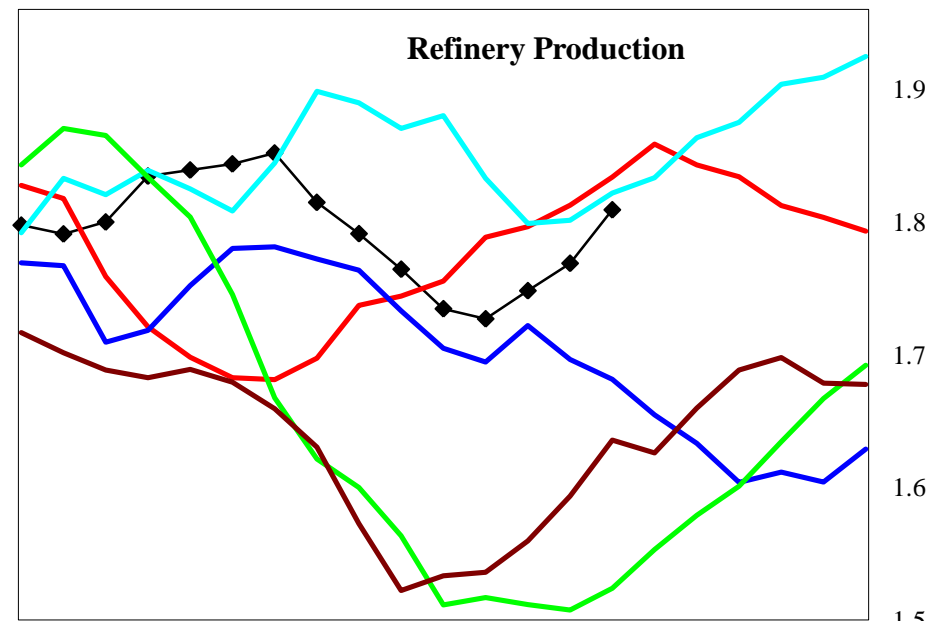
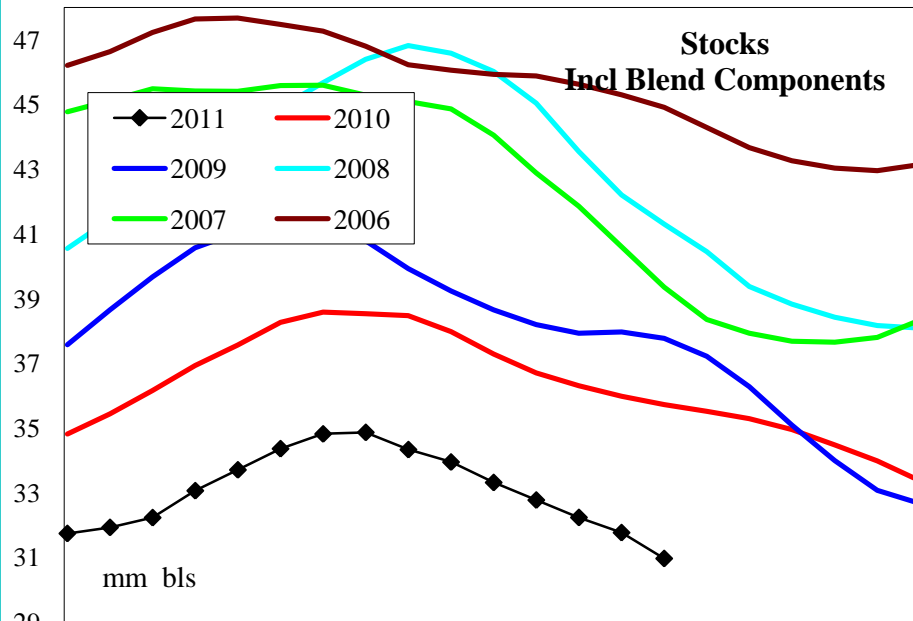
100.0

3.4

PADD 2 Reformulated Gasoline Supply



PADD 2 Conventional Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bbls stks)

% change

Stocks

Production

Prod - Stk chg

-5,139

-43

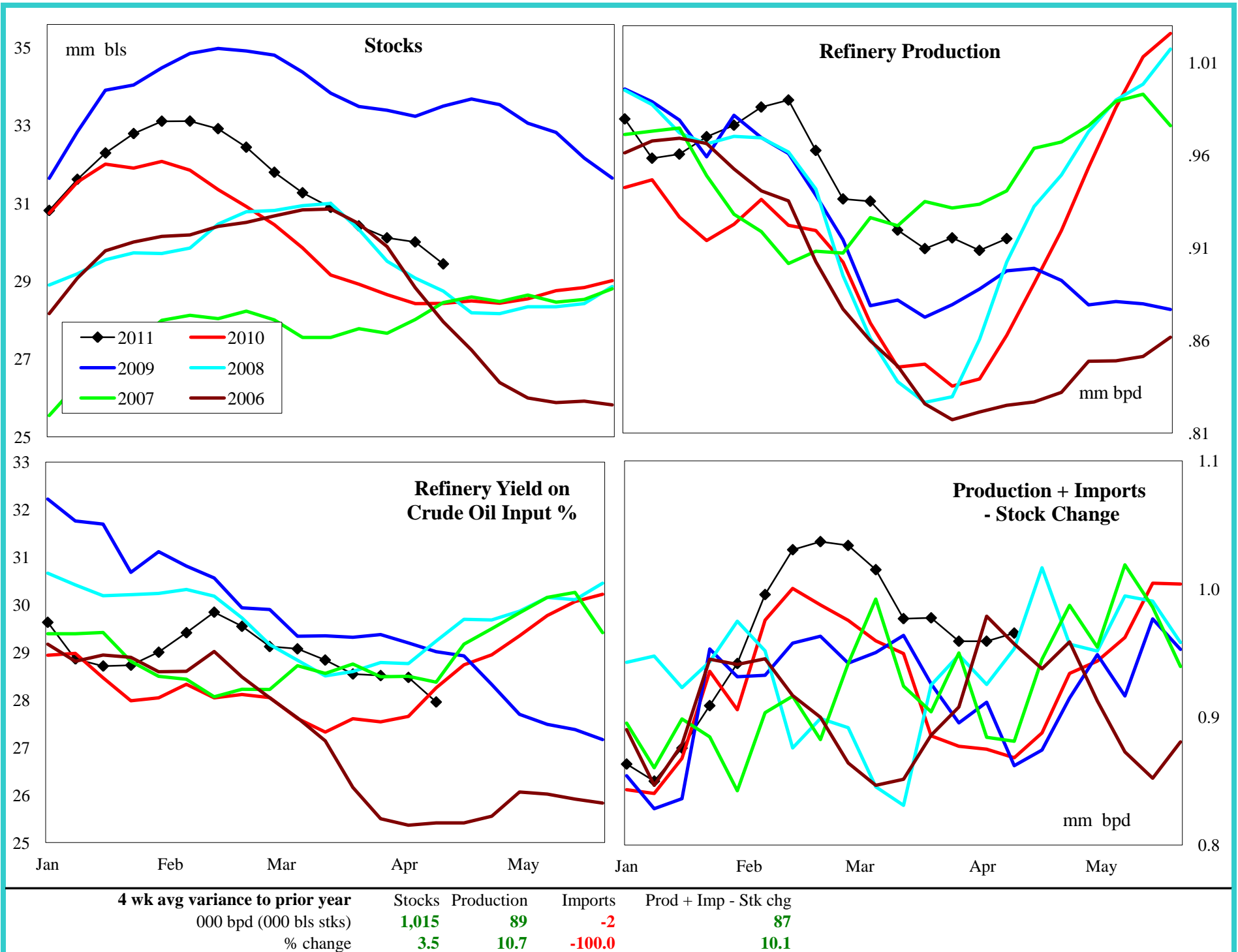
-19

-14.2

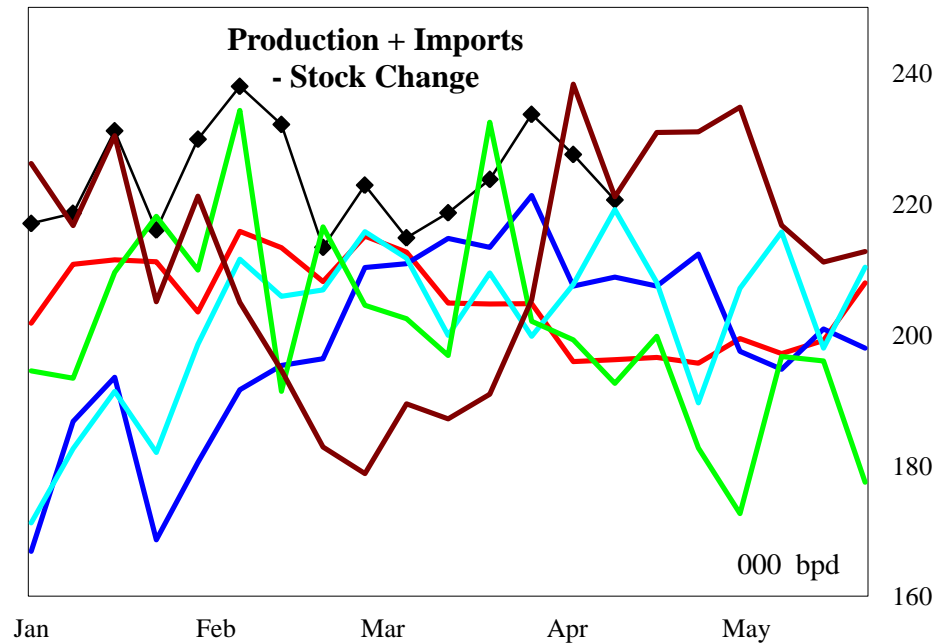
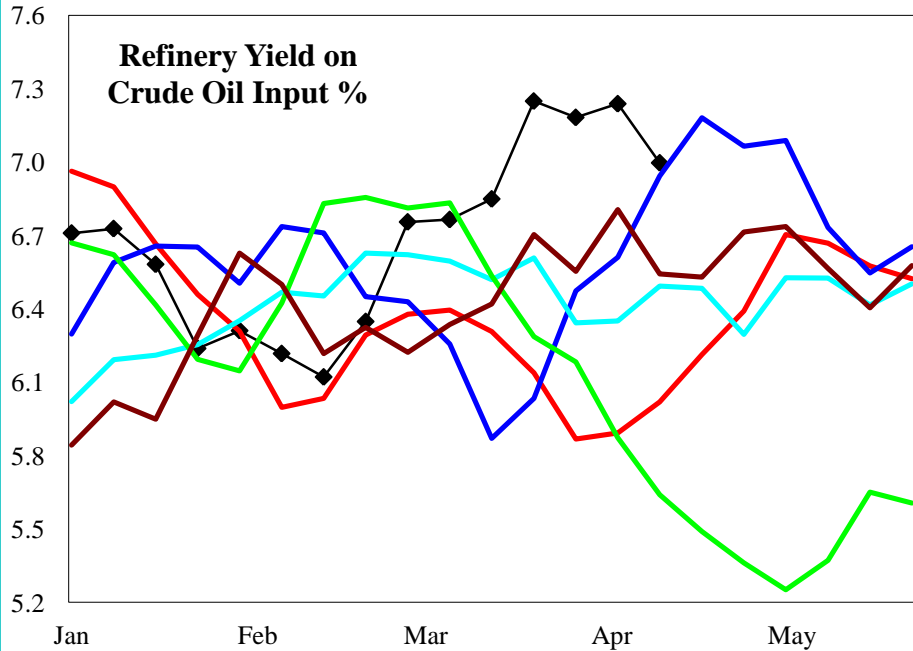
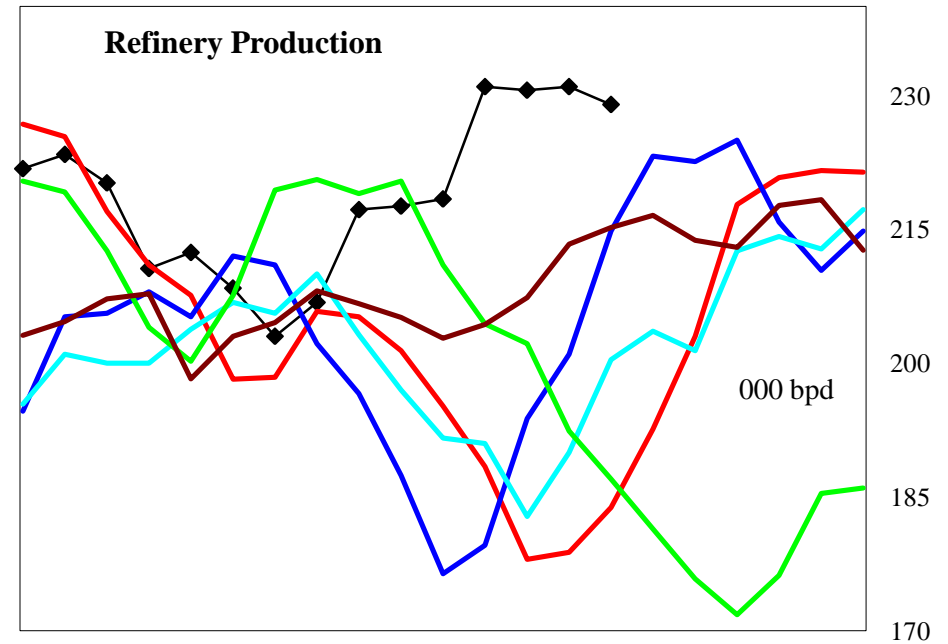
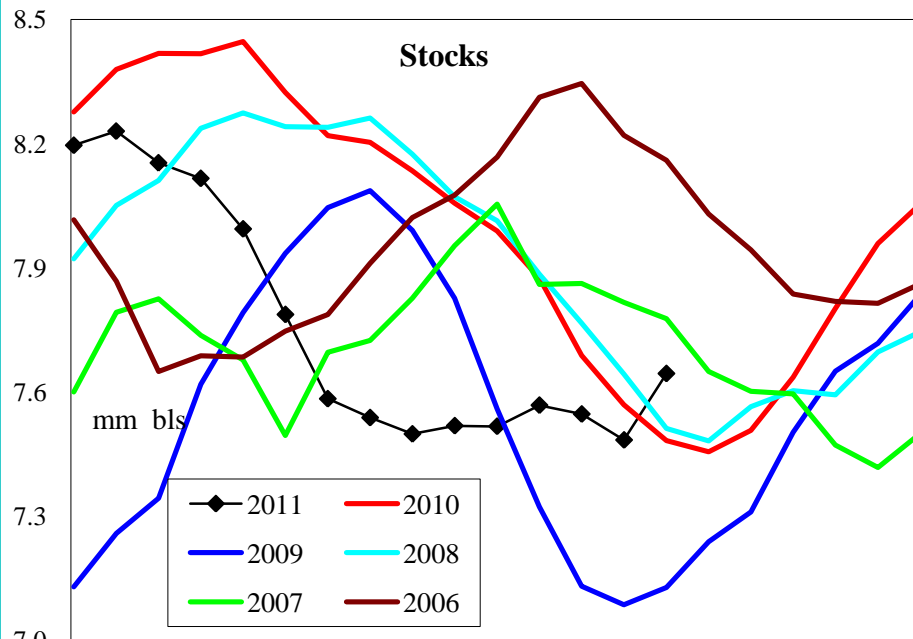
-2.3

-1.0

PADD 2 Distillate Supply



PADD 2 Jet Fuel Supply



4 wk avg variance to prior year

000 bpd (000 bbls stks)

% change

Stocks

Production

Imports

Prod + Imp - Stk chg

162

55

0

28

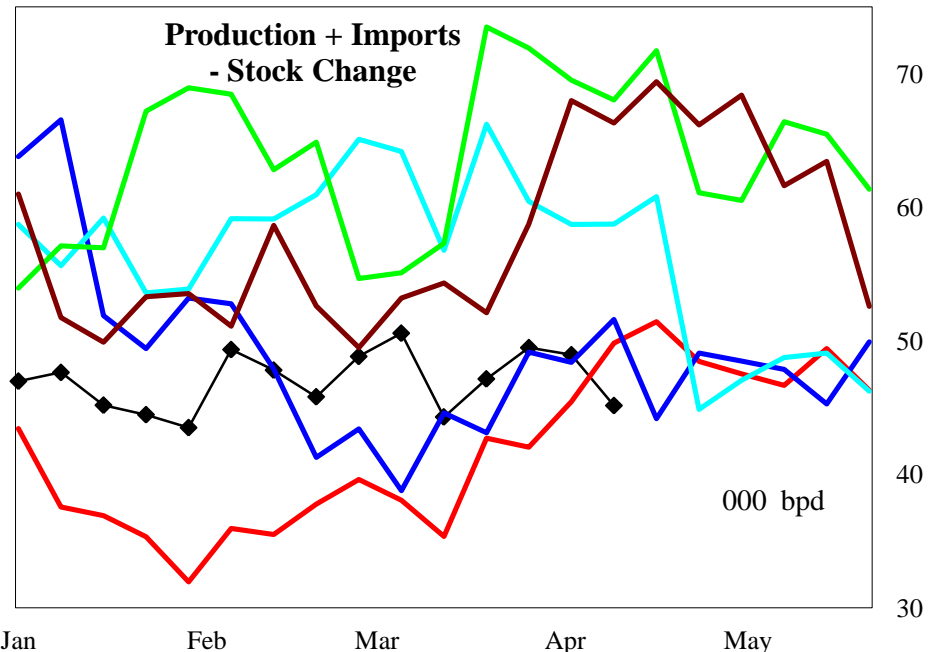
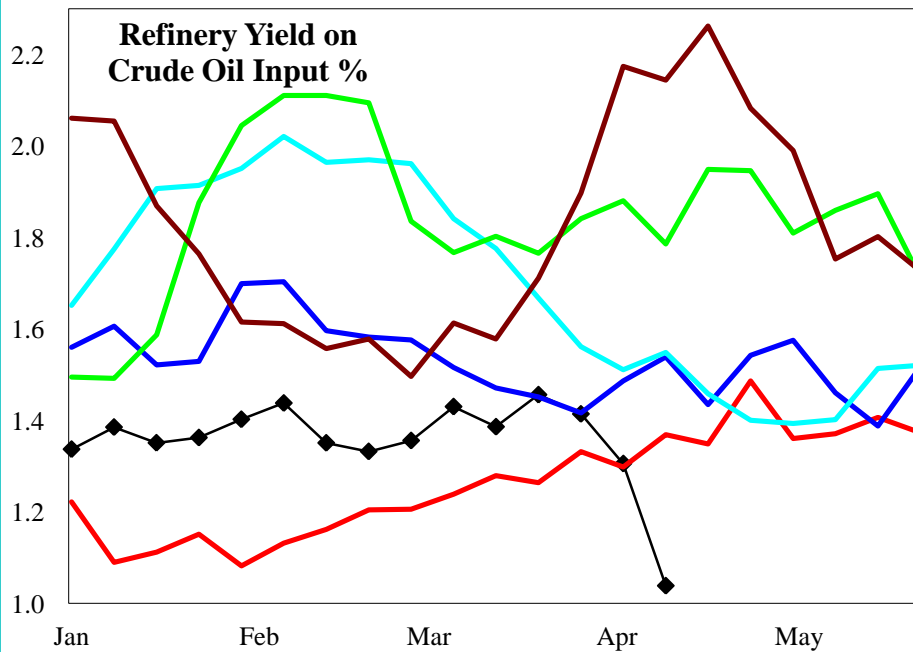
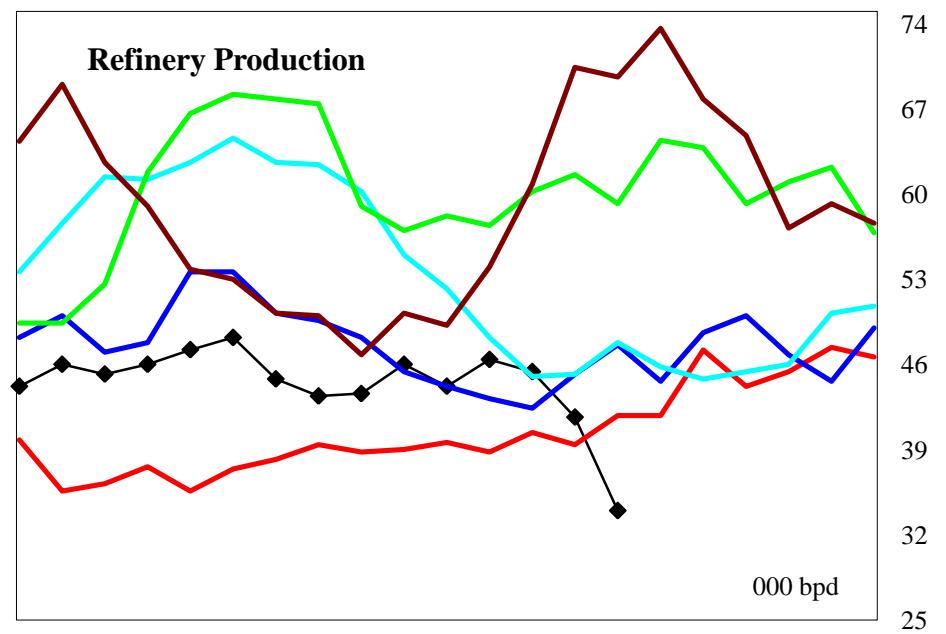
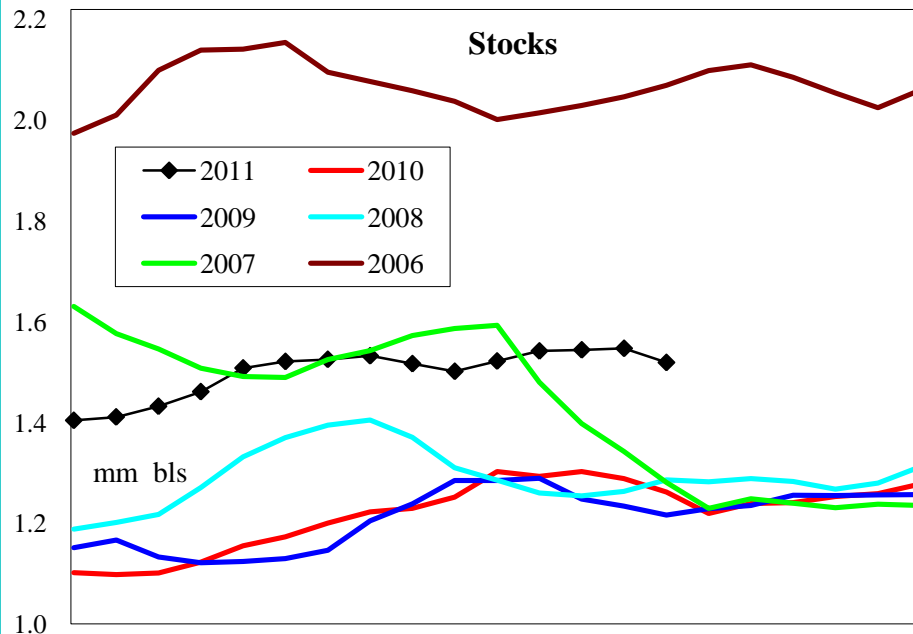
2.2

31.3

#DIV/0!

13.6

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

257

4

2

7

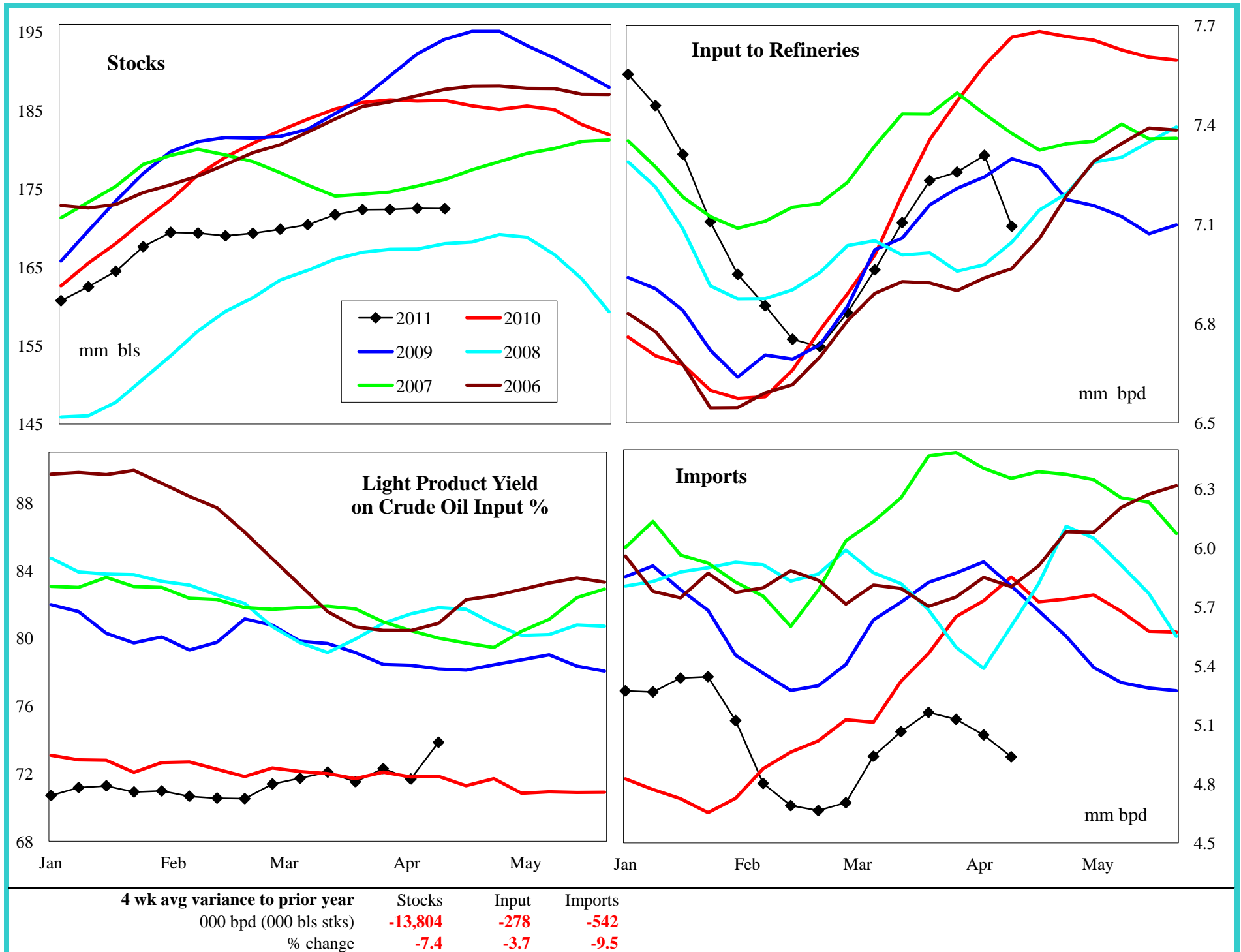
20.1

8.5

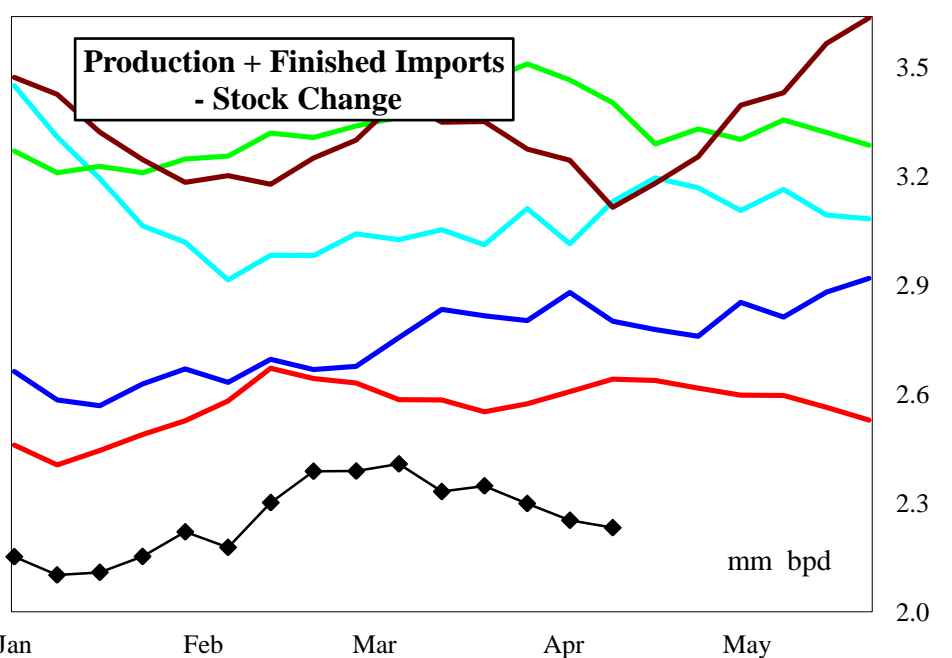
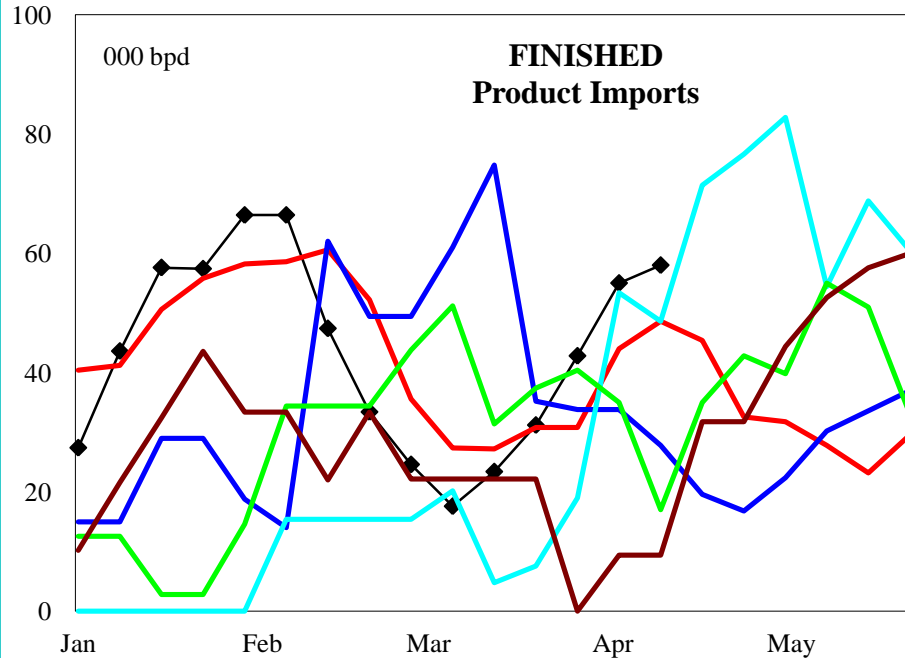
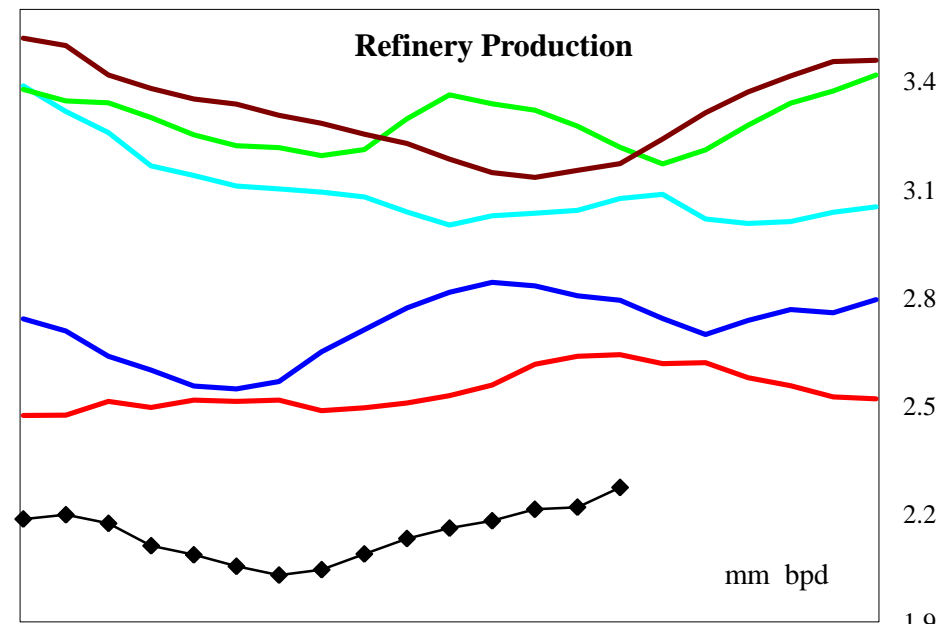
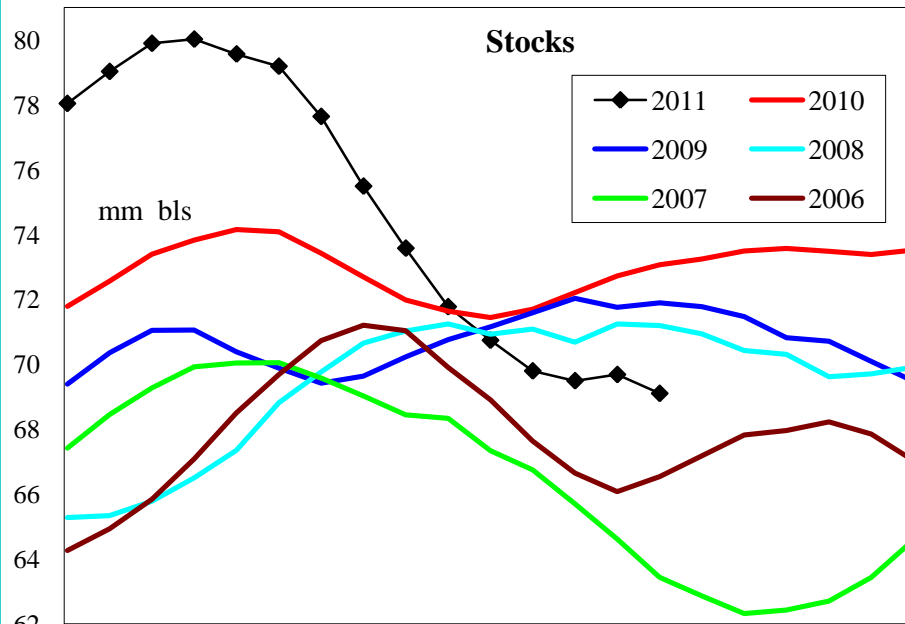
50.0

14.8

PADD 3 Crude Oil Supply and Refining



PADD 3 Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

-4,266

-5.8

Production

-427

-16.2

Fin Impt

15

39.0

Blend Impt

53

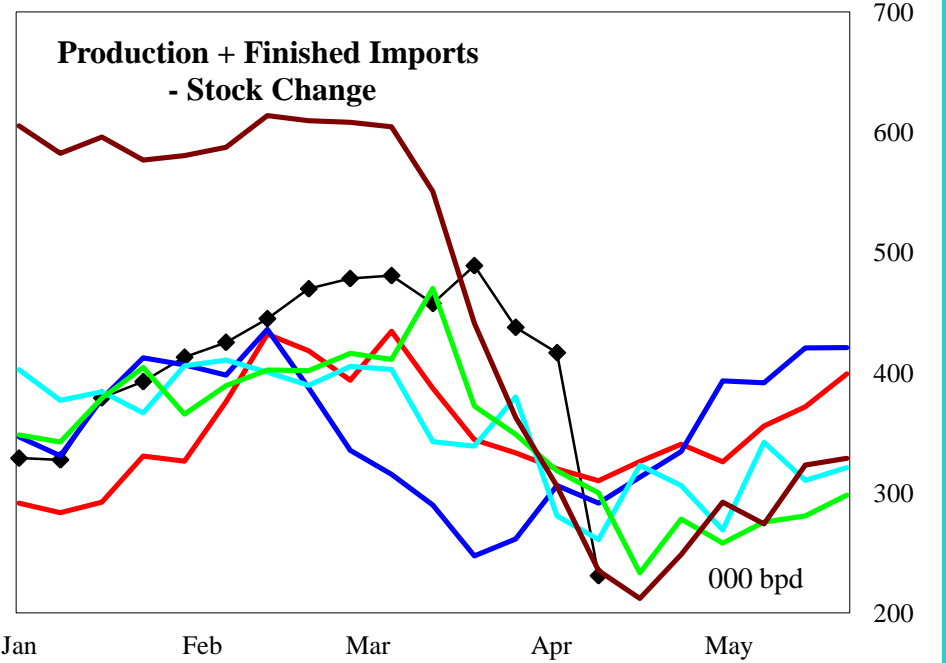
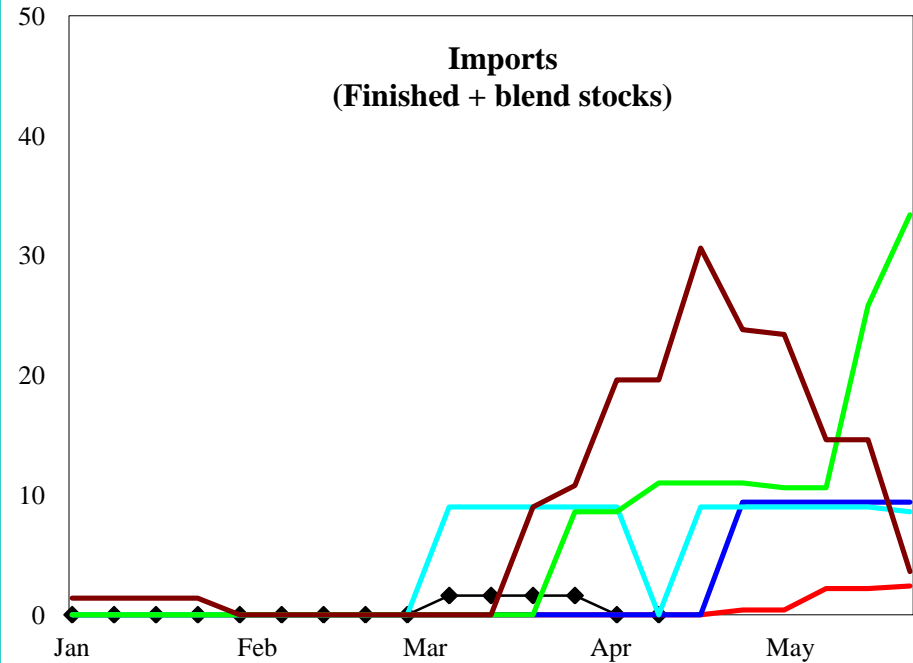
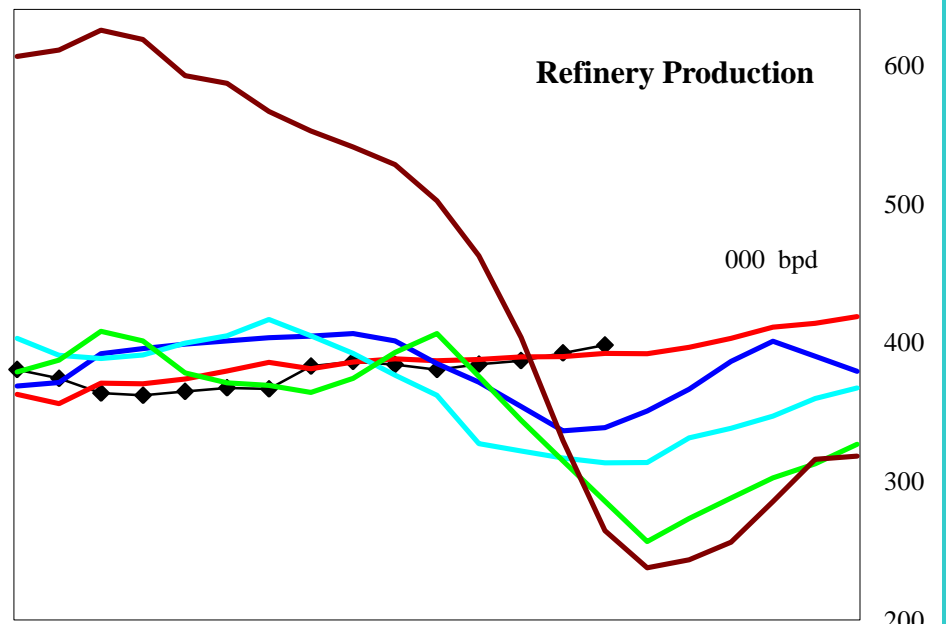
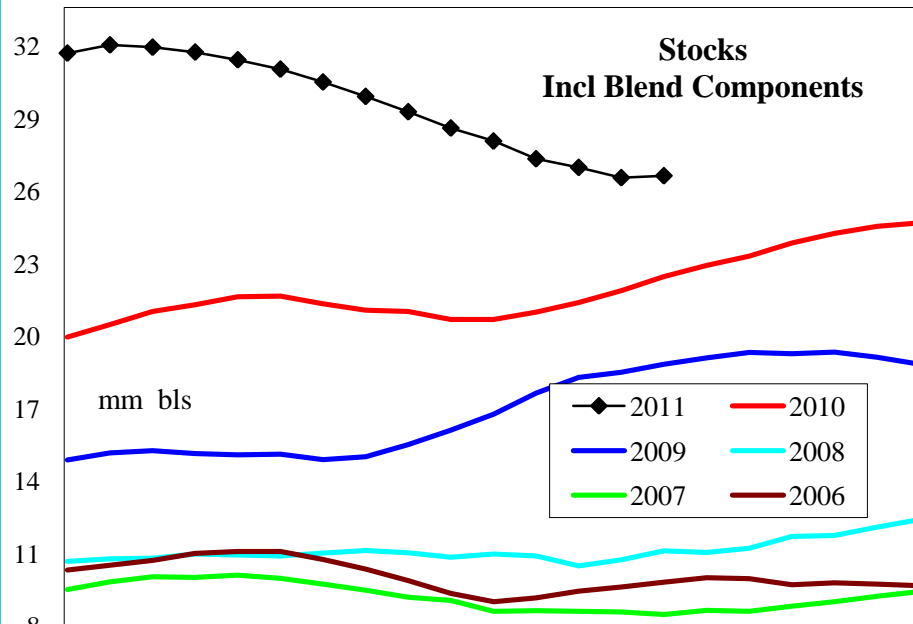
157.8

Prod + Imp - Stk chg

-294

-11.4

PADD 3 Reformulated Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

4,578

Production

-1

Imports

2

Prod + Imp - Stk chg

93

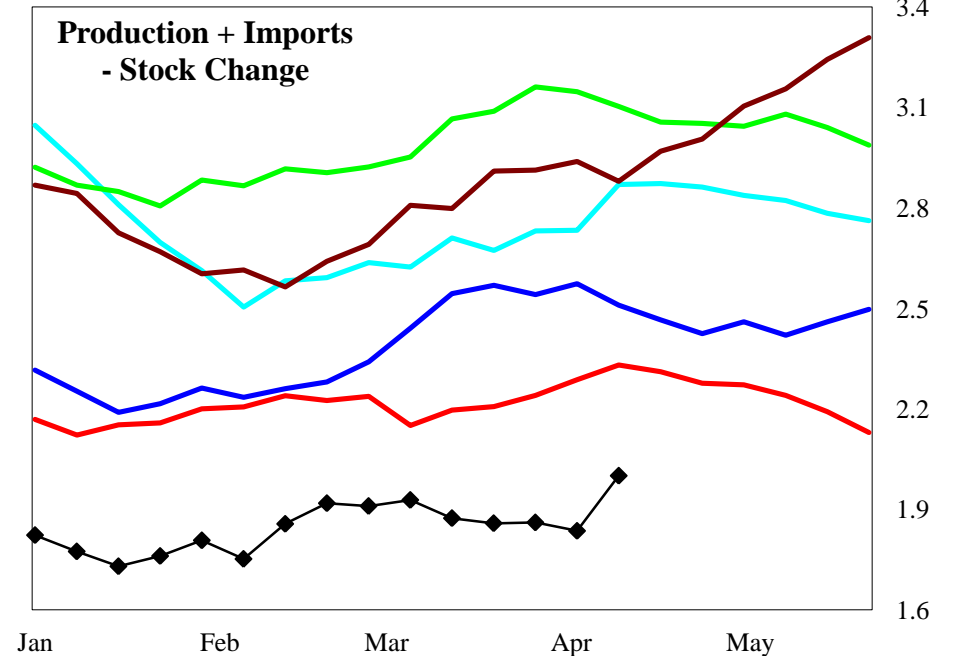
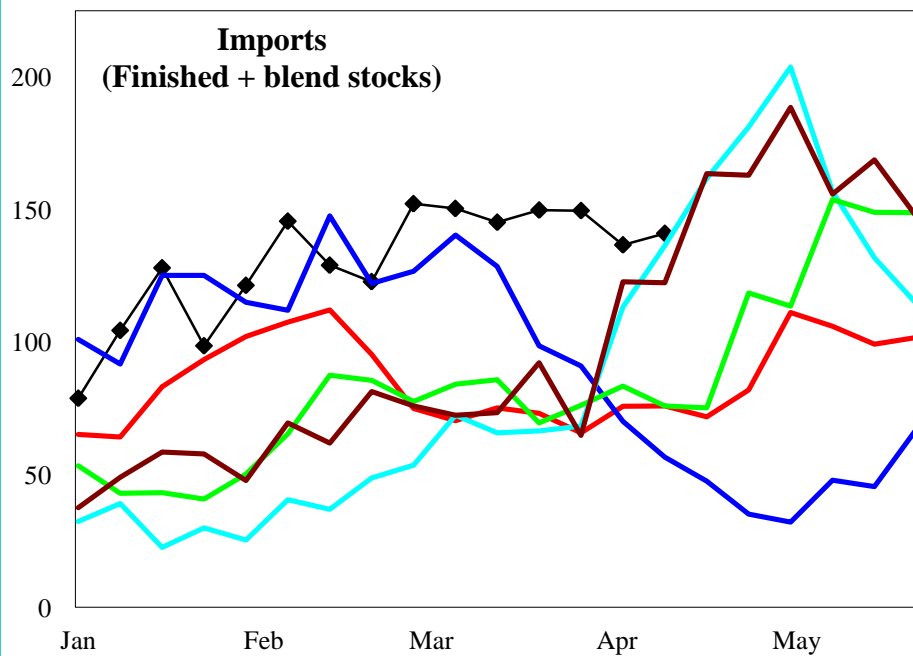
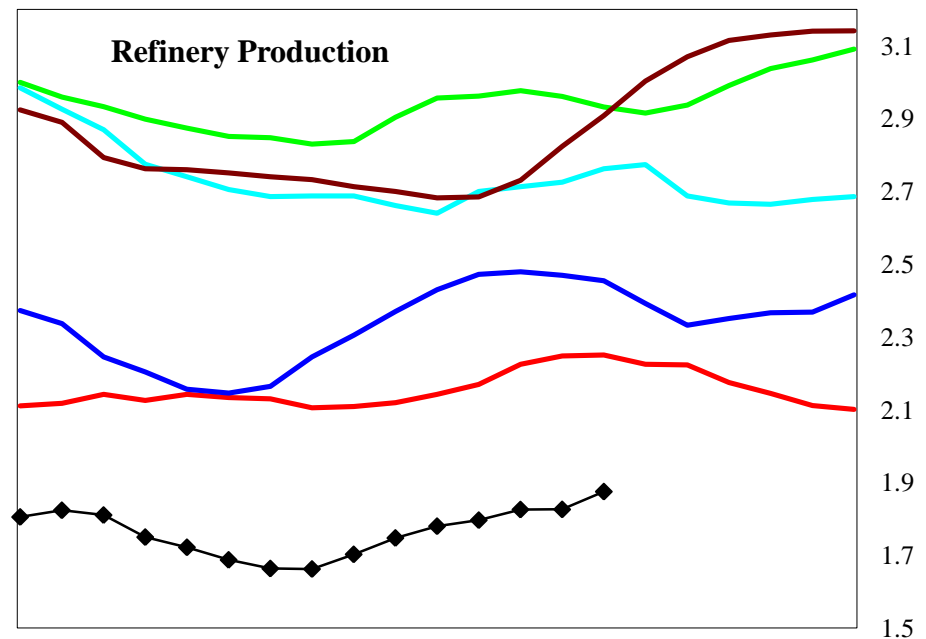
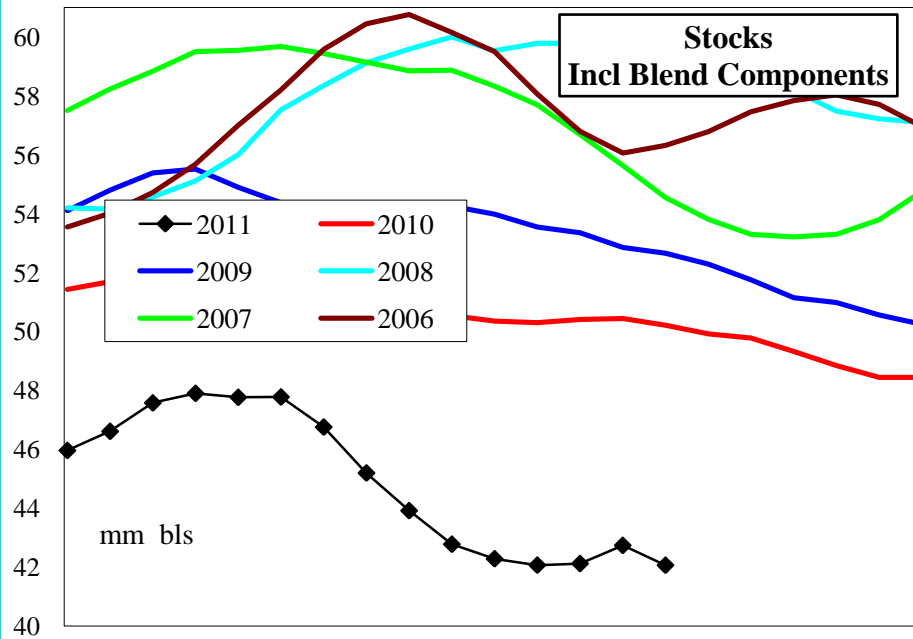
20.4

-0.3

#DIV/0!

26.7

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

-8,837

-425

66

-387

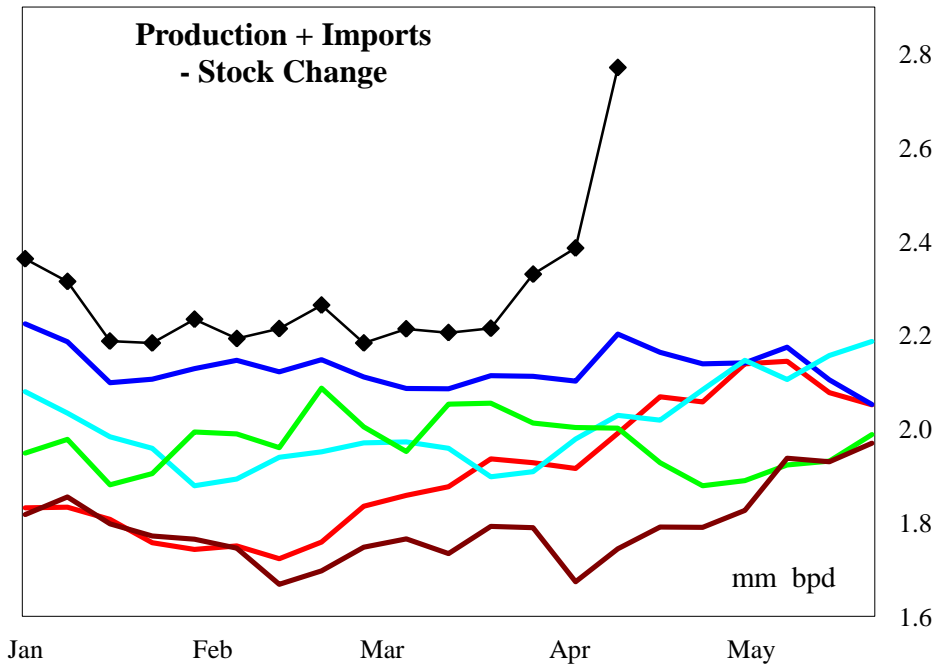
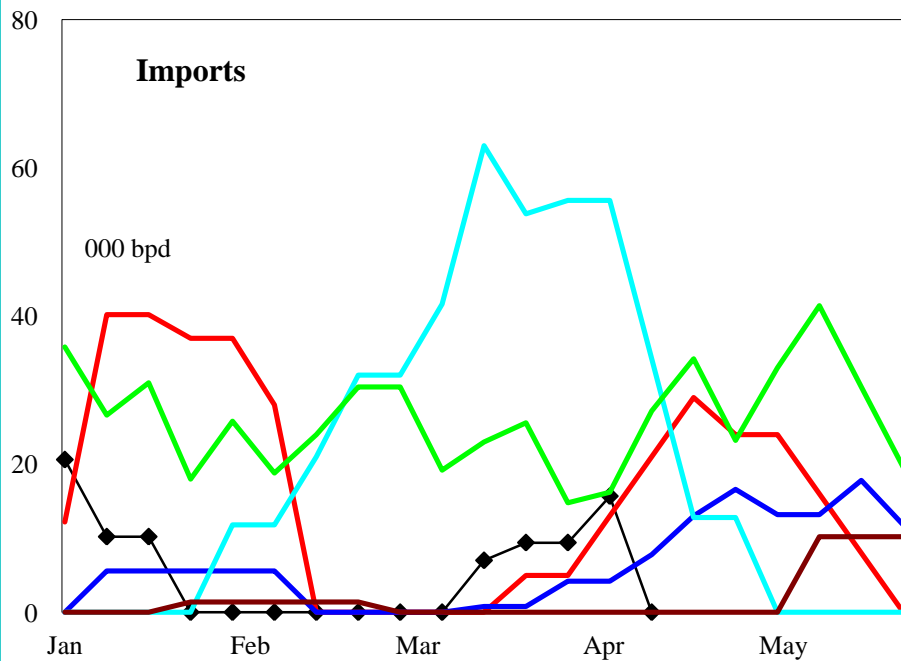
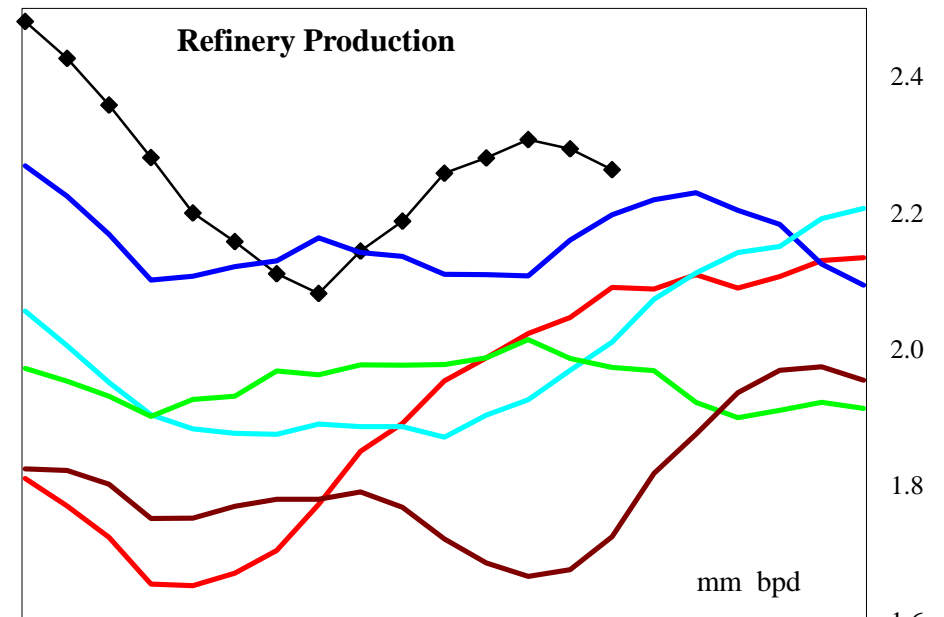
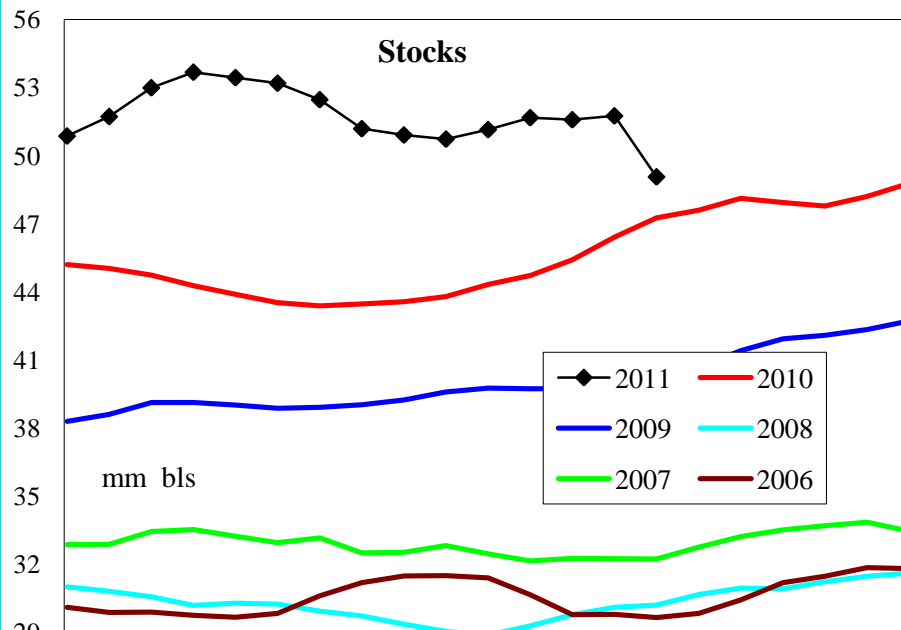
-17.4

-18.9

91.7

-17.3

PADD 3 Distillate Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

1,657

3.5

Production

255

12.6

Imports

6

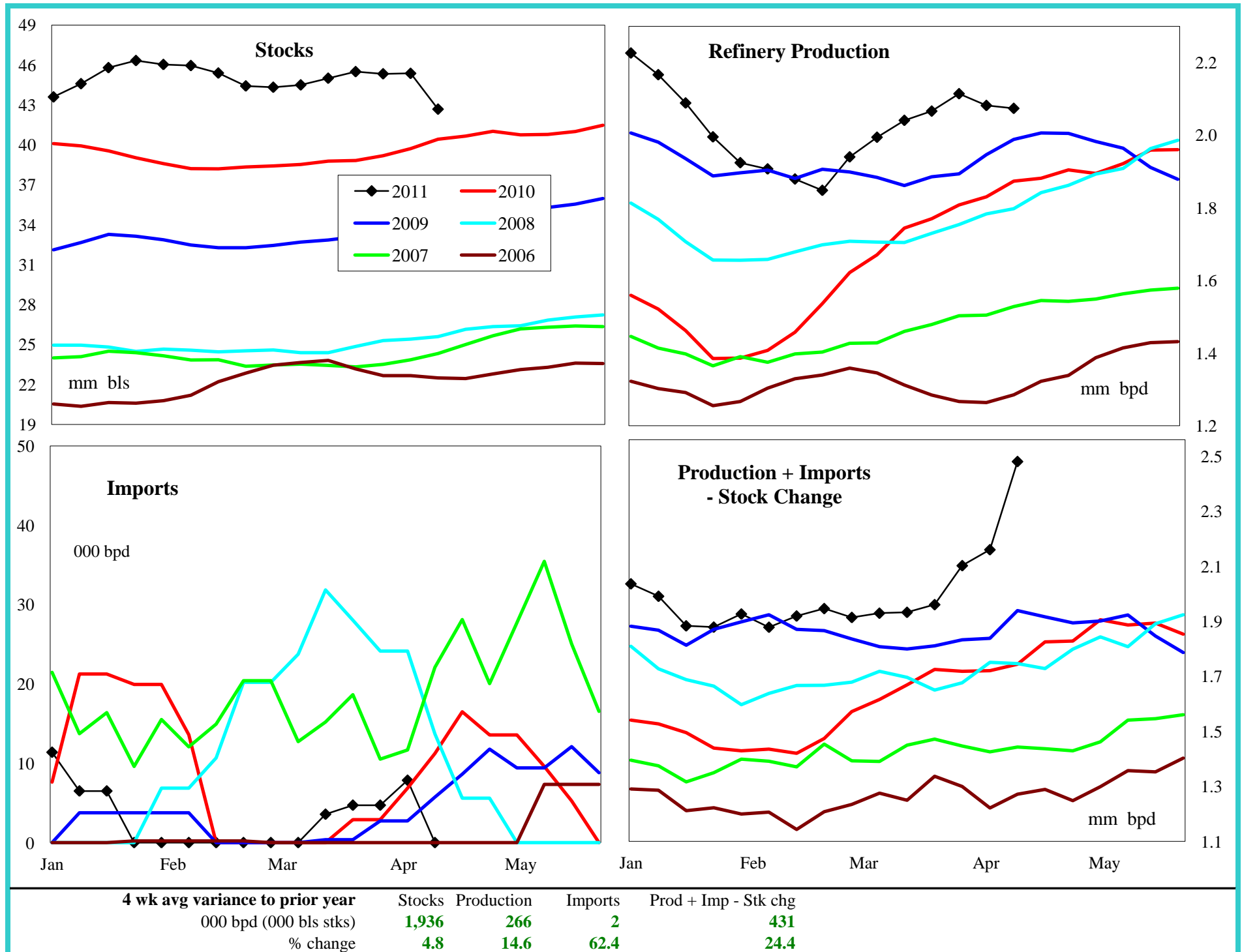
88.0

Prod + Imp - Stk chg

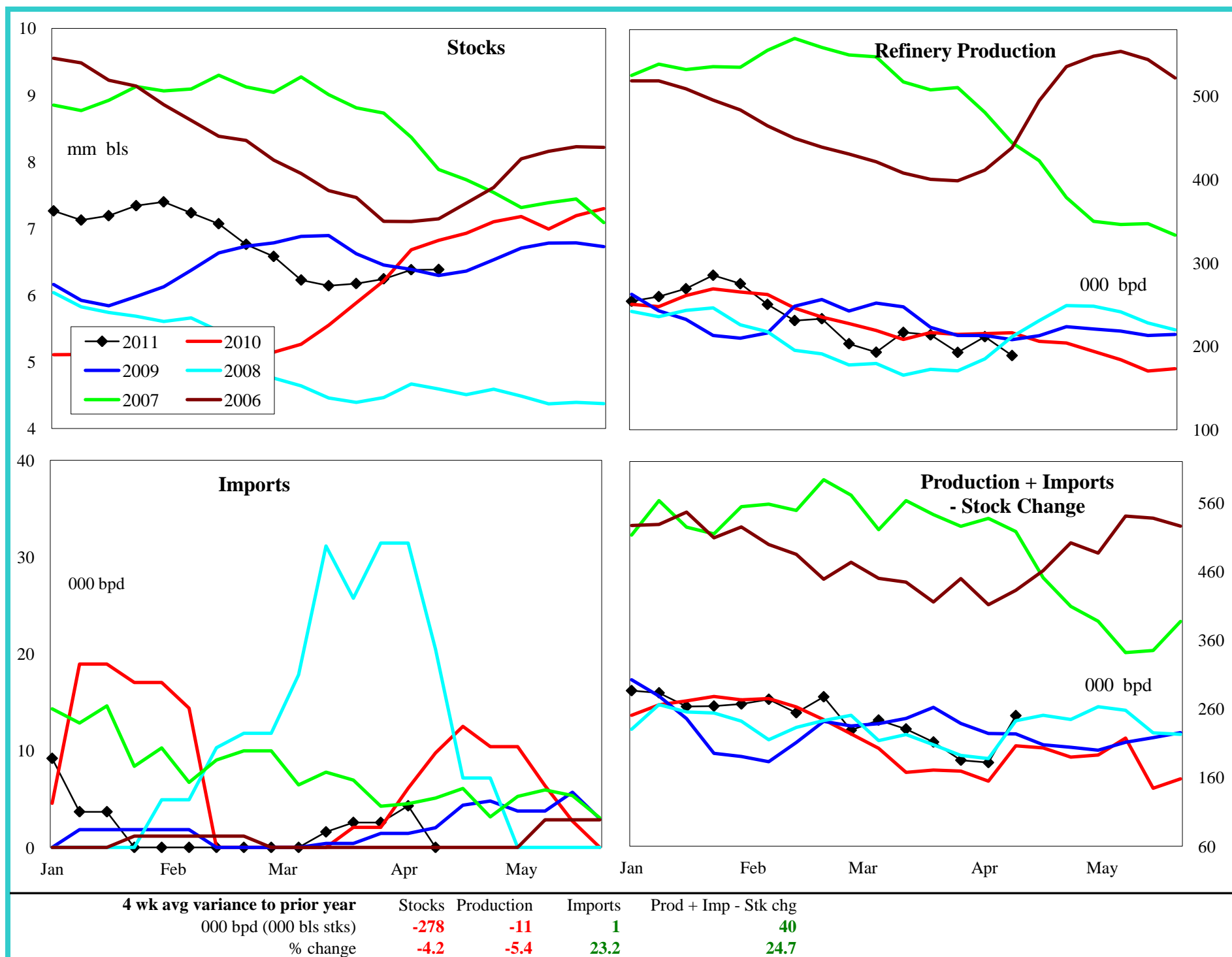
474

24.6

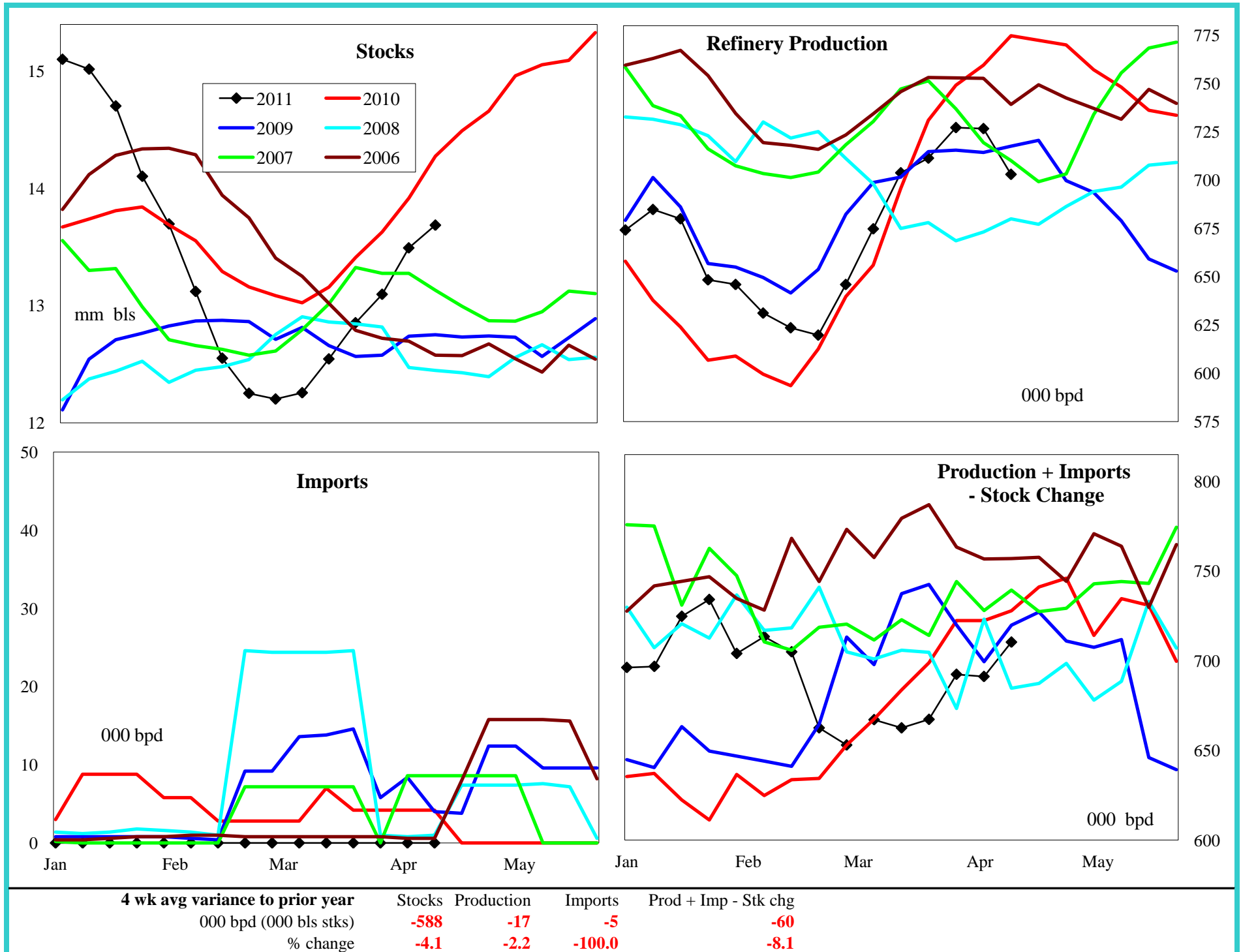
PADD 3 Low Sulfur Distillate Supply



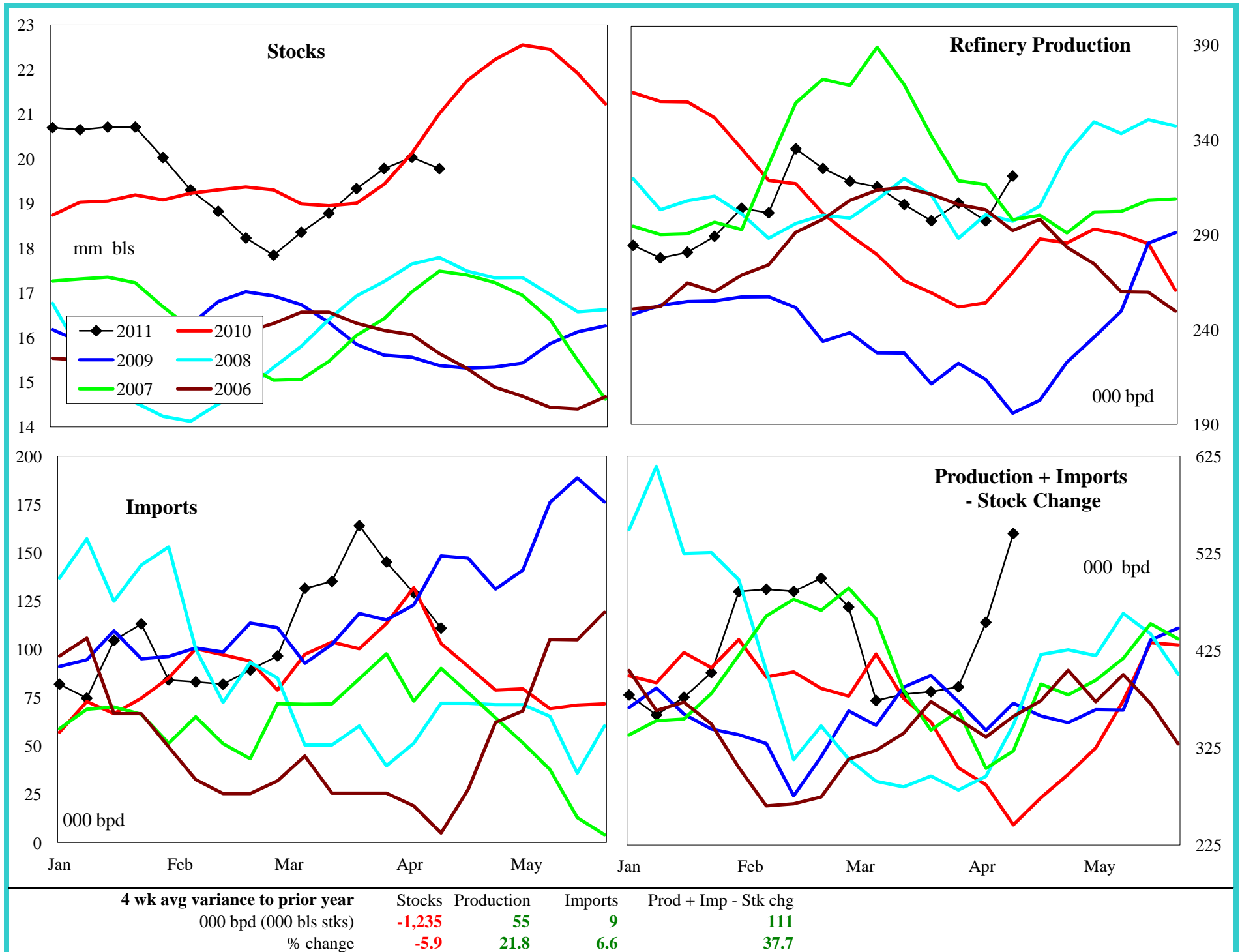
PADD 3 High Sulfur Distillate Supply



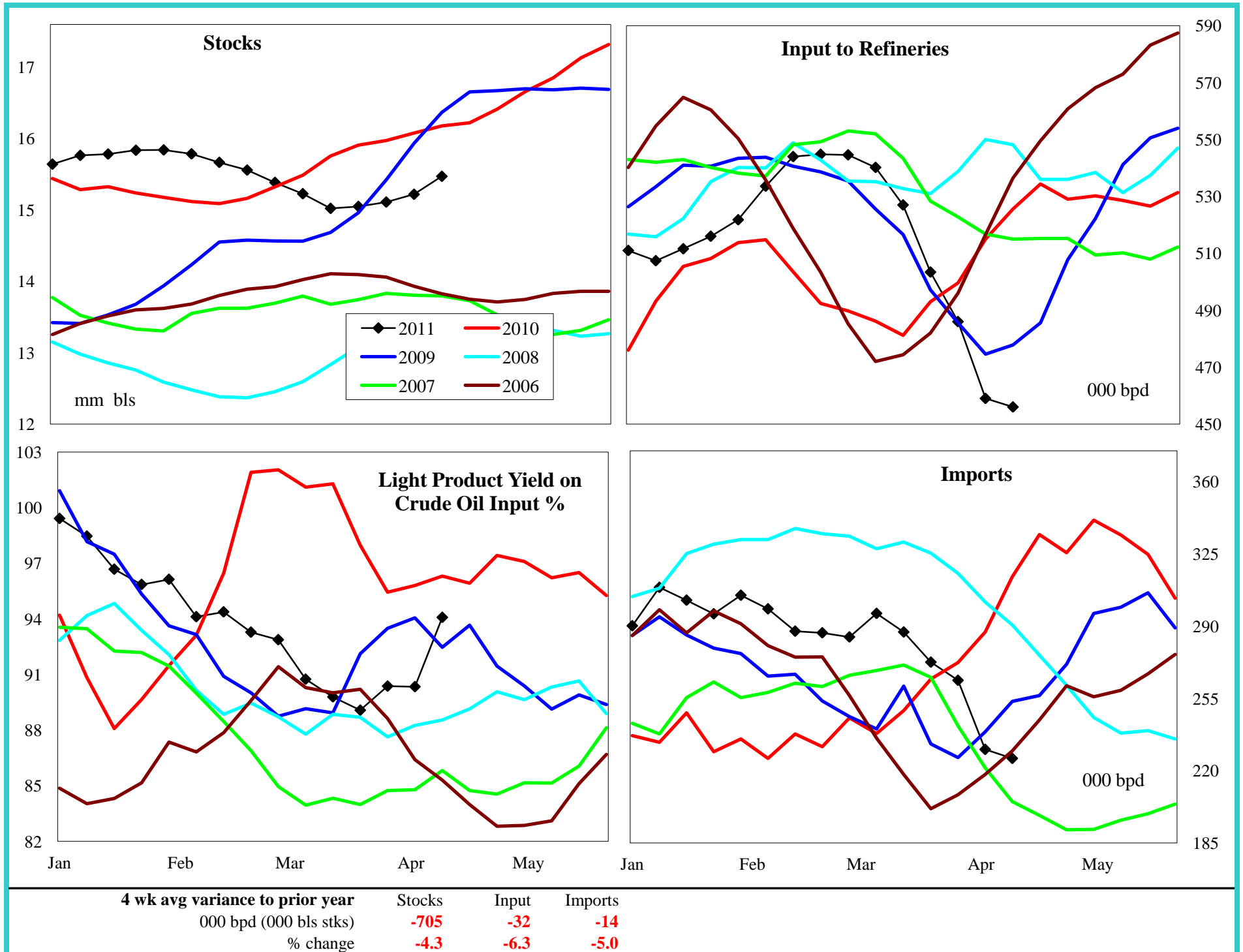
PADD 3 Jet Fuel Supply



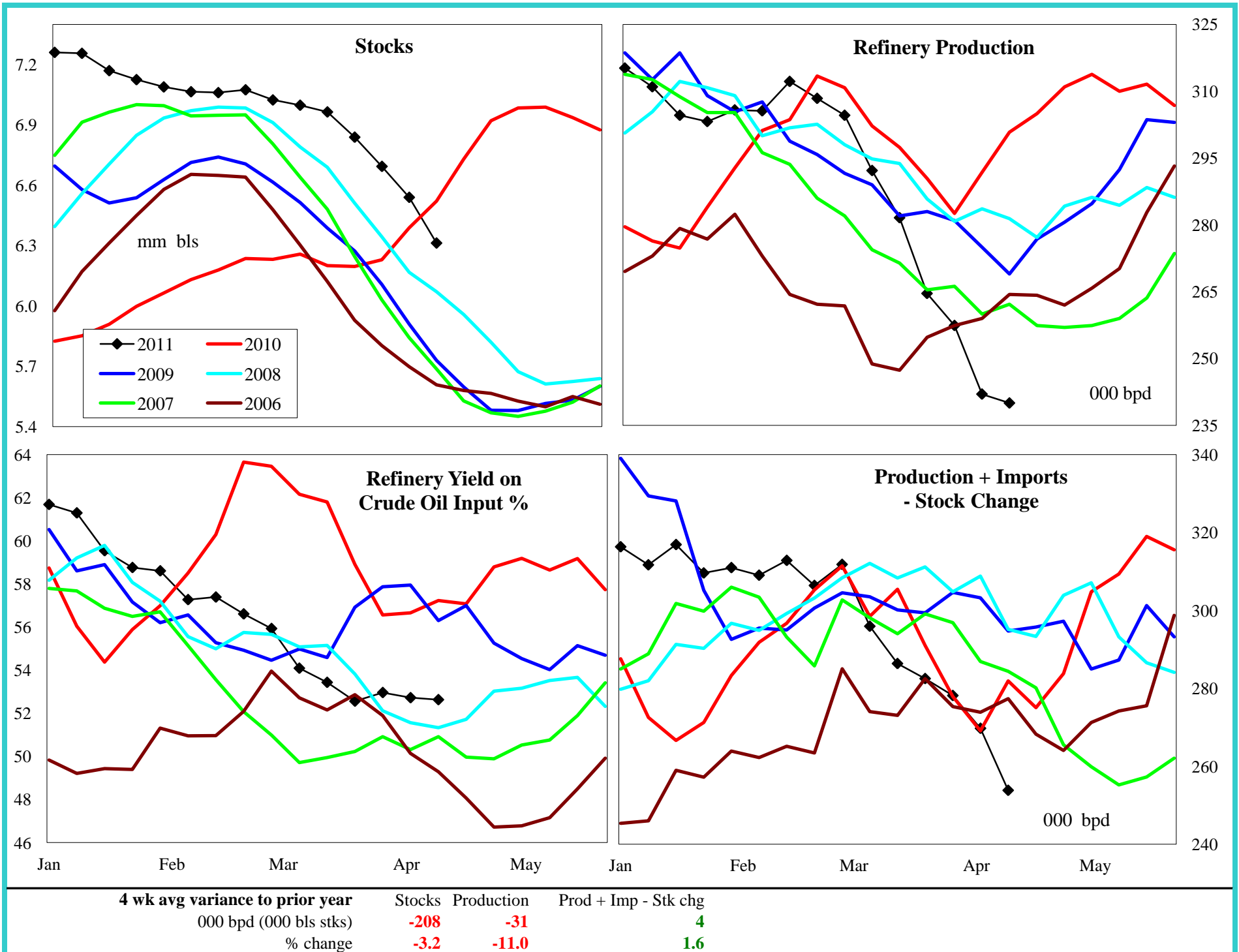
PADD 3 Residual Fuel Oil Supply



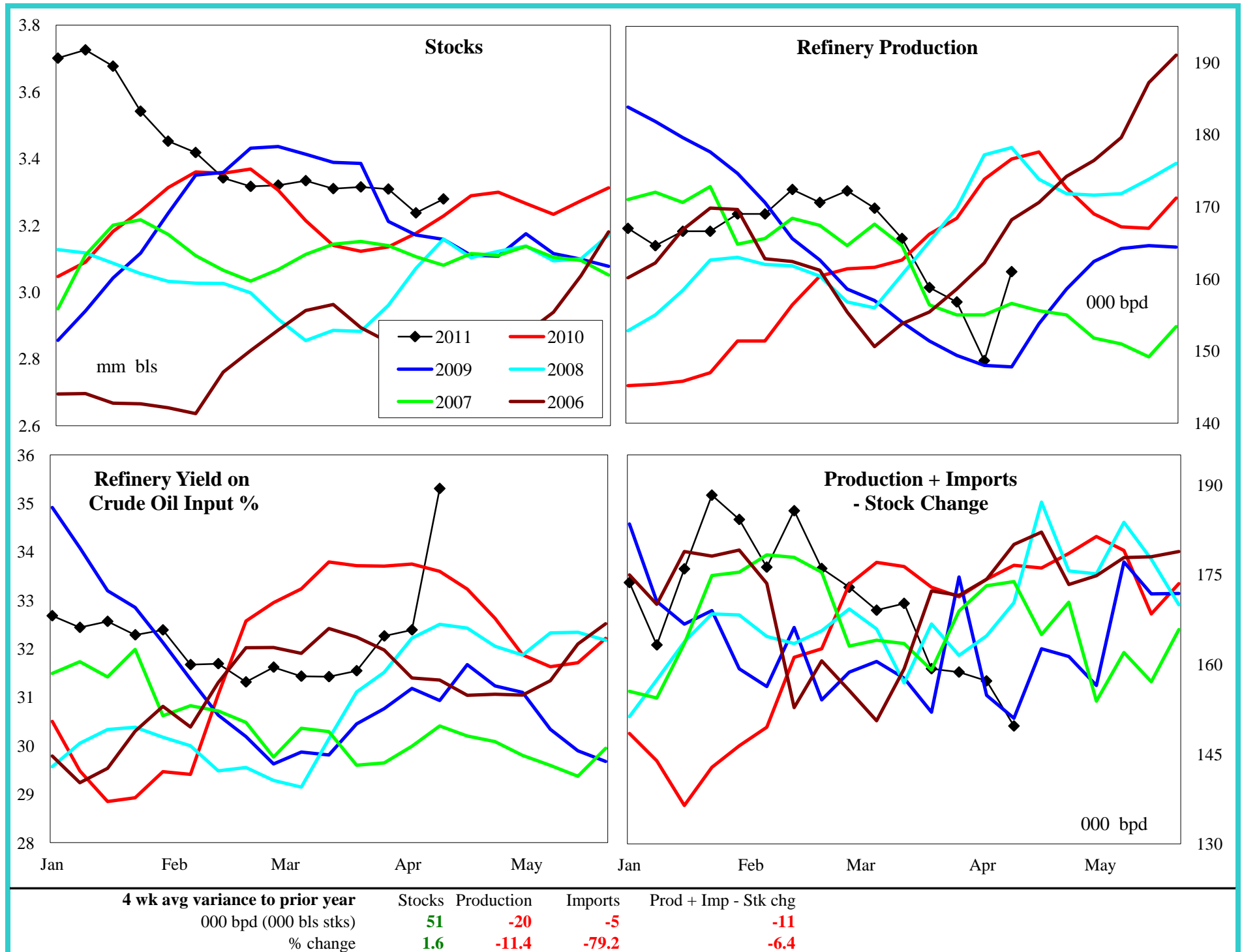
PADD 4 Crude Oil Supply and Refining



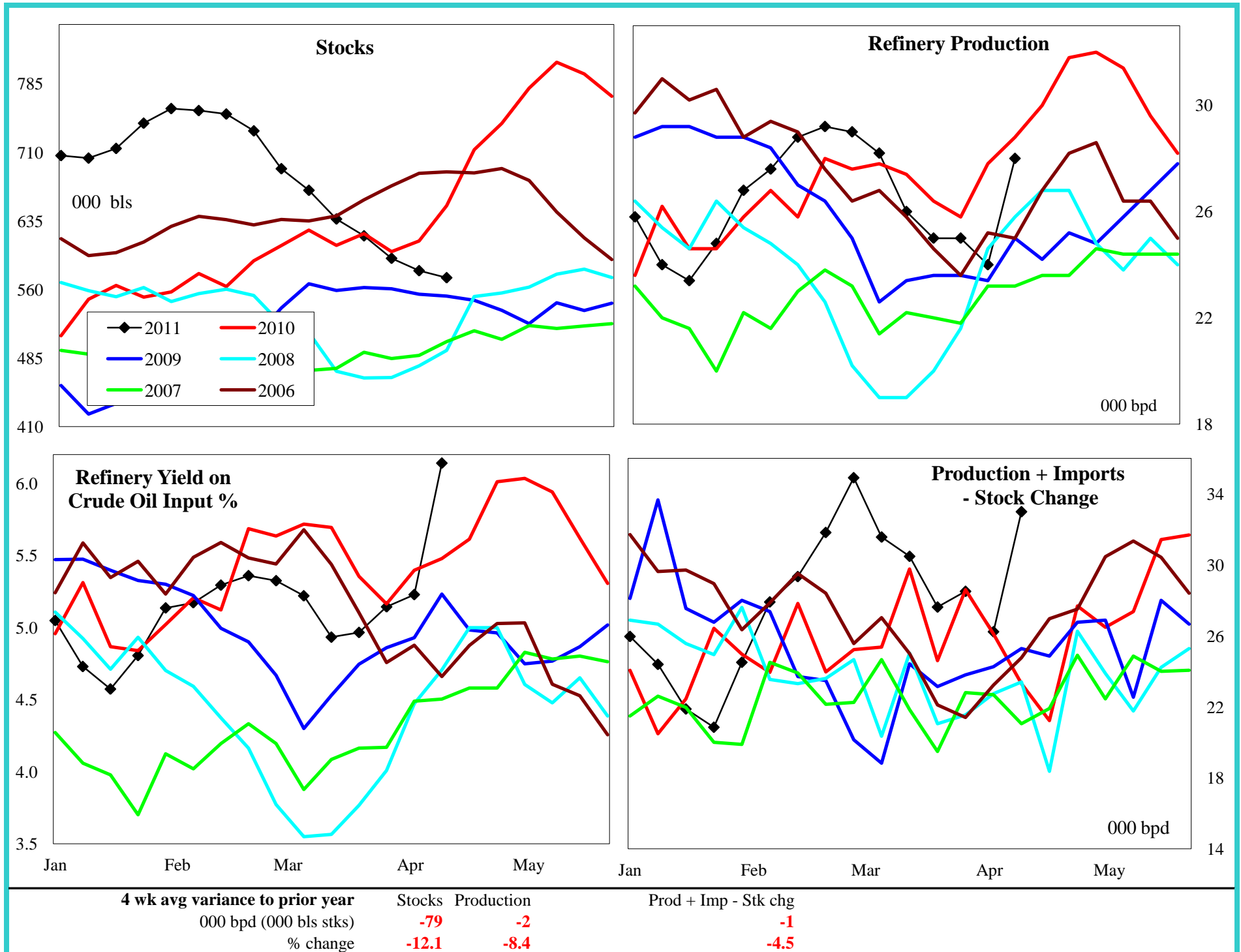
PADD 4 Gasoline Supply



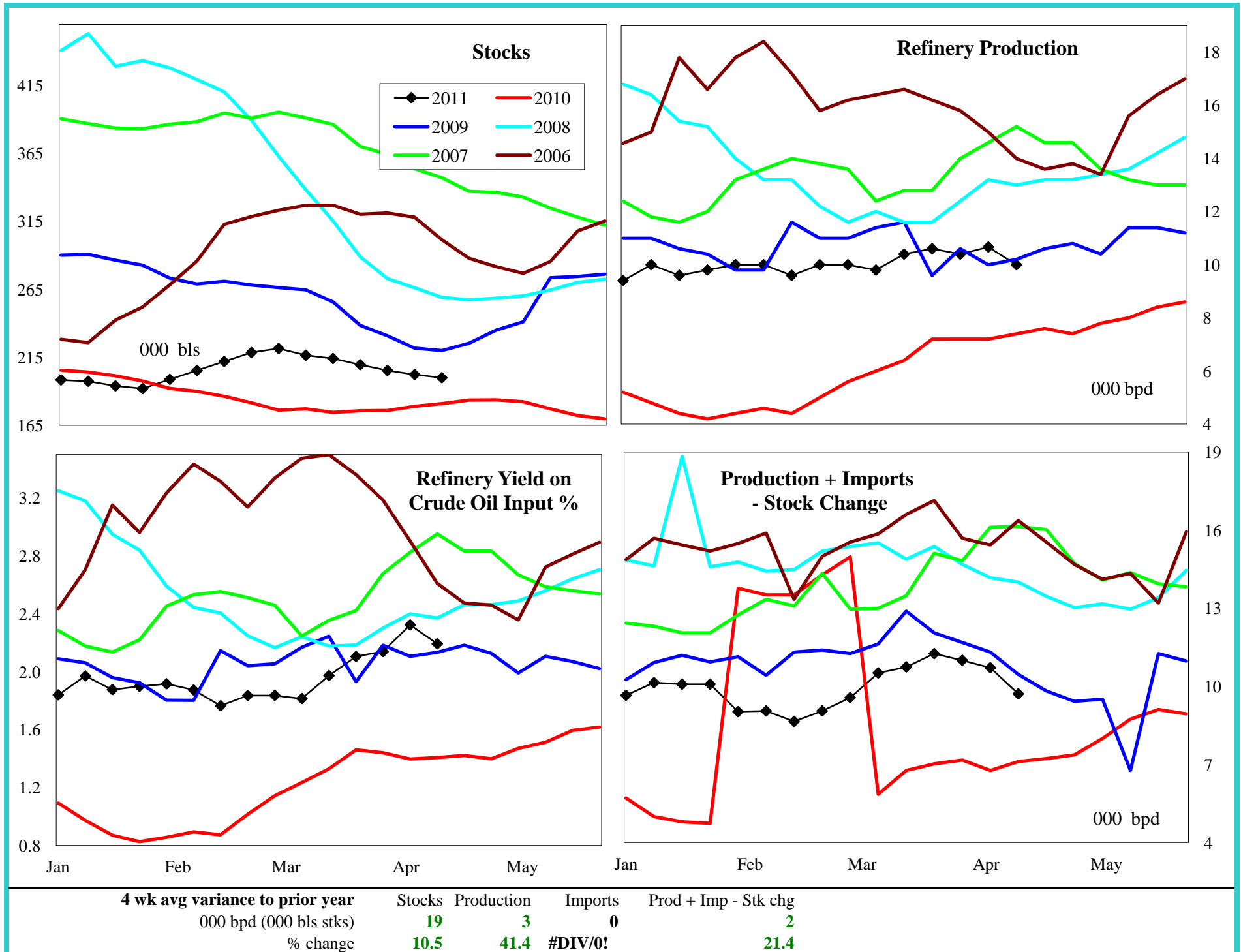
PADD 4 Distillate Supply



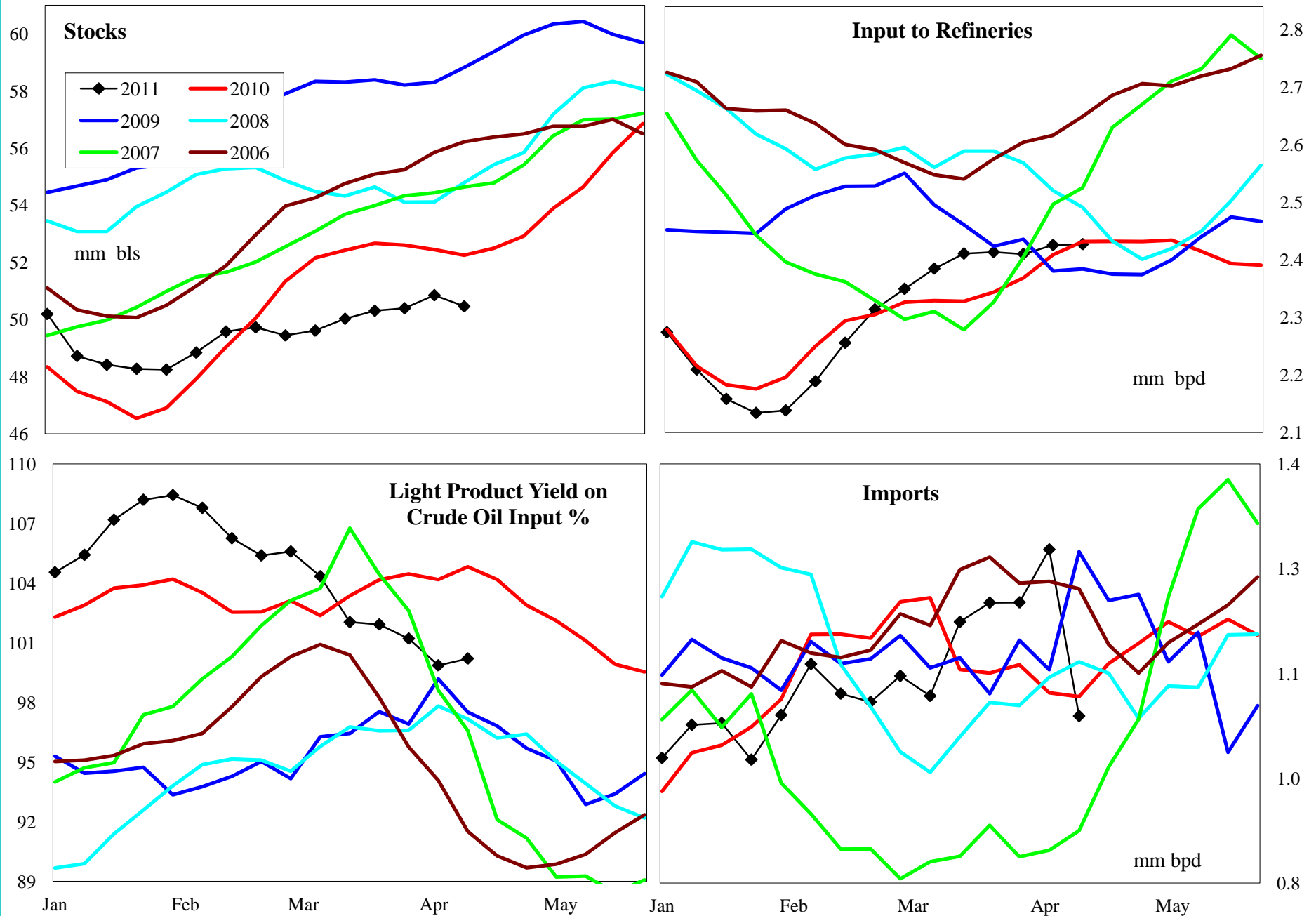
PADD 4 Jet Fuel Supply



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

-1,784

-3.4

Input

45

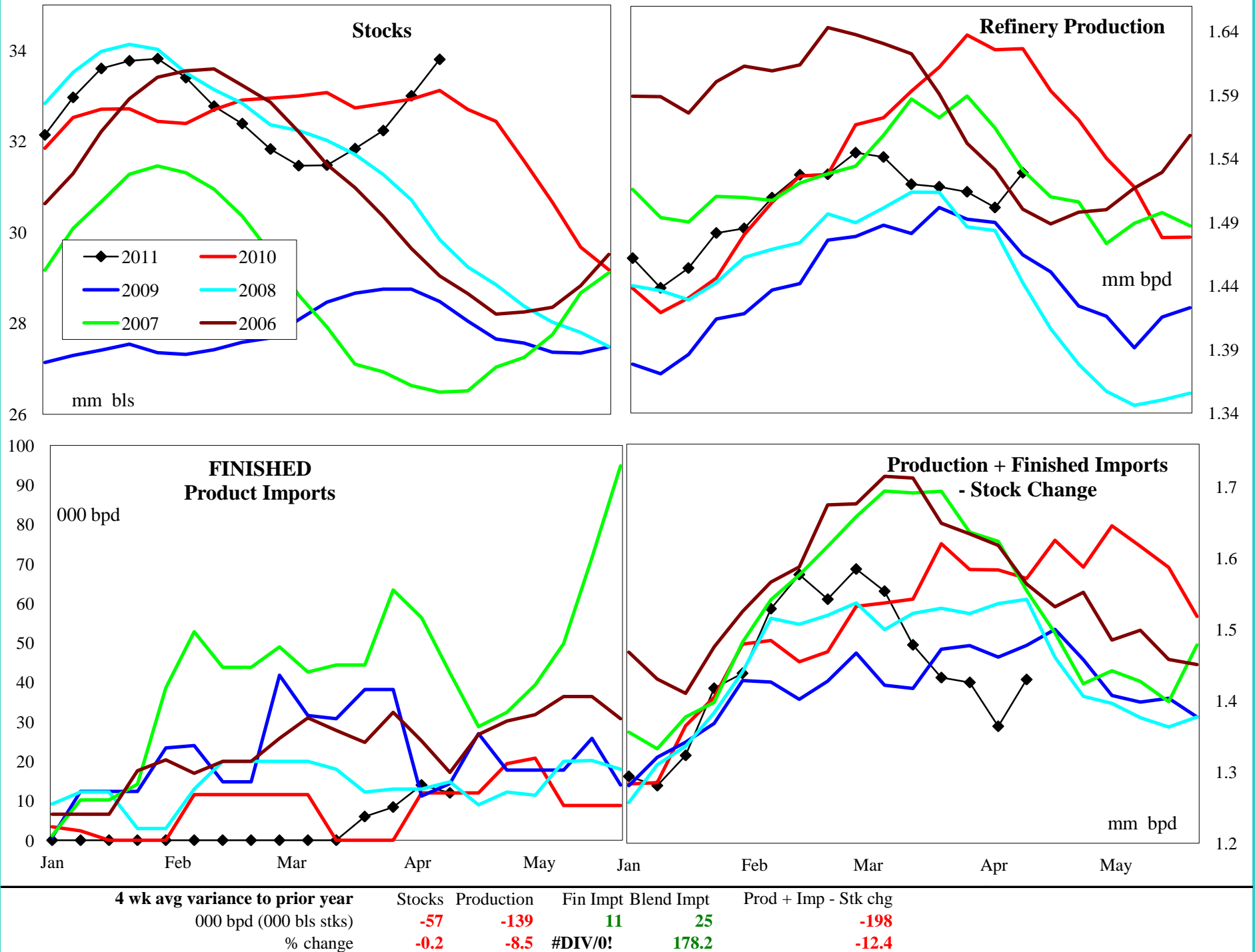
1.9

Imports

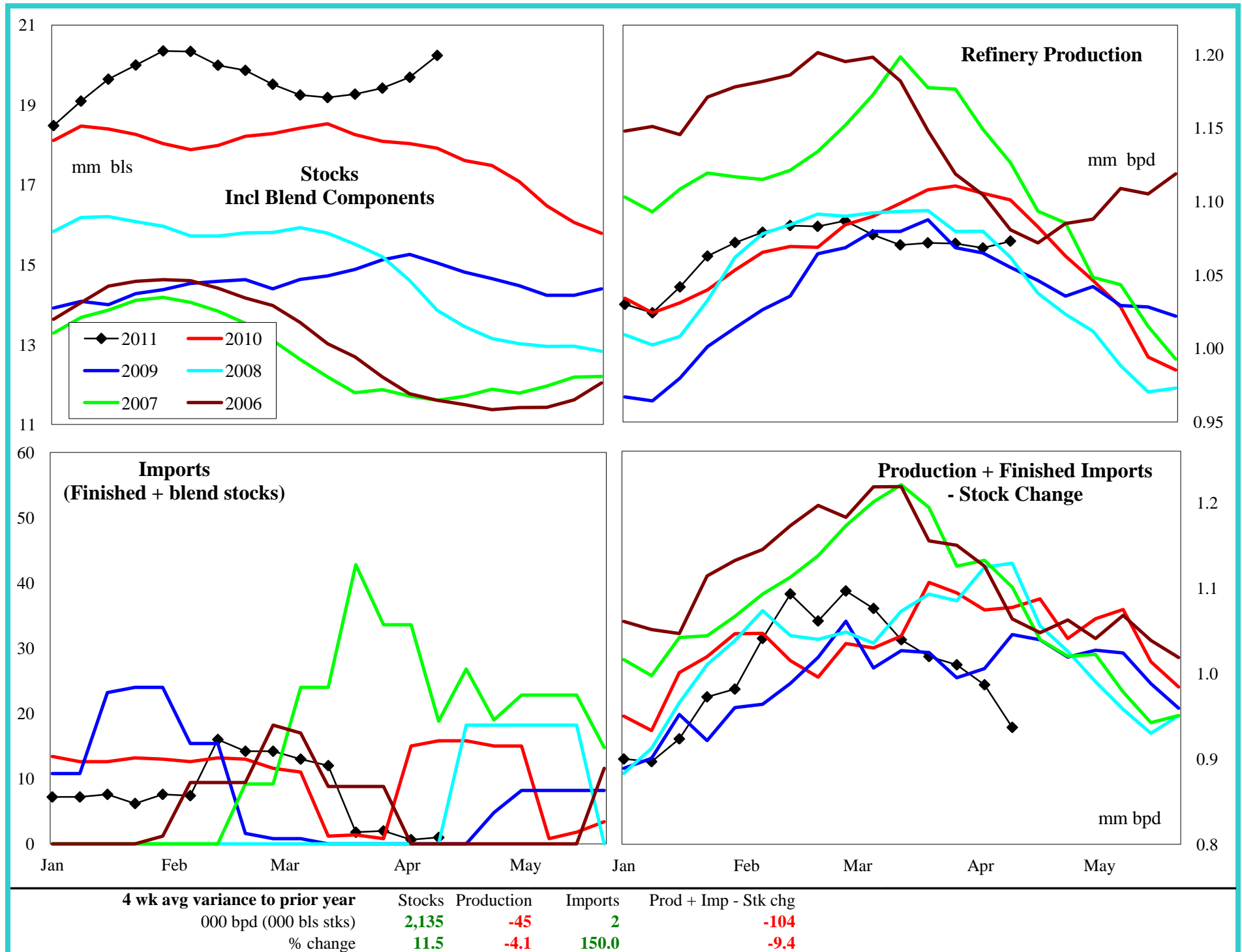
158

14.7

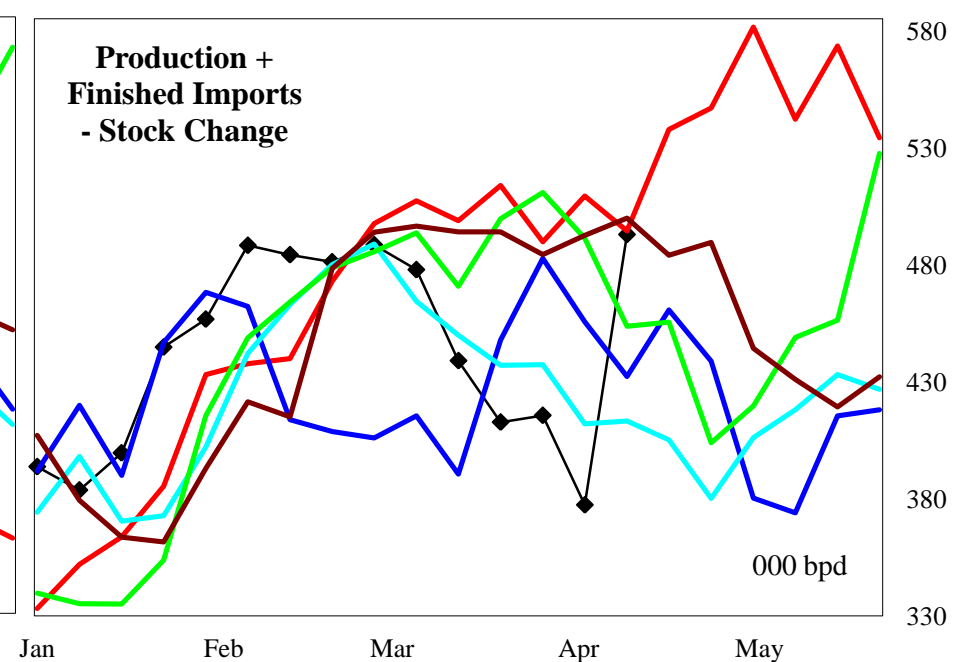
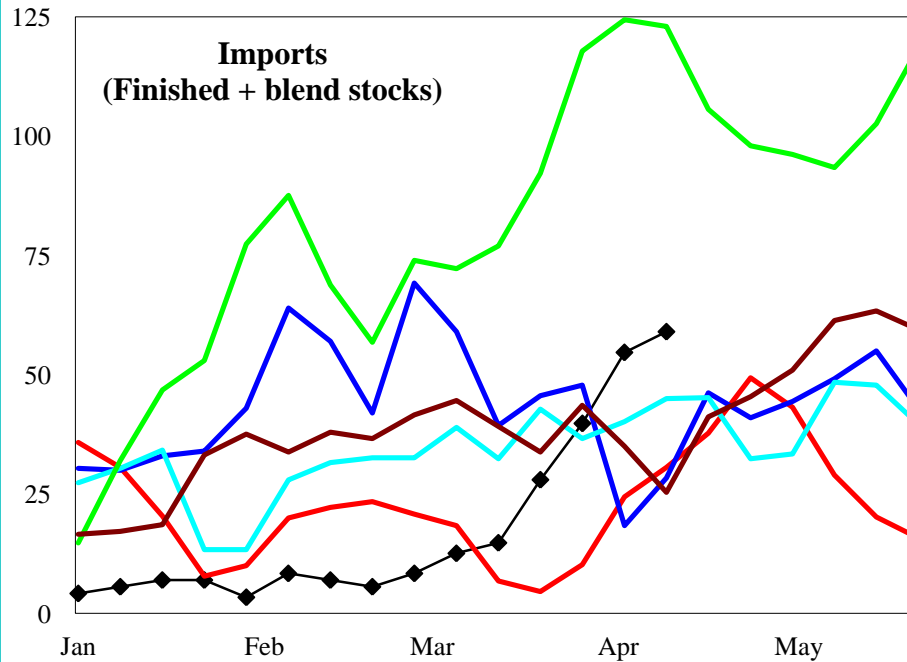
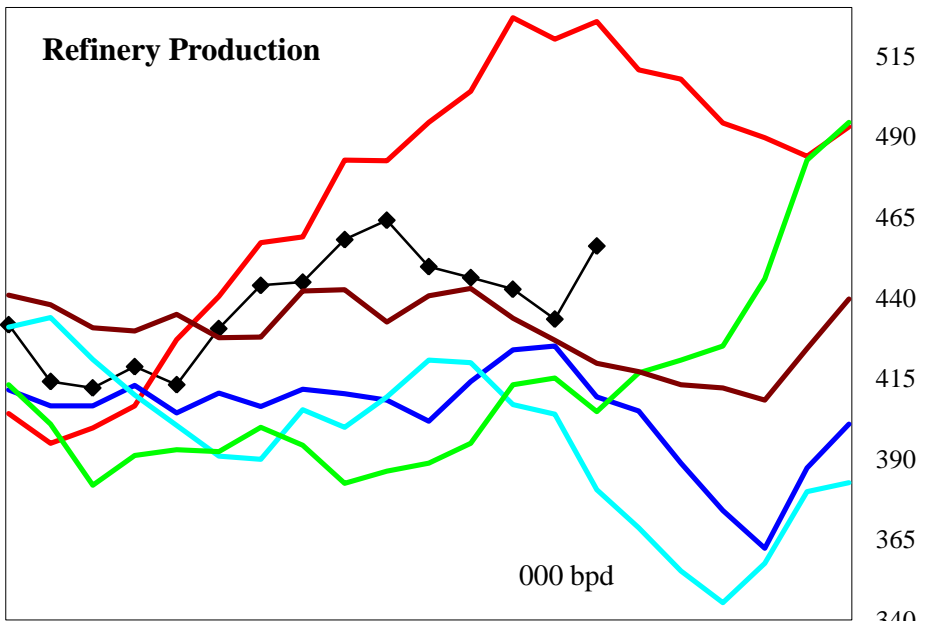
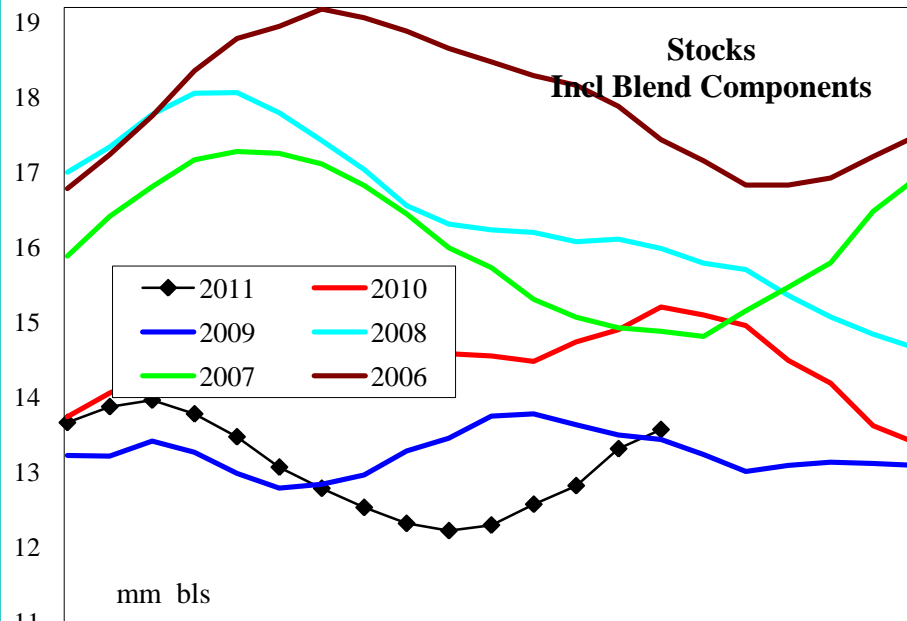
PADD 5 Gasoline Supply



PADD 5 Reformulated Gasoline Supply



PADD 5 Conventional Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bbls stks)

% change

Stocks

-2,192

-13.9

Production

-94

-17.8

Imports

34

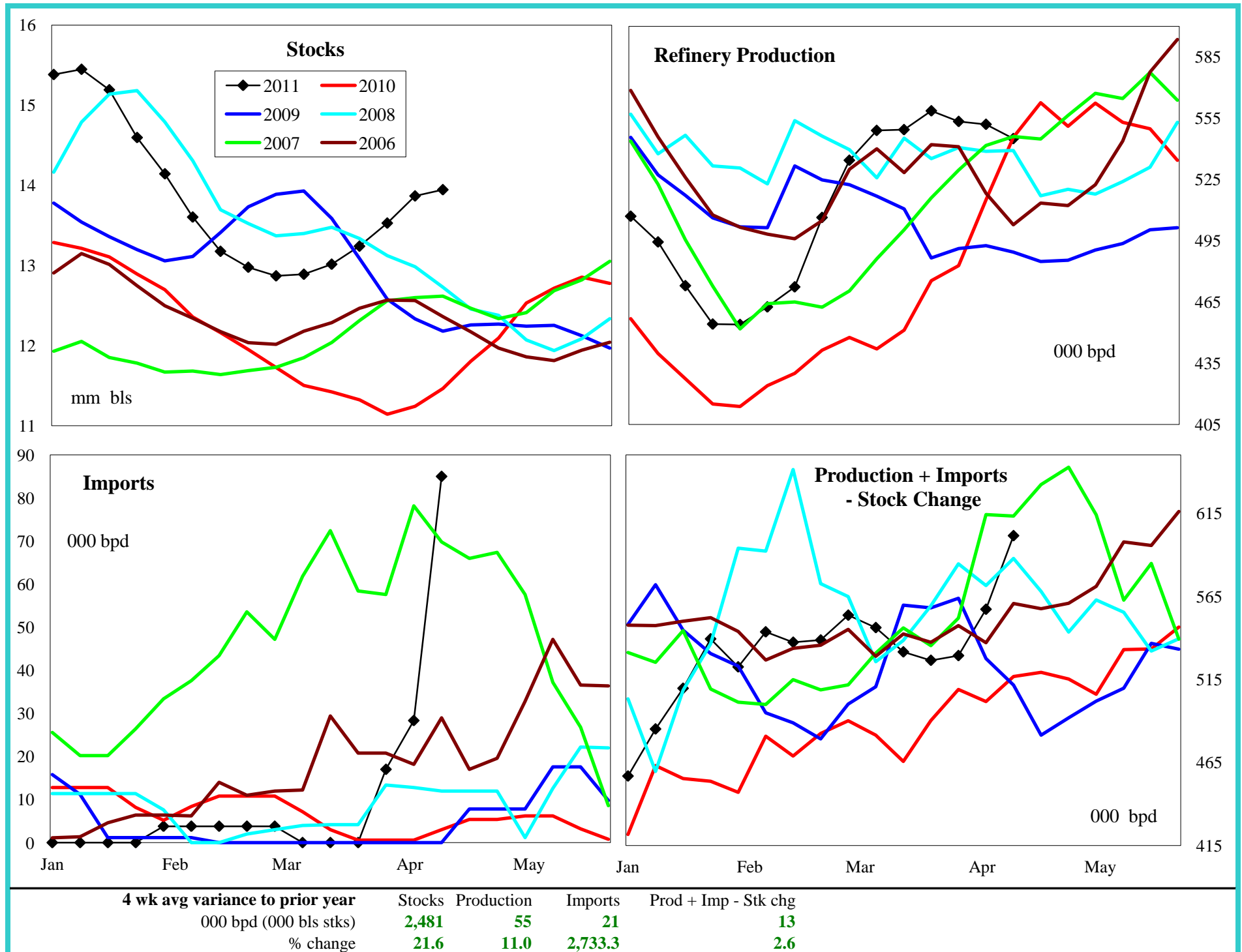
262.7

Prod + Imp - Stk chg

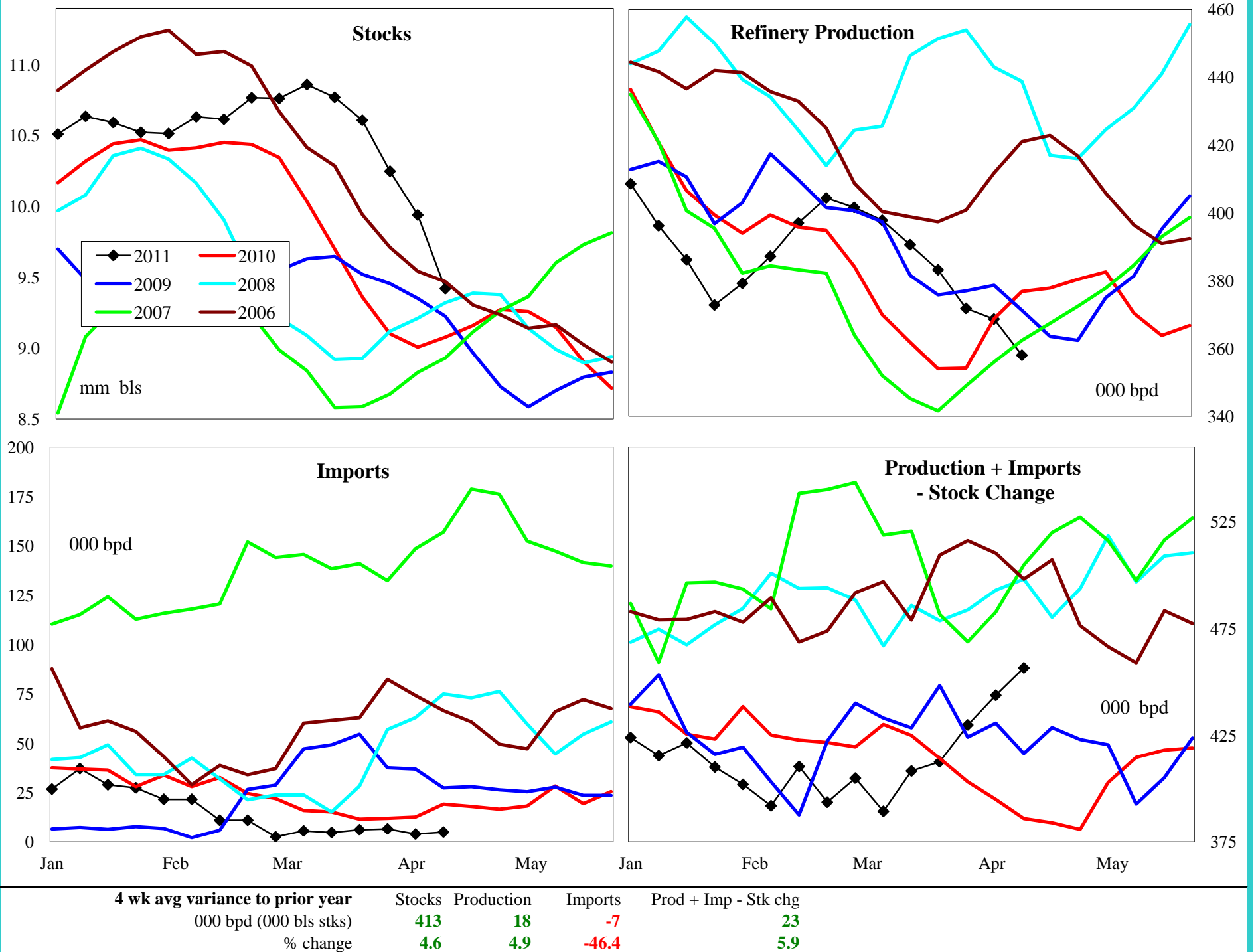
-94

-19.3

PADD 5 Distillate Supply



PADD 5 Jet Fuel Supply



PADD 5 Residual Fuel Oil Supply

