

WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

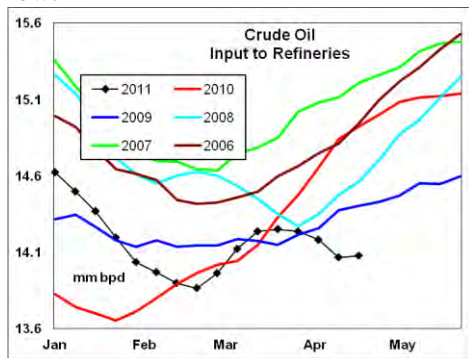
A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Wednesday, April 27, 2011

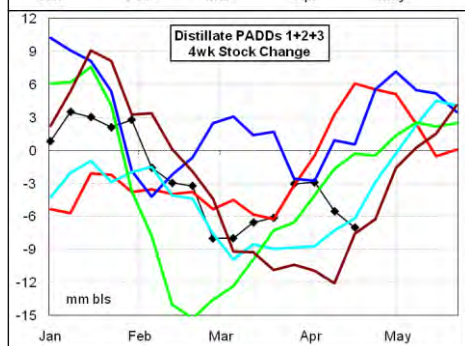
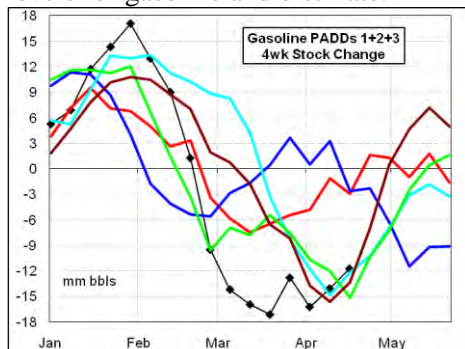


Major Fundamental Trends¹

Refinery maintenance continued last week with week-on-week crude oil runs down -27,000 bpd. The latest 4-wk average run rate compared to a year ago was -621,000 bpd, and at a 5-year low.

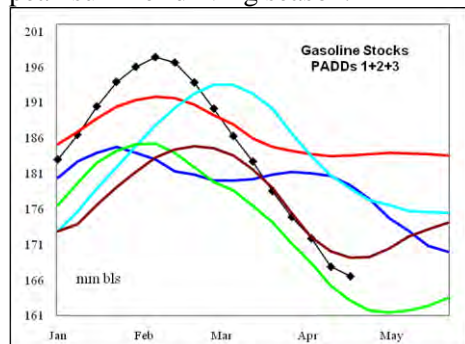


Because of low crude oil run rates, transport fuel (gasoline, distillate and jet fuel) stocks fell a combined -5.5 million barrels last week. These draws have driven the latest 4-wk draws in markets East of the Rockies to record levels for gasoline and distillate.



Crude oil runs should ramp higher in the near term, increasing supplies of transport fuels.

Rising seasonal demand for gasoline over the next 6-wks is likely to offset increased production so that stocks remain extremely low at the start of peak summer driving season.



Stock levels in each of the three Regions of PADD 1 and in PADD 2 are at 5-year lows. Supplies in these markets are unlikely to increase enough to avoid a supply squeeze during the next 60-days.

Demand for distillate reversed the prior week surge, falling -375,000 bpd on the week.

Wholesale demand (including exports) measured over the last four weeks compared to a year ago: gasoline decreased -1.6%; distillate up +7.3%; jet fuel up +4.4% while residual fuel oil increased +6.2%.

Stocks forward coverage: Gasoline demand coverage decreased on a -2.5 million barrel draw in stocks. Coverage levels were below the last 3-years.

Distillate coverage fell on a -1.8 million barrel stock draw. Coverage levels were well below the last 2-years.

Jet fuel coverage decreased on a -1.2 million barrel stock draw. Coverage levels were below the last 2-years.

Refinery utilization rates remain extremely low with crude oil runs at 5-year lows for this time of year. Runs for the latest 4-wk period were -621,000 bpd below a year ago.

Gasoline yield % on crude oil runs fell on a -327,000 bpd drop in output compared to the -27,000 bpd decline in crude oil runs. The yield % on crude oil runs was above the 5-year range.

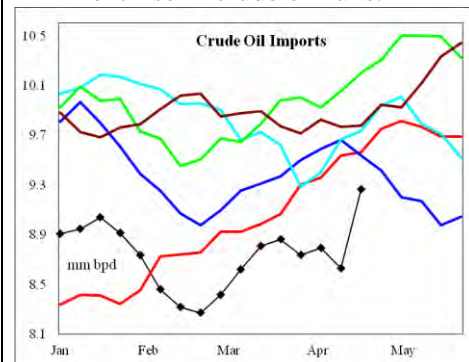
Distillate yield % on crude oil runs decreased on a -103,000 bpd fall in output compared to the small decrease in crude oil runs. Yield % matched the prior 5-year high for this time of year.

Jet fuel yield % on crude oil runs decreased on a -65,000 bpd drop in output, compared to the small decrease in crude oil runs. The yield % on crude oil runs was at the lower end of the historic range.

Petroleum Imports of crude oil and gasoline were higher, while distillate imports were sharply lower on the week.

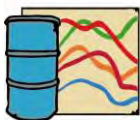
During the latest 4-wk period crude oil imports decreased -724,000 bpd below last year; distillate imports decreased -12,000 bpd; finished gasoline imports increased +8,000 bpd, gasoline blend stock imports increased +192,000 bpd; jet fuel imports were +2,000 bpd higher, while residual fuel oil imports decreased -98,000 bpd.

Crude Oil stocks jumped +6.2 million barrels on the week, with large builds in PADDs 3 and 5. A +1.2 million bpd jump in imports and continued low refinery run rates led to the stock build. The surge in imports points to an imminent rise in crude oil runs.



A very large pull back in crude oil imports into PADD 2, following the laying down of line fill in the Keystone pipeline during the 1st quarter, has led to consecutive weekly stock draws in Cushing. Stock levels in Cushing remain +15 million barrels above the previous 5-year high.

¹ Source is latest EIA Weekly Statistics



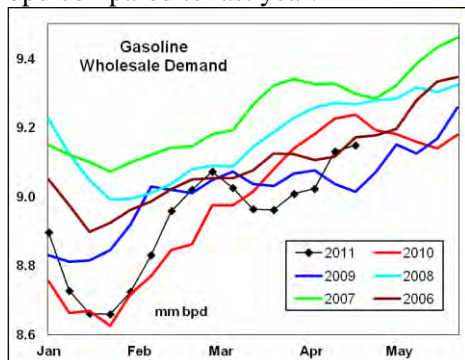
WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

A Fundamental Petroleum Trends Weekly Report

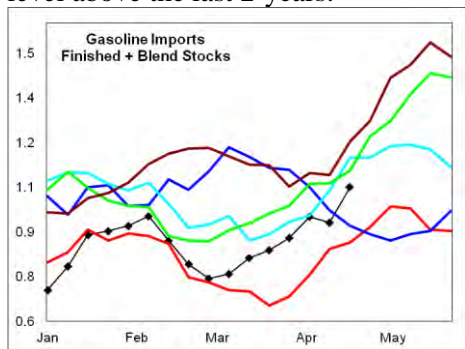
 Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Wednesday, April 27, 2011

Product Supply-Demand Trends

Gasoline demand increased +86,000 bpd on the week. The latest 4-wk average demand was down -150,000 bpd compared to last year.



Production fell -327,000 bpd on the week, with output lower in all regions. Imports increased +197,000 bpd to a level above the last 2-years.



Stocks decreased -2.5 million barrels on the week. The latest 4-wk stock draw East of the Rockies continued at a near record high.

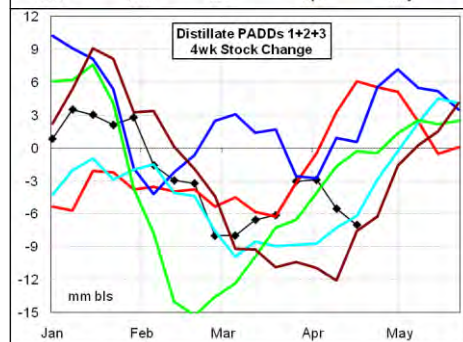
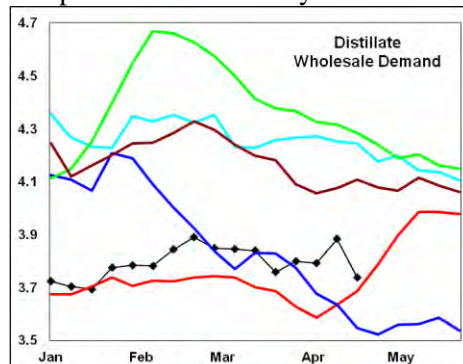
Wholesale demand remains lackluster, offset by lower production so that the supply balance continues to deteriorate.

While refiners should restart in the near term, rising seasonal demand and low stocks risk a supply squeeze in markets East of the Rockies during the next 60-days.

Distillate demand reversed the prior week surge, falling -375,000 bpd last week. The latest 4-wk average demand was +260,000 bpd above last year.

Supply reversed the prior week surge, falling -275,000 bpd on the week. Import levels fell to record lows while production rates were below each of the last 3-years.

Stocks decreased -1.8 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 -6.2 million barrels, matching the record high draw of the last 5-years.

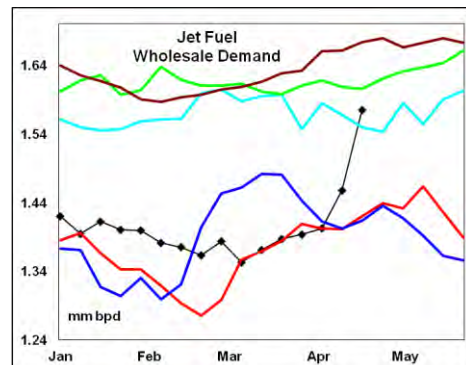
Week-to-week demand volatility points to a significant impact by exports on demand data.

Slow completion of refinery maintenance has limited crude oil runs to a record low rate for the last 3-wks, which has in turn caused distillate stock draws to reach a record high.

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.

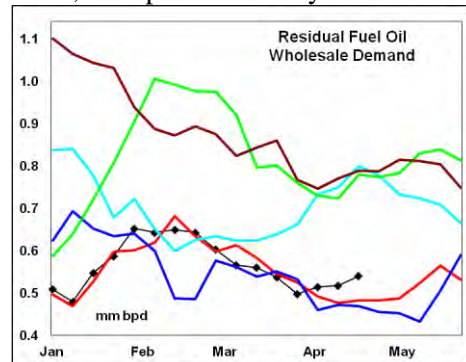
Jet Fuel demand surged +136,000 bpd on the week, to the highest level of the last 6-months. The latest 4-wk average demand was +60,000 bpd above last year.

Supply decreased -16,000 bpd, on record low production. Stocks fell -1.2 million barrels, with the level at the low end of the 5-year range.



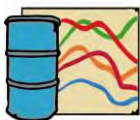
The recent demand surge is driven by commercial airlines building private stocks ahead of the peak spring travel season and in response to the recent price surge. These factors point to a pull back in the near term, which combined with higher output should lead to a seasonal stock build.

Residual fuel oil demand, including exports, increased +4,000 bpd last week, with the 4-wk average +301,000 bpd above last year.



Supply (production + imports) increased +54,000 bpd on higher imports. The latest 4-wk average supply was -107,000 bpd below a year ago. Stocks were unchanged on the week, with the level near 5-year lows.

Residual fuel oil imports into PADD 3 surged to over 200,000 bpd, a new season record high. Production in the region extended a seasonal downtrend to below the mid range. Stock levels remain well above four of the last 5-years. The Gulf market remains very well supplied. Other markets have witnessed permanent reductions in production.



WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

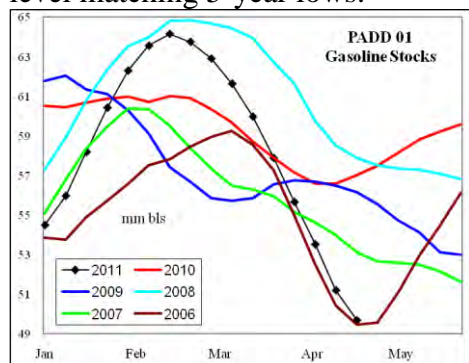
A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Wednesday, April 27, 2011

PADD Supply Trends

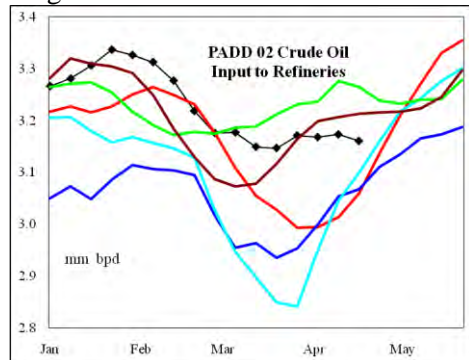
PADD 1 refinery crude oil runs increased +134,000 bpd last week, yet the level remains -200,000 bpd below the 5-year range.

Gasoline production decreased -48,000 bpd on the week, while imports jumped +242,000 bpd. Import levels were above the last 2-years for the week. Stocks decreased -1.7 million barrels, to a level matching 5-year lows.



Distillate supply declined -60,000 bpd on a drop in imports. Stocks fell -1.8 million barrels to level below each of the last 2-years.

Jet fuel stocks decreased -0.3 million barrels last week, to a level near 5-year lows. Supply was nearly unchanged at a level near the mid range.



PADD 2 crude oil refinery runs decreased -73,000 bpd last week, to a level above the last 3-years. Crude oil stocks decreased -0.5 million barrels on the week; including a -0.7 million barrel decline in Cushing. Imports fell to the lowest level of the past 6-months, and at the low end of the historic range.

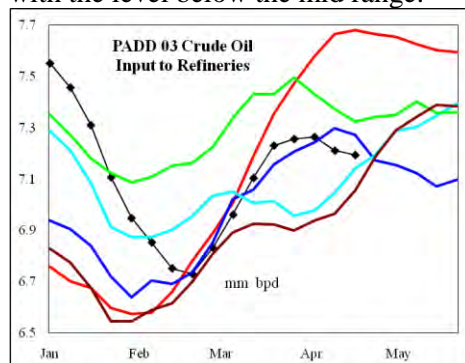
Gasoline production fell -178,000

bpd on the week, to a level near 5-year lows for the period. Stocks increased +0.4 million barrels, with the level matching 5-year lows for the week.

Distillate production increased +38,000 bpd on the week, to a level near 5-year highs. Stocks surged +1.4 million barrels, to a level well above four of the last 5-years.

Jet fuel production increased +9,000 bpd on the week, with the level at record highs. Stock levels matched the historic mid range.

PADD 3 crude oil runs increased +101,000 bpd last week. The latest 4-wk average thru put was -362,000 bpd below last year, and near the mid range. Crude imports jumped +0.6 million bpd on the week, but the level remains below the 5-year range. Stocks increased +3.7 million barrels, with the level below the mid range.



Gasoline production fell -121,000 bpd on the week. Stocks increased +0.3 million barrels with the level below each of the last 3-years.

Distillate production fell -94,000 bpd to a level at the upper end of the historic range. Stocks fell -1.3 million barrels on lower production.

Jet fuel production decreased -28,000 bpd on the week, to a level at the low end of the historic range. Stocks fell -0.6 million barrels to a level above the mid range.

Residual fuel oil supply increased +41,000 bpd on the week, driven by record high imports. Stock levels were at the upper end of the historic range.

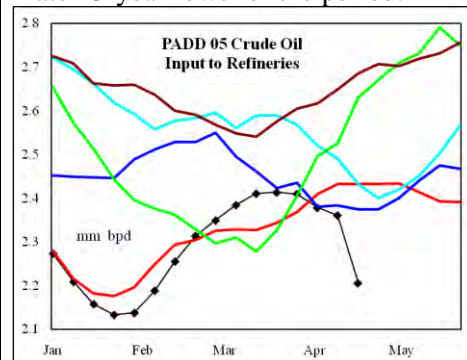
PADD 4 refinery crude runs increased +32,000 bpd on the week, with the level matching 5-year lows. Light

product yields fell to a record low on the week. Crude oil stocks remain near historic highs.

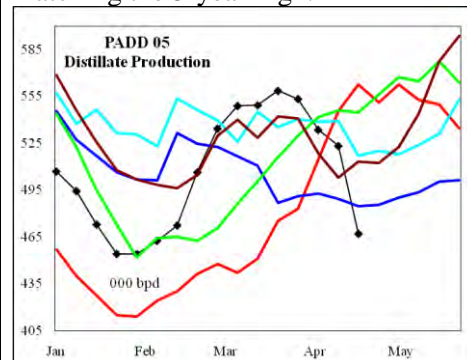
Gasoline production fell -19,000 bpd, to a record low level. Stocks declined -0.2 million barrels, with the level above four of the last 5-years.

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

PADD 5 crude oil refinery runs fell -221,000 bpd on the week to a record low level. The latest 4-wk average thru put was -56,000 bpd below last year. Crude oil imports increased +177,000 bpd, leading to a +2.2 million barrel stock build. Stock levels match 5-year lows for the period.

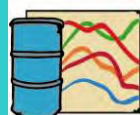


Gasoline production decreased -10,000 bpd on the week, a level above the mid range. Stocks fell -1.3 million barrels, matching the 5-year high.



Distillate supply fell -163,000 bpd on the week, with both production and imports lower. The level of supply fell to a 5-year low. Stock levels remain at a record high for this time of year.

Jet fuel supply increased +13,000 bpd on the week, with lower production offset by higher imports.


**FUNDAMENTAL
PETROLEUM
TRENDS**


PETROLEUM: Graph Link and Weekly Summary

A Fundamental Petroleum Trends Weekly Report

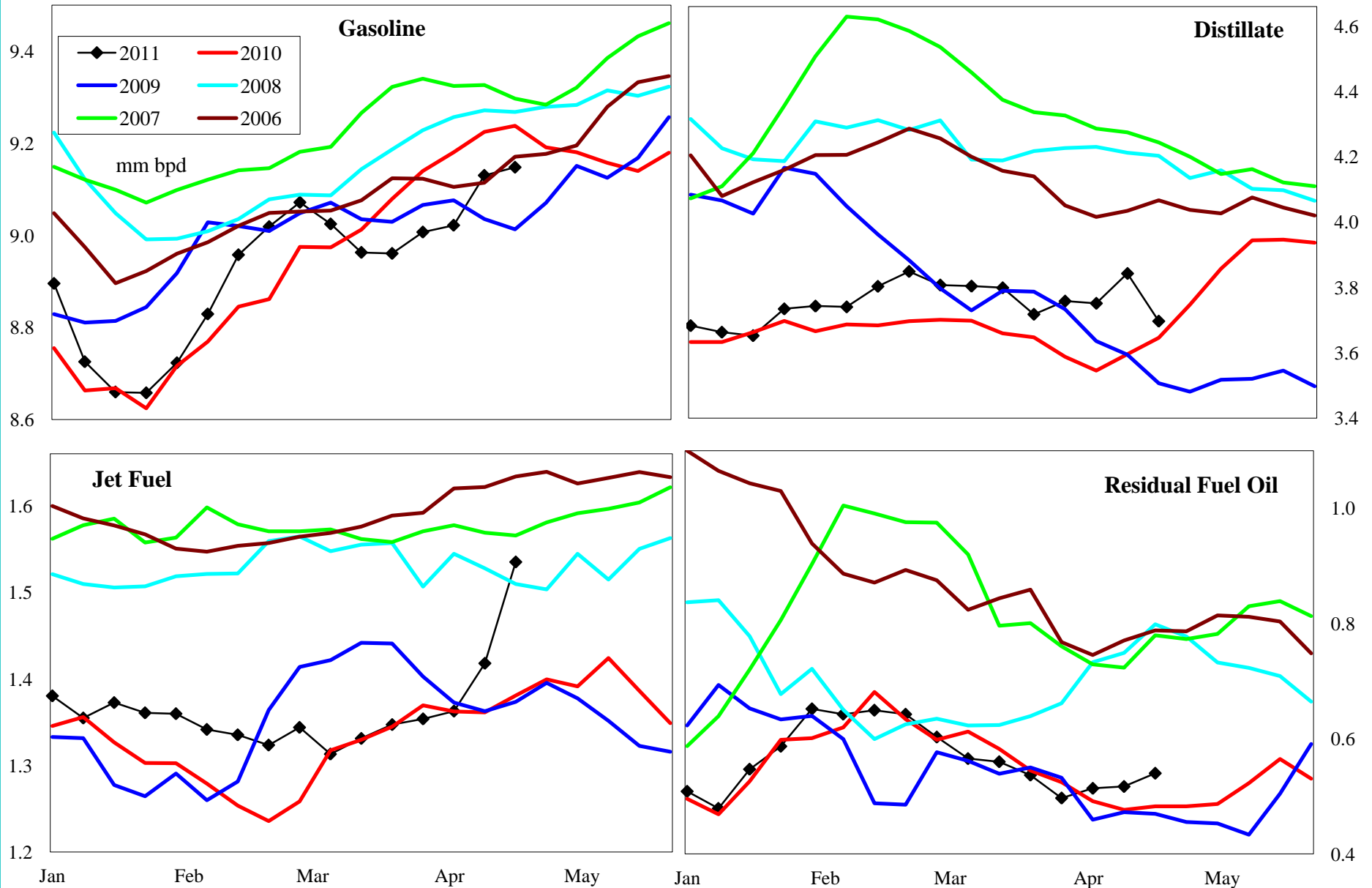
April 27, 2011

Lehi German Tel: 816.505.0980

www.fundamentalpetroleumtrends.com

Fundamental Trends	Wholesale Demand	Stocks Days Fwd Coverage	Refinery Utilization Product Yield %			Imports	
Supply/Demand Trends	22-Apr-11	EIA-DOE CHANGE FROM PRIOR WEEK					
	000 bpd stocks 000 bls	U. S. Total	PADD				
			1	2	3	4	5
Crude Oil	Stocks	6,156	615	-482	3,701	164	2,158
	Imports	1,213	592	-142	573	14	177
	Input	-27	134	-73	101	32	-221
	% Utilization	0.20					
Gasoline	Stocks	-2,508	-1,663	379	255	-224	-1,255
	Production	-327	-48	-174	-121	-19	-10
	Imports	197	242	-2	17	0	-60
	Supplied	86					
Distillate	Stocks	-1,805	-1,819	1,436	-1,321	71	-173
	Production	-103	26	38	-94	5	-78
	Imports	-172	-86	0	0	0	-85
	Supplied	-375					
Jet Fuel	Stocks	-1,249	-294	-159	-593	-61	-142
	Production	-65	-8	9	-28	-7	-30
	Imports	49	6	0	0	0	43
	Supplied	136					
Residual Fuel Oil	Stocks	-33	247	-38	-191	-15	-36
	Production	-48	10	24	-52	-3	-28
	Imports	102	-72	4	93	0	76
	Supplied	4					

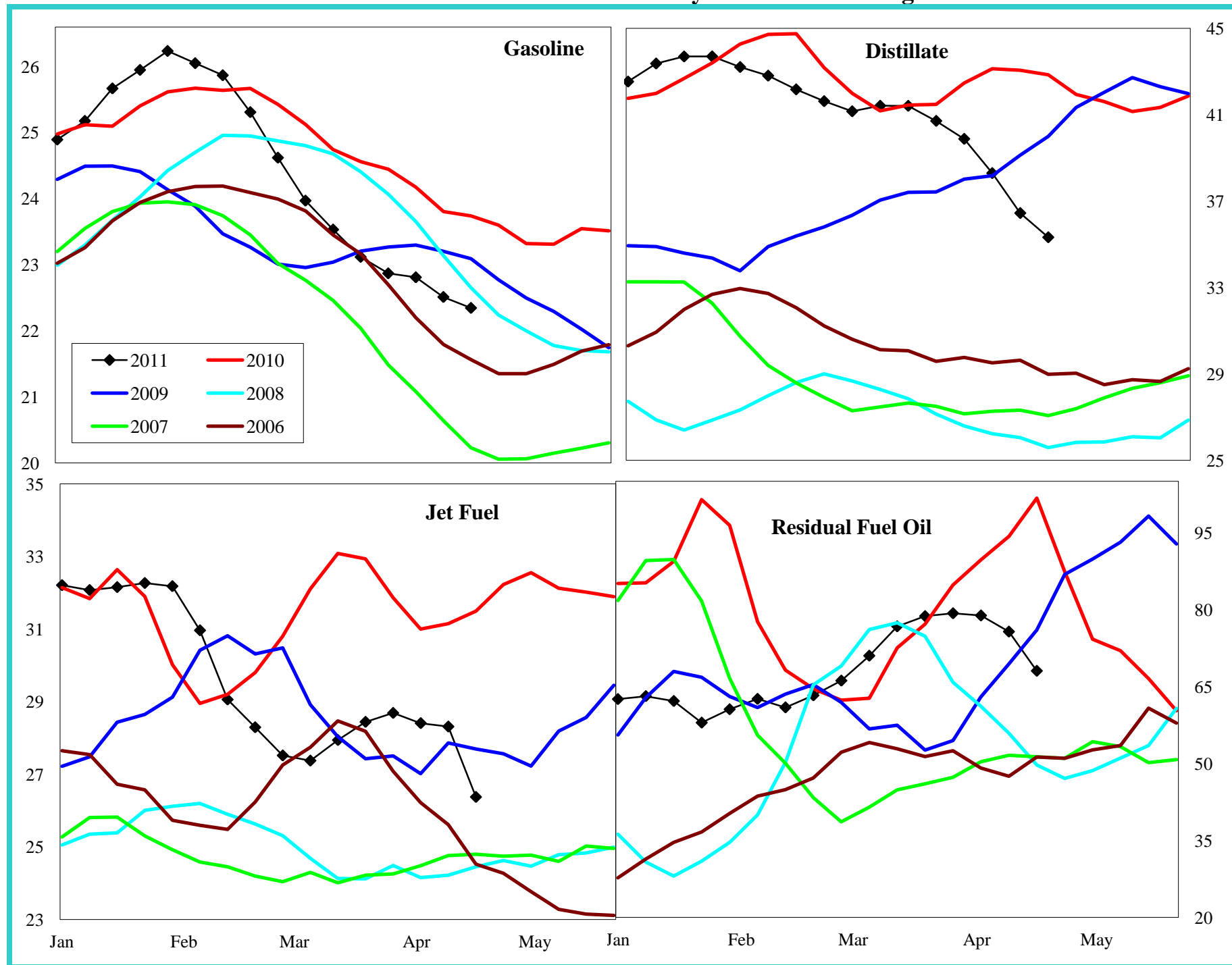
United States Wholesale Petroleum Demand



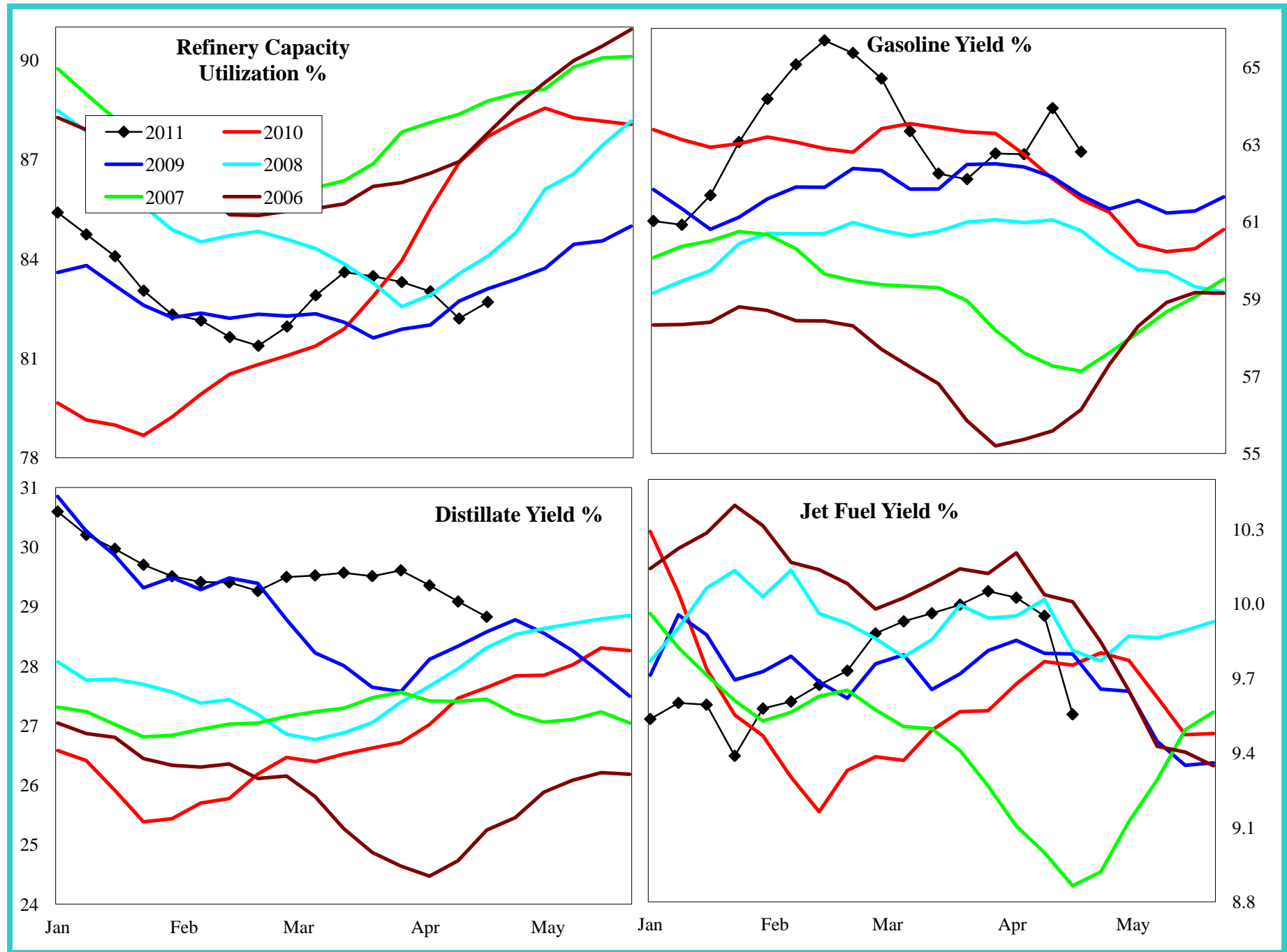
	000 bpd change from prior year				% change from prior year			
	4wk avg	Mar	Feb	Jan	4wk avg	Mar	Feb	Jan
Gasoline	-150	204	415	-113	-1.6	2.3	4.8	-1.3
Distillate	260	39	18	39	7.3	1.0	0.5	1.1
Jet Fuel	60	-69	11	-10	4.4	-4.8	0.8	-0.7
Resid	30	21	106	1	6.2	3.9	20.7	0.2



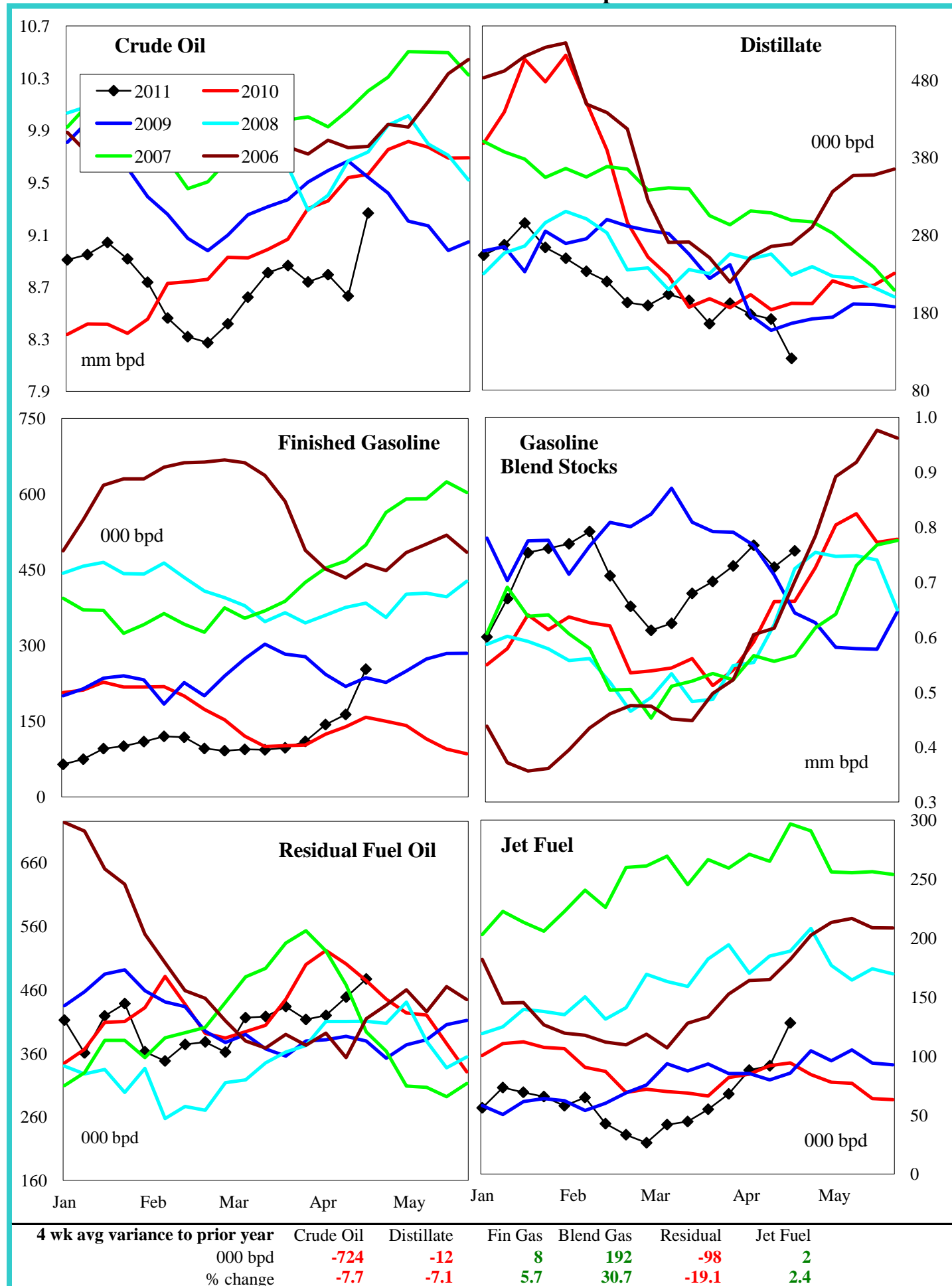
United States Product Stocks: Days Forward Coverage



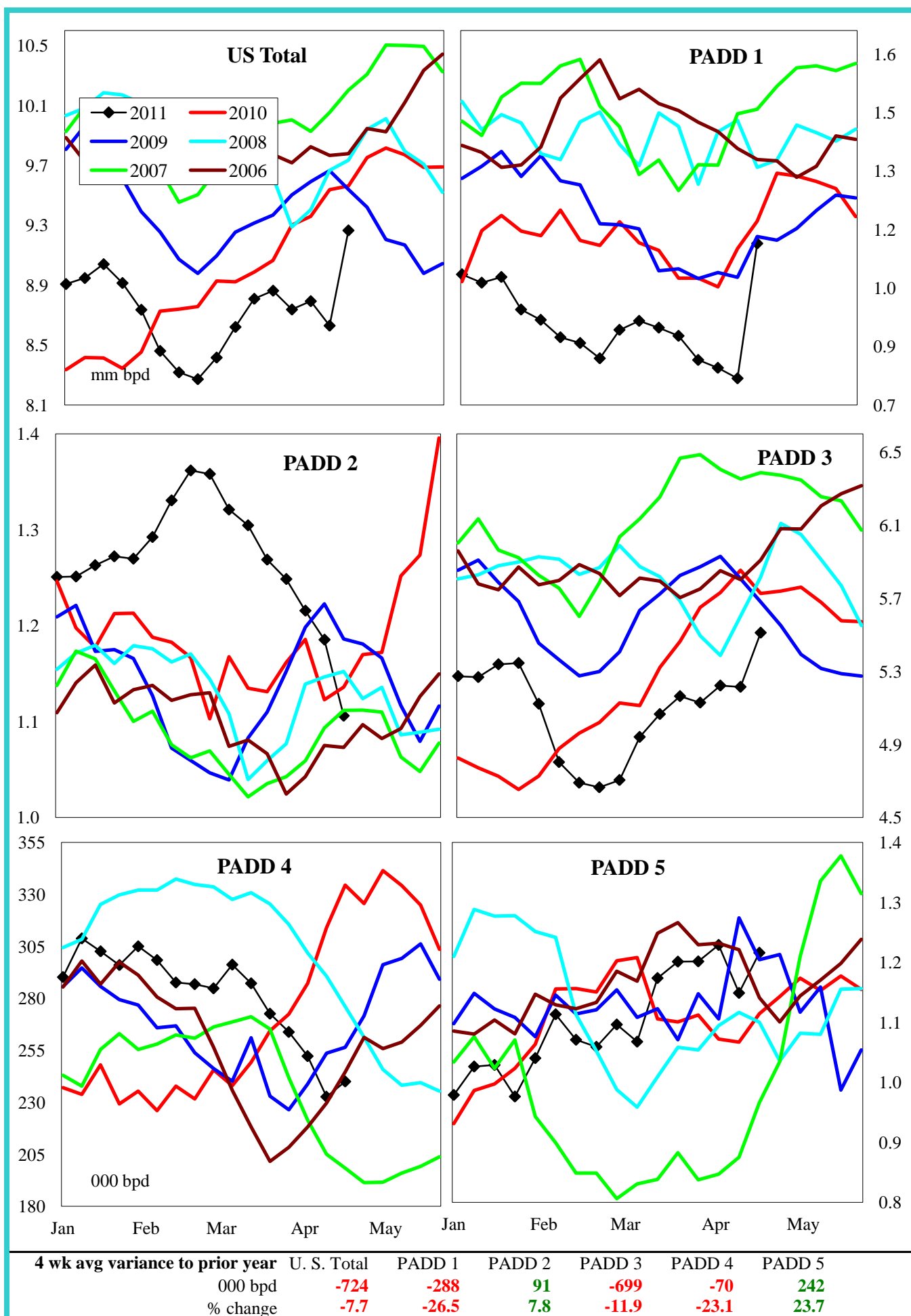
United States Refinery Percent Utilization Rate and Product Yields



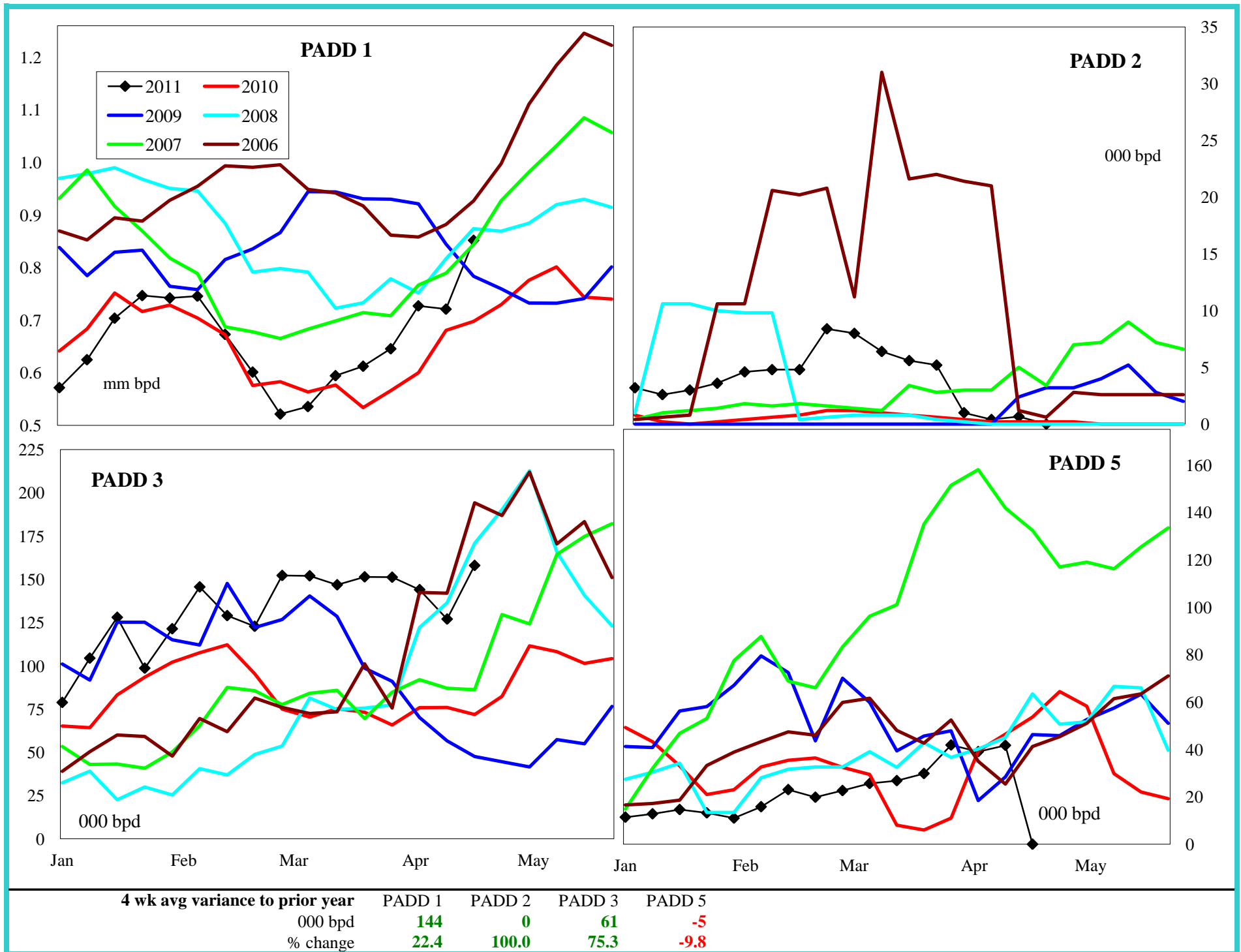
United States Petroleum Imports



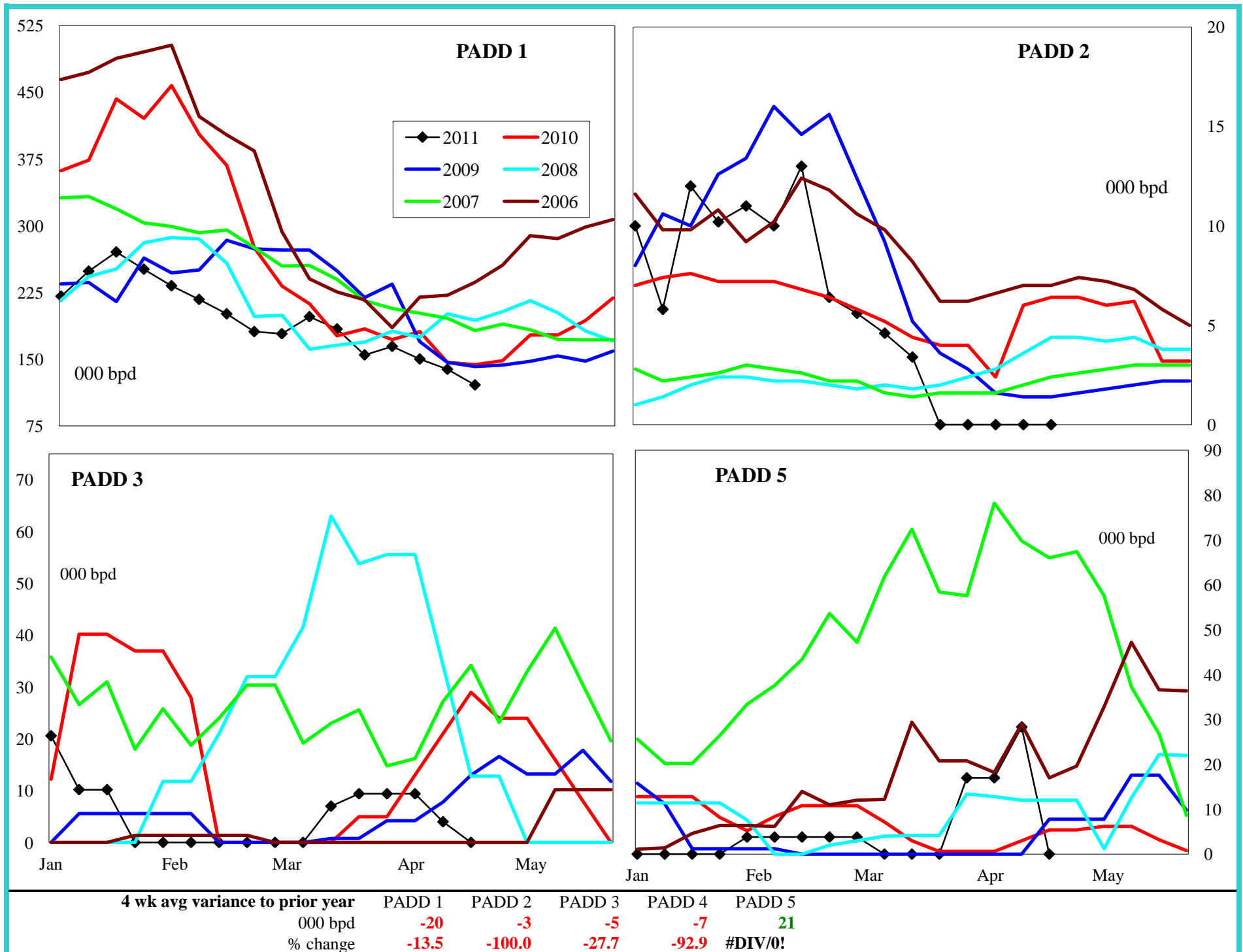
Crude Oil Imports by PADD



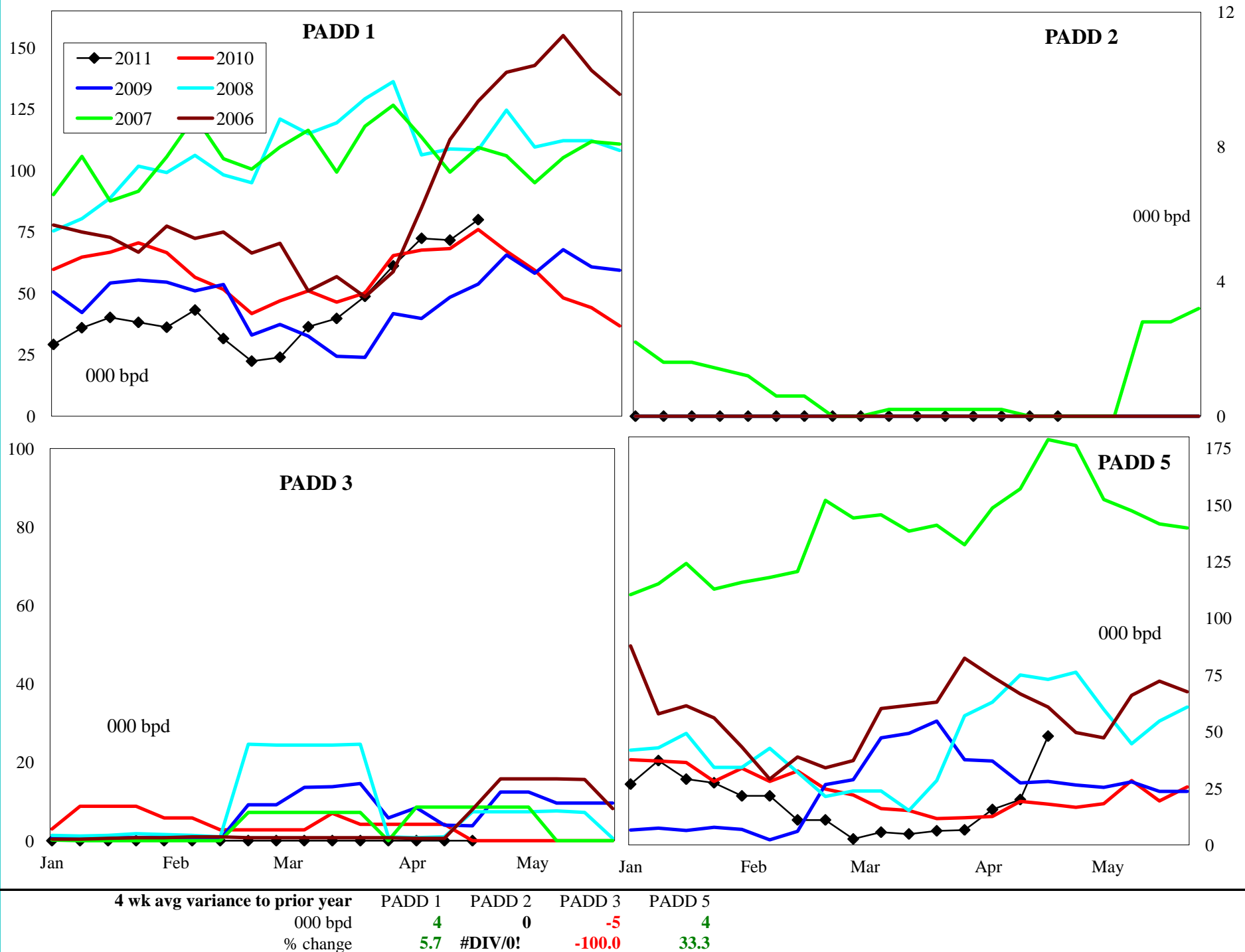
Gasoline Imports by PADD (Finished + Blend Stocks)



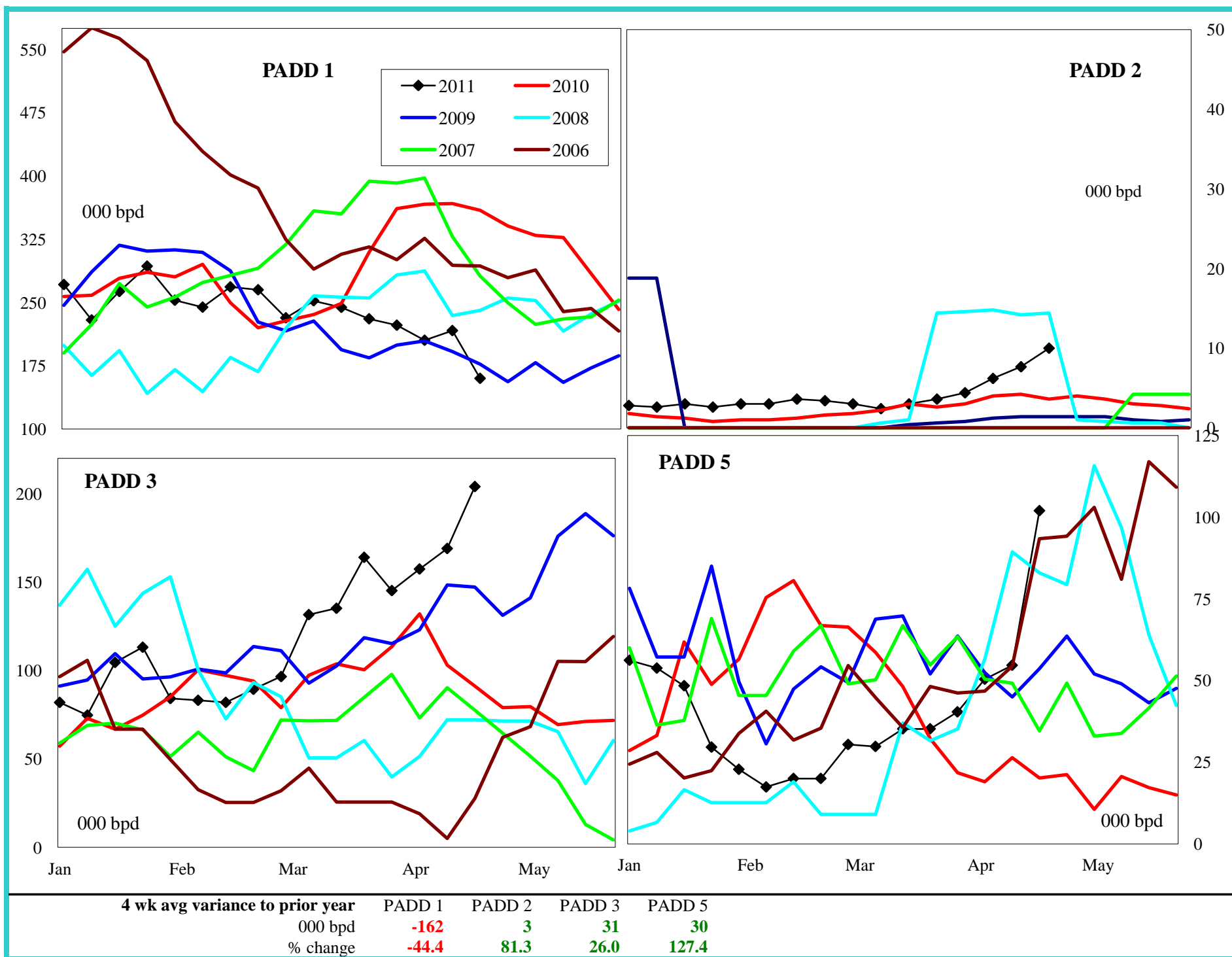
Distillate Imports by PADD



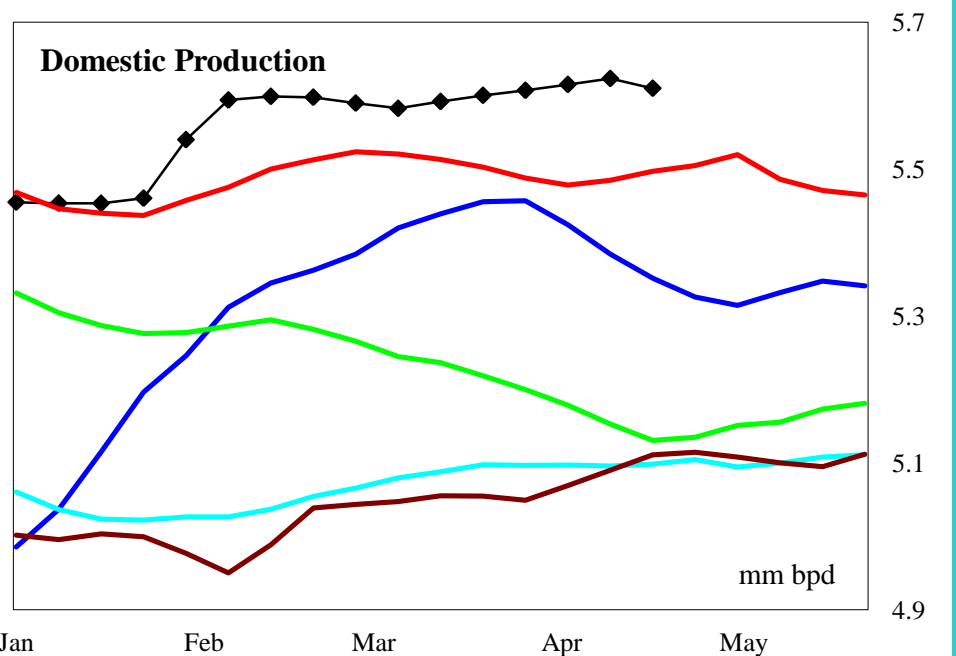
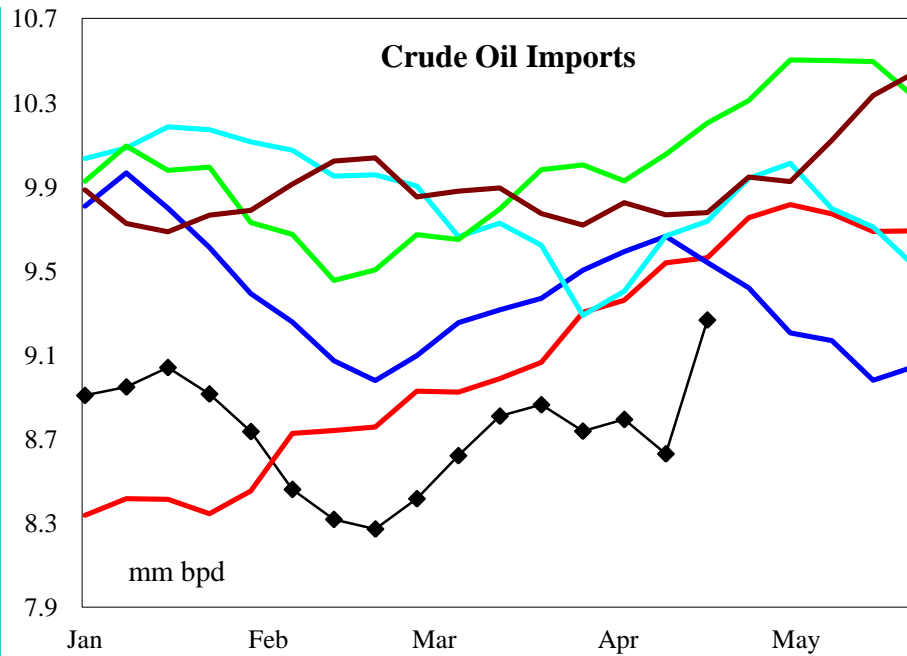
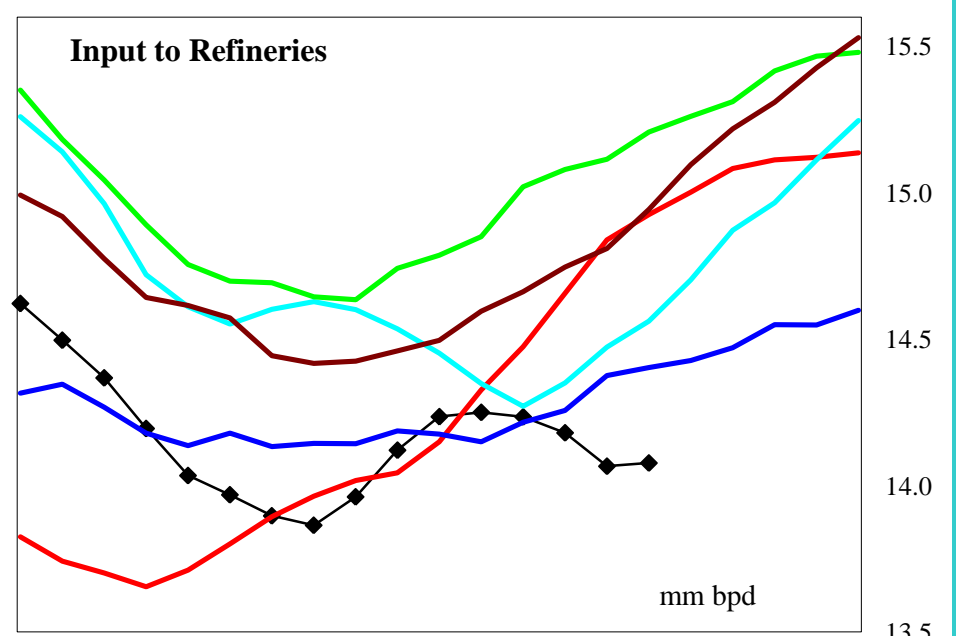
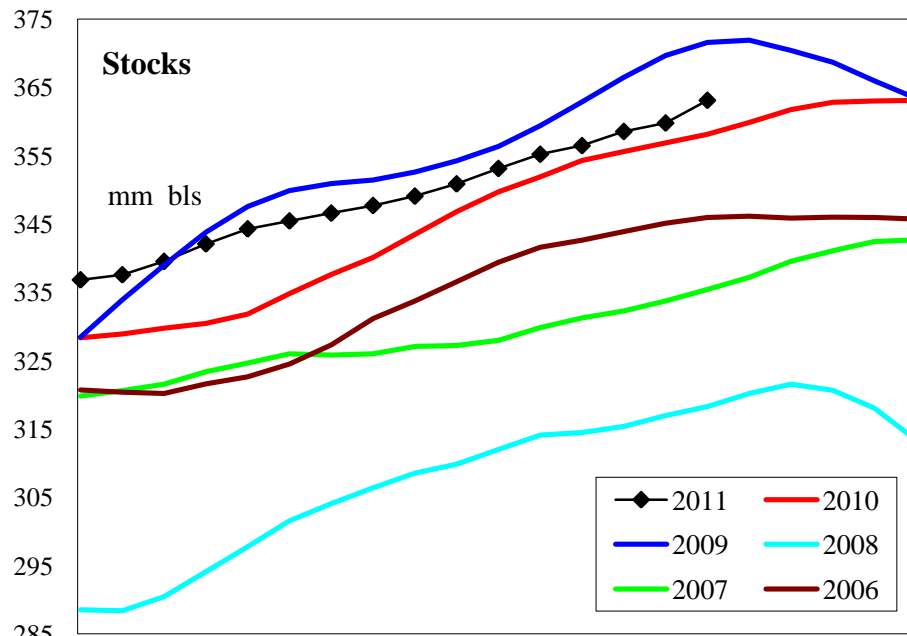
Jet Fuel Imports by PADD



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

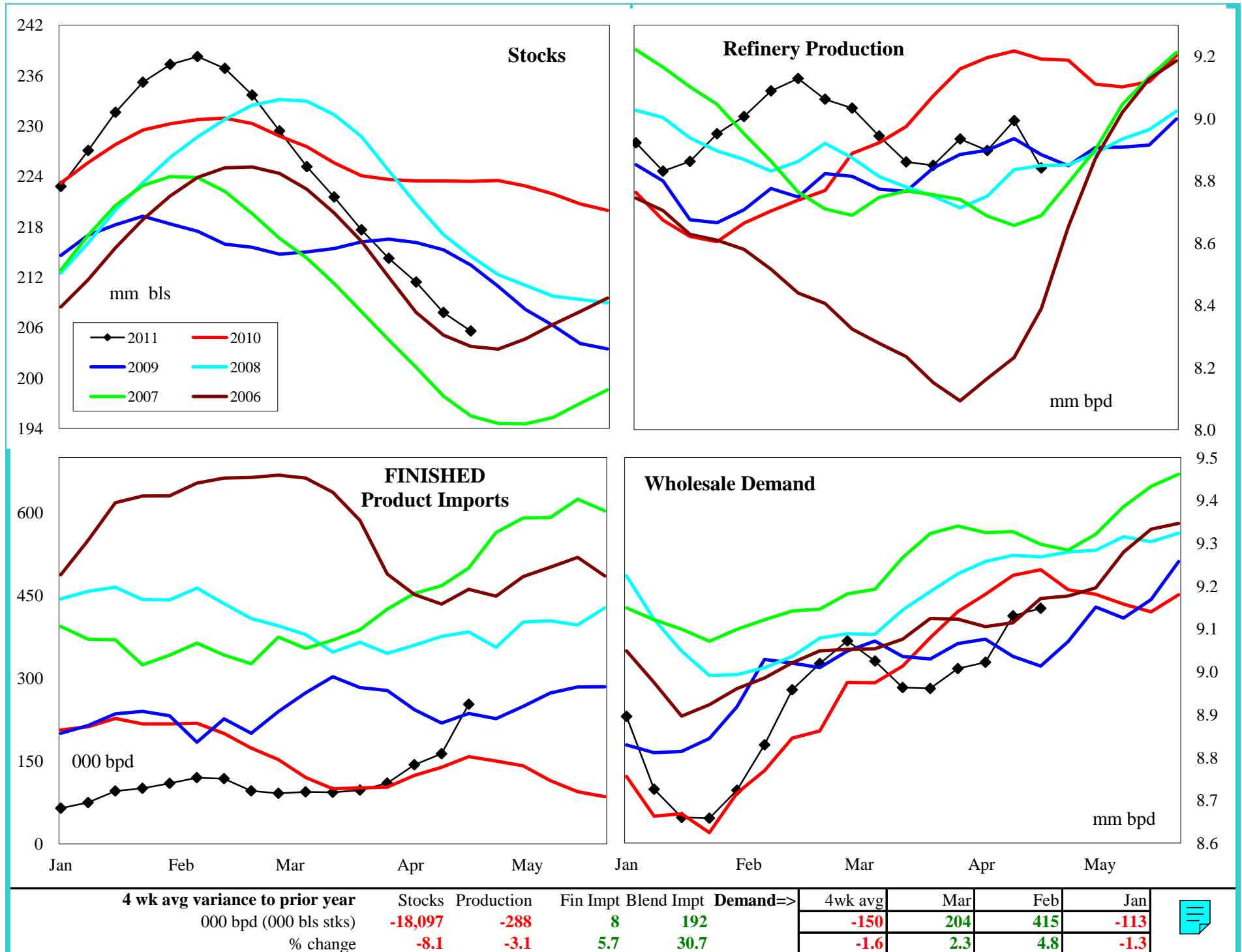
Stocks
5,305
1.5

Input
-621
-4.2

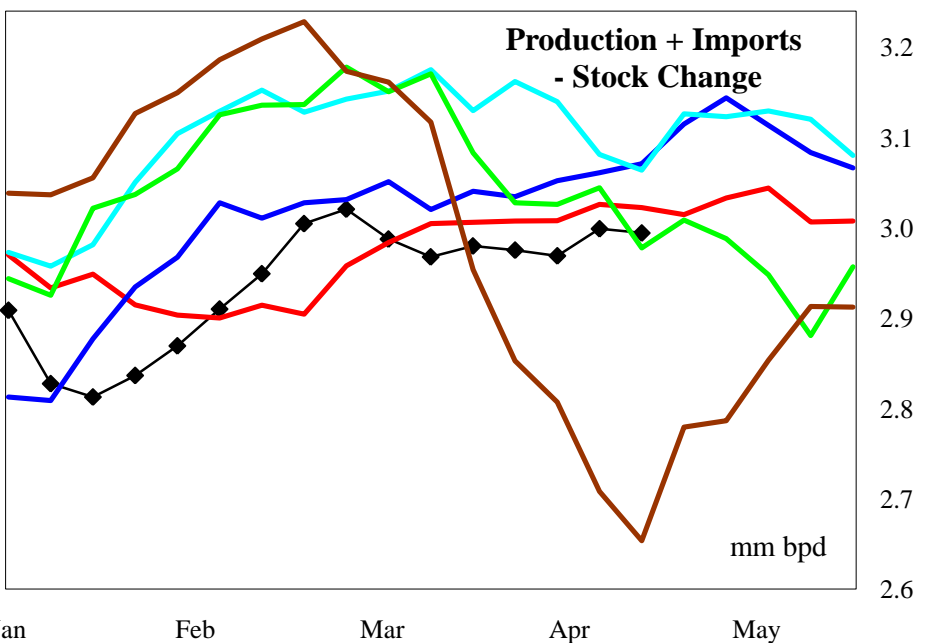
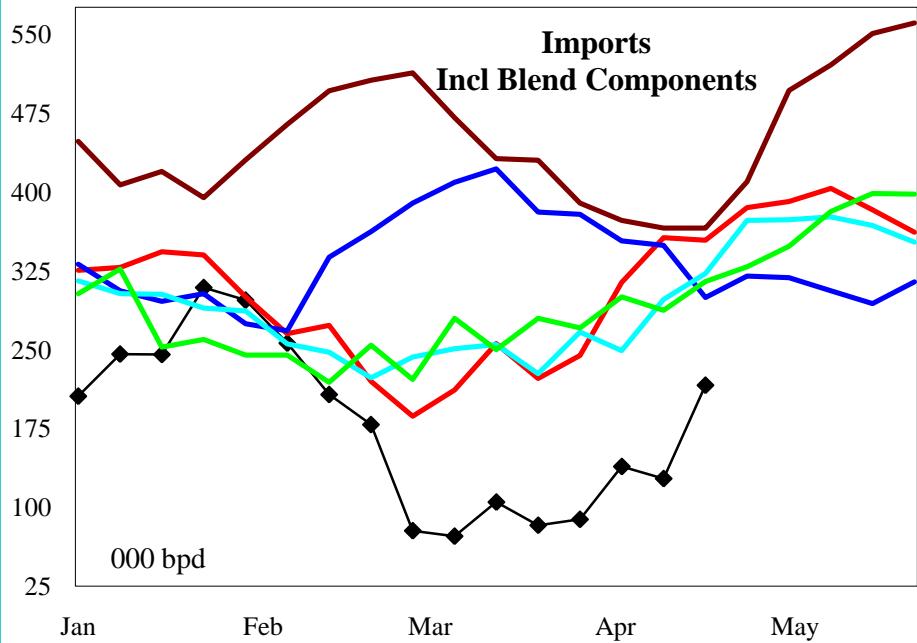
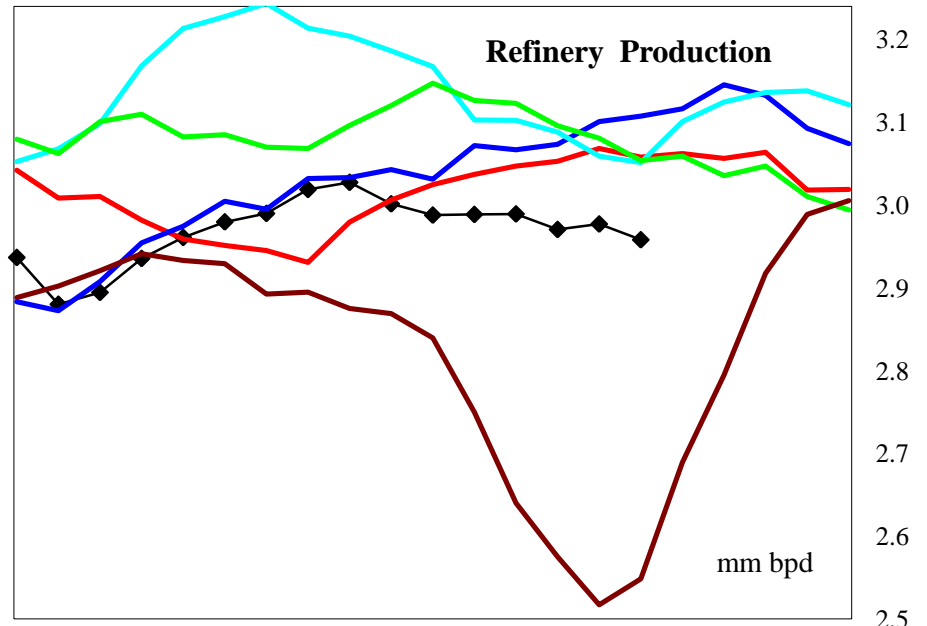
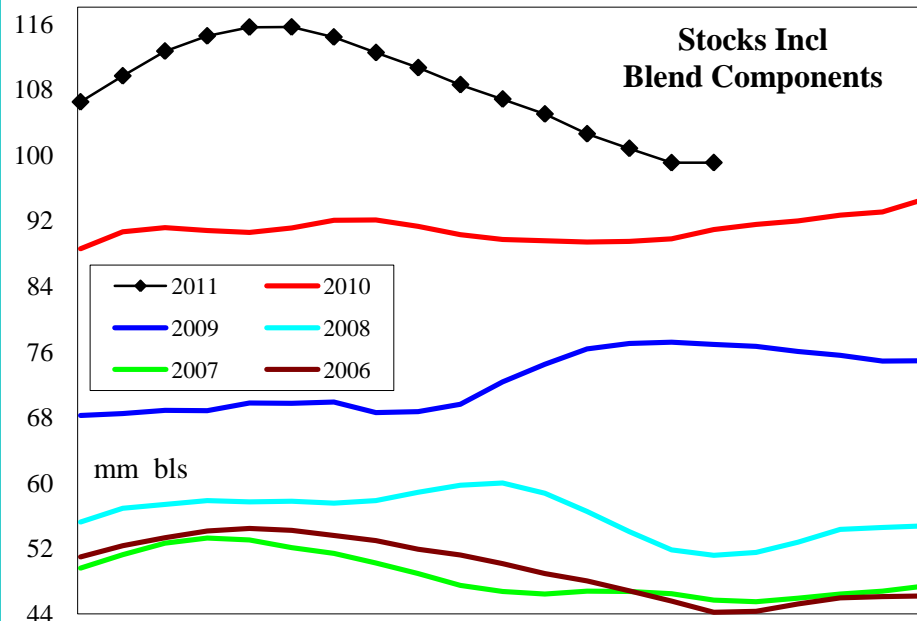
Imports
-724
-7.7

U.S. Production
152
2.8

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

8,140

-74

-174

-31

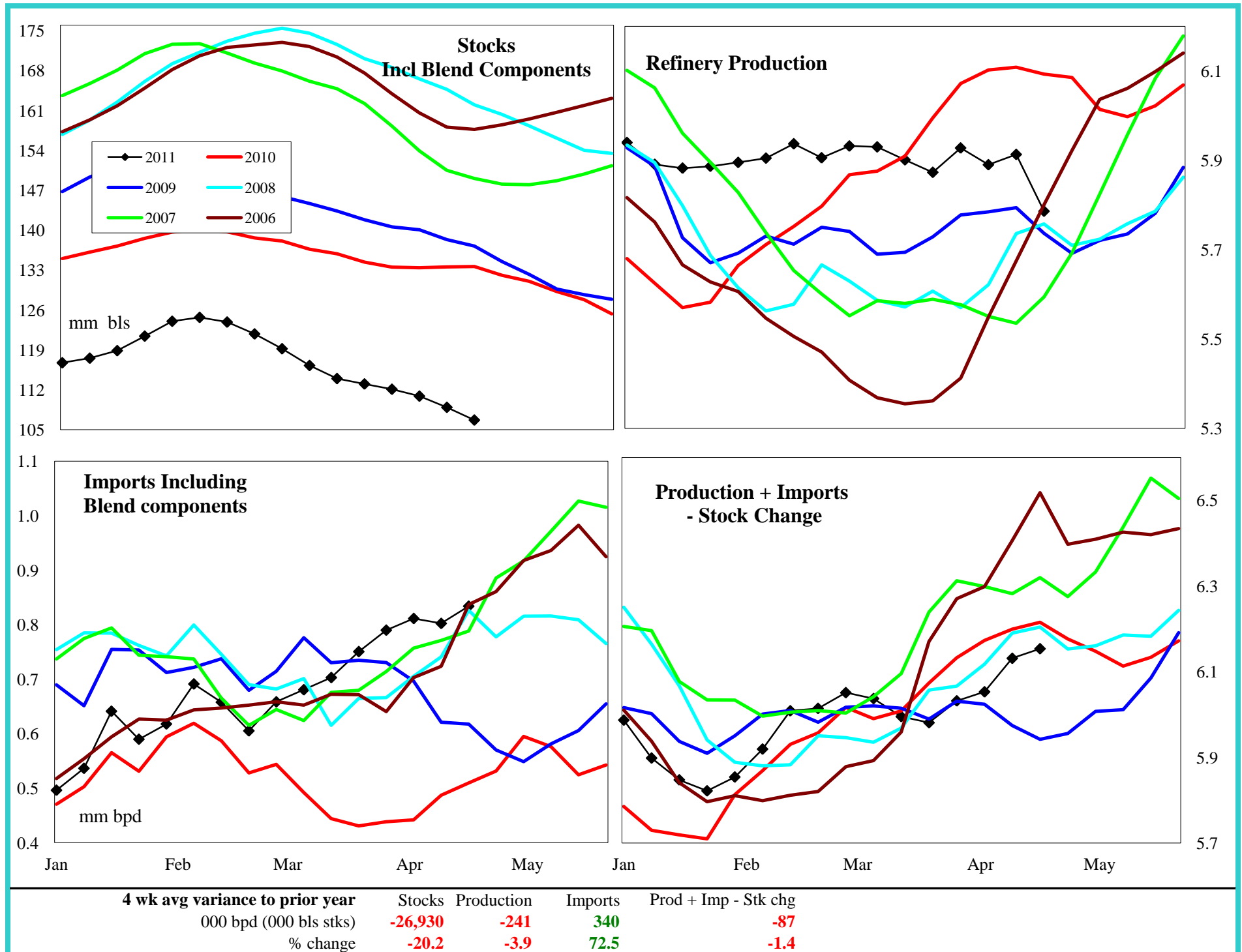
9.0

-2.4

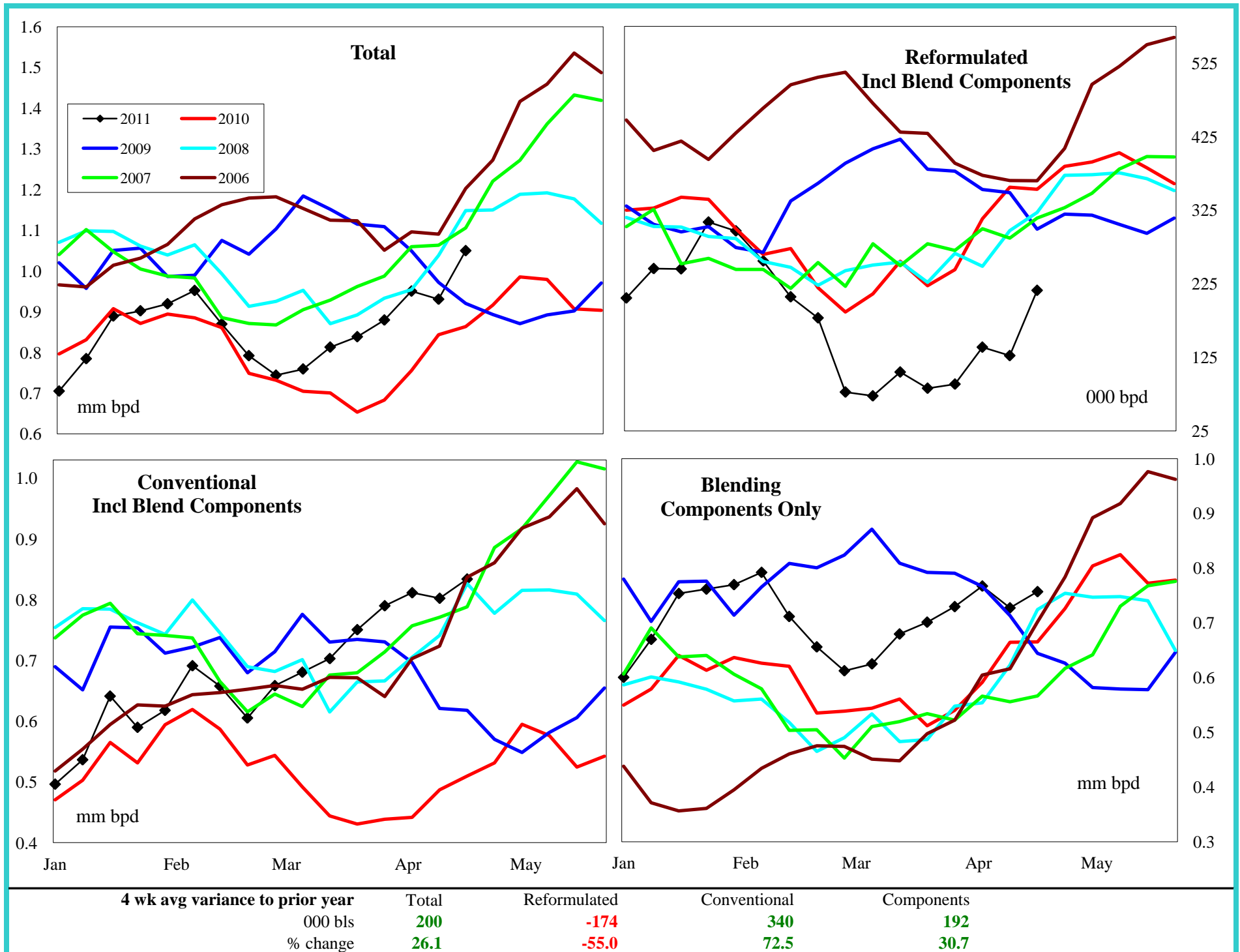
-55.0

-1.0

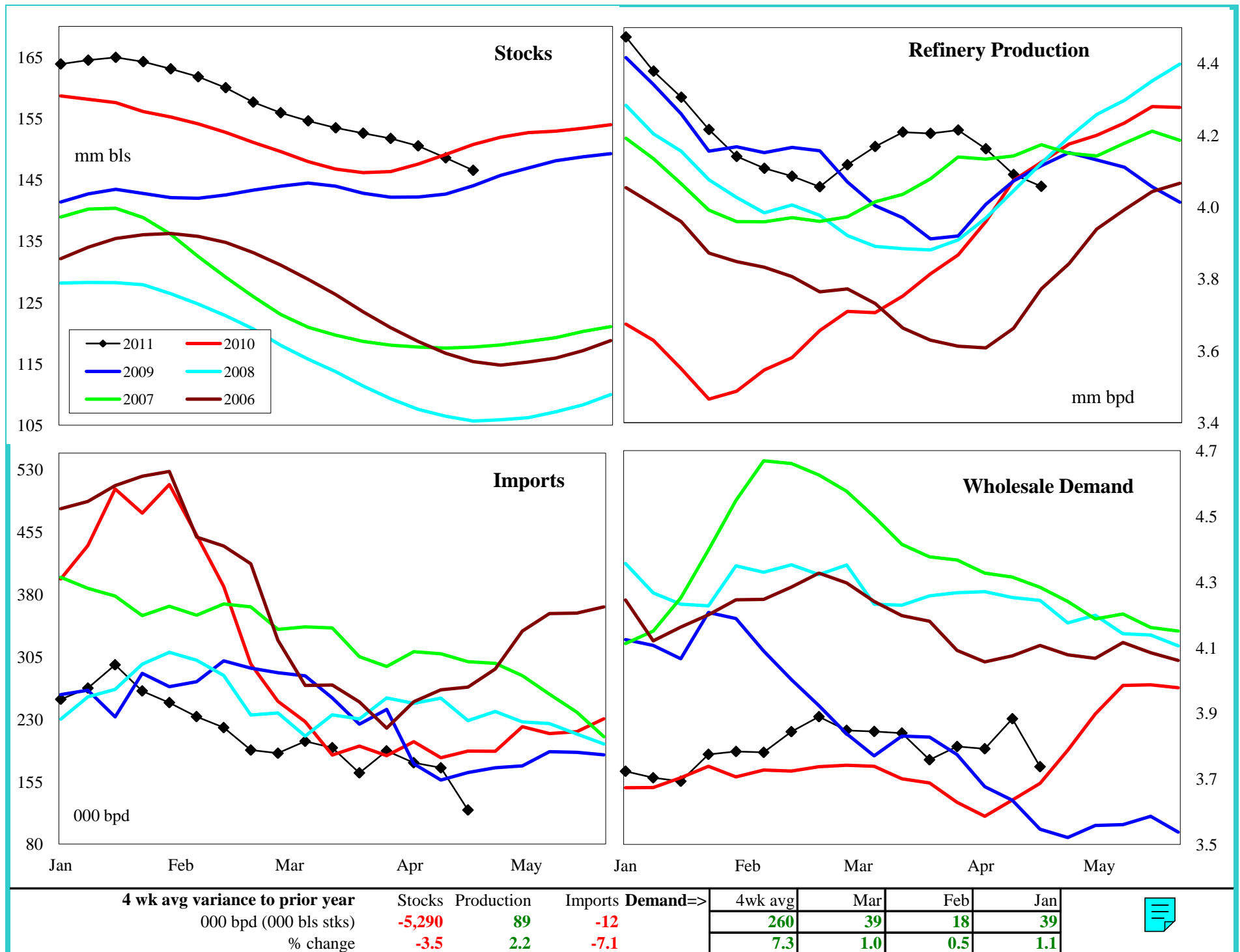
United States Conventional Gasoline Supply



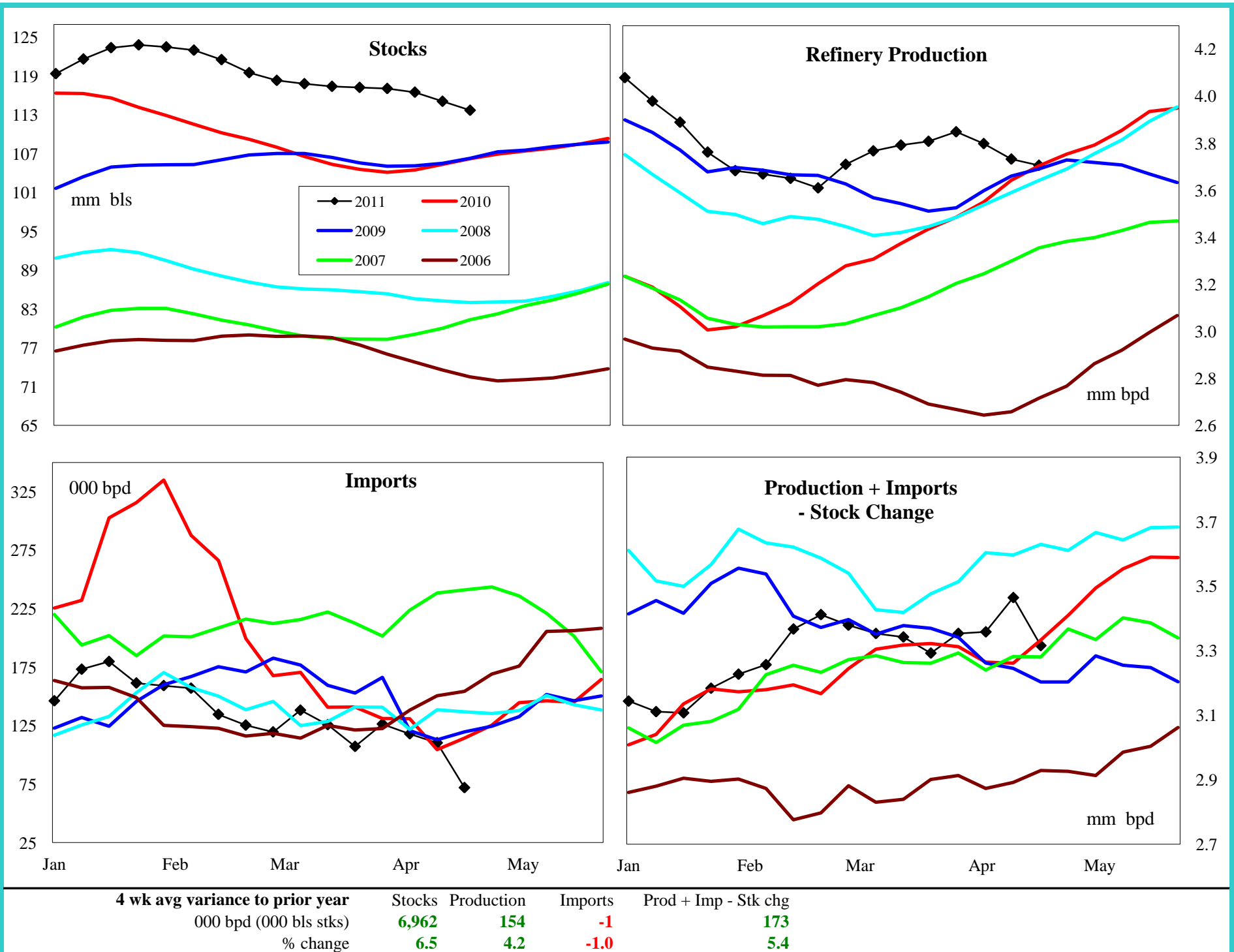
United States Gasoline Imports by Type



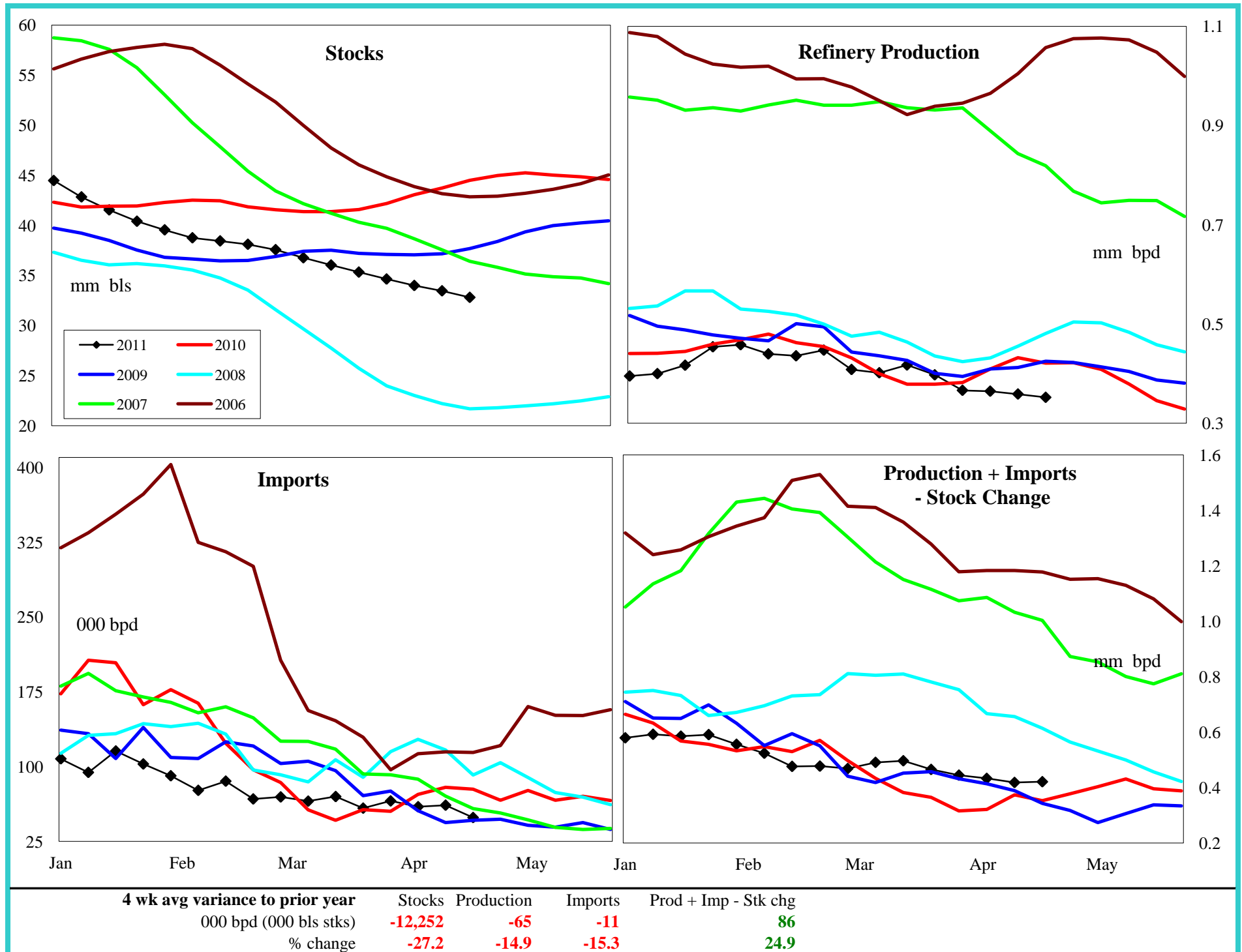
United States Distillate Supply and Demand Balance



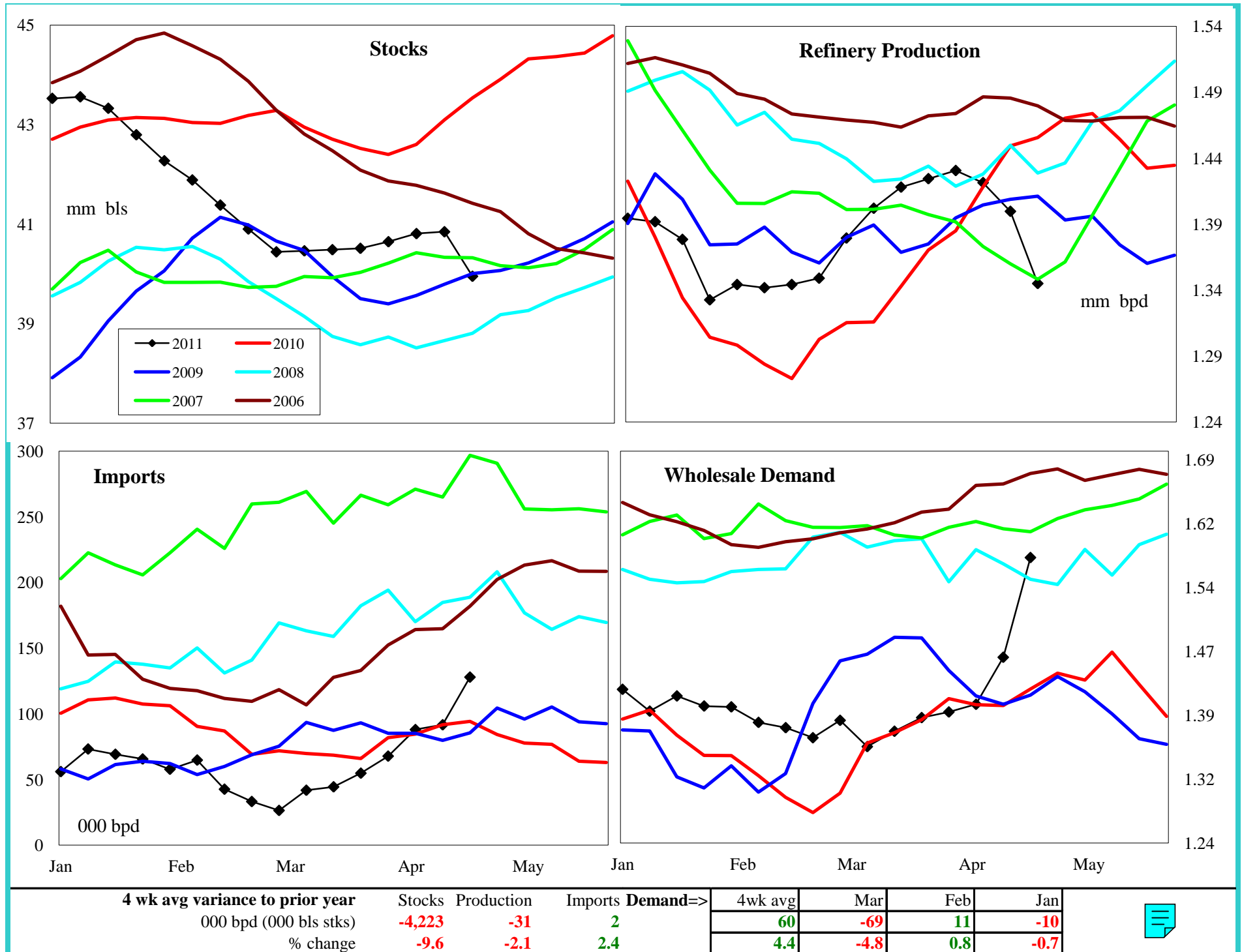
United States Low Sulfur Distillate Supply



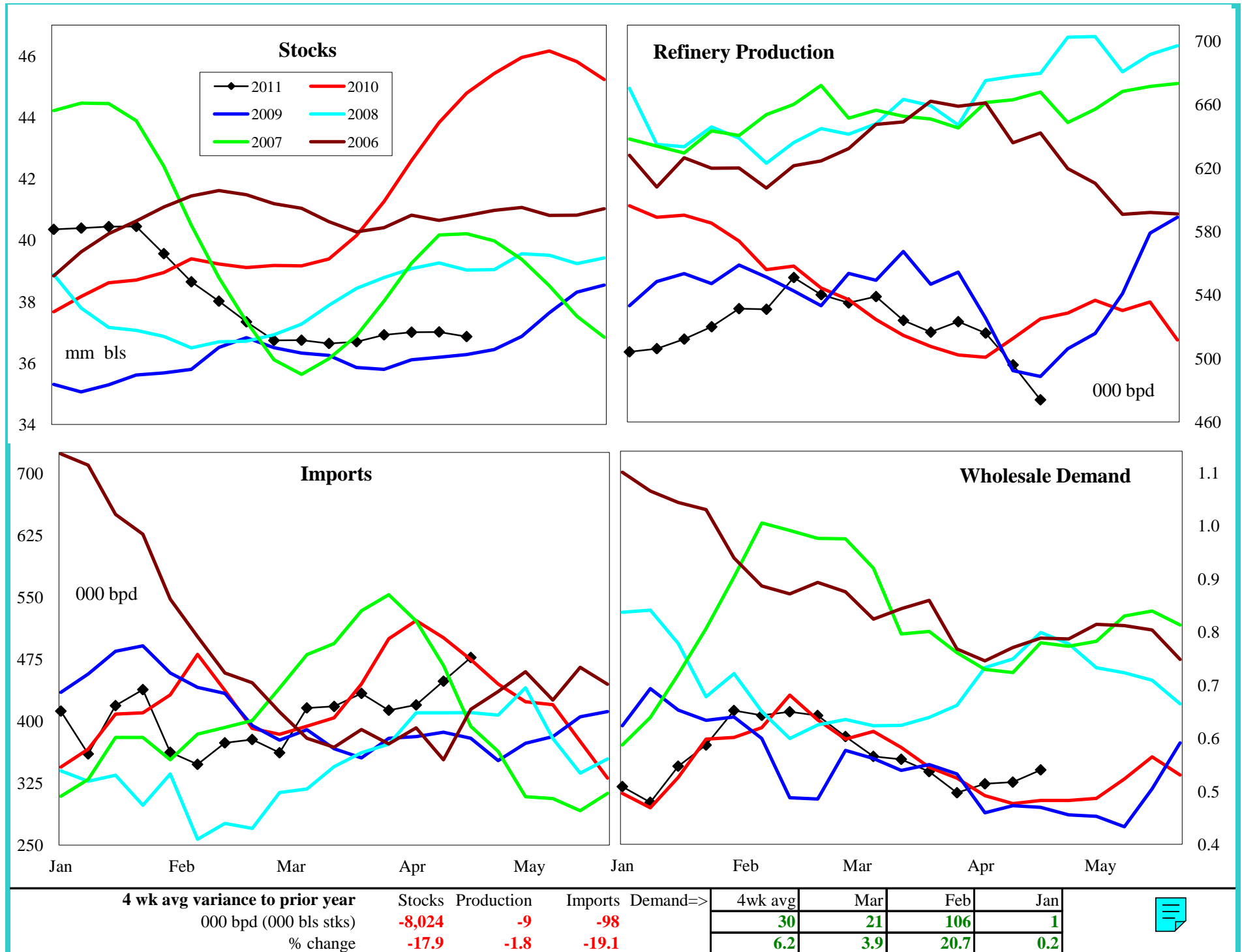
United States High Sulfur Distillate Supply



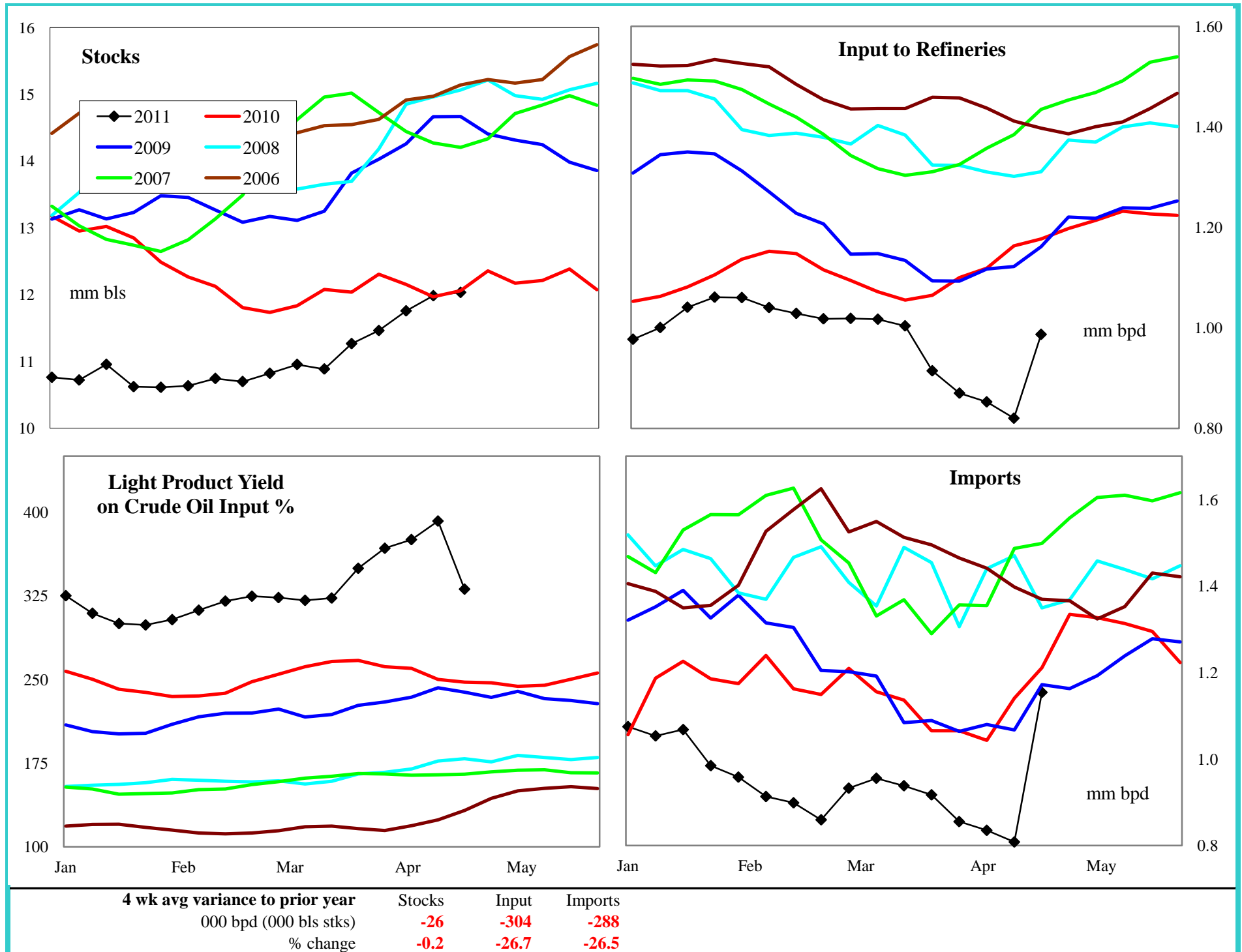
United States Jet Fuel Supply and Demand Balance



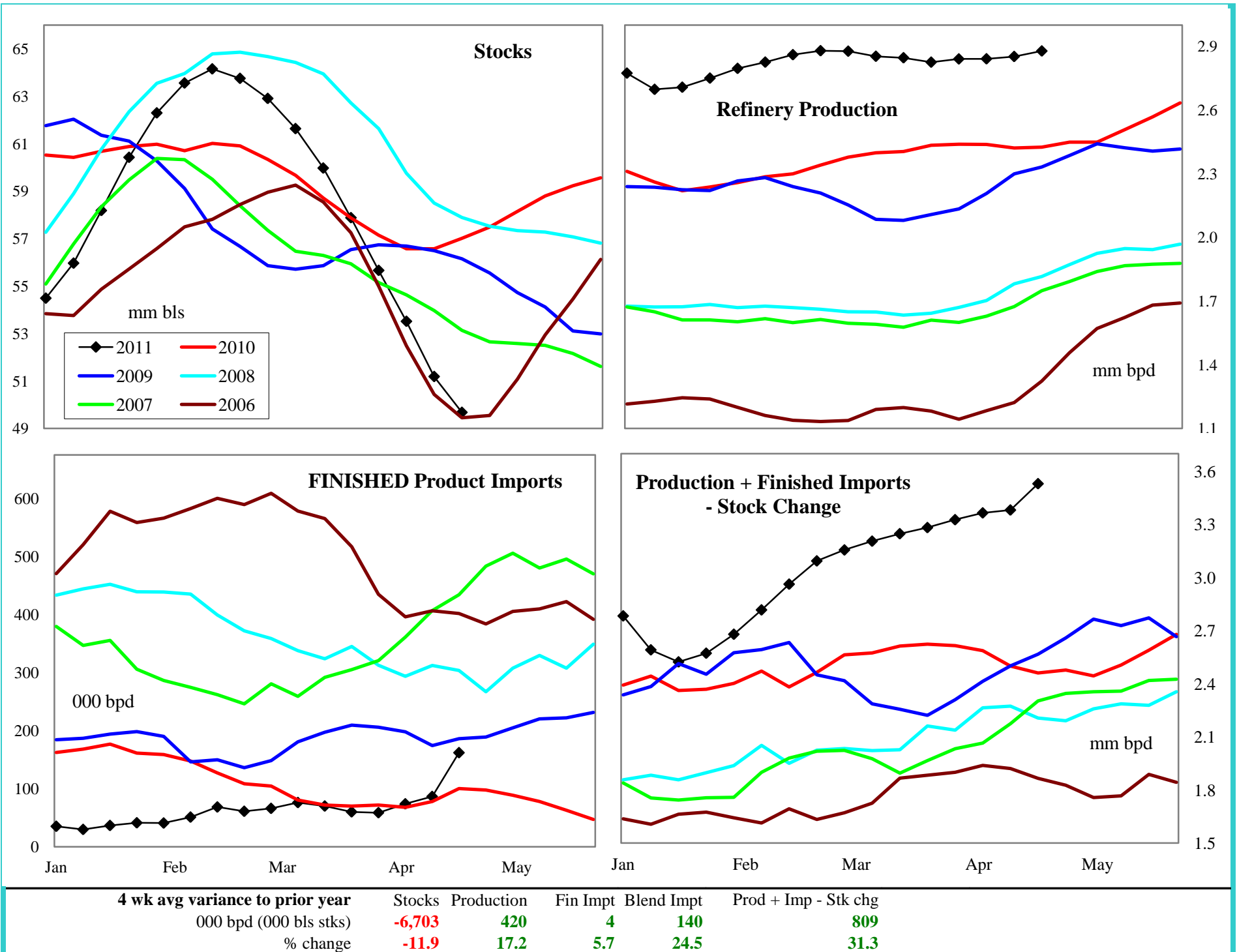
United States Residual Fuel Oil Supply and Demand Balance



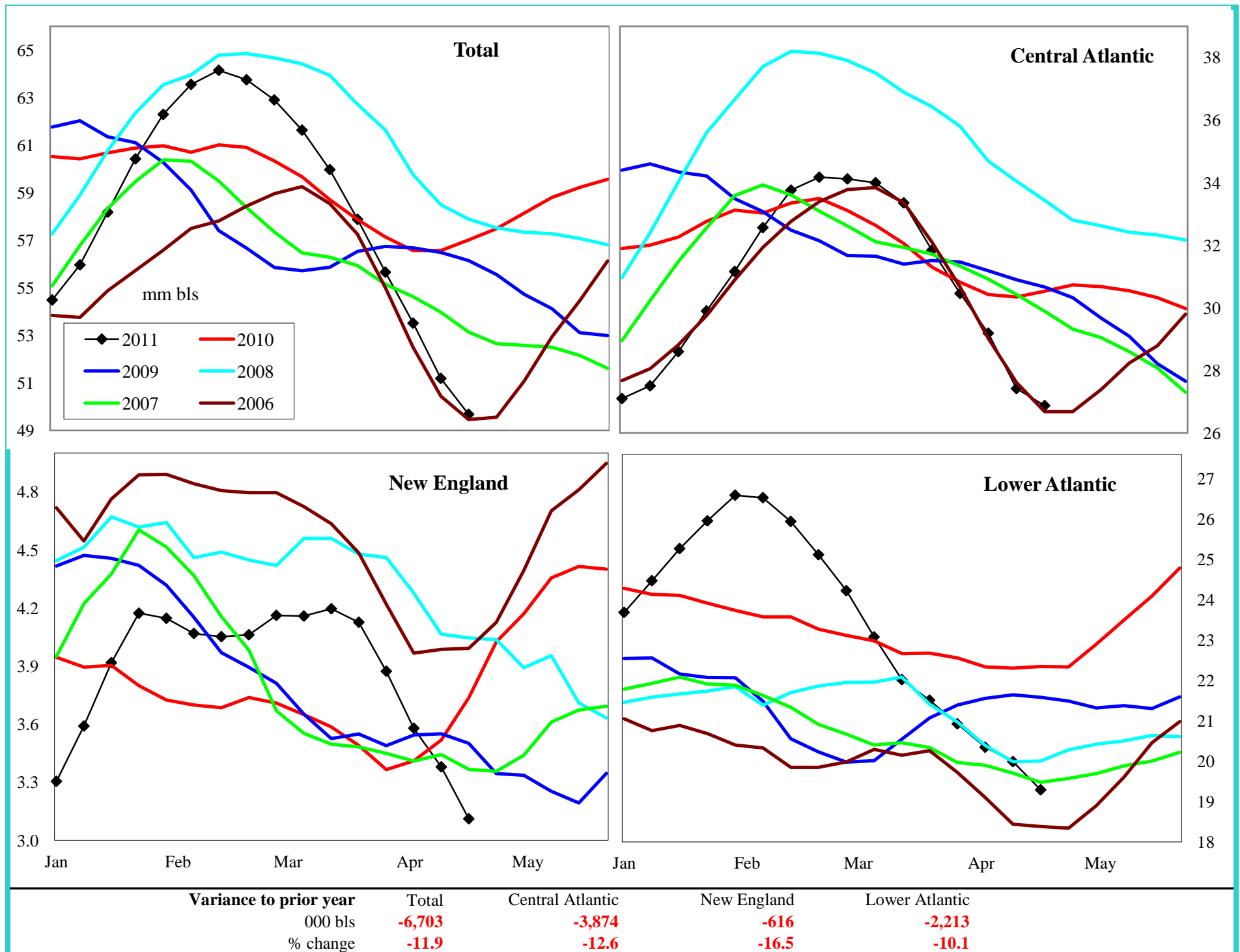
PADD 1 Crude Oil Supply and Refining



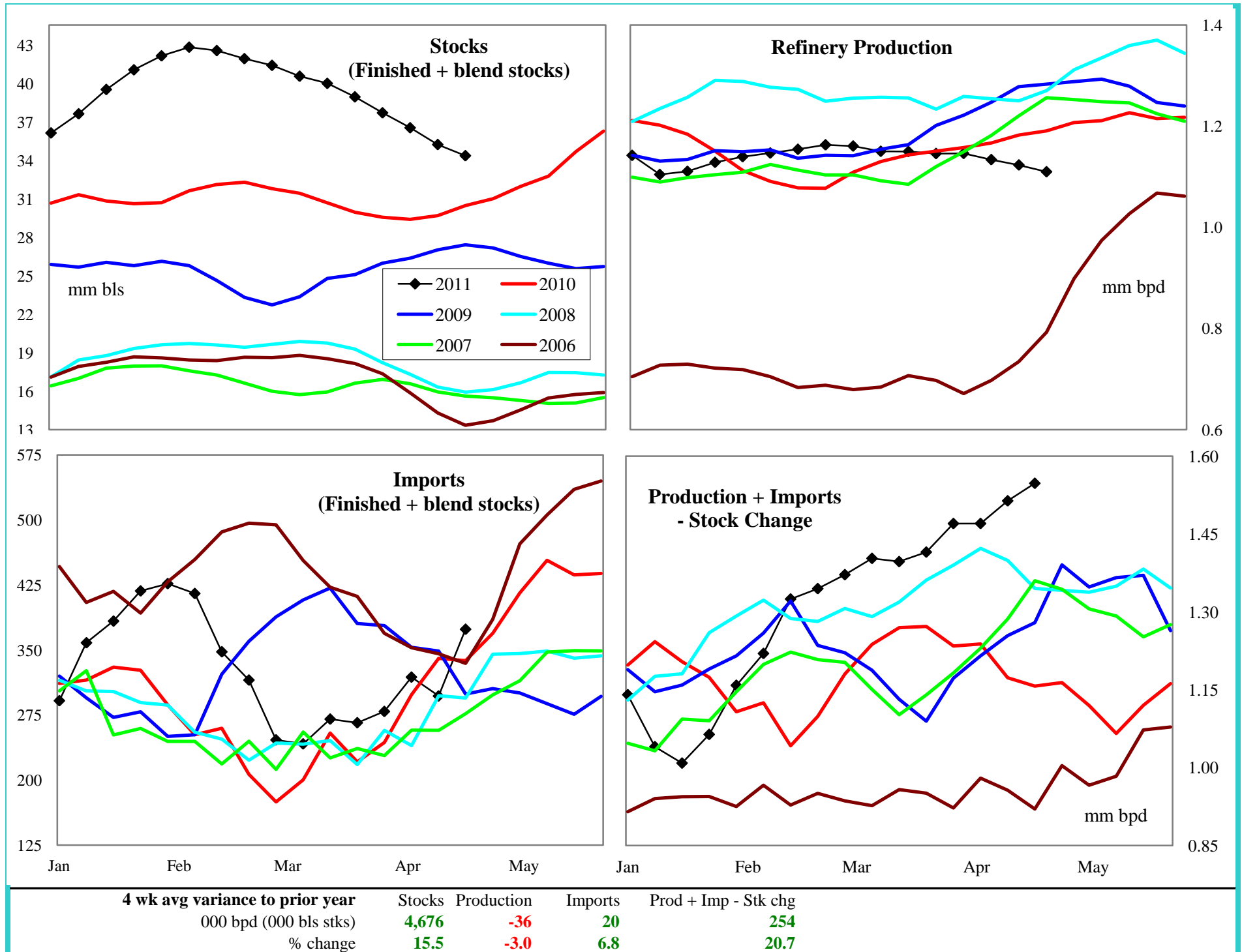
PADD 1 Gasoline Supply



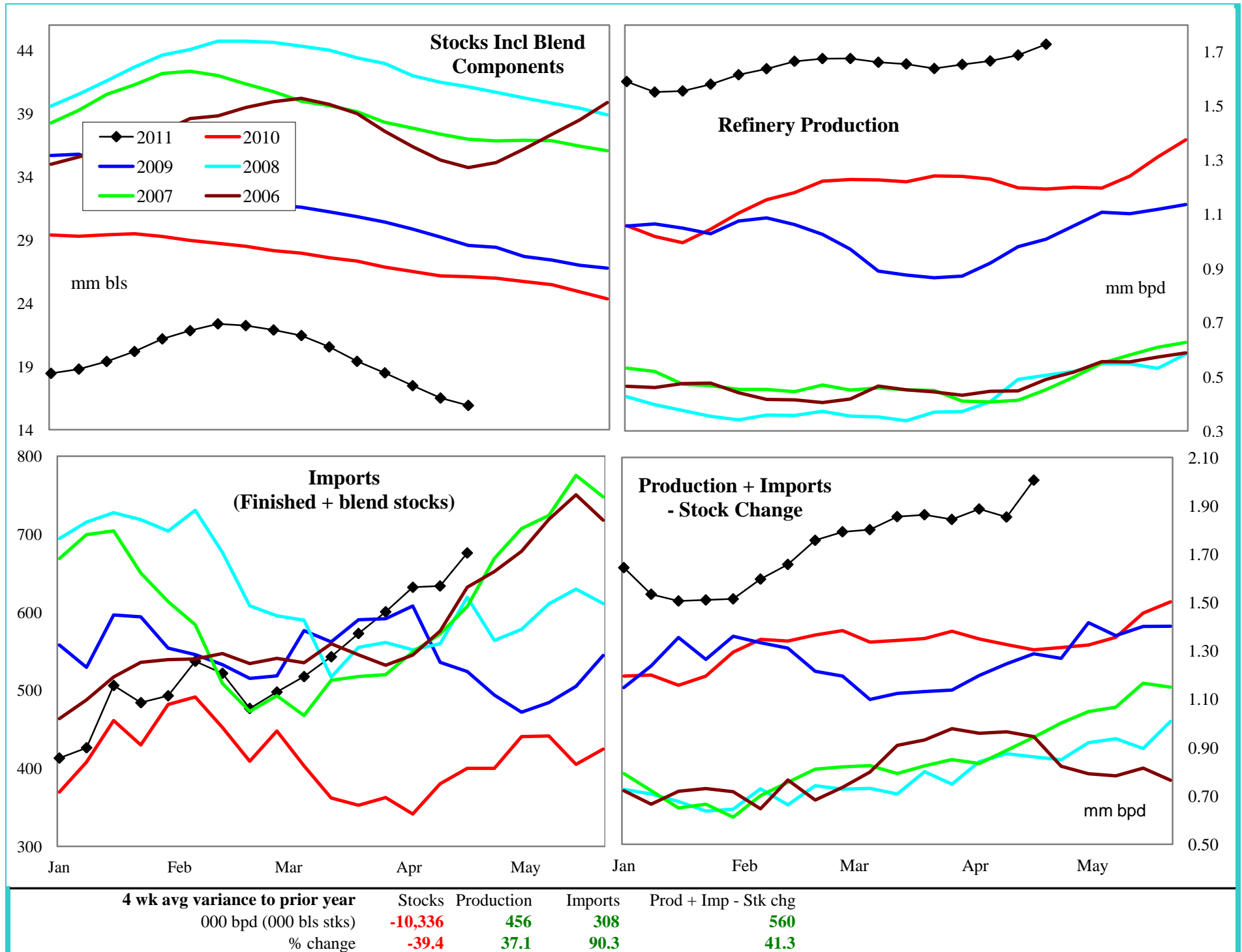
PADD 1 Gasoline Stocks by Region



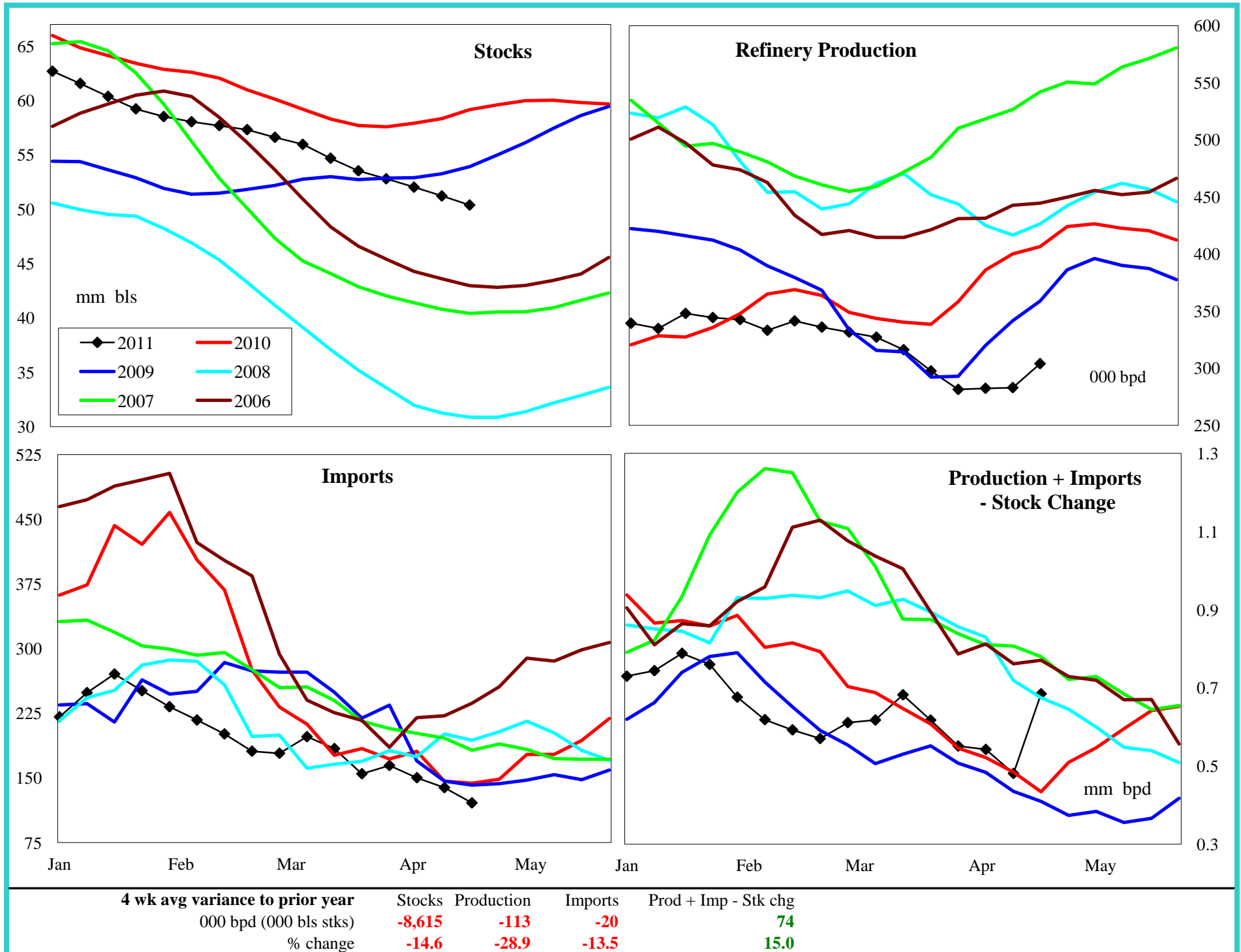
PADD 1 Reformulated Gasoline Supply



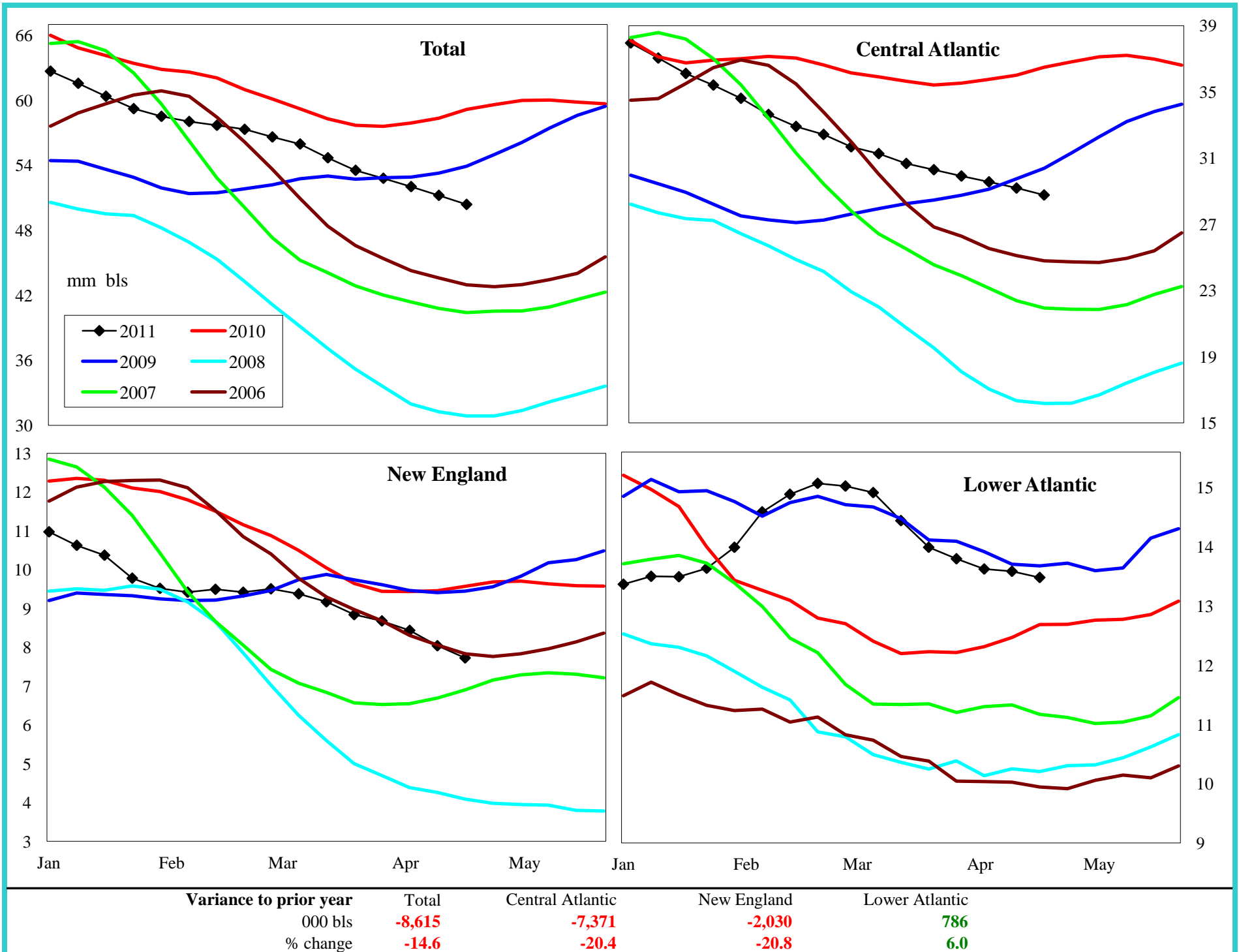
PADD 1 Conventional Gasoline Supply



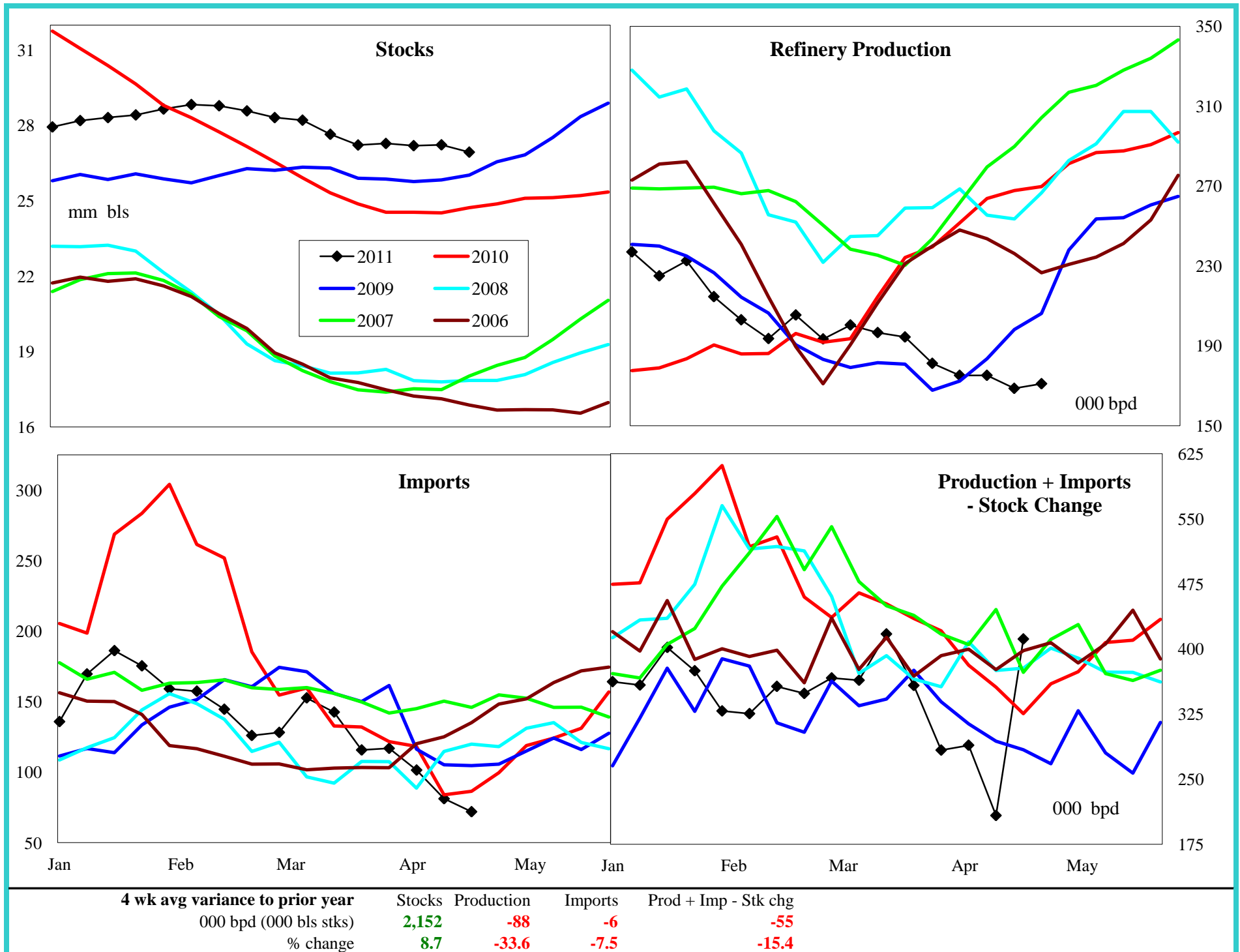
PADD 1 Distillate Supply



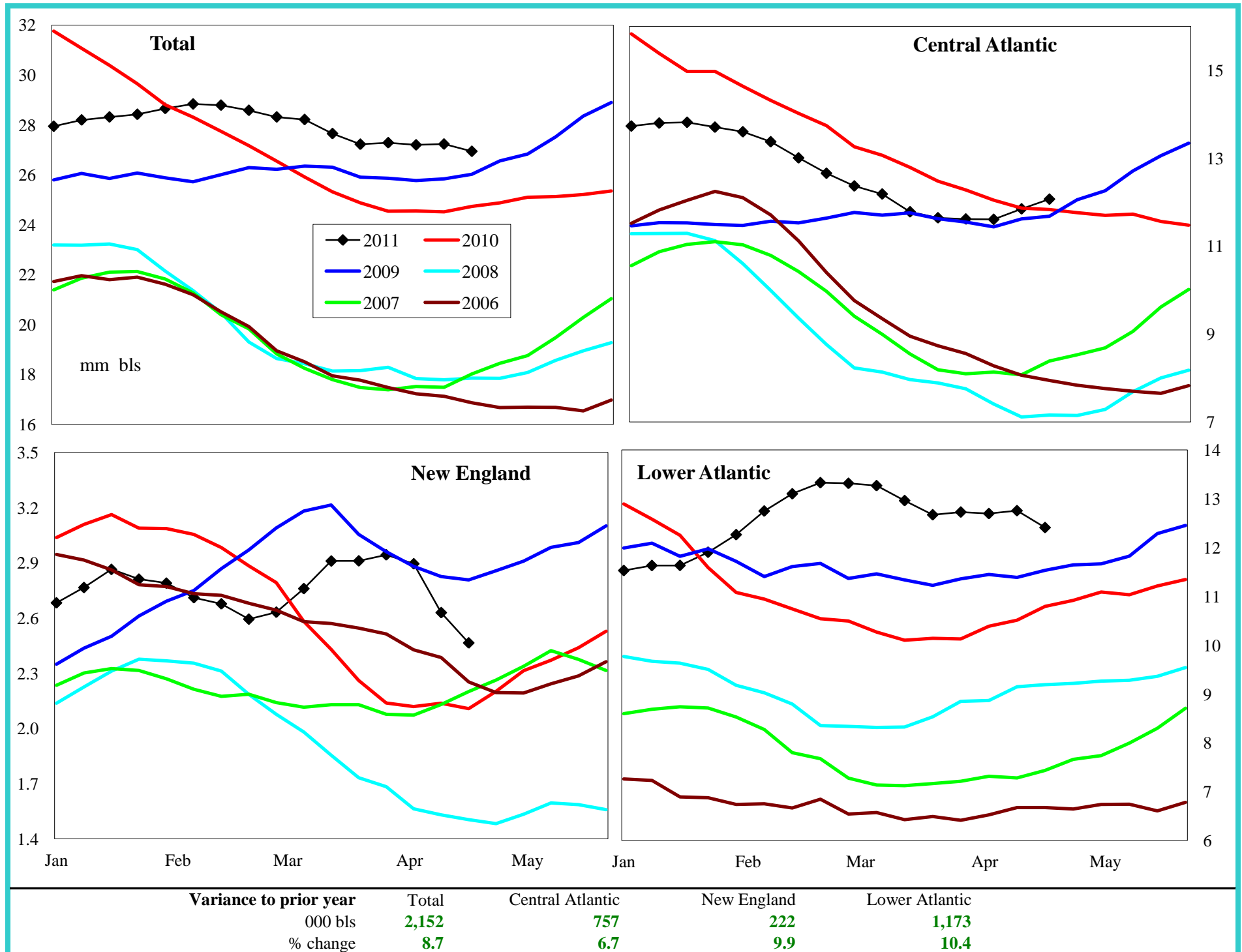
PADD 1 Distillate Stocks by Region



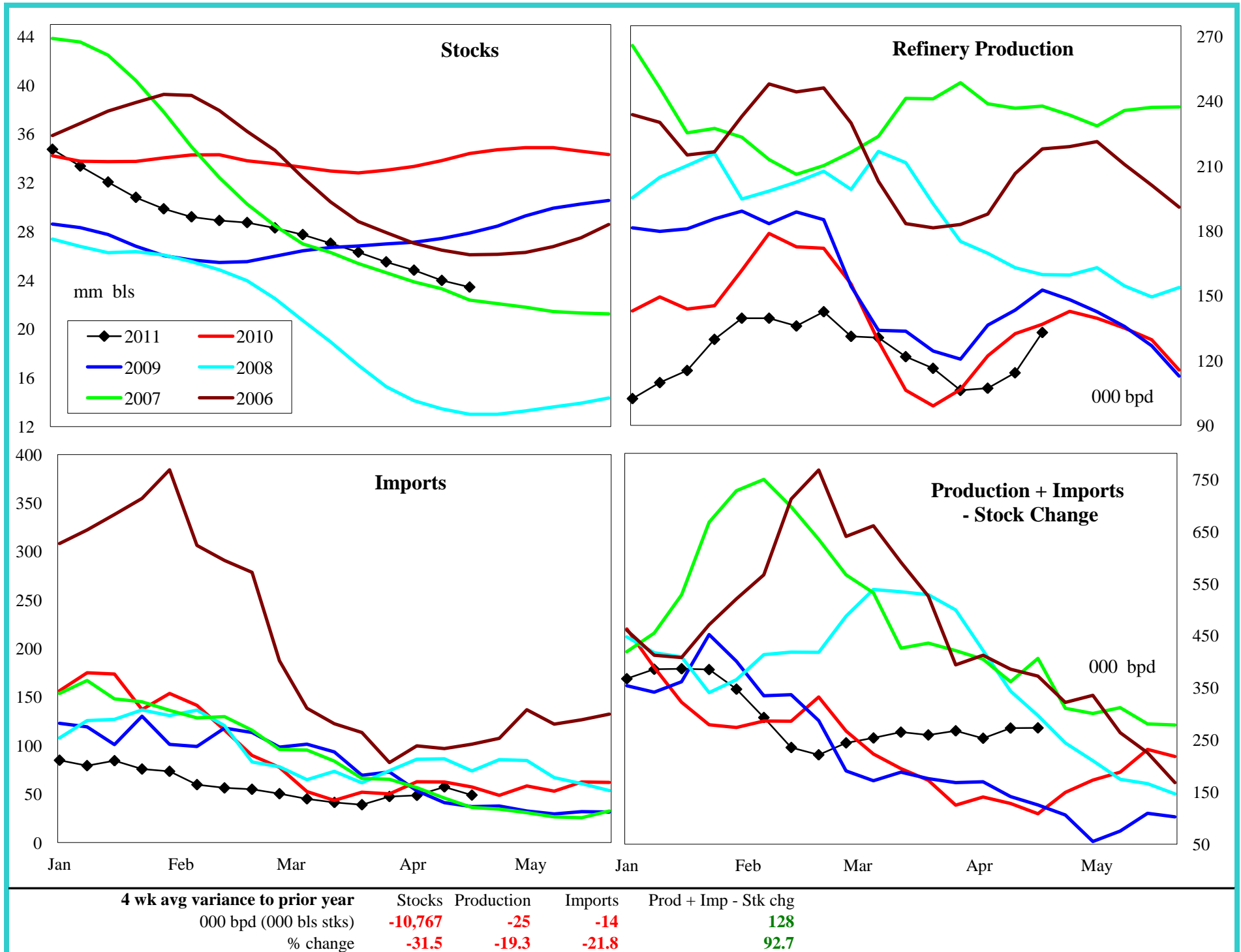
PADD 1 Low Sulfur Distillate Supply



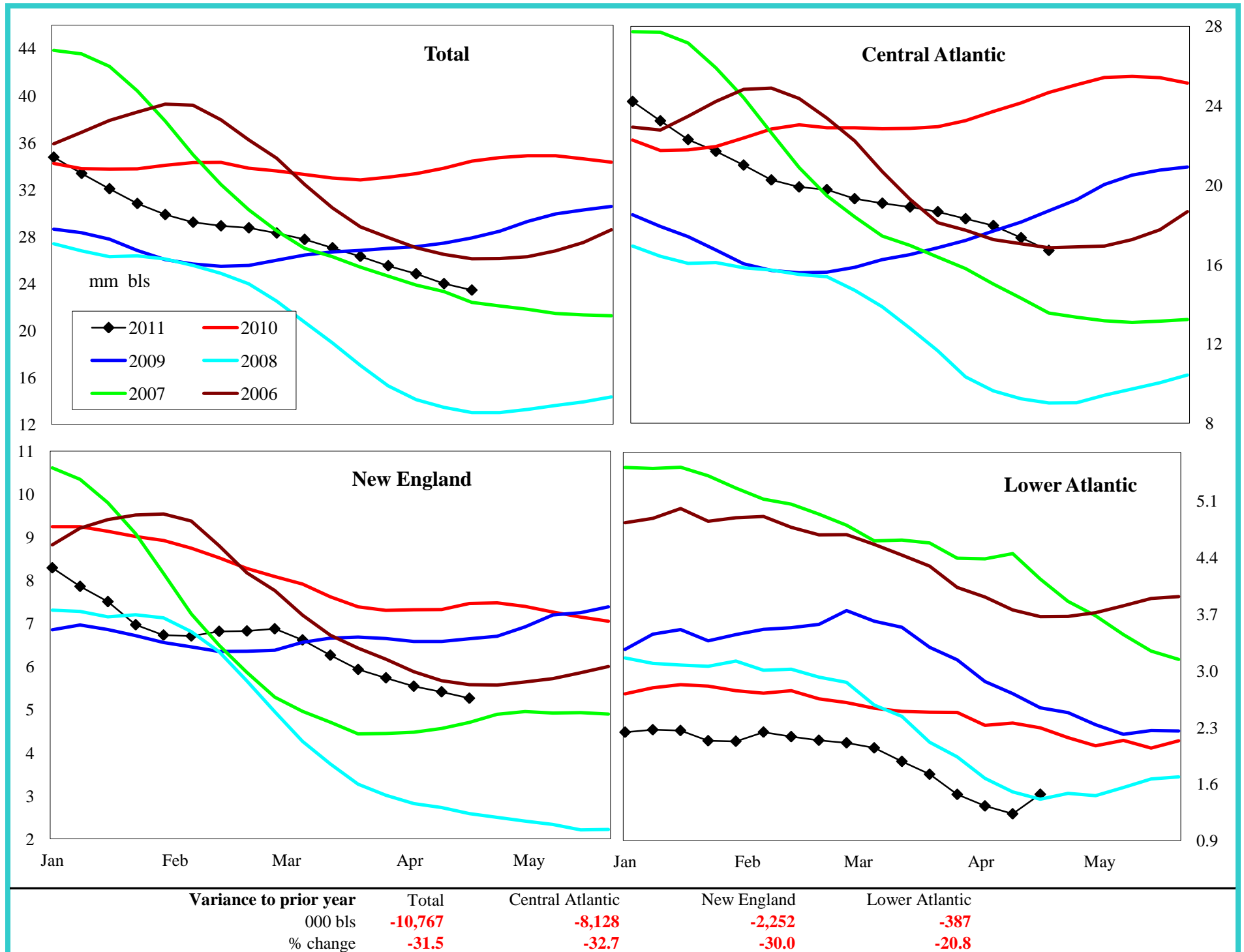
PADD 1 Low Sulfur Distillate Stocks by Region



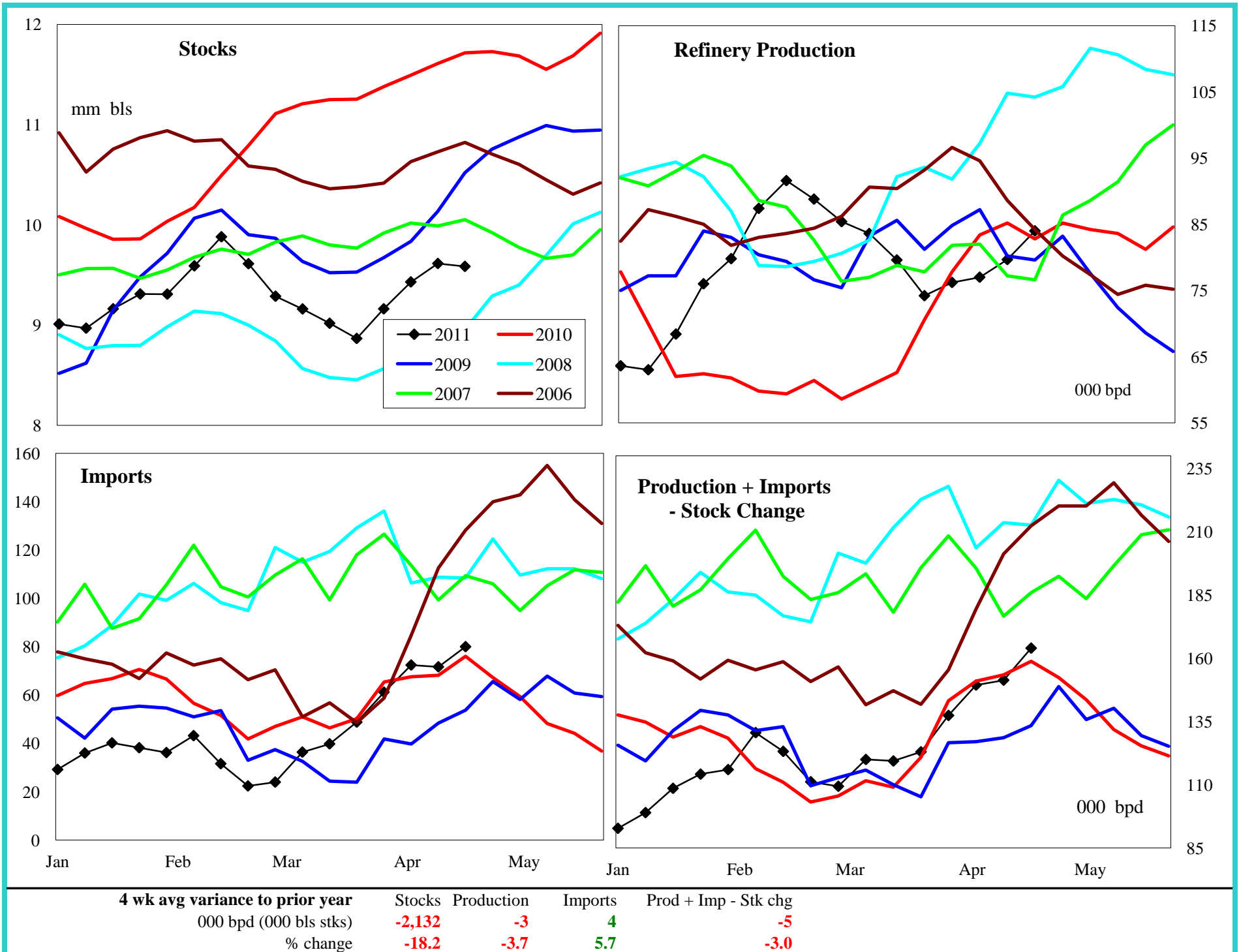
PADD 1 High Sulfur Distillate Supply

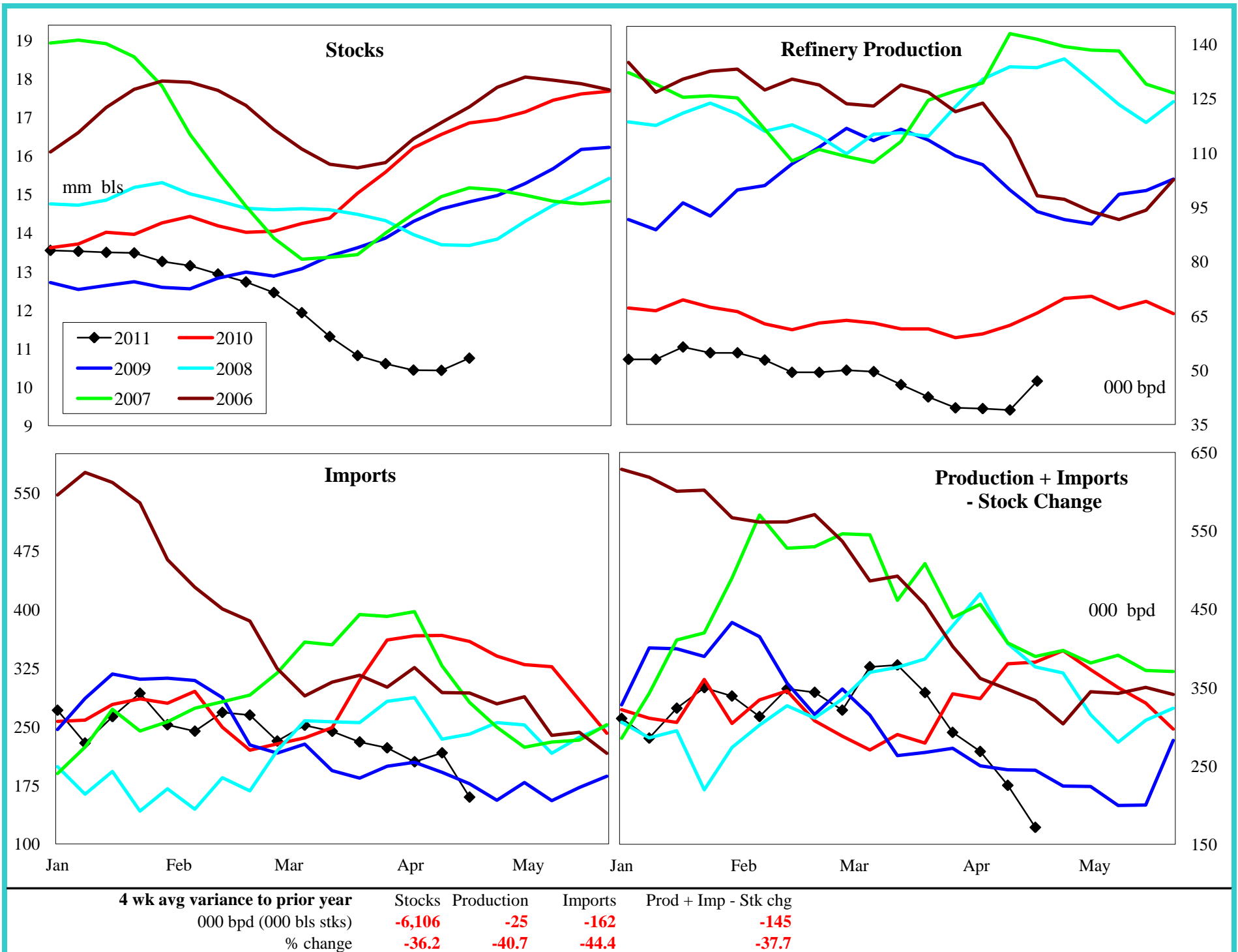


PADD 1 High Sulfur Distillate Stocks by Region

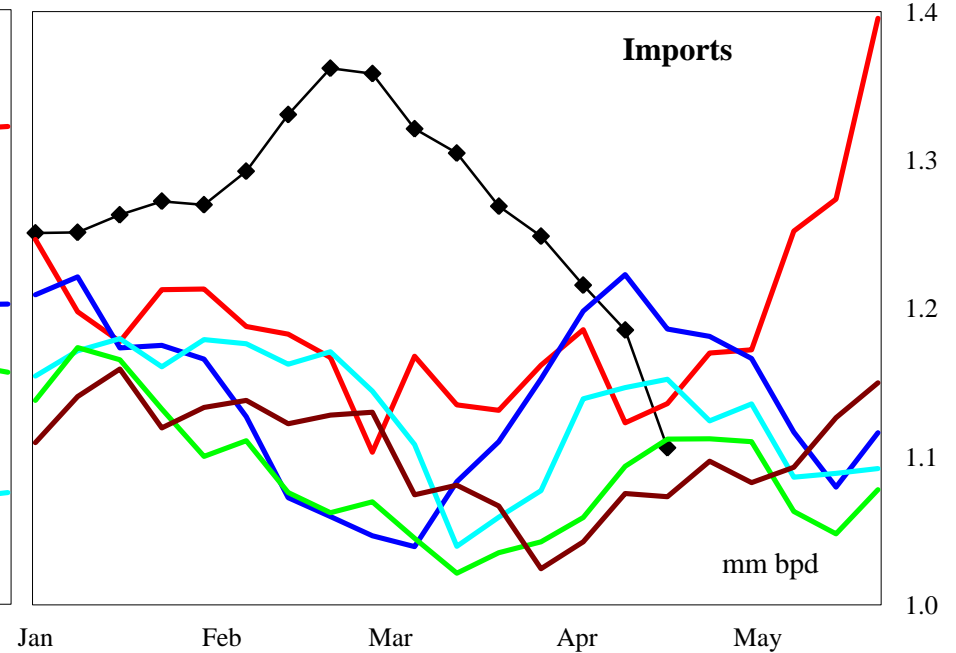
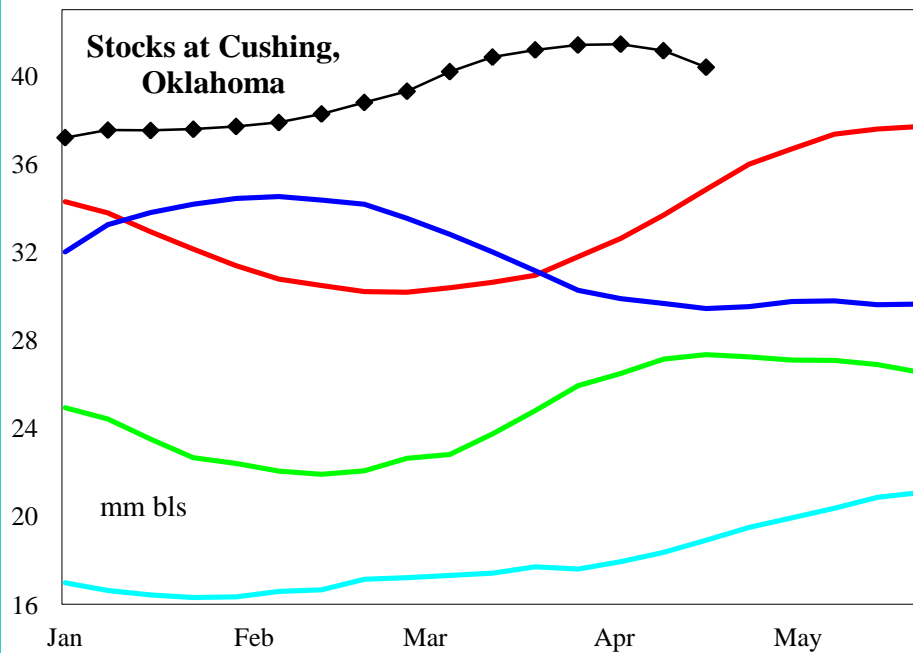
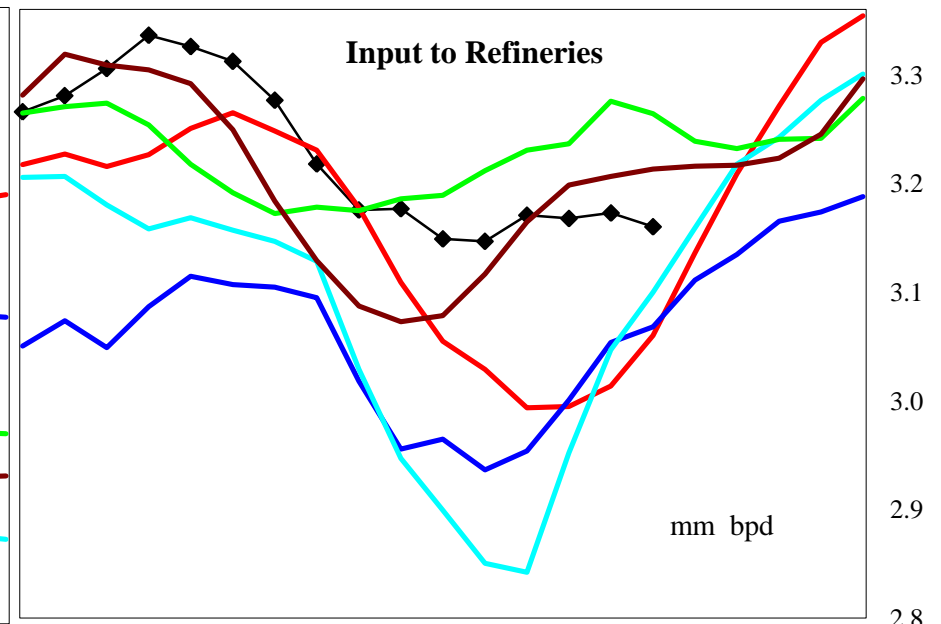
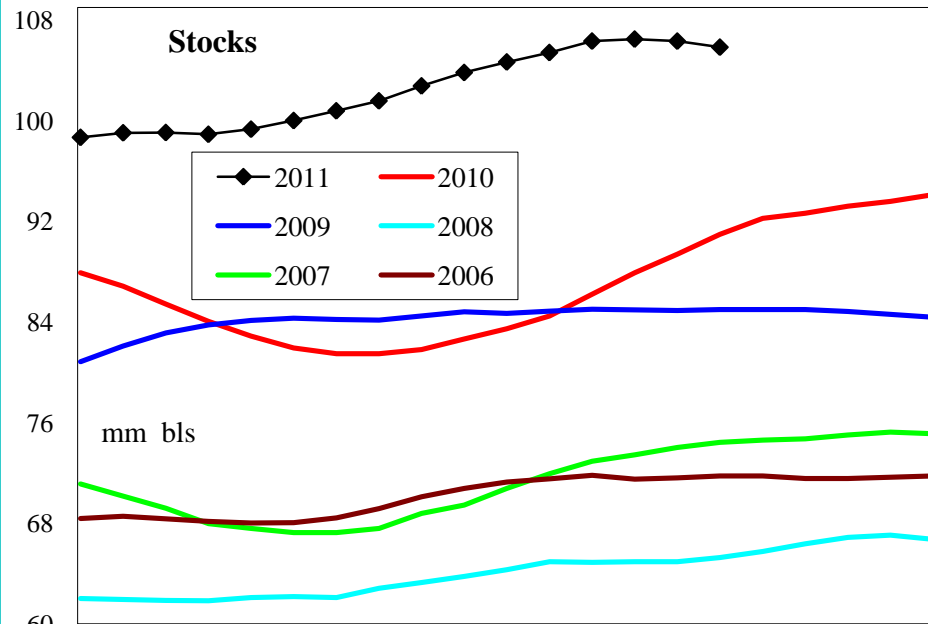


PADD 1 Jet Fuel Supply





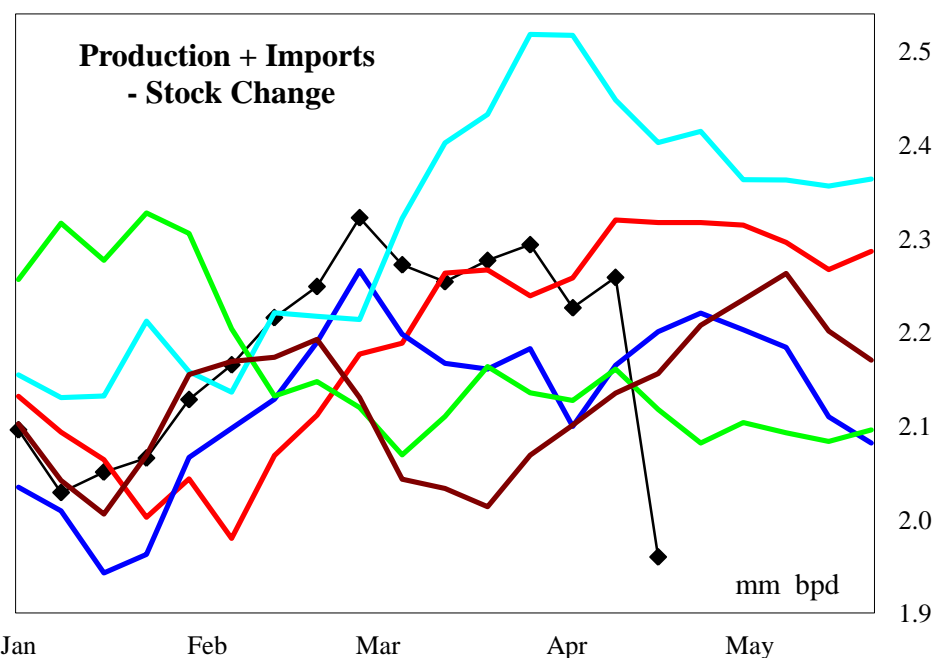
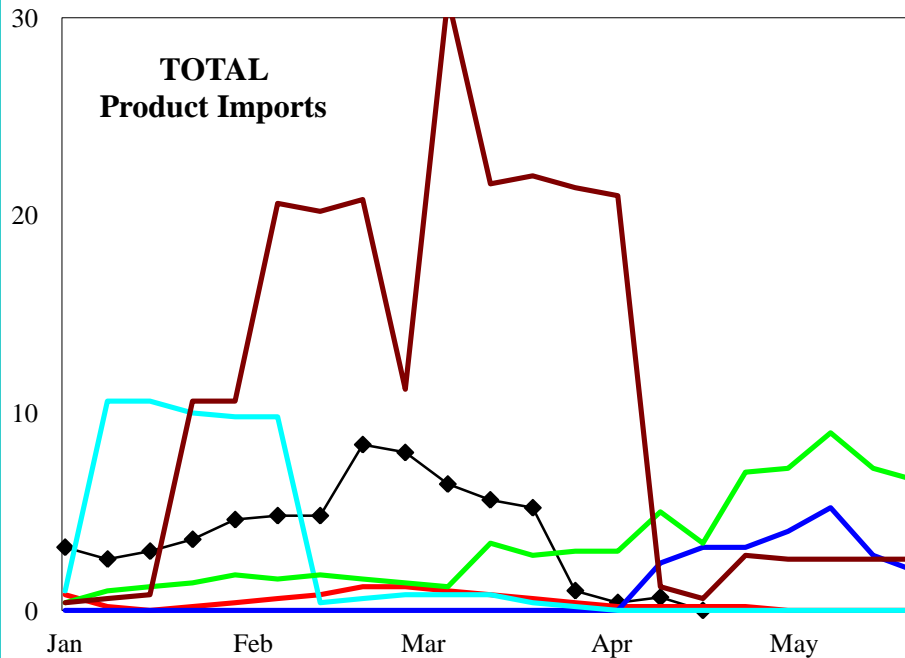
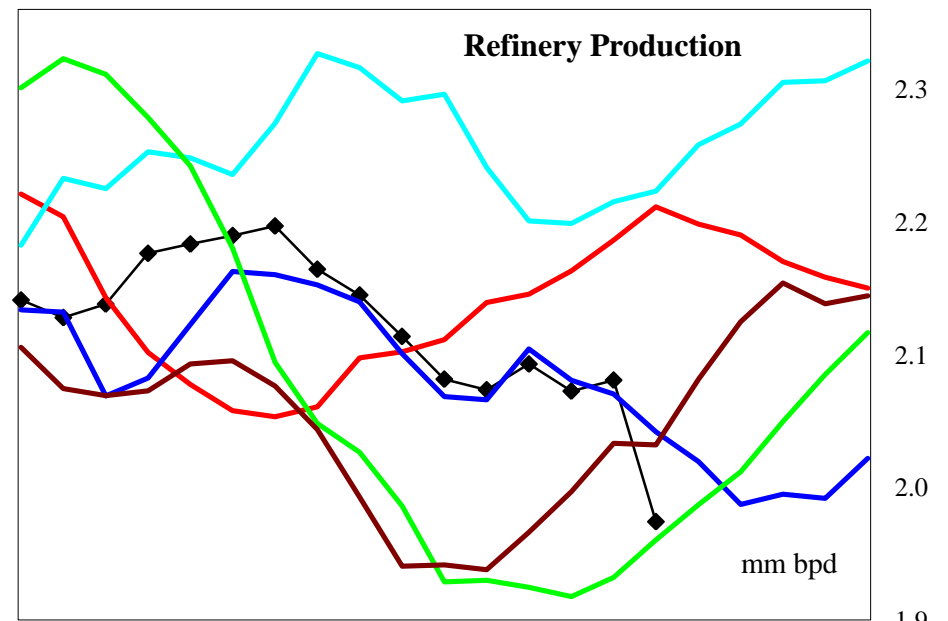
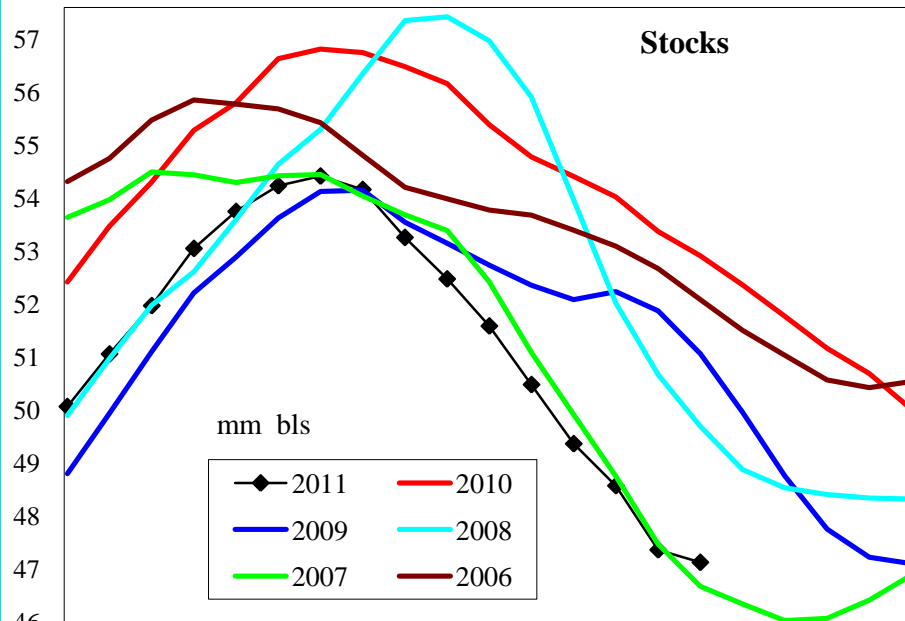
PADD 2 Crude Oil Supply and Refining



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

	Stocks	Cushing	Input	Imports
000 bpd (000 bbls stks)	14,879	5,547	152	91
% change	16.4	15.9	5.0	7.8

PADD 2 Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

-5,788

-10.9

Production

-109

-4.9

Imports

0

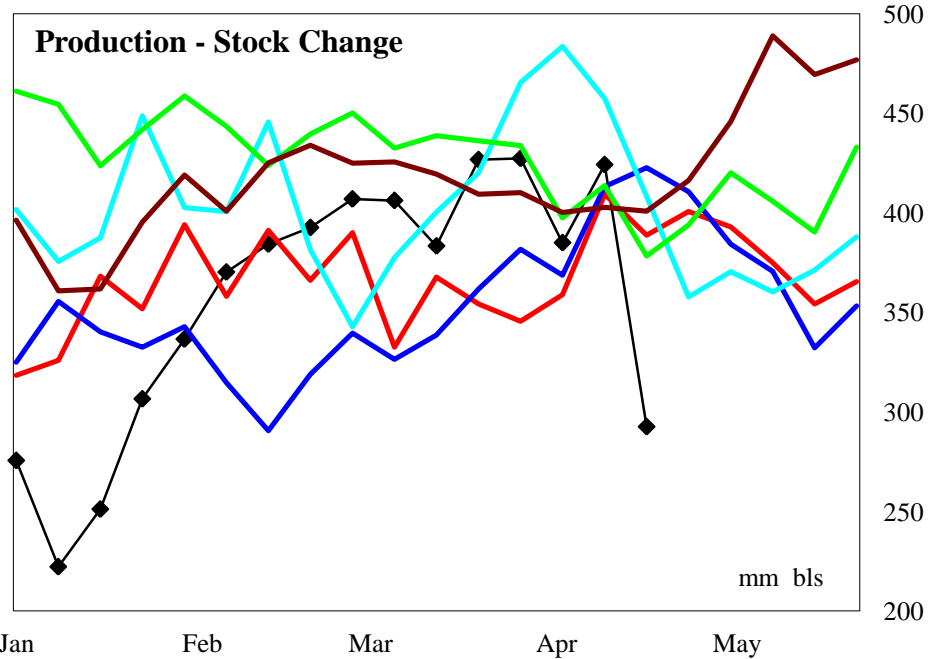
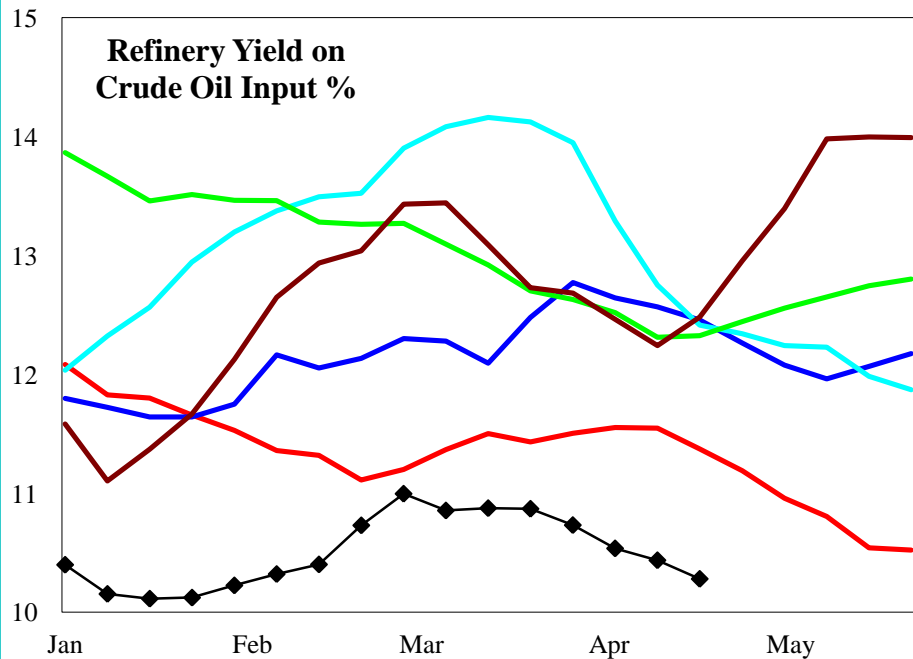
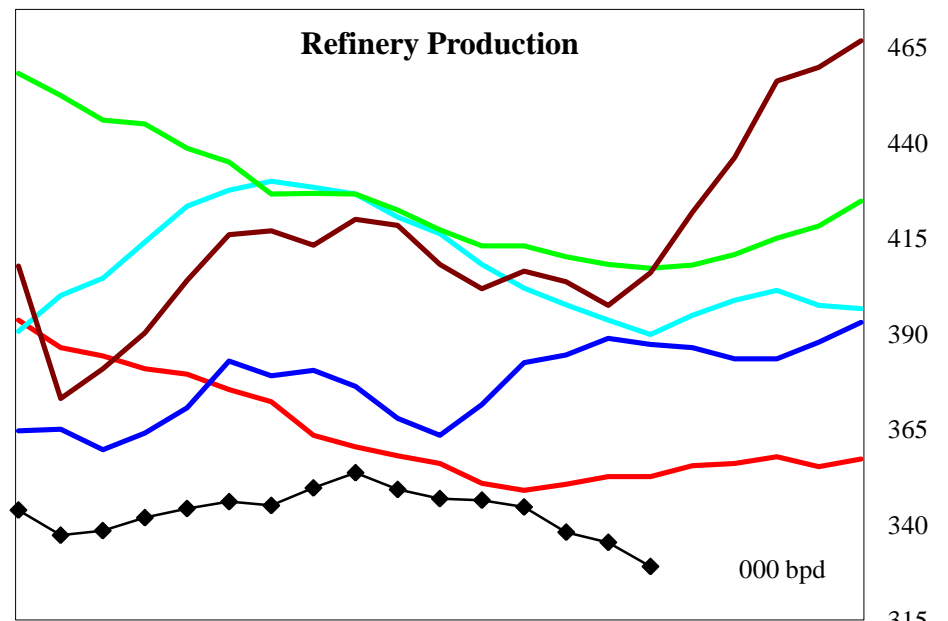
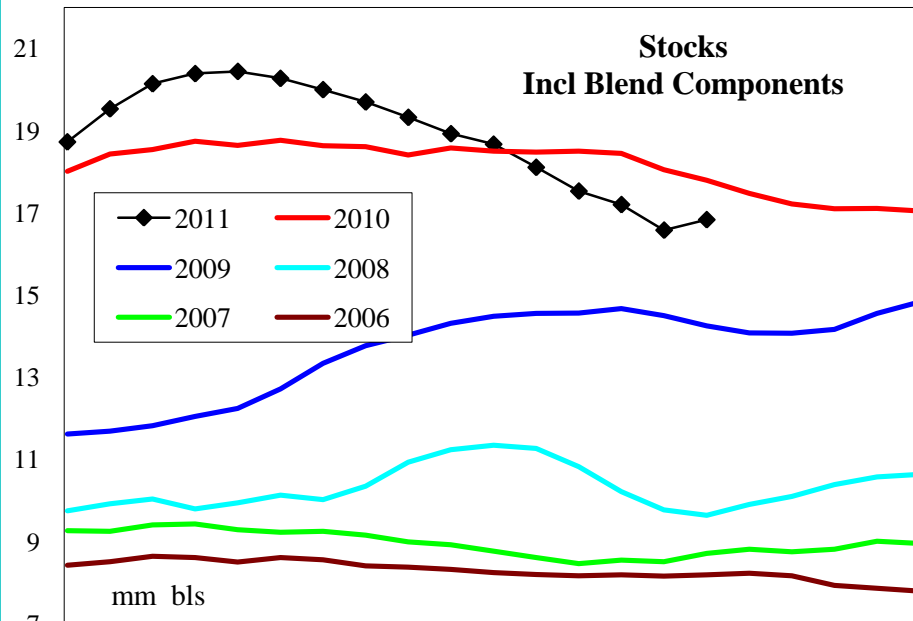
100.0

Prod + Imp - Stk chg

-47

-2.1

PADD 2 Reformulated Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

Production

Prod - Stk chg

-959

-14

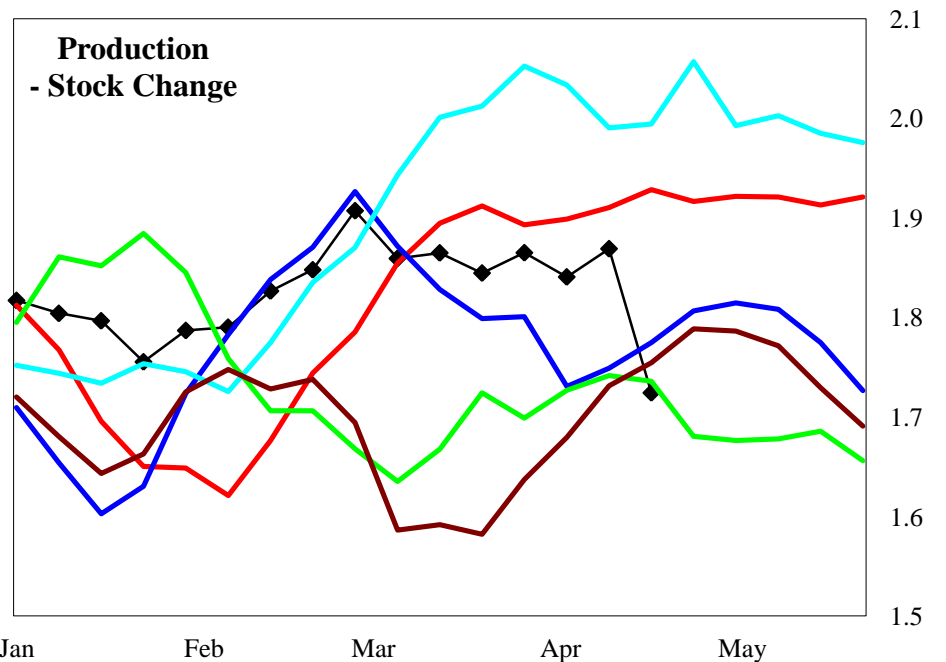
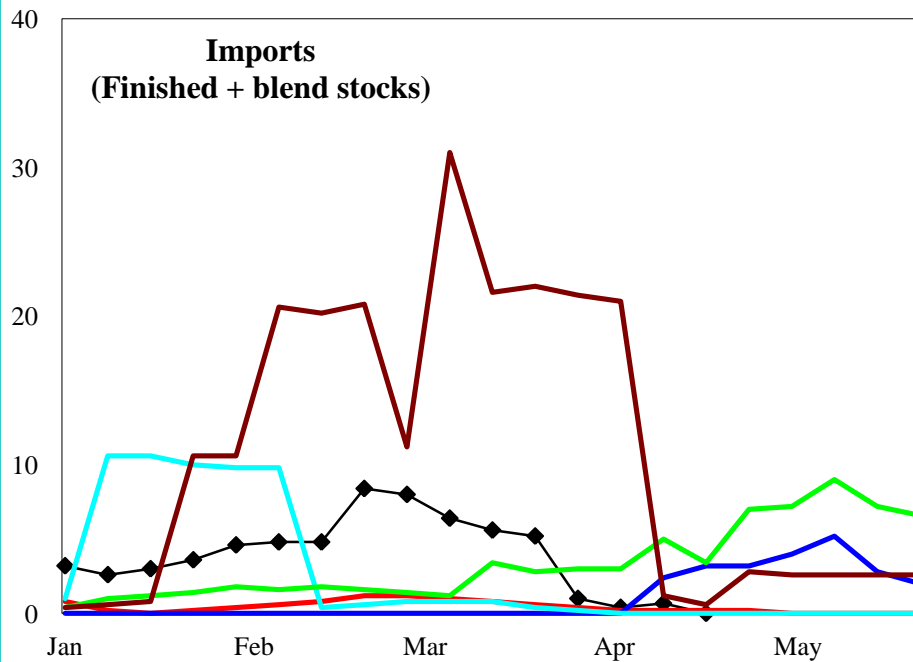
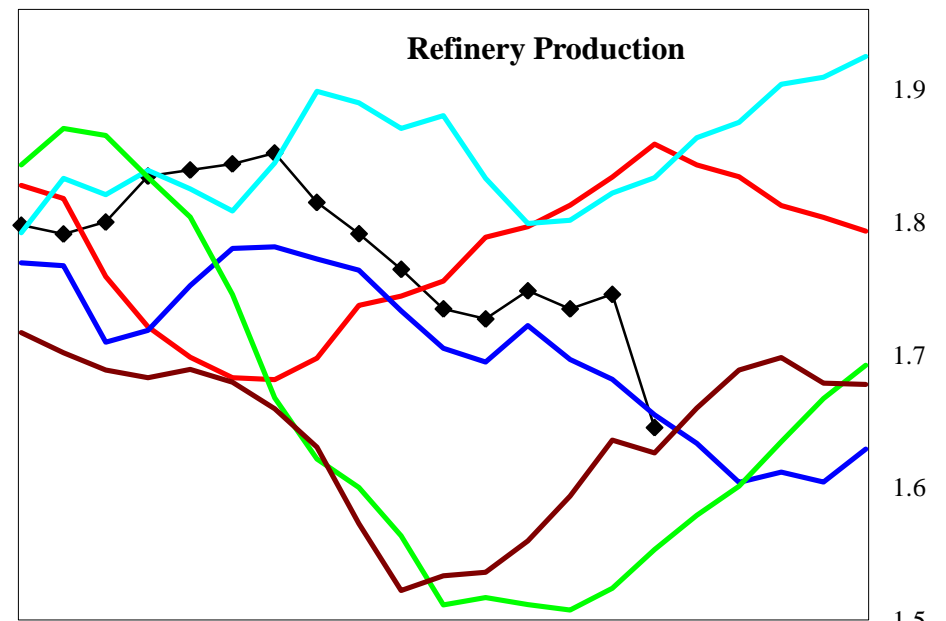
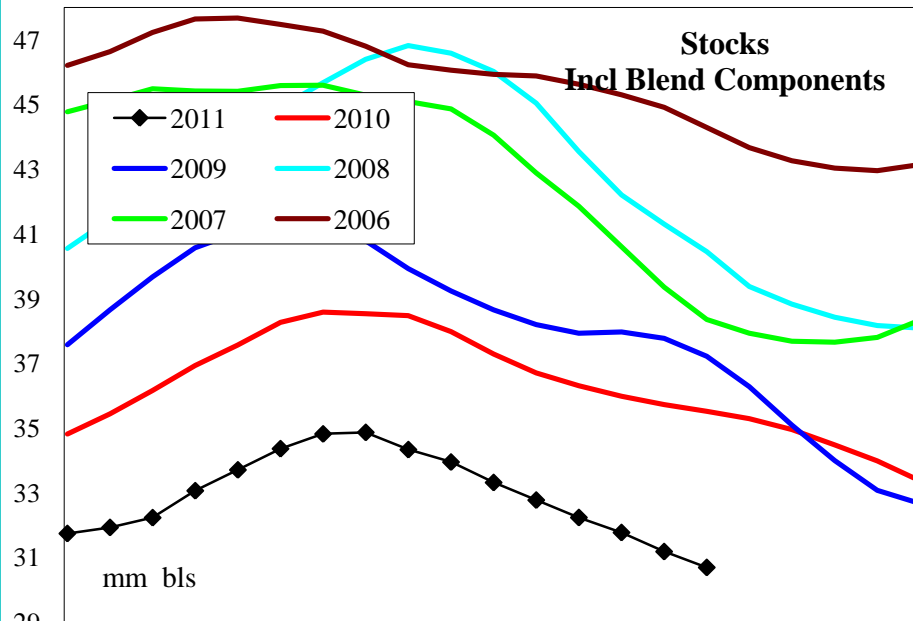
7

-5.4

-4.1

1.8

PADD 2 Conventional Gasoline Supply

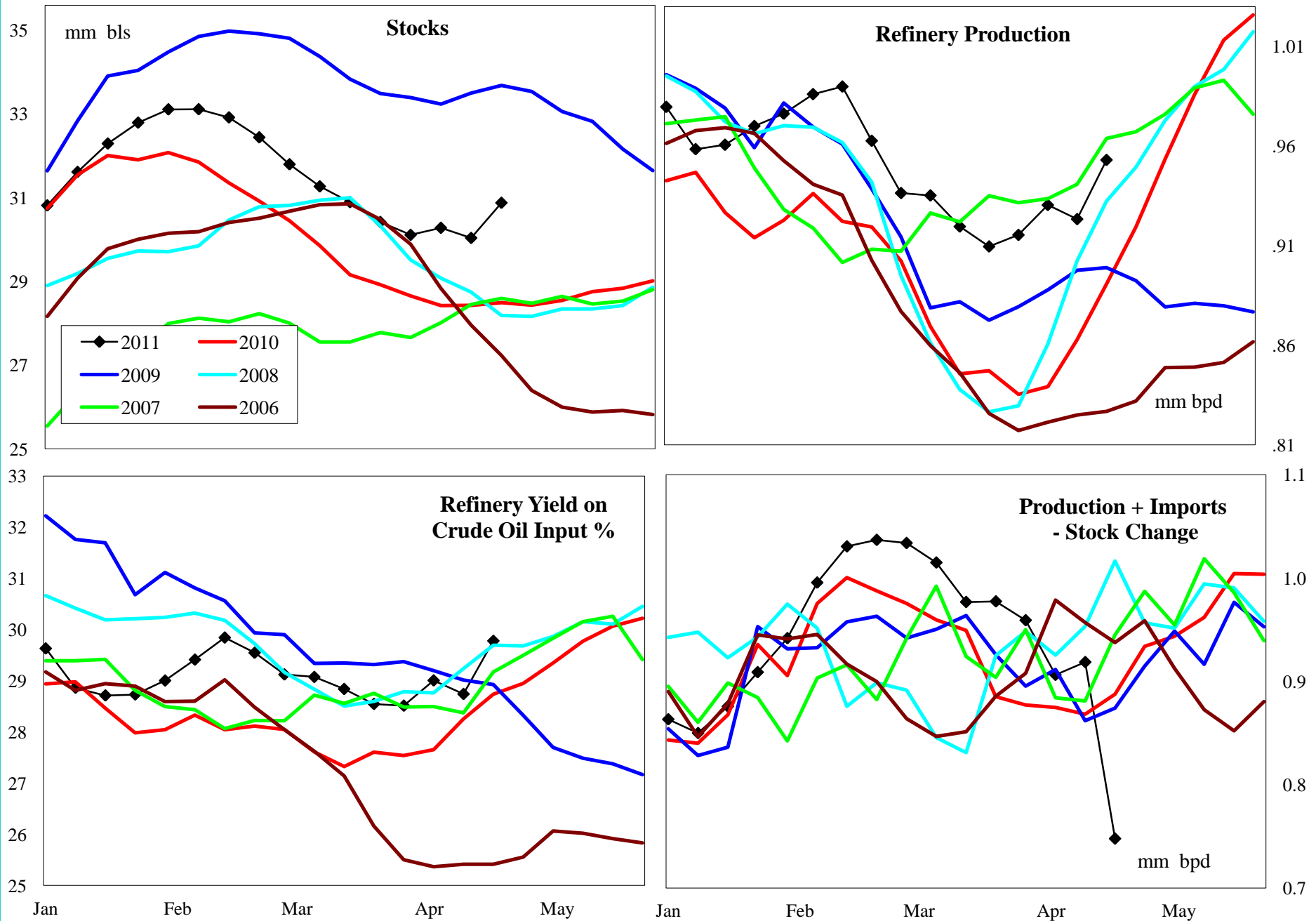


4 wk avg variance to prior year
000 bpd (000 bbls stks)
% change

	Stocks	Production
000 bpd (000 bbls stks)	-5,155	-97
% change	-14.4	-5.2

	Prod - Stk chg
	-36
	-1.9

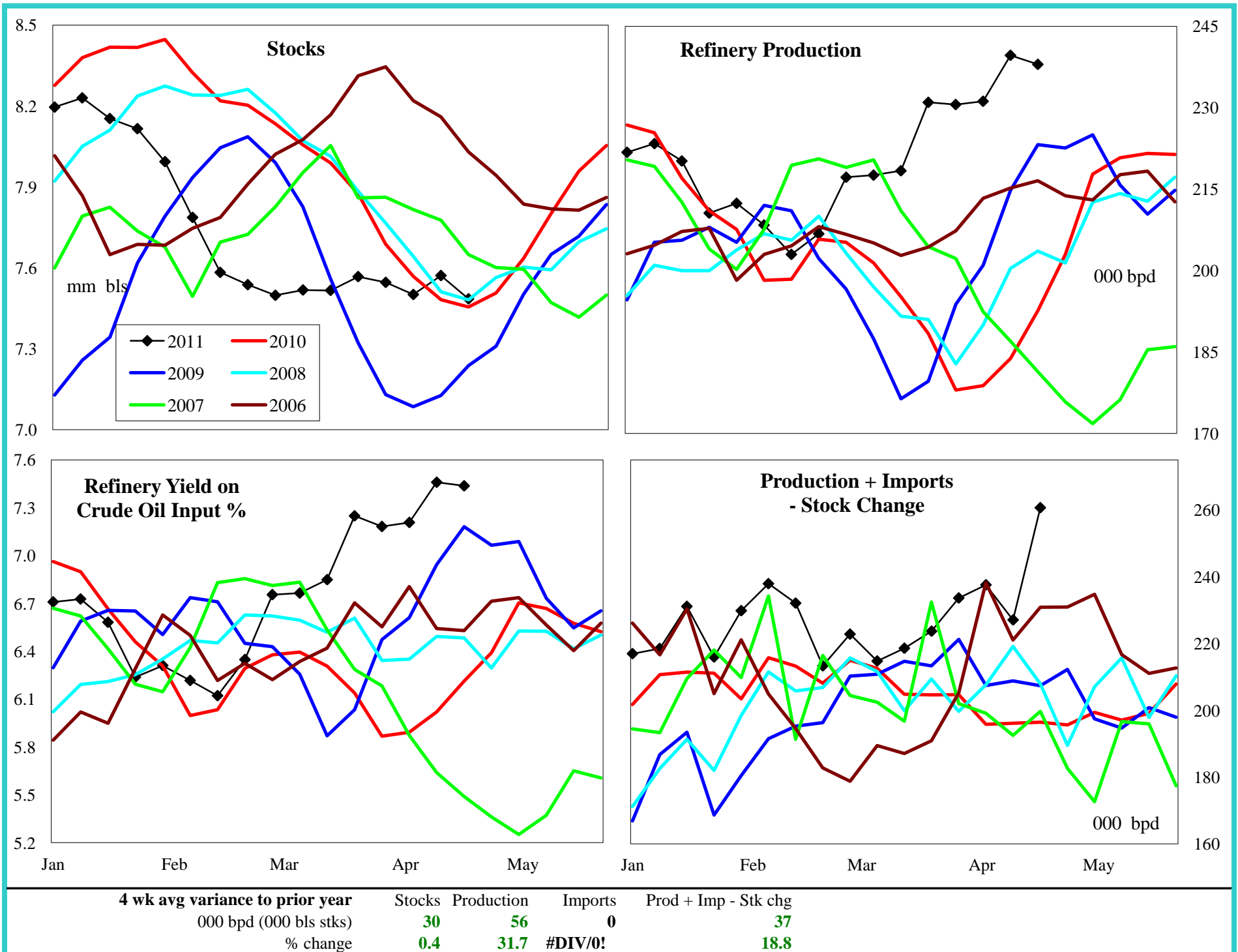
PADD 2 Distillate Supply



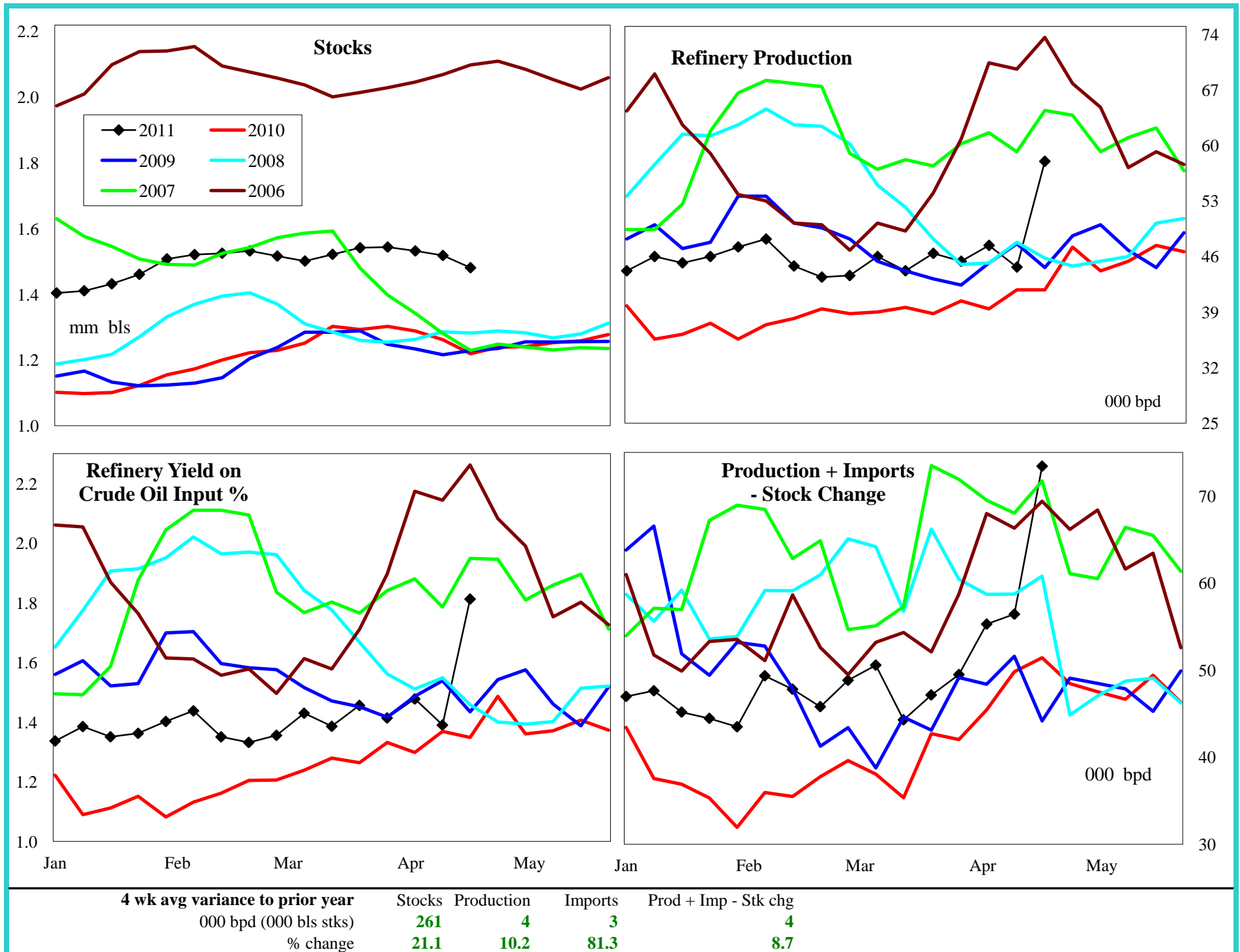
4 wk avg variance to prior year
000 bpd (000 bls stks)
% change

Stocks	Production	Imports	Prod + Imp - Stk chg
2,384	64	-3	23
8.2	7.4	-100.0	2.6

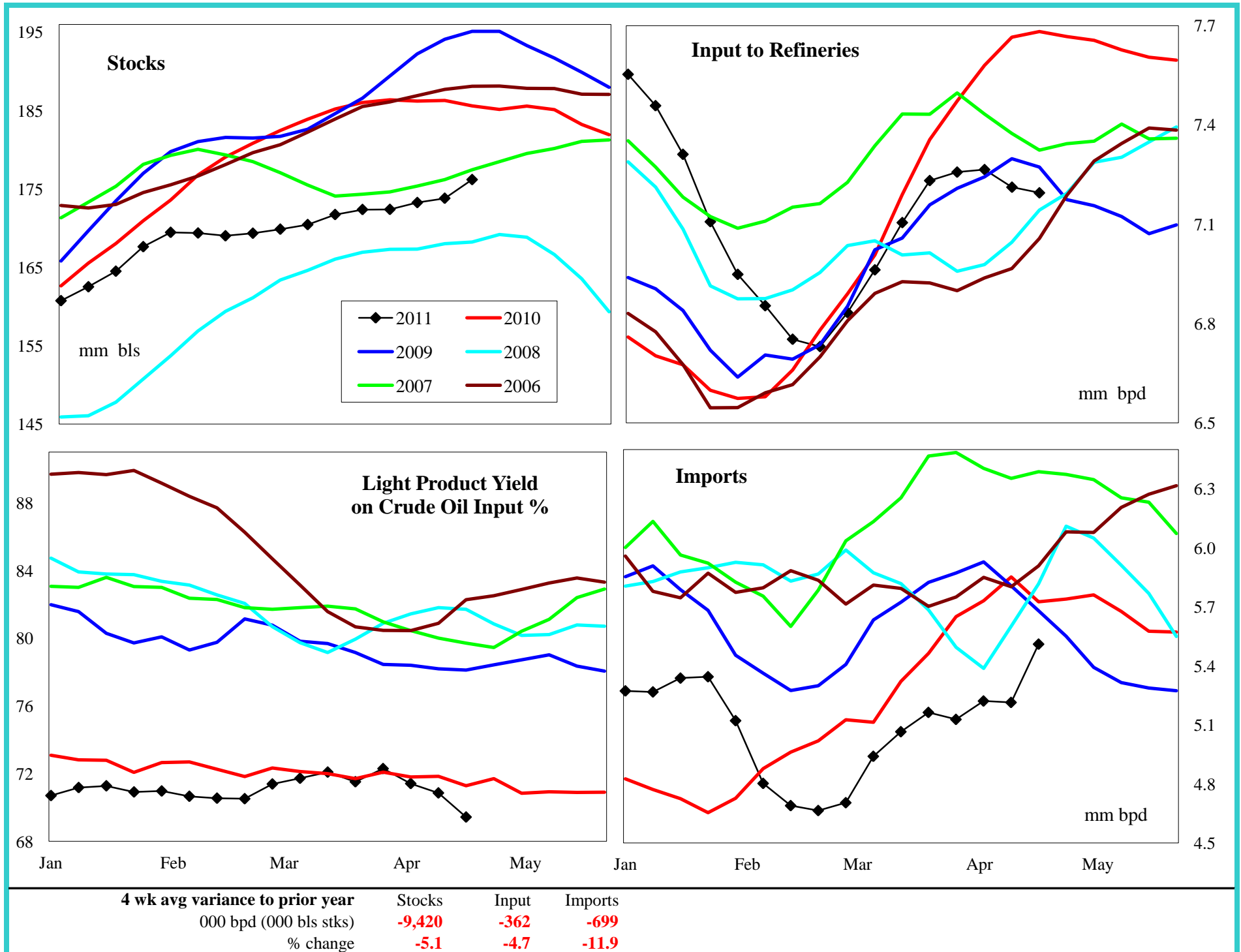
PADD 2 Jet Fuel Supply



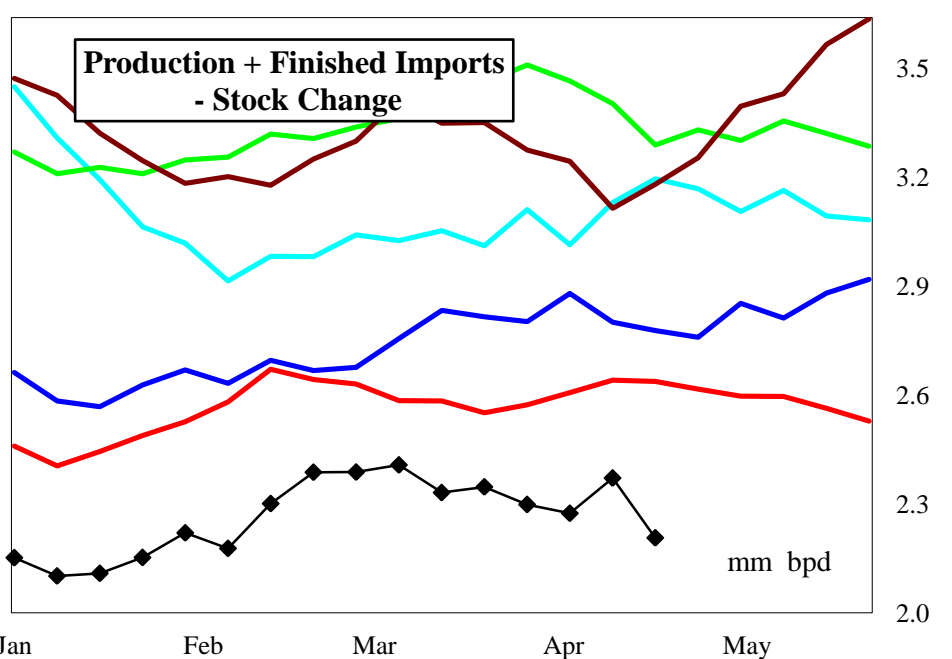
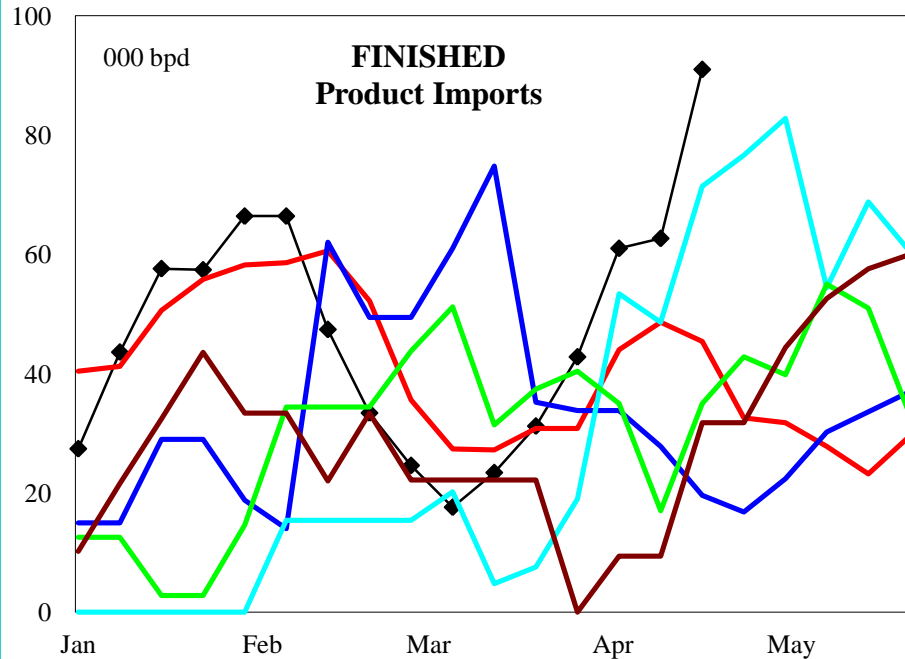
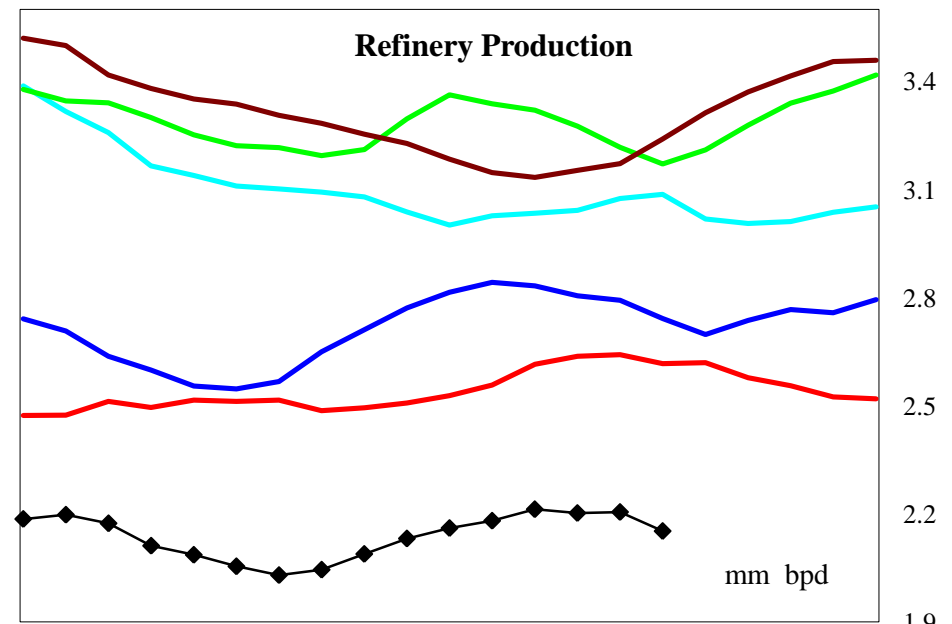
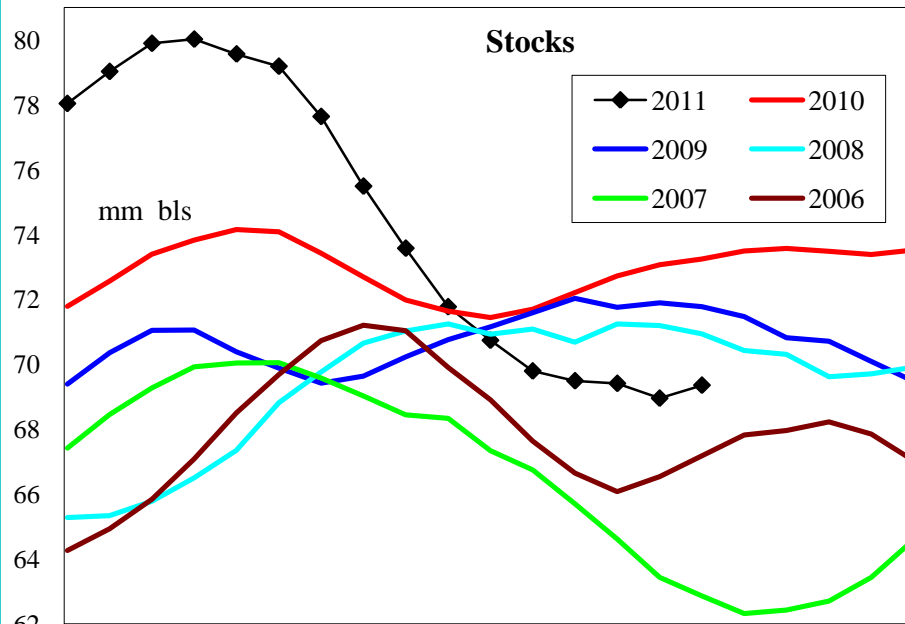
PADD 2 Residual Fuel Oil Supply



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

-3,977

-5.4

Production

-447

-16.9

Fin Impt

9

16.4

Blend Impt

52

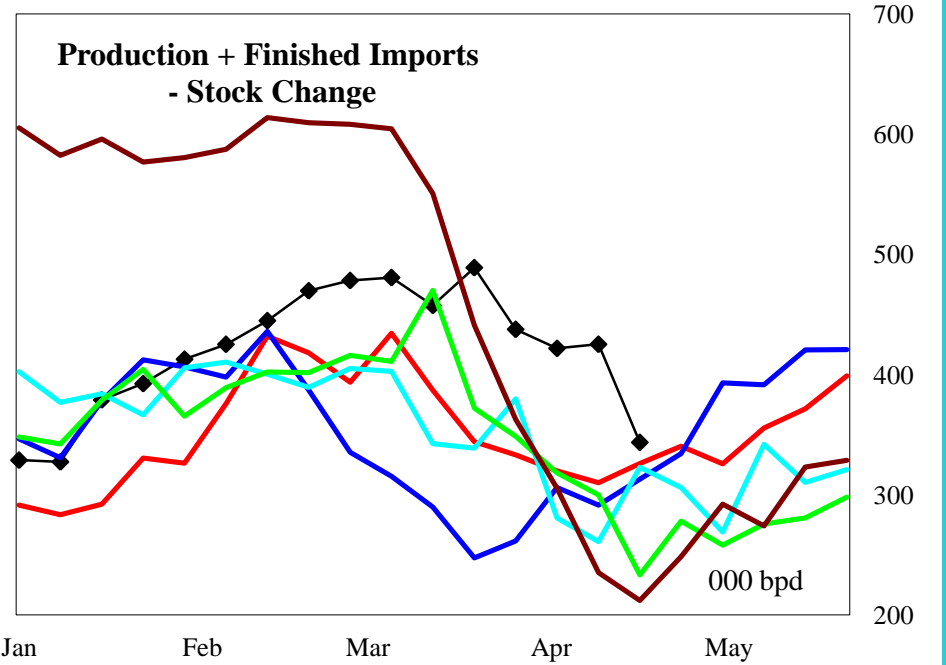
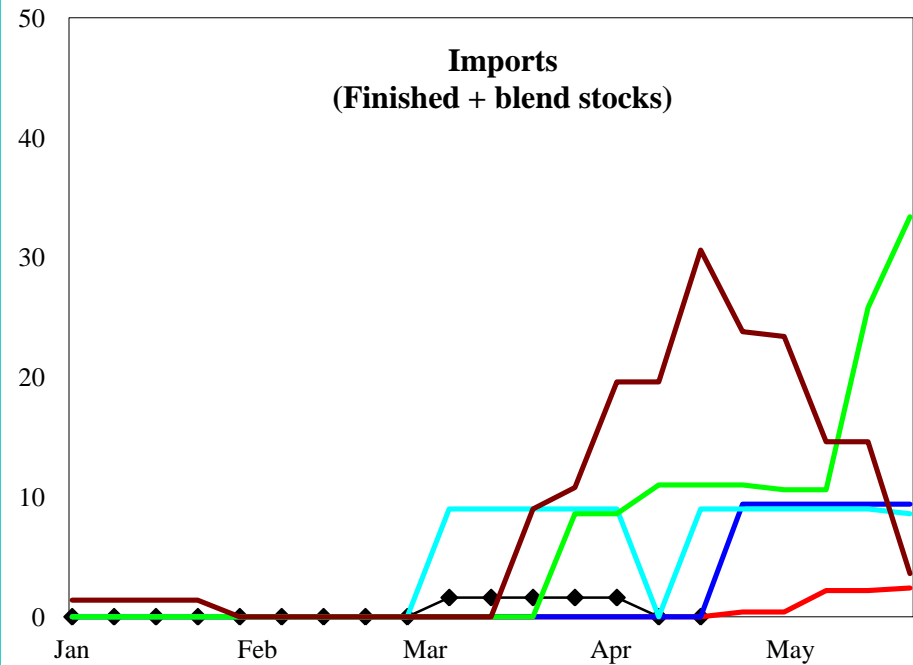
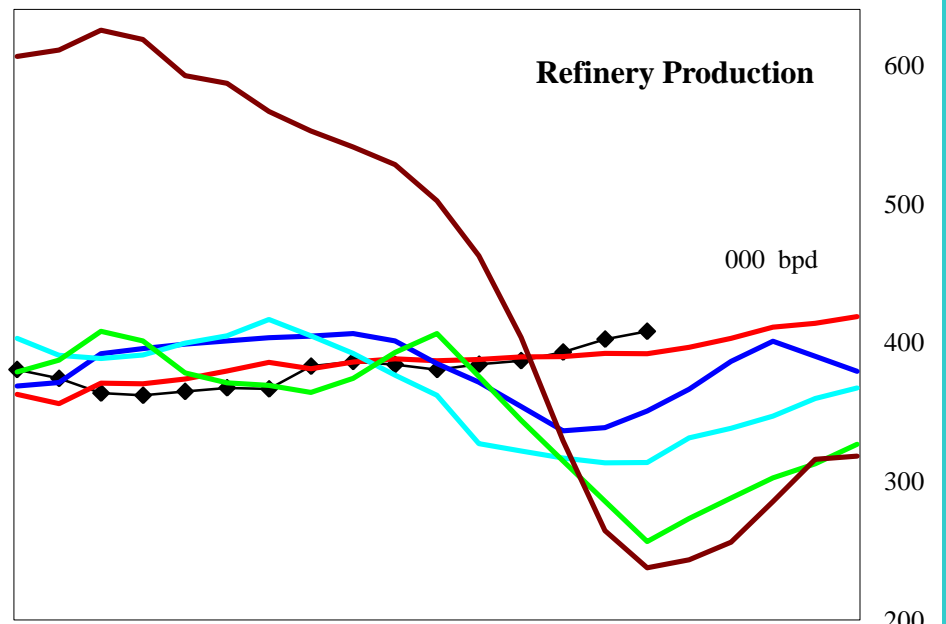
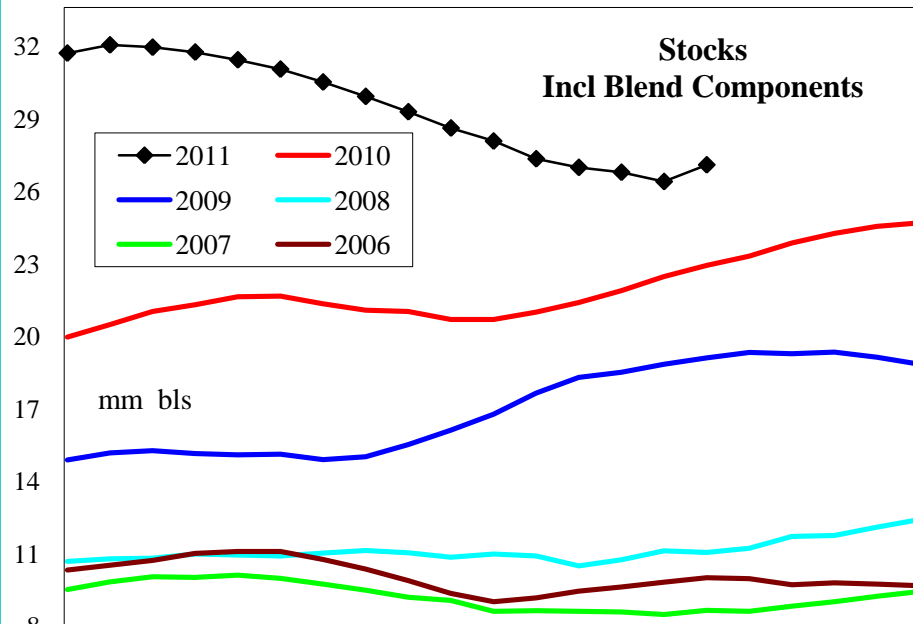
200.0

Prod + Imp - Stk chg

-422

-15.9

PADD 3 Reformulated Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

3,763

15.9

Production

5

1.3

Imports

0

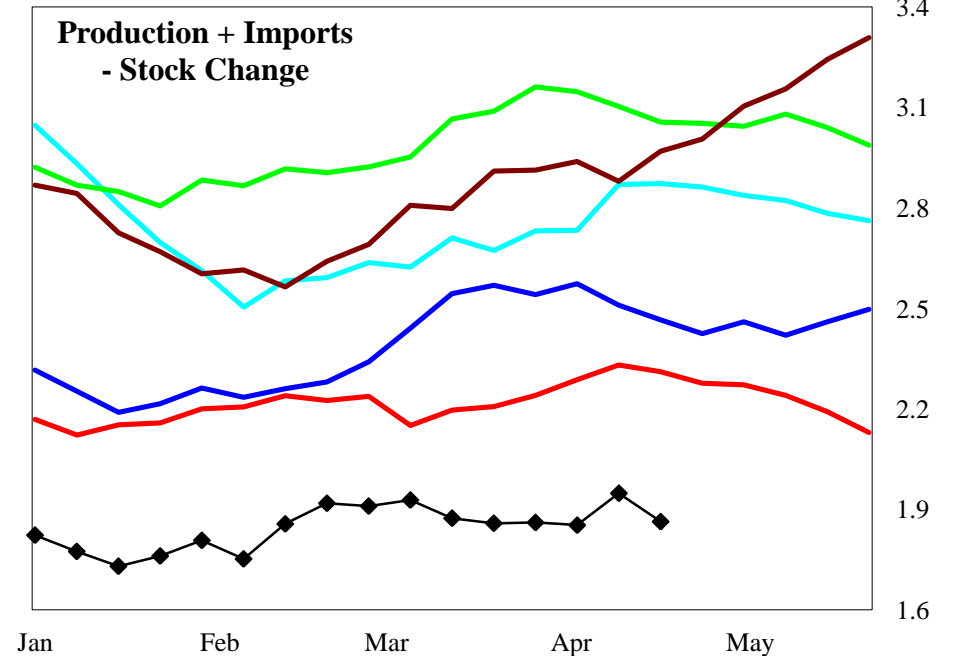
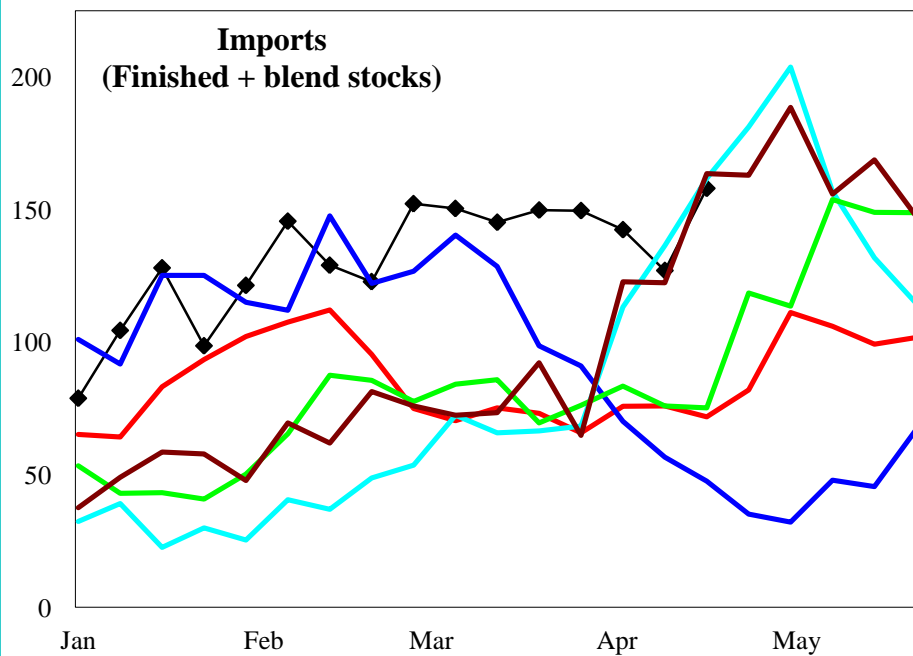
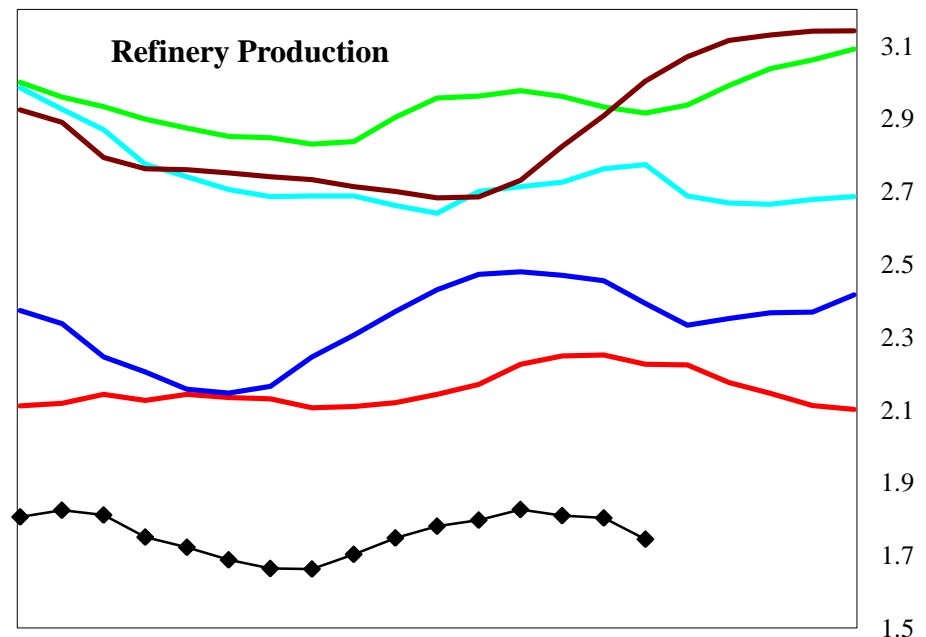
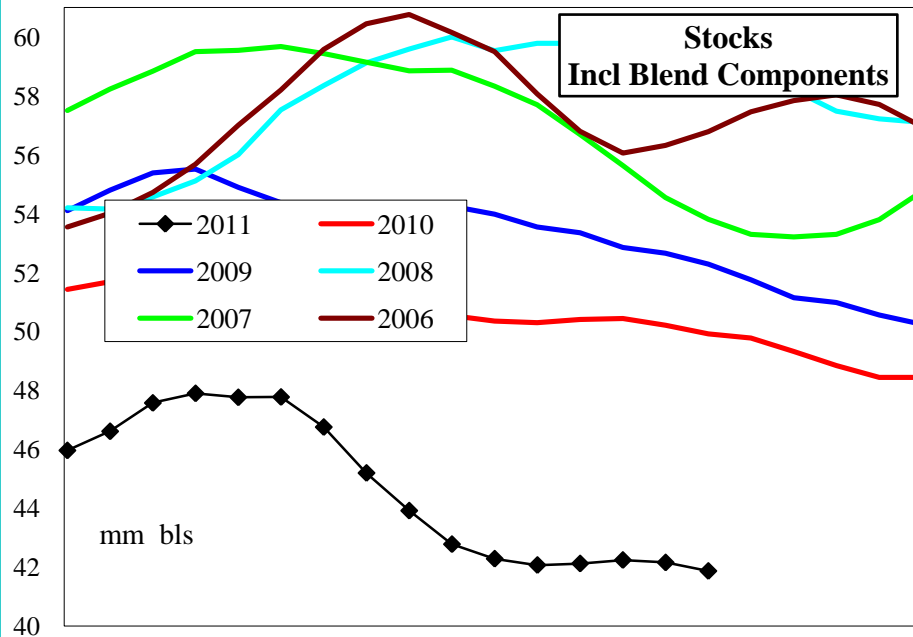
#DIV/0!

Prod + Imp - Stk chg

99

33.1

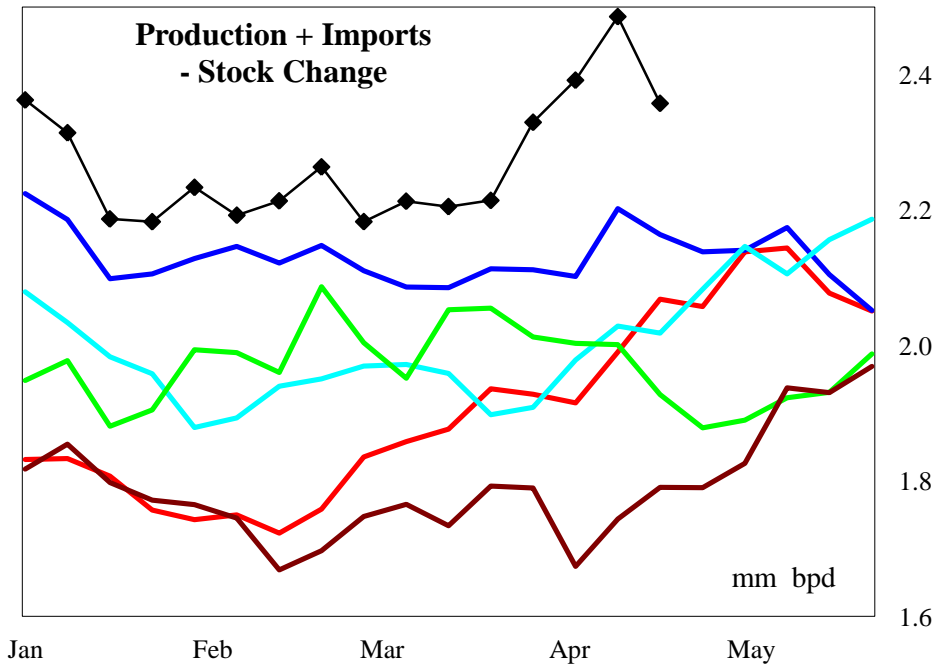
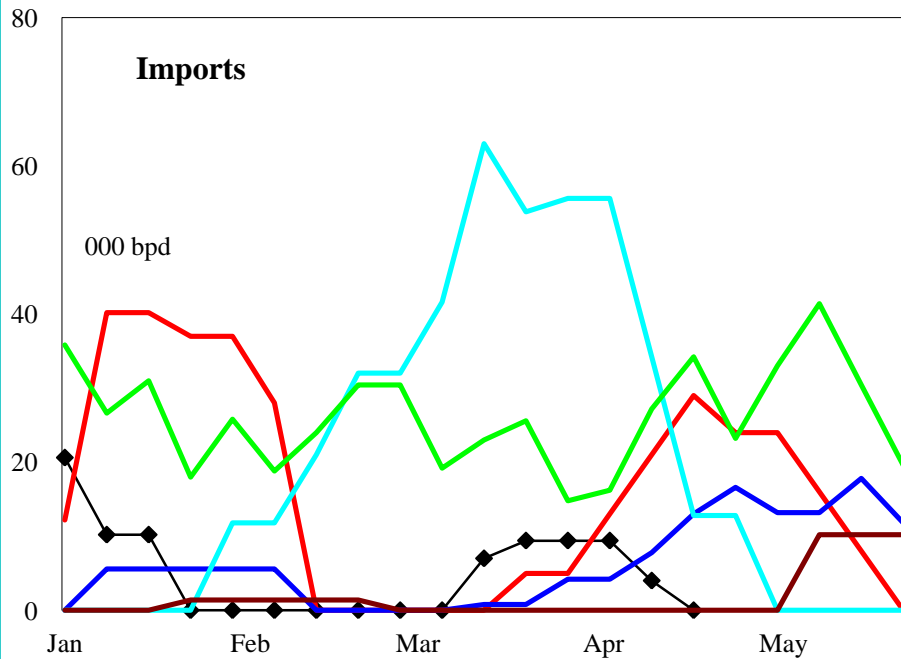
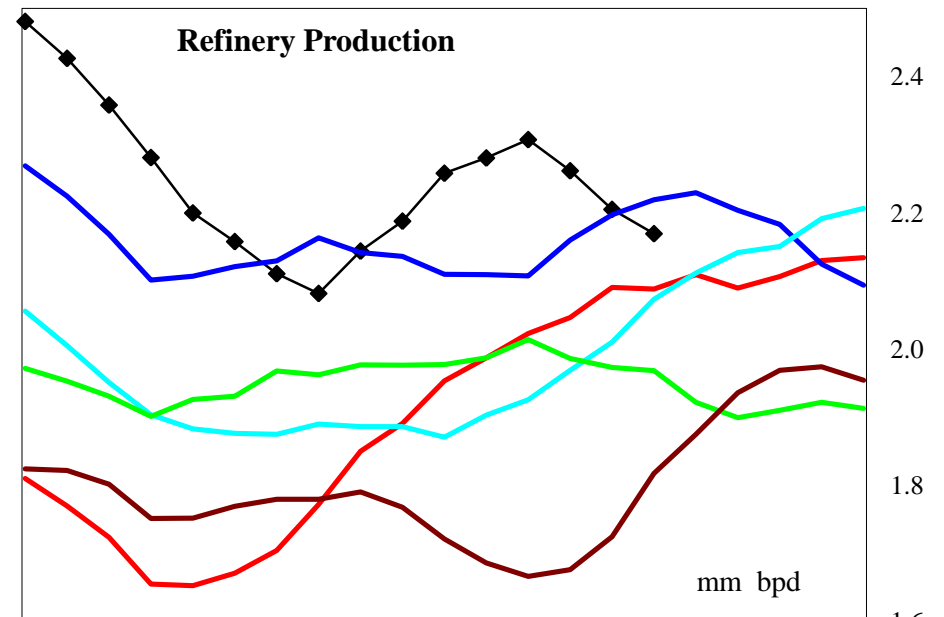
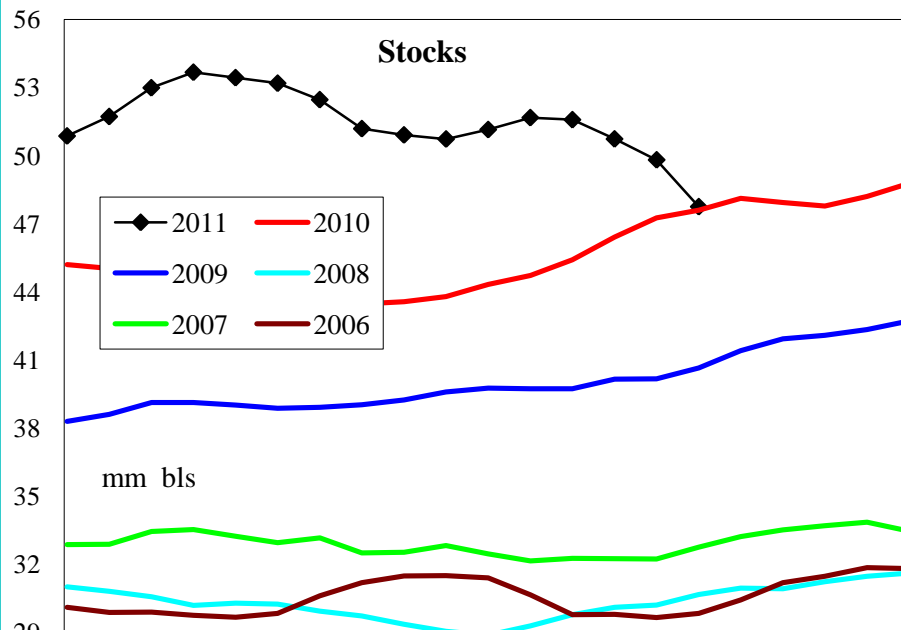
PADD 3 Conventional Gasoline Supply



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

Stocks	Production	Imports	Prod + Imp - Stk chg
-7,736	-452	61	-521
-15.6	-20.0	75.3	-22.0

PADD 3 Distillate Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

-1,624

-3.3

Production

171

8.2

Imports

-5

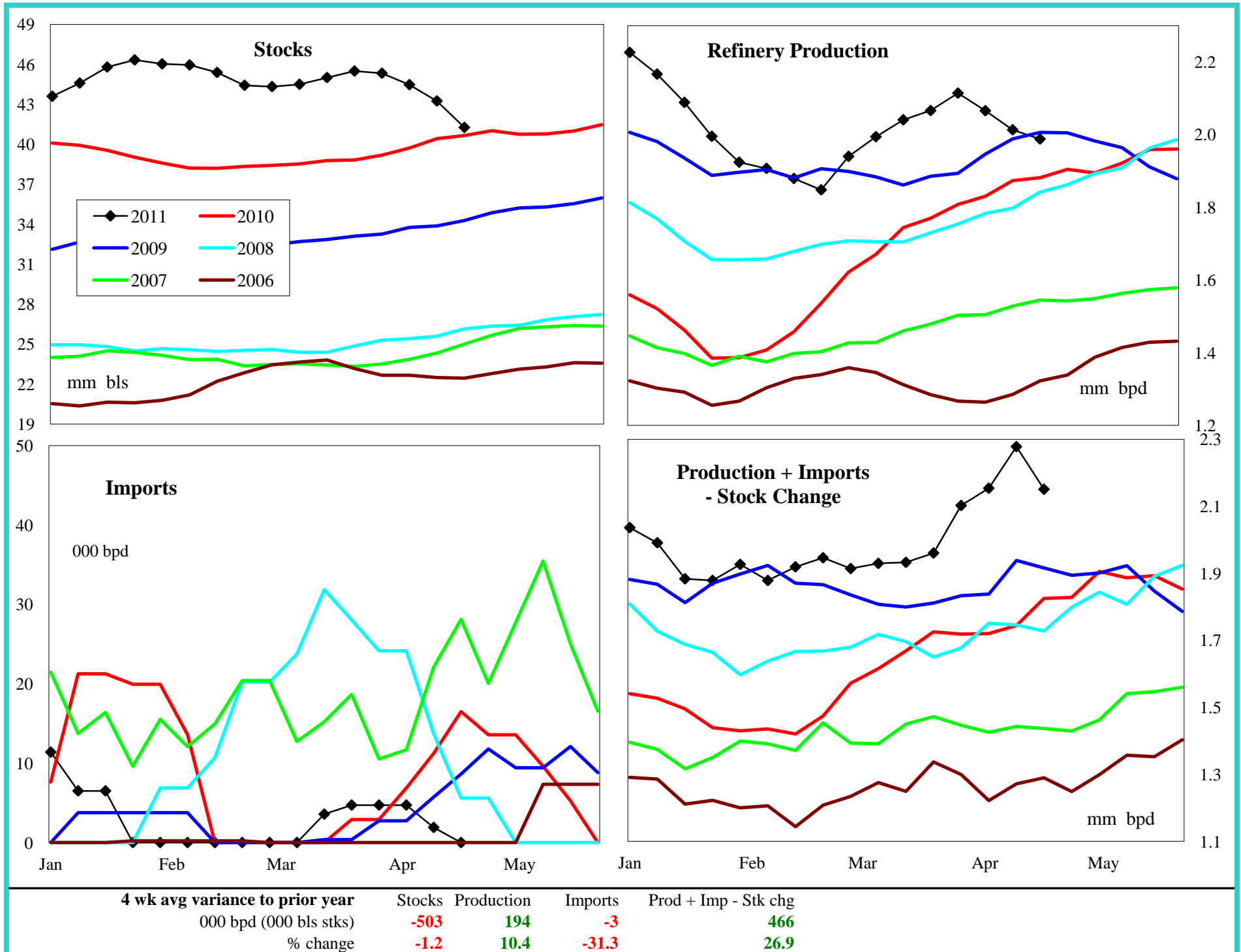
-27.7

Prod + Imp - Stk chg

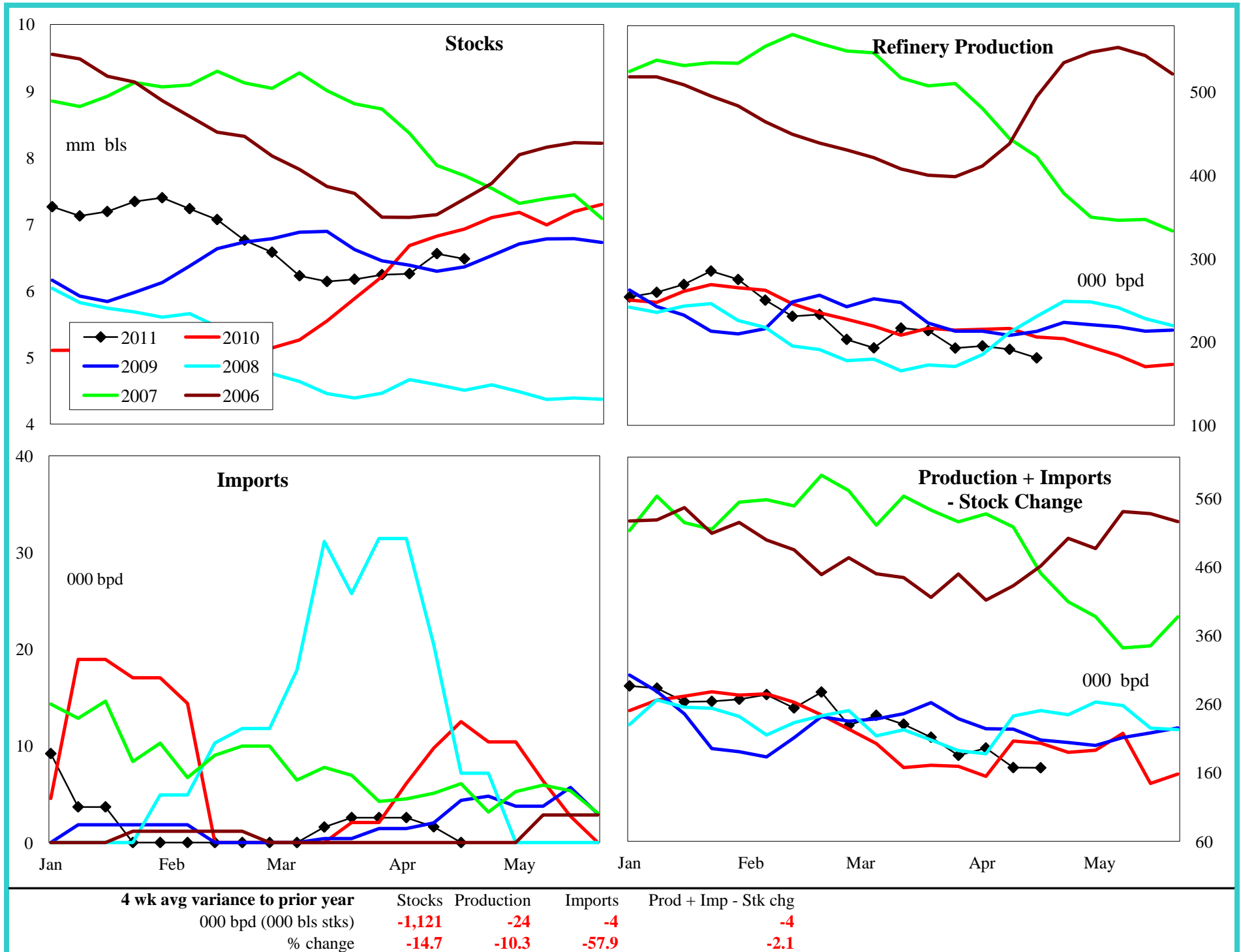
465

24.3

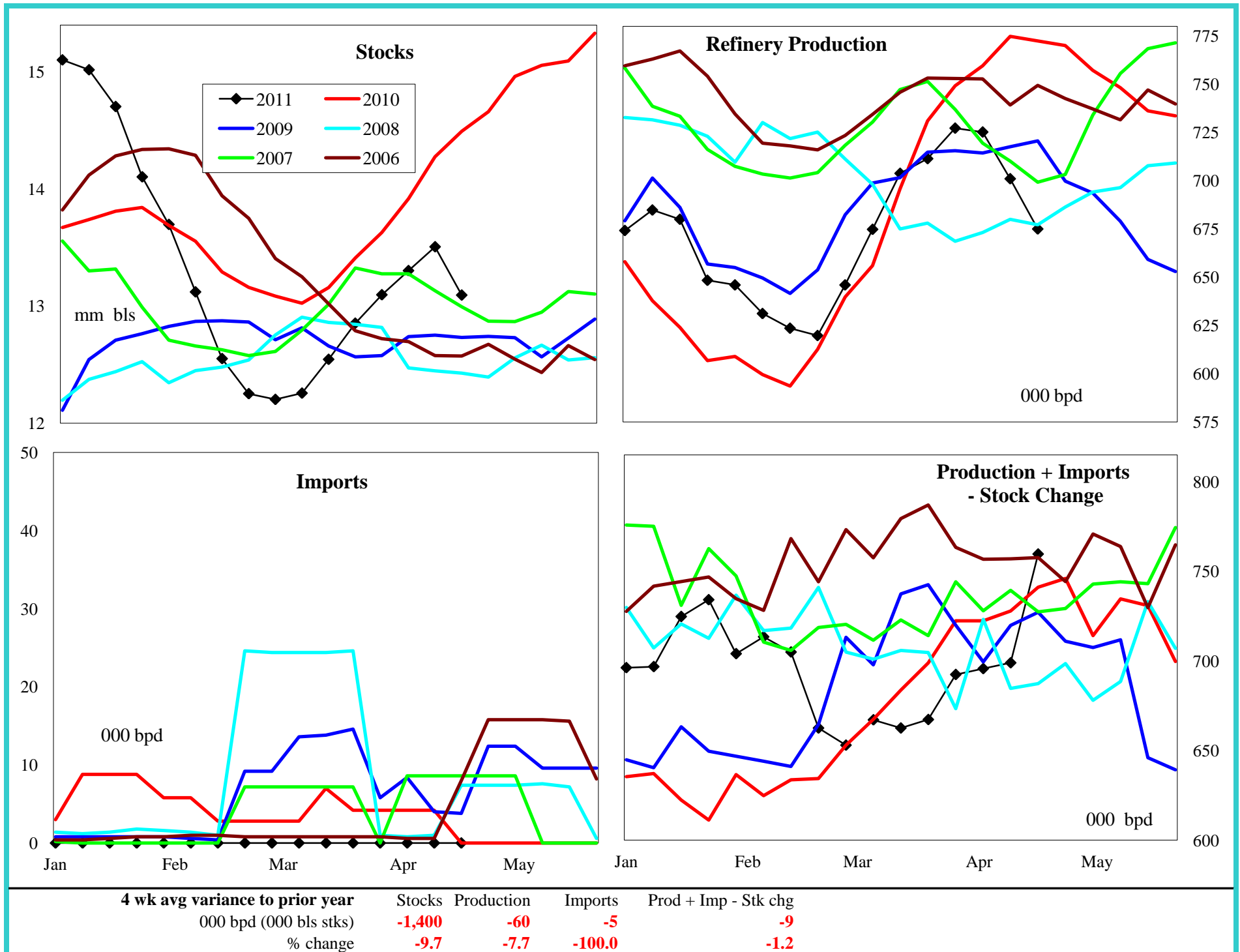
PADD 3 Low Sulfur Distillate Supply



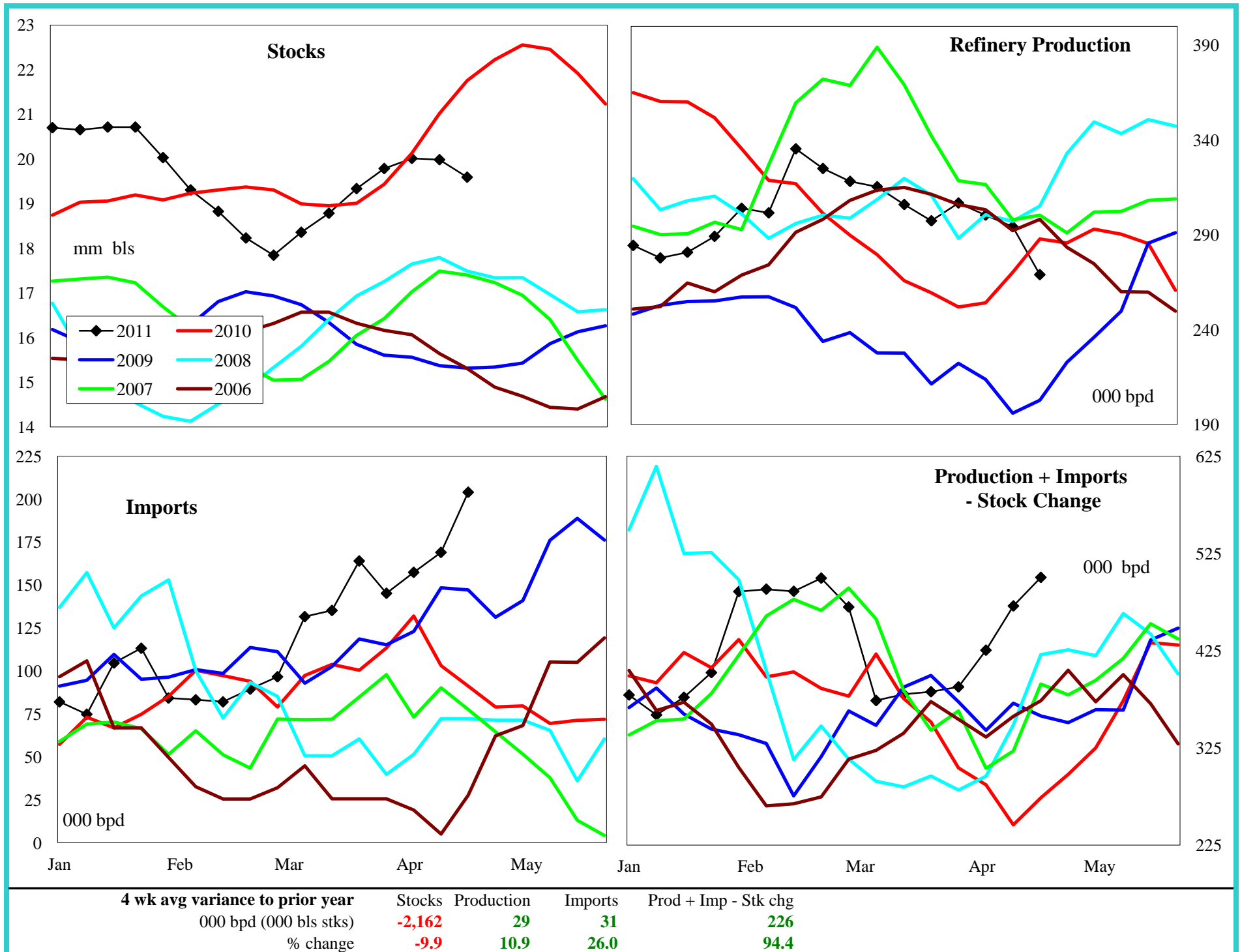
PADD 3 High Sulfur Distillate Supply



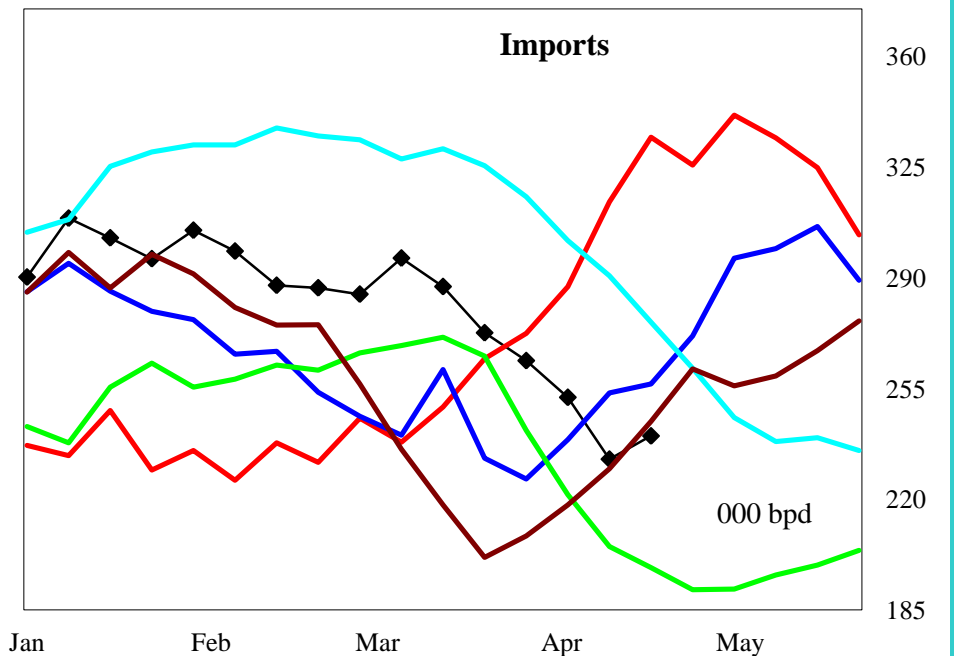
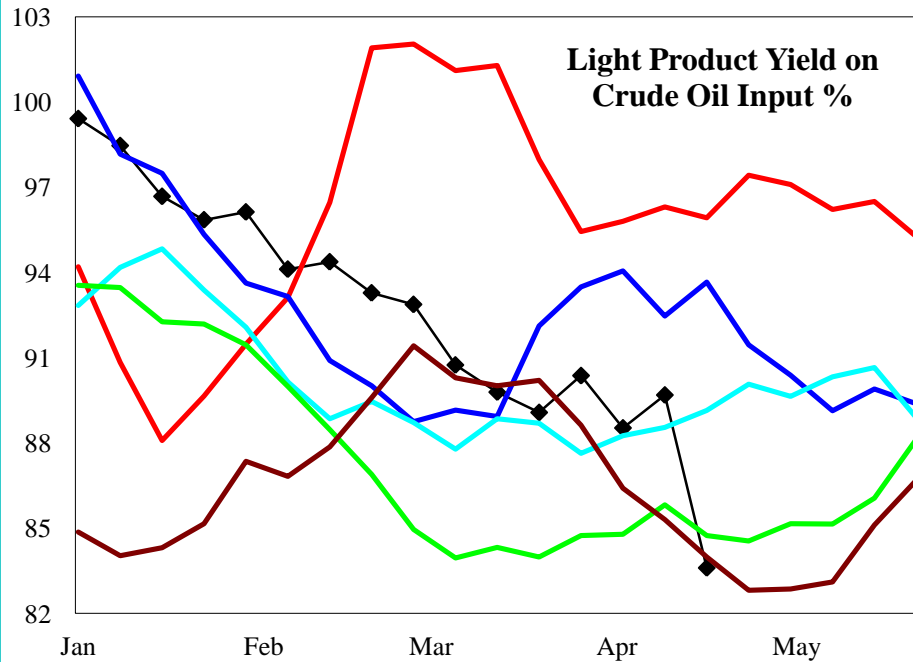
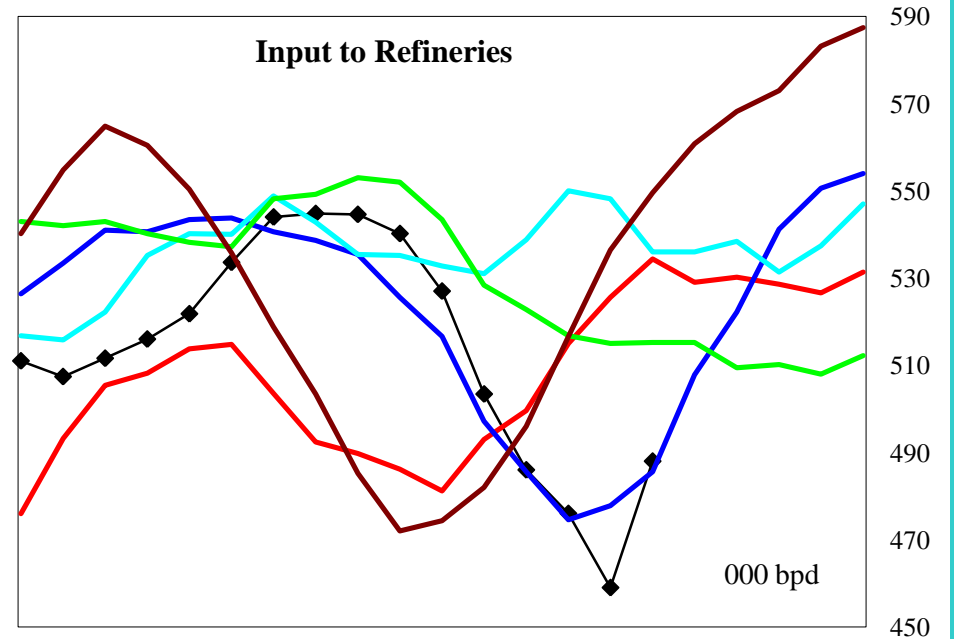
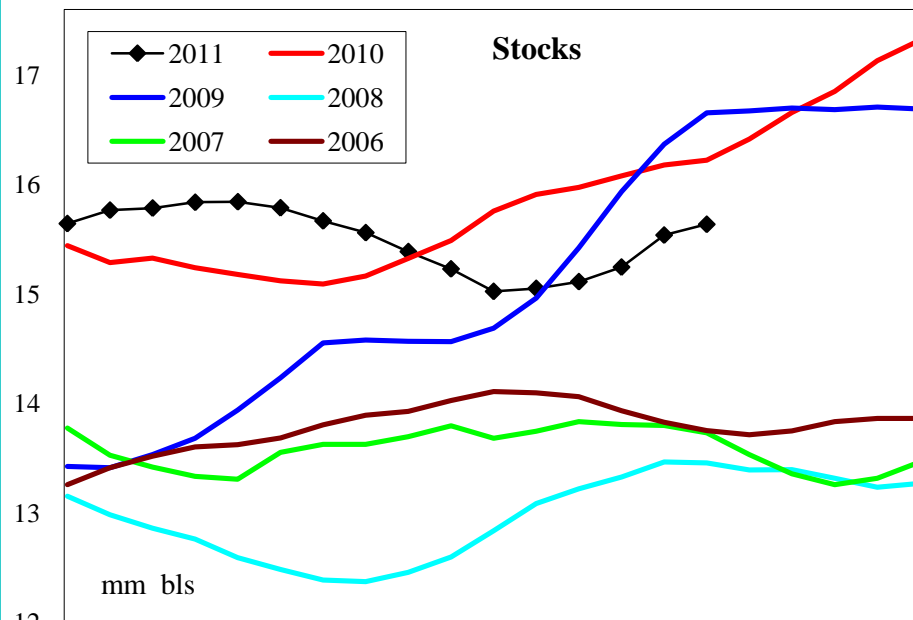
PADD 3 Jet Fuel Supply



PADD 3 Residual Fuel Oil Supply



PADD 4 Crude Oil Supply and Refining



4 wk avg variance to prior year

000 bpd (000 bbls stks)

% change

Stocks

-585

-3.5

Input

-52

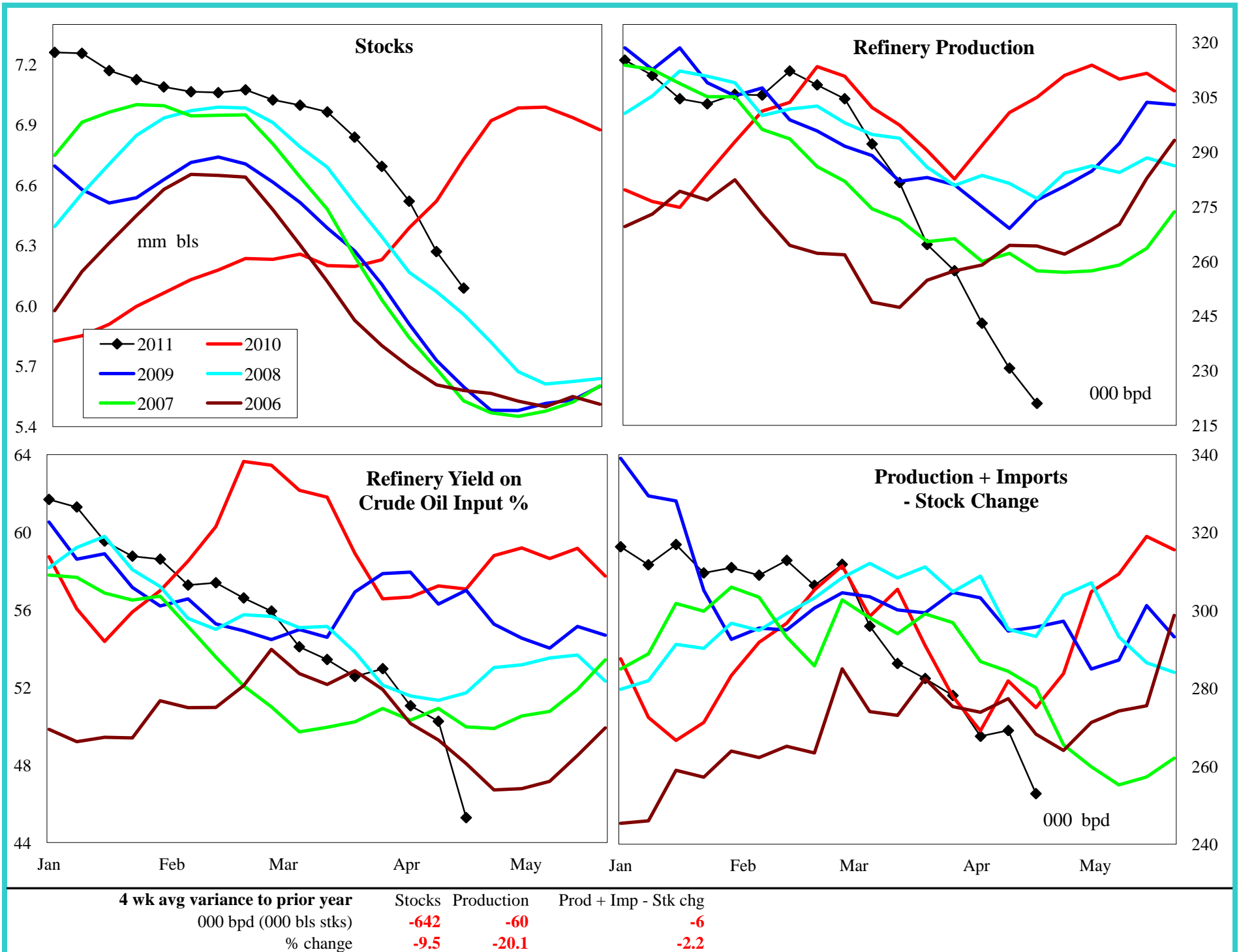
-10.0

Imports

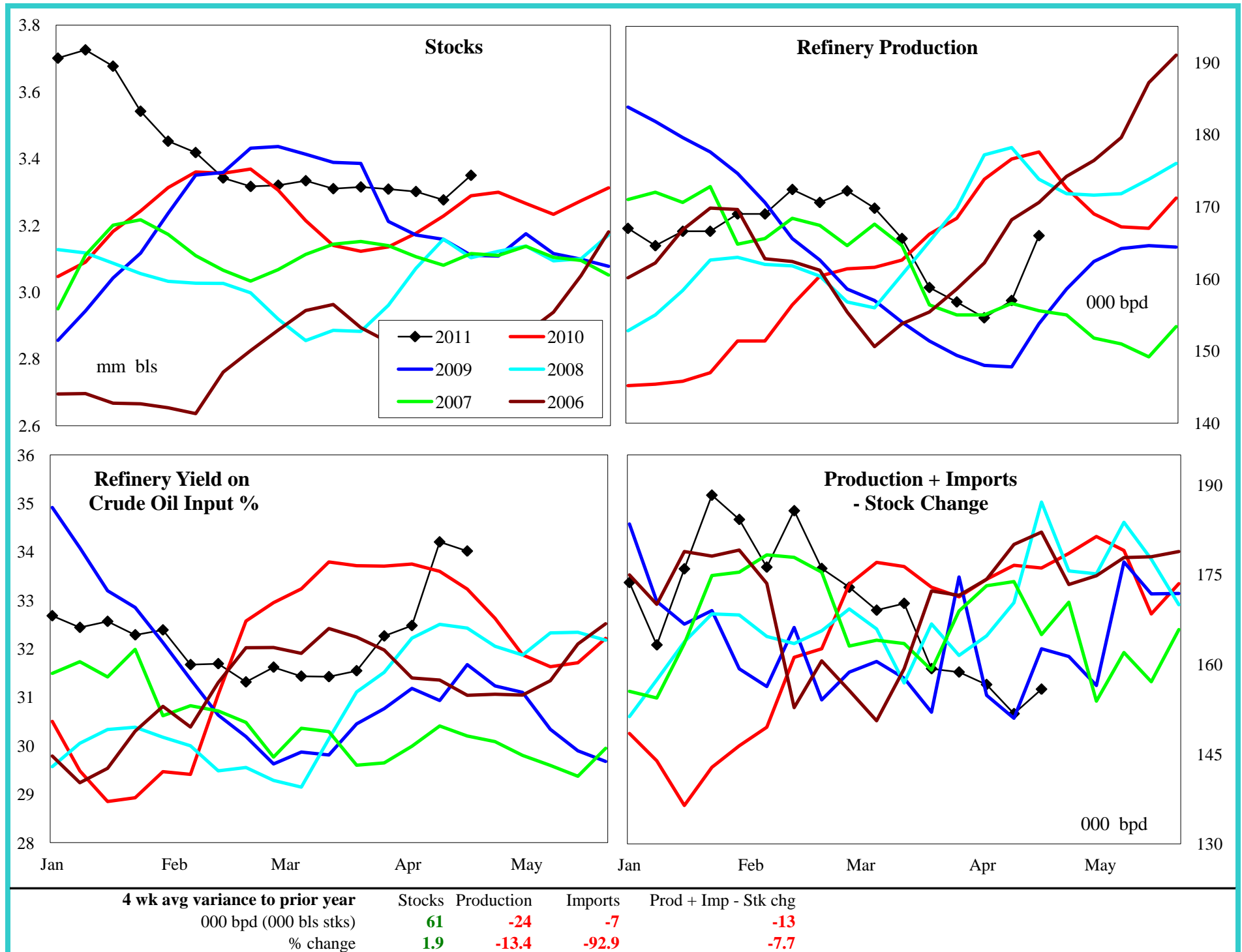
-70

-23.1

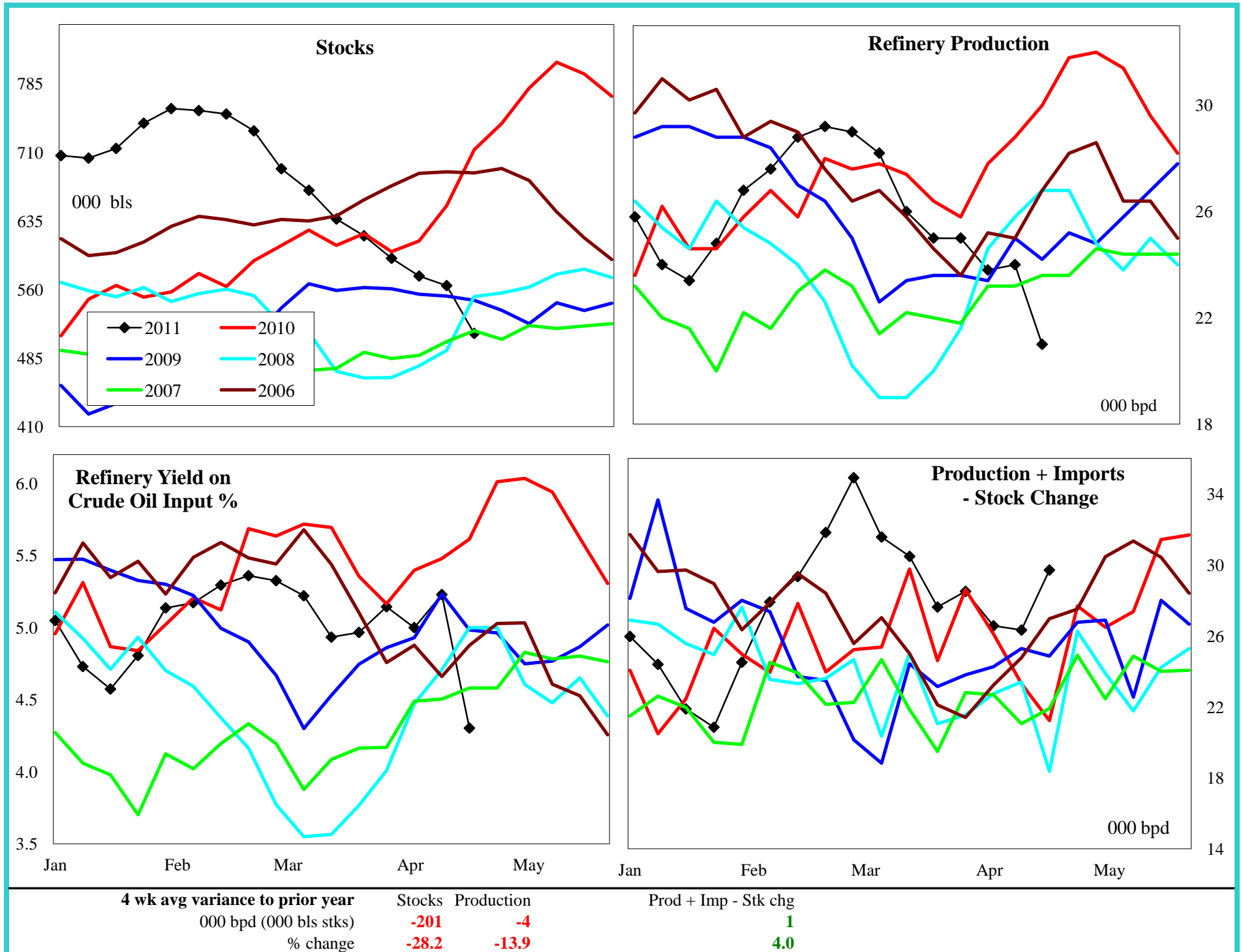
PADD 4 Gasoline Supply



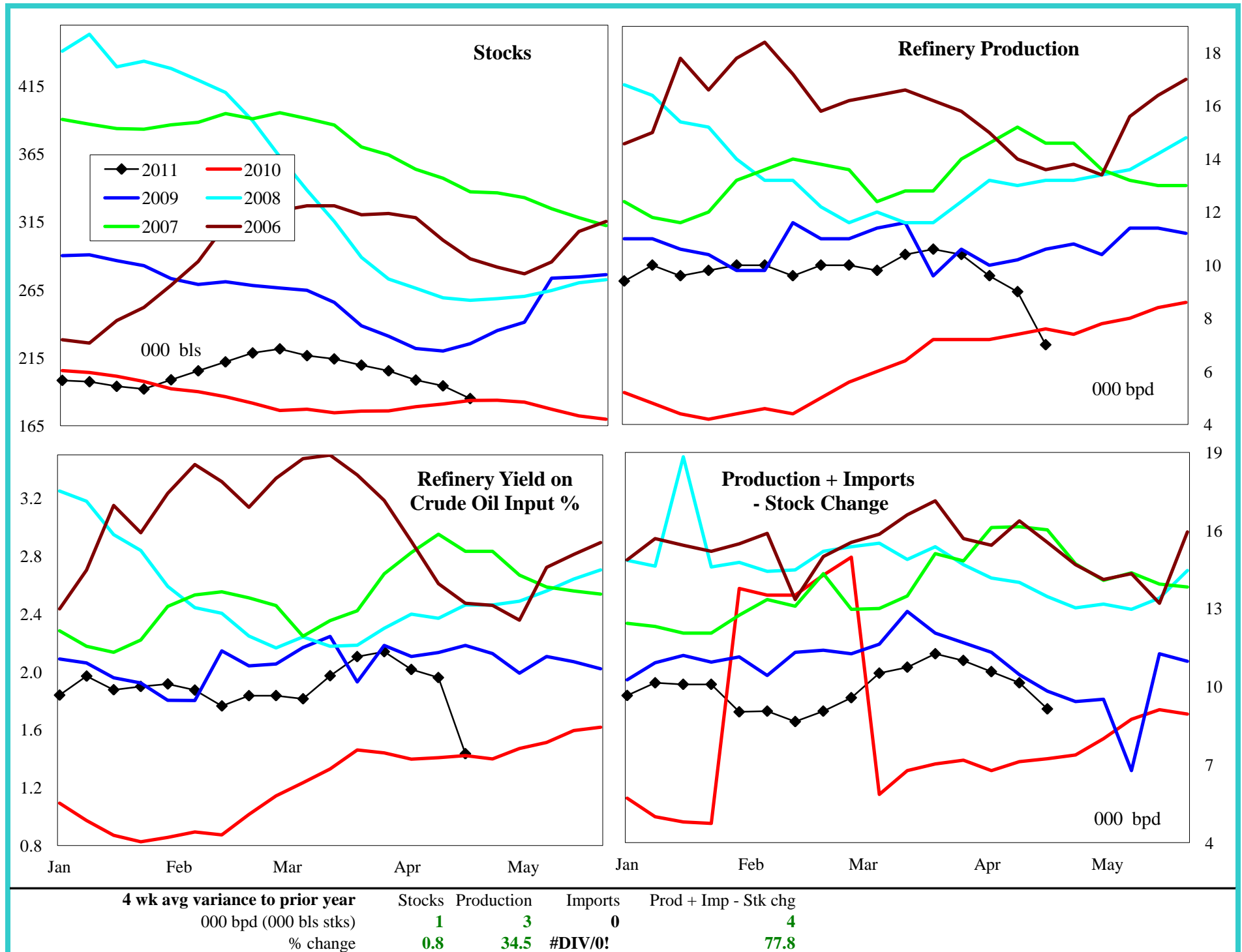
PADD 4 Distillate Supply



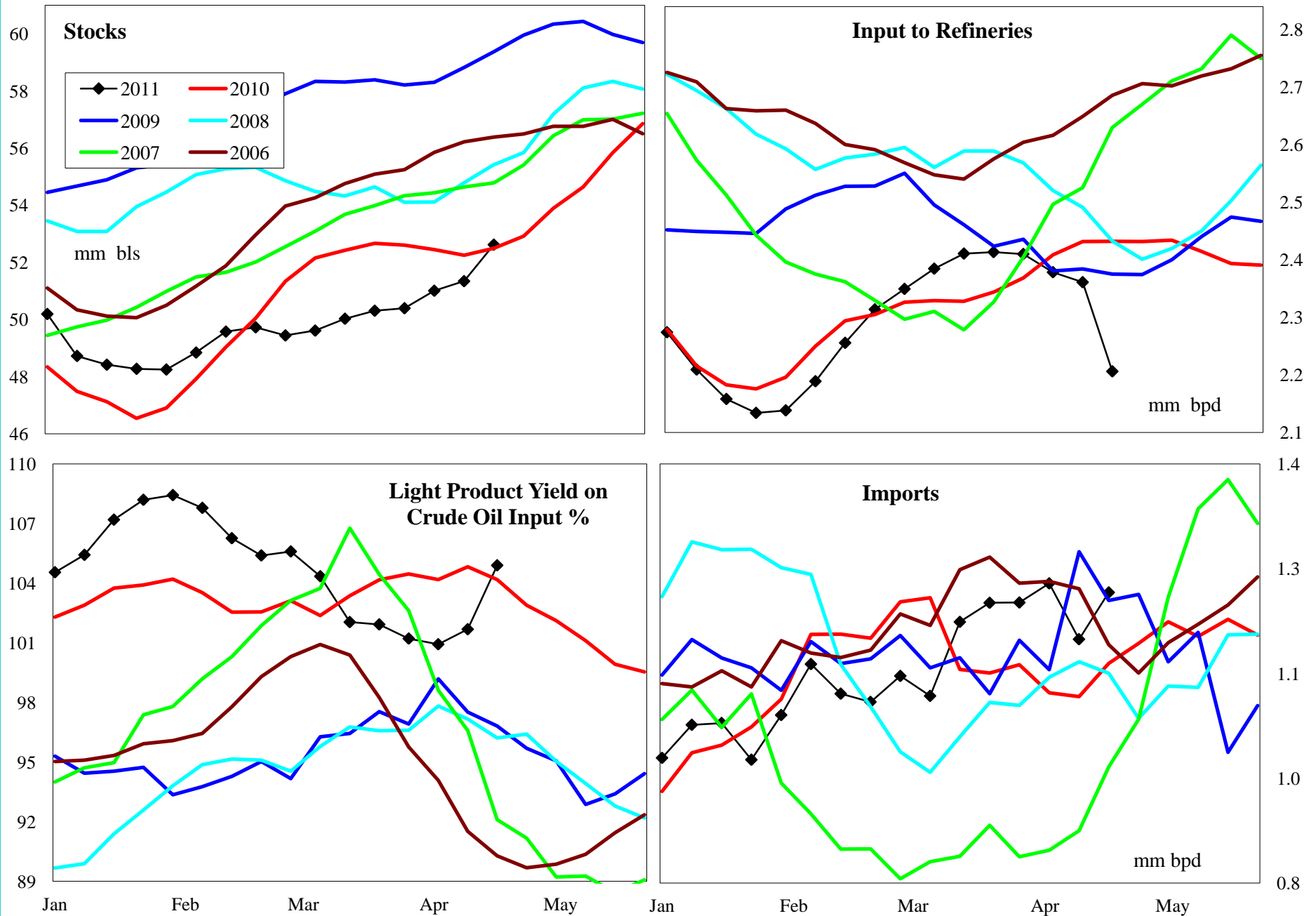
PADD 4 Jet Fuel Supply



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

129

0.2

Input

-56

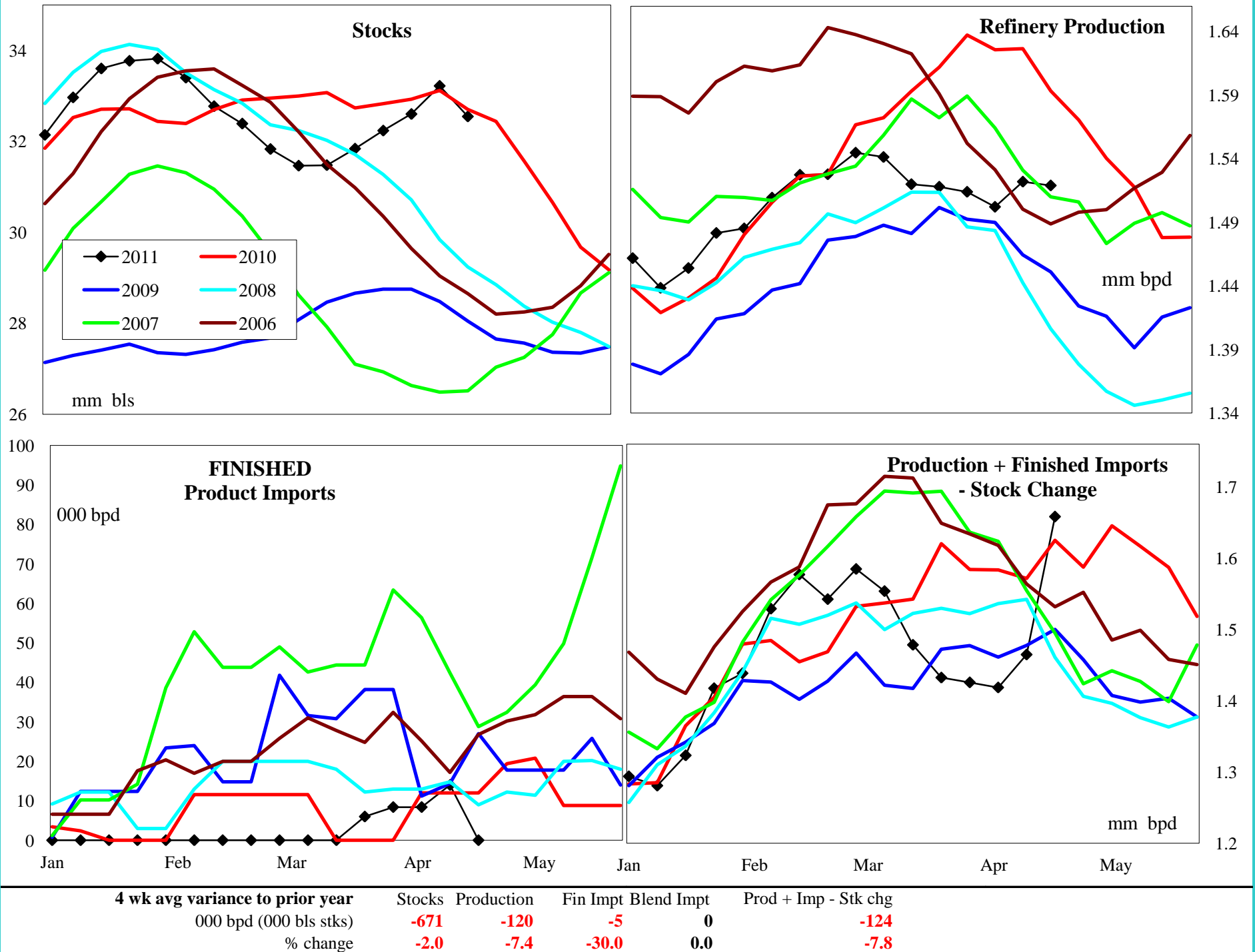
-2.3

Imports

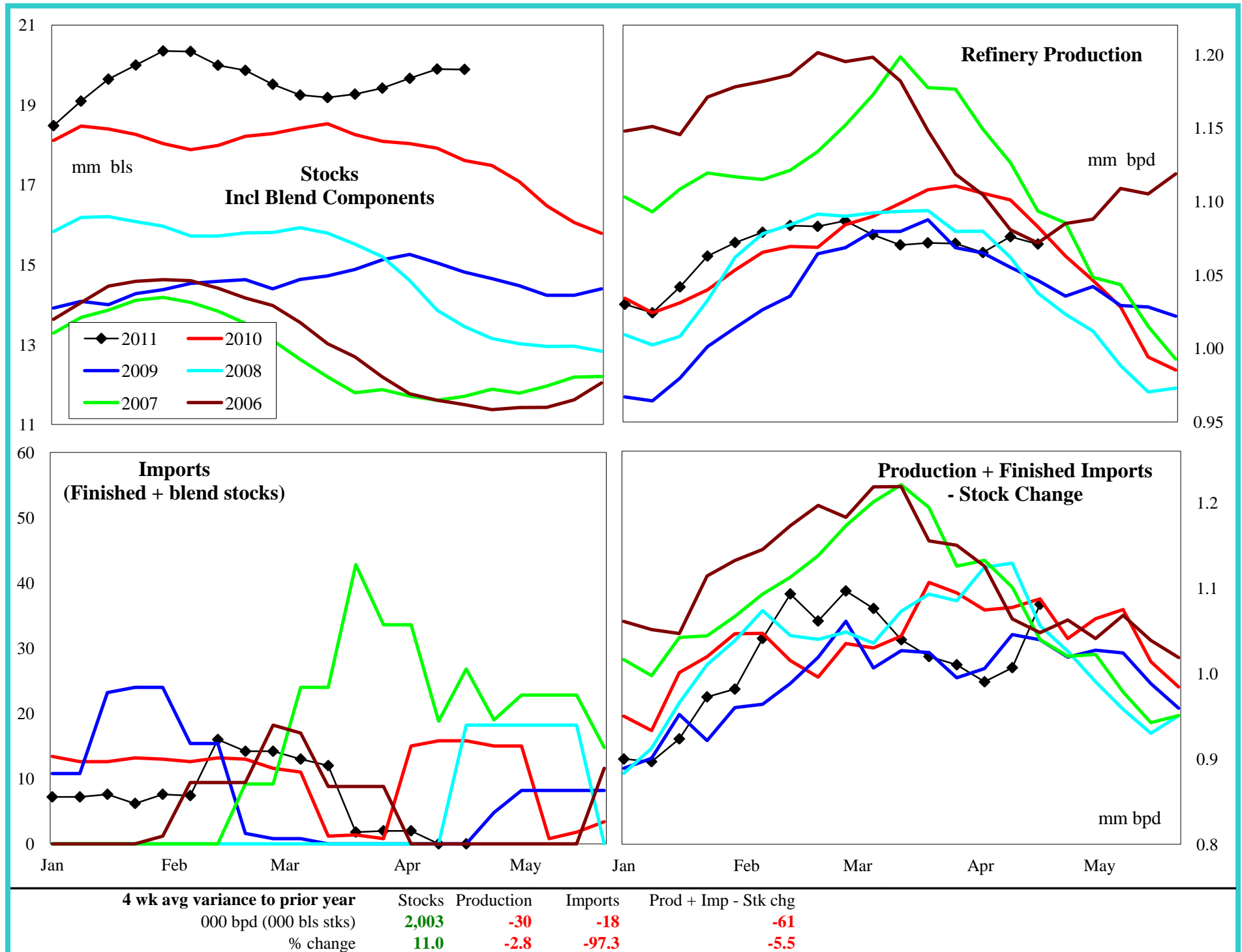
242

23.7

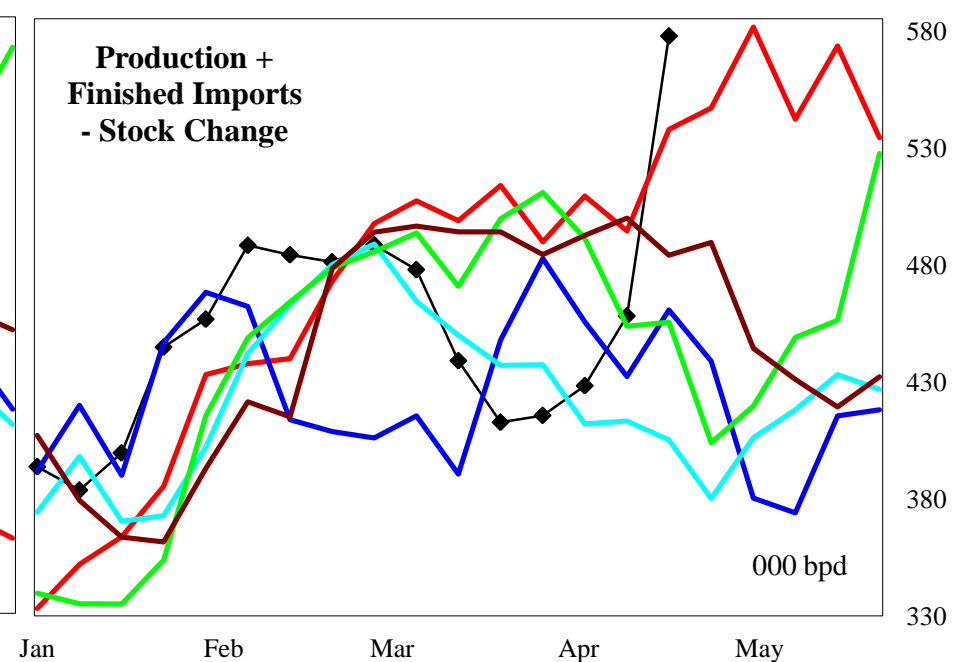
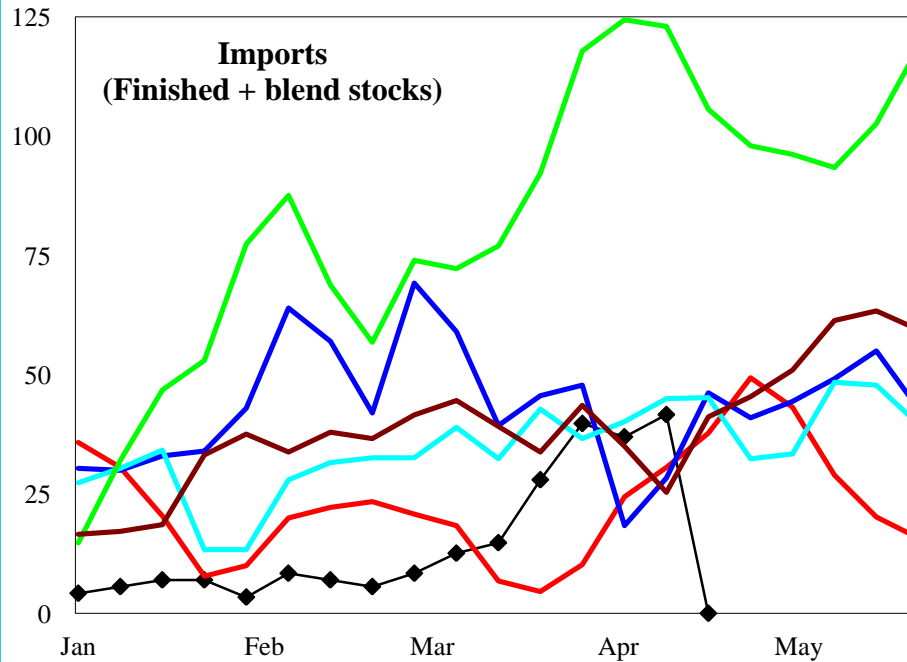
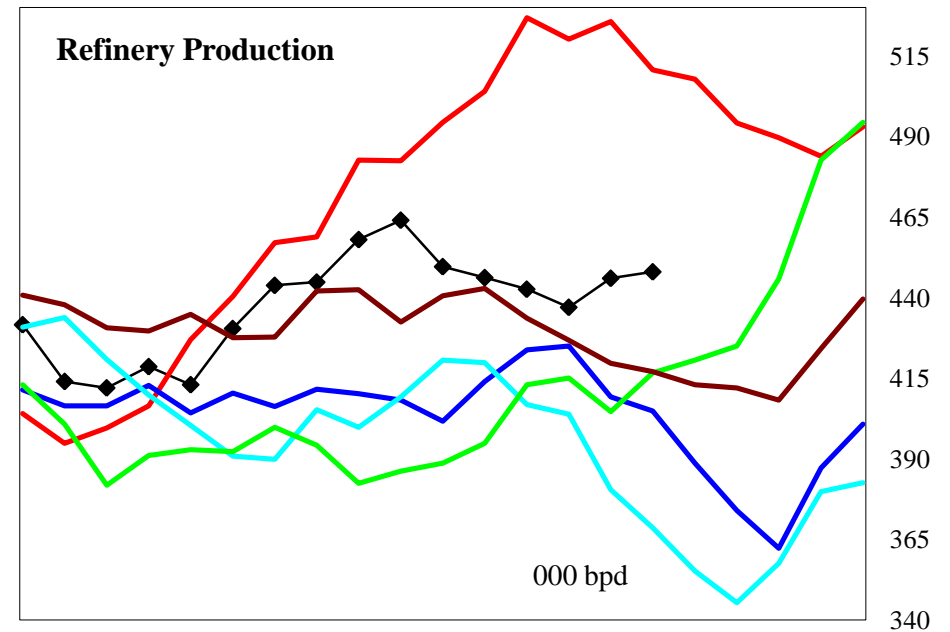
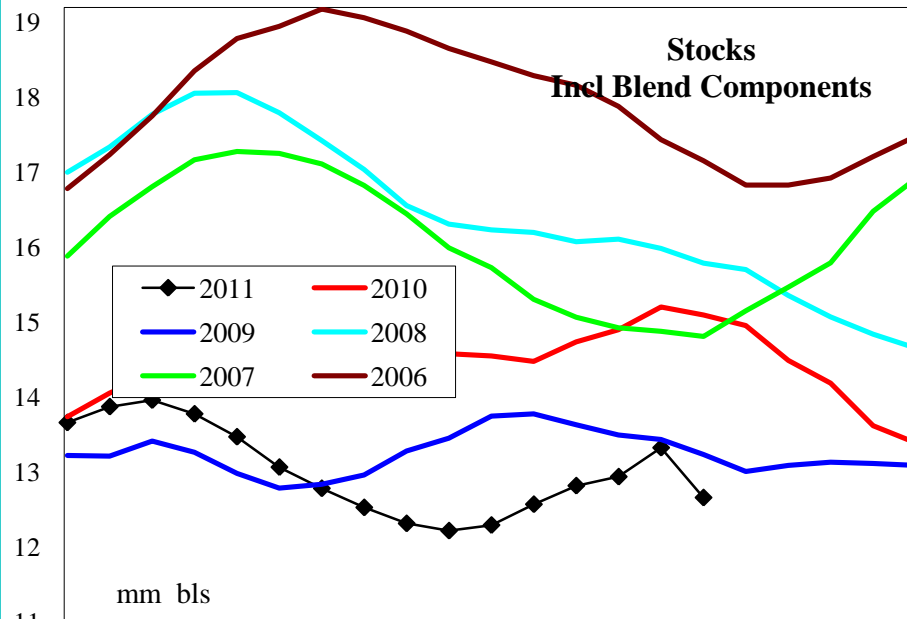
PADD 5 Gasoline Supply



PADD 5 Reformulated Gasoline Supply



PADD 5 Conventional Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

-2,674

-17.4

Production

-89

-17.0

Imports

14

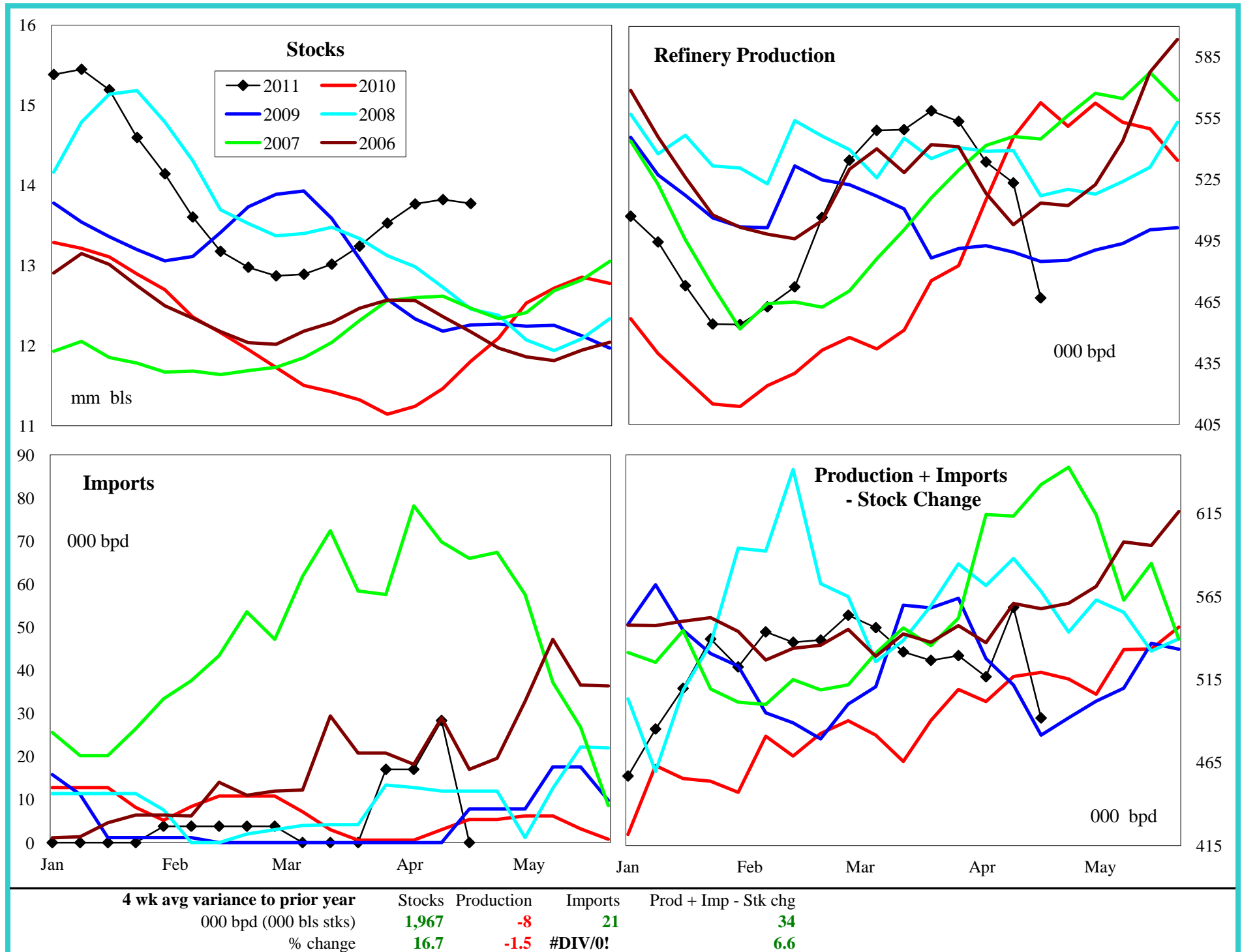
50.5

Prod + Imp - Stk chg

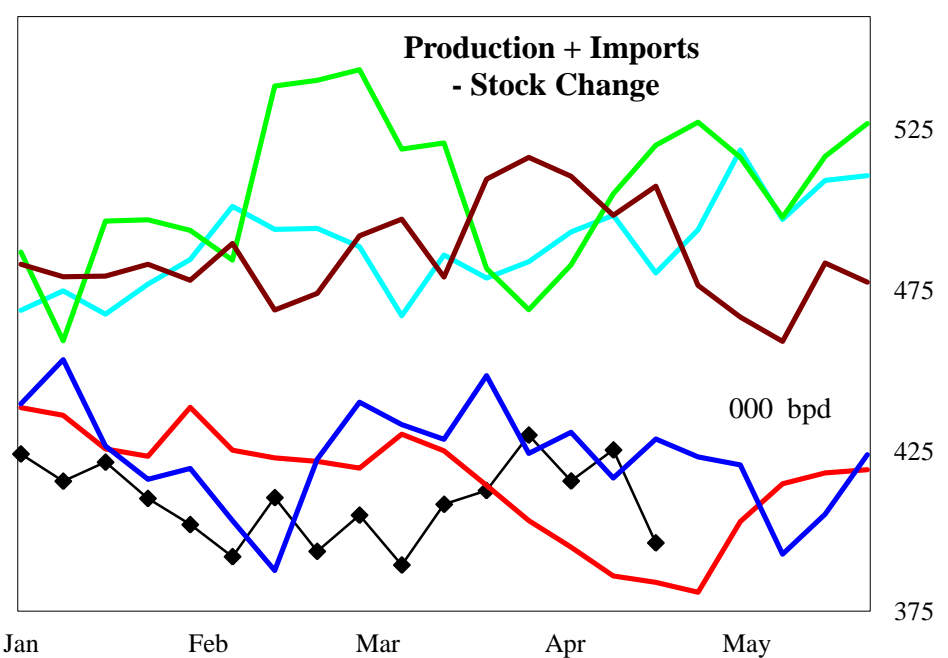
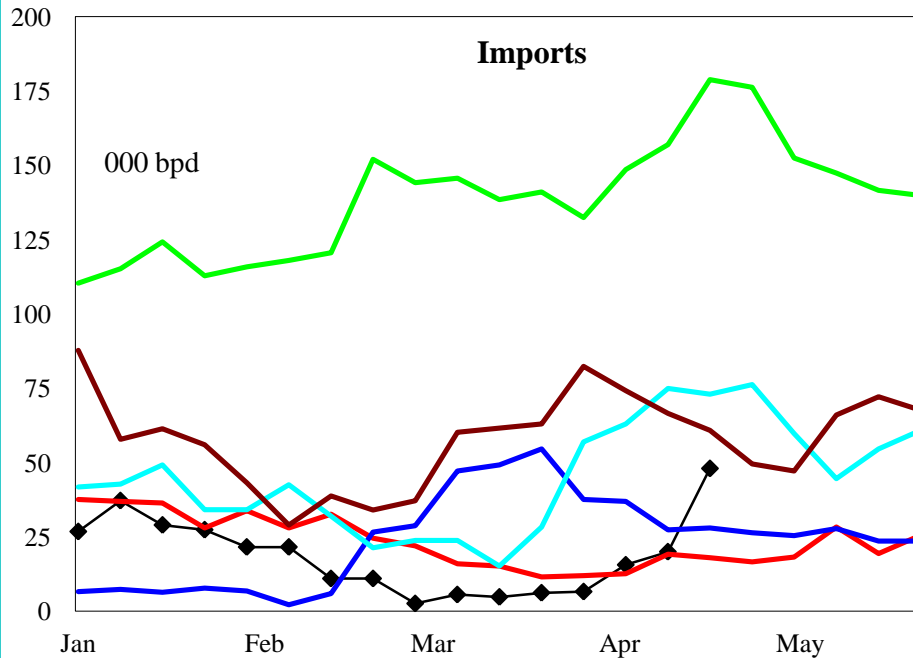
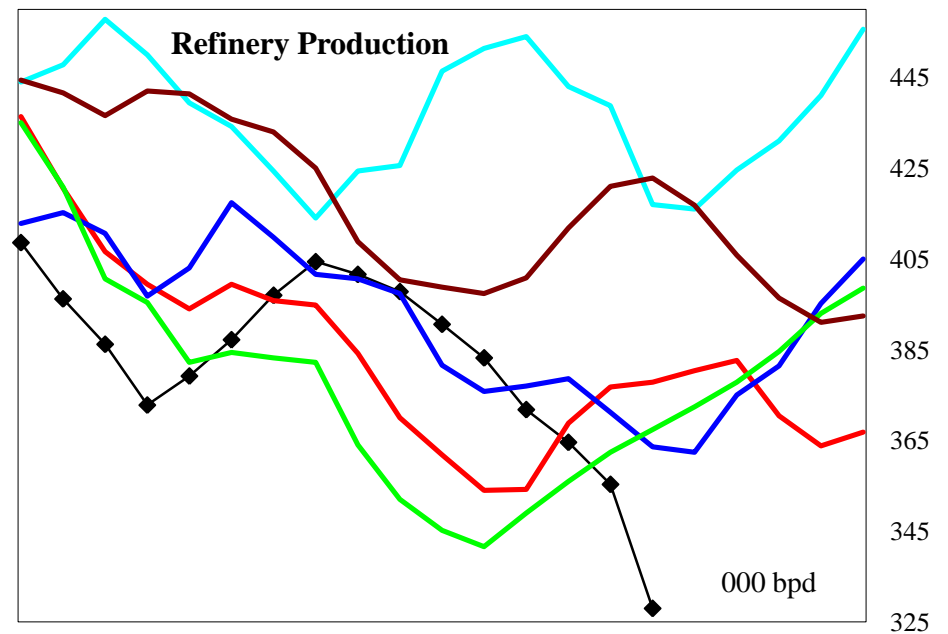
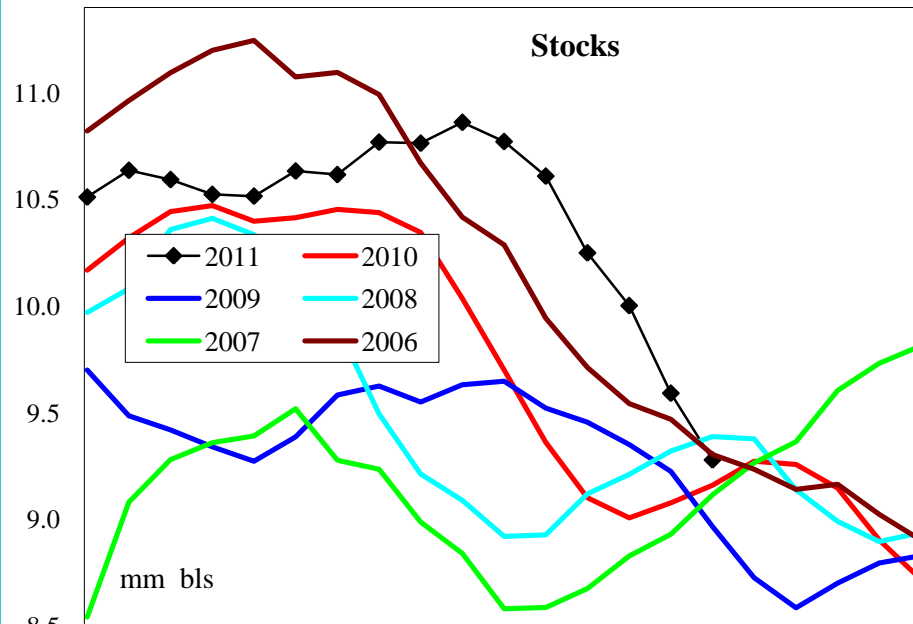
-63

-12.9

PADD 5 Distillate Supply



PADD 5 Jet Fuel Supply



4 wk avg variance to prior year

000 bpd (000 bbls stks)

% change

Stocks

Production

Imports

Prod + Imp - Stk chg

201

-15

4

56

2.2

-4.0

33.3

14.8

PADD 5 Residual Fuel Oil Supply

