



## WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

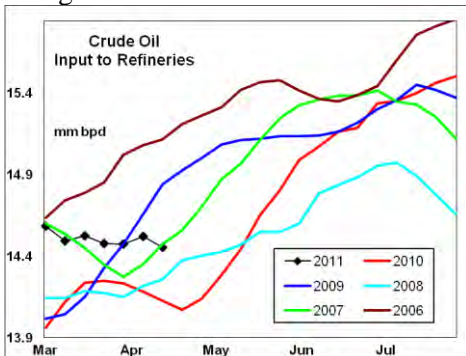
### A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Wednesday, April 18, 2012

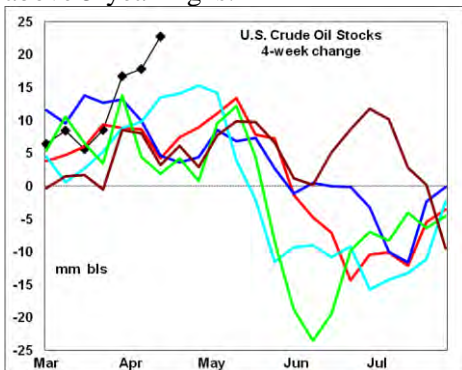


#### Major Fundamental Trends<sup>1</sup>

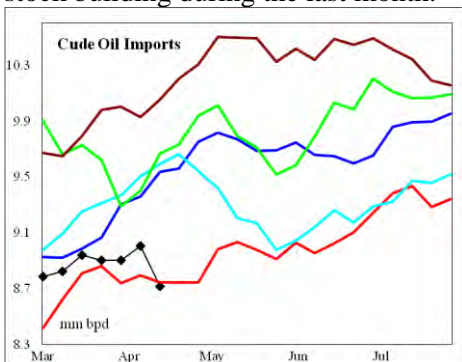
Look for crude oil runs to increase +1 million bpd during the next 60-days as refiners on the Gulf and West Coast return from maintenance; with potential for even higher runs as refinery expansions on the Gulf are brought online.



Note that crude oil runs in PADDs 2 and 4, regions which process lower cost Canadian imports and inland domestic crude oil grades, are at or above 5-year highs.

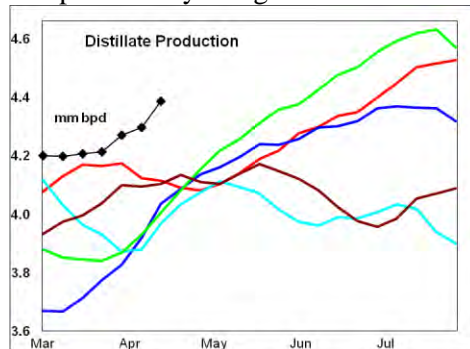


Crude oil stock levels are at fresh five year highs, driven by a record rate of stock building during the last month.

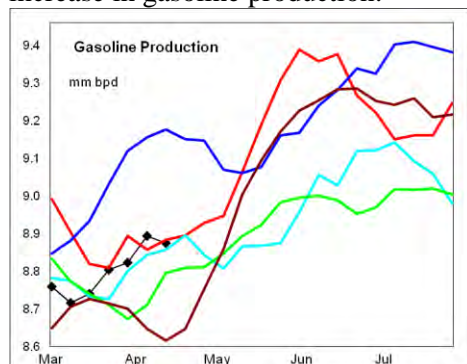


The record stock levels are due to a

combination of lower refinery runs in the Gulf and West Coast during the last month, extremely high domestic production, slightly higher imports compared to a year ago.



Look for the rise in crude oil runs to lift distillate output from all ready record levels for this time year by an additional 500,000 bpd during the next 2-months; as well as a +600,000 bpd increase in gasoline production.



**Demand** for distillate increased to levels above the last 3-years. Wholesale demand, measured over the last four weeks compared to a year ago: gasoline decreased -2.8%; distillate down -0.5%; jet fuel up +3.7% while residual fuel oil decreased -7.2%.

**Stocks forward coverage:** Gasoline demand coverage fell last week due to a -3.7 million barrel stock draw. Coverage fell to a level slightly above the historic range.

Distillate demand coverage fell sharply on a -2.9 million barrel stock draw and increased wholesale demand. Coverage levels were below the last 3-years.

Jet fuel coverage levels were below the last 3-years on near record low stock levels. Coverage levels

ended the week below the last 3-years. **Refinery utilization** rates increased on a +99,000 bpd rise in crude oil runs. During the latest 4-wk period crude oil input was +297,000 bpd above a year ago.

Gasoline yield % on crude oil runs decreased on a -3,000 bpd drop in output compared to the +99,000 bpd rise in crude oil runs. Yield % on crude oil runs was below the last 3-years.

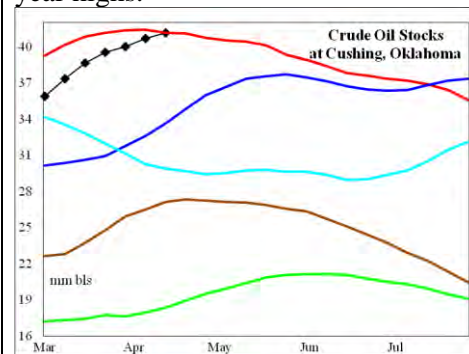
Distillate yield % on crude oil runs rebounded on a +173,000 bpd rise in production, compared to the smaller increase in crude oil runs. The yield % jumped to record highs on the week.

Jet fuel yield % on crude oil runs increased on a +19,000 bpd rise in production compared to the small increase crude oil runs. Yield % levels were below the historic mid range.

**Petroleum Imports** of crude oil and middle distillates increased last week, while falling sharply for gasoline.

During the latest 4-wk period crude oil imports were +395,000 bpd above last year; distillate imports decreased -49,000 bpd; finished gasoline imports decreased -47,000 bpd, gasoline blend stock imports declined -234,000 bpd; jet fuel imports were -35,000 bpd lower, while residual fuel oil imports fell -160,000 bpd.

**Crude Oil** stocks increased +3.9 million barrels last week, concentrated in PADDs 5, 2 and 3. U.S. stock levels reached fresh 5-year highs last week, Stocks in Cushing increased +0.6 million barrels last week to match 5-year highs.



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



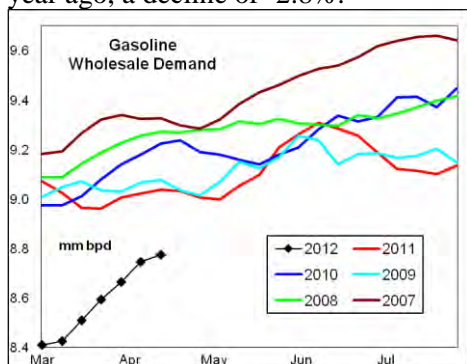
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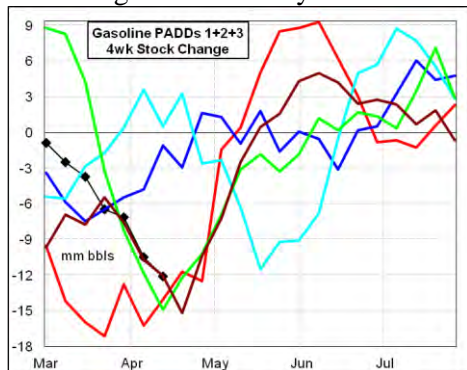
#### Product Supply-Demand Trends

**Gasoline** demand increased +94,000 bpd last week, extending the seasonal uptrend. The latest 4-wk average demand was -253,000 bpd below a year ago, a decline of -2.8%.



Combined production and imports fell -275,000 bpd last week, on sharply lower imports.

Stocks fell -3.7 million barrels on the week, to a level below the average of the last 3-years. The latest 4-wk stock draw in markets East of the Rockies was -12 million barrels, near the average of the last 5-years.



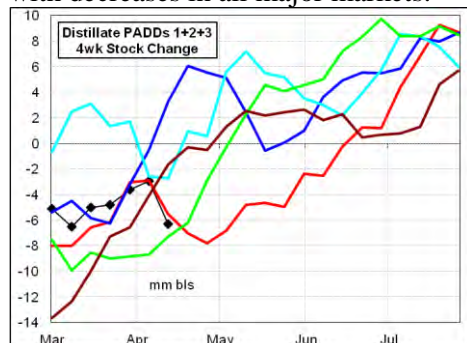
Stock levels in the key Central Atlantic Region of PADD 1 ended the week at a level below four of the last 5-years. Risk of a supply squeeze continues, although a seasonal upturn in imports during the next 30-days should improve the supply balance.

Weak demand and above average stock levels continues to depress cash basis in most regional markets outside NYH and the Gulf.

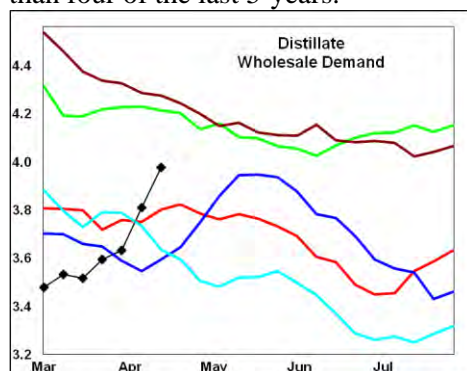
**Distillate** demand increased +84,000 bpd last week, to a level above the last 3-years. The latest 4-wk average year-on-year change in demand was a -20,000 bpd decline; the lowest year-

on-year decrease of the last 12-months.

Supplies increased +228,000 bpd last week, reversing the prior week decline. The latest 4-wk average supply was +86,000 bpd above a year ago. Stocks fell -2.9 million barrels with decreases in all major markets.



The latest 4-wk stock change in markets East of the Rockies was a draw of -6.3 million barrels, larger than four of the last 5-years.

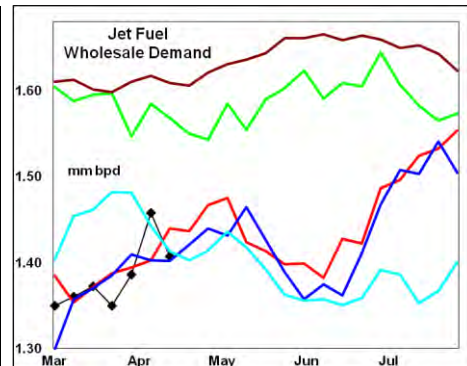


Production jumped +173,000 bpd last week, reaching a new 5-year high for this time of year. Historically, crude oil runs have increased +1 million bpd over the next 60-days, which should significantly increase distillate supplies.

Look for an improving supply balance during the 2nd quarter on higher crude oil runs and record refinery yields of distillate product.

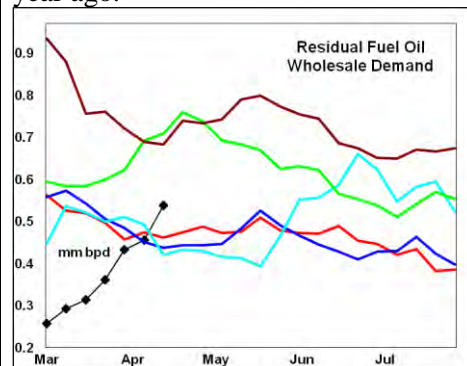
**Jet Fuel** demand decreased -22,000 bpd last week, to a level comparable with the last 3-years. The latest 4-wk average demand was +50,000 bpd below a year ago.

Supply increased +106,000 bpd on higher production and imports. Stocks decreased -0.1 million barrels last week, with the level near historic lows.



The upturn in demand and low level of production and imports has led to a significantly tightening of the supply/demand balance. As refiners return from spring maintenance, look for higher production to limit further stock draws.

**Residual fuel oil** demand increased +52,000 bpd last week. The latest 4-wk average was -37,000 bpd below a year ago.



Supply (production + imports) fell -52,000 bpd last week, on lower imports. The latest 4-wk average supply was -125,000 bpd below last year on lower imports. Stocks fell -1.3 million barrels, to a new record low level.

Demand has seen a counter seasonal rebound, to a level above the last 3-years. Production levels exceed the last 3-years; while record low stock levels have been driven by the collapse in imports.

The key Gulf Coast market remains well supplied with both production and stock levels near 5-year highs.



## WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

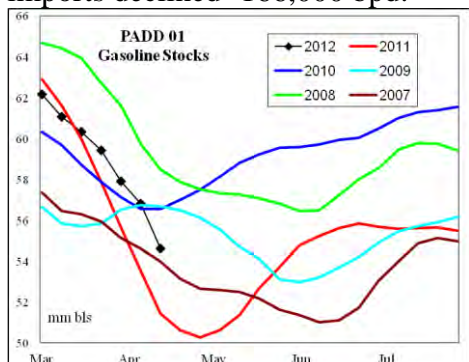
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#### PADD Supply Trends

**PADD 1** refinery crude oil runs increased +30,000 bpd on the week, with the latest 4-wk average +120,000 bpd above last year.

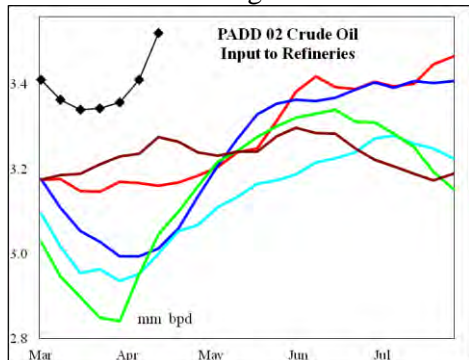
Gasoline production increased +158,000 bpd last week, while imports declined -166,000 bpd.



Stocks fell -2.3 million barrels on the week, to a level well below the 5-year mid range. Stock levels in the key Central Atlantic Region ended the week below four of the last 5-years.

Distillate supply increased +149,000 bpd on the week, driven by higher production and imports. Stocks declined -0.6 million barrels on the week, a level -15% below last year.

Jet fuel combined production and imports for the latest 4-wk period were -87,000 bpd below last year and at fresh 5-year record lows. Increased receipts from the Gulf lifted stocks +0.4 million barrels to a level that matched the mid range.



**PADD 2** crude oil refinery runs increased +137,000 bpd on the week, with the 4-wk average +209,000 bpd above last year. Crude oil imports climbed +148,000 a level +37% above

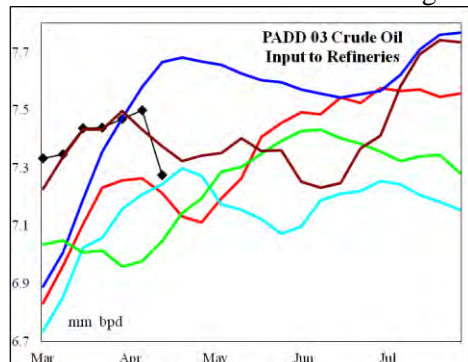
last year. Stocks increased +1.2 million barrels to a level -3.5% below last years' record high.

Gasoline production jumped +193,000 bpd last week, to a level that matched 5-year highs. Stocks fell -0.9 million barrels, to a level that matched the historic mid range.

Distillate production increased +23,000 bpd on the week, to a new record high for the season. Stocks were nearly unchanged at a level above four of the last five years.

Jet fuel production increased +5,000 bpd on the week, a level above the 5-year range. Stocks ended the week at a level which matched 5-year highs for the period.

**PADD 3** refinery runs declined -147,000 bpd last week, to a level that matched the mid range. The latest 4-wk average thru put was +233,000 bpd above last year. Crude oil imports decreased -0.2 million bpd, a record low level. Stocks extended the seasonal build, rising +0.9 million barrels to a level above the mid range.



Gasoline production fell -156,000 bpd, last week, a level -228,000 bpd below a year ago. Stocks increased +0.7 million barrels last week, lifting the level above the historic mid range.

Distillate production increased +107,000 bpd on the week, with the latest 4-wk average +73,000 bpd above last year and a 5-year high. Stocks fell -1.5 million barrels to a level well below each of the last 3-years.

Jet fuel production increased +57,000 bpd last week to a level above the mid range. Stocks fell -0.9 million barrels to a level below the 5-year

range.

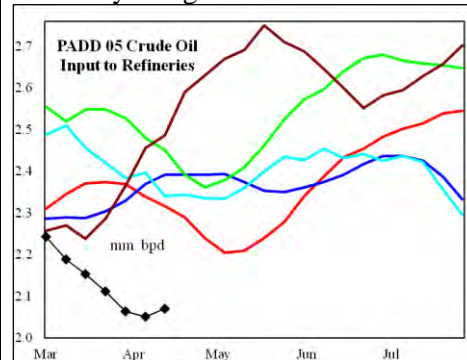
Residual fuel oil supplies declined -47,000 bpd on the week, driven by no imports. Production rates were above the 5-year range. Stock levels ended the week below the last 2-years.

**PADD 4** refinery crude runs increased +25,000 bpd on the week, to a level that matched 5-year highs for this time of year. The most recent 4-wk average run rate was +70,000 above a year ago.

Gasoline production increased +29,000 bpd to a level below the mid range. Stocks were nearly unchanged at a level that matched 5-year highs.

Distillate production spiked +58,000 bpd on the week, to a record high level. Stock levels were +29% above last year and a record high for this time of year.

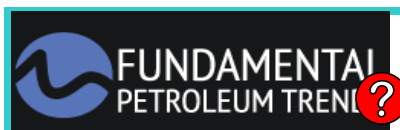
**PADD 5** crude oil refinery runs increased +54,000 bpd last week, but the level remains well below the historic range. Runs for the most recent 4-wk period were -335,000 bpd below a year ago.



Gasoline production increased +38,000 bpd on the week to a level well above the mid range. Supply (production + imports) for the latest 4-wk average was +10,000 bpd above a year ago. Stocks fell -1.2 million barrels to a level below the mid range.

Distillate supply fell -81,000 bpd on the week, to a record low level for the period. Stocks fell -0.8 million barrels, to a level well below the mid range.

Jet fuel supply increased +14,000 bpd on higher imports. Production levels were below the 5-year range.

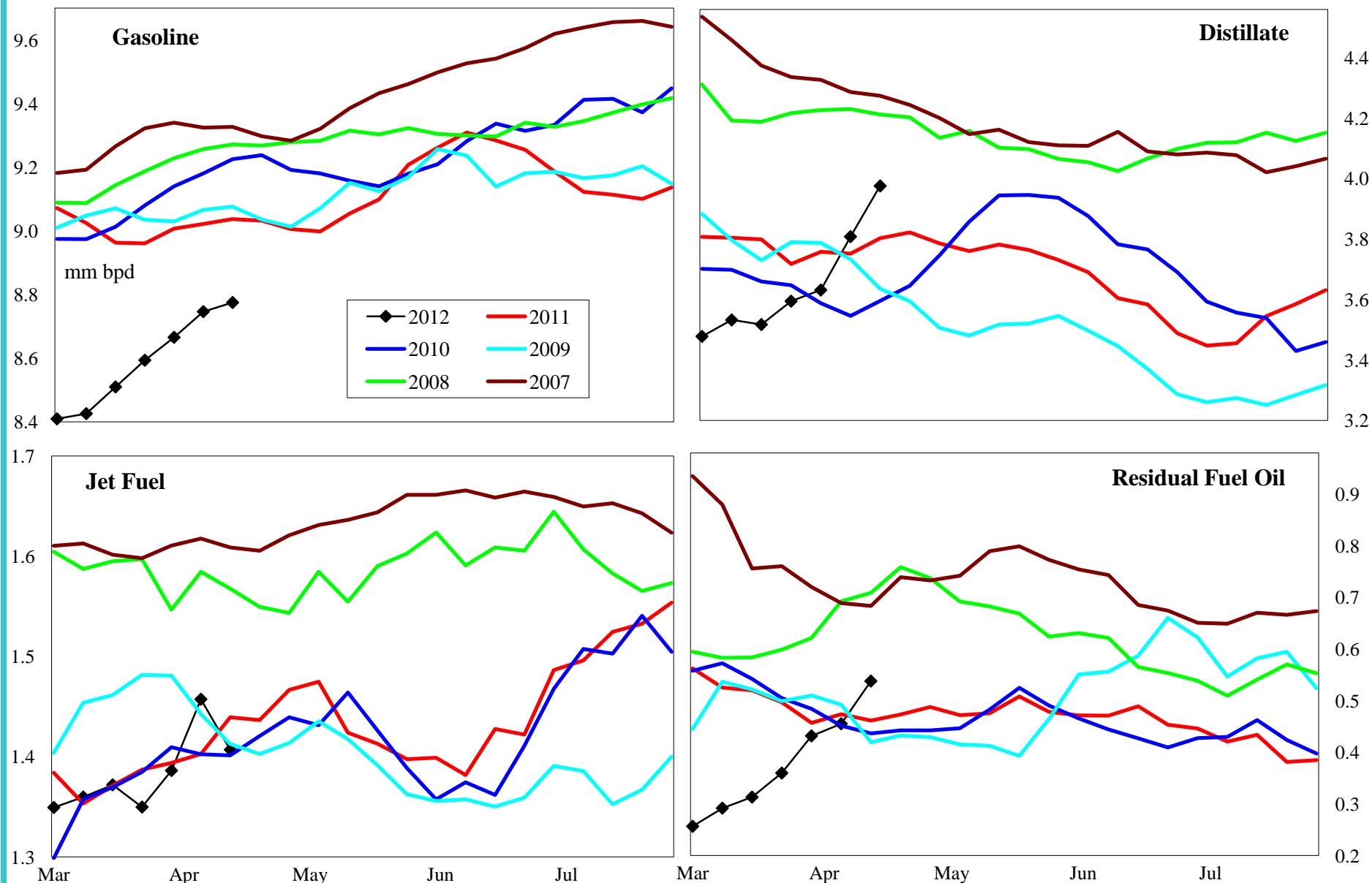


# PETROLEUM: Graph Link and Weekly Summary

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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	13-Apr-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	3,856	-1,610	1,159	885	43	3,379
	Imports	196	3	148	-224	93	176
	Input	99	30	137	-147	25	54
	% Utilization	0.80					
<a href="#">Gasoline</a>	Stocks	-3,671	-2,304	-908	651	94	-1,204
	Production	3	158	193	-156	29	38
	Imports	-278	-166	2	-21	0	-92
	Supplied	94					
<a href="#">Distillate</a>	Stocks	-2,908	-590	-78	-1,482	46	-803
	Production	173	49	23	107	58	-64
	Imports	55	100	0	-28	0	-17
	Supplied	84					
<a href="#">Jet Fuel</a>	Stocks	-56	399	-85	-873	-39	542
	Production	19	-1	5	57	-9	-32
	Imports	87	41	0	0	0	46
	Supplied	-22					
<a href="#">Residual Fuel Oil</a>	Stocks	-1,321	180	-158	-885	19	-477
	Production	11	-5	-2	27	2	-10
	Imports	-63	-32	-3	-74	0	46
	Supplied	52					

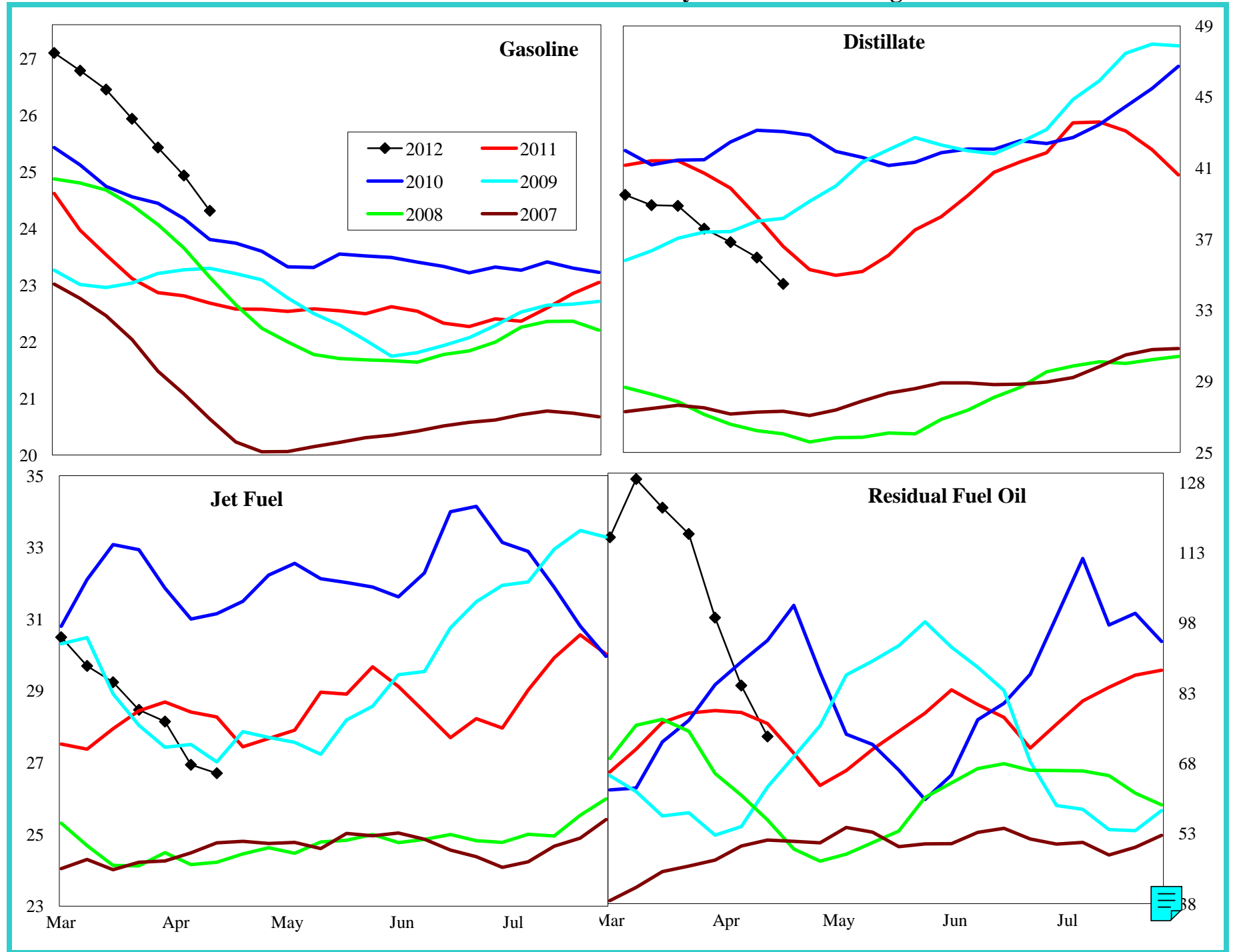
# United States Wholesale Petroleum Demand



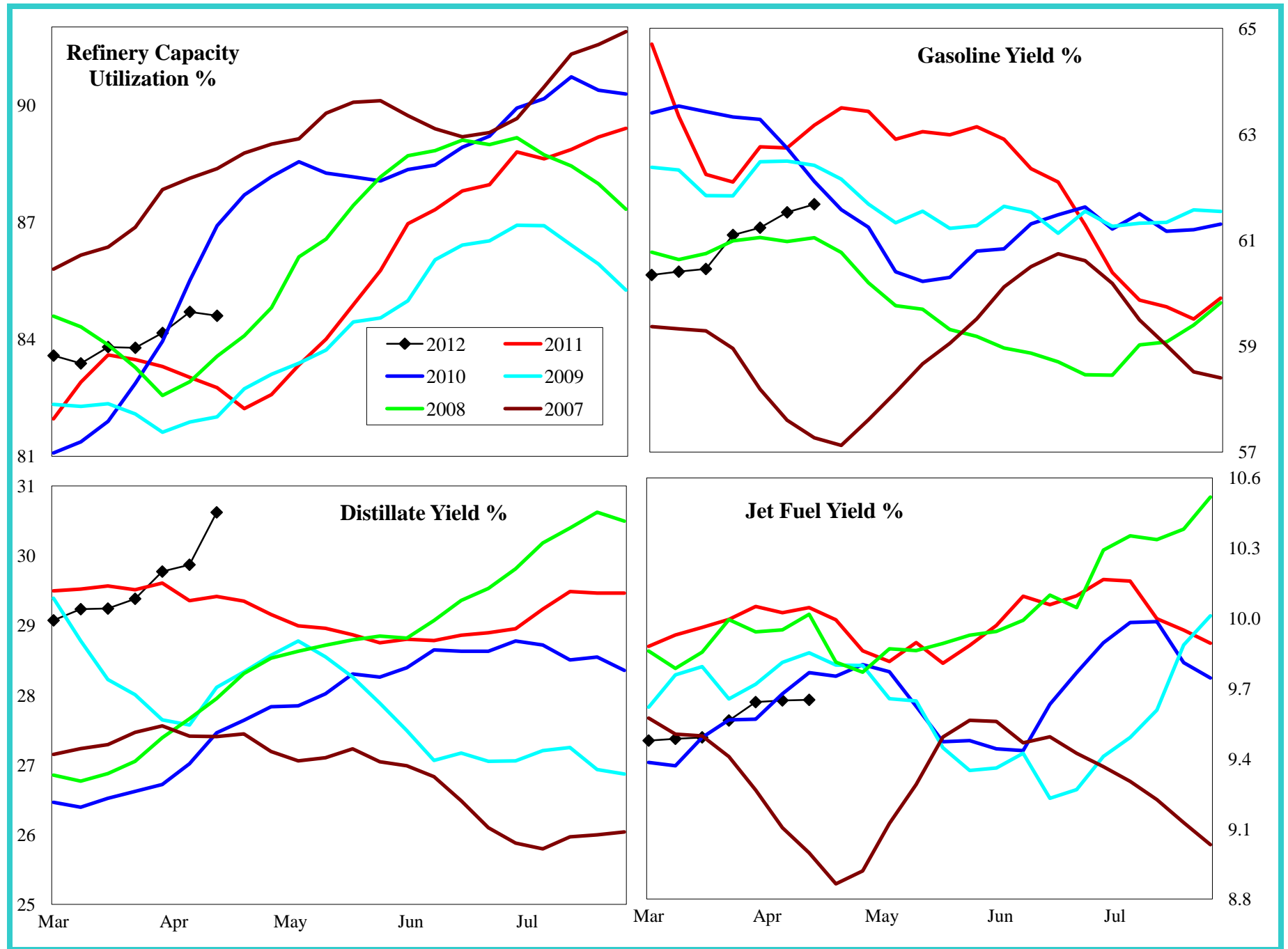
	000 bpd change from prior year				% change from prior year			
	4wk avg	Mar	Feb	Jan	4wk avg	Mar	Feb	Jan
<b>Gasoline</b>	-253	-178	-293	-225	-2.8	-2.0	-3.4	-2.7
<b>Distillate</b>	-20	-432	-283	-157	-0.5	-10.8	-7.3	-4.0
<b>Jet Fuel</b>	50	-59	52	-42	3.7	-4.2	3.9	-3.1
<b>Resid</b>	-37	-179	-258	-203	-7.2	-32.7	-41.1	-32.6



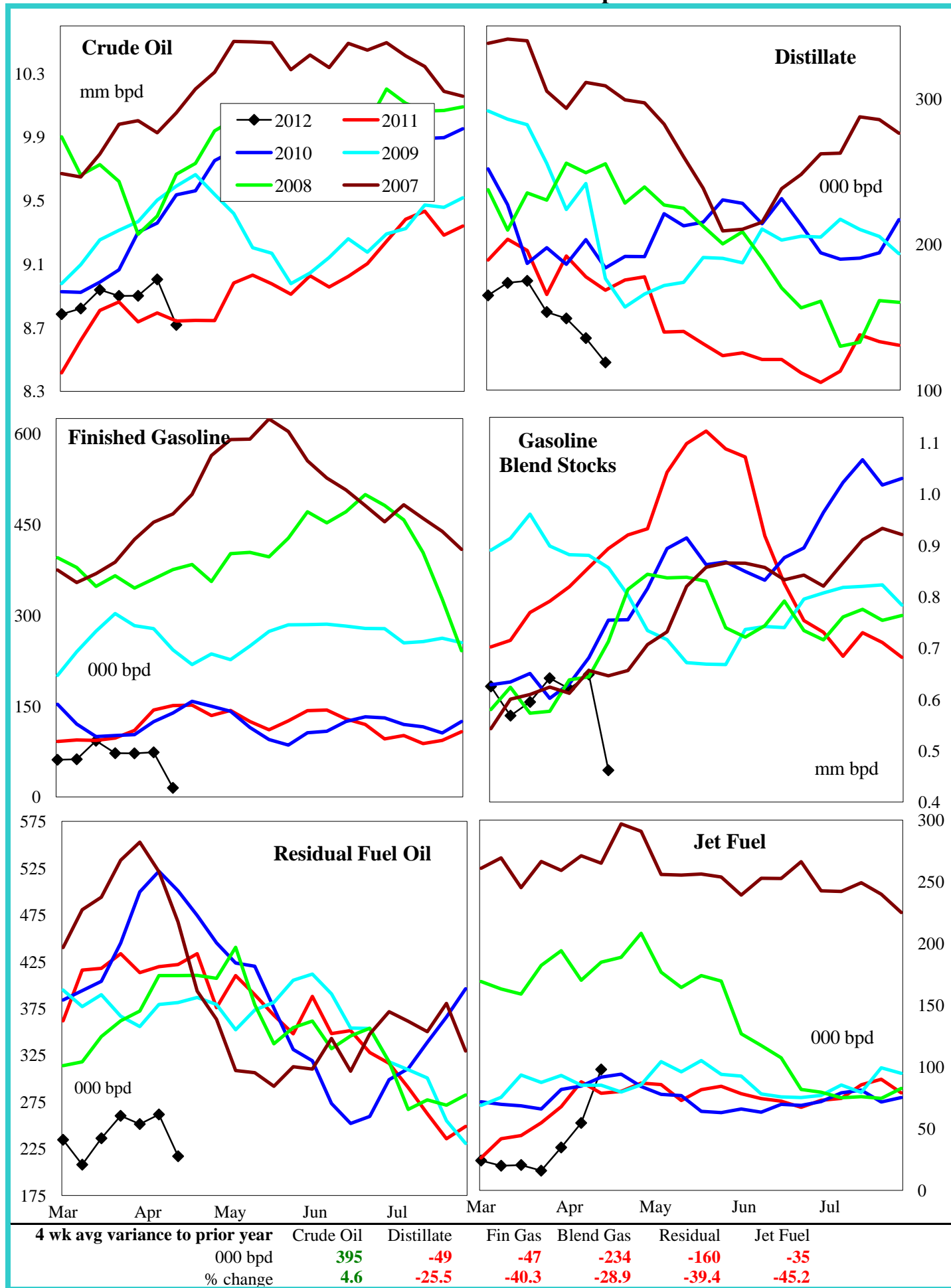
# United States Product Stocks: Days Forward Coverage



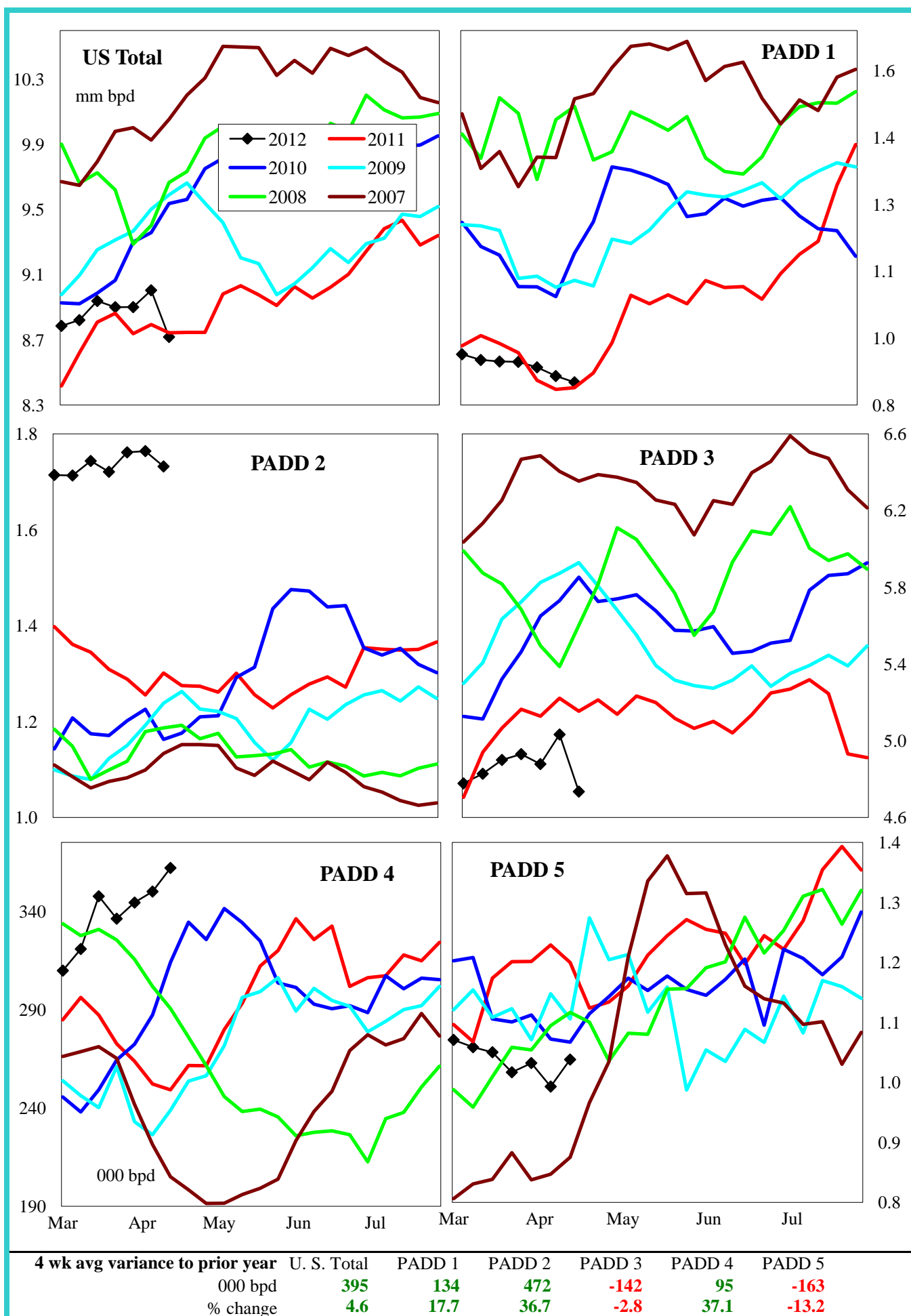
## United States Refinery Percent Utilization Rate and Product Yields



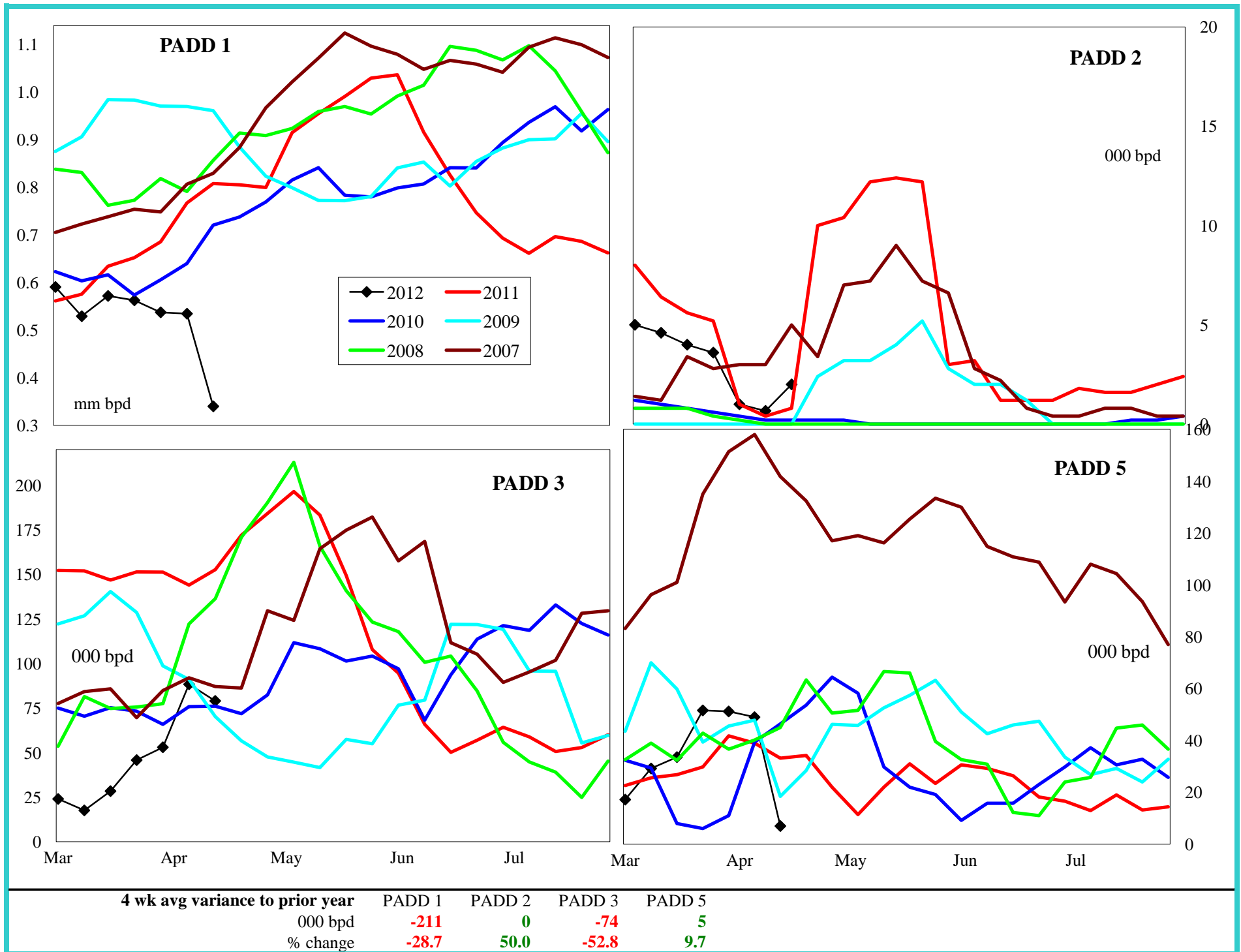
# United States Petroleum Imports



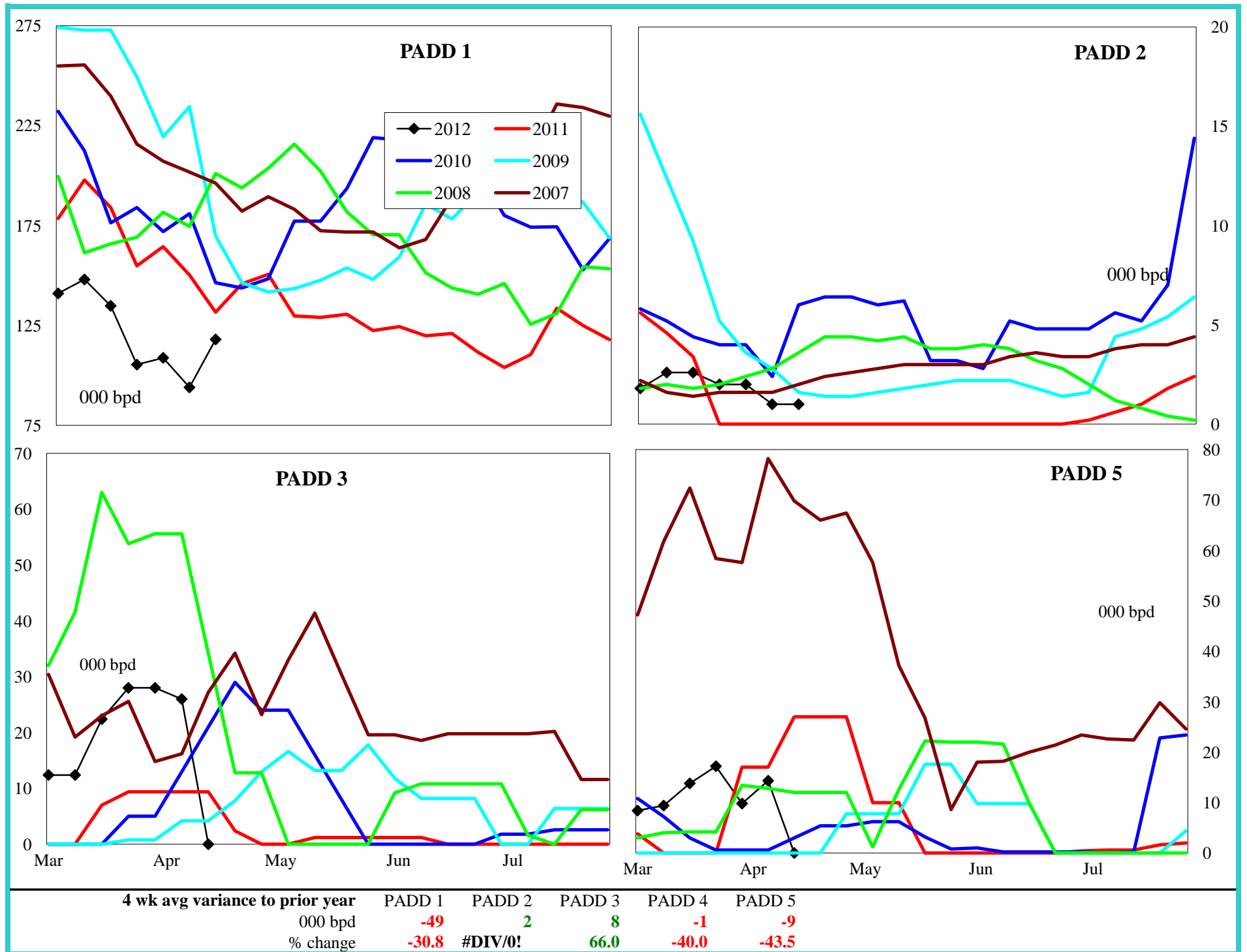
## Crude Oil Imports by PADD



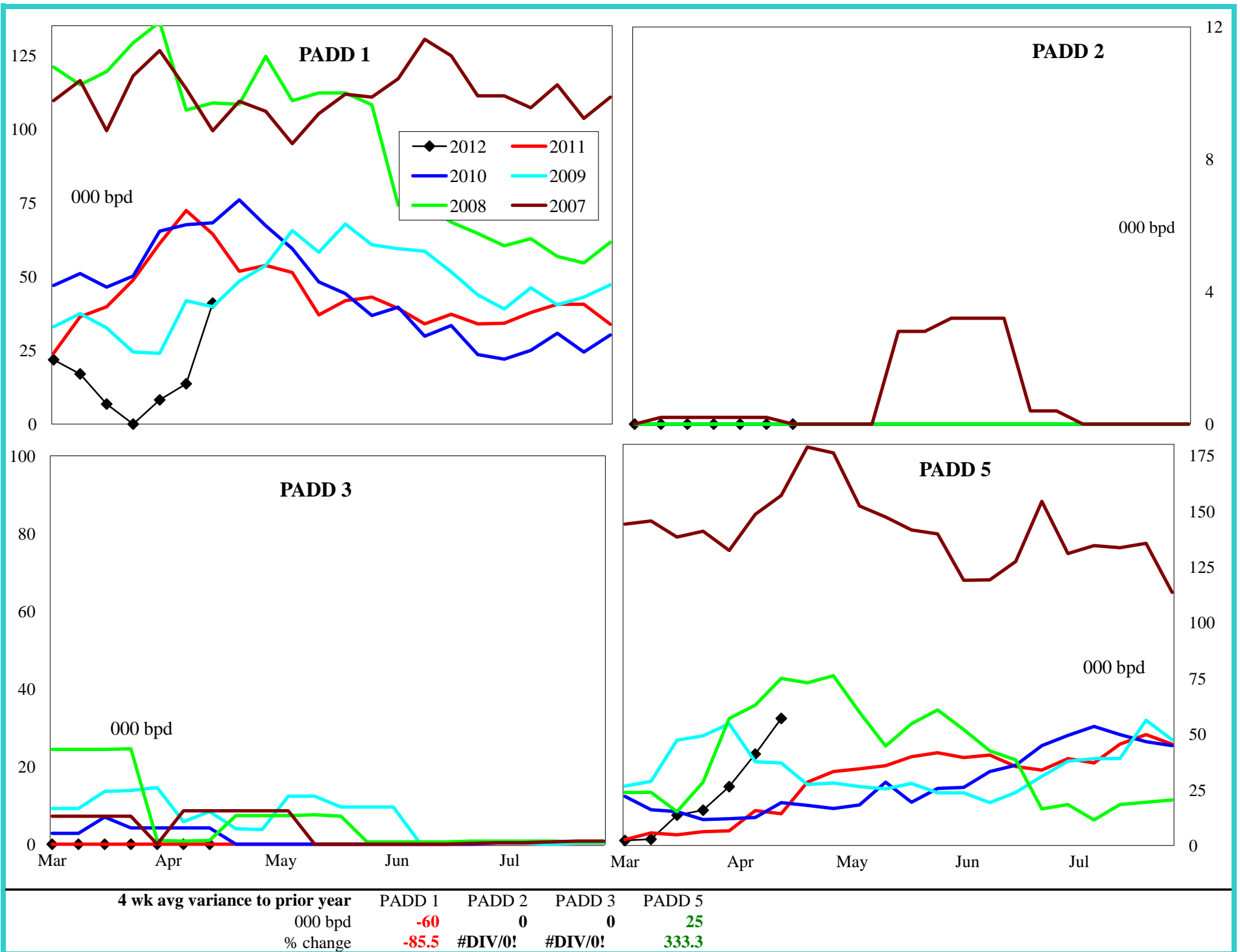
# Gasoline Imports by PADD (Finished + Blend Stocks)



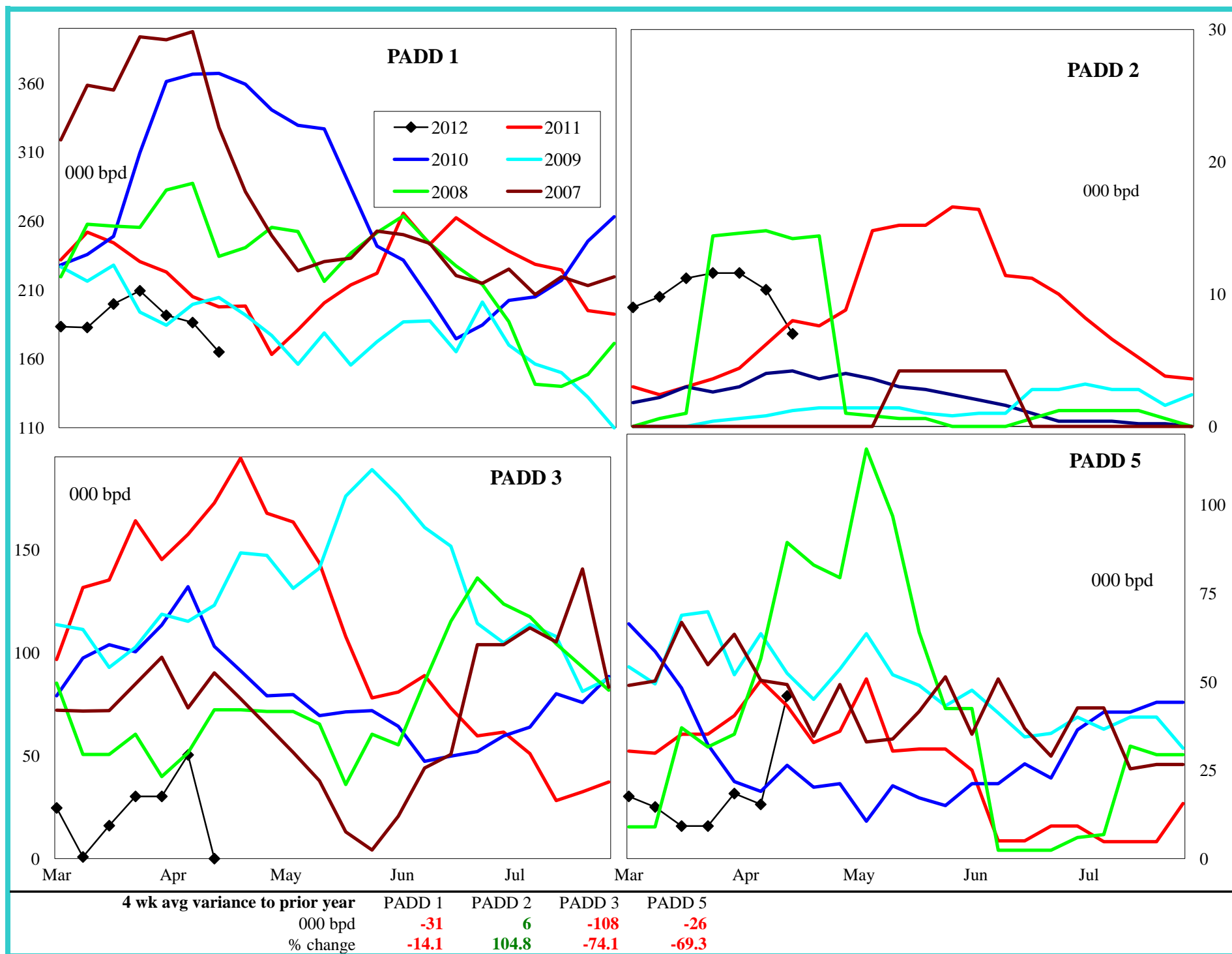
# Distillate Imports by PADD



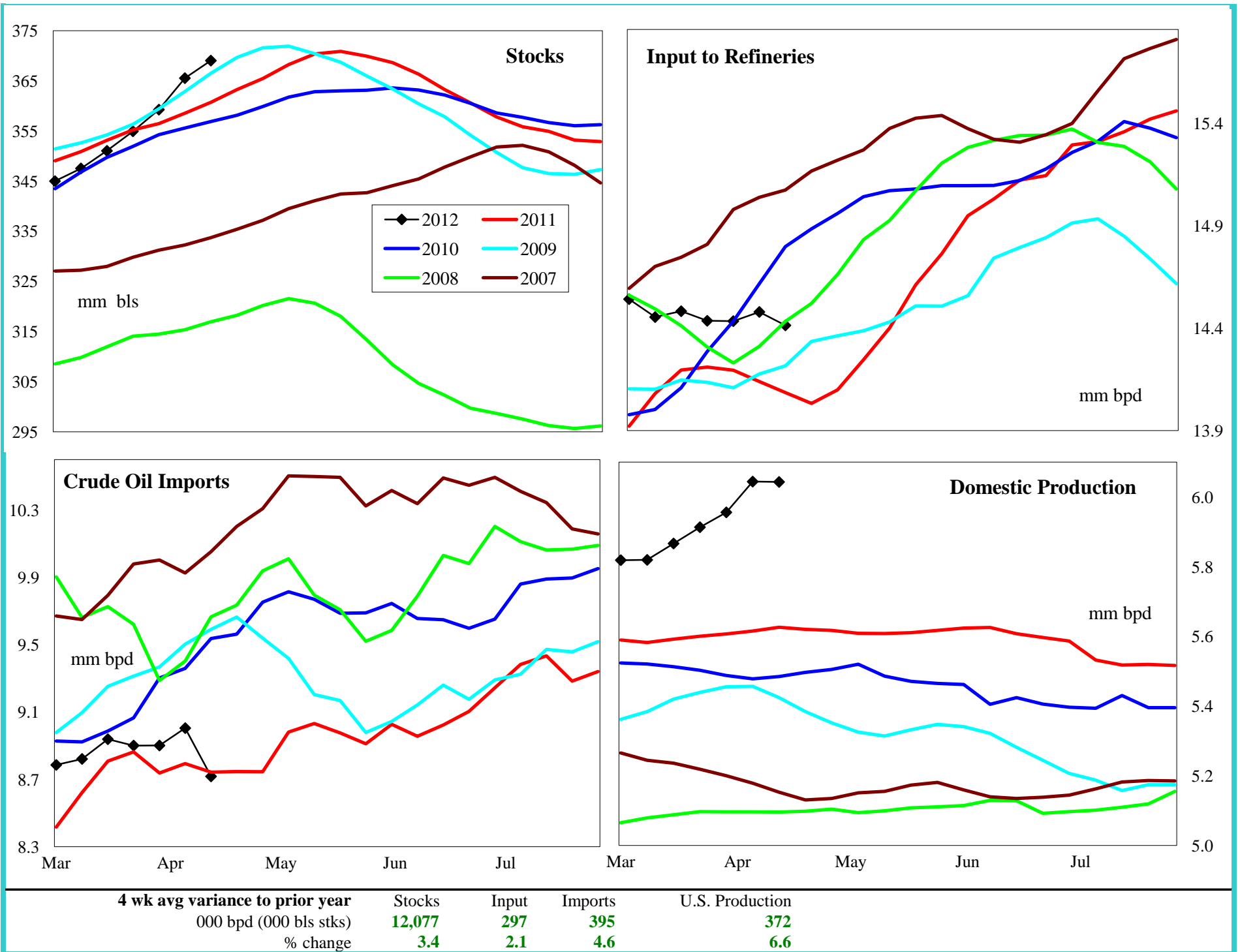
# Jet Fuel Imports by PADD



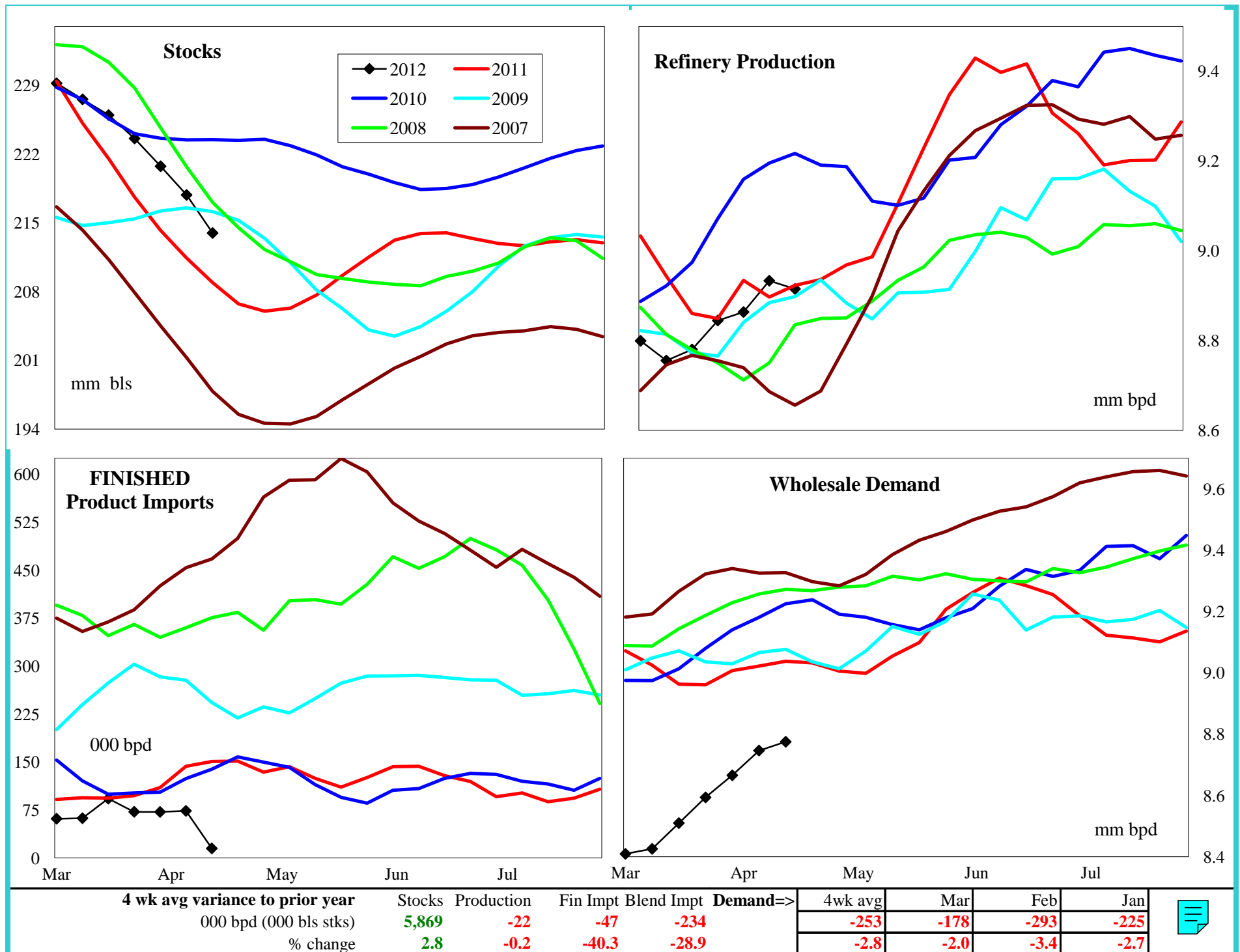
## Residual Fuel Oil Imports by PADD



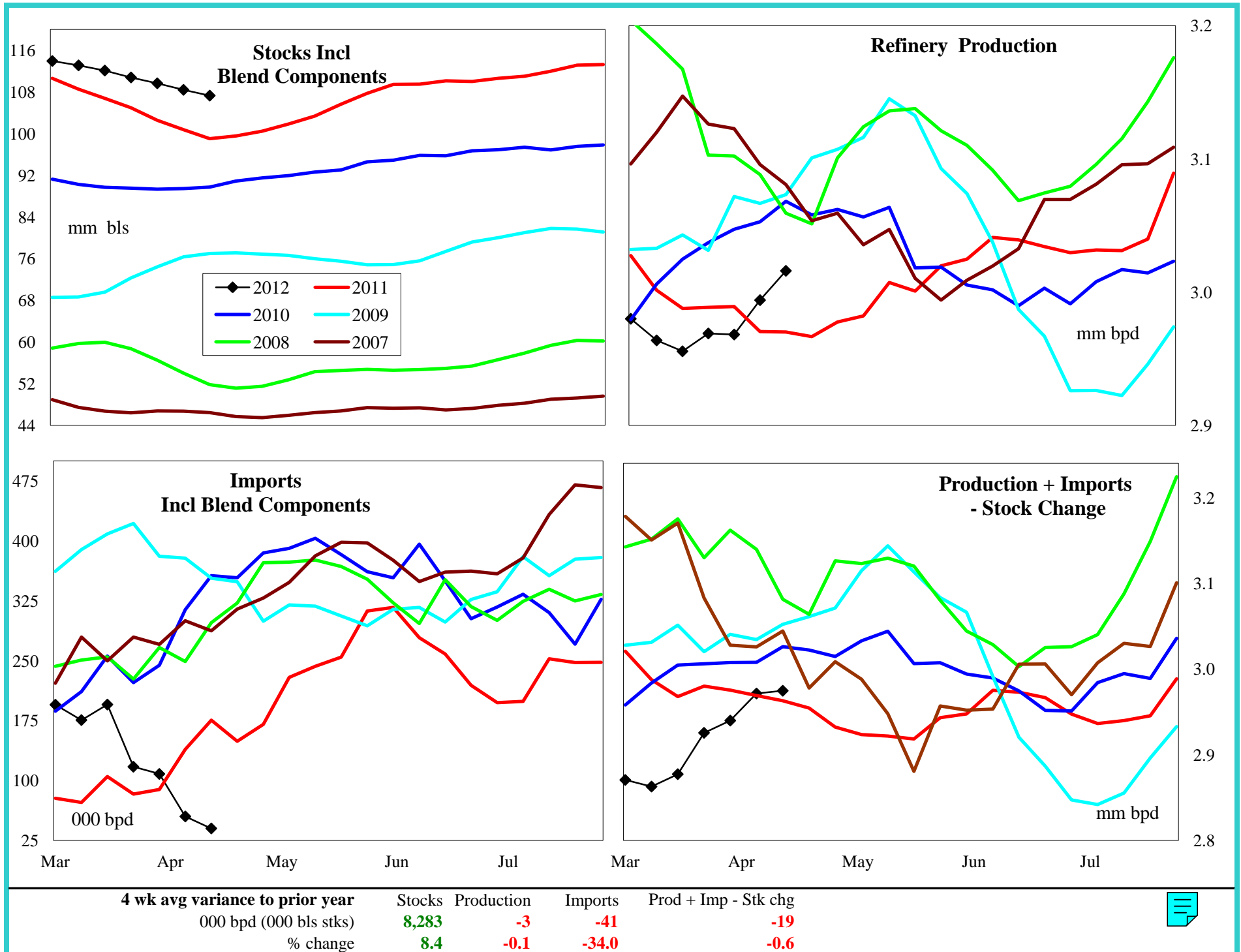
# United States Crude Oil Supply and Demand Balance



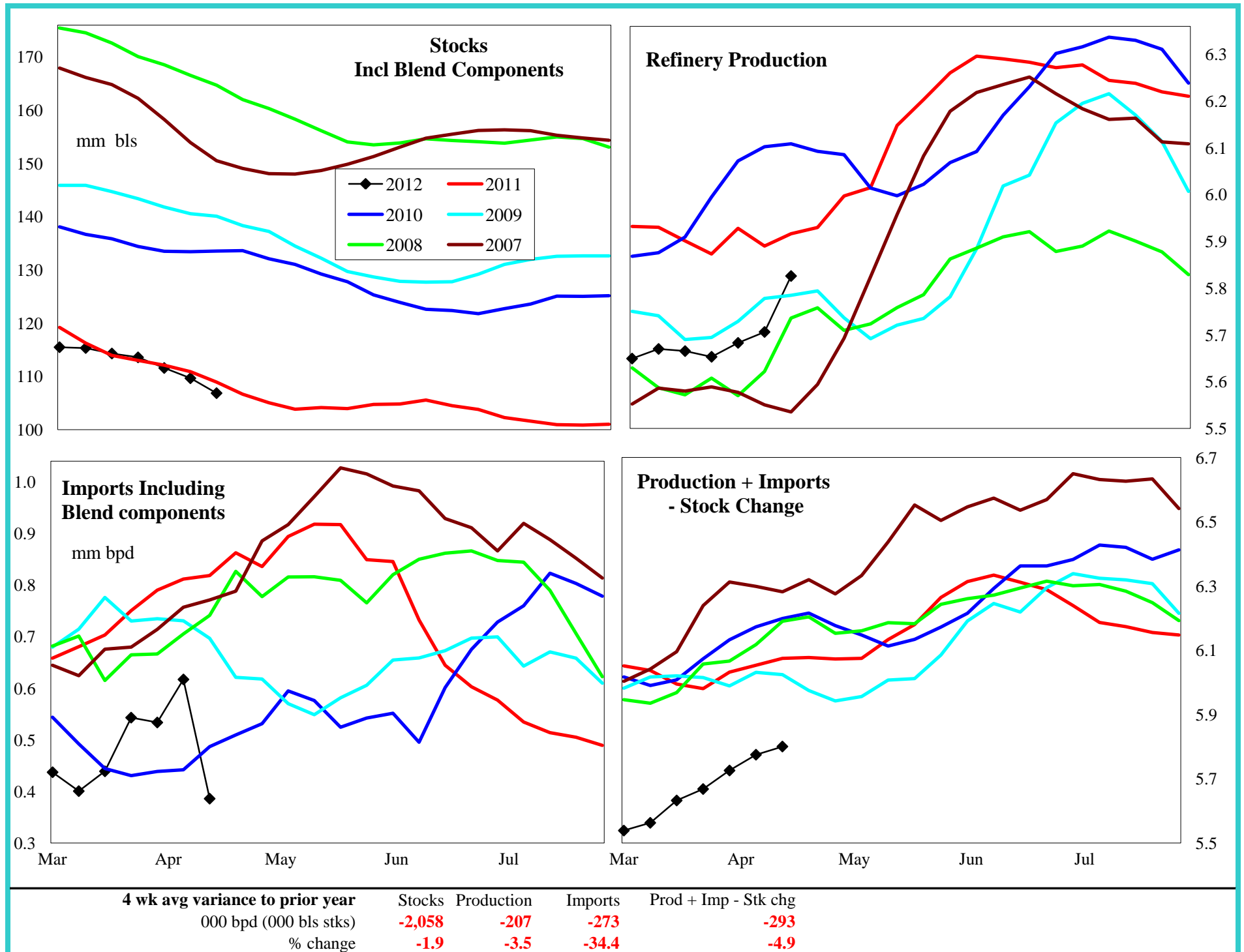
# United States Gasoline Supply and Demand Balance



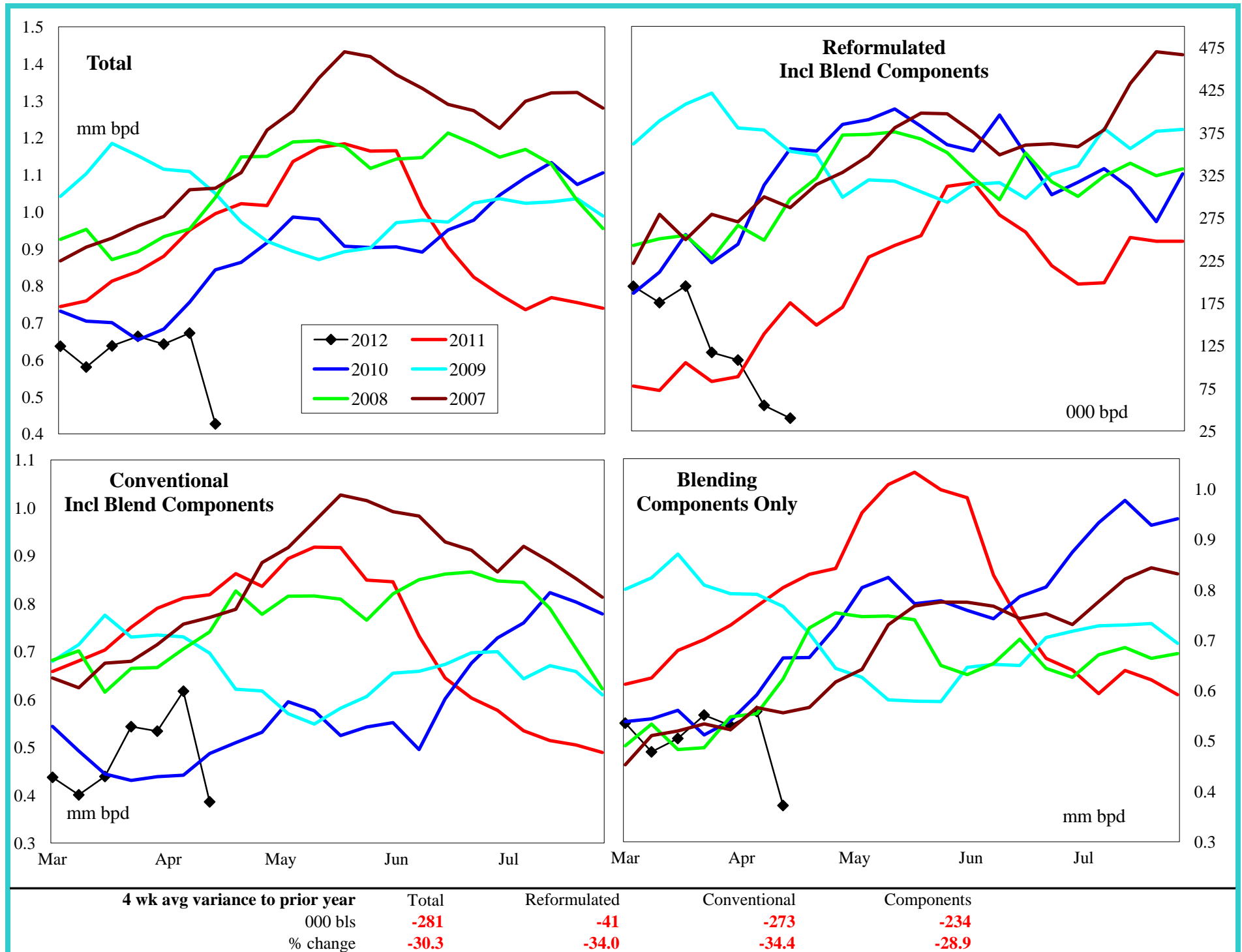
# United States Reformulated Gasoline Supply



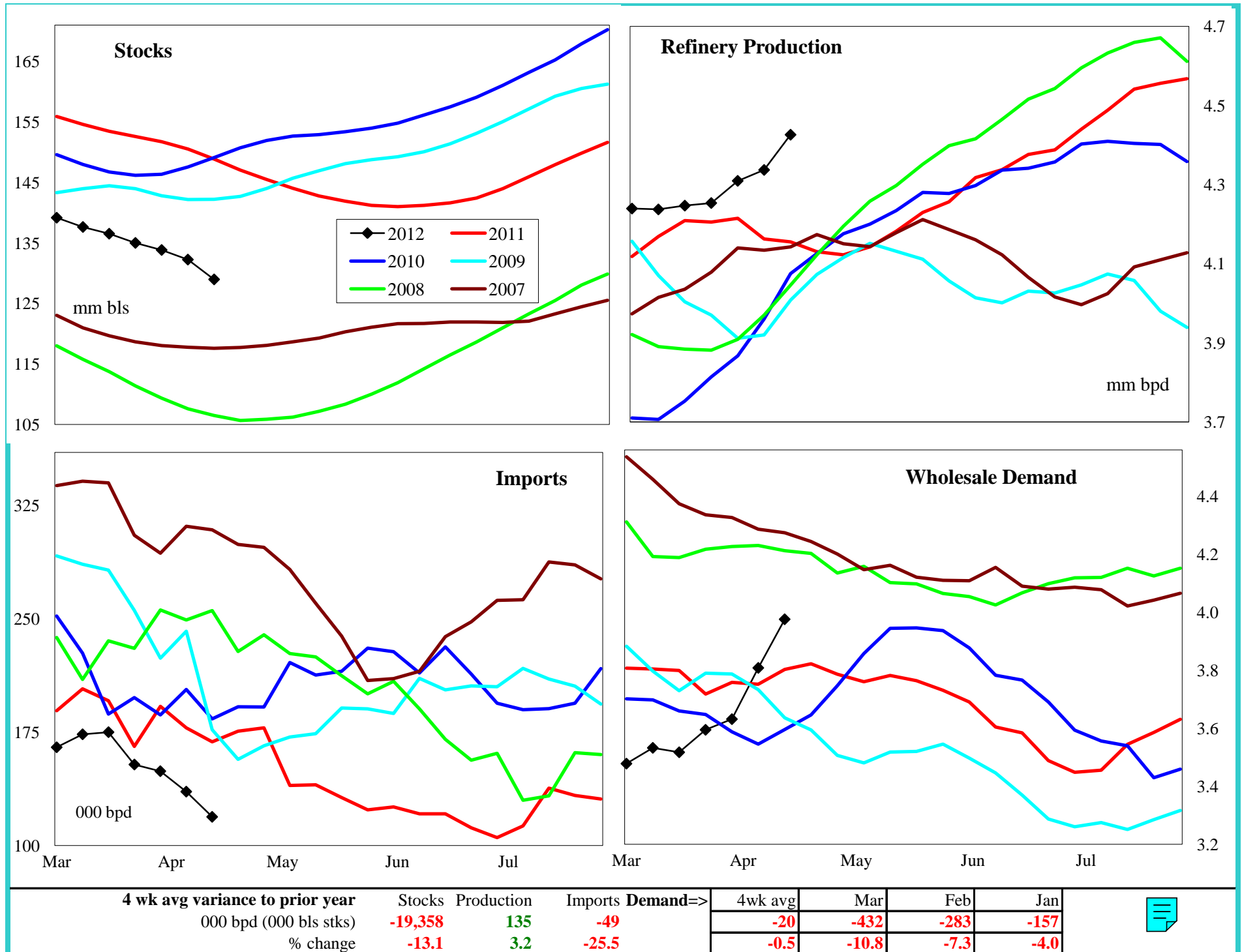
# United States Conventional Gasoline Supply



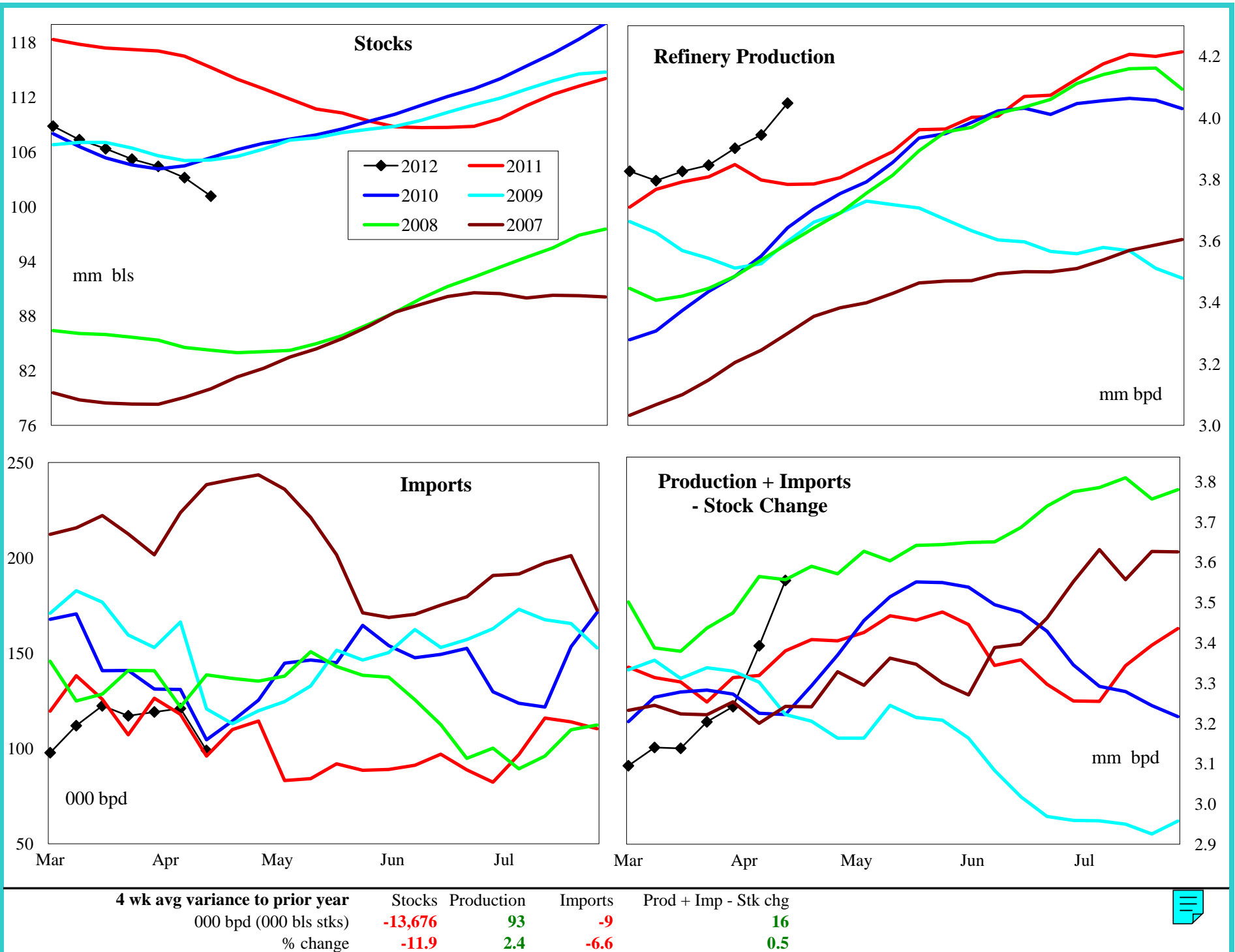
# United States Gasoline Imports by Type



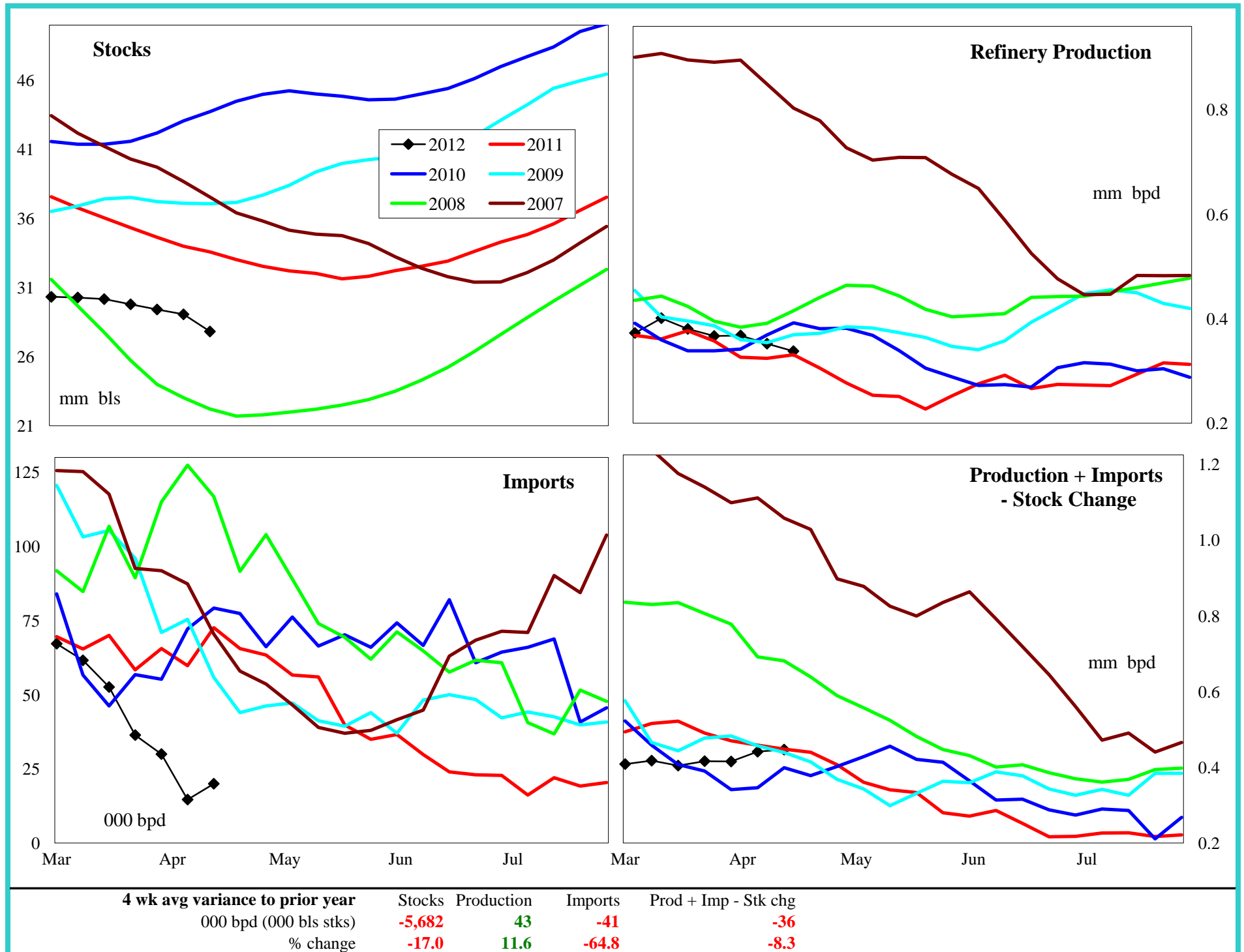
# United States Distillate Supply and Demand Balance



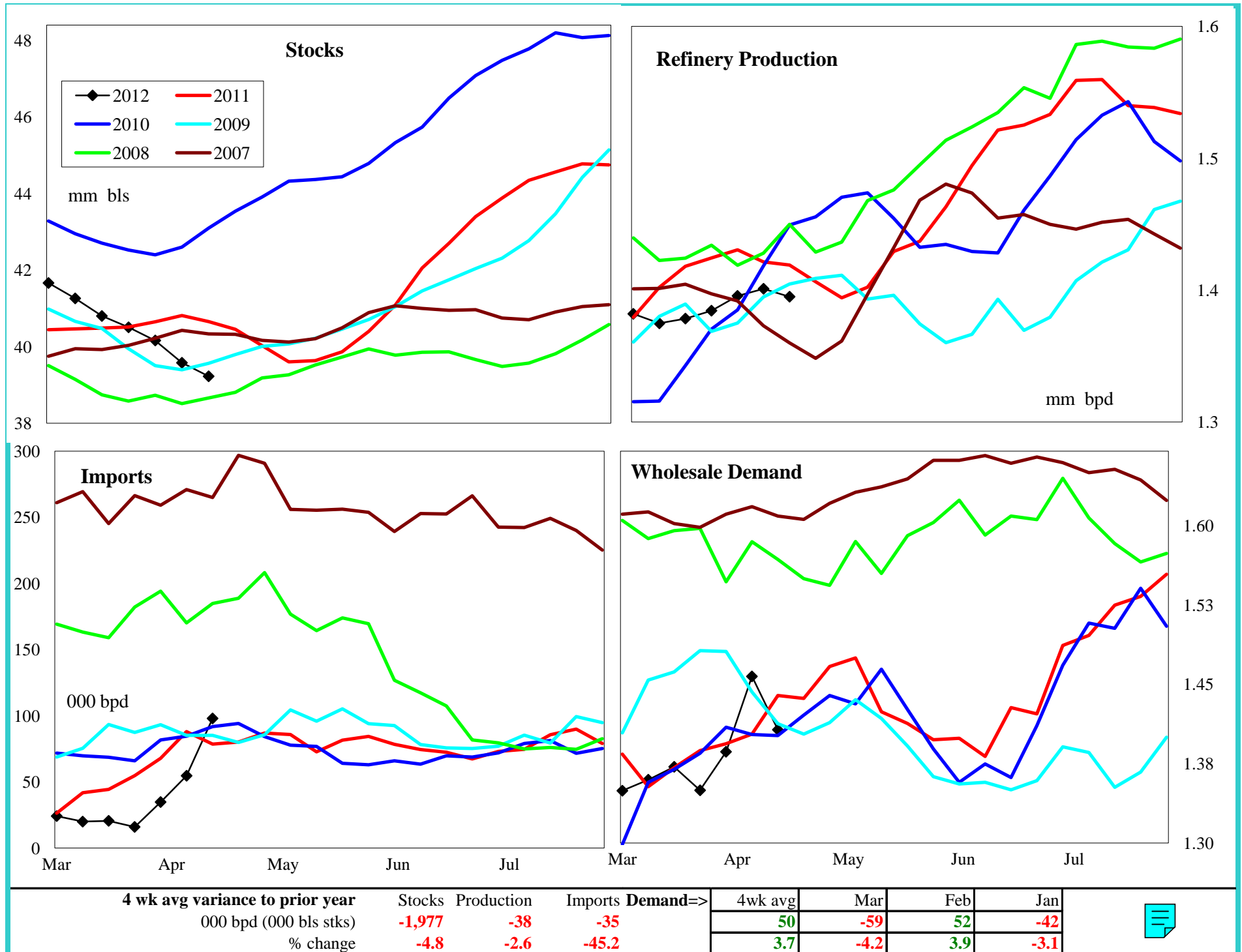
# United States Low Sulfur Distillate Supply



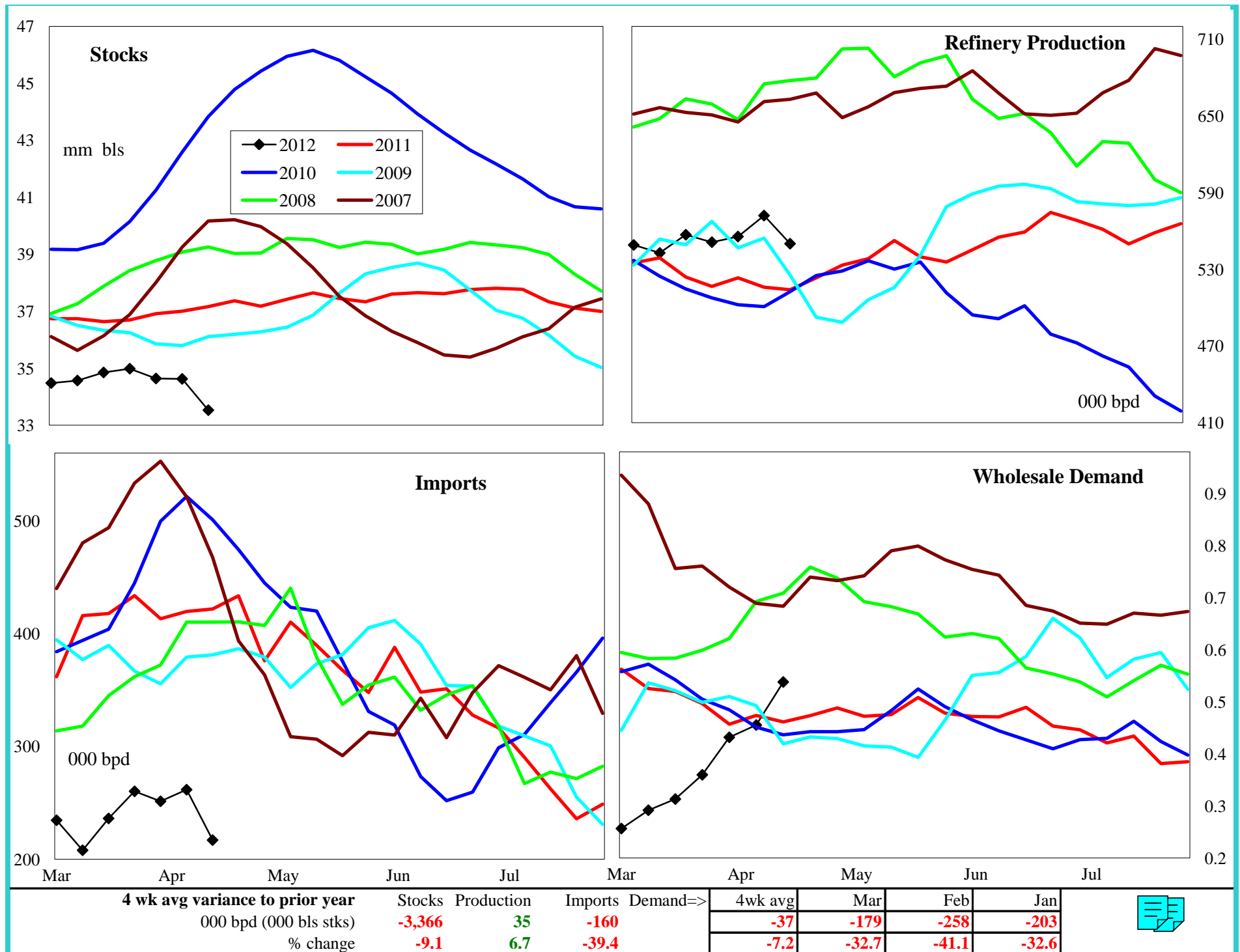
# United States High Sulfur Distillate Supply



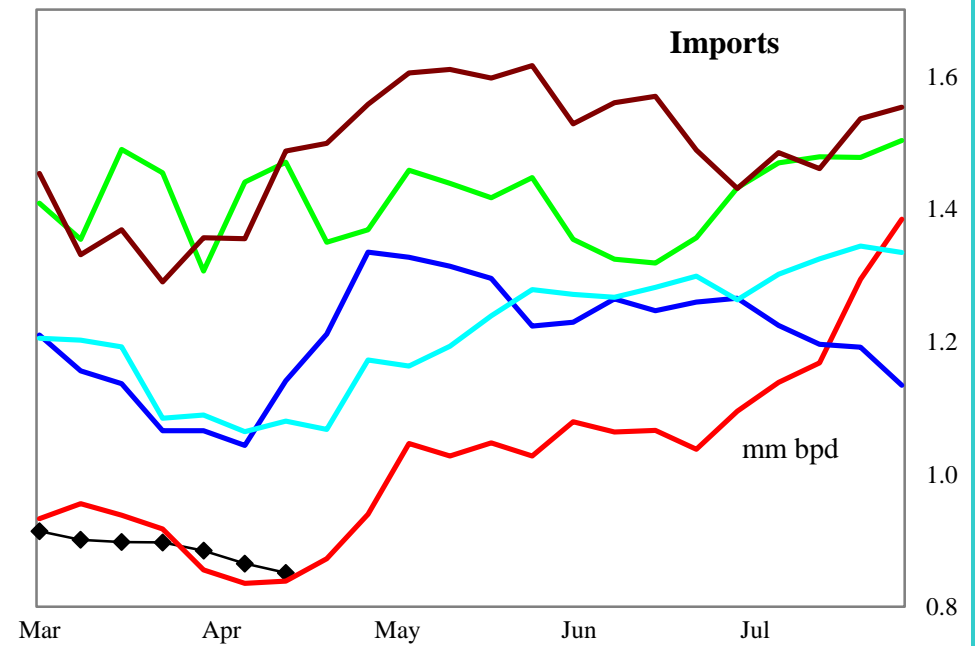
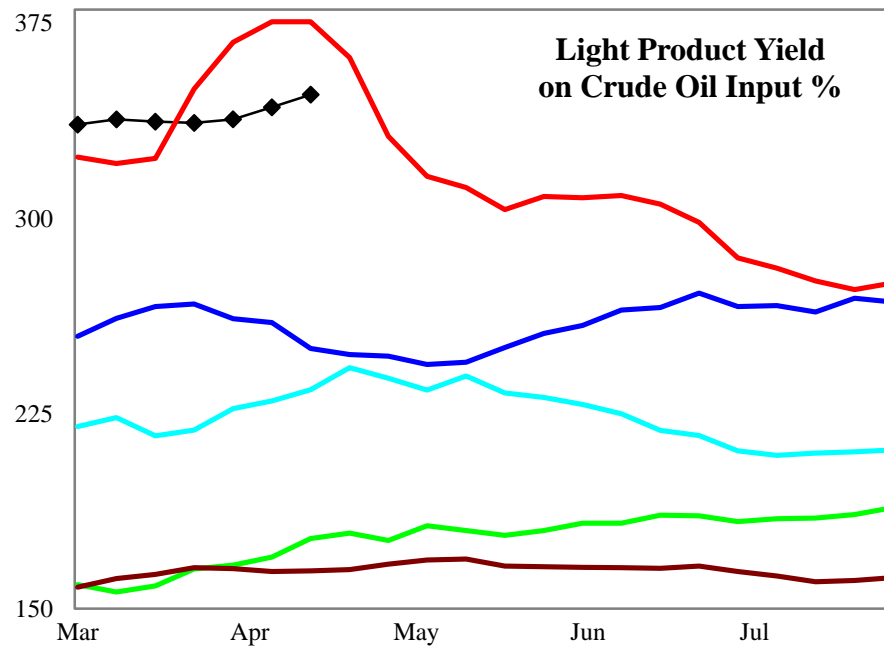
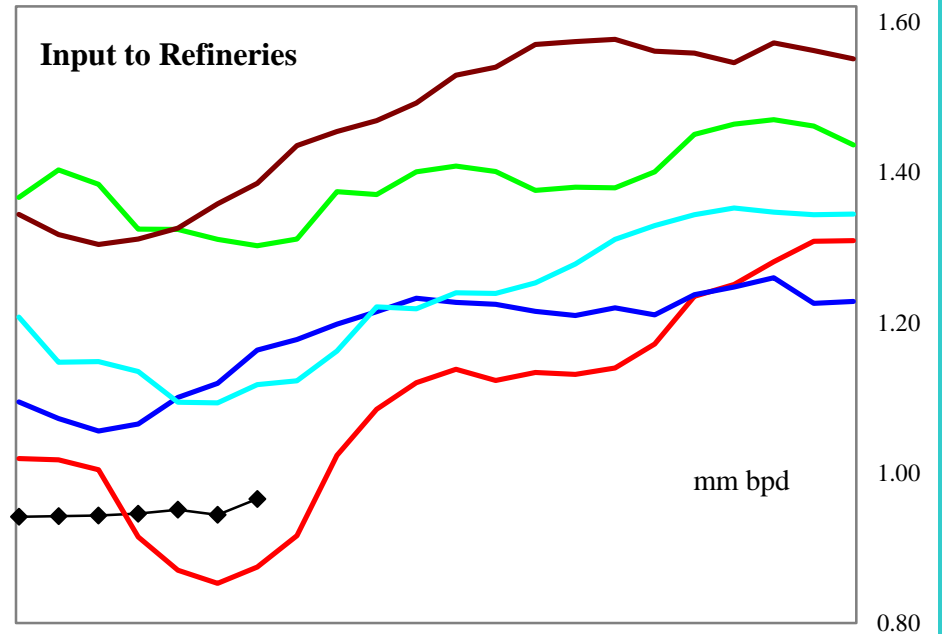
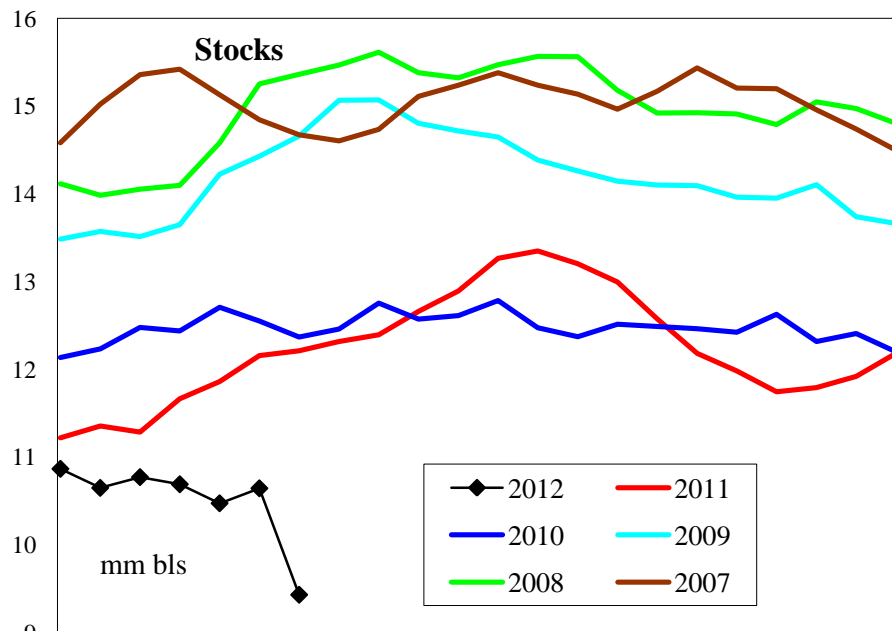
# United States Jet Fuel Supply and Demand Balance



# United States Residual Fuel Oil Supply and Demand Balance



# PADD 1 Crude Oil Supply and Refining

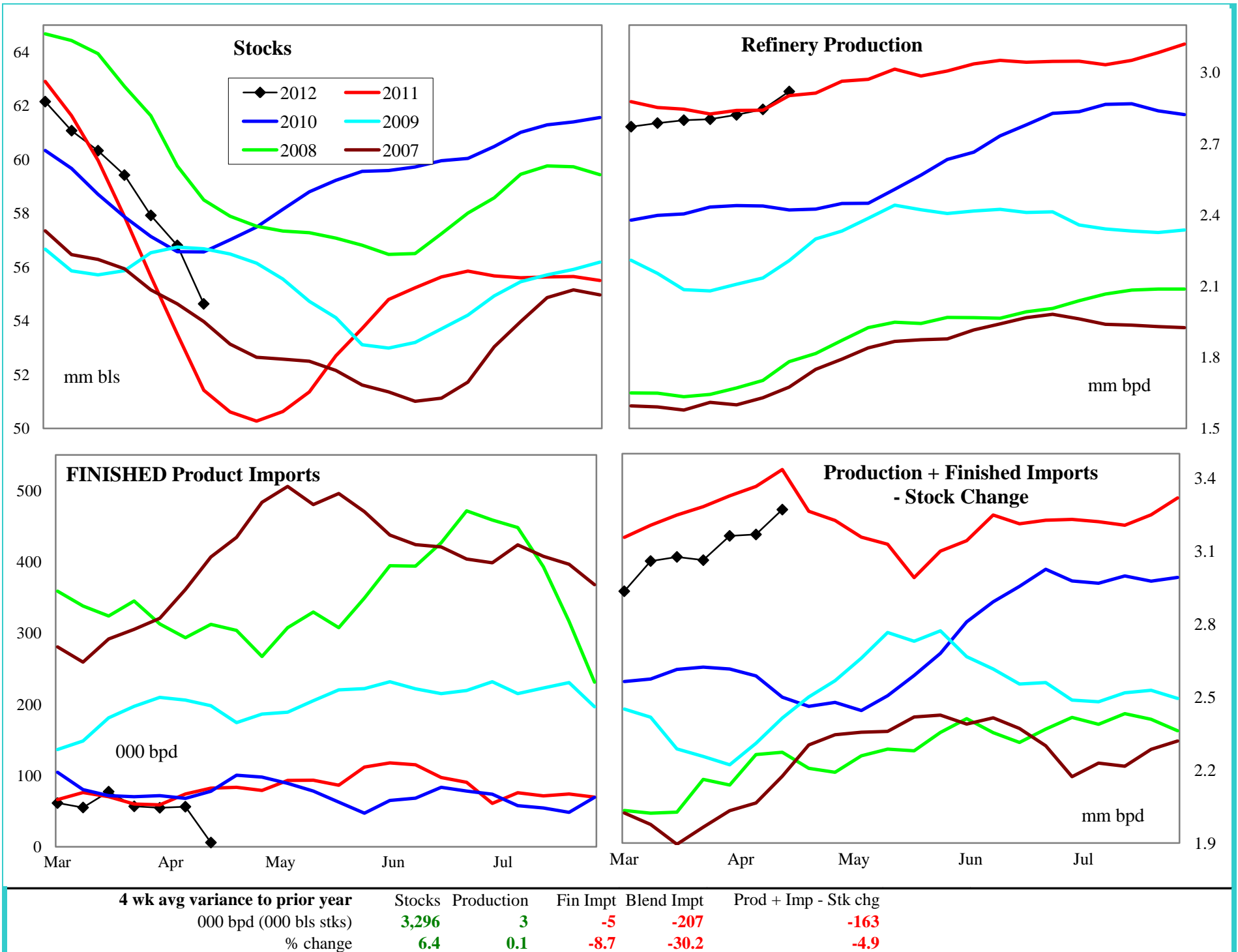


**4 wk avg variance to prior year**  
 000 bpd (000 bbls stks)  
 % change

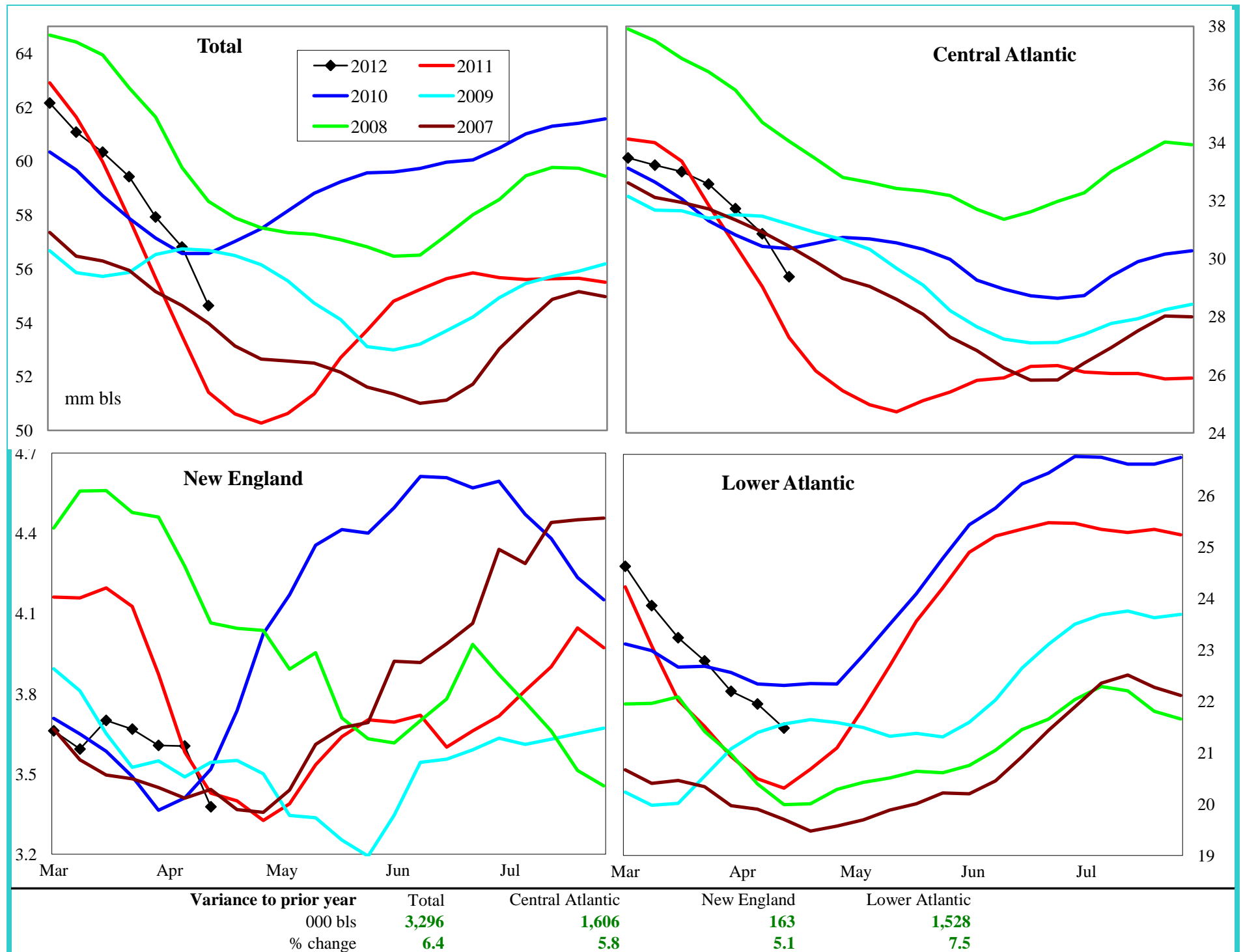
	Stocks	Input	Imports
000 bpd (000 bbls stks)	-2,779	120	134
% change	-22.8	14.6	17.7



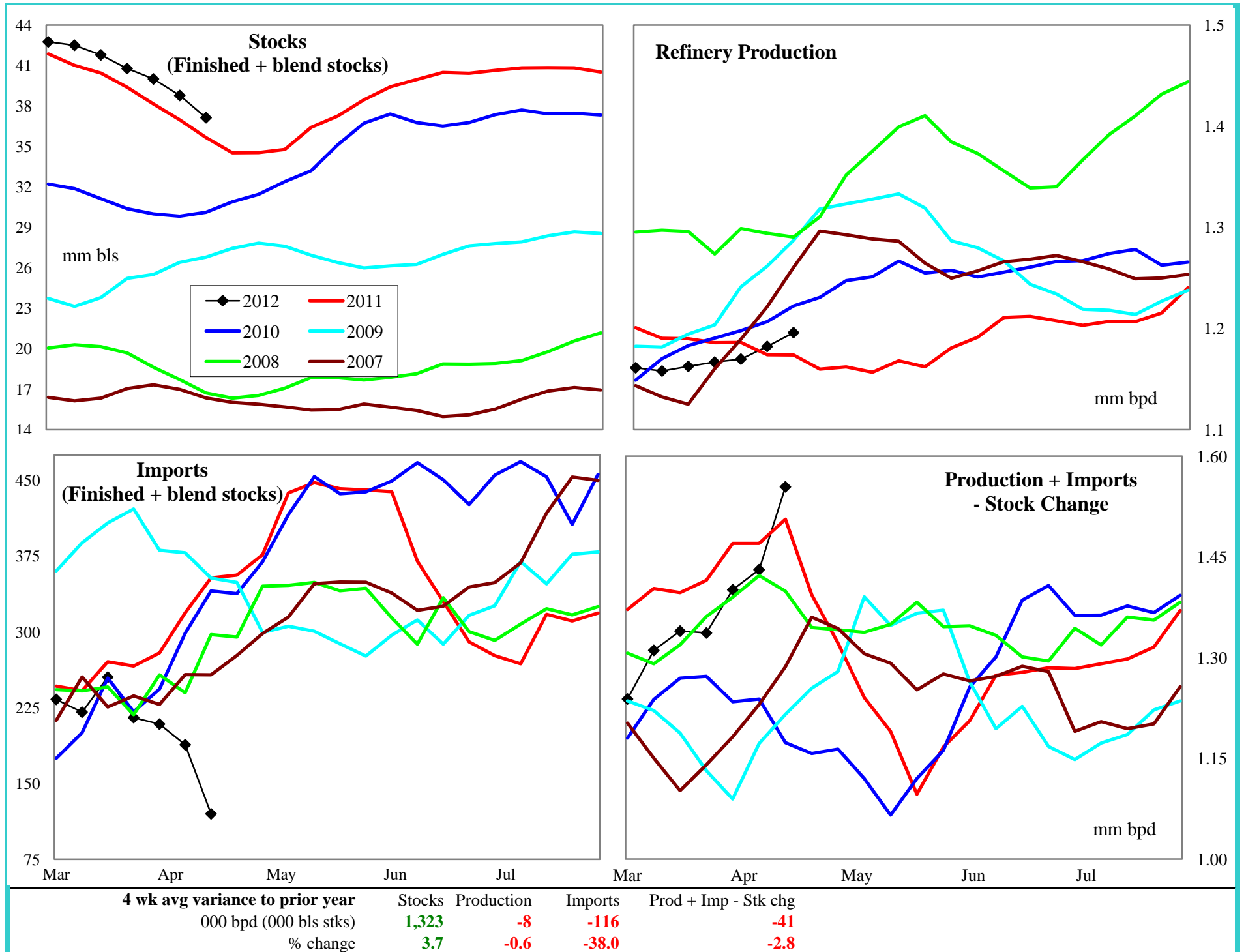
# PADD 1 Gasoline Supply



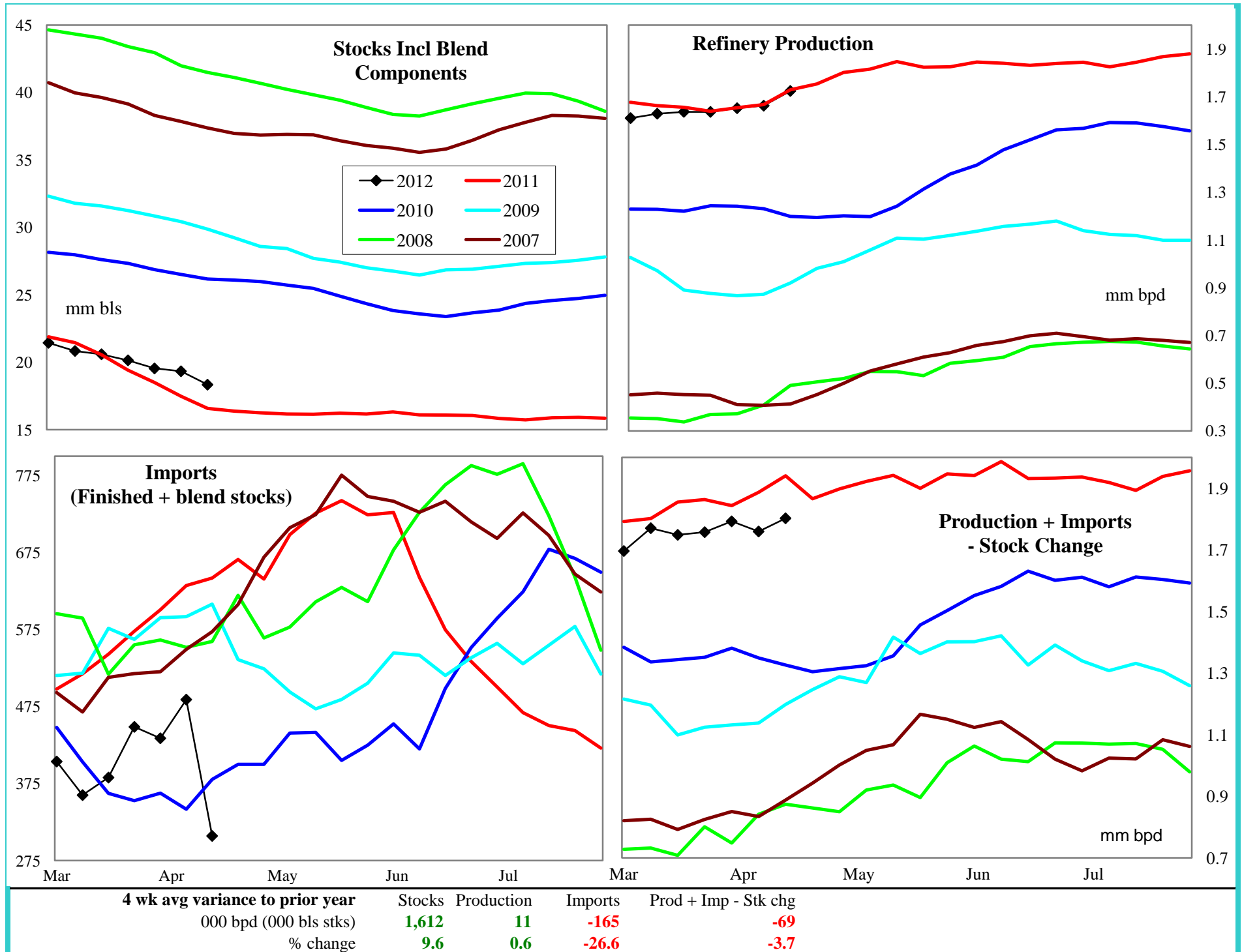
# PADD 1 Gasoline Stocks by Region



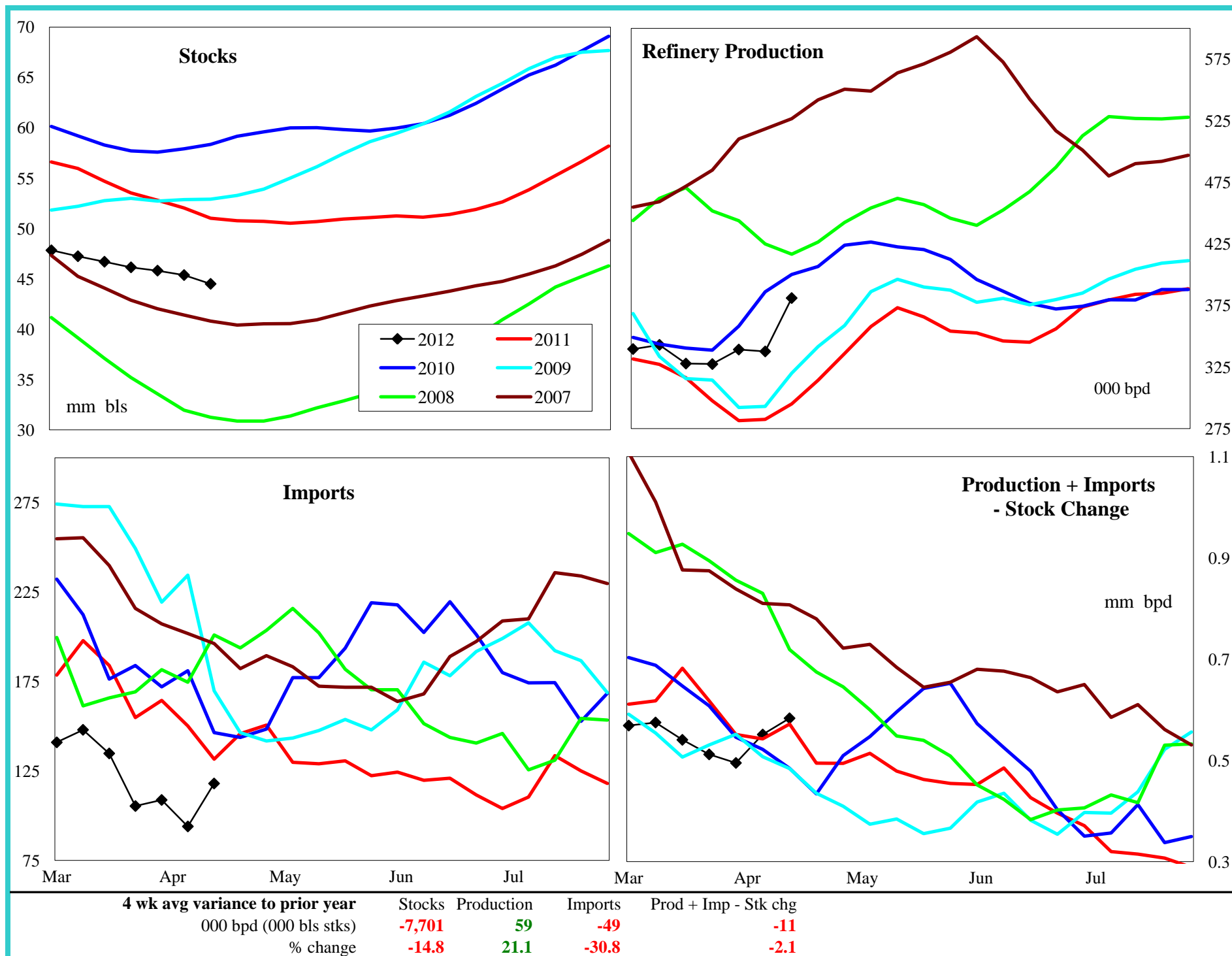
# PADD 1 Reformulated Gasoline Supply



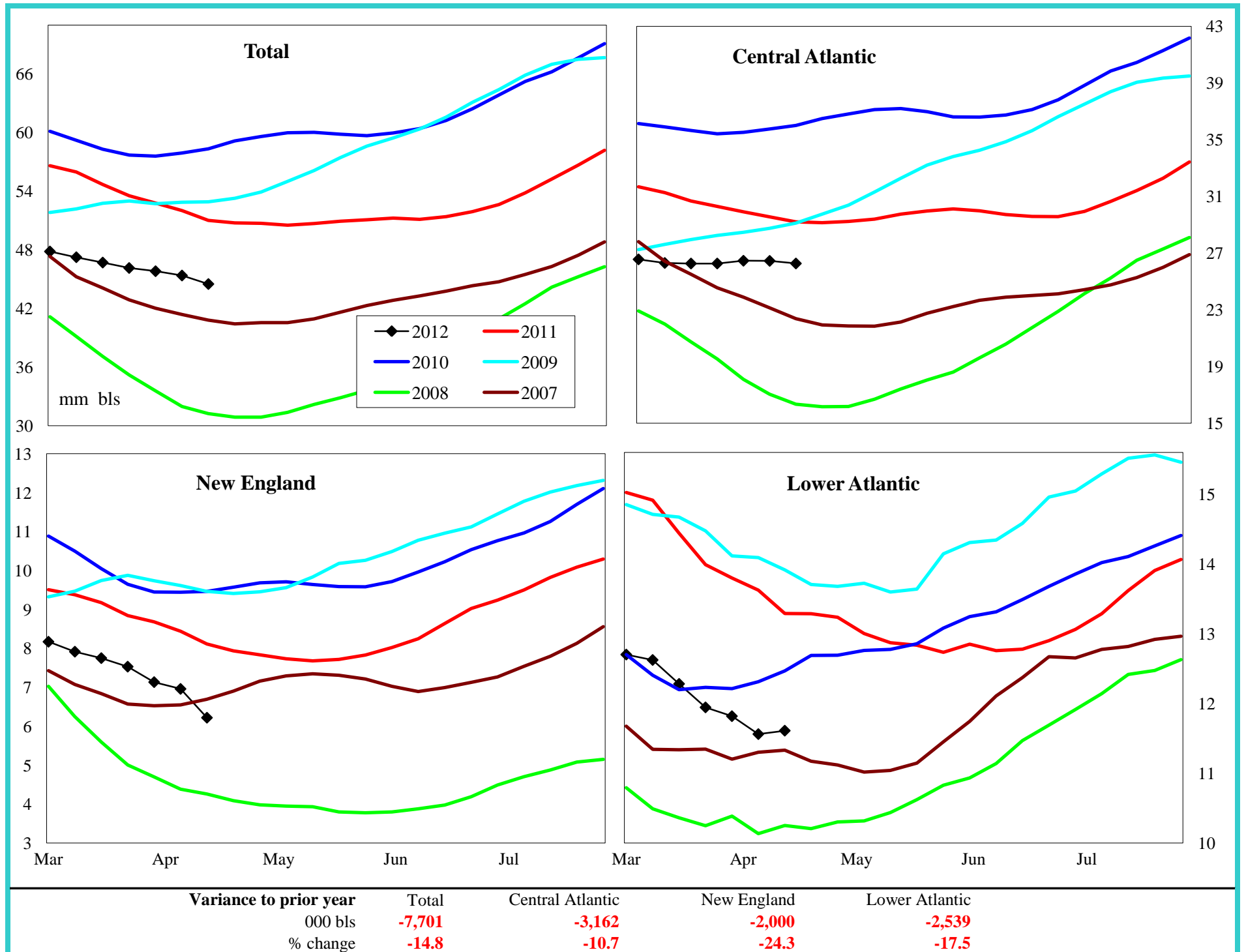
# PADD 1 Conventional Gasoline Supply



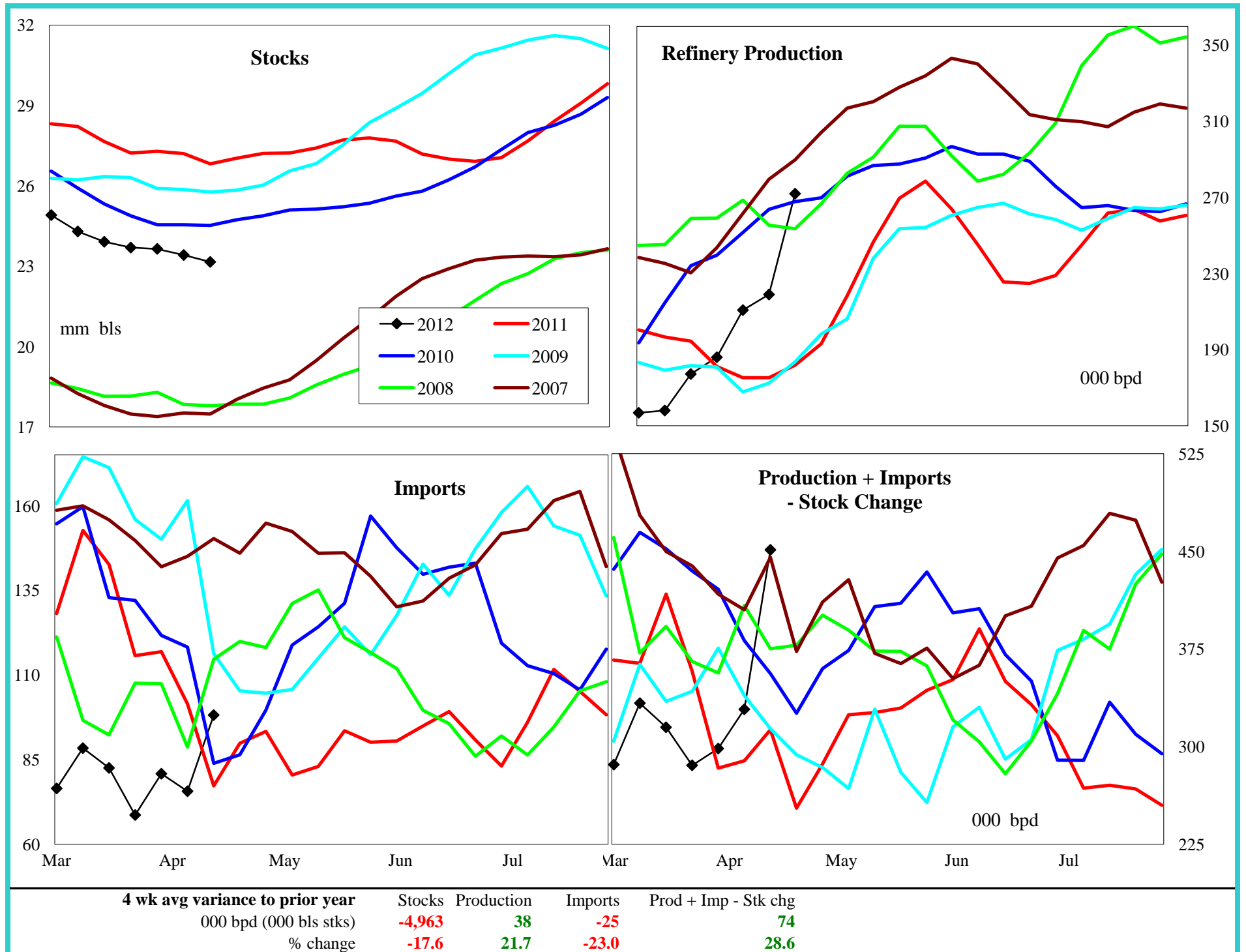
# PADD 1 Distillate Supply



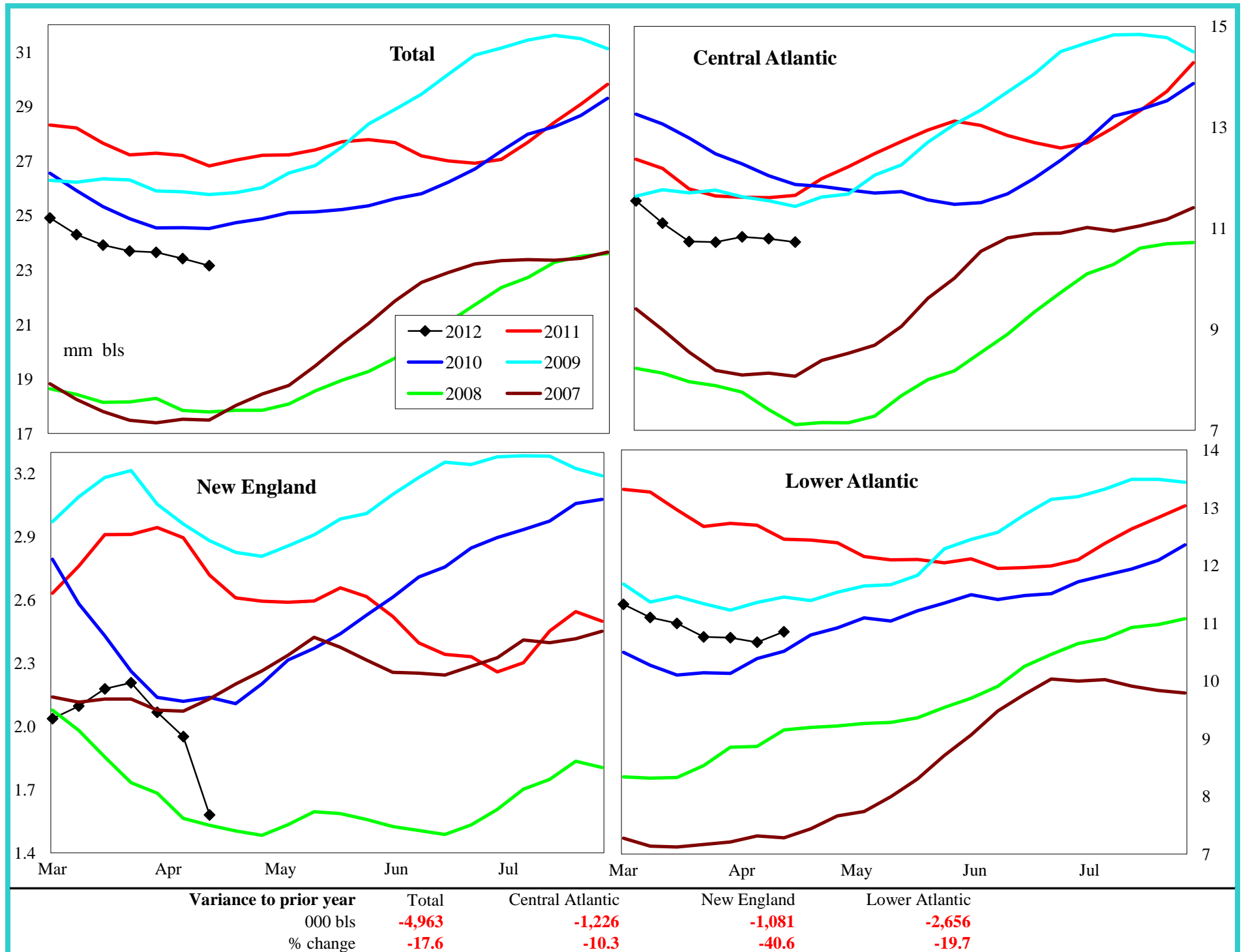
# PADD 1 Distillate Stocks by Region



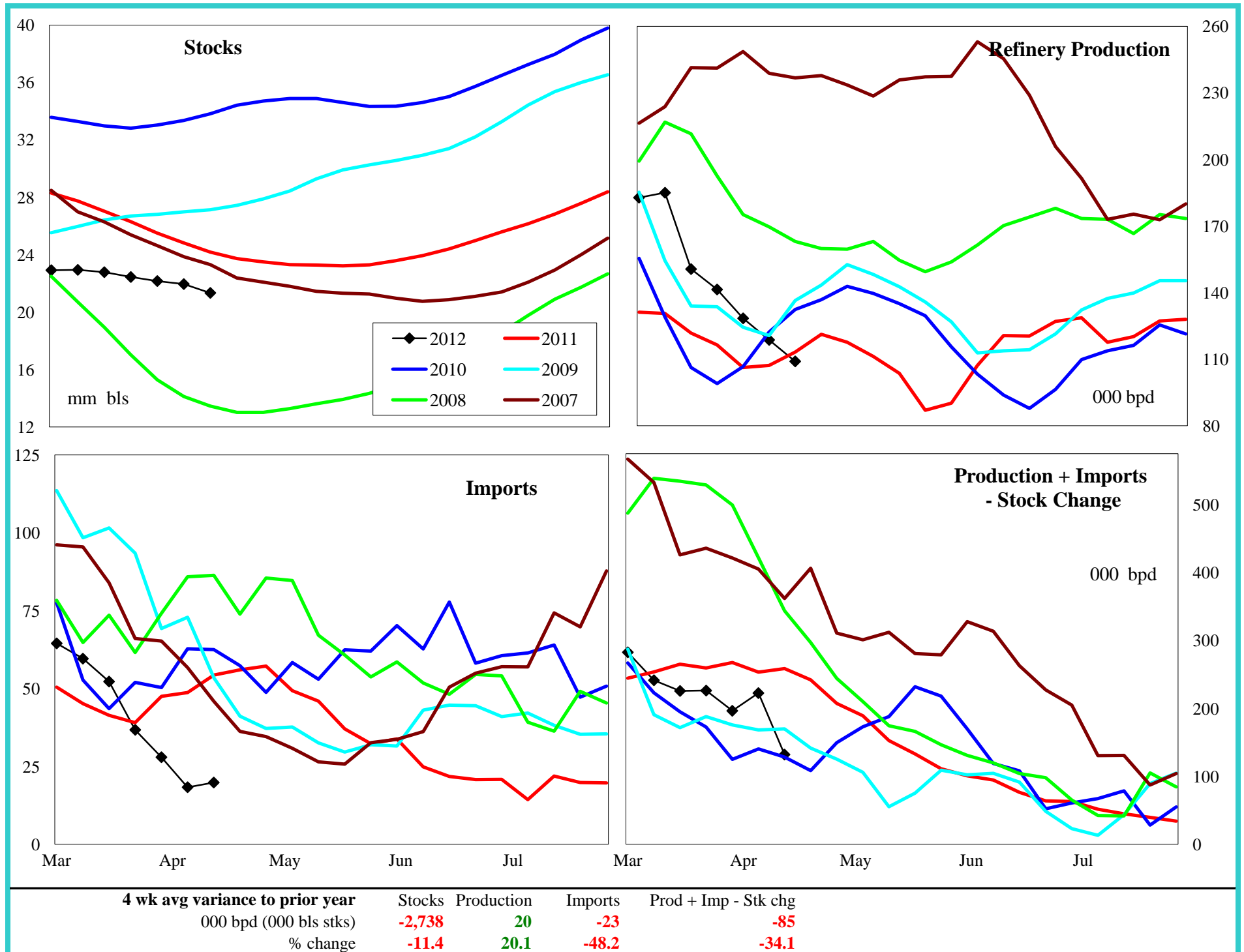
# PADD 1 Low Sulfur Distillate Supply



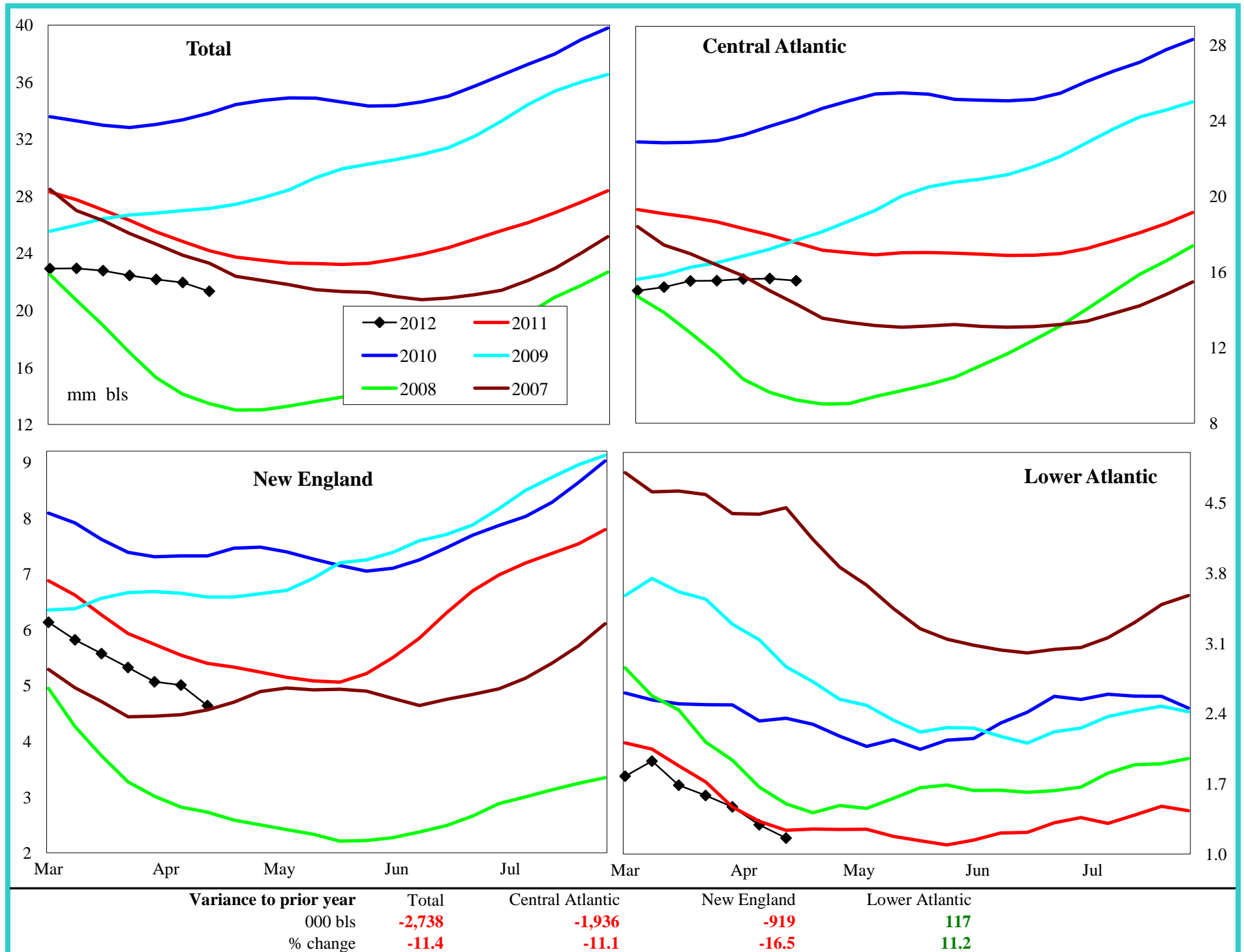
# PADD 1 Low Sulfur Distillate Stocks by Region



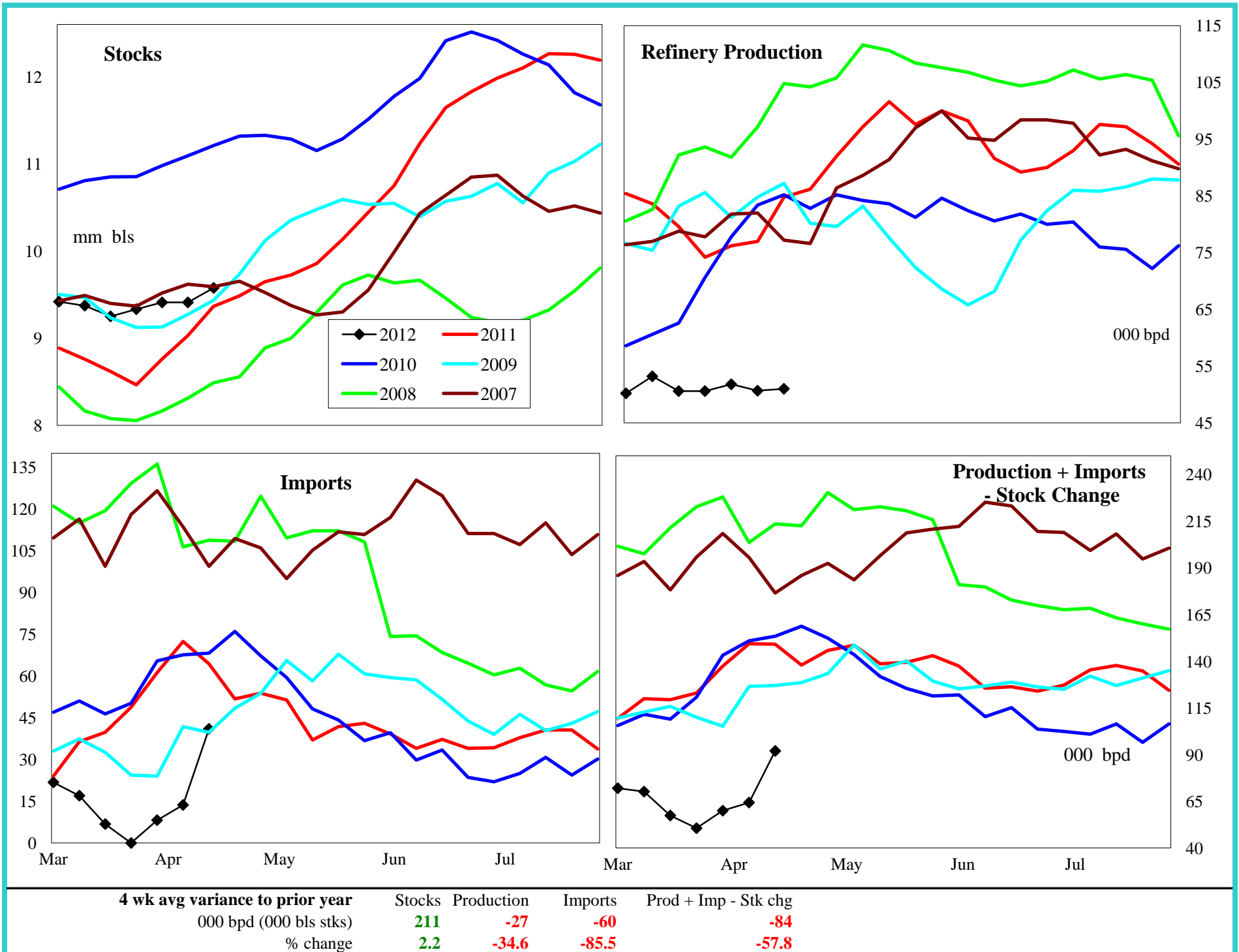
# PADD 1 High Sulfur Distillate Supply



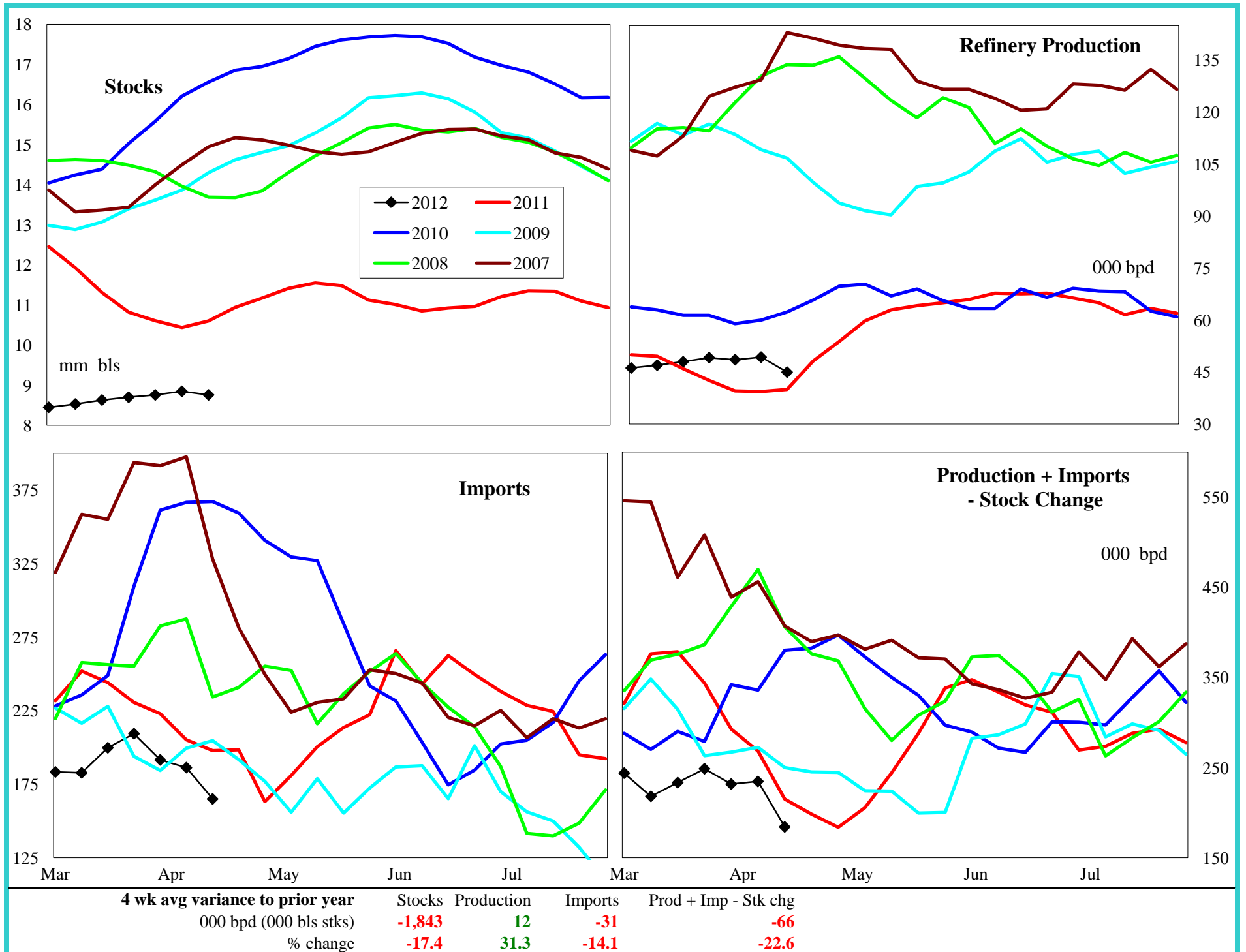
## PADD 1 High Sulfur Distillate Stocks by Region



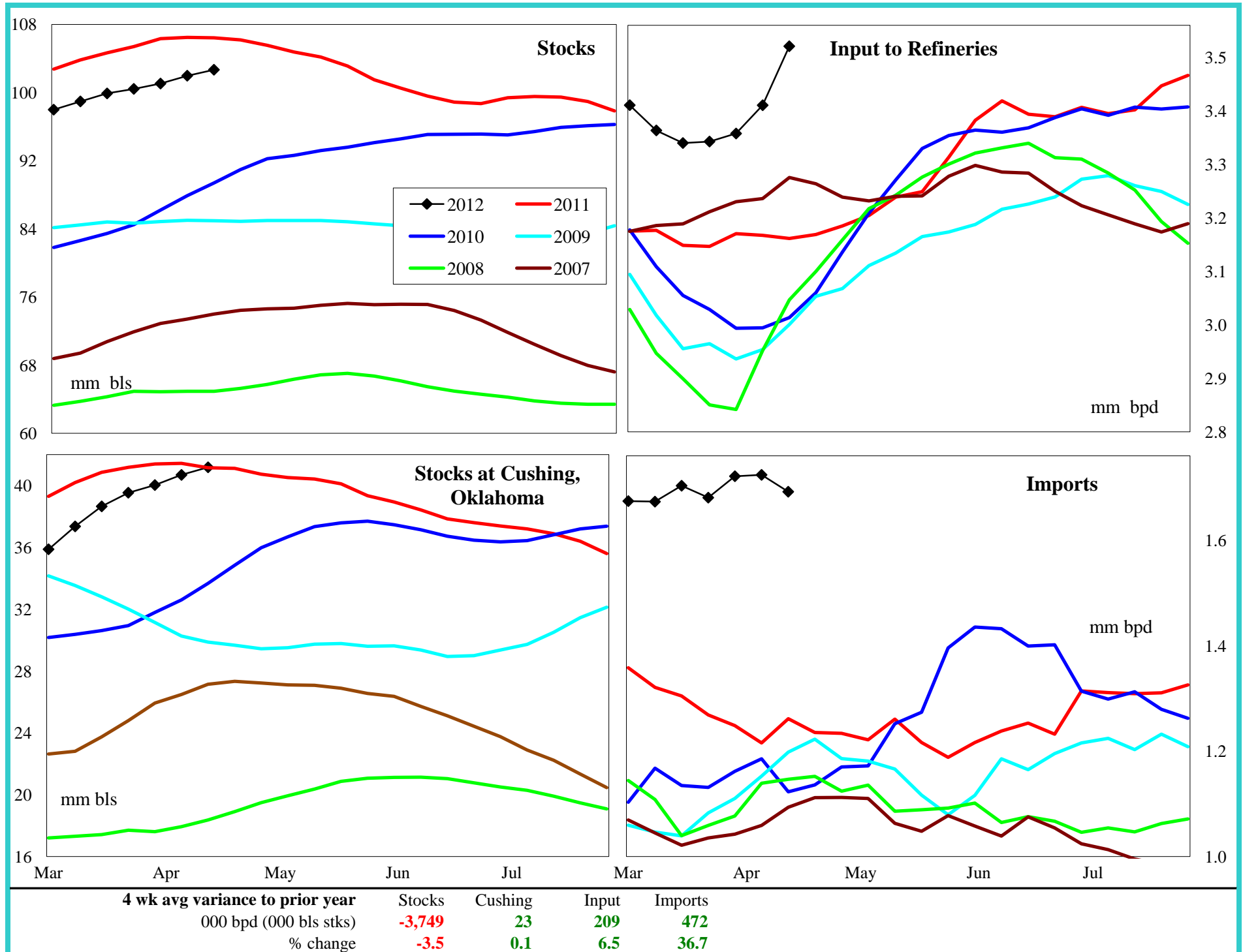
# PADD 1 Jet Fuel Supply



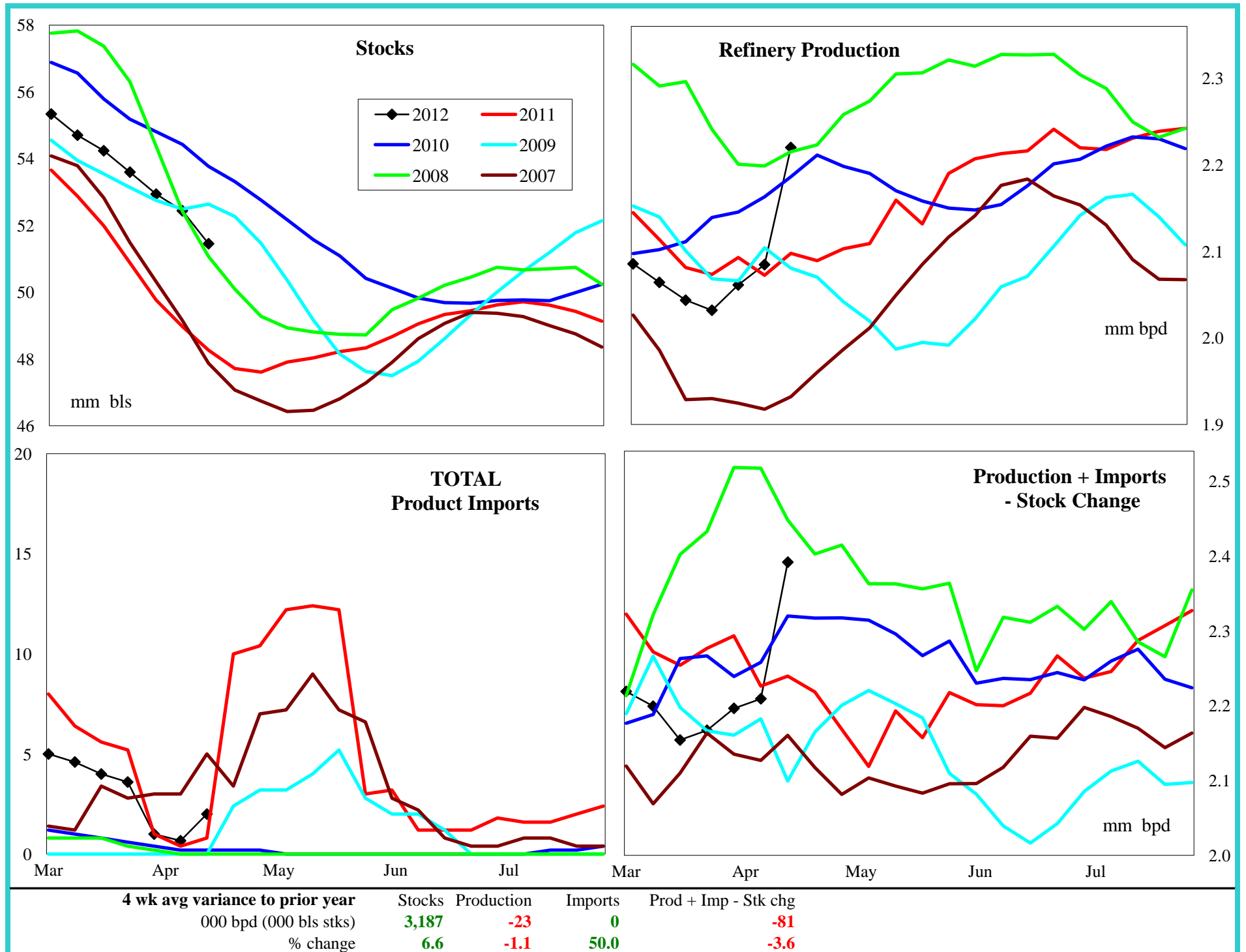
# PADD 1 Residual Fuel Oil Supply



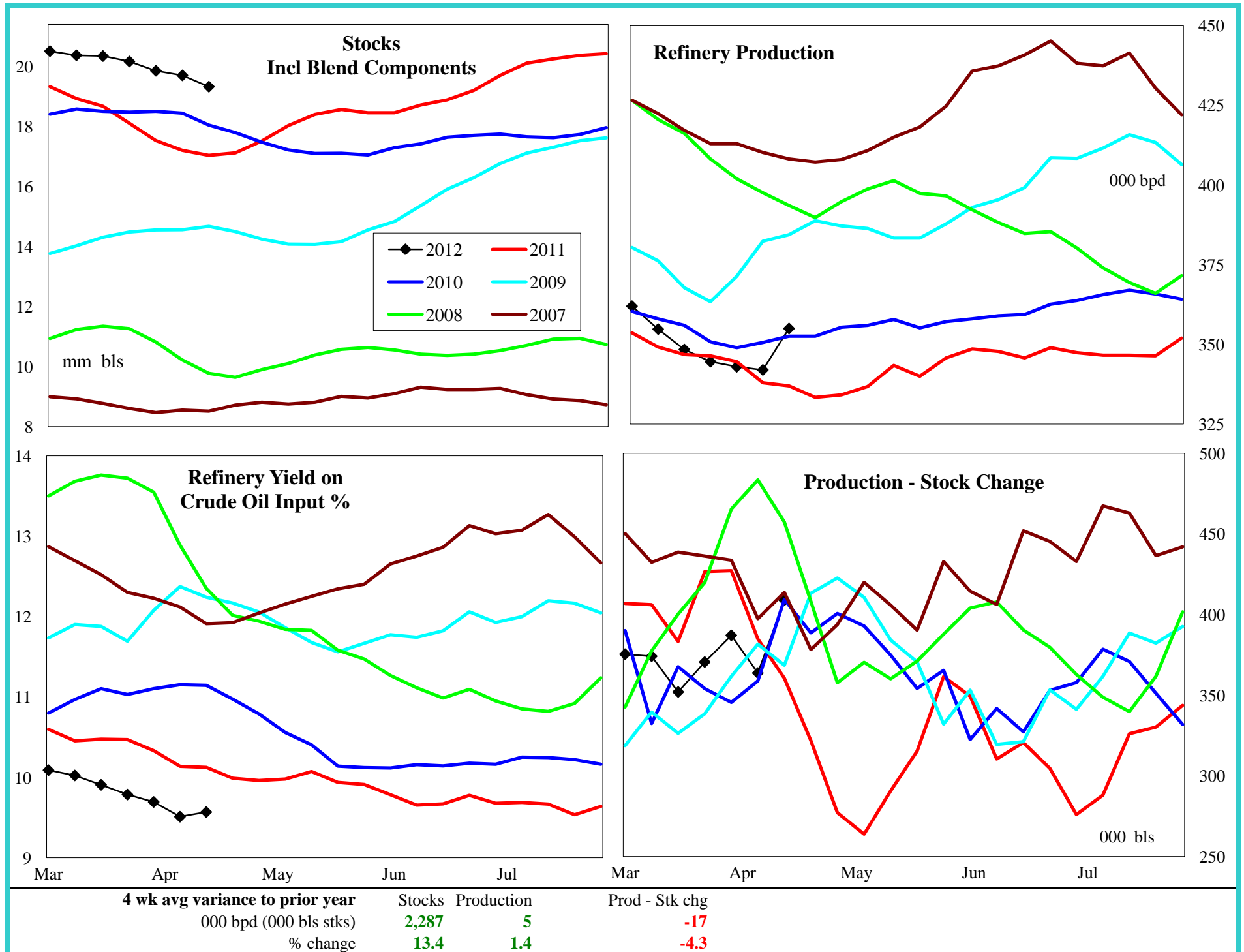
# PADD 2 Crude Oil Supply and Refining



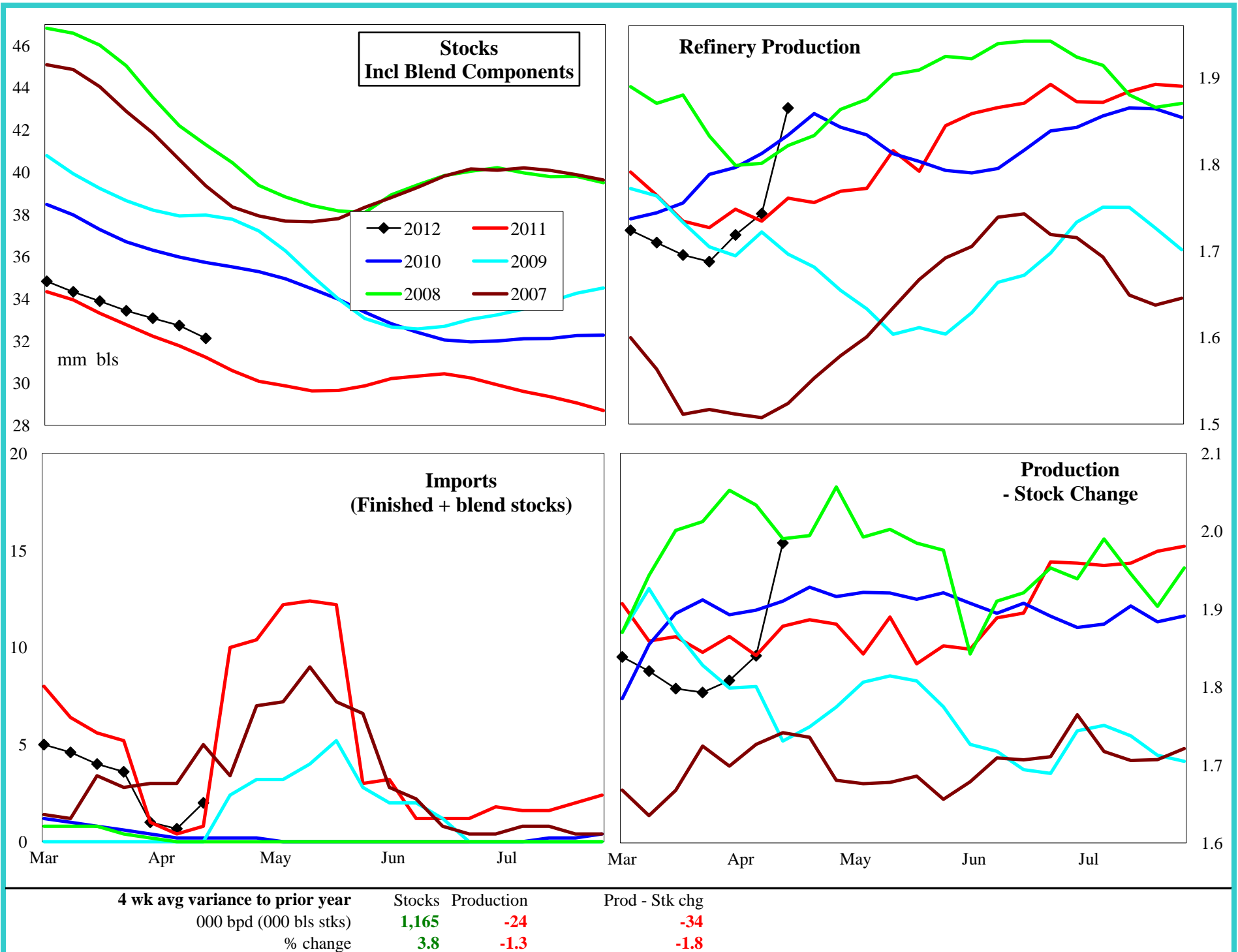
# PADD 2 Gasoline Supply



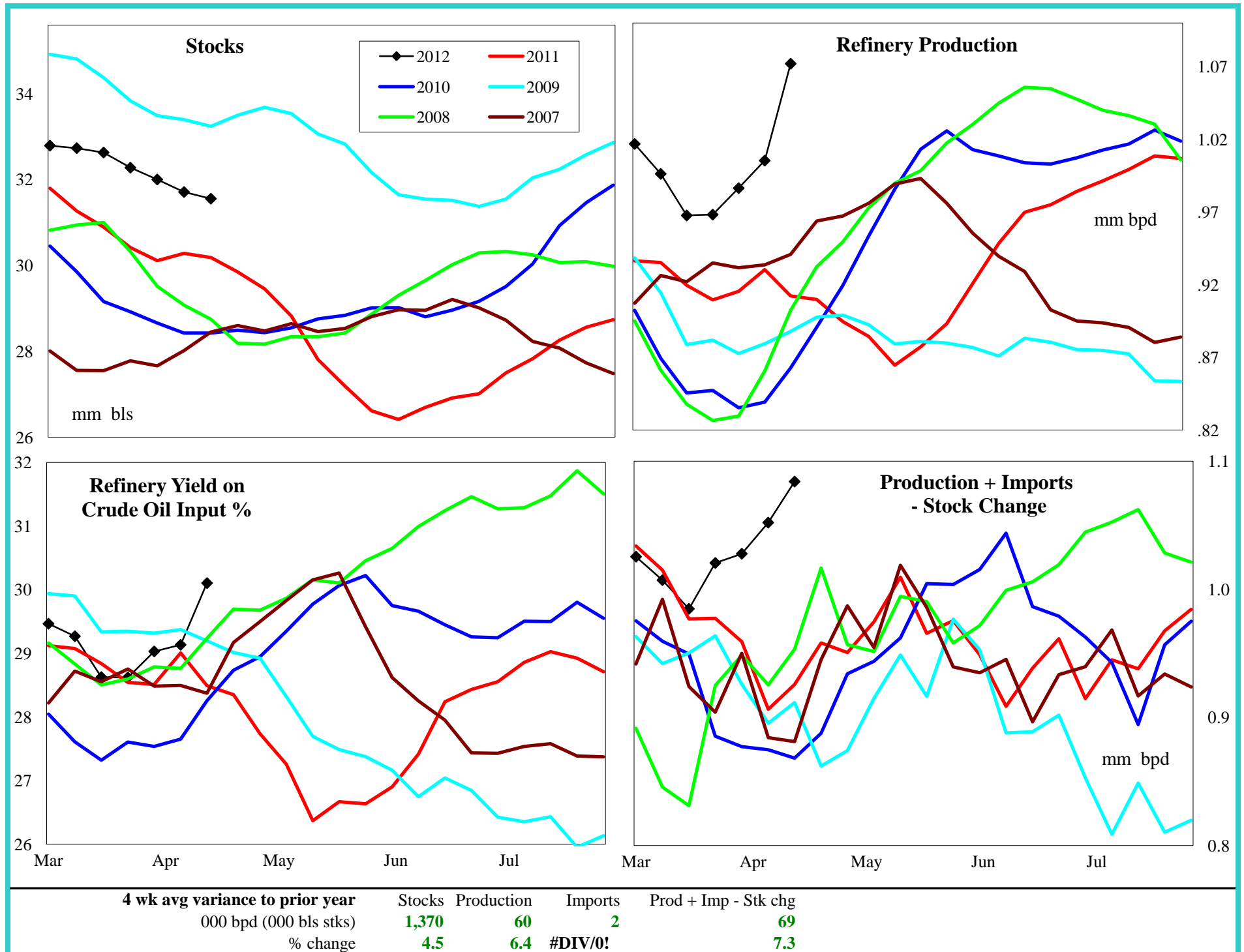
# PADD 2 Reformulated Gasoline Supply



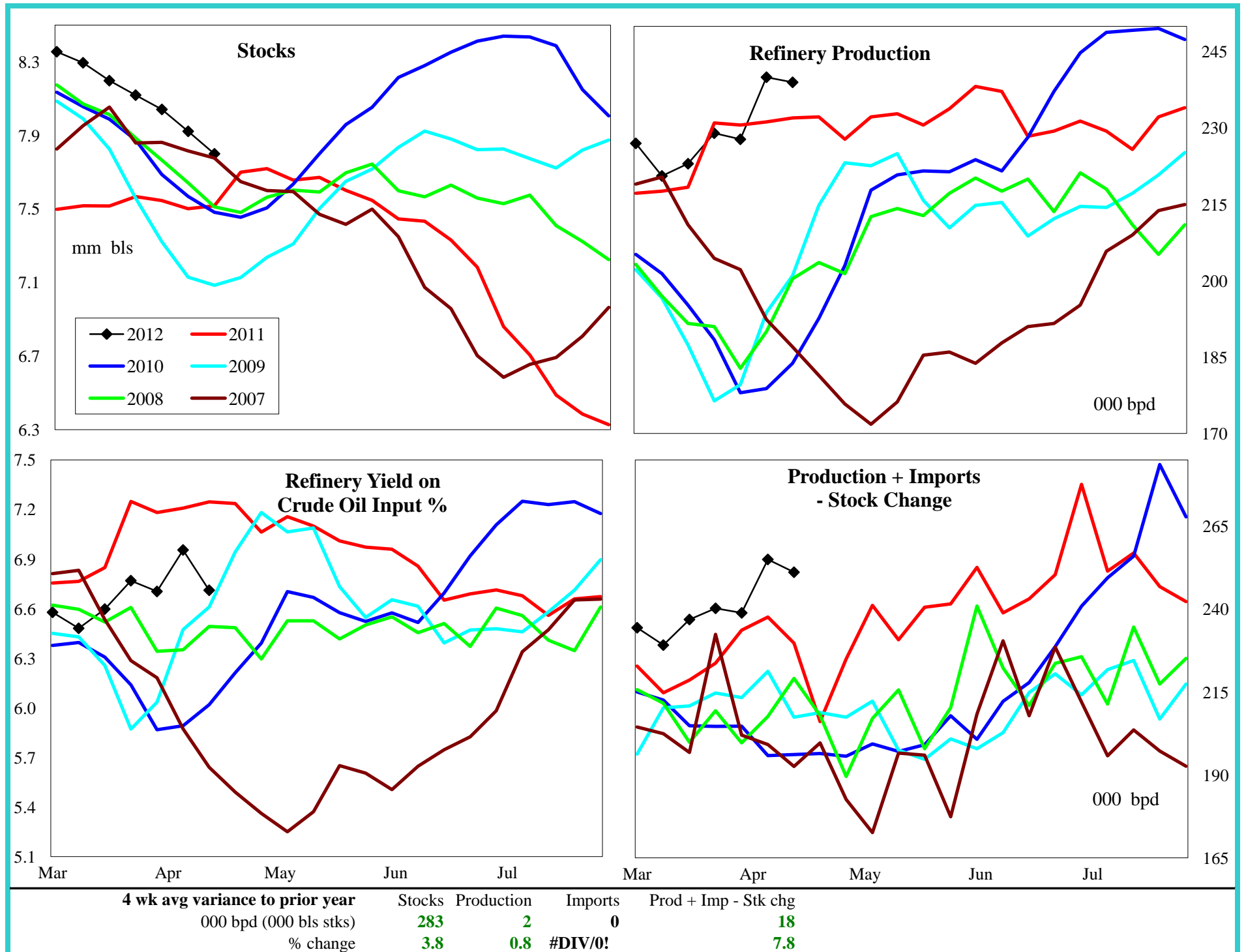
# PADD 2 Conventional Gasoline Supply



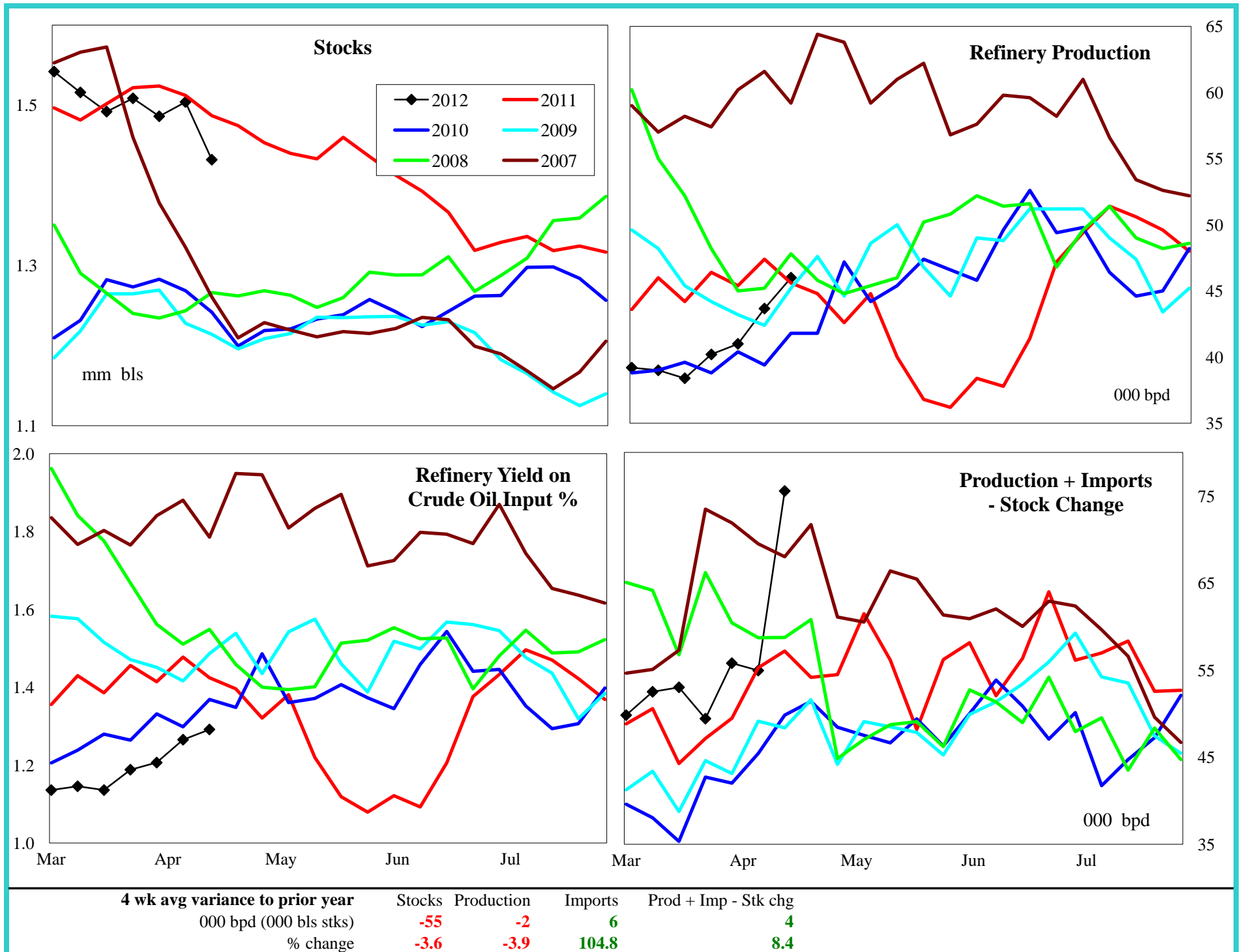
# PADD 2 Distillate Supply



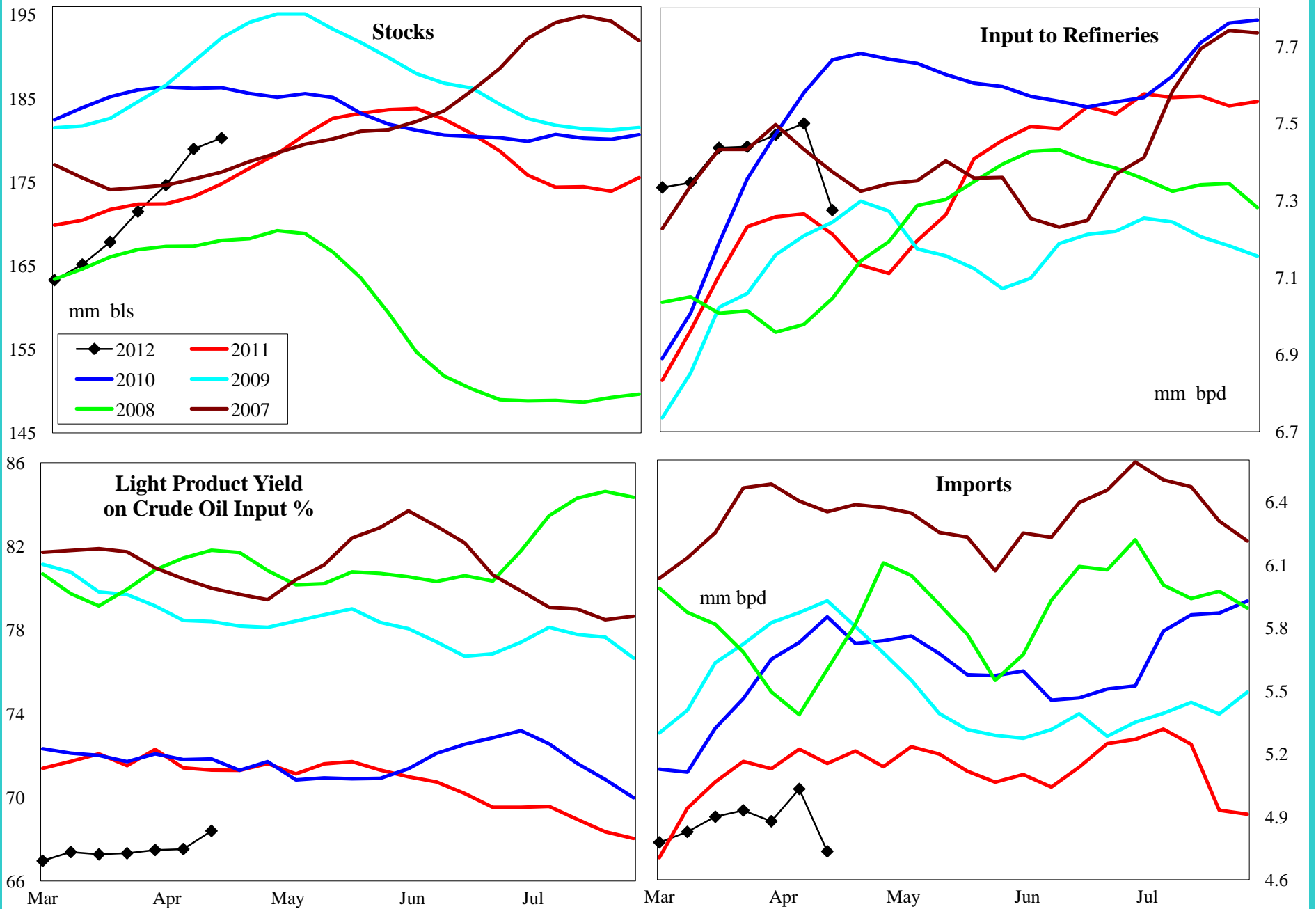
# PADD 2 Jet Fuel Supply



# PADD 2 Residual Fuel Oil Supply



# PADD 3 Crude Oil Supply and Refining



**4 wk avg variance to prior year**

000 bpd (000 bls stks)

% change

Stocks

**5,482**

**3.1**

Input

**233**

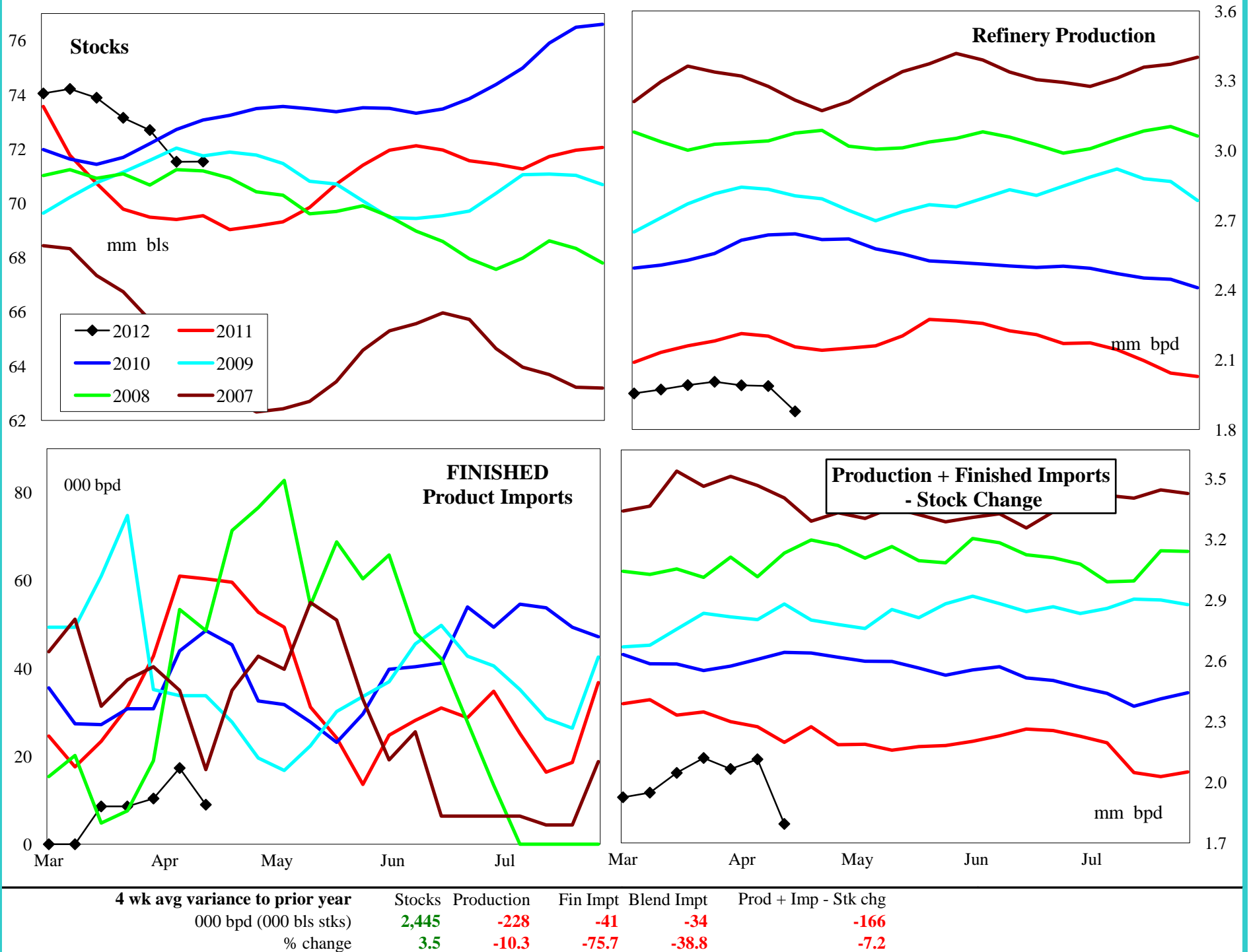
**3.2**

Imports

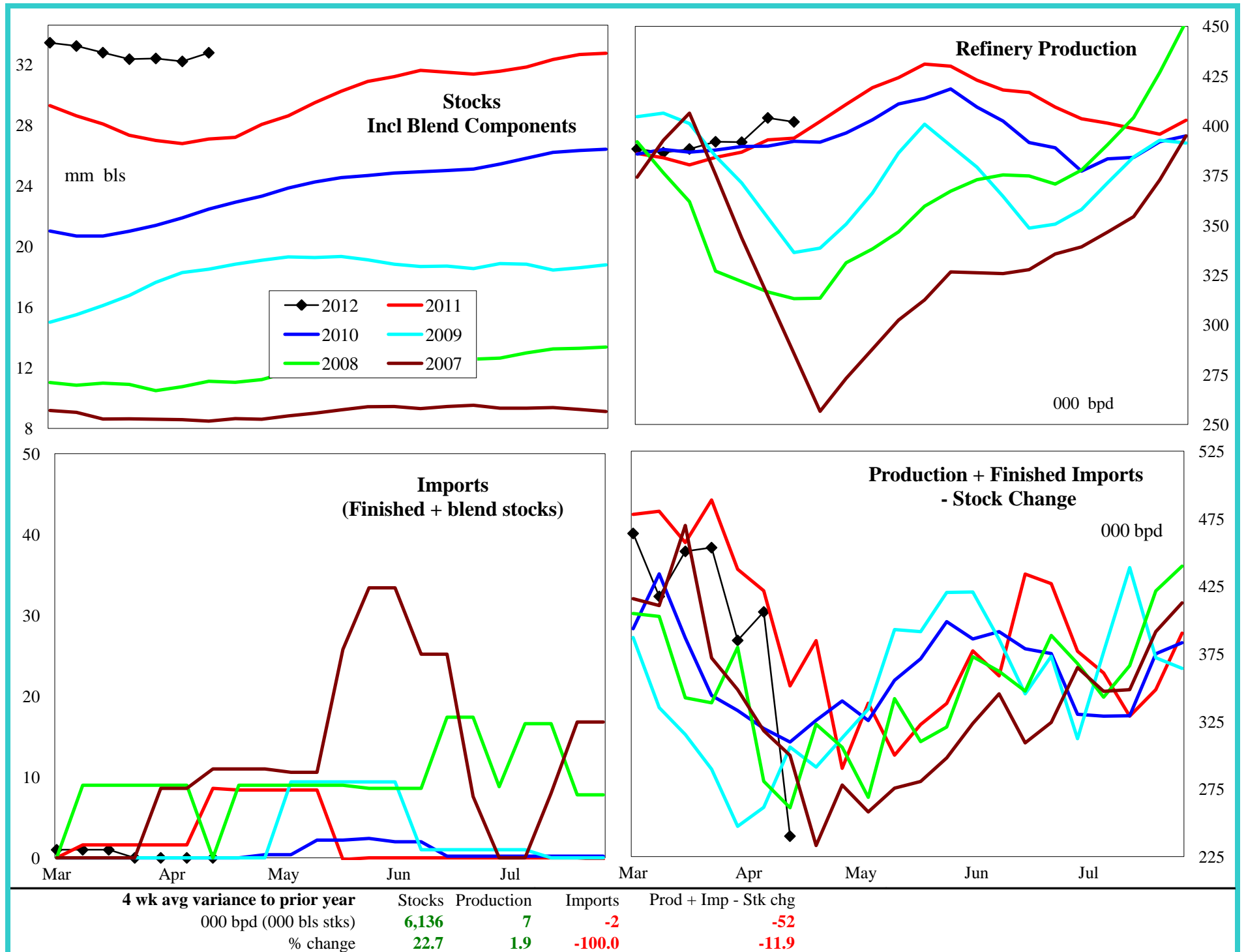
**-142**

**-2.8**

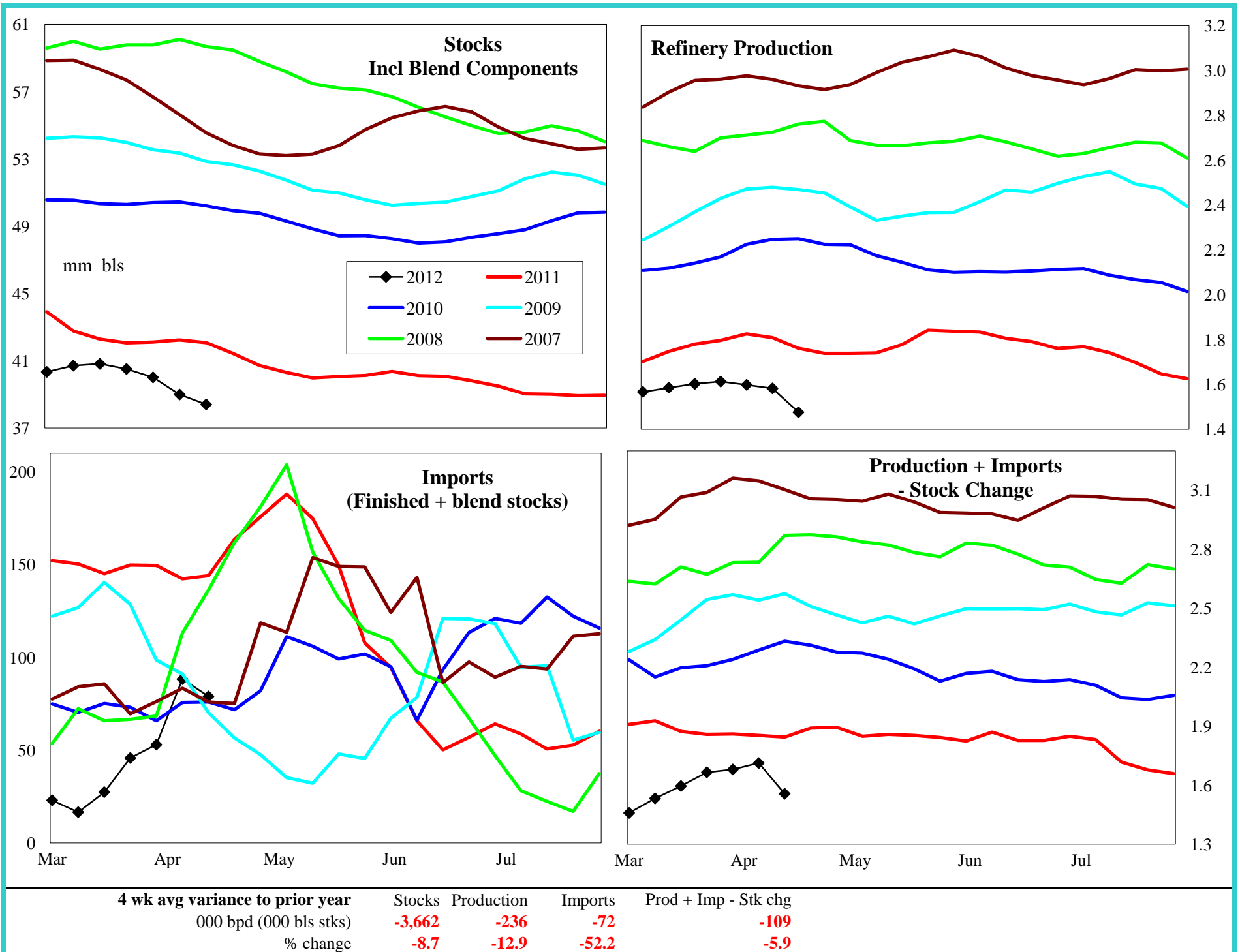
# PADD 3 Gasoline Supply



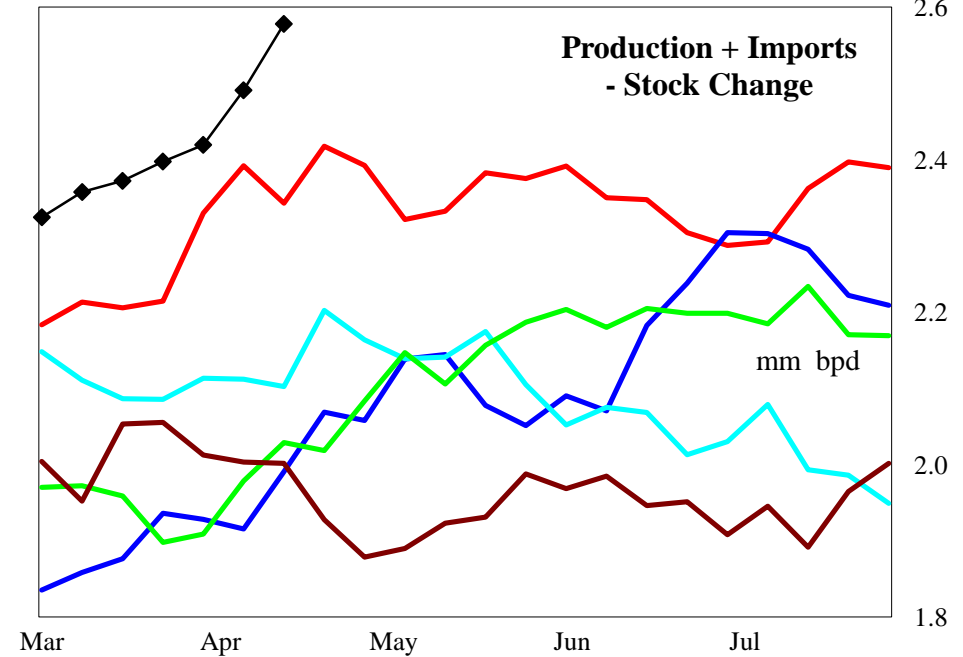
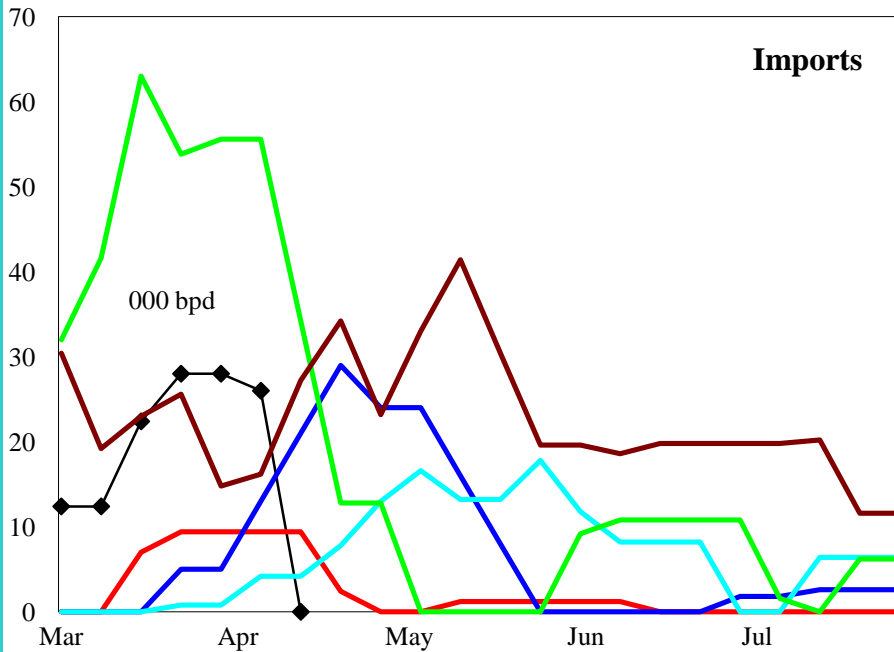
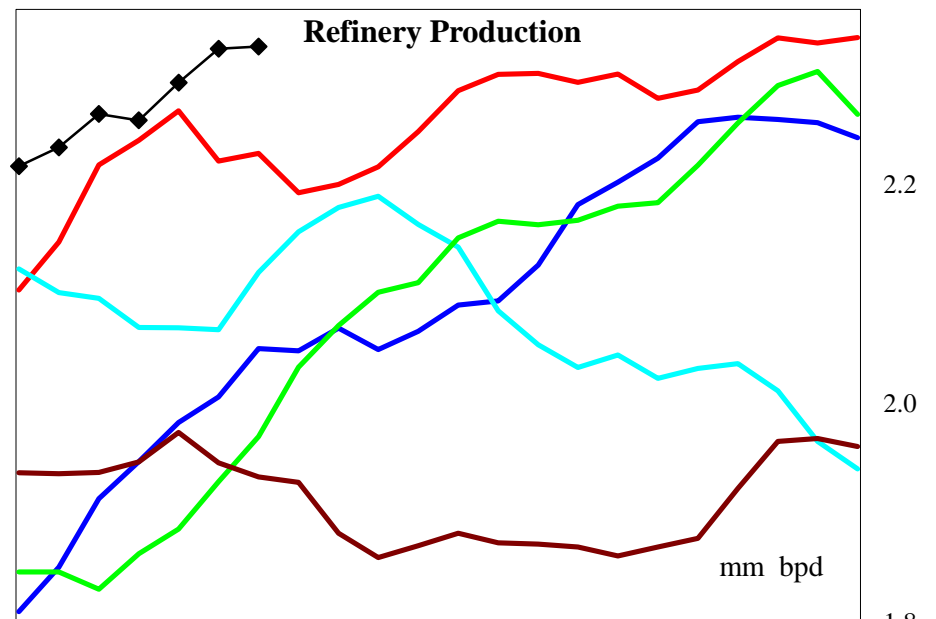
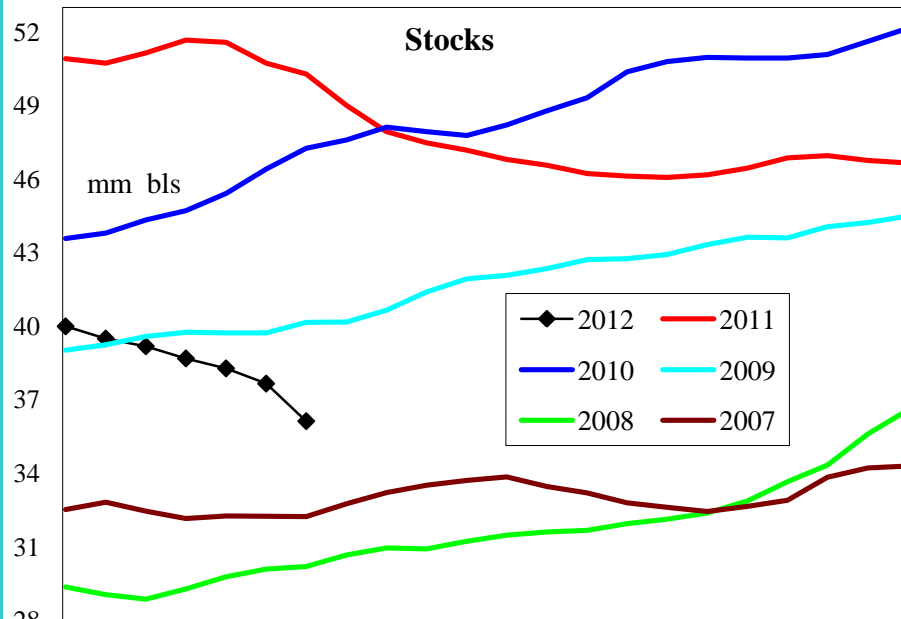
# PADD 3 Reformulated Gasoline Supply



# PADD 3 Conventional Gasoline Supply



# PADD 3 Distillate Supply



4 wk avg variance to prior year

000 bpd (000 bbls stks)

% change

Stocks

-12,951

-26.4

Production

73

3.2

Imports

8

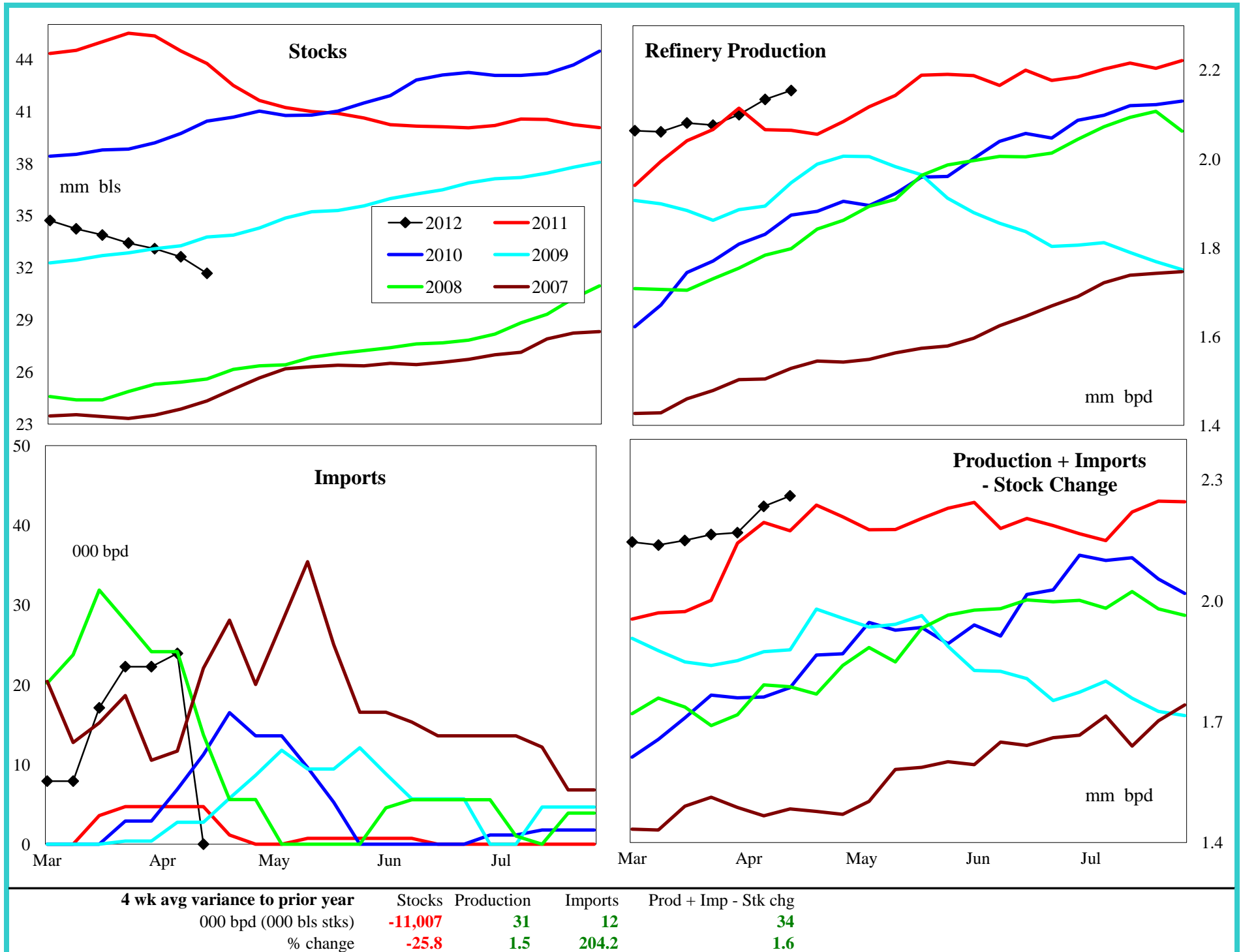
66.0

Prod + Imp - Stk chg

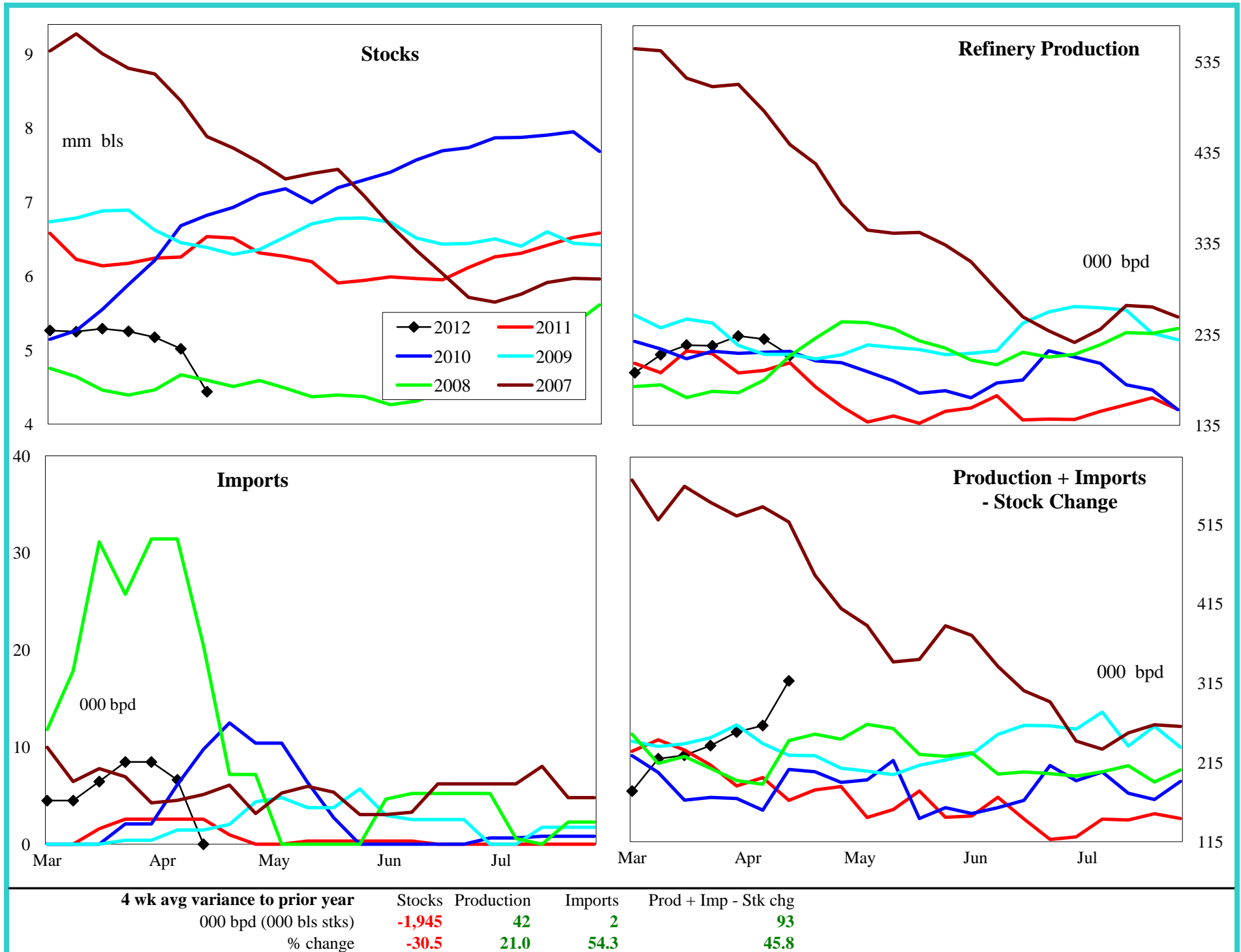
121

5.1

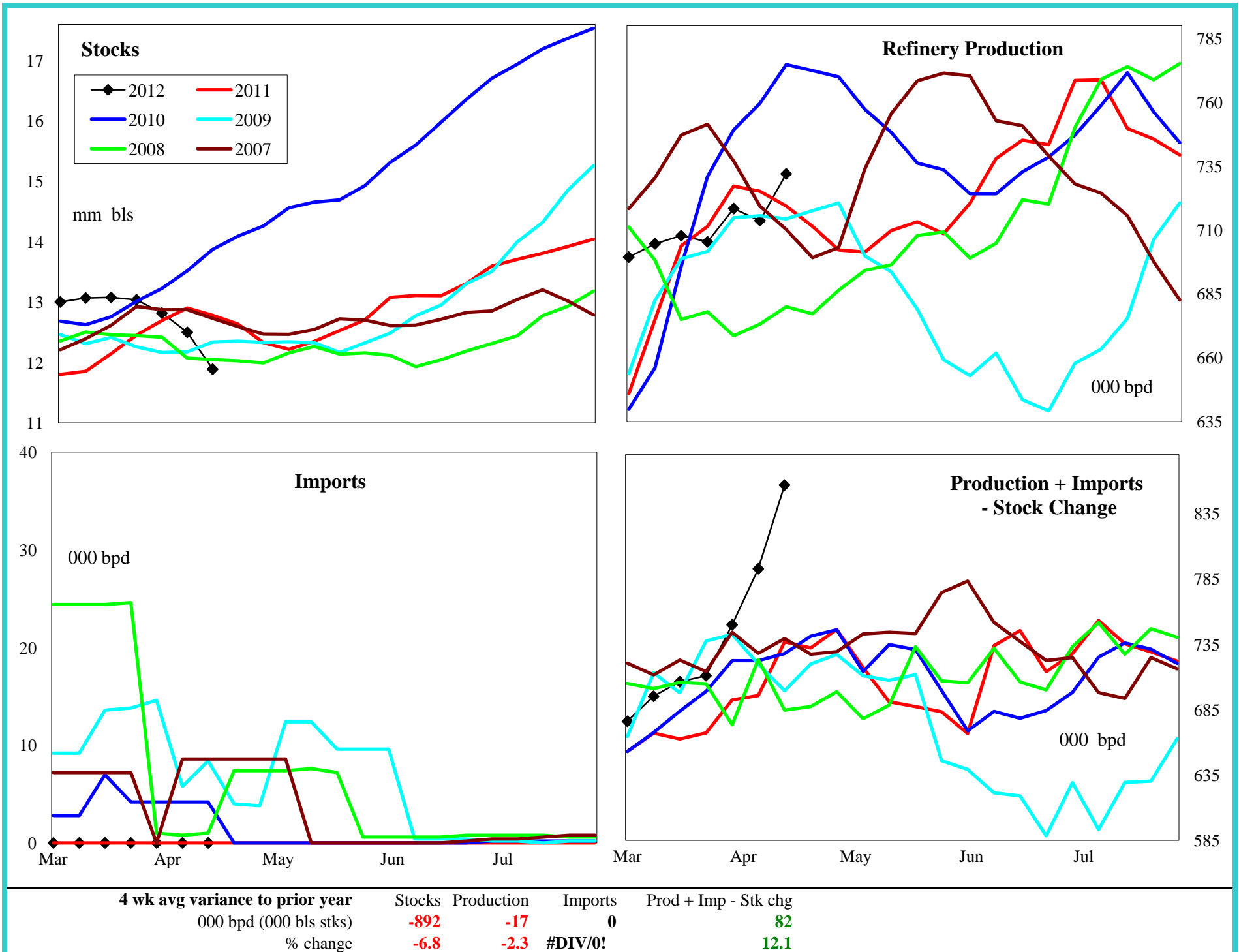
# PADD 3 Low Sulfur Distillate Supply



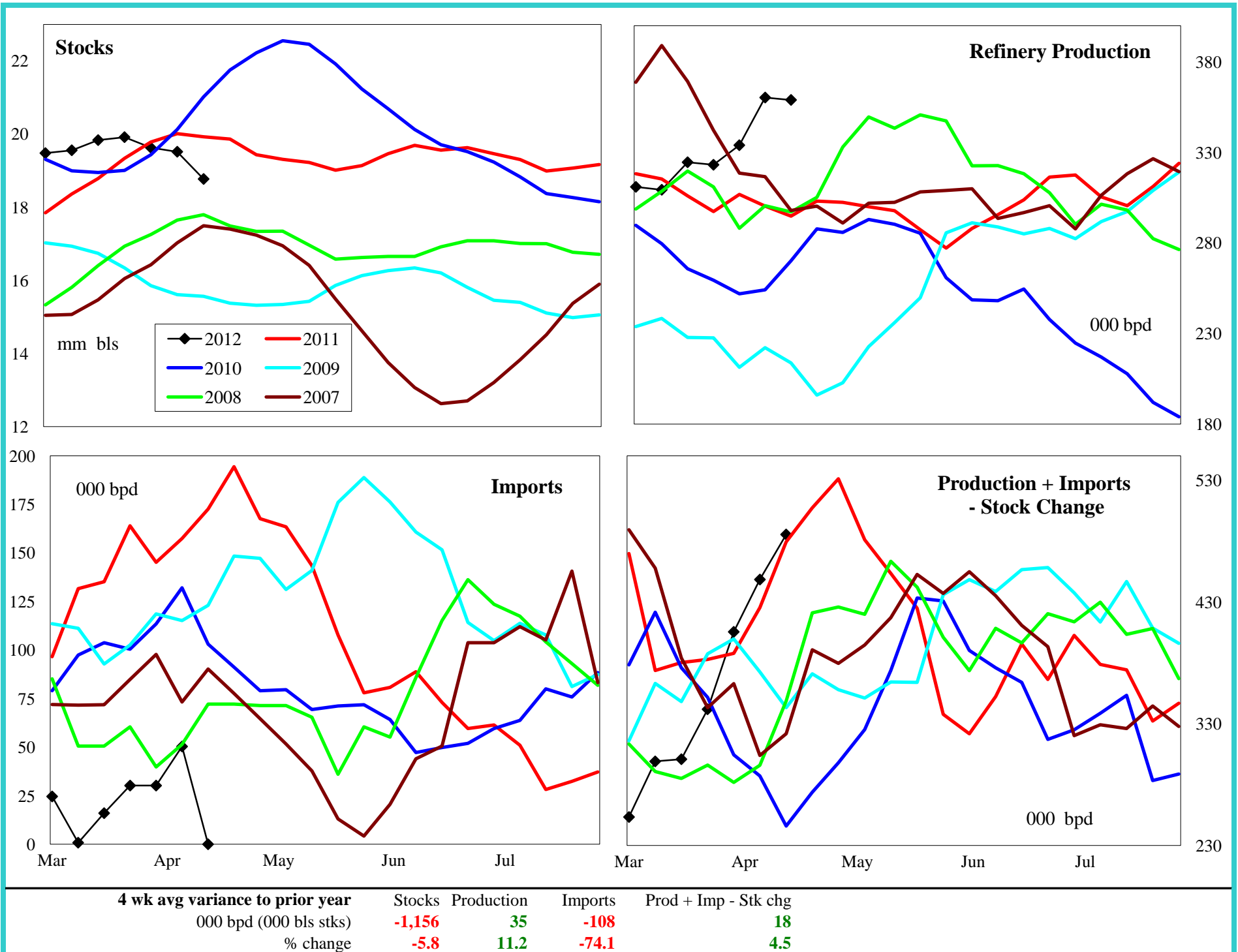
# PADD 3 High Sulfur Distillate Supply



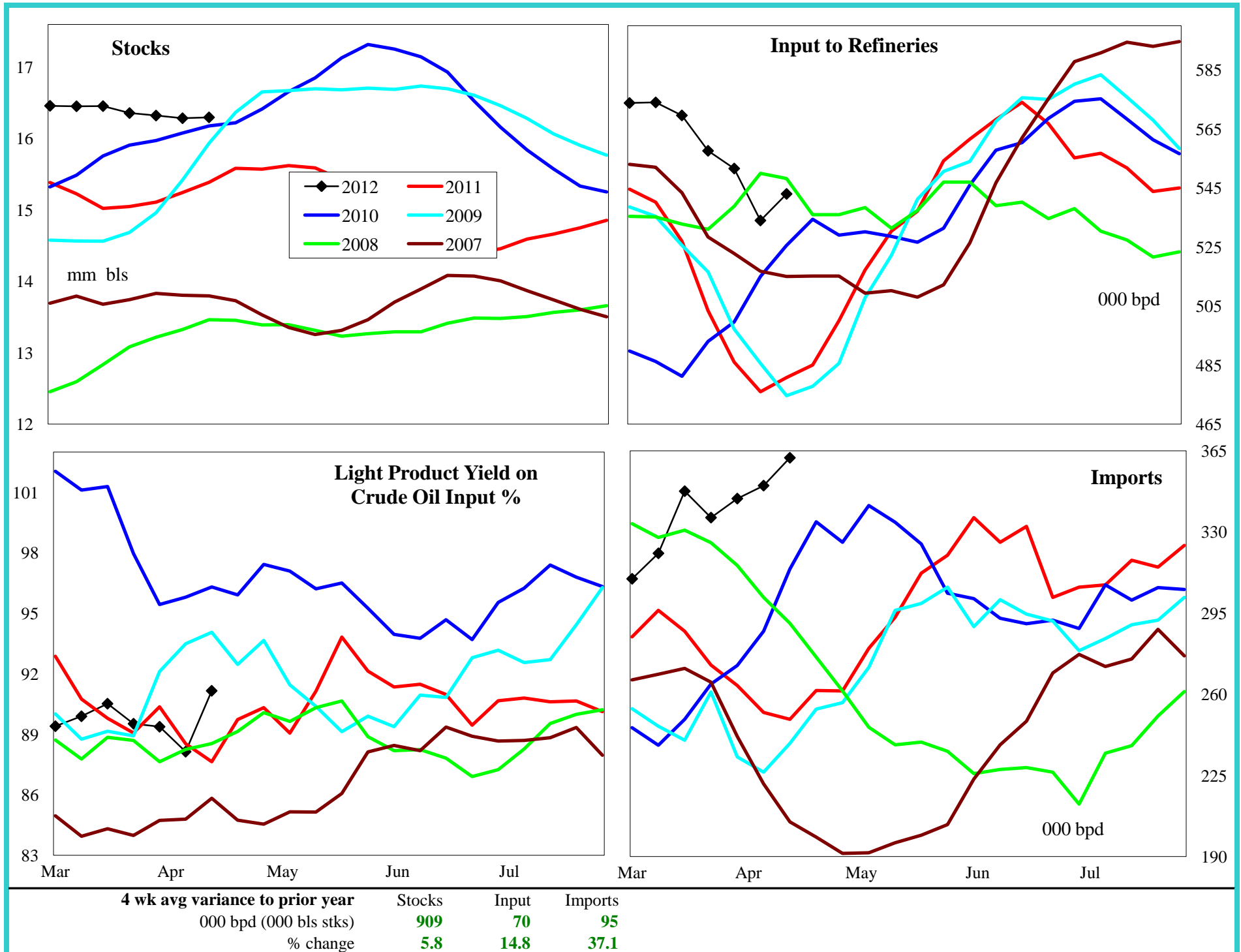
# PADD 3 Jet Fuel Supply



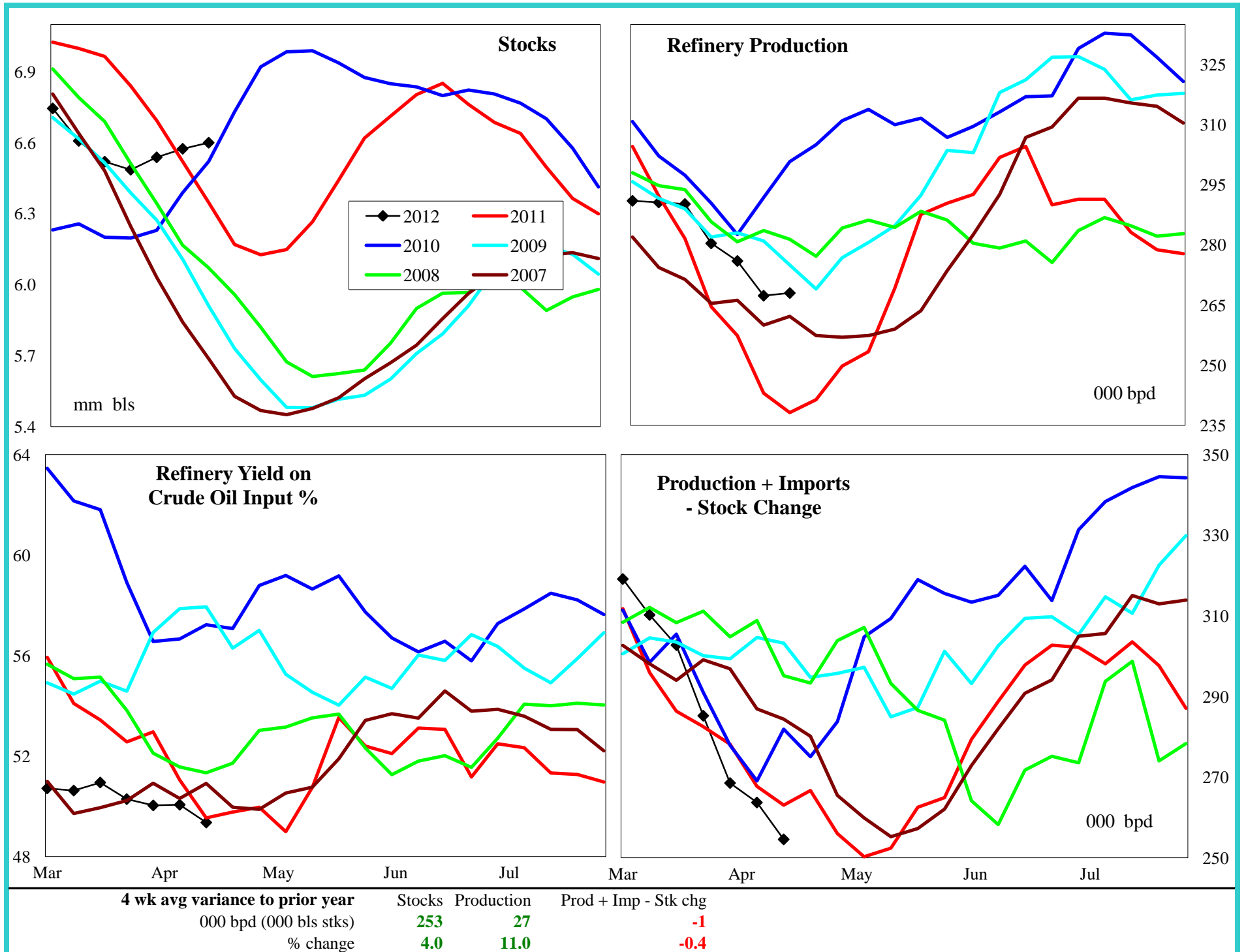
# PADD 3 Residual Fuel Oil Supply



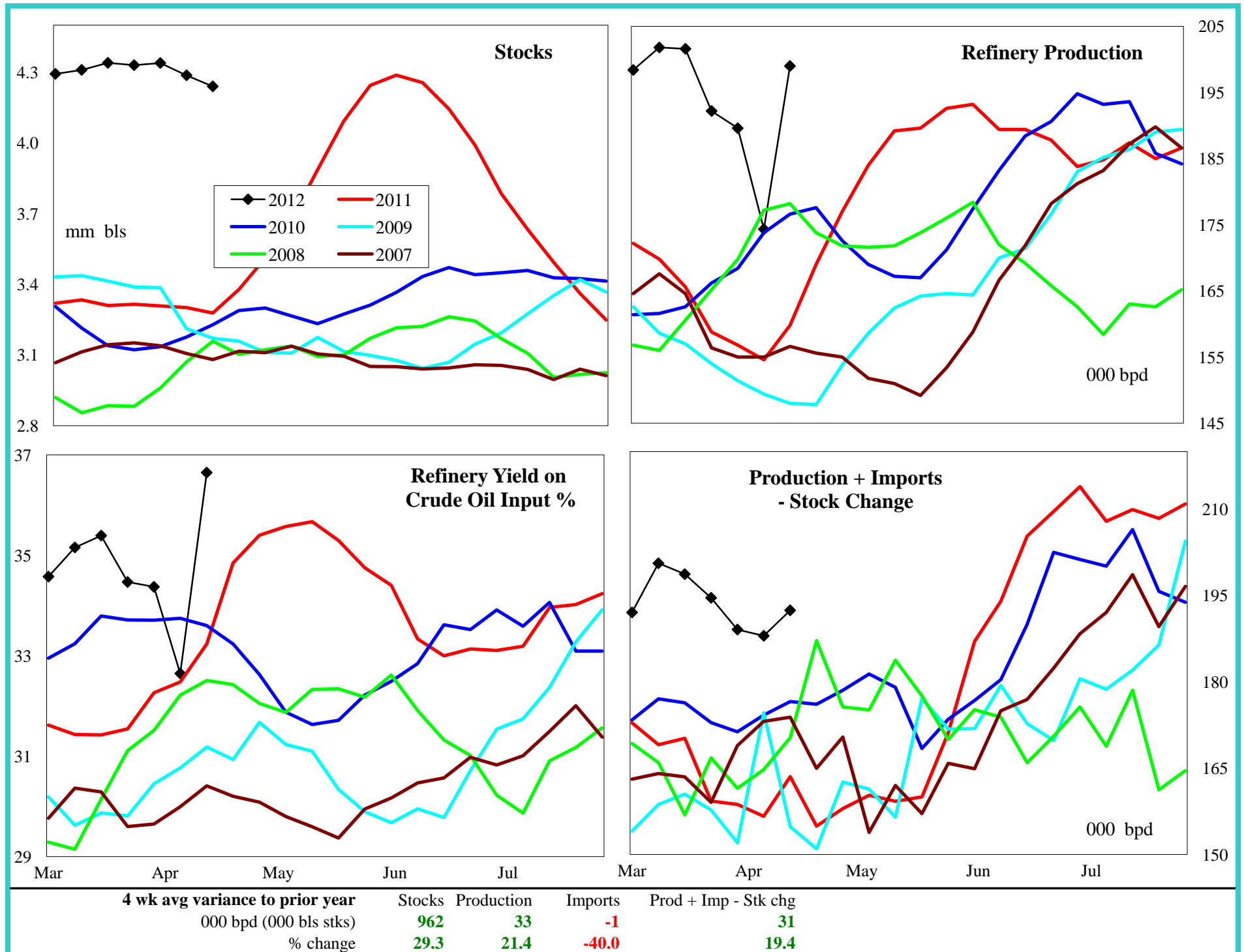
# PADD 4 Crude Oil Supply and Refining



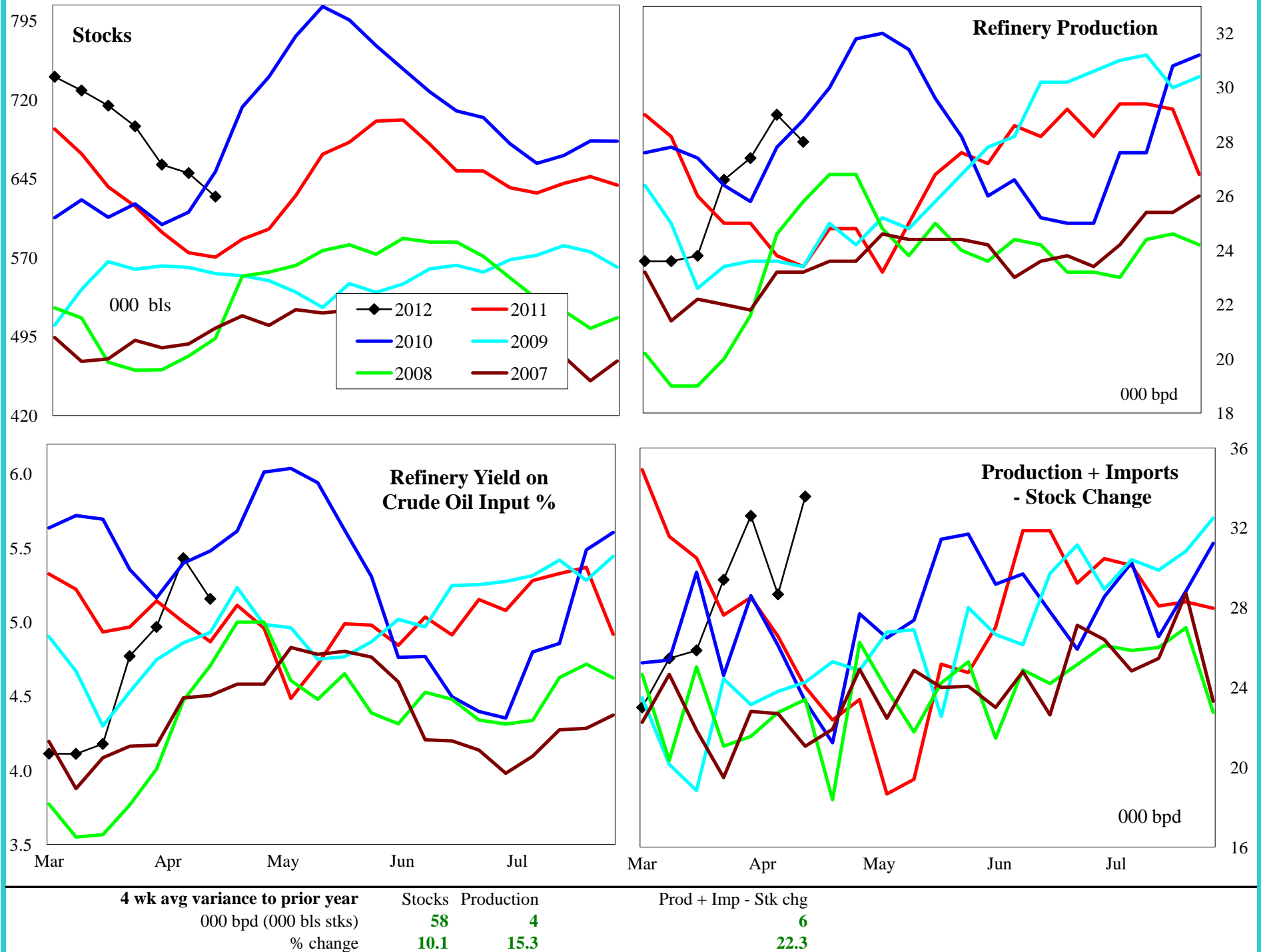
# PADD 4 Gasoline Supply



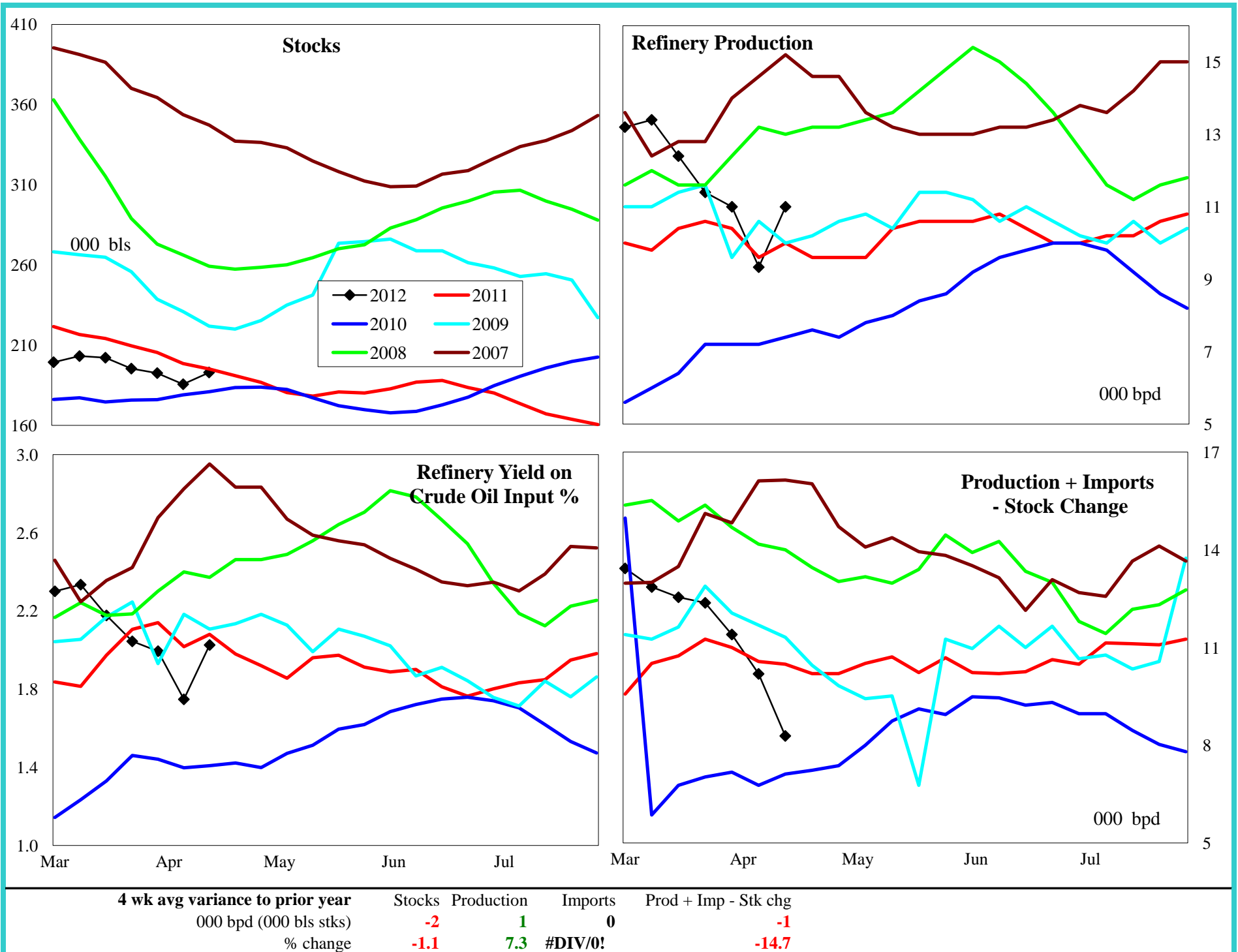
# PADD 4 Distillate Supply



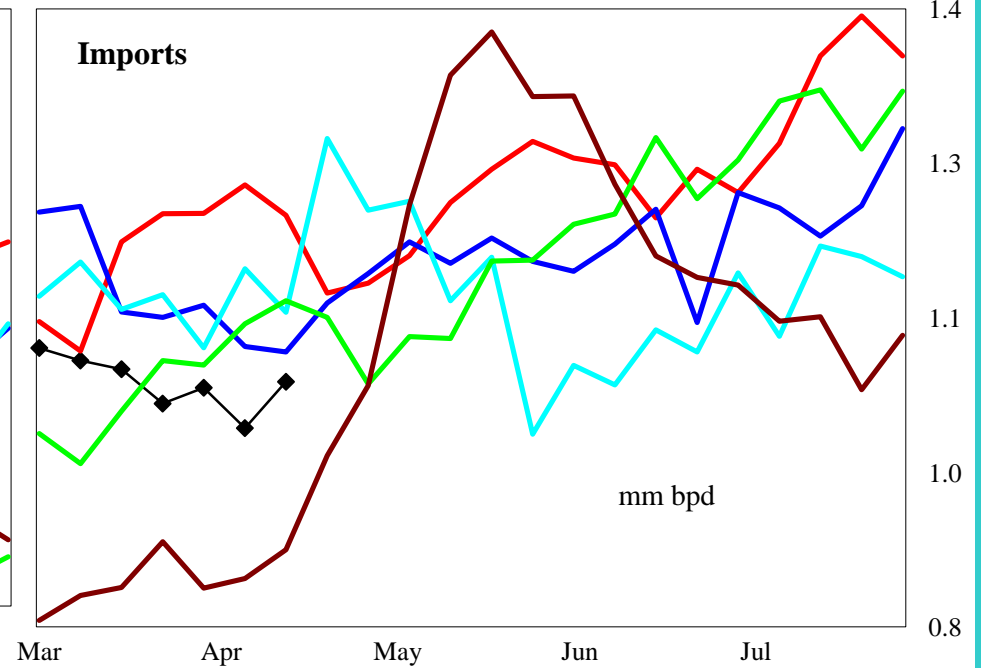
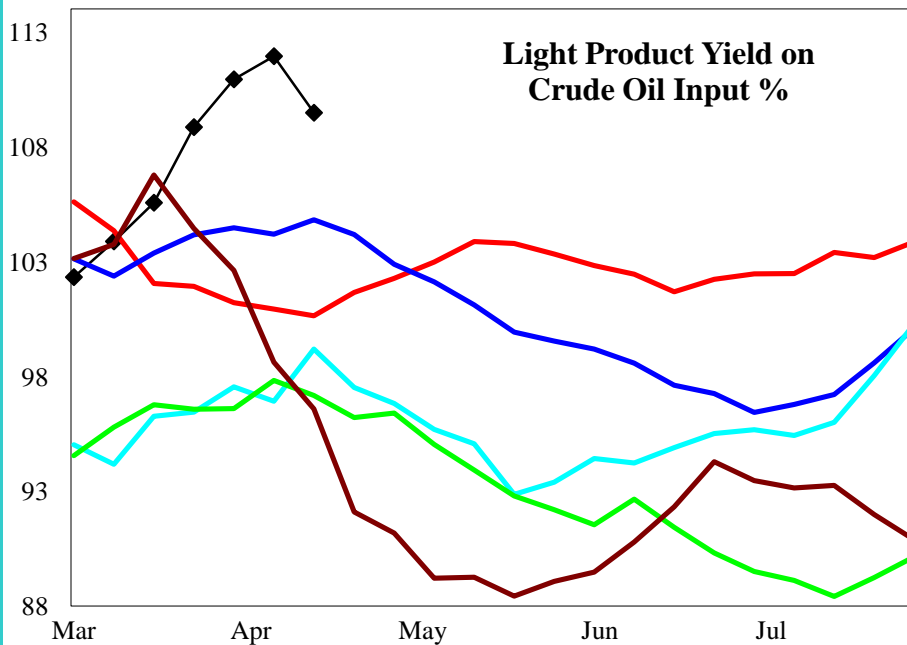
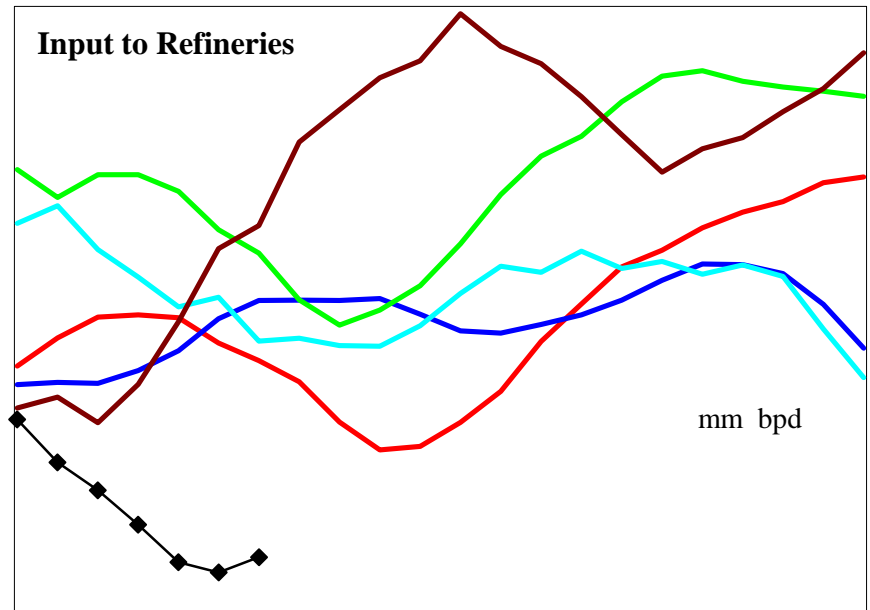
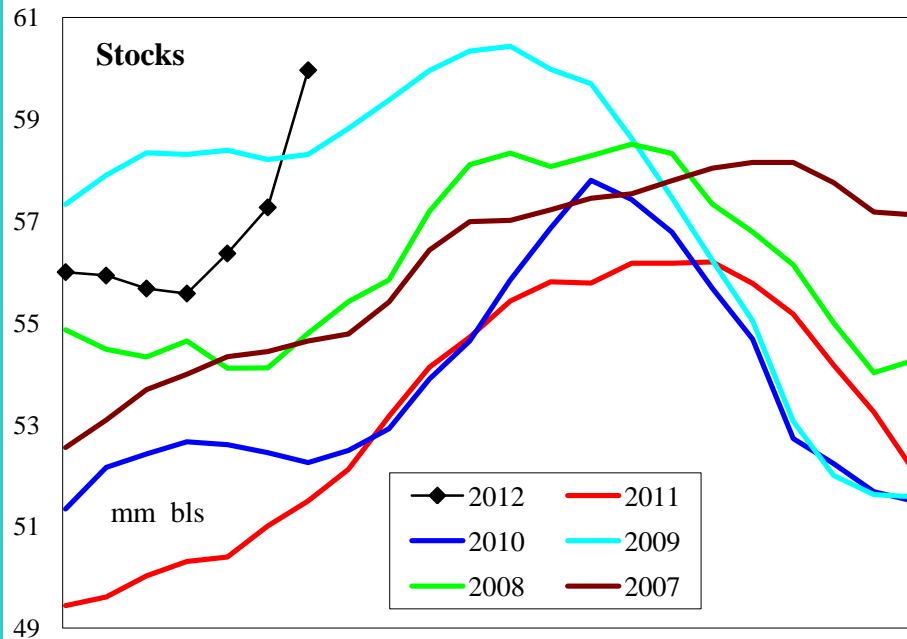
# PADD 4 Jet Fuel Supply



# PADD 4 Residual Fuel Oil Supply



# PADD 5 Crude Oil Supply and Refining



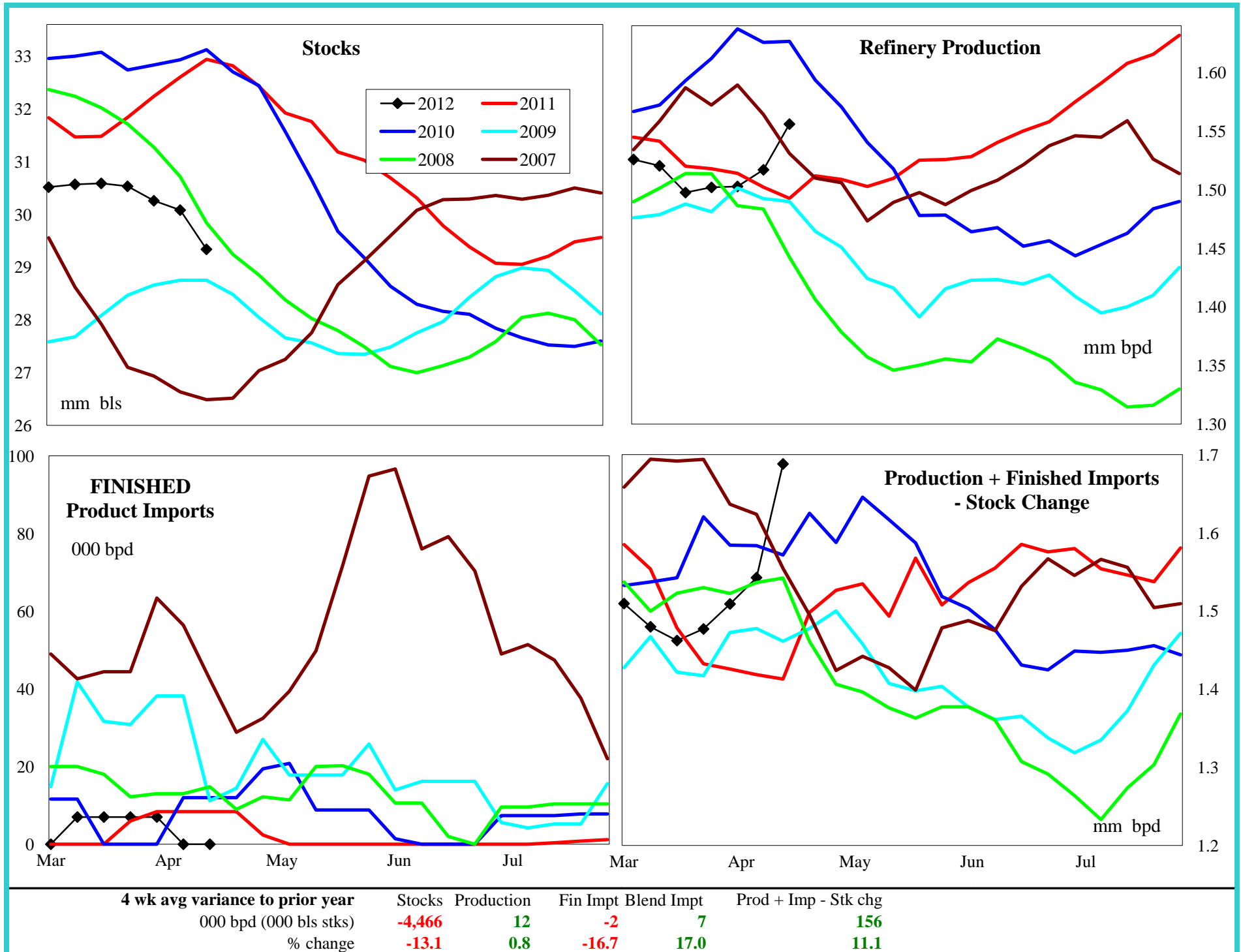
**4 wk avg variance to prior year**  
 000 bpd (000 bls stks)  
 % change

Stocks  
**8,464**  
**16.4**

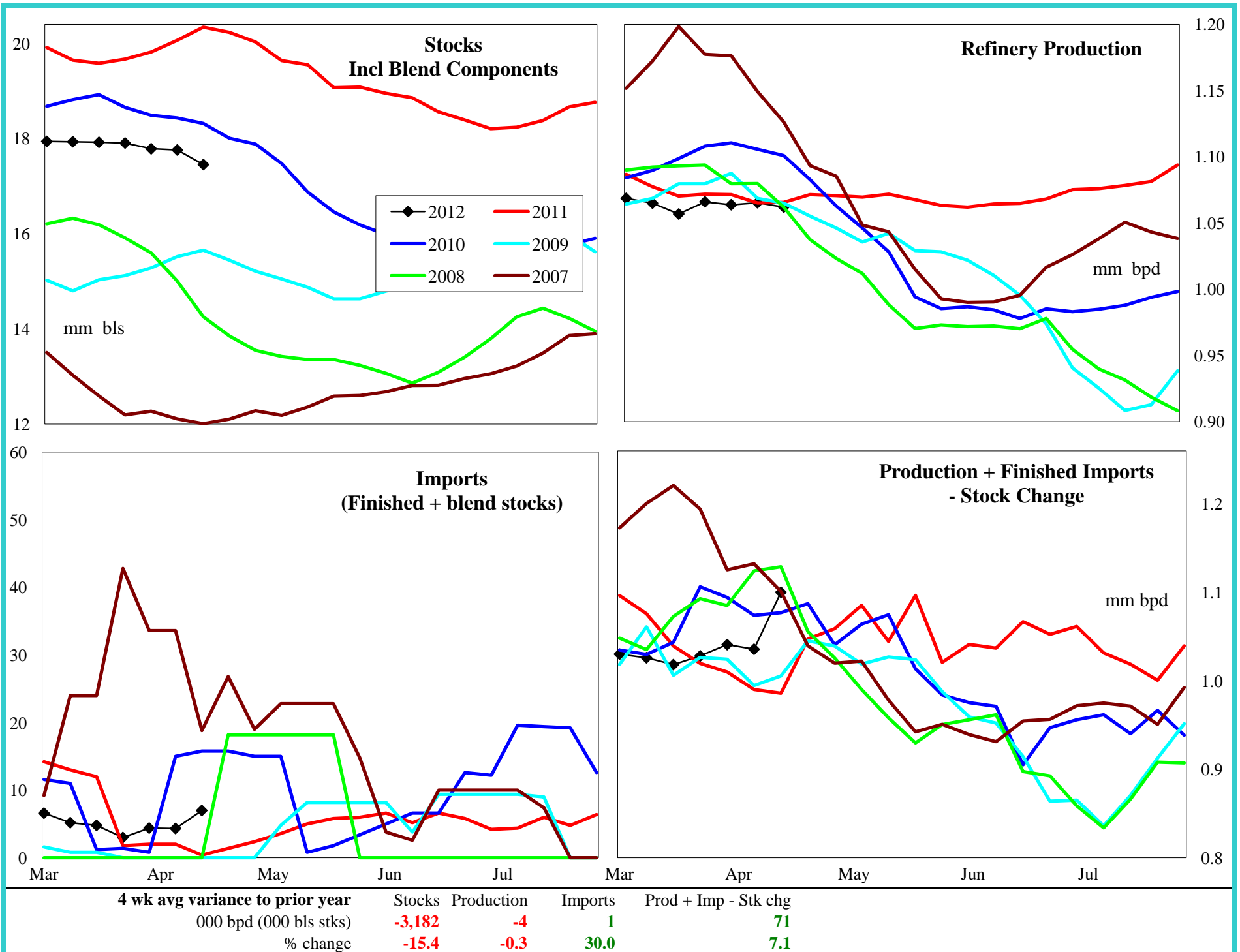
Input  
**-335**  
**-13.8**

Imports  
**-163**  
**-13.2**

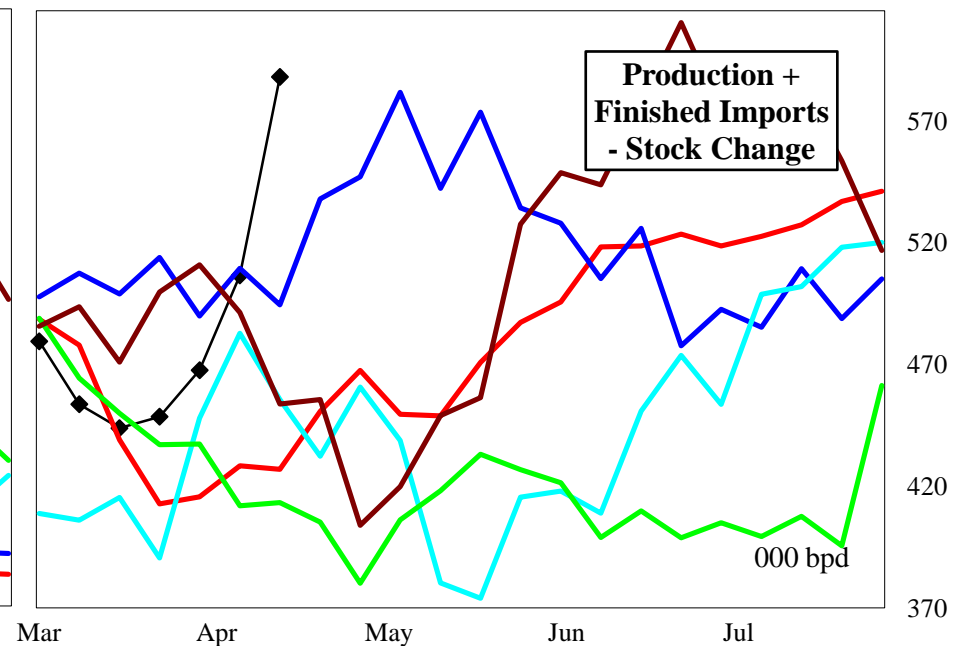
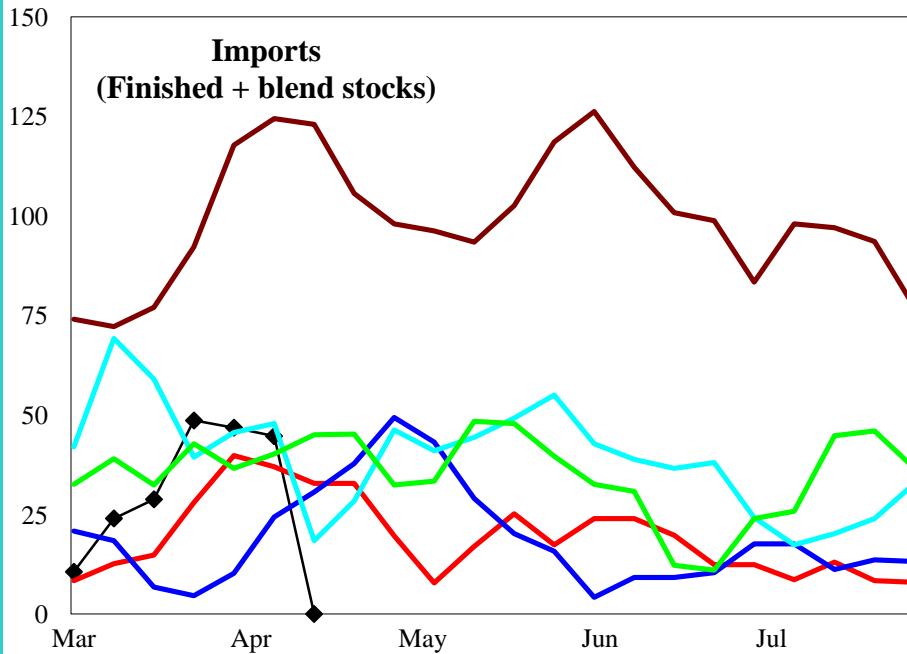
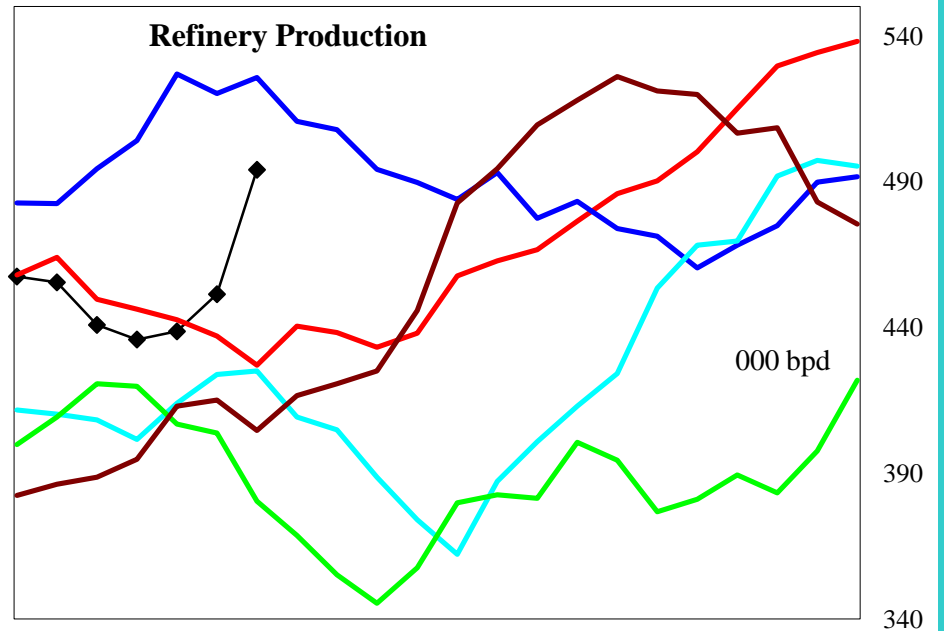
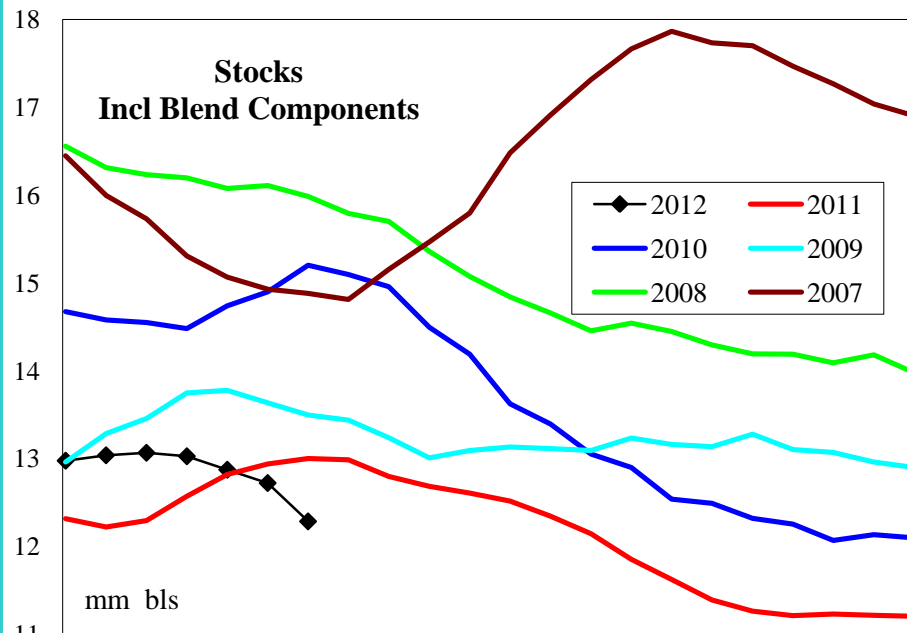
# PADD 5 Gasoline Supply



# PADD 5 Reformulated Gasoline Supply



# PADD 5 Conventional Gasoline Supply



**4 wk avg variance to prior year**

000 bpd (000 bbls stks)

% change

Stocks

-1,284

-9.5

Production

15

3.5

Imports

4

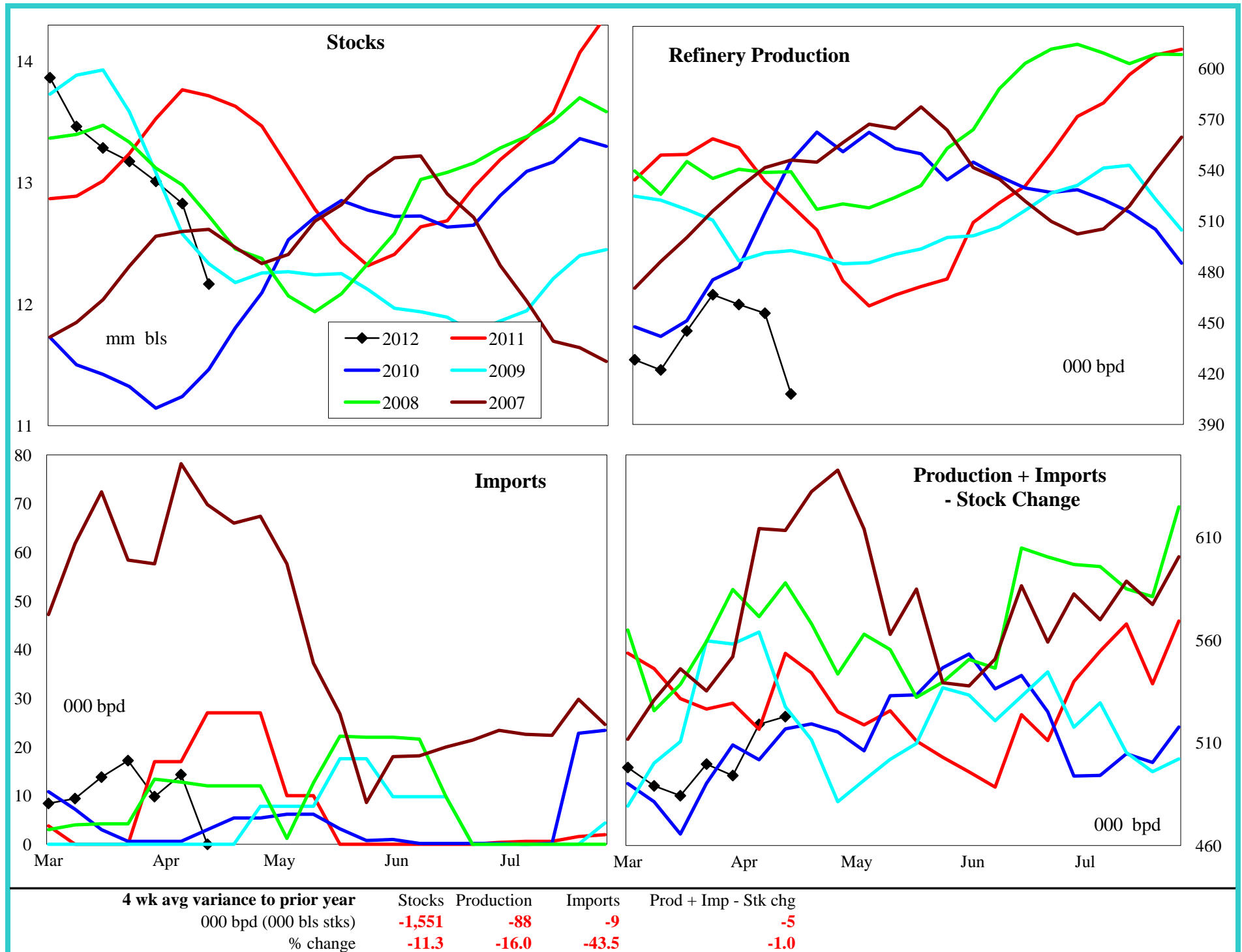
8.6

Prod + Imp - Stk chg

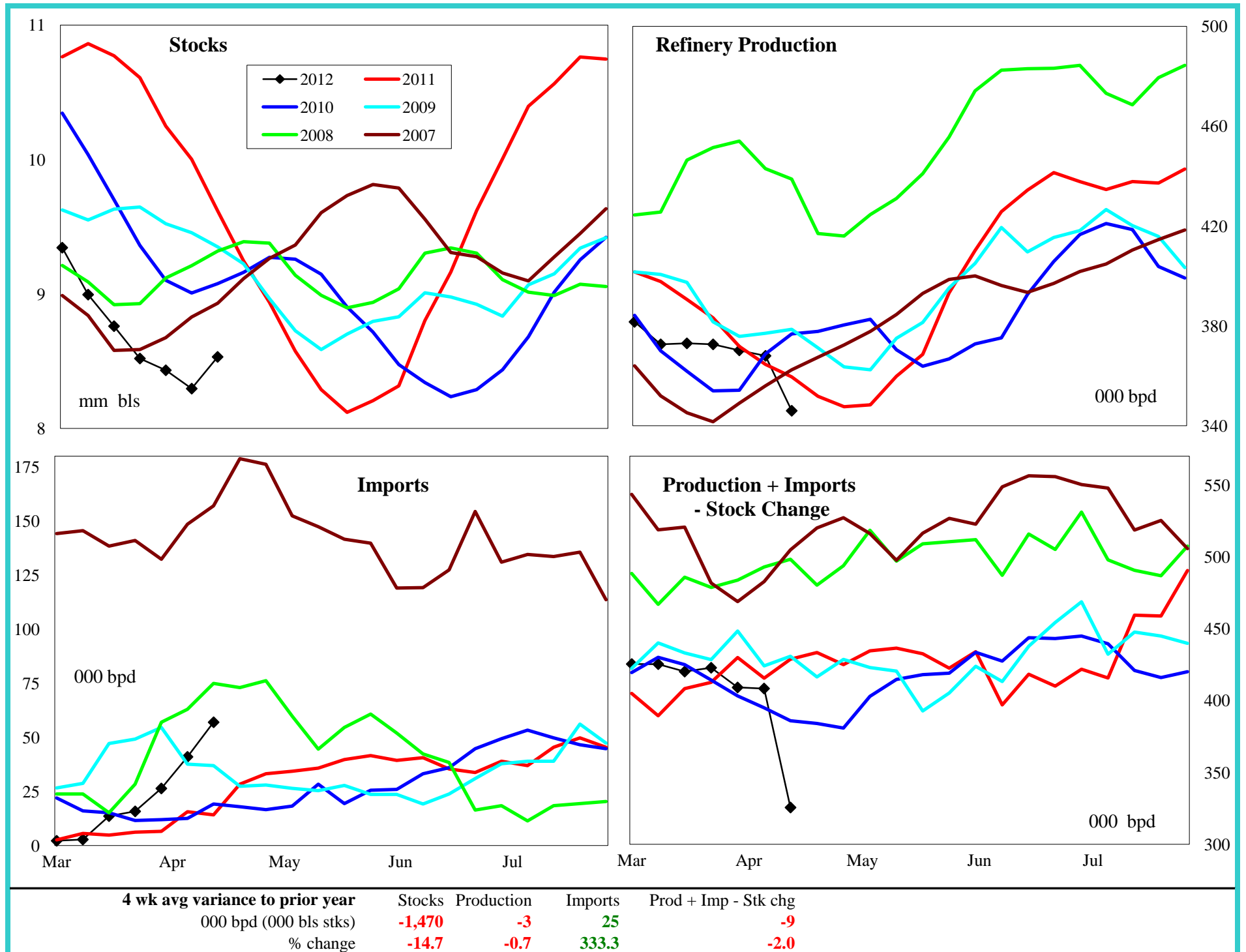
84

21.5

# PADD 5 Distillate Supply



# PADD 5 Jet Fuel Supply



# PADD 5 Residual Fuel Oil Supply

