



## WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

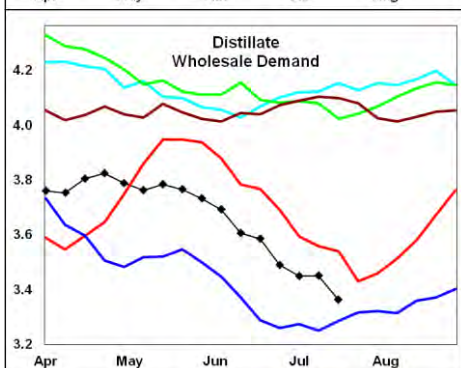
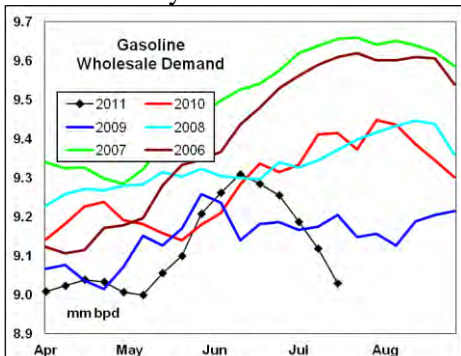
### A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Wednesday, July 20, 2011

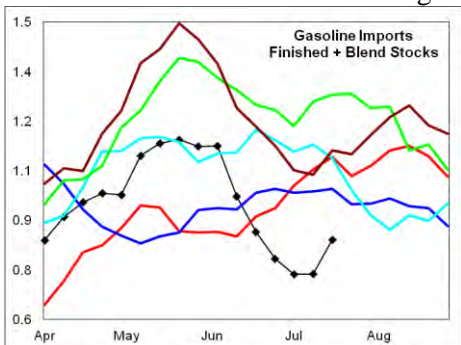


#### Major Fundamental Trends<sup>1</sup>

Wholesale demand for gasoline and distillate increased +12,000 bpd and +78,000 bpd over the prior week; respectively. Following a combined -0.7 million bpd collapse in the previous week, the increases above were unusually lackluster.



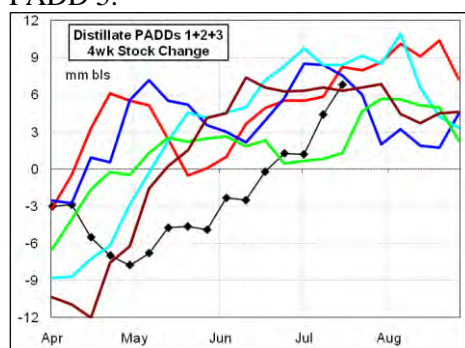
Gasoline imports increased +129,000 bpd last week, although the level remains well below the historic range.



Gasoline stocks were at 5-year lows in the key Central Atlantic Region, where an ongoing supply squeeze remains in place. Crude oil runs surged in PADD 2 last week which should lead to an improvement in gasoline supplies

for this region.

The West Coast market is experiencing high levels of transport fuels production, and very weak demand. Because of the over supplied West Coast market, cash basis for all transport fuels are unusually weak in PADD 5.



Lower seasonal demand and season high distillate production has led to stock builds of +6.4 million barrels during the last 2-wks. This has lifted the 4-wk build in markets East of the Rockies to the 5-year mid range.

Crude oil stocks continue to draw down in the Gulf Coast region, the result of low import rates and season high refinery thru put rates.

**Demand** for gasoline and distillate were up slightly, after last weeks' collapse; jet fuel recovered the prior week fall.

Wholesale demand (including exports) measured over the last four weeks compared to a year ago: gasoline decreased -2.2%; distillate down -2.5%; jet fuel down -1.8% while residual fuel oil also decreased -2.1%.

**Stocks forward coverage:** Gasoline demand coverage increased on a +0.8 million barrel stock build. Coverage levels were above the mid range.

Distillate coverage increased on +3.4 million barrel stock build. Coverage levels were comparable to the last 2-years.

Jet fuel coverage increased on a +0.6 million barrel stock build. The coverage level remains below the last 2-years.

**Refinery utilization** rates increased on a +403,000 bpd rise in crude oil thru

put, with the rate above the mid range.

Gasoline yield % on crude oil runs improved on a +344,000 bpd increase in production, compared to the +403,000 bpd rise in crude oil runs. The yield % on crude oil runs remains well below the last 2-years.

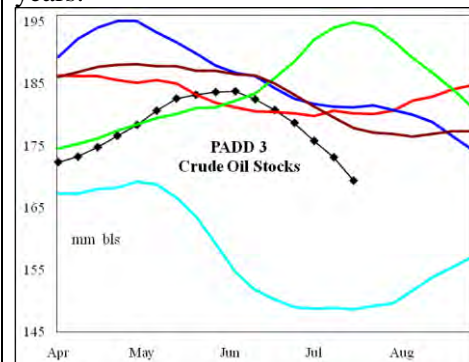
Distillate yield % on crude oil runs decreased on a +85,000 bpd rise in production compared to the large increase in crude oil runs. Yield % levels were above four of the last 5-years.

Jet fuel yield % on crude oil runs increased on a +70,000 bpd rise in output. Yield % levels matched 5-year highs.

**Petroleum Imports** were higher for crude oil, gasoline and jet fuel last week. Jet imports spiked to the highest level of the last 4-years on the West Coast.

During the latest 4-wk period crude oil imports decreased -0.3 million bpd compared to last year; distillate imports decreased -99,000 bpd; finished gasoline imports decreased -31,000 bpd, gasoline blend stock imports fell -311,000 bpd; jet fuel imports were down -4,000 bpd, while residual fuel oil imports decreased -11,000 bpd.

**Crude Oil** stocks decreased -3.7 million barrels last week, with the draw concentrated in the Gulf region. Stock levels have slipped below historic highs, with stocks in the Gulf region down -11 million barrels from a year ago, and below four of the last 5-years.



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



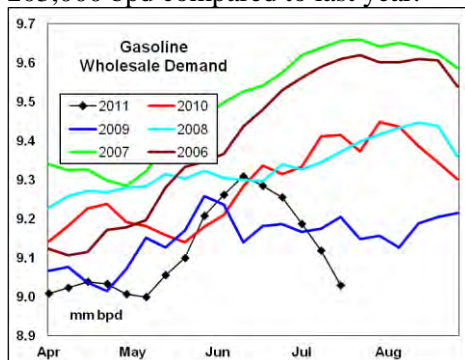
## WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

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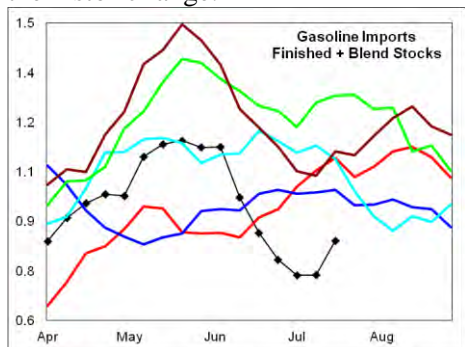
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#### Product Supply-Demand Trends

**Gasoline** demand was nearly unchanged on the week, at a level below the 5-year range. The latest 4-wk average demand decreased -203,000 bpd compared to last year.



Production increased +344,000 bpd last week with increases in all regional markets except the Gulf. Imports increased +129,000 bpd on the week, although the level remains well below the historic range.



The increase in supply and weak demand led to a +0.8 million barrel stock build. Stock levels ended the week at 5-year lows in the key Central Atlantic Region of PADD 1 and PADD 2.

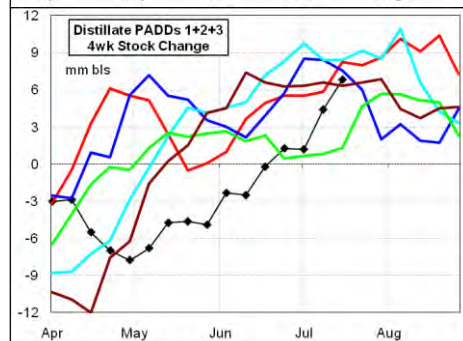
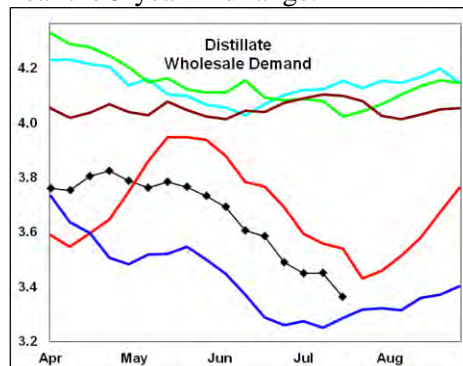
*Supplies remain very tight in the Central Atlantic Region of PADD 1 on very low blend stock imports. Midwest markets continue to exhibit tightness, with stocks matching 5-year lows.*

*Favorable import economics should lead to increased imports during the next 30-days, improving the supply balance in the Central Atlantic Region. The return to operation of plants in the Midwest should also improve supplies in that market.*

**Distillate** demand increased +78,000 bpd last week, much less than expected

following the previous week collapse. The latest 4-wk average demand was -91,000 bpd below a year ago.

Production increased +85,000 bpd on the week, to a level near the 5-year high. Imports remain at record low levels. The low level of demand and high production led to a +3.4 million barrel stock build. The latest 4-wk stock build in markets East of the Rockies was +6 million barrels, a level near the 5-year mid range.



*The +6.4 million barrel stock build during the last 2-wks reversed the earlier trend of a counter seasonal tightening in the supply balance. Even with the recent build, stocks remain -18 million barrels below a year ago.*

*Very high production and low seasonal demand should support continued stock building during the next 60-days; in the absence of hurricane disruptions.*

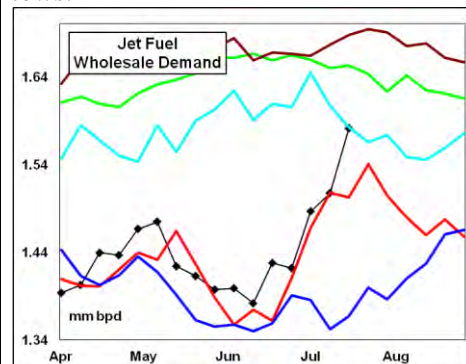
**Jet Fuel** demand jumped +191,000 bpd last week to a level above the last 2-years. The latest 4-wk average demand was -27,000 bpd below a year ago, pointing to weak economic growth and higher load factors.

Supply increased +111,000 bpd on higher production and imports. Production levels reached 5-year highs

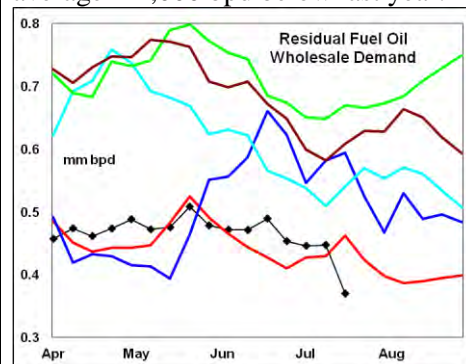
while imports were above the last 3-years. Stocks increased +0.6 million barrels to a level above four of the last 5-years

*The jet fuel supply balance continues to improve on very high supply levels. Stock levels are +5 million barrels above years before 2009.*

*East and West Coast markets are extremely over supplied, while stock levels in the Midwest are at record lows.*



**Residual fuel oil** demand, was nearly unchanged last week, with the 4-wk average -11,000 bpd below last year.



Supply (production + imports) fell -108,000 bpd on lower production and imports. The latest 4-wk average supply was +77,000 bpd above a year ago. Stocks decreased -0.8 million barrels, with the level well below the historic mid range.

*Stock levels in PADD 3 remain at record highs for this time of year; offset by record low stocks on the East Coast. PADD 1 production has been cut in half from 2-years ago on refinery closures/upgrades, a key factor in the drop in stock levels.*





## WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

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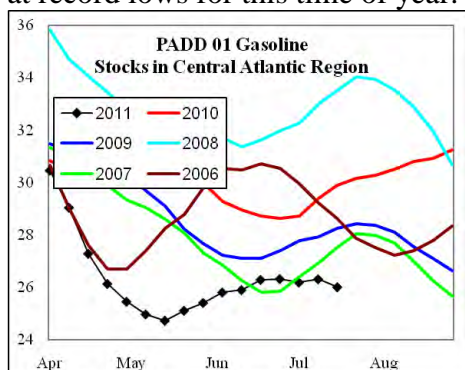
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#### PADD Supply Trends

**PADD 1** refinery crude oil runs increased +22,000 bpd on the week, with the level at the highest rate of 2011, and above last year.

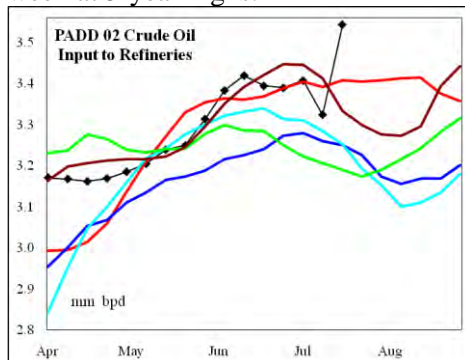
Gasoline production increased +107,000 bpd last week, while imports climbed +77,000 bpd. Import levels remain very low.

Gasoline stocks were nearly unchanged on the week, with levels in the Central Atlantic Region still at record lows for this time of year.



Distillate supply was unchanged on the week, at a level below the 5-year range on record low imports. Stocks increased +1.5 million barrels, with the level at the 5-year mid range.

Jet fuel supply decreased -34,000 bpd on the week, with production at 5-year highs. Stock levels ended the week at 5-year highs.



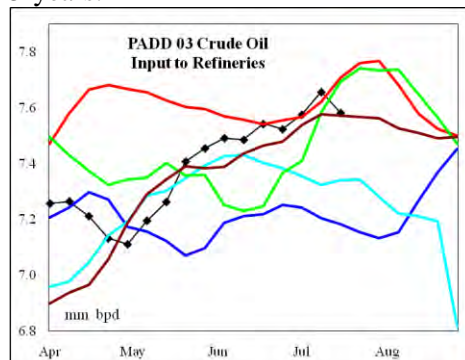
**PADD 2** crude oil refinery runs spiked +322,000 bpd on the week, to a level above the historic range. Crude oil imports also spiked +0.3 million bpd to a record high rate for the period. Record imports offset the surge in runs, leading to a +1.4 million barrel stock build.

Gasoline production increased +24,000 bpd last week, with the level above the mid range. Stocks were nearly unchanged on the week, at a level that matched 5-year lows.

Distillate production increased +52,000 bpd, to a level near 5-year highs. Stocks increased +1.2 million barrels on the week, with the level below the mid range.

Jet fuel production increased +26,000 bpd on the week, to a level above the mid range. Stocks extended the longer term downtrend, ending the week at a new record low level.

**PADD 3** refinery runs increased +10,000 bpd last week, with the level at the mid range. The latest 4-wk average thru put was +33,000 bpd above last year. Crude imports remain below the historic range; so that stocks decreased -3.4 million barrels on the week, to a level below four of the last 5-years.



Gasoline production declined -28,000 bpd on the week. Stocks increased +0.2 million barrels on the week, to a level well above the mid range.

Distillate production was unchanged on the week, at a level above the historic range. Stocks increased +0.4 million barrels, to a level well above four of the last 5-years.

Jet fuel production jumped +65,000 bpd on the week, to a record high rate. Stocks increased +0.4 million barrels, with the level well above the mid range.

Residual fuel oil supply decreased -21,000 bpd last week to a level near historic lows. Stocks were unchanged,

at a level slightly above 5-year highs.

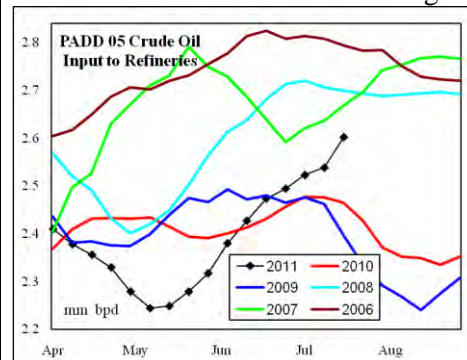
**PADD 4** refinery crude runs were at a level below four of the last 5-years. Sharply higher imports led to a +0.4 million barrel stock build. Stock levels remain below the last 2-years.

Gasoline production increased +29,000 bpd to a level below the mid range. Stock levels remain near last years' record highs.

Distillate production was nearly unchanged at a level below the mid range. Stocks decreased -0.2 million barrels to match historic highs for the period.

Jet fuel stocks match 5-year highs.


**PADD 5** crude oil refinery runs increased +50,000 bpd on the week, with the level well above the last 2-years. The latest 4-wk average thru put was +39,000 bpd above last year. Light product yield % on crude oil runs remains well above the historic range.



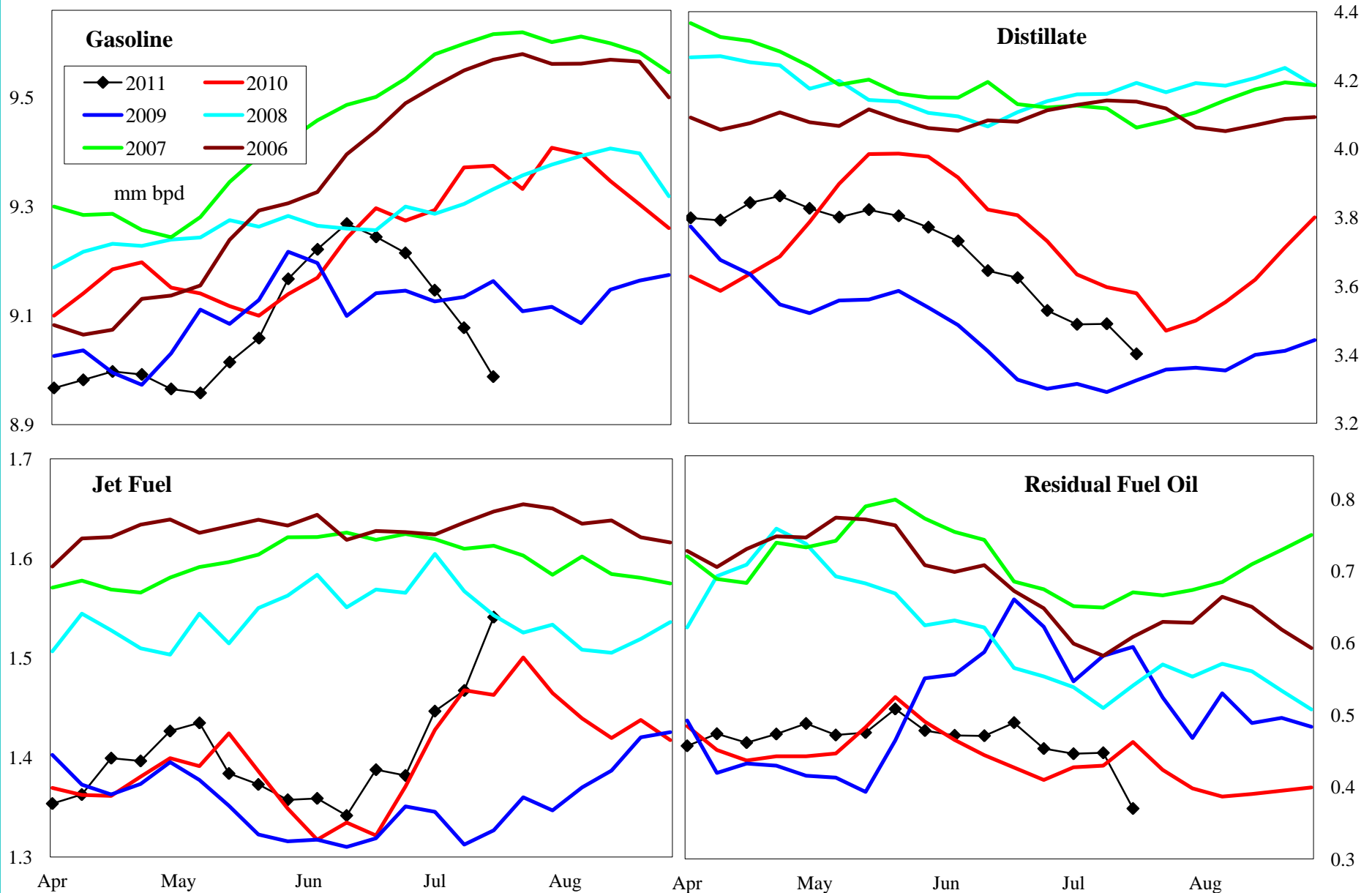
Gasoline production increased +88,000 bpd on the week, with the latest 4-wk average +153,000 bpd above last year and at a 5-year high. Stocks increased +0.7 million barrels on the week, with the level slightly above the last 3-years.

Distillate production increased +12,000 bpd on the week, with the level near 5-year highs for the period. Stocks increased +0.5 million barrels, to a level that matched 5-year highs.

Jet fuel imports spiked +83,000 bpd on the week. With production above four of the last 5-years, stocks jumped +0.4 million barrels to new all time highs.

 FUNDAMENTAL PETROLEUM TRENDS		PETROLEUM: Graph Link and Weekly Summary					
		A Fundamental Petroleum Trends Weekly Report				July 20, 2011	
		Lehi German Tel: 816.505.0980 <a href="http://www.fundamentalpetroleumtrends.com">www.fundamentalpetroleumtrends.com</a>					
Fundamental Trends	<a href="#">Wholesale Demand</a>	<a href="#">Stocks Days Fwd Coverage</a>	<a href="#">Refinery Utilization</a>			<a href="#">Imports</a>	
Supply/Demand Trends	15-Jul-11	EIA-DOE CHANGE FROM PRIOR WEEK					
	000 bpd stocks 000 bls	U. S. Total	PADD				
			1	2	3	4	5
<a href="#">Crude Oil</a>	Stocks	-3,727	-158	1,441	-3,406	404	-2,007
	Imports	343	171	297	-119	99	-104
	Input	403	22	322	10	-1	50
	% Utilization	2.30					
<a href="#">Gasoline</a>	Stocks	757	-104	-96	201	70	685
	Production	344	105	24	-28	29	88
	Imports	129	77	2	52	0	-4
	Supplied	12					
<a href="#">Distillate</a>	Stocks	3,432	1,458	1,238	430	-151	457
	Production	85	19	52	0	1	12
	Imports	-17	-21	1	0	3	2
	Supplied	78					
<a href="#">Jet Fuel</a>	Stocks	642	189	-323	368	13	394
	Production	70	9	16	65	-11	-9
	Imports	41	-43	0	0	0	83
	Supplied	191					
<a href="#">Residual Fuel Oil</a>	Stocks	-759	-203	128	-32	-7	-645
	Production	-77	2	-5	-49	0	-25
	Imports	-31	-33	-3	28	0	-24
	Supplied	6					

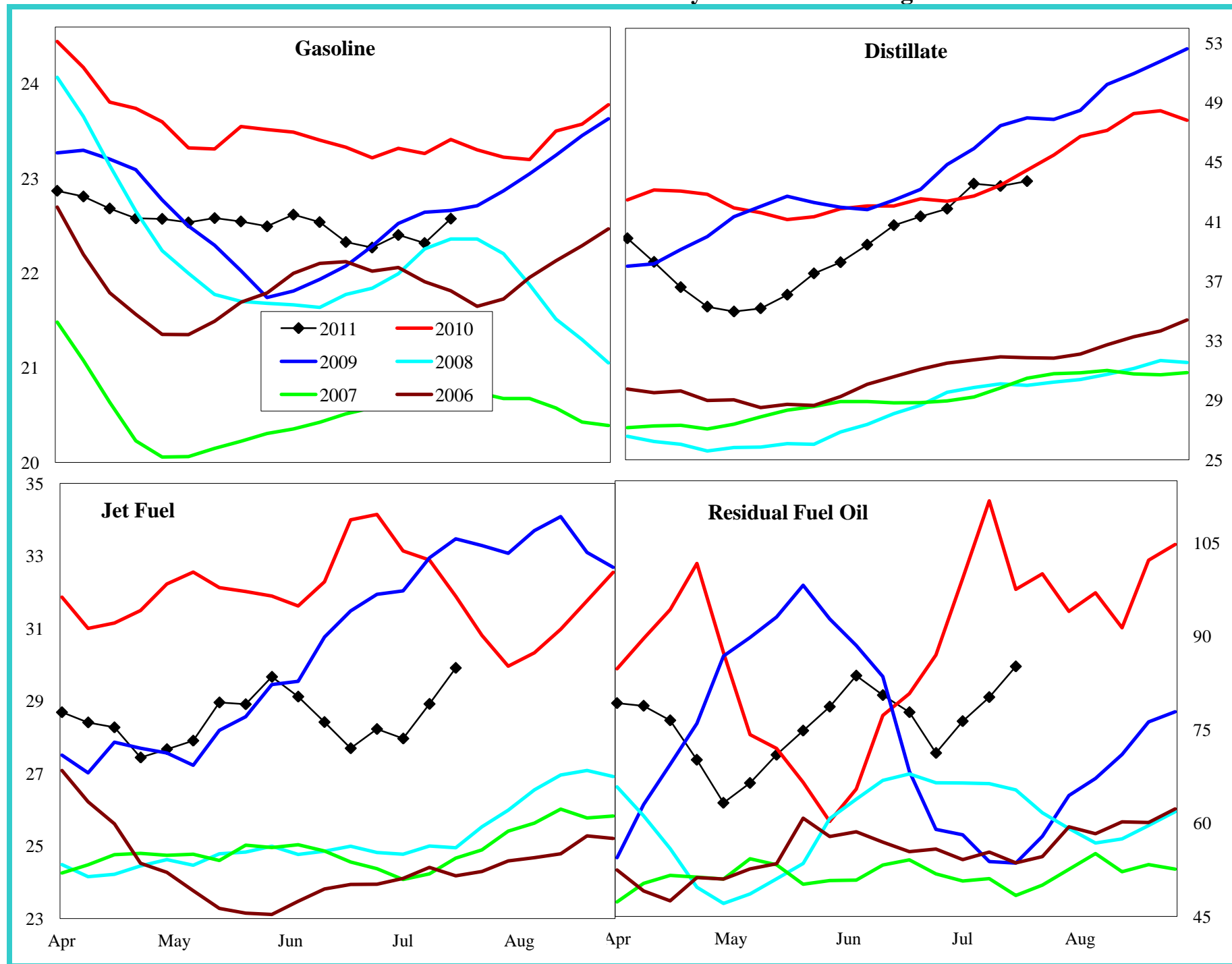
# United States Wholesale Petroleum Demand



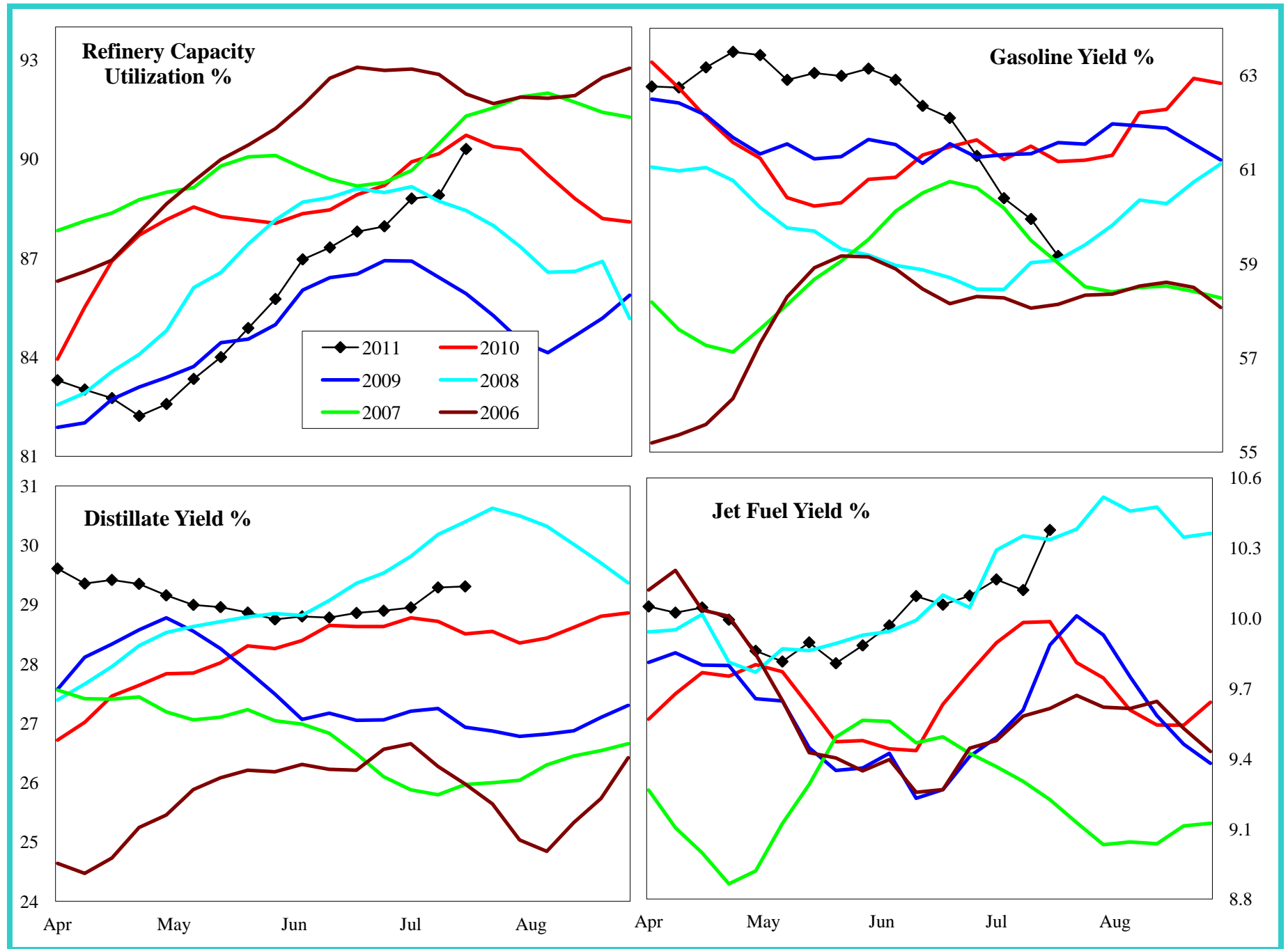
	000 bpd change from prior year				% change from prior year			
	4wk avg	Jun	May	Apr	4wk avg	Jun	May	Apr
Gasoline	-203	31	-134	-19	-2.2	0.3	-1.5	-0.2
Distillate	-91	-1,179	170	179	-2.5	-31.4	4.7	4.8
Jet Fuel	-27	-77	-10	71	-1.8	-5.1	-0.7	5.1
Resid	-11	11	25	-85	-2.1	2.2	4.9	-14.7



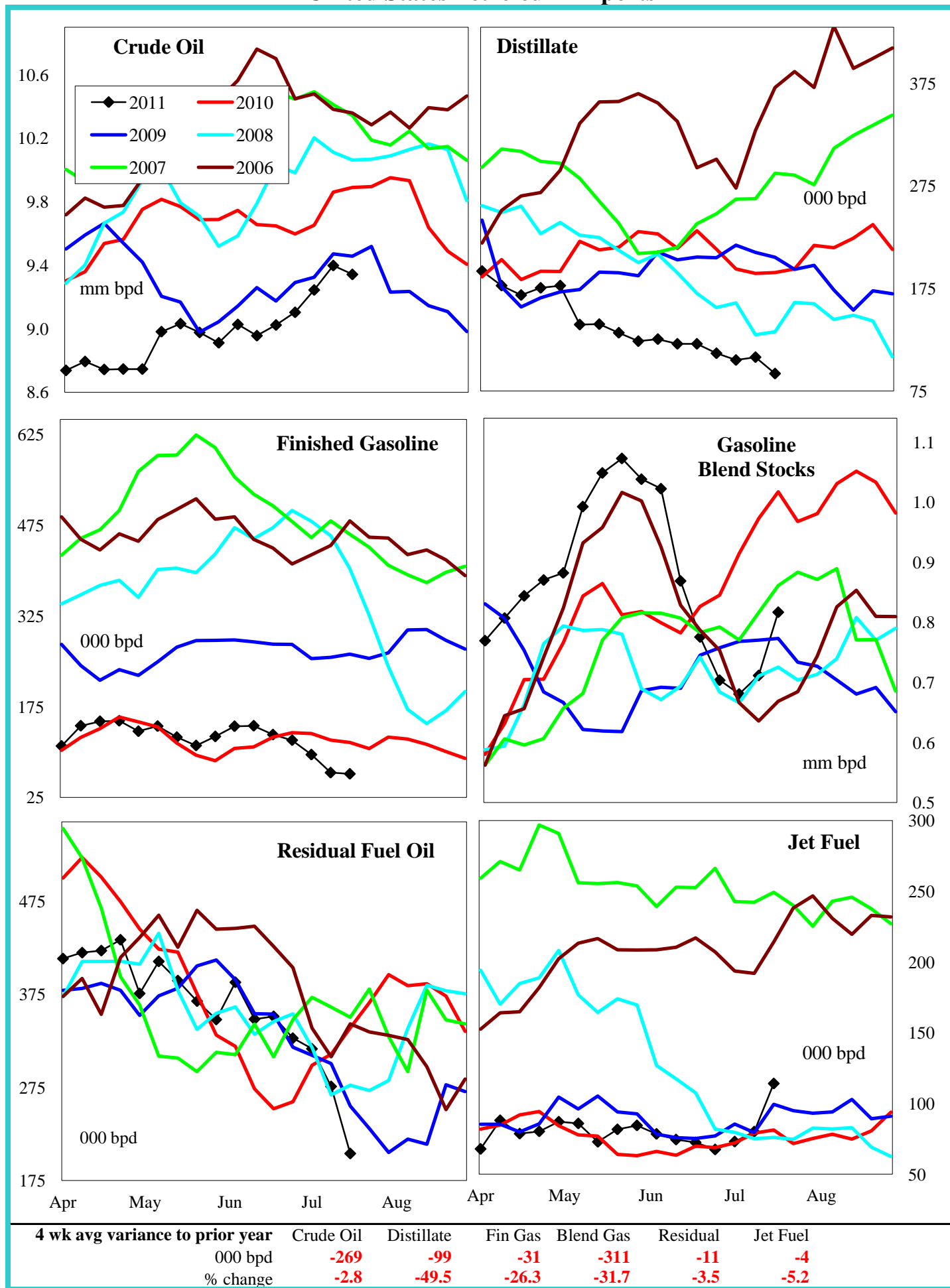
# United States Product Stocks: Days Forward Coverage



## United States Refinery Percent Utilization Rate and Product Yields

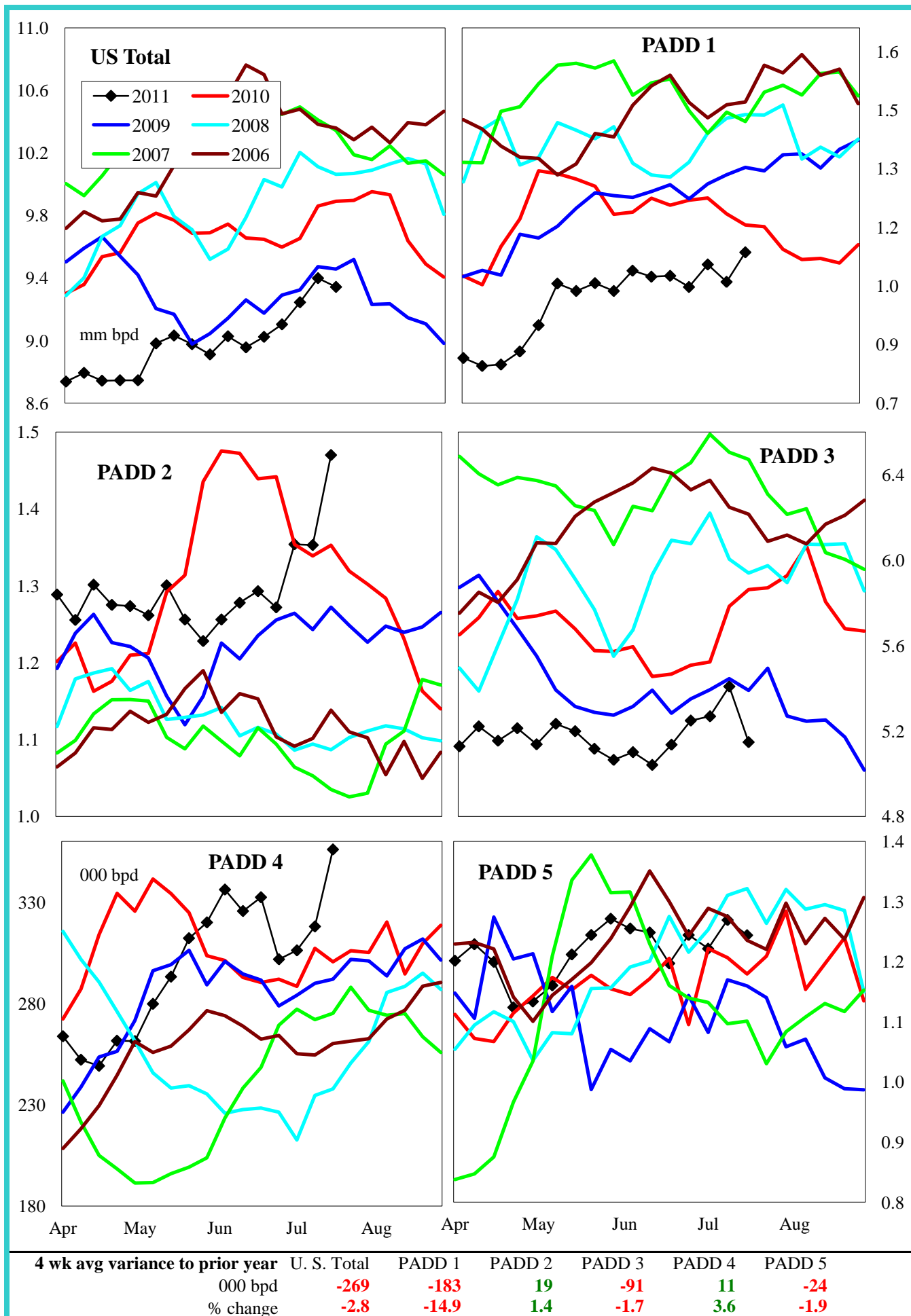


# United States Petroleum Imports

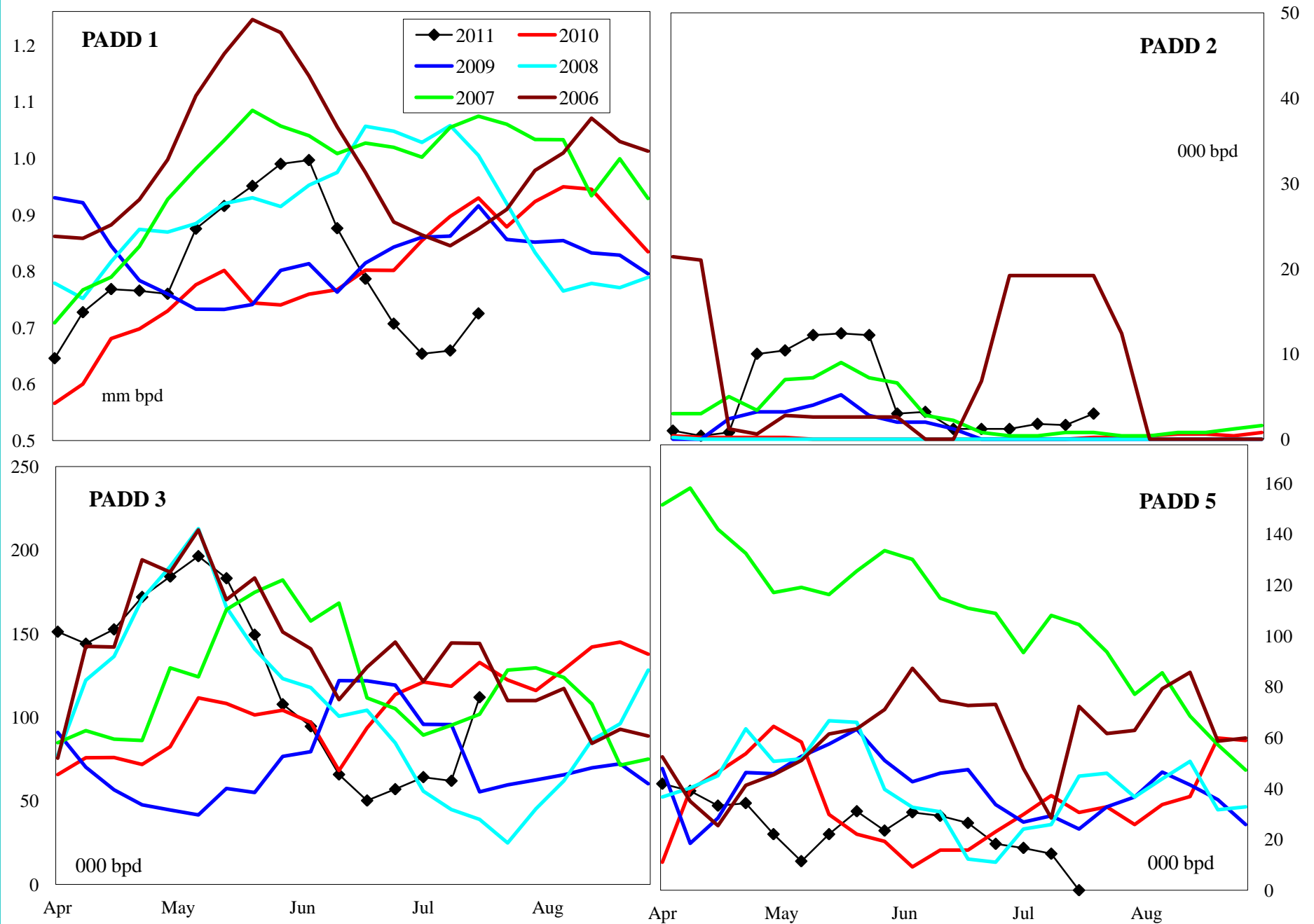




## Crude Oil Imports by PADD

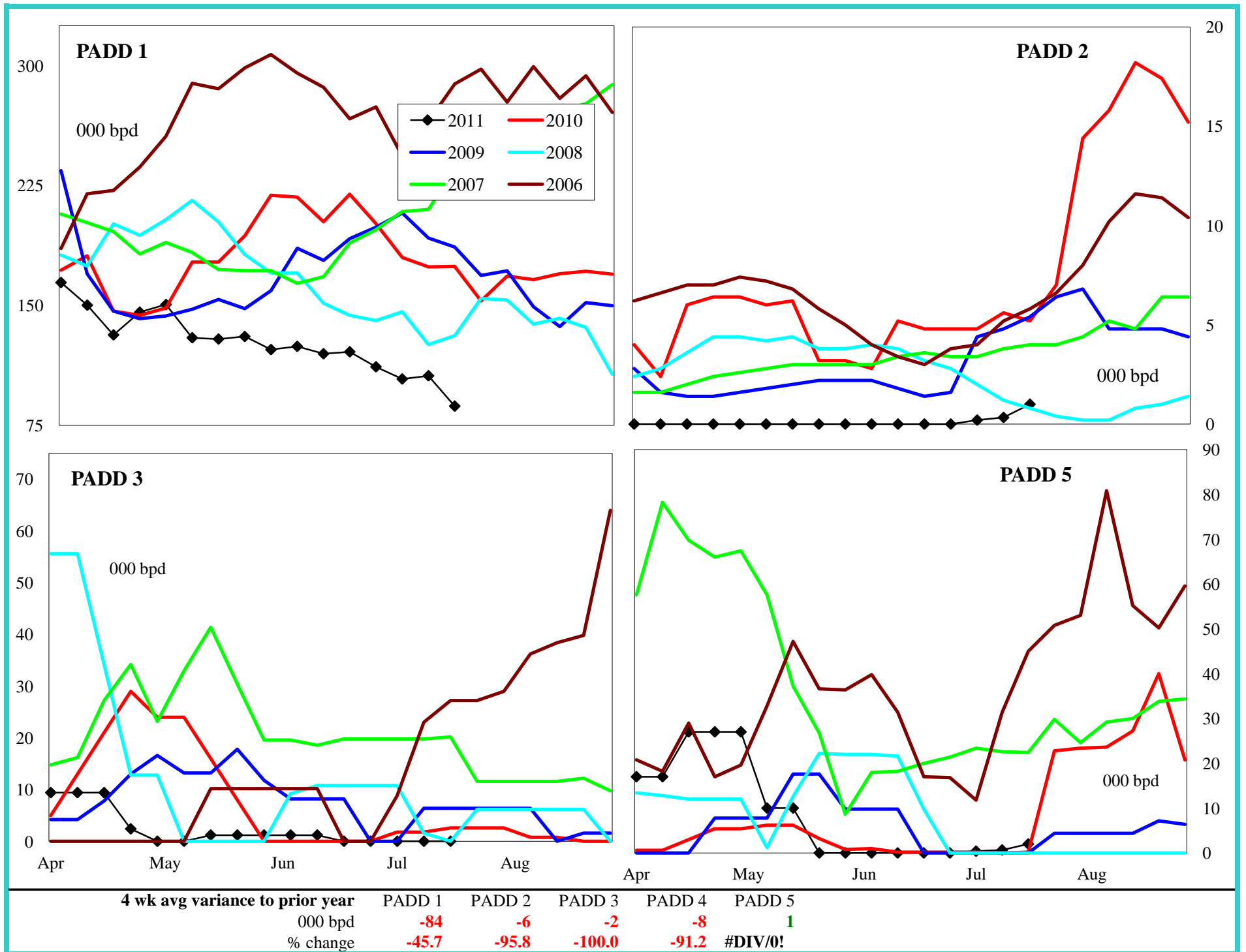


# Gasoline Imports by PADD (Finished + Blend Stocks)

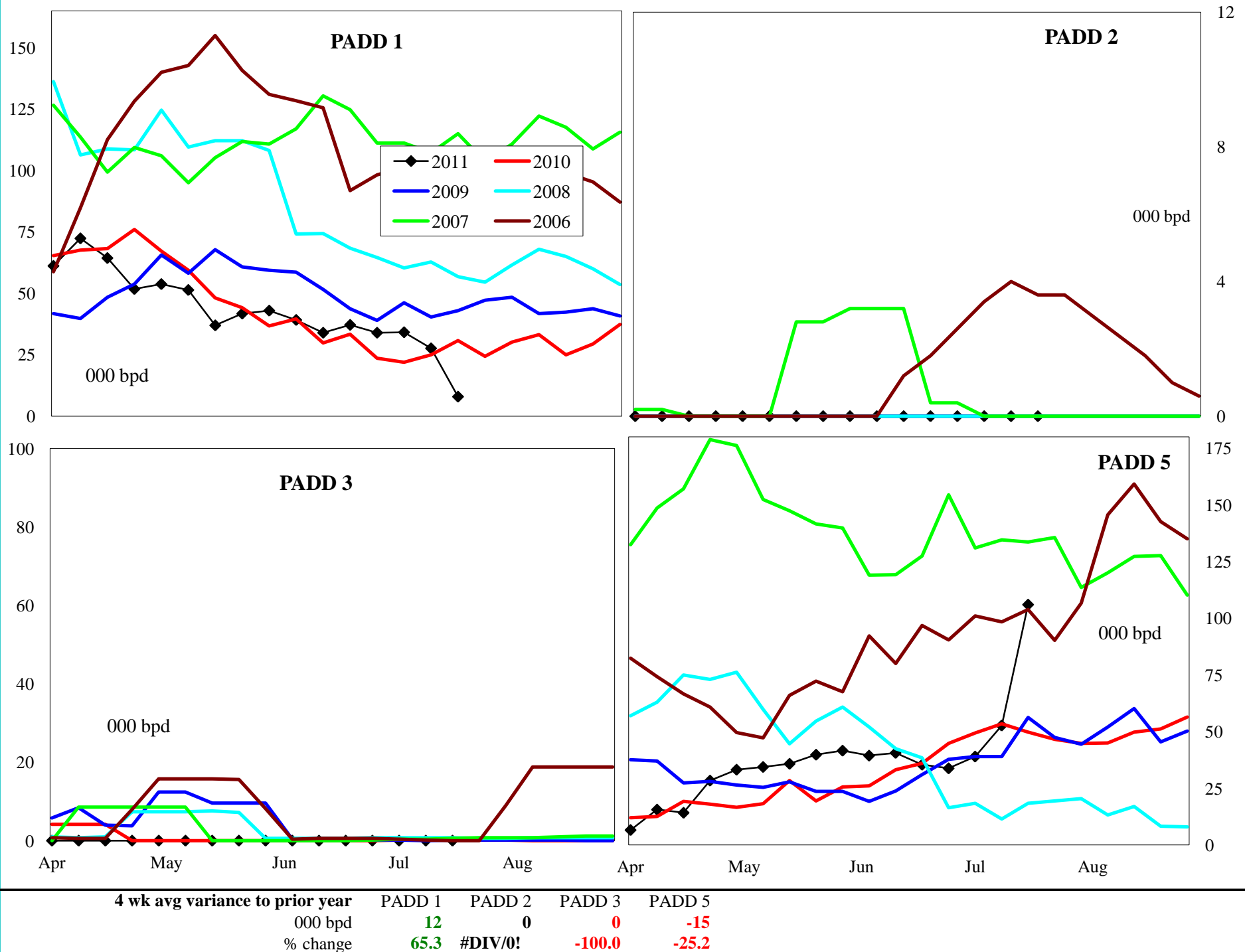


4 wk avg variance to prior year	PADD 1	PADD 2	PADD 3	PADD 5
000 bpd	-251	2	-68	-25
% change	-26.9	#DIV/0!	-52.7	-69.5

# Distillate Imports by PADD

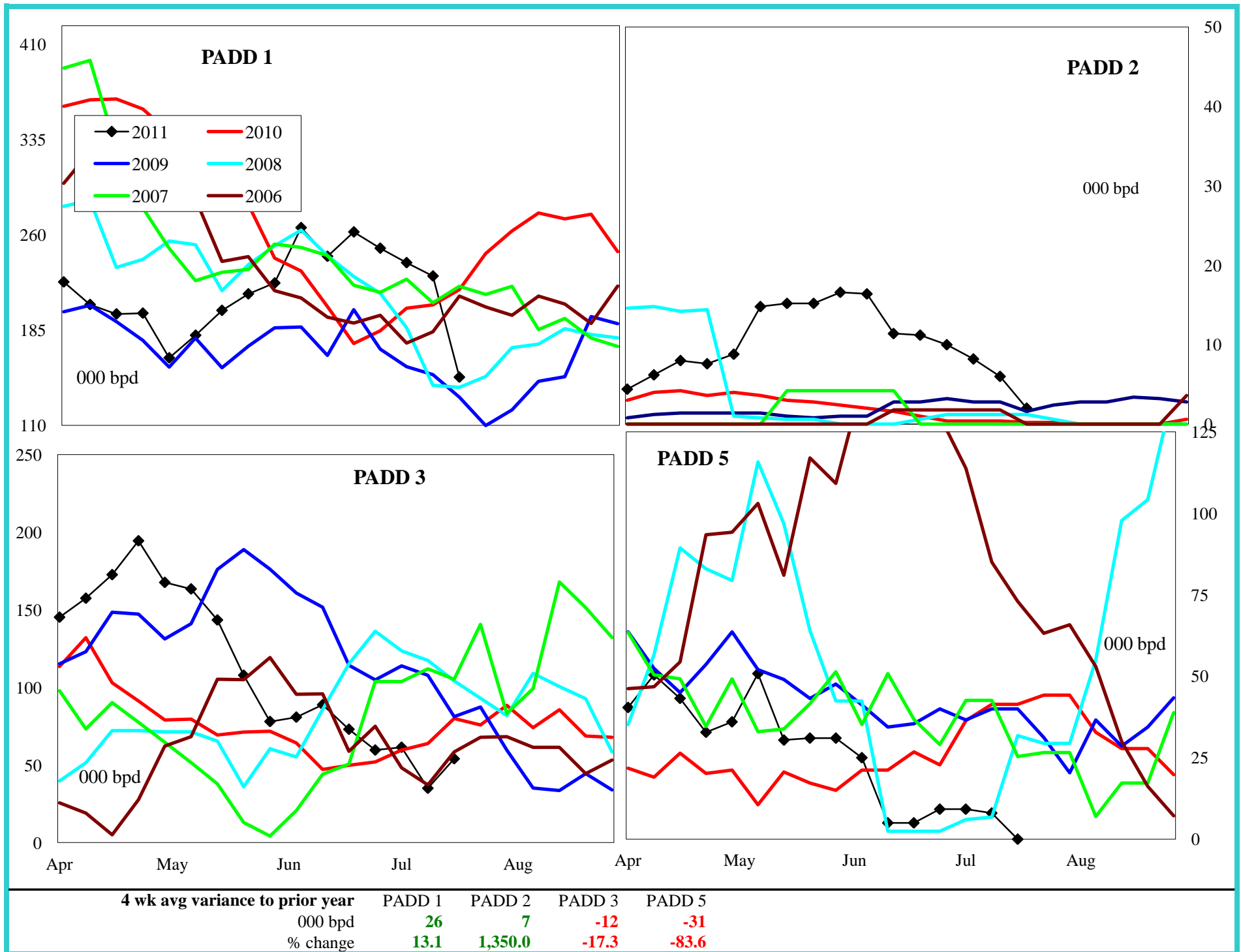


# Jet Fuel Imports by PADD

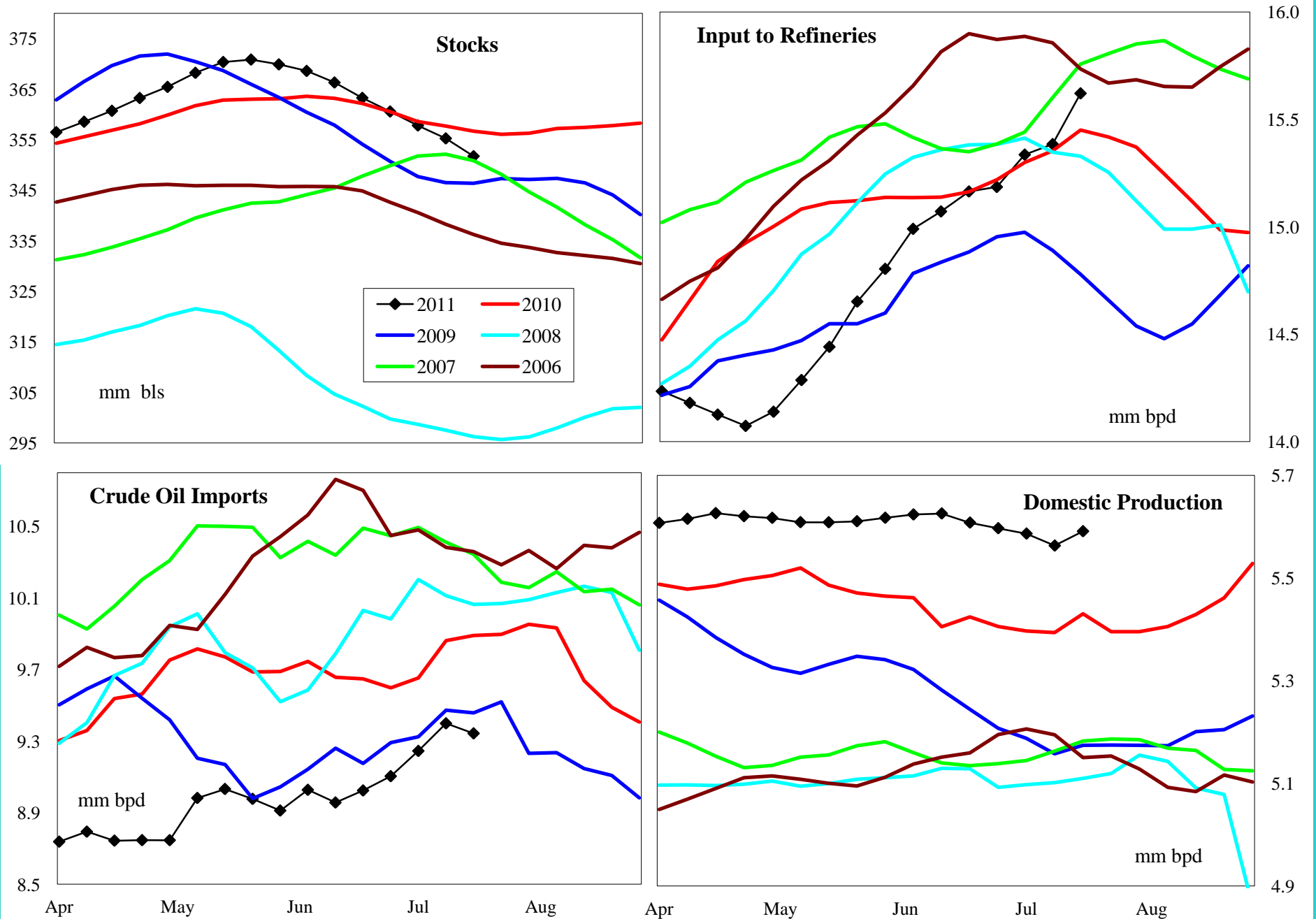




## Residual Fuel Oil Imports by PADD



# United States Crude Oil Supply and Demand Balance



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

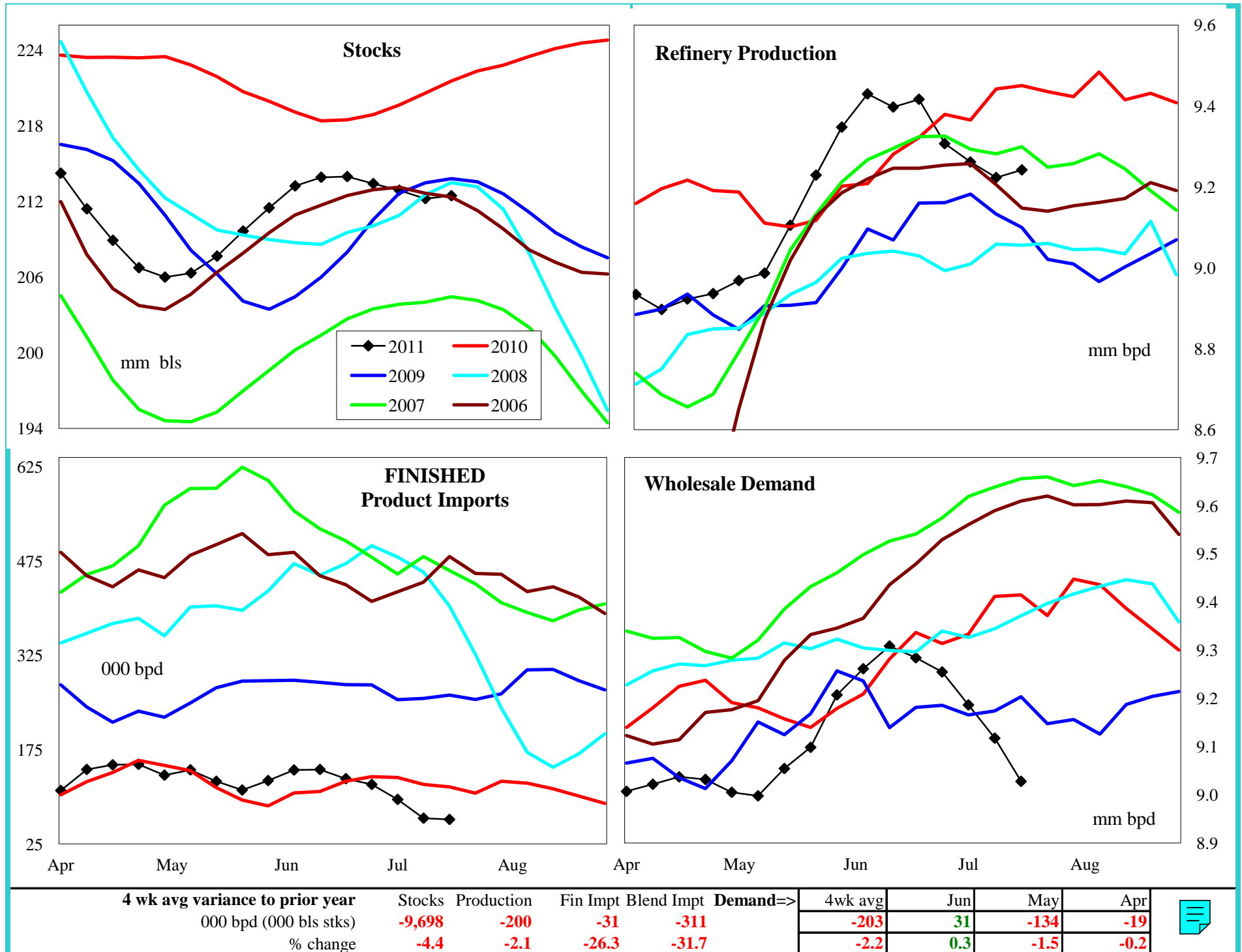
**Stocks**  
**-1,727**  
**-0.5**

**Input**  
**24**  
**0.2**

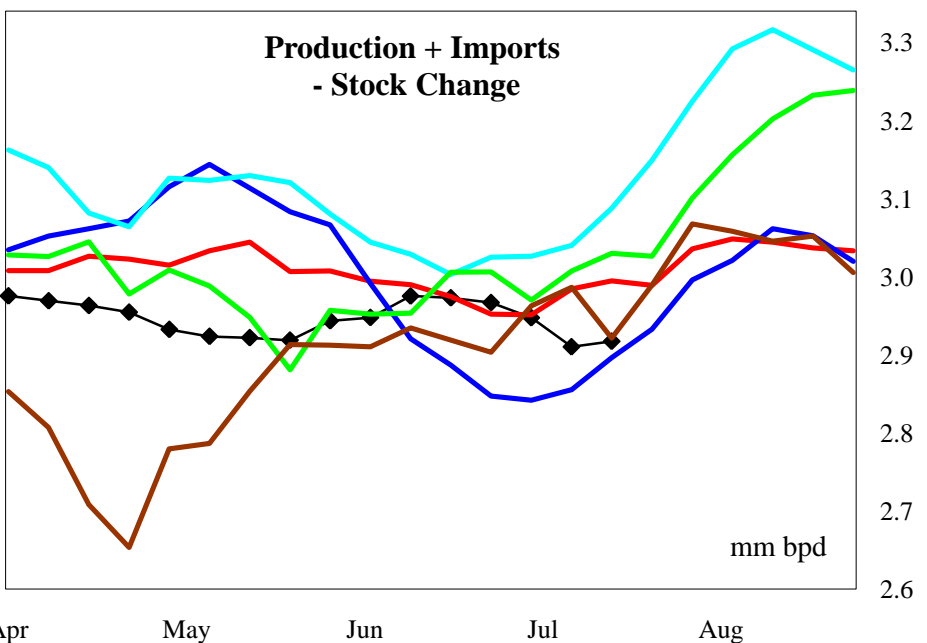
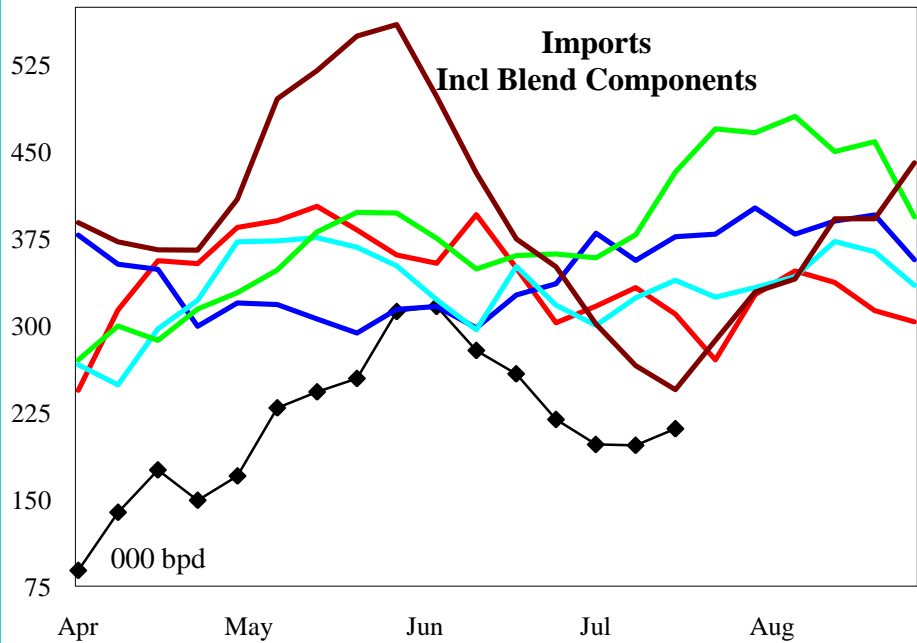
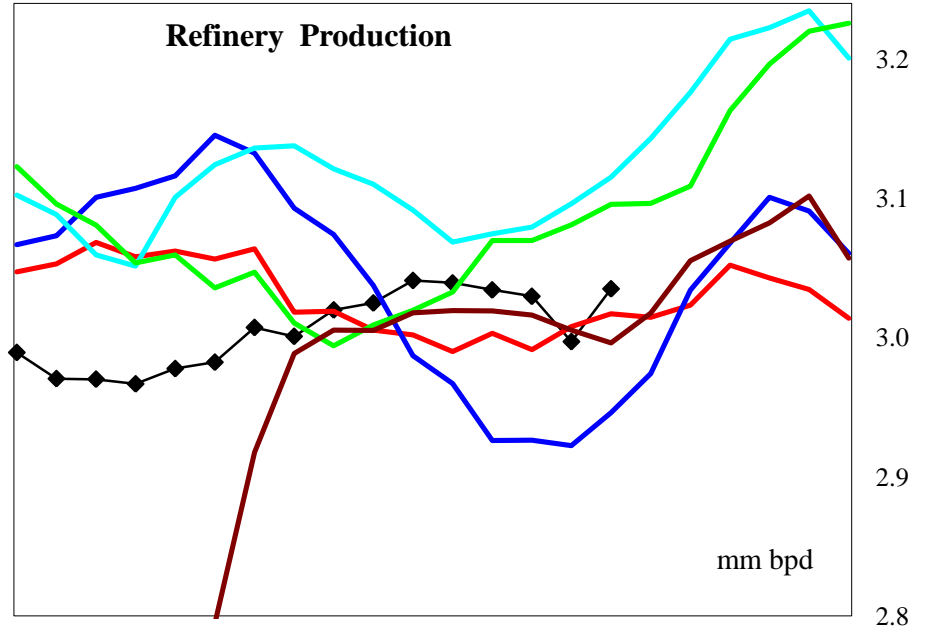
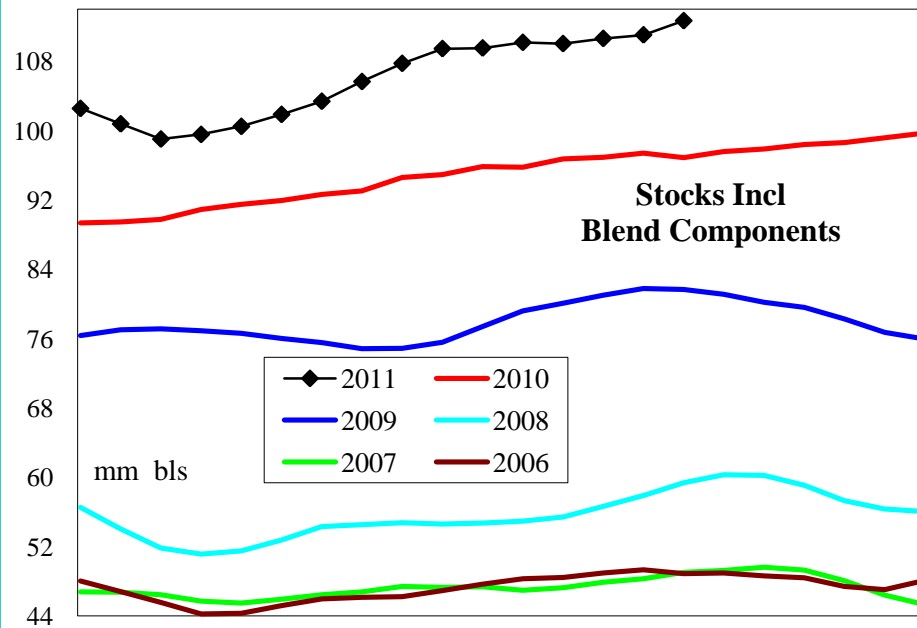
**Imports**  
**-269**  
**-2.8**

**U.S. Production**  
**200**  
**3.7**

# 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  
**15,794**  
**16.3**

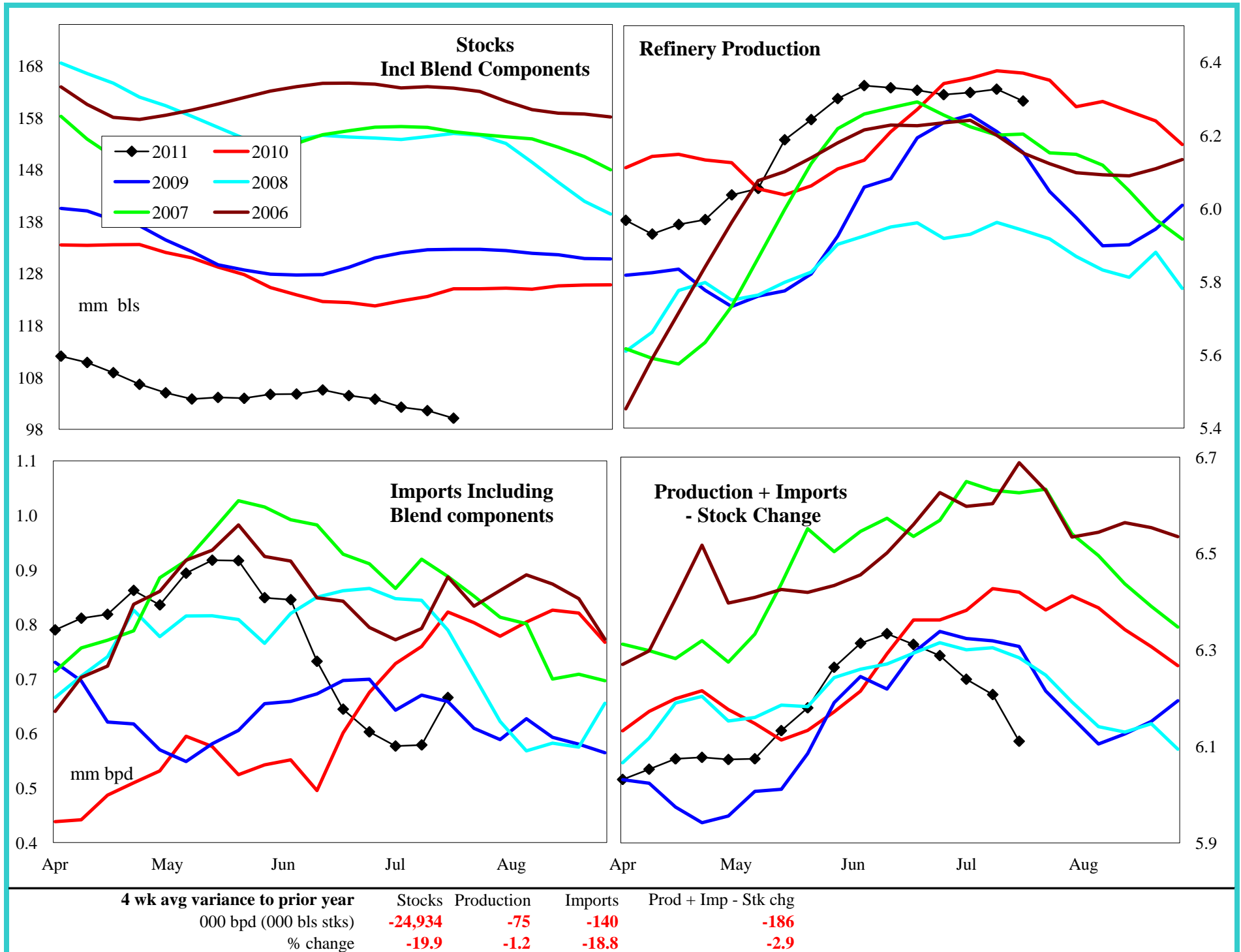
Production  
**33**  
**1.1**

Imports  
**-110**  
**-34.7**

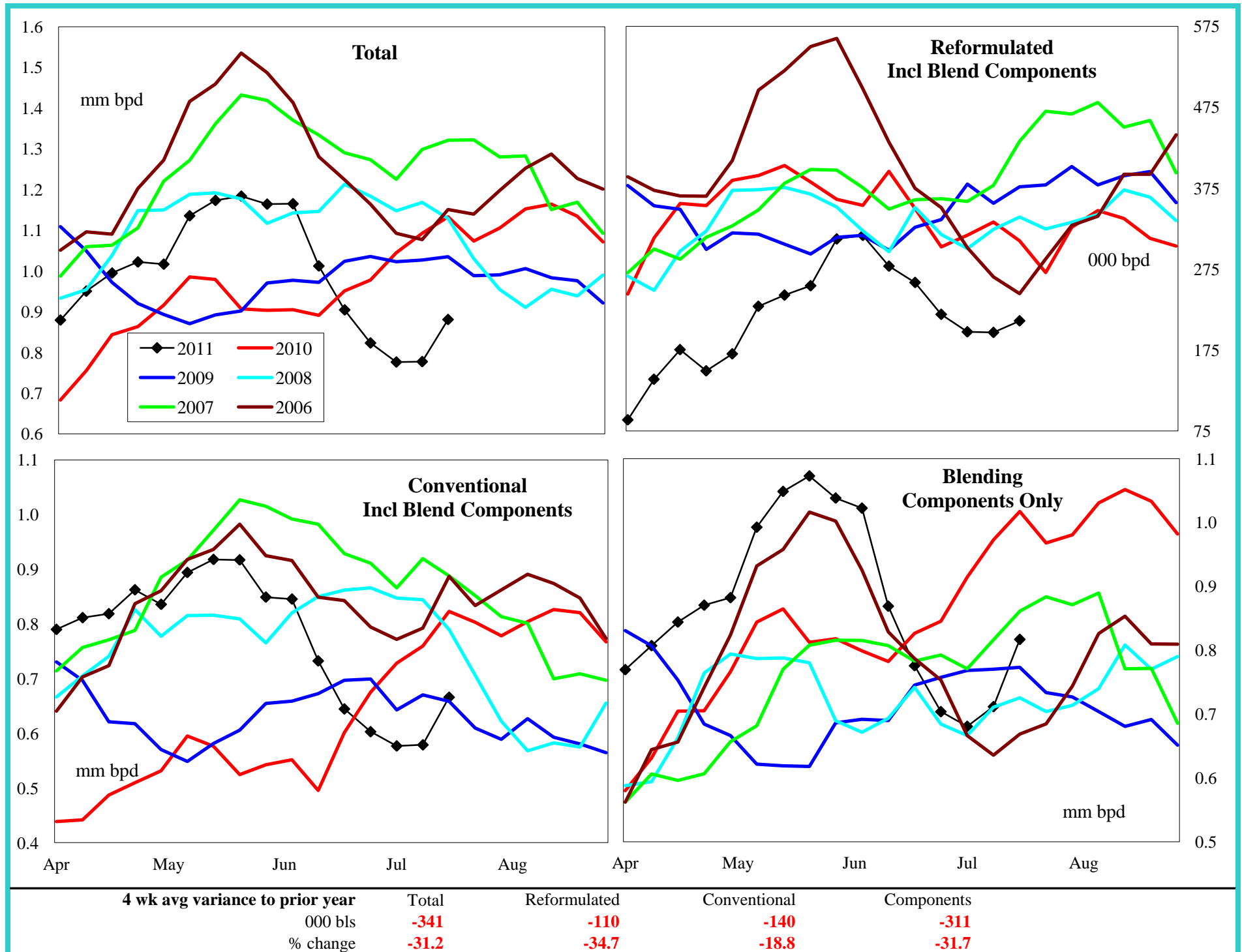
Prod + Imp - Stk chg  
**-35**  
**-1.2**



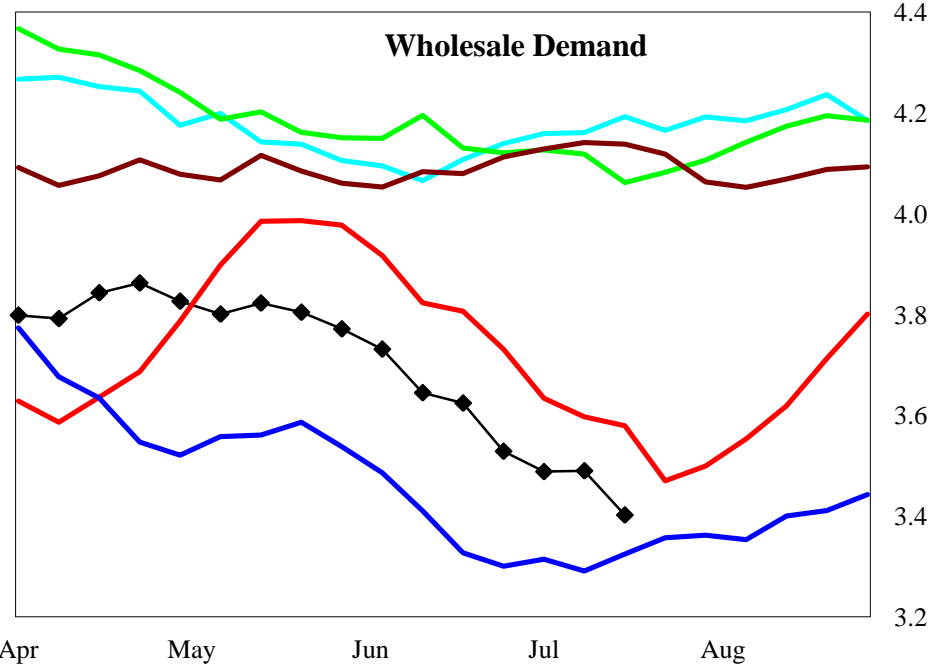
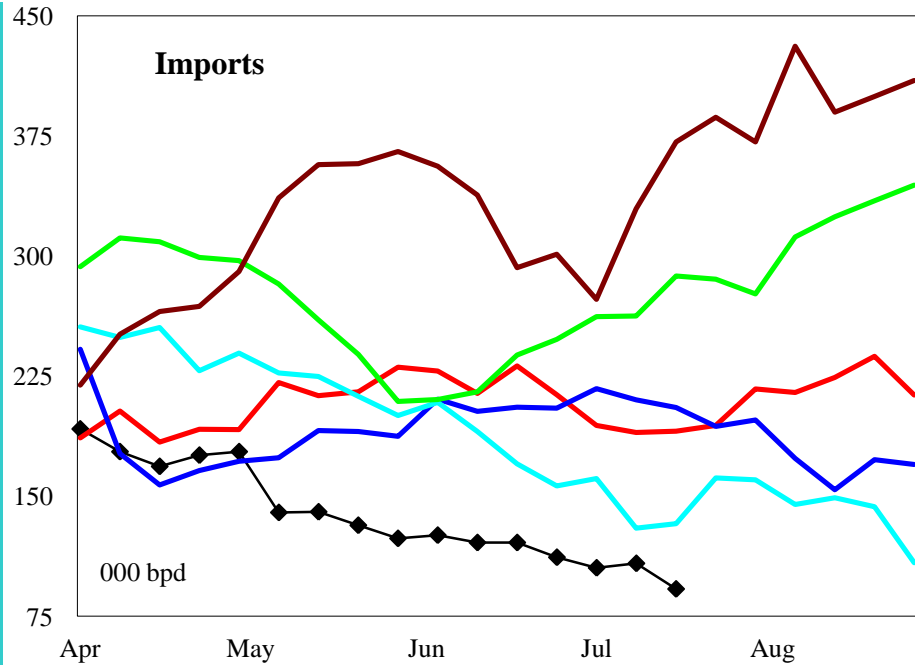
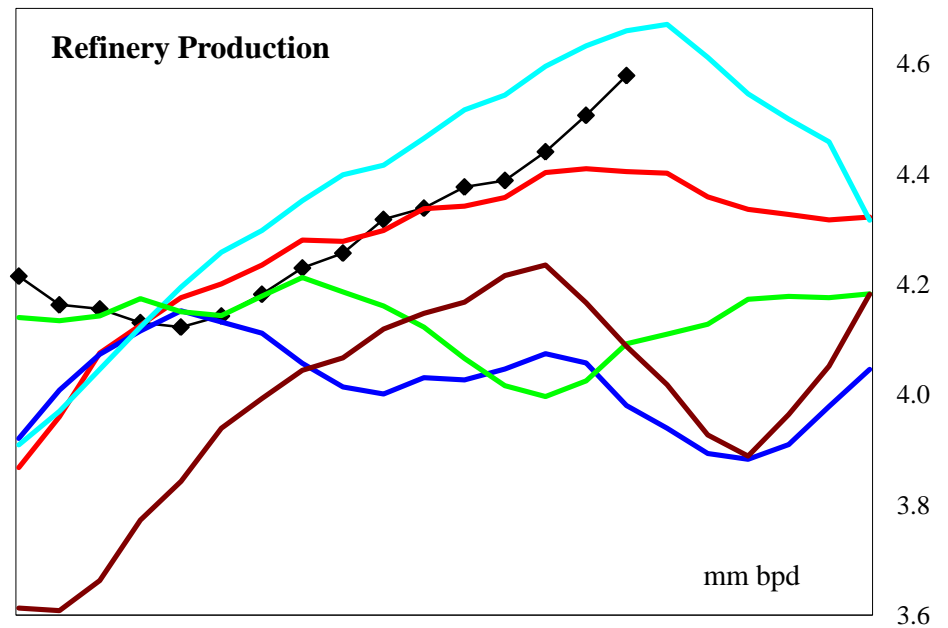
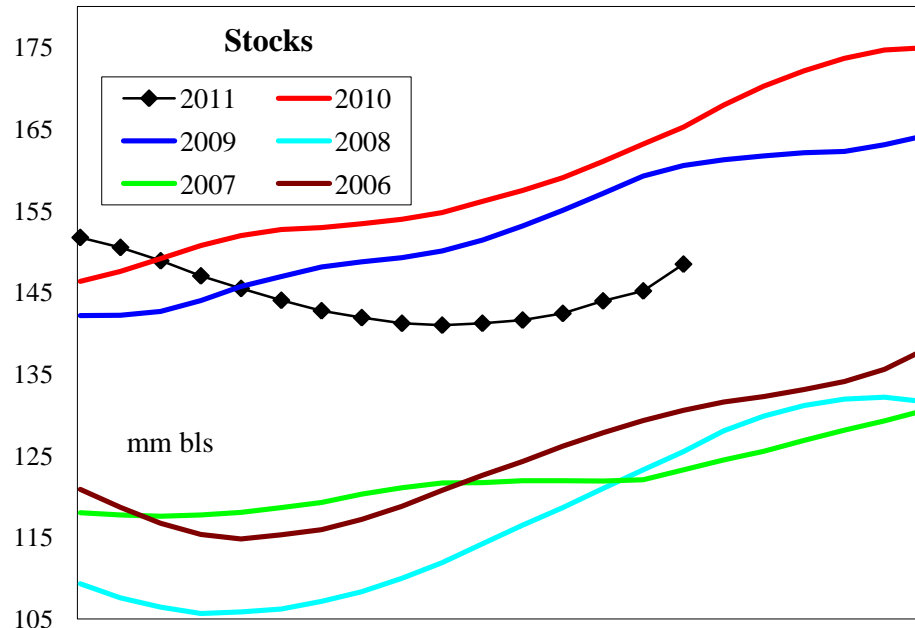
# United States Conventional Gasoline Supply



# United States Gasoline Imports by Type



# United States Distillate Supply and Demand Balance



**4 wk avg variance to prior year**

000 bpd (000 bls stks)

% change

Stocks

-18,115

-10.9

Production

45

1.0

Imports

-99

-49.5

Demand=>

4wk avg

-91

-2.5

Jun

-1,179

-31.4

May

170

4.7

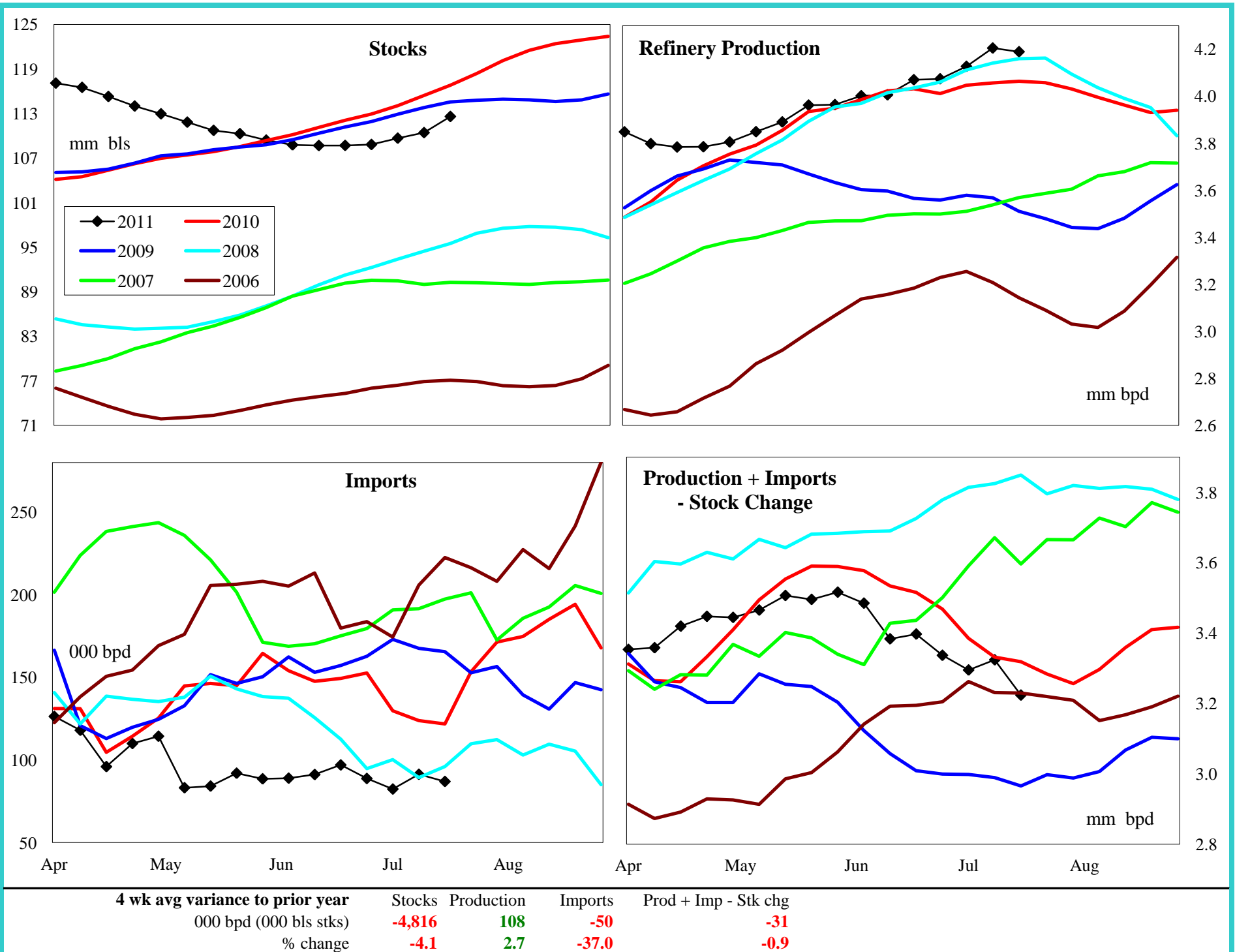
Apr

179

4.8

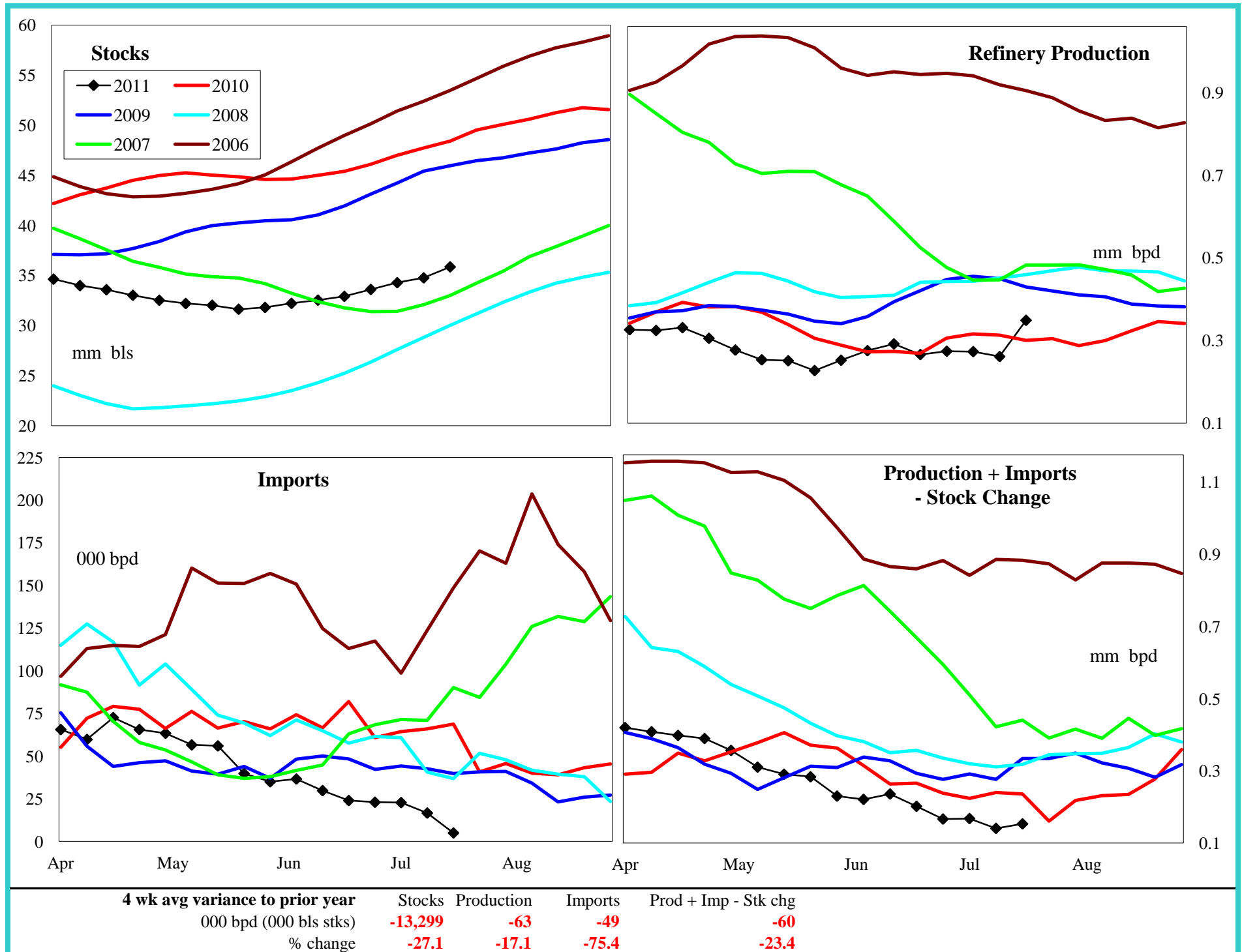


# United States Low Sulfur Distillate Supply

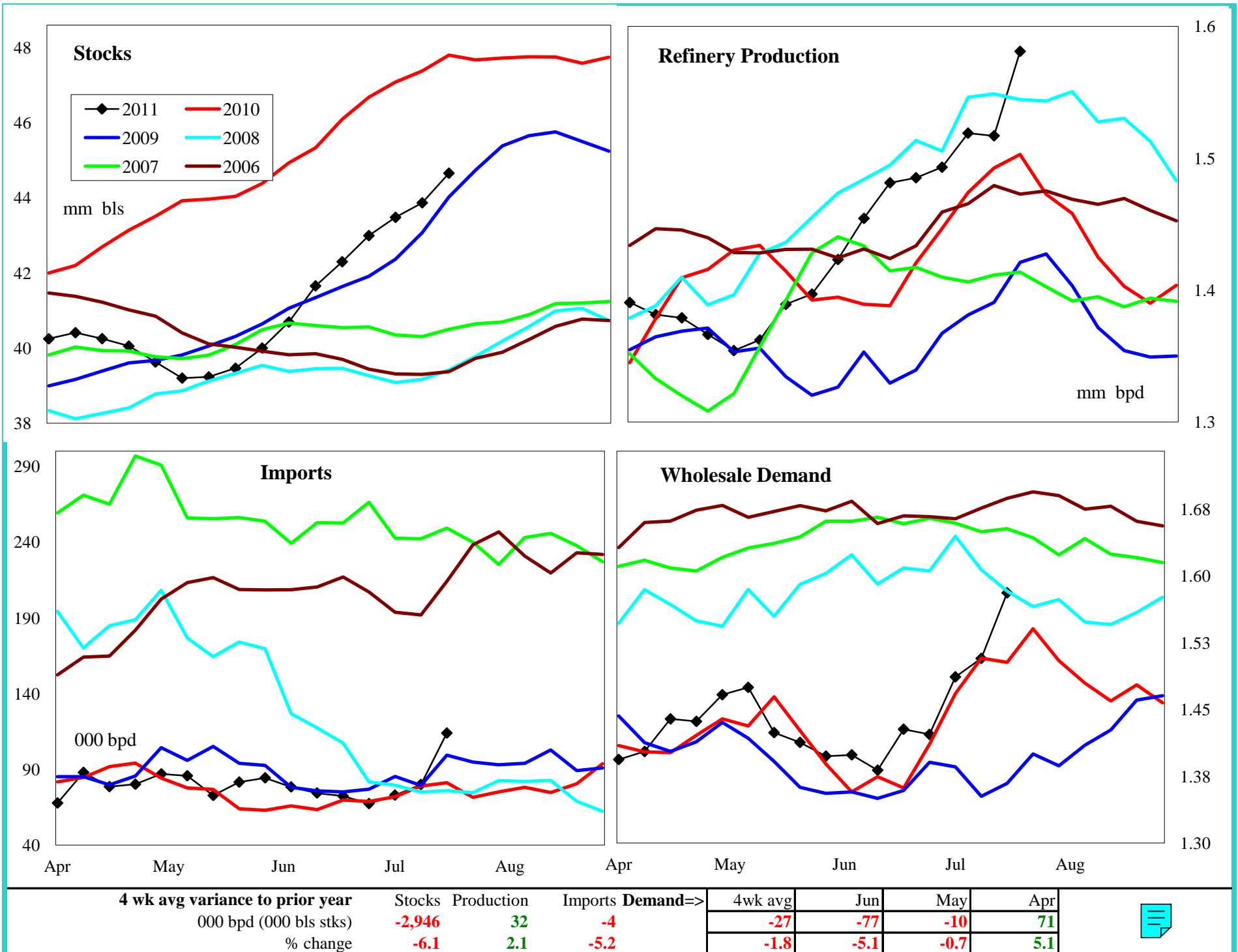




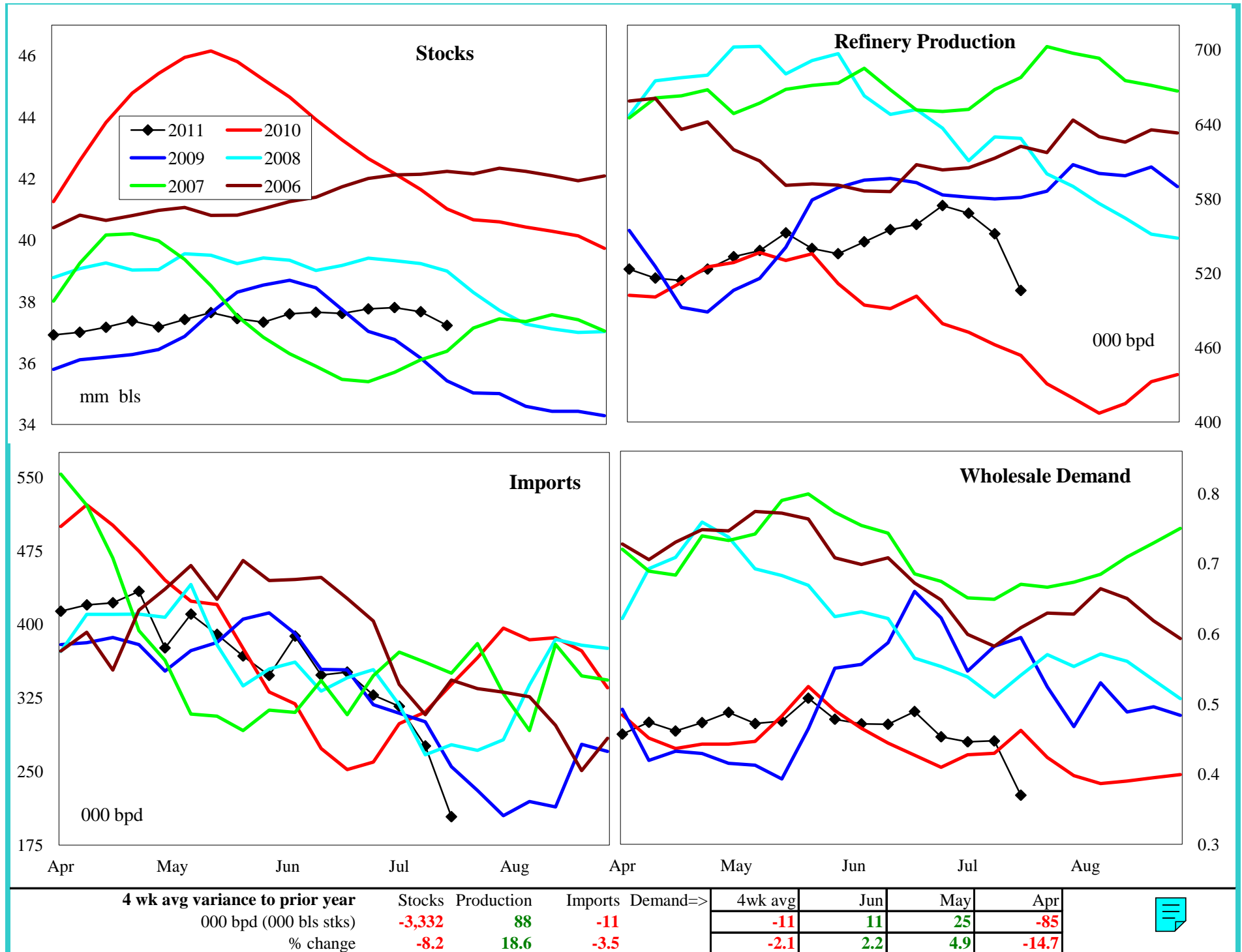
# United States High Sulfur Distillate Supply



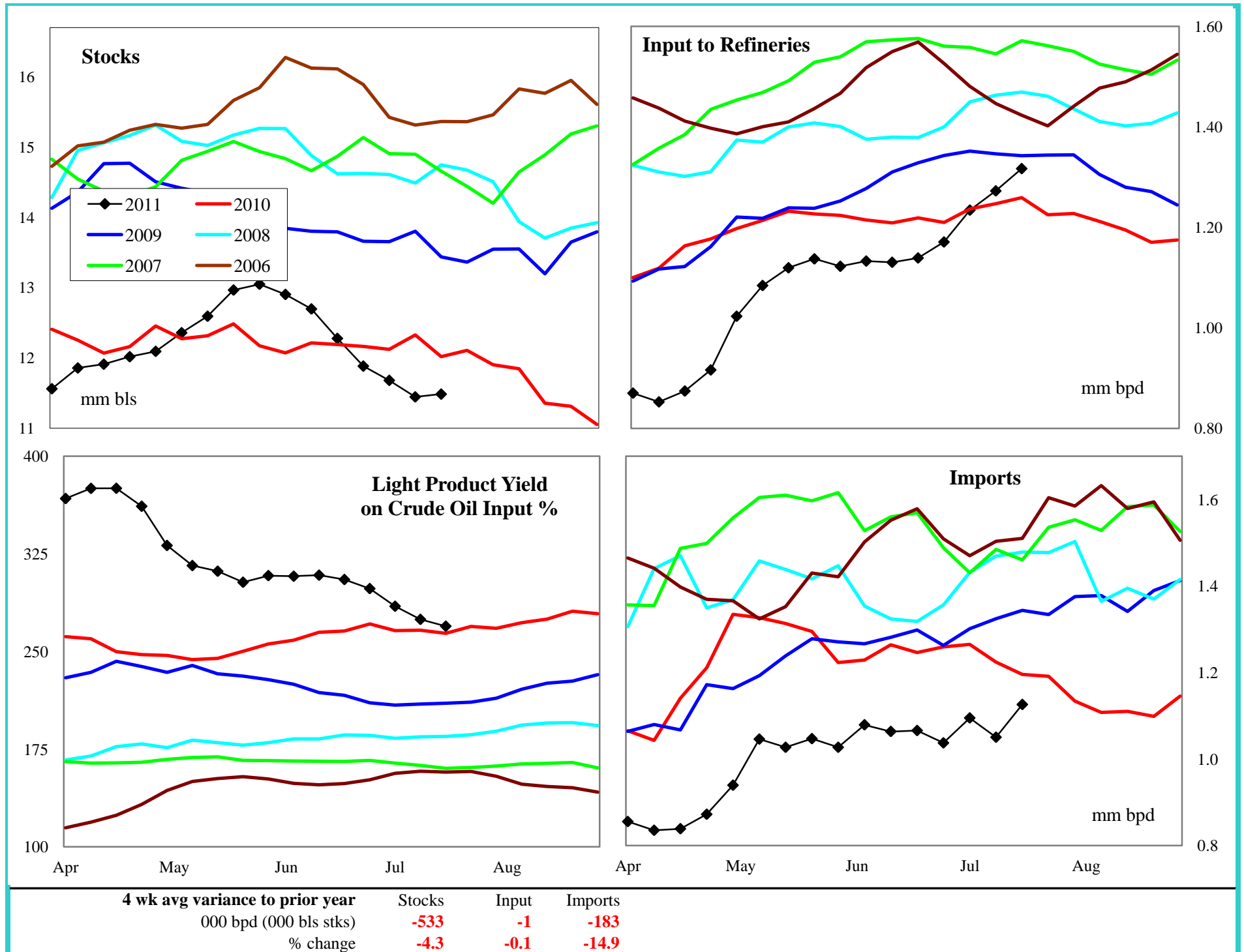
# United States Jet Fuel Supply and Demand Balance



# United States Residual Fuel Oil Supply and Demand Balance

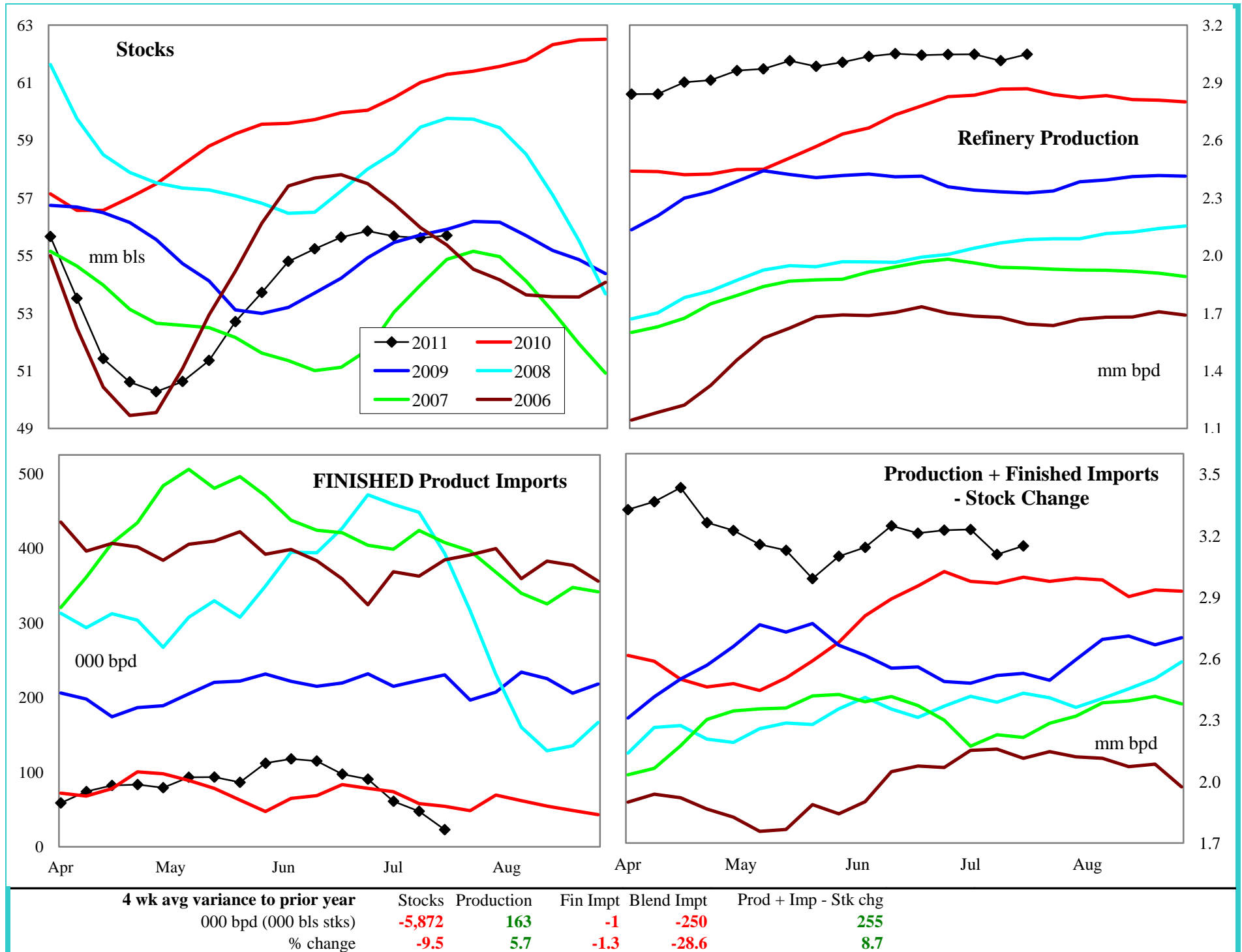


# PADD 1 Crude Oil Supply and Refining

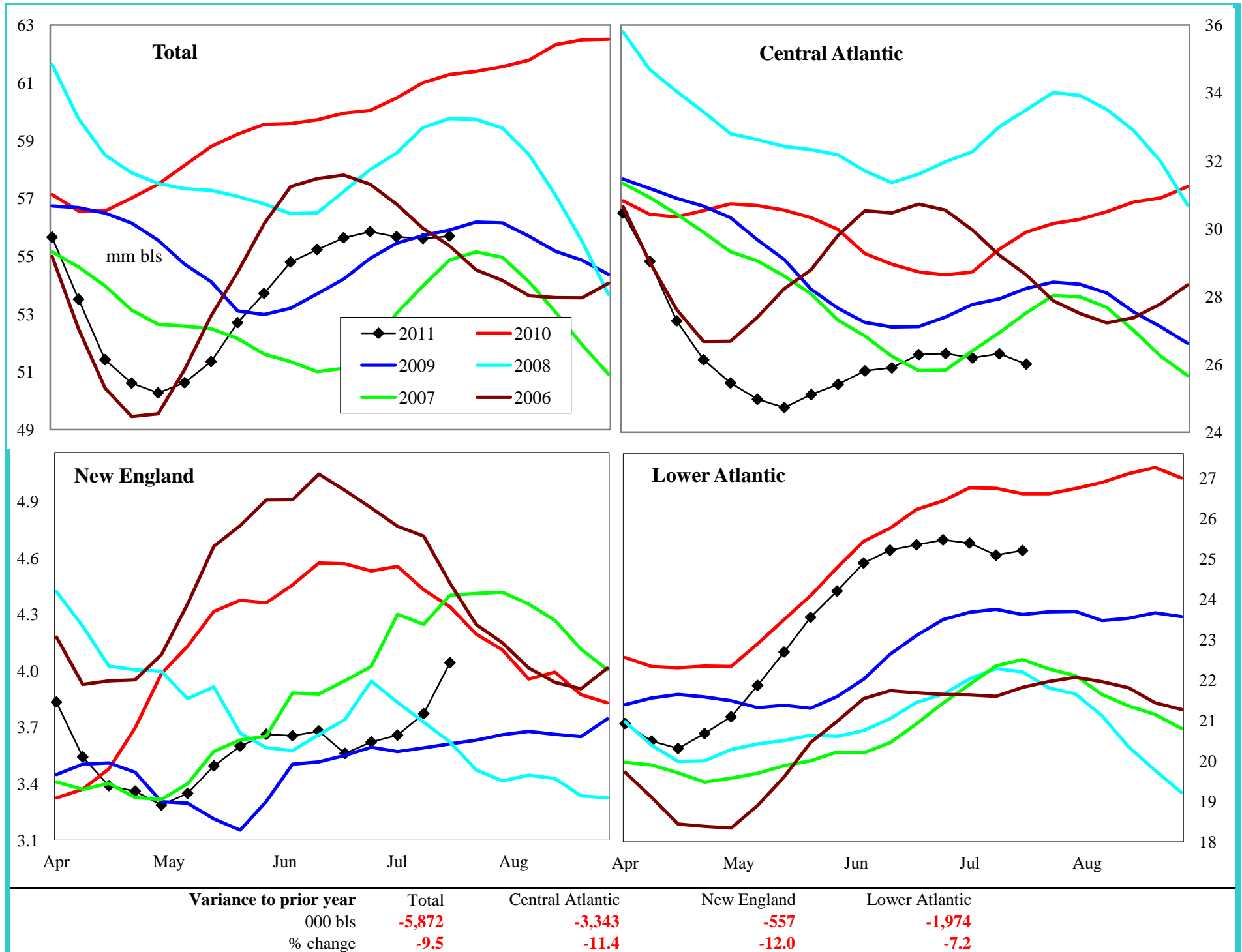




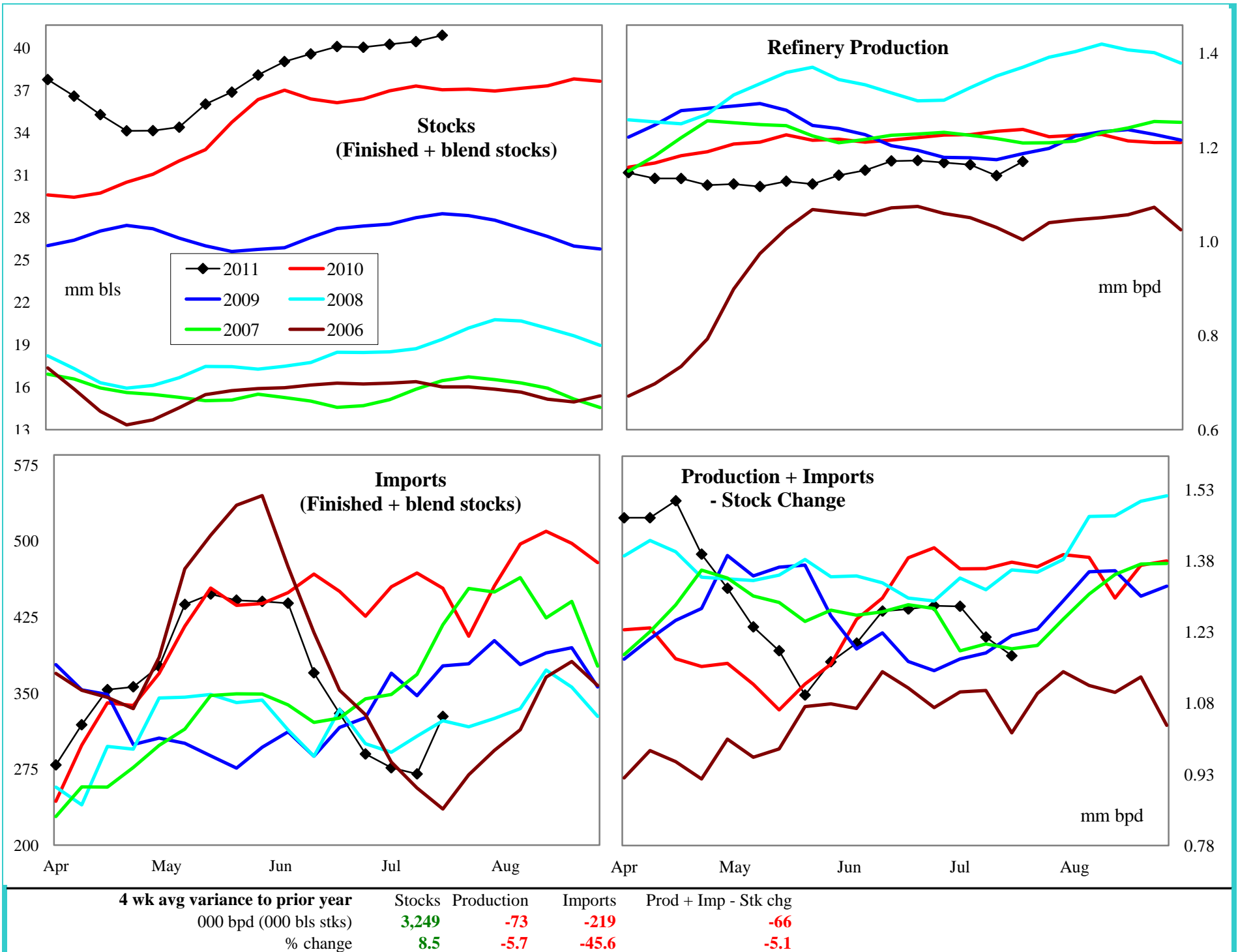
# PADD 1 Gasoline Supply



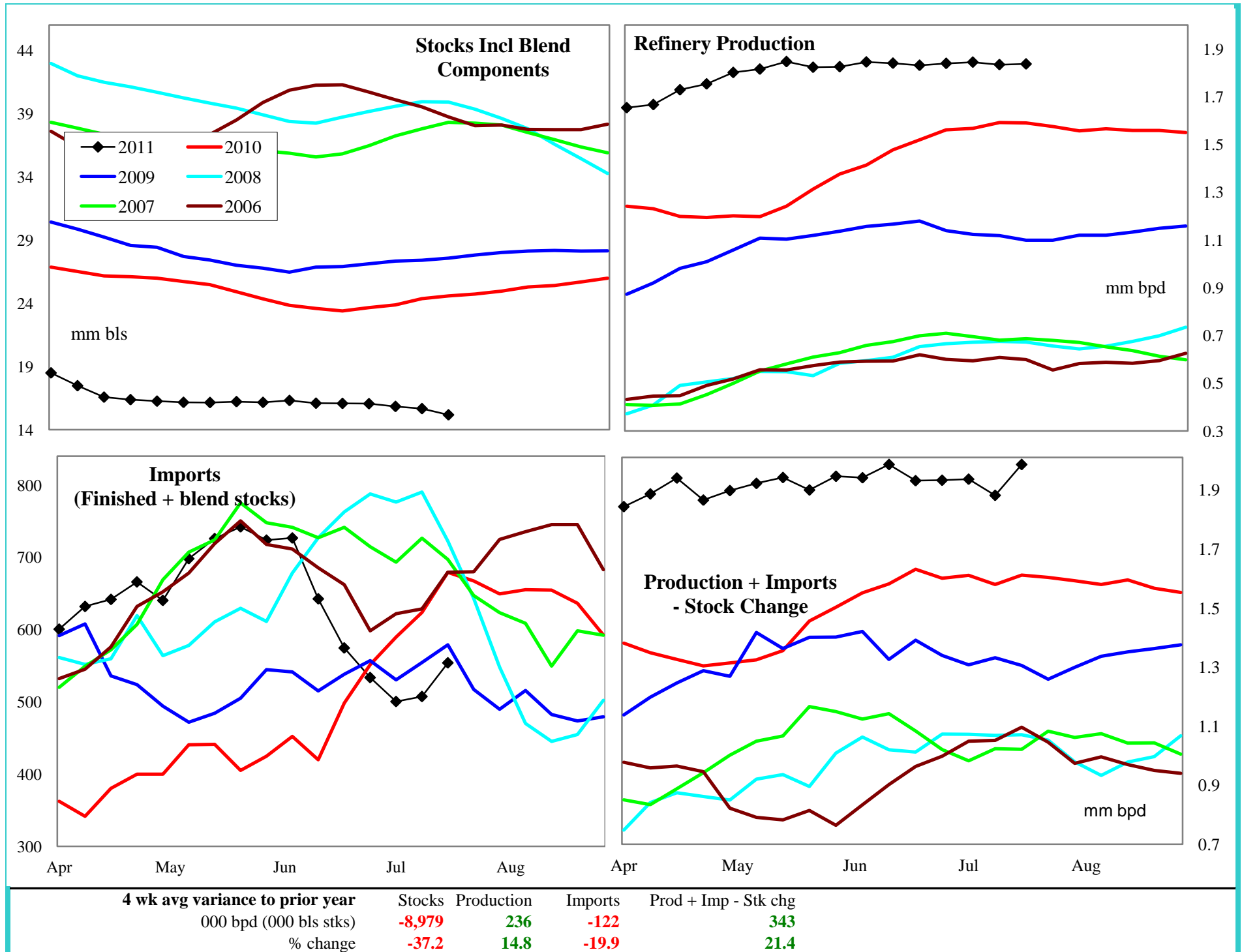
# PADD 1 Gasoline Stocks by Region



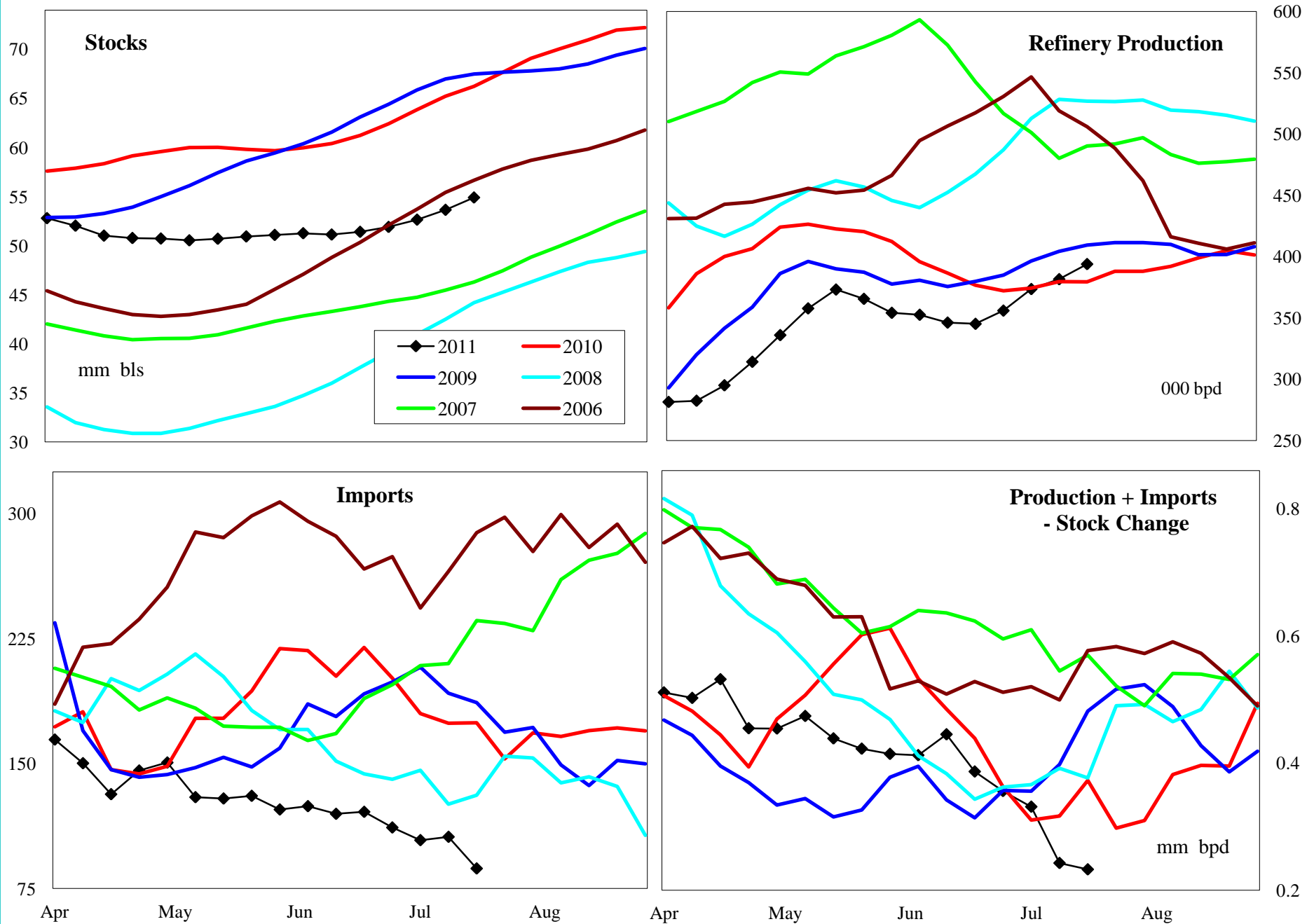
# PADD 1 Reformulated Gasoline Supply



# PADD 1 Conventional Gasoline Supply



# PADD 1 Distillate Supply



**4 wk avg variance to prior year**

000 bpd (000 bls stks)

% change

Stocks

Production

Imports

Prod + Imp - Stk chg

-12,687

-3

-84

28

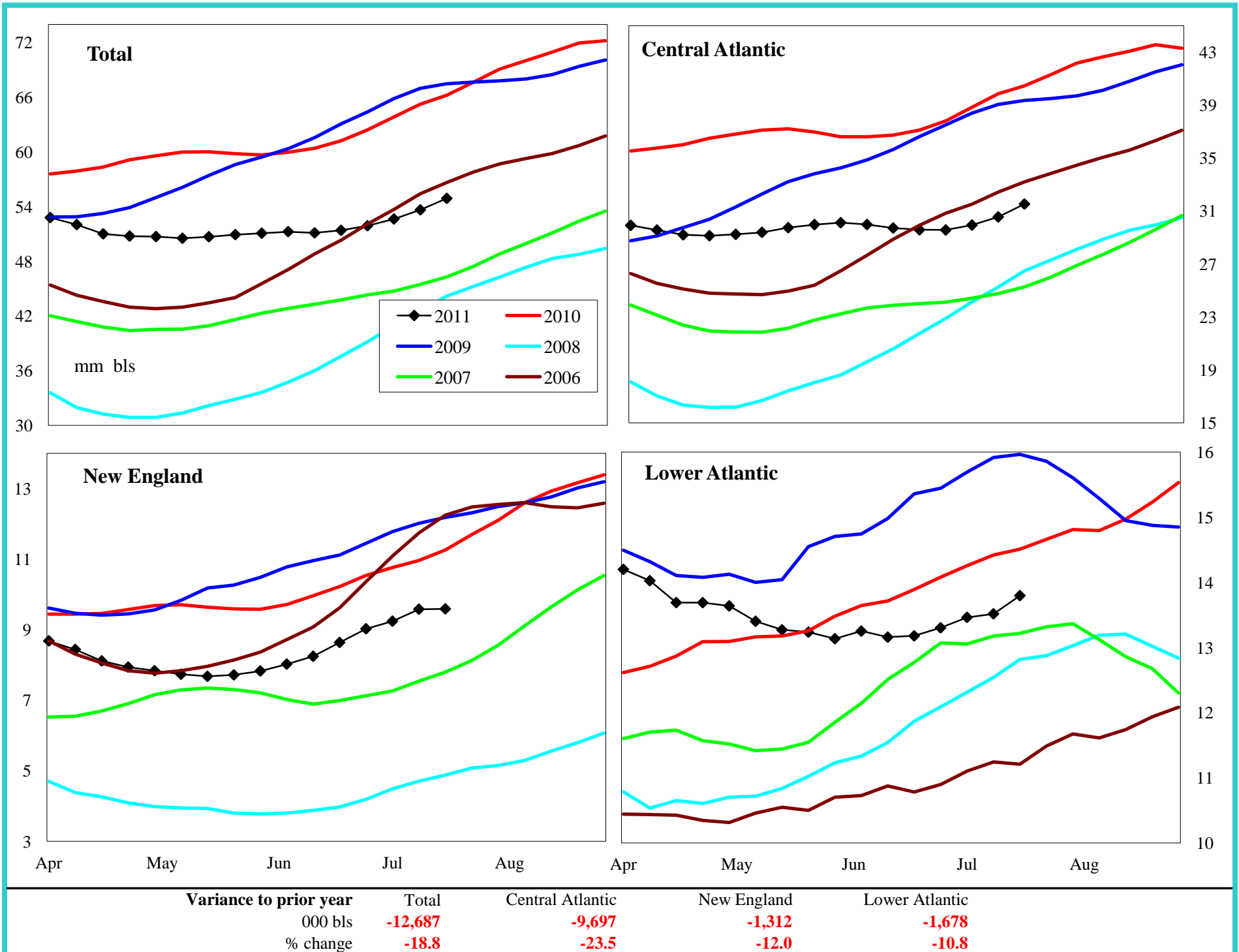
-18.8

-0.7

-45.7

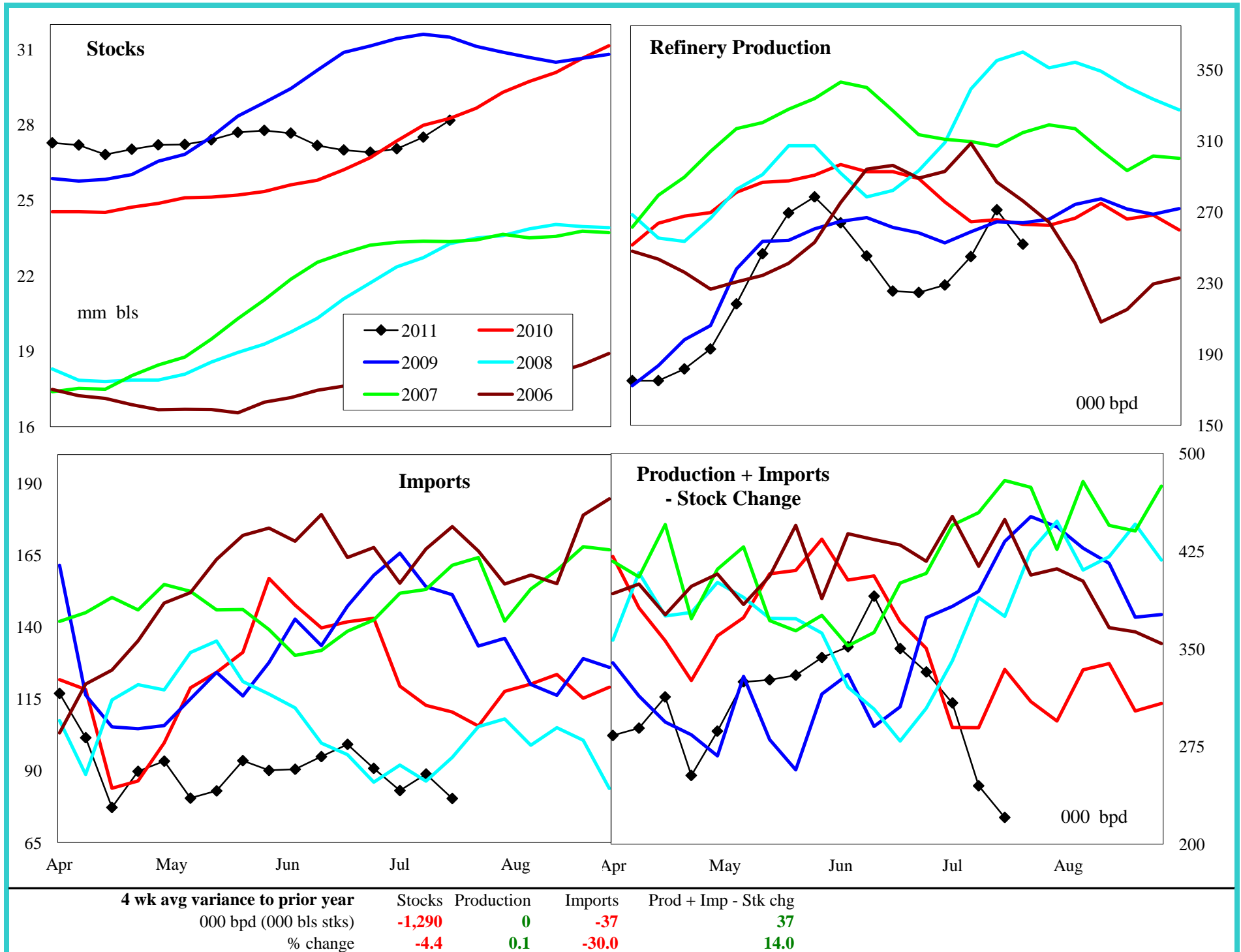
8.4

## PADD 1 Distillate Stocks by Region

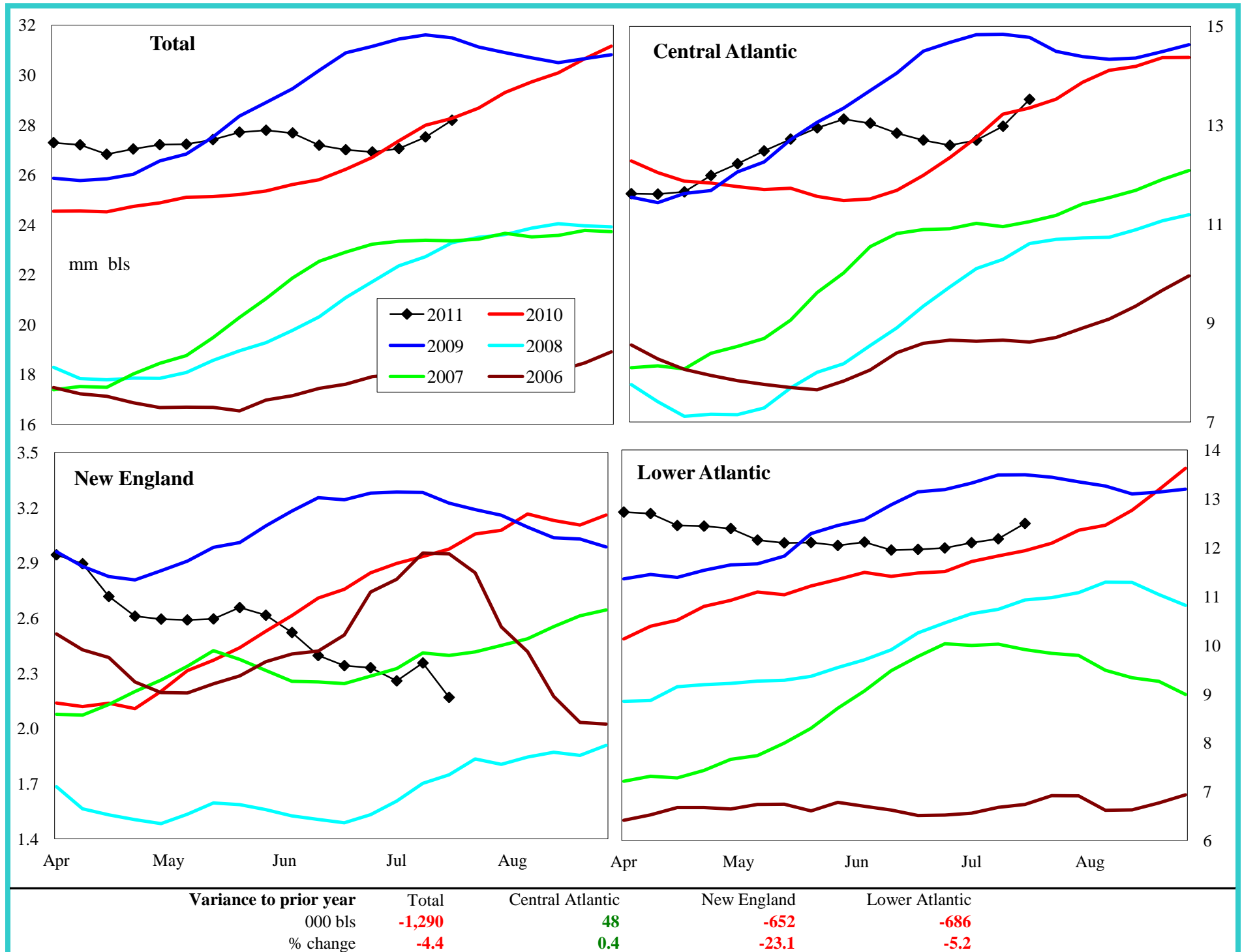




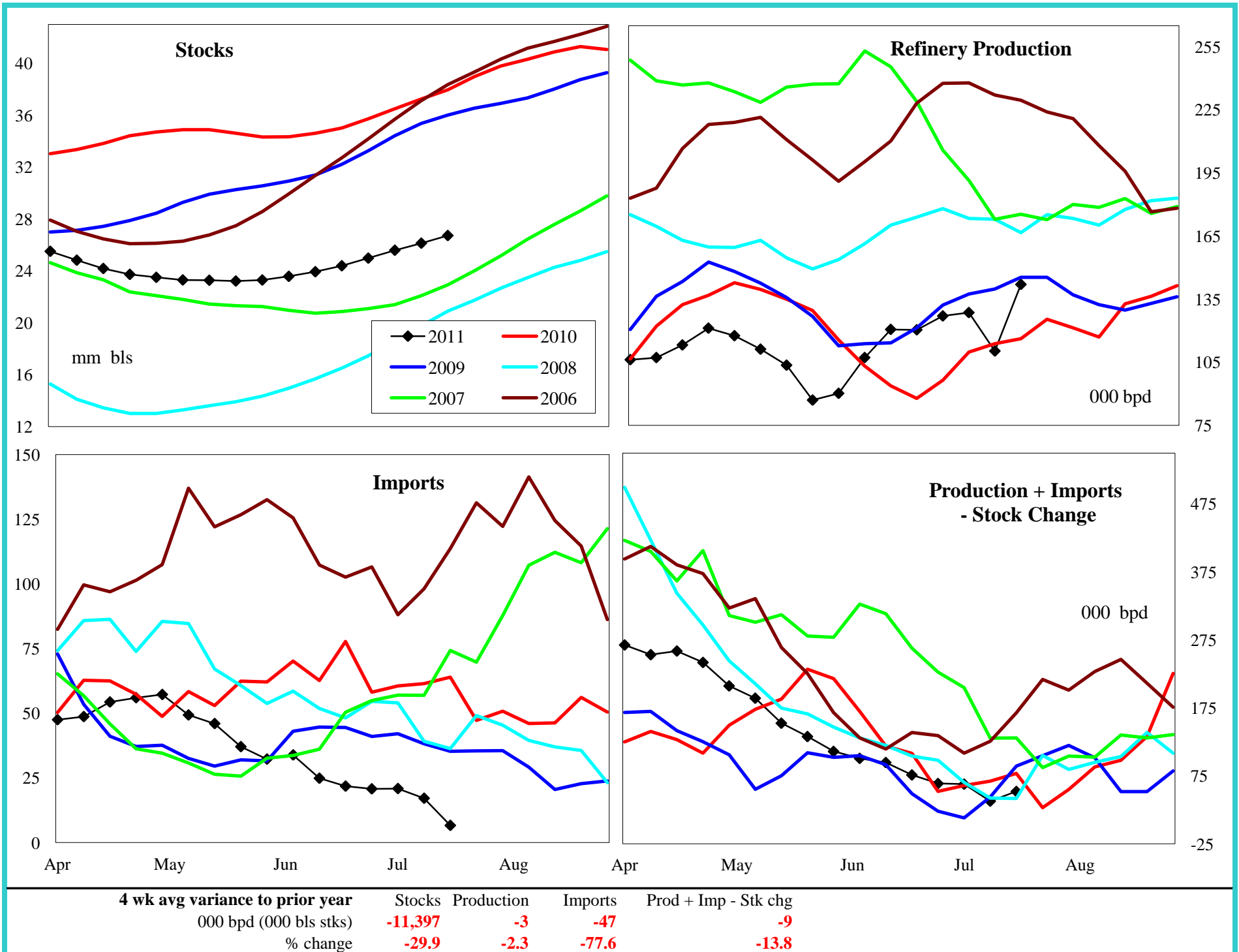
# PADD 1 Low Sulfur Distillate Supply



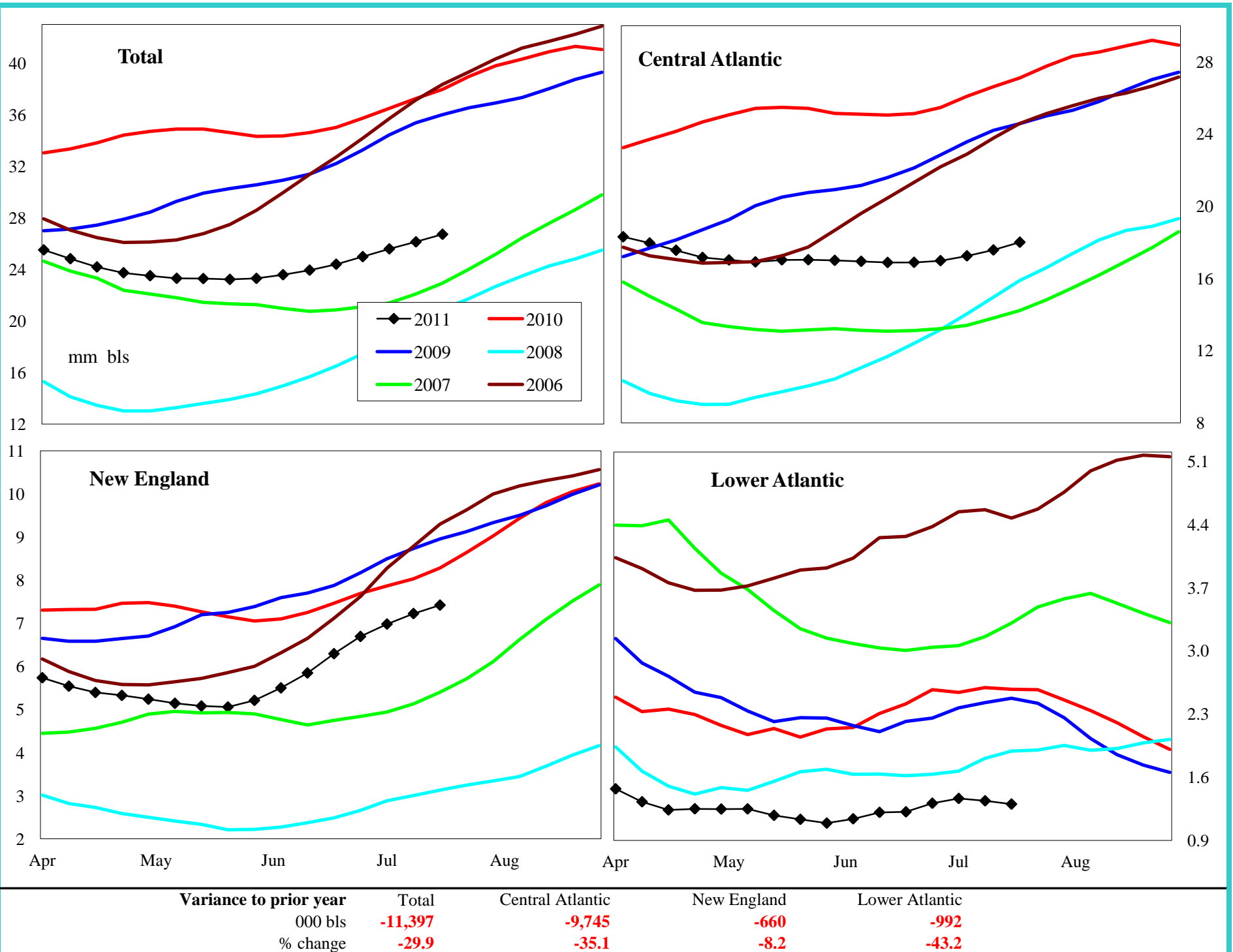
# PADD 1 Low Sulfur Distillate Stocks by Region



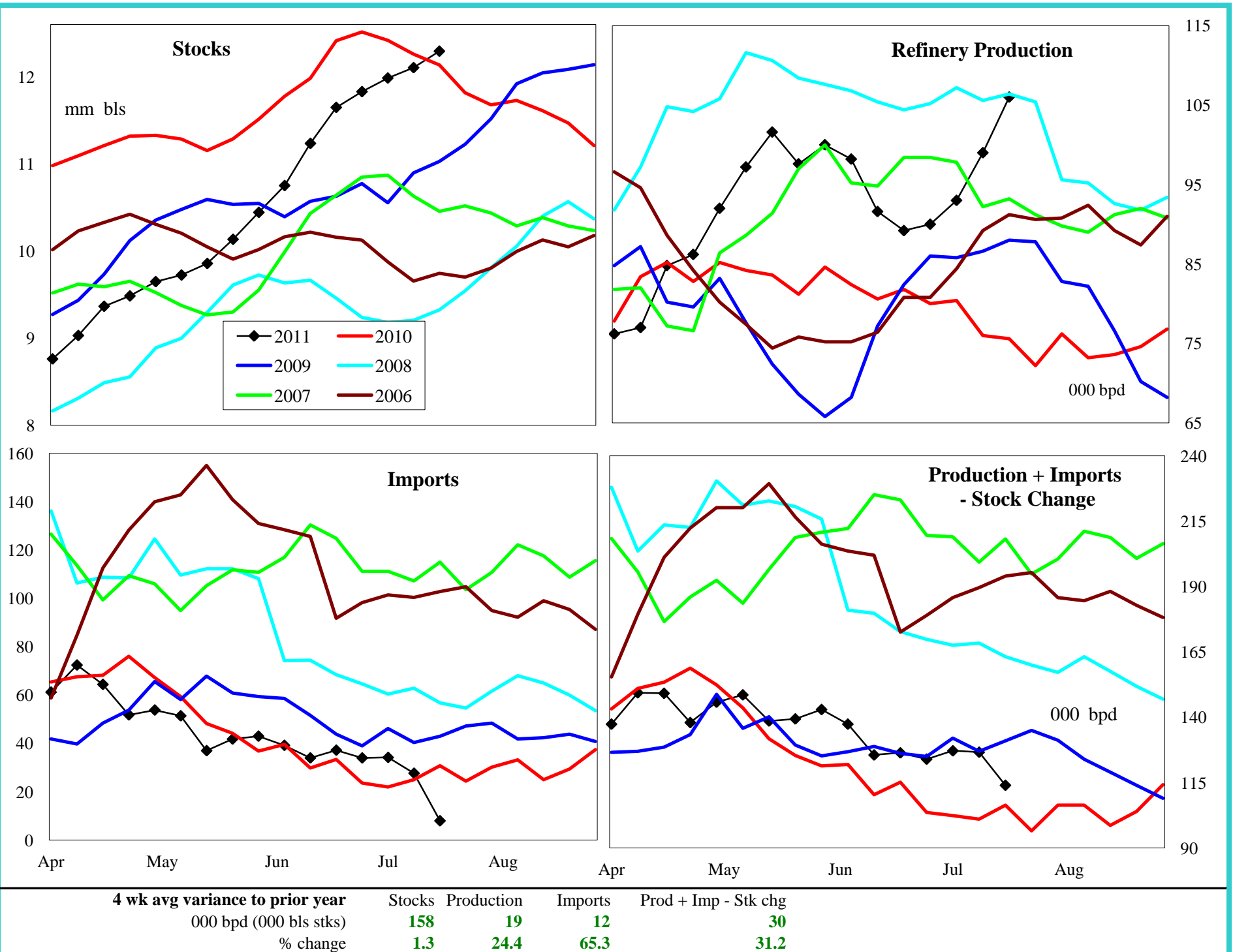
# PADD 1 High Sulfur Distillate Supply



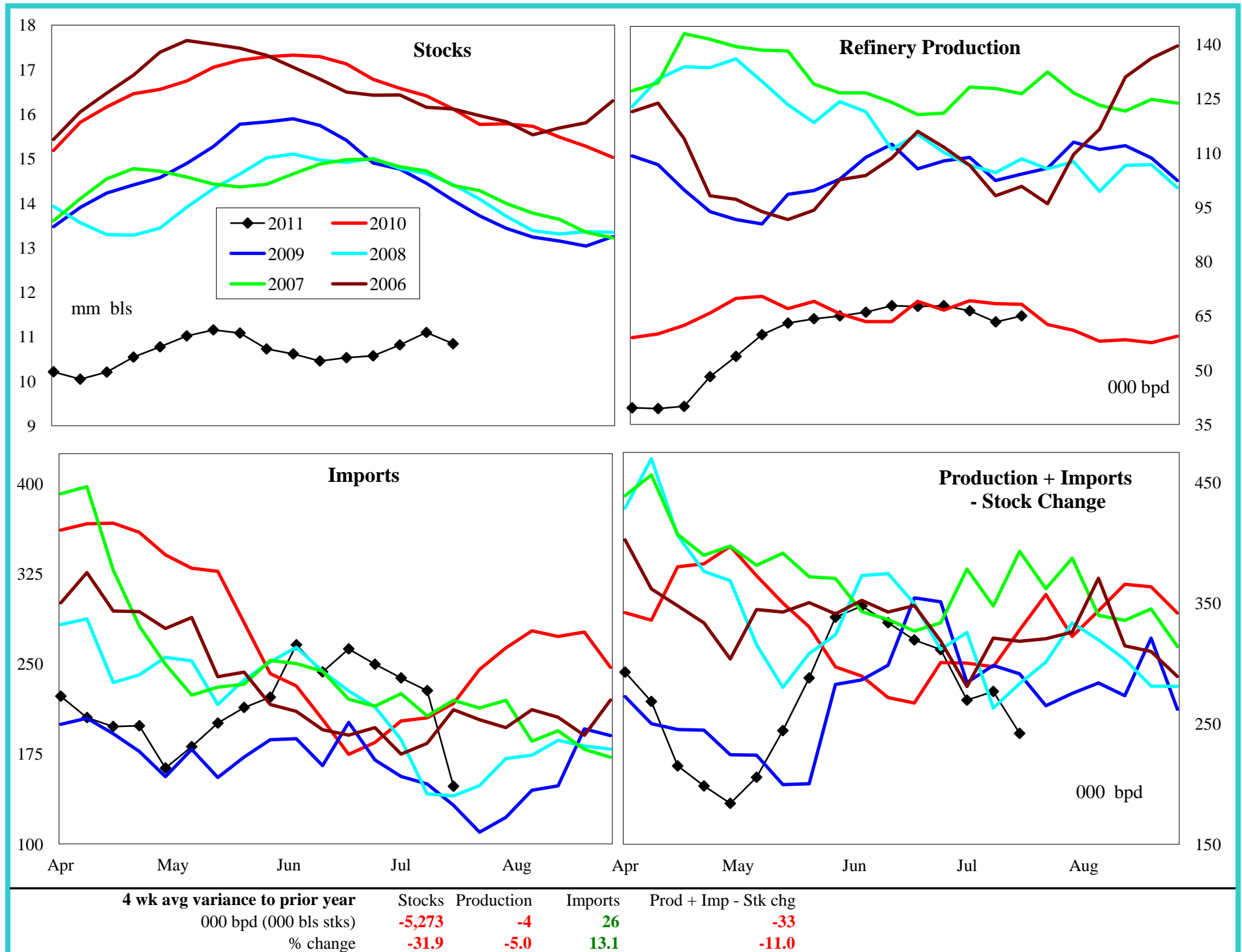
## PADD 1 High Sulfur Distillate Stocks by Region



# PADD 1 Jet Fuel Supply

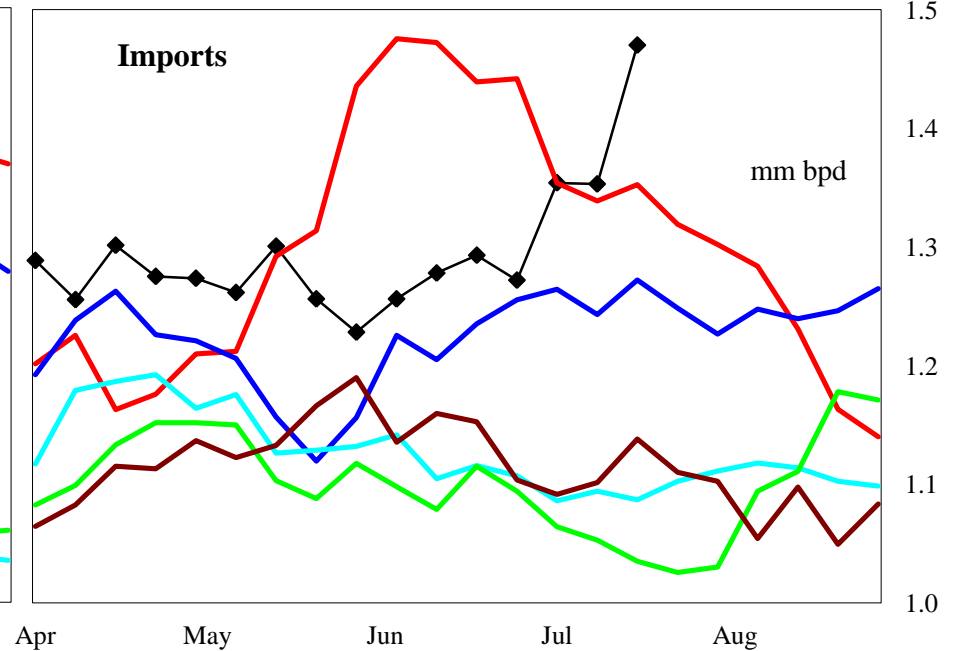
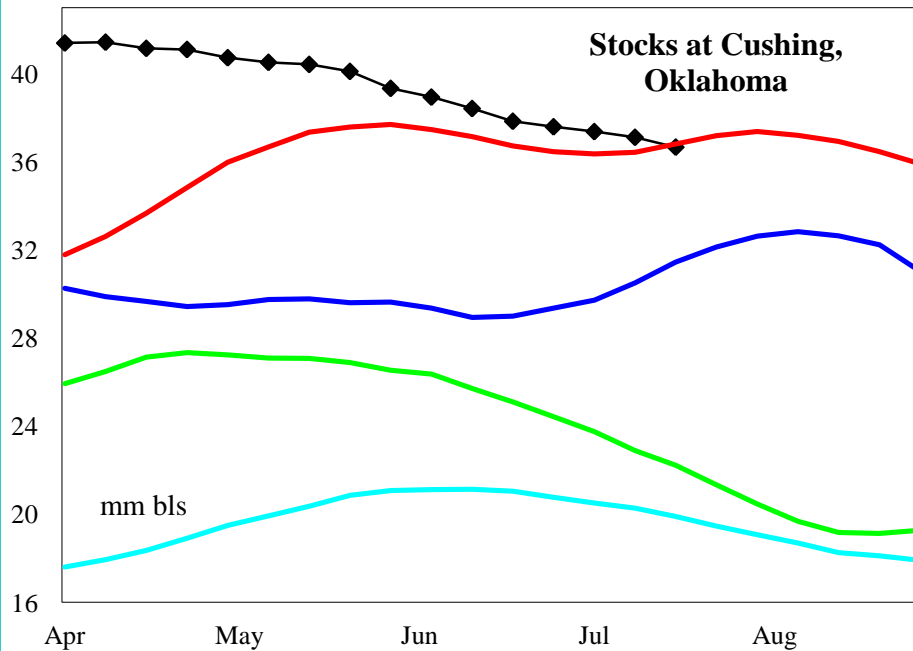
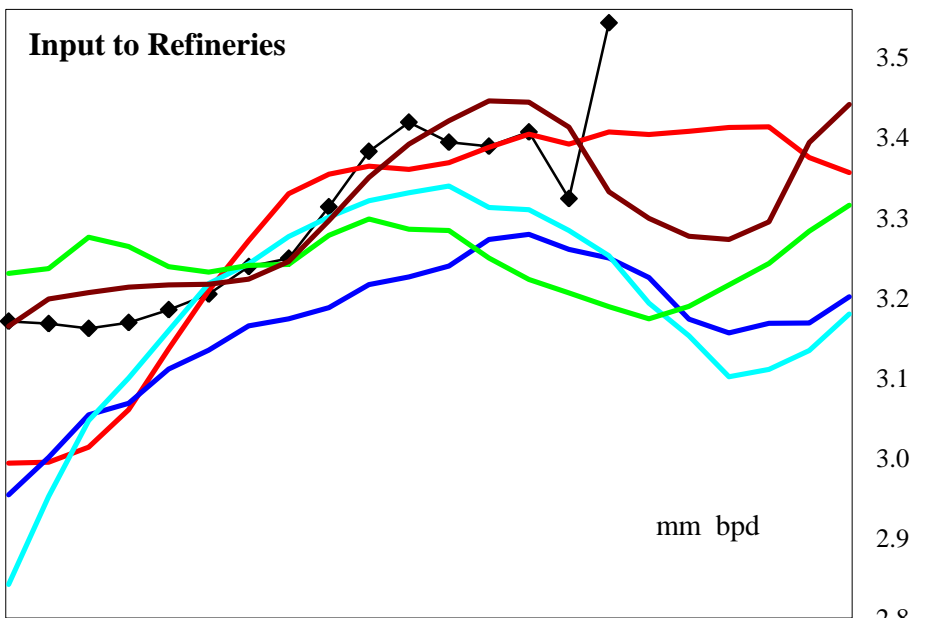
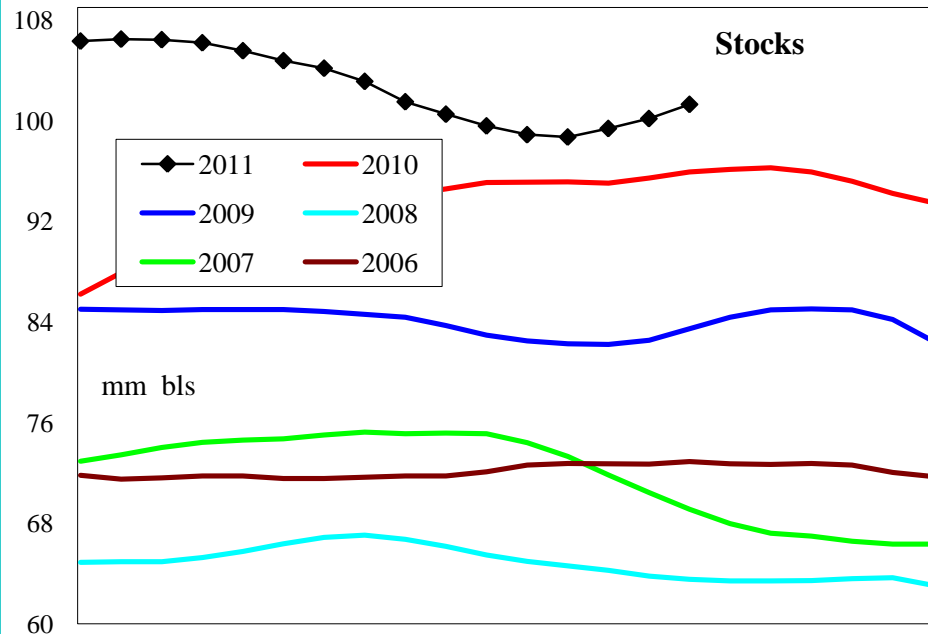


# PADD 1 Residual Fuel Oil Supply





# PADD 2 Crude Oil Supply and Refining



**4 wk avg variance to prior year**

000 bpd (000 bls stks)

% change

Stocks

5,380

5.6

Cushing

-135

-0.4

Input

-29

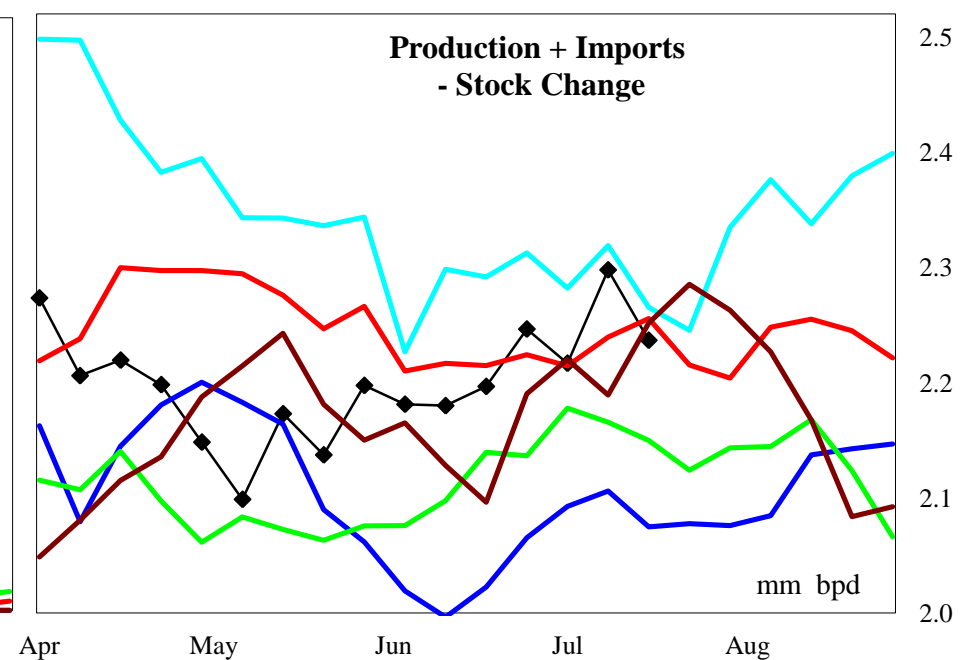
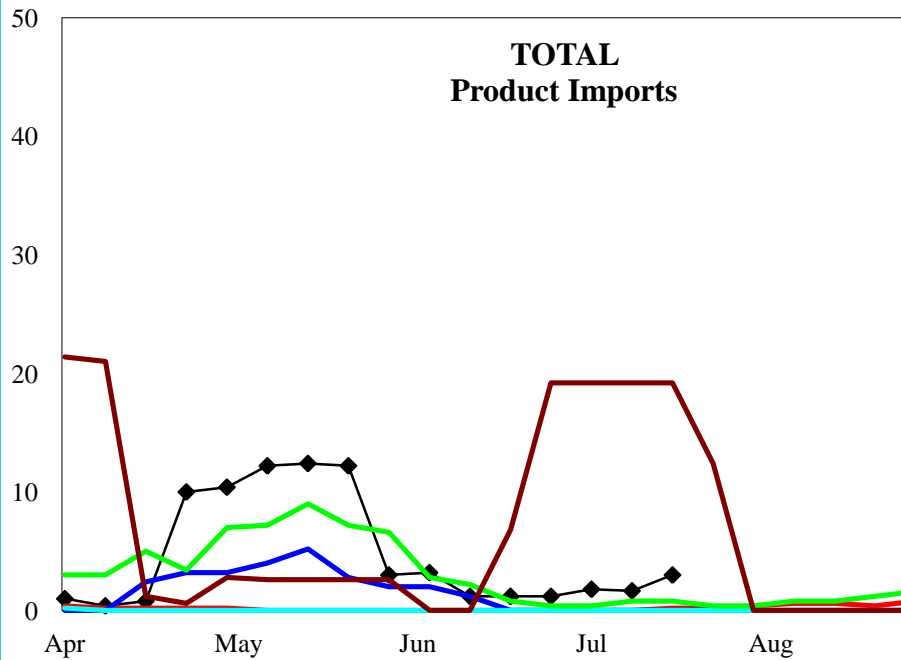
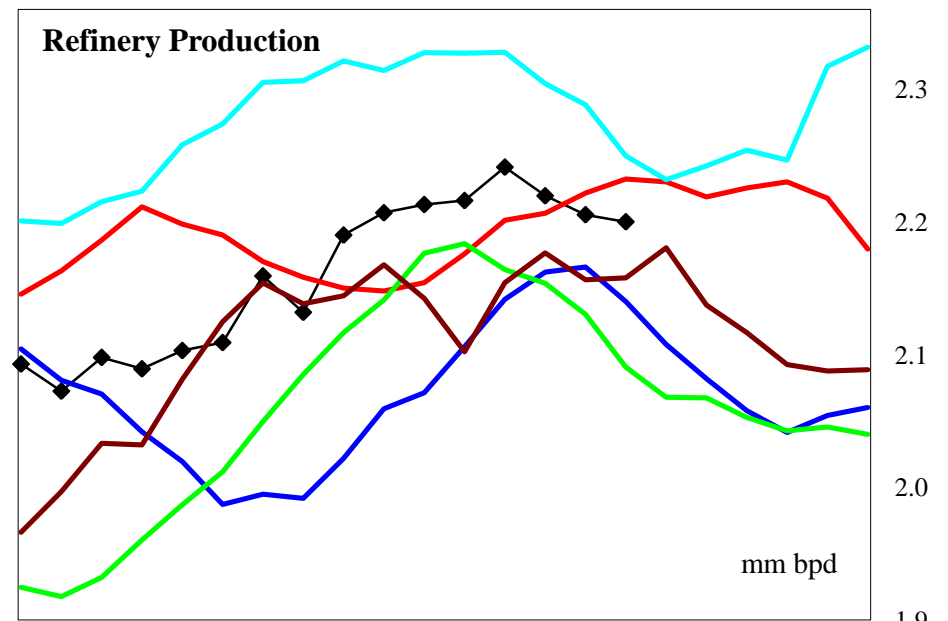
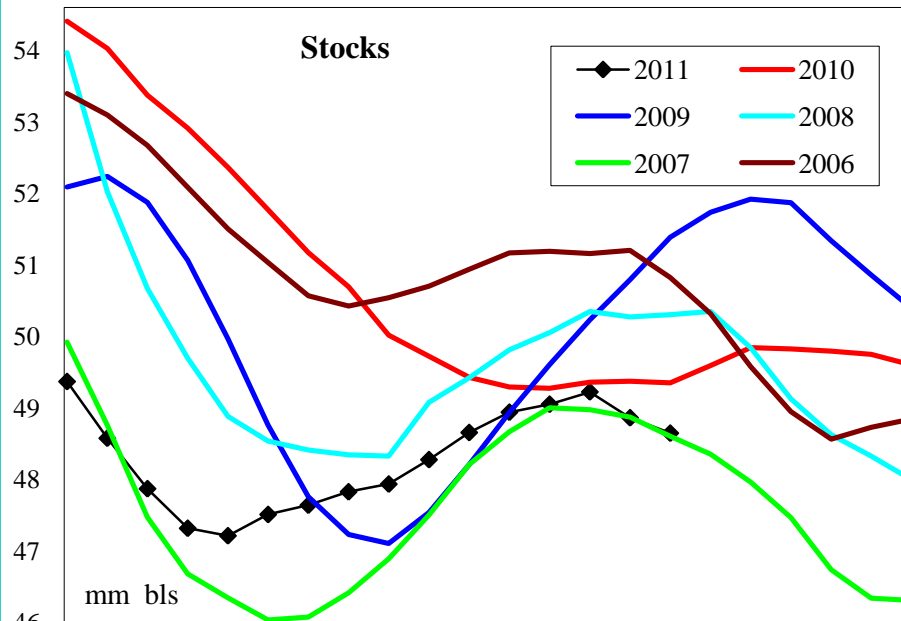
-0.8

Imports

19

1.4

# PADD 2 Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

-705

-1.4

Production

-15

-0.7

Imports

2

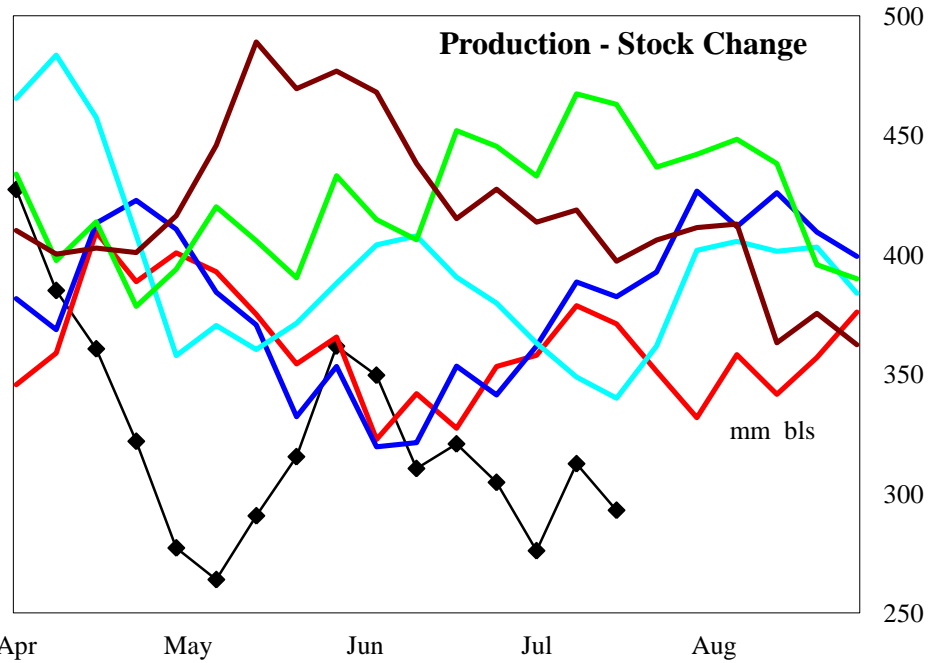
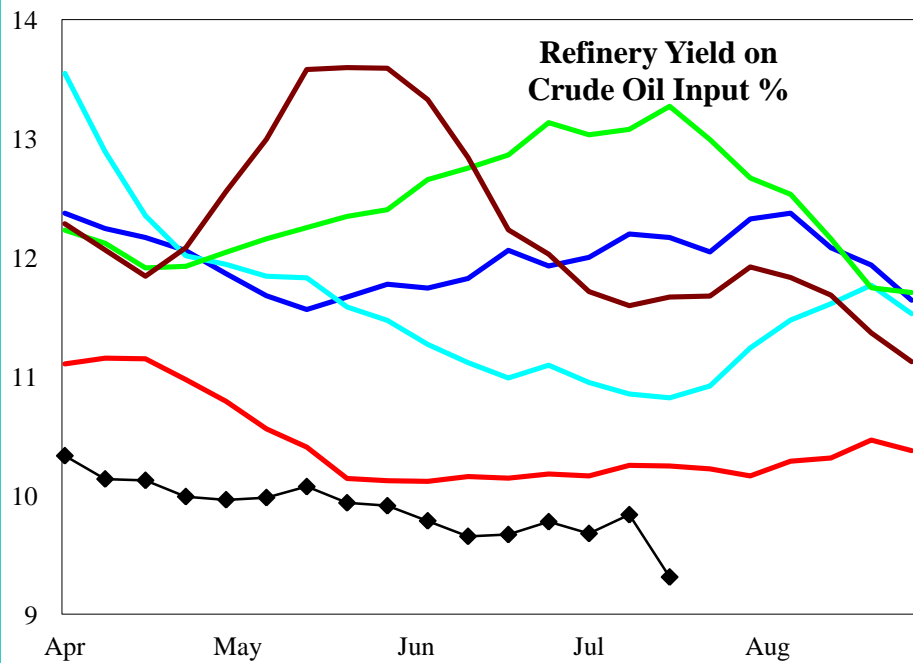
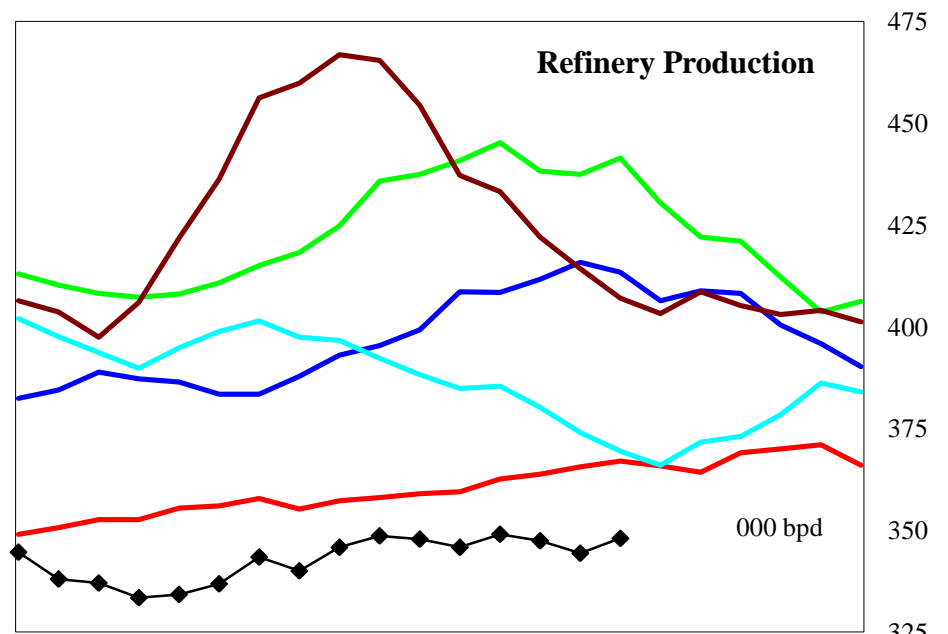
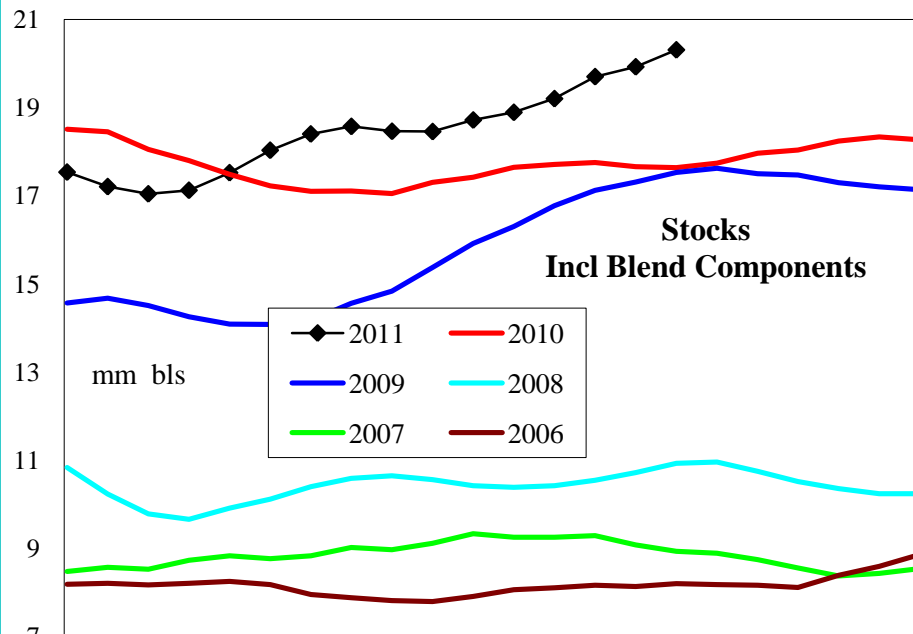
#DIV/0!

Prod + Imp - Stk chg

19

0.8

## PADD 2 Reformulated Gasoline Supply



**4 wk avg variance to prior year**

000 bpd (000 bbls stks)

% change

Stocks

**2,679**

**15.2**

Production

**-18**

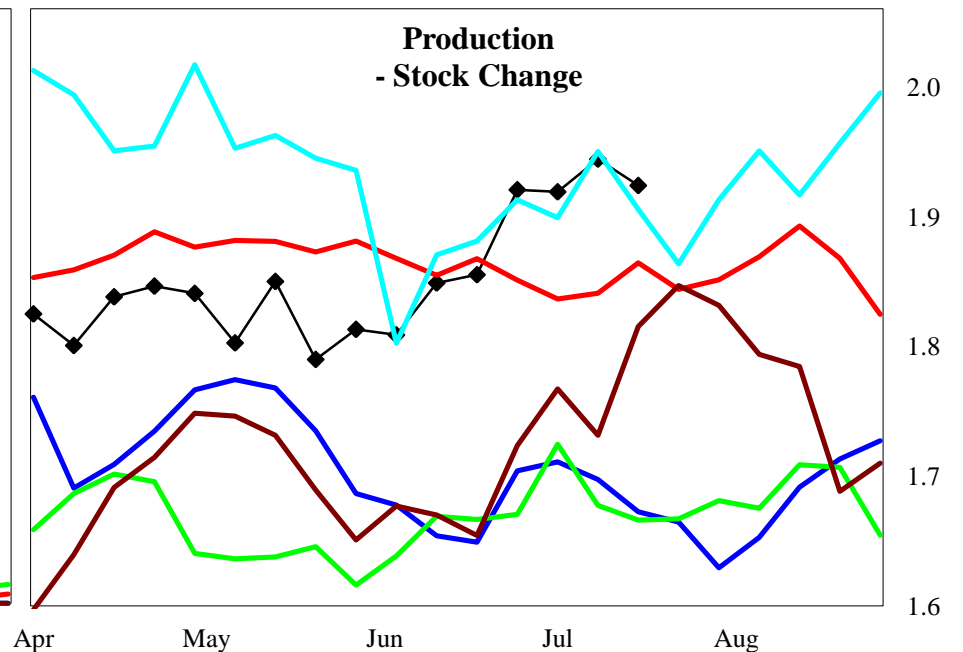
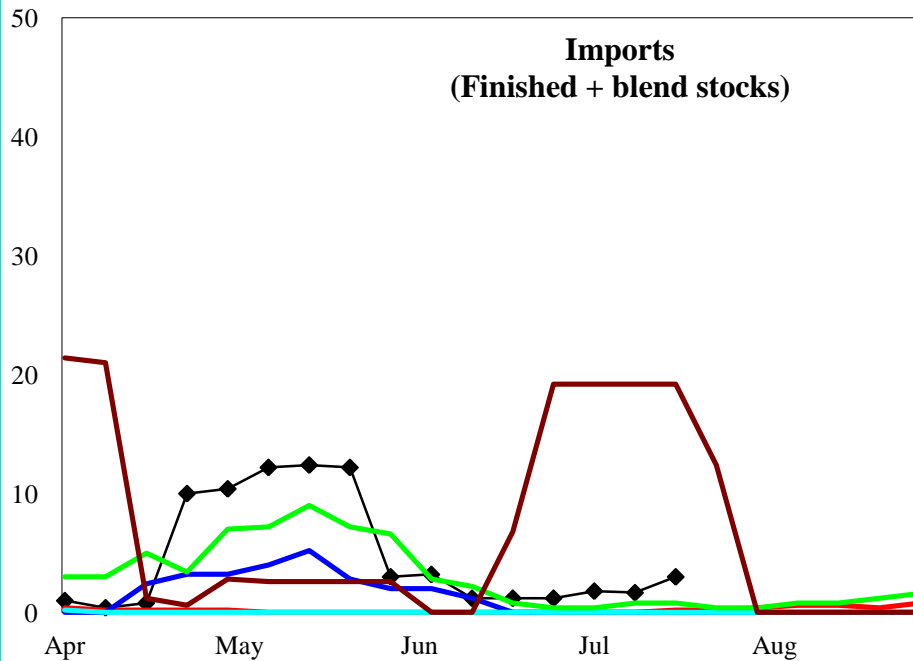
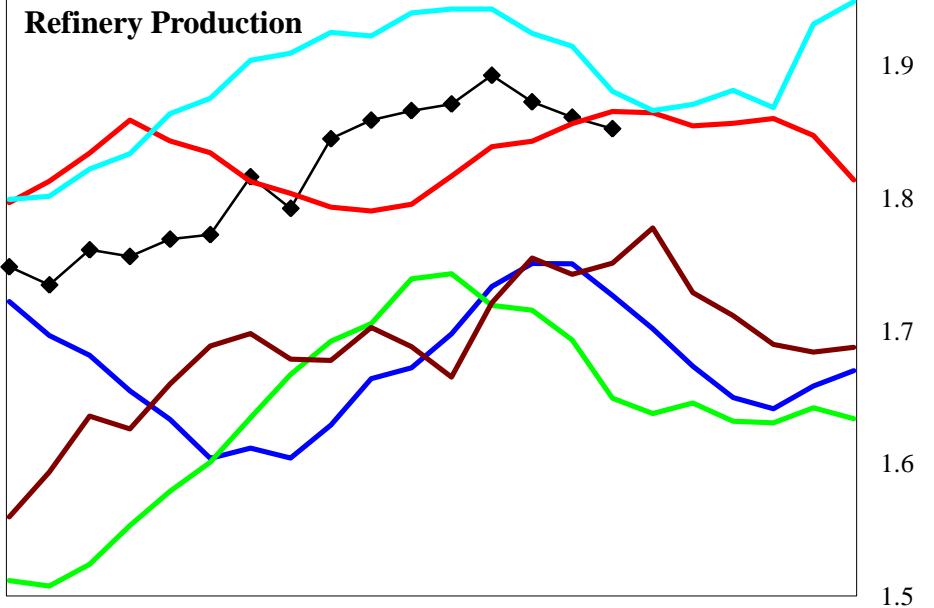
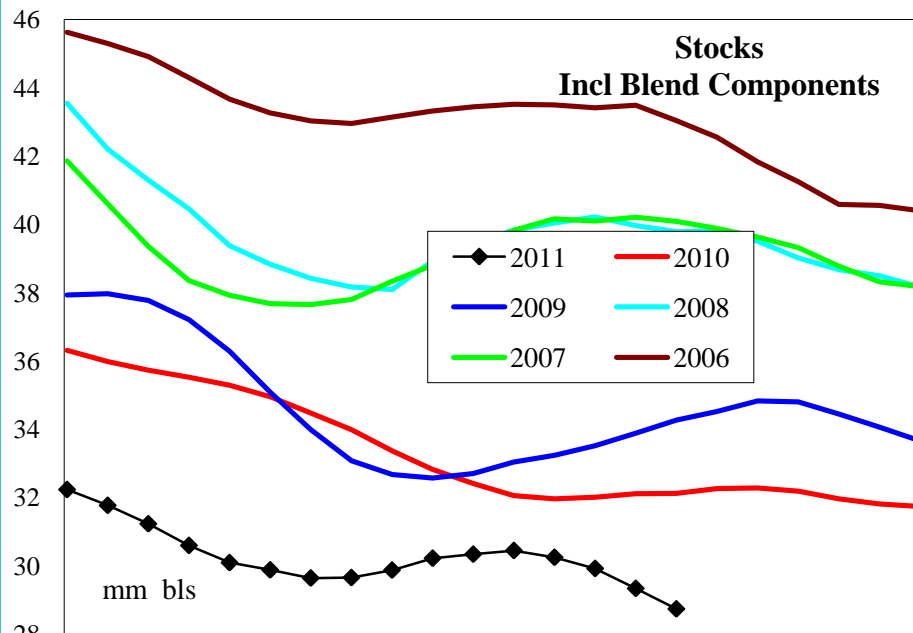
**-4.8**

Prod - Stk chg

**-69**

**-18.8**

# PADD 2 Conventional Gasoline Supply



**4 wk avg variance to prior year**

000 bpd (000 bbls stks)

% change

Stocks Production

**-3,446 4**

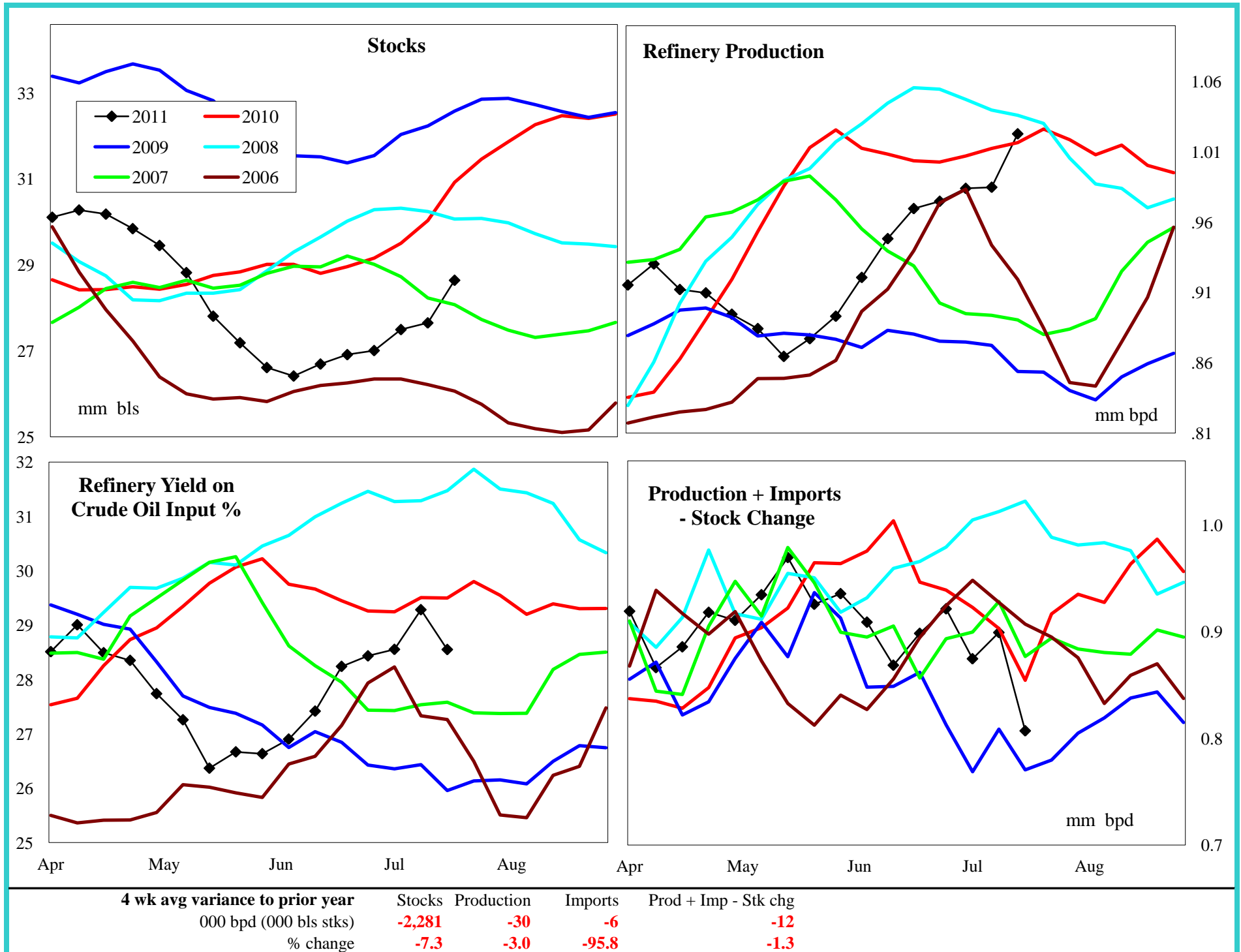
**-10.7 0.2**

Prod - Stk chg

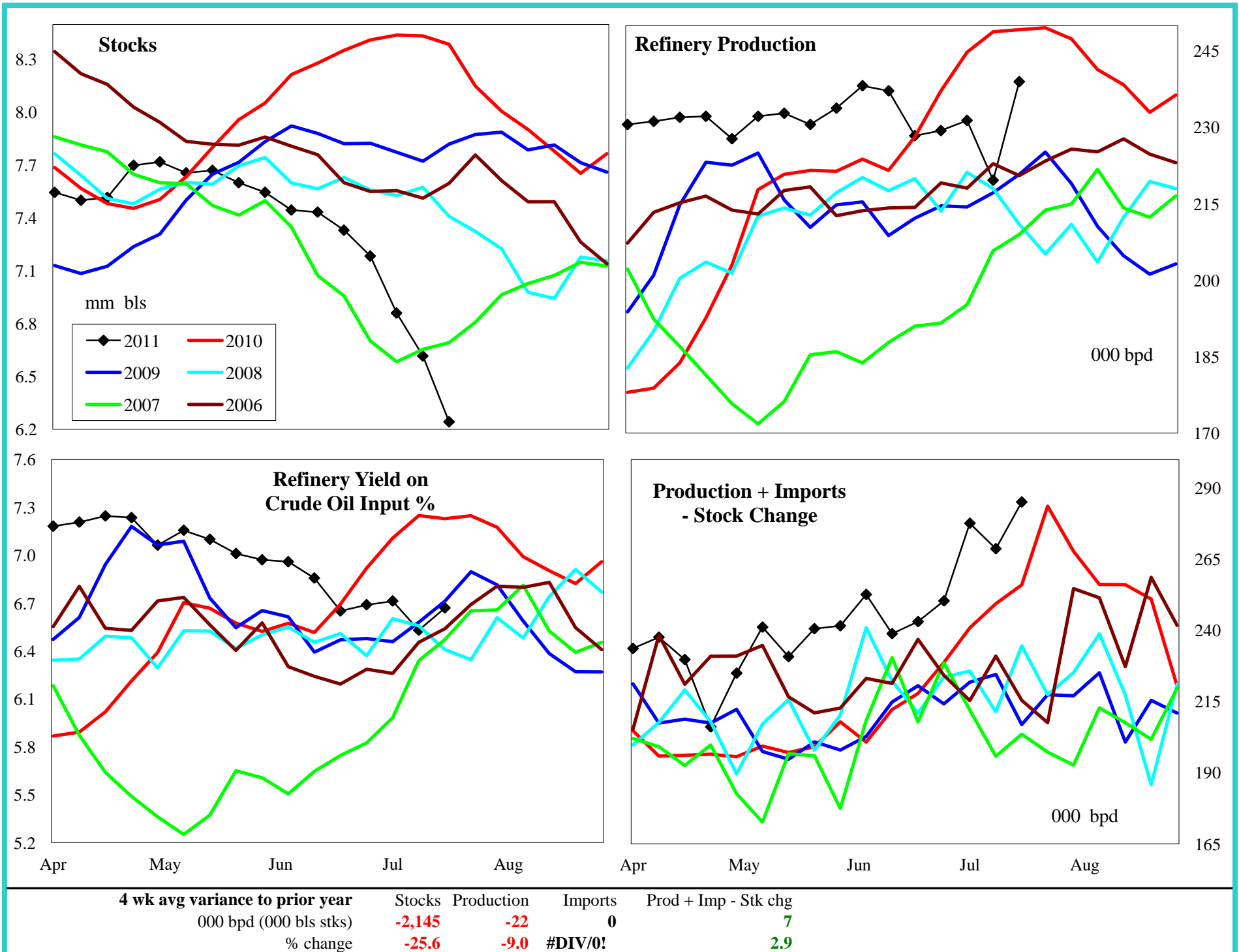
**107**

**5.7**

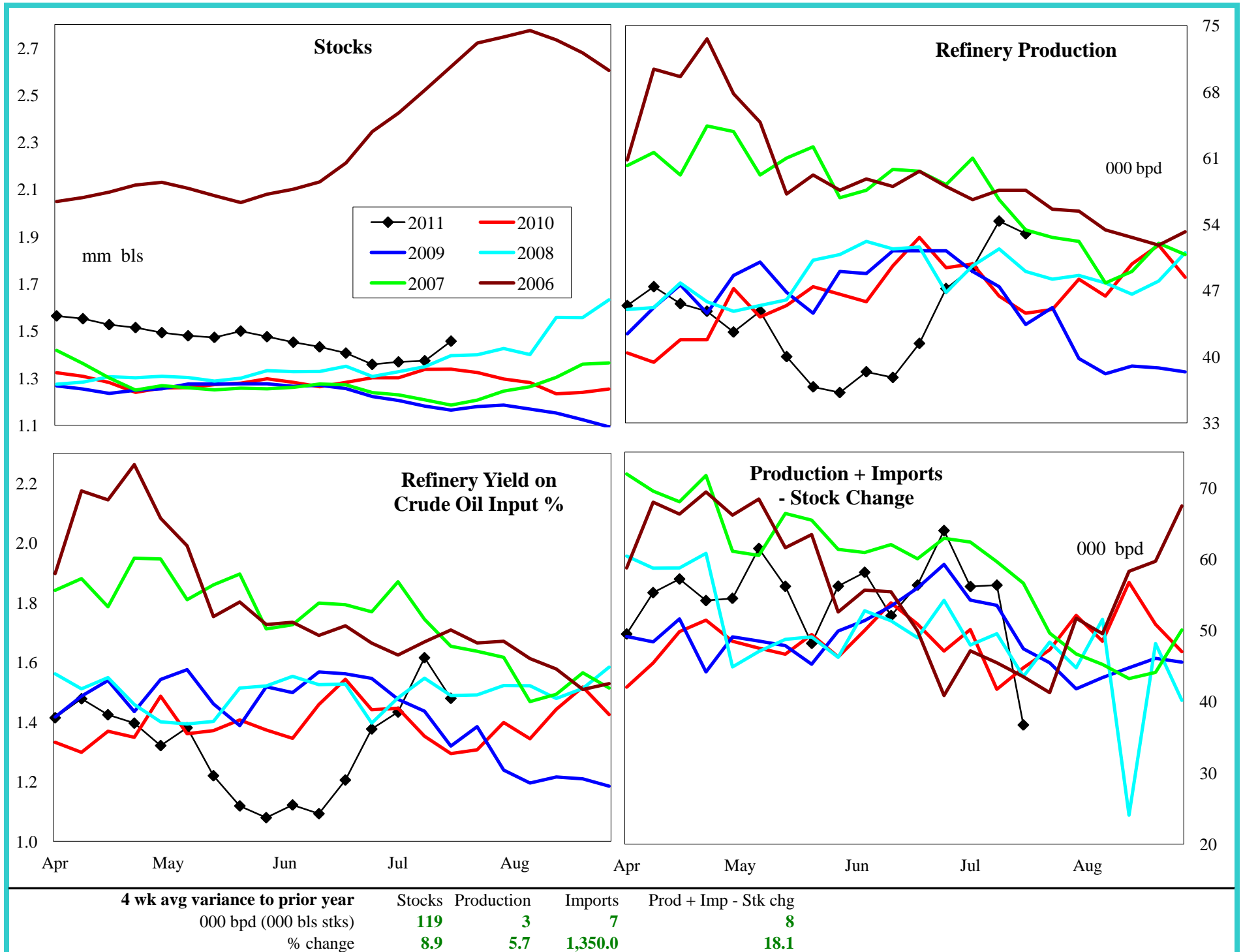
# PADD 2 Distillate Supply



# PADD 2 Jet Fuel Supply

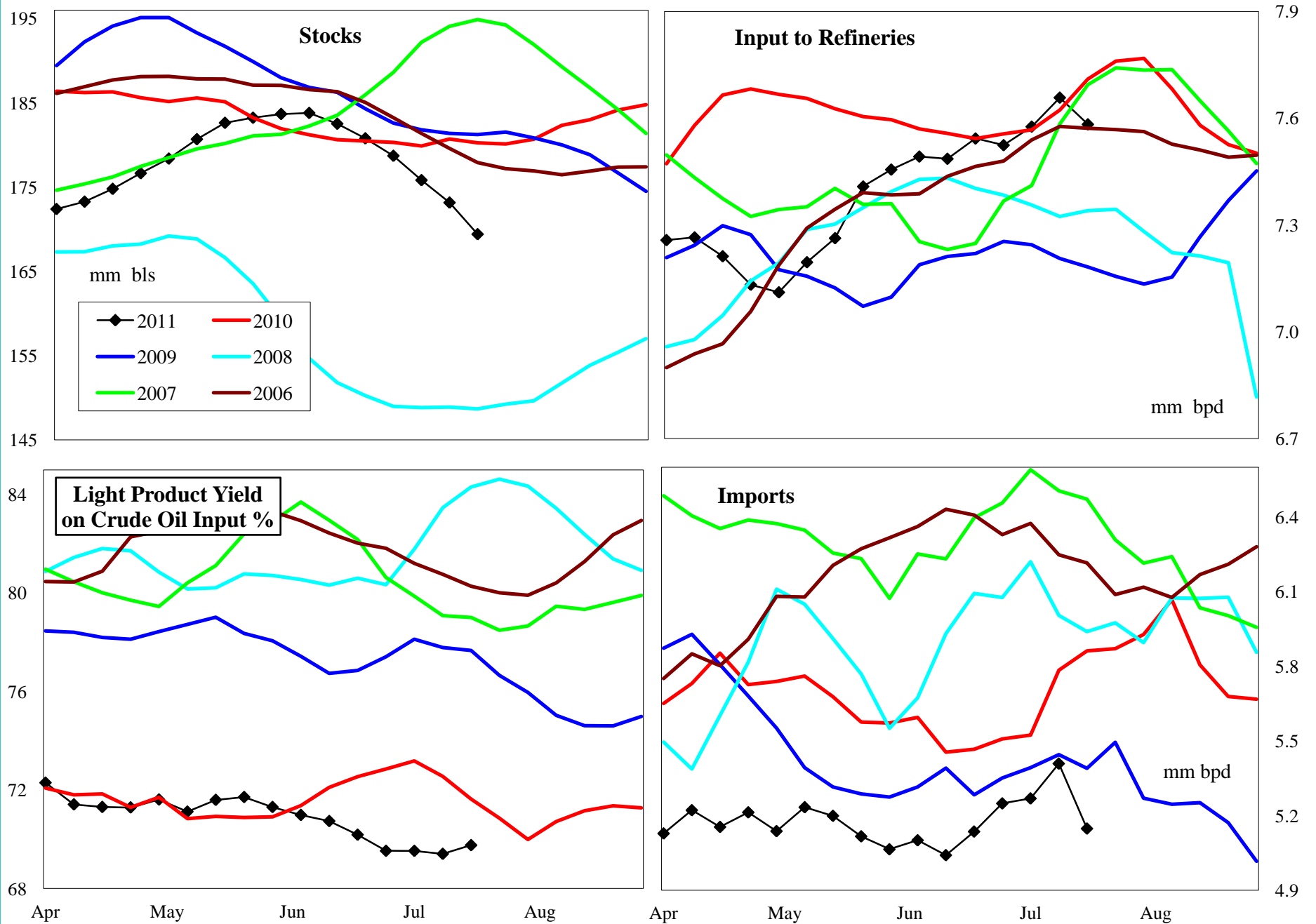


# PADD 2 Residual Fuel Oil Supply





# PADD 3 Crude Oil Supply and Refining



4 wk avg variance to prior year

000 bpd (000 bbls stks)

% change

Stocks

-10,837

-6.0

Input

33

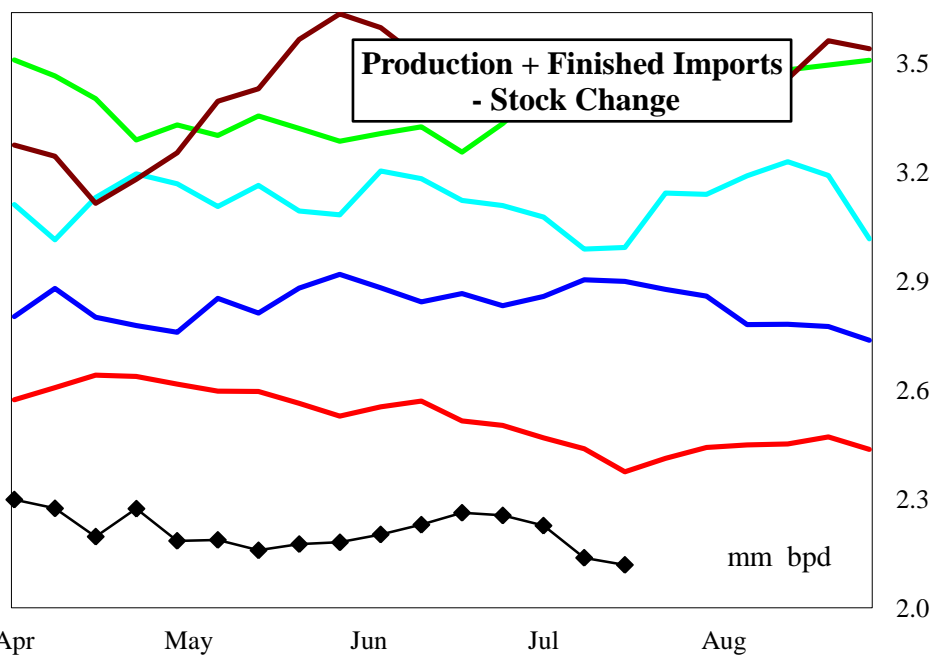
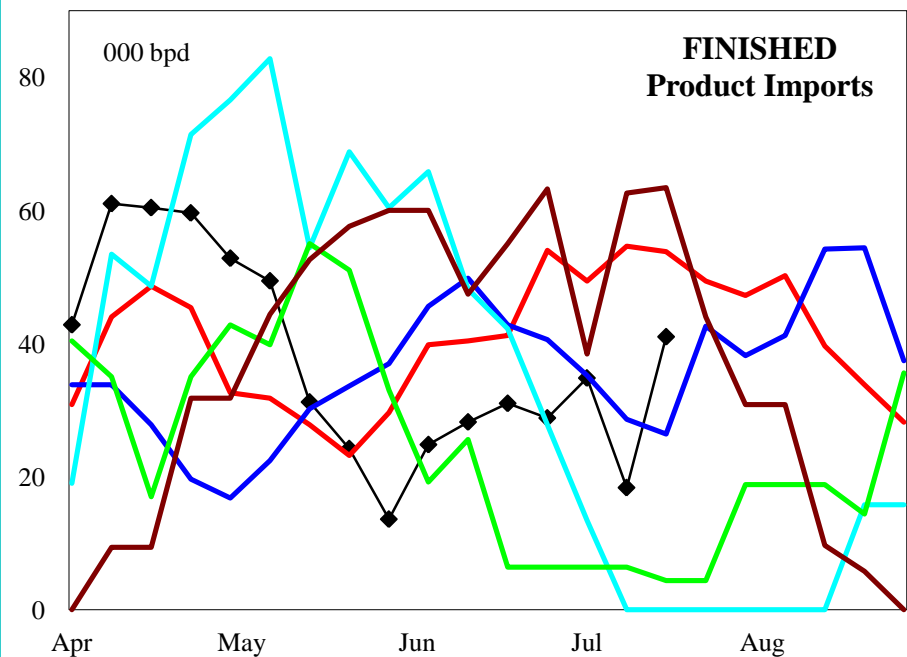
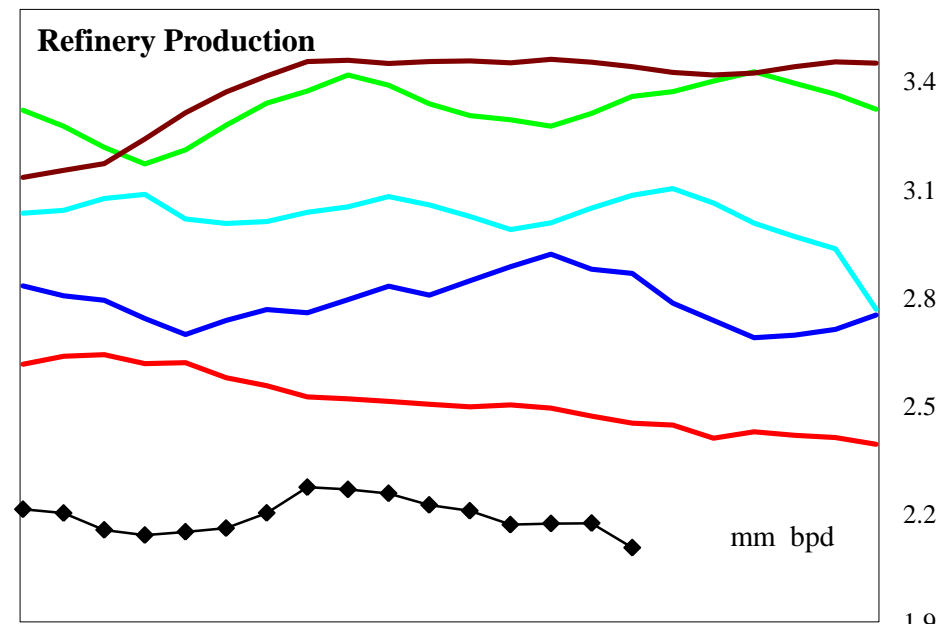
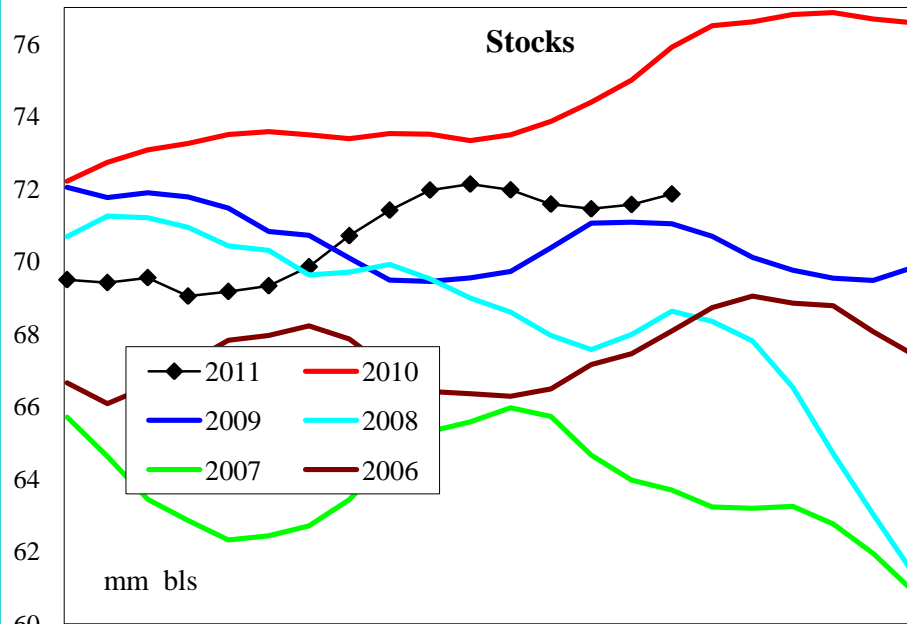
0.4

Imports

-91

-1.7

# PADD 3 Gasoline Supply



**4 wk avg variance to prior year**

000 bpd (000 bls stks)

% change

Stocks

Production

Fin Impt

Blend Impt

Prod + Imp - Stk chg

-4,693

-303

-21

-47

-217

-6.1

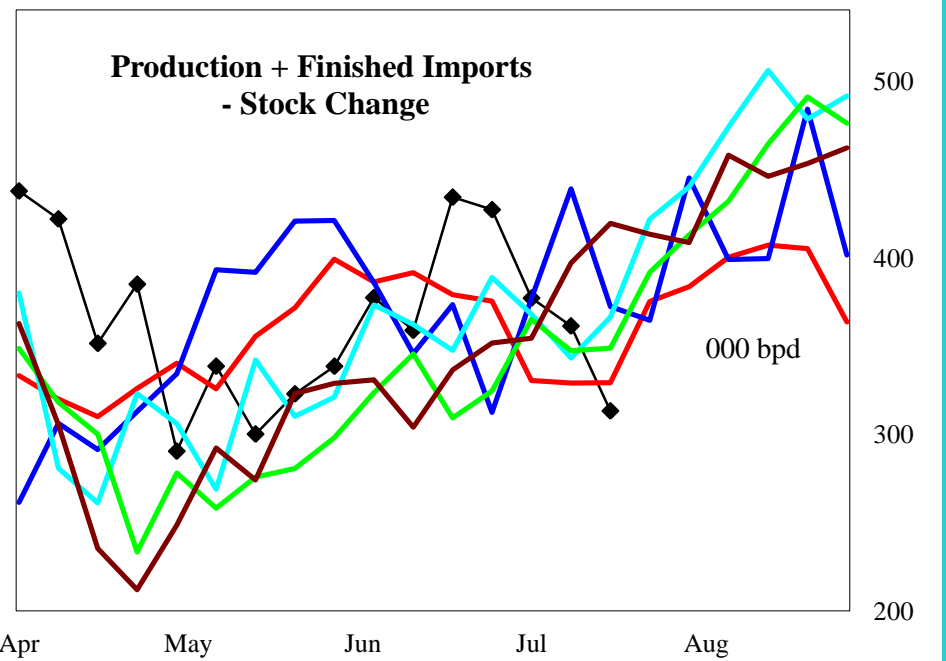
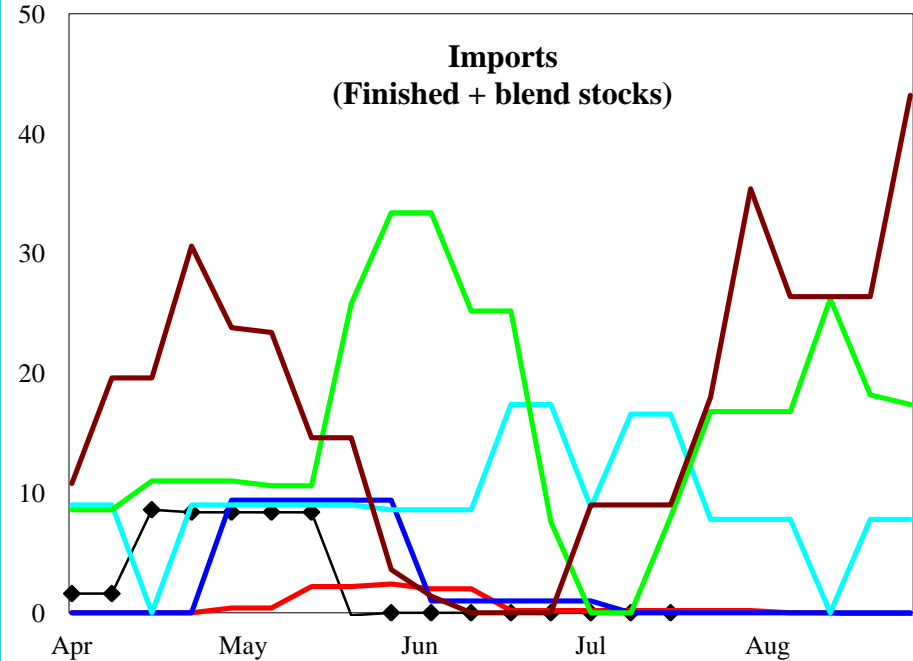
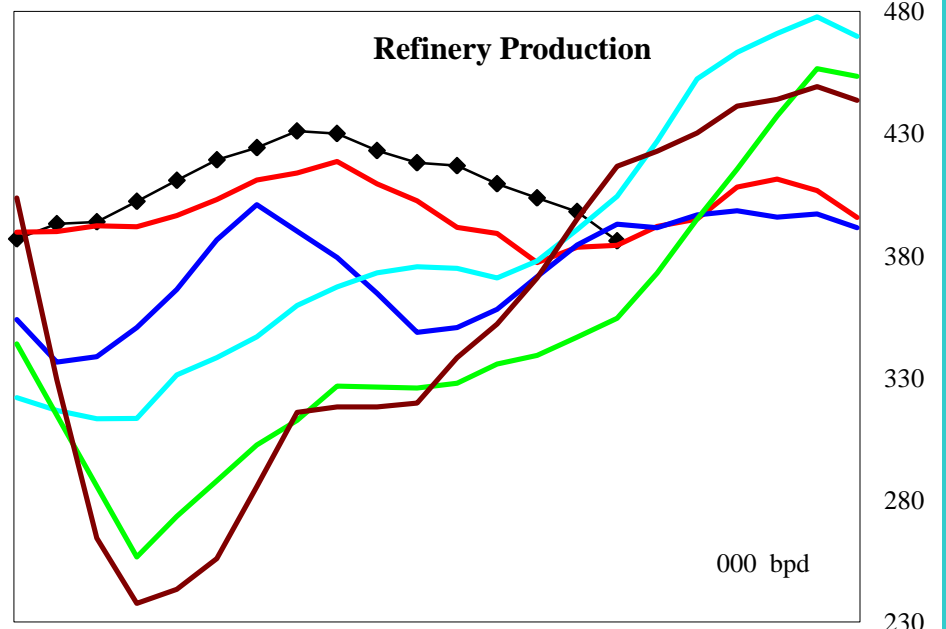
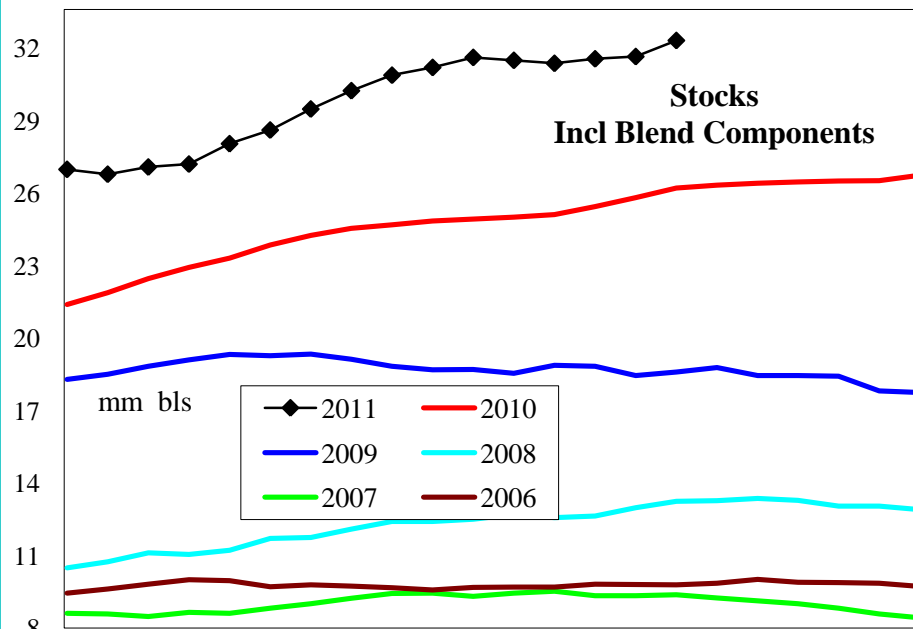
-12.3

-42.3

-59.1

-9.0

# PADD 3 Reformulated Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

6,091

22.9

Production

24

6.4

Imports

0

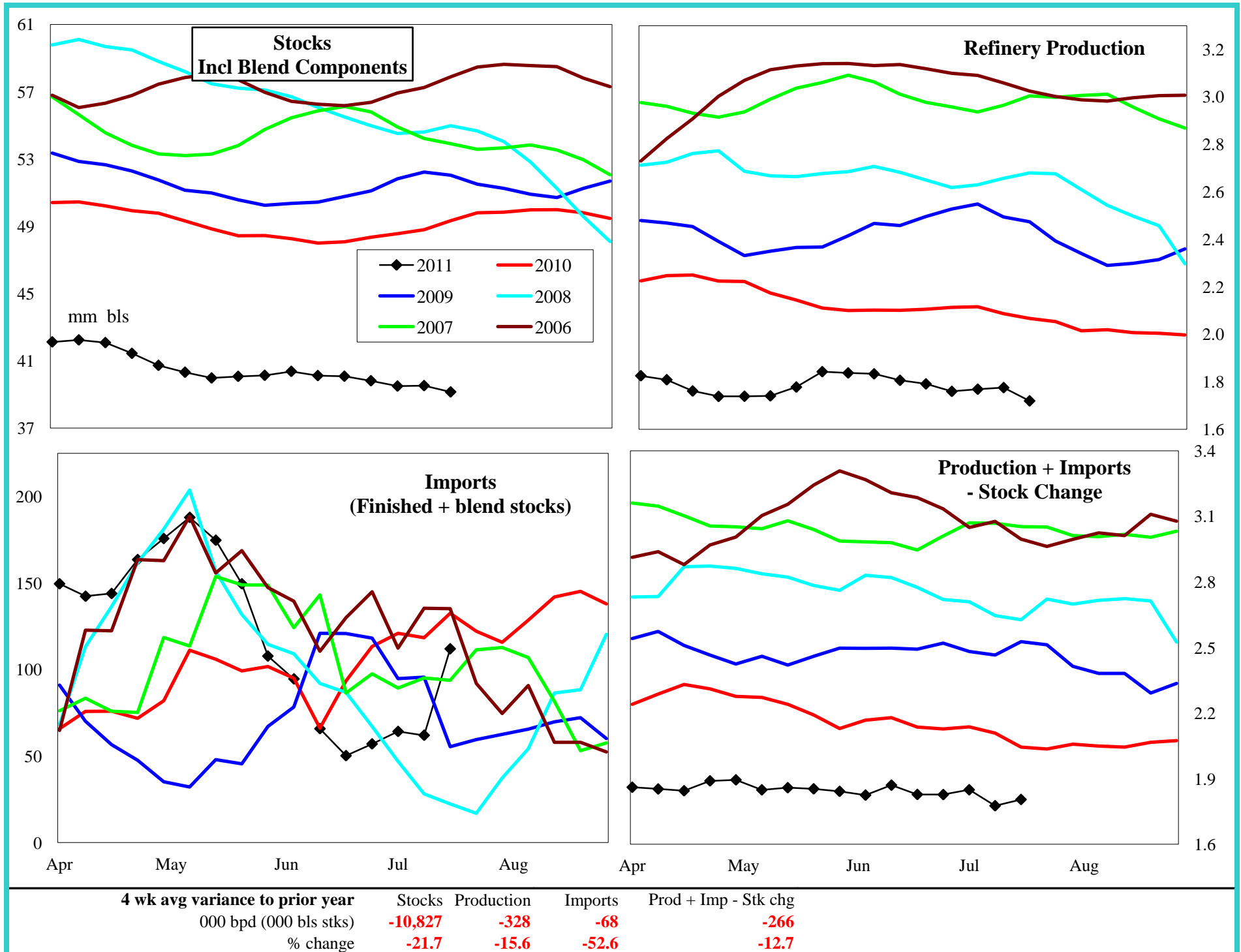
-100.0

Prod + Imp - Stk chg

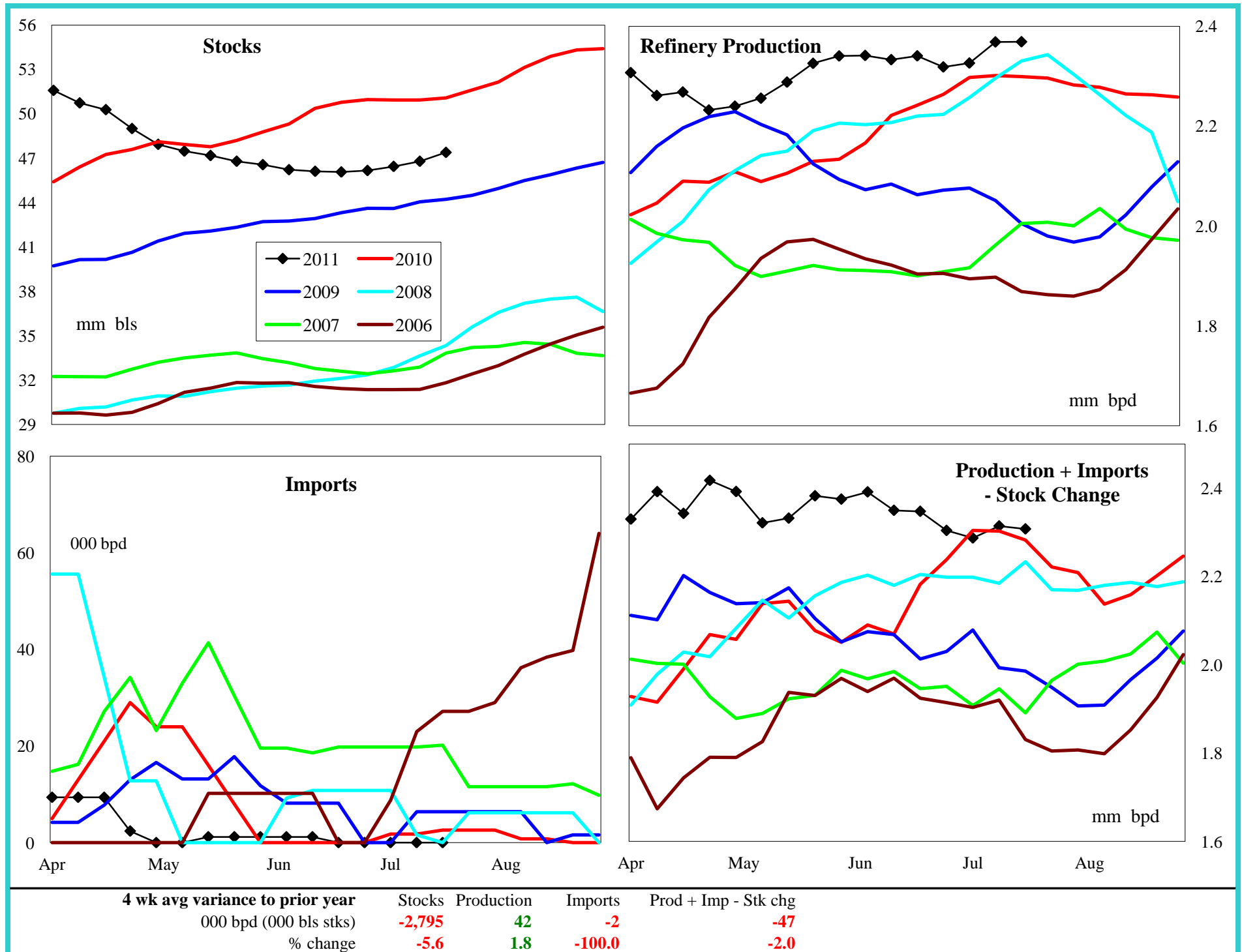
50

15.7

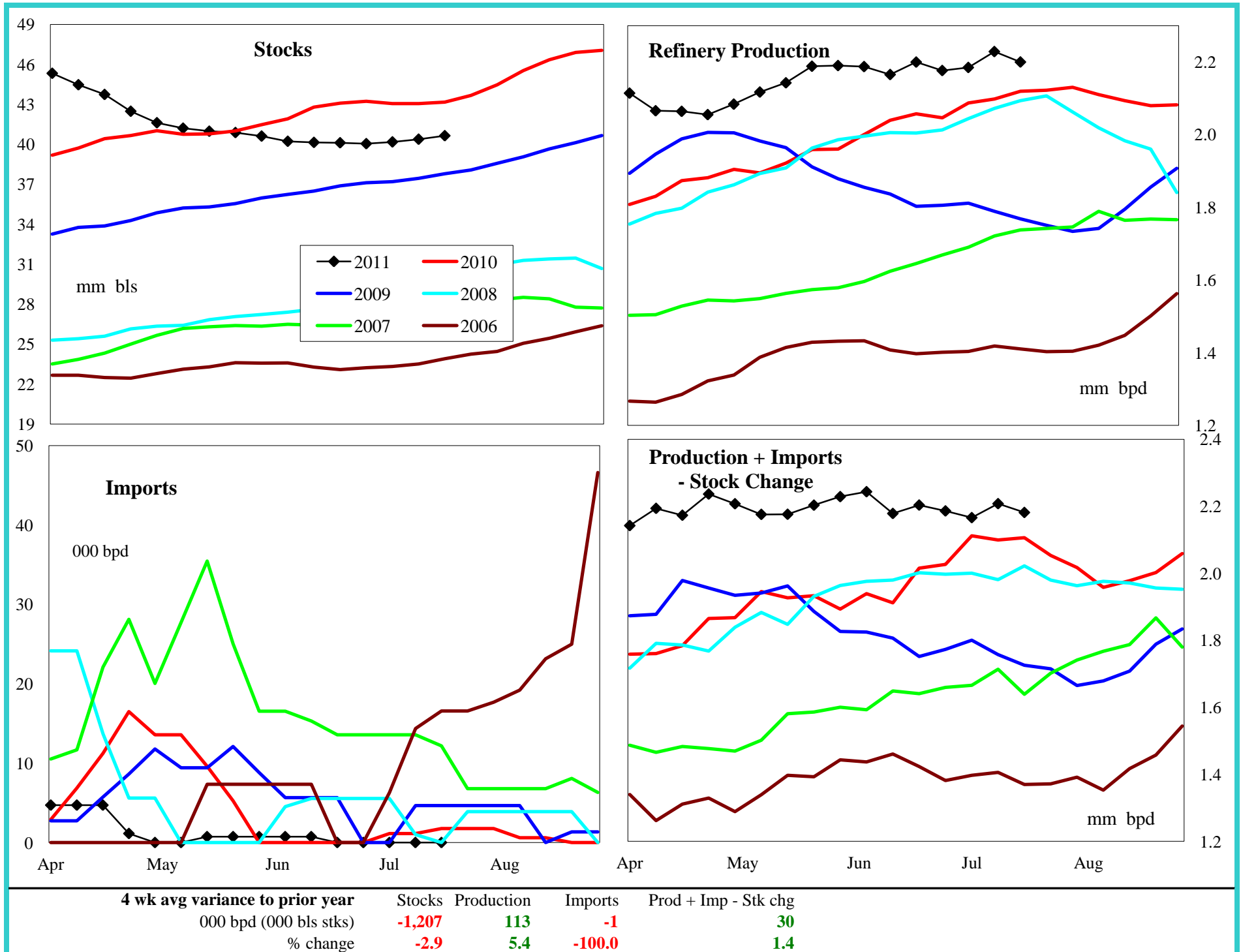
# PADD 3 Conventional Gasoline Supply



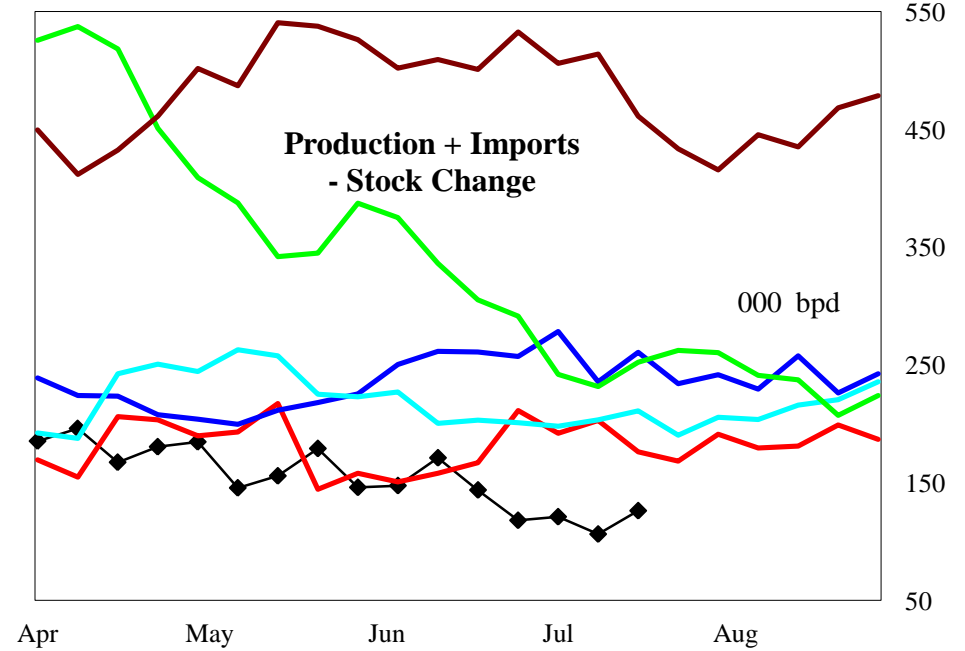
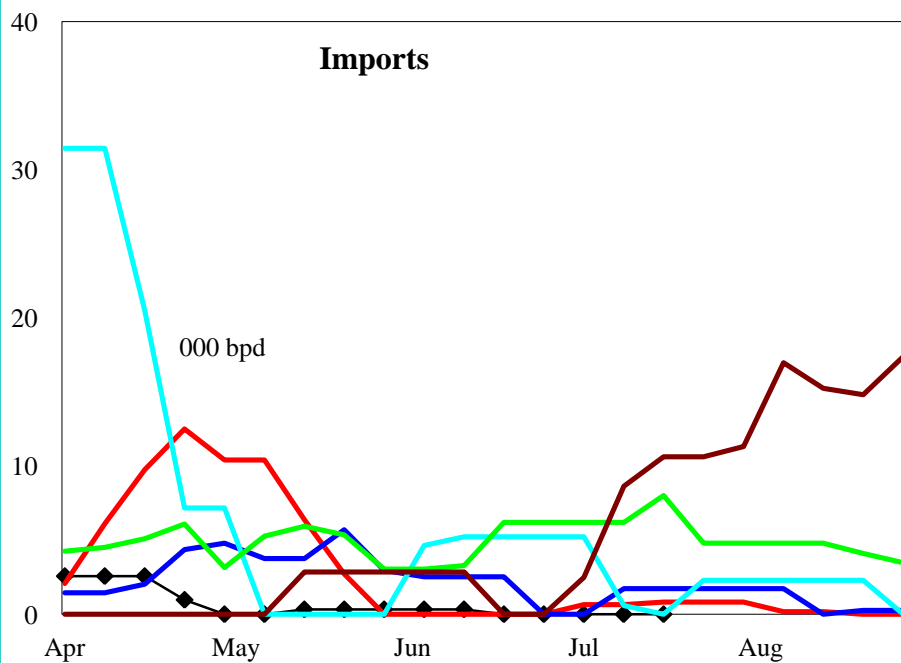
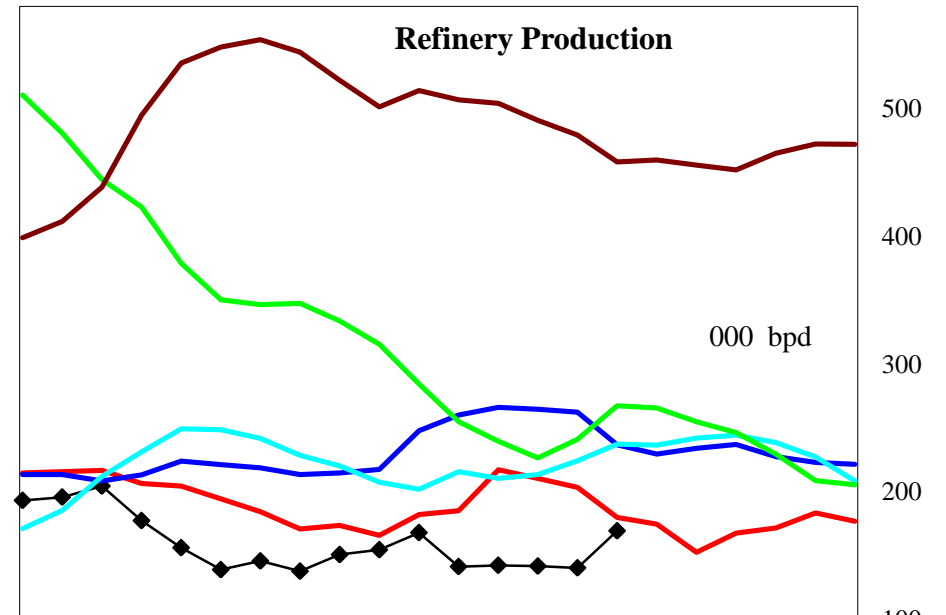
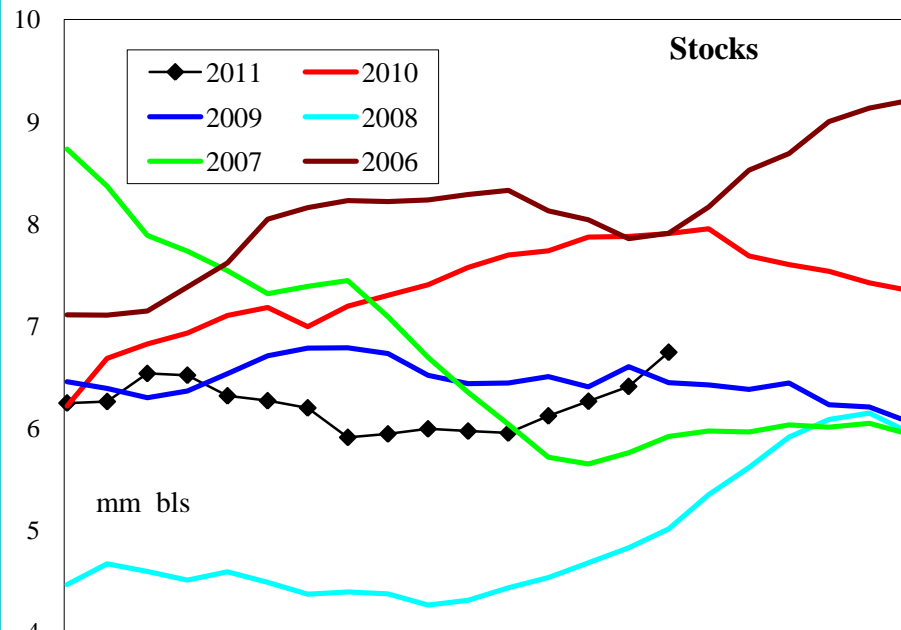
# PADD 3 Distillate Supply



# PADD 3 Low Sulfur Distillate Supply



# PADD 3 High Sulfur Distillate Supply



4 wk avg variance to prior year

000 bpd (000 bbls stks)

% change

Stocks

Production

Imports

Prod + Imp - Stk chg

-1,588

-71

-1

-77

-19.1

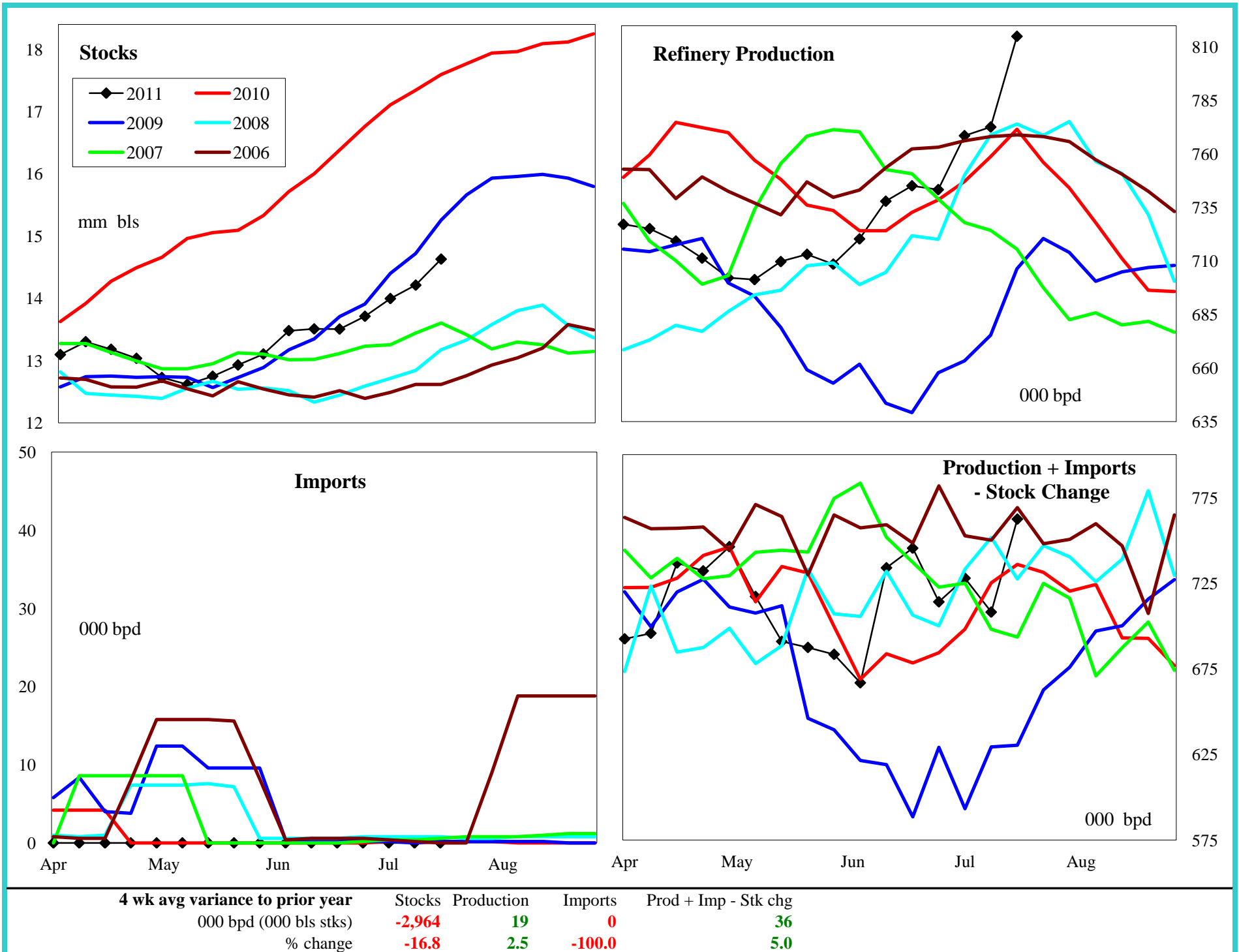
-32.3

-100.0

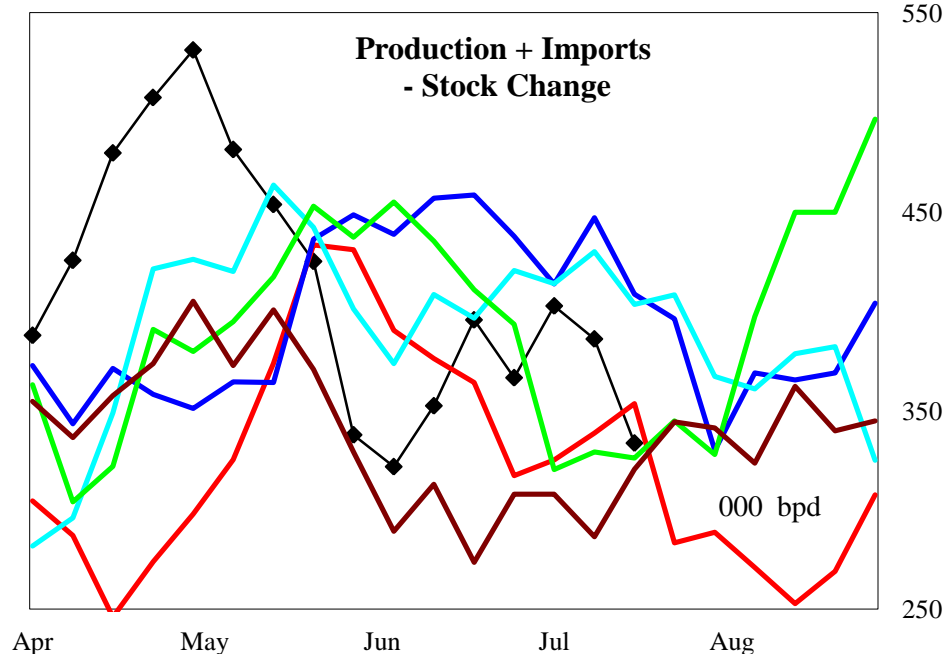
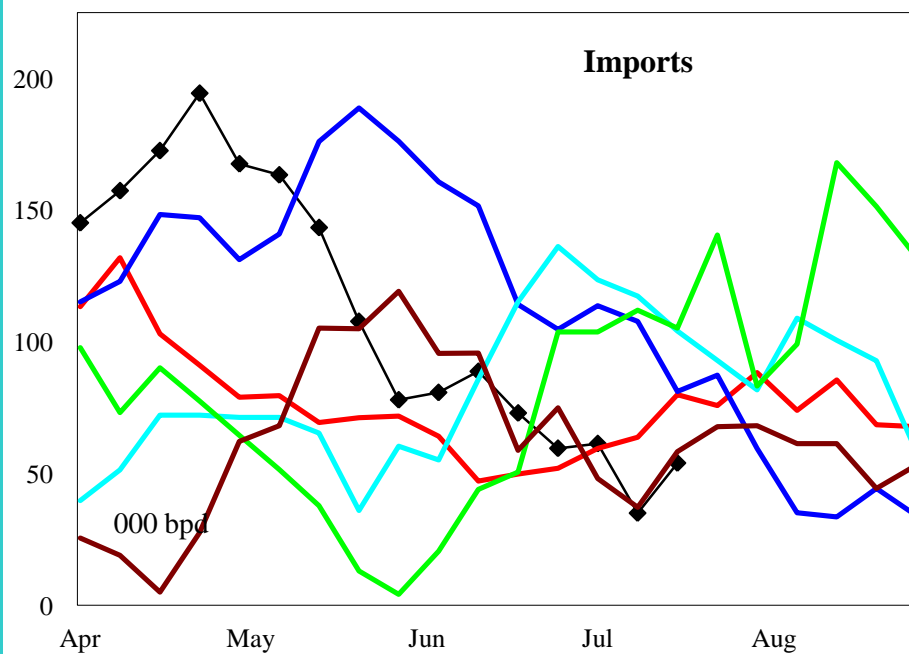
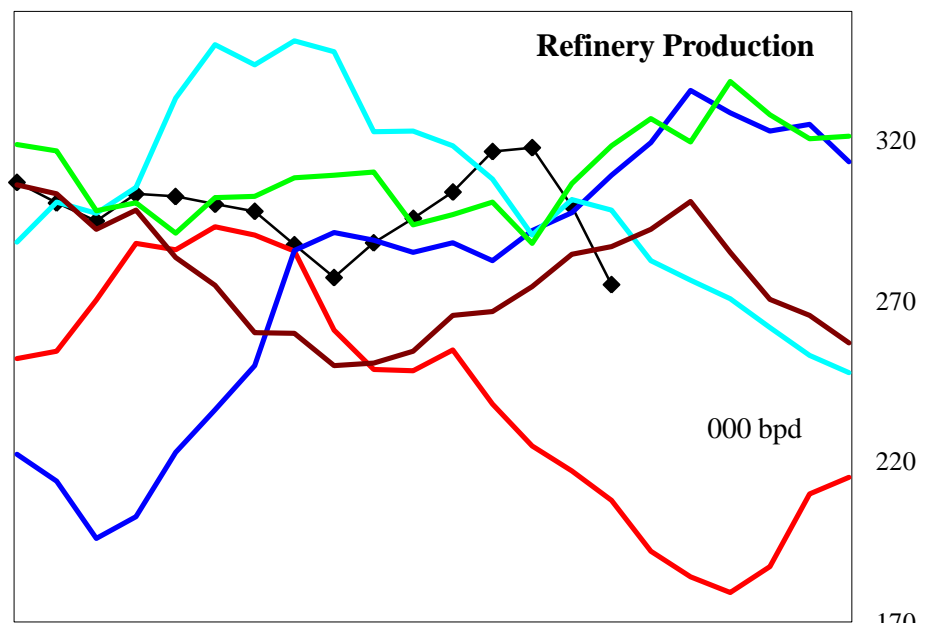
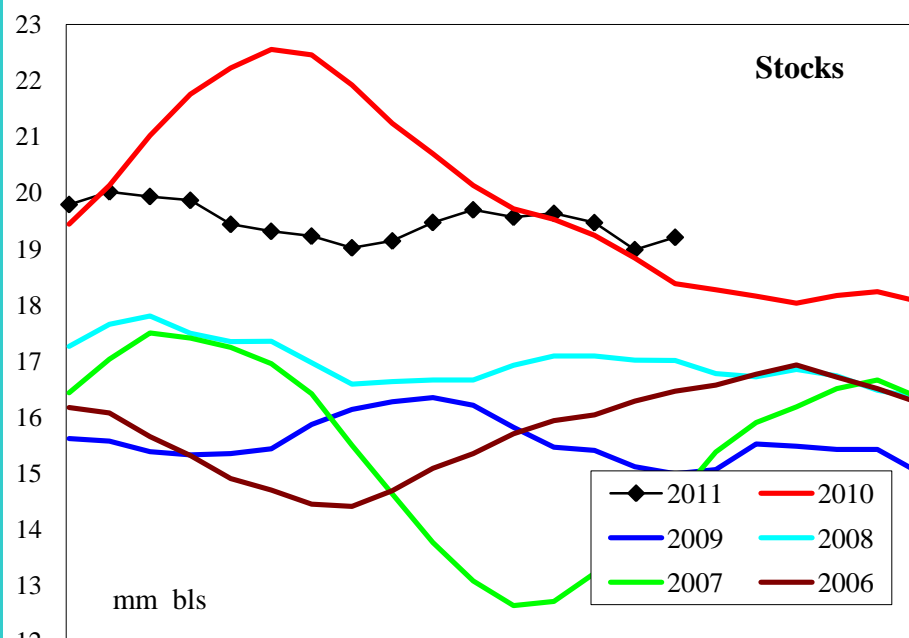
-38.6



# PADD 3 Jet Fuel Supply



# PADD 3 Residual Fuel Oil Supply



**4 wk avg variance to prior year**

000 bpd (000 bbls stks)

% change

Stocks

Production

Imports

Prod + Imp - Stk chg

832

85

-12

47

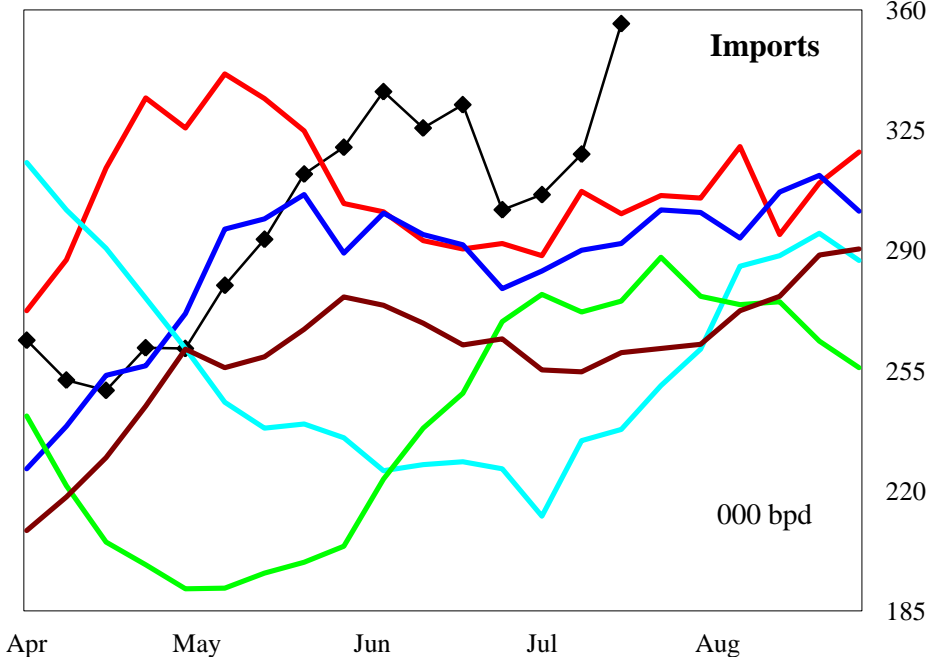
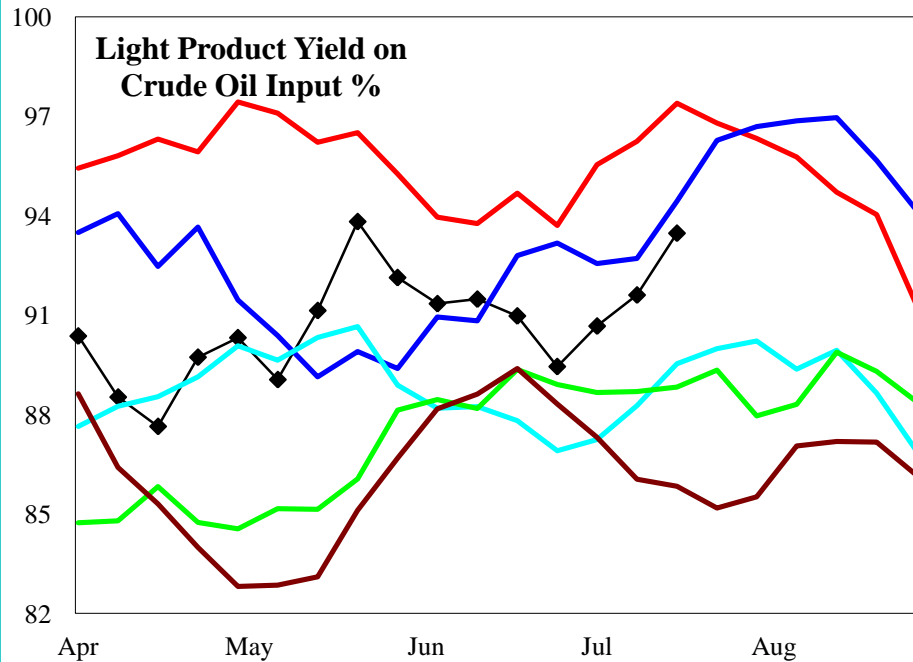
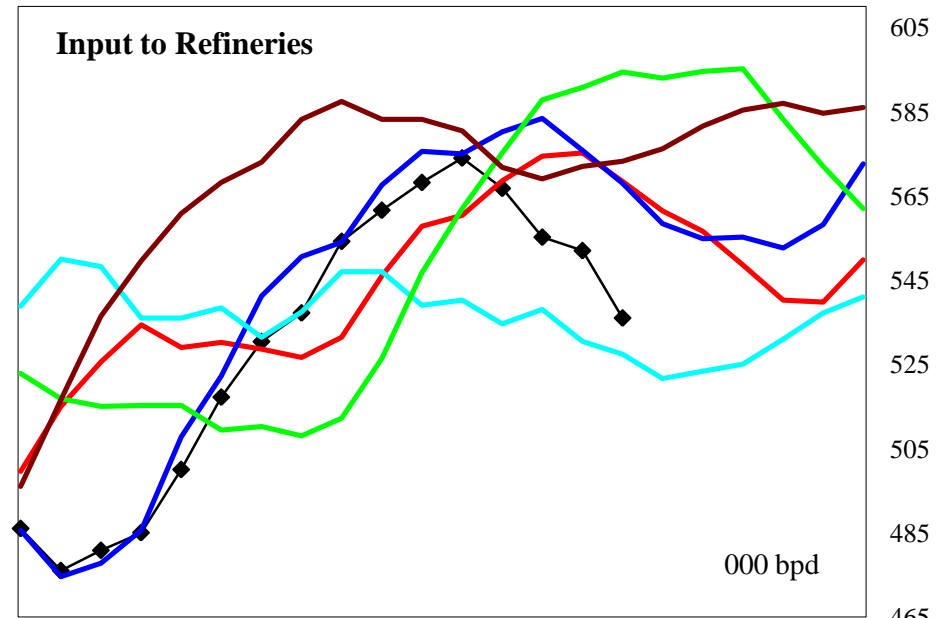
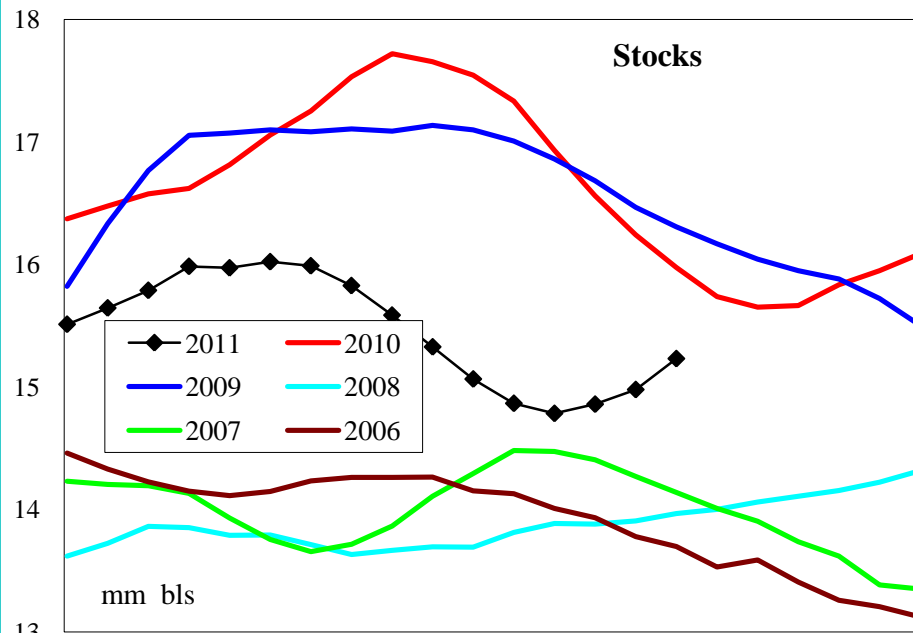
4.5

37.6

-17.3

13.2

# PADD 4 Crude Oil Supply and Refining



**4 wk avg variance to prior year**

000 bpd (000 bls stks)

% change

Stocks

-744

-4.7

Input

-18

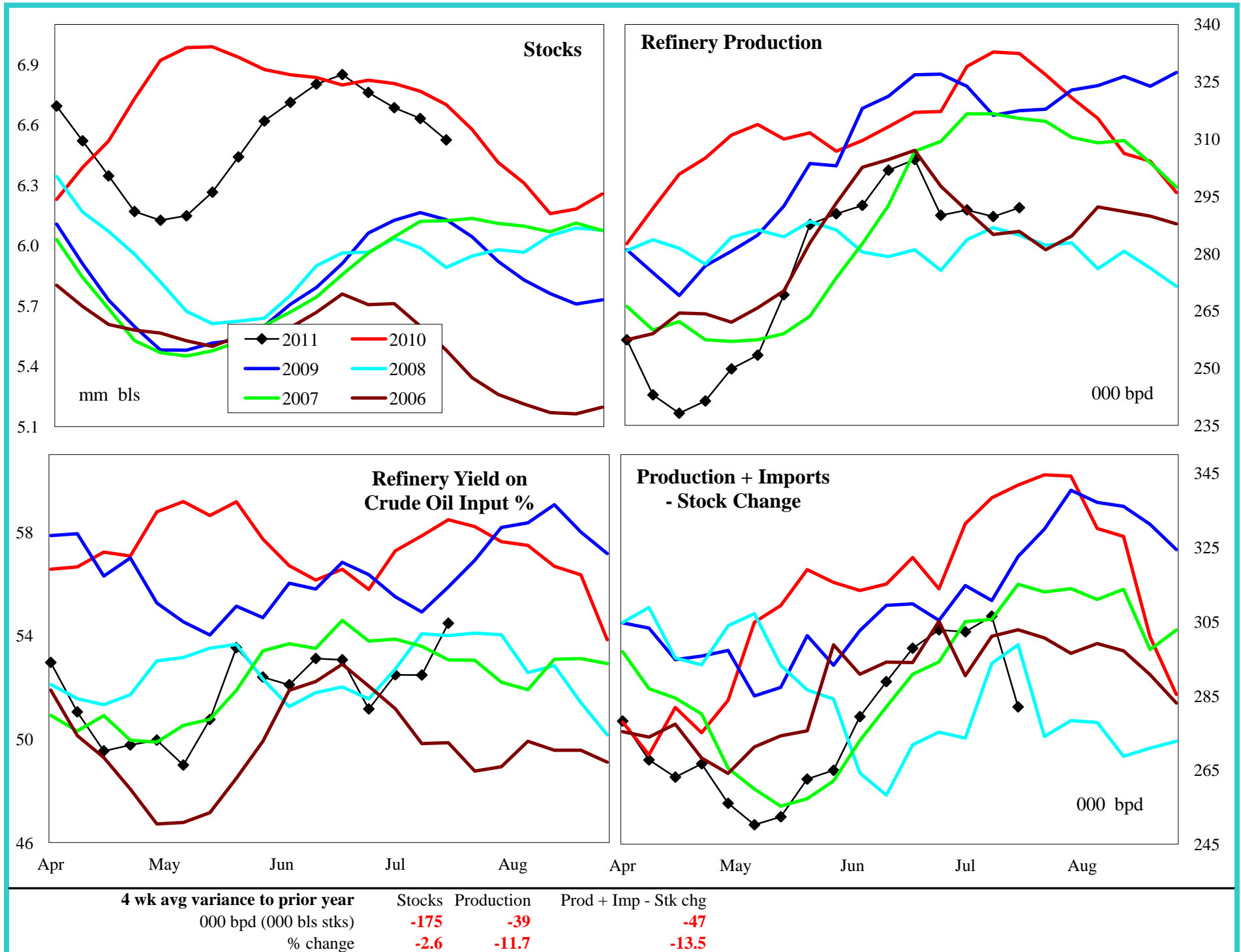
-3.0

Imports

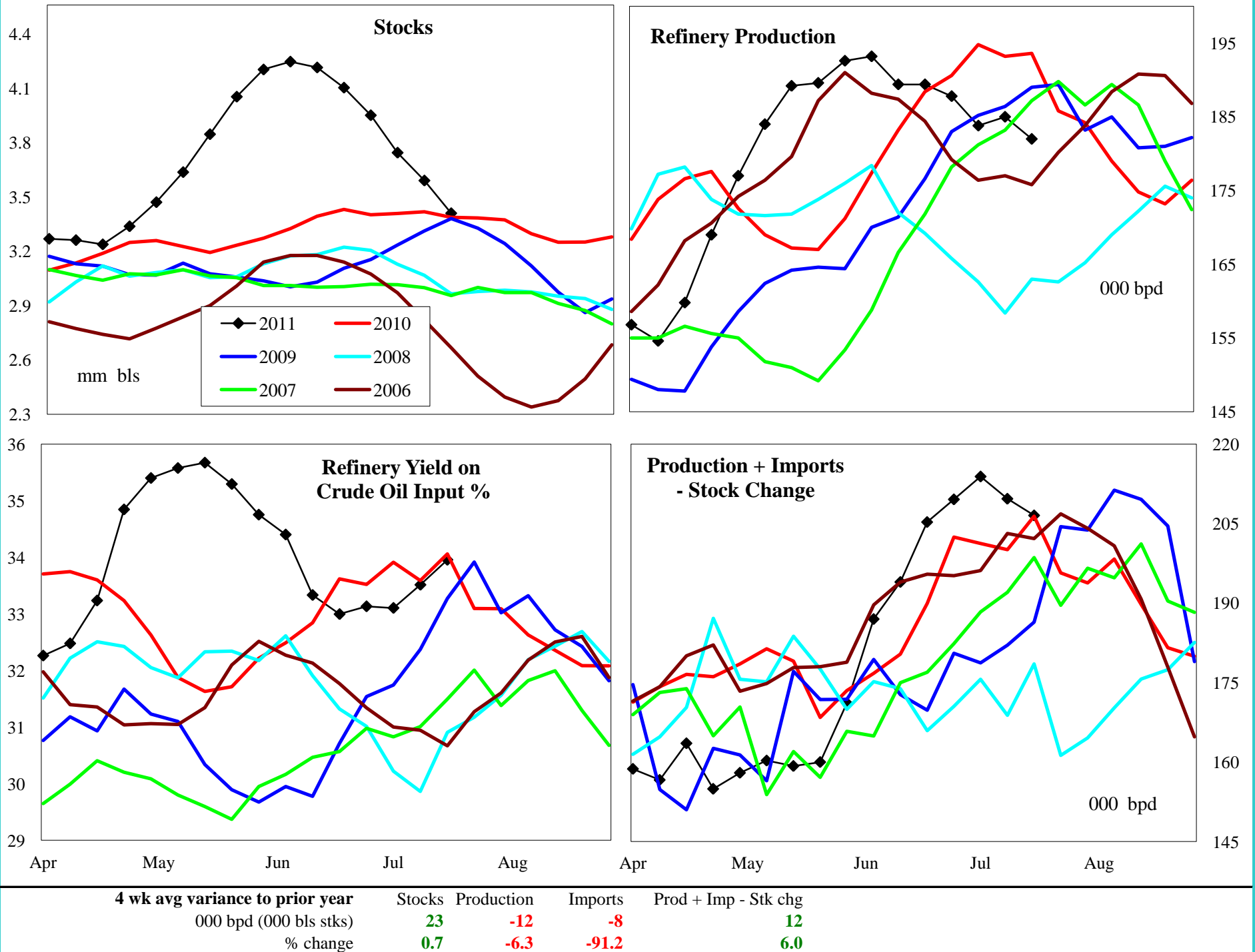
11

3.6

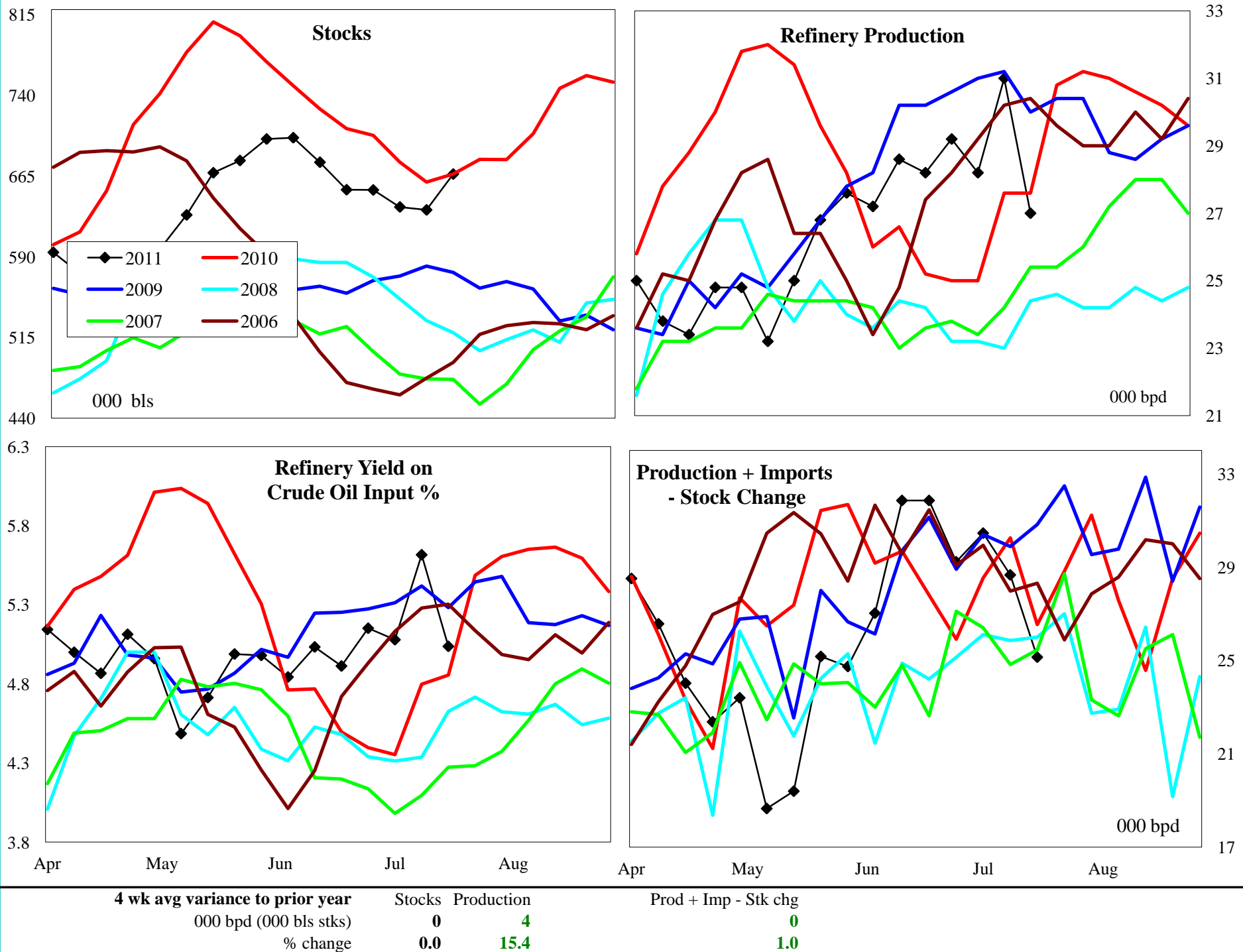
# PADD 4 Gasoline Supply



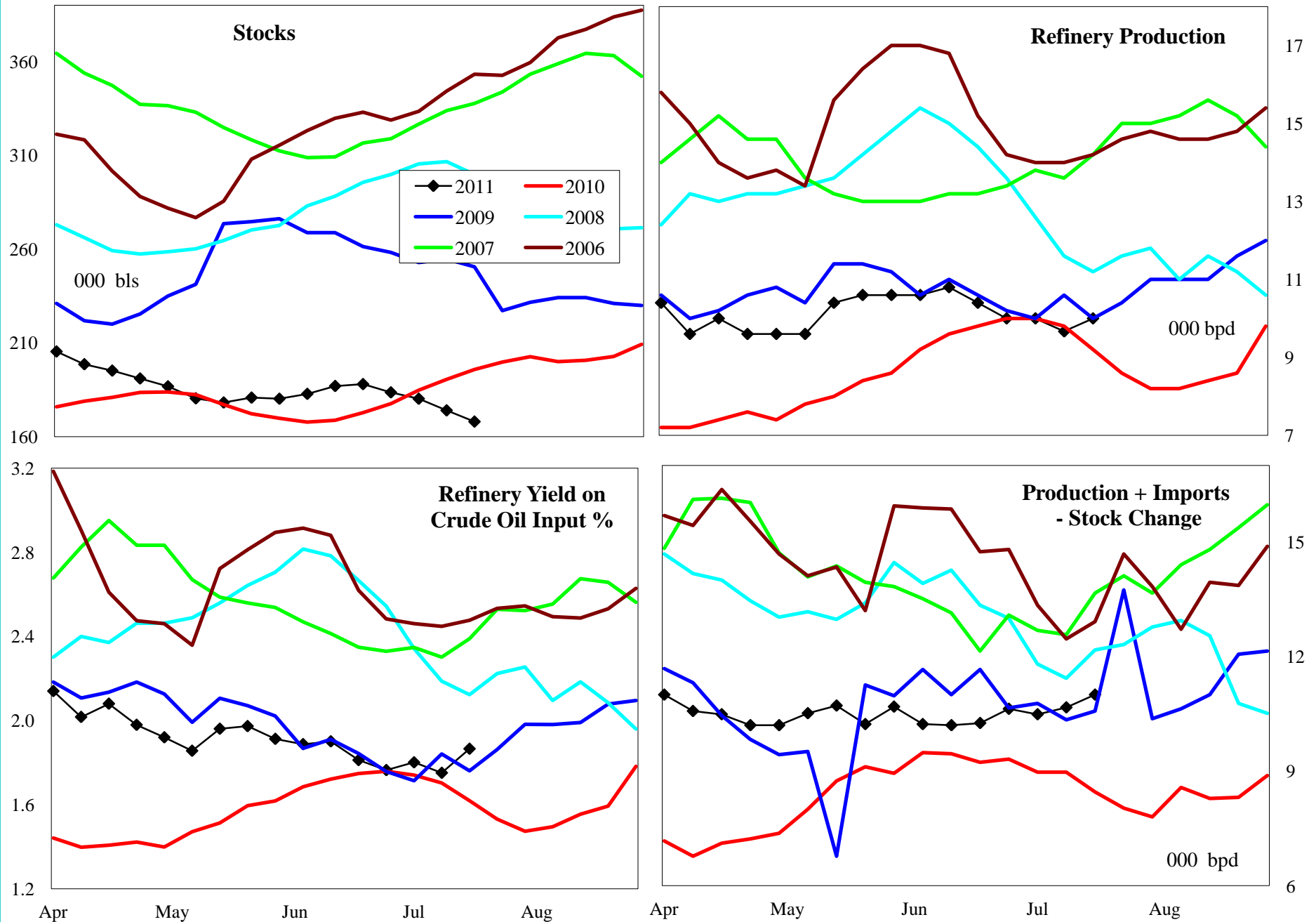
# PADD 4 Distillate Supply



# PADD 4 Jet Fuel Supply



# PADD 4 Residual Fuel Oil Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

-28

-14.2

Production

0

0.0

Imports

0

#DIV/0!

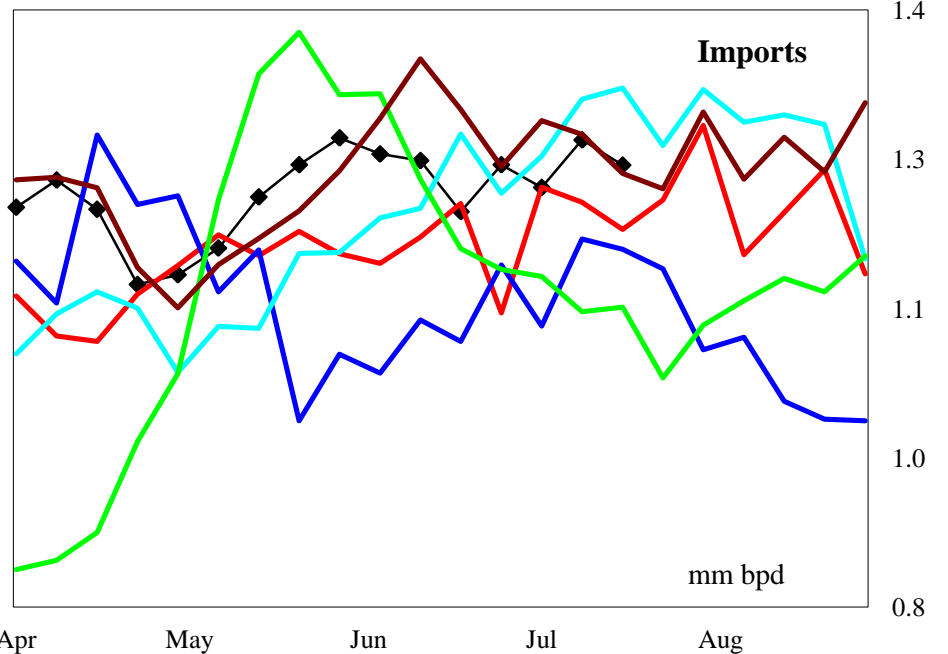
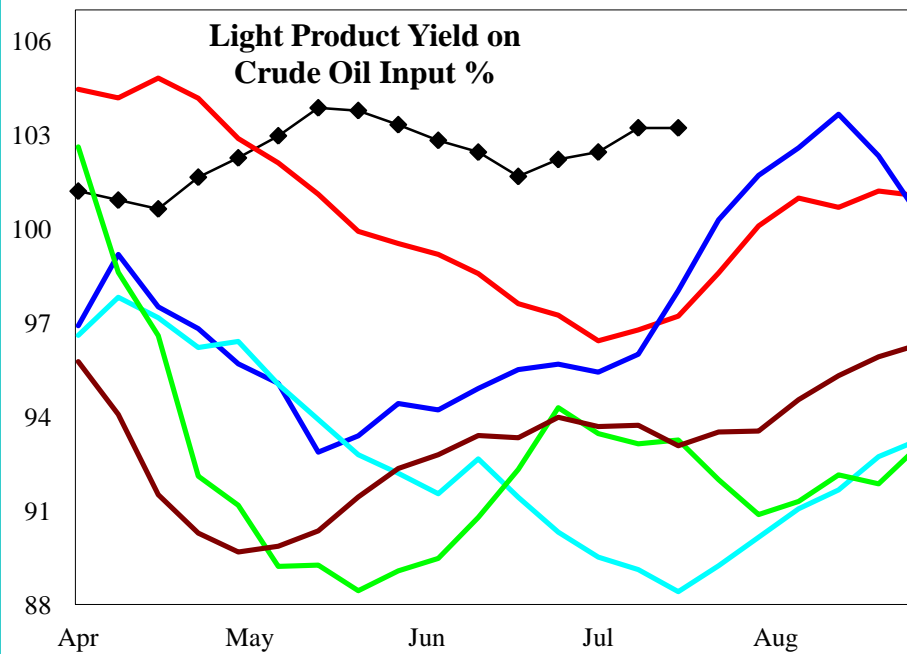
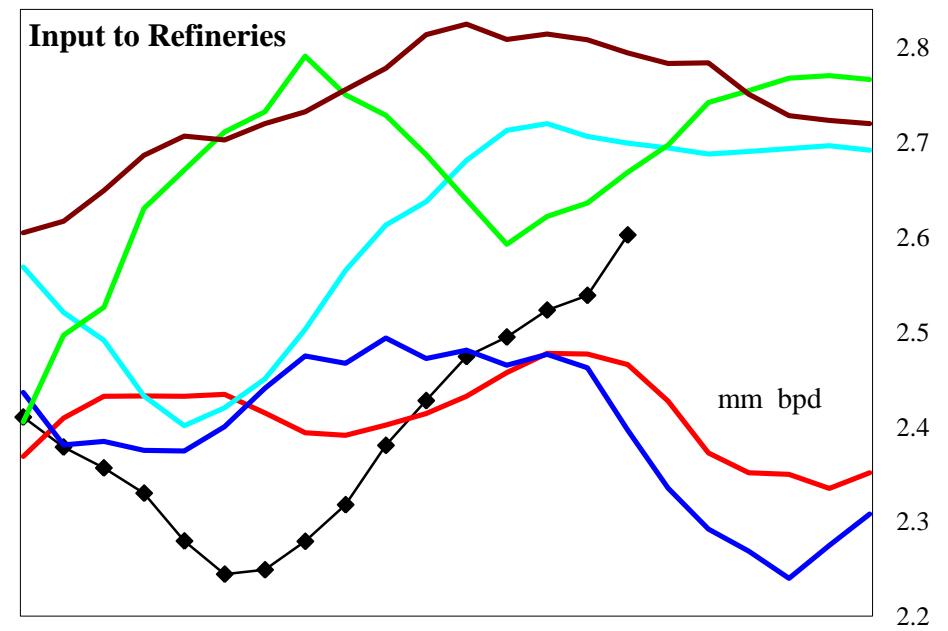
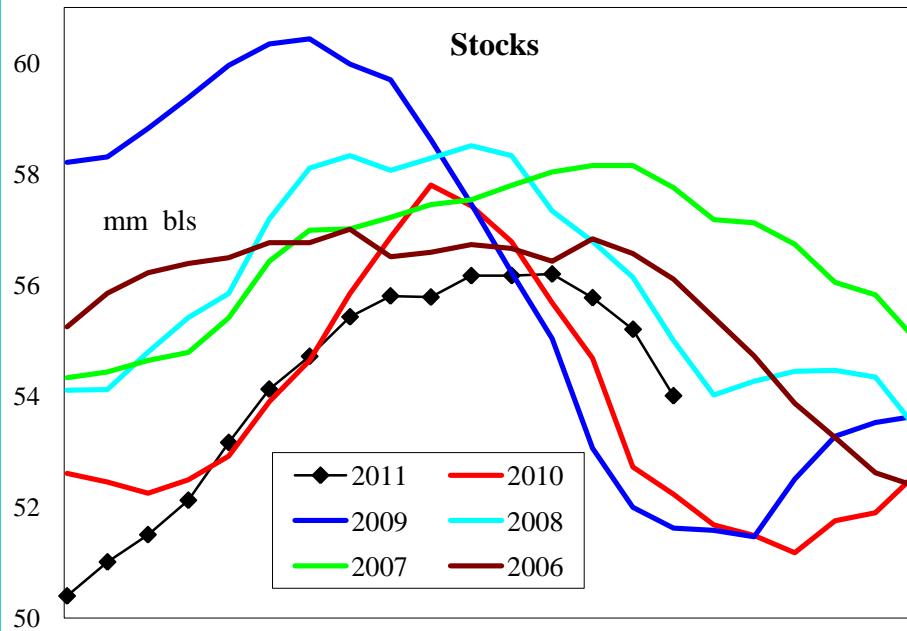
Prod + Imp - Stk chg

4

67.4



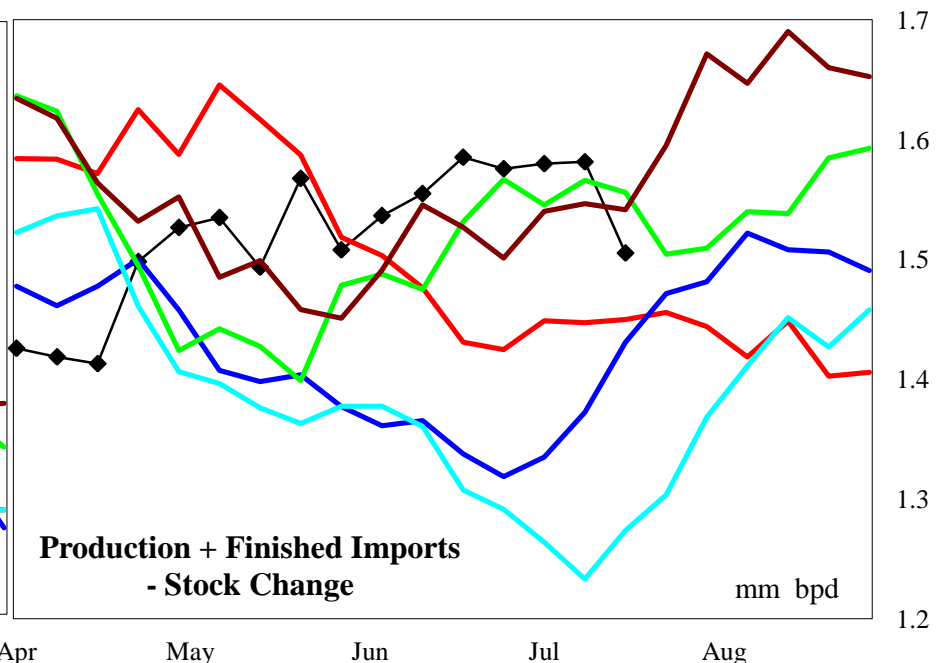
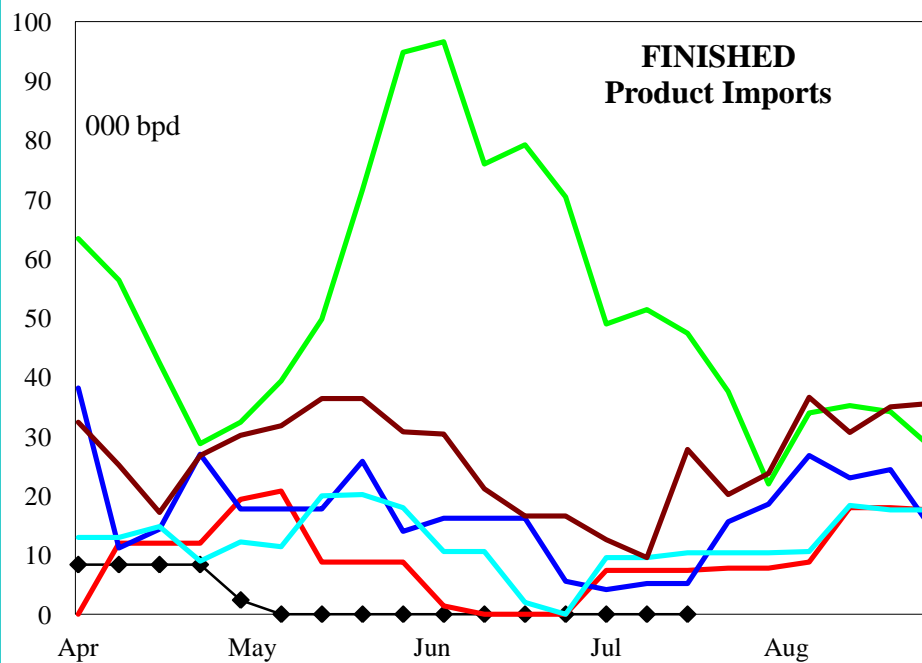
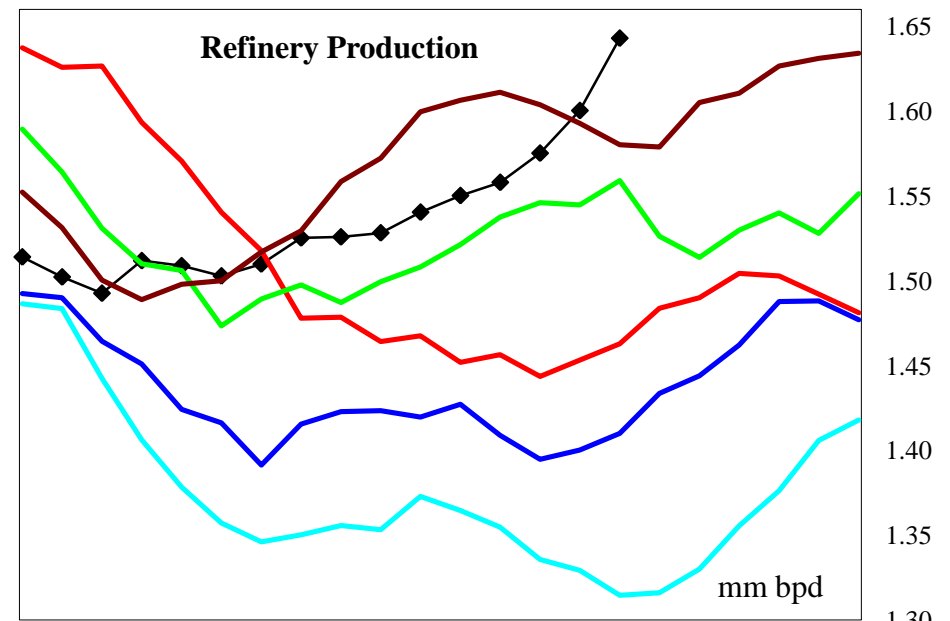
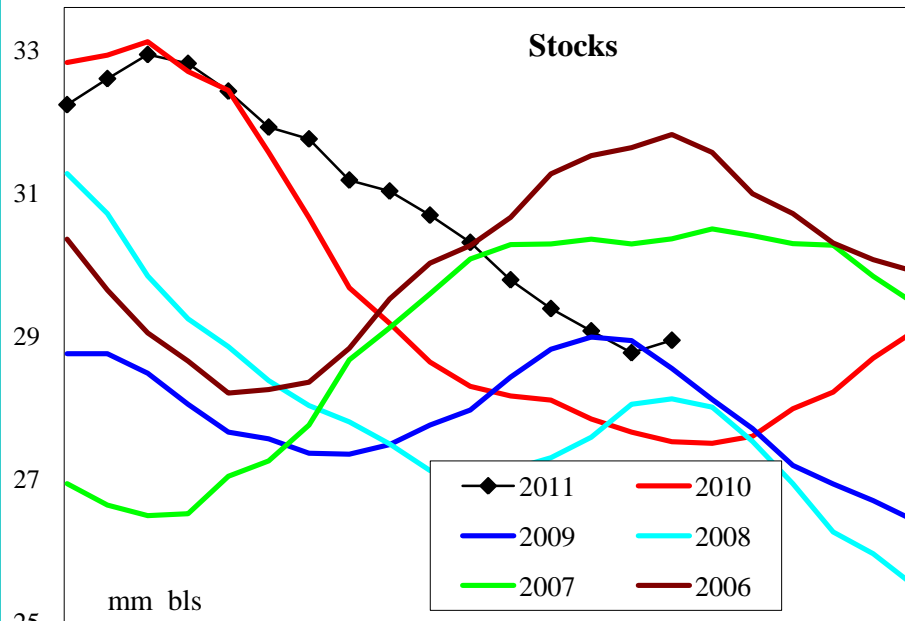
# PADD 5 Crude Oil Supply and Refining



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

	Stocks	Input	Imports
000 bpd (000 bls stks)	1,772	39	-24
% change	3.4	1.6	-1.9

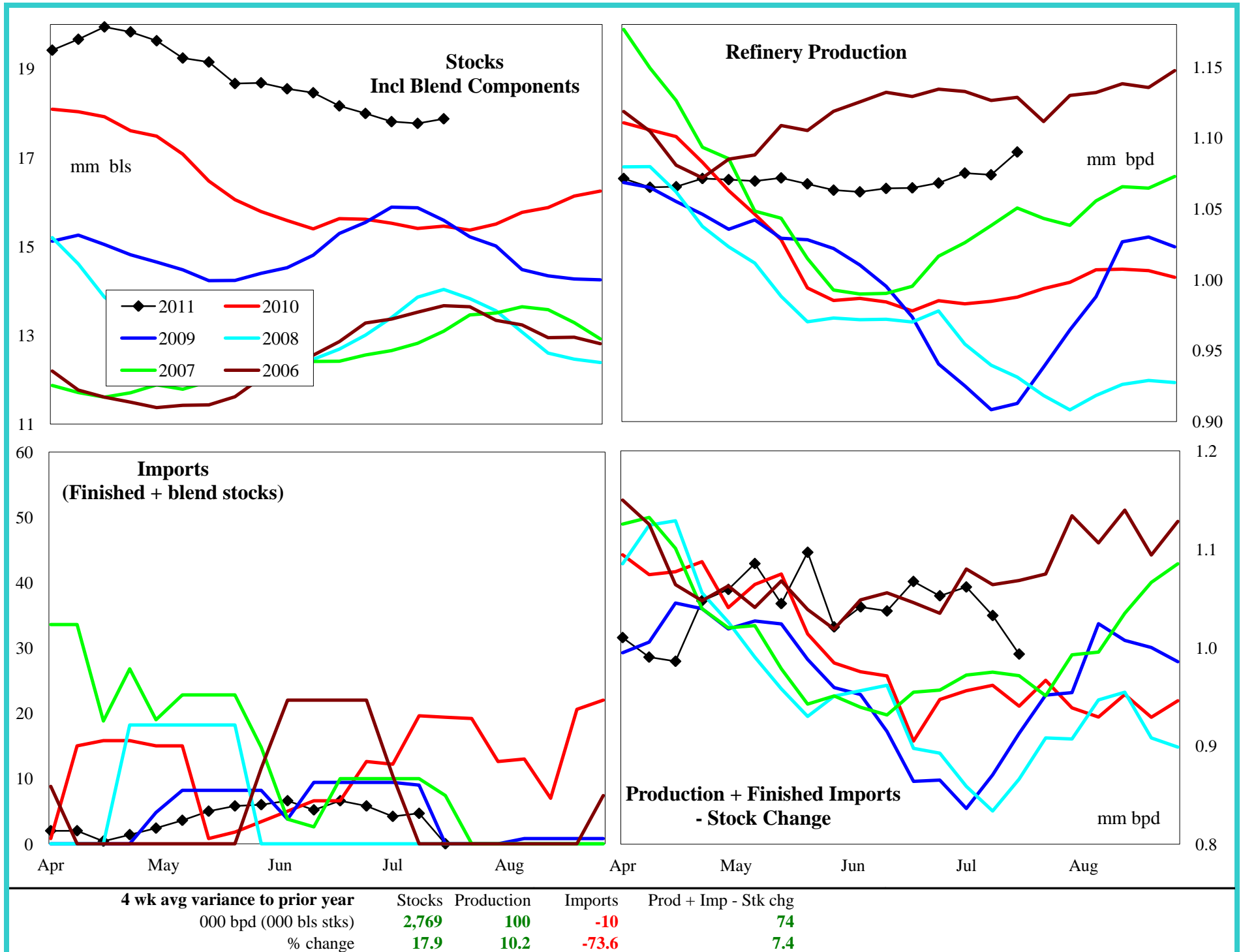
# PADD 5 Gasoline Supply



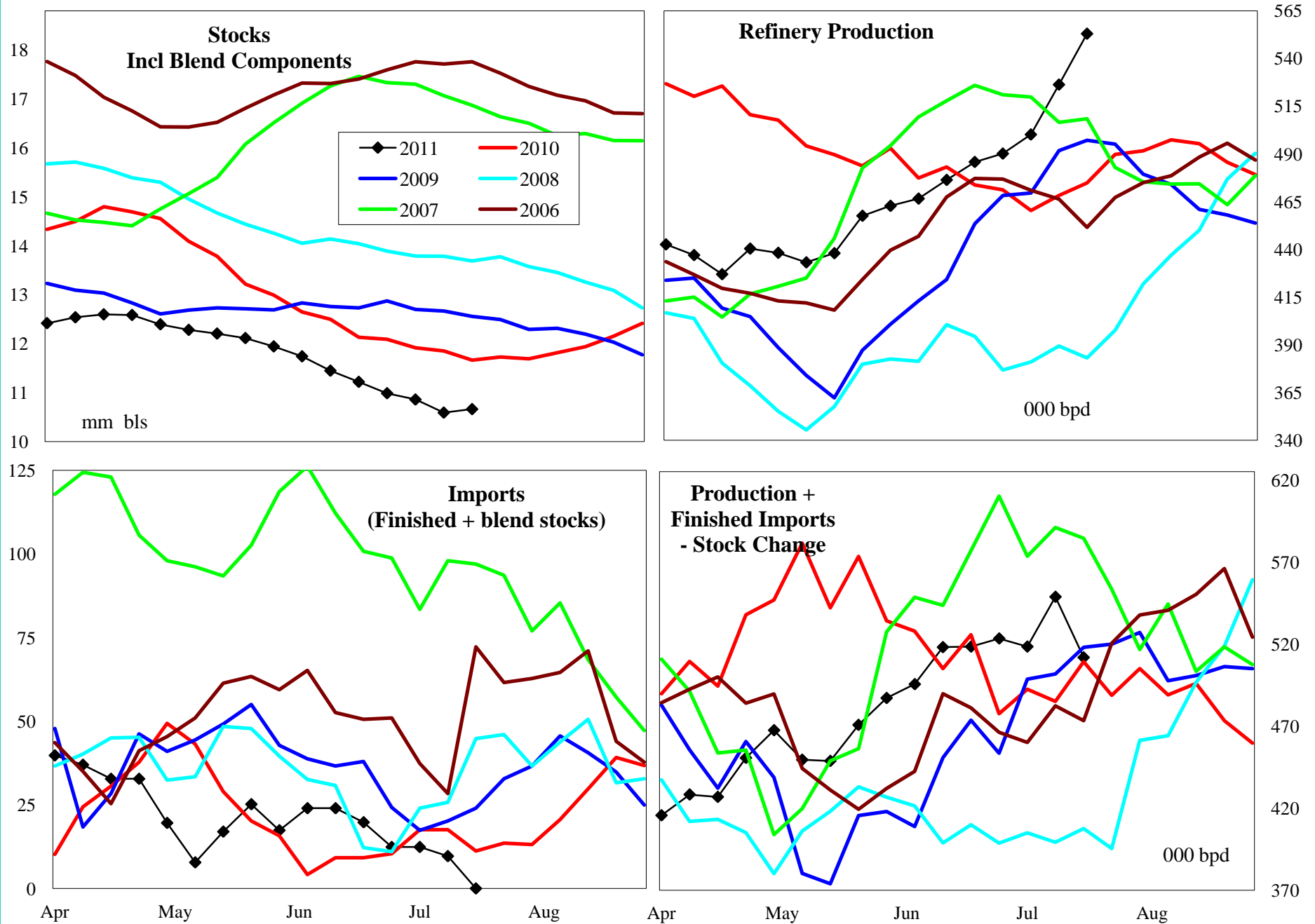
**4 wk avg variance to prior year**  
 000 bpd (000 bls stks)  
 % change

Stocks	Production	Fin Impt	Blend Impt	Prod + Imp - Stk chg
1,754	153	-9	-15	129
6.4	10.6	-100.0	-58.7	8.7

# PADD 5 Reformulated Gasoline Supply



# PADD 5 Conventional Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

-1,015

-8.4

Production

54

11.6

Imports

-15

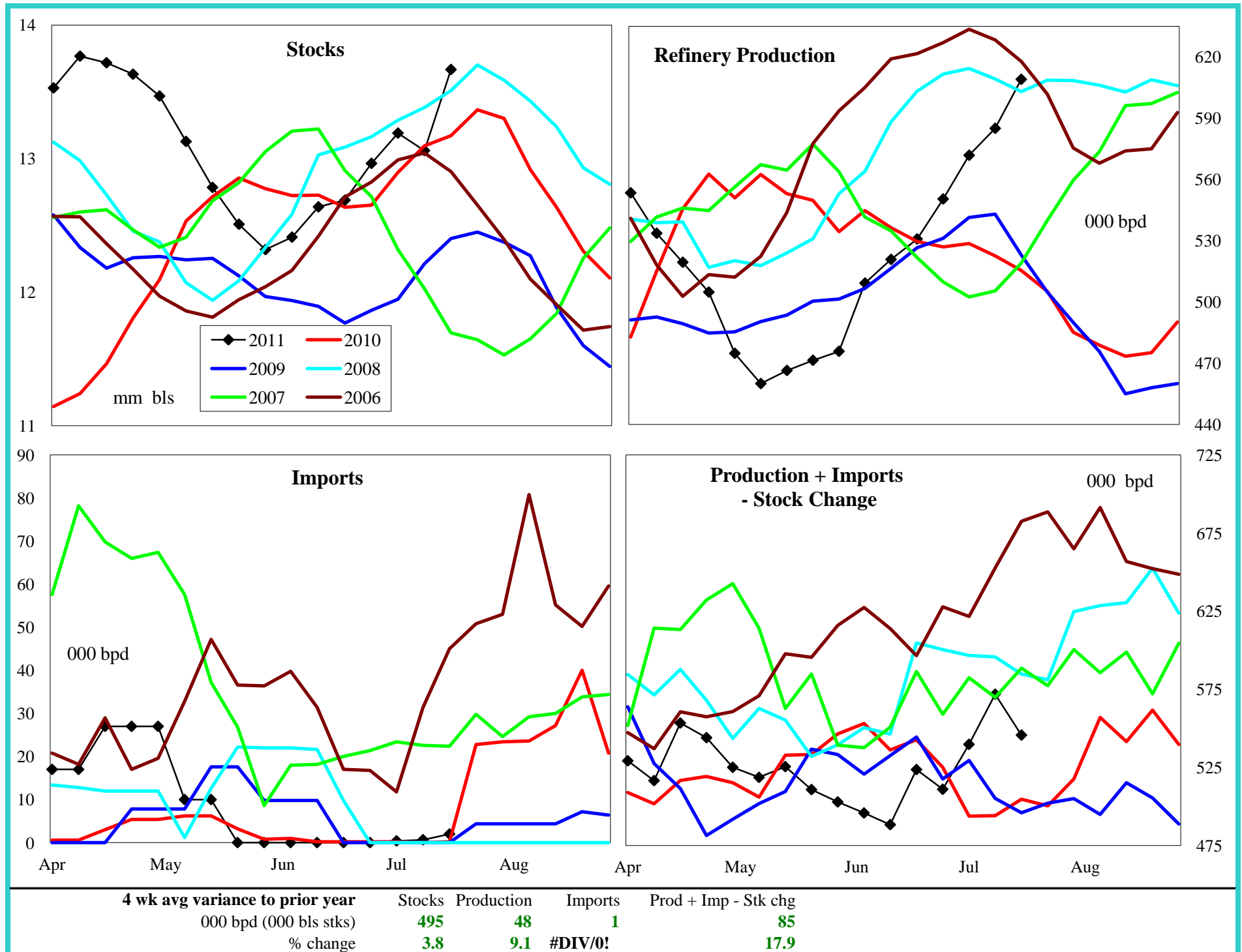
-67.0

Prod + Imp - Stk chg

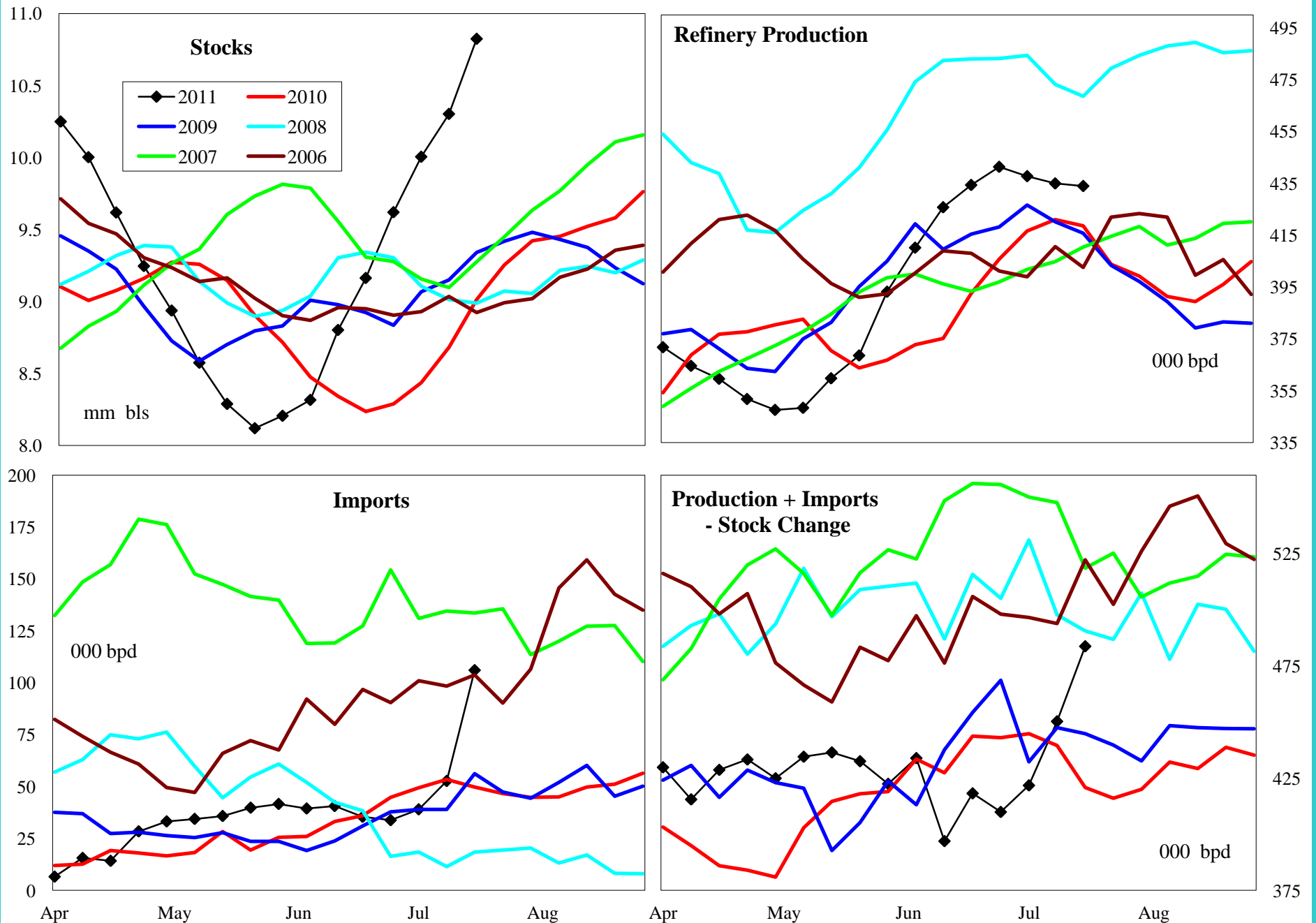
56

11.5

# PADD 5 Distillate Supply



# PADD 5 Jet Fuel Supply



**4 wk avg variance to prior year**

000 bpd (000 bls stks)

% change

Stocks

2,143

24.7

Production

13

3.1

Imports

-15

-25.2

Prod + Imp - Stk chg

-29

-6.4

# PADD 5 Residual Fuel Oil Supply

