



## WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

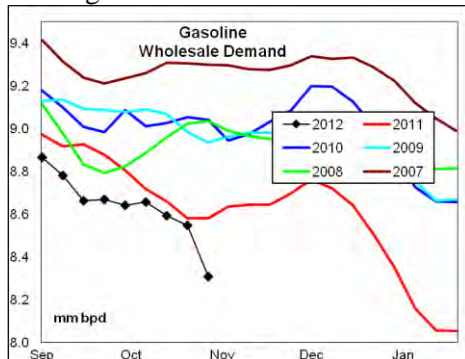
### A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Wednesday, November 07,

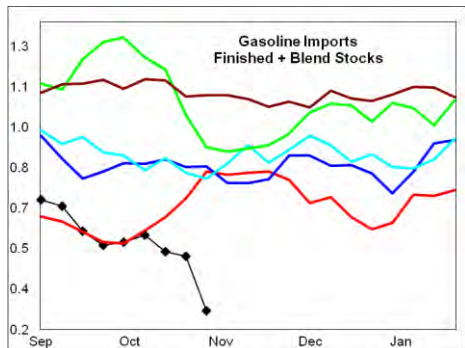


#### Major Fundamental Trends<sup>1</sup>

Hurricane Sandy led to a -0.5 million bpd collapse in gasoline wholesale demand last week, distillate demand -0.7 million bpd below a year ago for the latest 4-wks and a +4.6 million barrel gasoline stock build in the Gulf.



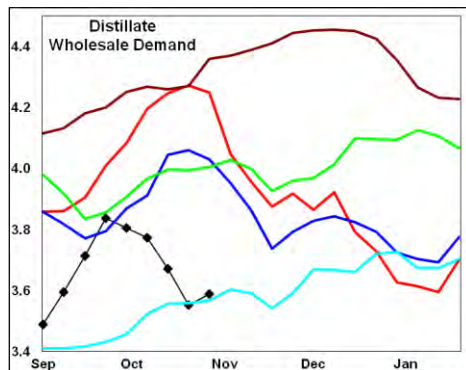
Gasoline imports also plunged to record low levels as ships were unable to offload on the East Coast.



Pipeline deliveries have resumed and imports are being unloaded so that supplies should improve as power is restored to terminals and retail outlets. The exceptionally low level of wholesale distillate demand is due in part to lower trans port use in the area impacted by Hurricane Sandy, unusually low heating degree days, disruption of heating fuel deliveries and possible distortions in the EIA estimates due to incomplete survey during and after the storm.

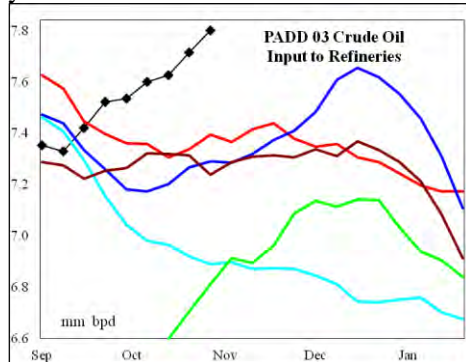
A spike in wholesale distillate demand during October 2010 and 2011, which did not occur in the three years prior, may have also impacted the year on year comparison.

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



High exports, low stock levels in key regional markets and start of winter heating season points to ongoing risk of a supply squeeze during the winter heating season for the Atlantic Basin Region (East Coast, Gulf Coast and Europe regional markets).

Crude oil refinery thru put averaged +261,000 bpd above a year ago for the latest 4-wk period. However, the year-on-year increase is concentrated in the Gulf region where runs are +348,000 bpd higher than last year.



**Demand** for gasoline plunged -0.5 million bpd last week as Hurricane Sandy shut down much of the East Coast. Distillate demand remained extremely weak. Wholesale demand, measured over the last four weeks compared to a year ago: gasoline increased +0.2%; distillate fell -15.3%; jet fuel up +3.9% while residual fuel oil decreased -14%.

**Stocks forward coverage:** Gasoline demand coverage increased on a +2.9 million barrel stock build and a -0.5 million bpd drop in demand. Coverage levels matched last years' record high.

Distillate coverage increased on a +0.1 million barrel stock build and

extremely low demand. Coverage levels matched lows of the last 3-years.

Jet fuel coverage decreased on a -1.1 million barrel stock draw and and surge in wholesale demand. Coverage levels ended the week near historic highs.

**Refinery utilization** rates decreased last week on a -183,000 bpd decrease in crude oil runs. During the latest 4-wk period crude oil input was +261,000 bpd above a year ago.

Gasoline yield % on crude oil runs fell on a -311,000 bpd decline in output compared to the -183,000 bpd drop in crude oil runs. Yield % on crude oil runs fell below the 3-year range.

Distillate yield % on crude oil runs increased on a +55,000 bpd rise in production, compared to the drop in crude oil runs. The yield % on crude oil runs matched last years' historic high level.

Jet fuel yield % on crude oil runs declined on a +-39,000 bpd drop in output, compared to the decrease in crude oil runs. The yield % was above the 5-year range.

**Petroleum Imports** of gasoline were -346,000 bpd lower last week due to hurricane Sandy. Jet fuel imports fell from recent highs to record lows for the week. During the latest 4-wk period crude oil imports were -0.4 million bpd below last year; distillate imports decreased -62,000 bpd; finished gasoline imports decreased -47,000 bpd, gasoline blend stock imports decreased -134,000 bpd; jet fuel imports were +44,000 bpd higher, while residual fuel oil imports fell -7,000 bpd.

**Crude Oil** imports remain extremely low, down -0.4 million bpd from last year for the latest 4-wk period. Stocks increased +1.8 million barrels on the week, with modest builds in all regions except the East Coast. Cushing stocks ended the week +11.2 million barrels above last year, +35%.



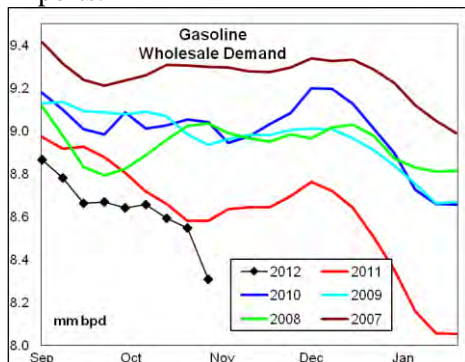
## WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

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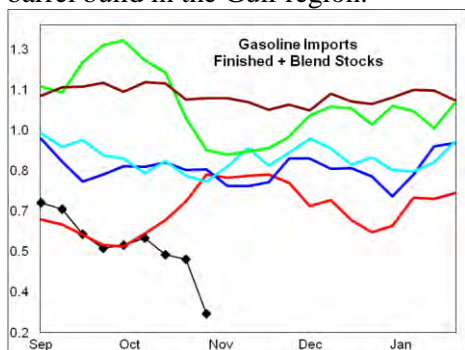
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#### Product Supply-Demand Trends

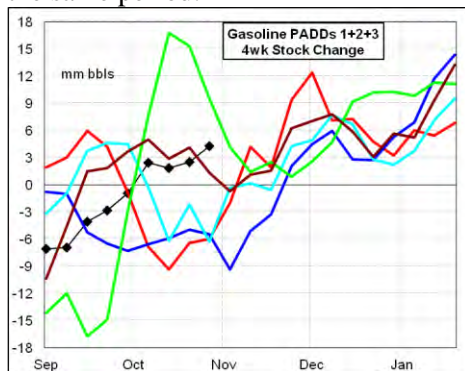
**Gasoline** demand collapsed -537,000 bpd last week, as a result of Hurricane Sandy. The latest 4-wk average demand was +21,000 bpd above a year ago. Supply fell -657,000 bpd last week, driven by a sharp drop in imports.



Stocks increased +2.9 million barrels on the week, including a +4.6 million barrel build in the Gulf region.



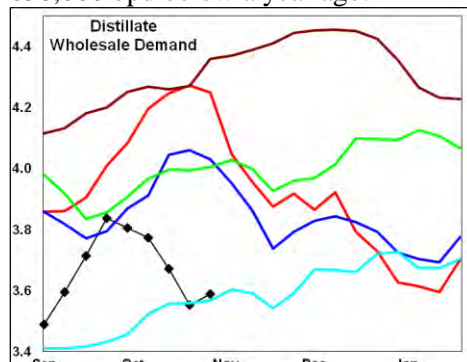
The latest 4-wk stock change in markets East of the Rockies was a +4.3 million barrel stock build. This build compares to an average -6 million barrel draw during the last 3-years for the same period.



*Expect markets to be resupplied as the pipelines return to operation and terminals are able to receive imports. Other regional markets are well*

*supplied.*

**Distillate** demand increased +46,000 bpd on the week, but remains extremely depressed by lack of demand on the East Coast for both transport use and heating fuel. The latest 4-wk average demand was -658,000 bpd below a year ago.



Supply increased +78,000 bpd on the week due to higher production. Stocks were nearly unchanged for the 3rd consecutive week. The lack of stock building is significant because even with dramatically lower demand, high exports and a lack of year-on-year increase in production has prevented stock builds.

The latest 4-wk stock change in markets East of the Rockies was a -2.3 million barrel draw, much less than the large draws of the last 2-years at this time.

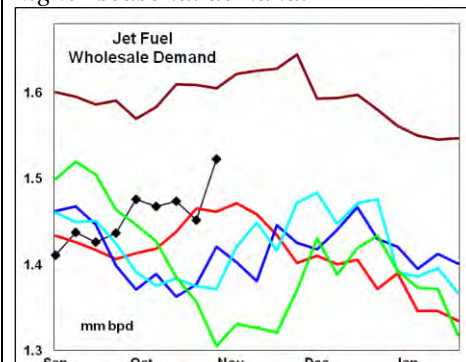
*Demand should be constrained in the first half of November on lower economic activity due to Hurricane Sandy and low heating degree days. Infrastructure building in the Central Atlantic Region and start of winter heating should lead to a rebound in demand. Stock levels remain very low in key regional markets with risk of very tight supply during the next 2-quarters.*

**Jet Fuel** demand spiked +233,000 bpd on the week as airlines resumed flights following hurricane Sandy. The latest 4-wk average demand was +56,000 bpd above a year ago.

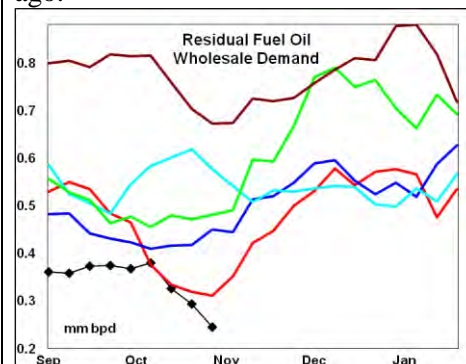
Supplies fell -159,000 bpd on the week, due to a sharp drop in imports. Stocks fell -1.1 million barrels on the week to a level -2.7 below last year.

*Supplies are very tight on the East Coast as a result of lower imports and receipts from the Gulf. However, record production on the Gulf and an expected jump in imports should improve supplies along the East Coast.*

*Look for seasonal stock draws on higher seasonal demand.*



**Residual fuel oil** demand decreased -46,000 bpd last week, with the latest 4-wk average -38,000 bpd below a year ago.



Supply (production + imports) increased +15,000 bpd last week, on higher imports. The latest 4-wk average supply was -43000 bpd below last year on lower production and imports. Stocks increased +1.5 million barrels on the week, to a level near the mid range.

*Wholesale demand for the latest 4-wk period fell below last years' record lows. As a result, stocks have surged +4 million barrels in the last month reaching all time highs in the Gulf region.*





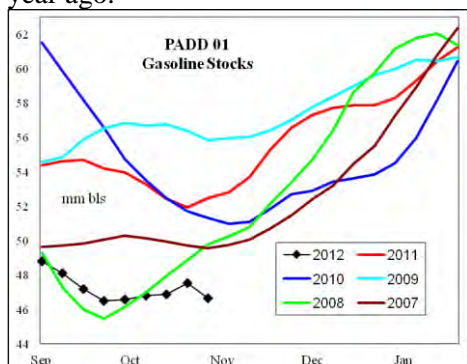
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#### PADD Supply Trends

**PADD 1** refinery crude oil runs fell -183,000 bpd last week, as a result of hurricane Sandy. The latest 4-wk average was -191,000 bpd below a year ago.



Gasoline supply fell -451,000 bpd in the region on a collapse in imports and lower production; again due to hurricane Sandy. Stocks decreased -12 million barrels on the week, to fresh 5-year lows.

*Hurricane Sandy disrupted imports, receipts from the Gulf and cut demand sharply in the region last week.*

*Look for a surge in import and pipeline receipts as terminals return to service, and an uptick in demand as drivers are again able to travel.*

Distillate supply decreased -44,000 bpd on the week, driven by record low production in the region as refiners closed for hurricane Sandy. Stocks fell -0.5 million barrels on the week, to new record low levels.

Jet fuel supply fell -54,000 bpd last week, on lower production and imports. Stocks decreased -0.5 million barrels on the week, with the level at the low end of the historic range.

**PADD 2** crude oil refinery runs decreased -4,000 bpd to a level that matched a year ago. The latest 4-wk average crude runs were +13,000 bpd above last year. Stocks increased +0.4 million barrels, to a level +14.2 million barrels above the prior record high.

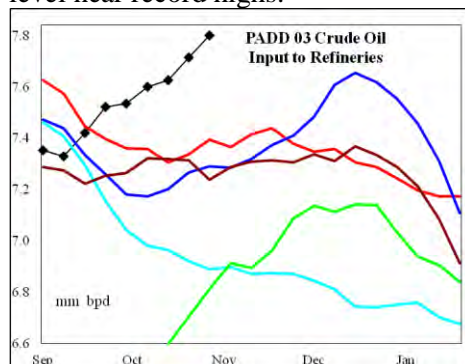
Gasoline production increased

+118,000 bpd on the week, with the latest 4-wk average +50,000 bpd above a year ago. Stocks fell -1.1 million barrels to a fresh 5-year low.

Distillate production increased +73,000 bpd on the week, to a level that exceeds the historic range for this time of year. Stocks jumped +1.7 million barrels on the week, to a level above four of the last 5-years.

Jet fuel production fell -31,000 bpd last week, to a level below the last 2-years. Stocks were unchanged on the week, at a level just below the last 3-years.

**PADD 3** refinery runs increased +14,000 bpd on the week, to a level well above the 5-year range. The latest 4-wk average runs were +348,000 bpd above a year ago. Stocks increased +0.8 million barrels last week, to a level near record highs.



Gasoline supply declined -136,000 bpd on the week, with production just below to the last 2-years. Stocks spiked +4.6 million barrels on the shutdown of pipelines serving the East Coast due to hurricane Sandy. Stock levels ended the week at a new 5-year high for the period.

Distillate supply was unchanged on the week, with the latest 4-wk average supply -22,000 bpd below a year ago. Stocks fell -1.2 million barrels on the week, to a level -16% below last year.

Jet fuel production decreased -9,000 bpd last week, with the level +93,000 bpd above a year ago for the most recent 4-wks. Stocks were nearly unchanged at a level above the 5-year mid range.

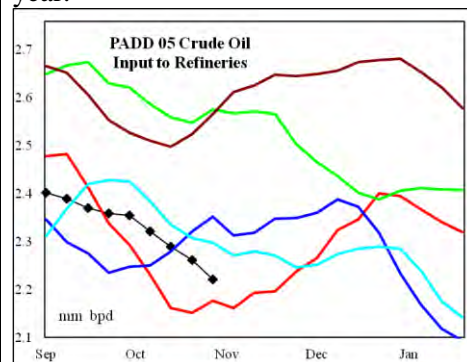
Residual fuel oil stocks increased +0.8 million barrels on the week, reaching a new record high. Supply increased +98,000 bpd last week, on record imports.

**PADD 4** refinery crude runs decreased -16,000 bpd on the week, with the level below the last 3-years. The most recent 4-wk average run rate was -35,000 bpd below last year.

Gasoline supply decreased -15,000 bpd on the week, with the level well at historic lows. Stocks jumped +0.5 million barrels to level that matched the 3-year average.

Distillate production jumped +35,000 bpd last week, to a level above the 5-year range. Stocks decreased +0.2 million barrels last week, ending at a level above the 5-year range.


**PADD 5** crude oil refinery runs increased +9,000 bpd last week, to a level below the average of the last 3-years. Runs for the most recent 4-wk period were +125,000 bpd above last year.



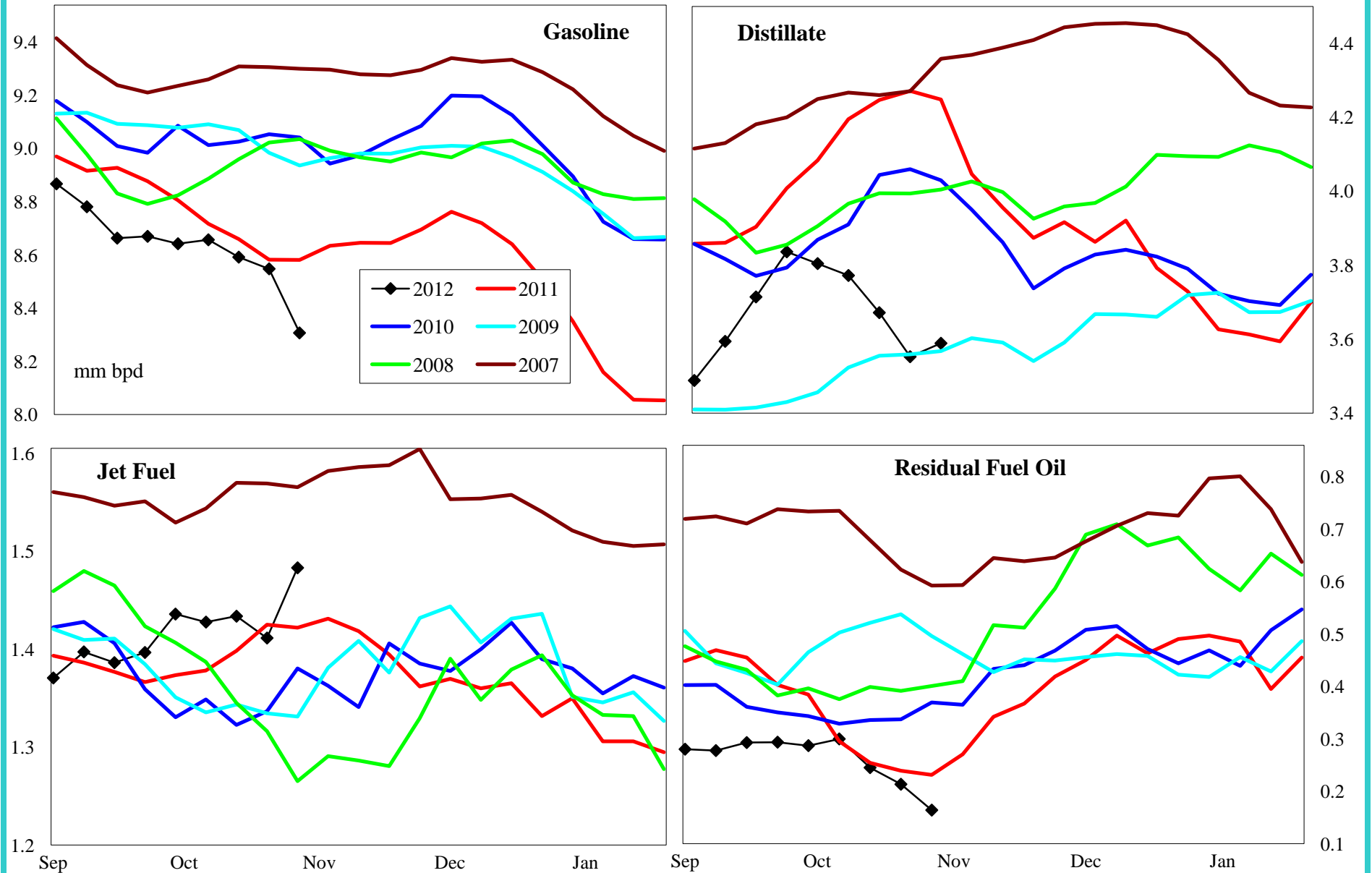
Gasoline supply was unchanged on the week, with slightly higher production offset by lower imports. The latest 4-wk average supply was +51,000 bpd above last year. Stocks were unchanged on the week, matching 5-year highs for the period.

Distillate supply increased +17,000 bpd on the week, with the latest 4-wk average +32,000 bpd above a year ago. Stocks were unchanged on the week at a level that matched historic highs for this time of year.

Jet fuel supplies fell -59,000 bpd last week on a sharp drop in imports.

		CHARTS: Graph Link and Weekly Summary					
		A Fundamental Petroleum Trends Weekly Report    November 7, 2012					
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Fundamental Trends	<a href="#">Wholesale Demand</a>	<a href="#">Stocks Days Fwd Coverage</a>	<a href="#">Refinery Utilization</a>			<a href="#">Imports</a>	
Supply/Demand Trends	2-Nov-12	EIA-DOE CHANGE FROM PRIOR WEEK					
	000 bpd stocks 000 bls	U. S. Total	PADD				
			1	2	3	4	5
<a href="#">Crude Oil</a>	Stocks	1,766	-460	392	807	223	805
	Imports	89	198	-105	-26	40	-17
	Input	-183	-185	-4	14	-16	9
	% Utilization	-2.30					
<a href="#">Gasoline</a>	Stocks	2,875	-1,249	-1,069	4,619	539	36
	Production	-311	-82	118	-172	-15	12
	Imports	-346	-369	0	36	0	-14
	Supplied	-537					
<a href="#">Distillate</a>	Stocks	131	-546	1,702	-1,183	208	-49
	Production	55	-70	71	-1	35	21
	Imports	23	26	2	0	-1	-4
	Supplied	46					
<a href="#">Jet Fuel</a>	Stocks	-1,076	-493	42	48	-42	-632
	Production	-39	-26	-31	-9	-8	33
	Imports	-120	-28	0	0	0	-92
	Supplied	233					
<a href="#">Residual Fuel Oil</a>	Stocks	1,529	183	95	824	-9	437
	Production	-89	-14	-6	-93	1	23
	Imports	104	-119	2	191	0	28
	Supplied	-46					
<a href="#">Propane</a>	Stocks	-327	-294	39	-2	-71	
	Propylene stk	59					
	Production	69	-9	28	46	4	
	Imports	16	16	13	0	-13	
	Supplied	57					

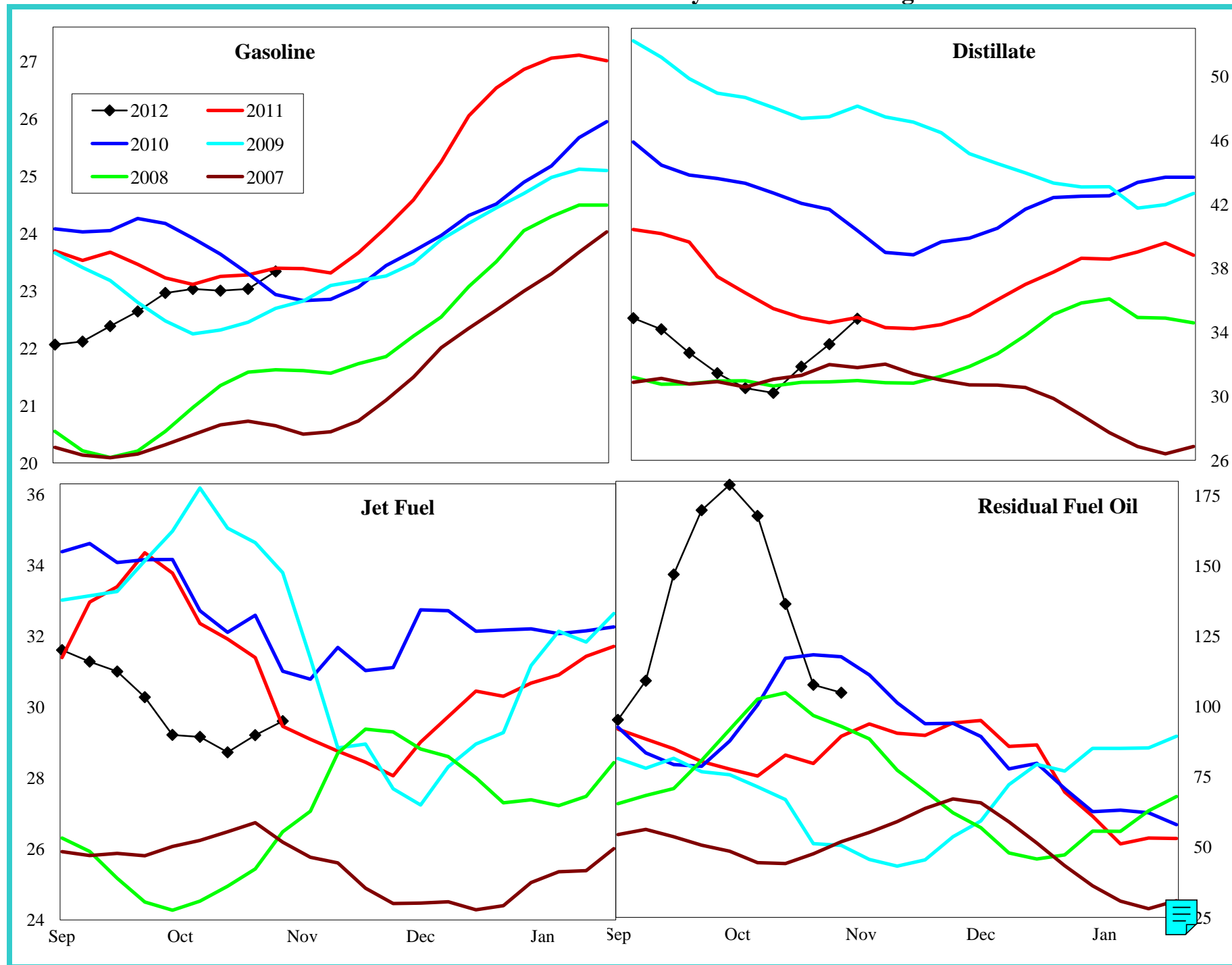
# United States Wholesale Petroleum Demand



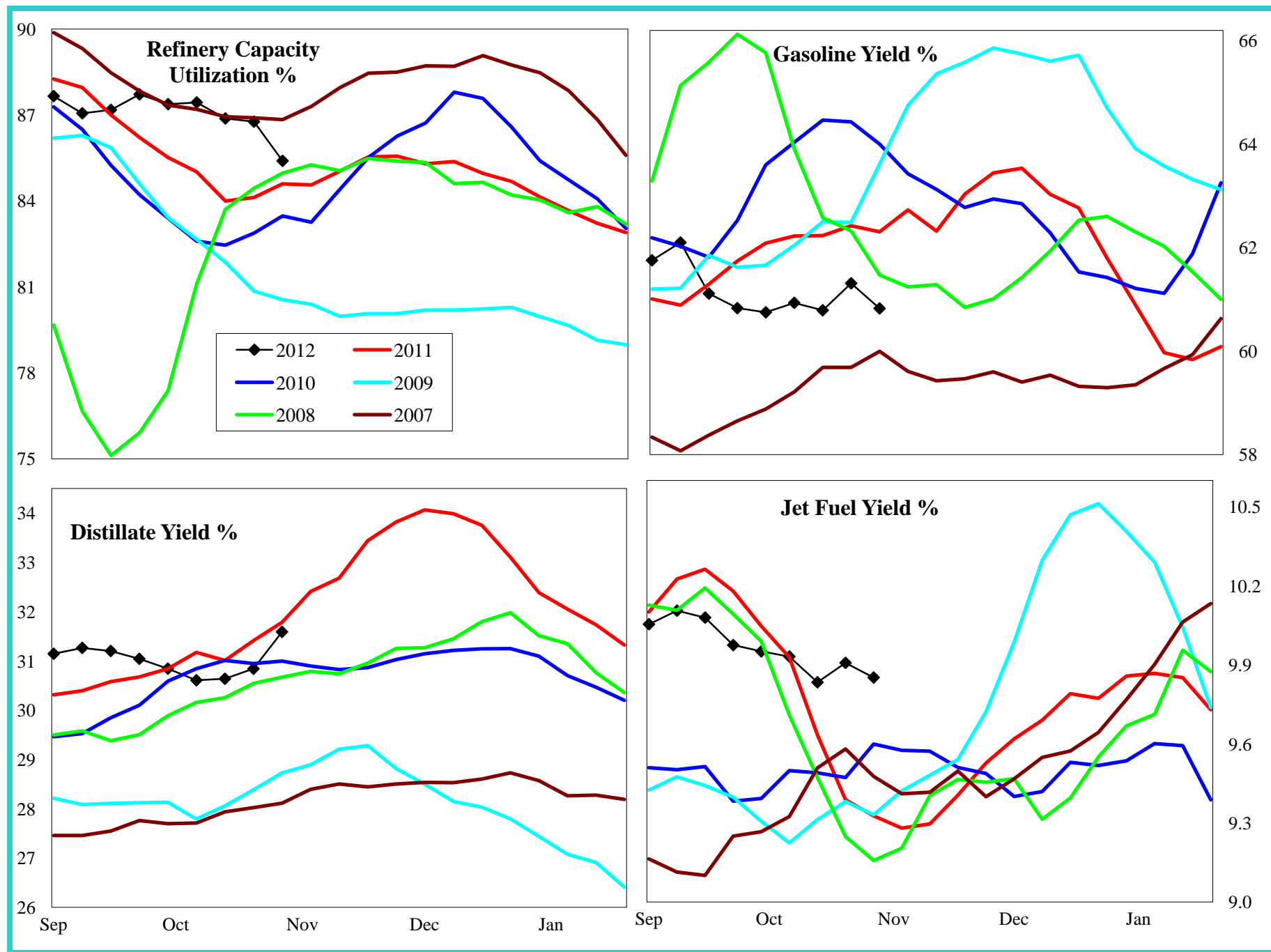
	000 bpd change from prior year				% change from prior year			
	4wk avg	Sep	Jan	Jul	4wk avg	Sep	Aug	Jul
<b>Gasoline</b>	21	-101	31	-212	0.2	-1.2	0.3	-2.3
<b>Distillate</b>	-658	-248	-156	-12	-15.3	-6.3	-3.9	-0.3
<b>Jet Fuel</b>	56	15	-52	-5	3.9	1.1	-3.3	-0.3
<b>Resid</b>	-38	-180	102	102	-13.6	-37.3	32.0	32.3



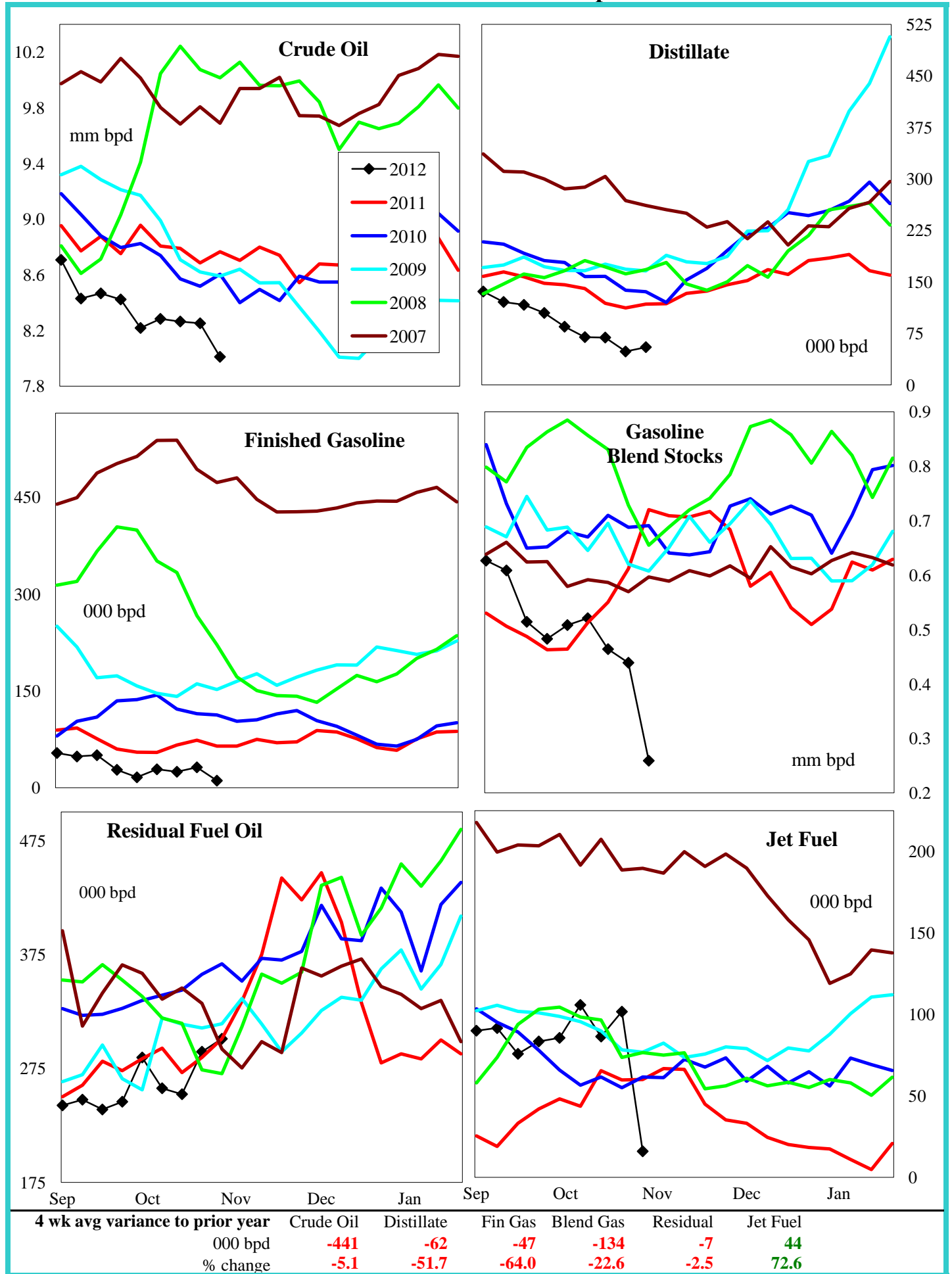
# United States Product Stocks: Days Forward Coverage



## United States Refinery Percent Utilization Rate and Product Yields

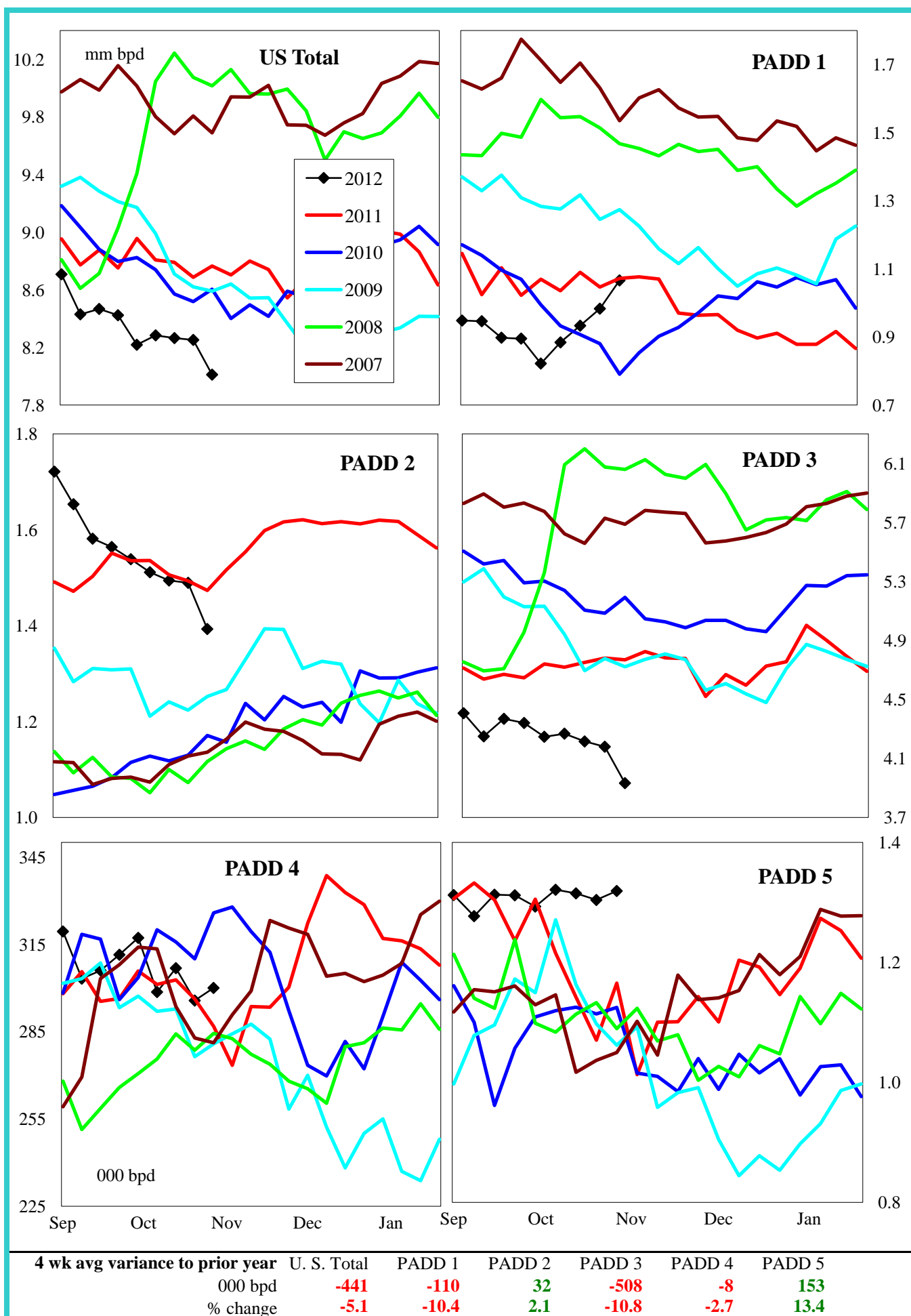


# United States Petroleum Imports

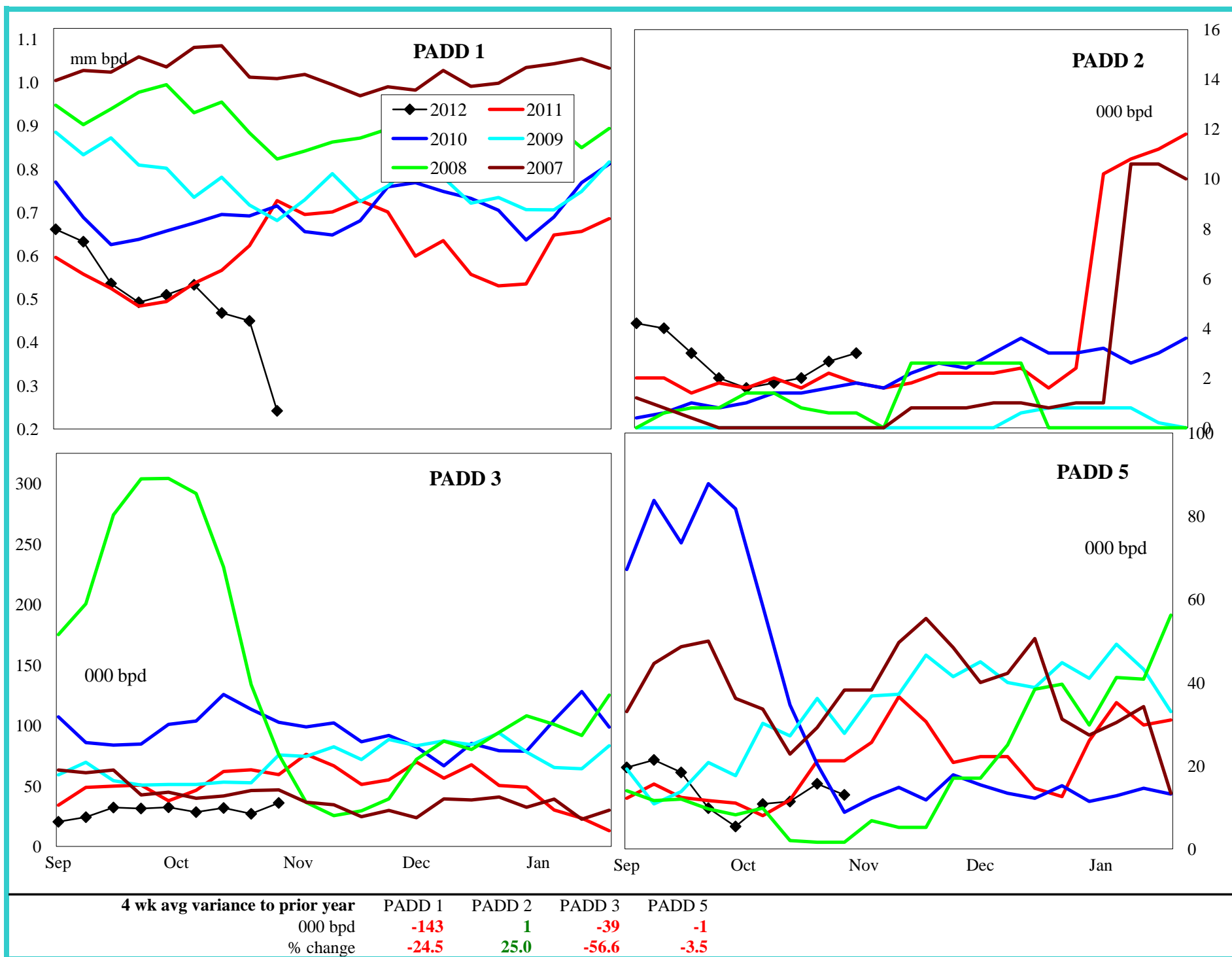




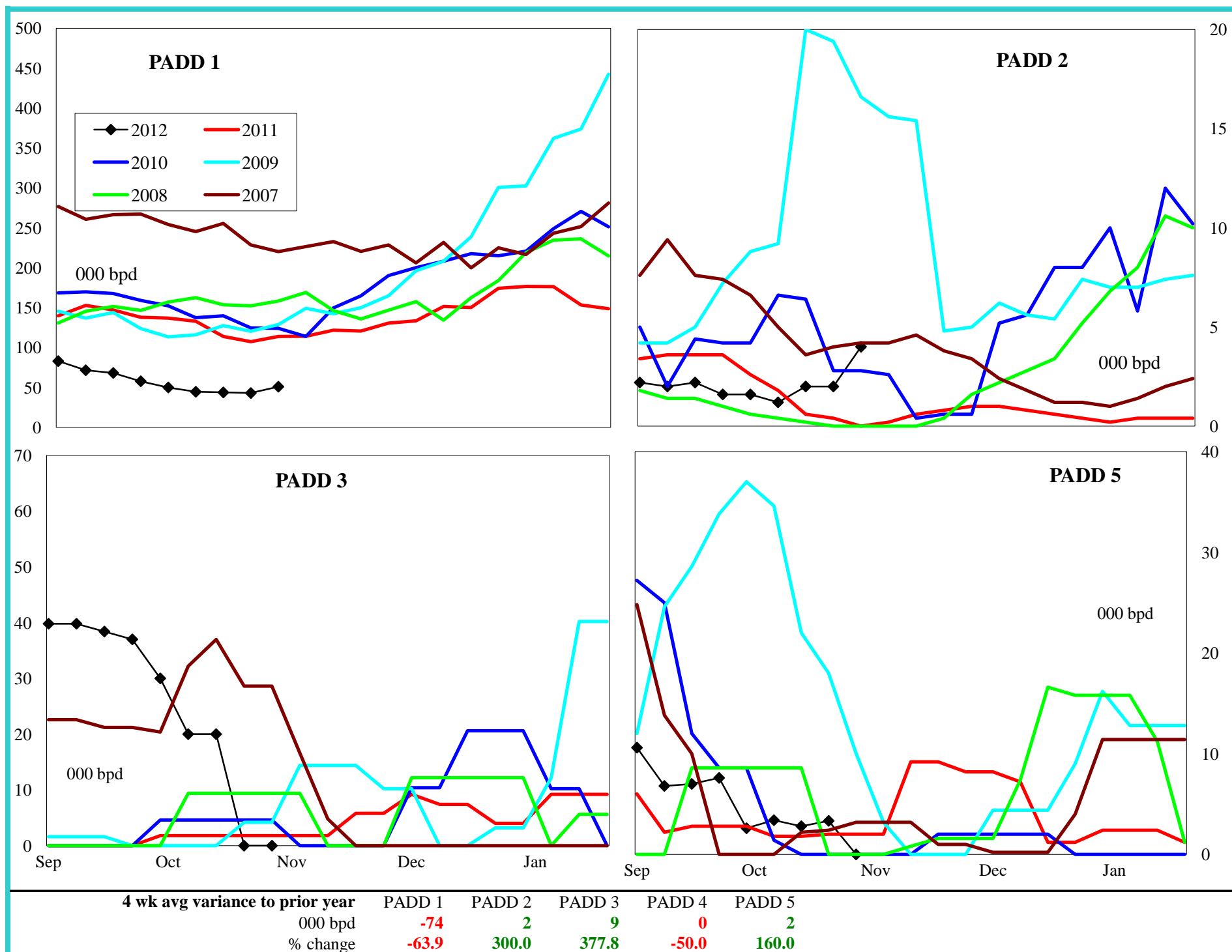
## Crude Oil Imports by PADD



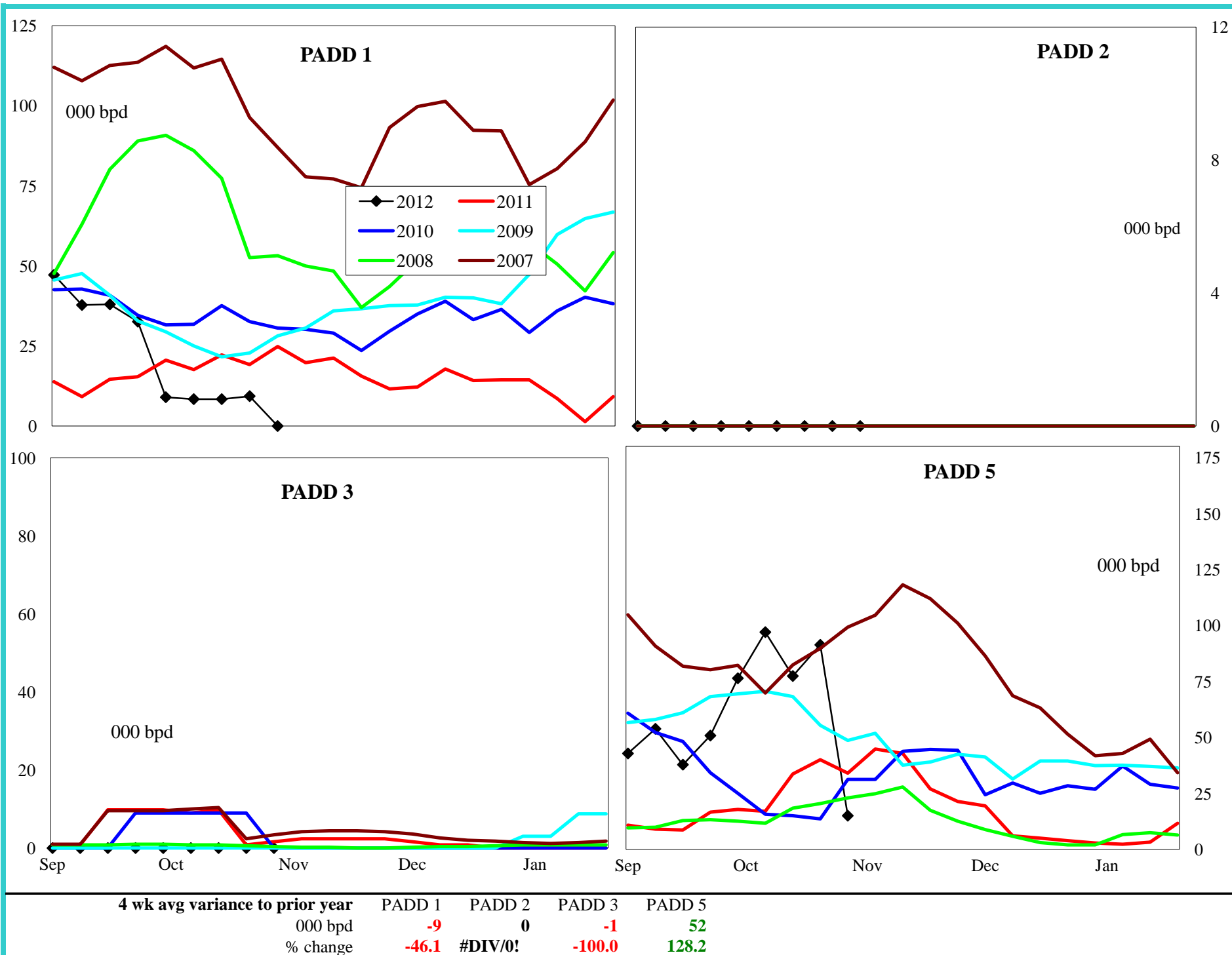
# Gasoline Imports by PADD (Finished + Blend Stocks)



# Distillate Imports by PADD

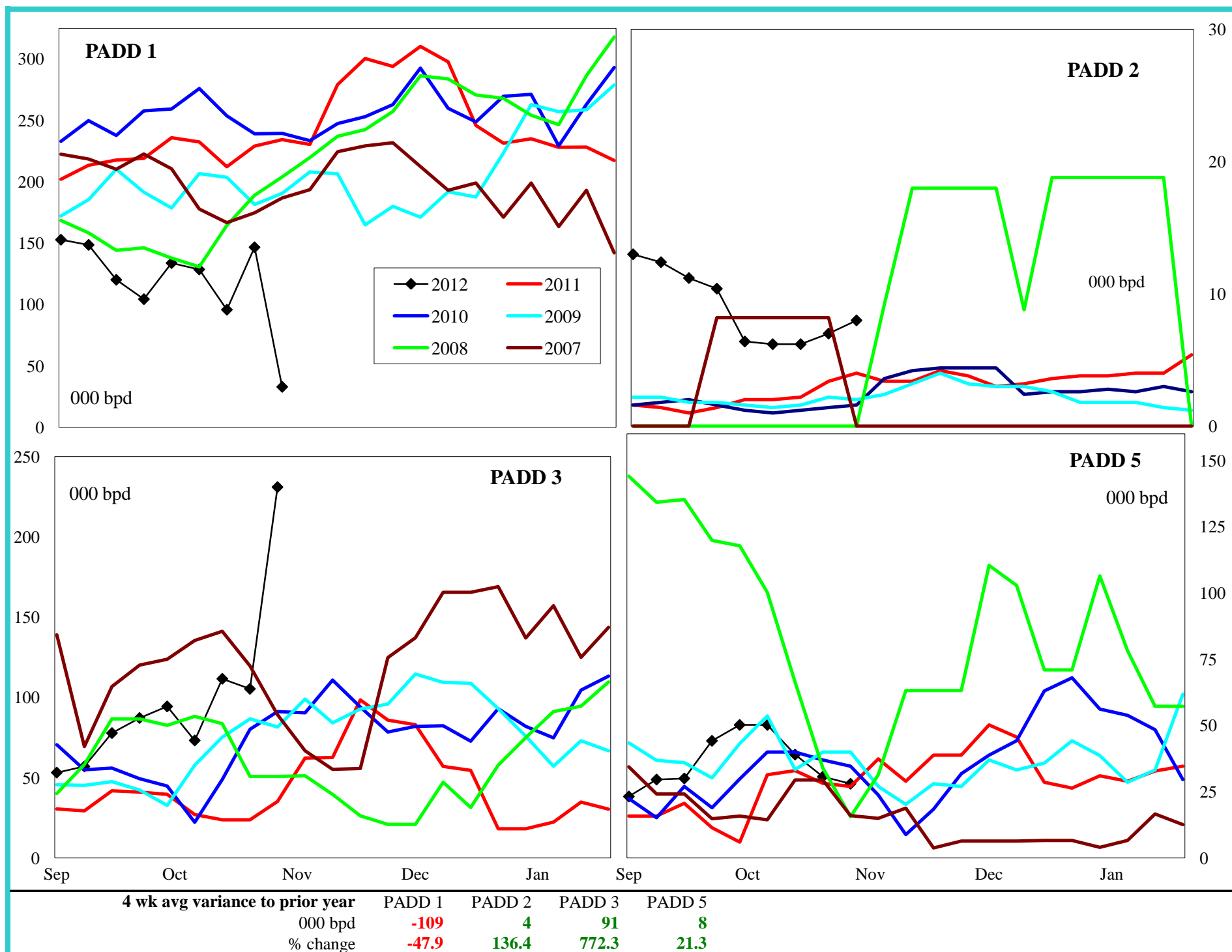


# Jet Fuel Imports by PADD

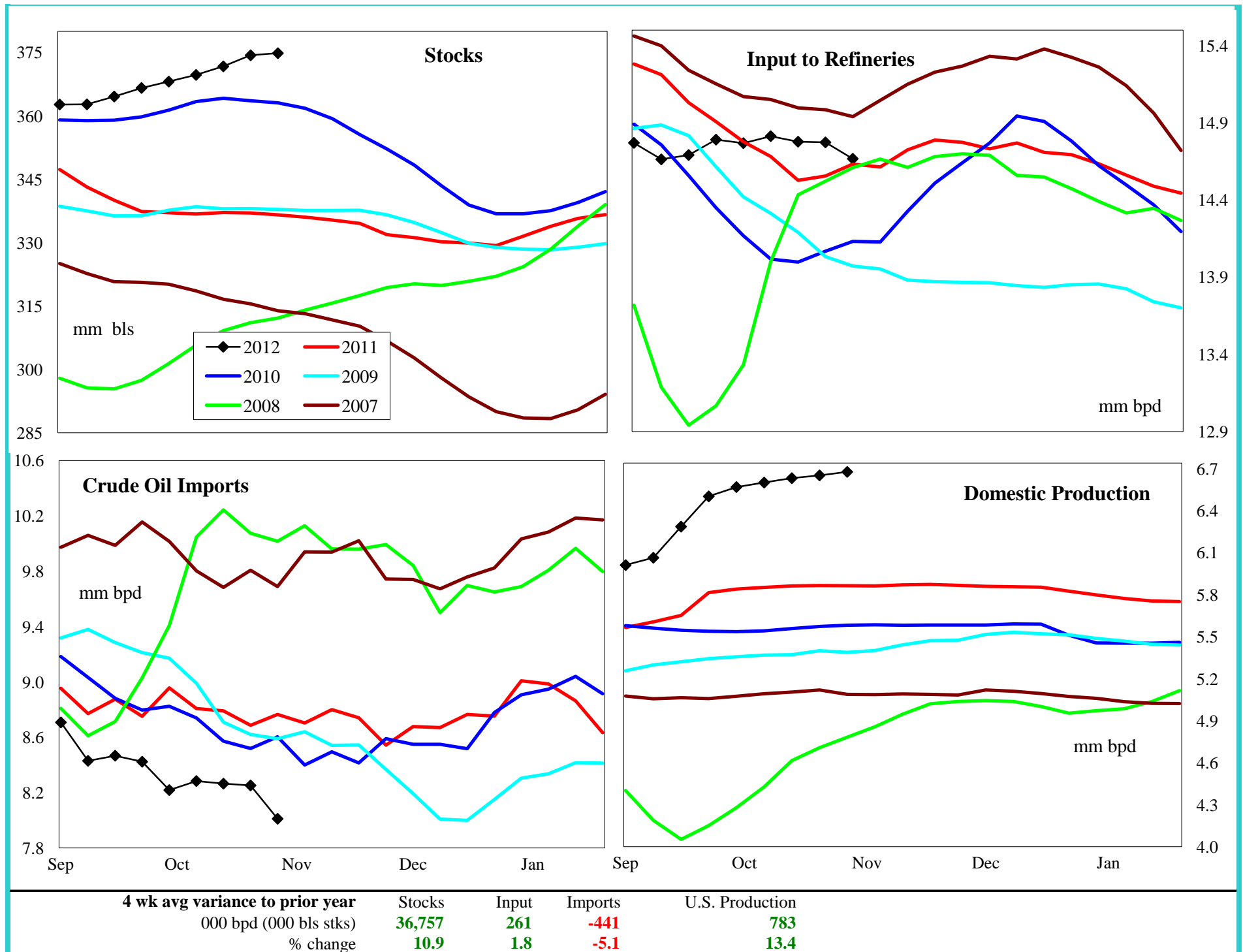




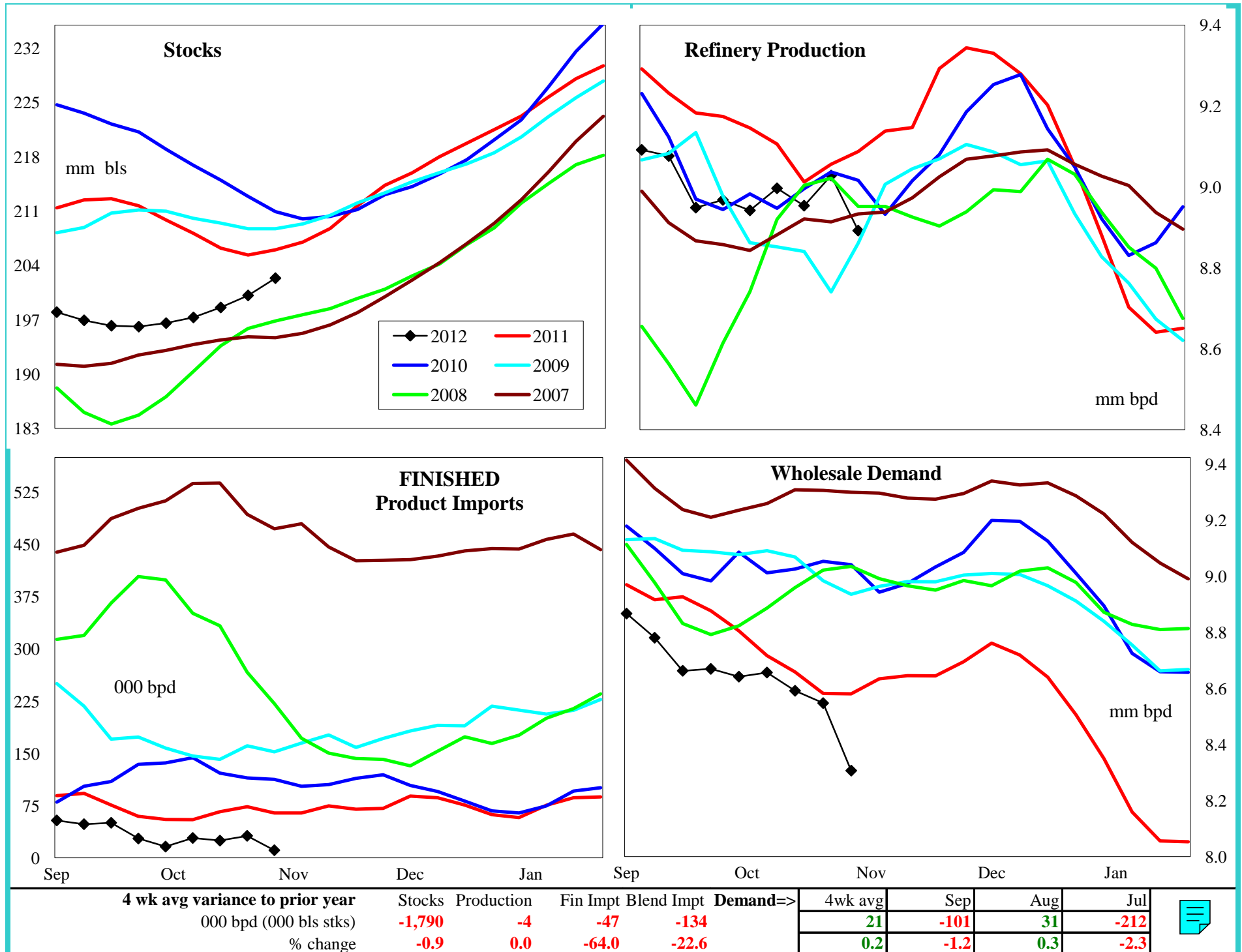
## Residual Fuel Oil Imports by PADD



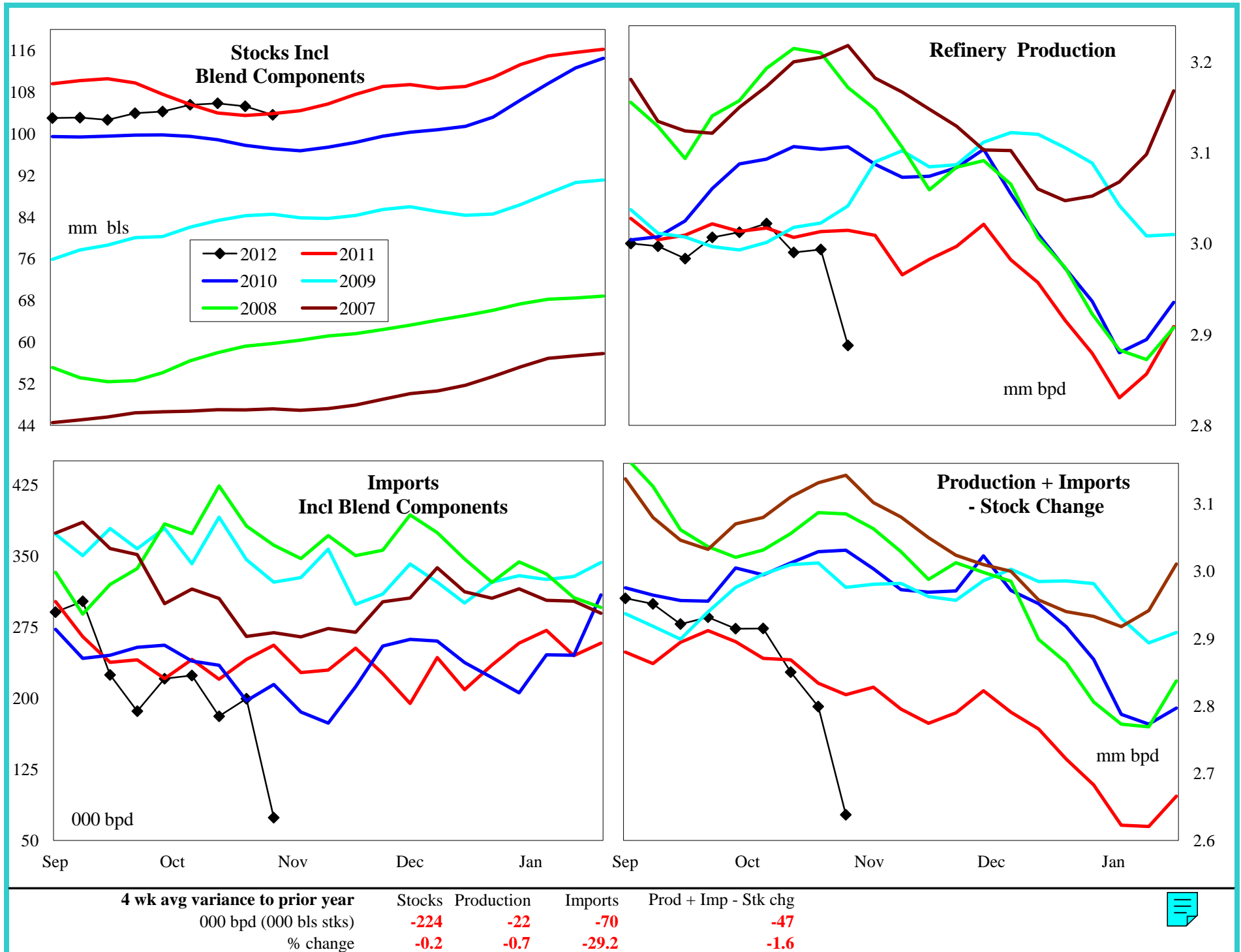
# United States Crude Oil Supply and Demand Balance



# United States Gasoline Supply and Demand Balance

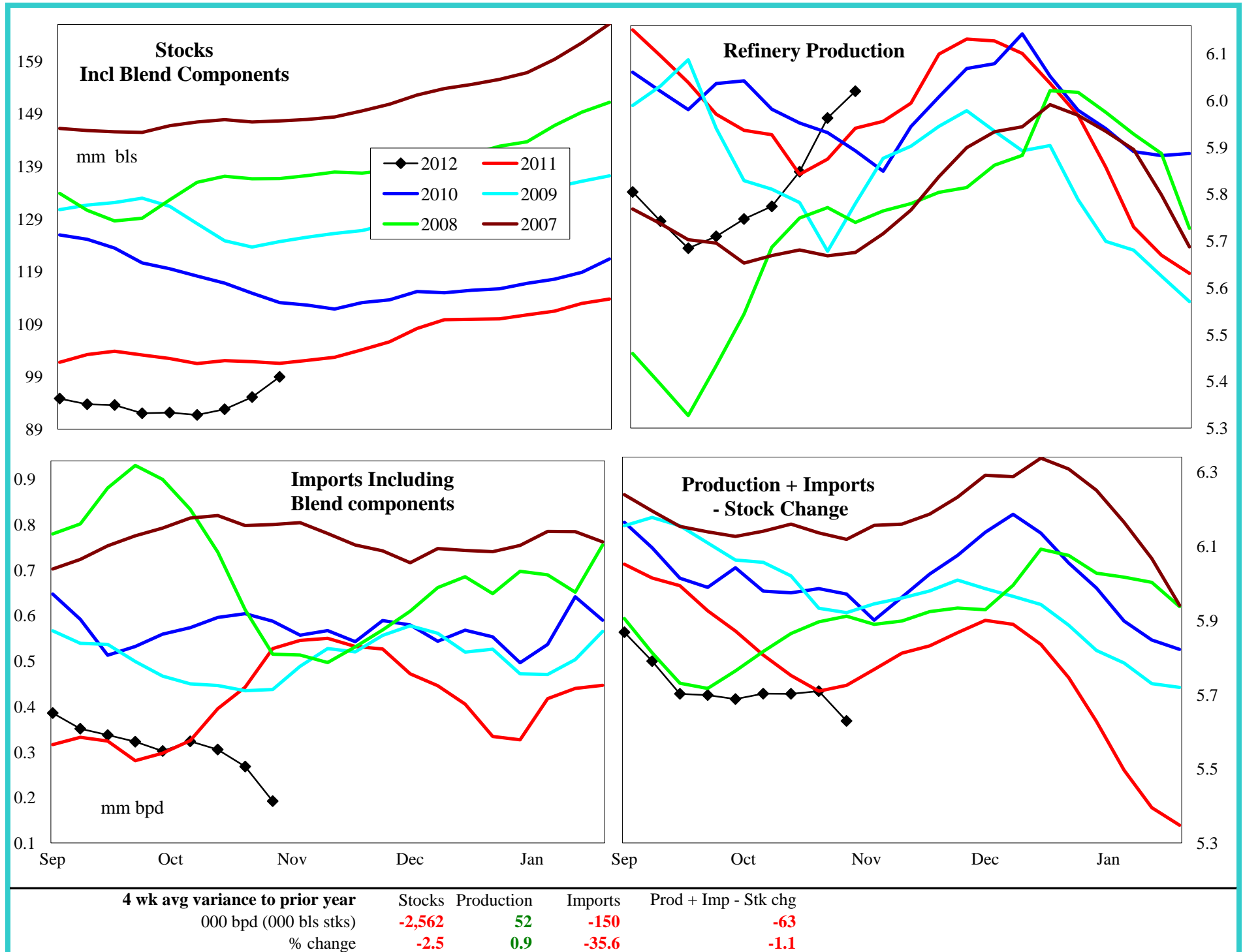


# United States Reformulated Gasoline Supply

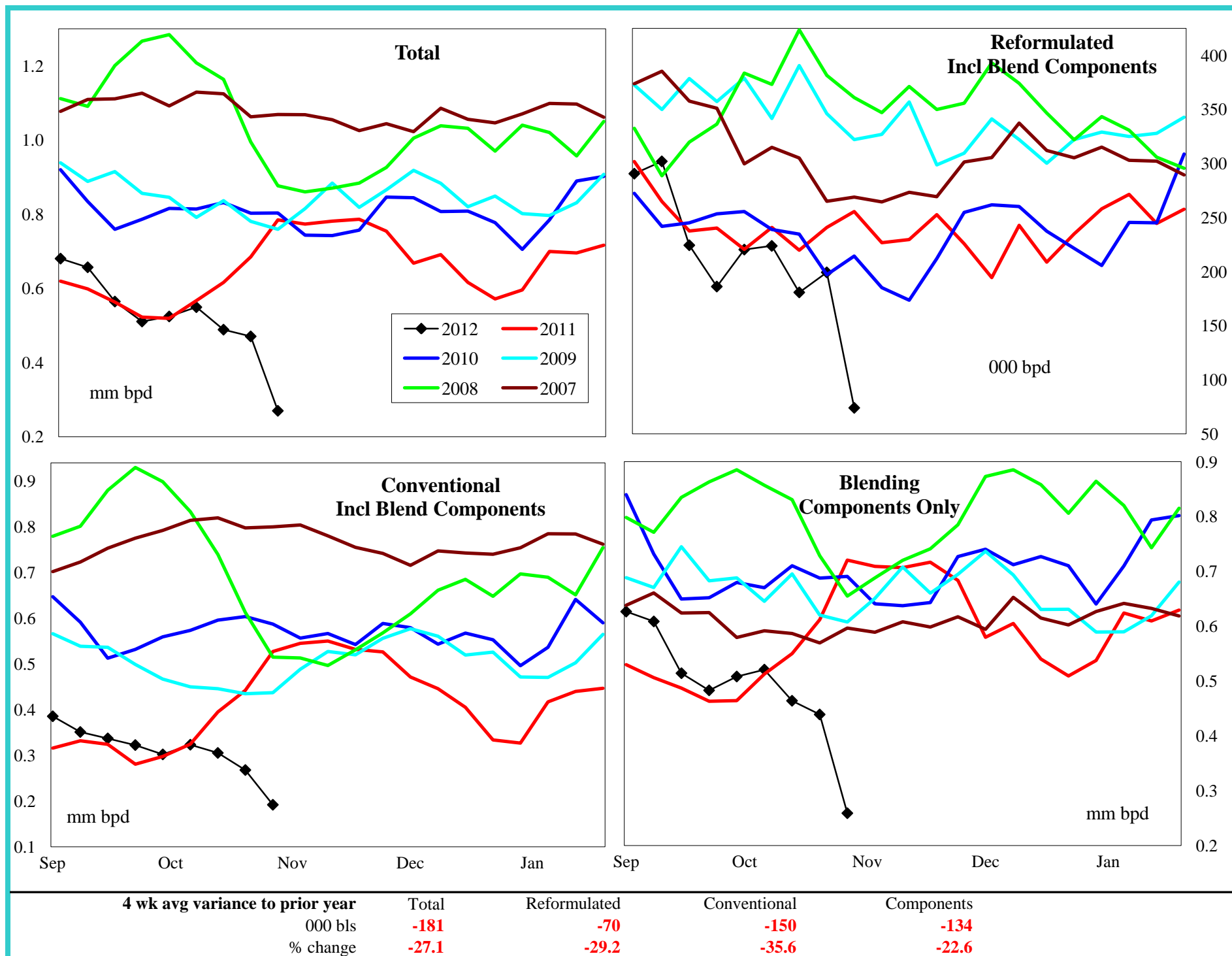




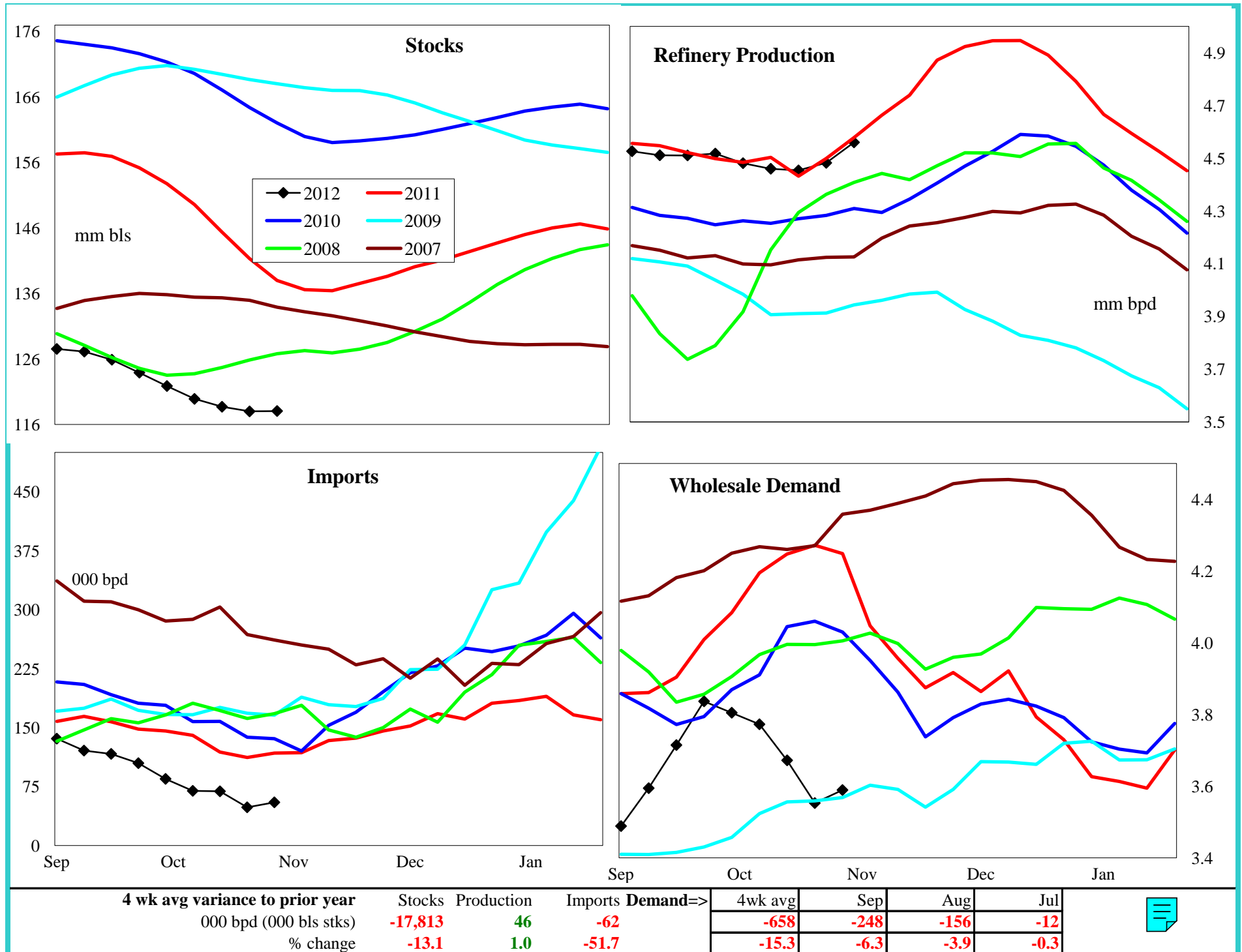
# United States Conventional Gasoline Supply



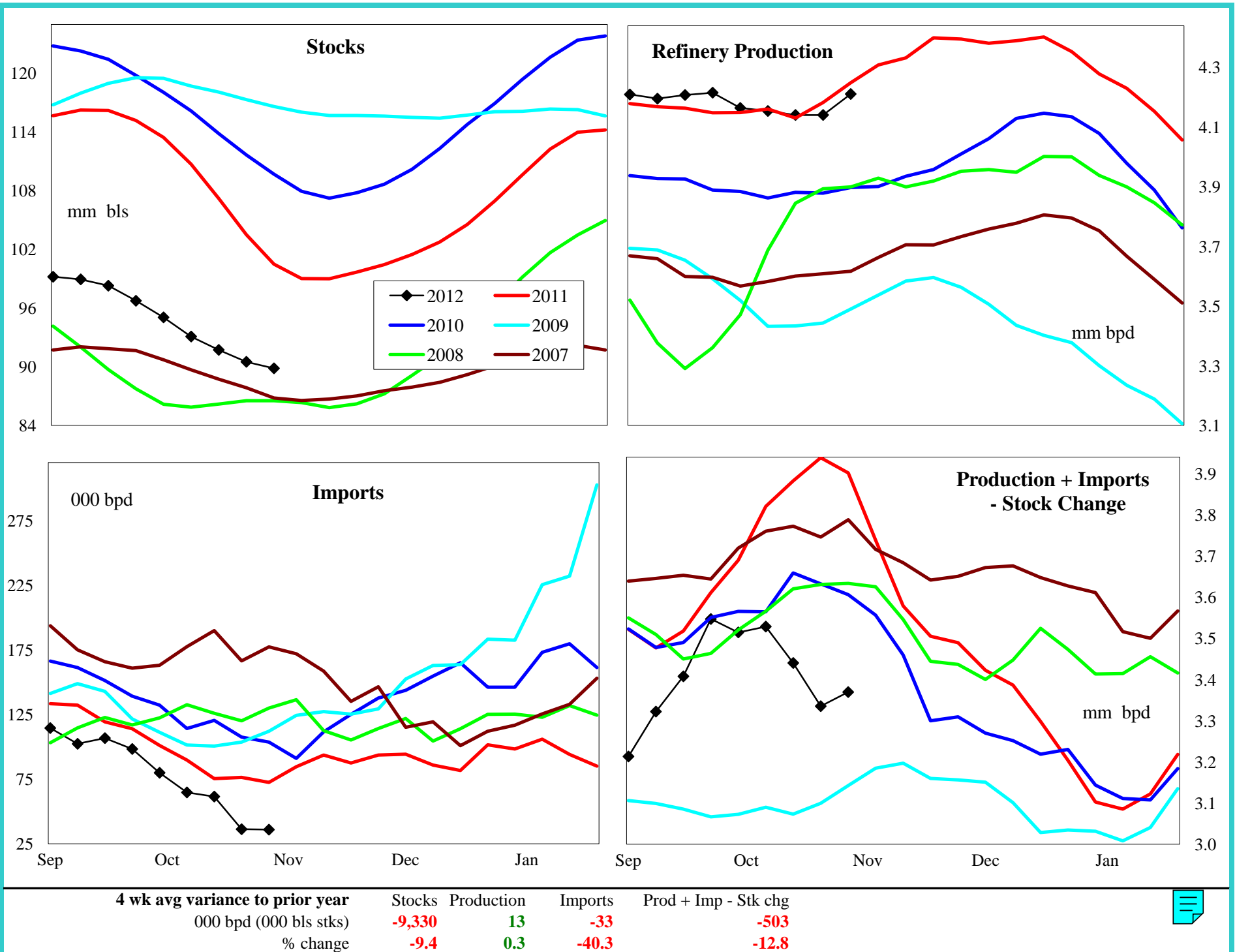
# United States Gasoline Imports by Type



# United States Distillate Supply and Demand Balance

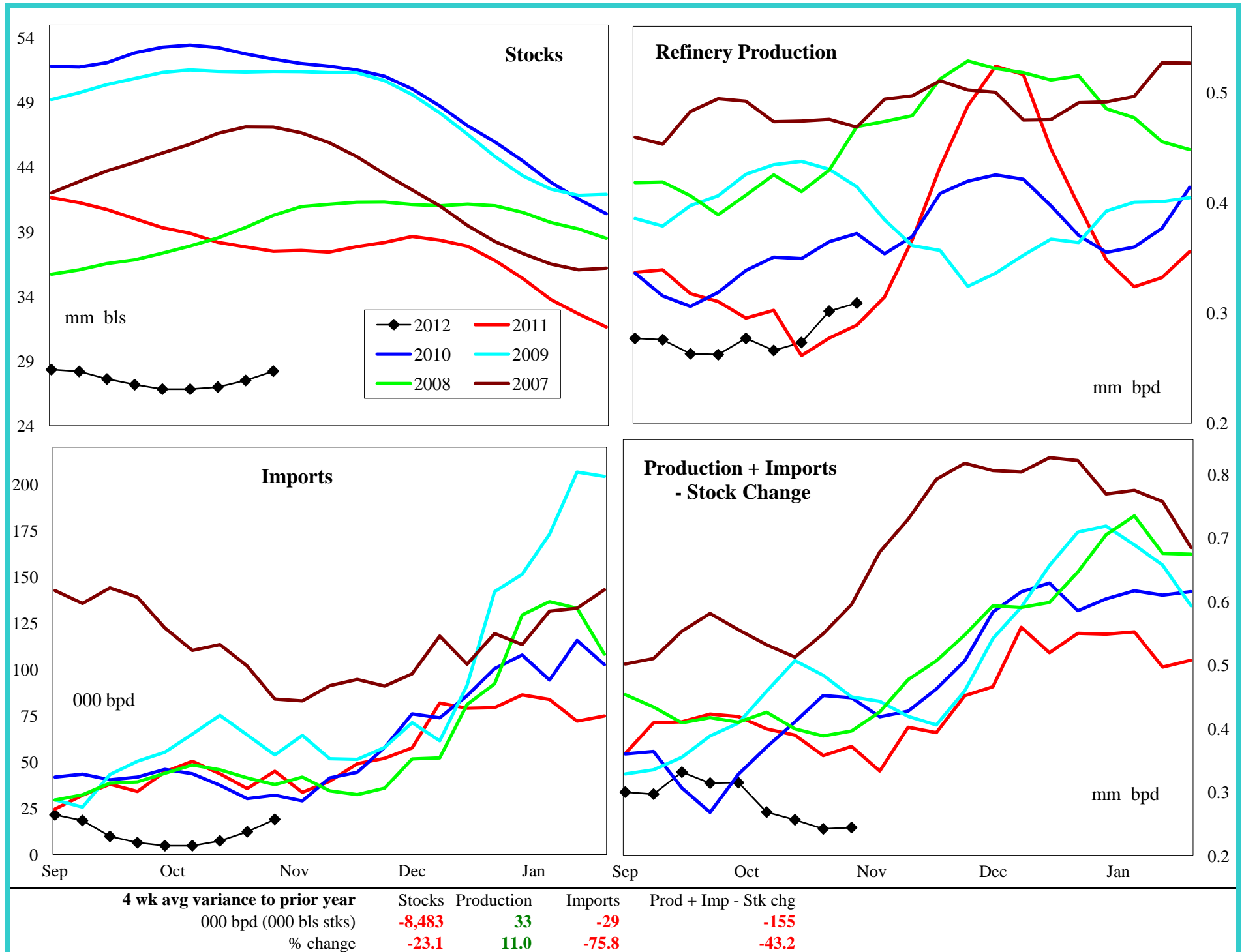


# United States Low Sulfur Distillate Supply

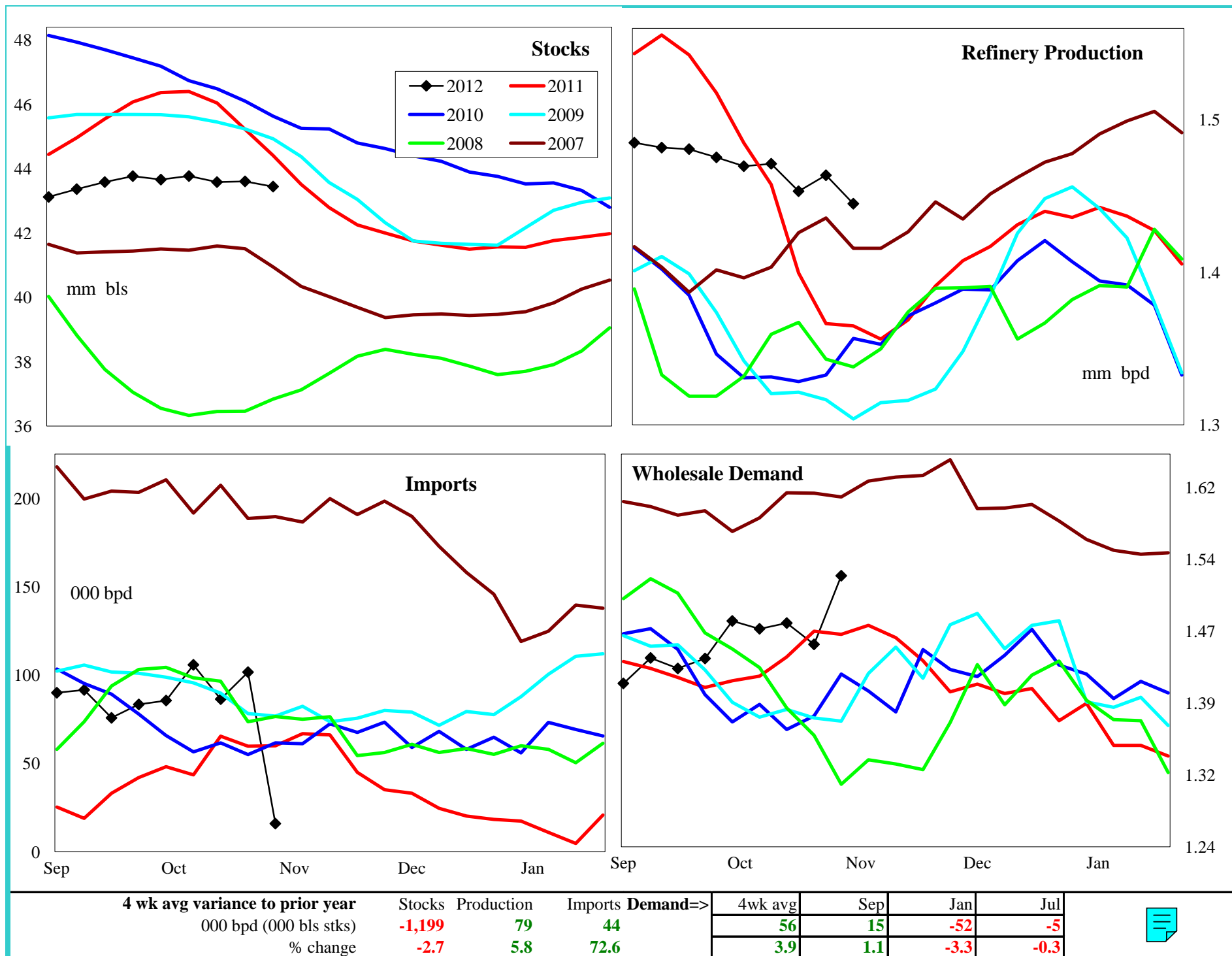




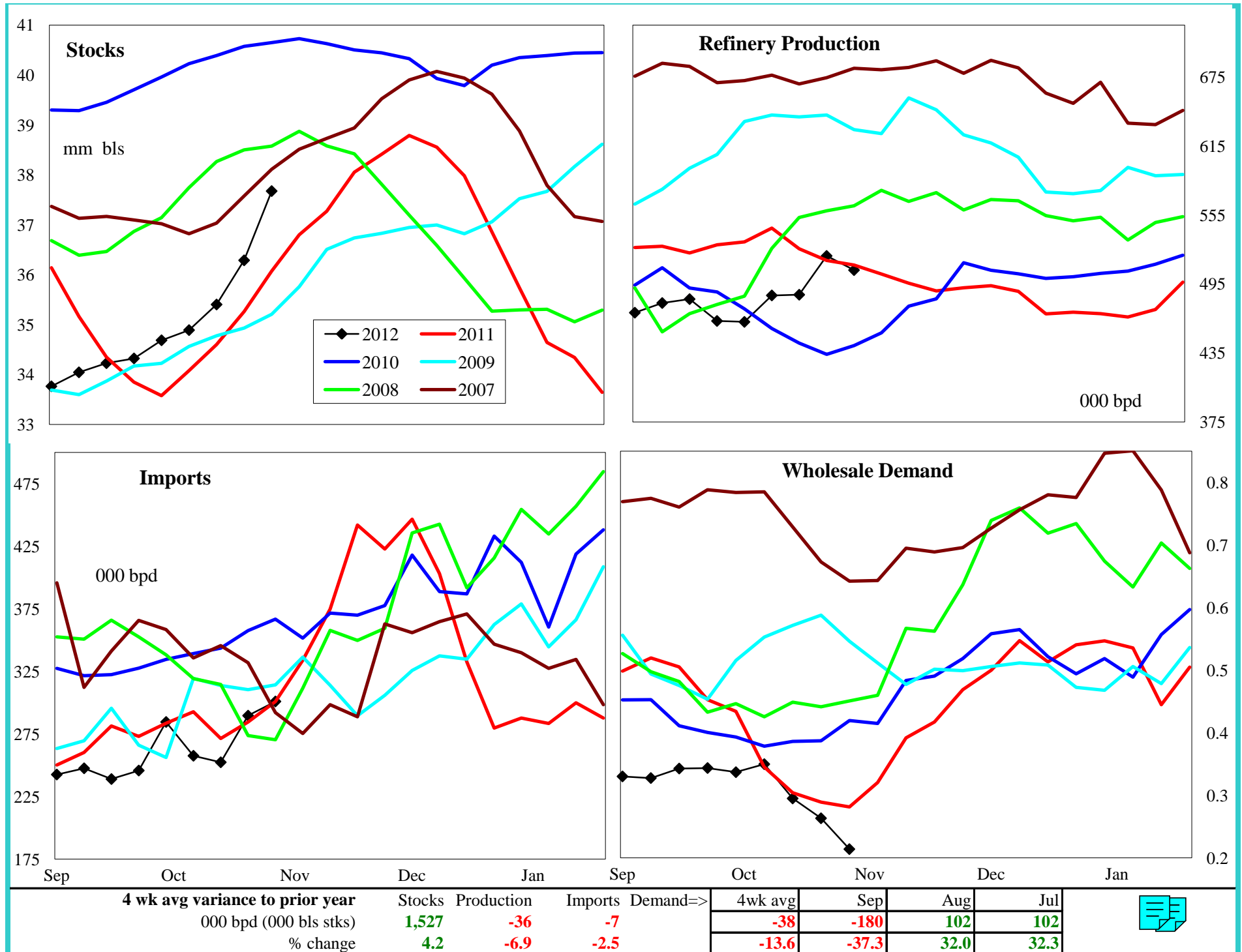
# United States High Sulfur Distillate Supply



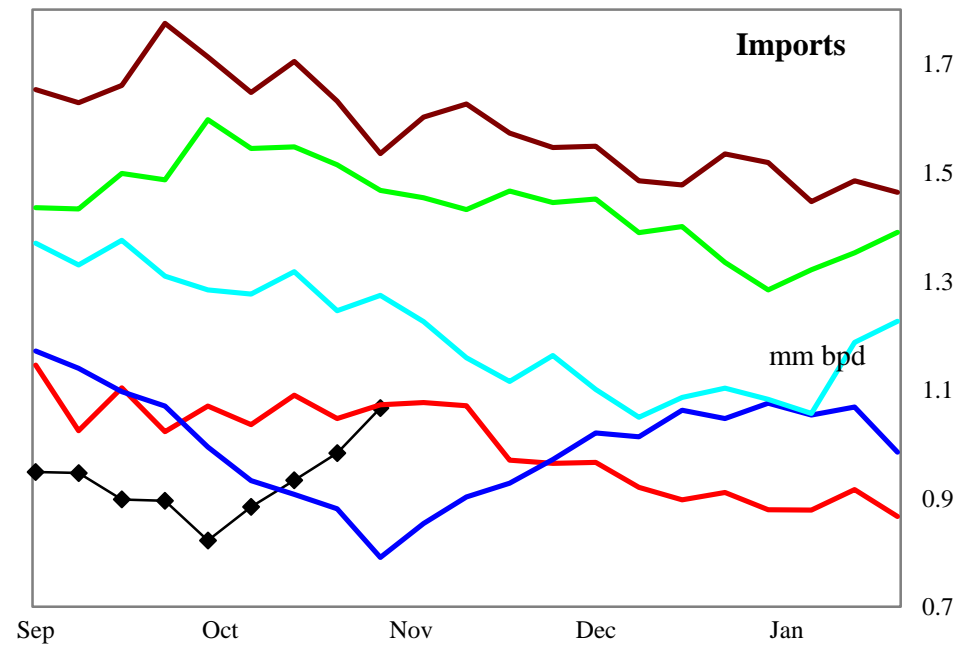
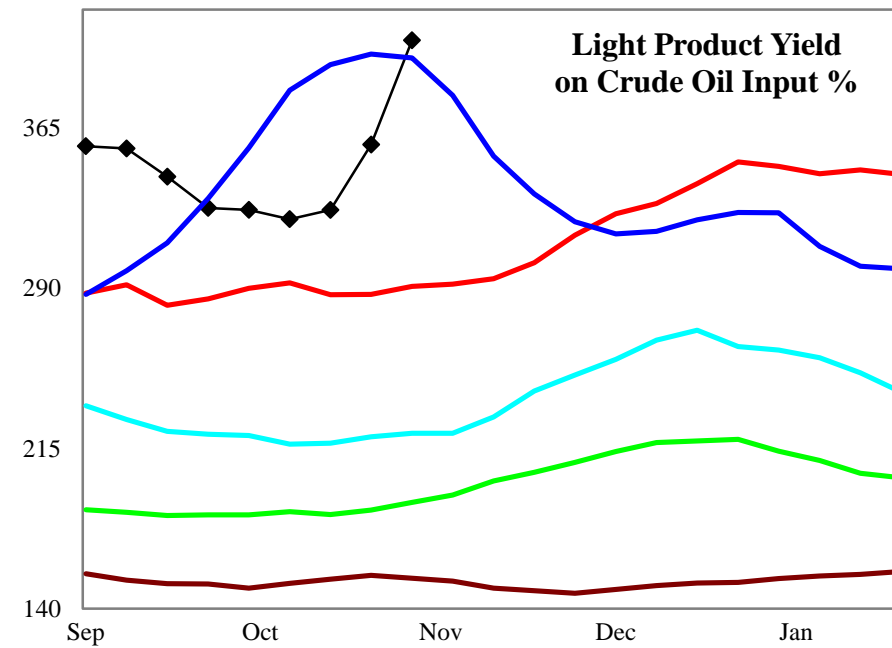
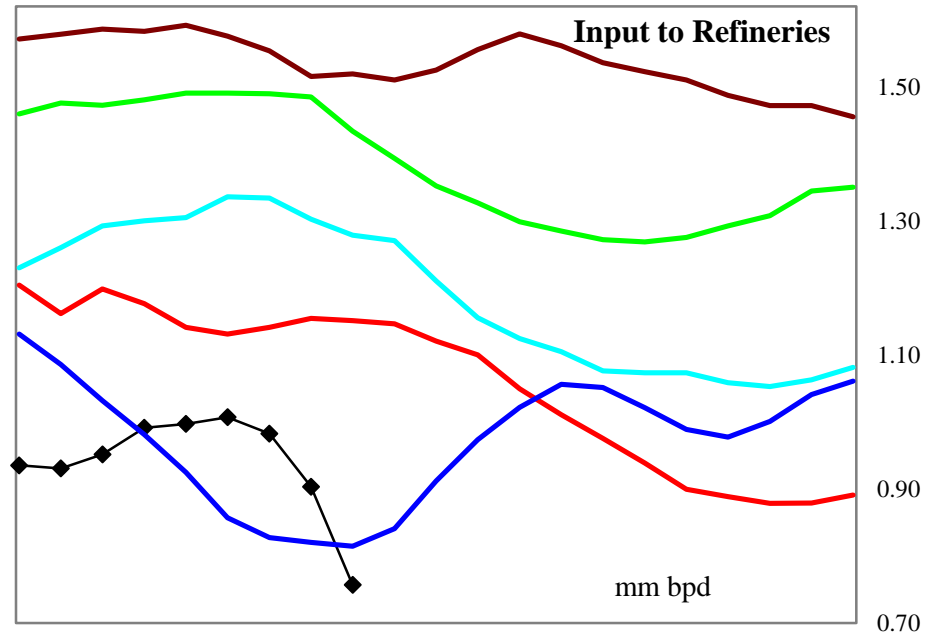
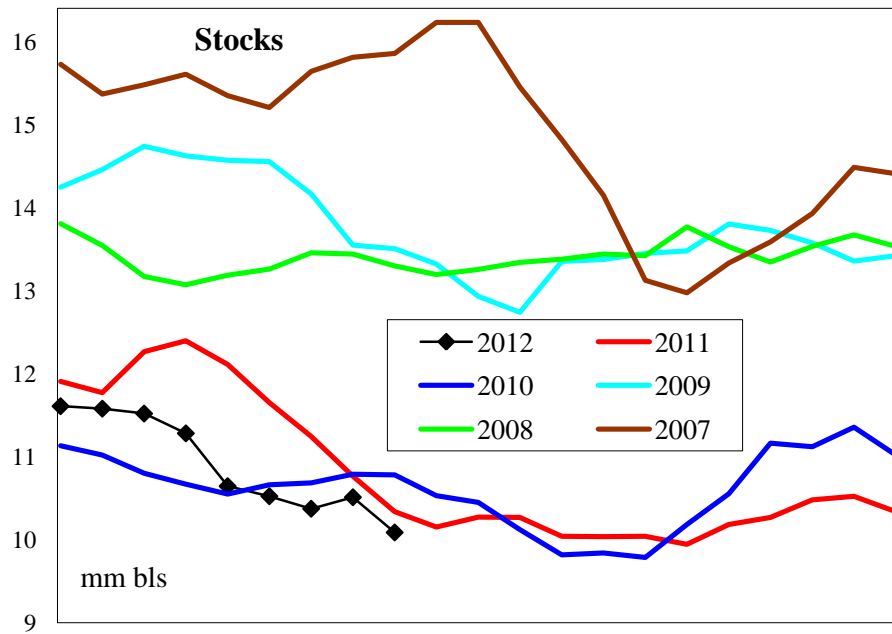
# United States Jet Fuel Supply and Demand Balance



# United States Residual Fuel Oil Supply and Demand Balance



# PADD 1 Crude Oil Supply and Refining



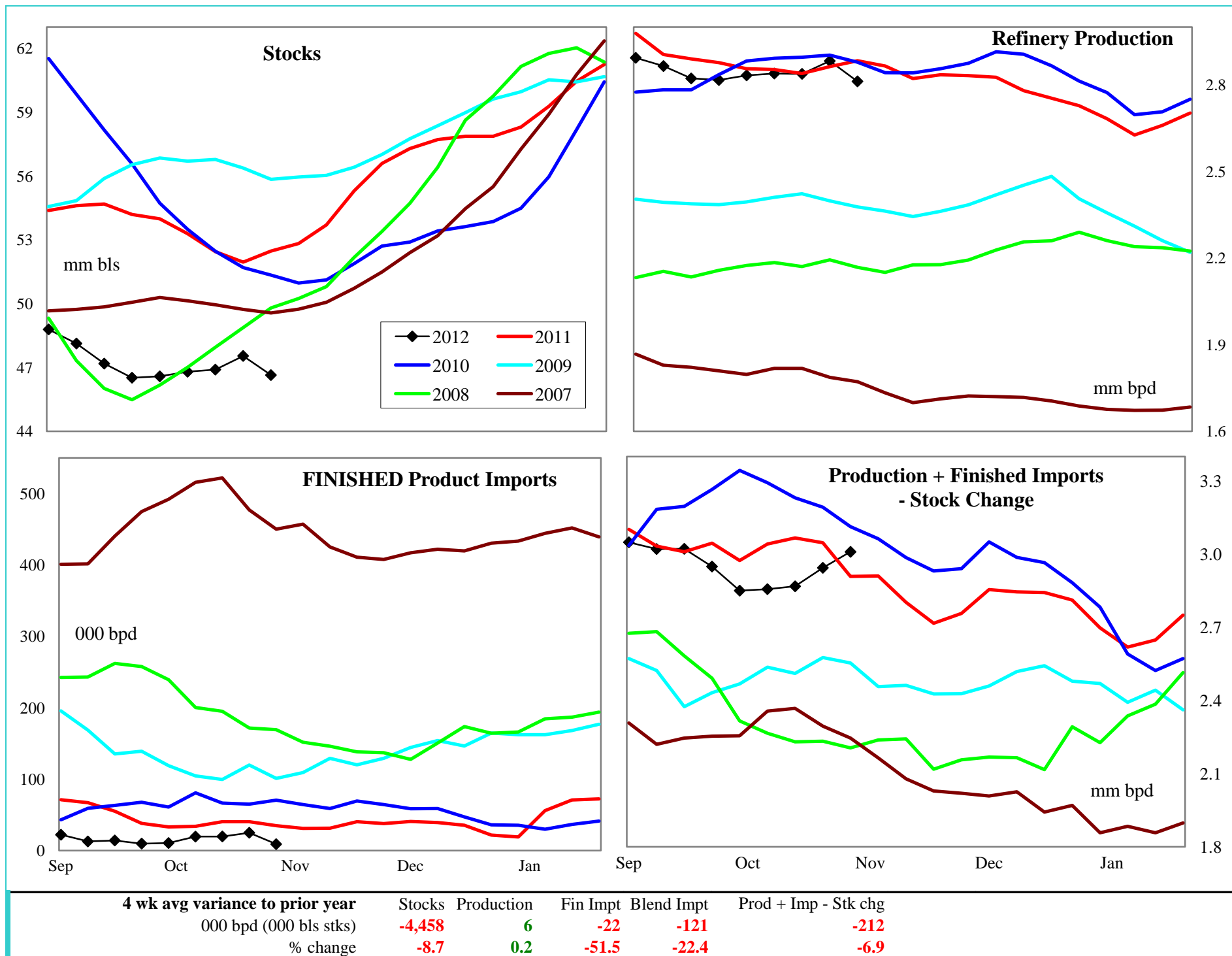
**4 wk avg variance to prior year**  
000 bpd (000 bls stks)  
% change

	Stocks	Input	Imports
000 bpd (000 bls stks)	-250	-191	-110
% change	-2.4	-16.6	-10.4

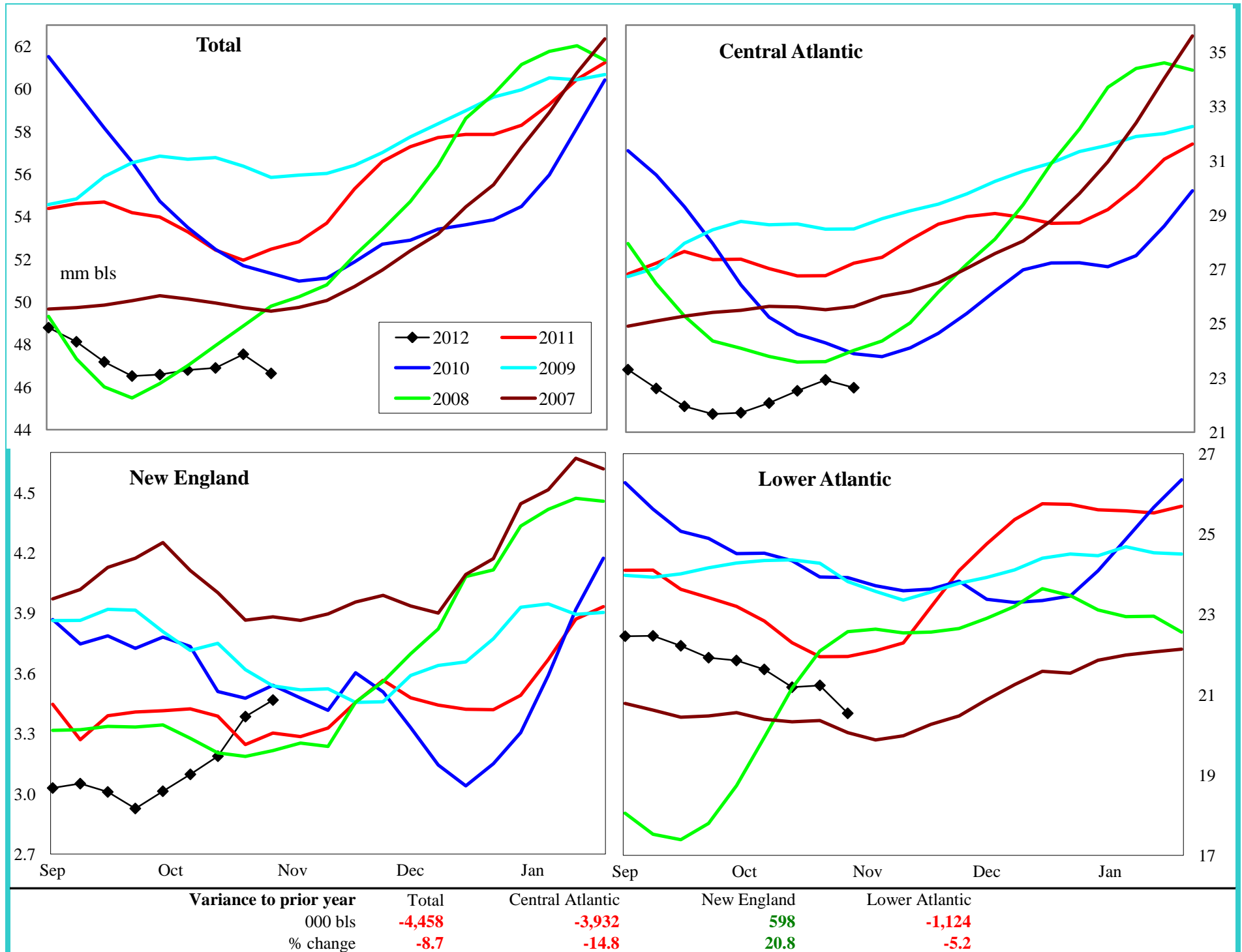




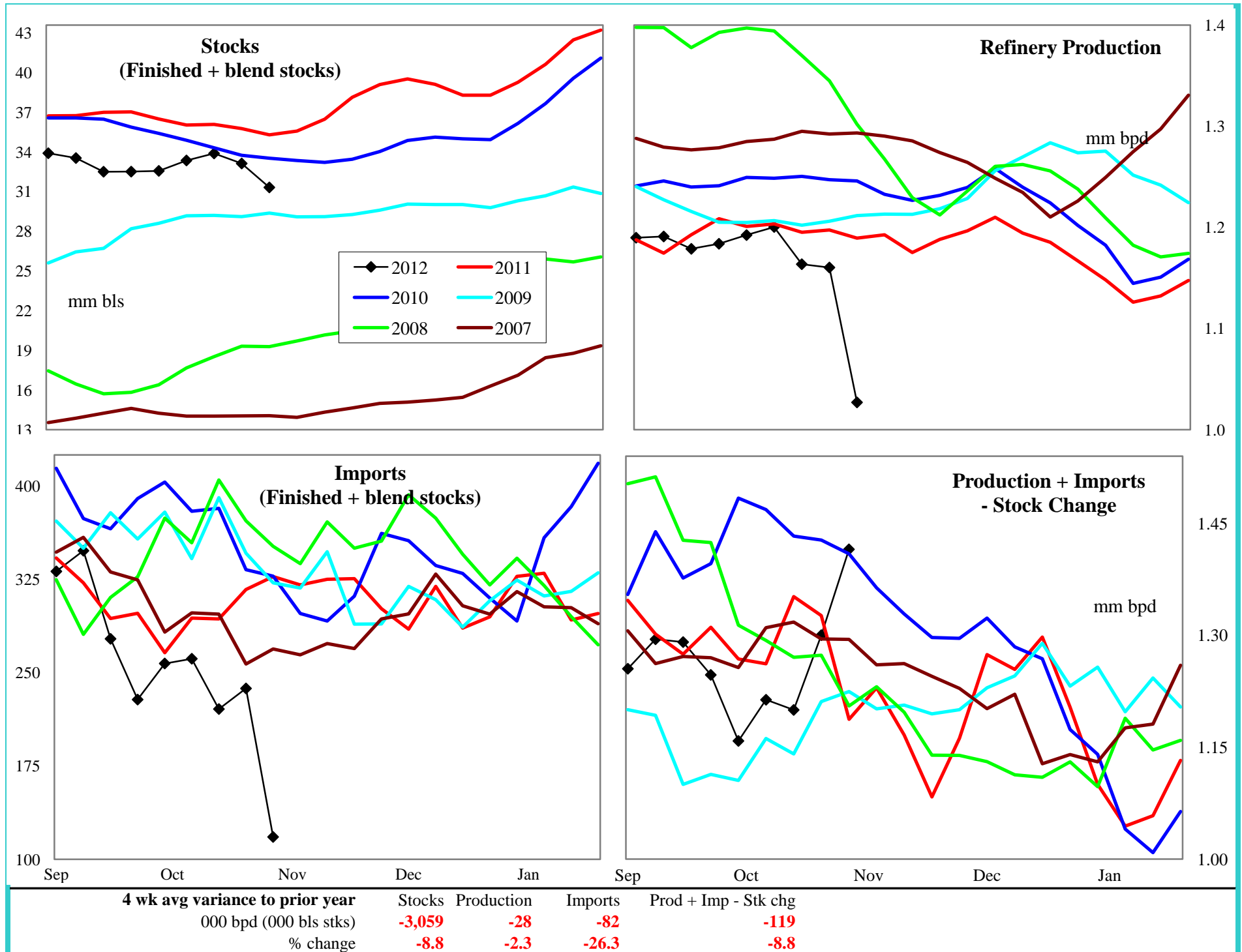
# PADD 1 Gasoline Supply



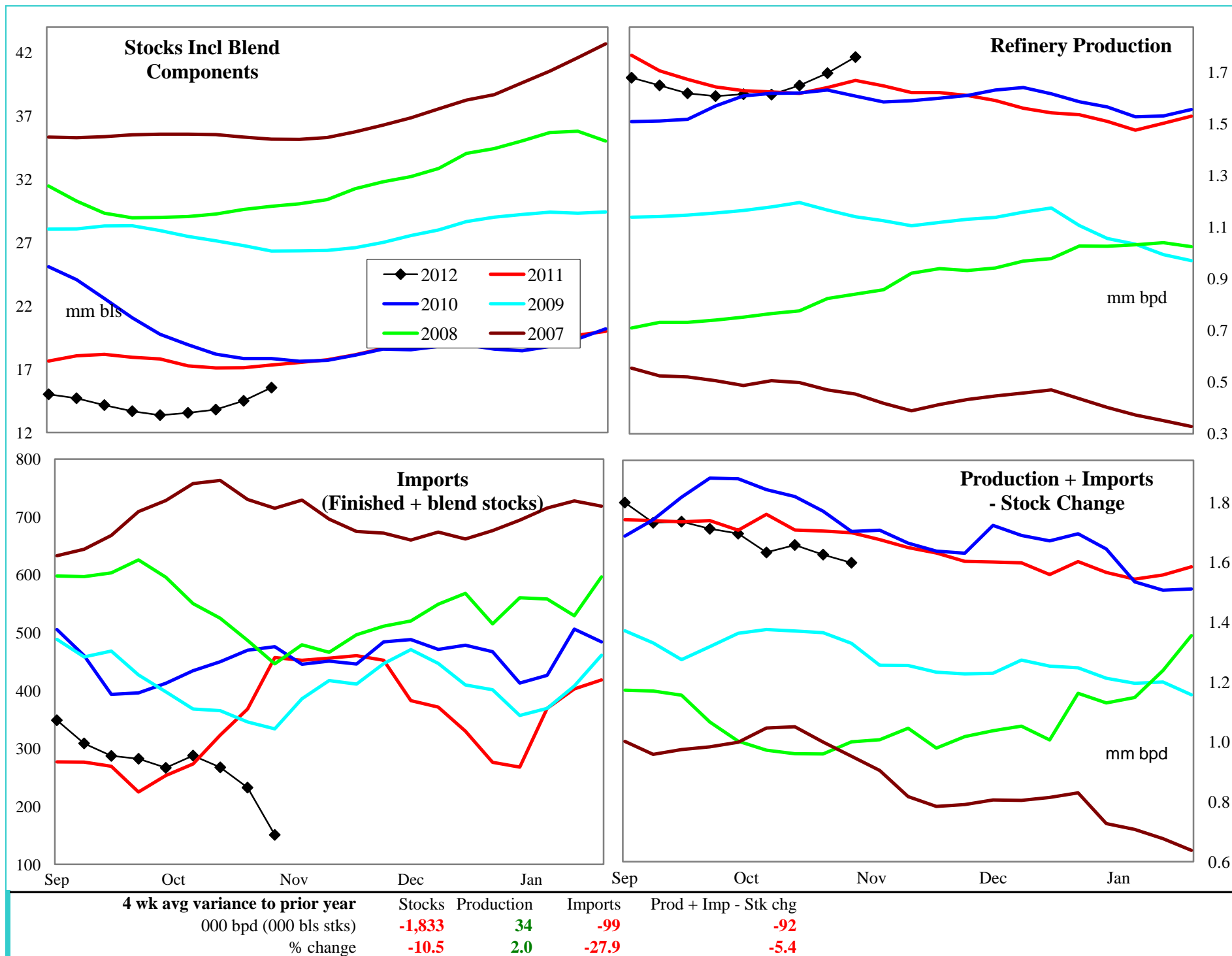
# PADD 1 Gasoline Stocks by Region



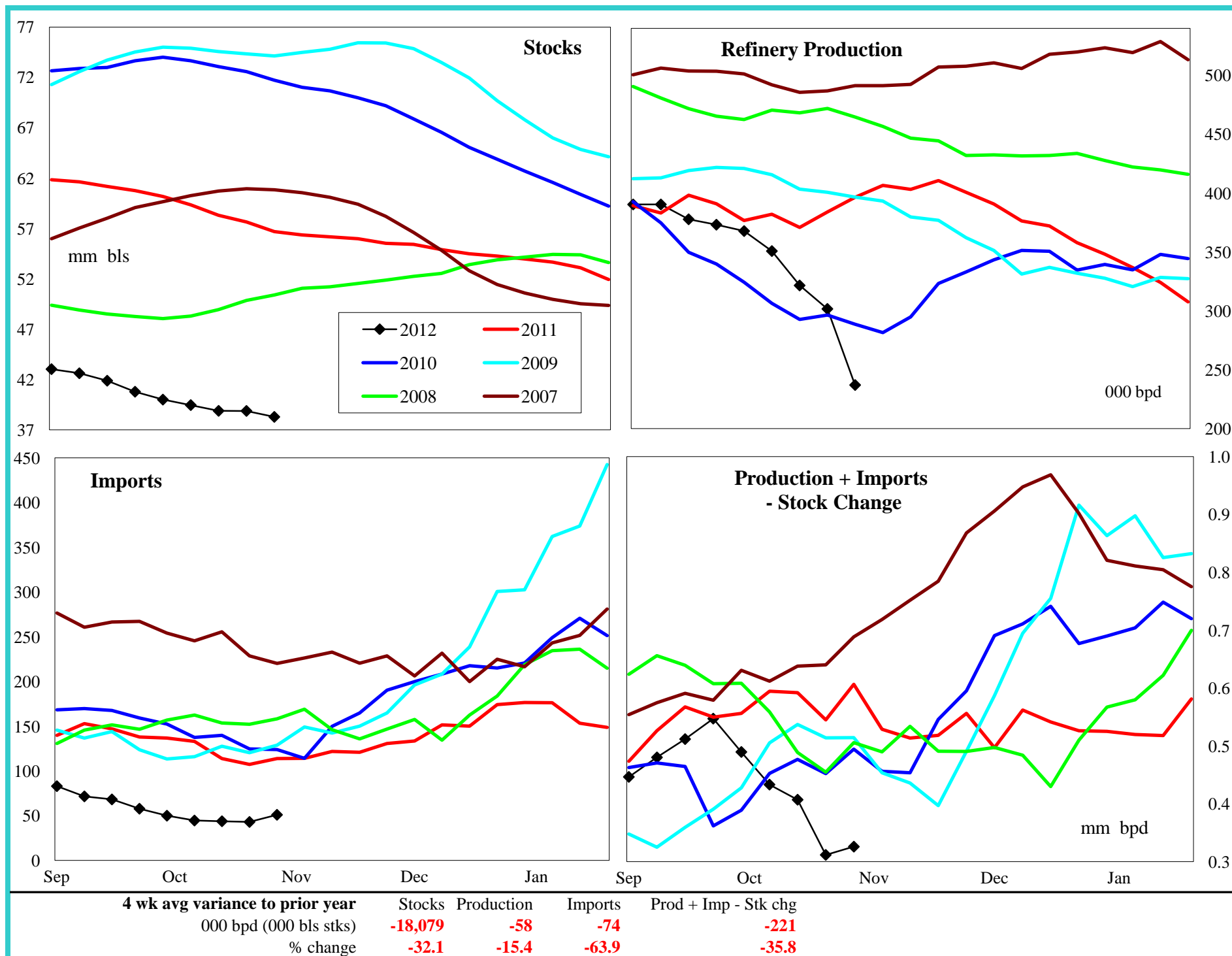
# PADD 1 Reformulated Gasoline Supply



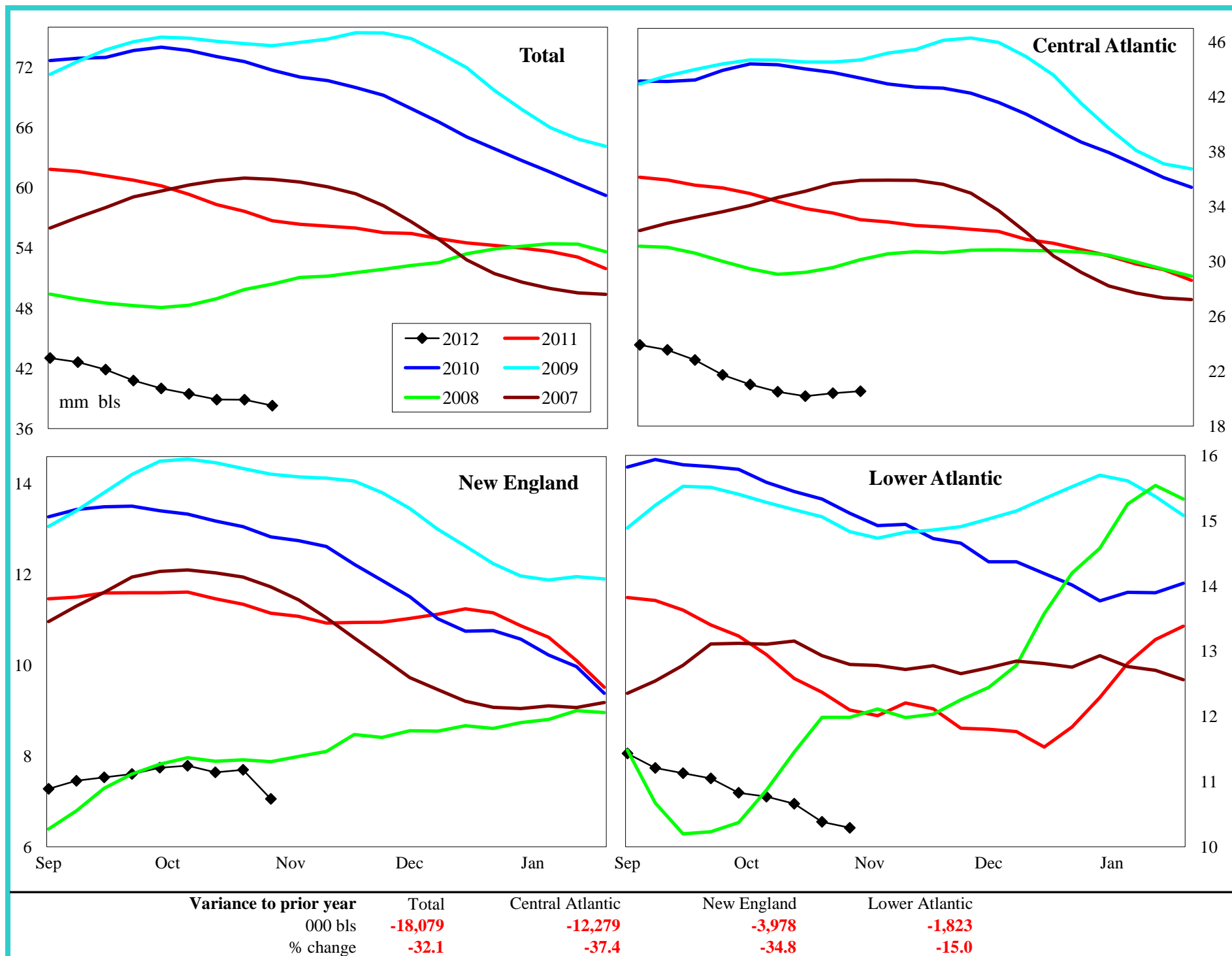
# PADD 1 Conventional Gasoline Supply



# PADD 1 Distillate Supply

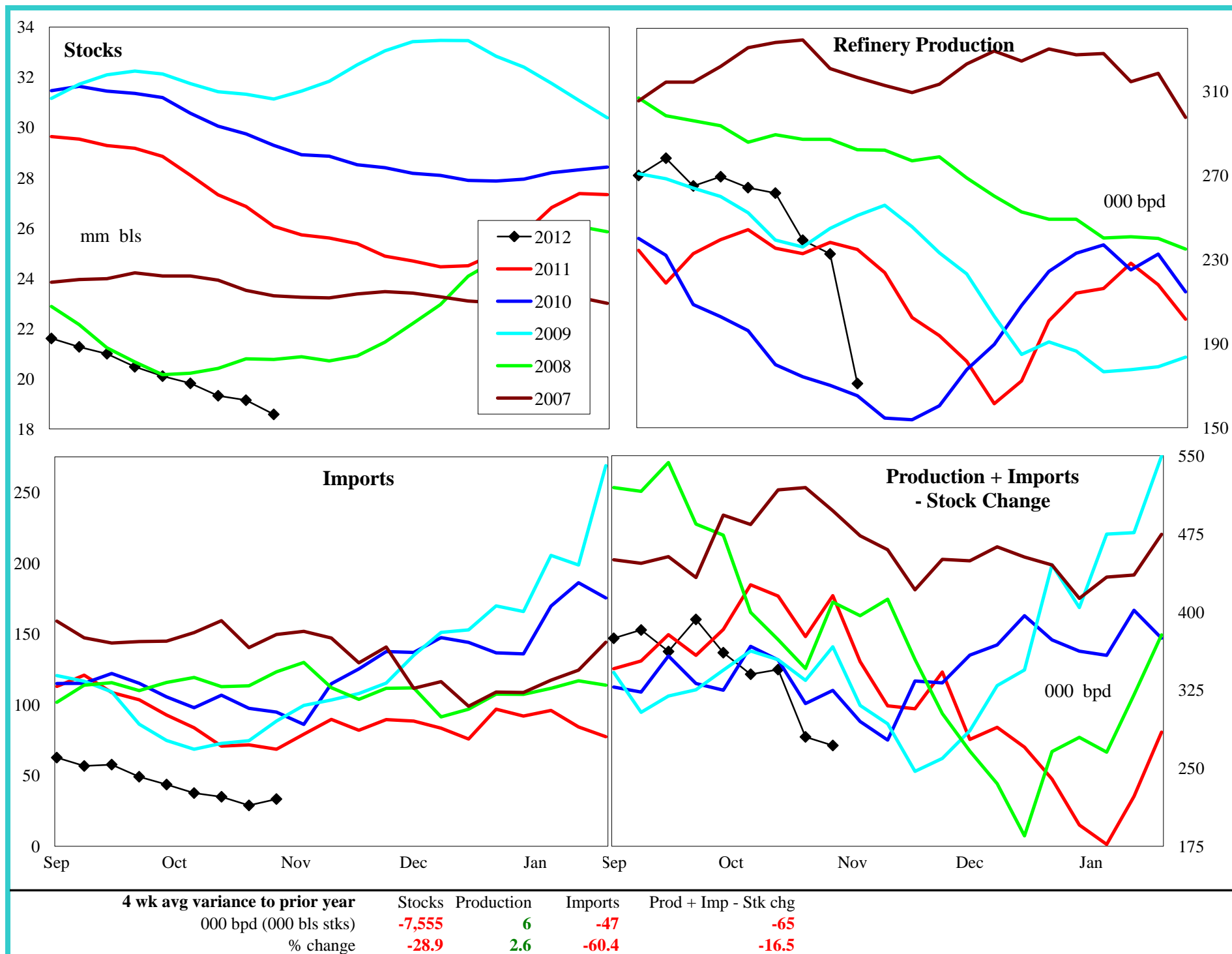


## PADD 1 Distillate Stocks by Region

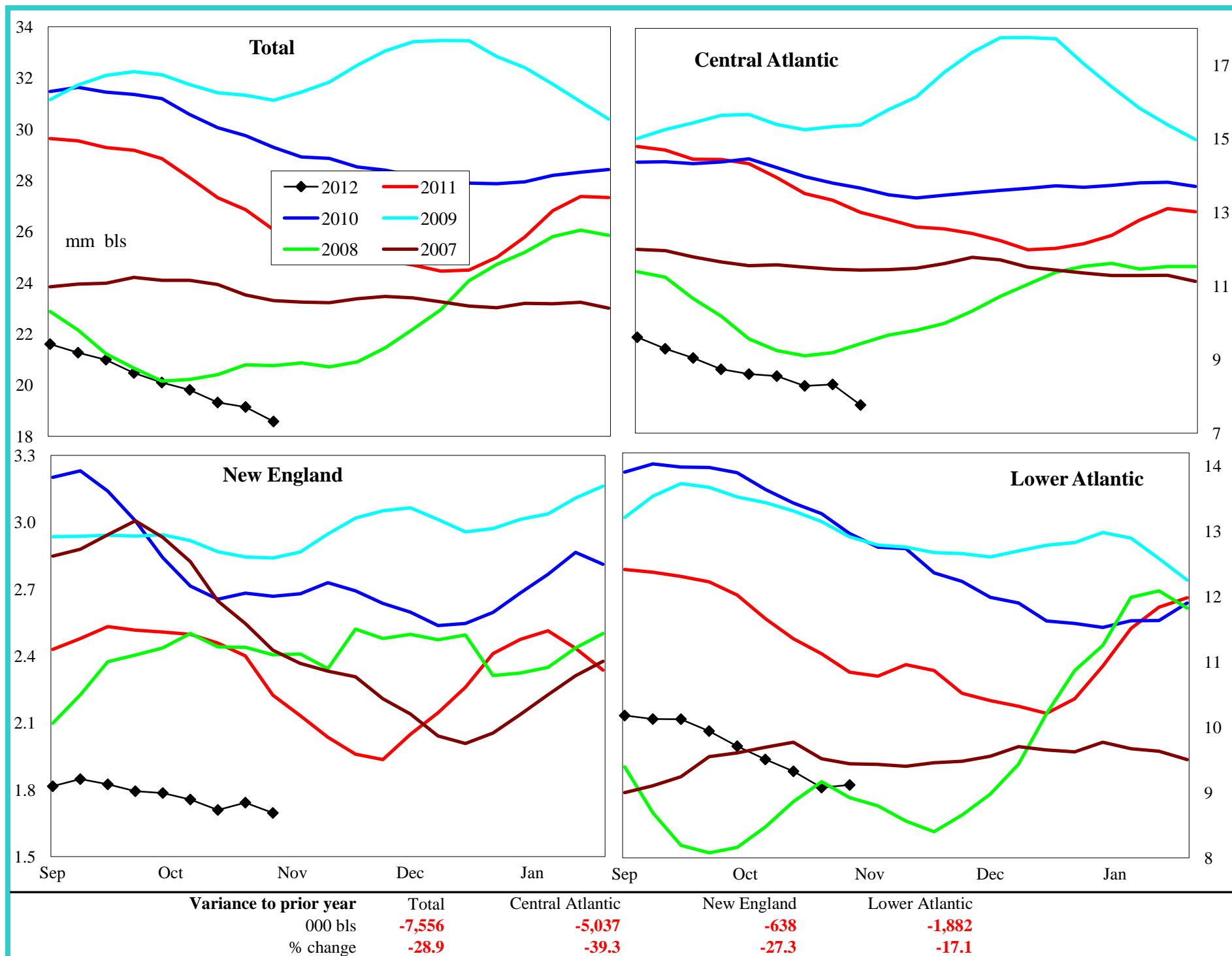




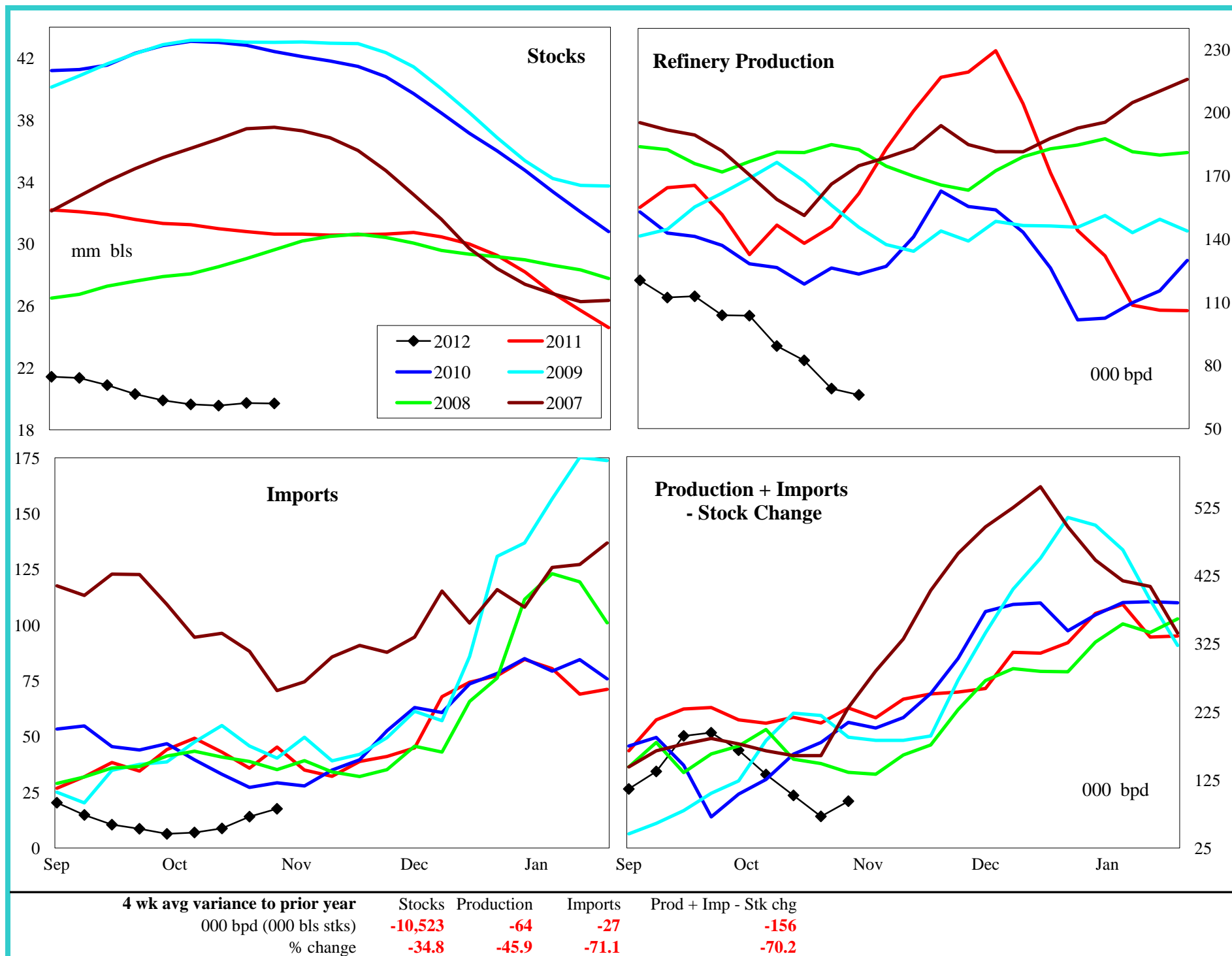
# PADD 1 Low Sulfur Distillate Supply



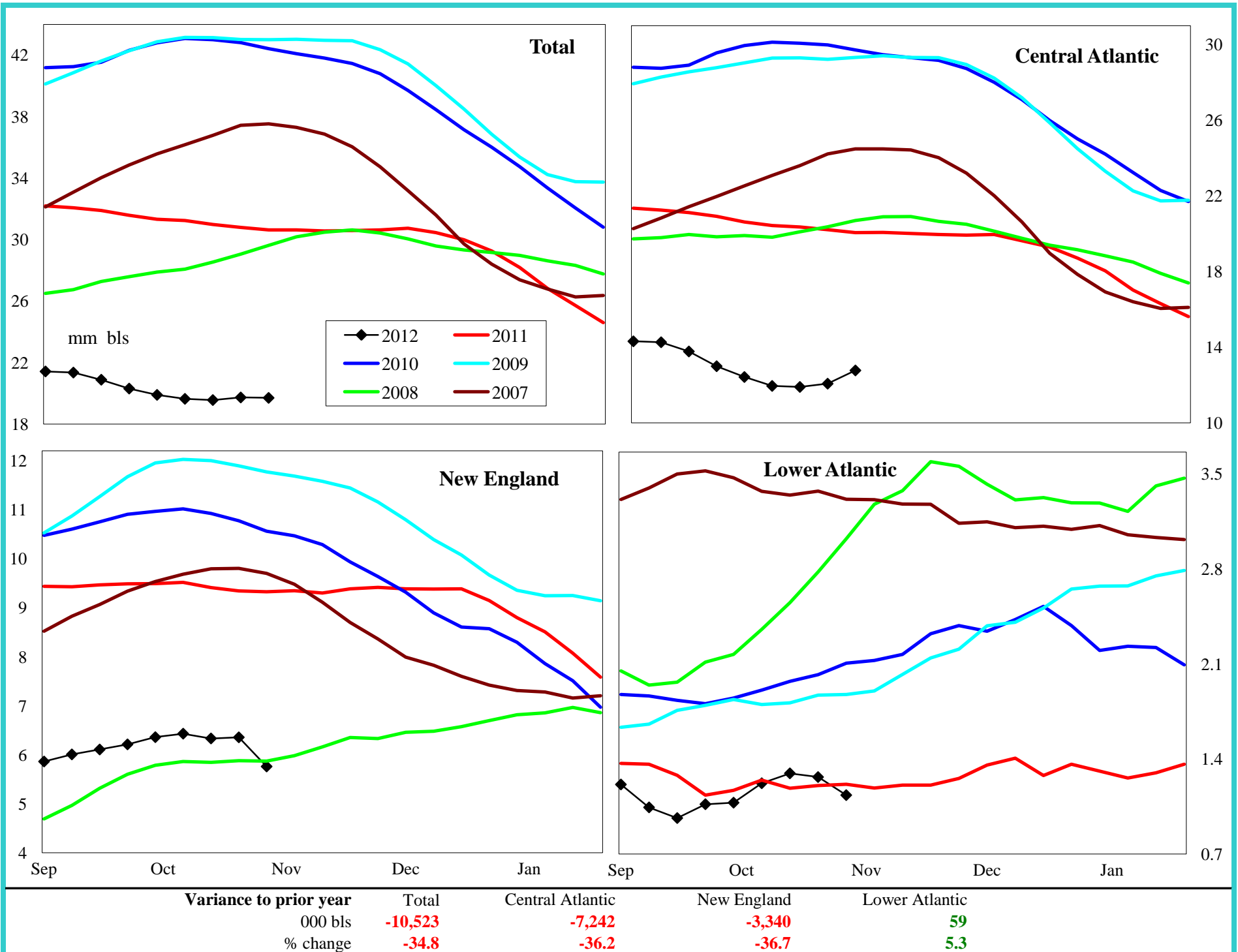
# PADD 1 Low Sulfur Distillate Stocks by Region



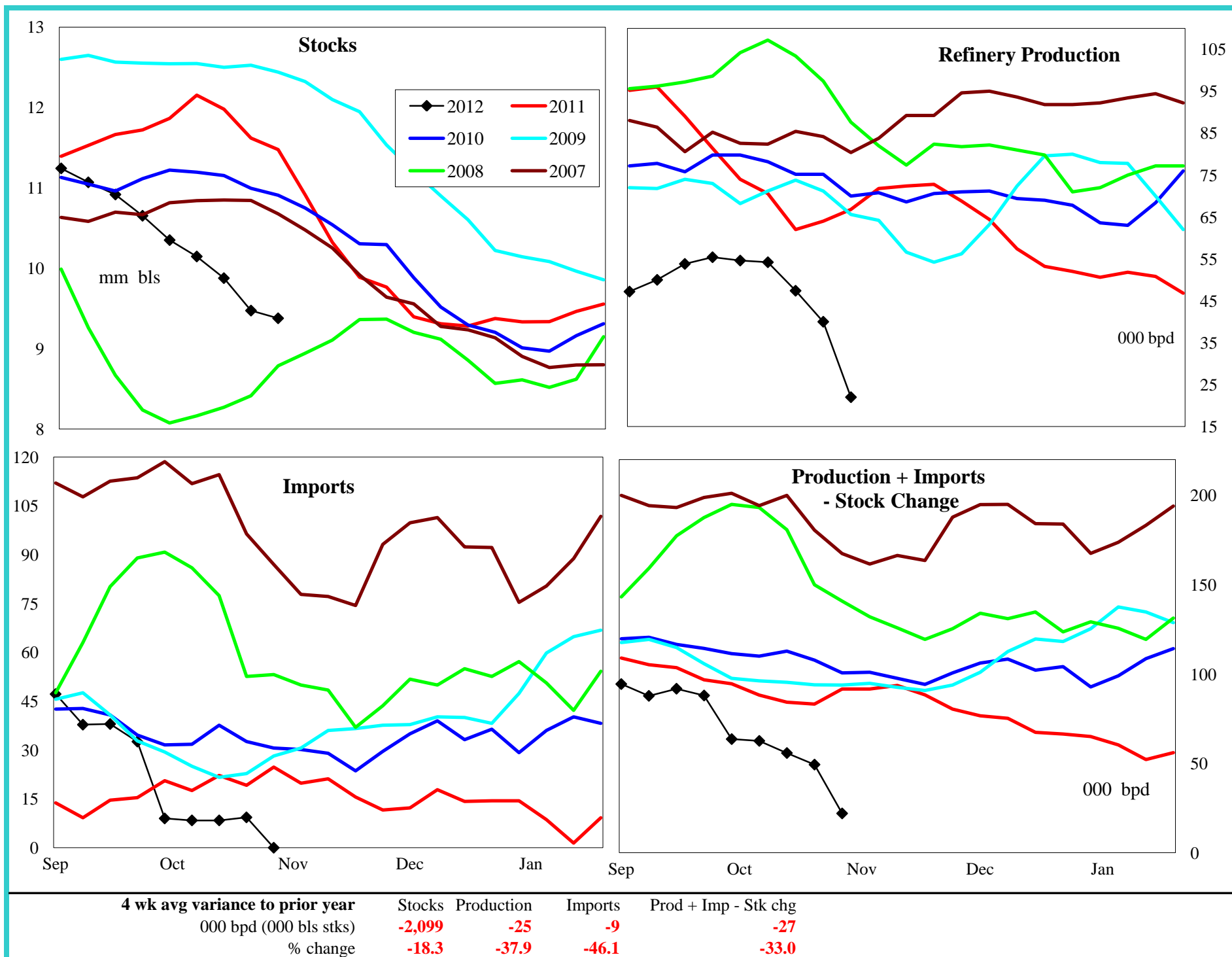
# PADD 1 High Sulfur Distillate Supply



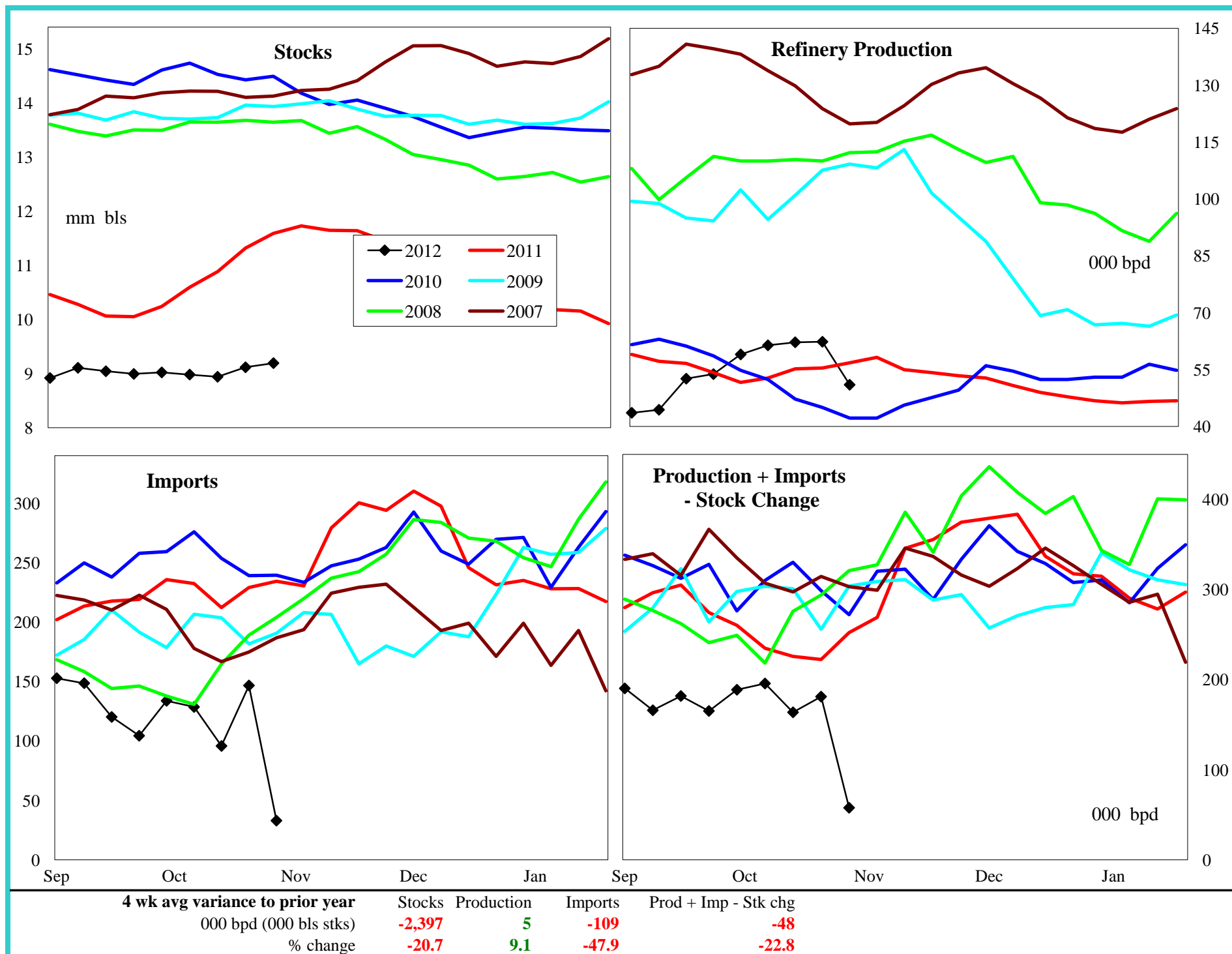
# PADD 1 High Sulfur Distillate Stocks by Region



# PADD 1 Jet Fuel Supply

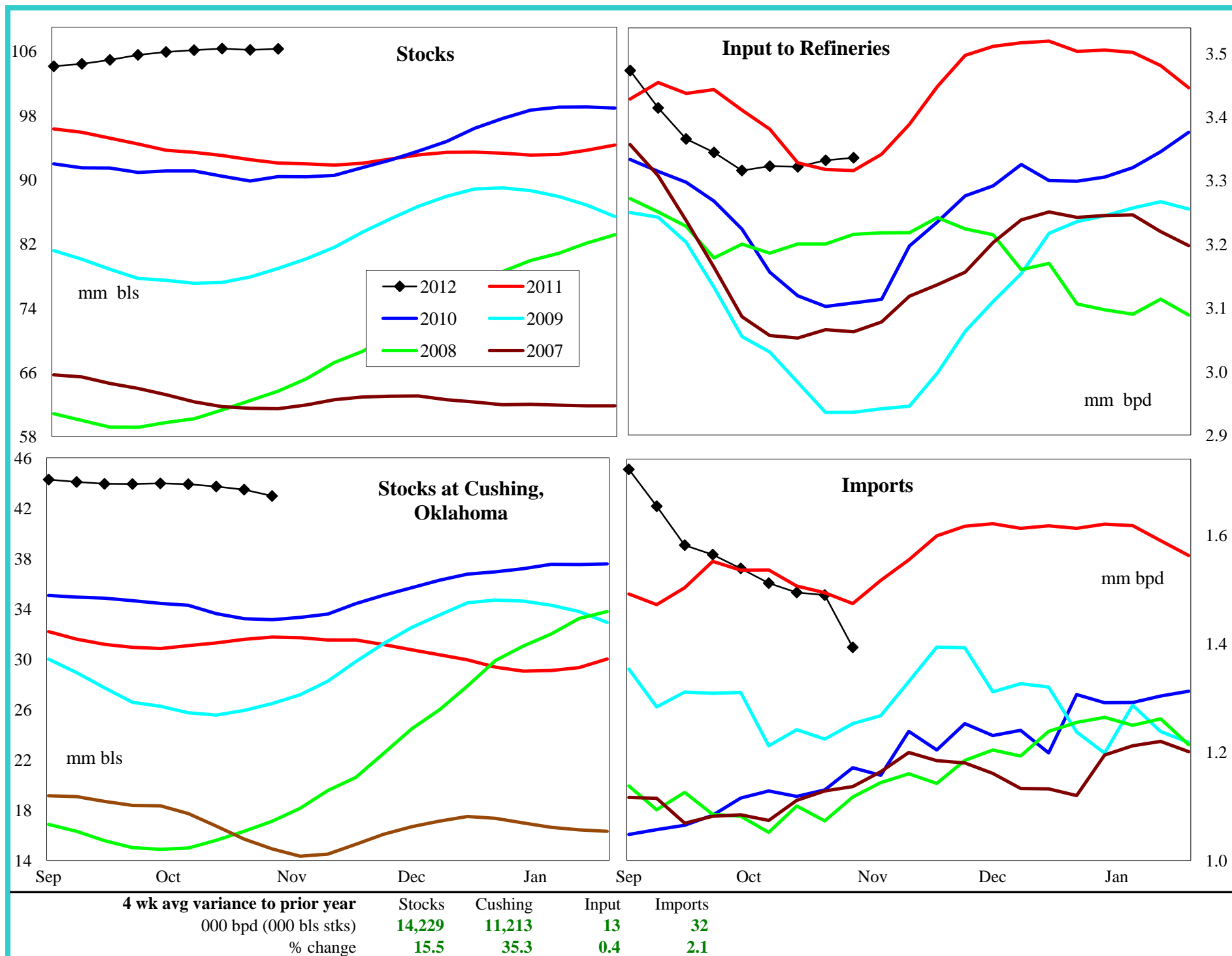


# PADD 1 Residual Fuel Oil Supply

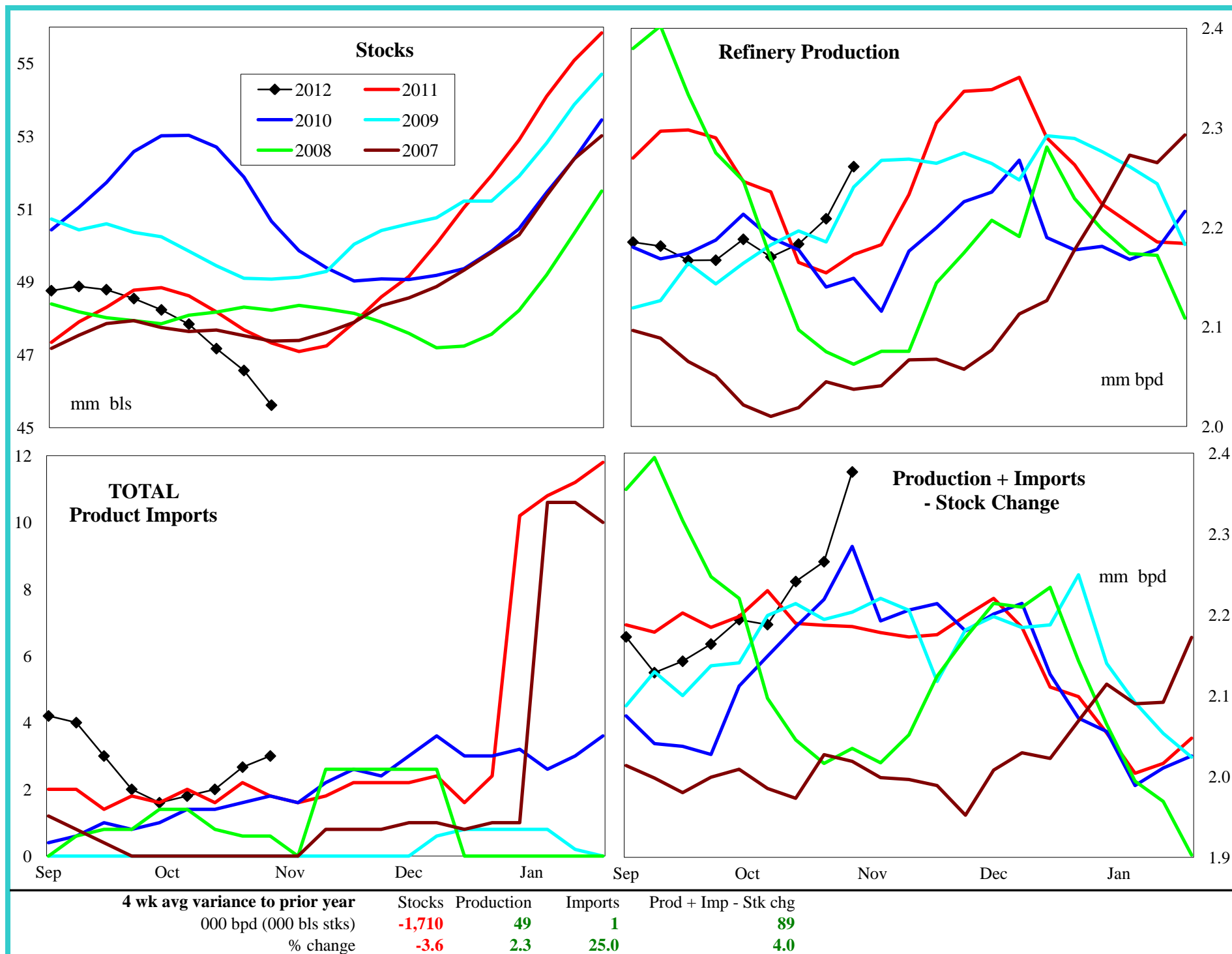




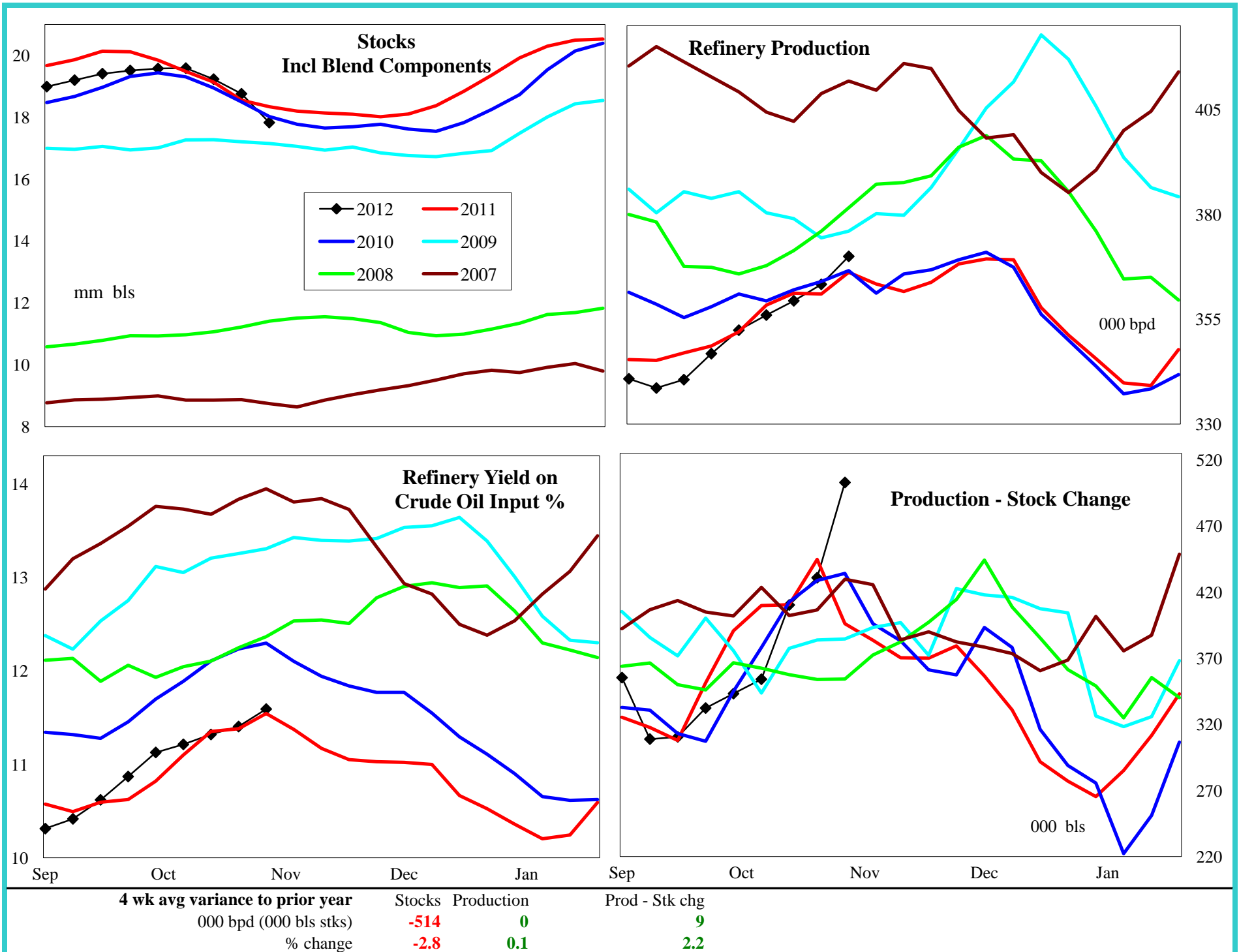
# PADD 2 Crude Oil Supply and Refining



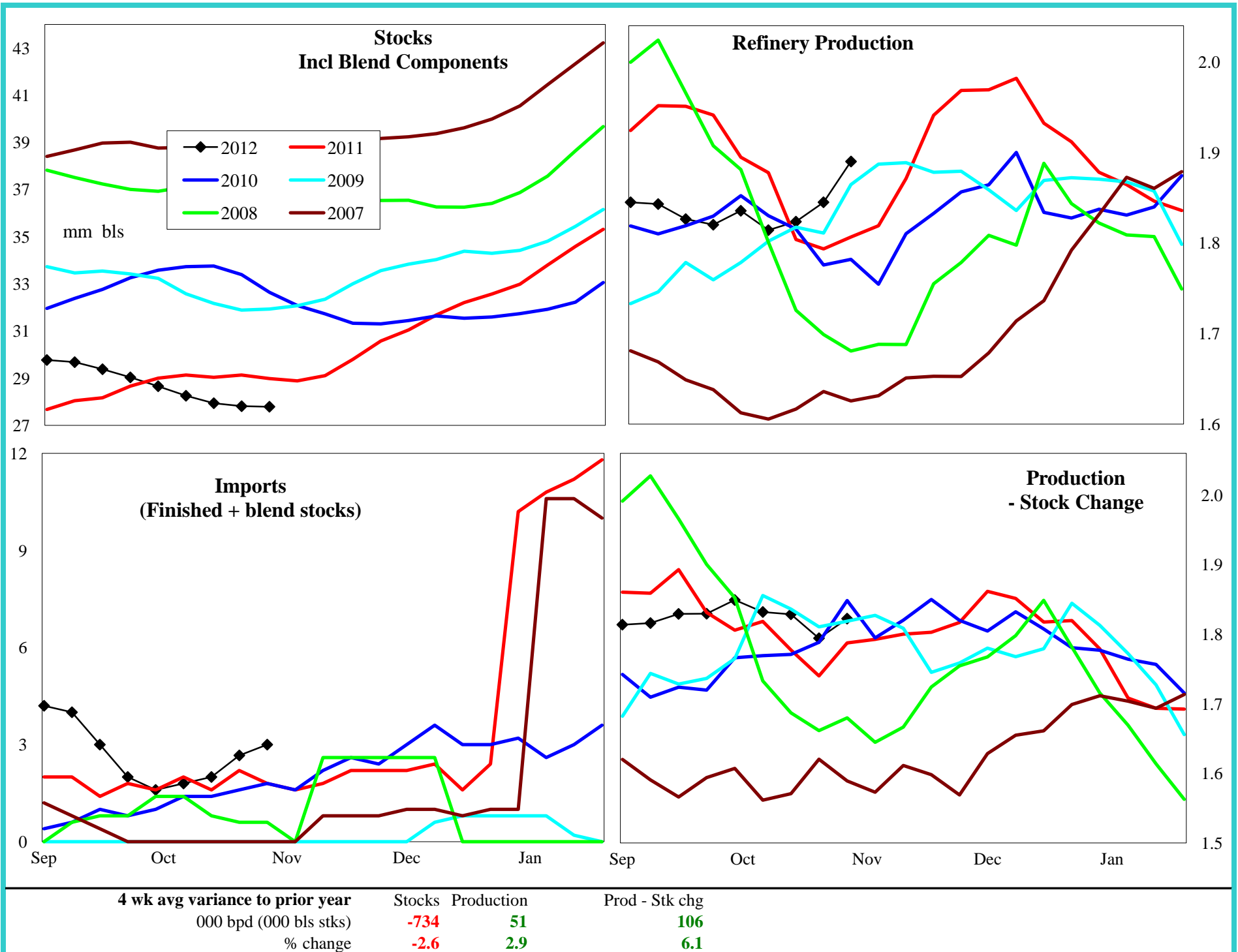
# PADD 2 Gasoline Supply



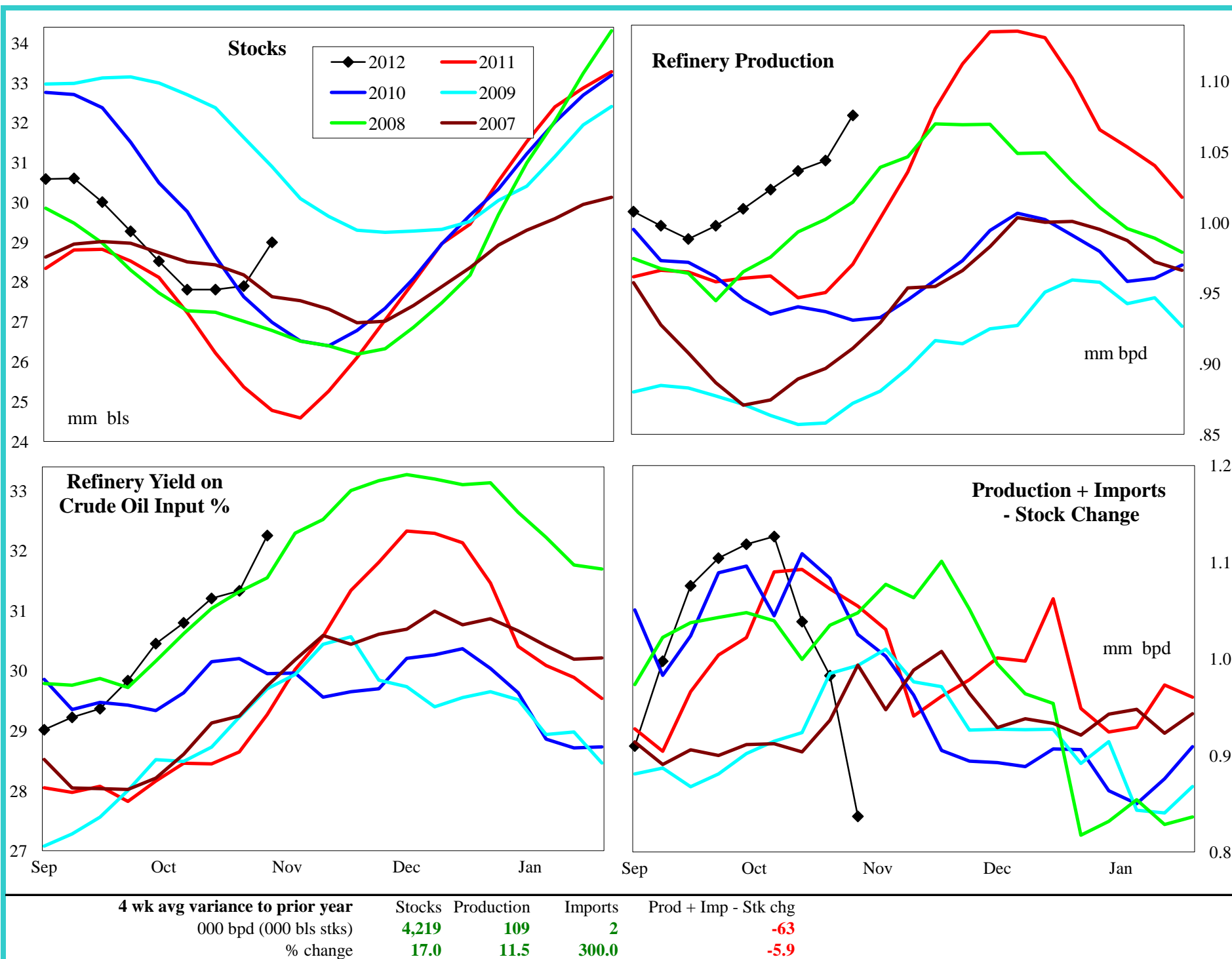
## PADD 2 Reformulated Gasoline Supply



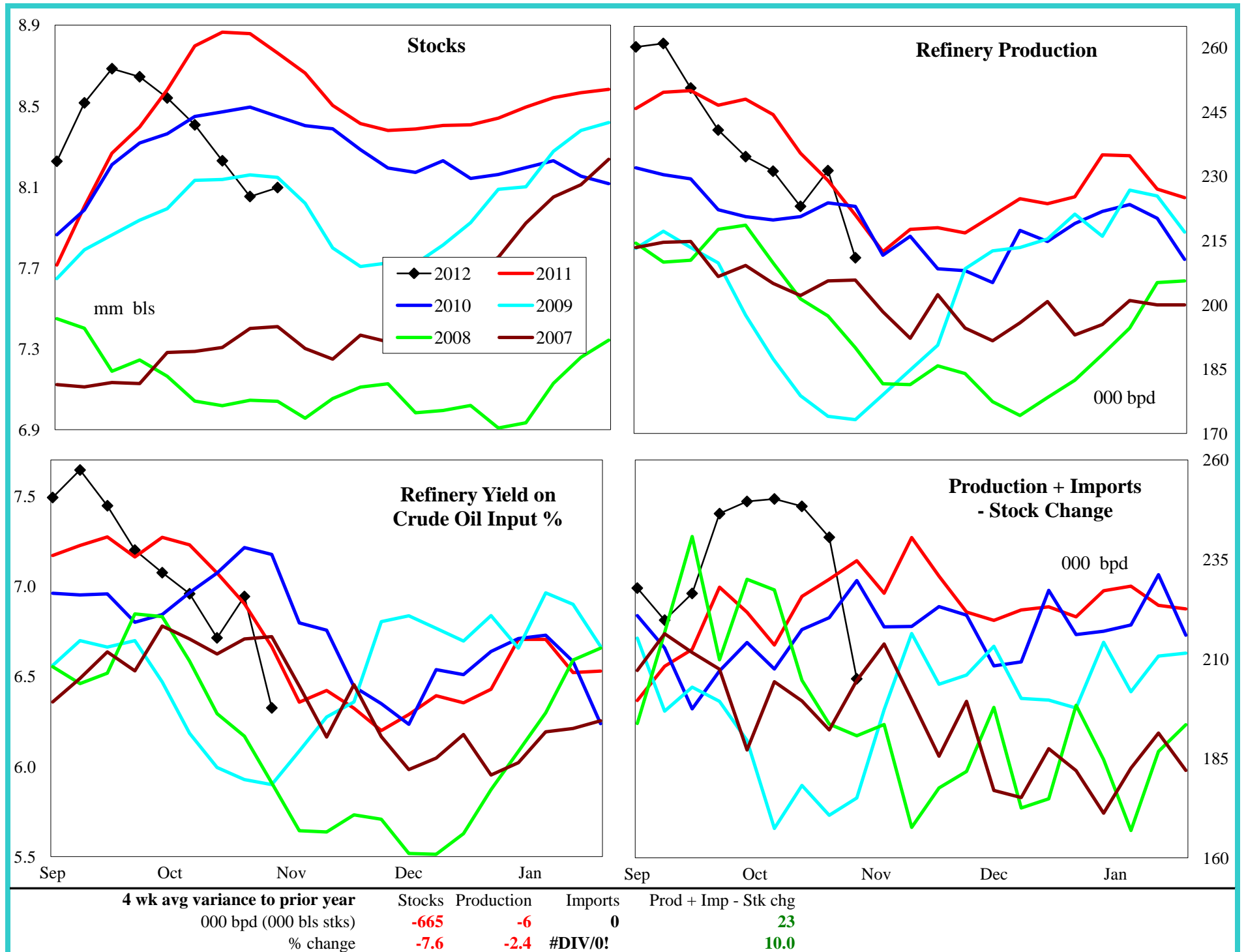
# PADD 2 Conventional Gasoline Supply



# PADD 2 Distillate Supply

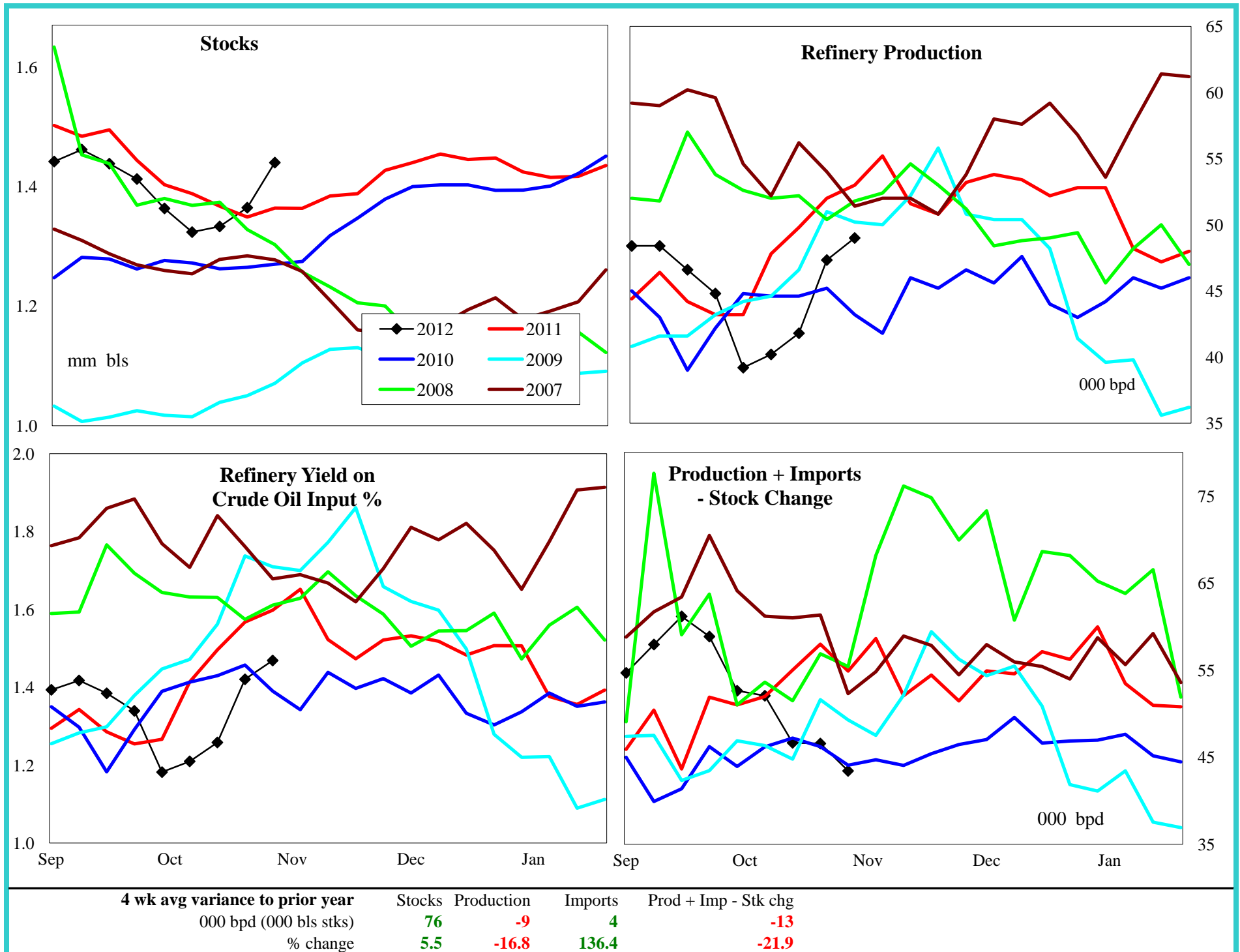


# PADD 2 Jet Fuel Supply

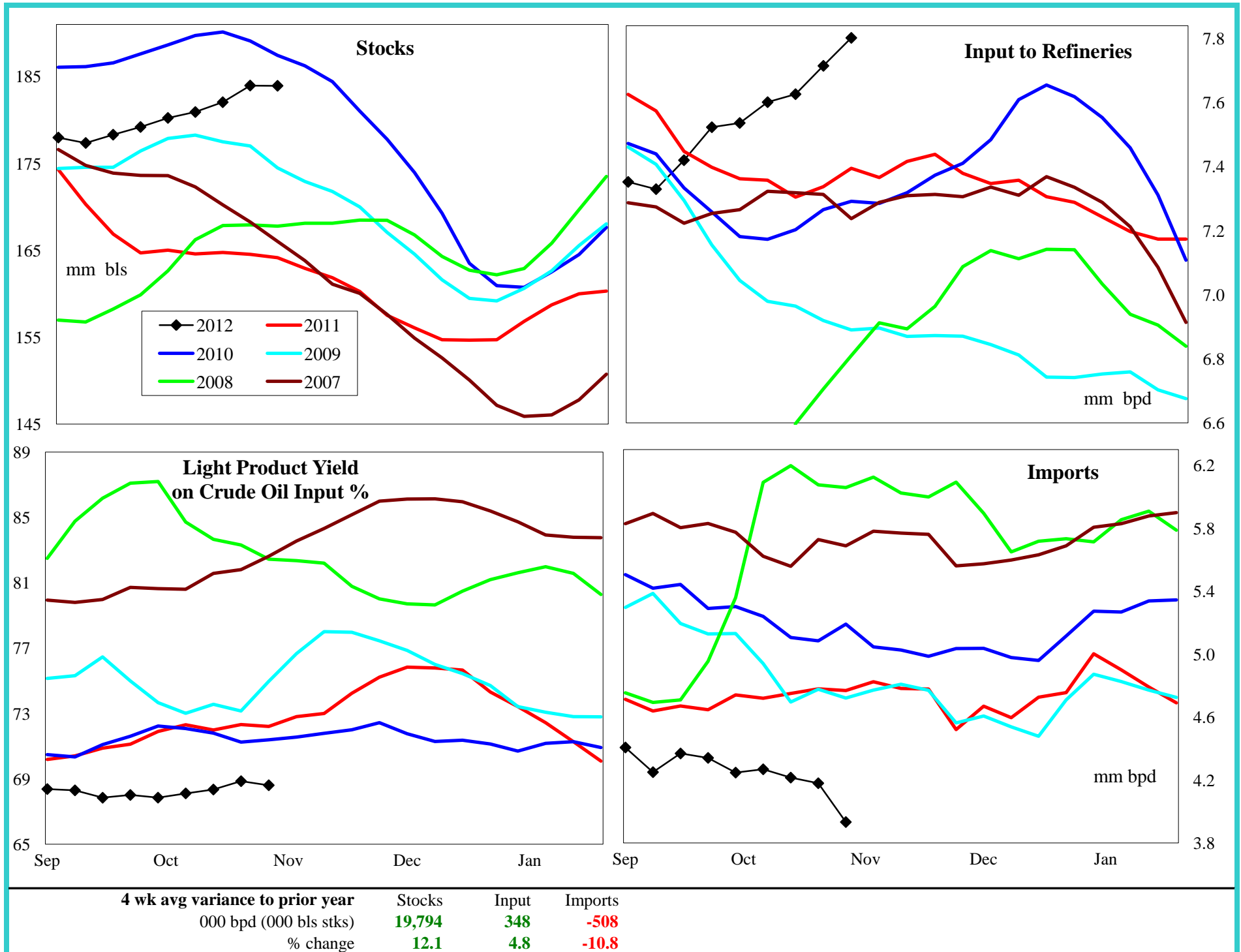




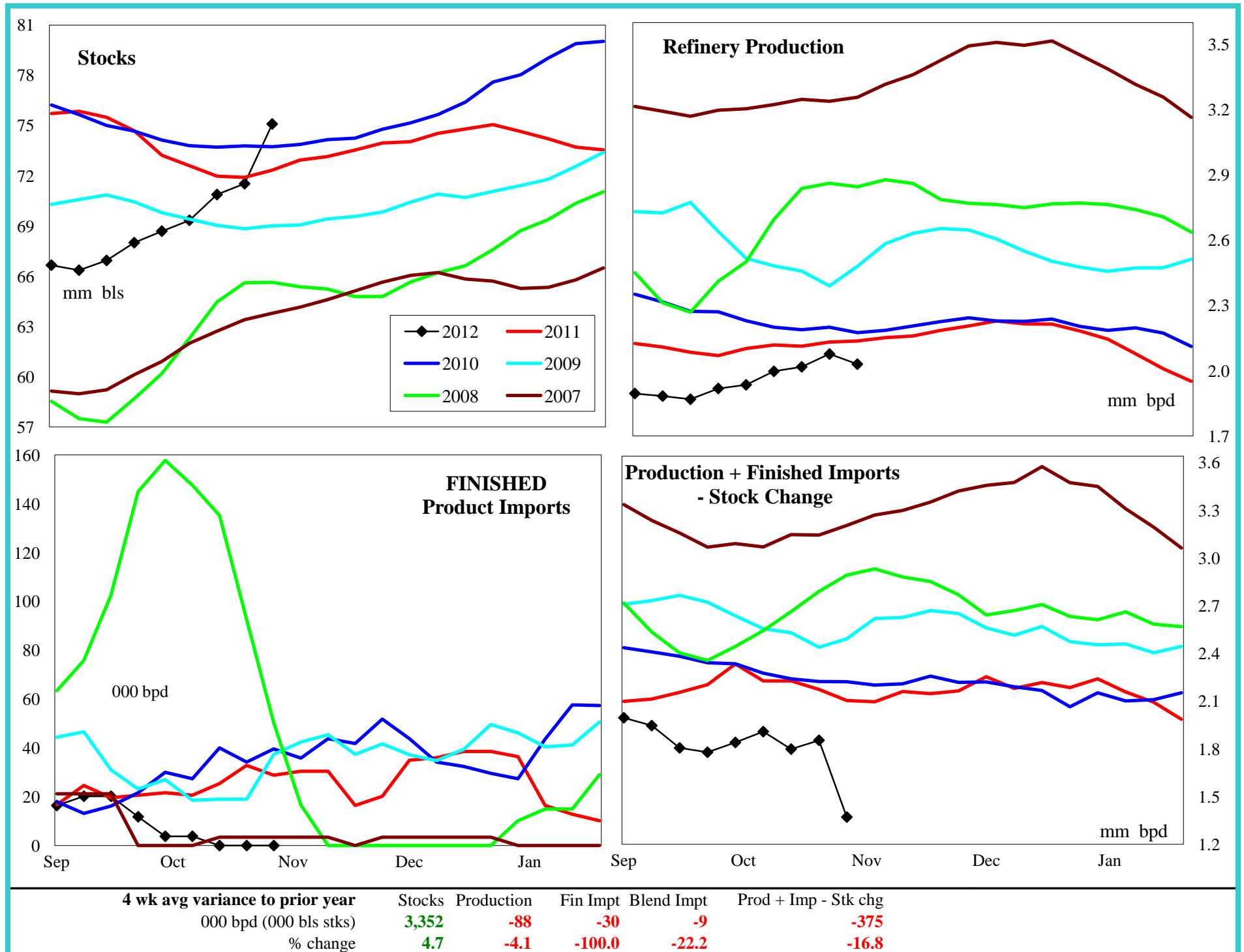
# PADD 2 Residual Fuel Oil Supply



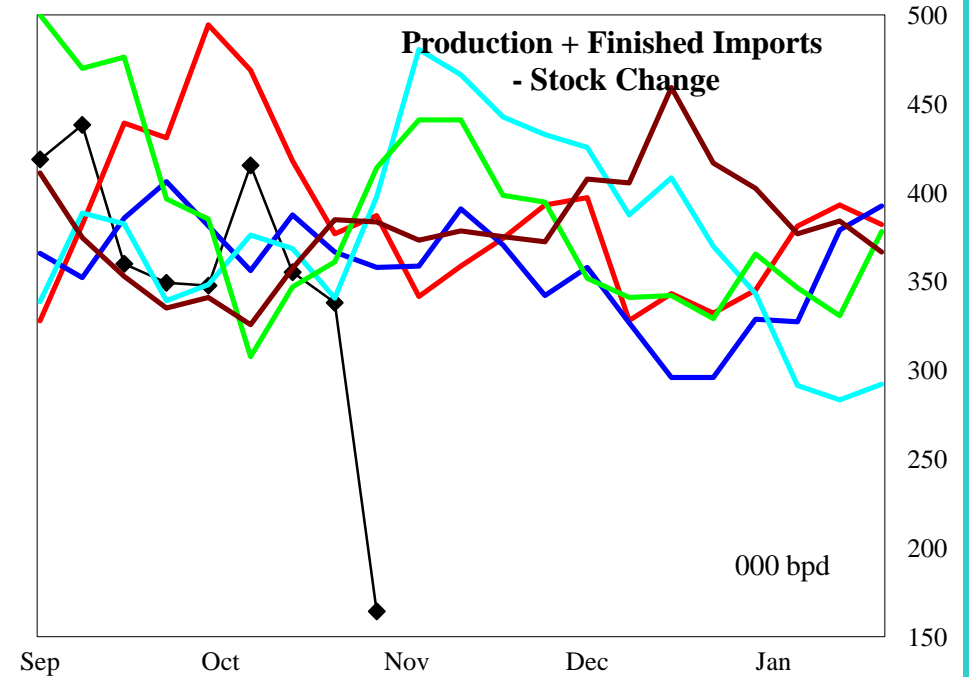
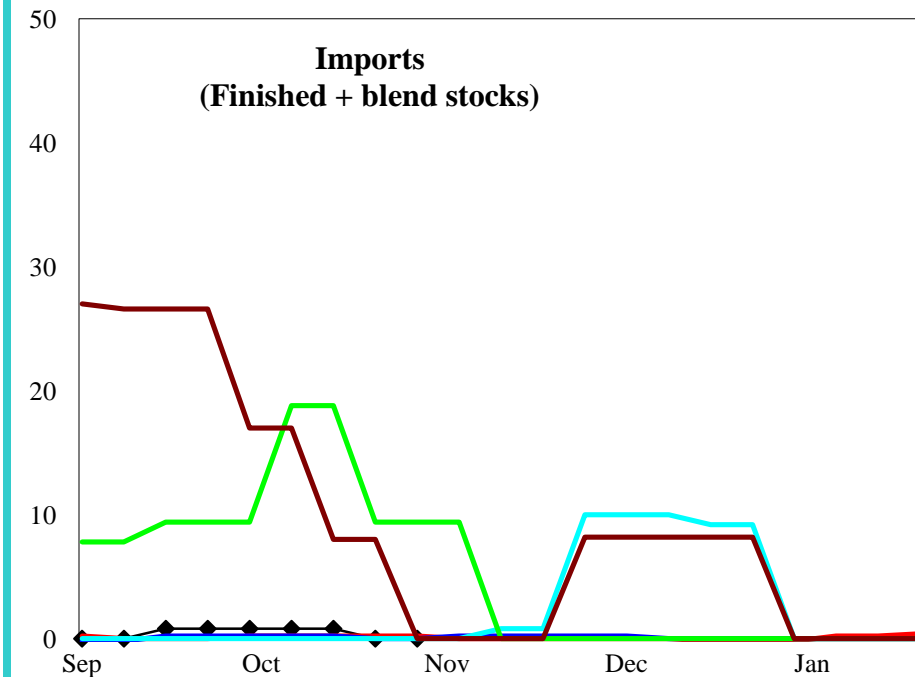
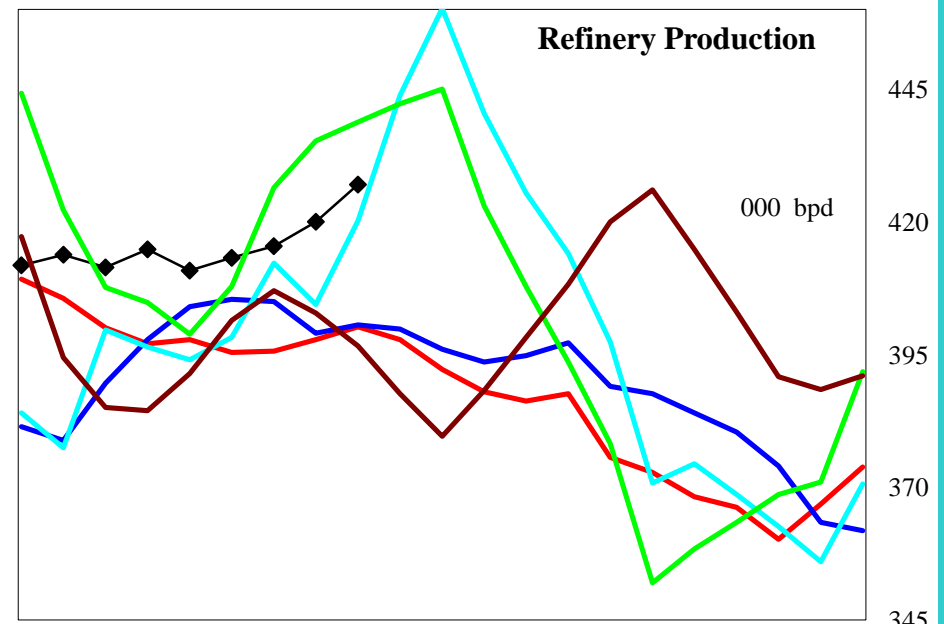
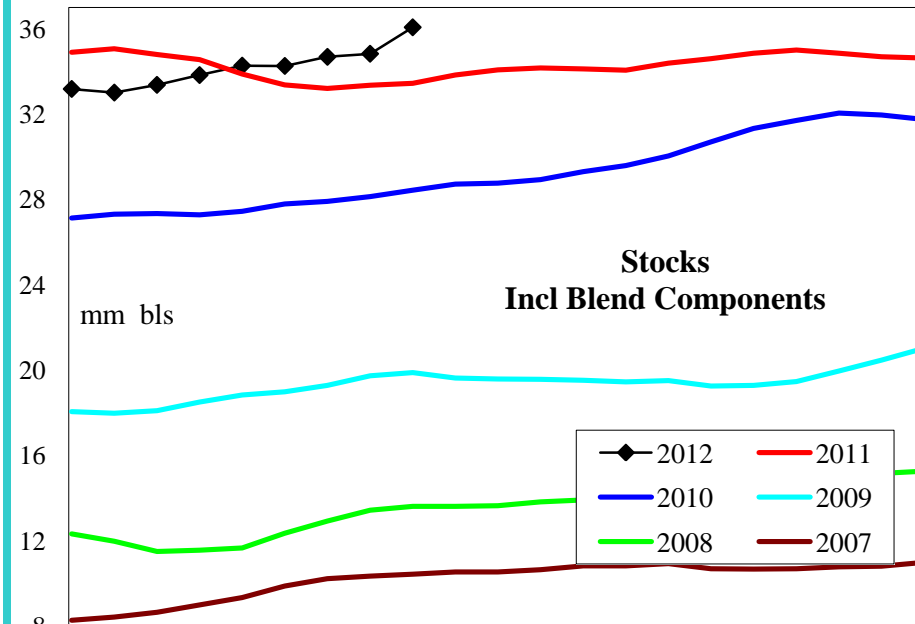
# PADD 3 Crude Oil Supply and Refining



# PADD 3 Gasoline Supply



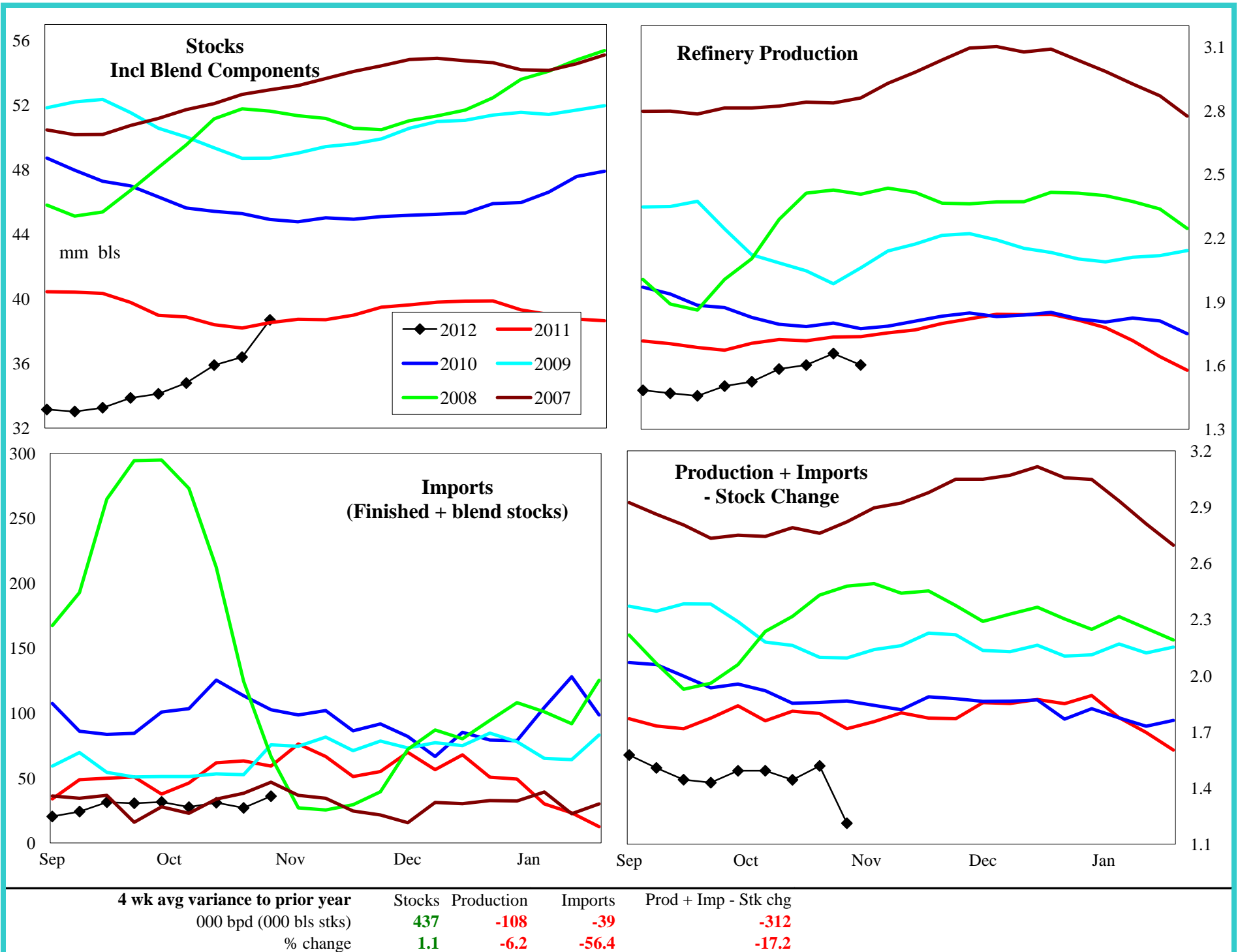
# PADD 3 Reformulated Gasoline Supply



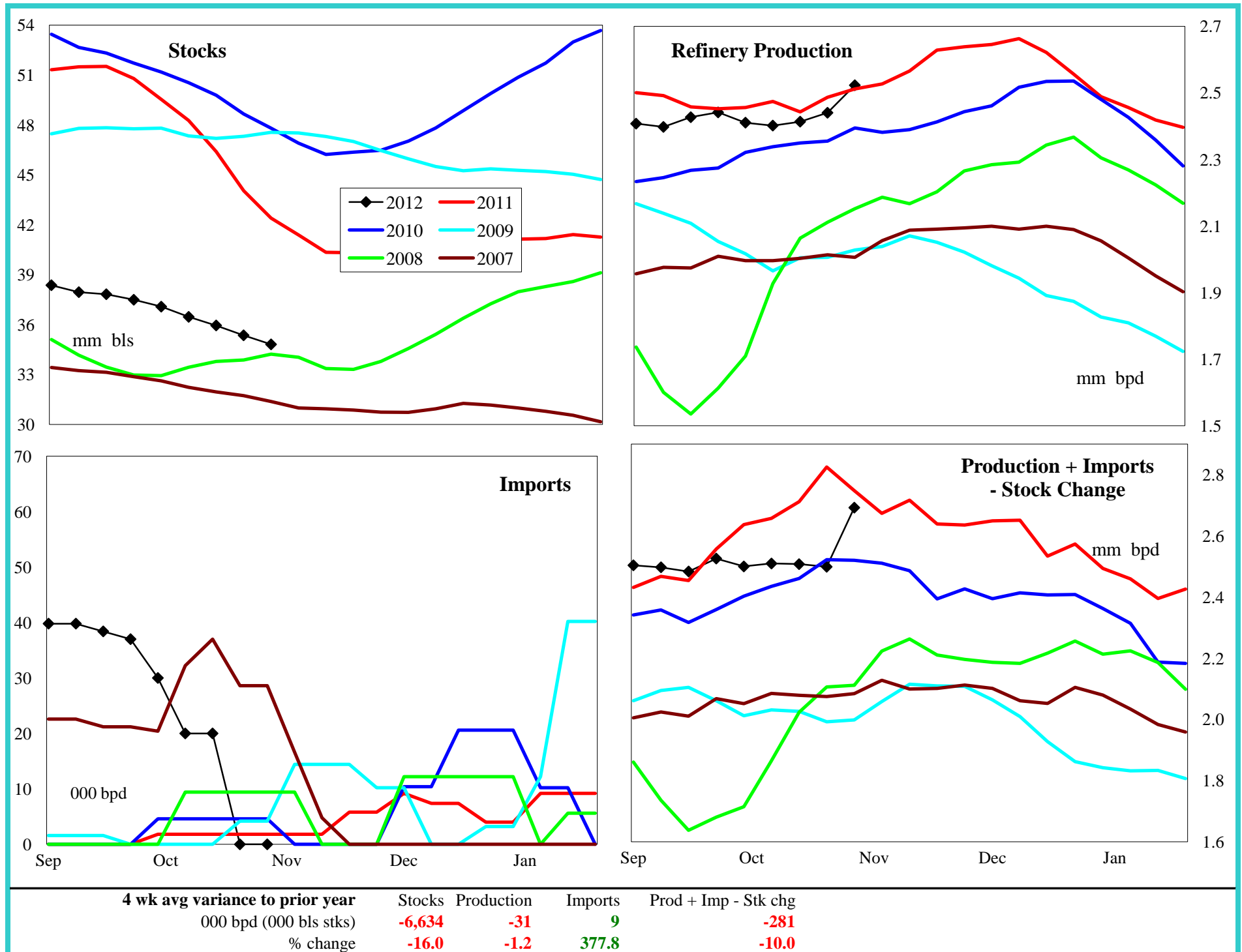
**4 wk avg variance to prior year**  
 000 bpd (000 bls stks)  
 % change

Stocks	Production	Imports	Prod + Imp - Stk chg
2,946	20	0	-62
8.8	4.9	-100.0	-14.6

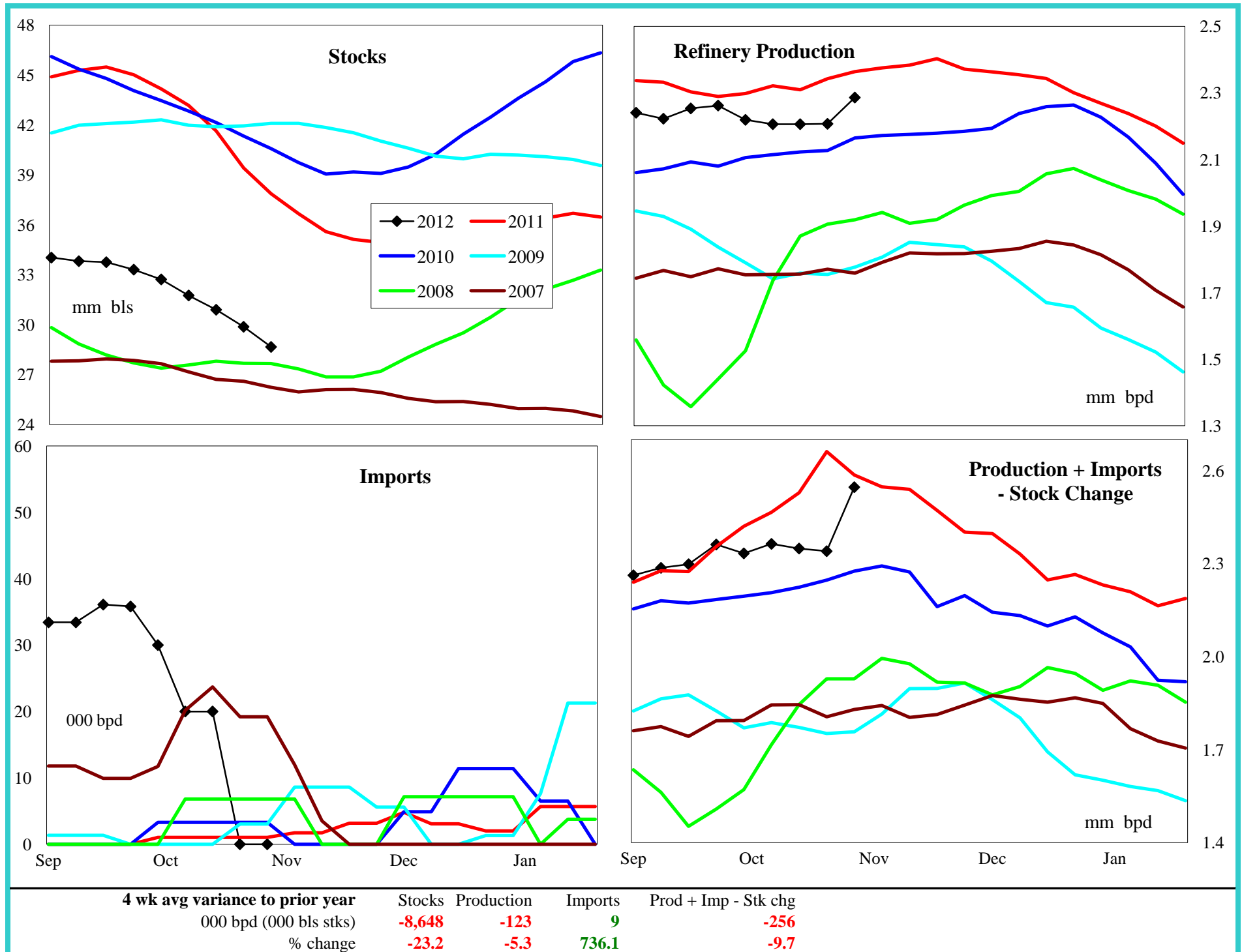
# PADD 3 Conventional Gasoline Supply



# PADD 3 Distillate Supply

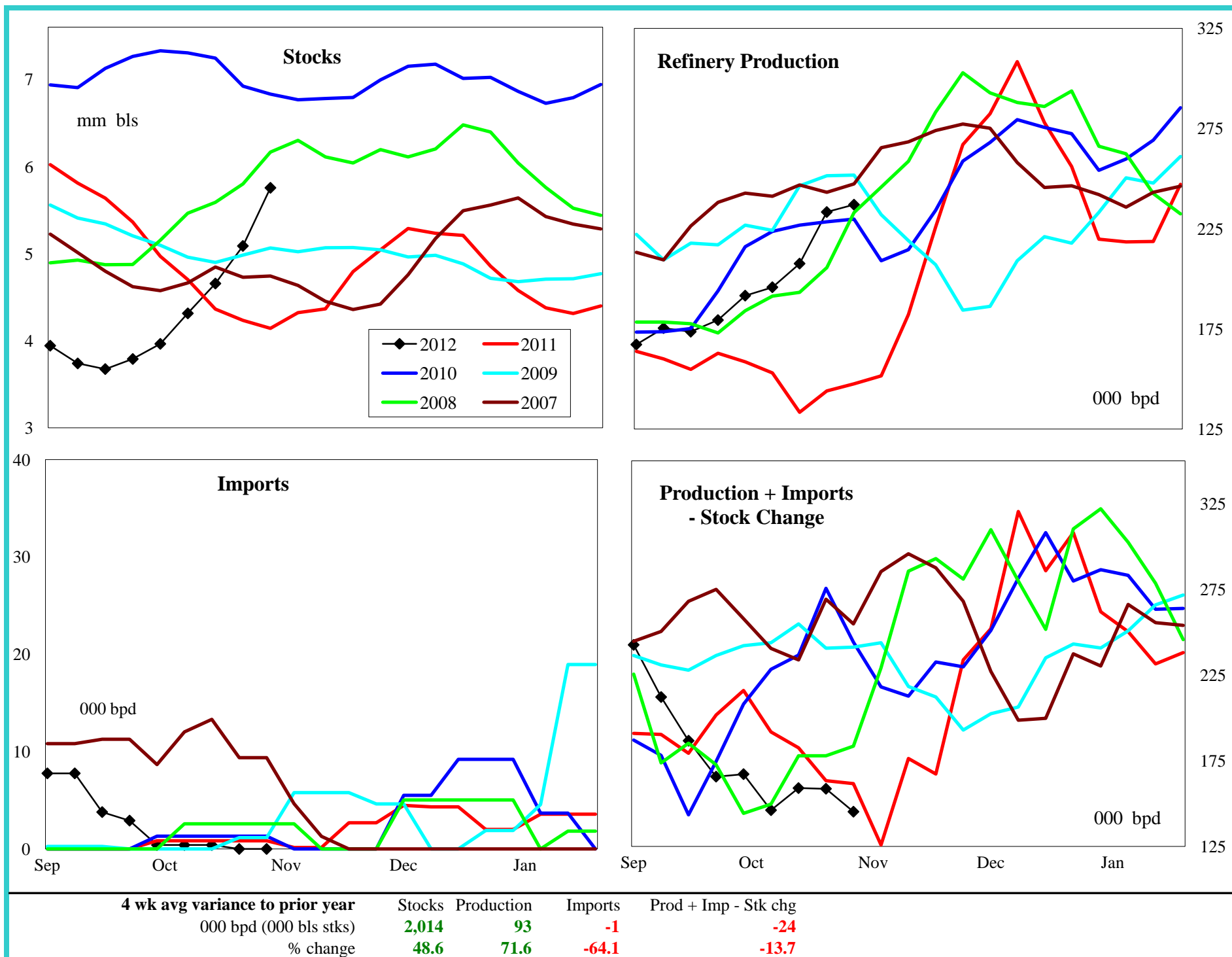


# PADD 3 Low Sulfur Distillate Supply

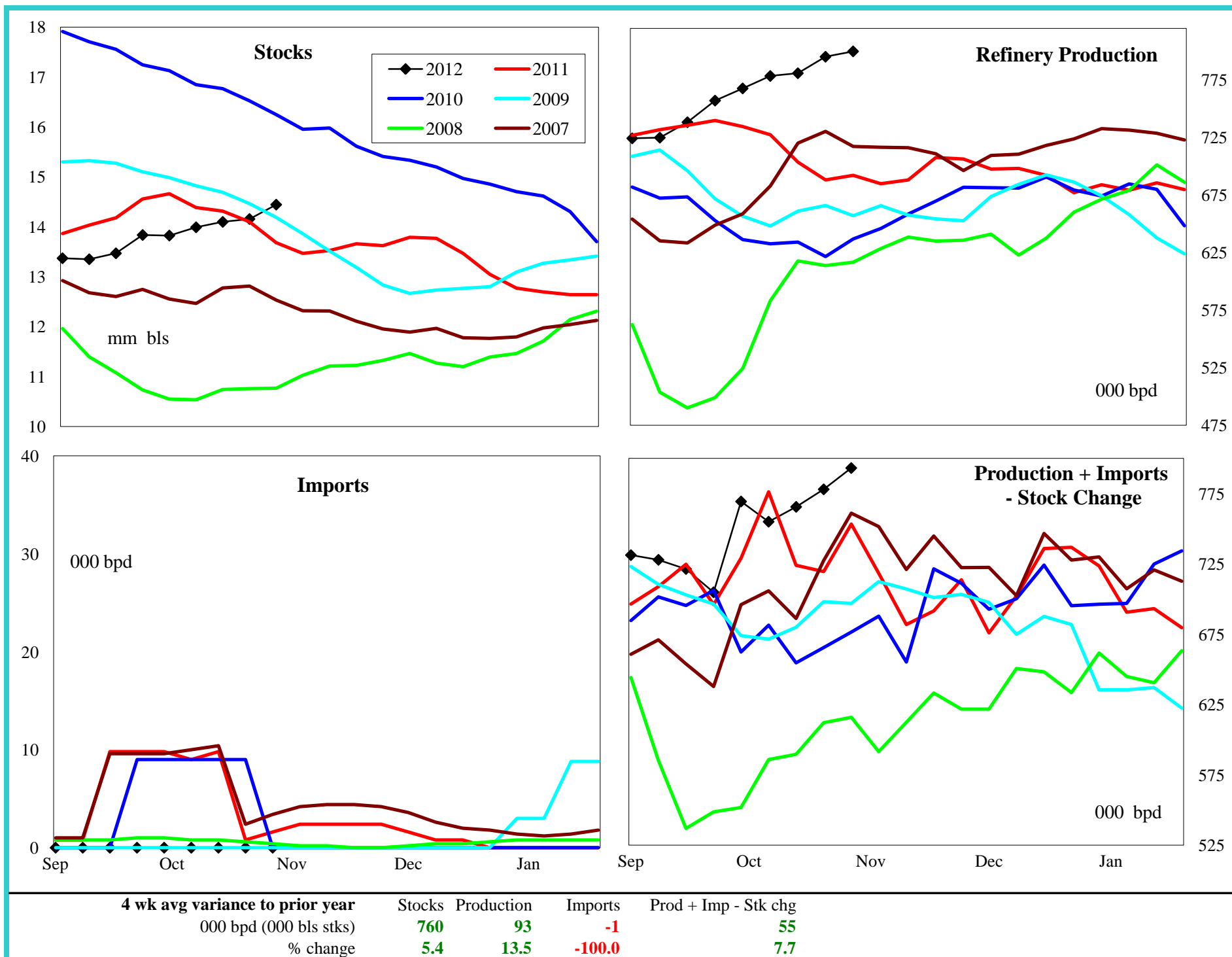




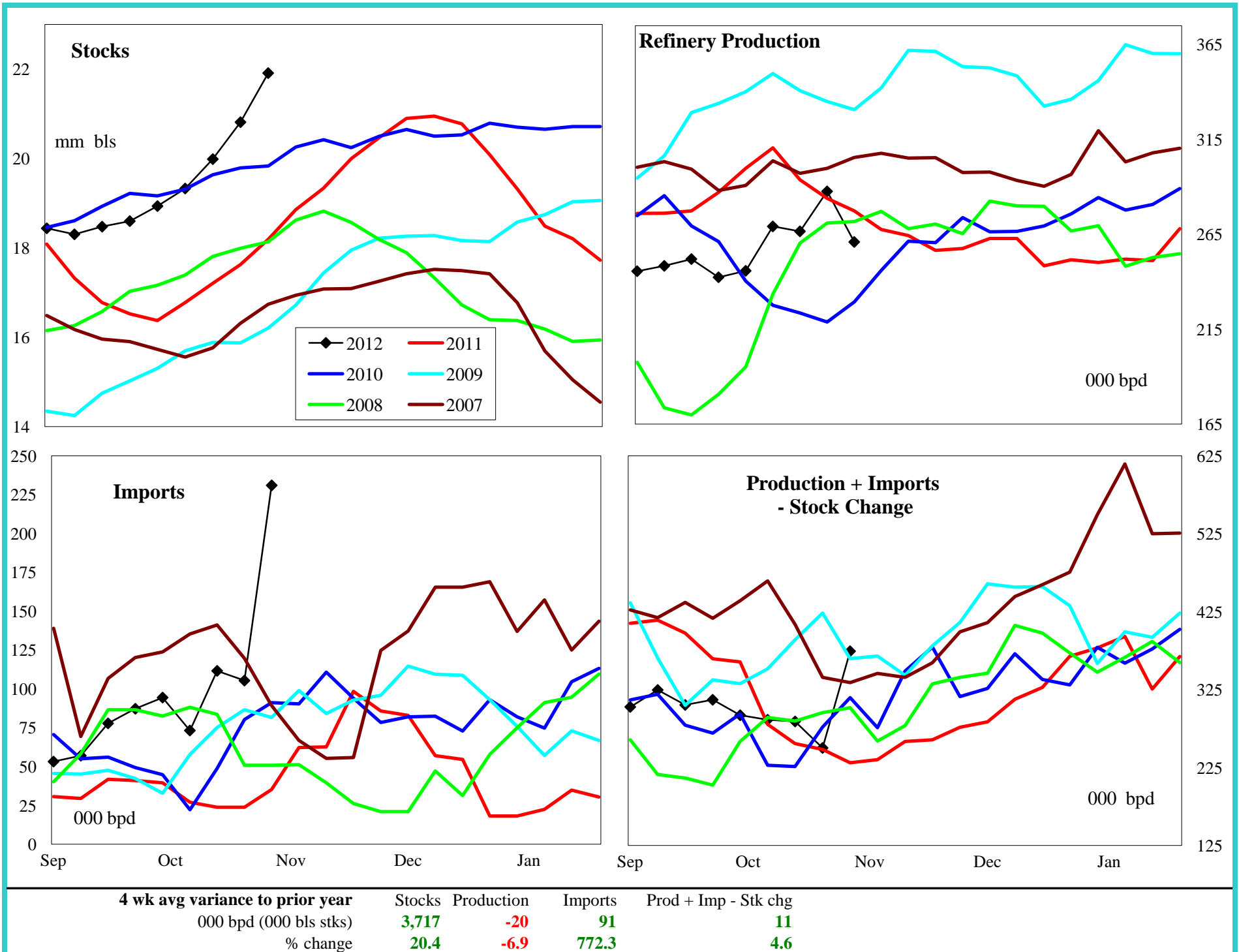
# PADD 3 High Sulfur Distillate Supply



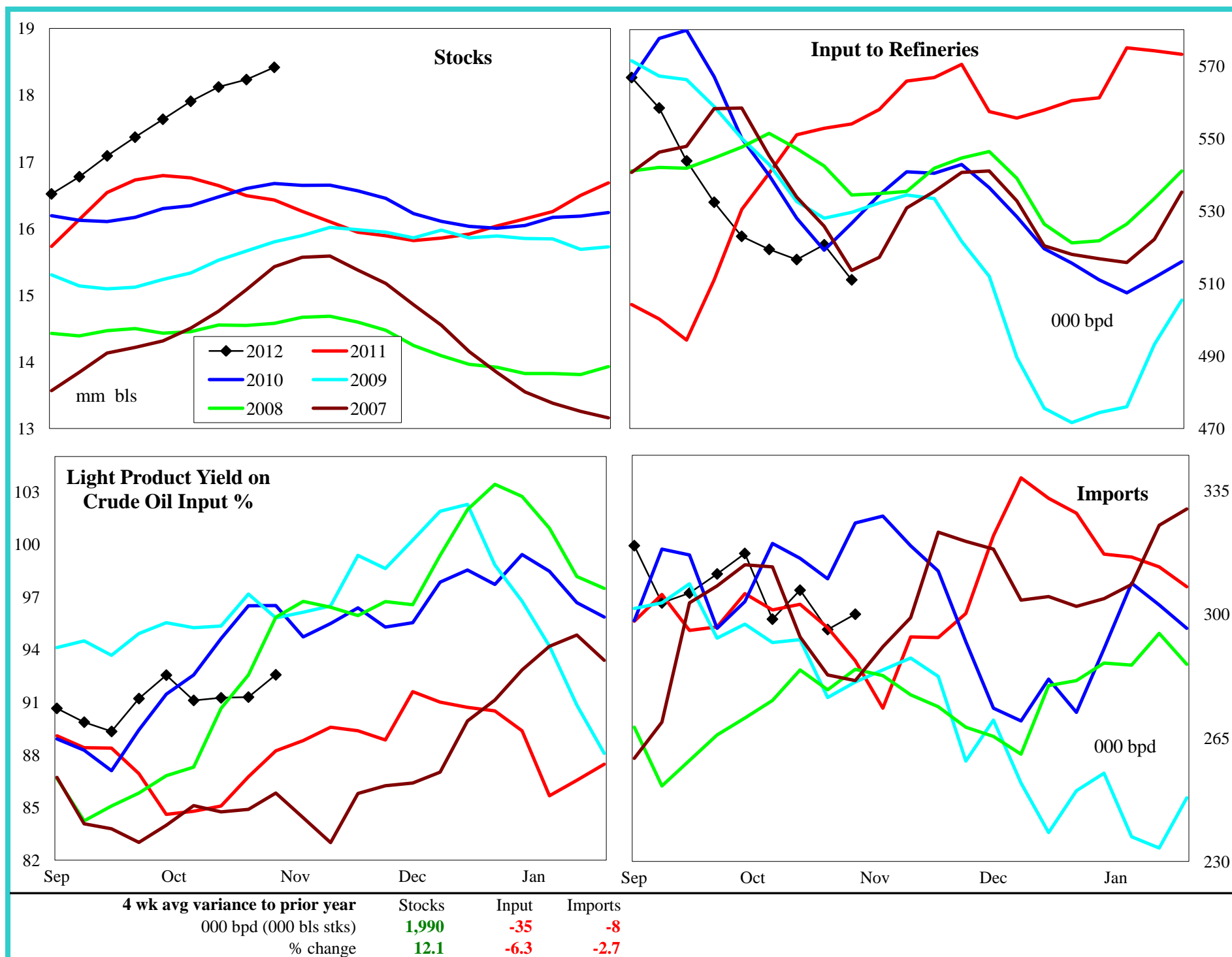
# PADD 3 Jet Fuel Supply



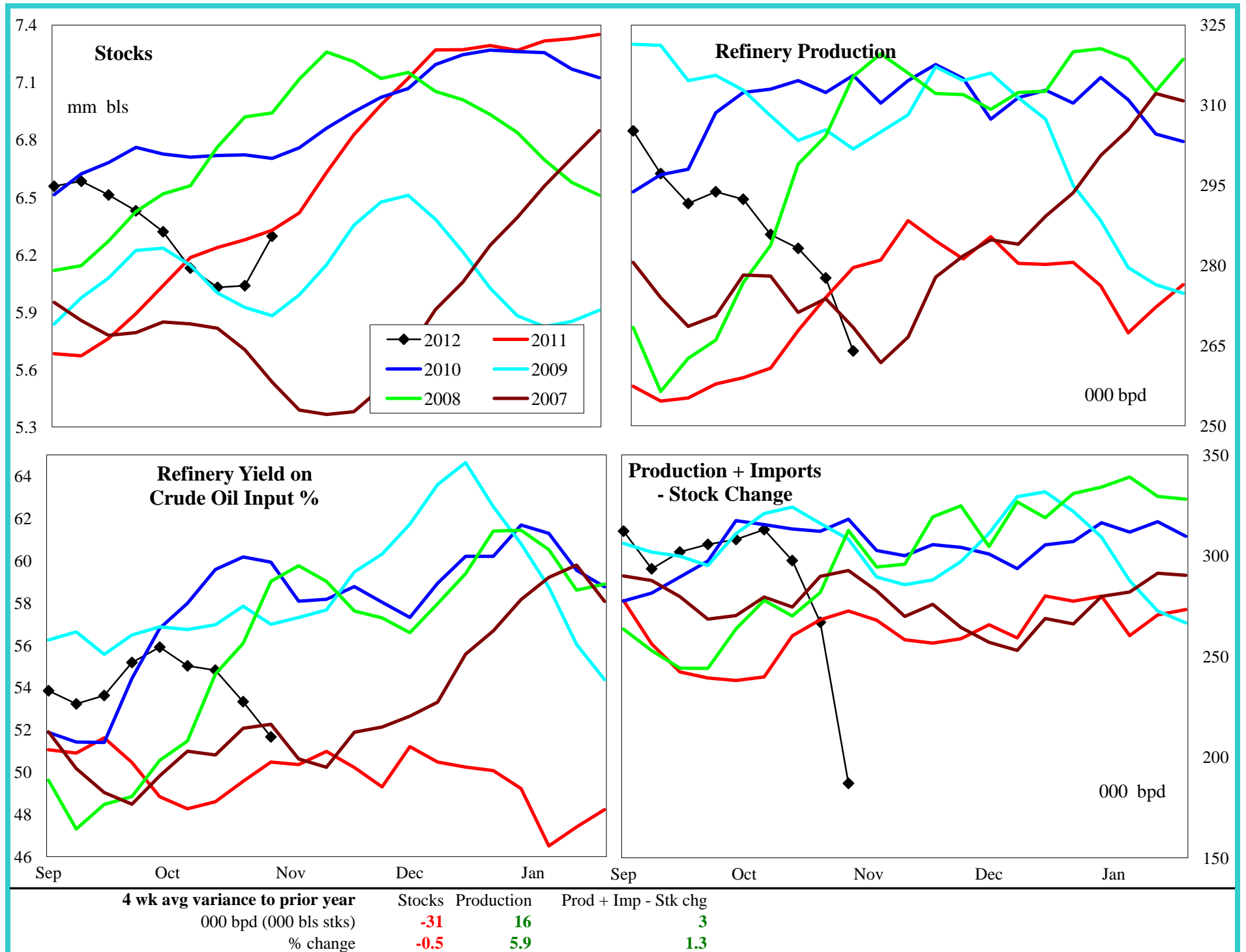
# PADD 3 Residual Fuel Oil Supply



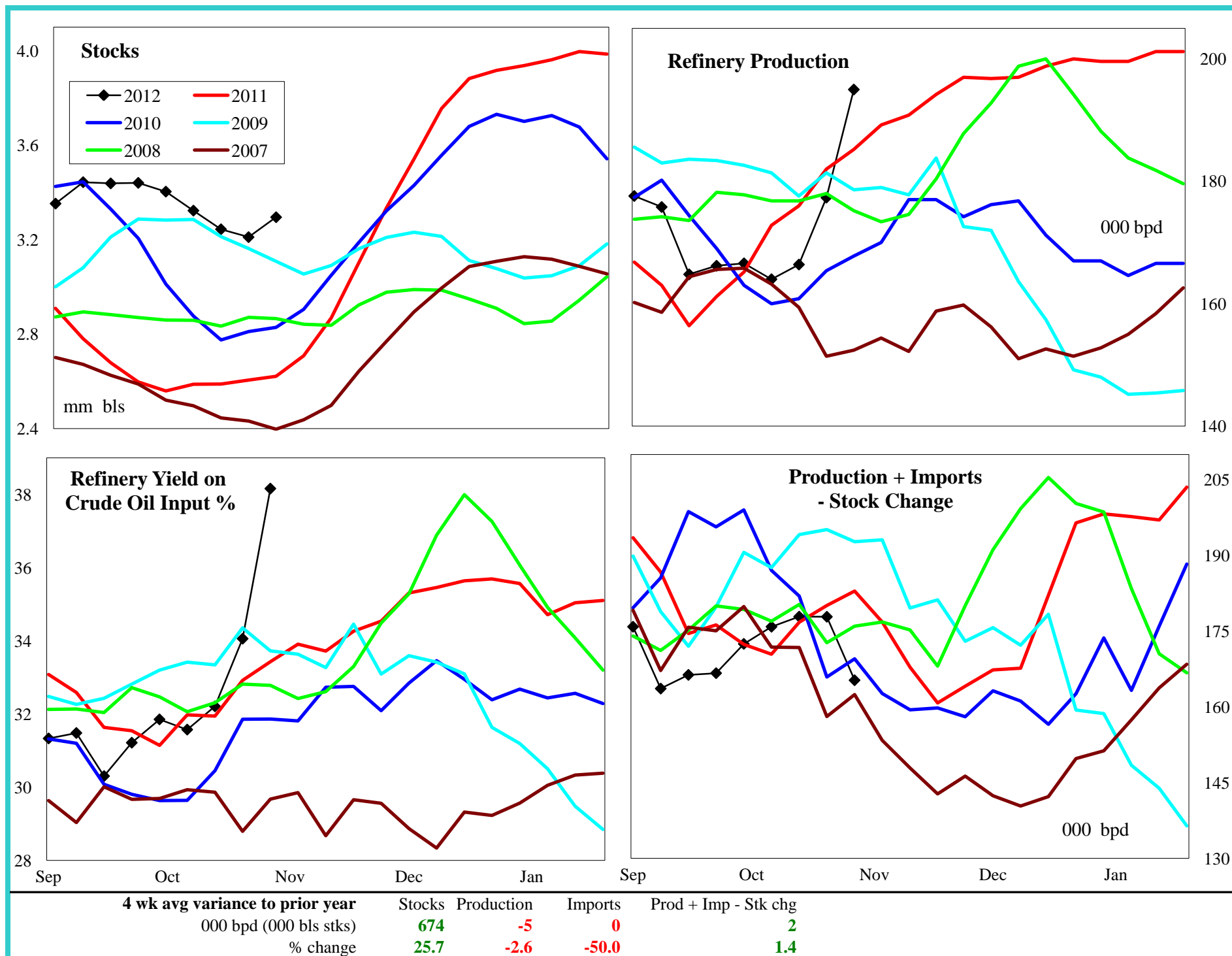
# PADD 4 Crude Oil Supply and Refining



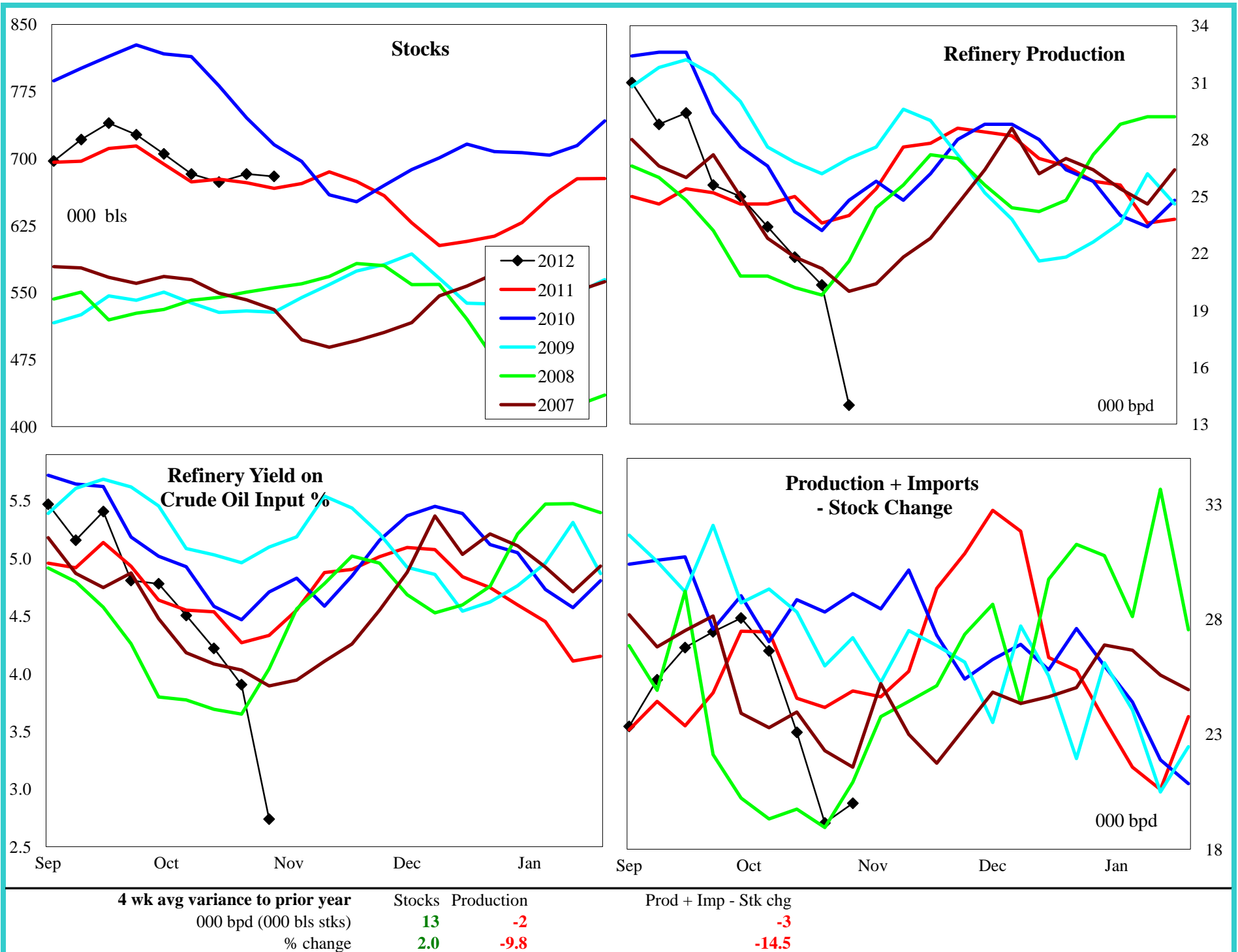
# PADD 4 Gasoline Supply



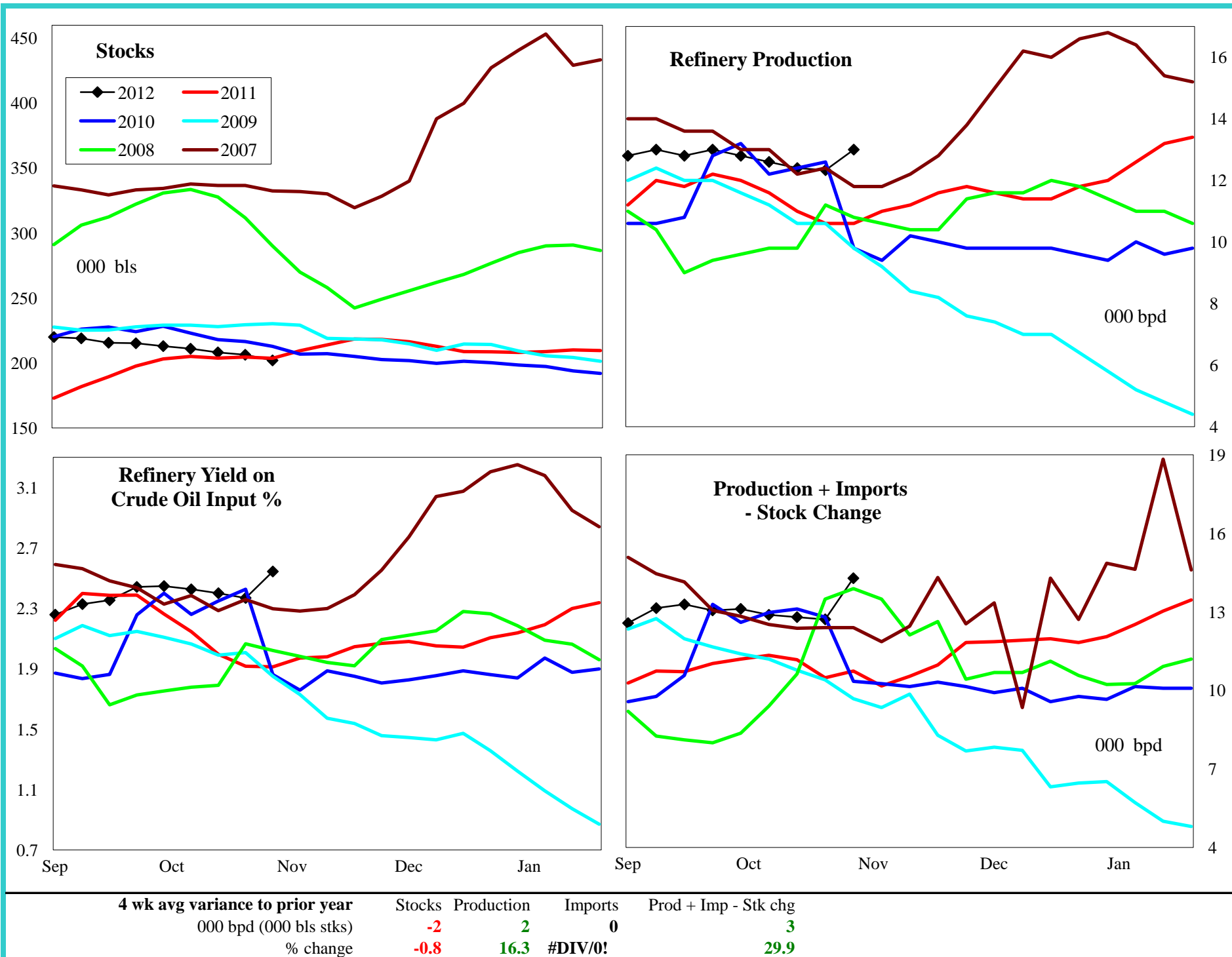
# PADD 4 Distillate Supply



# PADD 4 Jet Fuel Supply

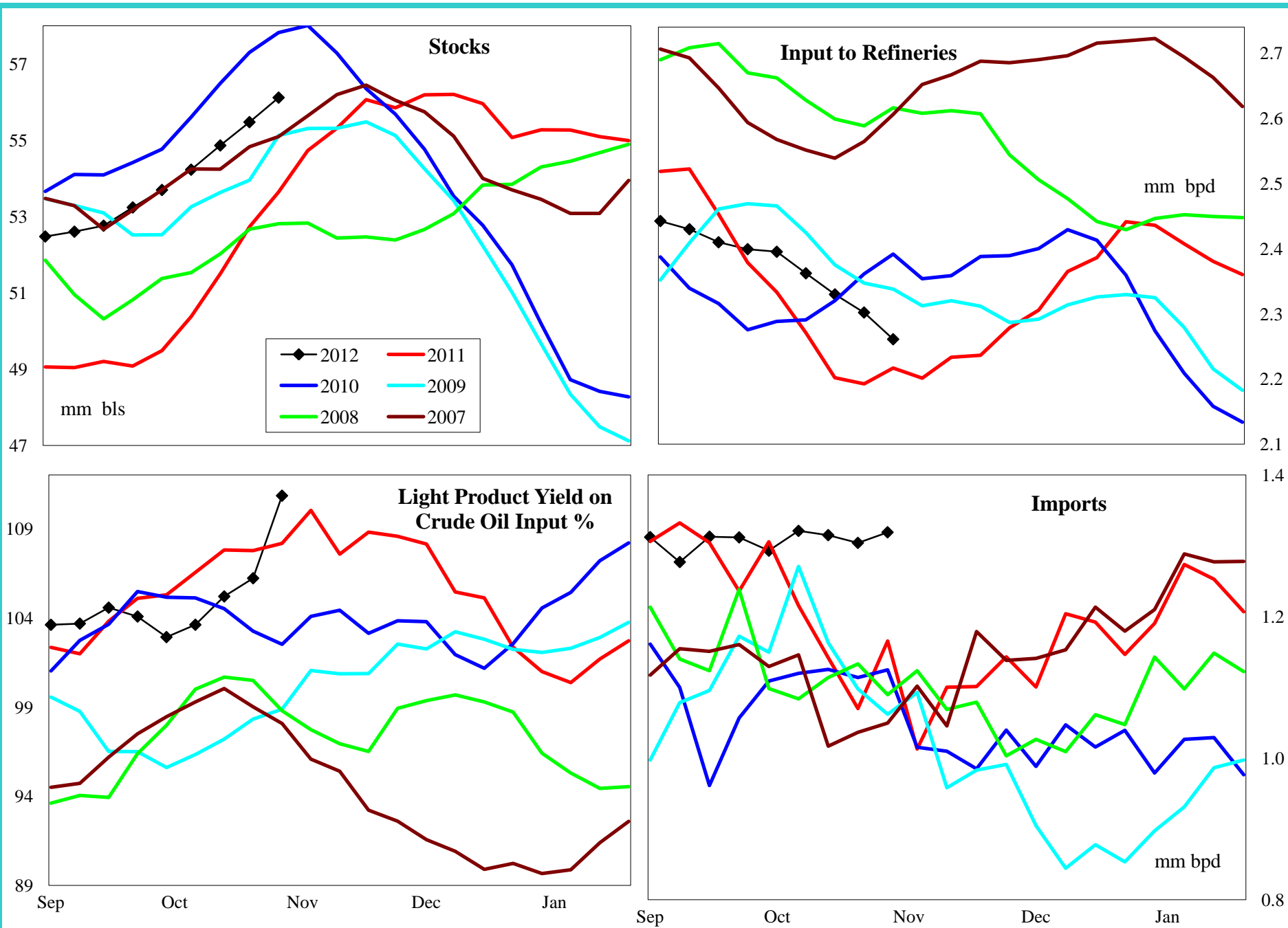


# PADD 4 Residual Fuel Oil Supply





# PADD 5 Crude Oil Supply and Refining



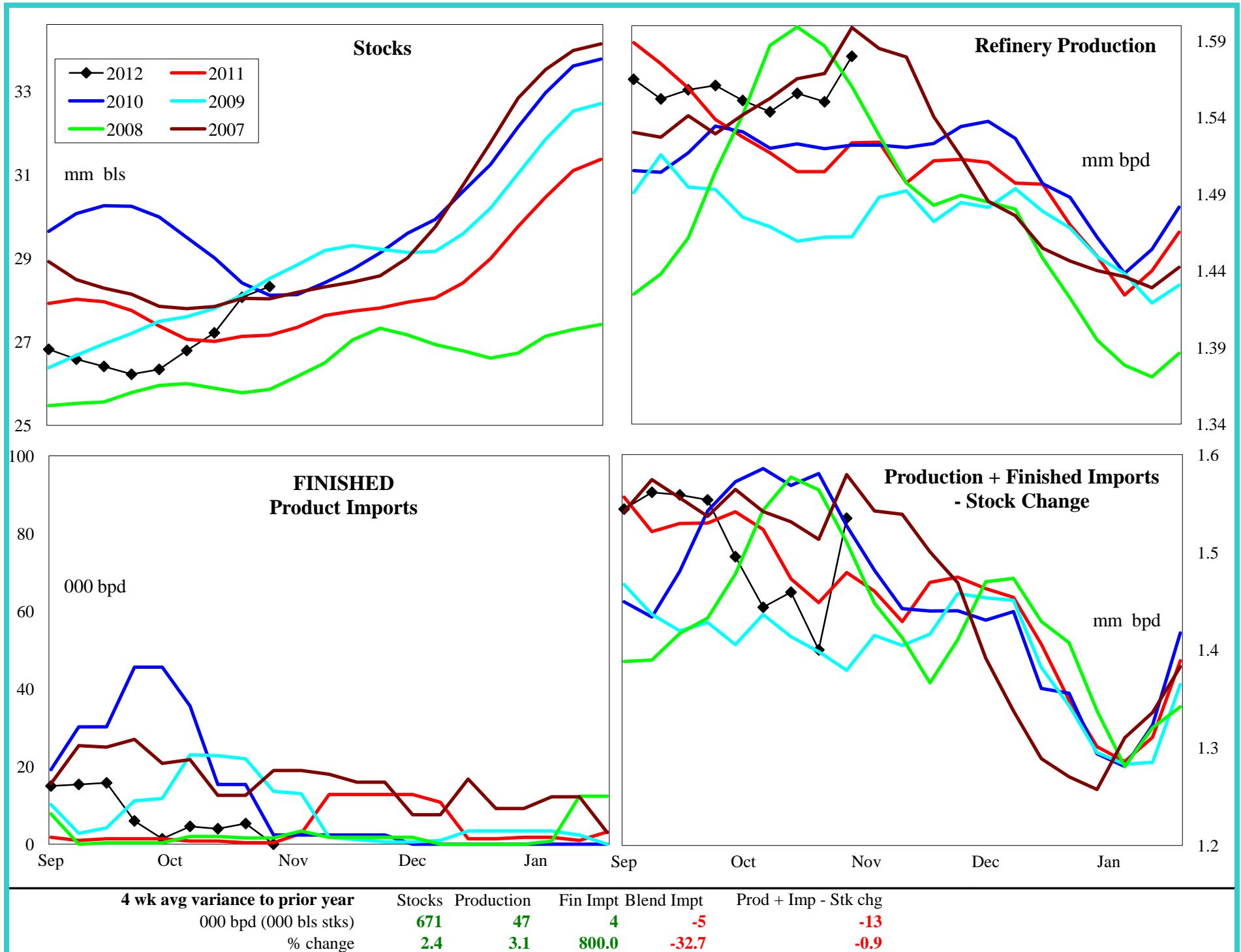
**4 wk avg variance to prior year**  
 000 bpd (000 bls stks)  
 % change

**Stocks**  
**2,478**  
**4.6**

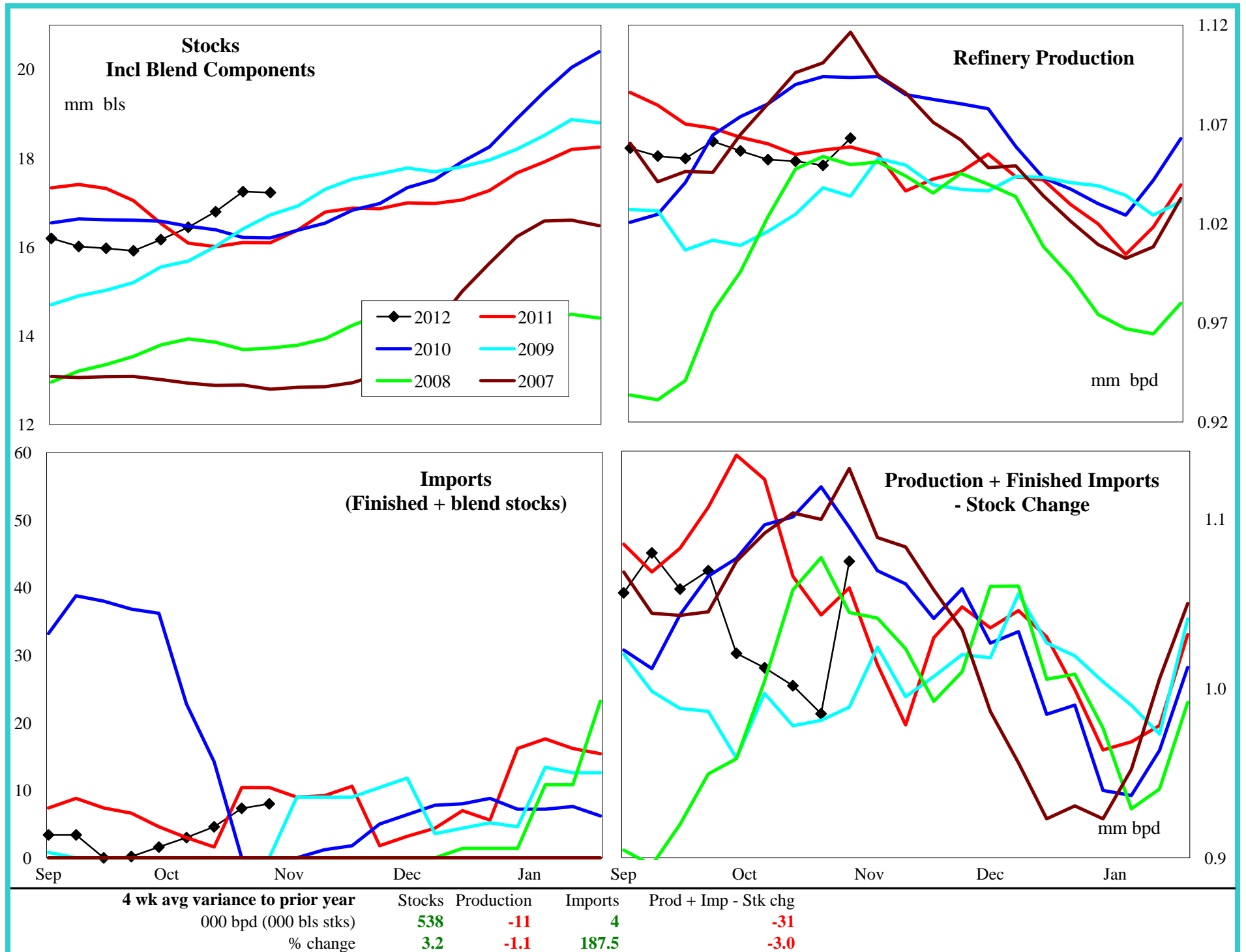
**Input**  
**125**  
**5.7**

**Imports**  
**153**  
**13.4**

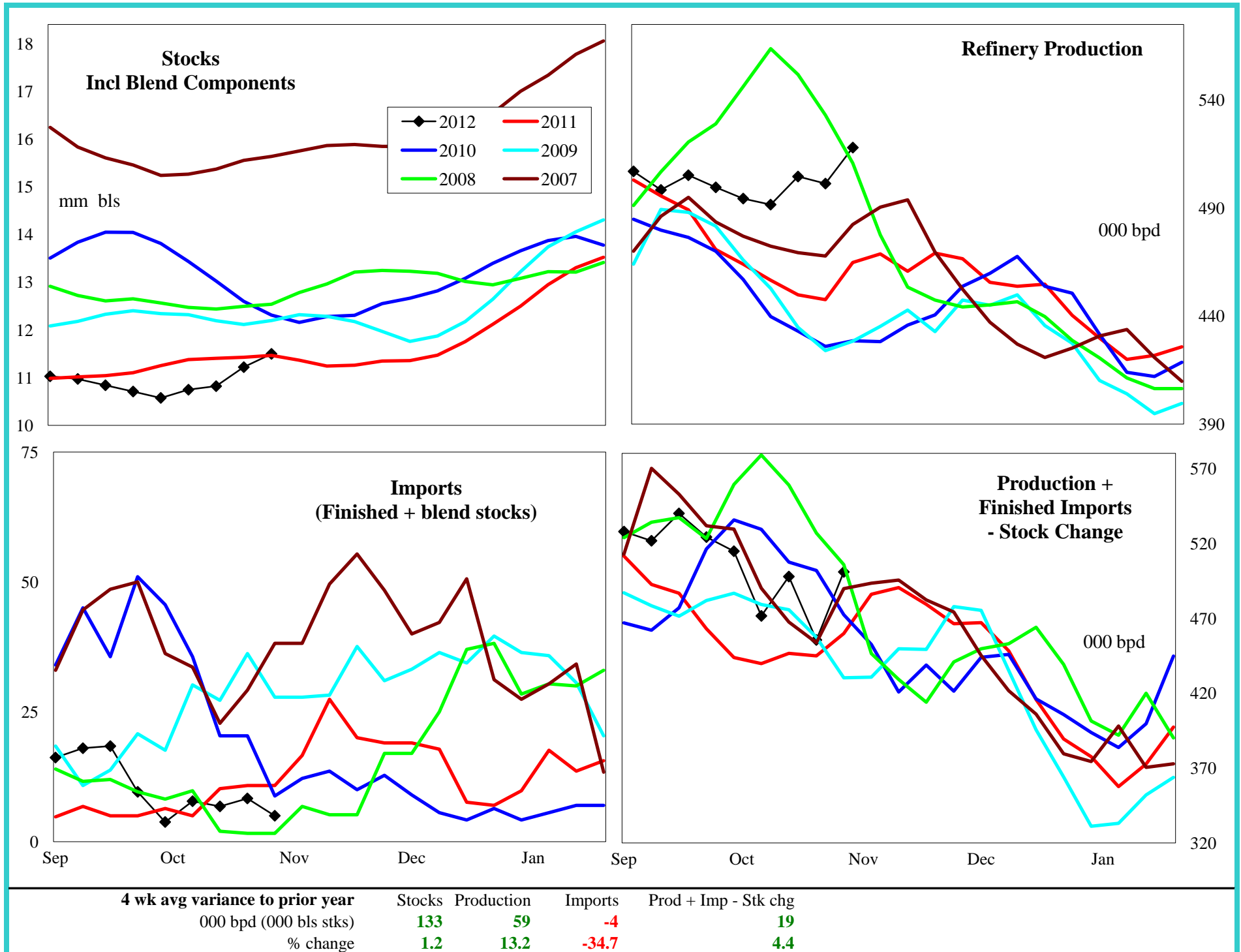
# PADD 5 Gasoline Supply



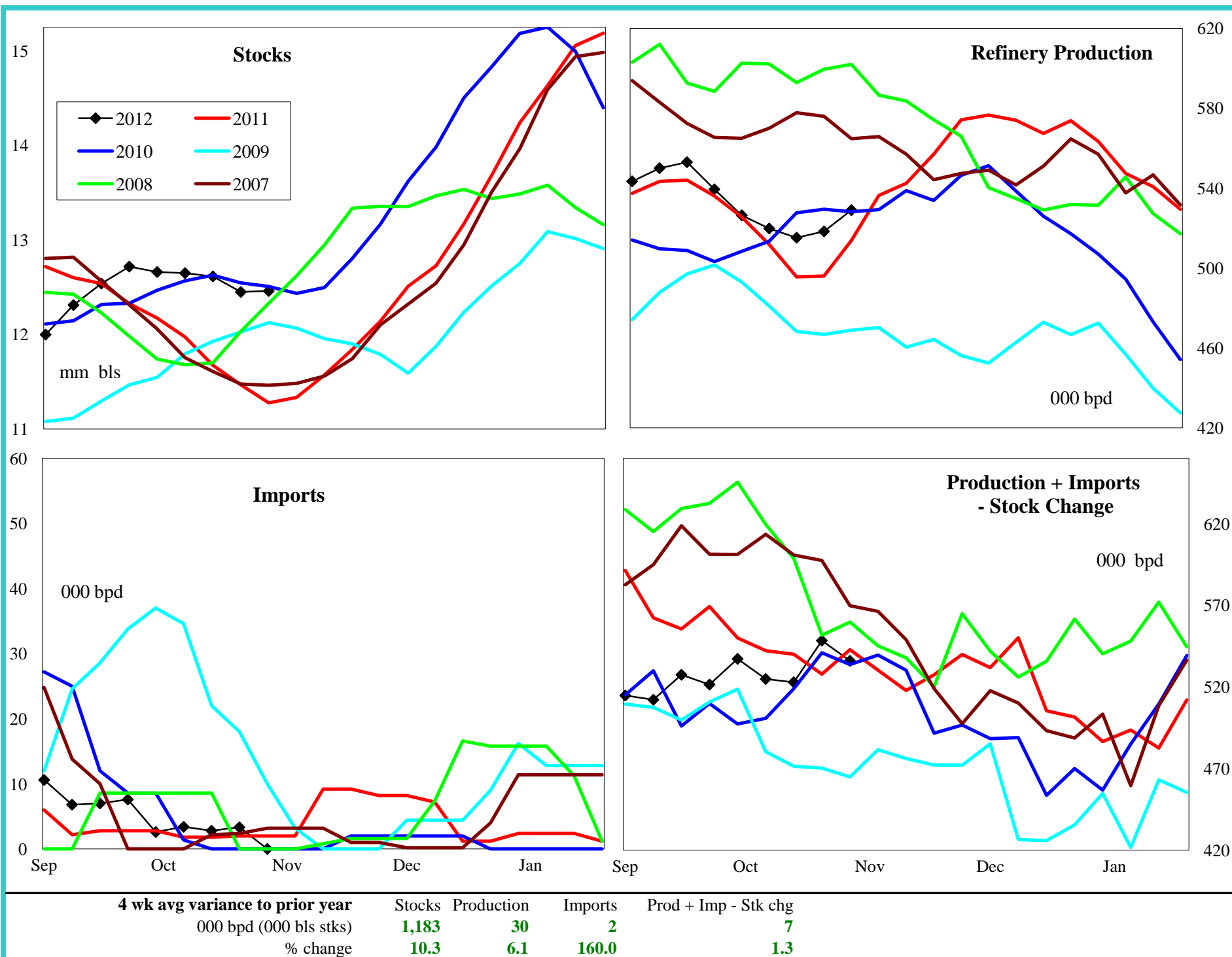
# PADD 5 Reformulated Gasoline Supply



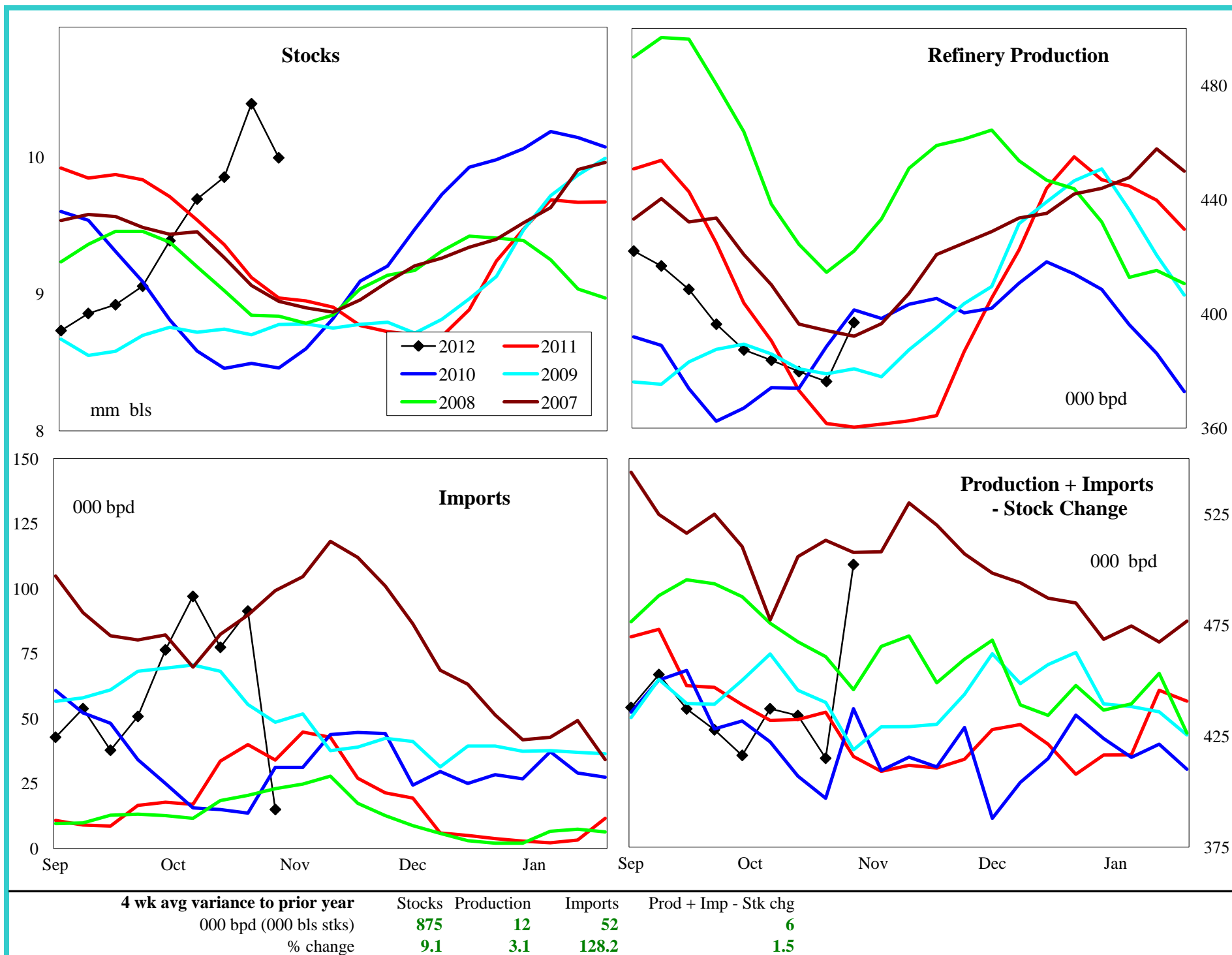
# PADD 5 Conventional Gasoline Supply



# PADD 5 Distillate Supply



# PADD 5 Jet Fuel Supply



# PADD 5 Residual Fuel Oil Supply

