



WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

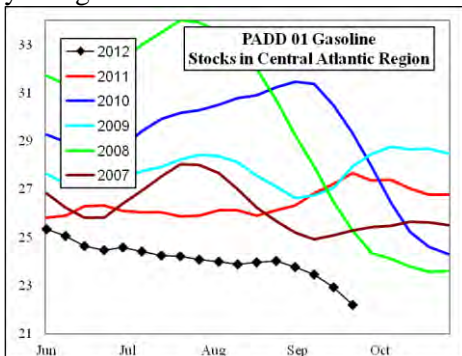
A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Wednesday, September 26,



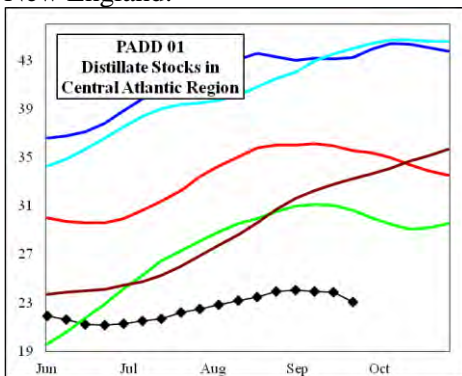
Major Fundamental Trends¹

A physical supply squeeze for gasoline in the northeast continues with stock levels in New England and the Central Atlantic Region each -24% below a year ago.



Price strength in NYH should pull gasoline from both the Gulf and imports to improve supplies over the next 30-days.

Distillate supplies are also very tight in the same regional markets, with a -1.9 million barrel stock draw in PADD 1 last week. Stock levels ended the week -37% below a year ago in the Central Atlantic Region and -33% in New England.

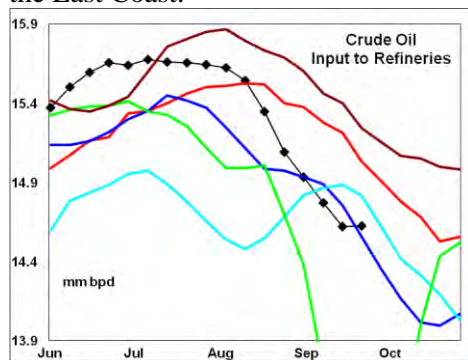


Start of fall refinery maintenance, high exports and the beginning of the heating season point to an ongoing risk of a supply squeeze for distillates.

Crude oil imports plunged -2.3 million bpd last week, with the decrease concentrated in the Gulf and East Coast regions. Each of these markets had experienced a surge last week. The latest 4-wk average year-

on-year change in crude oil imports is -279,000 bpd. The -2.4 million barrel draw in crude oil stocks last week was concentrated in PADD 1 where stocks fell -2.9 million barrels. Stock levels in the Gulf are +8% above a year ago and at record levels for this time of year in the Midwest and Rockies.

Refinery crude oil thru put decreased nearly -0.3 million bpd last week as fall maintenance began in the Midwest. Due to hurricane Isaac, and refinery closures on the East coast this year, runs were -0.6 million bpd below a year ago for the latest 4-wk period. The reduced thru put has constrained gasoline production to levels below a year ago and distillate output to levels comparable with last year. Combined with lower gasoline blend stock imports and record distillate exports, the lower crude oil runs have contributed to the tight fuel supplies on the East Coast.



Demand for gasoline increased +138,000 bpd last week. Wholesale demand, measured over the last four weeks compared to a year ago: gasoline decreased -1%; distillate fell -9%; jet fuel down -0.2% while residual fuel oil decreased -45%.

Stocks forward coverage: Gasoline demand coverage improved last week on a lower level of demand that offset a -0.5 million barrel stock draw. Coverage levels were well below the last 3-years.

Distillate coverage decreased on a -0.5 million barrel stock draw and higher demand. Coverage levels remain well below the last 3-years.

Jet fuel coverage increased on a

+0.6 million barrel stock build and lower demand. Coverage levels ended the week below the last 3-years.

Refinery utilization rates fell last week on a -0.3 million bpd decrease in crude oil runs, as refiners began fall maintenance. During the latest 4-wk period crude oil input was -0.6 million bpd below a year ago.

Gasoline yield % on crude oil runs decreased on a -188,000 bpd decline in output compared to the -0.3 million bpd drop in crude oil runs. Yield % on crude oil runs was below the mid range.

Distillate yield % on crude oil runs increased on a +47,000 bpd increase in production, compared to the decline in crude oil runs. The yield % reached a new record high for the season.

Jet fuel yield % on crude oil runs increased slightly on a -15,000 bpd decline in output, compared to the larger decrease in crude oil runs. The yield % was near 5-year highs.

Petroleum Imports of crude oil fell -2.3 million bpd last week, jet fuel imports fell -107,000 bpd while other transport fuels were nearly unchanged. During the latest 4-wk period crude oil imports were -0.3 million bpd below last year; distillate imports decreased -17,000 bpd; finished gasoline imports decreased -43,000 bpd, gasoline blend stock imports increased +99,000 bpd; jet fuel imports were +64,000 bpd higher, while residual fuel oil imports decreased -14,000 bpd.

Crude Oil imports plunged -2.3 million bpd last week after the prior week spike; concentrated on the Gulf and East Coasts. Stocks decreased -2.4 million barrels, including a -2.9 million bpd draw on the East Coast. Cushing stocks ended the week +12.6 million barrels above last year, +40%.

¹ Source is latest EIA Weekly Statistics



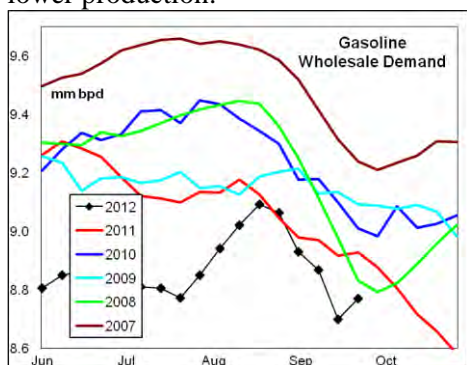
WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

A Fundamental Petroleum Trends Weekly Report

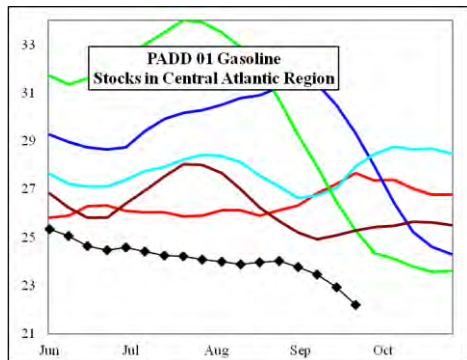
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Wednesday, September 26,

Product Supply-Demand Trends

Gasoline demand climbed +138,000 bpd last week, with the level still below the 5-year range. The latest 4-wk average demand was -88,000 bpd below a year ago. Supply fell -155,000 bpd on the week, the result of sharply lower production.



Stocks decreased -0.5 million barrels last week; including -1 million barrel draws on both the East and West coasts. Stock levels in both the New England and Central Atlantic regions of PADD 1 are -24% below a year ago and at record lows for the season.



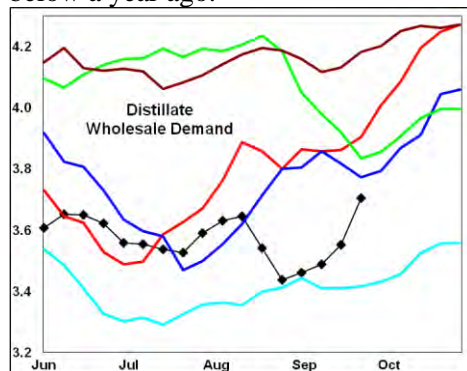
The latest 4-wk stock change in markets East of the Rockies was a -4.1 million barrel draw, compared to an average build of +1 million barrels during the last 3-years.

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.

Refinery operating issues in Eastern Canada and transport bottlenecks from the Gulf have contributed to the shortfall on the East coast. Expect supplies to improve over the next 30-days, accompanied by a meaningful downward correction in

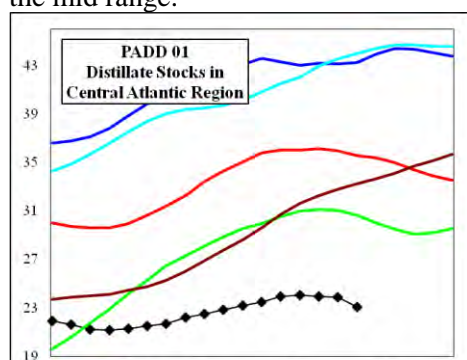
price.

Distillate demand increased +19,000 bpd last week, extended last weeks' seasonal uptrend. The latest 4-wk average demand was -331,000 bpd below a year ago.



Supply was nearly unchanged on the week with higher production offset by a drop in imports. Stocks decreased -0.5 million barrels, including a -1.9 million draw in PADD 1.

The latest 4-wk stock change in markets East of the Rockies was -0.1 million barrel draw, a level well below the mid range.



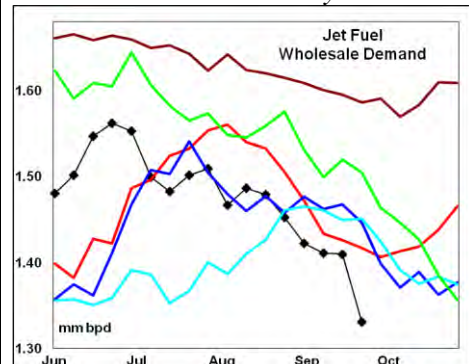
Stocks are extremely low in the key Central Atlantic Region of PADD 1, down -37% from a year ago. The start of fall refinery maintenance and continued high exports are likely to prevent any meaningful stock builds over the next 60-days. Risk continues for a supply squeeze in the 4th quarter.

Jet Fuel demand decreased -14,000 bpd on the week, to a level well below the last 3-years. The latest 4-wk average demand was -3,000 bpd below a year ago.

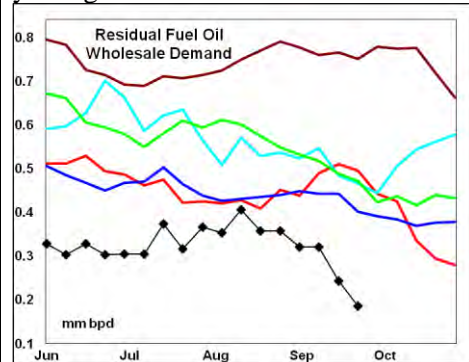
Supplies fell -122,000 bpd last week on sharply lower imports. Stocks climbed +0.6 million barrels on the

week, to a level -3.5% below last year.

The expected seasonal downtrend in demand continued last week. Even with a sharp drop in imports, stocks extended an above average rate of builds. Expect further stock building, to levels seen in the last 3-years.



Residual fuel oil demand fell -153,000 bpd last week, with the latest 4-wk average demand -227,000 bpd below a year ago.



Supply (production + imports) increased +177,000 bpd last week, on higher imports and production. The latest 4-wk average supply was -52,000 bpd below last year on lower production and imports. Stocks jumped +1.9 million barrels on the week, to a level above a year ago.

Wholesale demand for the latest 4-wk period was -45% below a year ago. Concurrently, an import surge lifted stocks to the highest level of the last 3-months.

Stock levels in the key Gulf Region ended the week at a 5-year high for this time of year.



WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

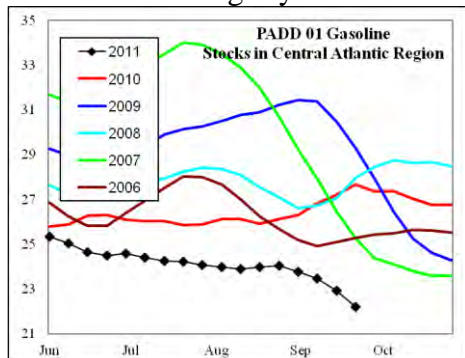
A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Wednesday, September 26,

PADD Supply Trends

PADD 1 refinery crude oil runs decreased -90,000 bpd last week, with the latest 4-wk average -222,000 bpd below last year.

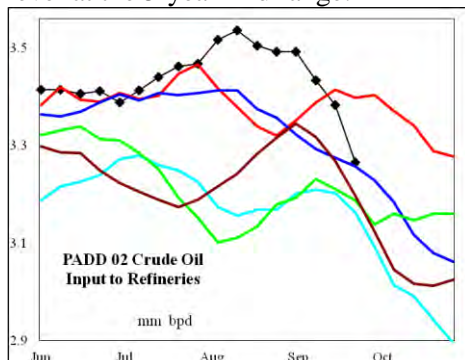
Gasoline supply increased +86,000 bpd last week. Stocks fell -1 million barrels on the week, with the level matching 5-year lows.



Stock levels in the Central Atlantic region ended the week -24% below last year, and at all time lows for the fall quarter.

Distillate supply decreased -36,000 bpd on the week. Supply for the latest 4-wk period was -49,000 bpd below last years' previous record low. Stocks decreased -1.9 million barrels, to a level -33% below a year ago.

Jet fuel supply fell -91,000 bpd last week on a drop in imports. Stocks increased +0.2 million barrels to a level at the 5-year mid range.



PADD 2 crude oil refinery runs fell -156,000 bpd on the week, to a level that matched the mid range of the last 3-years. The latest 4-wk average crude runs were -17,000 bpd below last year. Crude oil imports averaged +245,000 bpd above last year, a +17% increase. Stocks were nearly unchanged on the

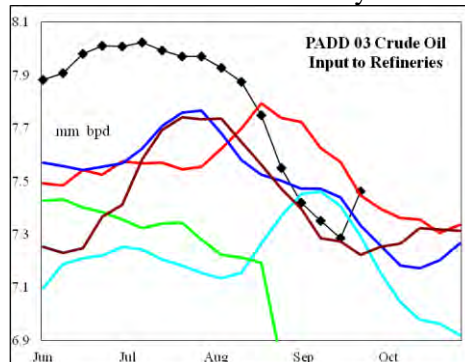
week, with the level +9.6 million barrels above the prior record high.

Gasoline production increased +115,000 bpd on the week, with the latest 4-wk average -105,000 bpd below a year ago. Stocks decreased -0.3 million barrels to a level near the 5-year mid range.

Distillate production declined -54,000 bpd on the week, to a level below the 5-year mid range. Stocks levels ended the week +7% above last year and at the upper end of the 5-year range.

Jet fuel production decreased -13,000 bpd last week, with the level above the historic range. Stocks ended the week at fresh 5-year highs for the period.

PADD 3 refinery runs decreased -25,000 bpd on the week, to a level that matched last years' 5-year high. Crude oil imports fell -1.3 million bpd. Stocks were nearly unchanged, at a level above four of the last 5-years.



Gasoline supply decreased -42,000 bpd last week, a level below the last 2-months. Stocks increased +1.7 million barrels last week, a level -11% below a year ago.

Distillate supply increased +155,000 bpd on the week, to a level above the 5-year range. Stocks increased +1.7 million barrels on the week, to a level -23% below last year.

Jet fuel production increased +31,000 bpd last week, to a level above the 5-year range. Stocks were nearly unchanged on the week, at a level -4% below the mid range.

Residual fuel oil stocks jumped +1.4 million barrels to match the 5-

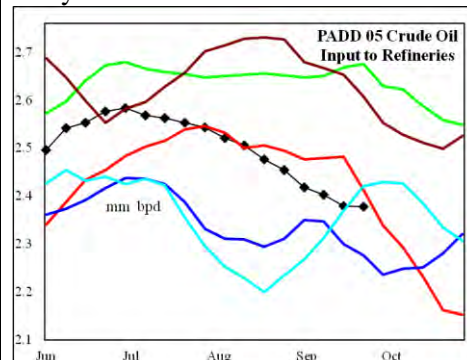
year high.

PADD 4 refinery crude runs decreased -26,000 bpd on the week, with the level near midrange. The most recent 4-wk average run rate was +67,000 above a year ago.

Gasoline supply increased +15,000 bpd on the week, to a level near season highs. Stocks increased +0.1 million barrels on the week, with the level matching 5-year highs for the period.

Distillate production decreased -2,000 bpd last week, with the latest 4-wk average +10,000 bpd above last year. Stocks ended the week +30% above last year, and a 5-year high for this time of year.


PADD 5 crude oil refinery runs increased +4,000 bpd last week, to a level comparable to the latest 3-year average. Runs for the most recent 4-wk period were -101,000 bpd below last year.



Gasoline supply increased +29,000 bpd on the week, with production at a 5-year high for this time of year. Stocks fell -1 million barrels to a level near 5-year lows.

Distillate supply fell -73,000 bpd on the week, with the latest 4-wk +13,000 bpd above a year ago. Stocks were nearly unchanged on the week, at a level that matched historic highs for this time of year.

Jet fuel supplies decreased -51,000 bpd last week, with both production and stock levels near the average of the last 3-years, but at the low end of the historic range.



FUNDAMENTAL

PETROLEUM TRENDS

?

PETROLEUM: Graph Link and Weekly Summary

A Fundamental Petroleum Trends Weekly Report

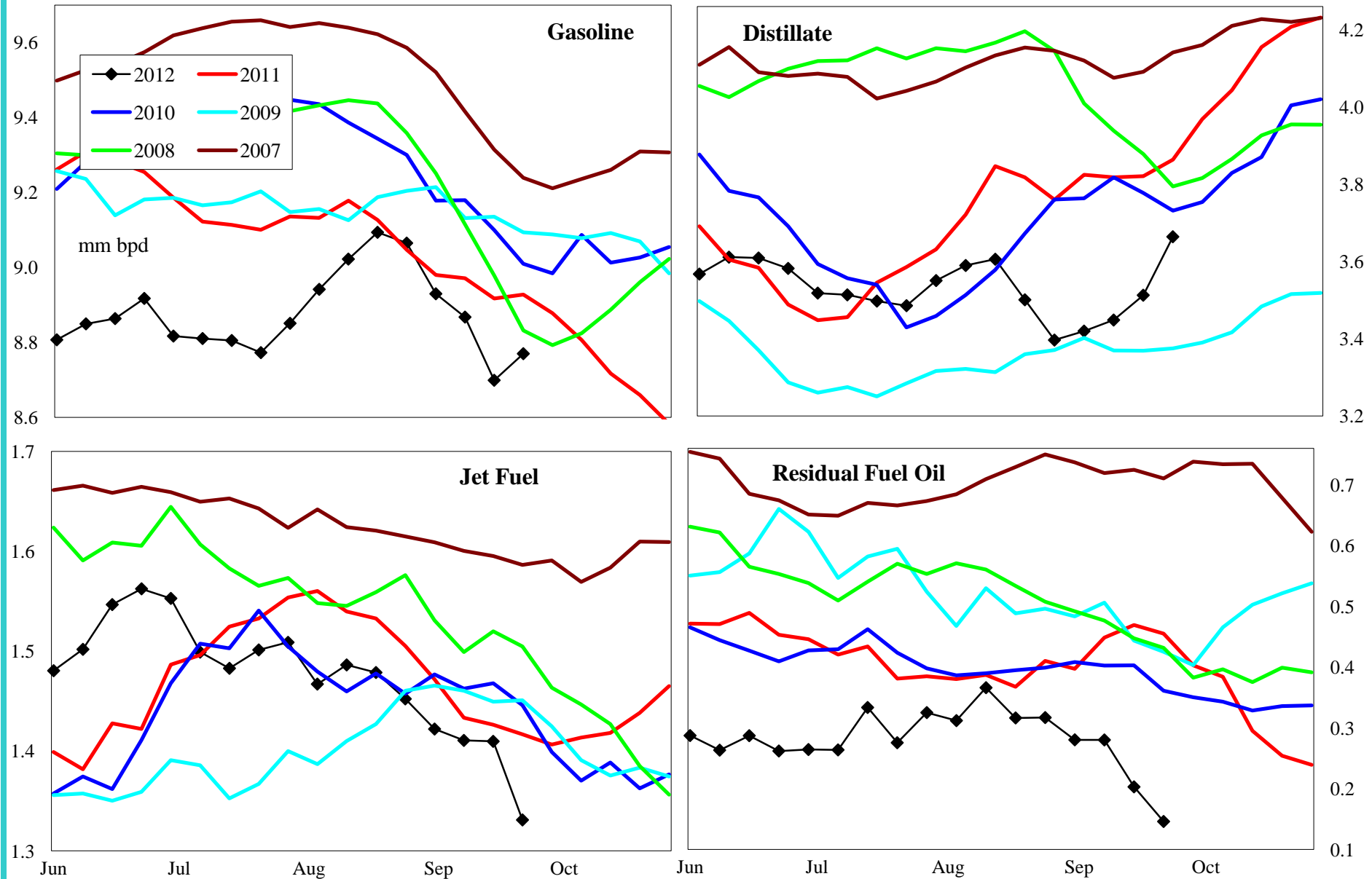
September 26, 2012

Lehi German Tel: 816.505.0980

www.fundamentalpetroleumtrends.com

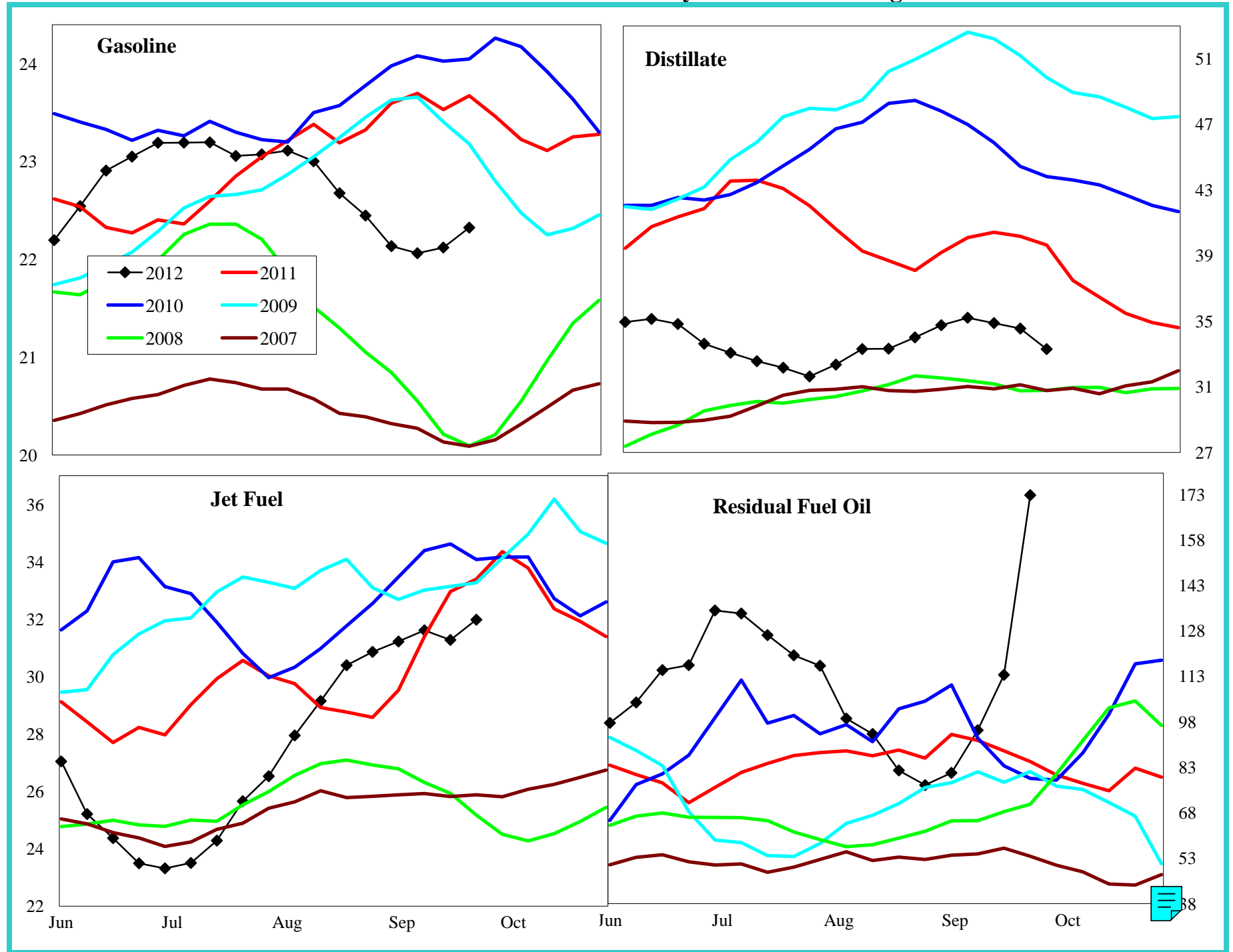
Fundamental Trends	Wholesale Demand	Stocks Days Fwd Coverage	Refinery Utilization		Product Yield %		Imports
Supply/Demand Trends	21-Sep-12	EIA-DOE CHANGE FROM PRIOR WEEK					
	000 bpd stocks 000 bls	U. S. Total	PADD				
			1	2	3	4	5
Crude Oil	Stocks	-2,446	-2,926	305	121	102	-47
	Imports	-2,253	-823	-70	-1,260	55	-155
	Input	-292	-90	-156	-25	-26	4
	% Utilization	-1.50					
Gasoline	Stocks	-481	-957	-318	1,663	100	-968
	Production	-188	1	115	-22	15	53
	Imports	33	85	-2	-20	0	-29
	Supplied	138					
Distillate	Stocks	-482	-1,877	-290	1,728	54	-98
	Production	47	4	-54	140	-2	-42
	Imports	-51	-40	4	15	1	-31
	Supplied	19					
Jet Fuel	Stocks	583	204	190	-114	82	219
	Production	-15	-4	-13	31	2	-31
	Imports	-107	-87	0	0	0	-20
	Supplied	-14					
Residual Fuel Oil	Stocks	1,902	204	-12	1,365	4	340
	Production	22	8	-16	6	0	24
	Imports	155	70	-20	137	0	-34
	Supplied	-153					

United States Wholesale Petroleum Demand

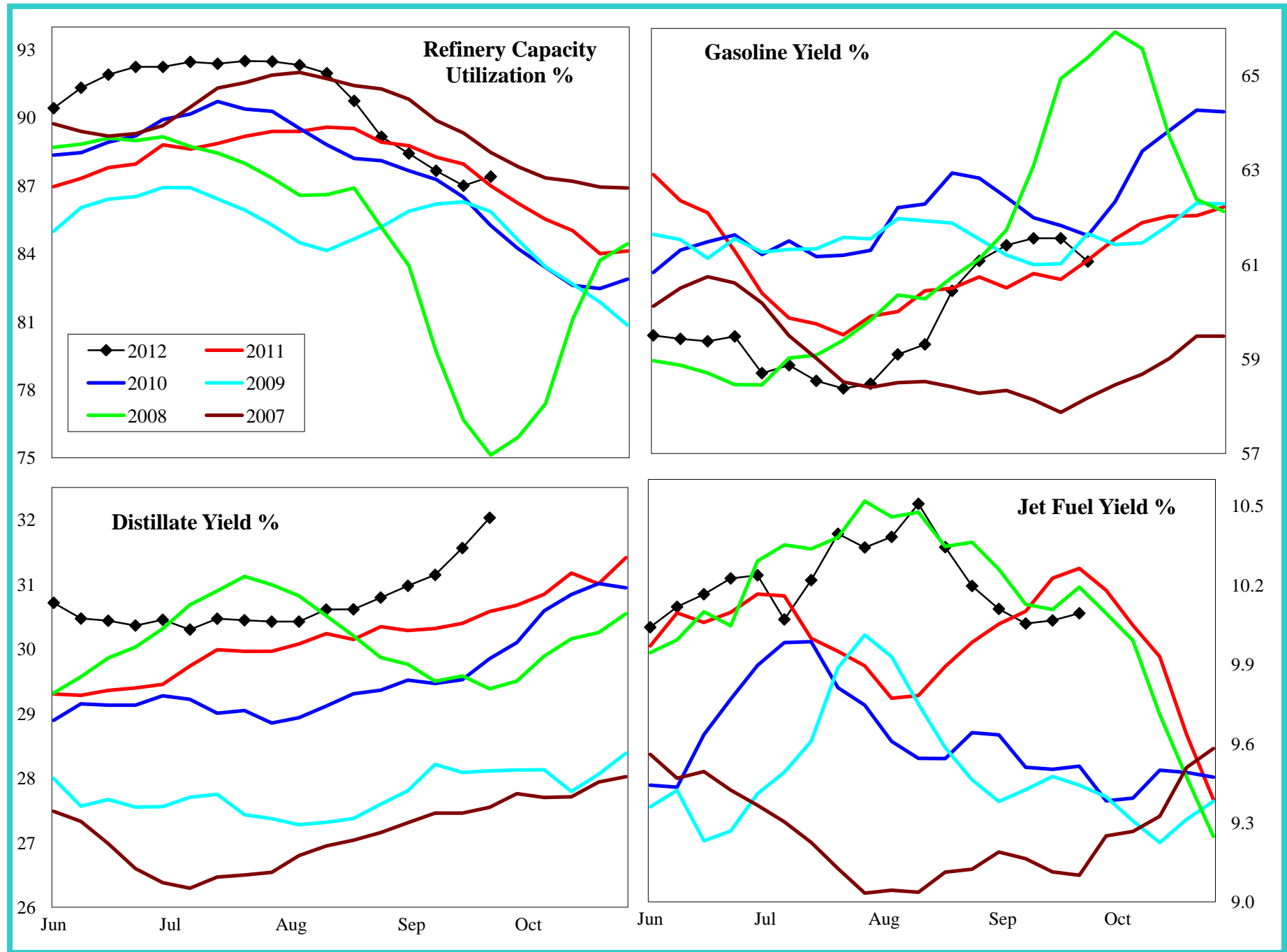


	000 bpd change from prior year				% change from prior year			
	4wk avg	Aug	Jul	Jun	4wk avg	Aug	Jul	Jun
Gasoline	-88	251	-204	-11	-1.0	2.8	-2.3	-0.1
Distillate	-331	-480	8	-174	-8.7	-12.1	0.2	-4.5
Jet Fuel	-3	-128	-11	0	-0.2	-8.2	-0.8	0.0
Resid	-227	76	28	-99	-45.0	23.8	8.9	-21.0

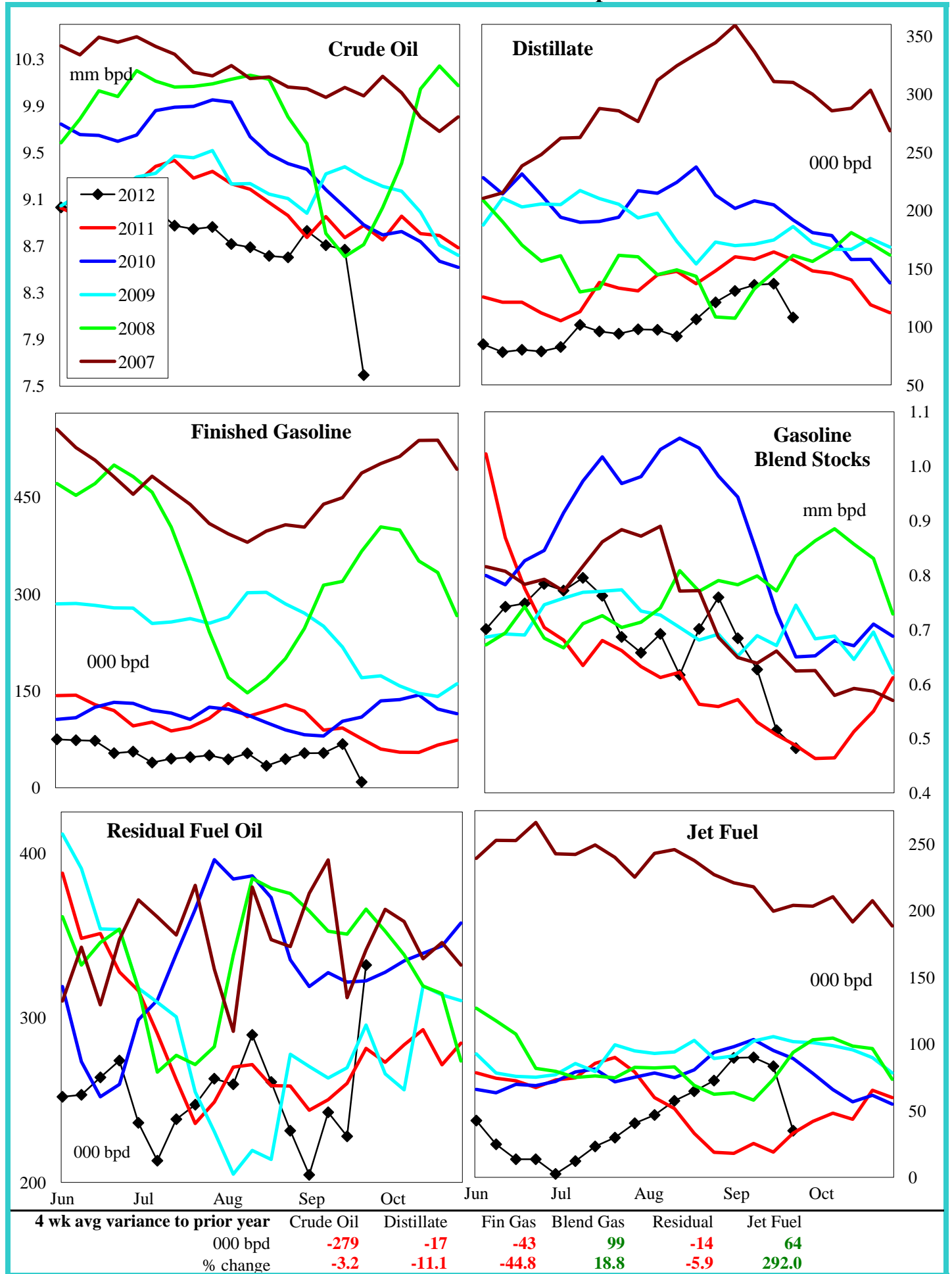


United States Product Stocks: Days Forward Coverage

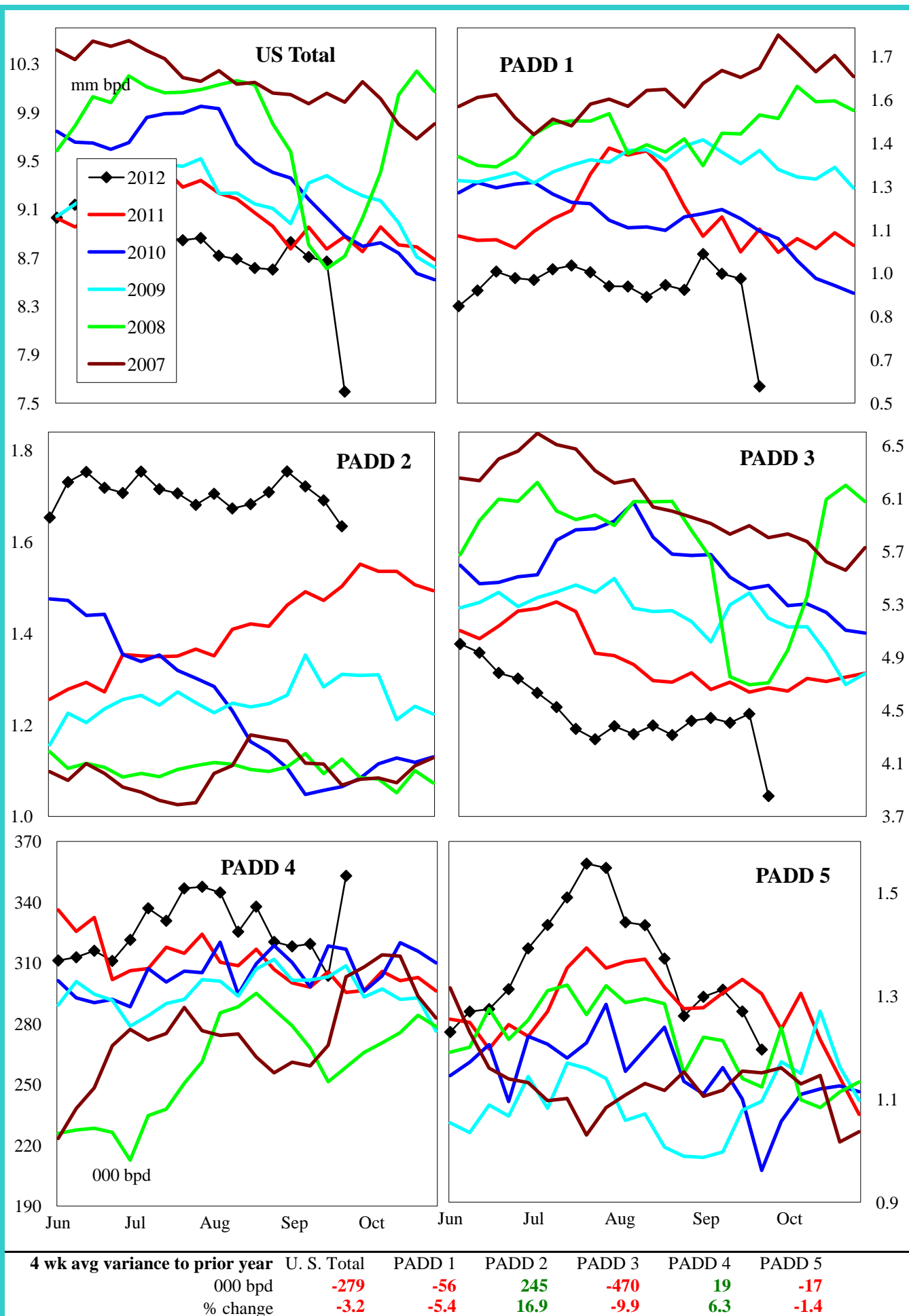
United States Refinery Percent Utilization Rate and Product Yields



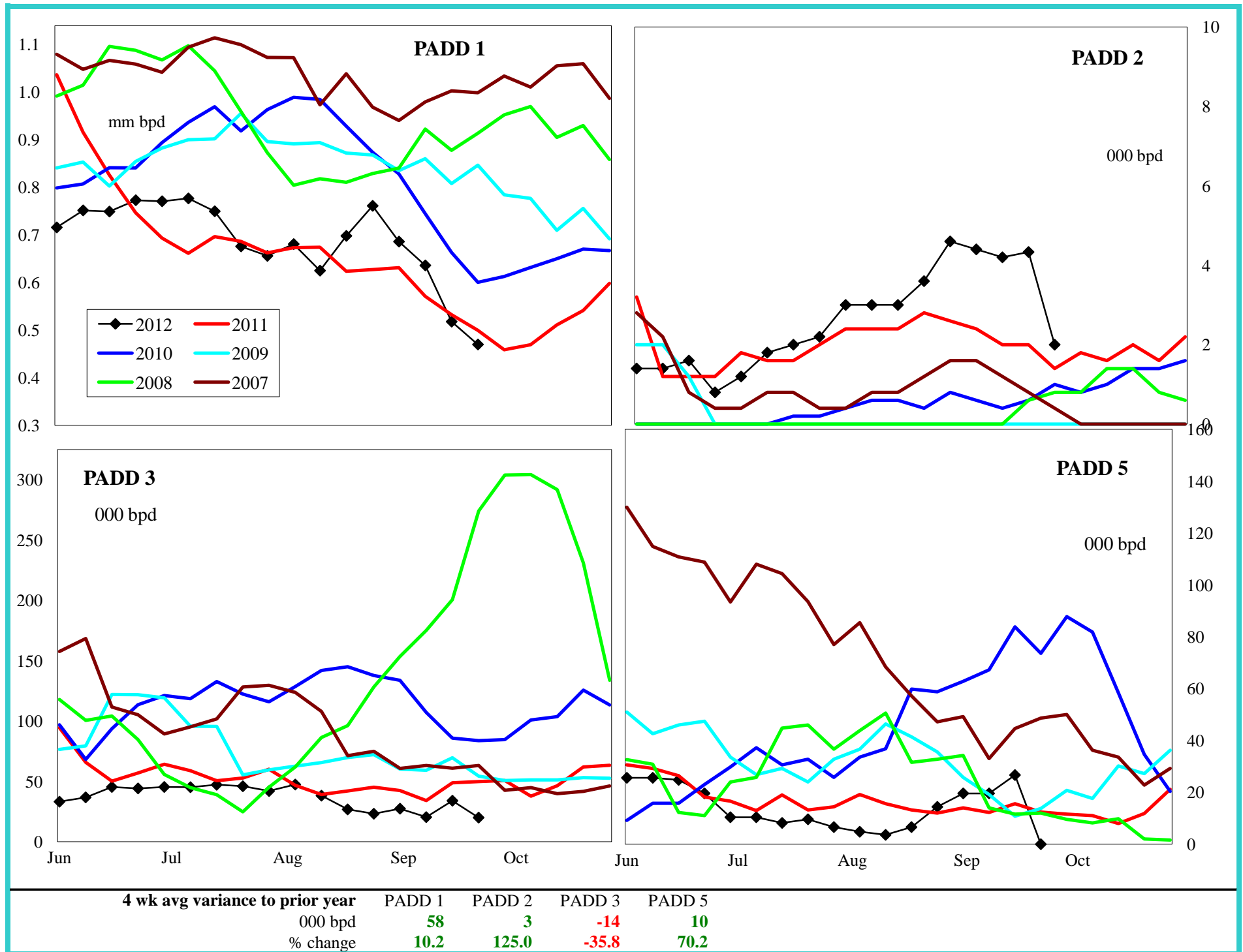
United States Petroleum Imports



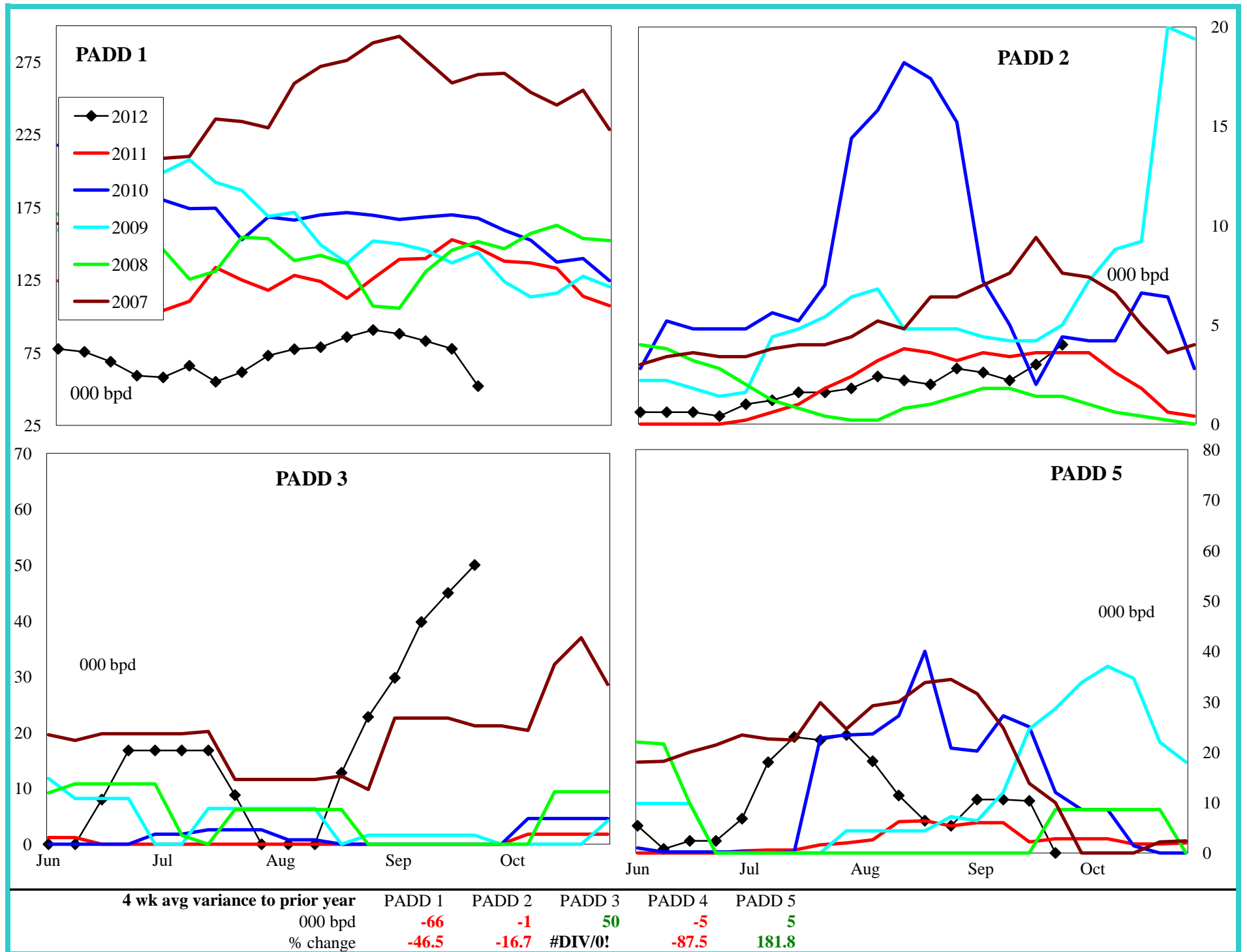
Crude Oil Imports by PADD



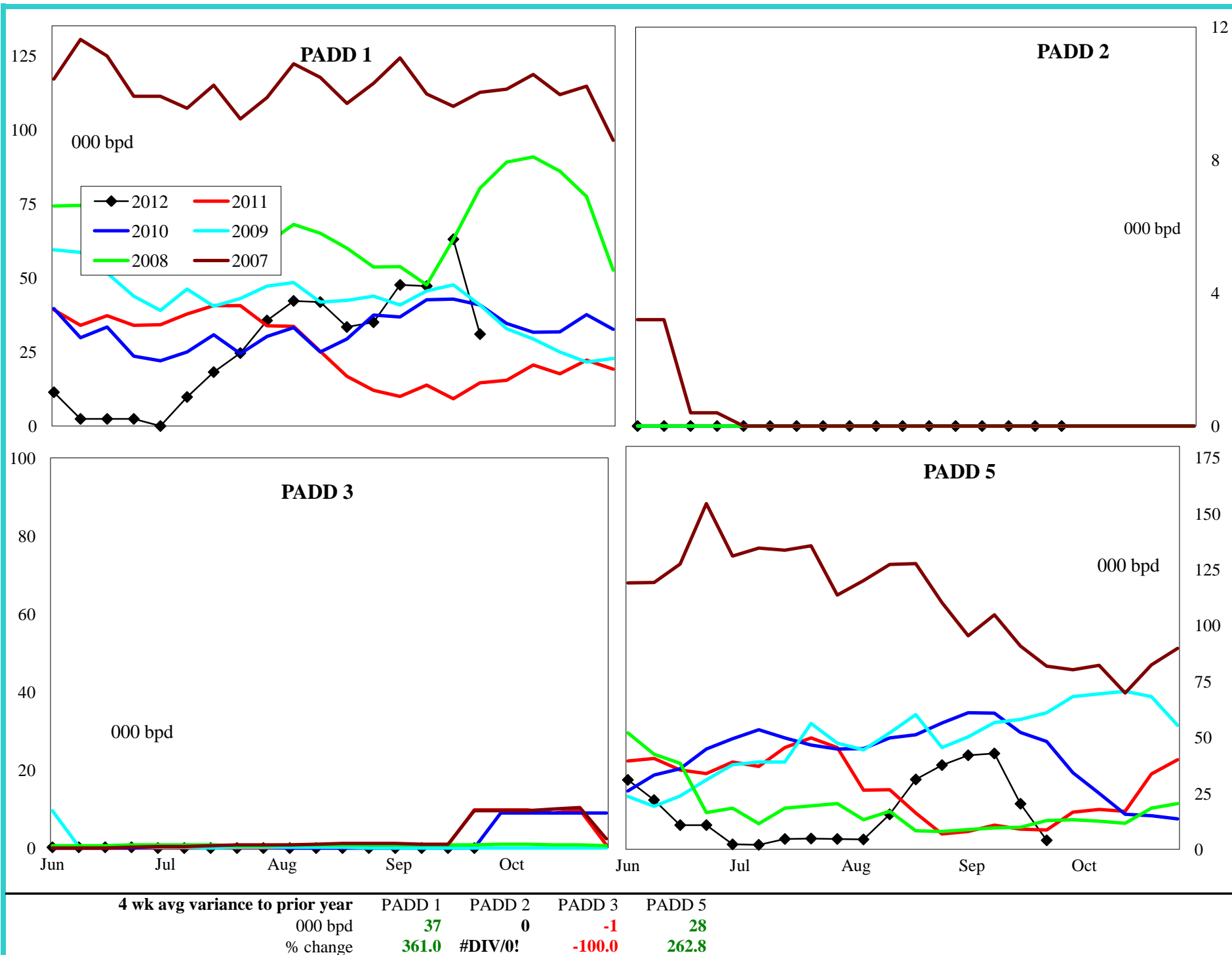
Gasoline Imports by PADD (Finished + Blend Stocks)



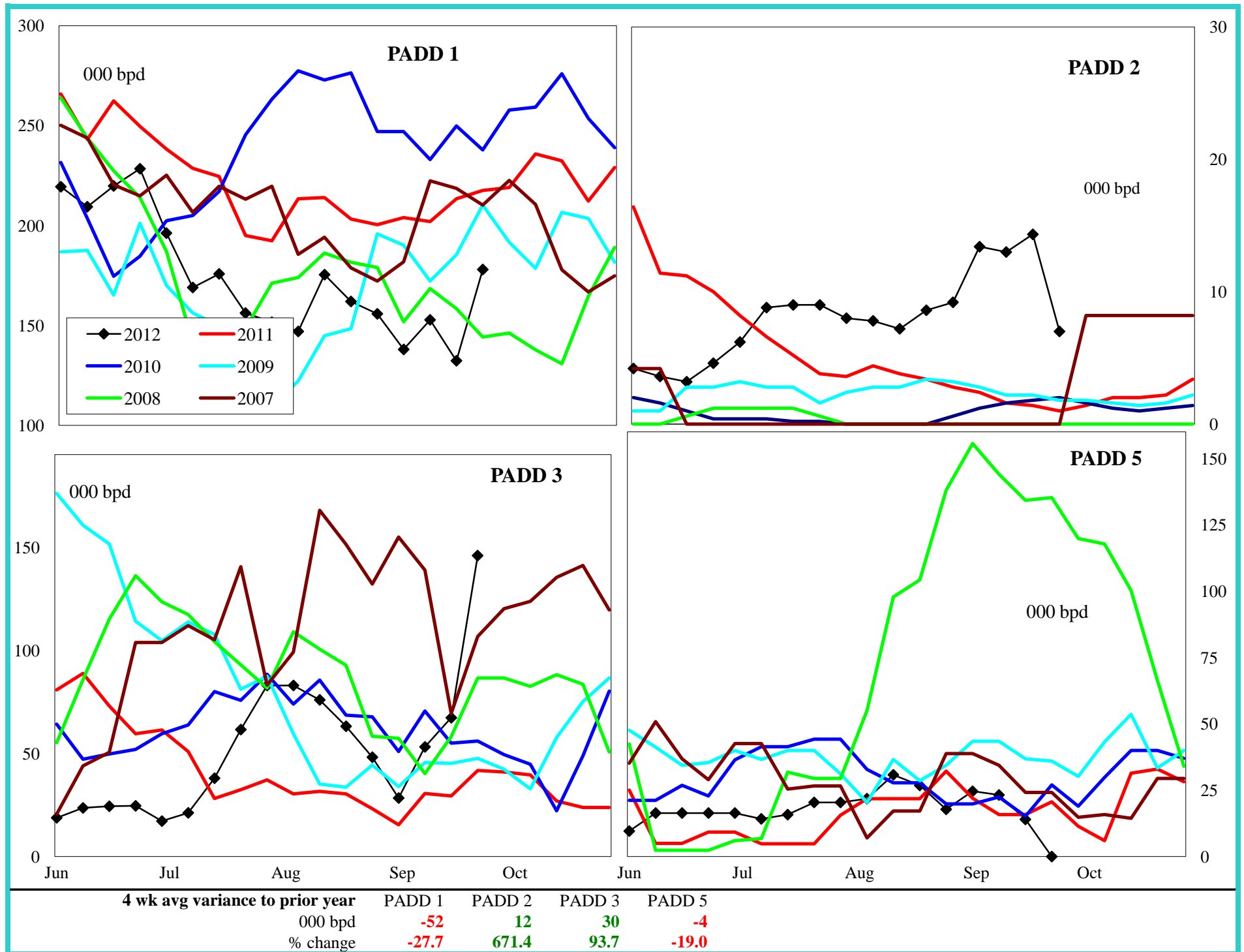
Distillate Imports by PADD



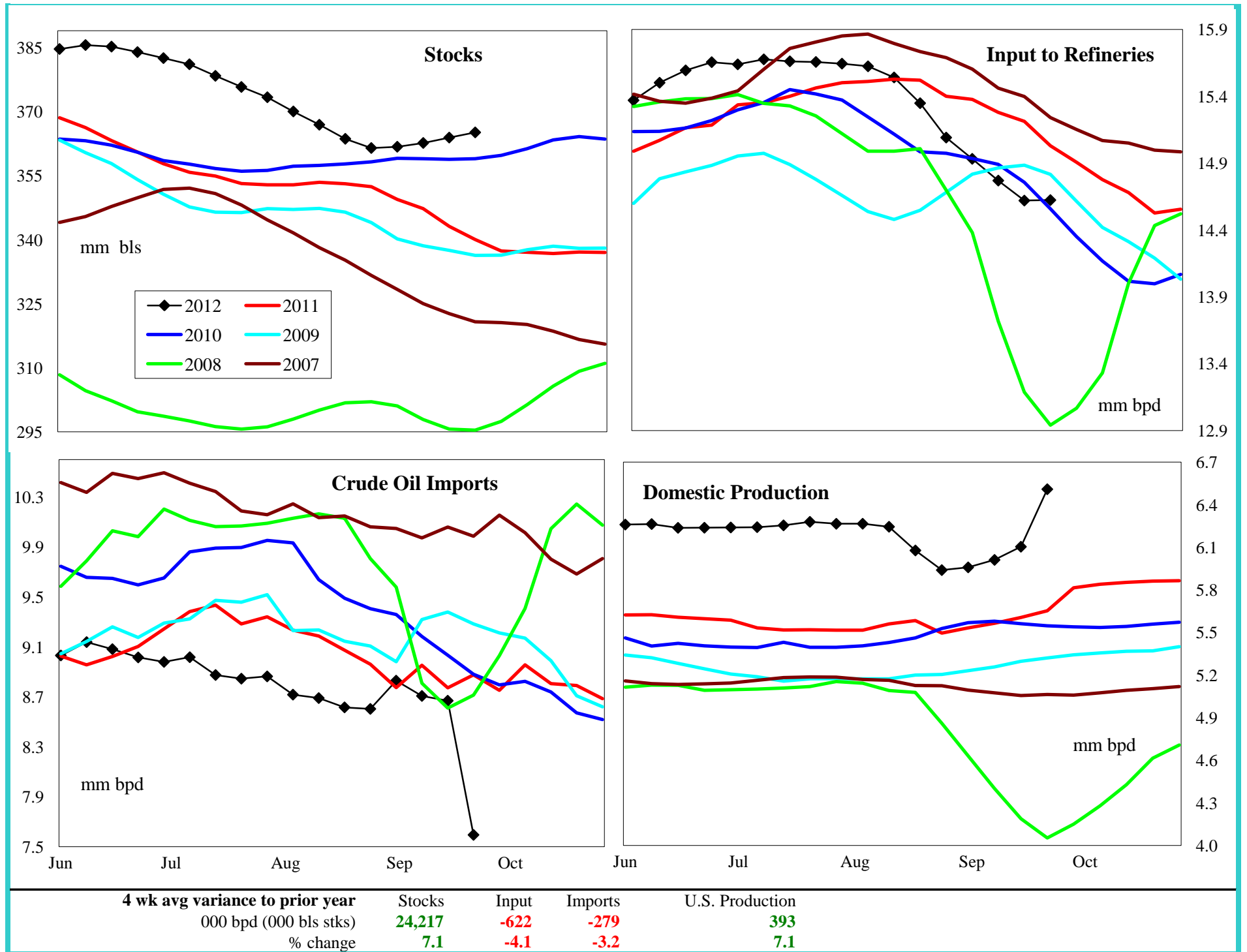
Jet Fuel Imports by PADD



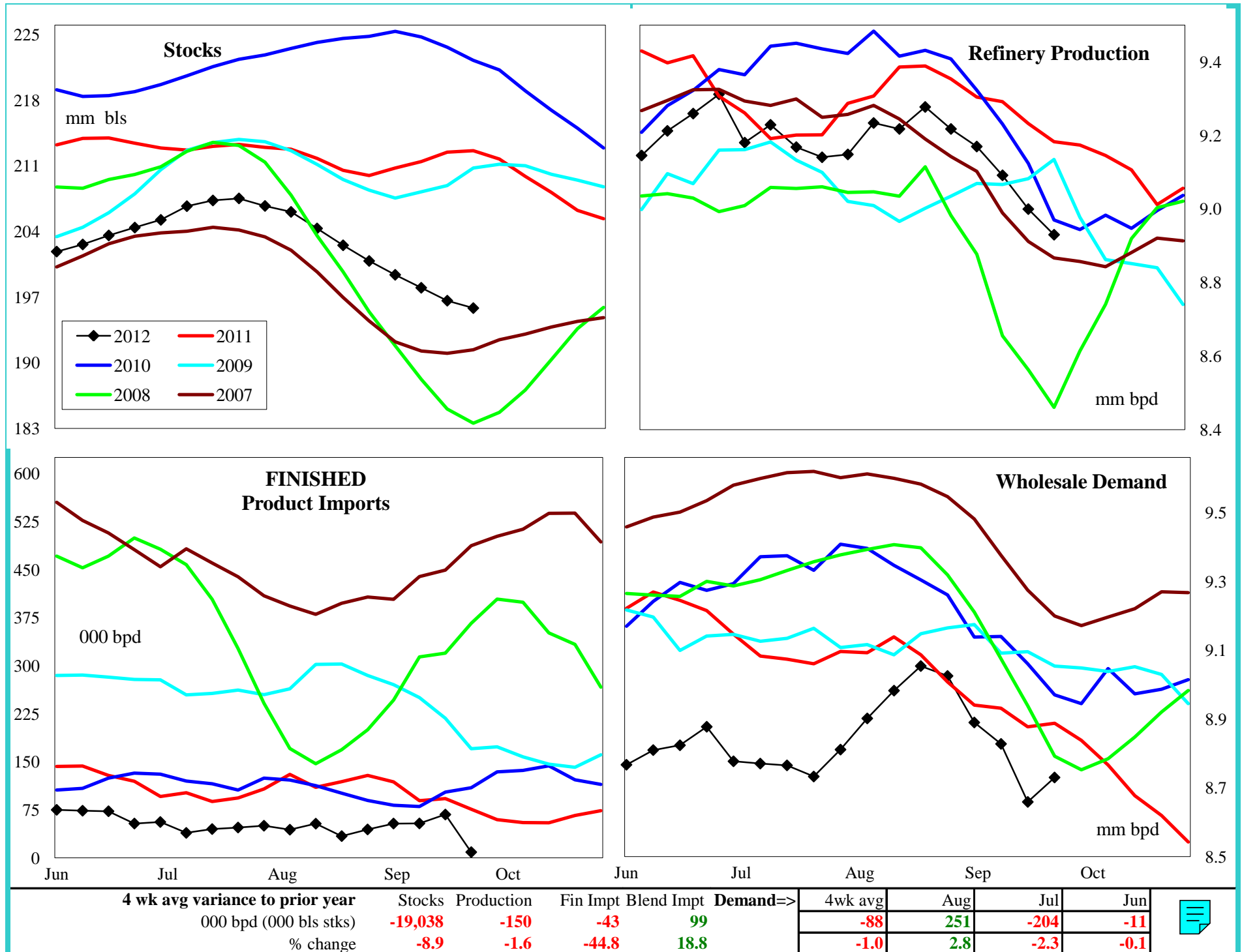
Residual Fuel Oil Imports by PADD



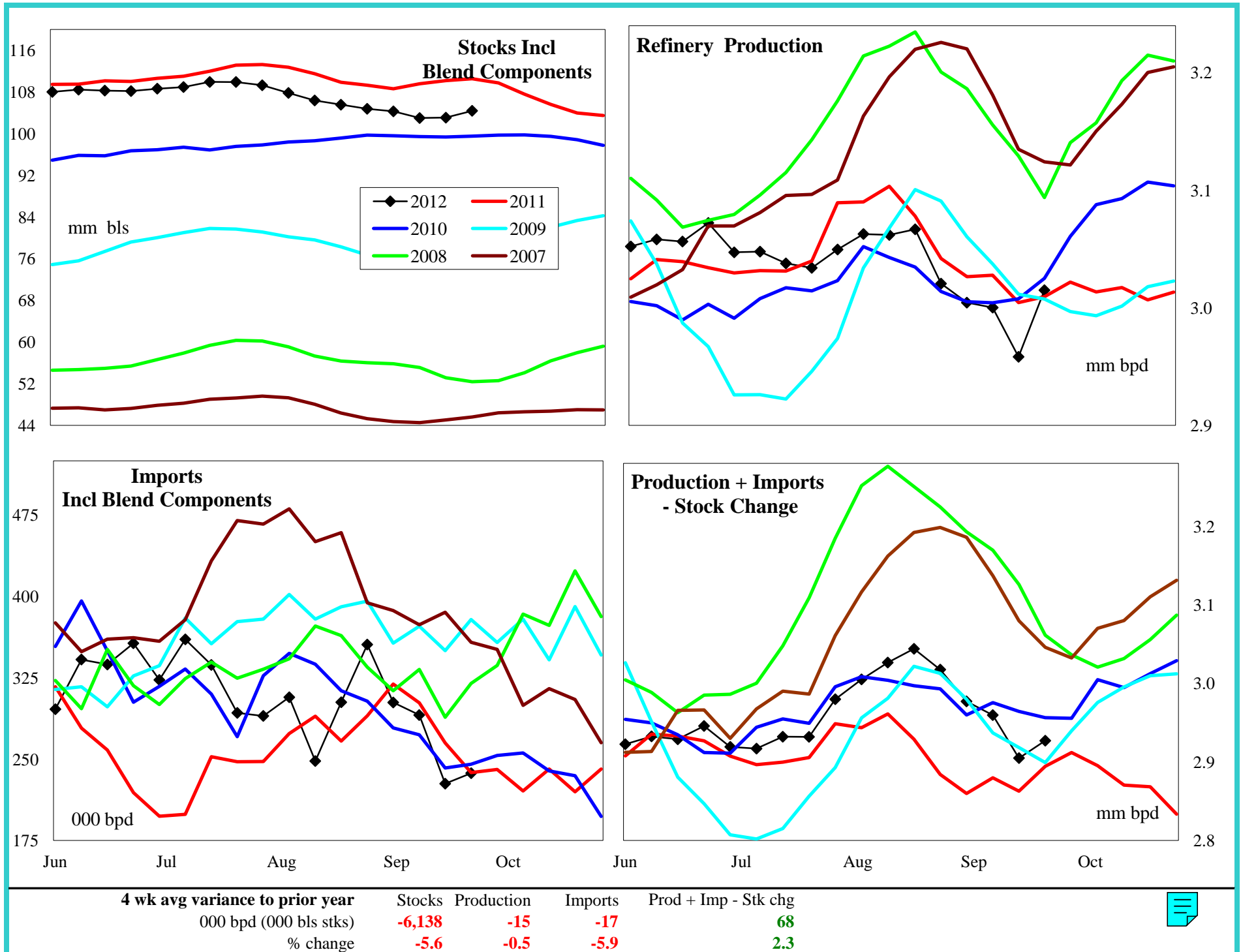
United States Crude Oil Supply and Demand Balance



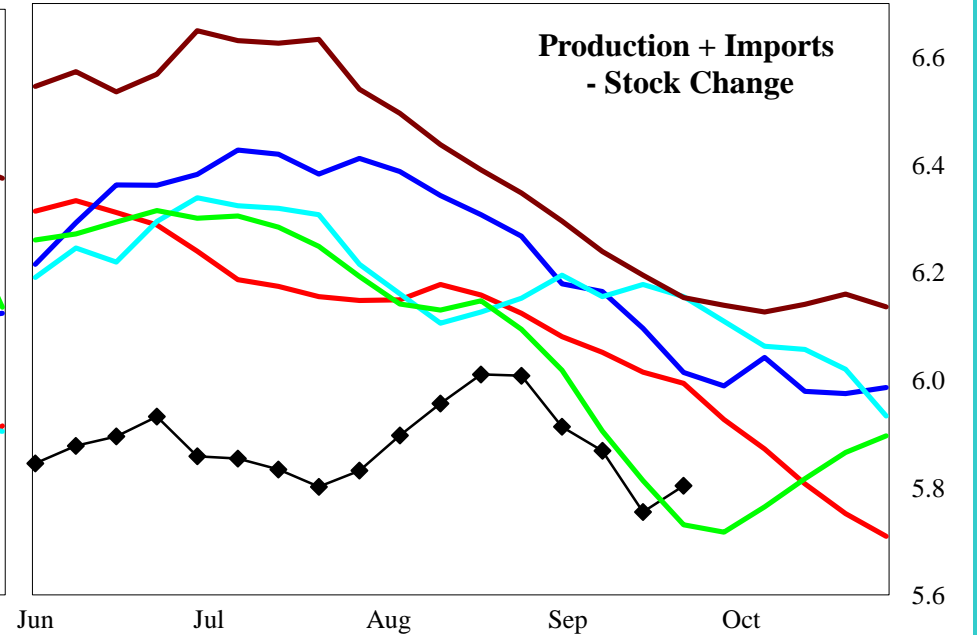
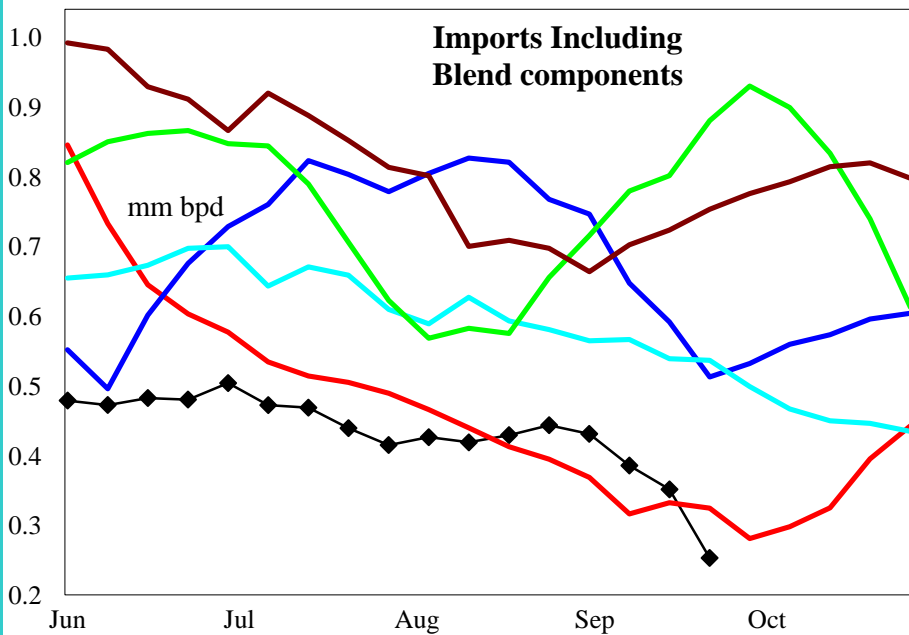
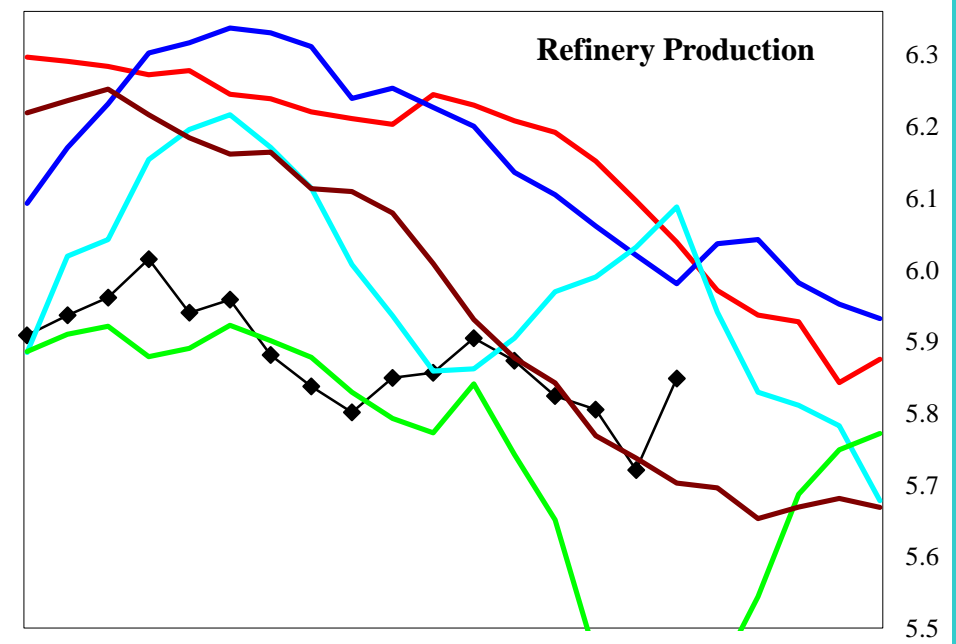
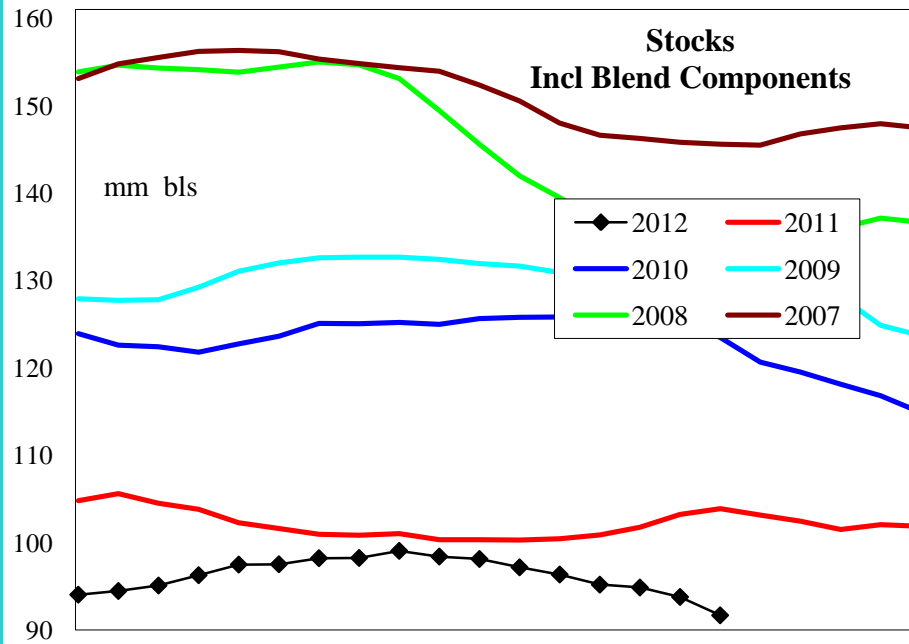
United States Gasoline Supply and Demand Balance



United States Reformulated Gasoline Supply



United States Conventional Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

-12,194

-11.7

Production

-327

-5.3

Imports

20

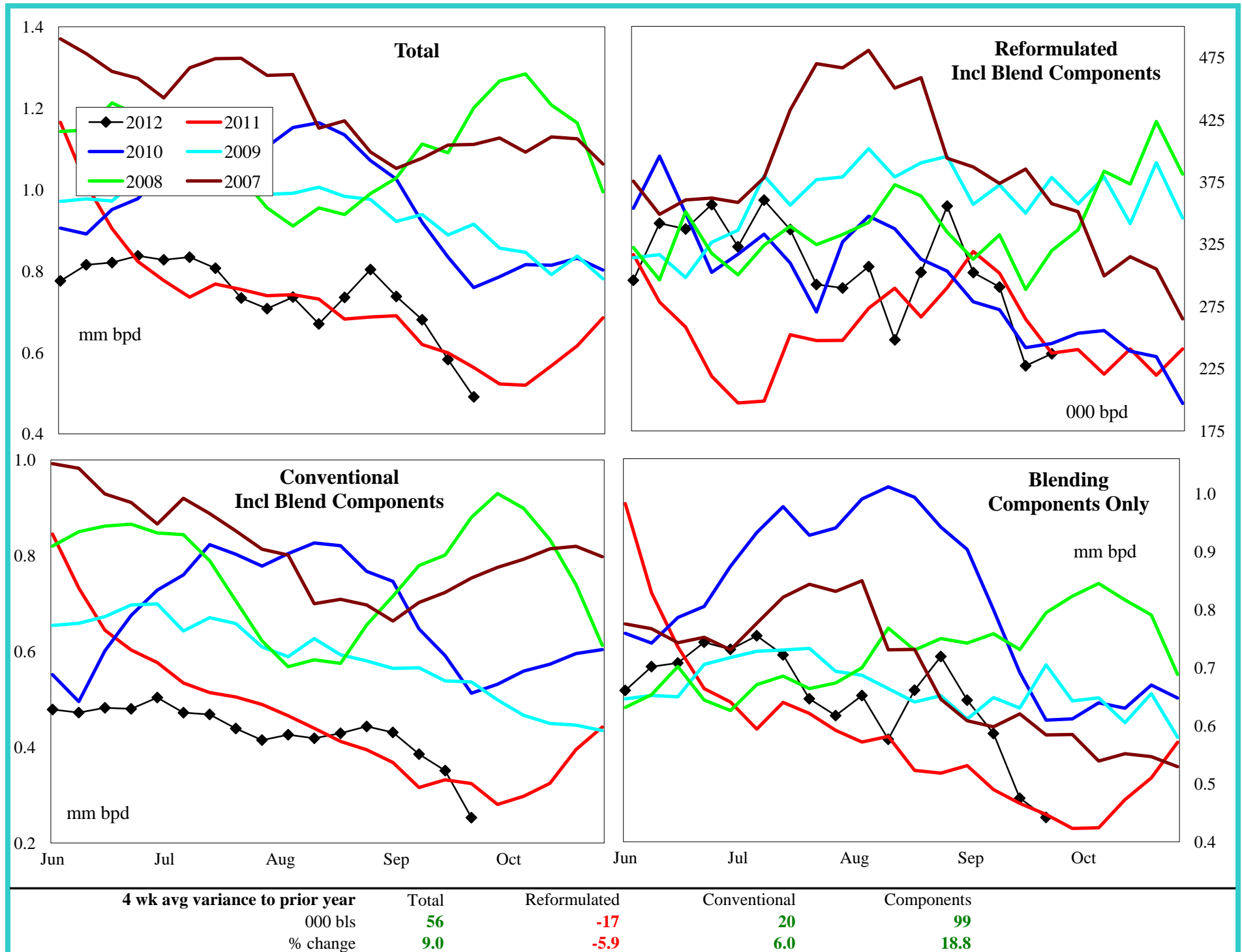
6.0

Prod + Imp - Stk chg

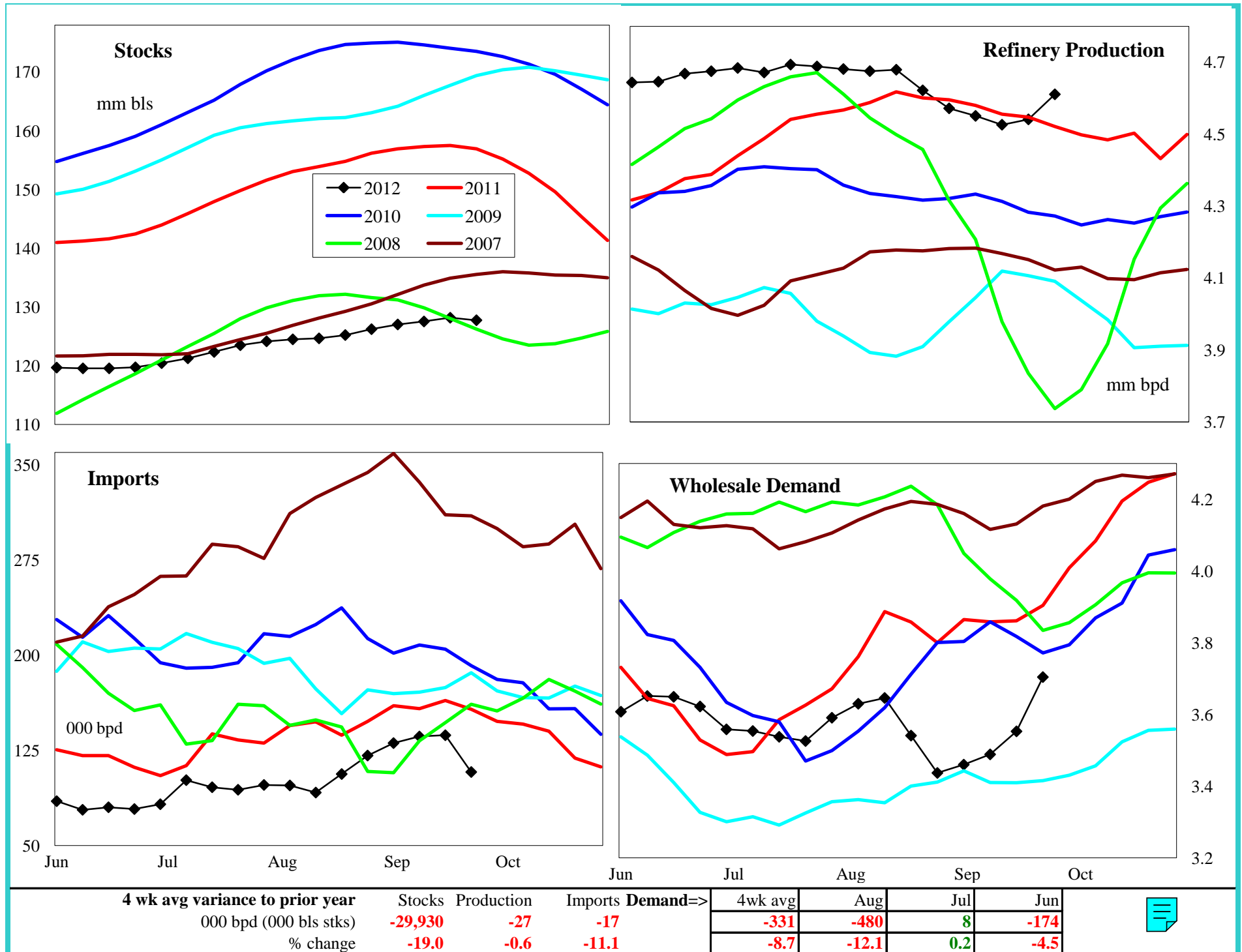
-200

-3.3

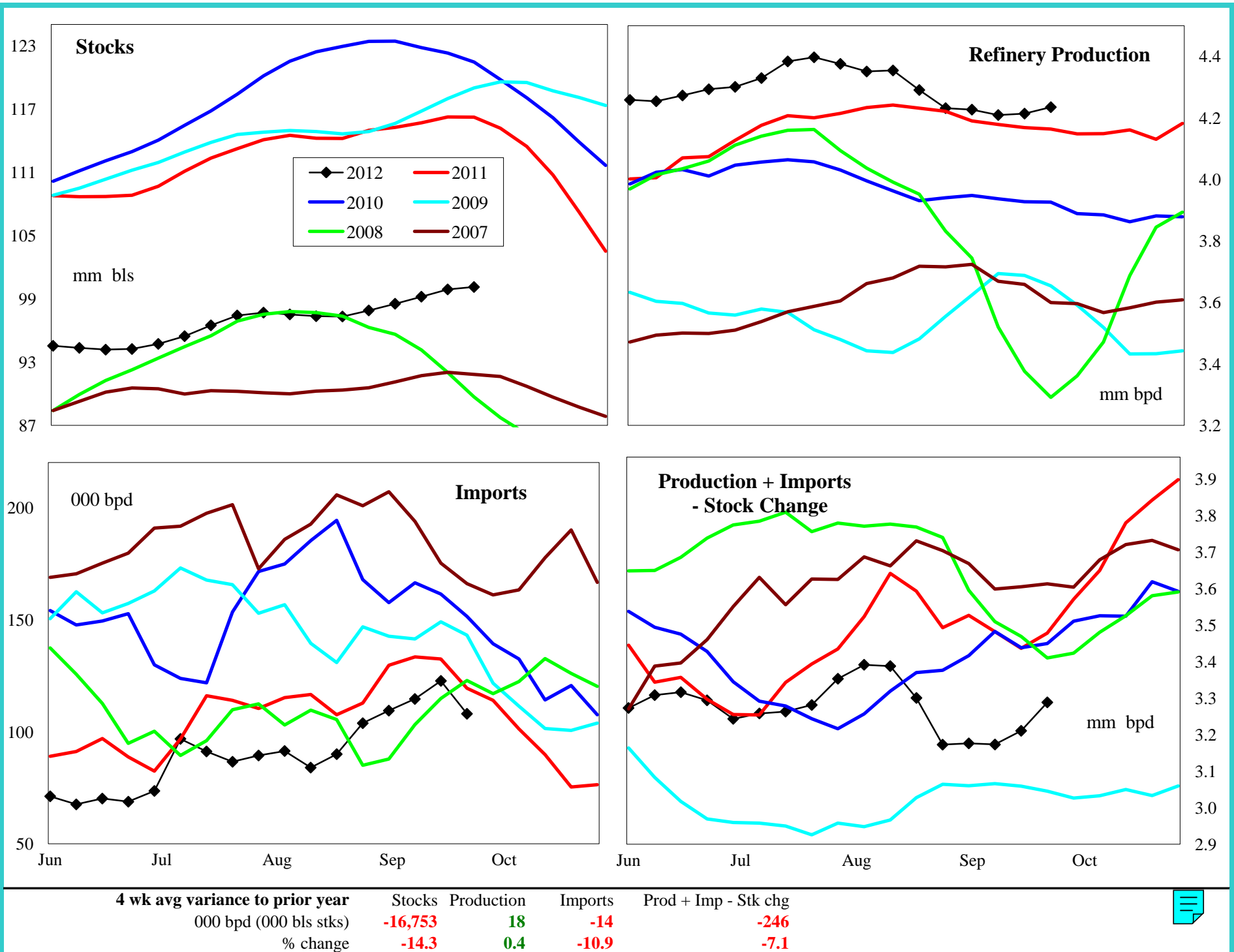
United States Gasoline Imports by Type



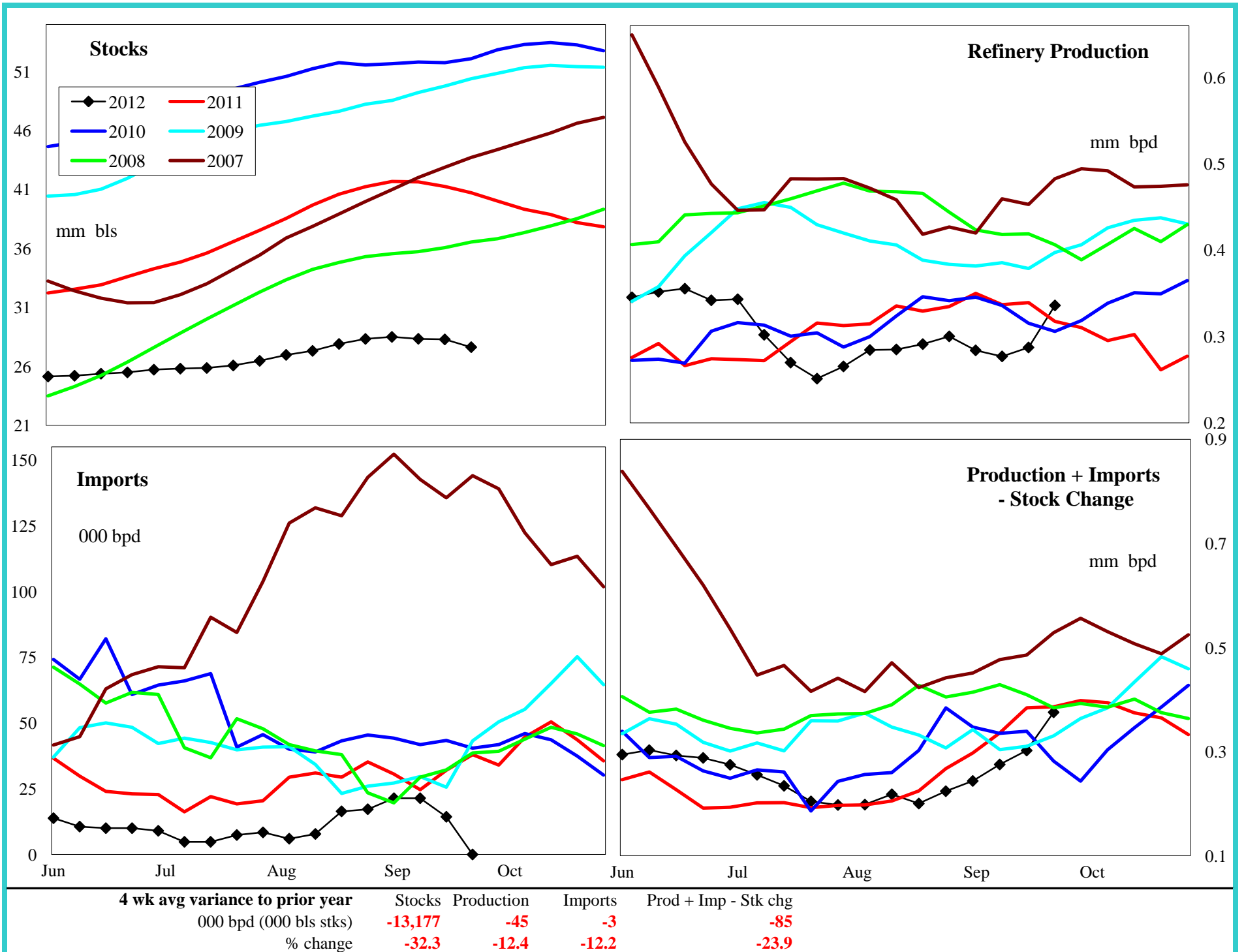
United States Distillate Supply and Demand Balance



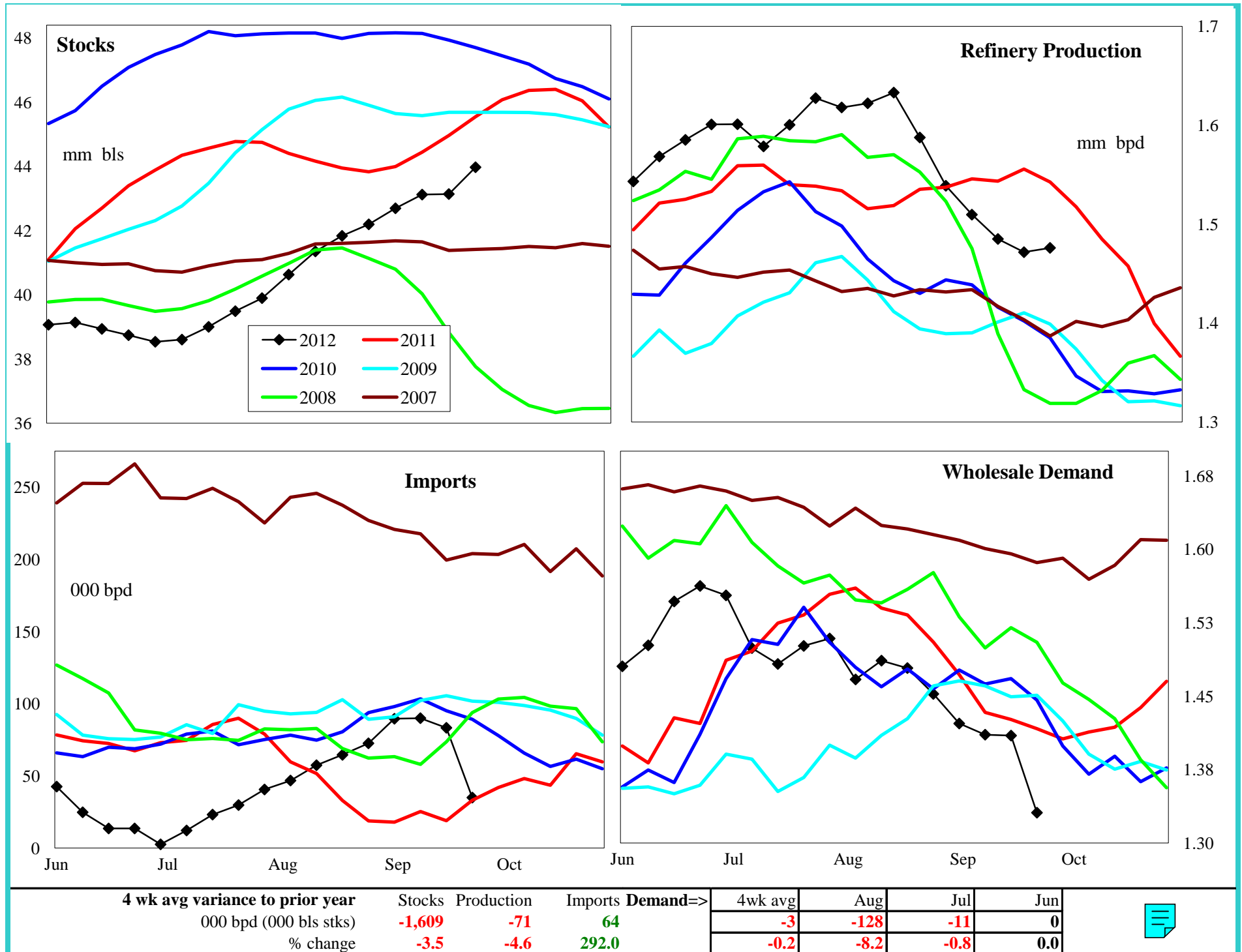
United States Low Sulfur Distillate Supply



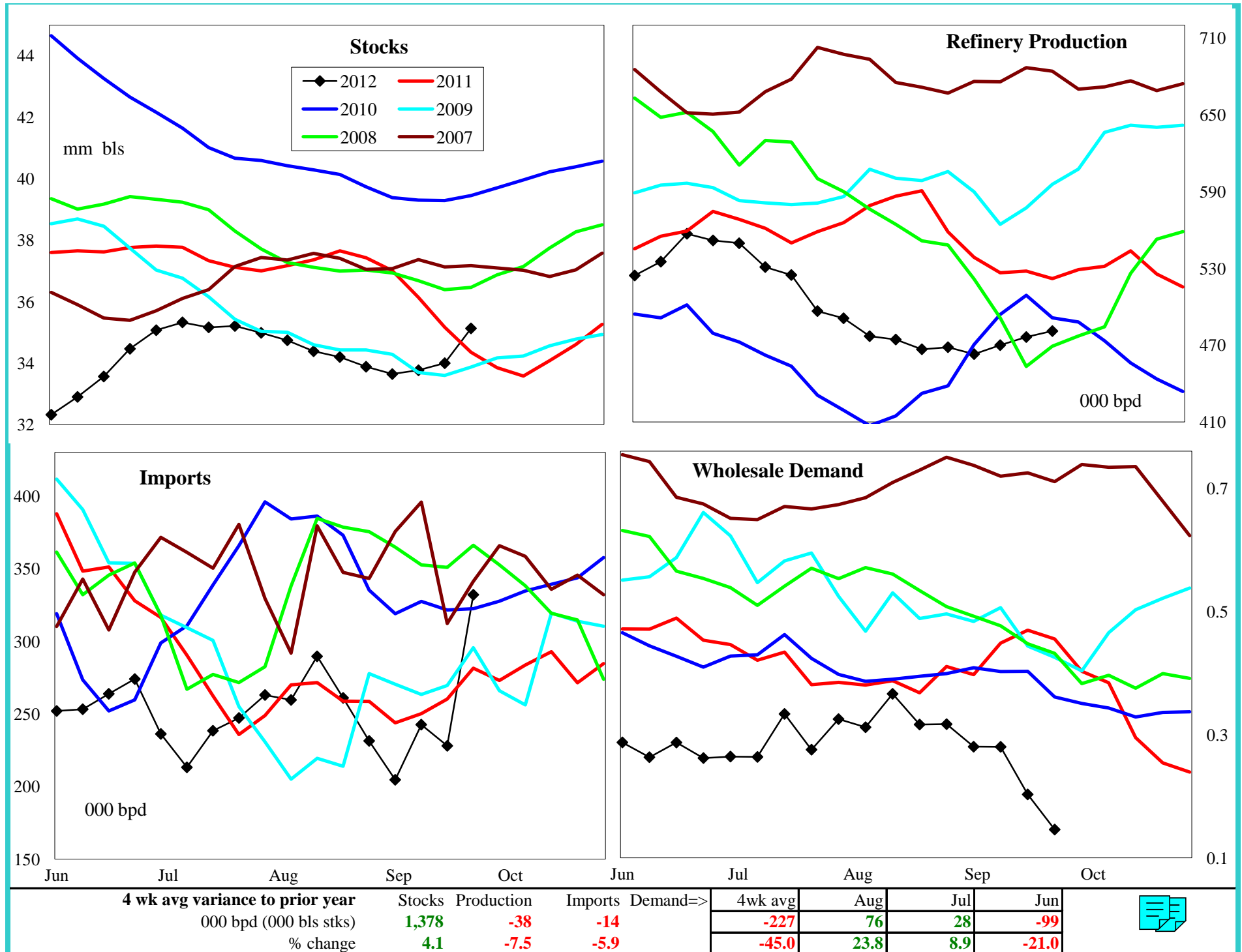
United States High Sulfur Distillate Supply



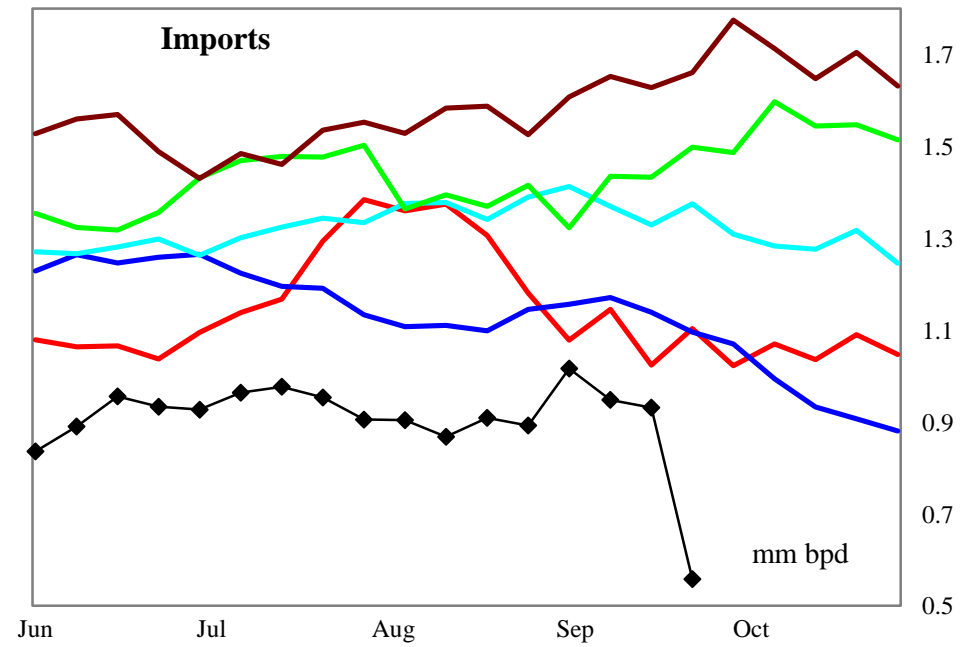
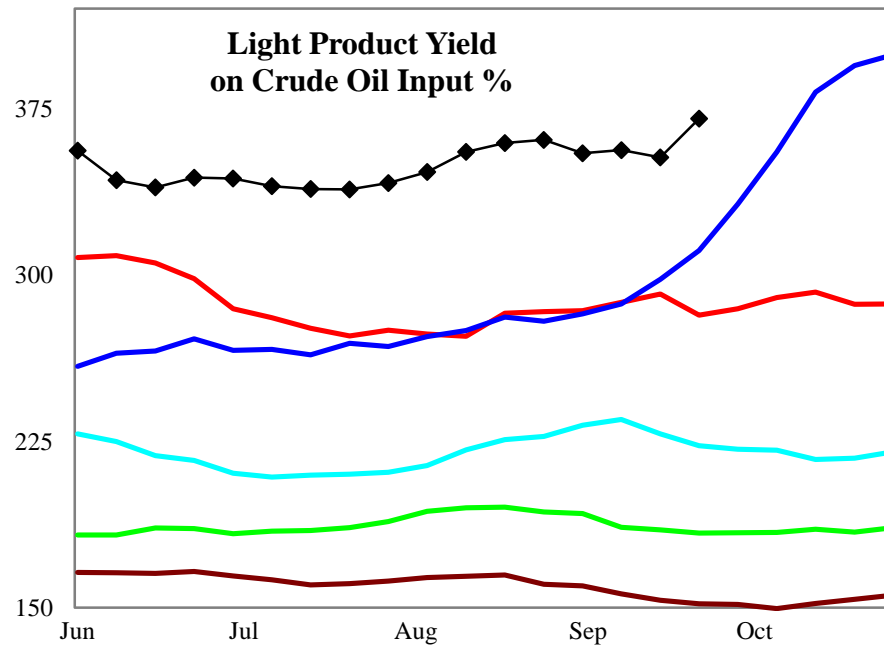
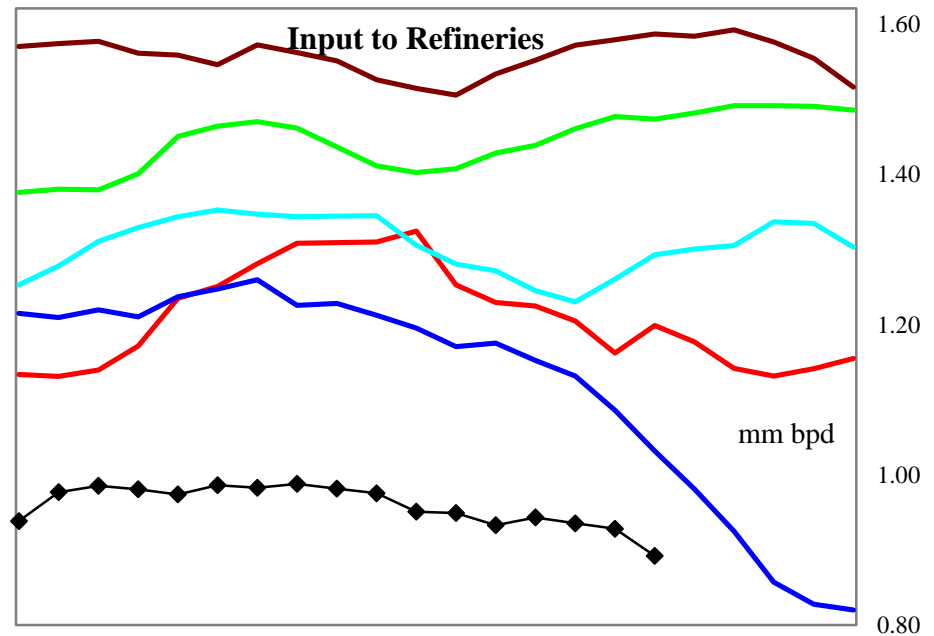
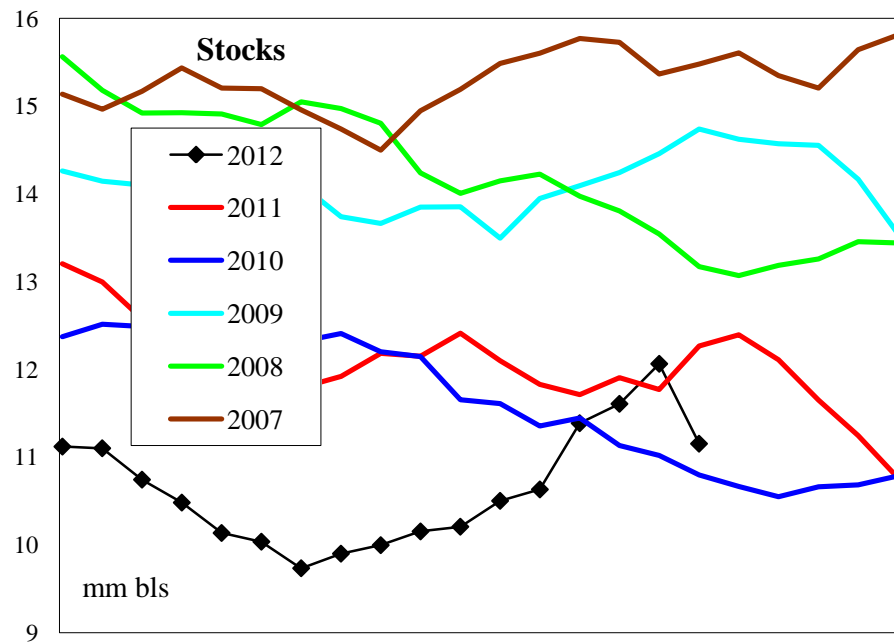
United States Jet Fuel Supply and Demand Balance



United States Residual Fuel Oil Supply and Demand Balance



PADD 1 Crude Oil Supply and Refining

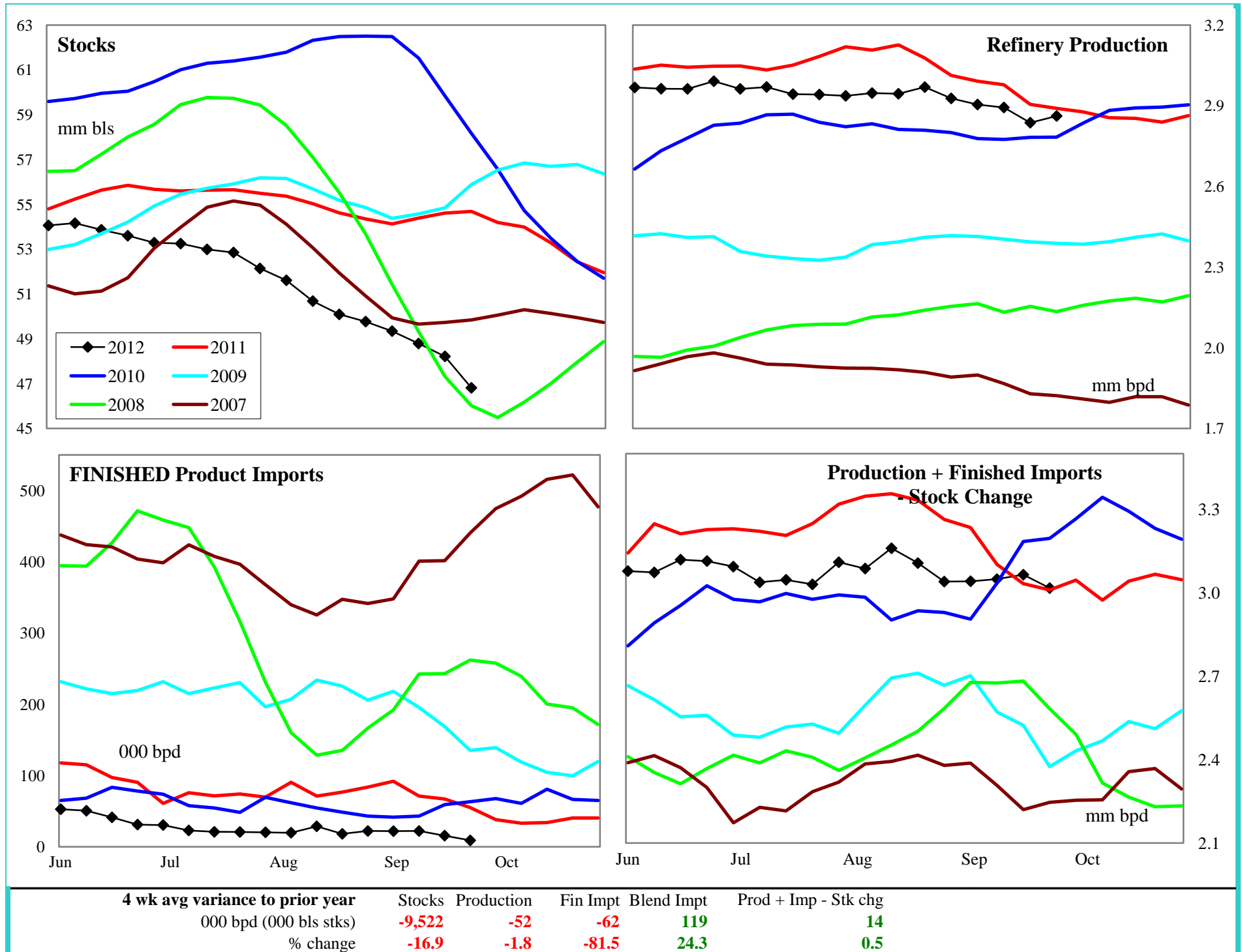


4 wk avg variance to prior year
000 bpd (000 bbls stks)
% change

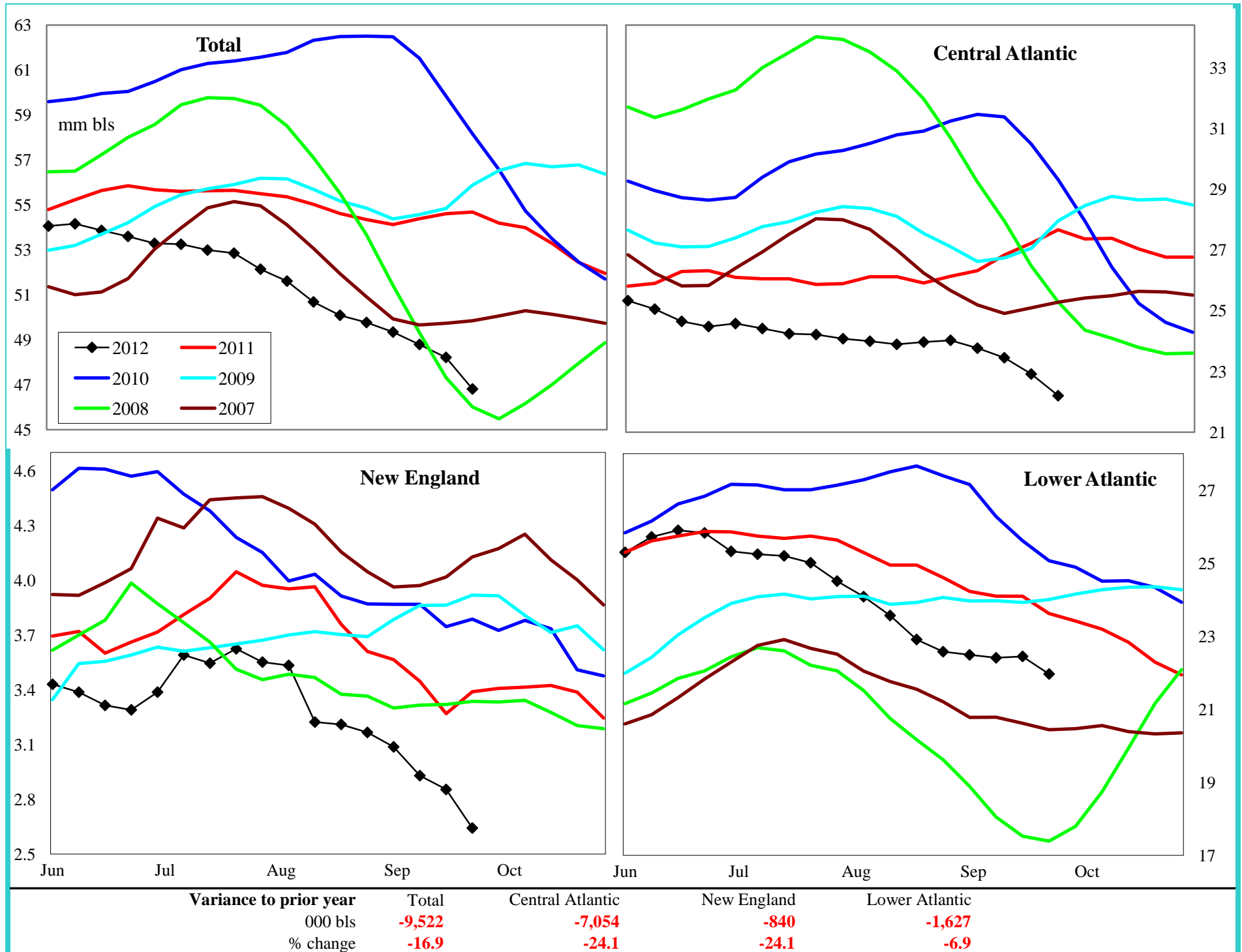
	Stocks	Input	Imports
000 bpd (000 bbls stks)	-1,112	-222	-56
% change	-9.1	-19.0	-5.4



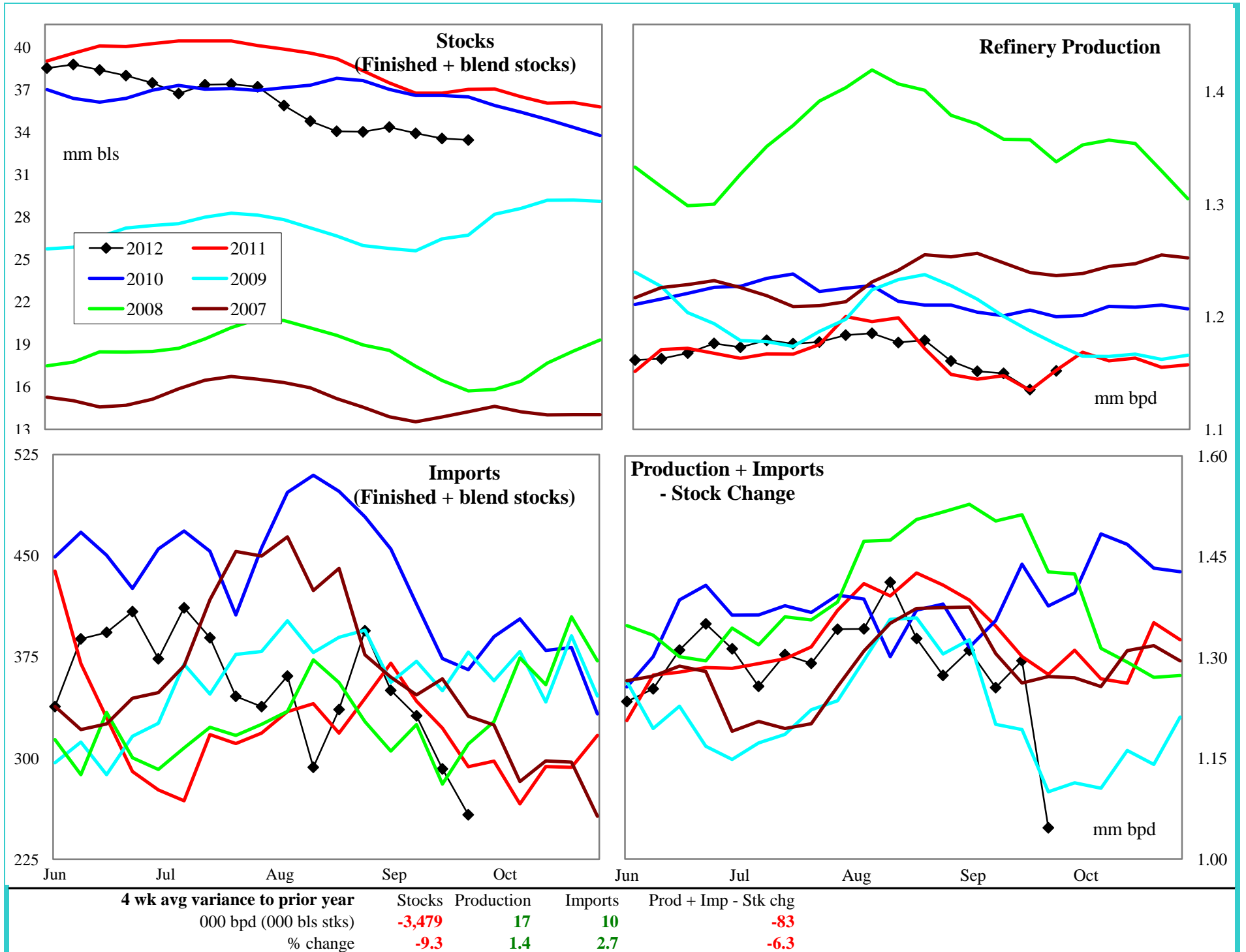
PADD 1 Gasoline Supply



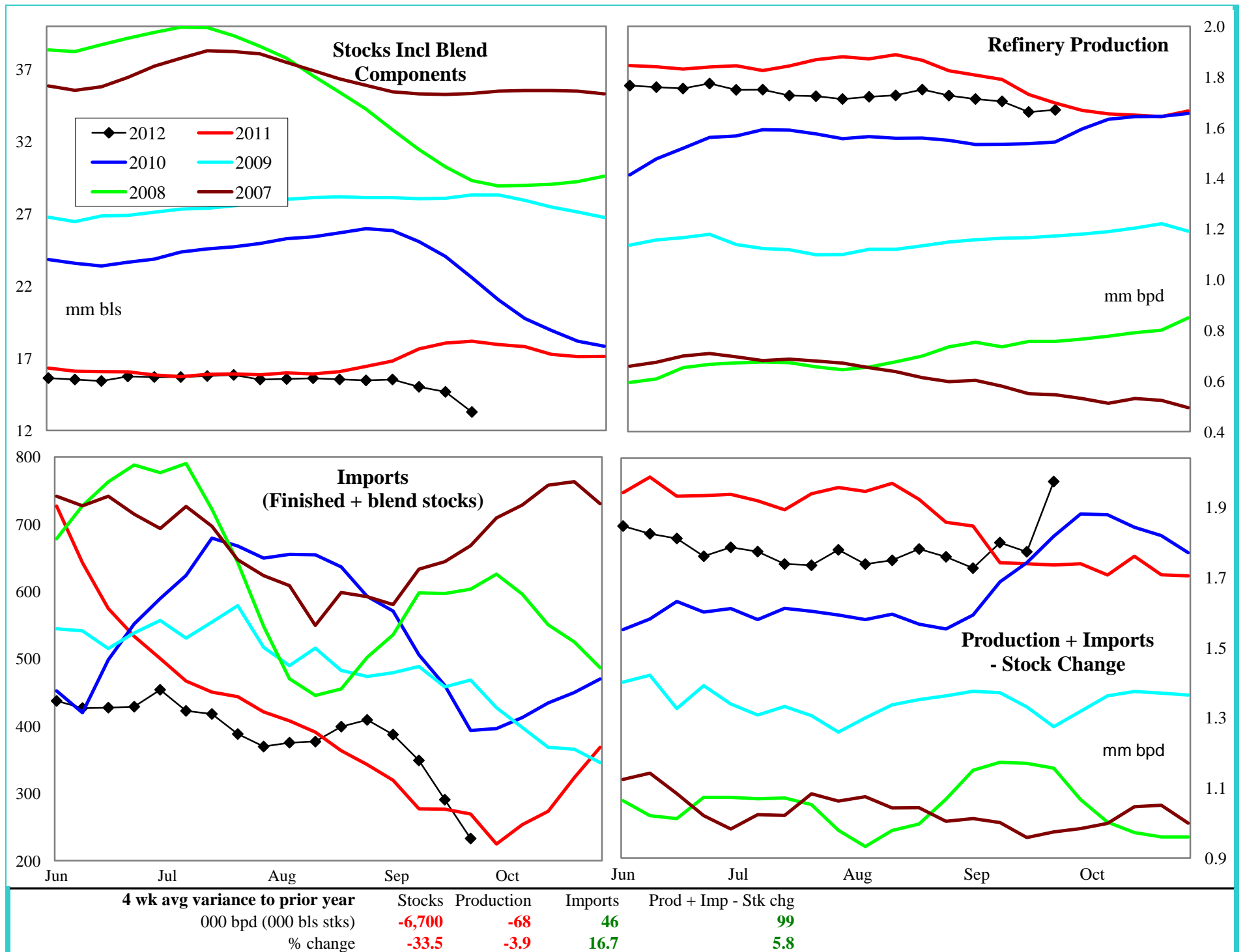
PADD 1 Gasoline Stocks by Region



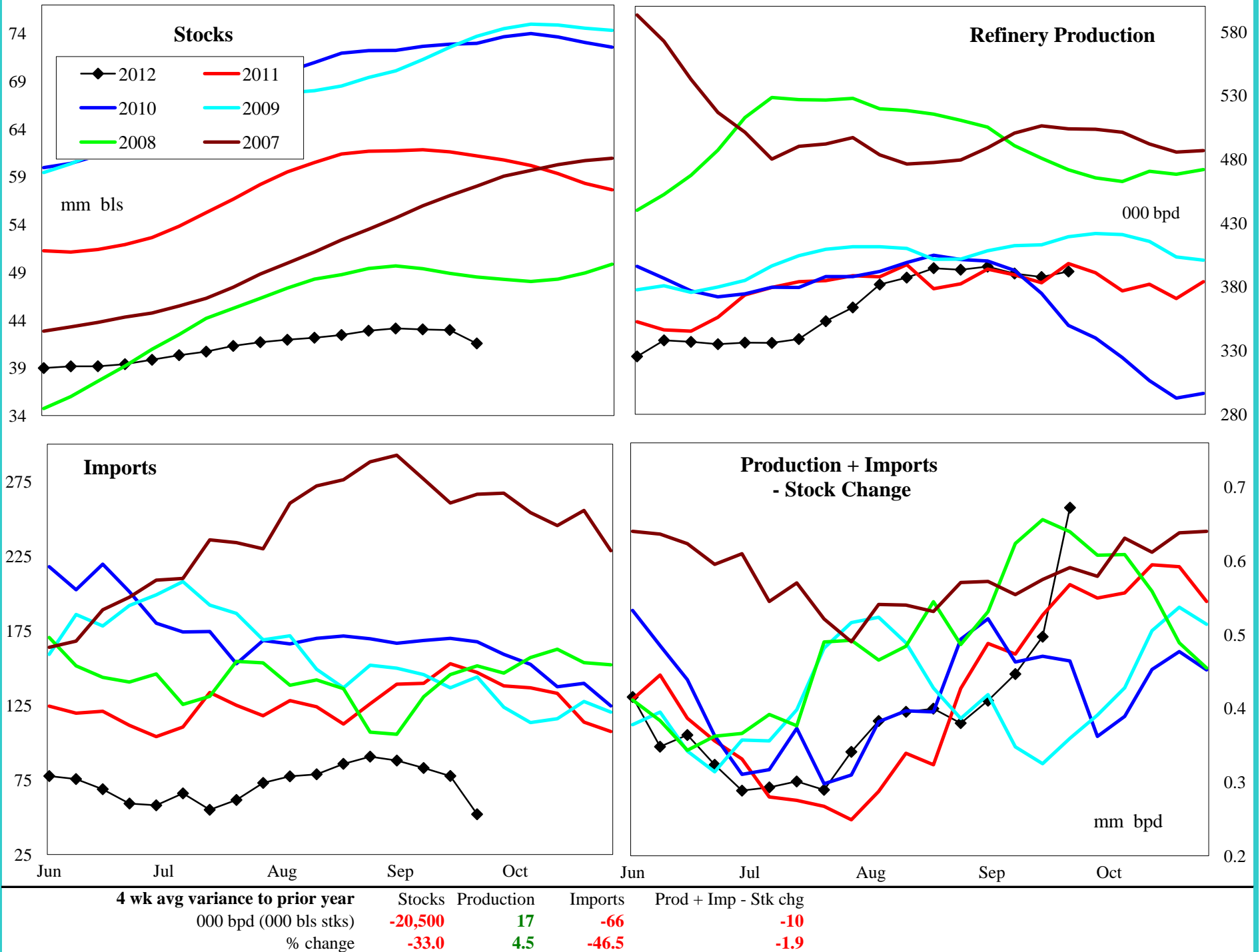
PADD 1 Reformulated Gasoline Supply



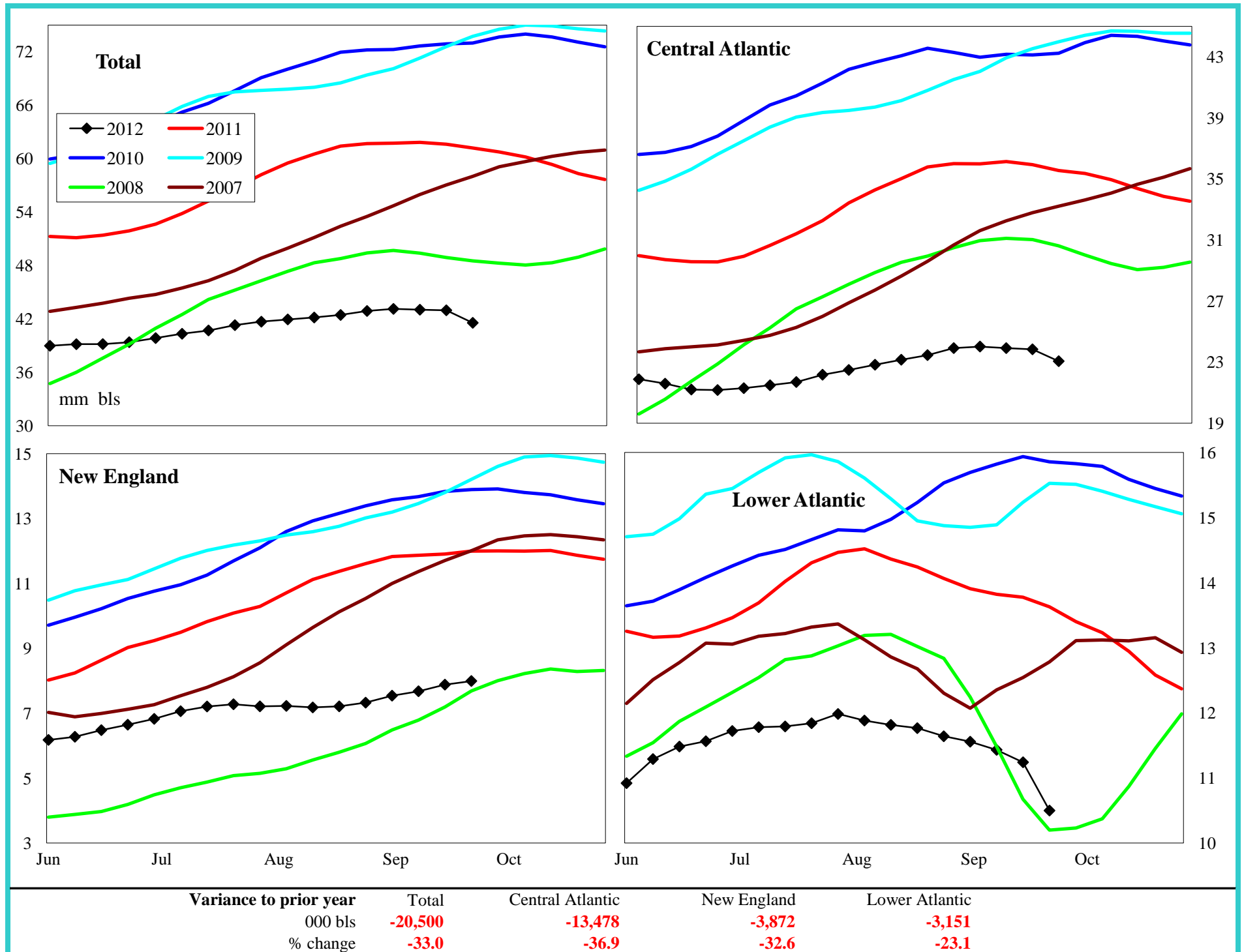
PADD 1 Conventional Gasoline Supply



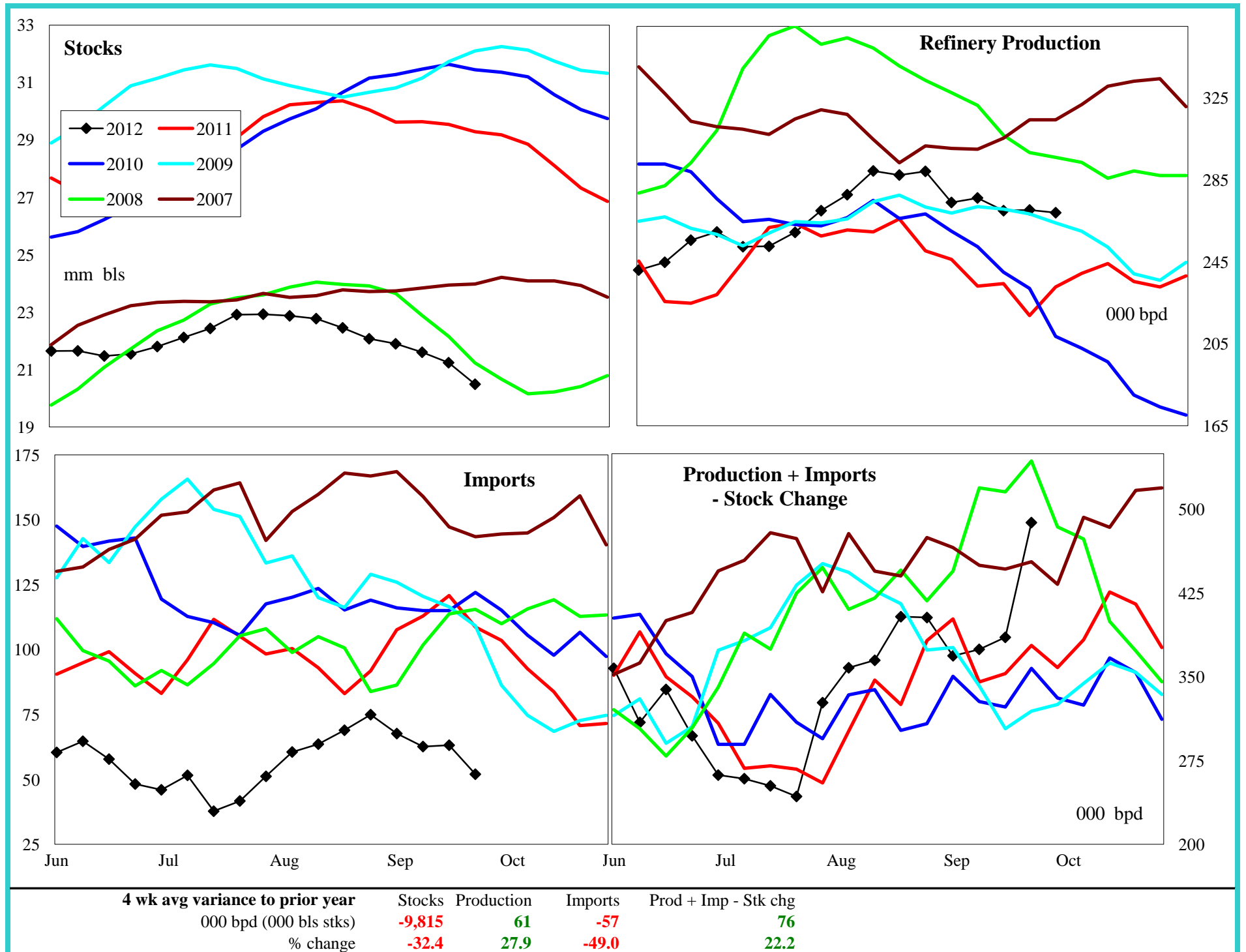
PADD 1 Distillate Supply



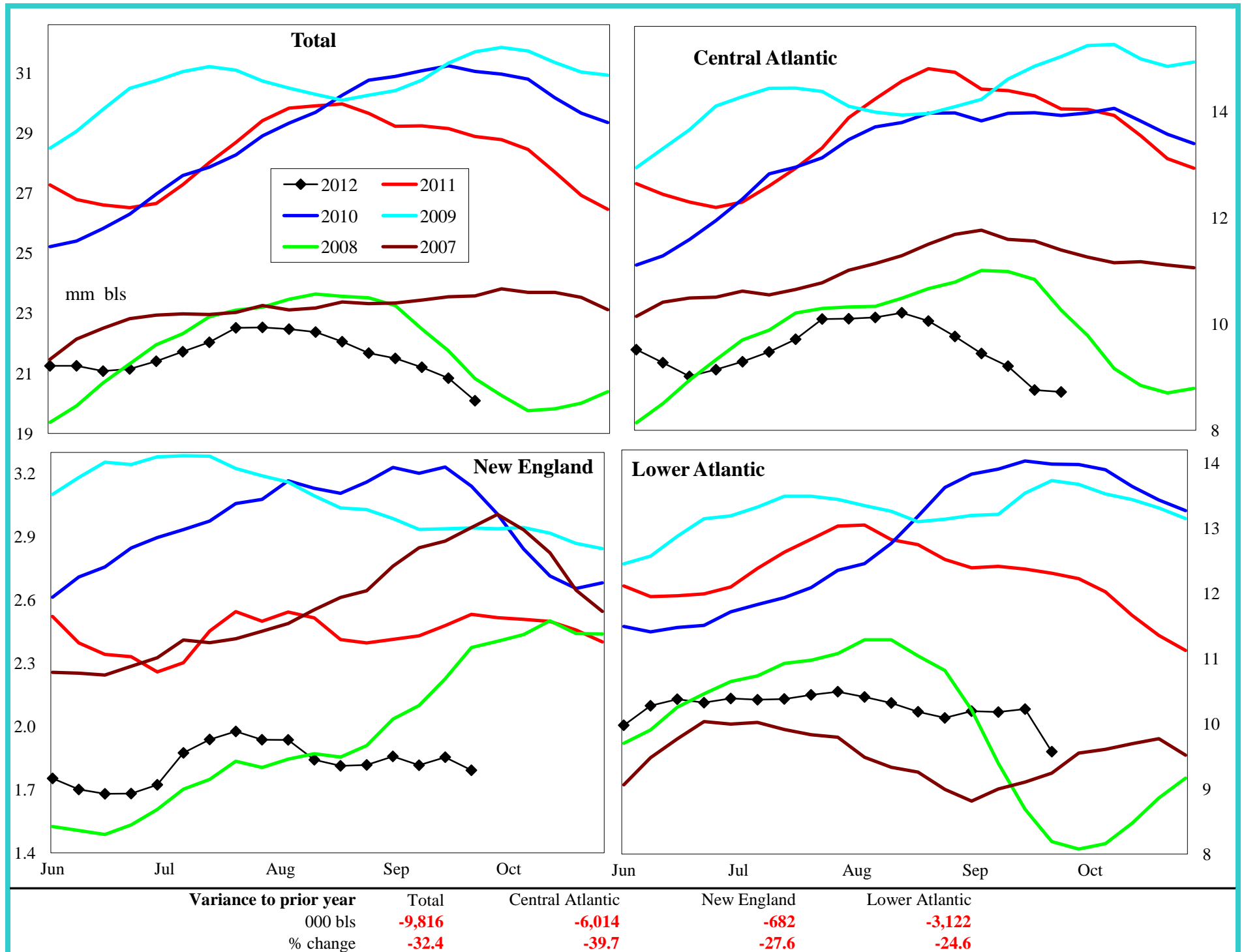
PADD 1 Distillate Stocks by Region



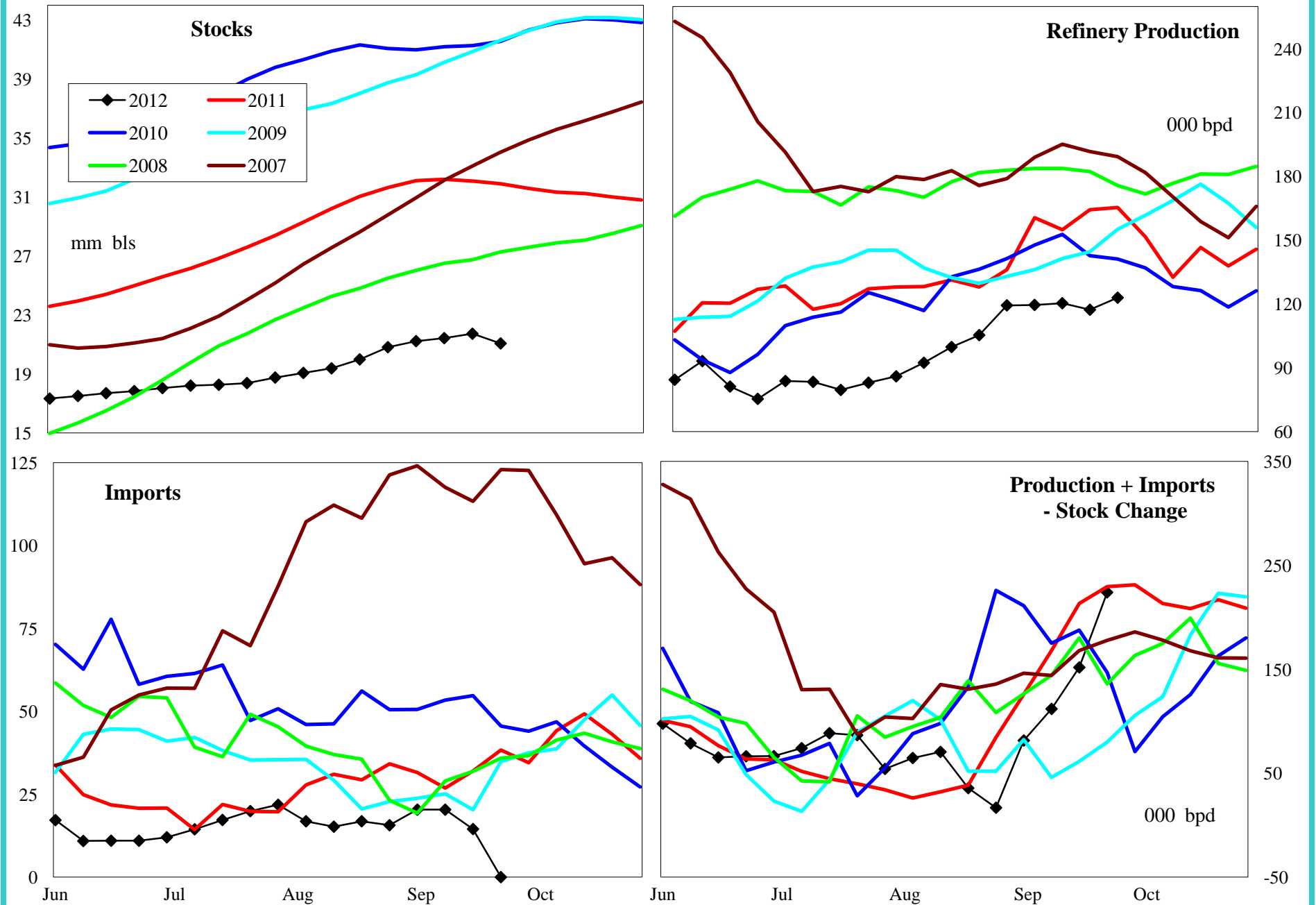
PADD 1 Low Sulfur Distillate Supply



PADD 1 Low Sulfur Distillate Stocks by Region



PADD 1 High Sulfur Distillate Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

-10,684

-33.6

Production

-44

-27.5

Imports

-9

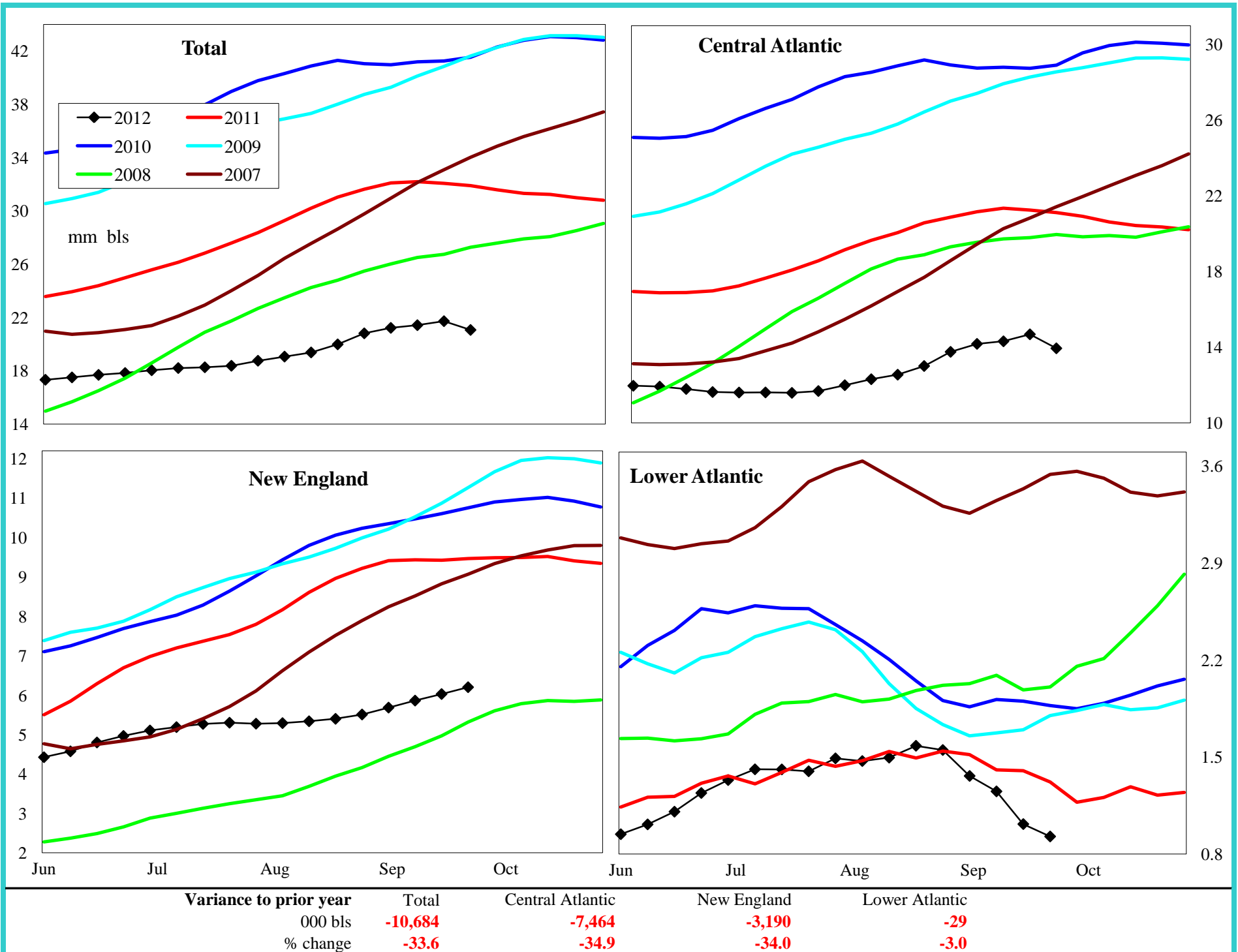
-34.9

Prod + Imp - Stk chg

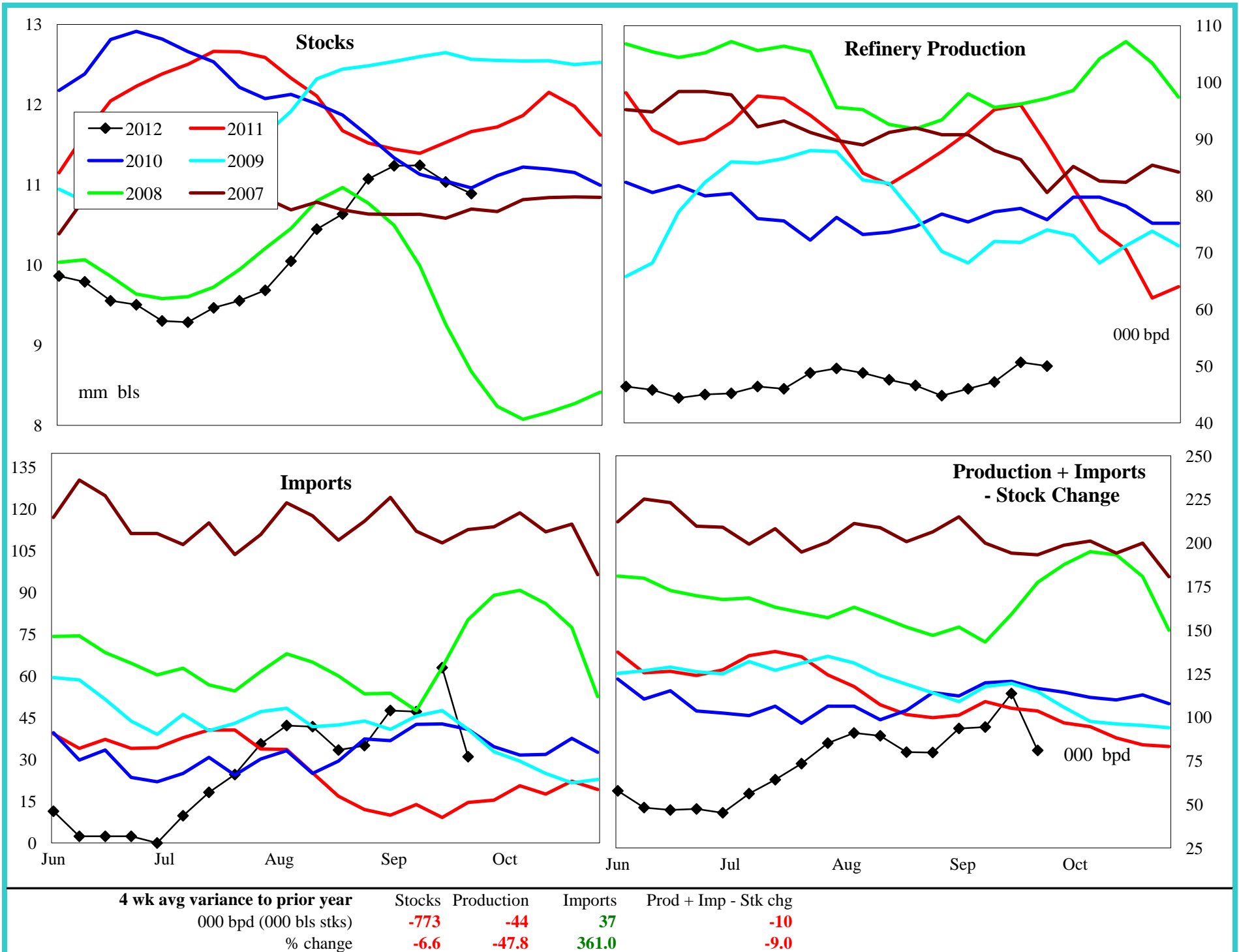
-86

-43.8

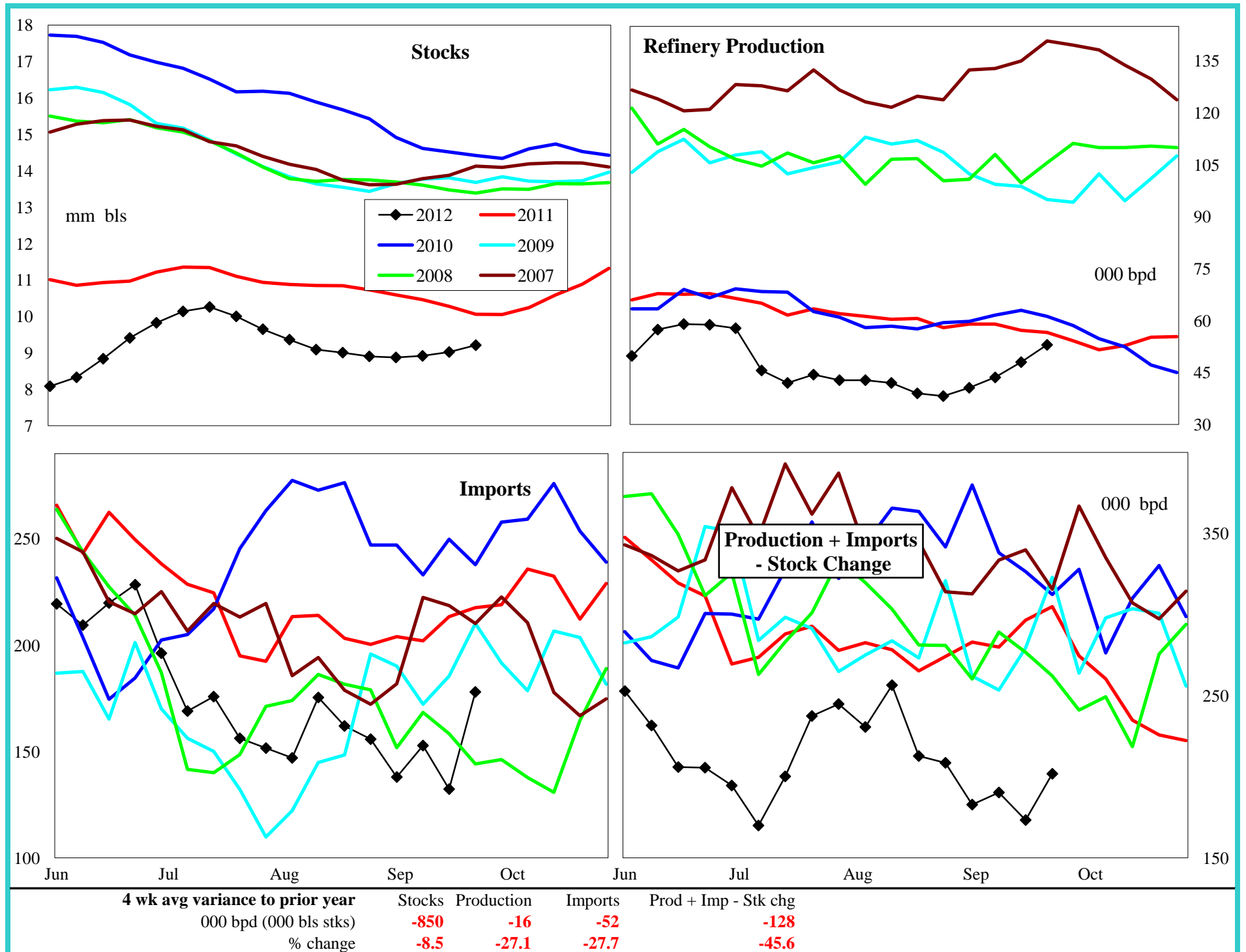
PADD 1 High Sulfur Distillate Stocks by Region



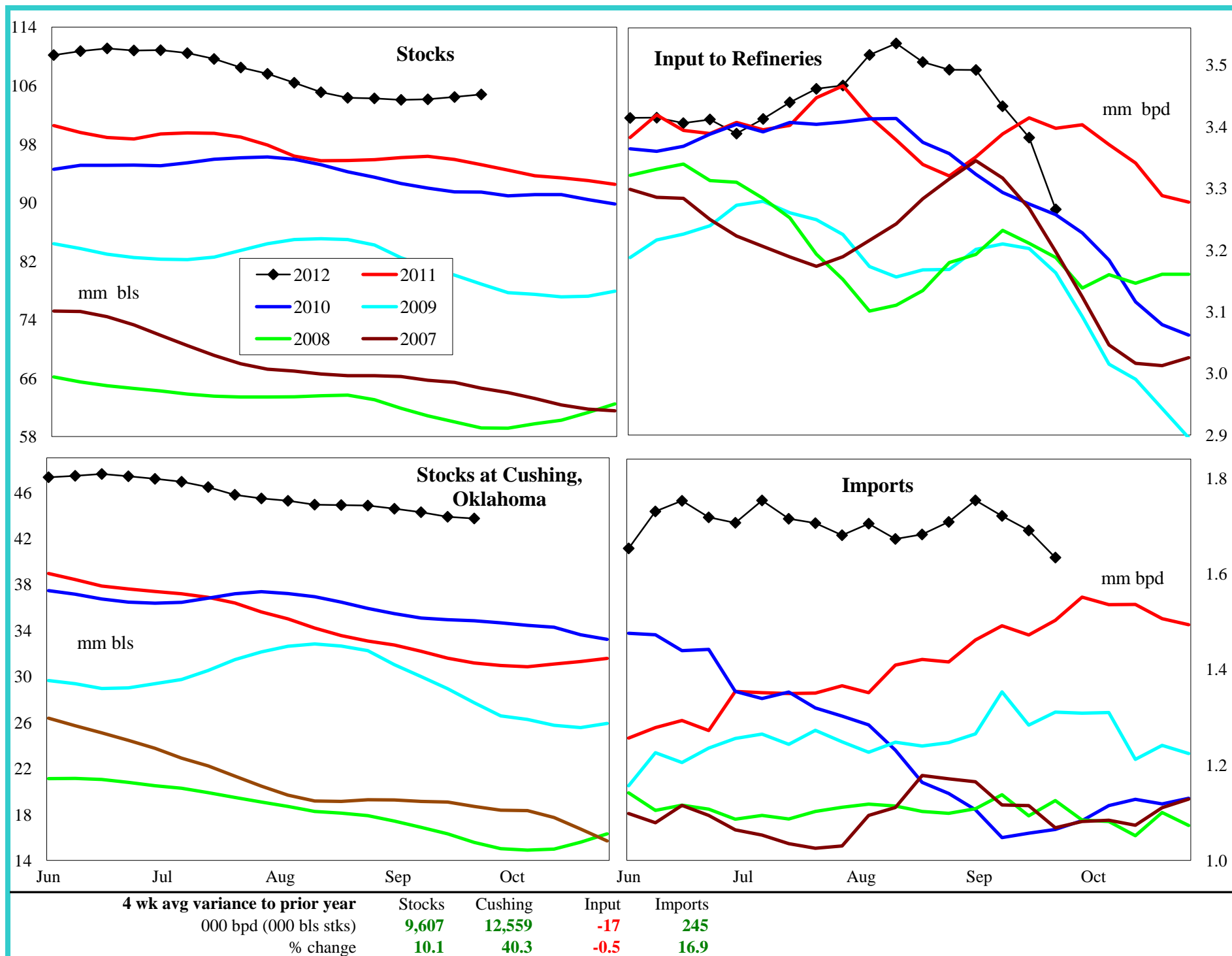
PADD 1 Jet Fuel Supply



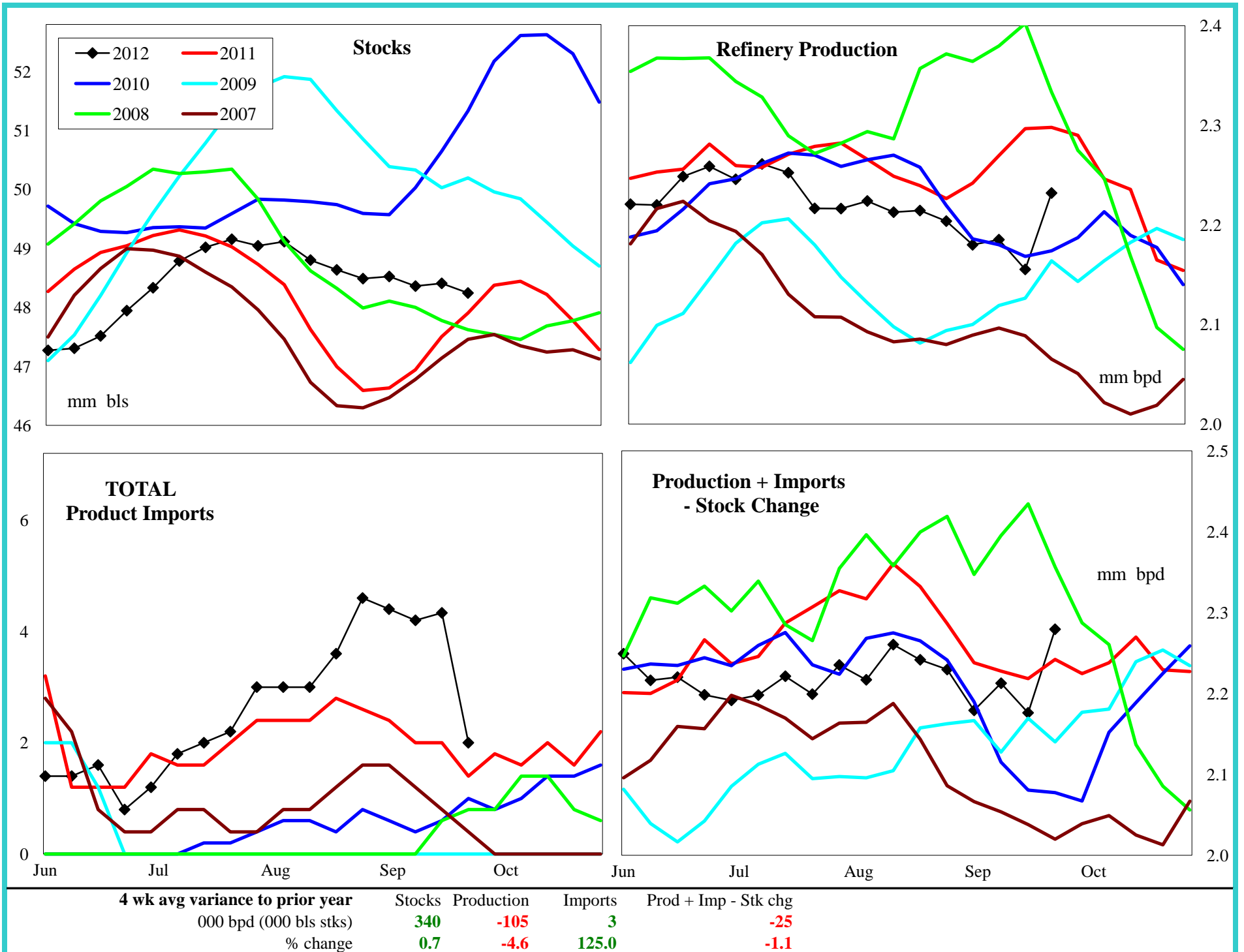
PADD 1 Residual Fuel Oil Supply



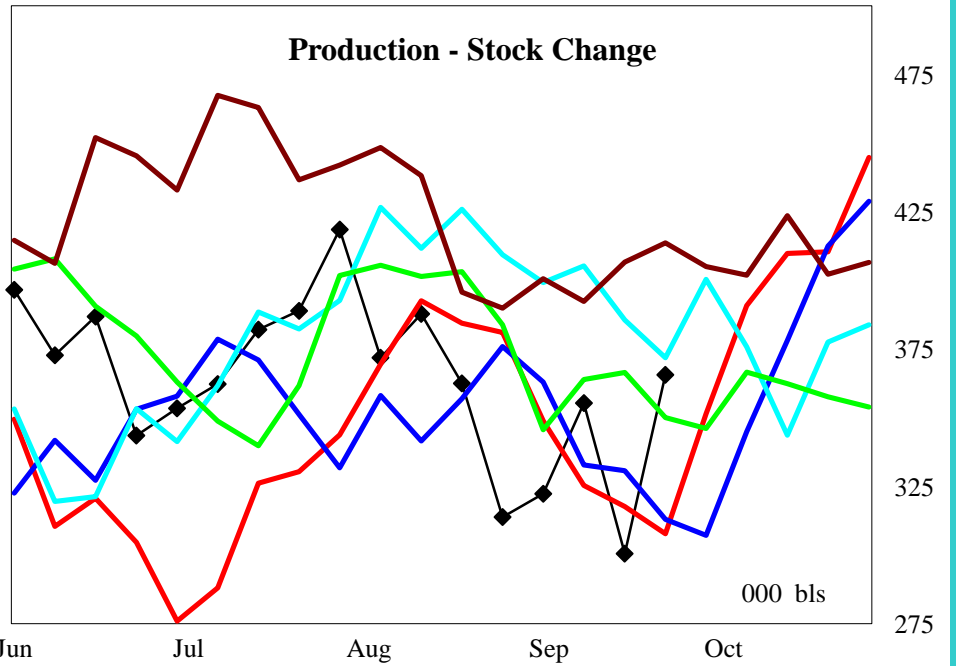
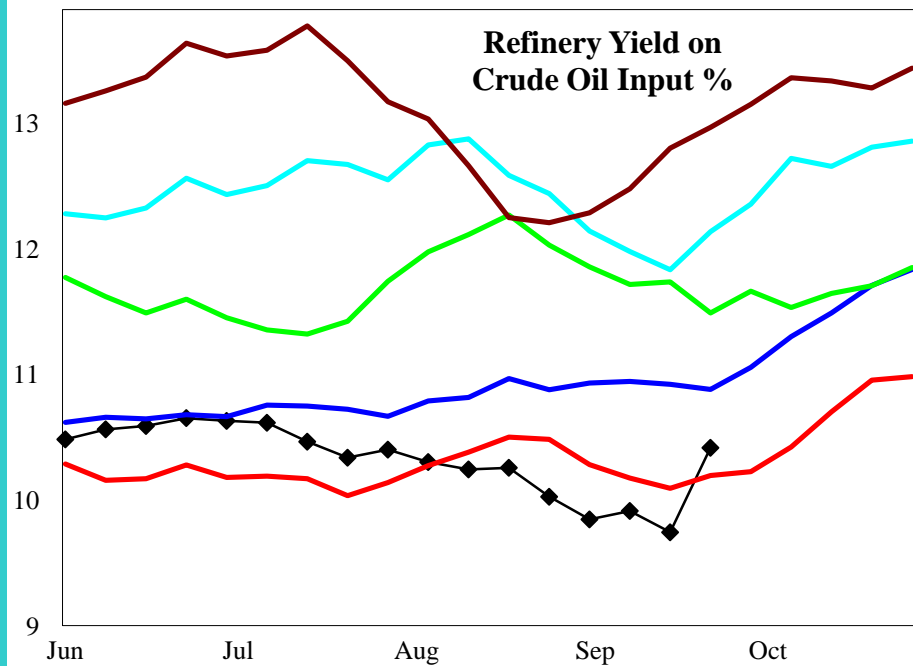
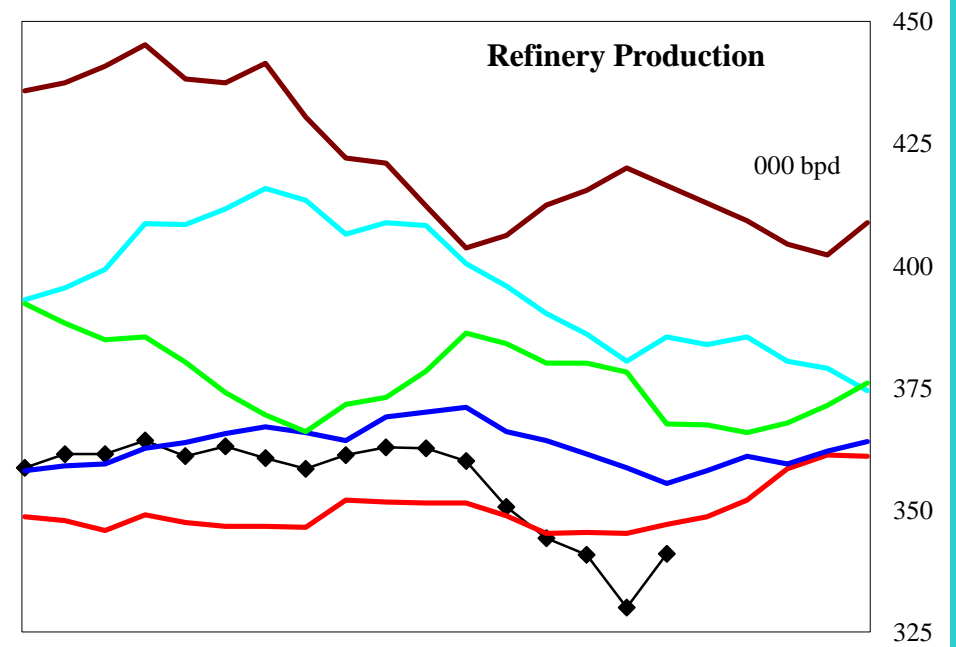
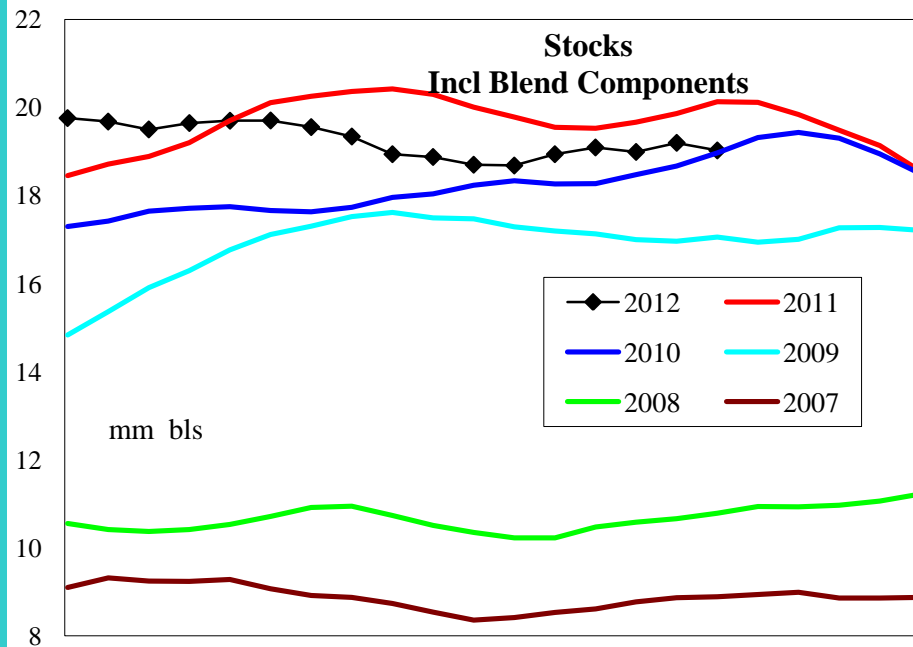
PADD 2 Crude Oil Supply and Refining



PADD 2 Gasoline Supply



PADD 2 Reformulated Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks Production

-1,109 -7

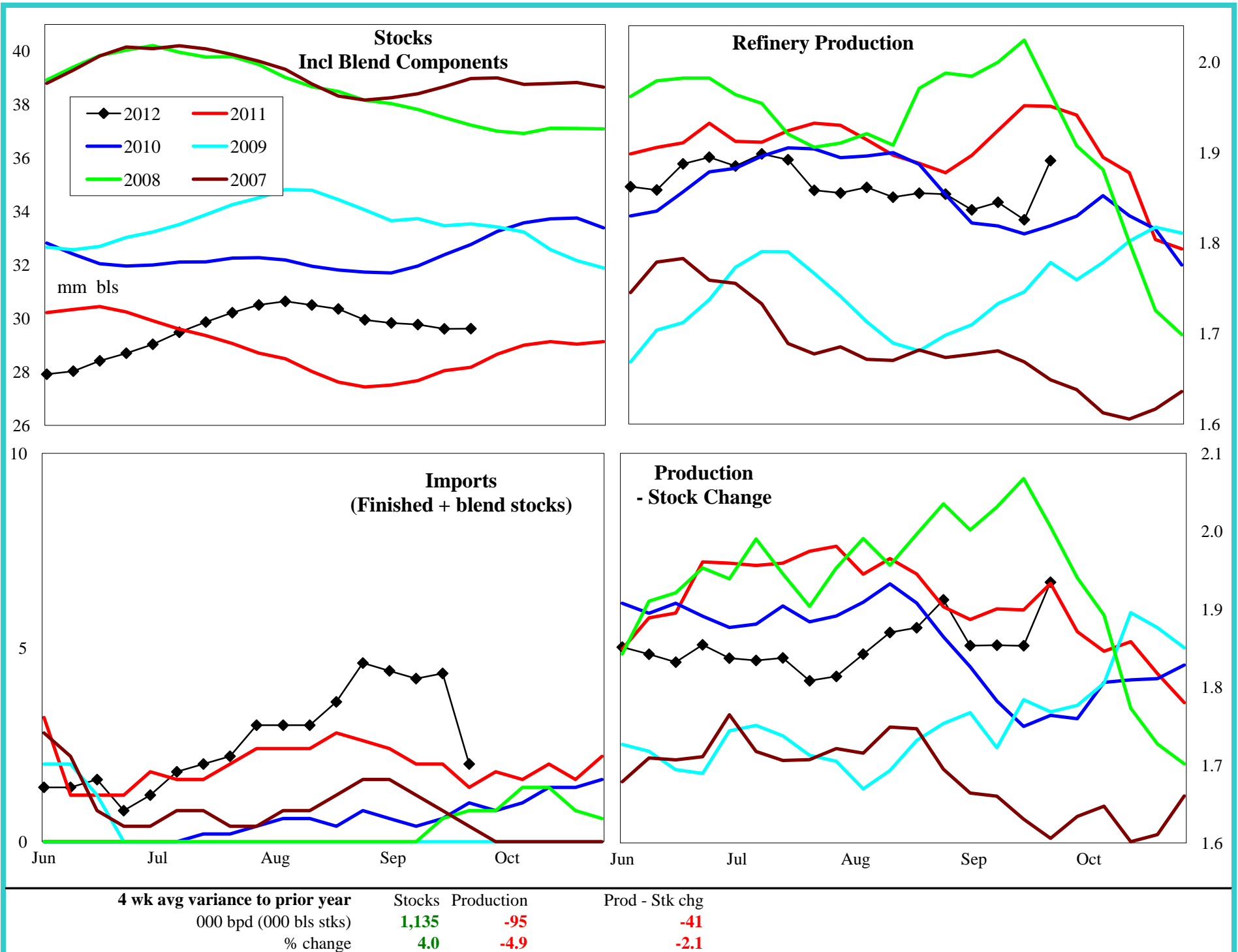
-5.5 -1.9

Prod - Stk chg

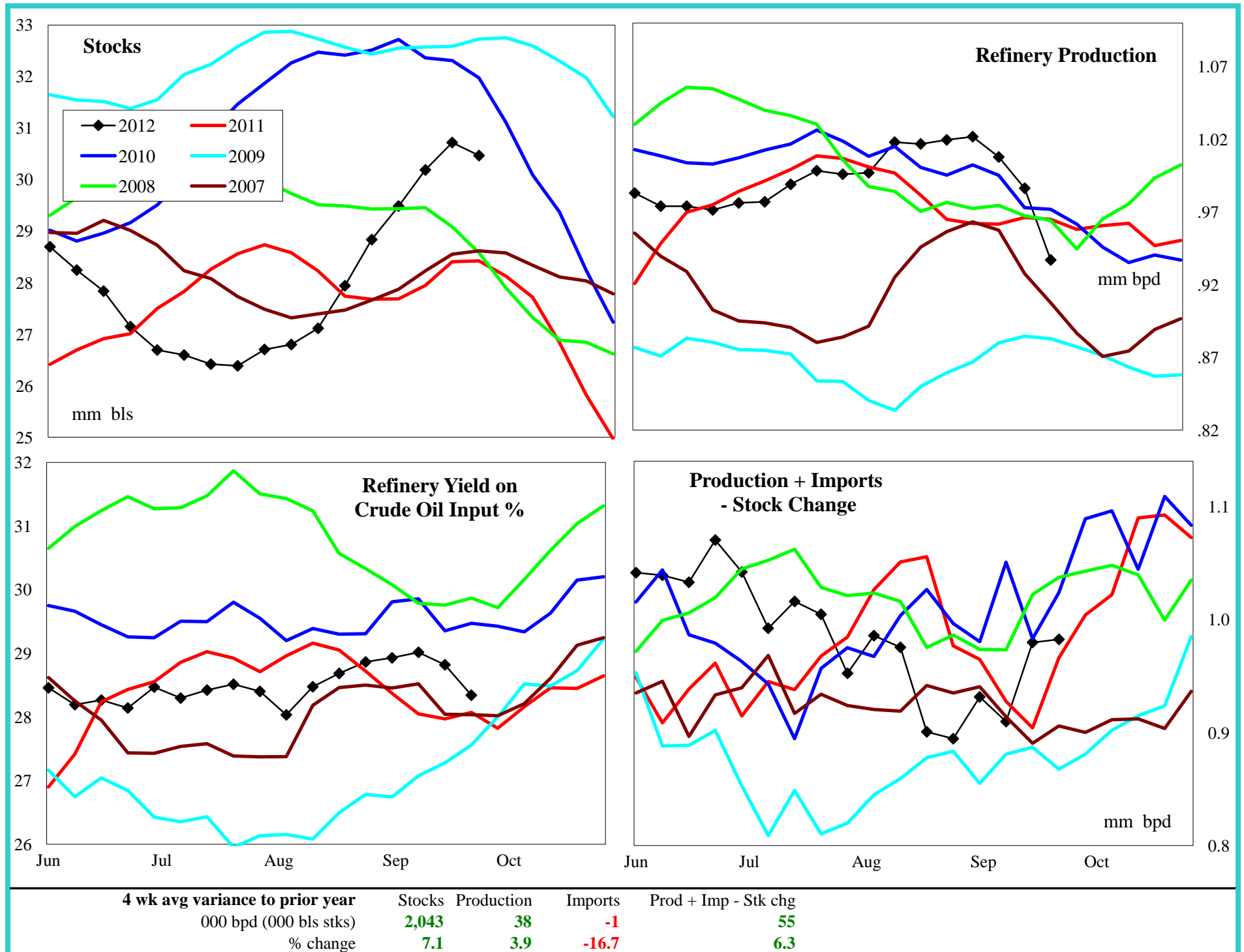
11

3.4

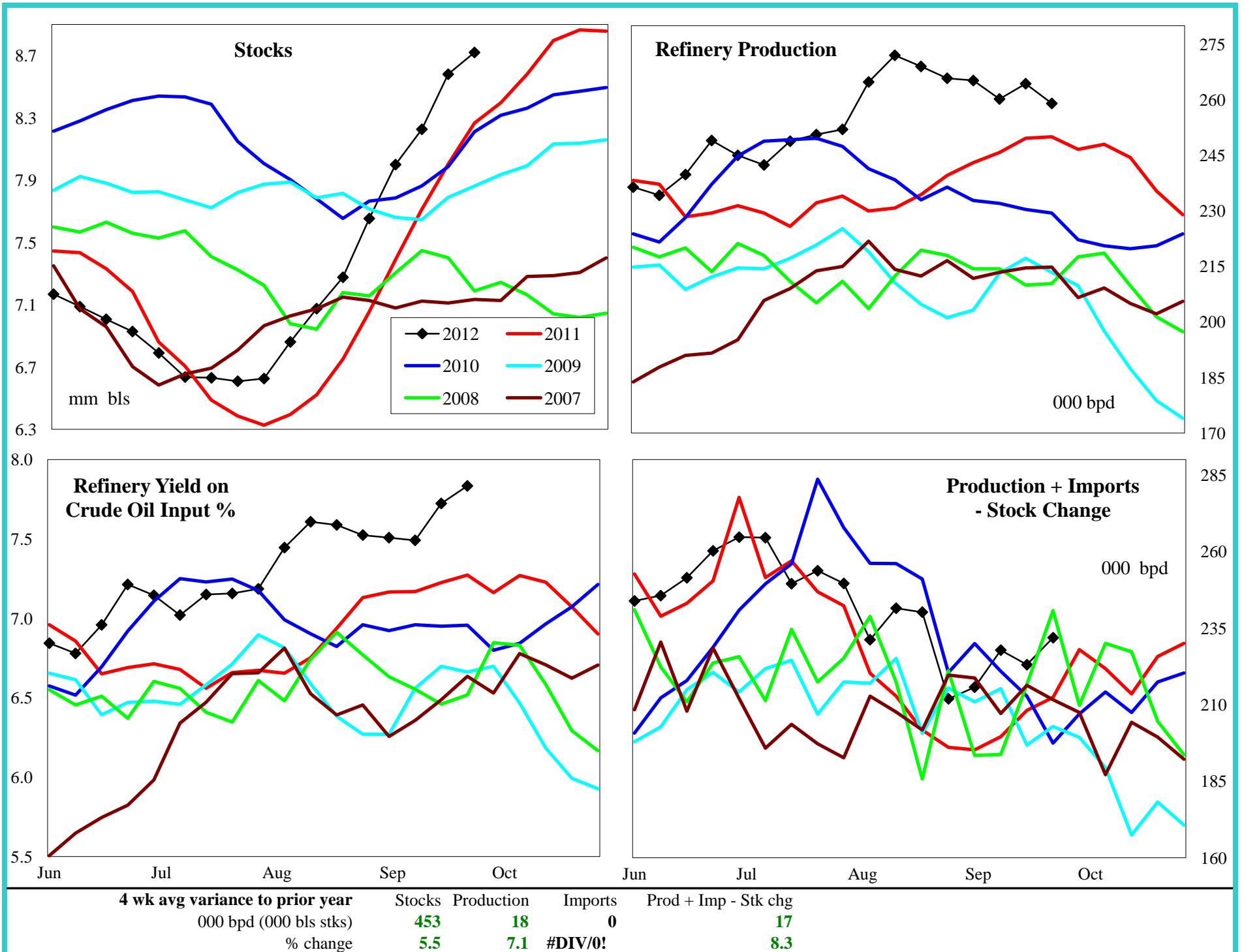
PADD 2 Conventional Gasoline Supply



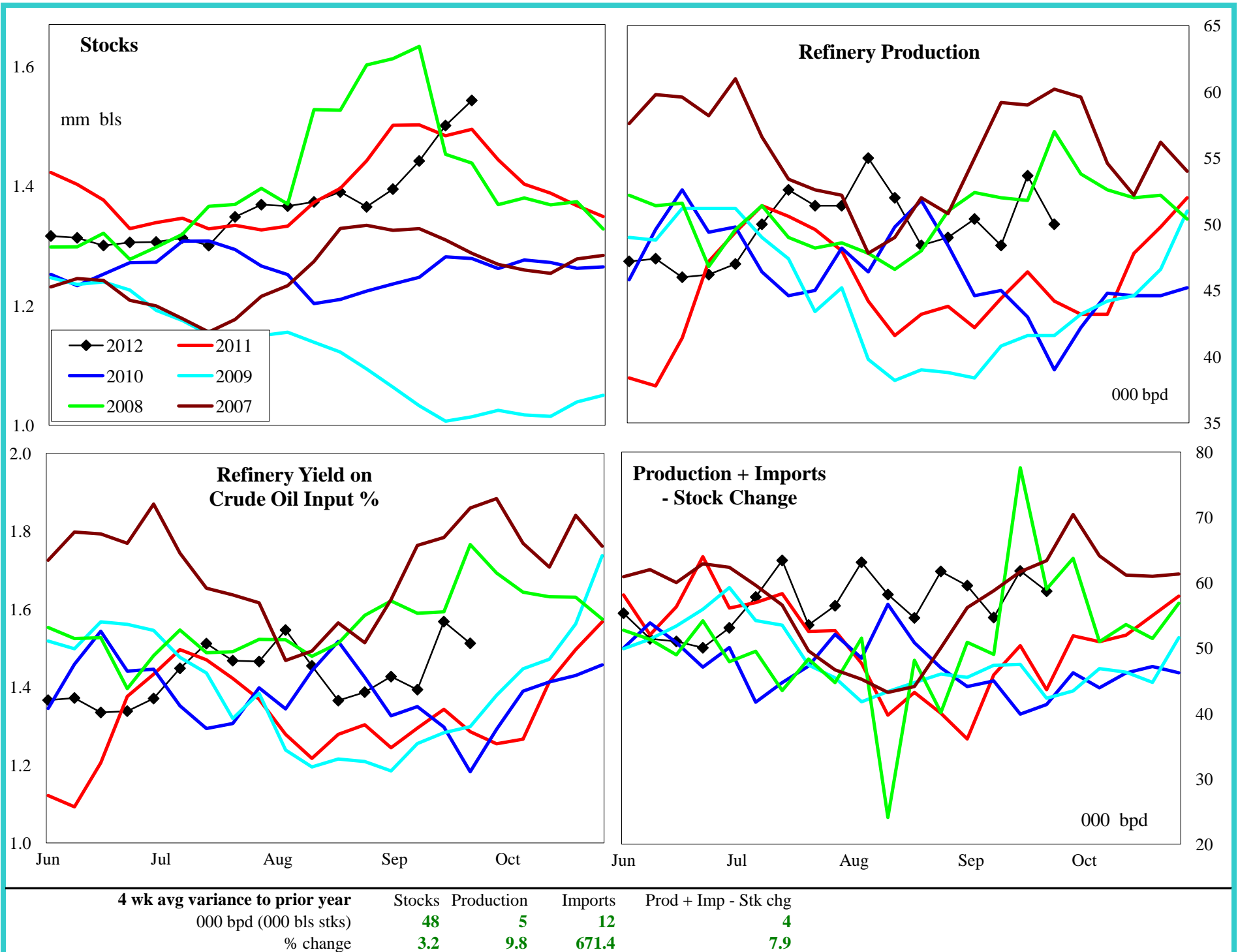
PADD 2 Distillate Supply



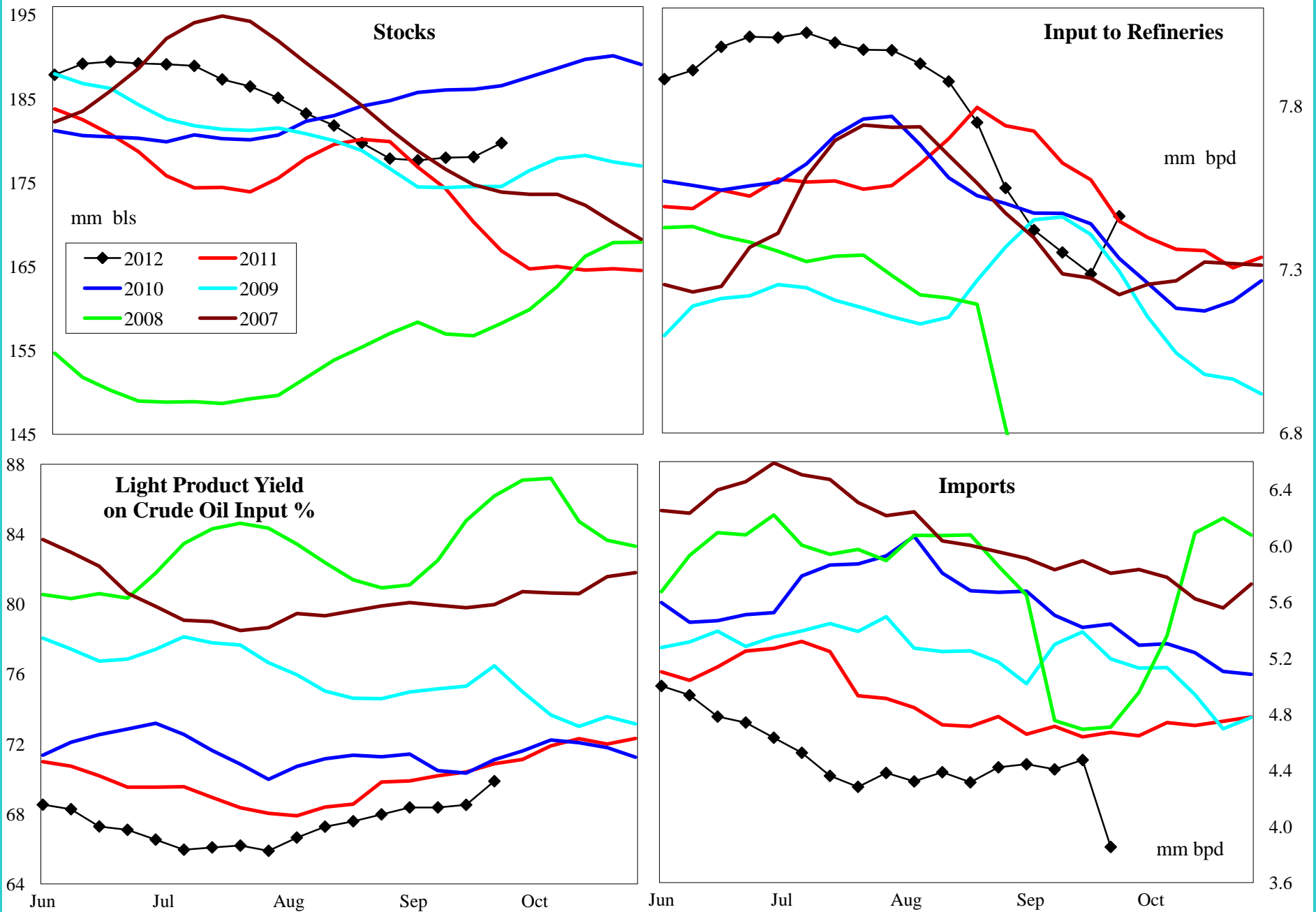
PADD 2 Jet Fuel Supply



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

12,864

7.7

Input

-348

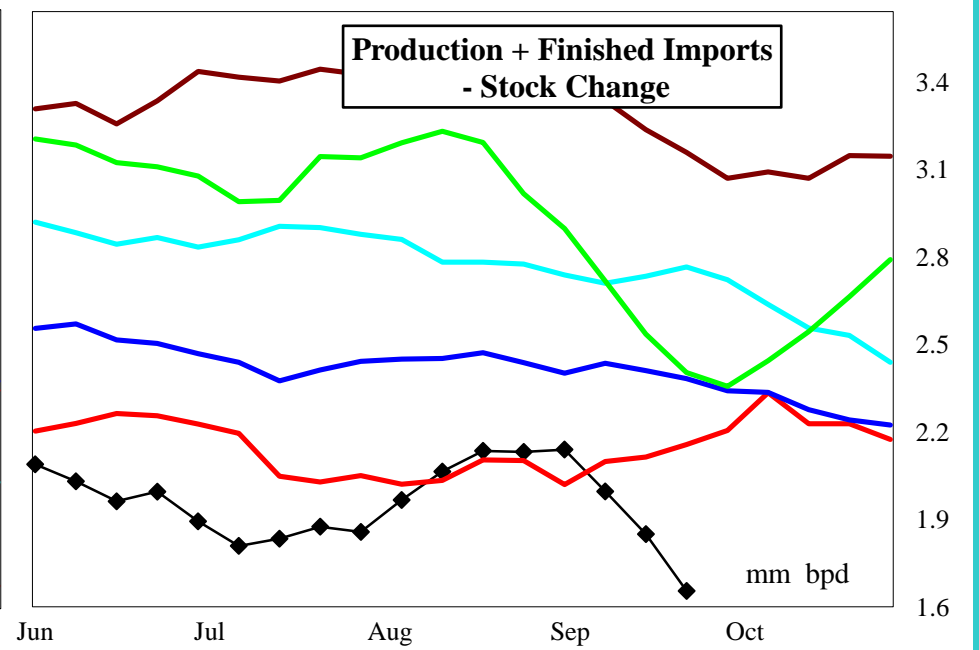
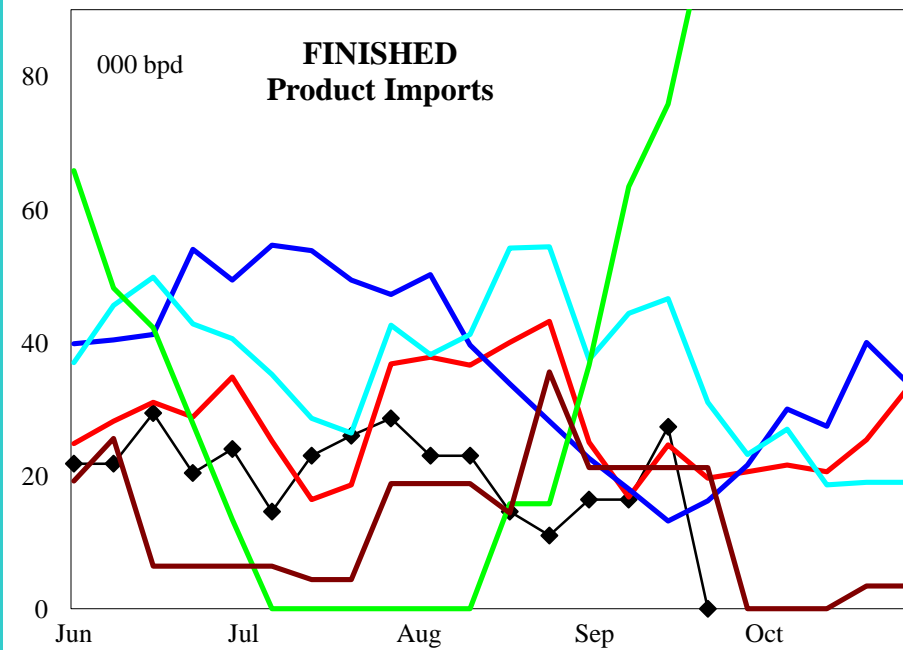
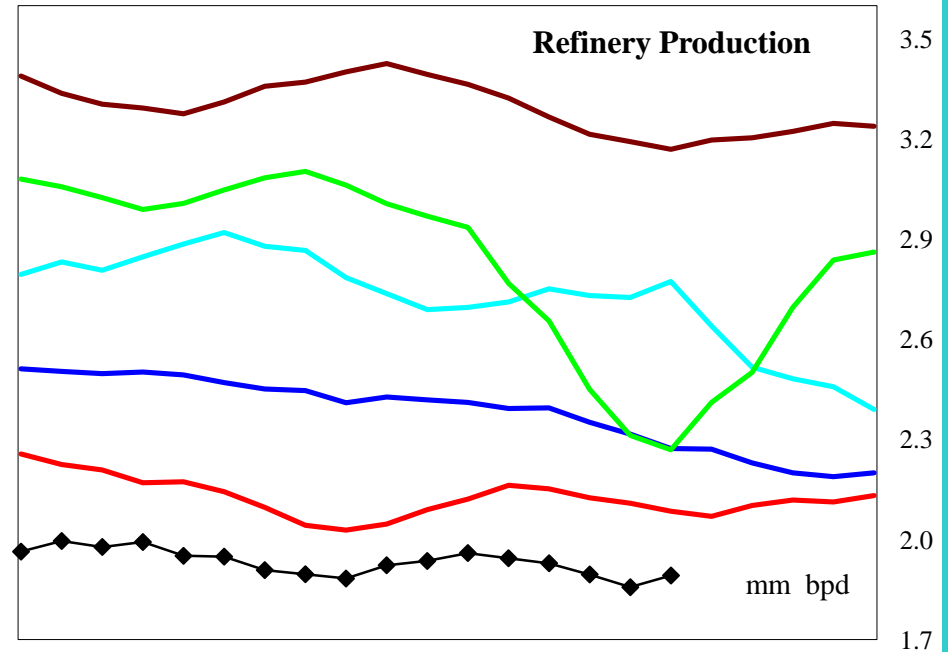
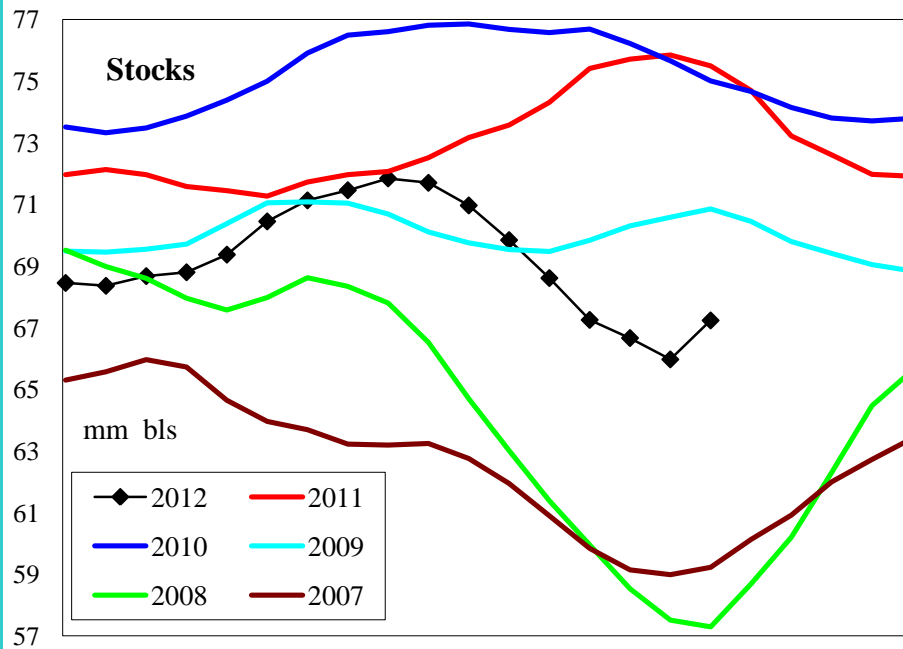
-4.6

Imports

-470

-9.9

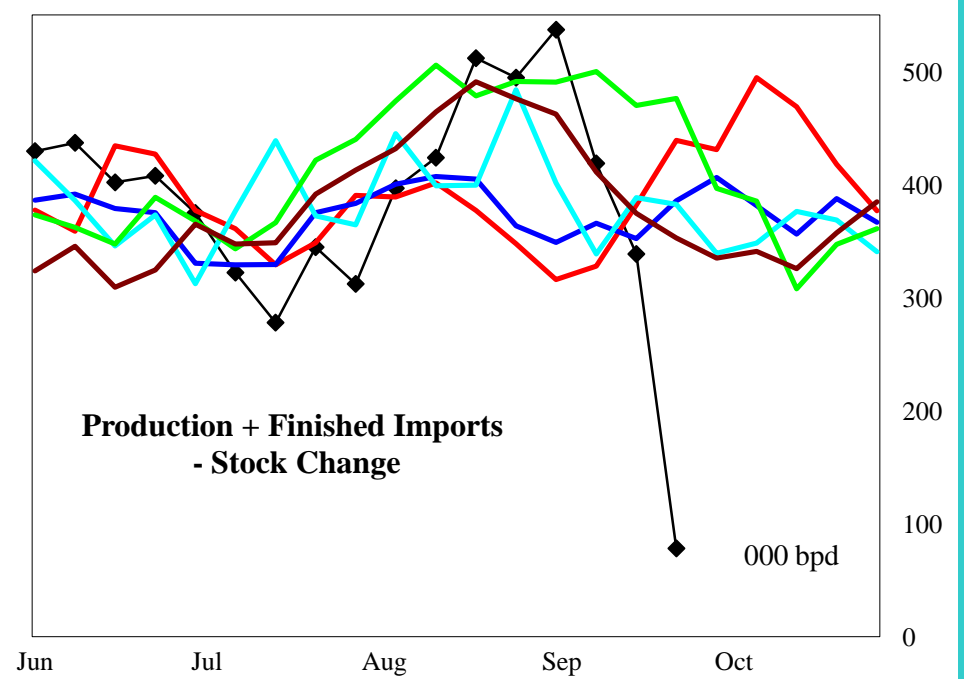
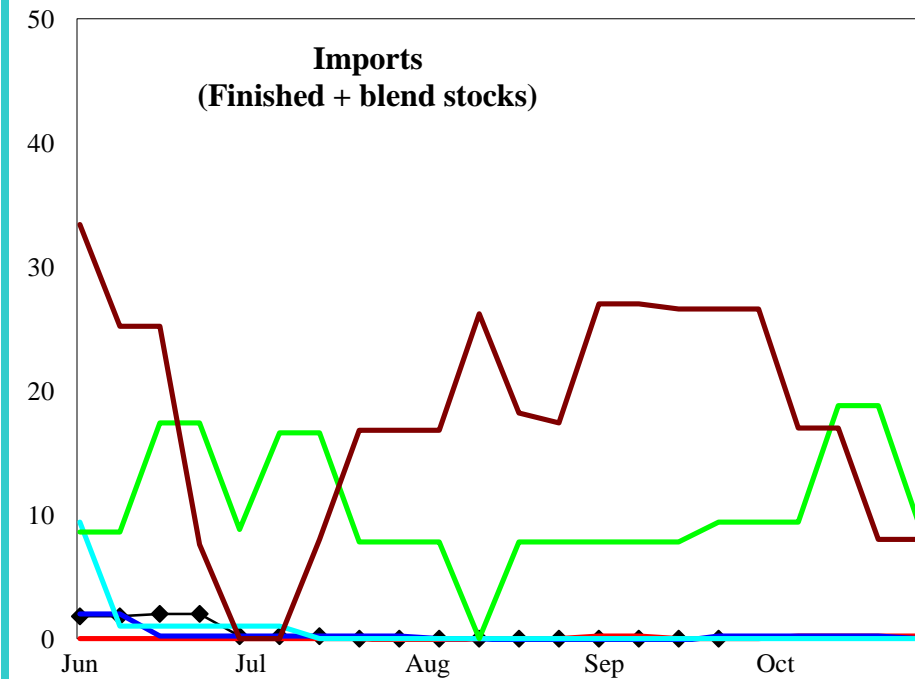
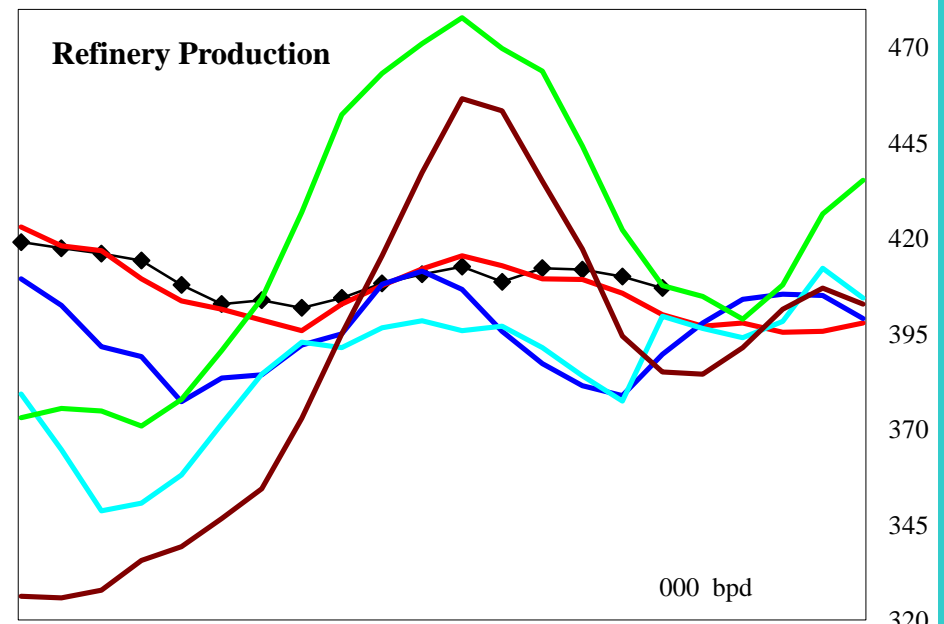
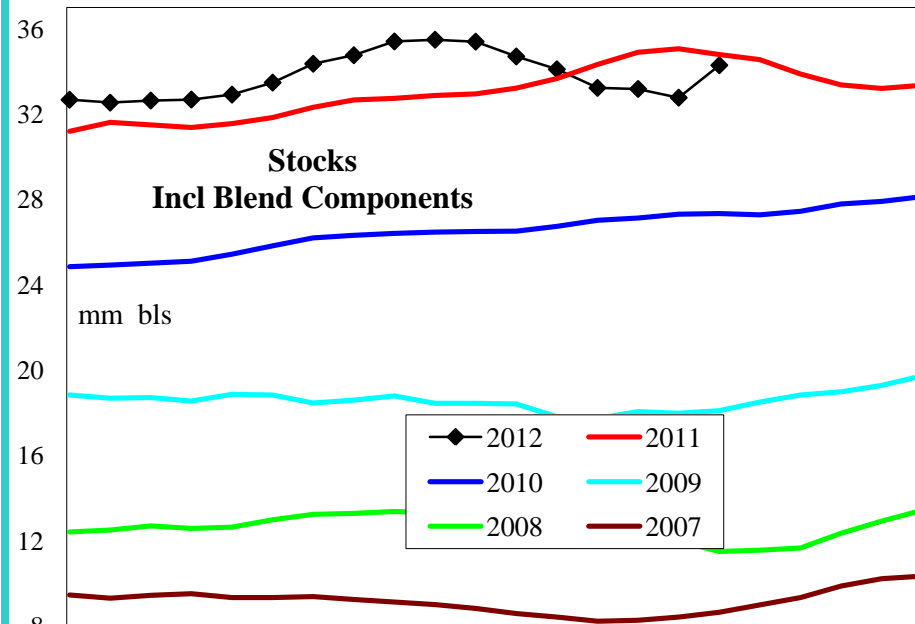
PADD 3 Gasoline Supply



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

Stocks	Production	Fin Impt	Blend Impt	Prod + Imp - Stk chg
-8,376	-222	1	-16	-110
-11.1	-10.6	6.5	-75.6	-5.3

PADD 3 Reformulated Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

-1,525

-4.2

Production

7

1.7

Imports

0

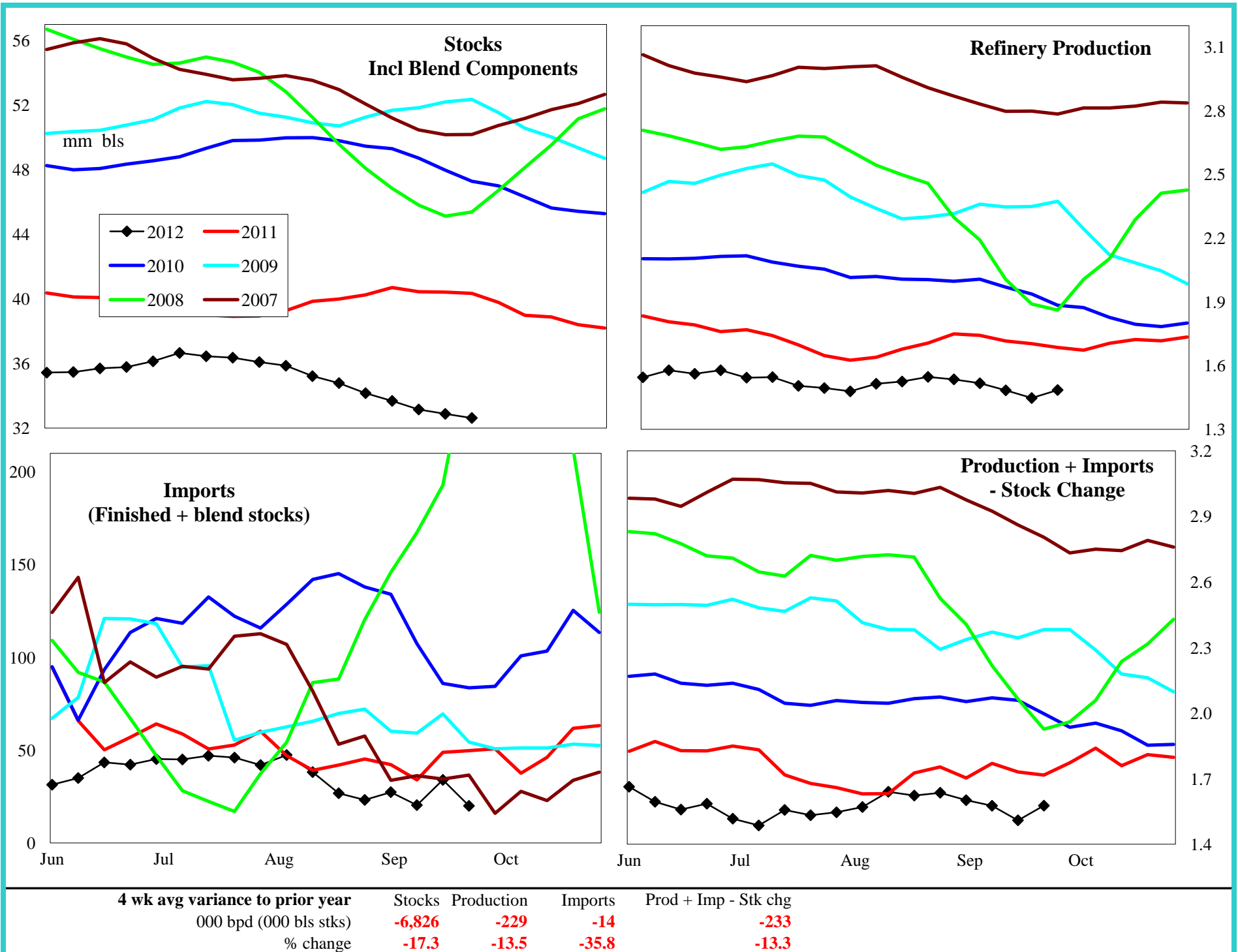
#DIV/0!

Prod + Imp - Stk chg

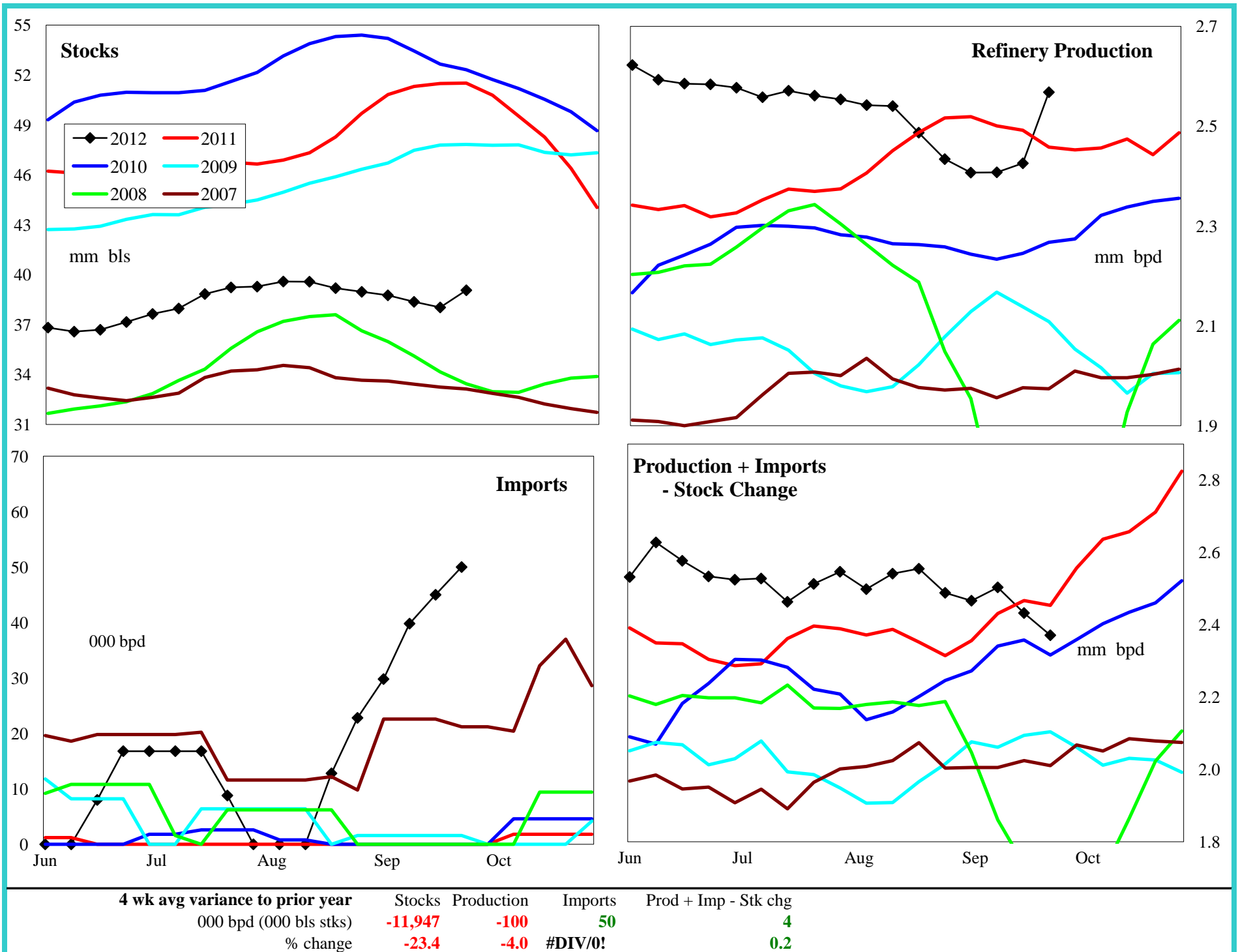
123

39.7

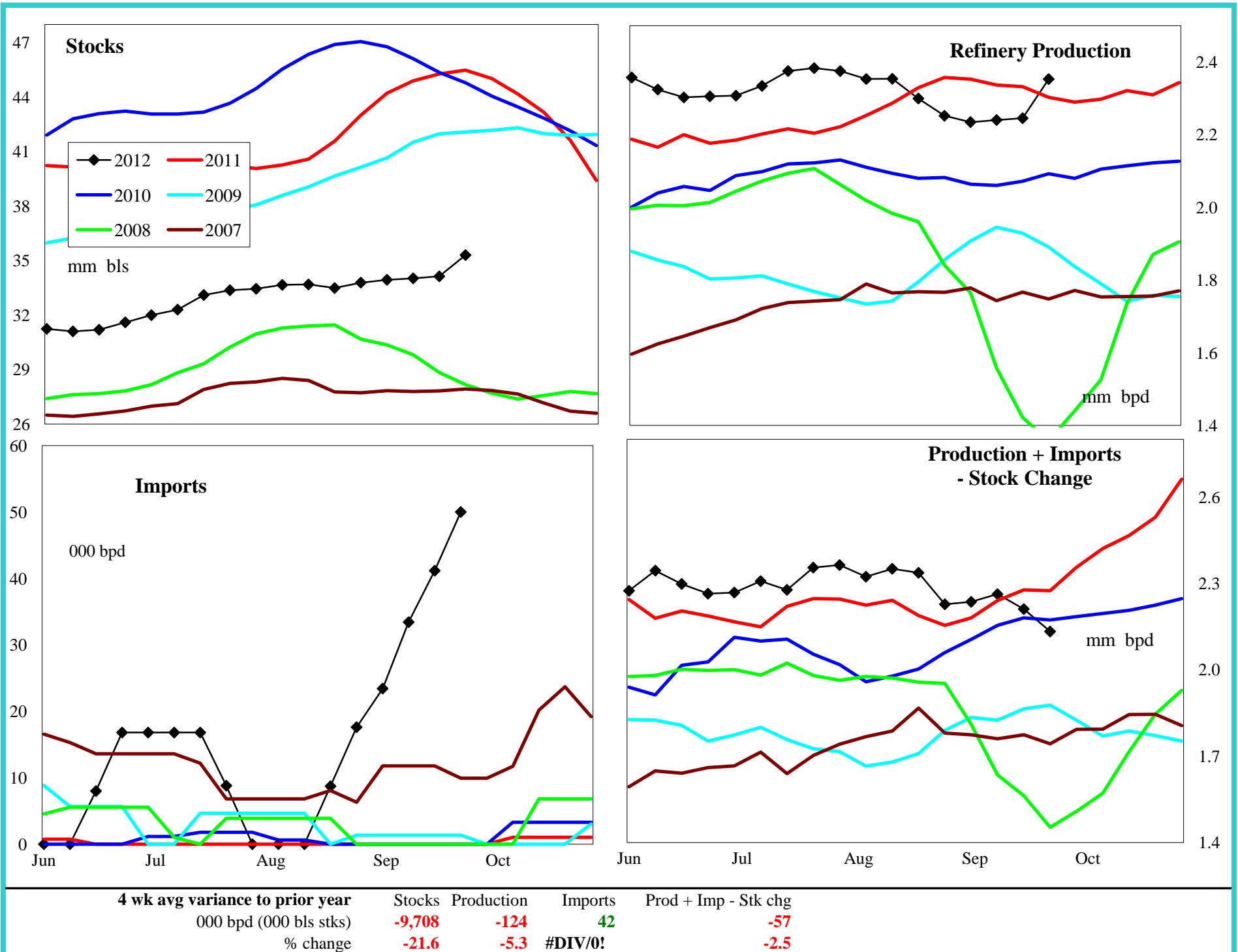
PADD 3 Conventional Gasoline Supply



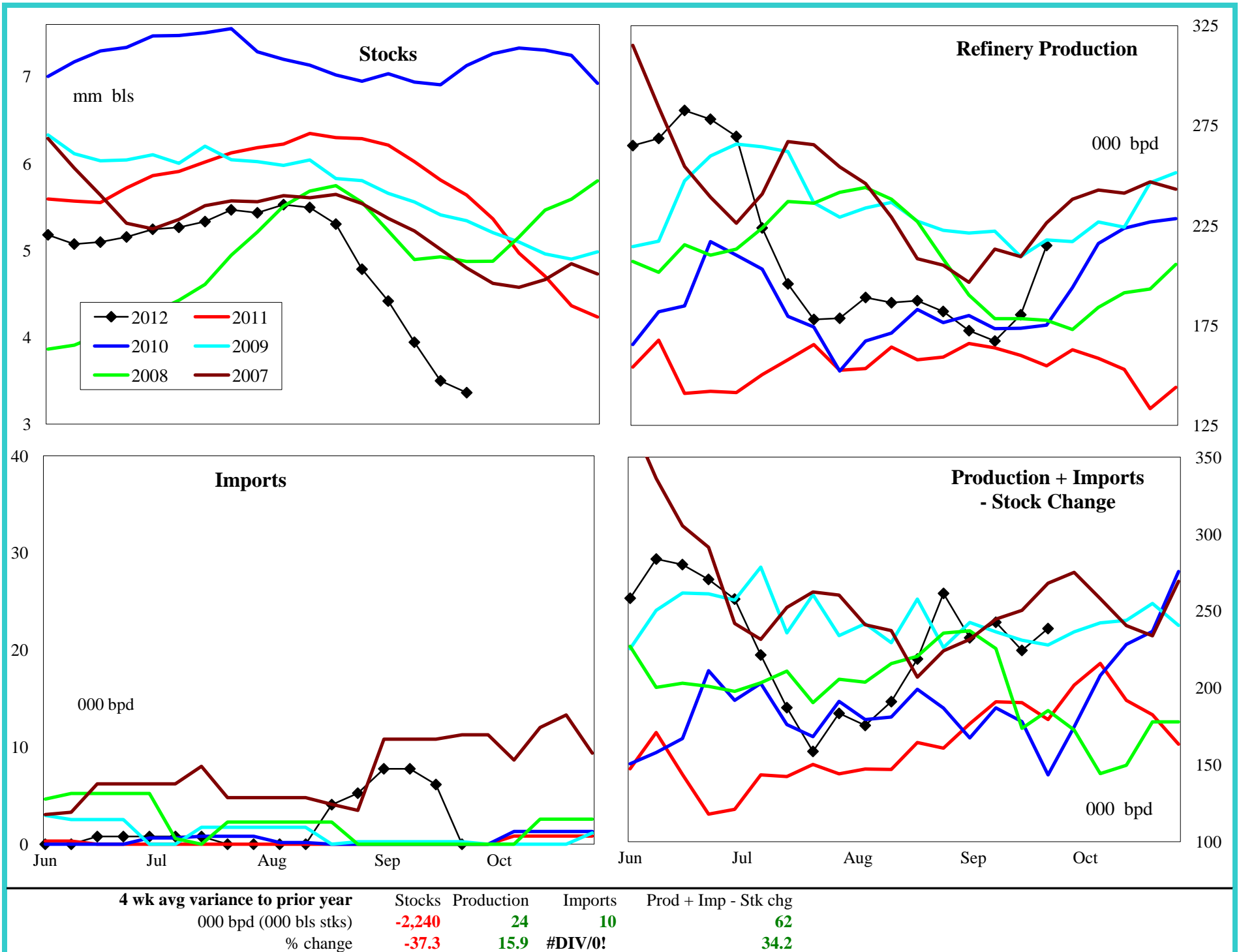
PADD 3 Distillate Supply



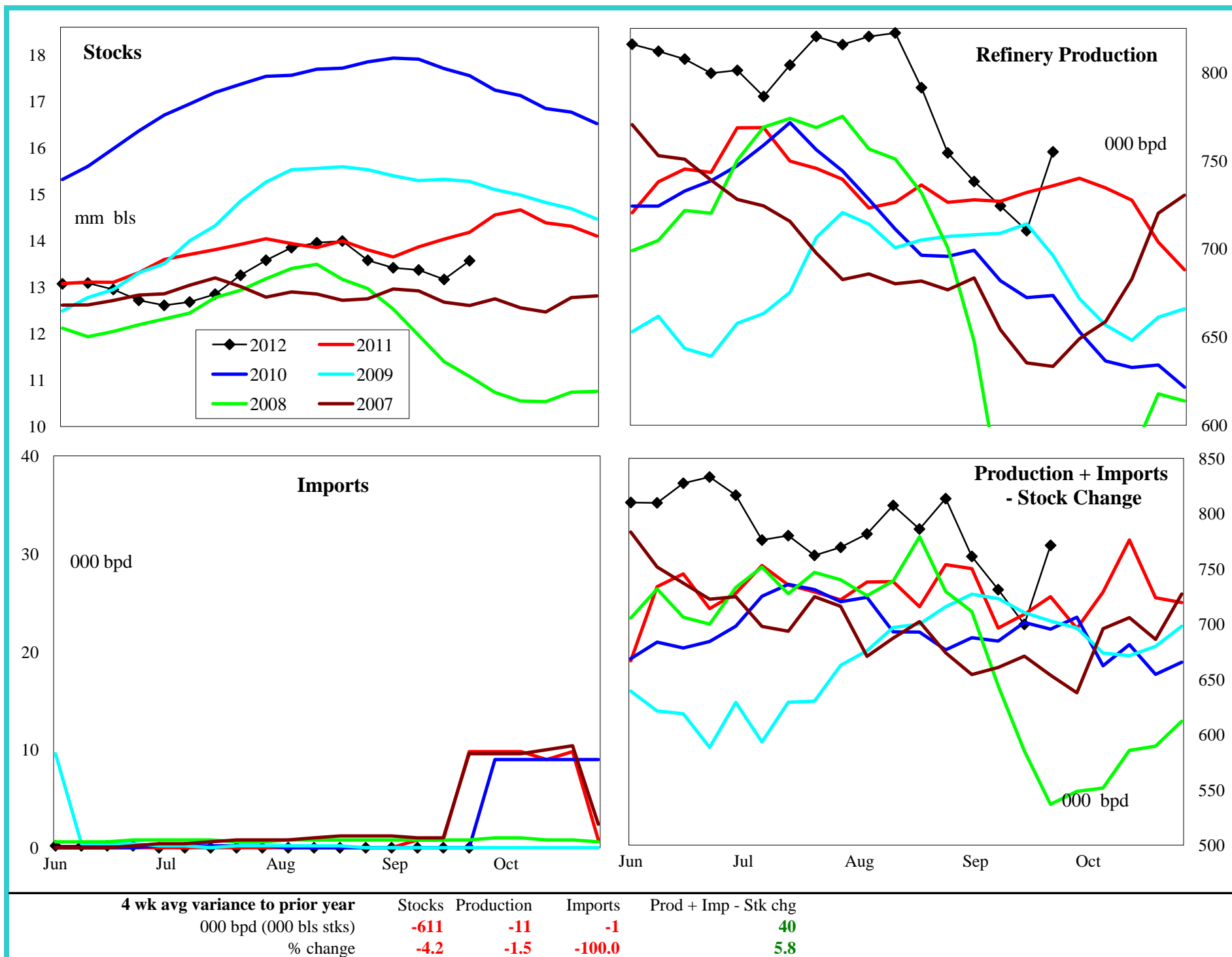
PADD 3 Low Sulfur Distillate Supply



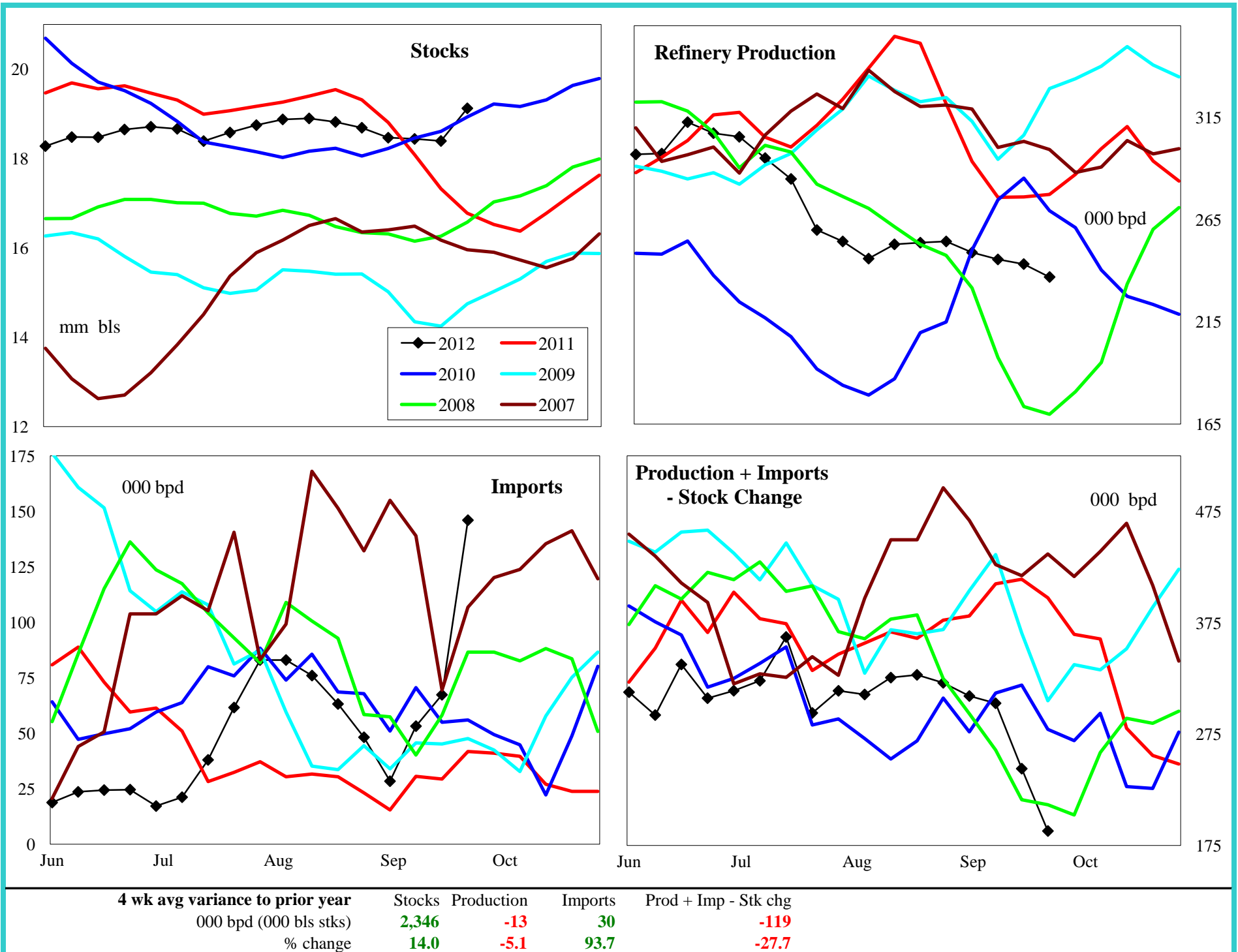
PADD 3 High Sulfur Distillate Supply



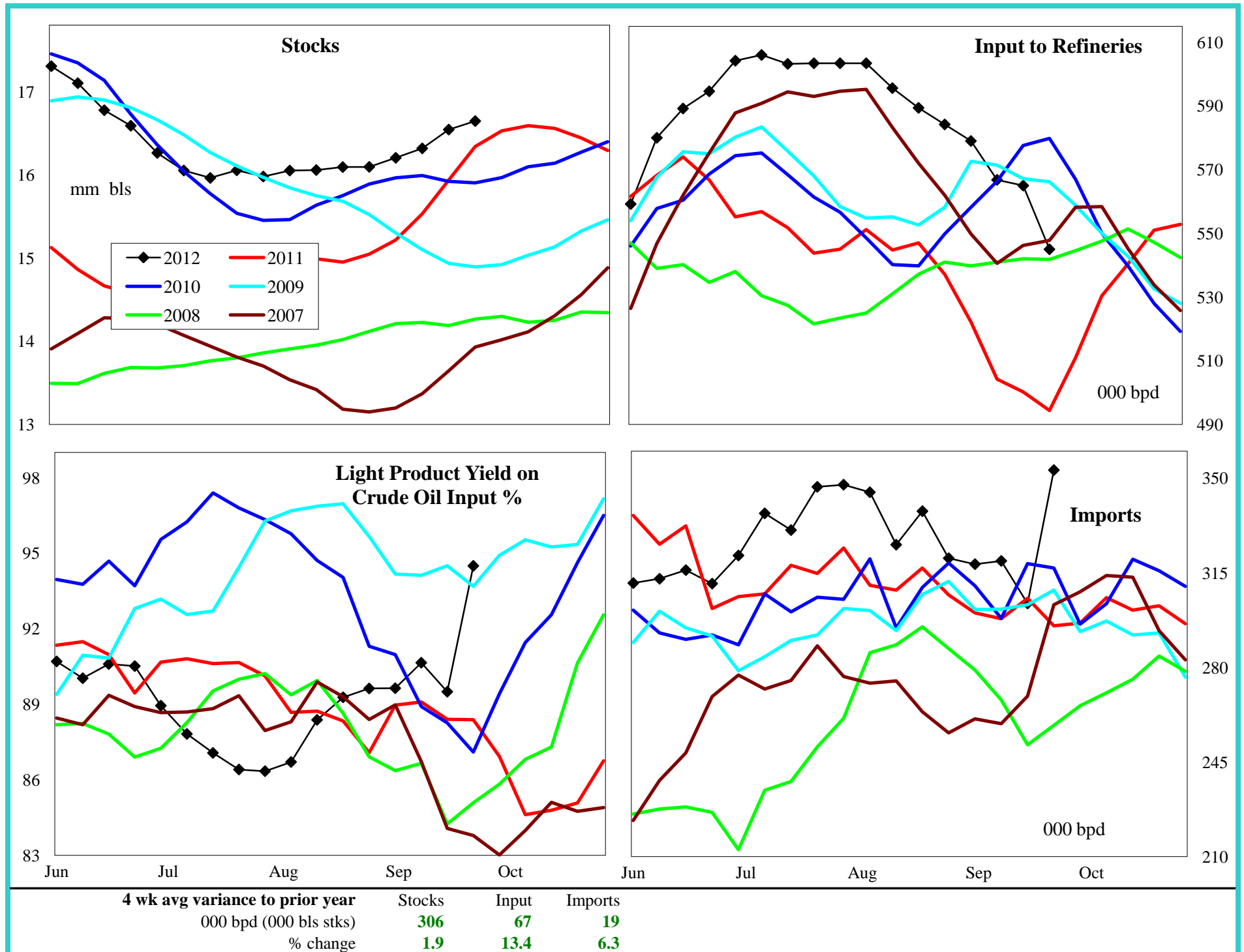
PADD 3 Jet Fuel Supply



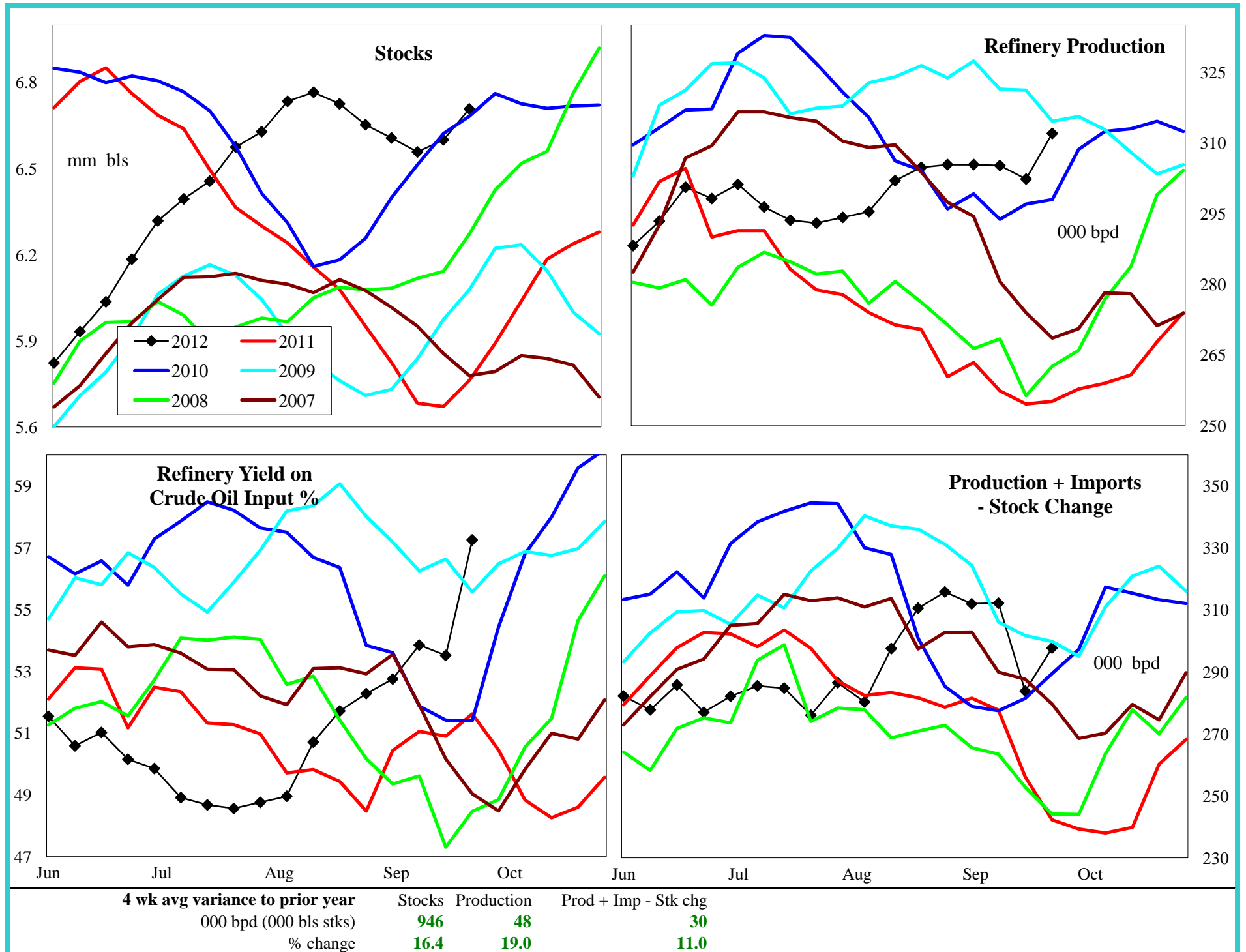
PADD 3 Residual Fuel Oil Supply



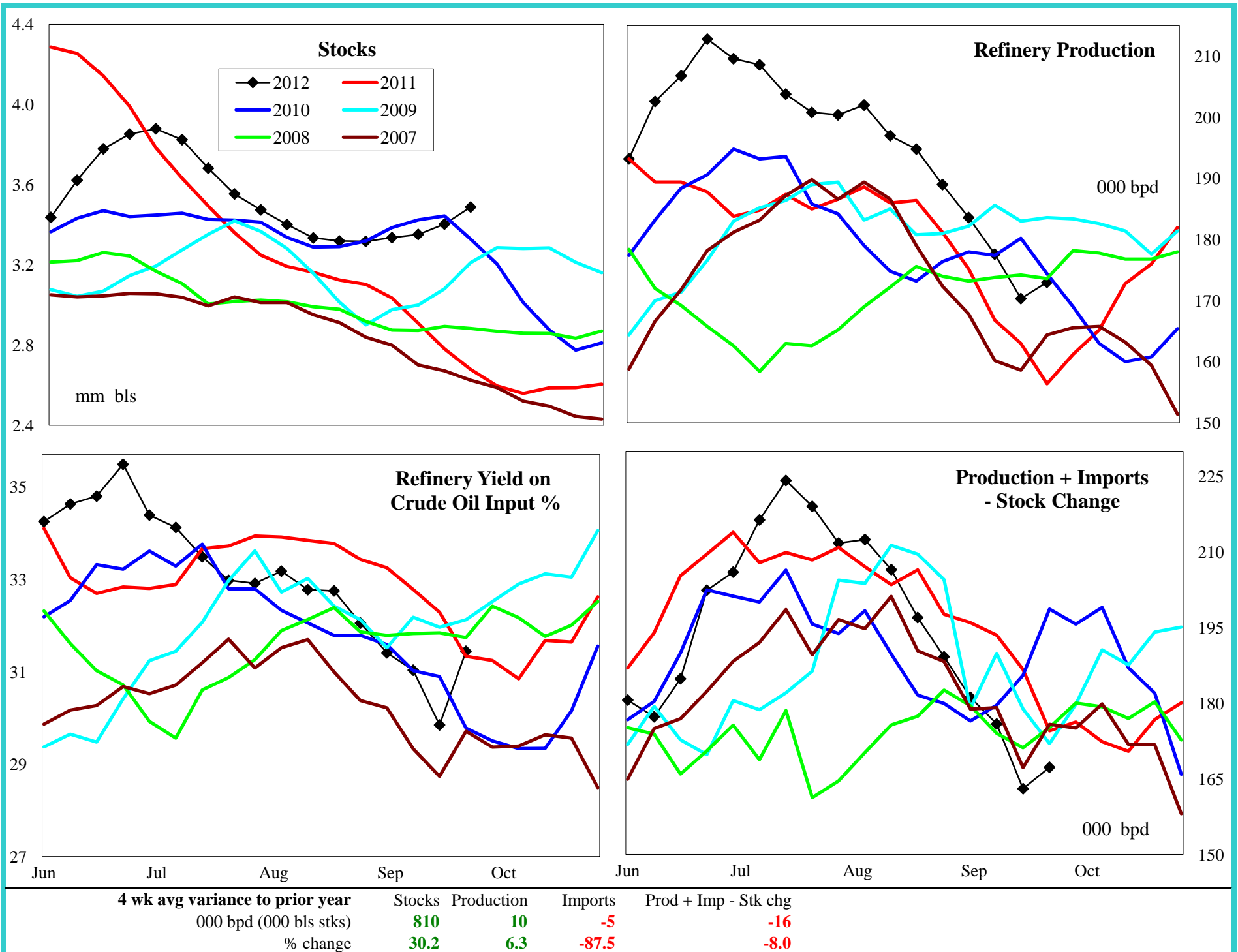
PADD 4 Crude Oil Supply and Refining



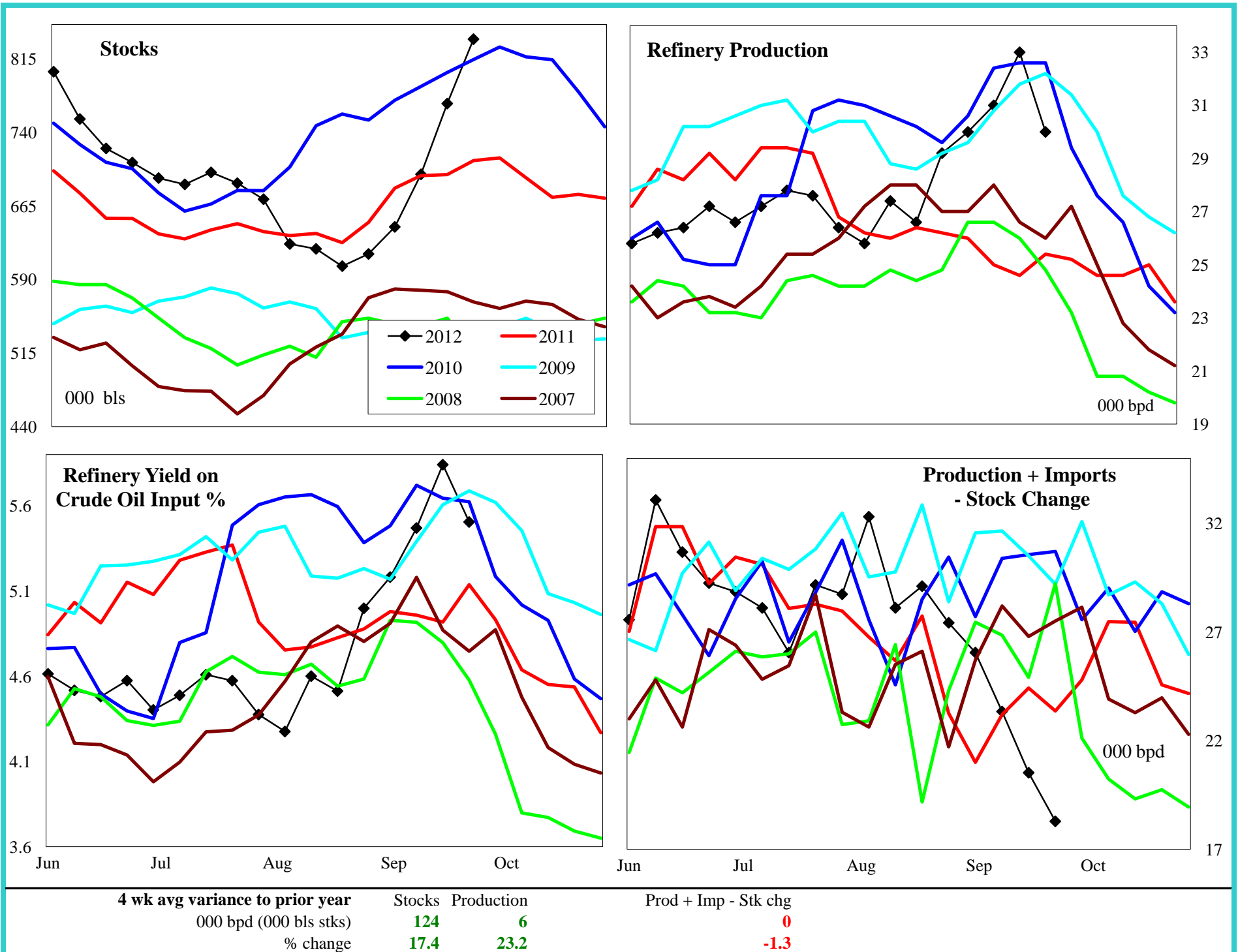
PADD 4 Gasoline Supply



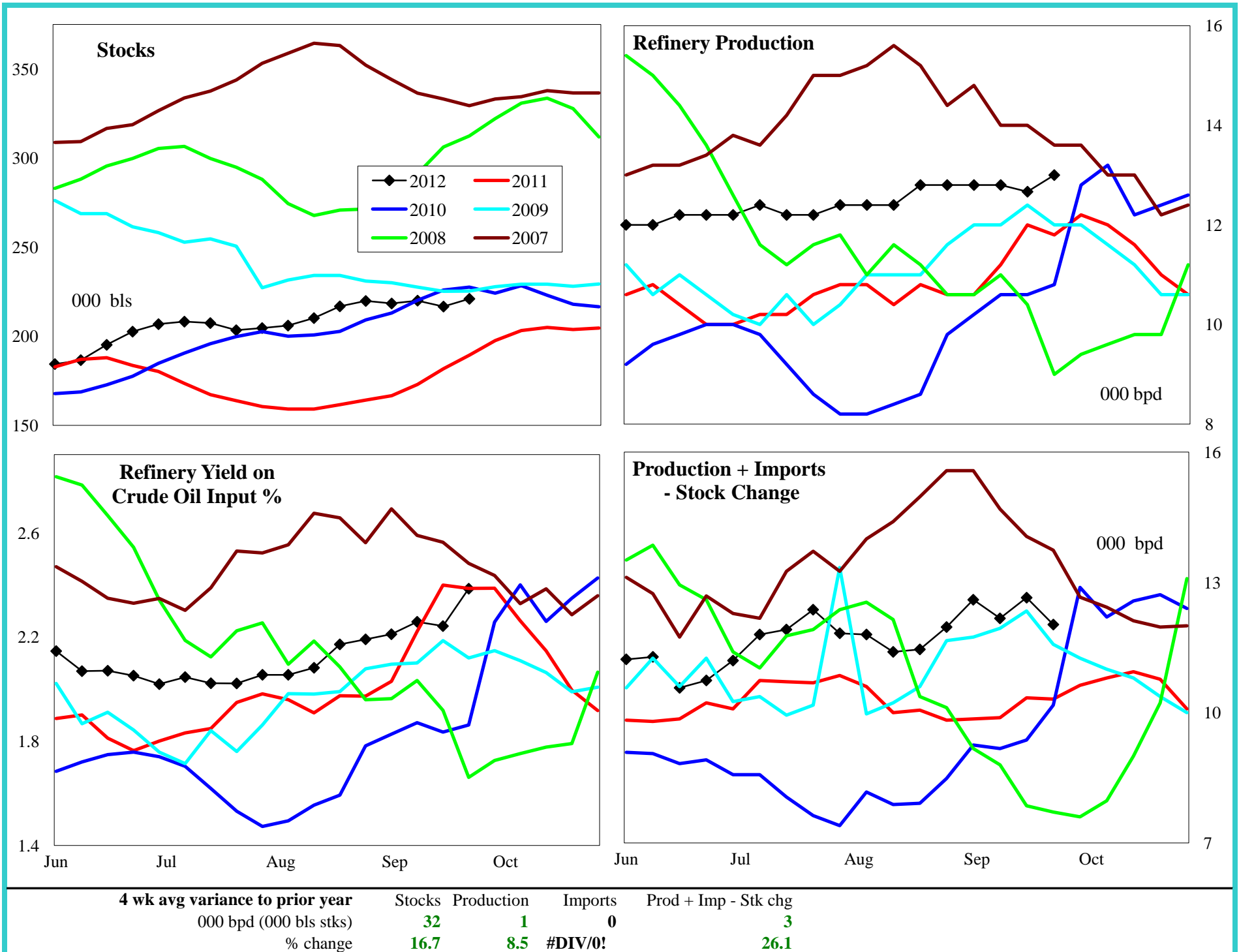
PADD 4 Distillate Supply



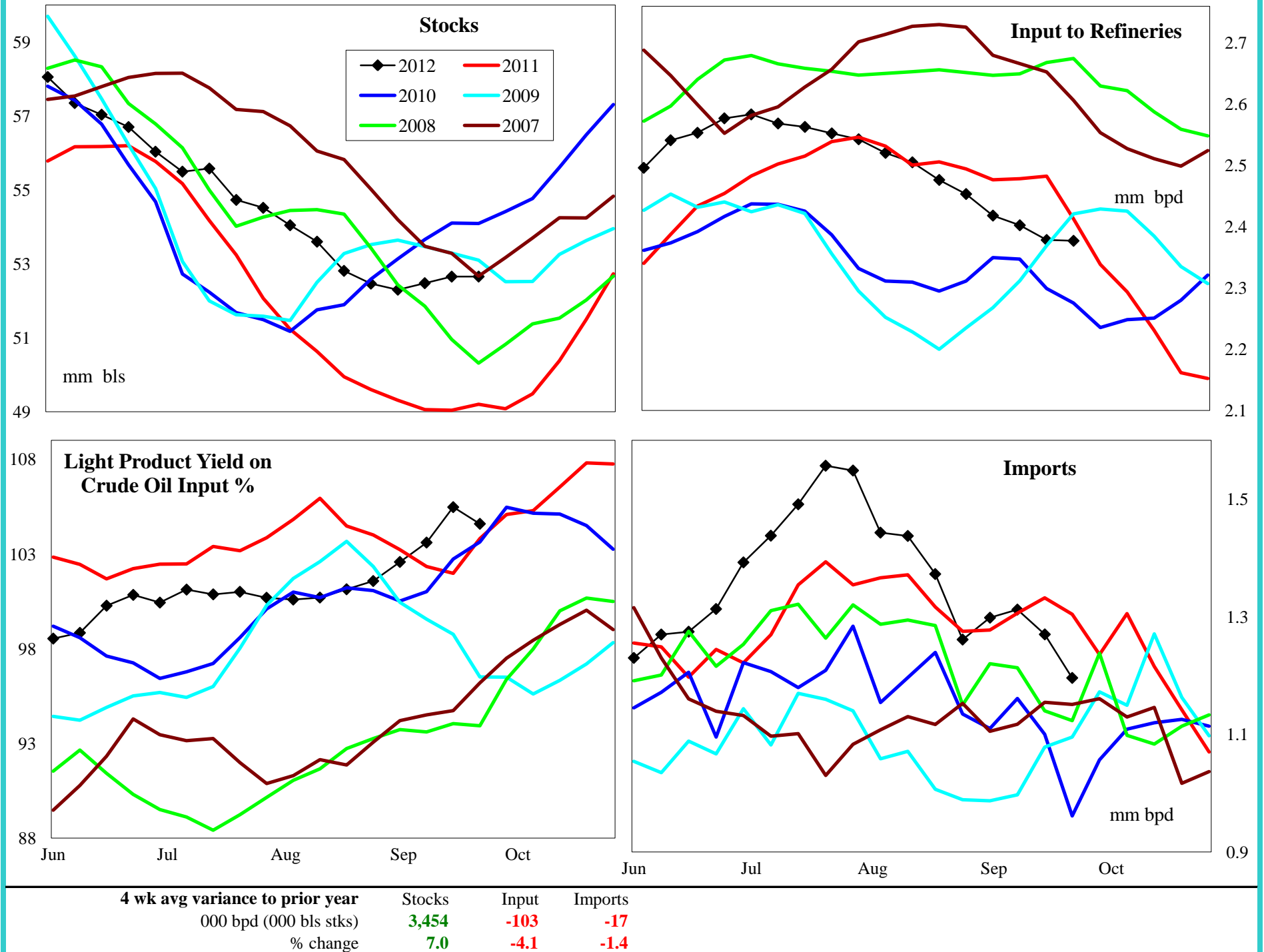
PADD 4 Jet Fuel Supply



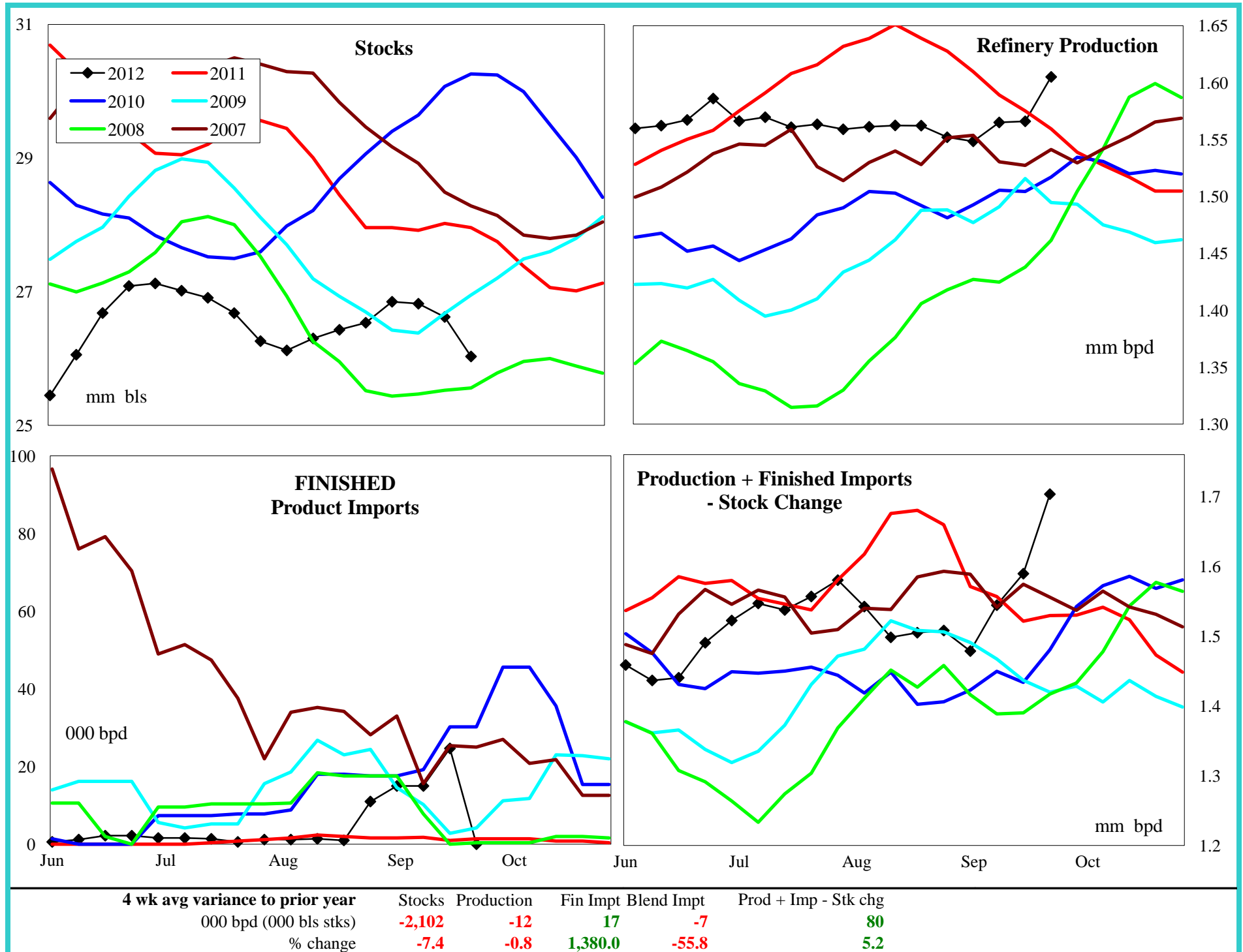
PADD 4 Residual Fuel Oil Supply



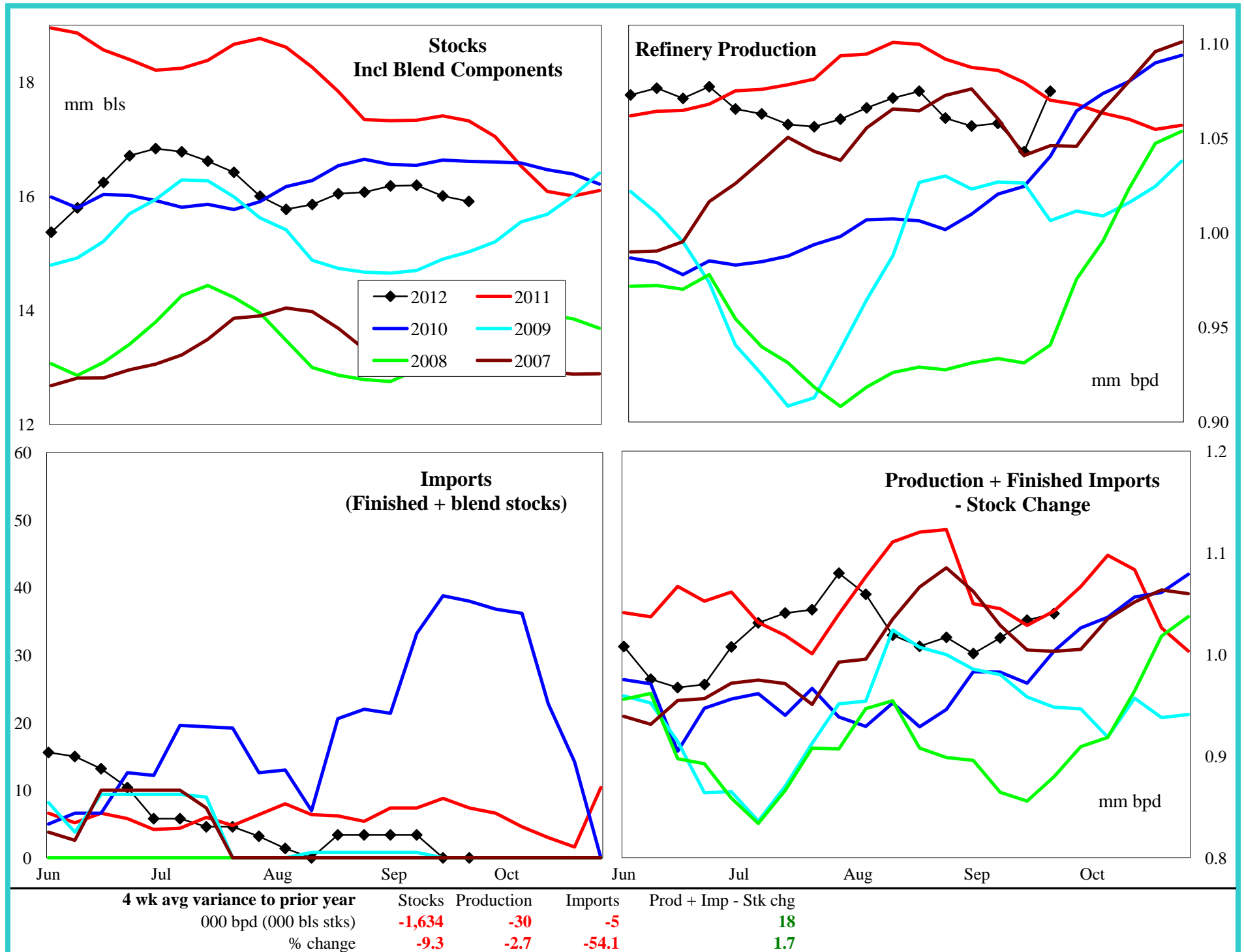
PADD 5 Crude Oil Supply and Refining



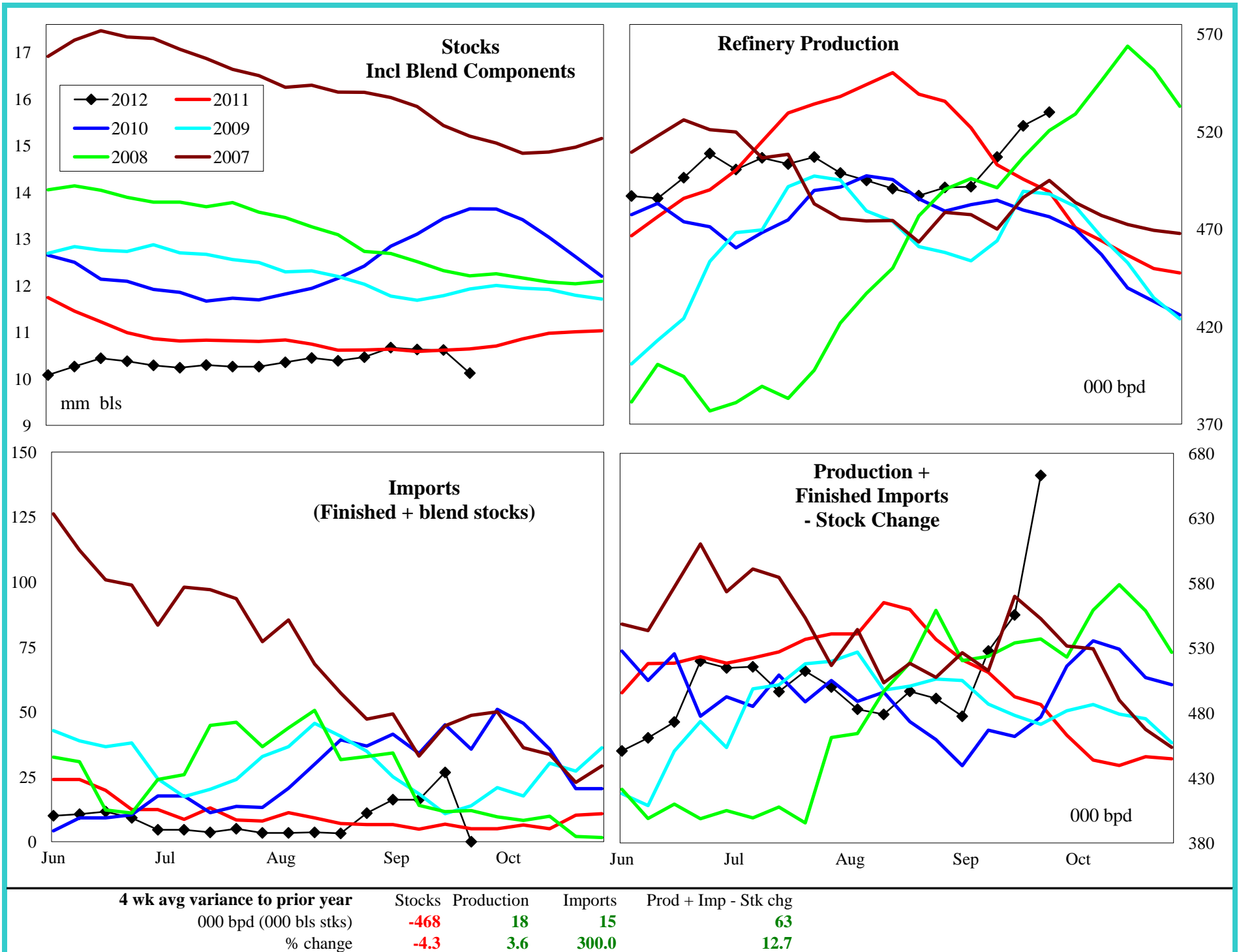
PADD 5 Gasoline Supply



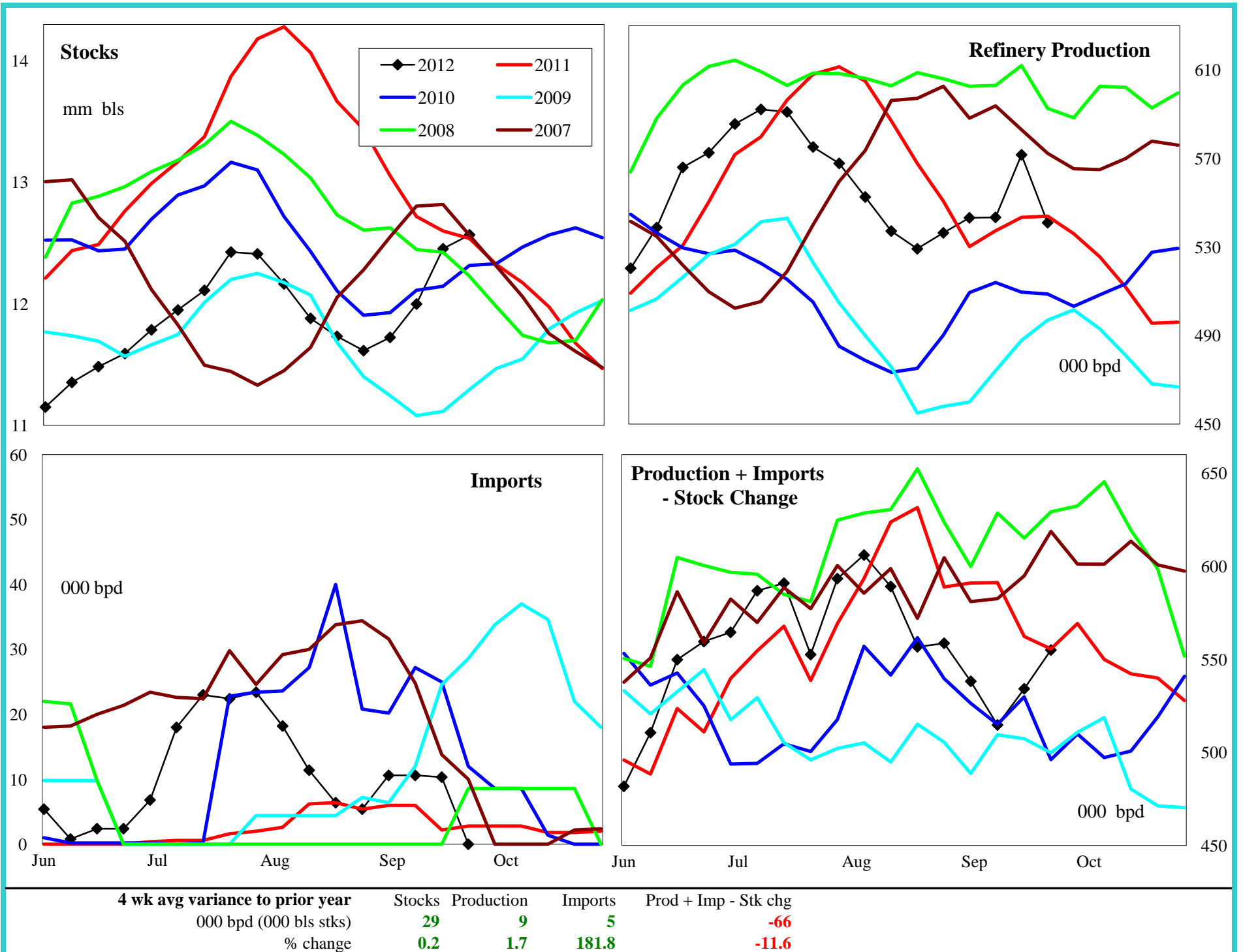
PADD 5 Reformulated Gasoline Supply



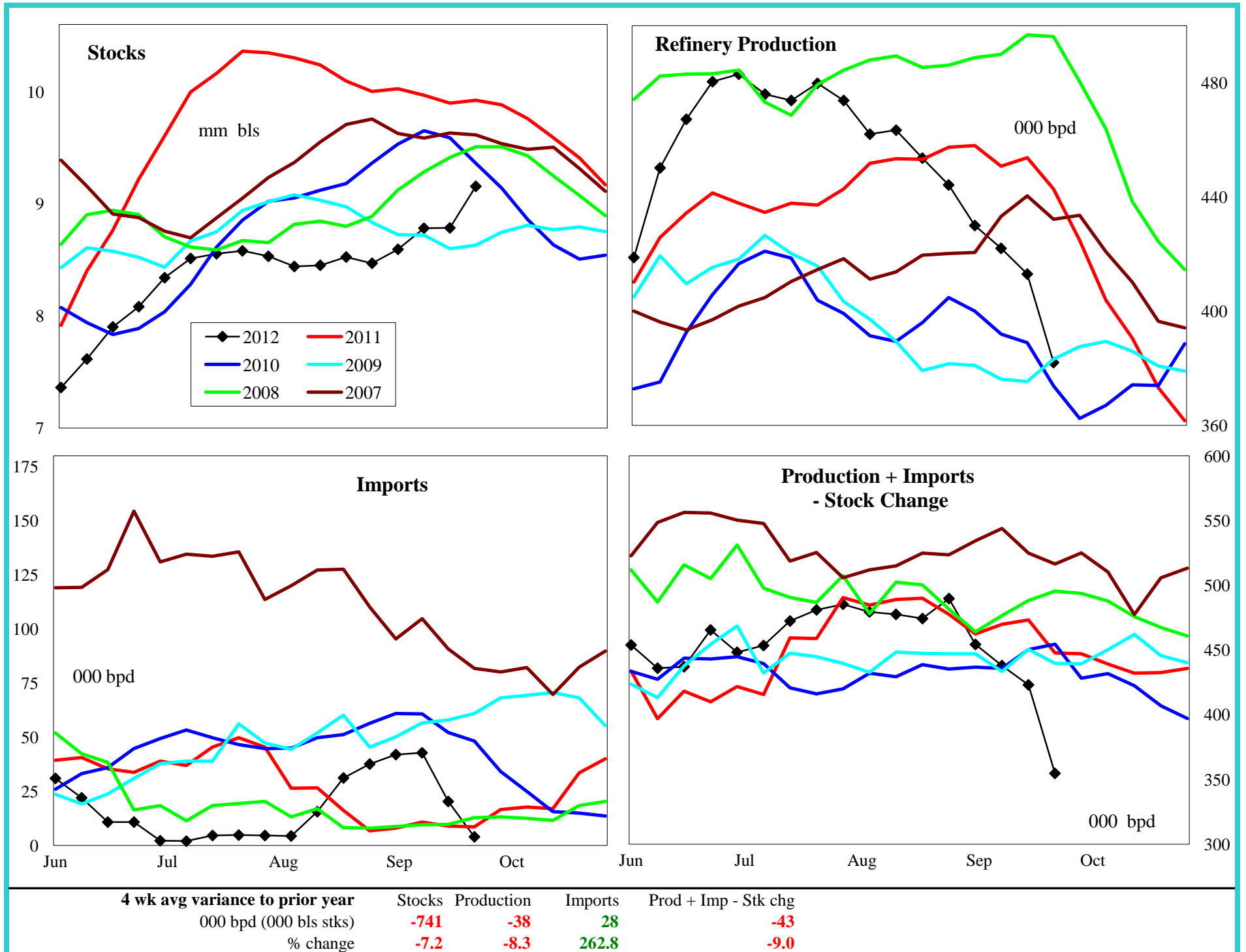
PADD 5 Conventional Gasoline Supply



PADD 5 Distillate Supply



PADD 5 Jet Fuel Supply



PADD 5 Residual Fuel Oil Supply

