



WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

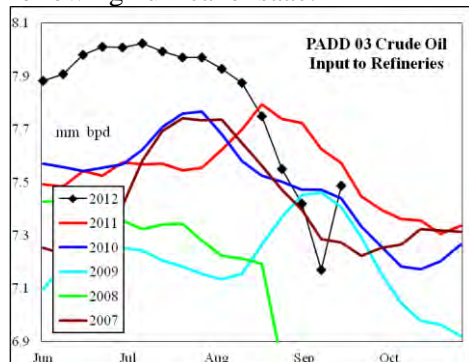
A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Thursday, September 20, 2012

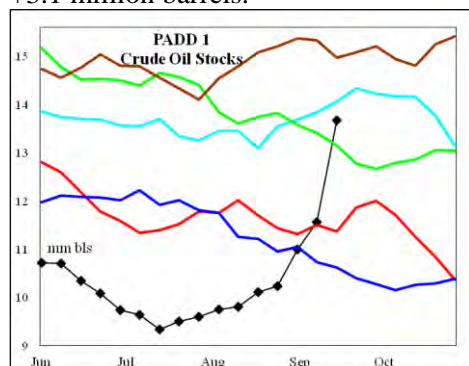


Major Fundamental Trends¹

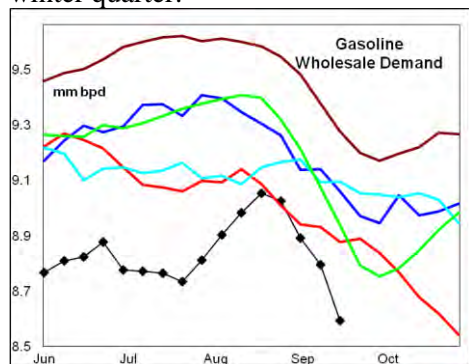
Refinery crude oil thru increased +0.6 million bpd last week in the Gulf region as refiners completed restart following hurricane Isaac.



Crude oil runs also climbed +0.1 million bpd last week in PADD 1 on start up of a previously closed refinery. Crude oil imports jumped +0.5 million bpd in the region, lifting stocks by over +3.1 million barrels.



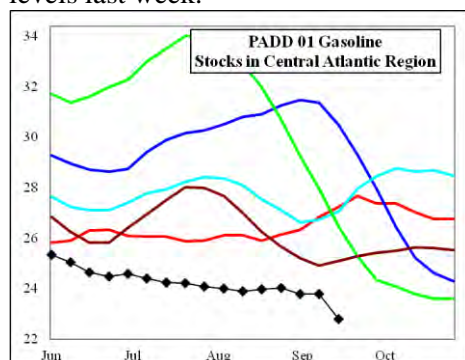
Increased refined product production in PADD 1 should lead to some improvement in the supply balance for both distillate and gasoline during the winter quarter.



Gasoline demand continued the

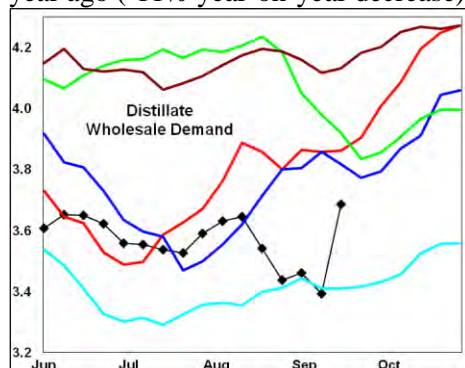
seasonal downtrend last week, to a level well below the historic range.

A -314,000 bpd drop in gasoline imports to the East Coast led to a -2.3 million barrel stock draw on the week. The current supply squeeze in NYH continued on extremely low stock levels last week.



Look for lower seasonal demand, the switch to higher RVP grades and a return to full operation by Gulf refiners to improve gasoline supplies during the next 30-days.

Distillate demand surged +0.4 million bpd last week, with the latest 4-wk average -434,000 bpd below a year ago (-11% year-on-year decrease).



Demand for distillate jumped +0.4 million bpd, after a month at extremely low levels. Wholesale demand, measured over the last four weeks compared to a year ago: gasoline decreased -0.9%; distillate fell -11%; jet fuel down -0.4% while residual fuel oil decreased -21%.

Stocks forward coverage: Gasoline demand coverage fell last week due to a -1.4 million barrel stock draw. Coverage levels were sharply below the last 3-years.

Distillate coverage decreased on a

-0.3 million barrel stock draw and higher demand. Coverage levels remain well below the last 3-years.

Jet fuel coverage increased on a +1.3 million barrel stock build and sharply lower demand. Coverage levels ended the week below the last 3-years.

Refinery utilization rates jumped last week on a -0.6 million bpd rise in crude oil runs, as refiners completed restart after hurricane Isaac. During the latest 4-wk period crude oil input was -0.5 million bpd below a year ago.

Gasoline yield % on crude oil runs decreased on a +167,000 bpd increase in output compared to the +0.6 million bpd rise in crude oil runs. Yield % on crude oil runs matched the 3-year average.

Distillate yield % on crude oil runs was nearly unchanged on a +115,000 bpd increase in production, compared to the rise in crude oil runs. The yield % exceeded the 5-year range.

Jet fuel yield % on crude oil runs decreased on a +43,000 bpd rise in output, compared to the larger increase in crude oil runs. The yield % was near 5-year highs.

Petroleum Imports of crude oil spiked +1.3 million bpd last week, while gasoline imports fell -341,000 bpd to record low levels. During the latest 4-wk period crude oil imports were -0.2 million bpd below last year; distillate imports decreased -17,000 bpd; finished gasoline imports decreased -39,000 bpd, gasoline blend stock imports increased +128,000 bpd; jet fuel imports were +86,000 bpd higher, while residual fuel oil imports decreased -7,000 bpd.

Crude Oil imports spiked to near record highs as a result of increased off loadings following the hurricane in the Gulf and startup of refining capacity on the East coast. Stocks surged +8.5 million barrels, concentrated in PADDs 3 and 1. Cushing stocks ended the week +12.2 million barrels above last year, +39%.

¹ Source is latest EIA Weekly Statistics



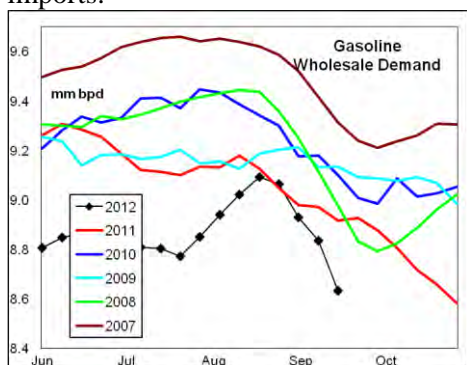
WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

A Fundamental Petroleum Trends Weekly Report

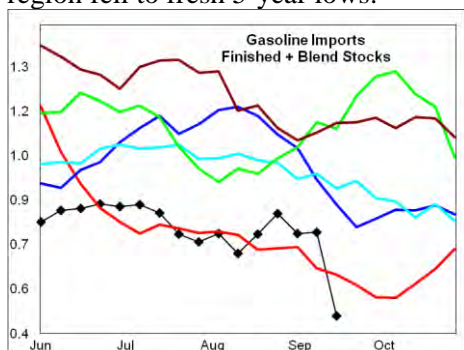
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Thursday, September 20, 2012

Product Supply-Demand Trends

Gasoline demand decreased -63,000 bpd last week, to a level well below the 5-year range. The latest 4-wk average demand was -81,000 bpd below a year ago. Supply fell -174,000 bpd on the week, the result of sharply lower imports.



Stocks decreased -1.4 million barrels last week; including a -2.3 million barrel draw on the East Coast. Stock levels in the key Central Atlantic region fell to fresh 5-year lows.



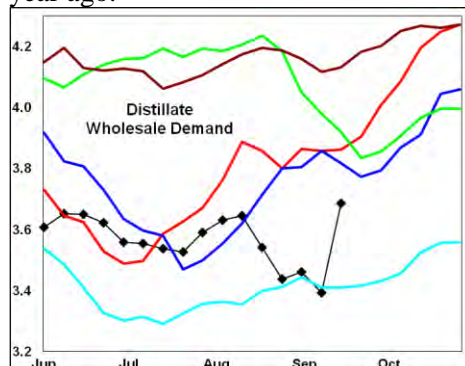
The latest 4-wk stock change in markets East of the Rockies was a -6.9 million barrel draw, compared to an average build of +1 million barrels during the last 3-years.

Extremely low stocks on the East Coast has kept a supply squeeze in place for this region, holding the forward price curve to a record inversion for this time of year.

A return to operation by refiners, the waiver for RVP to winter grade in southern states, and an end to peak summer wholesale demand should lead to improvement in the supply balance East of the Rockies over the next 30-days.

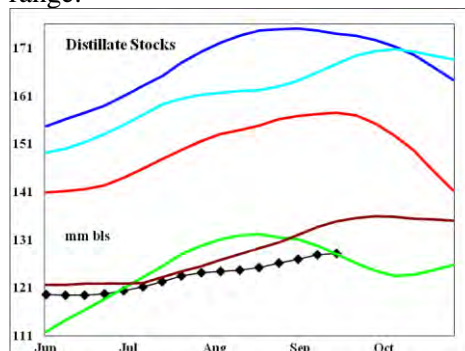
Distillate demand surged +416,000 bpd last week, a level still below the last 2-

years. The latest 4-wk average demand was -434,000 bpd below a year ago.

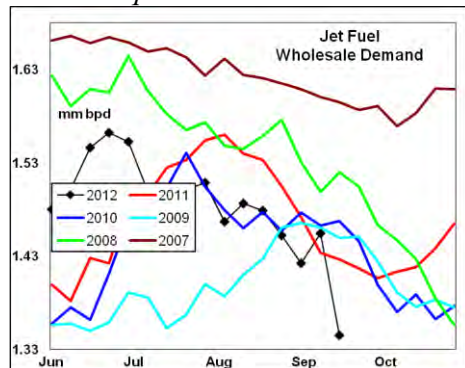


Supply climbed +130,000 bpd on the week. Stocks decreased -0.3 million barrels, with draws in all regional markets East of the Rockies.

The latest 4-wk stock build in markets East of the Rockies was +1.5 million barrels, a level below the mid range.



Stock levels match 5-year lows. Production has returned to year ago levels as refiners returned to full operation on the Gulf. Supply has averaged -67,000 bpd below a year ago for the latest 4-wk period. Risk continues that stock levels will remain unusually low leading to tight supplies in the 4th quarter.



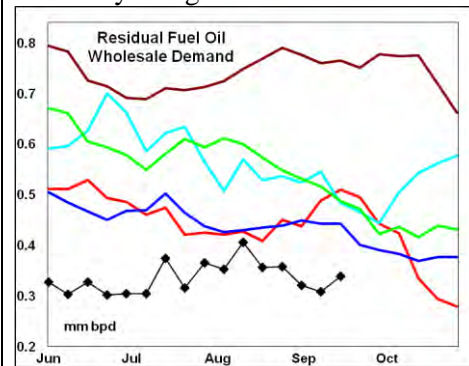
Jet Fuel demand plunged -208,000 bpd

on the week, to a level well below the last 3-years. The latest 4-wk average demand was -6,000 bpd below a year ago, down -0.4%.

Supplies jumped +112,000 bpd last week on higher production & imports. Stocks climbed +1.3 million barrels on the week, to a level -4% below last year.

Expect a seasonal downtrend in demand to support further stock building over the next 45-days, with peak levels below the 3-year average. The recent surge in imports is likely to pull back on improving domestic supply and lower demand.

Residual fuel oil demand increased +135,000 bpd last week, with the latest 4-wk average demand -96,000 bpd below a year ago.



Supply (production + imports) declined -28,000 bpd last week, on lower production. The latest 4-wk average supply was -70,000 bpd below last year on lower production. Stocks fell -0.4 million barrels on the week, to fresh 5-year lows.

Wholesale demand continued to track below the last 2-years. Production and imports are each at 5-year lows.

Stock levels in the key Gulf Region ended the week at a level comparable to the latest 2-year average.



WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

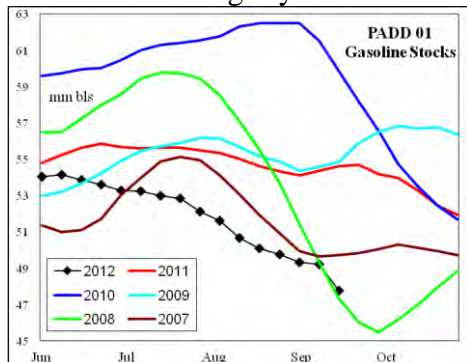
A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Thursday, September 20, 2012

PADD Supply Trends

PADD 1 refinery crude oil runs increased +72,000 bpd last week, with the latest 4-wk average -254,000 bpd below last year.

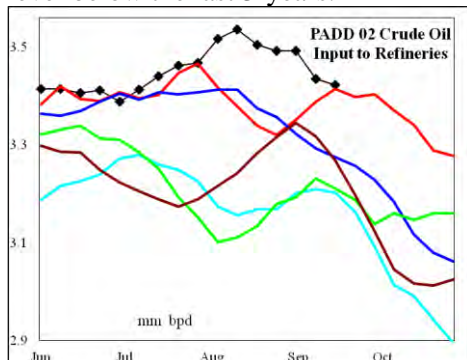
Gasoline supply fell -241,000 bpd last week. Stocks fell -2.3 million barrels on the week, with the level matching 5-year lows.



Stock levels in the Central Atlantic region ended the week -16% below last year, and at all time lows for the fall quarter.

Distillate supply was nearly unchanged on the week. Supply for the latest 4-wk period was -54,000 bpd below last years' previous record low. Stocks decreased -0.5 million barrels, with the level -29% below a year ago.

Jet fuel supply increased +84,000 bpd last week on a surge in imports. Stocks fell -0.8 million barrels to a level below the last 3-years.



PADD 2 crude oil refinery runs declined -37,000 bpd on the week, to a level that matched 5-year highs on the week. The latest 4-wk average crude runs were +110,000 bpd above last year. Crude oil imports averaged +265,000 bpd above last year, a +18% increase. Stocks were nearly

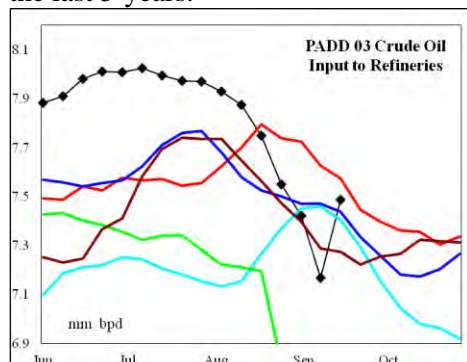
unchanged on the week, with the level +8.6 million barrels above the prior record high.

Gasoline supplies were at a level below the last 3-years and at the low end of the historic range. Stock levels ended the week slightly above the 5-year mid range.

Distillate production declined -40,000 bpd on the week, with the level still above the 5-year range. Stocks levels ended the week +8% above last year and at the upper end of the 5-year range.

Jet fuel production increased +10,000 bpd last week to a new all time high. Stocks ended the week at fresh 5-year highs for the period.

PADD 3 refinery runs jumped +0.6 million bpd on the week as refiners returned to full operation following hurricane Isaac. Run rates were near last years' record high for the period. Crude oil imports increased +0.7 million bpd. Stocks jumped +4.8 million barrels to a level above four of the last 5-years.



Gasoline production climbed +149,000 bpd last week, a level still below the last 2-months. Stocks increased +0.5 million barrels last week, a level -15% below a year ago.

Distillate supply increased +132,000 bpd on the week, a level slightly below last years' record high. Stocks decreased -0.4 million barrels on the week, a level -28% below last year.

Jet fuel production increased +72,000 bpd last week, a level near last years' record high. Stocks surged +1.4 million barrels, to a level near the mid

range.

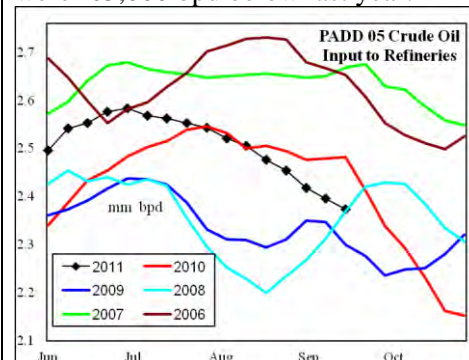
Residual fuel oil stocks ended the week near 5-year highs for the period.

PADD 4 refinery crude runs decreased -8,000 bpd on the week, with the level near historic highs for the week. The most recent 4-wk average run rate was +61,000 above a year ago.

Gasoline supply decreased -1,000 bpd on the week, to a level that matched the average of the last 3-years. Stocks increased +0.1 million barrels on the week, with the level matching 5-year highs for the period.

Distillate production increased +12,000 bpd last week, with the latest 4-wk average +8,000 bpd above last year. Stocks ended the week +23% above last year, matching 5-year highs.


PADD 5 crude oil refinery runs decreased -12,000 bpd last week, to a level that matched the 3-year average. Runs for the most recent 4-wk period were -65,000 bpd below last year.



Gasoline supply decreased -11,000 bpd on the week; with the latest 4-wk average -21,000 bpd below a year ago. Stocks were unchanged last week, -6% below a year ago.

Distillate supply increased +23,000 bpd on the week, with the latest 4-wk +33,000 bpd above a year ago. Stocks increased +0.5 million barrels, to a level near 5-year highs for the period.

Jet fuel supplies decreased -40,000 bpd last week, while stocks jumped +0.7 million barrels. Stock levels ended the week the highest level of the last 3-months, although -10% below last year.



FUNDAMENTAL

PETROLEUM TRENDS

?

PETROLEUM: Graph Link and Weekly Summary

A Fundamental Petroleum Trends Weekly Report

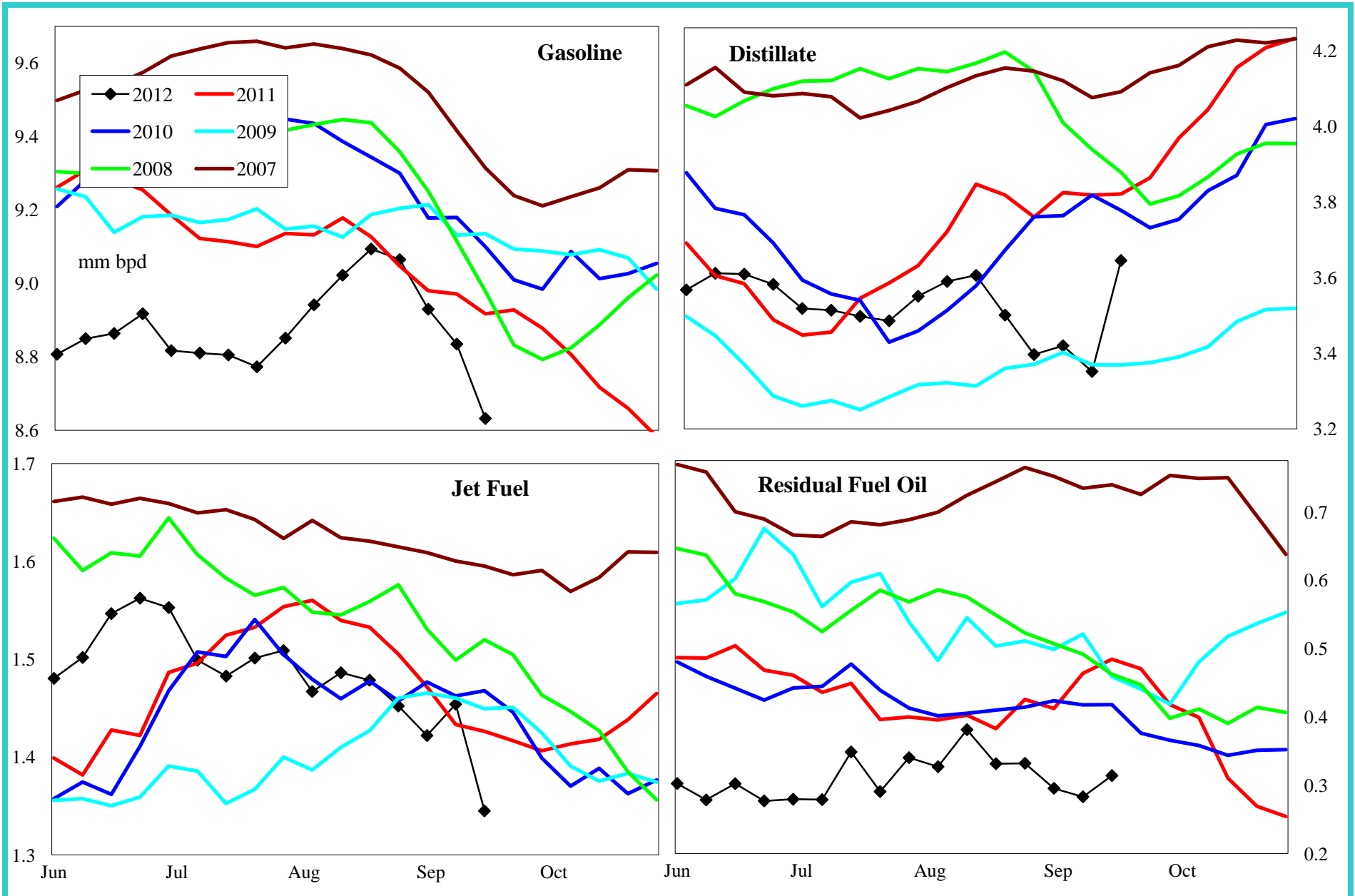
September 19, 2012

Lehi German Tel: 816.505.0980

www.fundamentalpetroleumtrends.com

Fundamental Trends	Wholesale Demand	Stocks Days Fwd Coverage	Refinery Utilization			Imports	
			Product Yield %				
Supply/Demand Trends	14-Sep-12	EIA-DOE CHANGE FROM PRIOR WEEK					
	000 bpd stocks 000 bls	U. S. Total	PADD				
			1	2	3	4	5
Crude Oil	Stocks	8,534	3,122	450	4,758	102	101
	Imports	1,283	526	-30	661	38	88
	Input	595	72	-37	580	-8	-12
	% Utilization	4.20					
Gasoline	Stocks	-1,407	-2,303	144	467	123	162
	Production	167	73	0	149	-1	11
	Imports	-341	-314	-3	-2	0	-22
	Supplied	-63					
Distillate	Stocks	-322	-470	-179	-358	147	539
	Production	115	5	-40	147	12	-8
	Imports	15	3	-5	-15	1	31
	Supplied	416					
Jet Fuel	Stocks	1,337	-844	39	1,437	33	674
	Production	43	6	10	72	-13	-31
	Imports	69	78	0	0	0	-9
	Supplied	-208					
Residual Fuel Oil	Stocks	-406	151	150	-536	5	-175
	Production	-30	-1	21	-31	1	-21
	Imports	2	-3	18	-38	0	26
	Supplied	135					

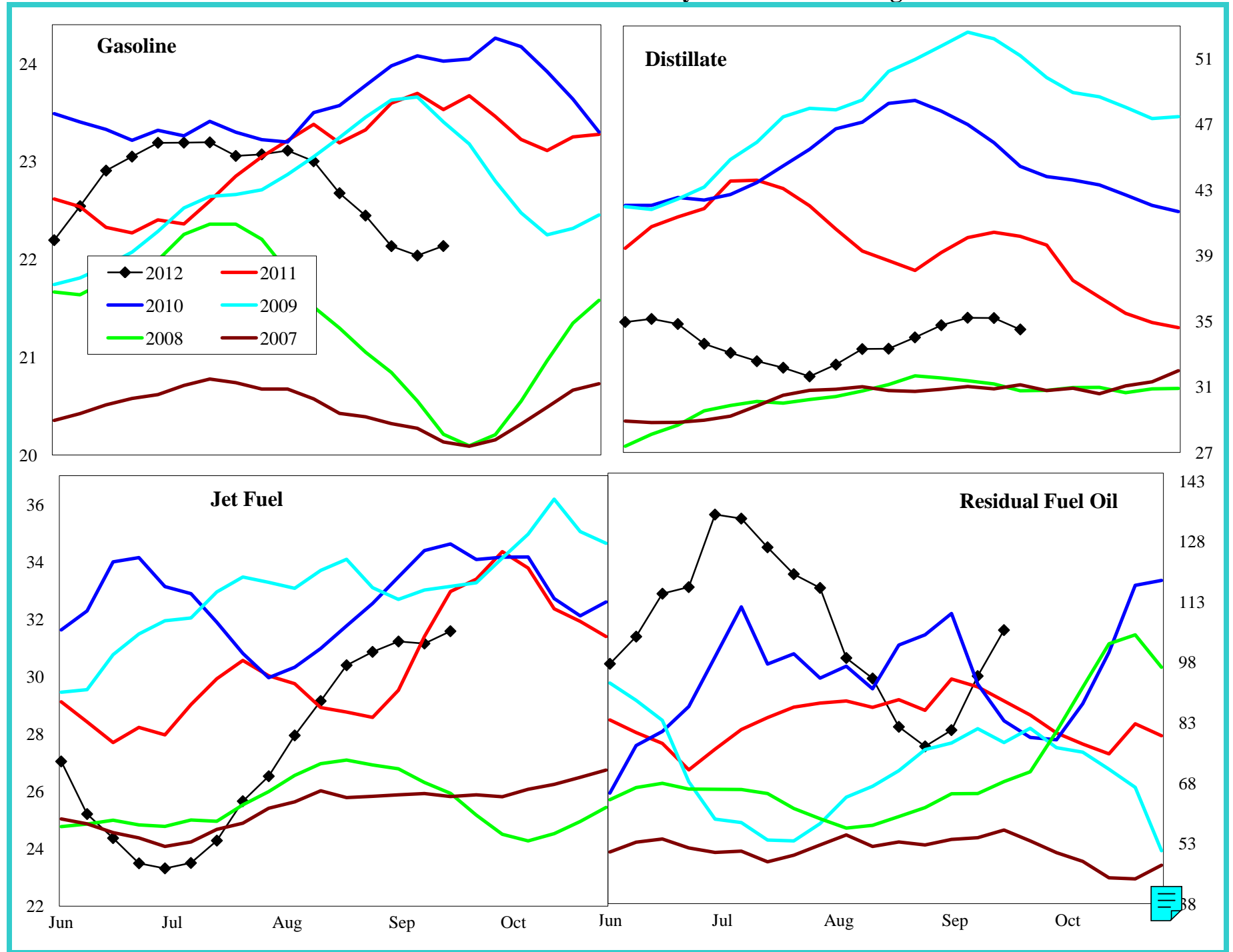
United States Wholesale Petroleum Demand



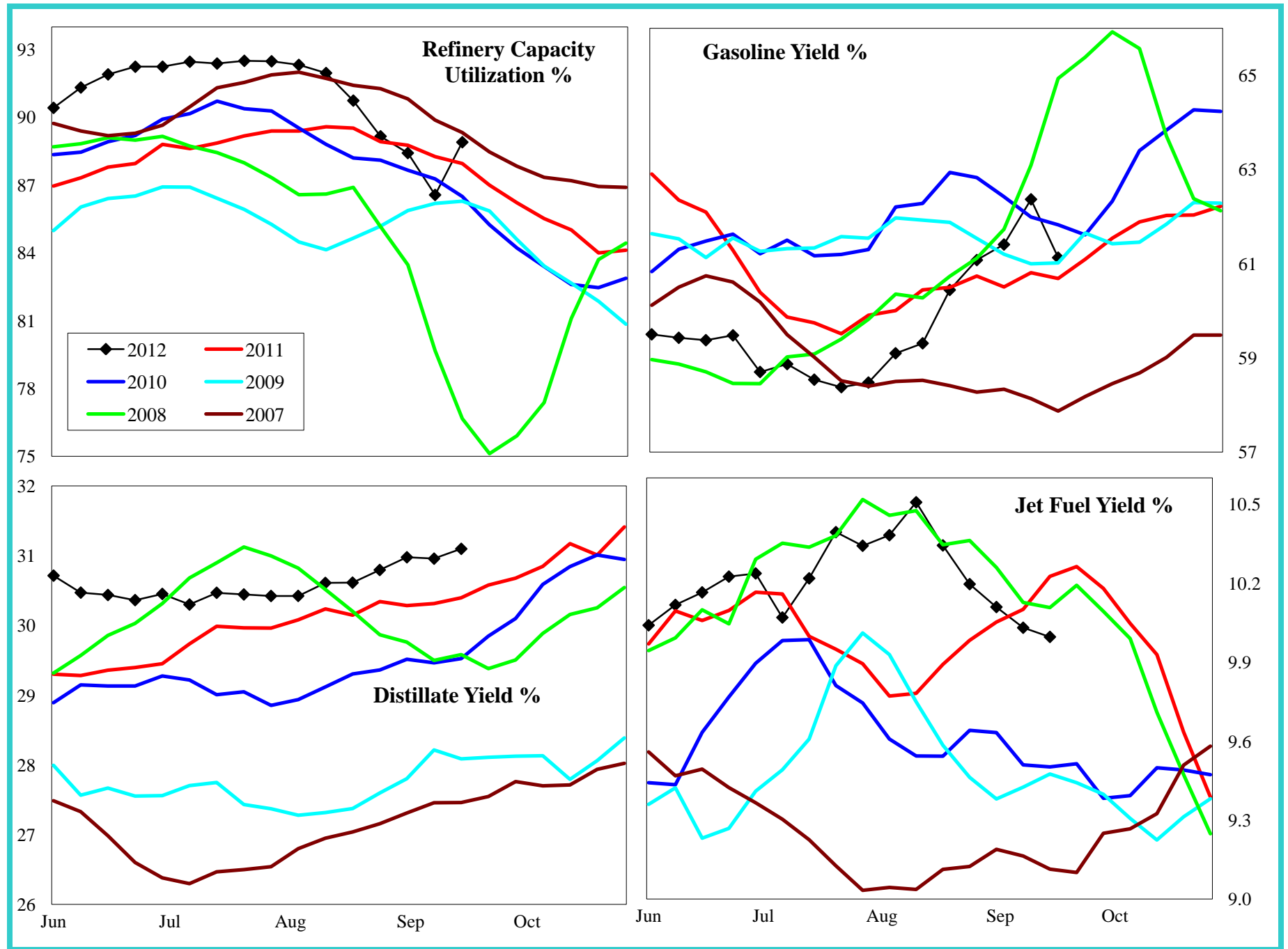
	000 bpd change from prior year				% change from prior year			
	4wk avg	Aug	Jan	Jun	4wk avg	Aug	Jul	Jun
Gasoline	-81	251	-204	-11	-0.9	2.8	-2.3	-0.1
Distillate	-434	-480	8	-174	-11.2	-12.1	0.2	-4.5
Jet Fuel	-6	-128	-11	0	-0.4	-8.2	-0.8	0.0
Resid	-96	76	28	-99	-21.3	23.8	8.9	-21.0



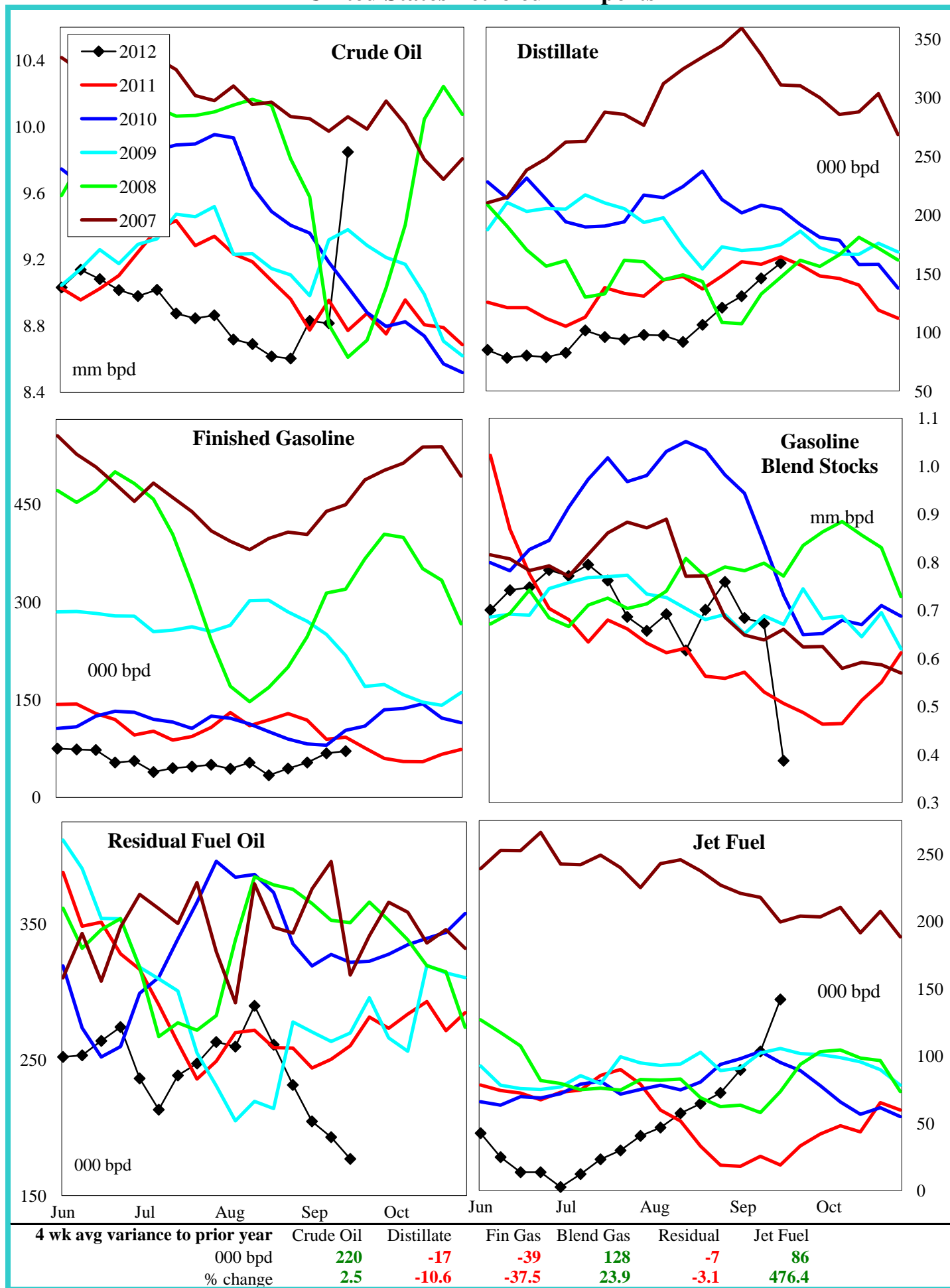
United States Product Stocks: Days Forward Coverage



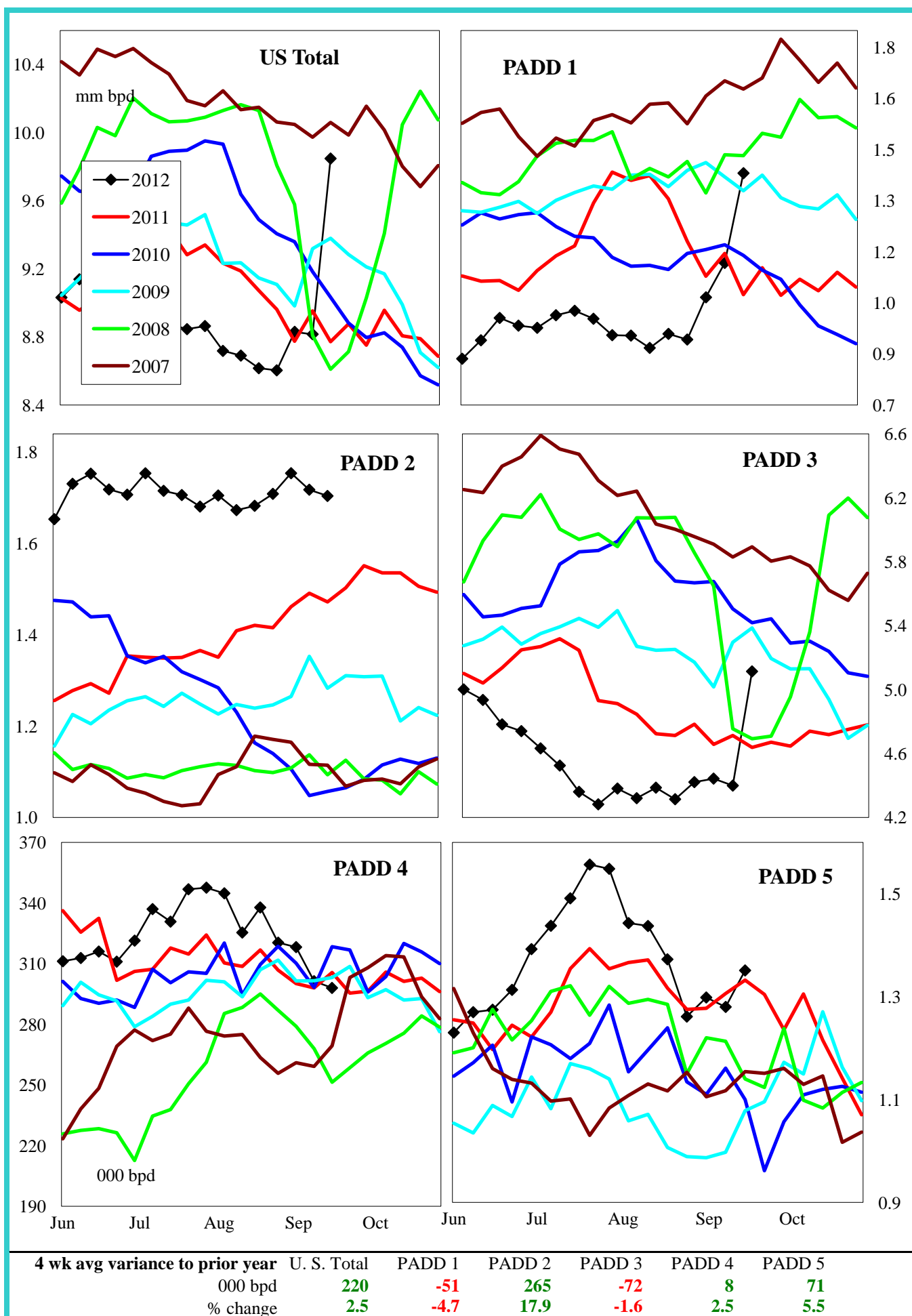
United States Refinery Percent Utilization Rate and Product Yields



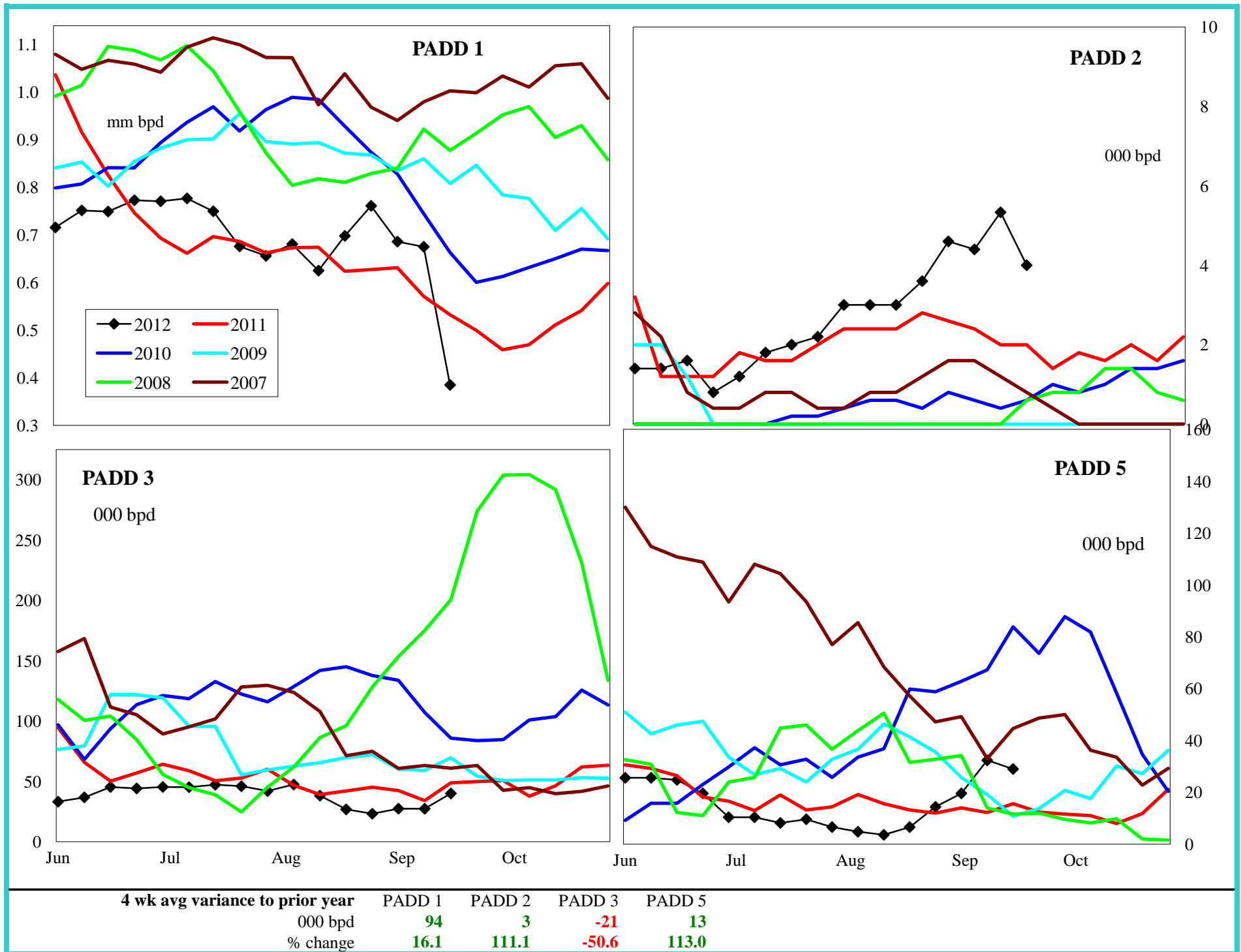
United States Petroleum Imports



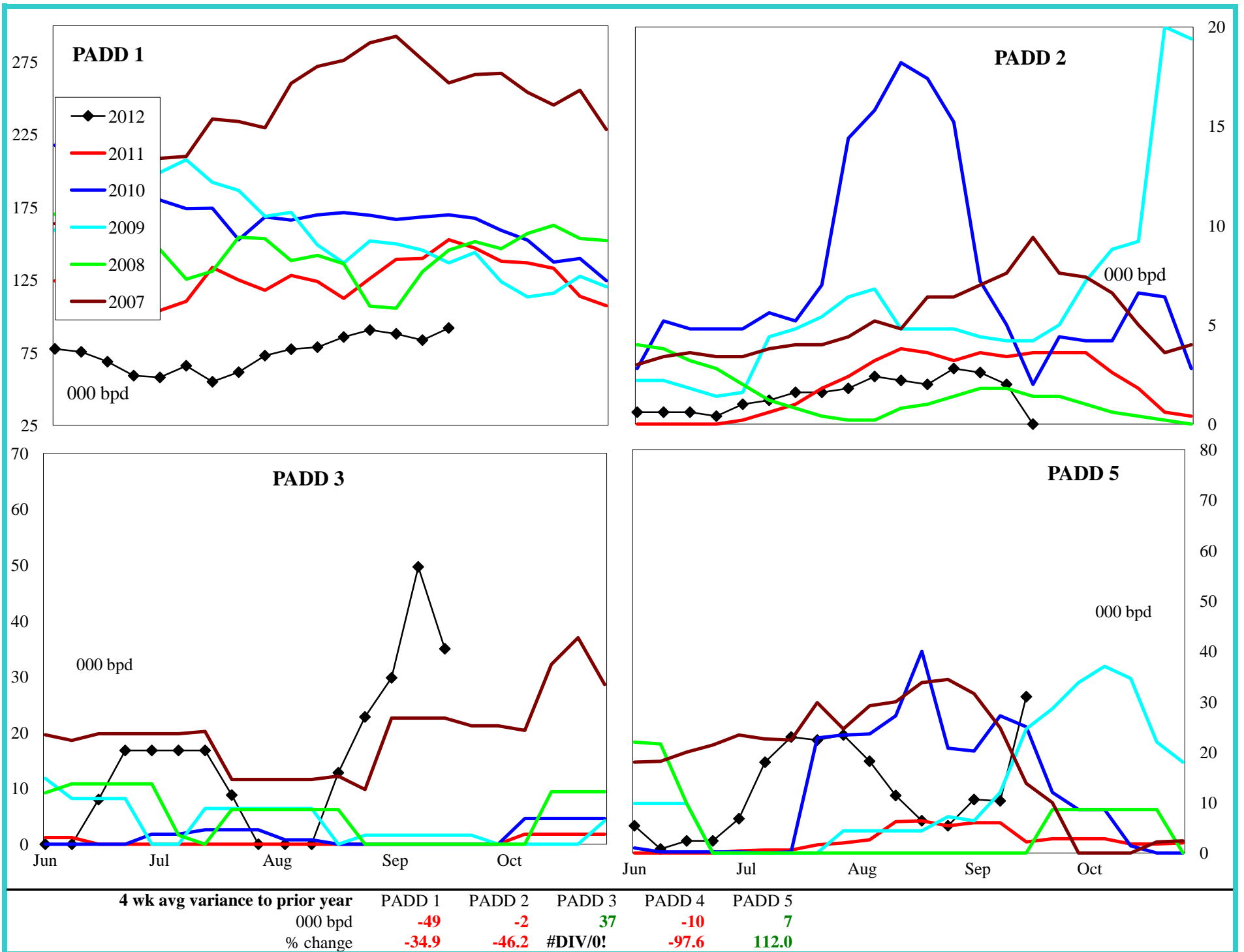
Crude Oil Imports by PADD



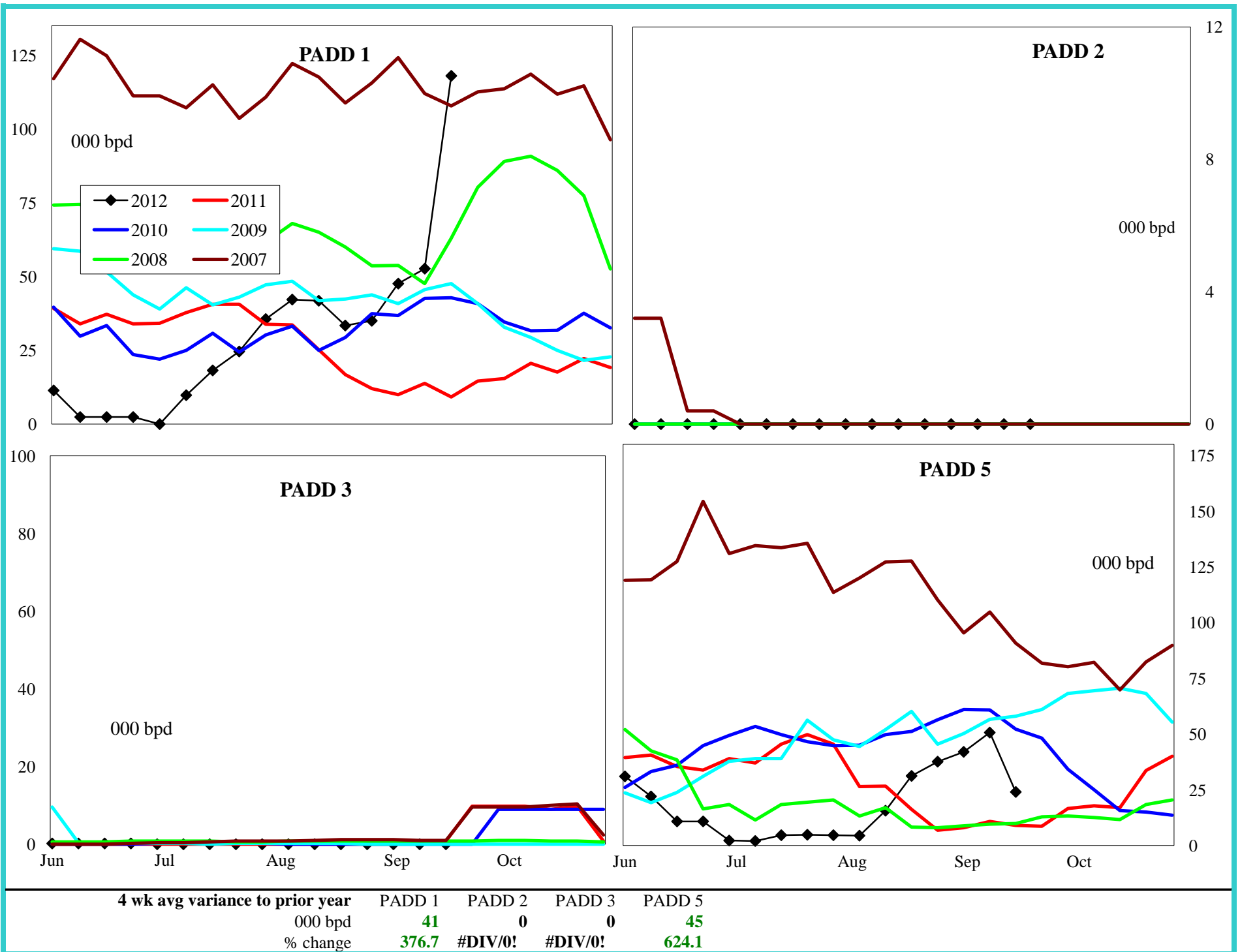
Gasoline Imports by PADD (Finished + Blend Stocks)



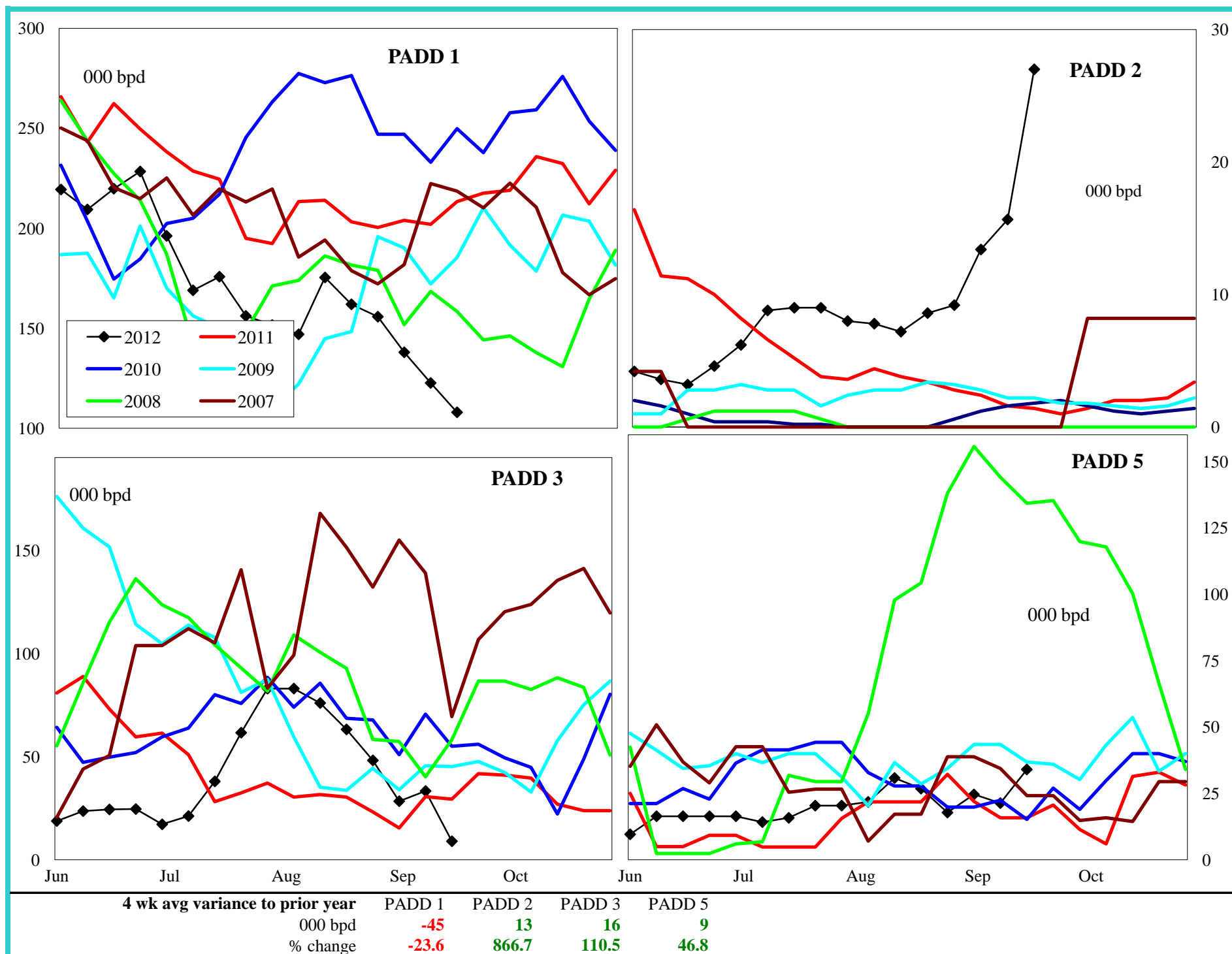
Distillate Imports by PADD



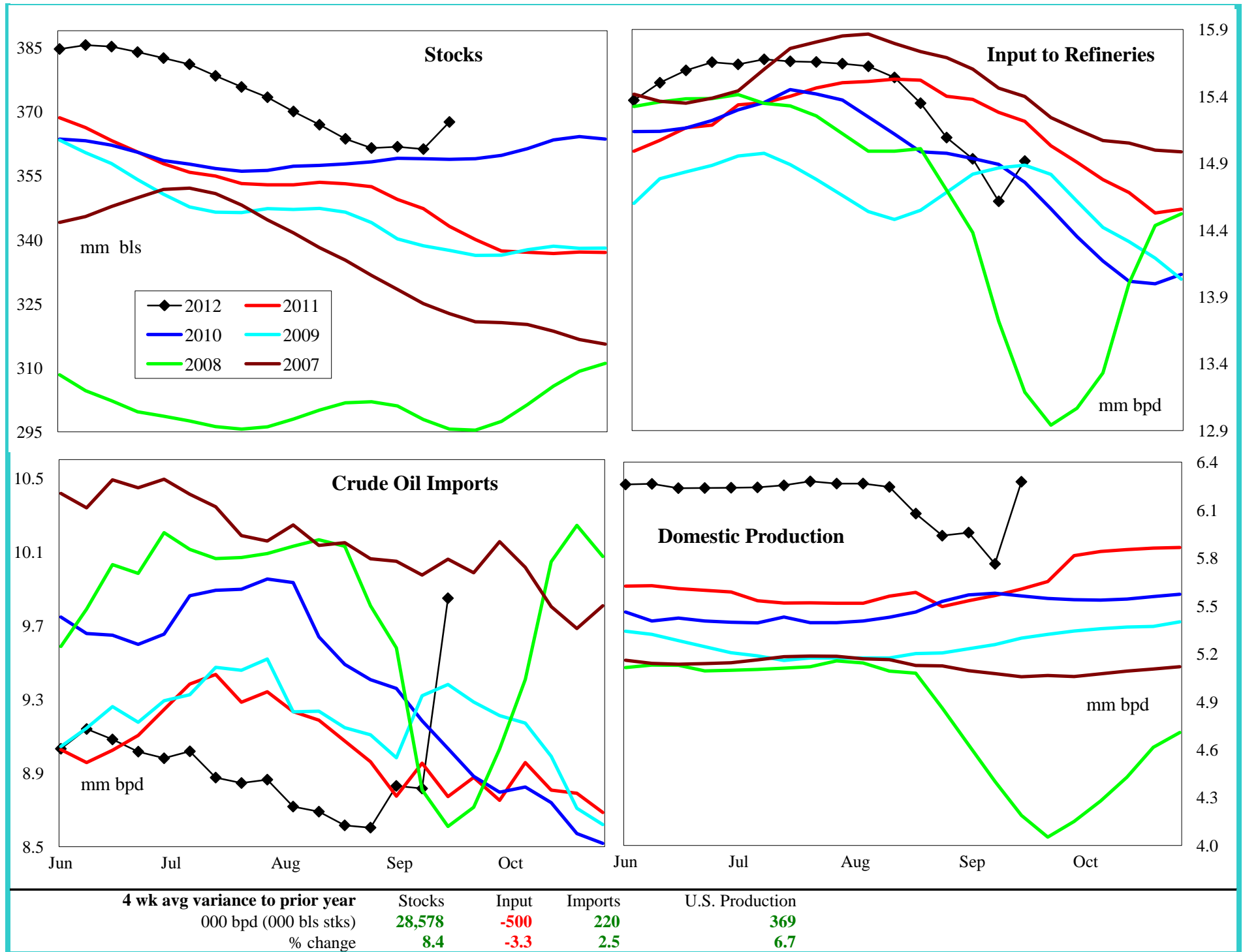
Jet Fuel Imports by PADD



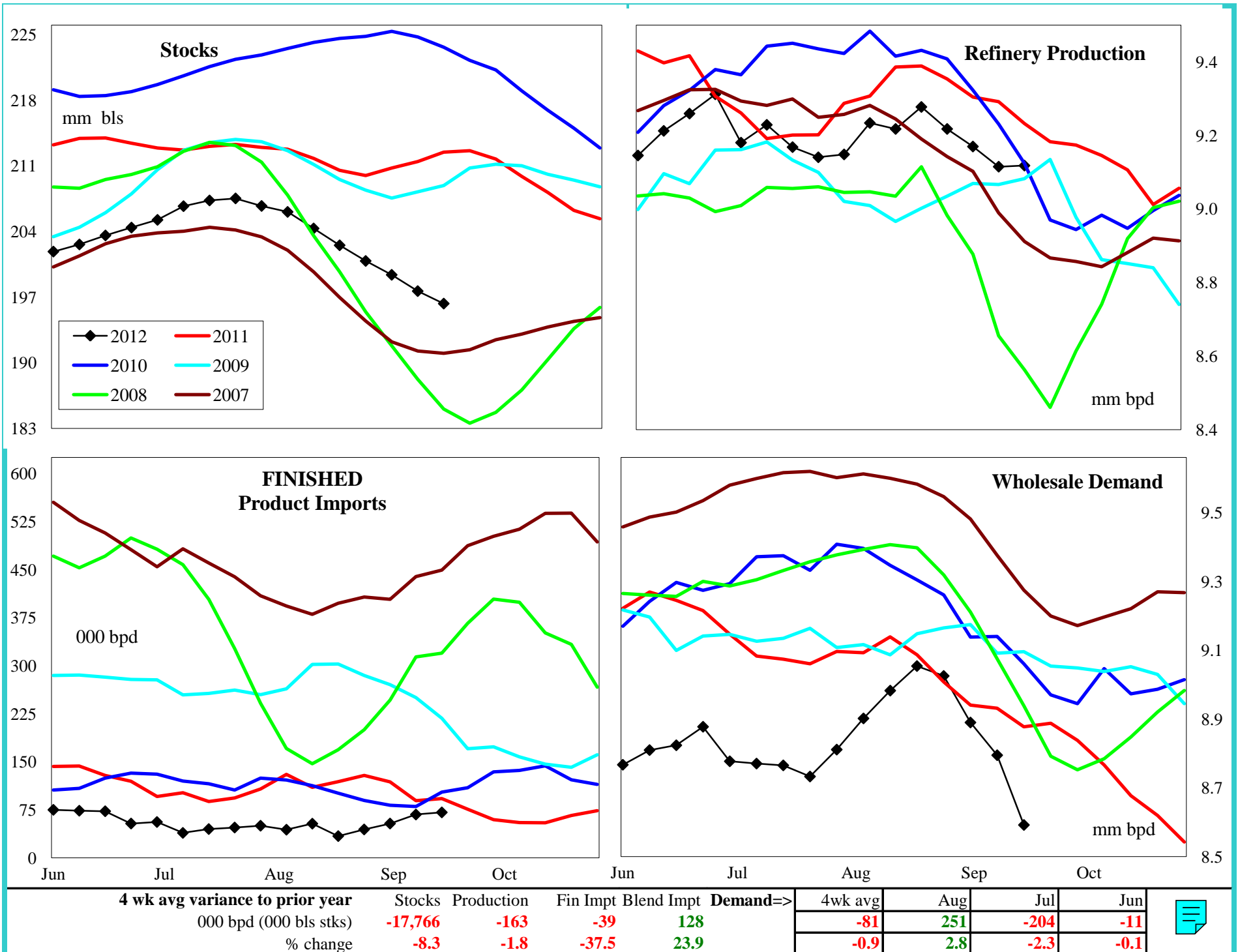
Residual Fuel Oil Imports by PADD



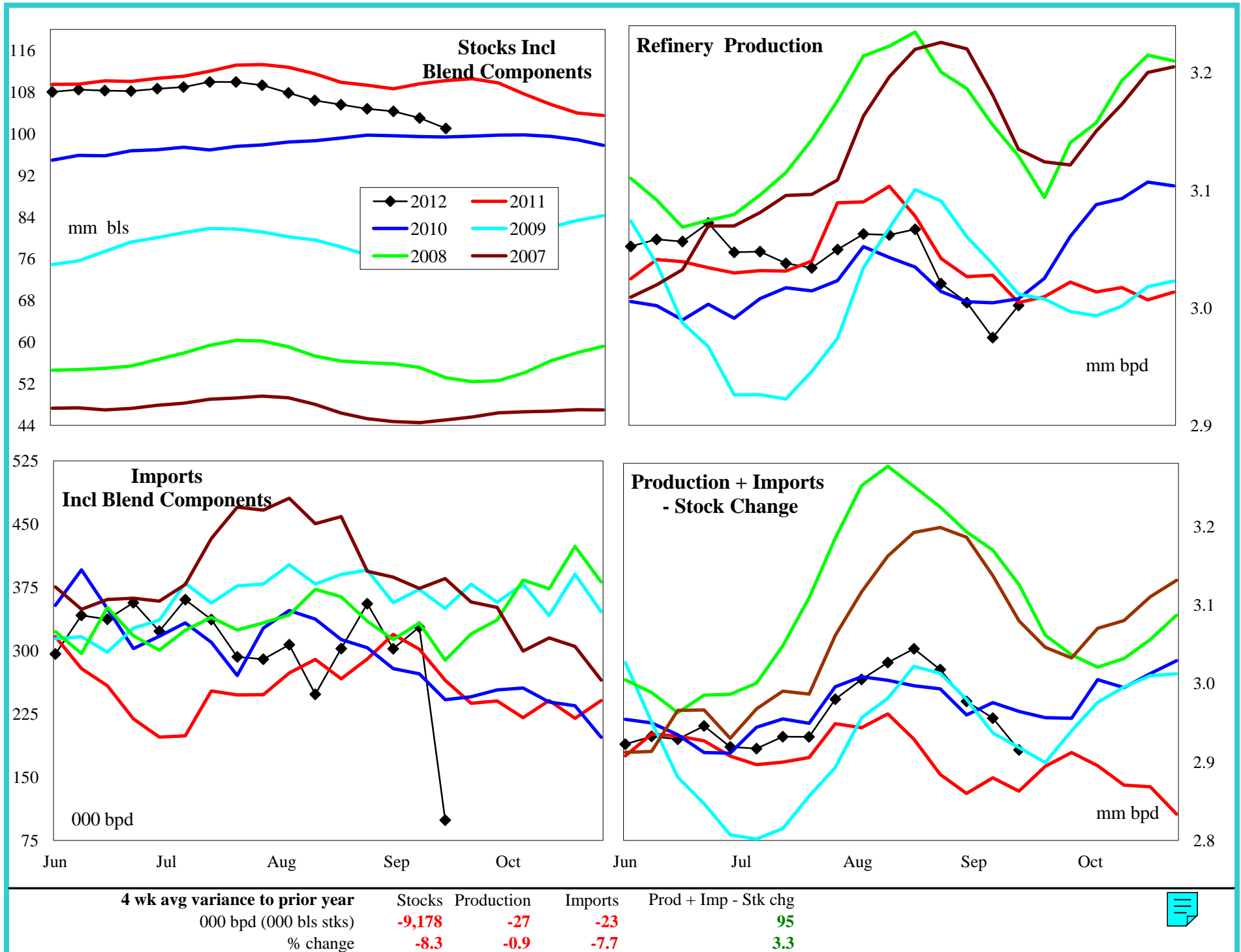
United States Crude Oil Supply and Demand Balance



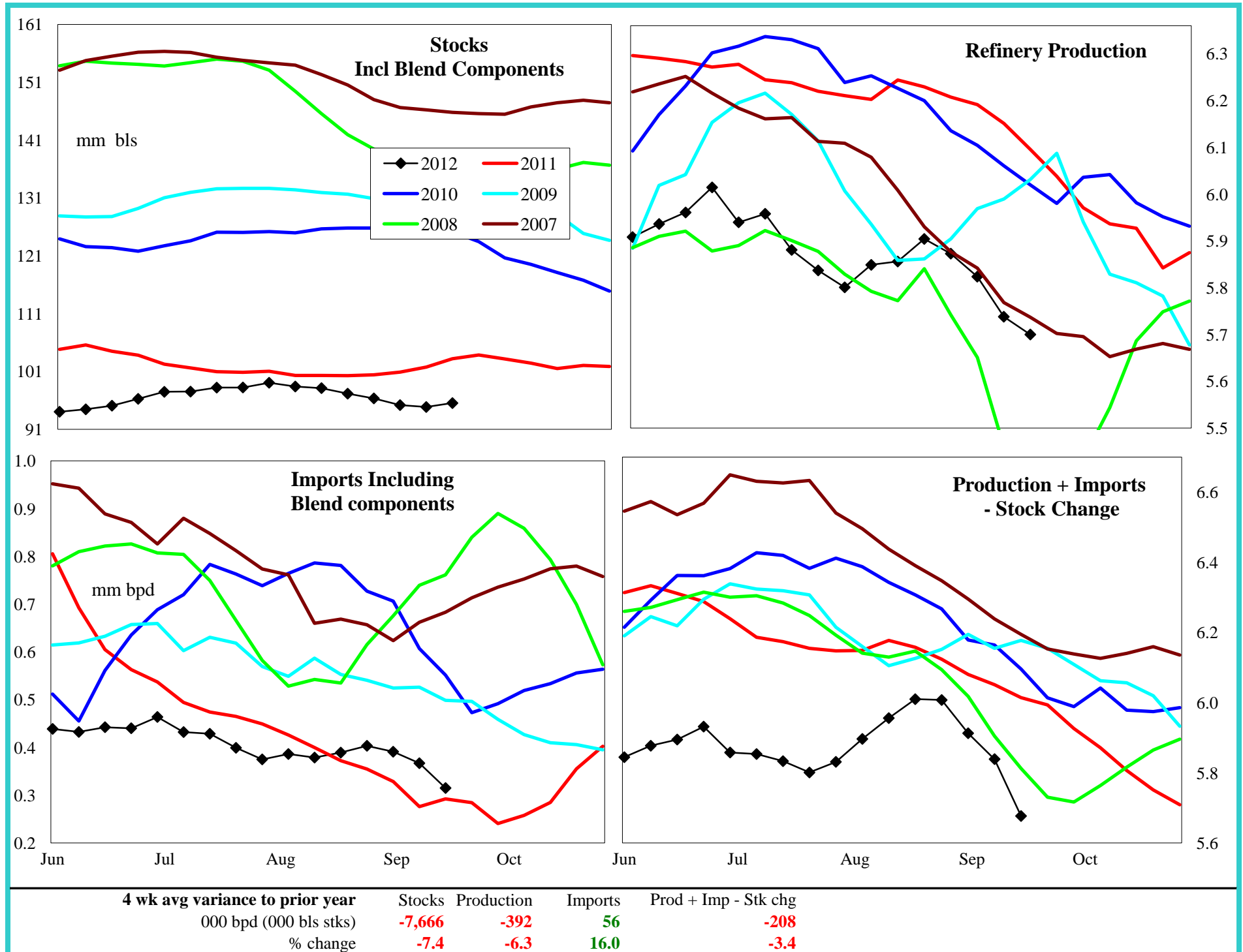
United States Gasoline Supply and Demand Balance



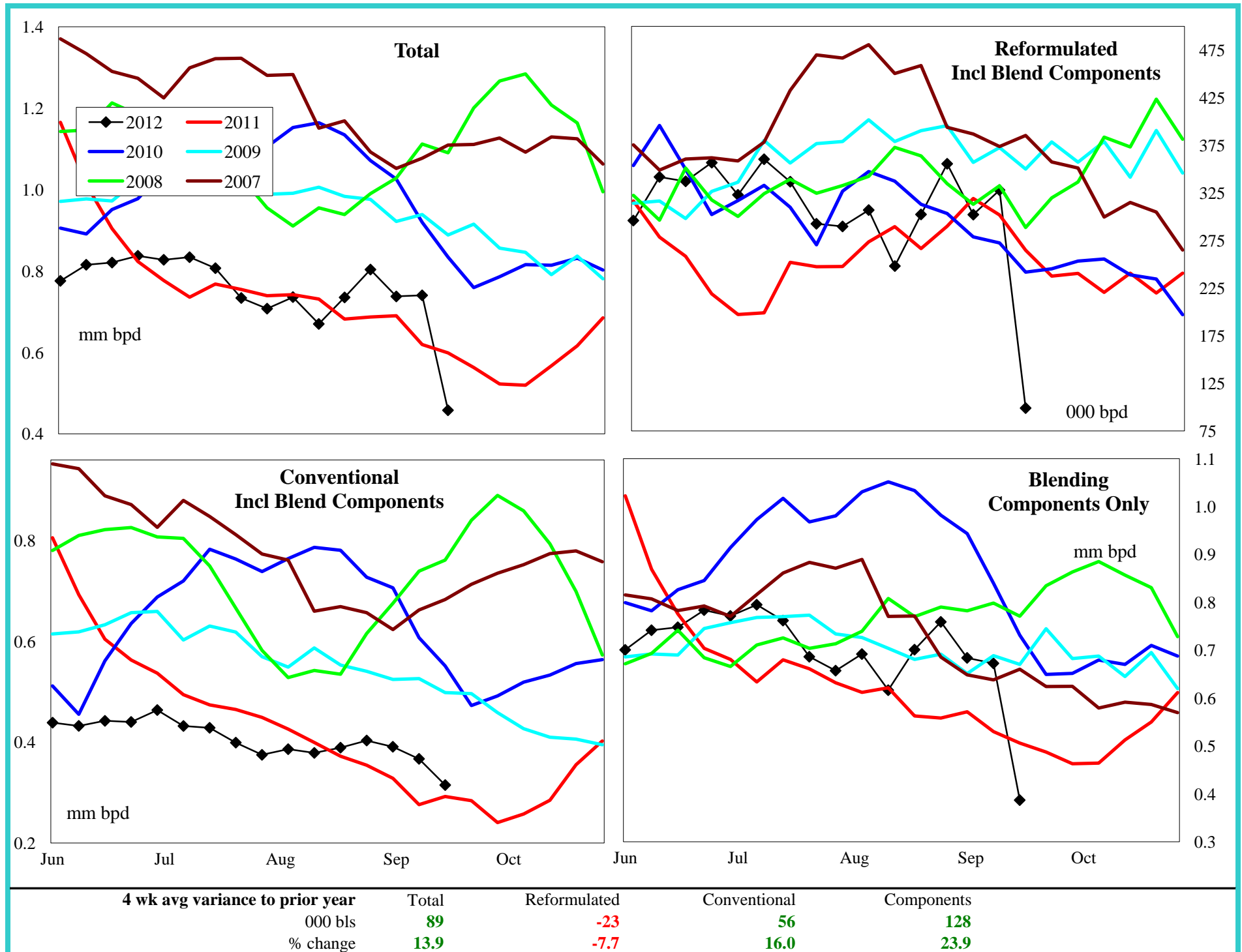
United States Reformulated Gasoline Supply



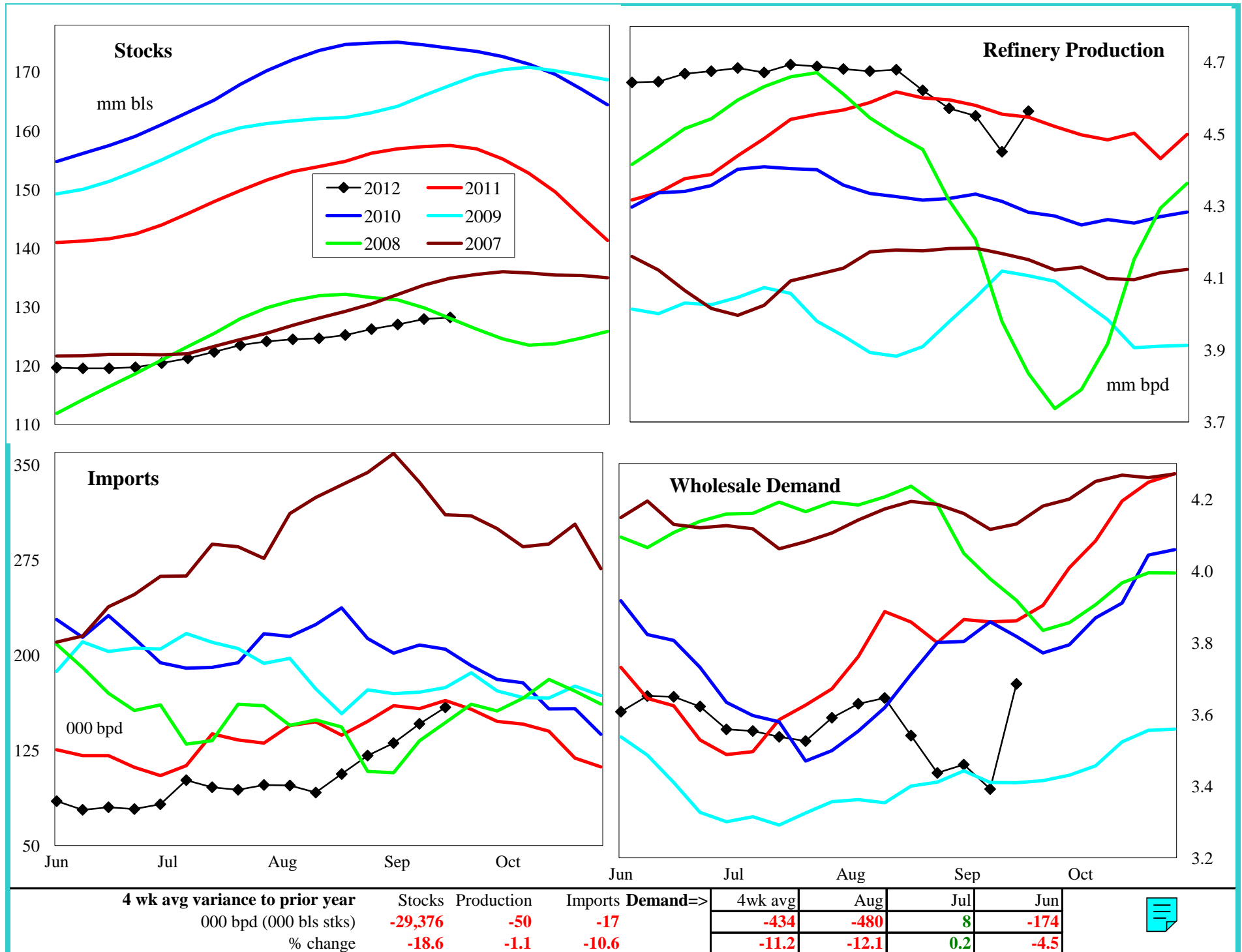
United States Conventional Gasoline Supply



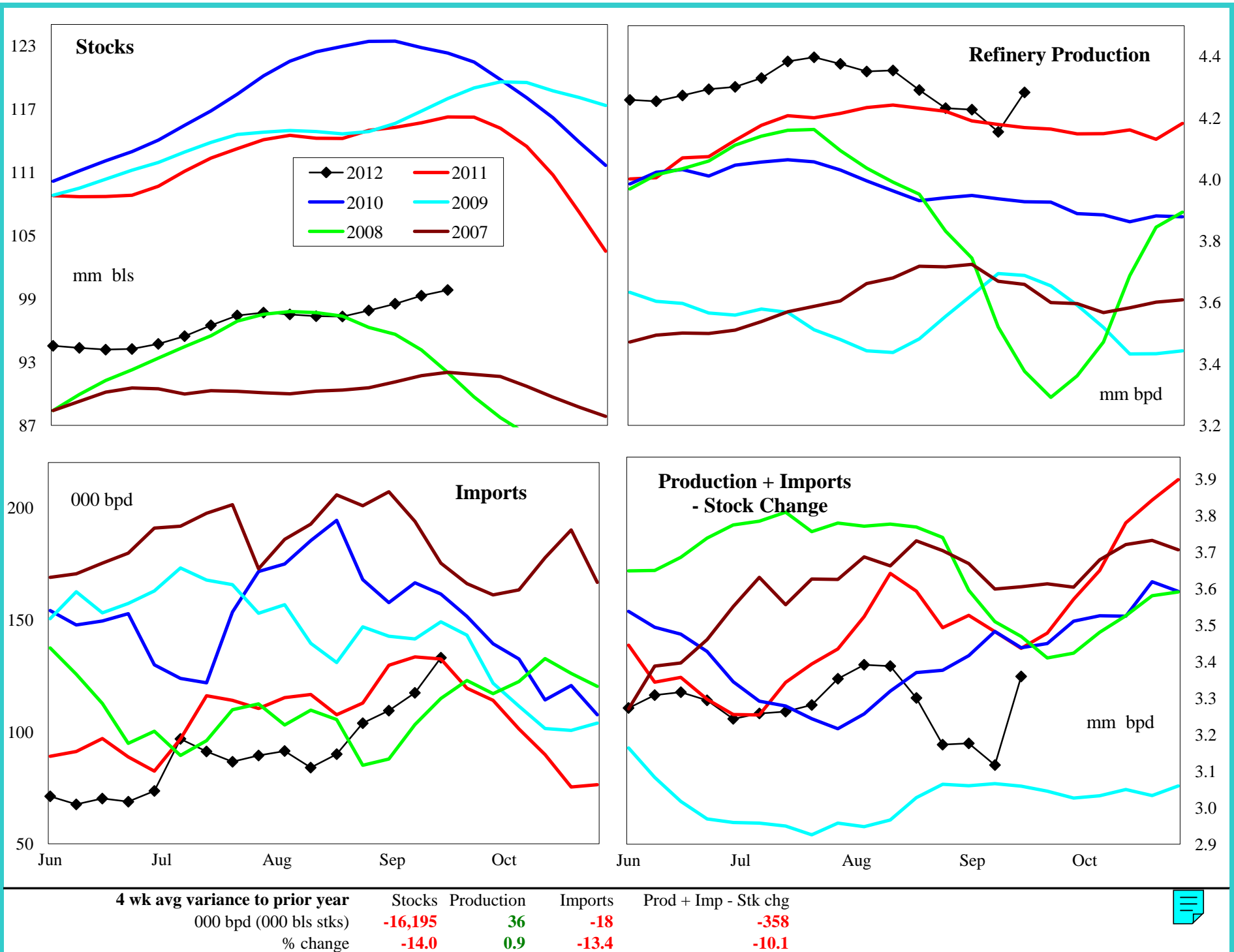
United States Gasoline Imports by Type



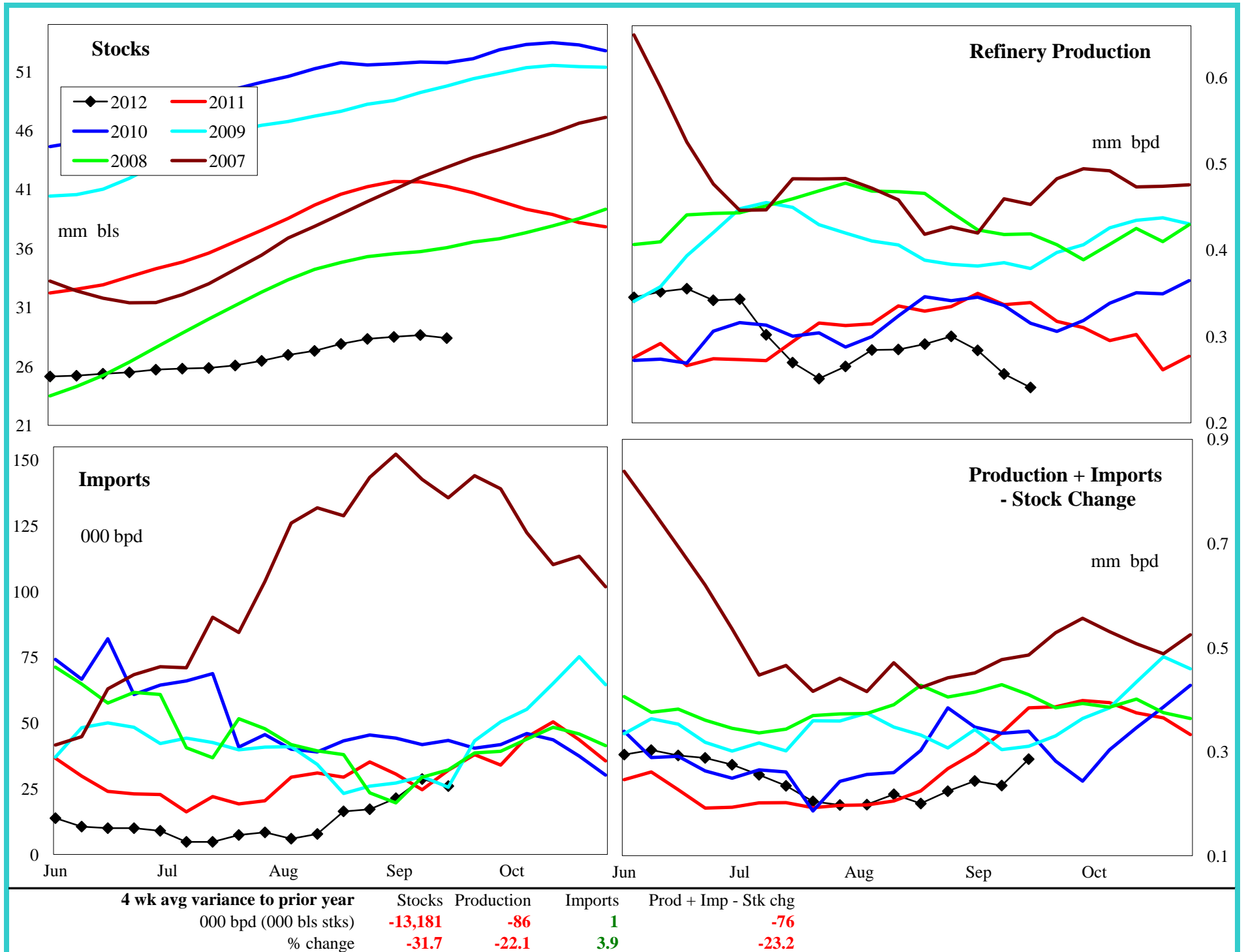
United States Distillate Supply and Demand Balance



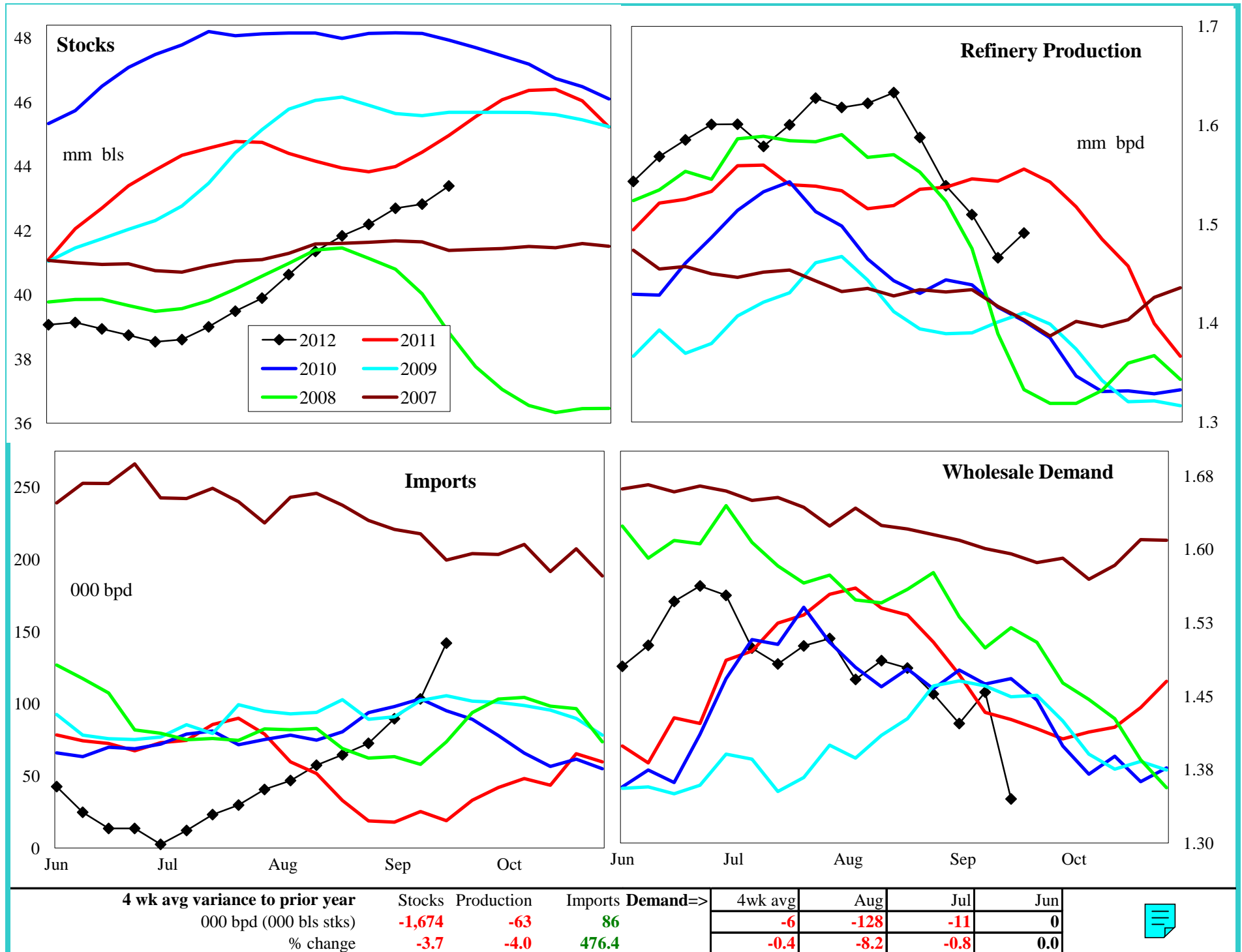
United States Low Sulfur Distillate Supply



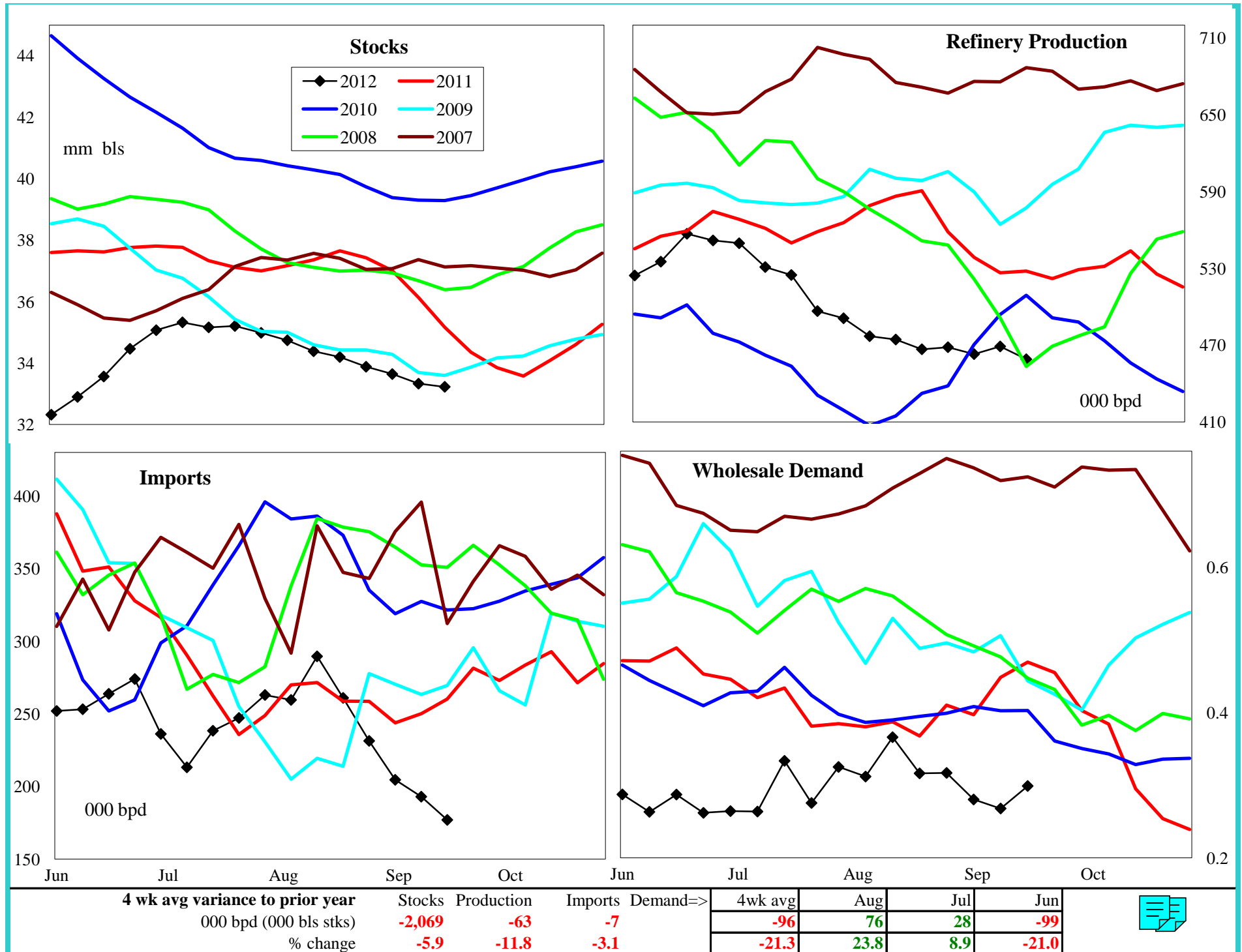
United States High Sulfur Distillate Supply



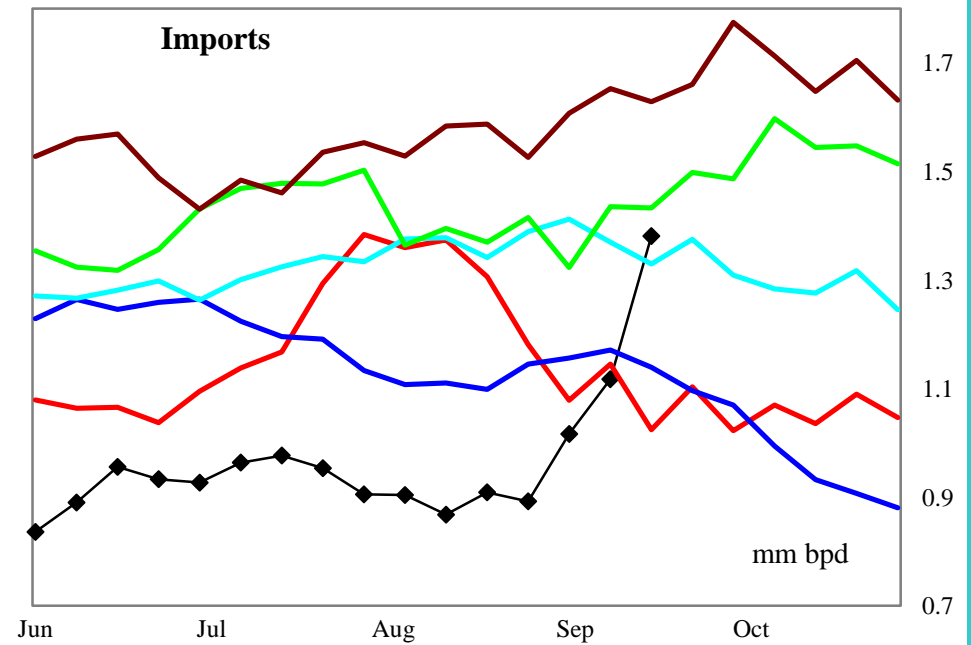
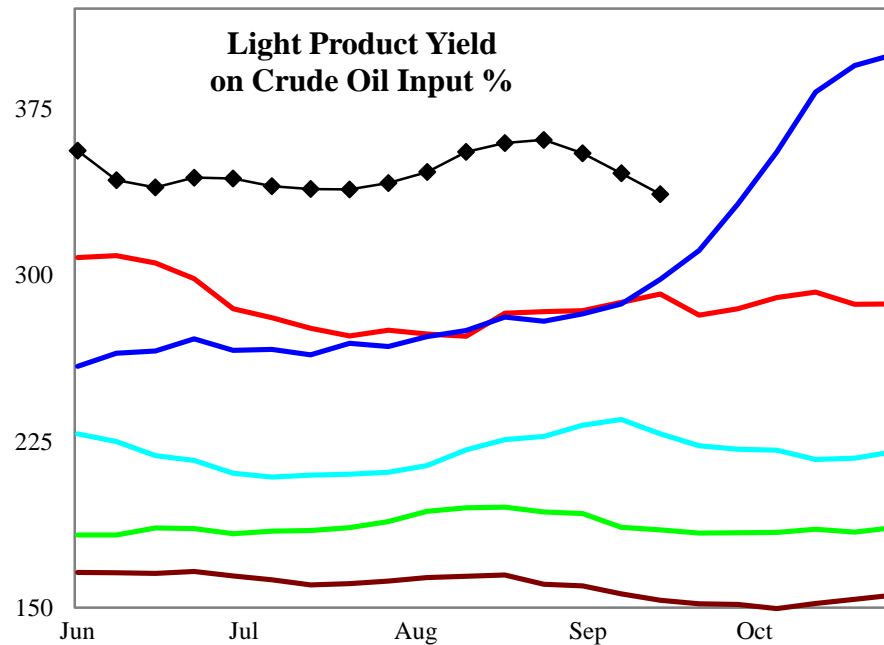
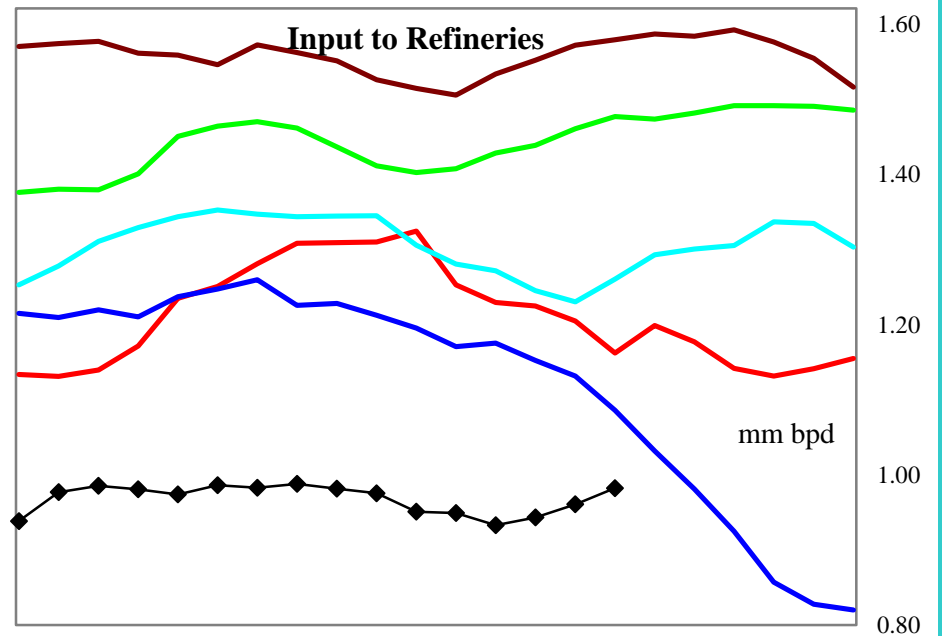
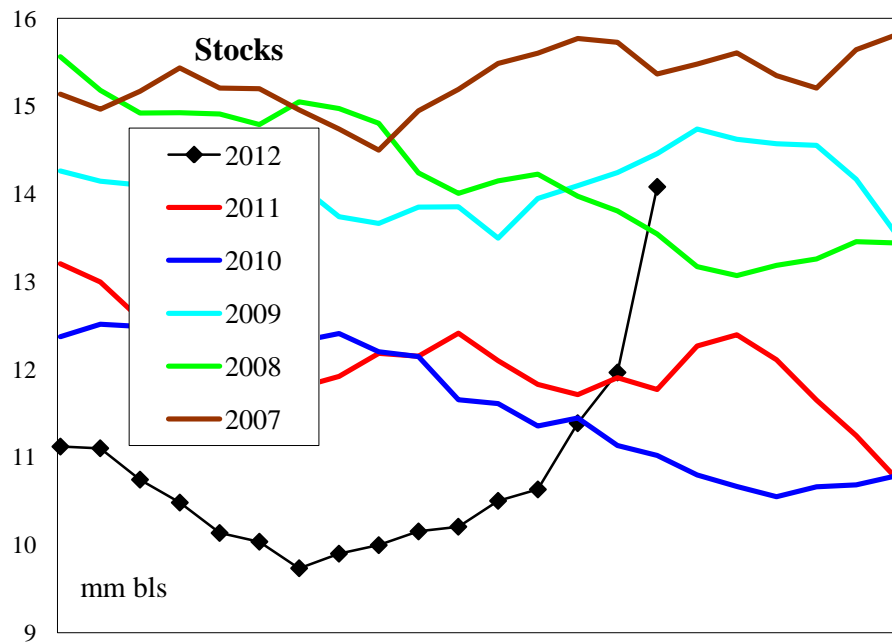
United States Jet Fuel Supply and Demand Balance



United States Residual Fuel Oil Supply and Demand Balance



PADD 1 Crude Oil Supply and Refining

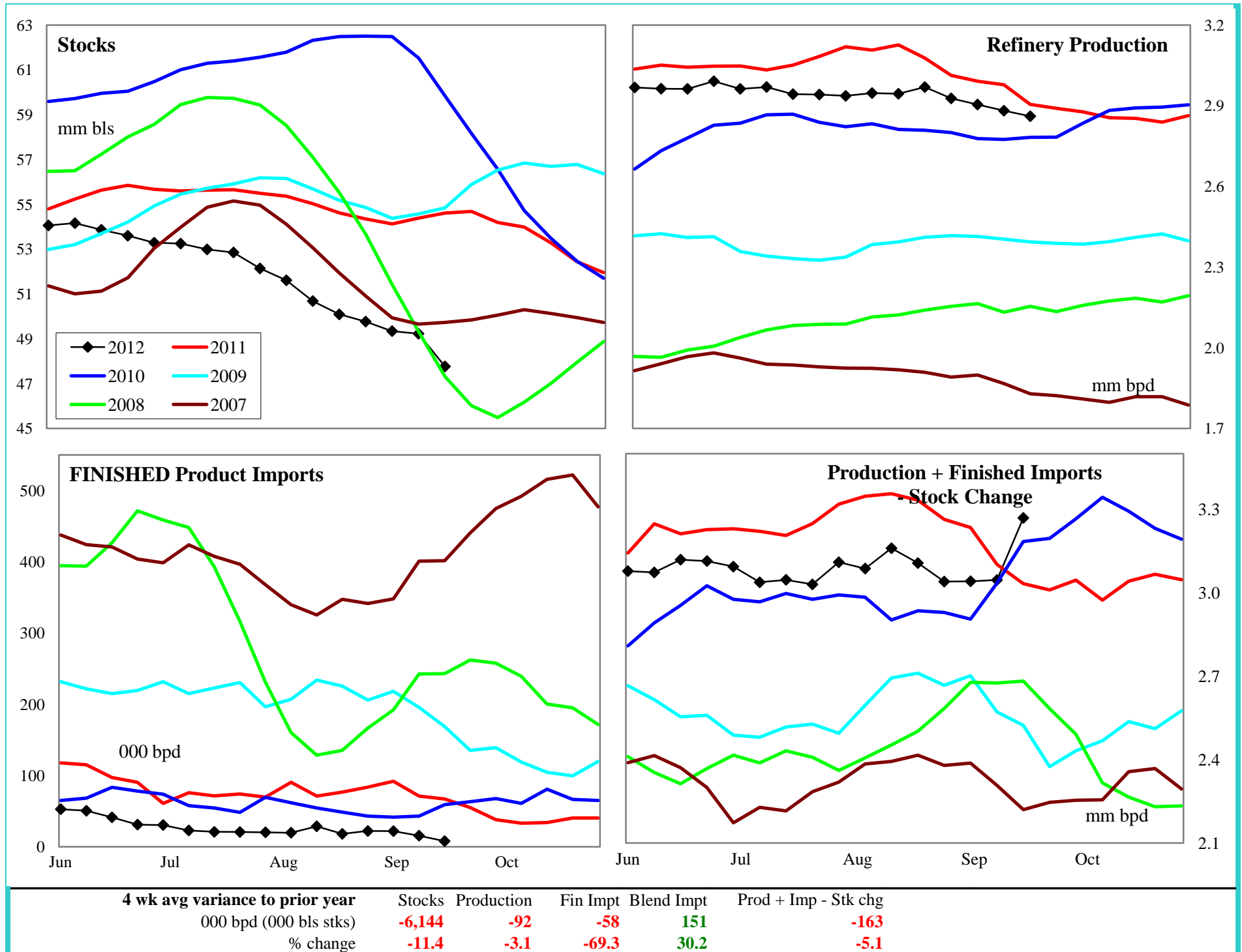


4 wk avg variance to prior year
000 bpd (000 bbls stks)
% change

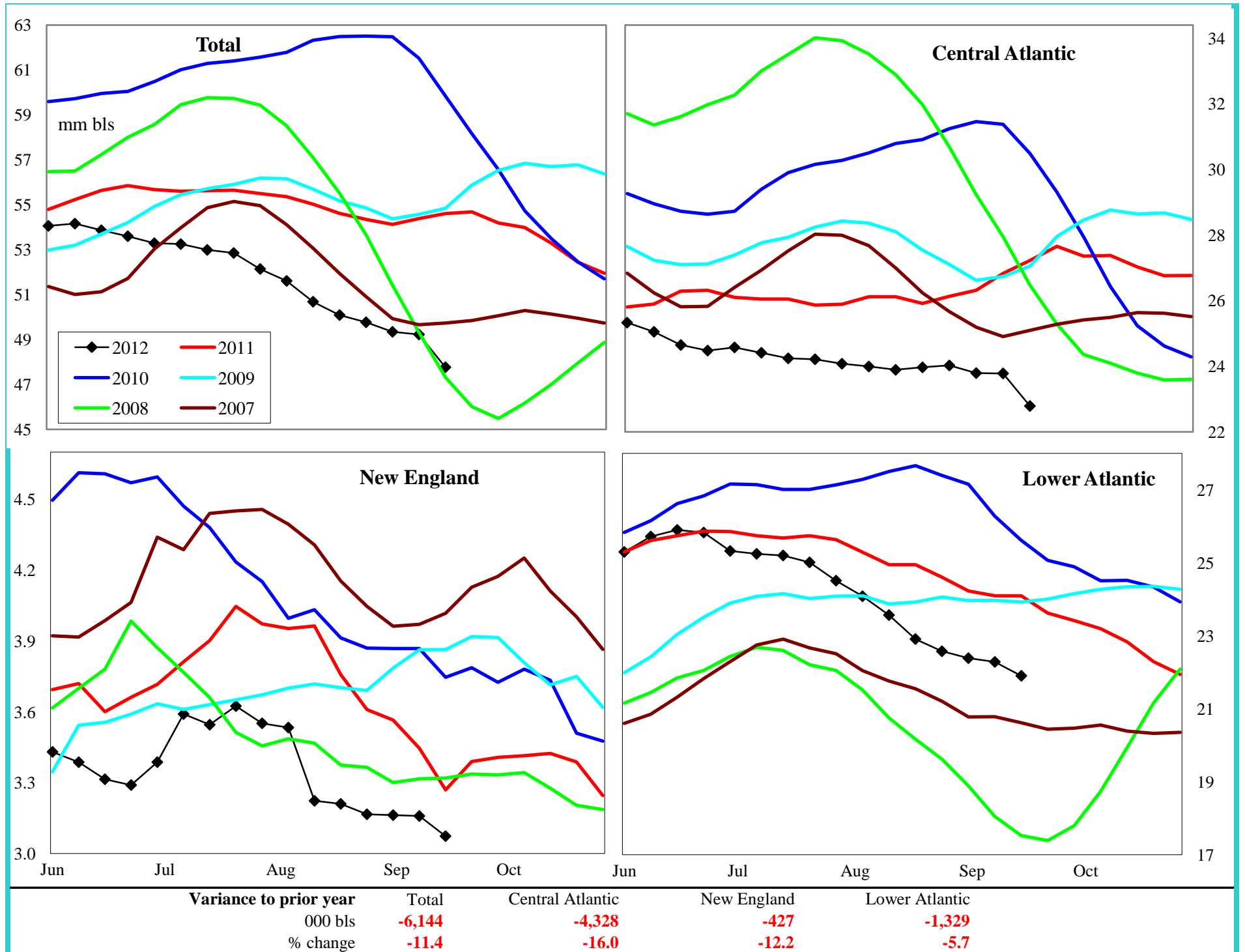
	Stocks	Input	Imports
000 bpd (000 bbls stks)	2,308	-254	-51
% change	19.6	-21.2	-4.7



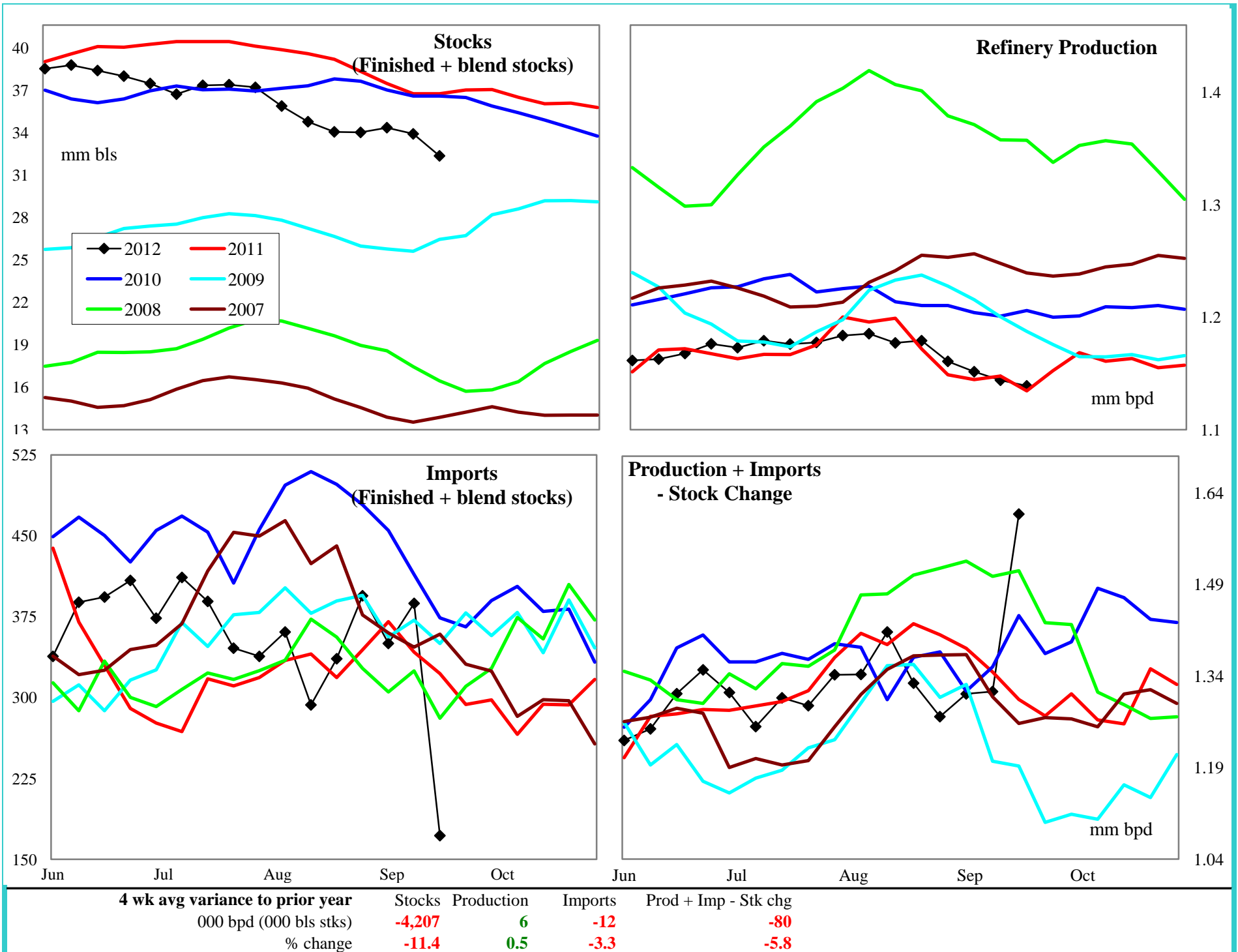
PADD 1 Gasoline Supply



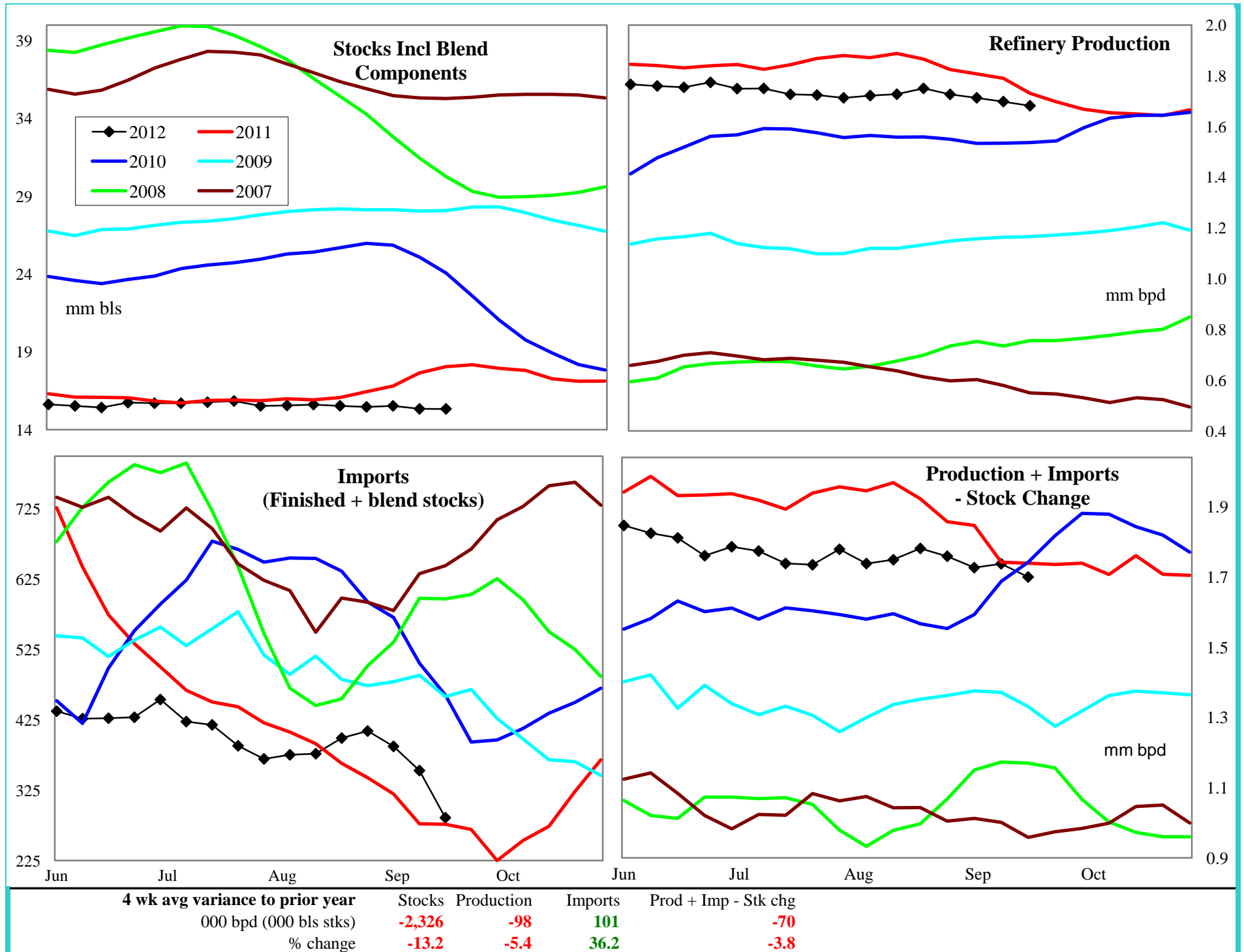
PADD 1 Gasoline Stocks by Region



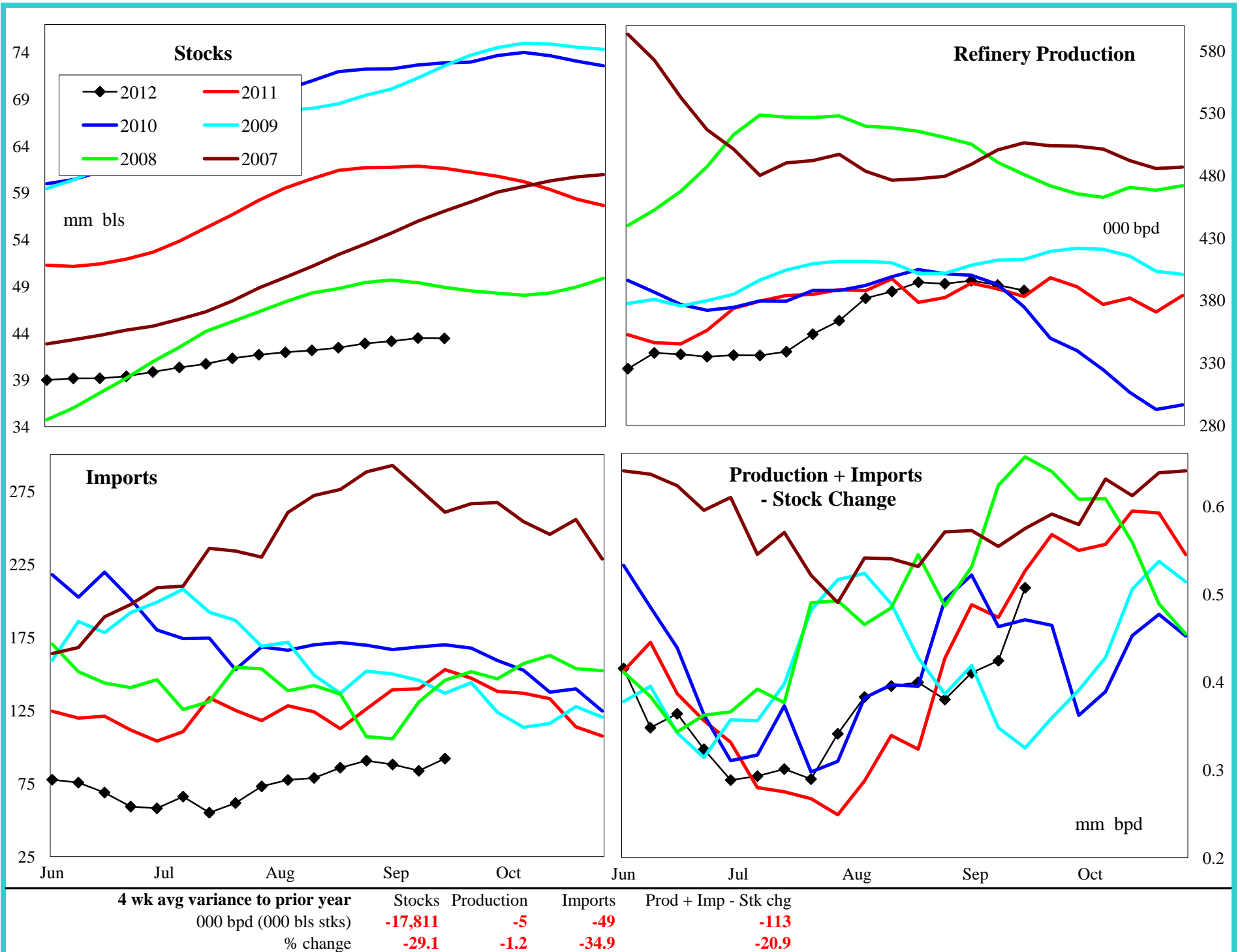
PADD 1 Reformulated Gasoline Supply



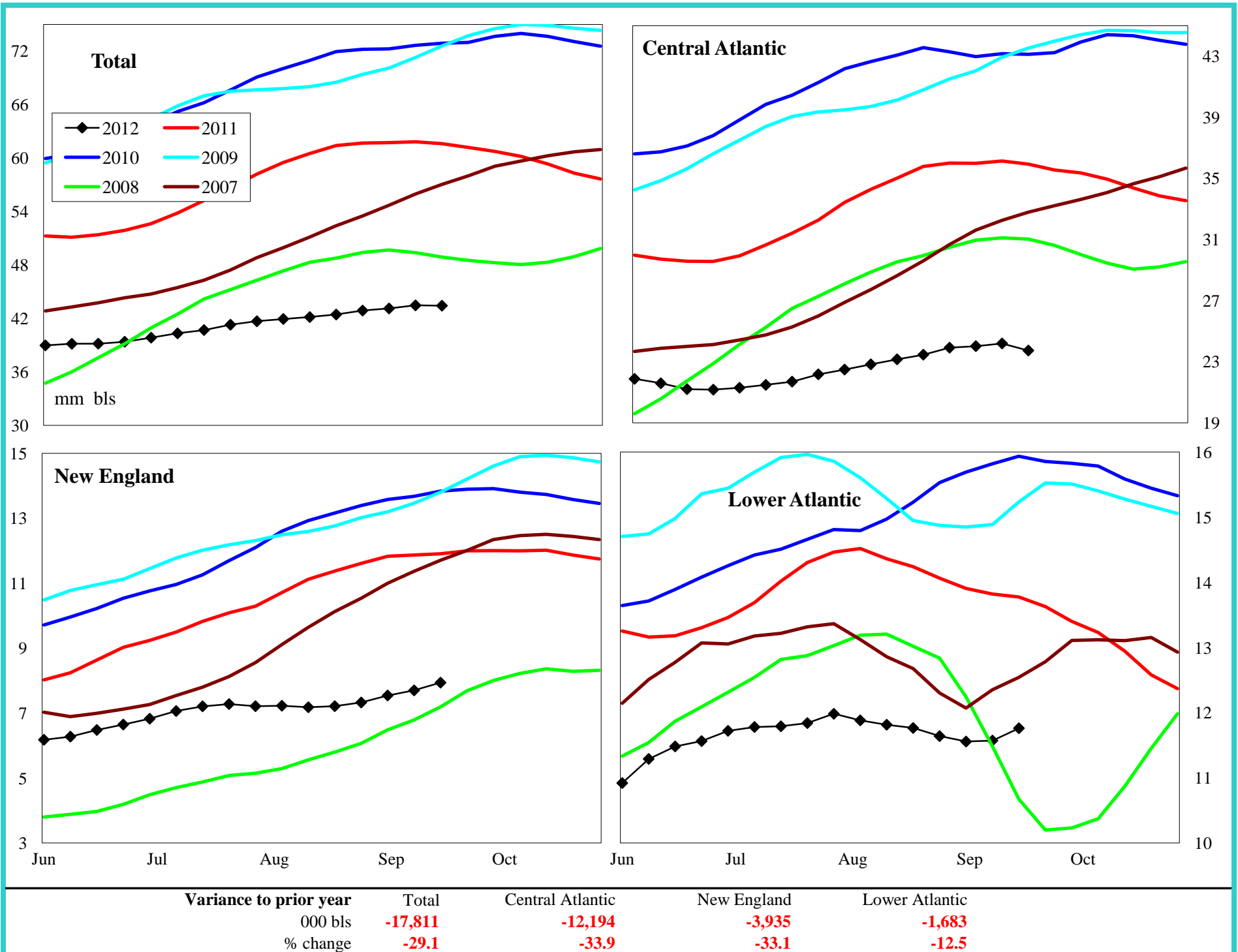
PADD 1 Conventional Gasoline Supply



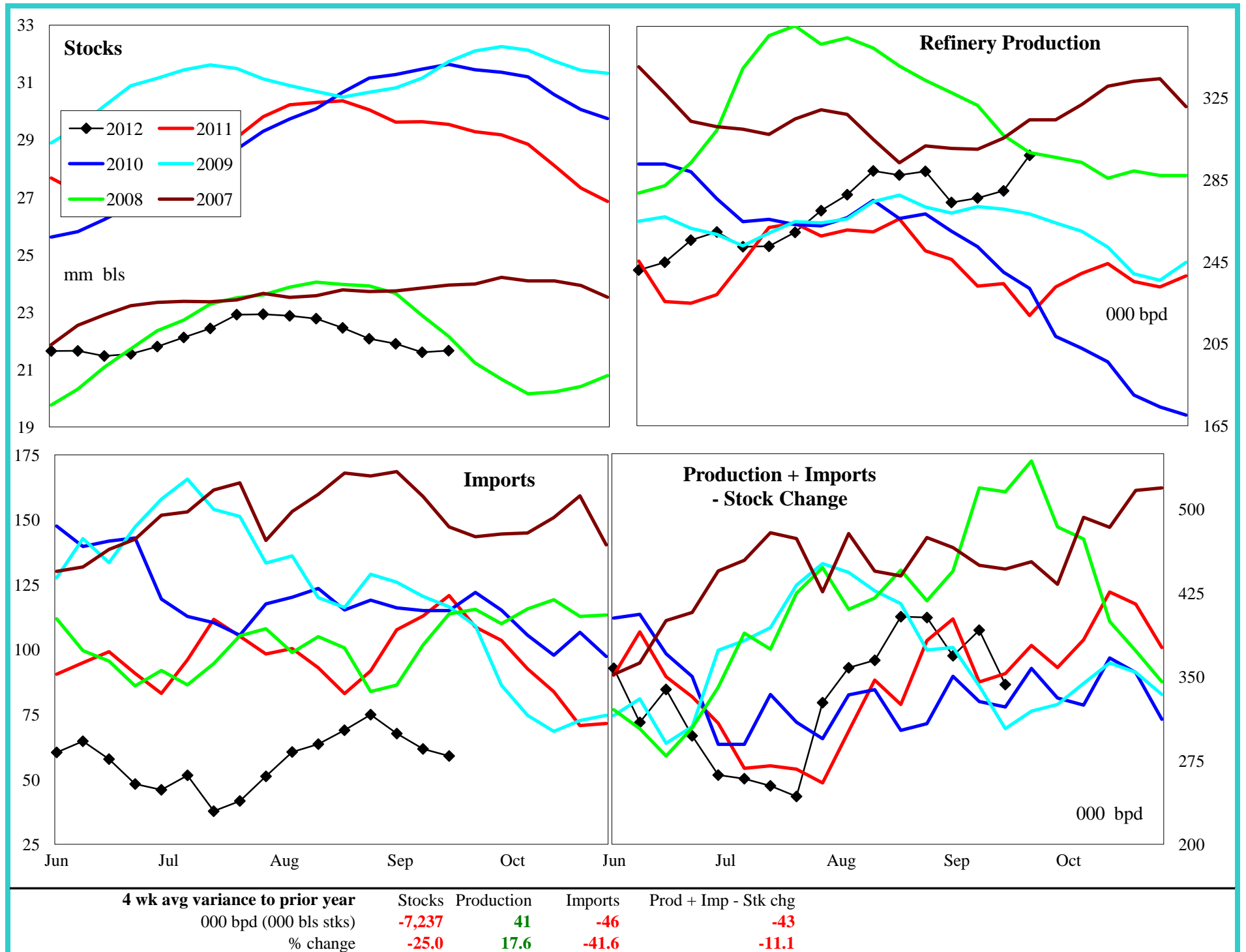
PADD 1 Distillate Supply



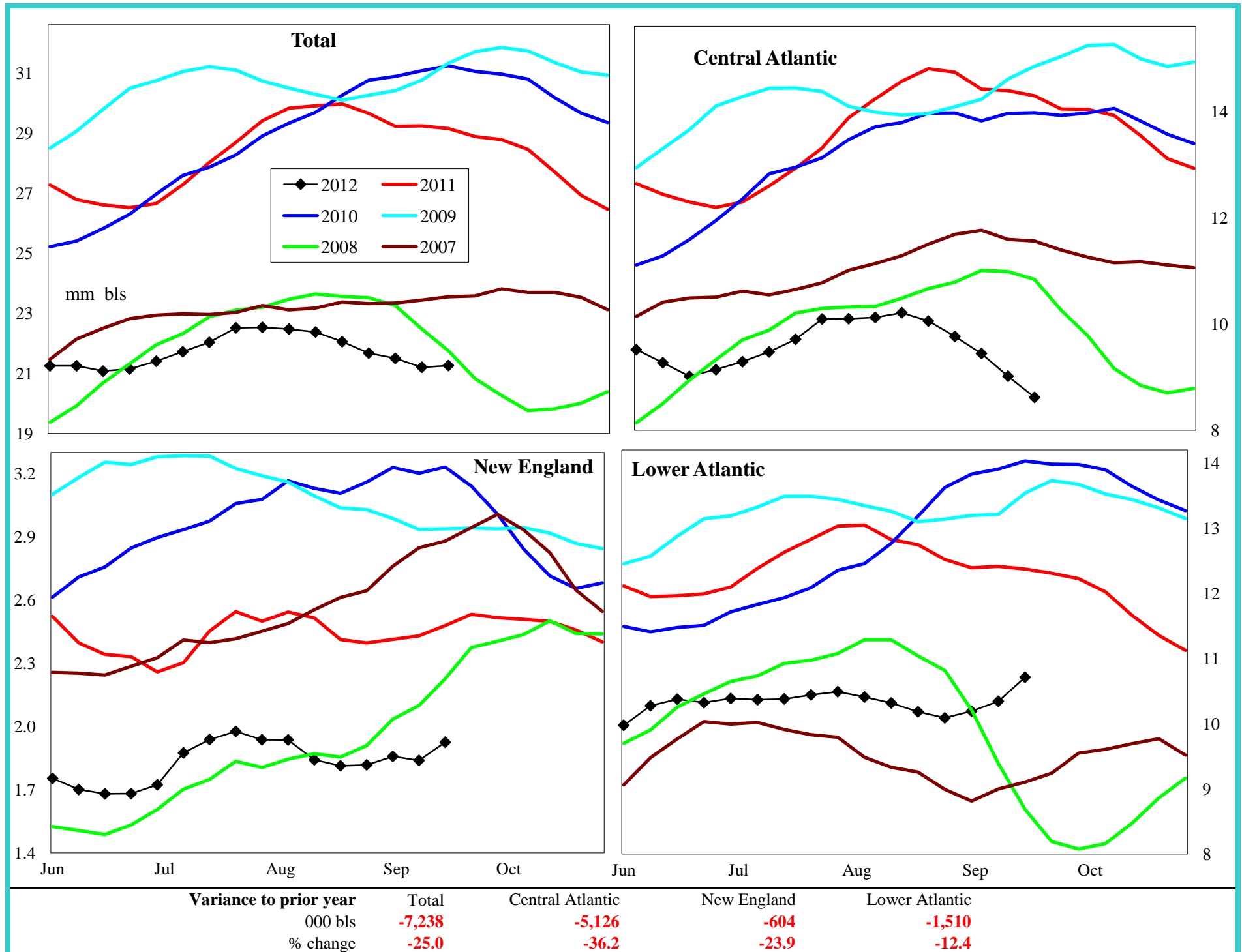
PADD 1 Distillate Stocks by Region



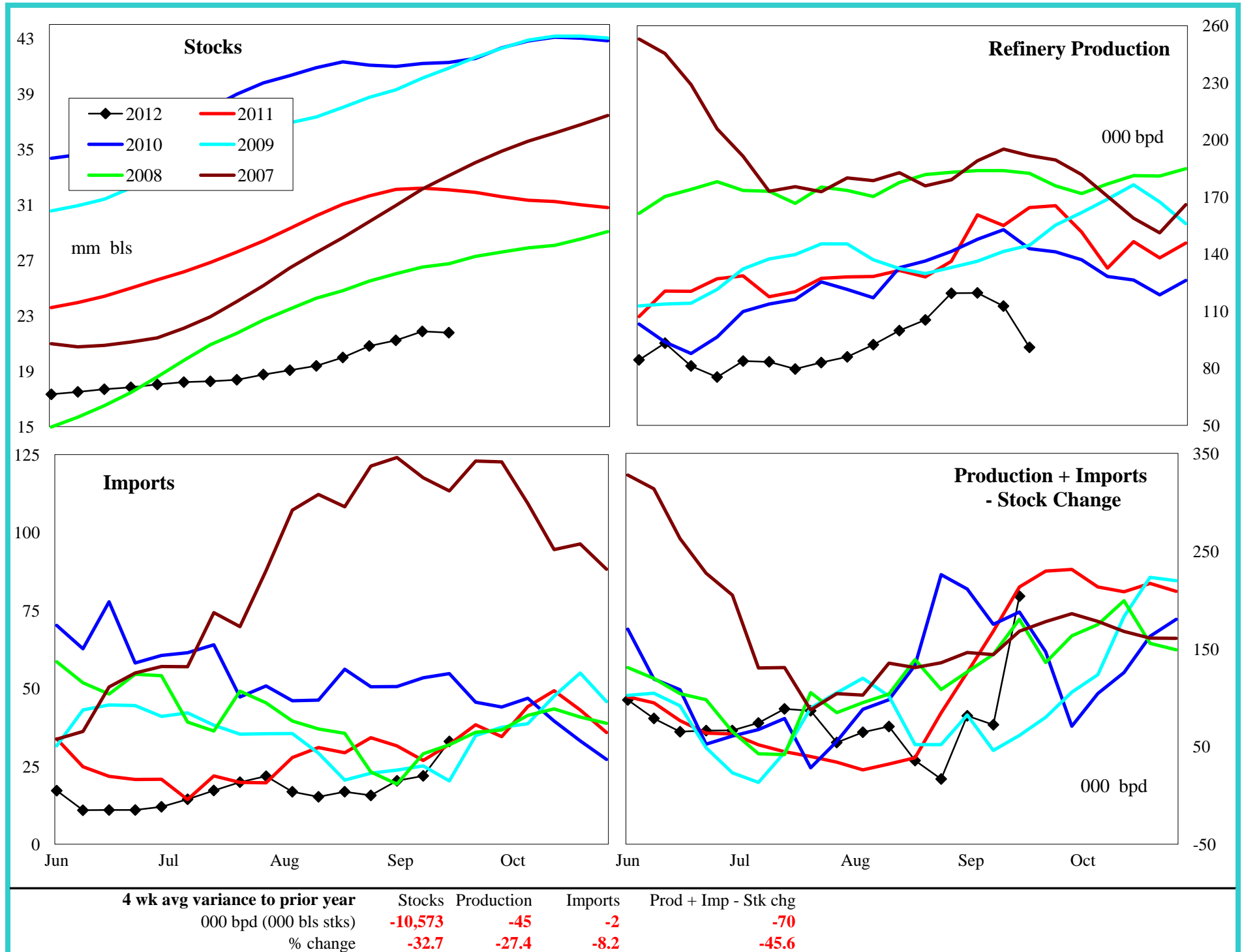
PADD 1 Low Sulfur Distillate Supply



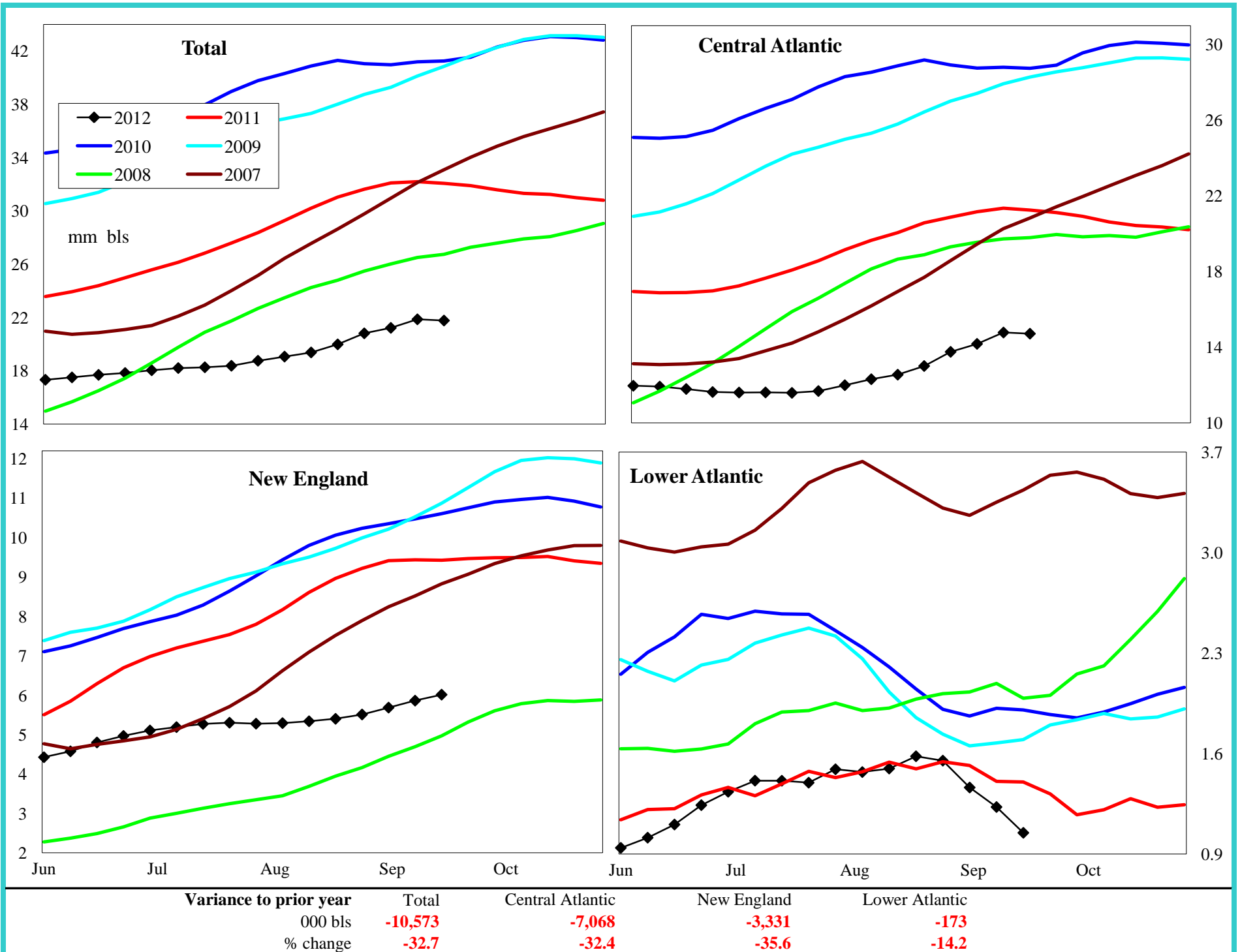
PADD 1 Low Sulfur Distillate Stocks by Region



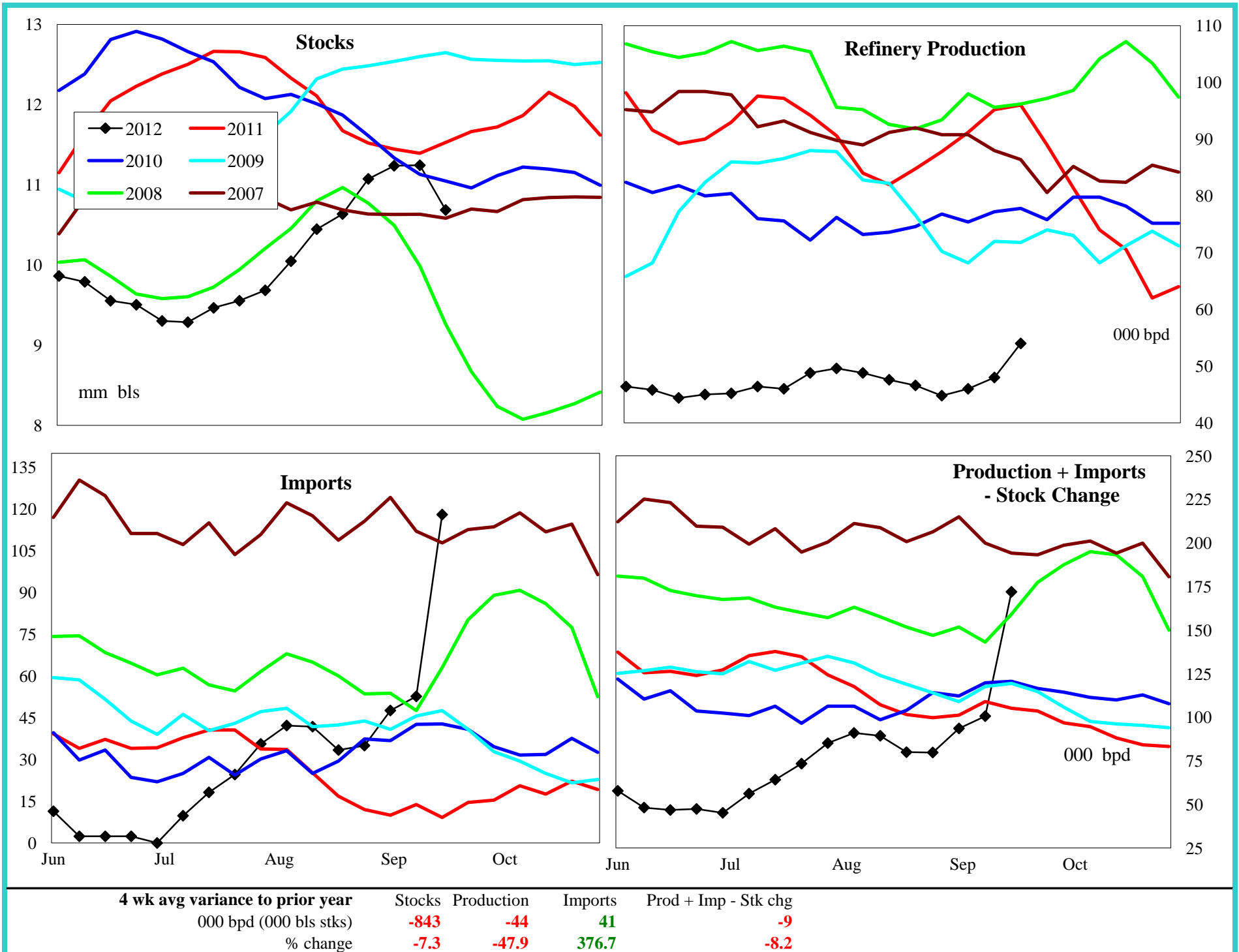
PADD 1 High Sulfur Distillate Supply



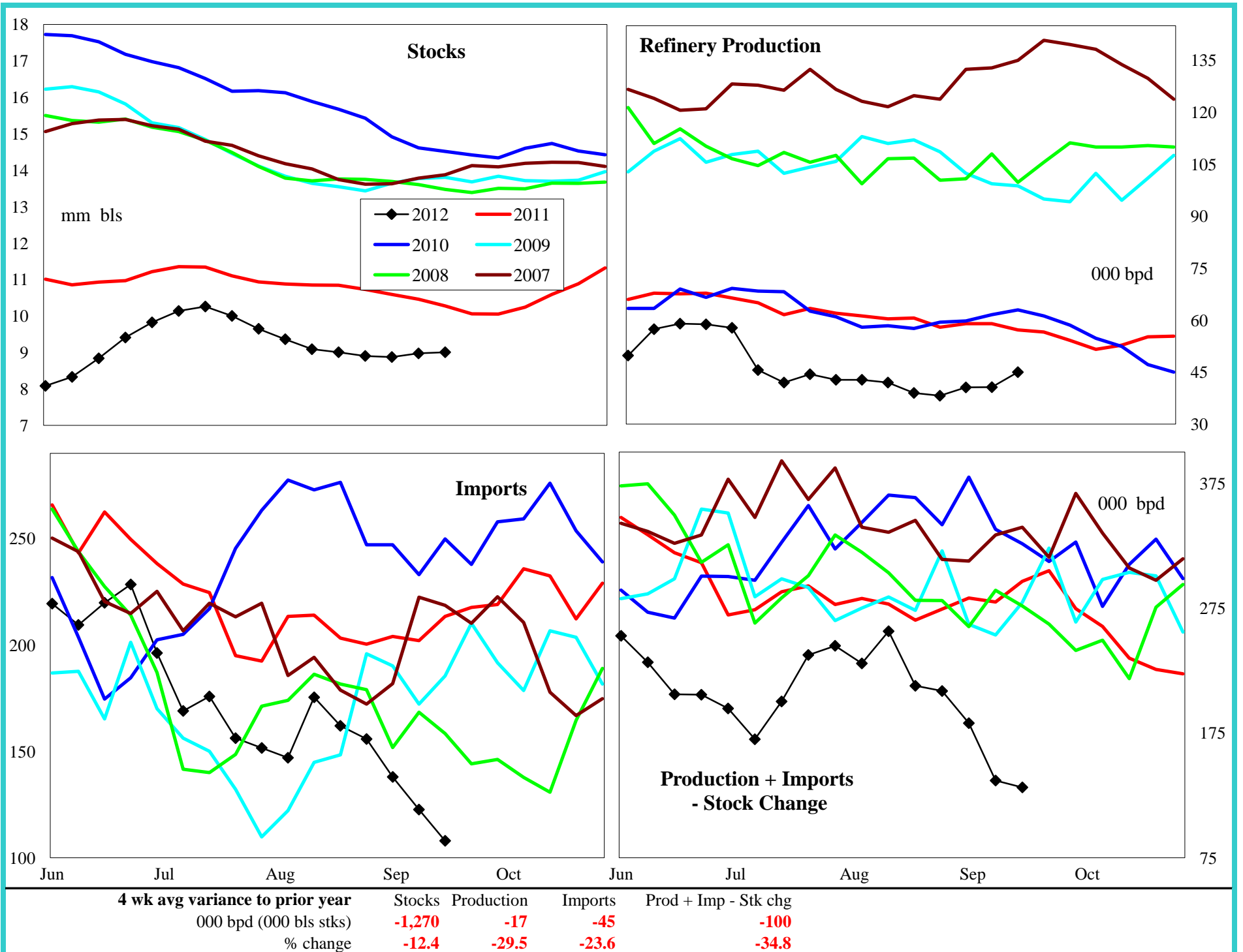
PADD 1 High Sulfur Distillate Stocks by Region



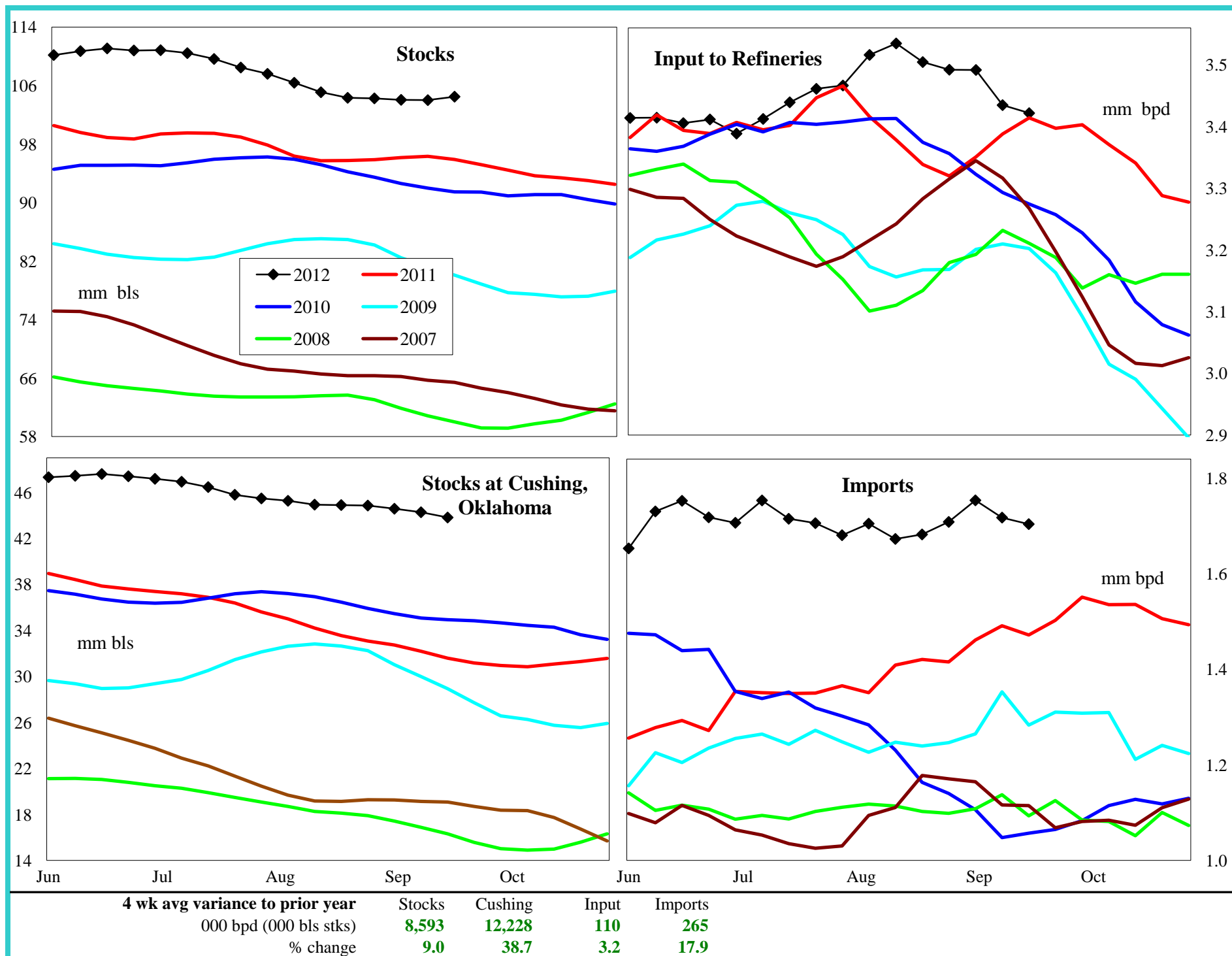
PADD 1 Jet Fuel Supply



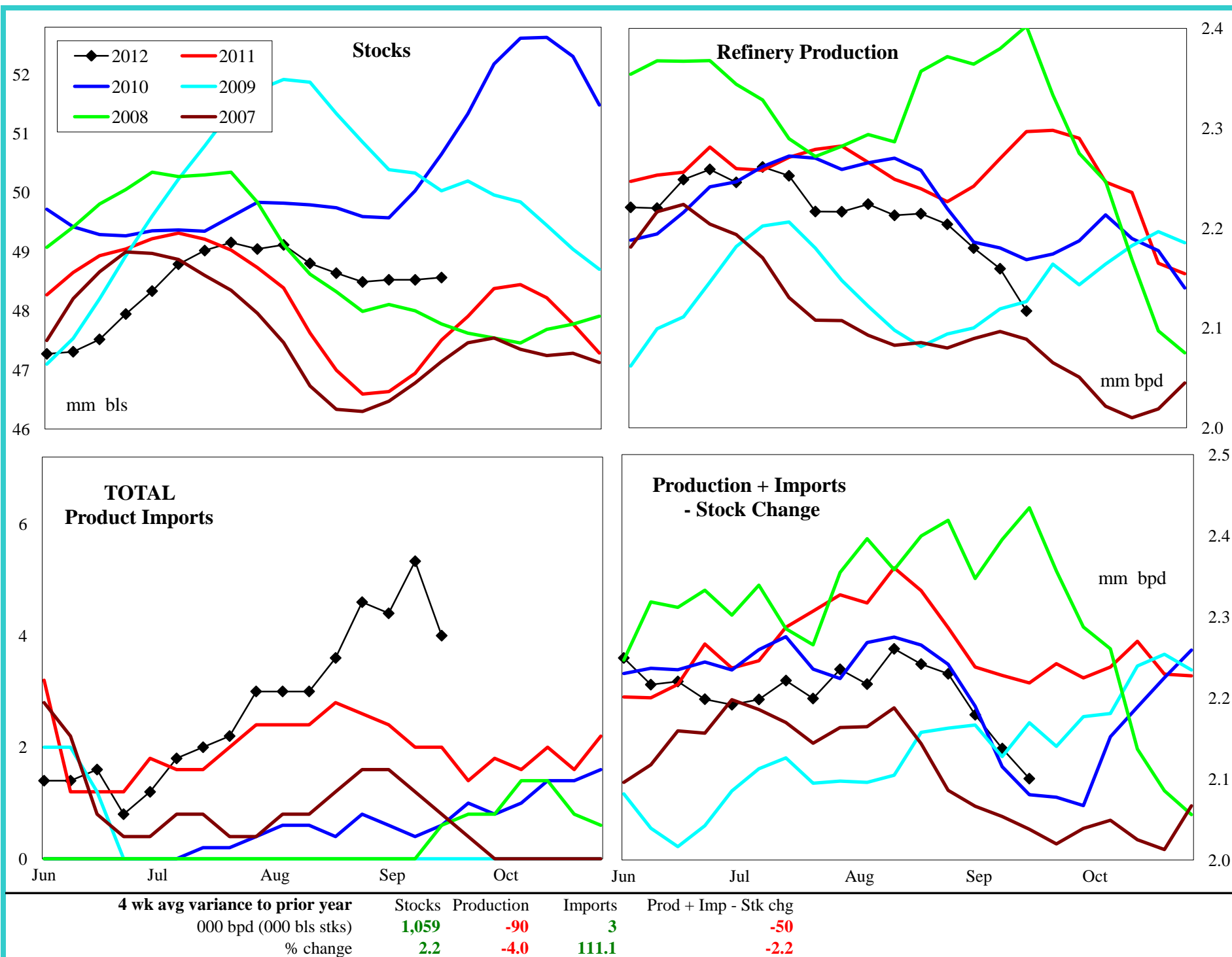
PADD 1 Residual Fuel Oil Supply



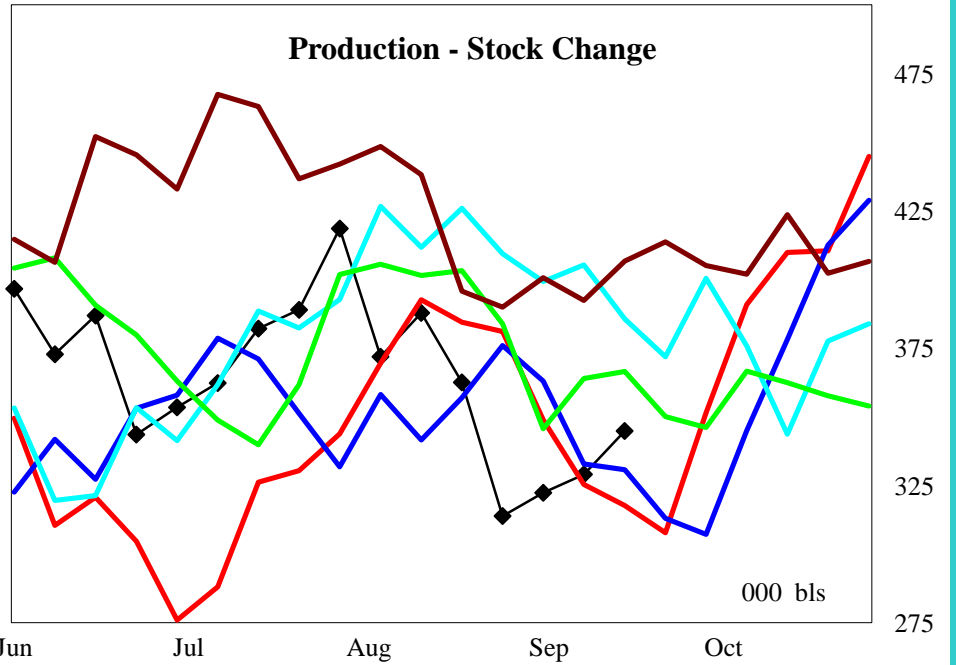
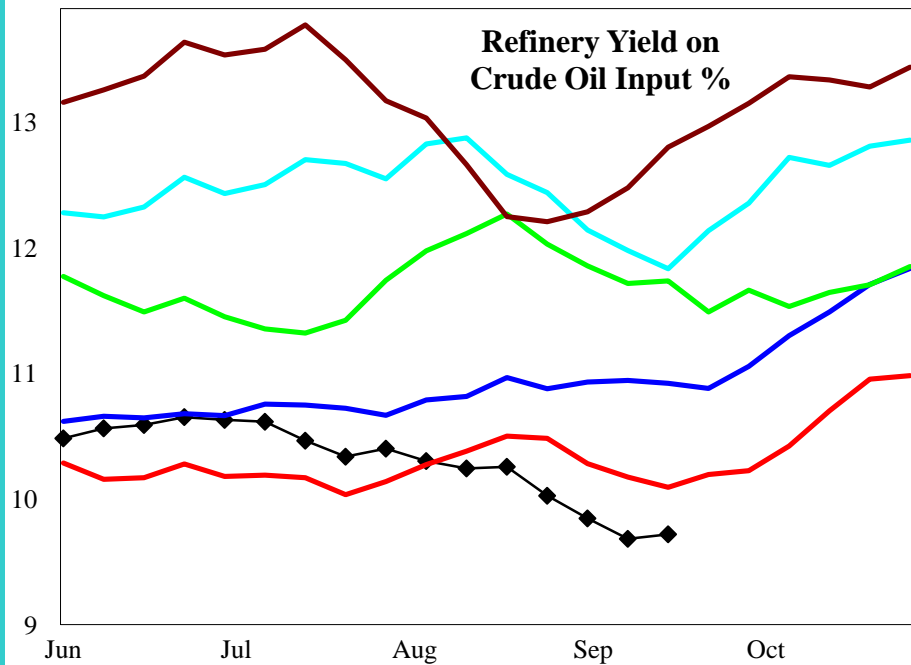
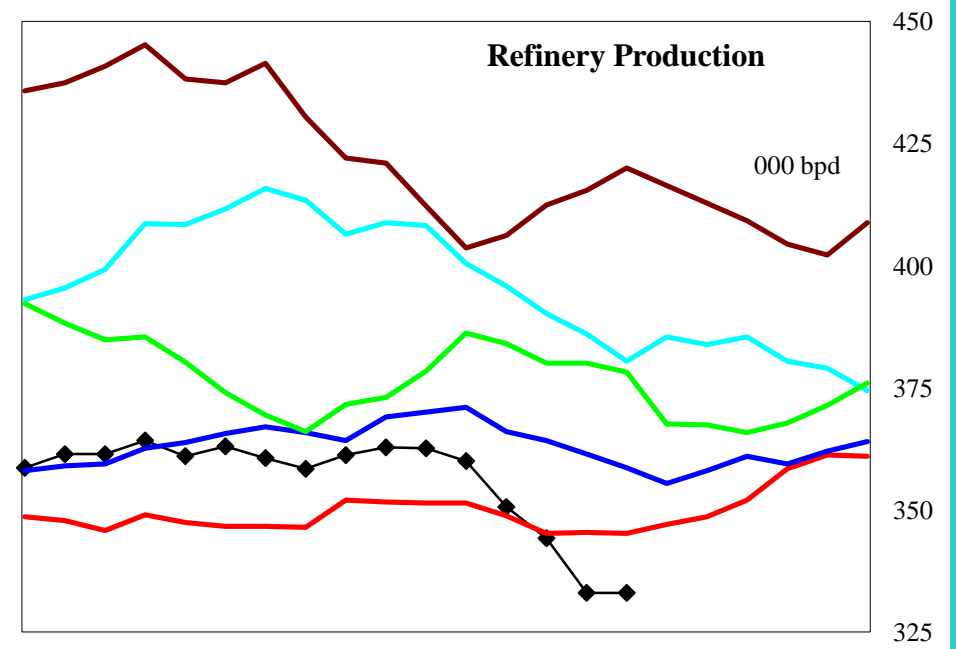
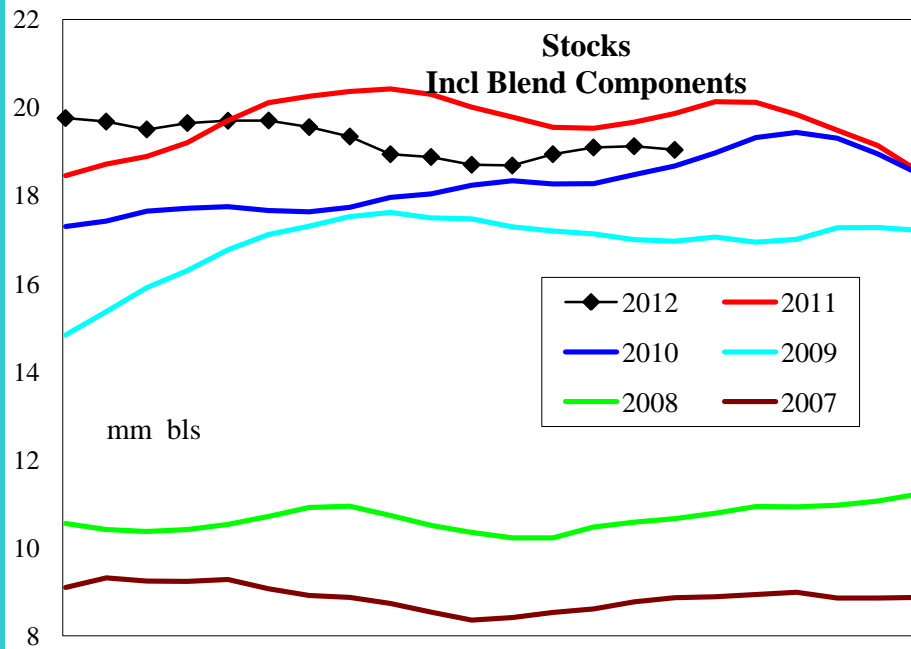
PADD 2 Crude Oil Supply and Refining



PADD 2 Gasoline Supply



PADD 2 Reformulated Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks Production

-822 -6

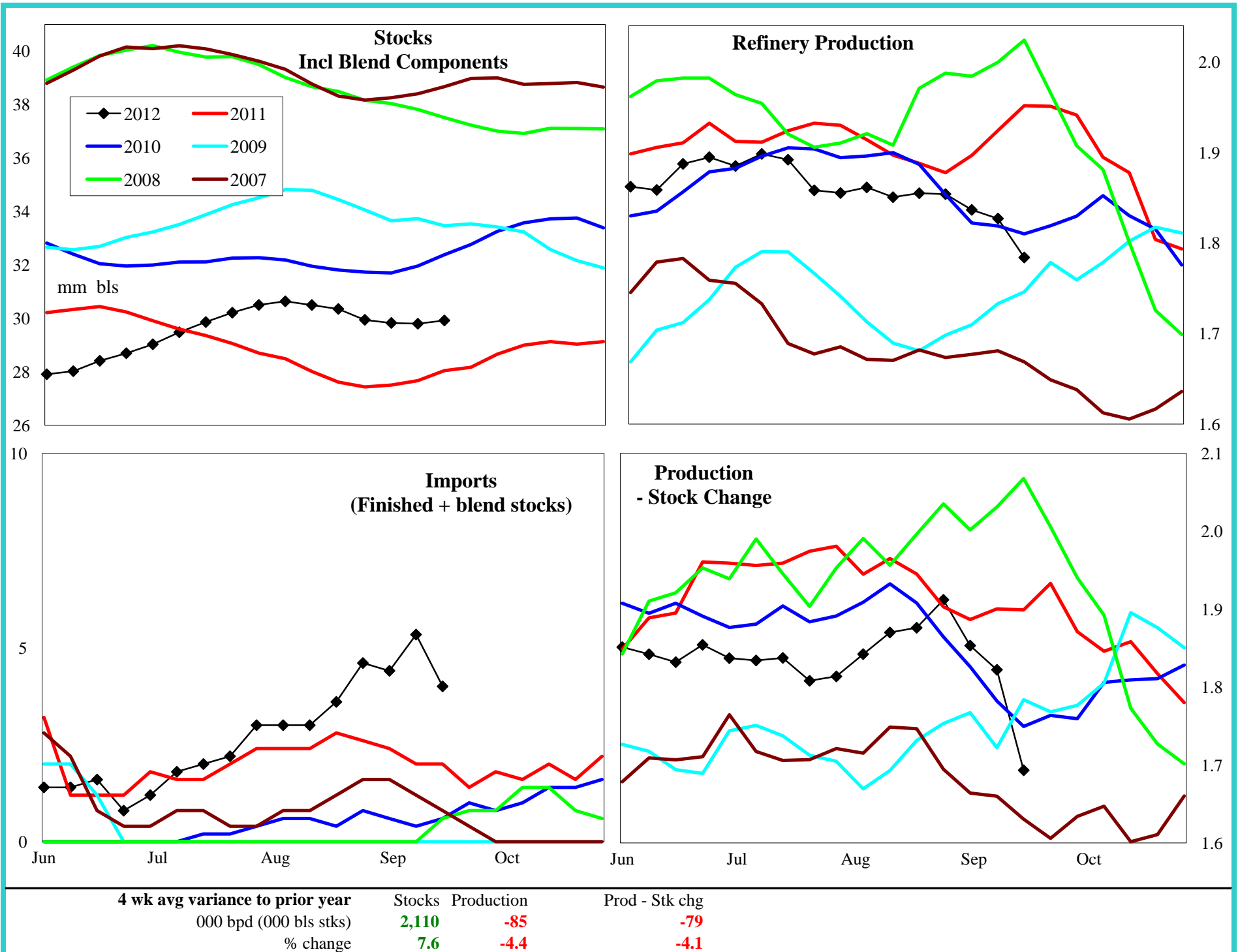
-4.1 -1.7

Prod - Stk chg

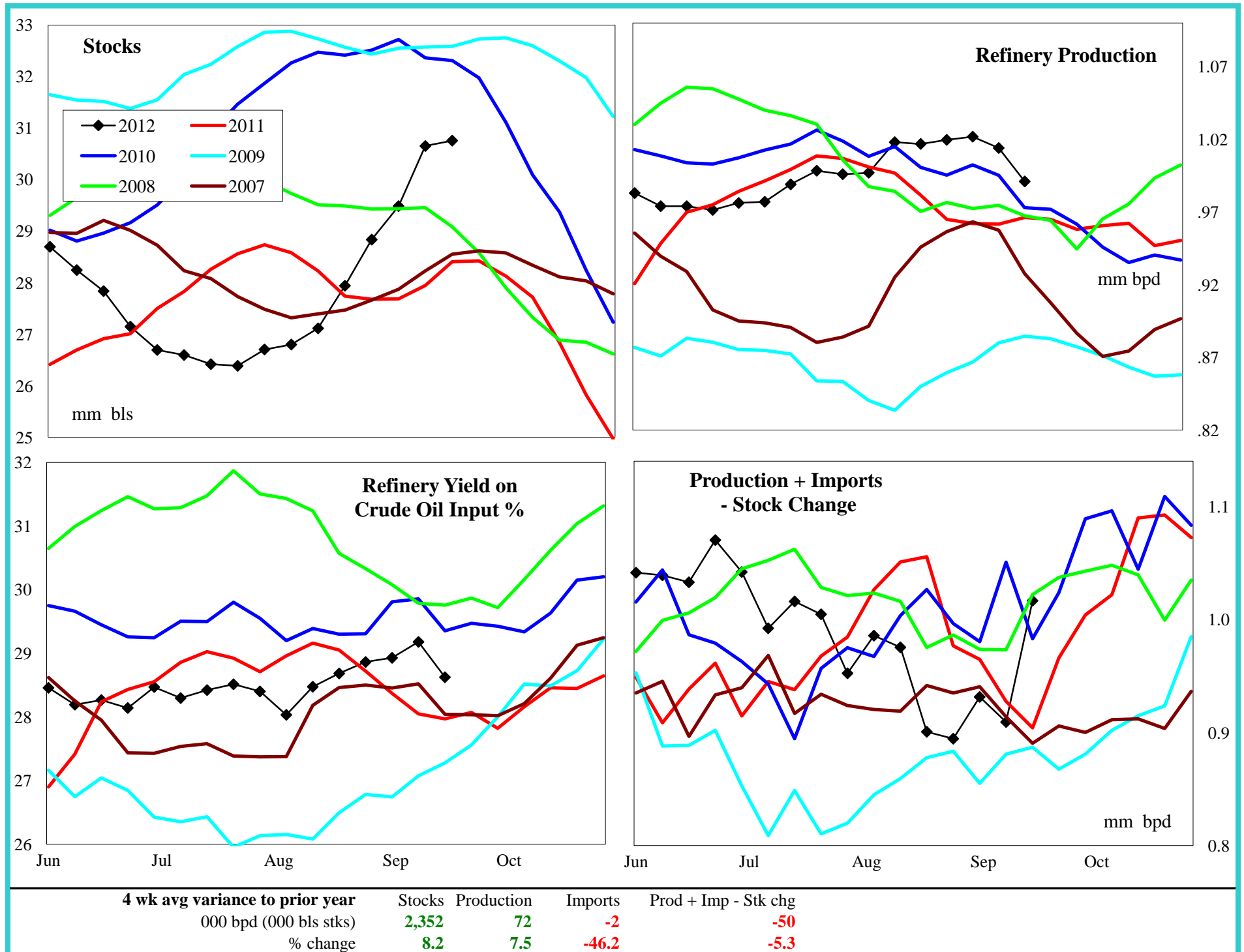
-16

-4.6

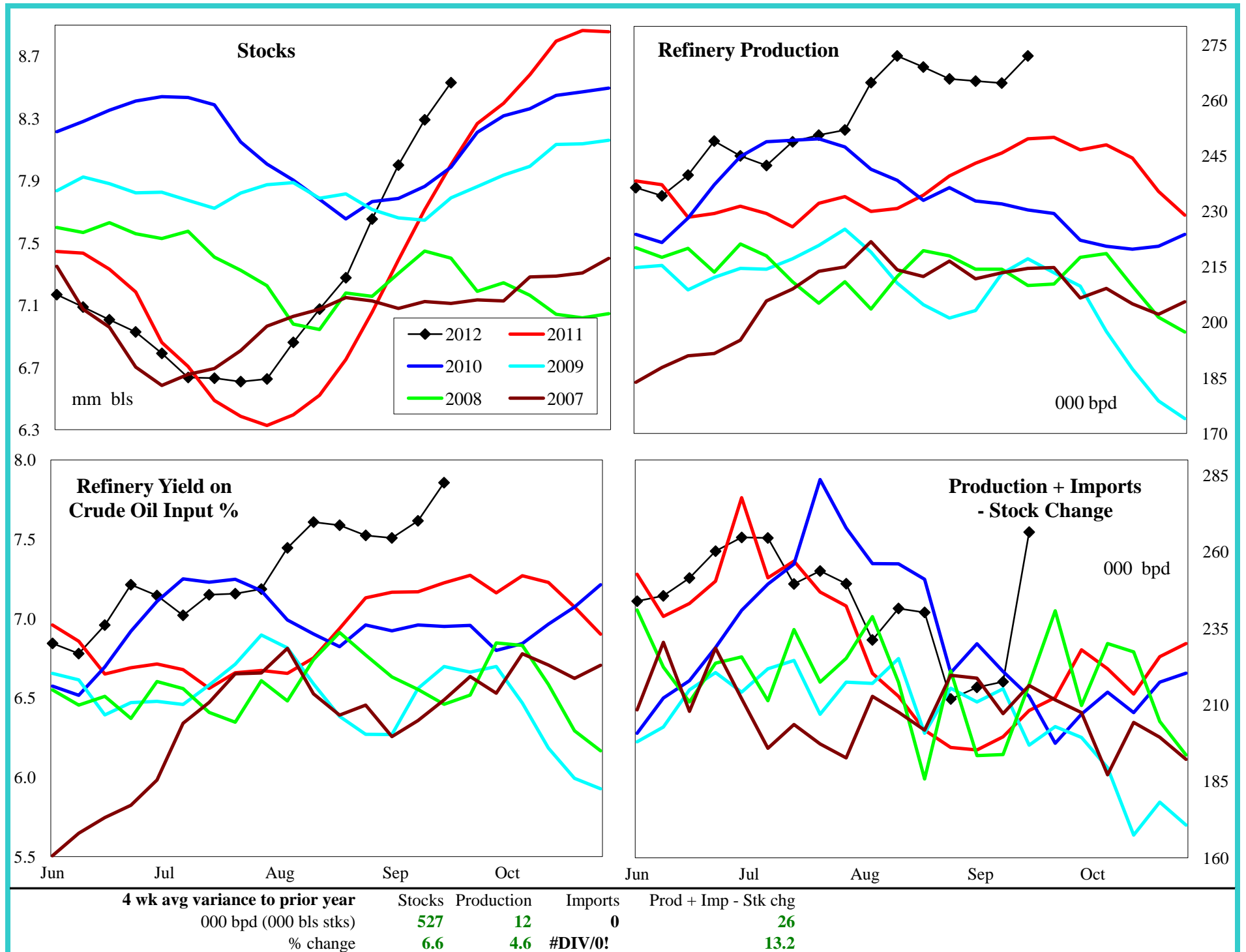
PADD 2 Conventional Gasoline Supply



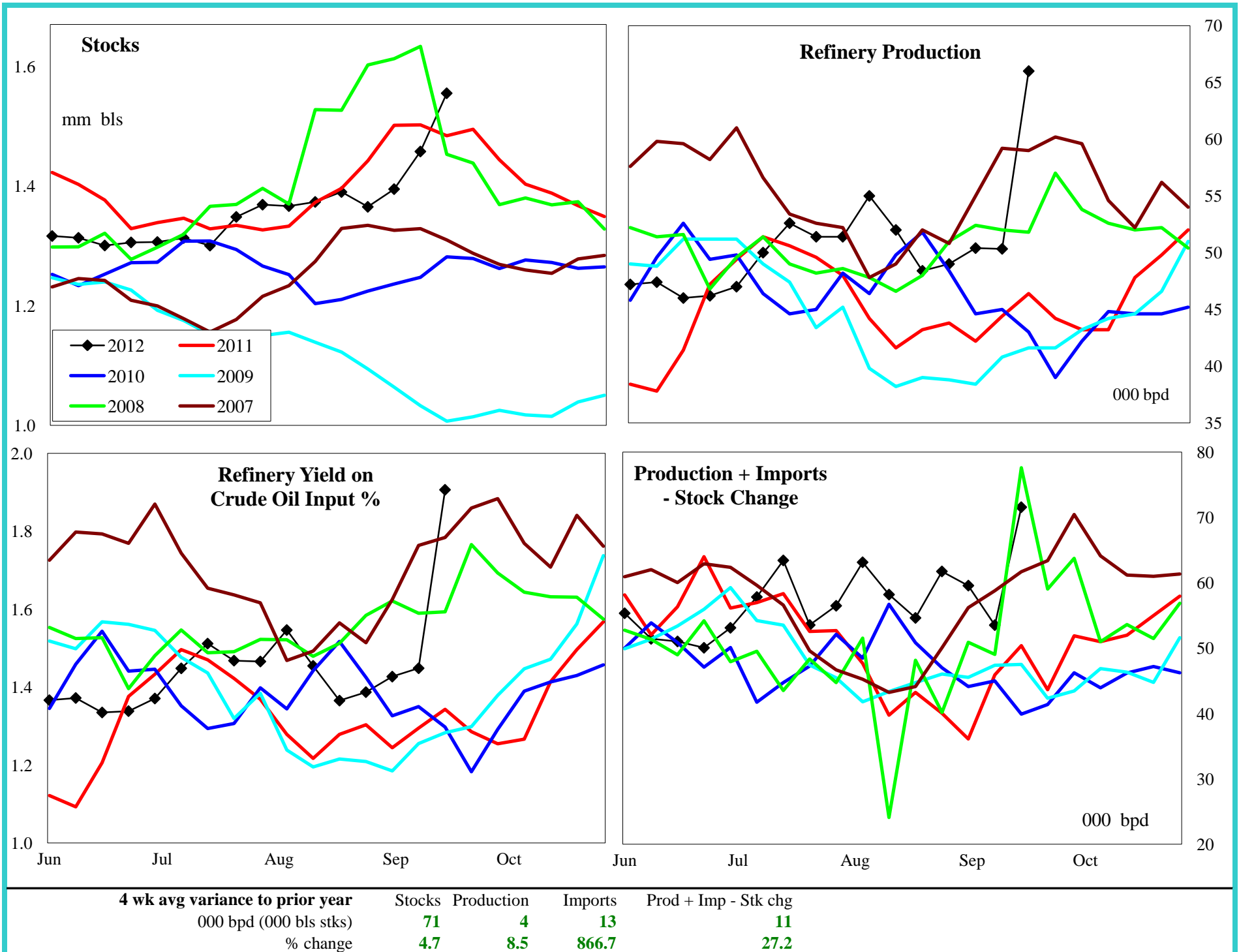
PADD 2 Distillate Supply



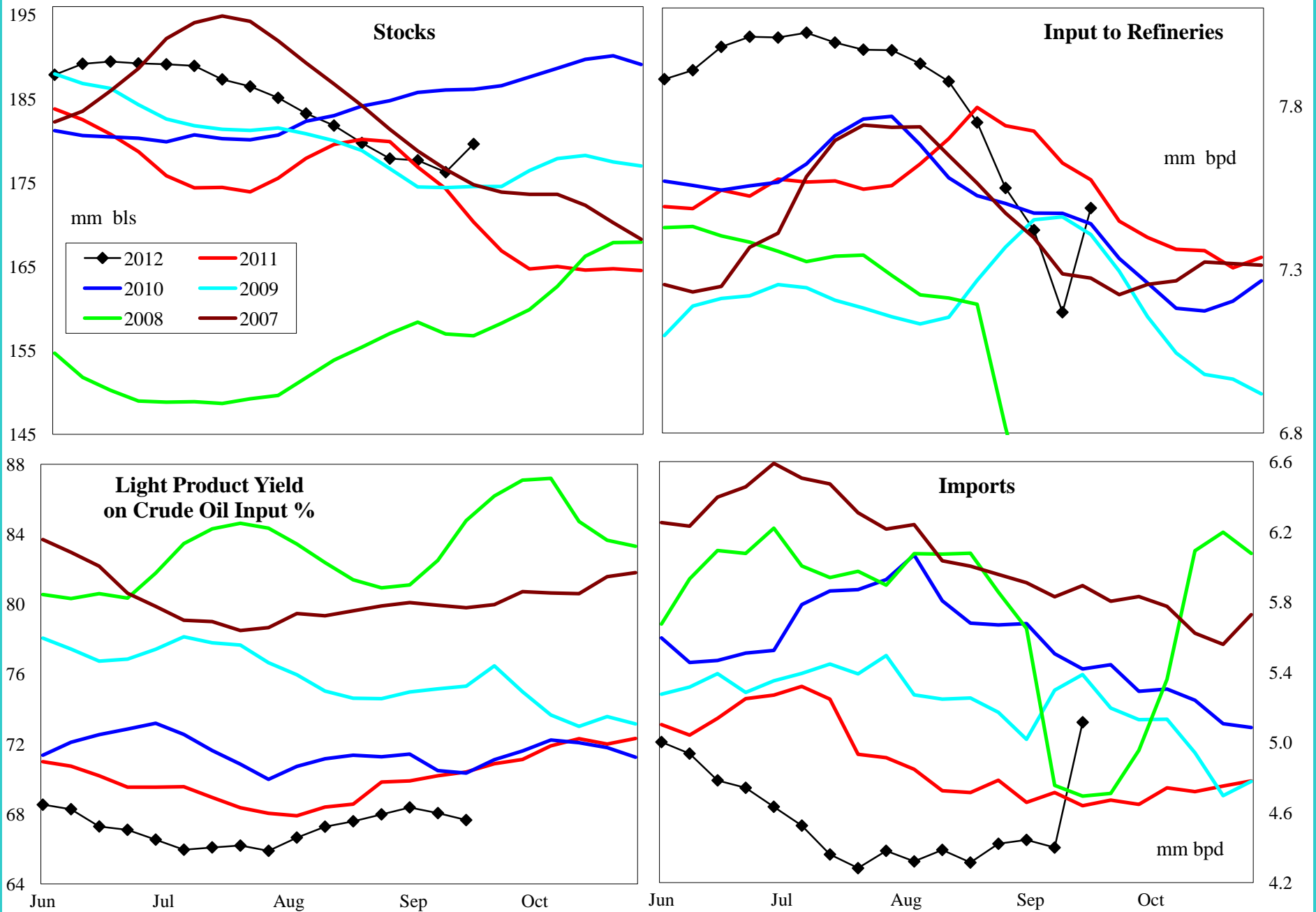
PADD 2 Jet Fuel Supply



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

9,300

5.5

Input

-352

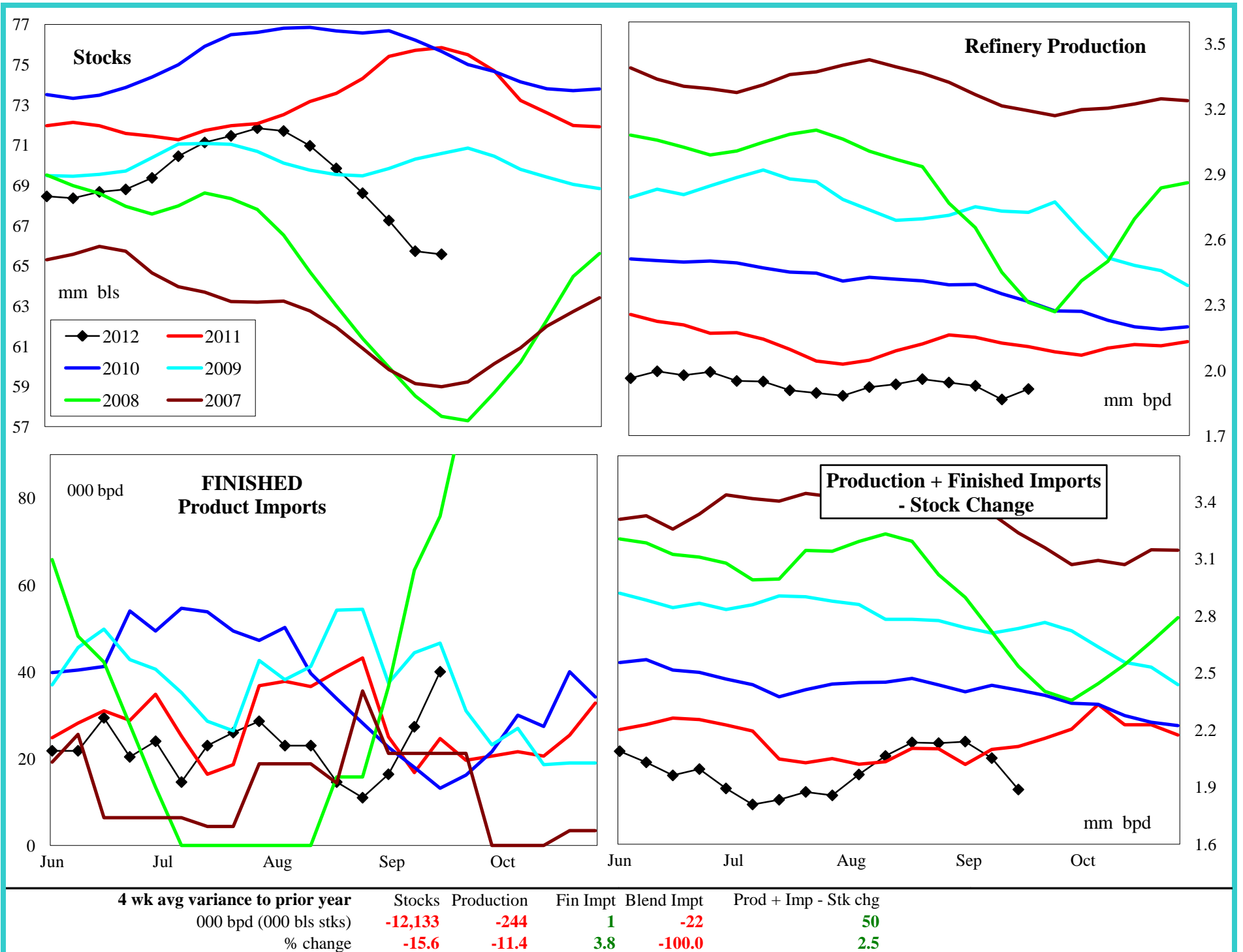
-4.6

Imports

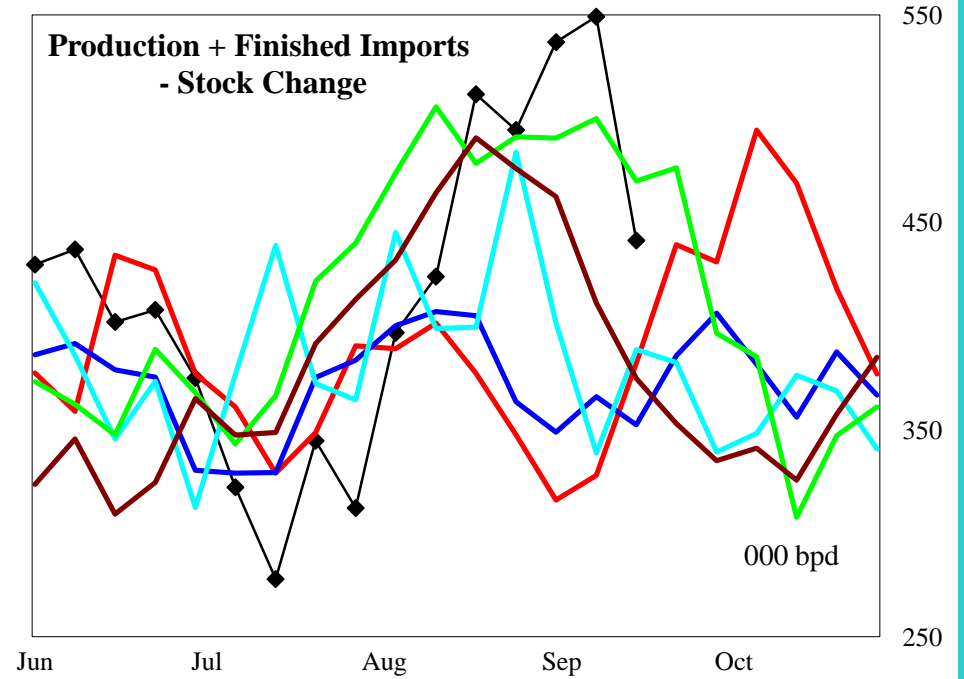
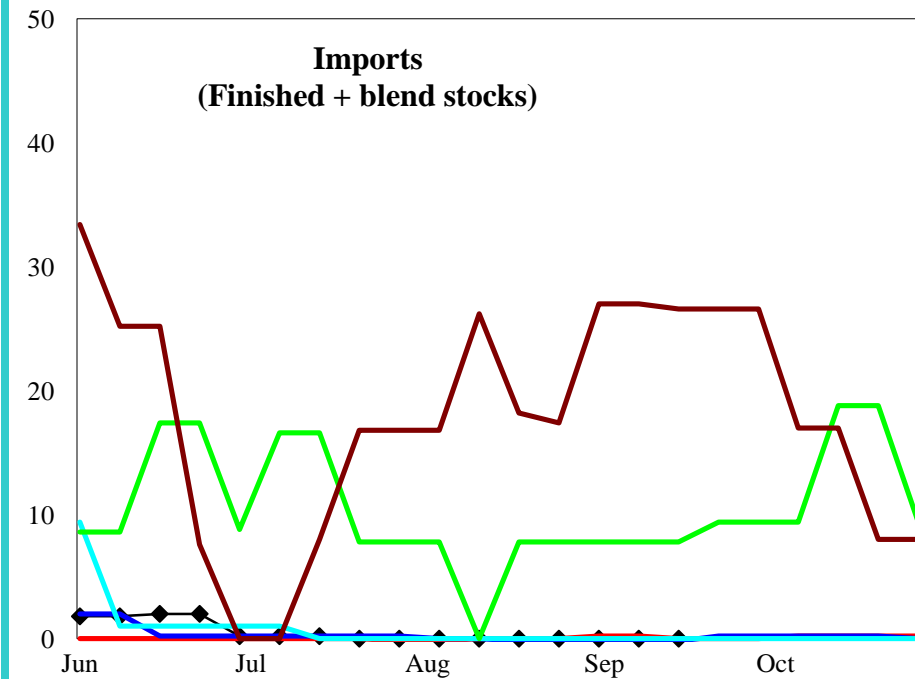
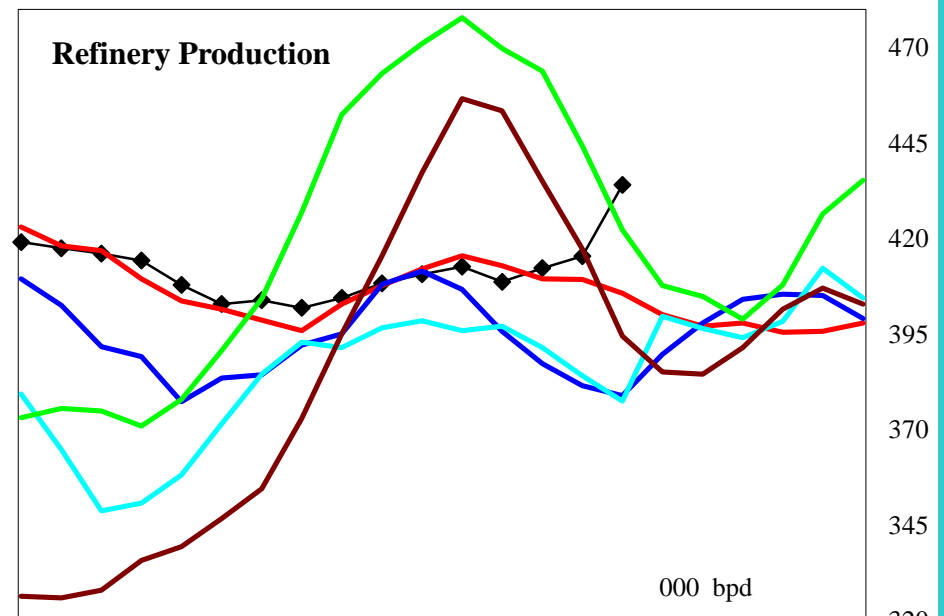
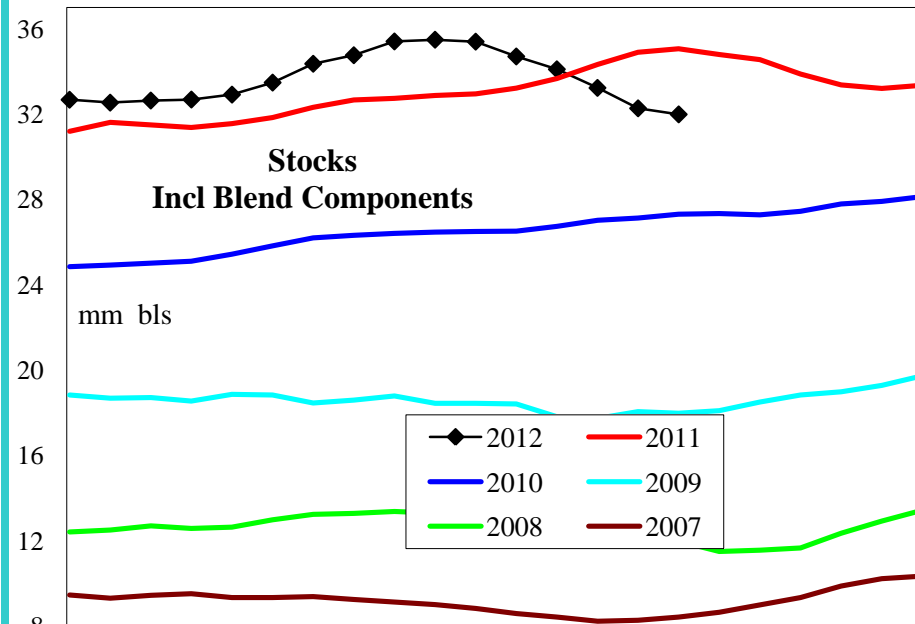
-72

-1.6

PADD 3 Gasoline Supply



PADD 3 Reformulated Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

Production

Imports

Prod + Imp - Stk chg

-3,523

4

0

185

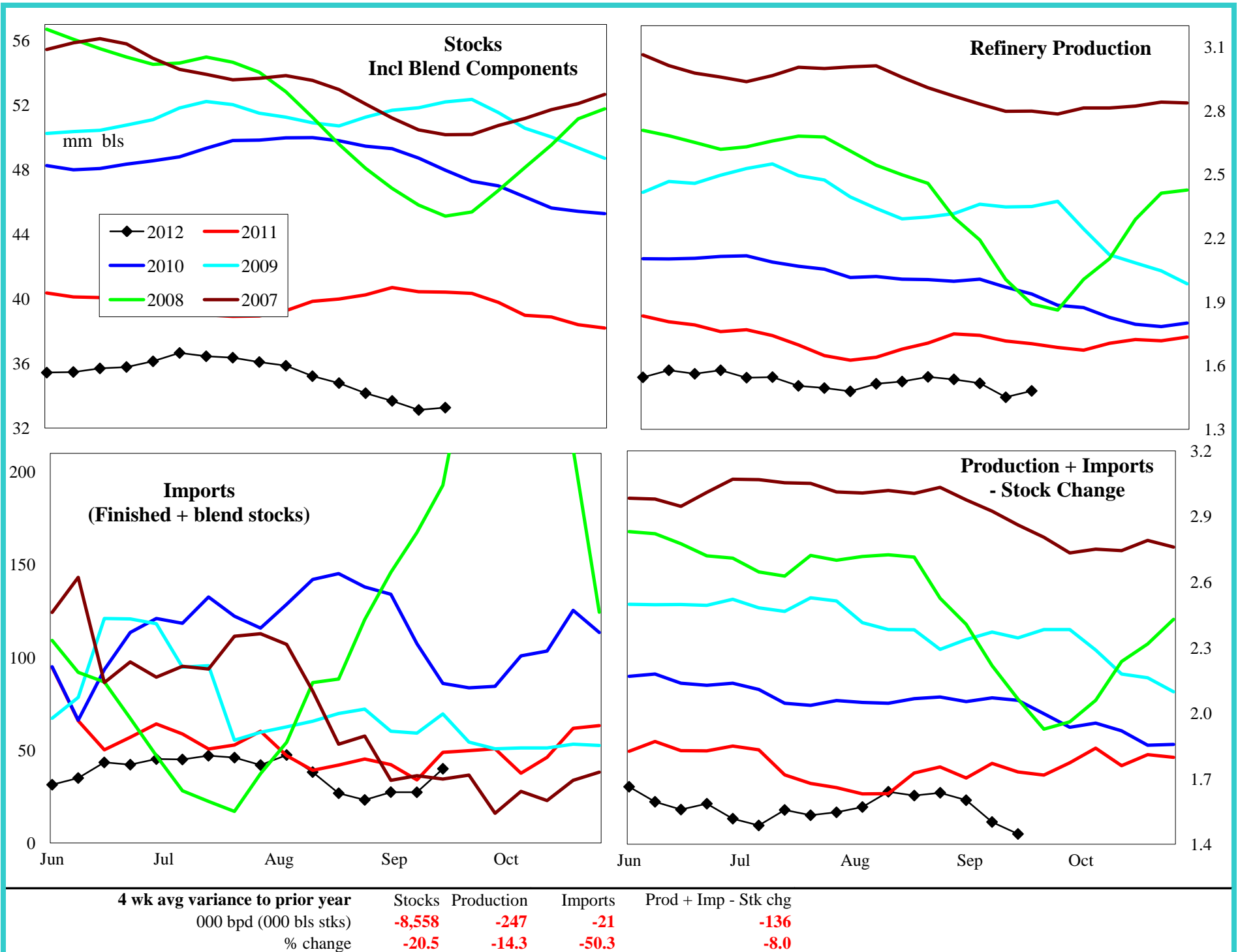
-9.8

0.9

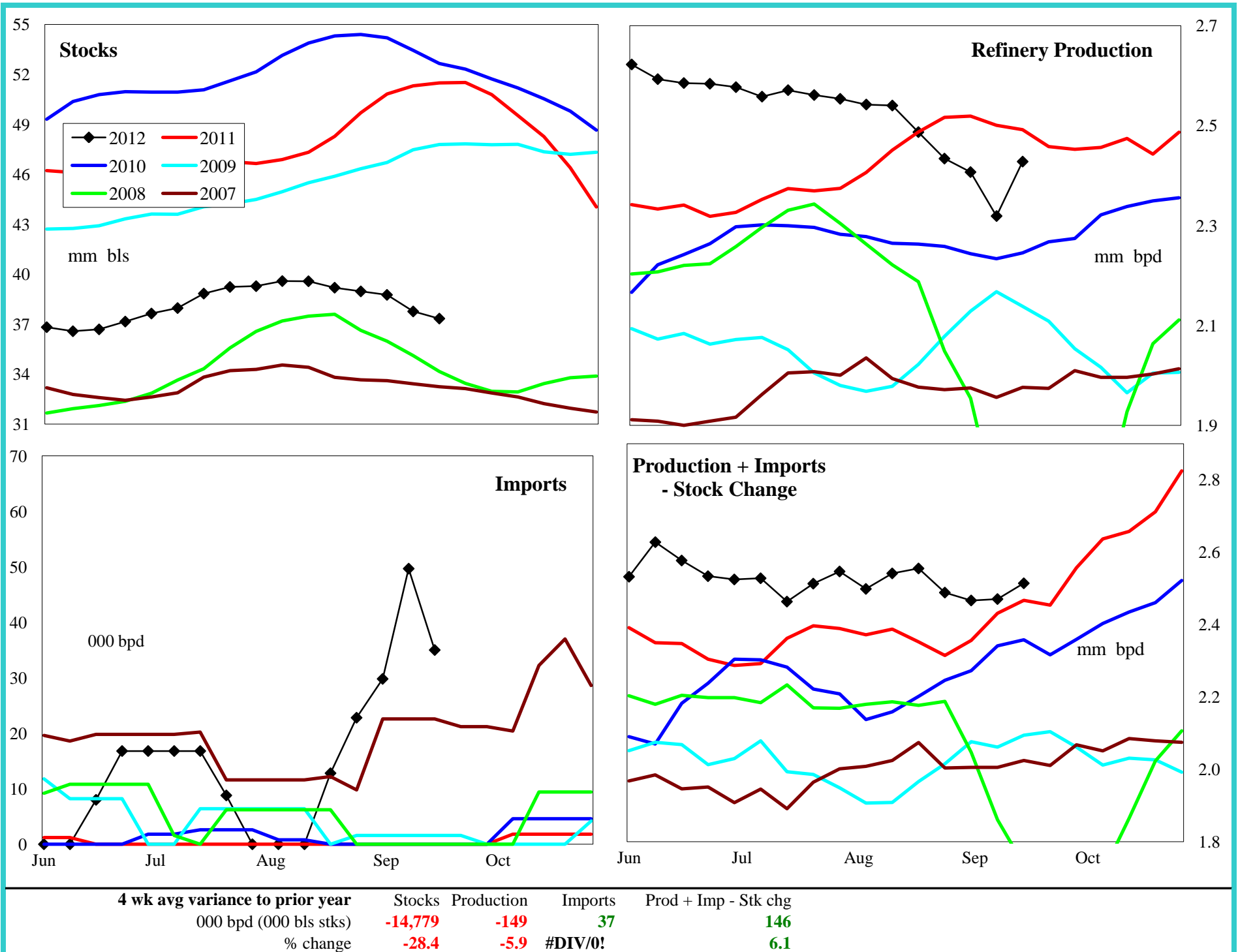
-100.0

58.2

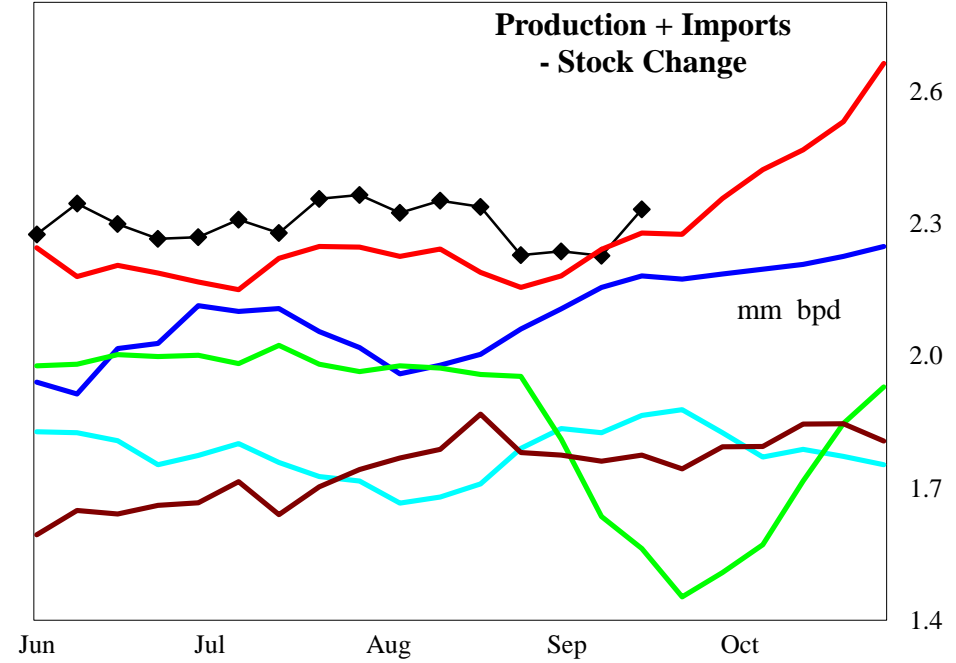
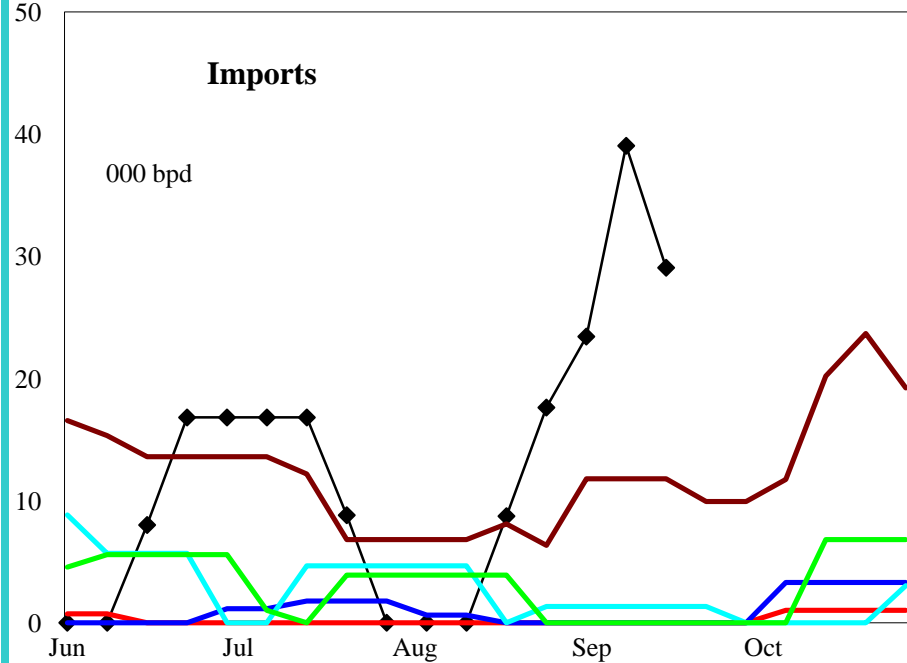
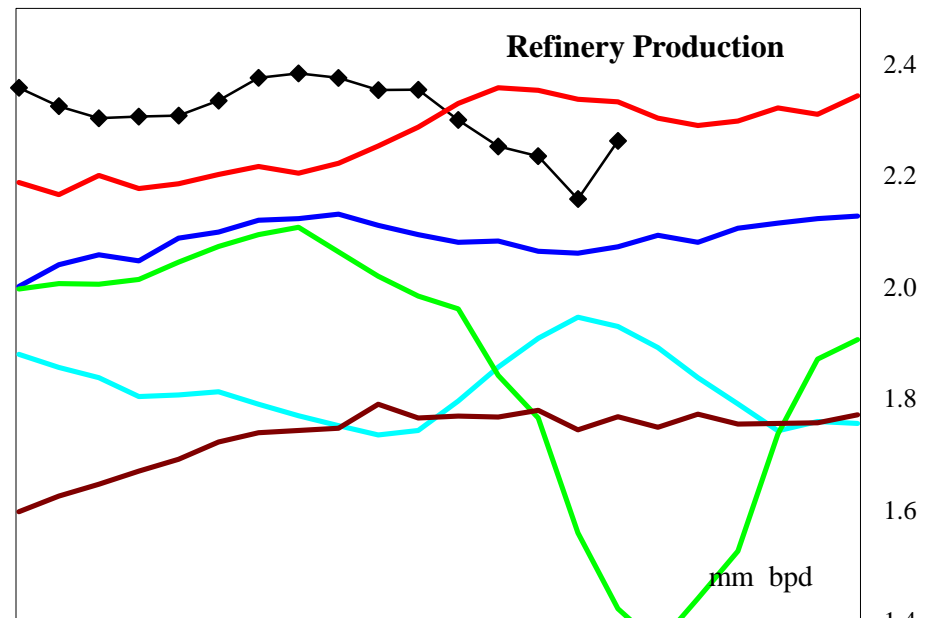
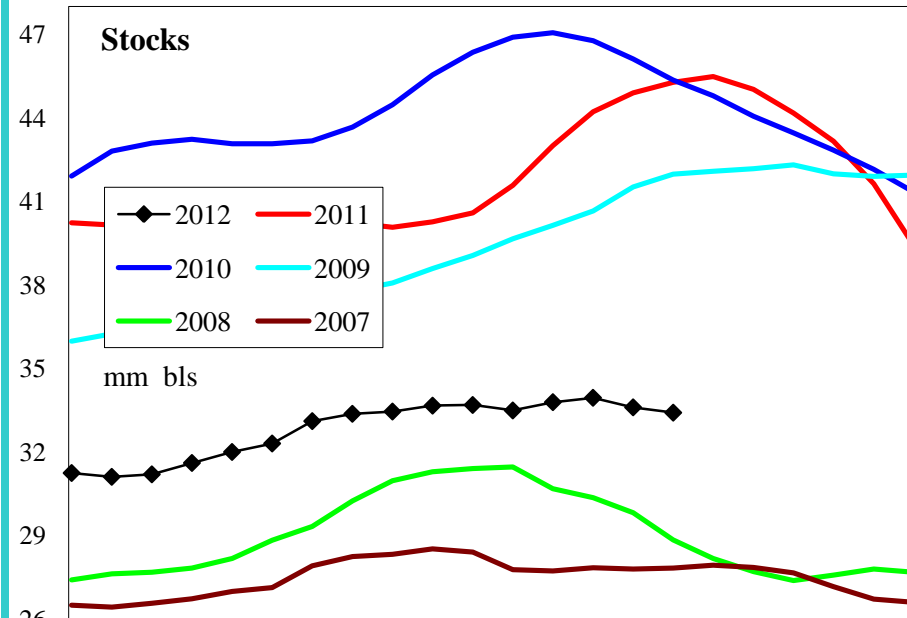
PADD 3 Conventional Gasoline Supply



PADD 3 Distillate Supply



PADD 3 Low Sulfur Distillate Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

-12,344

-27.0

Production

-140

-6.0

Imports

29

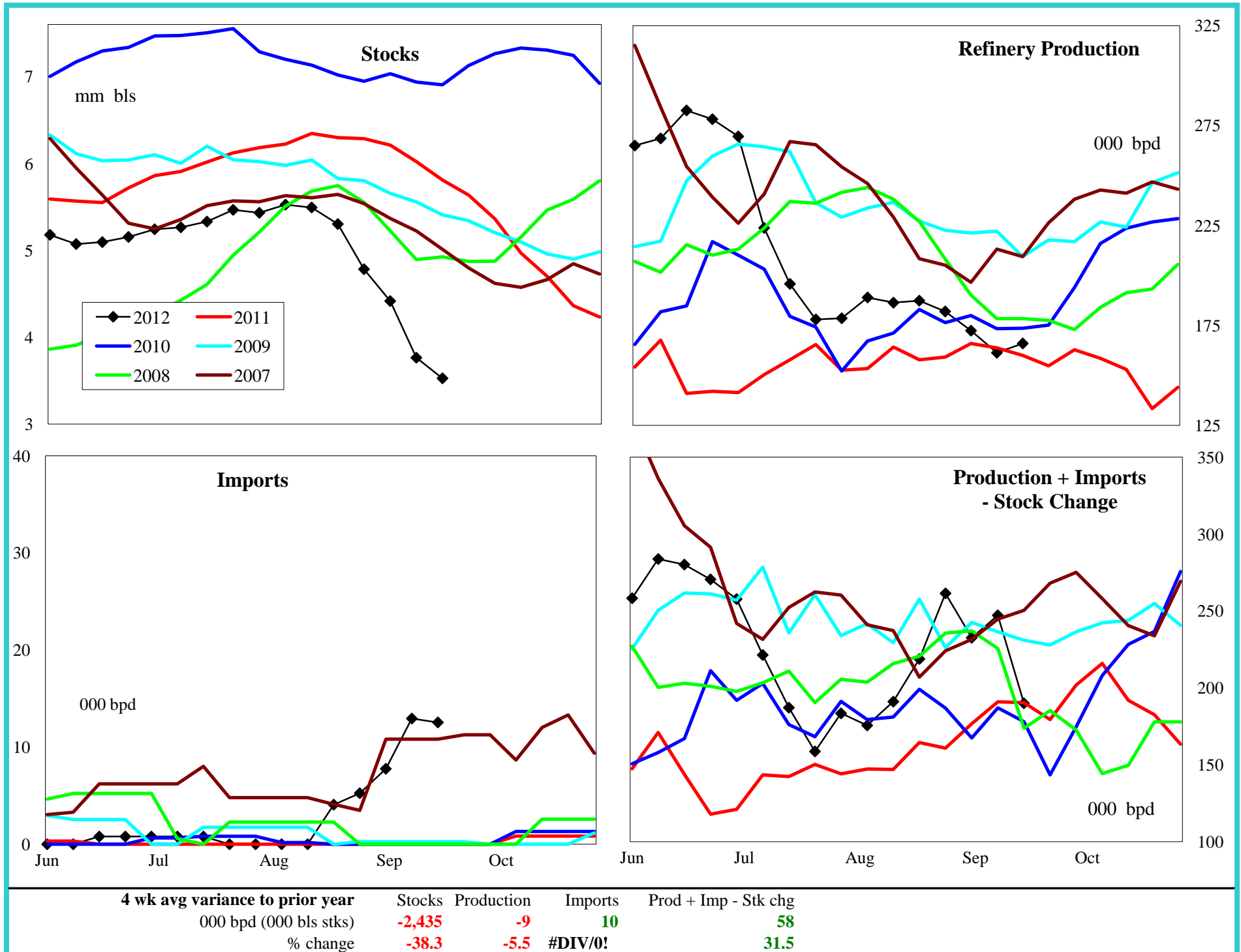
#DIV/0!

Prod + Imp - Stk chg

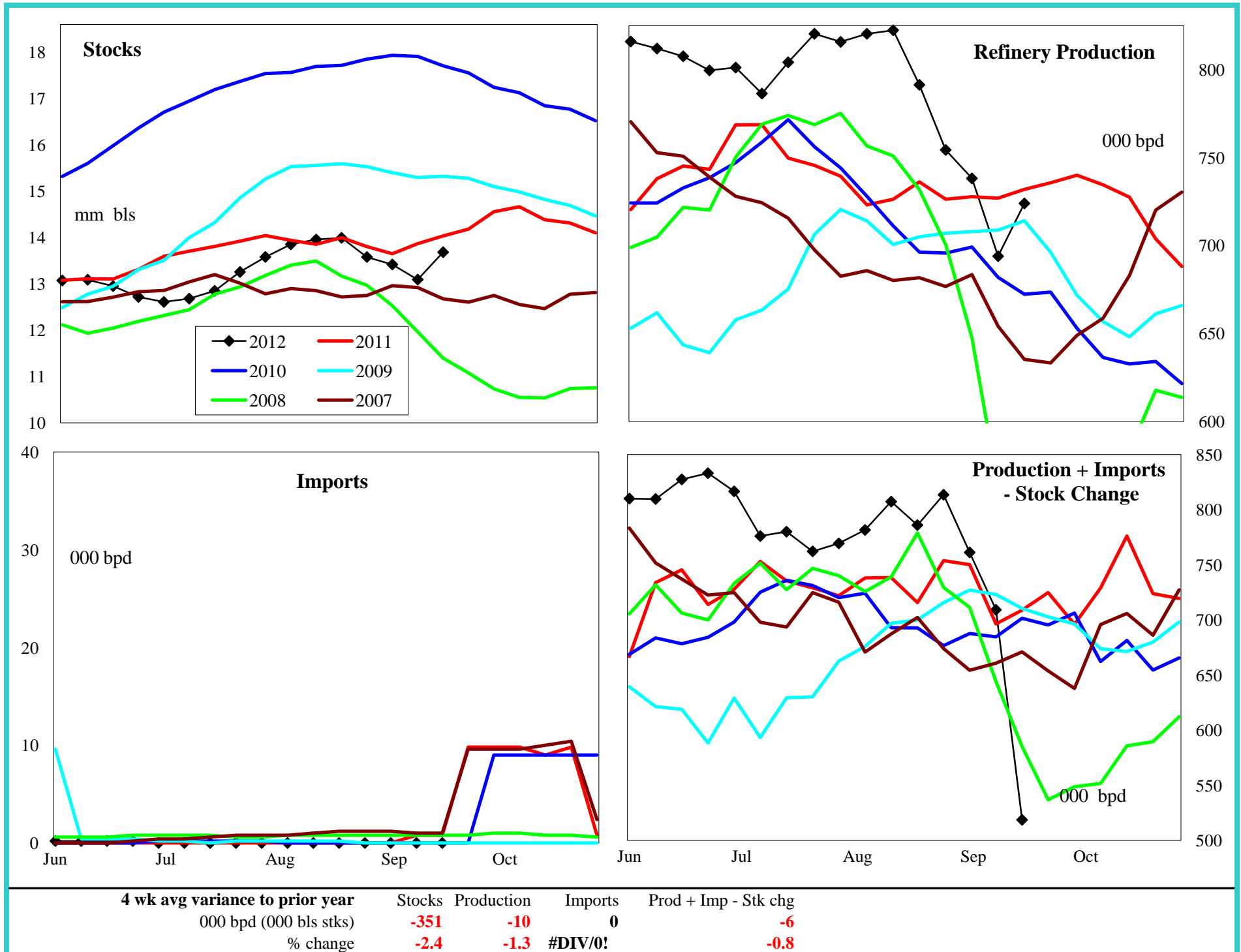
90

4.1

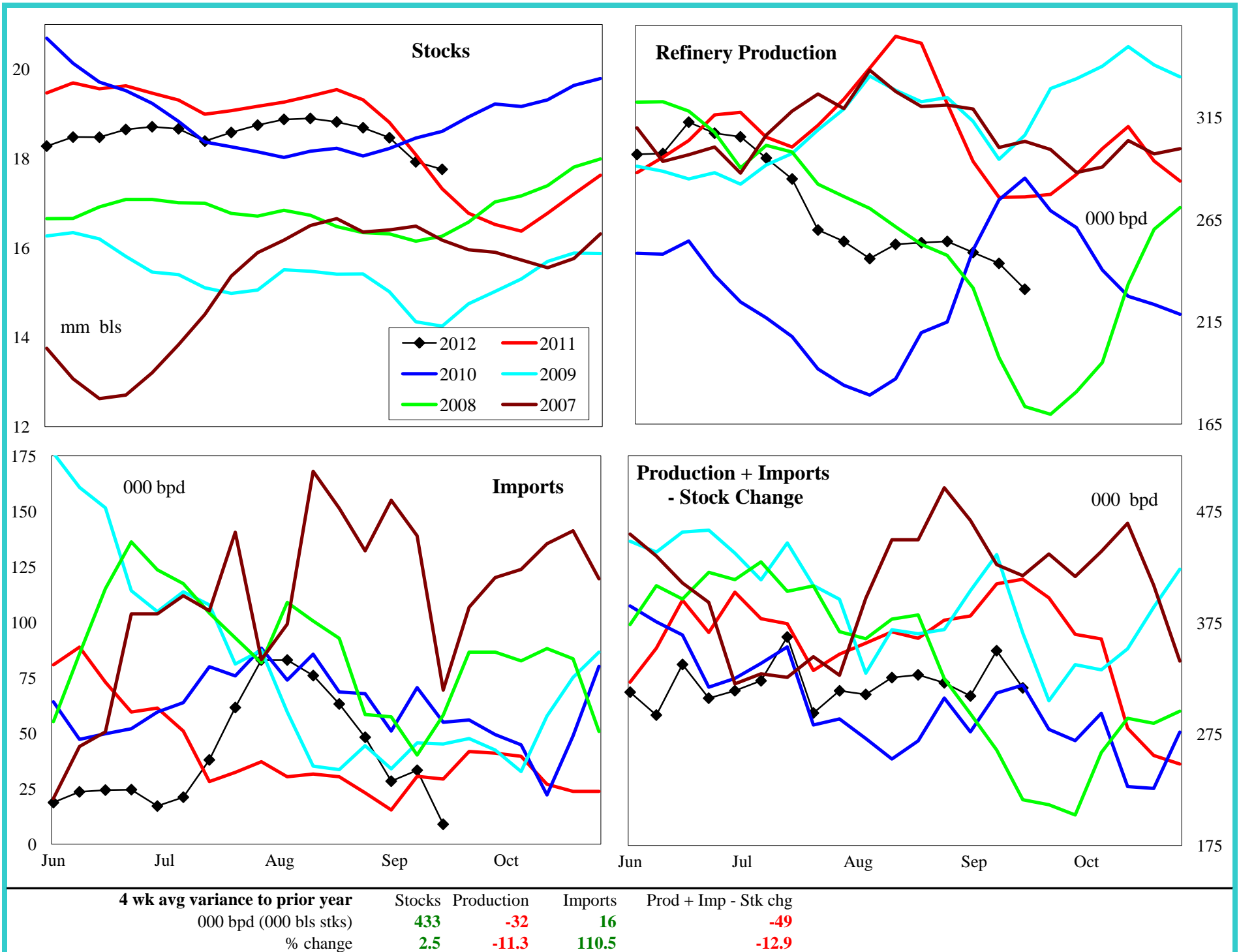
PADD 3 High Sulfur Distillate Supply



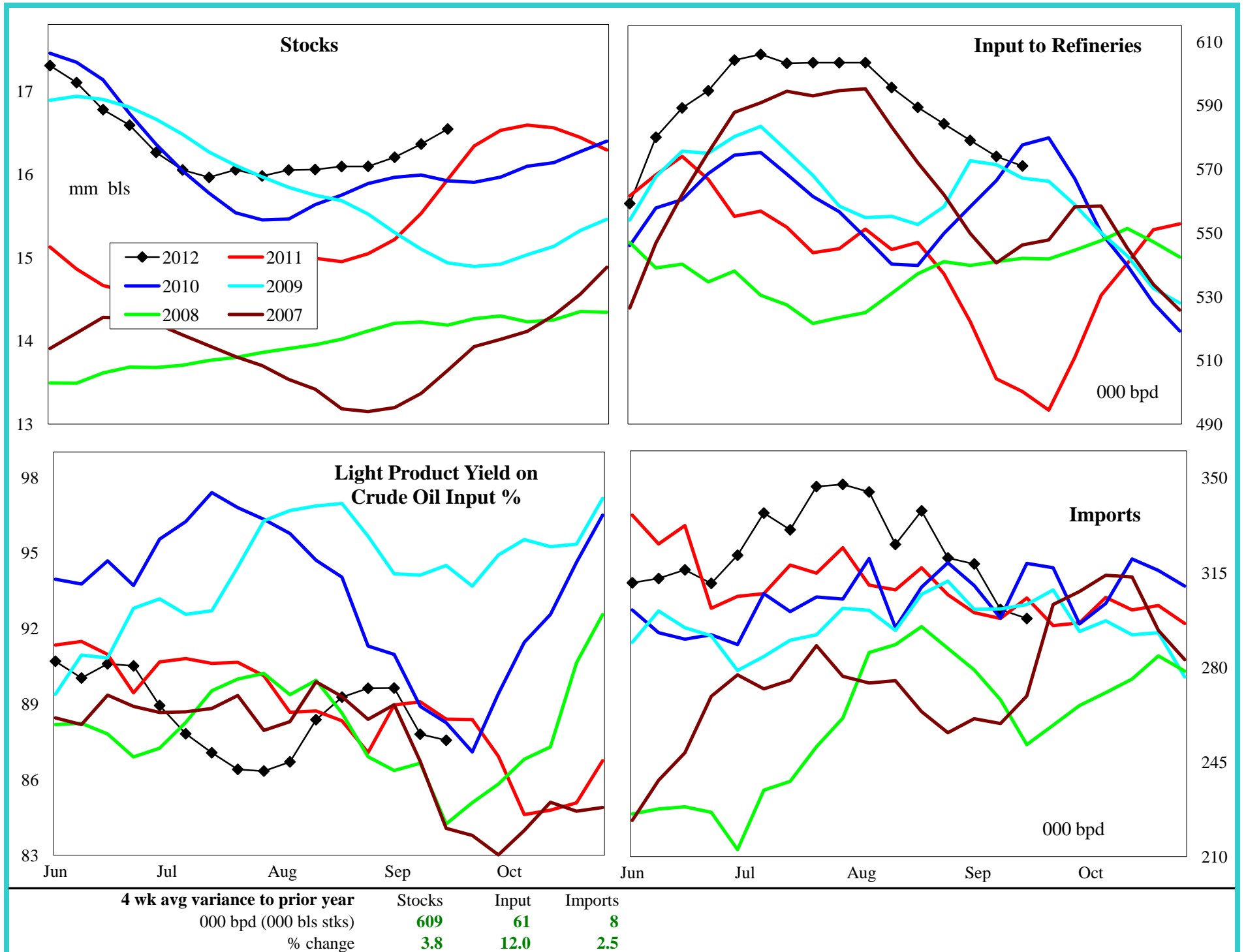
PADD 3 Jet Fuel Supply



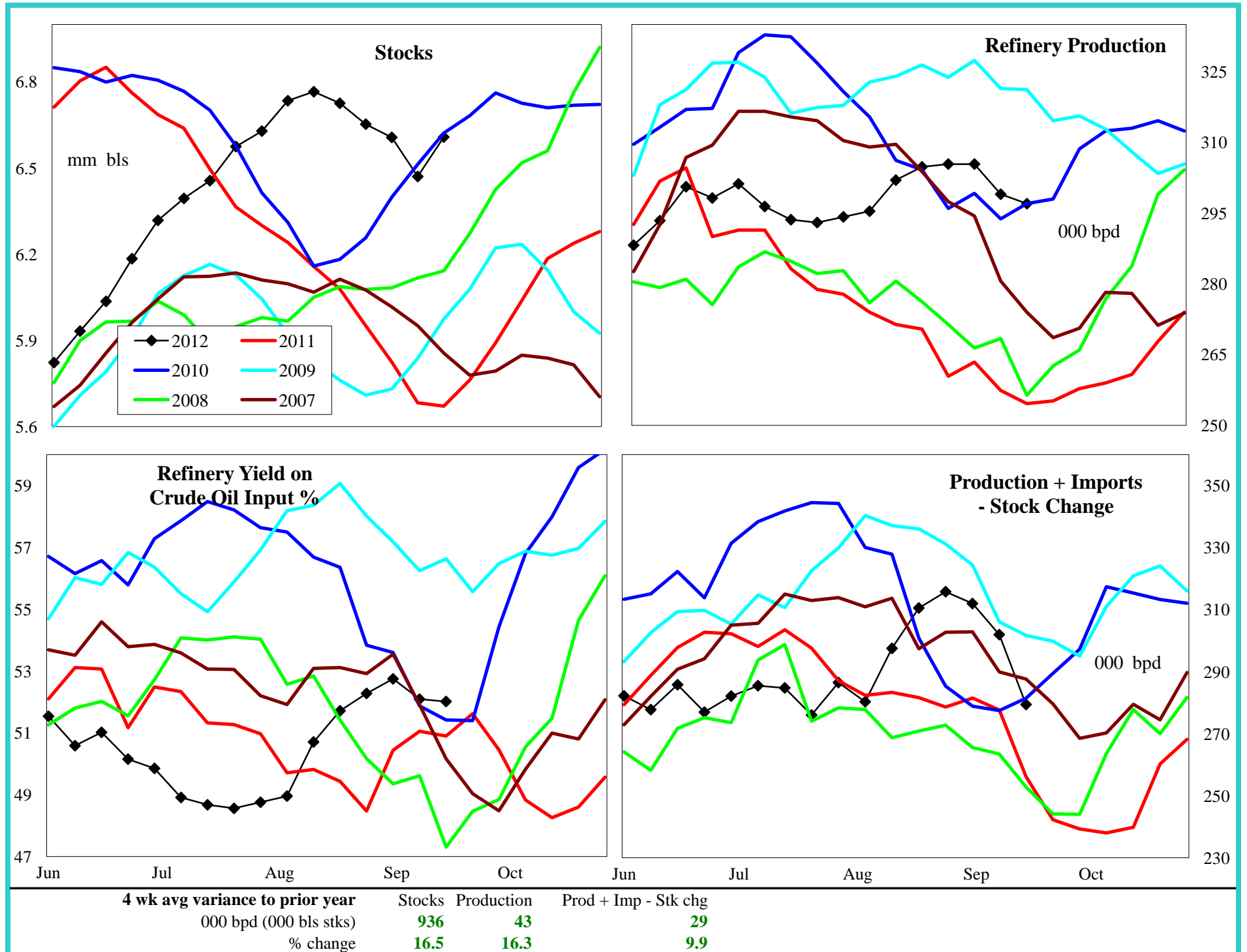
PADD 3 Residual Fuel Oil Supply



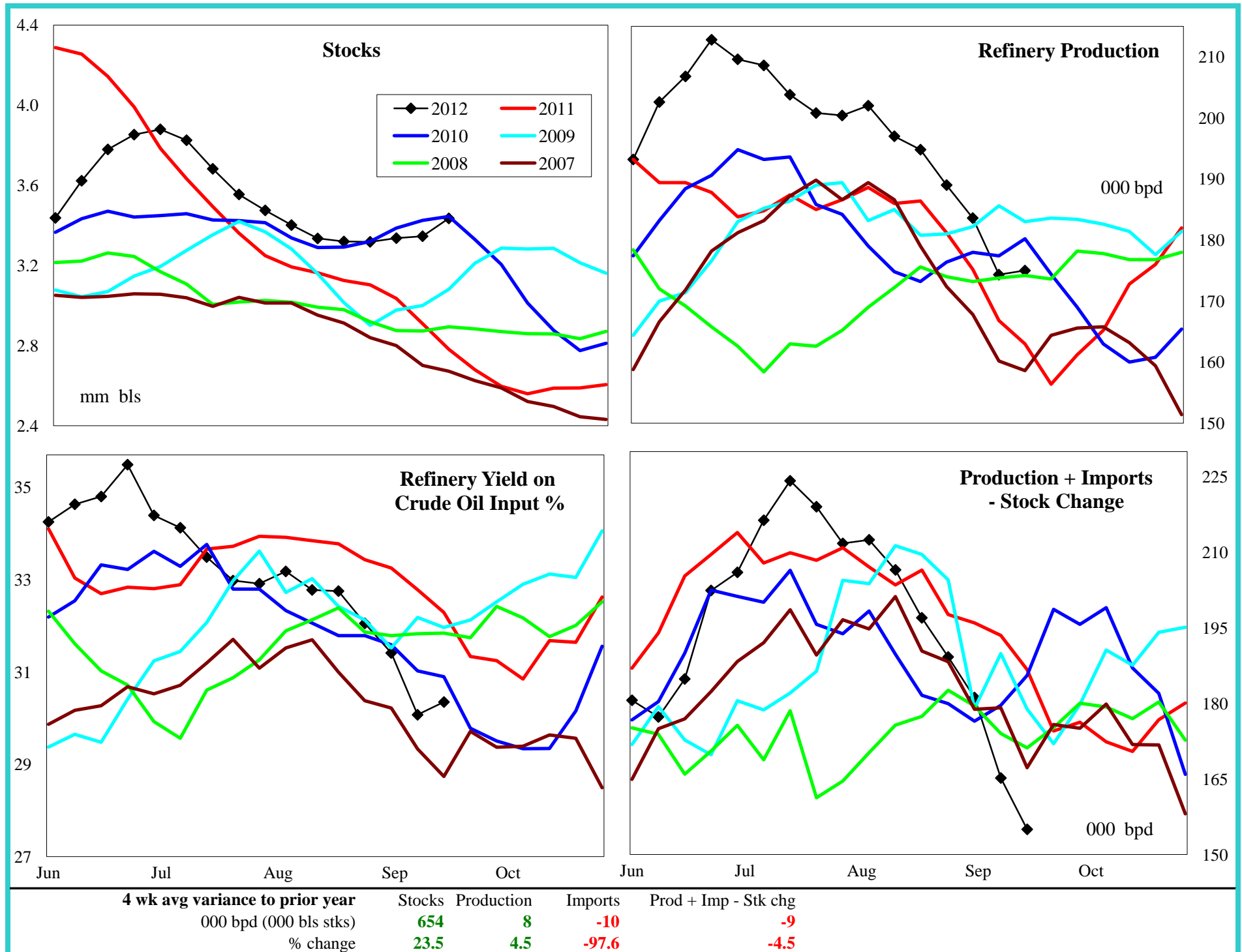
PADD 4 Crude Oil Supply and Refining



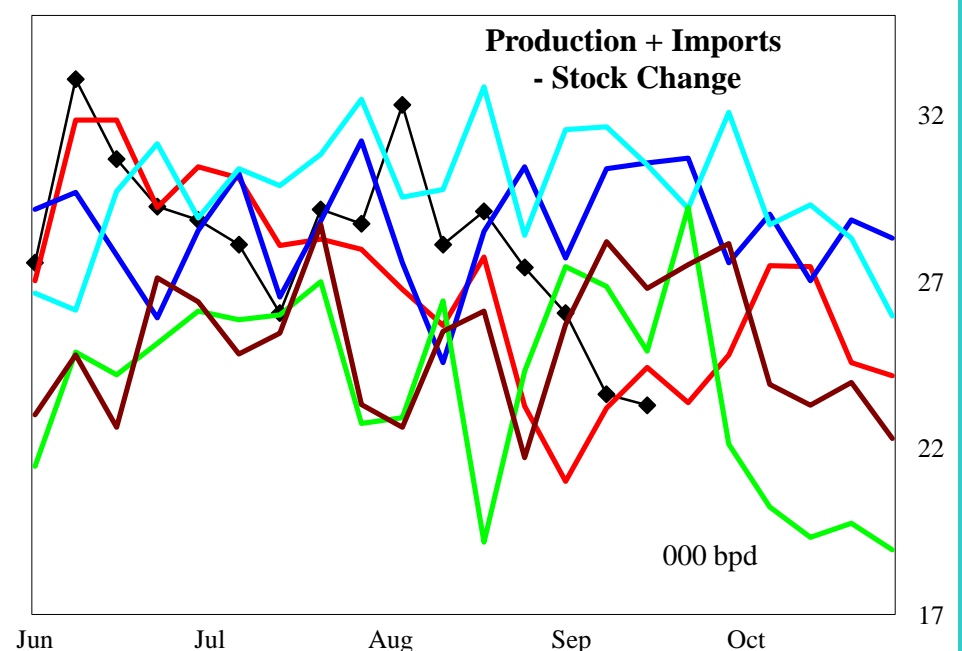
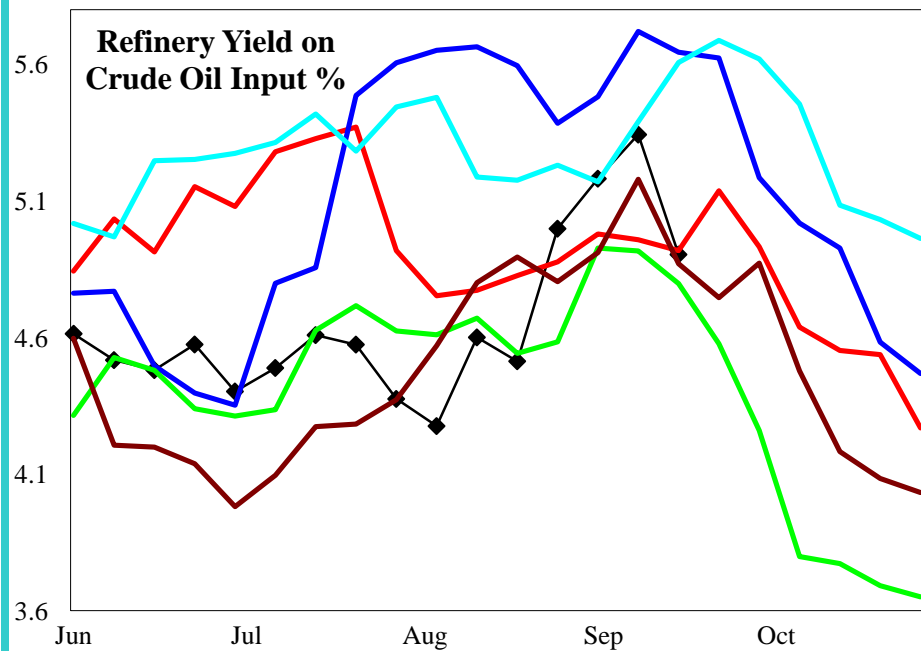
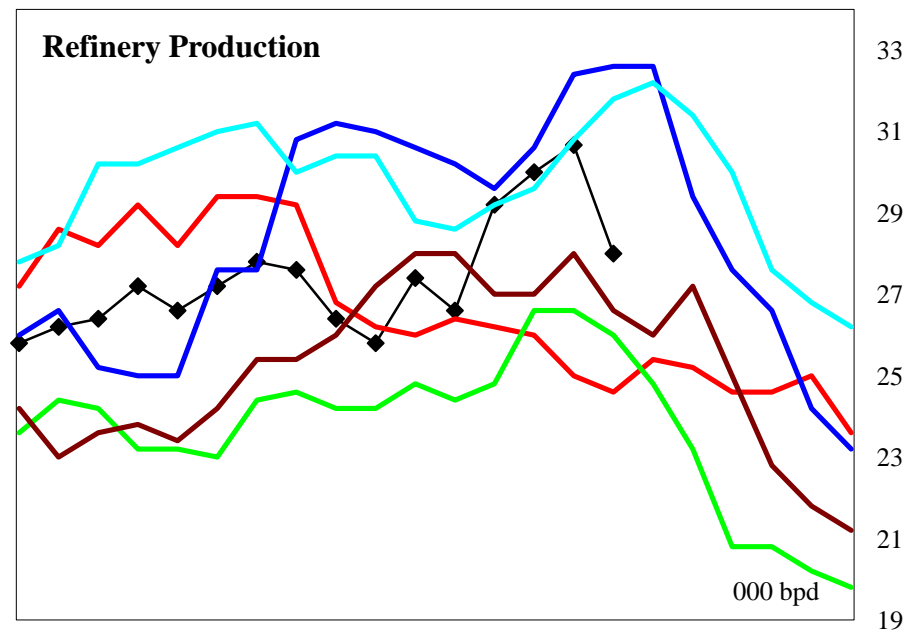
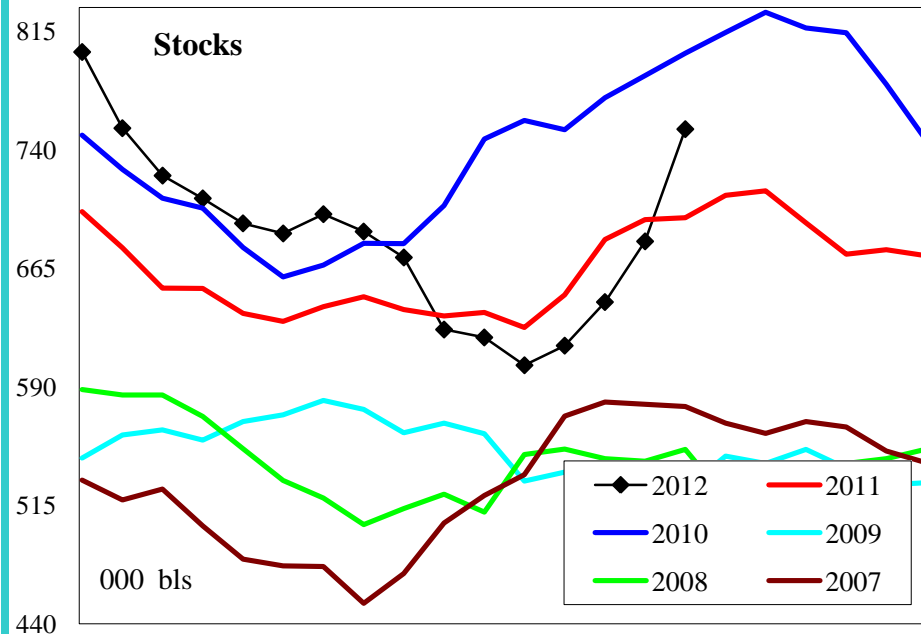
PADD 4 Gasoline Supply



PADD 4 Distillate Supply



PADD 4 Jet Fuel Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

Production

Prod + Imp - Stk chg

56

5

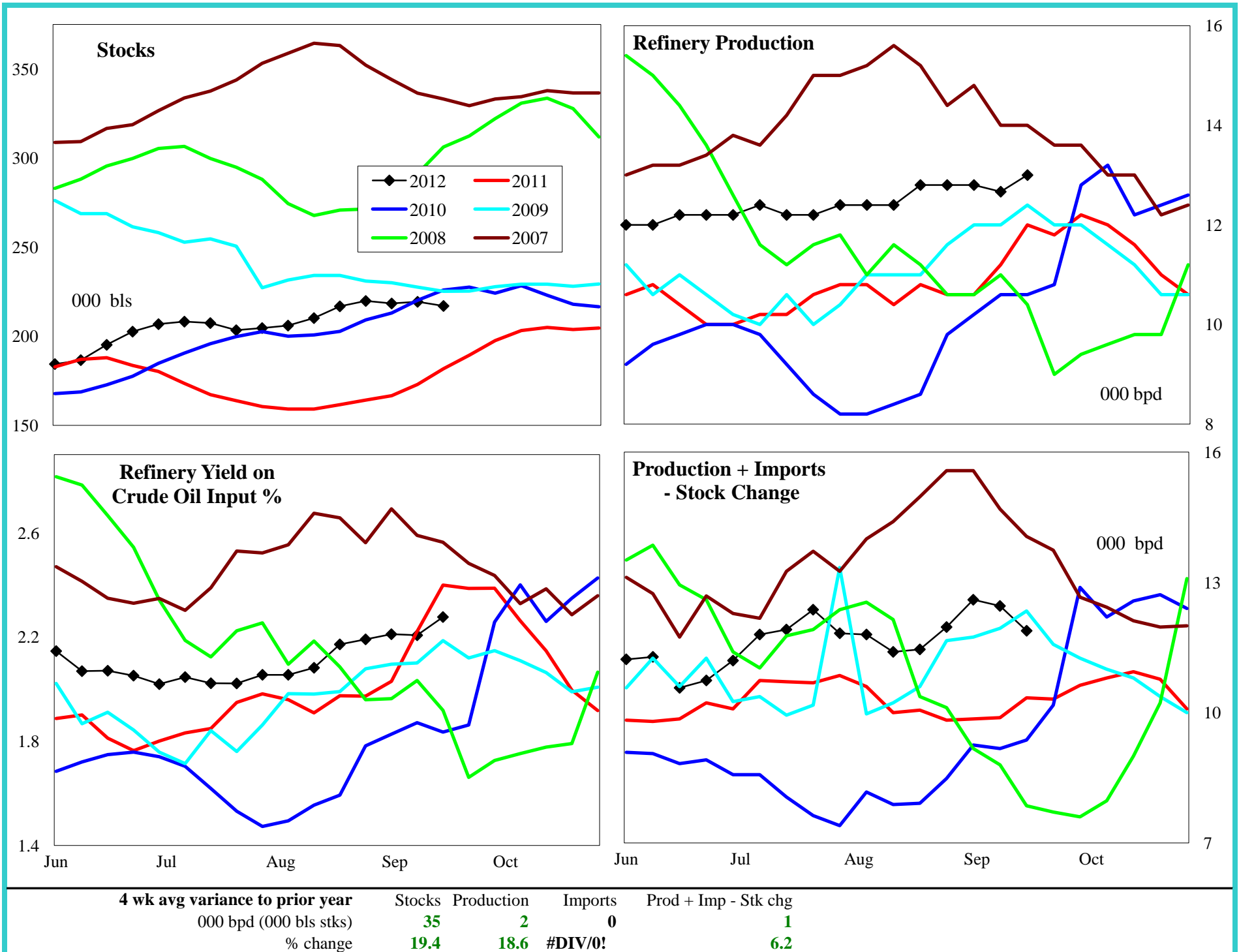
3

8.0

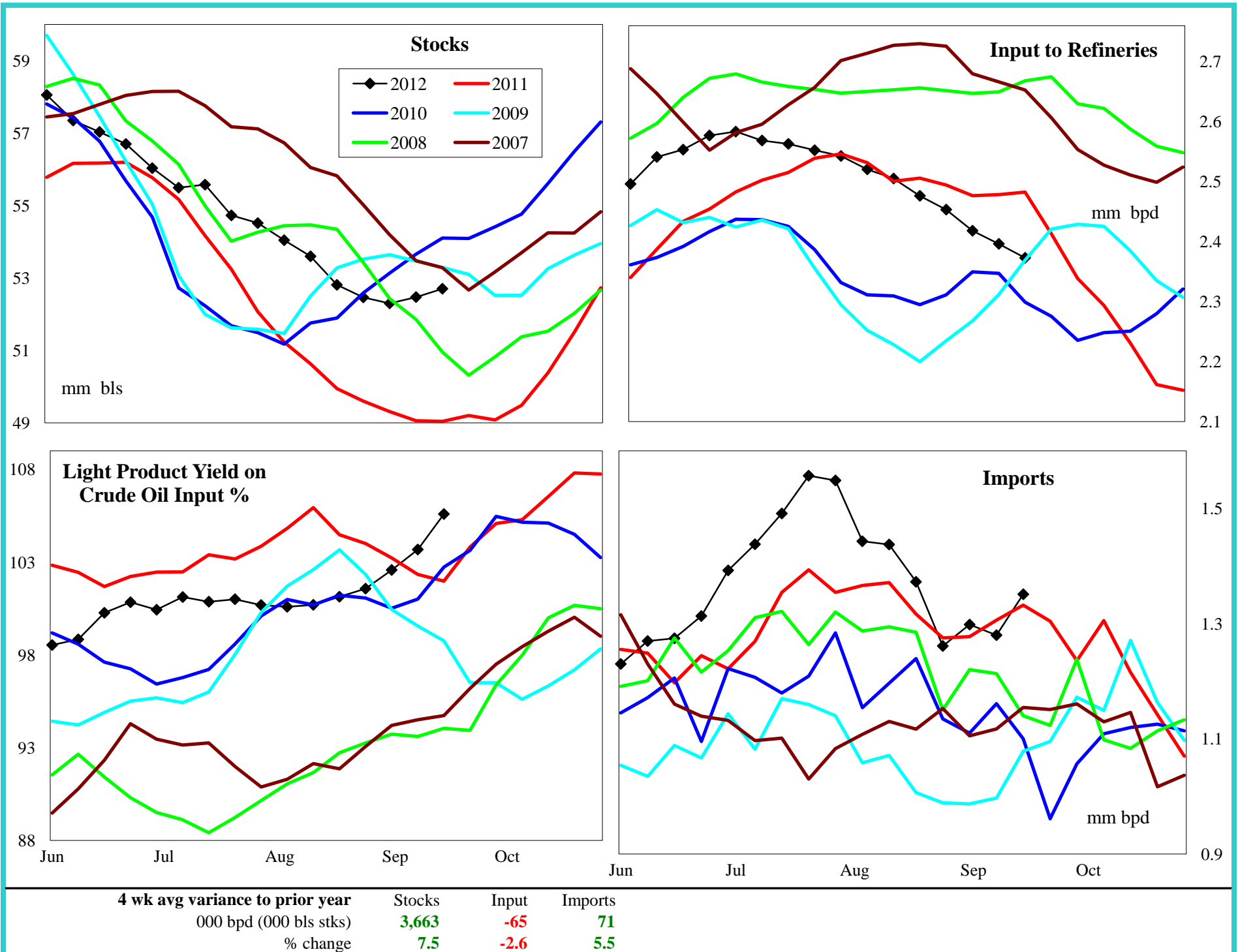
17.9

14.6

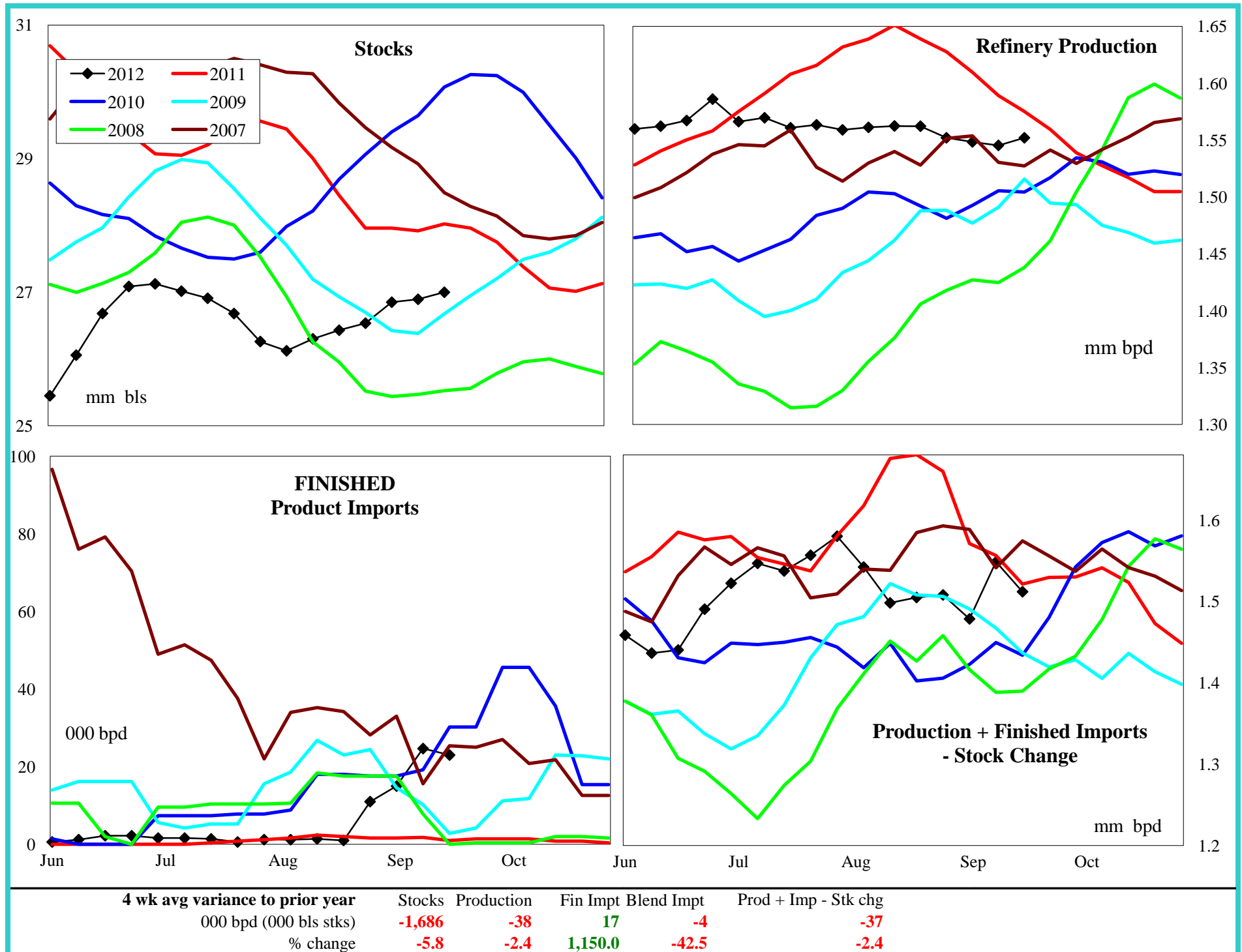
PADD 4 Residual Fuel Oil Supply



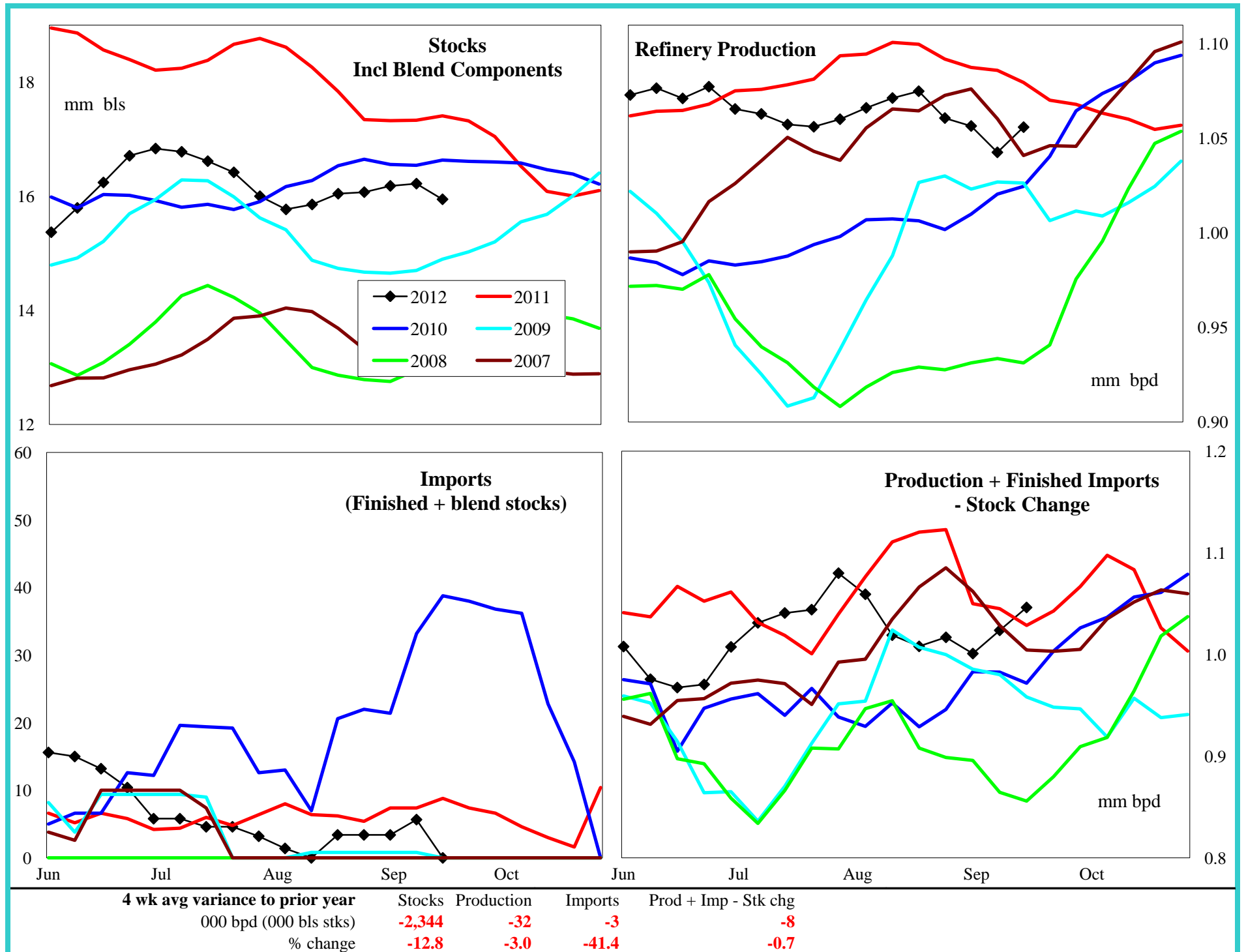
PADD 5 Crude Oil Supply and Refining



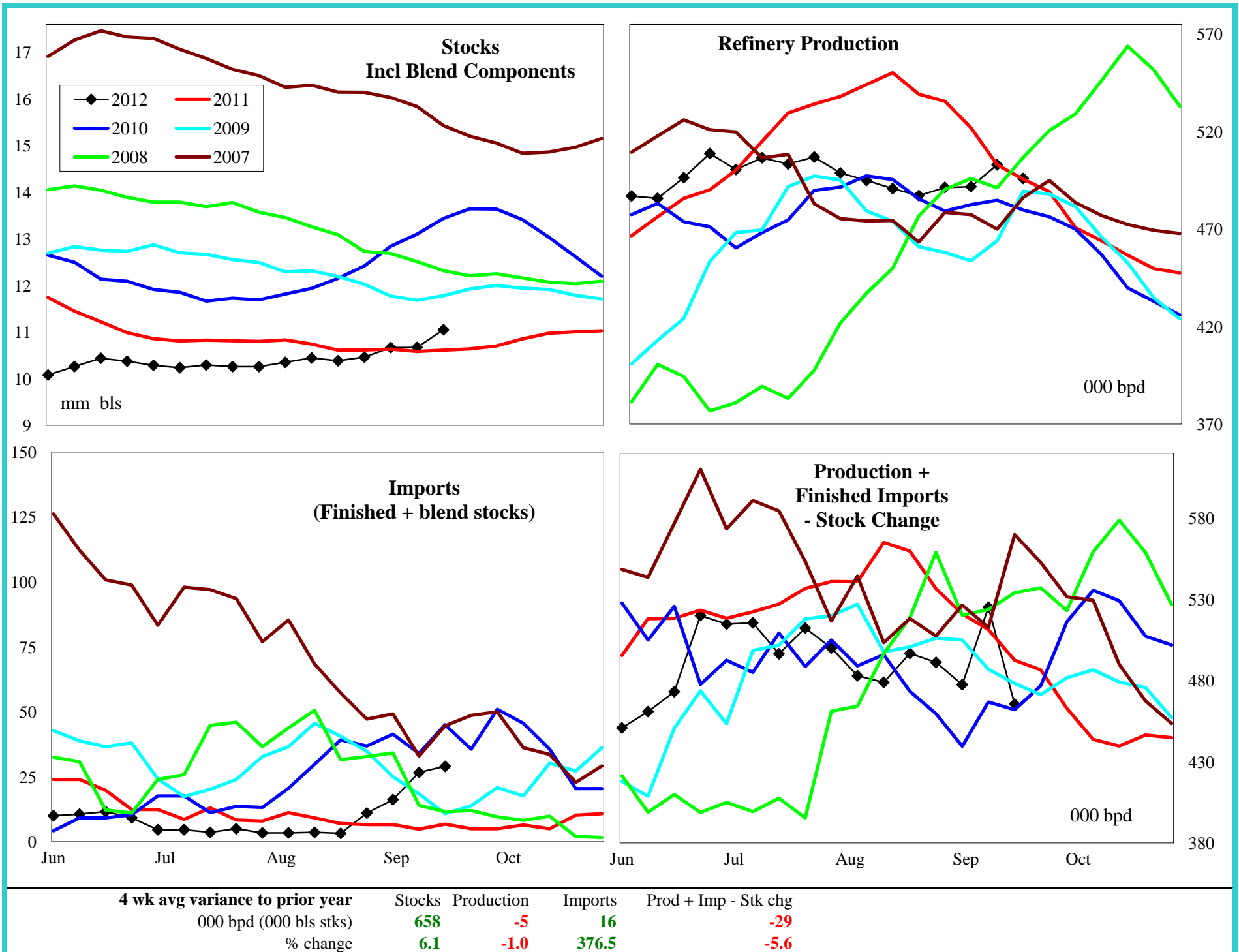
PADD 5 Gasoline Supply



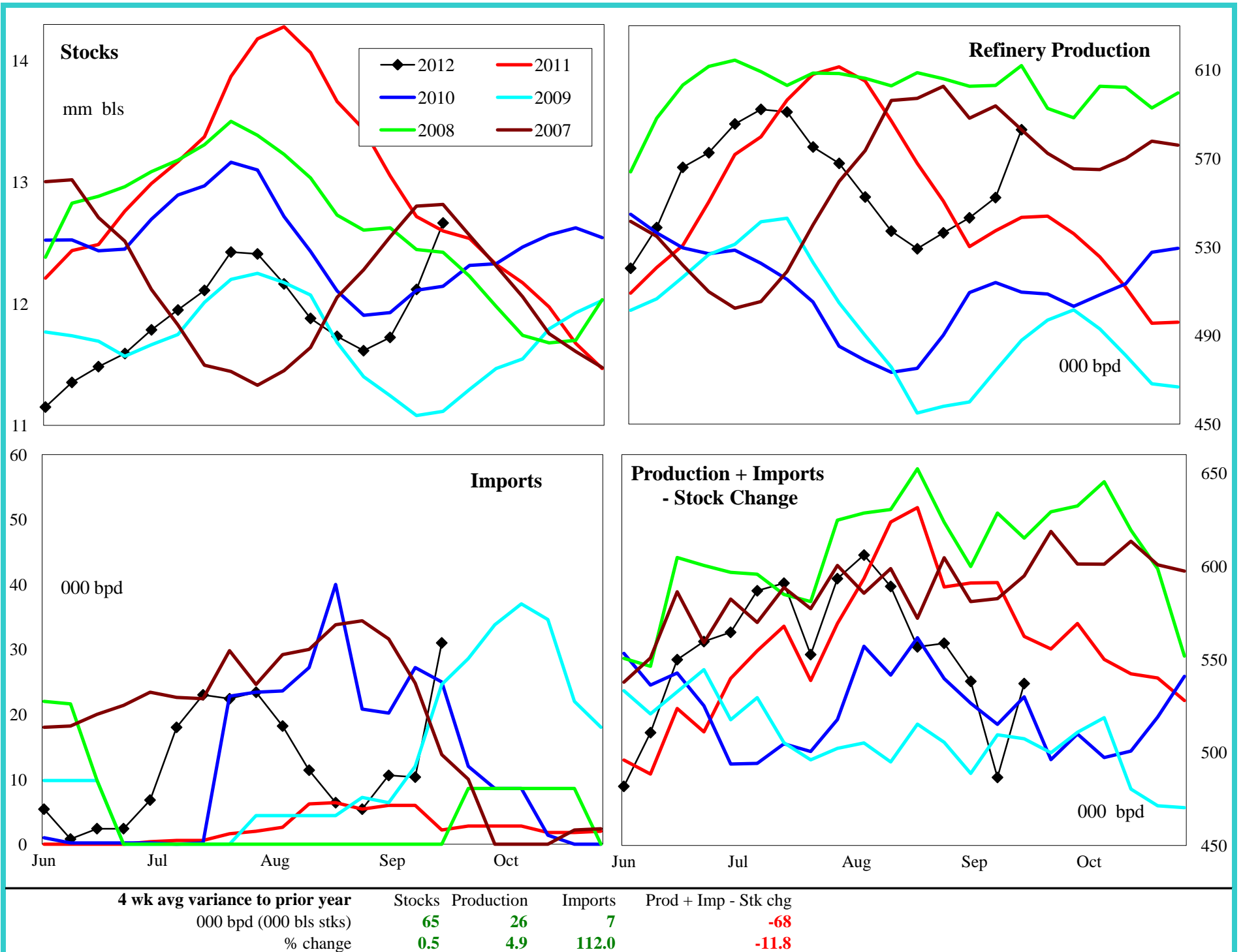
PADD 5 Reformulated Gasoline Supply



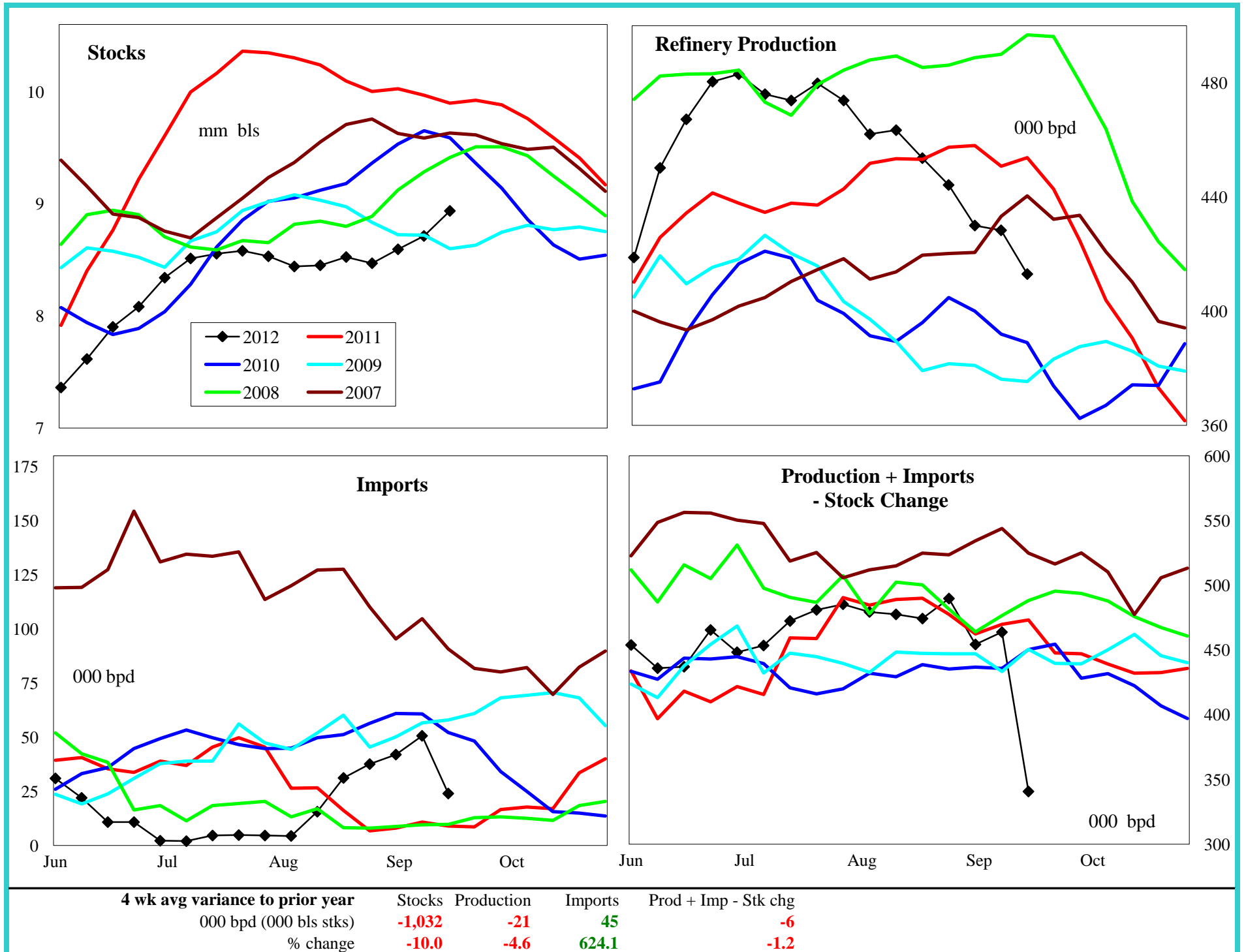
PADD 5 Conventional Gasoline Supply



PADD 5 Distillate Supply



PADD 5 Jet Fuel Supply



PADD 5 Residual Fuel Oil Supply

