



WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

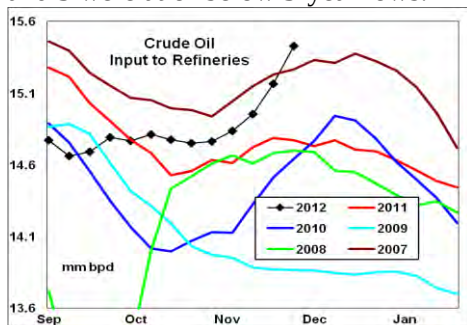
A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Wednesday, December 05,

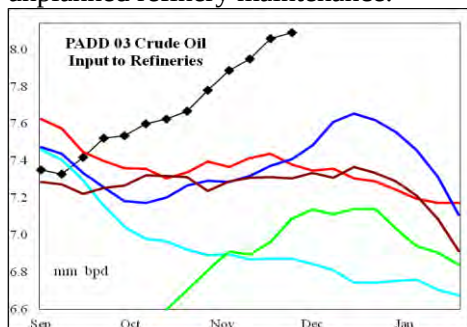


Major Fundamental Trends¹

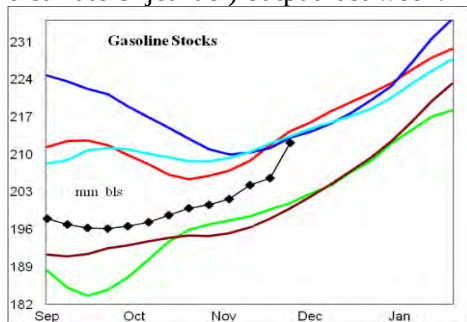
Refinery crude oil runs have increased +550,000 bpd during the last 2-wks, to a level above the 5-year range. Runs in PADDs 2, 3 & 4 each matched or exceeded 5-year highs while PADDs 1 and 5 were at or below 5-year lows.



Crude oil runs were +0.7 million bpd above last year in the Gulf Region last week. The record thru put reflects startup of the Motiva refinery expansion and the absence of unplanned refinery maintenance.

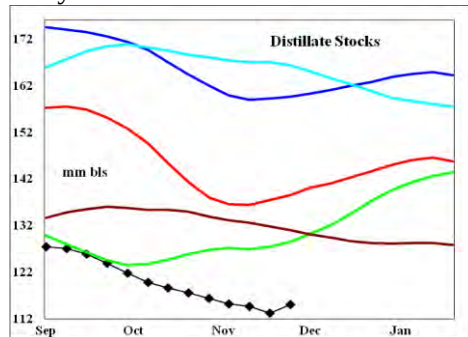


Seasonally high crude oil refinery runs led to a +0.9 million bpd increase in combined transport fuels (gasoline, distillate & jet fuel) output last week.

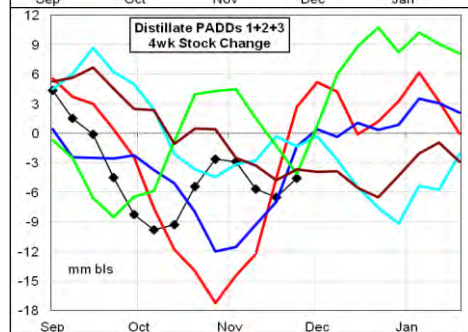
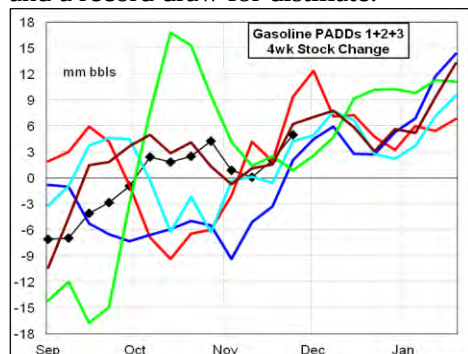


Low seasonal demand for transport fuels on the week, led to gasoline and distillate stock builds of +7.9 and +3

million barrels, respectively. Gasoline stocks ended the week -2.9 million barrels below last year while distillate stocks were -26 million barrels below last year.



Even with the large stock builds last week, the latest 4-wk builds are comparable to last year for gasoline and a record draw for distillate.



Demand for gasoline and distillate each decreased last week. Wholesale demand, measured over the last four weeks compared to a year ago: gasoline increased +0.1%; distillate was +1.8% higher; jet fuel was down -1.2% while residual fuel oil decreased -8%.

Stocks forward coverage: Gasoline demand coverage jumped on a +7.9 million barrel stock build and low wholesale demand. Coverage levels matched 5-year highs for the period.

Distillate coverage increased on a +3 million barrel stock build and decrease in demand. Coverage levels remain well below the last 3-years.

Jet fuel coverage declined on a -0.9 million barrel stock draw and higher demand. Coverage levels ended the week at a level near the historic mid range.

Refinery utilization rates increased last week on a +255,000 bpd rise in crude oil runs. During the latest 4-wk period crude oil input was +204,000 bpd above a year ago.

Gasoline yield % on crude oil runs jumped on a +468,000 bpd increase in output compared to the +255,000 bpd increase in crude oil runs. Yield % on crude oil runs was at the low end of the 5-year range.

Distillate yield % on crude oil runs jumped on a +286,000 bpd rise in production, compared to the increase in crude oil runs. The yield % on crude oil runs was above four of the last 5-years.

Jet fuel yield % on crude oil runs increased on a +107,000 bpd rise in output, compared to the increase in crude oil runs. The yield % was at the low end of the historic range.

Petroleum Imports of crude oil increased +112,000 bpd last week, with refined products were nearly unchanged. During the latest 4-wk period crude oil imports were -0.8 million bpd below last year; distillate imports increased +39,000 bpd; finished gasoline imports increased +5,000 bpd, gasoline blend stock imports decreased -239,000 bpd; jet fuel imports were -27,000 bpd lower, while residual fuel oil imports fell -130,000 bpd.

Crude Oil imports increased +0.1 million bpd last week but remain below the last 3-years. Stocks ended the week +36 million barrels above last year. Stock levels in Cushing ended the week +46% 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



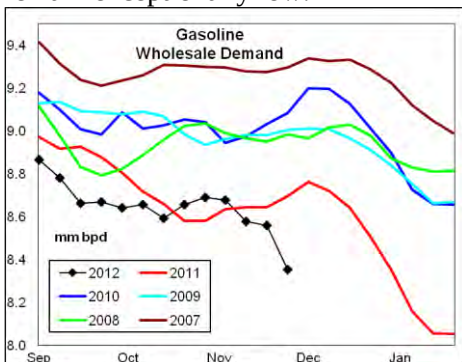
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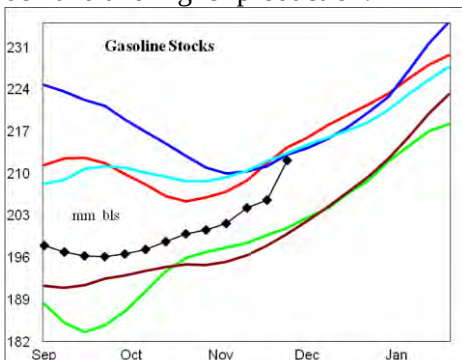
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Product Supply-Demand Trends

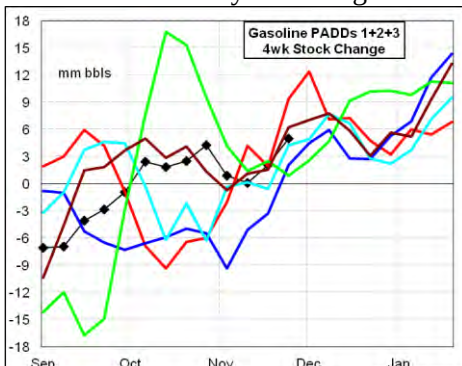
Gasoline demand decreased -73,000 bpd last week, to a level well below the 5-year range. The latest 4-wk average demand was +7,000 bpd above a year ago. Supply jumped +0.5 million bpd on a sharp rise in production. Imports remain exceptionally low.



Stocks have surged nearly +12 million barrels over the past 2-wks on low demand and higher production.

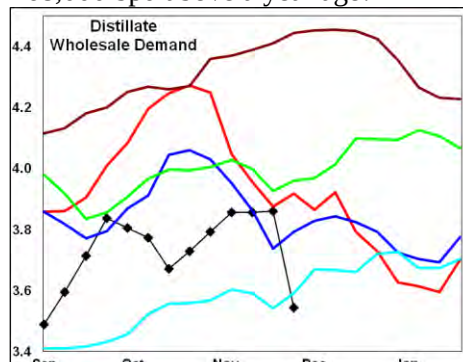


The latest 4-wk stock change in markets East of the Rockies was a +5 million barrel stock build. This build was near the last 3-year average.



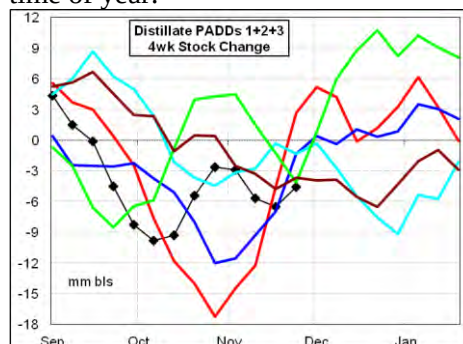
Look for further seasonal stock building, though at a less rapid rate, on a rebound in seasonal demand in the near term. Stock levels match or exceed 5-year highs in PADDs 3, 4 & 5 while levels in the Midwest and East

Coast remain below the 5-year range. **Distillate** demand has collapsed -0.7 million bpd during the last 2-wks to a level below the 5-year range; driven in part by unusually low heating degree days in key heating markets. The latest 4-wk average demand was +68,000 bpd above a year ago.



Supply jumped +253,000 bpd on the week due to higher production in all regions except the East Coast. Stocks jumped +3 million barrels on season high production and weak demand. Stocks increased in all regions except the Gulf.

The latest 4-wk stock change in markets East of the Rockies was a -4.6 million barrel draw, a record for this time of year.



Stocks did not experience the record draws during October and November this year, that occurred the last 2-years. This was the result of a demand surge during the same period for the last 2-years. Look for a rebound in demand and below average stock building for the balance of December.

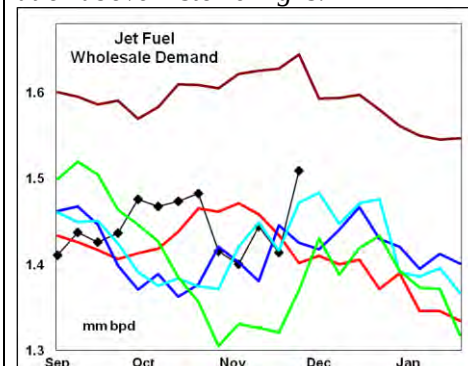
Jet Fuel demand climbed +44,000 bpd on the week, with the latest 4-wk average demand -17,000 bpd below a year ago.

Supplies increased +108,000 bpd

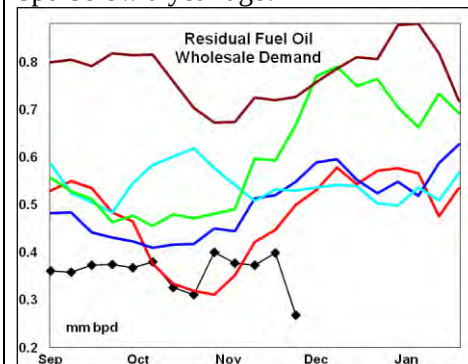
on the week, due to higher production. Production levels matched 5-year highs, with imports below the 5-year range. Stocks fell -0.9 million barrels on the week to a level well below each of the last 3-years.

Look for stock draws to decline on higher seasonal production that should offset increased holiday demand.

Stock levels are tight in PADDs 1 & 2 while the West Coast and Gulf are at or above historic highs.



Residual fuel oil demand increased +37,000 bpd last week. Demand for the latest 4-wk period was -321,000 bpd below a year ago.



Supply (production + imports) jumped +235,000 bpd last week, on higher imports and production. The latest 4-wk average supply was -157,000 bpd below last year on lower imports and production. Stocks increased +2 million barrels on the week, lifting the level to the mid range of the last 3-years.

Stocks spiked +1.8 million barrels on the East Coast last week, while Gulf region stocks remain at 5-year highs. These two regional markets remain well supplied.



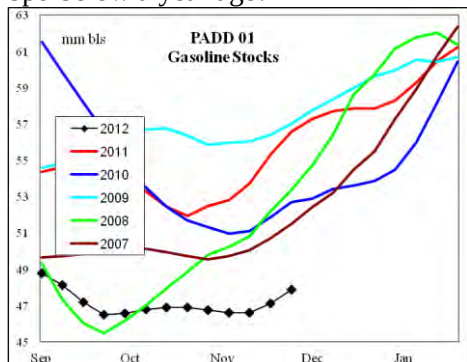
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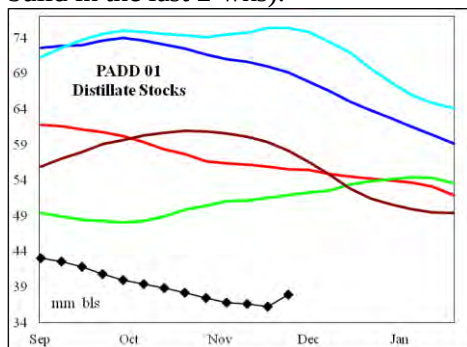
PADD Supply Trends

PADD 1 refinery crude oil runs increased +131,000 bpd last week. The latest 4-wk average was -235,000 bpd below a year ago.

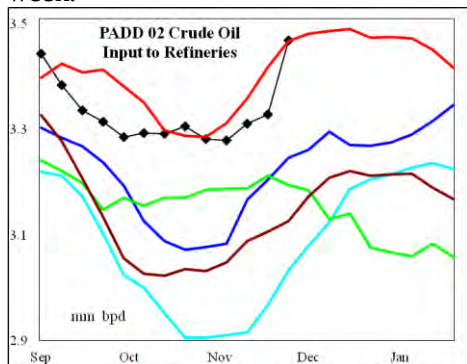


Gasoline supply increased +9,000 bpd in the region on higher imports. Stocks increased +0.5 million barrels on the week, the 3rd consecutive weekly build. Stock levels remain well below the 5-year range.

Distillate supply increased +6,000 bpd on the week due to higher imports. Stocks increased +1.6 million barrels on the week, (a +3.5 million barrel build in the last 2-wks).



Jet fuel supply increased +23,000 bpd while stocks fell -0.6 million barrels, to a level below the 5-year range last week.



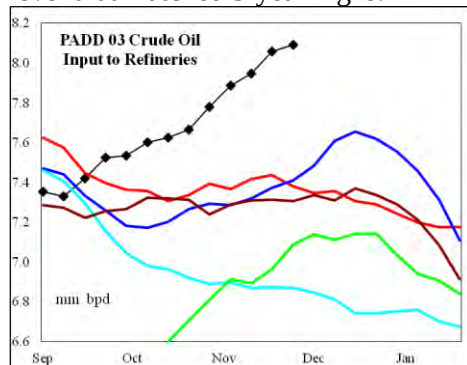
PADD 2 crude oil refinery runs spiked +192,000 bpd last week, to match 5-year highs for the season. Crude oil stocks decreased -0.5 million barrels, but remain +15.2 million barrels above last years' record high.

Gasoline production increased +111,000 bpd on the week, to a level below each of the last 3-years. Stocks jumped +2.2 million barrels on the week, with the level still below the 5-year range.

Distillate production increased +89,000 bpd on the week, to a level at the upper end of the 5-year range. Stocks increased +0.9 million barrels on the week, with the level still below the 5-year range.

Jet fuel production increased +20,000 bpd last week, to a level near the historic mid range. Stocks decreased -0.3 million barrels to a level well below the last 3-years.

PADD 3 refinery runs were unchanged on the week, with the level at a historic high. The latest 4-wk average runs were +528,000 bpd above a year ago. Crude oil stocks decreased -3.1 million barrels last week, ending at a level that matched 5-year highs.



Gasoline supply increased +77,000 bpd on the week, to a level comparable to last year. Stocks increased +2.4 million barrels to a fresh 5-year high for this time of year.

Distillate supply increased +163,000 bpd on the week, with the latest 4-wk average +43,000 bpd above last years' record high. Stocks declined -0.6 million barrels on the week, with the level -13% below last year.

Jet fuel production increased

+96,000 bpd with the level +39,000 bpd above a year ago for the most recent 4-wks. Stocks increased +0.5 million barrels last week, with the level at the low end of the last 3-years.

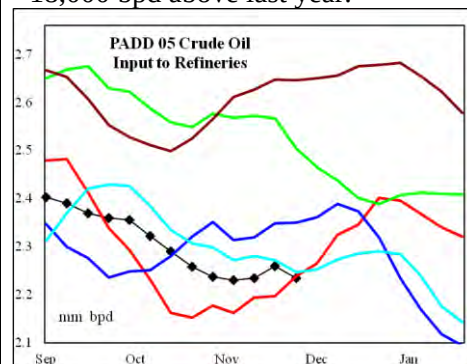
Residual fuel oil supplies increased +19,000 bpd on the week. Stock levels remain +7% above the previous record high for this time of year.

PADD 4 refinery crude runs increased +16,000 bpd on the week, to a level above the 5-year range. The most recent 4-wk average run rate was -16,000 bpd below last year.

Gasoline supply increased +21,000 bpd on the week, a level at the historic mid range. Stocks increased +0.6 million barrels, to a level matching 5-year highs for the period.

Distillate production jumped +48,000 bpd last week, to a new record high level. Stocks increased +0.4 million barrels to a new record high for this time of year.

PADD 5 crude oil refinery runs fell -82,000 bpd last week, a level near the average of the last 3-years. Runs for the most recent 4-wk period were +18,000 bpd above last year.



Gasoline supply decreased -71,000 bpd on the week, with production below the historic range. The latest 4-wk average supply was +20,000 bpd above last year. Stocks surged +2 million barrels, to a new 5-year high for this time of year.

Distillate supply fell -56,000 bpd on lower imports, with the latest 4-wk average -24,000 bpd below a year ago. Stocks increased +0.7 million barrels, to a level matching 5-year highs for the week.

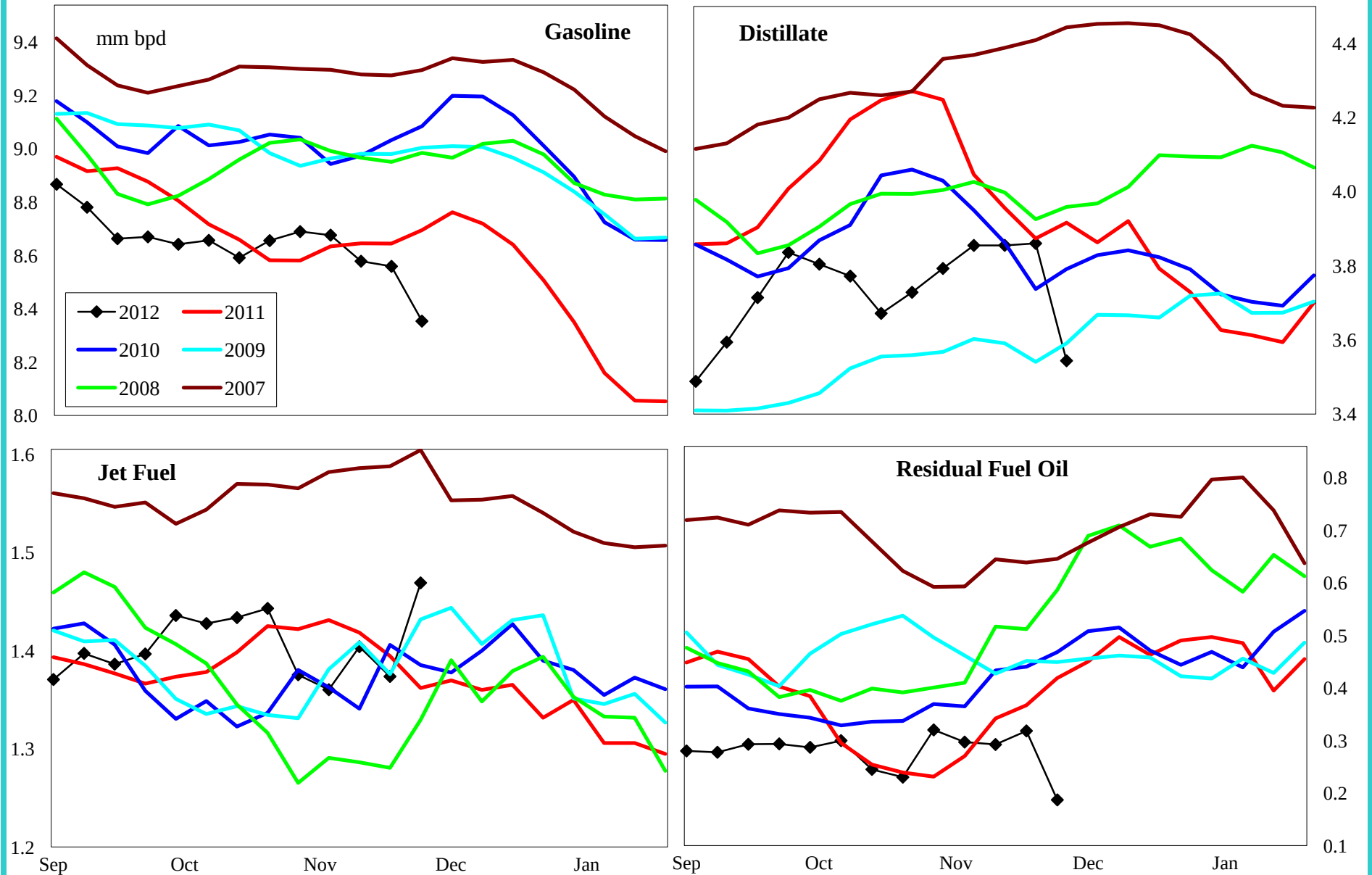


PETROLEUM: Graph Link and Weekly Summary

A Fundamental Petroleum Trends Weekly Report December 5, 2012
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Fundamental Trends	Wholesale Demand	Stocks Days Fwd Coverage	Refinery Utilization Product Yield %				Imports
Supply/Demand Trends	30-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	-2,357	798	-461	-3,080	-87	473
	Imports	112	-109	315	153	38	-284
	Input	255	131	192	-2	16	-82
	% Utilization	2.00					
Gasoline	Stocks	7,860	512	2,211	2,465	632	2,041
	Production	468	-66	111	145	21	-83
	Imports	19	75	-1	-68	0	12
	Supplied	-73					
Distillate	Stocks	3,027	1,592	871	-560	449	674
	Production	286	-3	89	147	48	4
	Imports	-33	9	1	16	1	-60
	Supplied	-293					
Jet Fuel	Stocks	-943	-558	-265	521	-33	-610
	Production	107	18	20	96	1	-28
	Imports	1	5	0	-4	0	0
	Supplied	44					
Residual Fuel Oil	Stocks	2,004	1,751	4	393	5	-149
	Production	11	19	-4	0	0	-4
	Imports	224	186	1	19	0	18
	Supplied	37					

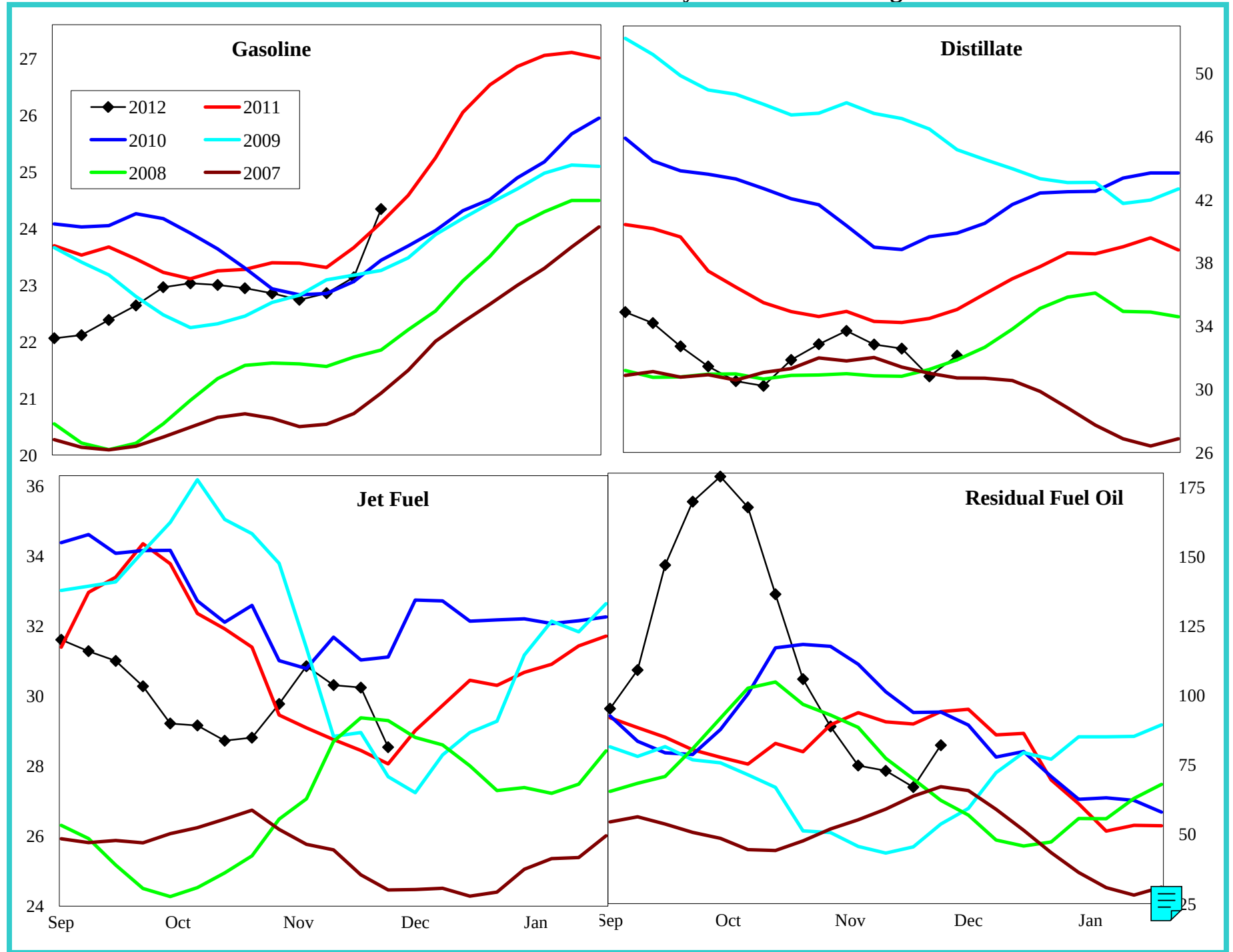
United States Wholesale Petroleum Demand



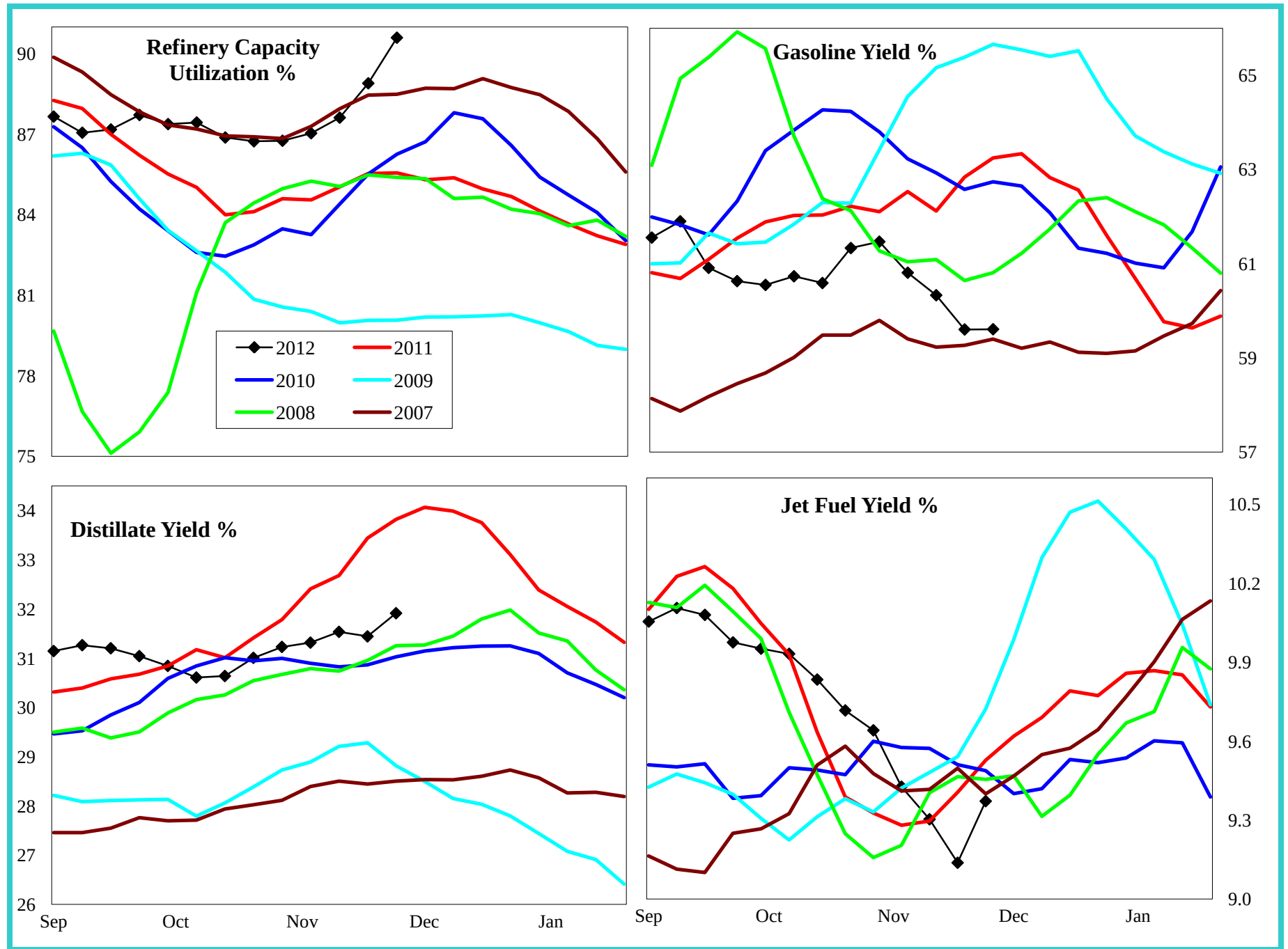
	000 bpd change from prior year				% change from prior year			
	4wk avg	Oct	Sep	Aug	4wk avg	Oct	Sep	Aug
Gasoline	7	-56	-101	210	0.1	-0.6	-1.2	2.4
Distillate	68	-369	-248	-269	1.8	-9.2	-6.3	-6.7
Jet Fuel	-17	106	15	-85	-1.2	7.7	1.1	-5.5
Resid	-32	-160	-180	34	-8.1	-39.8	-37.3	10.7



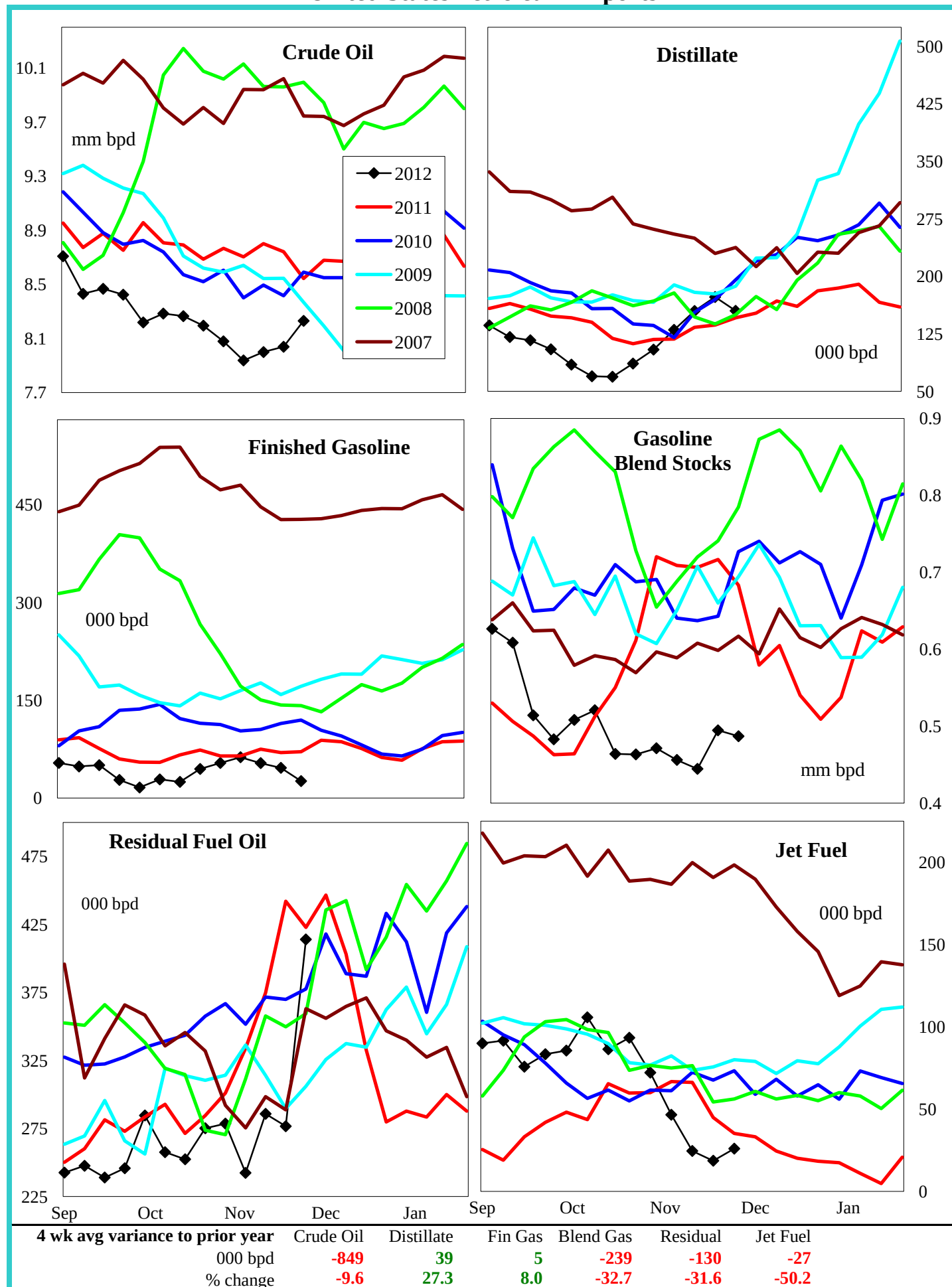
United States Product Stocks: Days Forward Coverage



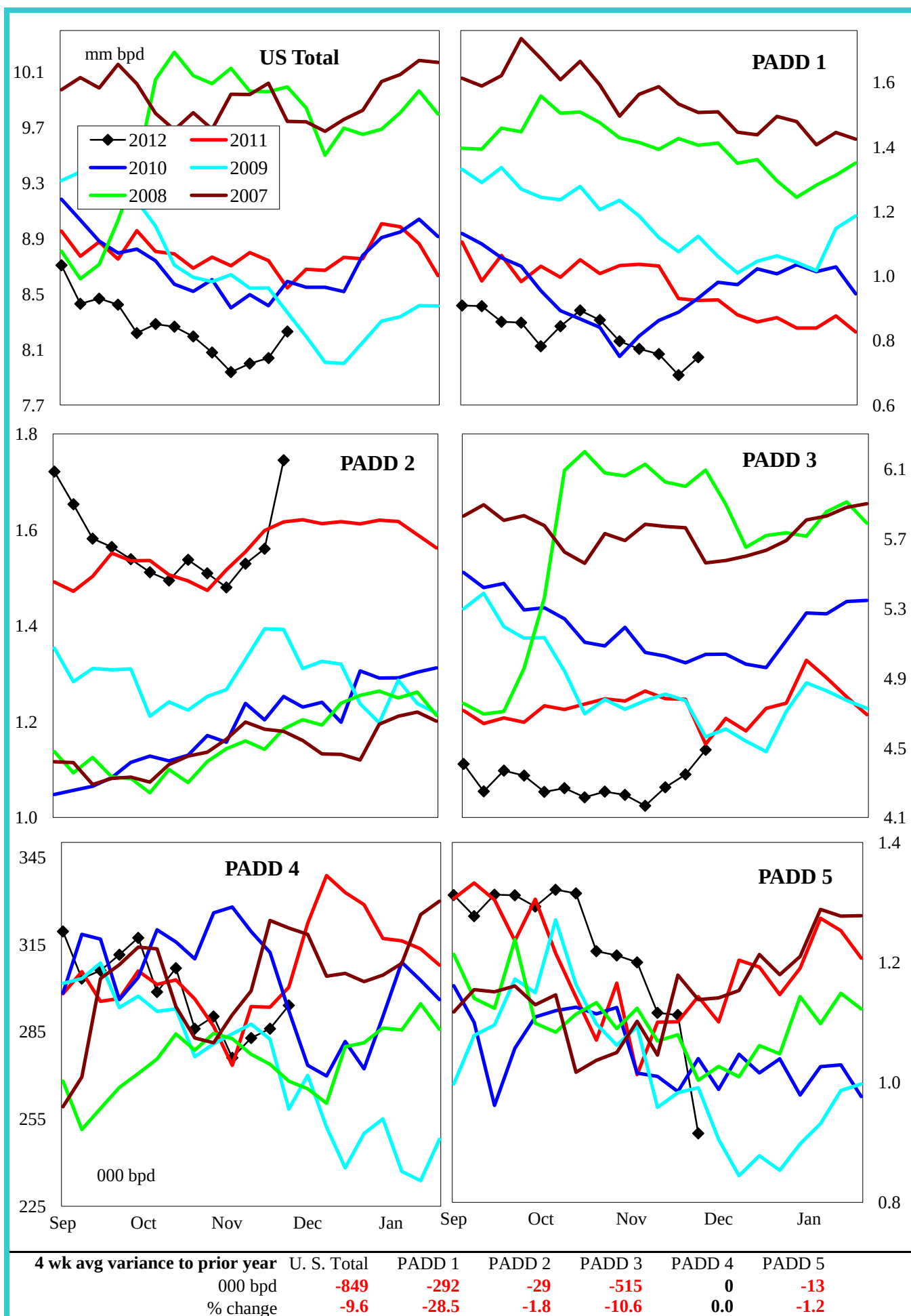
United States Refinery Percent Utilization Rate and Product Yields



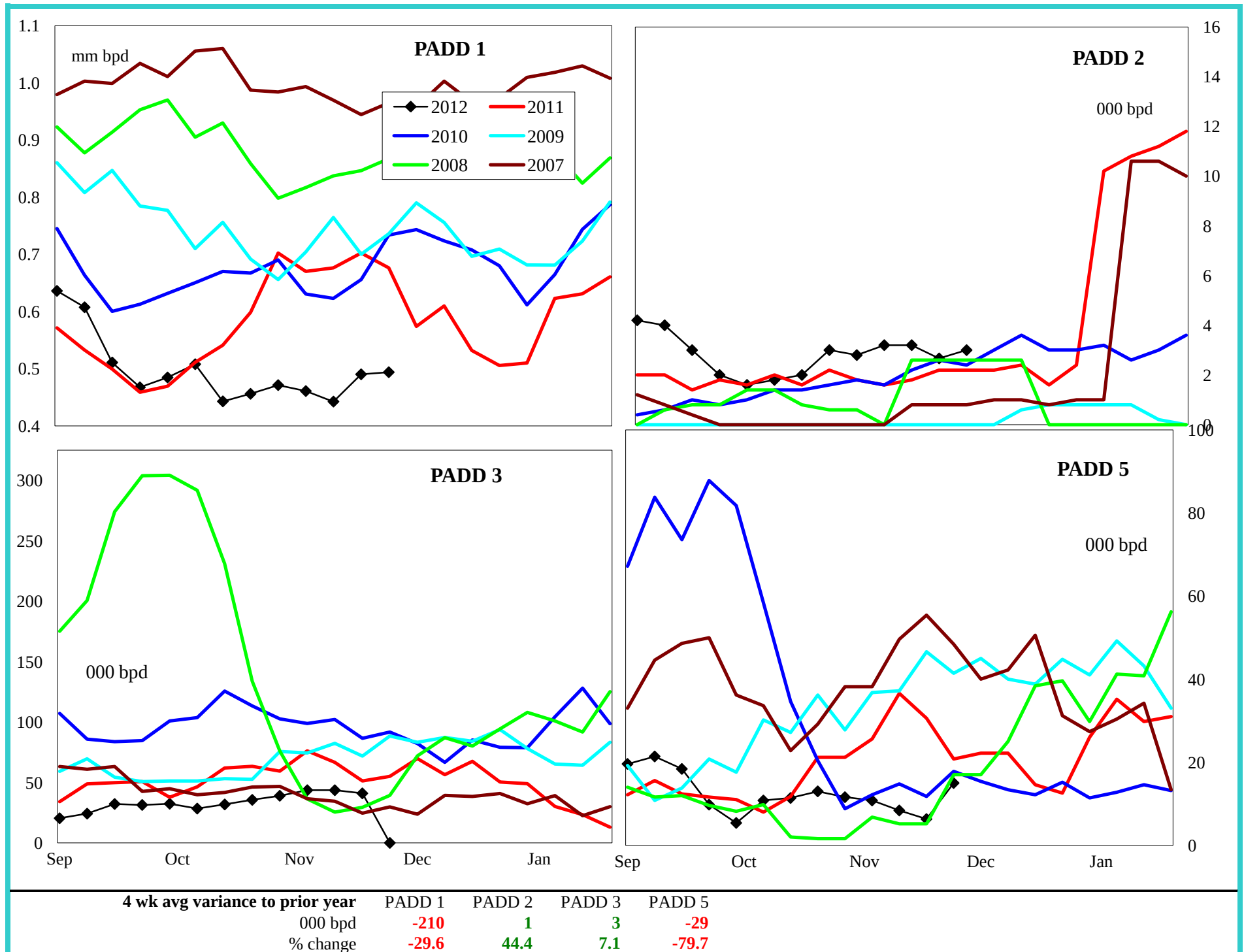
United States Petroleum Imports



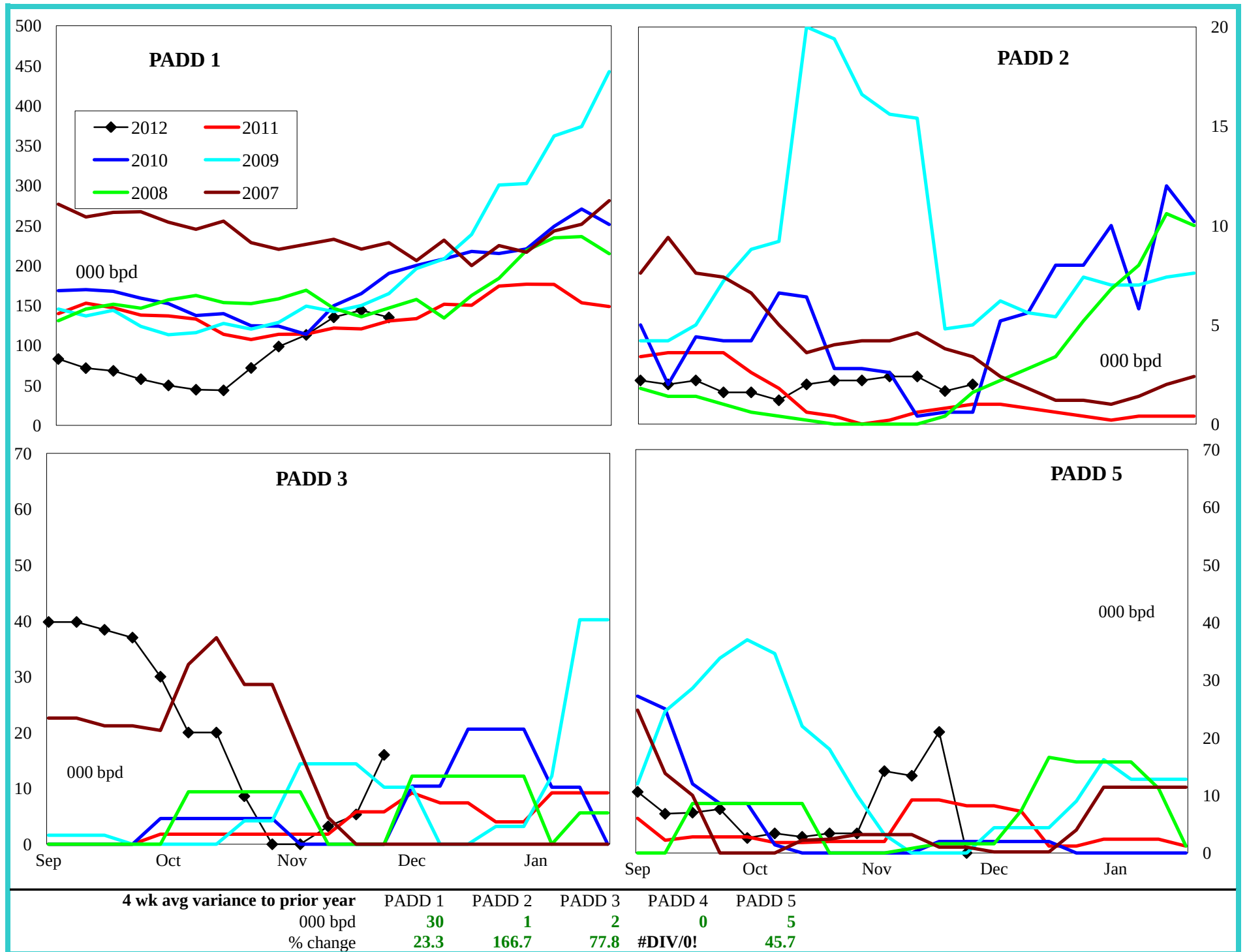
Crude Oil Imports by PADD



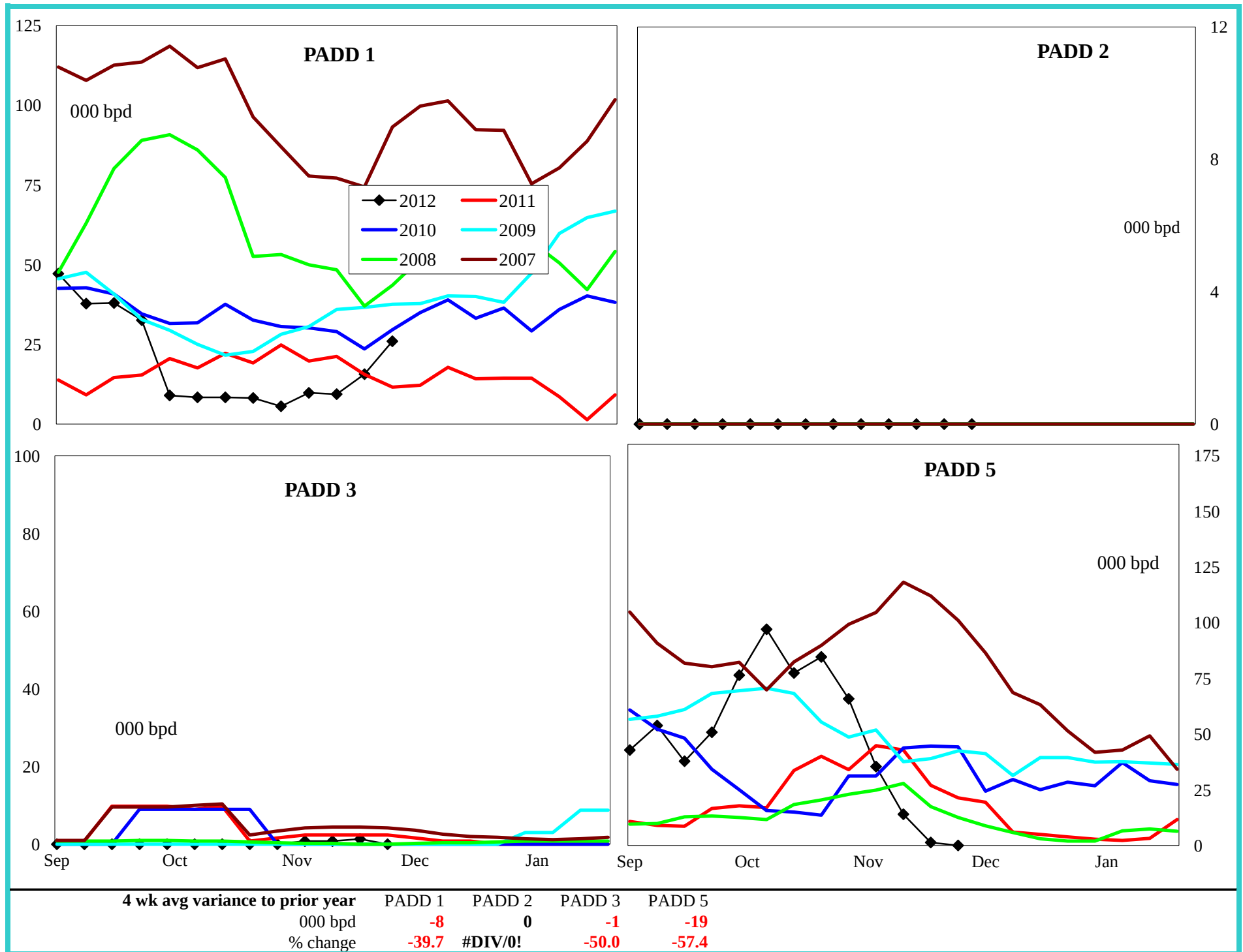
Gasoline Imports by PADD (Finished + Blend Stocks)



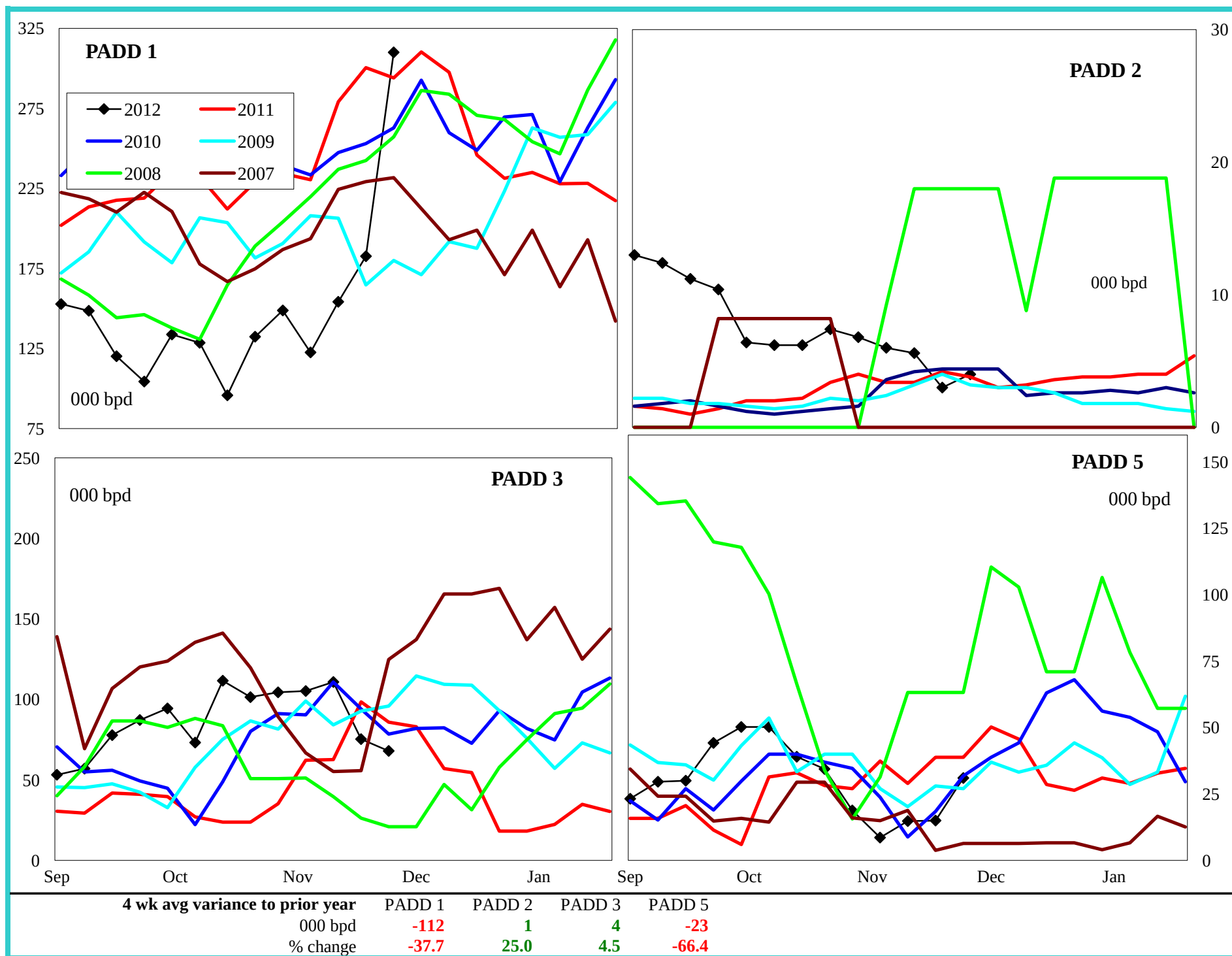
Distillate Imports by PADD



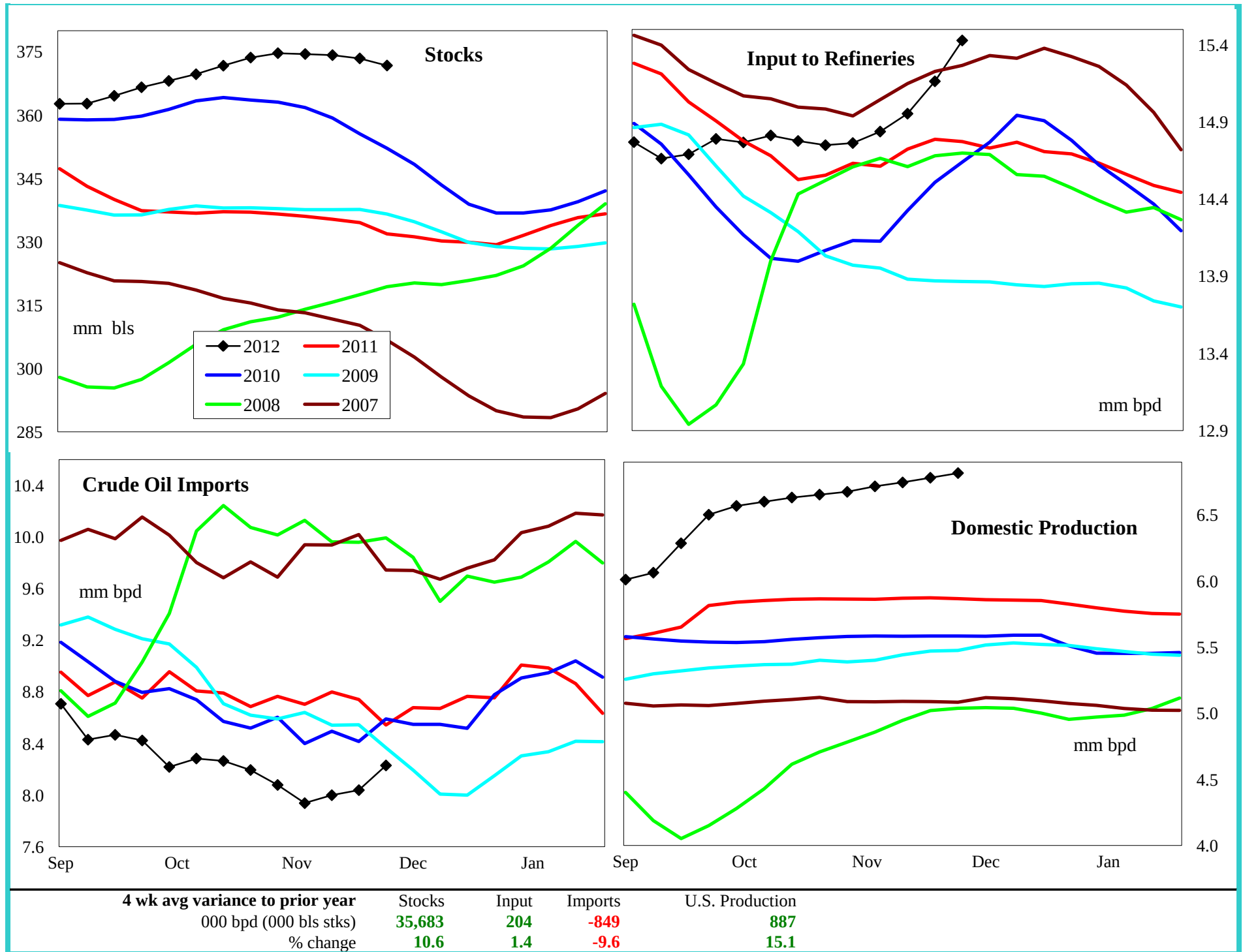
Jet Fuel Imports by PADD



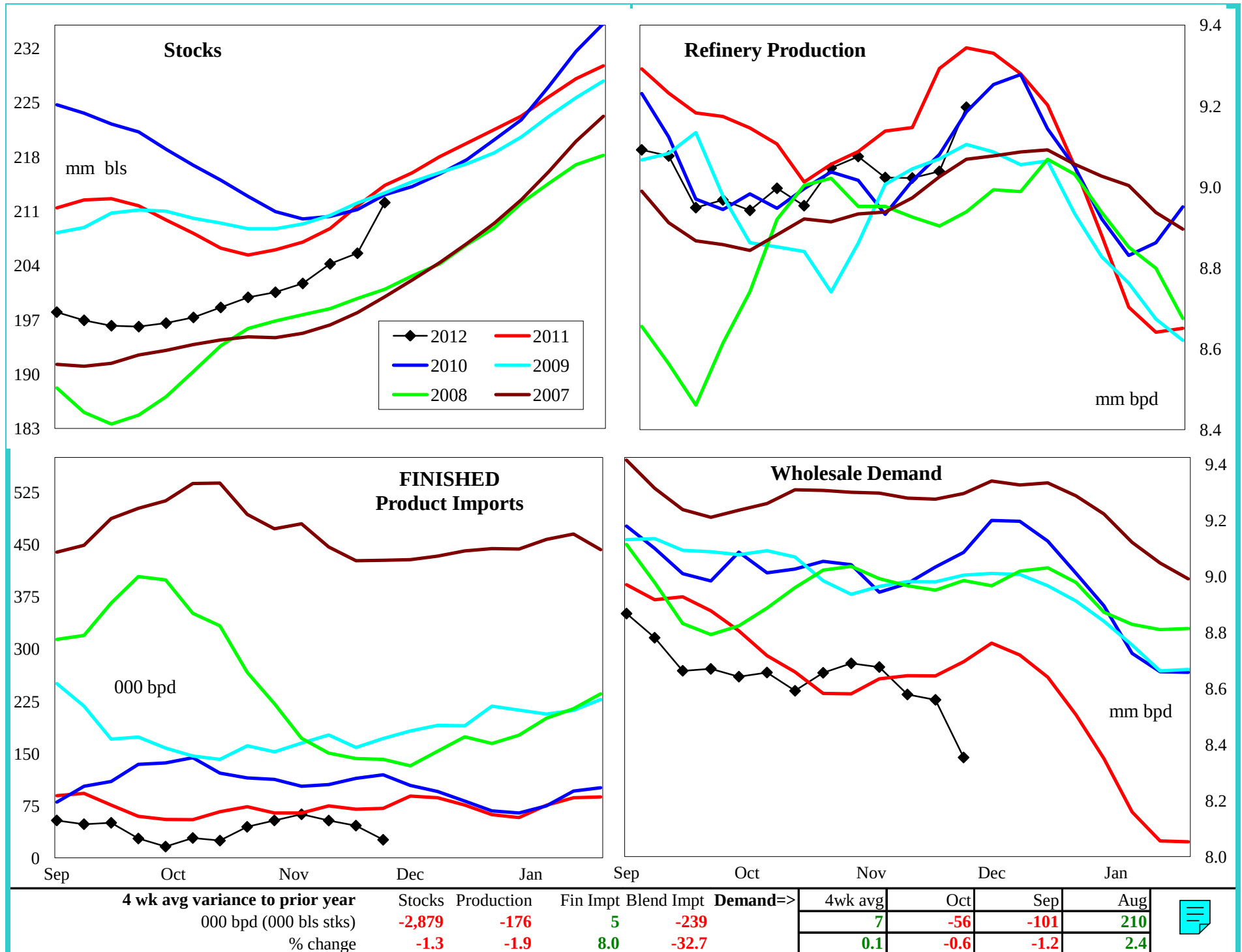
Residual Fuel Oil Imports by PADD



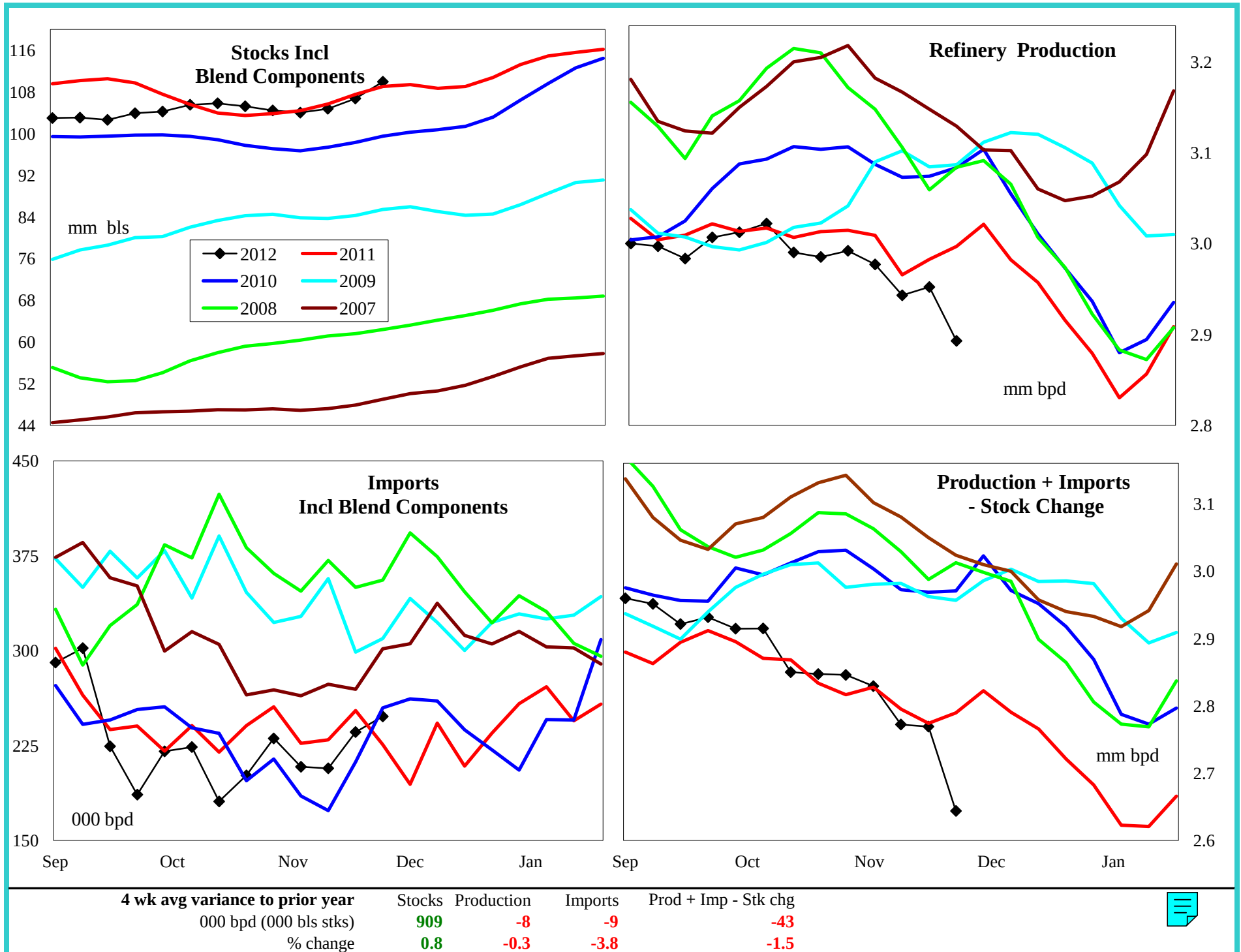
United States Crude Oil Supply and Demand Balance



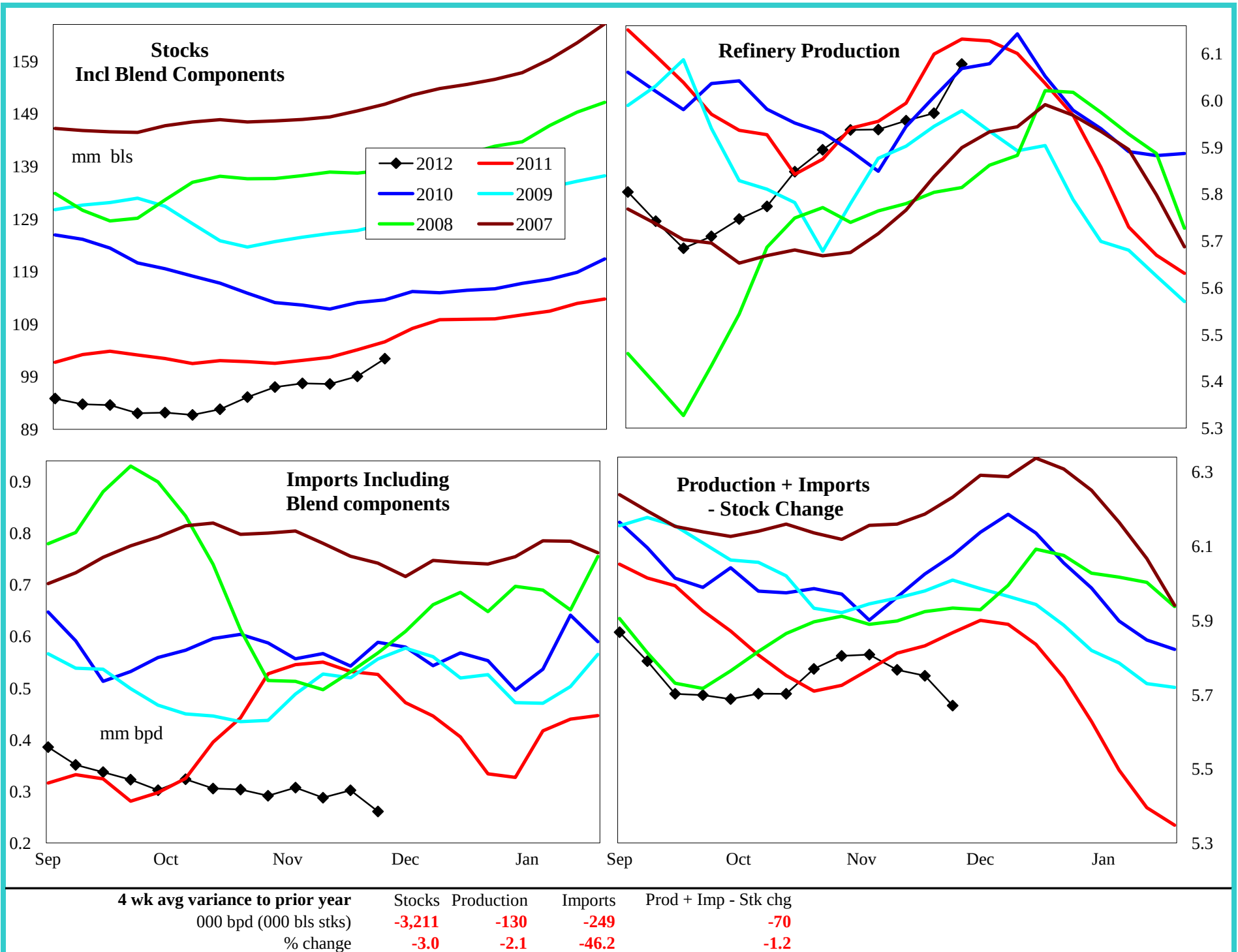
United States Gasoline Supply and Demand Balance



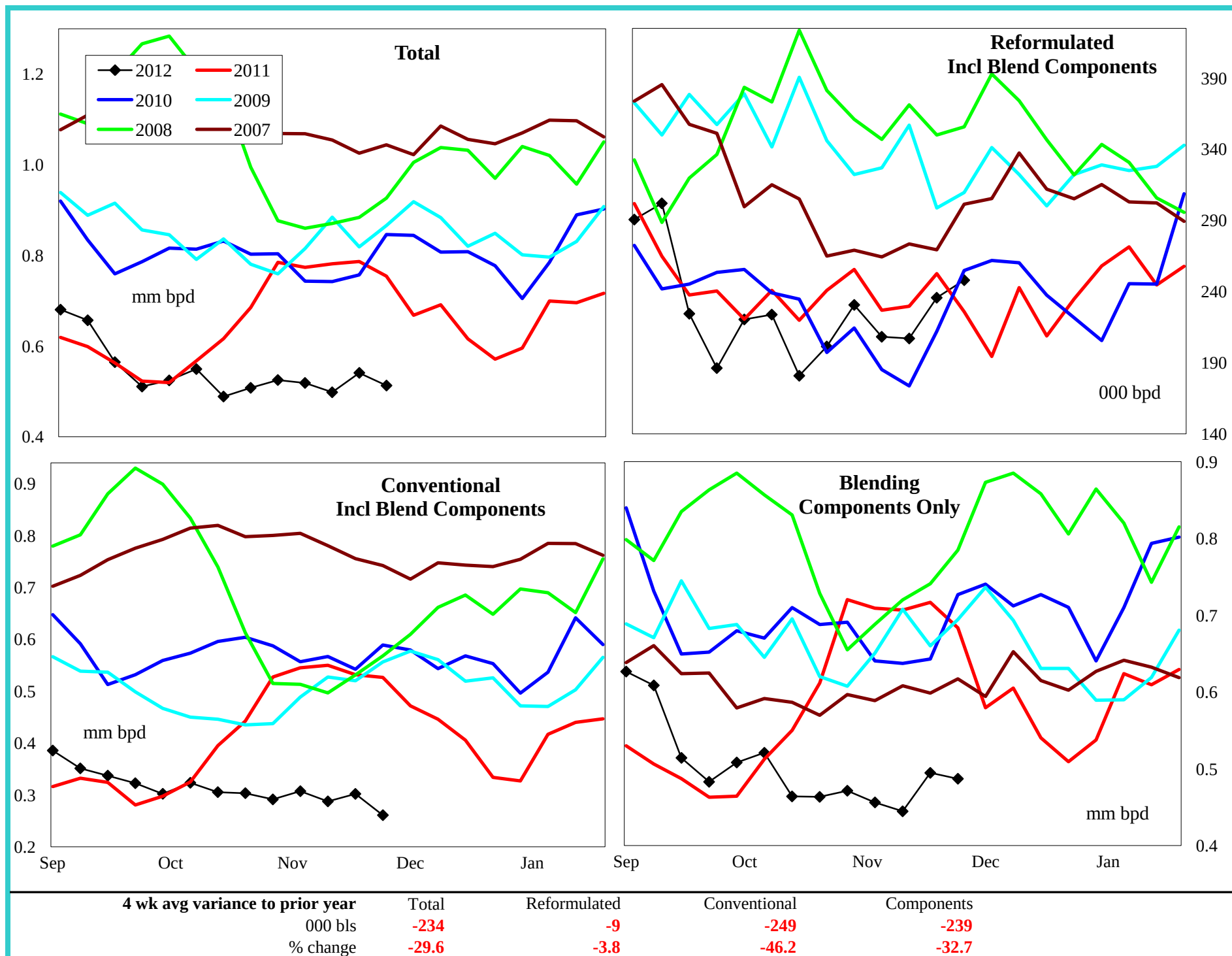
United States Reformulated Gasoline Supply



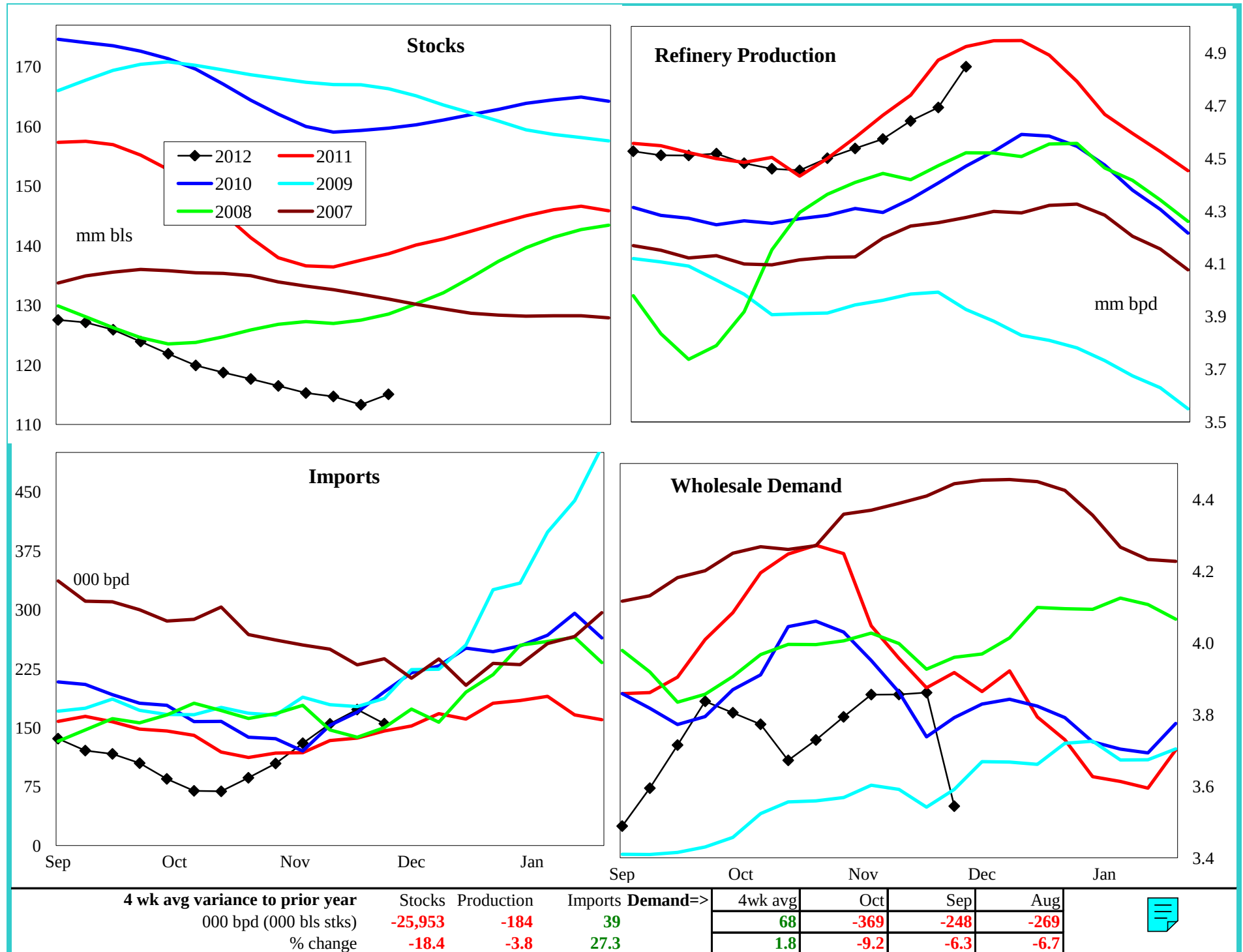
United States Conventional Gasoline Supply



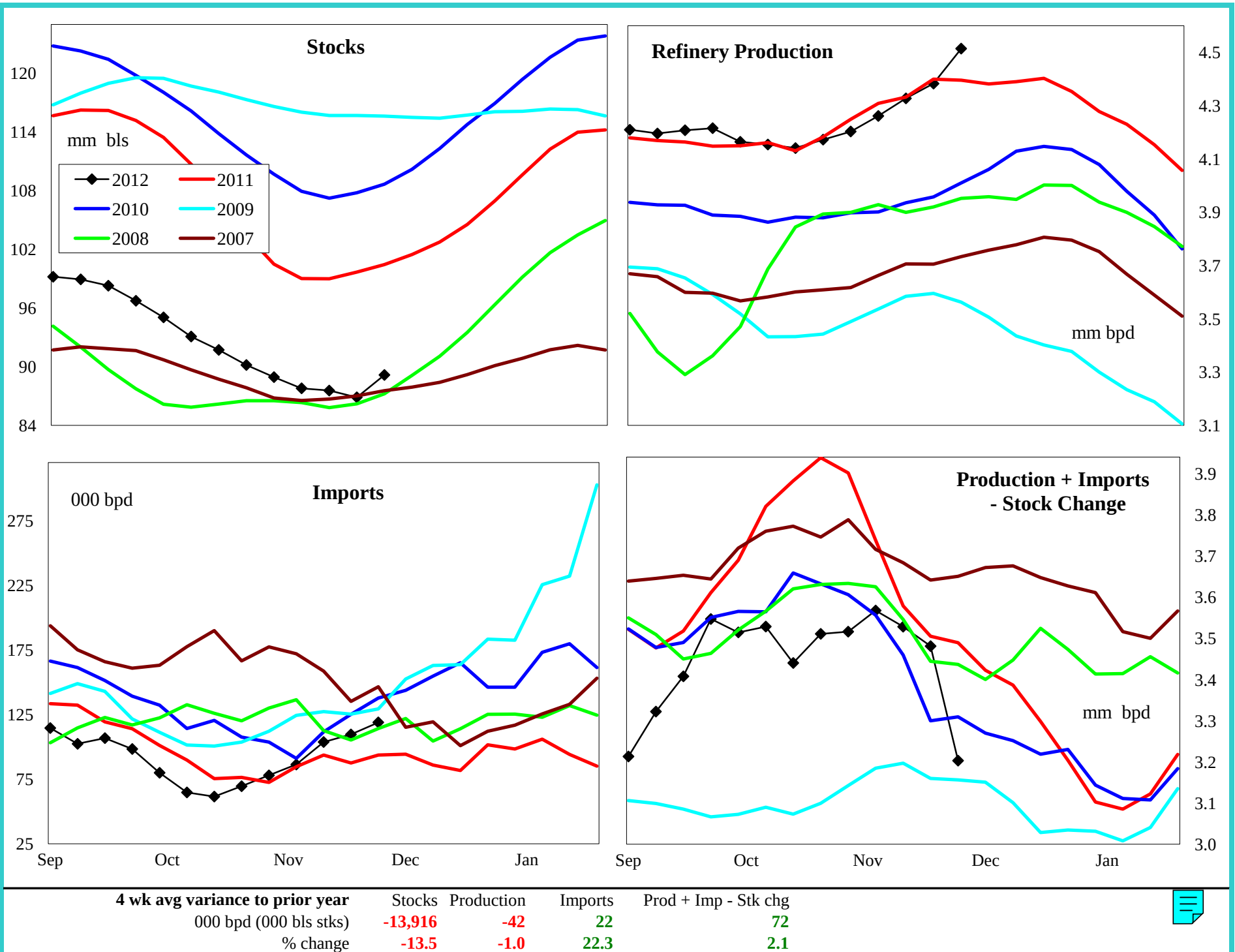
United States Gasoline Imports by Type



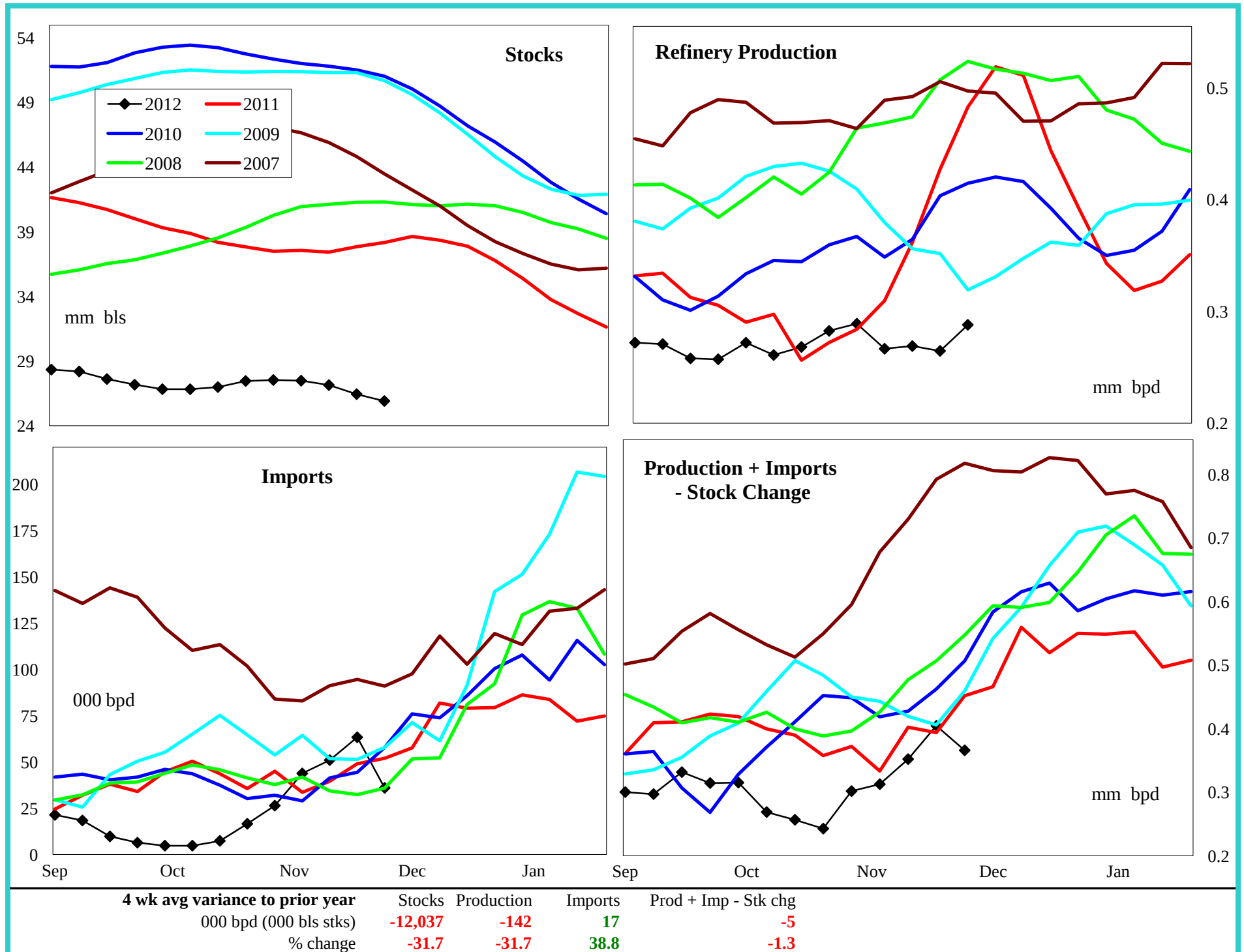
United States Distillate Supply and Demand Balance



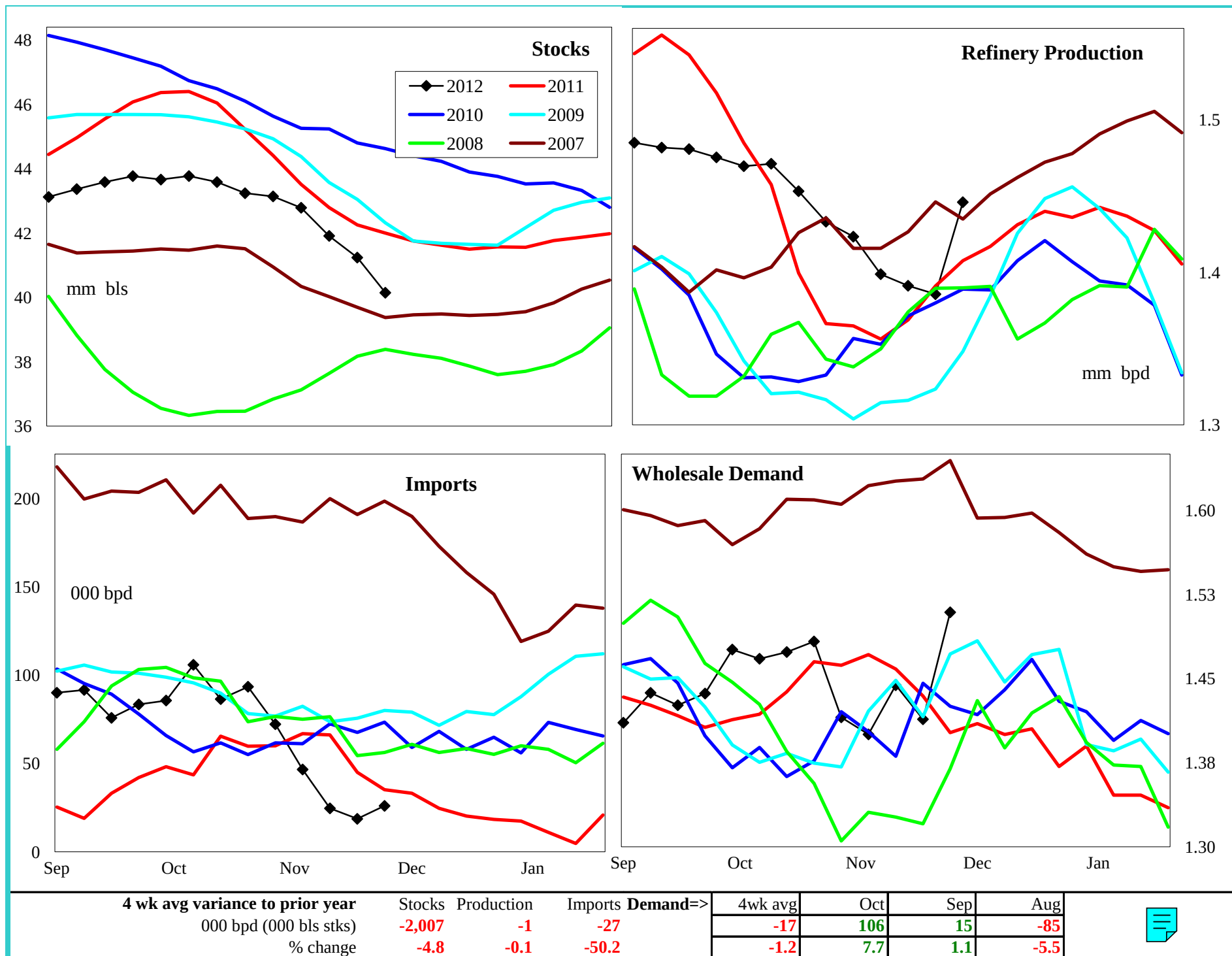
United States Low Sulfur Distillate Supply



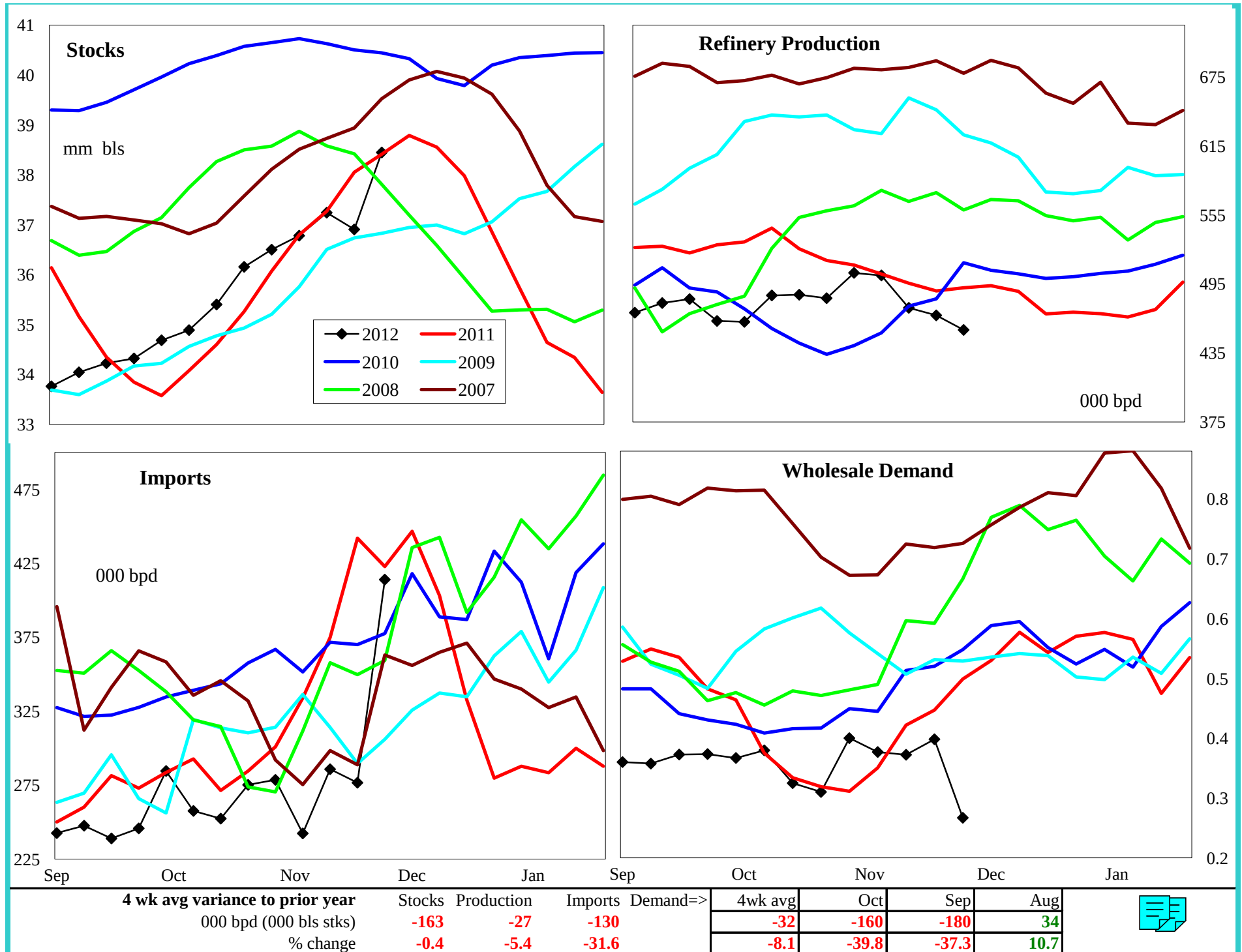
United States High Sulfur Distillate Supply



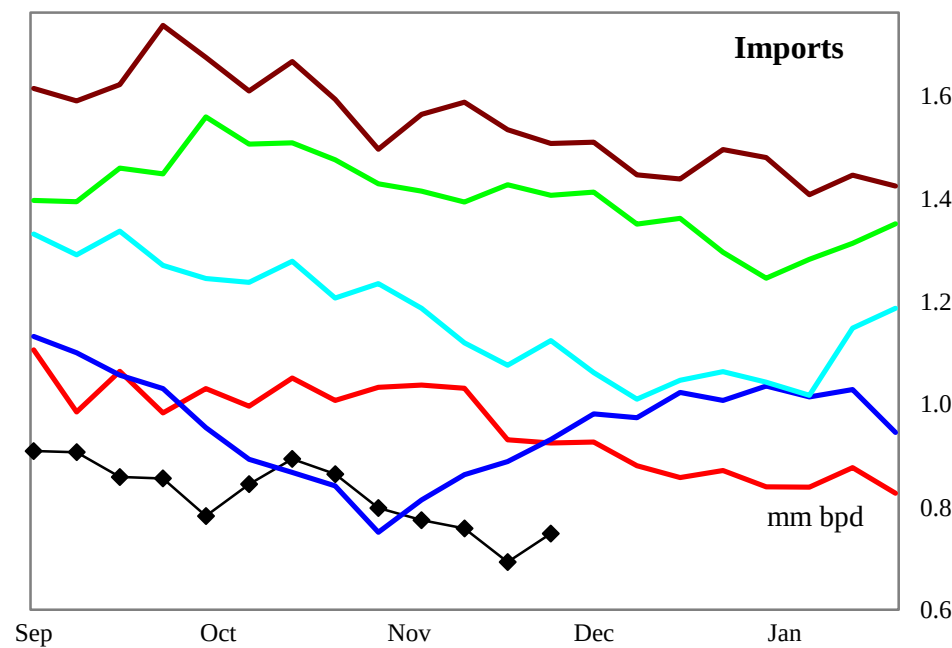
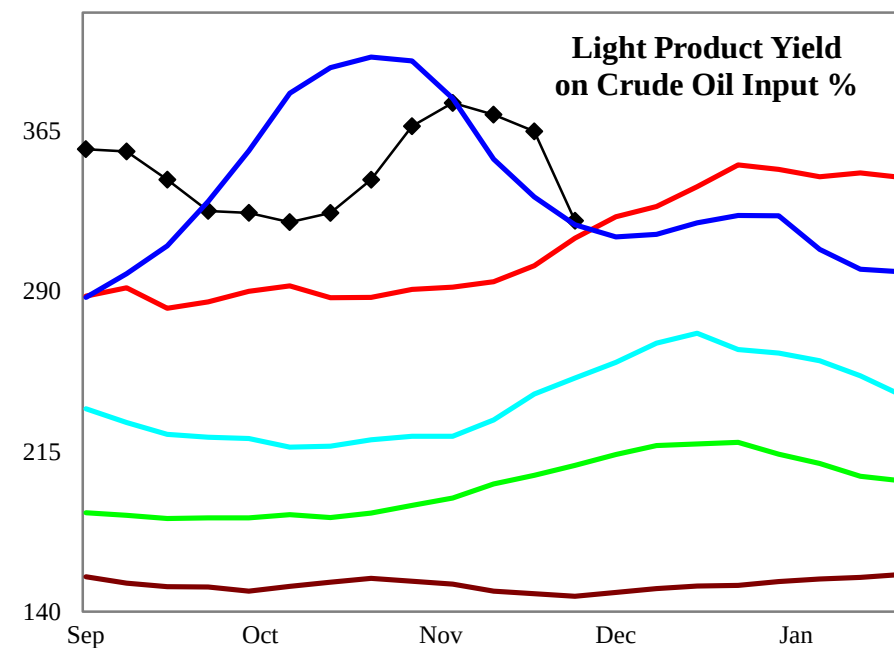
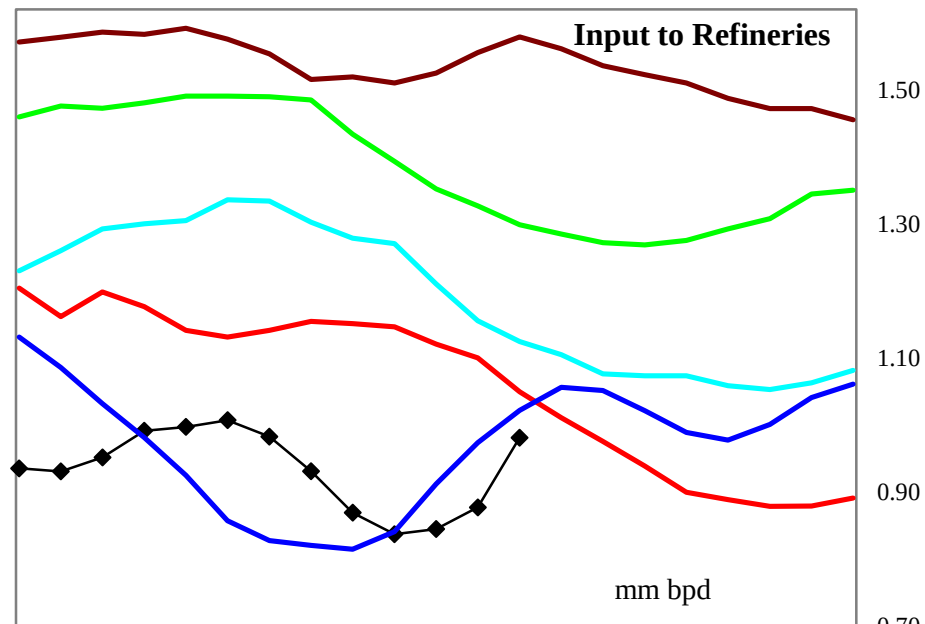
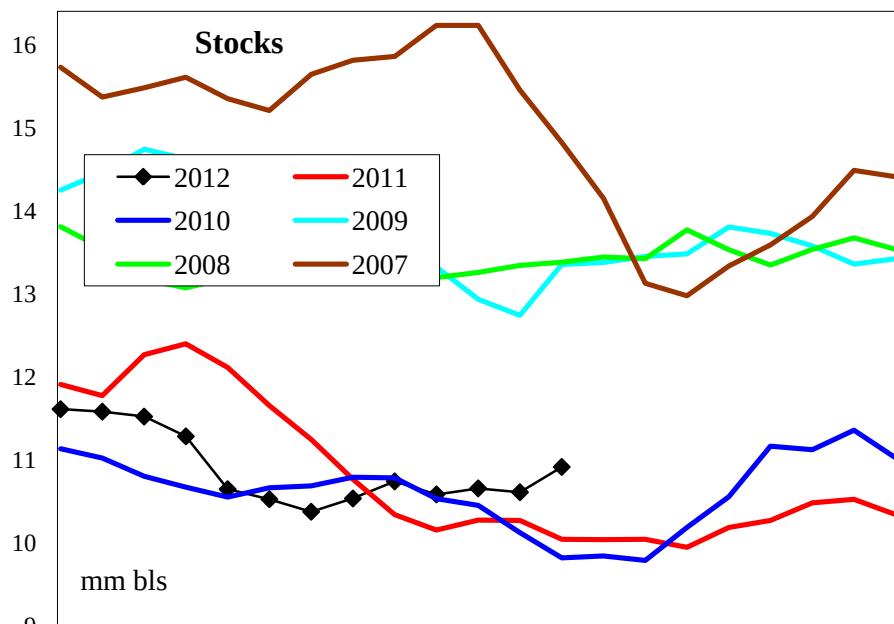
United States Jet Fuel Supply and Demand Balance



United States Residual Fuel Oil Supply and Demand Balance



PADD 1 Crude Oil Supply and Refining

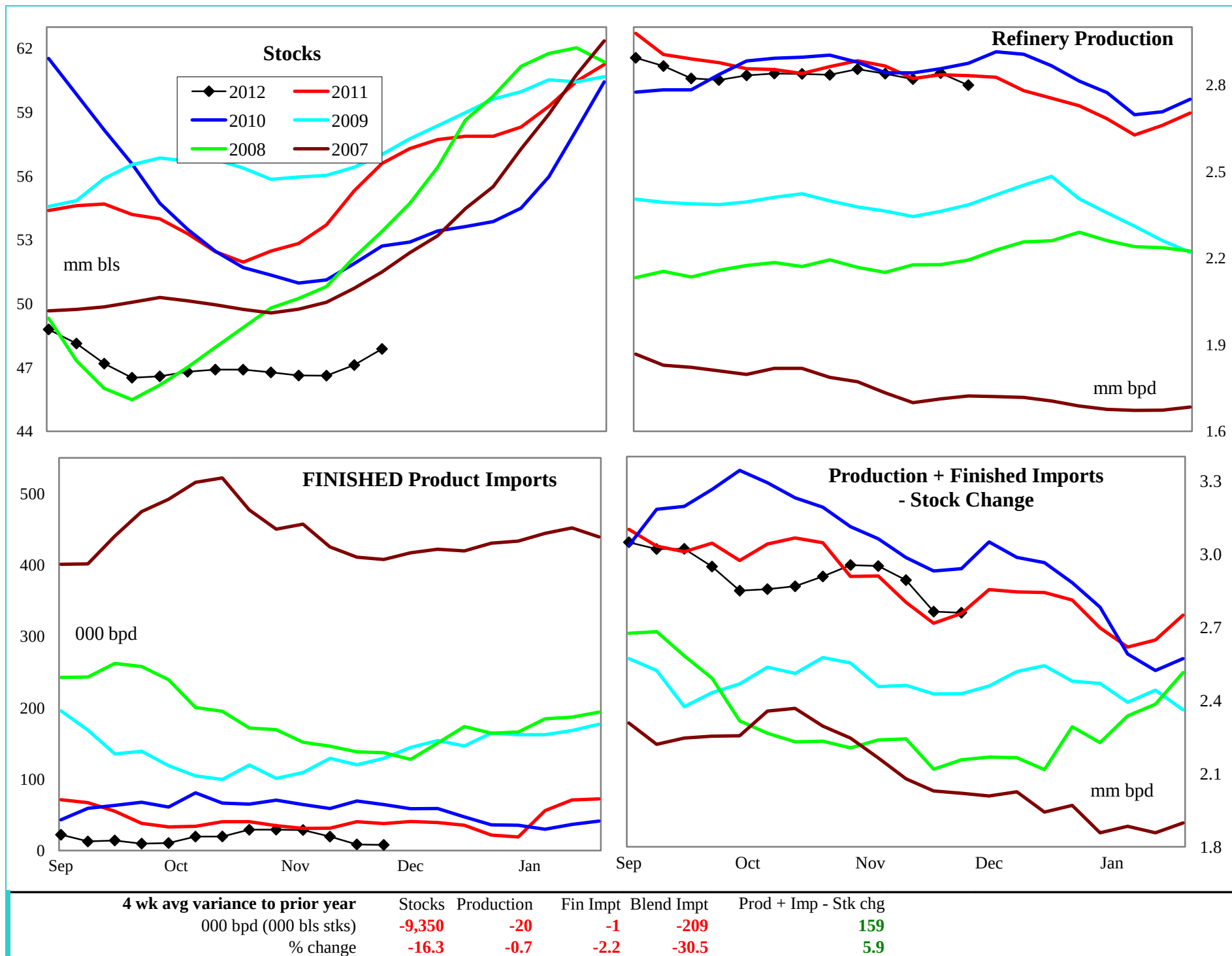


4 wk avg variance to prior year
000 bpd (000 bls stks)
% change

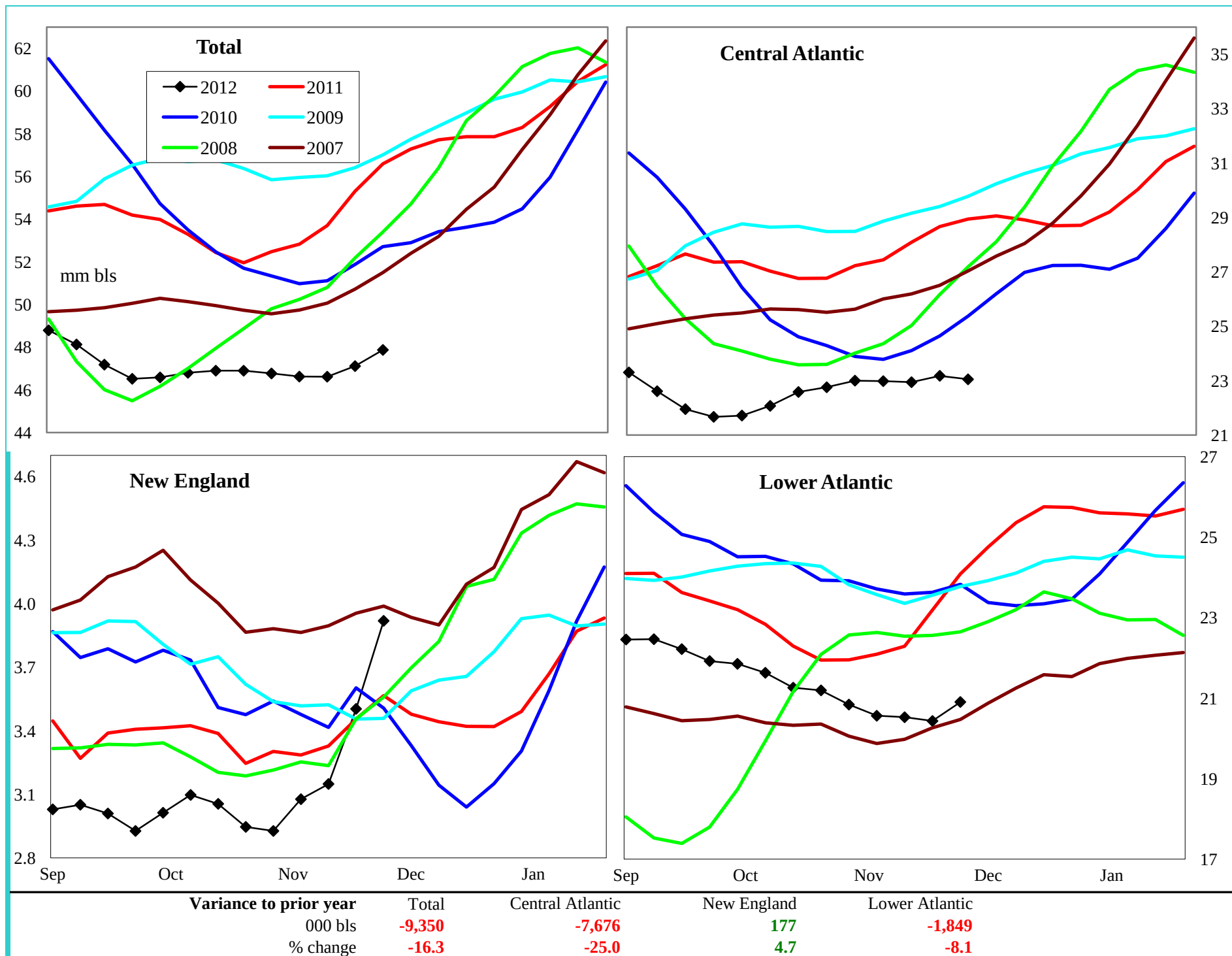
	Stocks	Input	Imports
000 bpd (000 bls stks)	871	-235	-292
% change	8.7	-21.3	-28.5



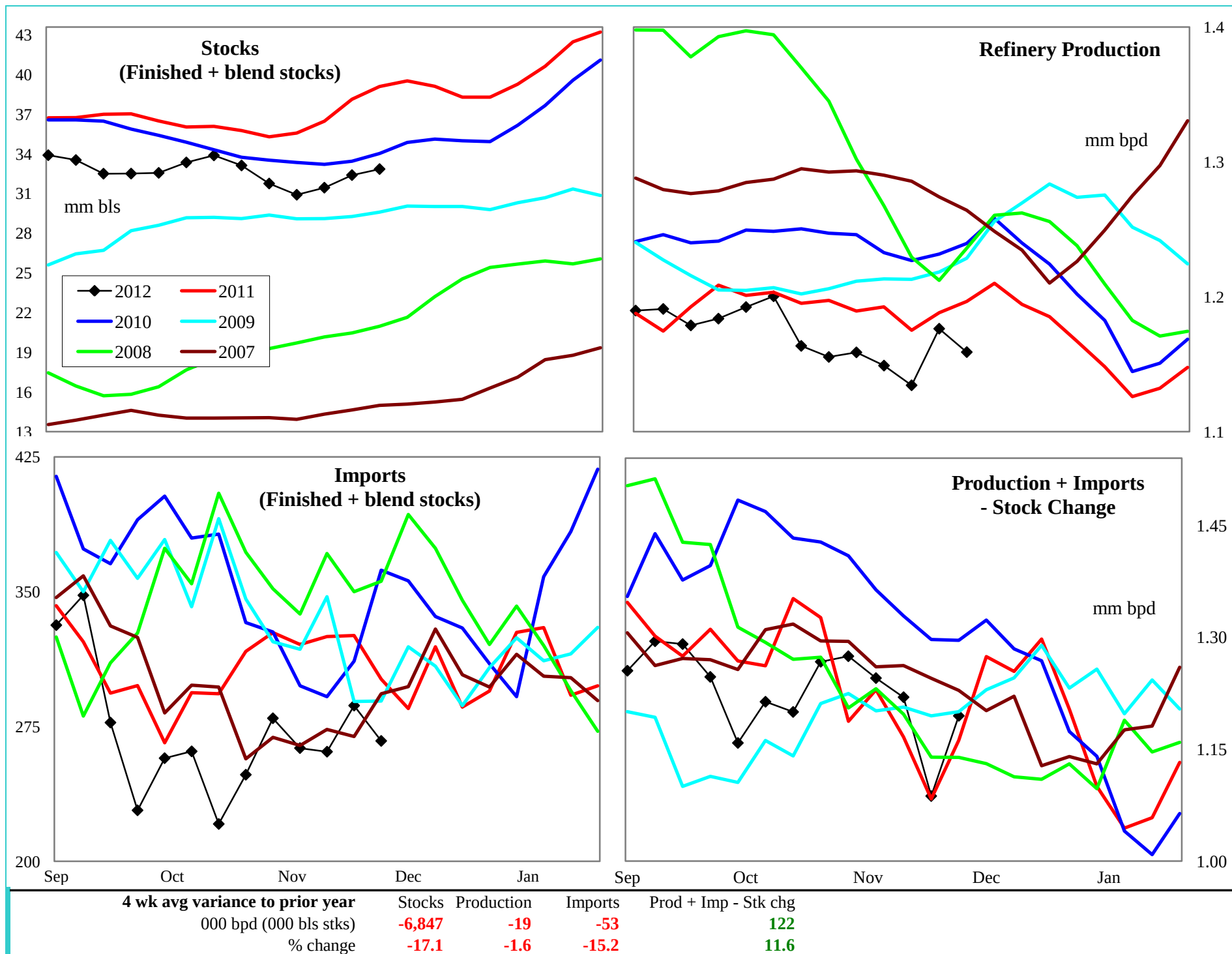
PADD 1 Gasoline Supply



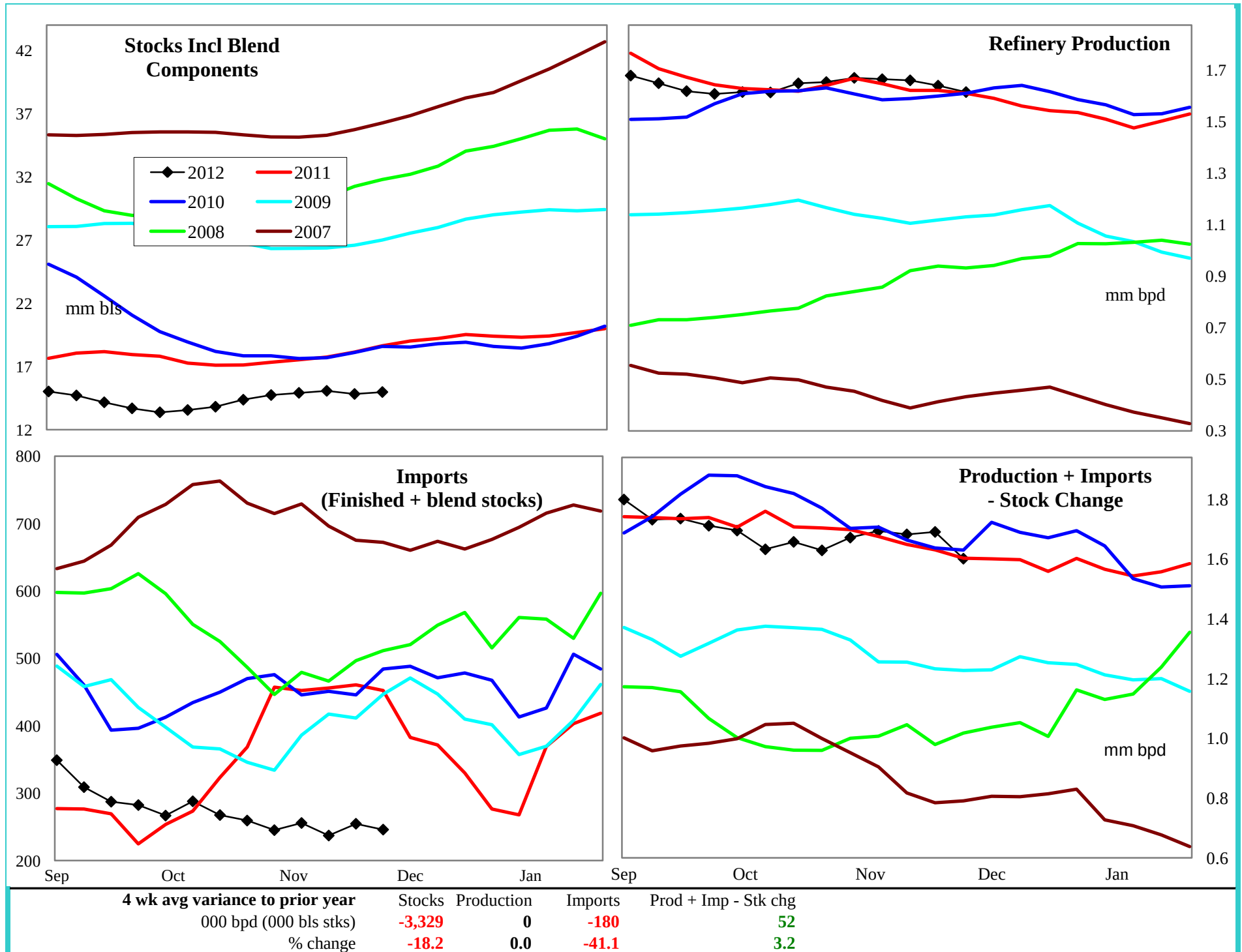
PADD 1 Gasoline Stocks by Region



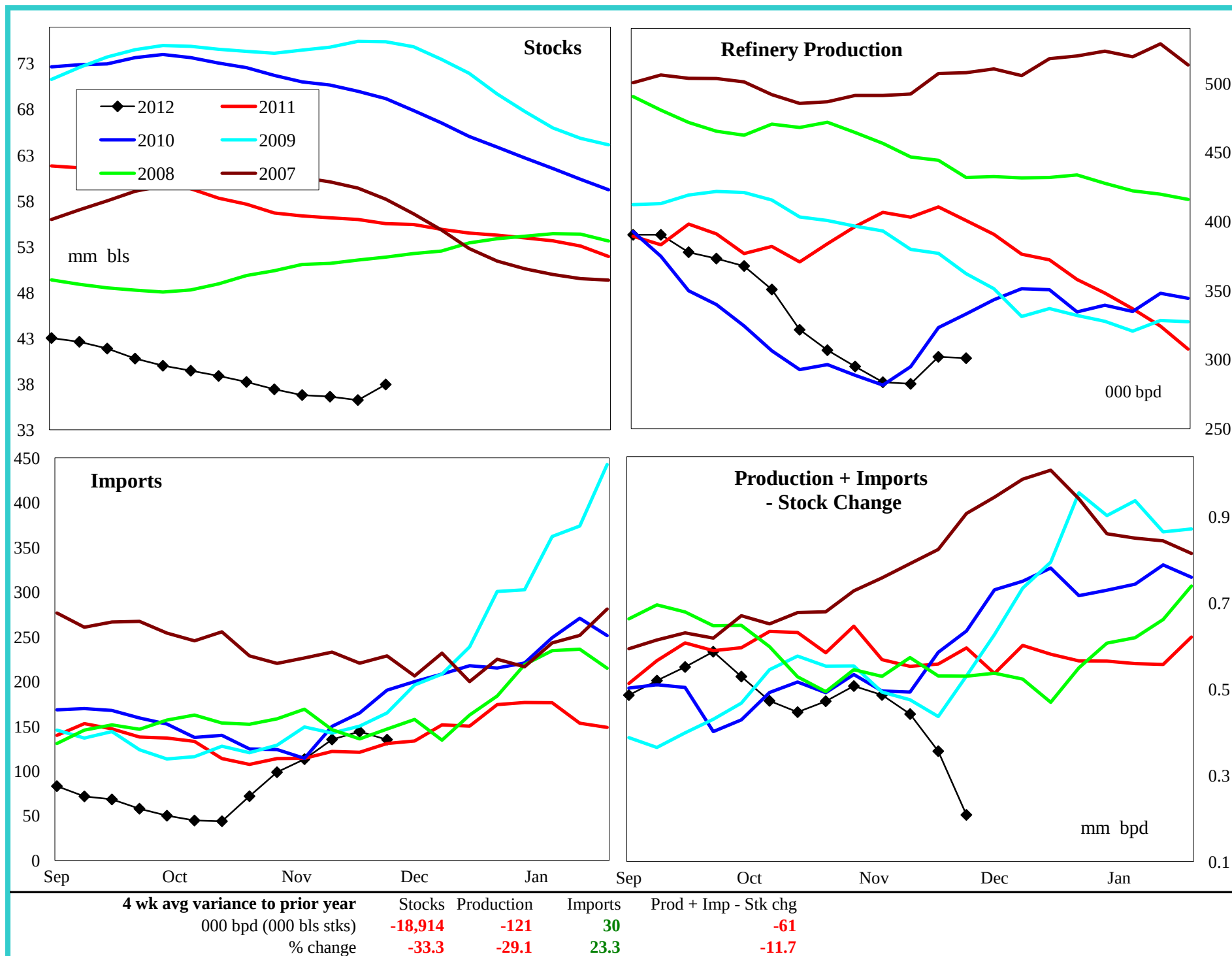
PADD 1 Reformulated Gasoline Supply



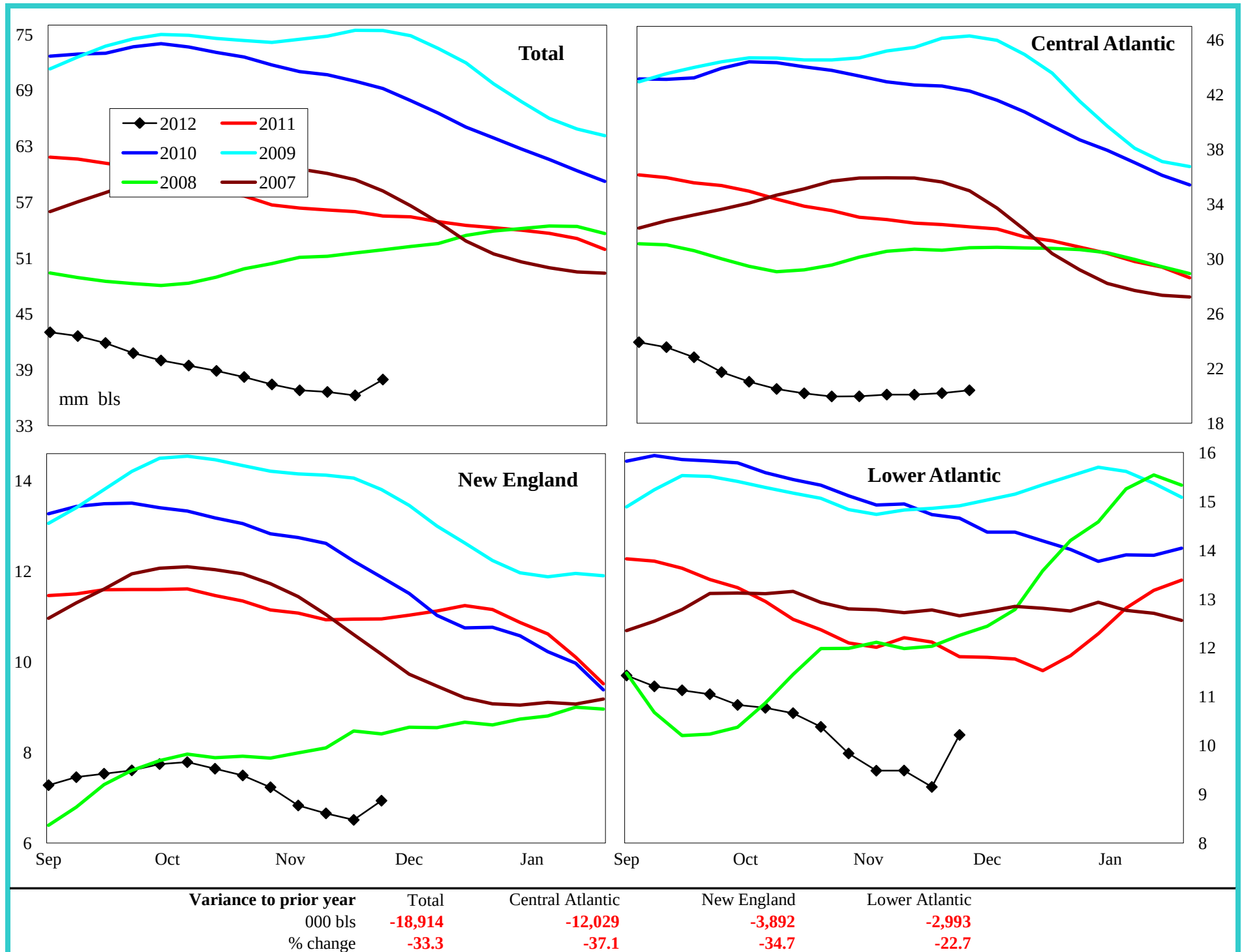
PADD 1 Conventional Gasoline Supply



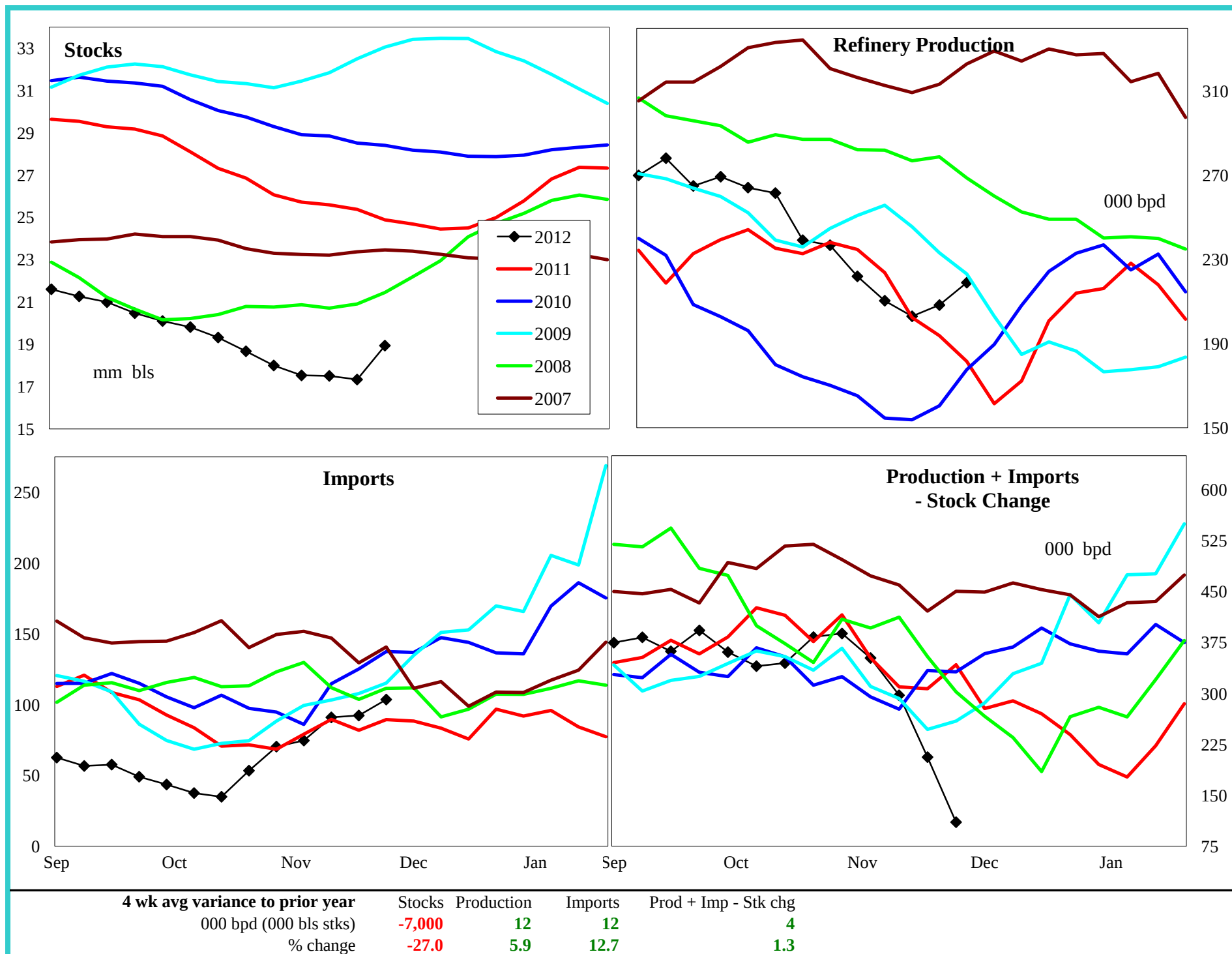
PADD 1 Distillate Supply



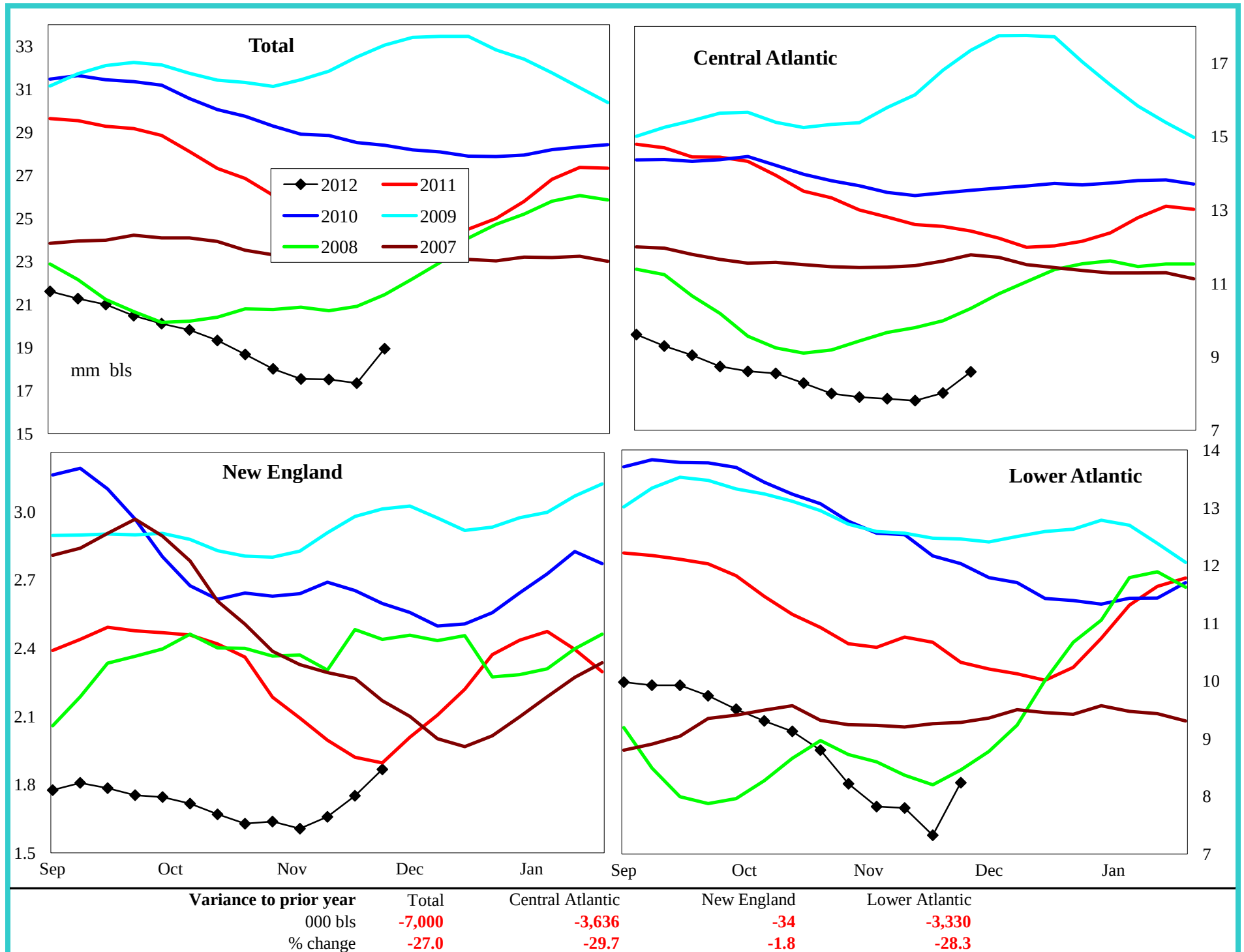
PADD 1 Distillate Stocks by Region



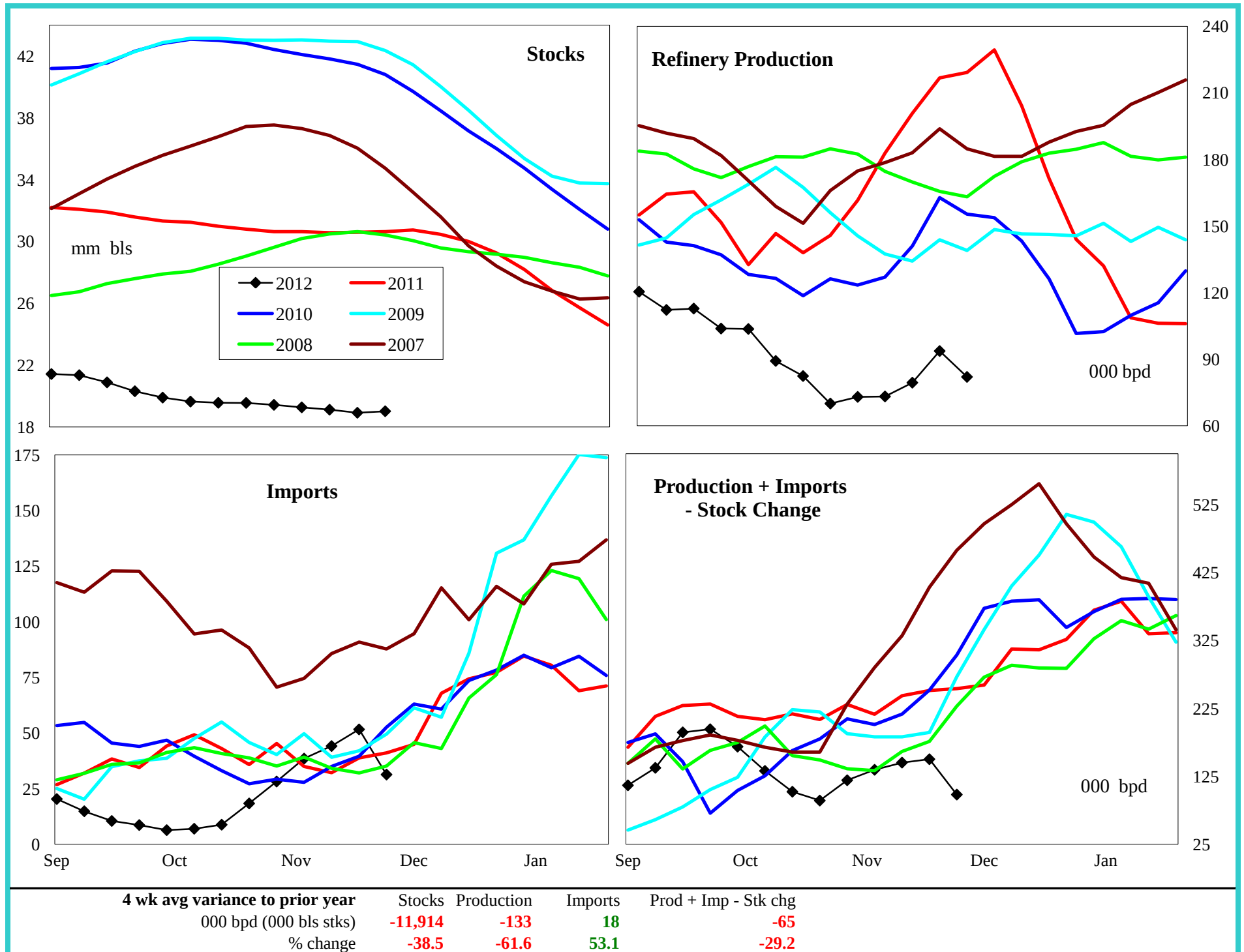
PADD 1 Low Sulfur Distillate Supply



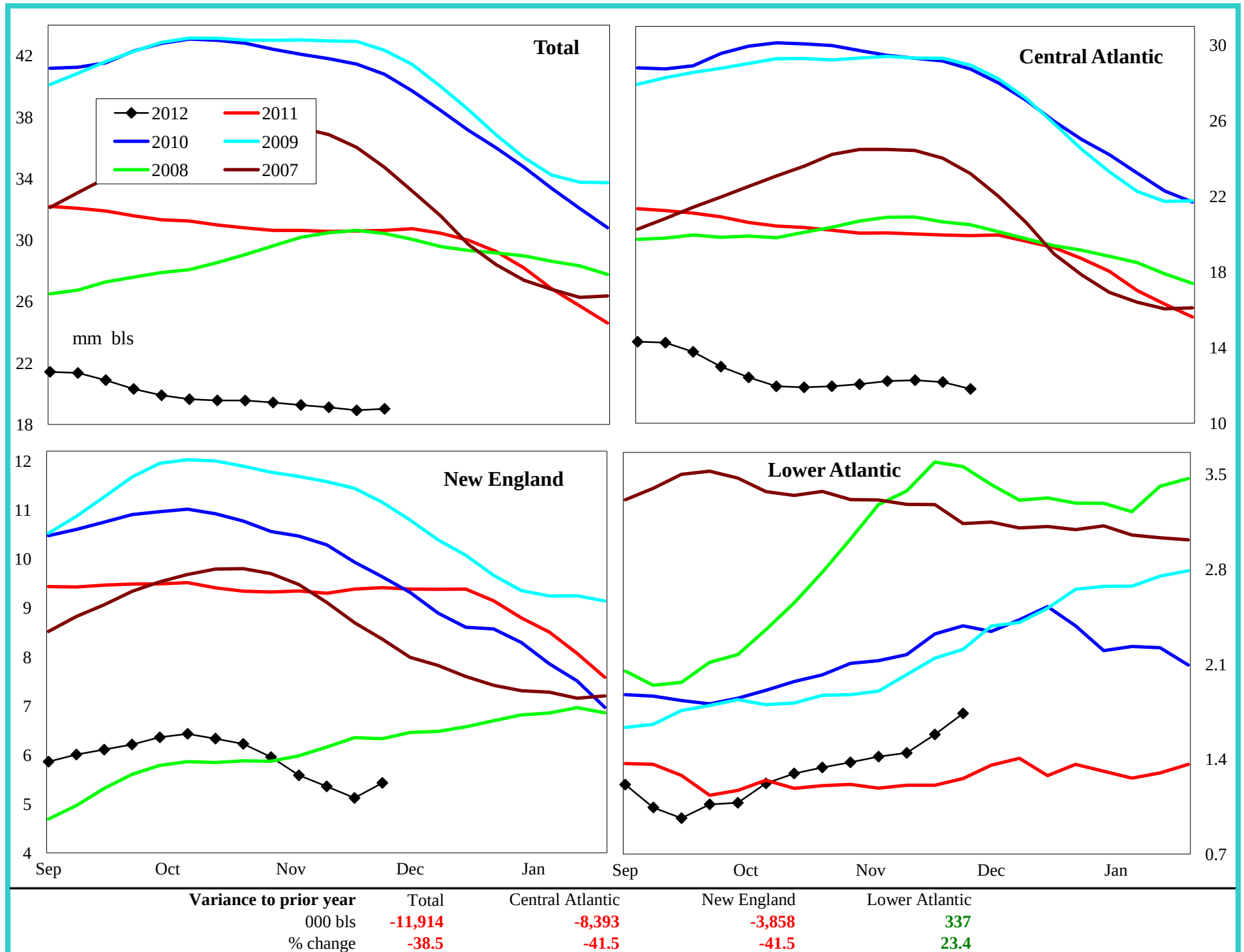
PADD 1 Low Sulfur Distillate Stocks by Region



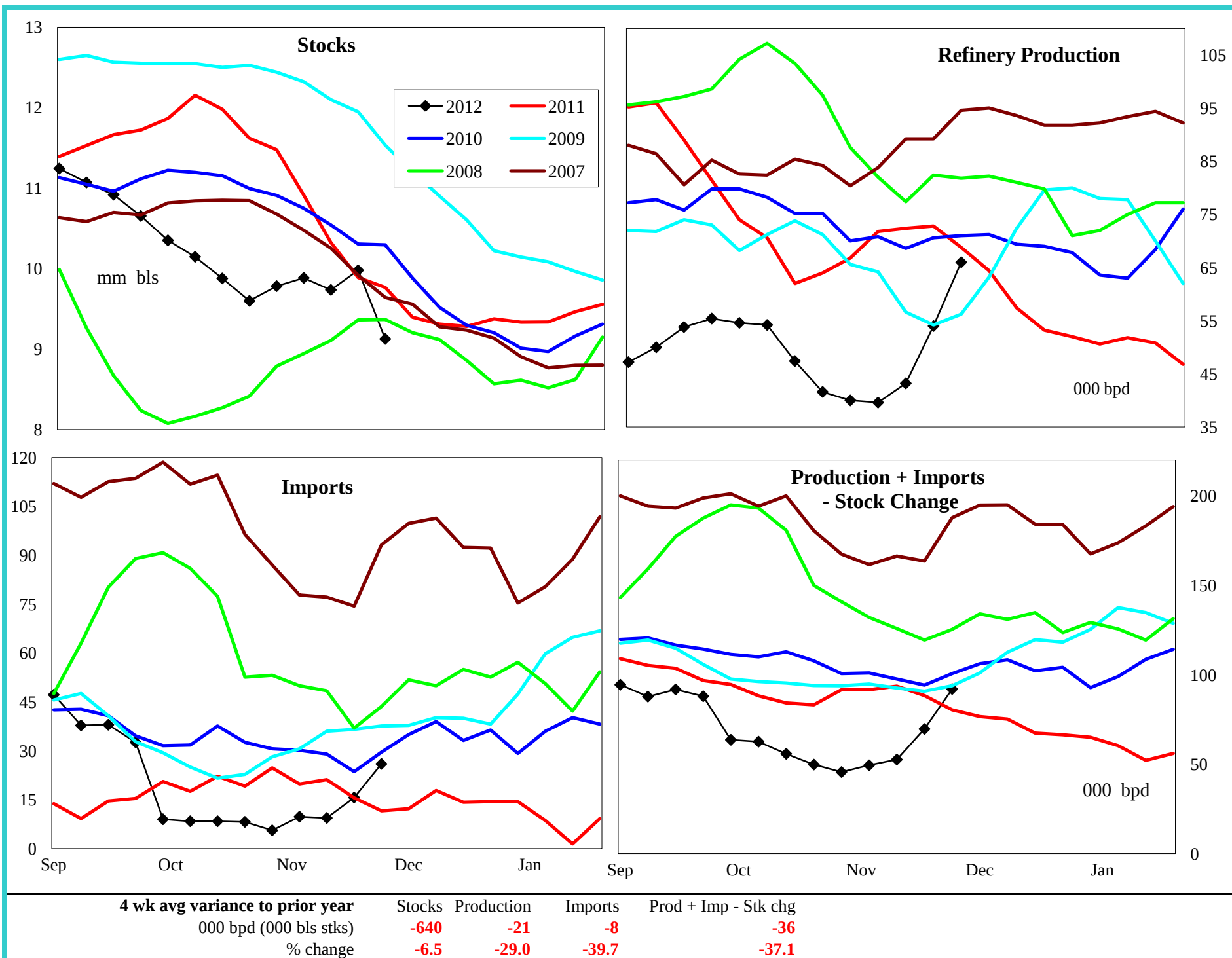
PADD 1 High Sulfur Distillate Supply



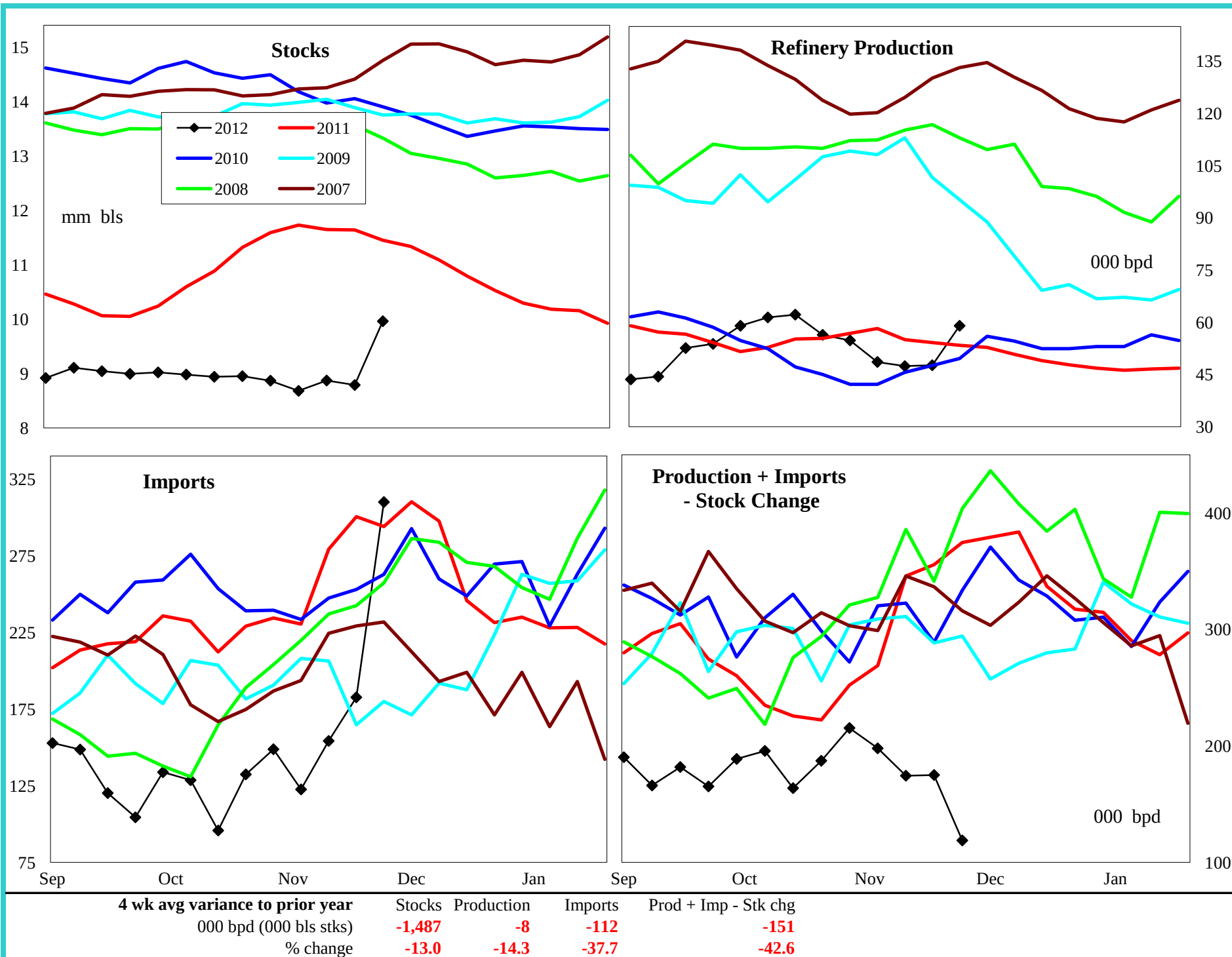
PADD 1 High Sulfur Distillate Stocks by Region



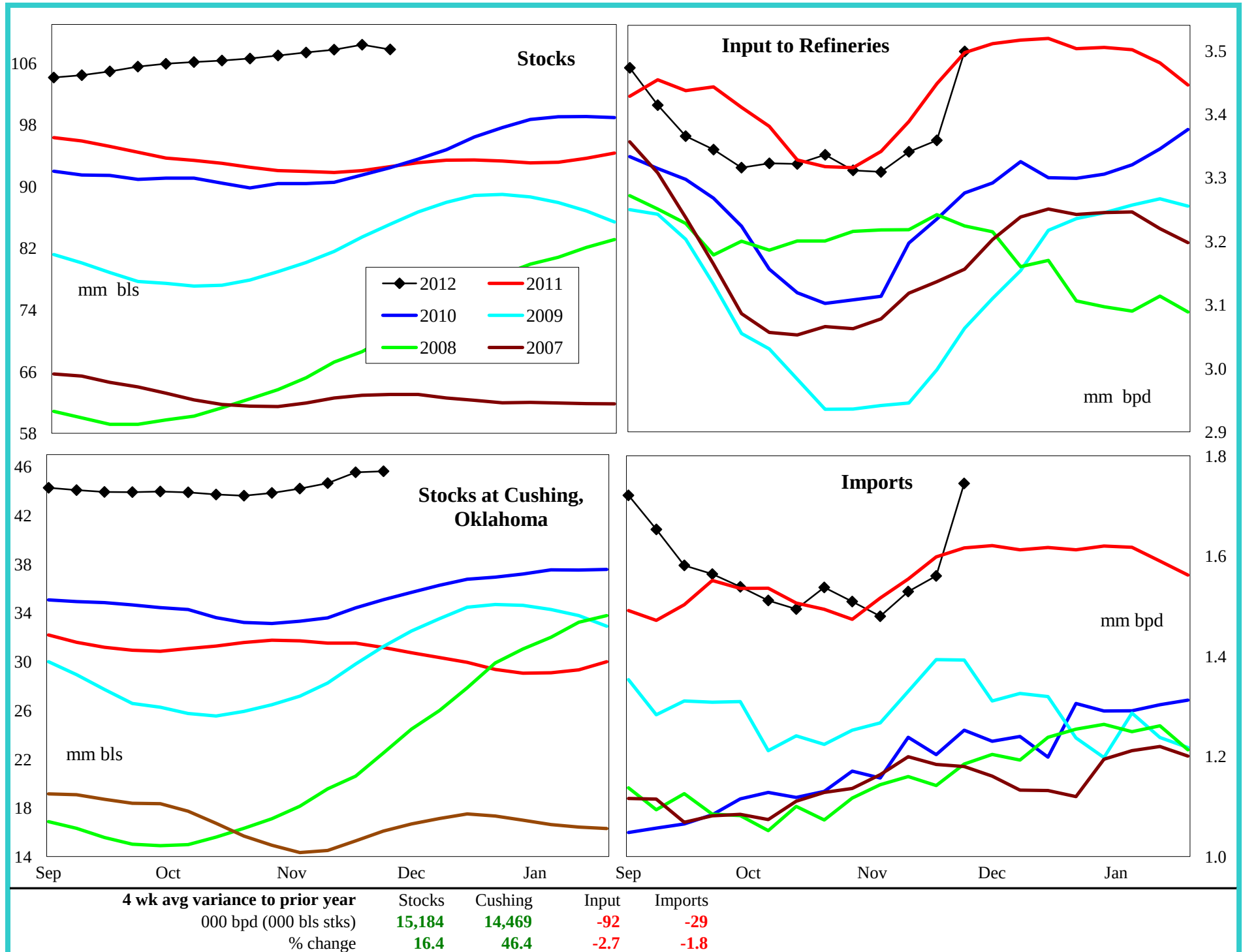
PADD 1 Jet Fuel Supply



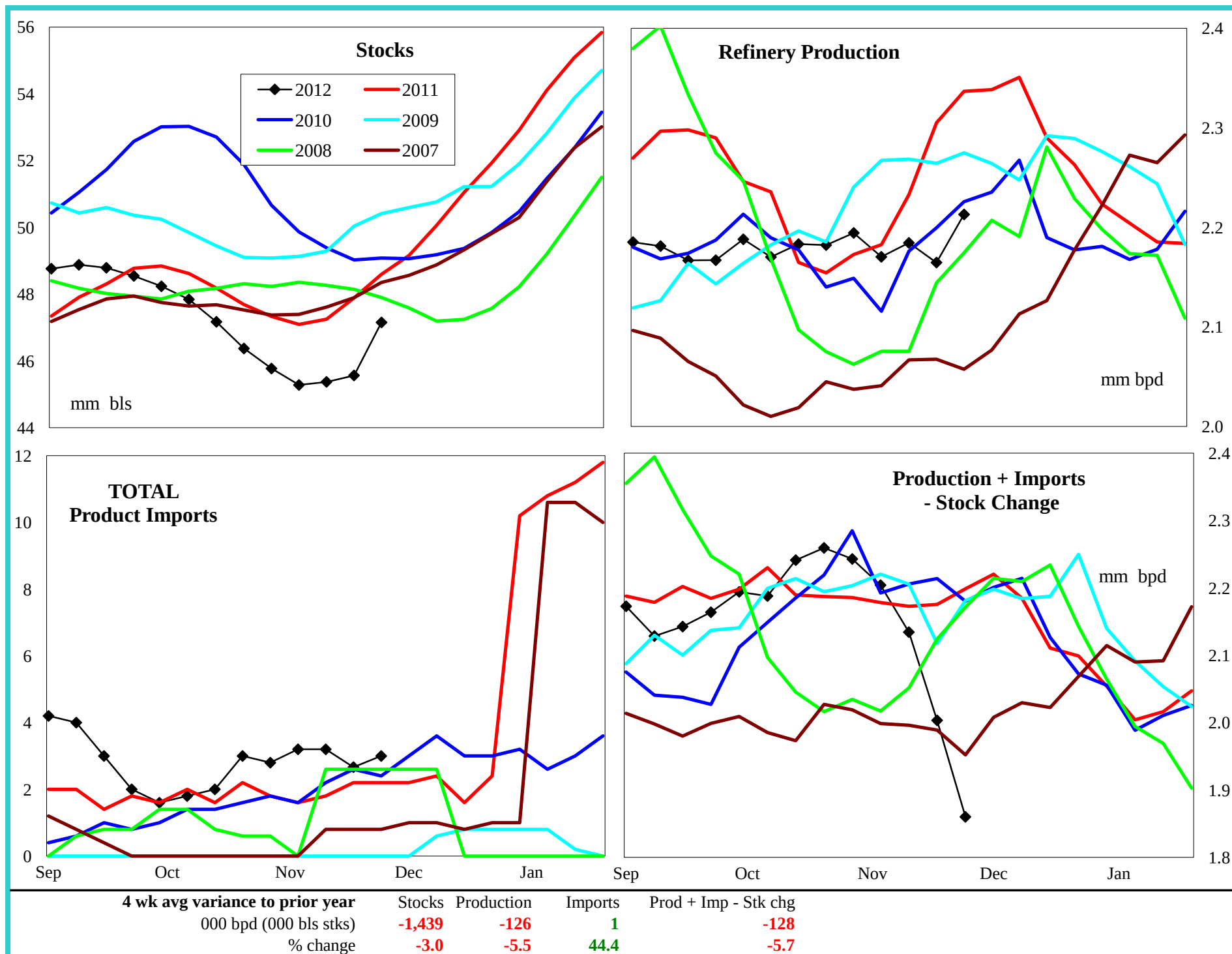
PADD 1 Residual Fuel Oil Supply



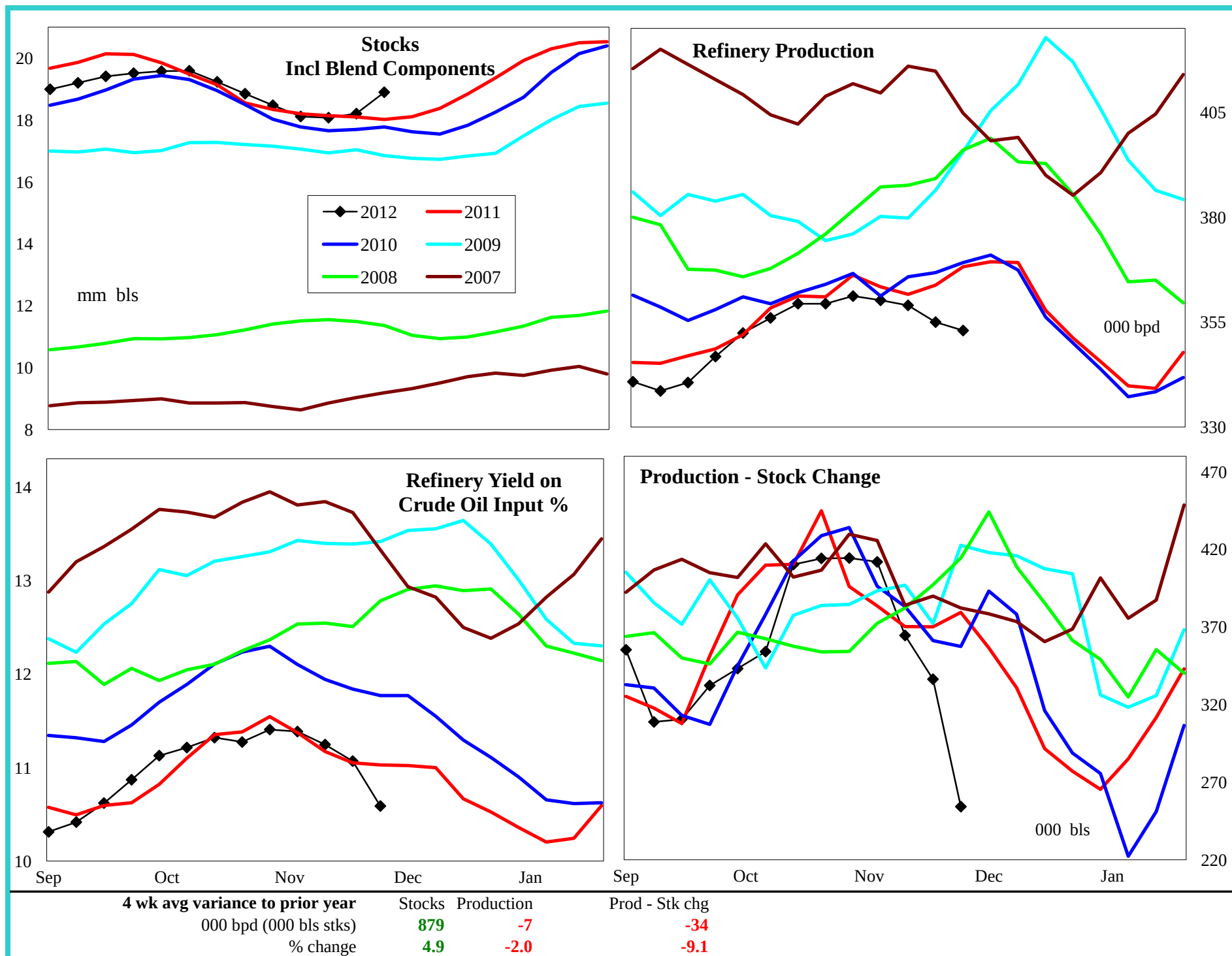
PADD 2 Crude Oil Supply and Refining



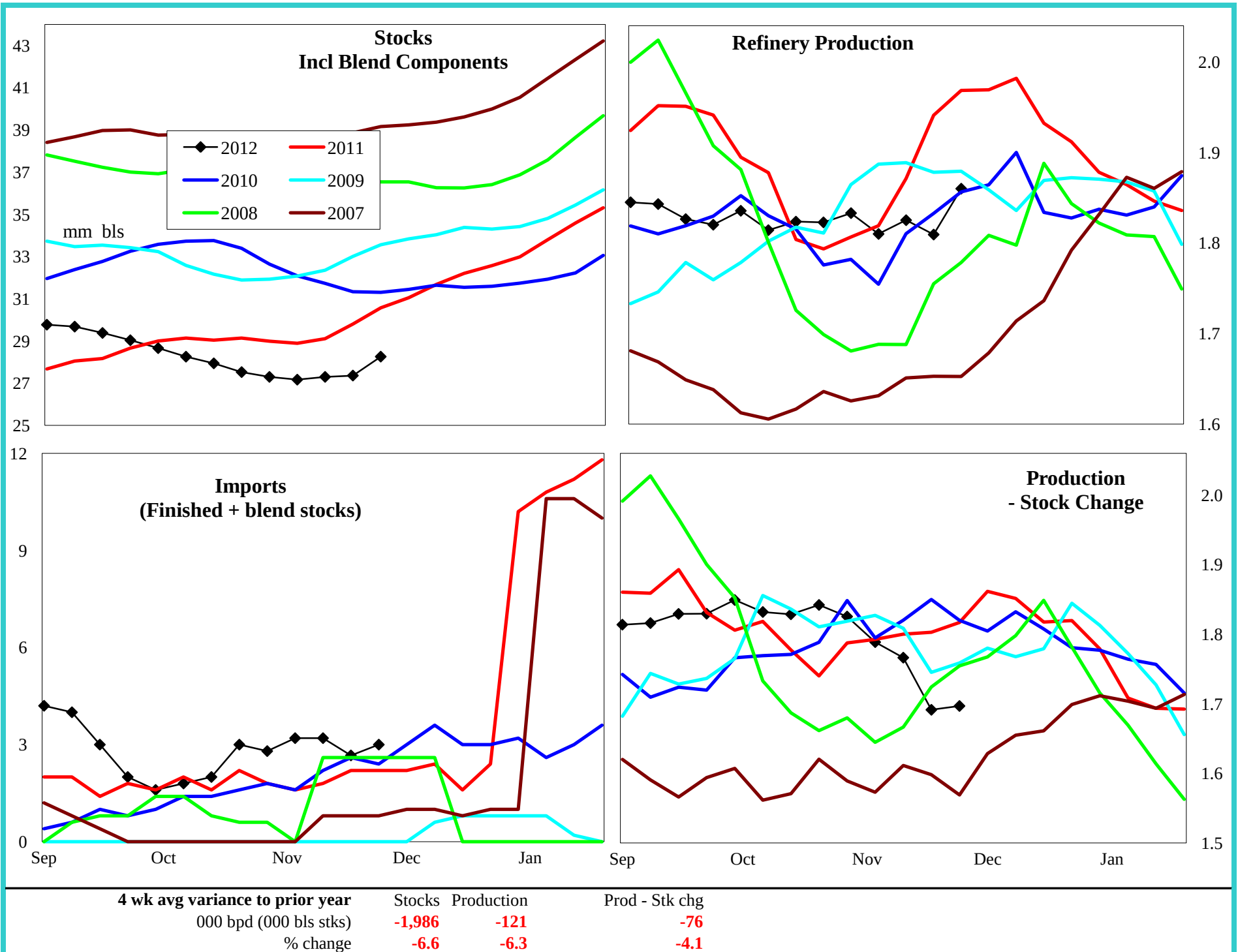
PADD 2 Gasoline Supply



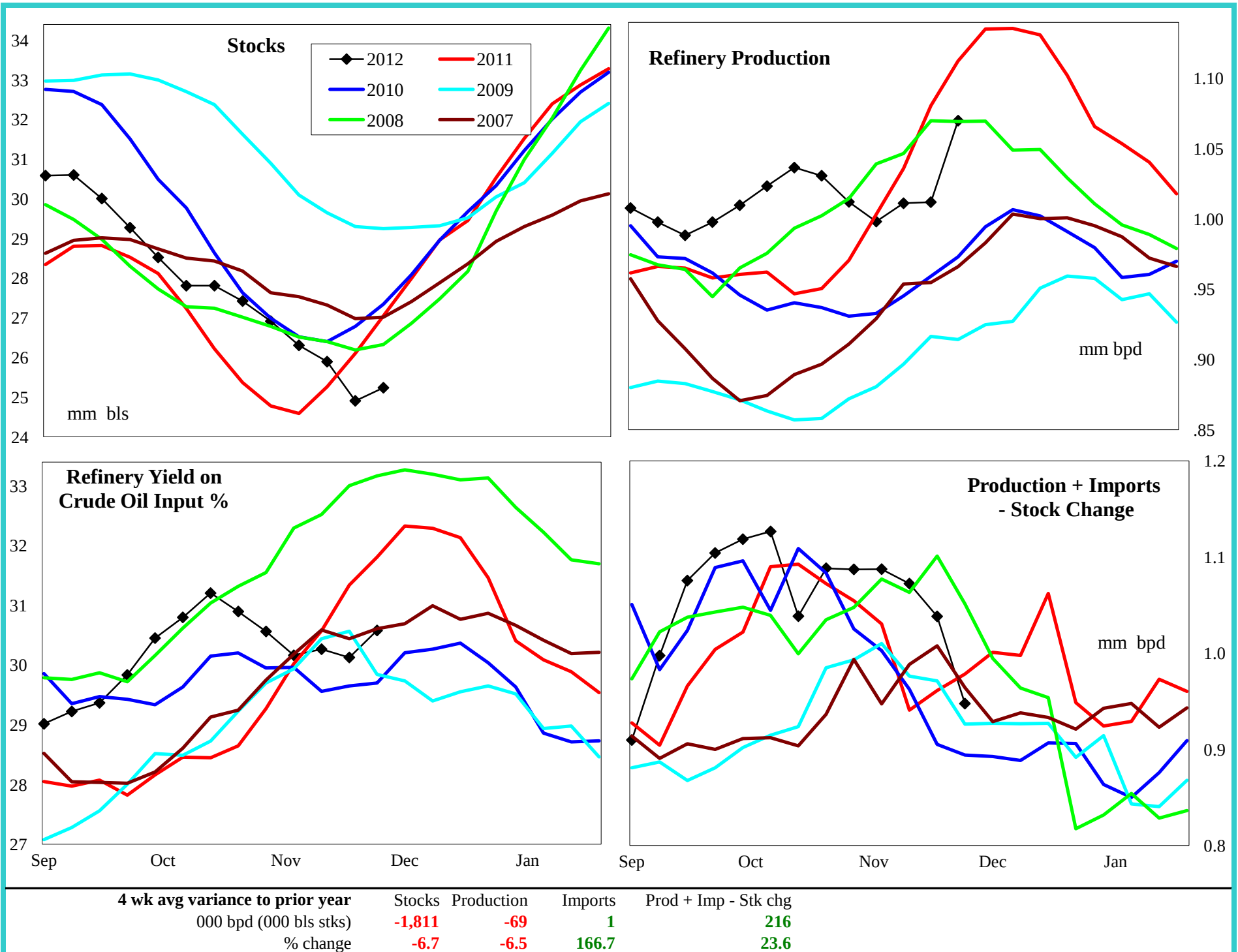
PADD 2 Reformulated Gasoline Supply



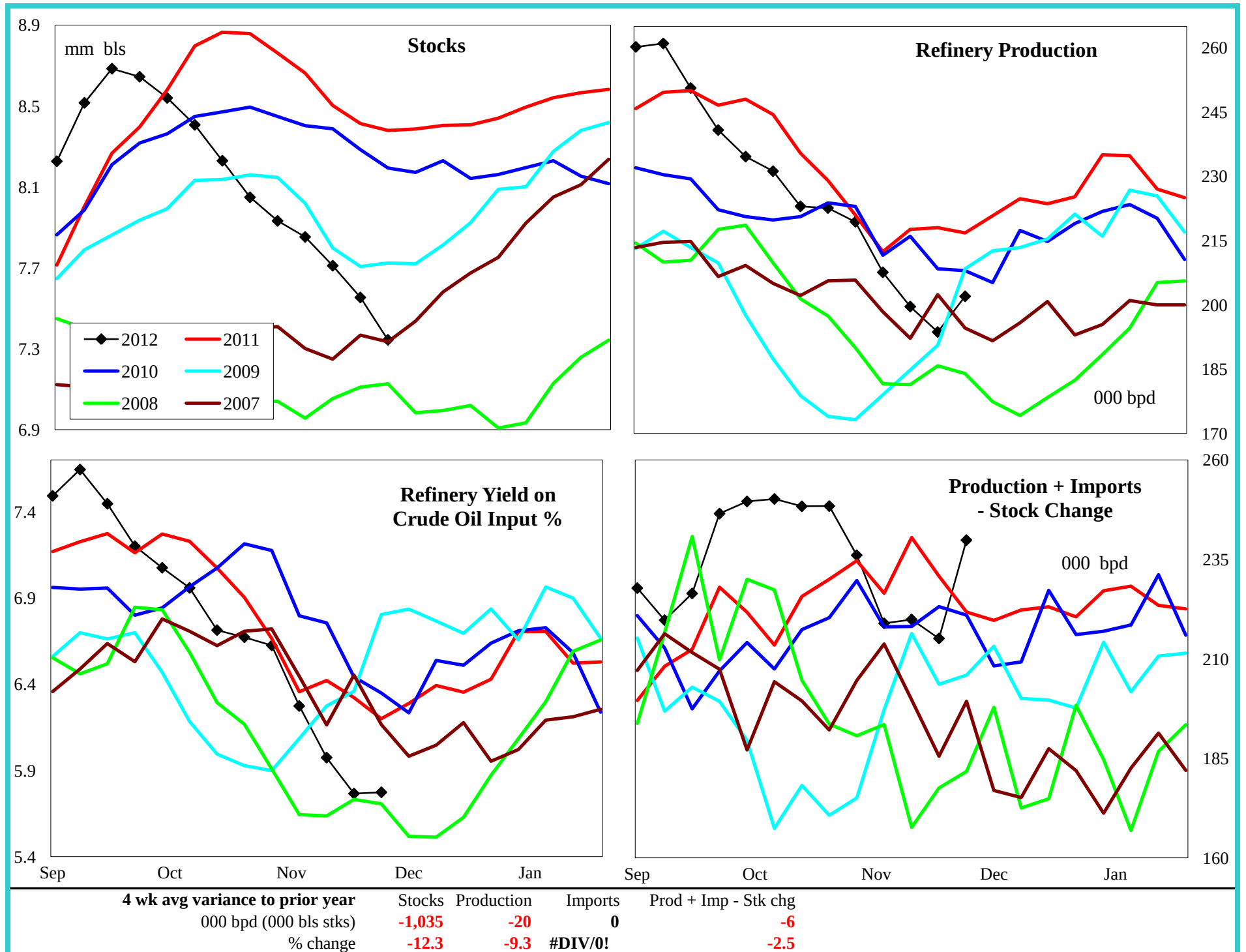
PADD 2 Conventional Gasoline Supply



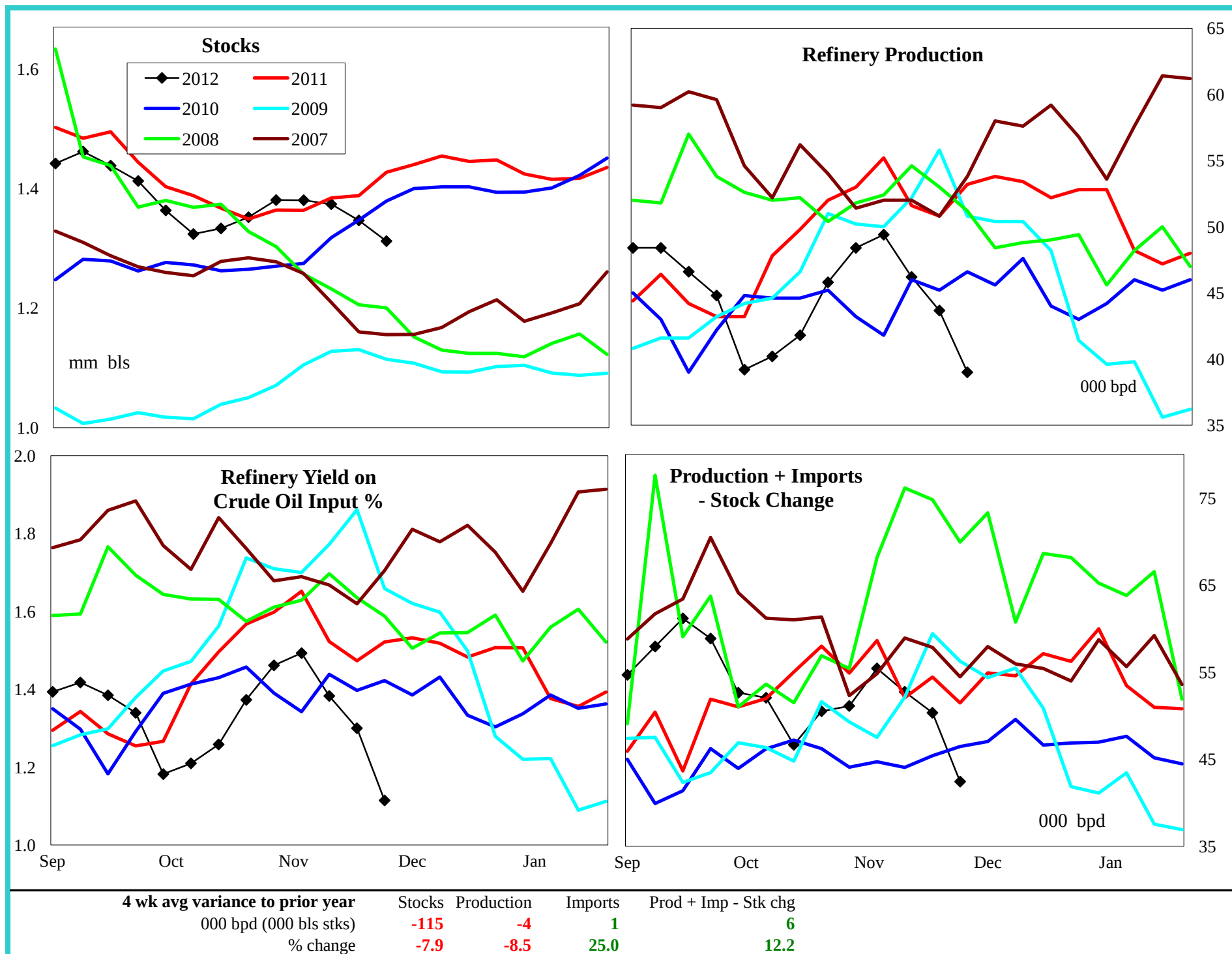
PADD 2 Distillate Supply



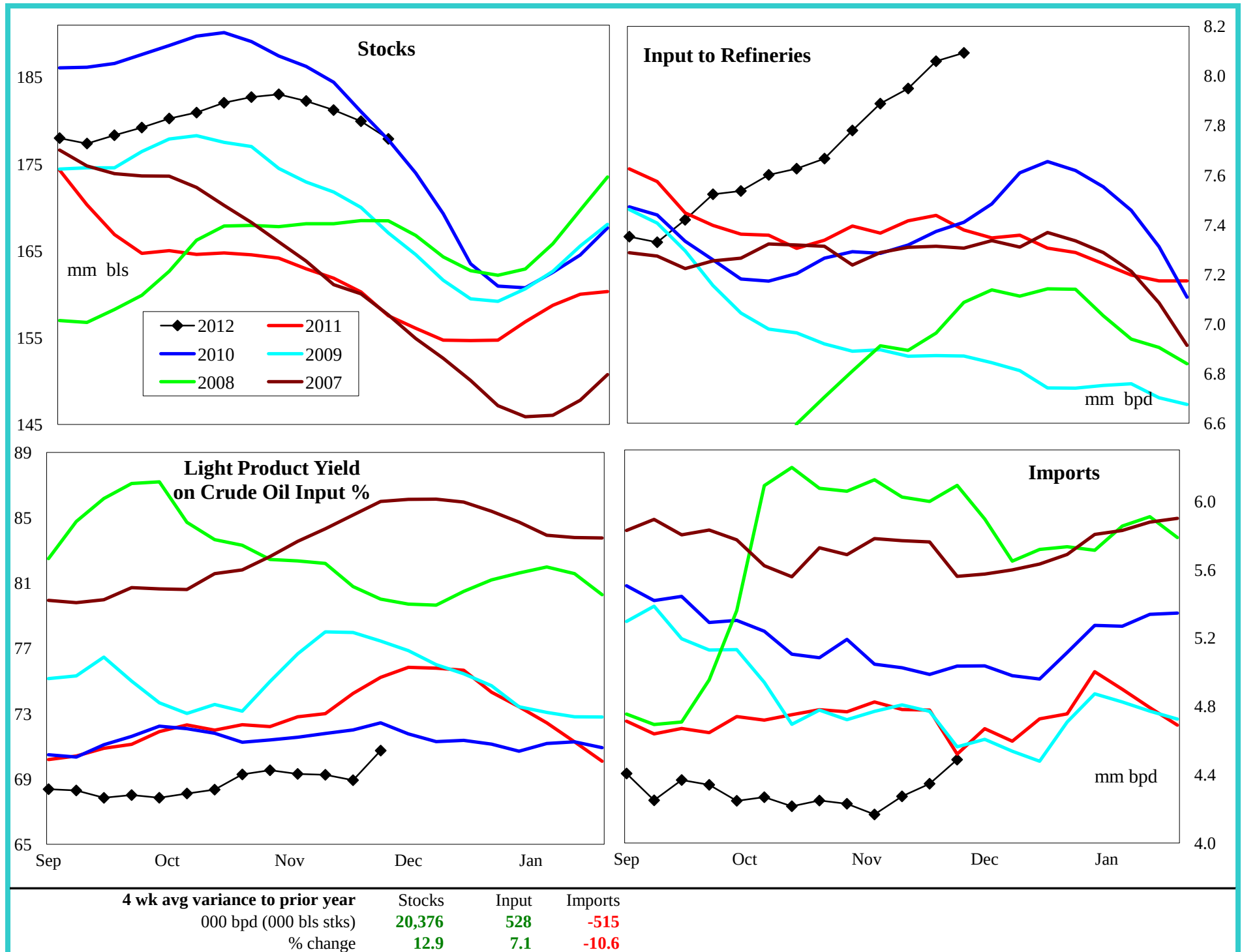
PADD 2 Jet Fuel Supply



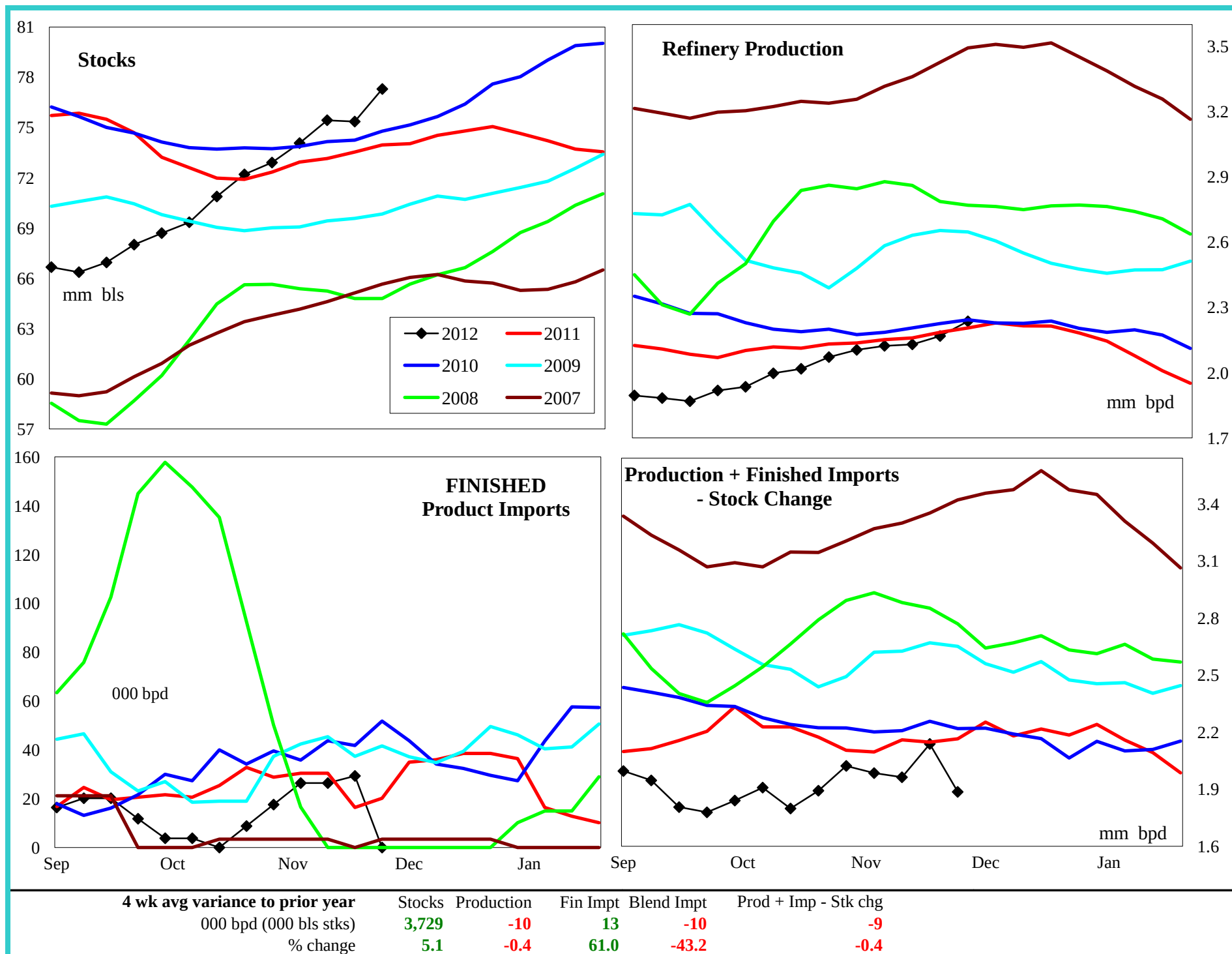
PADD 2 Residual Fuel Oil Supply



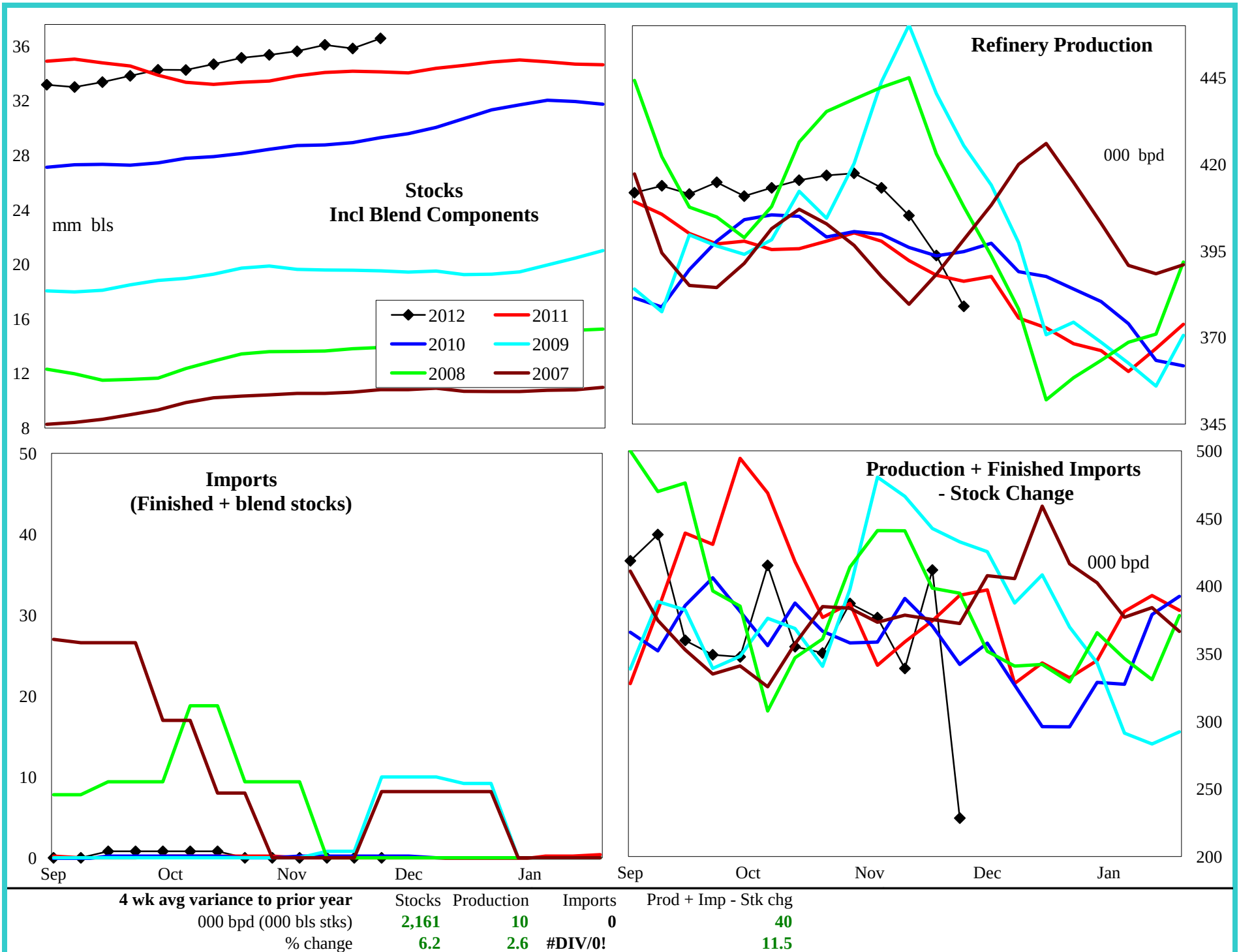
PADD 3 Crude Oil Supply and Refining



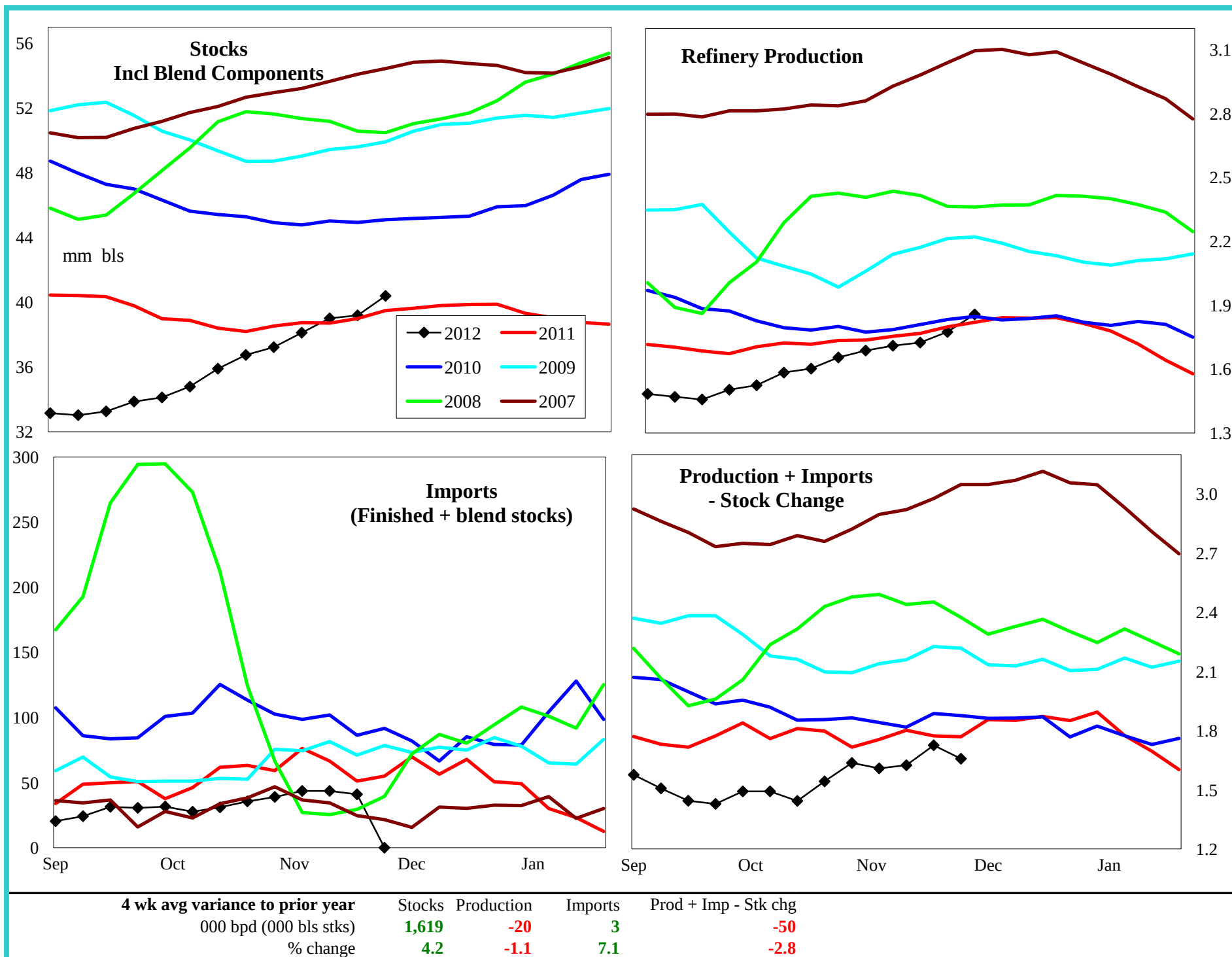
PADD 3 Gasoline Supply



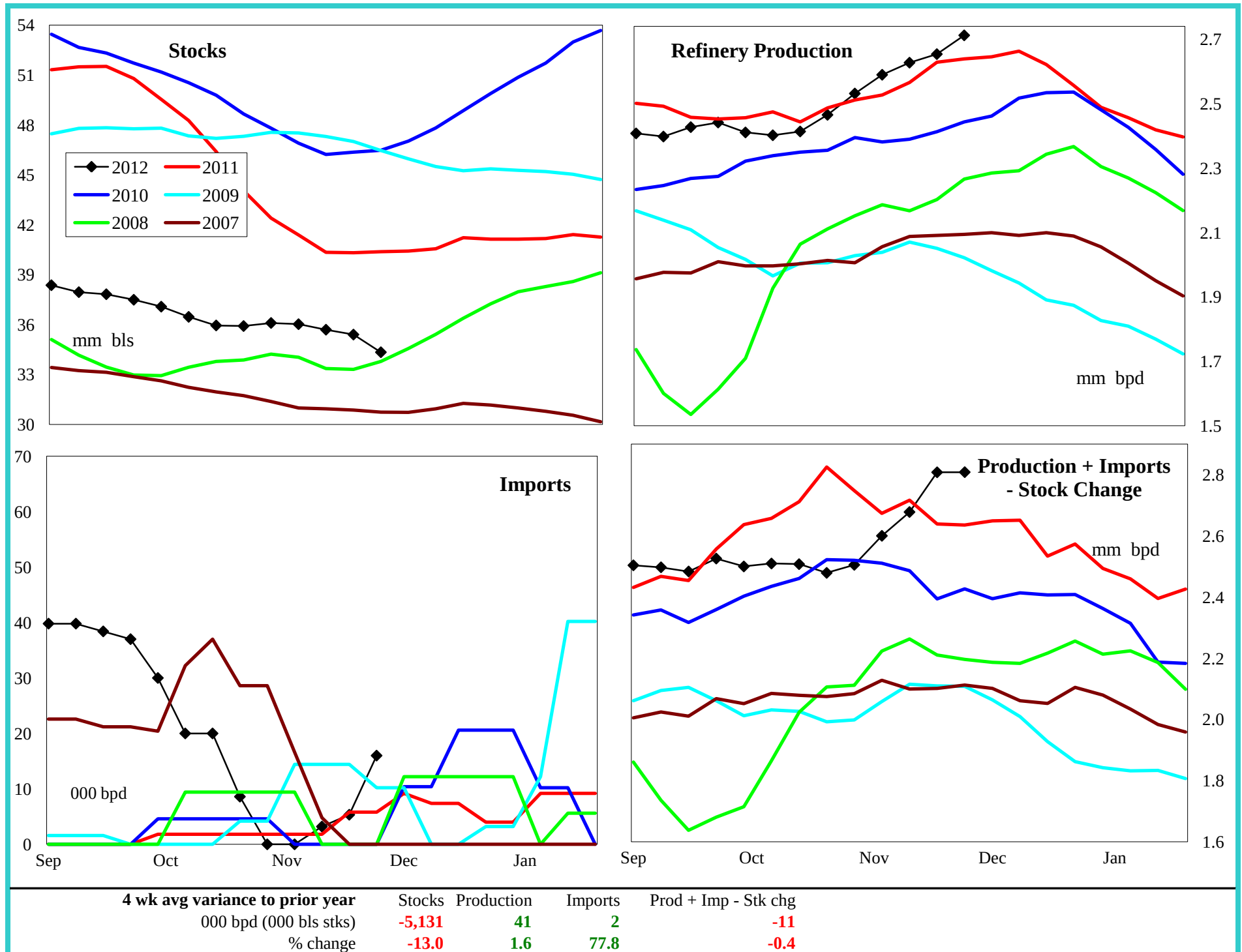
PADD 3 Reformulated Gasoline Supply



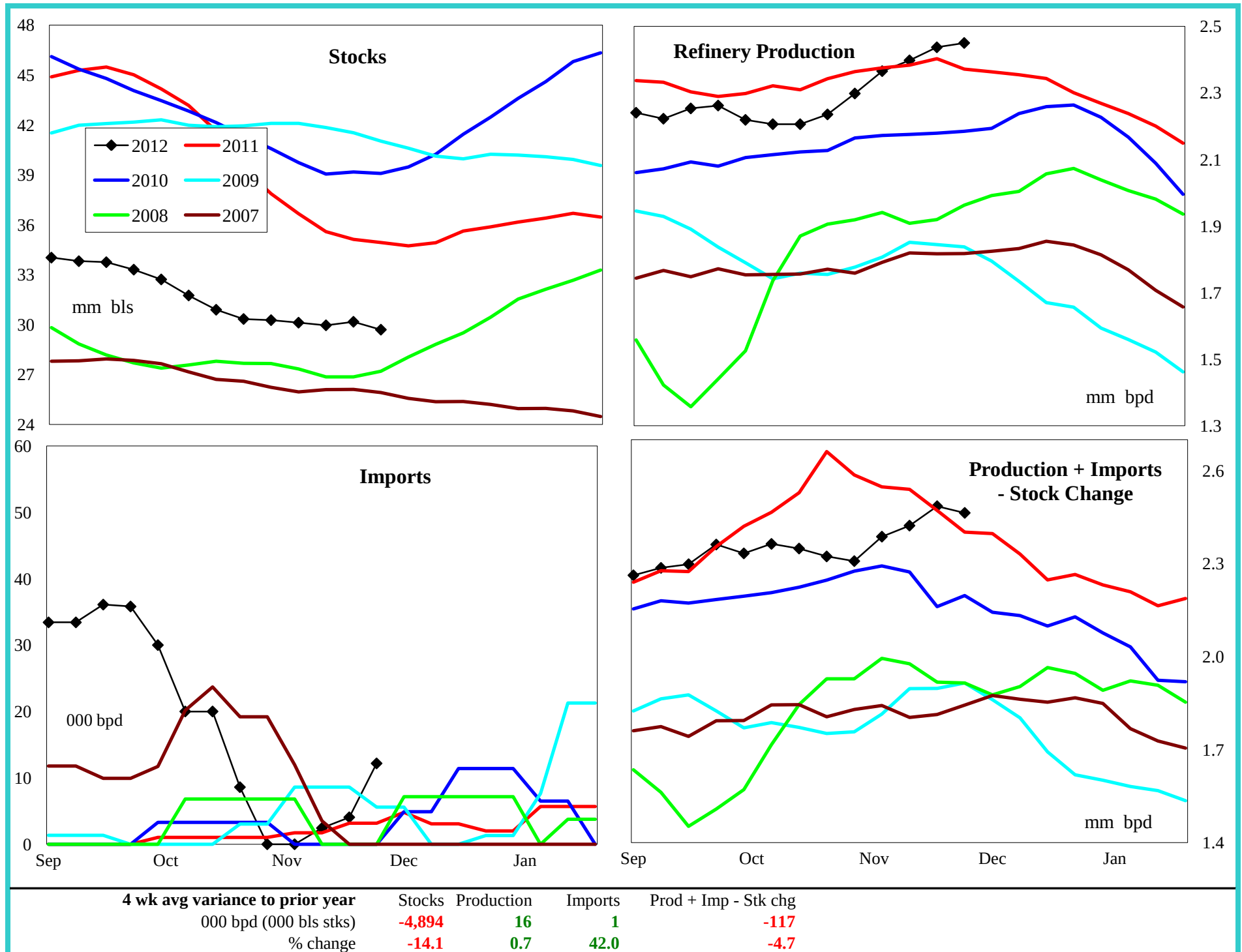
PADD 3 Conventional Gasoline Supply



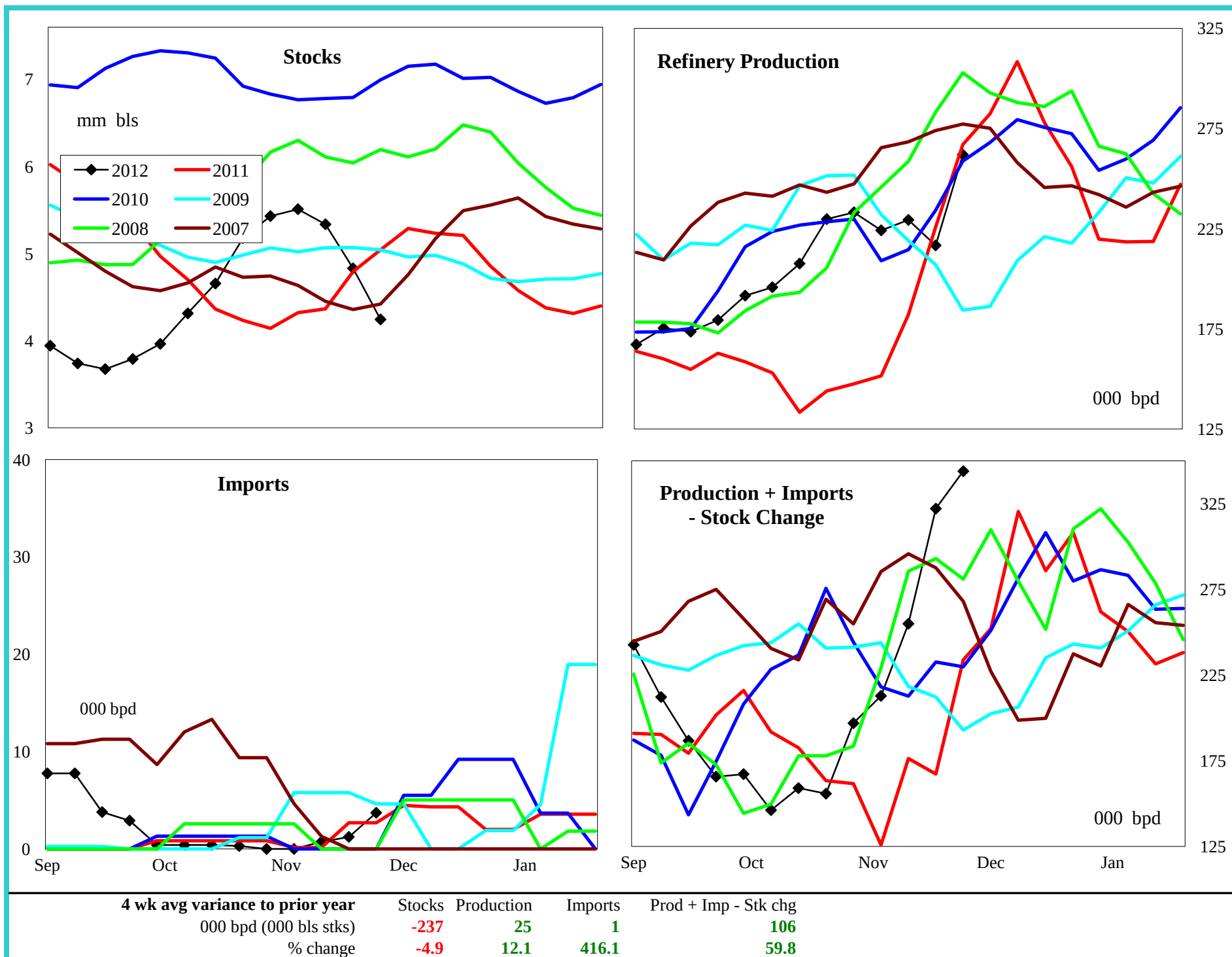
PADD 3 Distillate Supply



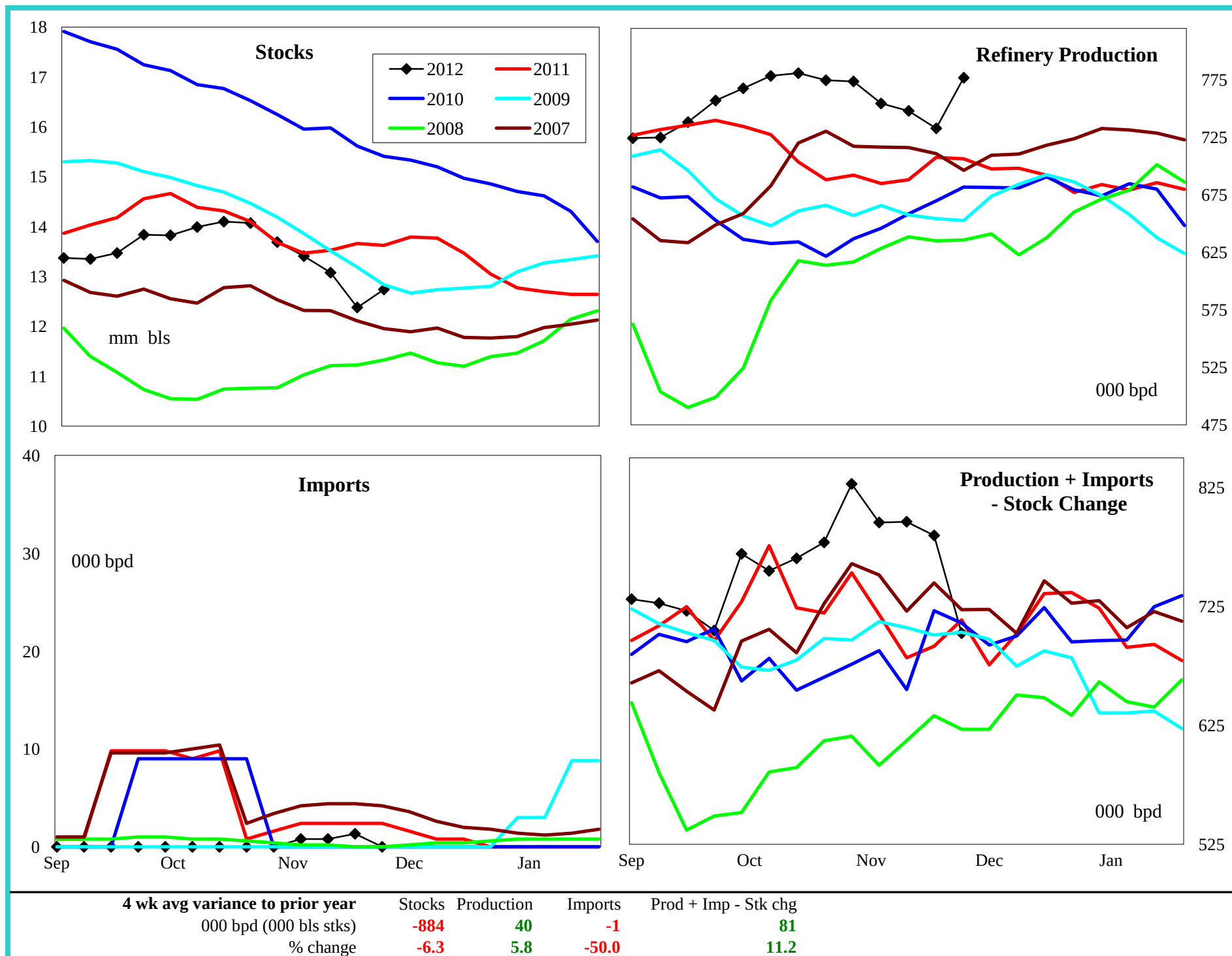
PADD 3 Low Sulfur Distillate Supply



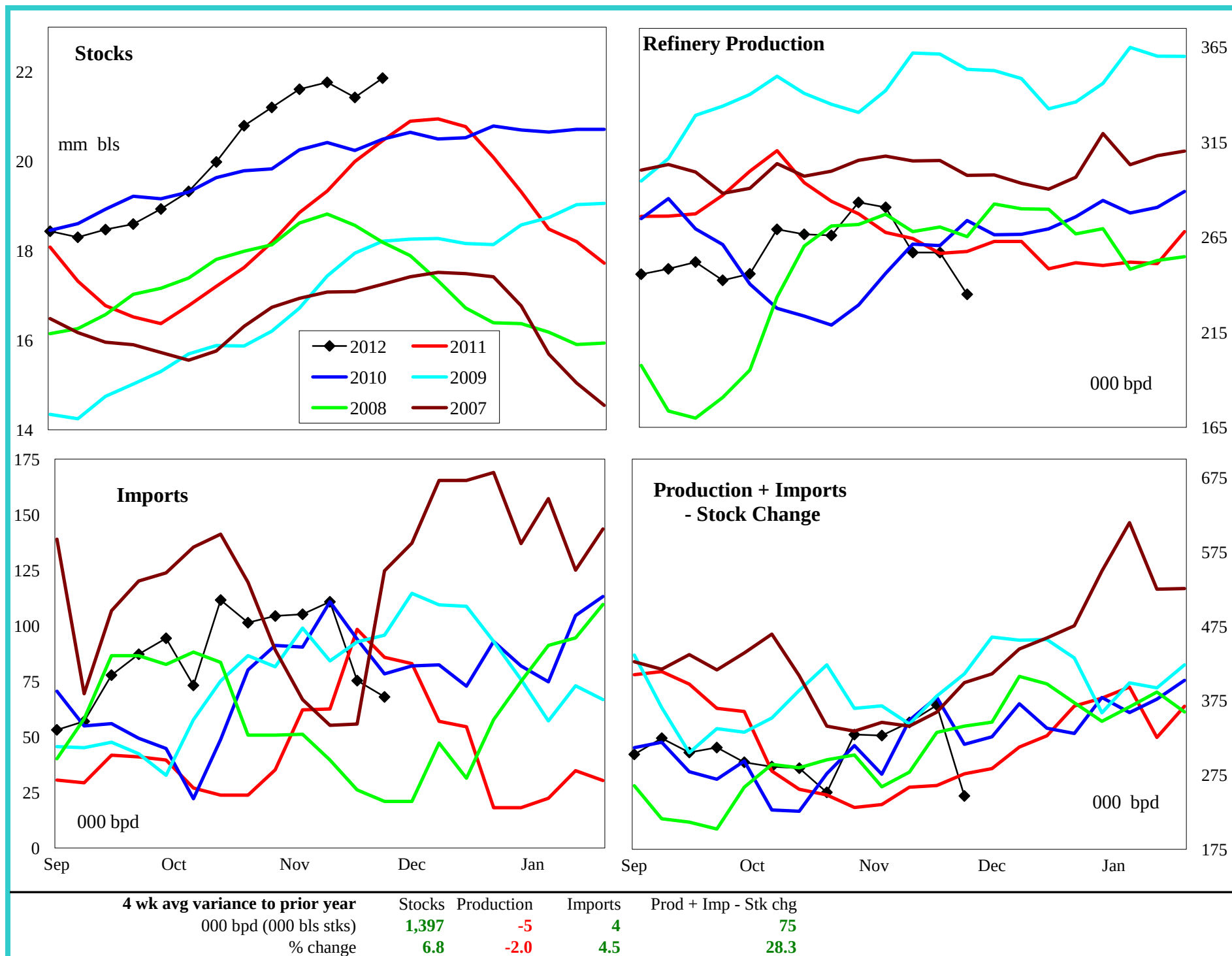
PADD 3 High Sulfur Distillate Supply



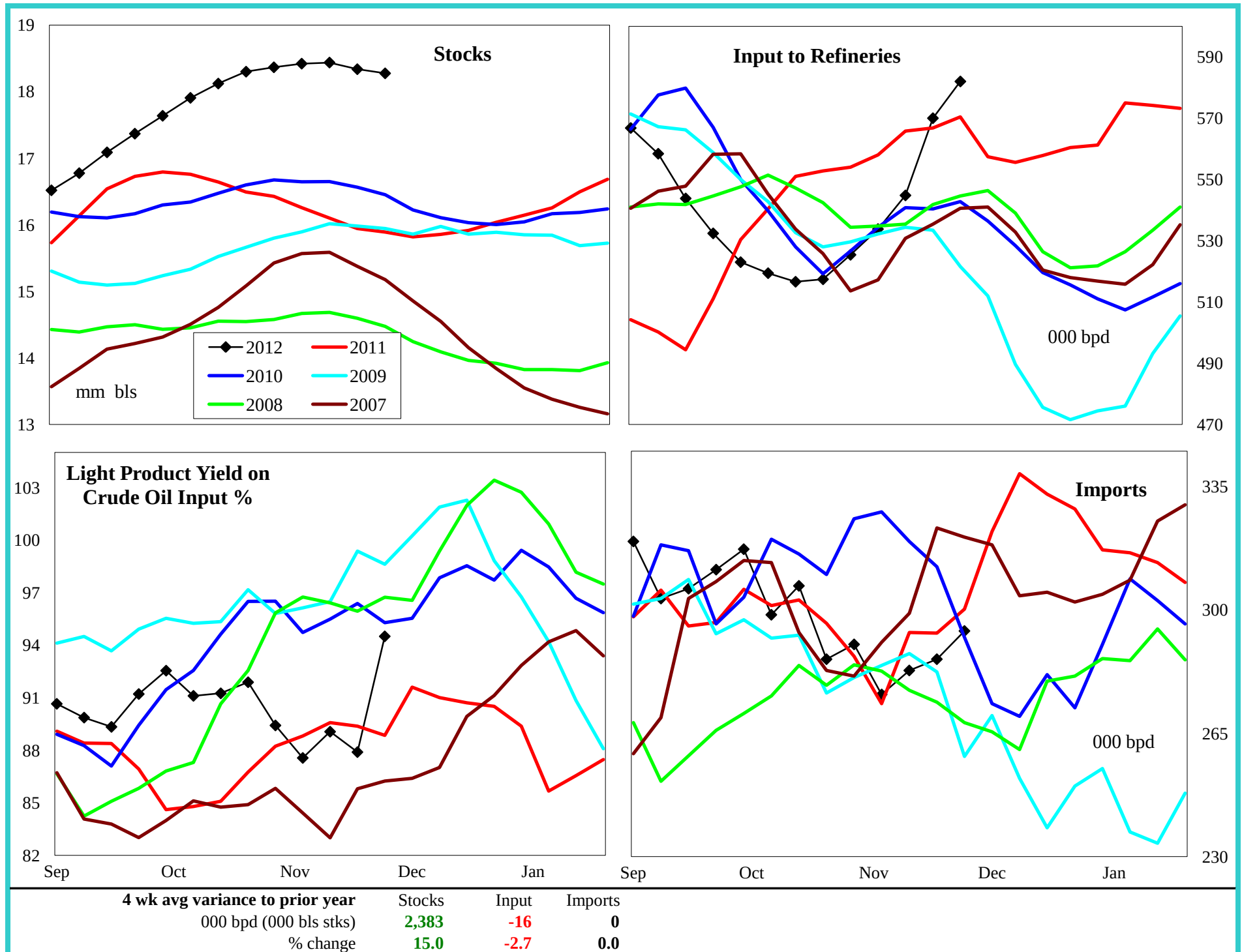
PADD 3 Jet Fuel Supply



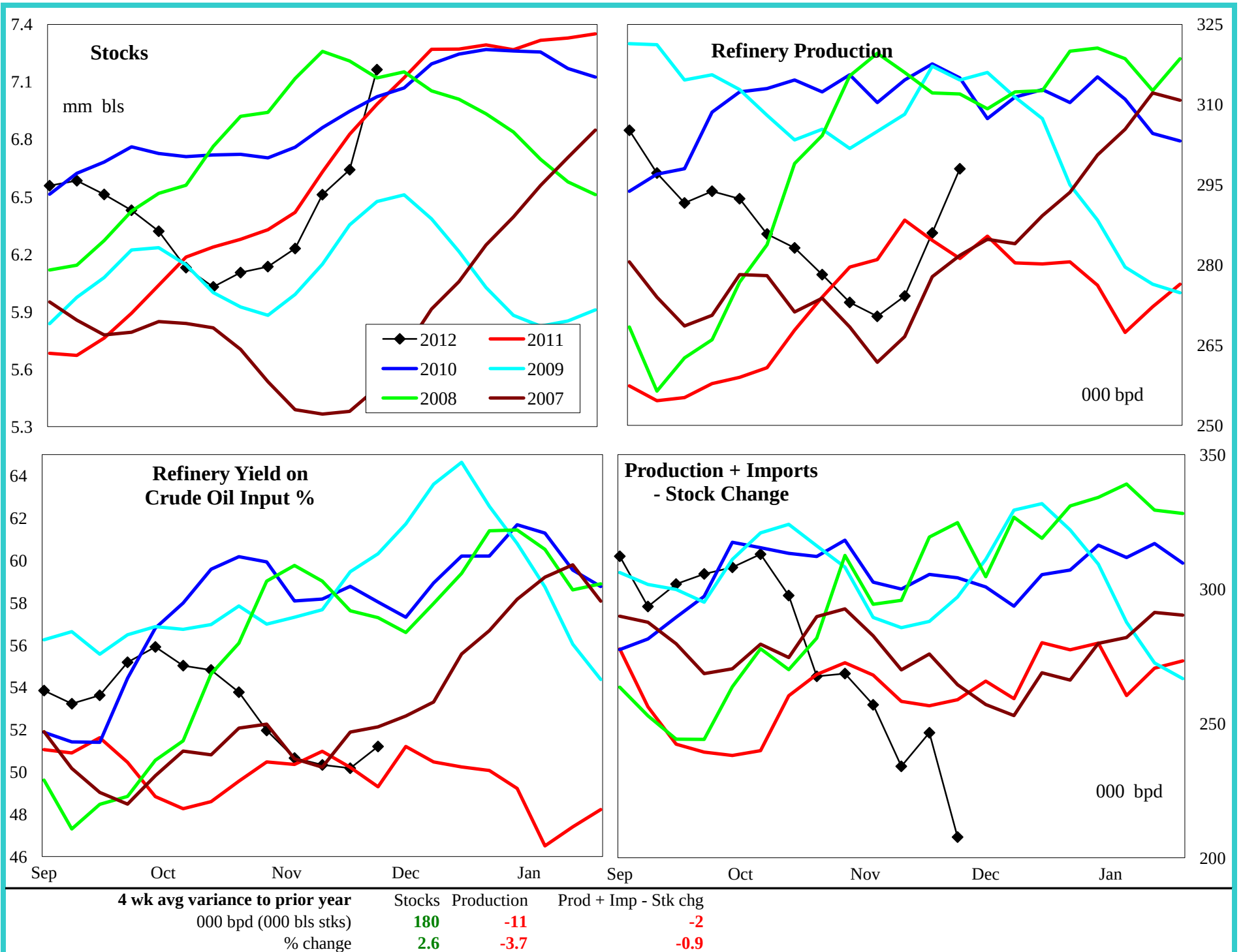
PADD 3 Residual Fuel Oil Supply



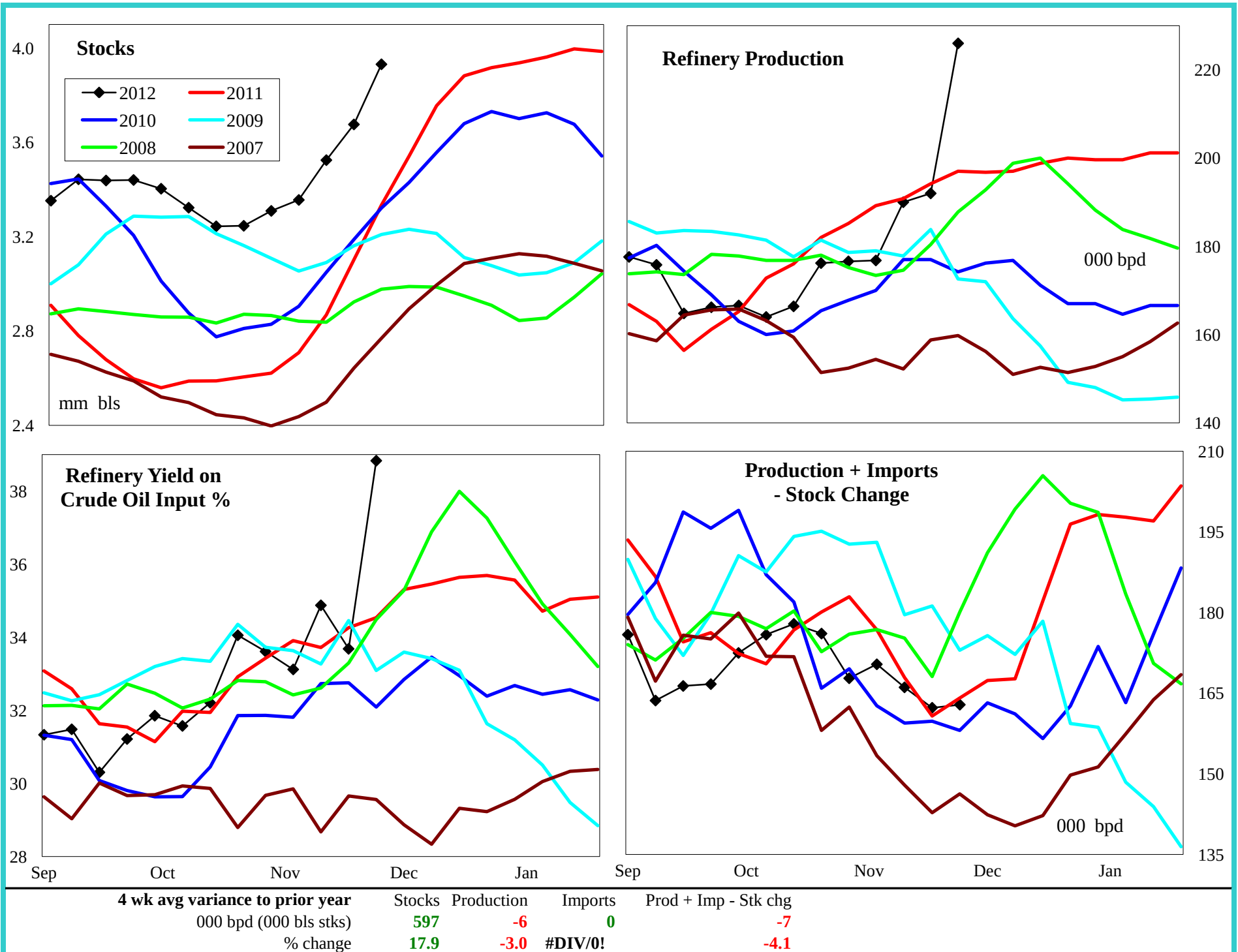
PADD 4 Crude Oil Supply and Refining



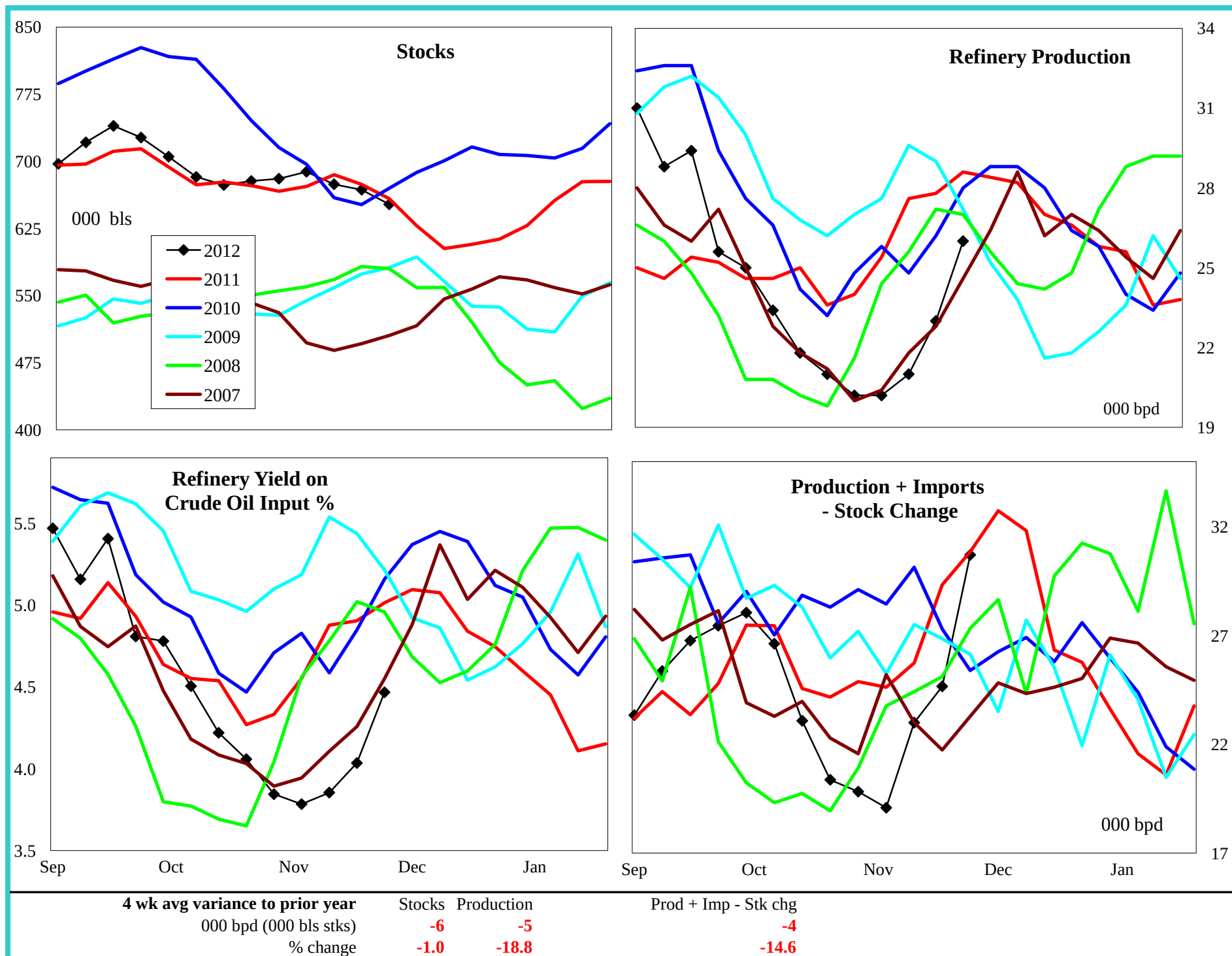
PADD 4 Gasoline Supply



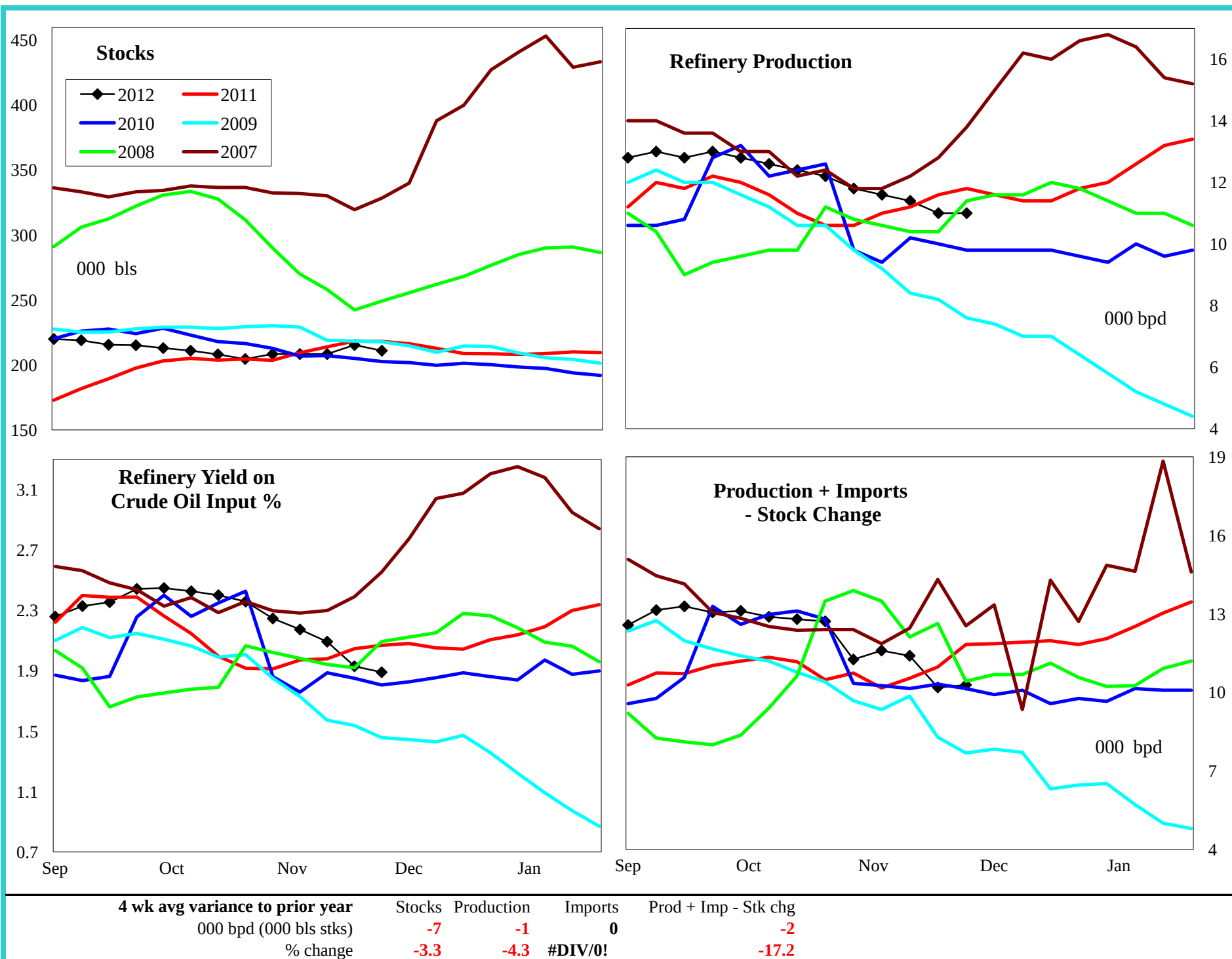
PADD 4 Distillate Supply



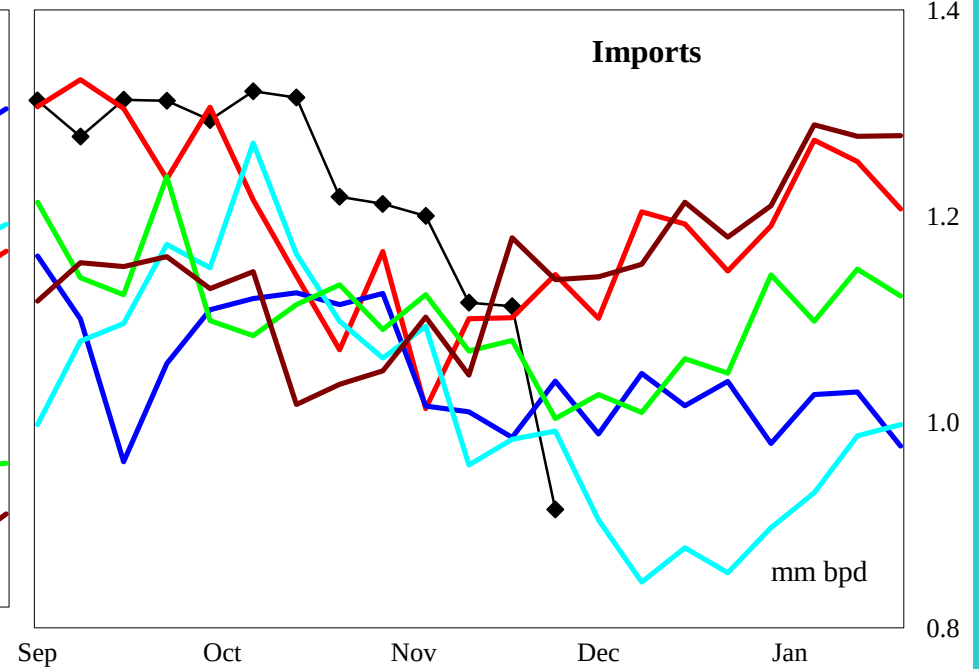
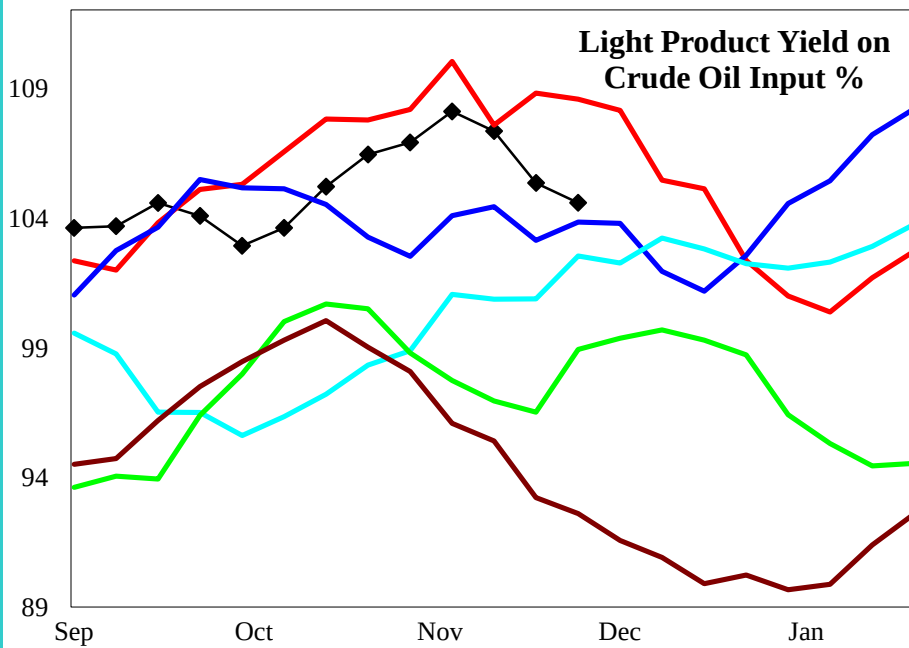
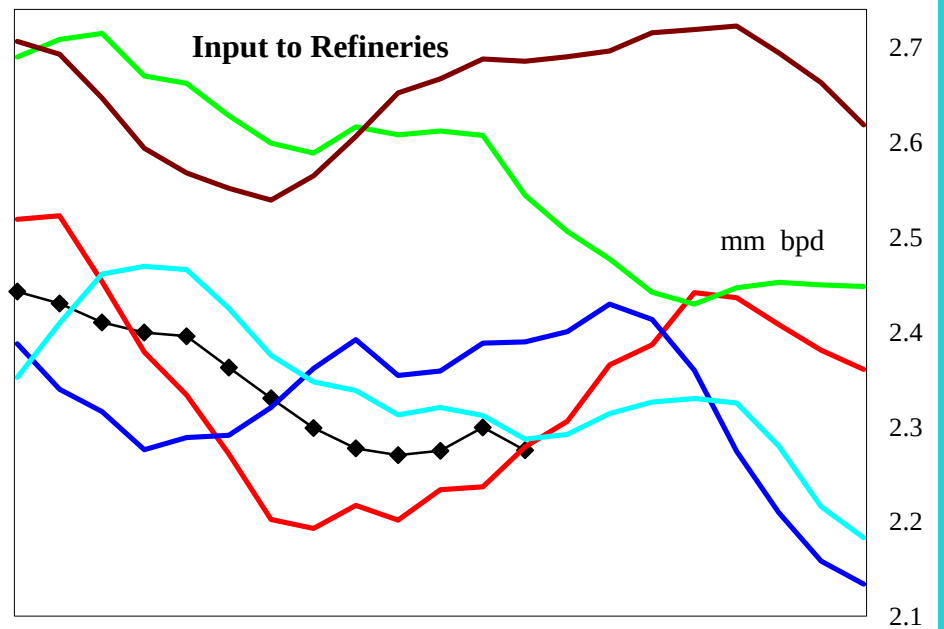
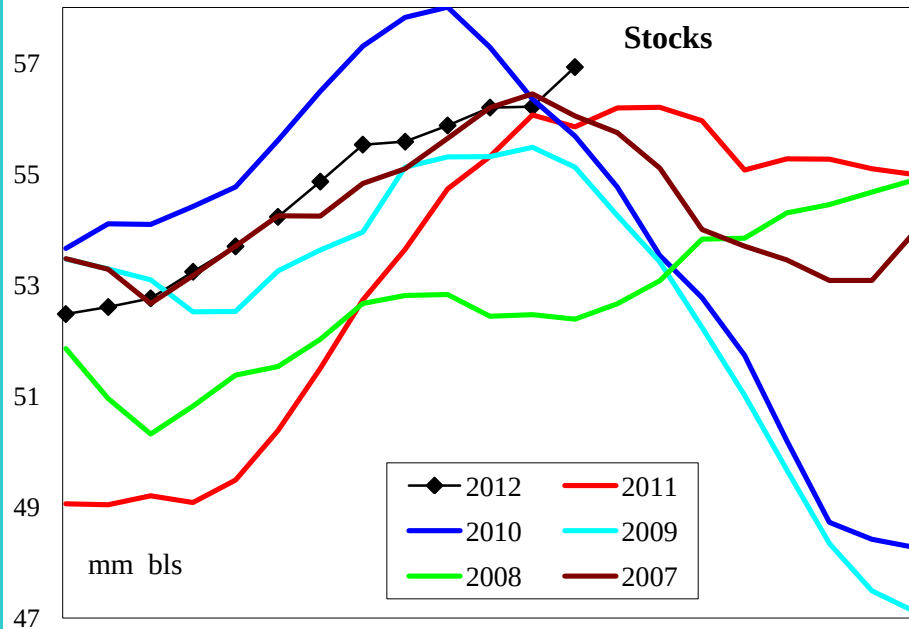
PADD 4 Jet Fuel Supply



PADD 4 Residual Fuel Oil Supply



PADD 5 Crude Oil Supply and Refining



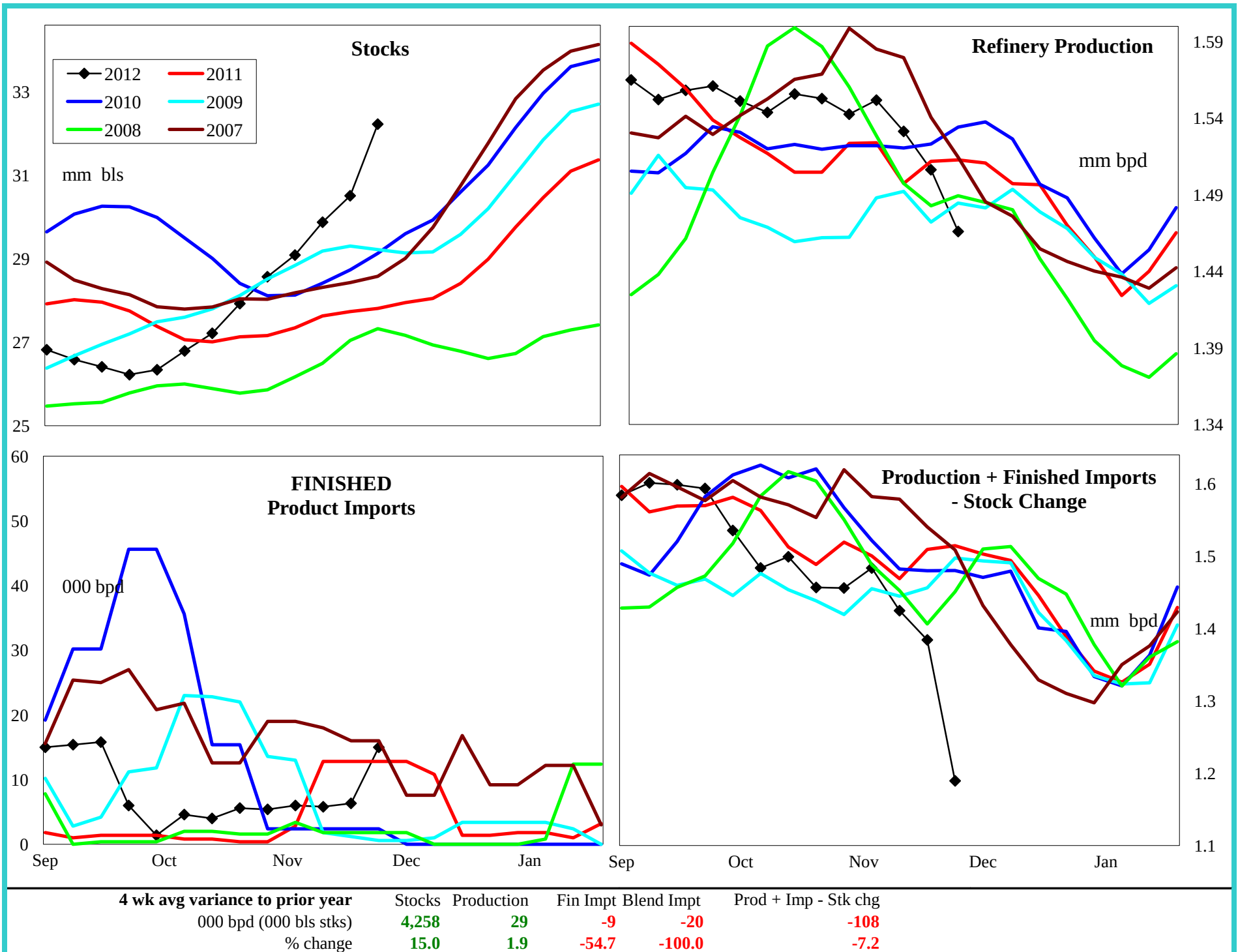
4 wk avg variance to prior year
 000 bpd (000 bls stks)
 % change

Stocks
1,077
1.9

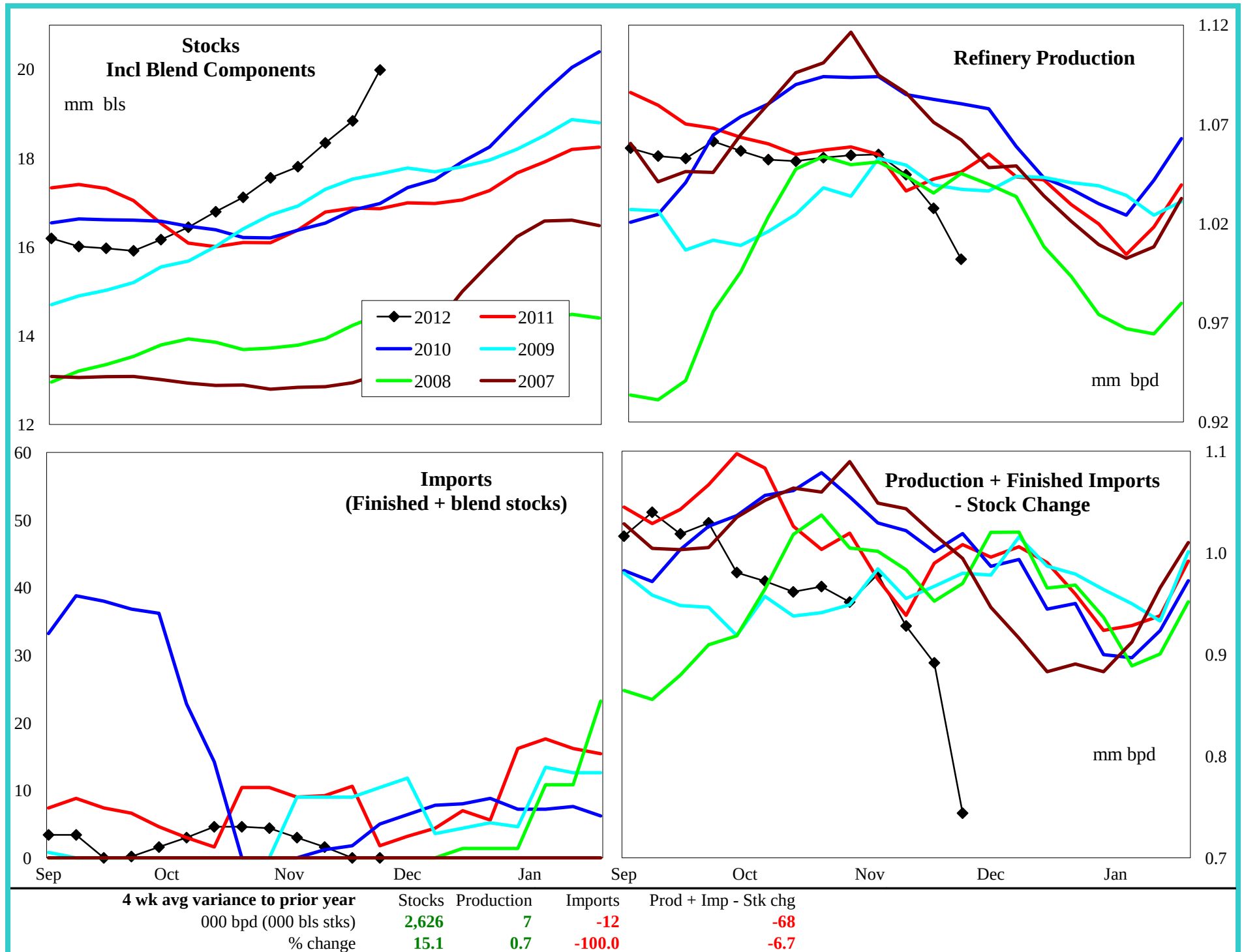
Input
18
0.8

Imports
-13
-1.2

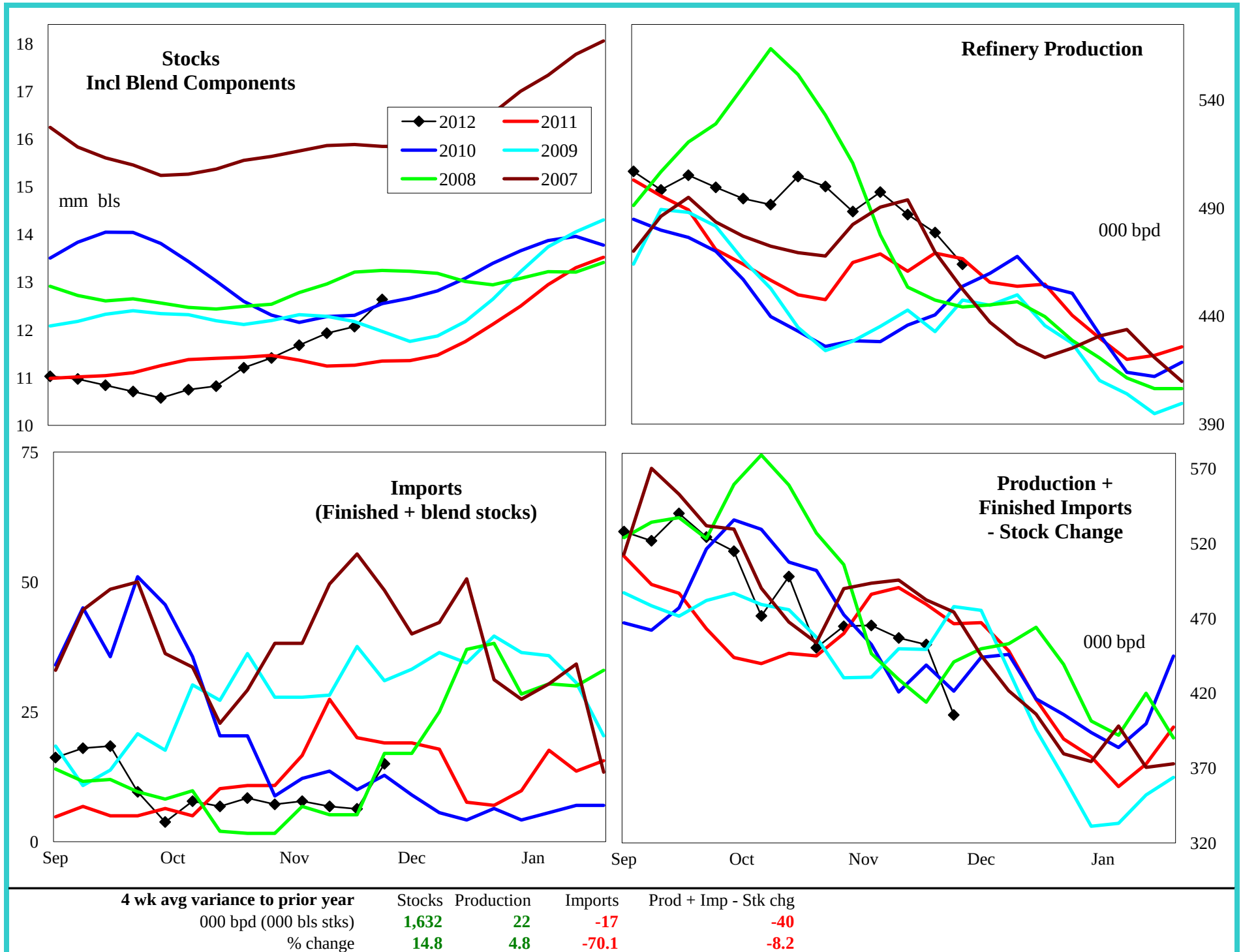
PADD 5 Gasoline Supply



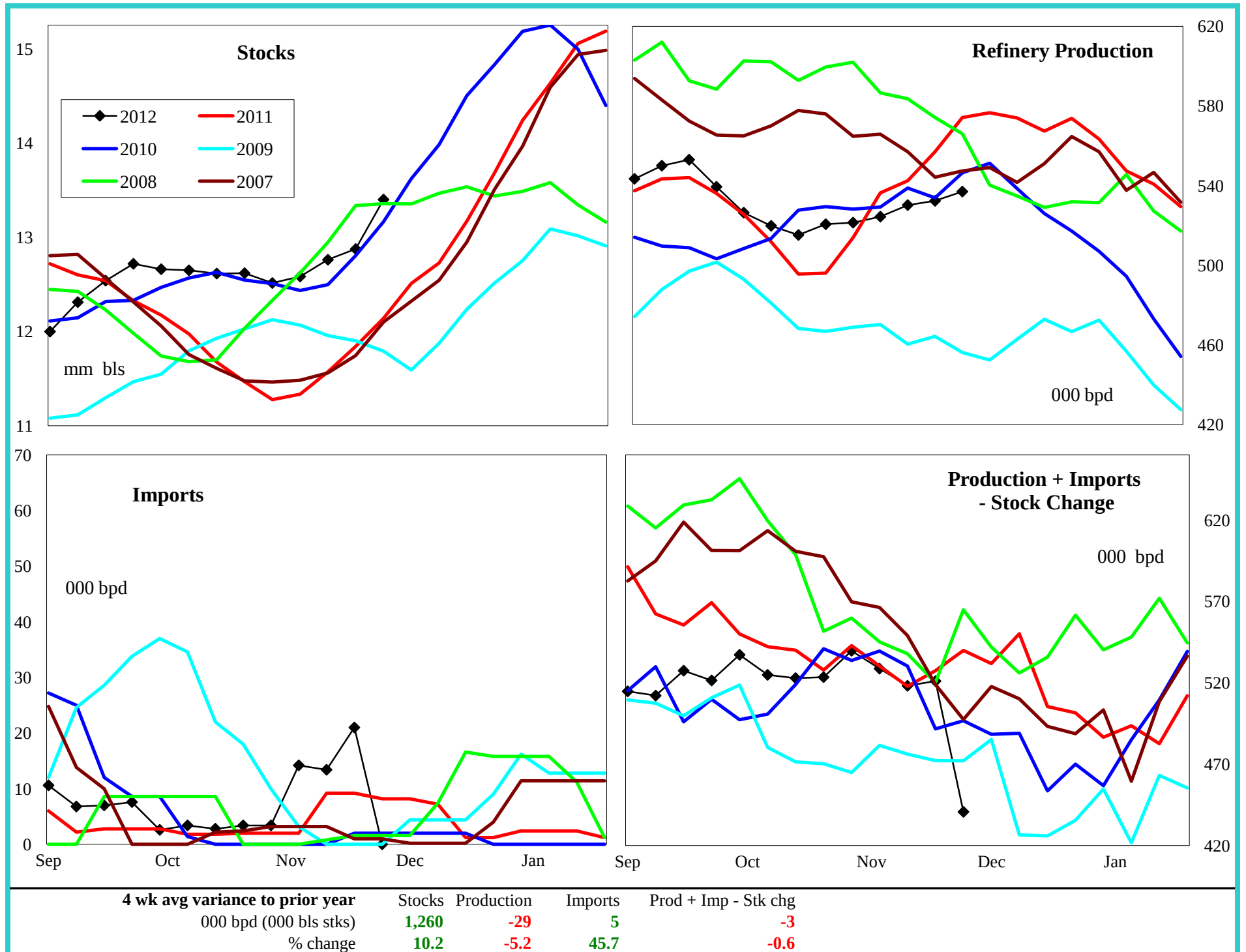
PADD 5 Reformulated Gasoline Supply



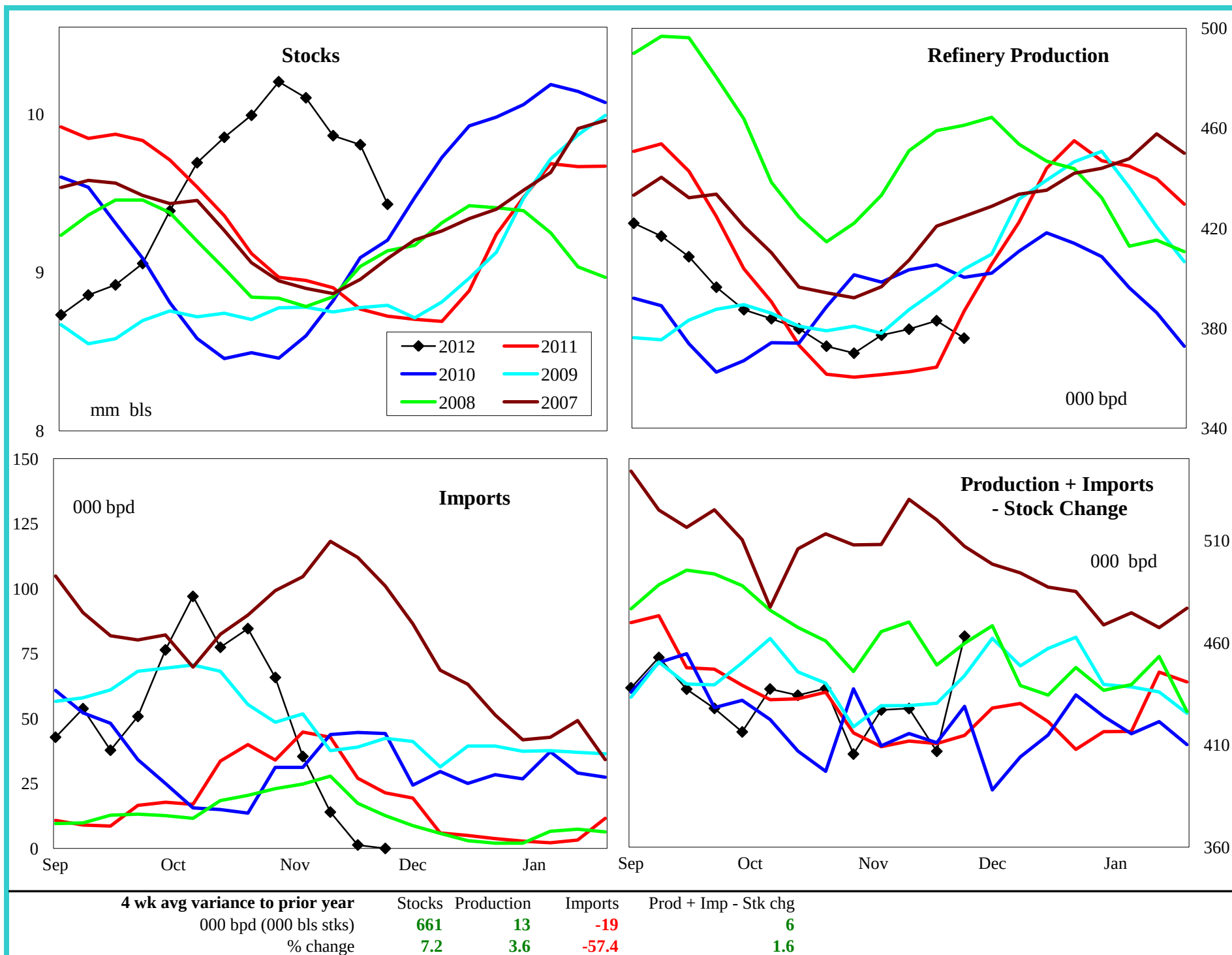
PADD 5 Conventional Gasoline Supply



PADD 5 Distillate Supply



PADD 5 Jet Fuel Supply



PADD 5 Residual Fuel Oil Supply

