



## WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

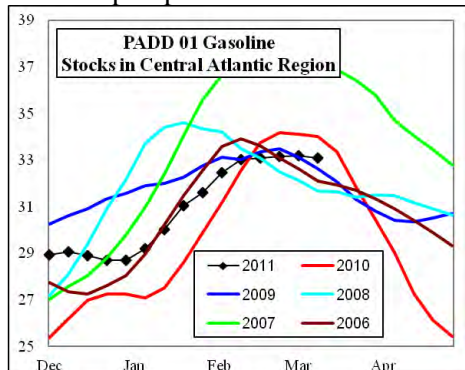
### A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Wednesday, March 14, 2012

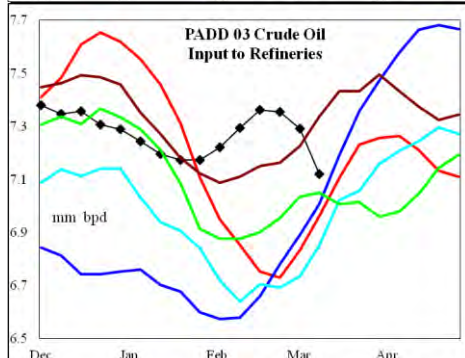
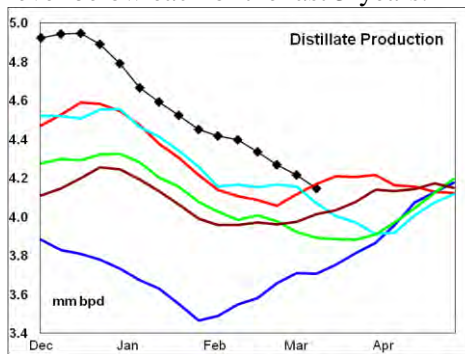


#### Major Fundamental Trends<sup>1</sup>

Gasoline stock levels in the Gulf Region and Lower Atlantic Region of PADD 1 are each at 5-year highs. This high level of stocks should lower the risk of a supply squeeze in the key Central Atlantic Region of PADD 1 in the run up to peak summer demand.



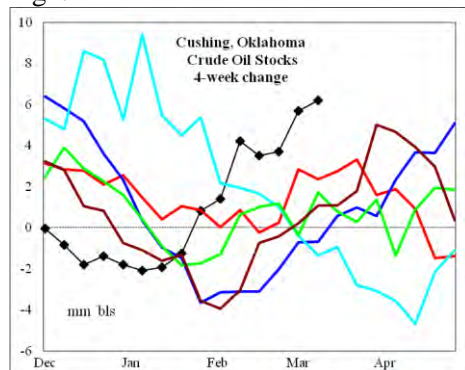
An above average rate of seasonal decline in distillate production, combined with record exports, has driven stocks in the Gulf Region to a level below each of the last 3-years.



Refiners cut runs -0.3 million bpd last week in the Gulf Region; largely the result of announced cuts due to poor refining margins based on imported

crude oil cost. The run cuts are contributing to the above average rate of seasonal decline in distillate output noted above; and point to a further tightening of distillate supplies during the next 60-days.

Domestic crude oil production and record imports from Canada, are leading to a record high rate of stock building in Cushing, OK. As a result stock levels are near last years' record high.



**Demand** for gasoline and distillate increased last week, while jet fuel collapsed. Wholesale demand, measured over the last four weeks compared to a year ago: gasoline decreased -7.2%; distillate down -7.1%; jet fuel up +1.2% while residual fuel oil decreased -61%.

**Stocks forward coverage:** Gasoline demand coverage decreased last week due to a rise in weekly demand and a -1.4 million barrel stock draw. Coverage remains extremely high.

Distillate coverage decreased on a -4.8 million barrel stock draw, and higher weekly demand. Coverage levels were near the historic mid range.

Jet fuel coverage levels increased on a -0.3 million bpd drop in demand and +0.2 million barrel rise in stocks. Coverage levels are comparable to the last 3-years.

**Refinery utilization** rates decreased on a -126,000 bpd decrease in crude oil runs. During the latest 4-wk period crude oil input was +0.8 million bpd above a year ago.

Gasoline yield % on crude oil runs jumped on a +232,000 bpd increase in output compared to the -126,000 bpd

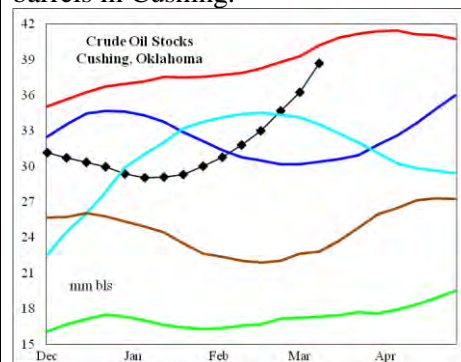
decline in crude oil runs. Yield % on crude oil runs was below each of the last 3-years.

Distillate yield % on crude oil runs was nearly unchanged on a -74,000 bpd decrease in production, compared to the decline in crude oil runs. The yield % was well below last year.

Jet fuel yield % on crude oil runs increased last week on a -7,000 bpd decrease in output compared to the lower crude oil runs. Yield % levels were below the 5-year range.

**Petroleum Imports** of all transport fuels decreased last week, while crude oil was nearly unchanged.

During the latest 4-wk period crude oil imports were +0.7 million bpd above last year; distillate imports decreased -26,000 bpd; finished gasoline imports decreased -37,000 bpd, gasoline blend stock imports declined -81,000 bpd; jet fuel imports were +3,000 bpd higher, while residual fuel oil imports declined -117,000 bpd. **Crude Oil** stocks increased +1.8 million barrels on the week, including builds of more than +2.5 million barrels in Cushing.



The latest 4-wk build rate in Cushing was a record high for this time of year.

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



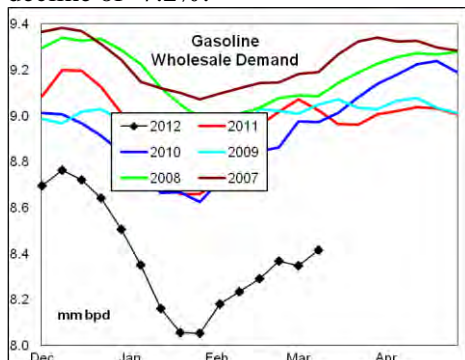
## WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

### A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Wednesday, March 14, 2012

#### Product Supply-Demand Trends

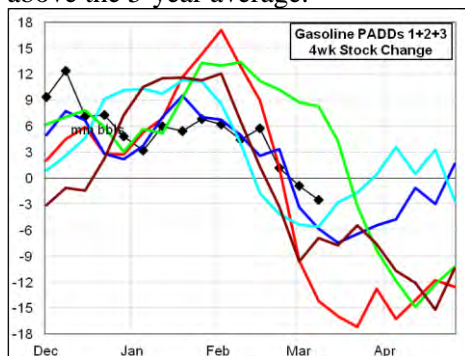
**Gasoline** demand increased +153,000 bpd last week, reversing the recent pull back. The latest 4-wk average demand was -654,000 bpd below a year ago, a decline of -7.2%.



Combined production and imports increased +188,000 bpd last week. Even with last weeks' increase in supply, the level remains near 5-year lows for this time of year.

Stocks decreased -1.4 million barrels on the week, to a level slightly above the last 2-years. The latest 4-wk stock draw of -2.5 million barrels was less than four of the last 5-years.

The key PADD 1 region saw a stock build of +0.6 million barrels. Stock levels in the Central Atlantic Region of PADD 1 ended the week above the 5-year average.



Demand remains exceptionally weak, so that even though production is below last year and exports are at record highs, stocks are drawing down at a below average rate.

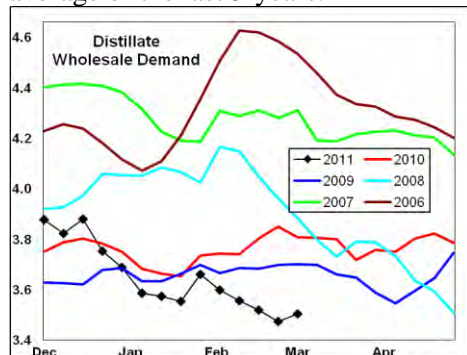
Stock levels in the Gulf Region and the Lower Atlantic Region of PADD 1 are each at 5-year highs. Supplies from these regions are used to feed the Central Atlantic Region of PADD 1, indicating that in transit supplies are

very ample to resupply this at risk market.

**Distillate** demand jumped +287,000 bpd last week, a level in line with the last 3-years. The latest 4-wk average year-on-year change in demand was a -273,000 bpd decline; driven by mild temperatures in heating oil markets.

Supplies declined -104,000 bpd on lower production and imports; with the latest 4-wk average supply +143,000 bpd above a year ago. Stocks fell -4.7 million barrels on the week.

The latest 4-wk stock change in markets East of the Rockies was a draw of -6.5 million barrels, which was a slightly smaller draw than the average of the last 5-years.



Production rates are witnessing an above average rate of seasonal decline, with the latest weekly rate slightly below a year ago. As a result of this decline in output stock levels are below each of the last 3-years.

Production levels remain above the historic range only in PADD 2, with other regions comparable to or less than a year ago. Production is particularly low on the West due to unplanned refinery maintenance.

The distillate supply balance should tighten for the next several weeks during spring refinery maintenance season.

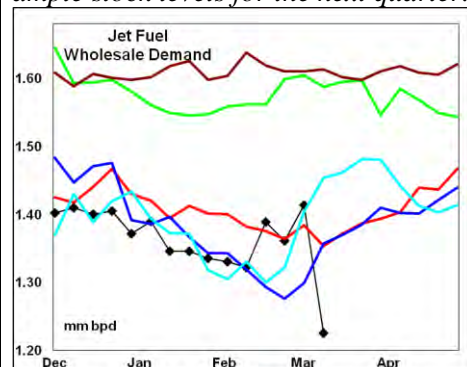
**Jet Fuel** demand plunged -315,000 bpd last week, falling to a level below the 5-year range. The latest 4-wk average demand was +16,000 bpd above a year ago.

Supply decreased -37,000 bpd on lower production and imports. Stocks increased +0.2 million barrels last

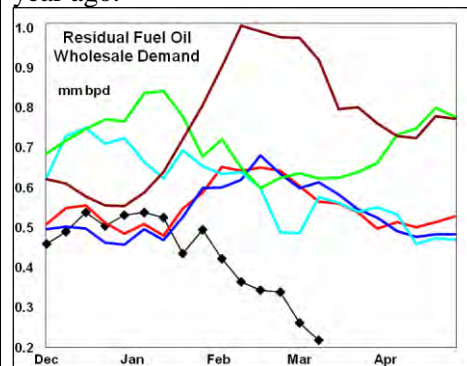
week, to a level above the mid range.

The collapse in demand points to an end to spring stock building in airline private storage, with the latest 4-wk average just +16,000 bpd above a year ago.

Look for demand to trend seasonally higher, in line with the last 2-years. Higher production as refiners return from maintenance should assure ample stock levels for the next quarter.



**Residual fuel oil** demand declined -75,000 bpd last week. The latest 4-wk average was -388,000 bpd below a year ago.



Supply (production + imports) increased +61,000 bpd last week, on higher imports. The latest 4-wk average supply was -105,000 bpd below last year. Stocks jumped +1.1 million barrels, although the level remains below the 5-year range.

Demand is exceptionally weak on unusually warm temperatures and substitution of low cost gas; down -61% from a year ago.

Stock levels reached record highs in the Gulf while the Midwest matched prior 5-year highs.





## WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

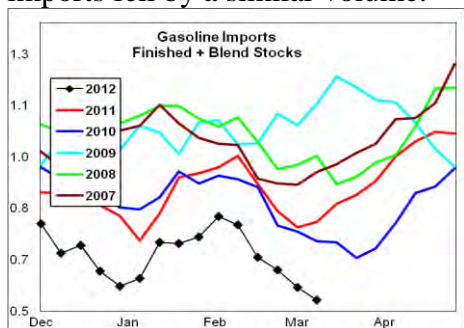
### A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Wednesday, March 14, 2012

#### PADD Supply Trends

**PADD 1** refinery crude oil runs increased +15,000 bpd on the week, with the latest 4-wk average -78,000 bpd below last year.

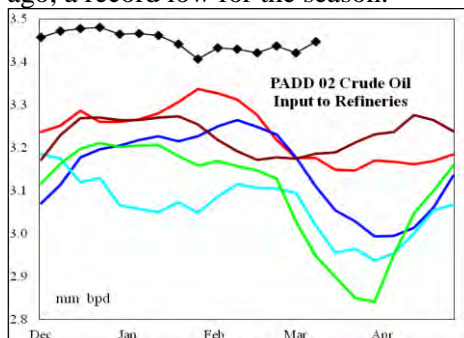
Gasoline production increased +86,000 bpd last week, while imports fell by a similar volume.



Stocks increased +0.6 million barrels on the week, to a level comparable with last year and above four of the last 5-years. Stock levels in the key Central Atlantic Region ended the week just above the 5-year mid range.

Distillate supply fell -76,000 bpd on the week, to a level below the 5-year range. Stocks fell -1.7 million barrels on the week, a level -17% below last year.

Jet fuel stocks increased +0.4 million barrels on the week, with the level below the historic mid range. Supply was -36,000 bpd below a year ago, a record low for the season.



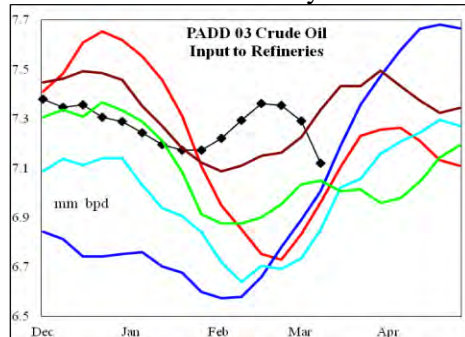
**PADD 2** crude oil refinery runs increased +76,000 bpd last week, with the 4-wk average +269,000 bpd above last years' highs. Crude imports decreased -0.2 million bpd, while stocks at Cushing ended the week near last years' 5-year highs.

Gasoline production averaged -58,000 bpd below last year and below each of the last 3-years. Stocks decreased -0.8 million barrels to a level +3.5% above last year.

Distillate production fell -65,000 bpd on the week, with output +71,000 bpd above last year for the latest 4-wk period. Stocks decreased -0.5 million barrels, although the level remains above four of the last 5-years.

Jet fuel production jumped +41,000 bpd on the week, with the latest 4-wk average +18,000 bpd above last year. Stocks ended the week at a level slightly above the 5-year range.

**PADD 3** refinery runs fell -286,000 bpd last week, a level slightly above the last 3-years. The latest 4-wk average thru put was +593,000 bpd above last year on below average refinery maintenance. Crude oil imports increased +0.2 million bpd to a level comparable to the last 2-years. Stocks increased +3.3 million barrels, to a level that matched 5-year lows.



Gasoline production was nearly unchanged on the week, a level -6% below a year ago. Stocks declined -0.8 million barrels last week, to a level above the 5-year range.

Distillate production fell -94,000 bpd on the week, with the latest 4-wk average +182,000 bpd above the previous 5-year high. Stocks fell -1.9 million barrels to a level below each of the last 3-years.

Jet fuel supply decreased -20,000 bpd last week, to a level above the last 3-years. Stocks increased +0.2 million barrels to a level comparable to the last 3-years.

Residual fuel oil supplies

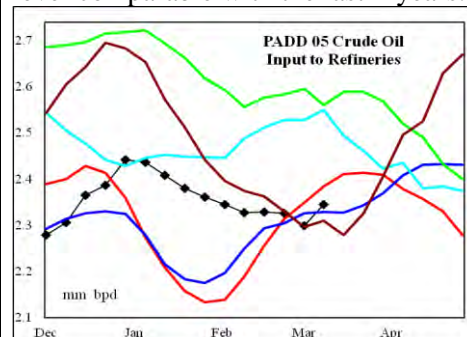
decreased -37,000 bpd on the week. Stocks increased +1 million barrels to a fresh 5-year high.

**PADD 4** refinery crude runs decreased -5,000 bpd on the week, with the level +25,000 bpd above last year and a 5-year high. The most recent 4-wk average run rate was +4.5% above a year ago.

Gasoline production increased +2,000 bpd on the week, with the level near the historic mid range. Stocks decreased -0.3 million barrels, to a level near 5-year lows.

Distillate production surged +24,000 bpd, to a new record high level for the season. The latest 4-wk average output was +24,000 bpd above last year (+14%). Stock levels were +26% above last year and a record high for this time of year.

**PADD 5** crude oil refinery runs increased +74,000 bpd last week, to a level comparable with the last 2-years.



Gasoline production increased +56,000 bpd on the week to a level comparable to the last 2-years. Supply (production + imports) for the latest 4-wk average was +2,000 bpd above a year ago. Stocks were nearly unchanged on the week at a level well below the last 2-years.

Distillate supply increased +109,000 bpd on the week, a level still below the 5-year range. Imports of 40,000 bpd last week offset the low level of production due to unplanned refinery maintenance.

Jet fuel supply decreased -18,000 bpd to a level that matched 5-year lows. Stocks declined -0.2 million barrels, -17% below a year ago.

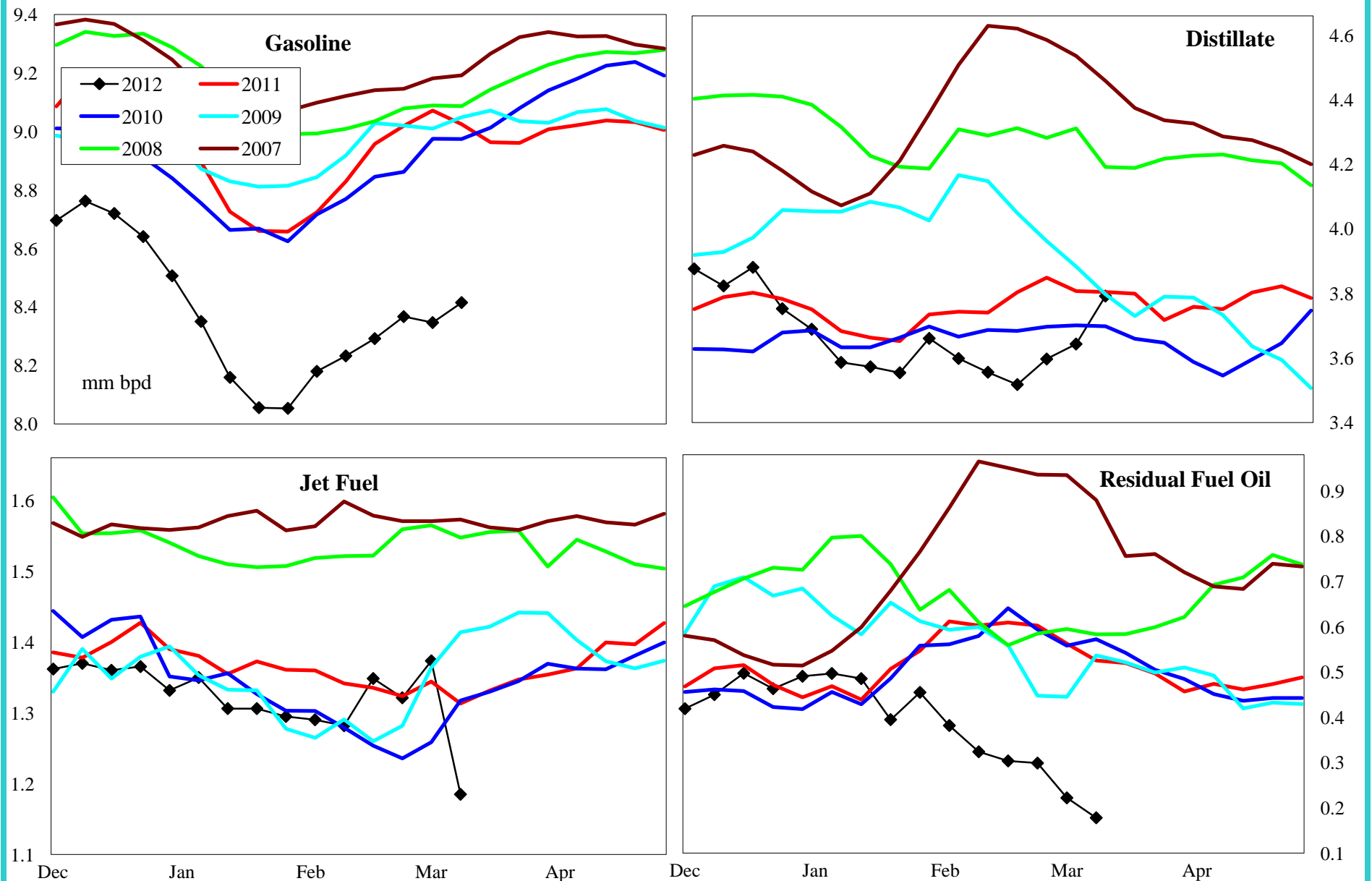


# PETROLEUM: Graph Link and Weekly Summary

A Fundamental Petroleum Trends Weekly Report March 14, 2012  
 Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com)

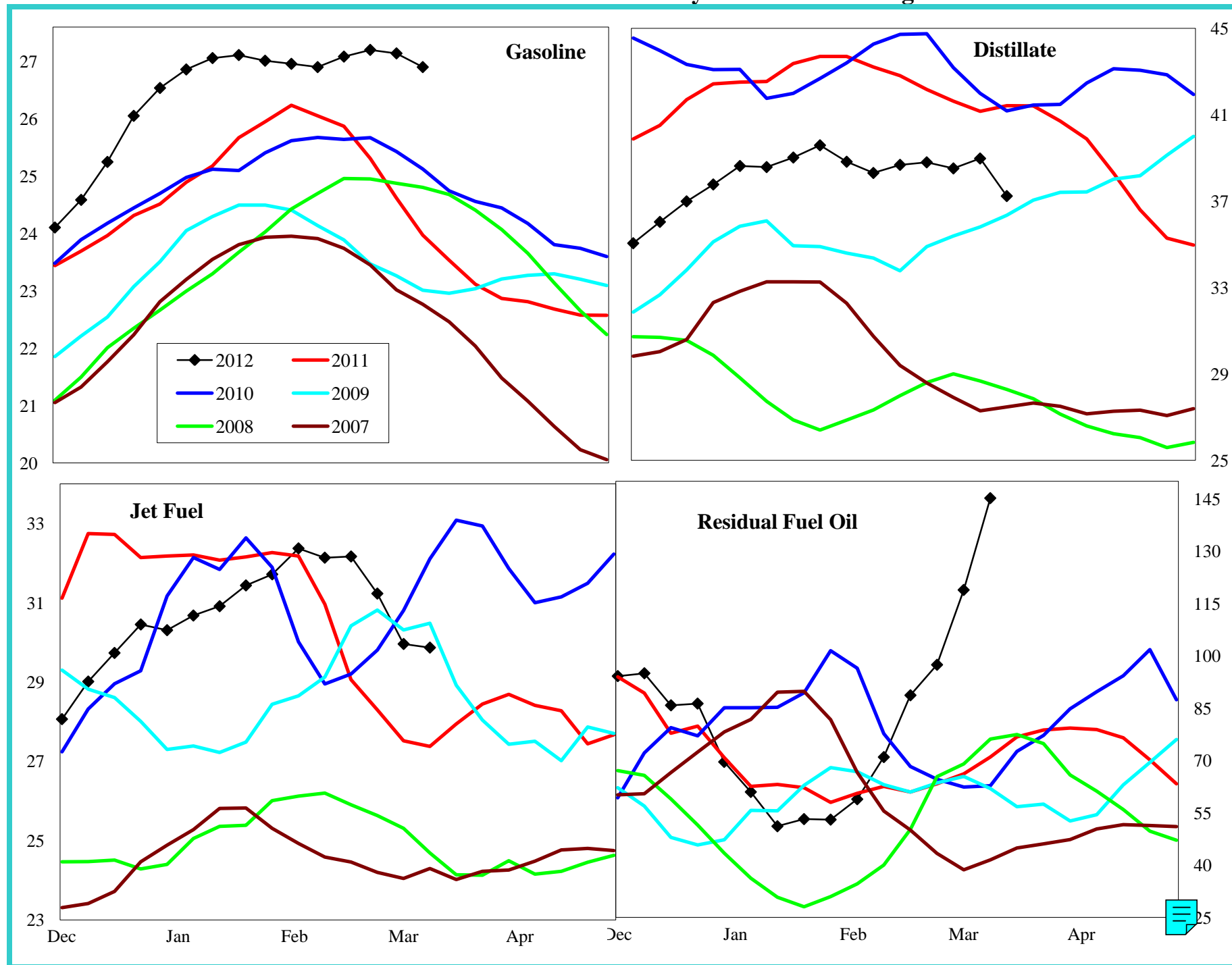
Fundamental Trends	<a href="#">Wholesale Demand</a>	<a href="#">Stocks Days Fwd Coverage</a>	<a href="#">Refinery Utilization Product Yield %</a>				<a href="#">Imports</a>
Supply/Demand Trends	9-Mar-12	EIA-DOE CHANGE FROM PRIOR WEEK					
	000 bpd stocks 000 bls	U. S. Total	PADD				
			1	2	3	4	5
<a href="#">Crude Oil</a>	Stocks	1,750	-933	676	3,327	-269	-1,050
	Imports	4	60	-168	187	-5	-68
	Input	-126	15	76	-286	-5	74
	% Utilization	-1.20					
<a href="#">Gasoline</a>	Stocks	-1,410	639	-813	-787	-336	-113
	Production	232	86	-11	-10	2	56
	Imports	-44	-86	13	30	0	0
	Supplied	153					
<a href="#">Distillate</a>	Stocks	-4,682	-1,713	-464	-1,921	-49	-536
	Production	-74	-12	-65	-94	24	72
	Imports	-30	-64	-3	0	-1	37
	Supplied	287					
<a href="#">Jet Fuel</a>	Stocks	184	422	-91	33	45	-224
	Production	-7	-7	41	-20	1	-22
	Imports	-30	-34	0	0	0	4
	Supplied	-315					
<a href="#">Residual Fuel Oil</a>	Stocks	1,059	229	37	962	-1	-169
	Production	-40	4	3	-34	-1	-12
	Imports	101	105	-1	-3	0	0
	Supplied	-75					

# United States Wholesale Petroleum Demand

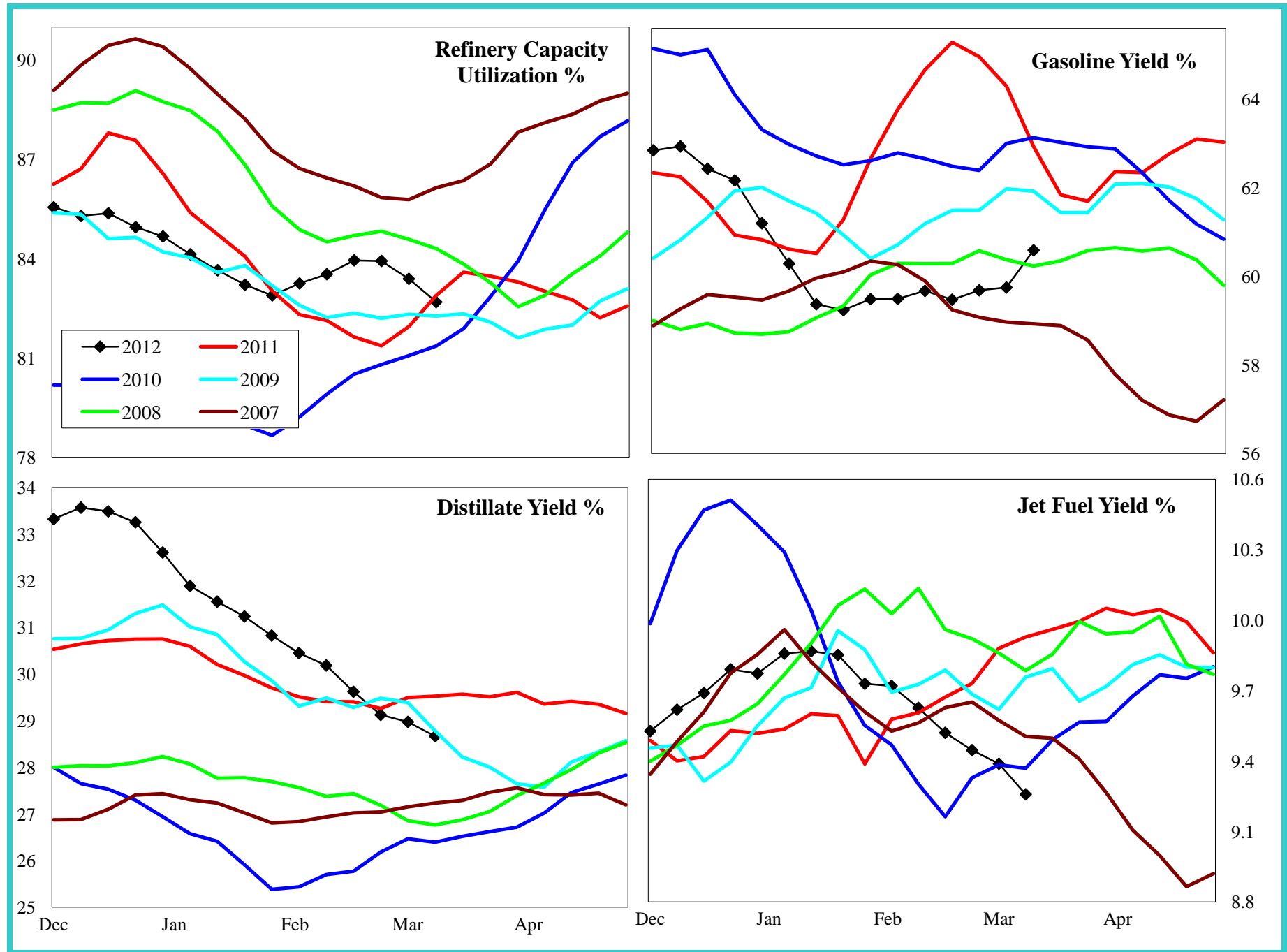


	000 bpd change from prior year				% change from prior year			
	4wk avg	Feb	Jan	Jan	4wk avg	Feb	Jan	Dec
<b>Gasoline</b>	-654	-293	-374	-155	-7.2	-3.4	-4.4	-1.7
<b>Distillate</b>	-273	-283	-295	-255	-7.1	-7.3	-7.4	-6.1
<b>Jet Fuel</b>	16	52	-24	22	1.2	3.9	-1.8	1.6
<b>Resid</b>	-388	-258	-176	8	-60.6	-41.1	-28.3	1.5

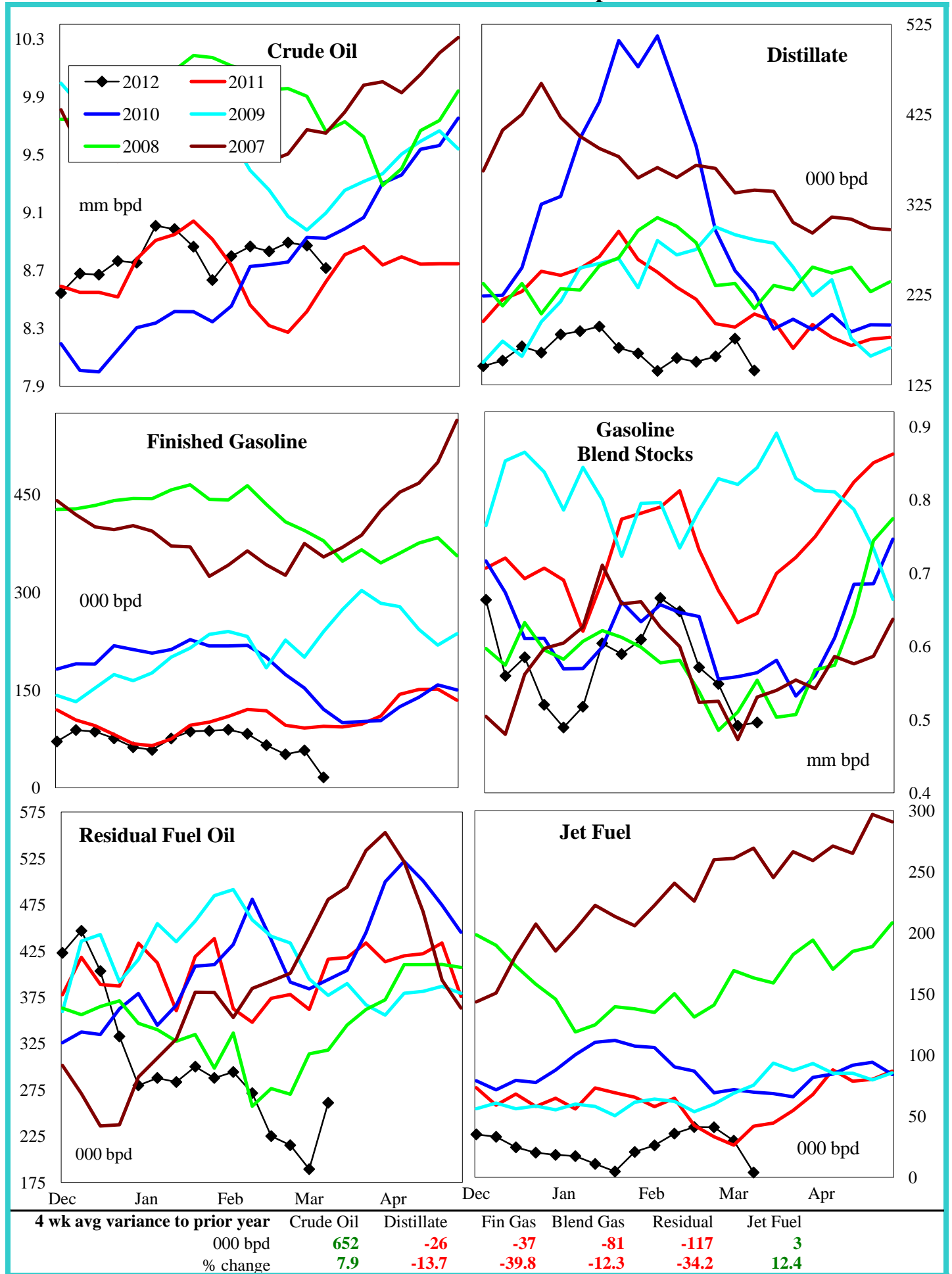


**United States Product Stocks: Days Forward Coverage**

## United States Refinery Percent Utilization Rate and Product Yields

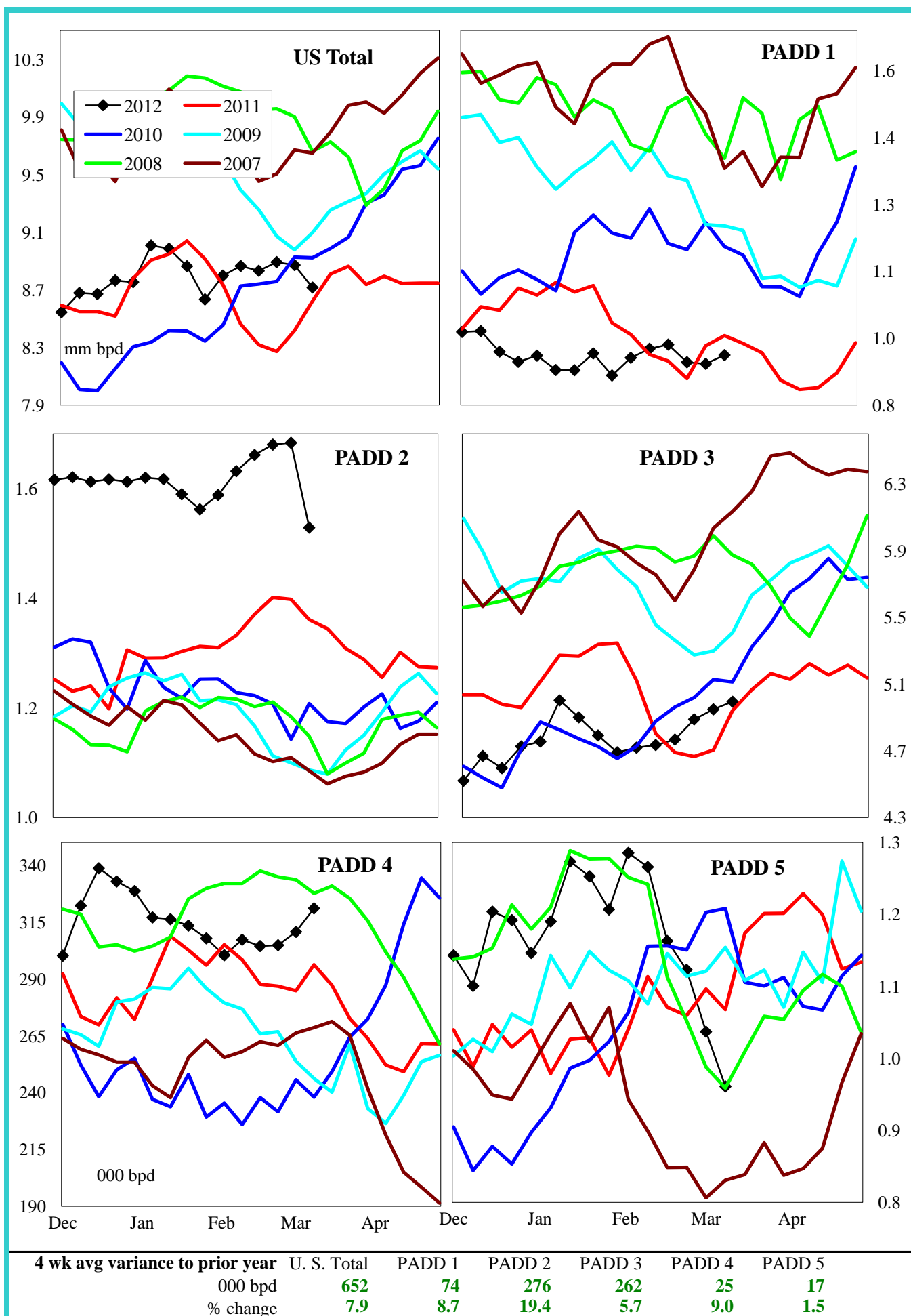


# United States Petroleum Imports

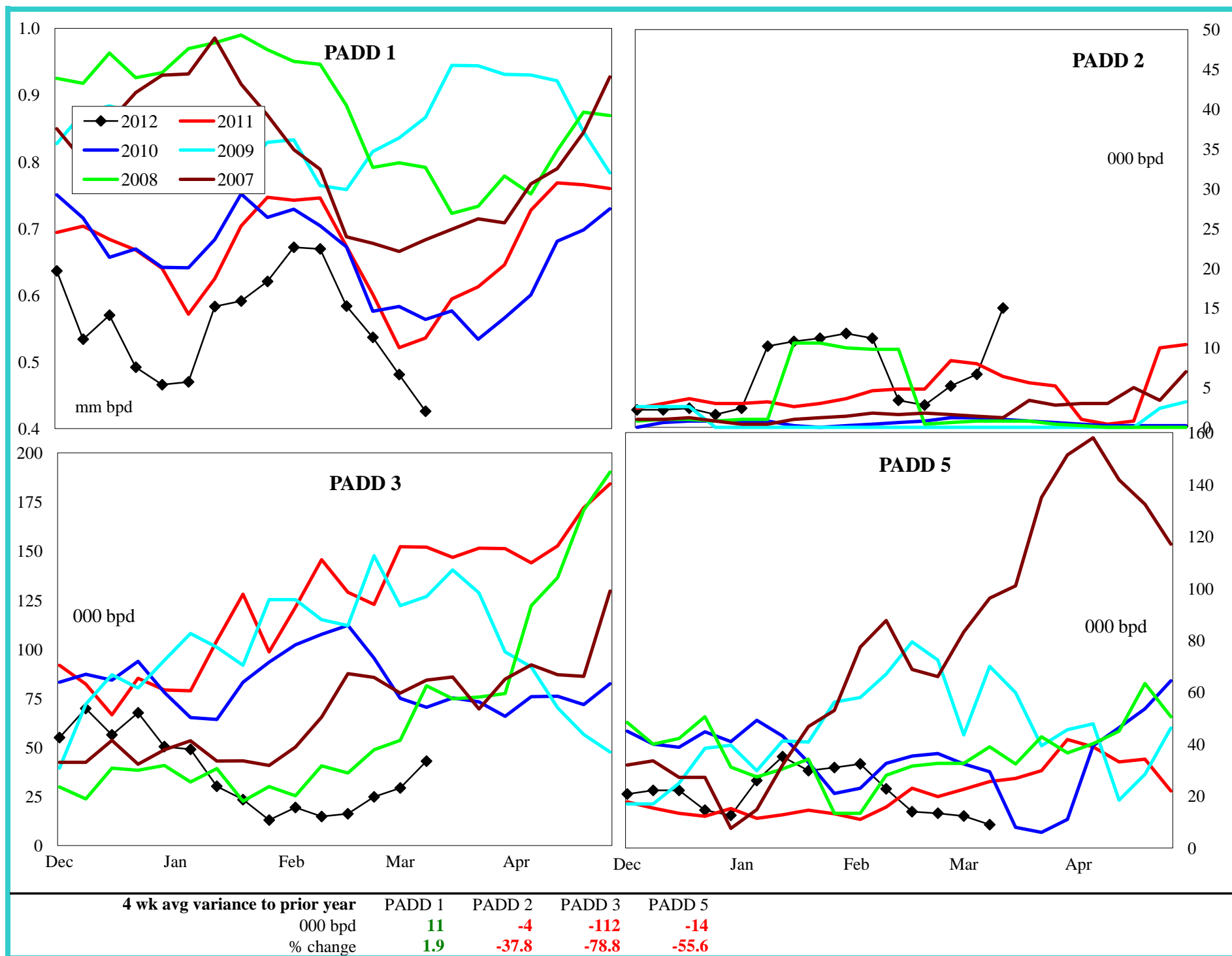




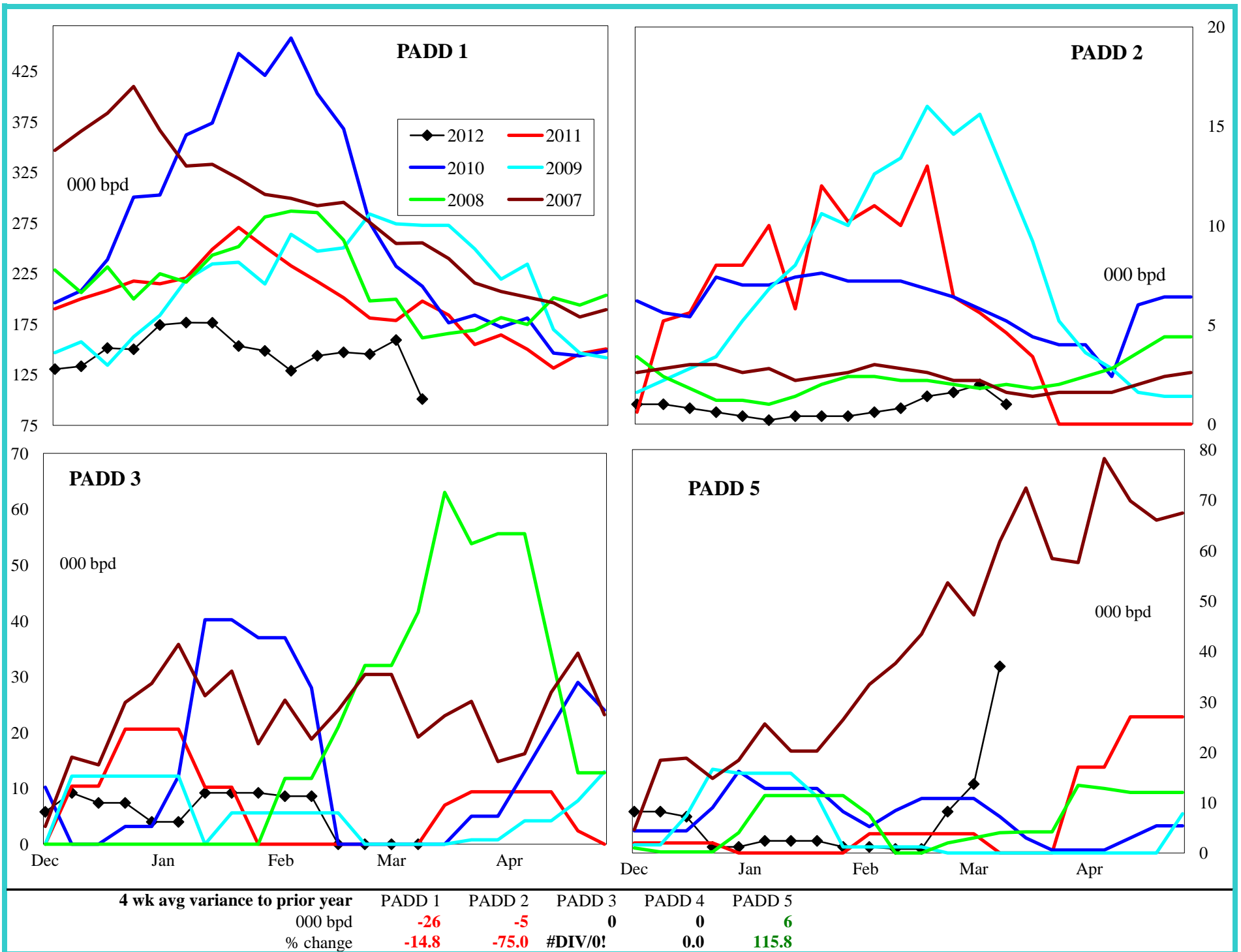
## Crude Oil Imports by PADD



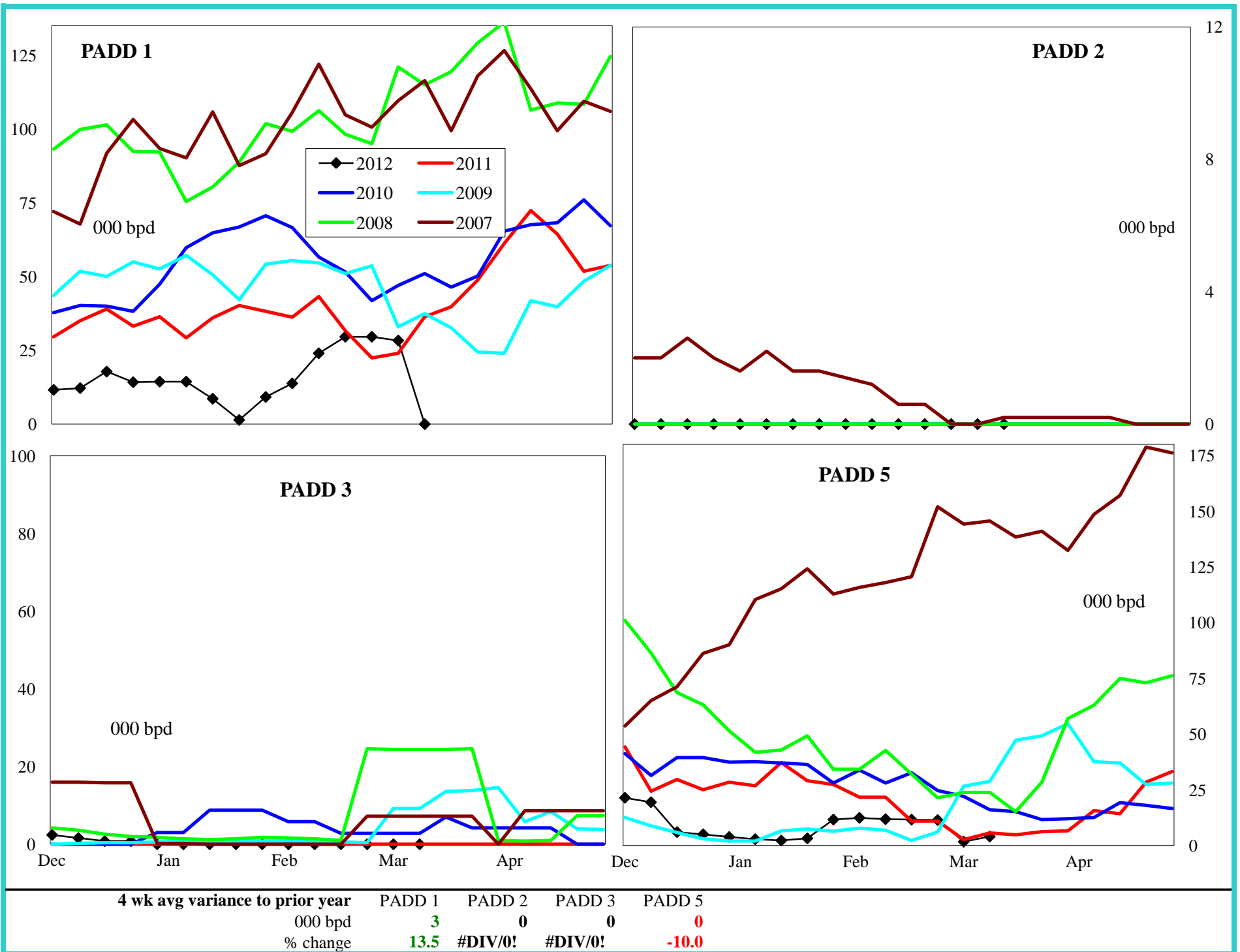
# Gasoline Imports by PADD (Finished + Blend Stocks)



# Distillate Imports by PADD

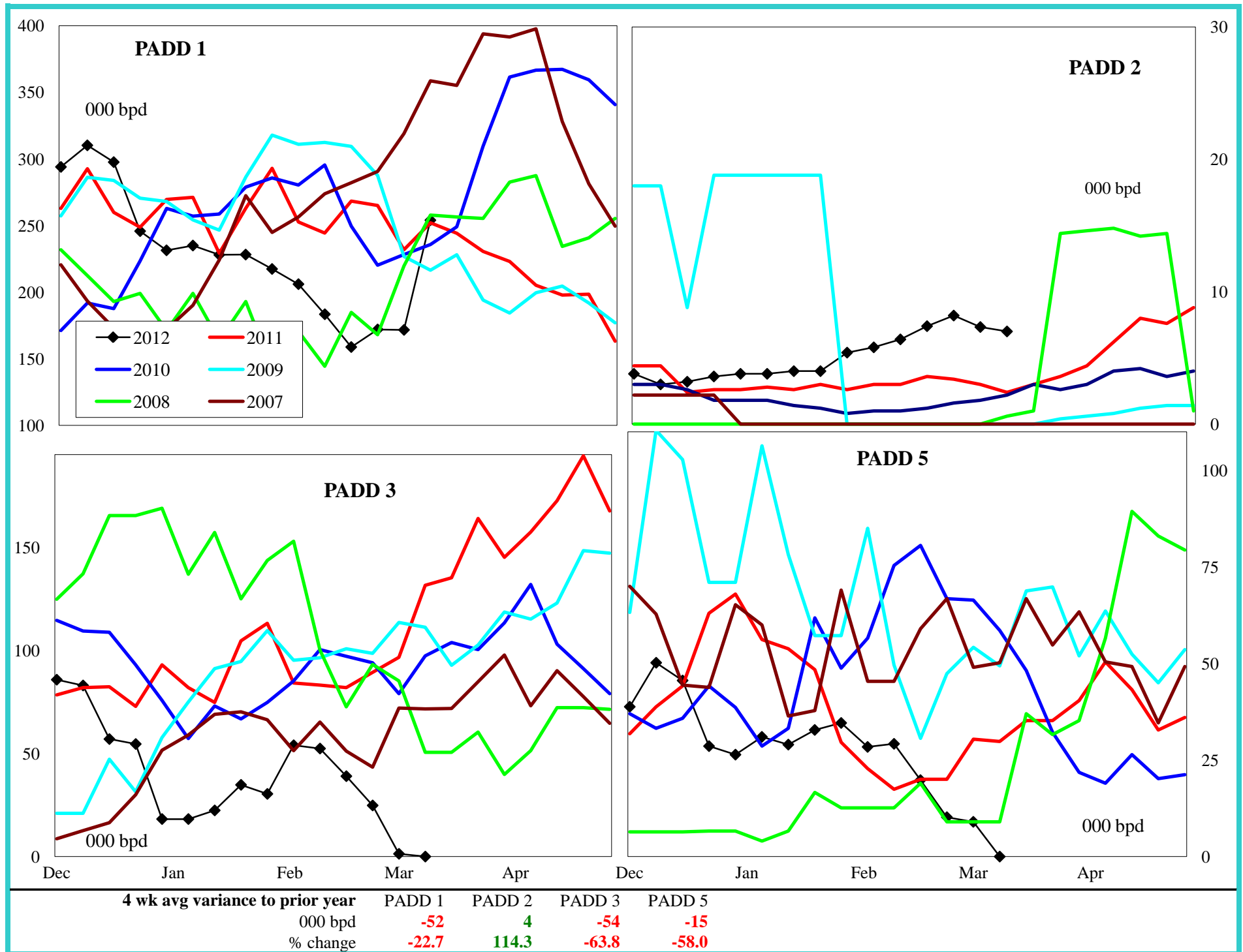


# Jet Fuel Imports by PADD

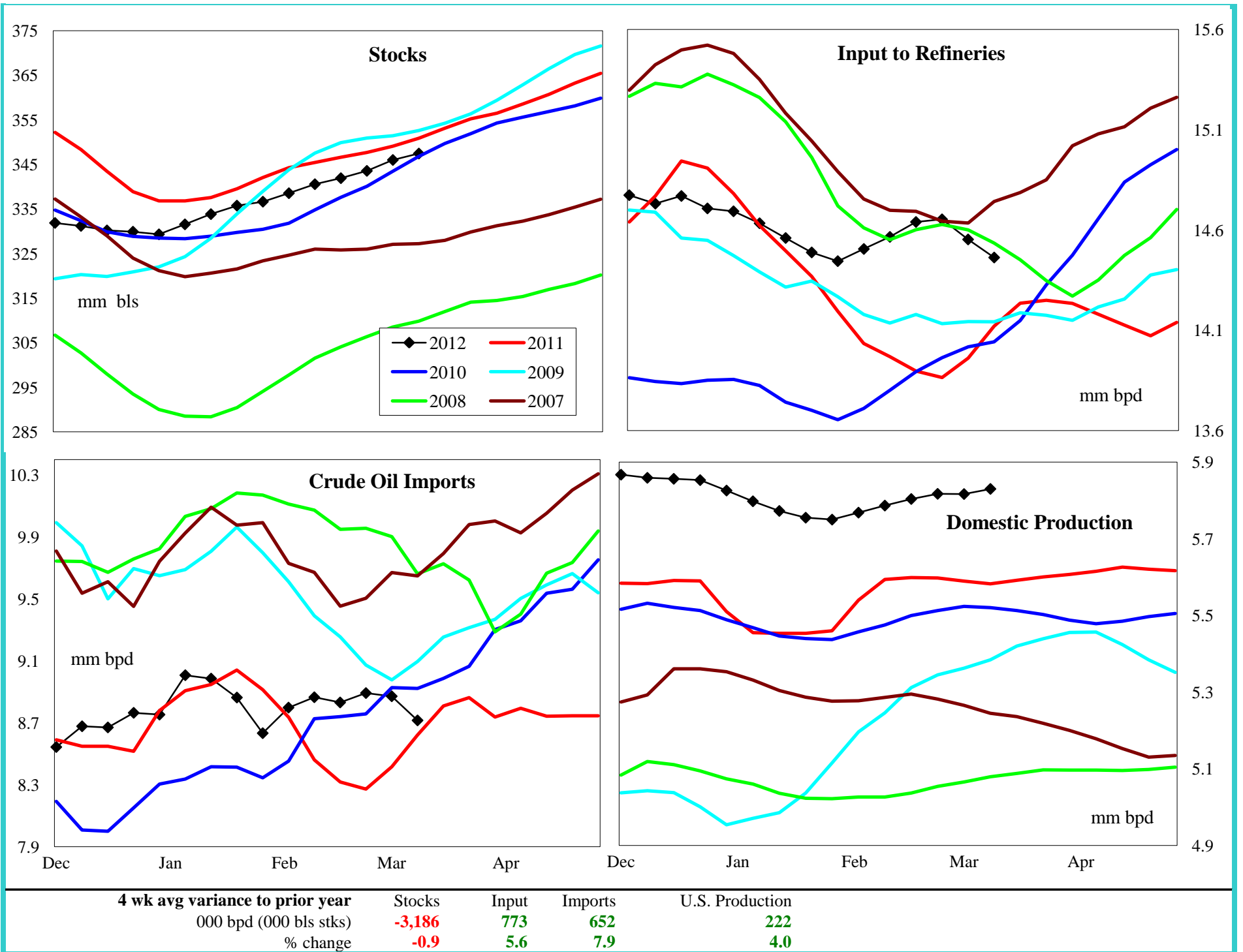




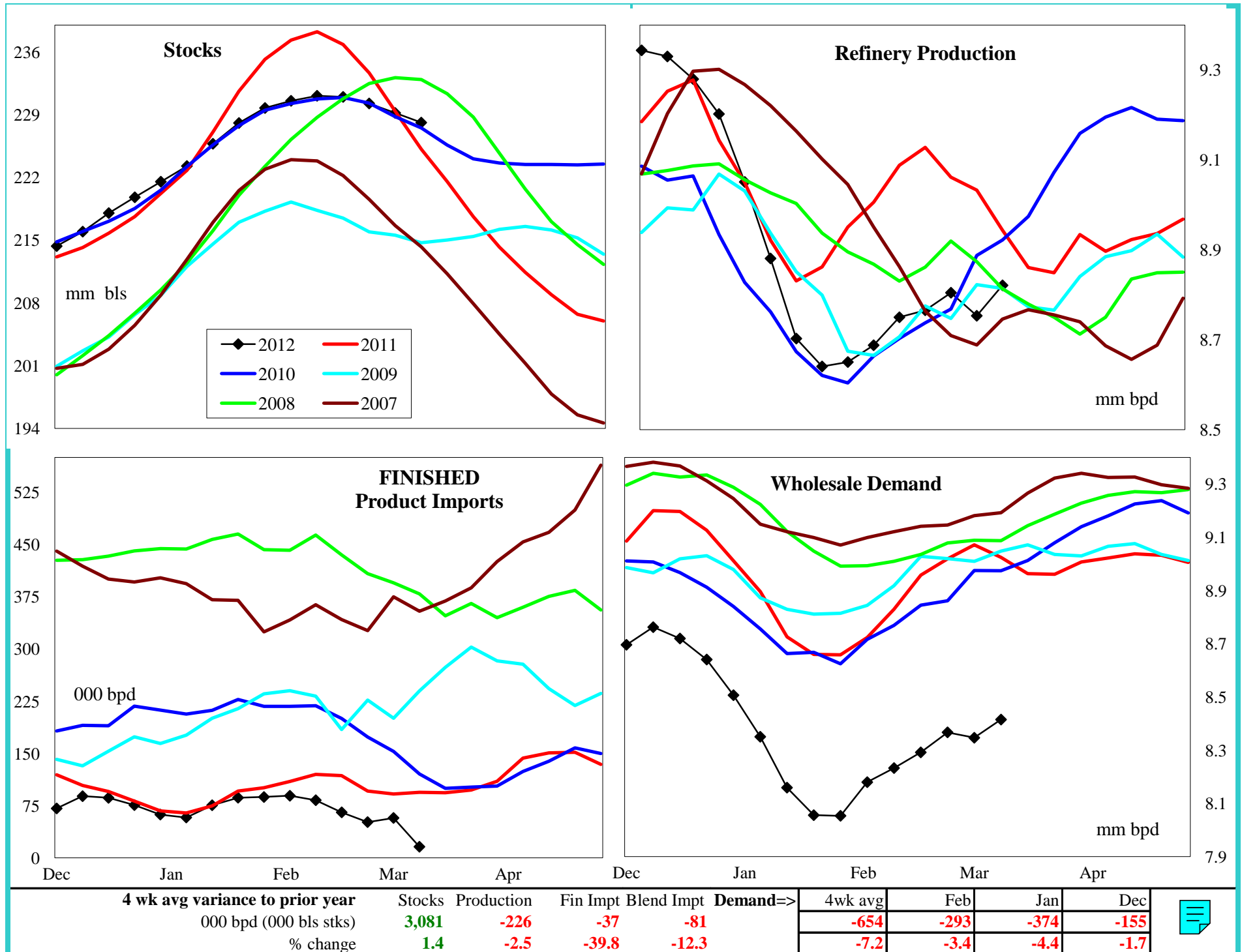
## Residual Fuel Oil Imports by PADD



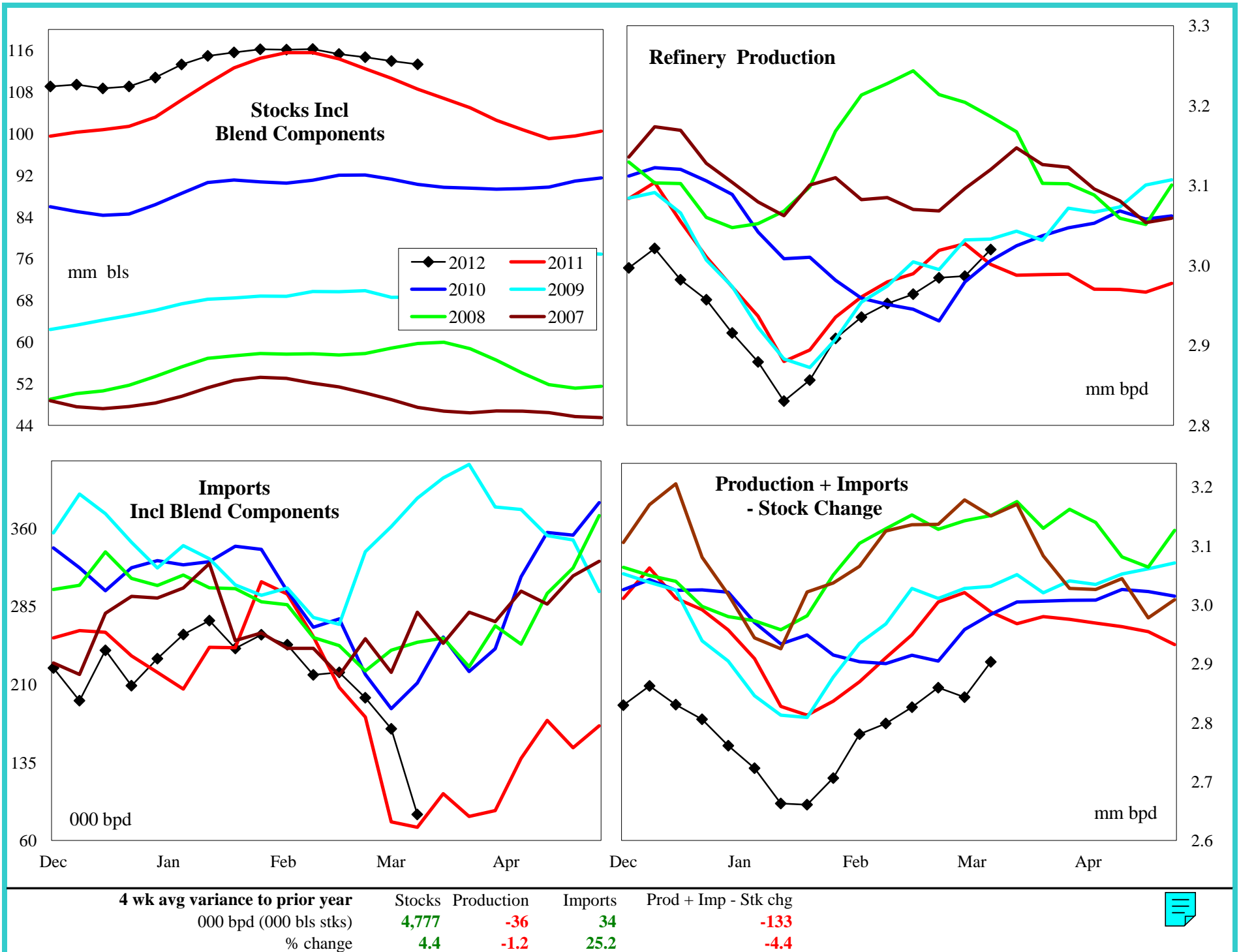
# United States Crude Oil Supply and Demand Balance



# United States Gasoline Supply and Demand Balance

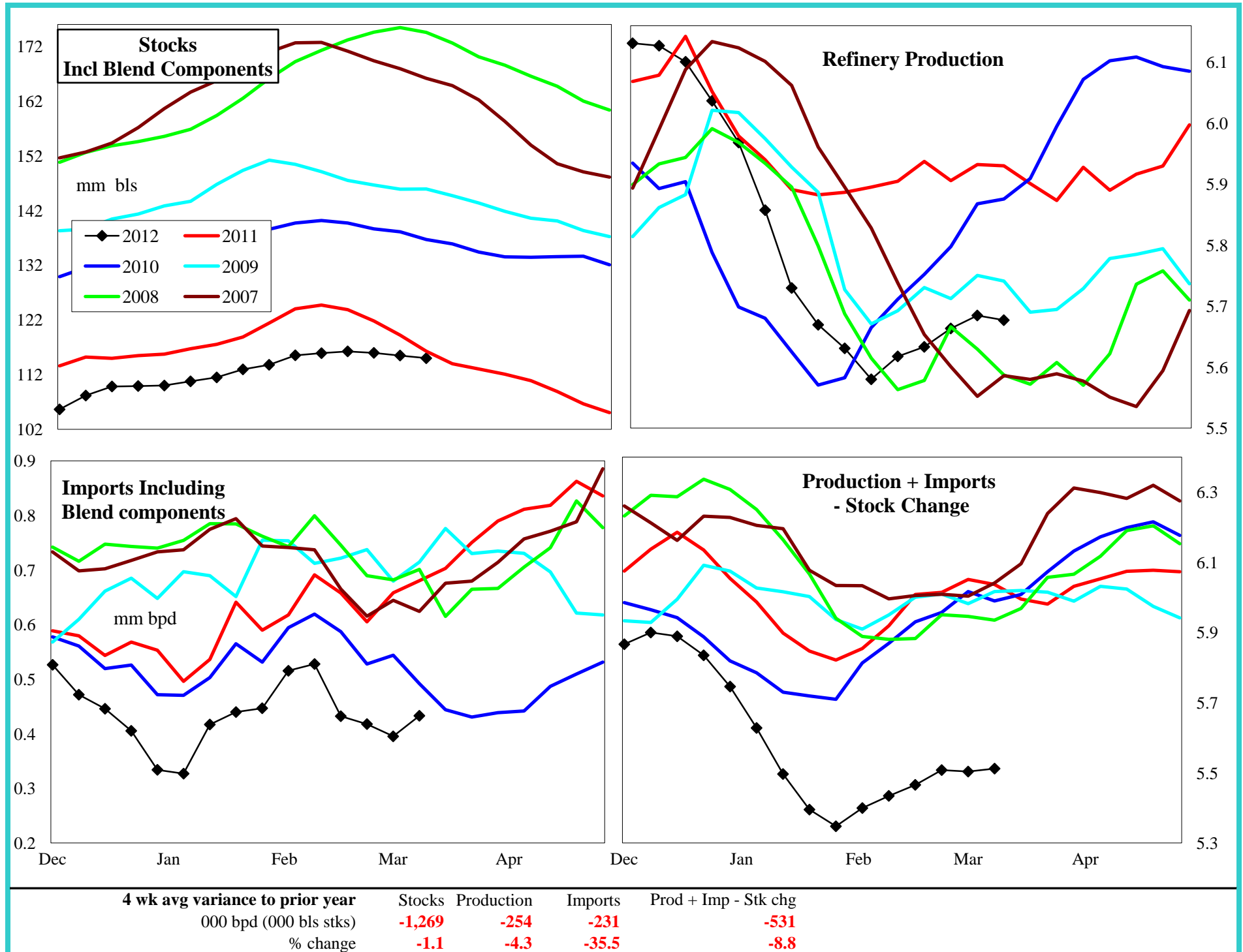


# United States Reformulated Gasoline Supply





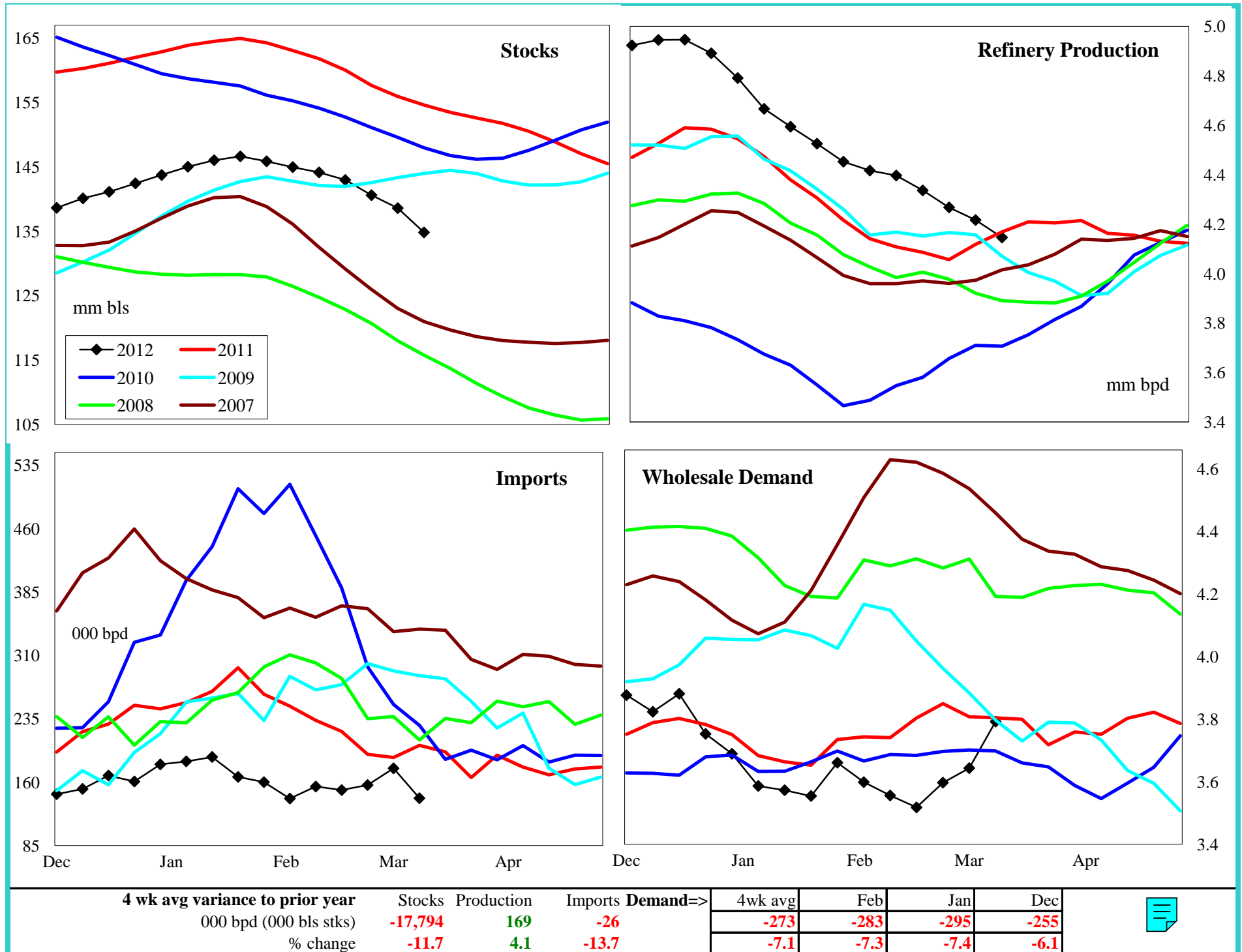
# United States Conventional Gasoline Supply



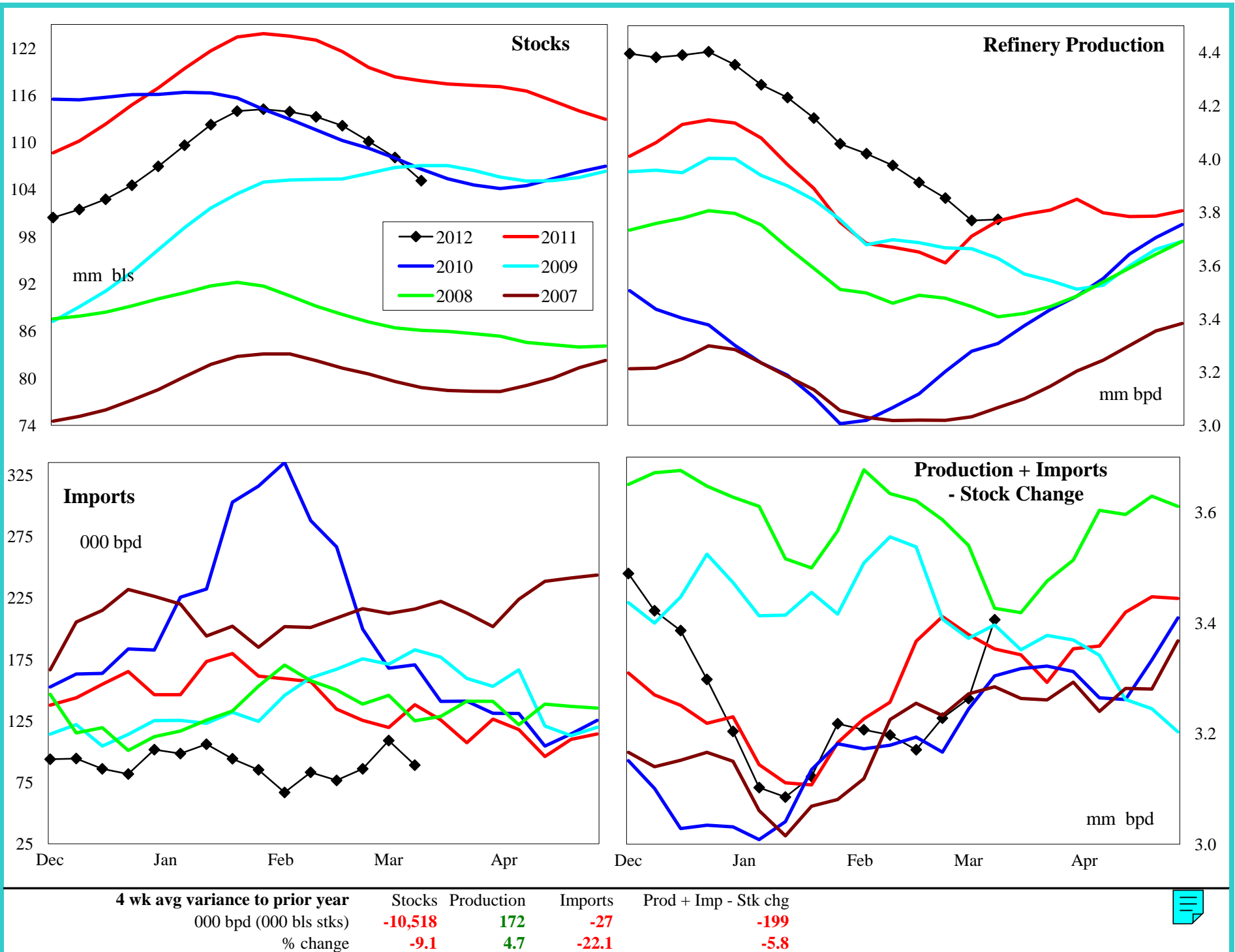
# United States Gasoline Imports by Type



# United States Distillate Supply and Demand Balance

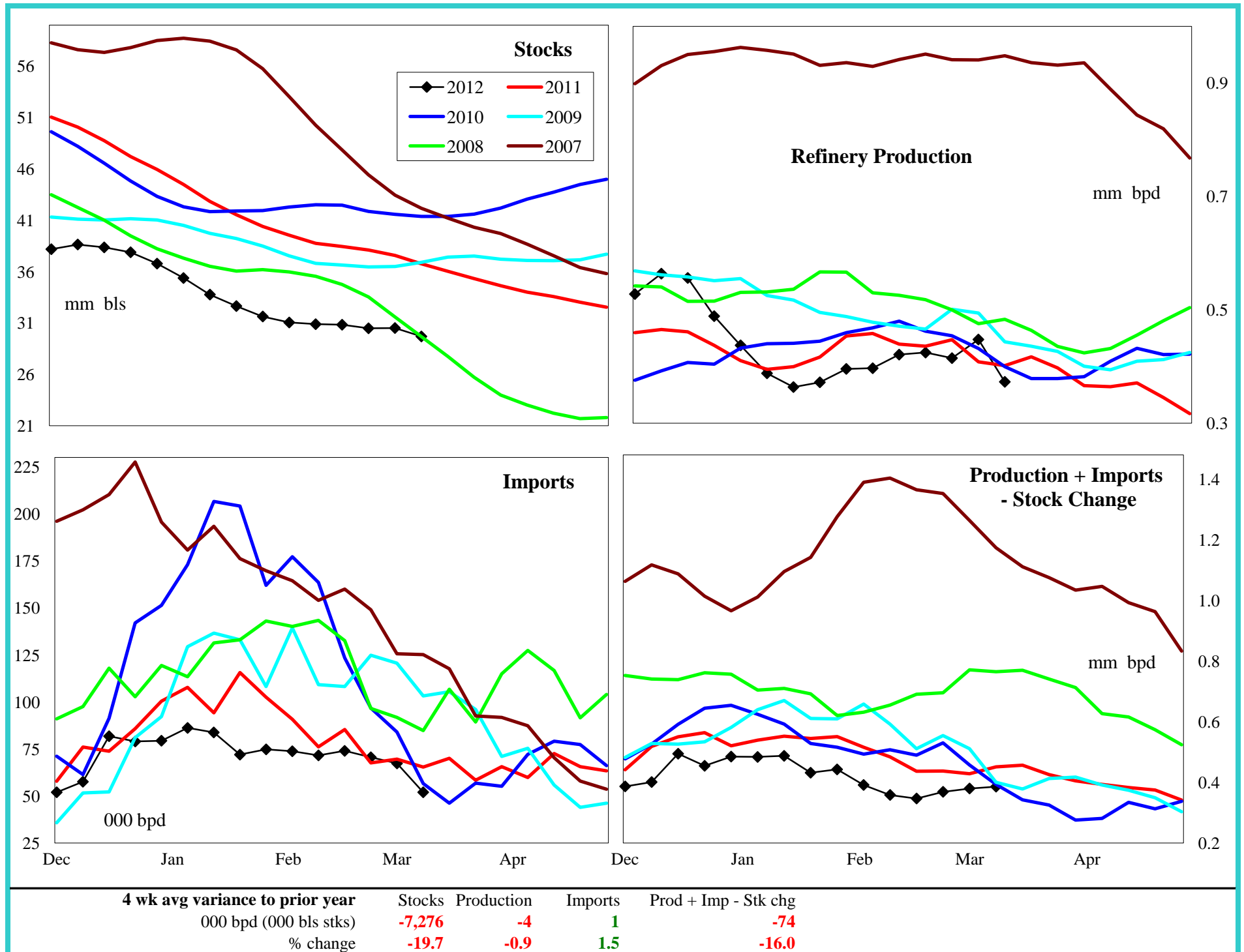


# United States Low Sulfur Distillate Supply

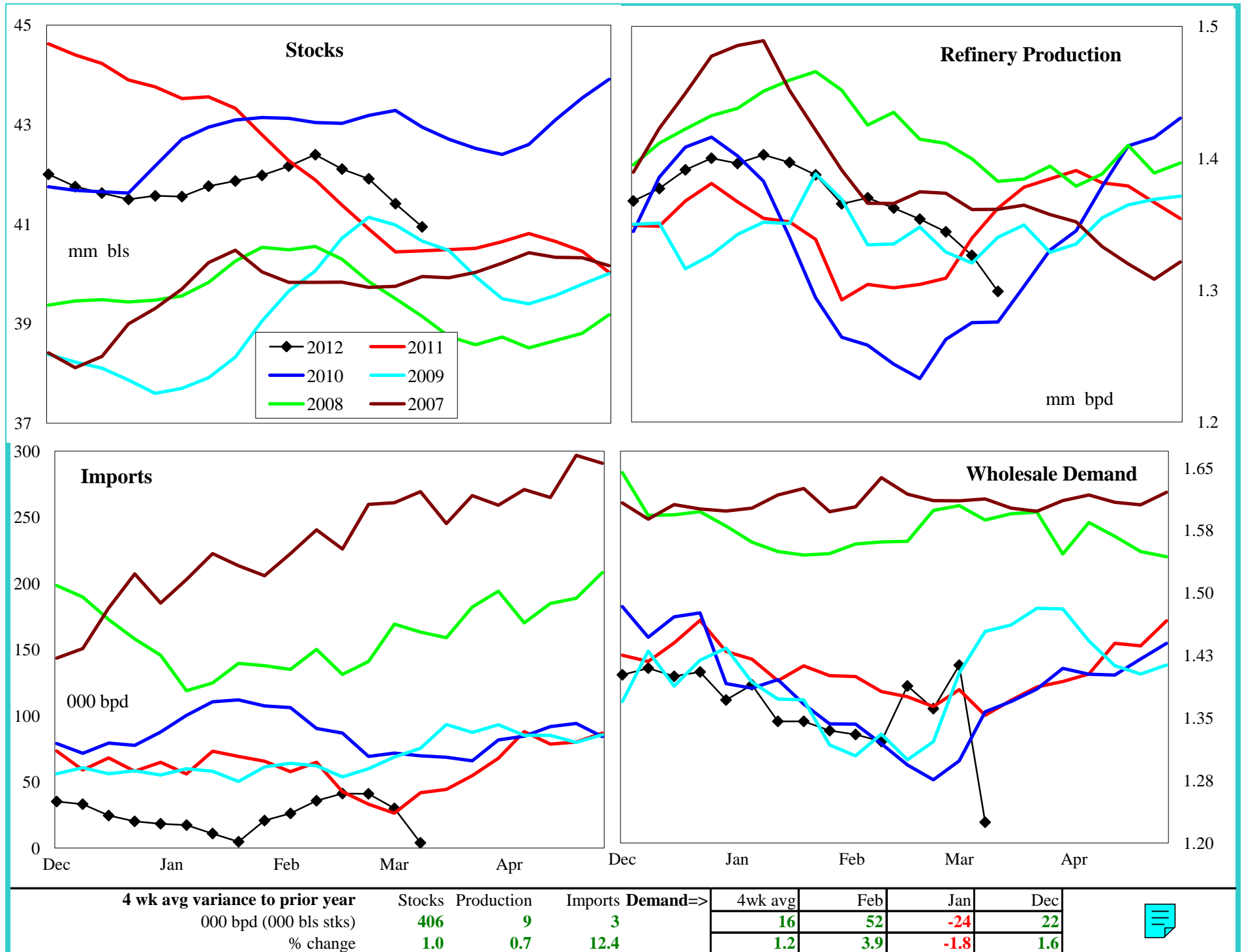




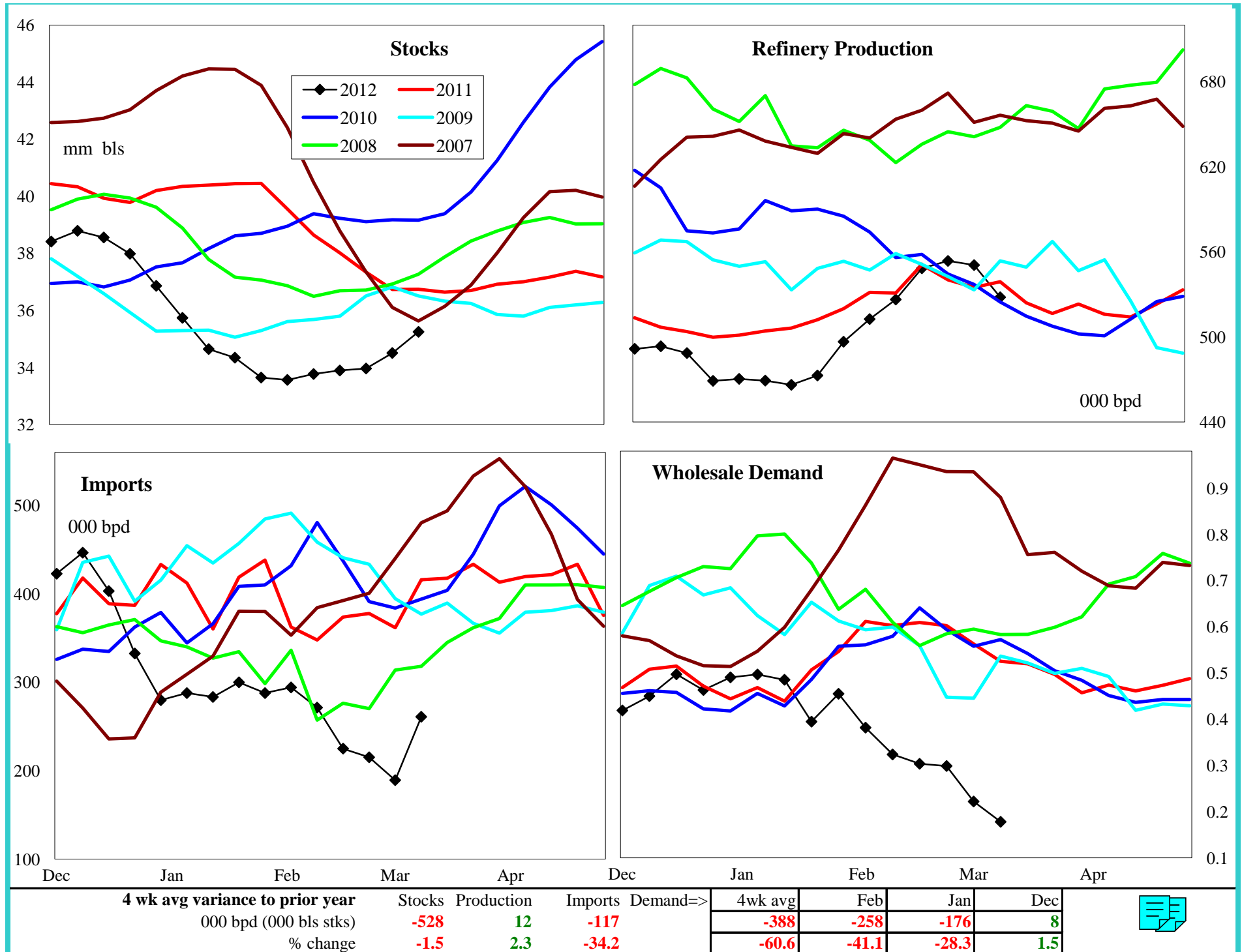
# United States High Sulfur Distillate Supply



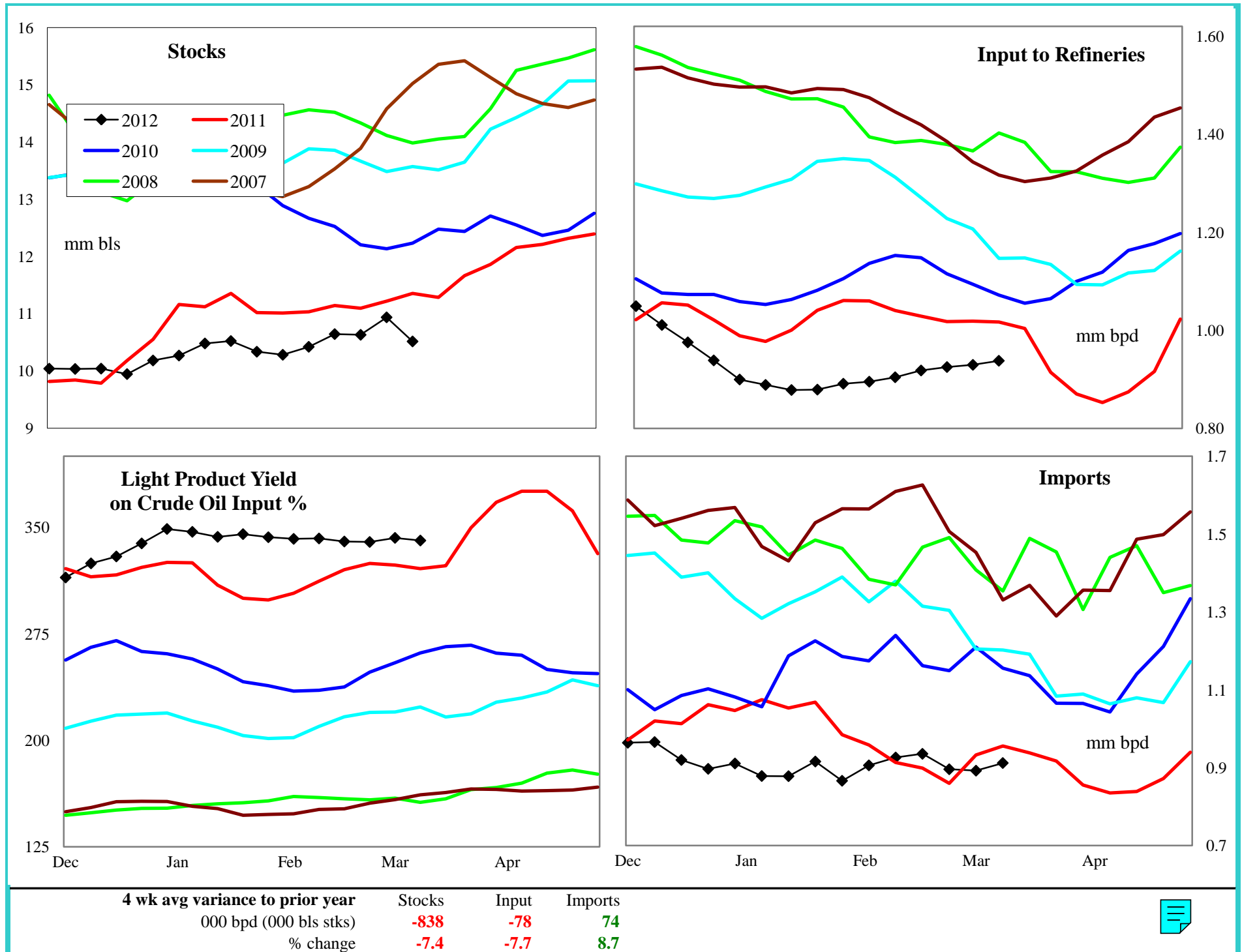
# United States Jet Fuel Supply and Demand Balance



# United States Residual Fuel Oil Supply and Demand Balance

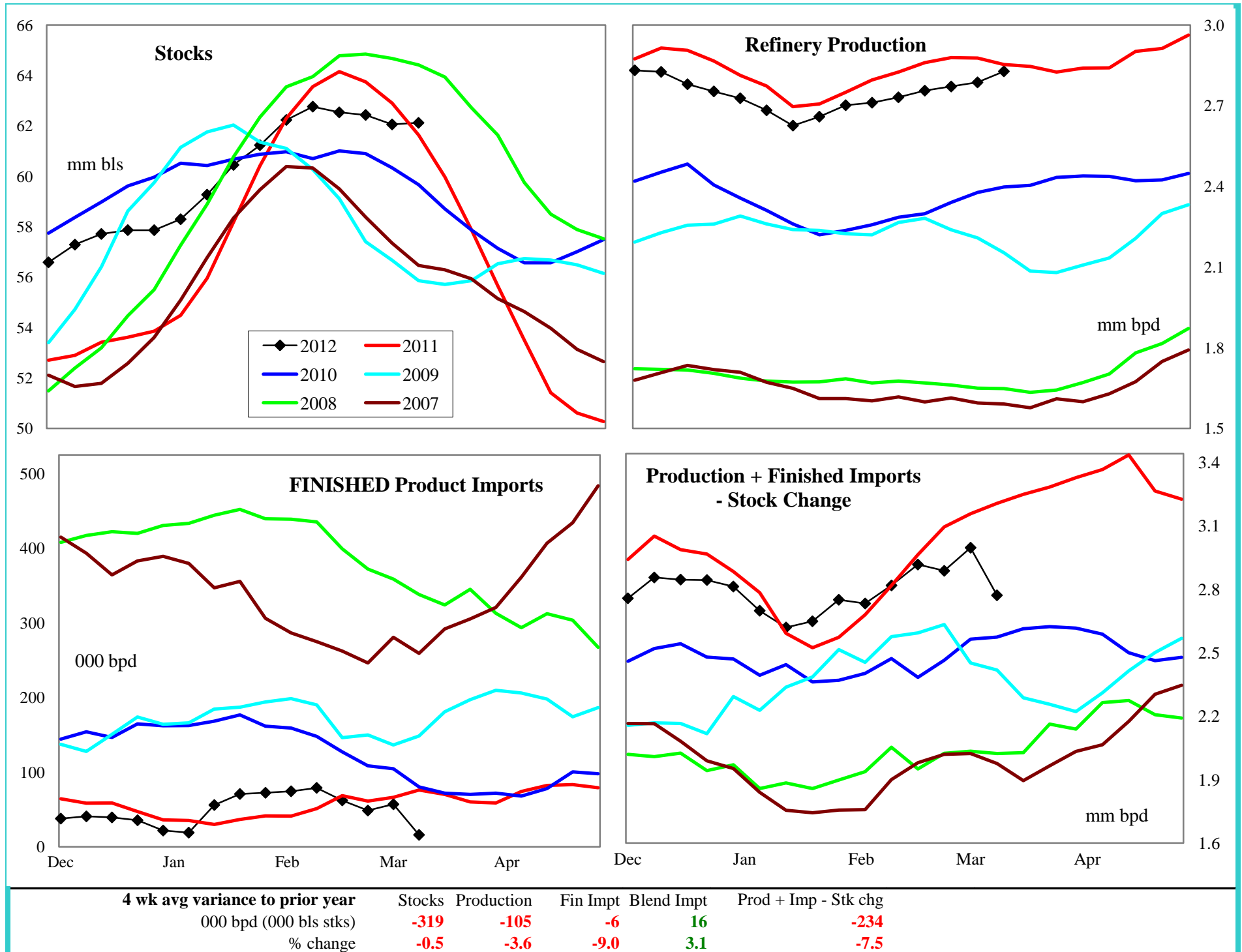


# PADD 1 Crude Oil Supply and Refining

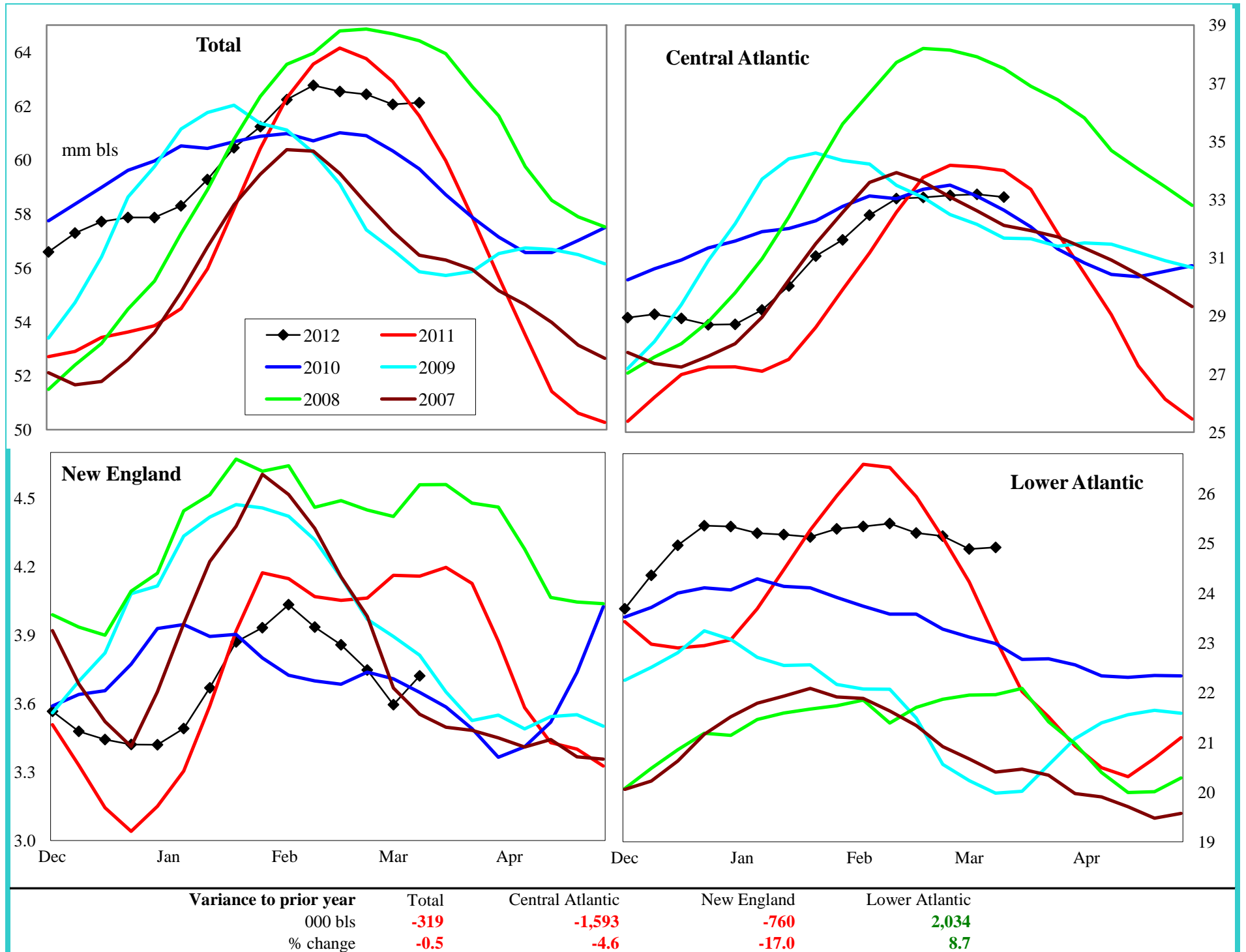




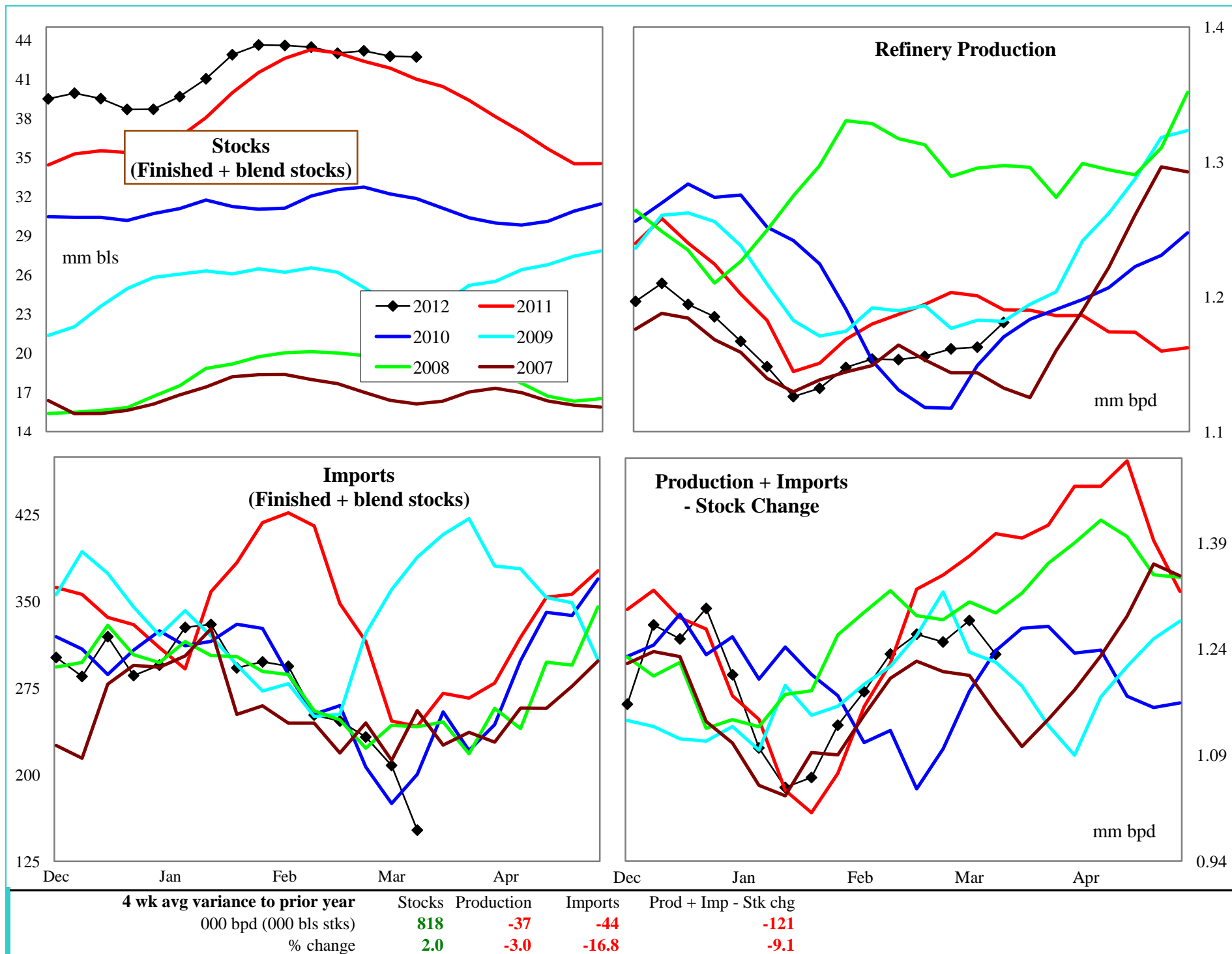
# PADD 1 Gasoline Supply



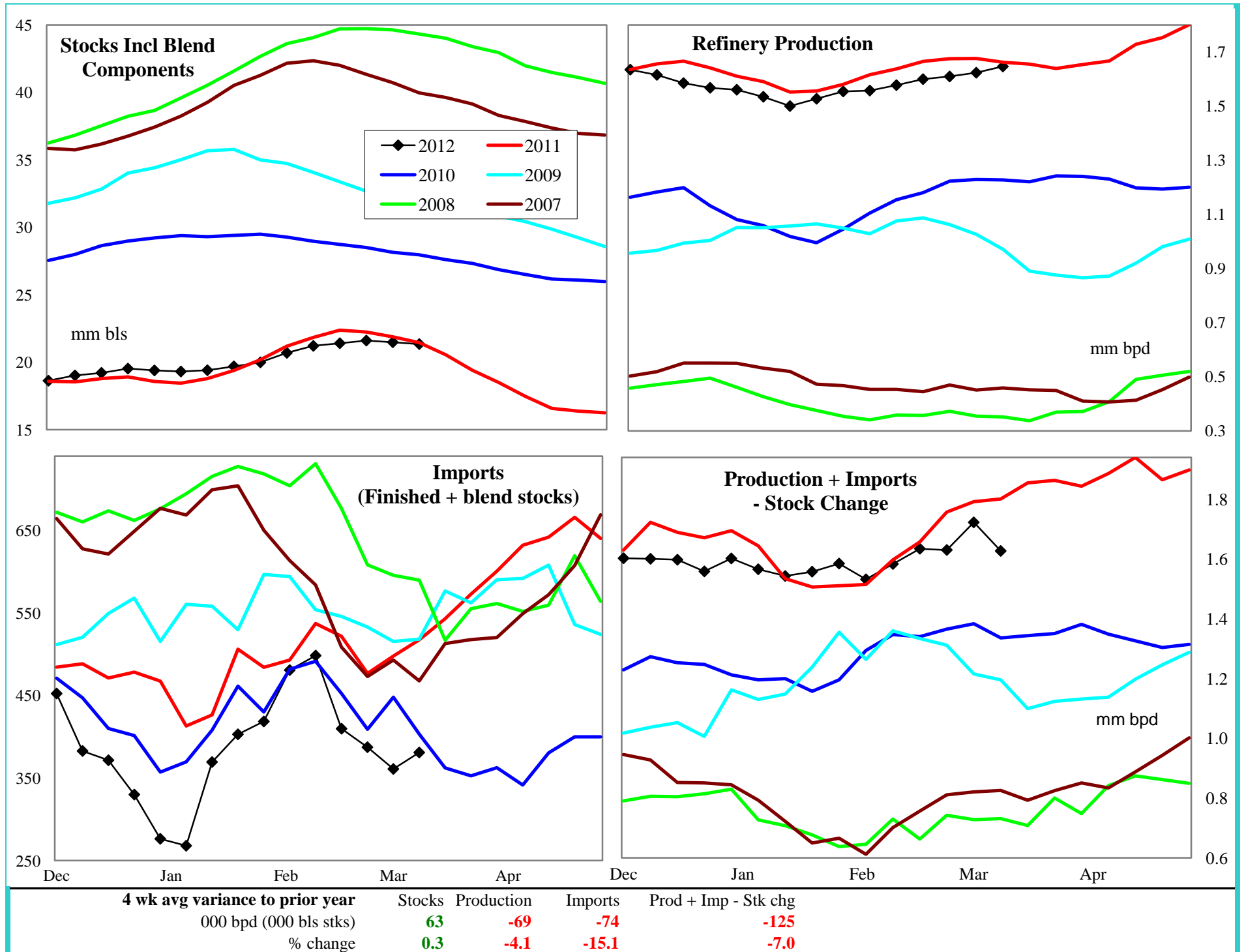
# PADD 1 Gasoline Stocks by Region



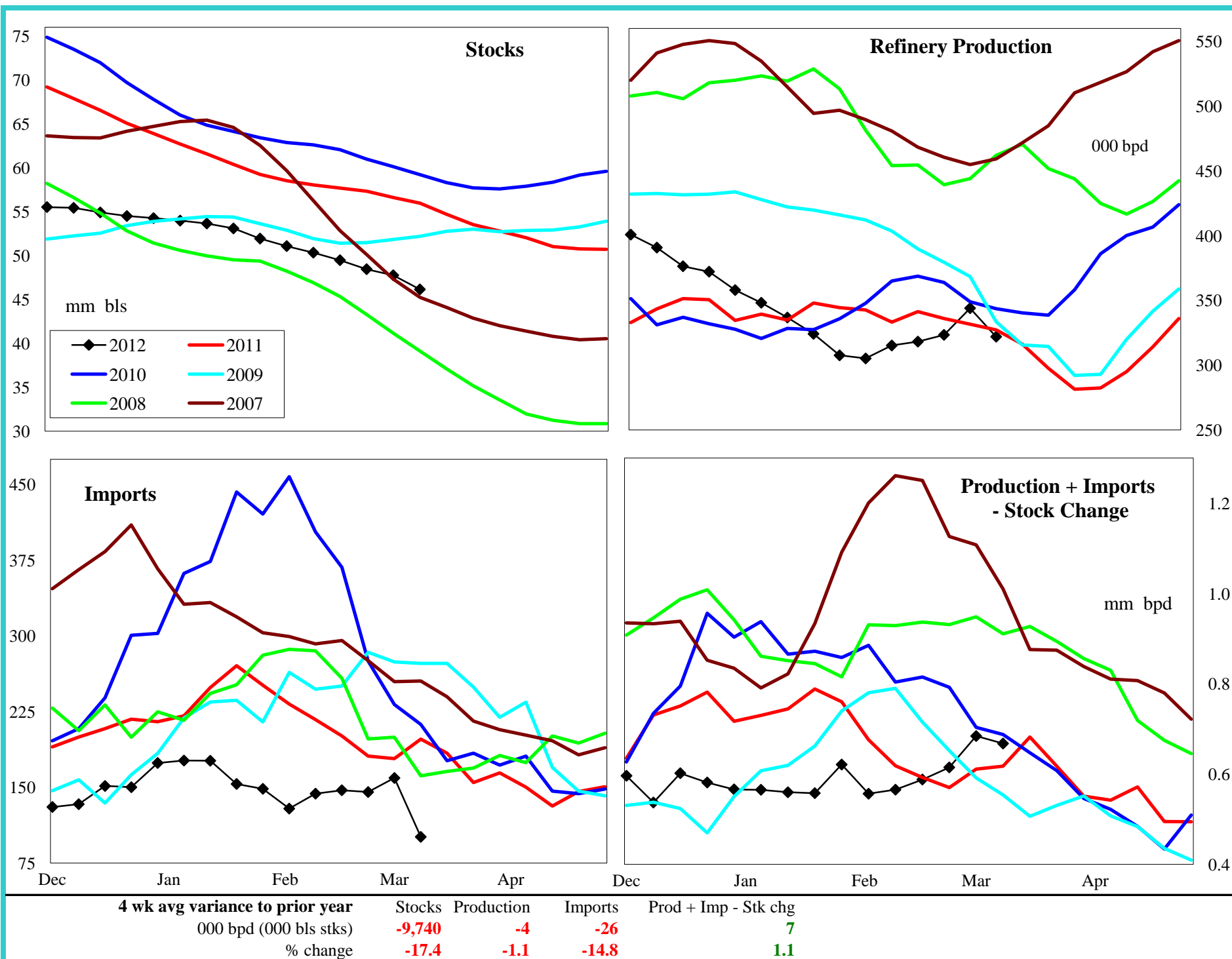
# PADD 1 Reformulated Gasoline Supply



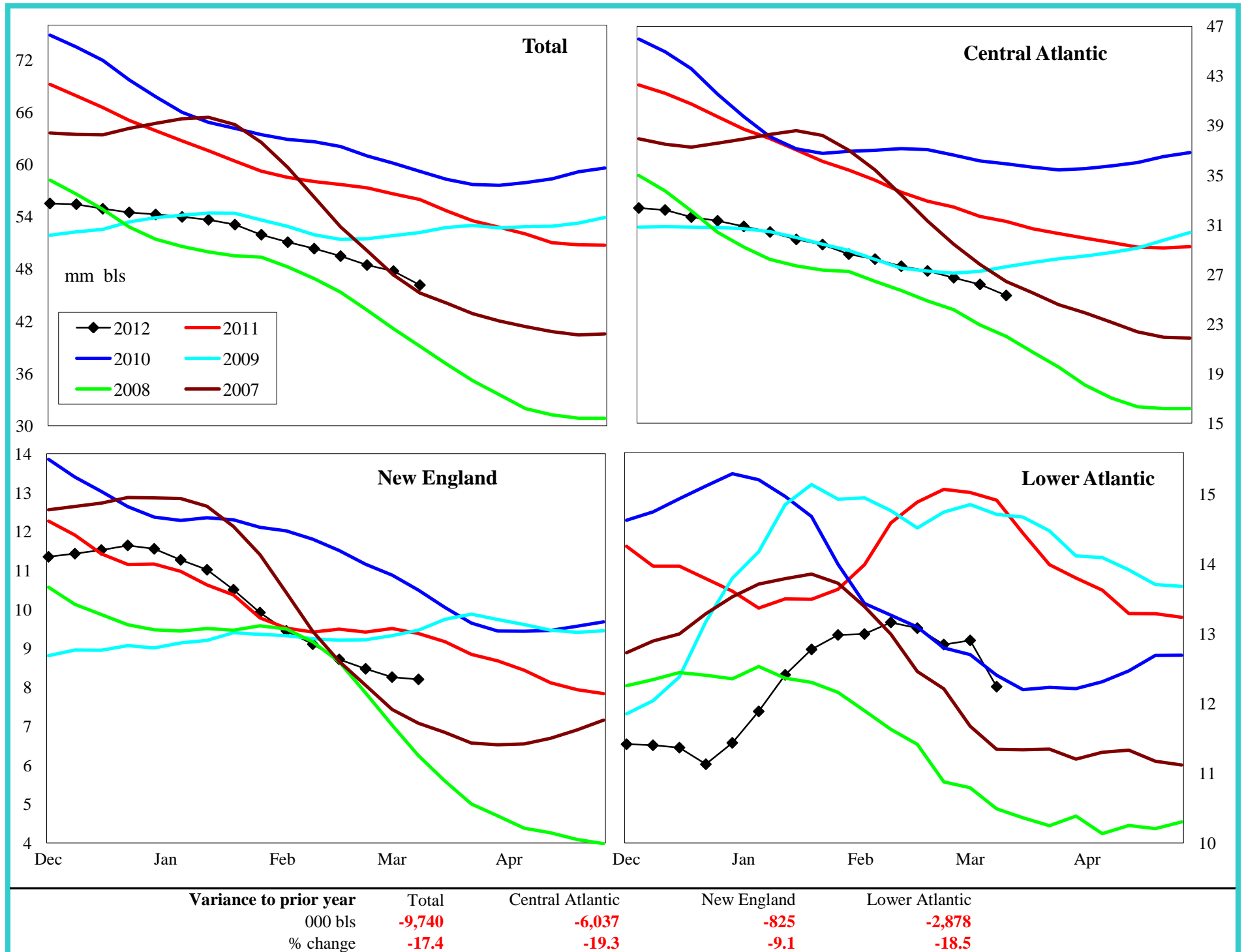
# PADD 1 Conventional Gasoline Supply



# PADD 1 Distillate Supply

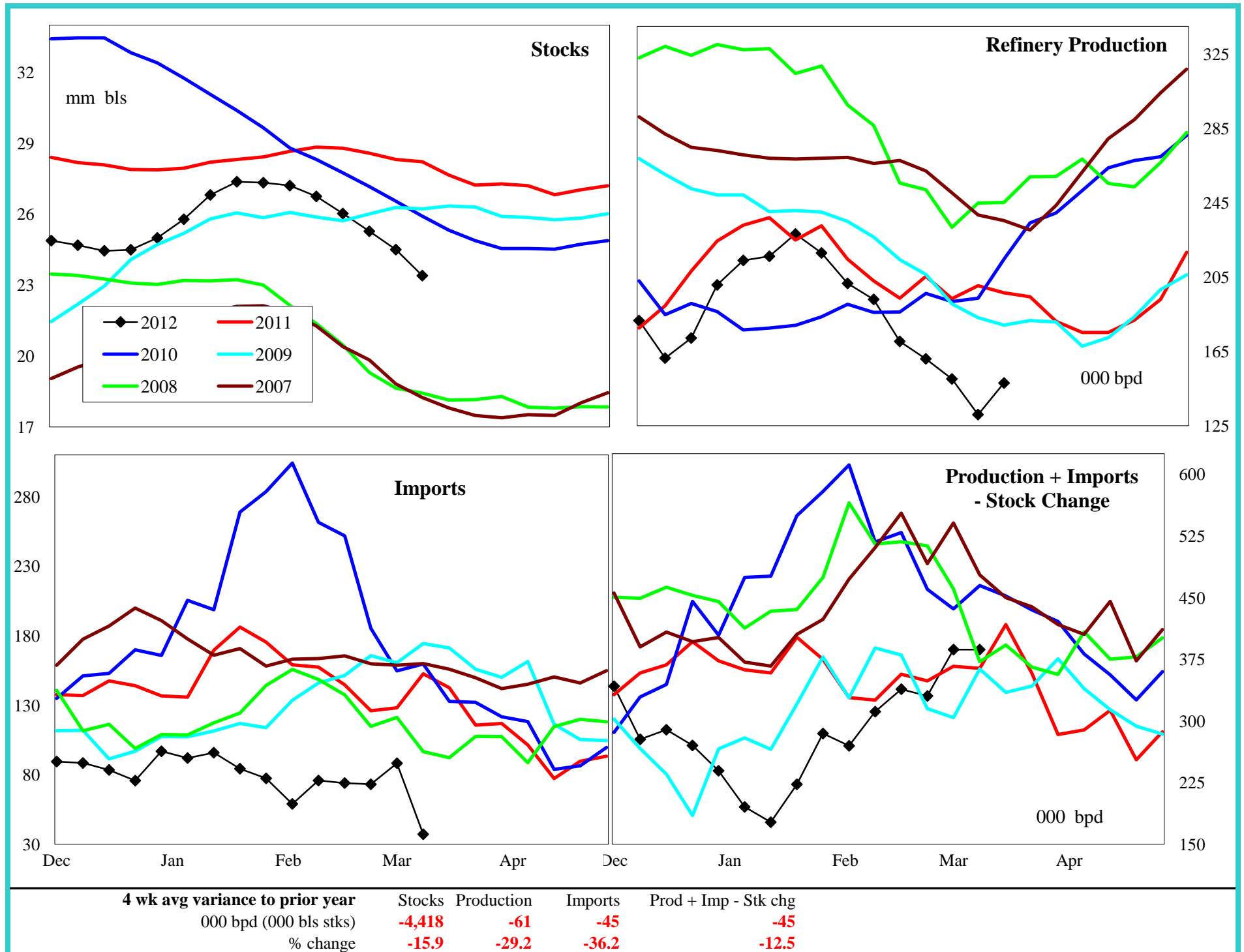


# PADD 1 Distillate Stocks by Region

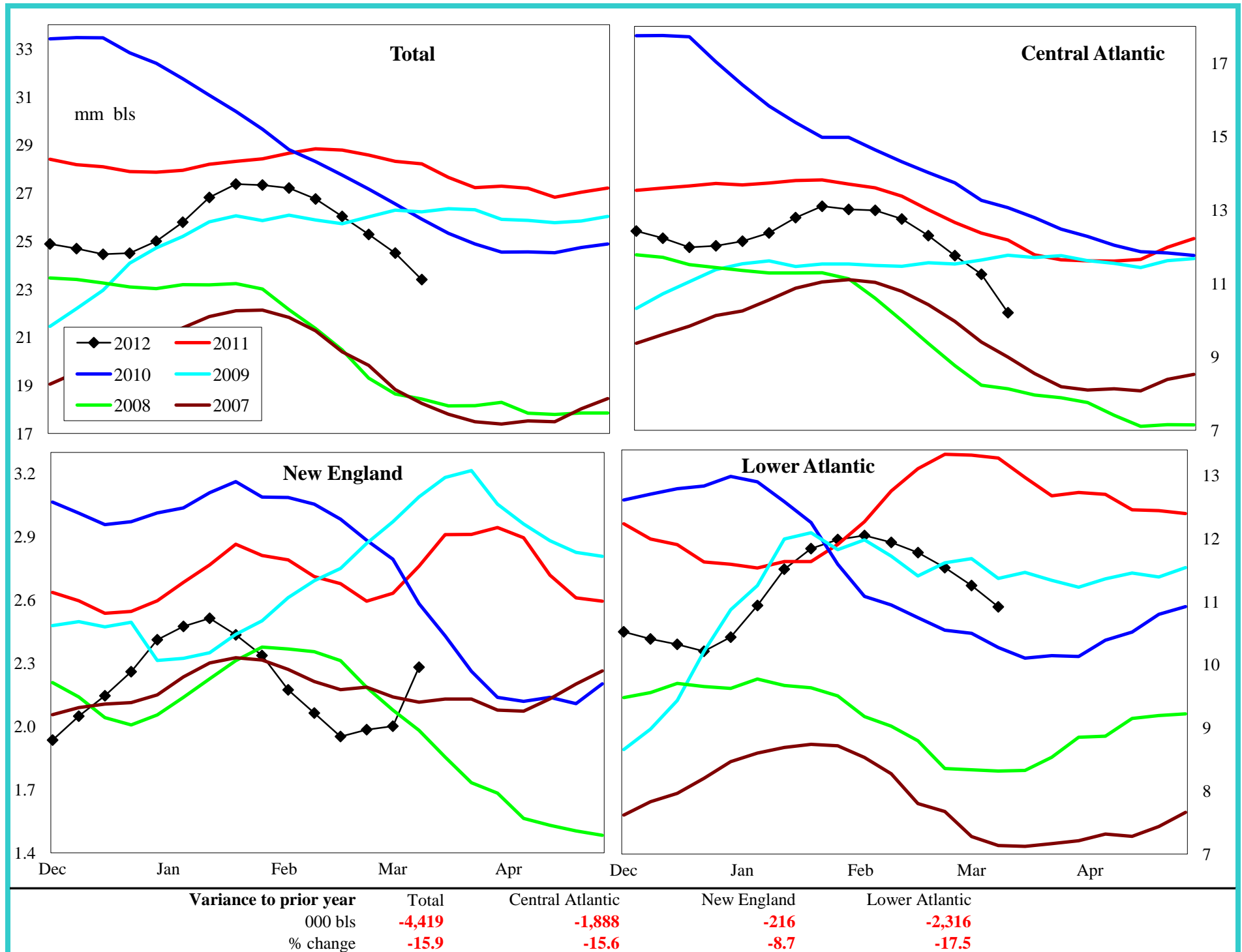




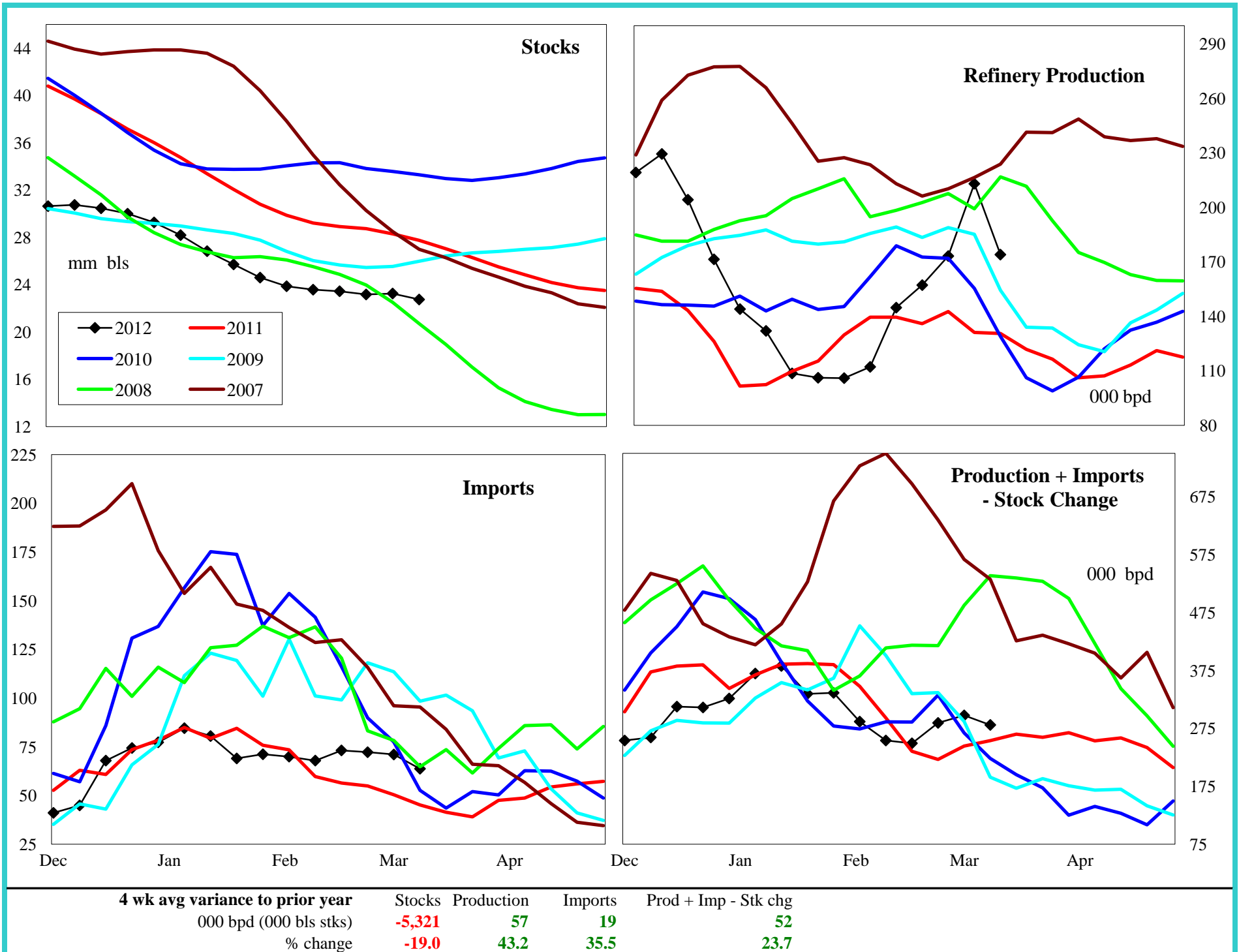
# PADD 1 Low Sulfur Distillate Supply



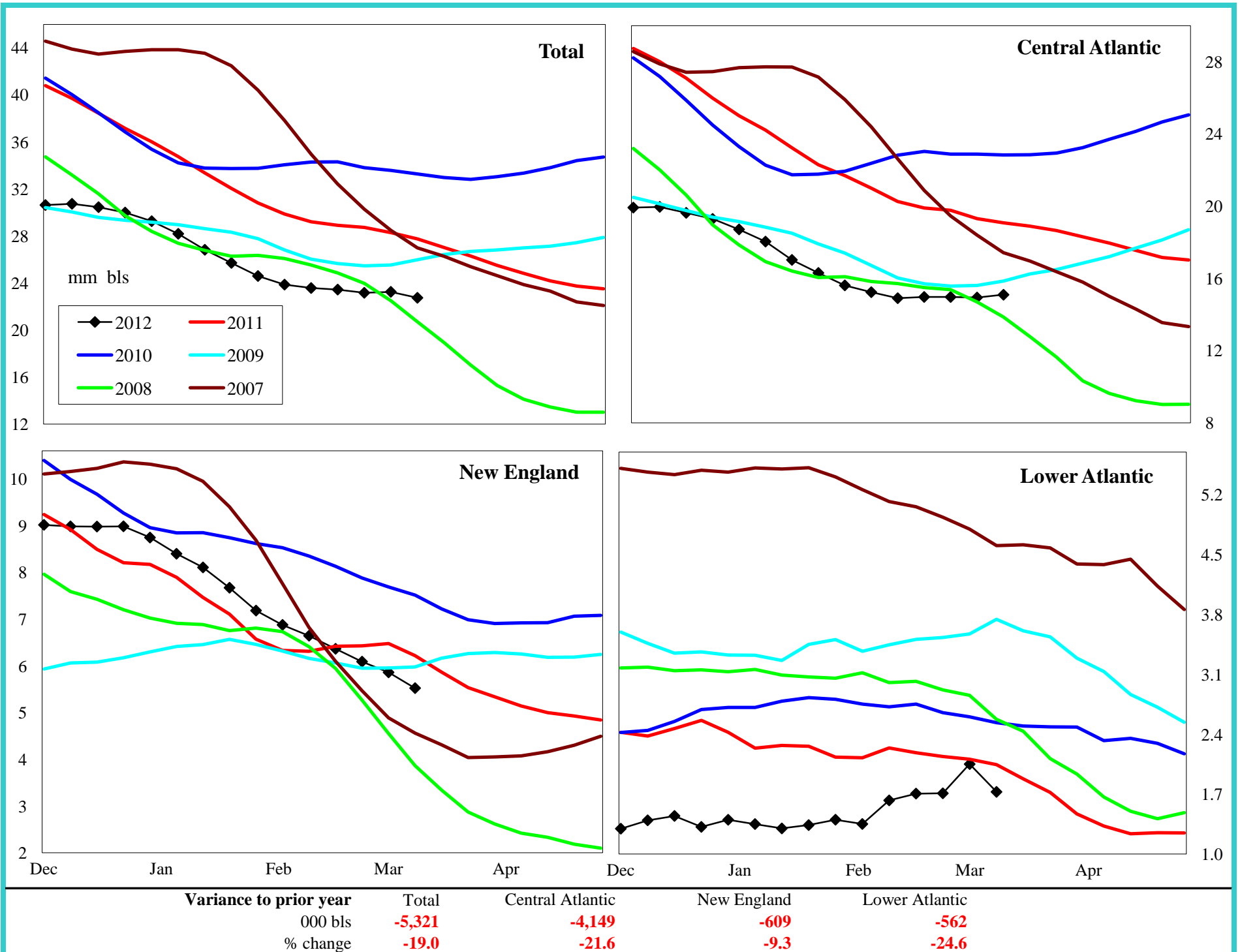
# PADD 1 Low Sulfur Distillate Stocks by Region



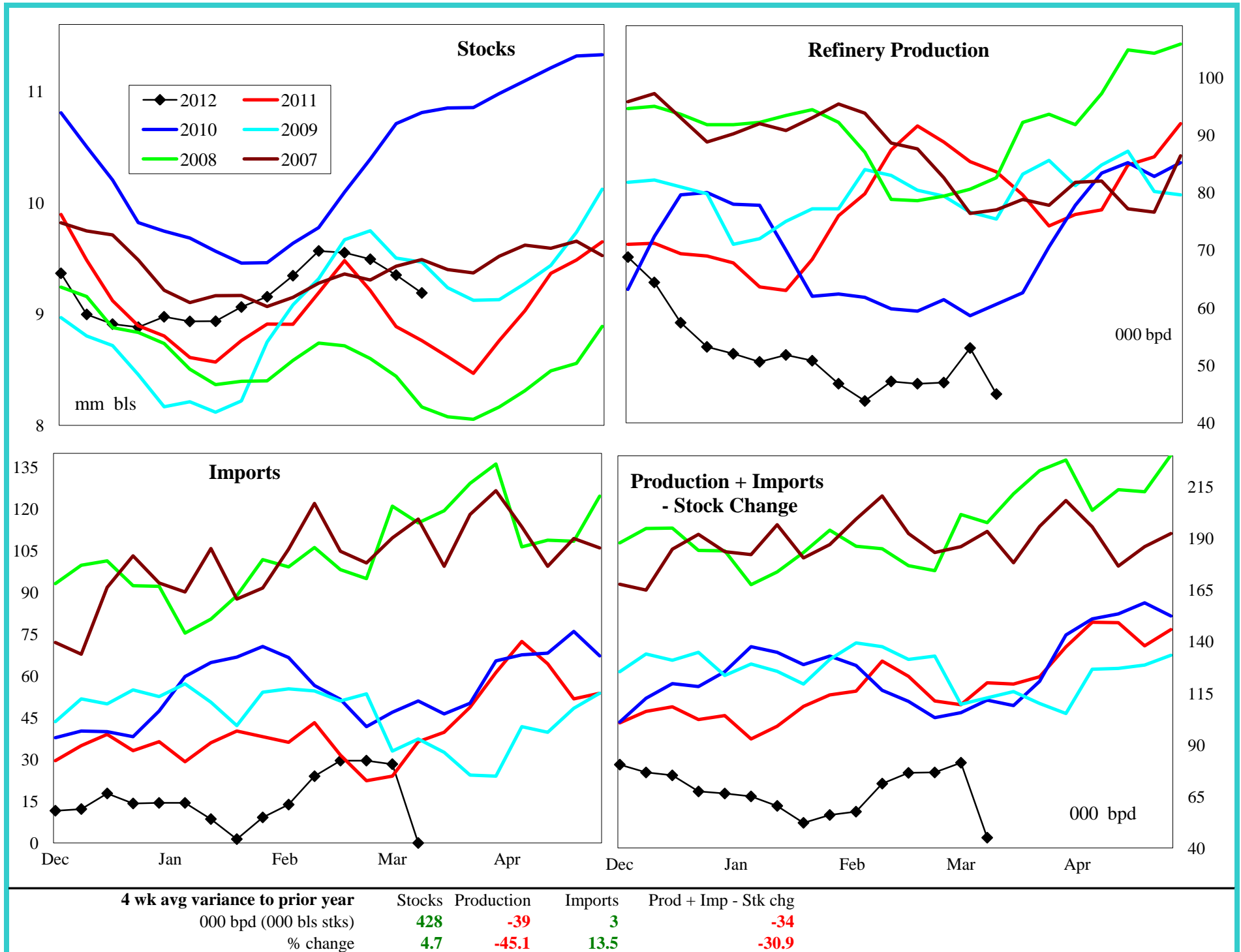
# PADD 1 High Sulfur Distillate Supply



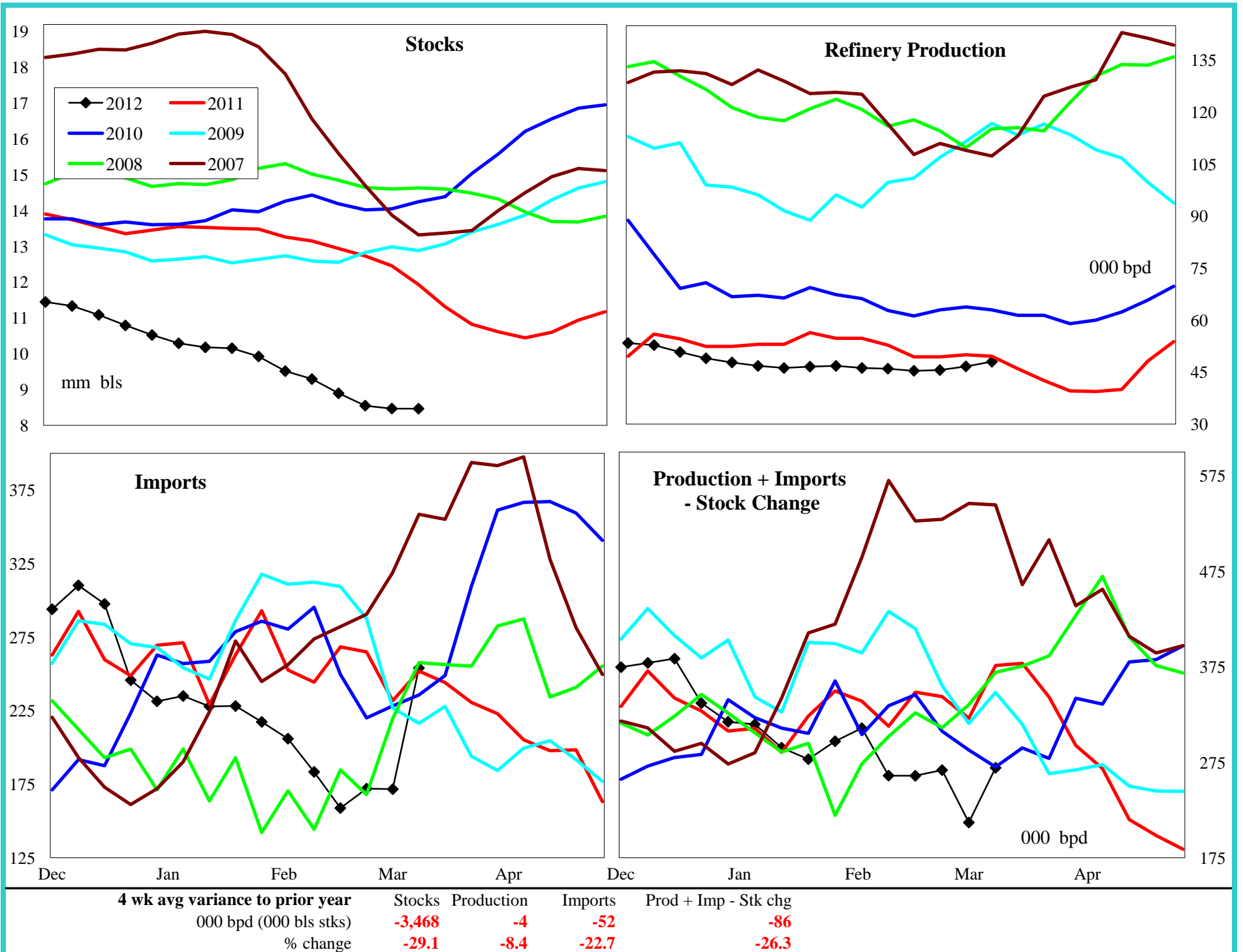
# PADD 1 High Sulfur Distillate Stocks by Region



# PADD 1 Jet Fuel Supply

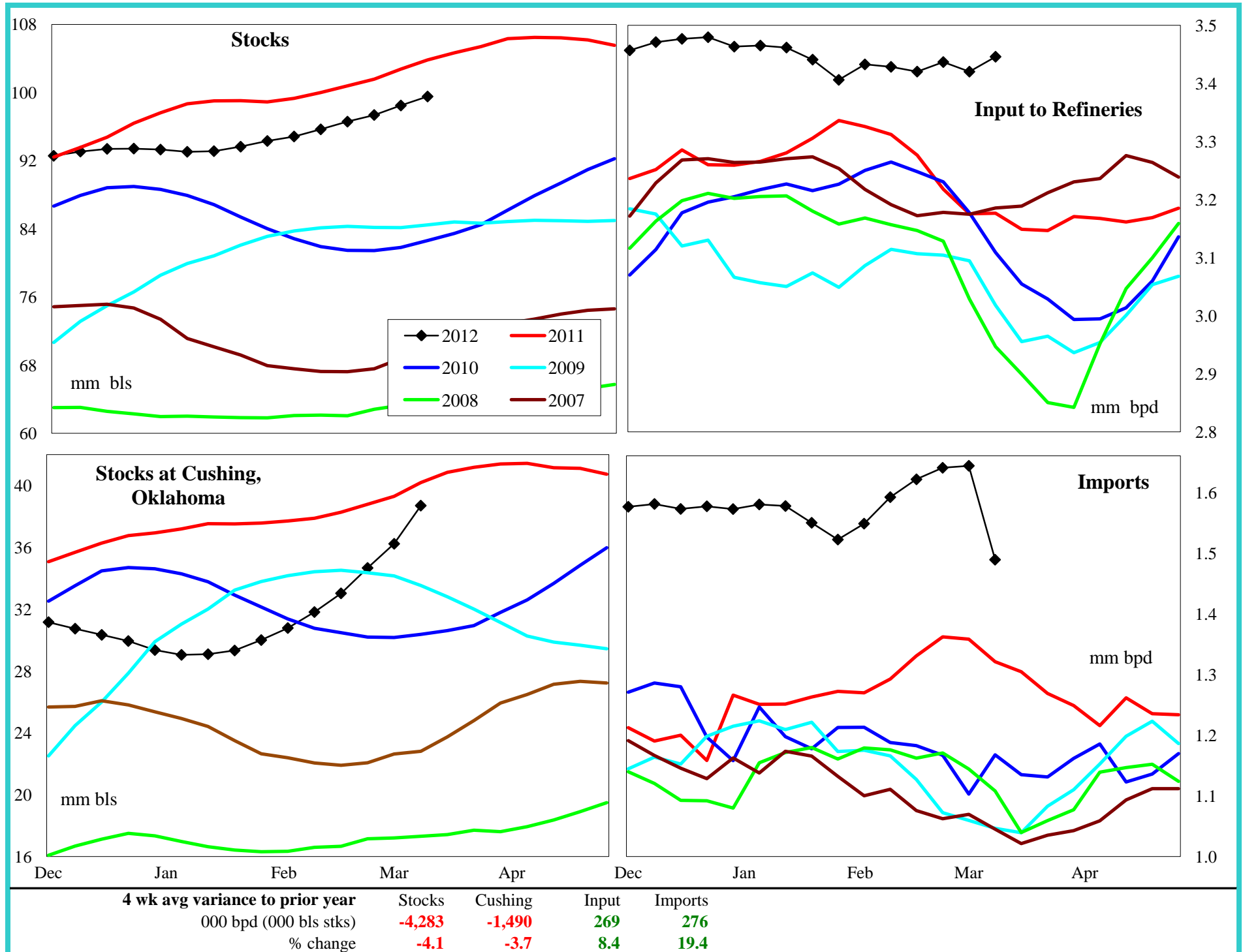


# PADD 1 Residual Fuel Oil Supply

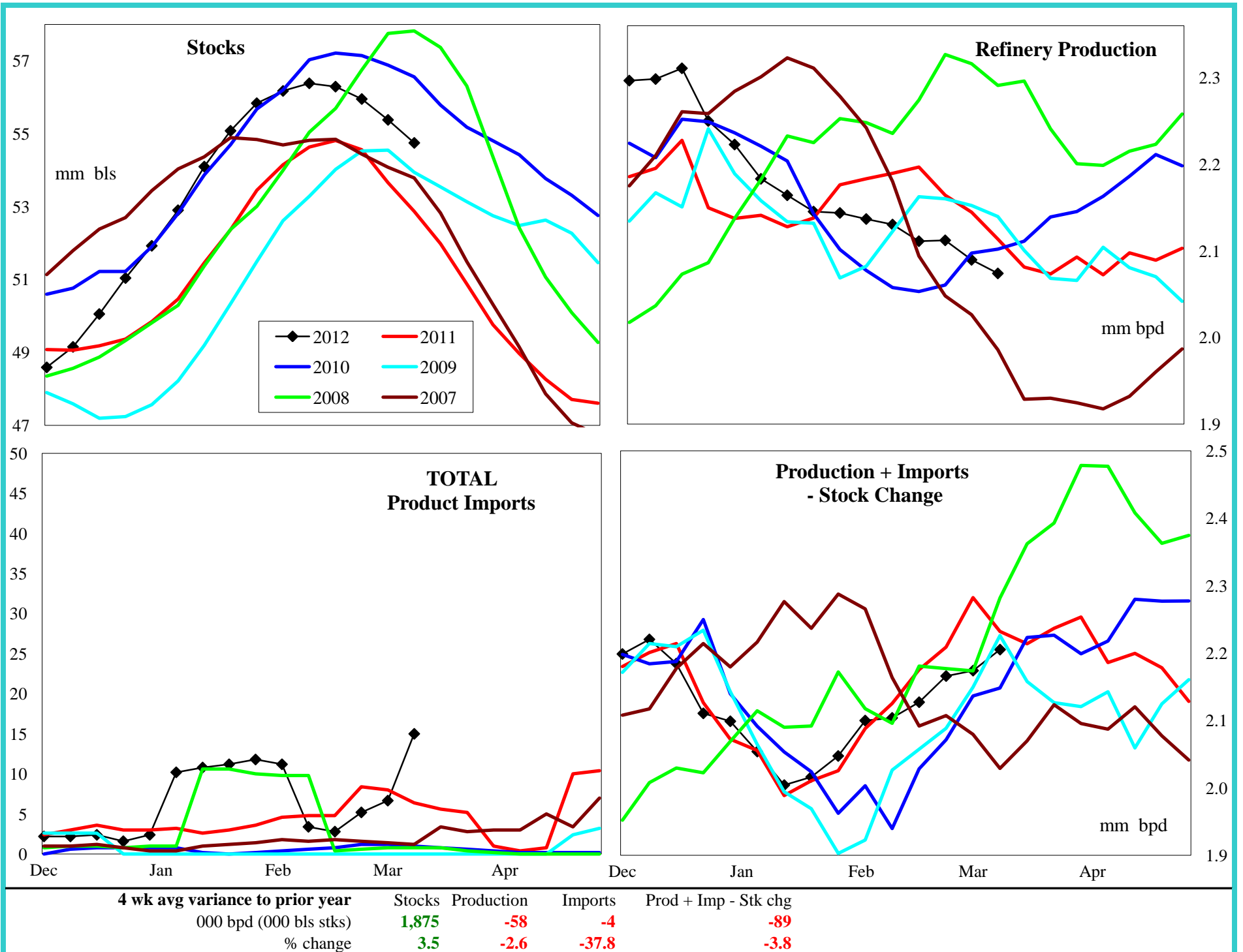




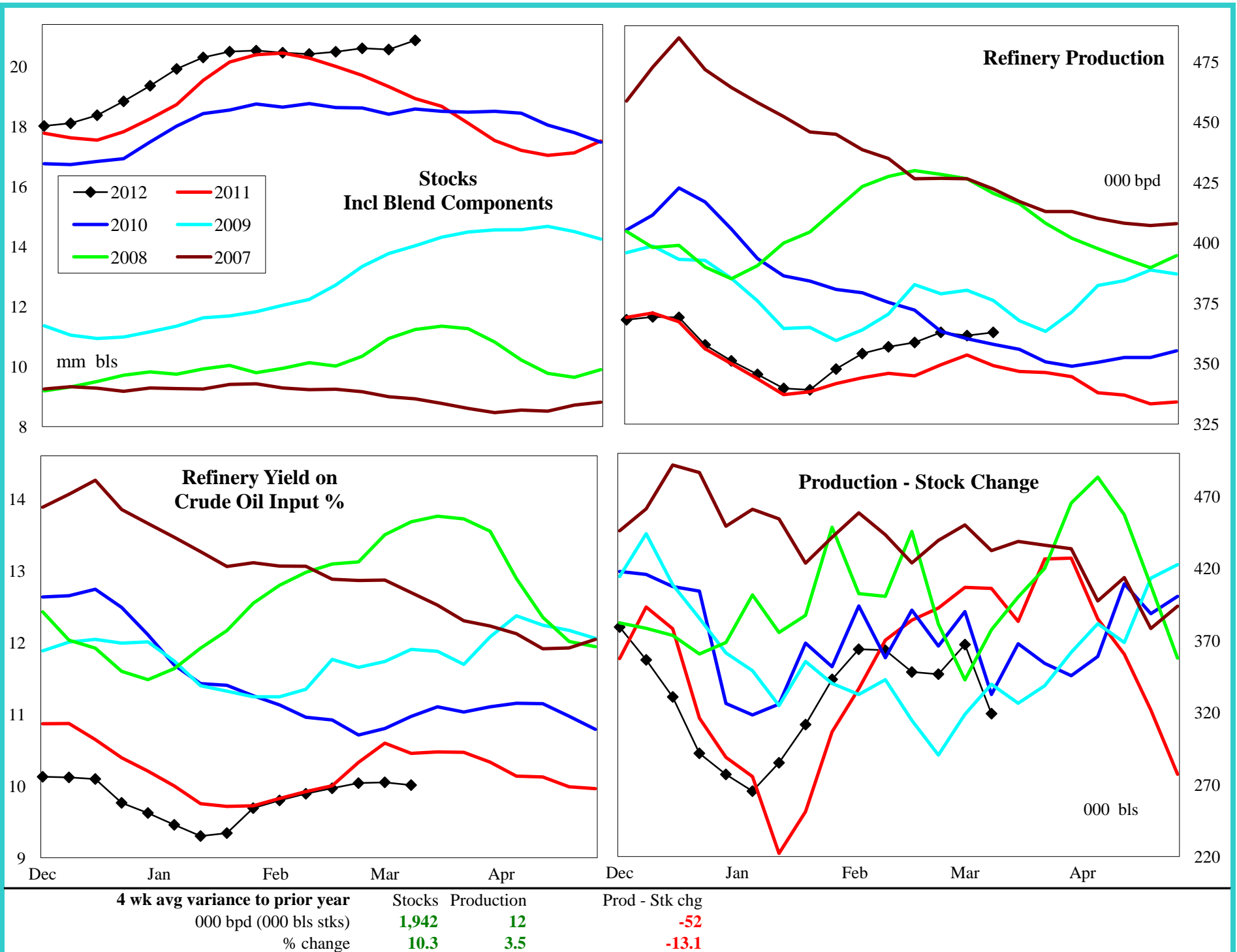
# PADD 2 Crude Oil Supply and Refining



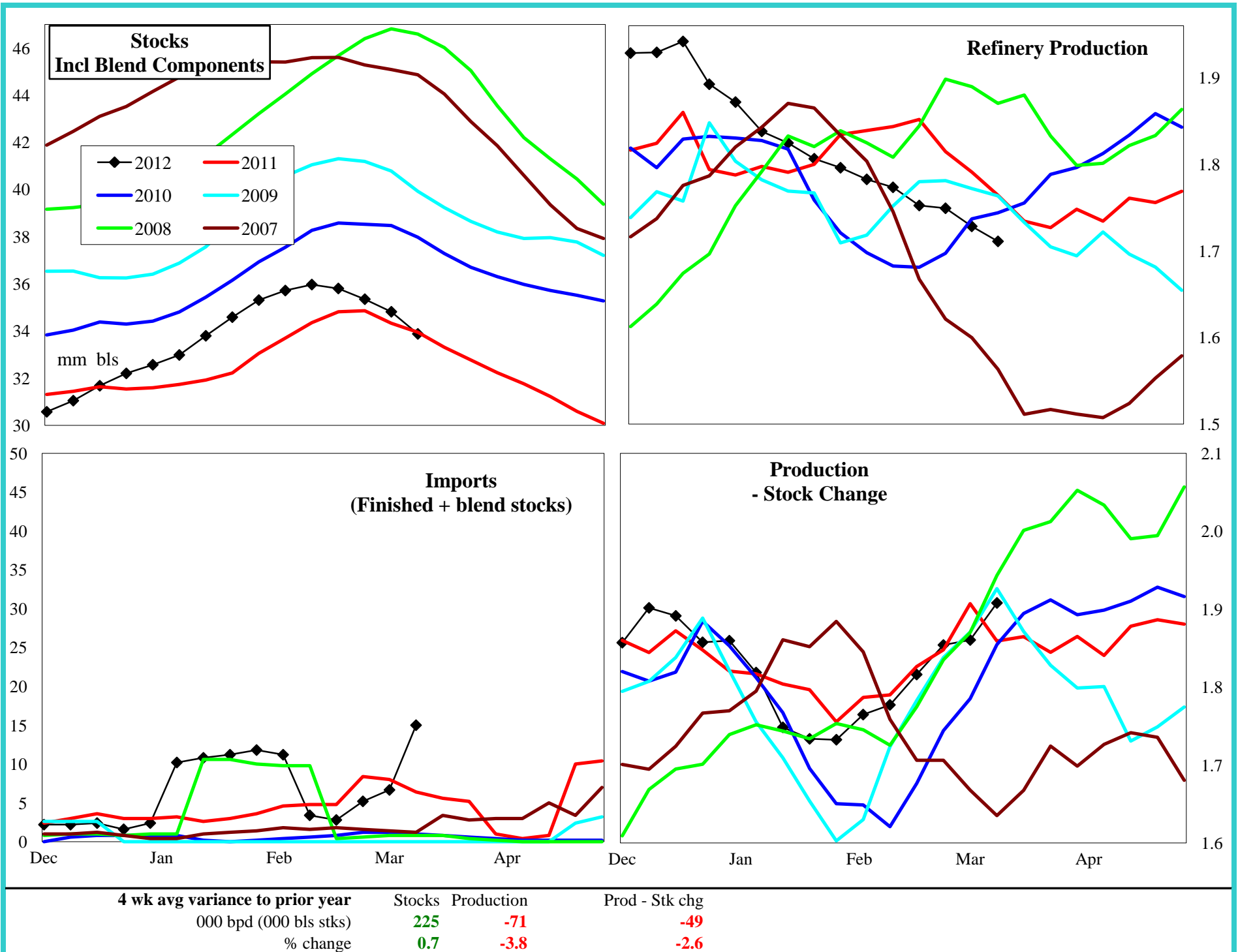
# PADD 2 Gasoline Supply



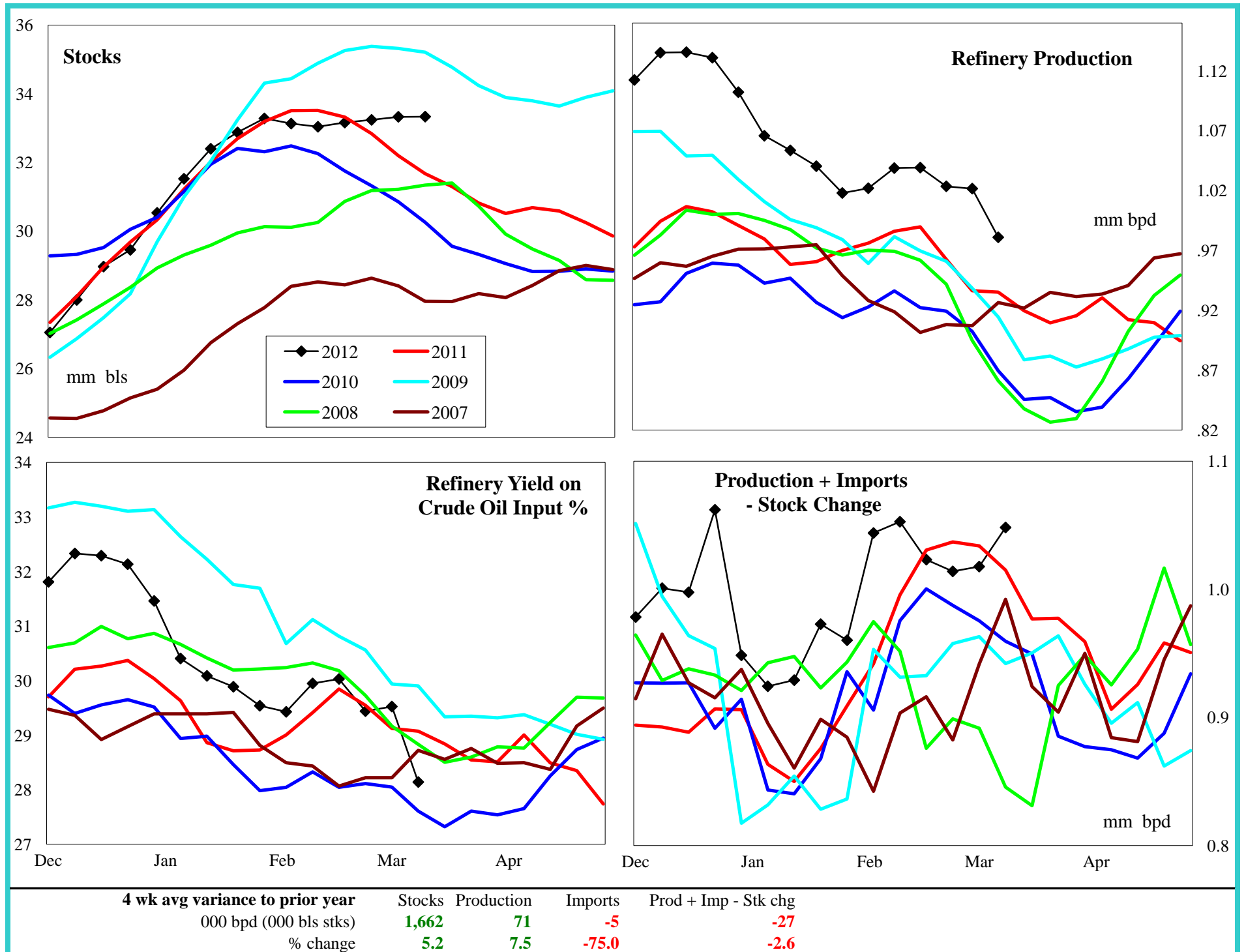
# PADD 2 Reformulated Gasoline Supply



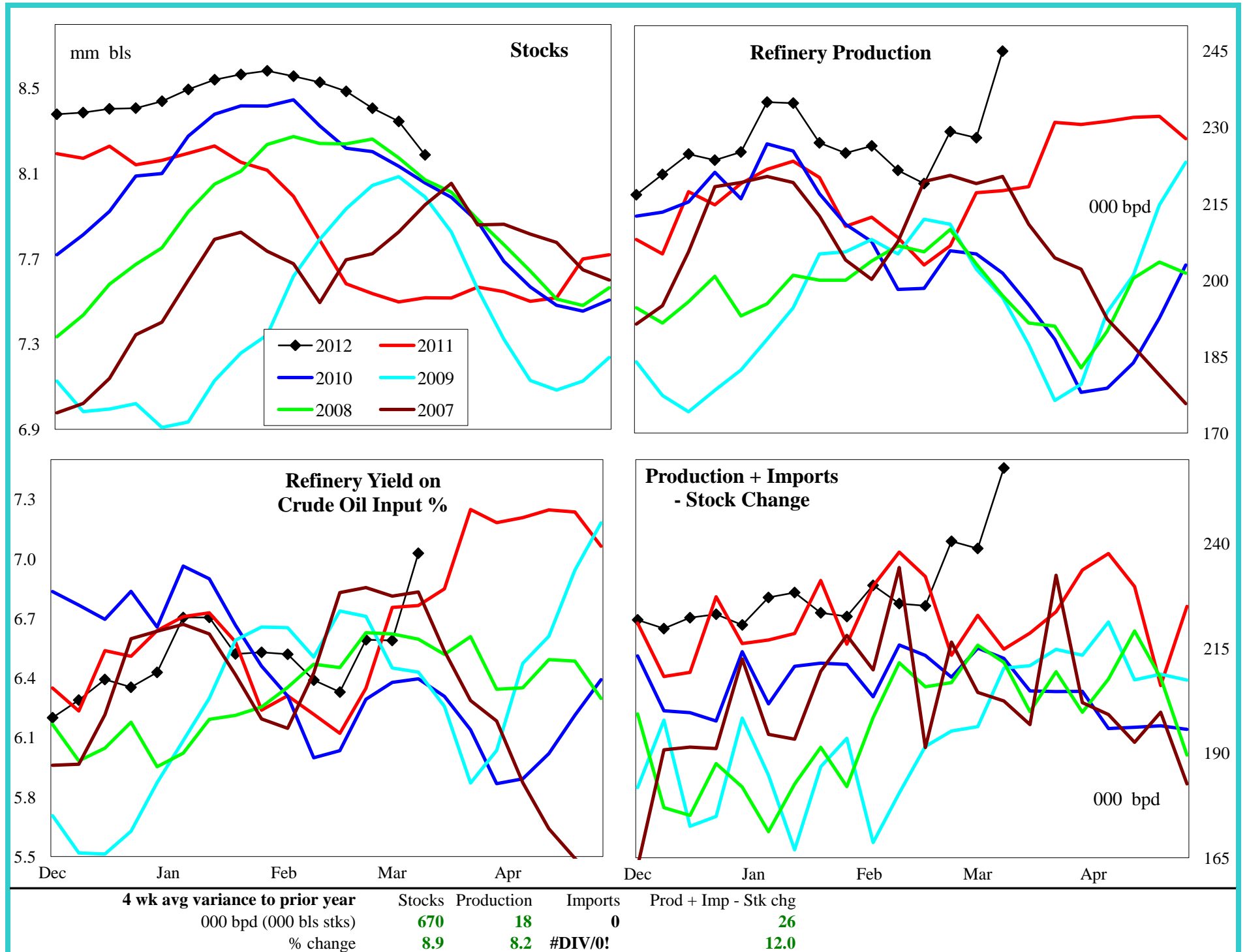
# PADD 2 Conventional Gasoline Supply



# PADD 2 Distillate Supply

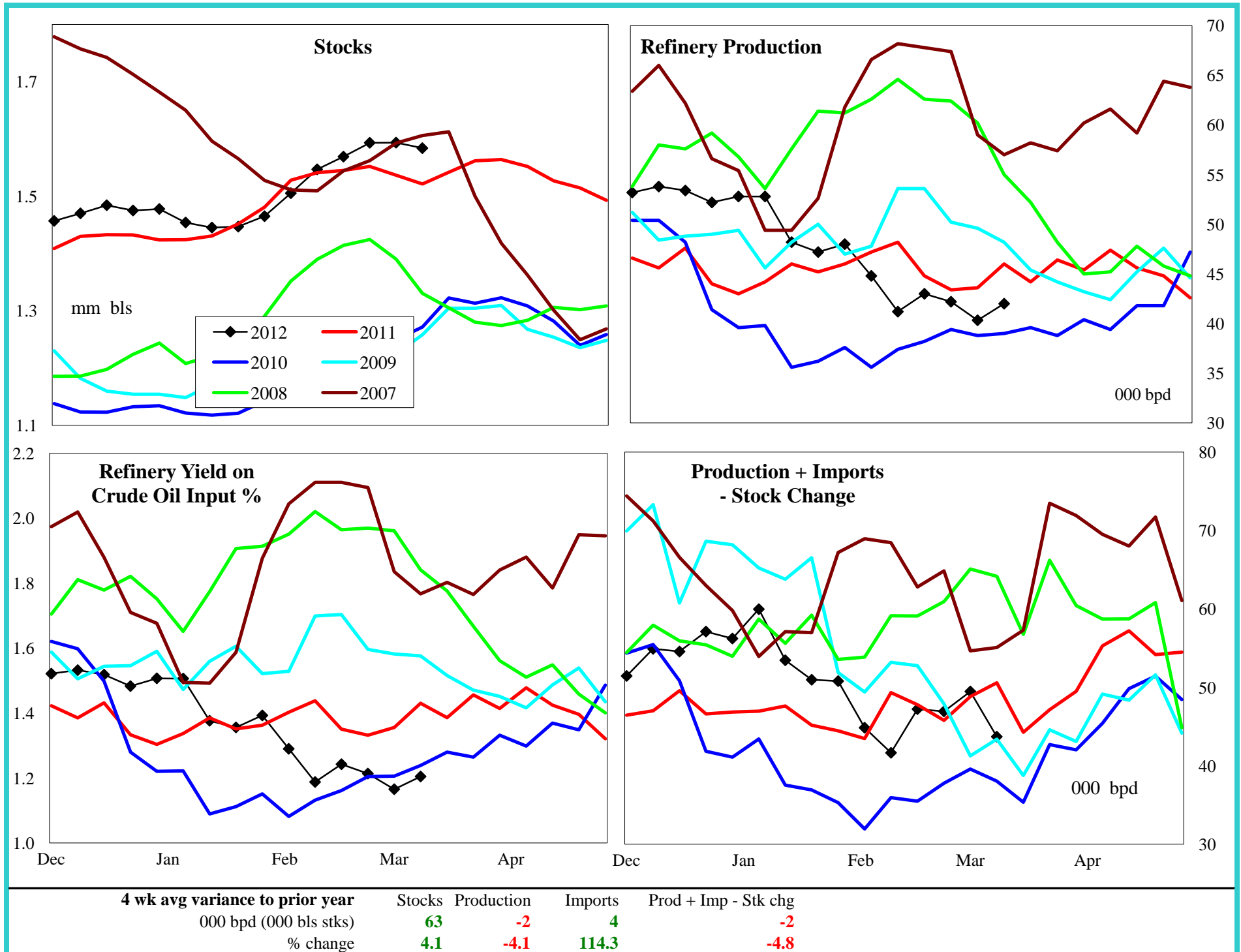


# PADD 2 Jet Fuel Supply

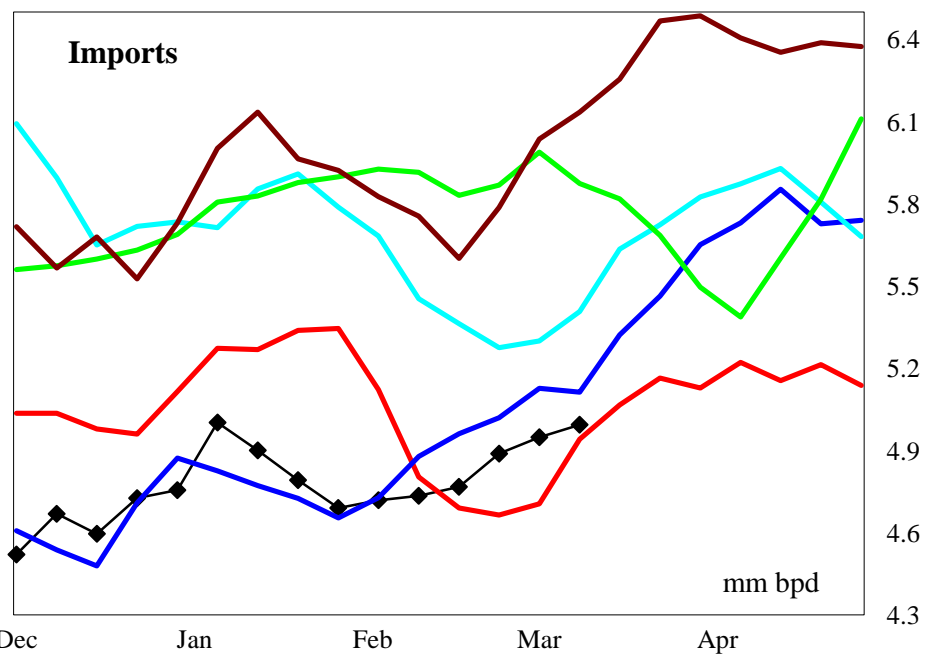
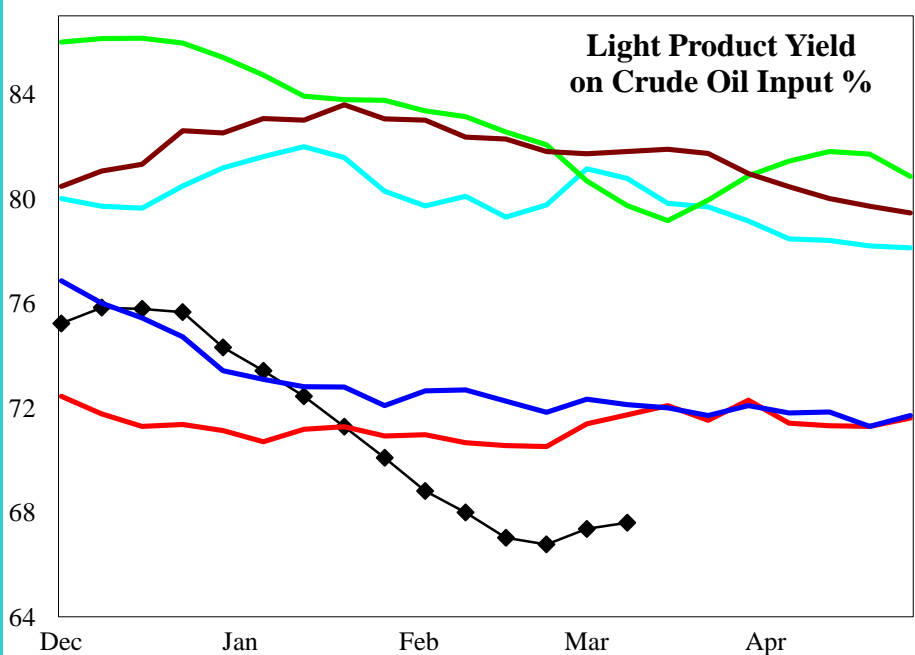
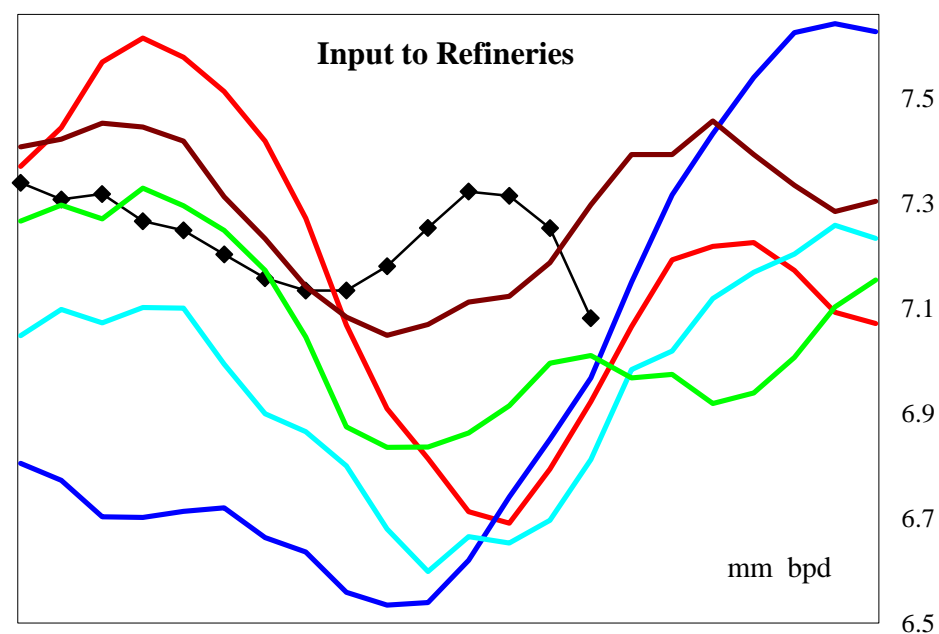
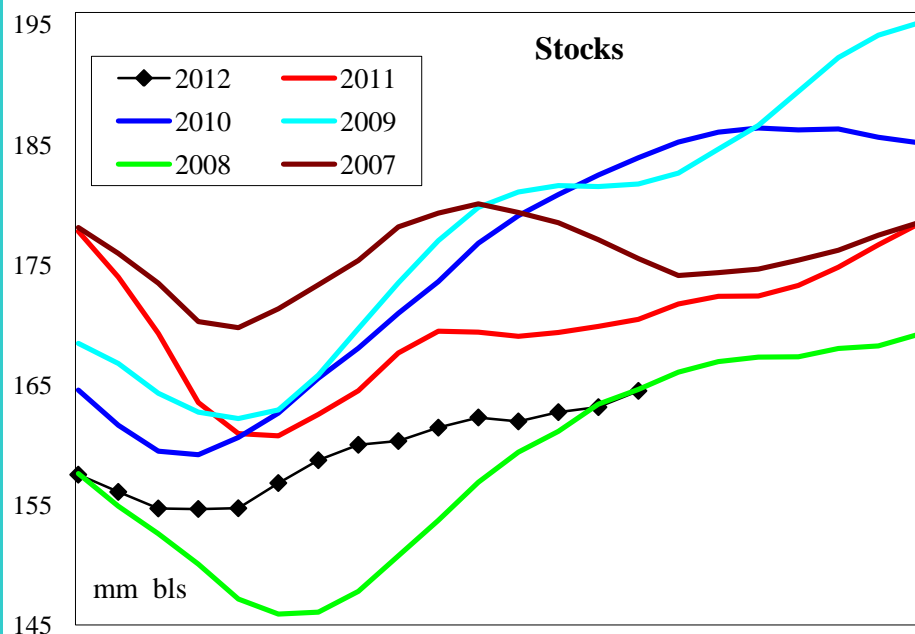




# PADD 2 Residual Fuel Oil Supply



# PADD 3 Crude Oil Supply and Refining



**4 wk avg variance to prior year**

000 bpd (000 bbls stks)

% change

Stocks

**-5,964**

**-3.5**

Input

**593**

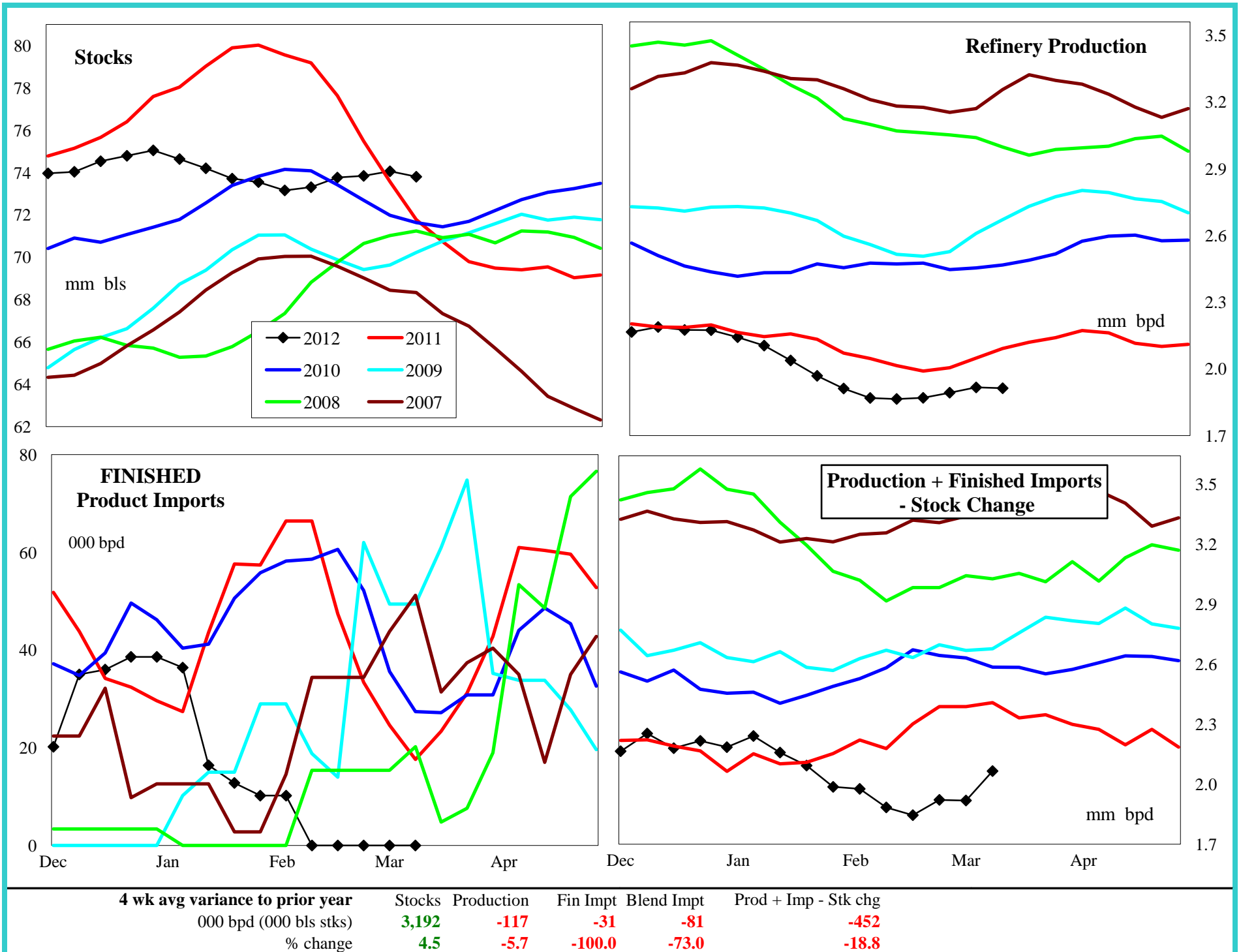
**8.8**

Imports

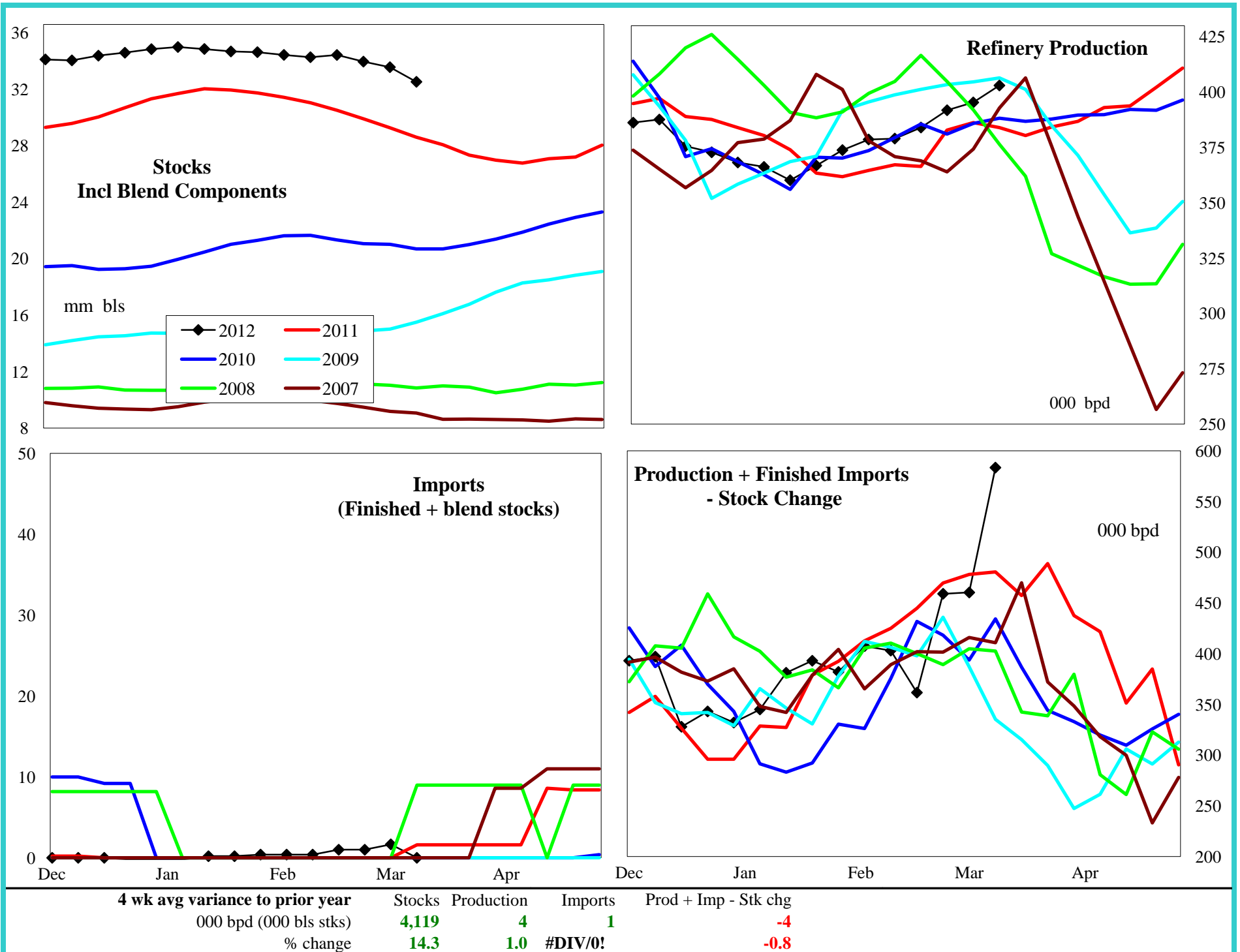
**262**

**5.7**

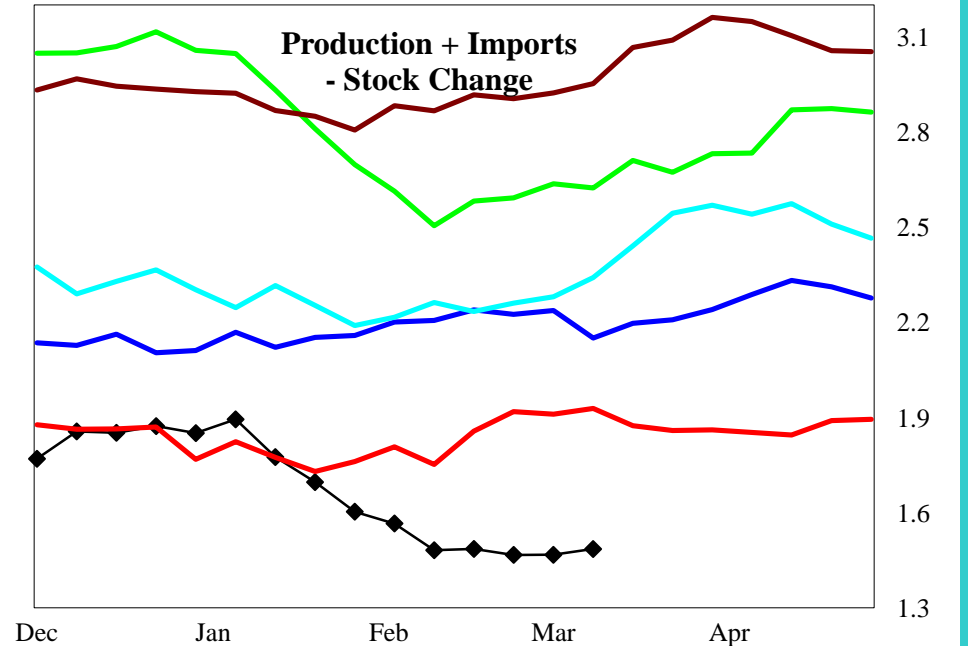
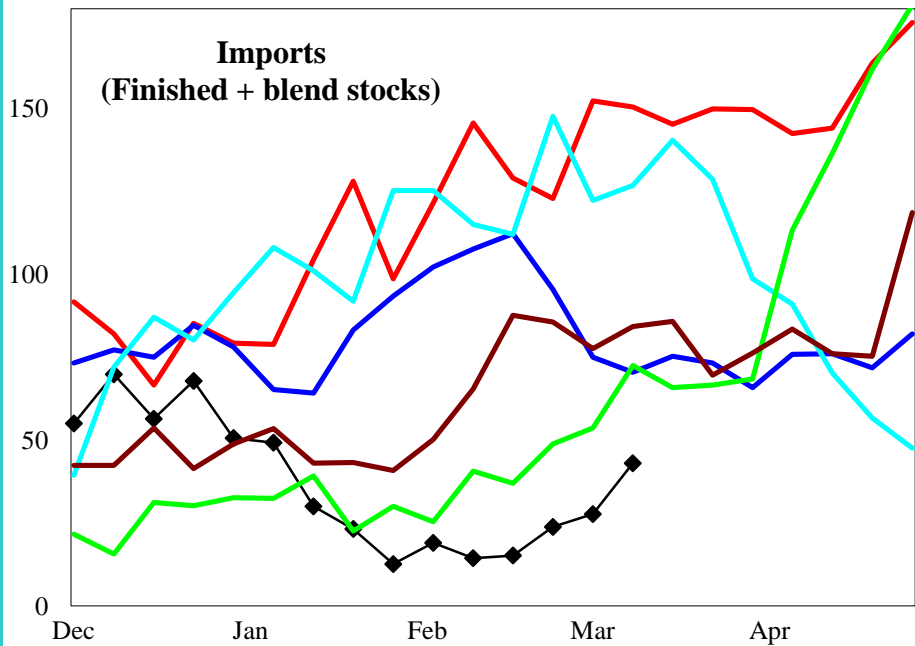
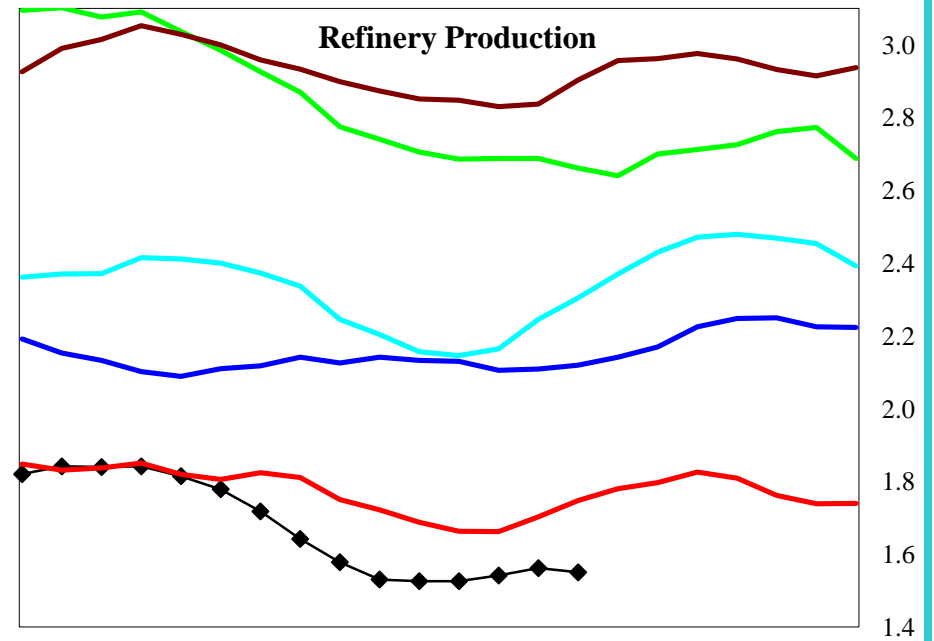
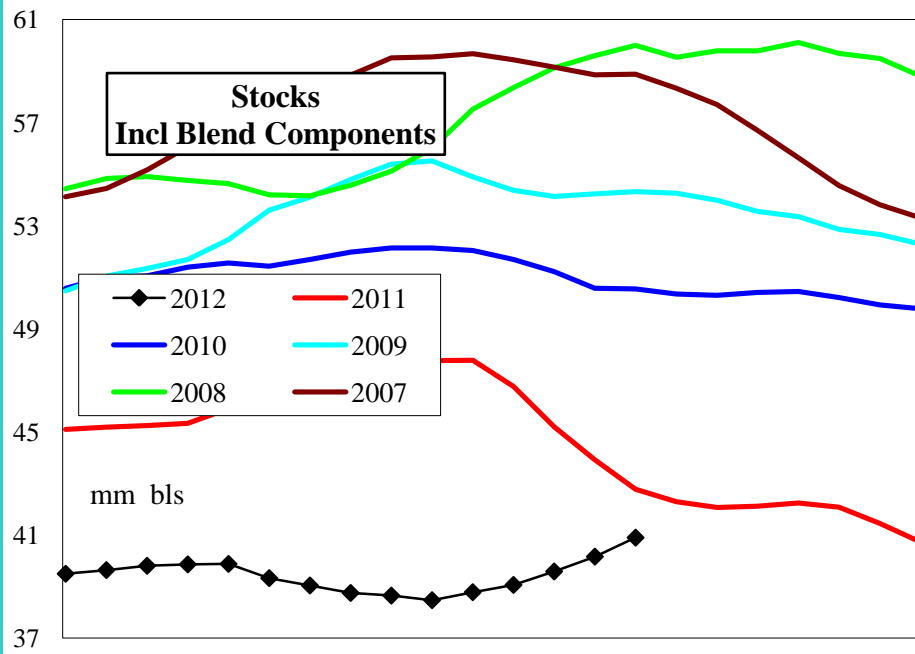
# PADD 3 Gasoline Supply



# PADD 3 Reformulated Gasoline Supply



# PADD 3 Conventional Gasoline Supply



**4 wk avg variance to prior year**

000 bpd (000 bls stks)

% change

Stocks

-908

-2.2

Production

-121

-7.2

Imports

-113

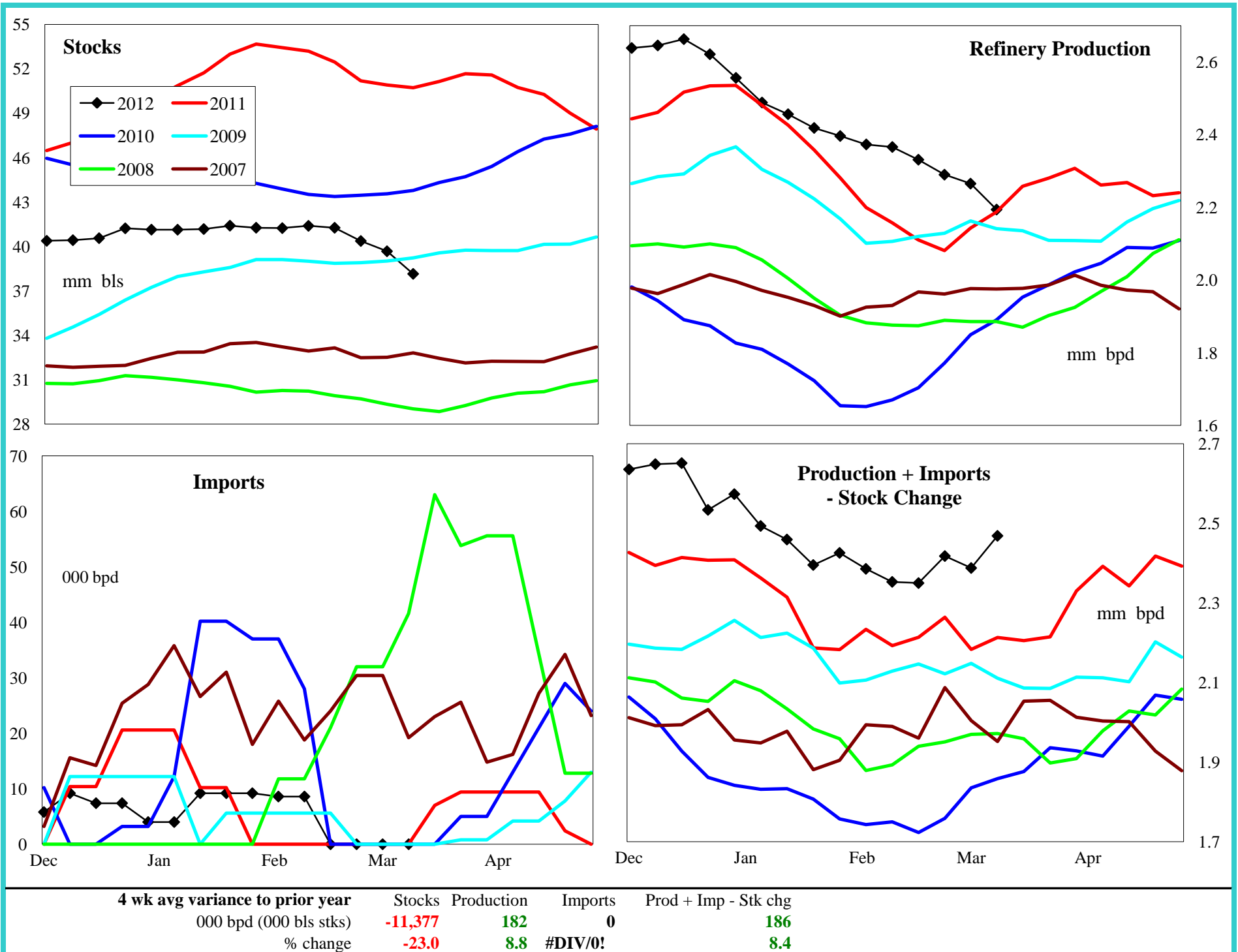
-79.7

Prod + Imp - Stk chg

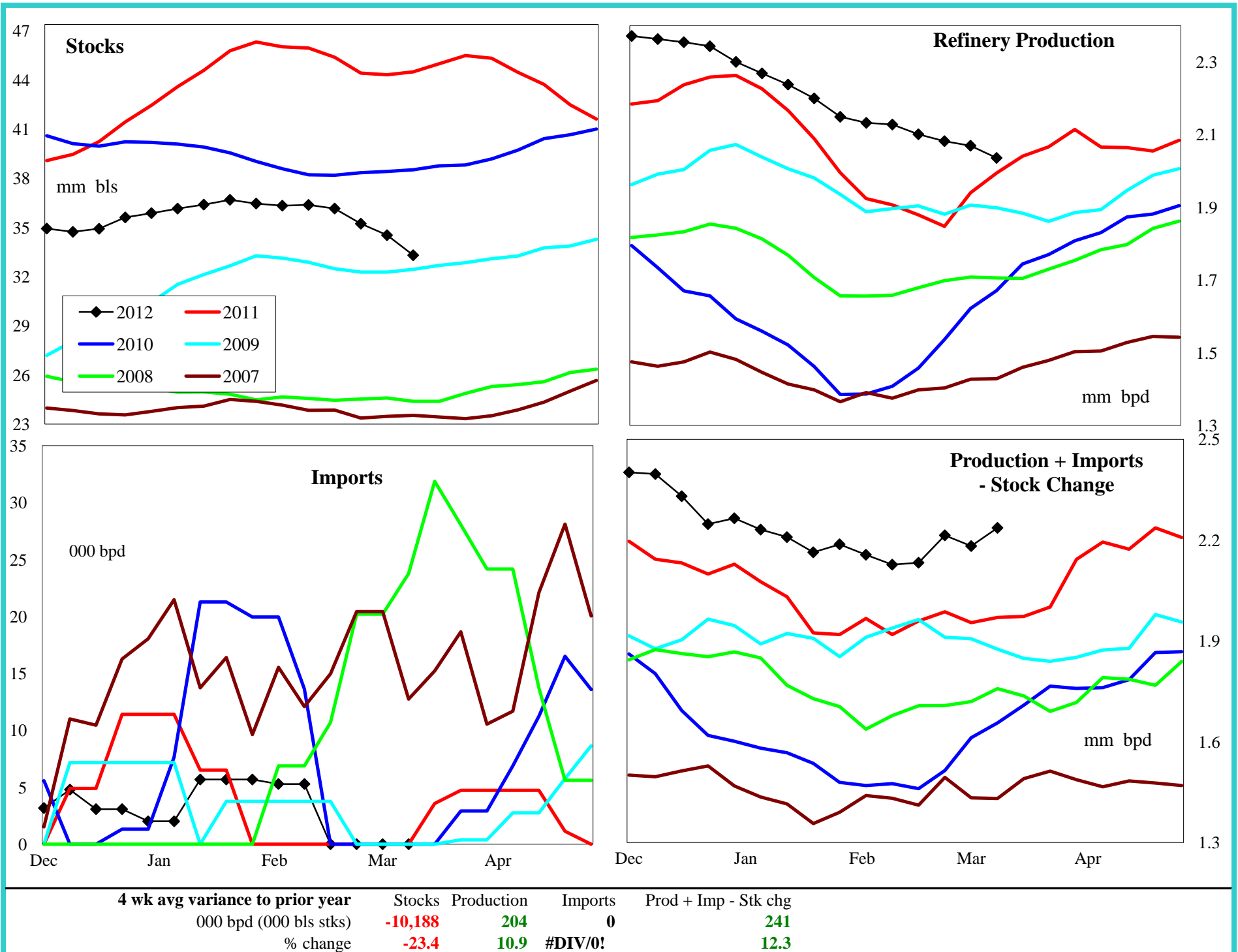
-446

-23.3

# PADD 3 Distillate Supply

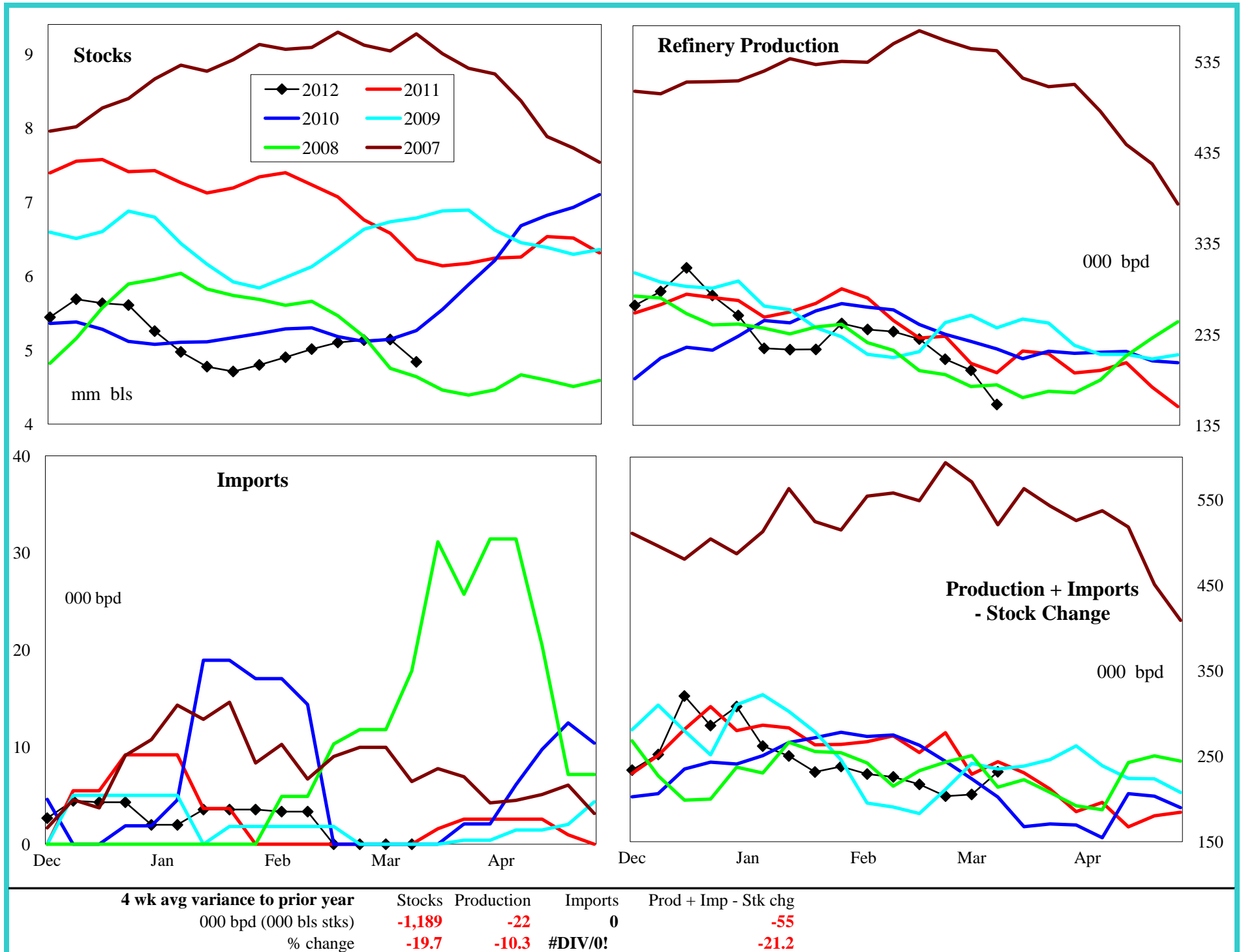


# PADD 3 Low Sulfur Distillate Supply

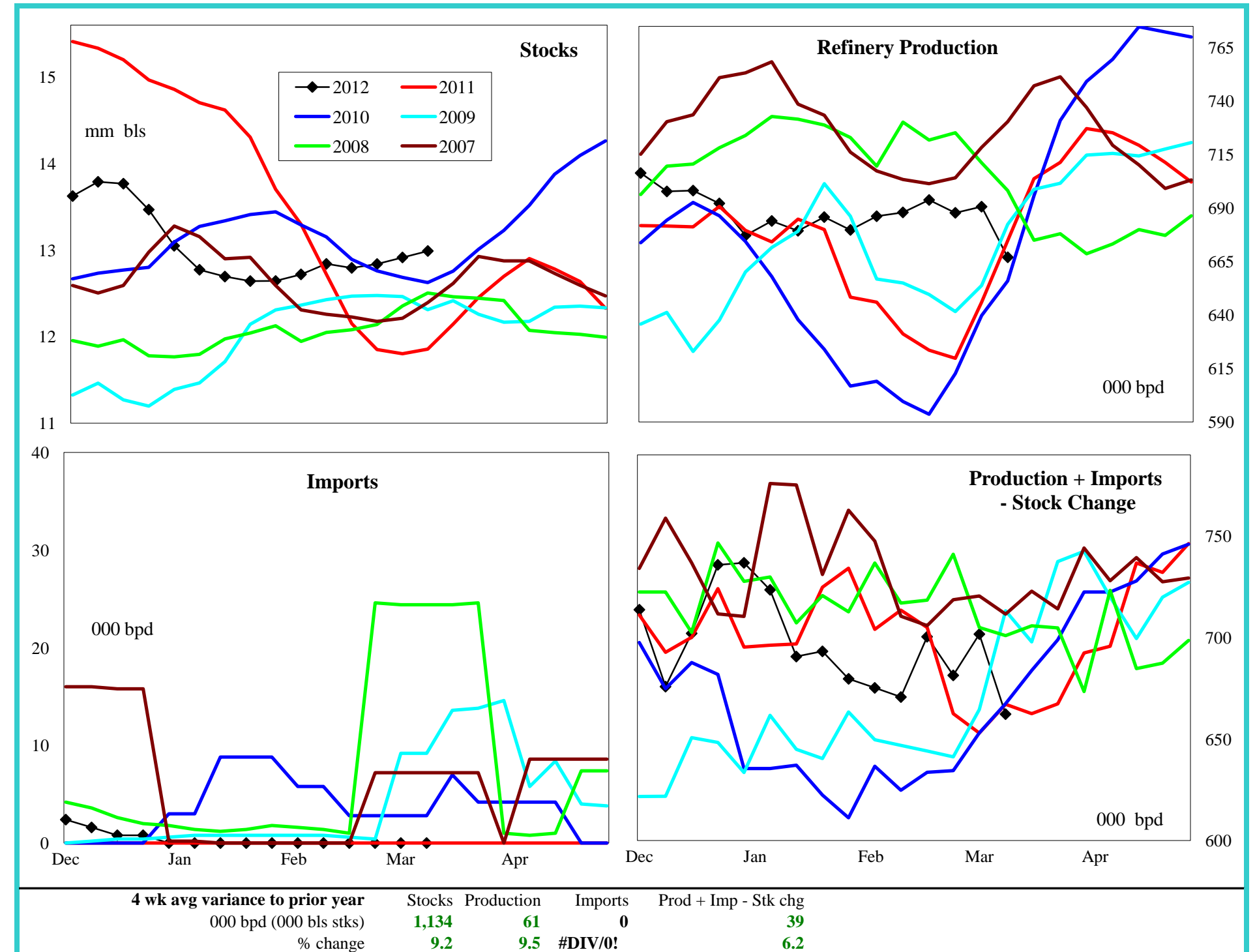




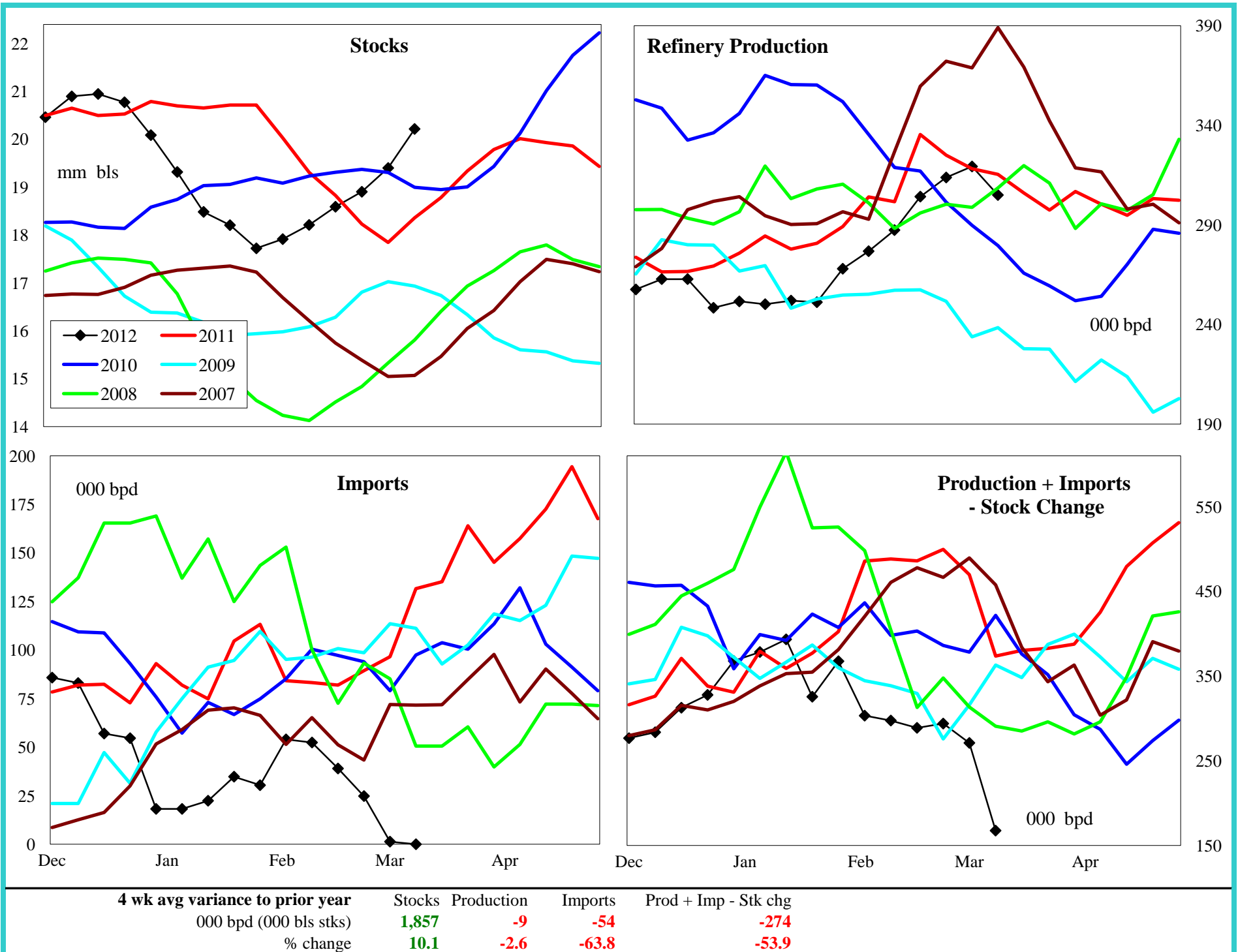
# PADD 3 High Sulfur Distillate Supply



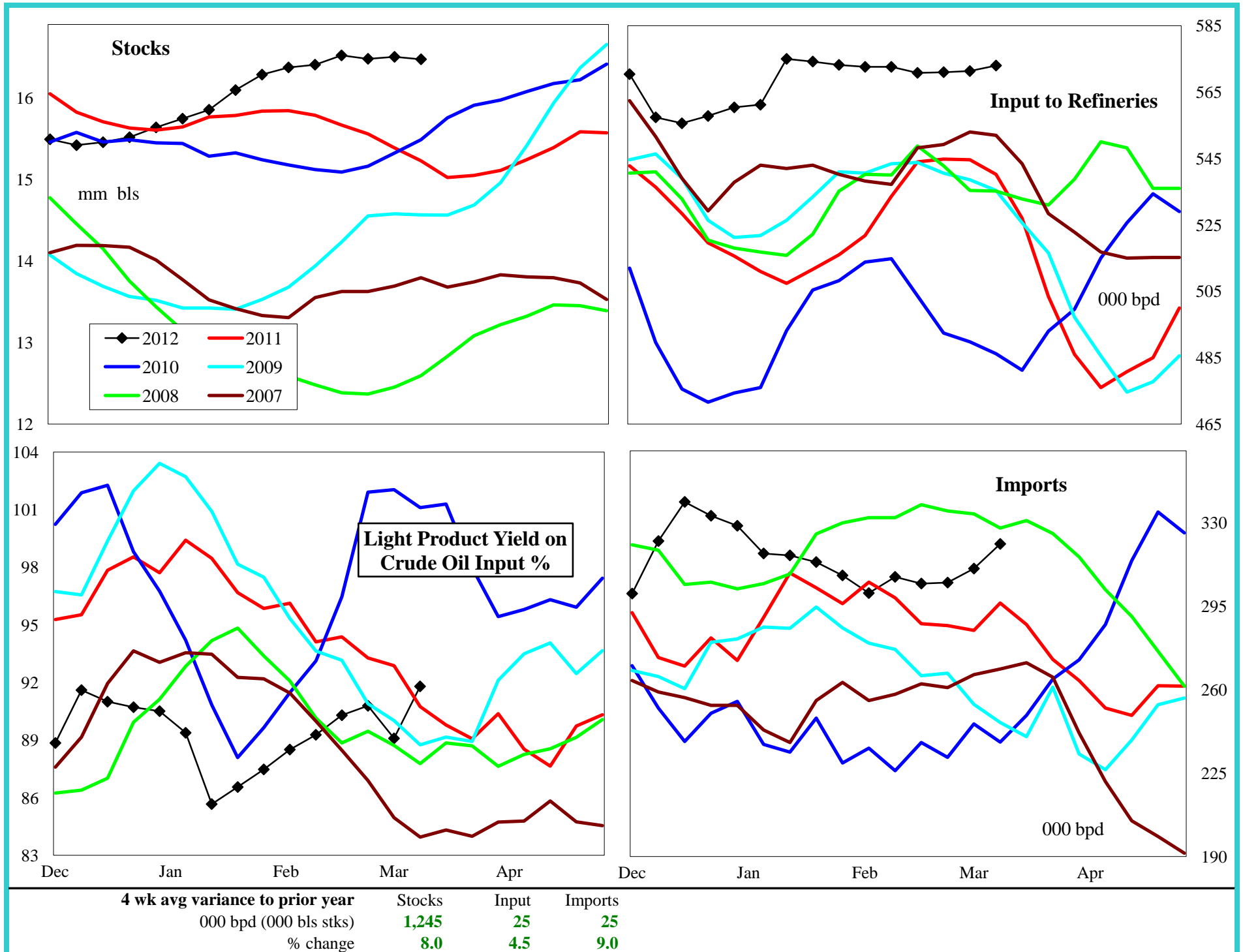
# PADD 3 Jet Fuel Supply



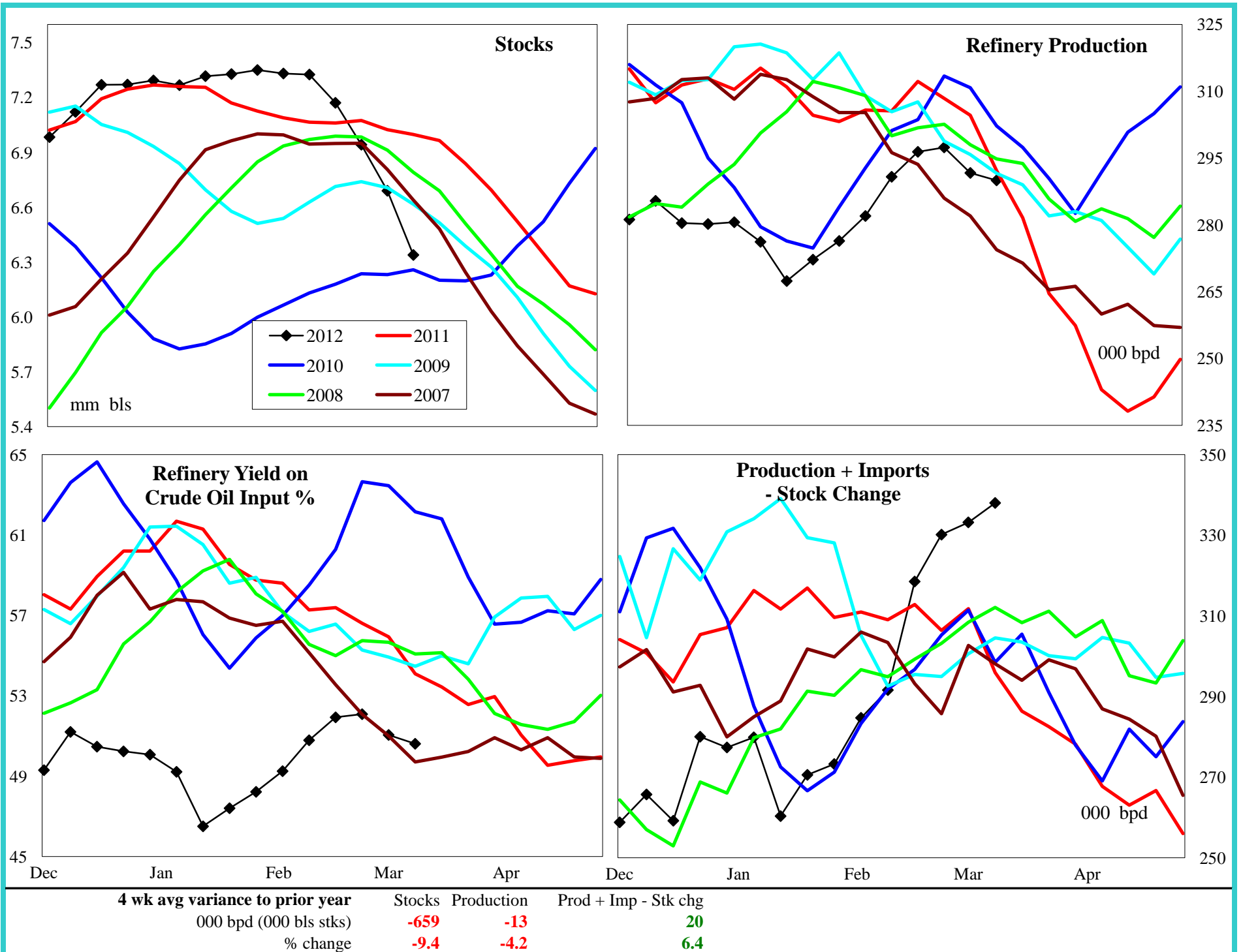
# PADD 3 Residual Fuel Oil Supply



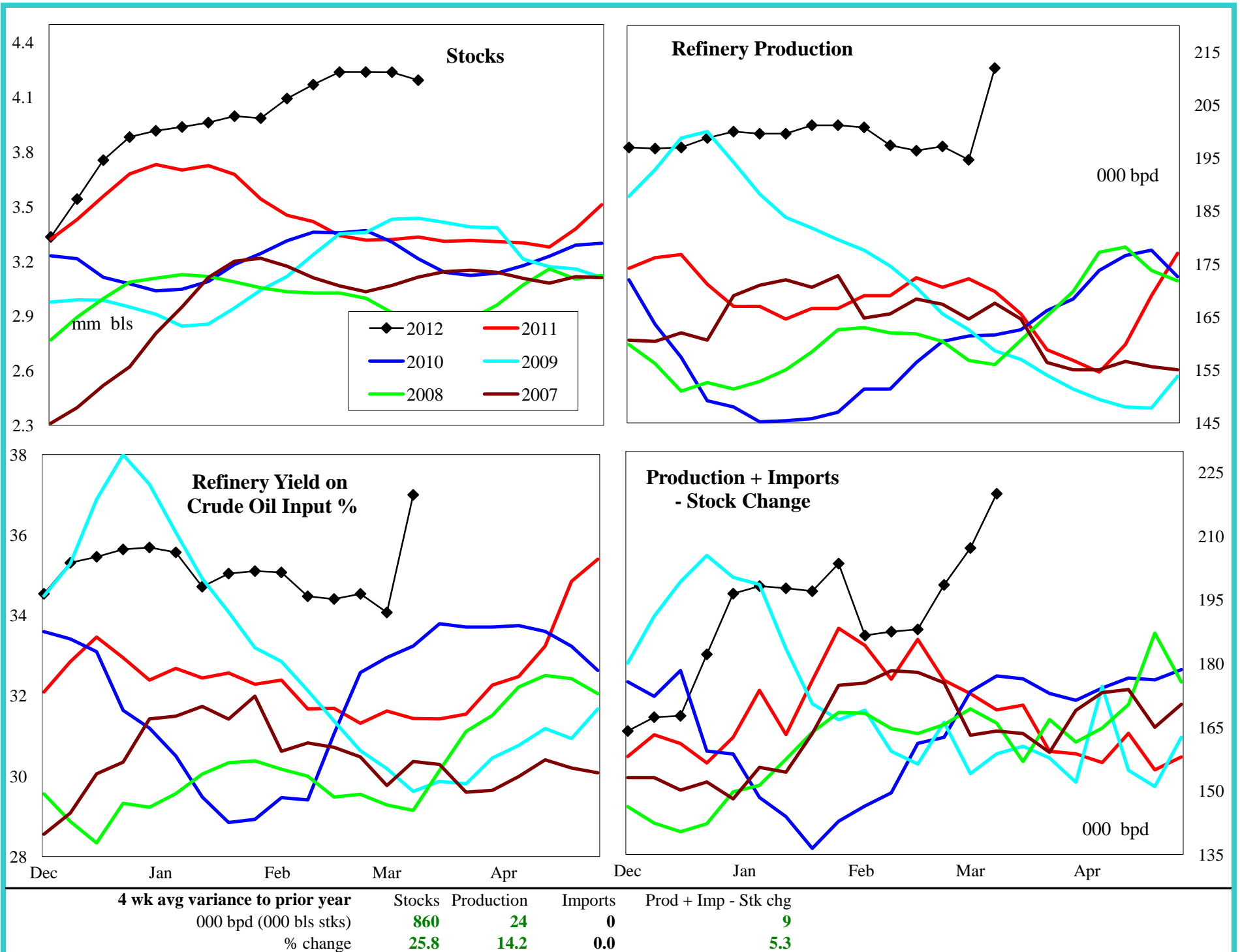
# PADD 4 Crude Oil Supply and Refining



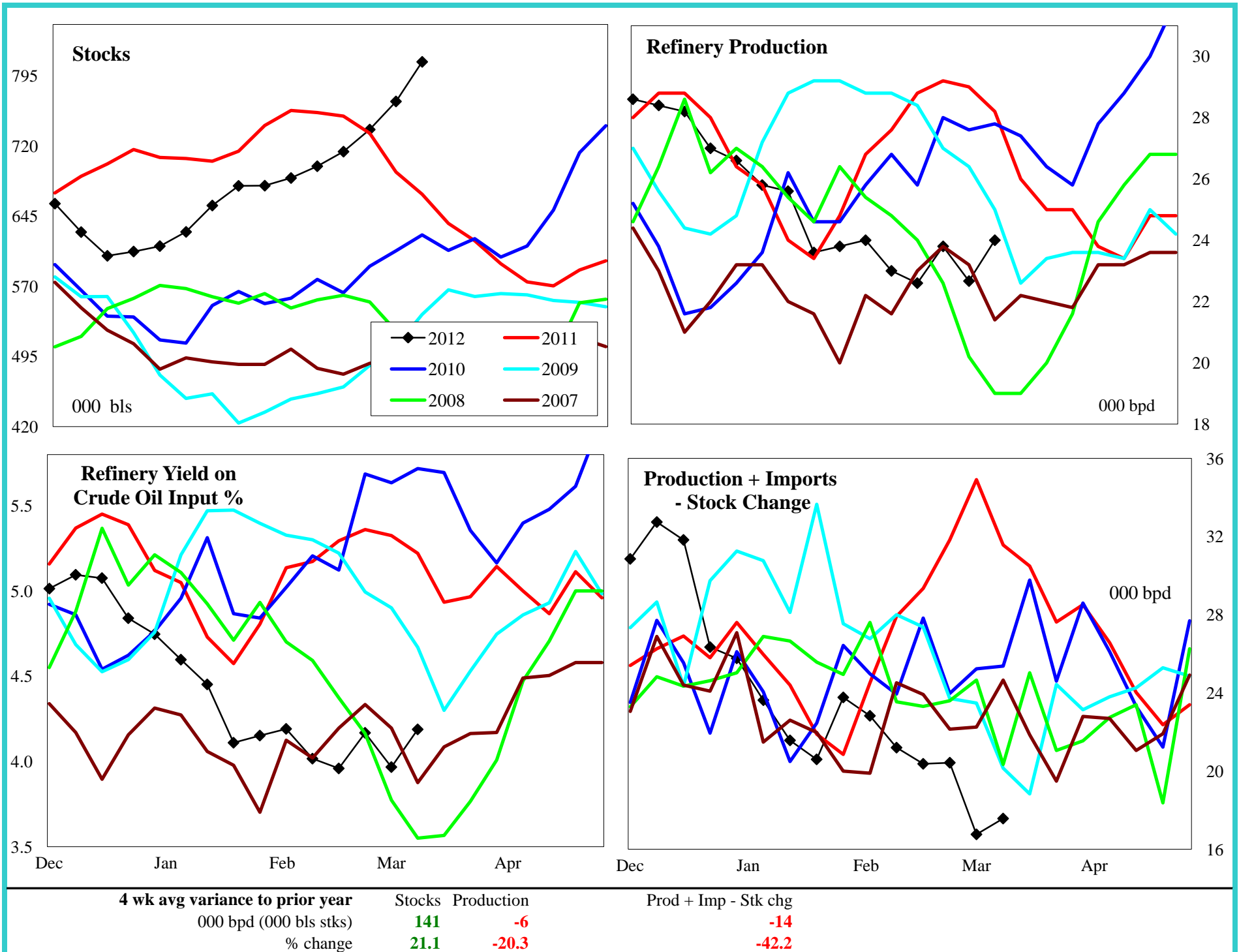
# PADD 4 Gasoline Supply



# PADD 4 Distillate Supply

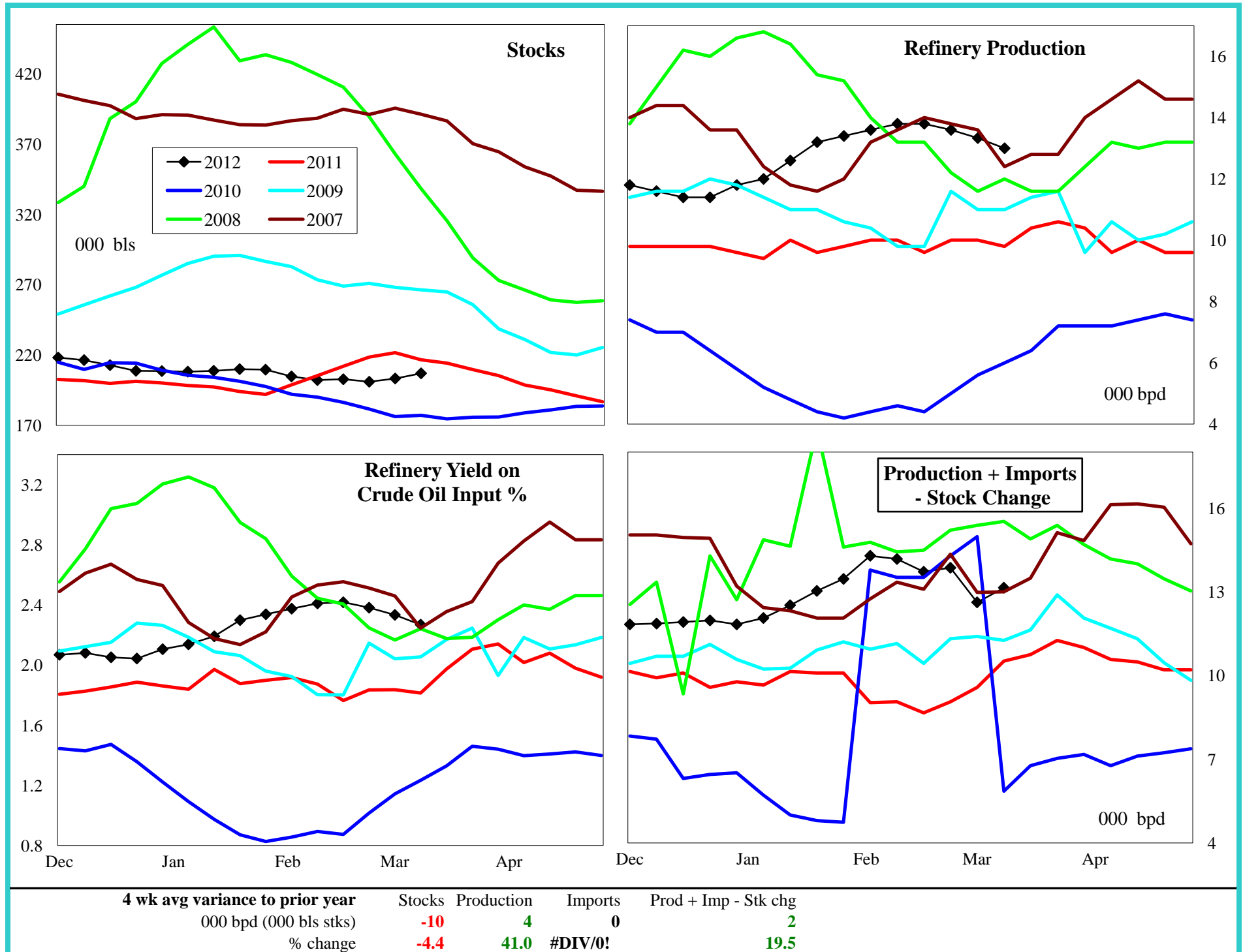


# PADD 4 Jet Fuel Supply

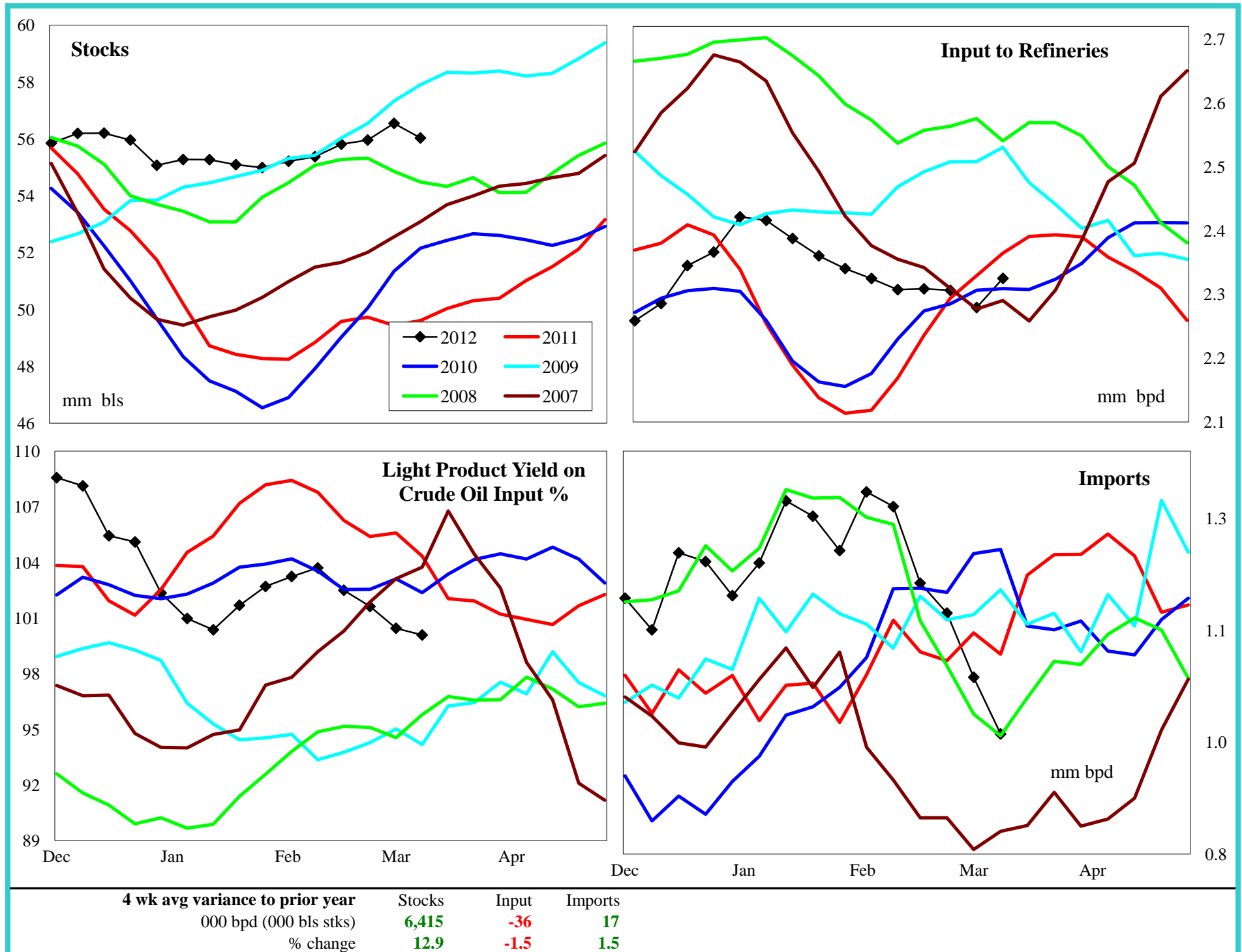




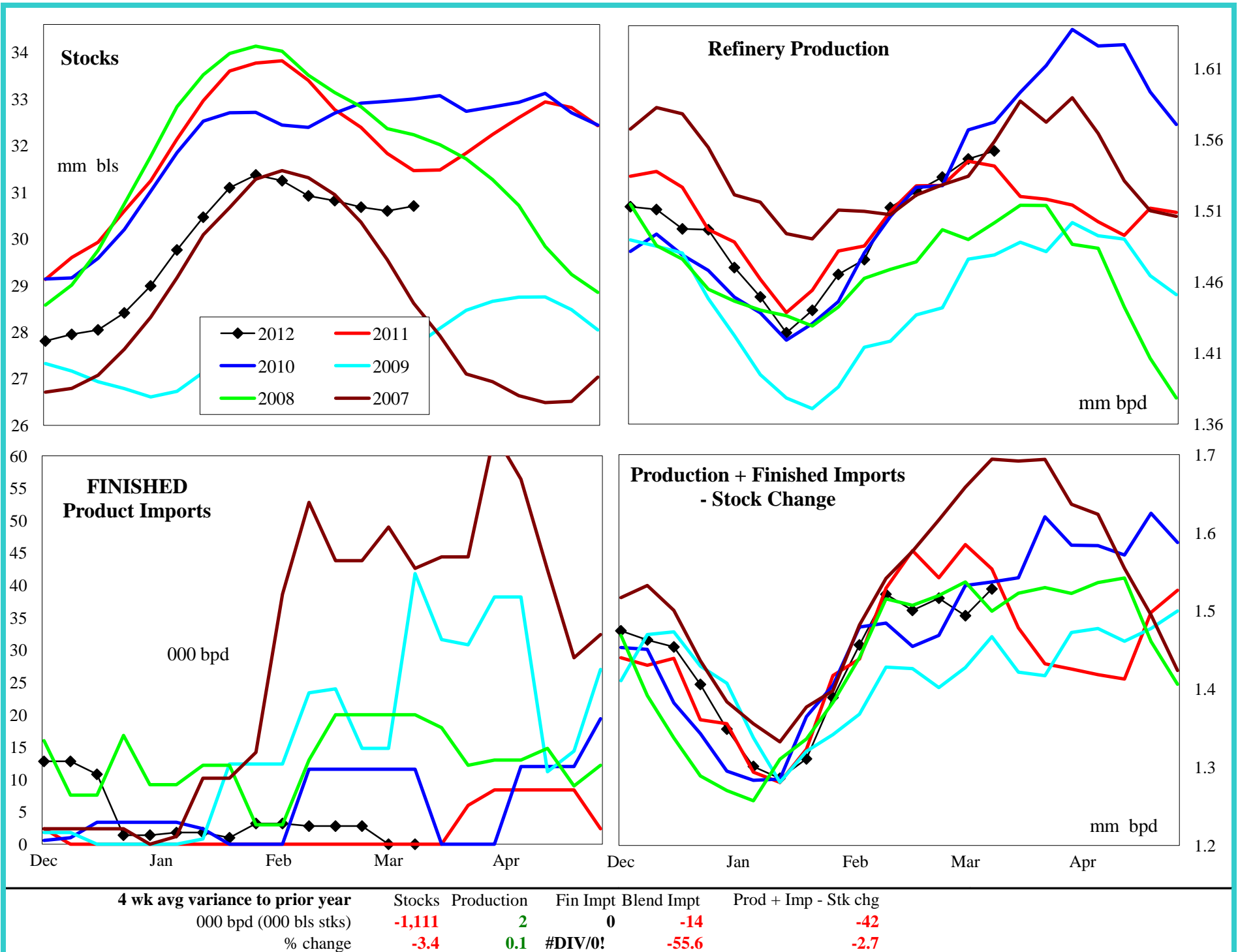
# PADD 4 Residual Fuel Oil Supply



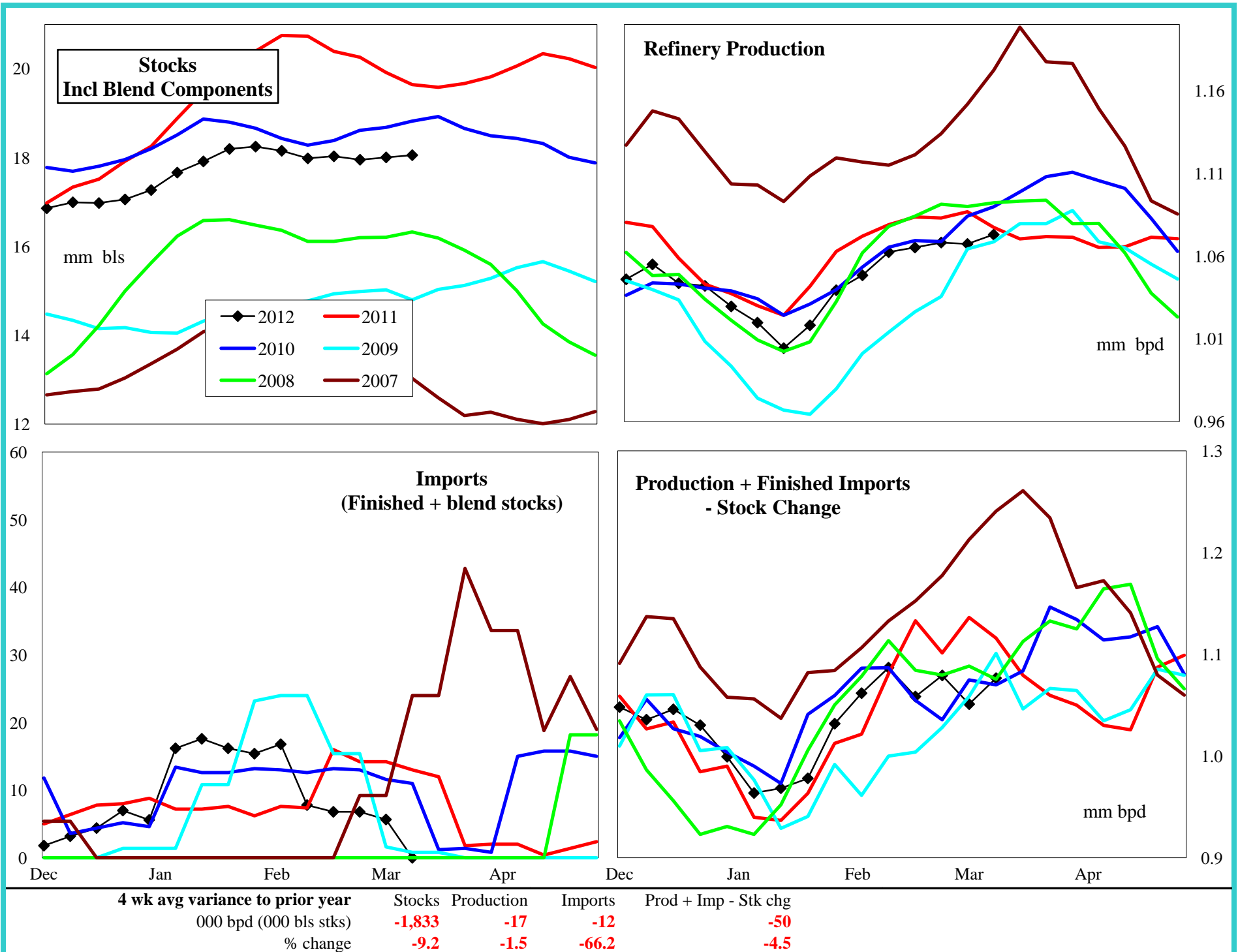
# PADD 5 Crude Oil Supply and Refining



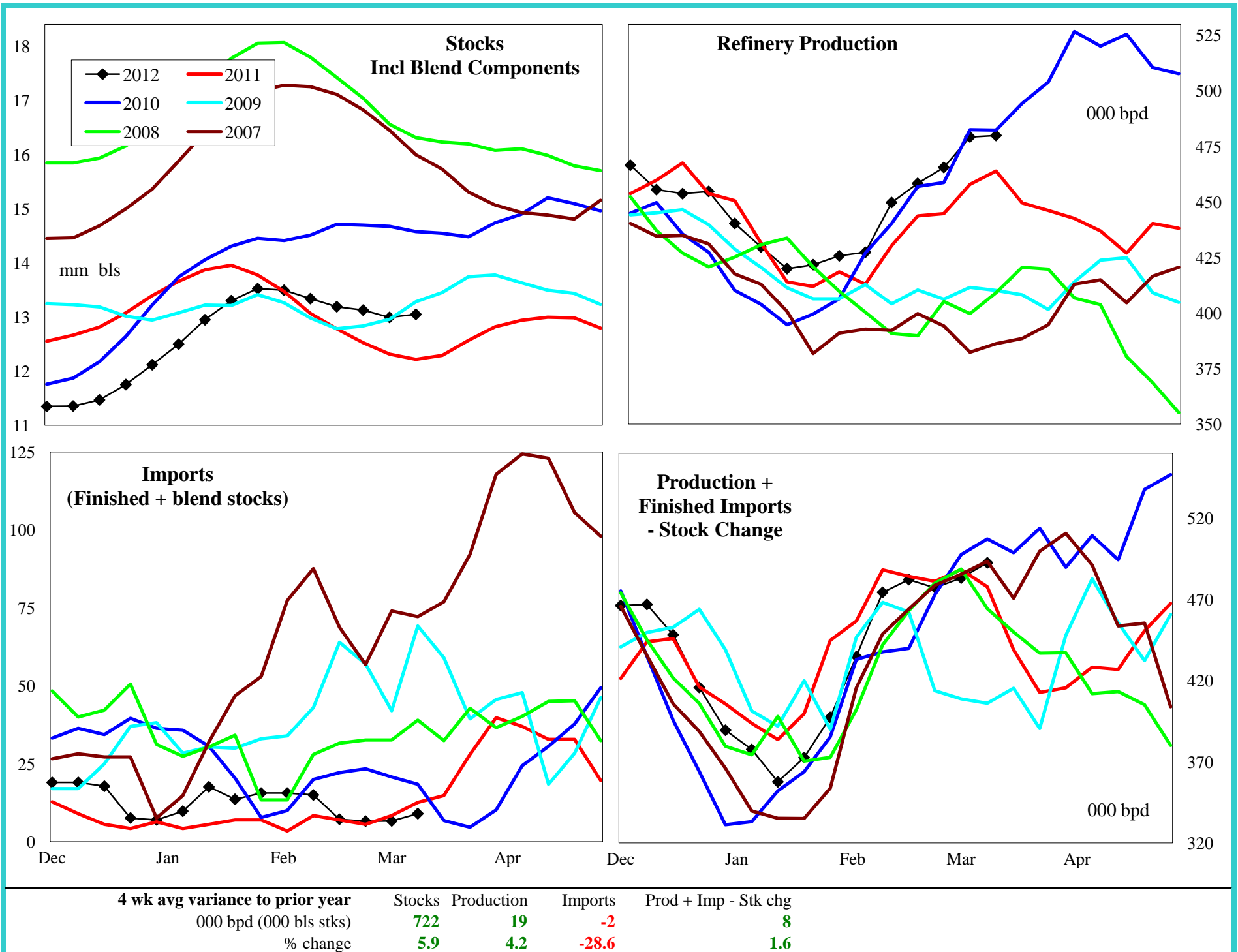
# PADD 5 Gasoline Supply



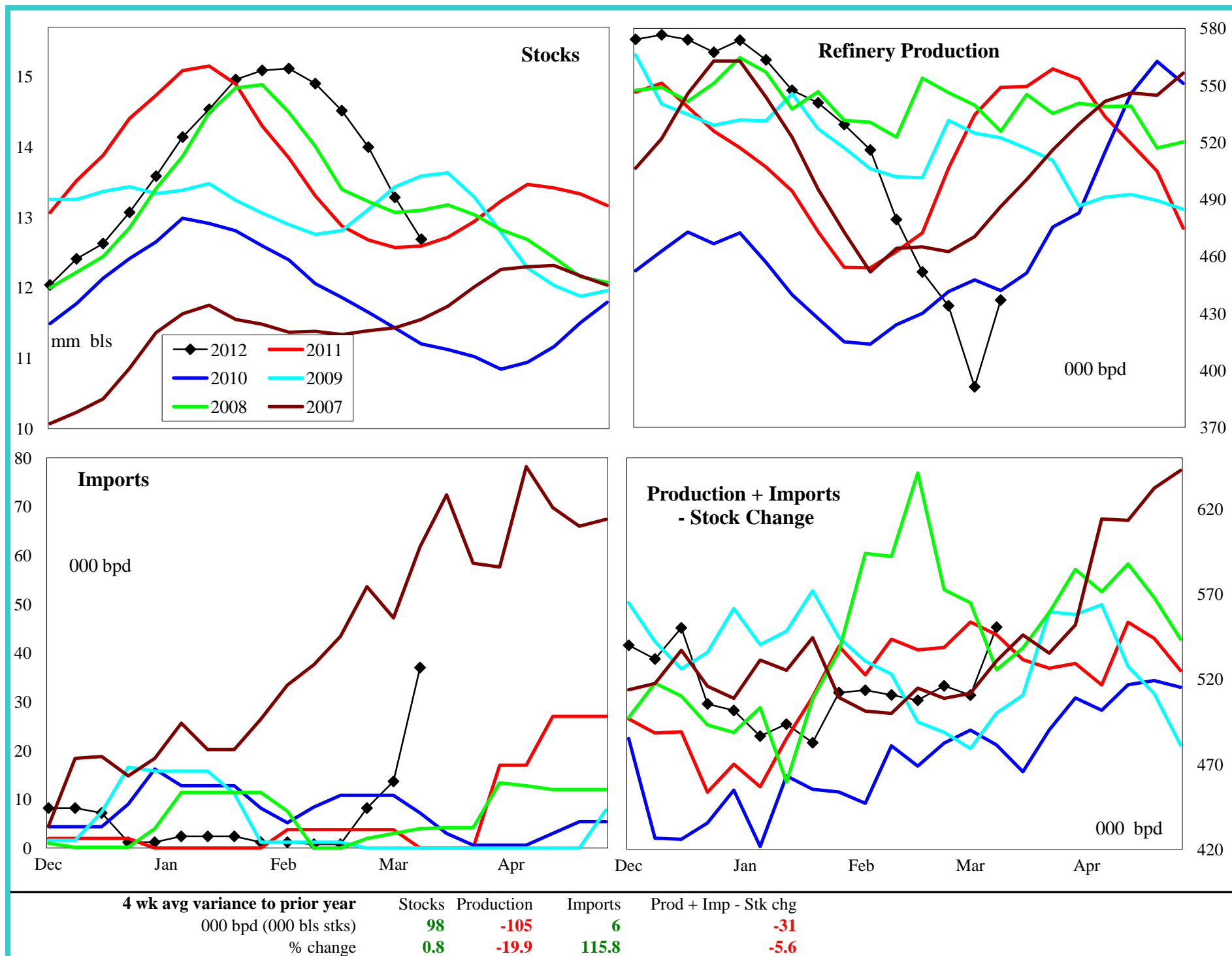
# PADD 5 Reformulated Gasoline Supply



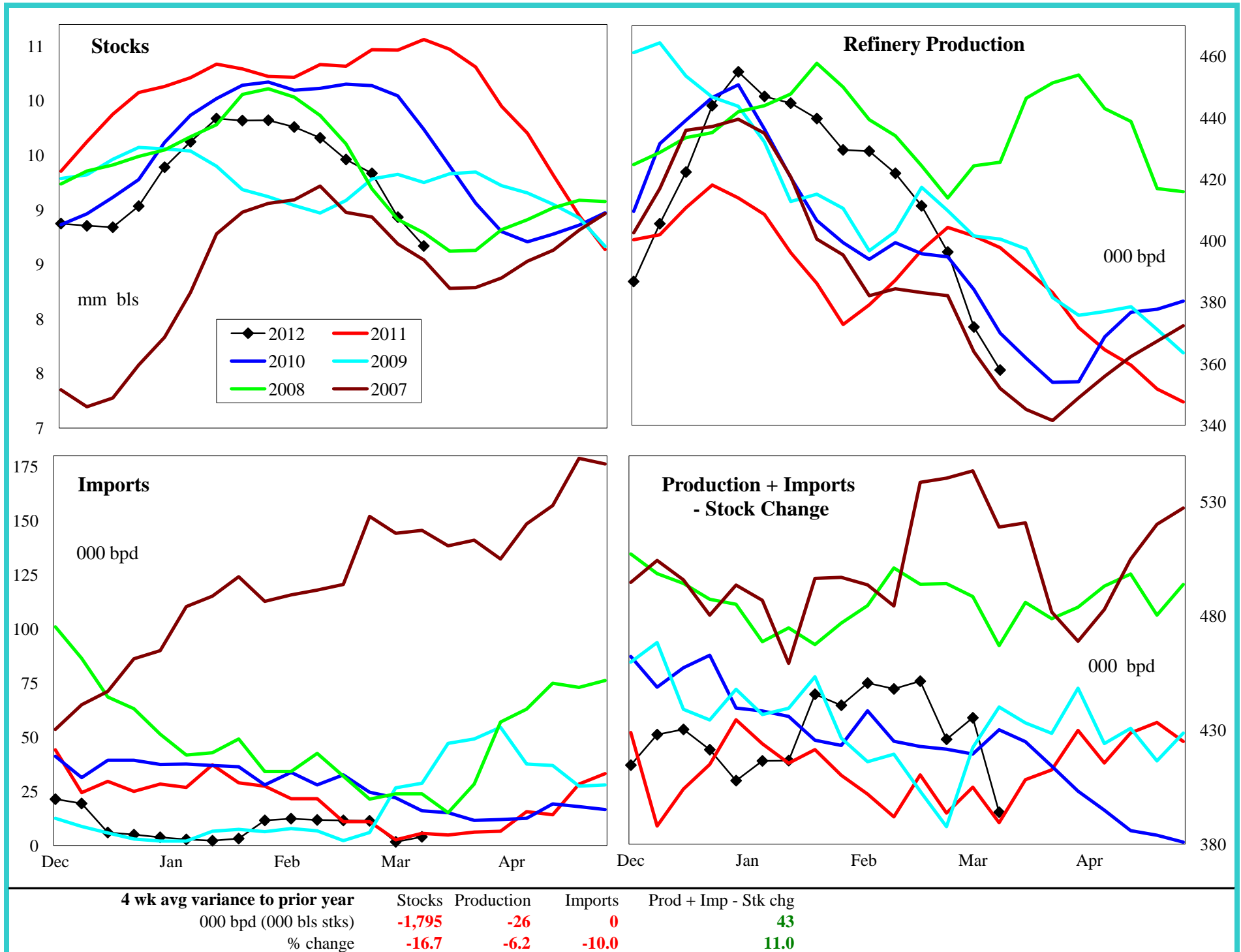
# PADD 5 Conventional Gasoline Supply



# PADD 5 Distillate Supply



# PADD 5 Jet Fuel Supply





# PADD 5 Residual Fuel Oil Supply

