



## WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

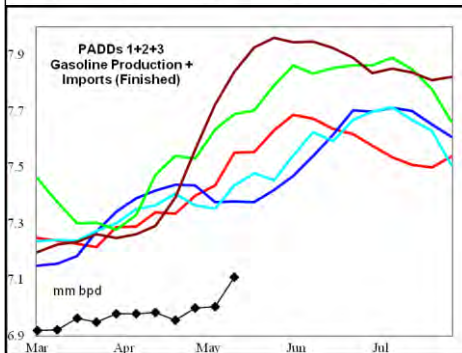
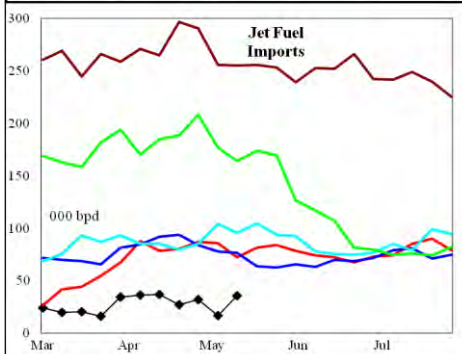
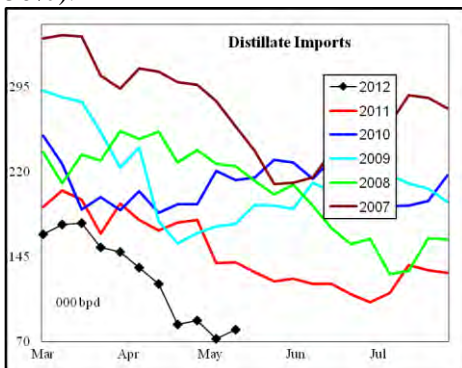
### A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Wednesday, May 16, 2012



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

Imports of the four major refined products (gasoline, distillate, jet fuel and residual fuel oil) are down a combined -725,000 bpd compared to last year for the latest 4-wk period (-50%).



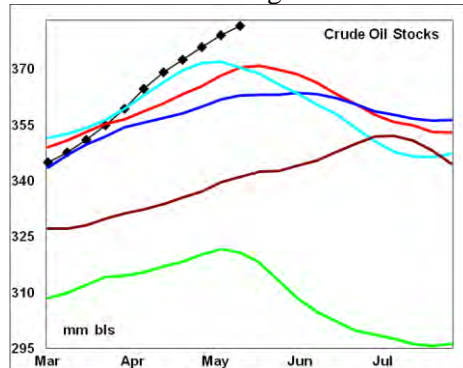
This decrease has primarily impacted supplies on the East Coast, where stock levels for each product are at the low end of the 5-year range, with jet fuel and residual fuel at record low levels.

Closure of refineries in the Caribbean and Europe, and growing demand for refined fuels in Central and South American markets underlie this decline.

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

Going forward, the East Coast faces increased dependence on supplies from Gulf refiners, competing with exports to the rapid growth regions of Central and South America.

Dependence on the Gulf will likely result in lower stock levels, and increase risk of physical supply squeezes in key East Coast markets for middle distillates and gasoline.



Crude oil stocks continued to build last week, with the level of U.S. commercial stocks now +11 million barrels above the prior 5-year high.

Crude oil runs for the latest 4-wk period were +0.6 million bpd above a year ago, while imports were nearly unchanged year-on-year. Record domestic production and higher imports from Canada have led to the rise in working stocks.

**Demand** for distillate fell sharply last week, while gasoline extended the seasonal uptrend. Wholesale demand, measured over the last four weeks compared to a year ago: gasoline decreased -2.6%; distillate down -0.5%; jet fuel down -8.2% while residual fuel oil decreased -33%.

**Stocks forward coverage:** Gasoline demand coverage fell last week due to a -2.8 million barrel stock draw. Coverage levels fell below the mid range.

Distillate demand coverage decreased on a -1 million barrel stock draw. Coverage levels were well below the last 3-years.

Jet fuel coverage levels decreased on a -1 million barrel stock draw. Coverage levels ended the week comparable to the average of the last 3-

years.

**Refinery utilization** rates increased on a +302,000 bpd rise in crude oil runs. During the latest 4-wk period crude oil input was +595,000 bpd above a year ago.

Gasoline yield % on crude oil runs declined on a +11,000 bpd increase in output compared to the +302,000 bpd rise in crude oil runs. Yield % on crude oil runs was above the historic mid range.

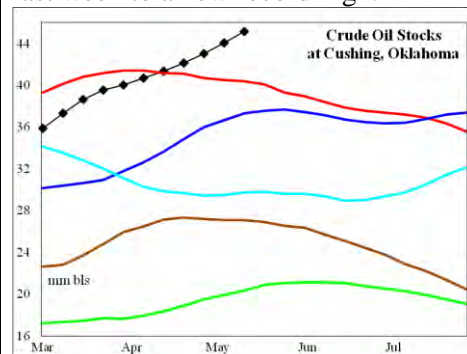
Distillate yield % on crude oil runs was nearly unchanged on a +107,000 bpd rise in production, compared to the increase in crude oil runs. The yield % was a record high for the period.

Jet fuel yield % on crude oil runs fell on a -31,000 bpd decline in production compared to the increase crude oil runs. Yield % levels fell to a record low level.

**Petroleum Imports** of major refined fuel products increased modestly for each fuel last week, although levels remain extremely low.

During the latest 4-wk period crude oil imports were -60,000 bpd below last year; distillate imports decreased -68,000 bpd; finished gasoline imports decreased -75,000 bpd, gasoline blend stock imports declined -314,000 bpd; jet fuel imports were -74,000 bpd lower, while residual fuel oil imports fell -190,000 bpd.

**Crude Oil** stocks increased +2.1 million barrels last week, with increases in all regions. U.S. stock levels are now +11 million barrels above the prior 5-year high. Stocks in Cushing increased +1 million barrels last week to a new record high.





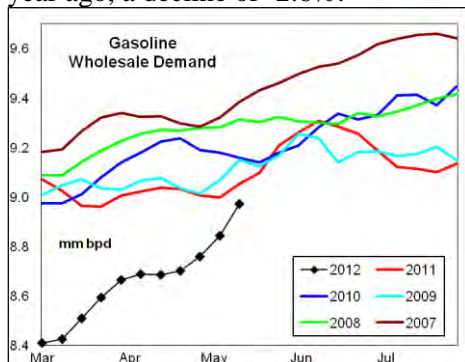
## WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

### A Fundamental Petroleum Trends Weekly Report

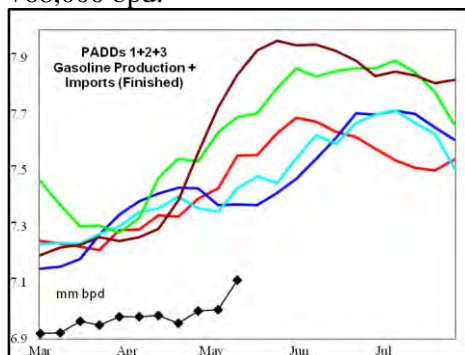
Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Wednesday, May 16, 2012

#### Product Supply-Demand Trends

**Gasoline** demand increased +107,000 bpd last week, lifting demand to the lowest year-on-year weekly decrease of the year. The latest 4-wk average demand was -236,000 bpd below a year ago, a decline of -2.6%.



Production increased +11,000 bpd on the week, while imports climbed +68,000 bpd.



Import levels remain -400,000 bpd below a year ago, more than offsetting the decrease in wholesale demand.

Stocks decreased -2.8 million barrels last week, driving the level below four of the last 5-years.

The latest 4-wk stock draw in markets East of the Rockies was -4.5 million barrels, compared to an average draw of -3 million barrels.

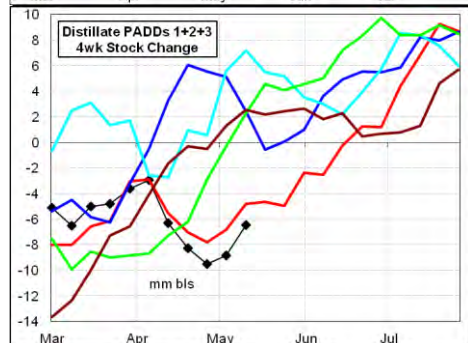
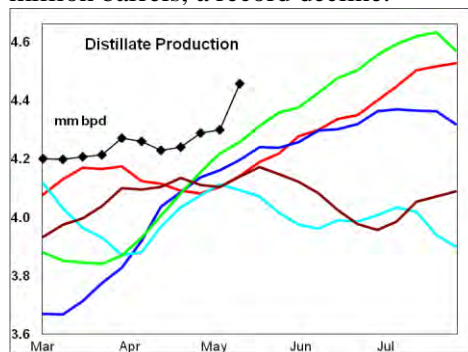
West Coast supplies remain extremely tight, with stocks down another -0.9 million barrels. Record low imports continue to risk a supply squeeze on the East Coast.

**Distillate** demand fell -309,000 bpd last week, reversing much of last weeks jump. The latest 4-wk average was -17,000 bpd below a year ago.

Supplies jumped +141,000 bpd last week, driven by sharply higher production, which reached a new 5-

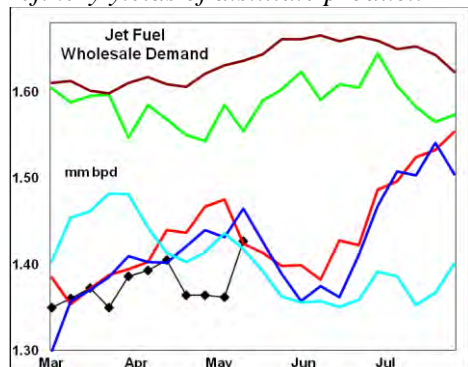
year season high. The latest 4-wk average supply was +123,000 bpd above a year ago. Stocks decreased -1 million barrels on the week, to a level -25 million barrels below the average of the last 3-years.

The latest 4-wk stock draw in markets East of the Rockies was -6.4 million barrels, a record decline.



Production rates are again well above the 5-year range as refiners return to operation from spring maintenance. Production was higher in nearly all major markets.

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



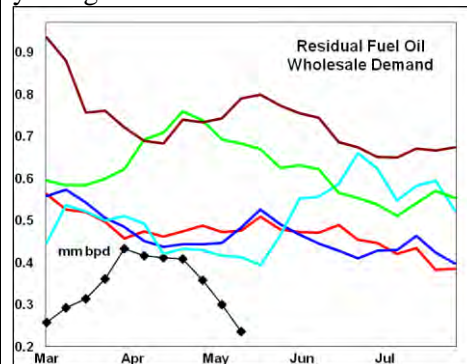
**Jet Fuel** demand jumped +95,000 bpd on the week, to a level comparable to the last 3-years. The latest 4-wk average demand was -121,000 bpd

below a year ago.

Supply was unchanged on the week, with lower production offset by a similar rise in imports. Stocks decreased -1 million barrels last week, to a level below the 5-year range.

Demand decreased -8.2% during the latest 4-wk period. After this weeks' increase, demand should trend seasonally lower. Imports are down -74,000 bpd, (-83%) from last year. Production fell below the 5-year range last week. A lack of imports and slower than normal return from maintenance should constrain supplies for the next 2-months.

**Residual fuel oil** demand declined -92,000 bpd last week. The latest 4-wk average was -174,000 bpd below a year ago.



Supply (production + imports) increased +9,000 bpd last week, on higher imports. The latest 4-wk average supply was -203,000 bpd below last year on lower imports. Stocks increased +0.3 million barrels, with the level -10% below the historic range.

Wholesale demand decreased -33% below last year during the first 4-months of the year. Substitution of natural gas has depressed demand for residual fuel, offsetting higher economic growth. Production levels are comparable to the last 3-years.

The key Gulf Coast market remains well supplied, measured by stock levels and production. However, there were no imports last week and were down over -90% for the last 60-days compared to a year ago.





## WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

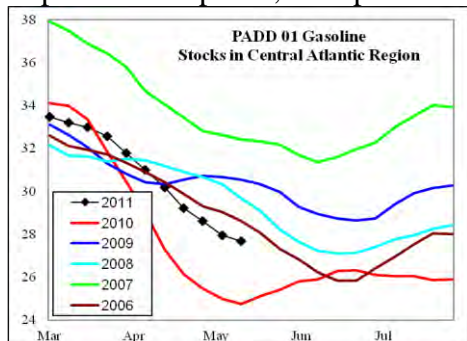
### A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Wednesday, May 16, 2012

#### PADD Supply Trends

**PADD 1** refinery crude oil runs increased +8,000 bpd on the week, with the latest 4-wk average -86,000 bpd below last year.

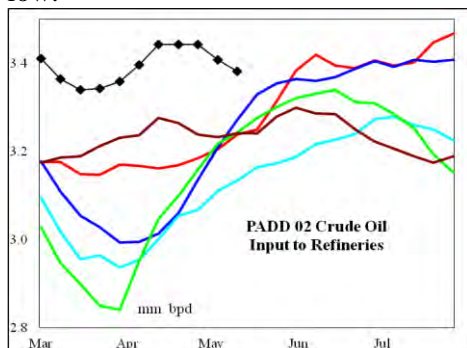
Gasoline production increased +25,000 bpd last week, while imports were up +96,000 bpd.



Stocks were nearly unchanged for the week, with the level below the historic mid range. Stock levels in the key Central Atlantic Region ended the week below four of the last 5-years.

Distillate supply increased +9,000 bpd on the week, although the level remains below the 5-year range on a lack of imports. Stocks increased +0.1 million barrels on the week, a level -18% below last year.

Jet fuel supply increased +49,000 bpd last week, although the level remains nearly -100,000 bpd below a year ago for the most recent 4-wk period. Stocks decreased -0.3 million barrels on the week, to a fresh 5-year low.



**PADD 2** crude oil refinery runs increased +49,000 bpd on the week, with the 4-wk average +250,000 bpd above last year. Crude oil imports were unchanged last week, with the

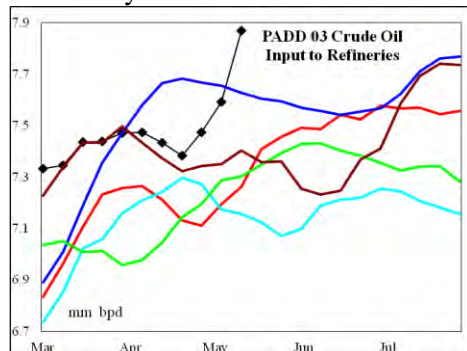
level +33% above last year. Stocks increased +0.3 million barrels to a level +2.8% above last years' record high.

Gasoline production increased +170,000 bpd last week, to a level comparable with the last 2-years. Stocks decreased -1.2 million barrels, to a level near the mid range.

Distillate production increased +59,000 bpd on the week, to a level above the 5-year range. Stocks decreased -0.8 million barrels, a level above four of the last five years.

Jet fuel production increased +2,000 bpd on the week, a level below the mid range. Stocks ended the week at a level which near historic lows.

**PADD 3** refinery runs jumped +321,000 bpd last week, a new record high level. The latest 4-wk average thru put was +408,000 bpd above last year. Crude oil imports were nearly unchanged last week, with the level -445,000 bpd below a year ago. Stocks extended the seasonal build, rising +1 million barrels to a level above four of the last 5-years.



Gasoline production decreased -80,000 bpd last week, a level still below the 5-year range. Stocks decreased -0.5 million barrels last week, a level above the historic mid range.

Distillate production increased +45,000 bpd on the week, to a new record high. Stocks increased +0.9 million barrels a level -27% below a year ago.

Jet fuel production decreased -3,000 bpd last week, a level near the mid range. Stocks decreased -0.3 million barrels with the level still

above four of the last 5-years.

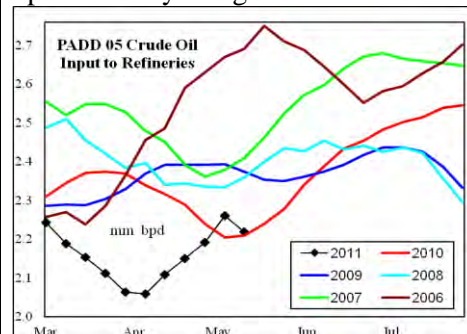
Residual fuel oil supplies decreased -52,000 bpd on the week, driven by lower production and imports. Production levels match the mid range. Stock levels ended the week comparable to last year.

**PADD 4** refinery crude runs decreased -15,000 bpd on the week, to a level below the 5-year mid range. The most recent 4-wk average run rate was +6,000 above a year ago.

Gasoline production was unchanged on the week, at a level below the mid range. Stocks decreased -0.1 million barrels, to a level below the last 2-years.

Distillate production was unchanged on the week, with the level near 5-year lows. Stocks have decreased -1 million barrels during the last month, with the level now slightly above the historic mid range.


**PADD 5** crude oil refinery runs fell -62,000 last week, to a level that matched 5-year lows. Runs for the most recent 4-wk period were +19,000 bpd above a year ago.



Gasoline production decreased -13,000 bpd on the week with the level above the 5-year range. Supply (production + imports) for the latest 4-wk average was +1,000 bpd above a year ago. Stocks fell -91 million barrels, to a new record low level.

Distillate supply increased +28,000 bpd on the week, although the level remains below the historic range. Stocks declined -0.8 million barrels, to a new record low level.

Jet fuel production & stock levels are each near 5-year lows.



FUNDAMENTAL

PETROLEUM TRENDS

?

PETROLEUM: Graph Link and Weekly Summary

A Fundamental Petroleum Trends Weekly Report

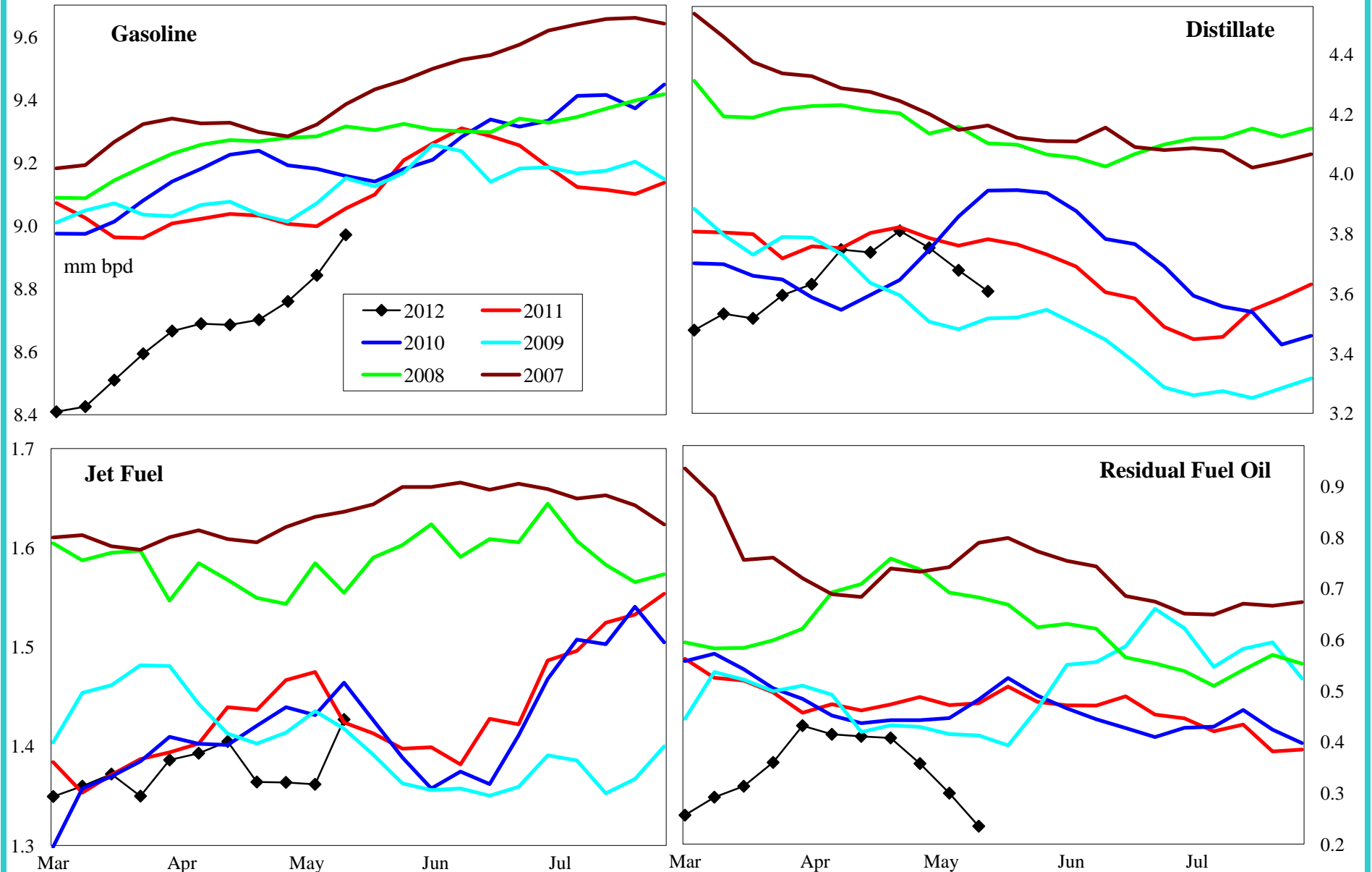
May 16, 2012

Lehi German Tel: 816.505.0980

www.fundamentalpetroleumtrends.com

Fundamental Trends	Wholesale Demand	Stocks Days Fwd Coverage	Refinery Utilization		Product Yield %		Imports
Supply/Demand Trends	11-May-12	EIA-DOE CHANGE FROM PRIOR WEEK					
	000 bpd stocks 000 bls	U. S. Total	PADD				
			1	2	3	4	5
Crude Oil	Stocks	2,128	512	338	1,046	81	150
	Imports	-86	92	-1	-27	57	-205
	Input	302	8	49	321	-15	-62
	% Utilization	1.90					
Gasoline	Stocks	-2,797	-49	-1,246	-511	-129	-860
	Production	11	25	170	-80	0	-13
	Imports	68	96	1	-1	0	-27
	Supplied	107					
Distillate	Stocks	-969	83	-754	916	-414	-799
	Production	107	-13	59	45	0	16
	Imports	34	22	0	0	0	12
	Supplied	-309					
Jet Fuel	Stocks	-956	-277	88	-329	-17	-420
	Production	-31	16	2	-3	-7	-40
	Imports	31	33	0	0	0	-1
	Supplied	95					
Residual Fuel Oil	Stocks	288	-260	-28	698	8	-130
	Production	-27	-3	8	-19	1	-14
	Imports	36	74	-5	-33	0	0
	Supplied	-92					

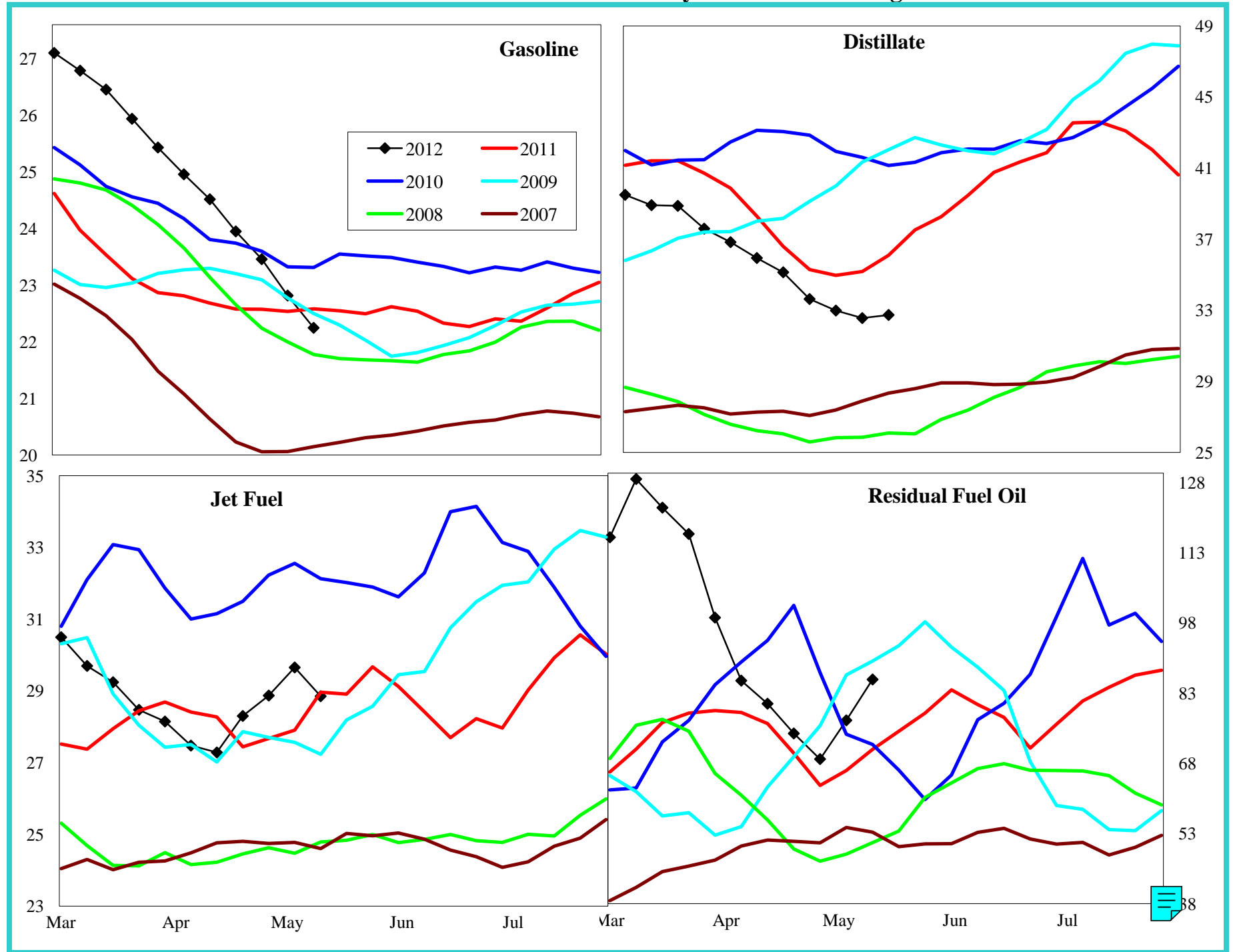
# United States Wholesale Petroleum Demand



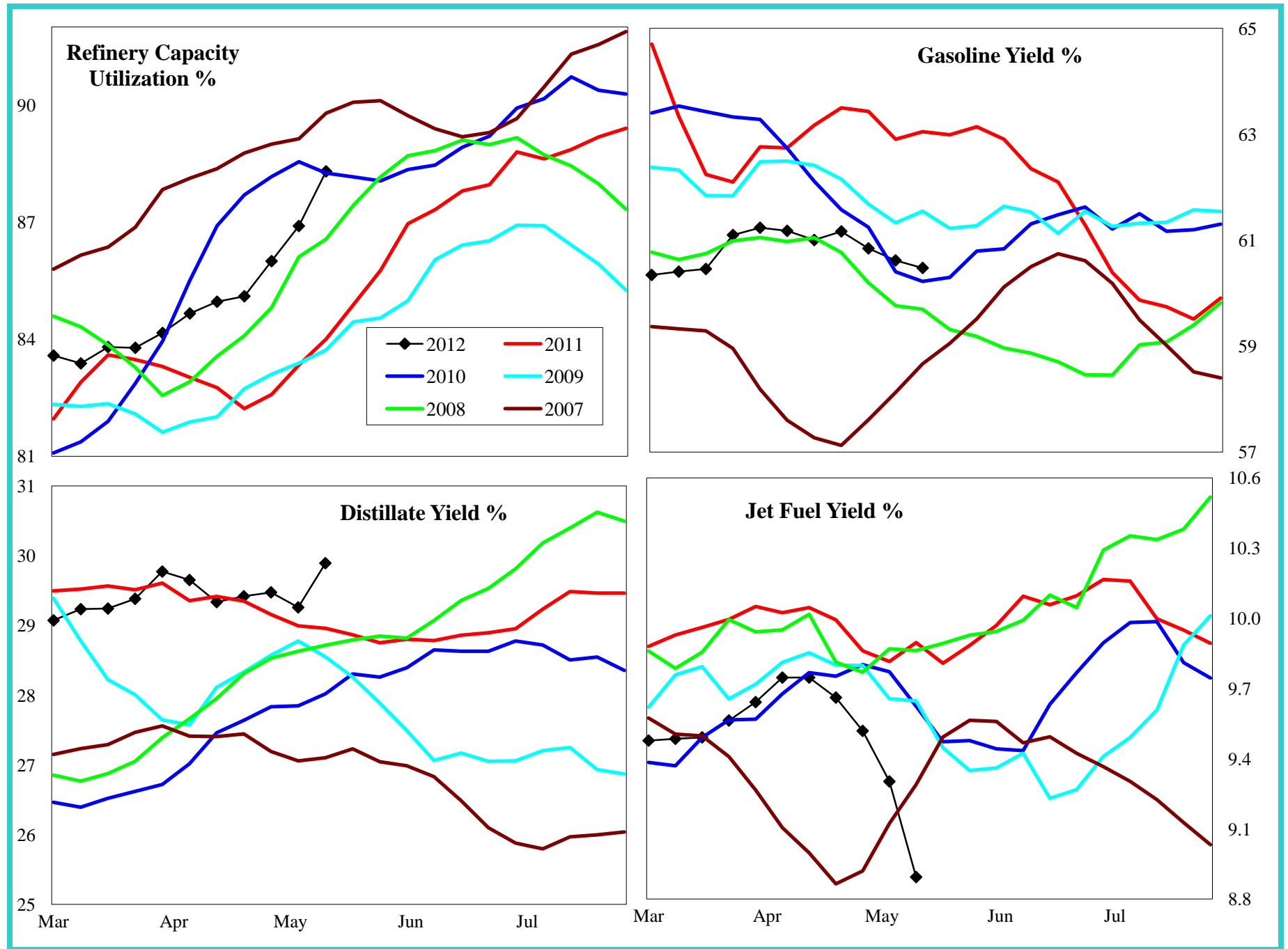
	000 bpd change from prior year				% change from prior year			
	4wk avg	Apr	Jan	Feb	4wk avg	Apr	Mar	Feb
<b>Gasoline</b>	-236	-55	-178	-26	-2.6	-0.6	-2.0	-0.3
<b>Distillate</b>	-17	141	-432	83	-0.5	3.8	-10.8	2.1
<b>Jet Fuel</b>	-121	-103	-59	7	-8.2	-7.1	-4.2	0.5
<b>Resid</b>	-174	-172	-179	-233	-33.0	-28.7	-32.7	-37.2



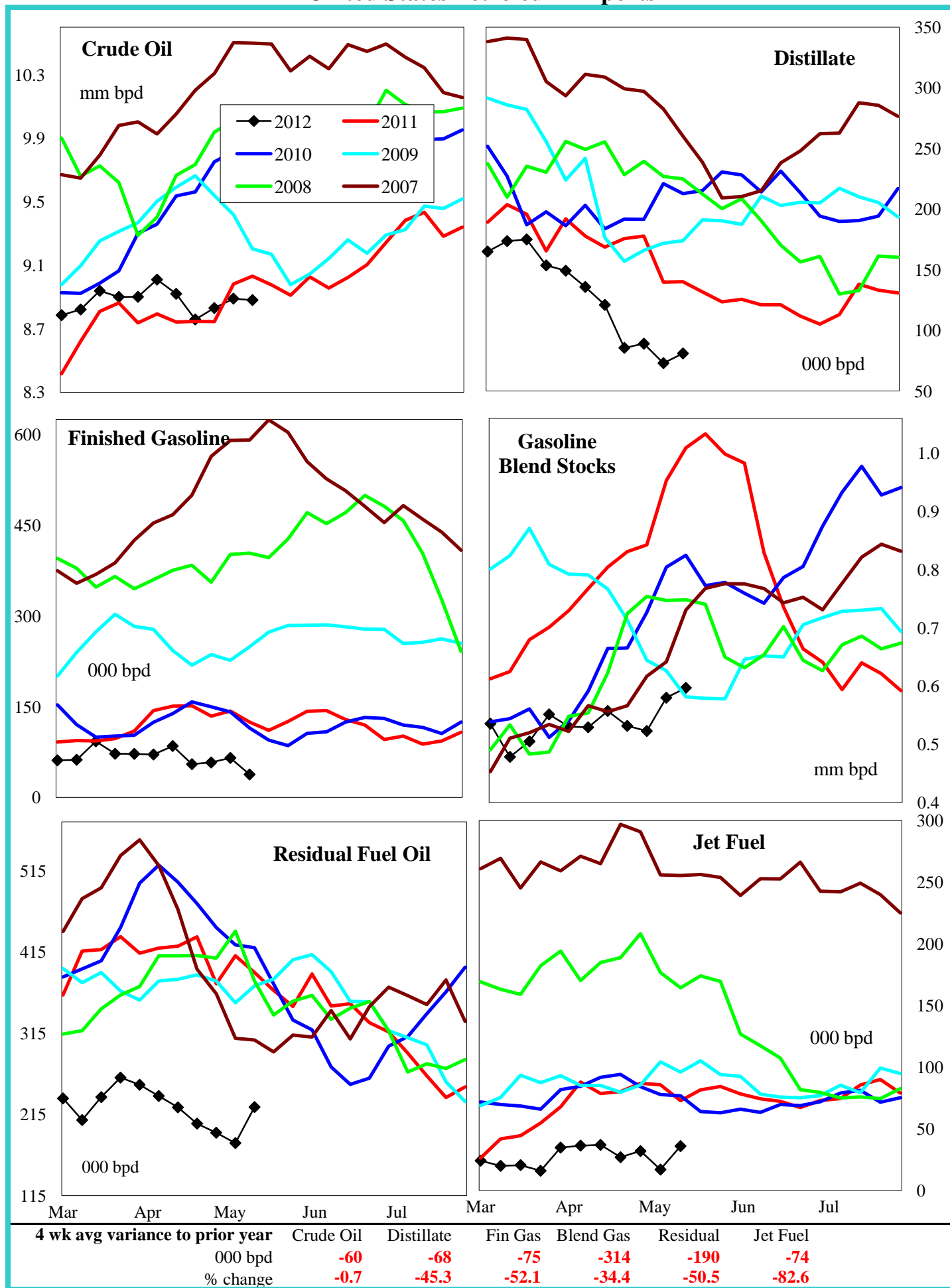
# United States Product Stocks: Days Forward Coverage



## United States Refinery Percent Utilization Rate and Product Yields

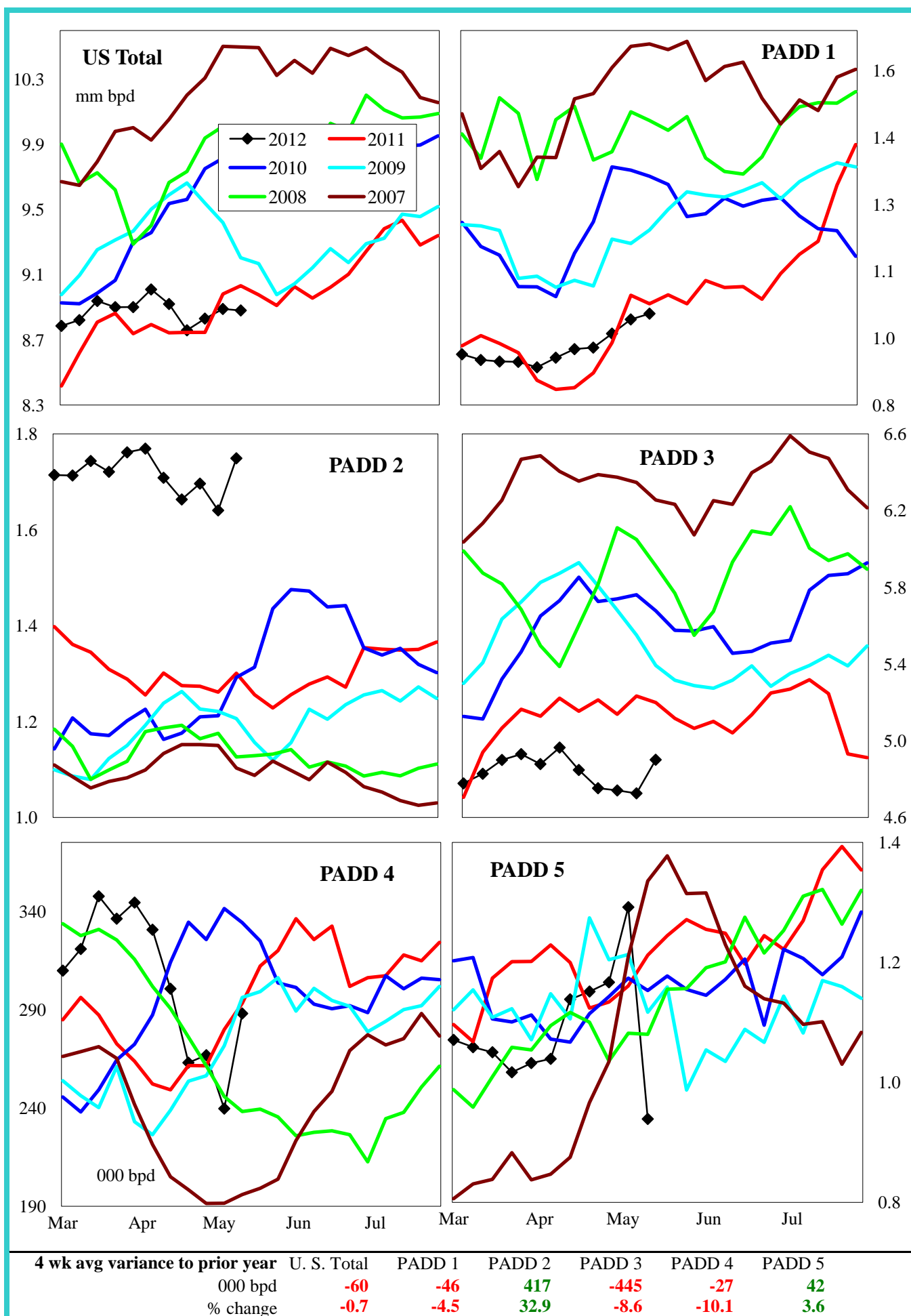


# United States Petroleum Imports

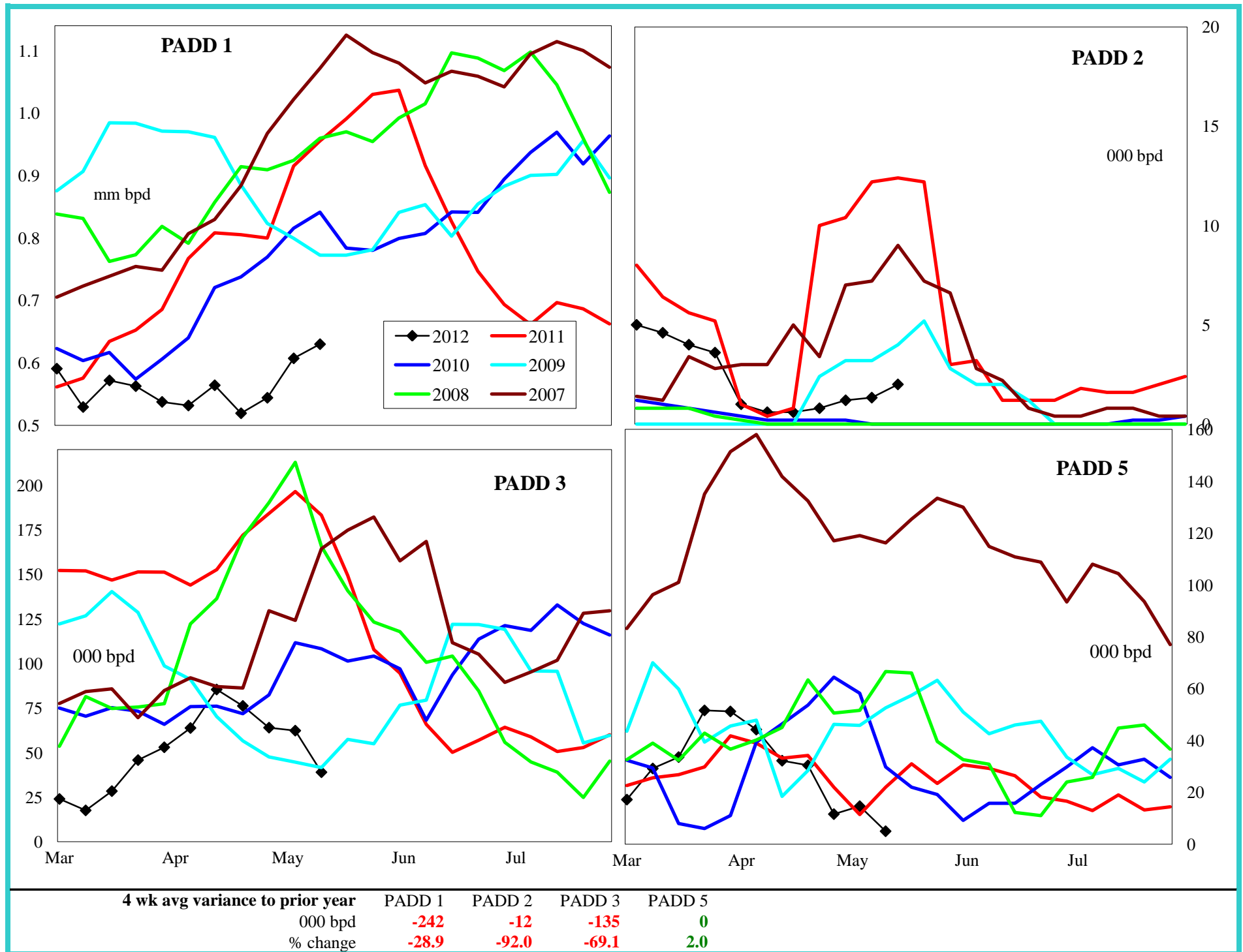




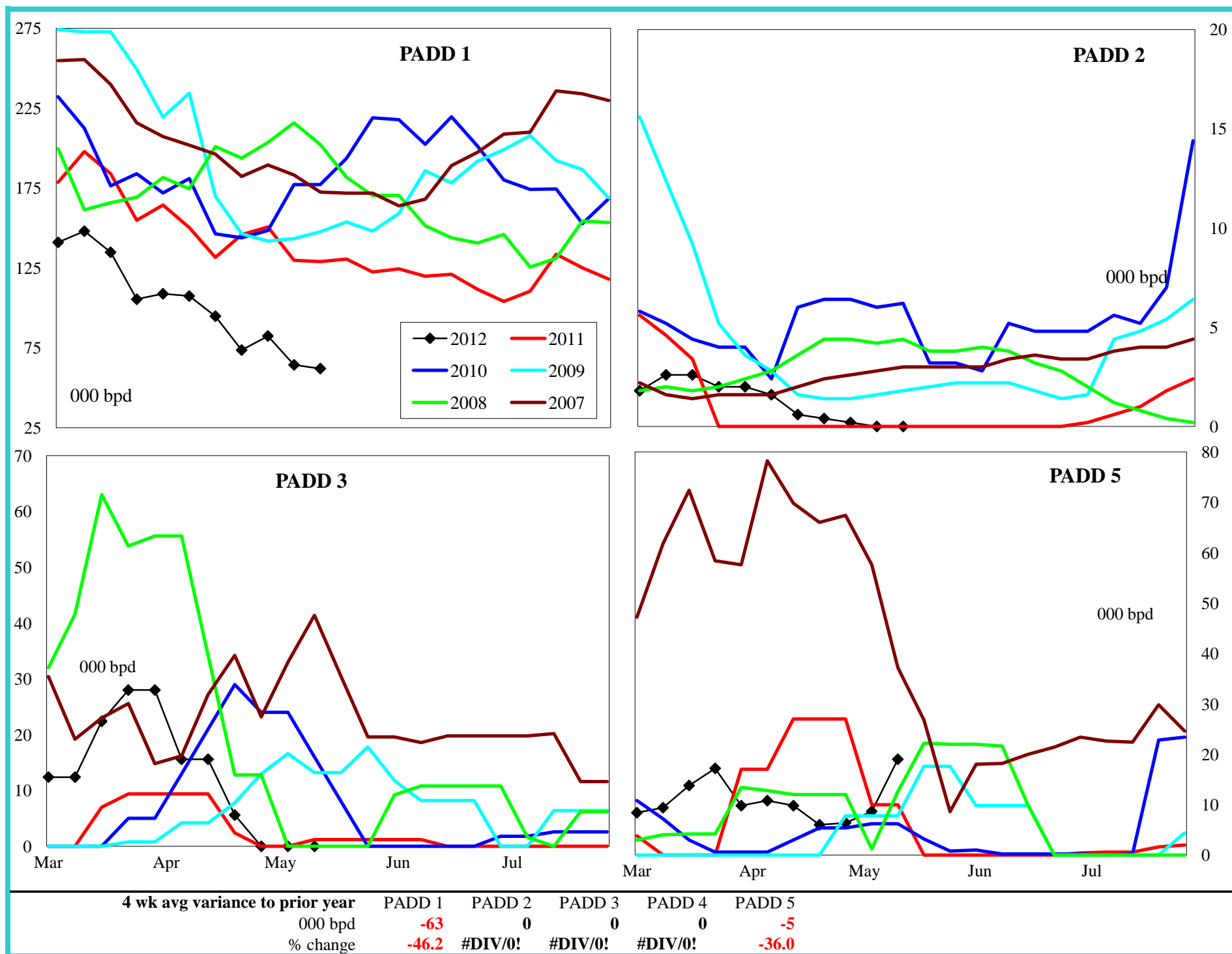
## Crude Oil Imports by PADD



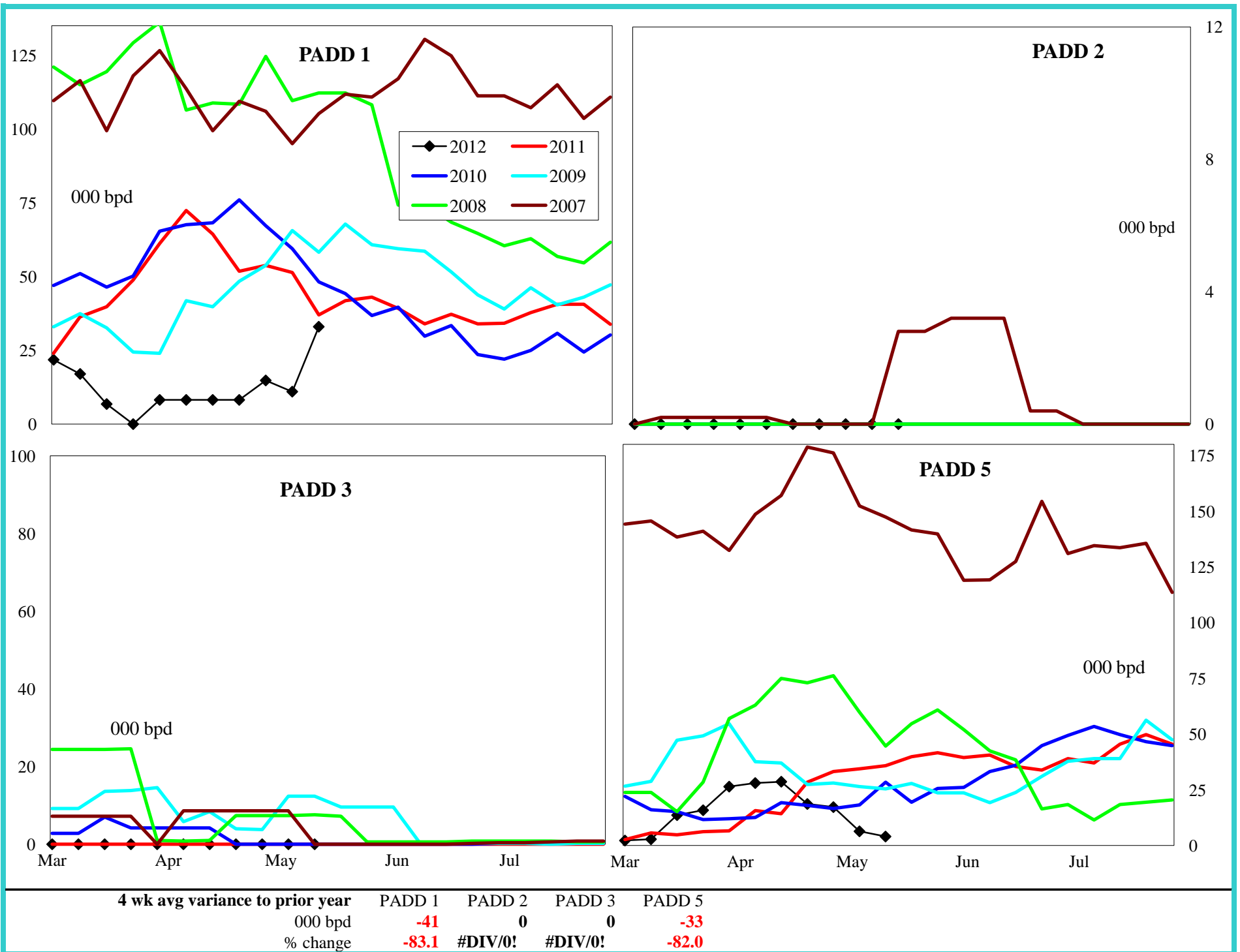
# Gasoline Imports by PADD (Finished + Blend Stocks)



# Distillate Imports by PADD

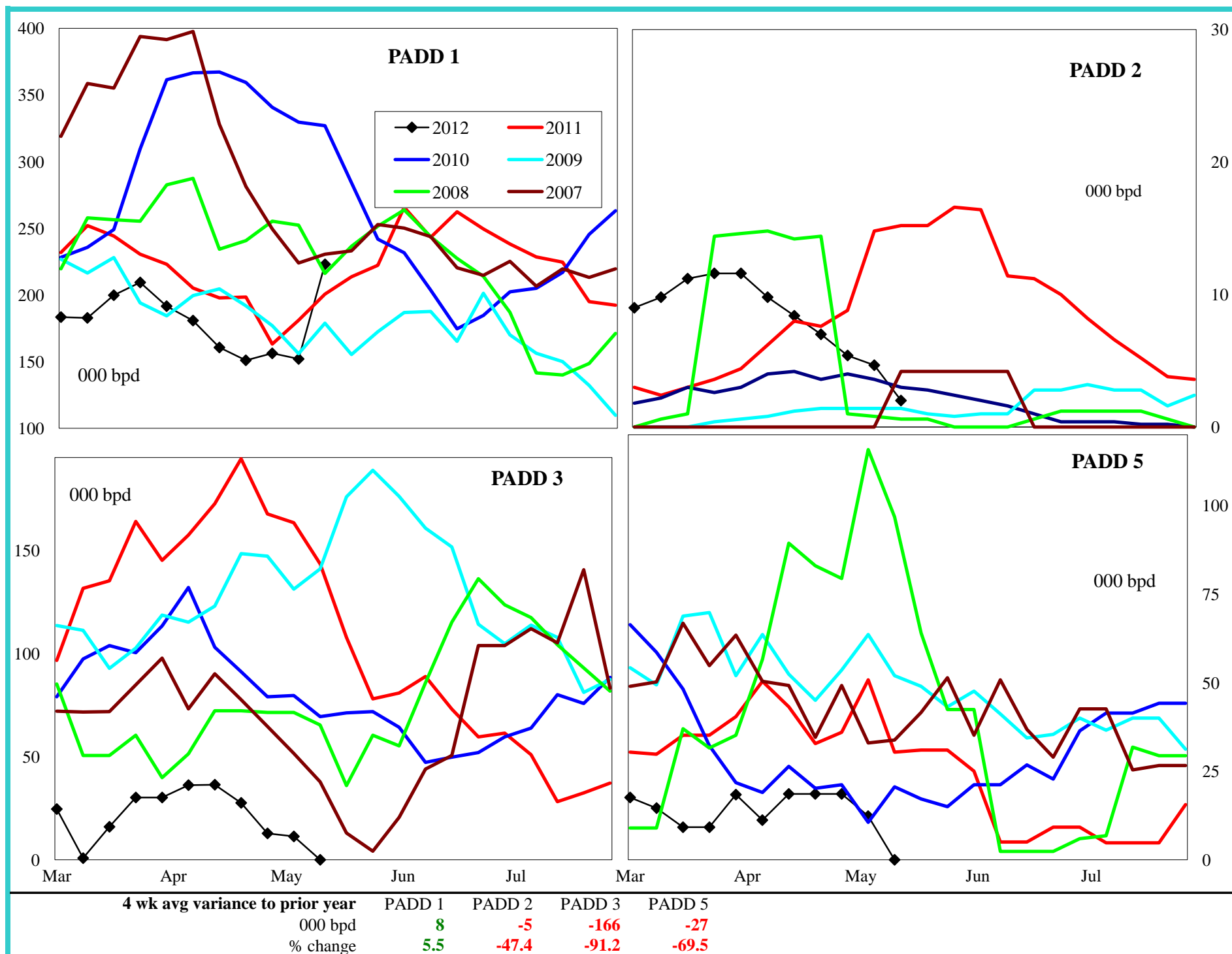


# Jet Fuel Imports by PADD

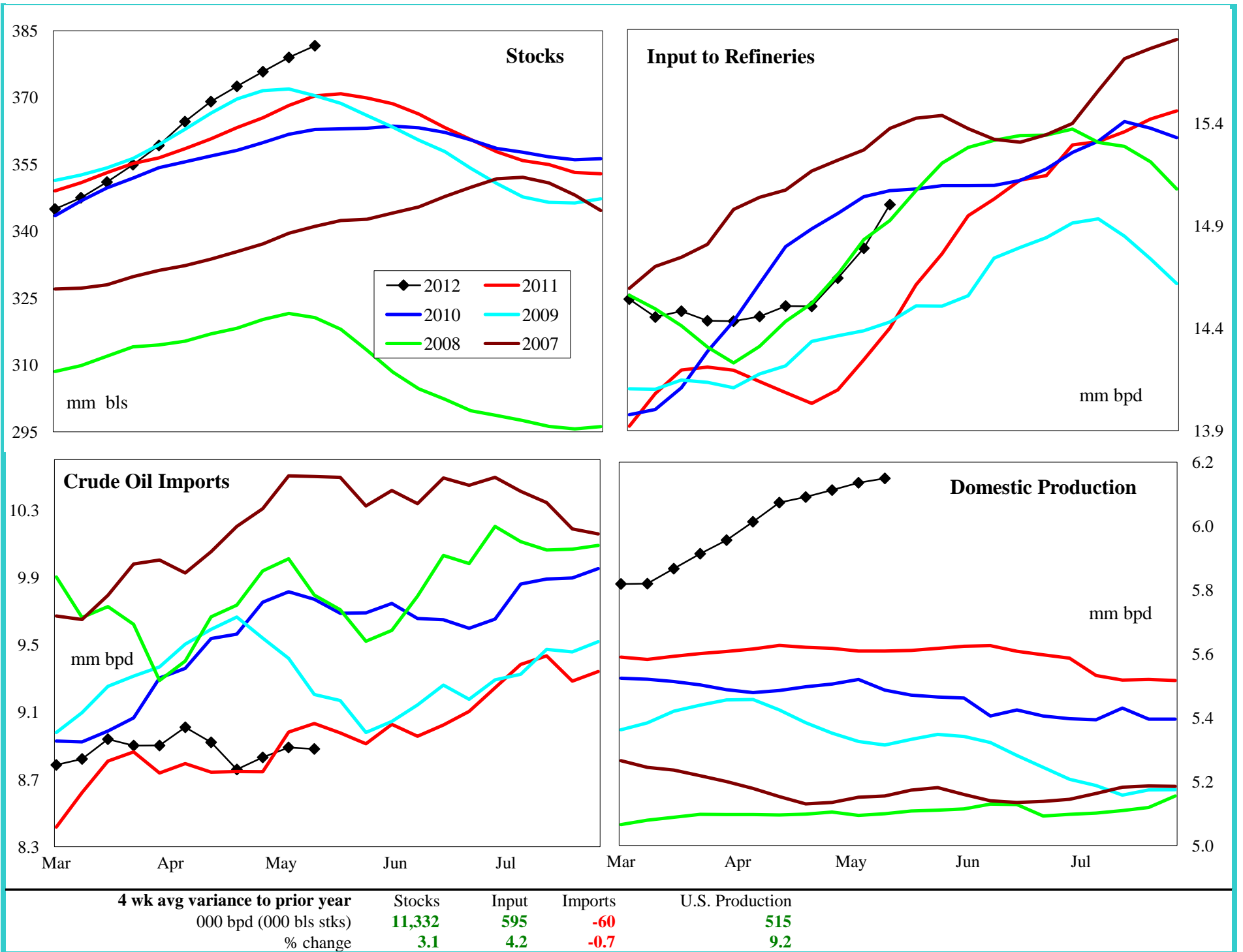




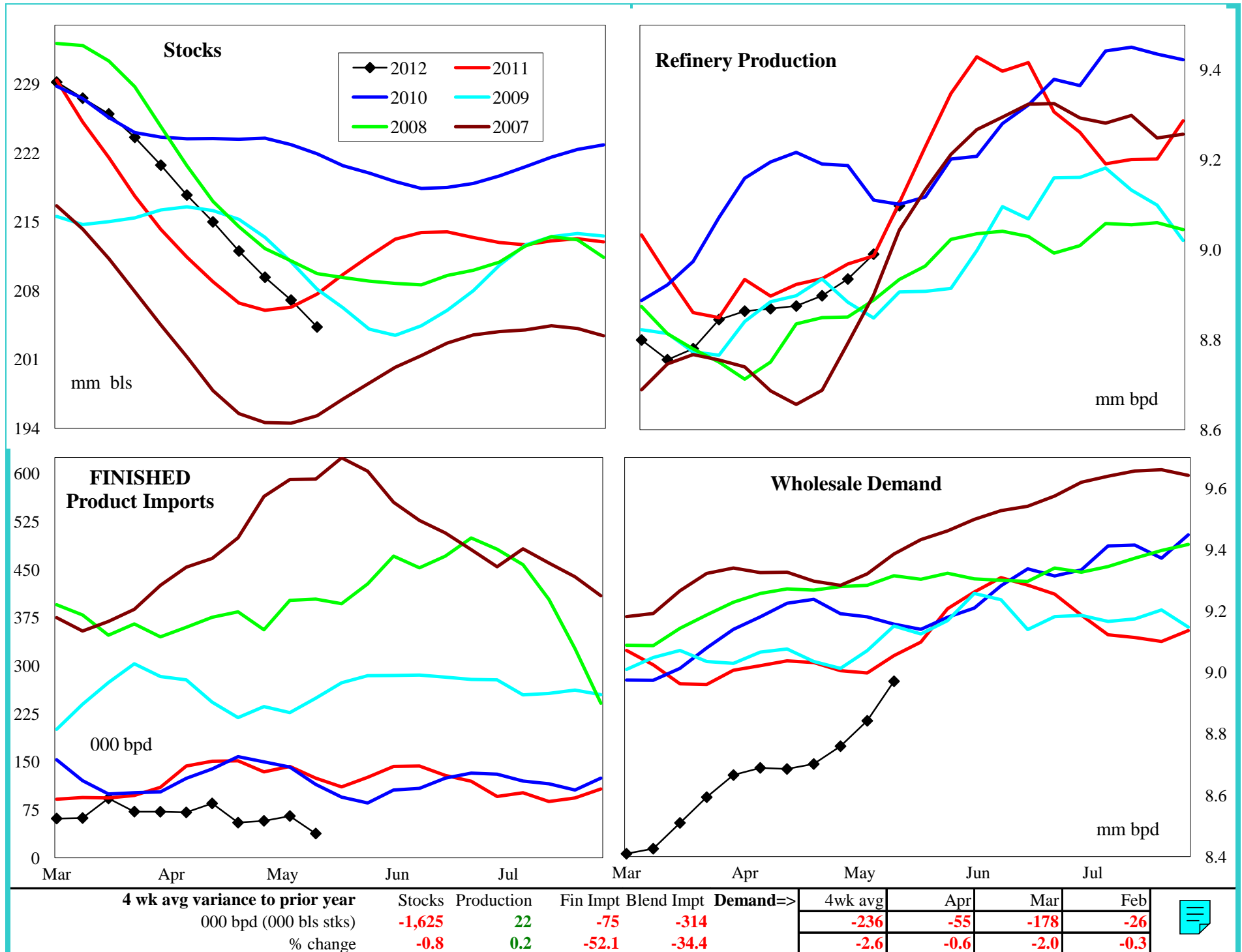
## Residual Fuel Oil Imports by PADD



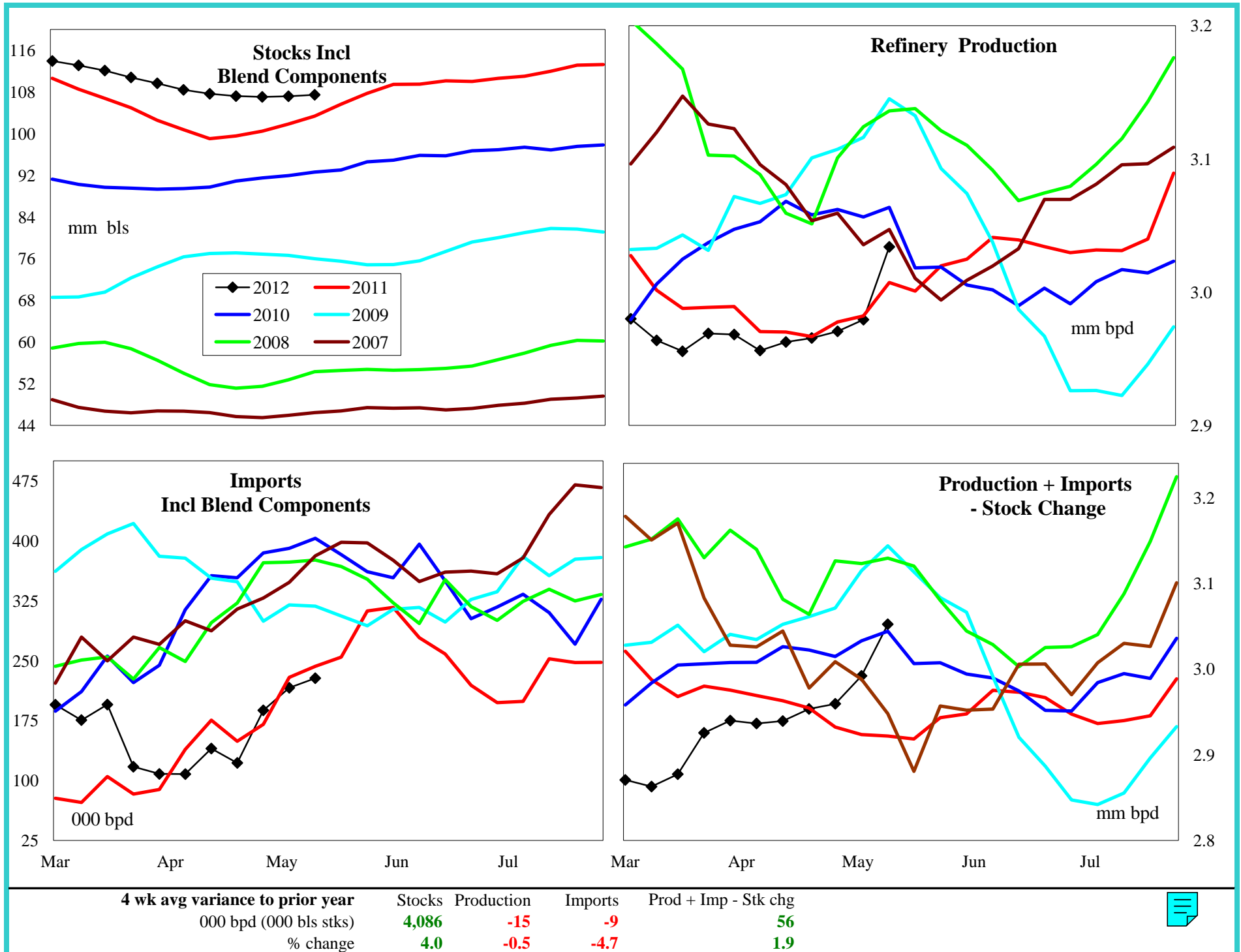
# United States Crude Oil Supply and Demand Balance



# United States Gasoline Supply and Demand Balance

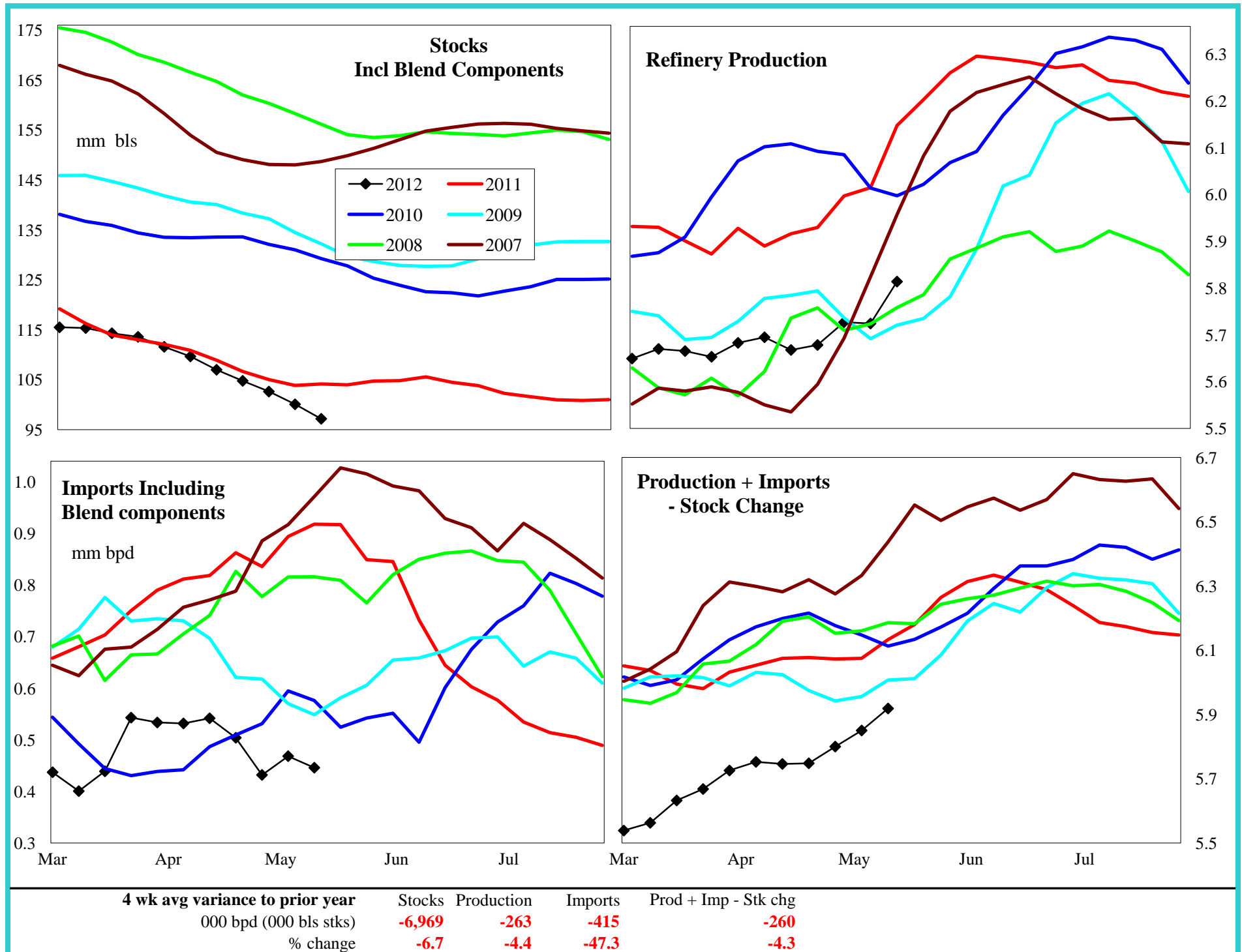


# United States Reformulated Gasoline Supply

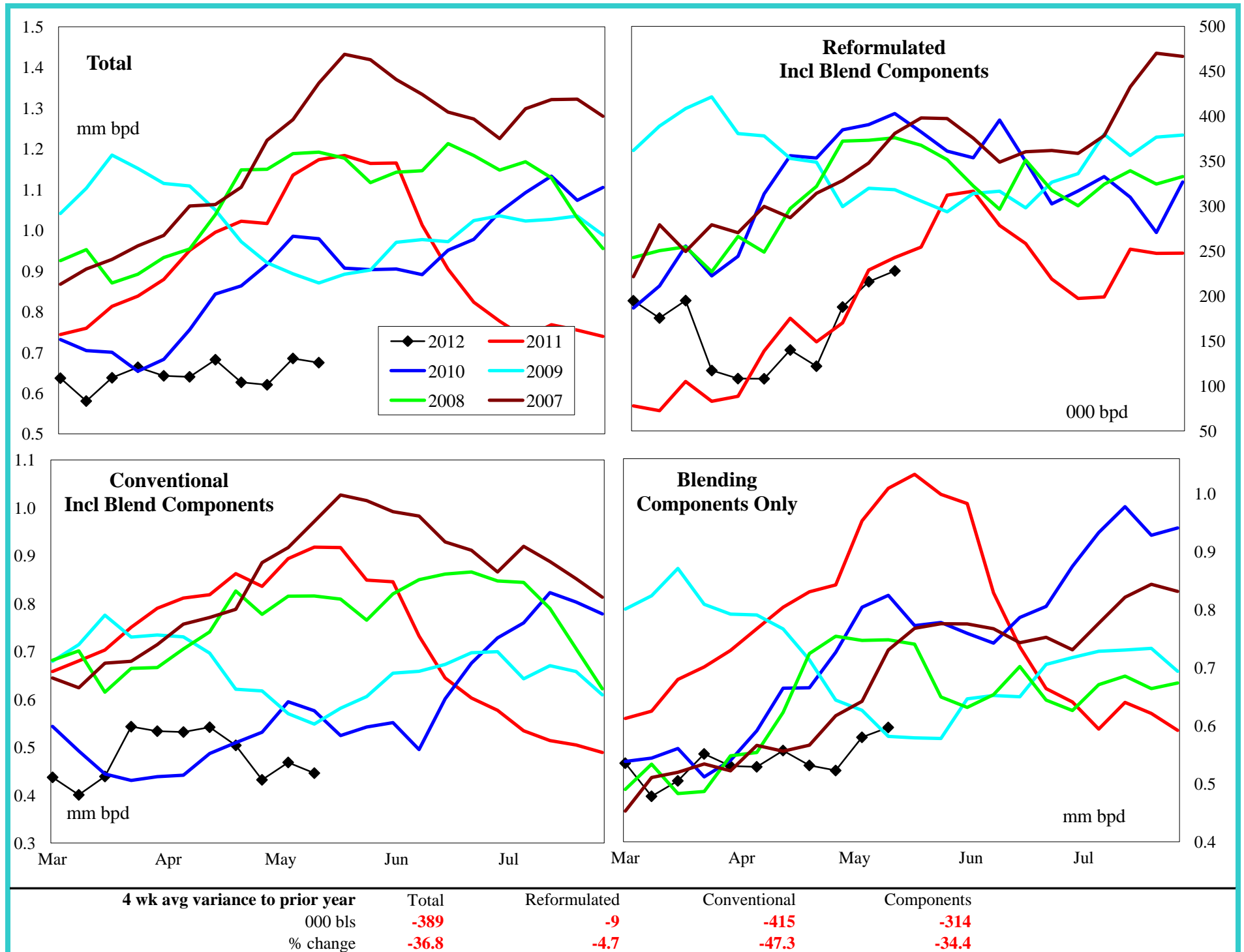




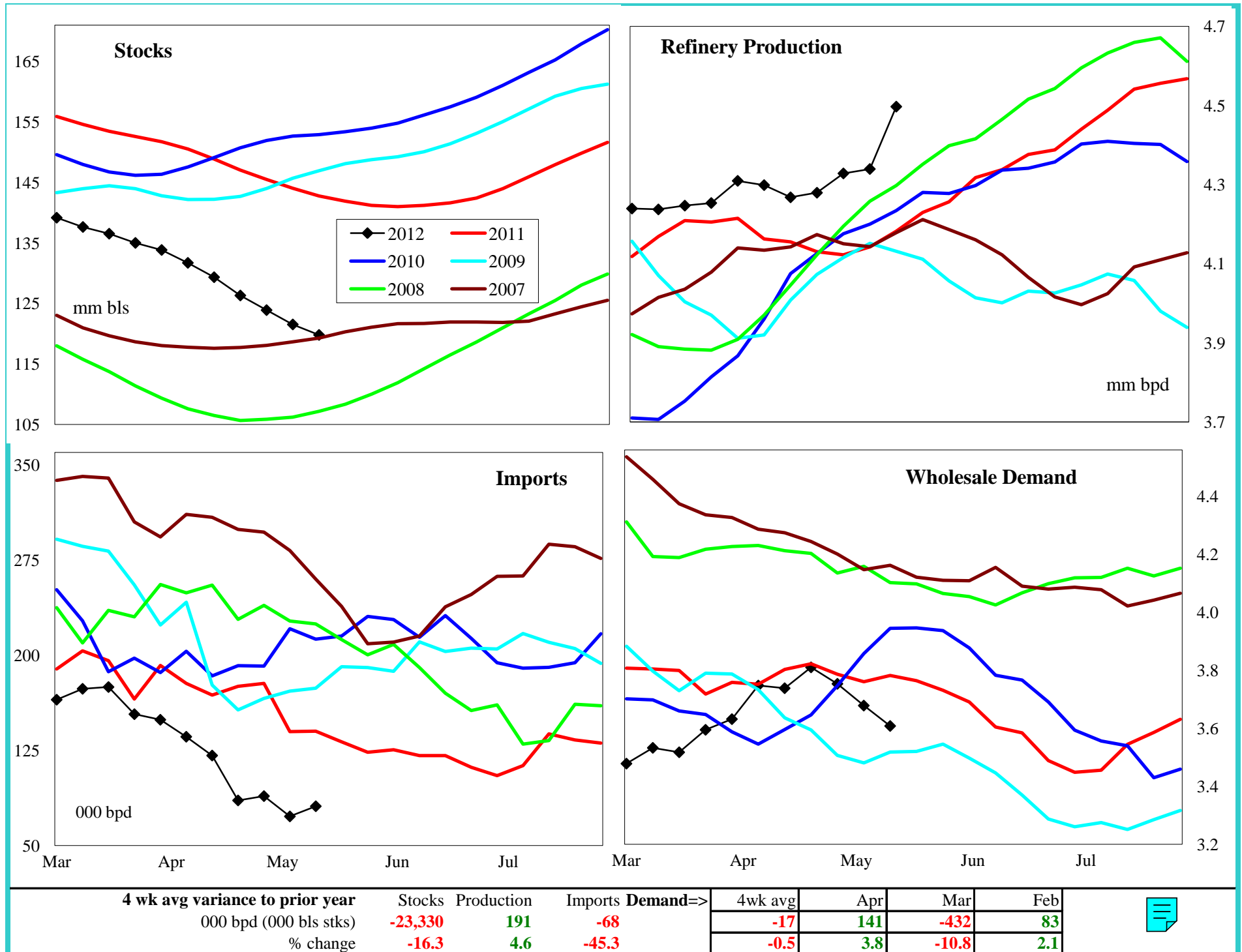
# United States Conventional Gasoline Supply



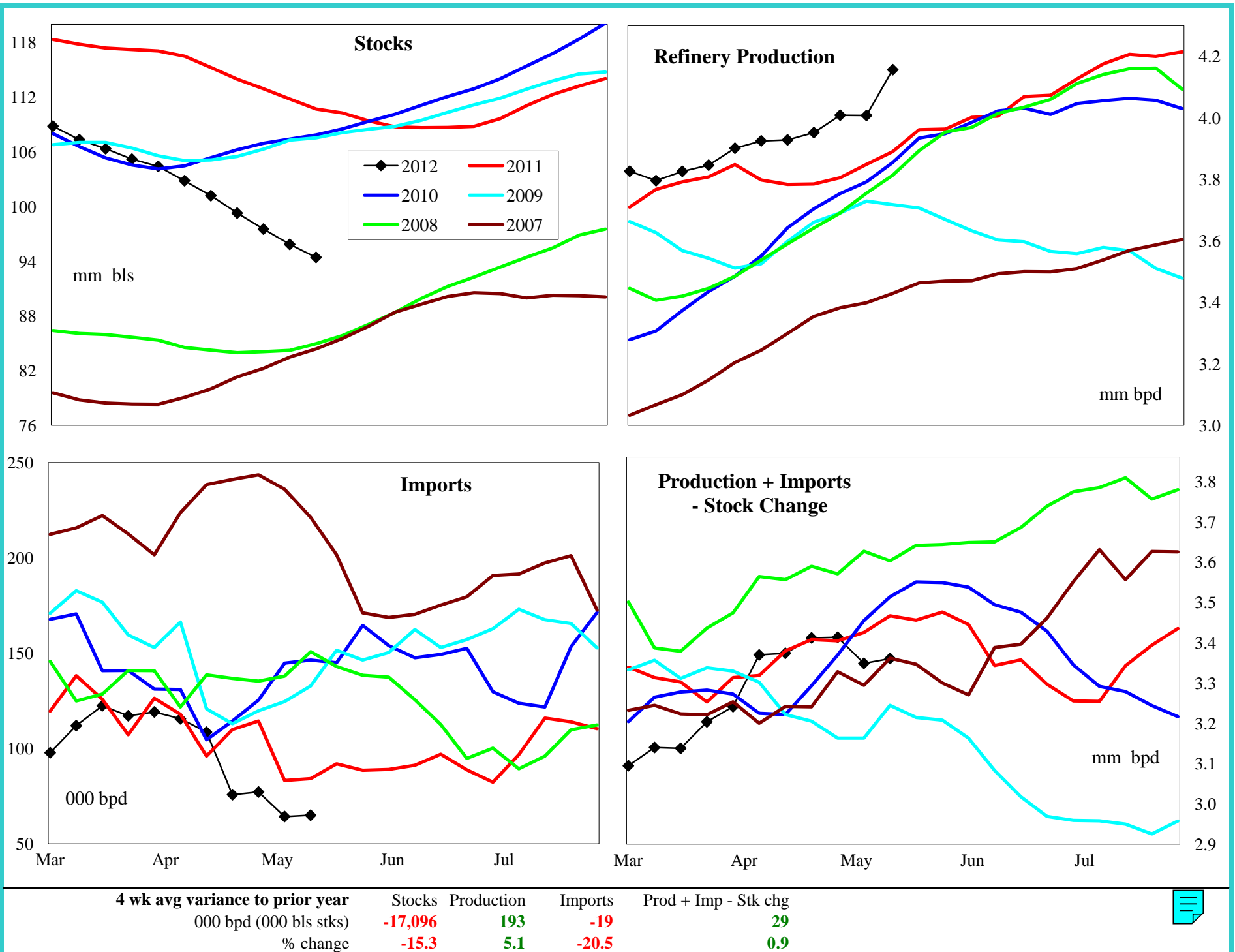
# United States Gasoline Imports by Type



# United States Distillate Supply and Demand Balance

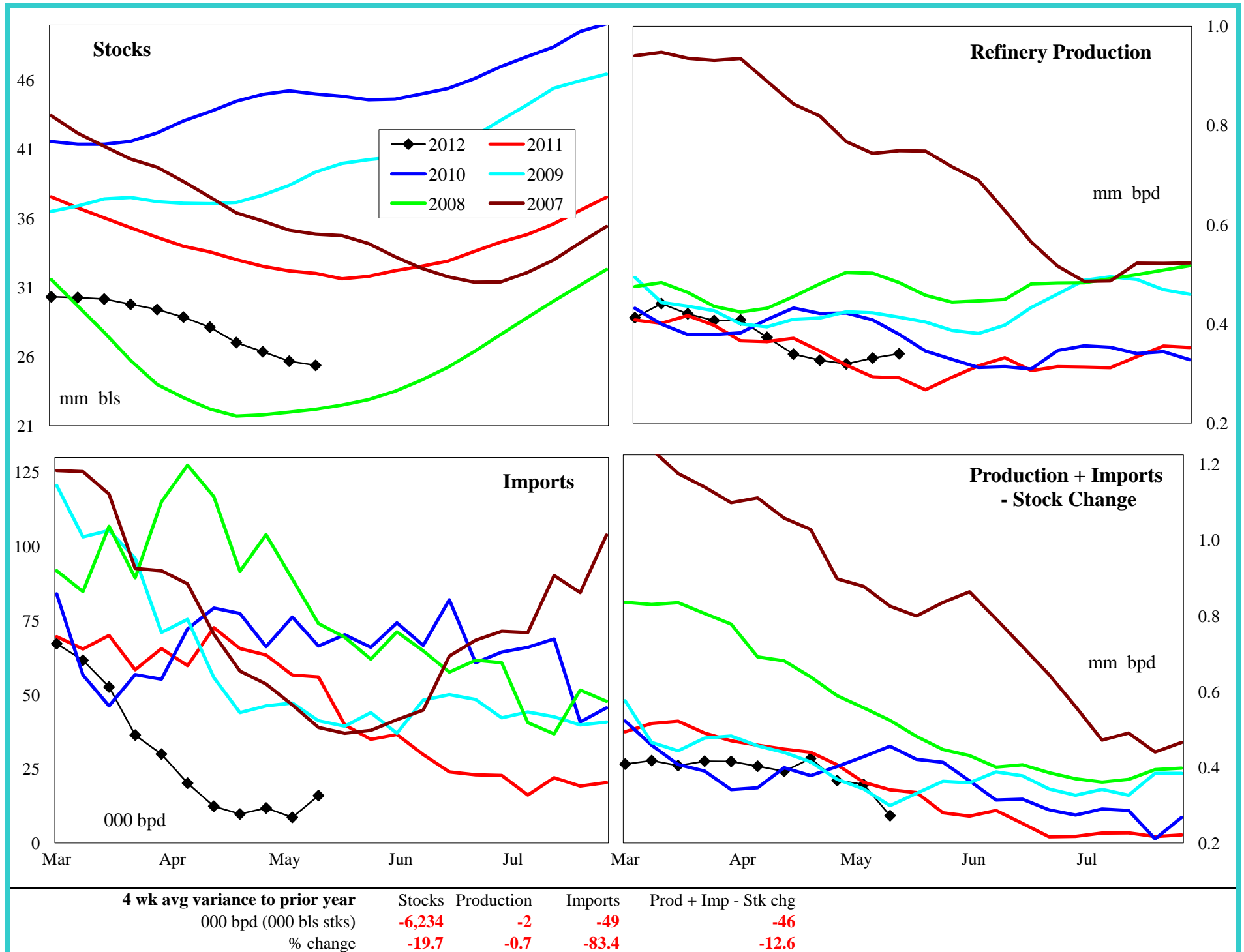


# United States Low Sulfur Distillate Supply

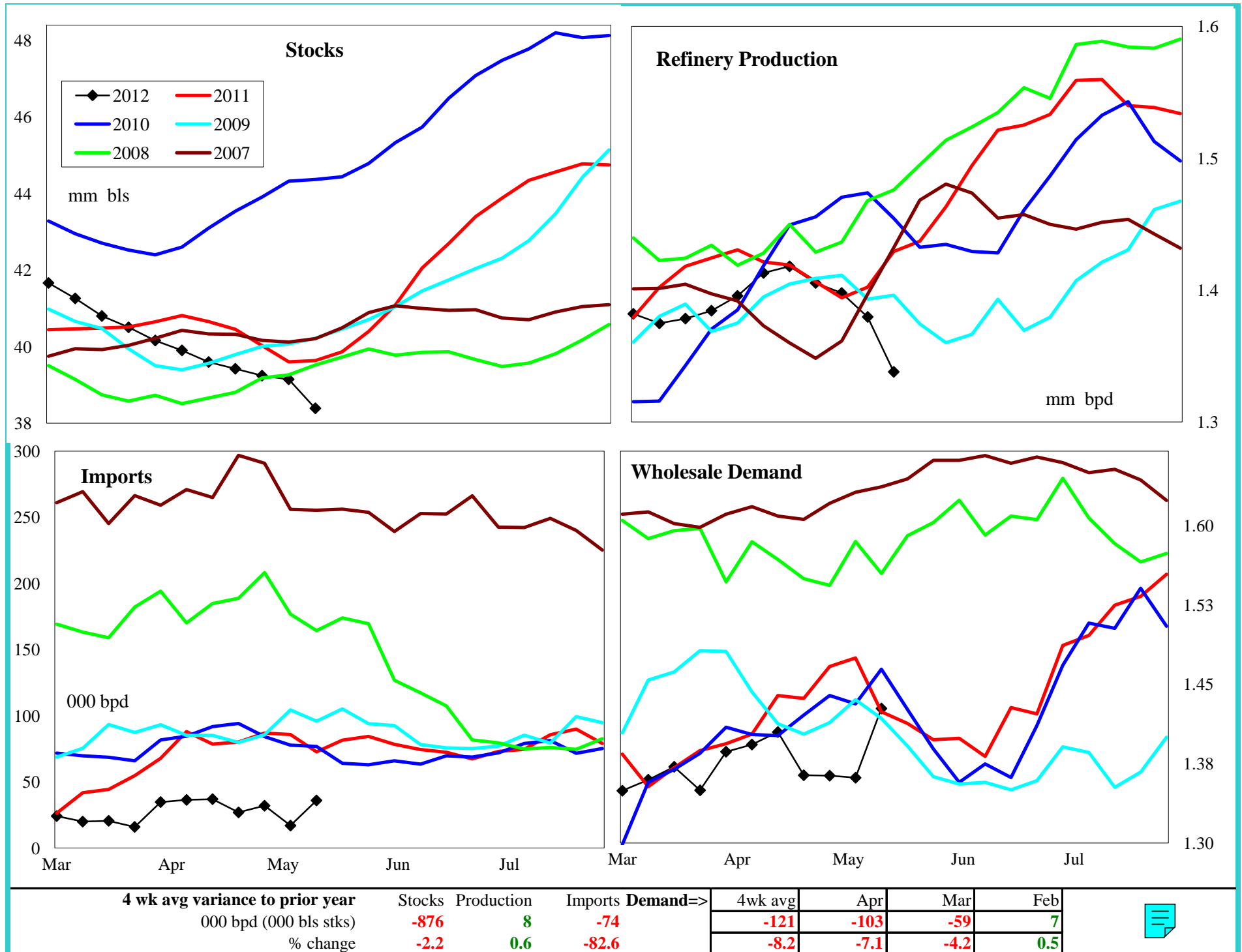




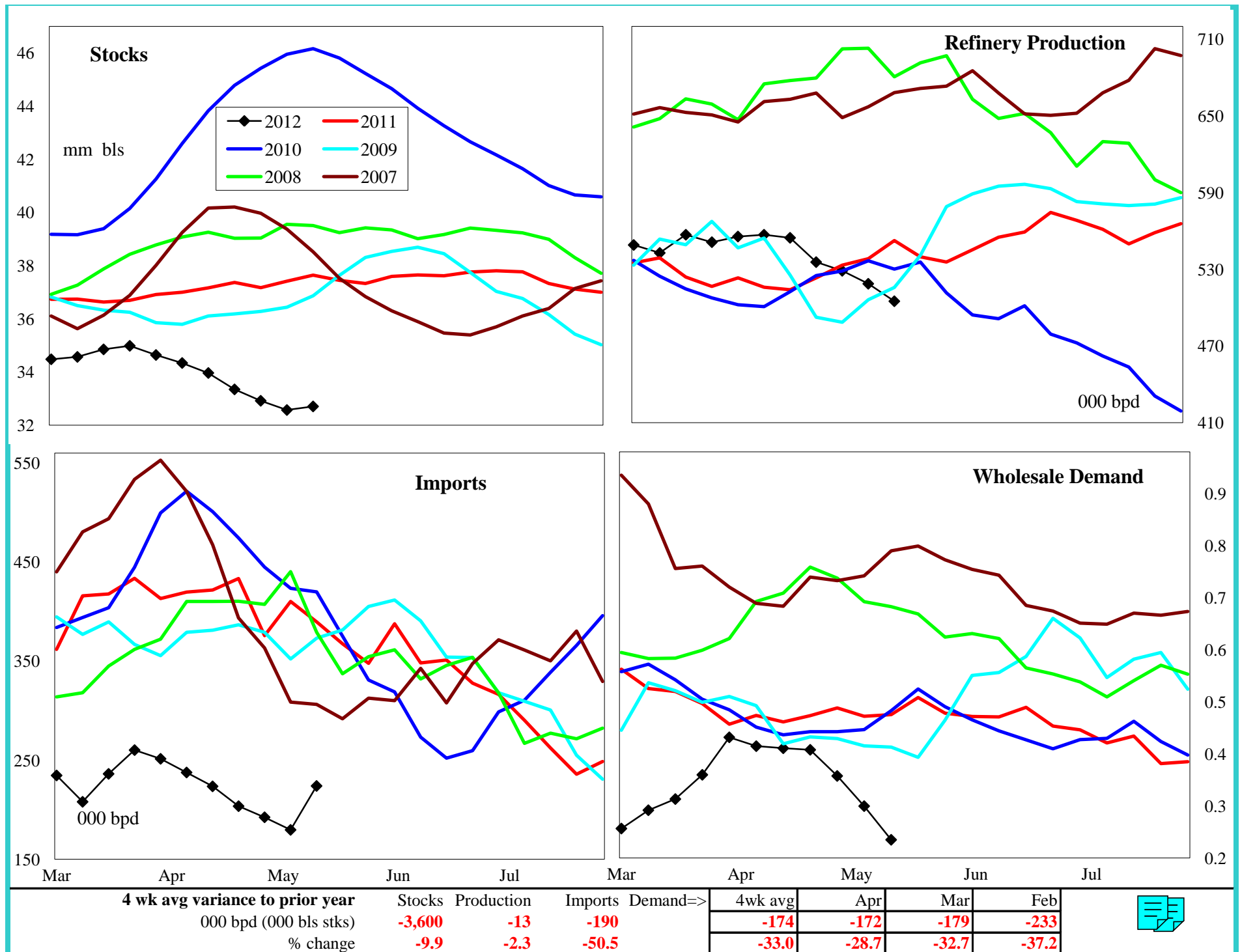
# United States High Sulfur Distillate Supply



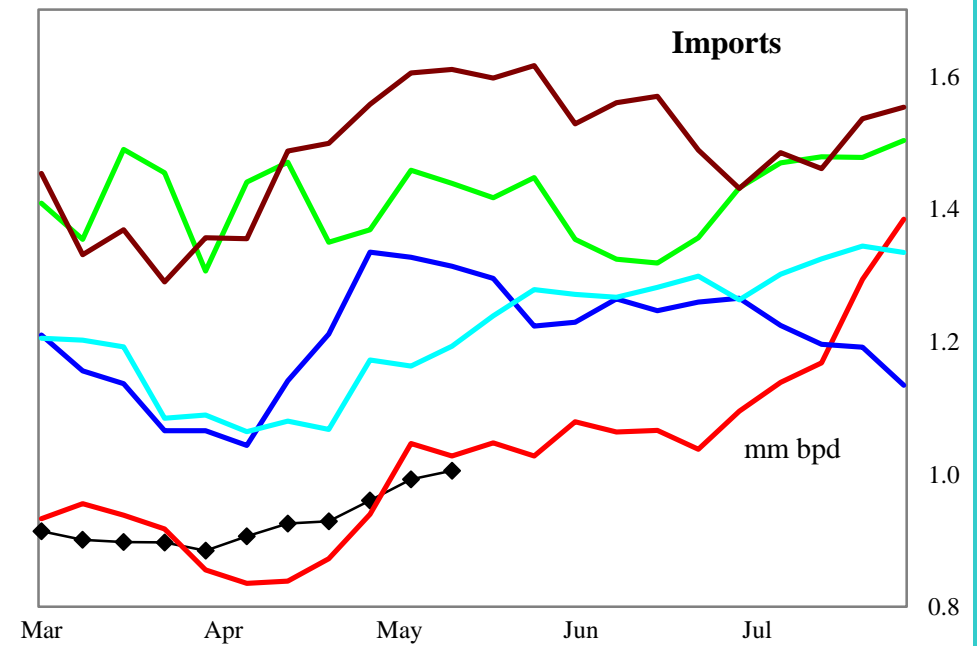
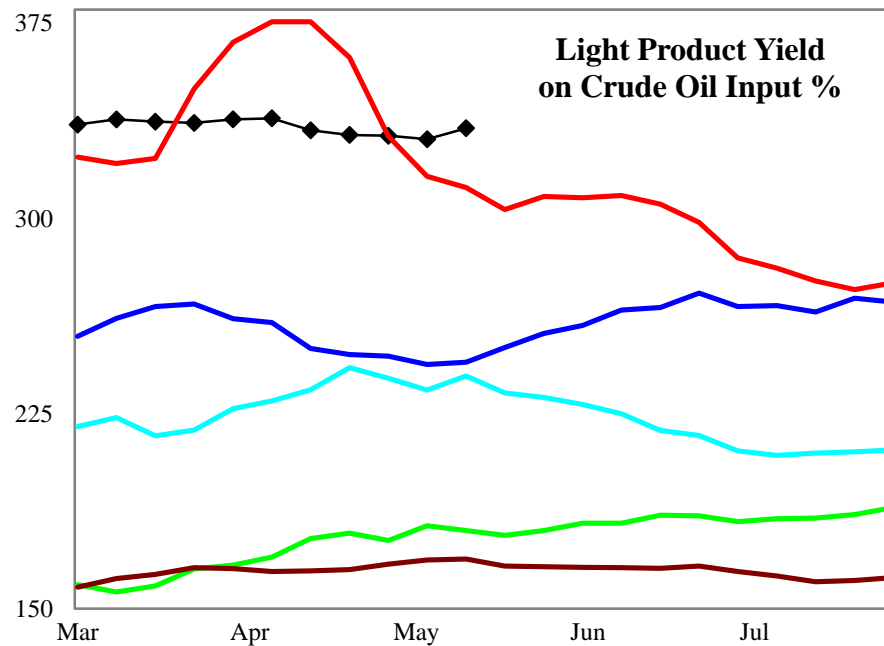
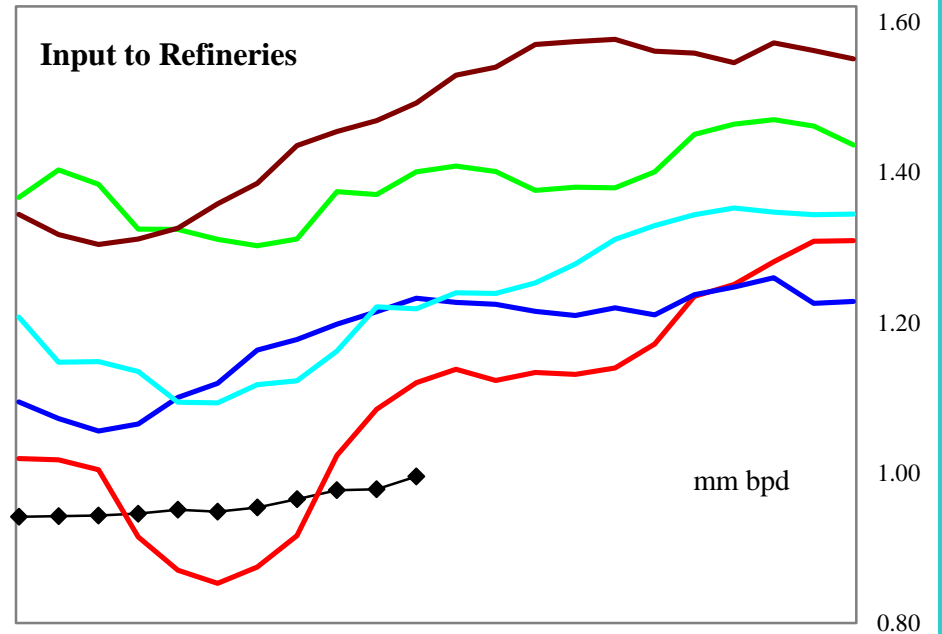
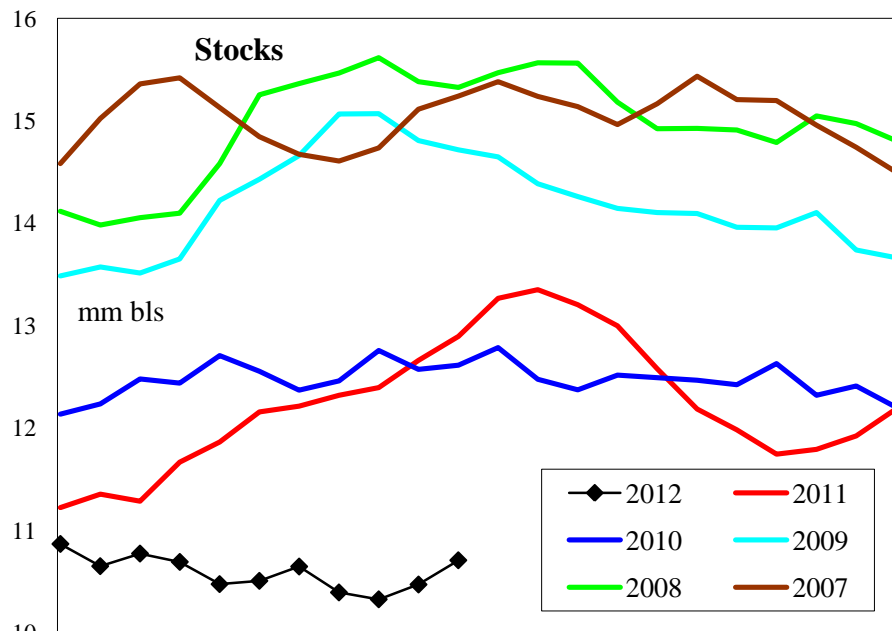
# United States Jet Fuel Supply and Demand Balance



# United States Residual Fuel Oil Supply and Demand Balance



# PADD 1 Crude Oil Supply and Refining



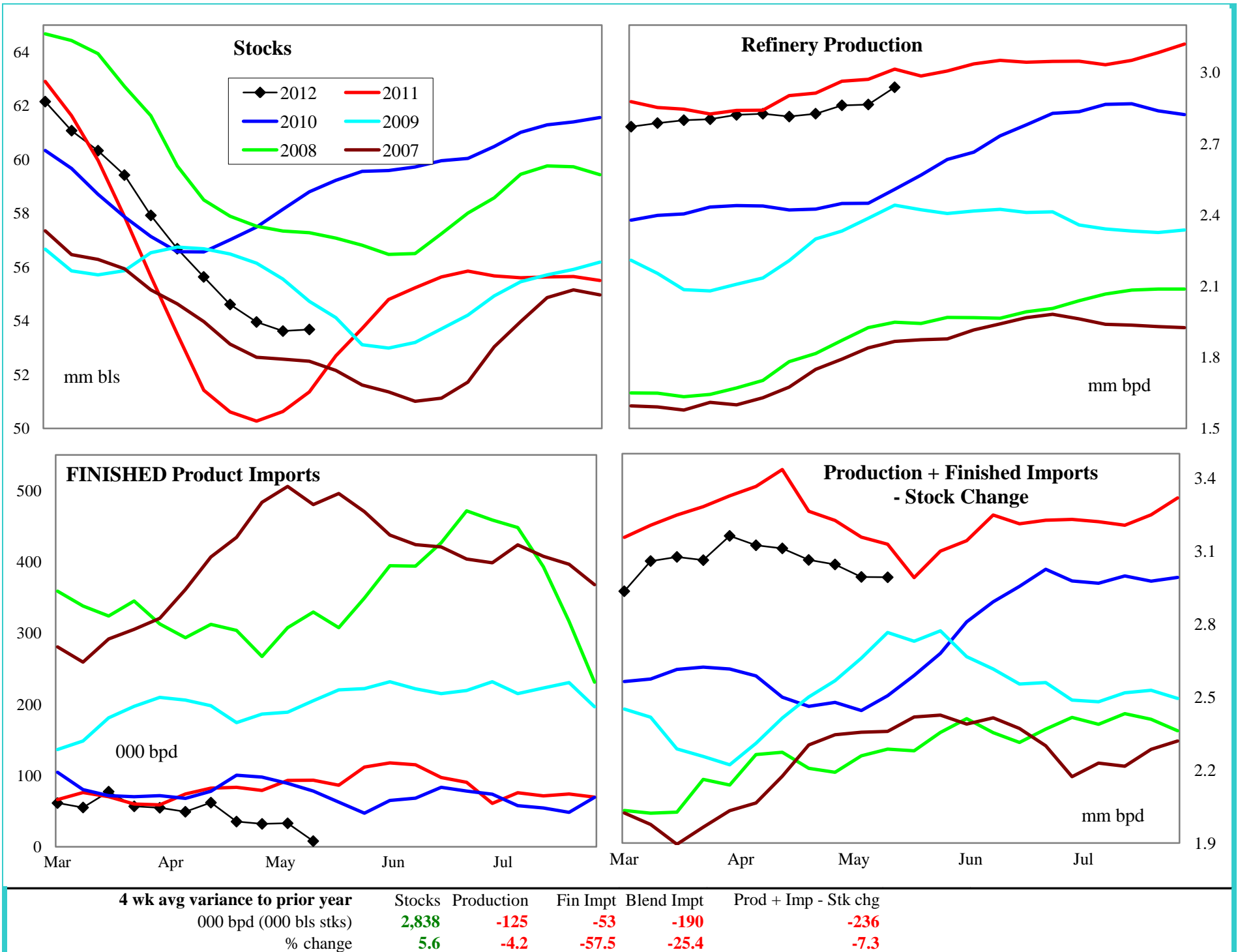
**4 wk avg variance to prior year**  
 000 bpd (000 bls stks)  
 % change

	Stocks	Input	Imports
000 bpd (000 bls stks)	-2,186	-86	-46
% change	-17.0	-8.1	-4.5

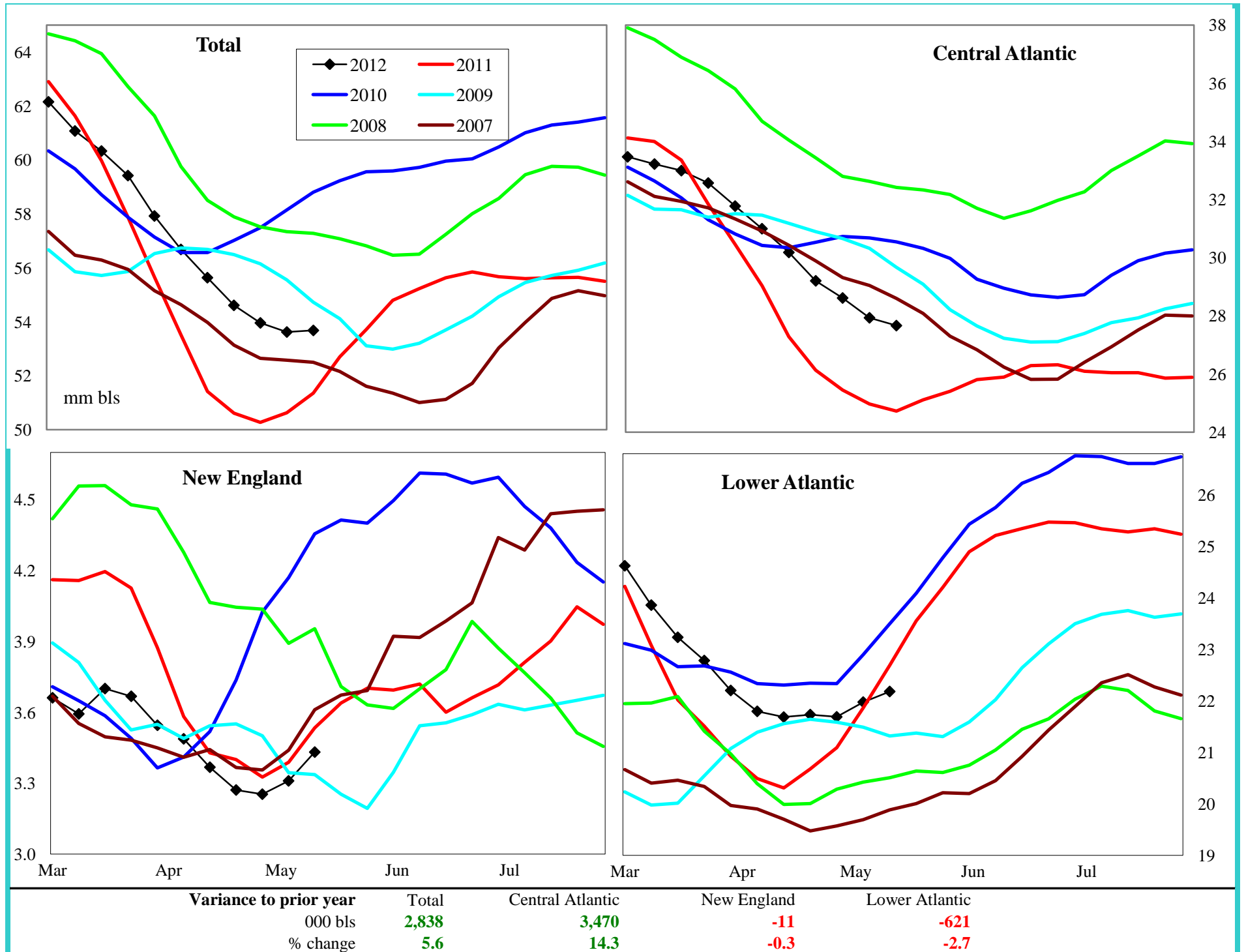




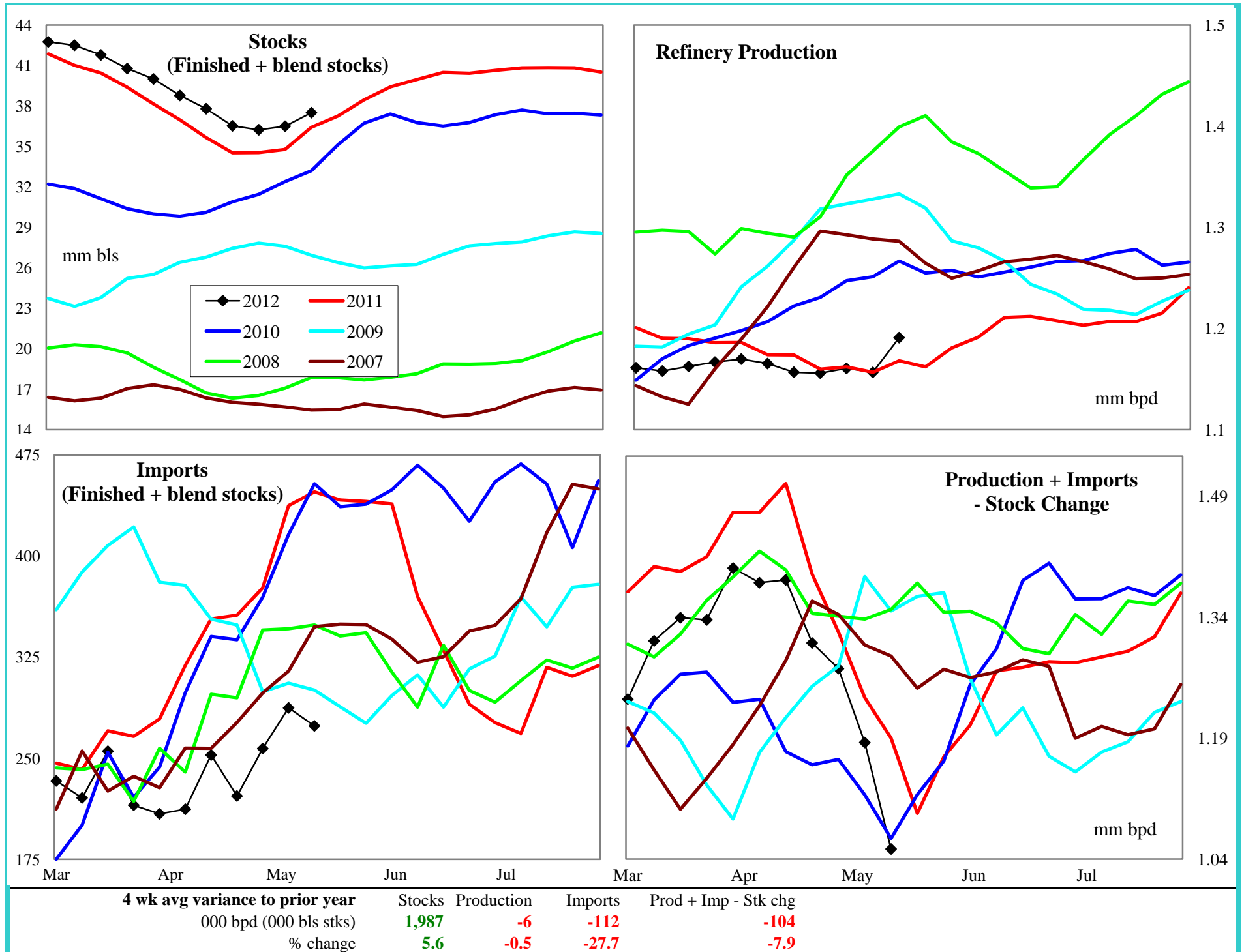
# PADD 1 Gasoline Supply



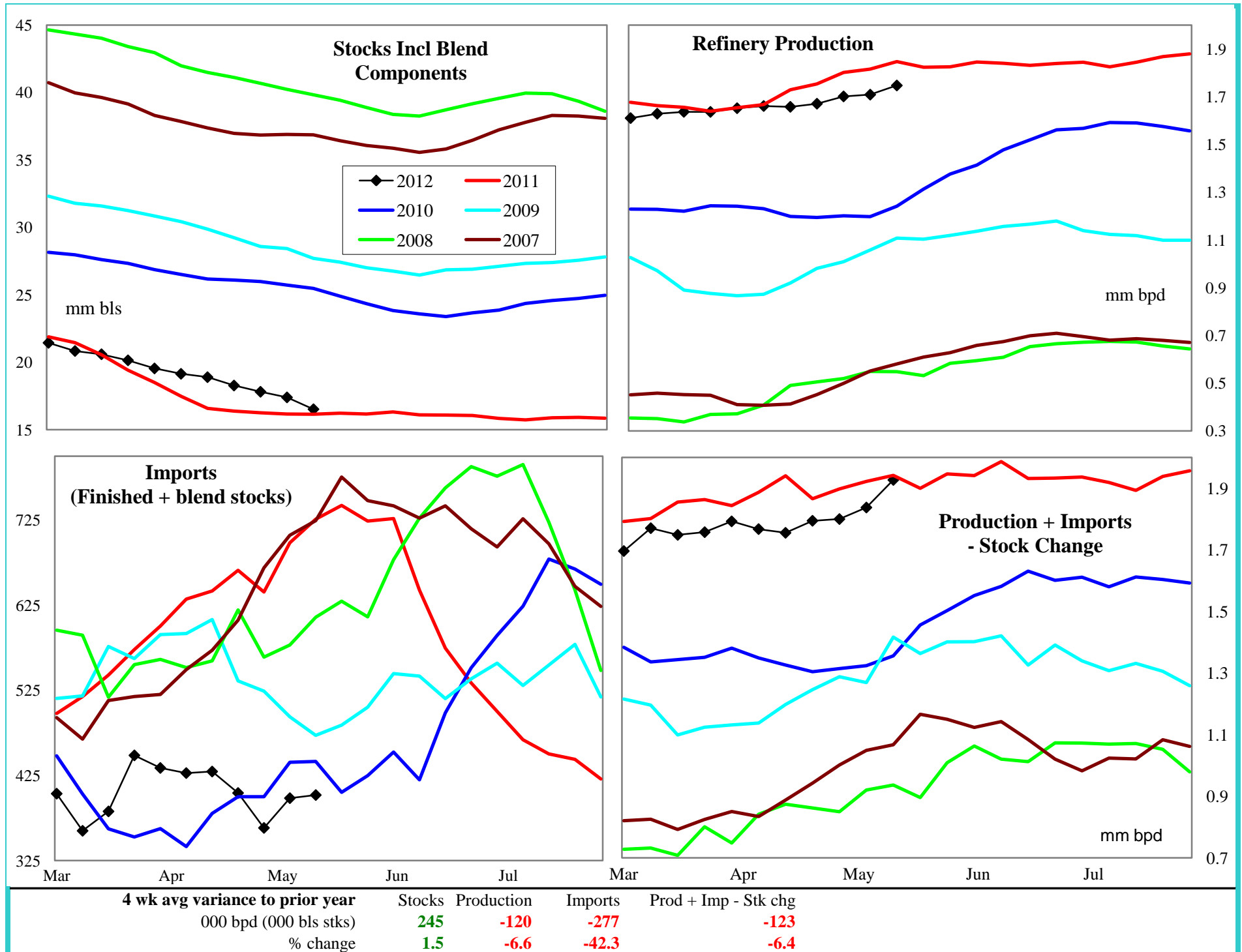
# PADD 1 Gasoline Stocks by Region



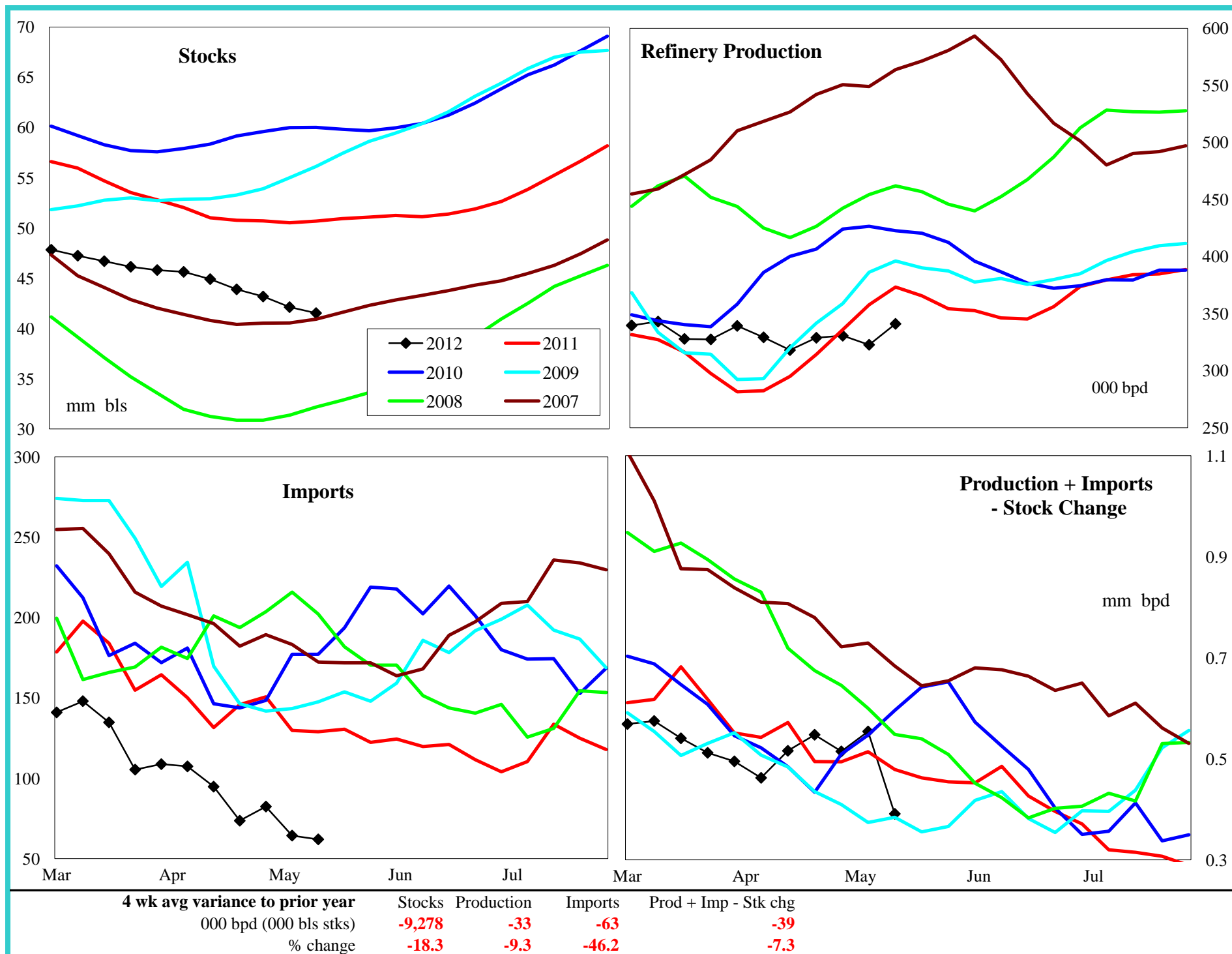
# PADD 1 Reformulated Gasoline Supply



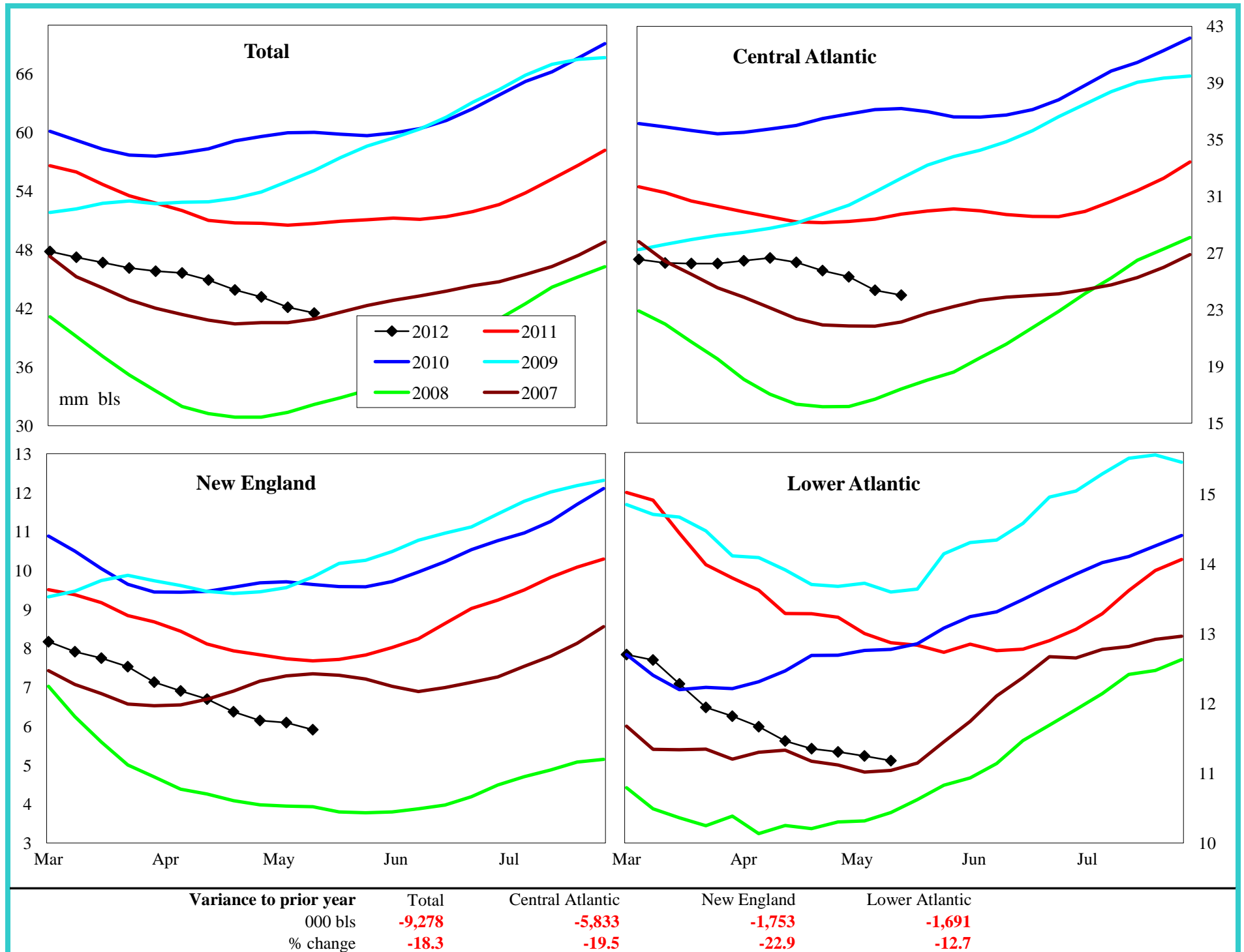
# PADD 1 Conventional Gasoline Supply



# PADD 1 Distillate Supply

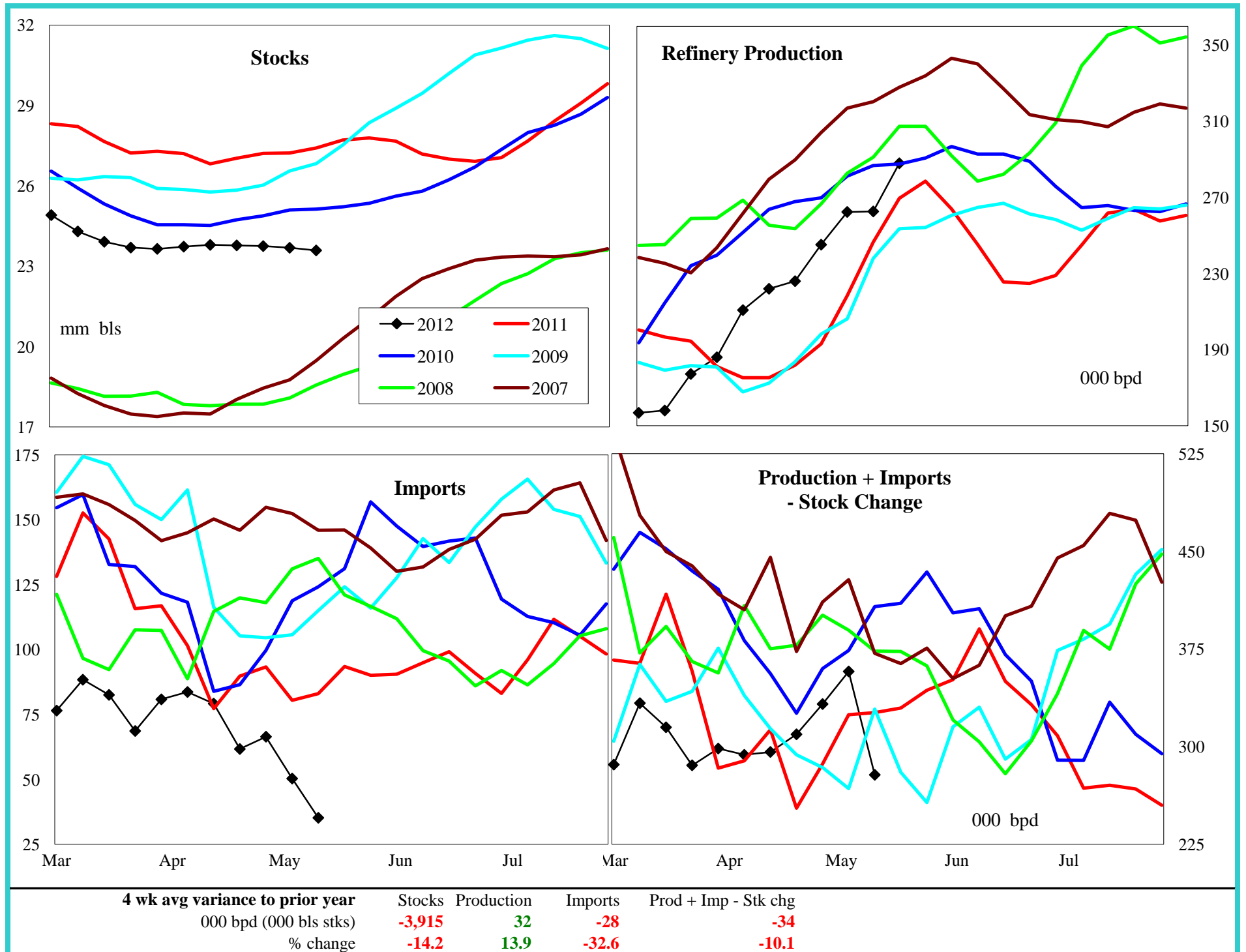


# PADD 1 Distillate Stocks by Region

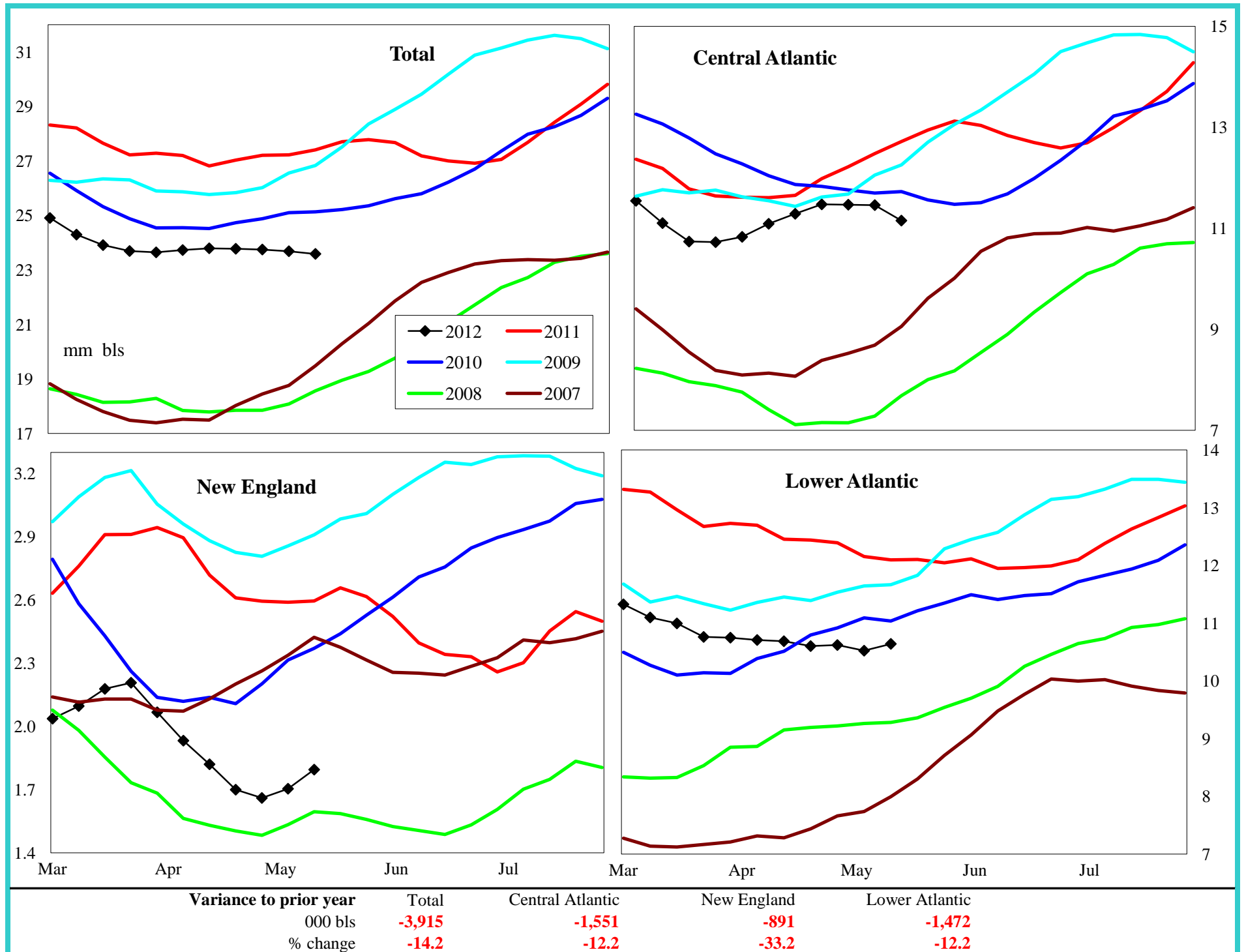




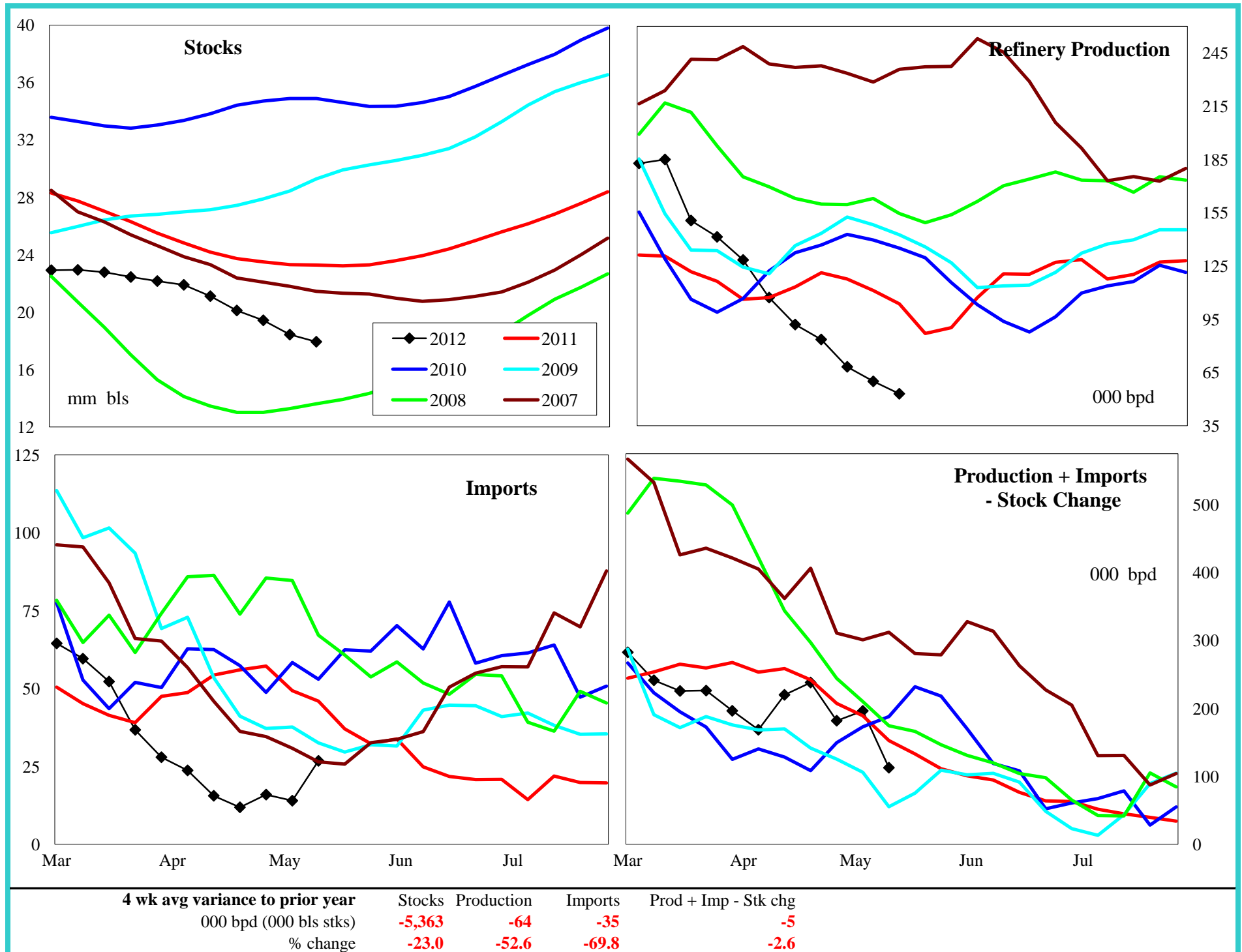
# PADD 1 Low Sulfur Distillate Supply



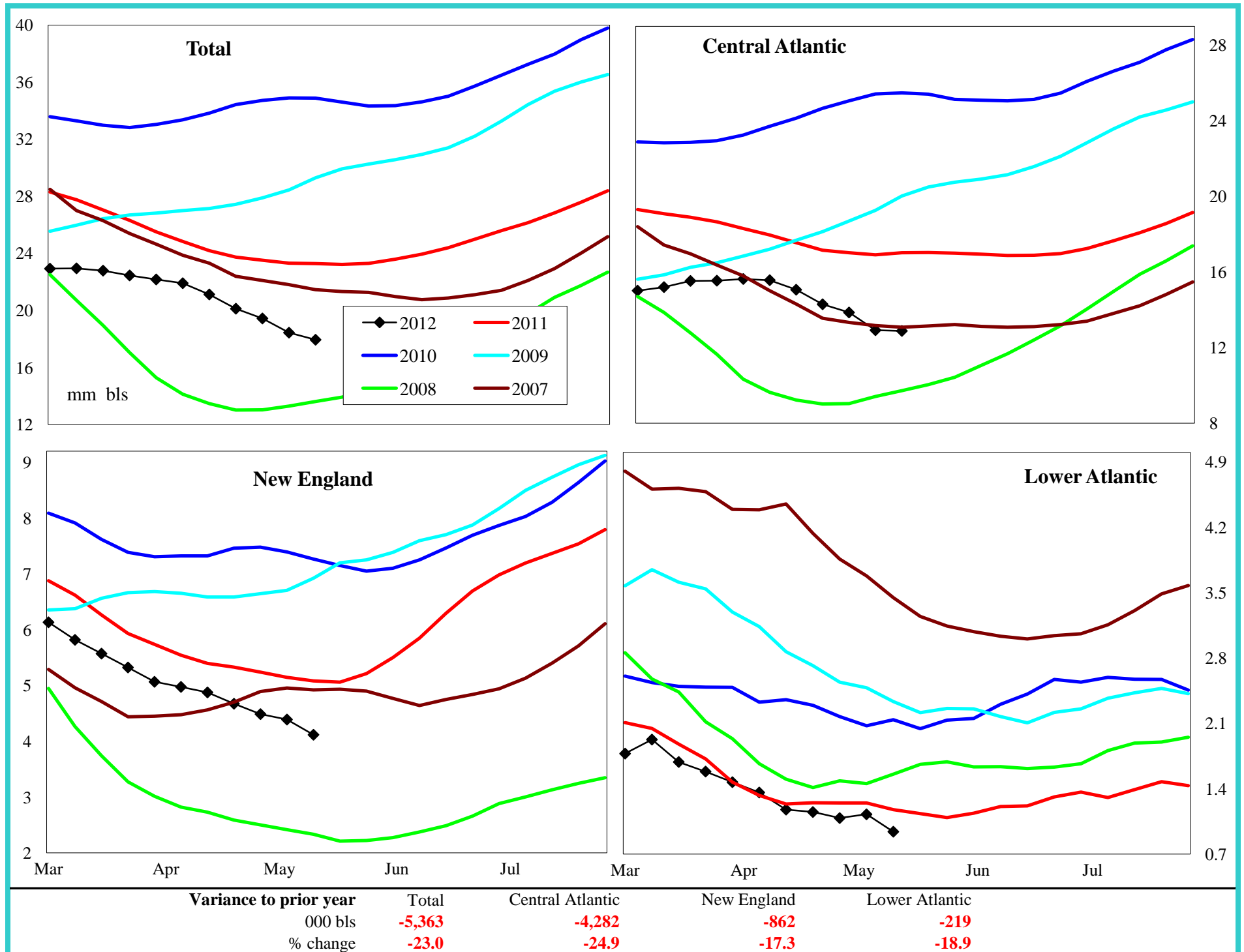
# PADD 1 Low Sulfur Distillate Stocks by Region



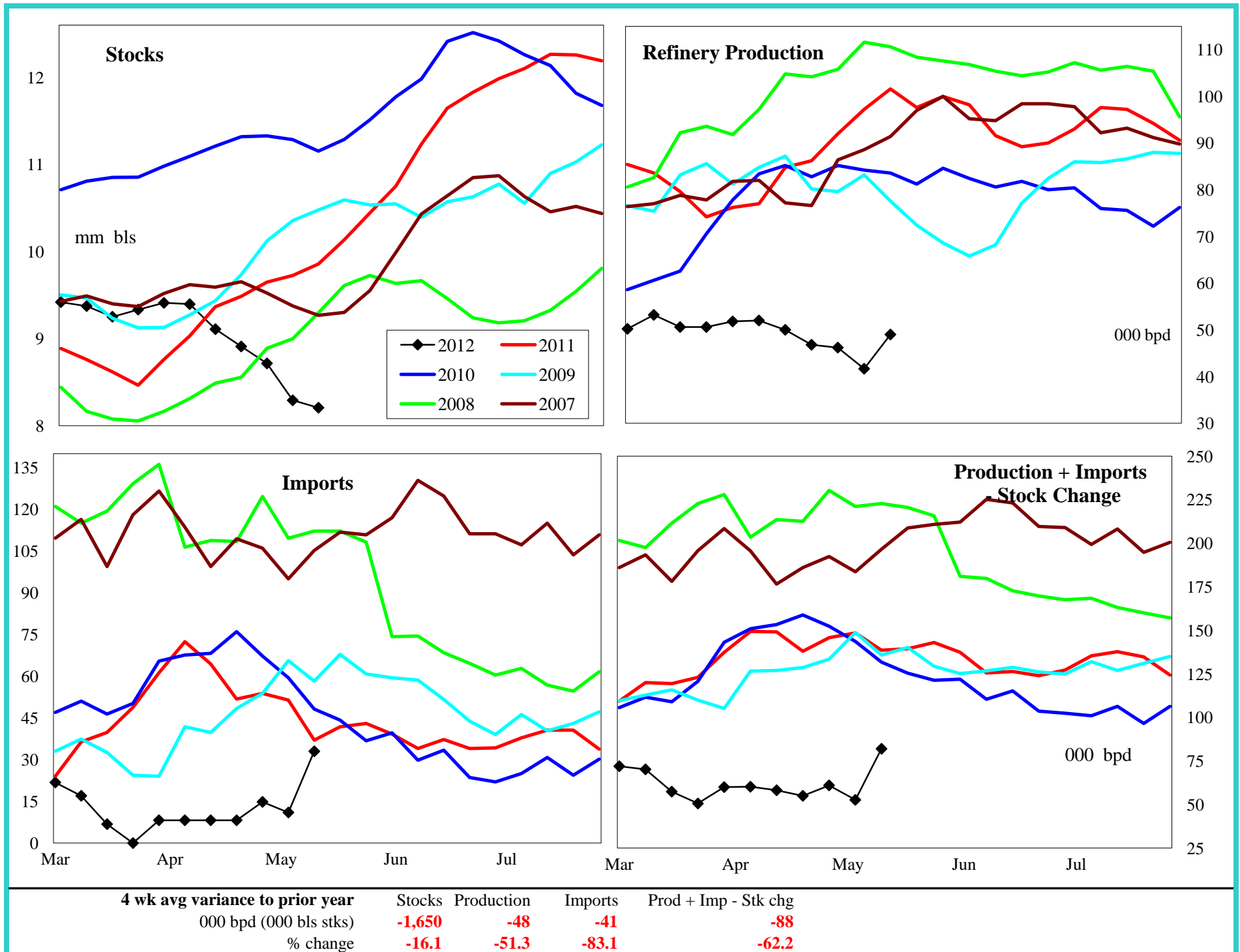
# PADD 1 High Sulfur Distillate Supply



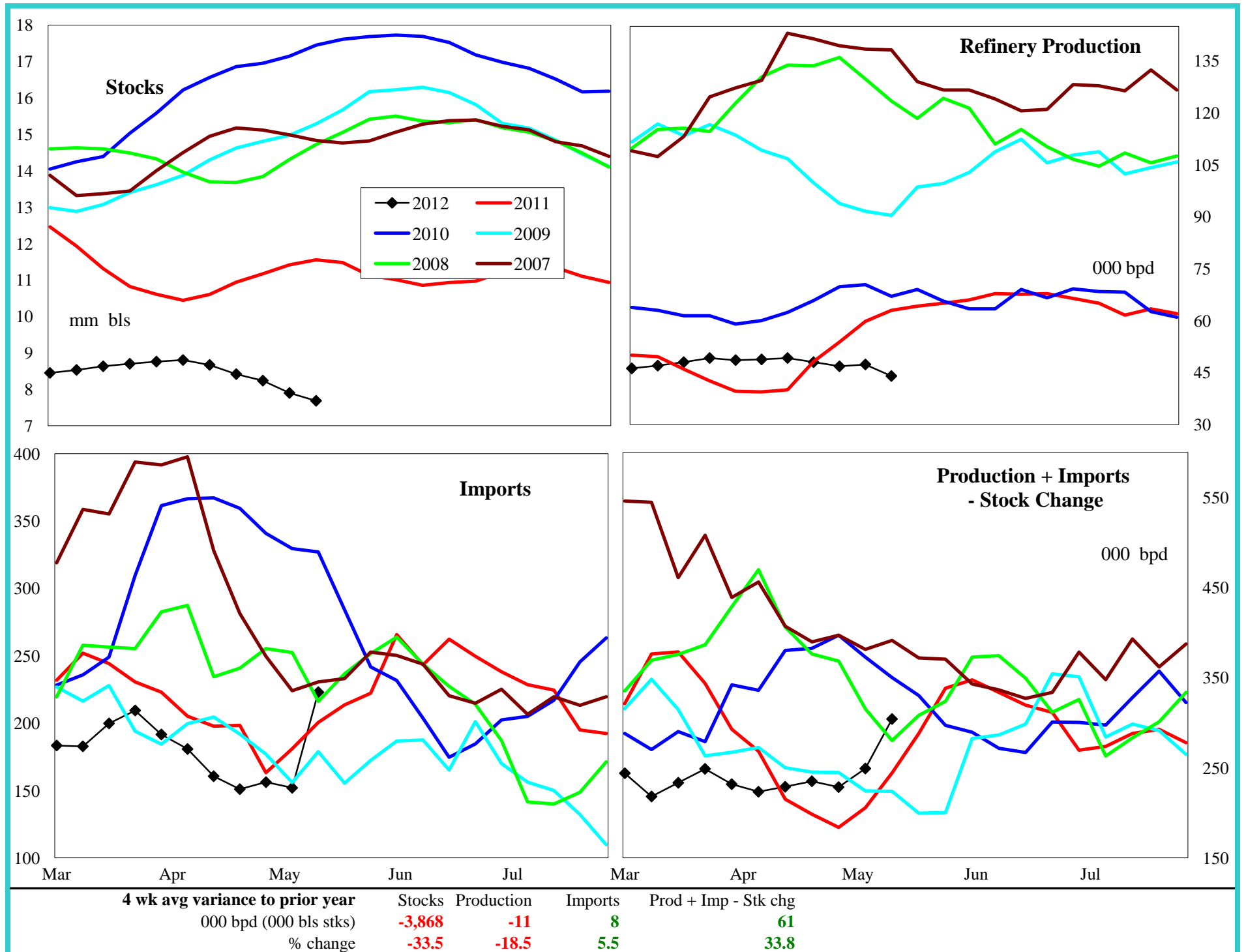
# PADD 1 High Sulfur Distillate Stocks by Region



# PADD 1 Jet Fuel Supply

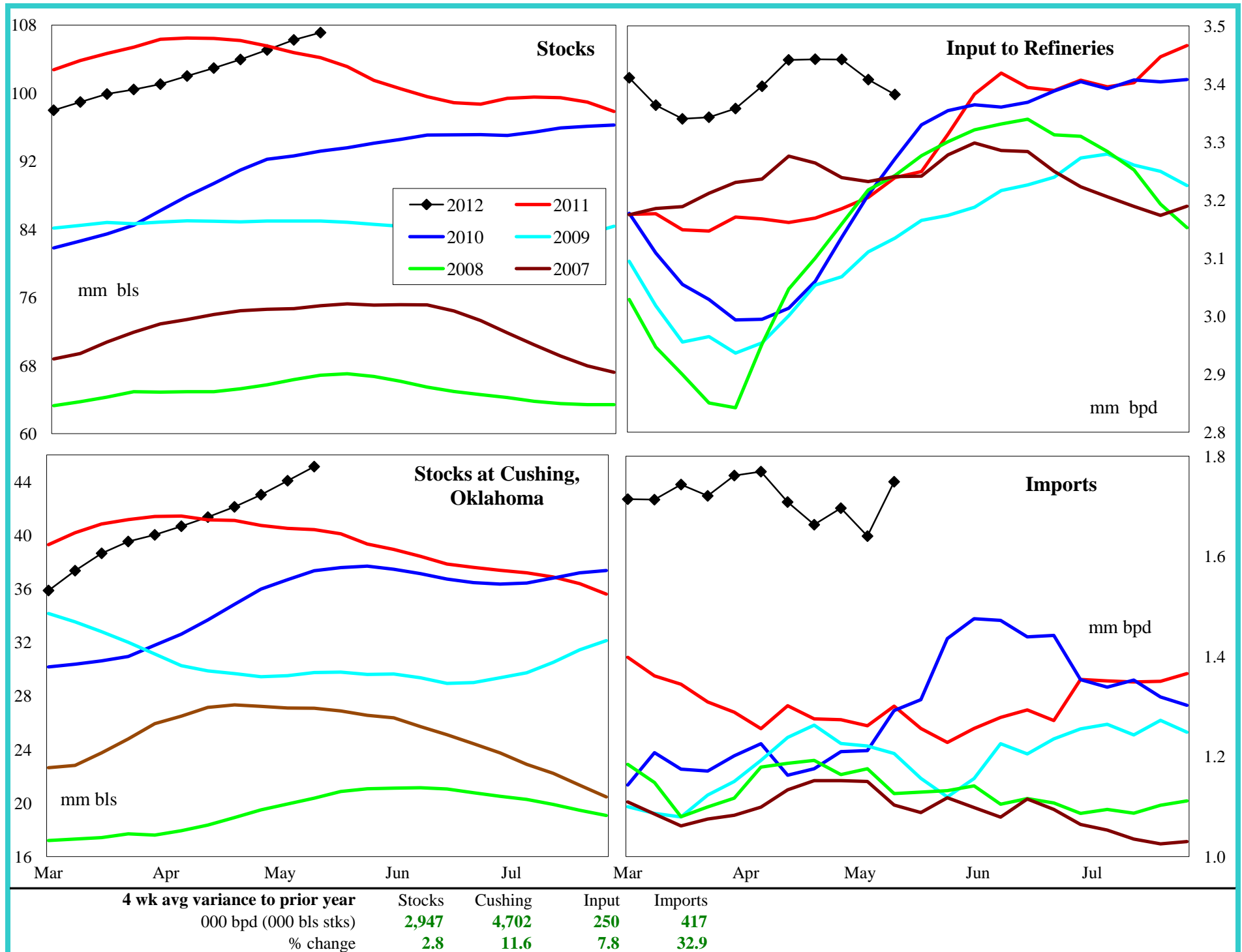


# PADD 1 Residual Fuel Oil Supply

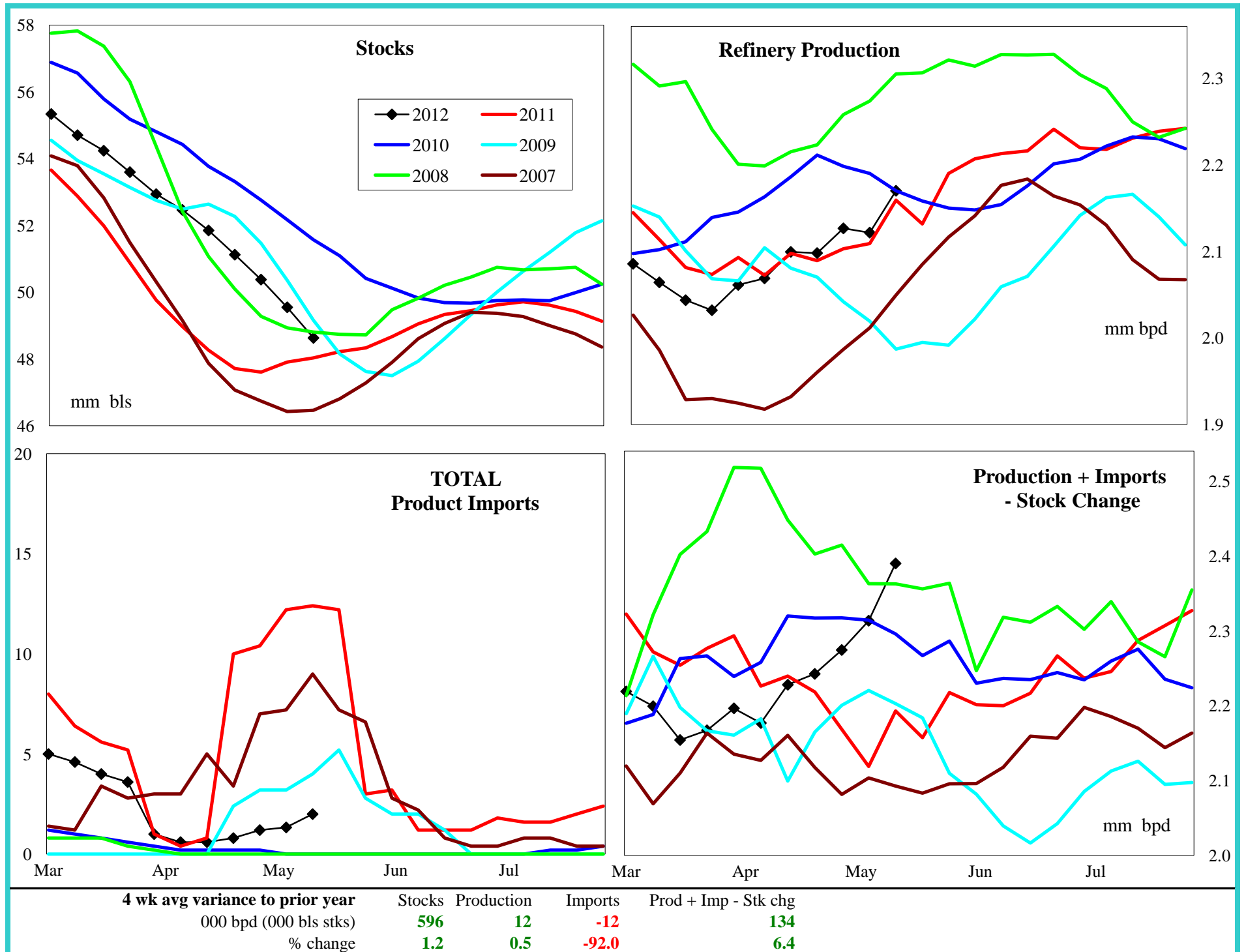




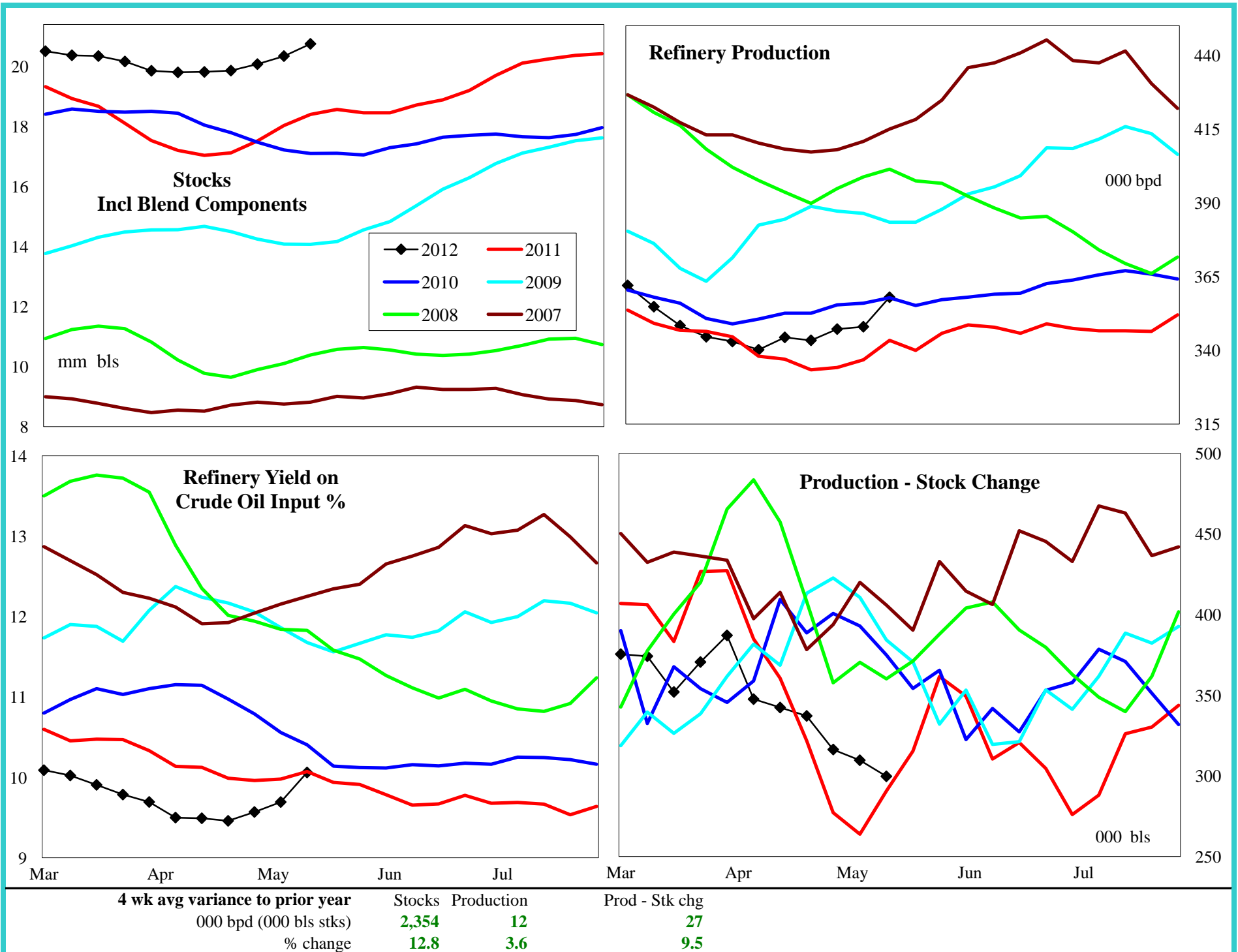
# PADD 2 Crude Oil Supply and Refining



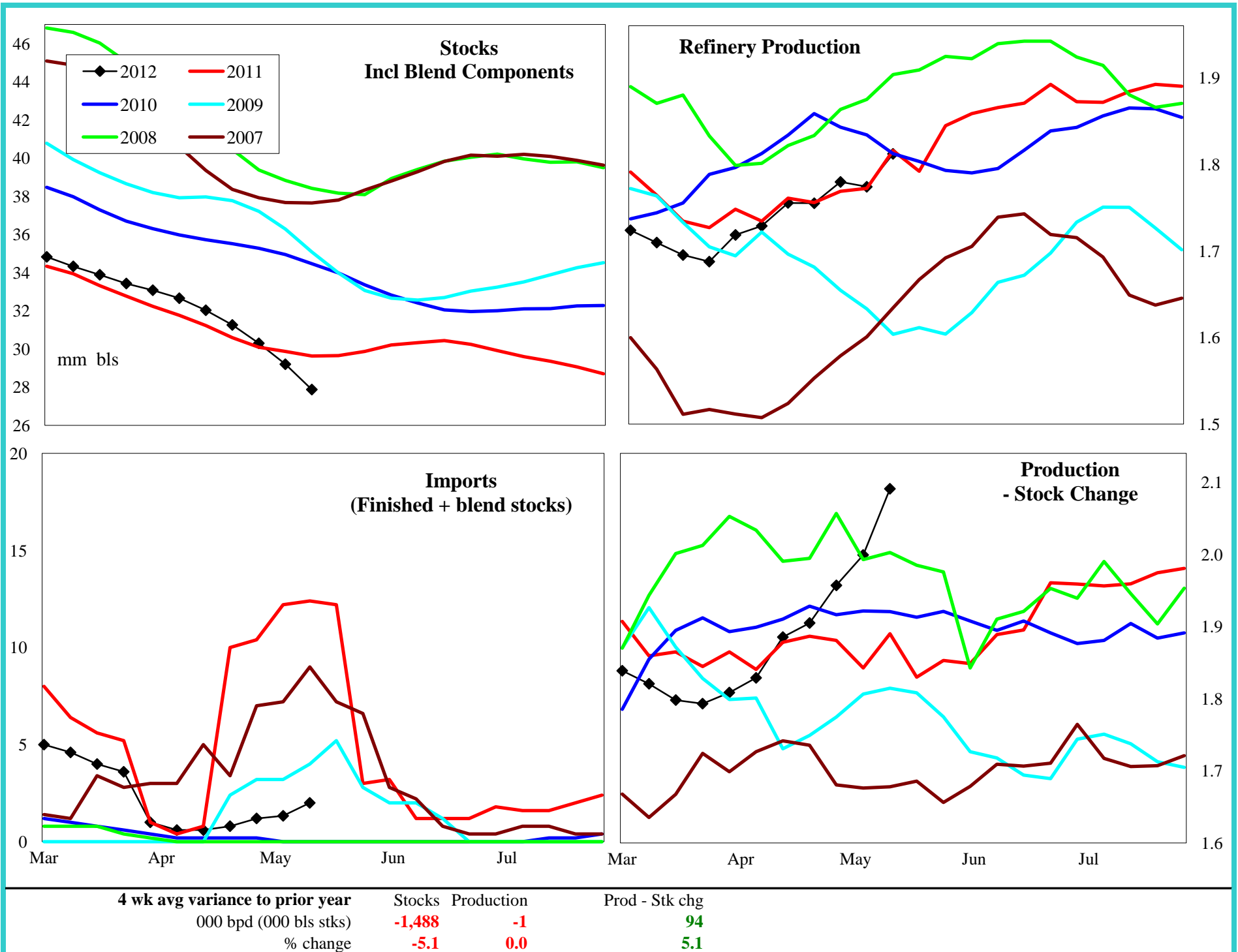
# PADD 2 Gasoline Supply



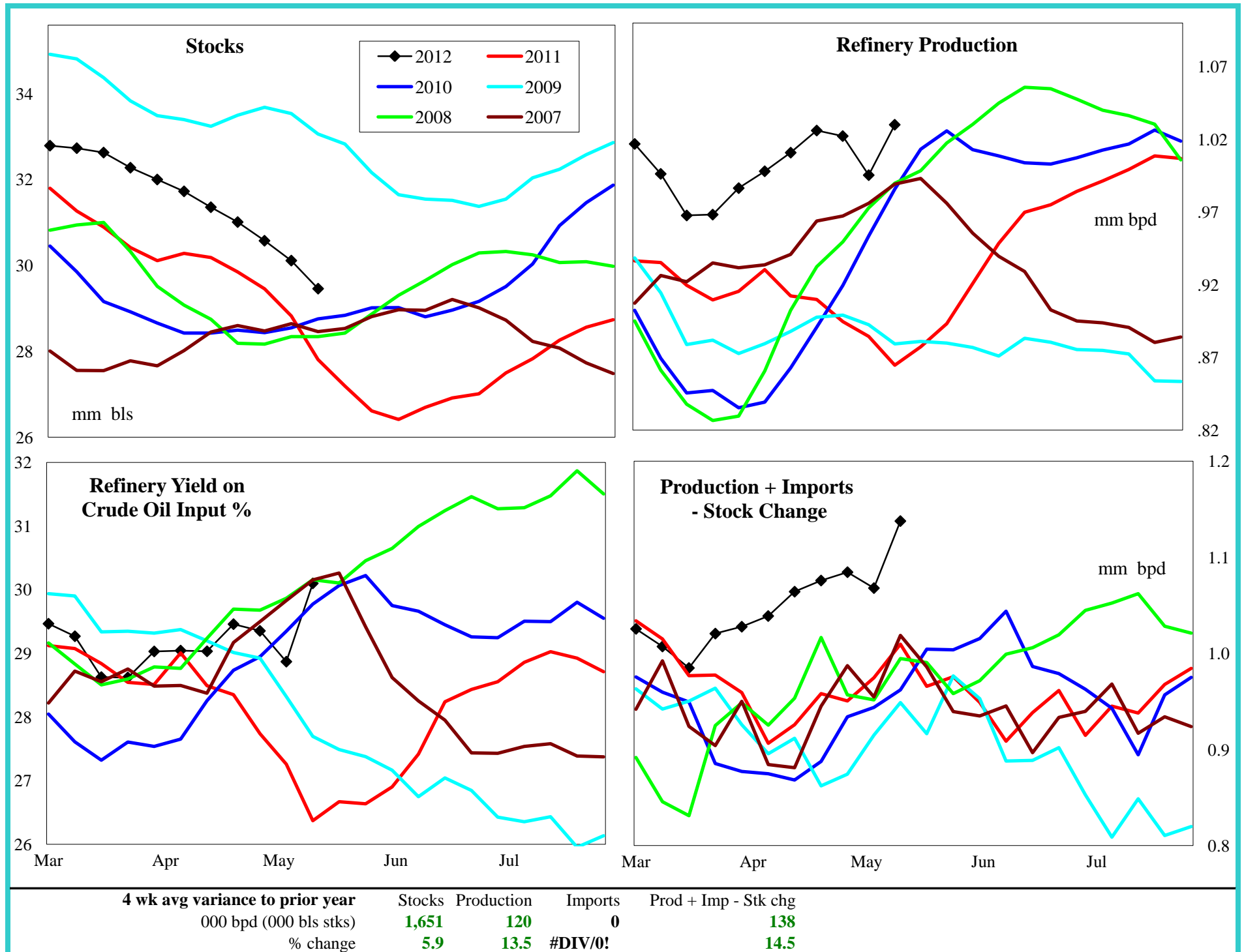
# PADD 2 Reformulated Gasoline Supply



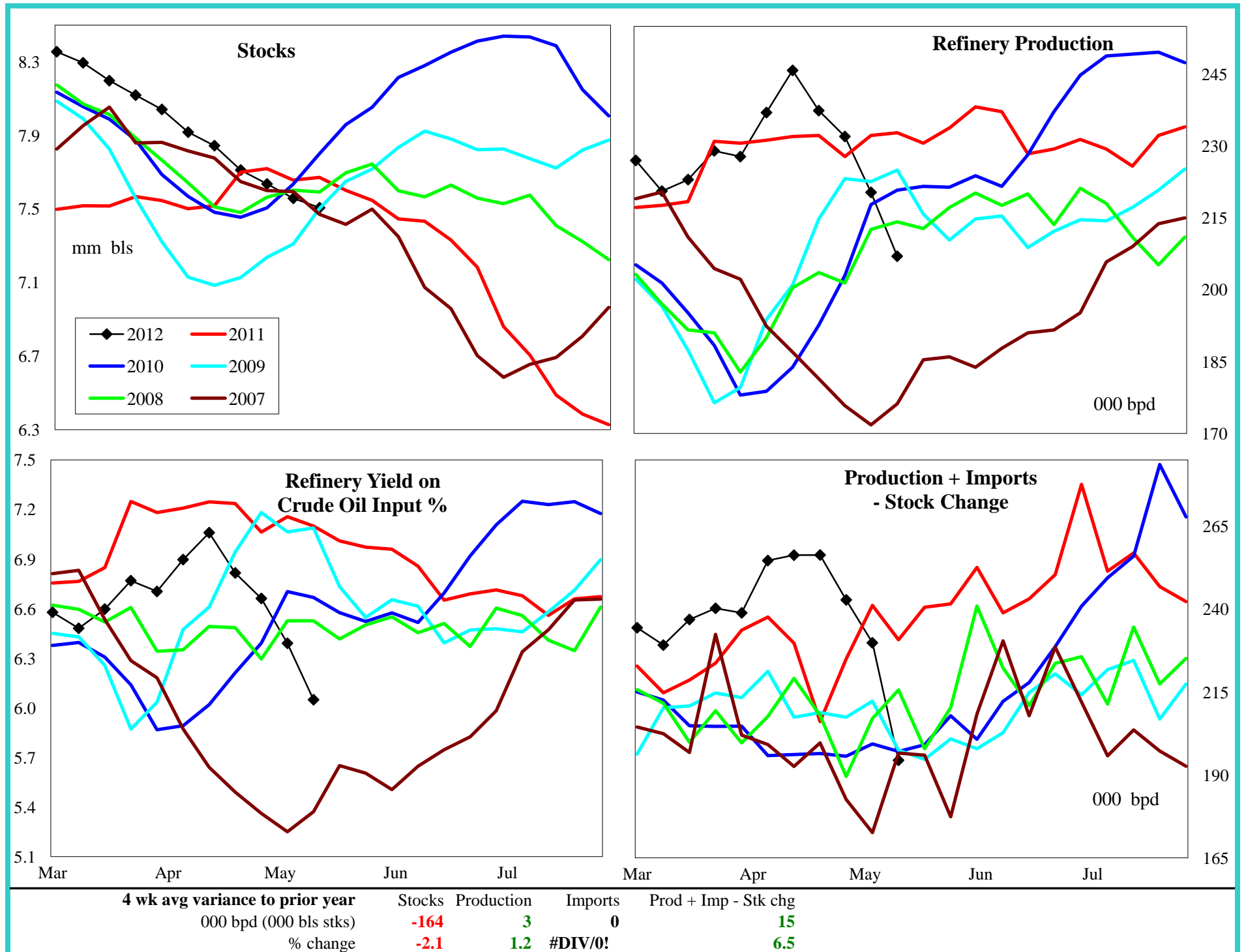
# PADD 2 Conventional Gasoline Supply



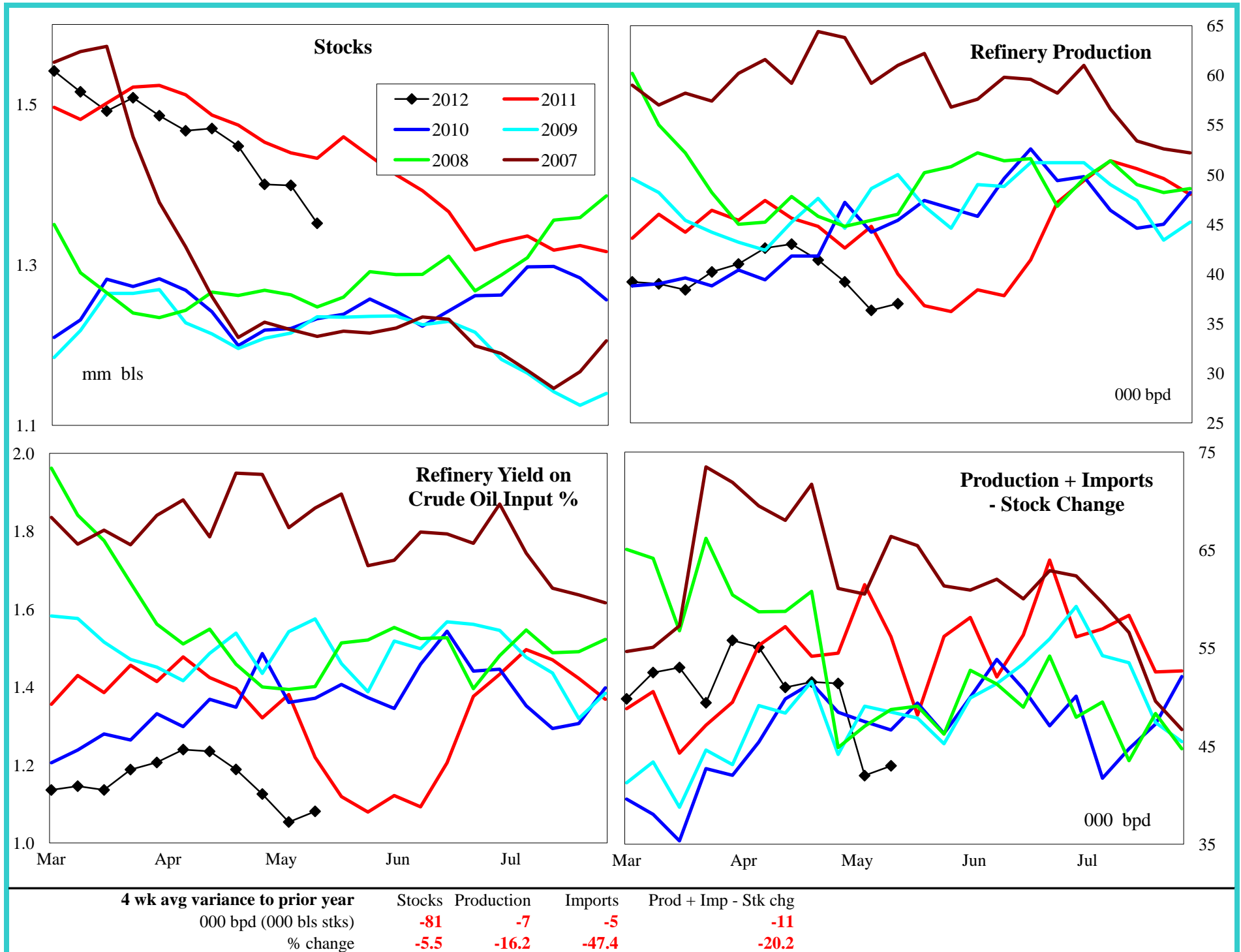
# PADD 2 Distillate Supply



# PADD 2 Jet Fuel Supply

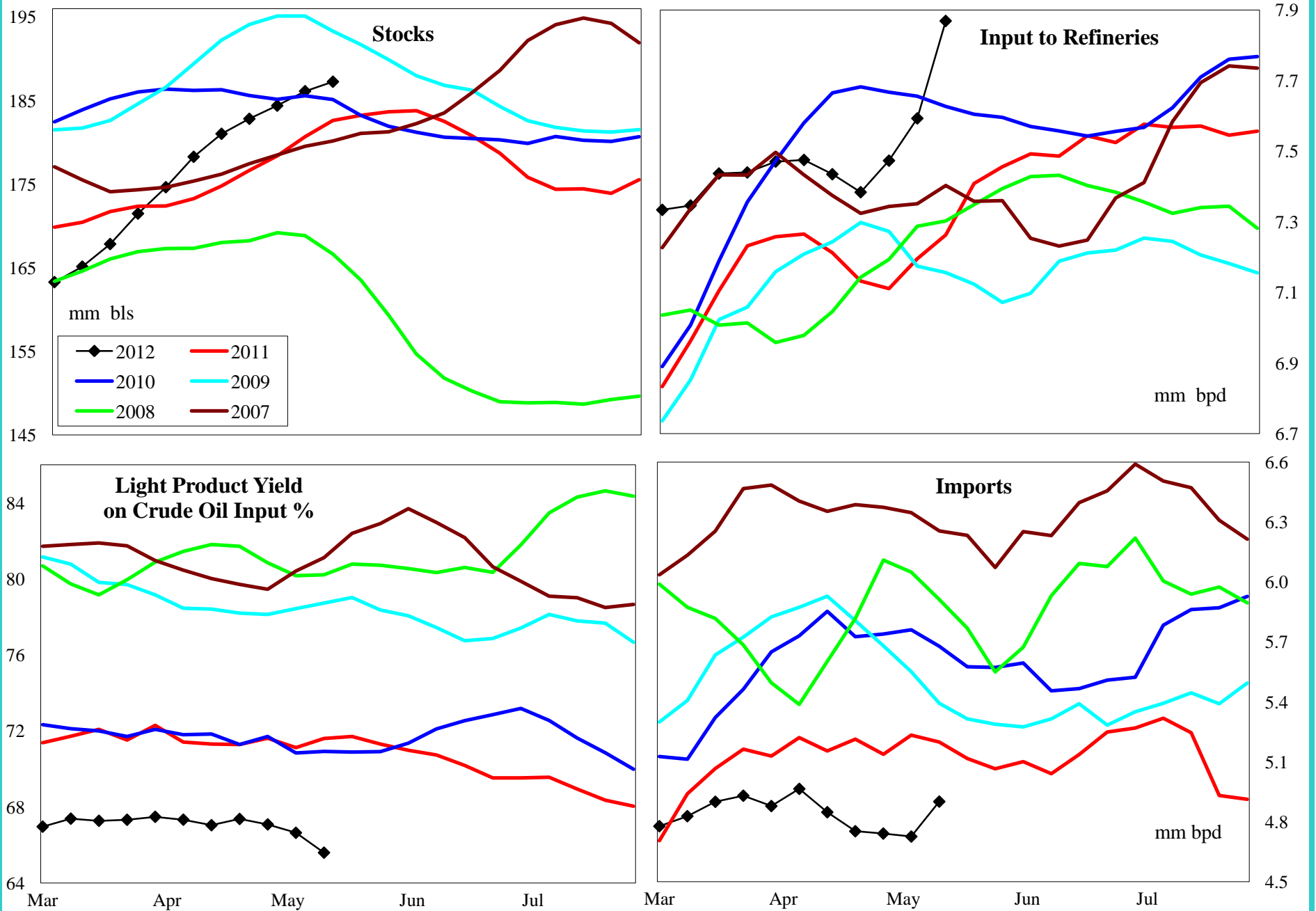


# PADD 2 Residual Fuel Oil Supply





# PADD 3 Crude Oil Supply and Refining



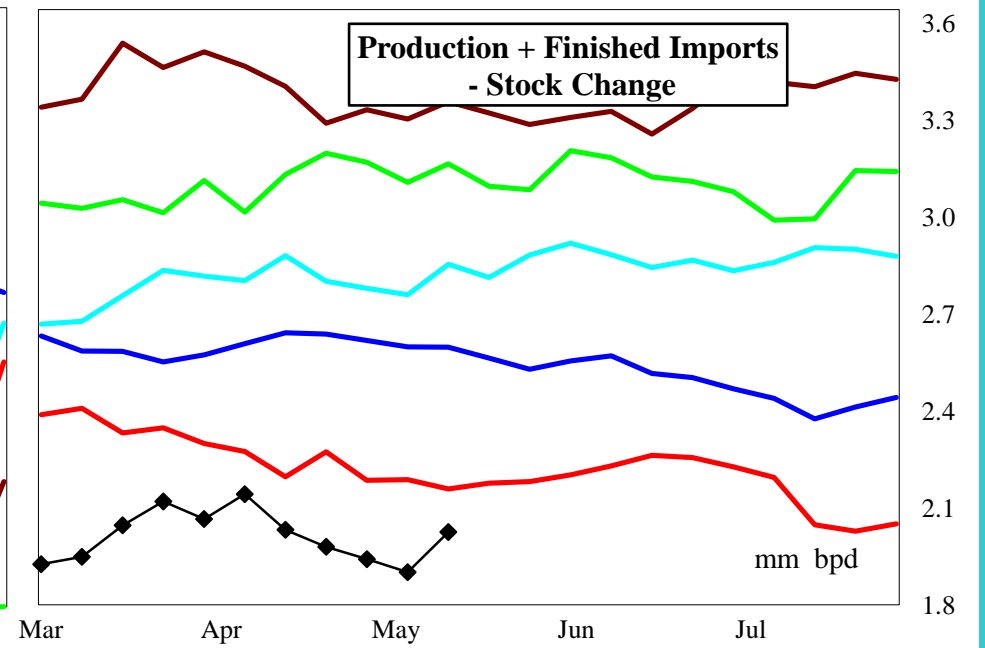
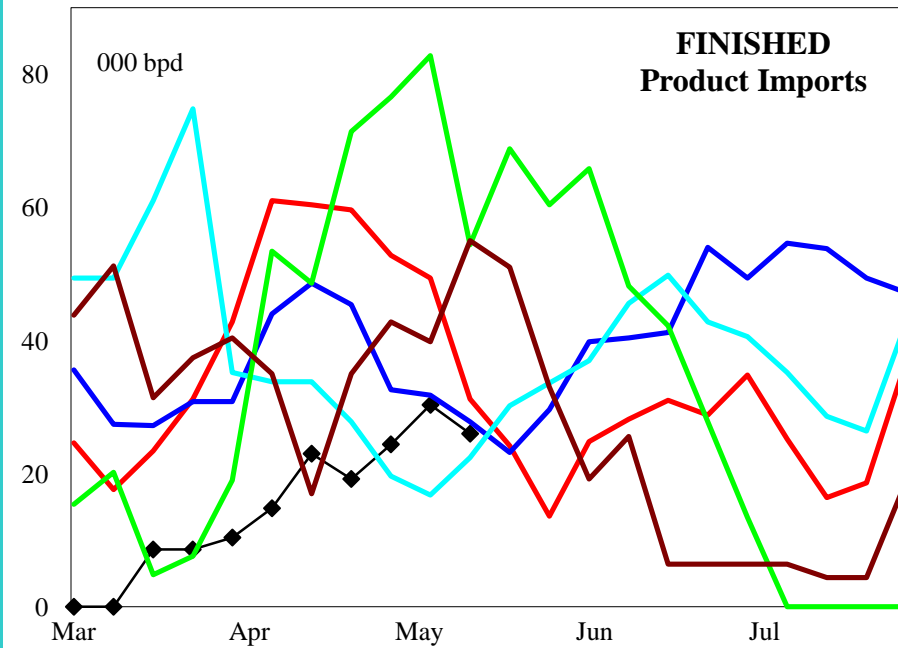
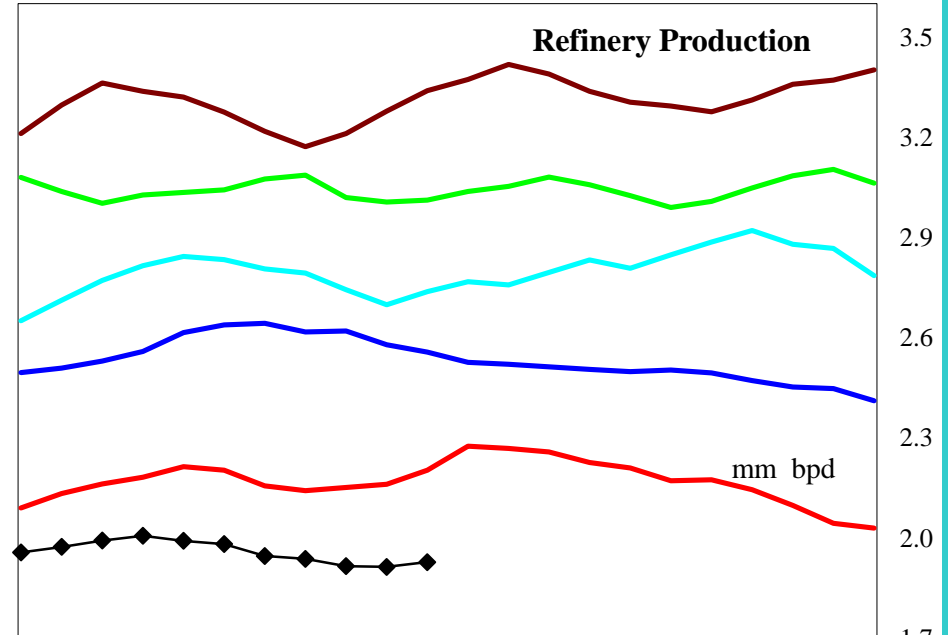
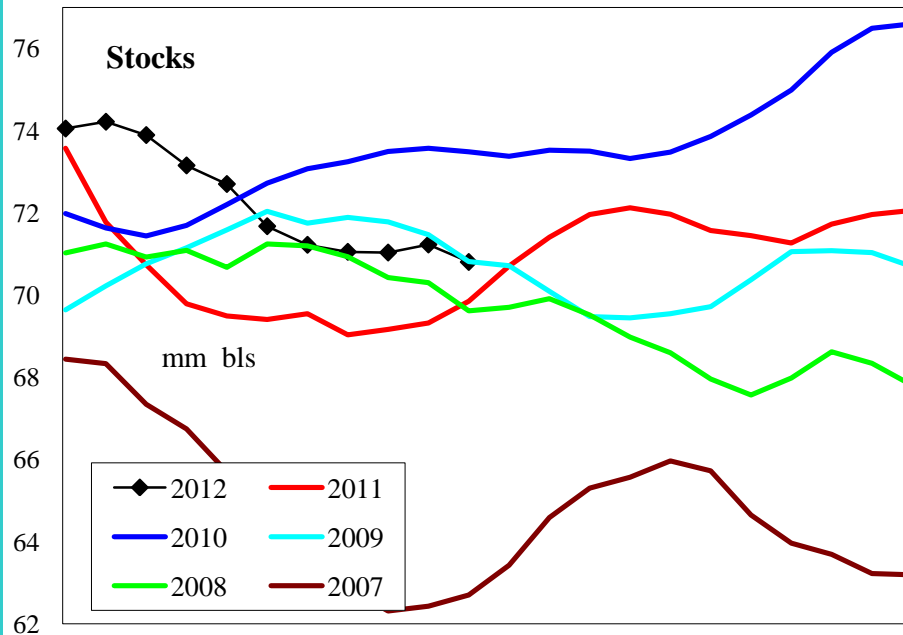
**4 wk avg variance to prior year**  
 000 bpd (000 bls stks)  
 % change

Stocks  
**4,641**  
**2.5**

Input  
**408**  
**5.7**

Imports  
**-445**  
**-8.6**

# PADD 3 Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bbls stks)

% change

Stocks

1,759

2.5

Production

-196

-9.2

Fin Impt

-23

-45.1

Blend Impt

-112

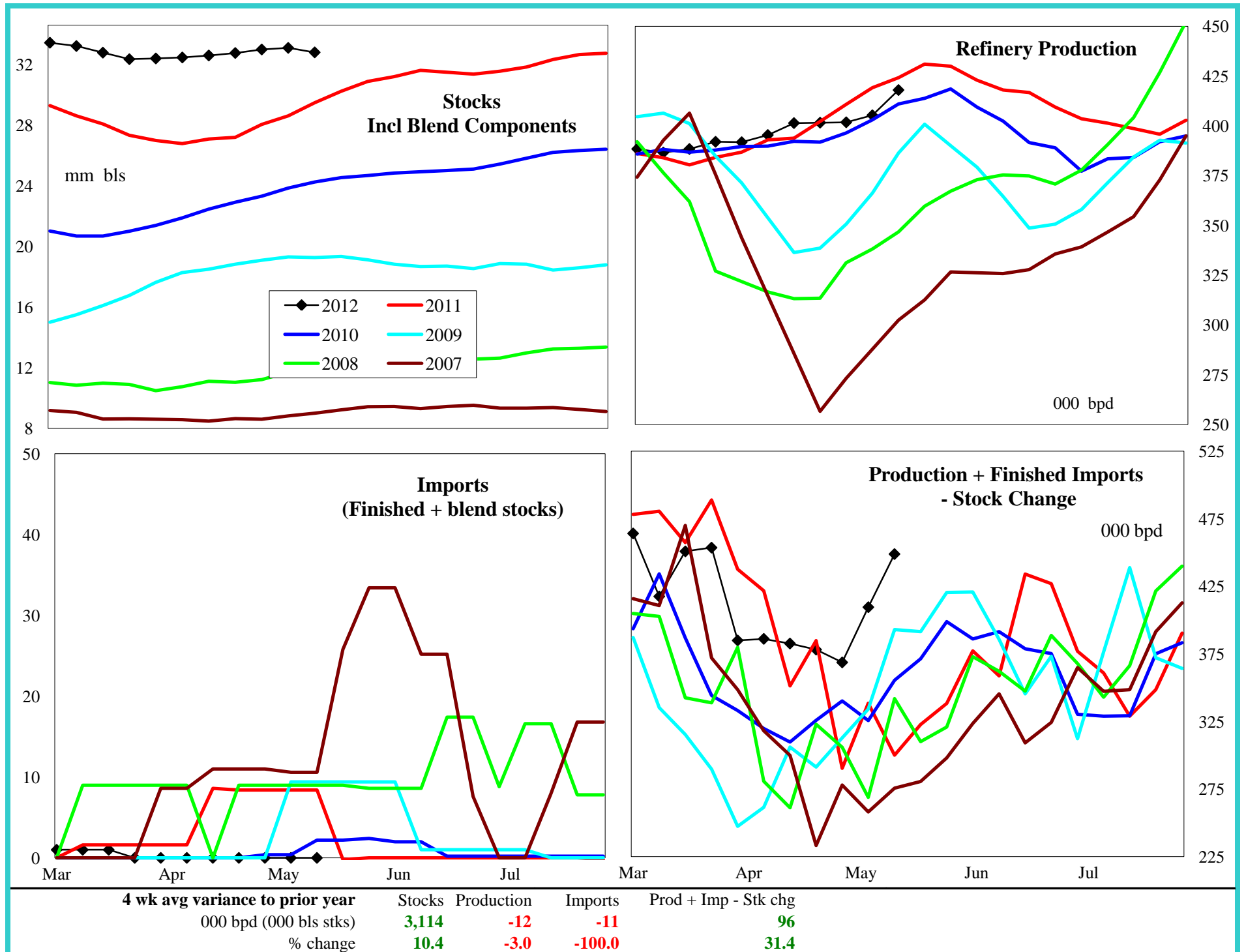
-77.7

Prod + Imp - Stk chg

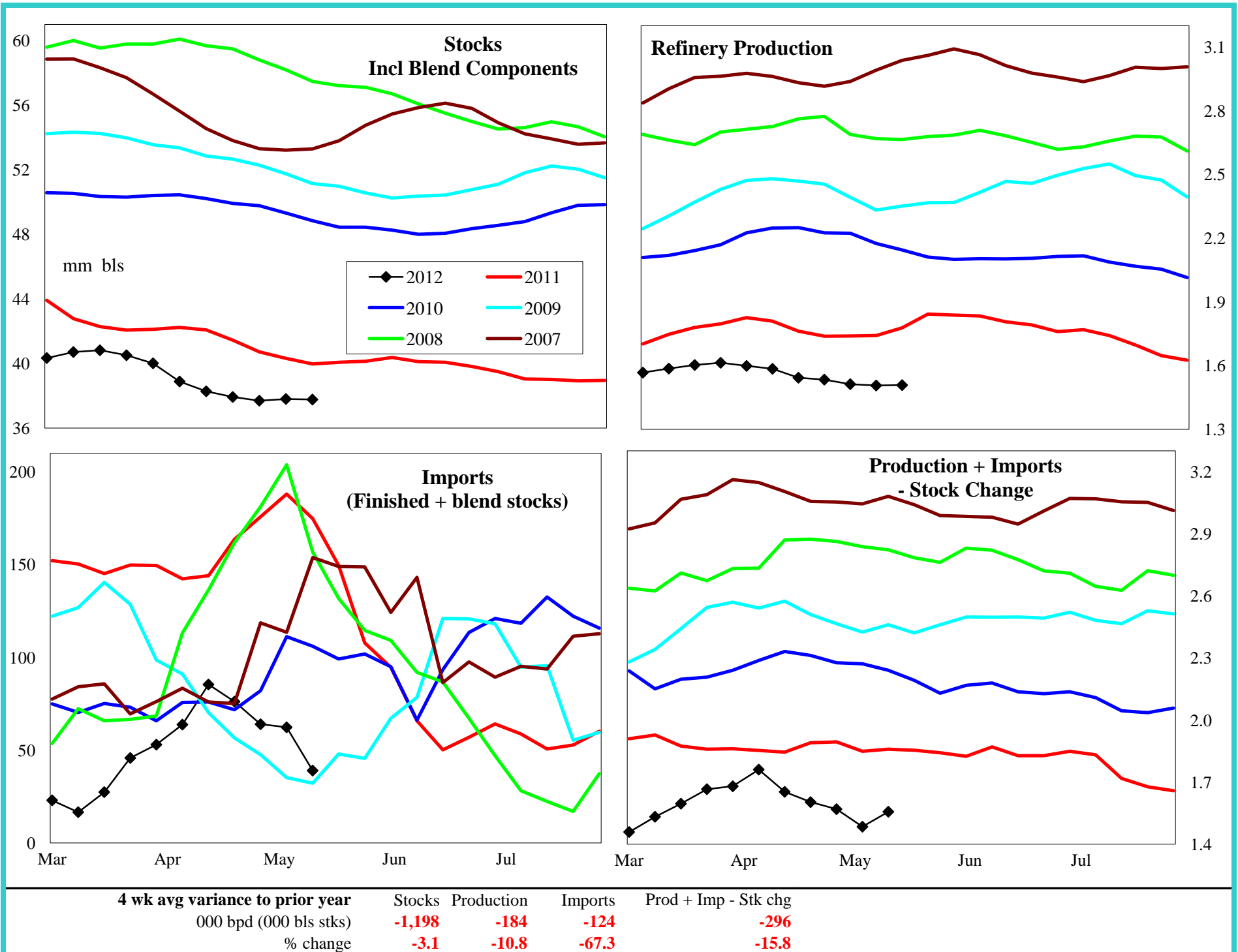
-195

-9.0

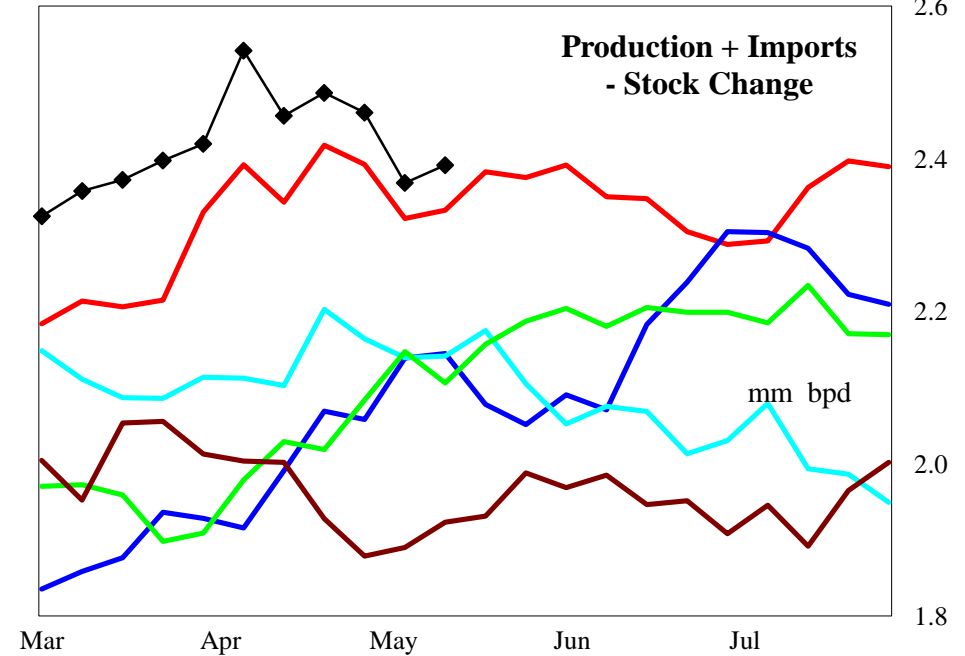
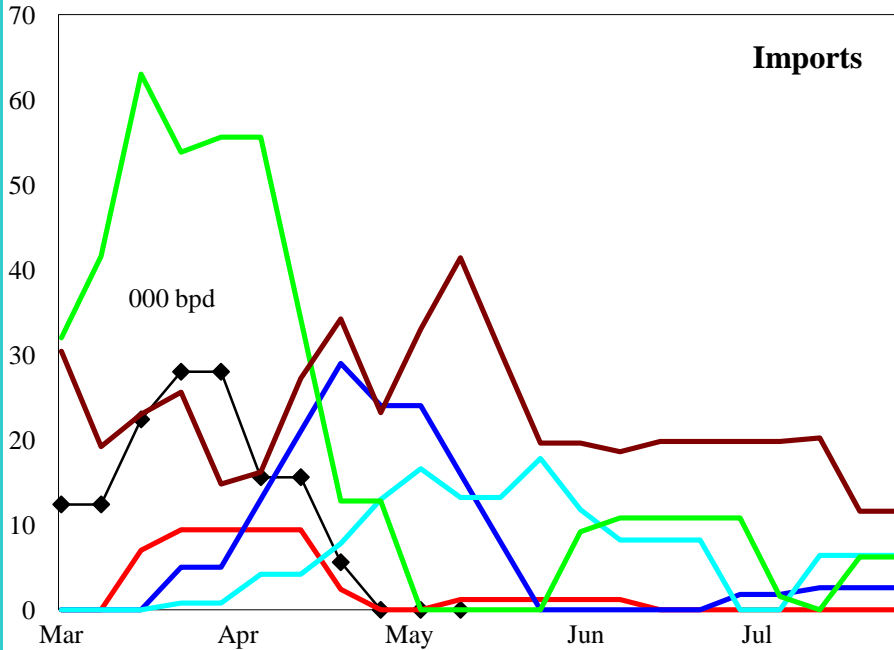
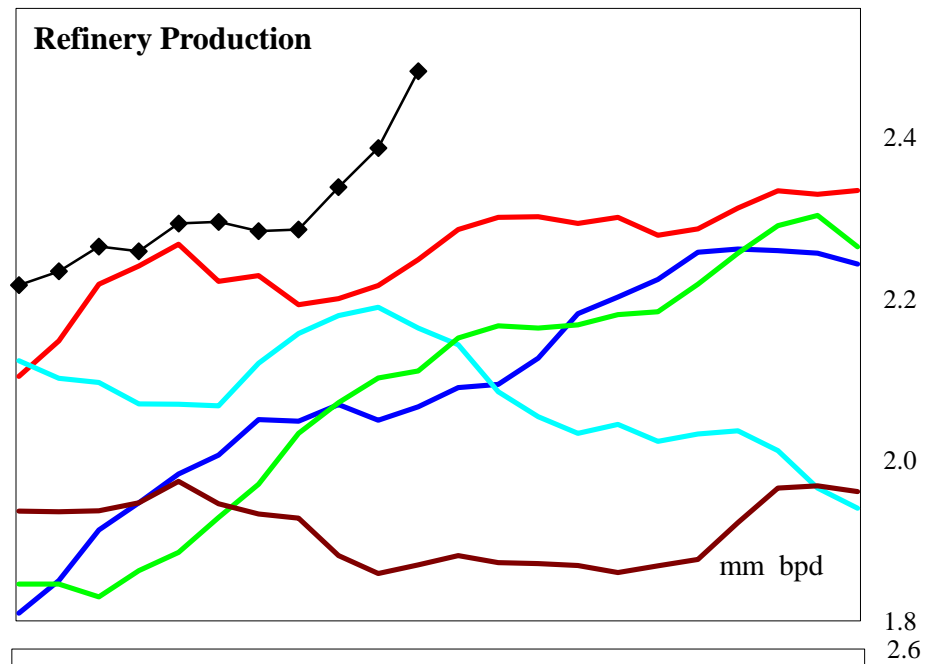
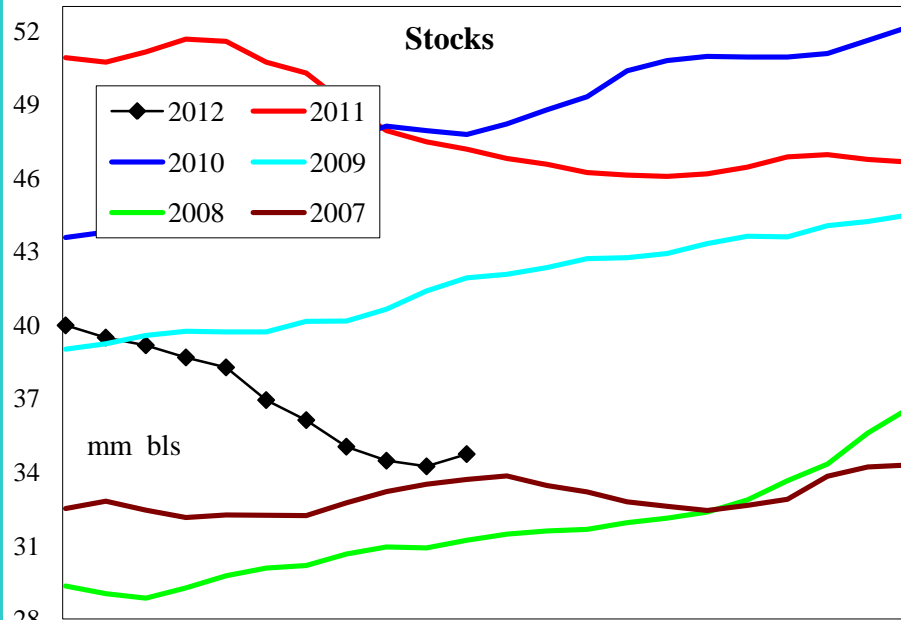
# PADD 3 Reformulated Gasoline Supply



# PADD 3 Conventional Gasoline Supply



# PADD 3 Distillate Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

-12,562

-26.6

Production

147

6.6

Imports

0

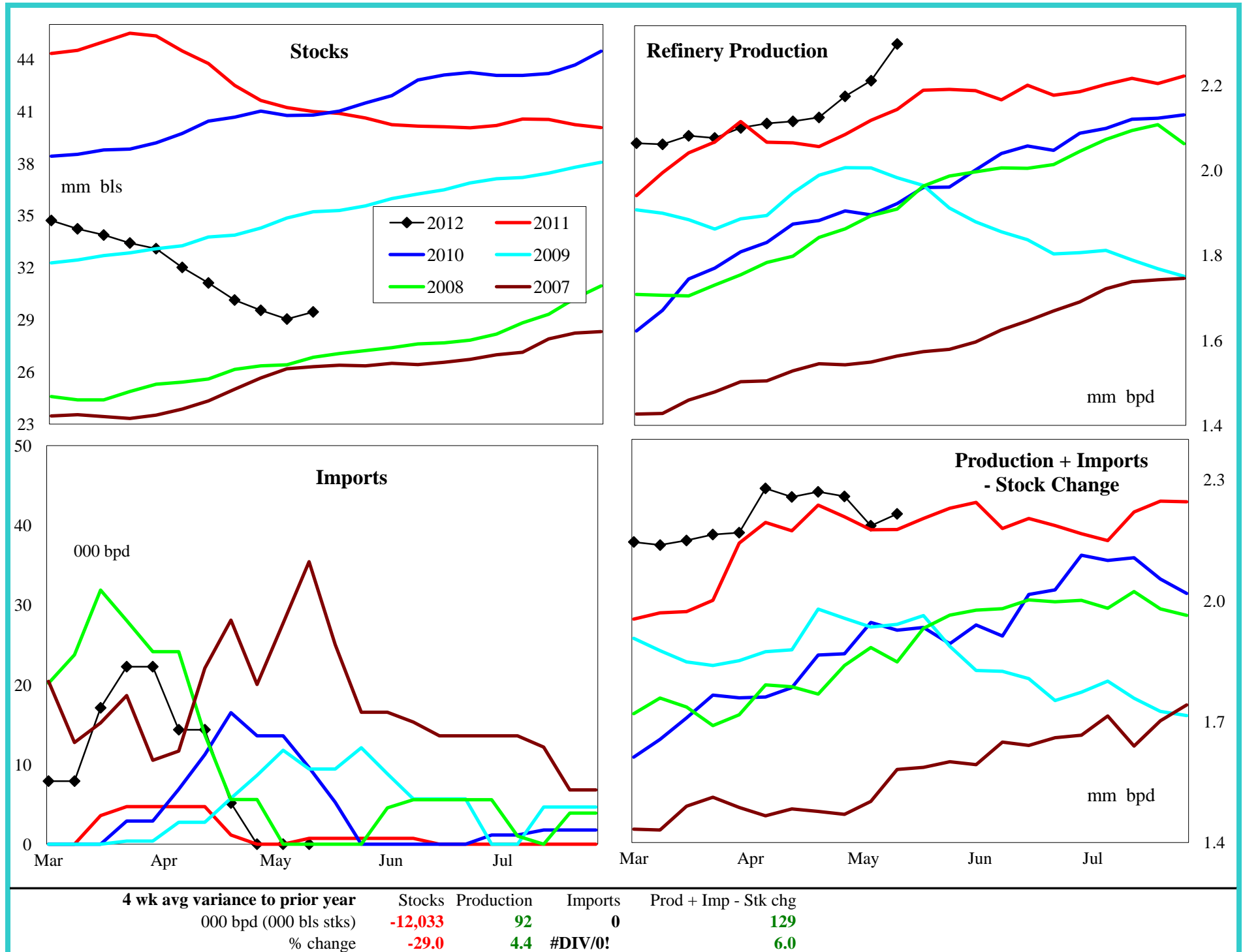
#DIV/0!

Prod + Imp - Stk chg

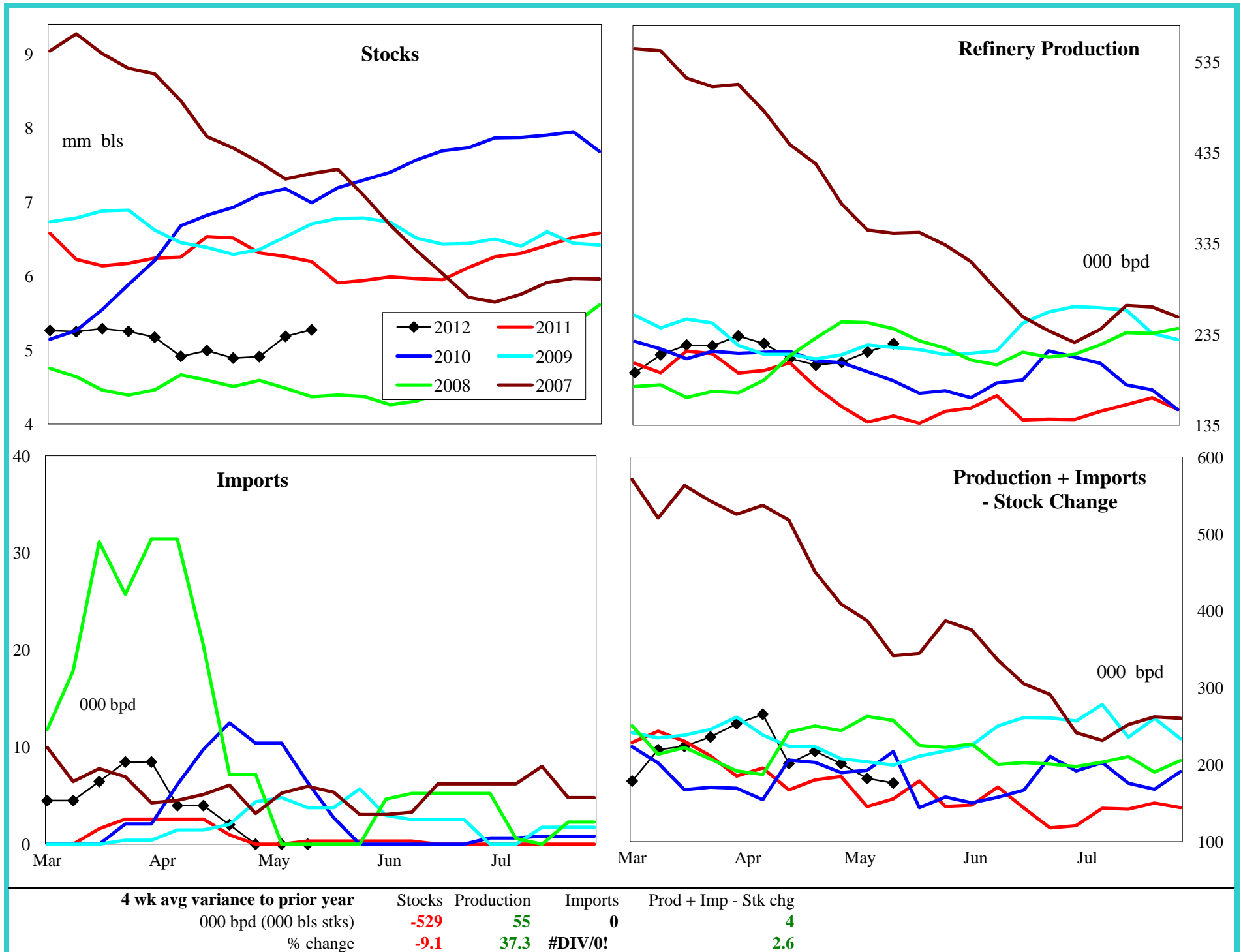
133

5.8

# PADD 3 Low Sulfur Distillate Supply

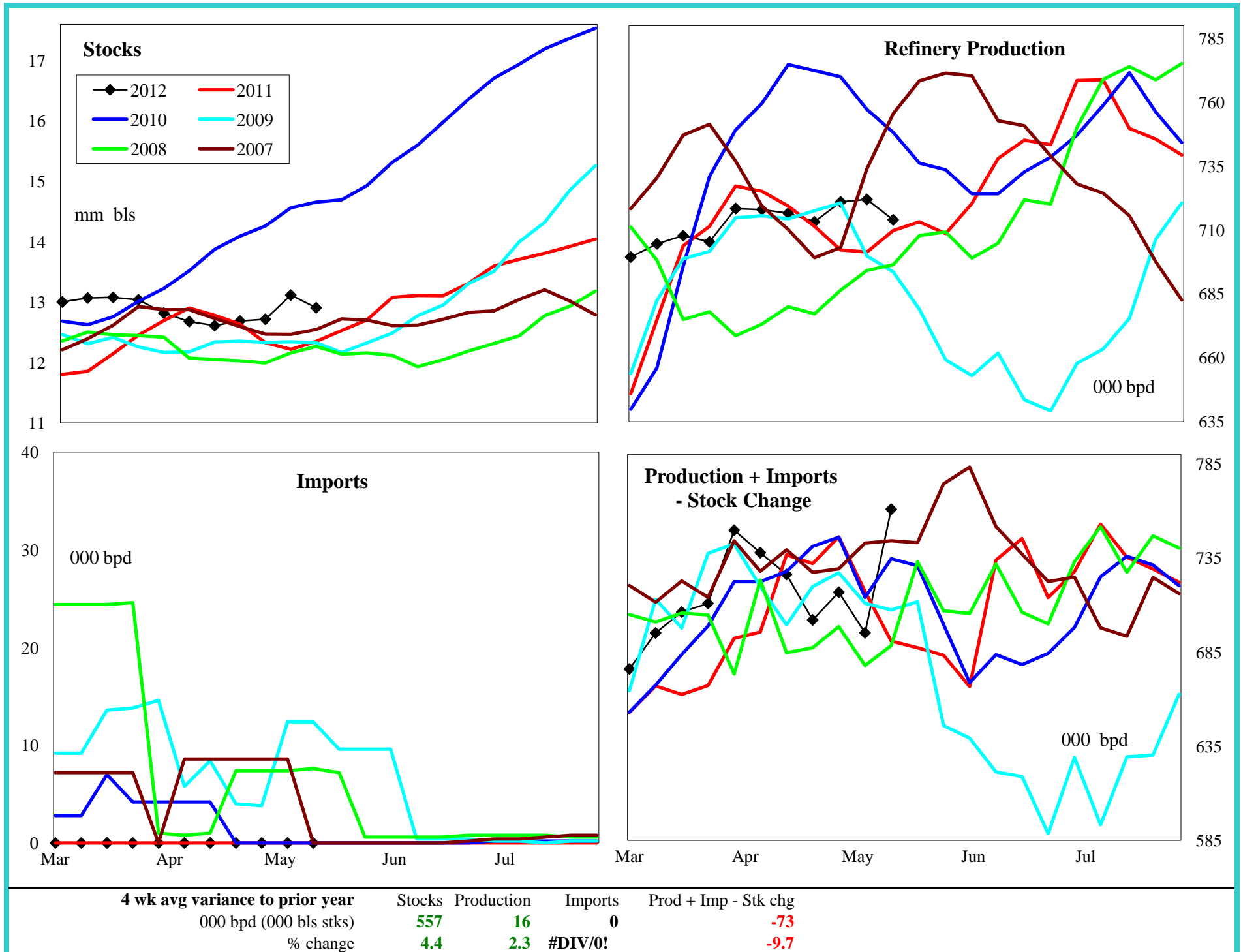


# PADD 3 High Sulfur Distillate Supply

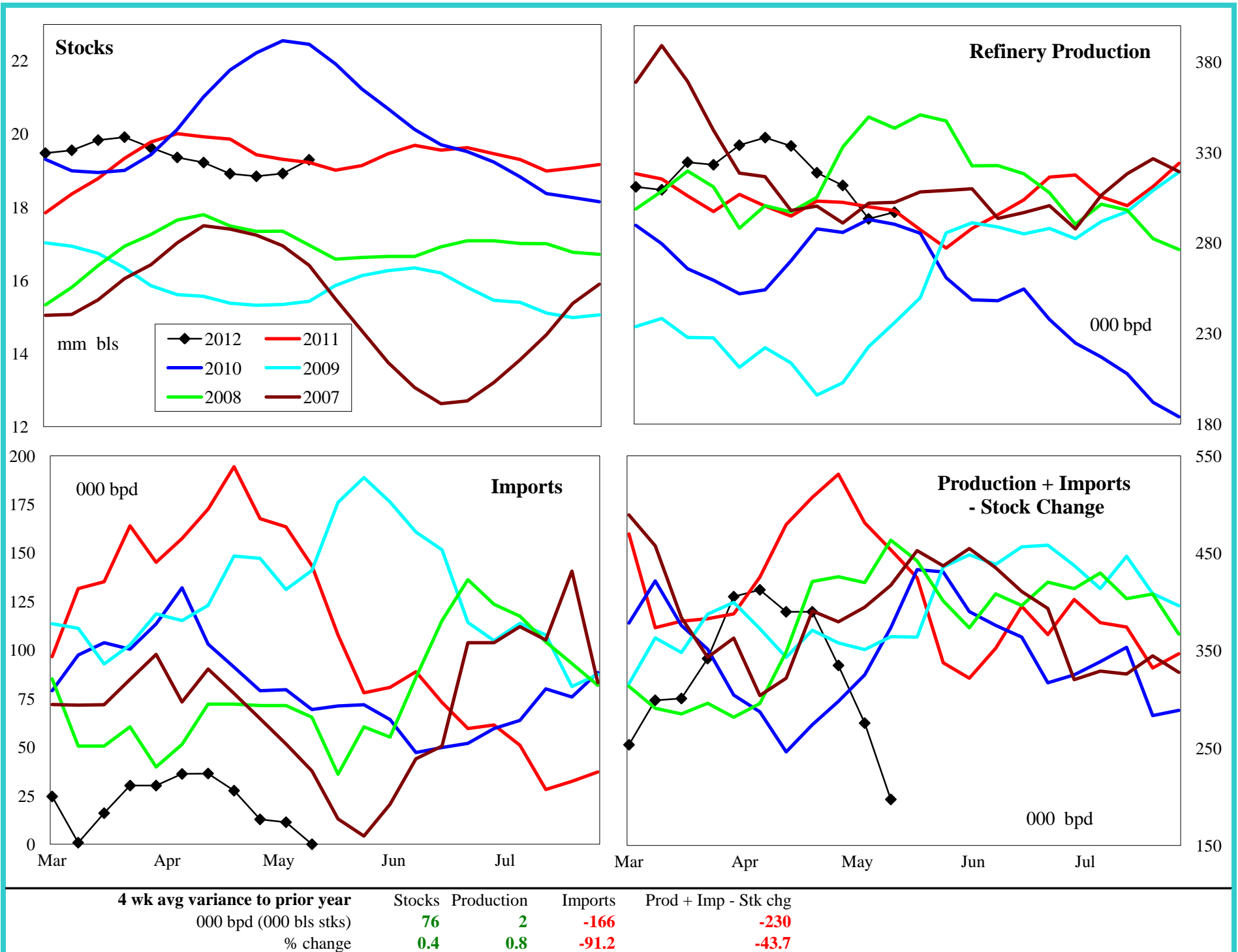




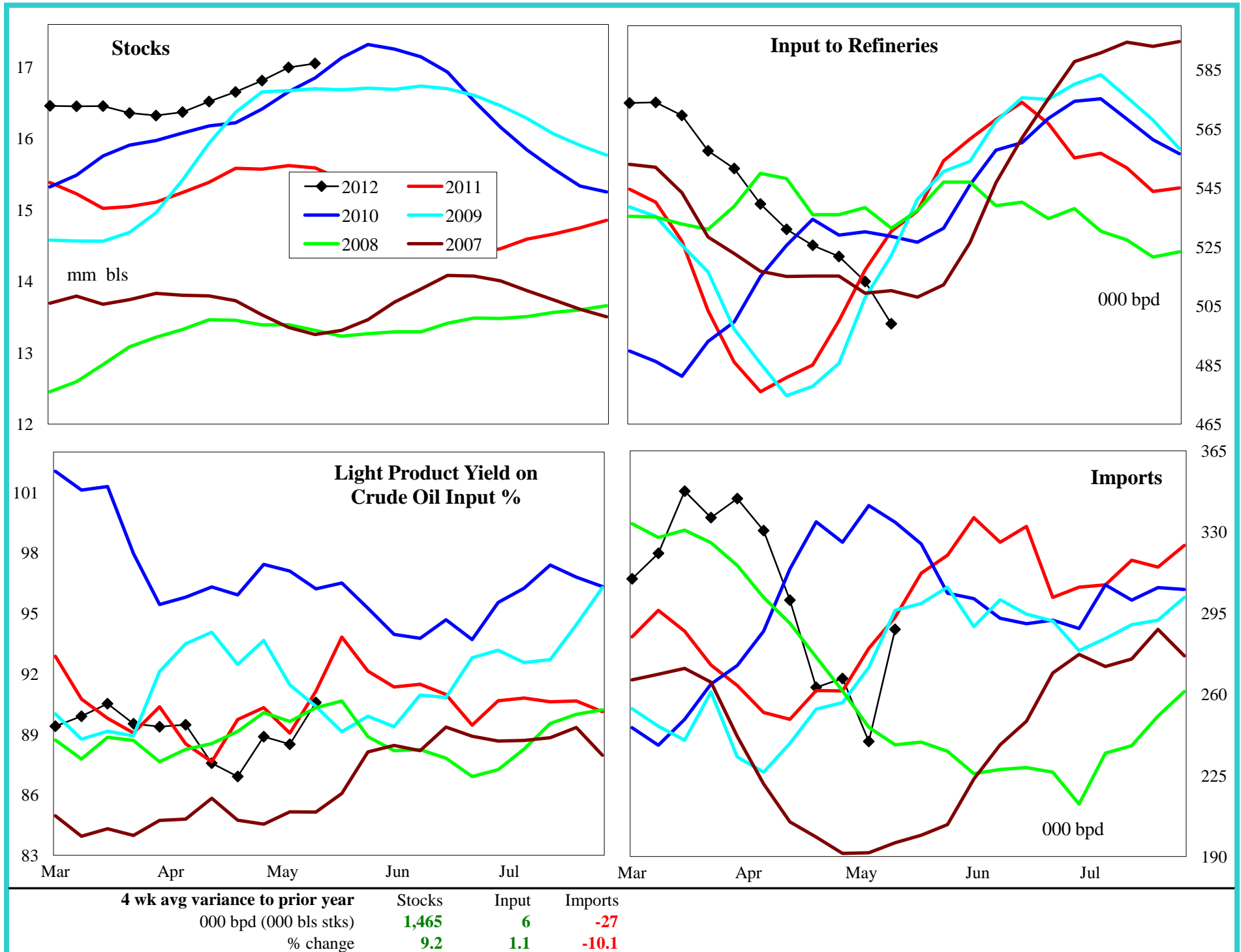
# PADD 3 Jet Fuel Supply



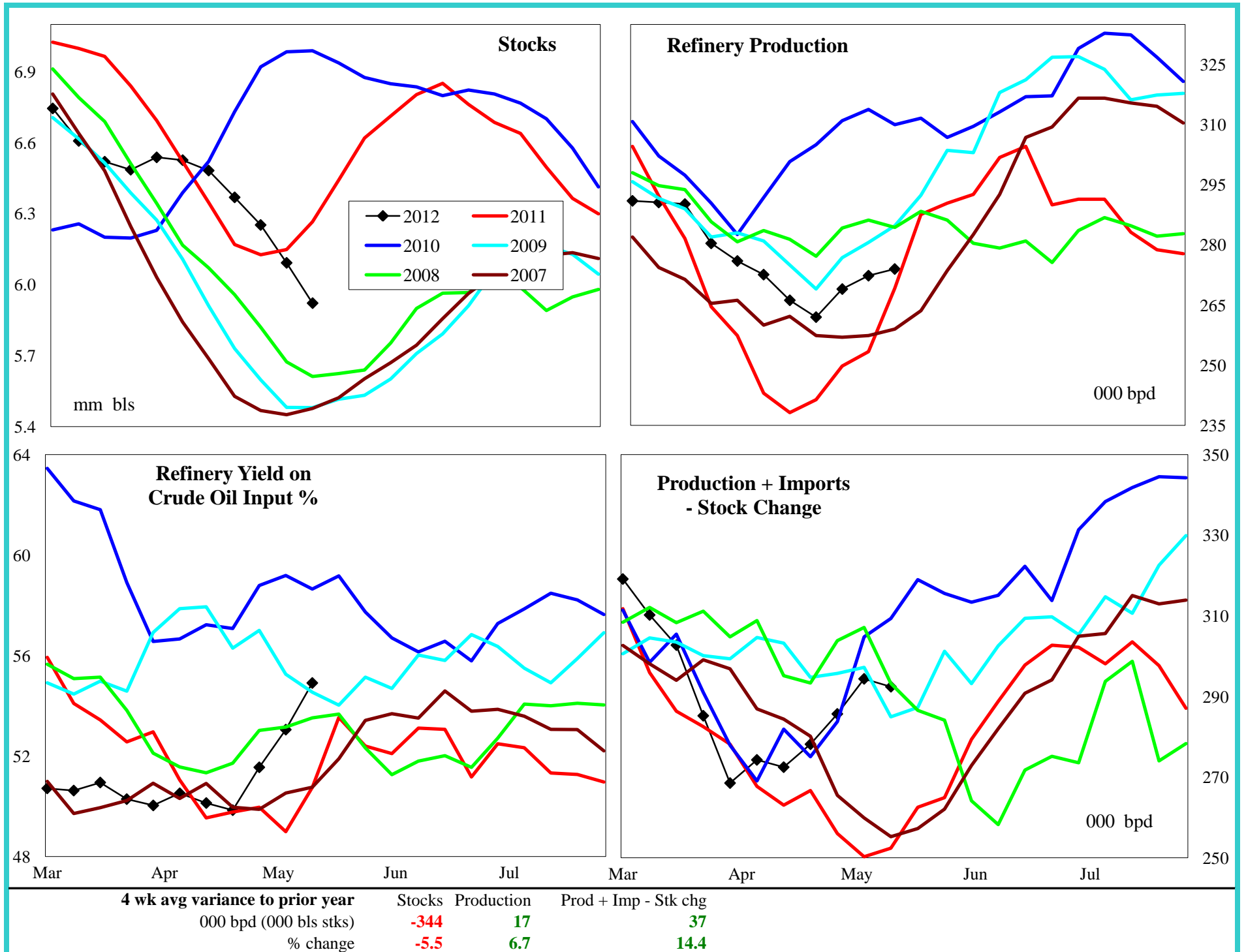
# PADD 3 Residual Fuel Oil Supply



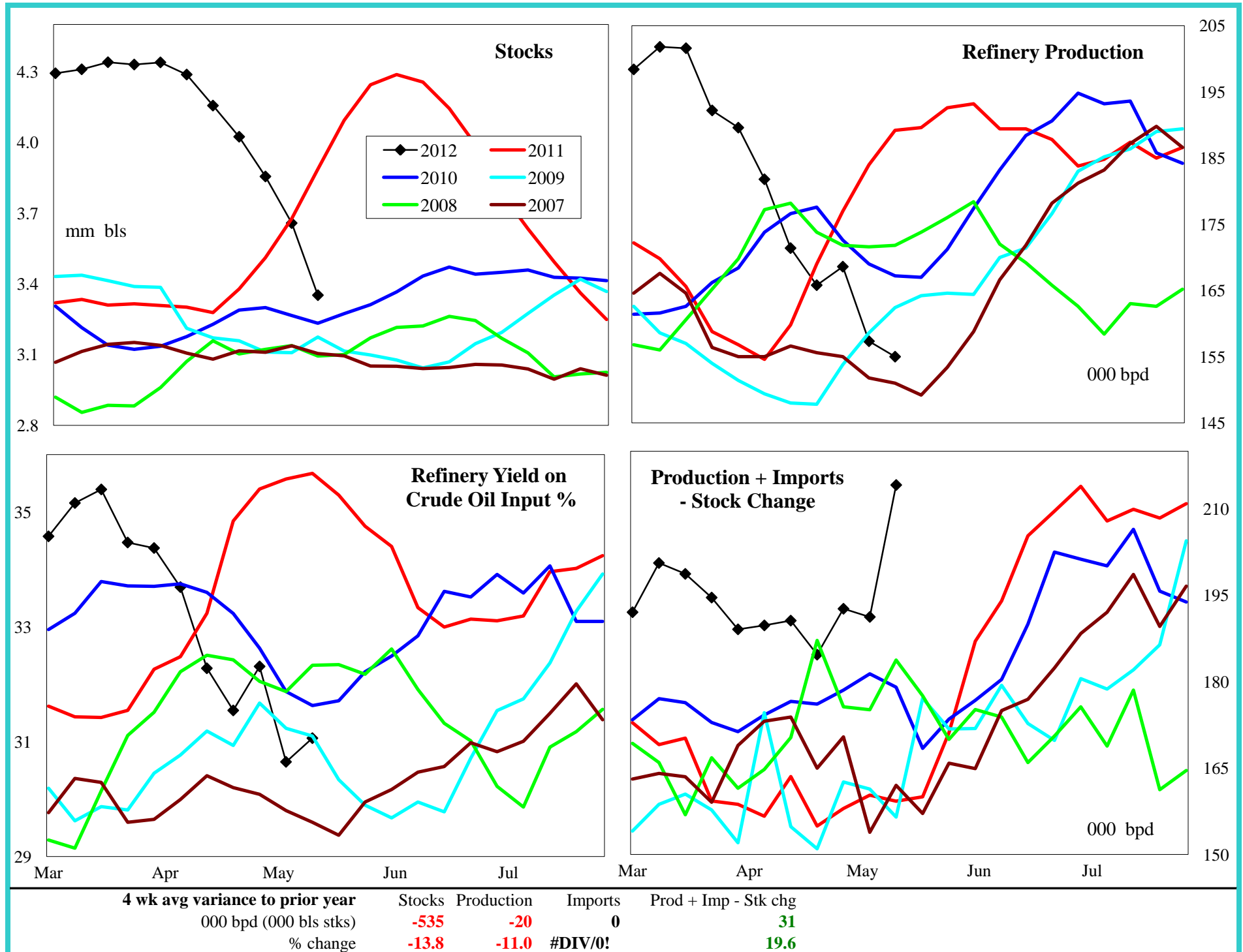
# PADD 4 Crude Oil Supply and Refining



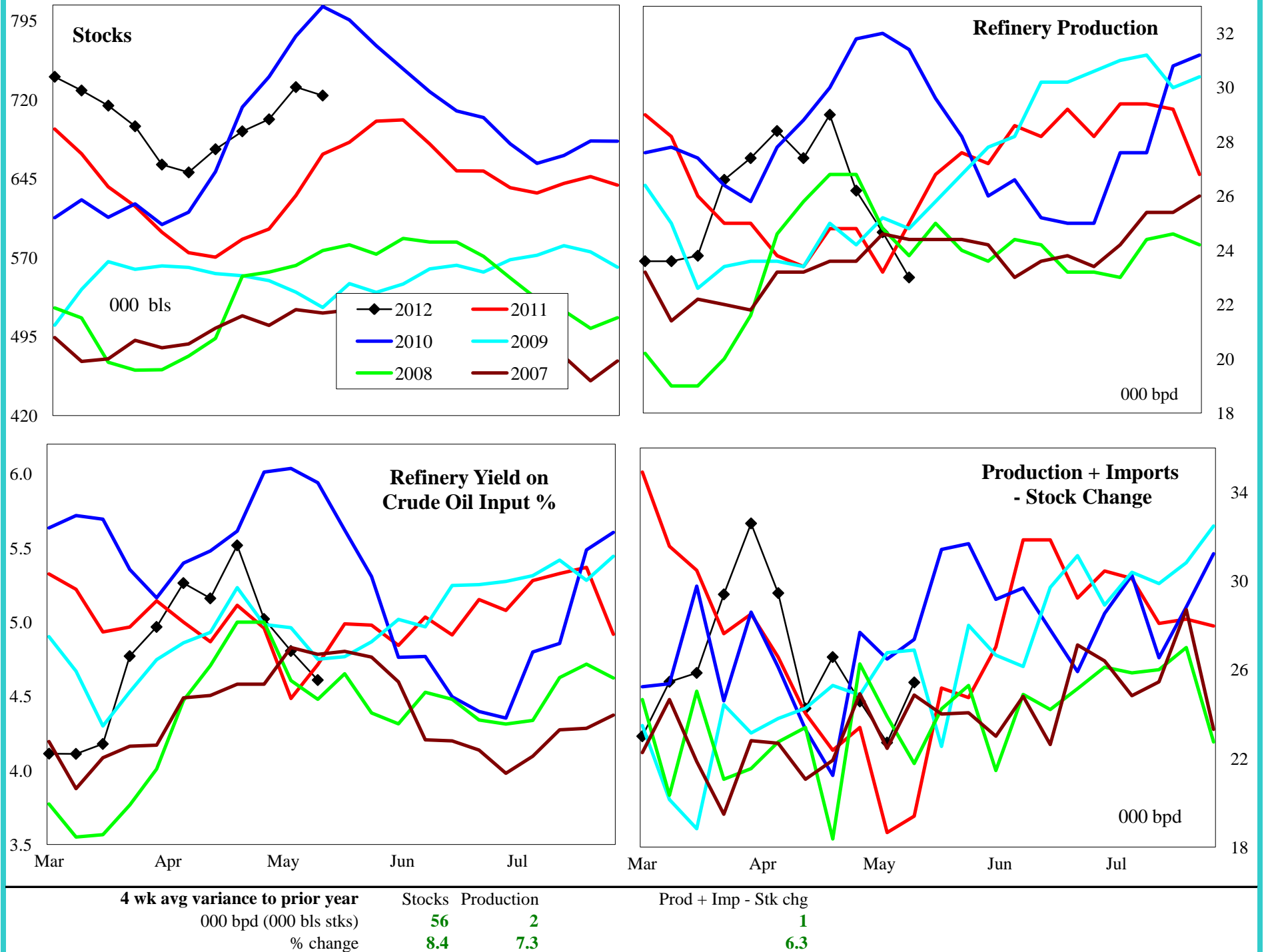
# PADD 4 Gasoline Supply



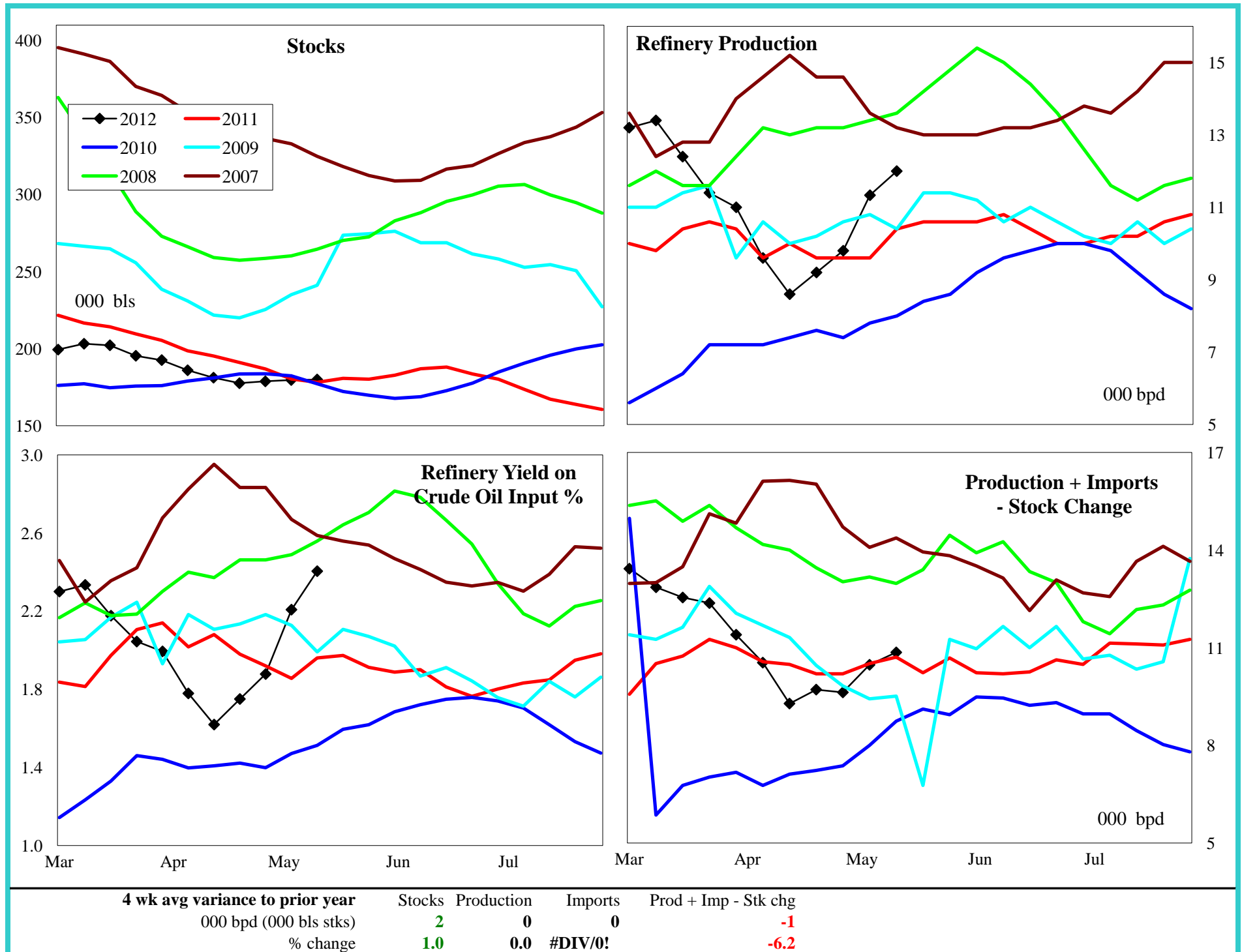
# PADD 4 Distillate Supply



# PADD 4 Jet Fuel Supply

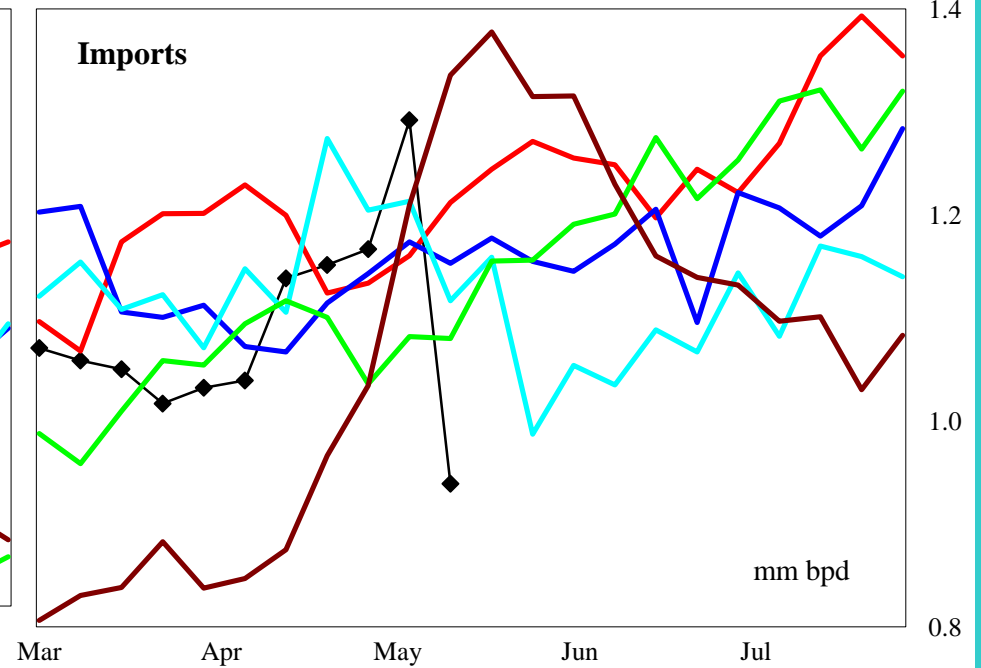
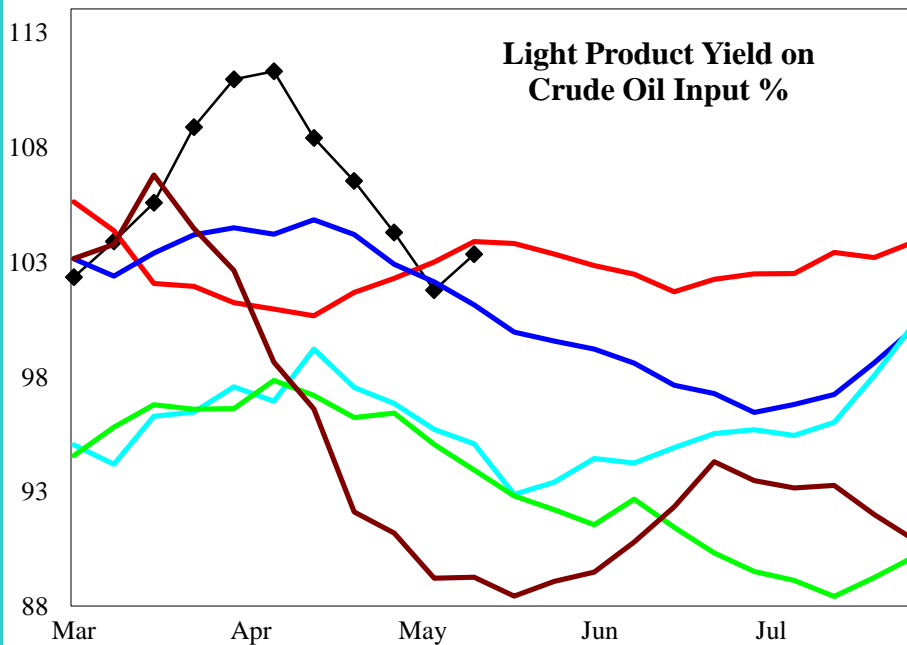
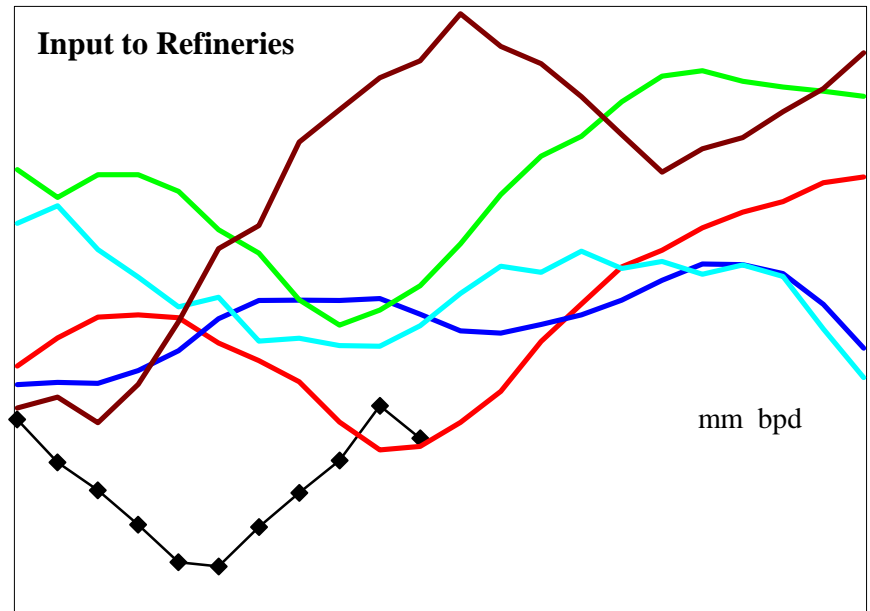
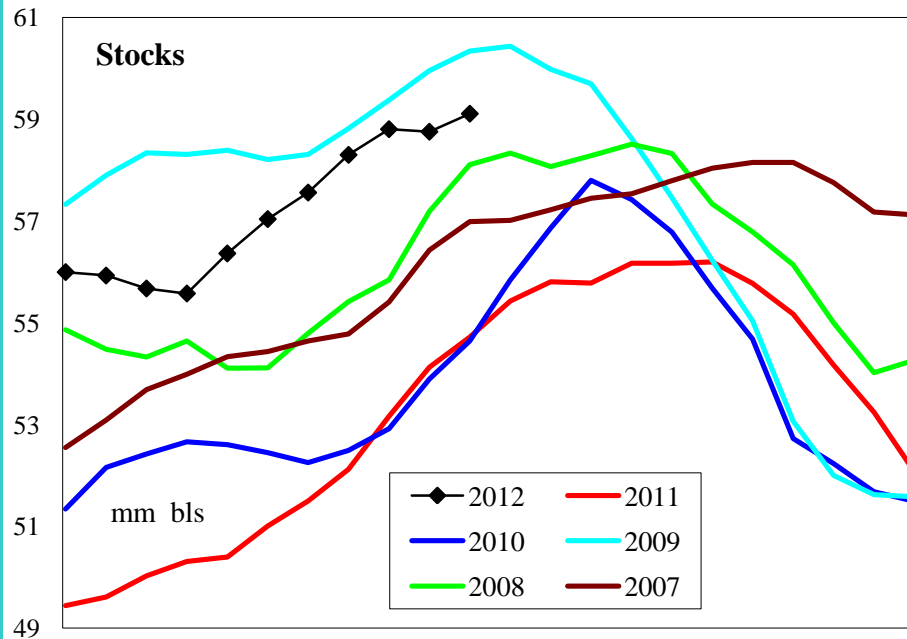


# PADD 4 Residual Fuel Oil Supply





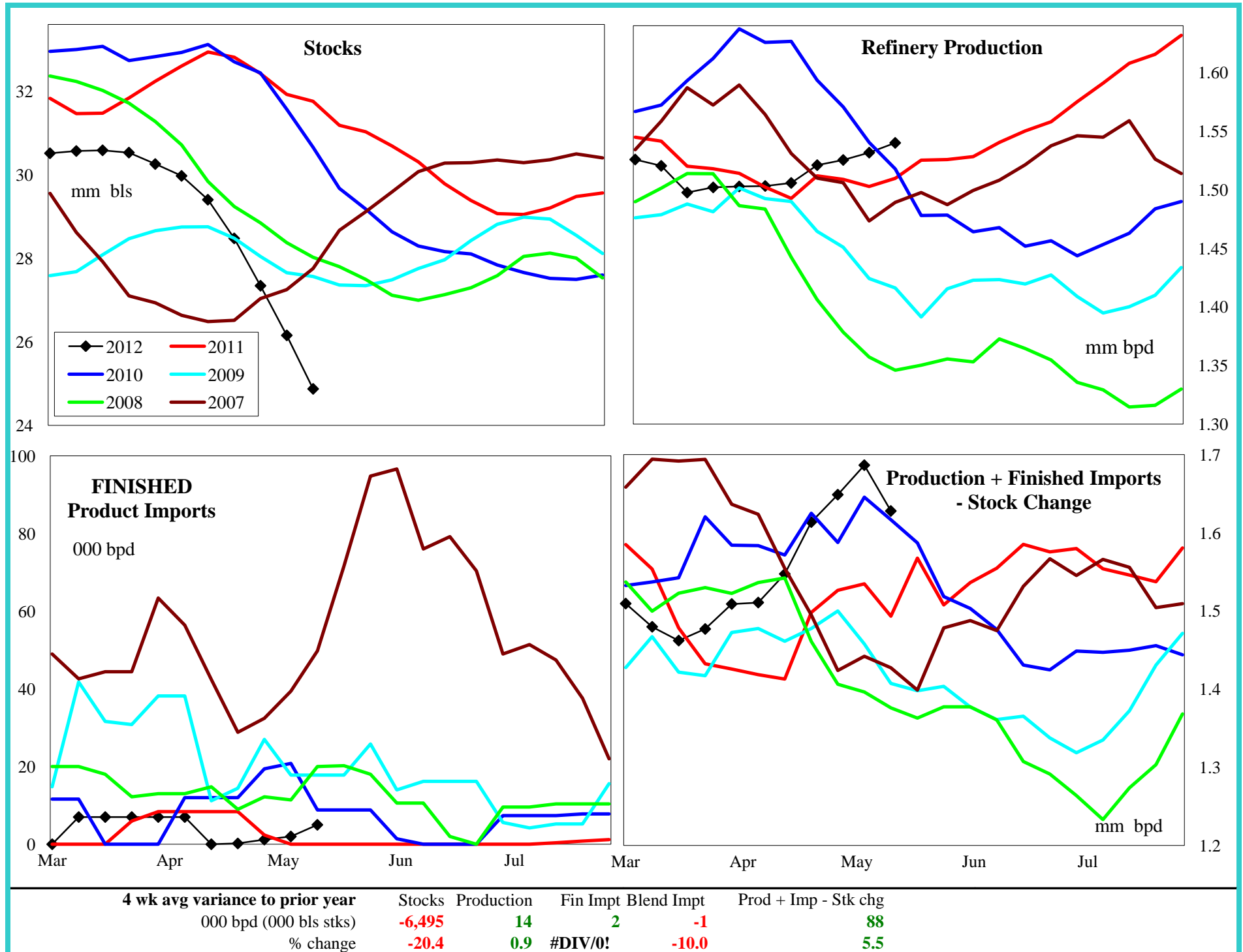
# PADD 5 Crude Oil Supply and Refining



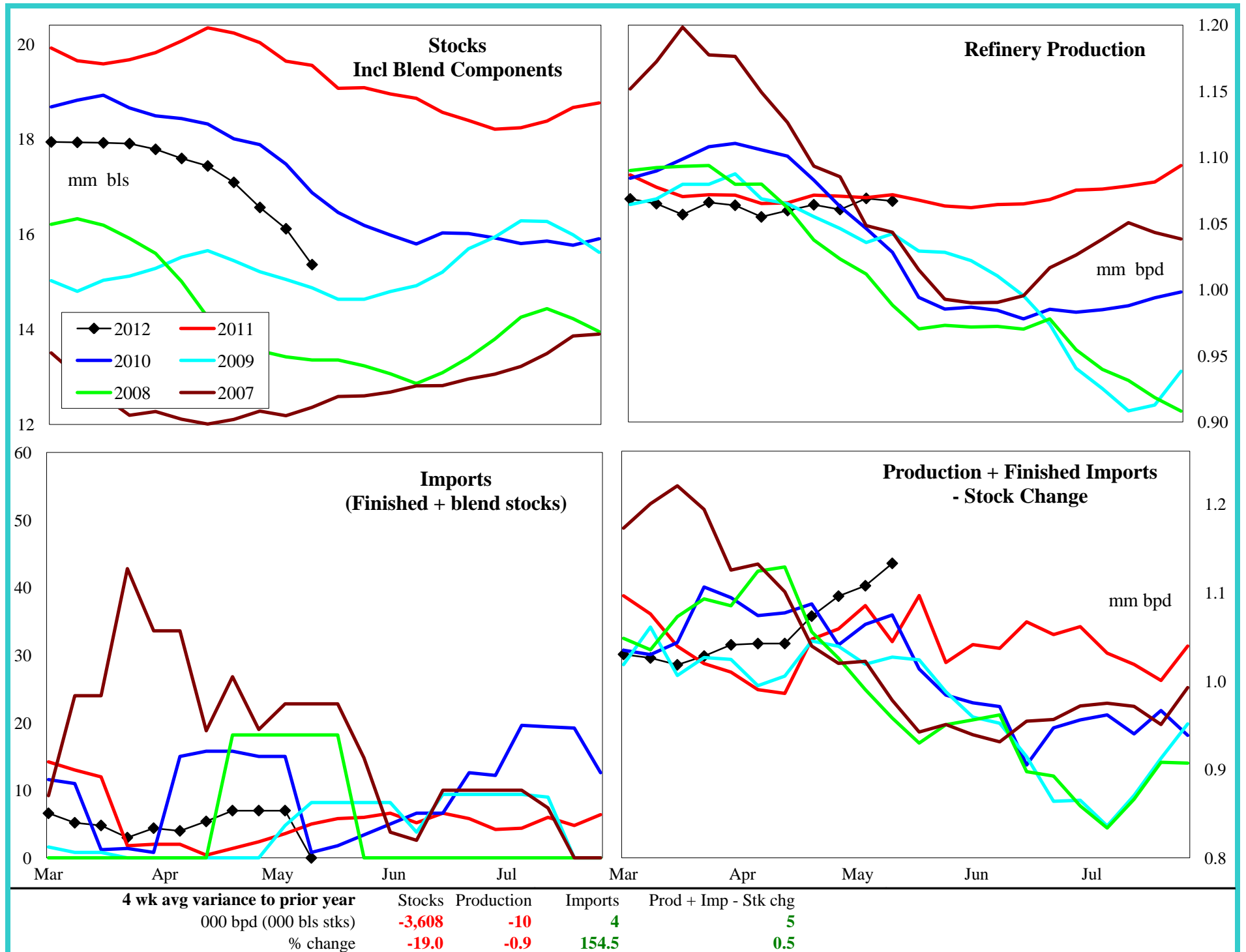
**4 wk avg variance to prior year**  
000 bpd (000 bbls stks)  
% change

	Stocks	Input	Imports
000 bpd (000 bbls stks)	4,394	19	42
% change	8.0	0.8	3.6

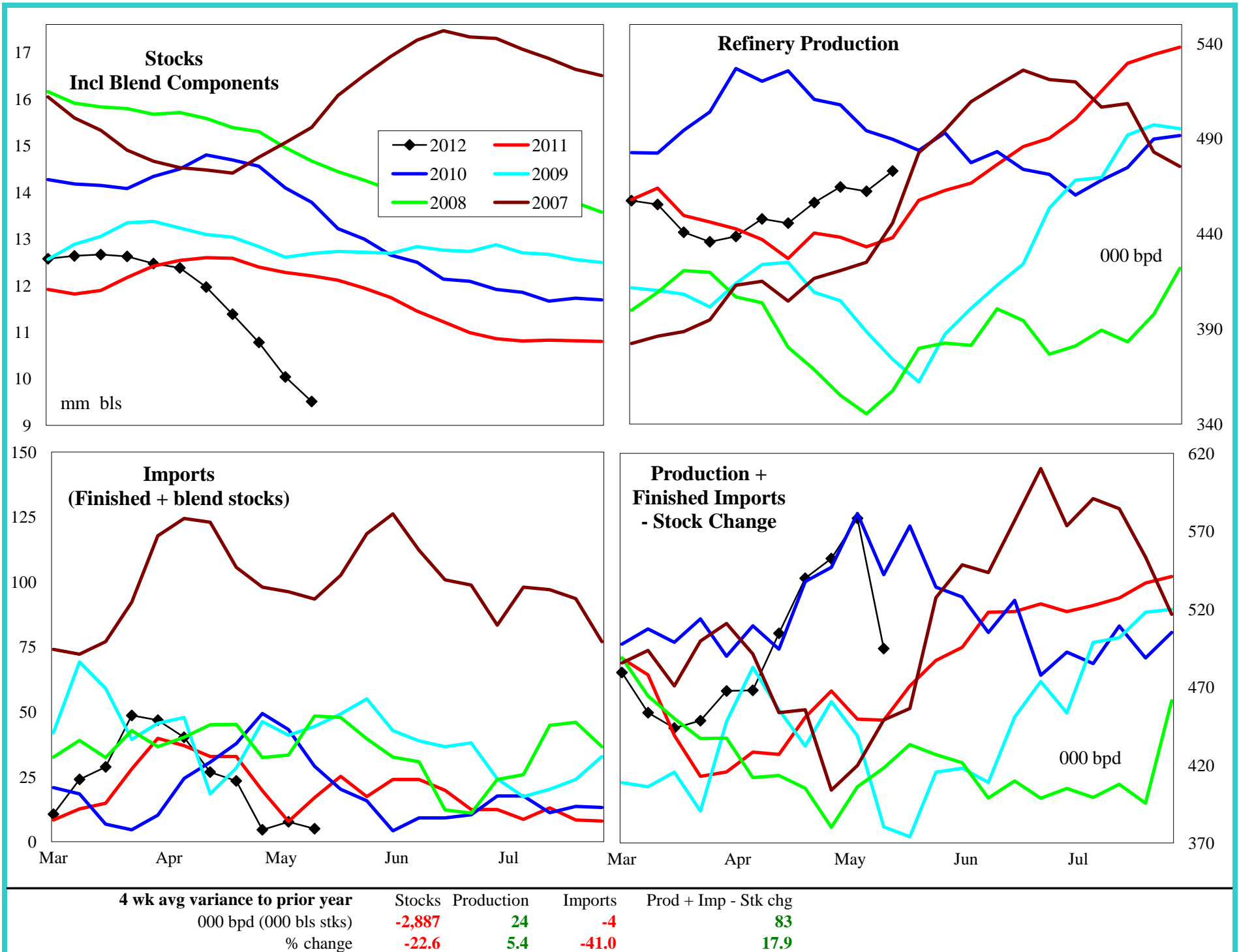
# PADD 5 Gasoline Supply



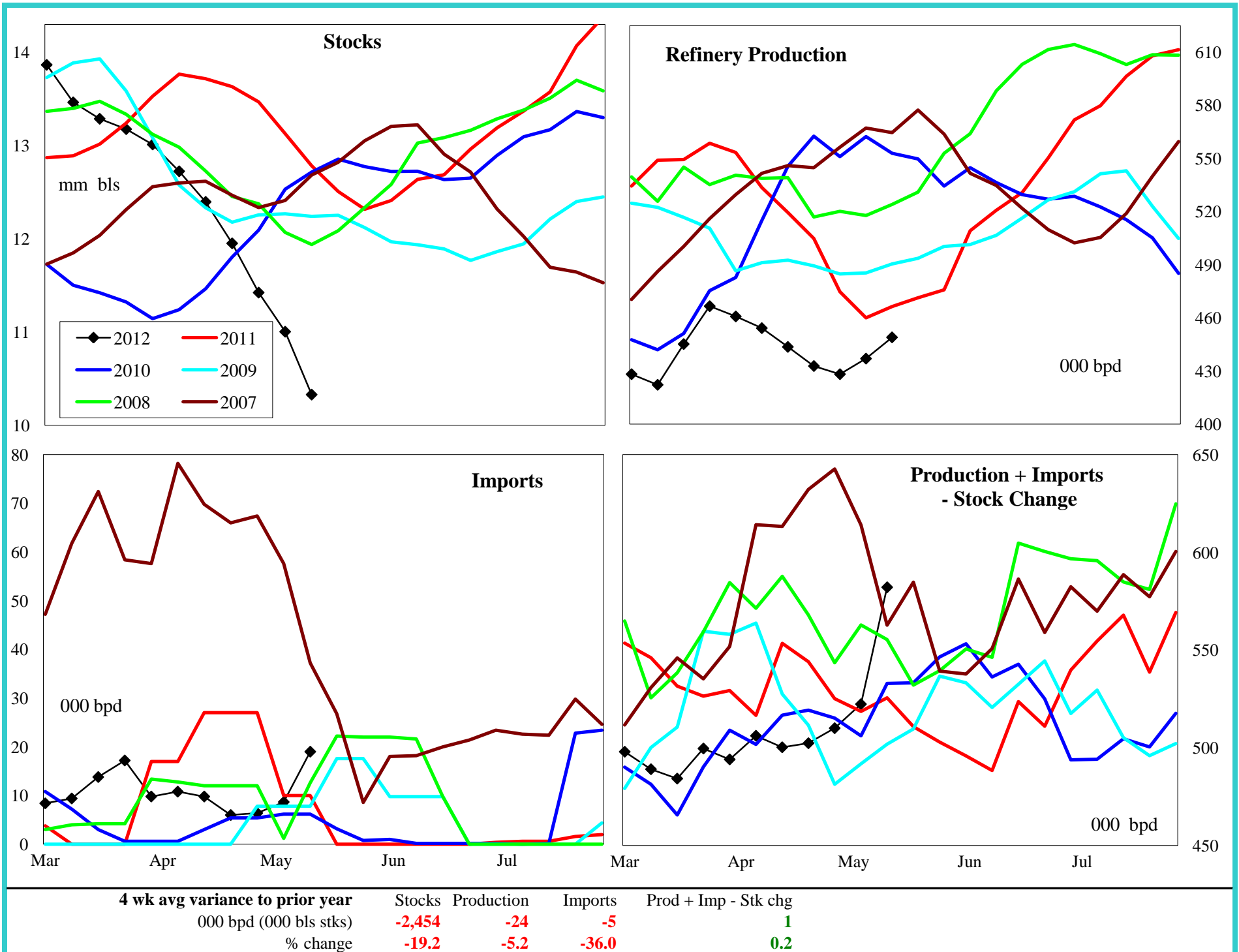
# PADD 5 Reformulated Gasoline Supply



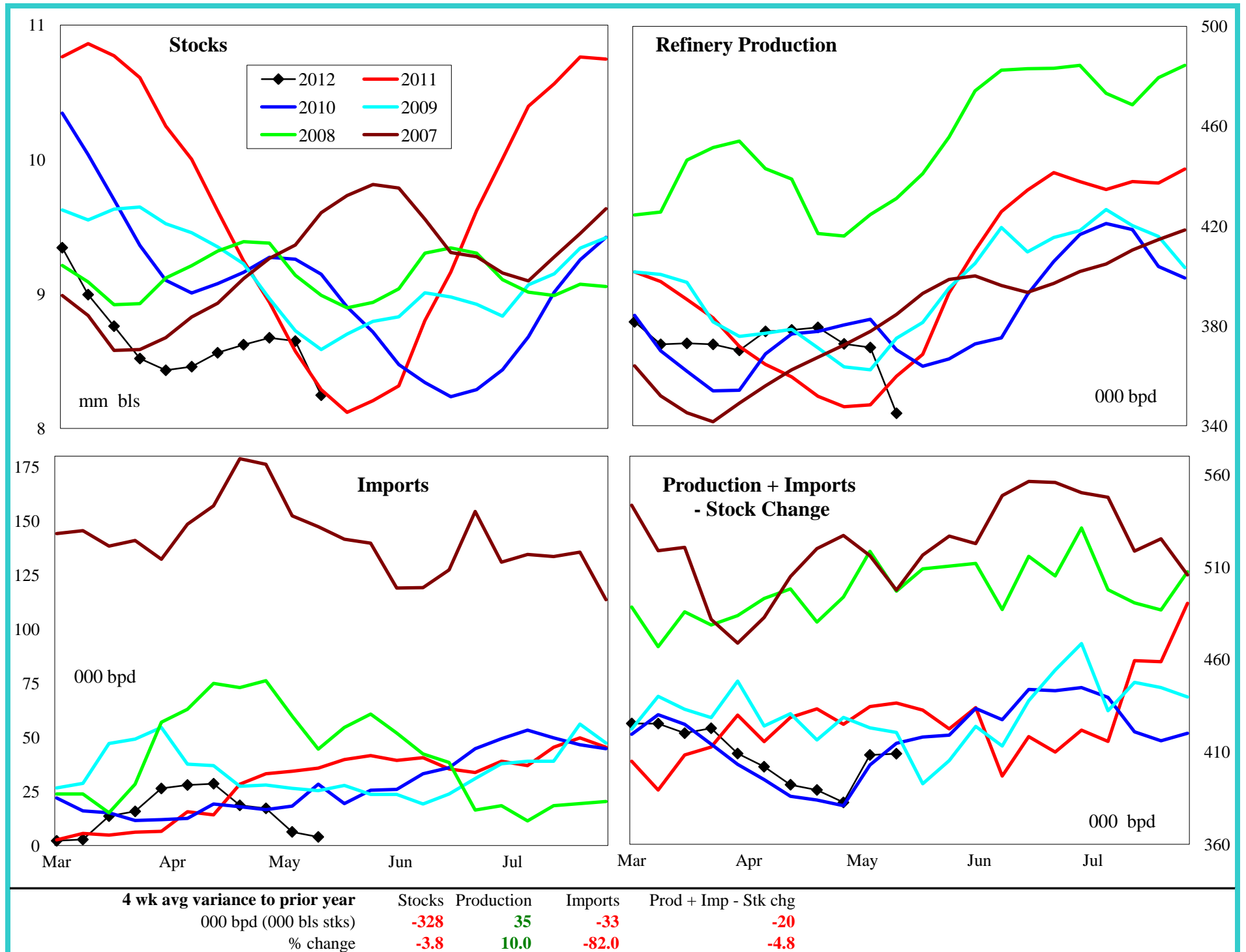
# PADD 5 Conventional Gasoline Supply



# PADD 5 Distillate Supply



# PADD 5 Jet Fuel Supply



# PADD 5 Residual Fuel Oil Supply

