



WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

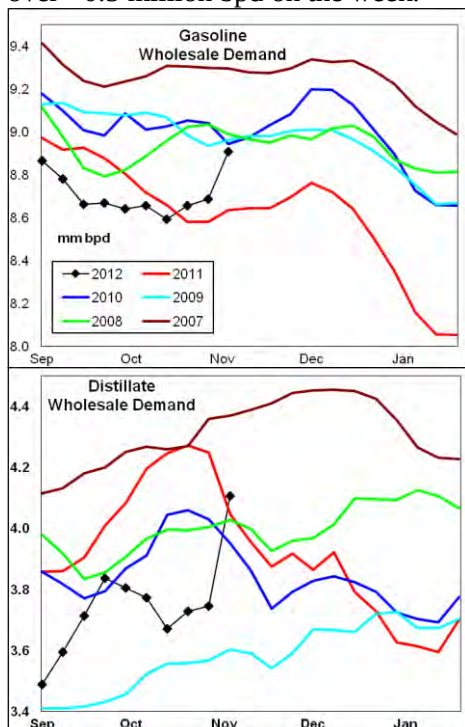
A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Thursday, November 15, 2012

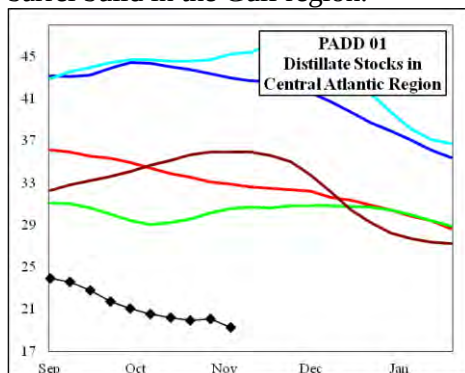


Major Fundamental Trends¹

As major areas hit by Hurricane Sandy were resupplied and transport use increased, wholesale demand for gasoline and distillate each increased over +0.5 million bpd on the week.



The surge in demand led to a combined -8 million barrel draw of gasoline and distillate stocks in PADDs 1 & 2 last week, partially offset by a +3.5 million barrel build in the Gulf region.



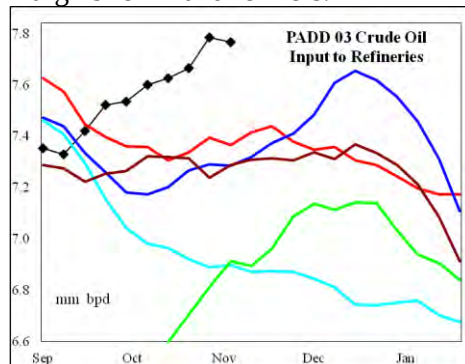
Imports of transport fuels climbed +0.5 million barrels on the week as ports reopened on the East Coast, which limited the stock draws.

Distillate wholesale demand

remains exceptionally low with the latest 4-wk average -603,000 bpd below a year ago. The weakness is driven by Hurricane Sandy disruption, inability to distribute heating fuel in the Northeast, and low heating degree days in key heating markets.

Look for wholesale distillate demand to remain at last weeks' high level as reconstruction begins in areas hit by Sandy and the distribution system allows end users to be resupplied.

Crude oil refinery runs in regions other than the Gulf Coast are nearly unchanged to lower compared to last year; even with exceptional refinery margins for inland refiners.



Demand for gasoline and distillate each surged last week as areas hit by Hurricane Sandy increased fuel use. Wholesale demand, measured over the last four weeks compared to a year ago: gasoline increased +0.7%; distillate fell -14%; jet fuel down -1.9% while residual fuel oil increased +8%.

Stocks forward coverage: Gasoline demand coverage fell on a -0.4 million barrel stock draw and a +0.6 million bpd surge in demand. Coverage levels fell slightly below the last 3-years.

Distillate coverage fell on a -2.5 million barrel stock draw and surge in demand. Coverage levels were near historic lows of the last 5-years.

Jet fuel coverage decreased on a -1 million barrel stock draw for the week. Coverage levels ended the week above the latest 3-year average.

Refinery utilization rates decreased last week on a -55,000 bpd decrease in

crude oil runs. During the latest 4-wk period crude oil input was +141,000 bpd above a year ago.

Gasoline yield % on crude oil runs jumped on a +211,000 bpd rise in output compared to the -55,000 bpd drop in crude oil runs. Yield % on crude oil runs remains below the 3-year range.

Distillate yield % on crude oil runs increased on a +145,000 bpd rise in production, compared to the drop in crude oil runs. The yield % on crude oil runs was near last years' historic high level.

Jet fuel yield % on crude oil runs fell on a -91,000 bpd drop in output, compared to the small decrease in crude oil runs. The yield % was ear historic lows for the week.

Petroleum Imports of transport fuels increased a combined +0.5 million barrels last week as cargo off loading resumed on the East Coast. During the latest 4-wk period crude oil imports were -0.7 million bpd below last year; distillate imports decreased -27,000 bpd; finished gasoline imports decreased -18,000 bpd, gasoline blend stock imports decreased -222,000 bpd; jet fuel imports were +26,000 bpd higher, while residual fuel oil imports fell -11,000 bpd.

Crude Oil imports averaged -0.7 million bpd below a year ago for the most recent 4-wks; while domestic production increased +0.8 million bpd. Stocks ended the week +39 million barrels above last year and a new record high. Stock levels in PADDs 2 & 4 remain exceptionally high, depressing domestic cash market prices compared to NYMEX WTI and Brent.

¹ Source is latest EIA Weekly Statistics



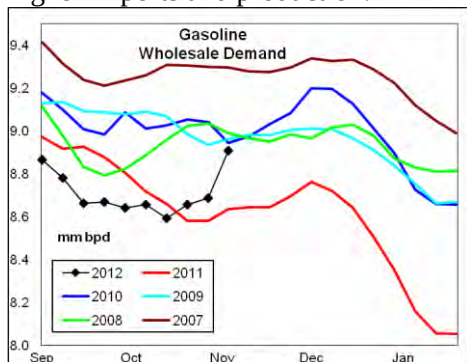
WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

A Fundamental Petroleum Trends Weekly Report

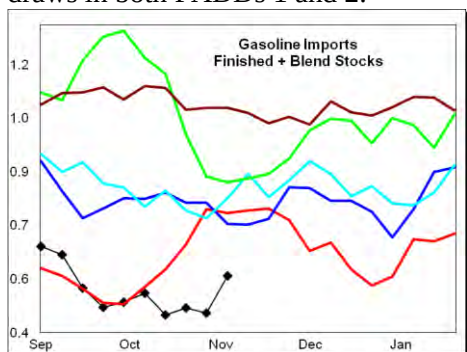
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Thursday, November 15, 2012

Product Supply-Demand Trends

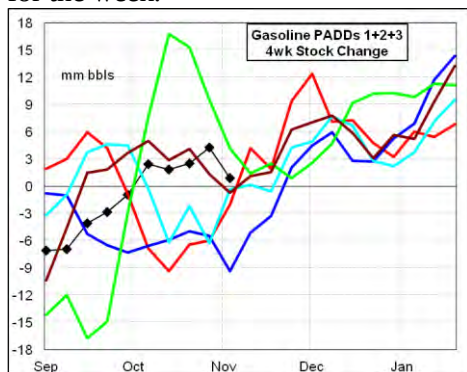
Gasoline demand surged +601,000 bpd last week, as the Northeast recovered from Hurricane Sandy. The latest 4-wk average demand was +59,000 bpd above a year ago. Supply jumped +539,000 bpd last week, driven by higher imports and production.



Stocks declined -0.4 million barrels on the week, including -1 million barrel draws in both PADDs 1 and 2.

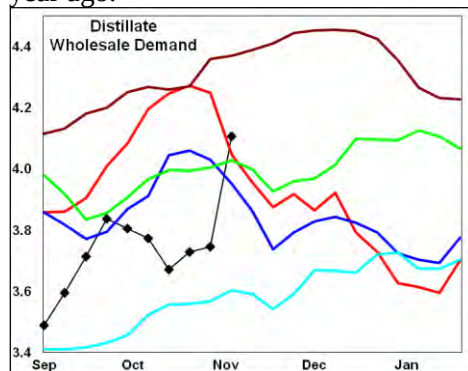


The latest 4-wk stock change in markets East of the Rockies was a +0.9 million barrel stock build. This build is near the average of the last 5-years for the week.



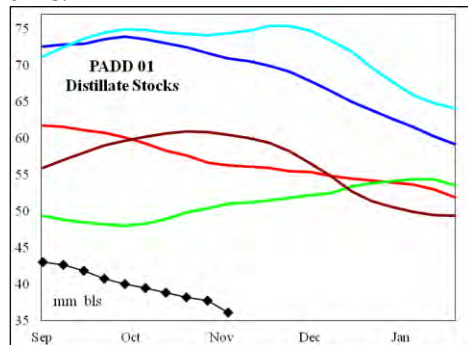
Expect a gradual resupply of the East Coast as some refiners and terminals require further clean up to restart. Other regional markets are well supplied.

Distillate demand jumped +517,000 bpd on the week, as transport use increased in areas hit by Hurricane Sandy. The latest 4-wk average demand was -603,000 bpd below a year ago.



Supply increased +154,000 bpd on the week due to higher imports. Stocks fell -2.5 million barrels last week, driven by an increase in demand.

The latest 4-wk stock change in markets East of the Rockies was a -3.1 million barrel draw, much less than the large draws of the last 2-years at this time.



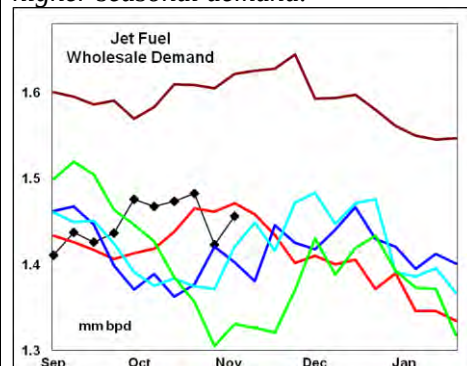
Expect continued higher levels of demand as the Northeast recovers from Hurricane Sandy, and start of the winter heating season (following delays in fuel deliveries to consumers). **Jet Fuel** demand declined -67,000 bpd on the week, with the latest 4-wk average demand -28,000 bpd below a year ago.

Supplies declined -56,000 bpd on the week, due to a sharp drop in production. Stocks fell -1 million barrels on the week to a level below the 3-year range.

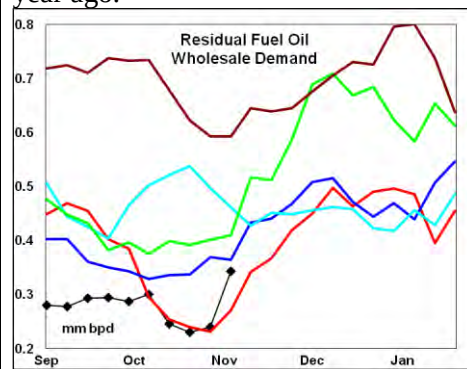
Supplies remain very tight on the East Coast as a result of lower receipts from the Gulf, record low production

and imports in the region.

Look for further stock draws on higher seasonal demand.



Residual fuel oil demand jumped +179,000 bpd last week, with the latest 4-wk average +21,000 bpd above a year ago.



Supply (production + imports) decreased -49,000 bpd last week, on lower production. The latest 4-wk average supply was -30,000 bpd below last year on lower production and imports. Stocks increased +0.1 million barrels on the week, to a level near the mid range.

Wholesale demand for the latest 4-wk period remains near last years' record lows. As a result, stock levels in the Gulf are +20% above last year and an all time record high.



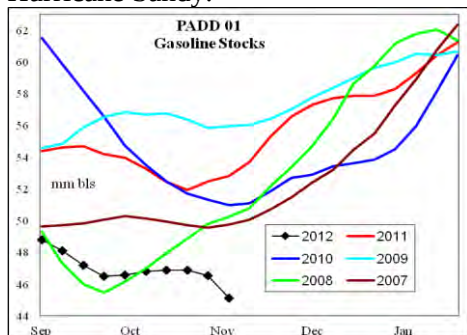
WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Thursday, November 15, 2012

PADD Supply Trends

PADD 1 refinery crude oil runs increased +79,000 bpd last week. The latest 4-wk average was -278,000 bpd below a year ago, the result of Hurricane Sandy.

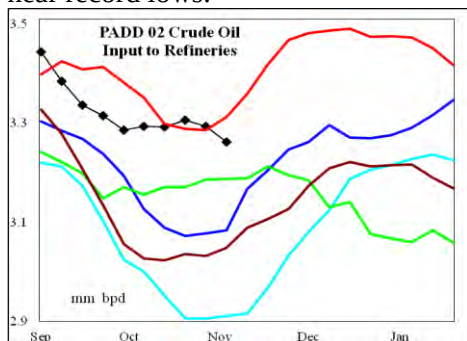


Gasoline supply climbed +261,000 bpd in the region on higher imports. Stocks decreased -1.5 million barrels on the week, to fresh 5-year lows.

Look for higher imports and pipeline receipts to gradually restore the supply balance; limited by delays in all refiners returning to full operation.

Distillate supply increased +174,000 bpd on the week, driven by a surge in imports. Stocks fell -2.2 million barrels on the week, to a level -36% below a year ago.

Jet fuel supply was nearly unchanged on the week with stocks near record lows.



PADD 2 crude oil refinery runs decreased -44,000 bpd to a level below last years' record highs. Stocks increased +1 million barrels, to a level +15.2 million barrels above the prior record high.

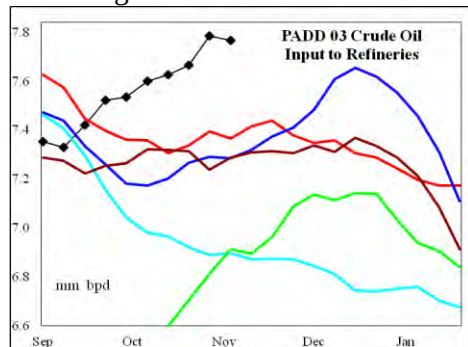
Gasoline production declined -94,000 bpd on the week, with the latest

4-wk average +59,000 bpd above a year ago. Stocks fell -1.1 million barrels to a fresh 5-year low.

Distillate production fell -132,000 bpd on the week, to a level near the 5-year mid range. Stocks plunged -3.2 million barrels on the week, to a level near historic lows.

Jet fuel production decreased -5,000 bpd last week, to a level below the last 2-years. Stocks ended the week below the last 3-years.

PADD 3 refinery runs decreased -35,000 bpd on the week, but the level remains well above the 5-year range. The latest 4-wk average runs were +346,000 bpd above a year ago. Crude oil stocks decreased -1.6 million barrels last week, ending at a level near record highs.



Gasoline supply increased +109,000 bpd on the week, to a level just below to the last 2-years. Stocks increased +0.9 million barrels to a new record high as shipments to the East Coast remain constrained.

Distillate supply increased +129,000 bpd on the week, with the latest 4-wk average supply unchanged from a year ago. Stocks increased +2.6 million barrels on the week, as deliveries to PADDs 1 and 2 were constrained.

Jet fuel production decreased -58,000 bpd last week, with the level +98,000 bpd above a year ago for the most recent 4-wks. Stocks decreased -0.6 million barrels last week with the level at the 3-year average.

Residual fuel oil supplies fell -142,000 bpd on the week. Lower demand led to a +0.7 million barrel stock build, driving stock levels +20%

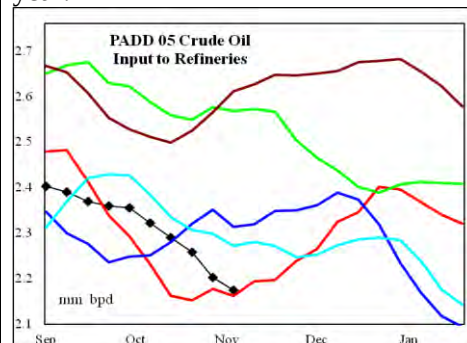
above last year and record high.

PADD 4 refinery crude runs decreased -8,000 bpd on the week, to a level below the 5-year range for this time of year. The most recent 4-wk average run rate was -31,000 bpd below last year.

Gasoline supply decreased -15,000 bpd on the week, to a level well below the historic range. Stocks increased slightly on the week, to a level near the average of the last 3-years.

Distillate production decreased -16,000 bpd last week, to a level near the average of the last 3-years. Stocks were nearly unchanged on the week, ending at a level above the 5-year range.

PADD 5 crude oil refinery runs declined -47,000 bpd last week, to a level that matched 5-year lows for the period. Runs for the most recent 4-wk period were +77,000 bpd above last year.



Gasoline supply decreased -25,000 bpd on the week, with production above each of the last 3-years. The latest 4-wk average supply was +48,000 bpd above last year. Stocks increased +1.2 million barrels to a level above the 5-year range.

Distillate supply was unchanged on the week, with the latest 4-wk average +22,000 bpd above a year ago. Stocks increased +0.3 million barrels to a level that matched 5-year highs for this time of year.

Jet fuel supplies decreased -9,000 bpd last week with production below the 5-year range. Stock levels remain +10% above prior historic highs for the period.

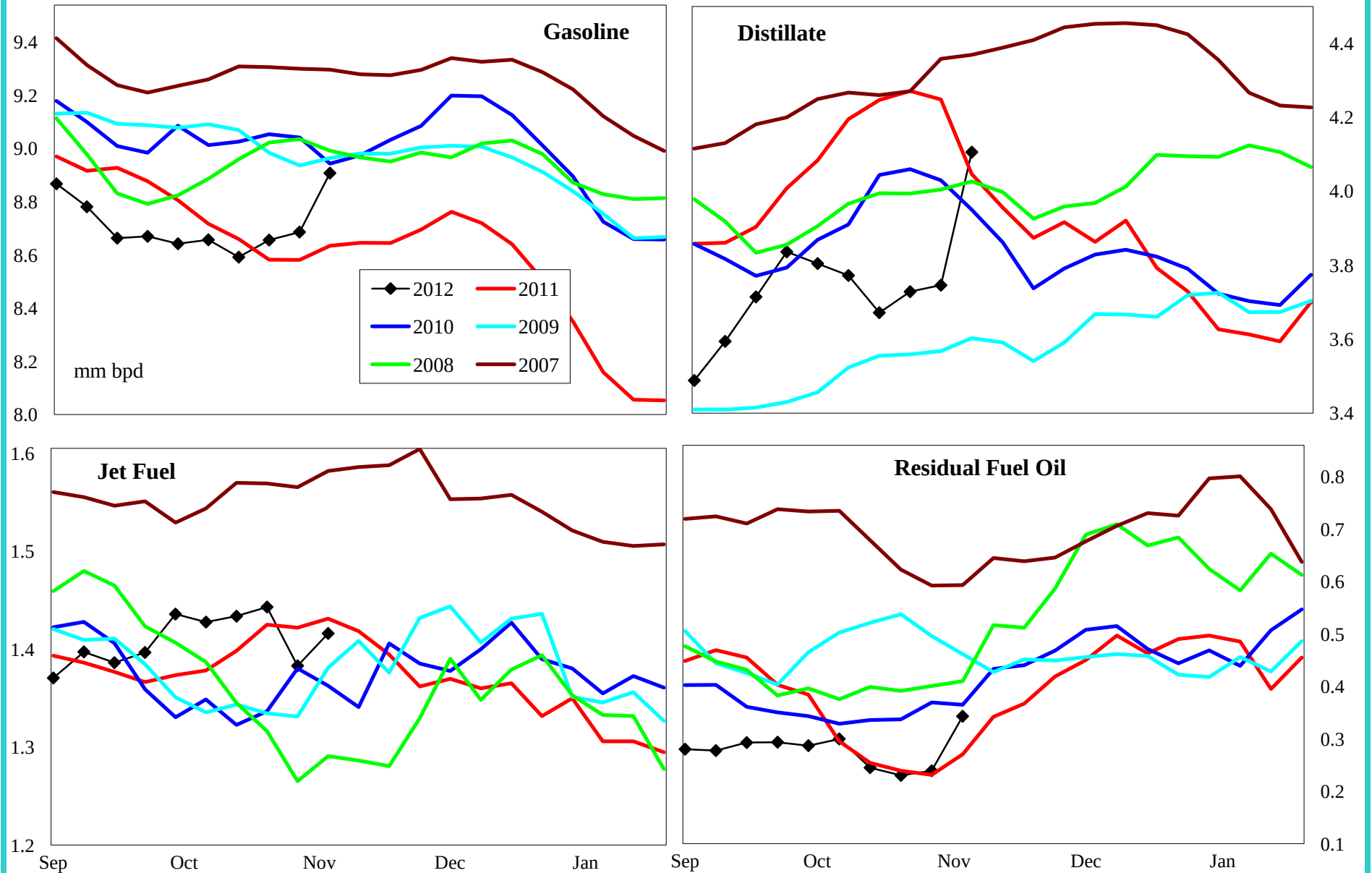


PETROLEUM: Graph Link and Weekly Summary

A Fundamental Petroleum Trends Weekly Report November 15, 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	9-Nov-12	EIA-DOE CHANGE FROM PRIOR WEEK					
	000 bpd stocks 000 bls	U. S. Total	PADD				
			1	2	3	4	5
Crude Oil	Stocks	1,089	1,274	967	-1,606	341	111
	Imports	-141	-340	179	459	-44	-396
	Input	-55	79	-44	-35	-8	-47
	% Utilization	0.60					
Gasoline	Stocks	-440	-1,536	-1,070	922	38	1,205
	Production	211	-47	-94	86	-15	-22
	Imports	328	308	2	23	0	-3
	Supplied	601					
Distillate	Stocks	-2,539	-2,209	-3,243	2,646	5	261
	Production	9	32	-132	129	-16	-4
	Imports	145	142	-1	0	0	4
	Supplied	517					
Jet Fuel	Stocks	-1,046	-16	-302	-644	7	-91
	Production	-91	10	-5	-58	8	-45
	Imports	35	0	0	0	0	36
	Supplied	-67					
Residual Fuel Oil	Stocks	140	-393	-51	719	-8	-127
	Production	-46	-8	2	-8	-2	-29
	Imports	-3	157	3	-134	0	-27
	Supplied	179					

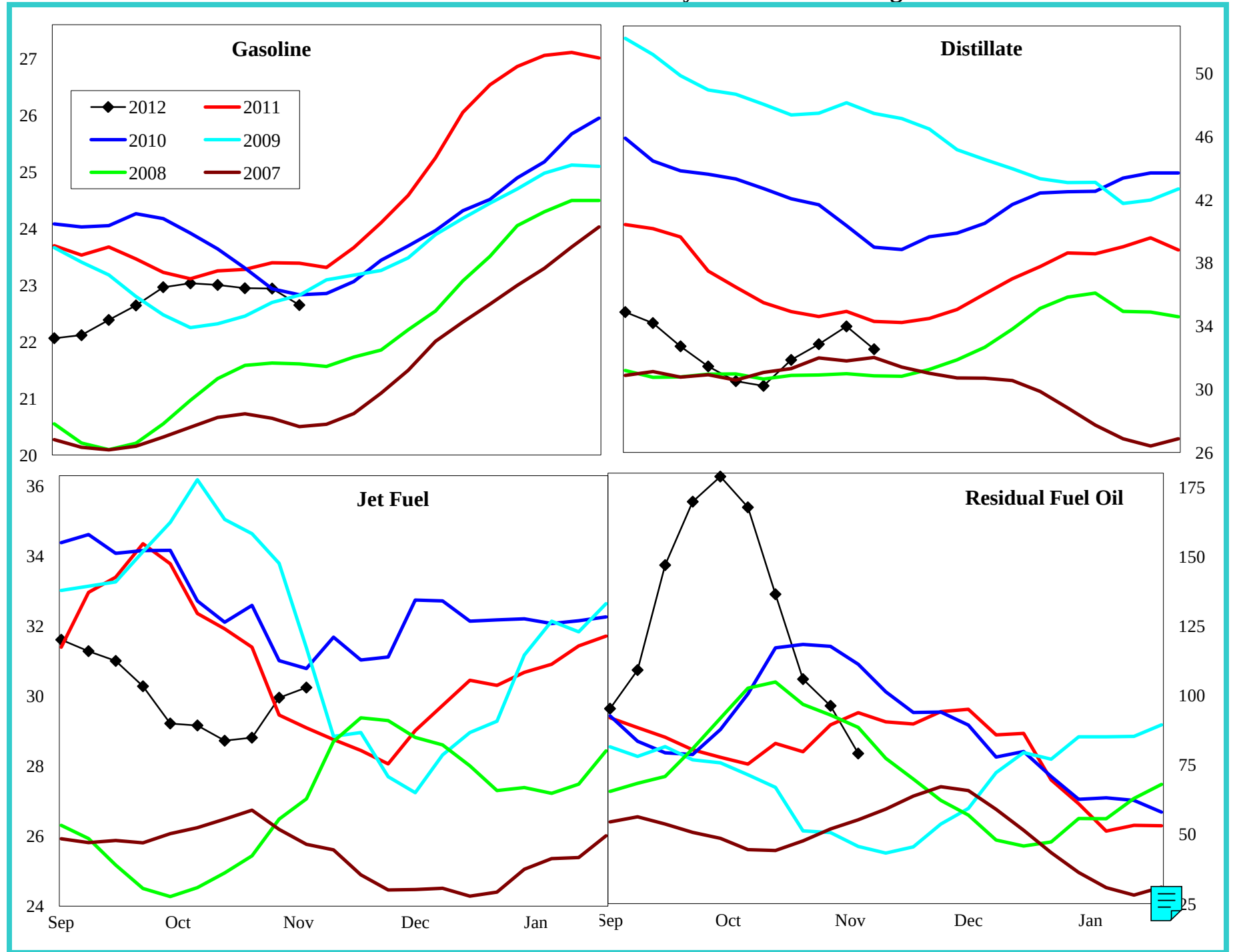
United States Wholesale Petroleum Demand



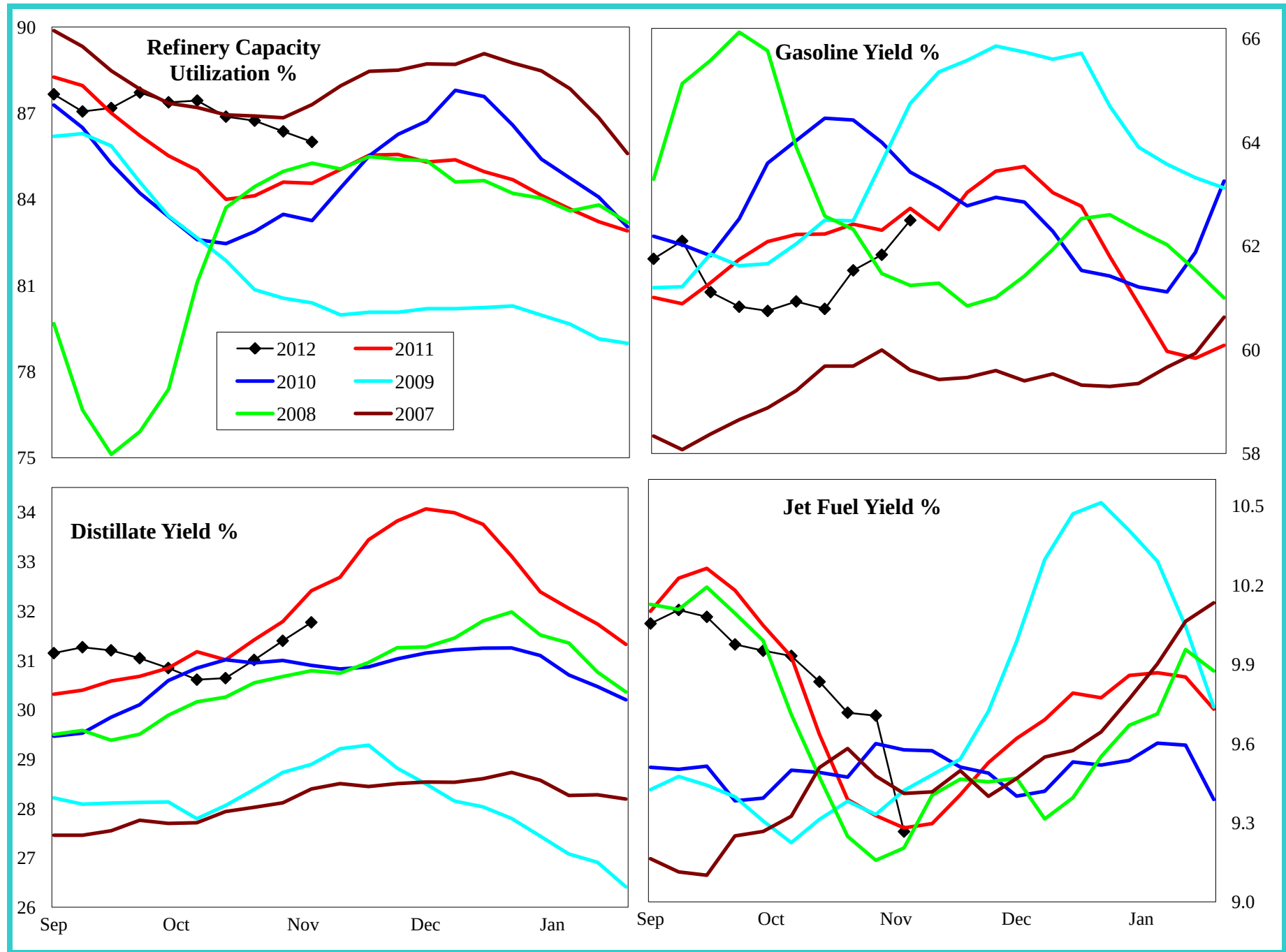
	000 bpd change from prior year				% change from prior year			
	4wk avg	Oct	Sep	Aug	4wk avg	Oct	Sep	Aug
Gasoline	59	-56	-101	210	0.7	-0.6	-1.2	2.4
Distillate	-603	-369	-248	-269	-14.0	-9.2	-6.3	-6.7
Jet Fuel	-28	106	15	-85	-1.9	7.7	1.1	-5.5
Resid	21	-160	-180	34	7.7	-39.8	-37.3	10.7



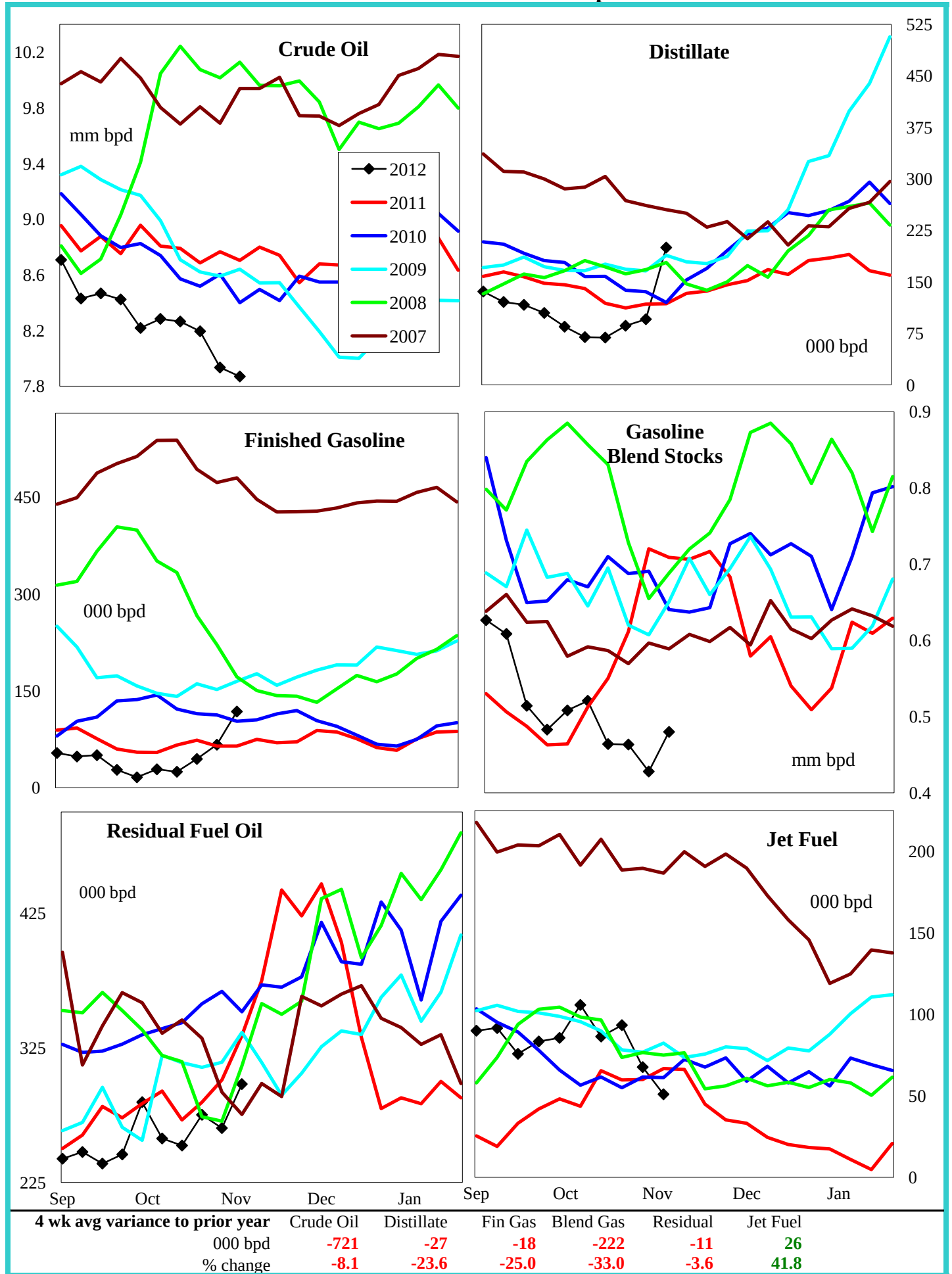
United States Product Stocks: Days Forward Coverage



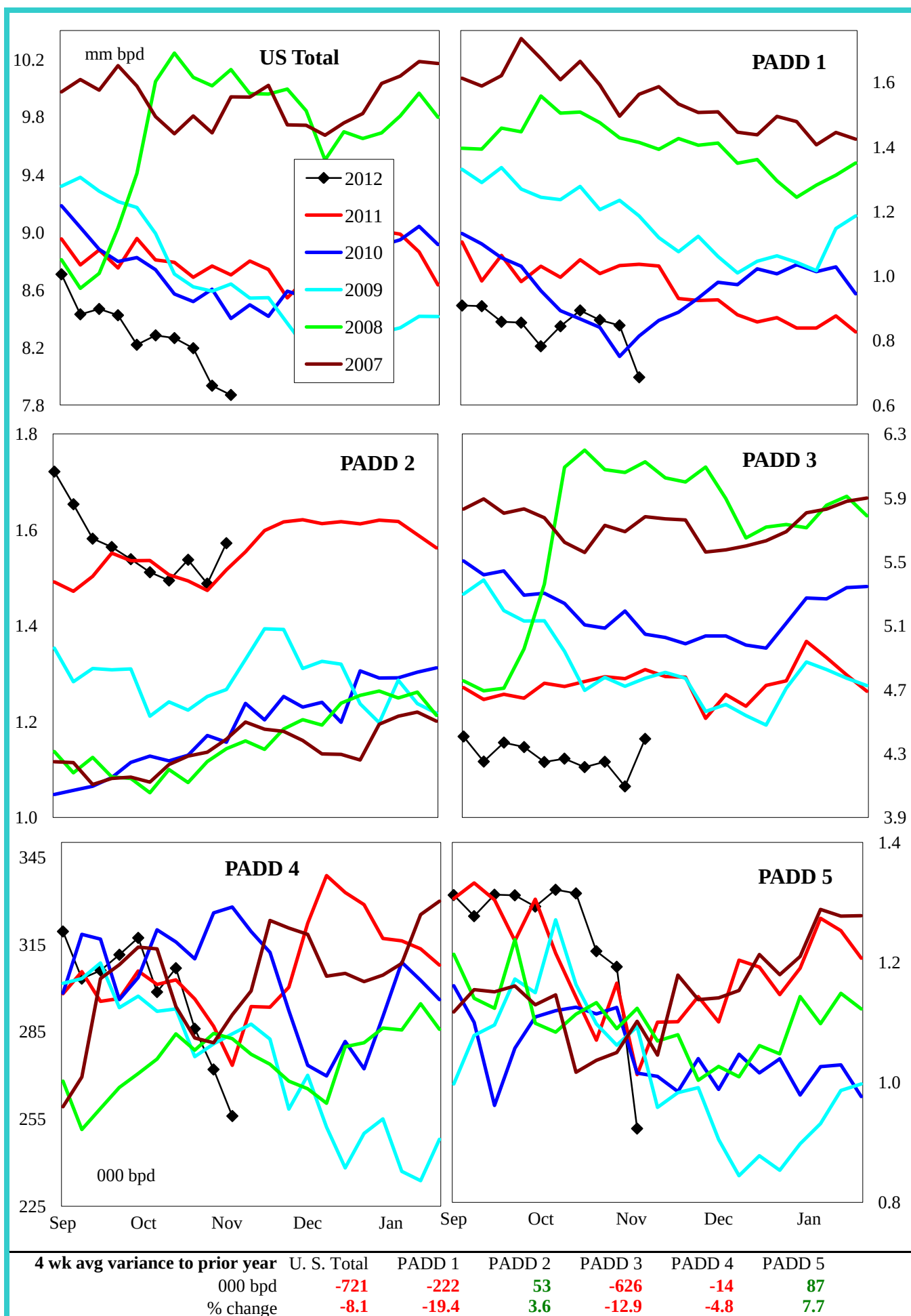
United States Refinery Percent Utilization Rate and Product Yields



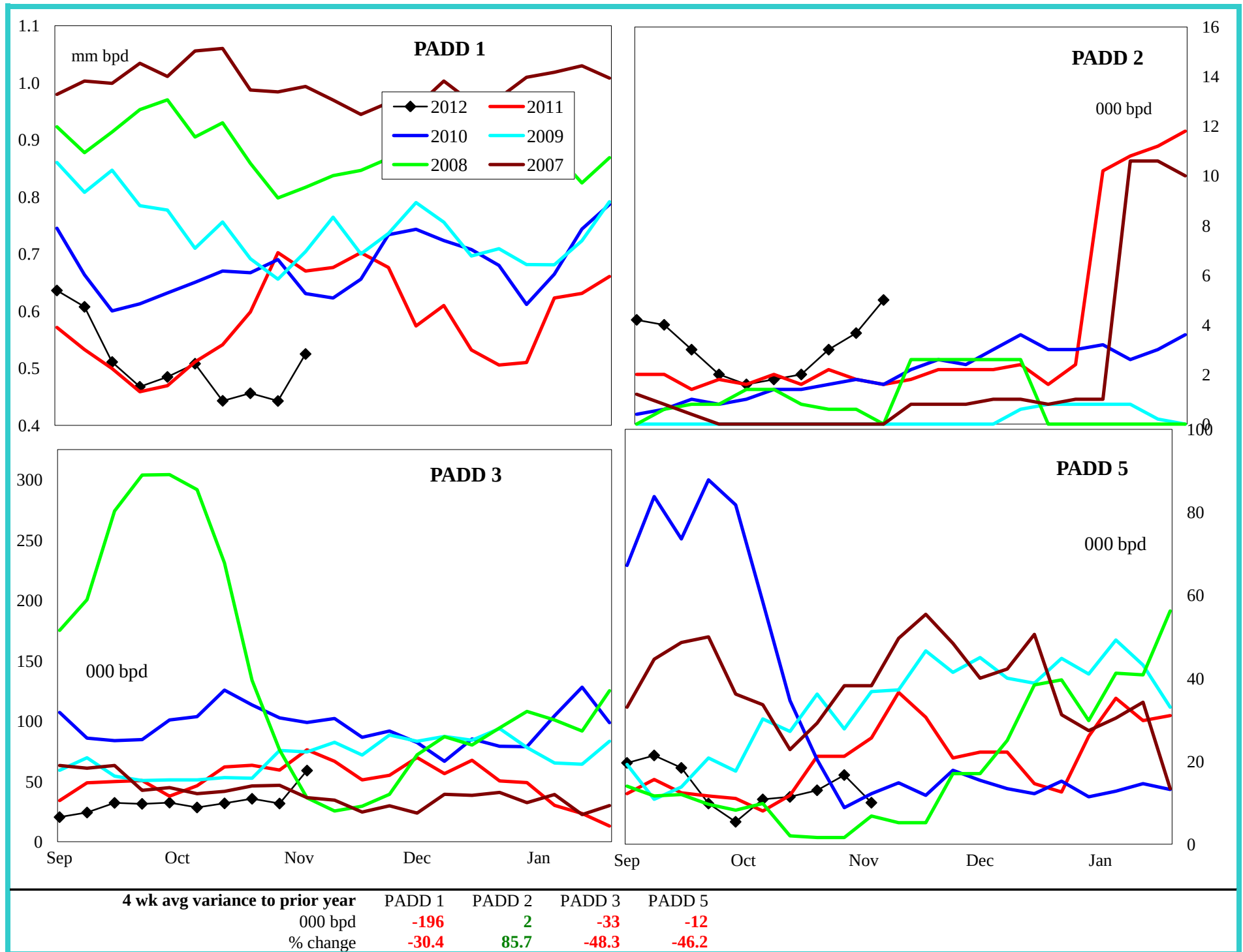
United States Petroleum Imports



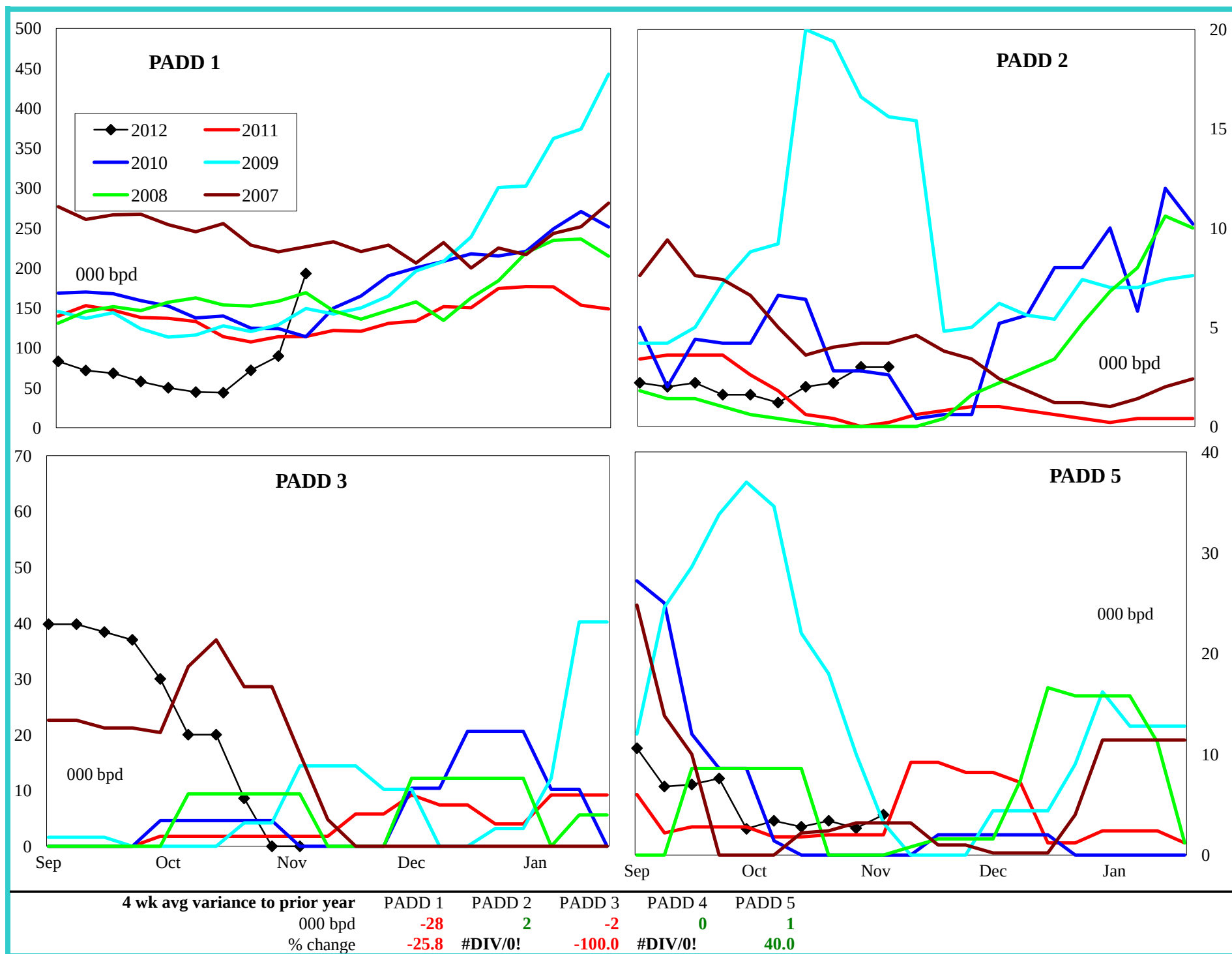
Crude Oil Imports by PADD



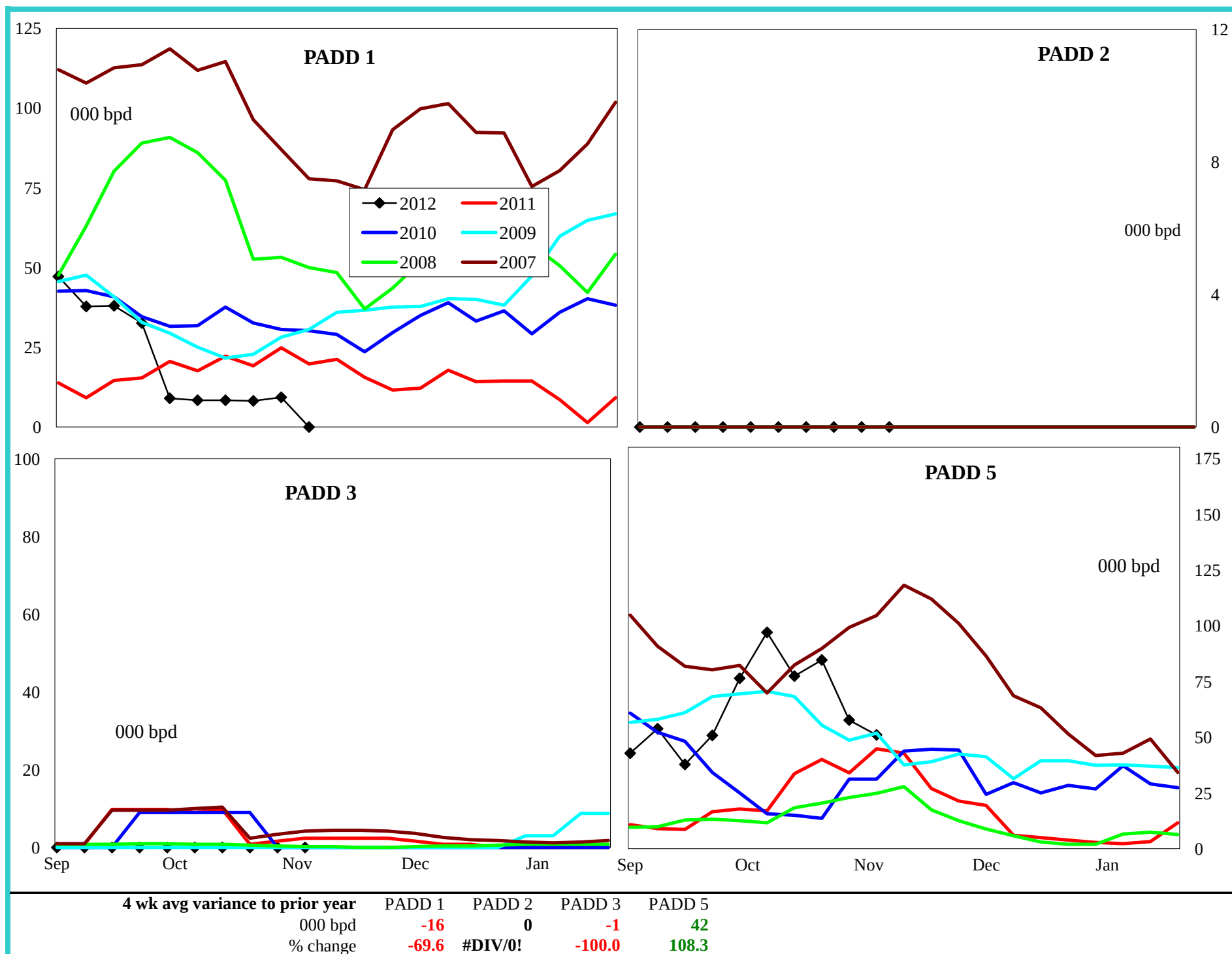
Gasoline Imports by PADD (Finished + Blend Stocks)



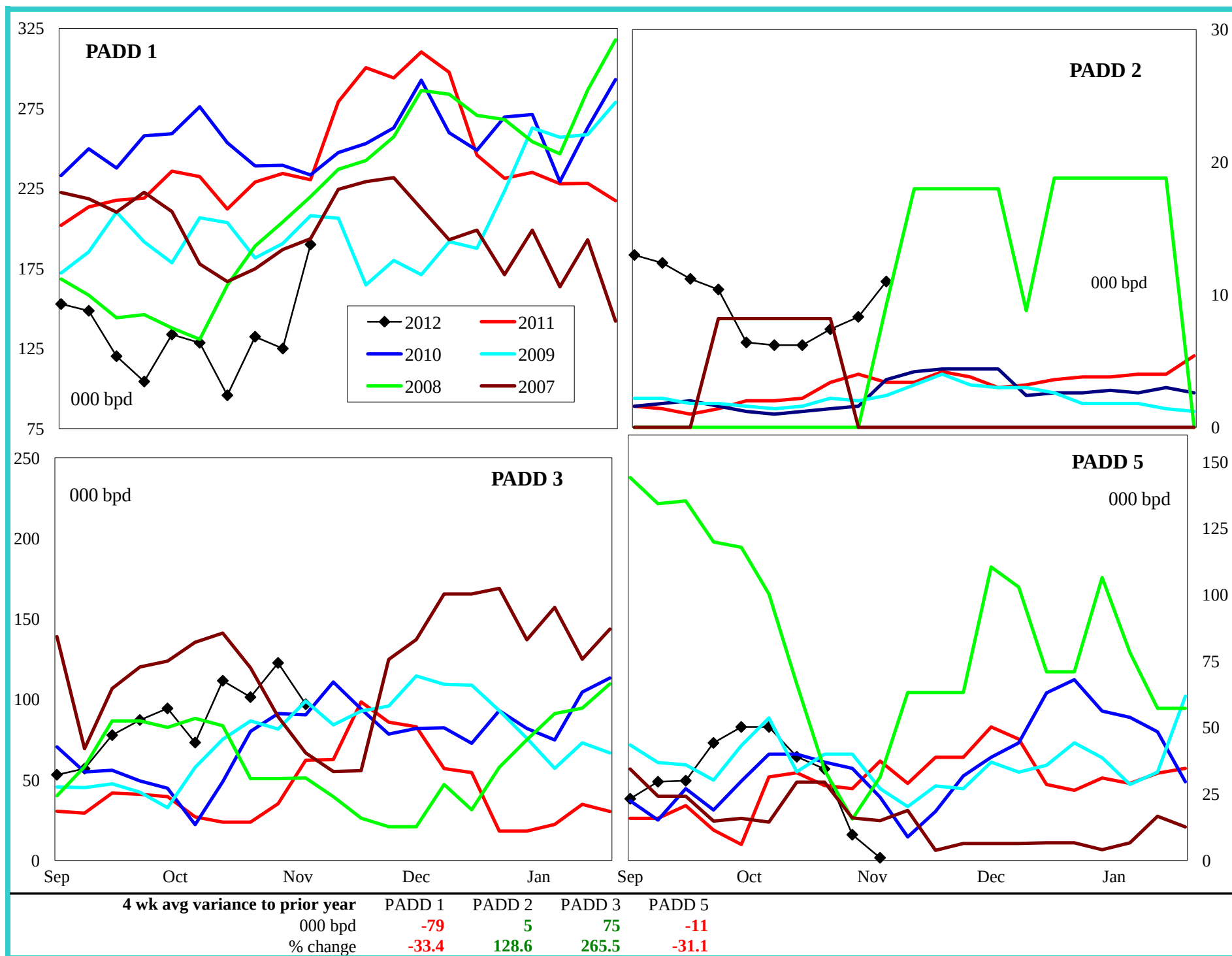
Distillate Imports by PADD



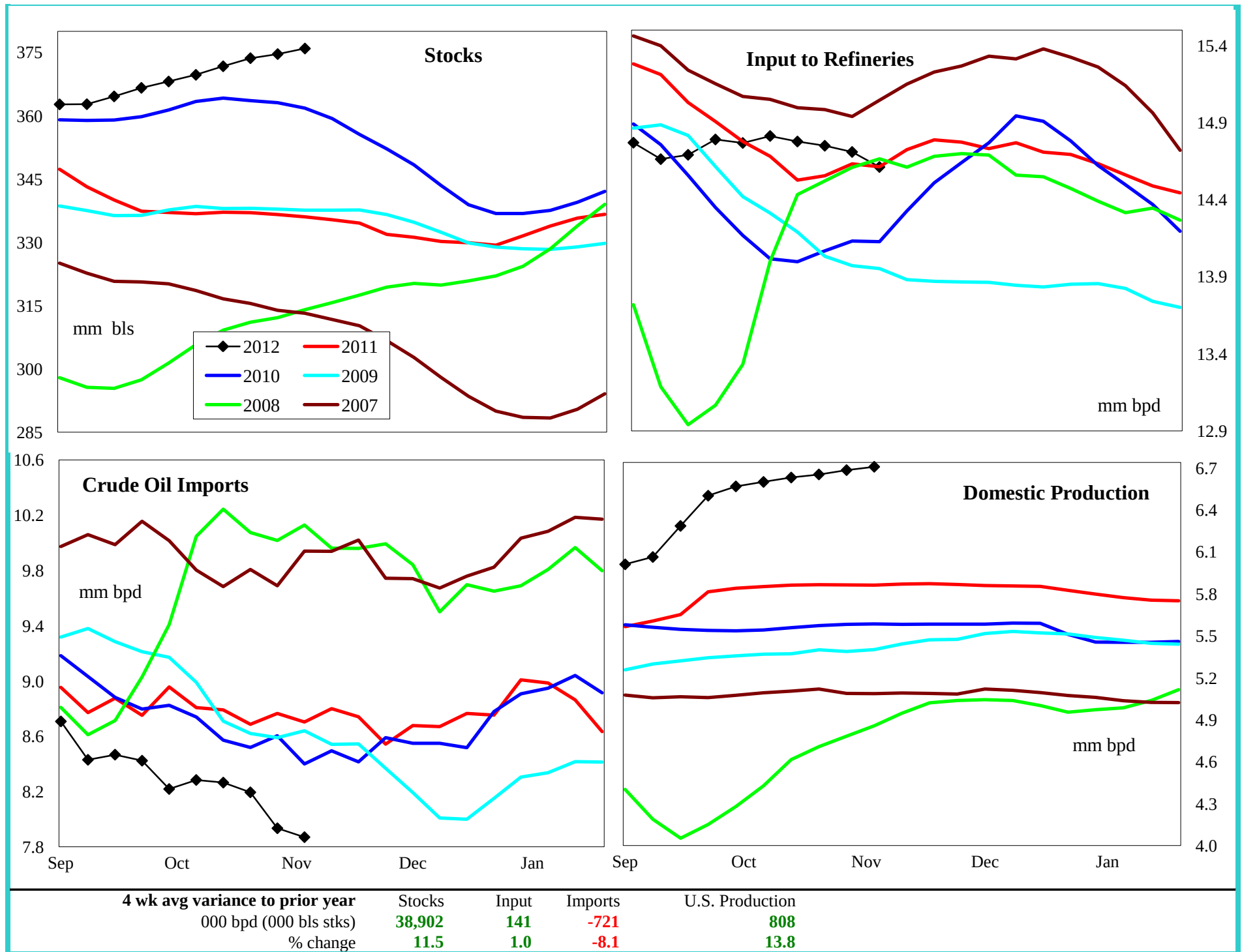
Jet Fuel Imports by PADD



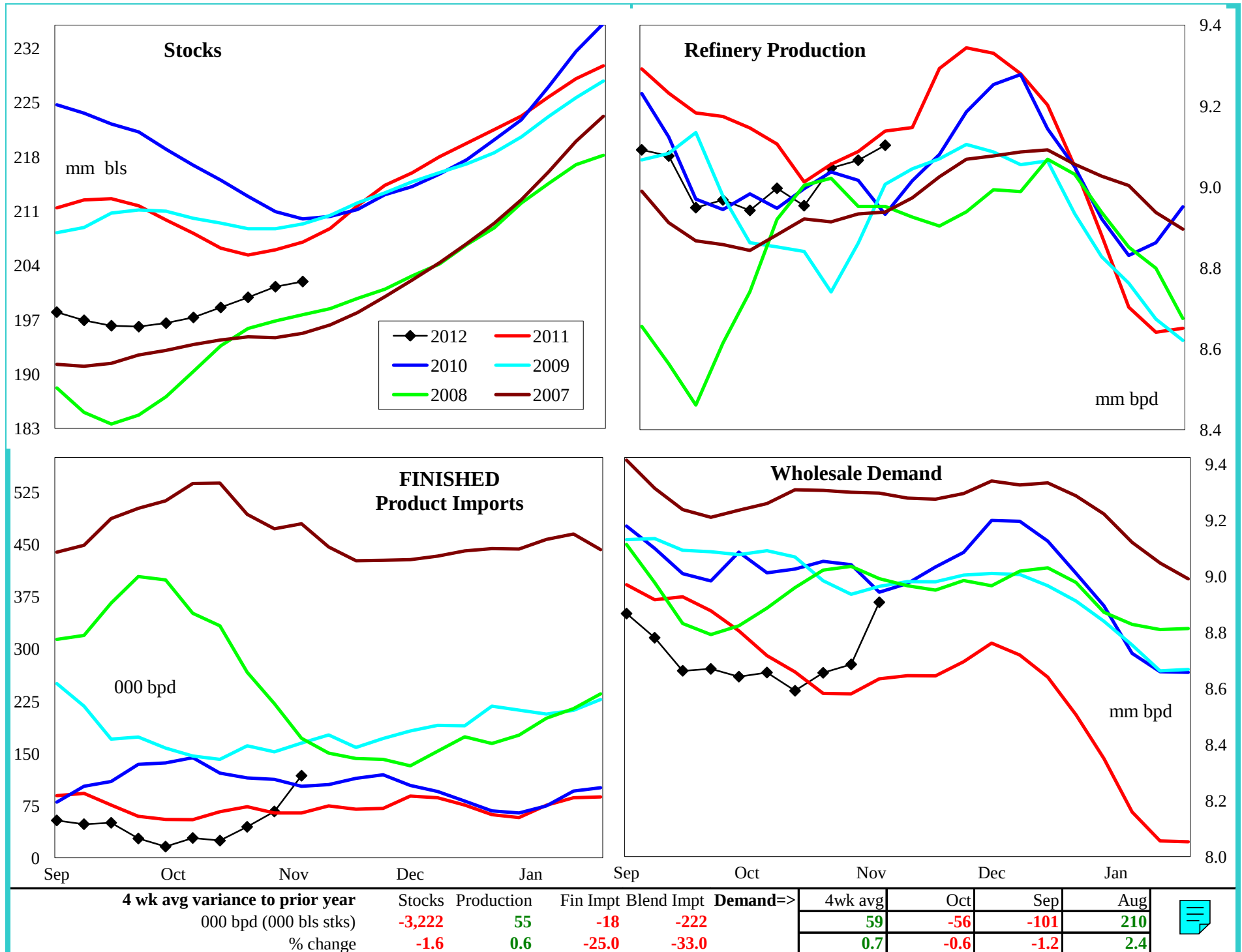
Residual Fuel Oil Imports by PADD



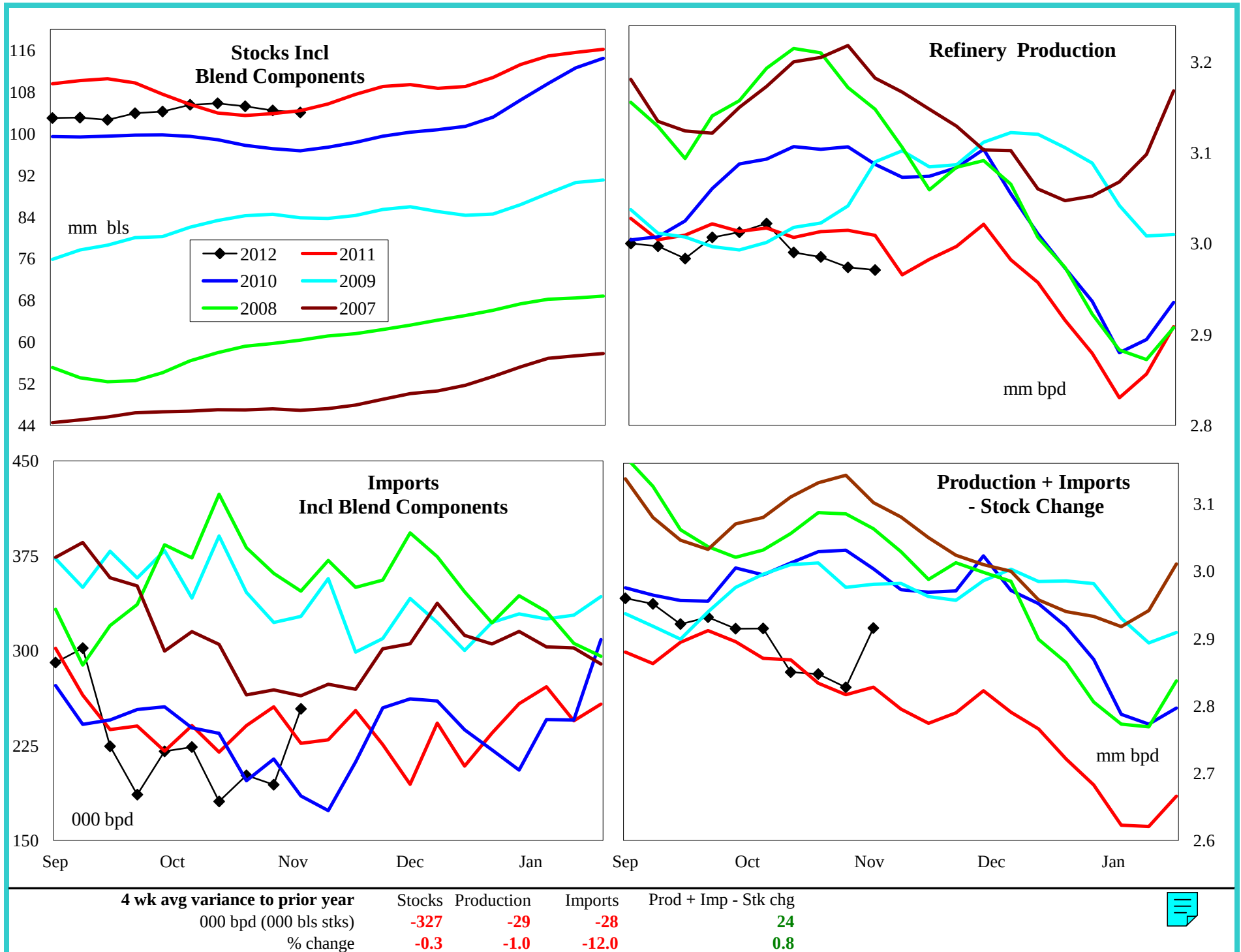
United States Crude Oil Supply and Demand Balance



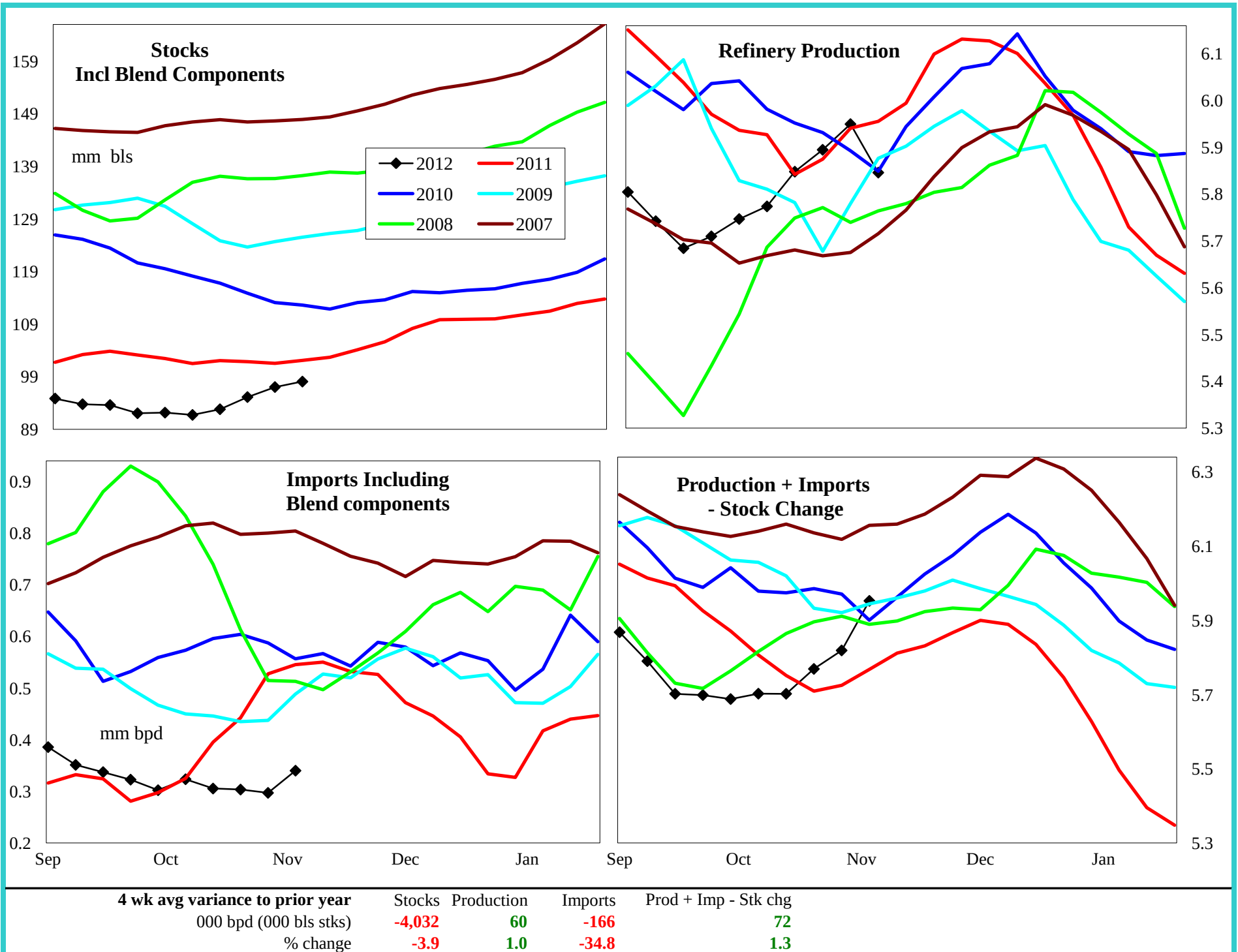
United States Gasoline Supply and Demand Balance



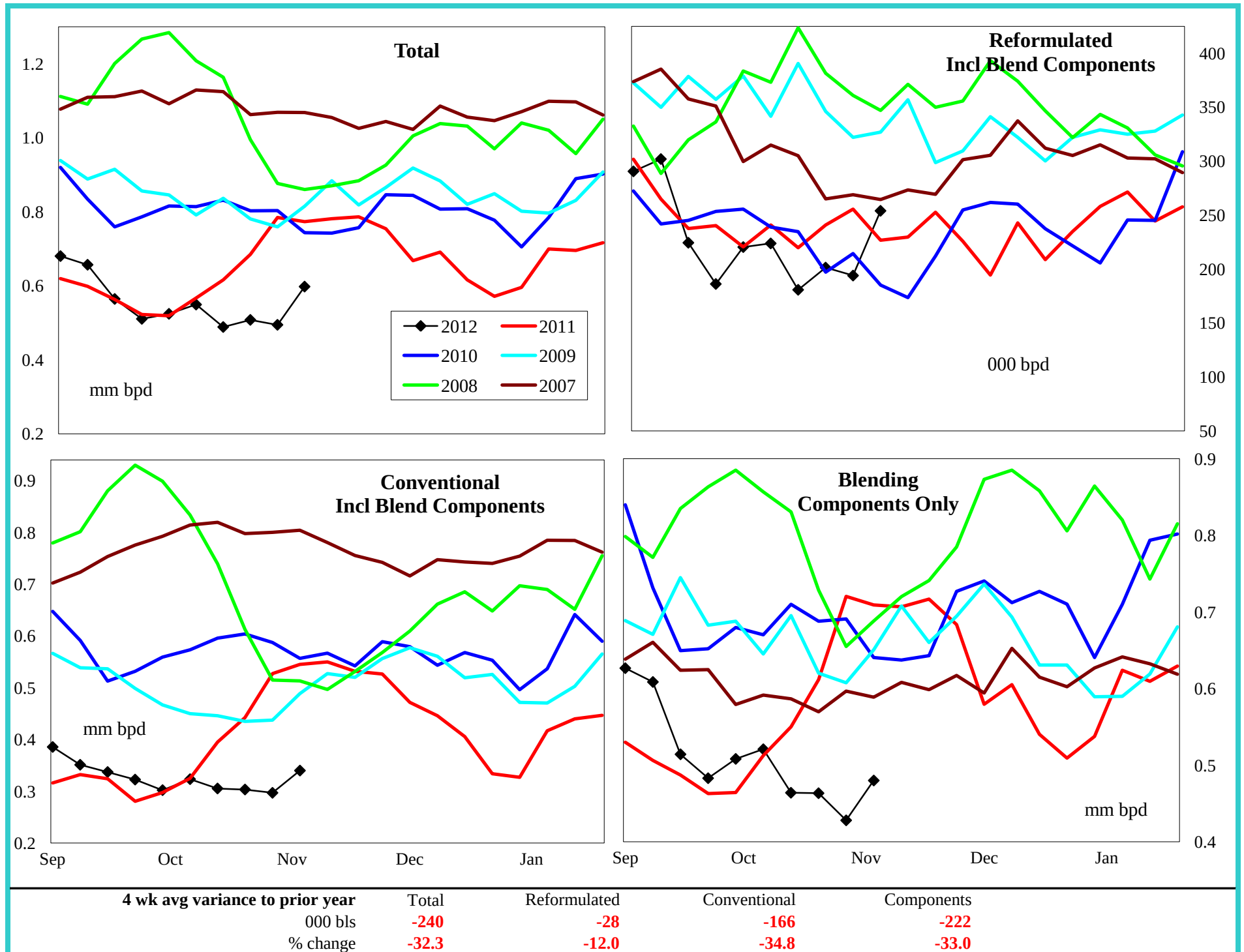
United States Reformulated Gasoline Supply



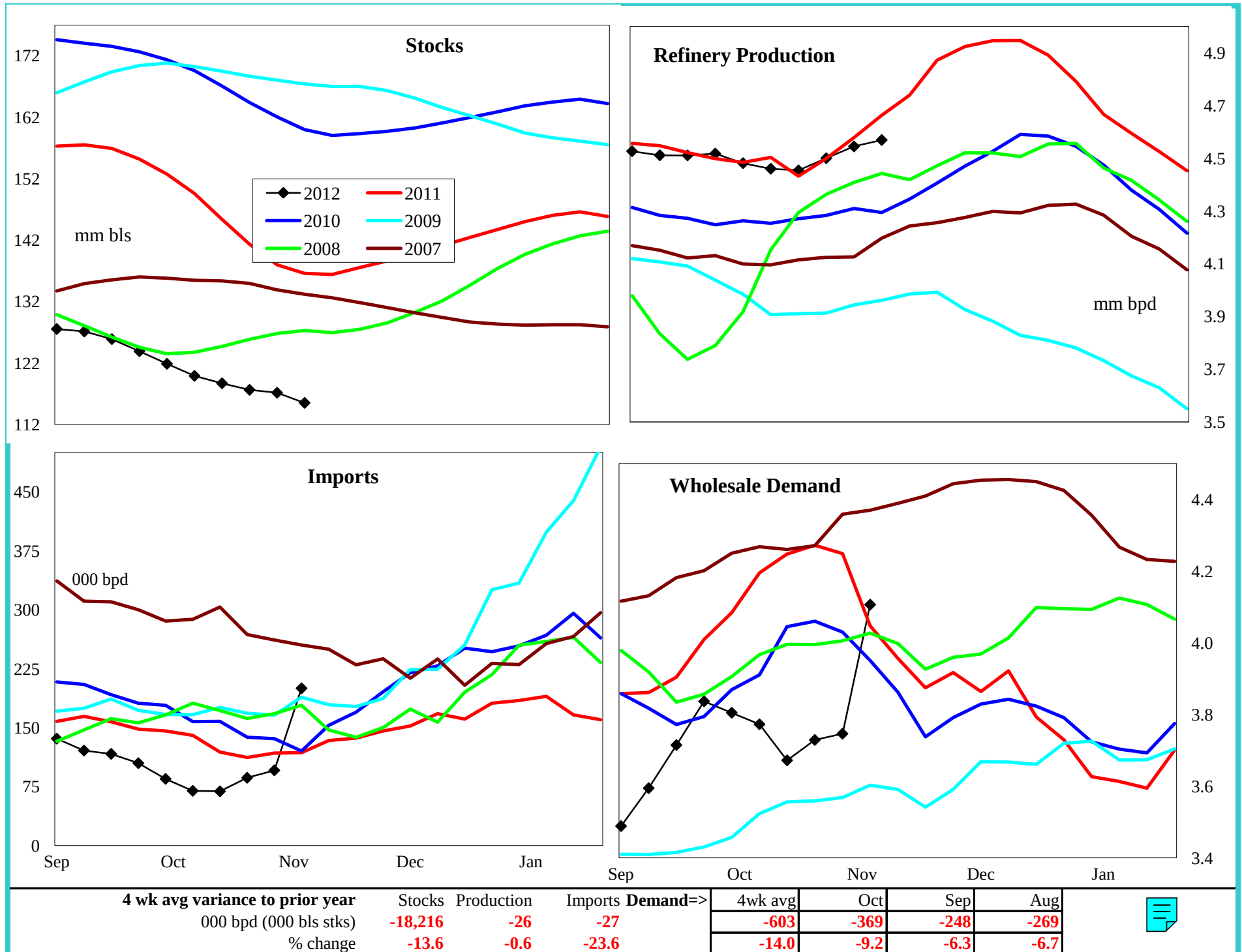
United States Conventional Gasoline Supply



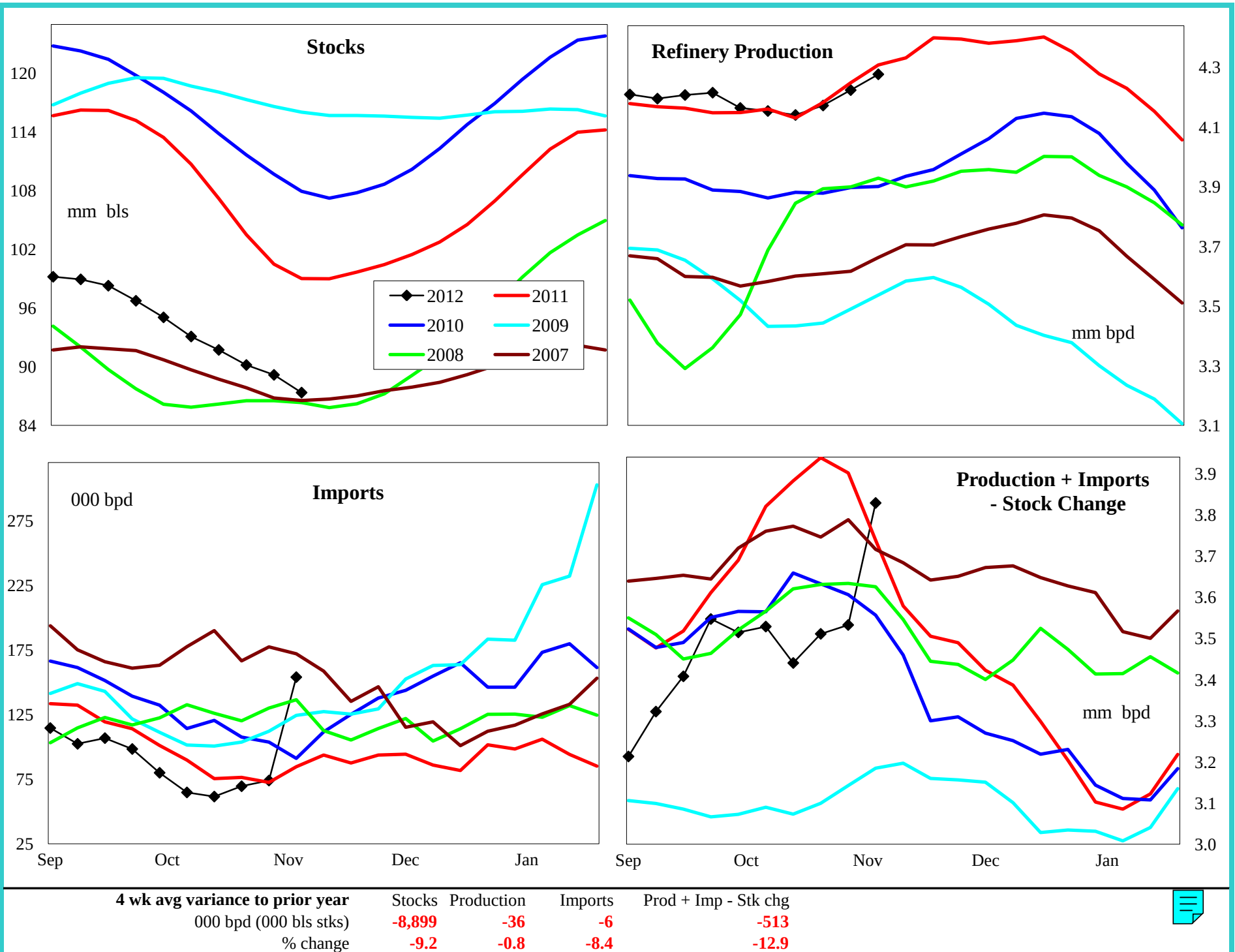
United States Gasoline Imports by Type



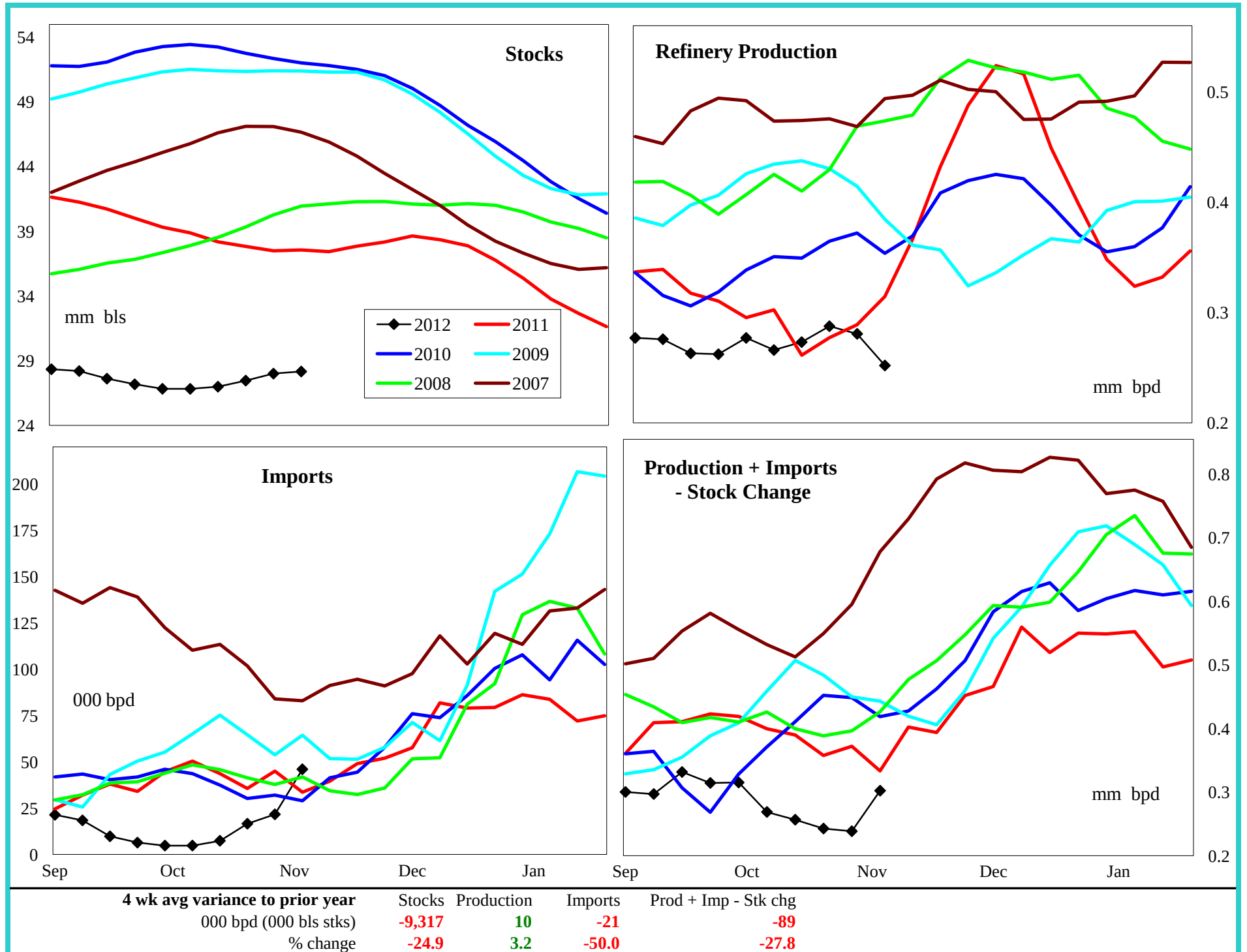
United States Distillate Supply and Demand Balance



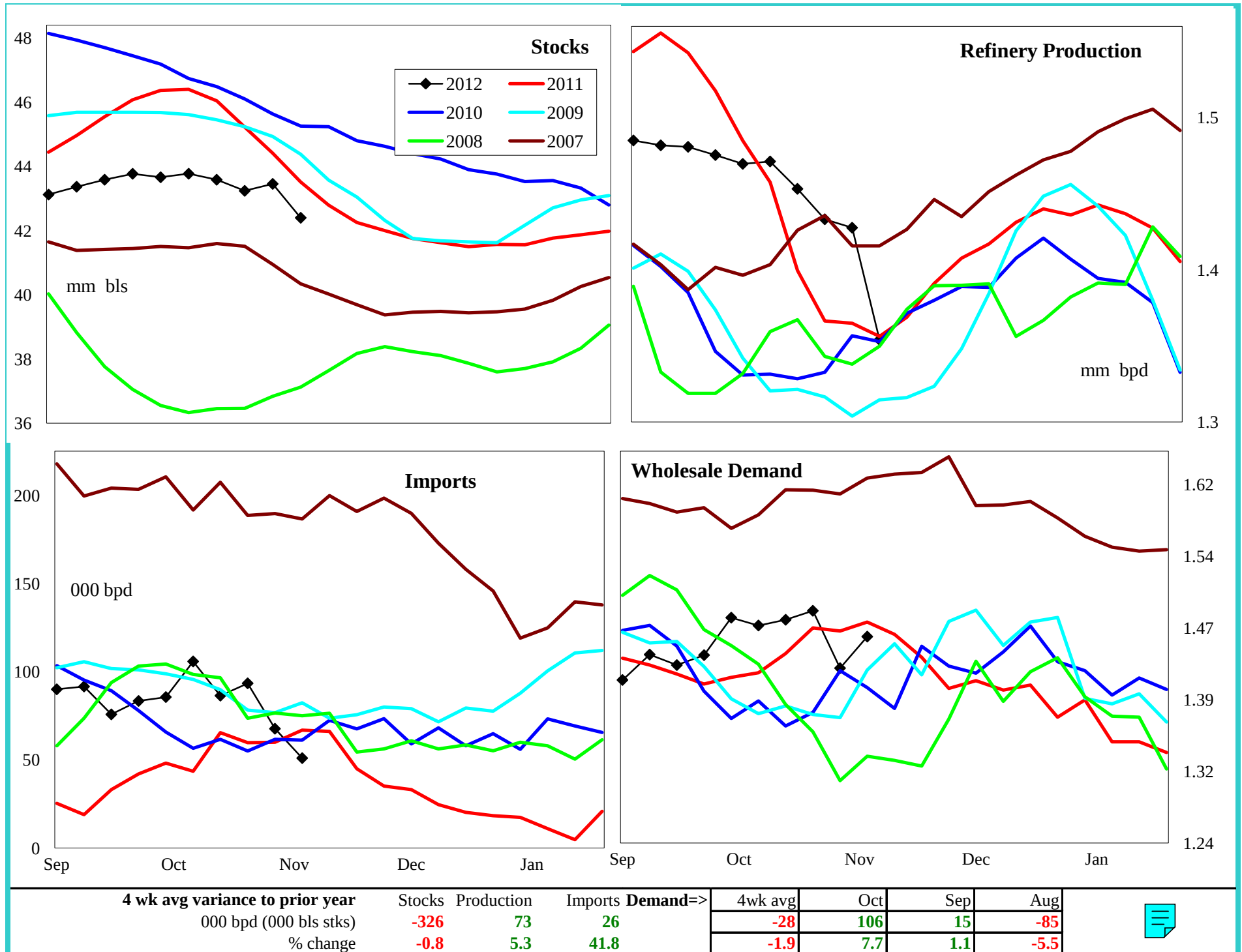
United States Low Sulfur Distillate Supply



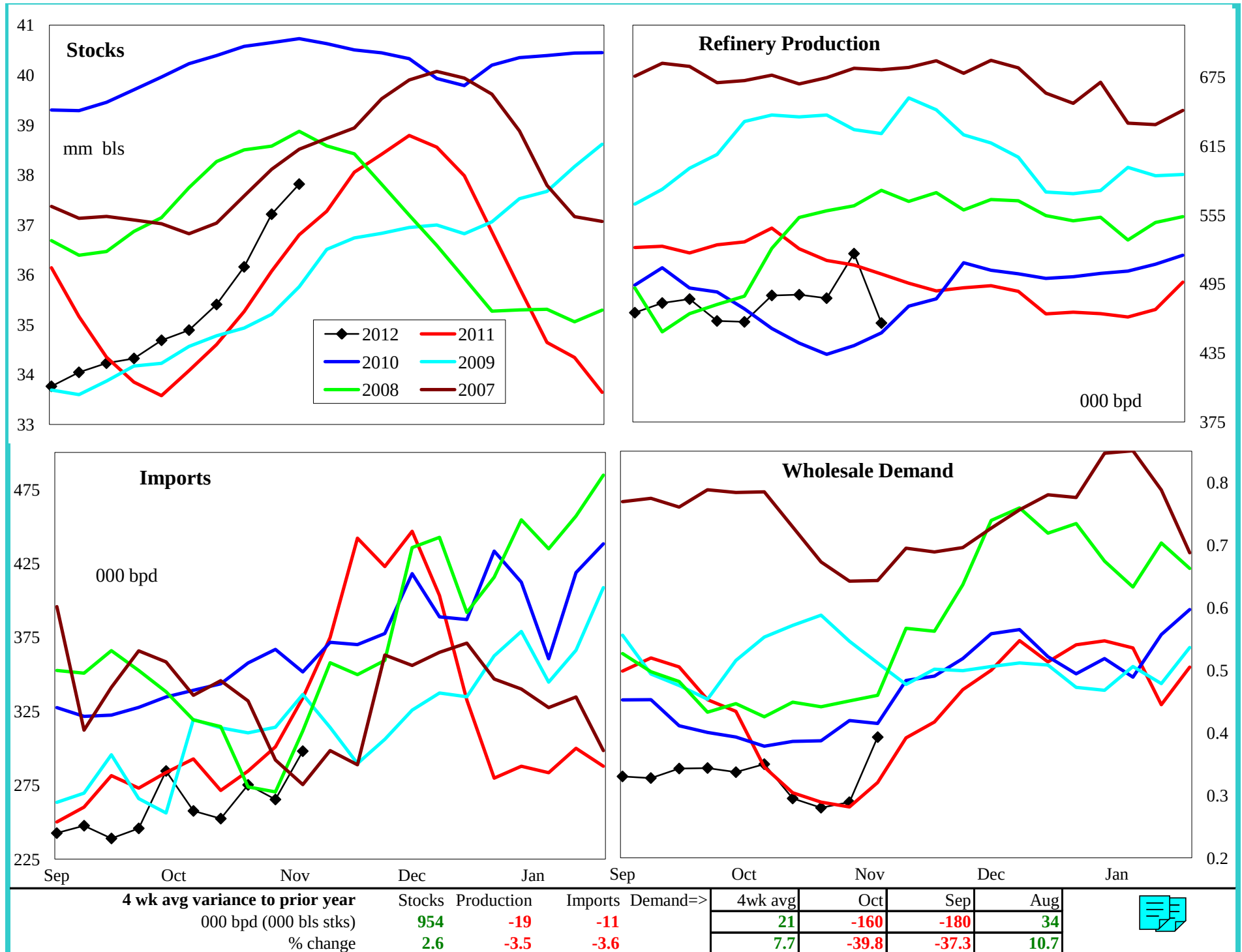
United States High Sulfur Distillate Supply



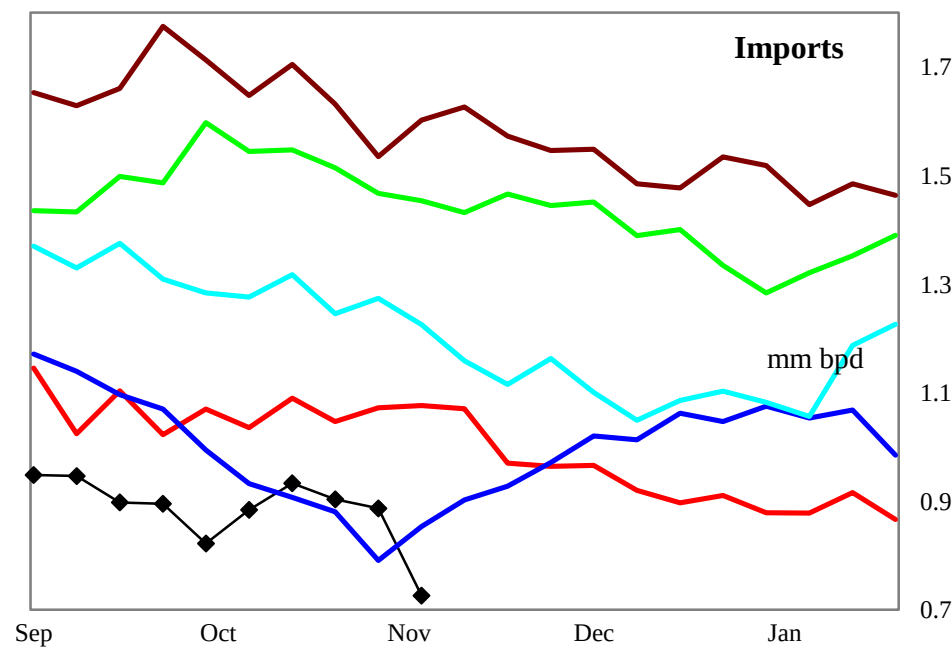
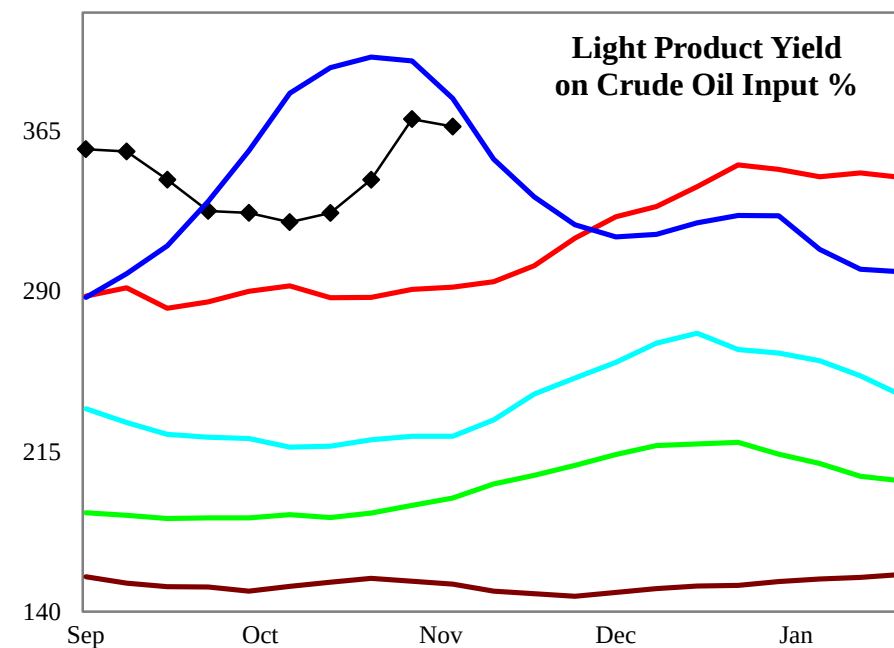
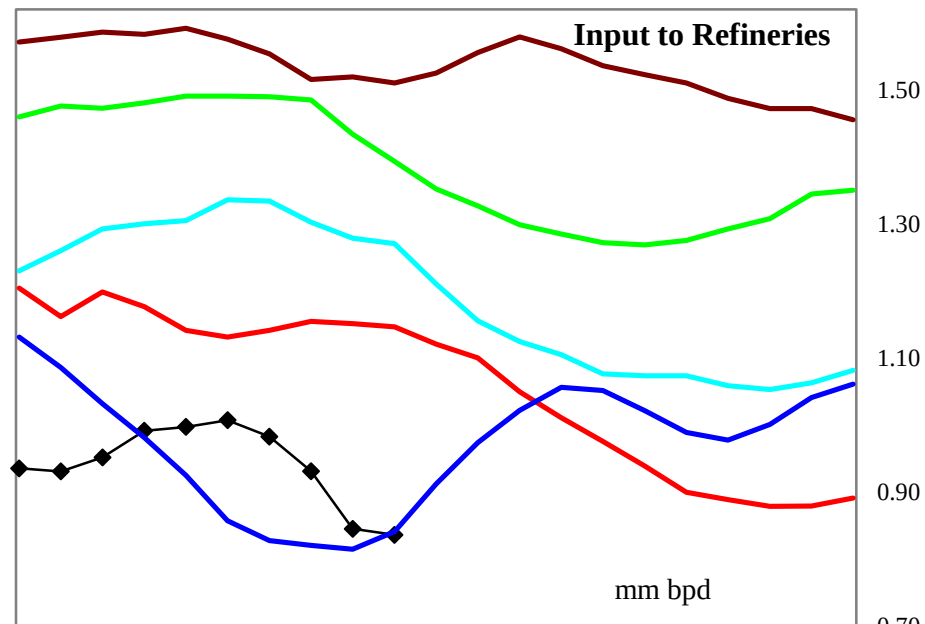
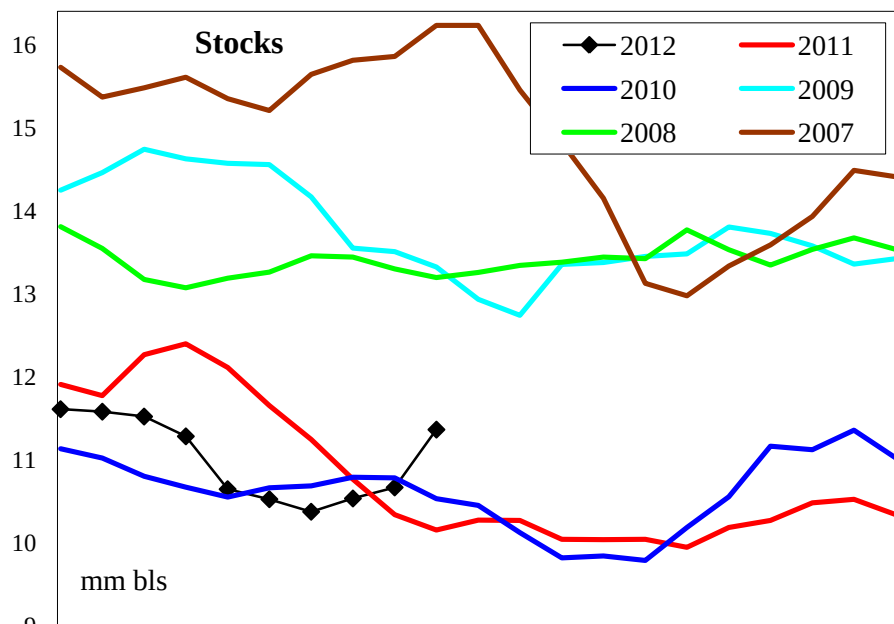
United States Jet Fuel Supply and Demand Balance



United States Residual Fuel Oil Supply and Demand Balance



PADD 1 Crude Oil Supply and Refining

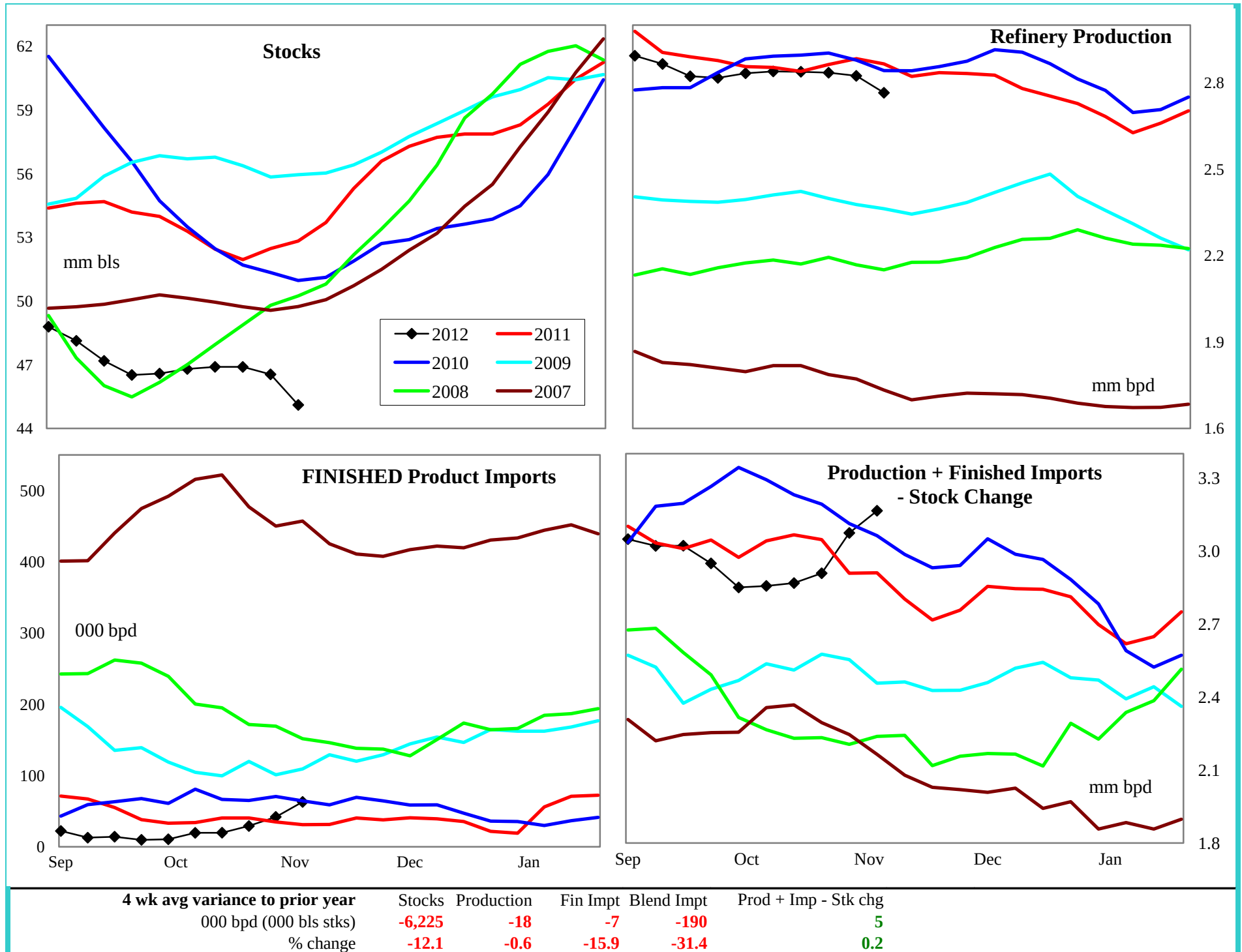


4 wk avg variance to prior year
 000 bpd (000 bls stks)
 % change

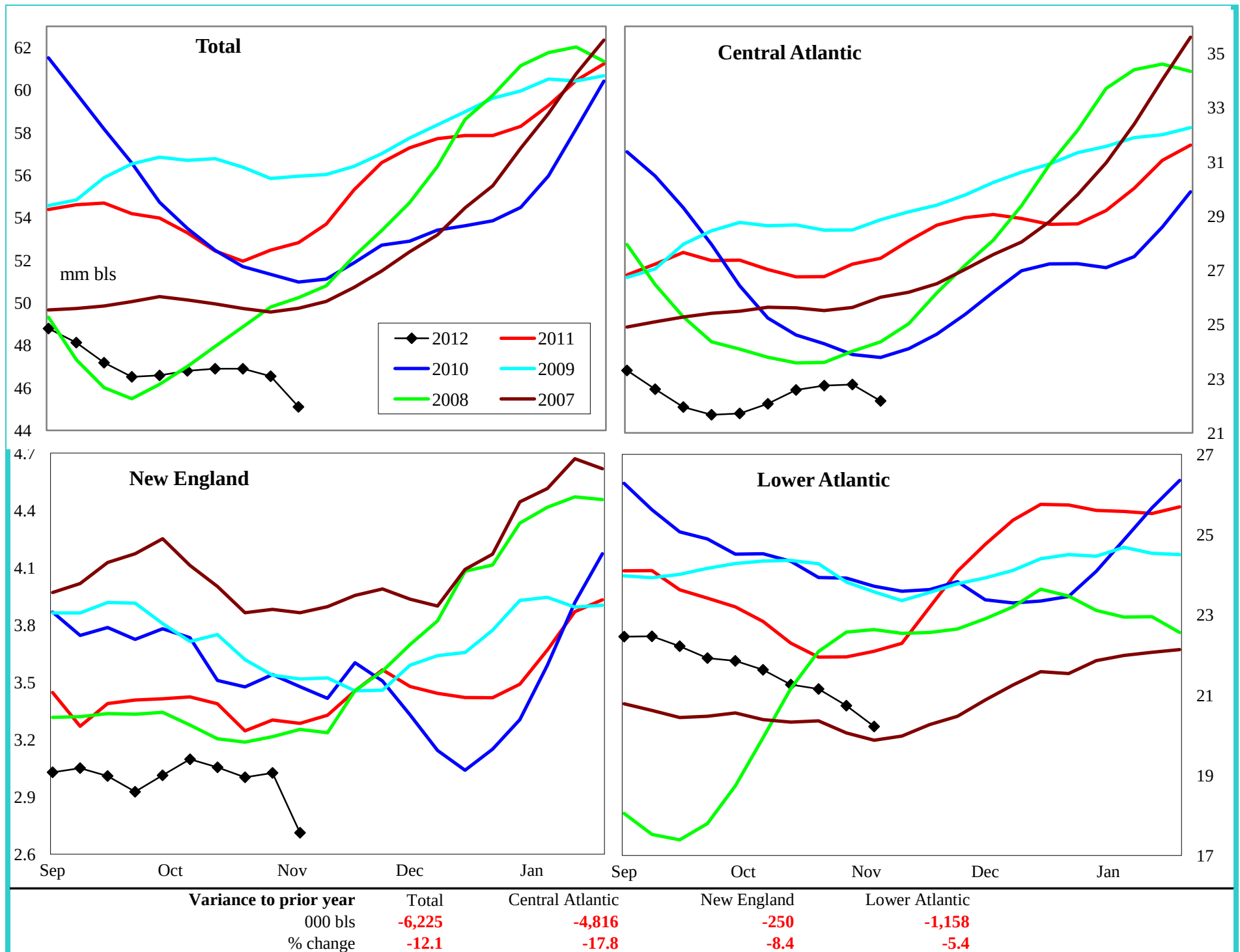
	Stocks	Input	Imports
000 bpd (000 bls stks)	1,208	-278	-222
% change	11.9	-23.9	-19.4



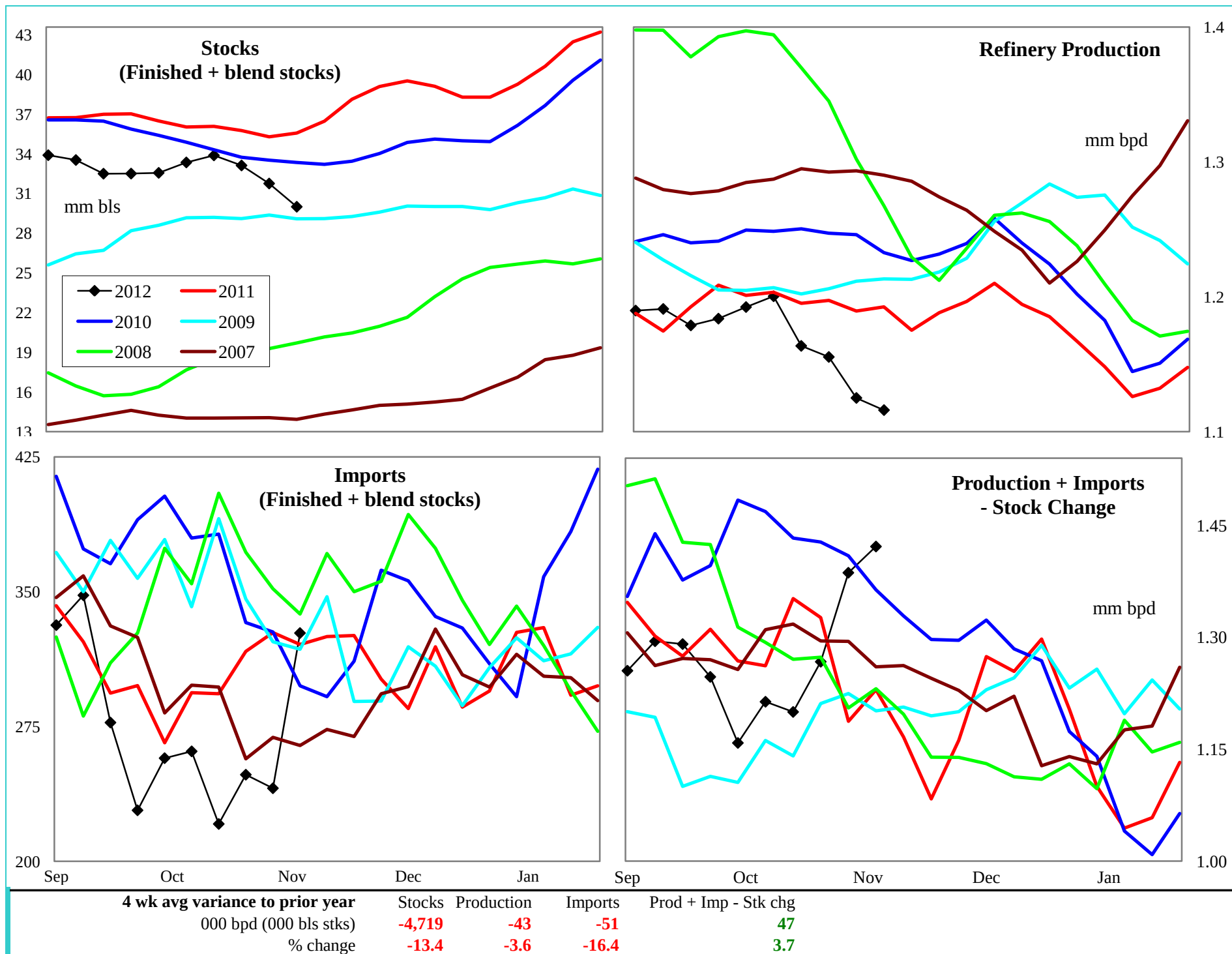
PADD 1 Gasoline Supply



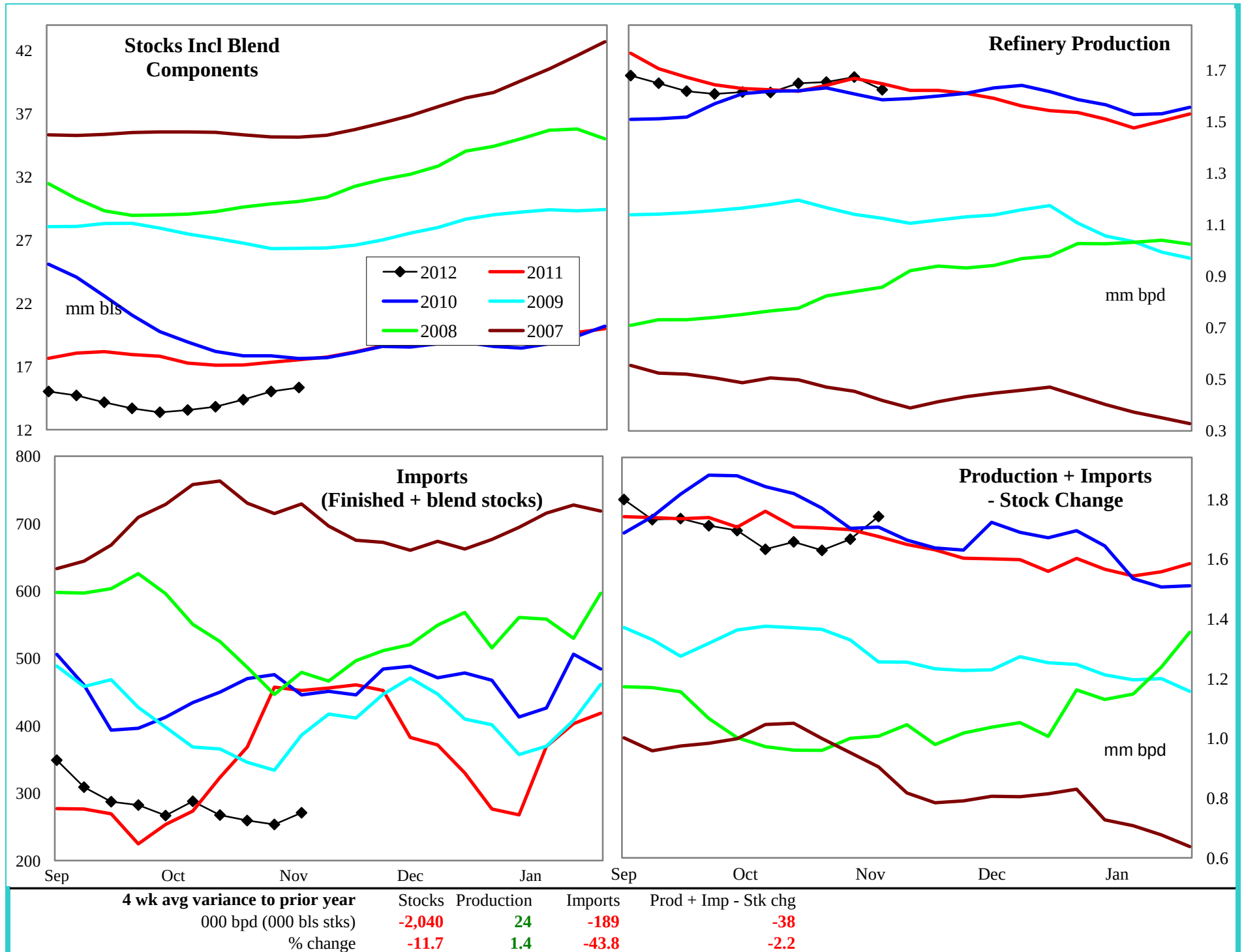
PADD 1 Gasoline Stocks by Region



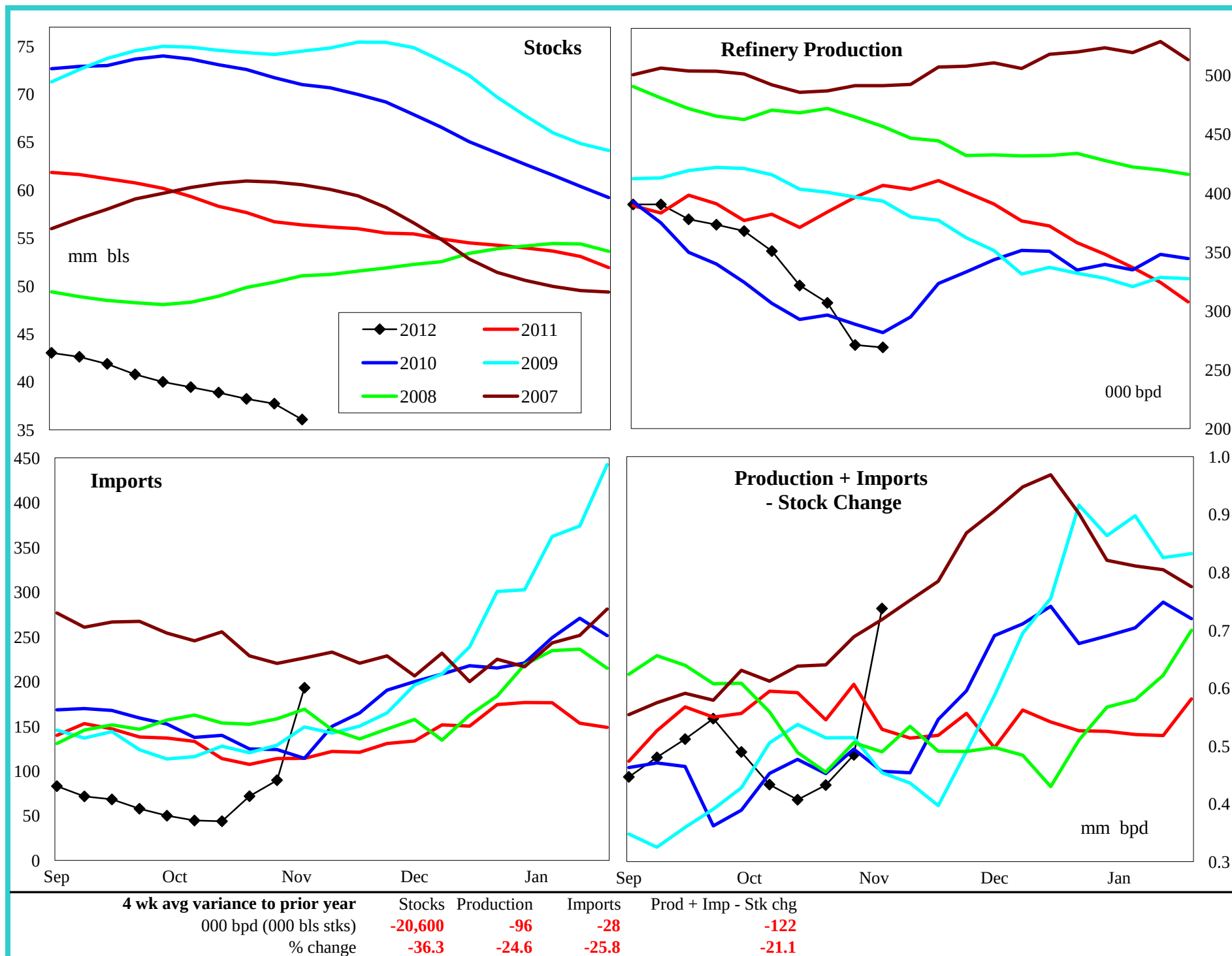
PADD 1 Reformulated Gasoline Supply



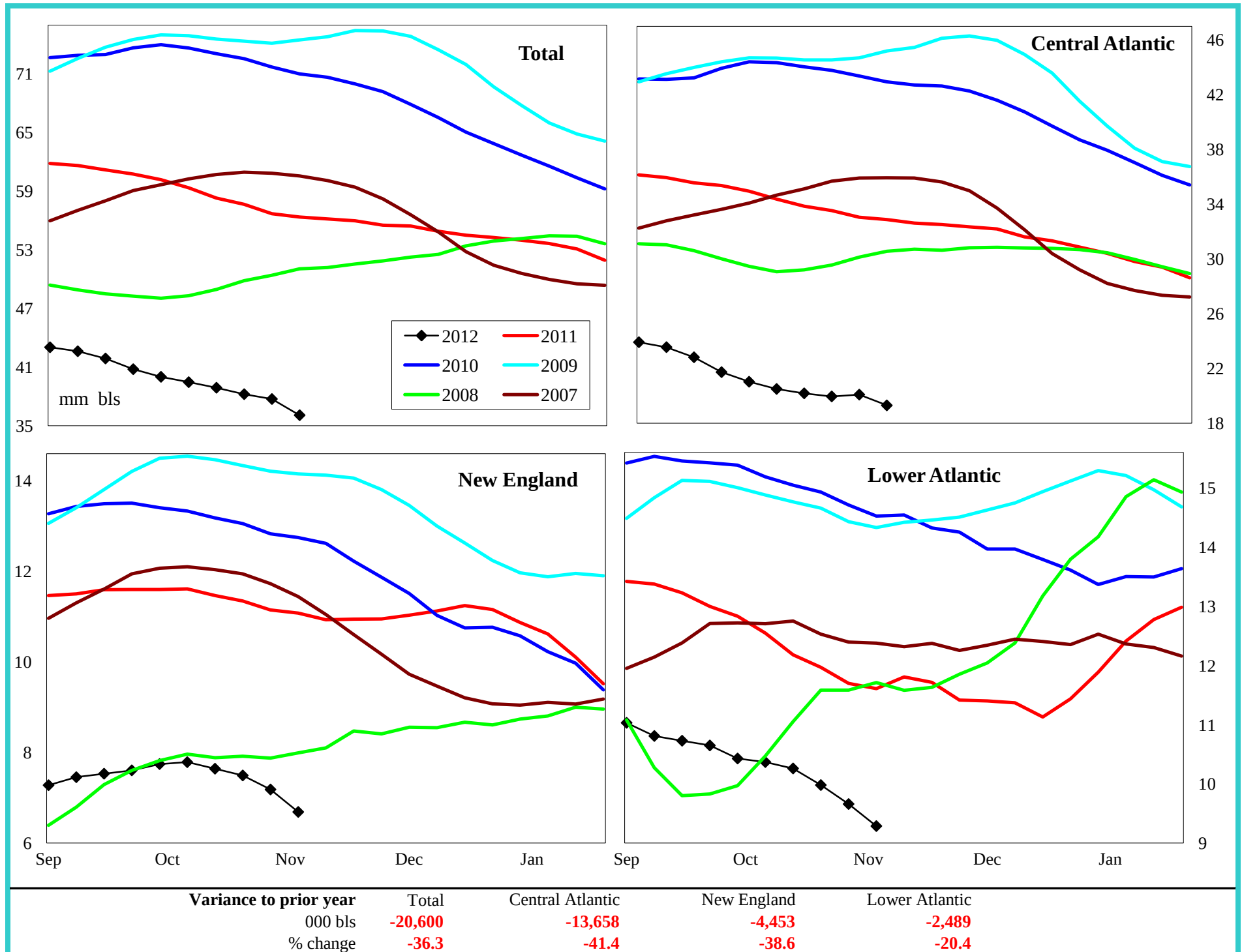
PADD 1 Conventional Gasoline Supply



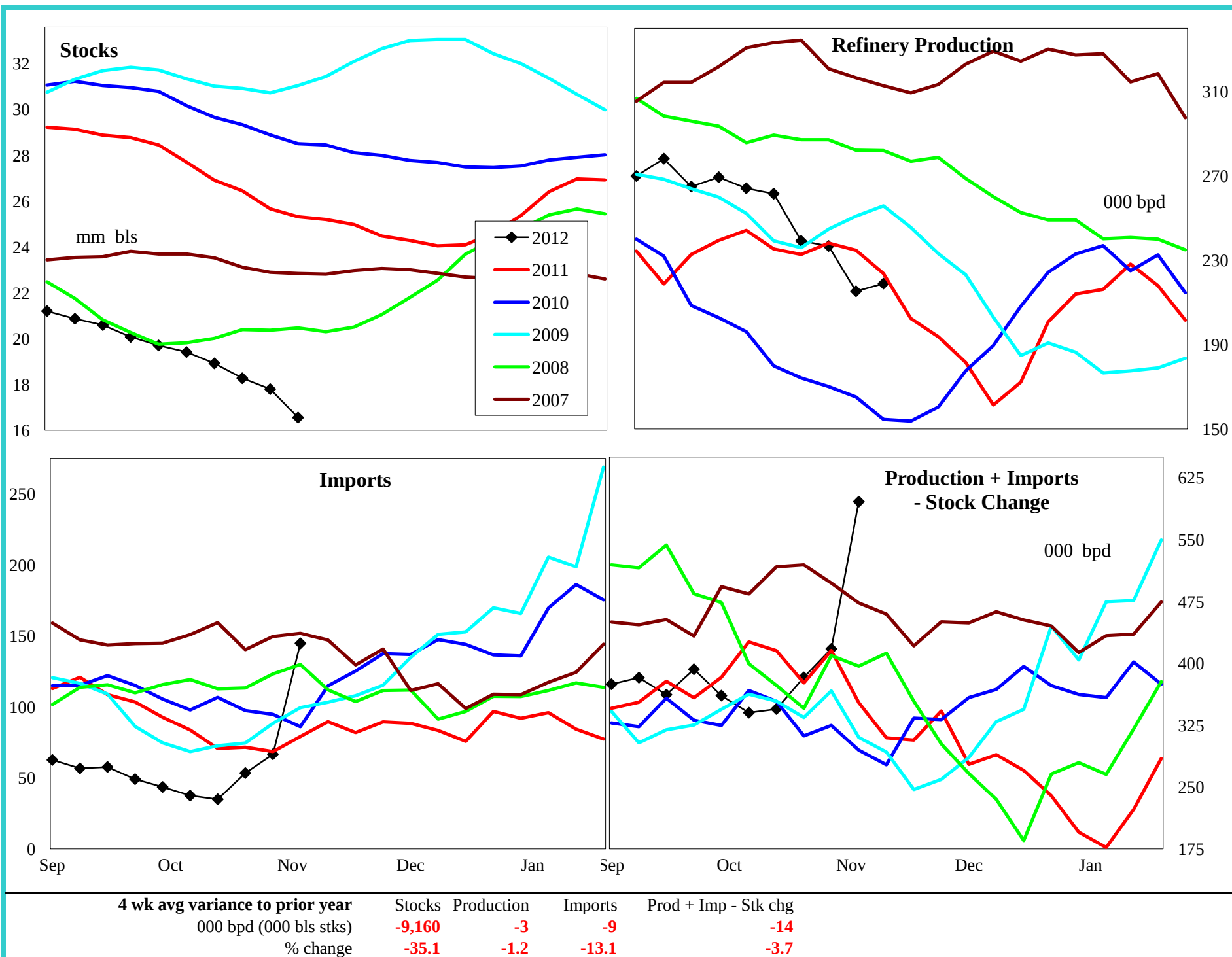
PADD 1 Distillate Supply



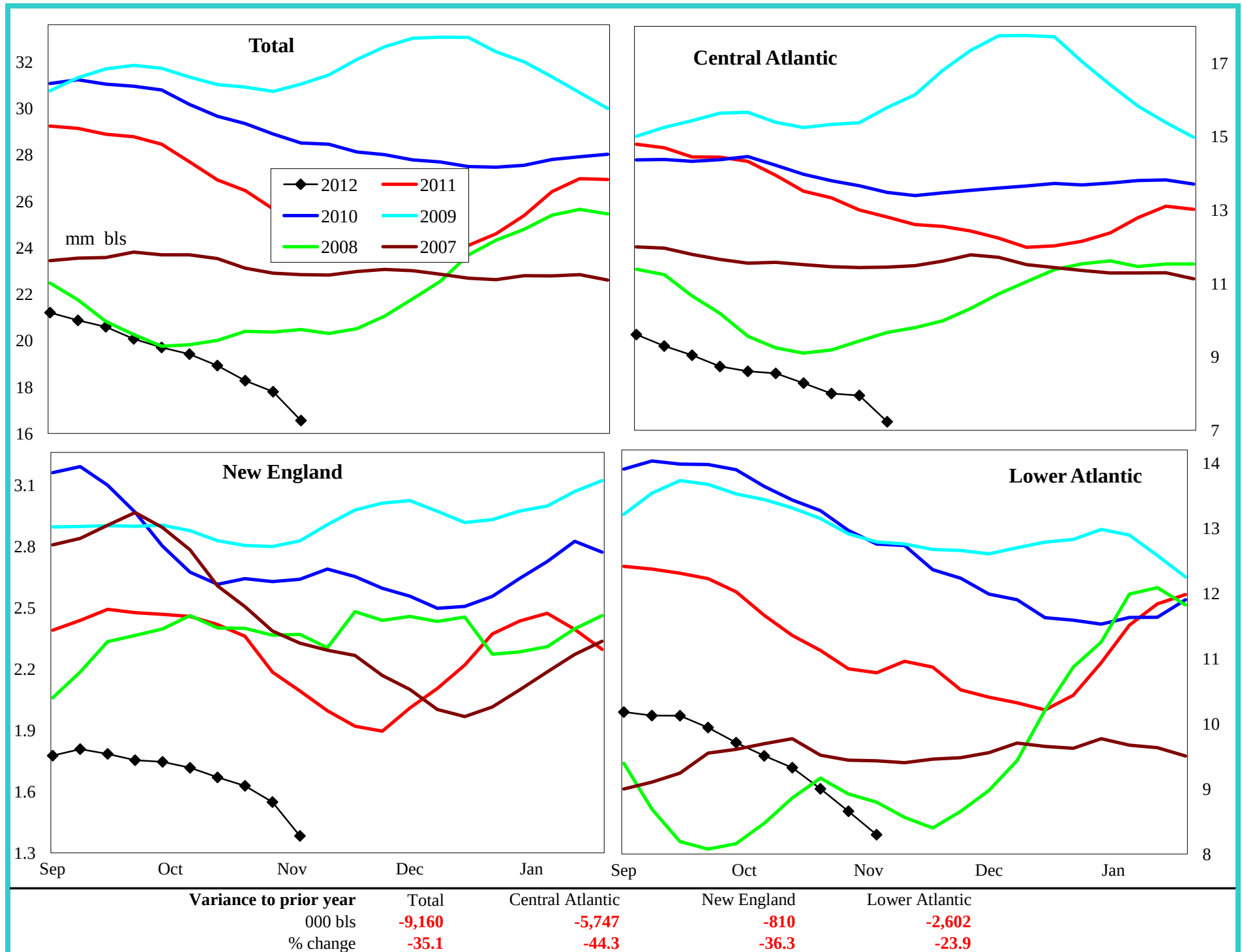
PADD 1 Distillate Stocks by Region



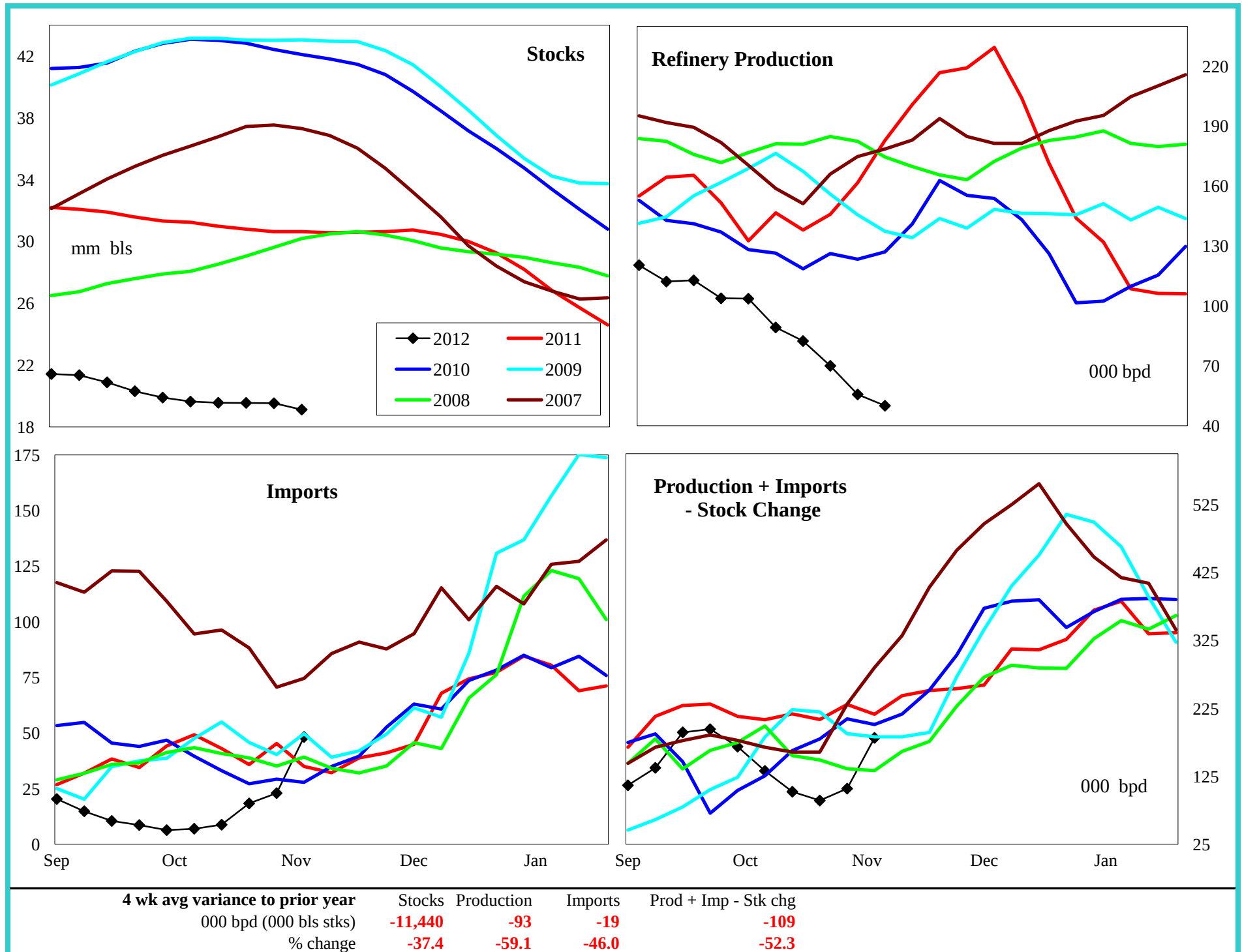
PADD 1 Low Sulfur Distillate Supply



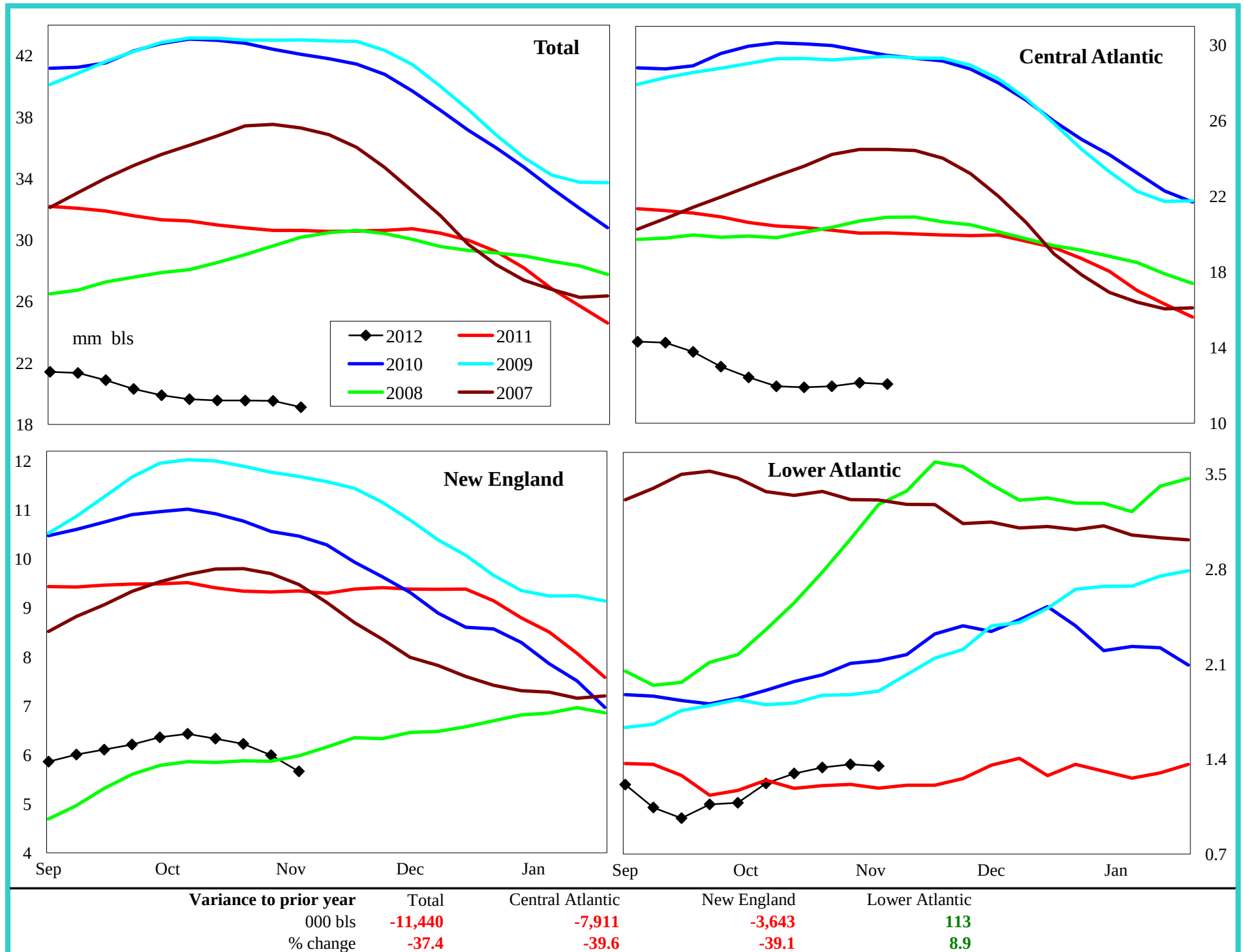
PADD 1 Low Sulfur Distillate Stocks by Region



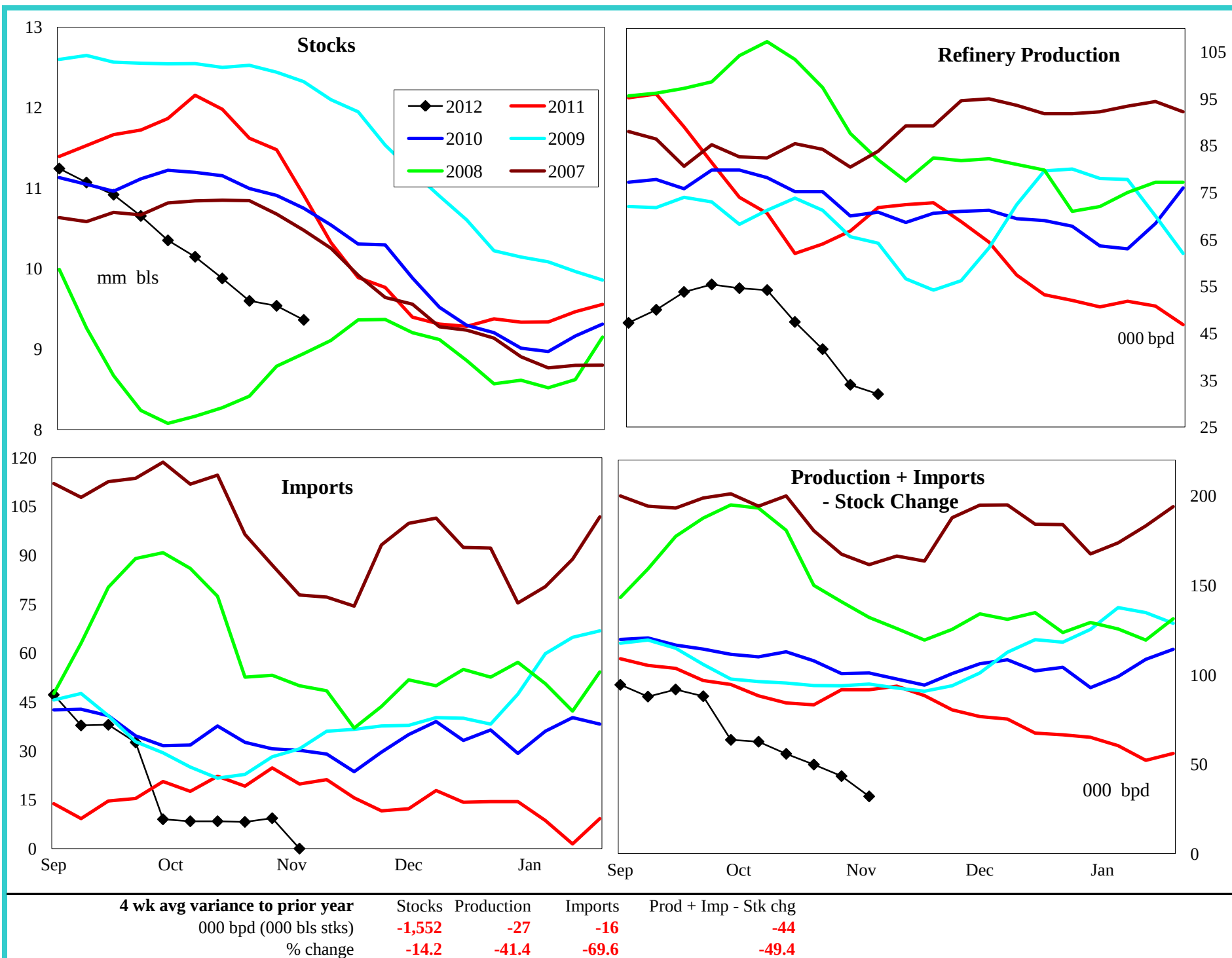
PADD 1 High Sulfur Distillate Supply



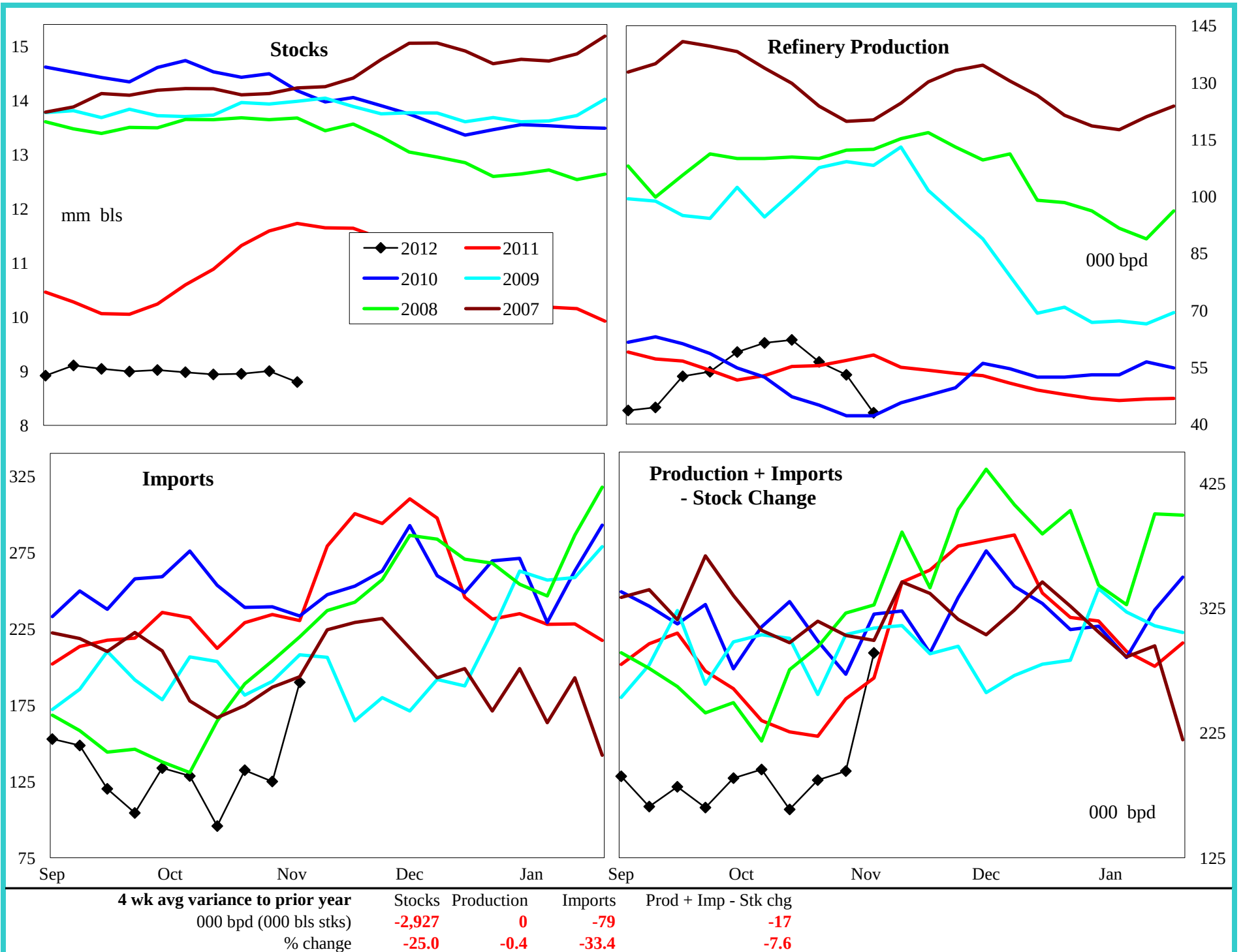
PADD 1 High Sulfur Distillate Stocks by Region



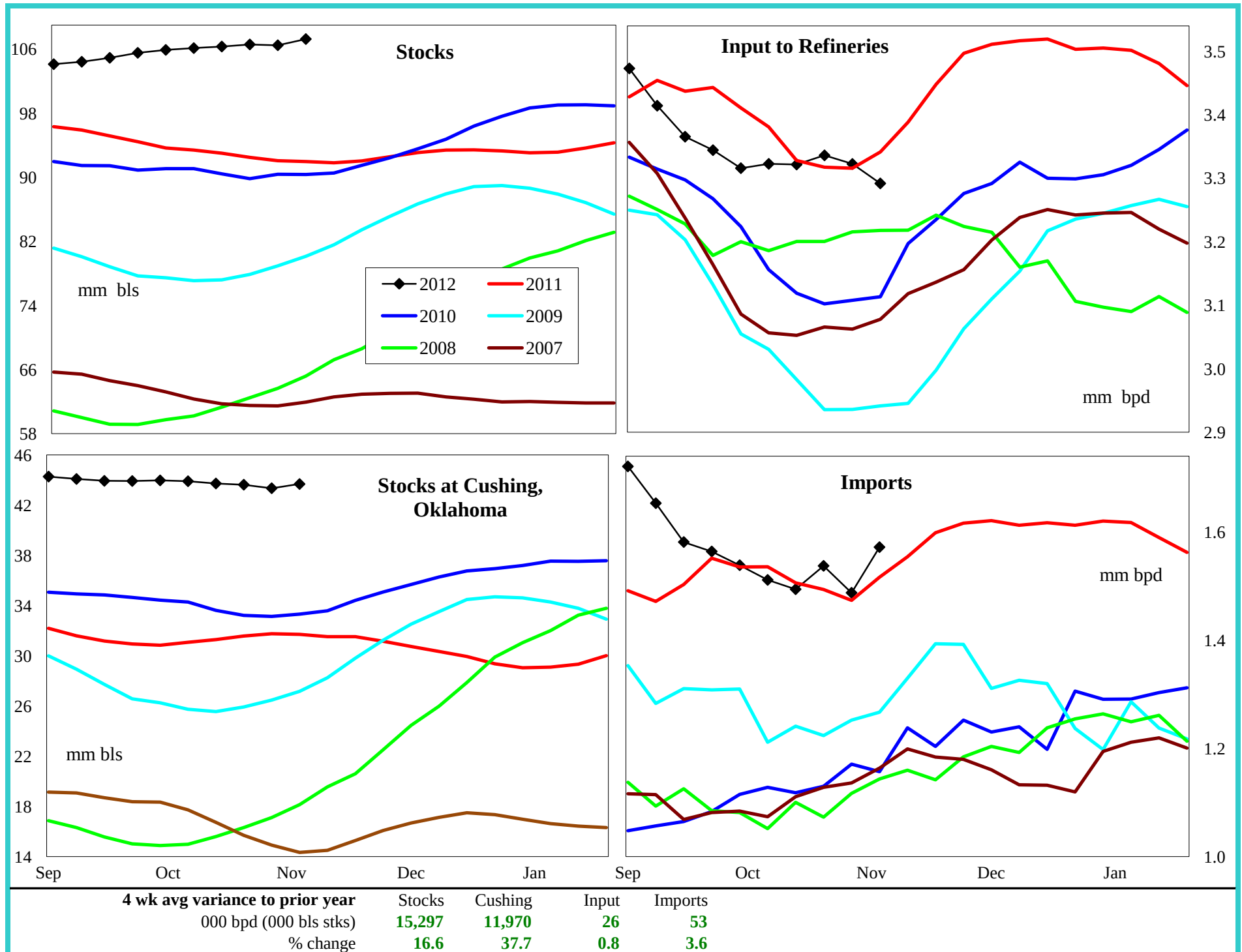
PADD 1 Jet Fuel Supply



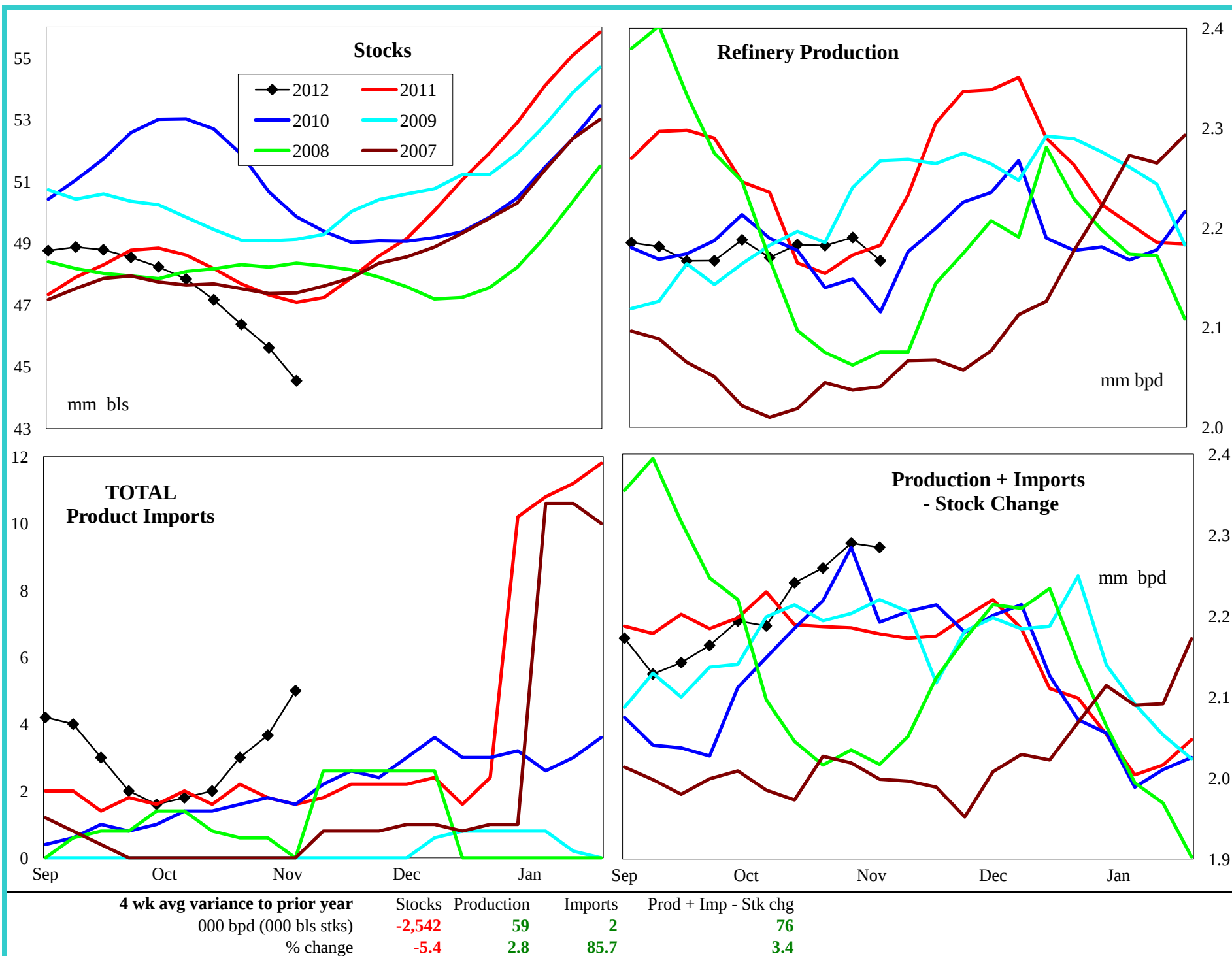
PADD 1 Residual Fuel Oil Supply



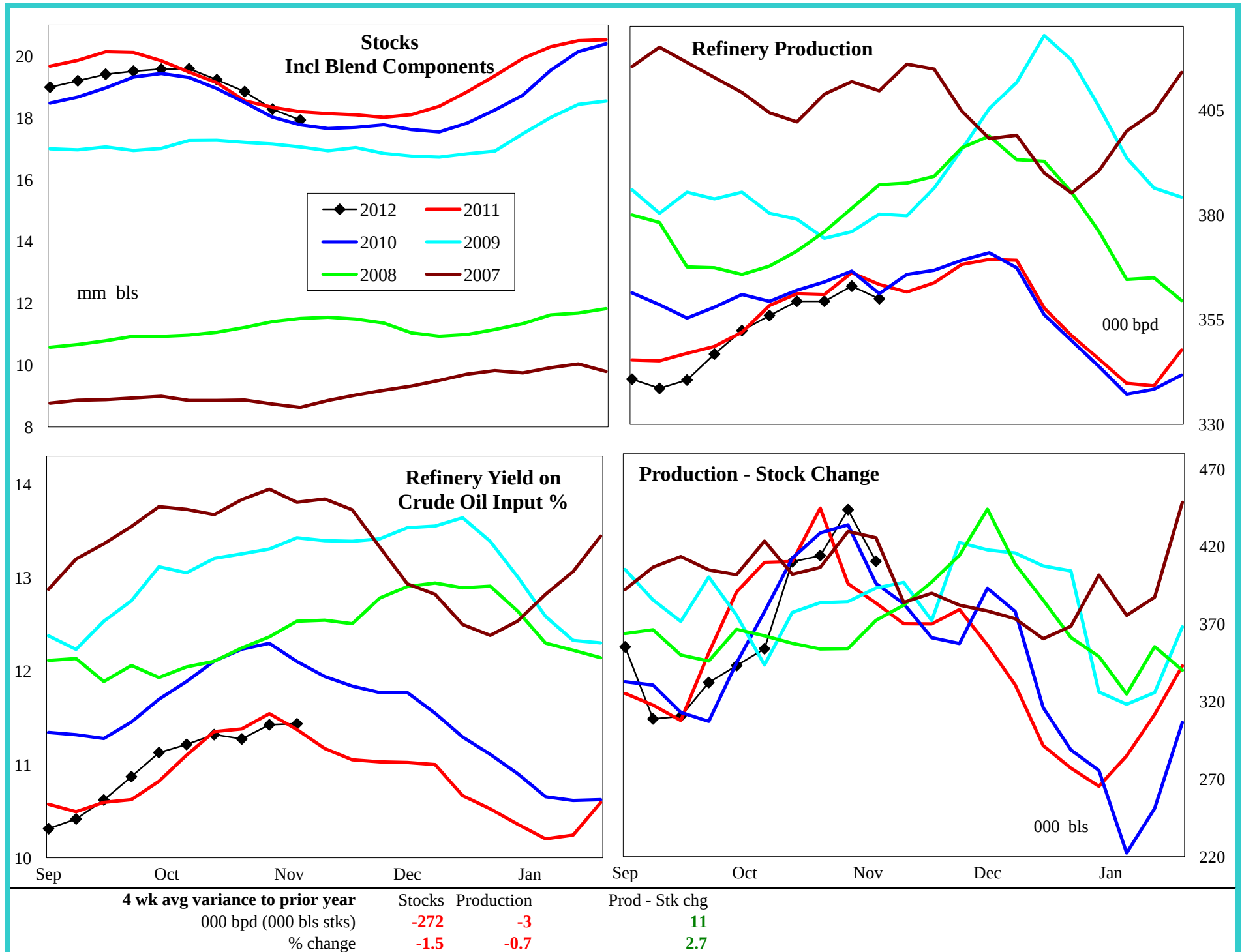
PADD 2 Crude Oil Supply and Refining



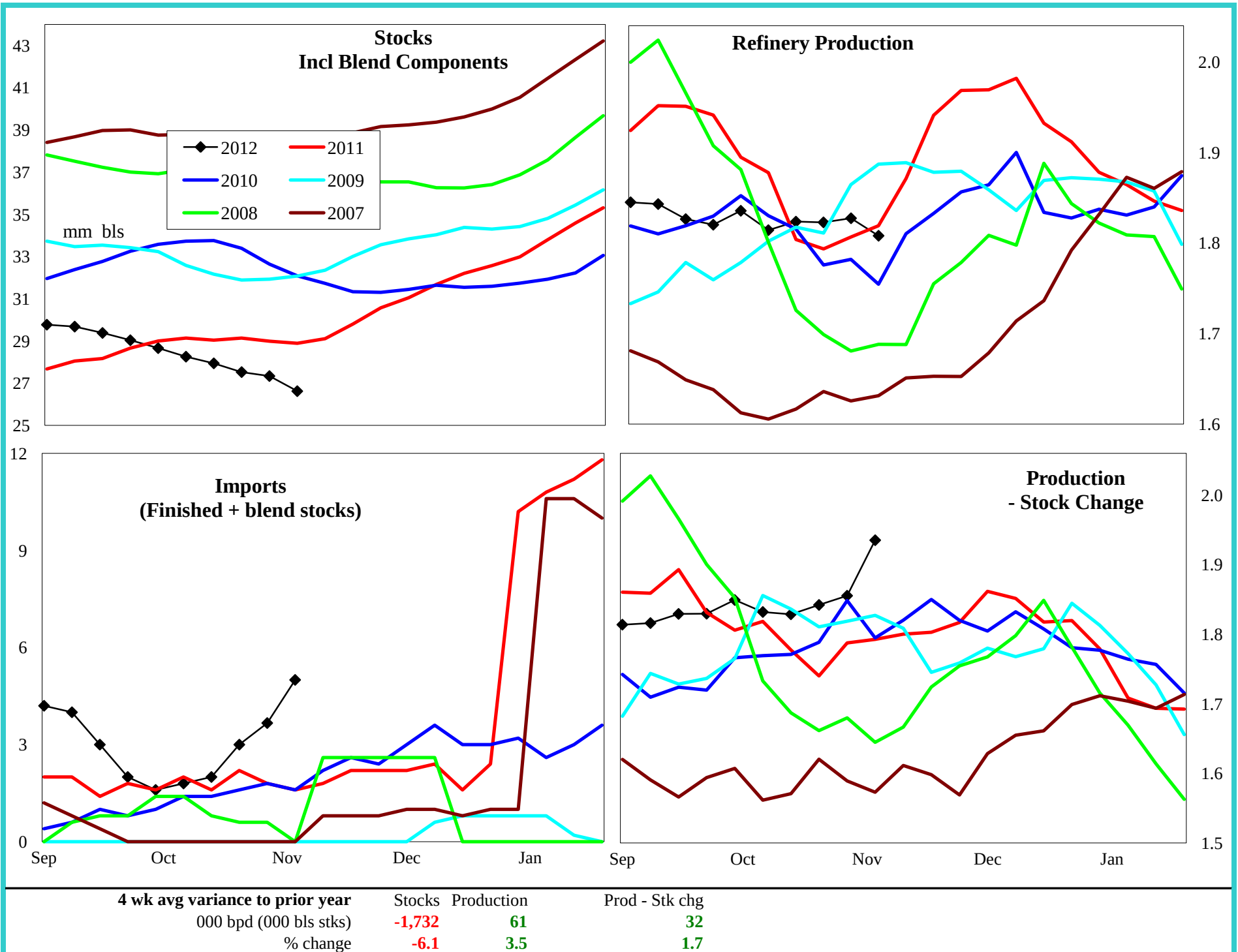
PADD 2 Gasoline Supply



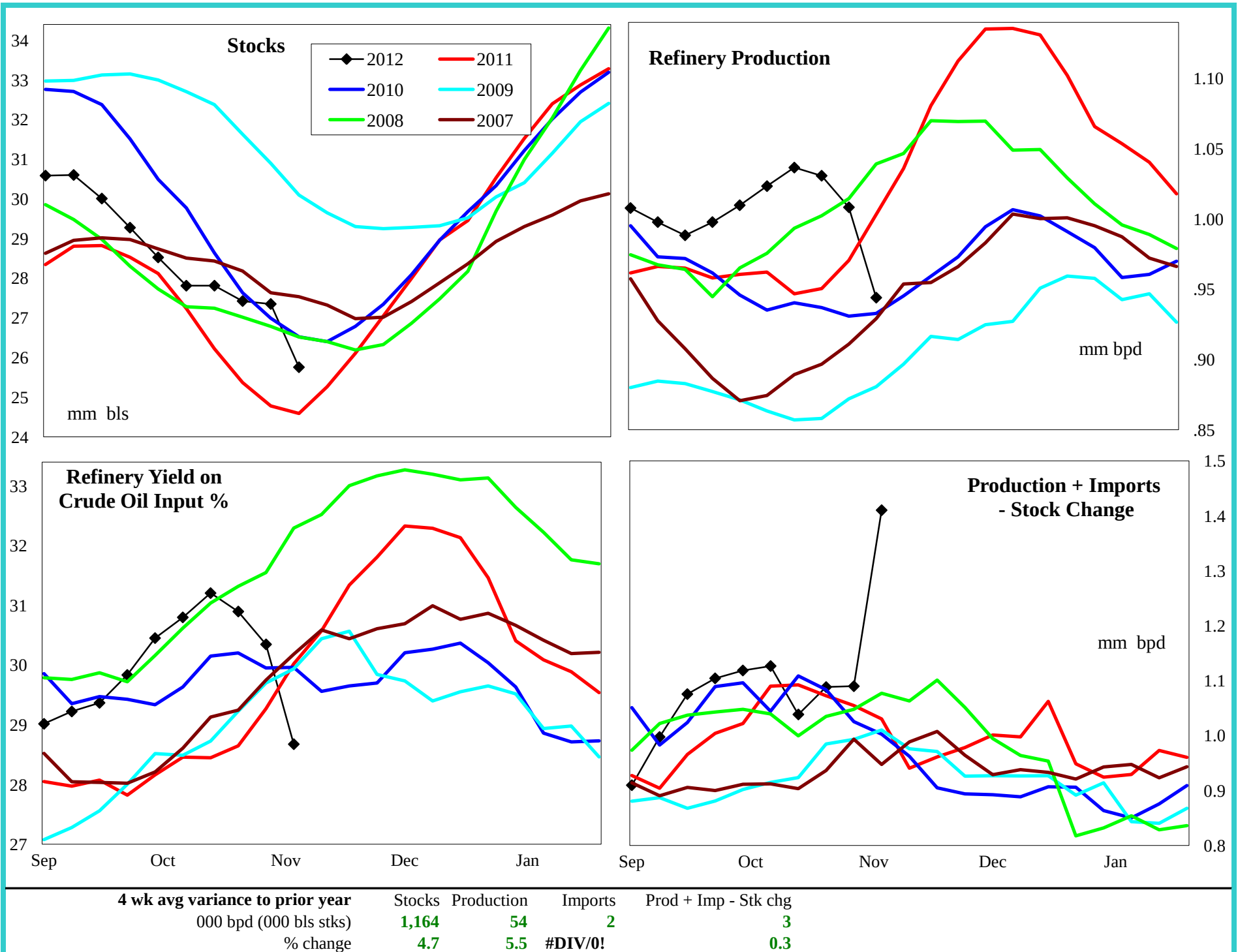
PADD 2 Reformulated Gasoline Supply



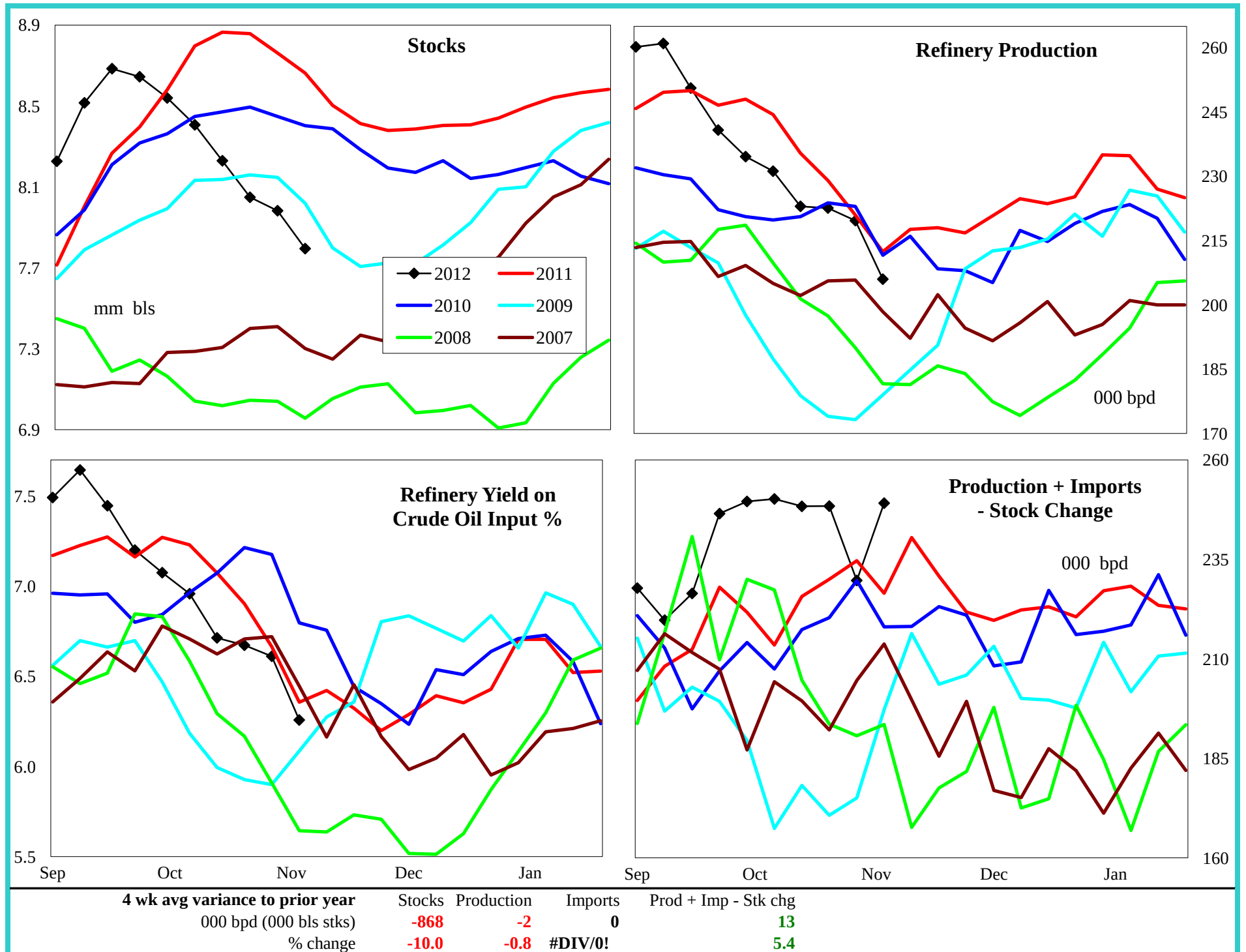
PADD 2 Conventional Gasoline Supply



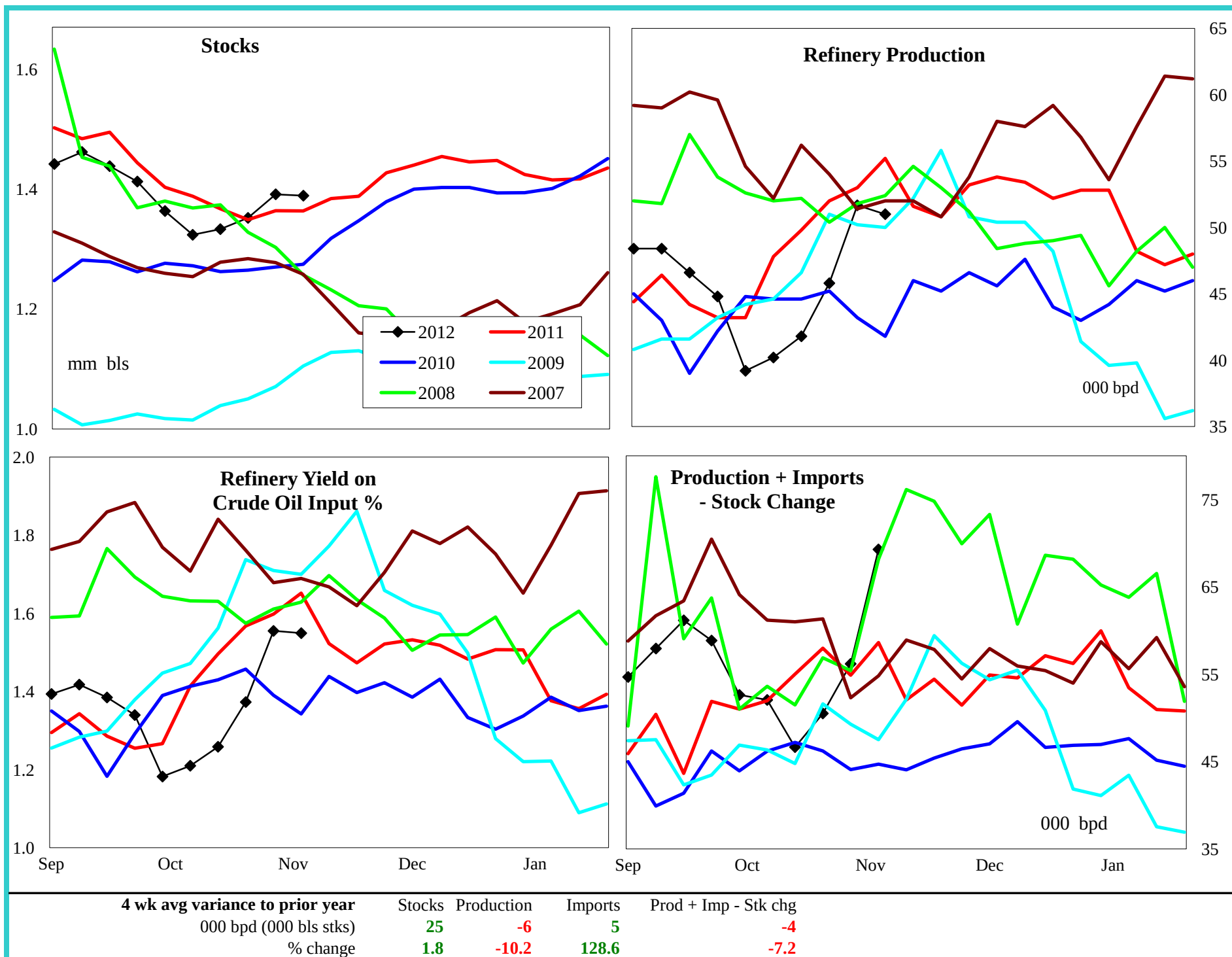
PADD 2 Distillate Supply



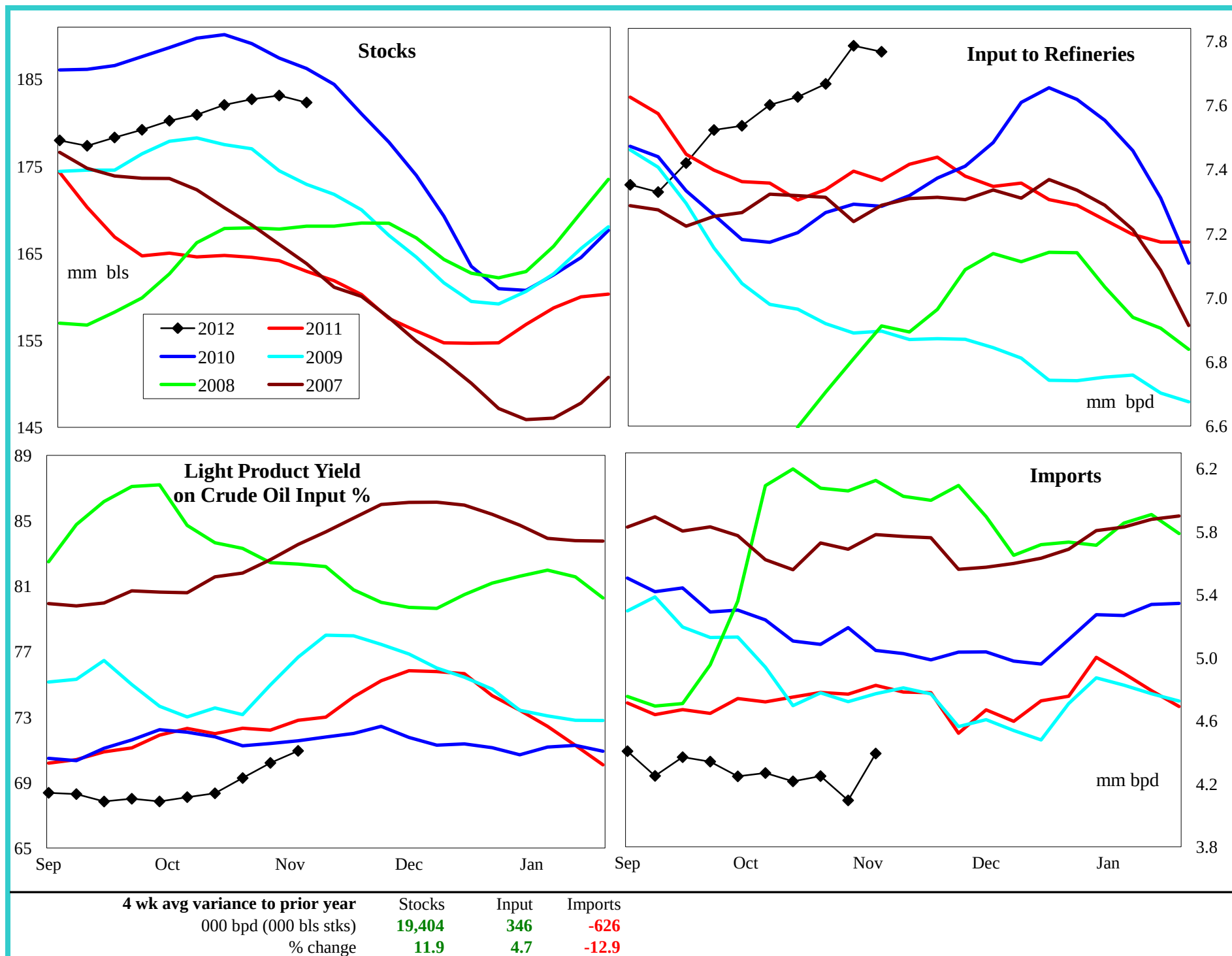
PADD 2 Jet Fuel Supply



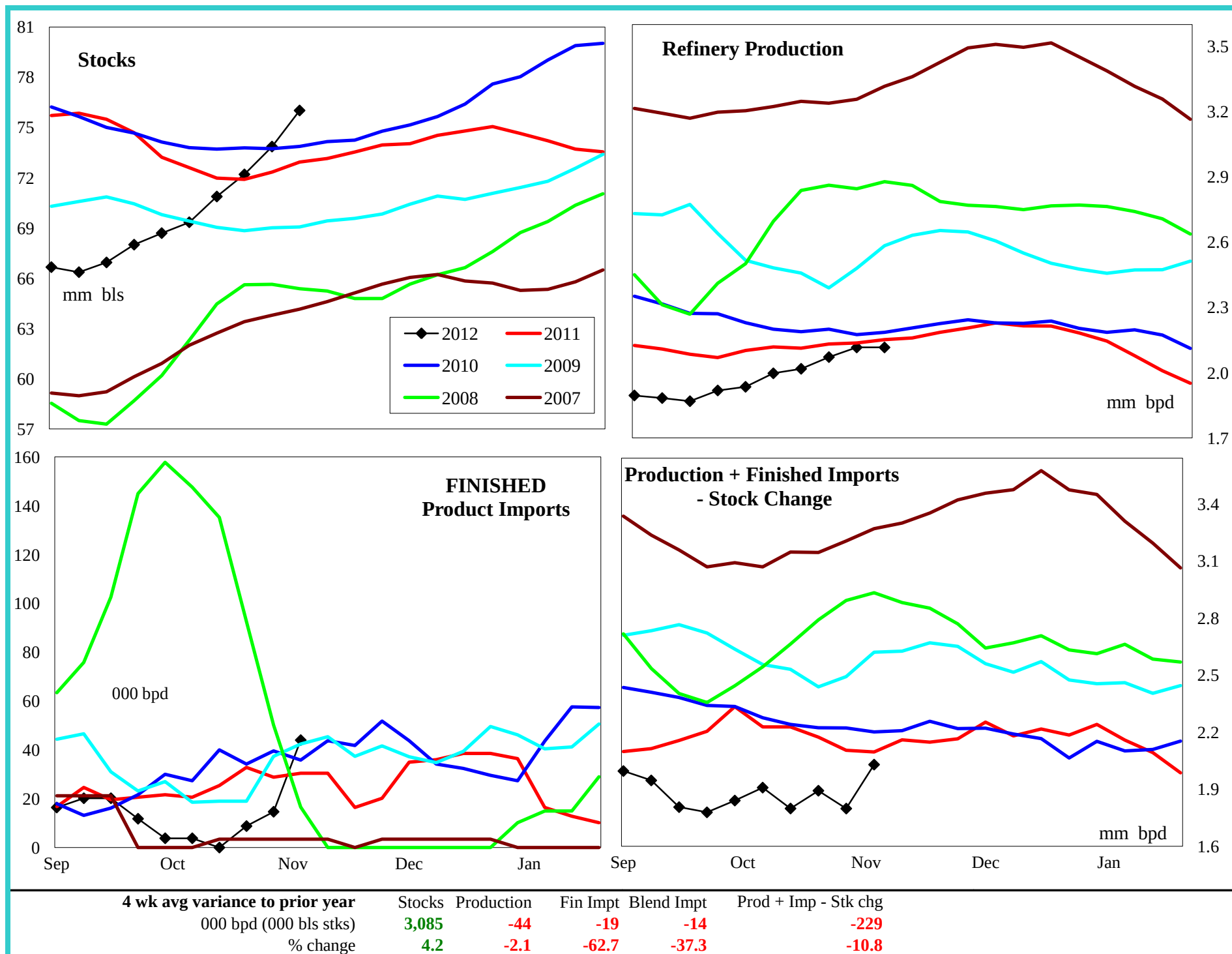
PADD 2 Residual Fuel Oil Supply



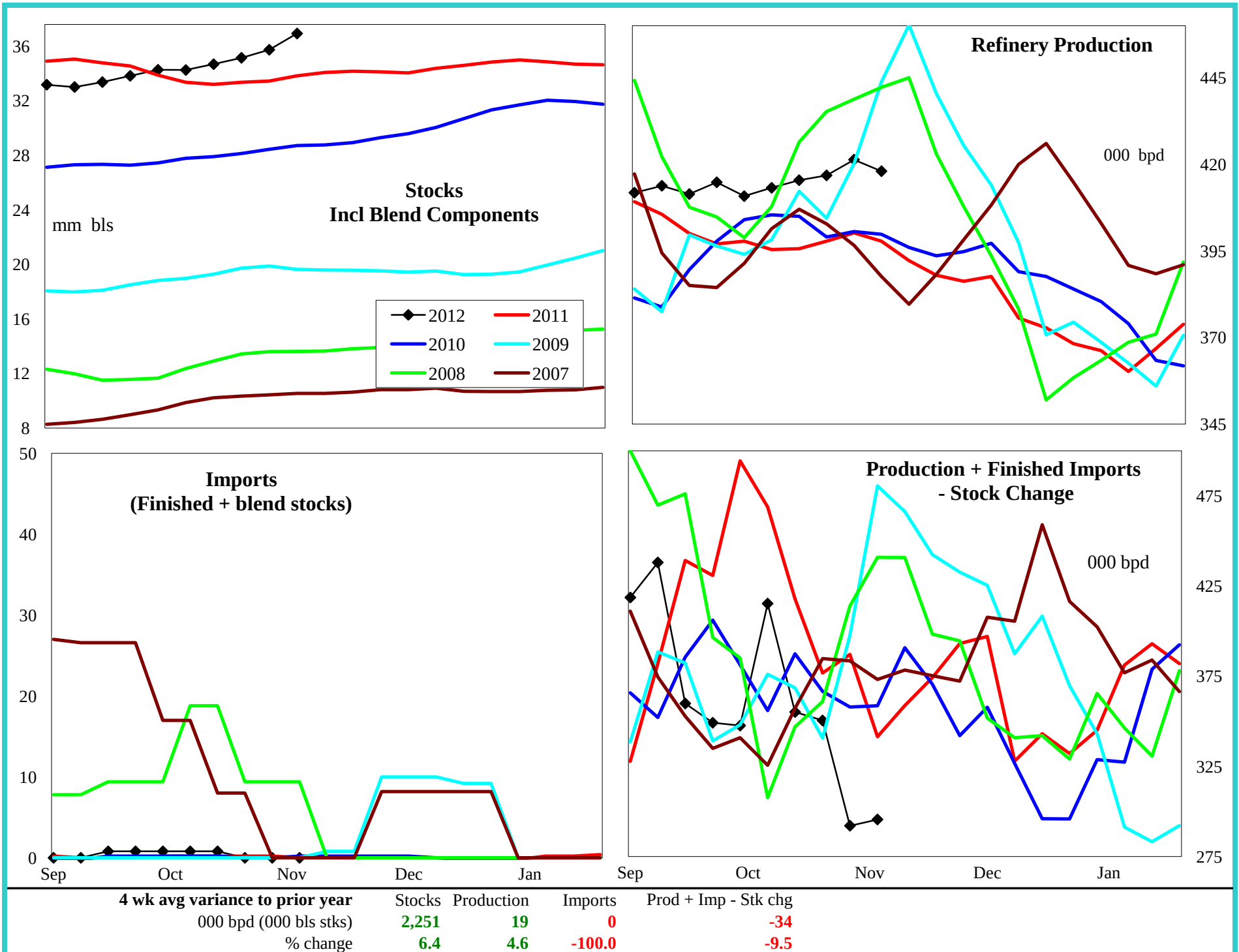
PADD 3 Crude Oil Supply and Refining



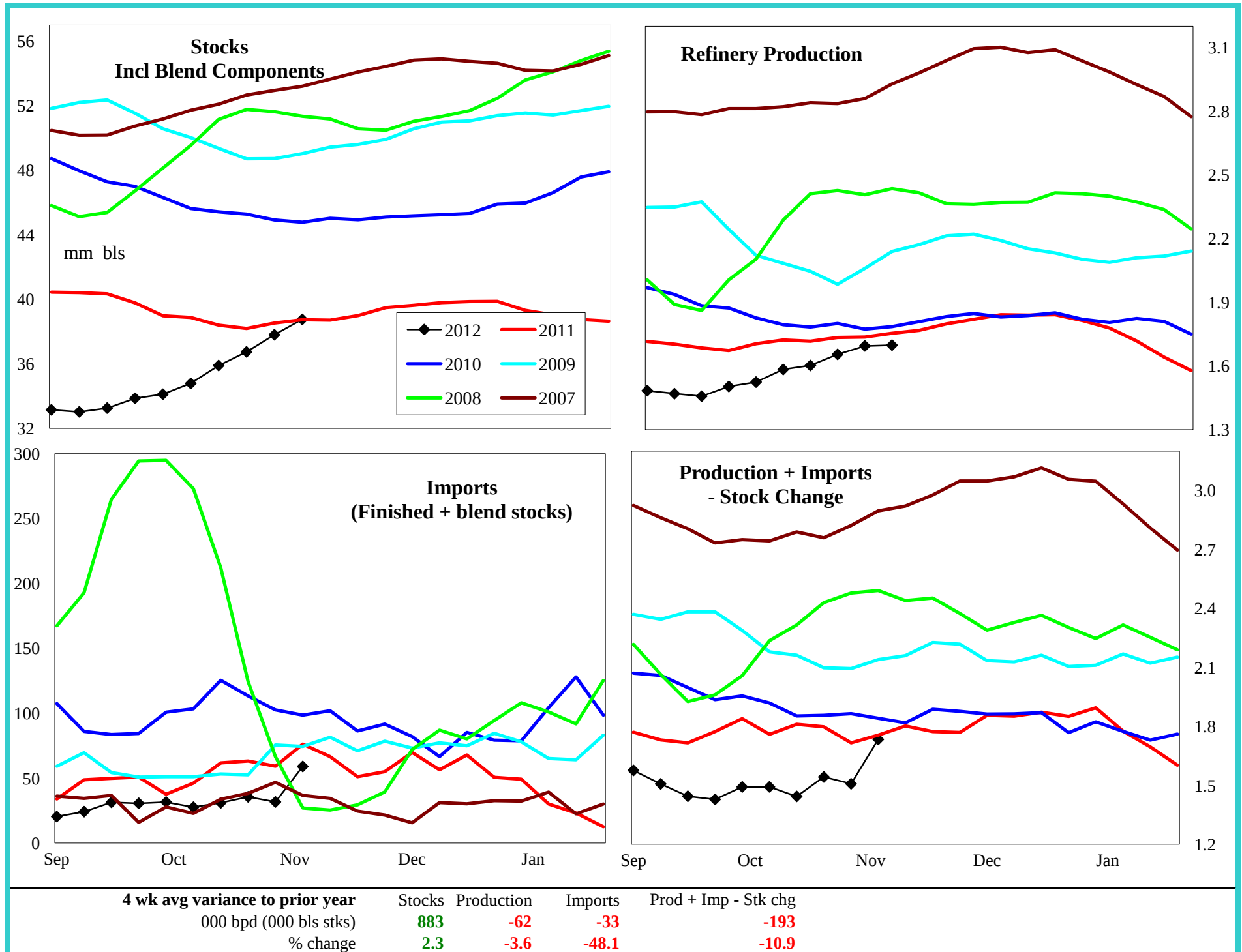
PADD 3 Gasoline Supply



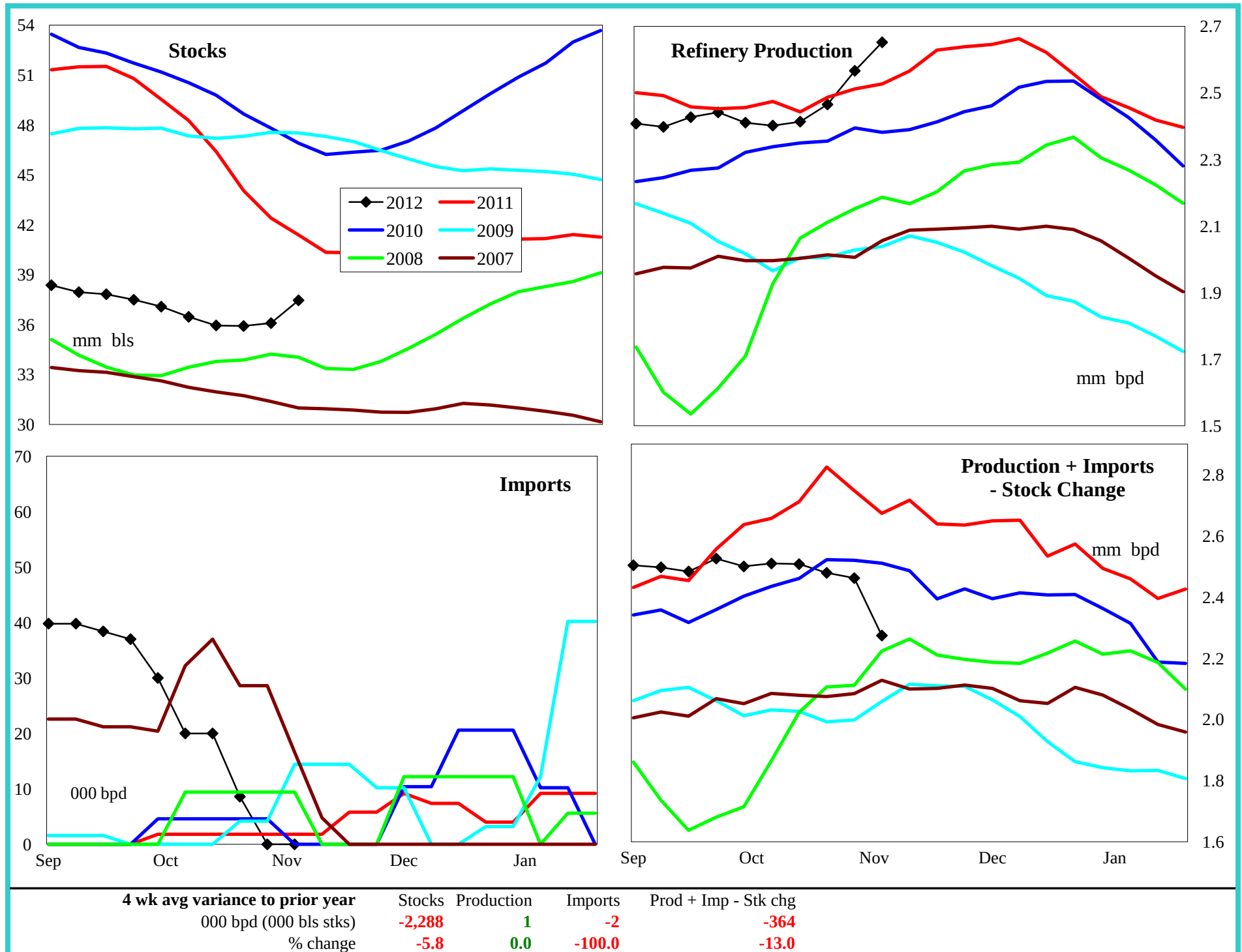
PADD 3 Reformulated Gasoline Supply



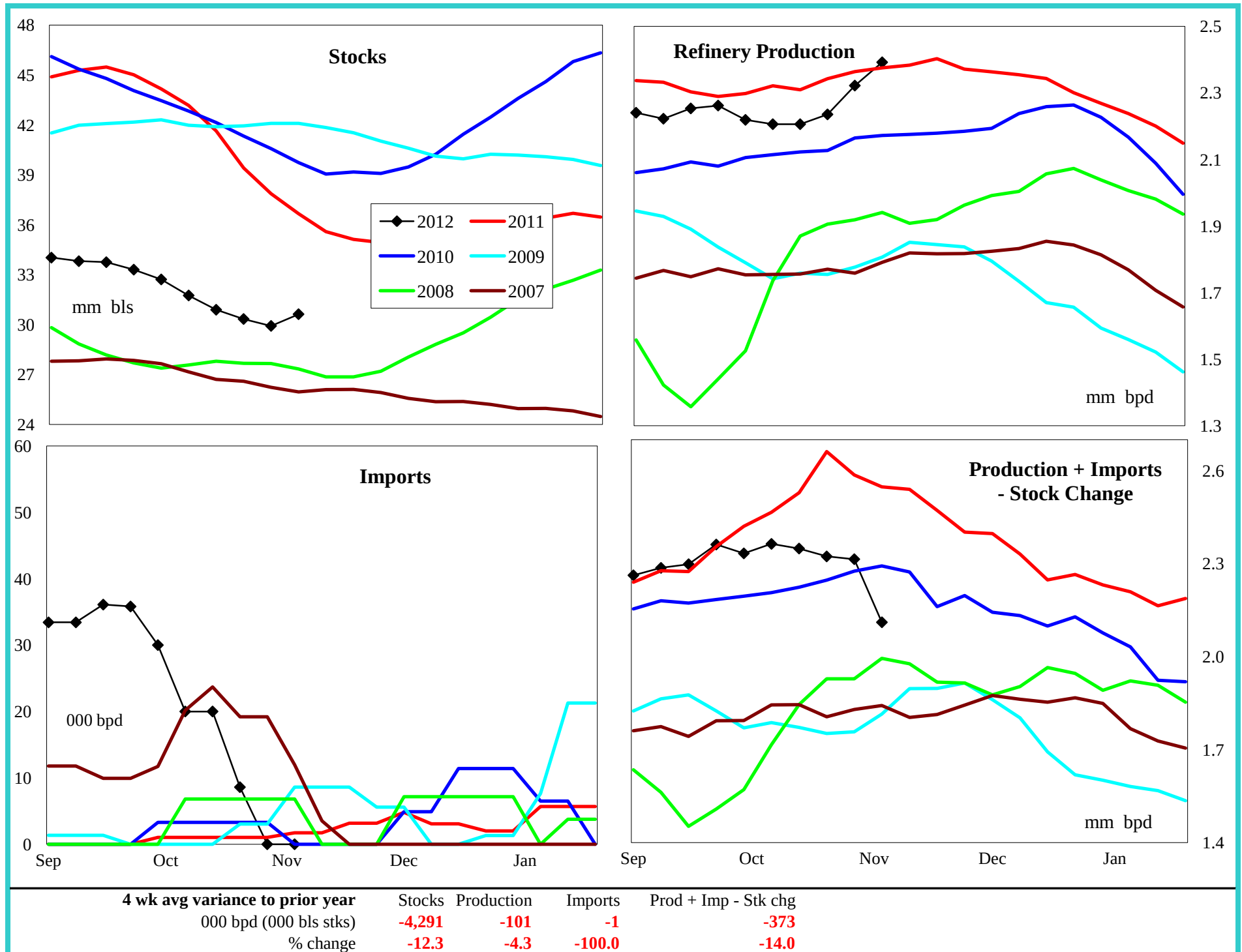
PADD 3 Conventional Gasoline Supply



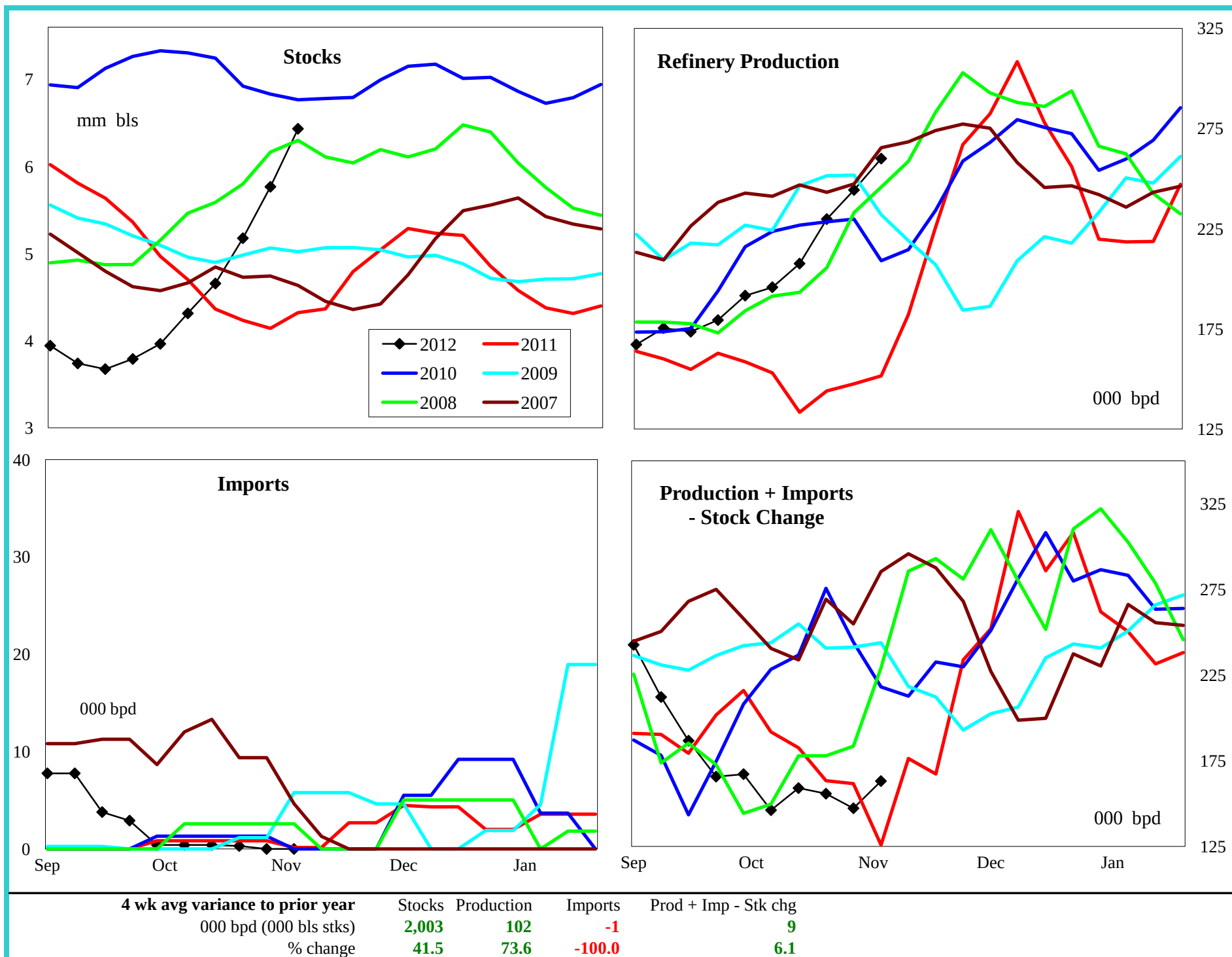
PADD 3 Distillate Supply



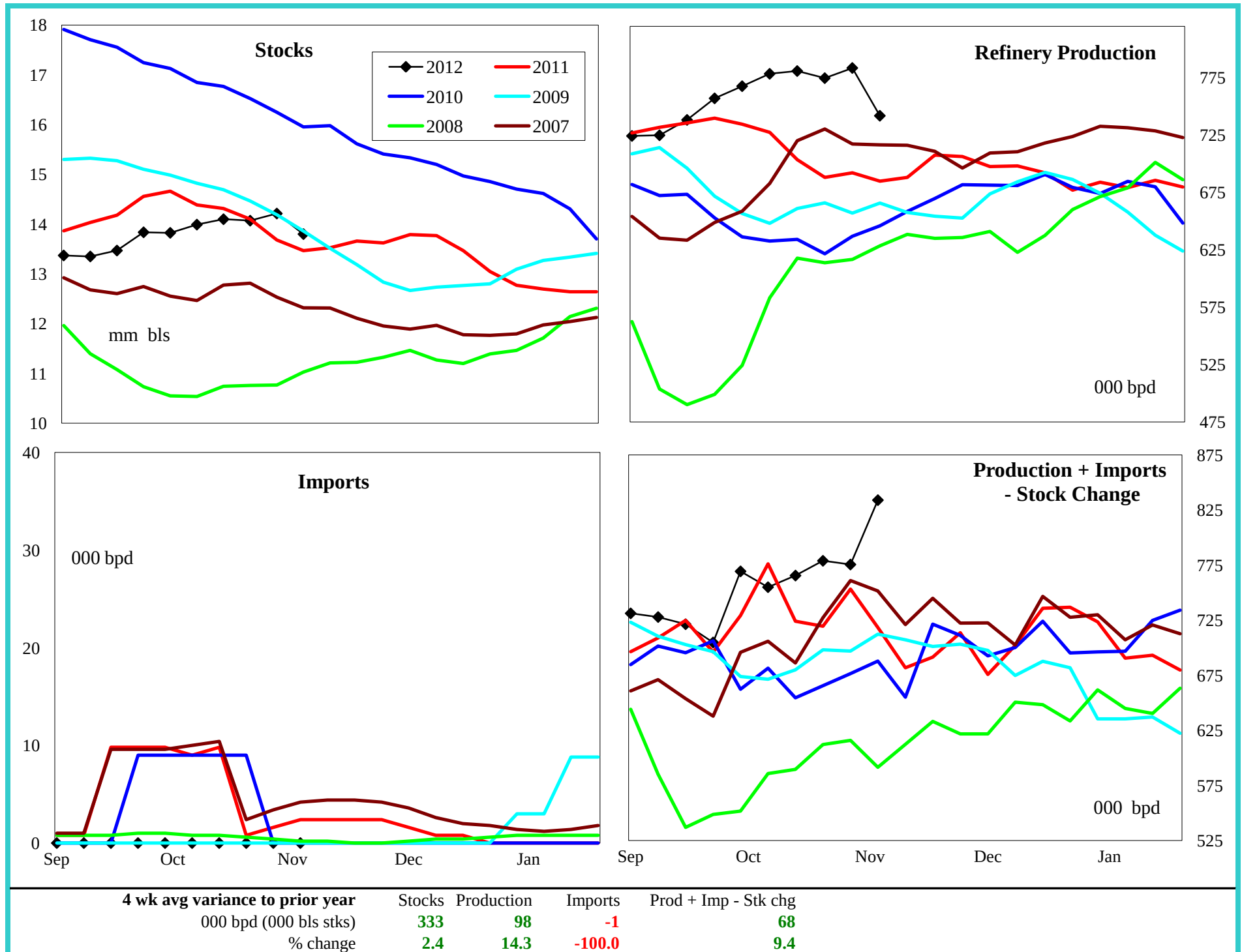
PADD 3 Low Sulfur Distillate Supply



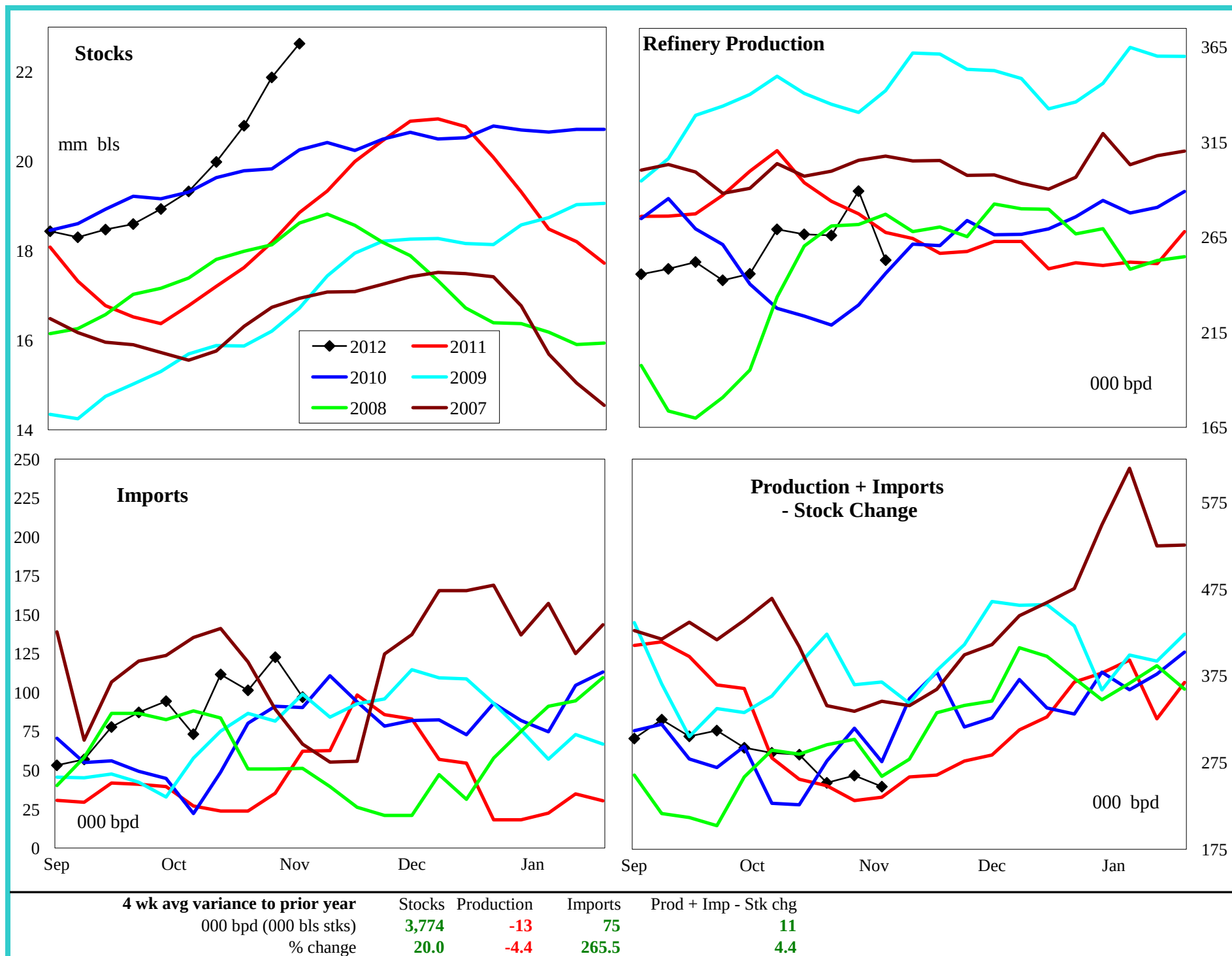
PADD 3 High Sulfur Distillate Supply



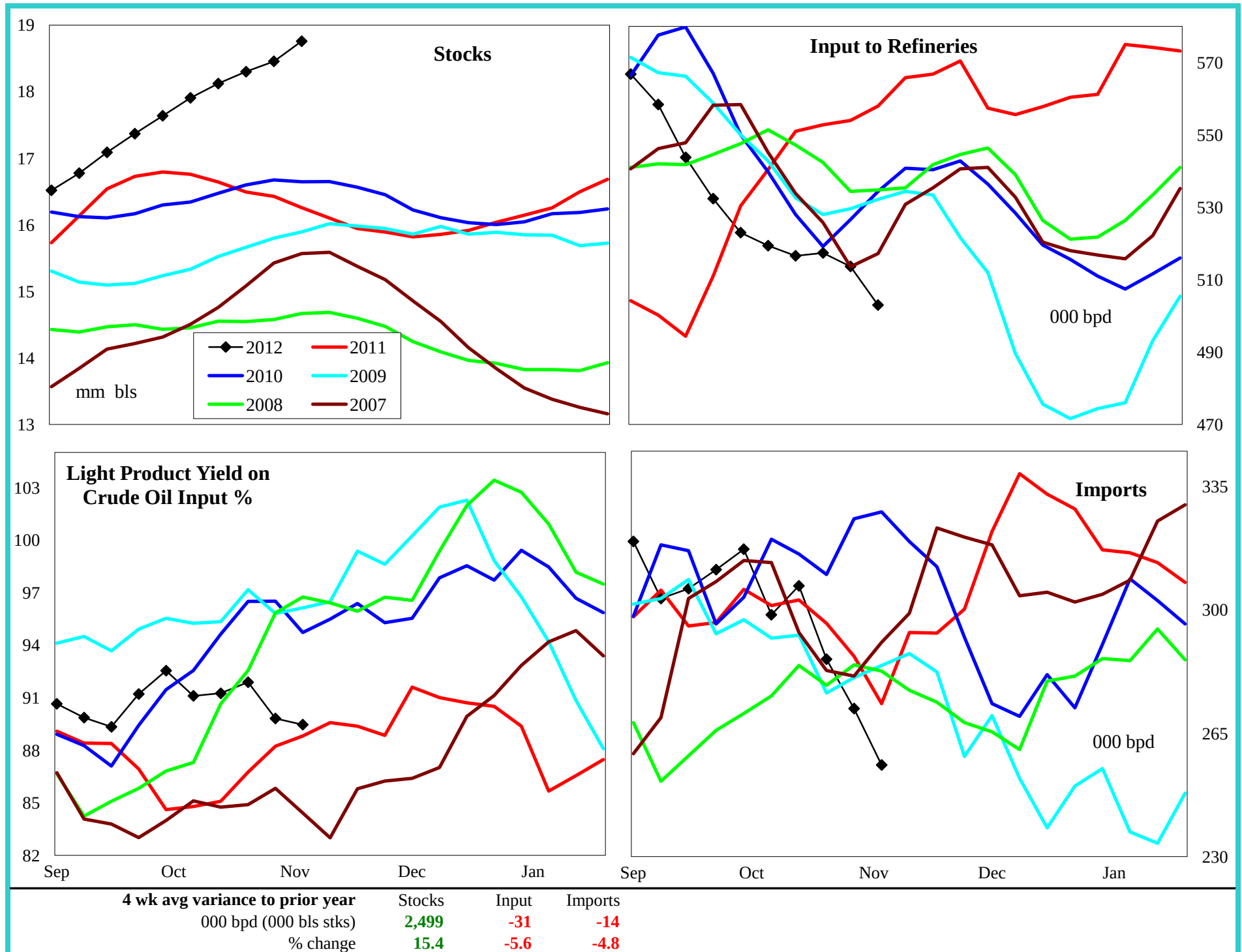
PADD 3 Jet Fuel Supply



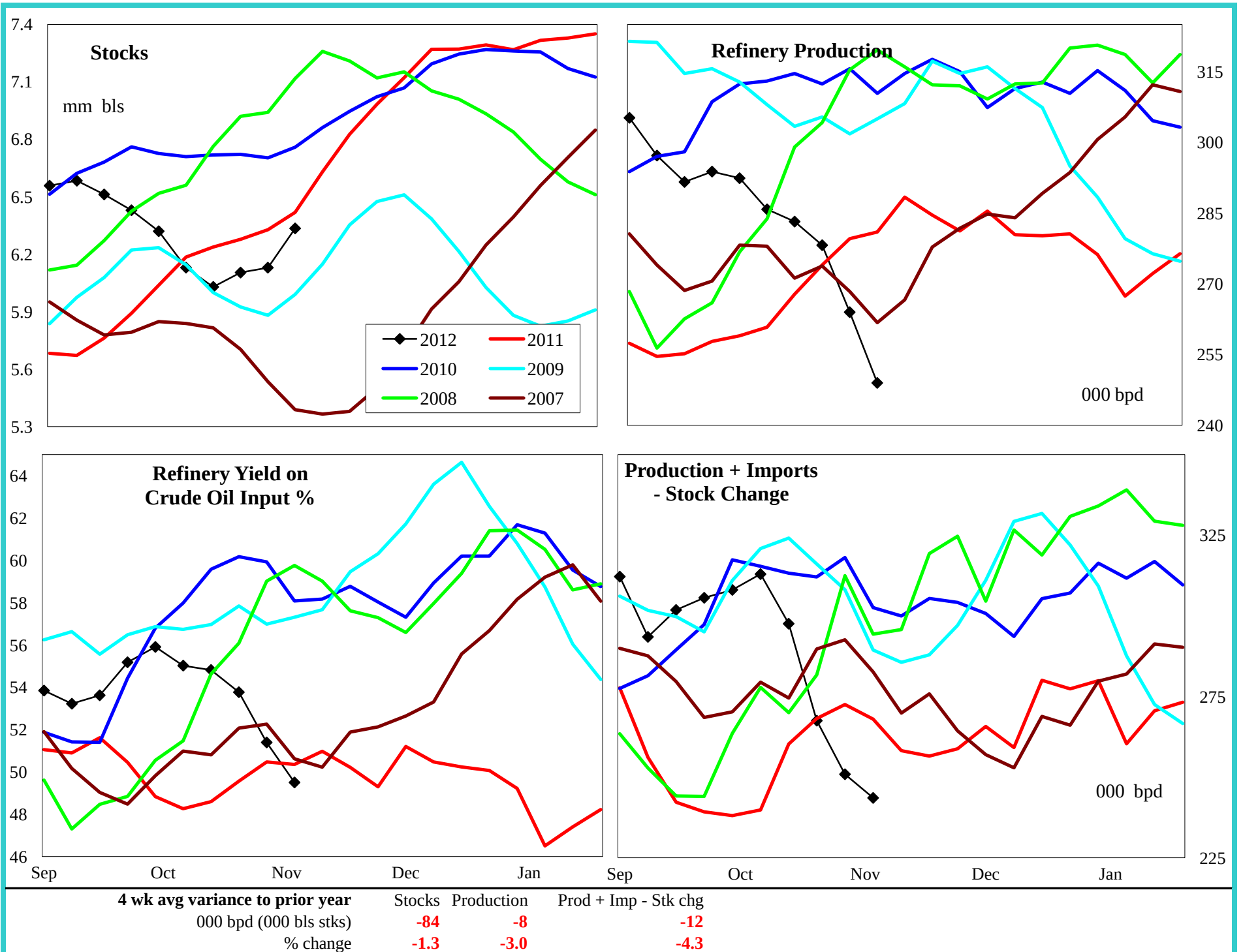
PADD 3 Residual Fuel Oil Supply



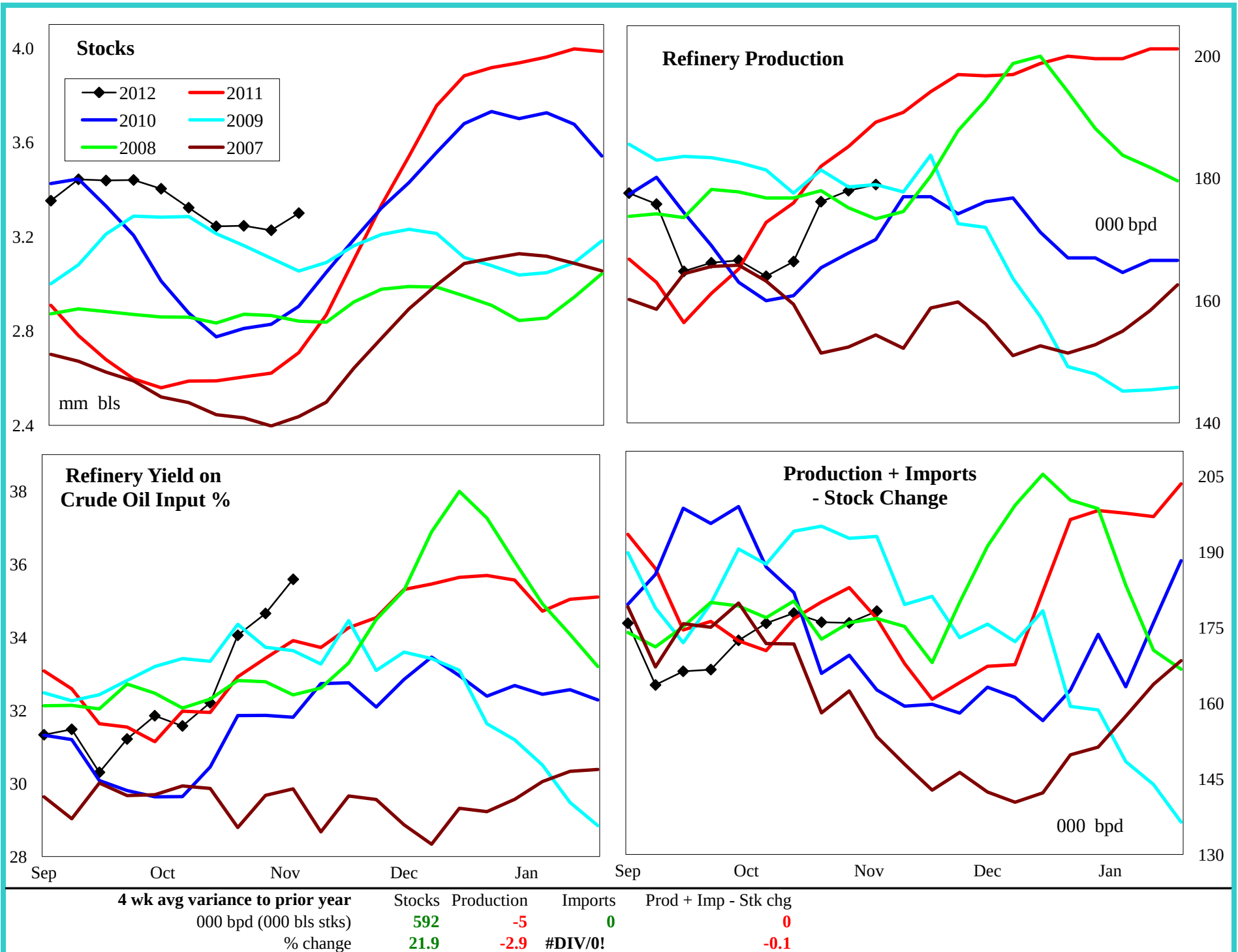
PADD 4 Crude Oil Supply and Refining



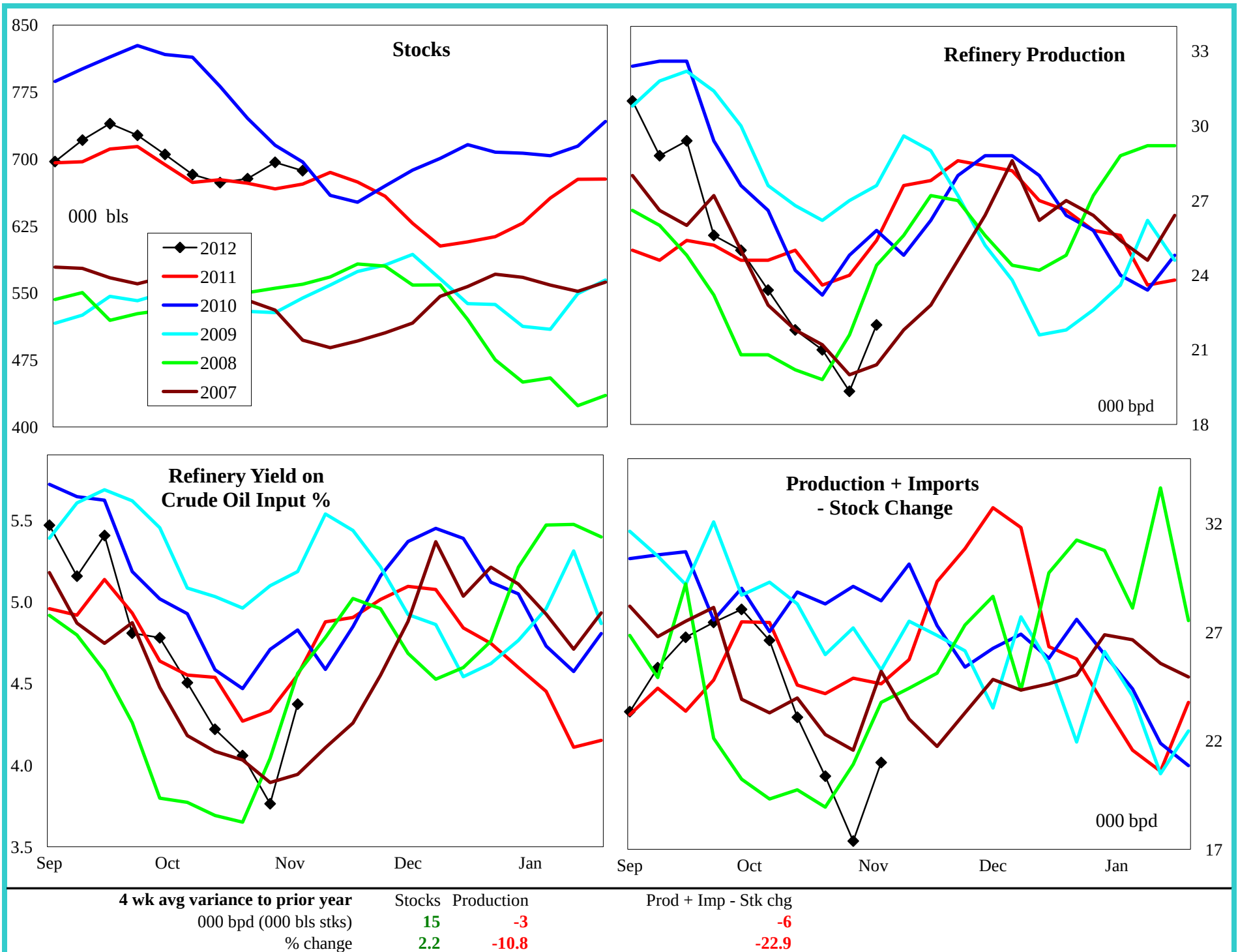
PADD 4 Gasoline Supply



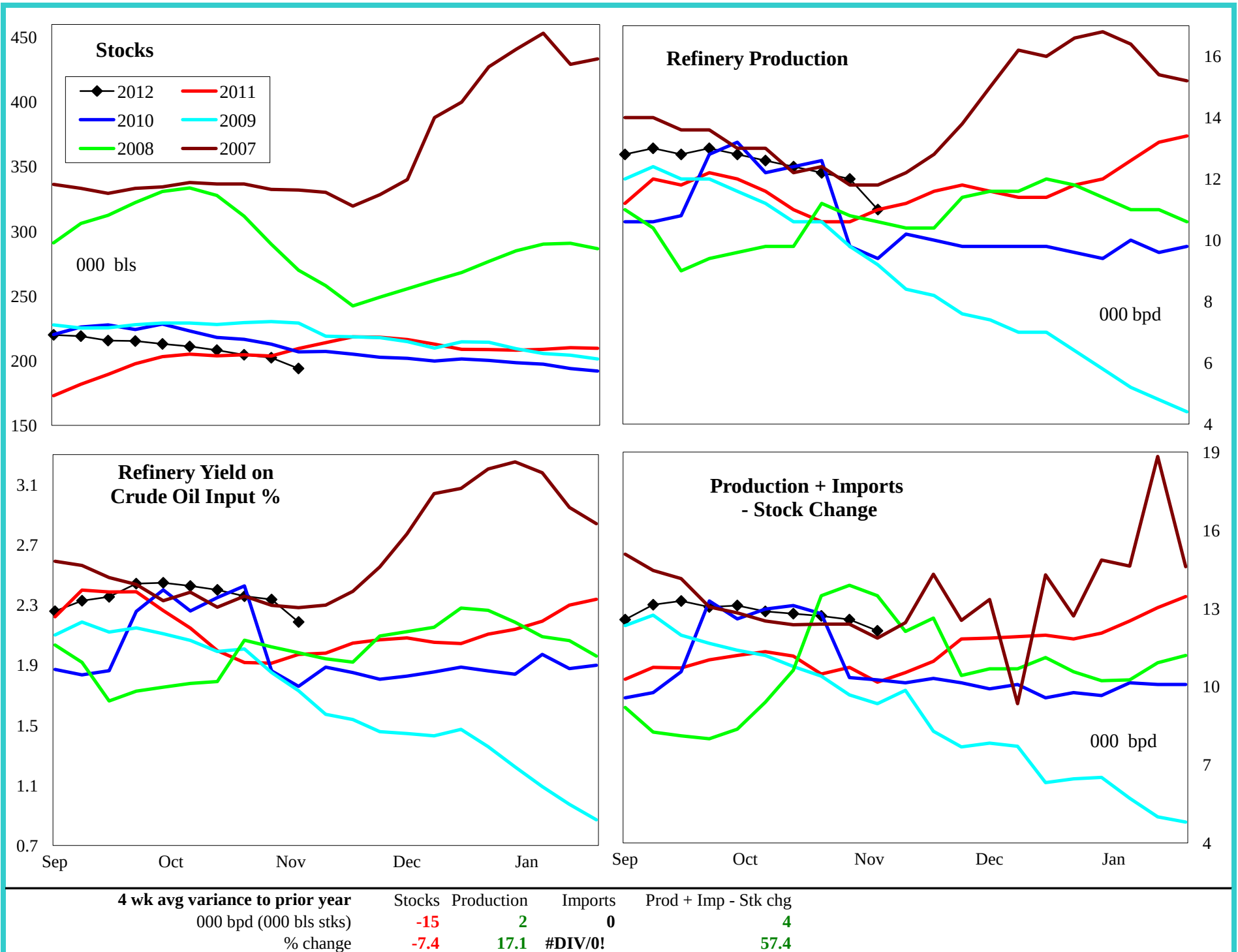
PADD 4 Distillate Supply



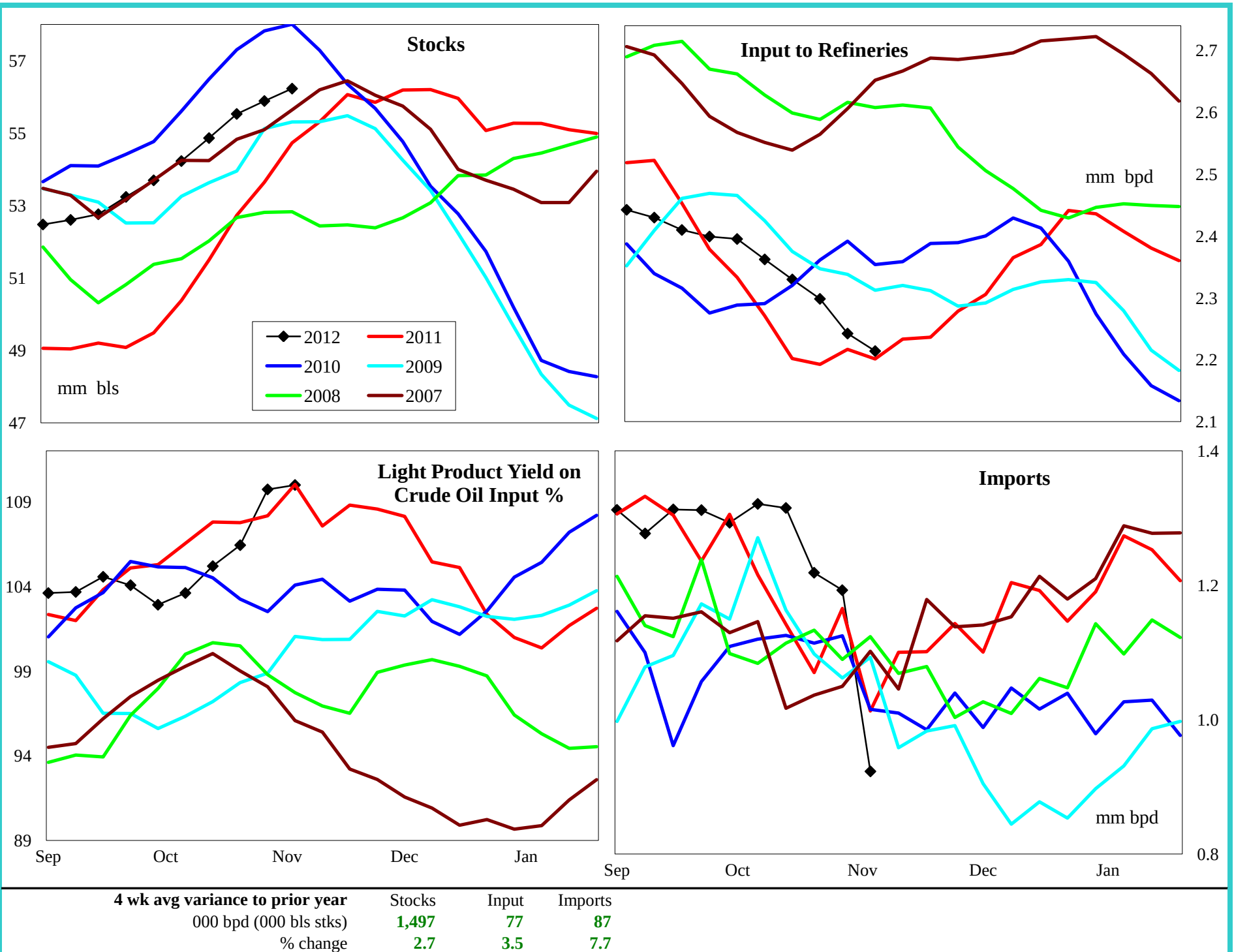
PADD 4 Jet Fuel Supply



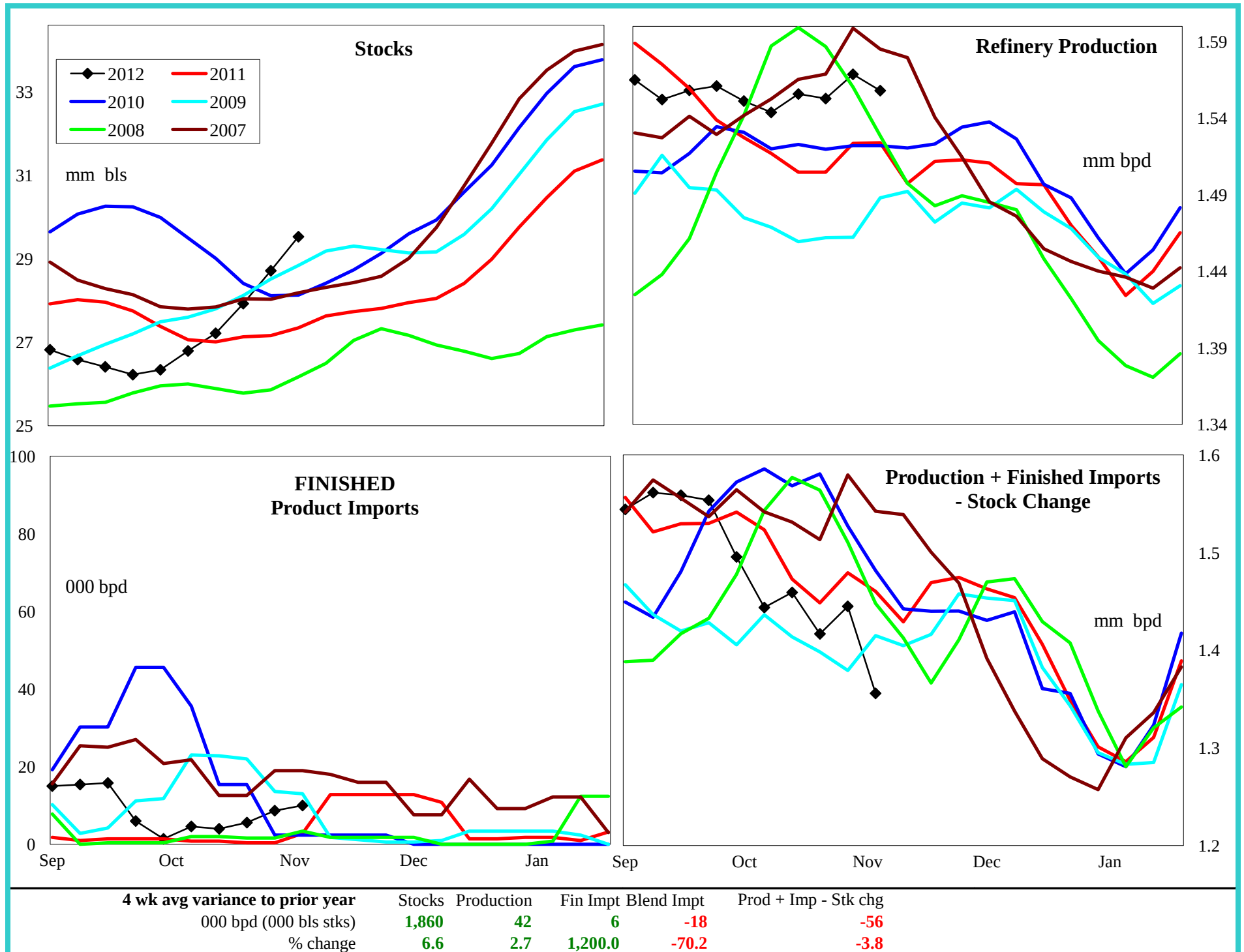
PADD 4 Residual Fuel Oil Supply



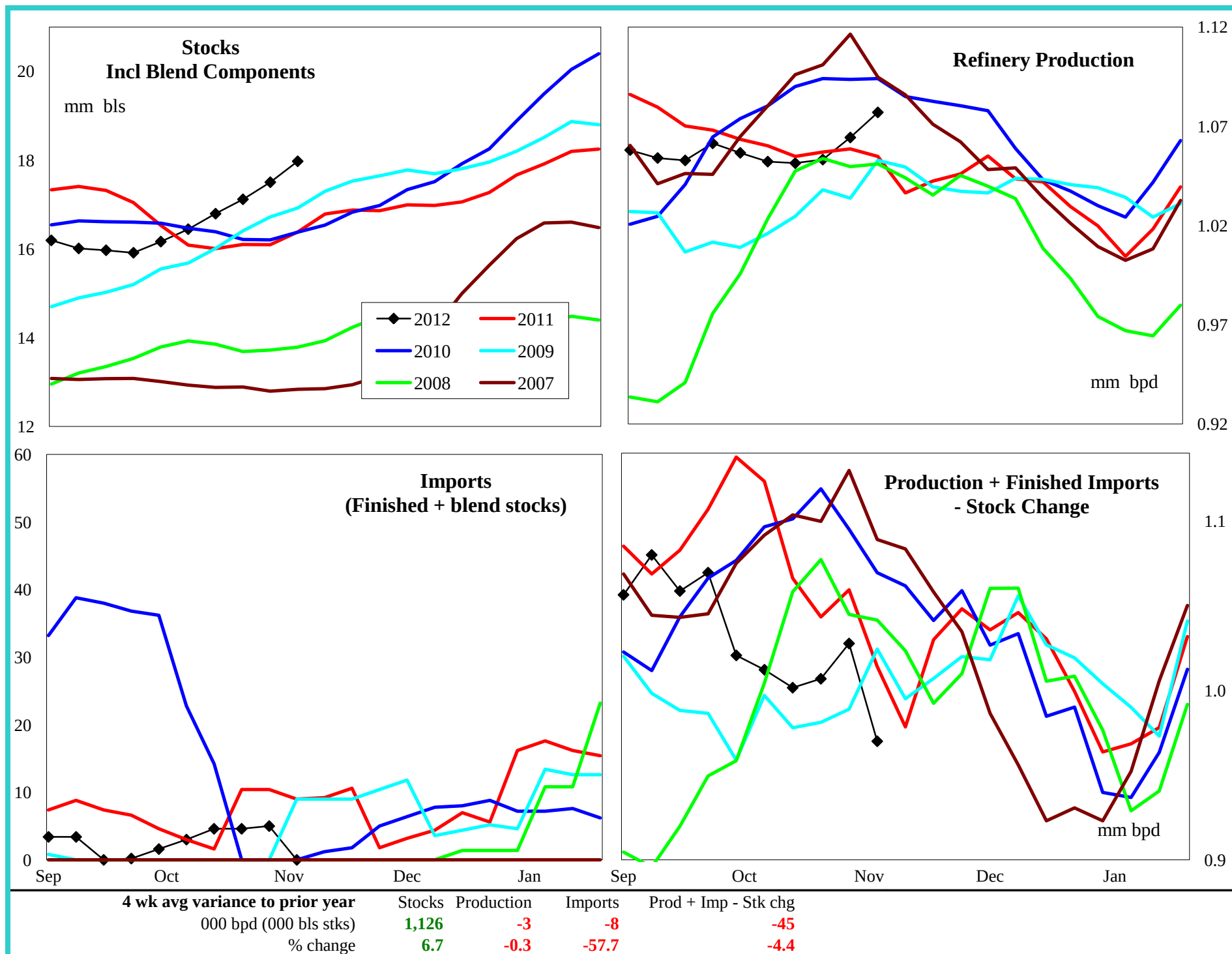
PADD 5 Crude Oil Supply and Refining



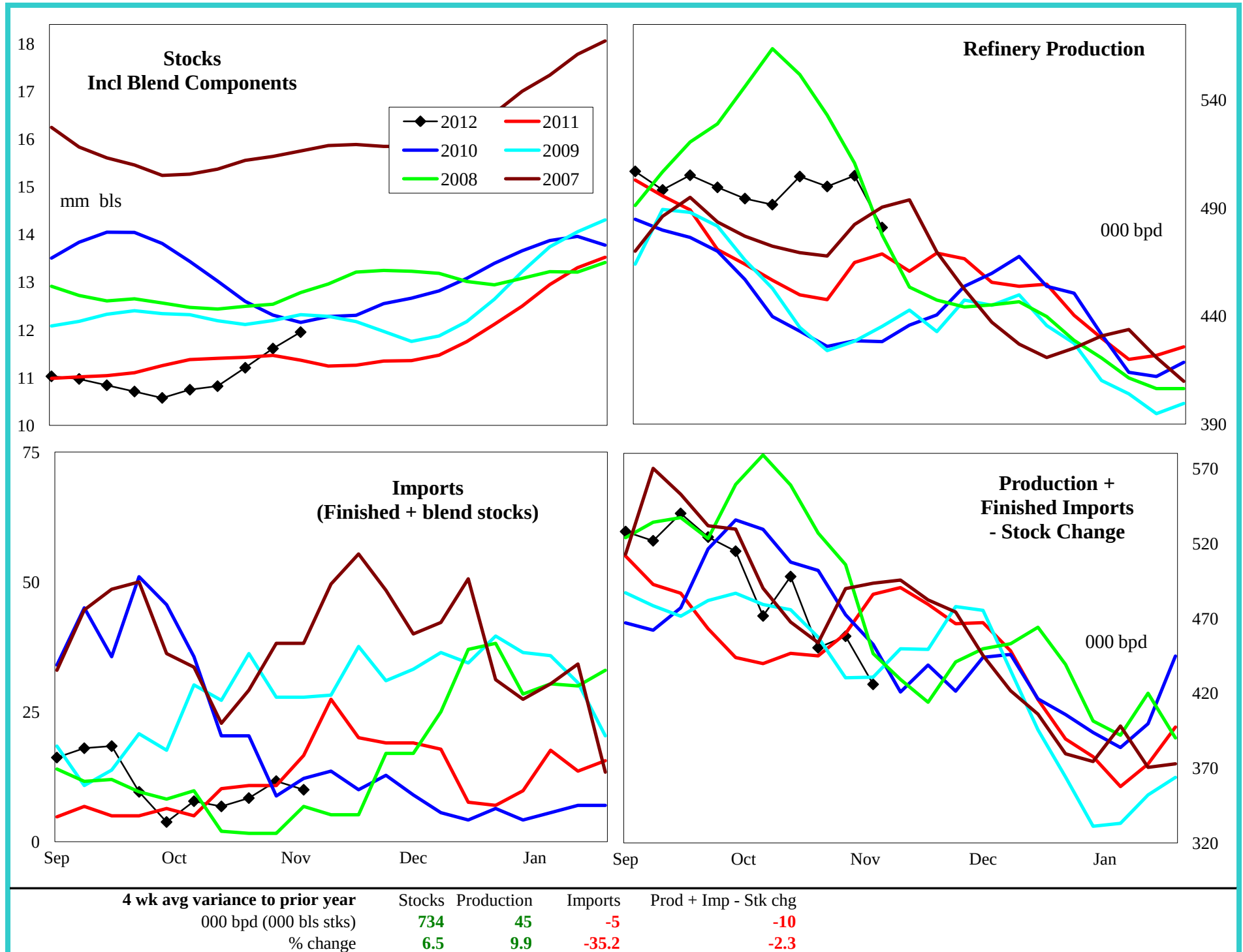
PADD 5 Gasoline Supply



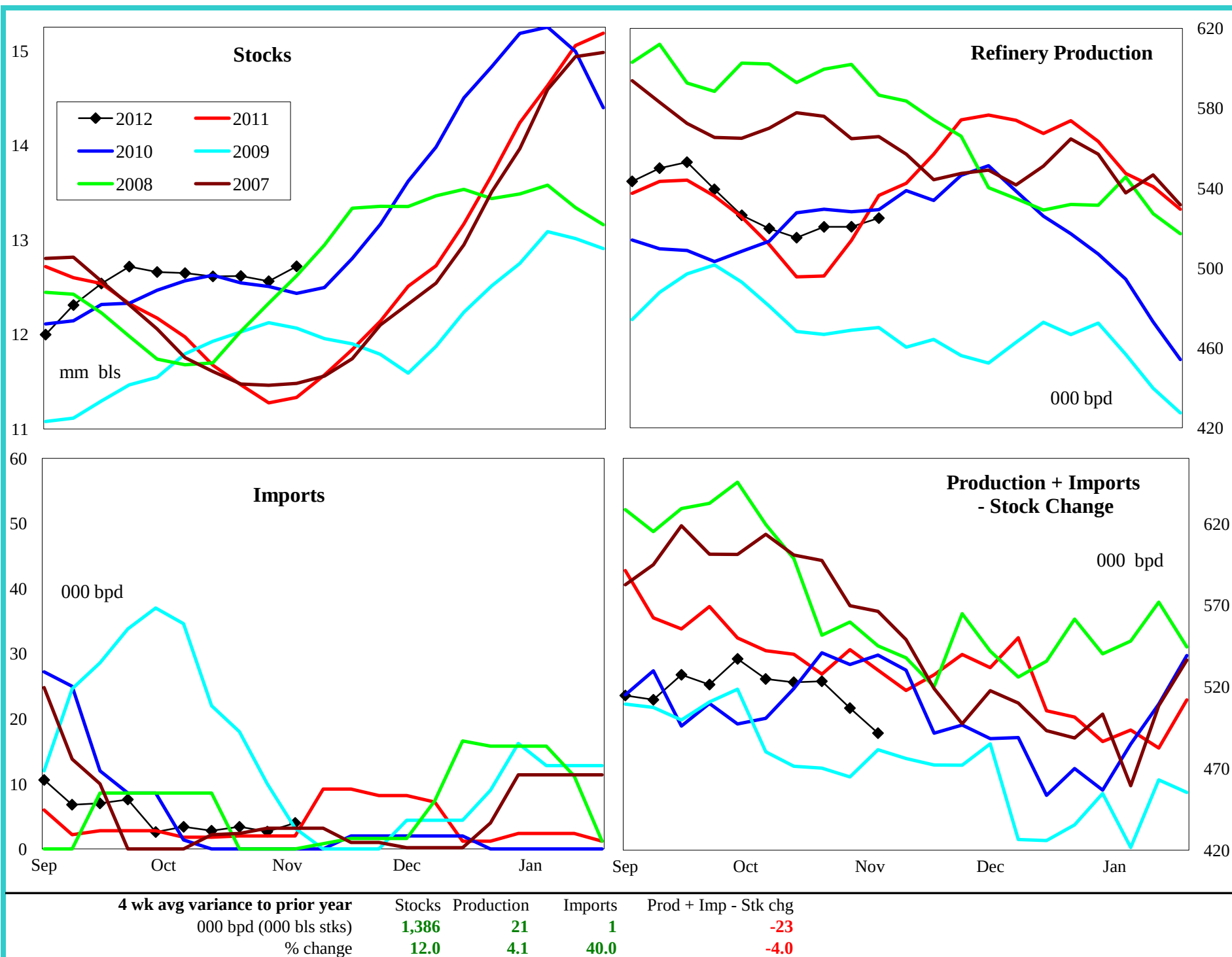
PADD 5 Reformulated Gasoline Supply



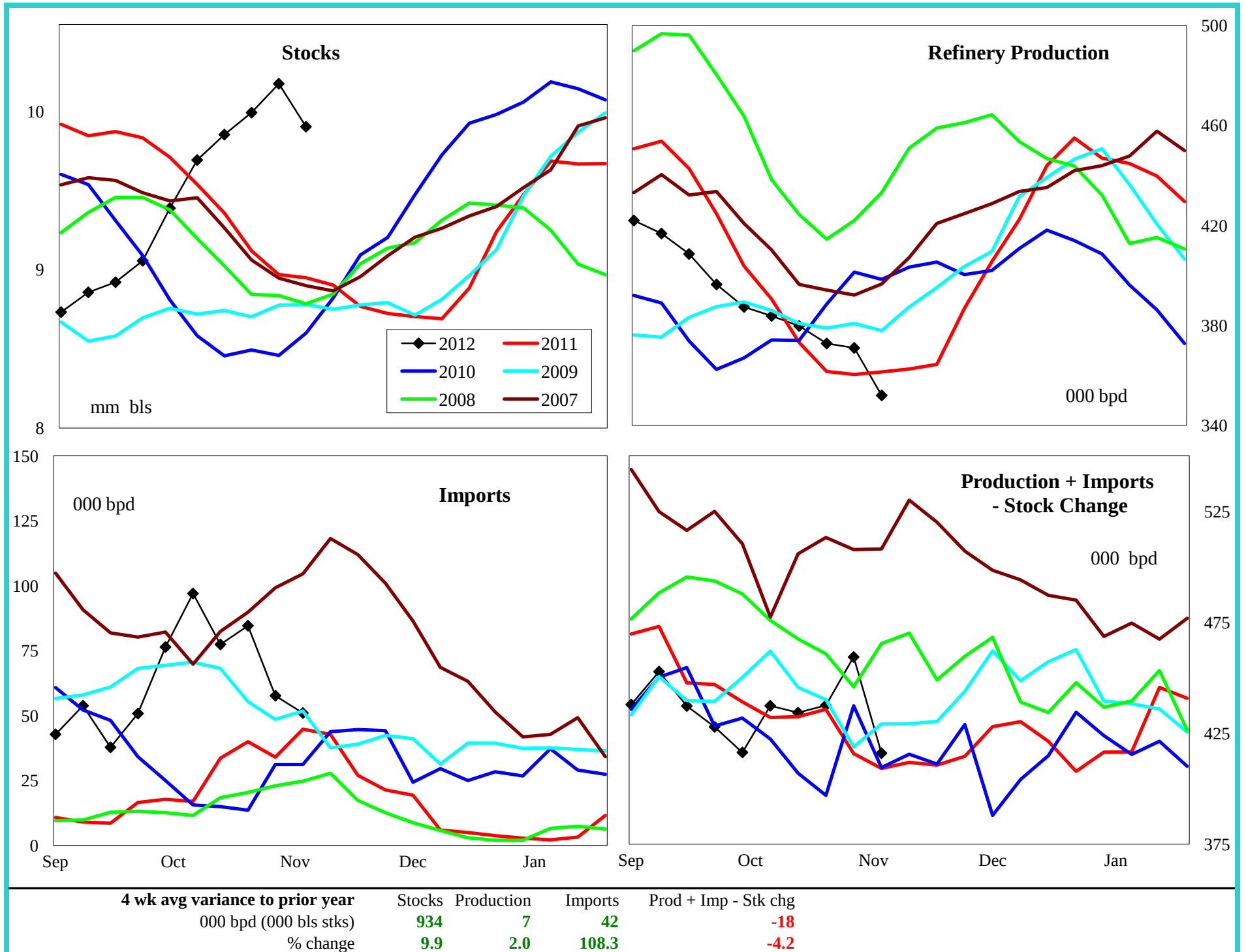
PADD 5 Conventional Gasoline Supply



PADD 5 Distillate Supply



PADD 5 Jet Fuel Supply



PADD 5 Residual Fuel Oil Supply

