



WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

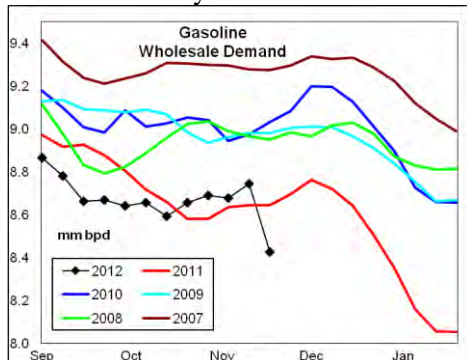
A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Wednesday, November 28,

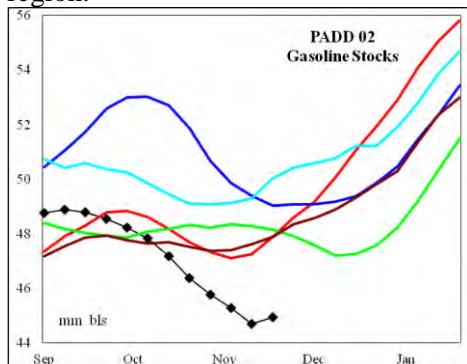


Major Fundamental Trends¹

The latest 4-wk average demand for all transport fuels fell below last year. While down less than -50,000 bpd for gasoline, distillate and jet fuel, the decrease reflects slow economic growth in the economy and increases in fuel efficiency.



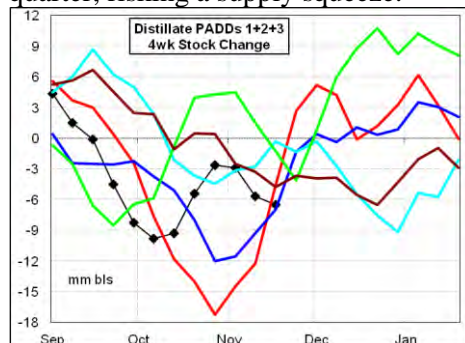
The sharp drop in gasoline demand last week led to a nearly +4 million barrel stock build, with builds of +1 million barrels each in PADDs 1, 3 and 5. Stock levels remain exceptionally low in the Midwest, due in part to extended refinery maintenance in the Chicago region.



Distillate production averaged -76,000 bpd below last year for the most recent 4-wk period, even on record refinery crude oil runs. Combined with high exports, stocks continued to draw down, falling -0.8 million barrels last week, to a new 5-year record low.

During the latest 4-wk period, stocks decreased -6 million barrels in regions East of the Rockies, a record draw for the period. During two of the

last 3-years stock levels declined or did not increase during the month of December. There is a risk that high exports and a year-on-year increase in heating oil demand will lead to further stock draws this year during the next quarter; risking a supply squeeze.



Crude oil refinery runs in the Gulf region reached a new record high, up over +0.7 million bpd from last year for the current week. Runs in other regions are below (PADDs 1 & 2) or slightly higher (PADD 5).

Extremely high crude oil runs have not resulted increase in transport fuels; due in part to lower imports of gasoline blend stocks.

Demand for gasoline and distillate each fell sharply last week. Wholesale demand, measured over the last four weeks compared to a year ago: gasoline decreased -0.3%; distillate was -0.85 lower; jet fuel was down -3.4% while residual fuel oil increased +6%.

Stocks forward coverage: Gasoline demand coverage increased on a +3.9 million barrel stock build and -0.5 million bpd plunge in wholesale demand. Coverage levels fell were comparable to the last 3-years.

Distillate coverage fell on a -0.8 million barrel stock draw that offset a drop in demand. Coverage levels fell below the 5-year range.

Jet fuel coverage declined on a -1.4 million barrel stock draw and higher demand. Coverage levels ended the week at a level near historic highs.

Refinery utilization rates increased last week on a +285,000 bpd increase in crude oil runs. During the latest 4-wk

period crude oil input was +24,000 bpd above a year ago.

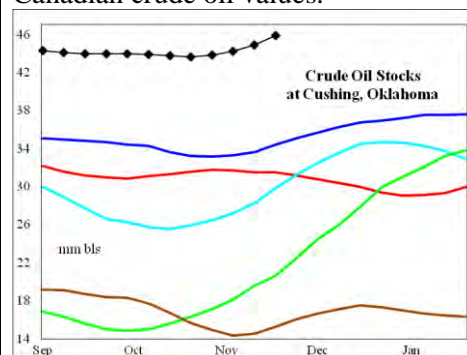
Gasoline yield % on crude oil runs plunged on a -460,000 bpd drop in output compared to the +285,000 bpd increase in crude oil runs. Yield % on crude oil runs fell to a record low.

Distillate yield % on crude oil runs declined on a -108,000 bpd drop in production, compared to the increase in crude oil runs. The yield % on crude oil runs fell below the 5-year mid range.

Jet fuel yield % on crude oil runs decreased on a -33,000 bpd drop in output, compared to the increase in crude oil runs. The yield % fell to a fresh record low.

Petroleum Imports of crude oil and middle distillates each increased slightly last week, while gasoline declined. During the latest 4-wk period crude oil imports were -0.7 million bpd below last year; distillate imports increased +38,000 bpd; finished gasoline imports decreased -13,000 bpd, gasoline blend stock imports decreased -264,000 bpd; jet fuel imports were -51,000 bpd lower, while residual fuel oil imports fell -67,000 bpd.

Crude Oil imports increased +0.4 million bpd last week but remain well below the last 3-years. Stocks ended the week +39 million barrels above last year. Stock levels in Cushing ended the week +45% above a year ago. The record high stocks in Cushing continue to depress domestic inland and Canadian crude oil values.



¹ Source is latest EIA Weekly Statistics



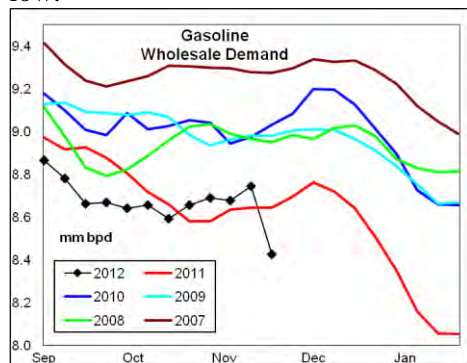
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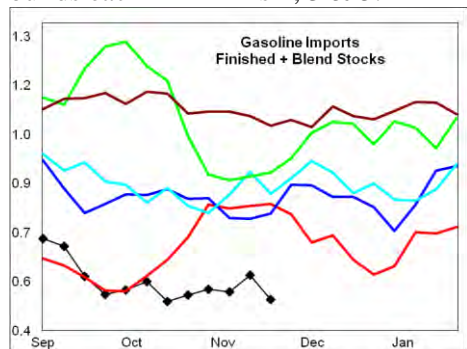
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Product Supply-Demand Trends

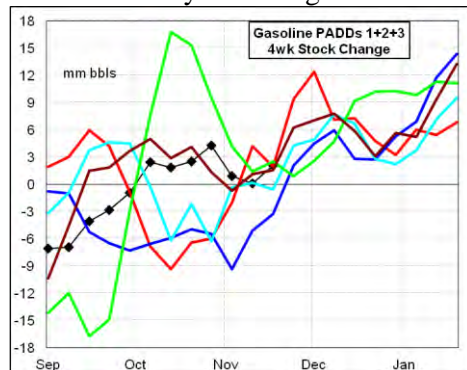
Gasoline demand fell -0.5 million bpd last week, to a level below the 5-year range. The latest 4-wk average demand was -29,000 bpd below a year ago. Supply plunged -0.6 million bpd on a sharp drop in production and imports. Imports remain exceptionally low.



Stocks jumped +3.9 million barrels on the week, including +1 million barrel builds each in PADDs 1, 3 & 5.



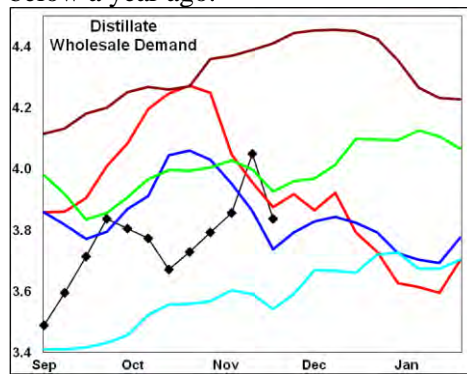
The latest 4-wk stock change in markets East of the Rockies was a +2.5 million barrel stock build. This build matched the 5-year average.



Expect further improvement in supplies on the East Coast as some refiners and terminals require further clean up to restart. *Supplies in PADD 2 are exceptionally tight for this time*

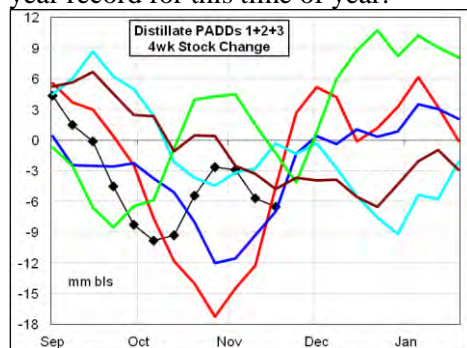
of year.

Distillate demand fell -364,000 bpd on the week, reversing much of the previous 2-wk rise. The latest 4-wk average demand was -32,000 bpd below a year ago.



Supply fell -96,000 bpd on the week due to lower production. Stocks declined -0.8 million barrels last week, including a +2 million barrel build in PADD 1 and corresponding draw in the Gulf. Stock levels in the key PADD 1 region ended the week -20.3 million barrels below the previous record low.

The latest 4-wk stock change in markets East of the Rockies was a -6.9 million barrel draw, matching the 5-year record for this time of year.



Expect a year on year demand increase as the Northeast recovers from Hurricane Sandy, and the winter heating season begins.

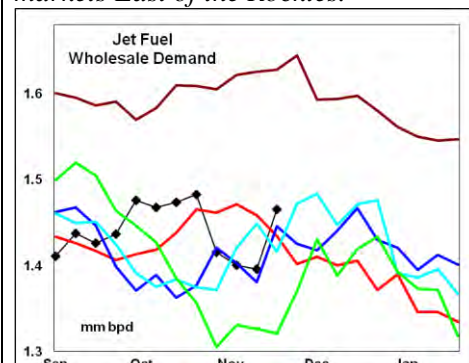
Jet Fuel demand climbed +198,000 bpd on the week, with the latest 4-wk average demand -50,000 bpd below a year ago.

Supplies declined -13,000 bpd on the week, due to a drop in production. Production levels ended the week near 5-year lows. Stocks fell -1.4 million barrels on the week to a level below

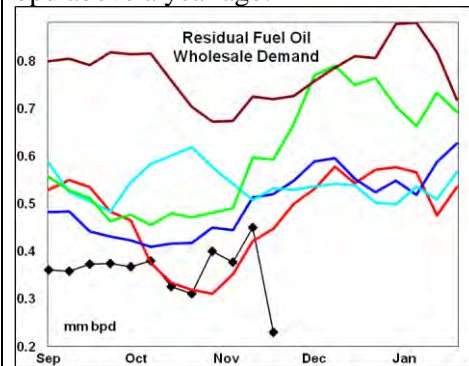
each of the last 3-years.

Stocks fell -1.4 million barrels on the east coast, reversing the prior week increase, so that stocks in this key region are now below four of the last 5-years.

Higher seasonal demand should lead to further tightening of supplies in markets East of the Rockies.



Residual fuel oil demand fell -0.5 million bpd last week, offsetting the increase of the prior 2-wks. Demand for the latest 4-wk period was +21,000 bpd above a year ago.



Supply (production + imports) fell -96,000 bpd last week, on lower imports and production. The latest 4-wk average supply was -74,000 bpd below last year on lower imports. Stocks increased +0.6 million barrels on the week, although the level remains below the 5-year range.

The collapse in wholesale demand last week, left stocks in the key Gulf region above the 5-year range for the 6th consecutive week.



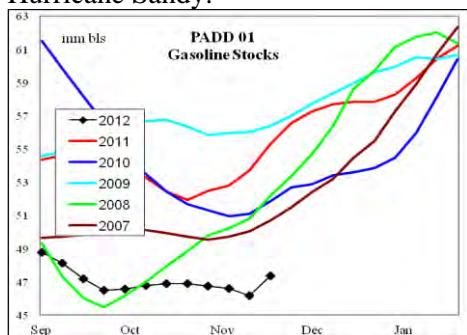
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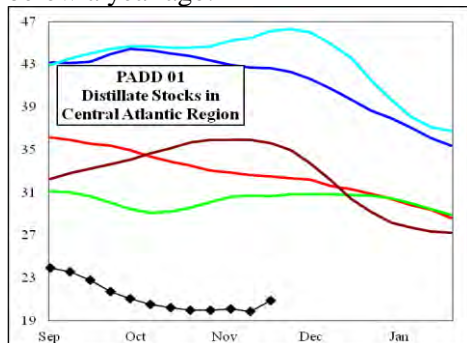
PADD Supply Trends

PADD 1 refinery crude oil runs increased +50,000 bpd last week. The latest 4-wk average was -330,000 bpd below a year ago, the result of Hurricane Sandy.

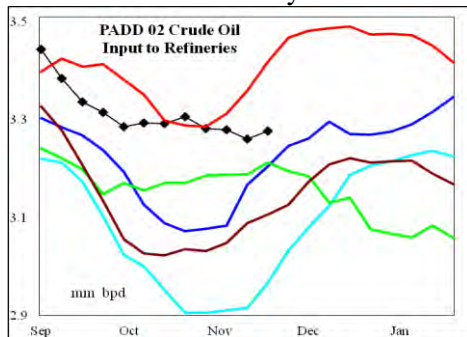


Gasoline supply declined -132,000 bpd in the region on lower imports. Stocks increased +1.3 million barrels on the week, the 2nd consecutive weekly +1 million barrel build. Stock levels remain well below the 5-year range.

Distillate supply decreased -42,000 bpd on the week due to a drop in imports. Stocks increased +1.9 million barrels on the week, to a level -36% below a year ago.



Jet fuel supply increased +21,000 bpd while stocks fell -1.4 million barrels, to a level below the last 3-years.



PADD 2 crude oil refinery runs increased +36,000 bpd although the

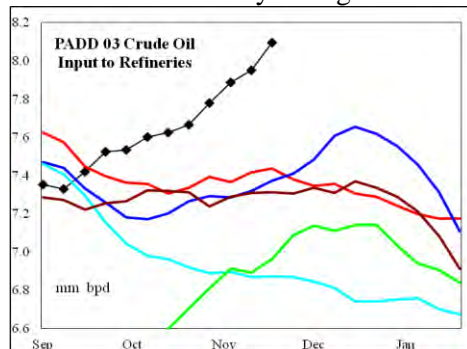
level remains well below last years' record high. Crude oil stocks decreased -0.9 million barrels, but remain +16 million barrels above last years' record high.

Gasoline production declined -77,000 bpd on the week, to a level near 5-year lows. Stocks increased +0.3 million barrels on the week, but remain -3 million barrels below the 5-year range.

Distillate production decreased -4,000 bpd on the week, to a level near the mid range. Stocks fell -0.8 million barrels on the week, to a record low for the period.

Jet fuel production decreased -15,000 bpd last week, to a level near 5-year lows. Stocks ended the week well below the last 3-years.

PADD 3 refinery runs increased +105,000 bpd on the week, to new all time high. The latest 4-wk average runs were +556,000 bpd above a year ago. Crude oil stocks decreased -0.9 million barrels last week, ending at a level that matched 5-year highs.



Gasoline supply decreased -74,000 bpd on the week, to a level below the last 2-years. Stocks increased +0.9 million barrels to a level above the 5-year range.

Distillate supply fell -119,000 bpd on the week, with the latest 4-wk average +77,000 bpd above last years' record high. Stocks fell -2.1 million barrels on the week, with the level -14% below last year.

Jet fuel production fell -60,000 bpd with the level +59,000 bpd above a year ago for the most recent 4-wks. Stocks were unchanged last week at a level below each of the last 3-years.

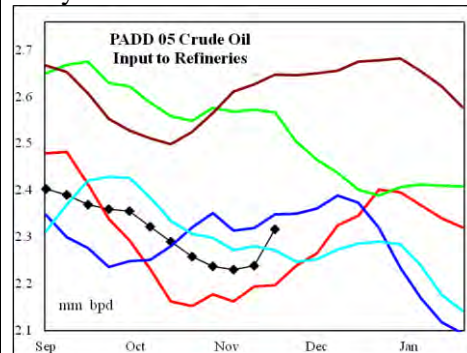
Residual fuel oil supplies fell -126,000 bpd on the week. Stock levels remain +7% above the previous record high for this time of year.

PADD 4 refinery crude runs increased +4,000 bpd on the week, to a level that matched historic highs. The most recent 4-wk average run rate was -30,000 bpd below last year.

Gasoline supply decreased -6,000 bpd on the week, a level at the low end of the historic range. Stocks increased +0.3 million barrels, a levels below the mid range.

Distillate production increased +6,000 bpd last week, to a level that matched the average of the last 3-years. Stocks ended the week +12% above the prior 5-year high.


PADD 5 crude oil refinery runs increased +92,000 bpd last week, a level comparable to the average of the last 3-years. Runs for the most recent 4-wk period were +79,000 bpd above last year.



Gasoline supply increased +47,000 bpd on the week, with production matching historic highs for the period. The latest 4-wk average supply was +24,000 bpd above last year. Stocks jumped +1.1 million barrels, to a new 5-year high for this time of year.

Distillate supply increased +63,000 bpd on a surge in imports, with the latest 4-wk average +8,000 bpd above a year ago. Stocks increased +0.2 million barrels, a level near historic highs for the week.

Jet fuel supplies increased +31,000 bpd last week with production above the 3-year average. Stock levels were +12% above historic highs.


FUNDAMENTAL PETROLEUM TRENDS

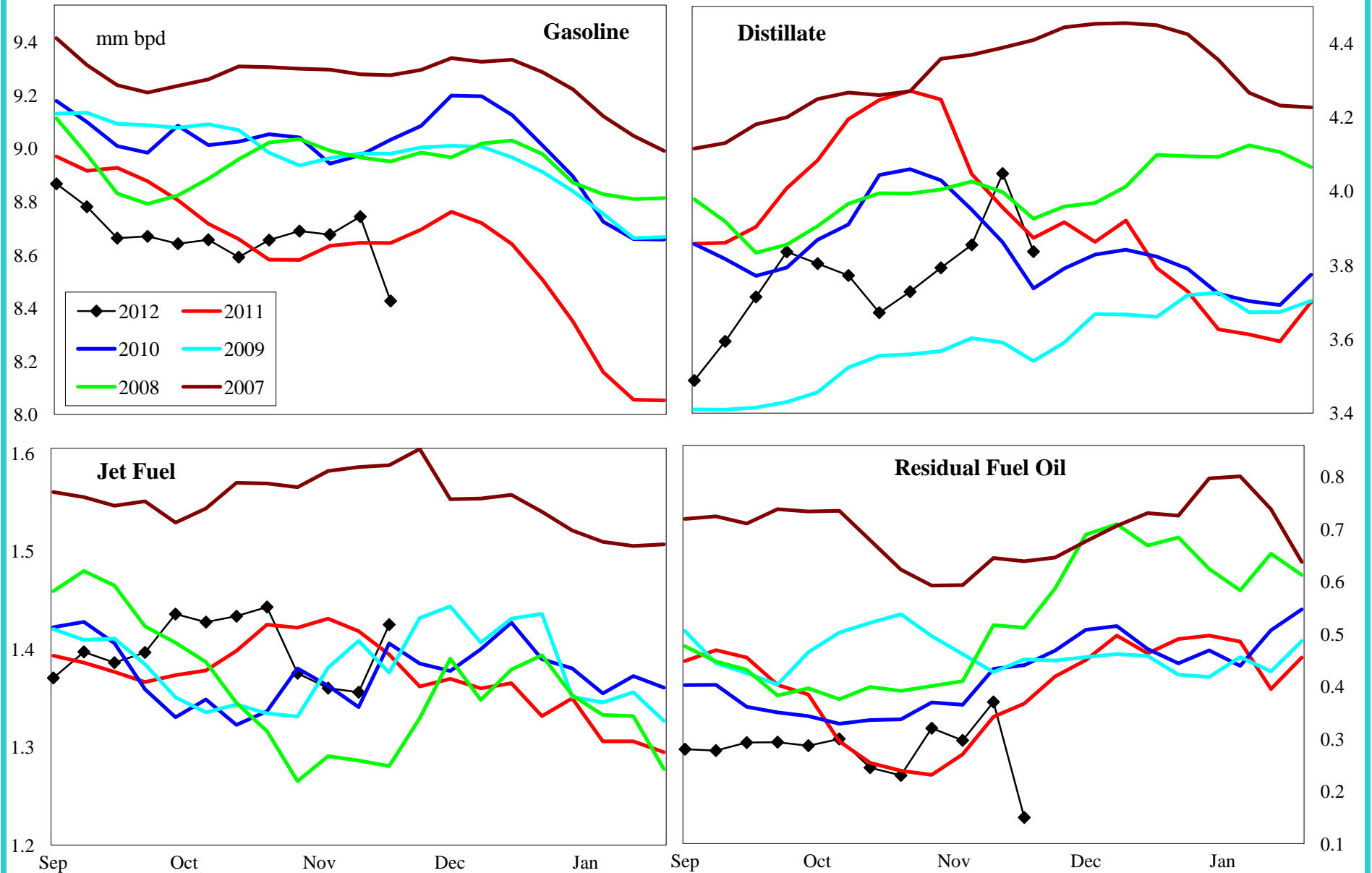
PETROLEUM: Graph Link and Weekly Summary

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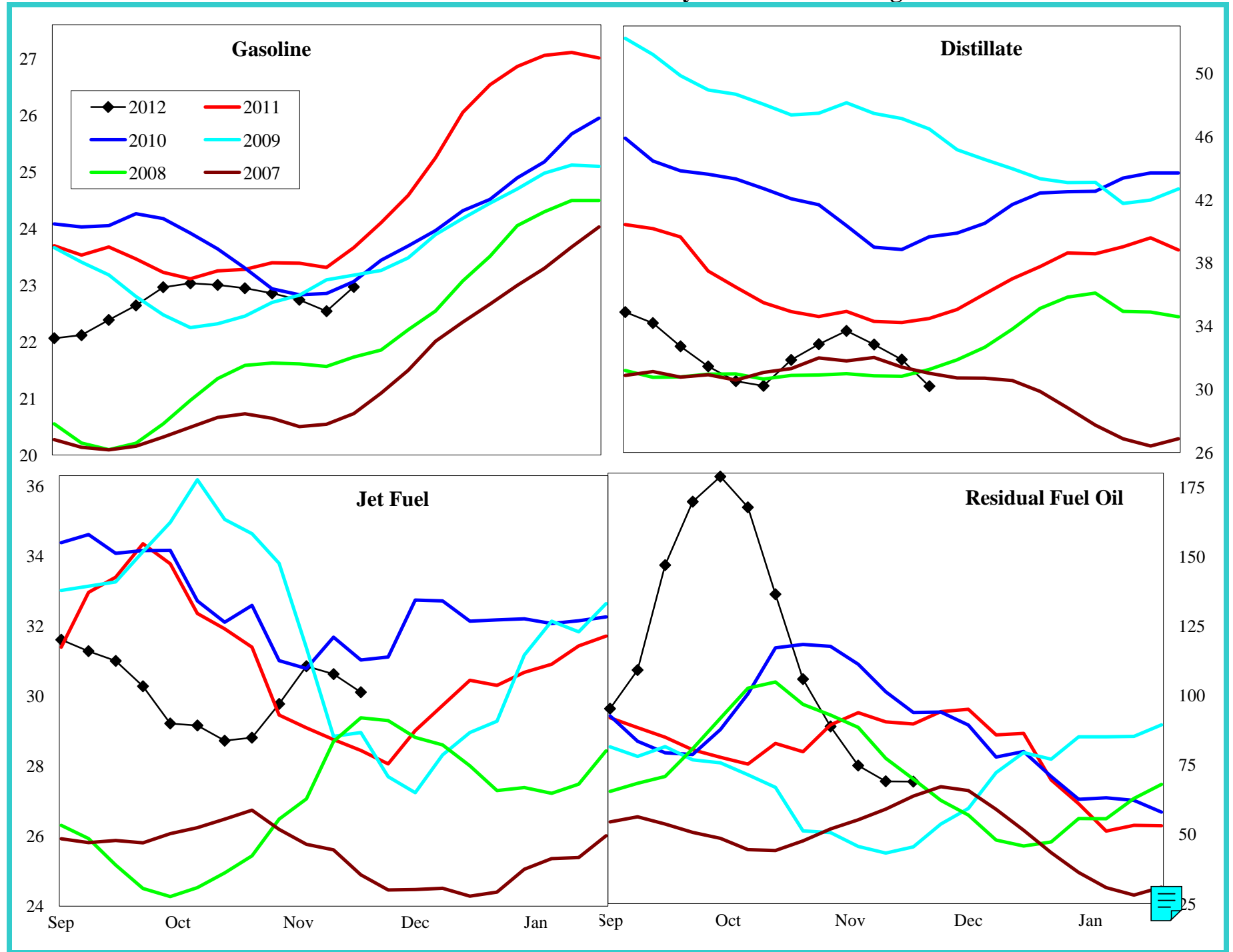
Fundamental Trends	Wholesale Demand	Stocks Days Fwd Coverage	Refinery Utilization		Product Yield %		Imports
Supply/Demand Trends	23-Nov-12	EIA-DOE CHANGE FROM PRIOR WEEK					
	000 bpd stocks 000 bls	U. S. Total	PADD				
			1	2	3	4	5
Crude Oil	Stocks	-347	-682	-907	61	-12	1,195
	Imports	350	384	-76	117	-52	-24
	Input	285	50	36	105	4	92
	% Utilization	1.10					
Gasoline	Stocks	3,865	1,251	342	902	304	1,066
	Production	-460	7	-77	-87	-6	45
	Imports	-122	-139	3	13	0	2
	Supplied	-471					
Distillate	Stocks	-800	1,921	-751	-2,062	-133	225
	Production	-108	3	-4	-119	6	6
	Imports	12	-45	-1	0	0	57
	Supplied	-364					
Jet Fuel	Stocks	-1,392	-1,441	-99	41	17	91
	Production	-33	0	-15	-60	7	35
	Imports	20	21	0	4	0	-4
	Supplied	198					
Residual Fuel Oil	Stocks	616	14	-112	510	-23	227
	Production	-60	-4	-6	-66	0	17
	Imports	-36	10	1	-60	0	12
	Supplied	-468					

United States Wholesale Petroleum Demand

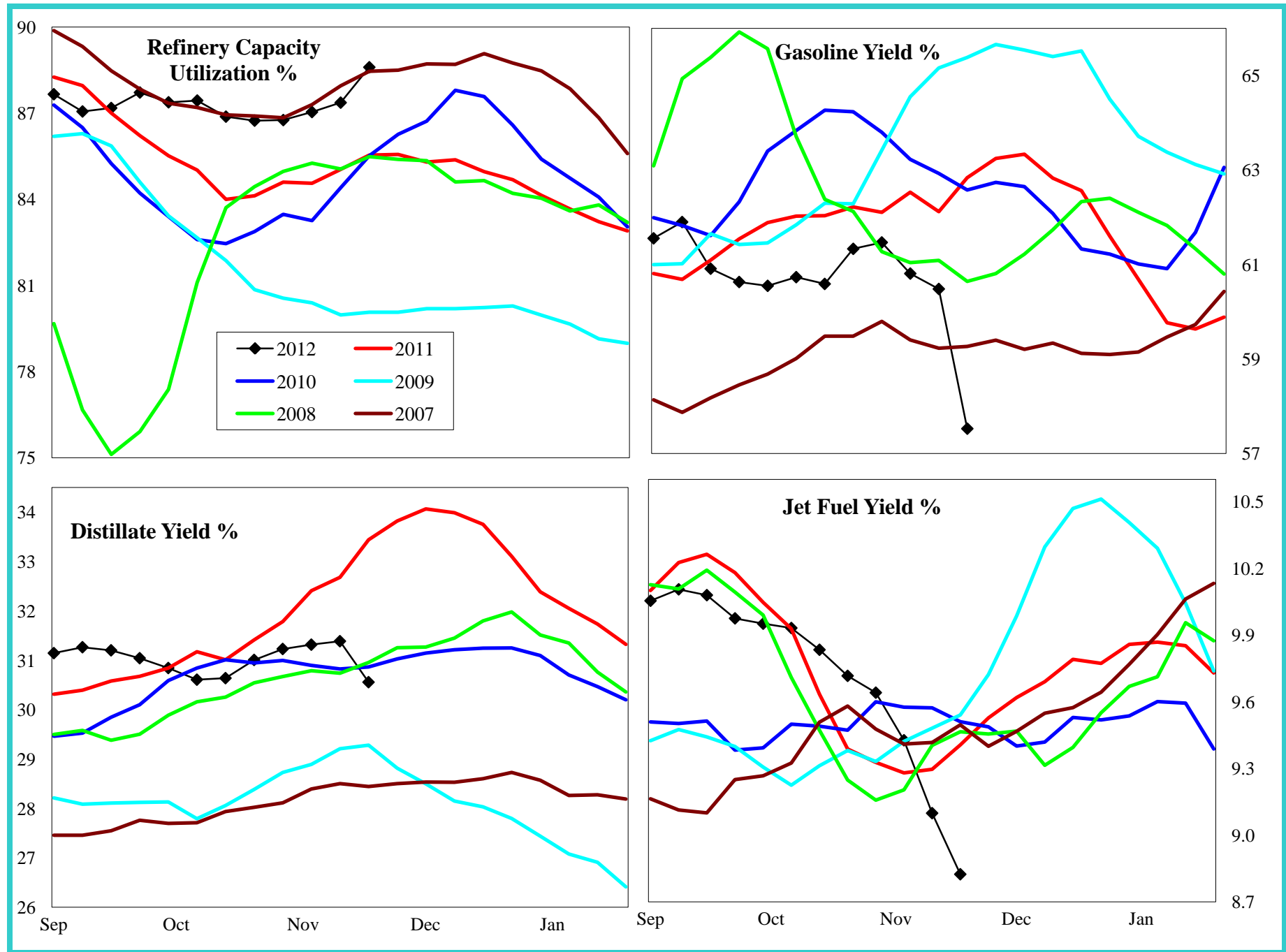


	000 bpd change from prior year				% change from prior year				
	4wk avg	Oct	Sep	Aug	4wk avg	Oct	Sep	Aug	
Gasoline	-29	-56	-101	210	-0.3	-0.6	-1.2	2.4	
Distillate	-32	-369	-248	-269	-0.8	-9.2	-6.3	-6.7	
Jet Fuel	-50	106	15	-85	-3.4	7.7	1.1	-5.5	
Resid	21	-160	-180	34	6.1	-39.8	-37.3	10.7	

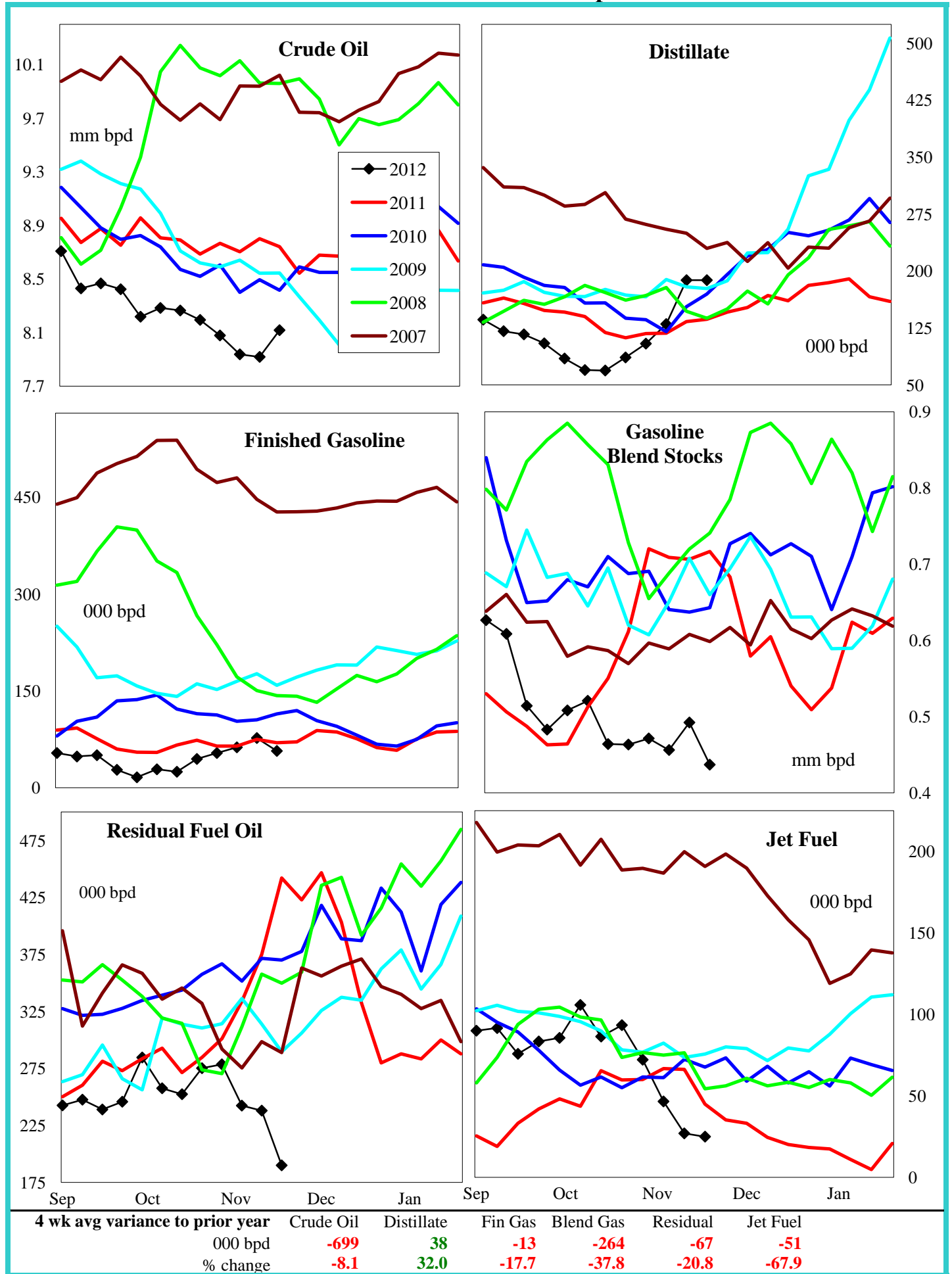
United States Product Stocks: Days Forward Coverage



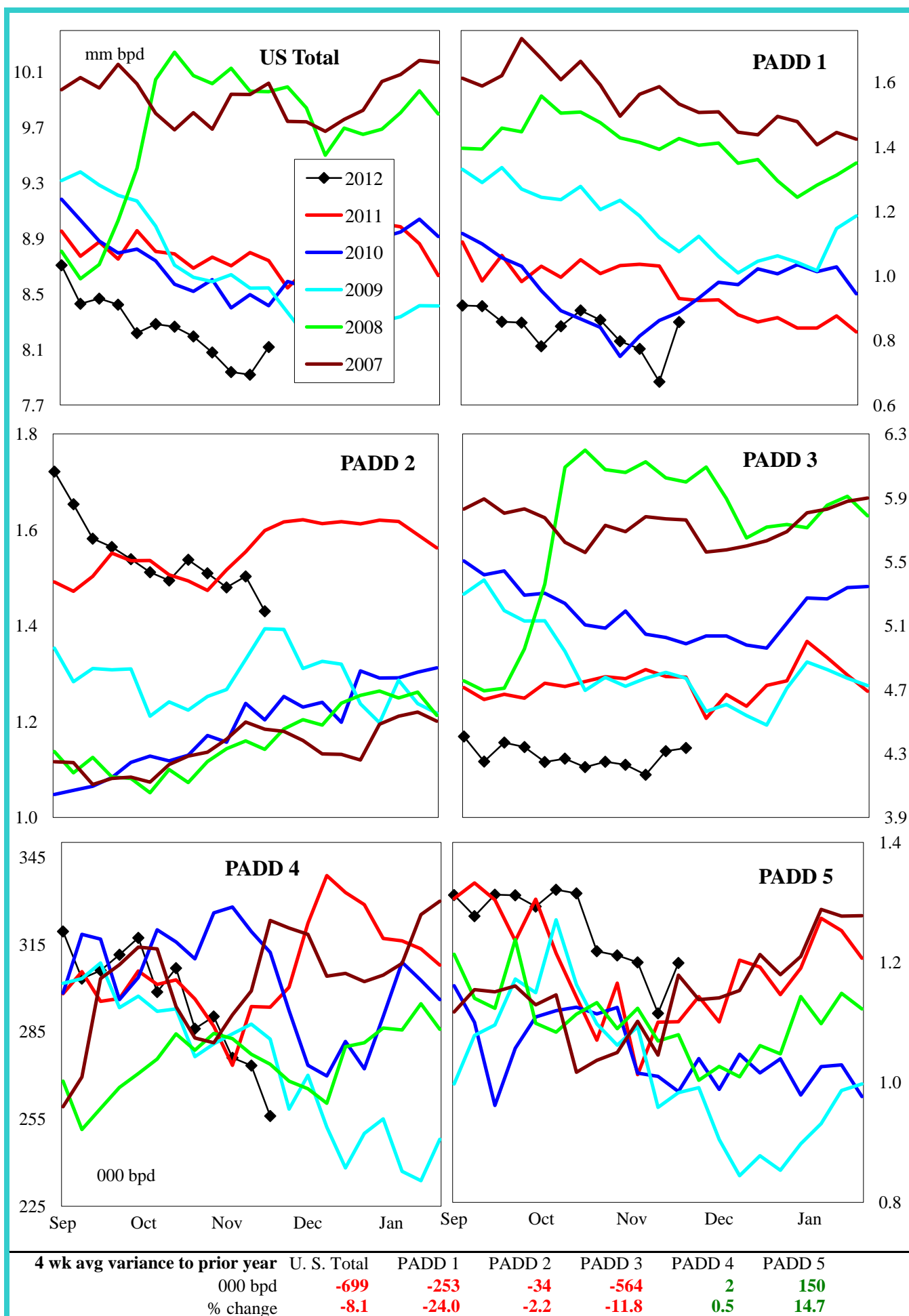
United States Refinery Percent Utilization Rate and Product Yields



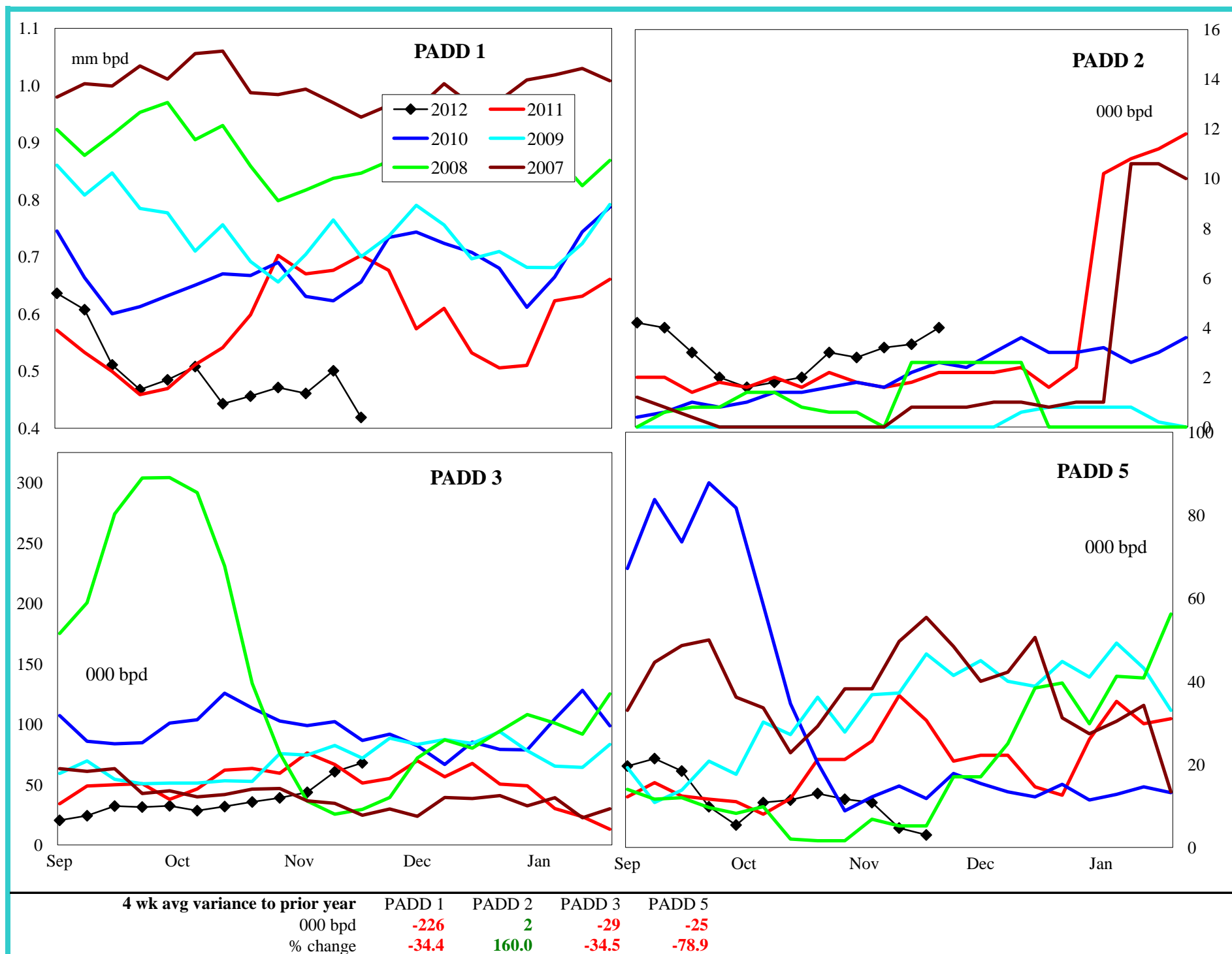
United States Petroleum Imports



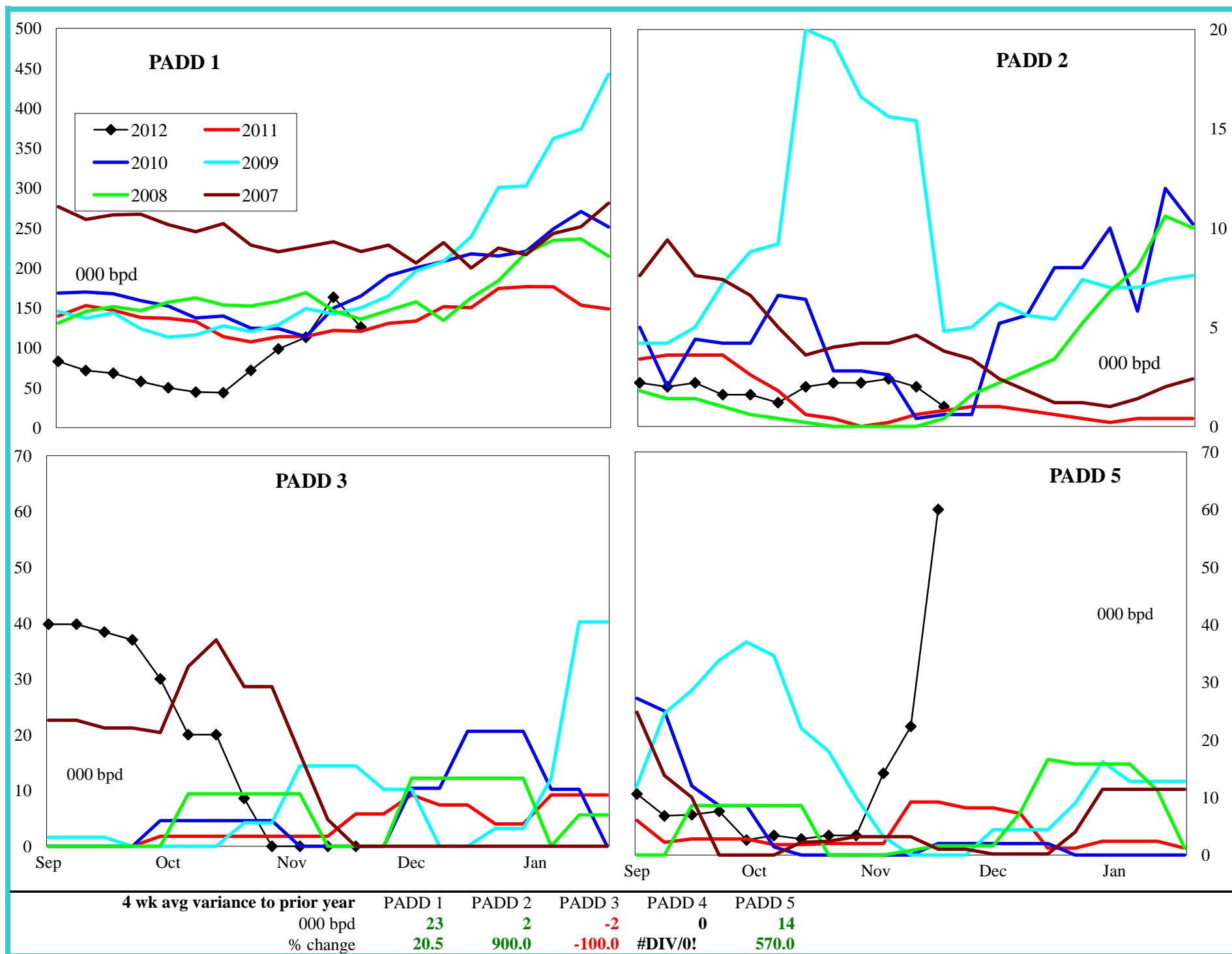
Crude Oil Imports by PADD



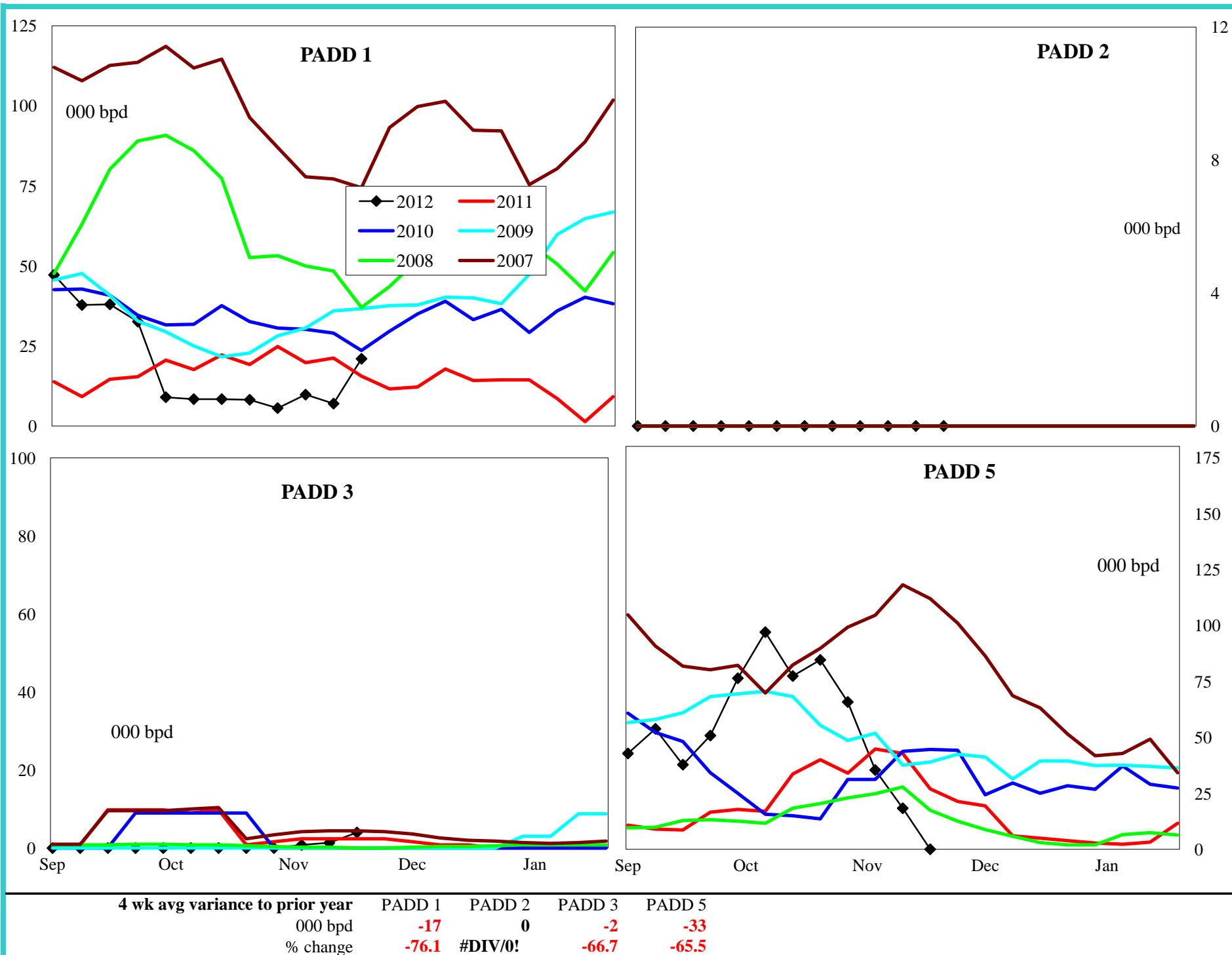
Gasoline Imports by PADD (Finished + Blend Stocks)



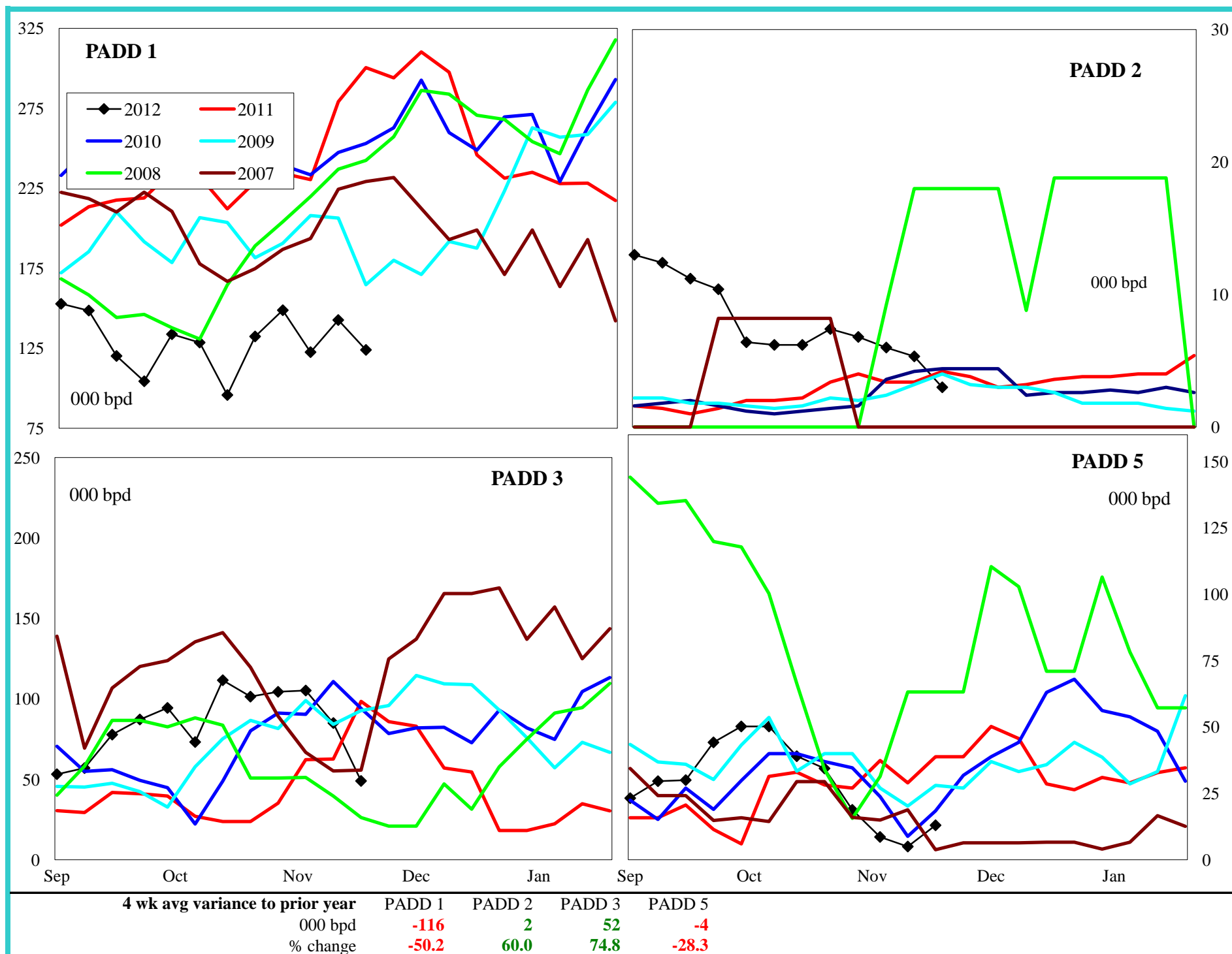
Distillate Imports by PADD



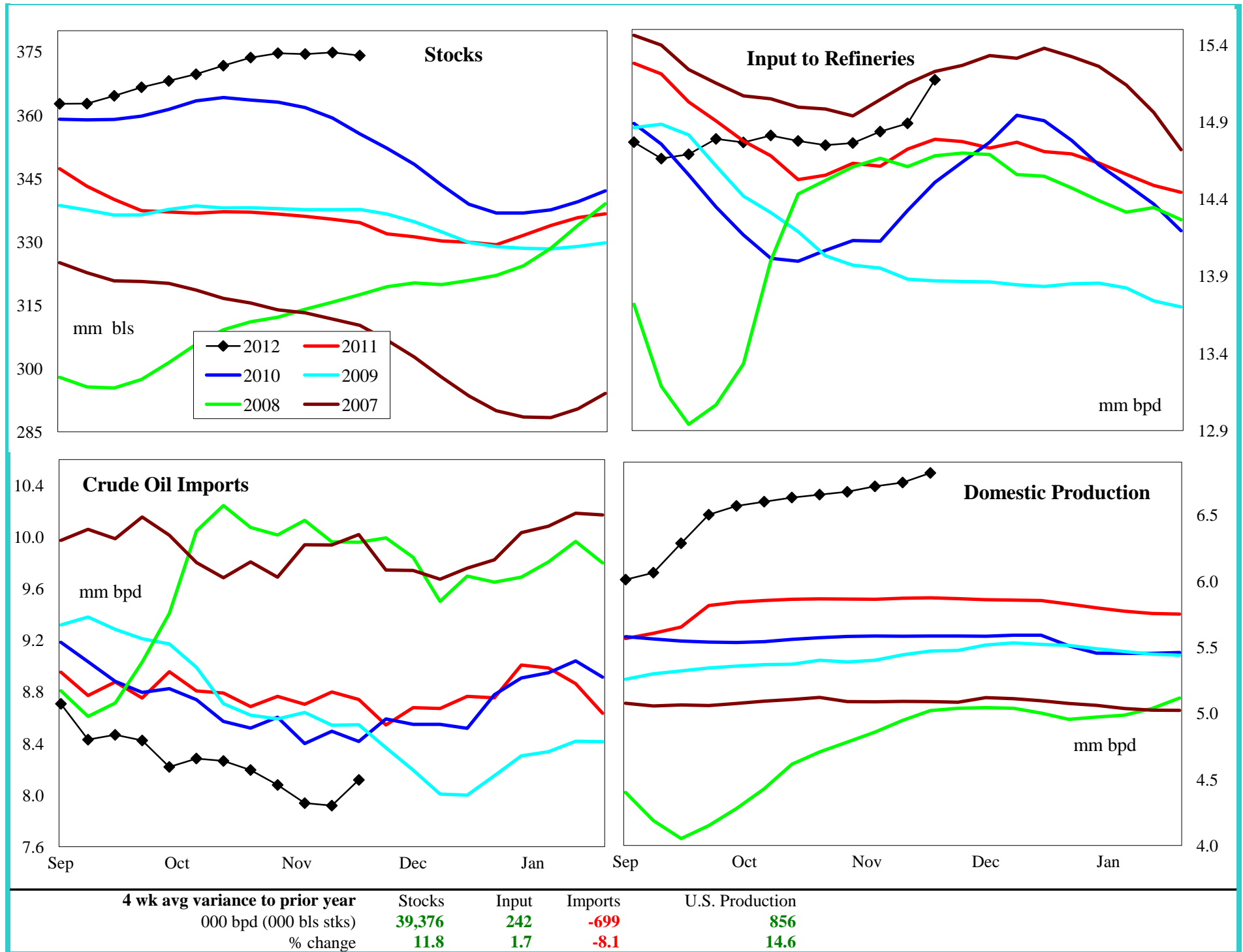
Jet Fuel Imports by PADD



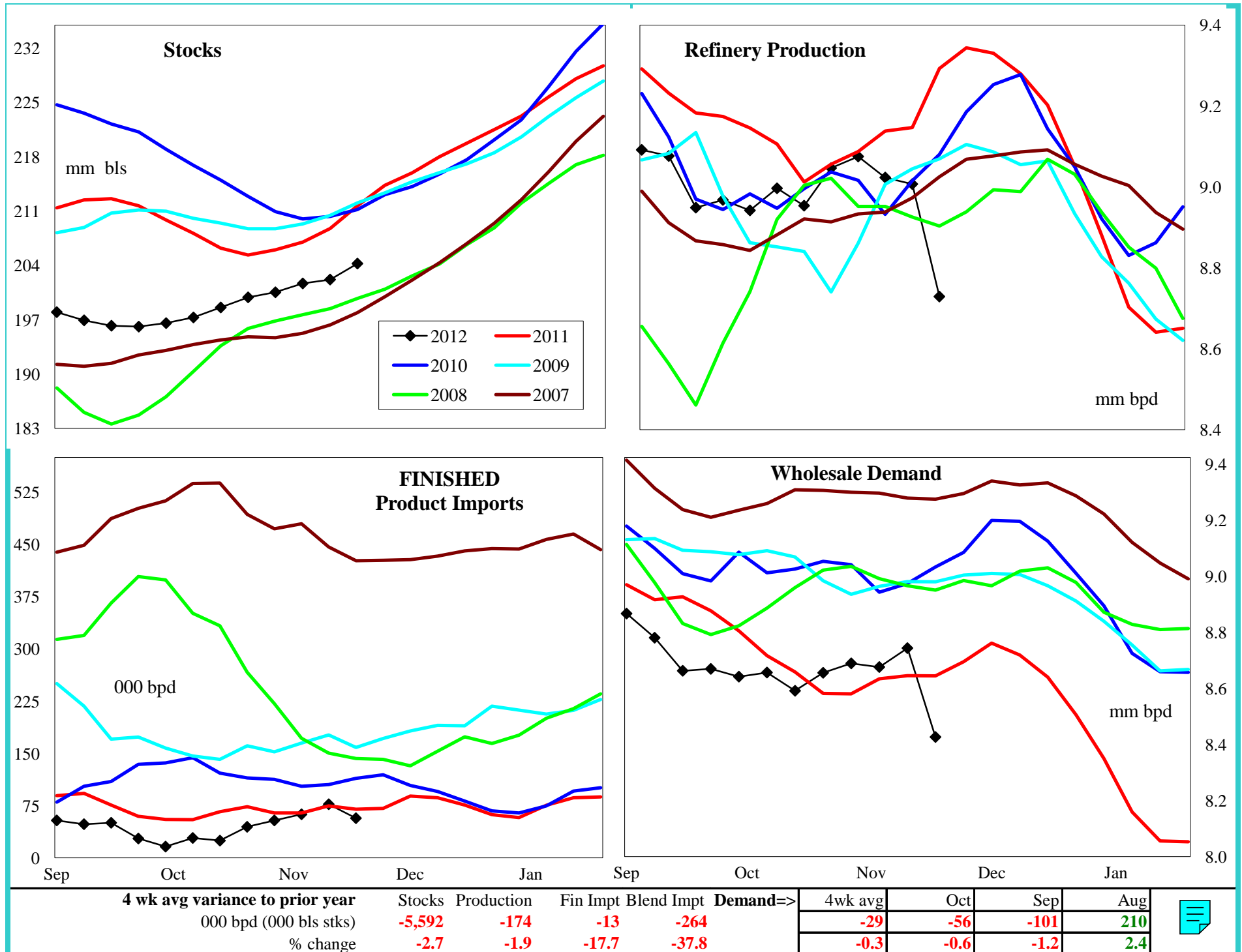
Residual Fuel Oil Imports by PADD



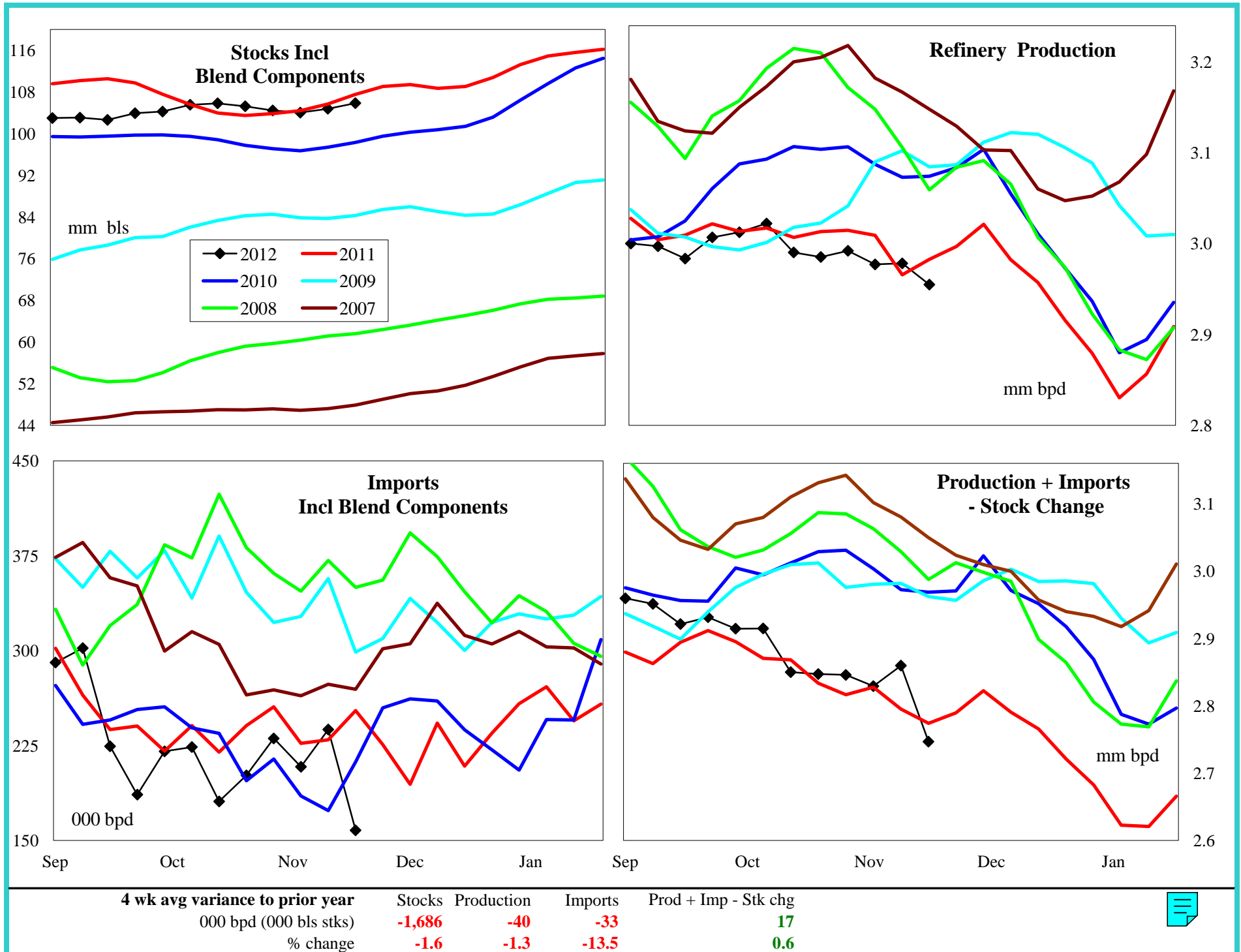
United States Crude Oil Supply and Demand Balance



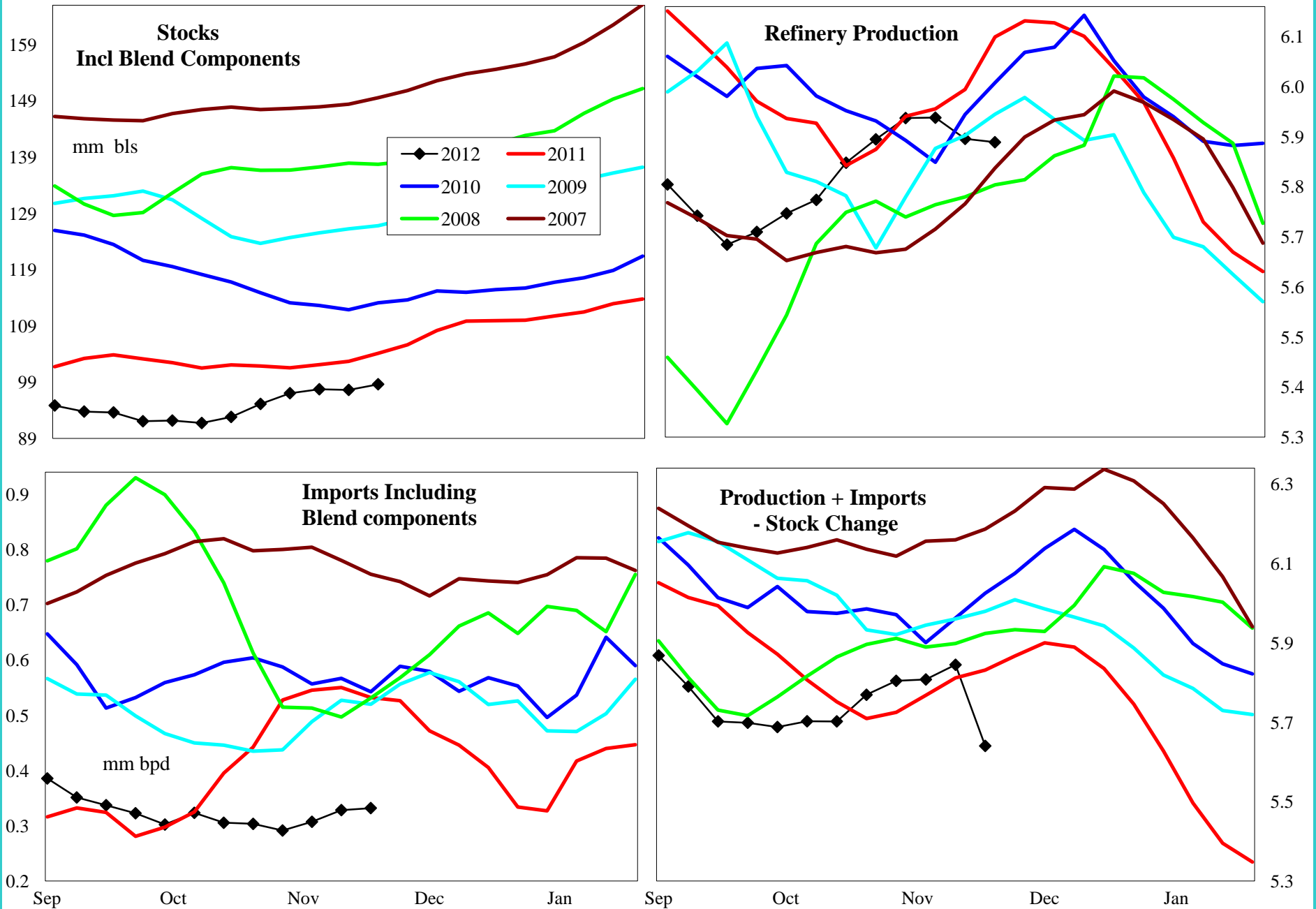
United States Gasoline Supply and Demand Balance



United States Reformulated Gasoline Supply



United States Conventional Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

-5,488

-5.3

Production

-26

-0.4

Imports

-224

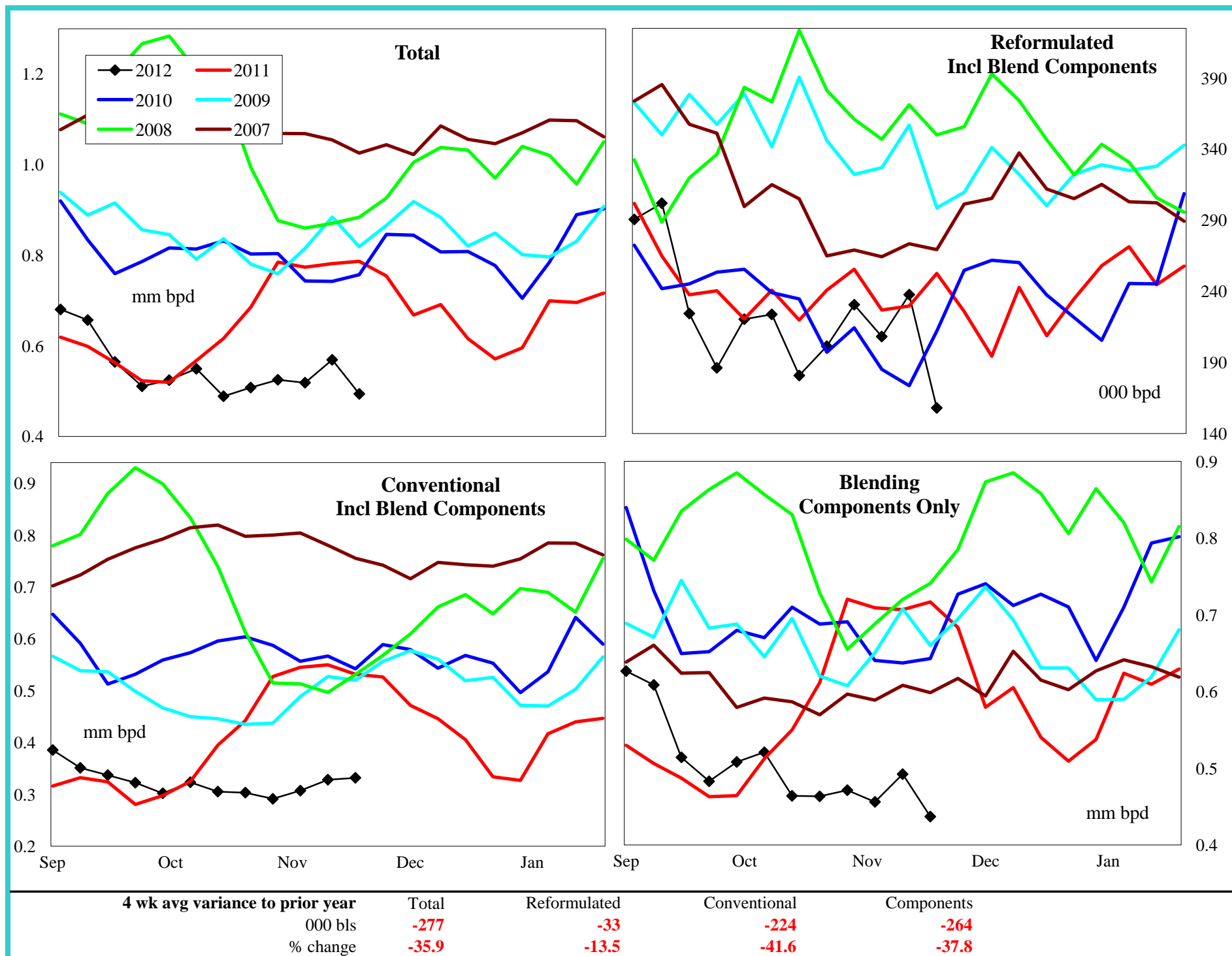
-41.6

Prod + Imp - Stk chg

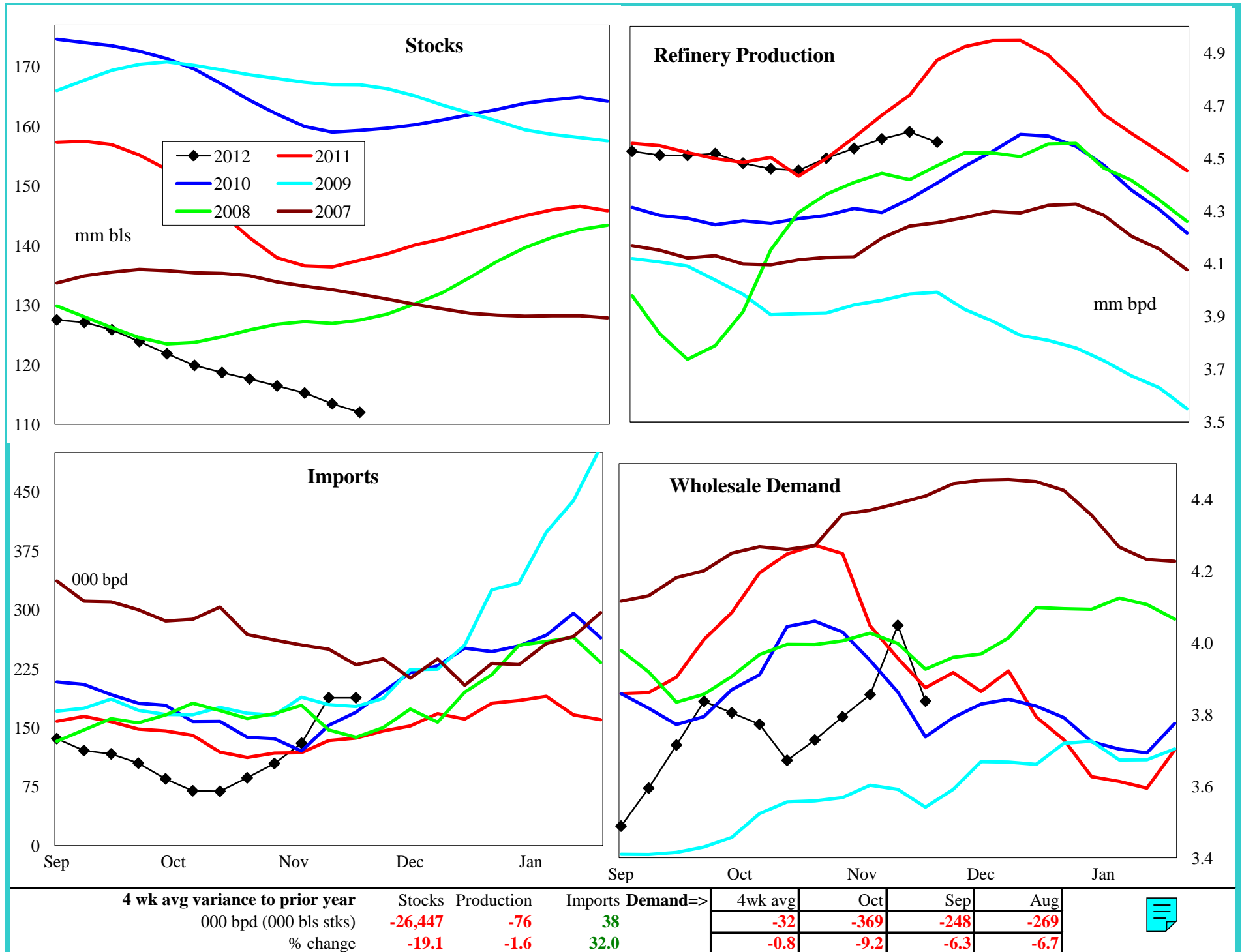
-10

-0.2

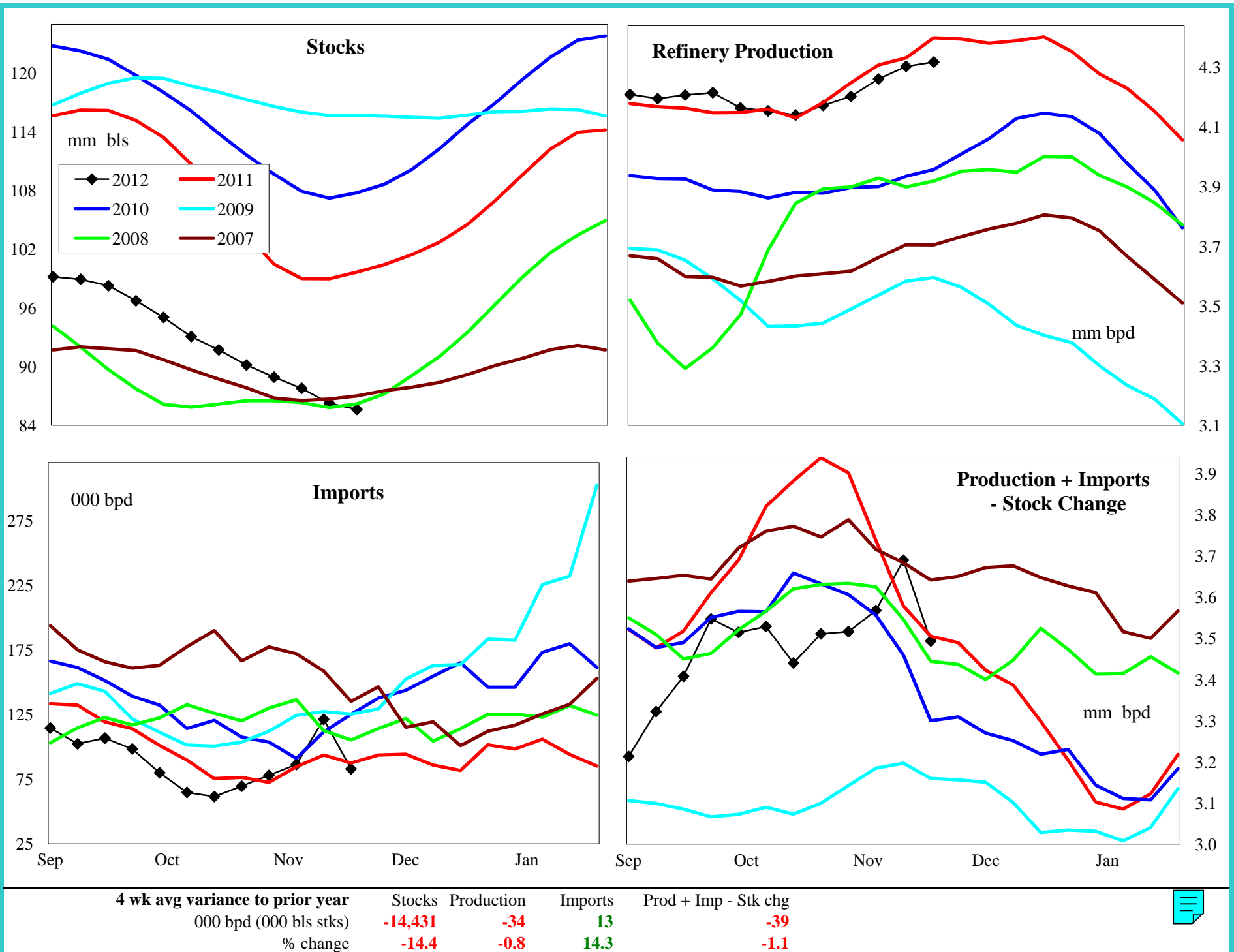
United States Gasoline Imports by Type



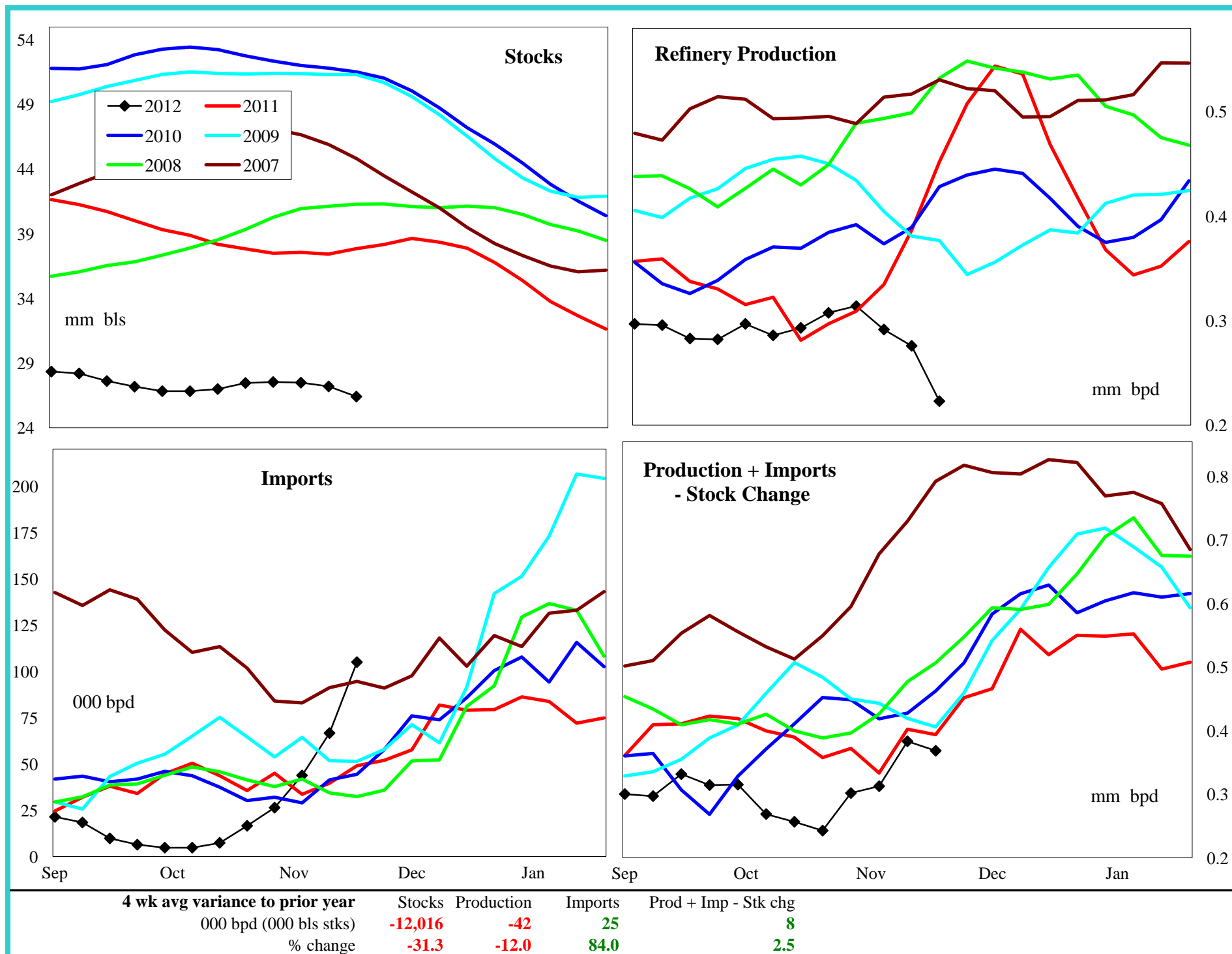
United States Distillate Supply and Demand Balance



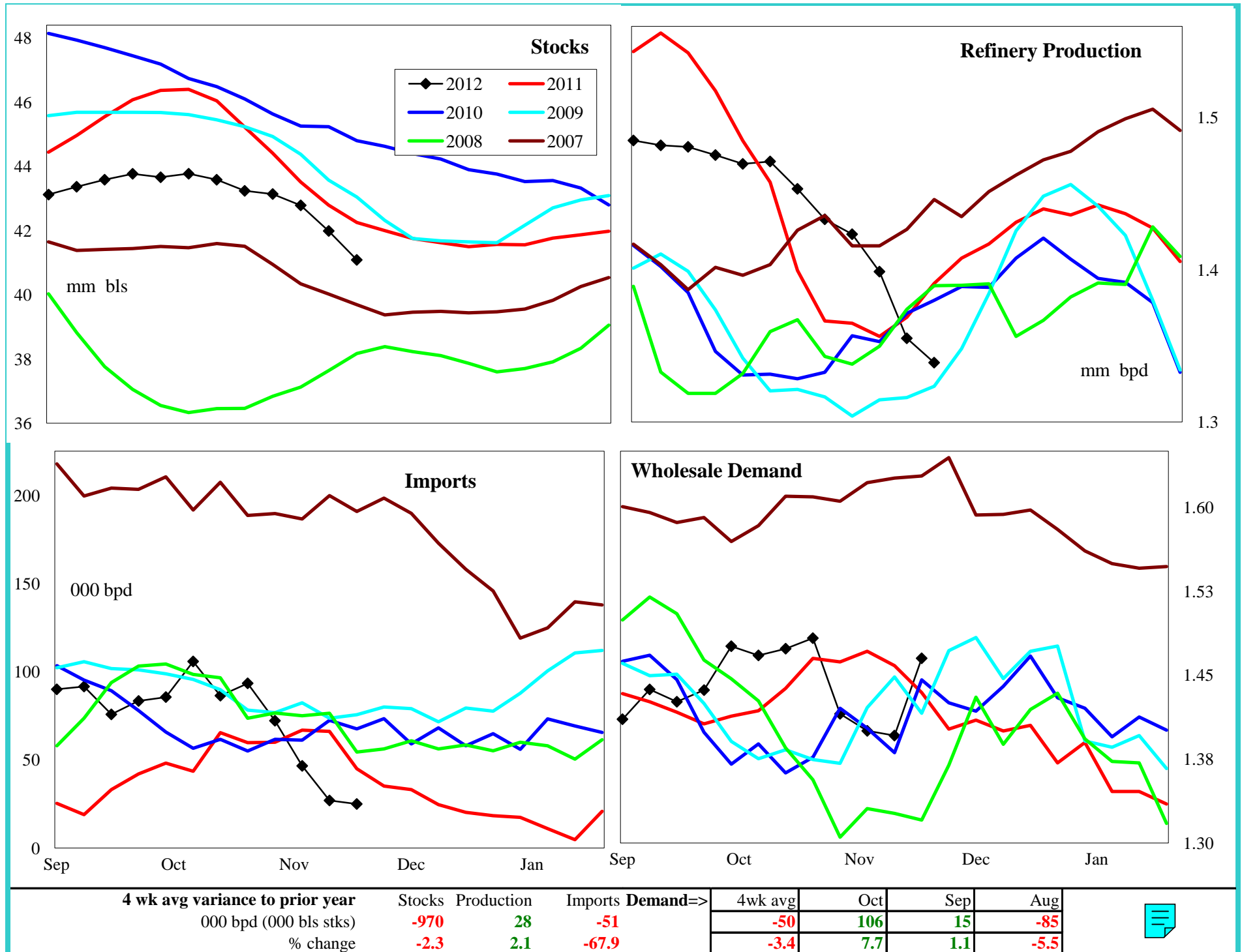
United States Low Sulfur Distillate Supply



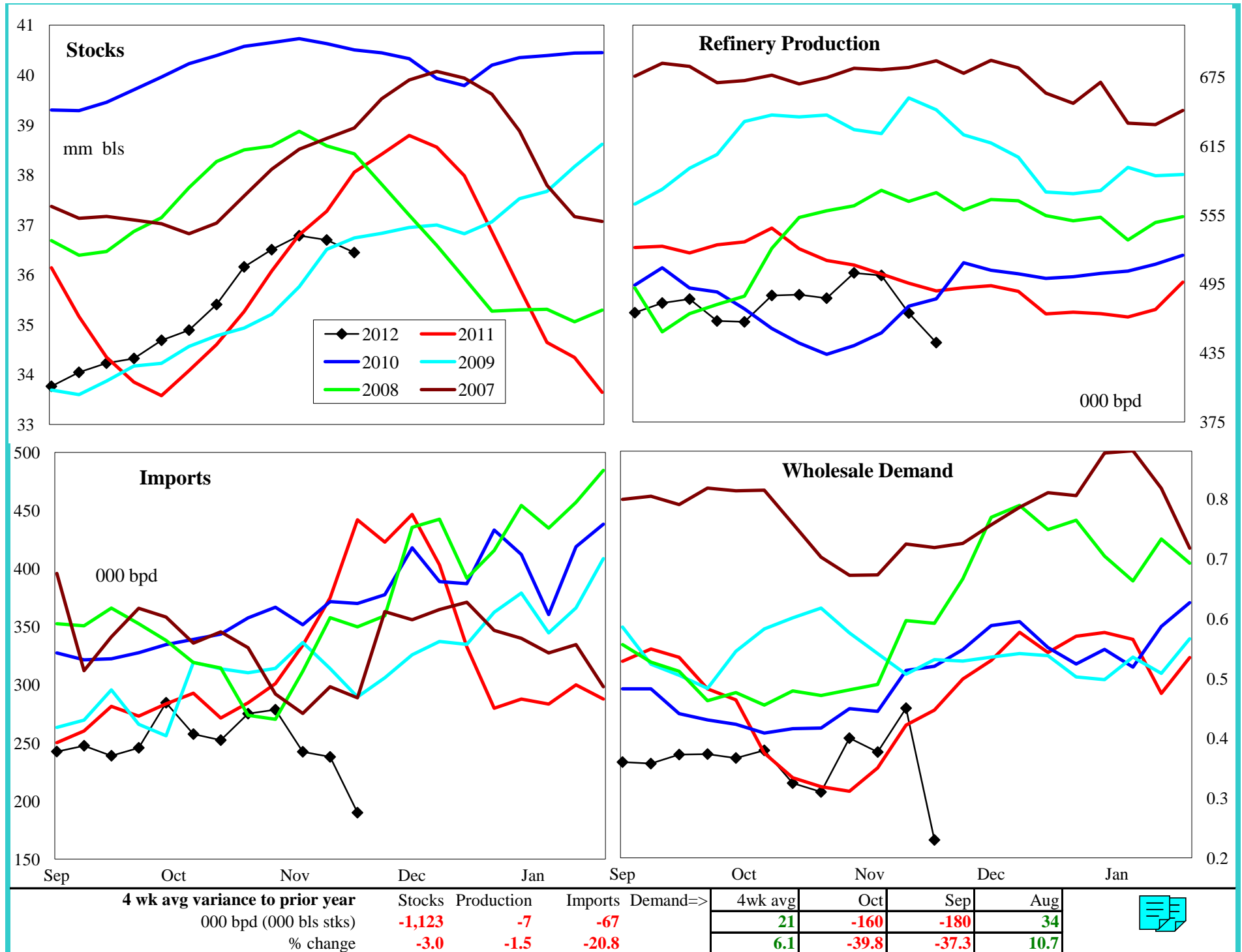
United States High Sulfur Distillate Supply



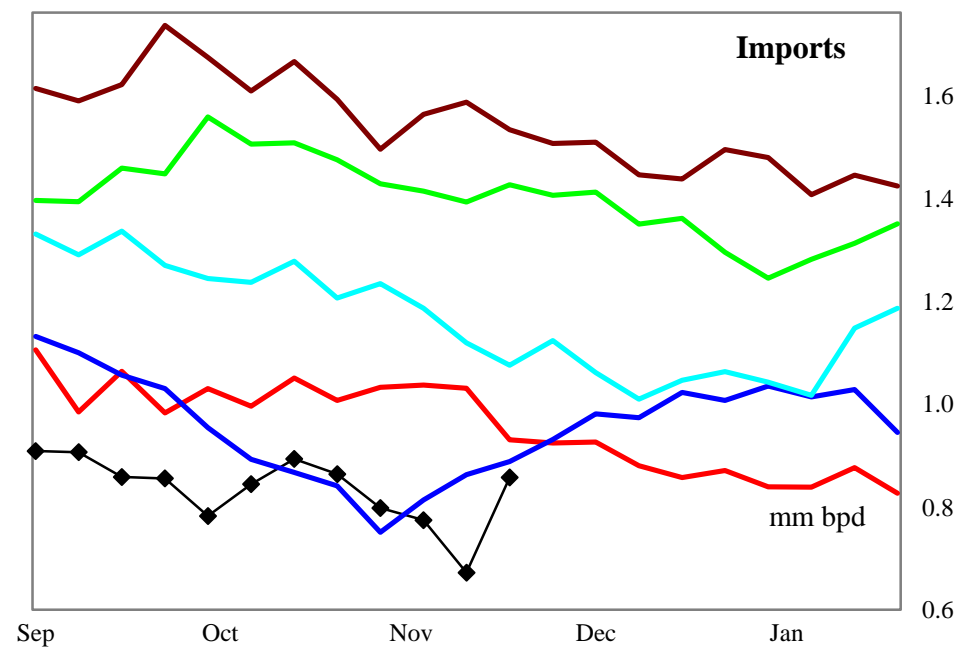
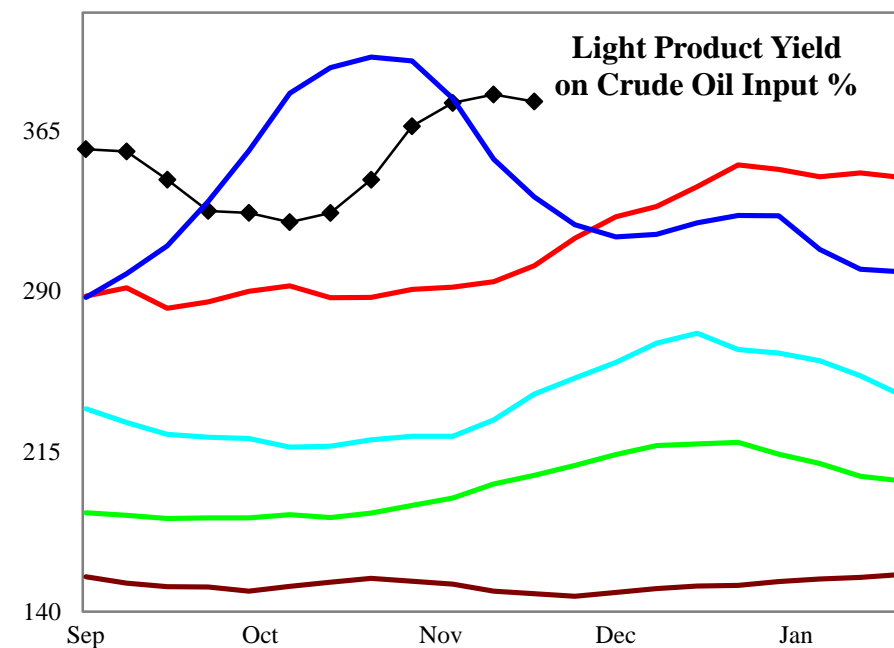
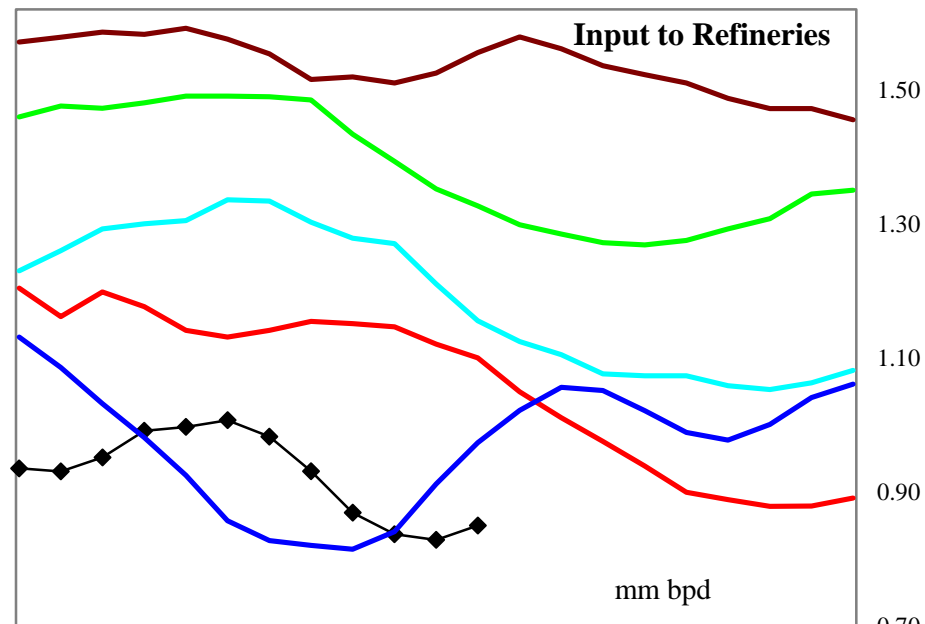
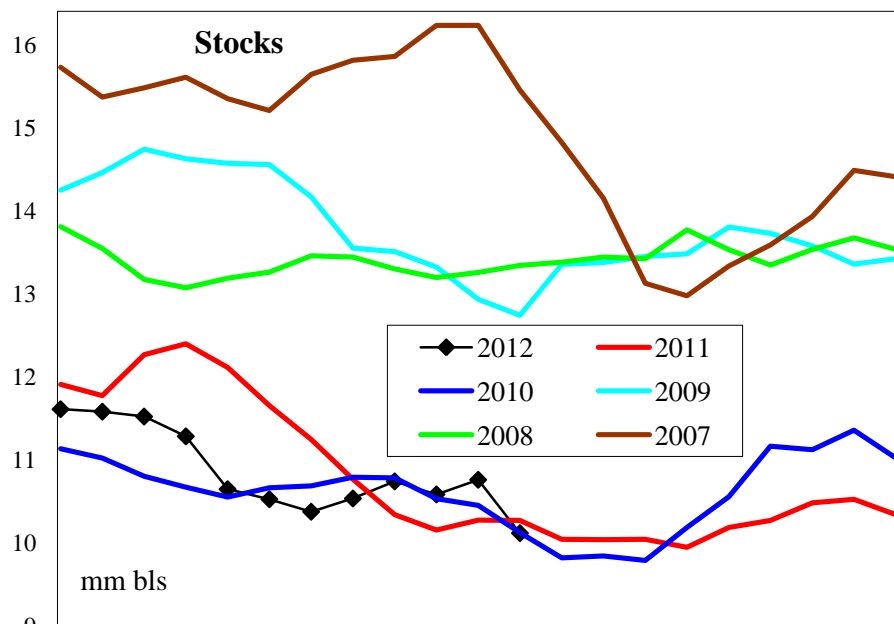
United States Jet Fuel Supply and Demand Balance



United States Residual Fuel Oil Supply and Demand Balance



PADD 1 Crude Oil Supply and Refining

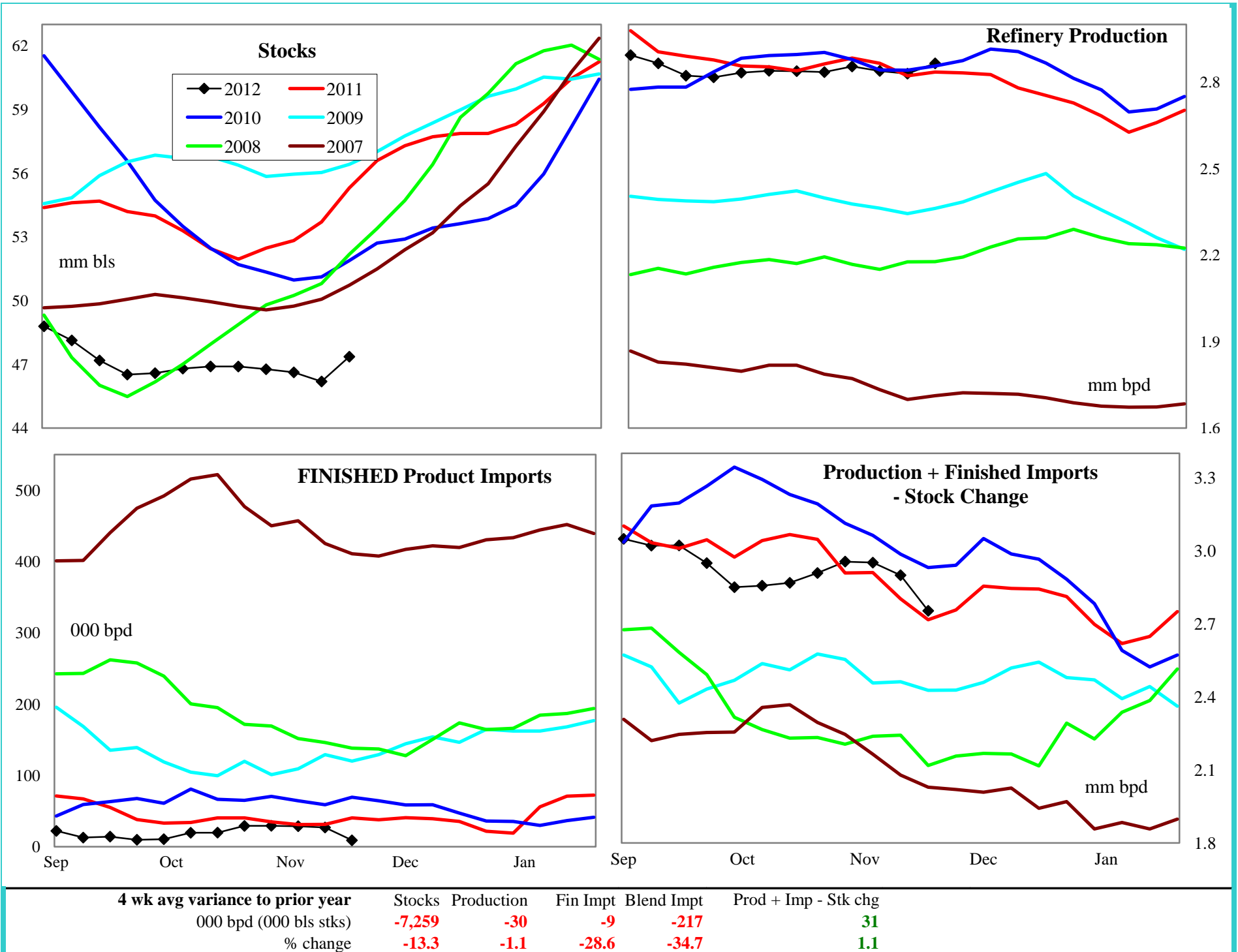


4 wk avg variance to prior year
 000 bpd (000 bls stks)
 % change

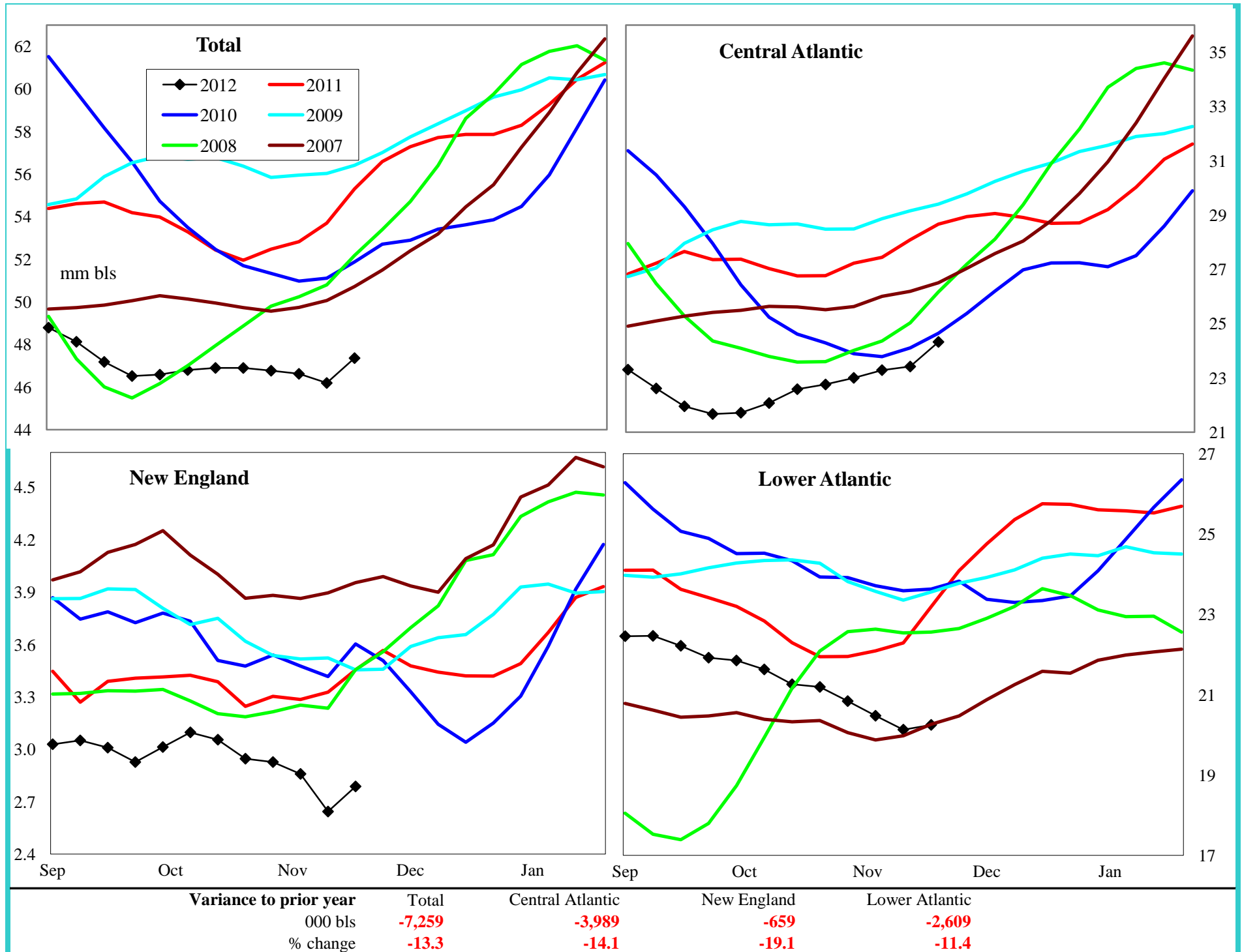
	Stocks	Input	Imports
000 bpd (000 bls stks)	-153	-330	-253
% change	-1.5	-28.9	-24.0



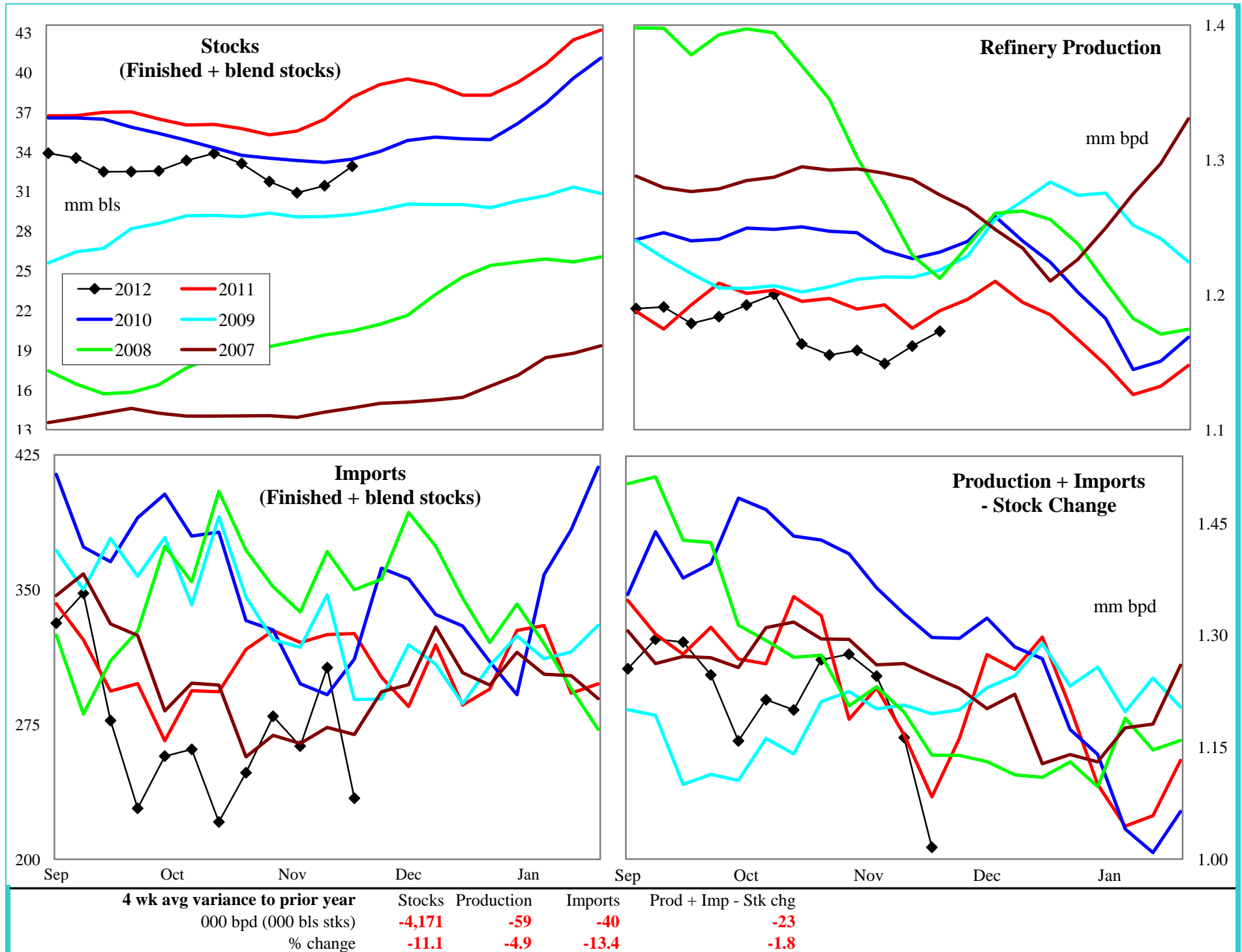
PADD 1 Gasoline Supply



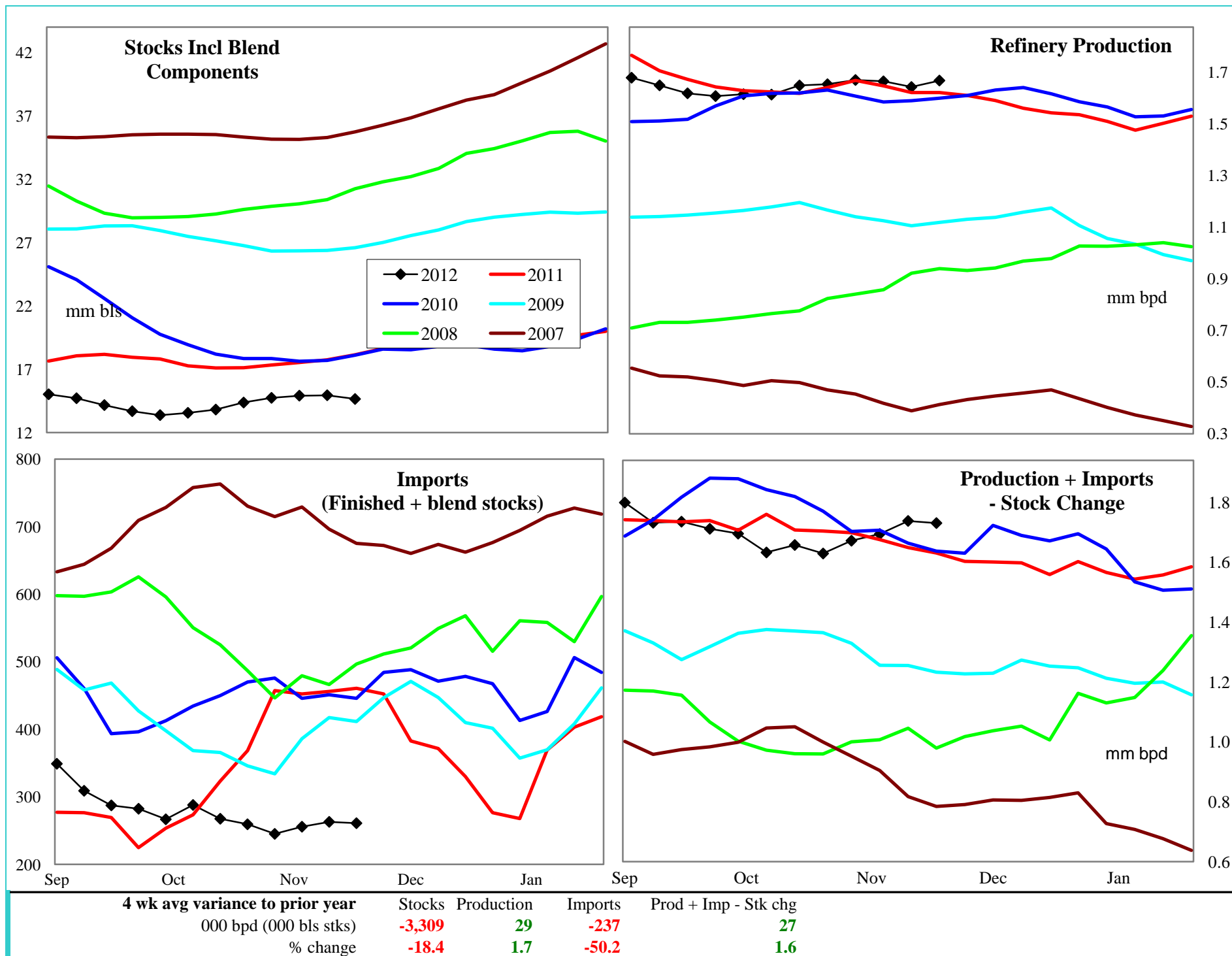
PADD 1 Gasoline Stocks by Region



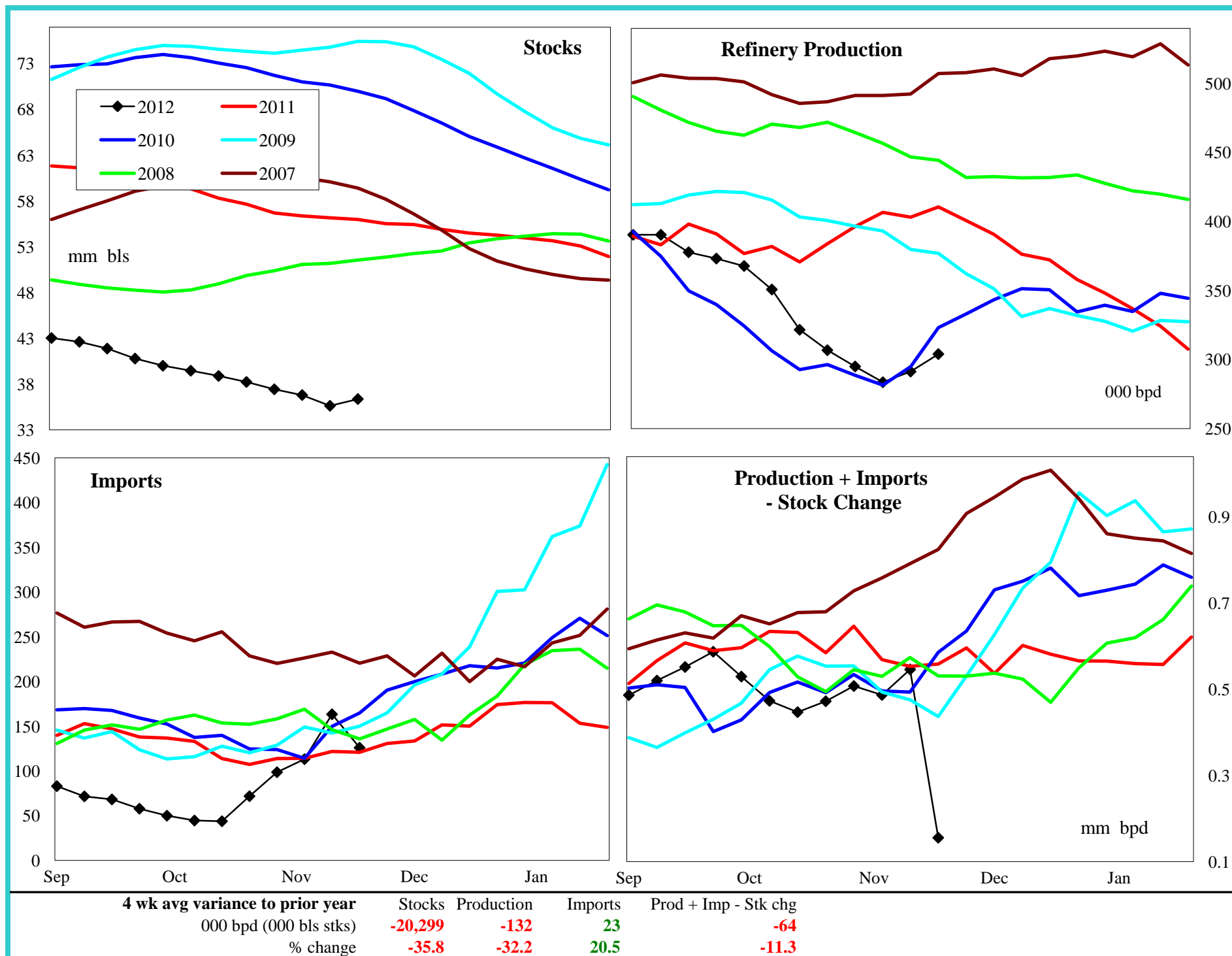
PADD 1 Reformulated Gasoline Supply



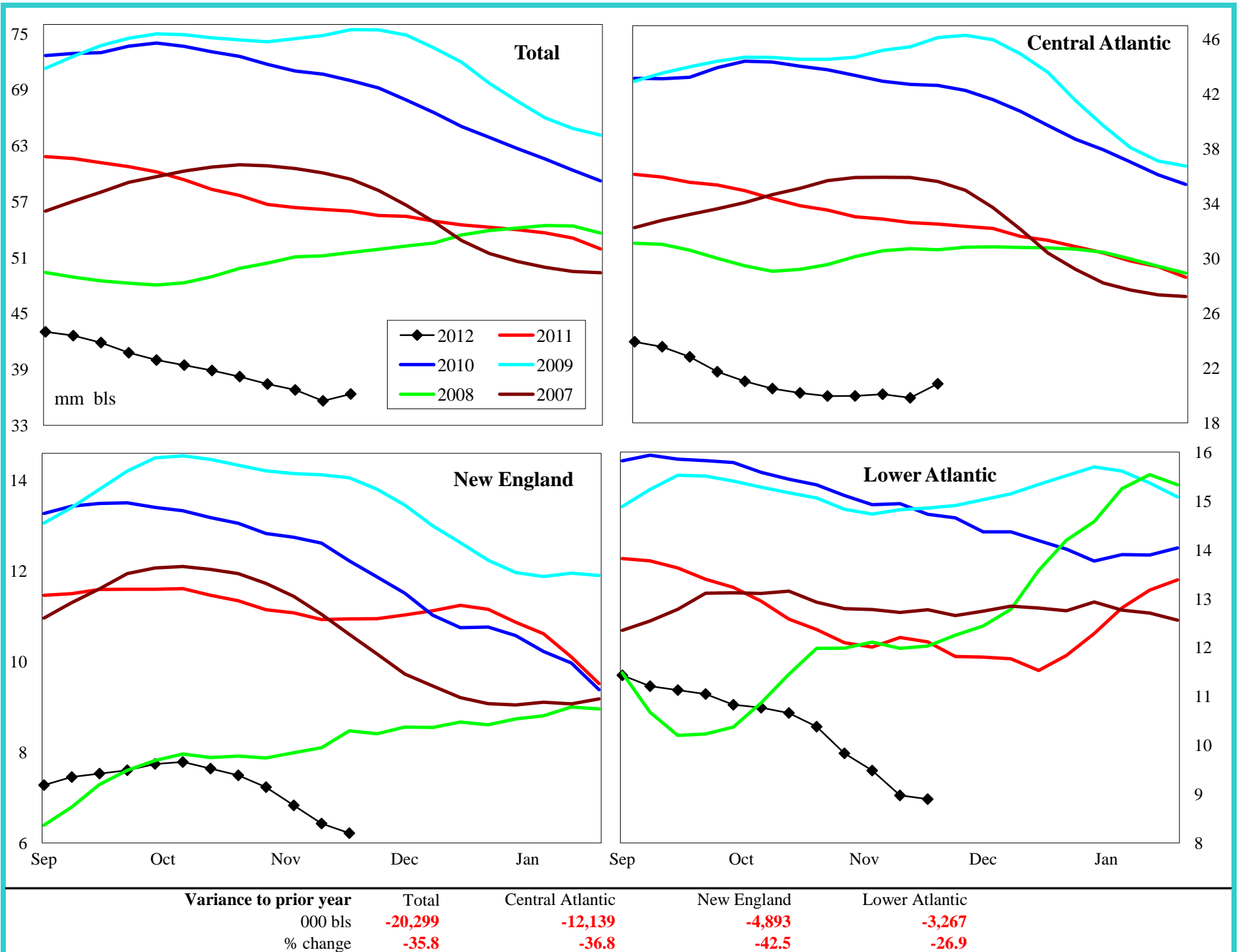
PADD 1 Conventional Gasoline Supply



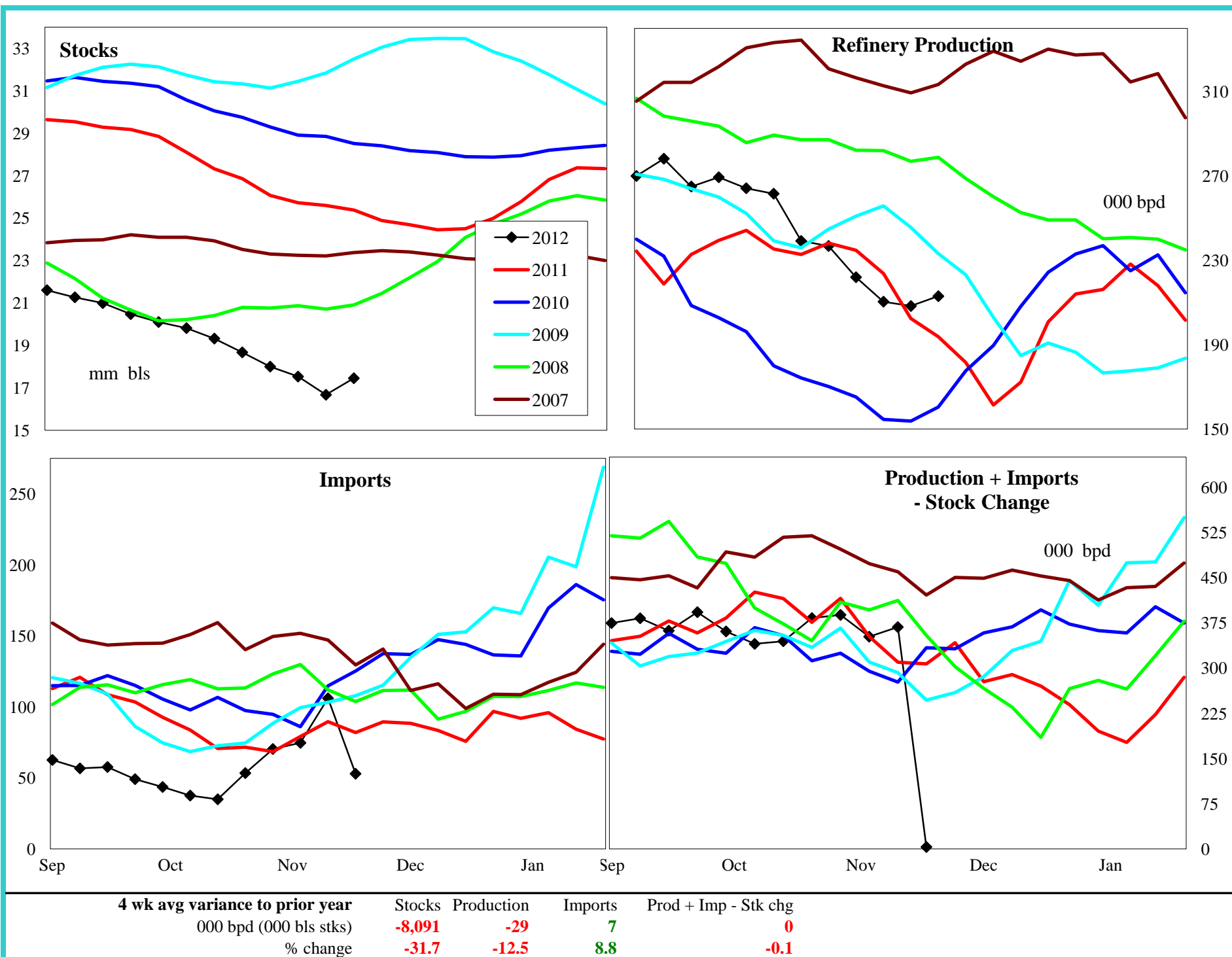
PADD 1 Distillate Supply

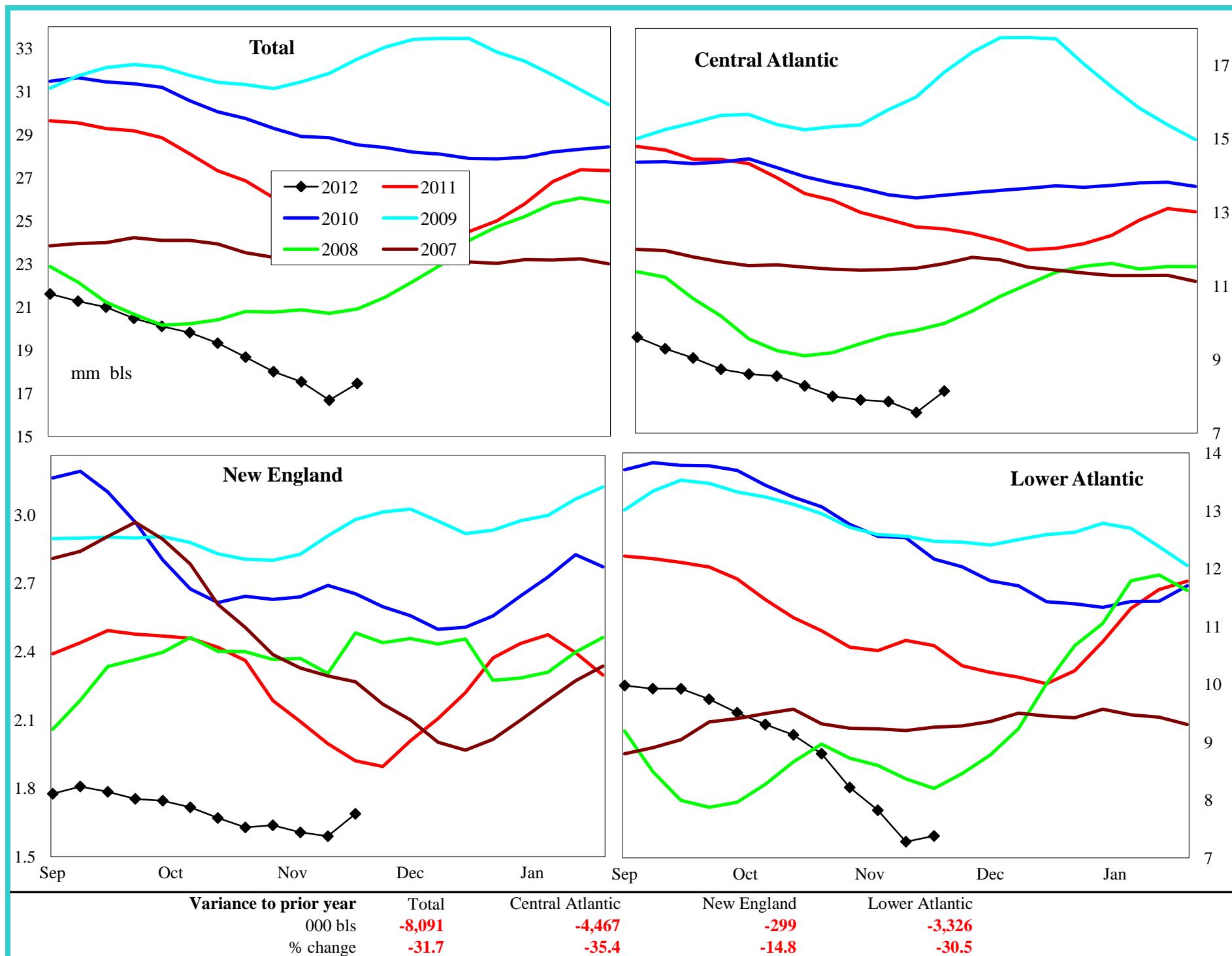


PADD 1 Distillate Stocks by Region

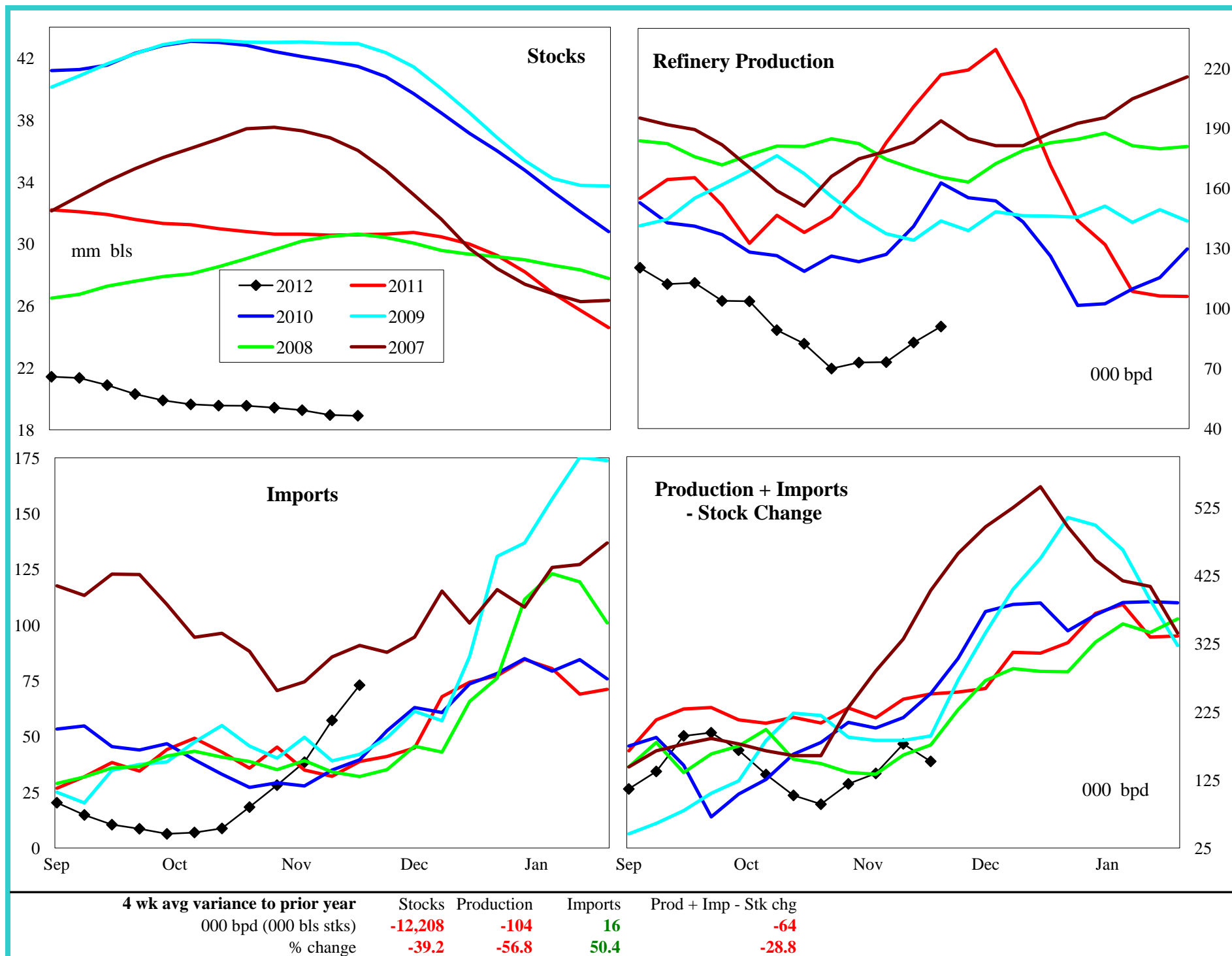


PADD 1 Low Sulfur Distillate Supply

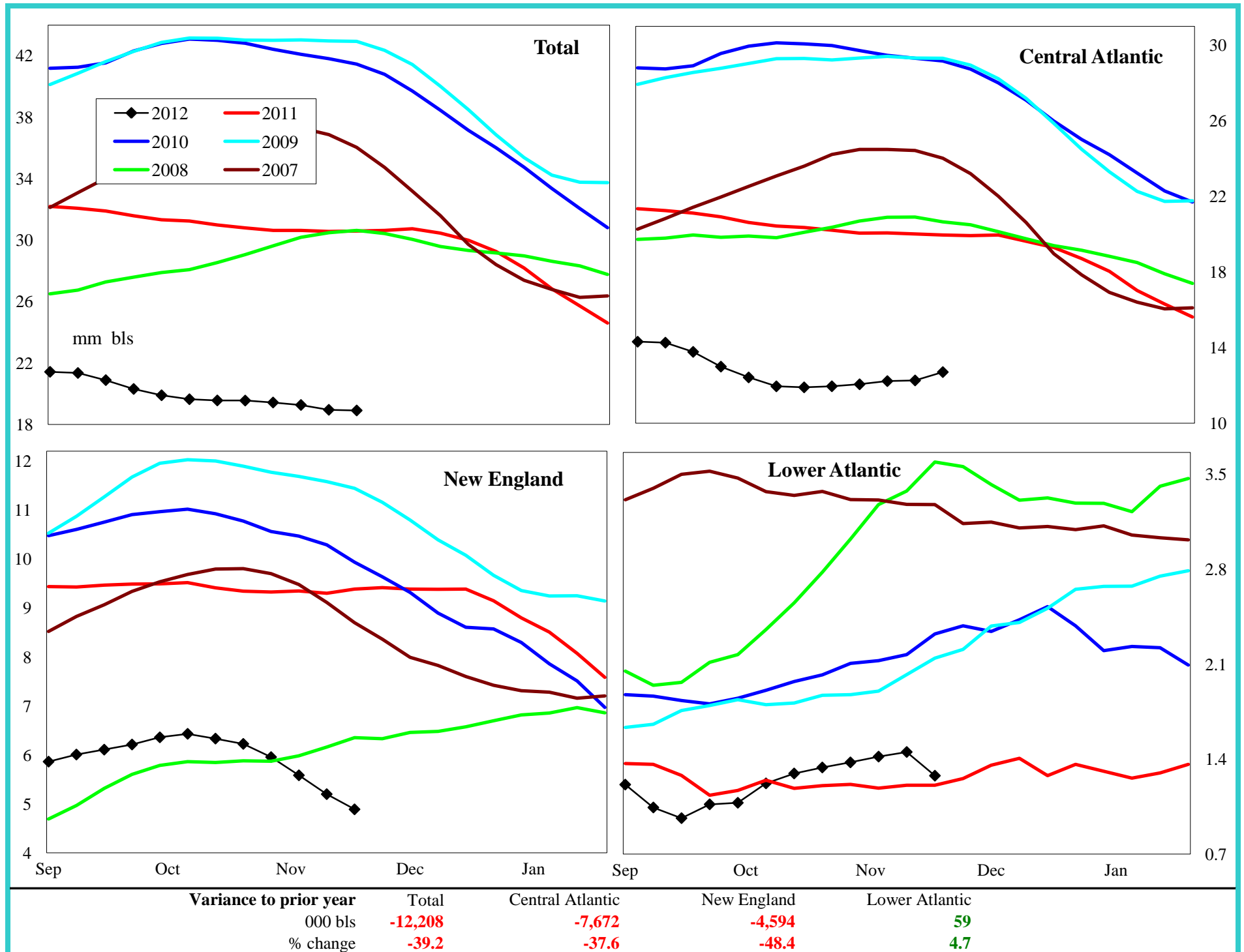




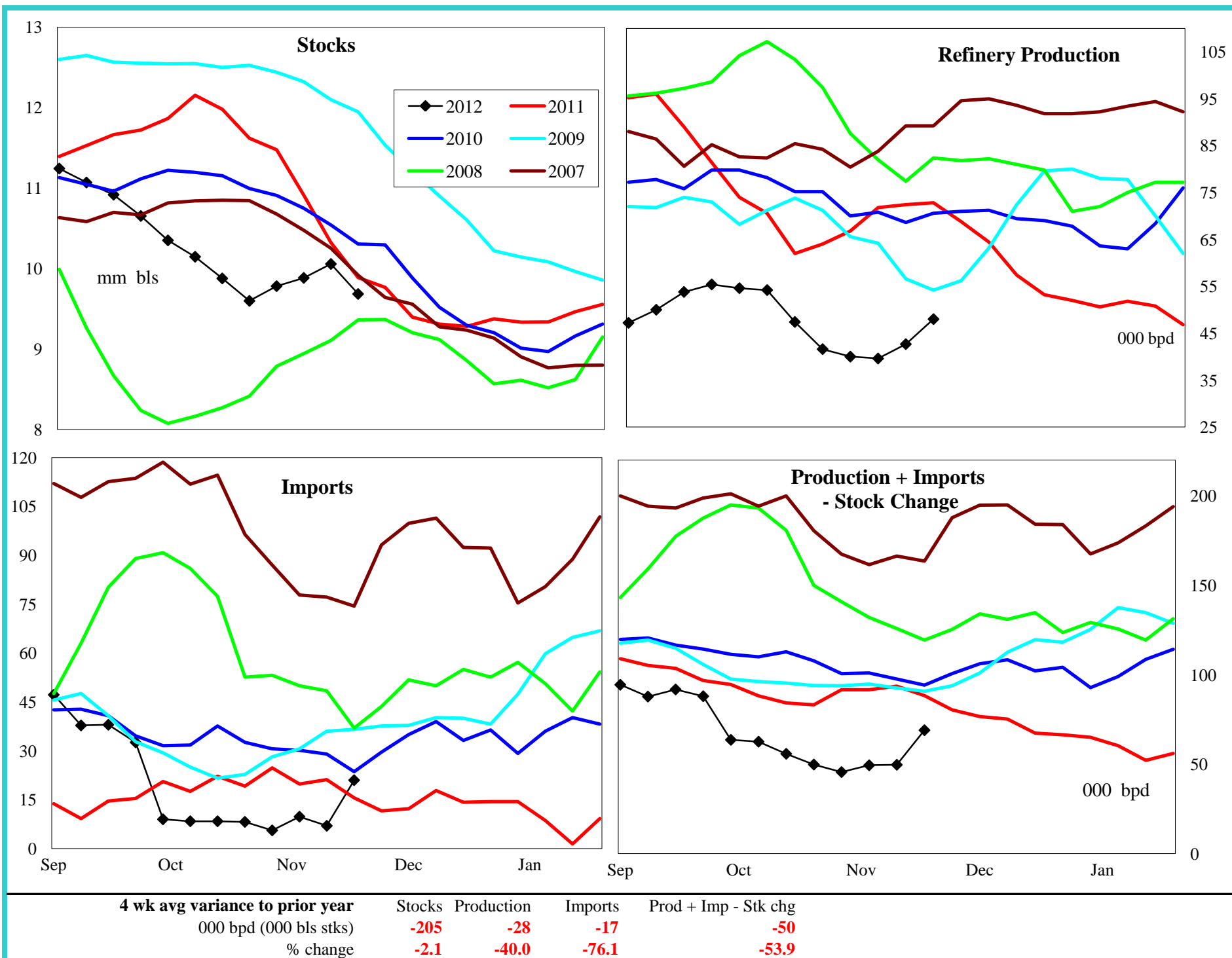
PADD 1 High Sulfur Distillate Supply



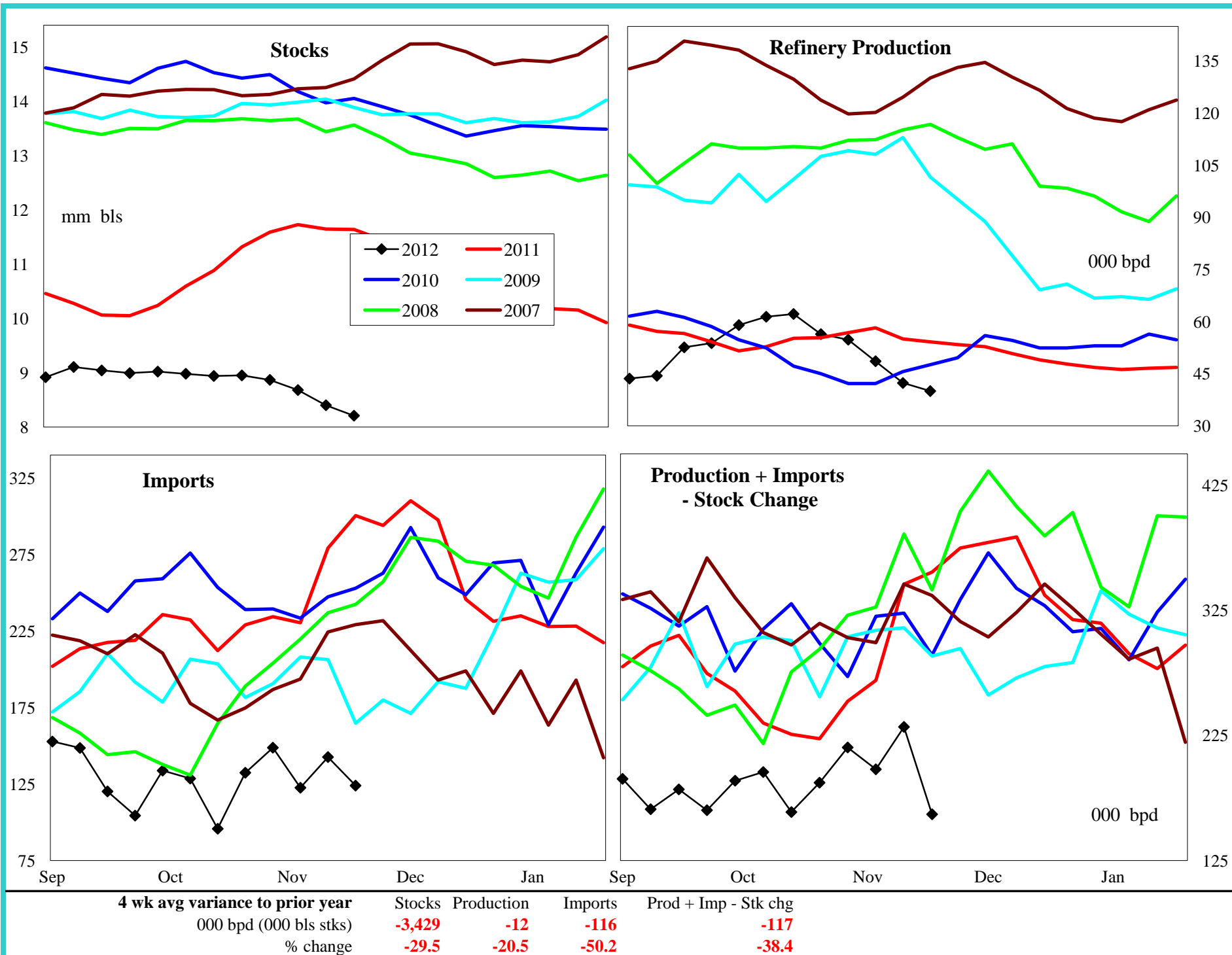
PADD 1 High Sulfur Distillate Stocks by Region



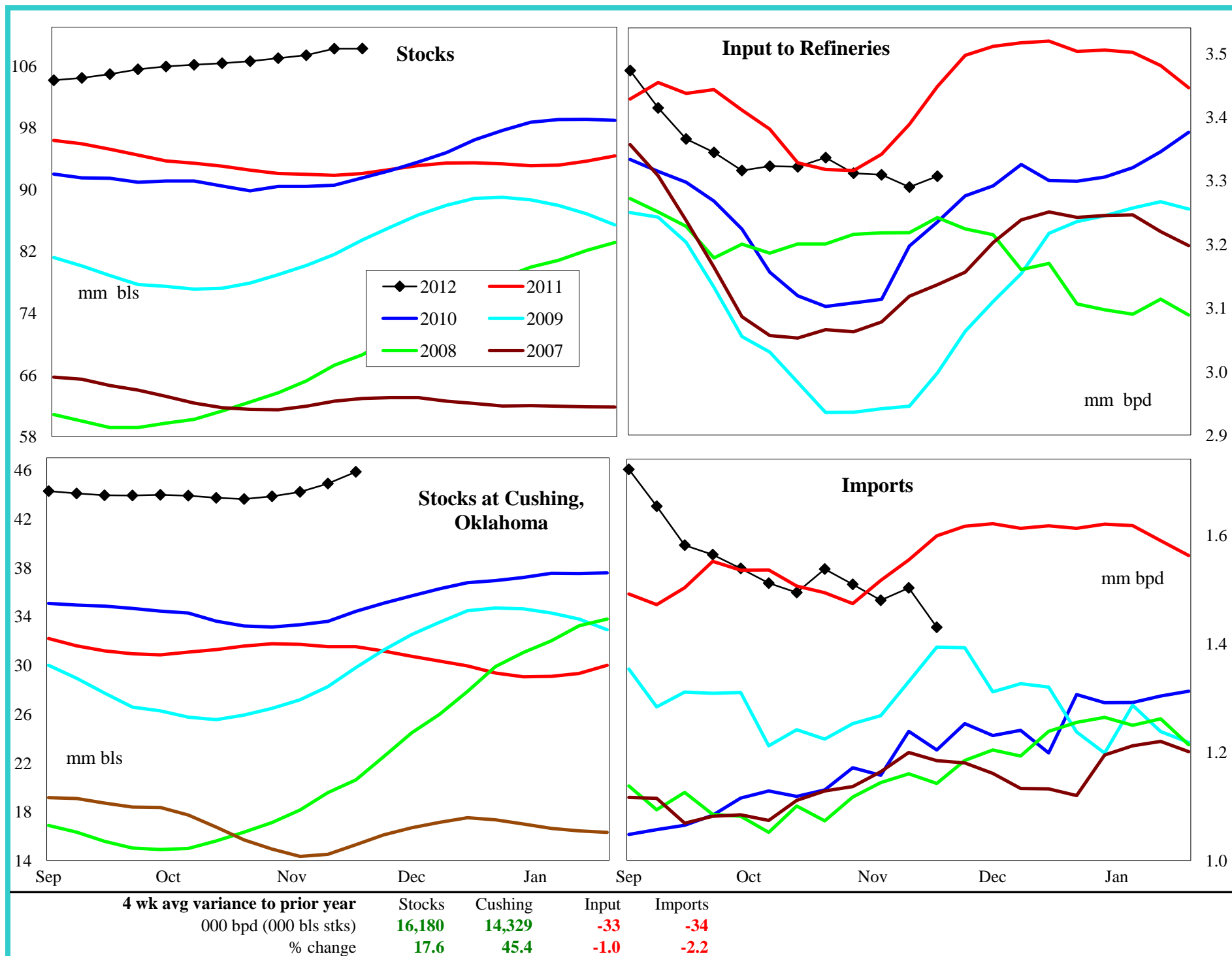
PADD 1 Jet Fuel Supply



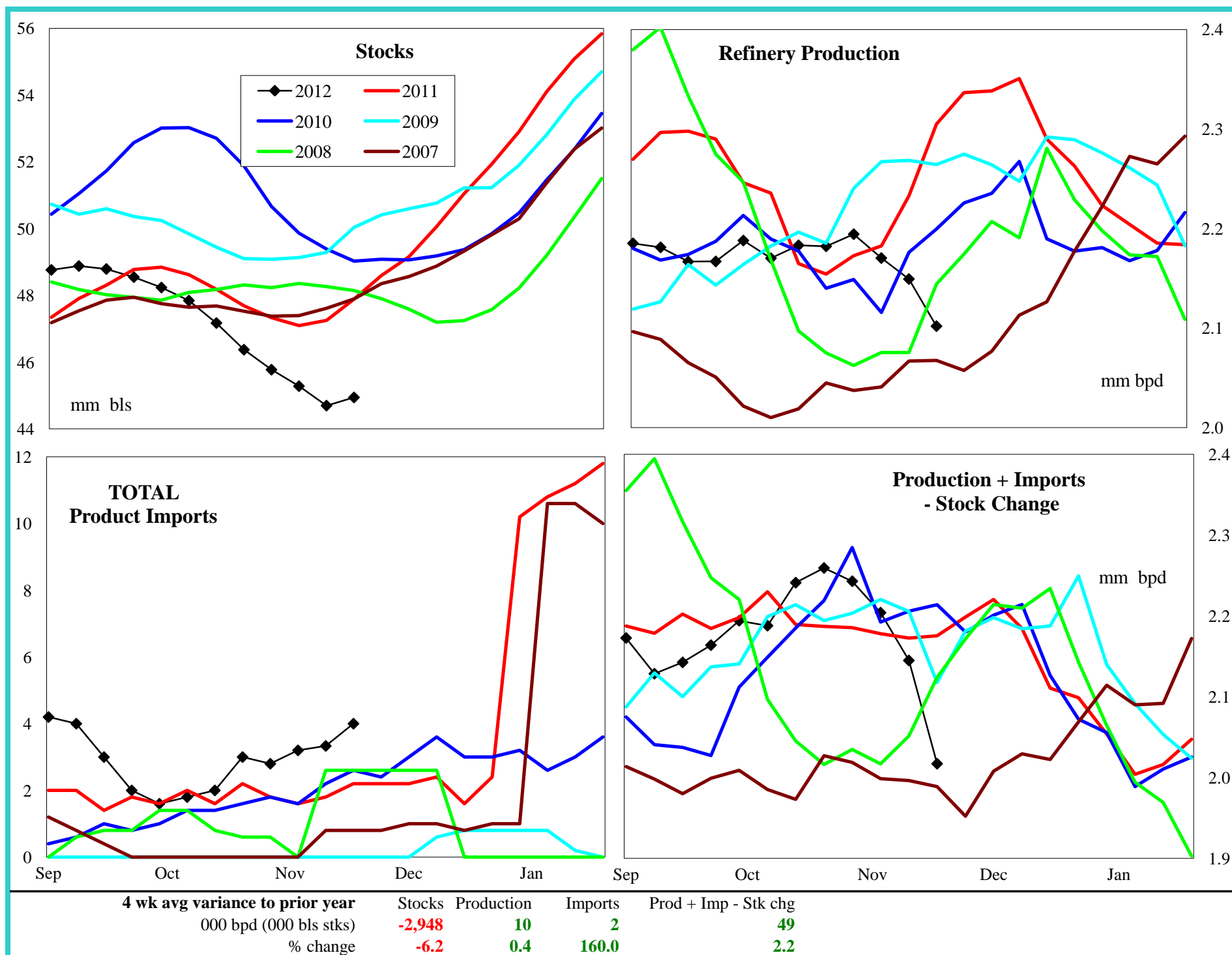
PADD 1 Residual Fuel Oil Supply



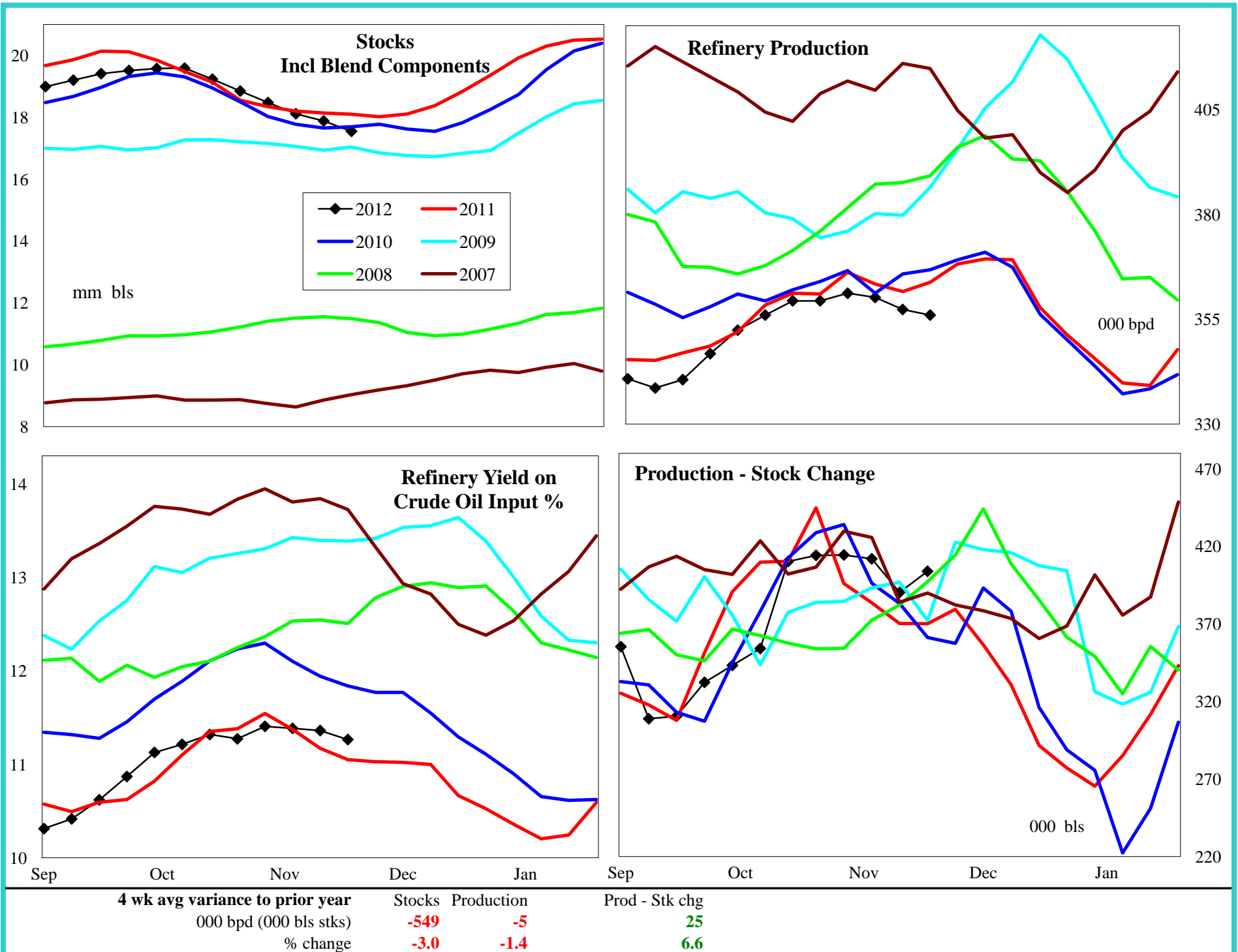
PADD 2 Crude Oil Supply and Refining



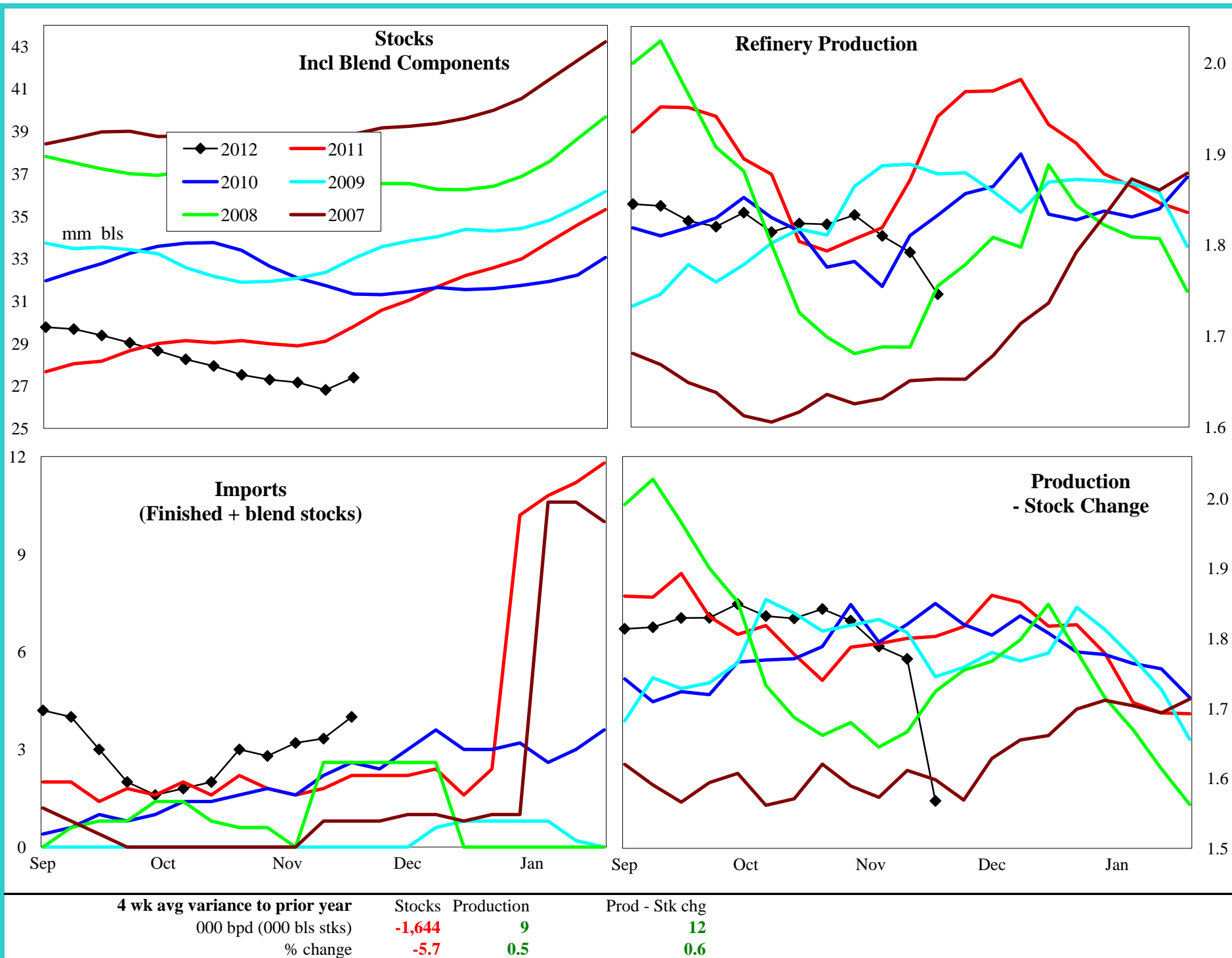
PADD 2 Gasoline Supply



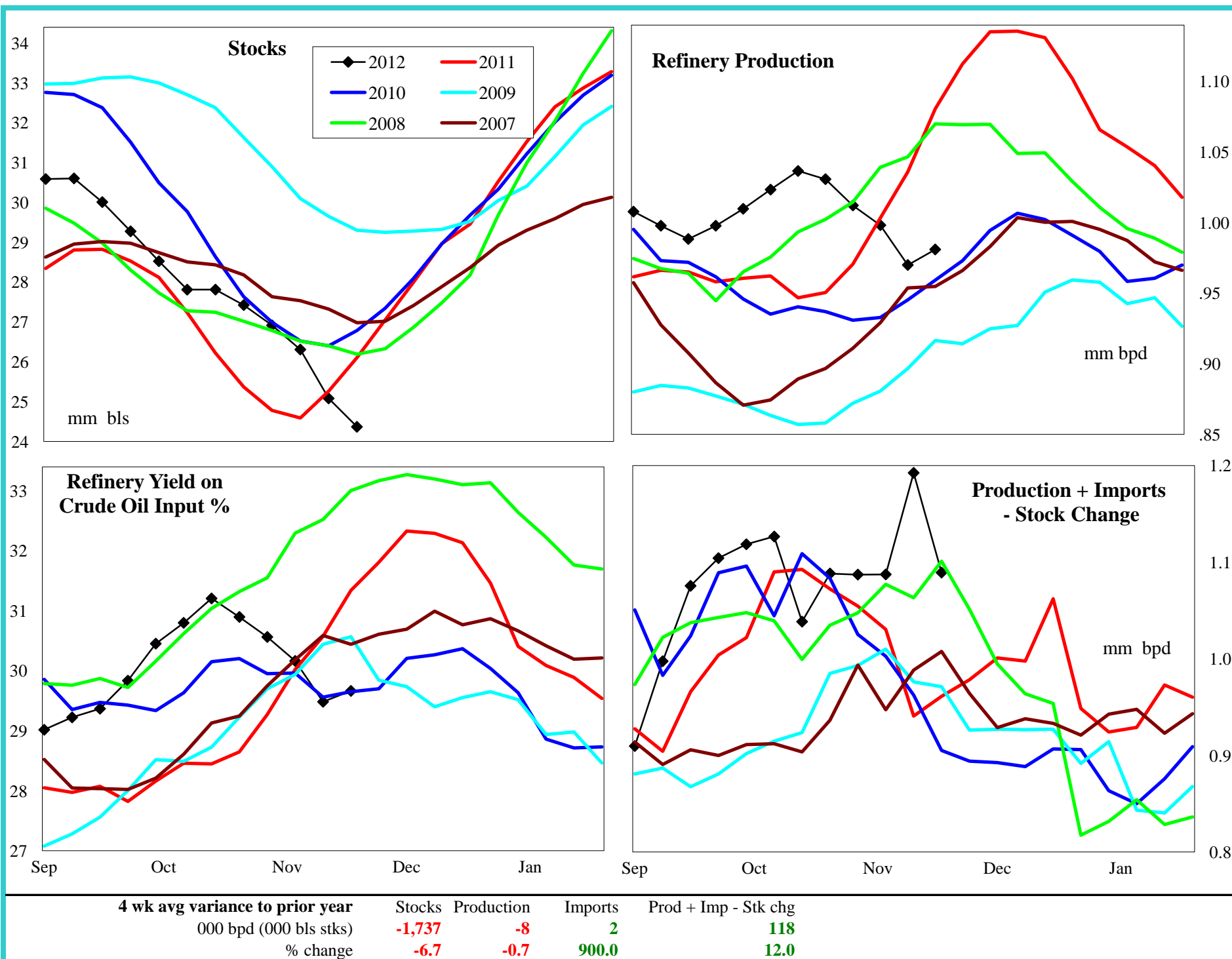
PADD 2 Reformulated Gasoline Supply



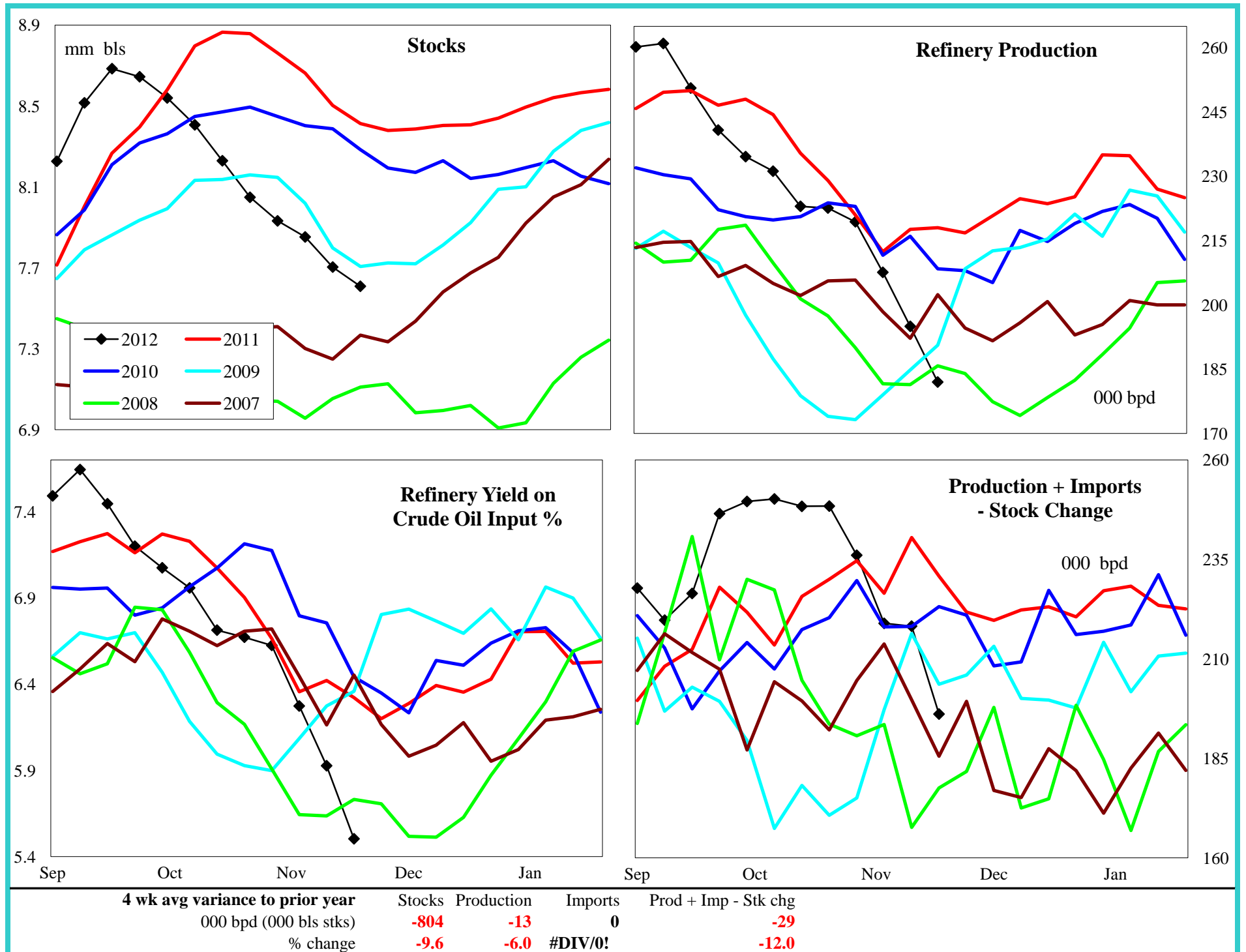
PADD 2 Conventional Gasoline Supply



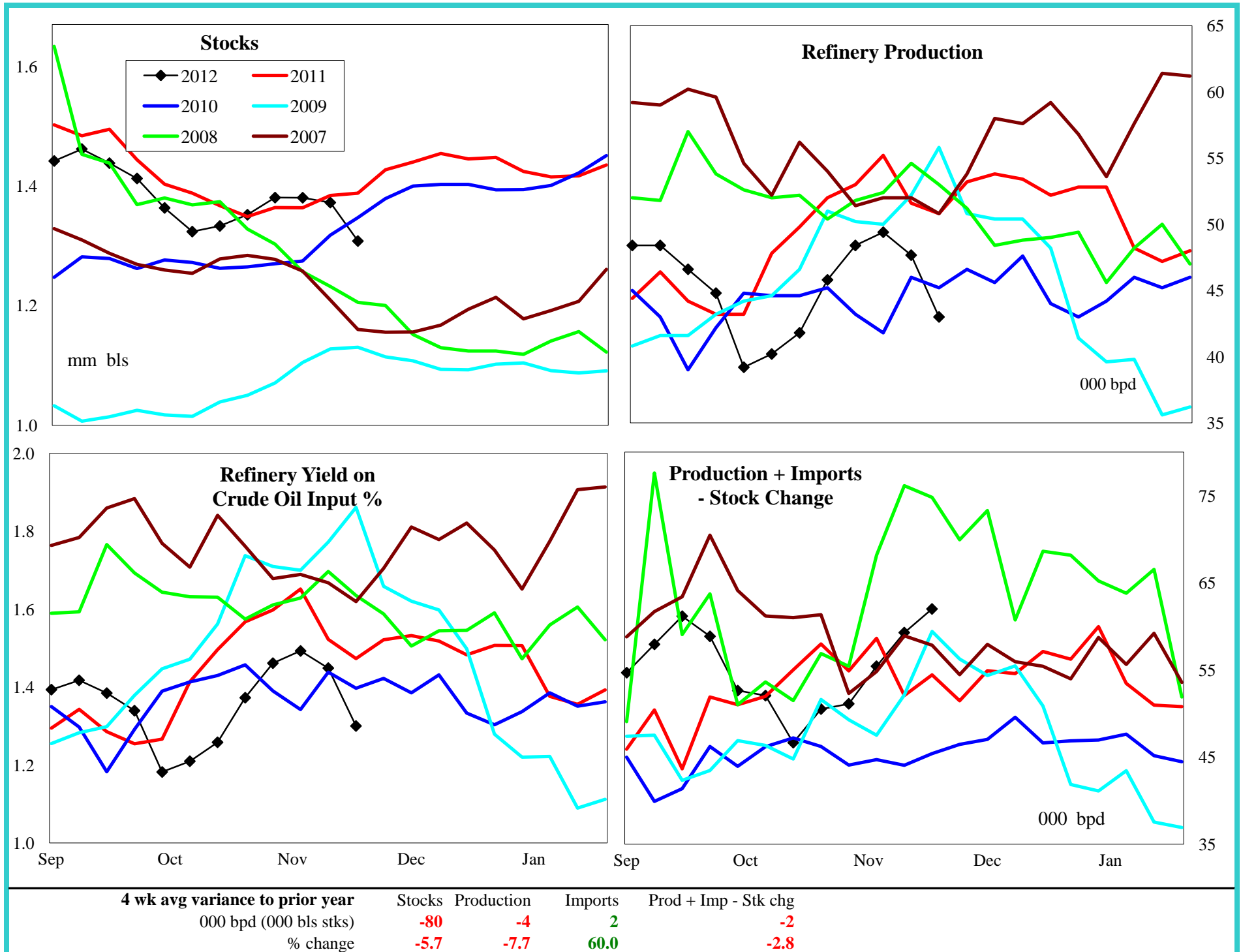
PADD 2 Distillate Supply



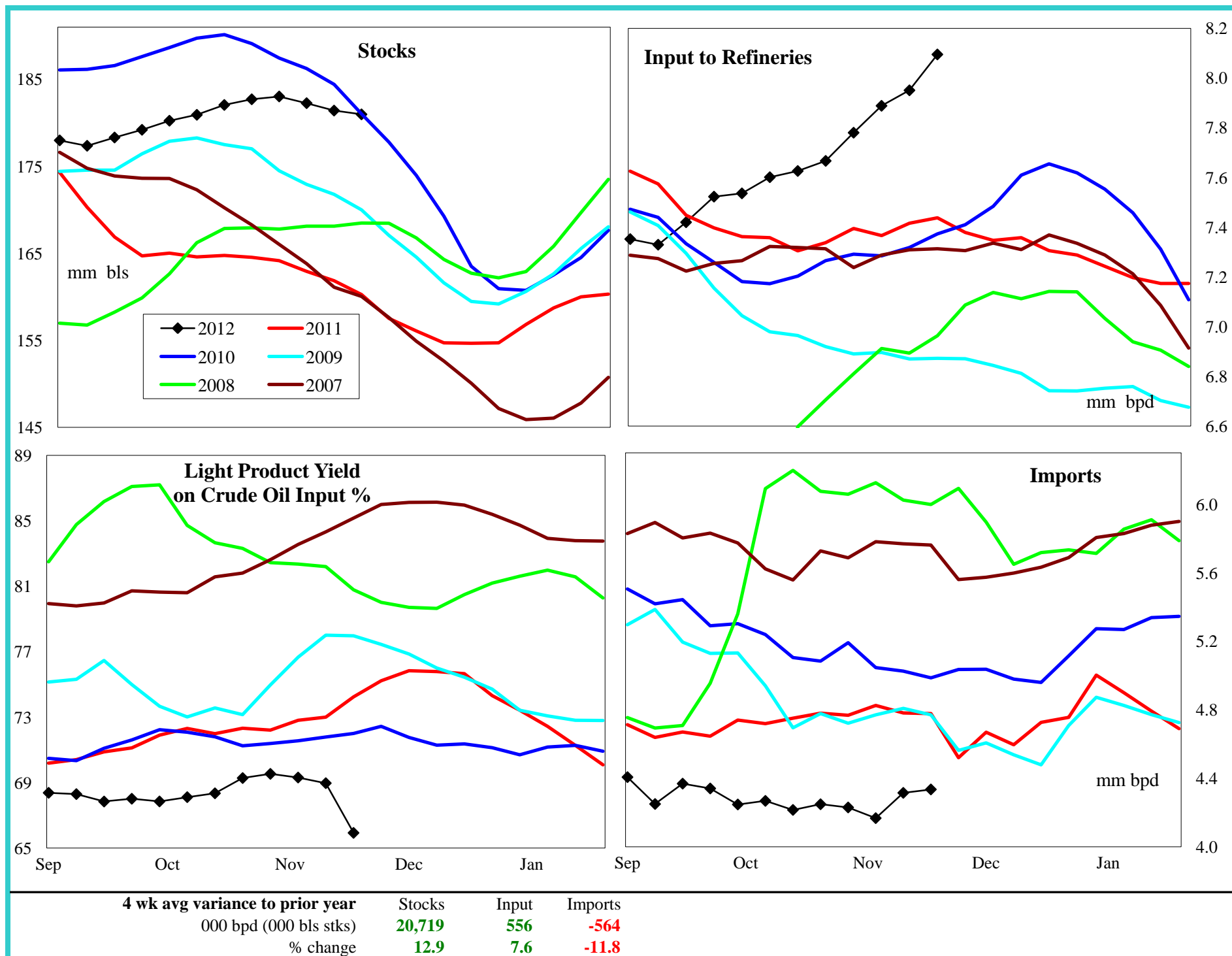
PADD 2 Jet Fuel Supply



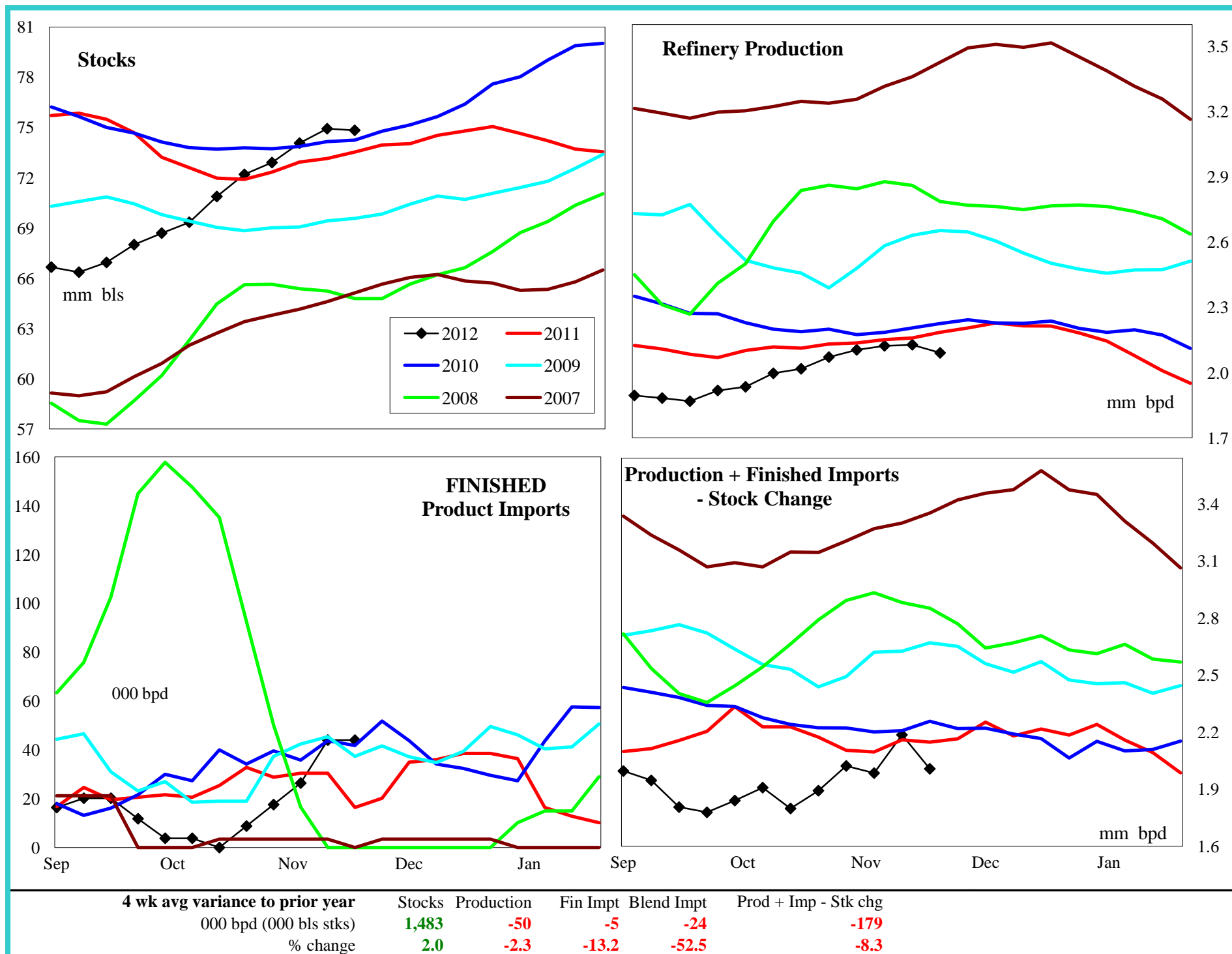
PADD 2 Residual Fuel Oil Supply



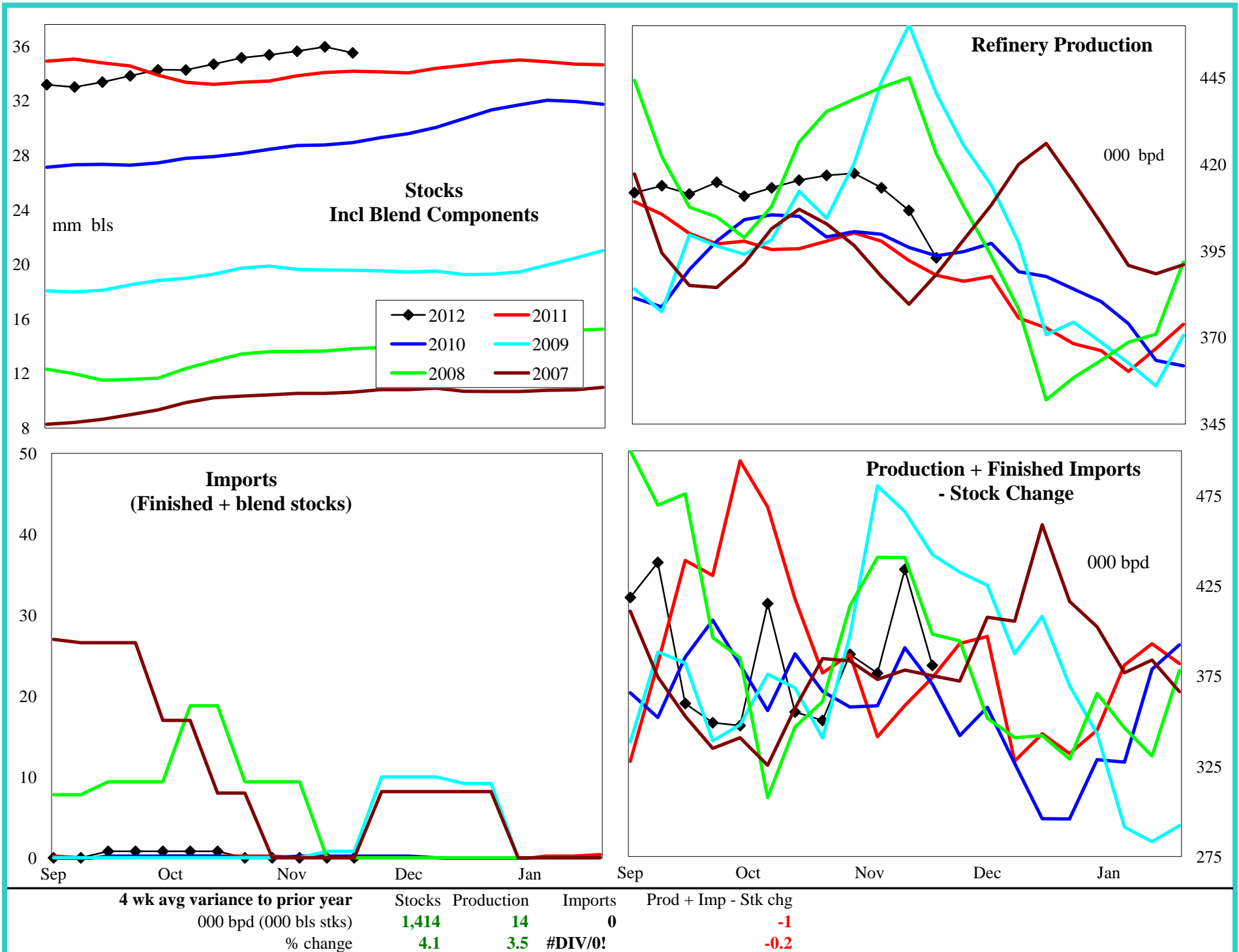
PADD 3 Crude Oil Supply and Refining



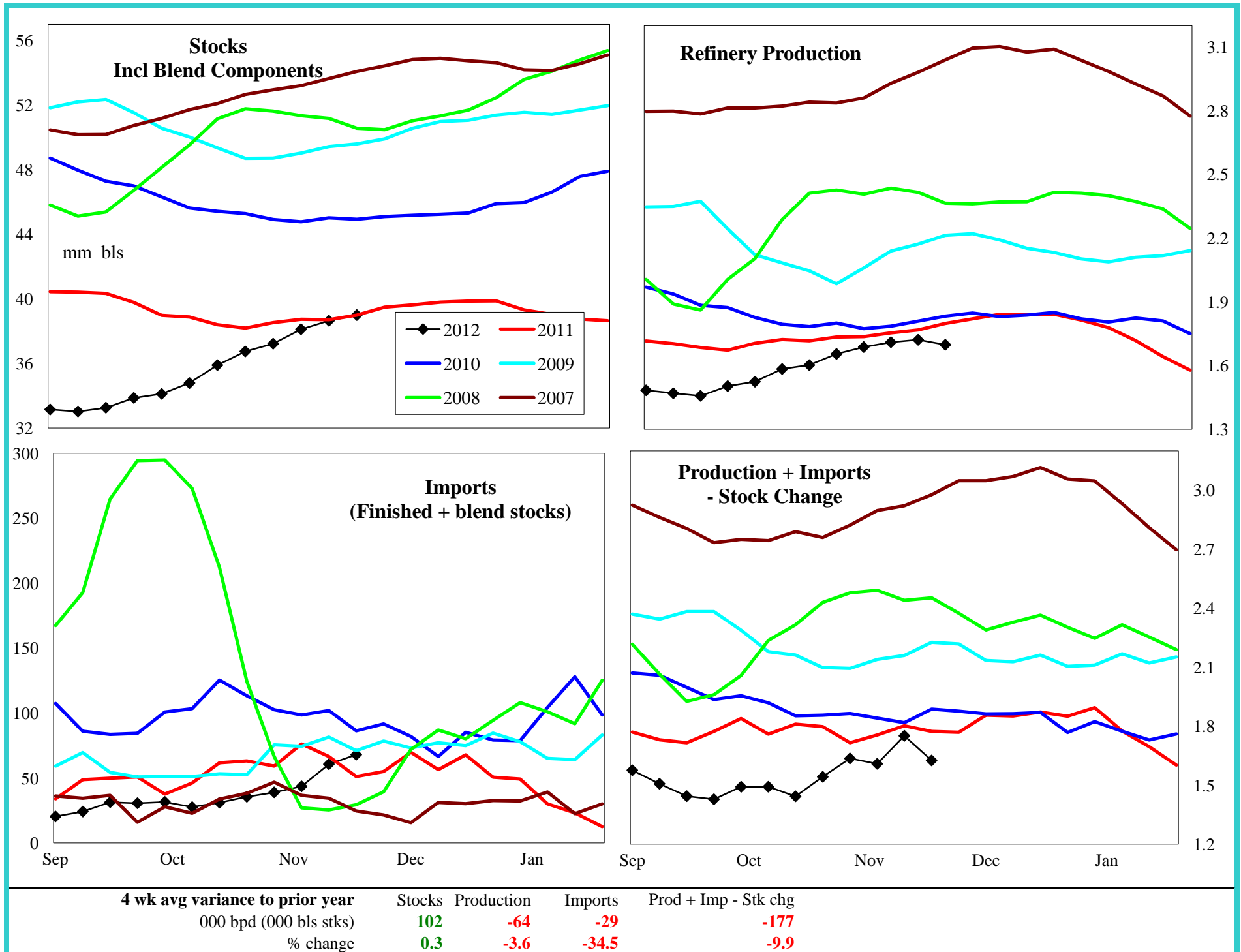
PADD 3 Gasoline Supply



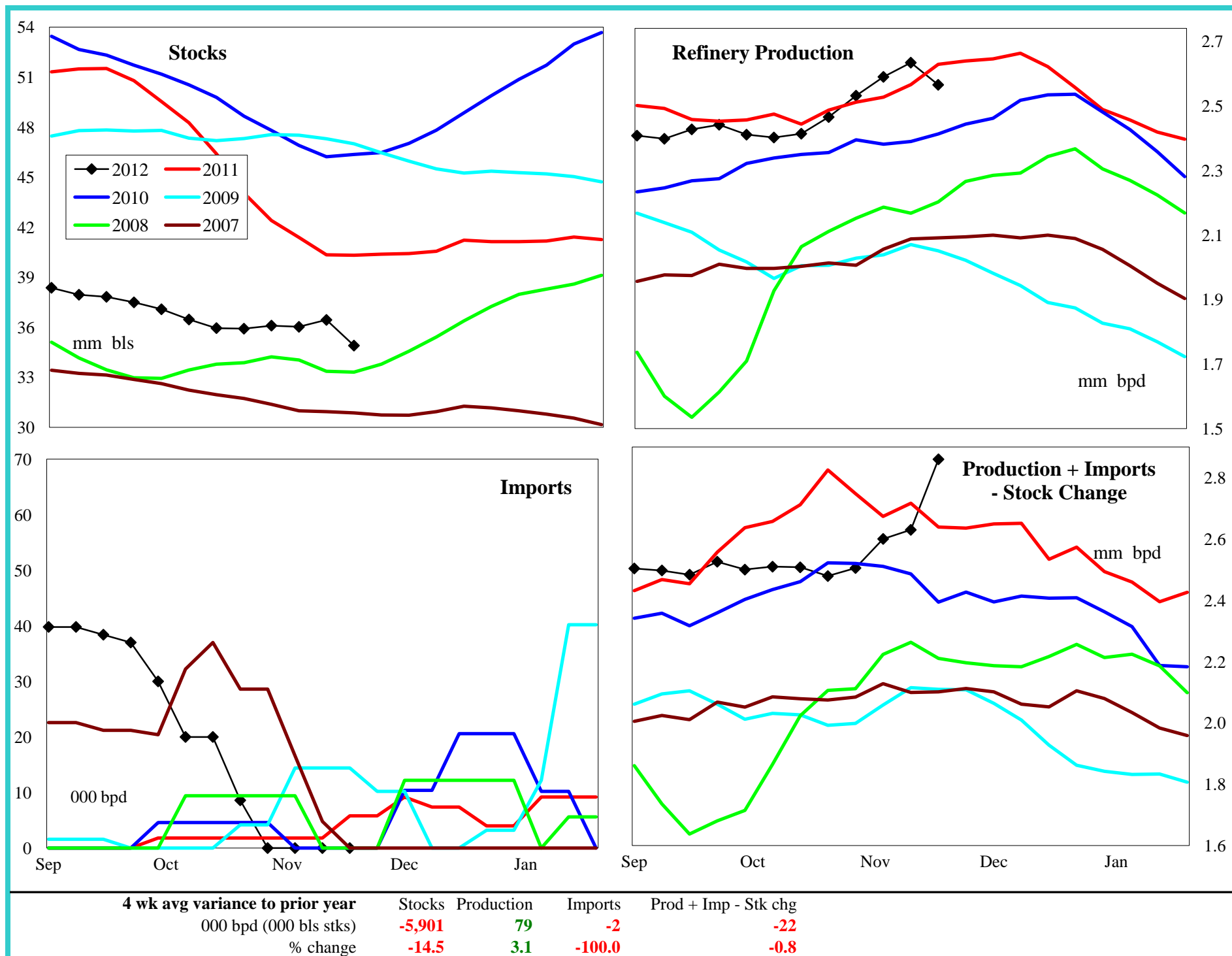
PADD 3 Reformulated Gasoline Supply



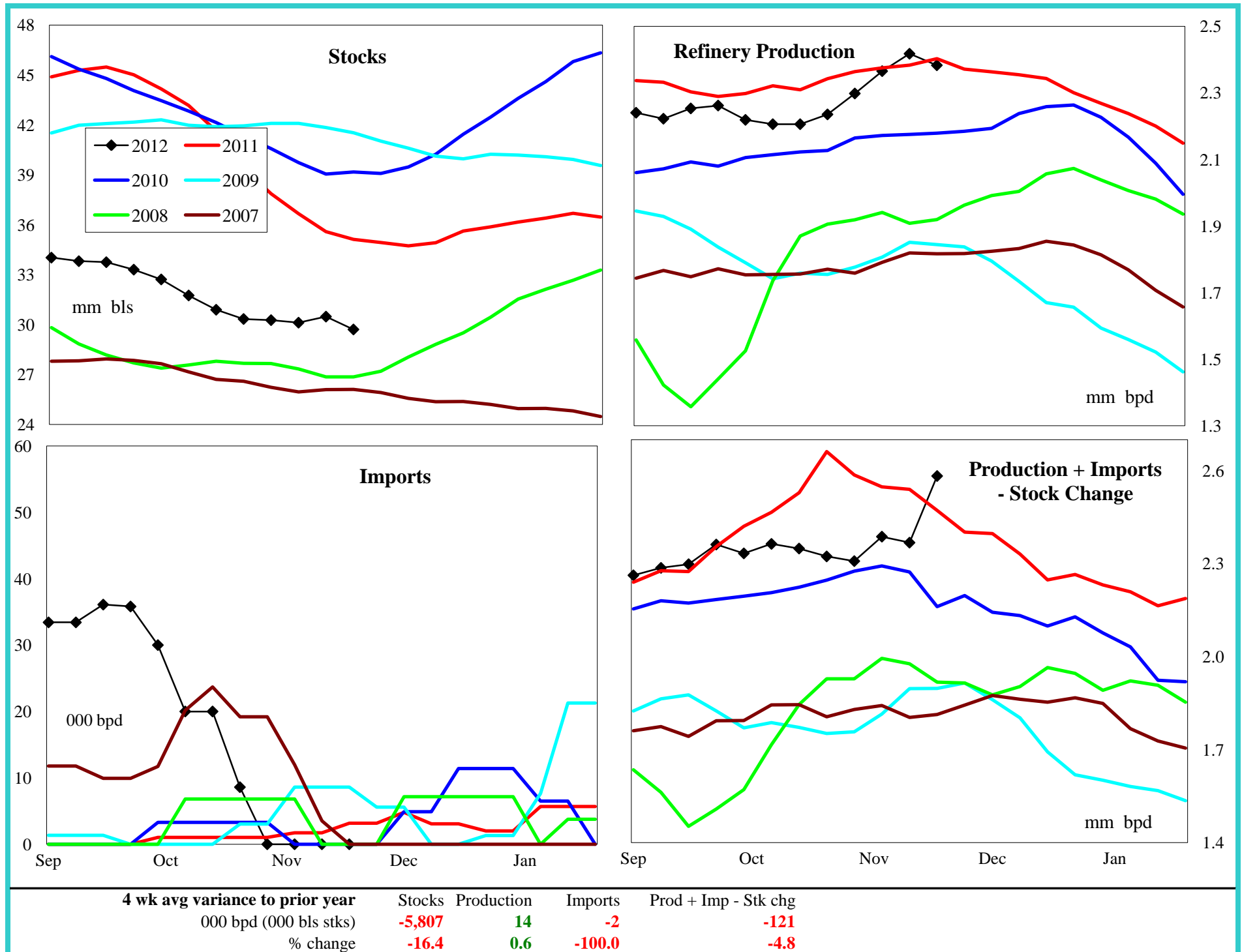
PADD 3 Conventional Gasoline Supply



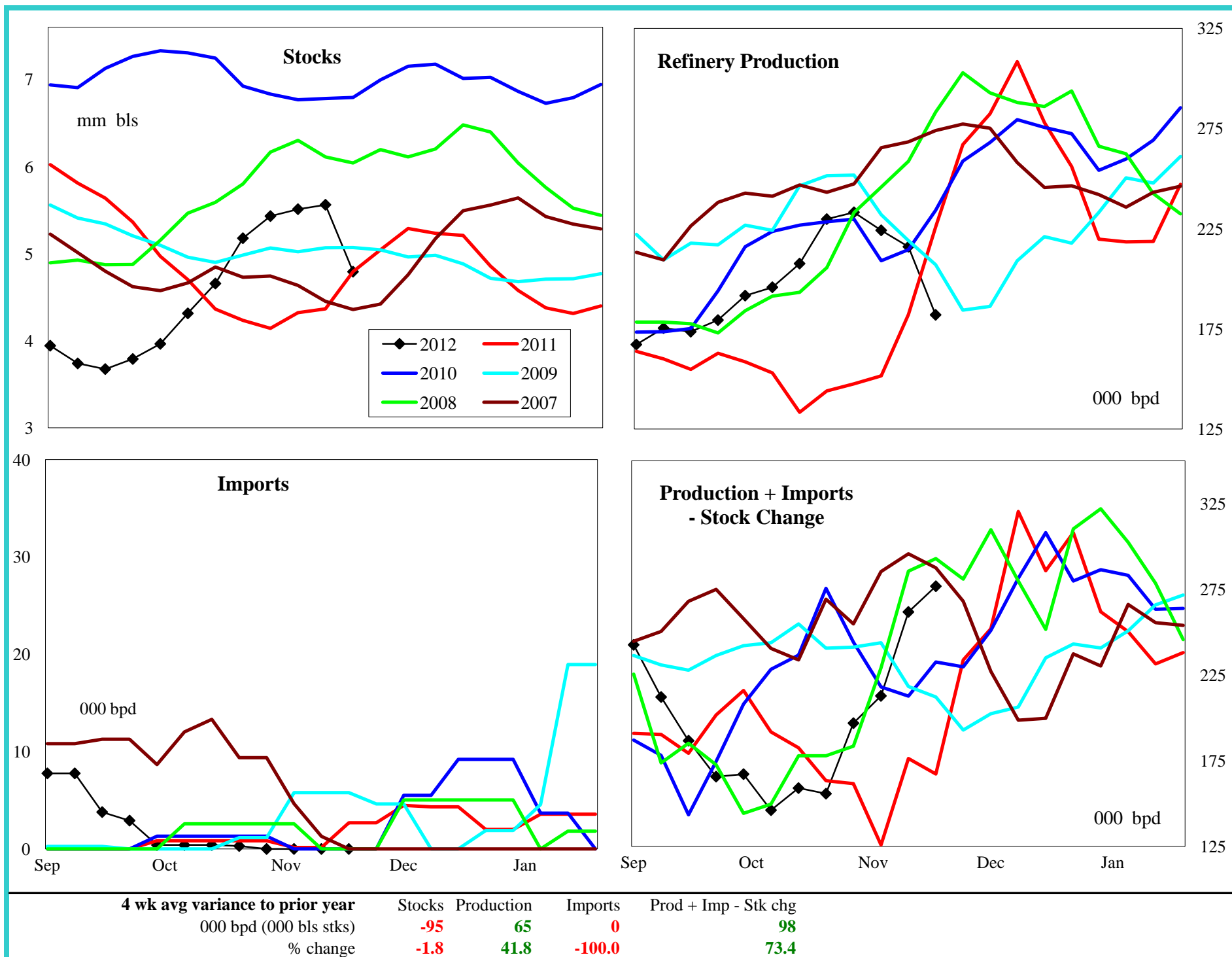
PADD 3 Distillate Supply



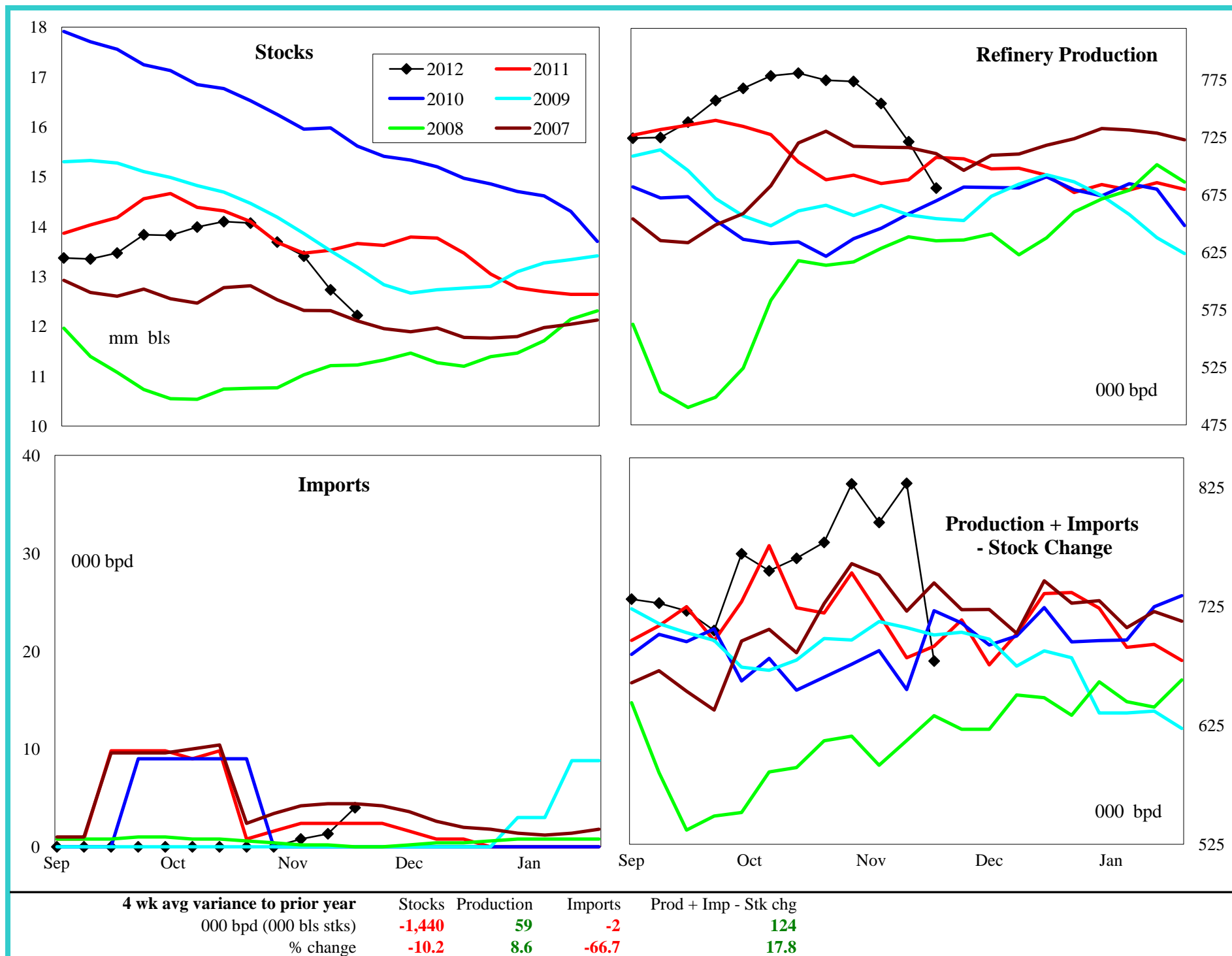
PADD 3 Low Sulfur Distillate Supply



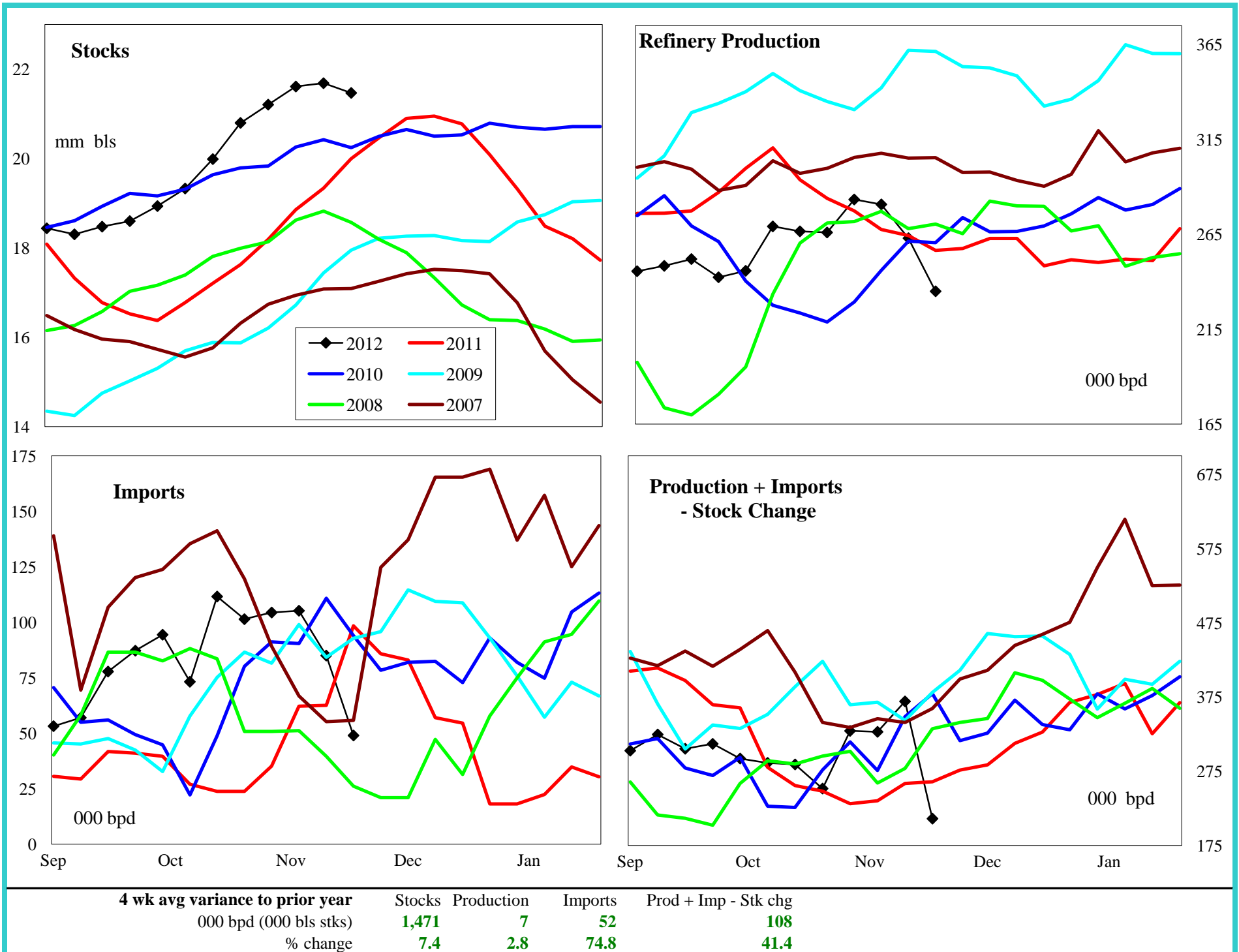
PADD 3 High Sulfur Distillate Supply



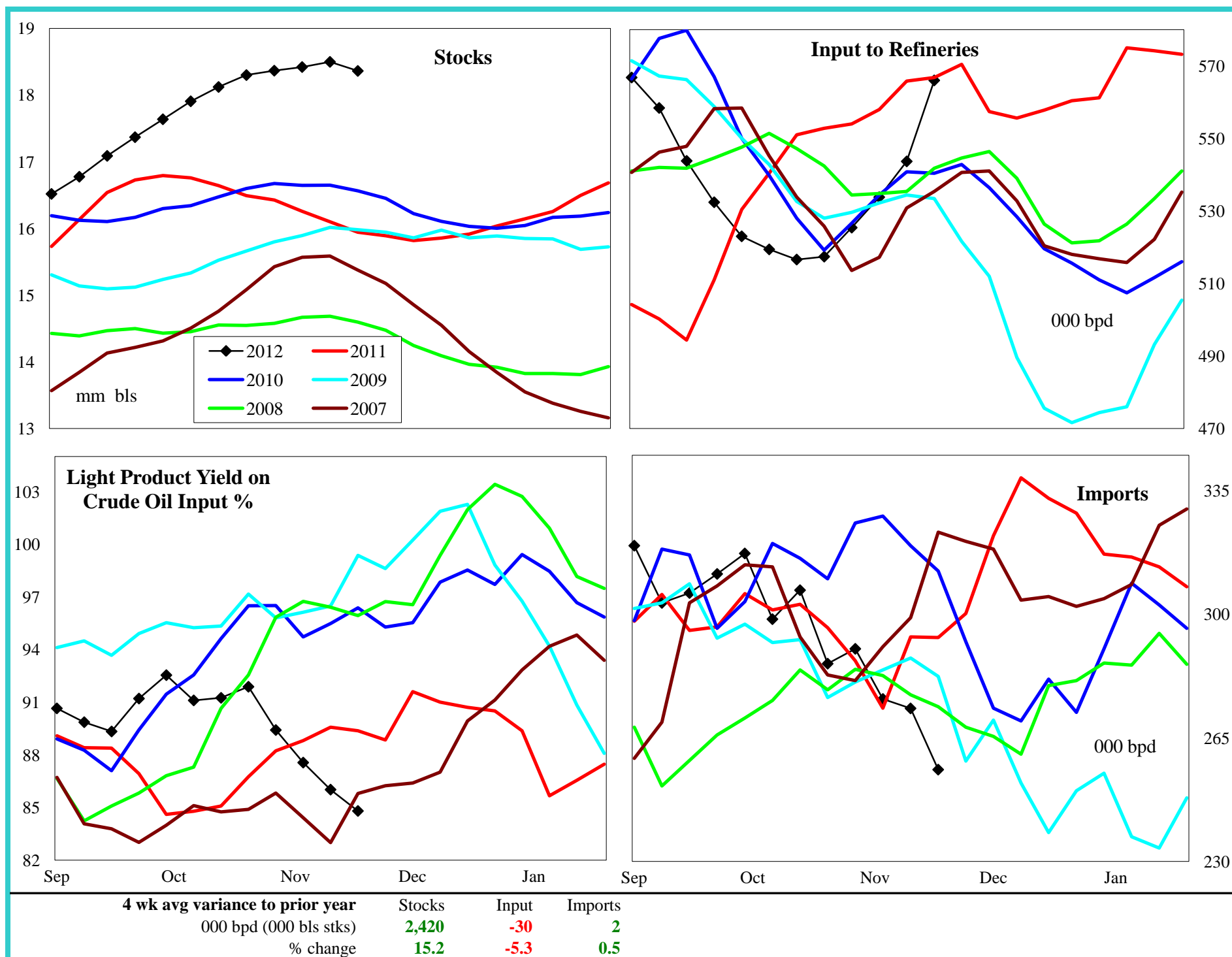
PADD 3 Jet Fuel Supply



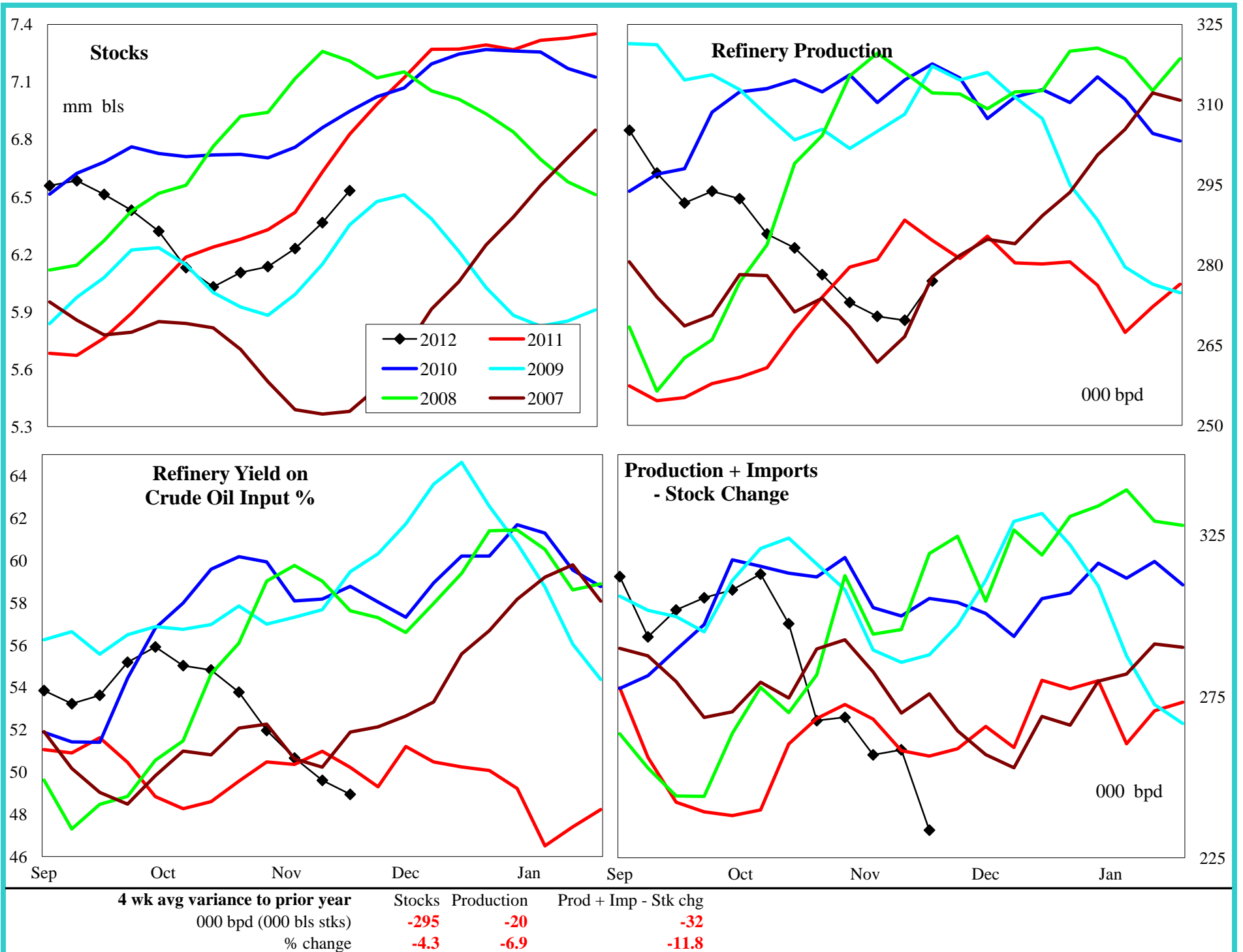
PADD 3 Residual Fuel Oil Supply



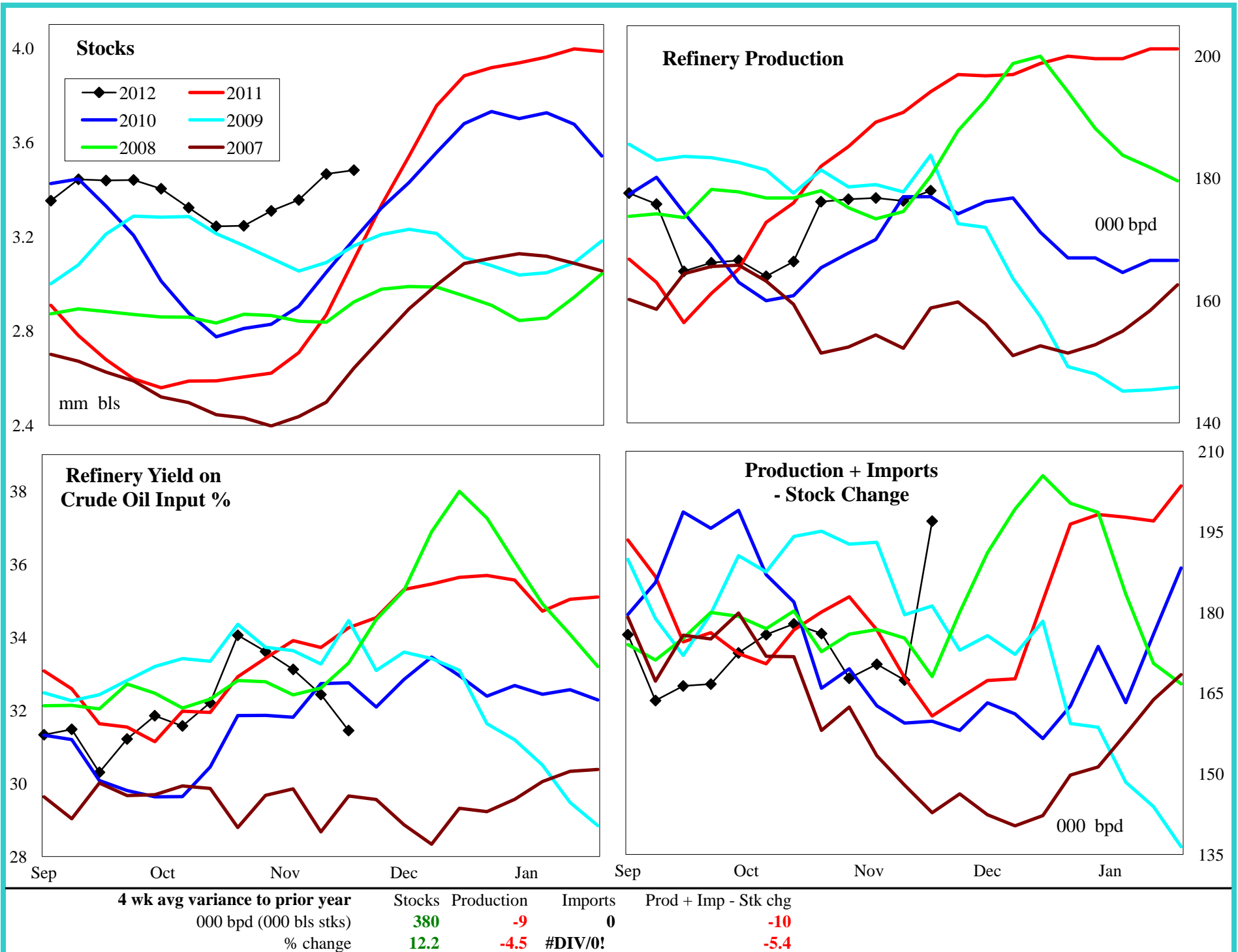
PADD 4 Crude Oil Supply and Refining



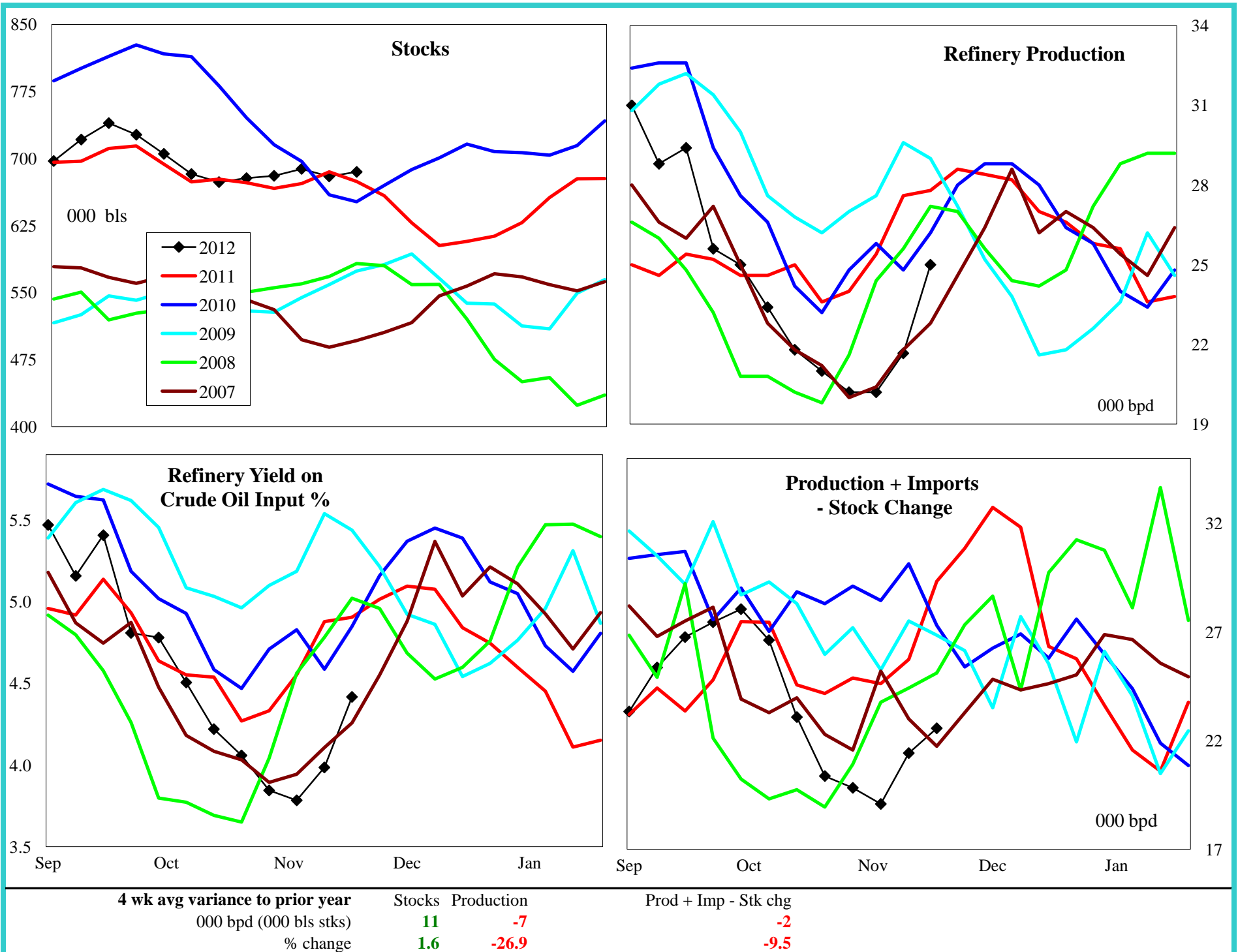
PADD 4 Gasoline Supply



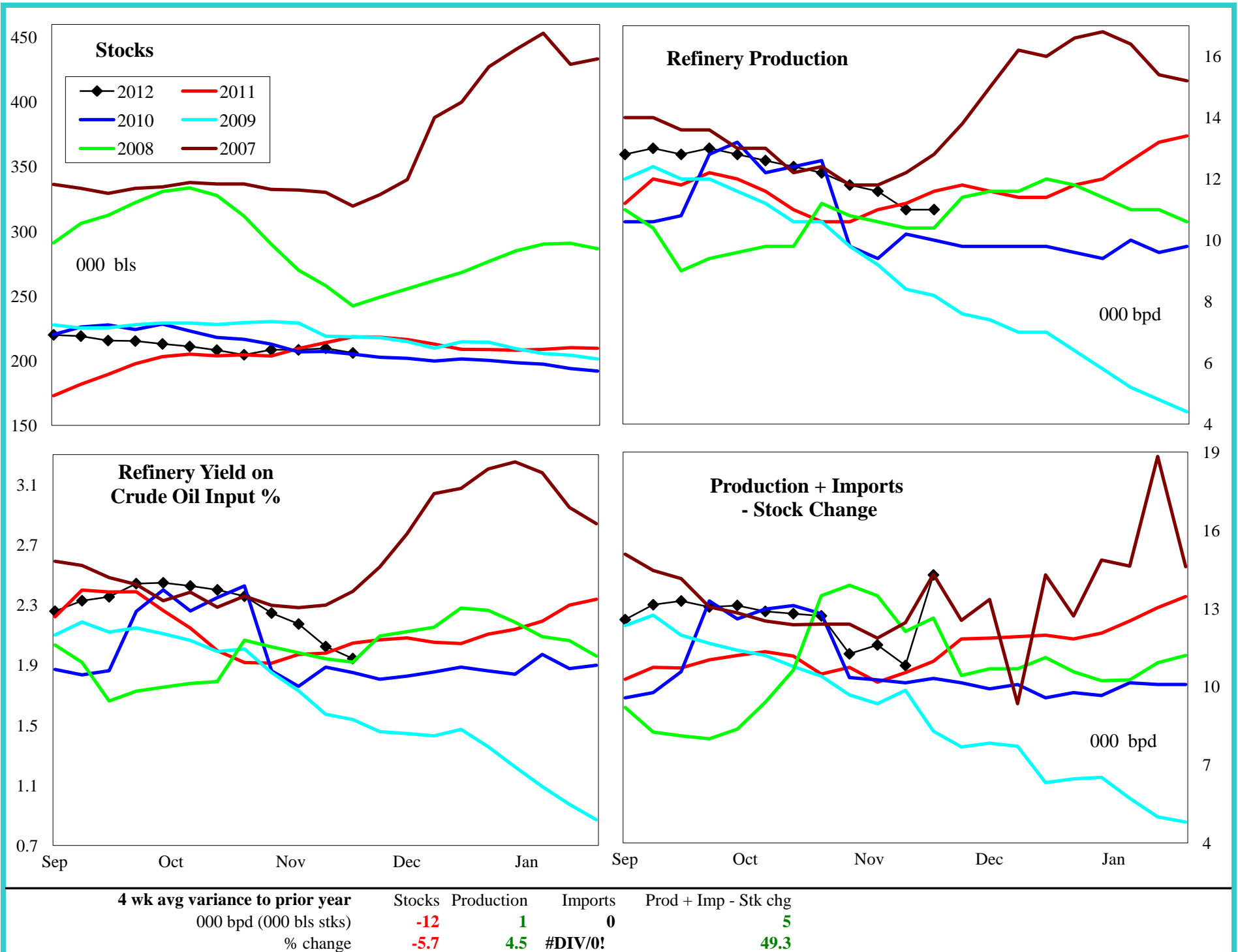
PADD 4 Distillate Supply



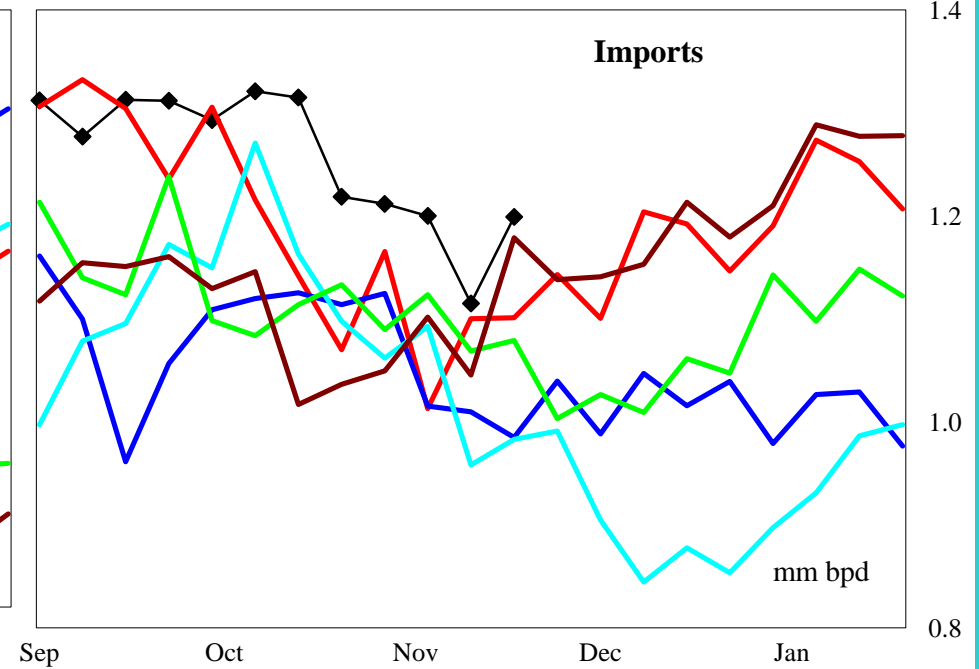
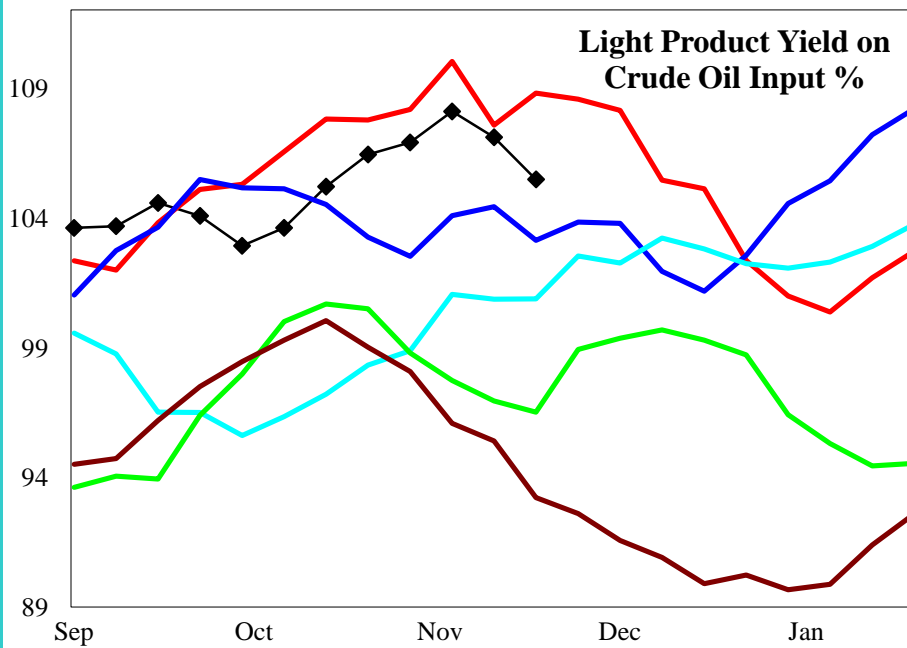
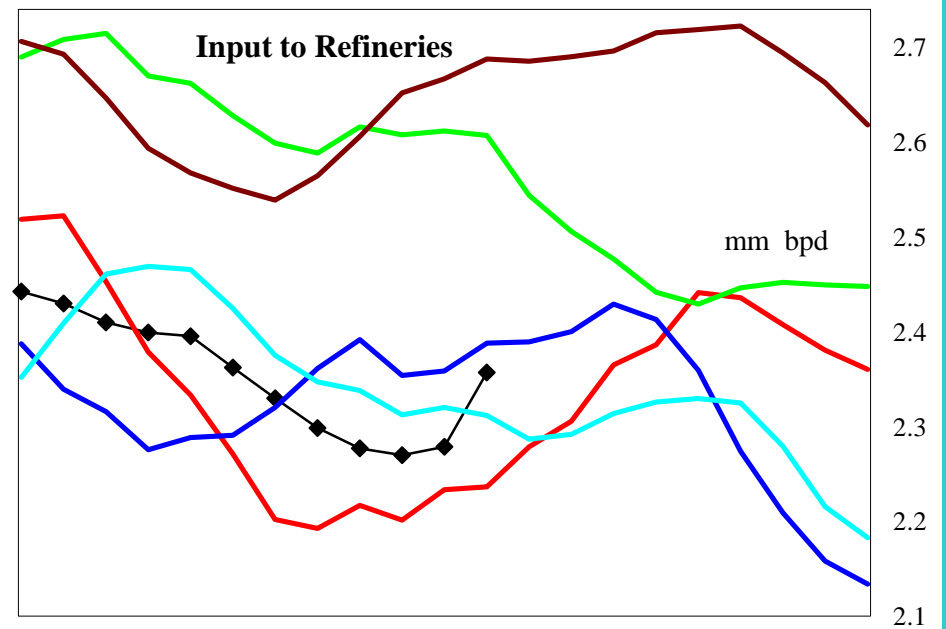
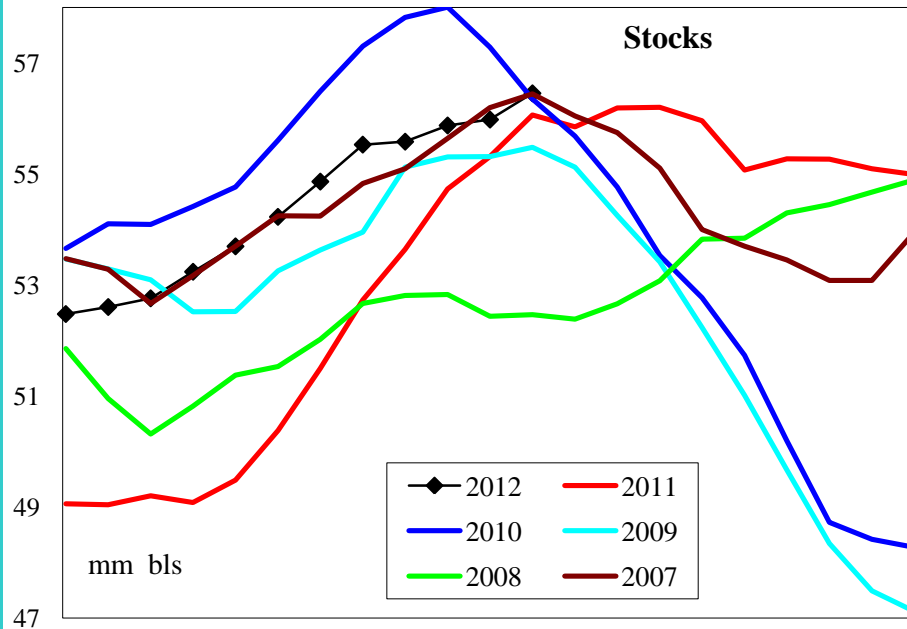
PADD 4 Jet Fuel Supply



PADD 4 Residual Fuel Oil Supply



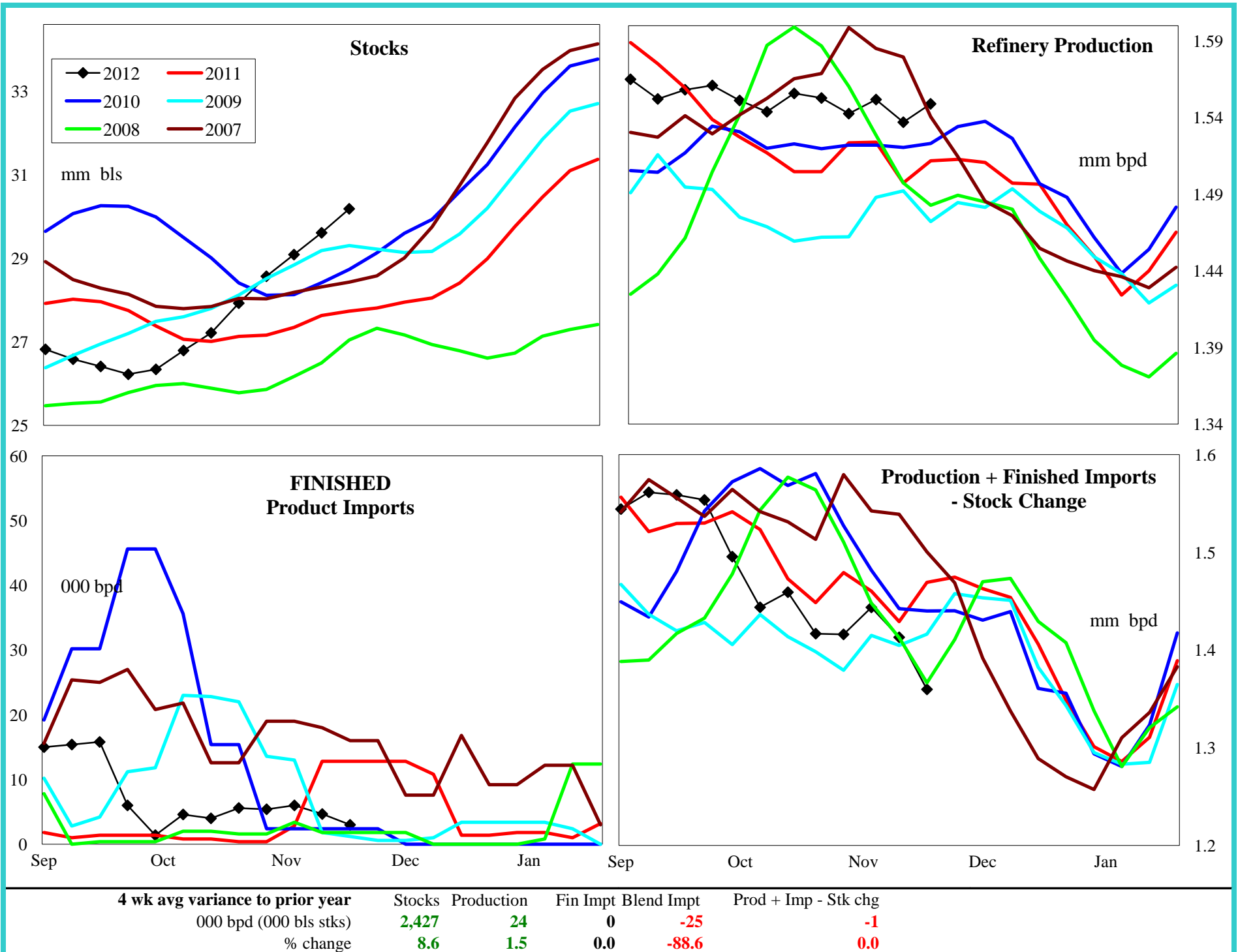
PADD 5 Crude Oil Supply and Refining



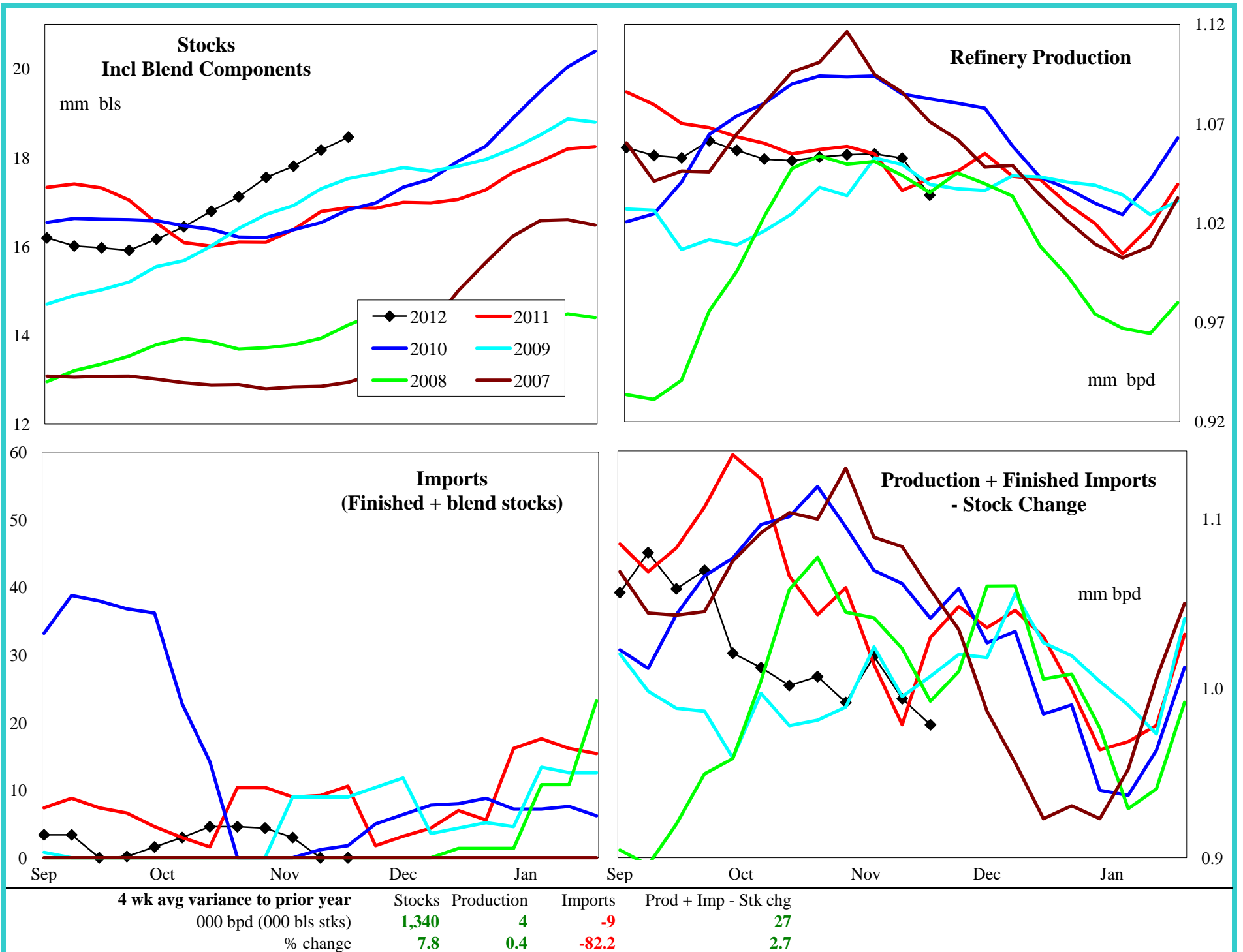
4 wk avg variance to prior year
000 bpd (000 bls stks)
% change

	Stocks	Input	Imports
000 bpd (000 bls stks)	392	79	150
% change	0.7	3.6	14.7

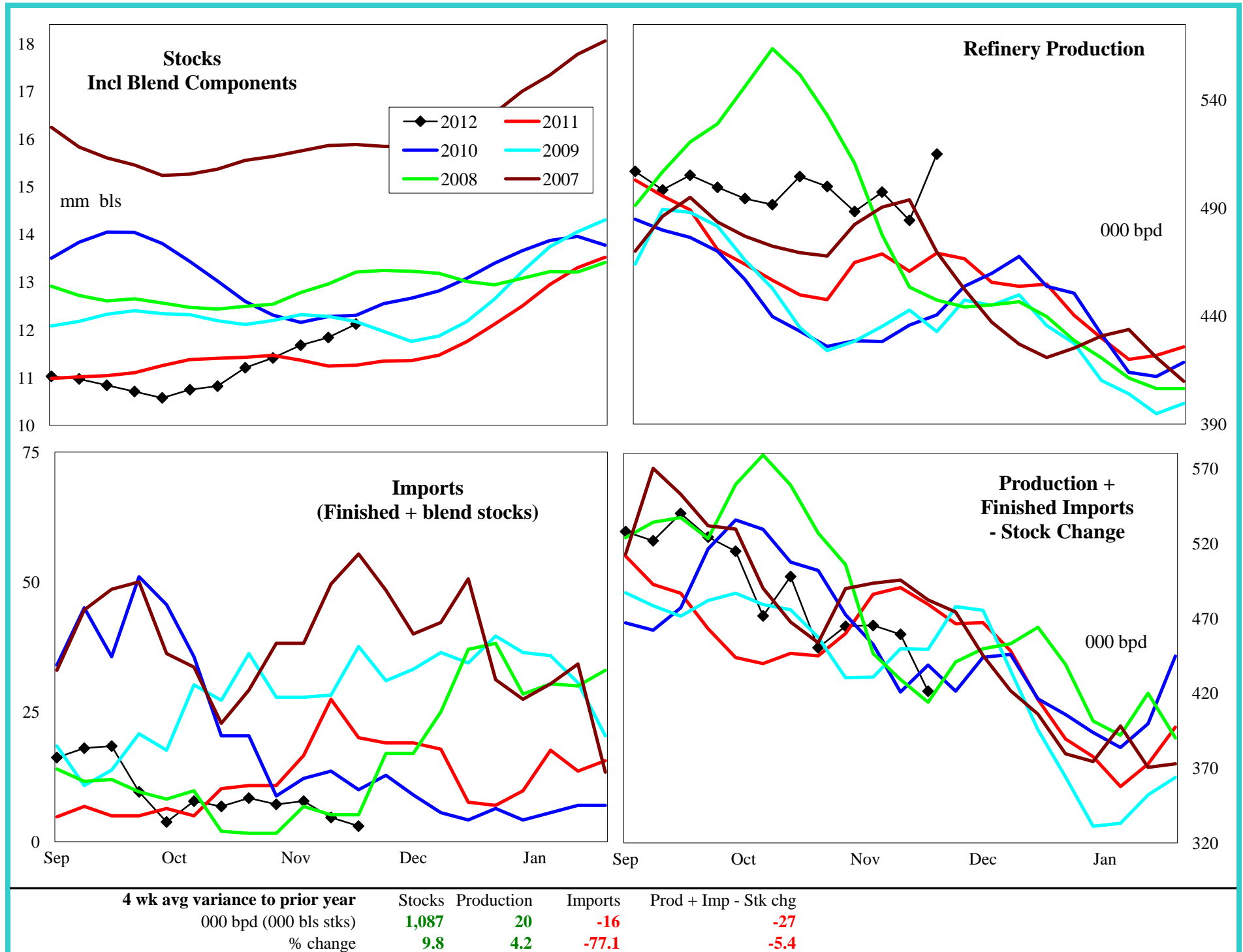
PADD 5 Gasoline Supply



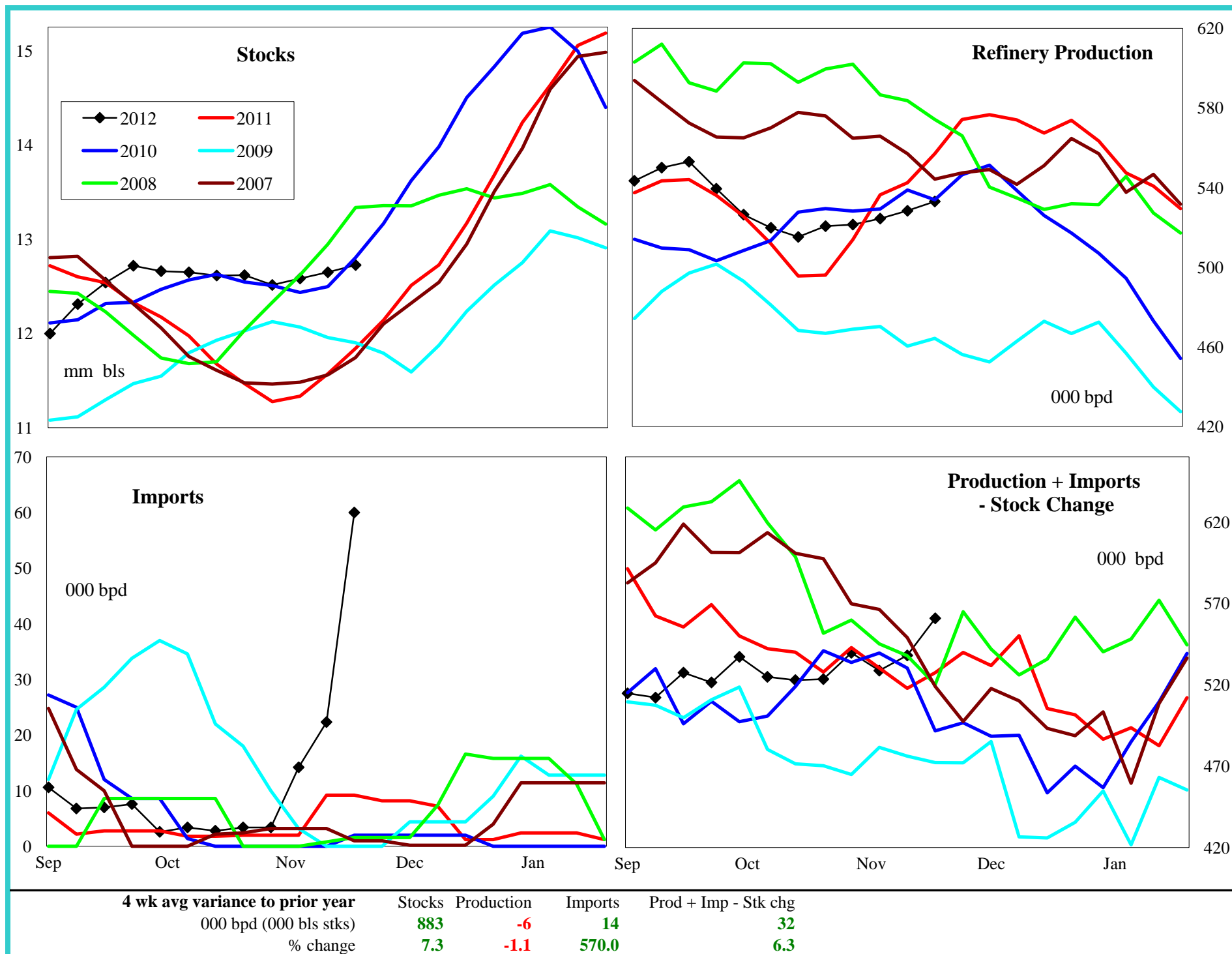
PADD 5 Reformulated Gasoline Supply



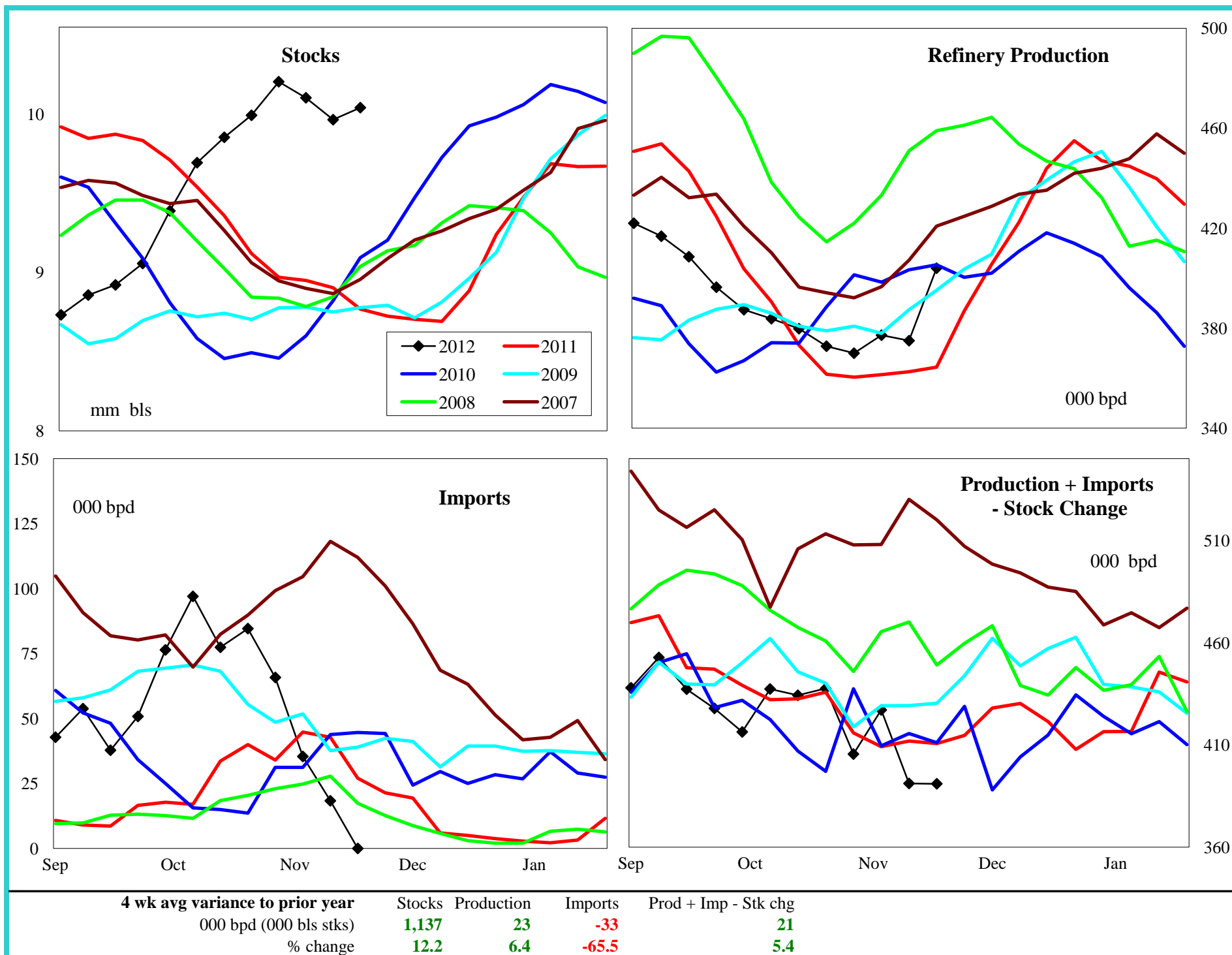
PADD 5 Conventional Gasoline Supply



PADD 5 Distillate Supply



PADD 5 Jet Fuel Supply



PADD 5 Residual Fuel Oil Supply

