



## WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

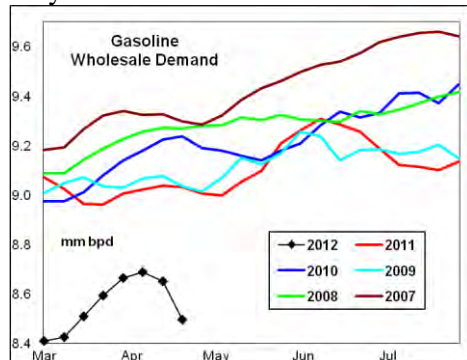
### A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Wednesday, April 25, 2012

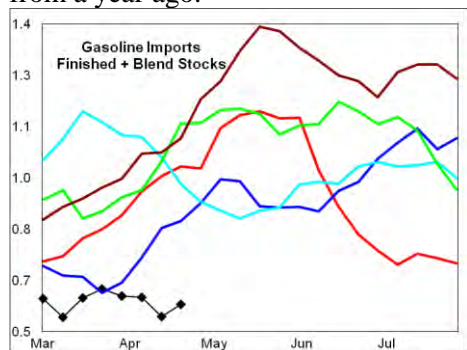


#### Major Fundamental Trends<sup>1</sup>

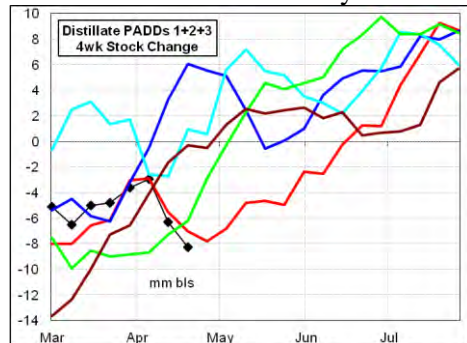
A robust spring gasoline demand season appears in doubt; depressed by high retail prices, high unemployment and improvement in vehicle fleet efficiency. Wholesale demand fell -279,000 bpd last week, a -4.2% year-on-year decrease.



A meaningful upturn in imports has not yet materialized, with the latest 4-wk average down -0.3 million bpd from a year ago.



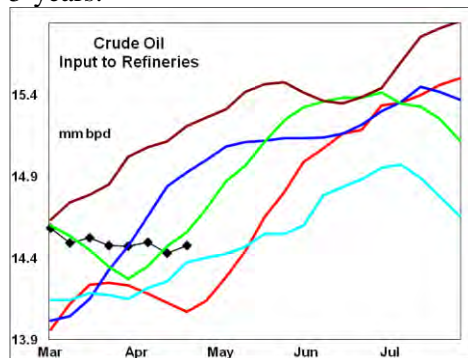
Distillate stocks fell -8.2 million barrels for the most recent 4-wk period in markets East of the Rockies; a record draw for this time of year.



Robust exports, strengthening demand and low crude oil runs that are limiting

distillate output underlies the large stock draw.

Crude oil runs were nearly unchanged last week, so that the timing of thru put increases now lags the last 5-years.



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.

Crude oil stock levels made 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.

**Demand** for gasoline fell nearly -0.3 million bpd last week, with distillate and jet fuel also lower. Wholesale demand, measured over the last four weeks compared to a year ago: gasoline decreased -4.2%; distillate up +0.1%; jet fuel down -0.4% while residual fuel oil decreased -10%.

**Stocks forward coverage:** Gasoline demand coverage fell last week due to a -2.2 million barrel stock draw. Coverage fell to a level slightly above the historic range.

Distillate demand coverage fell sharply on a -3.1 million barrel stock draw. Coverage levels were below the last 3-years.

Jet fuel coverage levels increased on a +0.3 million barrel stock build. Coverage levels ended the week

comparable to last year.

**Refinery utilization** rates increased on a +23,000 bpd rise in crude oil runs. During the latest 4-wk period crude oil input was +367,000 bpd above a year ago.

Gasoline yield % on crude oil runs decreased on a -126,000 bpd drop in output compared to the +23,000 bpd rise in crude oil runs. Yield % on crude oil runs was below the last 3-years.

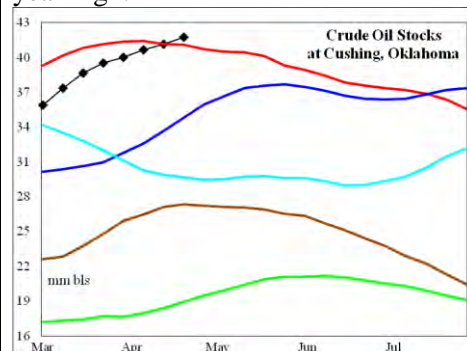
Distillate yield % on crude oil runs fell on a -229,000 bpd drop in production, compared to the increase in crude oil runs. The yield % fell below last years' record high.

Jet fuel yield % on crude oil runs increased on a +60,000 bpd rise in production compared to the small increase crude oil runs. Yield % levels jumped to 5-year highs.

**Petroleum Imports** of gasoline increased +0.2 million bpd last week, with crude oil and other products unchanged to slightly lower.

During the latest 4-wk period crude oil imports were +235,000 bpd above last year; distillate imports decreased -33,000 bpd; finished gasoline imports decreased -74,000 bpd, gasoline blend stock imports declined -234,000 bpd; jet fuel imports were -41,000 bpd lower, while residual fuel oil imports fell -164,000 bpd.

**Crude Oil** stocks increased +4 million barrels last week, with increases in all regions except the West Coast. U.S. stock levels reached new 5-year highs last week. Stocks in Cushing increased +0.6 million barrels last week to a 5-year high.



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



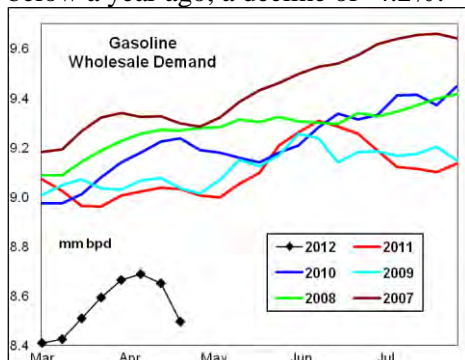
## WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

### A Fundamental Petroleum Trends Weekly Report

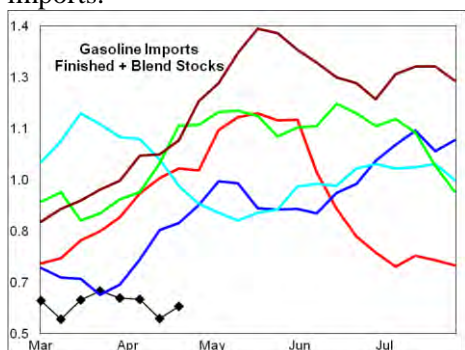
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#### Product Supply-Demand Trends

**Gasoline** demand fell -279,000 bpd last week, pointing to a less than robust spring driving season. The latest 4-wk average demand was -377,000 bpd below a year ago, a decline of -4.2%.



Production fell -126,000 bpd on the week; offset by a +193,000 bpd rise in imports.



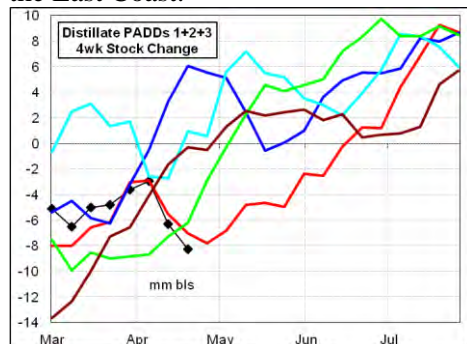
Continued low import levels offset weak demand and led to a -2.2 million barrel stock draw on the week. The latest 4-wk stock draw in markets East of the Rockies was -9.7 million barrels, a lower draw than the 5-year average.

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, and weak demand, should improve the supply balance.

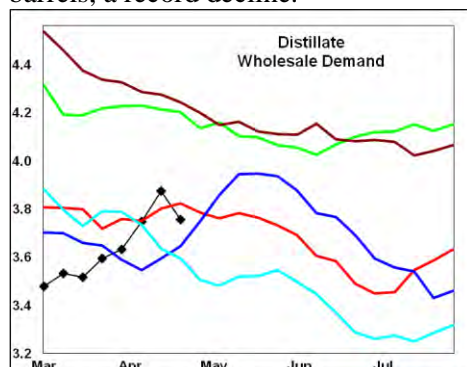
**Distillate** demand fell -220,000 bpd last week, to a level comparable with the last 2-years. The latest 4-wk average year-on-year change in demand was a +5,000 bpd increase; the first year over year growth of the last 18-months.

Supplies fell -241,000 bpd last week, driven by a decrease in

production for all regions except the West Coast. The latest 4-wk average supply was +124,000 bpd above a year ago. Stocks fell -3.1 million barrels with decreases in all markets except the East Coast.

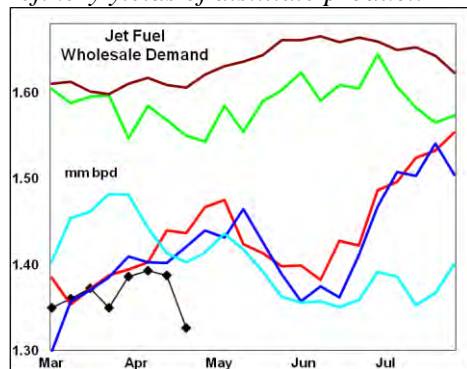


The latest 4-wk stock draw in markets East of the Rockies was -8.2 million barrels, a record decline.



Robust exports, increasing demand compared to prior years, and lower production has led to the record stock draw in markets East of the Rockies. East, Gulf and West Coast regional markets are relatively tight as indicated by elevated cash basis.

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 -81,000

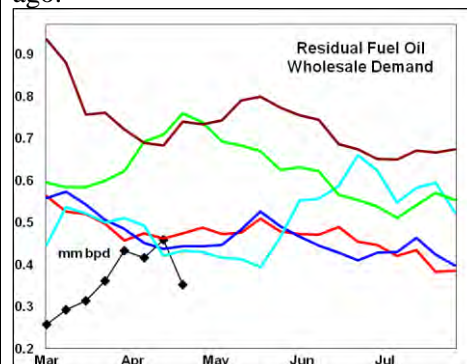
bpd last week, to a level below the 5-year range. The latest 4-wk average demand was -6,000 bpd below a year ago.

Supply decreased -27,000 bpd on lower imports. Stocks increased +0.3 million barrels last week, with the level at the low end of the historic range.

*Demand continues to trend at a level comparable to the last 2-years. Production has also been near levels of the last 2-years. A -50% decrease in imports has pushed stock levels to levels below the historic midrange.*

*As refiners return from spring maintenance, look for higher production and seasonal stock builds.*

**Residual fuel oil** demand fell -187,000 bpd last week. The latest 4-wk average was -53,000 bpd below a year ago.



Supply (production + imports) decreased -22,000 bpd last week, on lower imports and production. The latest 4-wk average supply was -100,000 bpd below last year on lower imports. Stocks decreased -0.2 million barrels, to a new record low level.

With this weeks' decrease, wholesale demand remains at a -10% year on year decrease compared to last year and below the prior 3-years. Substitution of natural gas has depressed demand for residual fuel, offsetting higher economic growth.

Production levels are slightly above the last 3-years.

The key Gulf Coast market has tightened on high exports that have offset record production, driving stocks to near historic lows.





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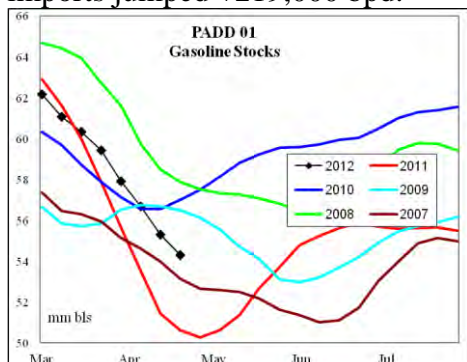
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#### PADD Supply Trends

**PADD 1** refinery crude oil runs increased +20,000 bpd on the week, with the latest 4-wk average +123,000 bpd above last year.

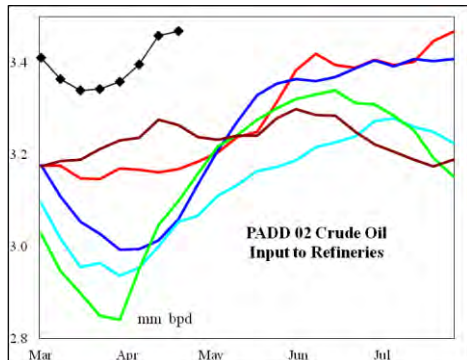
Gasoline production decreased -127,000 bpd last week, while imports jumped +219,000 bpd.



Stocks fell -0.3 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 slightly below four of the last 5-years.

Distillate supply declined -94,000 bpd on the week, reversing most of the prior week increase. Stocks increased +0.5 million barrels on the week, a level -11% below last year.

Jet fuel combined production and imports for the latest 4-wk period were -88,000 bpd below last year and at 5-year lows. Stocks decreased -0.5 million barrels on the week, a level near historic lows.



**PADD 2** crude oil refinery runs decreased -53,000 bpd on the week, with the 4-wk average +272,000 bpd above last year. Crude oil imports climbed +96,000 a level +42% above last year. Stocks increased +1.2

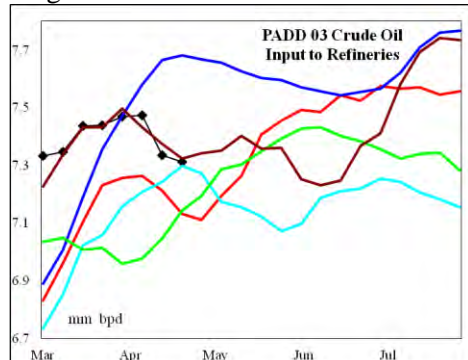
million barrels to a level -2.1% below last years' record high.

Gasoline production fell -172,000 bpd last week, reversing the prior week increase. Stocks increased +0.3 million barrels, to a level above the mid range.

Distillate production decreased -19,000 bpd on the week, but remains +98,000 bpd above a year ago and at a 5-year high. Stocks decreased -0.6 million barrels, to a level above four of the last five years.

Jet fuel production increased +21,000 bpd on the week, a new record high. Stocks ended the week at a level which matched 5-year highs for the period.

**PADD 3** refinery runs increased +37,000 bpd last week, a level that matched the mid range. The latest 4-wk average thru put was +173,000 bpd above last year. Crude oil imports increased +0.1 million bpd, still at a record low level. Stocks extended the seasonal build, rising +3.1 million barrels to a level well above the mid range.



Gasoline production increased +80,000 bpd last week, a level -222,000 bpd below a year ago. Stocks fell -1.6 million barrels last week, a level below the historic mid range.

Distillate production fell -121,000 bpd on the week, with the latest 4-wk average +72,000 bpd above last year and just above the 5-year range. Stocks fell -2.6 million barrels to a level at the low end of the 5-year range.

Jet fuel production decreased -25,000 bpd last week, a level that

matched the historic mid range. Stocks increased +0.5 million barrels to a level below the mid range.

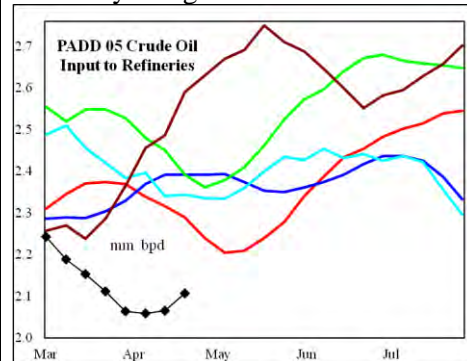
Residual fuel oil supplies declined -9,000 bpd on the week, driven by lower production. Production rates were above the 5-year range. Stock levels ended the week below the last 2-years.

**PADD 4** refinery crude runs decreased -17,000 bpd on the week, to a level above the mid range. The most recent 4-wk average run rate was +66,000 above a year ago.

Gasoline production decreased -8,000 bpd to a level well below the mid range. Stocks decreased -0.2 million barrels, with the level comparable to the last 2-years.


Distillate production decreased -27,000 bpd on the week, with the level comparable to the last 2-years. Stock levels were +20% above last year and a record high for this time of year.

**PADD 5** crude oil refinery runs increased +37,000 bpd last week, but the level remains well below the historic range. Runs for the most recent 4-wk period were -266,000 bpd below a year ago.



Gasoline production declined -80,000 bpd on the week to a level below the mid range. Supply (production + imports) for the latest 4-wk average was -3,000 bpd below a year ago. Stocks decreased -0.4 million barrels to a level below the mid range.

Distillate supply increased +20,000 bpd on the week, still at a level well below the historic range. Stocks decreased -0.2 million barrels, to a level near historic lows.



FUNDAMENTAL

PETROLEUM TRENDS

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PETROLEUM: Graph Link and Weekly Summary

A Fundamental Petroleum Trends Weekly Report

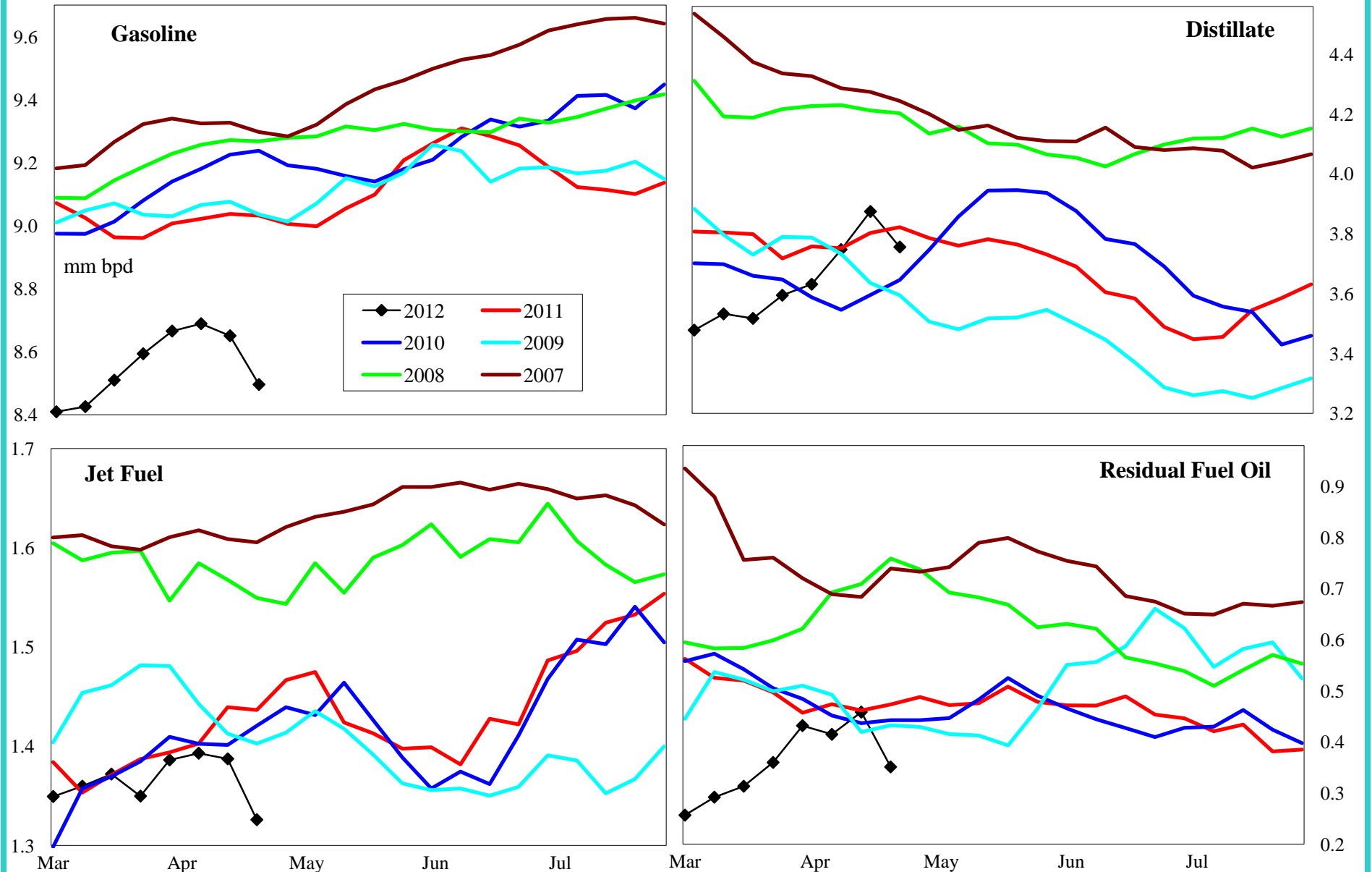
April 25, 2012

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Fundamental Trends	Wholesale Demand	Stocks Days Fwd Coverage	Refinery Utilization		Product Yield %		Imports
Supply/Demand Trends	20-Apr-12	EIA-DOE CHANGE FROM PRIOR WEEK					
	000 bpd stocks 000 bls	U. S. Total	PADD				
			1	2	3	4	5
Crude Oil	Stocks	3,978	1,355	1,234	3,080	478	-2,170
	Imports	48	123	96	57	-109	-118
	Input	23	20	-53	37	-17	37
	% Utilization	0.10					
Gasoline	Stocks	-2,235	-335	338	-1,602	-215	-422
	Production	-126	-127	-172	80	-8	-80
	Imports	193	219	-2	-25	0	0
	Supplied	-279					
Distillate	Stocks	-3,052	540	-571	-2,618	-176	-227
	Production	-229	-77	-19	-121	-27	14
	Imports	-12	-17	-1	0	0	6
	Supplied	-220					
Jet Fuel	Stocks	325	-452	-93	457	55	359
	Production	60	4	21	-25	1	58
	Imports	-87	-41	0	0	0	-47
	Supplied	-81					
Residual Fuel Oil	Stocks	-176	-28	-59	-83	-31	25
	Production	-12	2	-5	-39	-7	35
	Imports	-11	-5	-1	30	0	-36
	Supplied	-187					

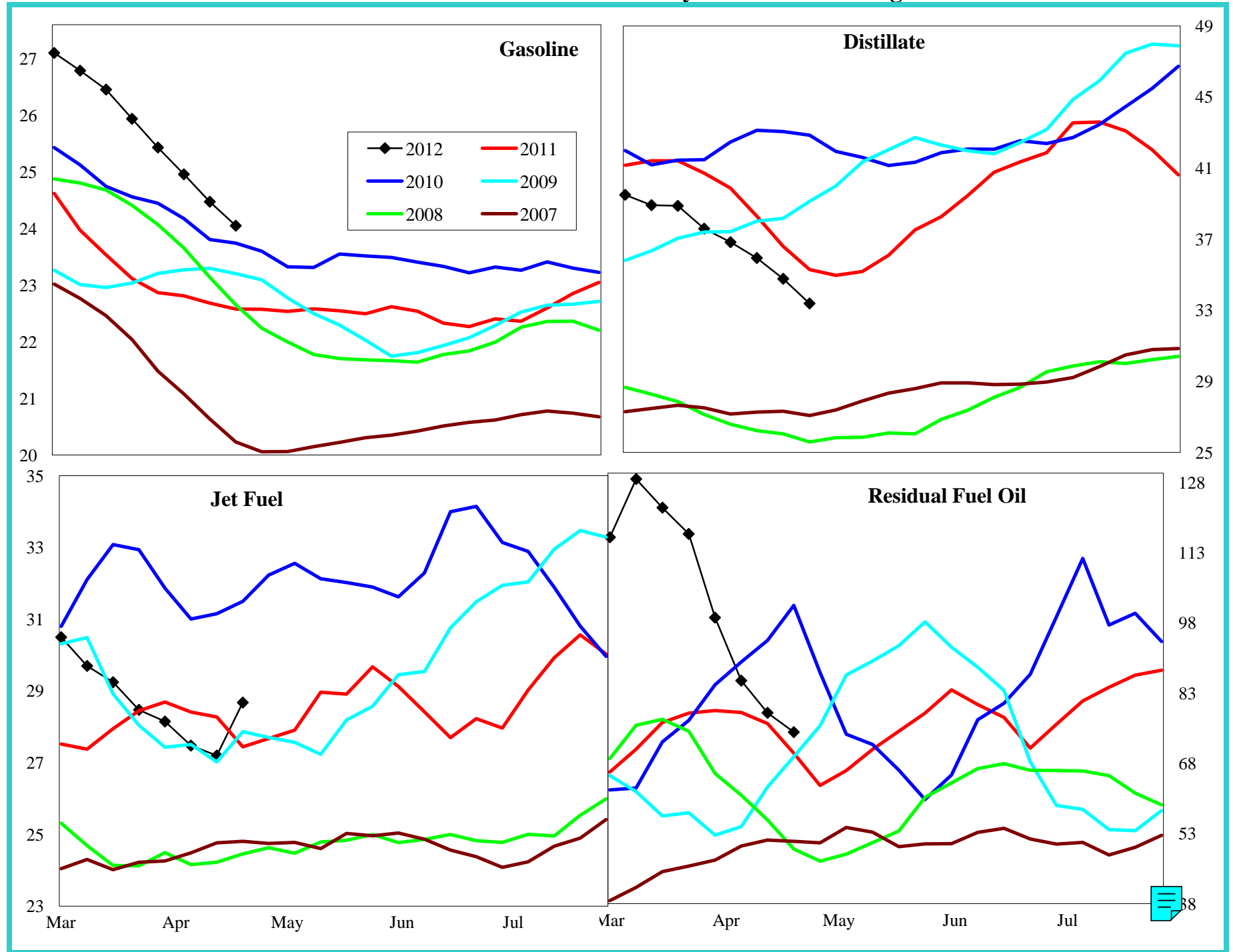
# United States Wholesale Petroleum Demand



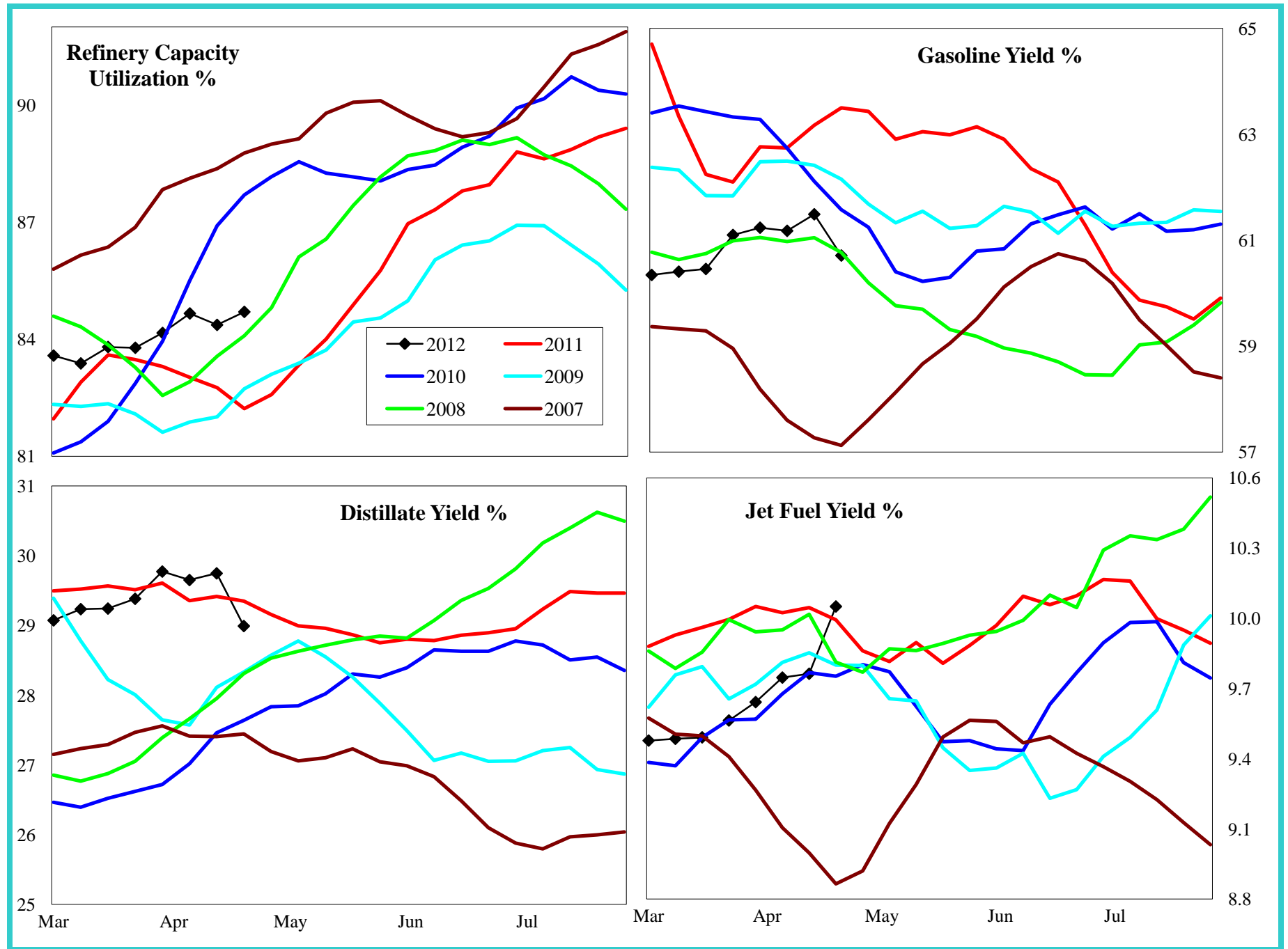
	000 bpd change from prior year				% change from prior year			
	4wk avg	Mar	Feb	Jan	4wk avg	Mar	Feb	Jan
<b>Gasoline</b>	-377	-178	-293	-225	-4.2	-2.0	-3.4	-2.7
<b>Distillate</b>	5	-432	-283	-157	0.1	-10.8	-7.3	-4.0
<b>Jet Fuel</b>	-6	-59	52	-42	-0.4	-4.2	3.9	-3.1
<b>Resid</b>	-53	-179	-258	-203	-10.1	-32.7	-41.1	-32.6



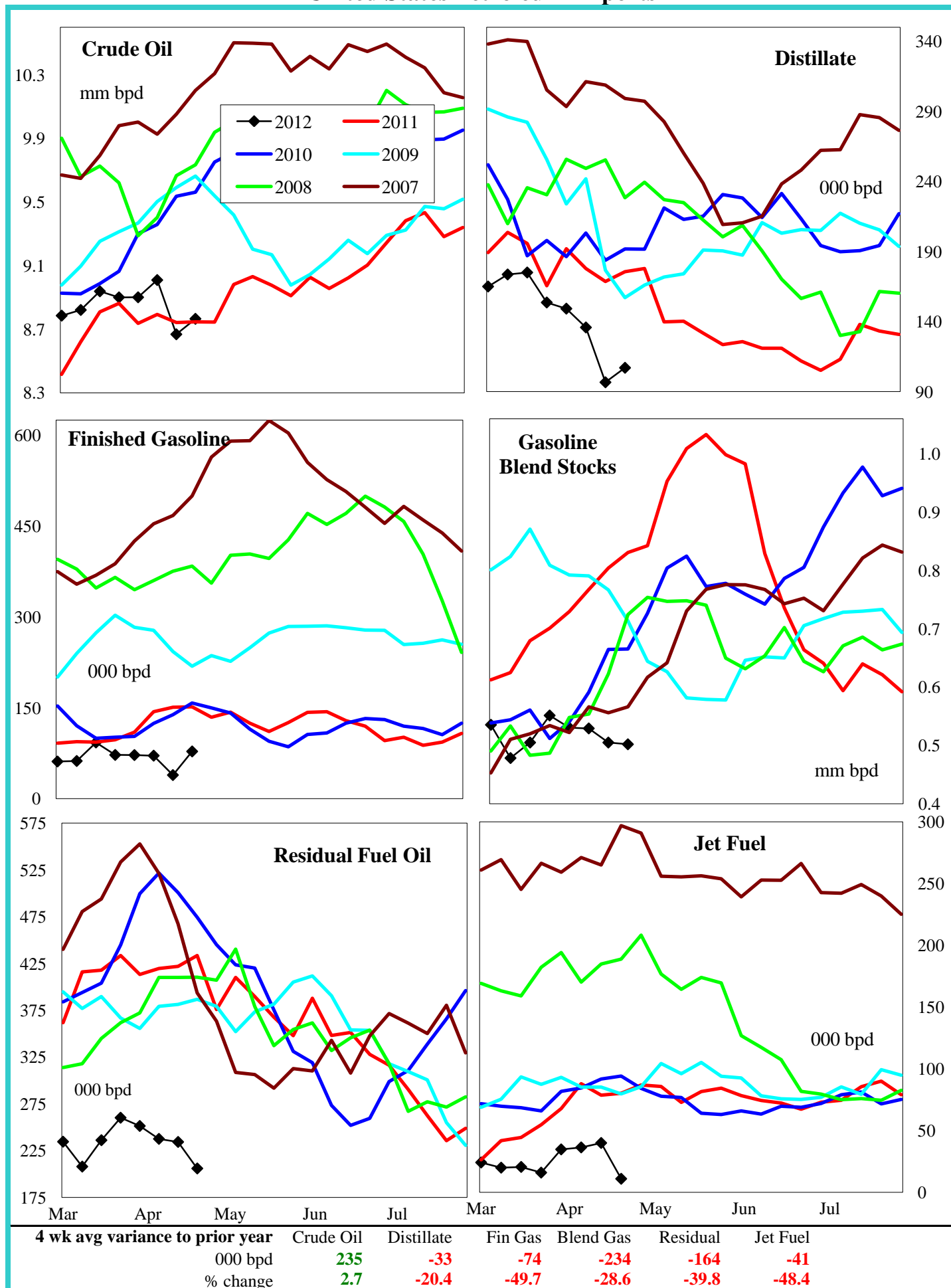
# United States Product Stocks: Days Forward Coverage



## United States Refinery Percent Utilization Rate and Product Yields

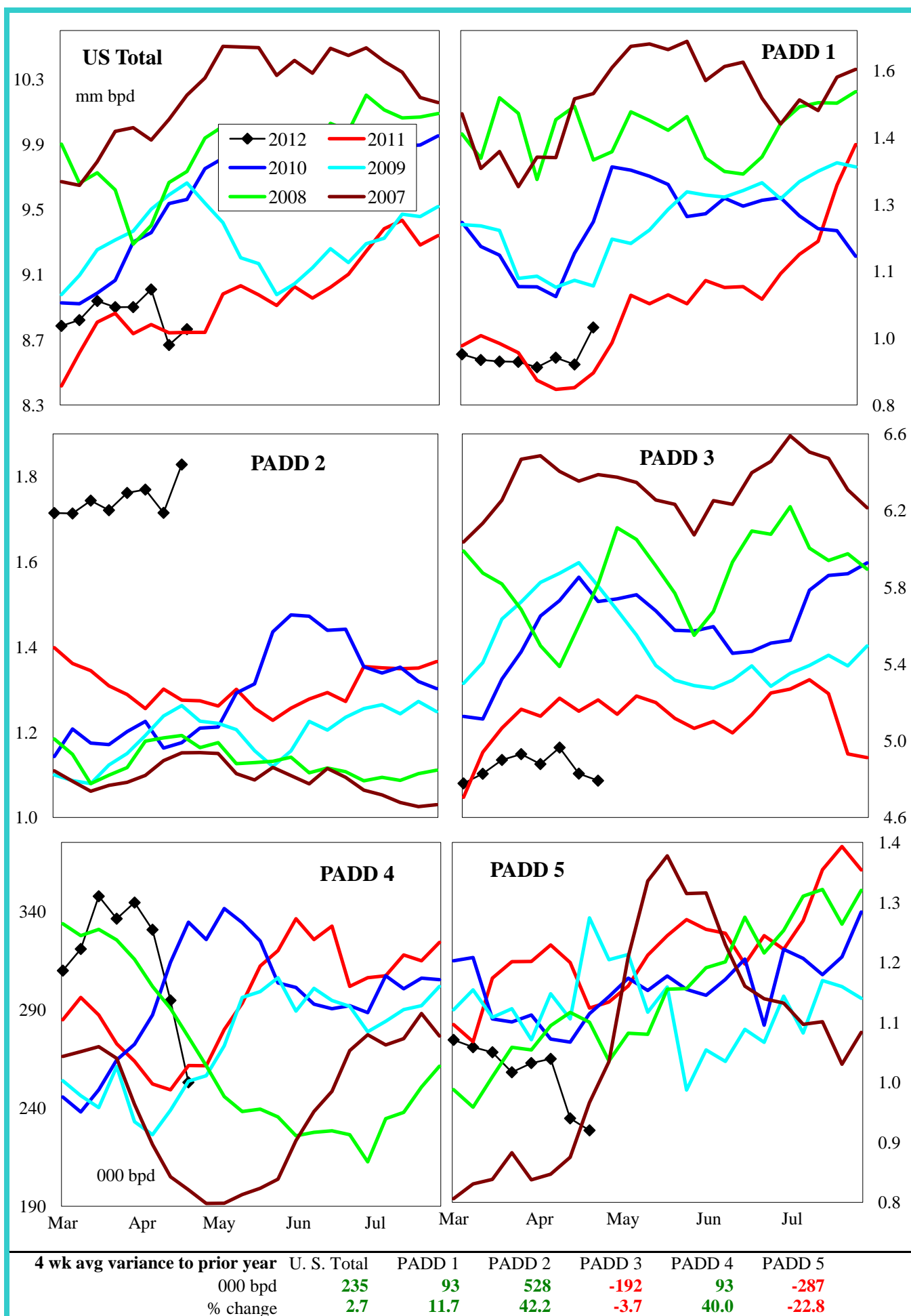


# United States Petroleum Imports

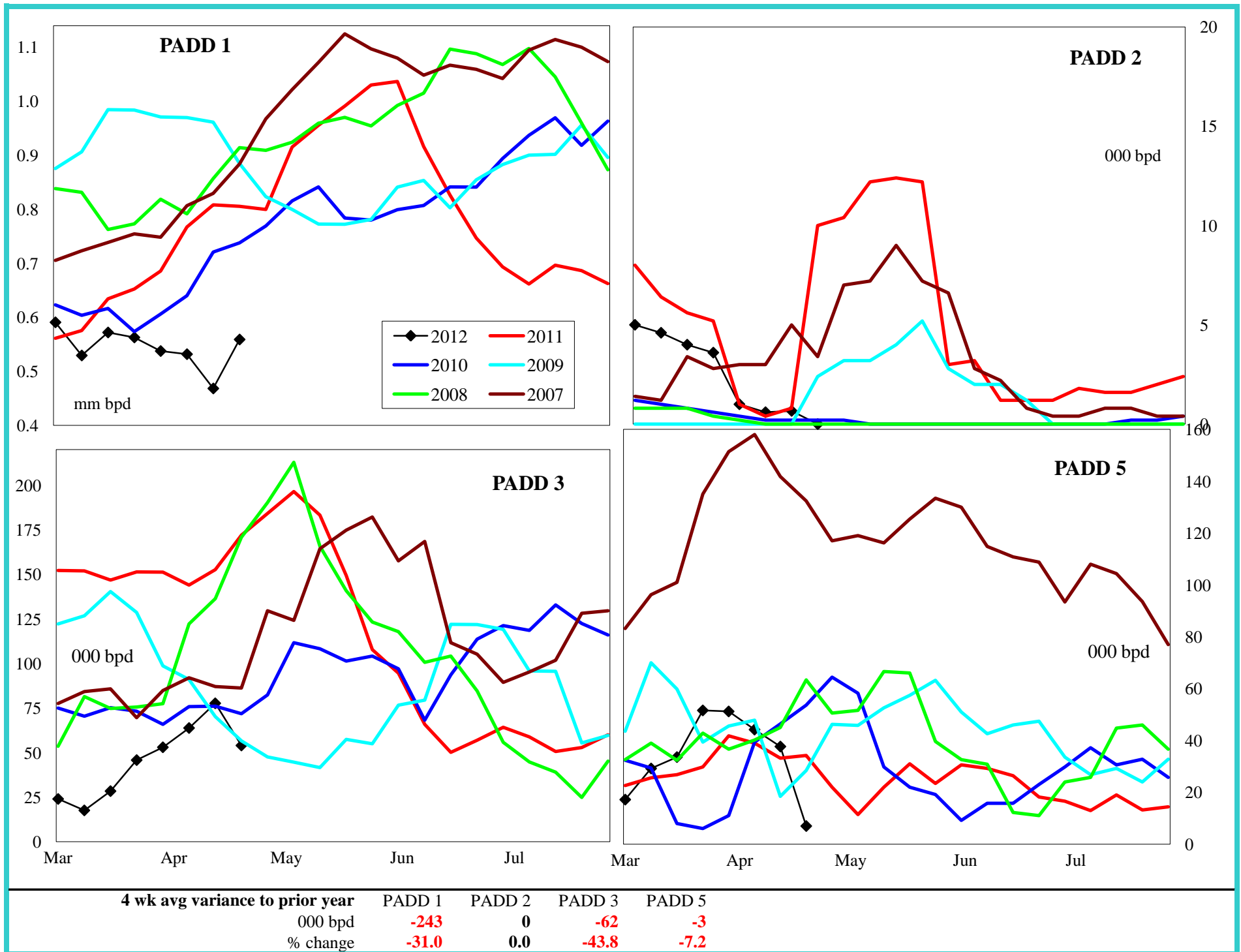




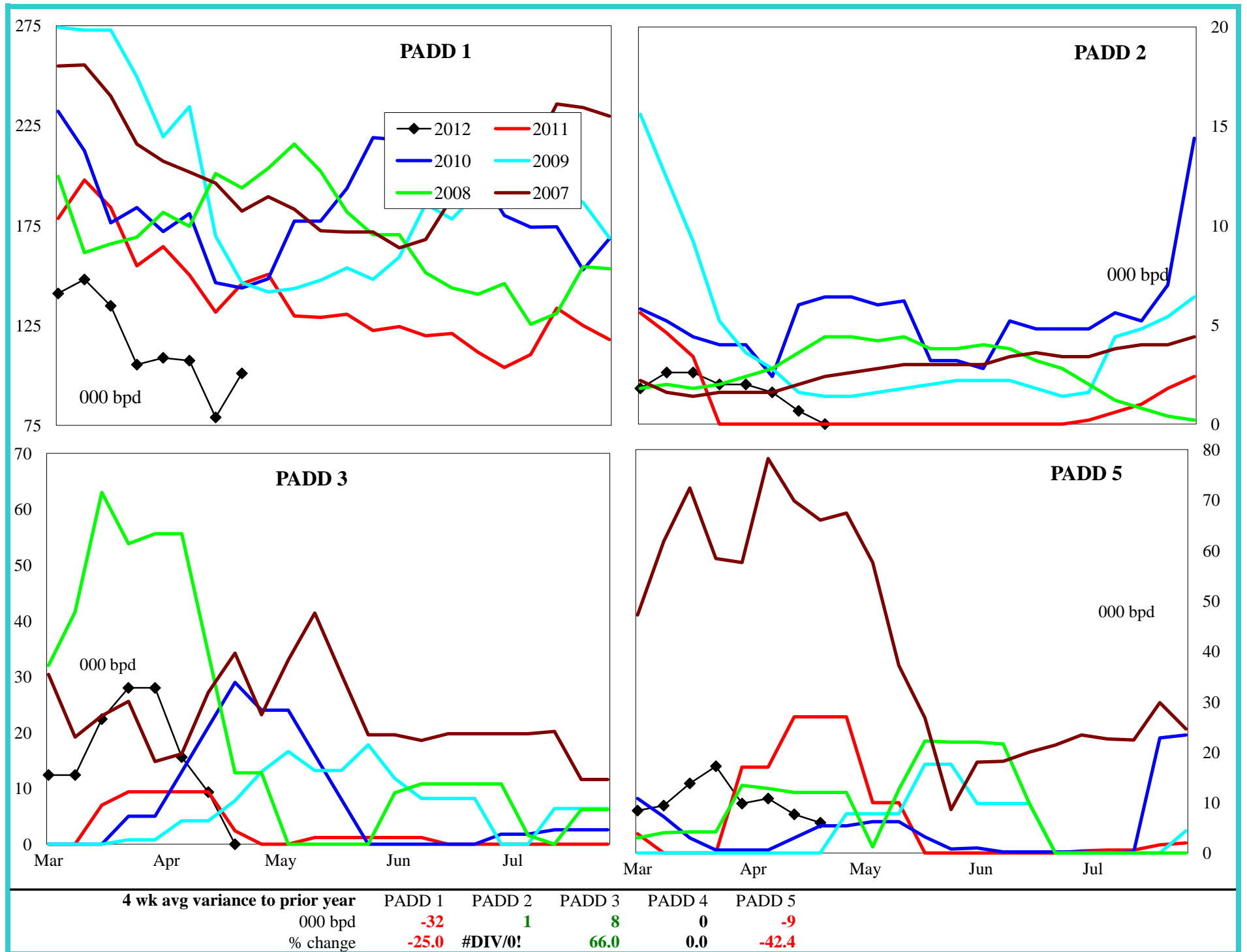
## Crude Oil Imports by PADD



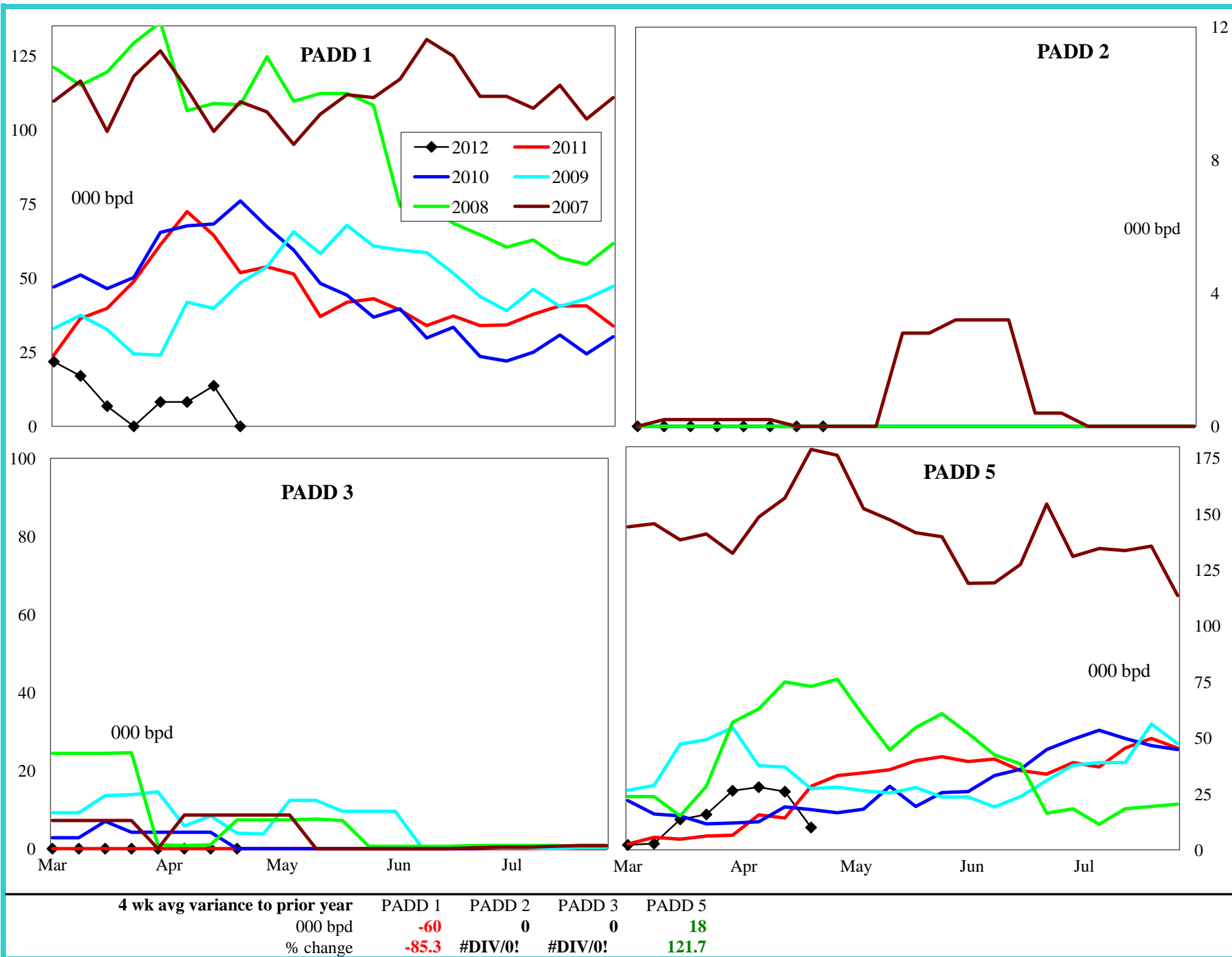
# Gasoline Imports by PADD (Finished + Blend Stocks)



# Distillate Imports by PADD

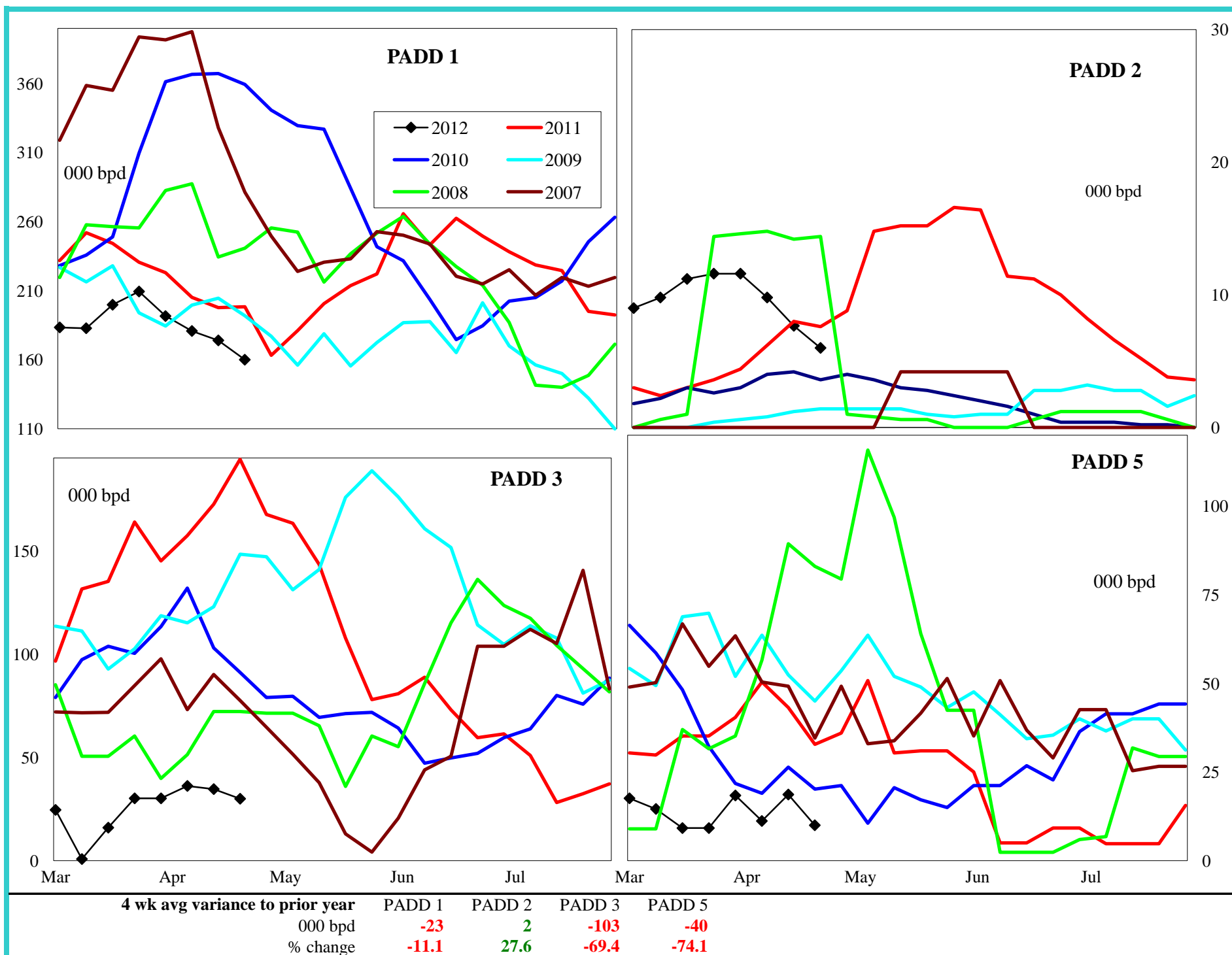


# Jet Fuel Imports by PADD

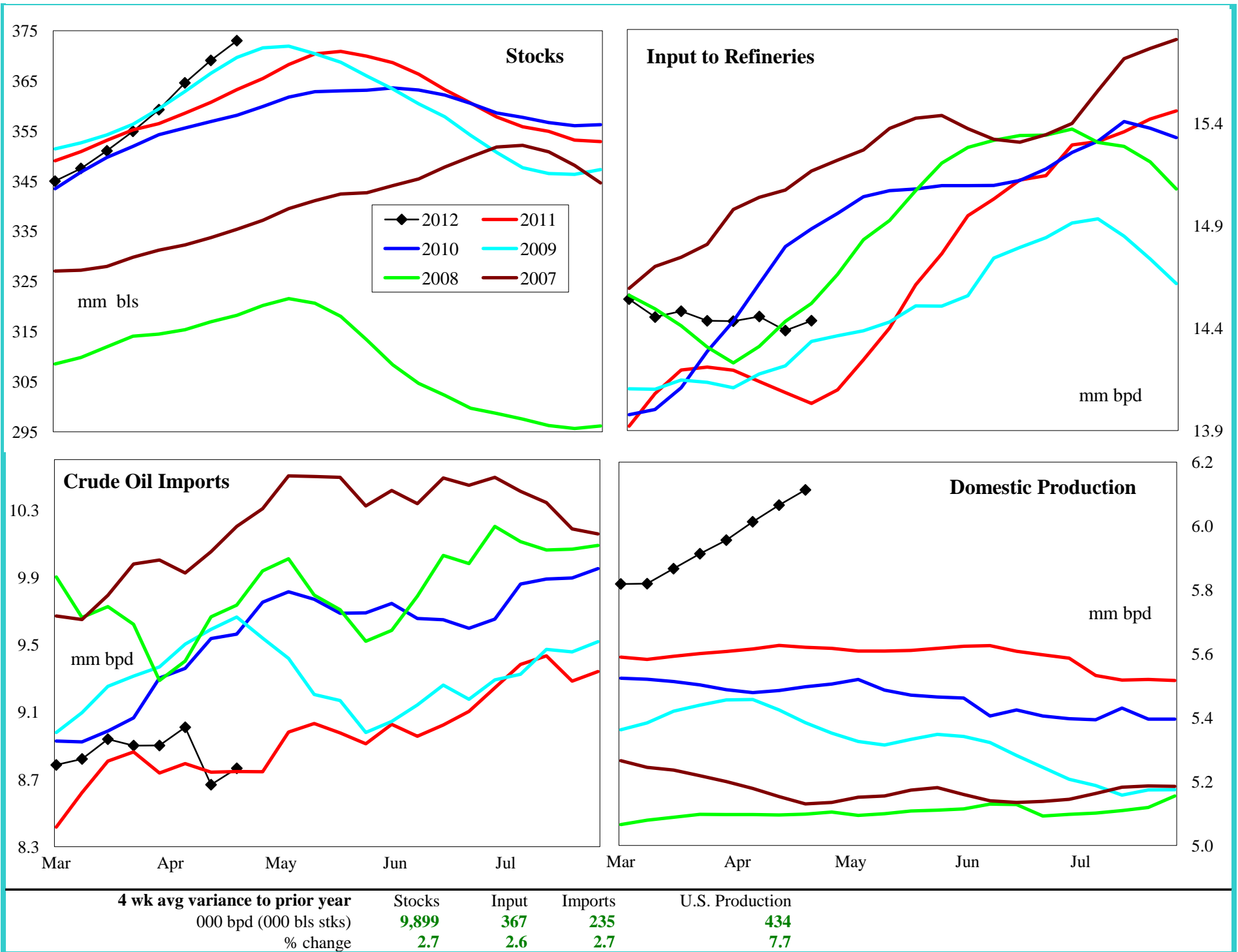




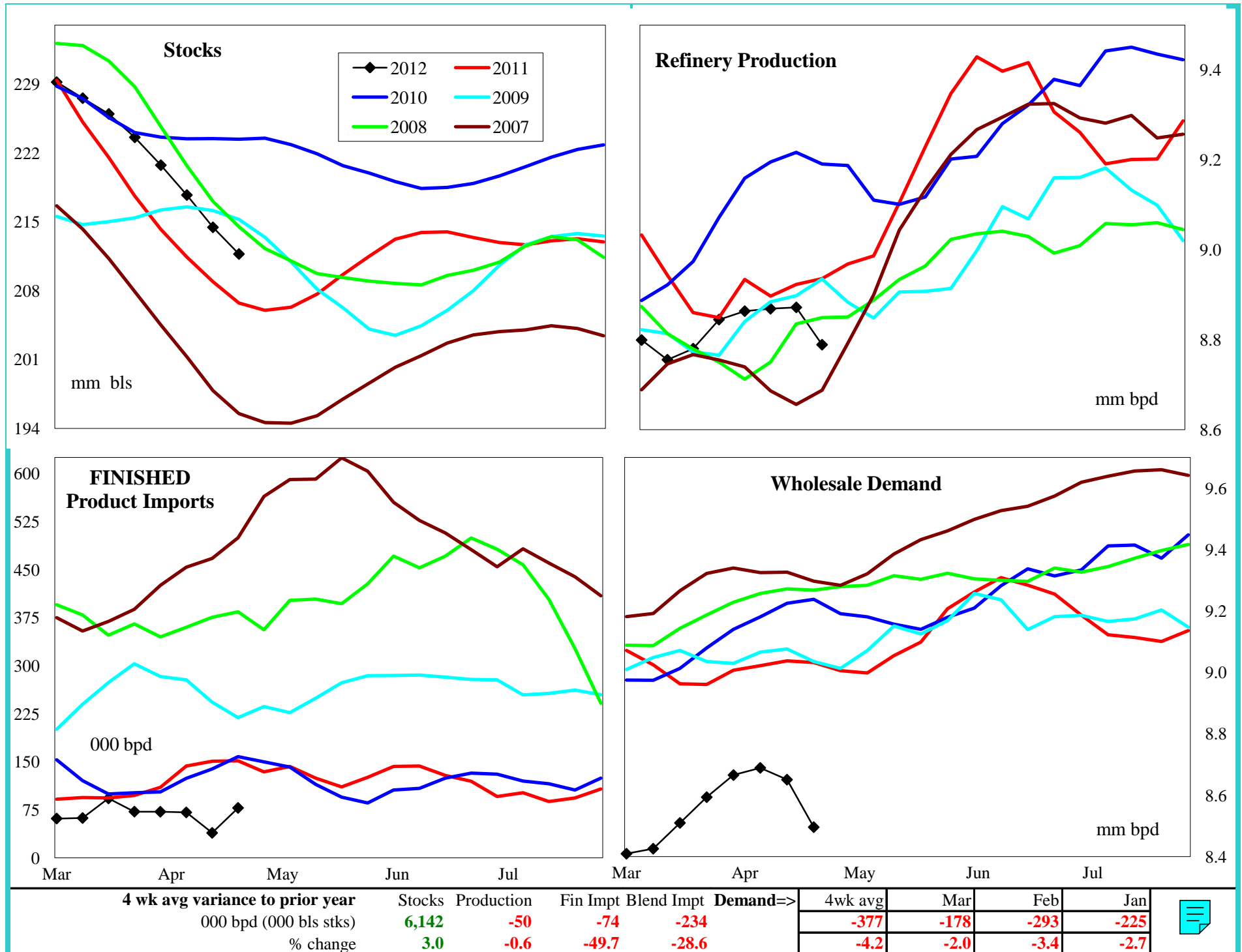
## Residual Fuel Oil Imports by PADD



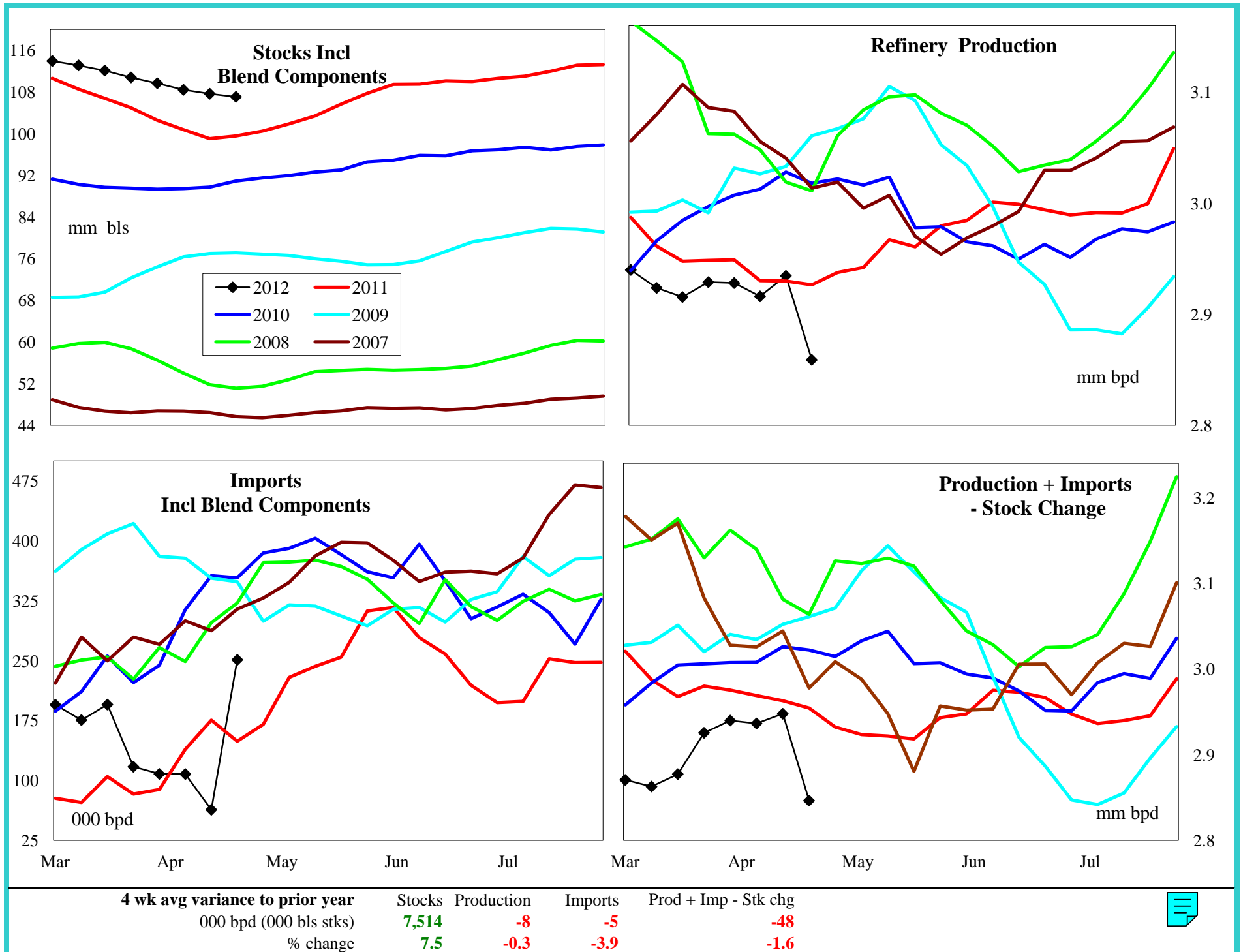
# United States Crude Oil Supply and Demand Balance



# United States Gasoline Supply and Demand Balance

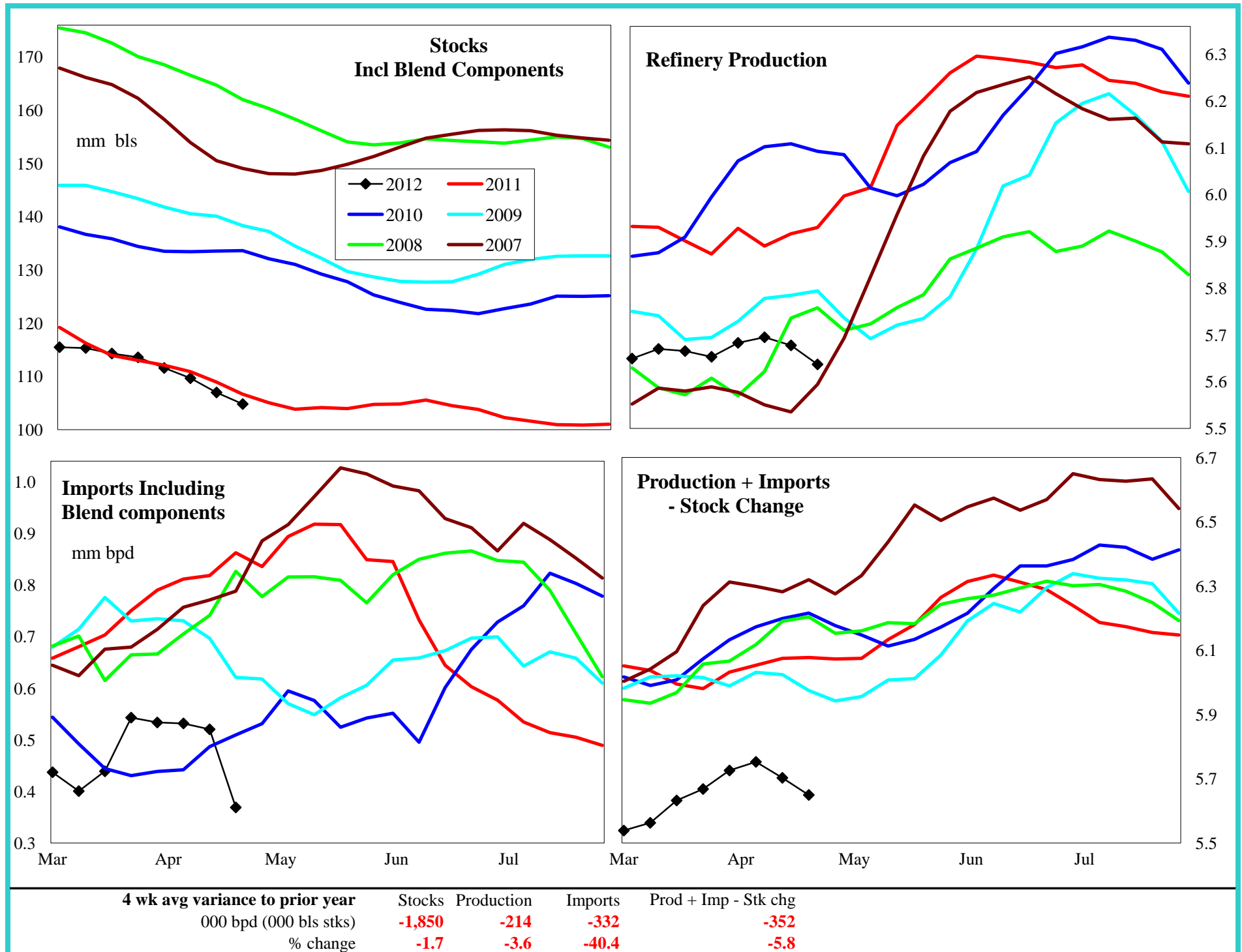


# United States Reformulated Gasoline Supply

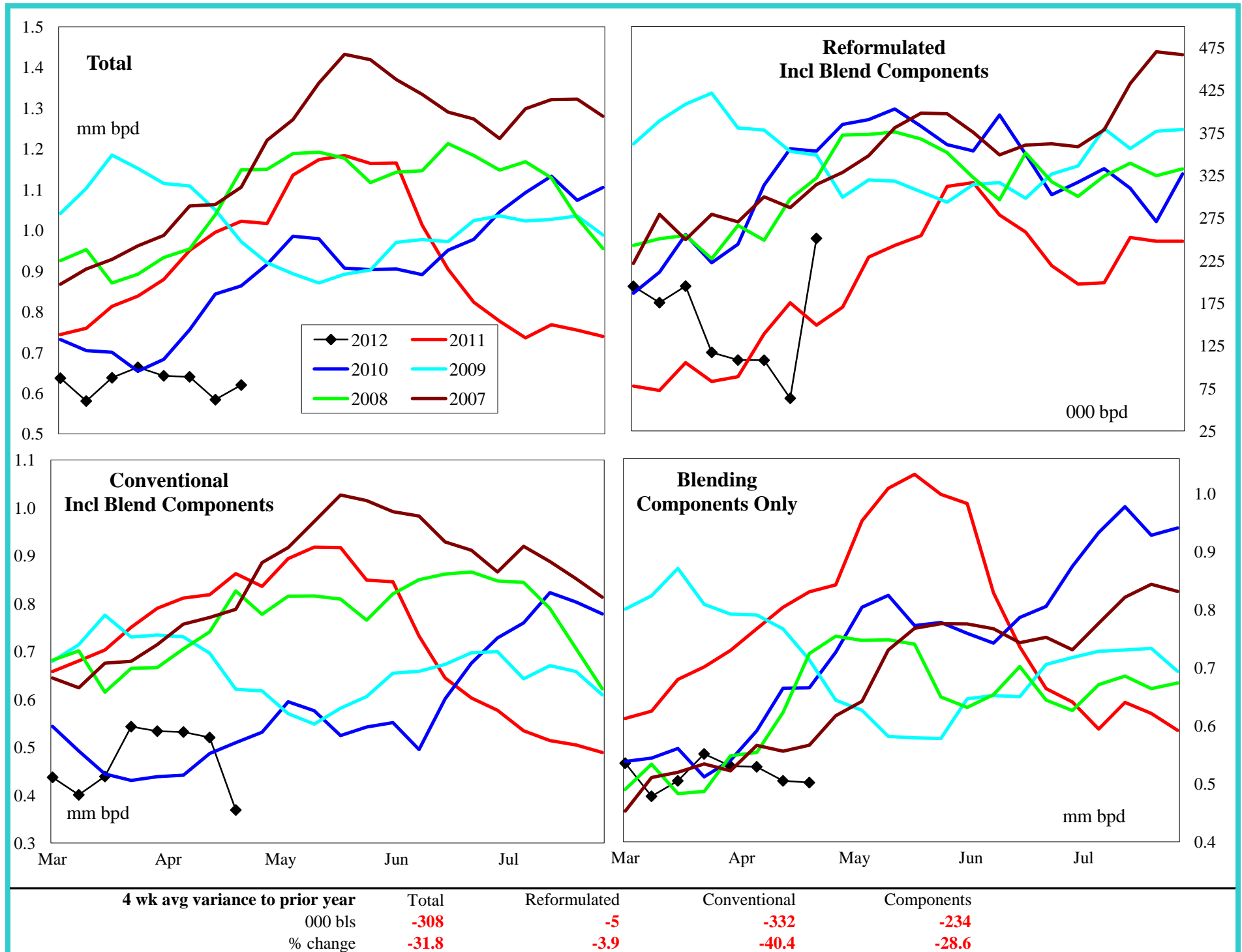




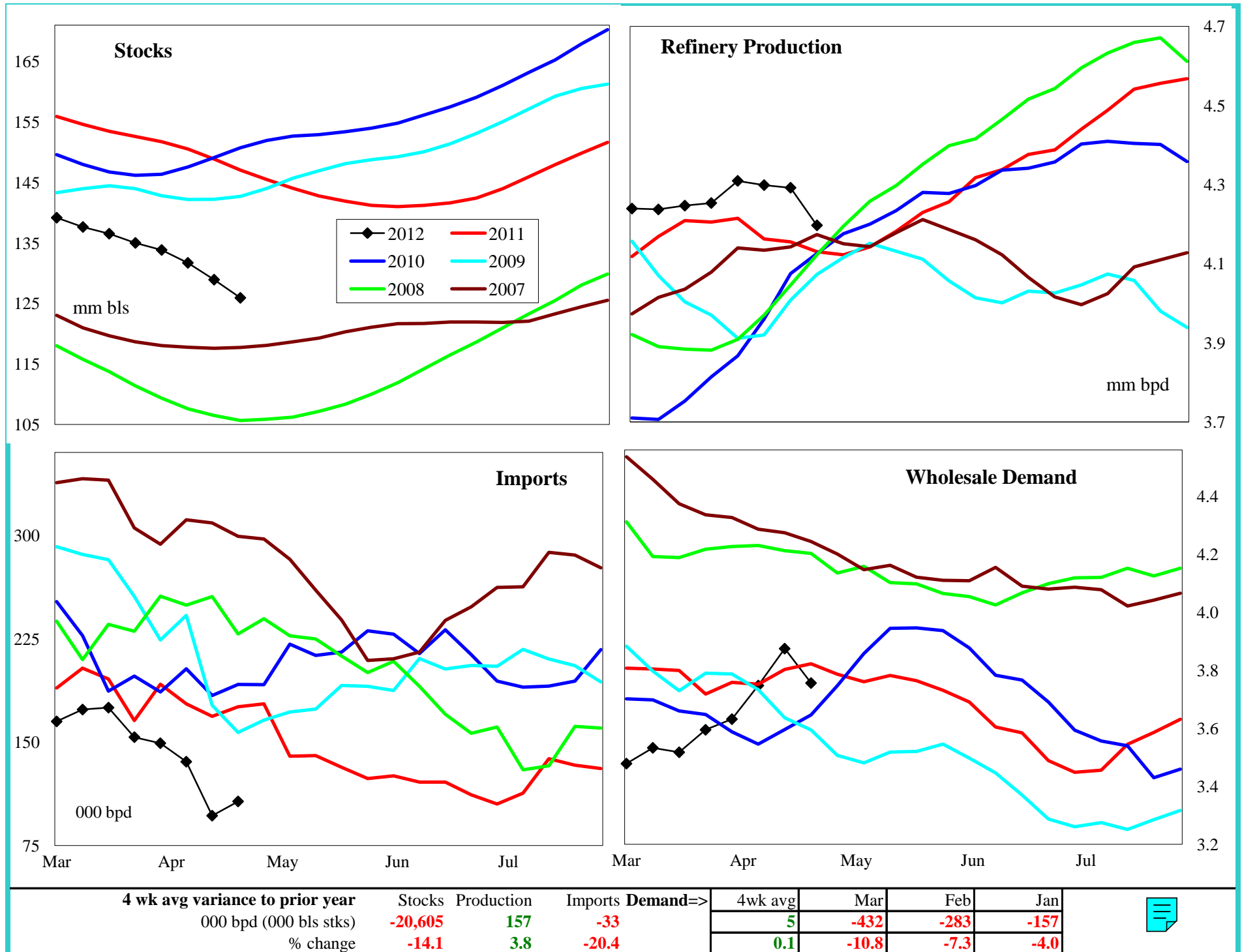
# United States Conventional Gasoline Supply



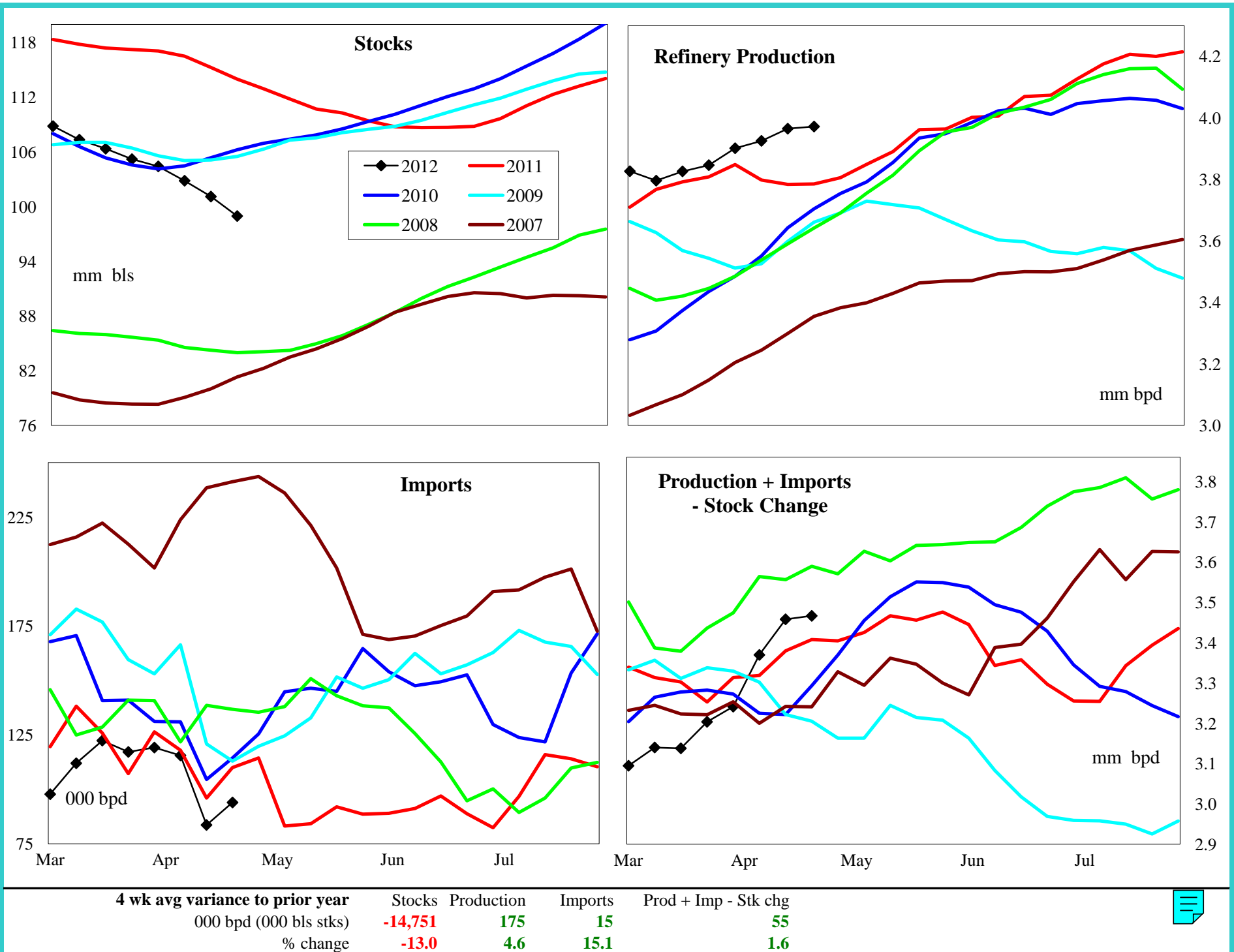
# United States Gasoline Imports by Type



# United States Distillate Supply and Demand Balance

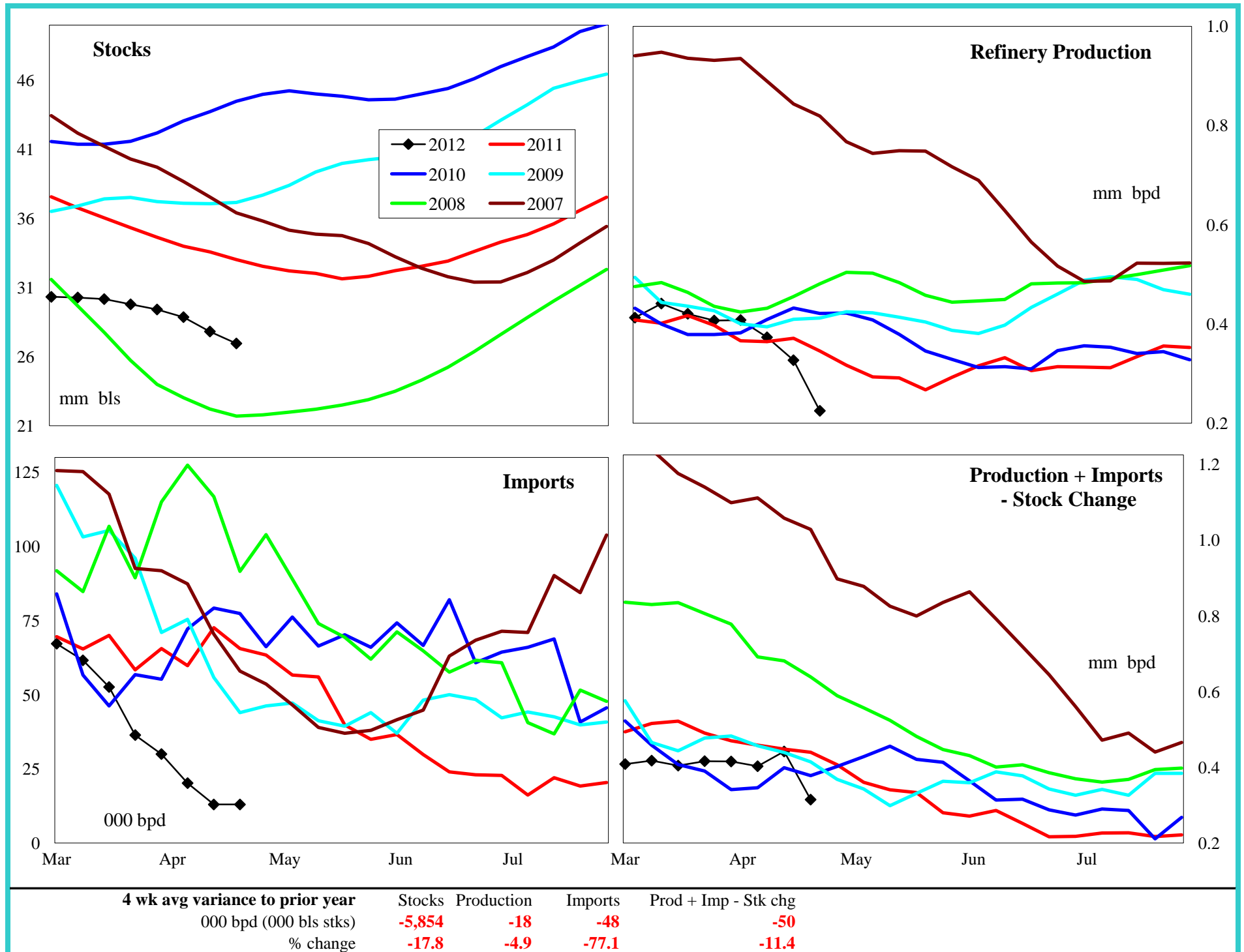


# United States Low Sulfur Distillate Supply

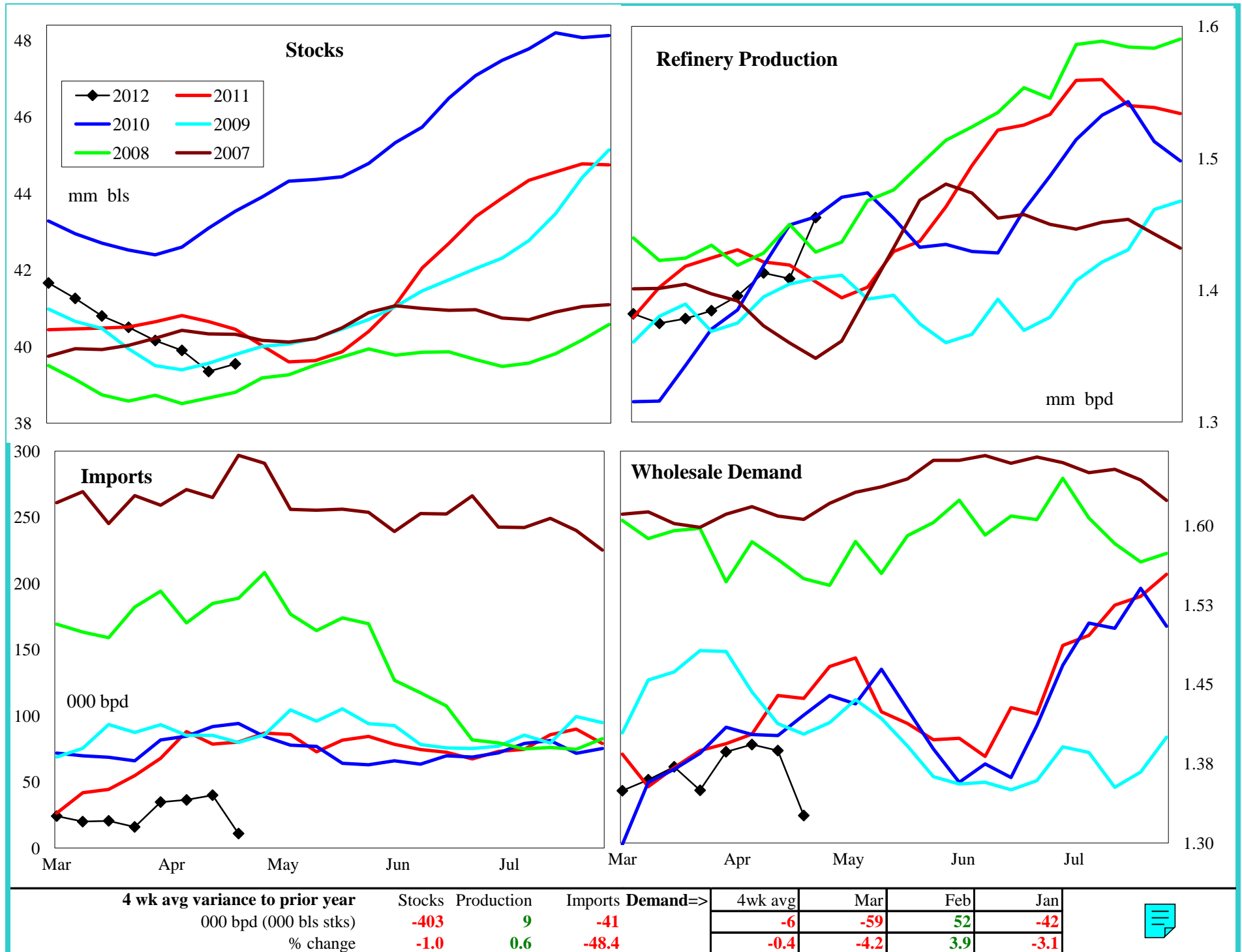




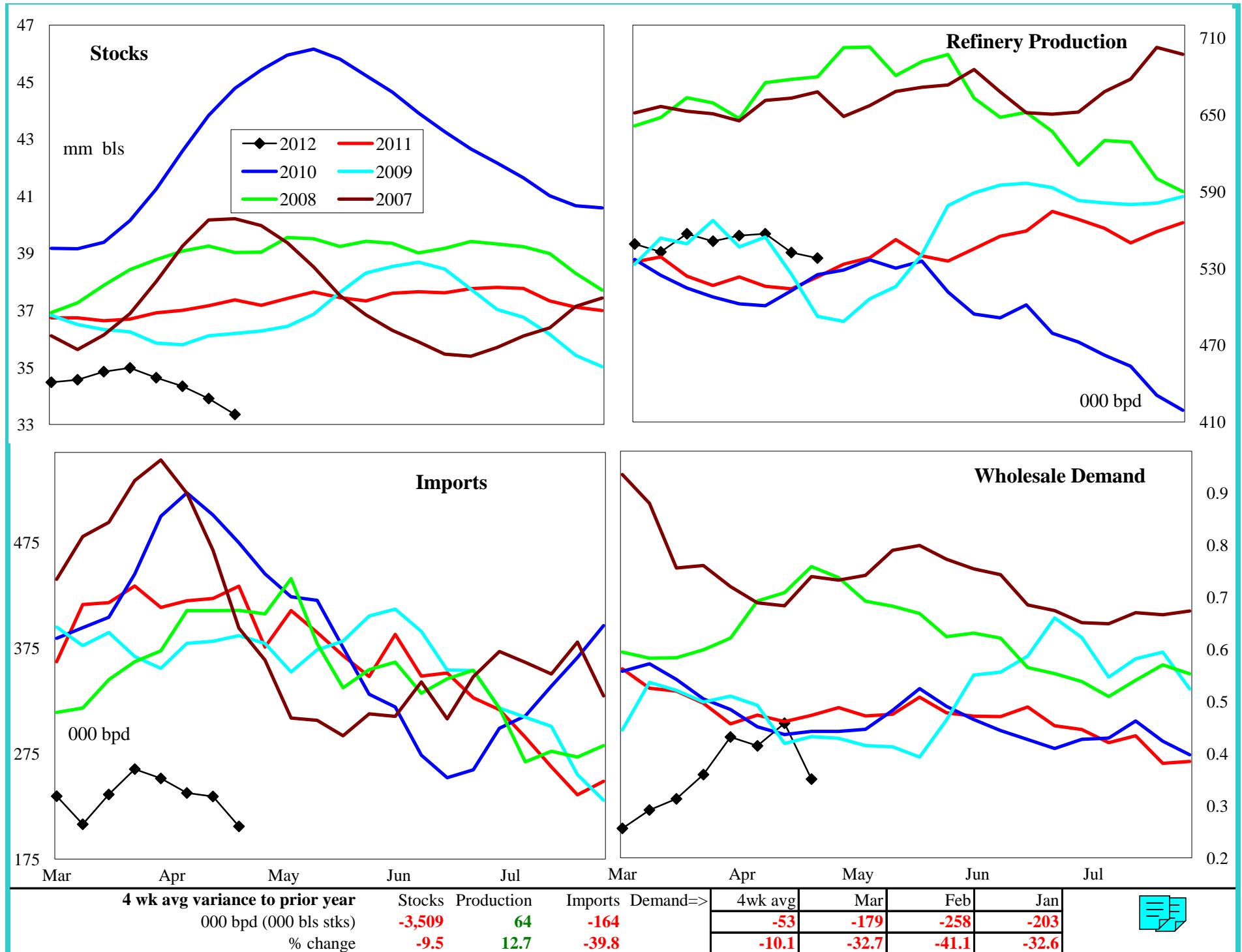
# United States High Sulfur Distillate Supply



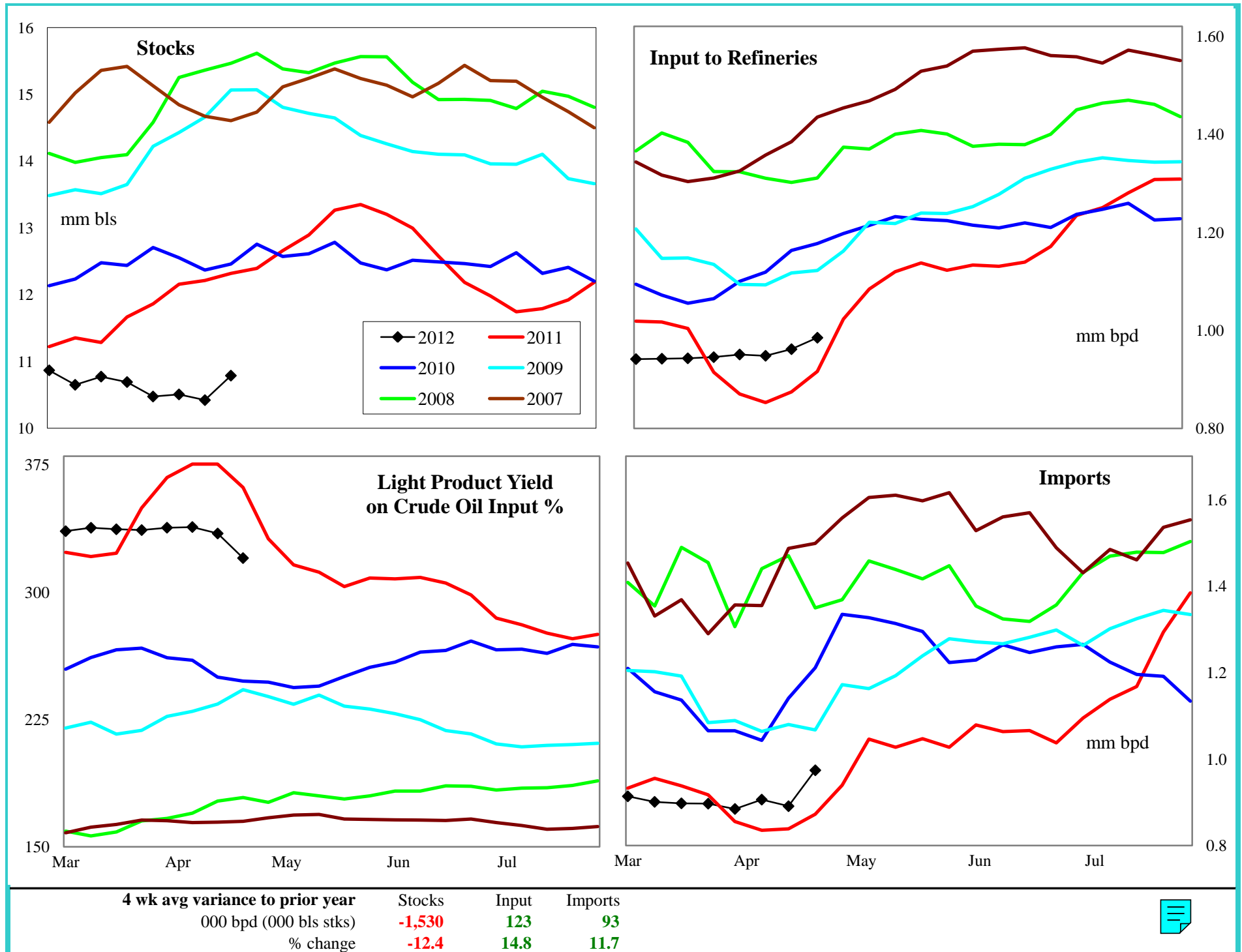
# United States Jet Fuel Supply and Demand Balance



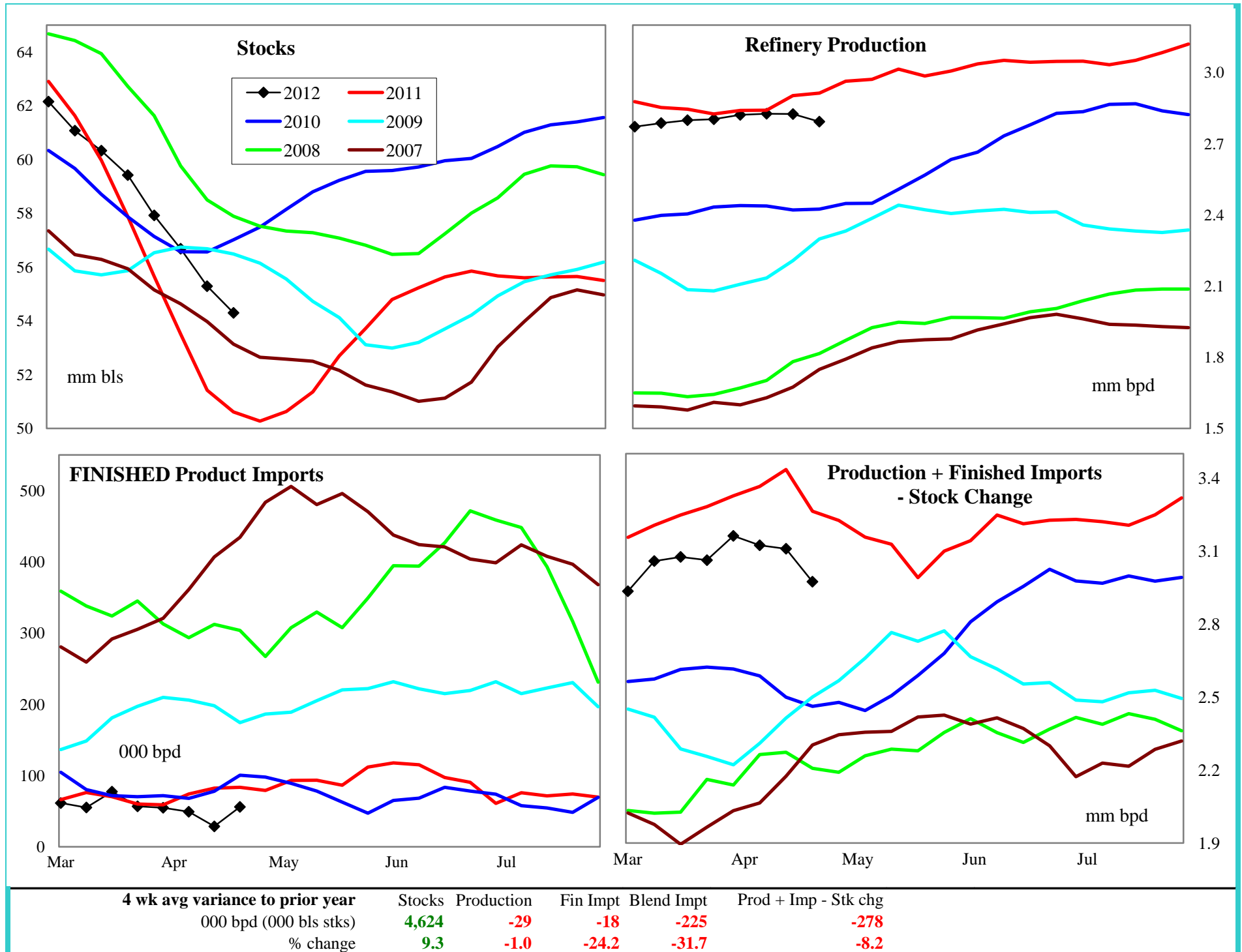
# United States Residual Fuel Oil Supply and Demand Balance



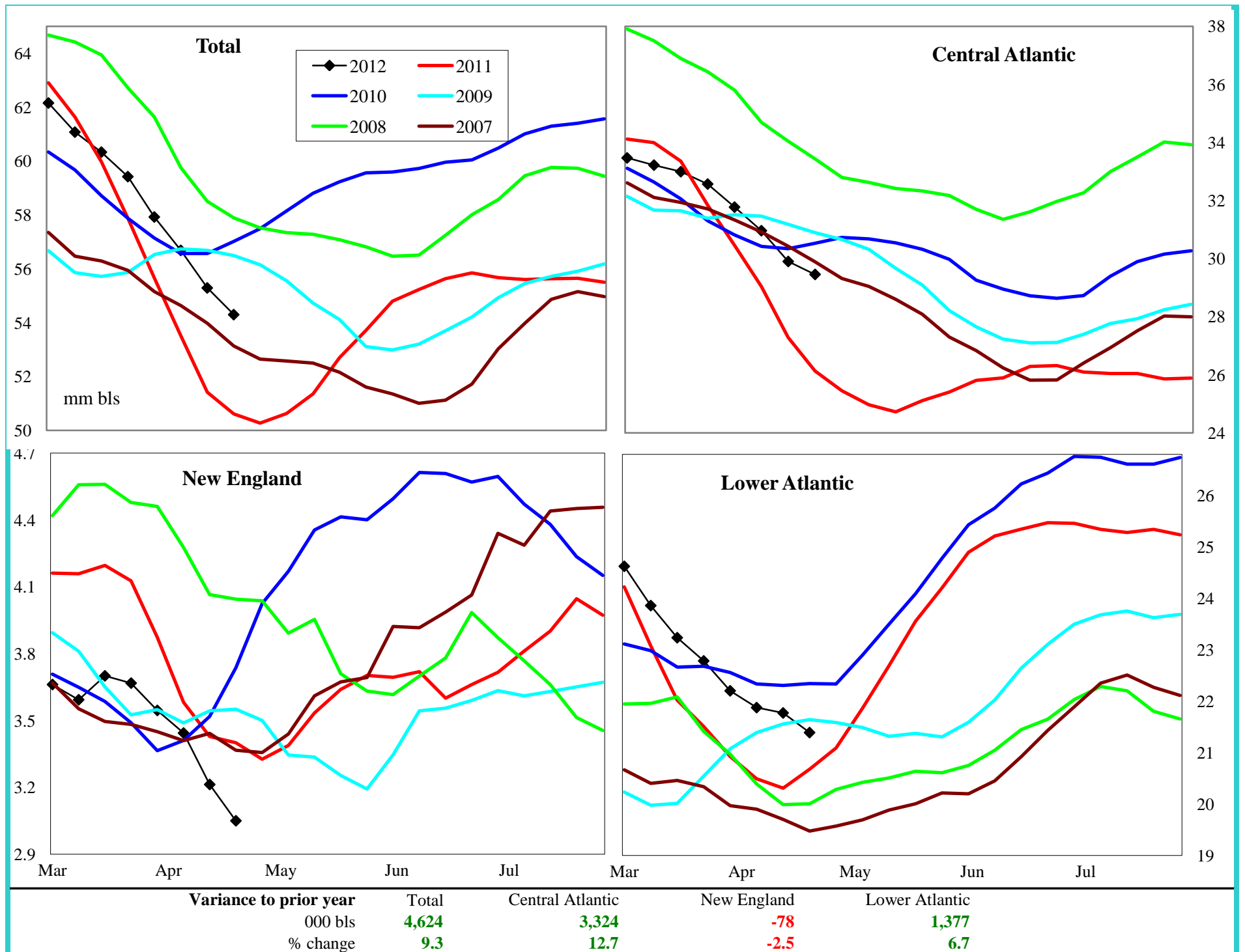
# PADD 1 Crude Oil Supply and Refining



# PADD 1 Gasoline Supply

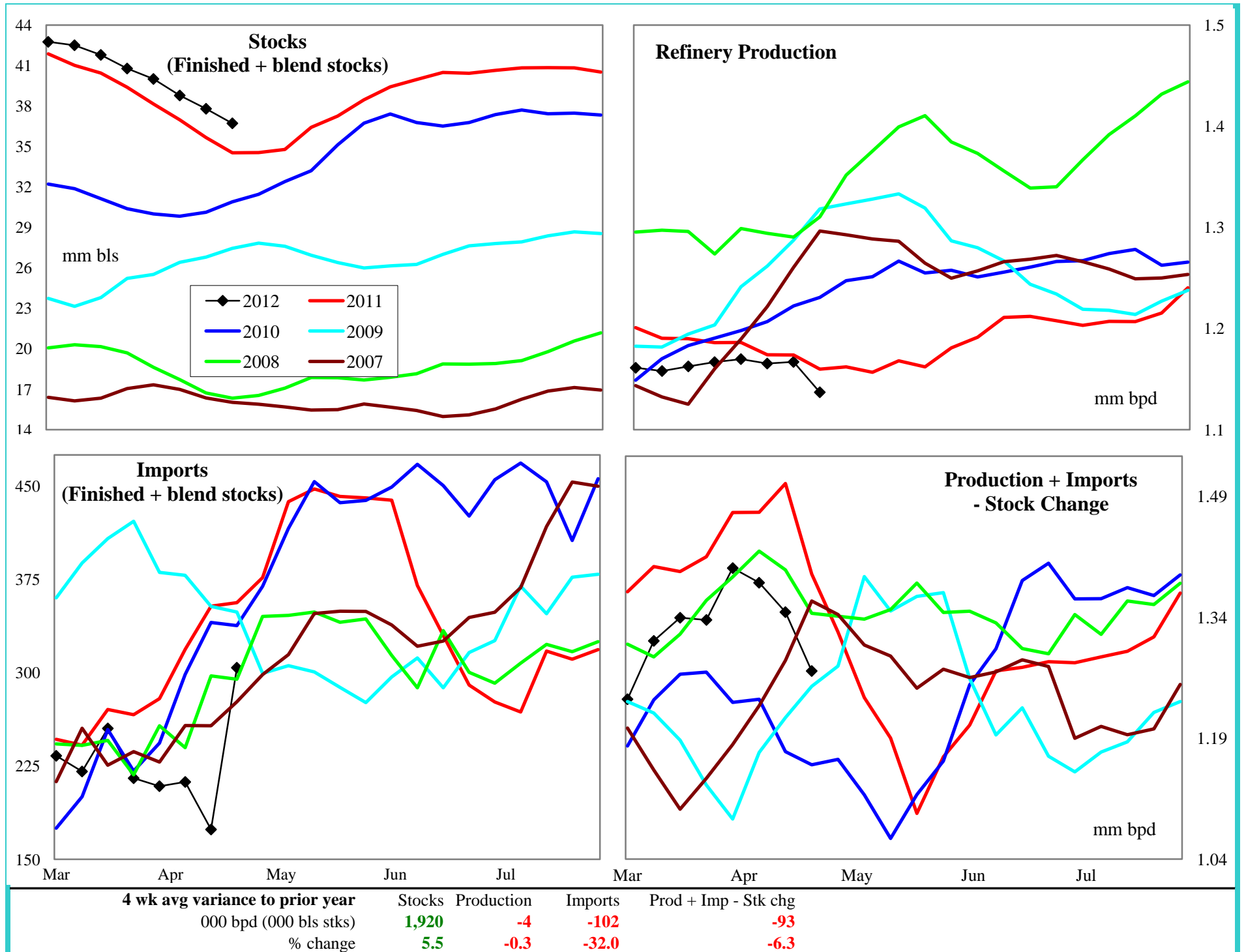


# PADD 1 Gasoline Stocks by Region

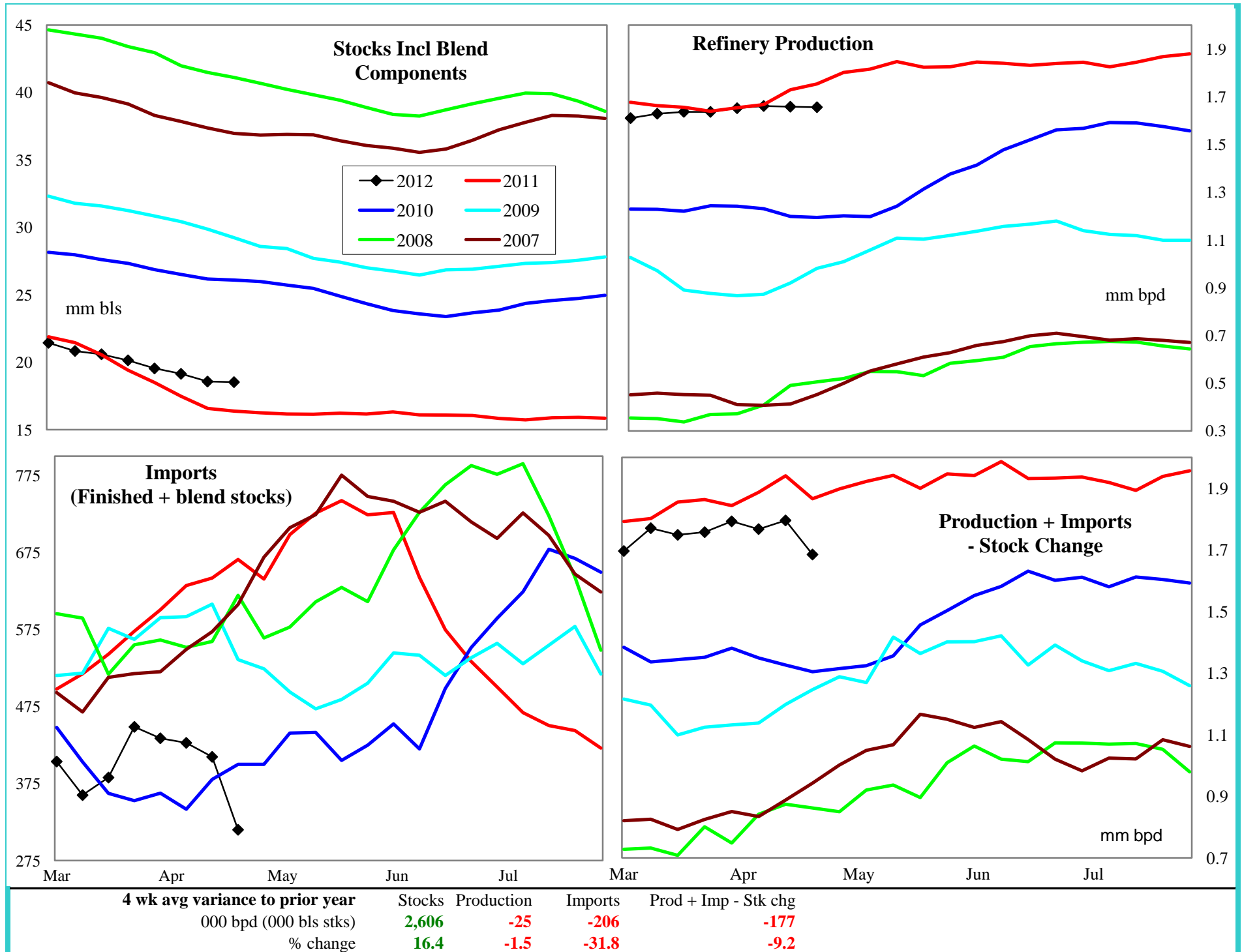




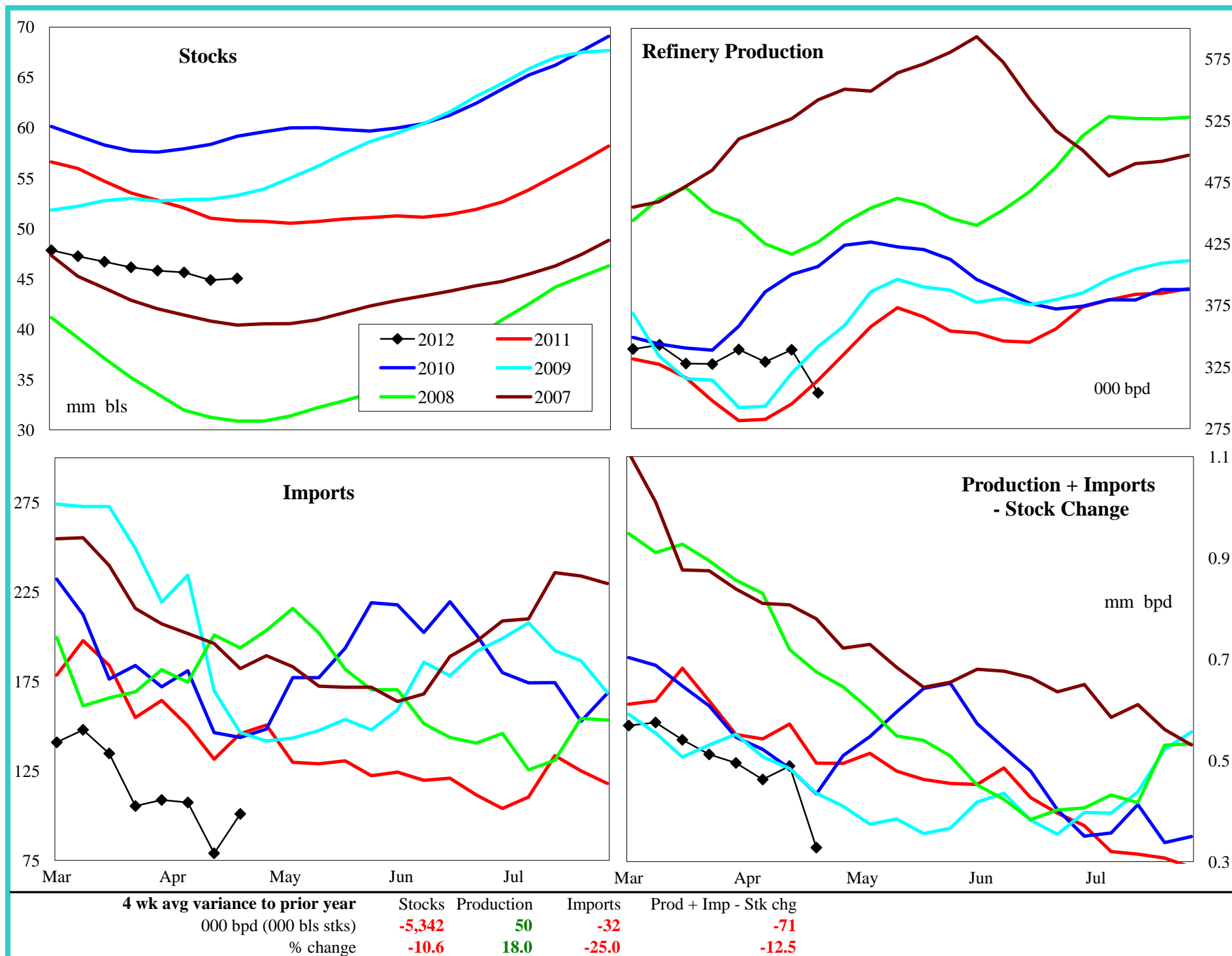
# PADD 1 Reformulated Gasoline Supply



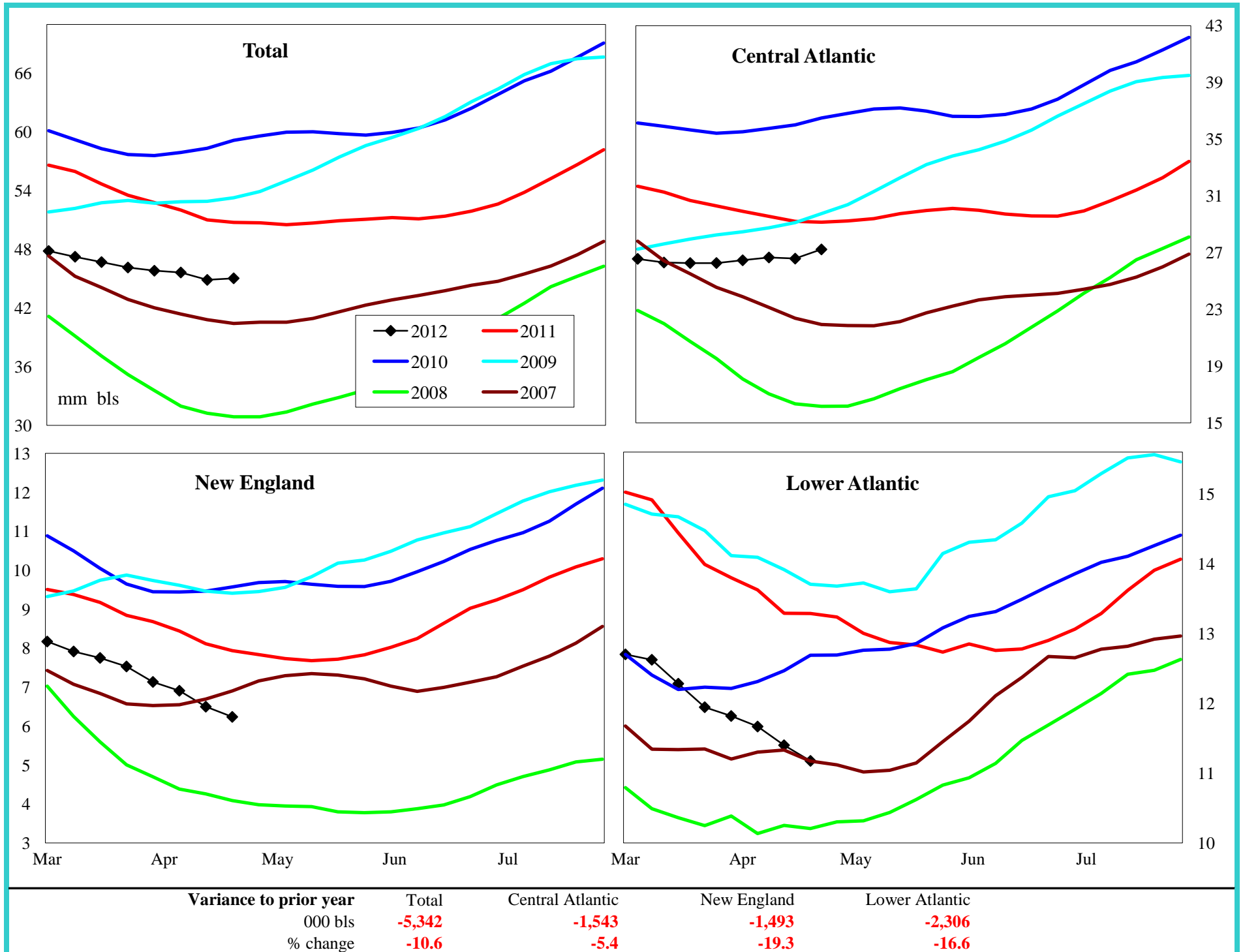
# PADD 1 Conventional Gasoline Supply



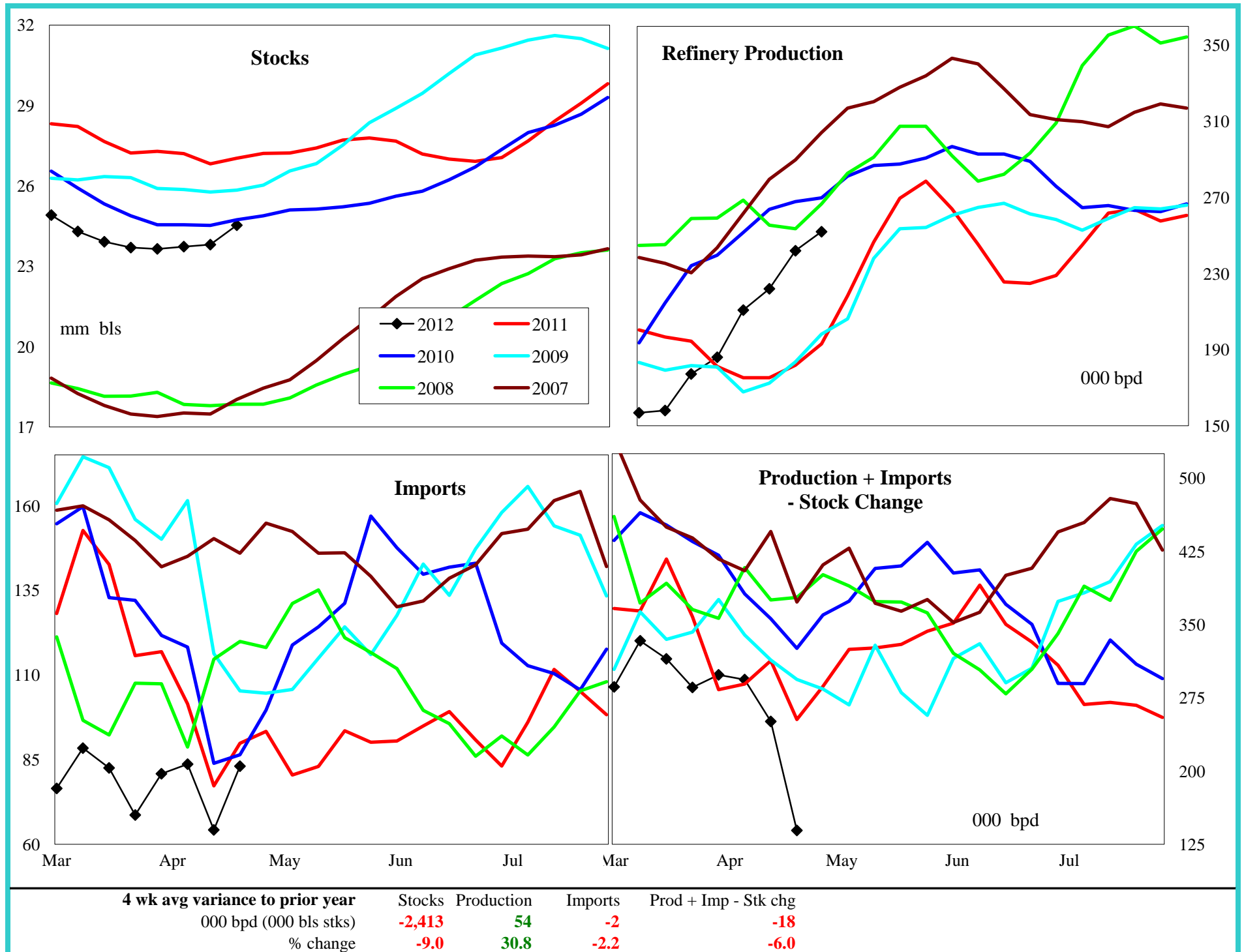
# PADD 1 Distillate Supply



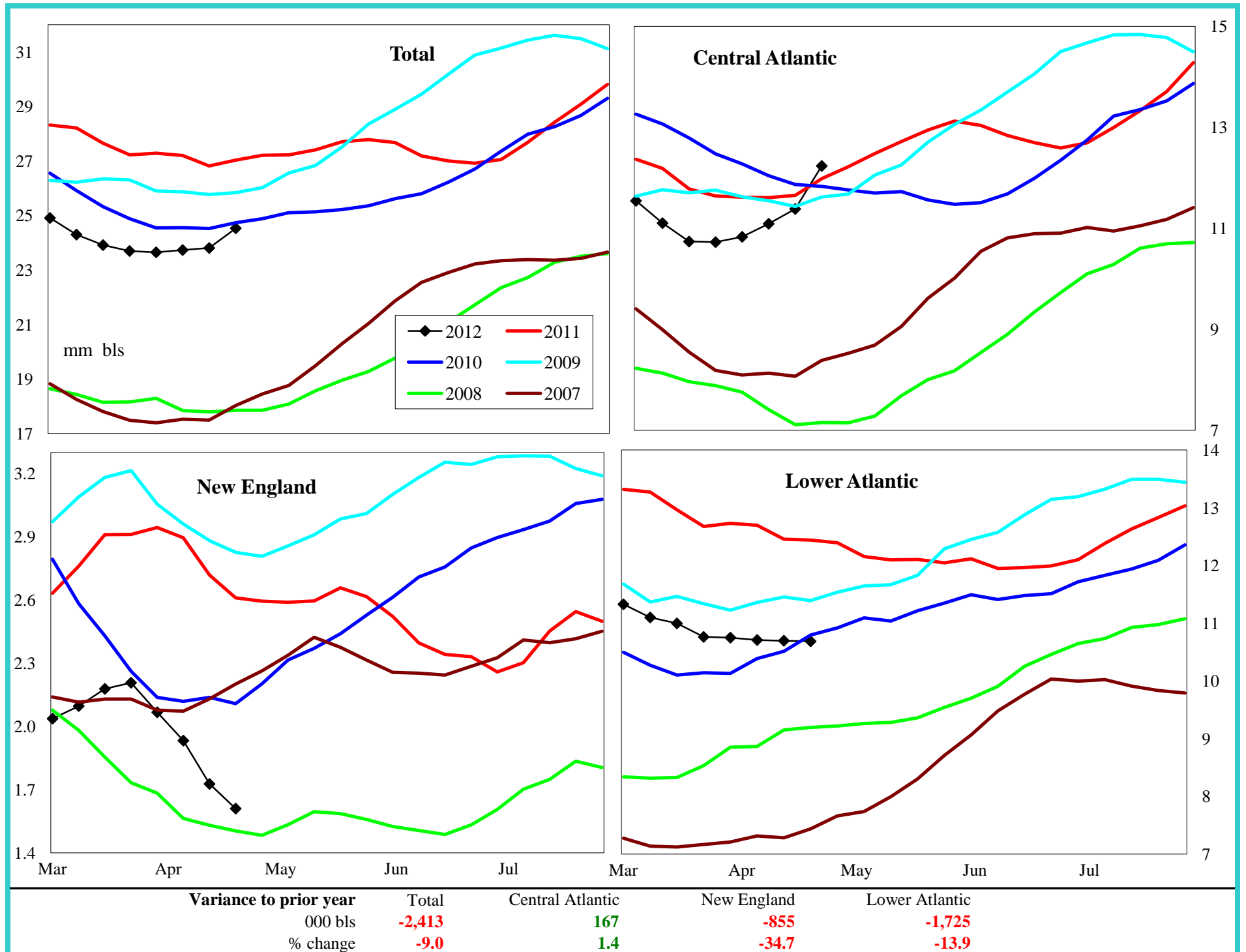
# PADD 1 Distillate Stocks by Region



# PADD 1 Low Sulfur Distillate Supply

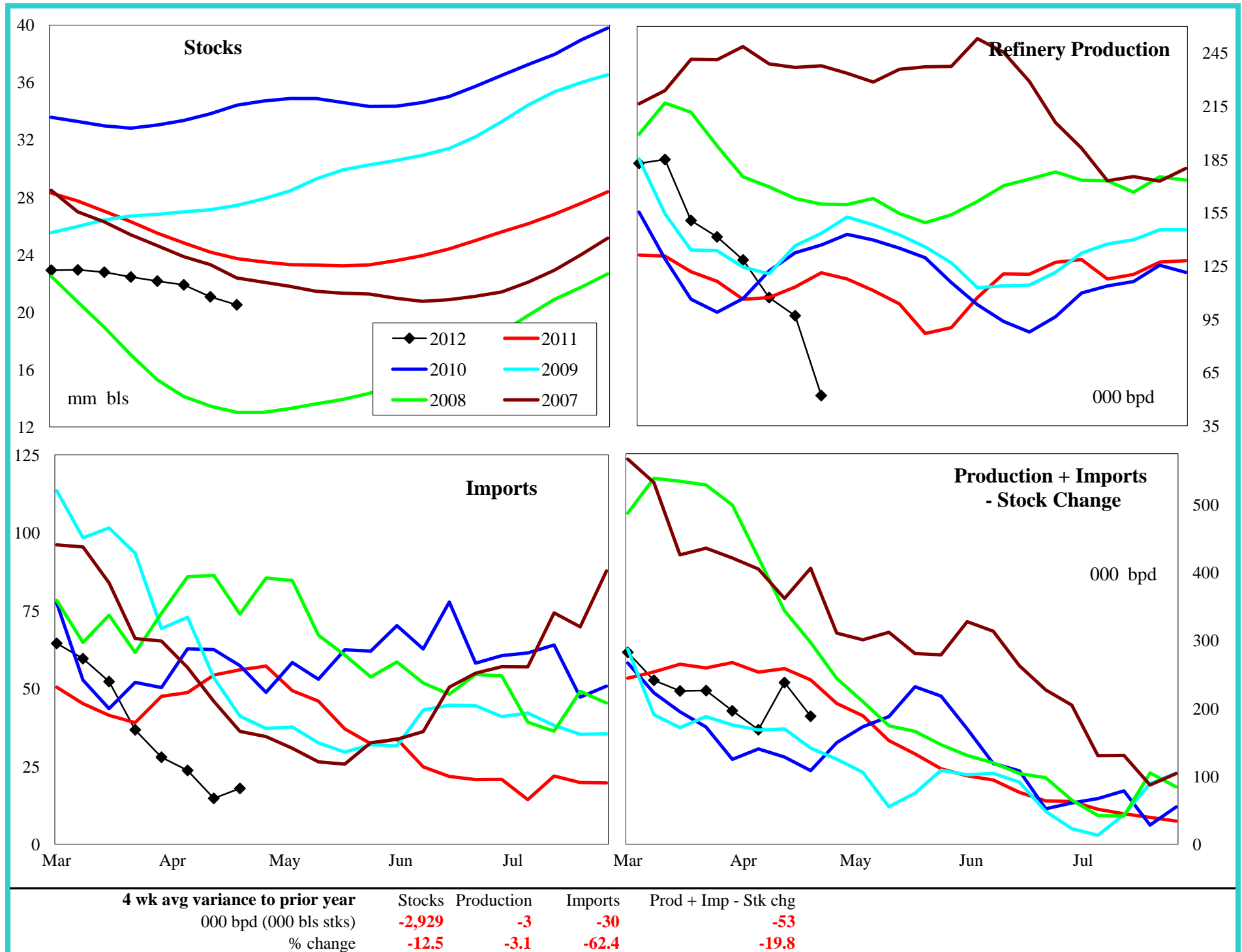


# PADD 1 Low Sulfur Distillate Stocks by Region

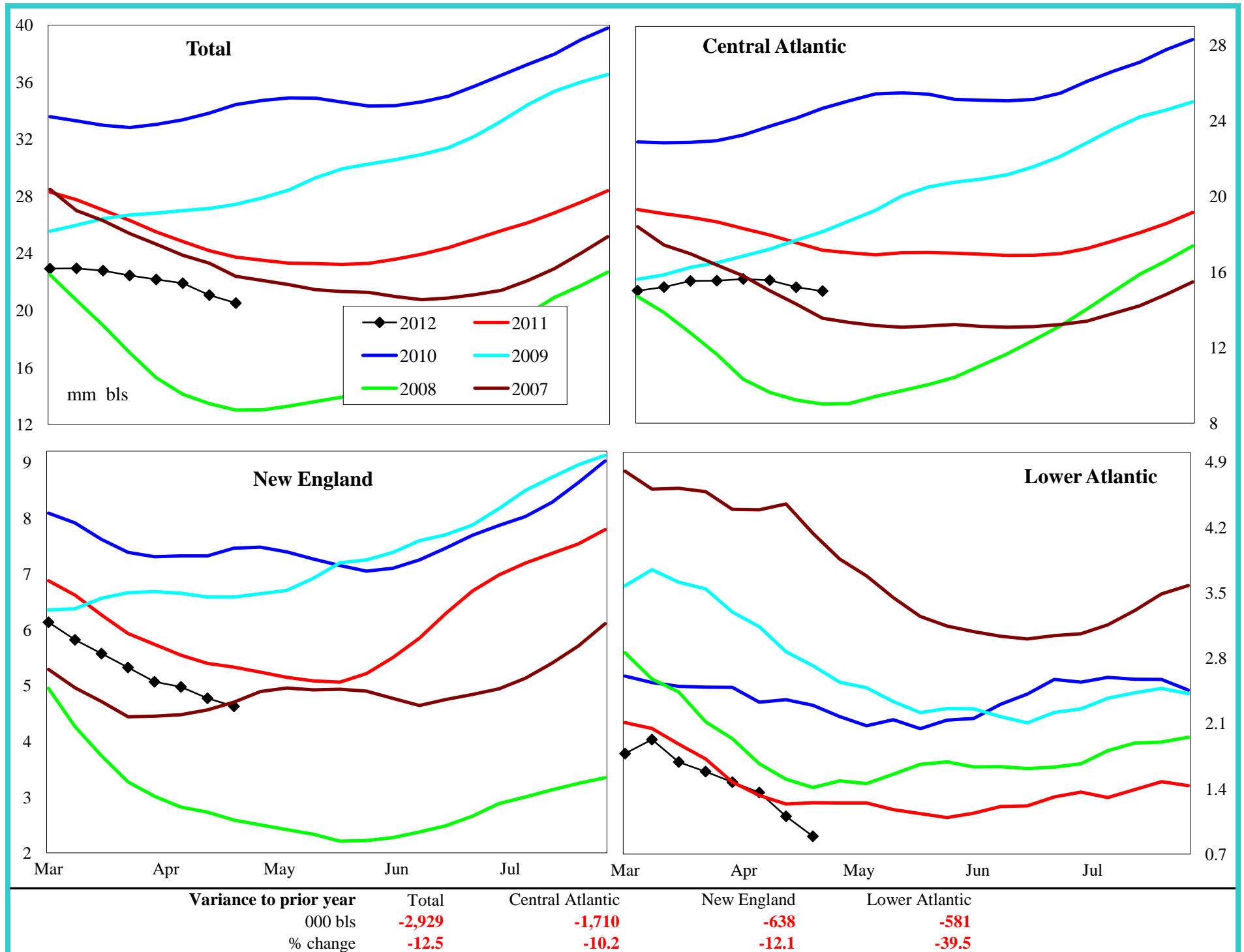




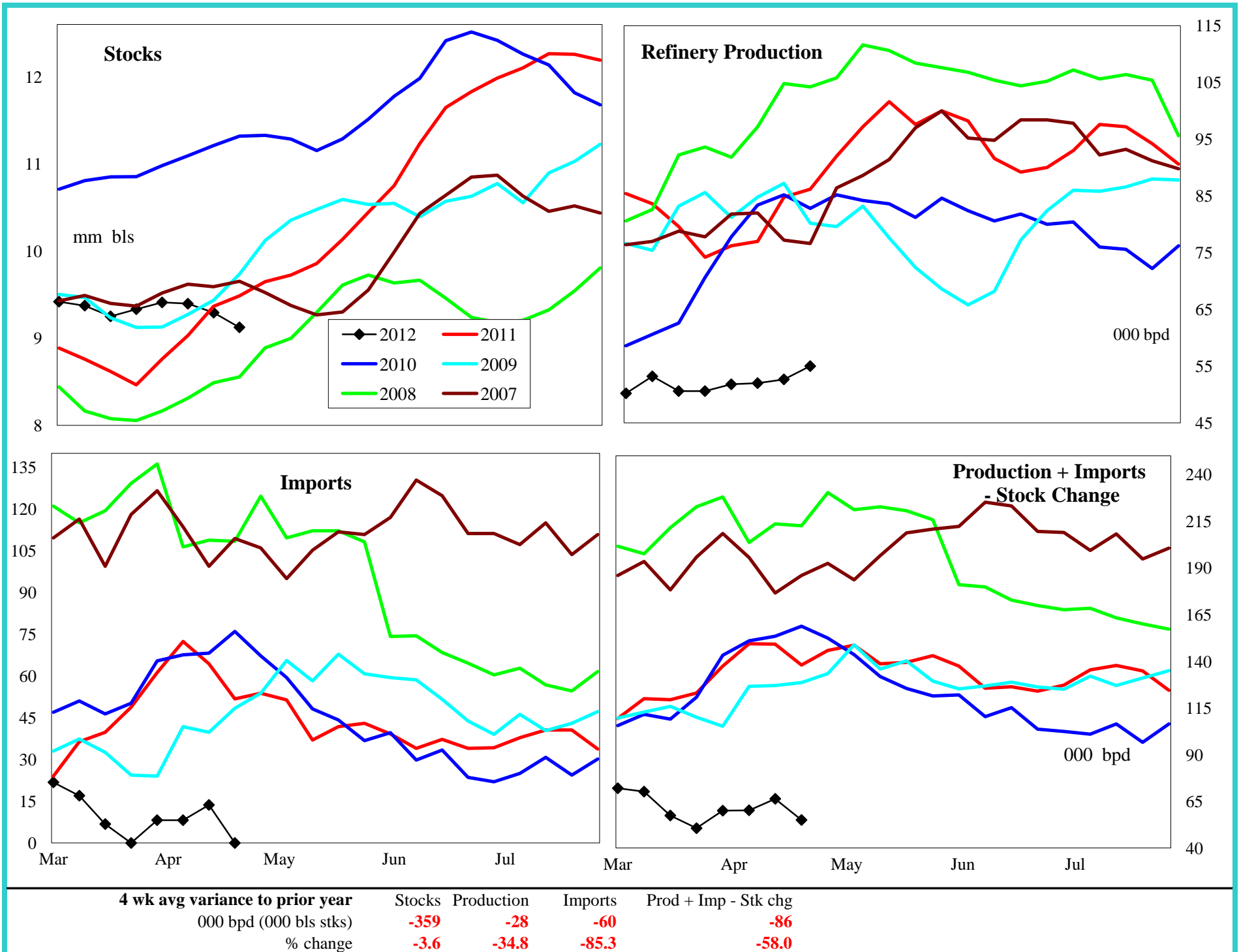
# PADD 1 High Sulfur Distillate Supply



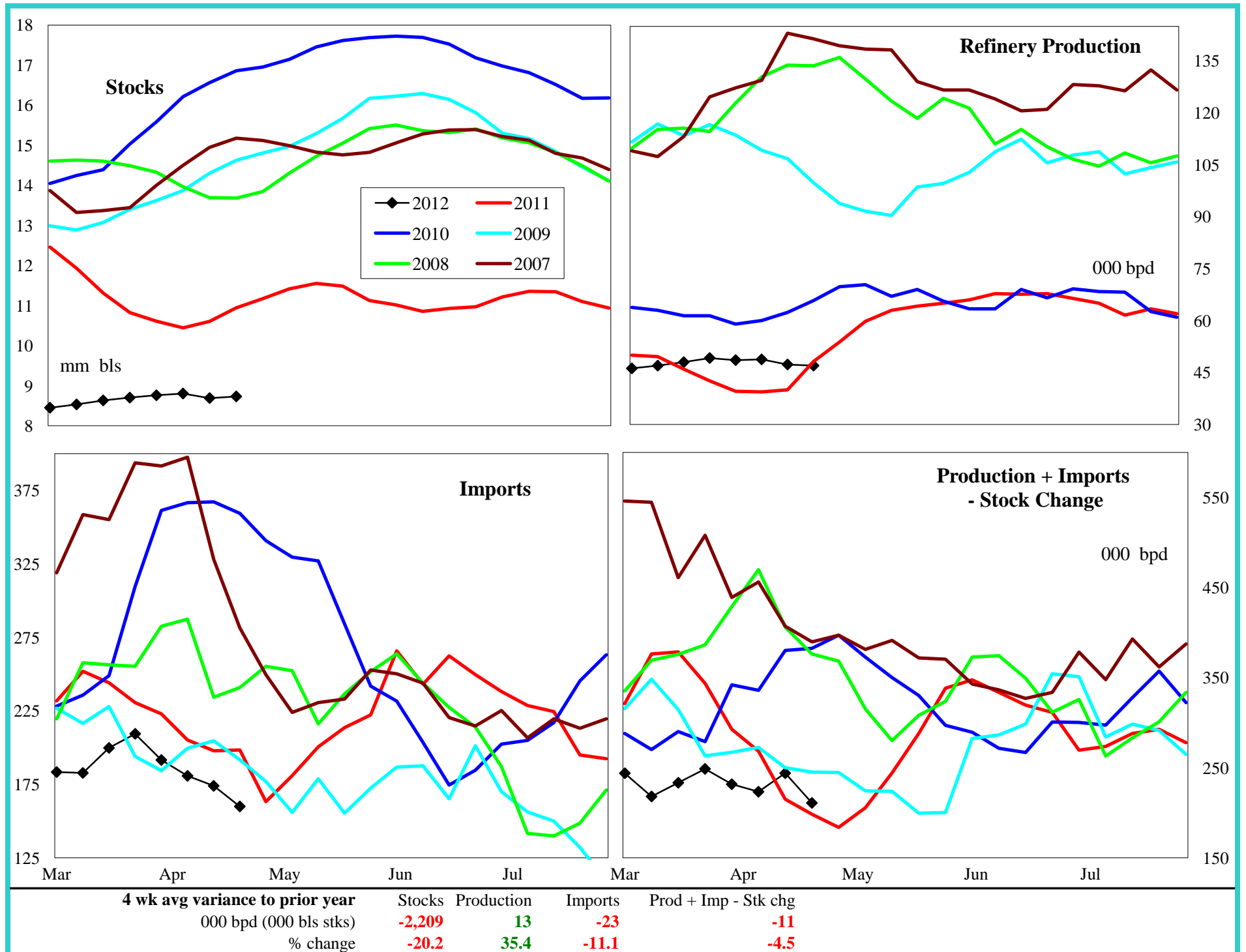
# PADD 1 High Sulfur Distillate Stocks by Region



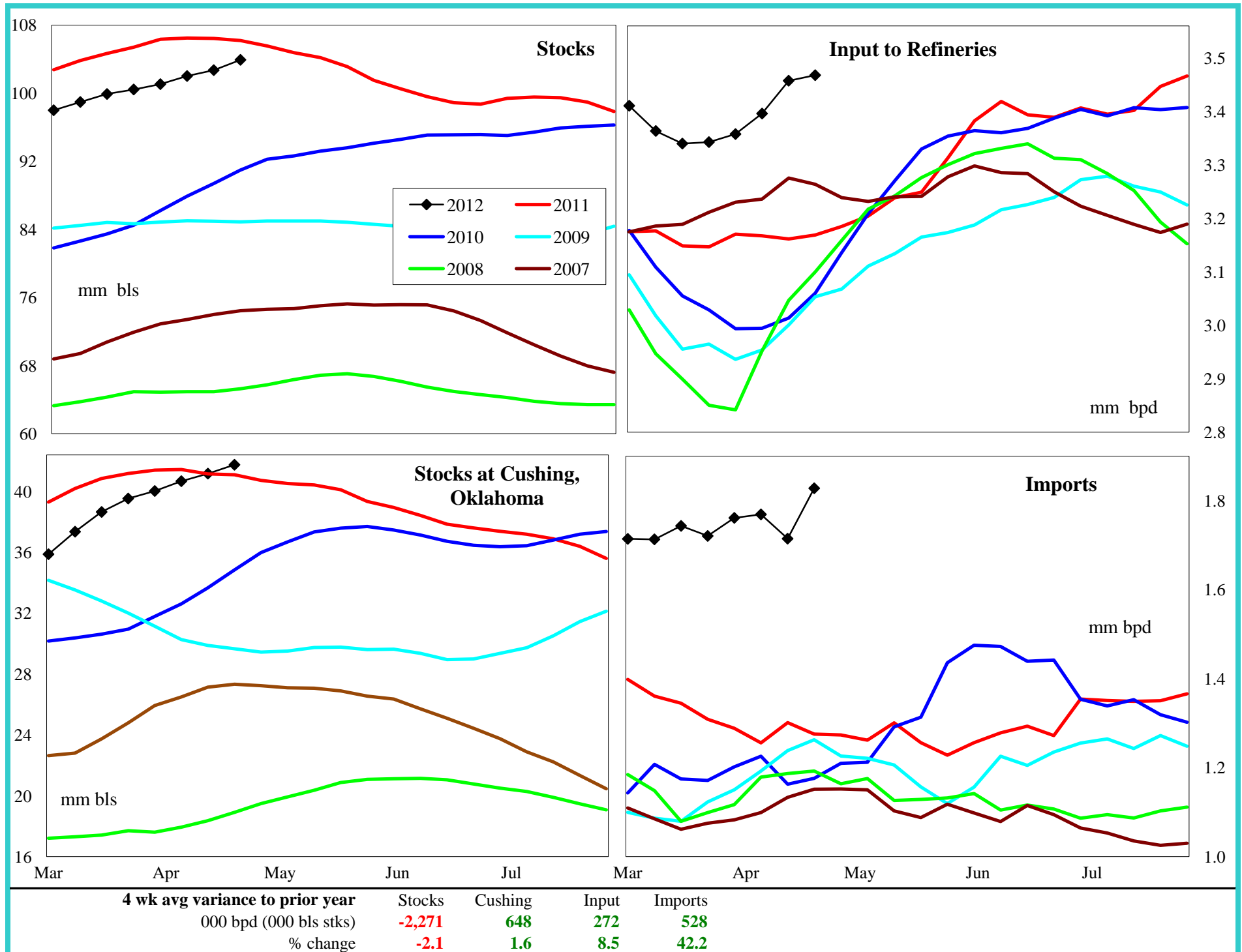
# PADD 1 Jet Fuel Supply



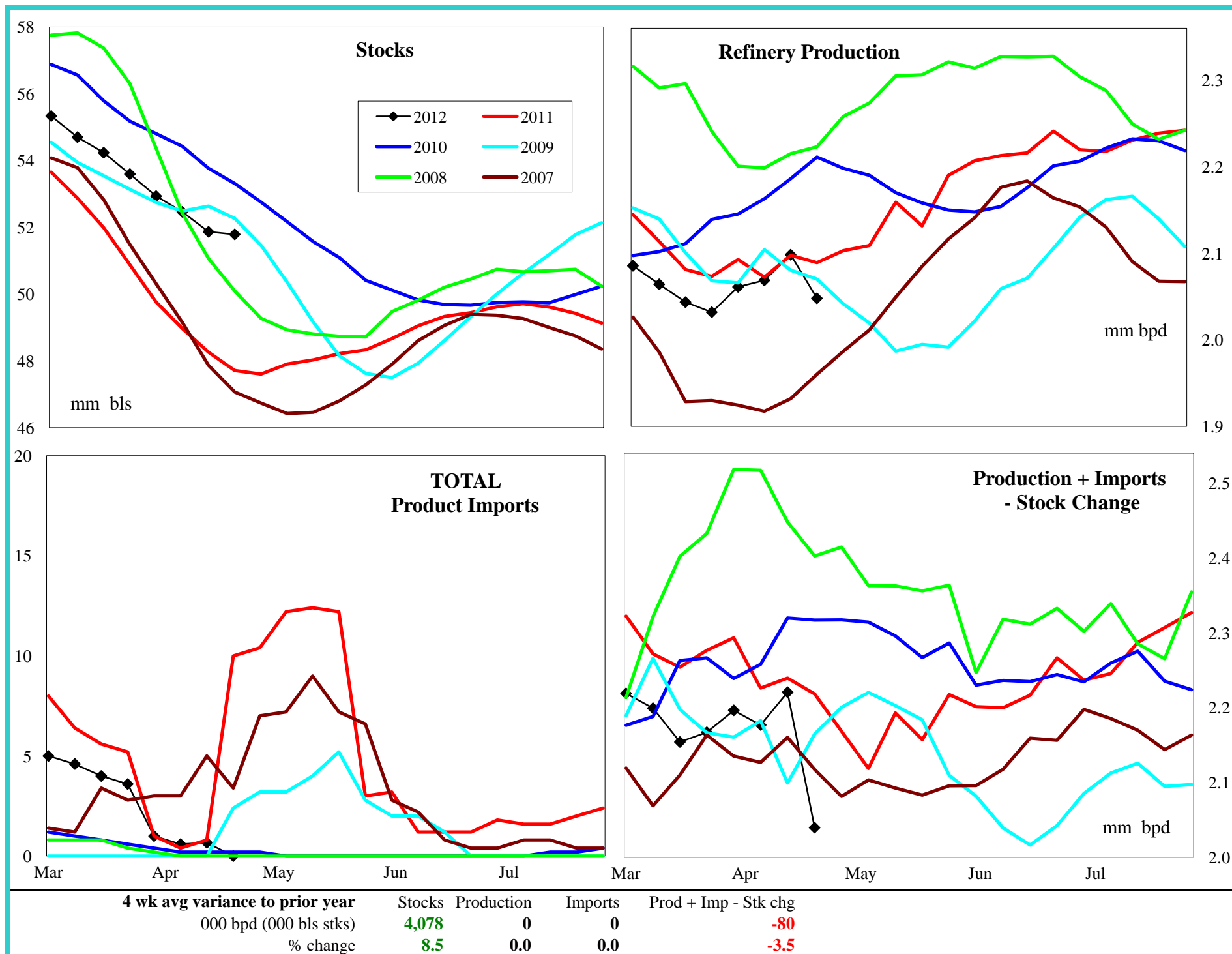
# PADD 1 Residual Fuel Oil Supply



# PADD 2 Crude Oil Supply and Refining

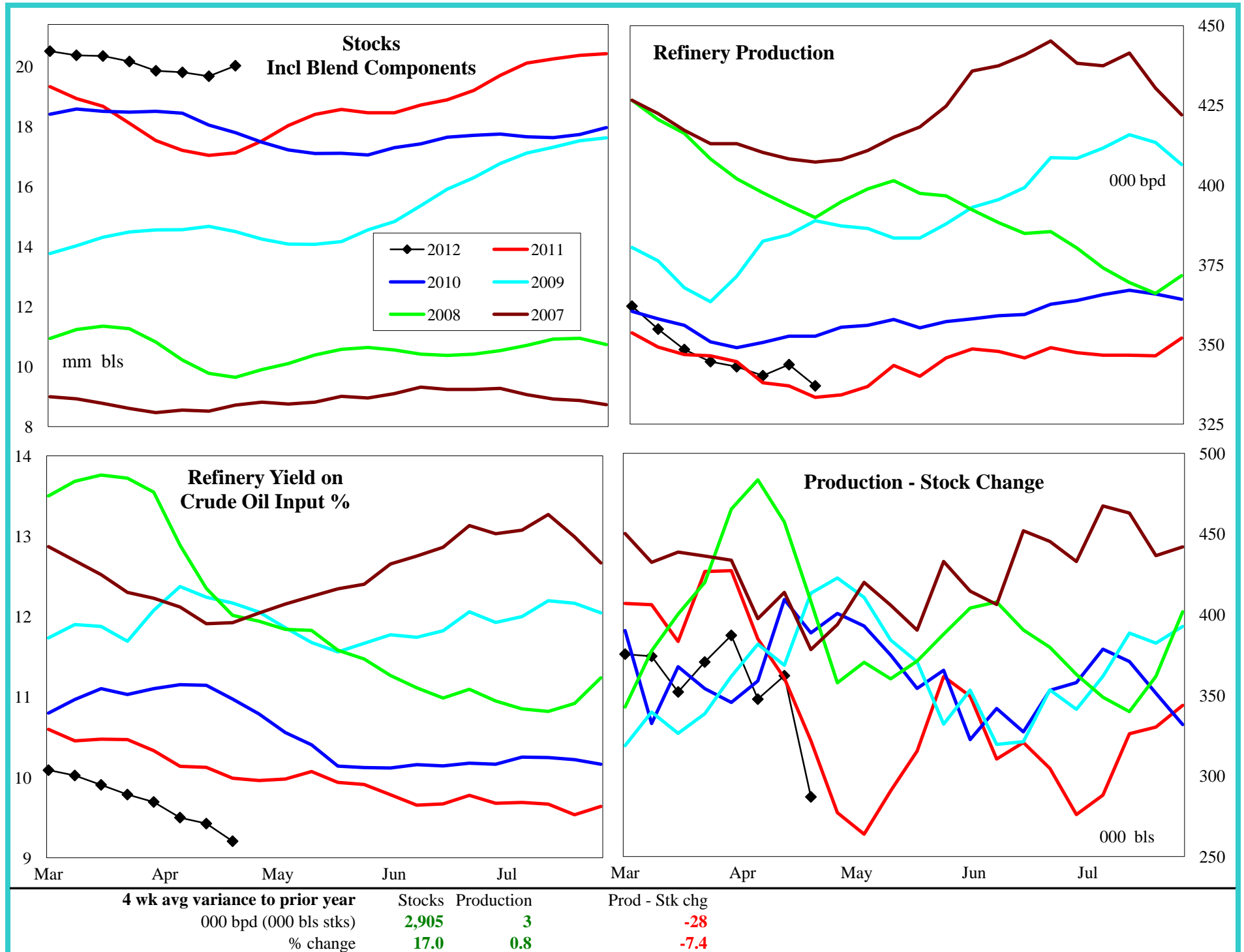


# PADD 2 Gasoline Supply

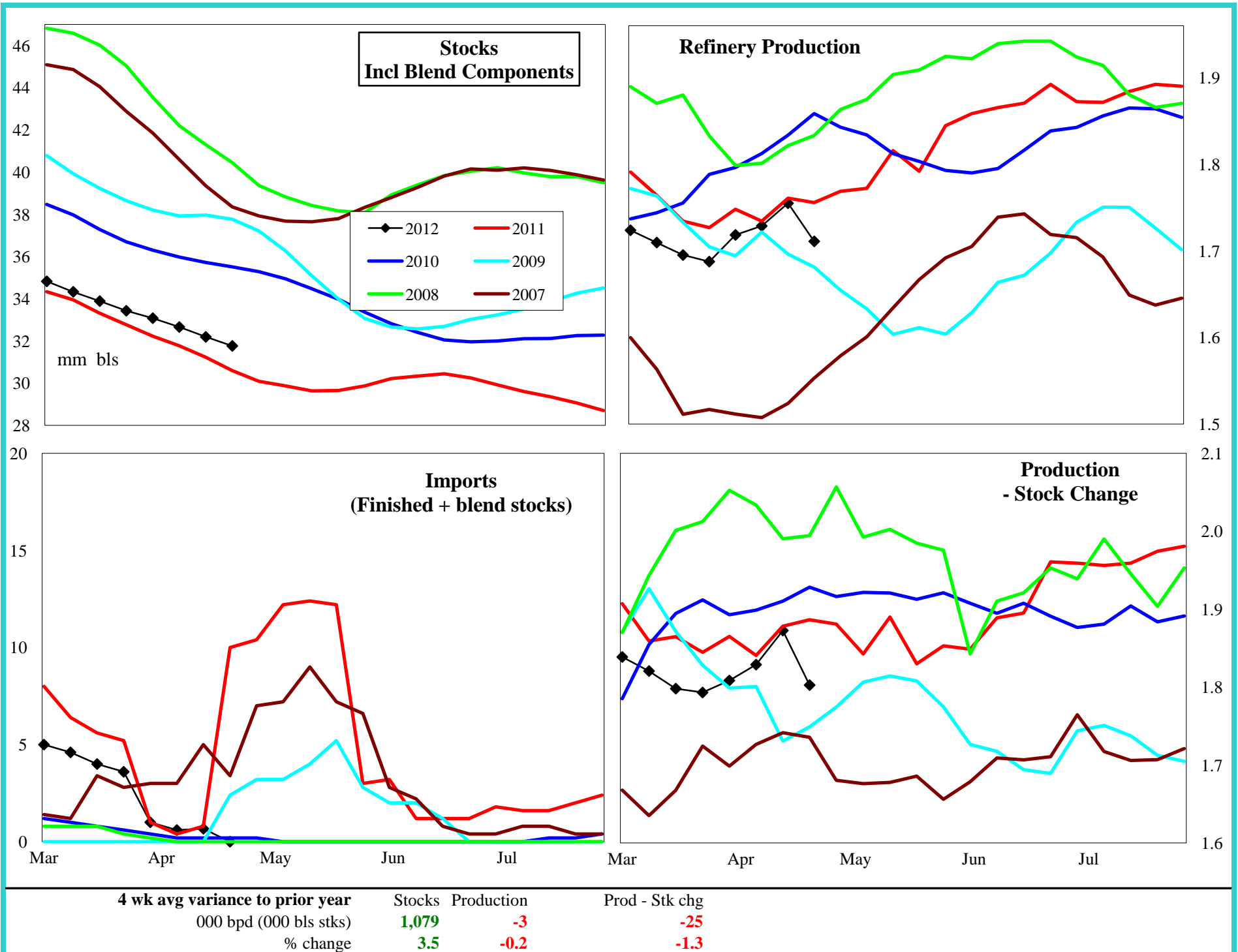




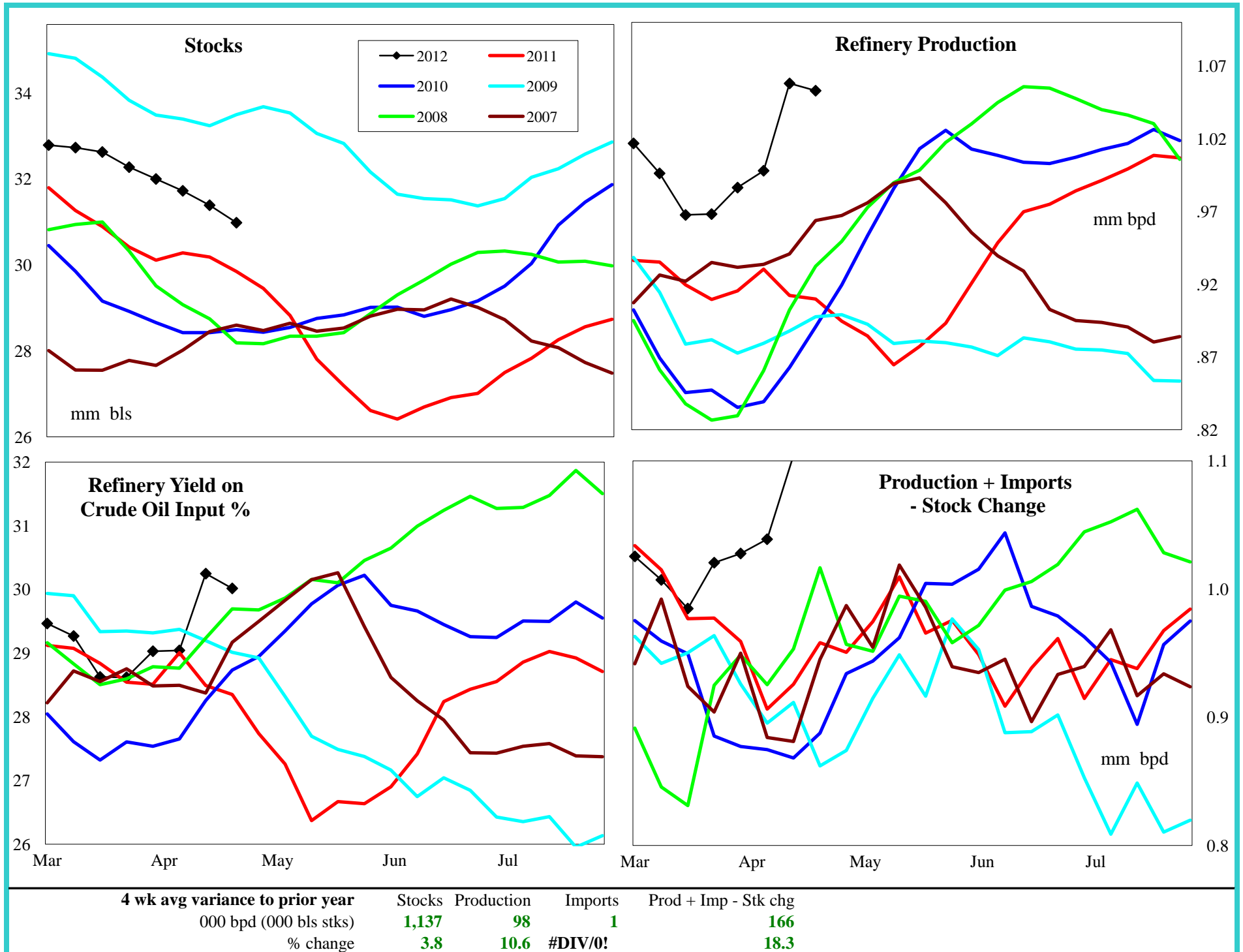
# PADD 2 Reformulated Gasoline Supply



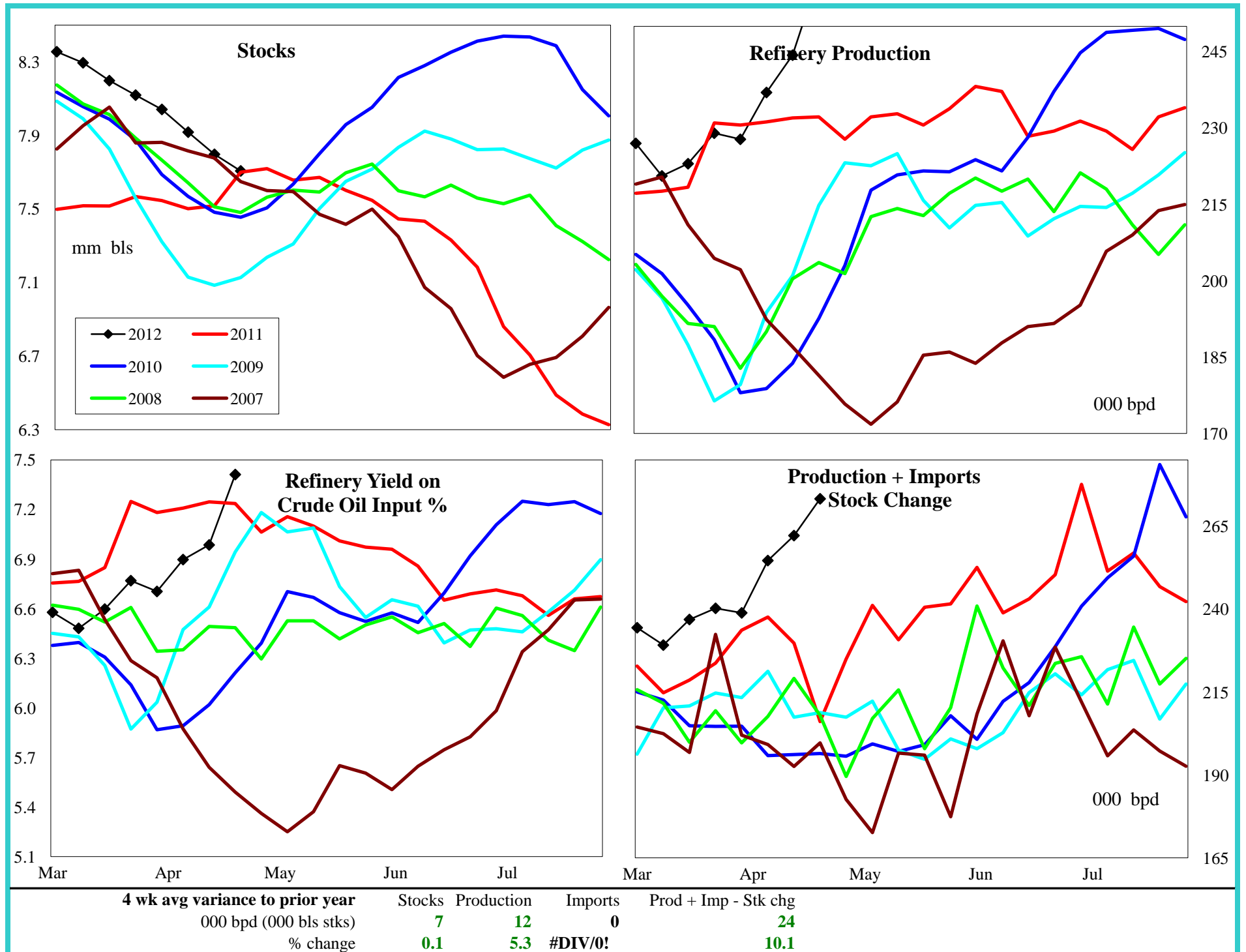
## PADD 2 Conventional Gasoline Supply



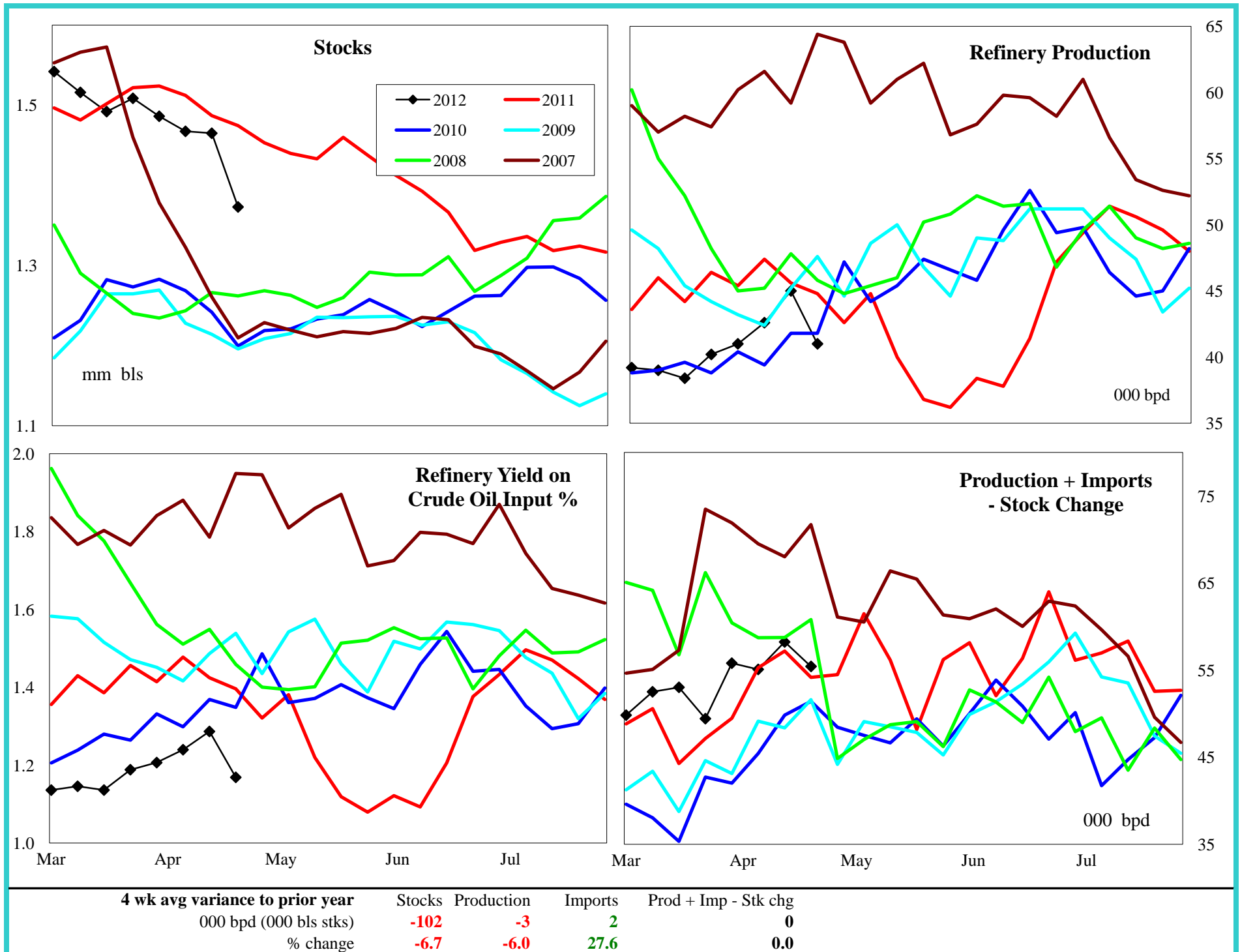
# PADD 2 Distillate Supply



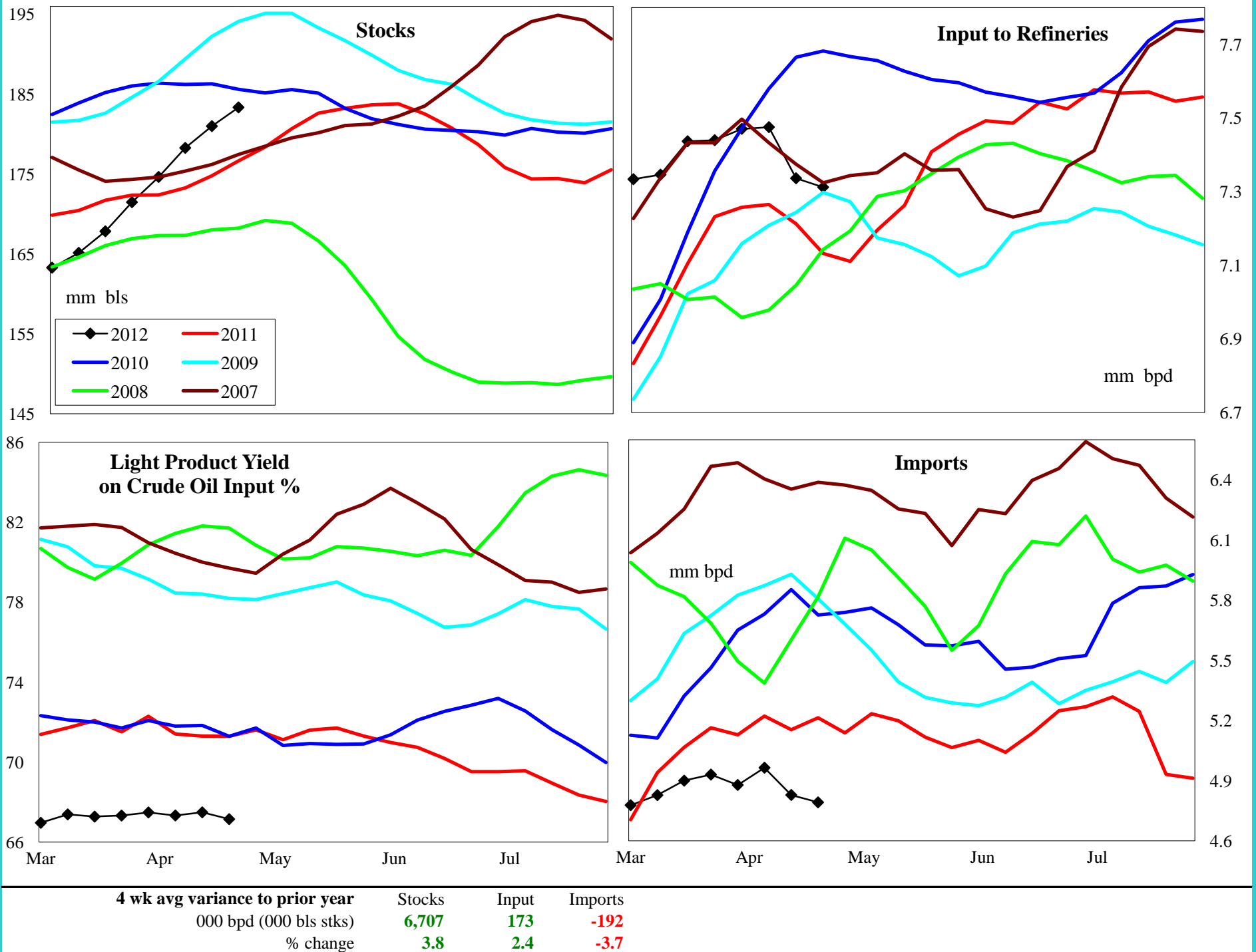
# PADD 2 Jet Fuel Supply



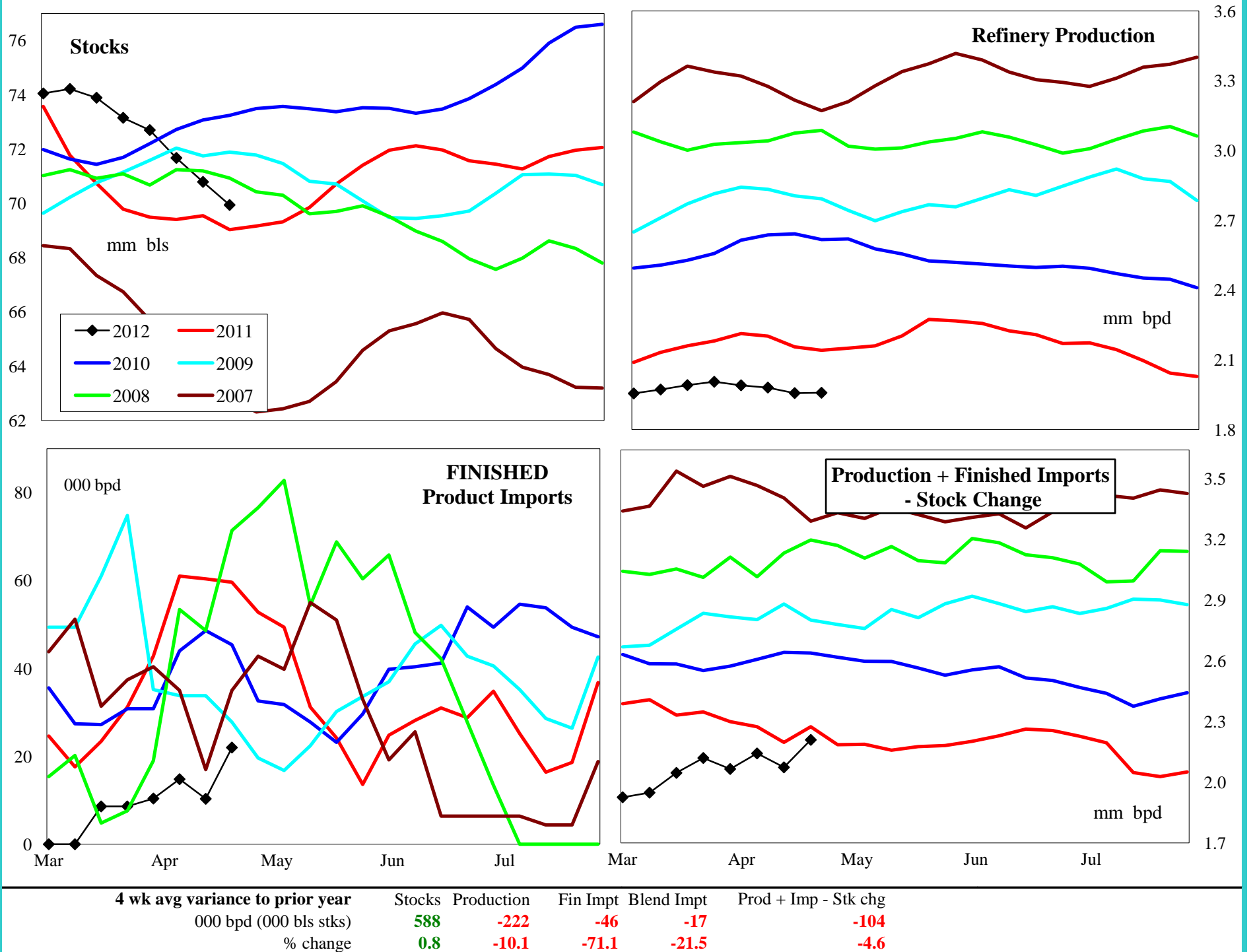
# PADD 2 Residual Fuel Oil Supply



# PADD 3 Crude Oil Supply and Refining

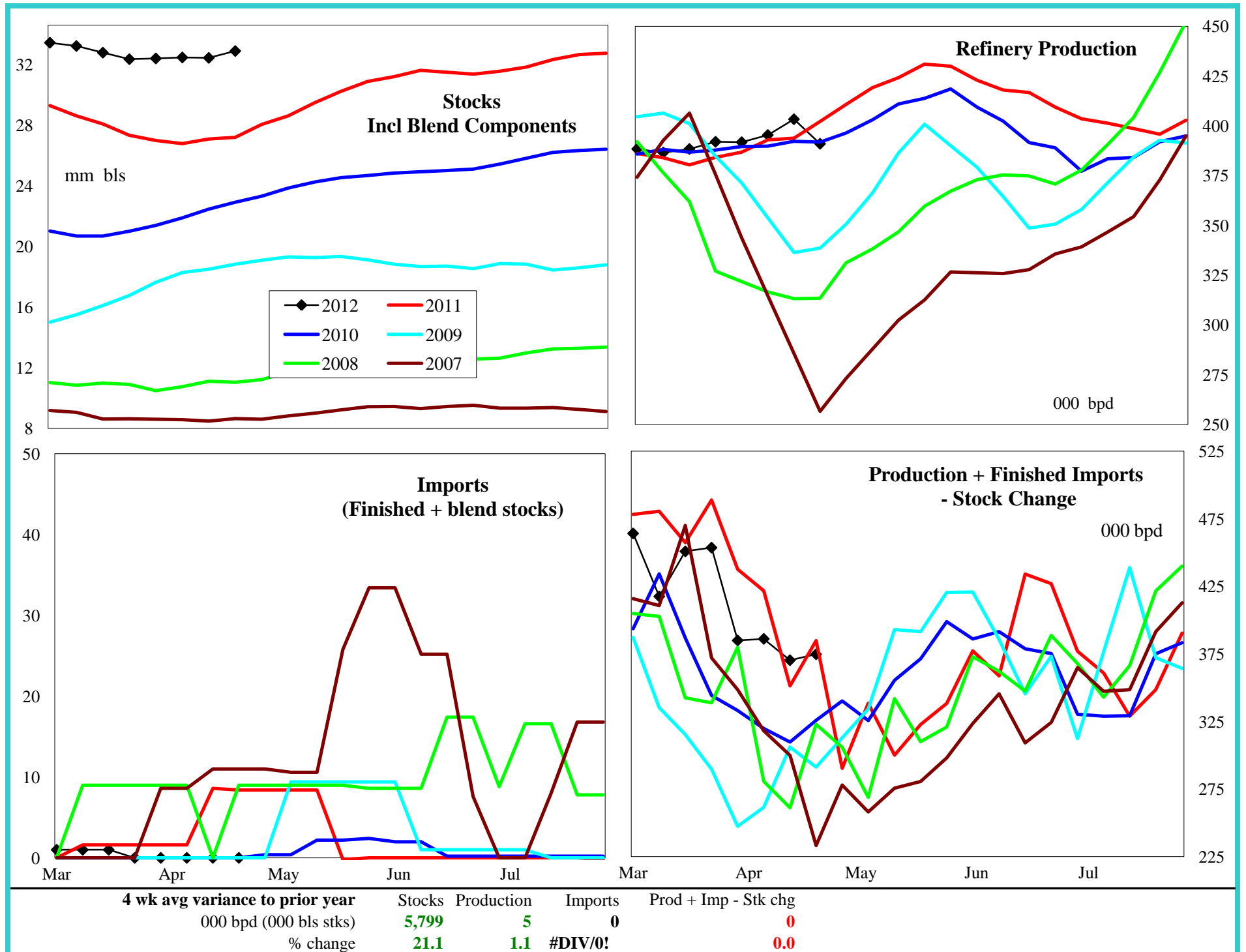


# PADD 3 Gasoline Supply

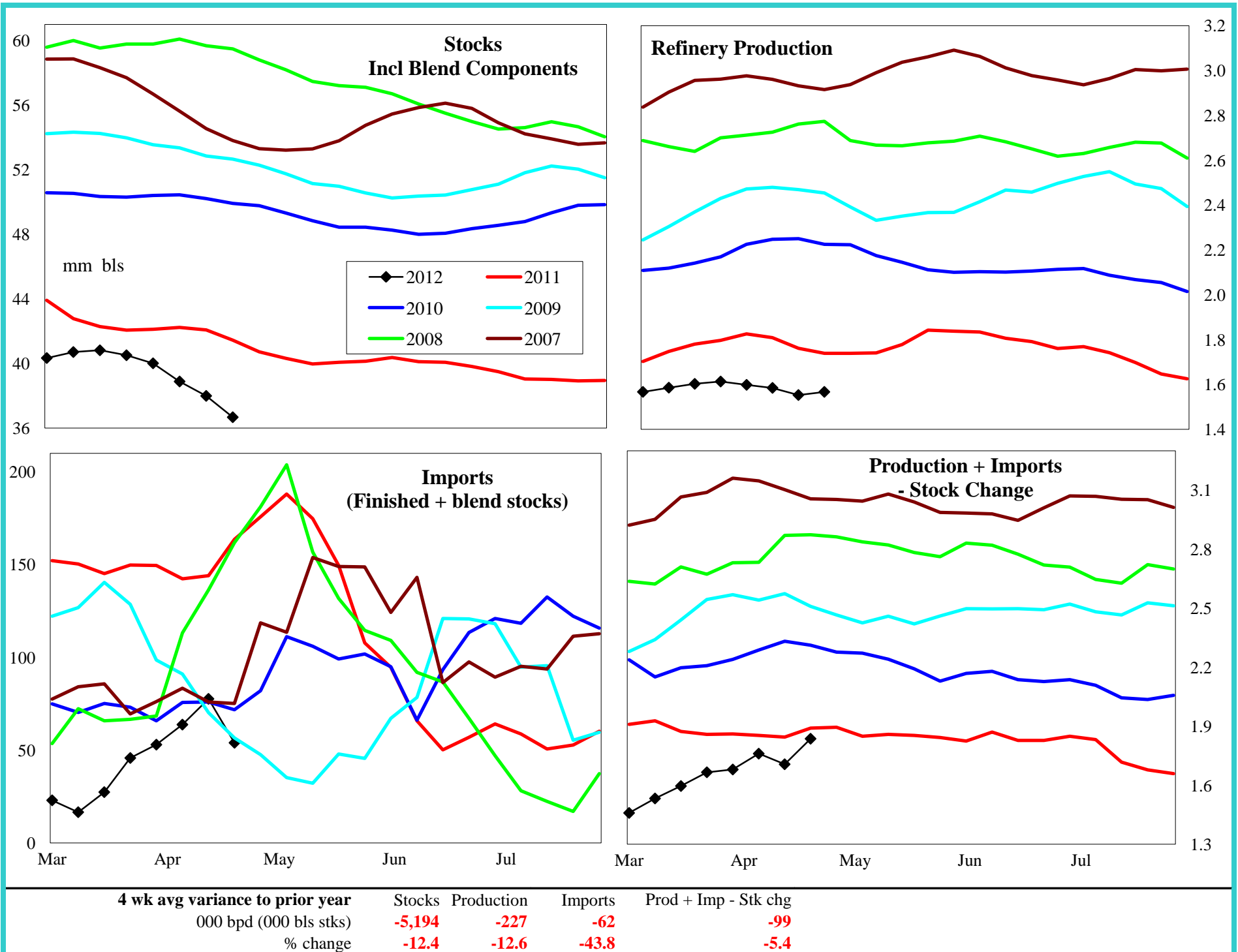




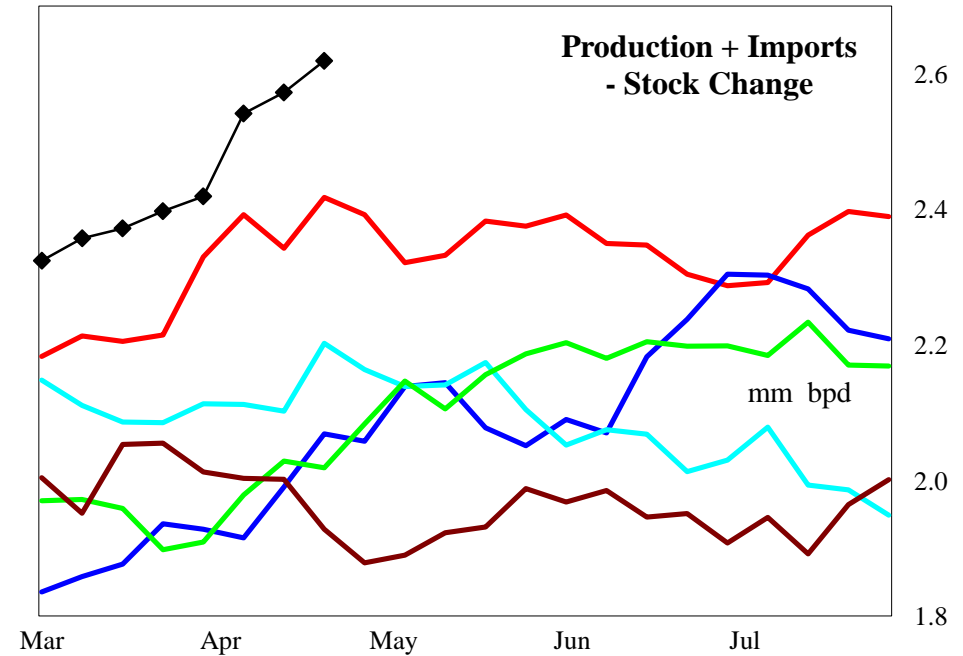
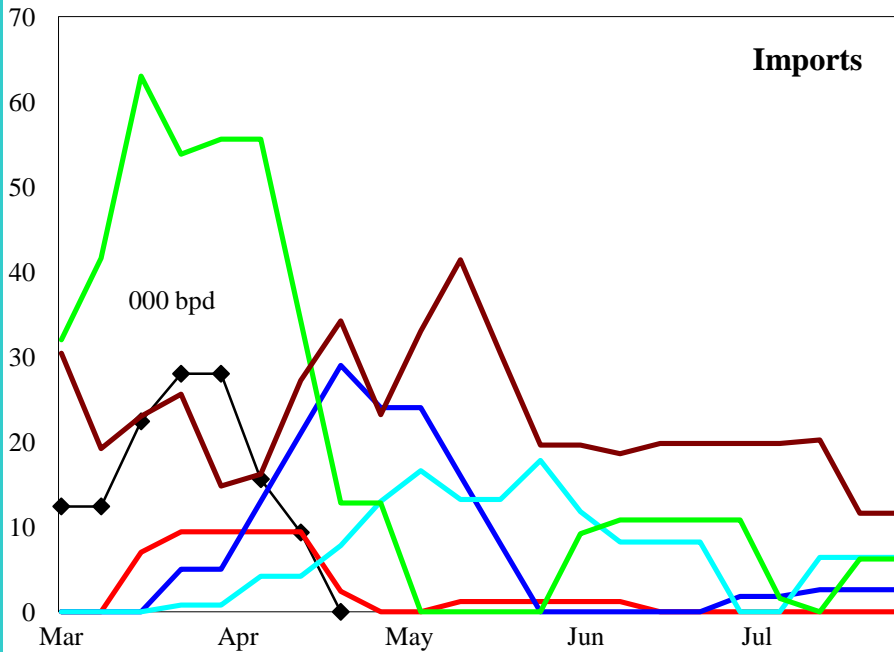
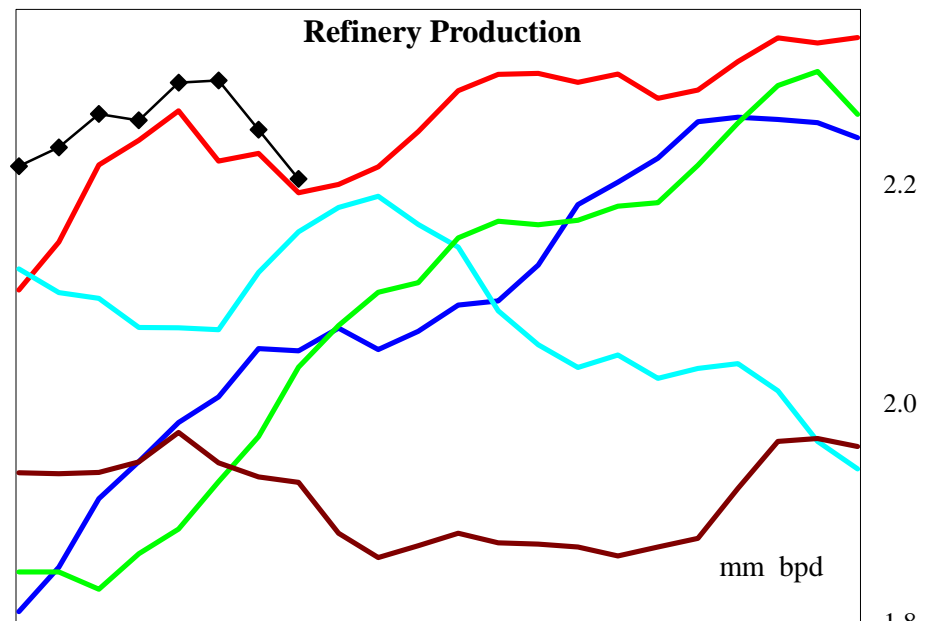
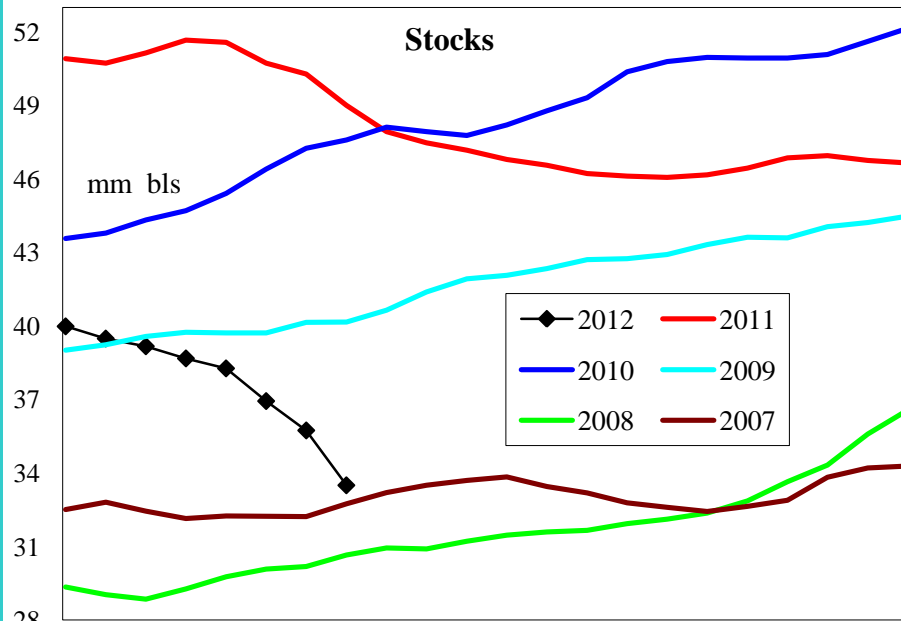
# PADD 3 Reformulated Gasoline Supply



# PADD 3 Conventional Gasoline Supply



# PADD 3 Distillate Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

-14,248

-29.8

Production

72

3.2

Imports

8

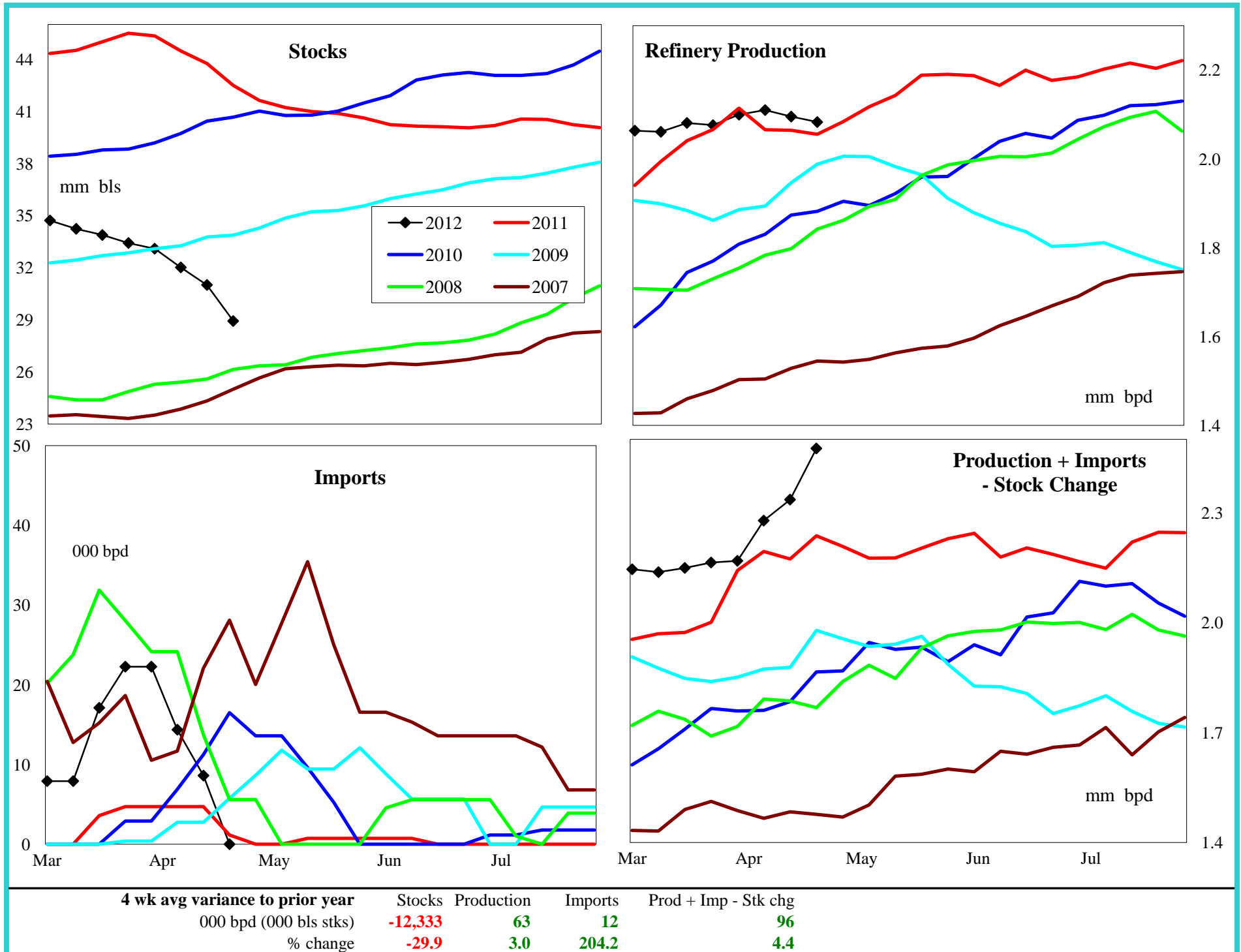
66.0

Prod + Imp - Stk chg

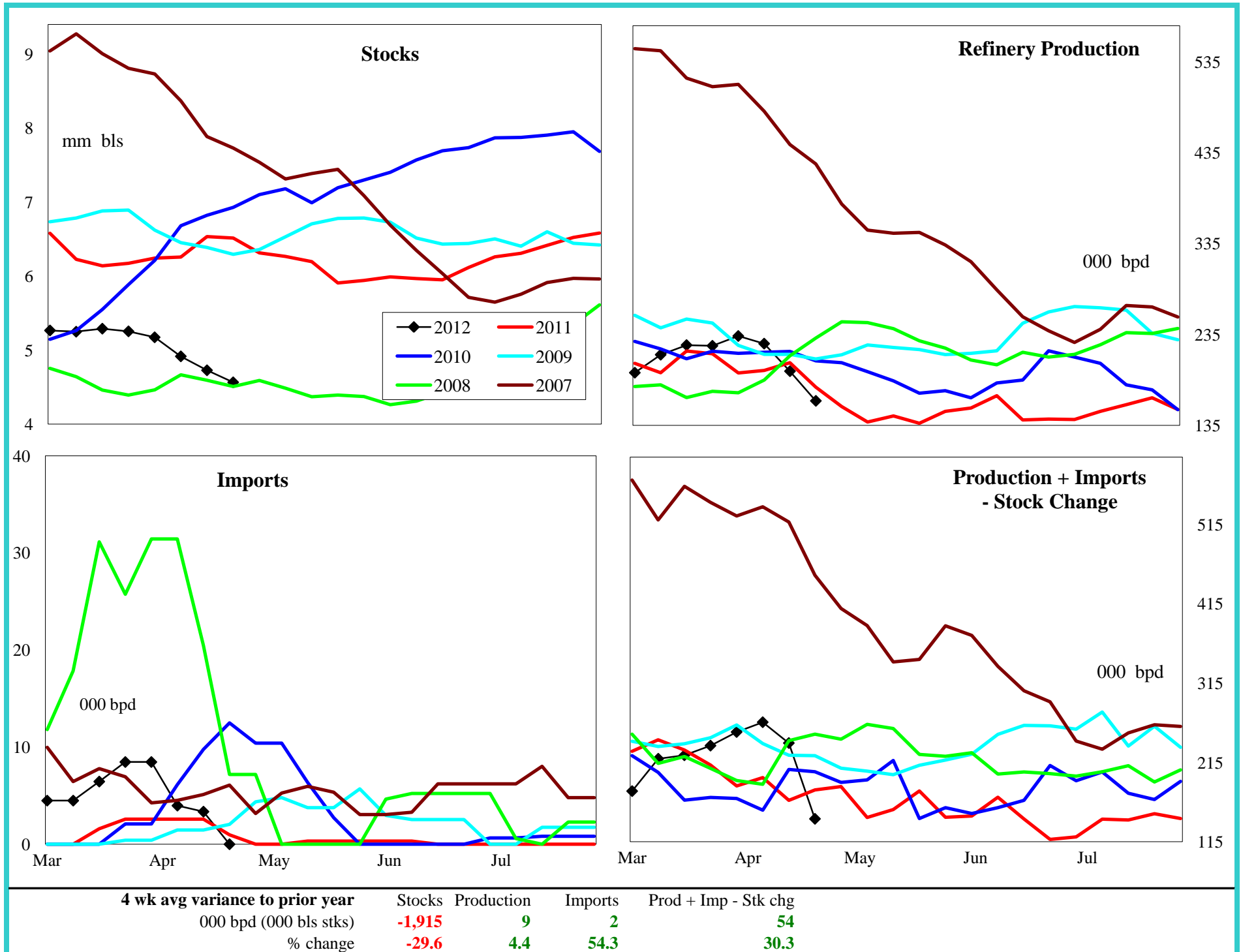
144

6.1

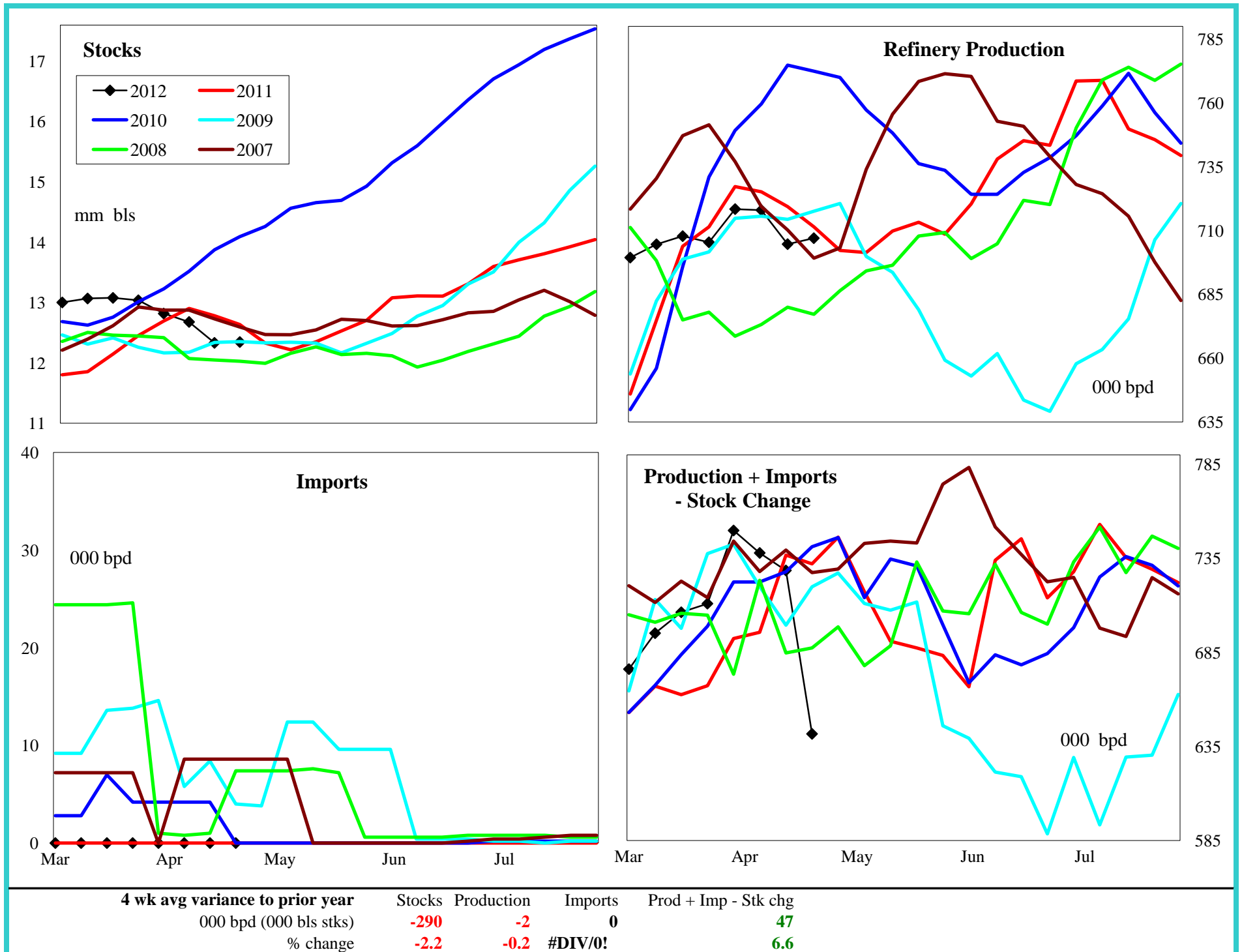
# PADD 3 Low Sulfur Distillate Supply



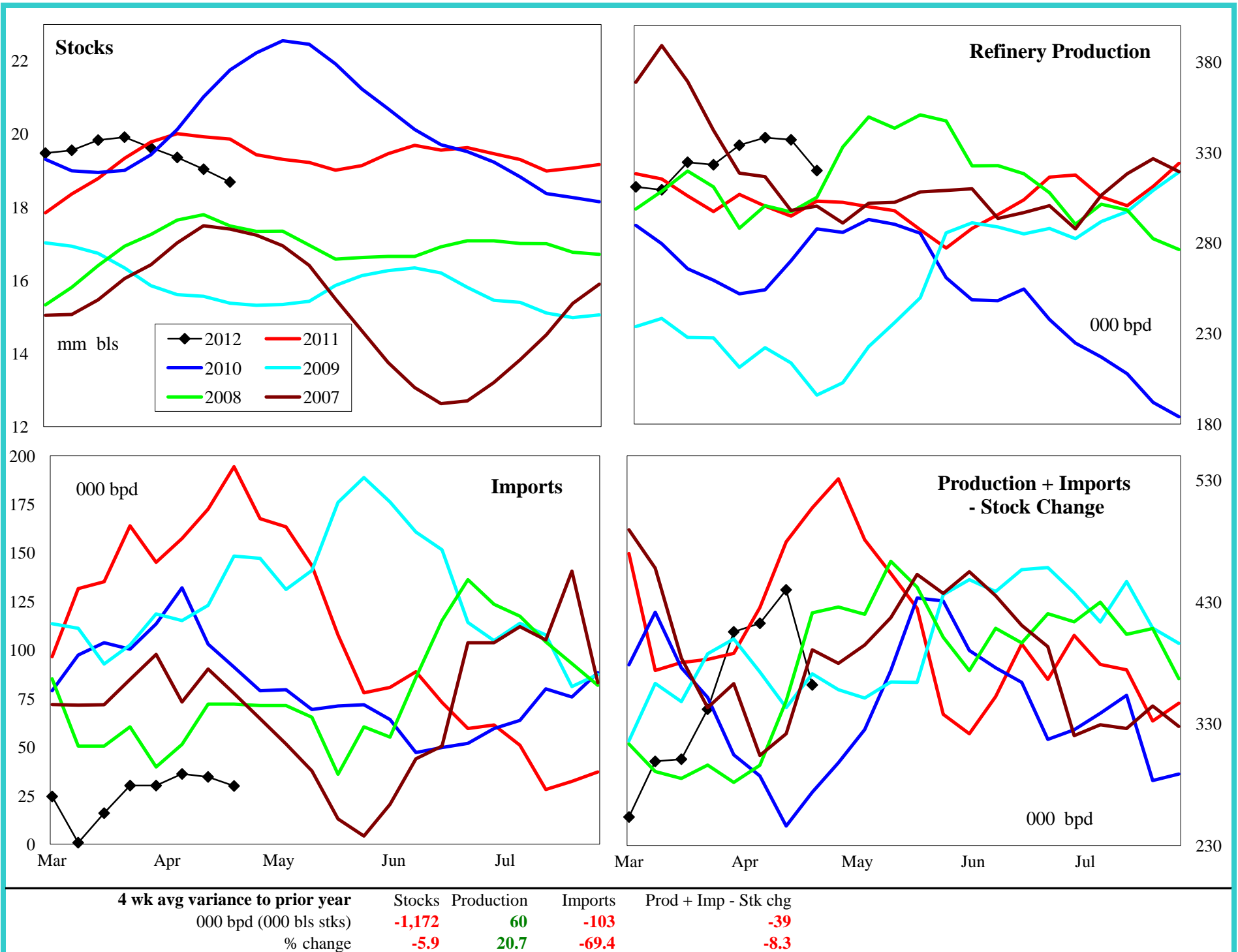
# PADD 3 High Sulfur Distillate Supply



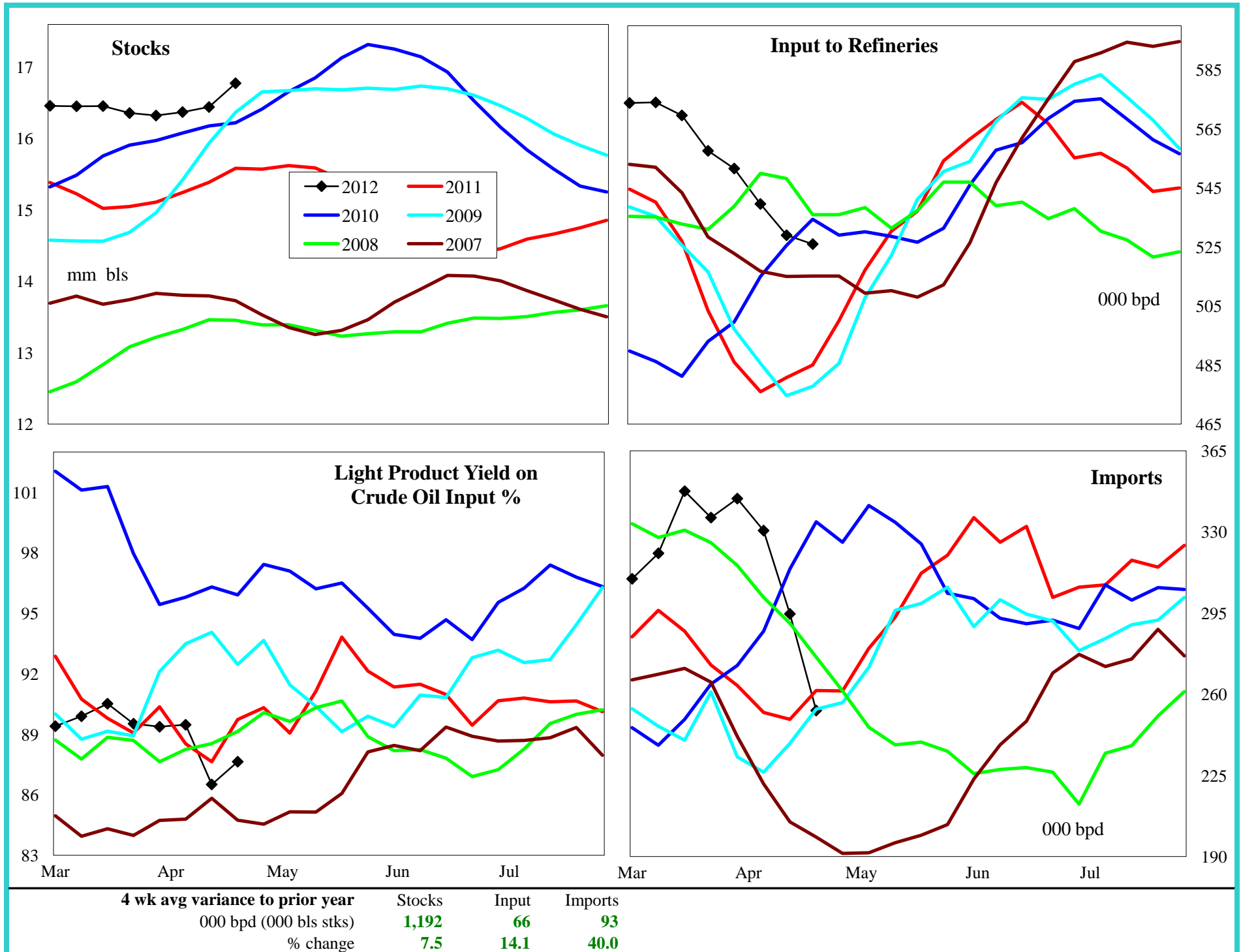
# PADD 3 Jet Fuel Supply



# PADD 3 Residual Fuel Oil Supply

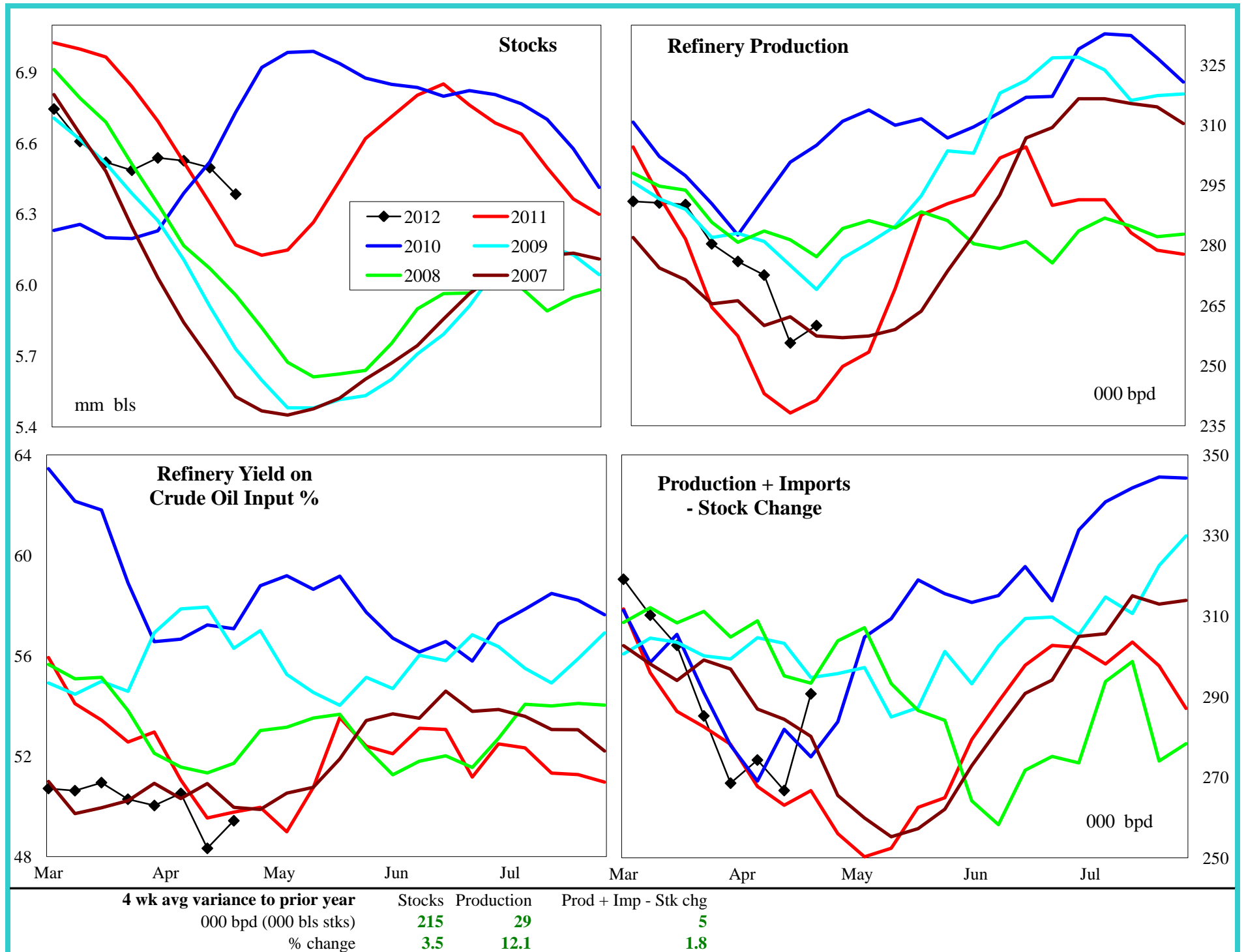


# PADD 4 Crude Oil Supply and Refining

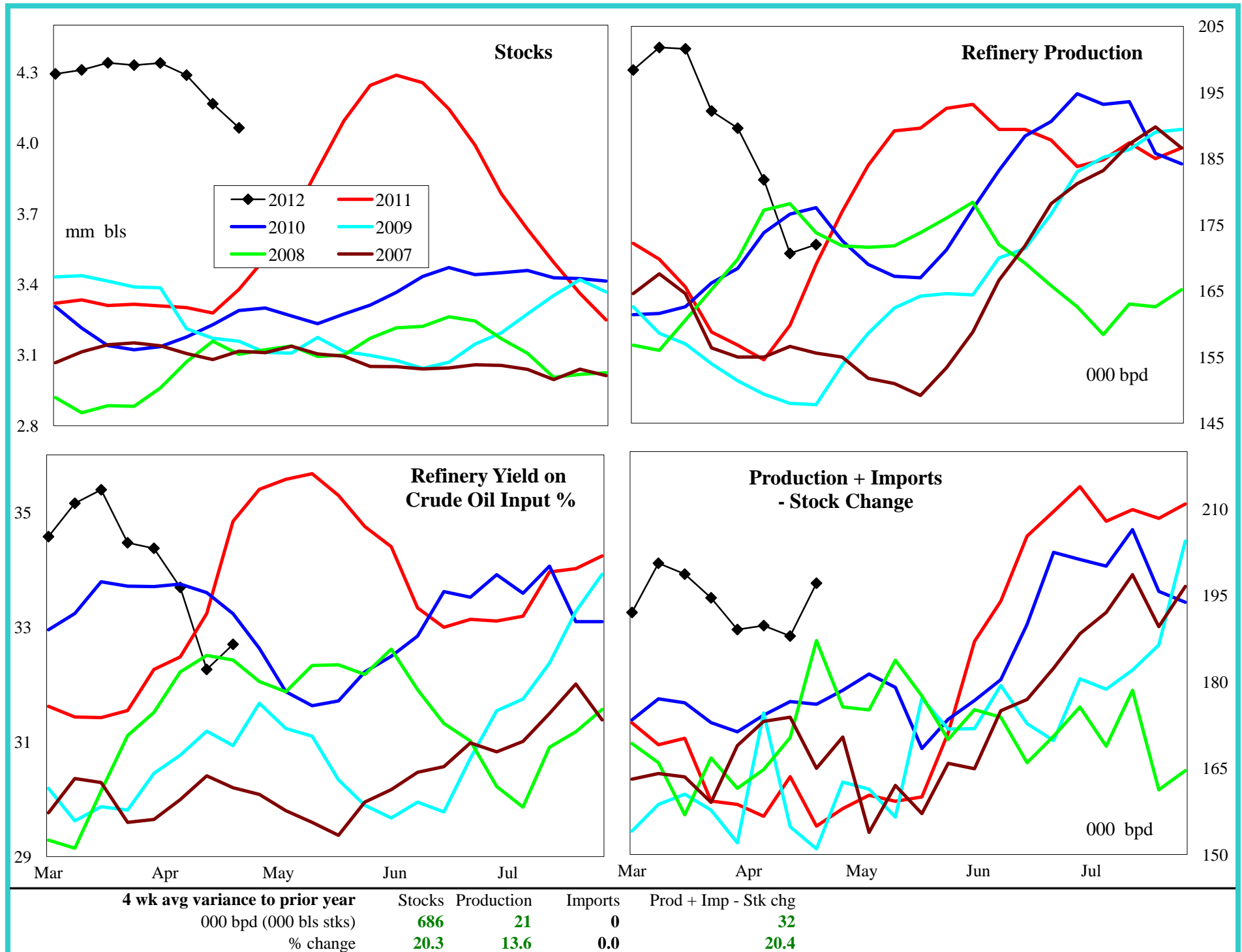




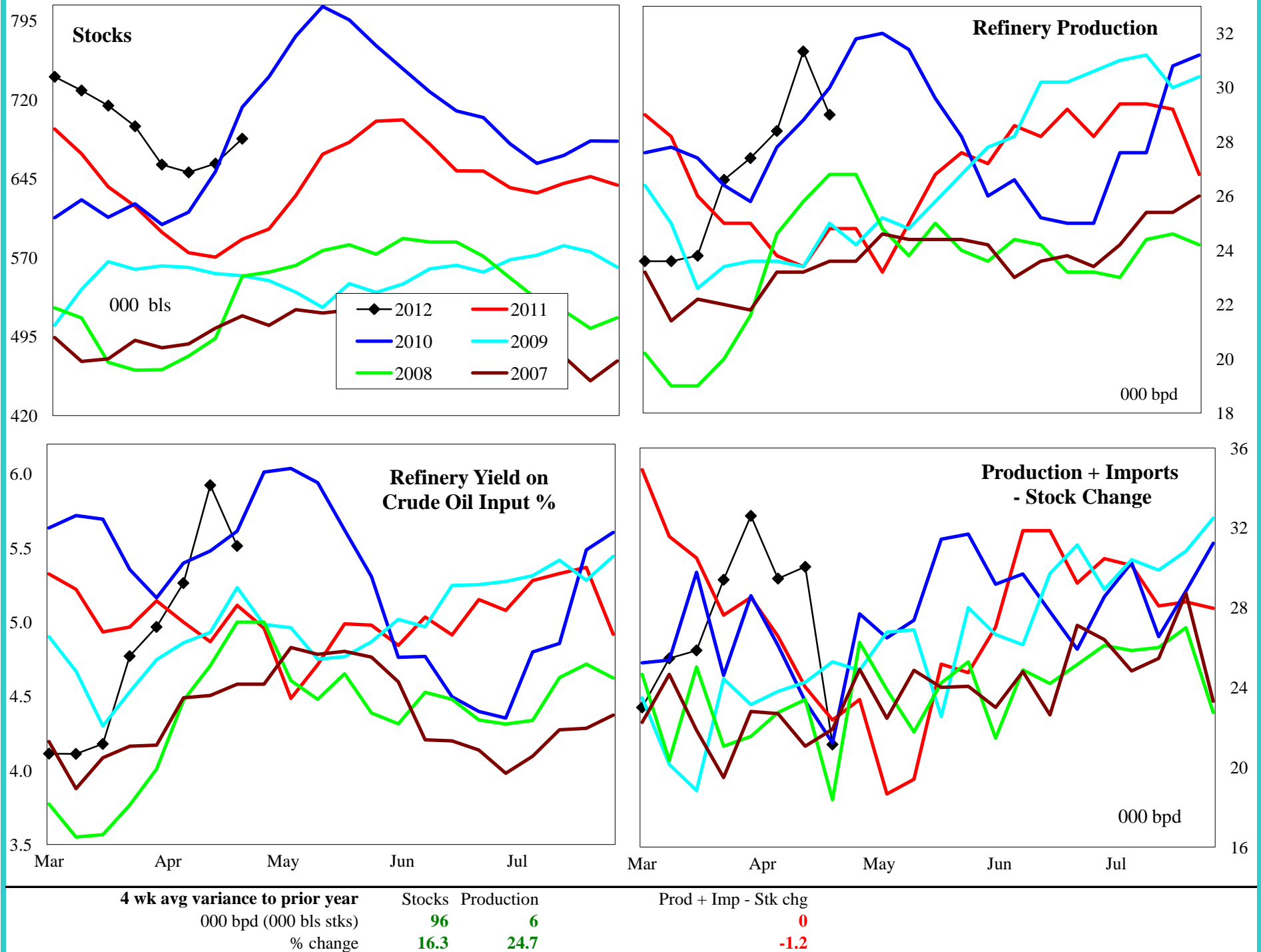
# PADD 4 Gasoline Supply



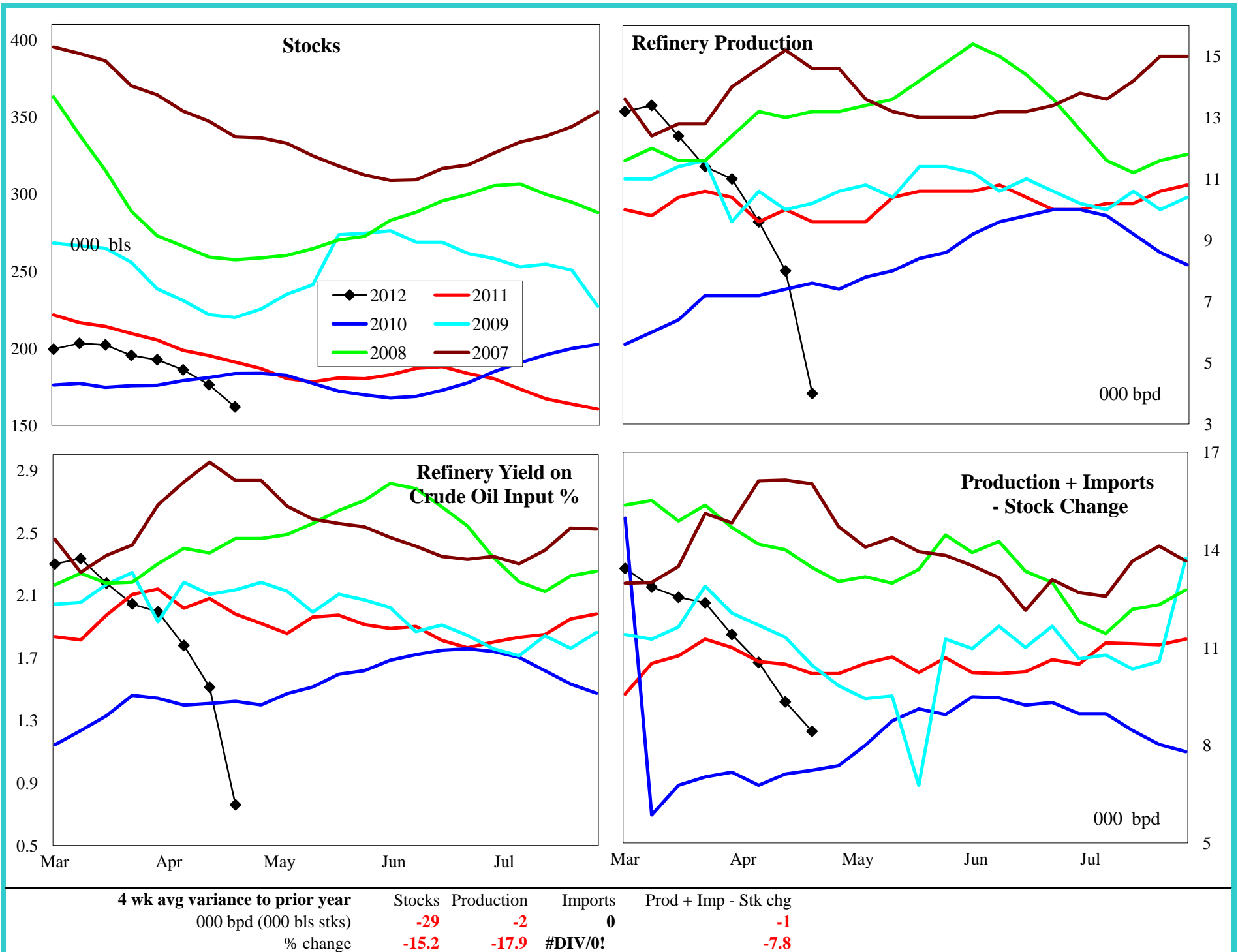
# PADD 4 Distillate Supply



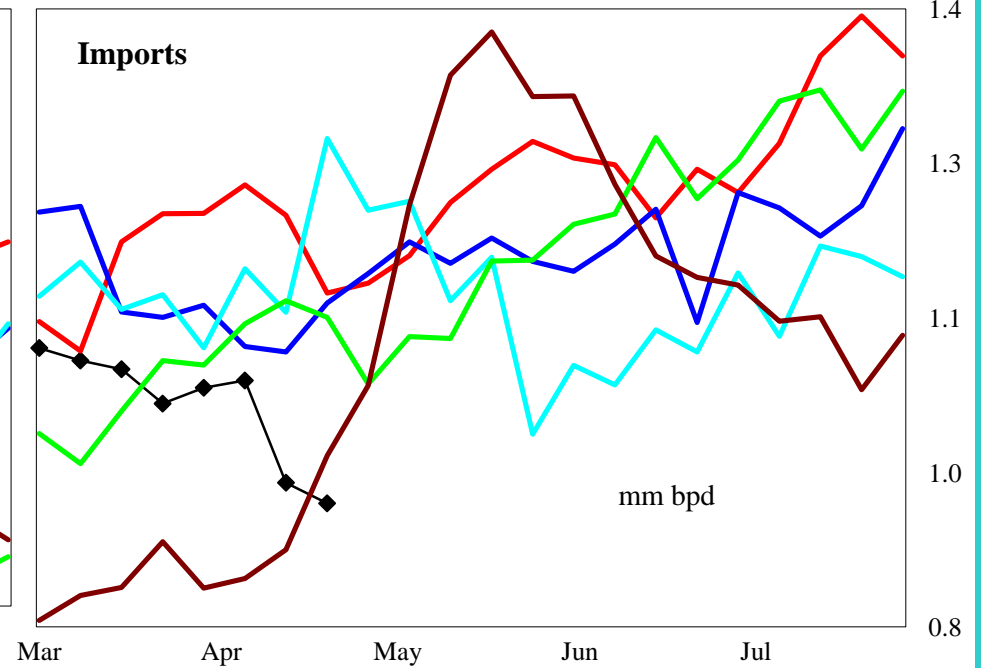
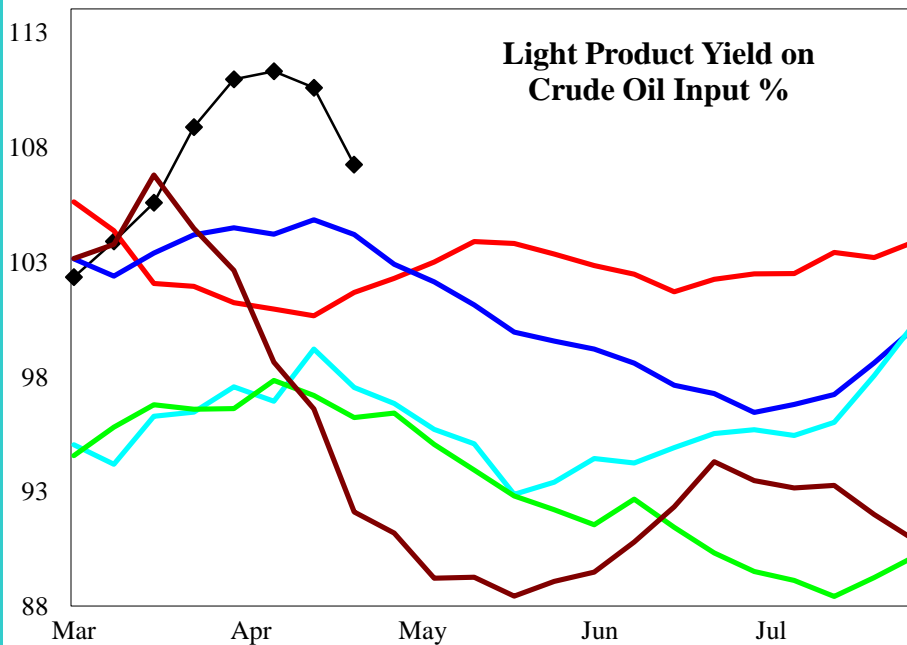
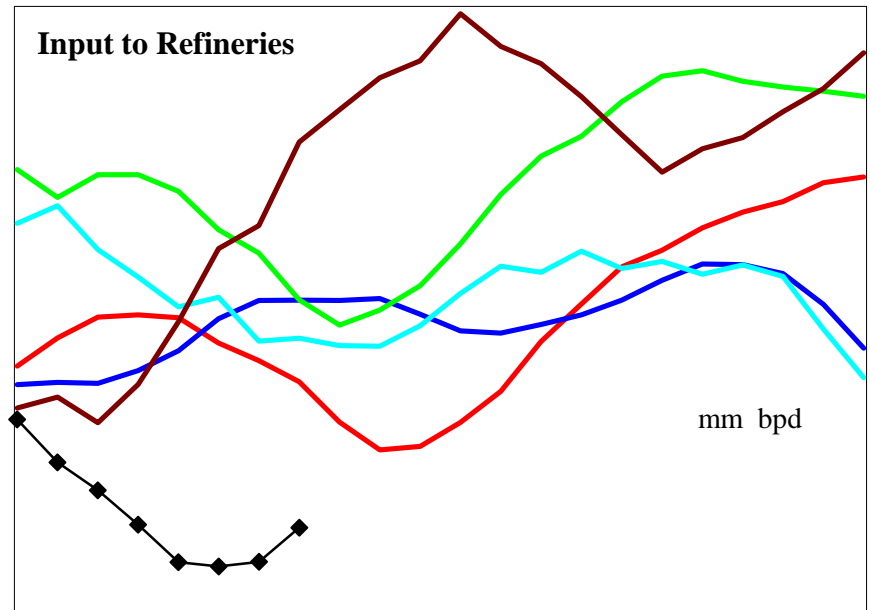
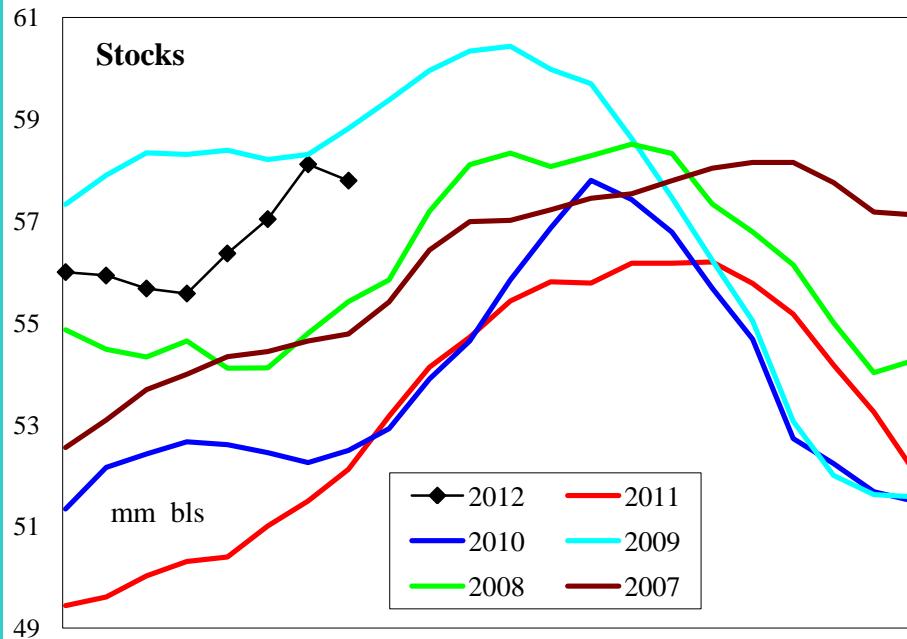
# PADD 4 Jet Fuel Supply



# PADD 4 Residual Fuel Oil Supply



# PADD 5 Crude Oil Supply and Refining



**4 wk avg variance to prior year**

000 bpd (000 bbls stks)

% change

Stocks

**5,673**

**10.9**

Input

**-266**

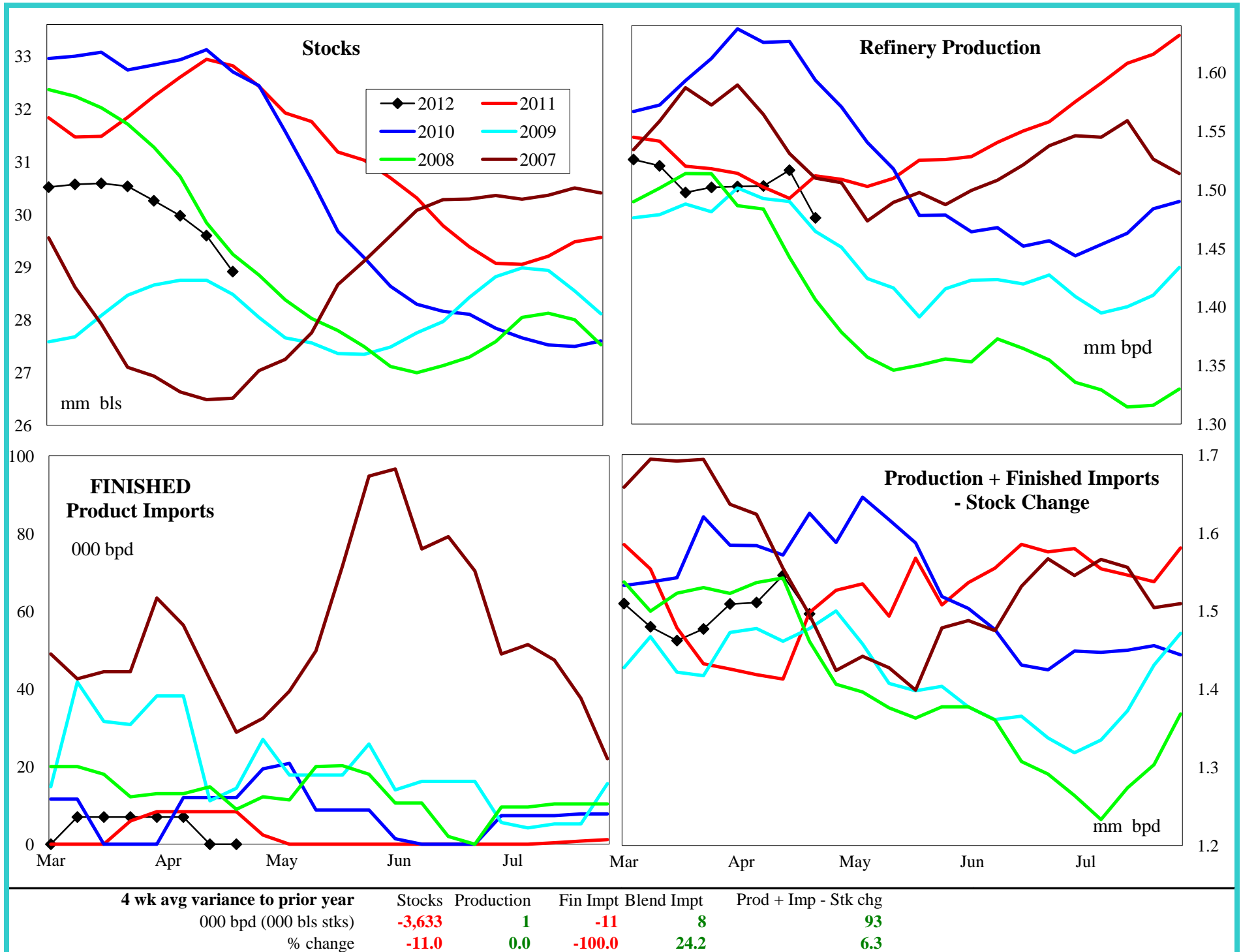
**-11.2**

Imports

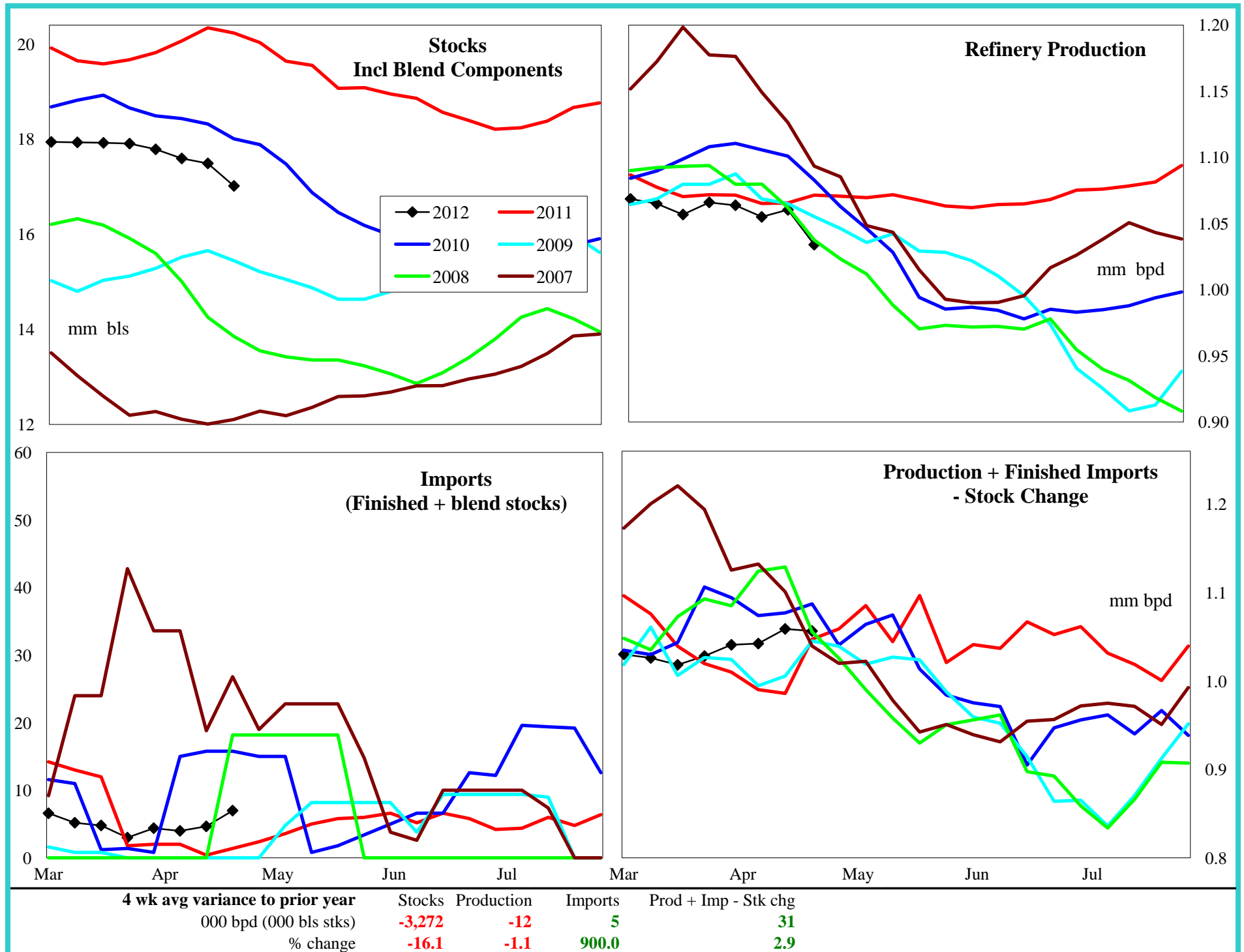
**-287**

**-22.8**

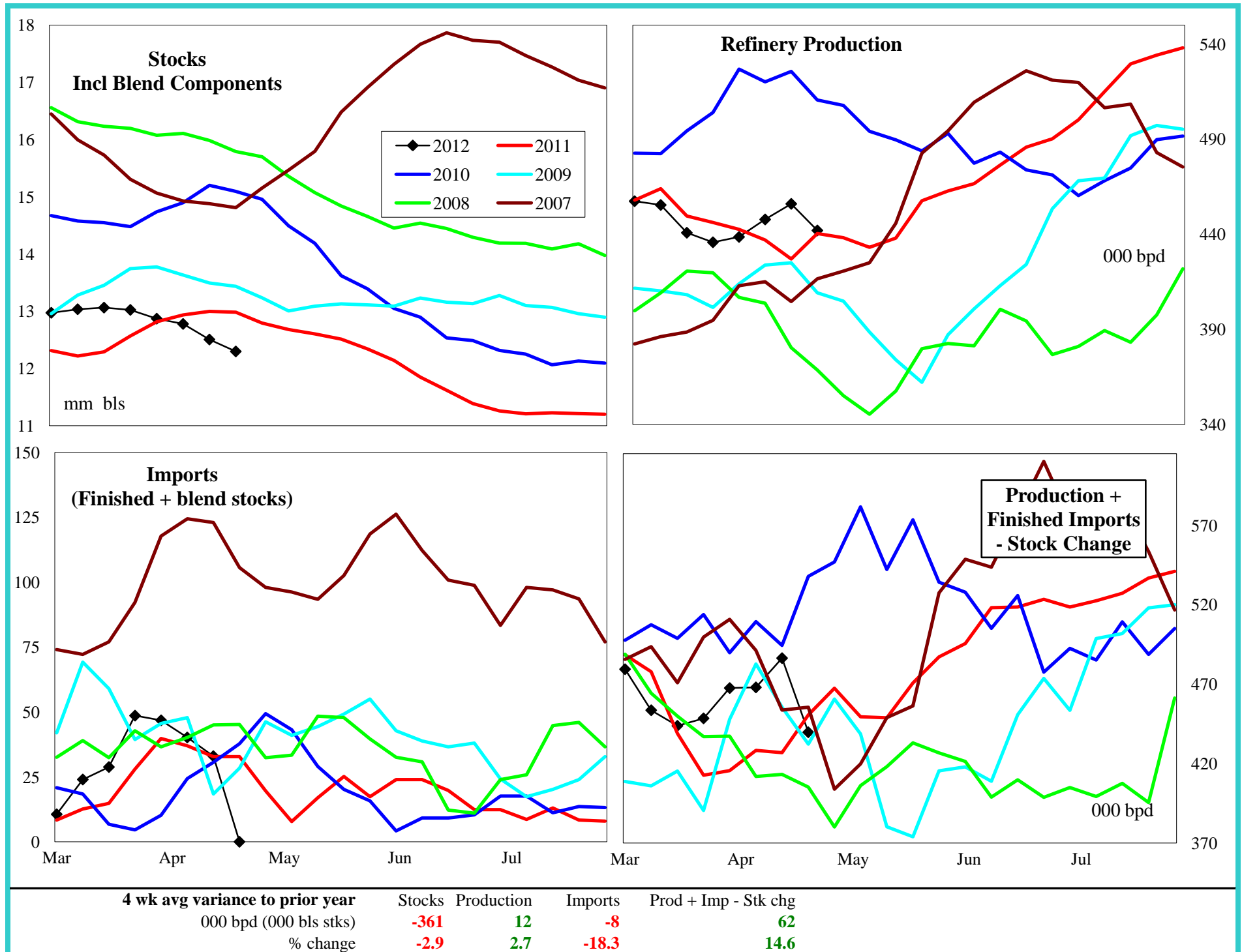
# PADD 5 Gasoline Supply



# PADD 5 Reformulated Gasoline Supply

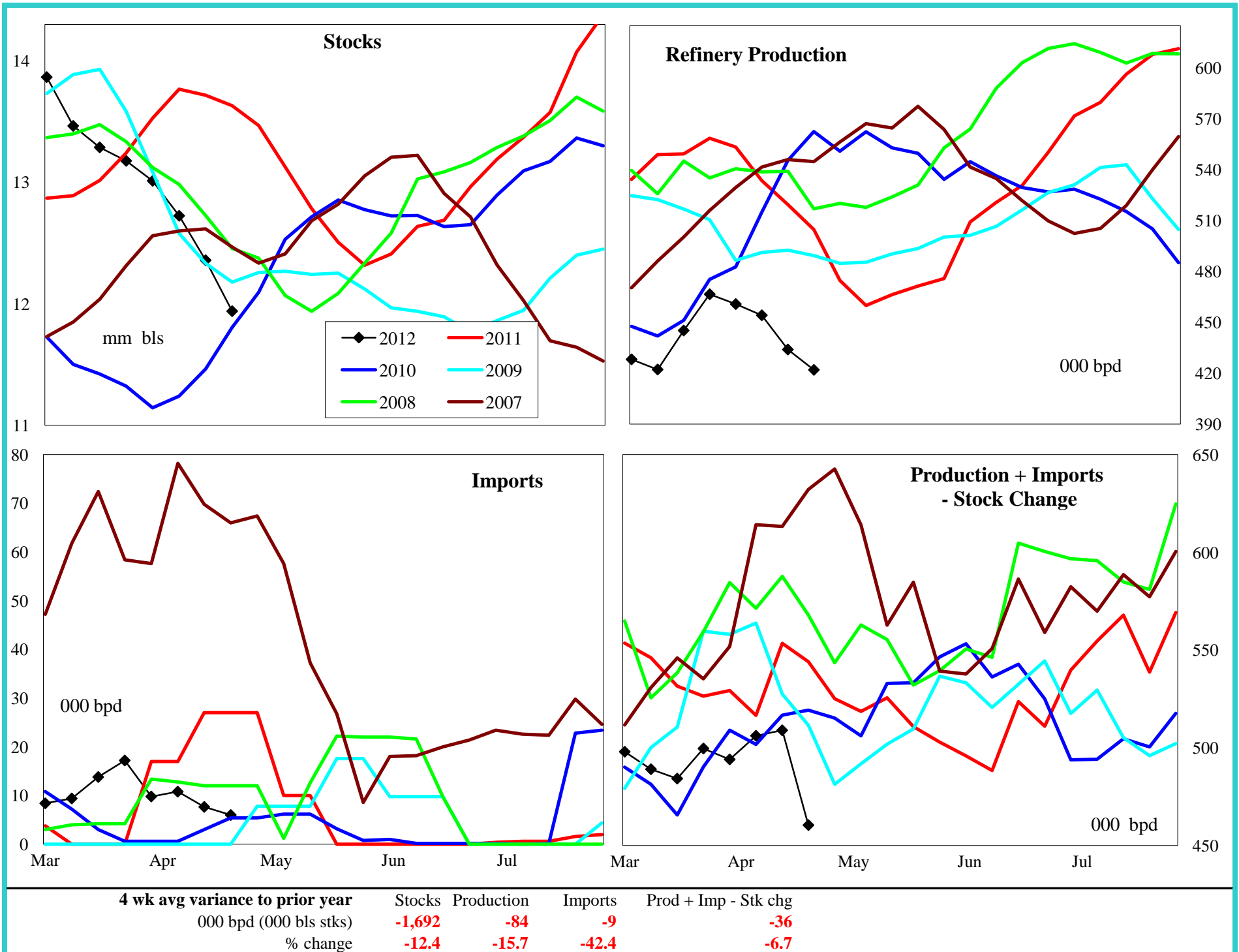


# PADD 5 Conventional Gasoline Supply

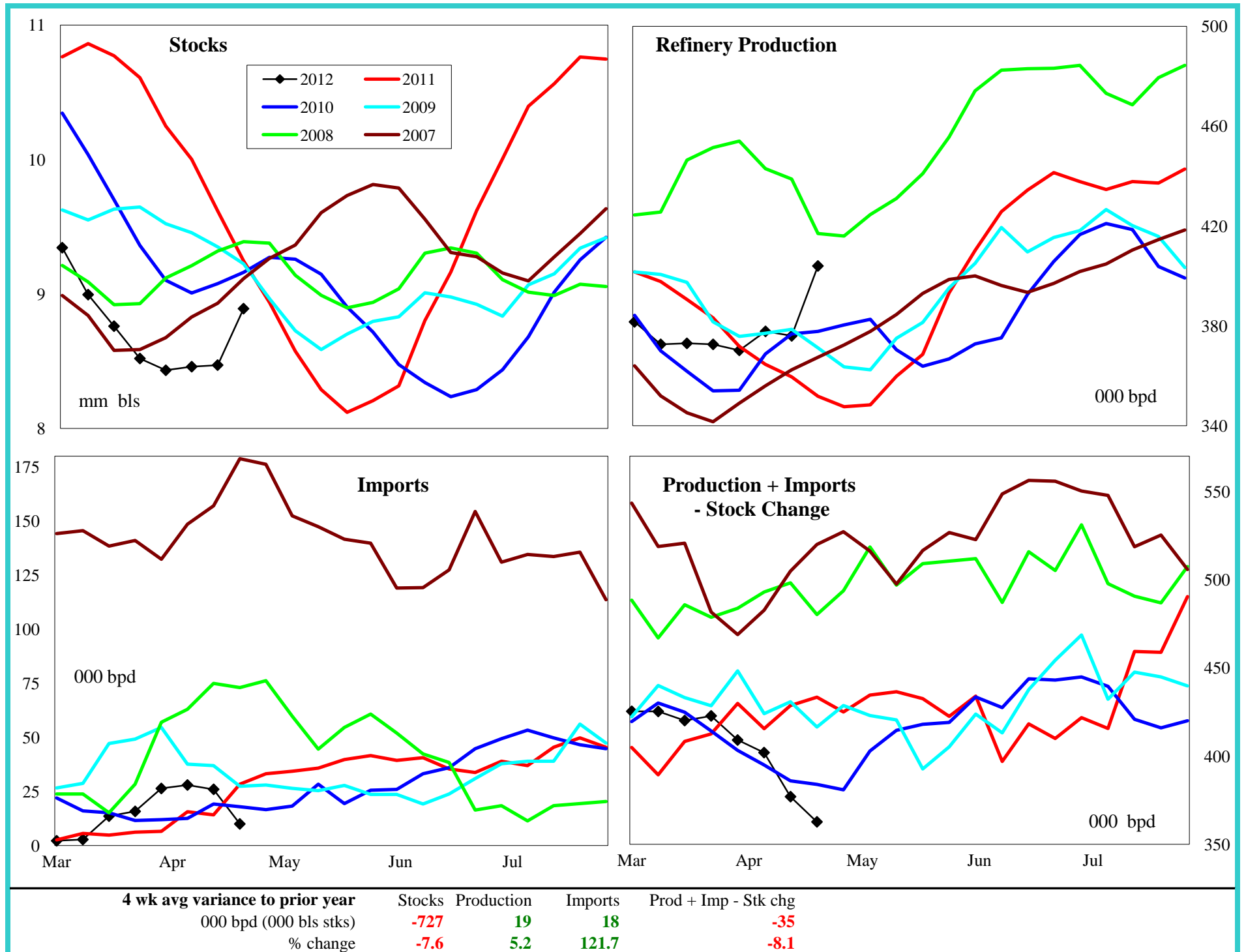




# PADD 5 Distillate Supply



# PADD 5 Jet Fuel Supply



# PADD 5 Residual Fuel Oil Supply

