



WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

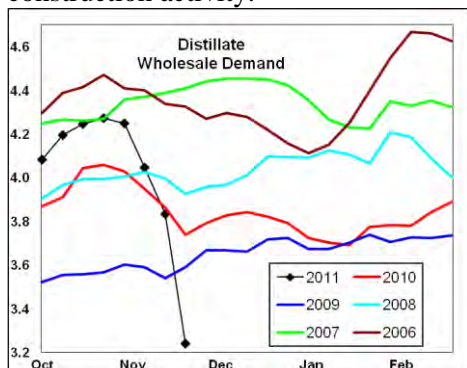
A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Wednesday, November 30,

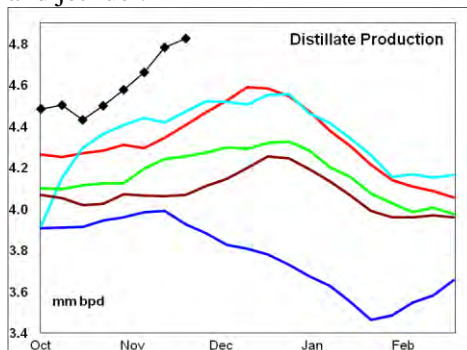


Major Fundamental Trends¹

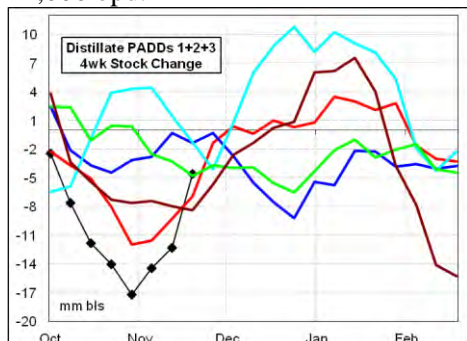
Distillate wholesale demand collapsed last week due to the holiday week, that caused less use for transport, agriculture, and outdoor industrial - construction activity.



Look for a rebound in distillate demand next week, due in part to colder temperatures in the Northeast. Refiners are now maximizing distillate output at the expense of both gasoline and jet fuel.



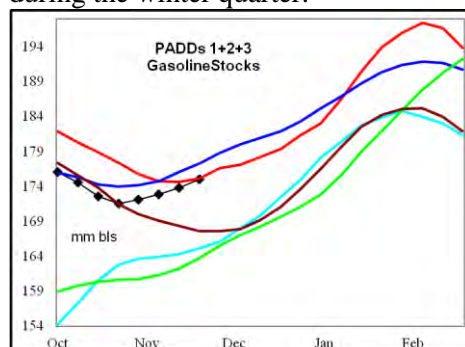
Distillate output for the latest 4-wk period averaged +358,000 bpd above a year ago while gasoline output was up +232,000 bpd and jet fuel decreased -14,000 bpd.



As a result of the collapse in demand last week and record production, distillate stocks witnessed a +5.5 million barrel build, driving the 4-wk average rate of build in markets East of the Rockies back to the historic mid range.

Look for additional distillate stock builds, although at a more modest rate, through year end on record production and a slowdown in exports to Europe.

Gasoline stock levels are now approaching the highs of the last 2-years. Weak demand and above average production should offset lower imports, so that stocks build at an average rate for the next quarter. The market should be very well supplied during the winter quarter.



Demand plunged for distillate, while witnessing a modest increase for gasoline last week. Wholesale demand measured over the last four weeks compared to a year ago: gasoline decreased -2.9%; distillate up +1.4%; jet fuel up +6.5% while residual fuel oil decreased -20%.

Stocks forward coverage: Gasoline demand coverage increased slightly on a +0.2 million barrel stock build. Coverage levels matched 5-year highs.

Distillate coverage spiked on a -0.8 million bpd drop in weekly demand and a +5.5 million barrel stock build. Coverage levels were -20% below the last 2-years.

Jet fuel coverage levels decreased on a -0.3 million barrel stock draw. Coverage was comparable to two of the last 3-years.

Refinery utilization rates fell on a -231,000 bpd drop in crude oil runs. During the latest 4-wk period crude oil

input was +411,000 bpd above a year ago.

Gasoline yield % on crude oil runs declined on a -282,000 bpd decrease in output, compared to a -231,000 bpd drop in crude oil runs last week. Yield % on crude oil runs was above four of the last 5-years.

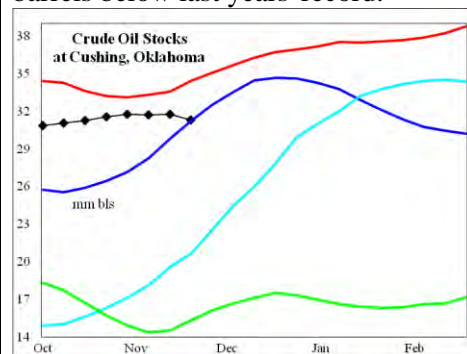
Distillate yield % on crude oil runs increased to a new record high on a +55,000 bpd rise in output, compared to the decline in crude oil runs.

Jet fuel yield % on crude oil runs increased last week on a -7,000 bpd decrease in output compared to the decline in crude oil runs. Yield % levels were at the low end of the historic range.

Petroleum Imports were sharply higher for crude oil last week, while gasoline imports collapsed.

During the latest 4-wk period crude oil imports increased +285,000 bpd over last year; distillate imports decreased -10,000 bpd; finished gasoline imports decreased -20,000 bpd, gasoline blend stock imports increased +80,000 bpd; jet fuel imports increased +18,000 bpd, while residual fuel oil imports decreased -35,000 bpd.

Crude Oil stocks increased +3.9 million barrels last week, with the build concentrated in PADD 5. Record high runs in the Midwest have limited the start of seasonal stock builds at Cushing, Oklahoma. Stock levels have dropped -3.1 million barrels below last years' record.



¹ Source is latest EIA Weekly Statistics



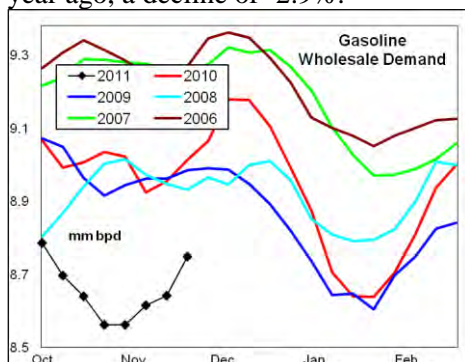
WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

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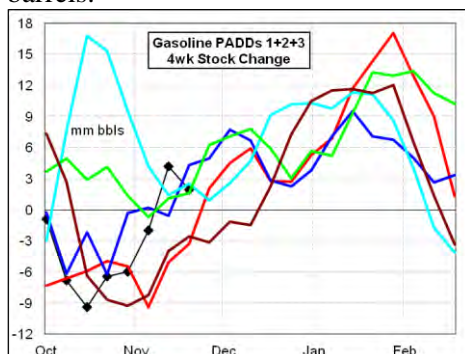
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Product Supply-Demand Trends

Gasoline demand increased +177,000 bpd last week, due to an increase in holiday travel. The latest 4-wk average demand was -262,000 bpd below a year ago, a decline of -2.9%.



Production fell -282,000 bpd last week, and was accompanied by a -337,000 bpd drop in imports. The collapse in supply and higher holiday demand limited the stock build to +0.2 million barrels.



The latest 4-wk stock build in markets East of the Rockies was +1.6 million barrels, a level that matched the mid range for the week.

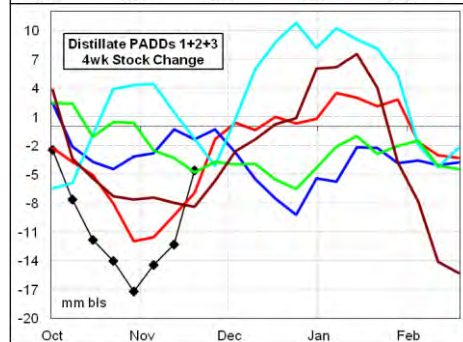
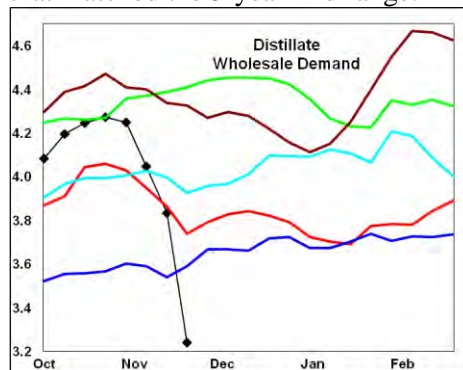
A holiday bounce in demand and lower production due to poor refining margins and imported blend stocks should limit the rate of stock building for the balance of the year. However, with current stock levels near the highs of the last 2-years, the market should be well supplied during the winter quarter.

Distillate demand plunged -0.8 million bpd last week, due in part to reduced transport and industrial activity during the holiday week. The latest 4-wk average year-on-year demand growth was +54,000 bpd.

Production increased +55,000 bpd

last week, to a new record high level. Production levels matched or exceeded 5-year highs in all regions except the East Coast. The collapse in demand and record production led to a +5.5 million barrel stock build for the week. Stock levels ended the week -19.6 million barrels below last year.

The latest 4-wk stock change in markets East of the Rockies was a draw of -4.8 million barrels, a level that matched the 5-year mid range.



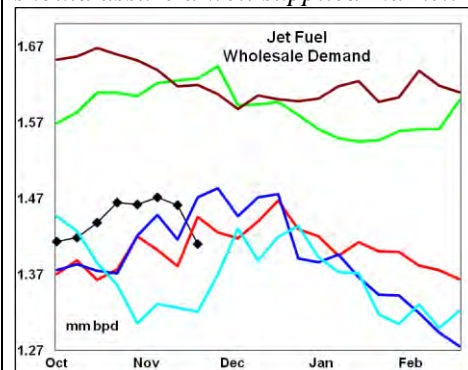
The collapse in demand was driven by reduced transport use during the holiday week. Expect demand to rebound next week. Record production for the next 30-days should lead to further stock building by year end. Stock levels below four of the past 5-years in the key Central Atlantic Region of PADD 1 point to potential of a supply squeeze in the region during the peak heating season..

Jet Fuel demand increased +24,000 bpd last week, to a level comparable to the last 3-years. The latest 4-wk average demand was +90,000 bpd above last year.

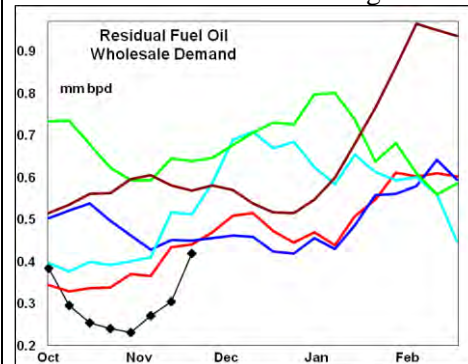
Supply increased +23,000 bpd last week, on higher imports. Stocks decreased -0.3 million barrels to a level slightly below the last 2-years.

Production levels were comparable to that of the last 3-years. The market remains well balanced, with demand, production and stock levels each comparable to the last 2-years.

Expect additional stock draws for the next month, followed by a seasonal build as demand declines following the holiday travel season. Increased production during the next 45-days should assure a well supplied market.



Residual fuel oil demand increased +163,000 bpd on the week, a level at the low end of the historic range.



Supply (production + imports) increased +178,000 bpd last week, on higher production and imports. The latest 4-wk average supply was -14,000 bpd below last year. Stock levels were at the low end of the historic range.

The key Gulf Coast market has witnessed a record rate of stock building during the last 8-wks, a period during which stocks climbed nearly +25%. Stock levels are now near last years' record high. The build has been due in part to a +100,000 bpd rise in imports.



WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

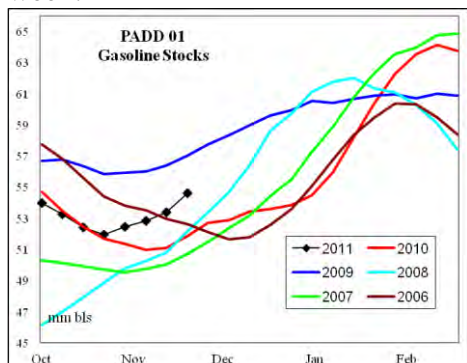
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PADD Supply Trends

PADD 1 refinery crude oil runs decreased -22,000 bpd on the week, with the level +281,000 bpd above a year ago.

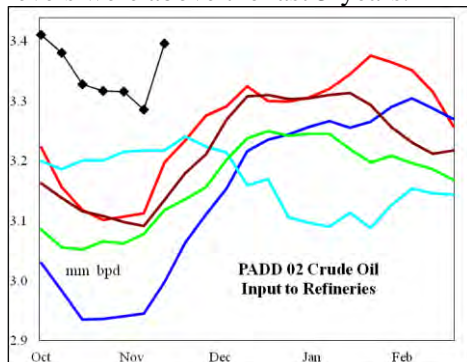
Gasoline supply fell -565,000 bpd last week, due to sharply lower imports. Import levels were well below the 5-year range for the week.



Gasoline stocks increased +0.4 million barrels on the week, to a level above four of the last 5-years.

Distillate supply increased +5,000 bpd last week, with the latest 4-wk average +115,000 bpd above last year. Stocks increased +2.4 million barrels on the week, with the level -19% below last year.

Jet fuel stocks fell -1.4 million barrels on the week, to a level near 5-year lows for the period. Production levels were above the last 3-years.



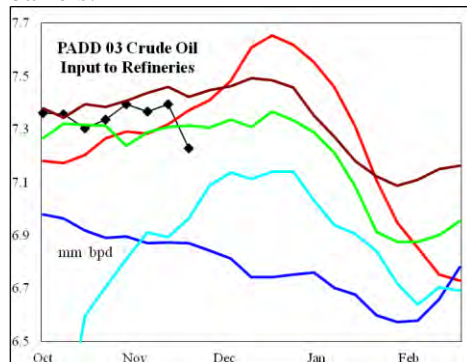
PADD 2 crude oil refinery runs increased +83,000 bpd last week, with the latest 4-wk average +188,000 bpd above a year ago, and a record high for the season. Crude imports increased +73,000 bpd, with the level +28% above last year. Crude oil stock levels matched the 5-year high.

Gasoline production fell -166,000 bpd to a level that matched the mid range. Stocks decreased -0.2 million barrels, with the level below the 5-year range.

Distillate production increased +132,000 bpd, to a new record high for the year. Stocks increased +1.6 million barrels to a level below the historic mid range.

Jet fuel production increased +15,000 bpd with the level at the upper end of the historic range. Stock levels matched last years' historic highs.

PADD 3 refinery runs decreased -218,000 bpd last week, a level below the mid range. The latest 4-wk average thru put was +68,000 bpd above last year. Crude oil imports jumped +0.9 million bpd last week, with stocks increasing +0.6 million barrels.



Gasoline production increased +90,000 bpd on the week. Stocks fell -0.8 million barrels last week, to a level near record highs.

Distillate production decreased -87,000 bpd on the week, with the latest 4-wk average +137,000 bpd above the previous 5-year high. Stocks increased +0.5 million barrels, with the level -4.8 million barrels below the historic high for this time of year.

Jet fuel production fell -61,000 bpd on the week, to a level comparable with the last 2-years. Stocks increased +0.4 million barrels to a level above the mid range.

Residual fuel oil supplies increased +117,000 bpd on the week, due to higher production and imports. Stocks increased +0.4 million barrels, to a

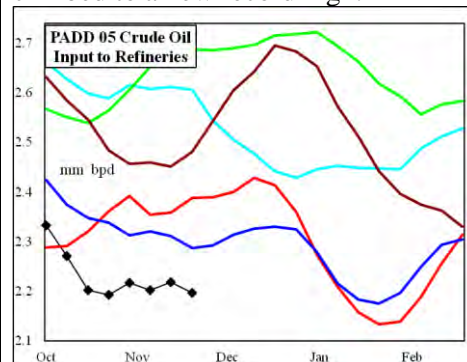
level near the 5-year high.

PADD 4 refinery crude runs increased +2,000 bpd last week, a 5-year high; with the most recent 4-wk average +30,000 bpd above a year ago.

Gasoline production increased +3,000 bpd on the week, with the latest 4-wk average -27,000 bpd below last year. Stocks increased +0.2 million barrels to a level above the mid range.

Distillate production increased +5,000 bpd on the week, with the level at a record high for this time of year. Stock levels ended the week above the mid range.


PADD 5 crude oil refinery runs declined -76,000 bpd on the week, with the level below the 5-year range. The latest 4-wk average thru put was -156,000 bpd below last year. Light product yield % on crude oil runs climbed to a new record high.



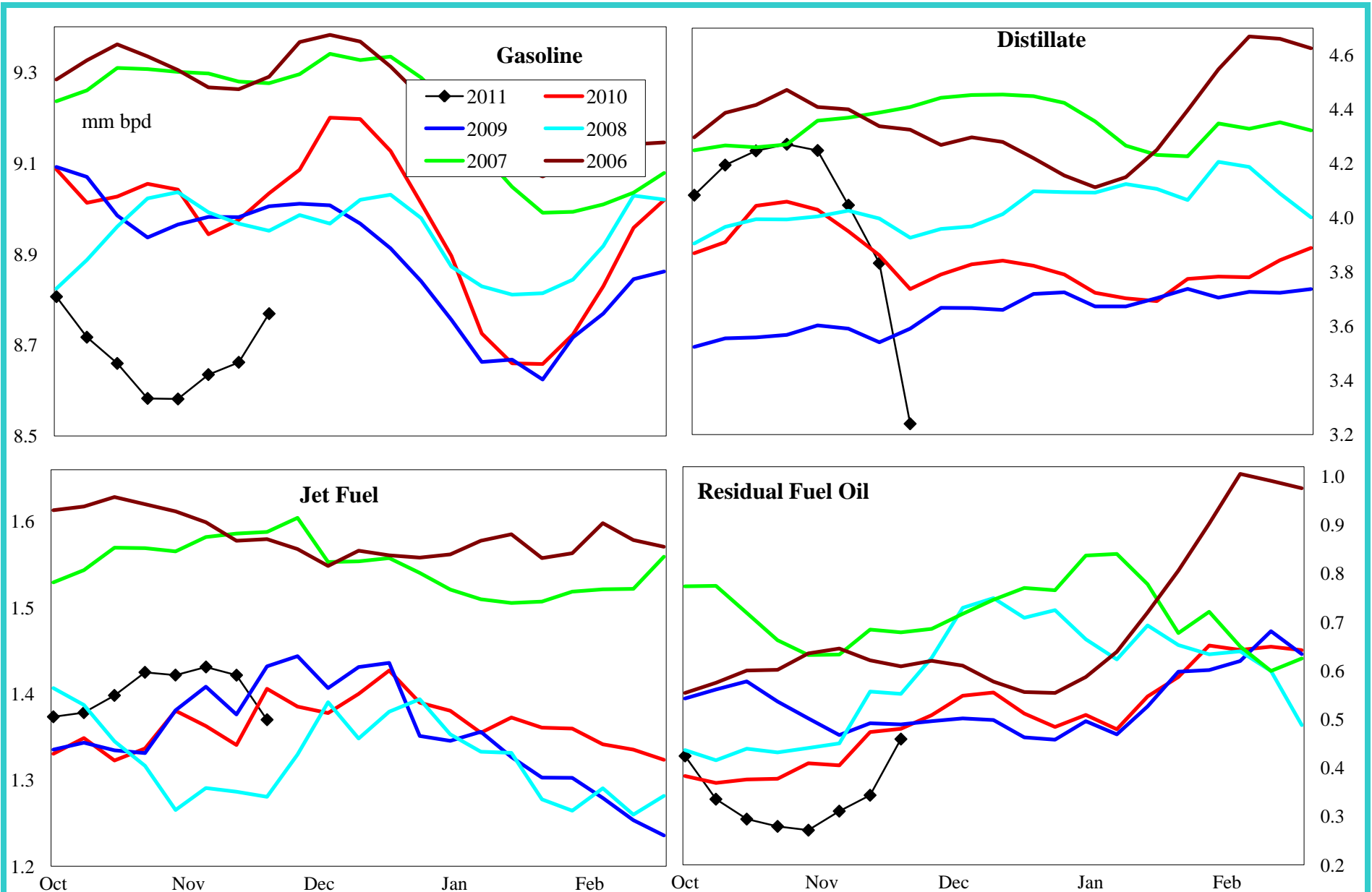
Gasoline production fell -84,000 bpd last week to a level at the low end of the historic range. Supply (production + imports) for the latest 4-wk average unchanged from a year ago. Stocks increased +0.7 million barrels on the week, a level below the mid range.

Distillate supply increased +6,000 bpd on the week, to a level that matched the 5-year high for this time of year. The latest 4-wk average was +10,000 bpd above a year ago. Stocks increased +0.7 million barrels, lifting the level above the mid range.

Jet fuel supply increased +77,000 bpd on the week, although the level remains below the historic range. Stocks increased +0.5 million barrels to a level above the 5-year range.

 FUNDAMENTAL PETROLEUM TRENDS ?		PETROLEUM: Graph Link and Weekly Summary					
		A Fundamental Petroleum Trends Weekly Report November 30, 2011					
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Fundamental Trends	Wholesale Demand	Stocks Days Fwd Coverage	Refinery Utilization			Imports	
Supply/Demand Trends	25-Nov-11	EIA-DOE CHANGE FROM PRIOR WEEK					
	000 bpd stocks 000 bls	U. S. Total	PADD				
			1	2	3	4	5
Crude Oil	Stocks	3,932	1,027	-7	646	-694	2,959
	Imports	742	354	73	887	17	-589
	Input	-231	-22	83	-218	2	-76
	% Utilization	-0.90					
Gasoline	Stocks	213	372	-196	-786	173	652
	Production	-282	-116	-166	90	3	-84
	Imports	-337	-449	-2	75	0	39
	Supplied	177					
Distillate	Stocks	5,526	2,433	1,627	522	207	739
	Production	55	5	132	-87	5	1
	Imports	15	0	1	9	0	5
	Supplied	-829					
Jet Fuel	Stocks	-337	-1,408	146	375	16	534
	Production	-7	14	15	-61	2	24
	Imports	30	-24	0	0	0	53
	Supplied	24					
Residual Fuel Oil	Stocks	404	194	-30	447	17	-225
	Production	29	2	3	41	0	-17
	Imports	149	24	-4	76	0	52
	Supplied	163					

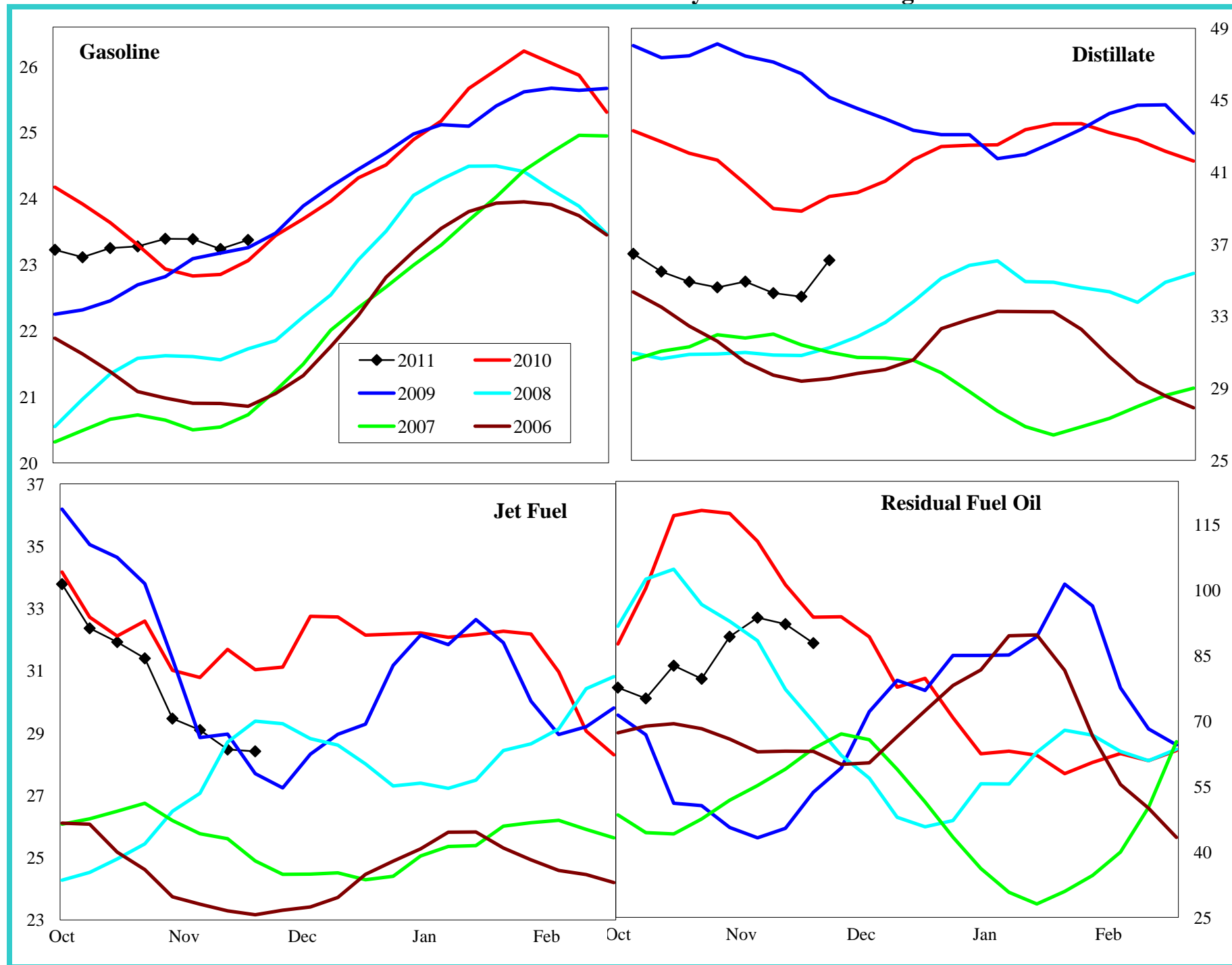
United States Wholesale Petroleum Demand



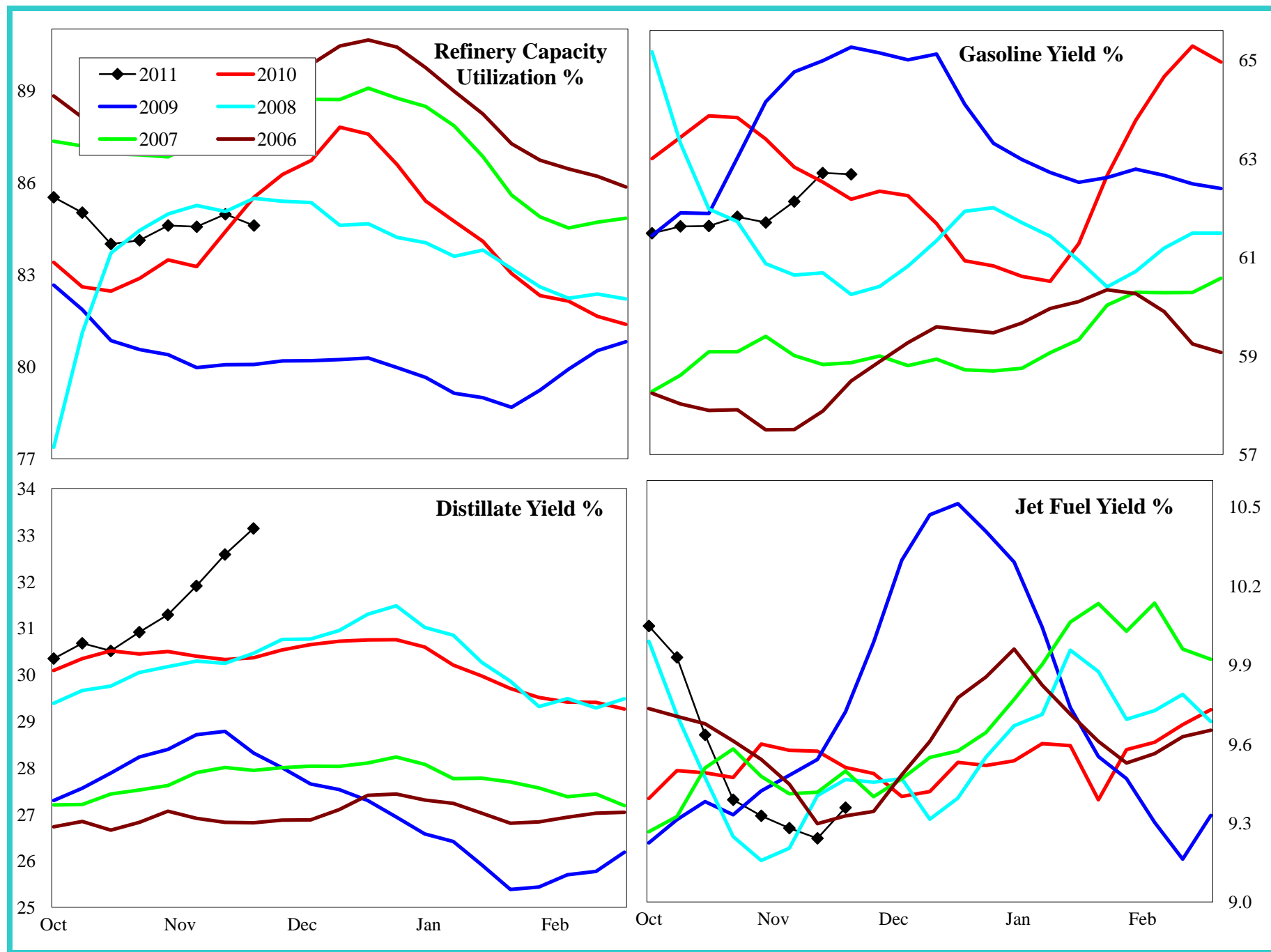
	000 bpd change from prior year				% change from prior year			
	4wk avg	Oct	Jan	Aug	4wk avg	Oct	Sep	Aug
Gasoline	-262	-444	-205	-158	-2.9	-4.9	-2.2	-1.7
Distillate	54	519	-23	6	1.4	13.8	-0.6	0.2
Jet Fuel	90	4	-50	32	6.5	0.3	-3.4	2.2
Resid	-86	-209	19	-62	-20.2	-42.7	3.7	-13.0



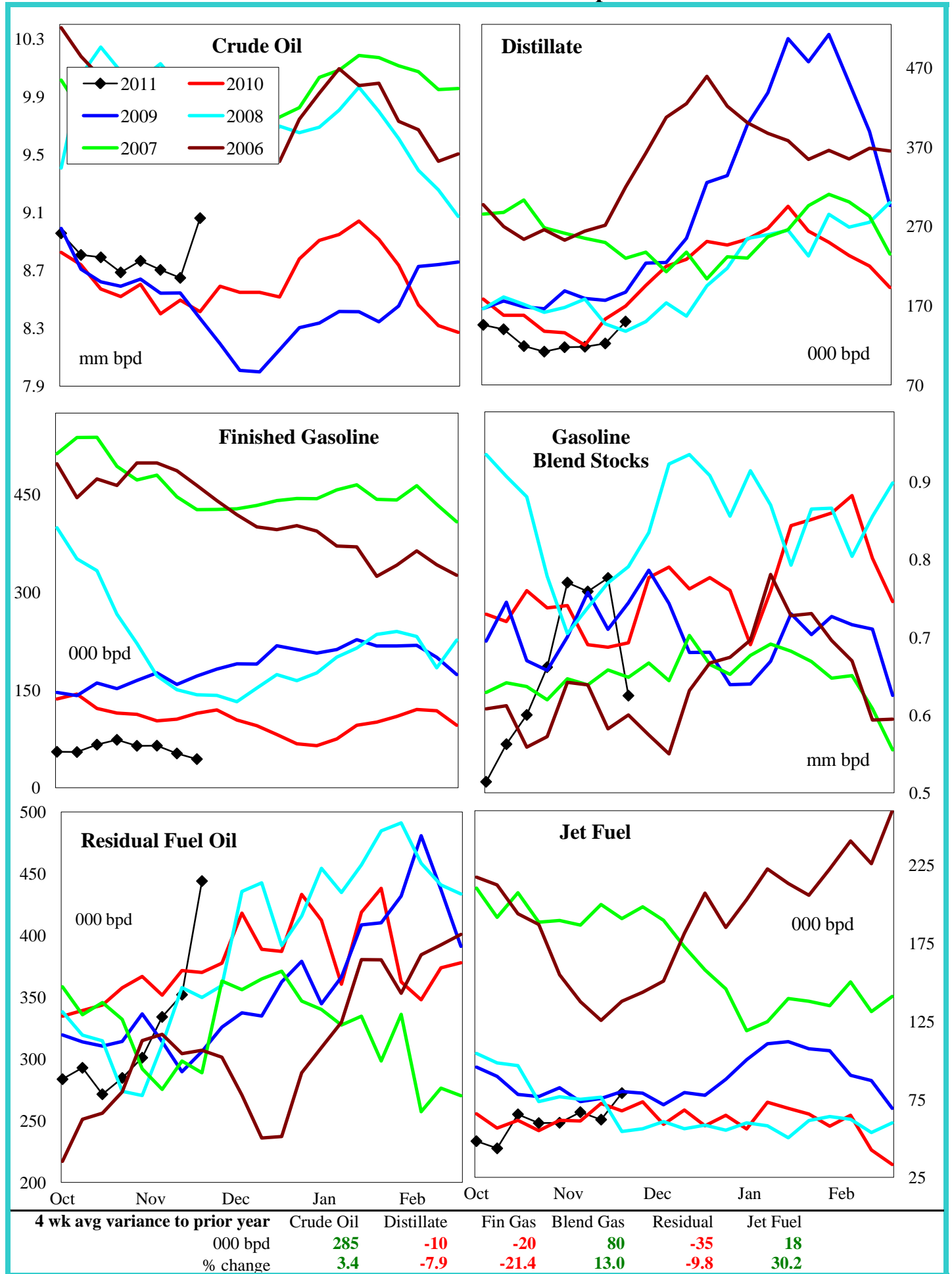
United States Product Stocks: Days Forward Coverage



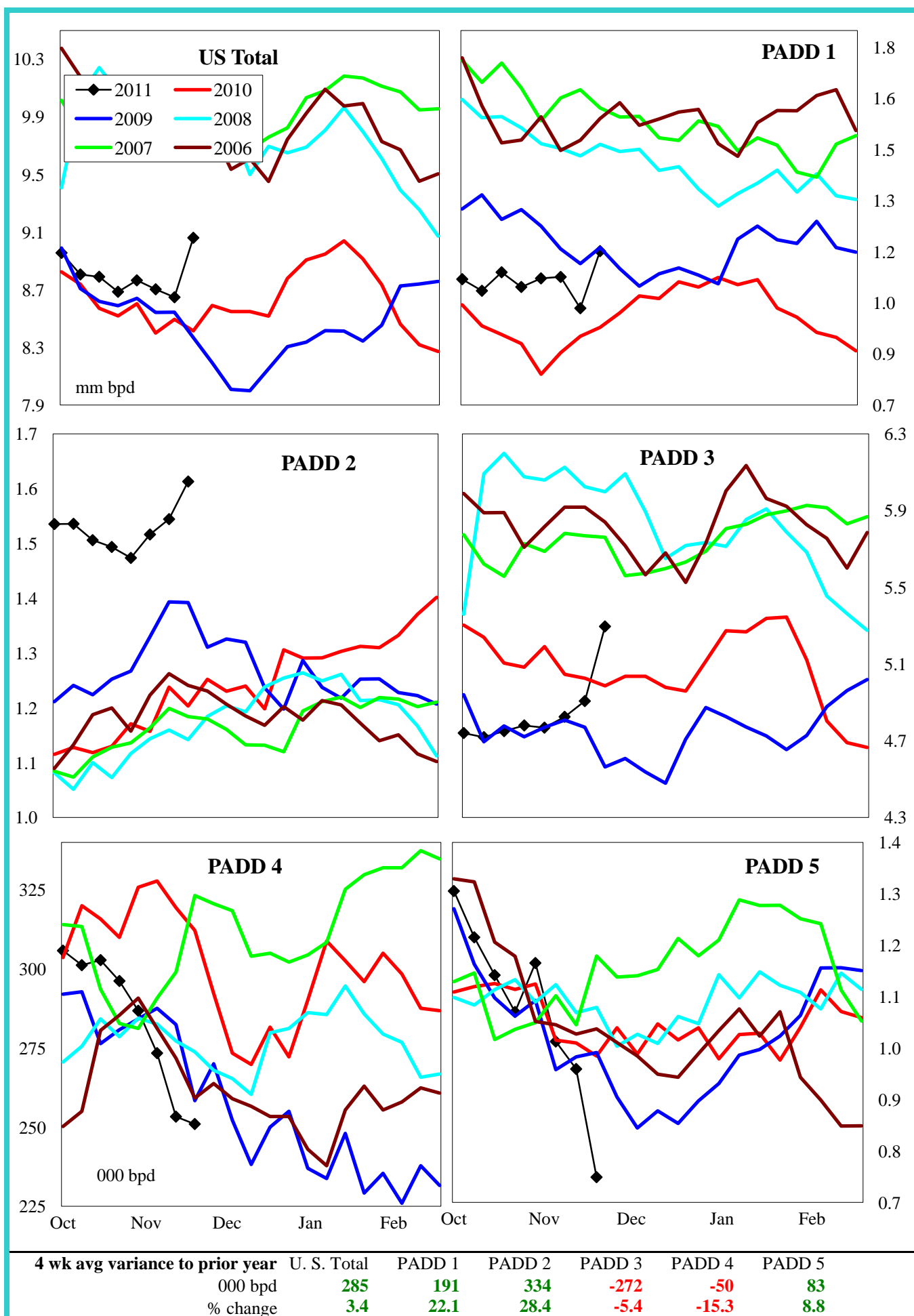
United States Refinery Percent Utilization Rate and Product Yields



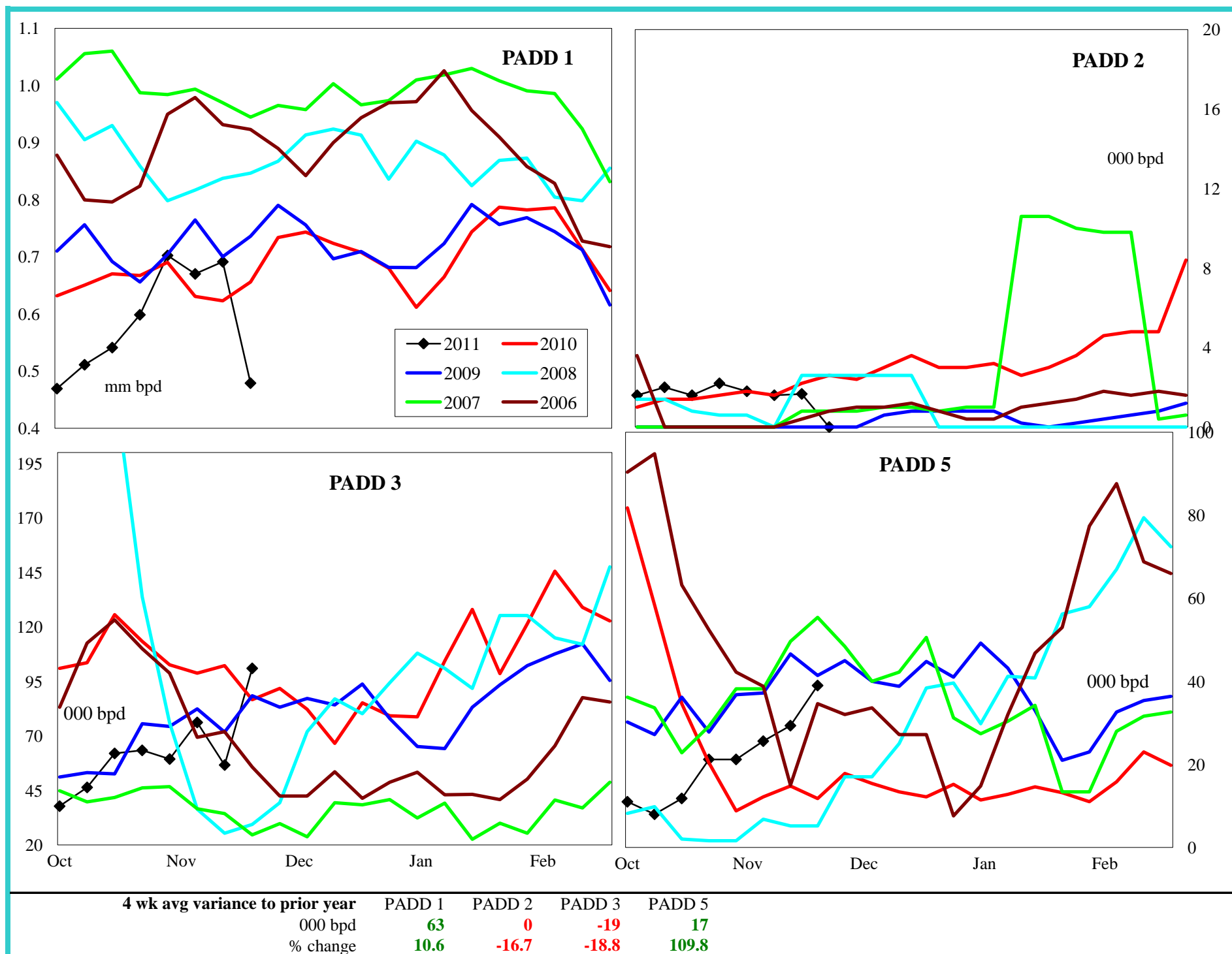
United States Petroleum Imports



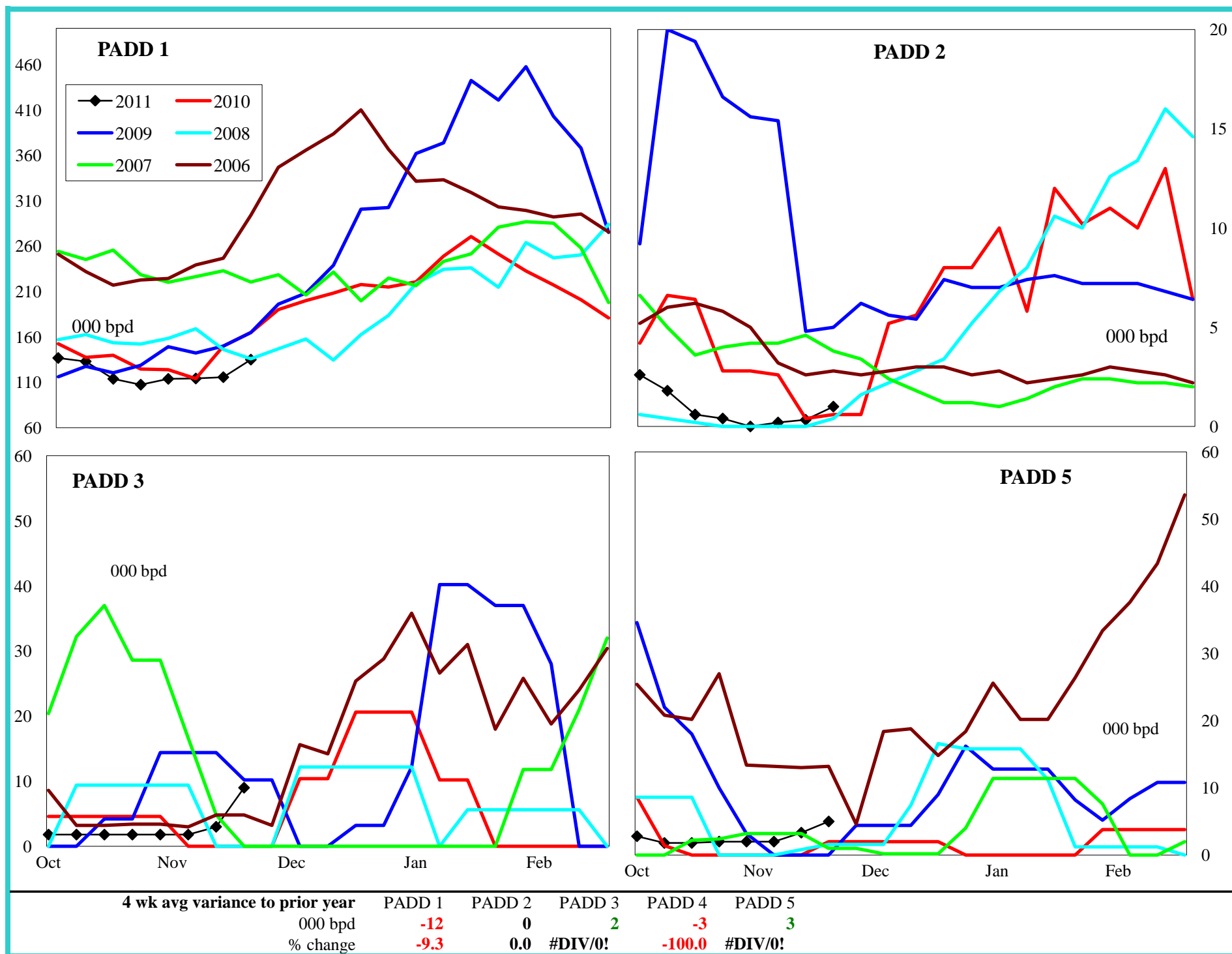
Crude Oil Imports by PADD



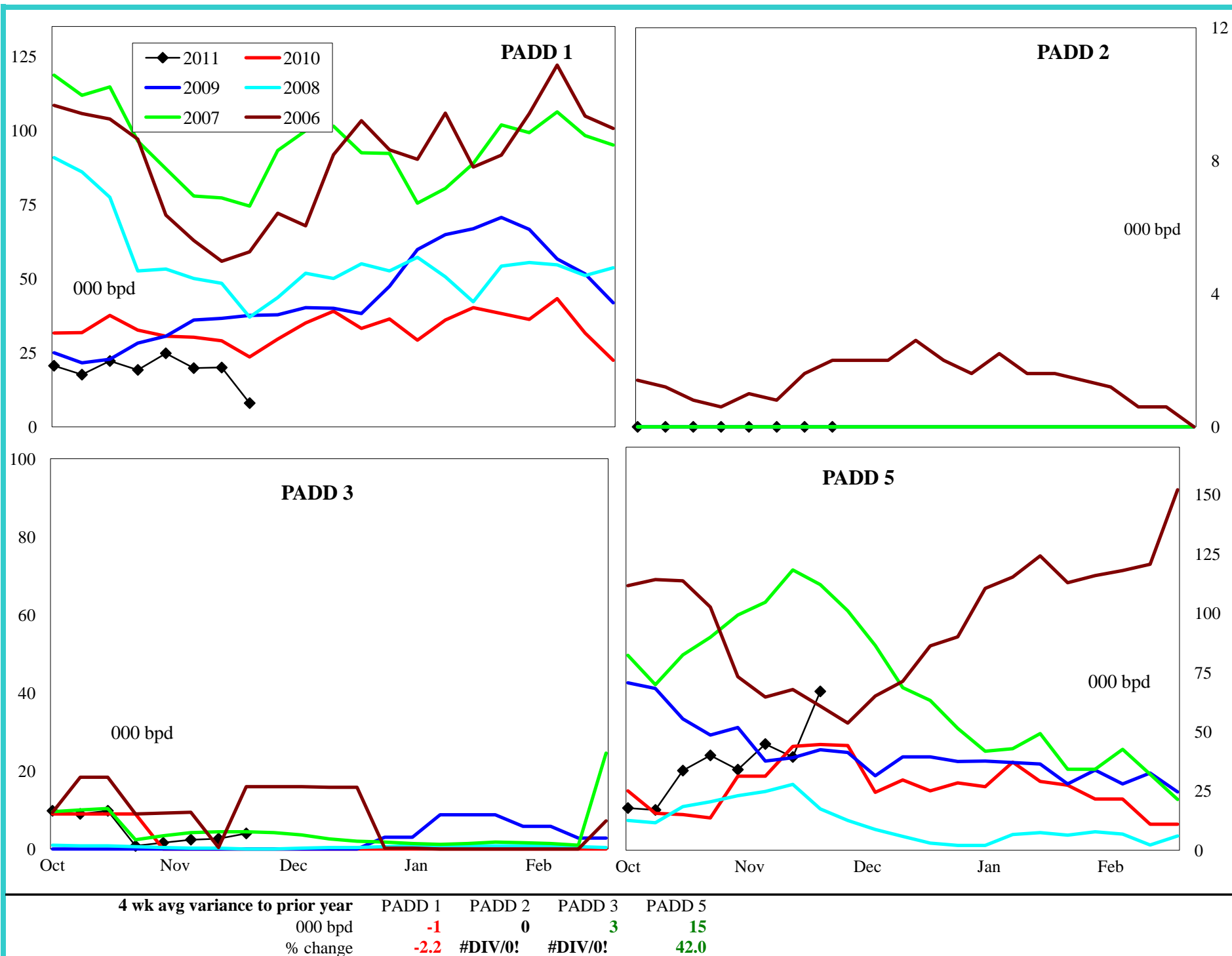
Gasoline Imports by PADD (Finished + Blend Stocks)



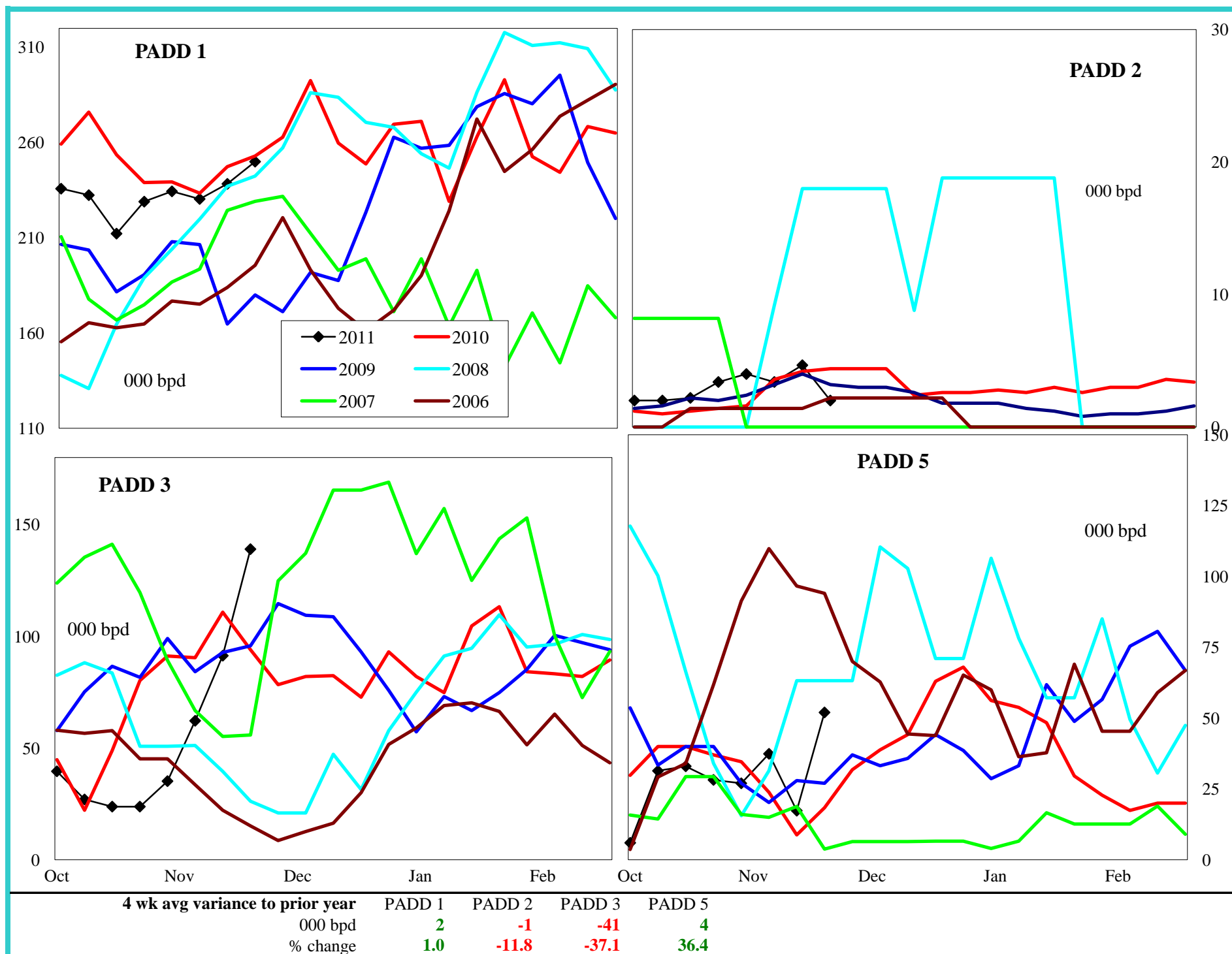
Distillate Imports by PADD



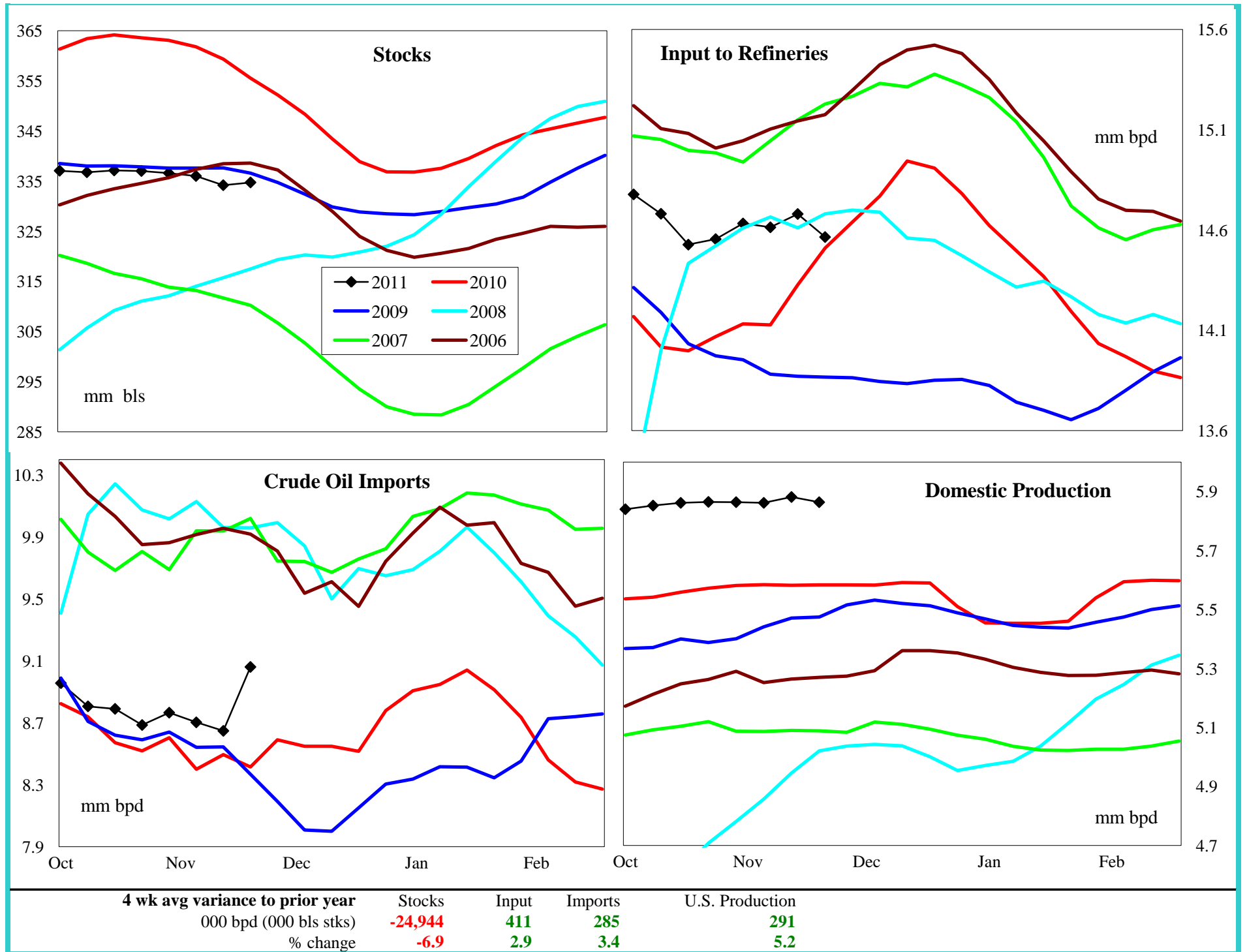
Jet Fuel Imports by PADD



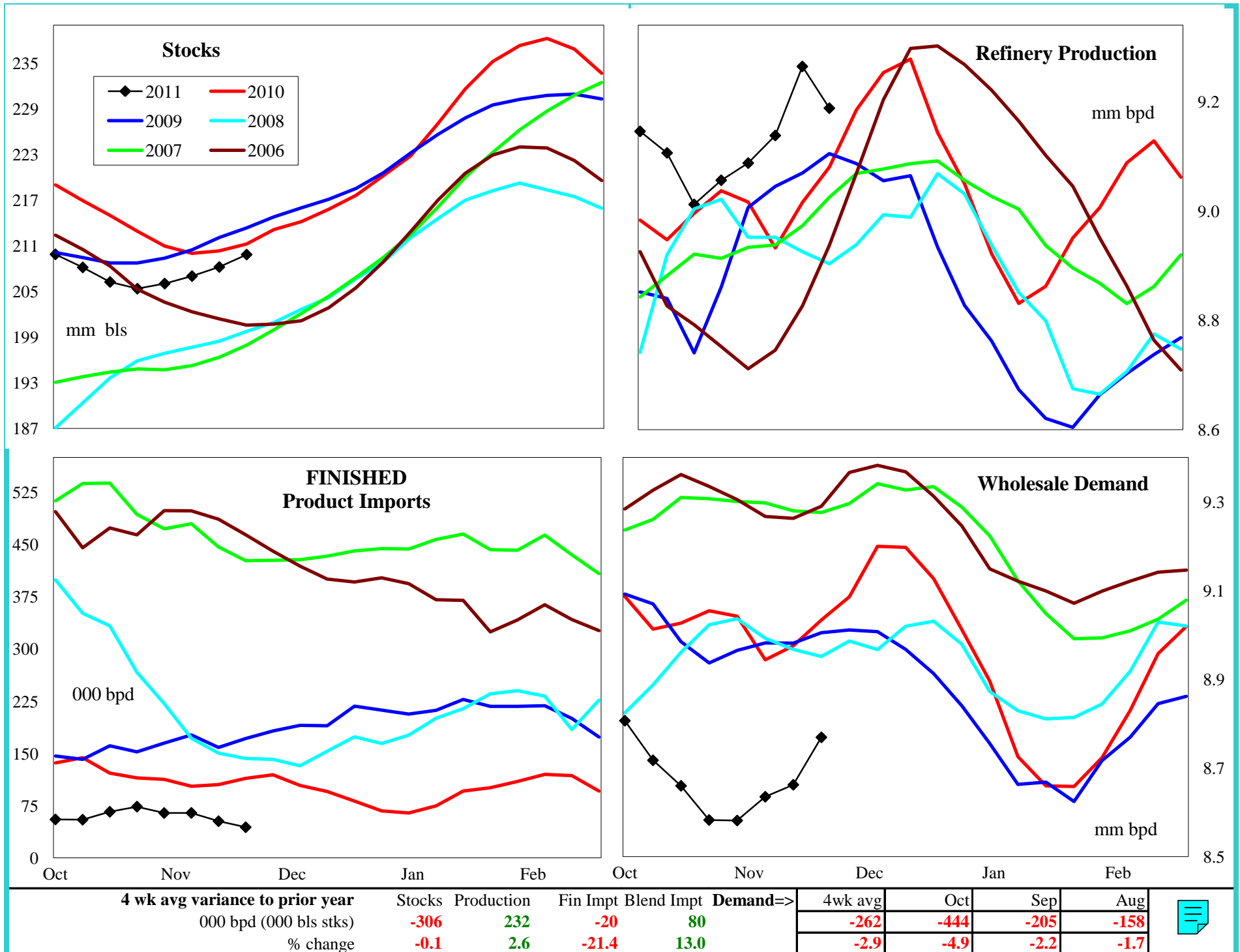
Residual Fuel Oil Imports by PADD



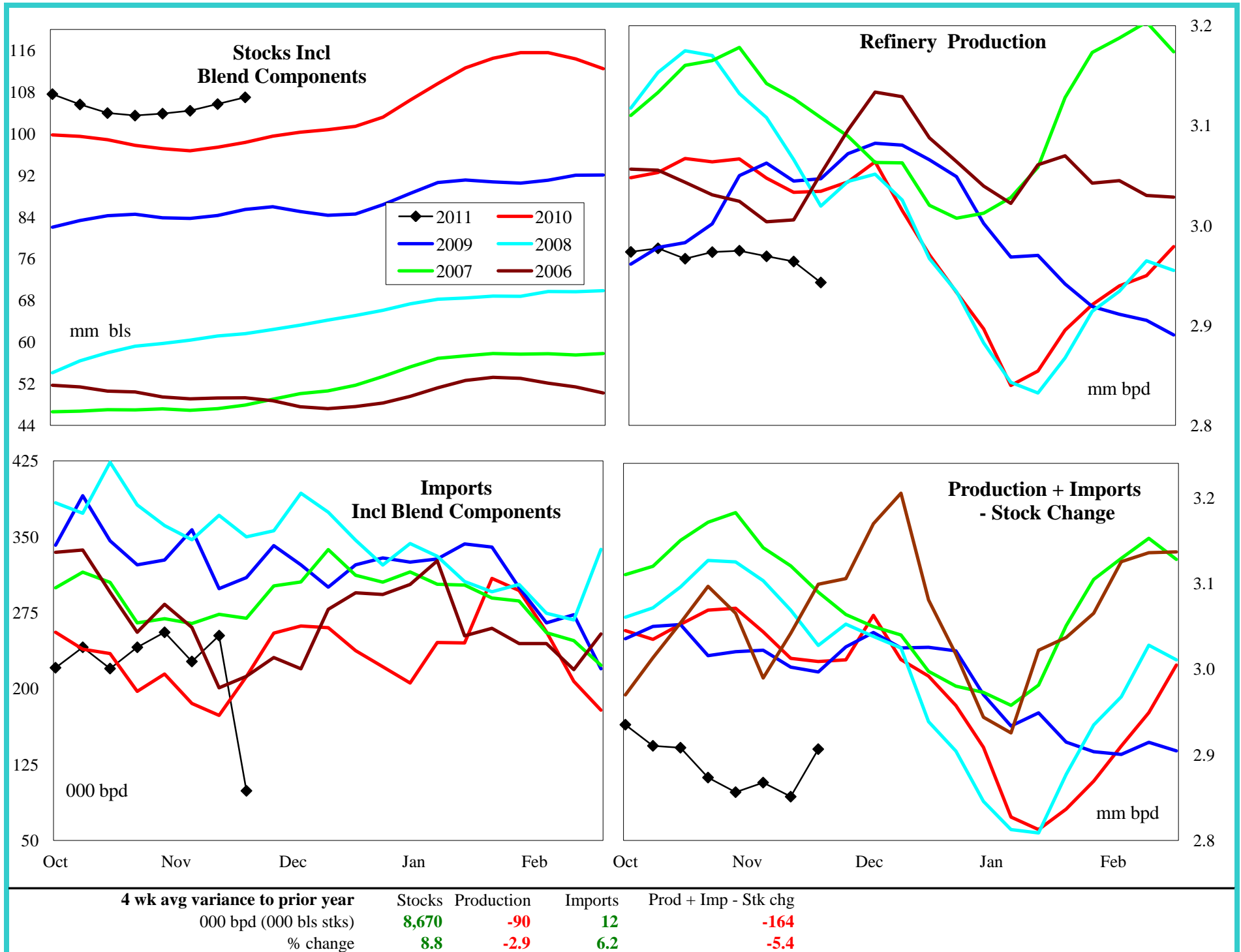
United States Crude Oil Supply and Demand Balance



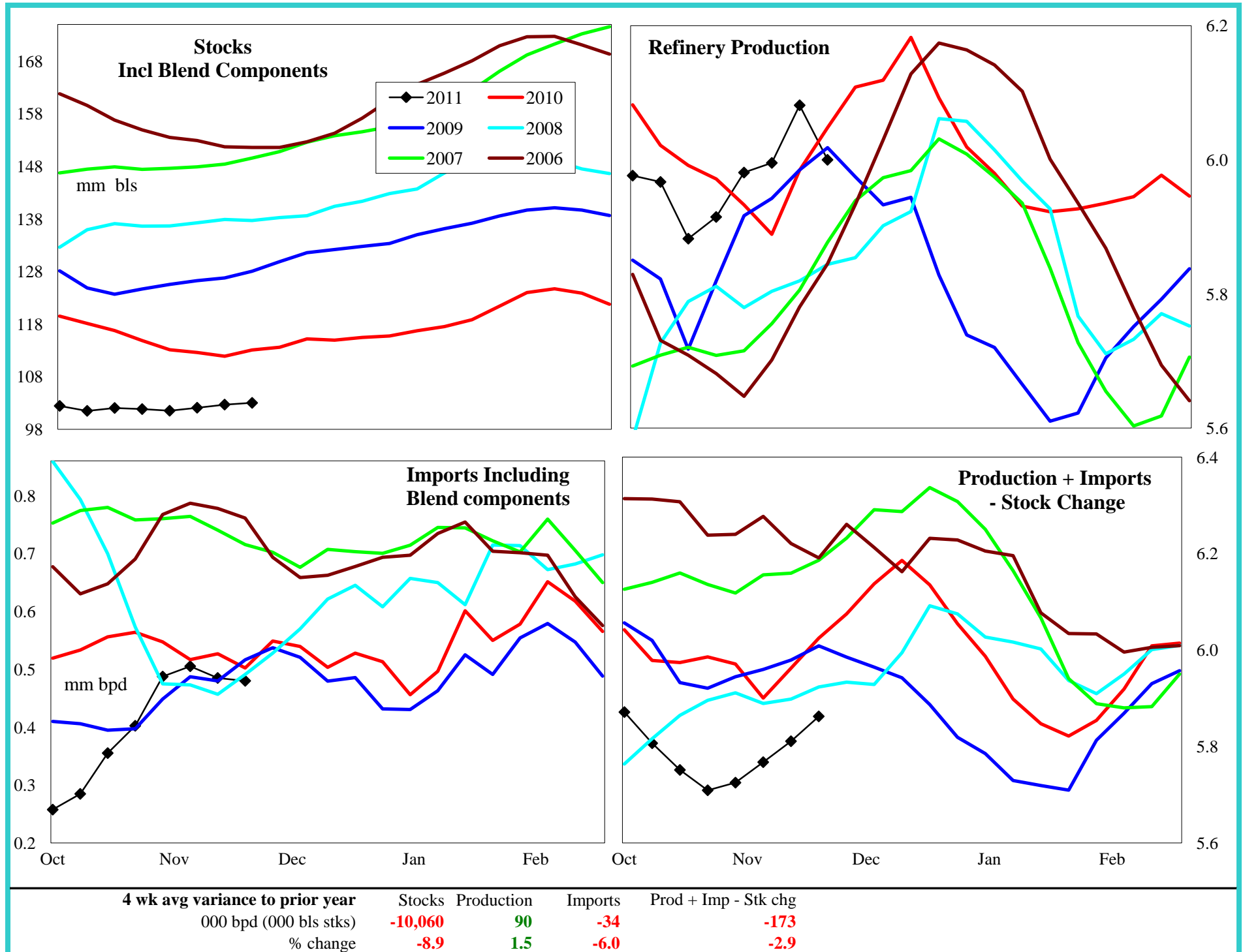
United States Gasoline Supply and Demand Balance



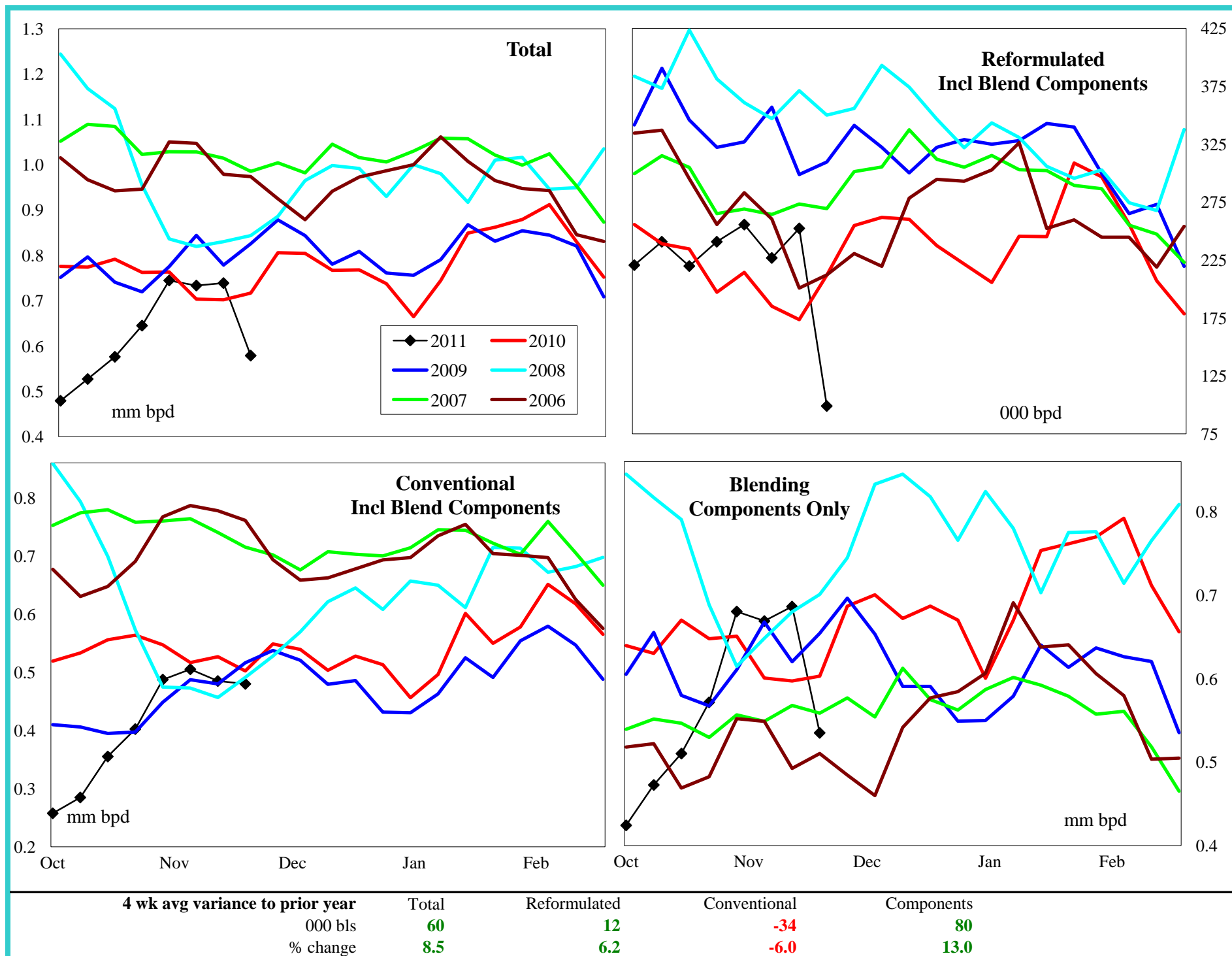
United States Reformulated Gasoline Supply



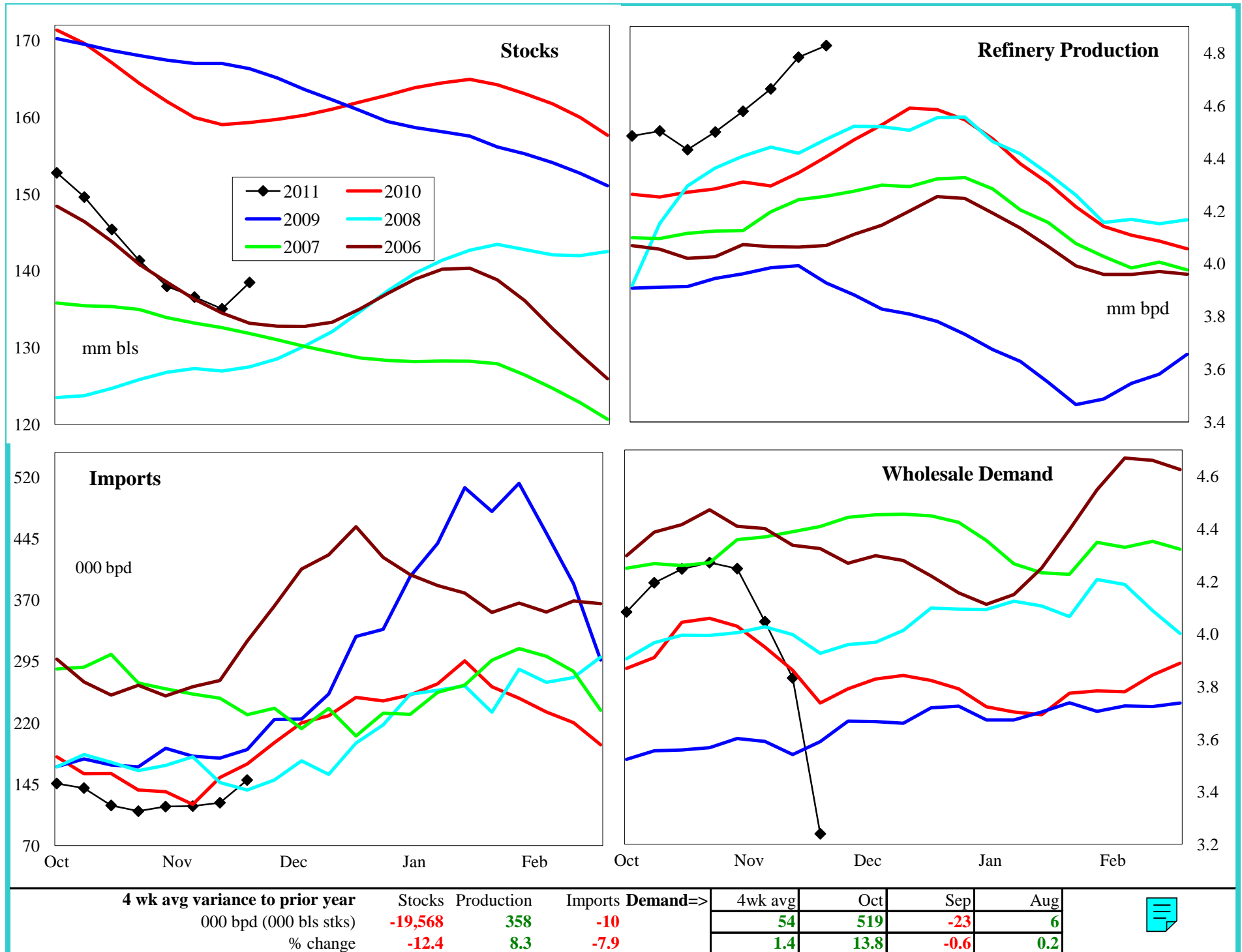
United States Conventional Gasoline Supply



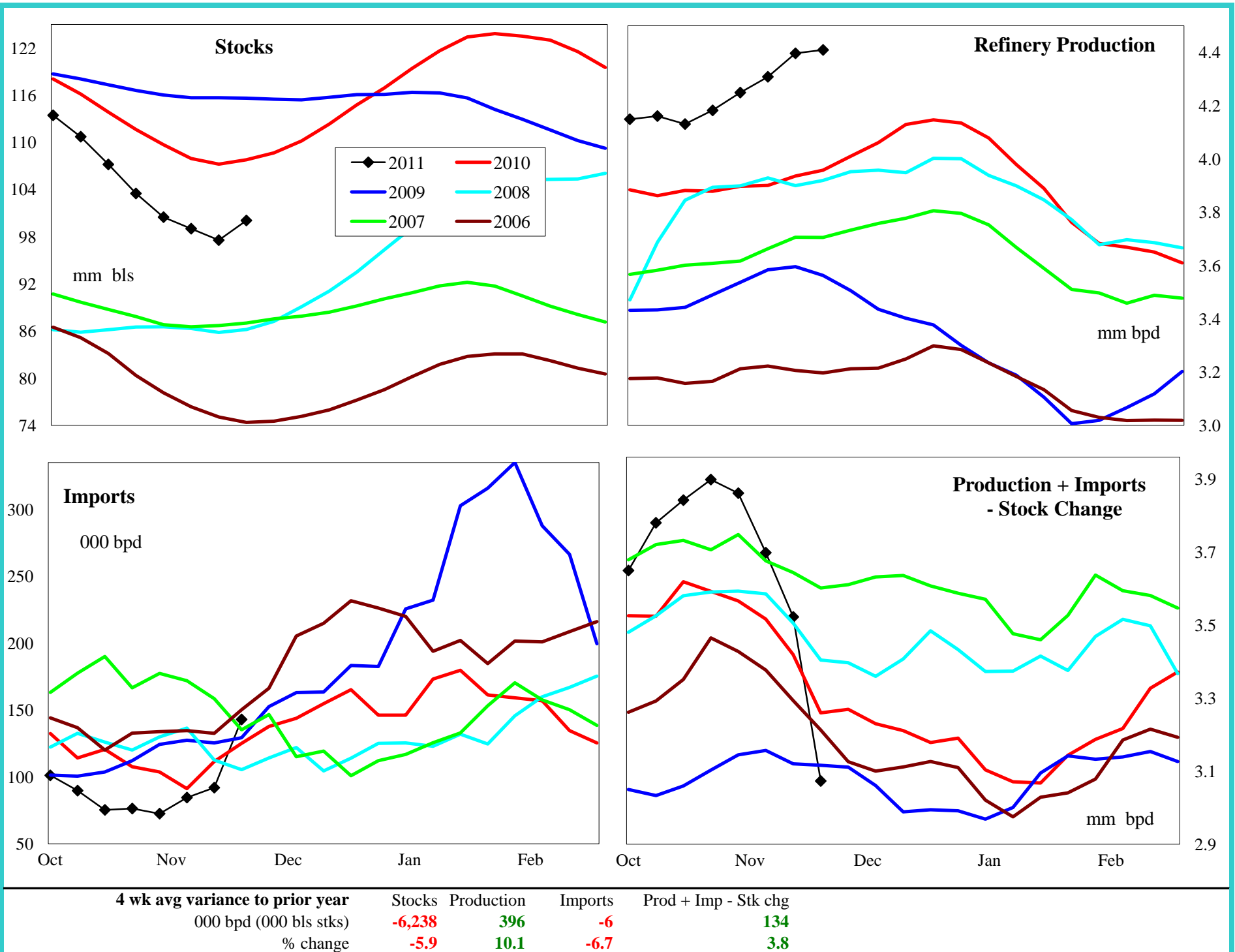
United States Gasoline Imports by Type



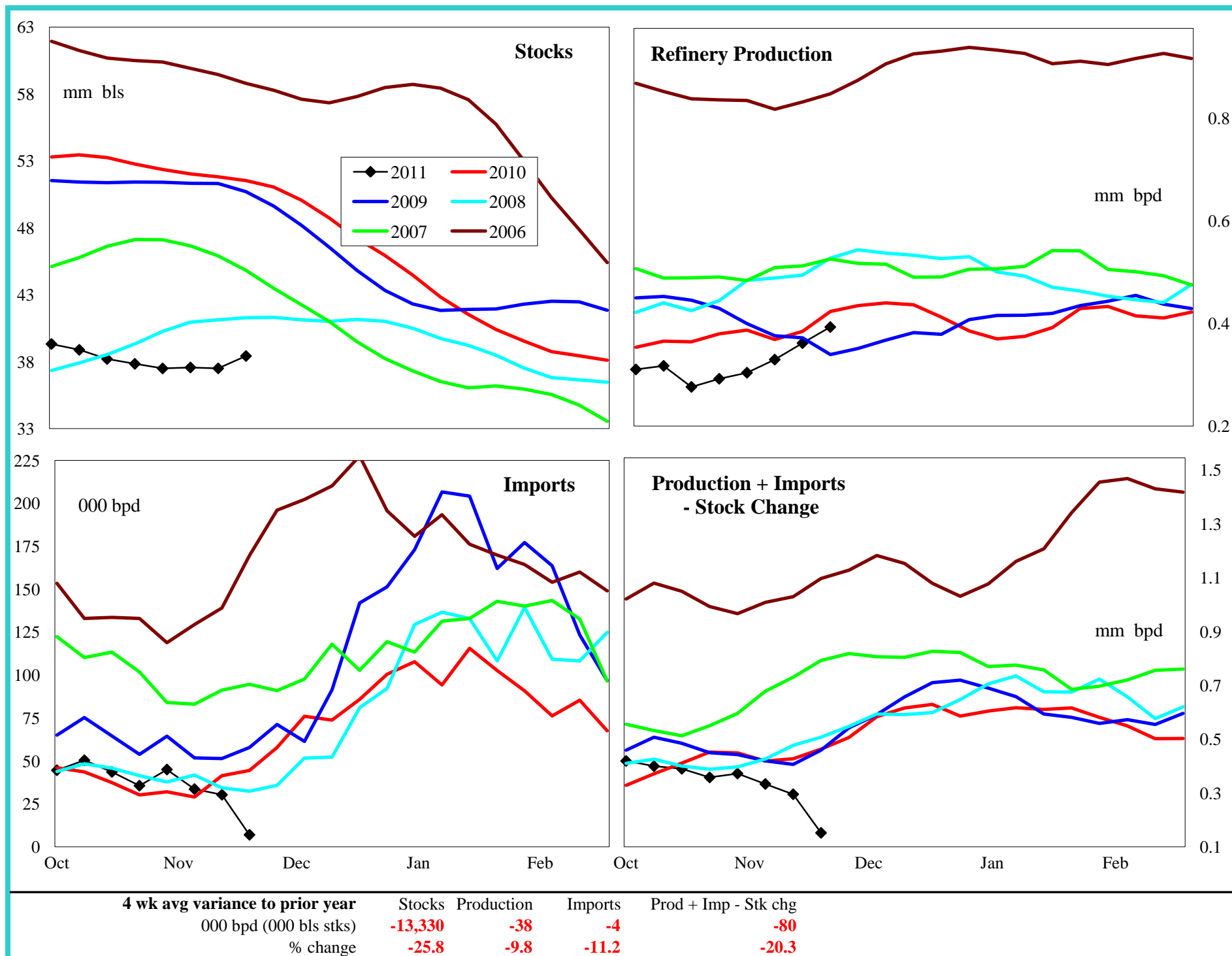
United States Distillate Supply and Demand Balance



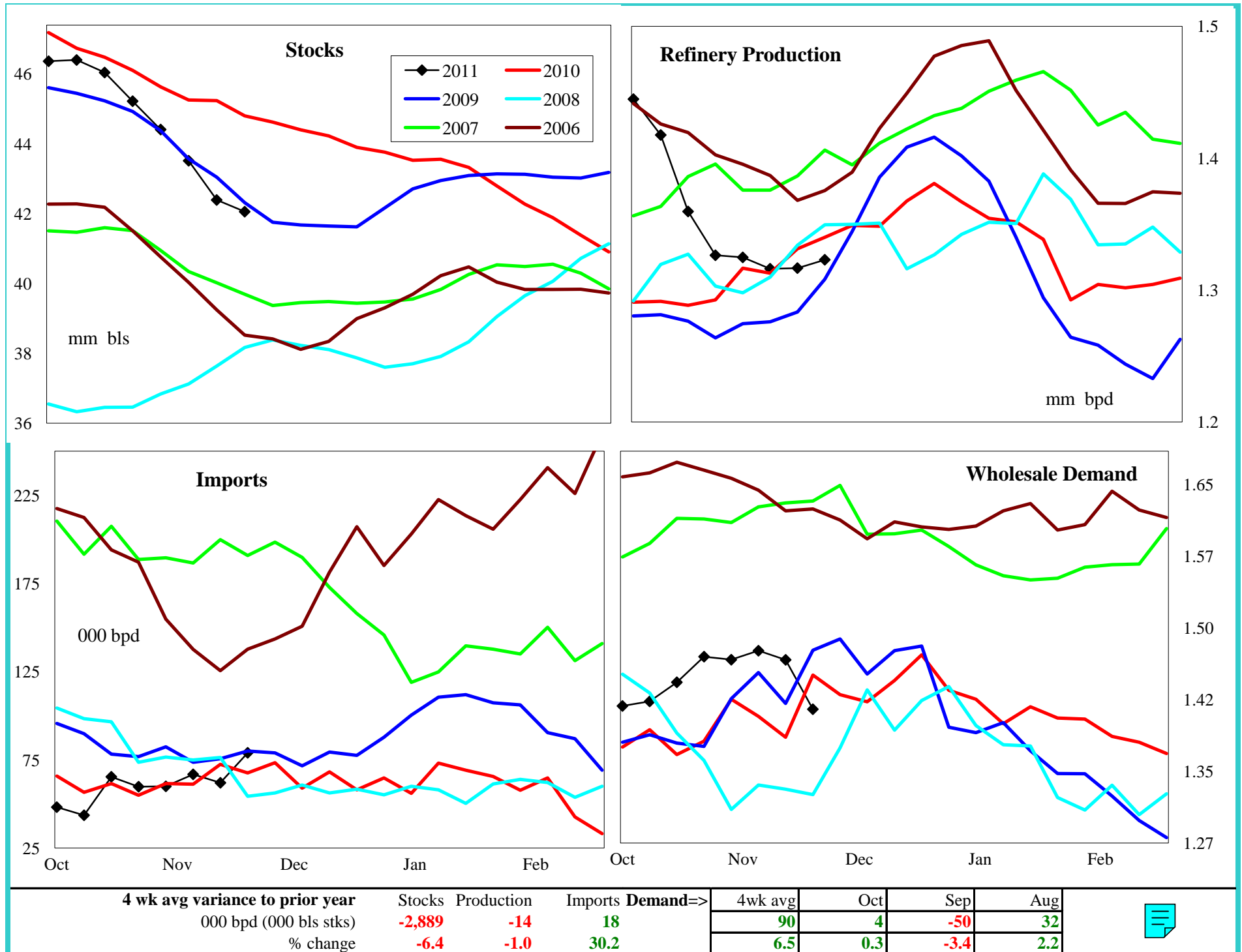
United States Low Sulfur Distillate Supply



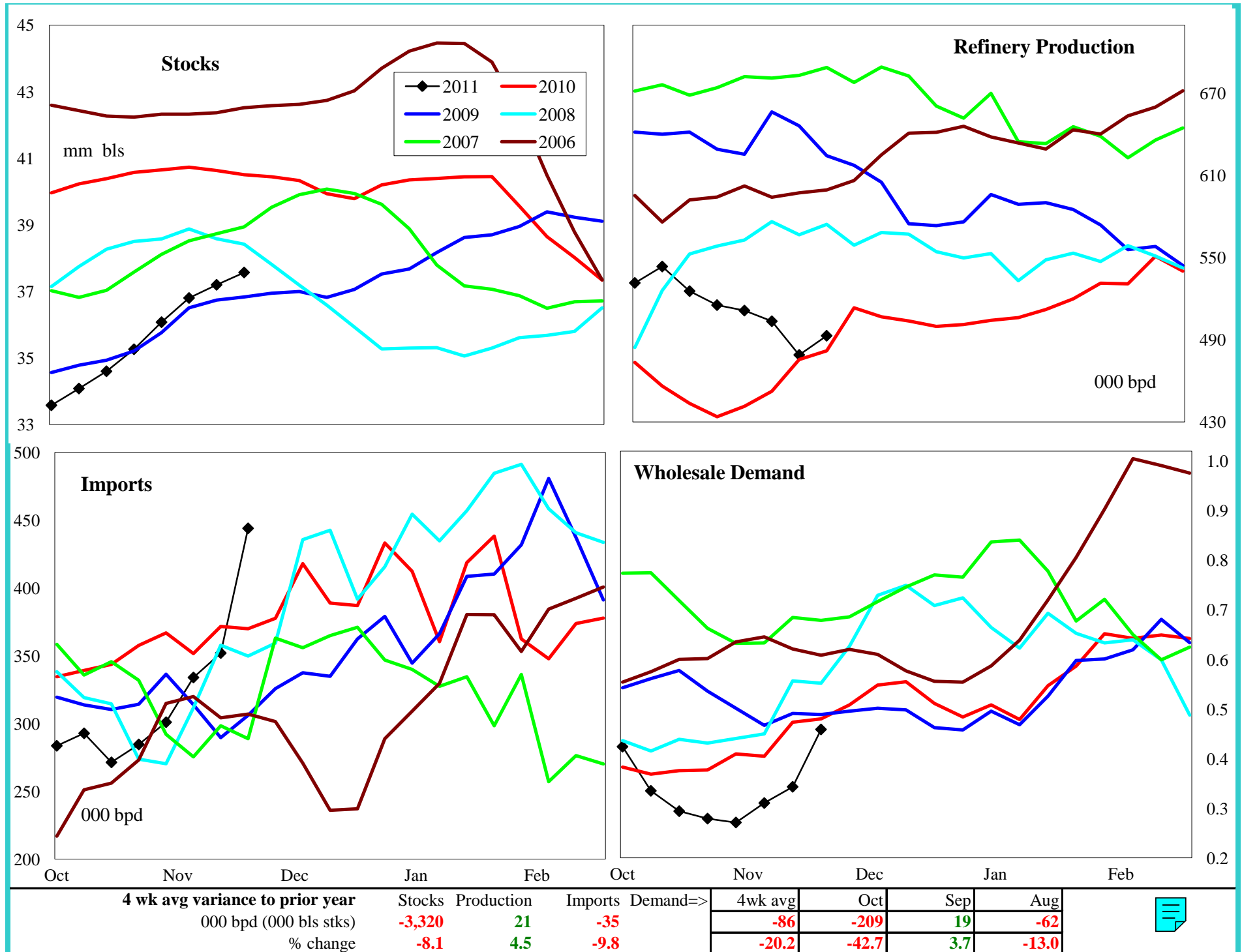
United States High Sulfur Distillate Supply



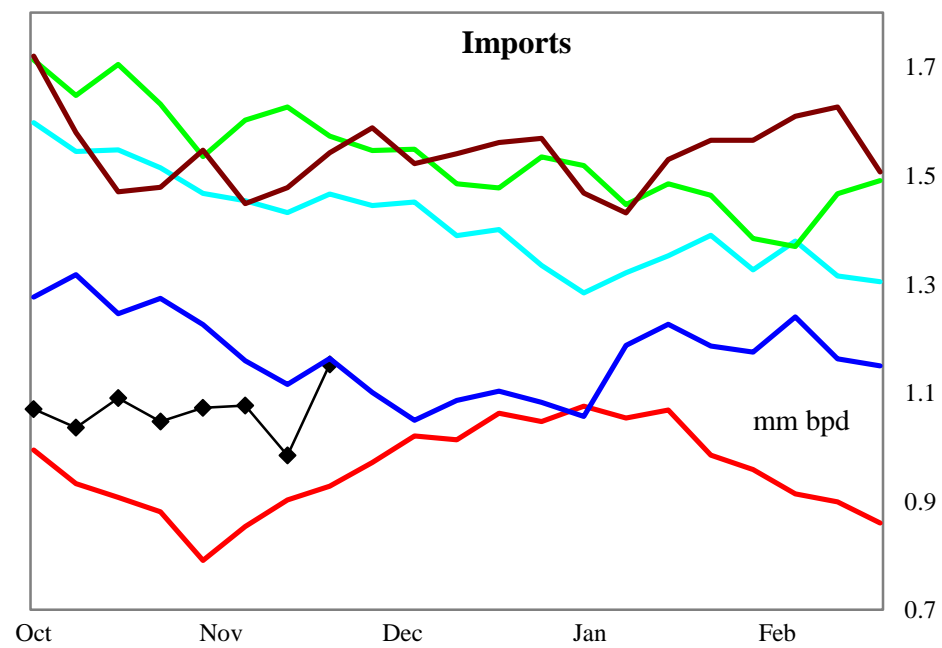
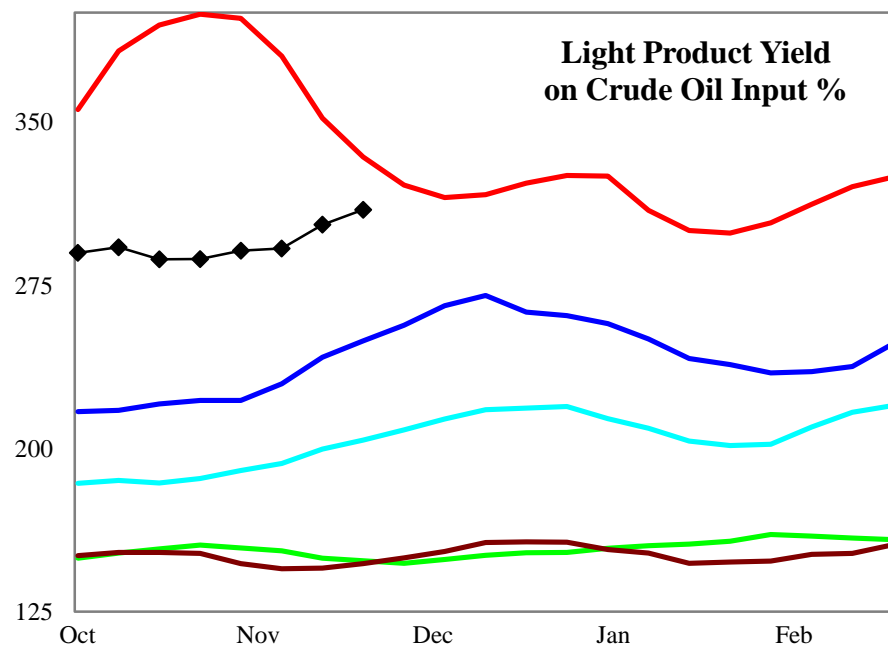
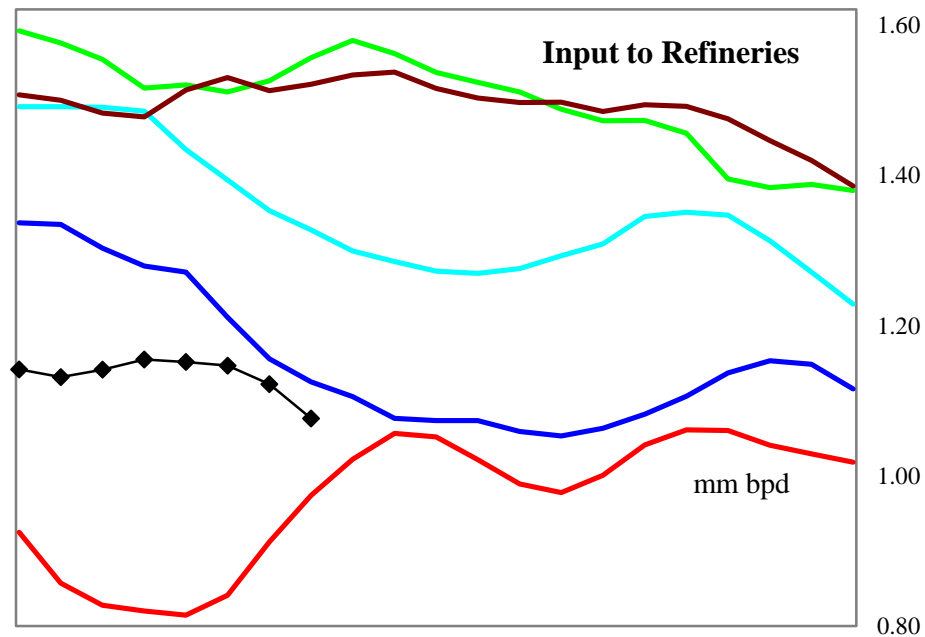
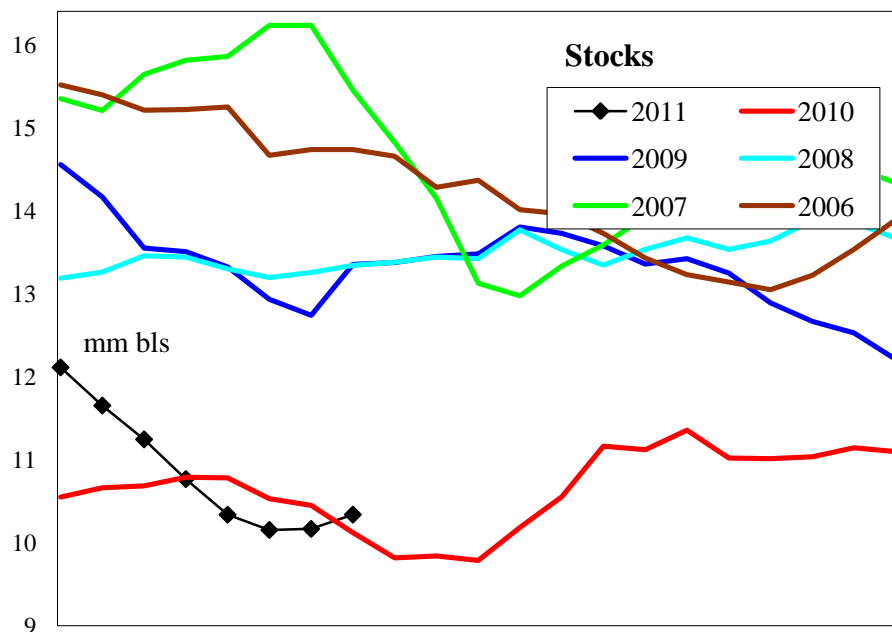
United States Jet Fuel Supply and Demand Balance



United States Residual Fuel Oil Supply and Demand Balance



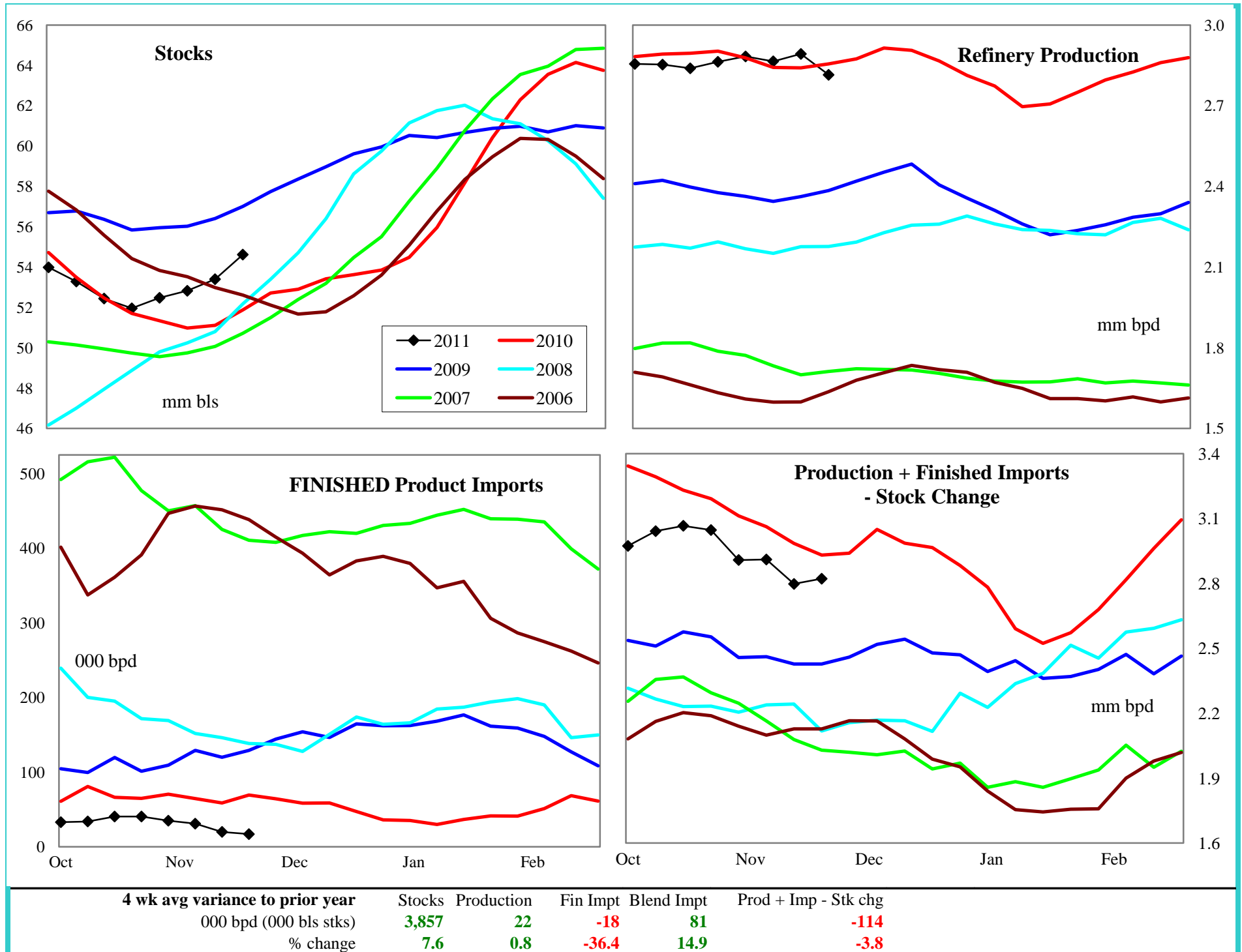
PADD 1 Crude Oil Supply and Refining



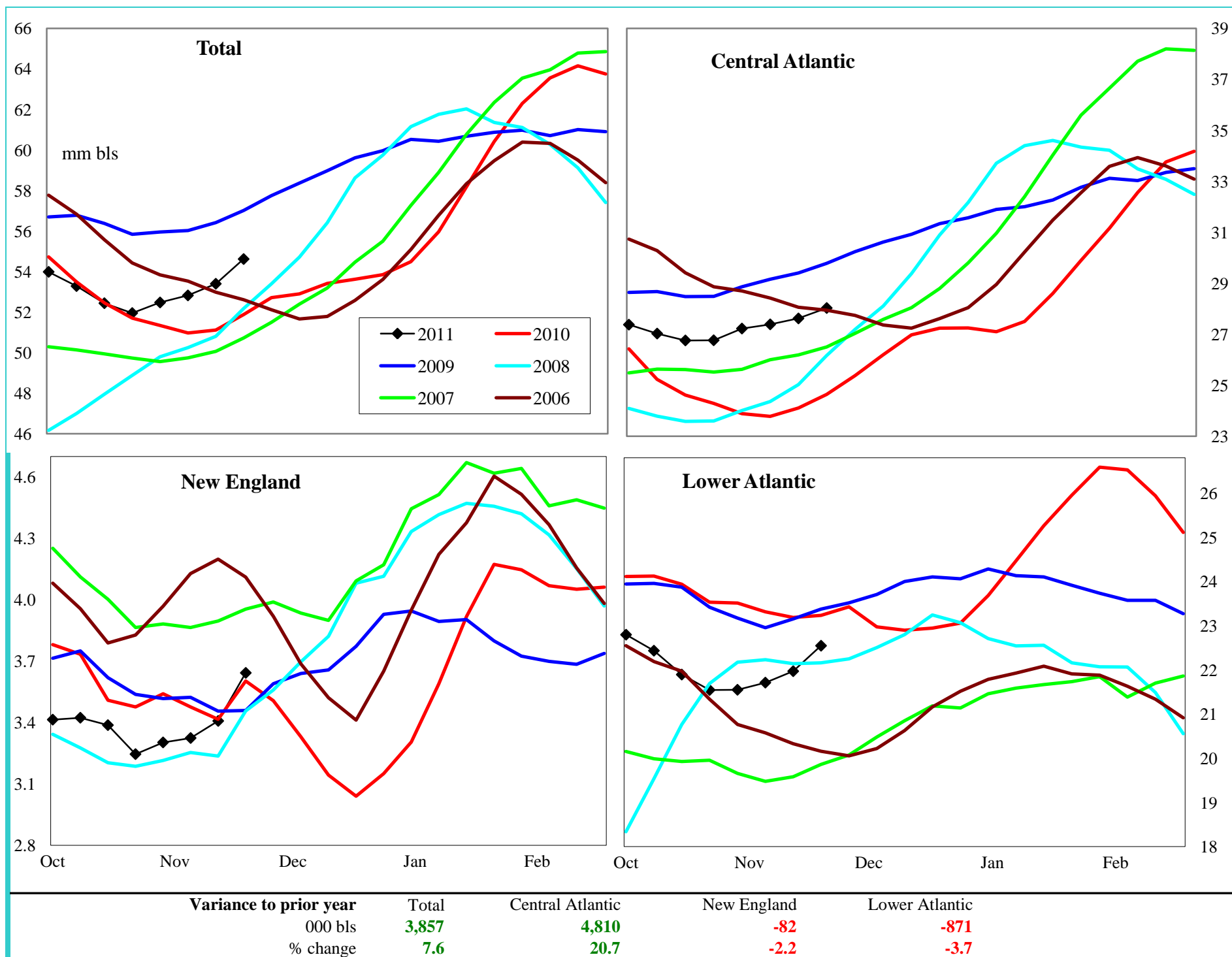
4 wk avg variance to prior year
000 bpd (000 bls stks)
% change

	Stocks	Input	Imports
000 bpd (000 bls stks)	216	281	191
% change	2.1	32.7	22.1

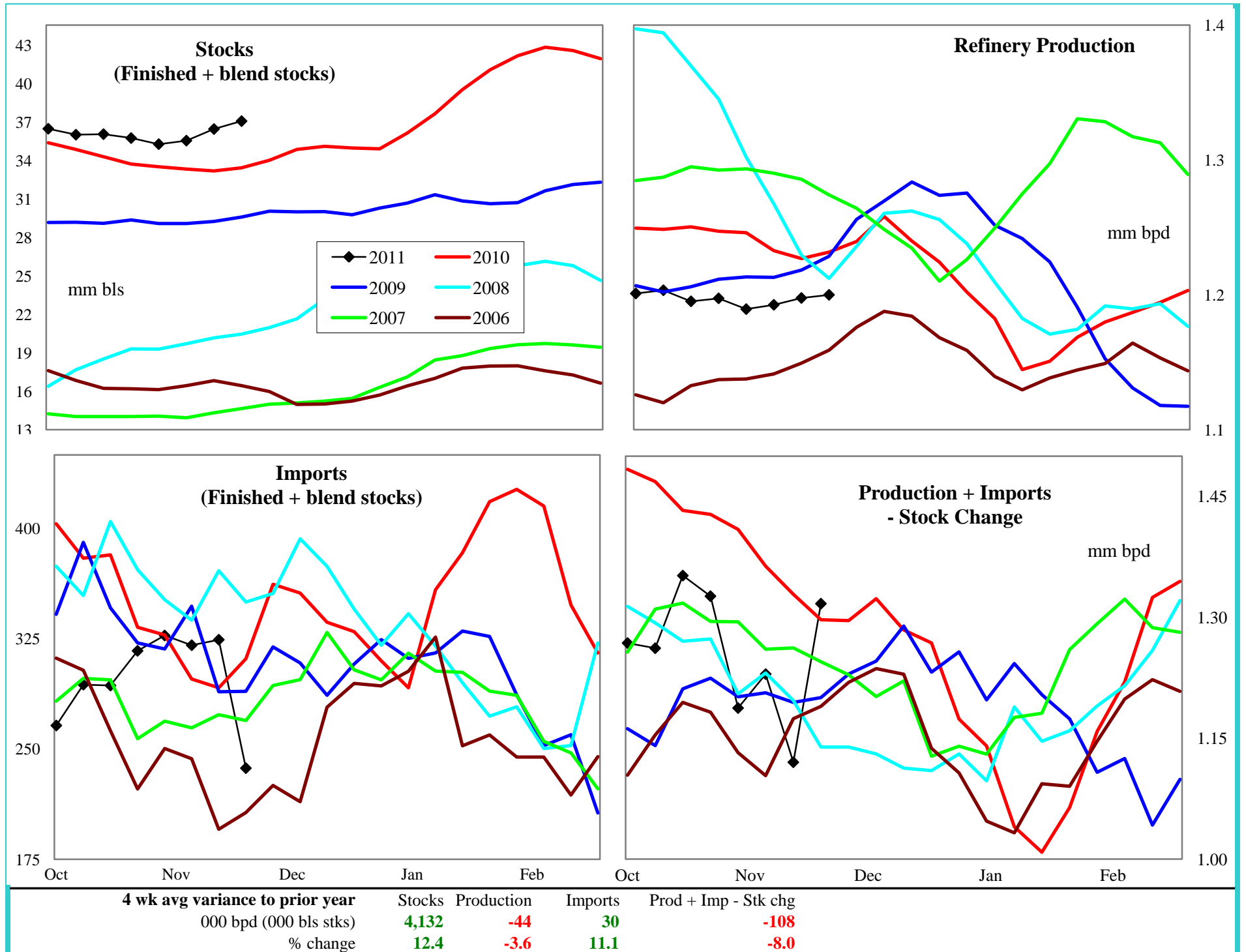
PADD 1 Gasoline Supply



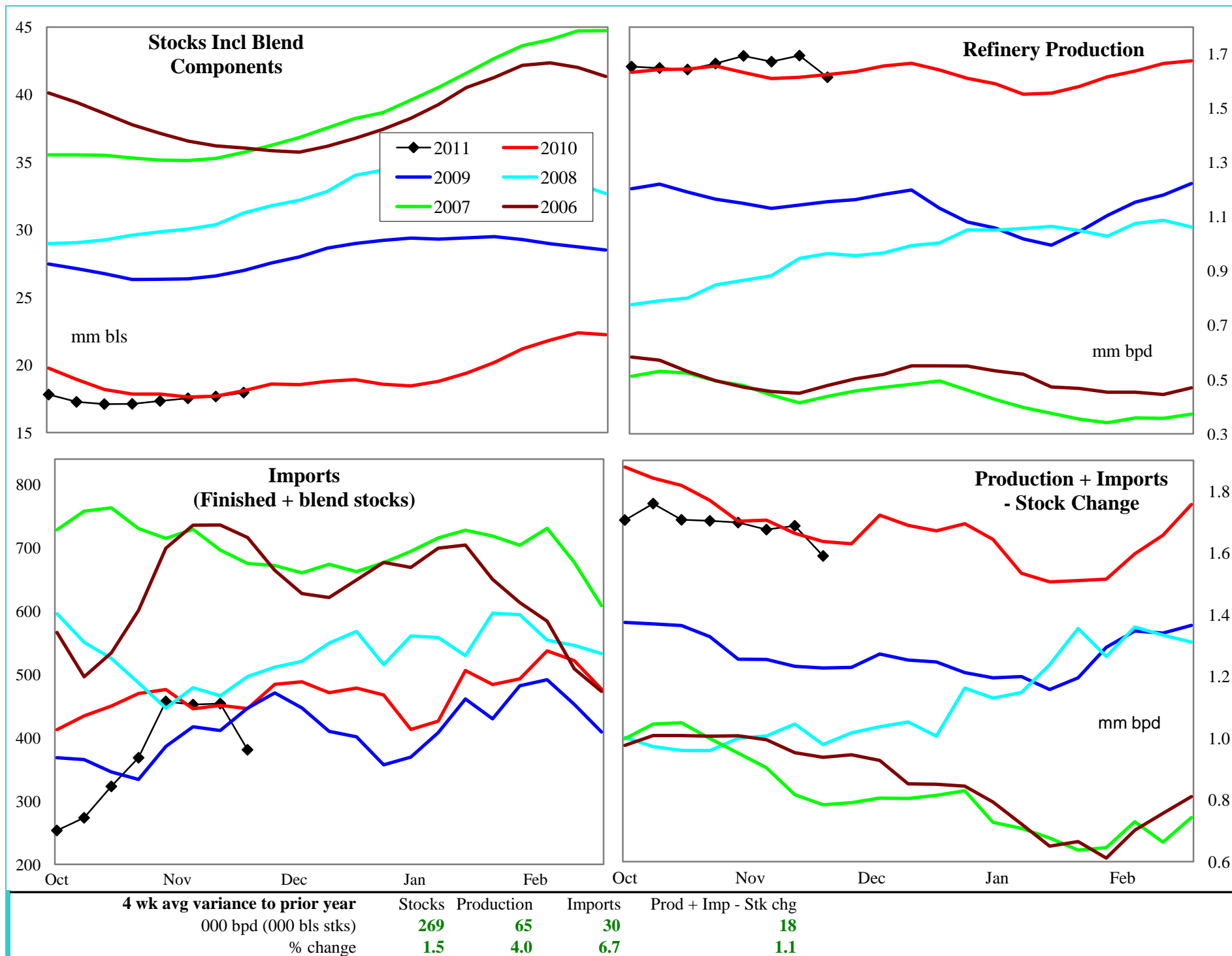
PADD 1 Gasoline Stocks by Region



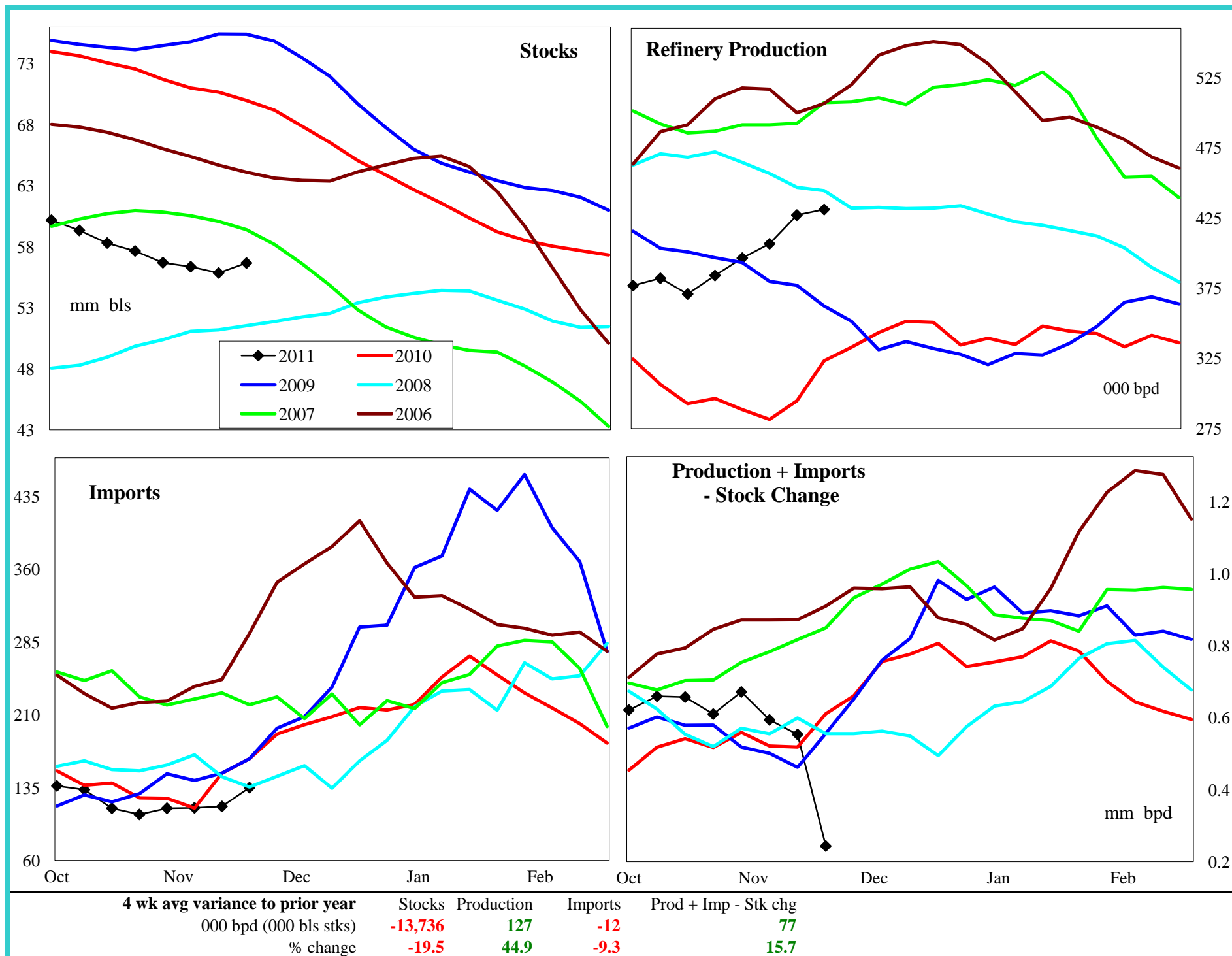
PADD 1 Reformulated Gasoline Supply



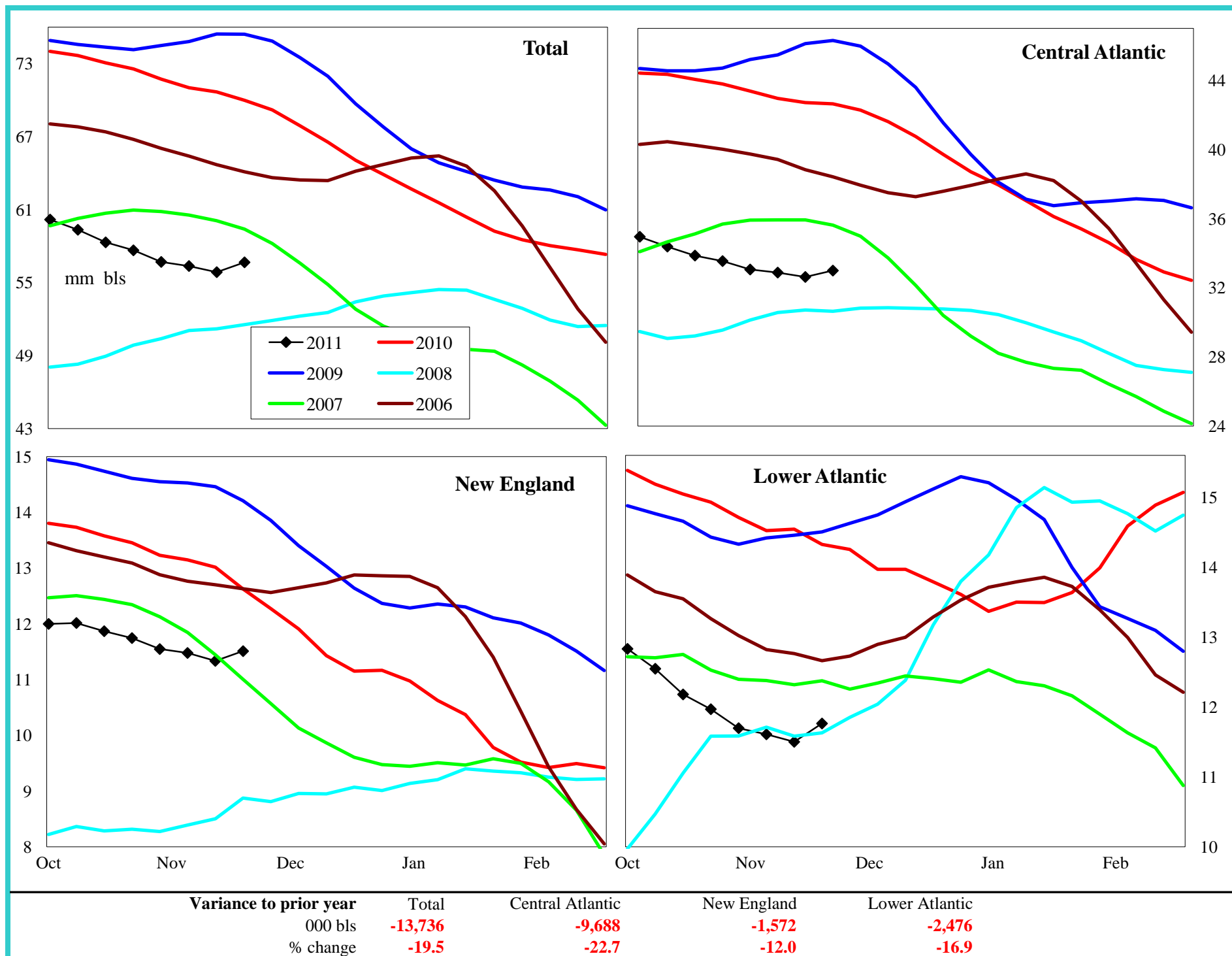
PADD 1 Conventional Gasoline Supply



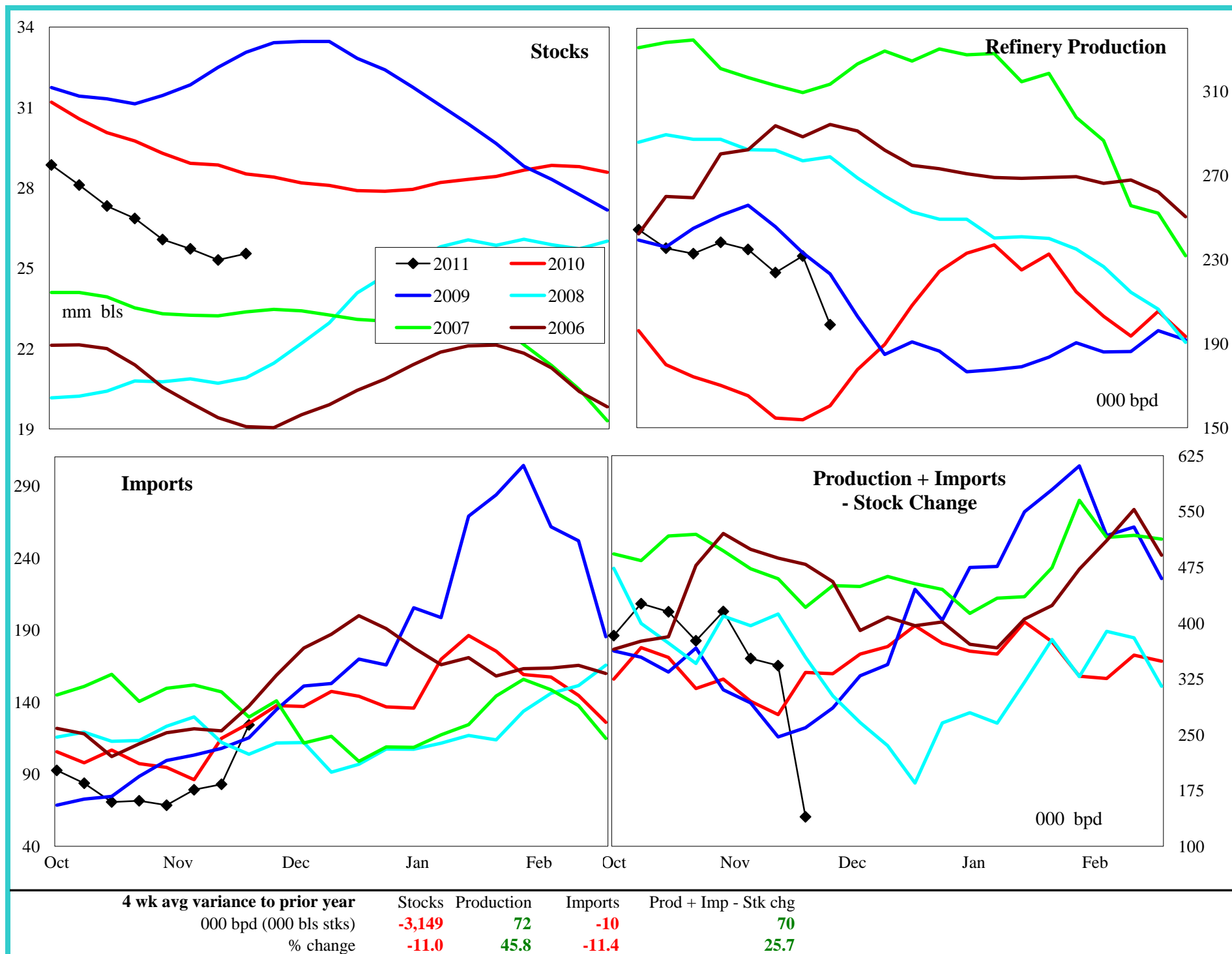
PADD 1 Distillate Supply



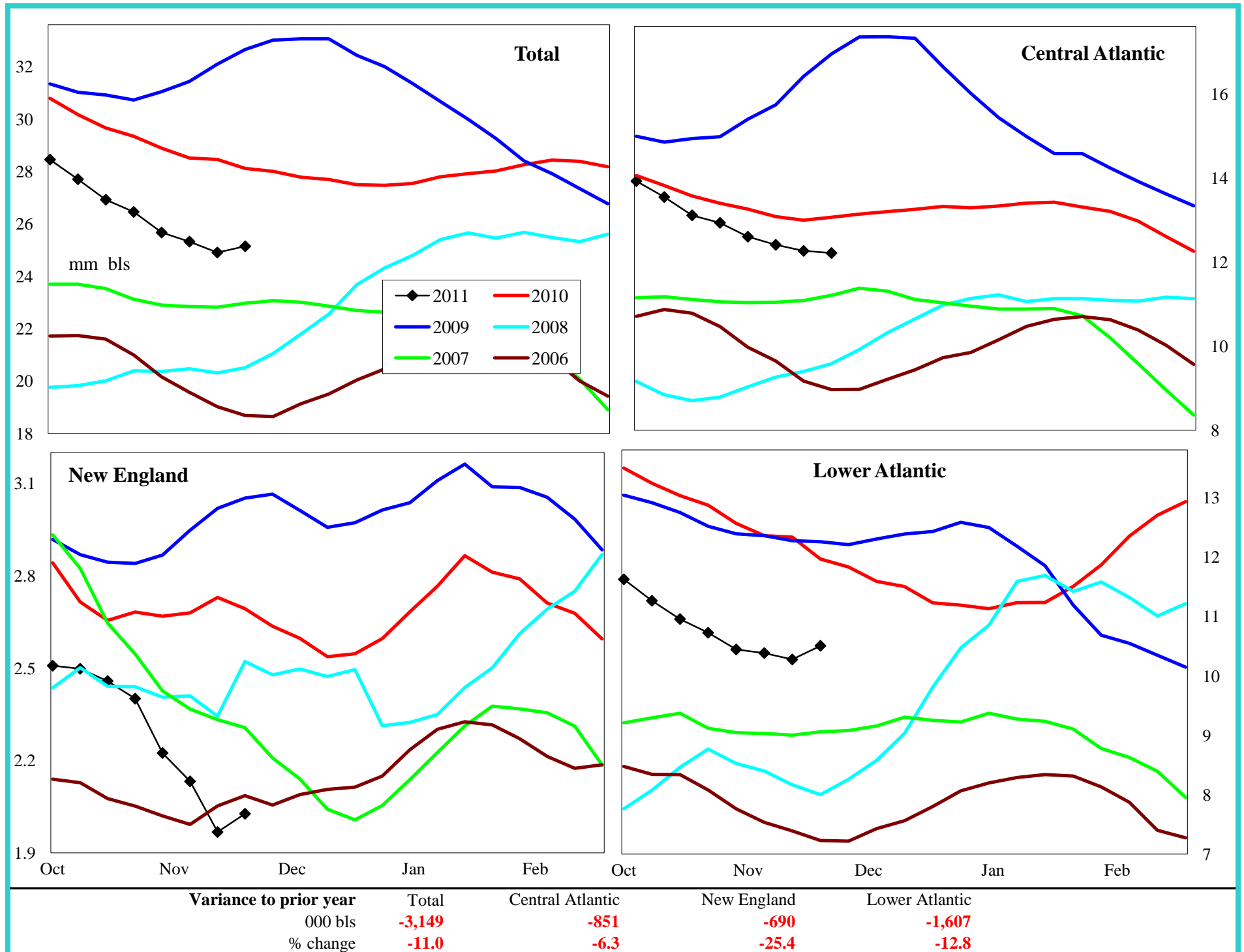
PADD 1 Distillate Stocks by Region



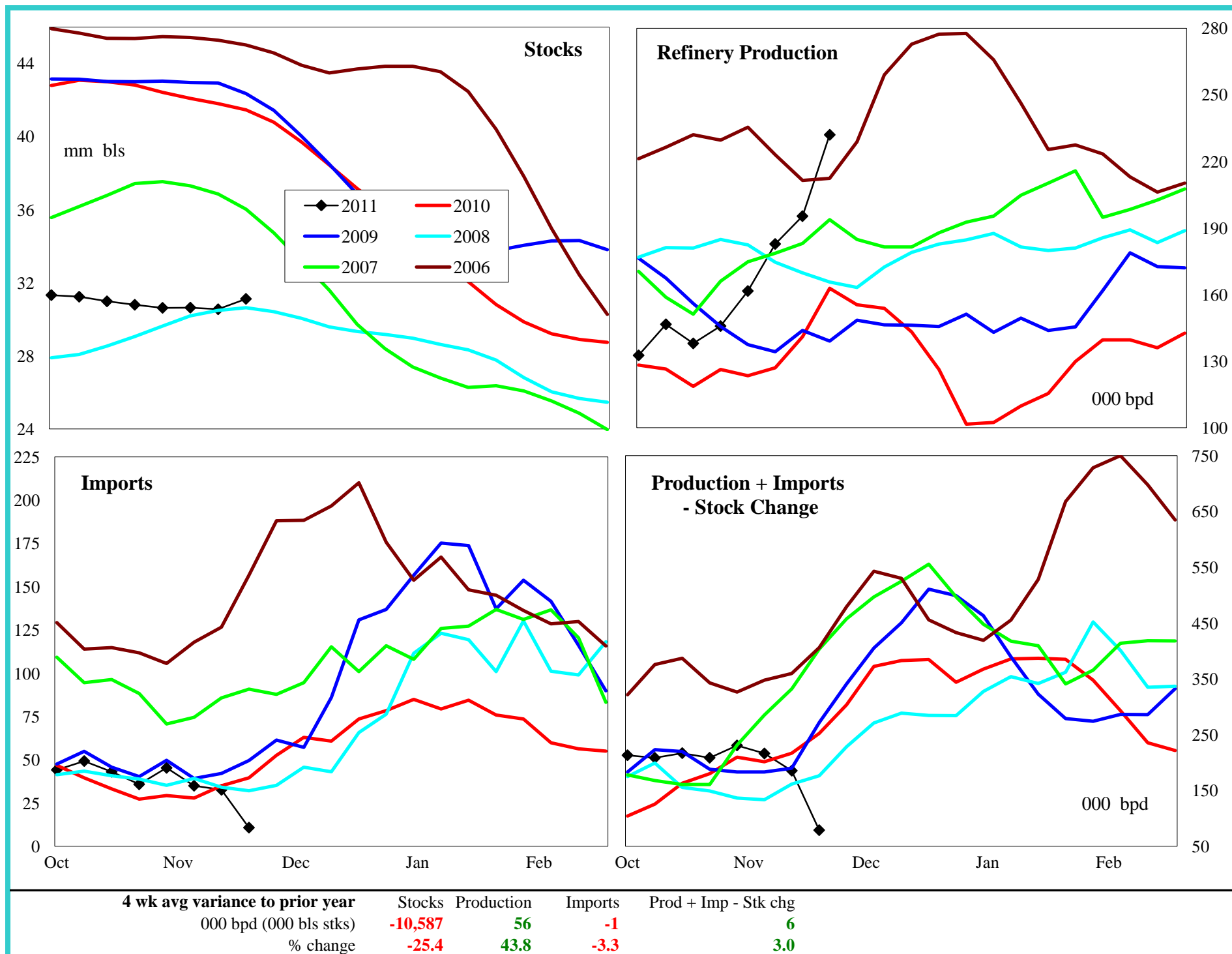
PADD 1 Low Sulfur Distillate Supply



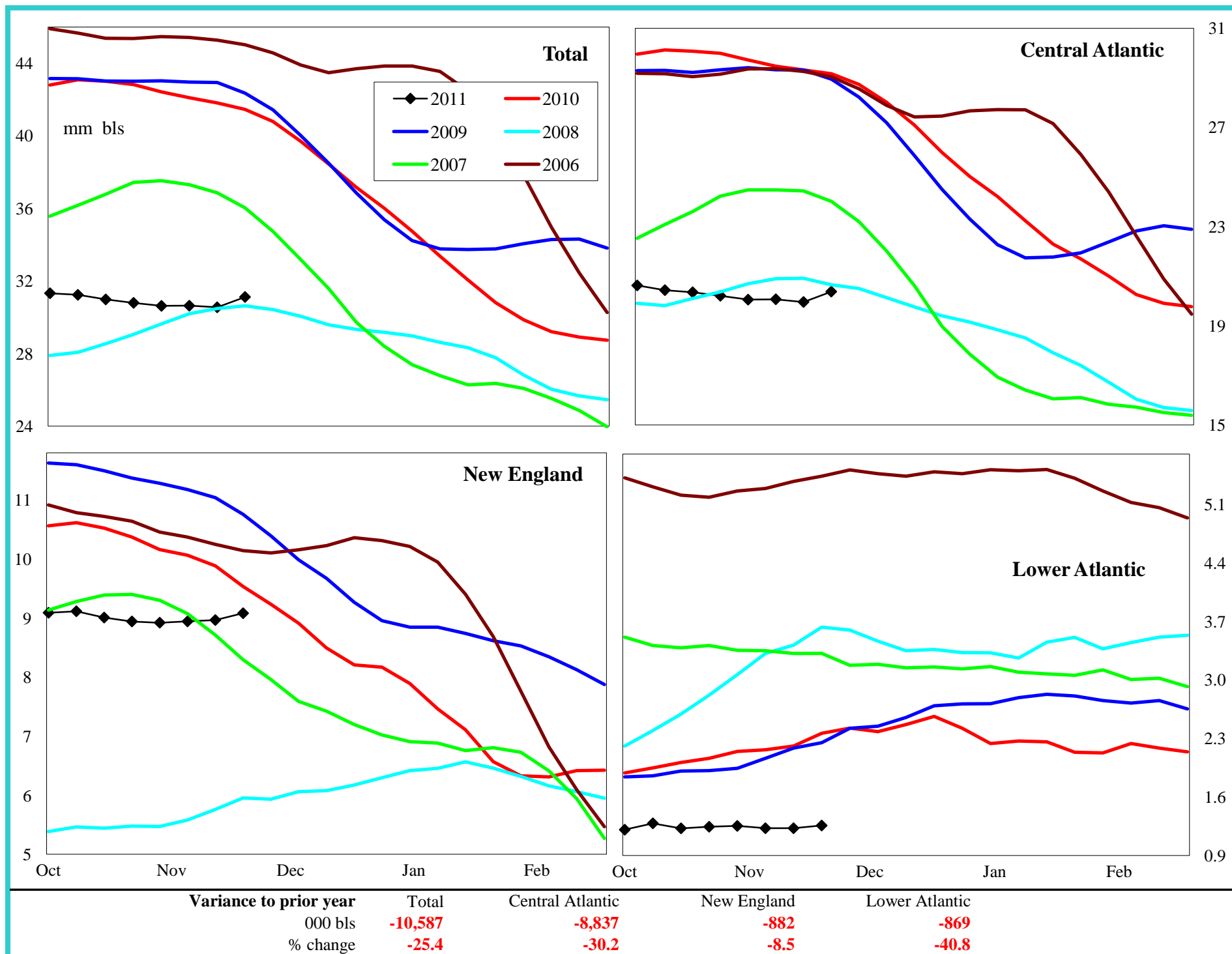
PADD 1 Low Sulfur Distillate Stocks by Region



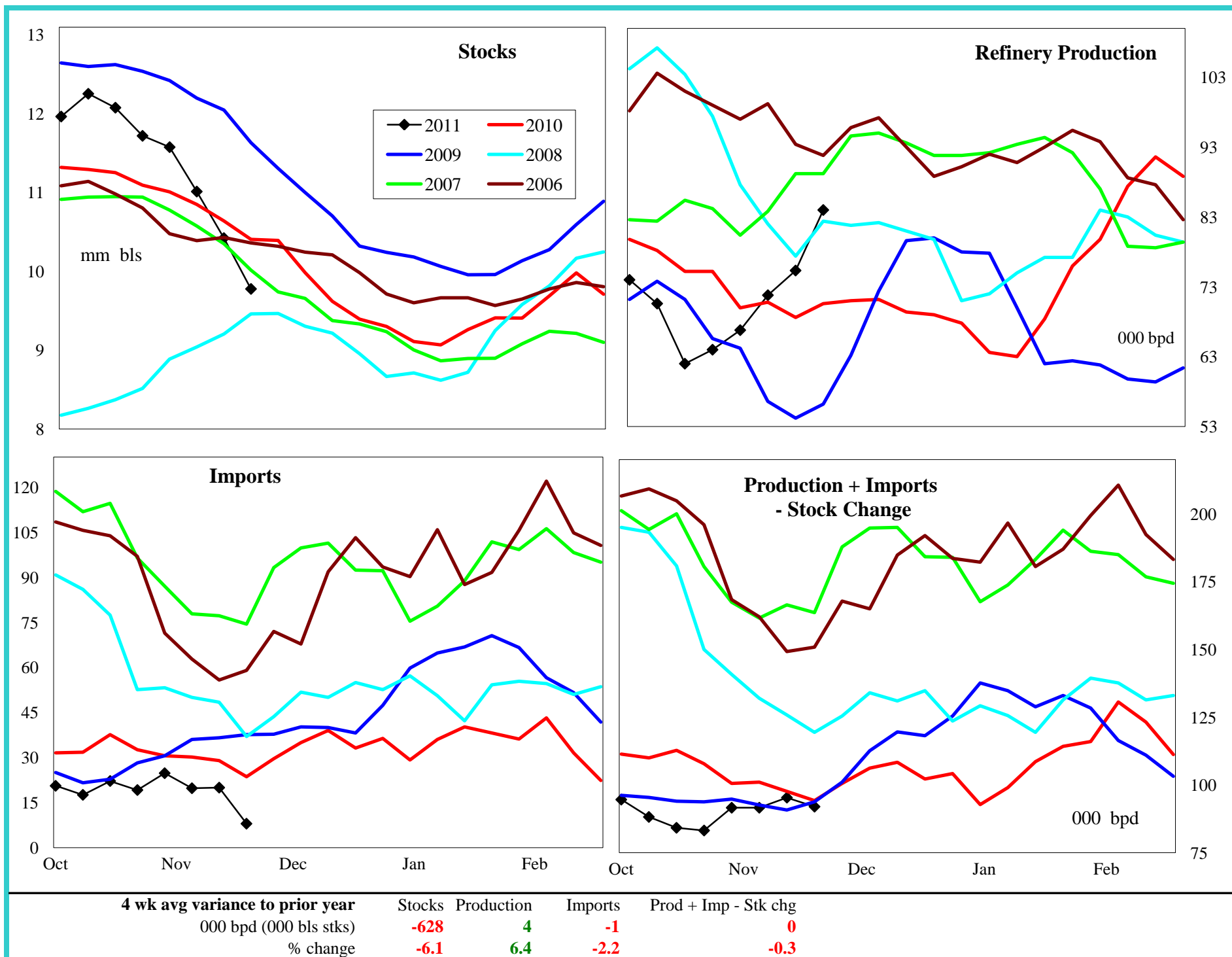
PADD 1 High Sulfur Distillate Supply



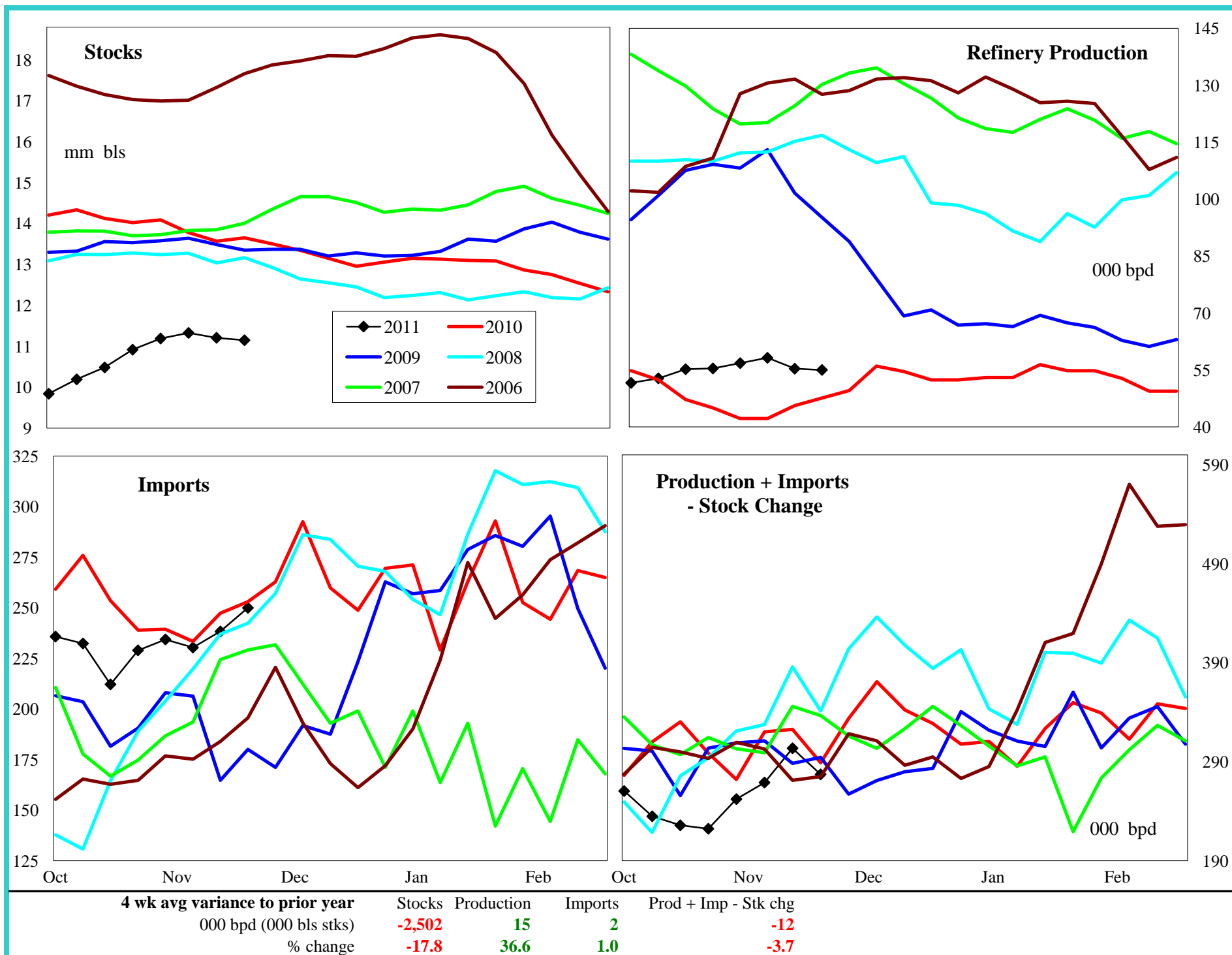
PADD 1 High Sulfur Distillate Stocks by Region



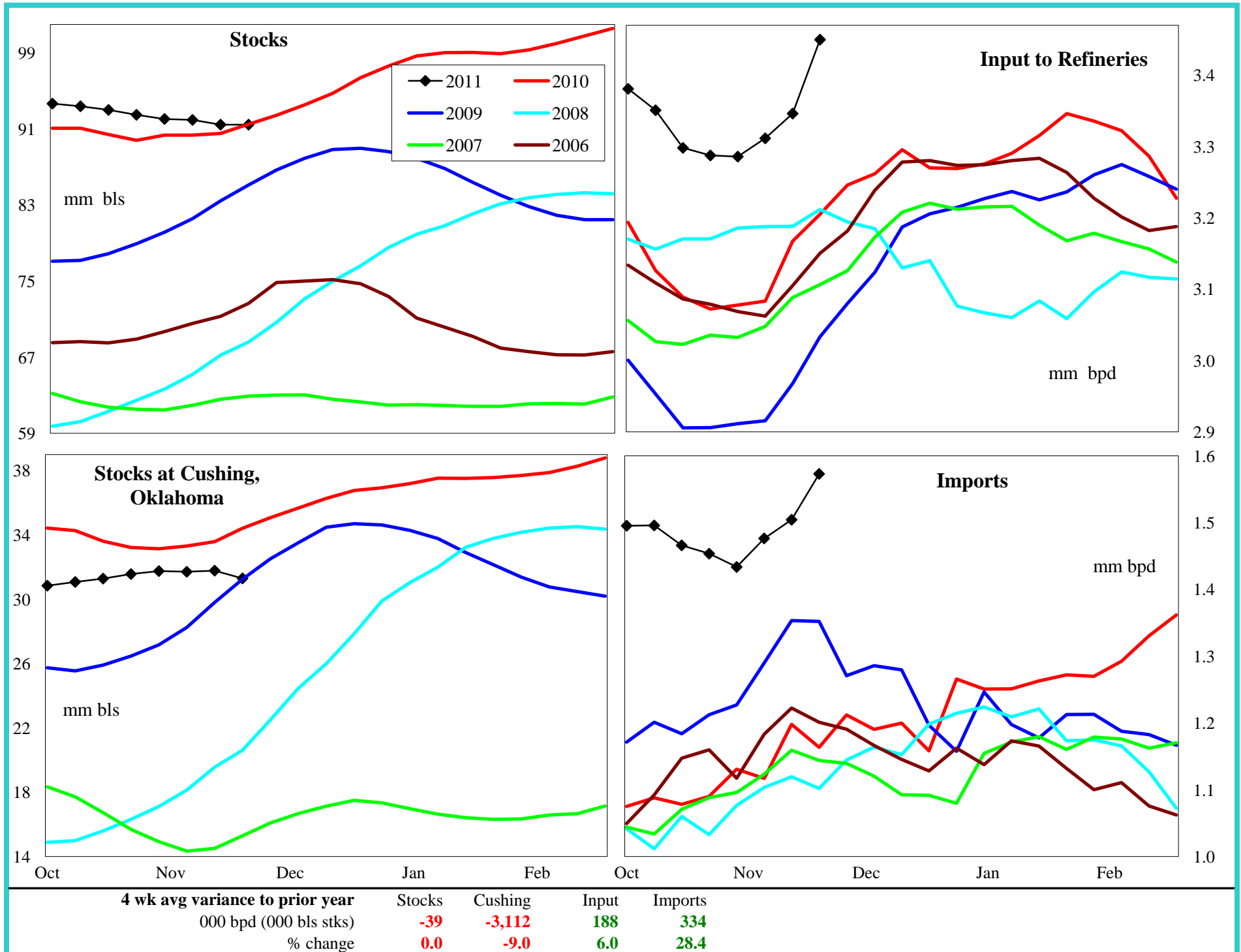
PADD 1 Jet Fuel Supply



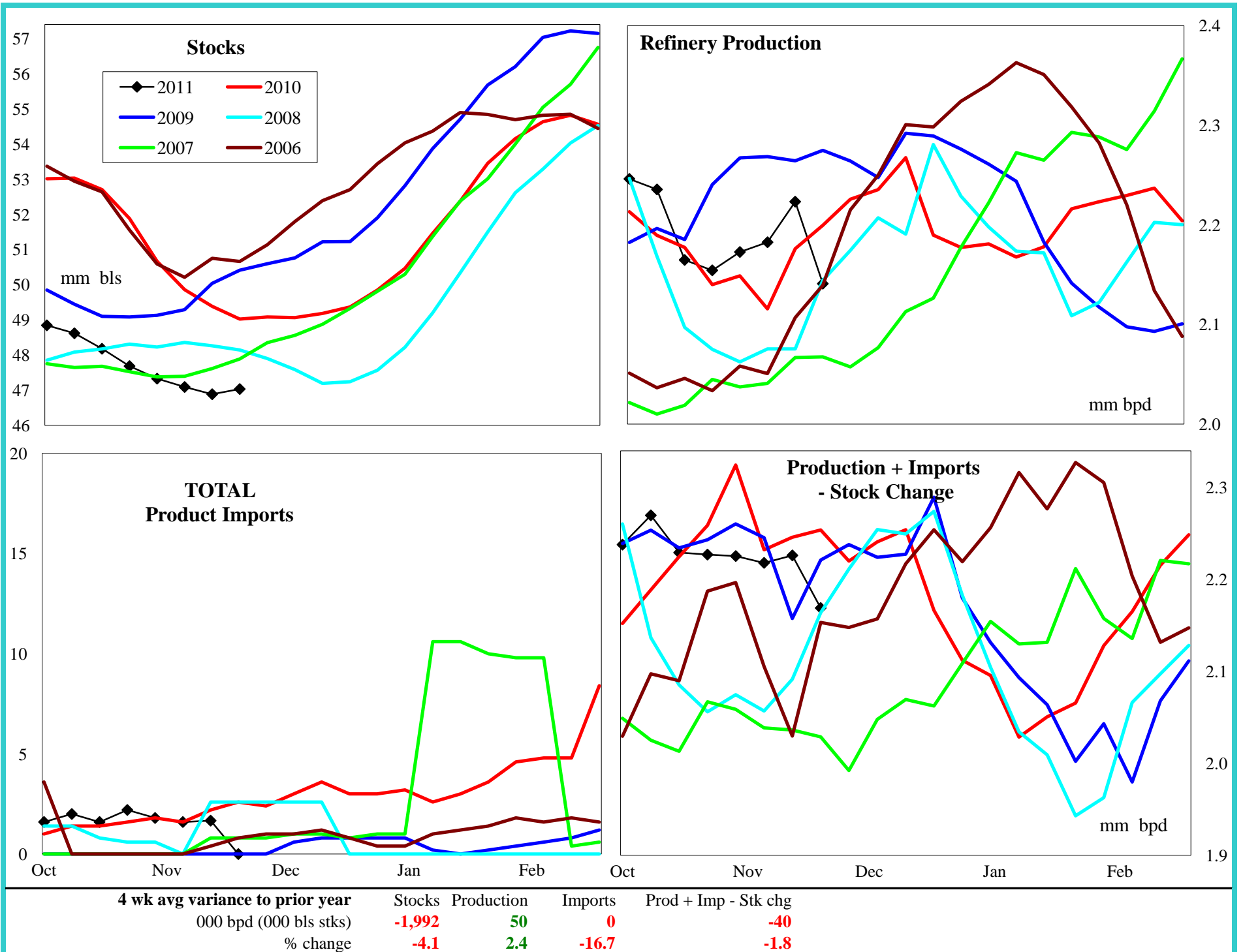
PADD 1 Residual Fuel Oil Supply



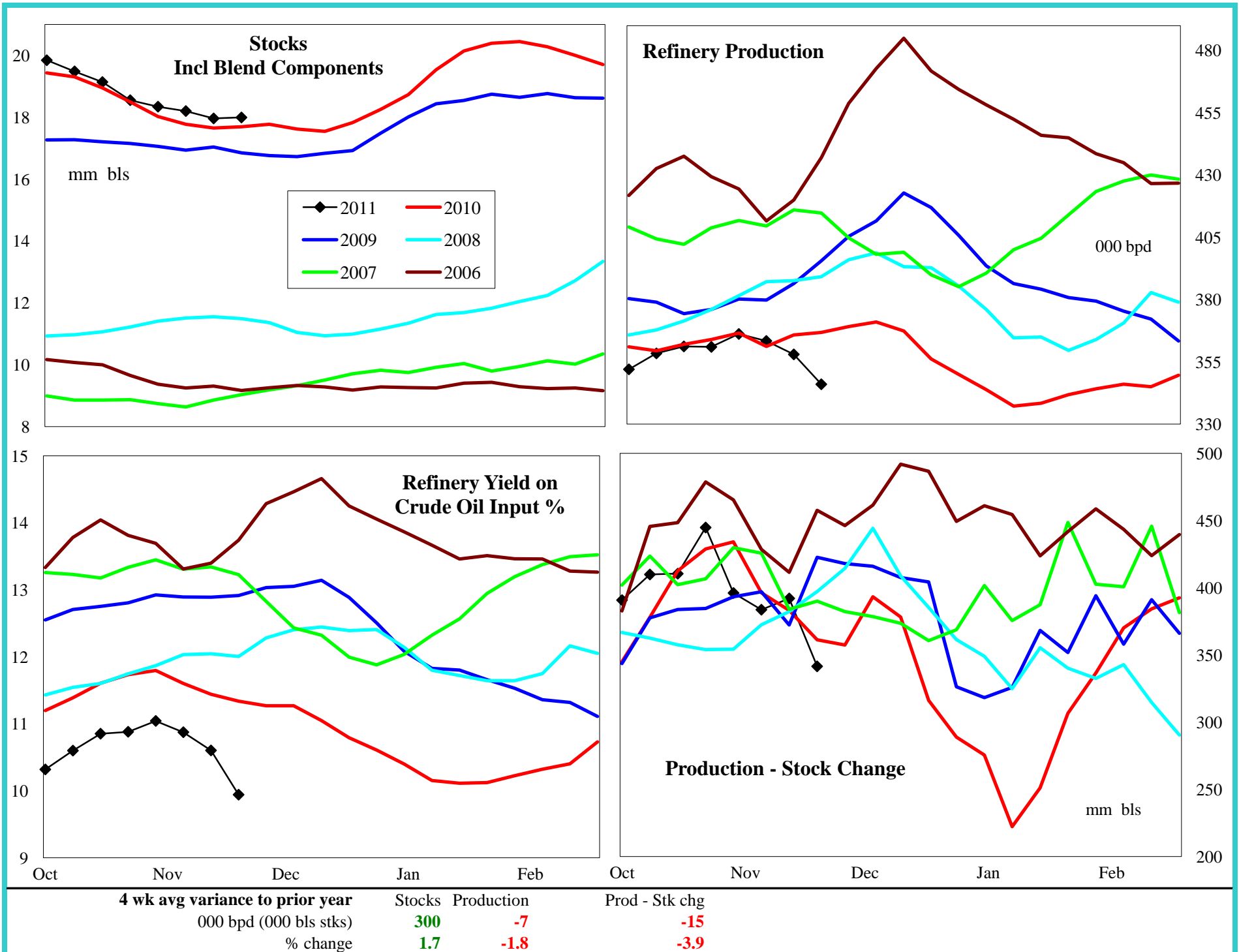
PADD 2 Crude Oil Supply and Refining



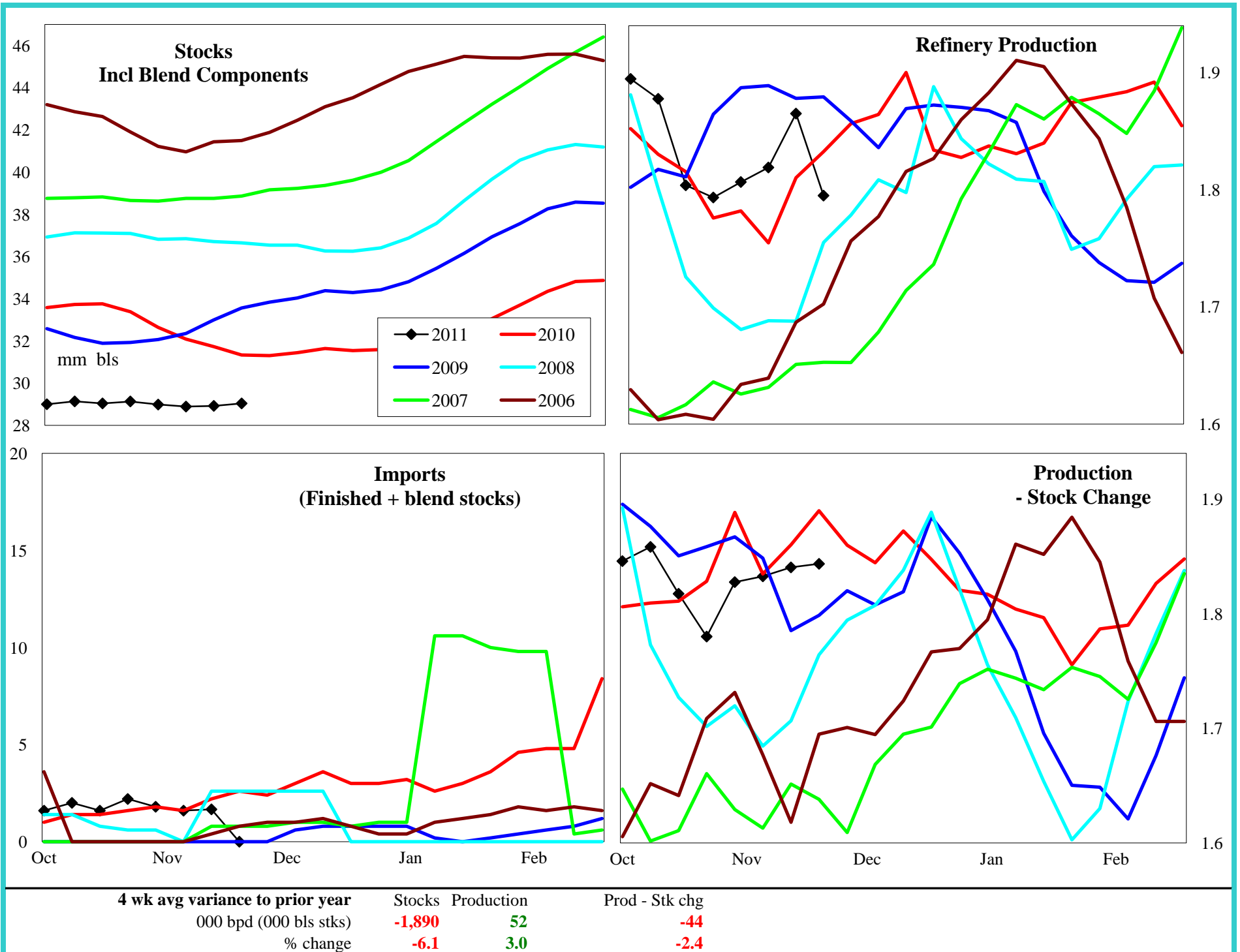
PADD 2 Gasoline Supply



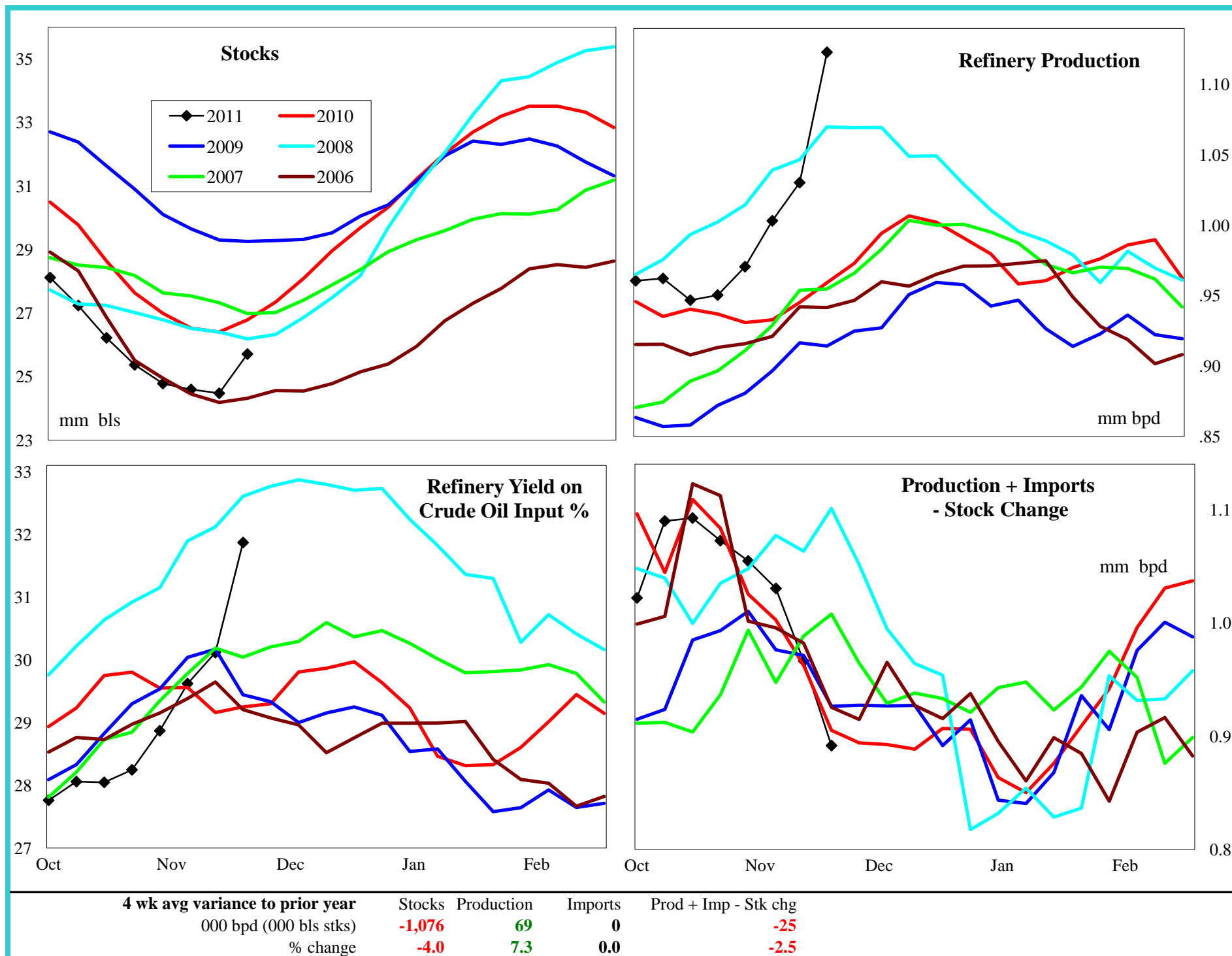
PADD 2 Reformulated Gasoline Supply



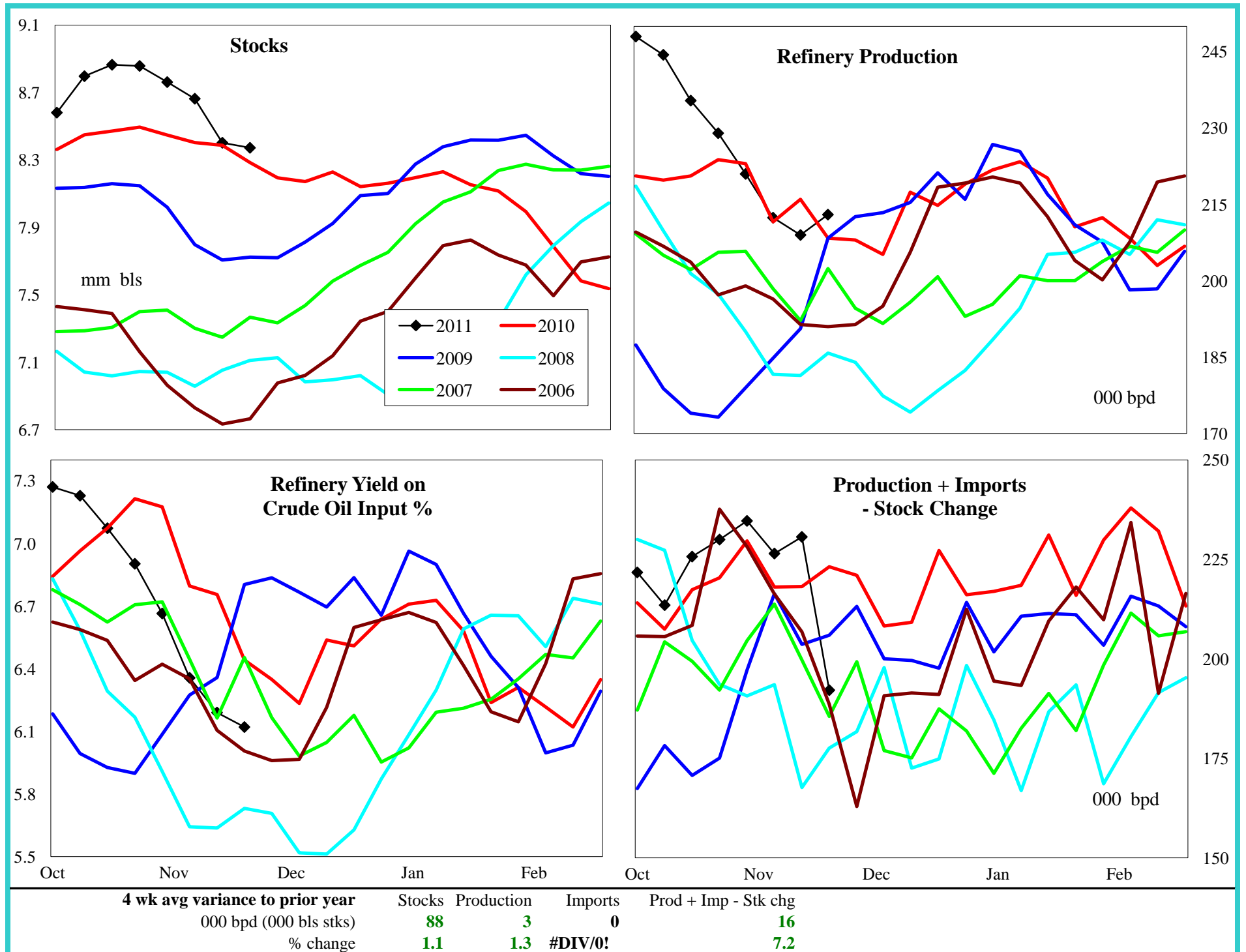
PADD 2 Conventional Gasoline Supply



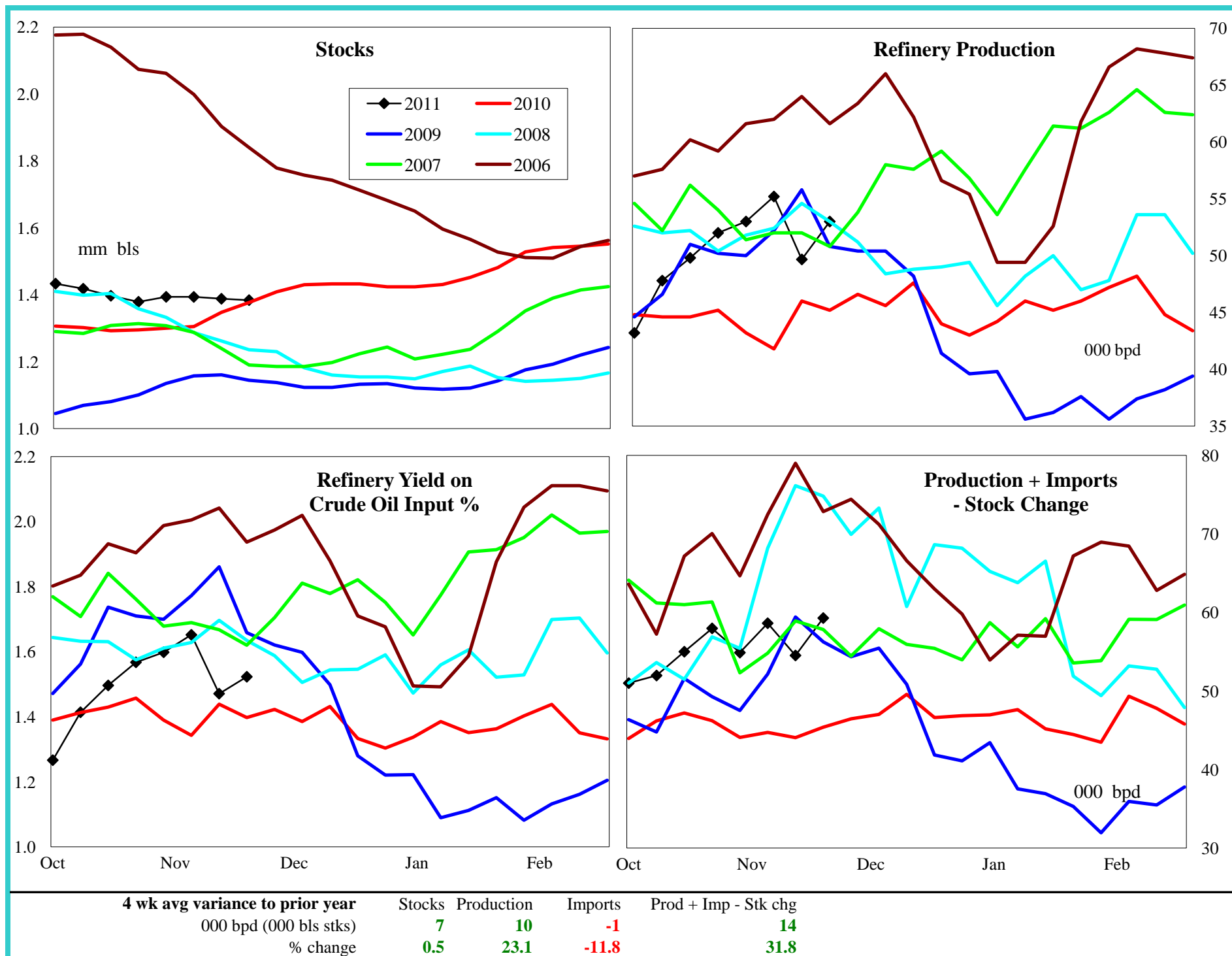
PADD 2 Distillate Supply



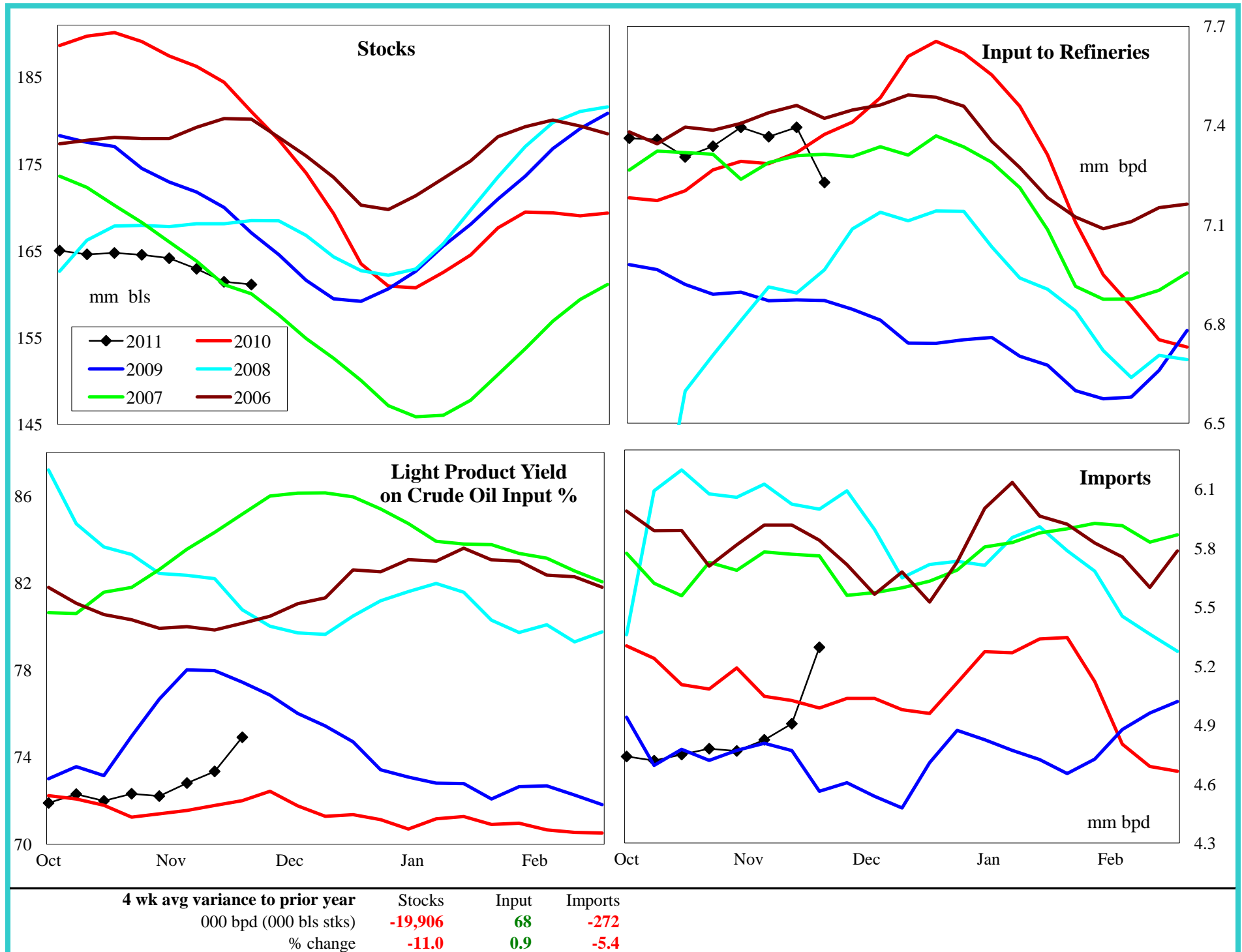
PADD 2 Jet Fuel Supply



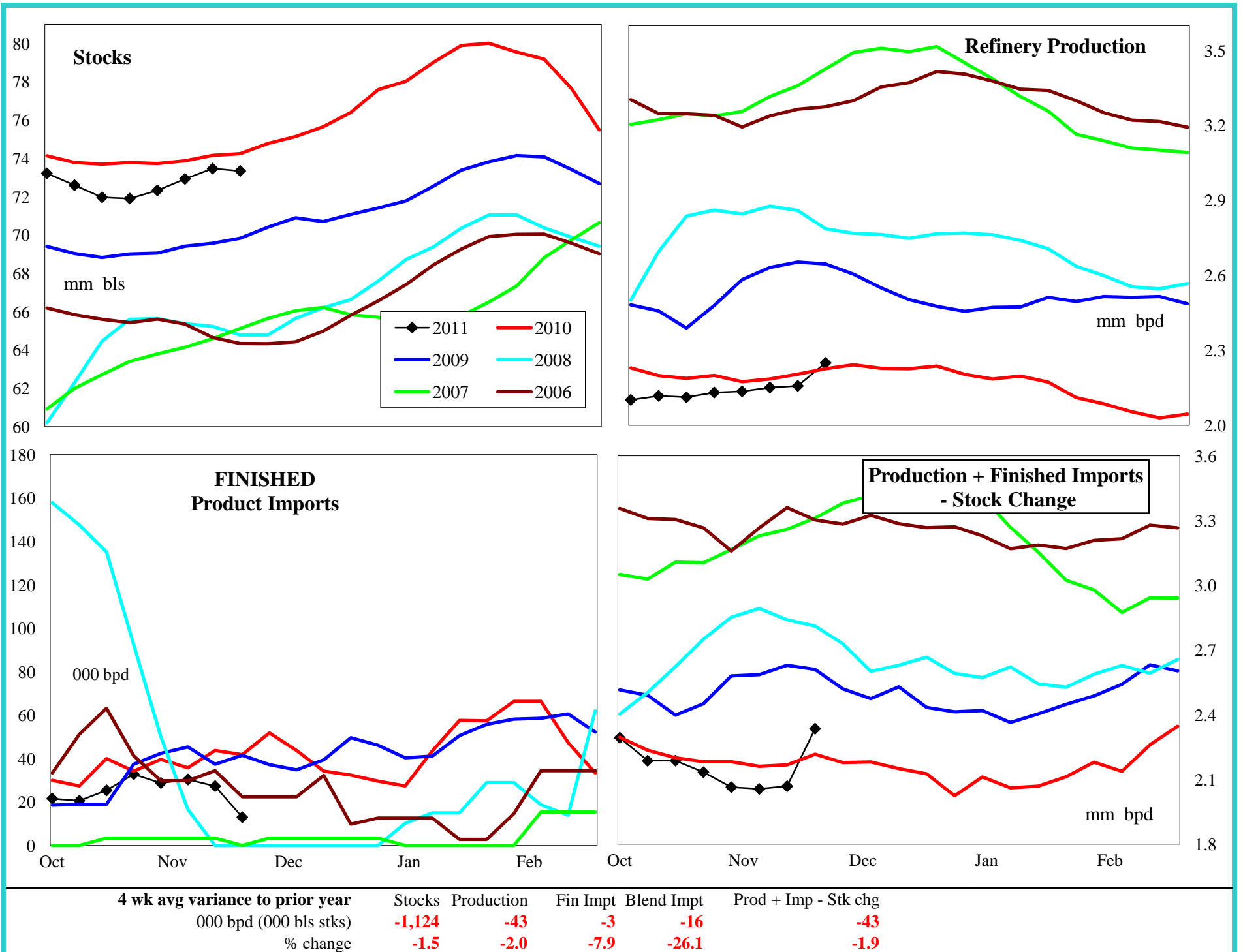
PADD 2 Residual Fuel Oil Supply



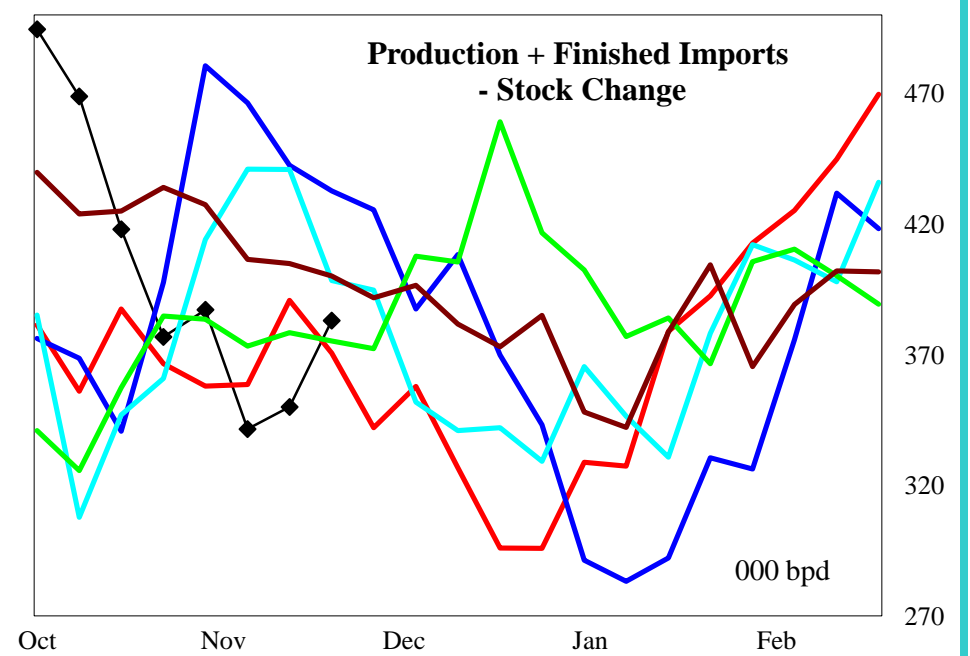
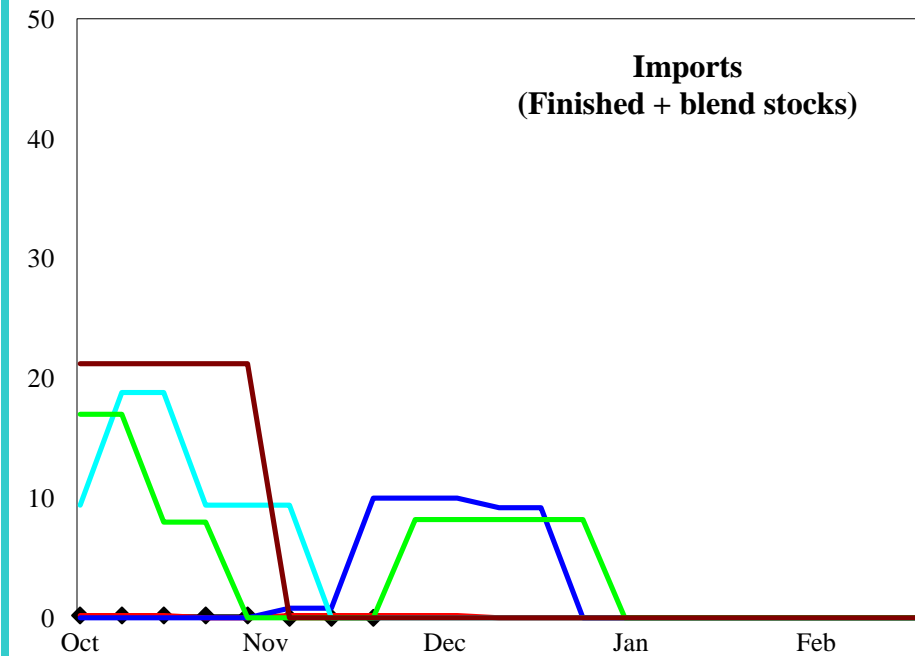
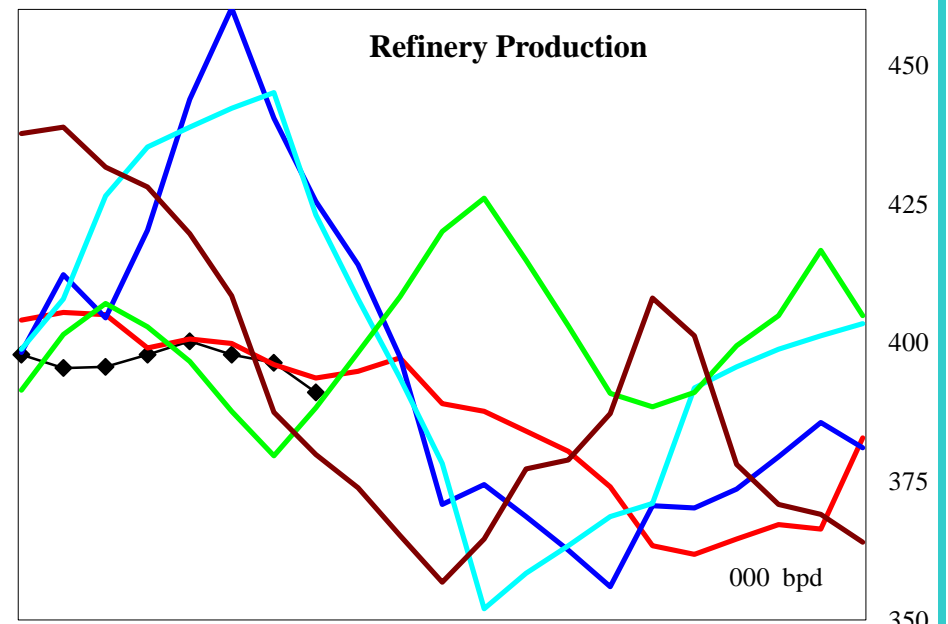
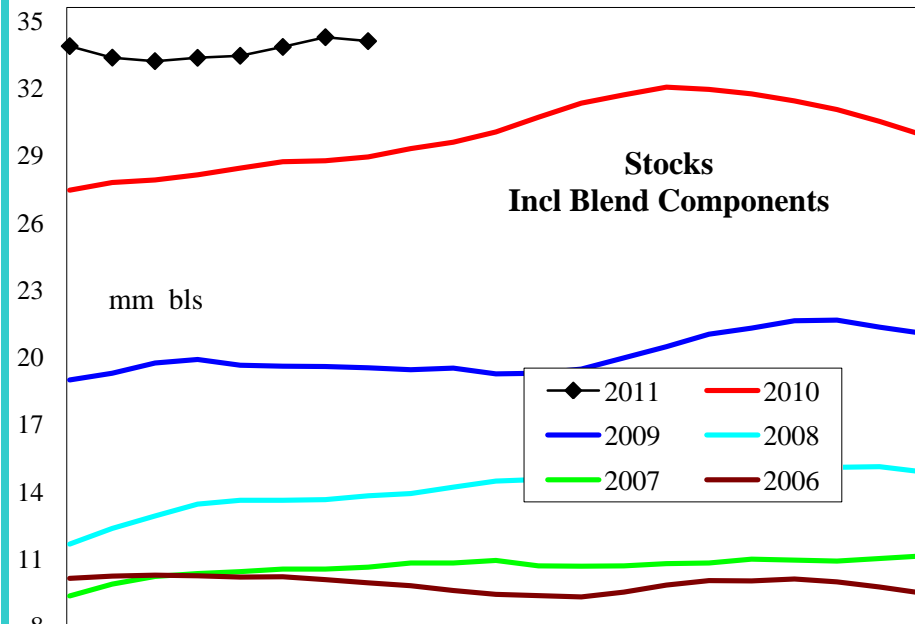
PADD 3 Crude Oil Supply and Refining



PADD 3 Gasoline Supply



PADD 3 Reformulated Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

4,484

14.9

Production

-3

-0.8

Imports

0

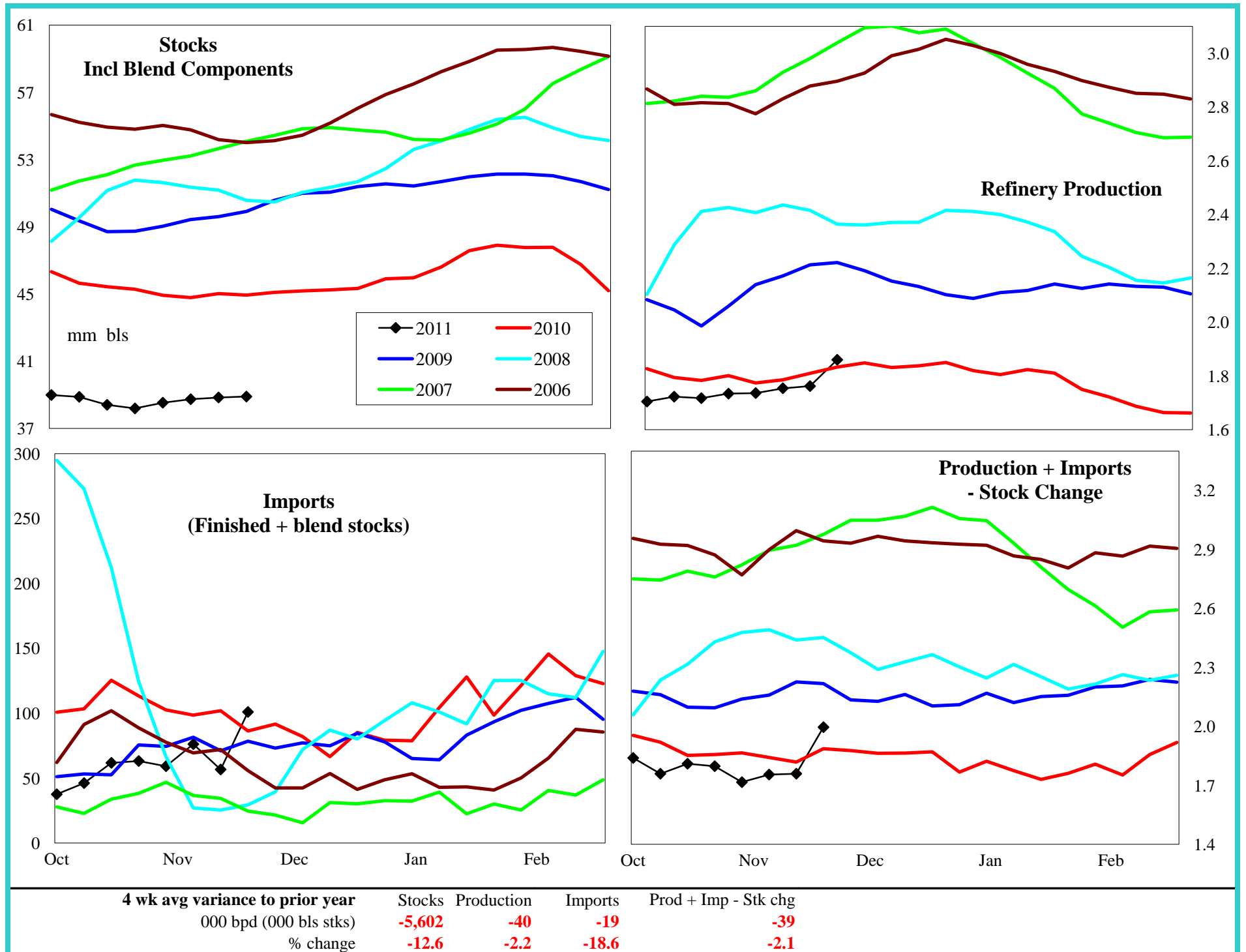
-100.0

Prod + Imp - Stk chg

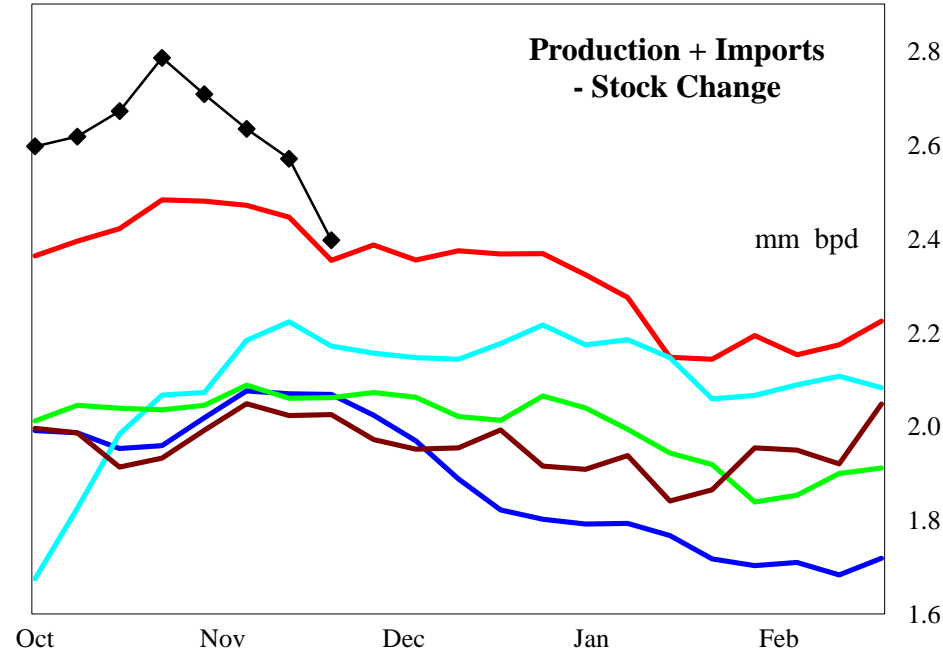
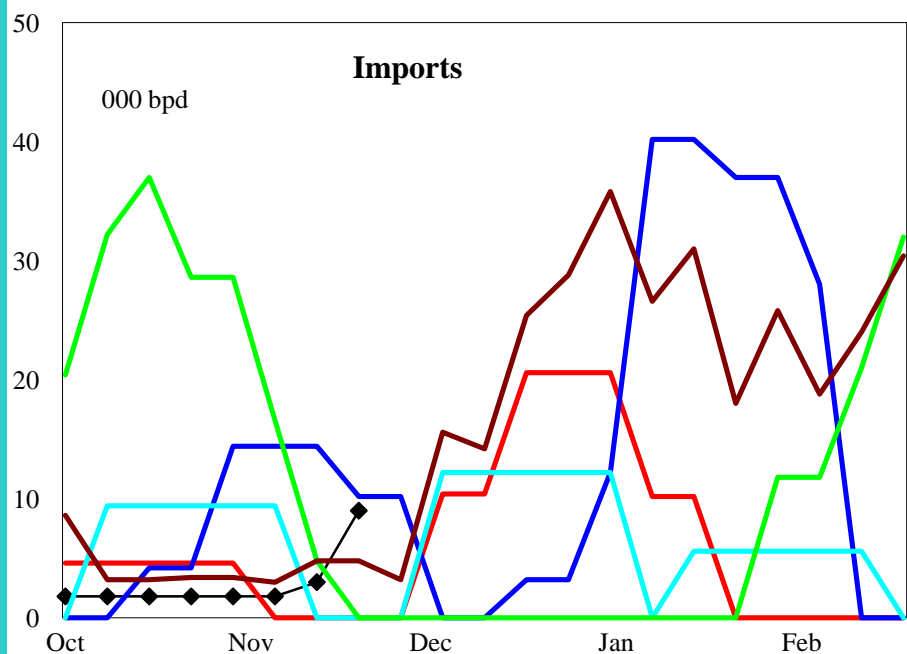
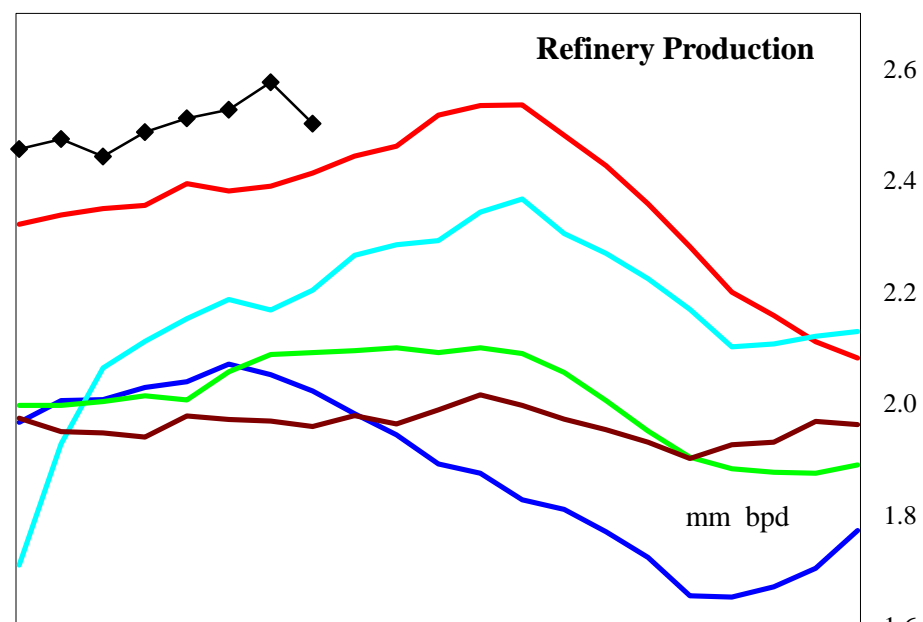
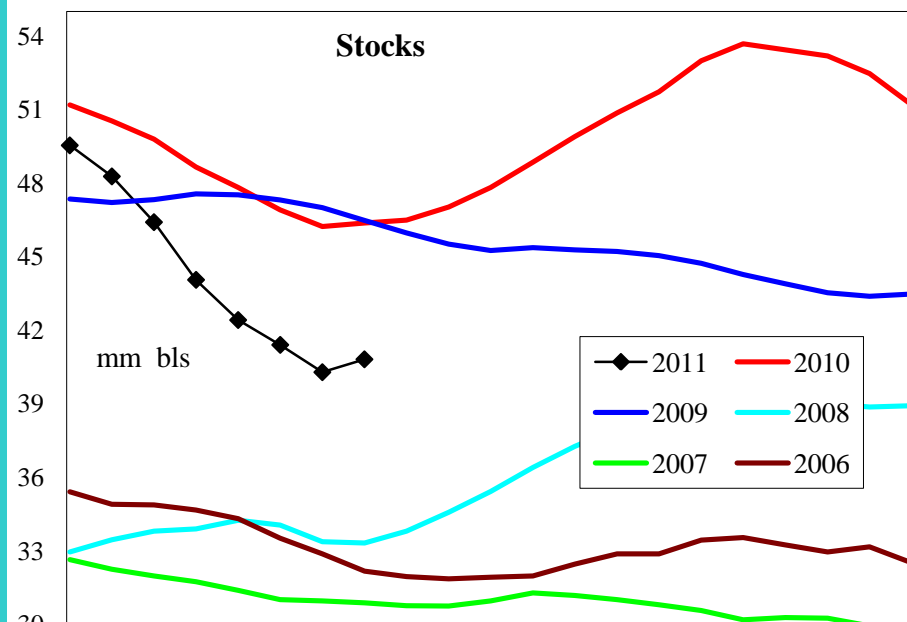
-4

-1.2

PADD 3 Conventional Gasoline Supply



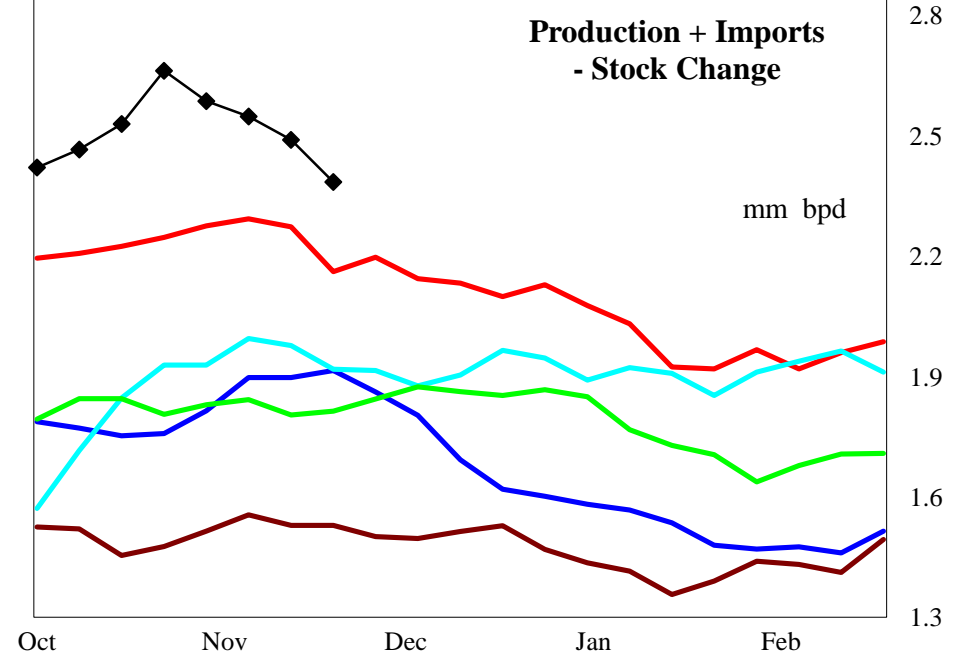
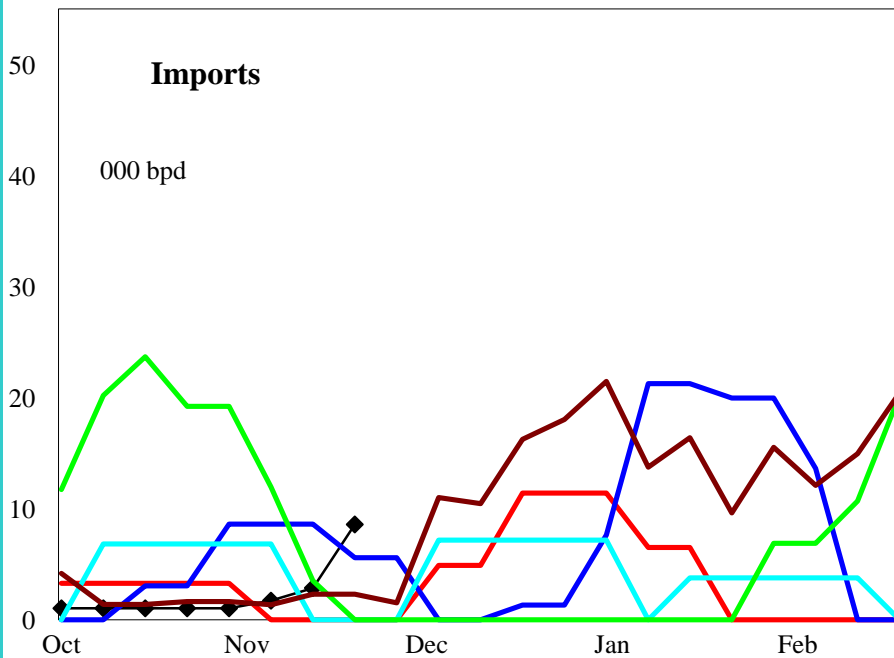
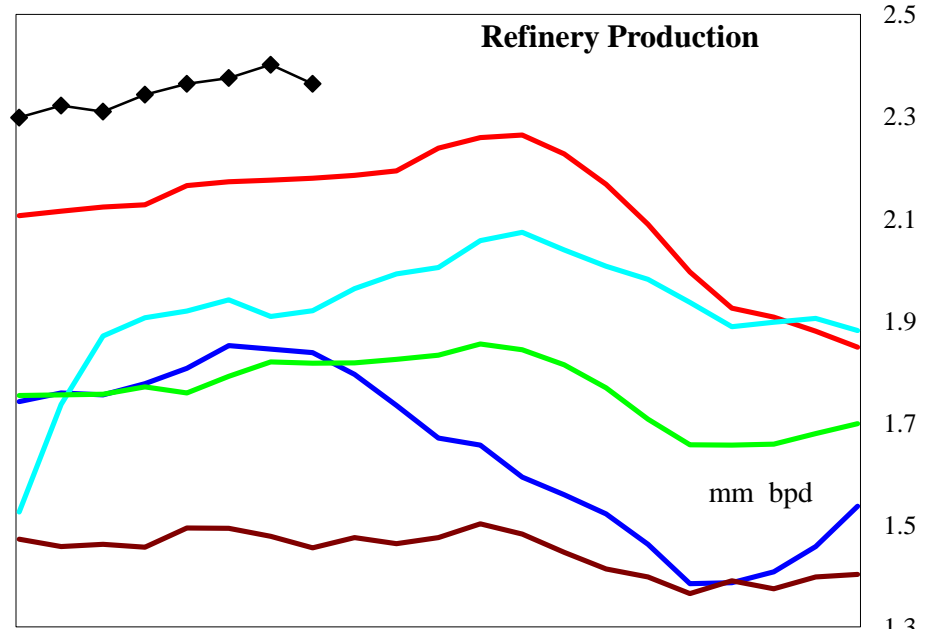
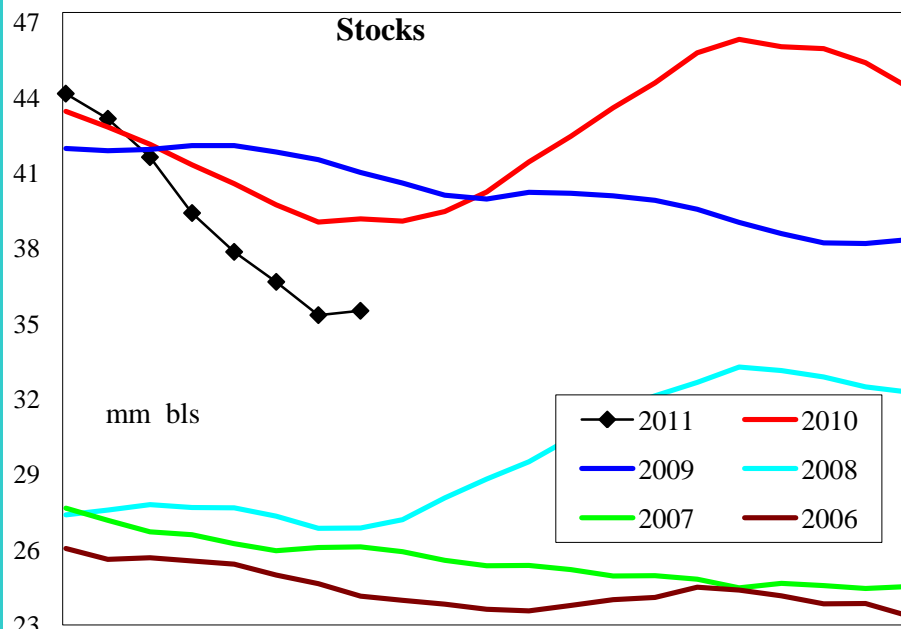
PADD 3 Distillate Supply



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

Stocks	Production	Imports	Prod + Imp - Stk chg
-4,795	137	2	186
-10.5	5.7	#DIV/0!	7.5

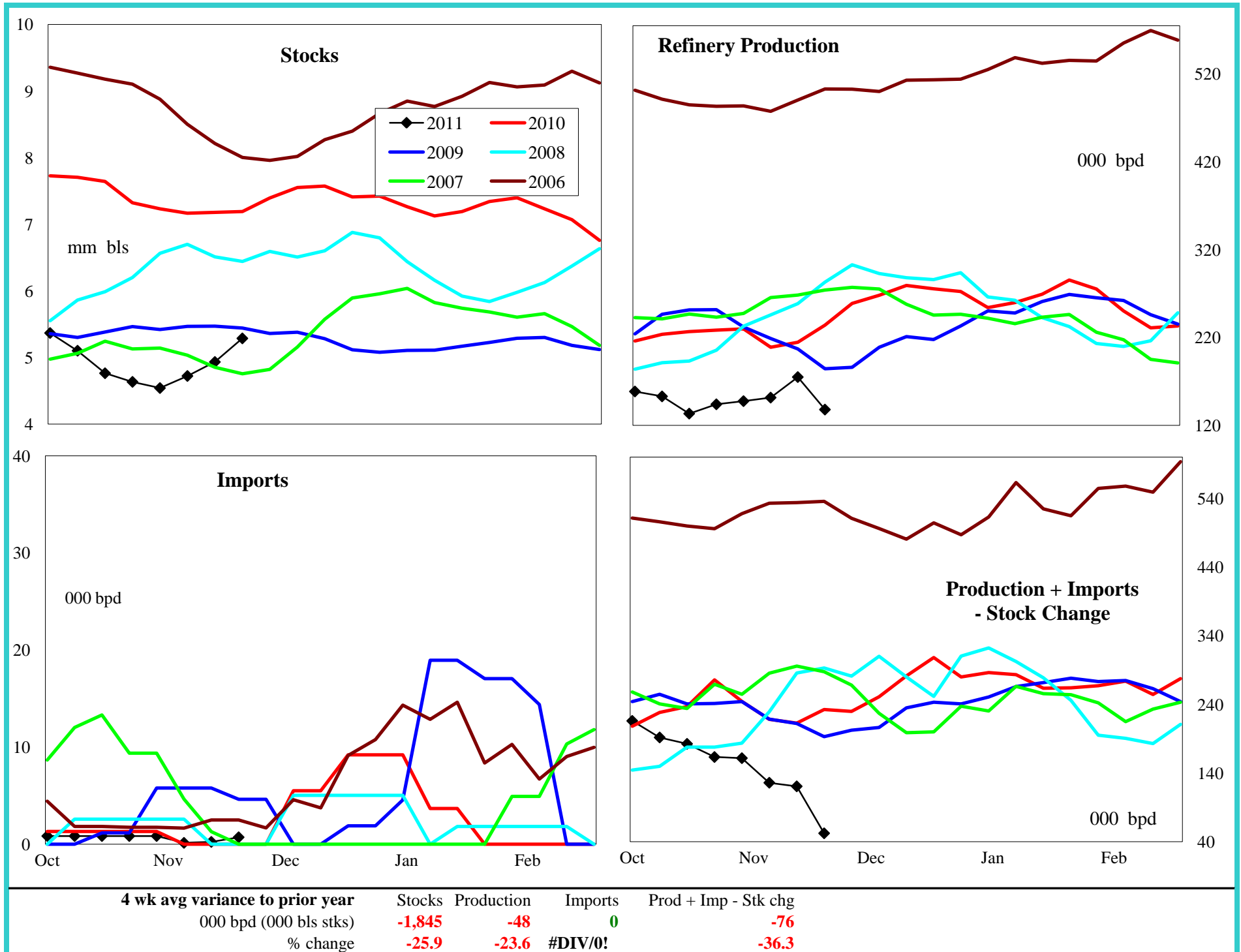
PADD 3 Low Sulfur Distillate Supply



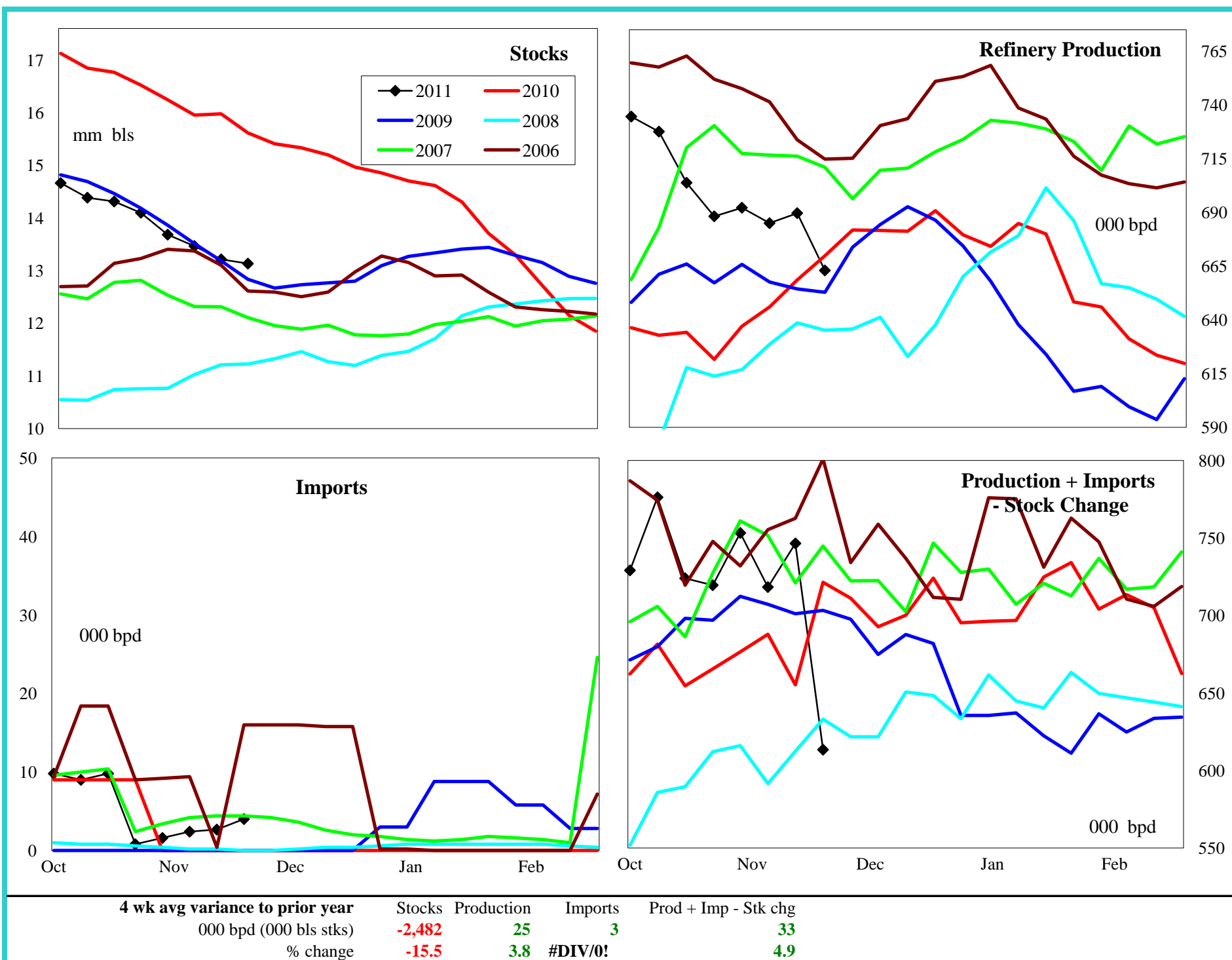
4 wk avg variance to prior year
 000 bpd (000 bbls stks)
 % change

Stocks	Production	Imports	Prod + Imp - Stk chg
-2,949	185	2	263
-7.7	8.5	#DIV/0!	11.6

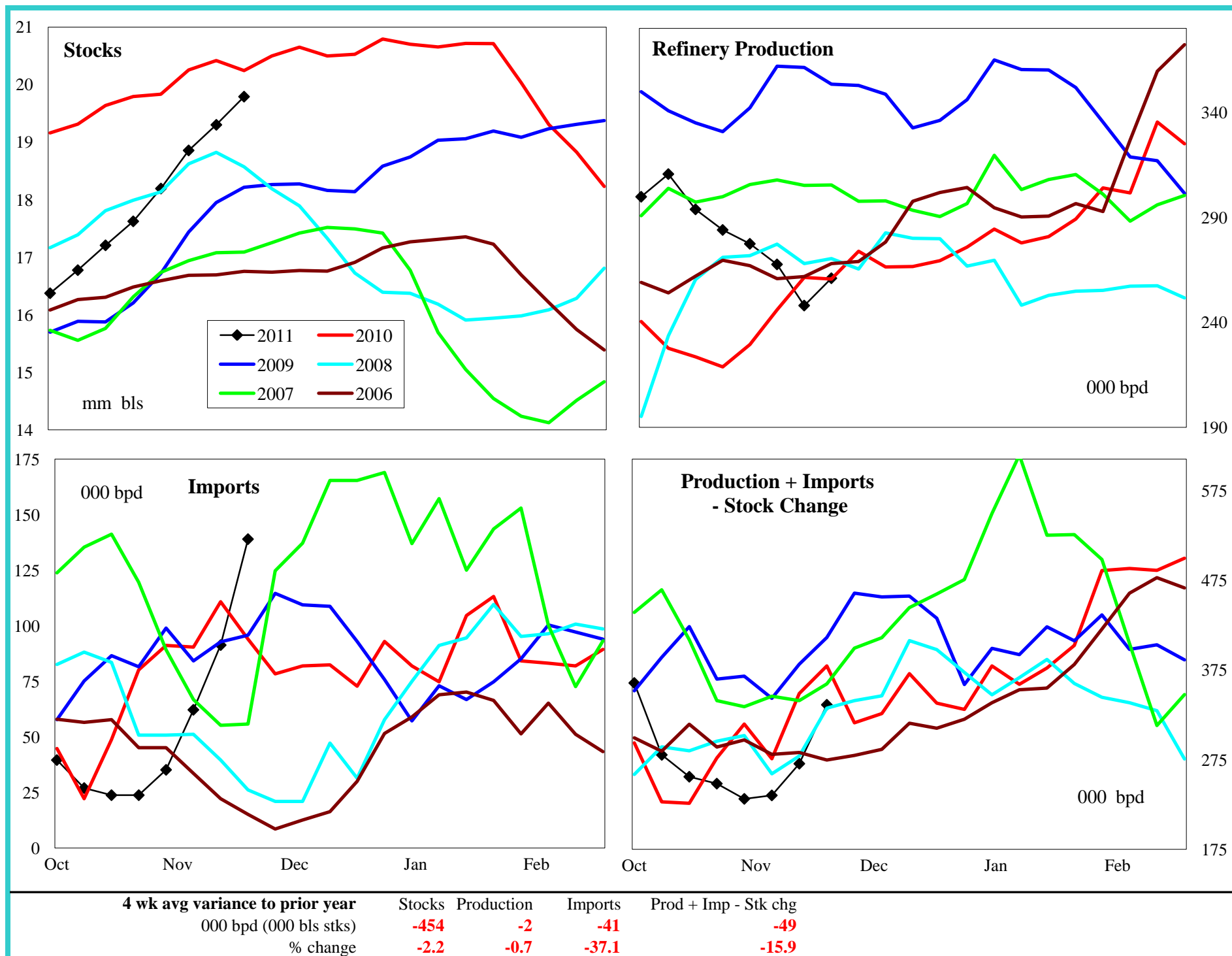
PADD 3 High Sulfur Distillate Supply



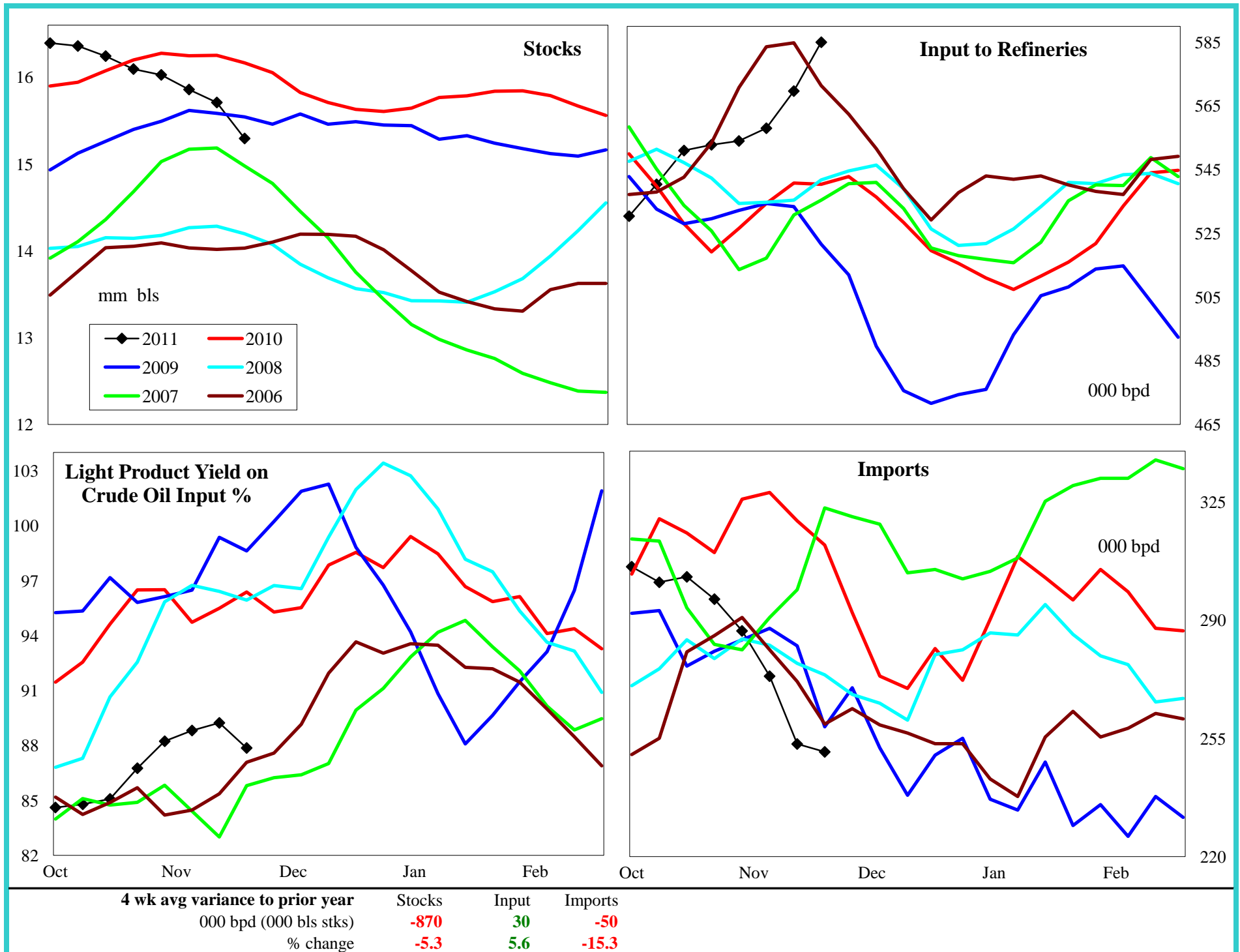
PADD 3 Jet Fuel Supply



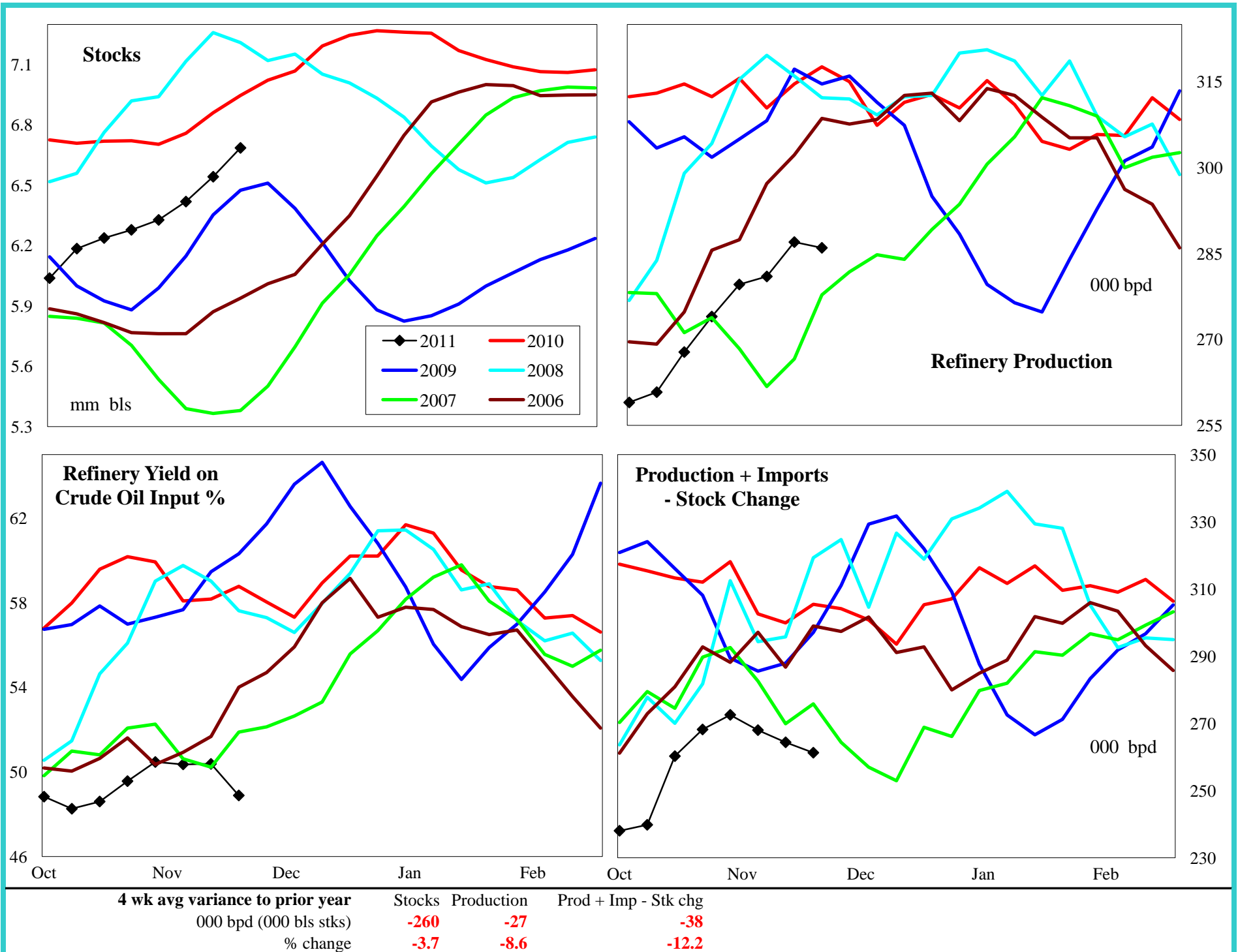
PADD 3 Residual Fuel Oil Supply



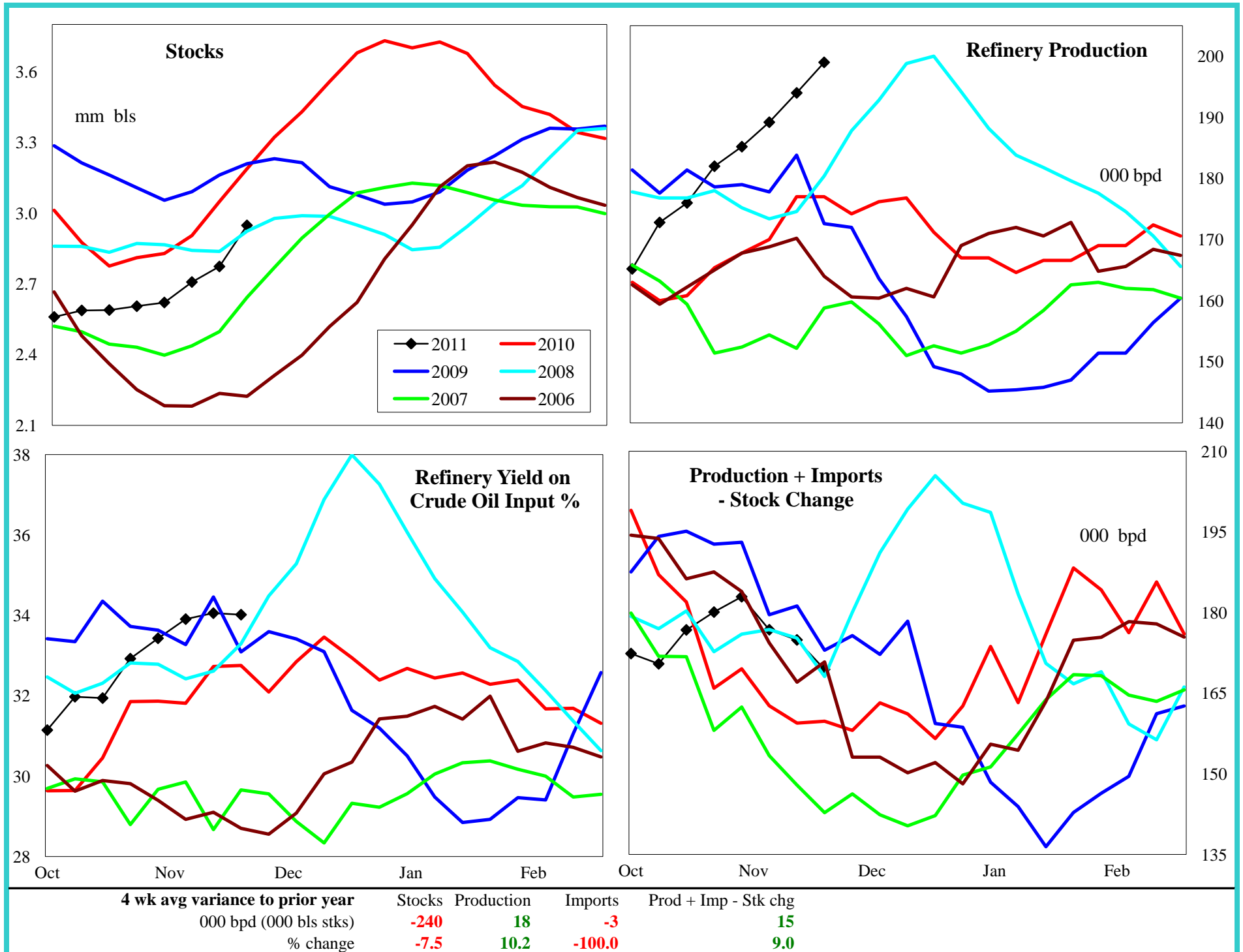
PADD 4 Crude Oil Supply and Refining



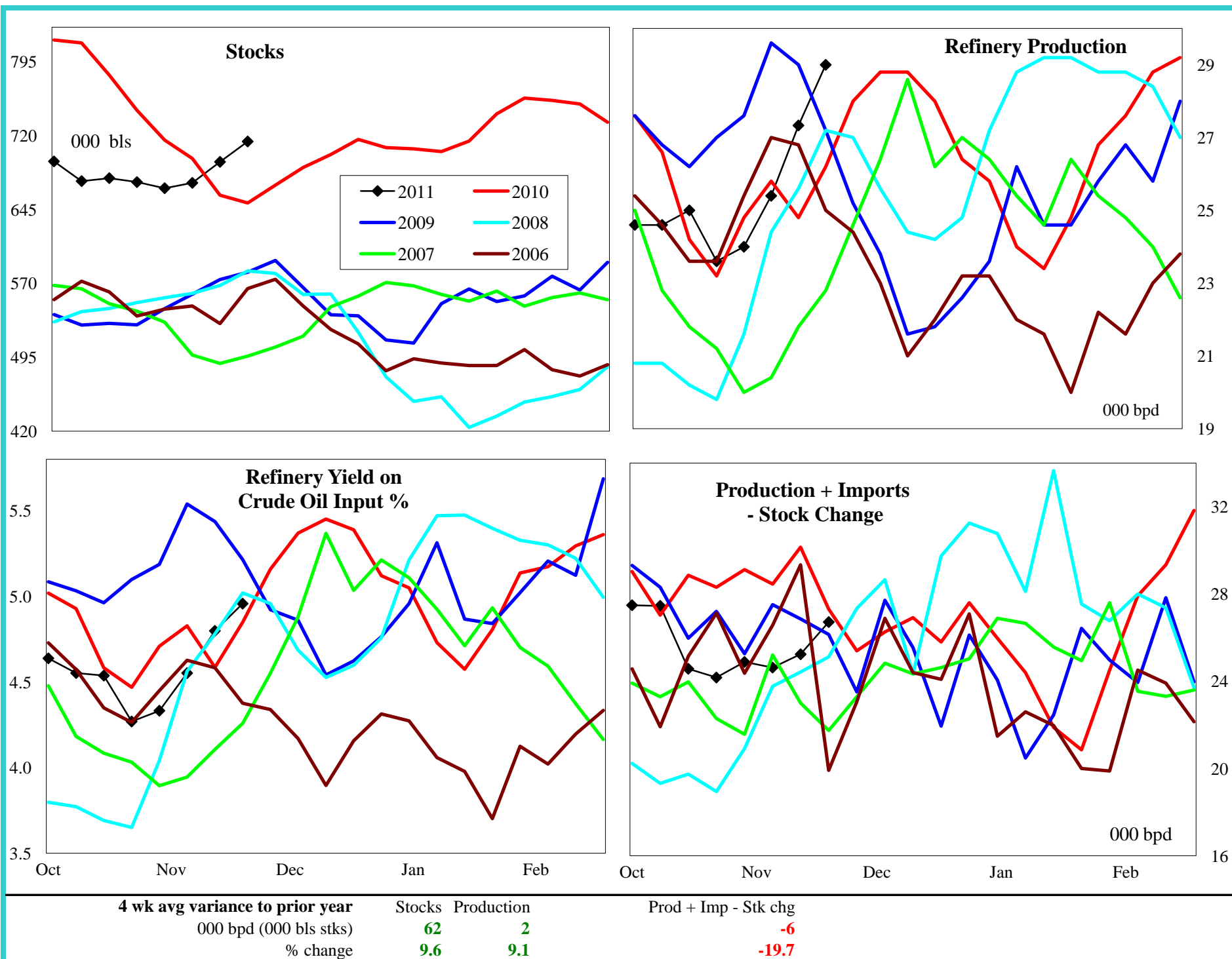
PADD 4 Gasoline Supply



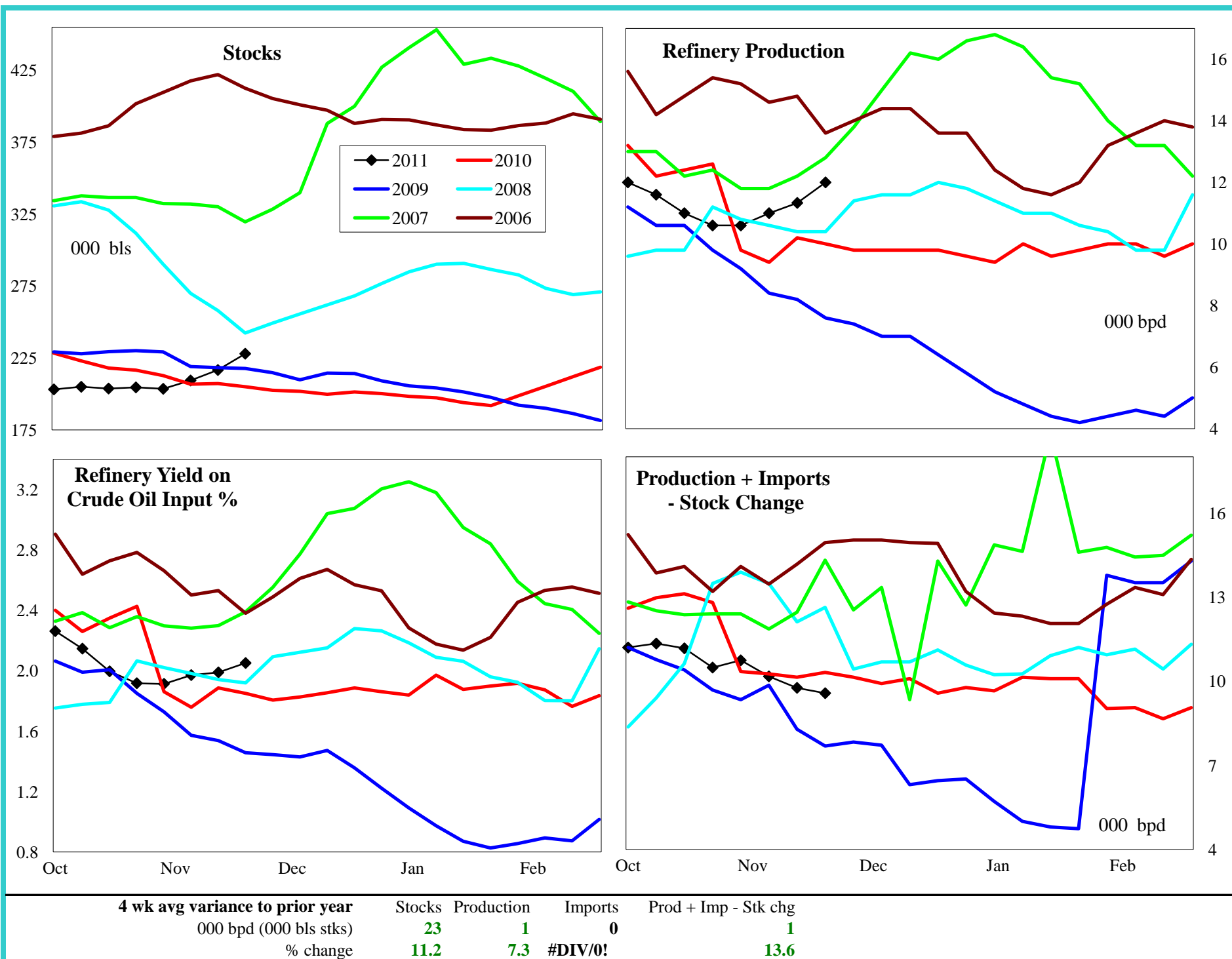
PADD 4 Distillate Supply



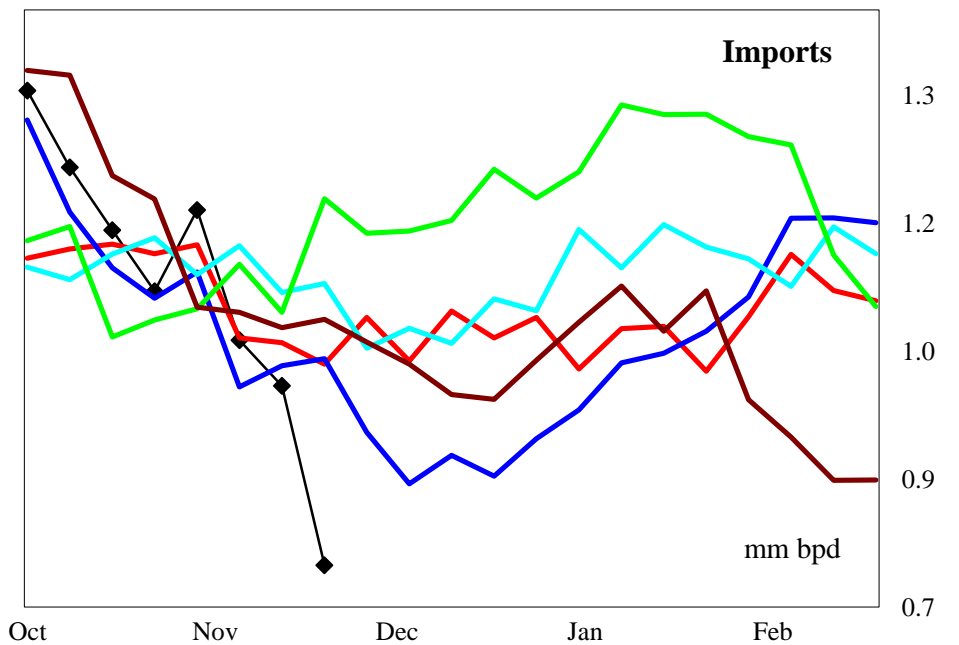
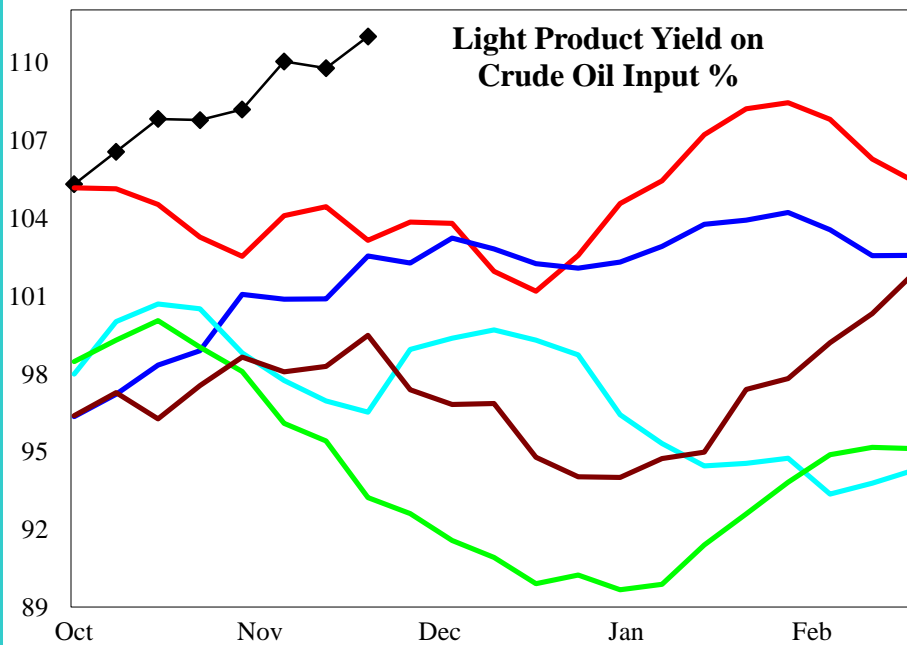
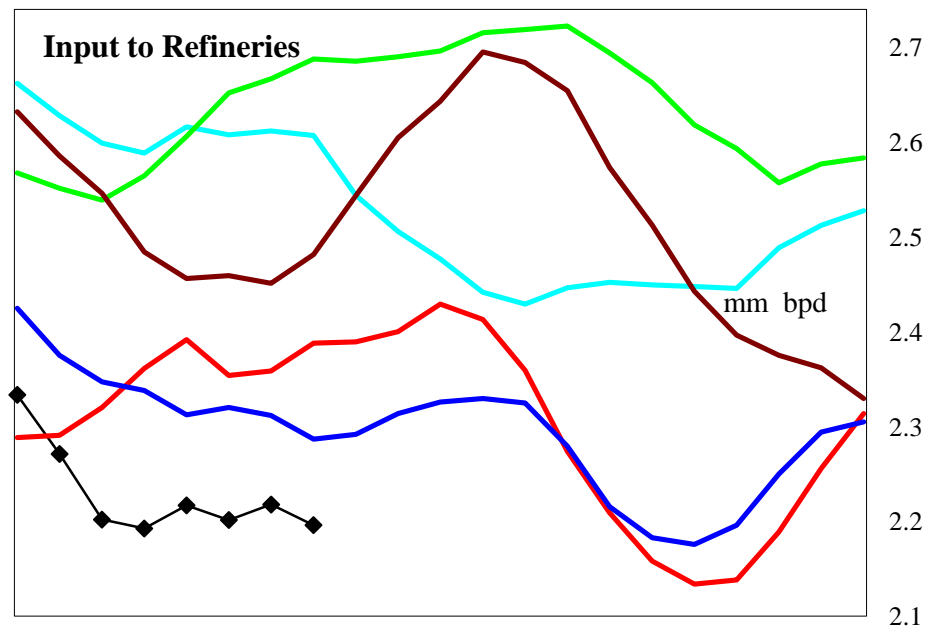
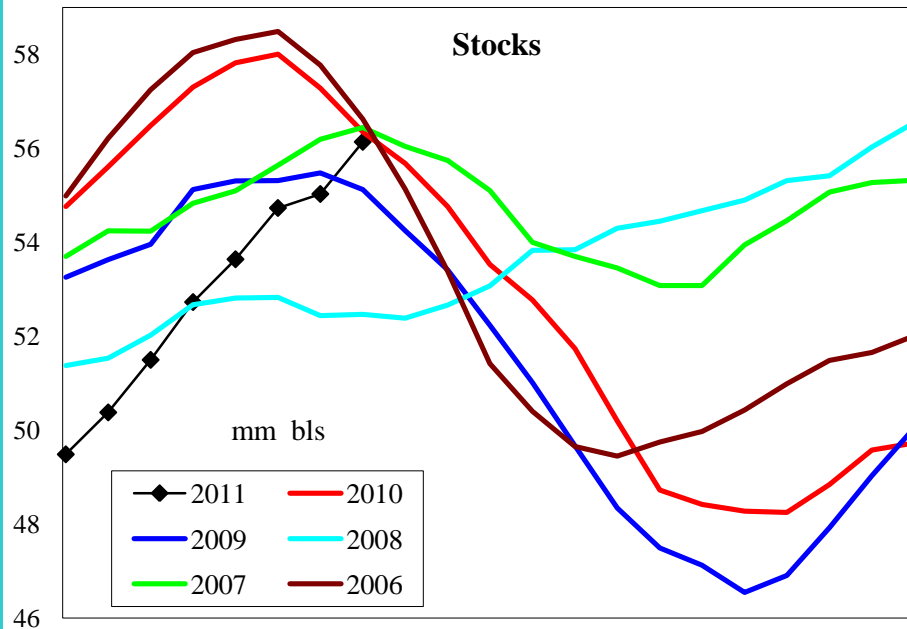
PADD 4 Jet Fuel Supply



PADD 4 Residual Fuel Oil Supply



PADD 5 Crude Oil Supply and Refining



4 wk avg variance to prior year

000 bpd (000 bbls stks)

% change

Stocks

-214

-0.4

Input

-156

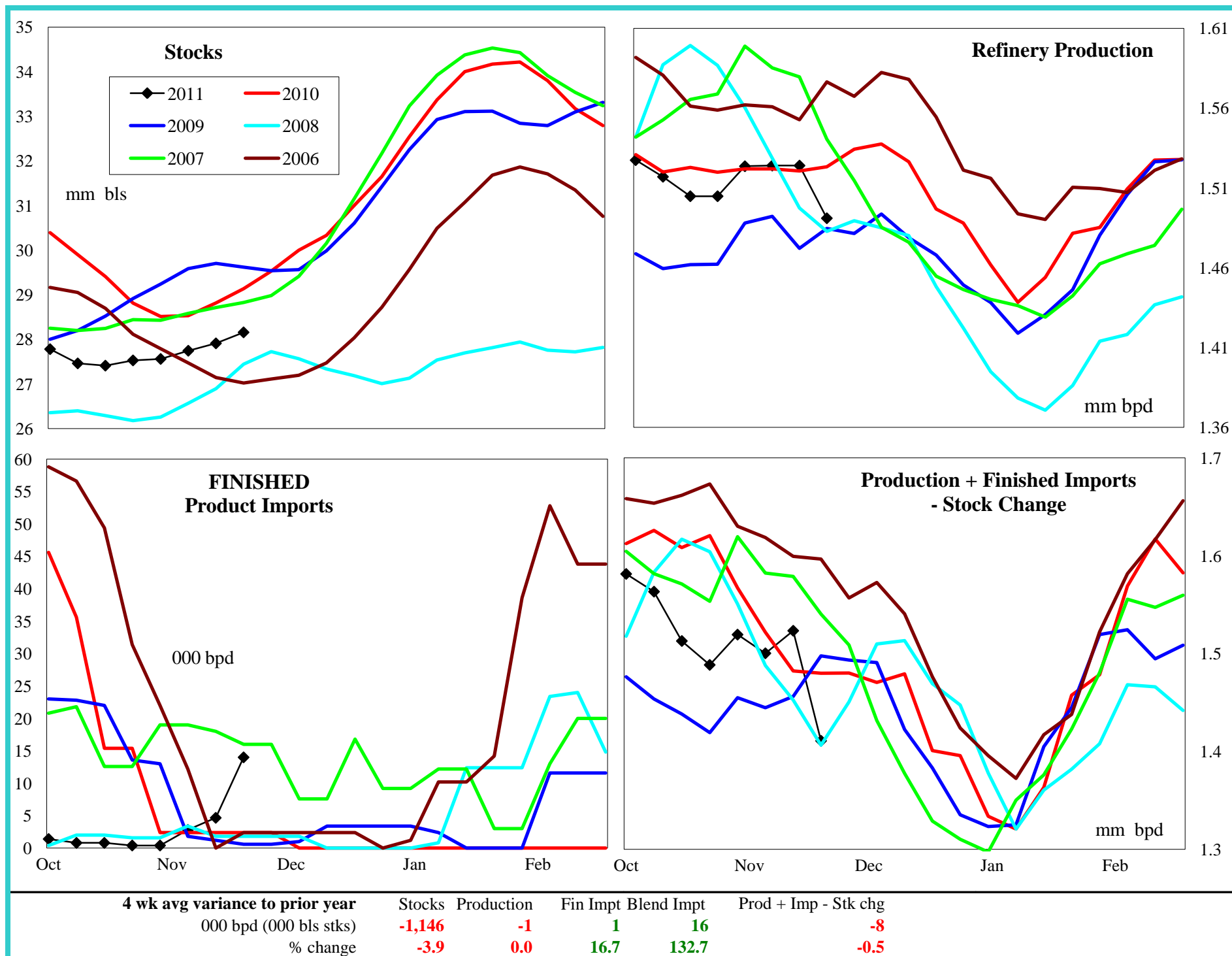
-6.6

Imports

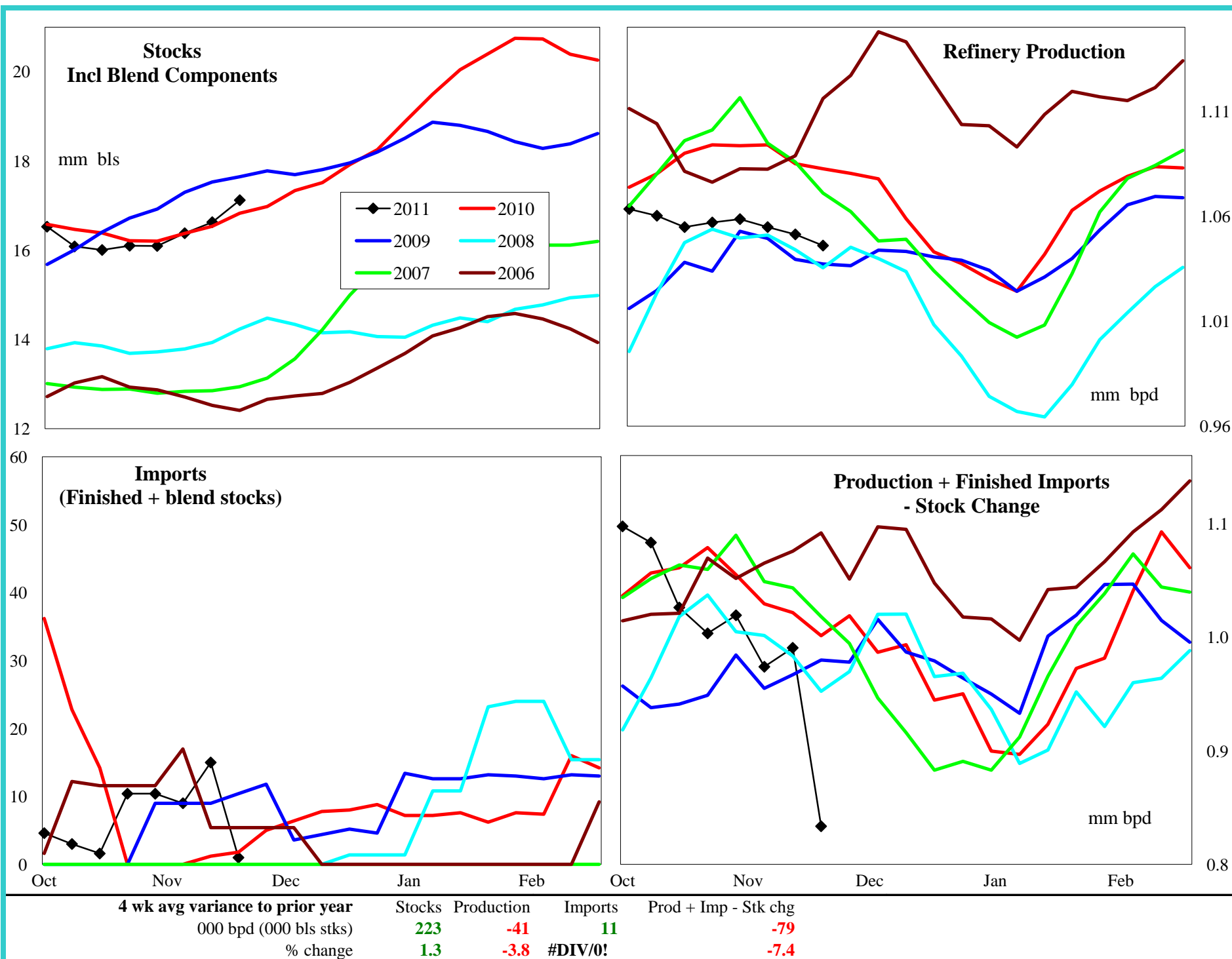
83

8.8

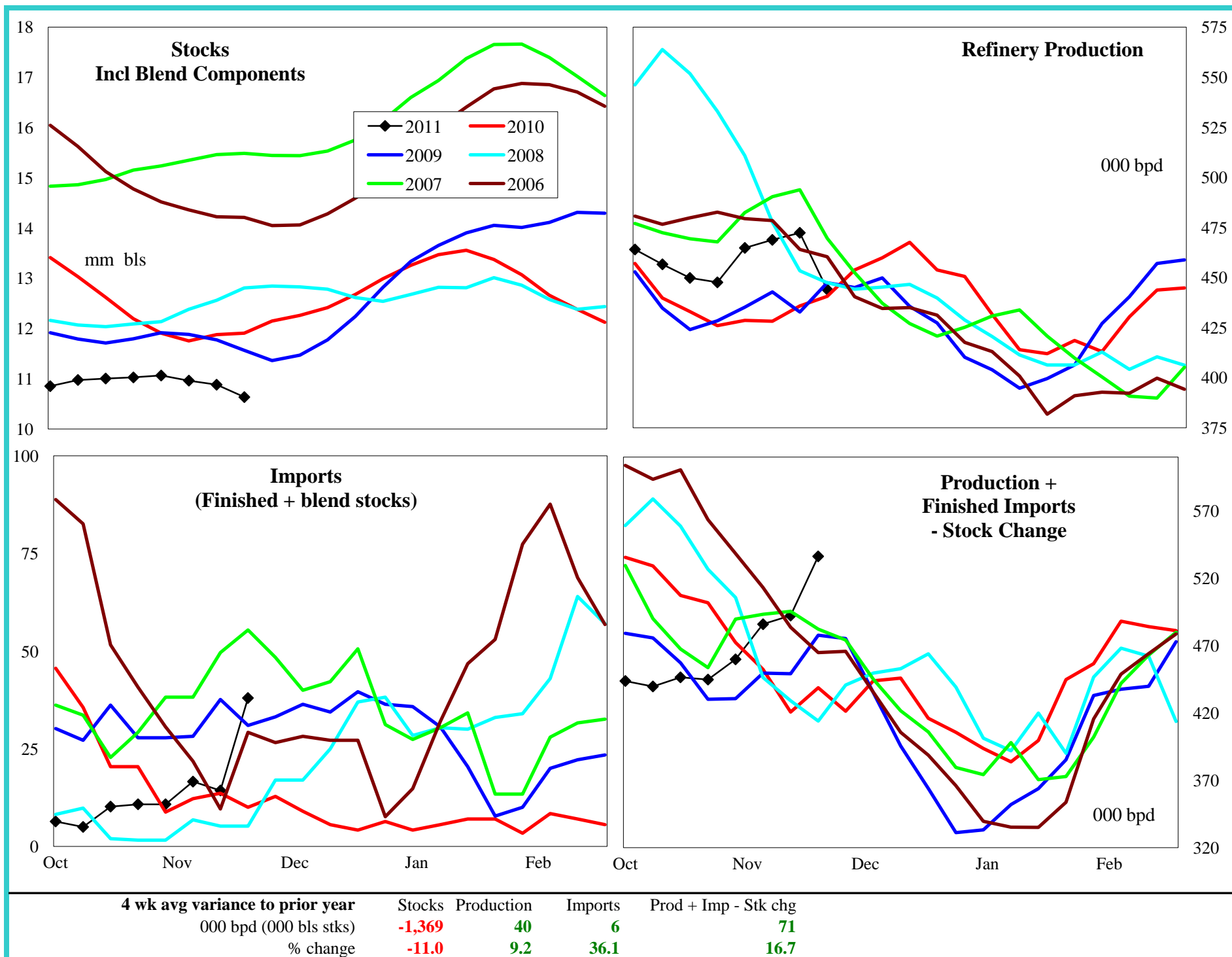
PADD 5 Gasoline Supply



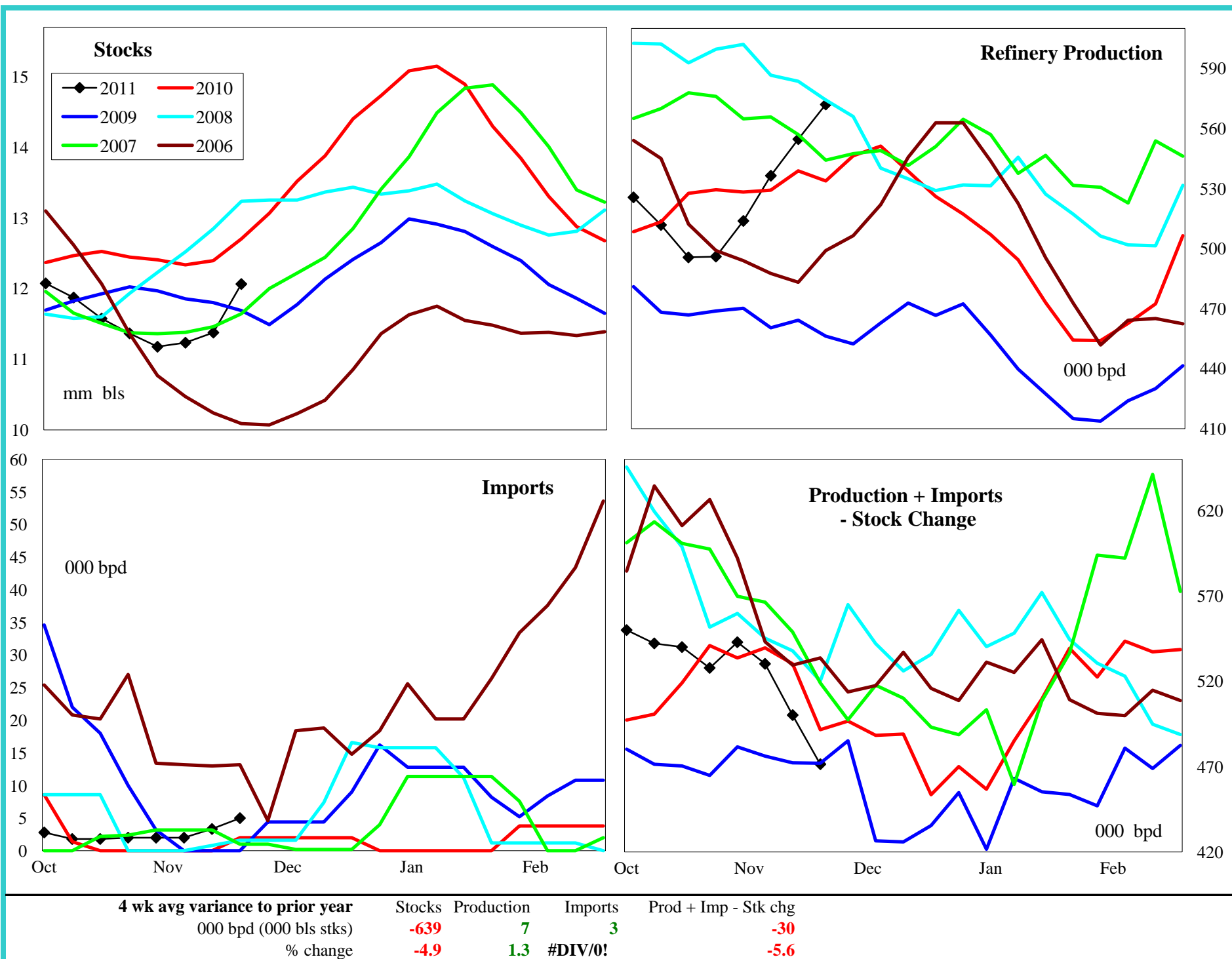
PADD 5 Reformulated Gasoline Supply



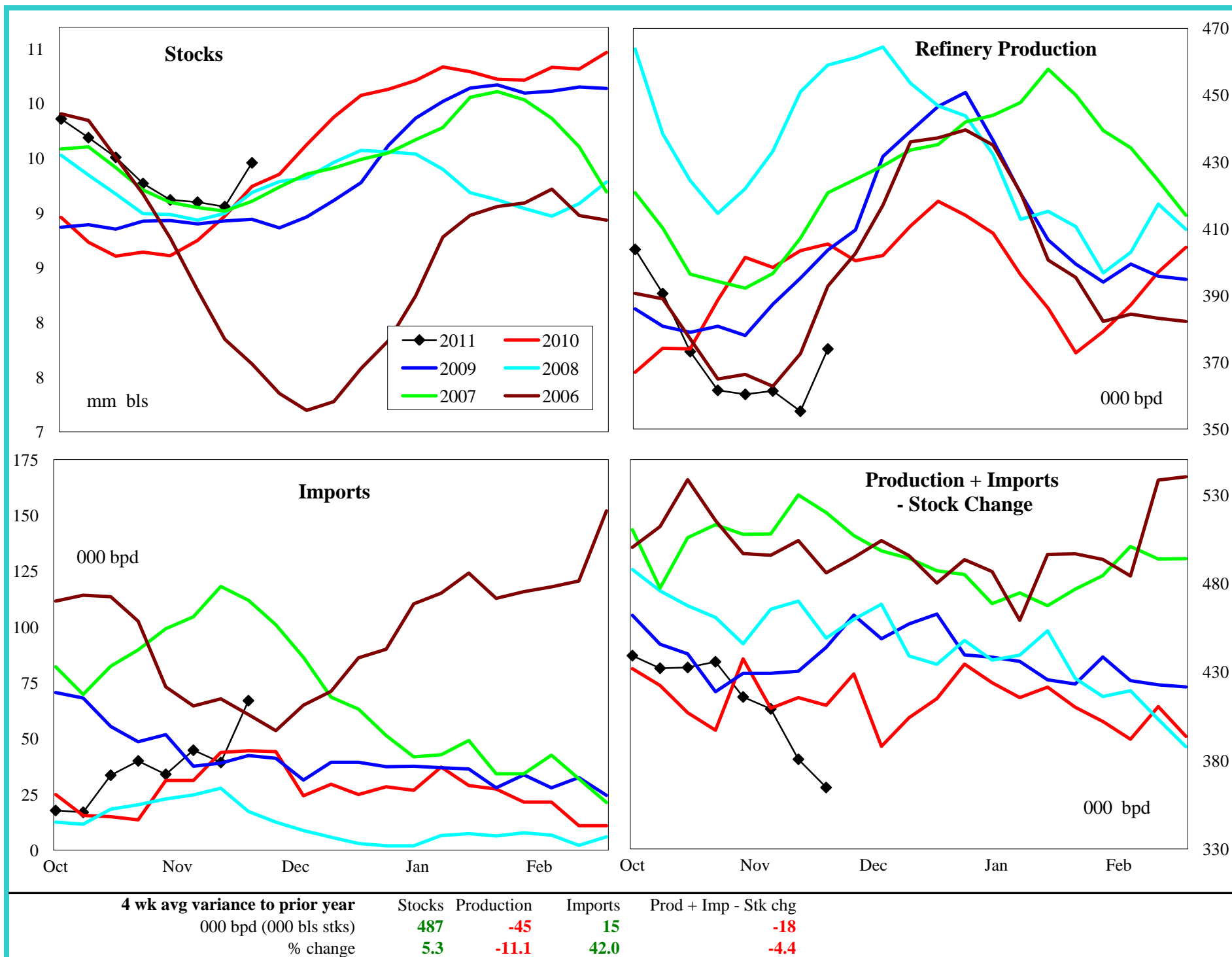
PADD 5 Conventional Gasoline Supply



PADD 5 Distillate Supply



PADD 5 Jet Fuel Supply



PADD 5 Residual Fuel Oil Supply

