



## WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

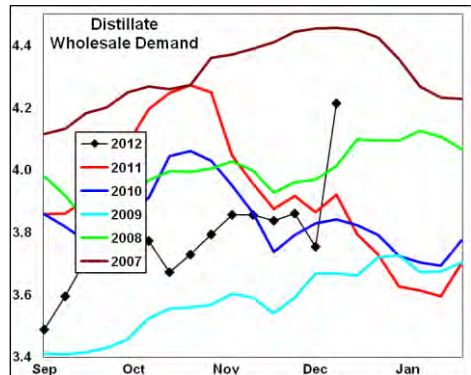
### A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Wednesday, December 19,

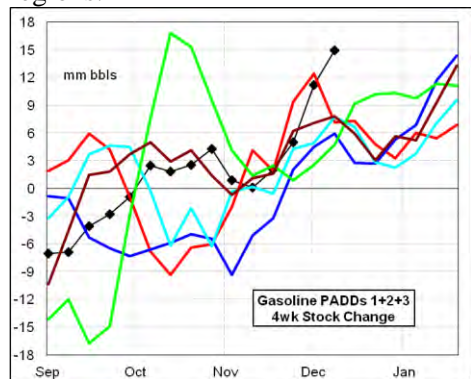


#### Major Fundamental Trends<sup>1</sup>

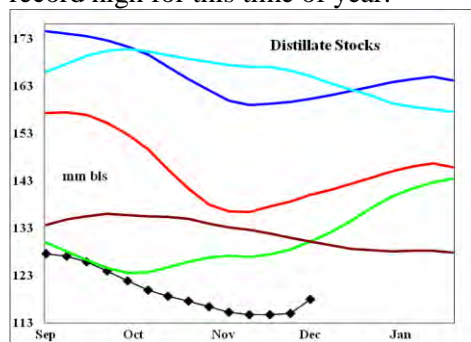
Wholesale distillate demand rebounded last week, rising +0.7 million bpd as the downstream supply chain filled inventory ahead of the Christmas and New Years holiday period. Even with near record high production, stocks declined -1 million barrels.



Gasoline stocks continued the seasonal march higher last week with a record 4-wk build in east of the Rockies regions.

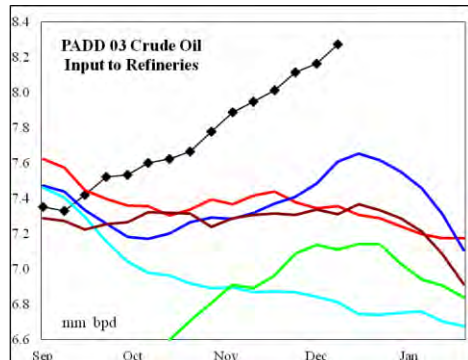


The record rate of gasoline stock builds has lifted the level of stocks to a record high for this time of year.



Crude oil refinery runs increased +227,000 bpd last week, with the

increase concentrated in the Gulf Region. Gulf region runs were +0.9 million bpd above last year; driven by increased supplies of low cost domestic crude oil.



Record high crude oil runs in the Gulf region has not led to a meaningful stock draw. Look for an end of year stock draw during the next 2-wks in the Gulf, a trend that has occurred in each of the last 5-years.

The extremely high domestic crude oil production has driven stock levels +55% above last year in Cushing. Regional cash markets remain extremely depressed compared to the NYMEX WTI futures contract.

**Demand** for distillate spiked +0.7 million bpd last week on a rebound in stock building in the downstream distribution chain. Wholesale demand, measured over the last four weeks compared to a year ago: gasoline decreased -2.9%; distillate was -2.7% lower; jet fuel was up +5.8% while residual fuel oil decreased -36%.

**Stocks forward coverage:** Gasoline demand coverage climbed on a +2.2 million barrel stock build and low wholesale demand. Coverage levels were at a 5-year high for this time of year.

Distillate coverage decreased on a -1 million barrel stock draw and spike in demand. Coverage levels remain well below the last 4-years.

Jet fuel coverage declined on a -0.6 million barrel stock draw and high demand. Coverage levels ended the week at a level below the historic mid range.

**Refinery utilization** rates increased last

week on a +227,000 bpd rise in crude oil runs. During the latest 4-wk period crude oil input was +0.6 million bpd above a year ago.

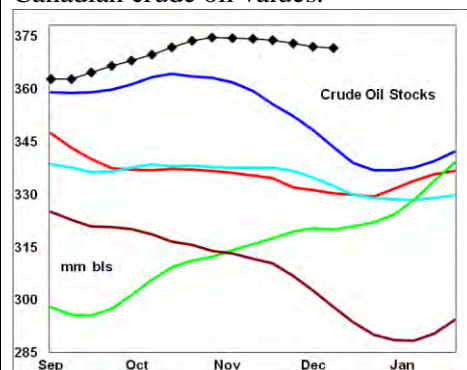
Gasoline yield % on crude oil runs declined on a -20,000 bpd fall in output compared to the +227,000 bpd increase in crude oil runs. Yield % on crude oil runs was sharply below the 5-year range.

Distillate yield % on crude oil runs was nearly unchanged on a +118,000 bpd rise in production, compared to higher crude oil runs. The yield % on crude oil runs was above four of the last 5-years.

Jet fuel yield % on crude oil runs decreased on a -6,000 bpd decline in output, compared to the rise in crude oil runs. The yield % matched the historic mid range.

**Petroleum Imports** decreased slightly for crude oil, gasoline, and jet fuel last week. During the latest 4-wk period crude oil imports were -0.3 million bpd below last year; distillate imports increased +46,000 bpd; finished gasoline imports decreased -18,000 bpd, gasoline blend stock imports decreased -158,000 bpd; jet fuel imports were unchanged, while residual fuel oil imports fell -129,000 bpd.

**Crude Oil** imports decreased -0.1 million bpd last week to a level below each of the last 2-years. Stocks ended the week +48 million barrels above last year. Stock levels in Cushing ended the week +55% above a year ago. The record high stocks in Cushing continue to depress domestic inland and Canadian crude oil values.



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



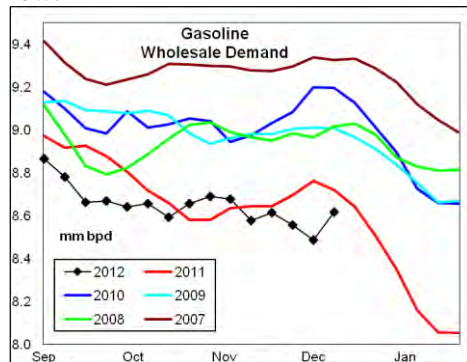
## WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

### A Fundamental Petroleum Trends Weekly Report

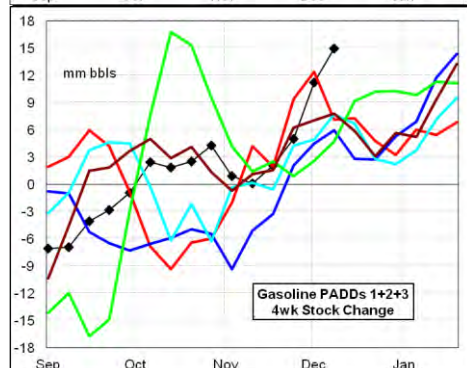
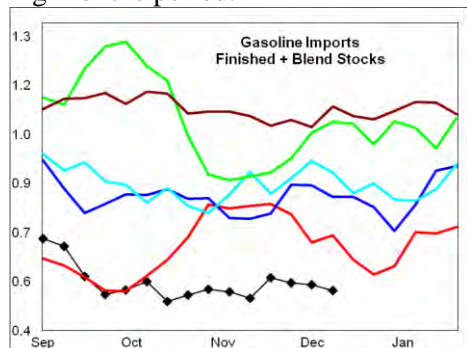
Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Wednesday, December 19,

#### Product Supply-Demand Trends

**Gasoline** demand increased +130,000 bpd last week, although the level remains below the 5-year range. The latest 4-wk average demand was -250,000 bpd below a year ago. Supply decreased -0.1 million bpd on a lower imports. Imports remain exceptionally low.



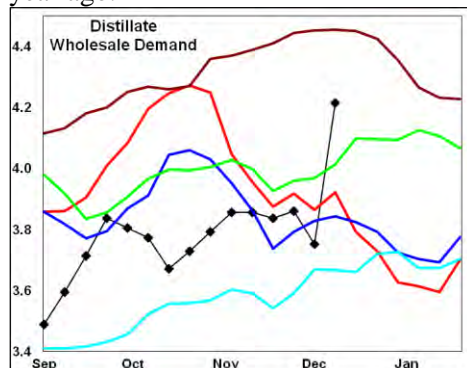
Stocks increased +2.2 million barrels last week, and have seen a build of +15 million barrels over the latest 4-wk period; a record build for this time of year. Stock levels are now at a 5-year high for the period.



Look for the rate of stock building to slow as refiners began winter maintenance early next month. Stock levels are at record highs in the Gulf and West Coast. Stocks are near

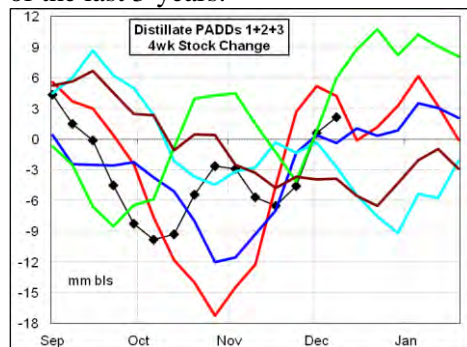
historic highs in the Midwest and Rockies, with only the East Coast levels still below the 5-year range.

**Distillate** demand spiked +714,000 bpd last week, to a level sharply above the last 3-years. The latest 4-wk average demand was -105,000 bpd below a year ago.



Supply increased +169,000 bpd on the week due to higher production and imports. Stocks declined -1.1 million barrels last week, driven by the surge in wholesale demand. The East Coast and Midwest reported meaningful stock builds, that were more than offset by a -2.7 million barrel draw in the Gulf.

The latest 4-wk stock change in markets East of the Rockies was a +2.2 million barrel build, above the average of the last 3-years.



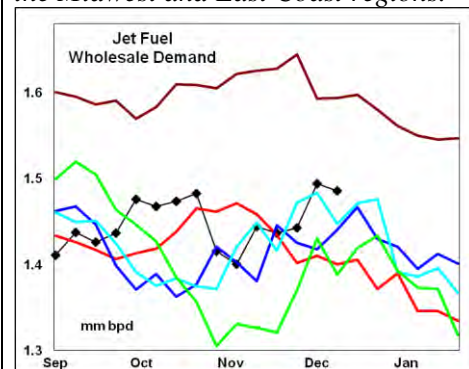
The rebound in demand last week led to another stock draw, even with near record high production. A lack of seasonal stock builds with all ready record low stock levels risk tight supplies during the next quarter in East of the Rockies markets.

**Jet Fuel** demand was unchanged last week, with the latest 4-wk average demand +81,000 bpd above a year ago.

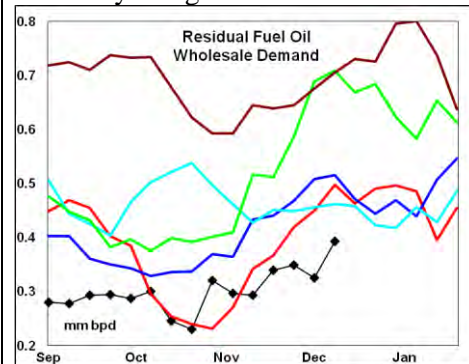
Supplies declined -34,000 bpd on

the week, due to lower production and imports. Production levels remain above the 5-year range. Stocks decreased -0.6 million barrels on the week to a level sharply below the last 3-years.

Wholesale demand exceeds the level of the last 3-years, leading to the large stock draws of the last 2-months. Stock levels are particularly tight in the Midwest and East Coast regions.



**Residual fuel oil** demand decreased -4,000 bpd last week. Demand for the latest 4-wk period was -178,000 bpd below a year ago.



Supply (production + imports) increased +87,000 bpd last week, on higher imports and production. The latest 4-wk average supply was -229,000 bpd below last year on lower imports and production. Stocks decreased -0.4 million barrels on the week, with the level well below the 5-year mid range.

Stock levels the mid west and east coast are each at the highest level of the last 6-months, while the gulf is near 5-year highs. Production has dropped -20% below last year's record lows for the most recent 4-wk period.





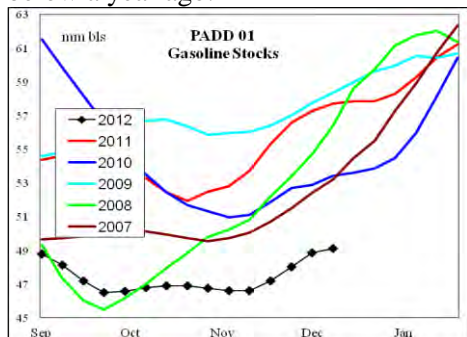
## WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

### A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Wednesday, December 19,

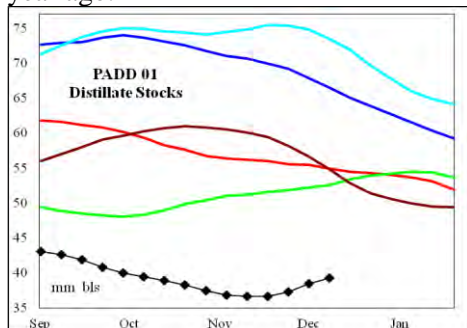
#### PADD Supply Trends

**PADD 1** refinery crude oil runs decreased -38,000 bpd last week. The latest 4-wk average was -93,000 bpd below a year ago.

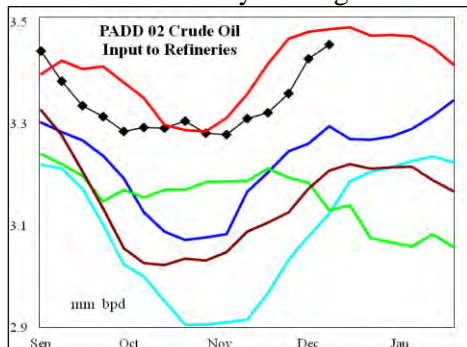


Gasoline supply declined -185,000 bpd in the region on lower production and imports. Stocks declined -0.4 million barrels on the week, ending at a level -15% below a last ago.

Distillate supply increased +102,000 bpd on the week due to higher imports and production. Stocks increased +1 million barrels on the week, with the level -28% below a year ago.



Jet fuel supply increased +16,000 bpd while stocks fell -0.7 million barrels, to a level below the 5-year range.



**PADD 2** crude oil refinery runs increased +96,000 bpd last week, to a

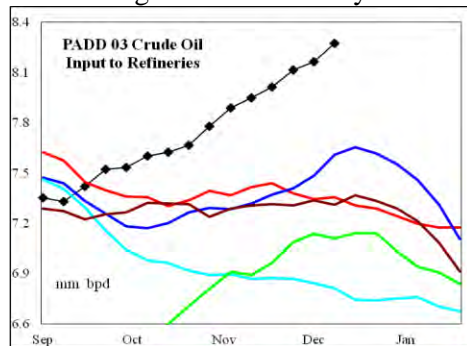
level near years' record high. Runs for the latest 4-wk period were -102,000 bpd below last year. Crude oil stocks increased +1.7 million barrels last week. Stocks ended the week +55% above a year ago at Cushing, Oklahoma.

Gasoline production increased +44,000 bpd on the week, to a level above the average of the last 3-years. Stocks jumped +0.9 million barrels on the week, with the level above the 5-year mid range.

Distillate production increased +31,000 bpd on the week, to a level above the average of the last 3-years. Stocks increased +0.4 million barrels last week, with the level -12% below a year ago.

Jet fuel production increased +3,000 bpd last week, to a level slightly below the last 3-years. Stocks decreased -0.3 million barrels to a record 5-year low.

**PADD 3** refinery runs increased +148,000 bpd last week, to a new record high. The latest 4-wk average runs were +0.8 million bpd above a year ago. Crude oil stocks decreased -1.7 million barrels last week, ending at a record high for this time of year.



Gasoline supply increased +78,000 bpd on the week, to a level near the last 2-years. Stocks increased +2.2 million barrels to a fresh 5-year high for this time of year.

Distillate supply increased +34,000 bpd on the week, with the latest 4-wk average unchanged from last years' record high. Stocks fell -2.7 million barrels on the week, to a level -15% below last year.

Jet fuel supply declined -11,000

bpd with the level +79,000 bpd above a year ago for the most recent 4-wks. Stocks climbed +0.7 million barrels last week, to a level that matched the 5-year mid range.

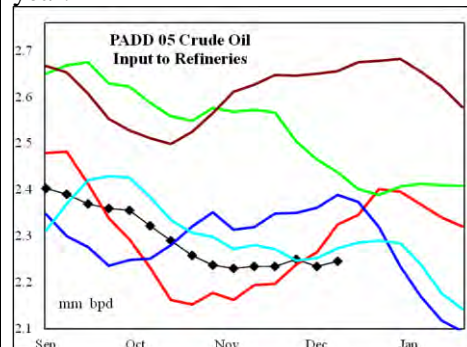
Residual fuel oil supplies increased +71,000 bpd on the week. Stocks decreased -0.5 million barrels to a level near the level of the last 2-years.

**PADD 4** refinery crude runs were nearly unchanged on the week, at a record high level. The most recent 4-wk average run rate was +16,000 bpd above last year.

Gasoline supply decreased -4,000 bpd on the week, a level at the historic mid range. Stocks increased +0.1 million barrels, to a level near highs of the last 2-years.

Distillate production declined -3,000 bpd last week, with the level still above the 5-year range. Stocks increased +0.1 million barrels, to a new record 5-year high.

**PADD 5** crude oil refinery runs increased +22,000 bpd last week, a level slightly below each of the last 3-years. Runs for the most recent 4-wk period were +15,000 bpd above last year.



Gasoline supply increased +75,000 bpd on the week, with production at a record high for the period. The latest 4-wk average supply was +32,000 bpd above last year. Stocks fell -0.6 million barrels, to a level +15% above last year and a record high for the week.

Distillate stocks match record highs for this time of year, while production remains below year ago levels.

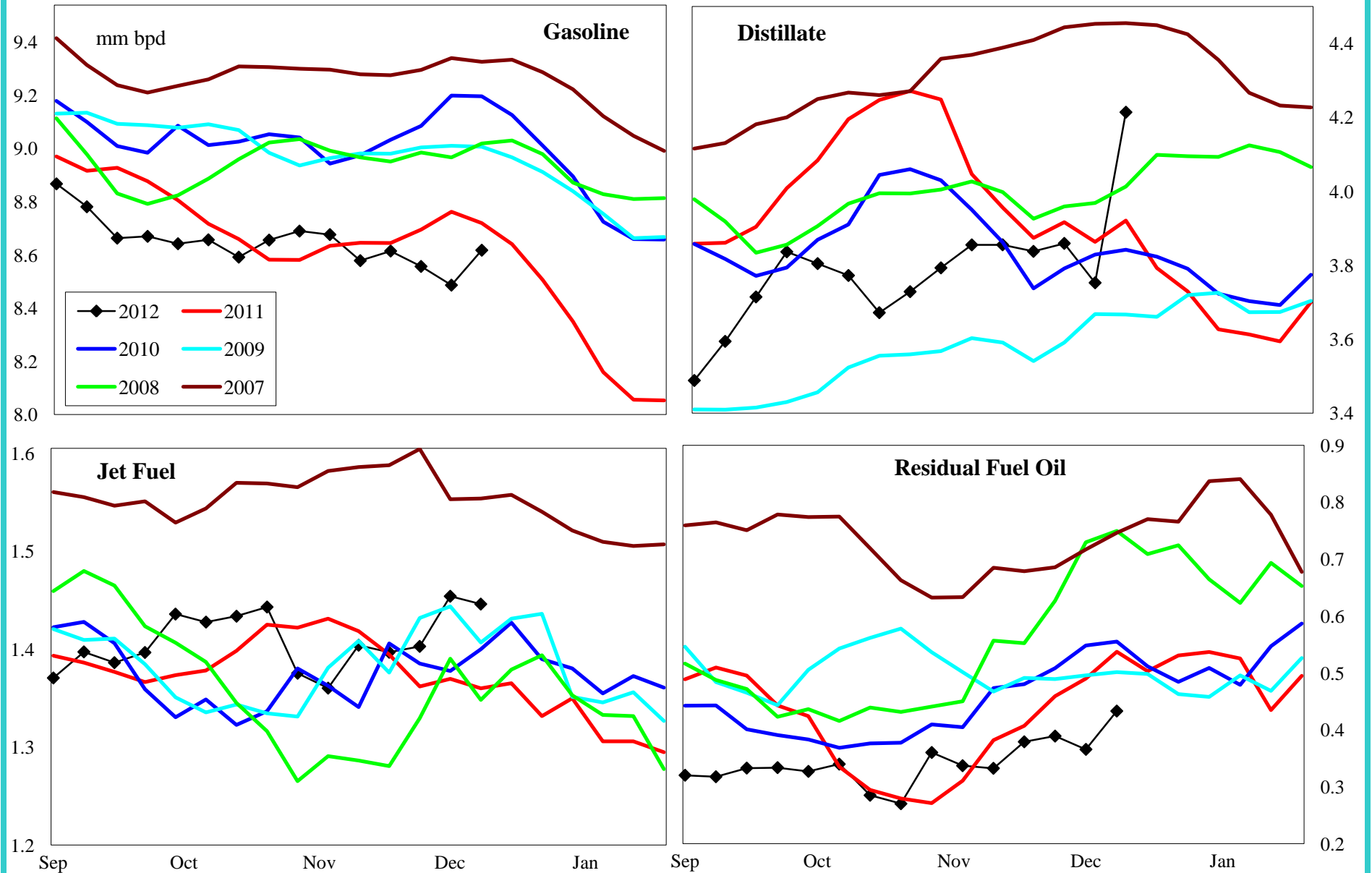


# PETROLEUM: Graph Link and Weekly Summary

A Fundamental Petroleum Trends Weekly Report December 19, 2012  
 Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com)

Fundamental Trends	<a href="#">Wholesale Demand</a>	<a href="#">Stocks Days Fwd Coverage</a>	<a href="#">Refinery Utilization</a> <a href="#">Product Yield %</a>			<a href="#">Imports</a>	
Supply/Demand Trends	14-Dec-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	-964	-192	1,690	-1,655	-105	-703
	Imports	-100	154	197	-163	49	-337
	Input	227	-38	96	148	-1	22
	% Utilization	1.10					
<a href="#">Gasoline</a>	Stocks	2,207	-445	947	2,185	113	-594
	Production	-20	-68	44	45	-2	59
	Imports	-64	-115	3	33	-2	16
	Supplied	130					
<a href="#">Distillate</a>	Stocks	-1,085	1,013	450	-2,653	124	-18
	Production	118	50	31	34	-3	6
	Imports	51	52	-1	0	1	1
	Supplied	714					
<a href="#">Jet Fuel</a>	Stocks	-574	-656	-339	729	-96	-214
	Production	-6	-2	3	-7	-2	1
	Imports	-28	18	0	-4	0	-41
	Supplied	-1					
<a href="#">Residual Fuel Oil</a>	Stocks	-396	440	115	-522	-13	-416
	Production	49	-3	-1	36	1	15
	Imports	38	-57	3	35	0	57
	Supplied	-4					

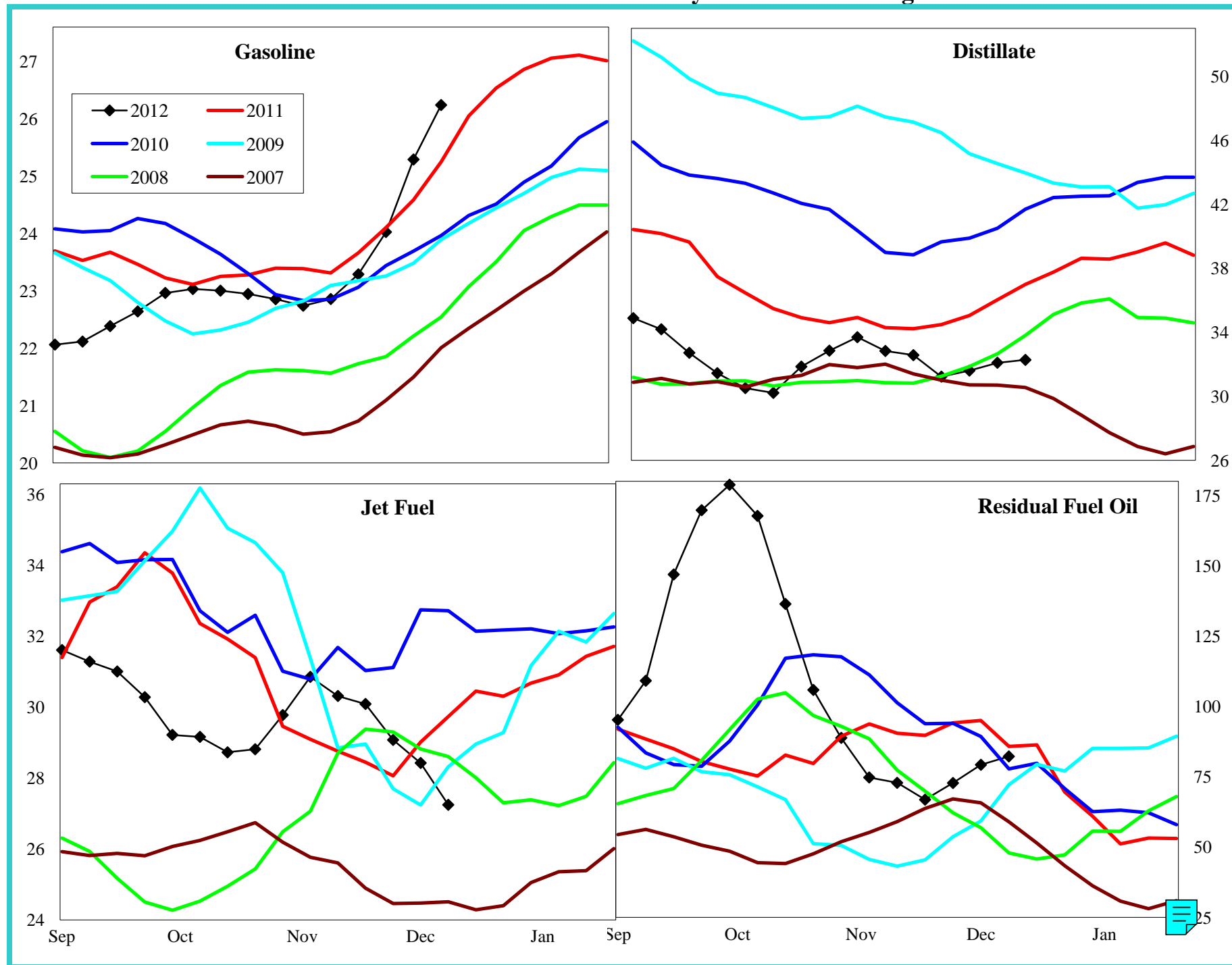
# United States Wholesale Petroleum Demand



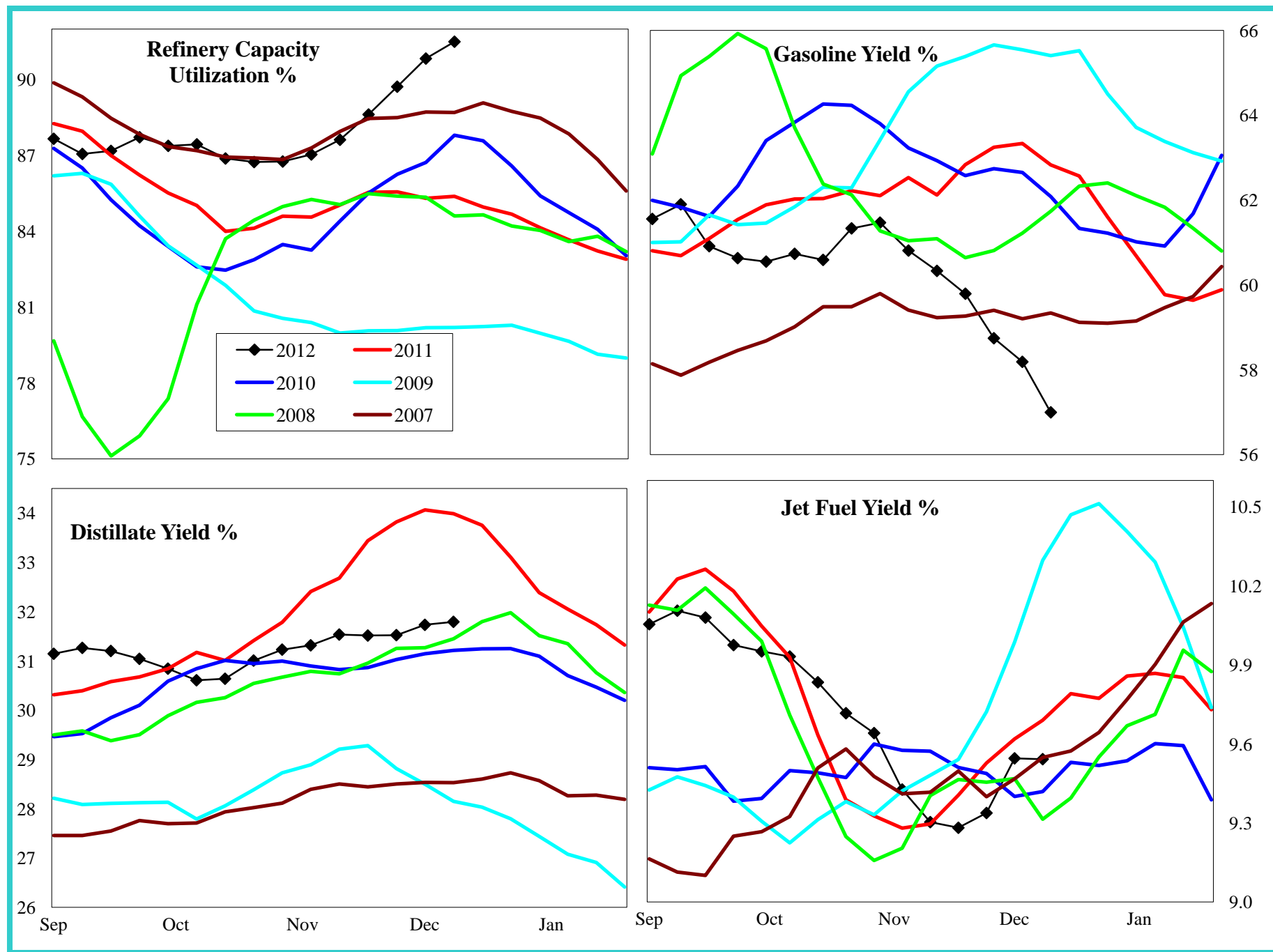
	000 bpd change from prior year				% change from prior year			
	4wk avg	Nov	Jan	Jan	4wk avg	Nov	Jan	Jan
<b>Gasoline</b>	-250	110	-56	-101	-2.9	1.3	-0.6	-1.2
<b>Distillate</b>	-105	-187	-369	-248	-2.7	-4.6	-9.2	-6.3
<b>Jet Fuel</b>	81	8	106	15	5.8	0.6	7.7	1.1
<b>Resid</b>	-178	-30	-160	-180	-35.6	-7.6	-39.8	-37.3



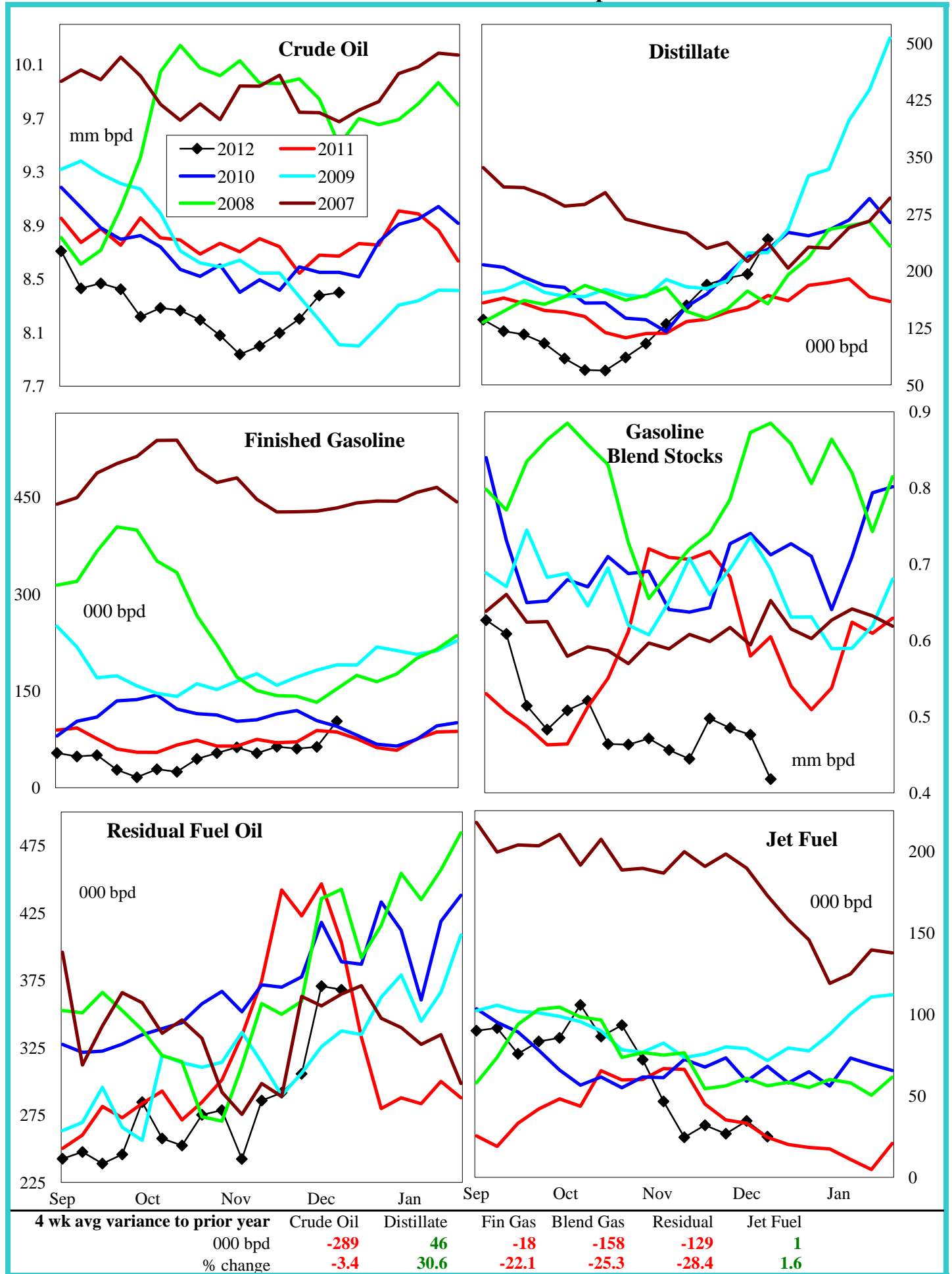
# United States Product Stocks: Days Forward Coverage



## United States Refinery Percent Utilization Rate and Product Yields

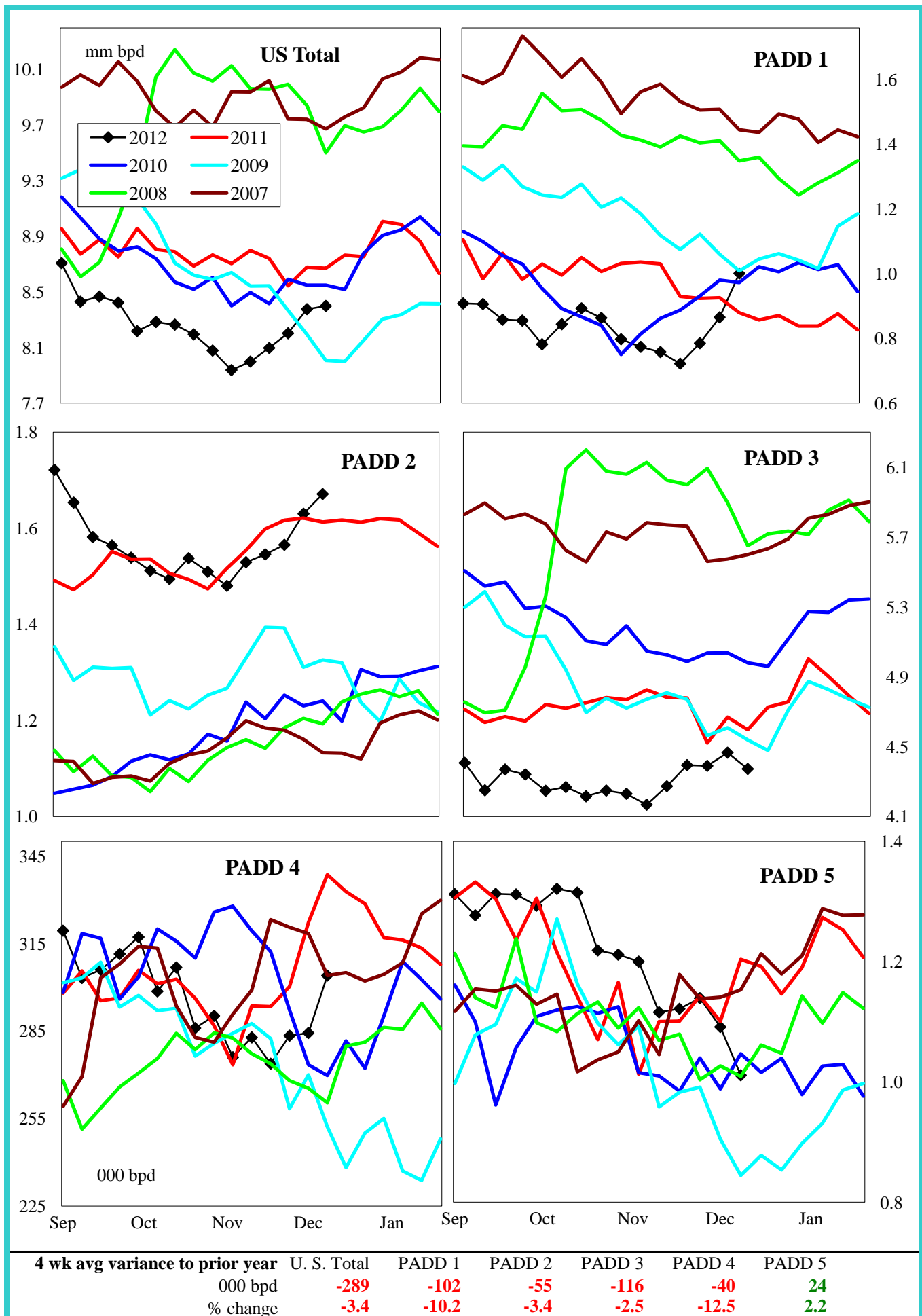


# United States Petroleum Imports

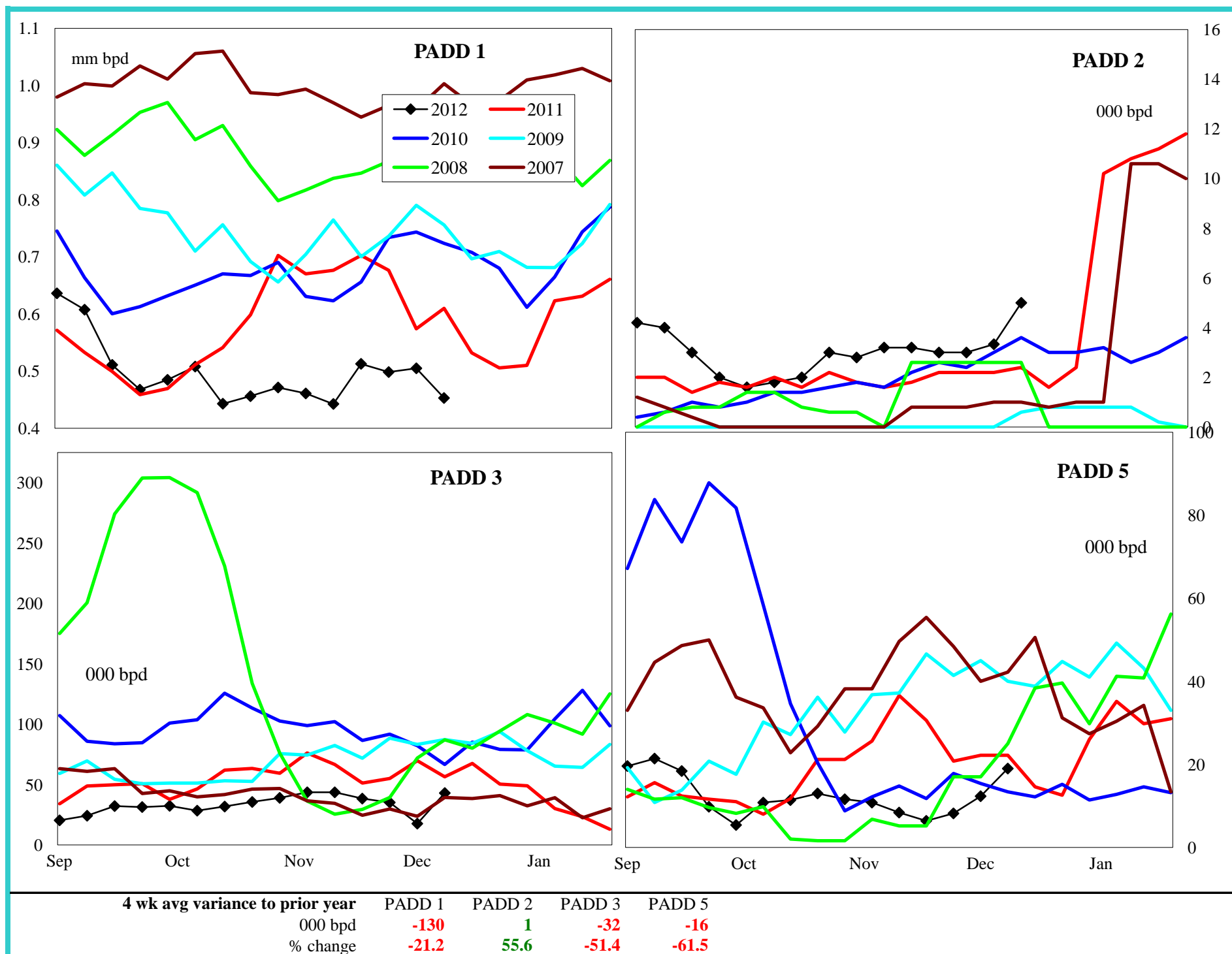




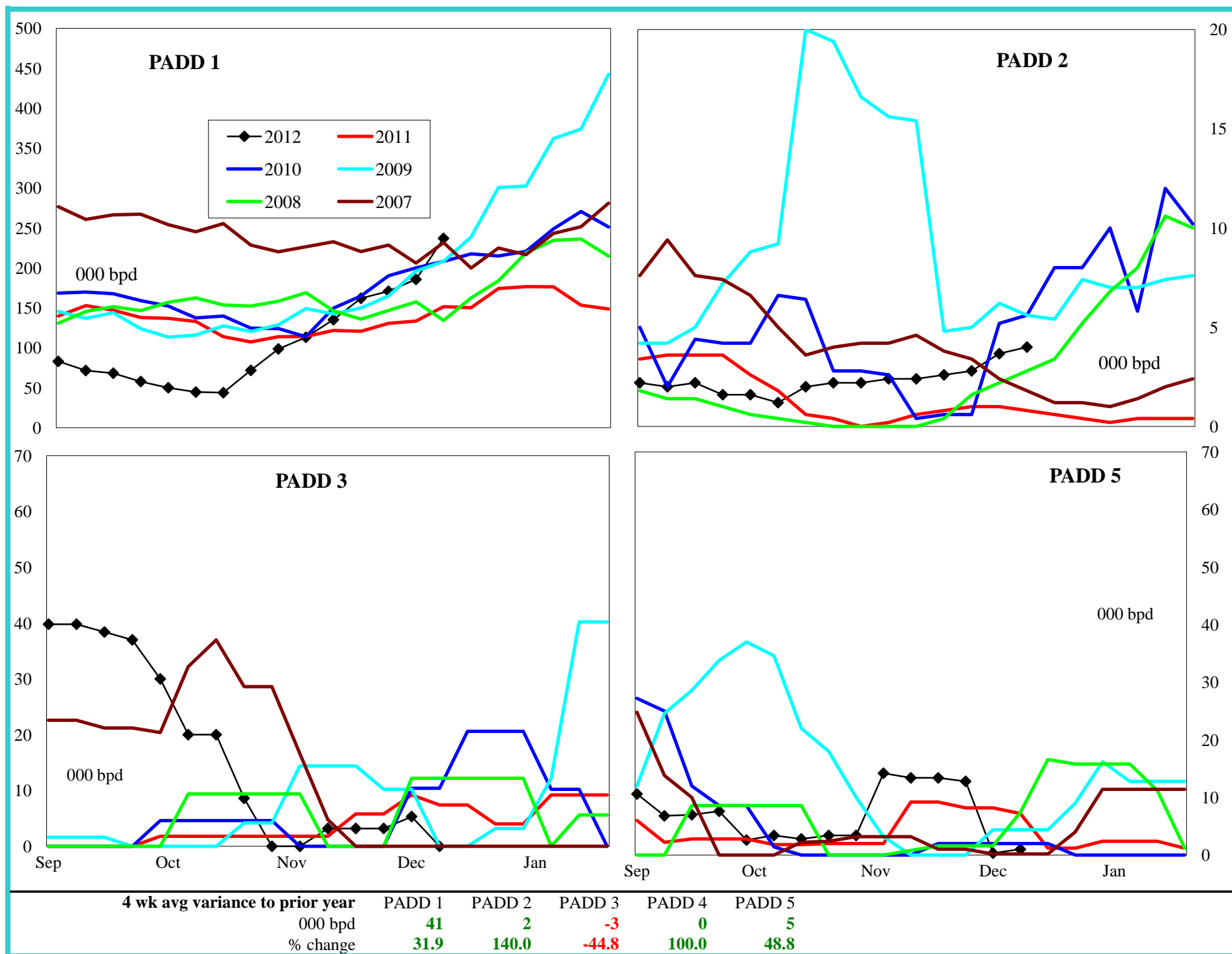
## Crude Oil Imports by PADD



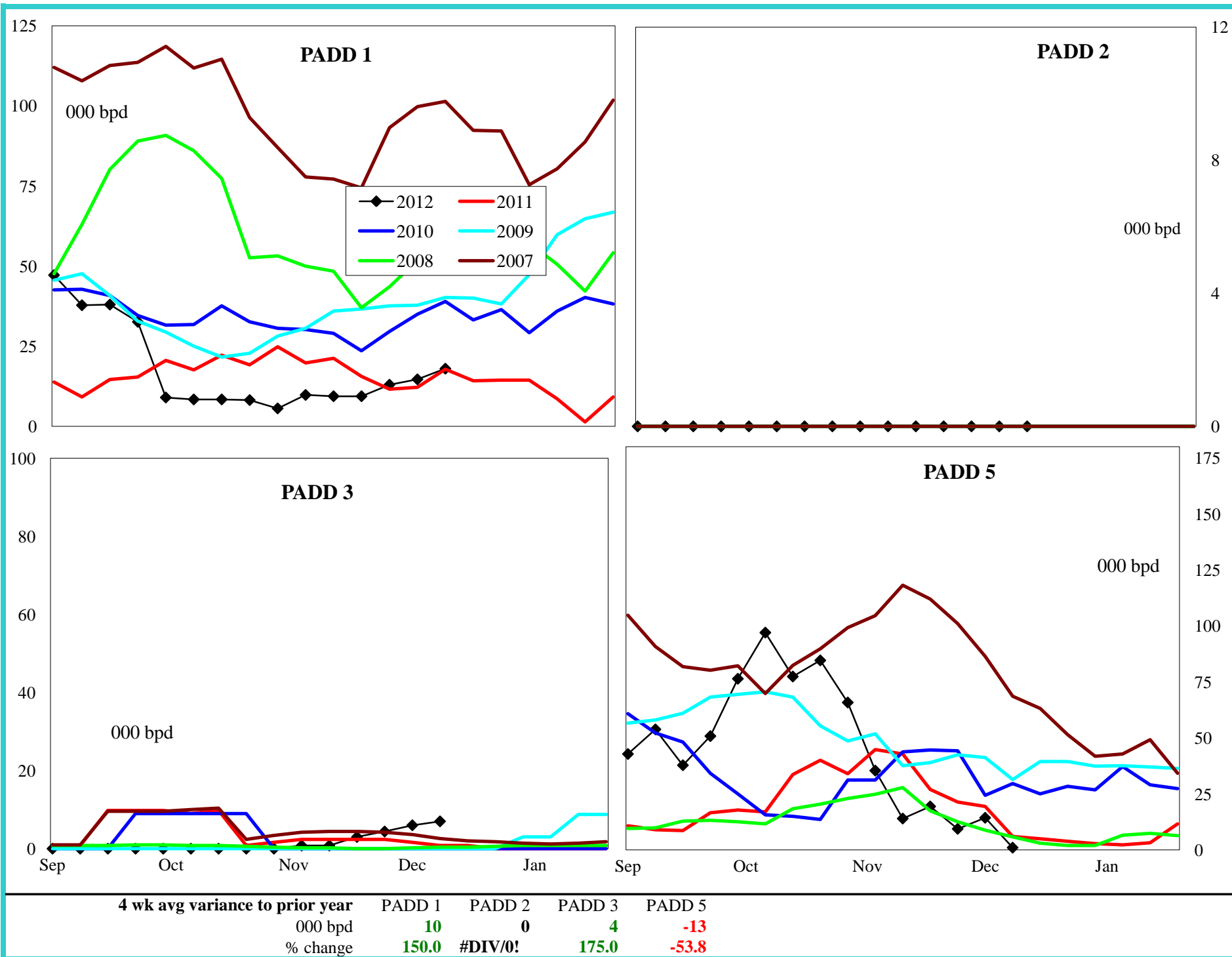
# Gasoline Imports by PADD (Finished + Blend Stocks)



# Distillate Imports by PADD

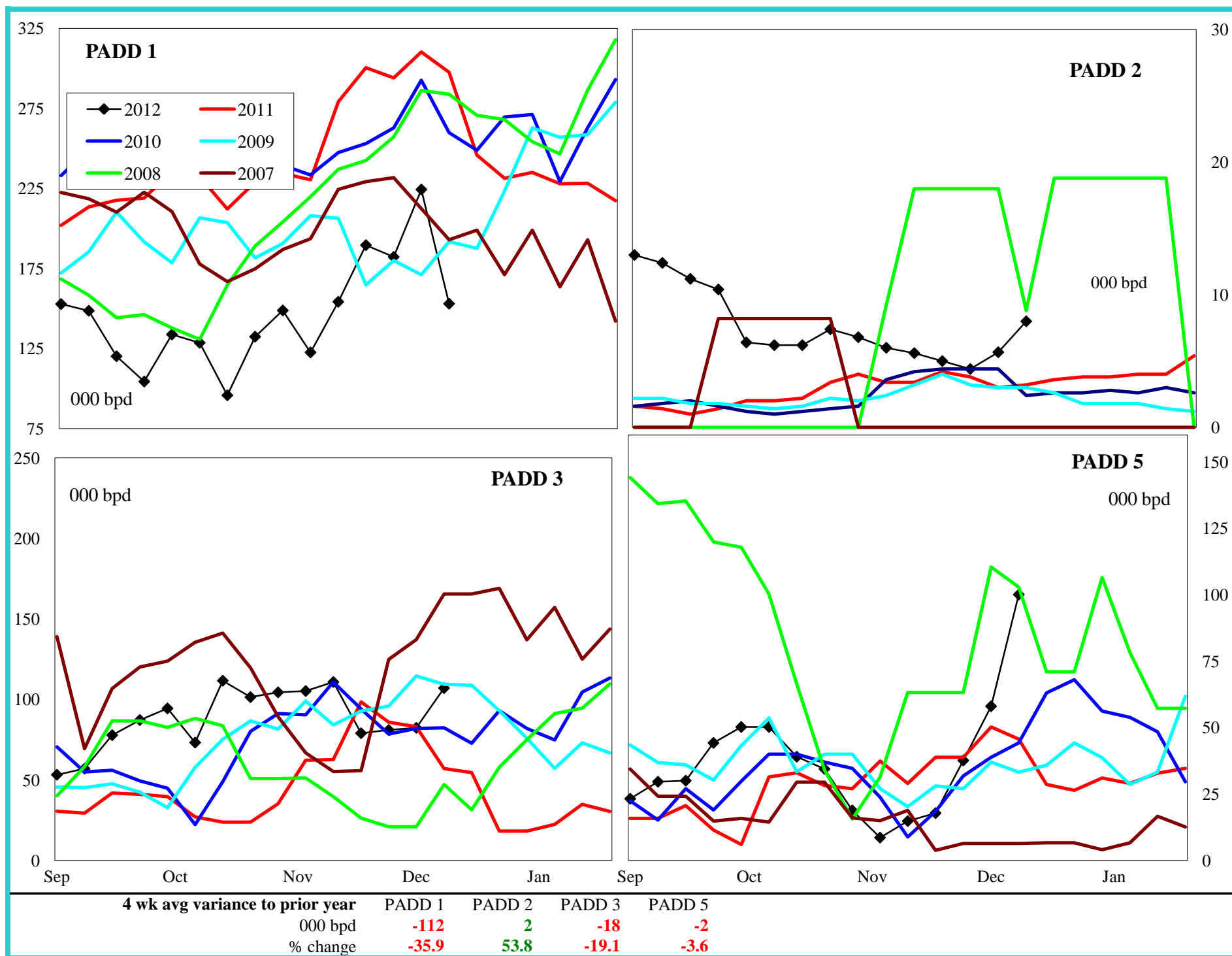


# Jet Fuel Imports by PADD

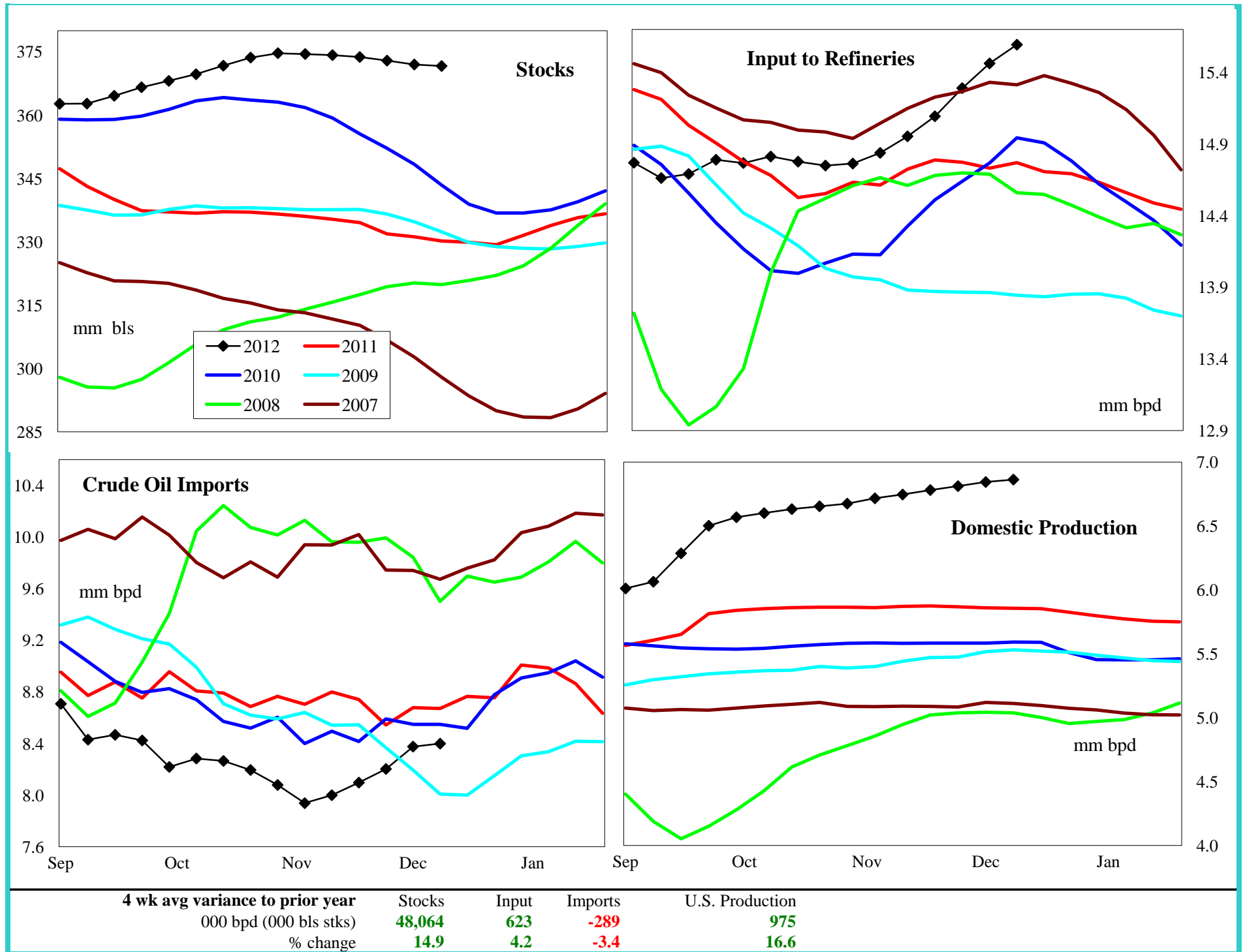




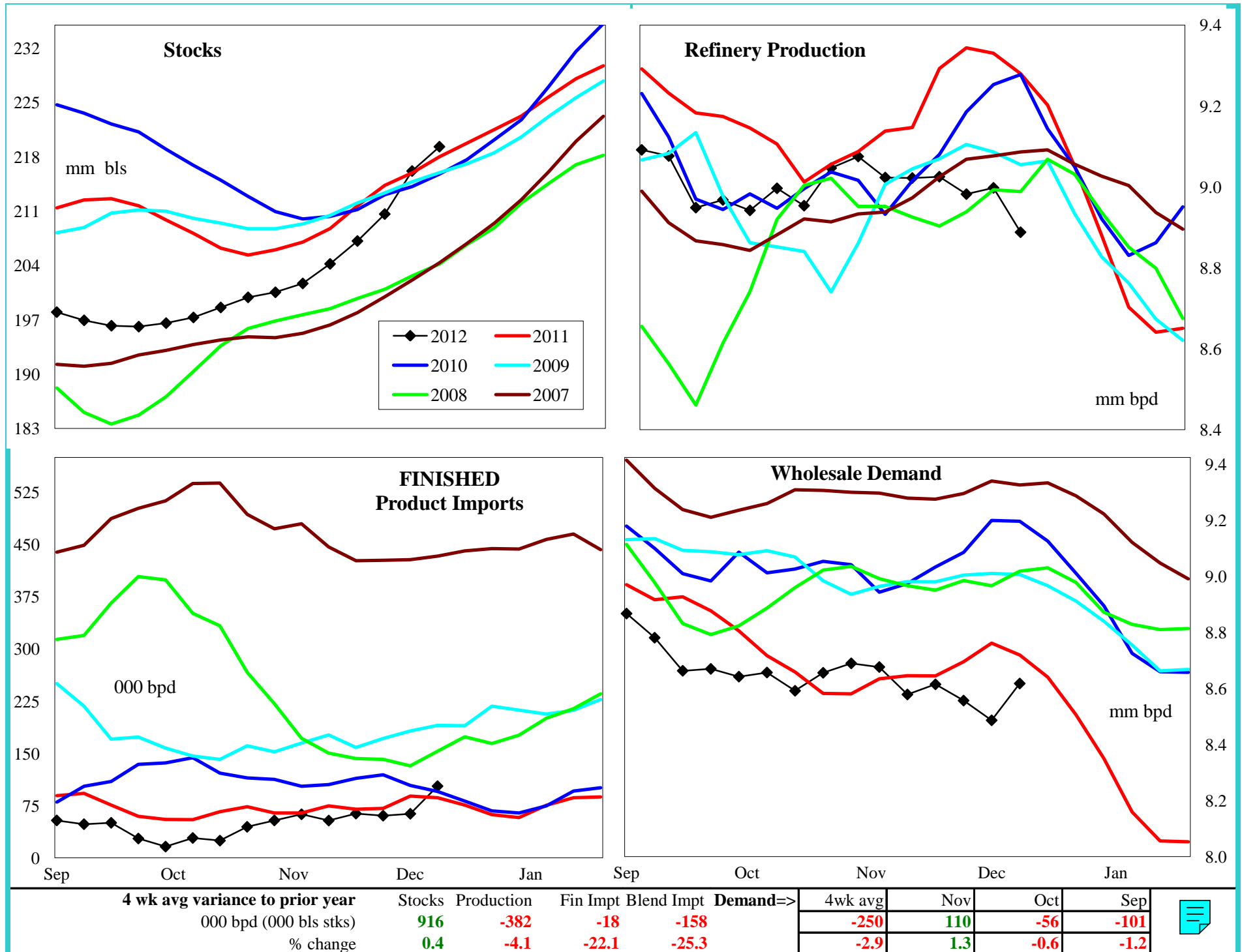
## Residual Fuel Oil Imports by PADD



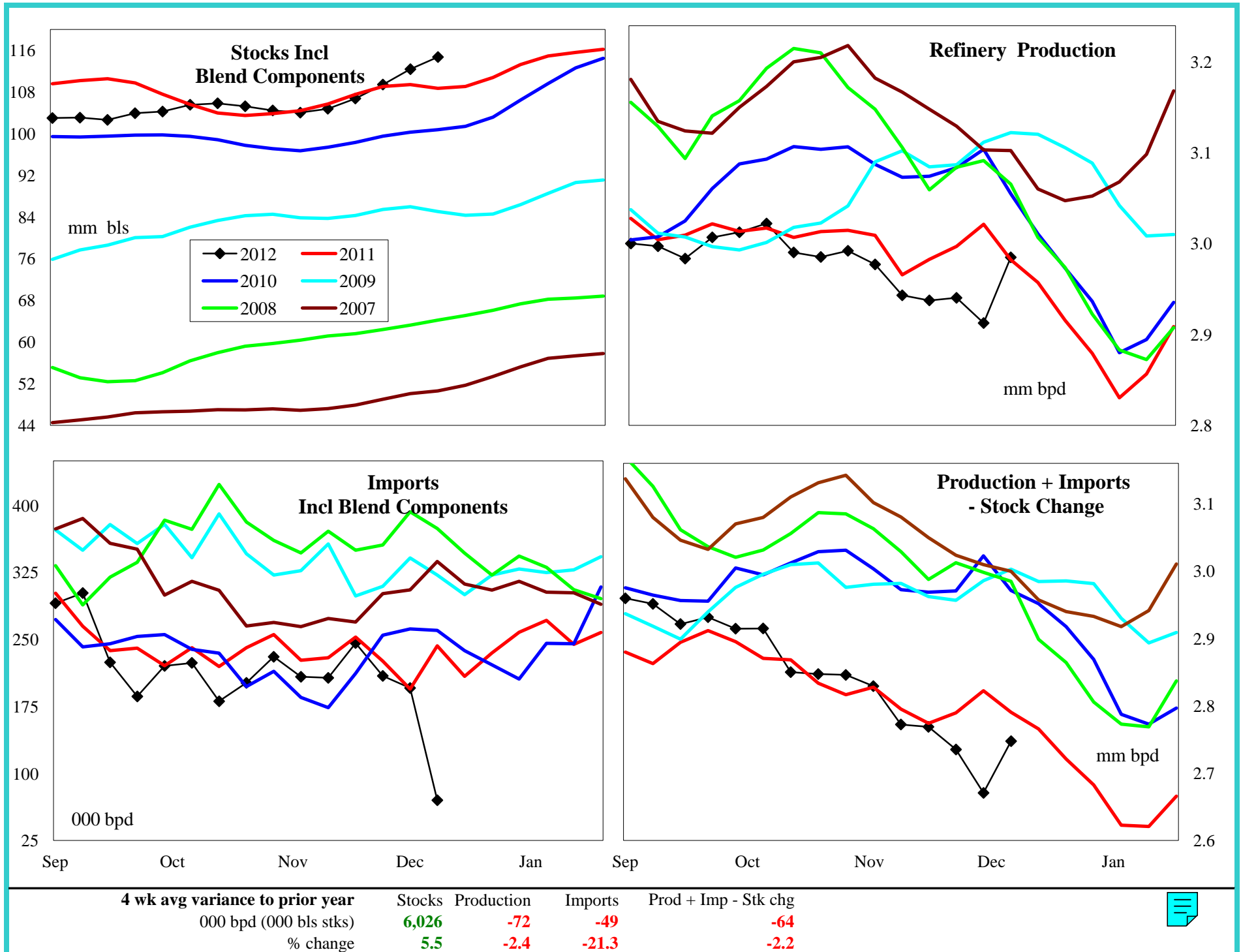
# United States Crude Oil Supply and Demand Balance



# United States Gasoline Supply and Demand Balance

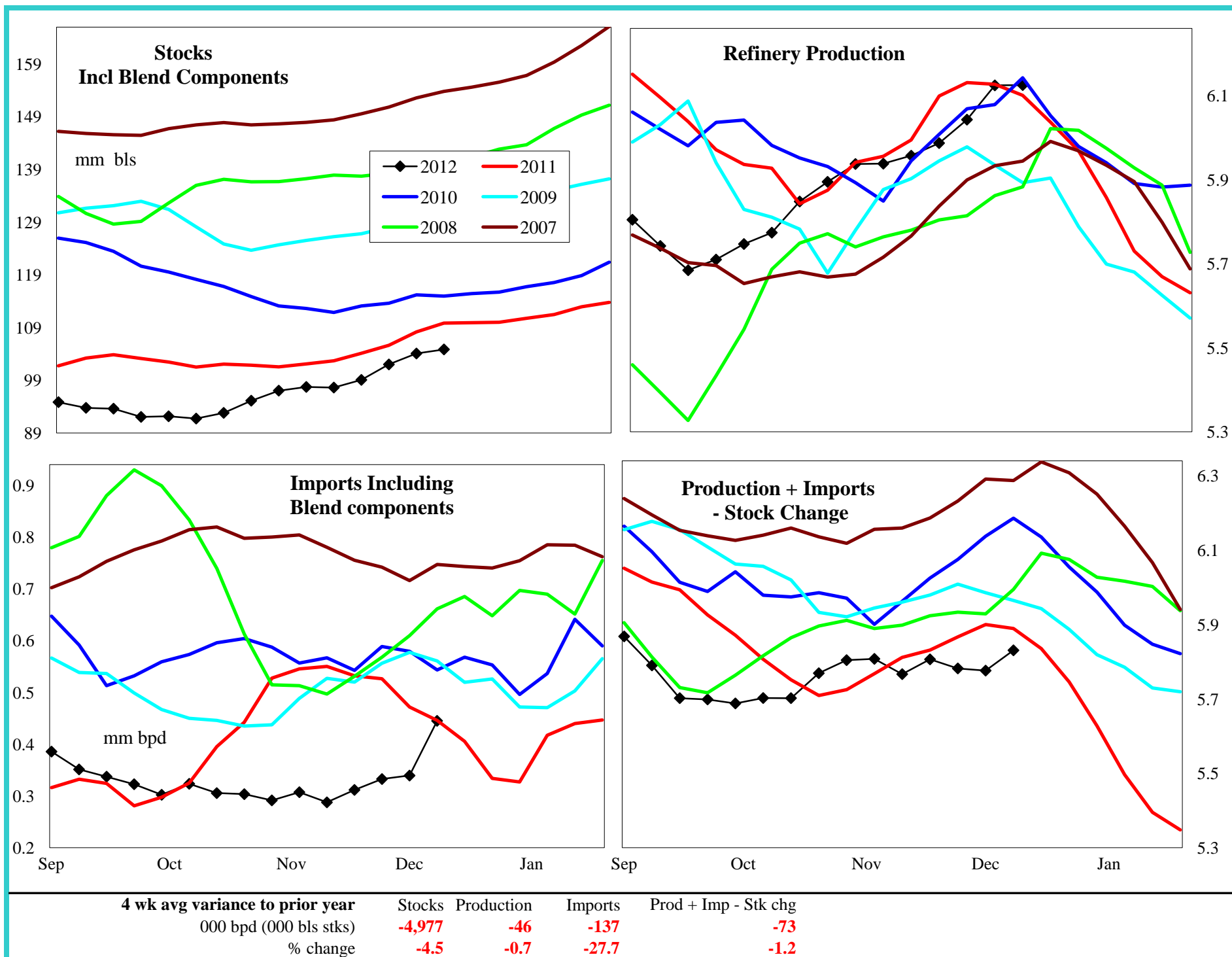


# United States Reformulated Gasoline Supply

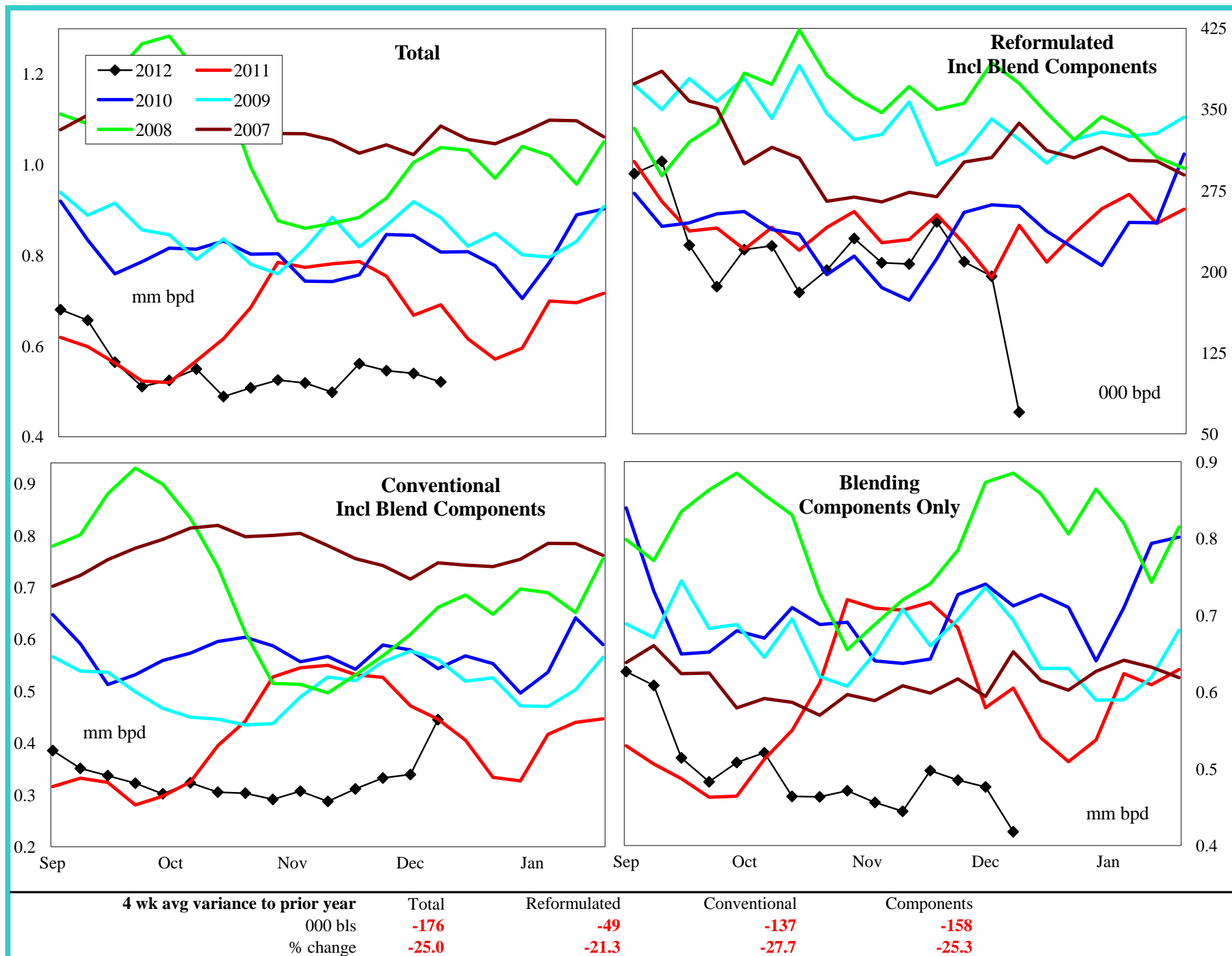




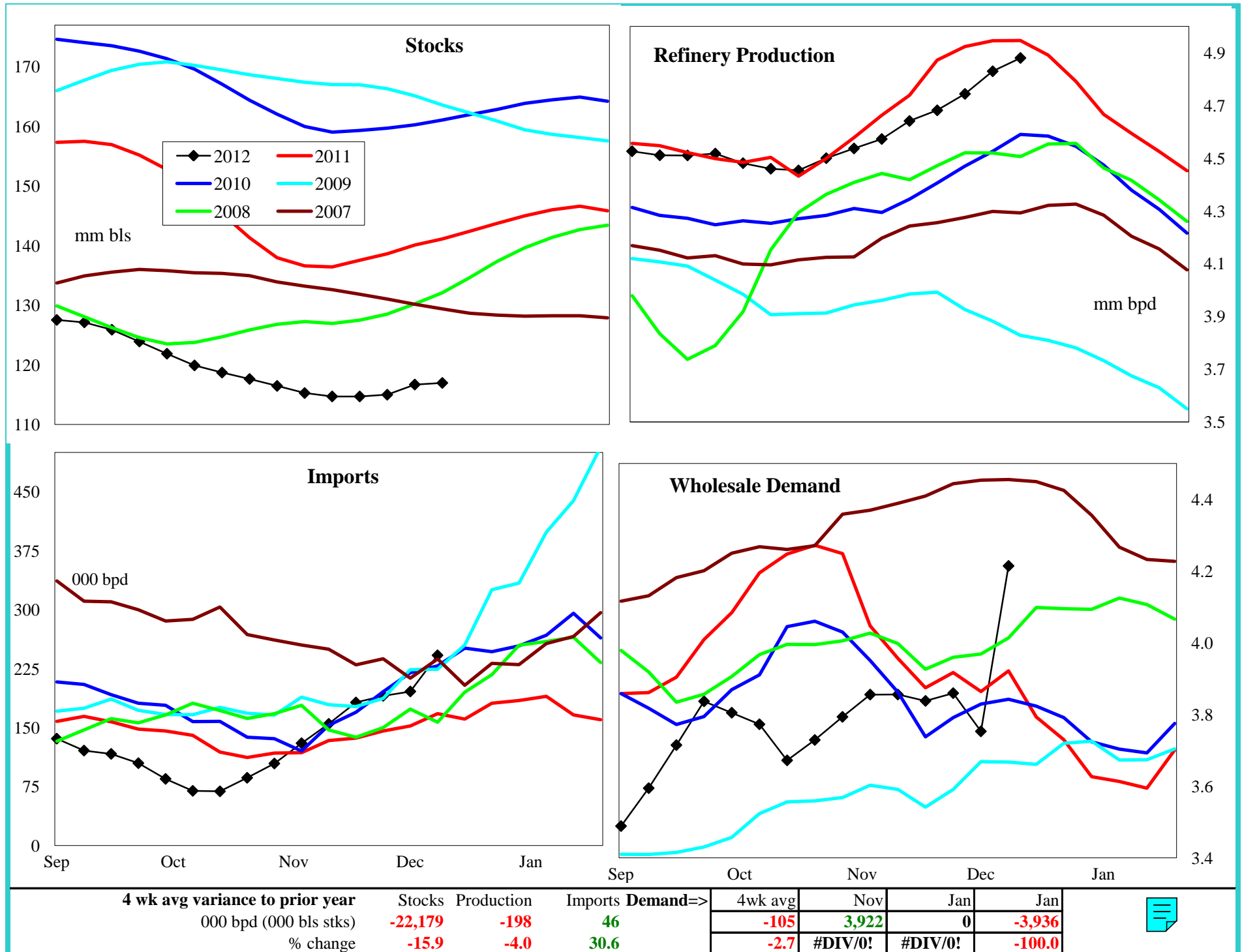
# United States Conventional Gasoline Supply



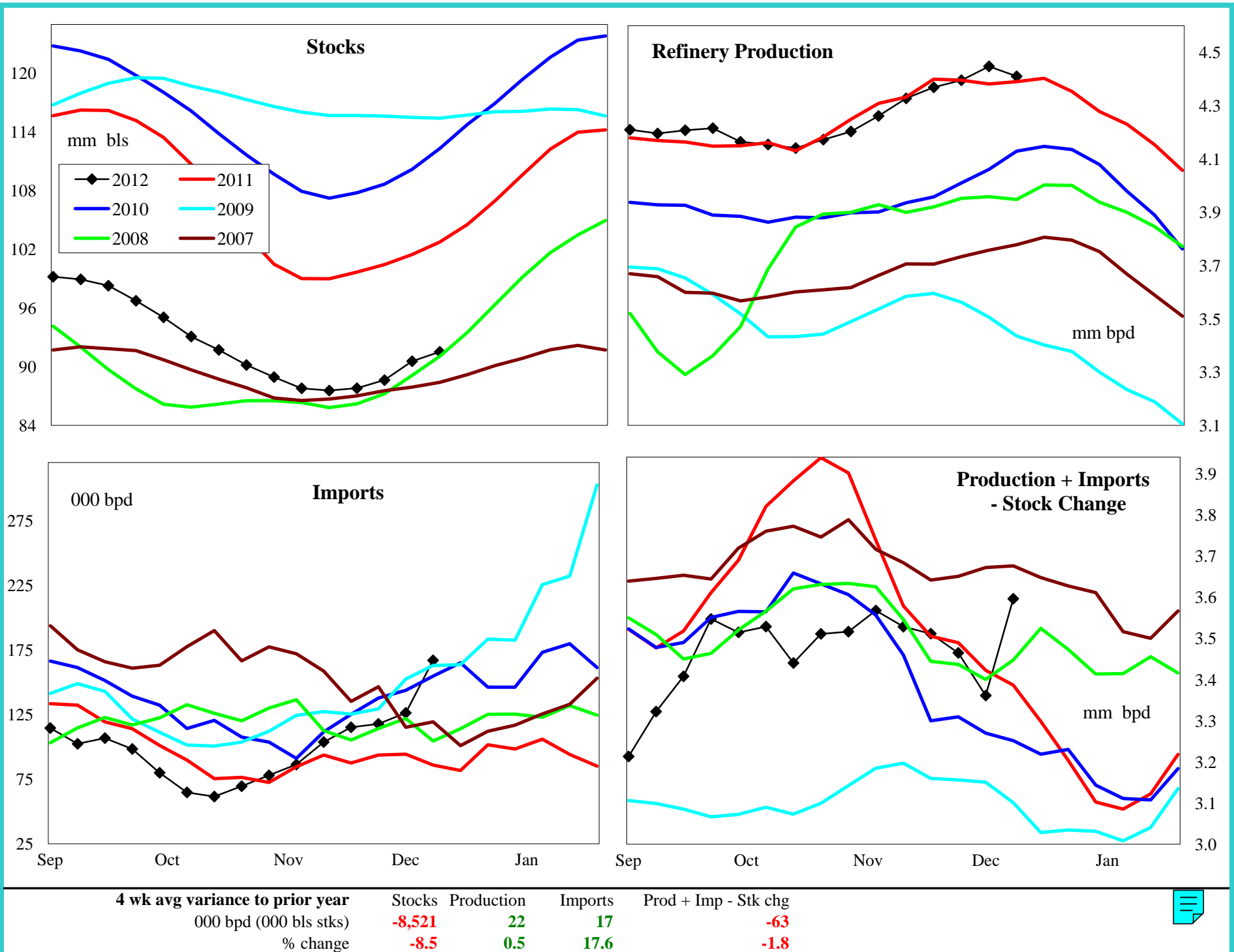
# United States Gasoline Imports by Type



# United States Distillate Supply and Demand Balance

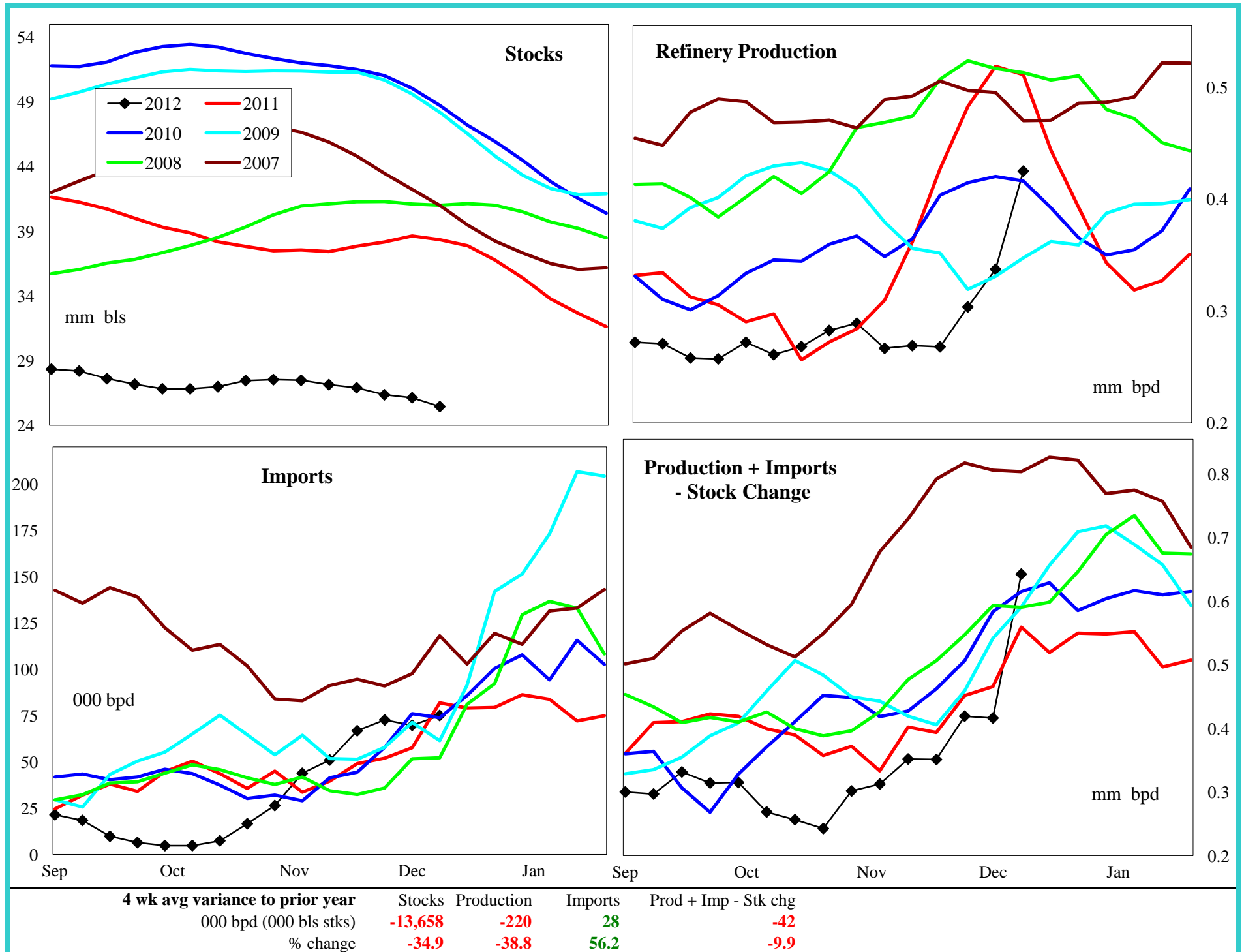


# United States Low Sulfur Distillate Supply

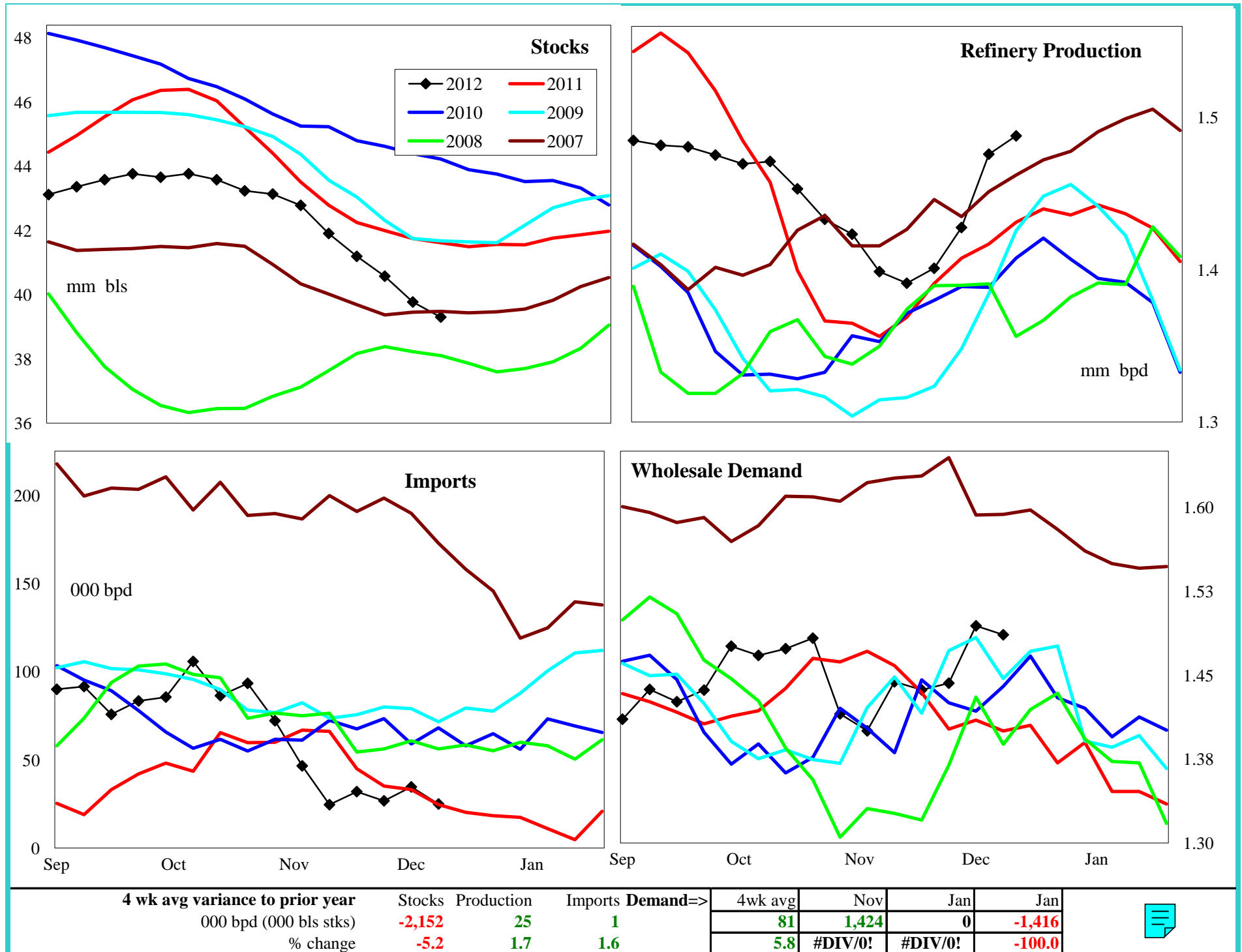




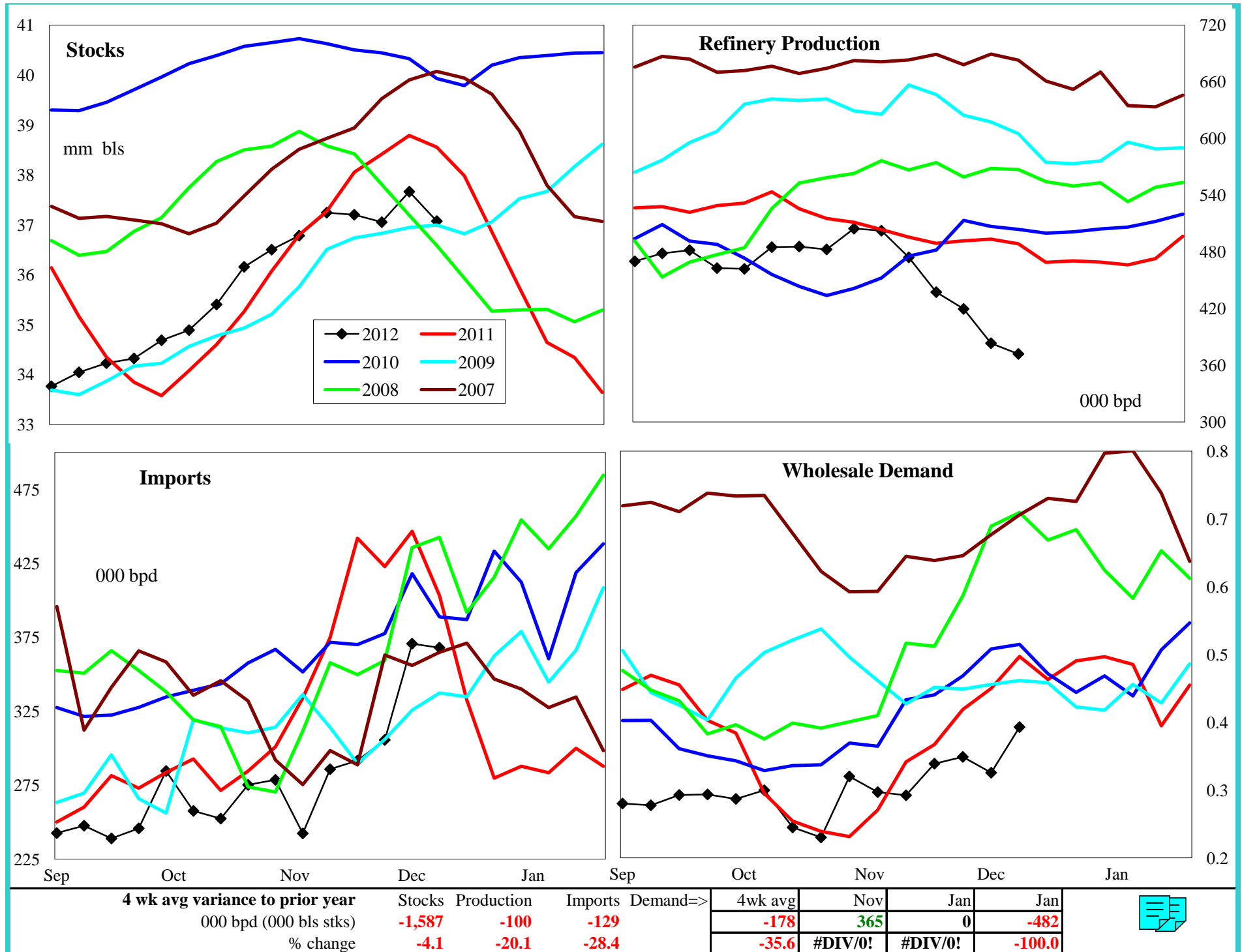
# United States High Sulfur Distillate Supply



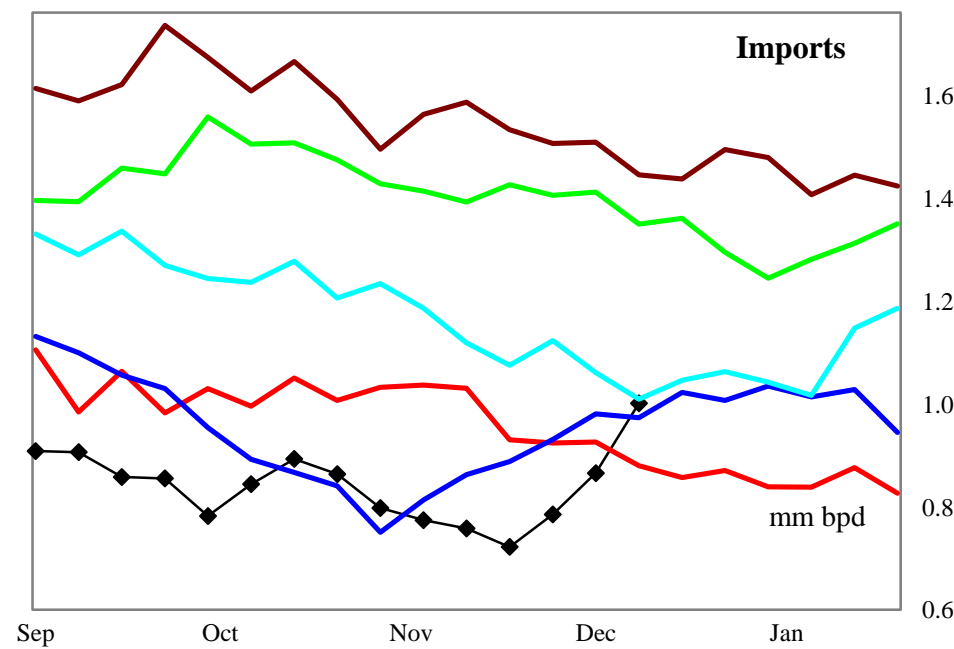
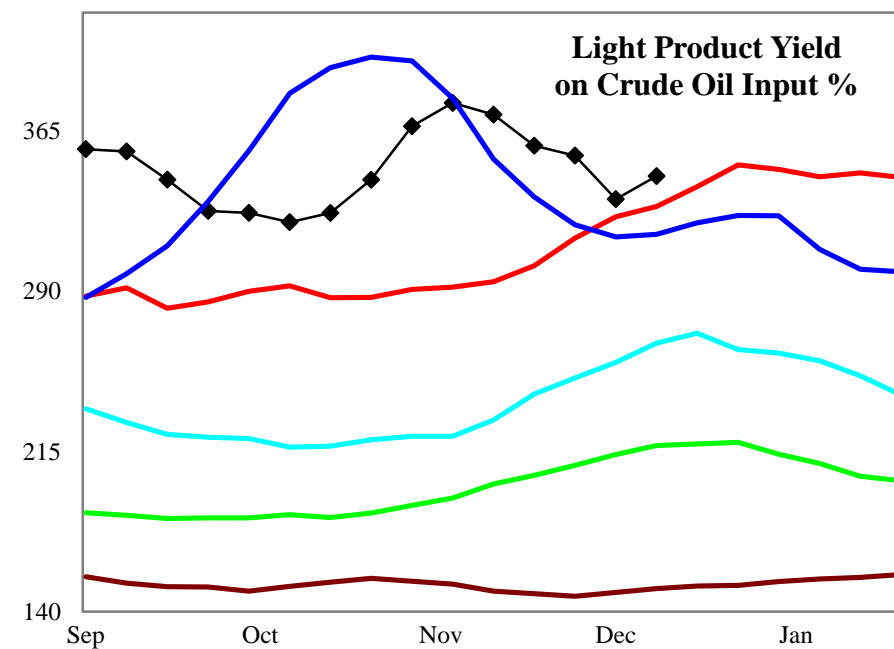
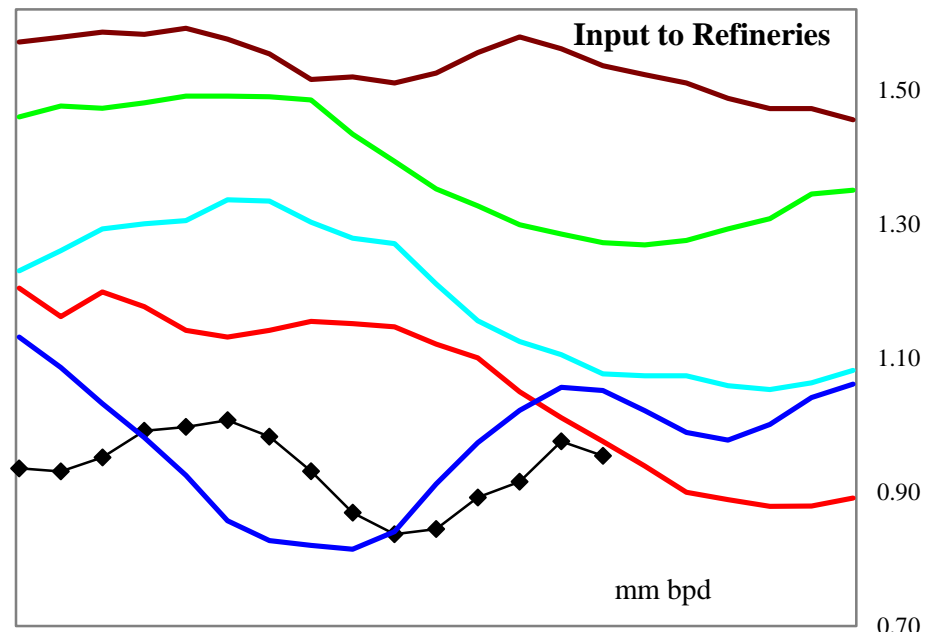
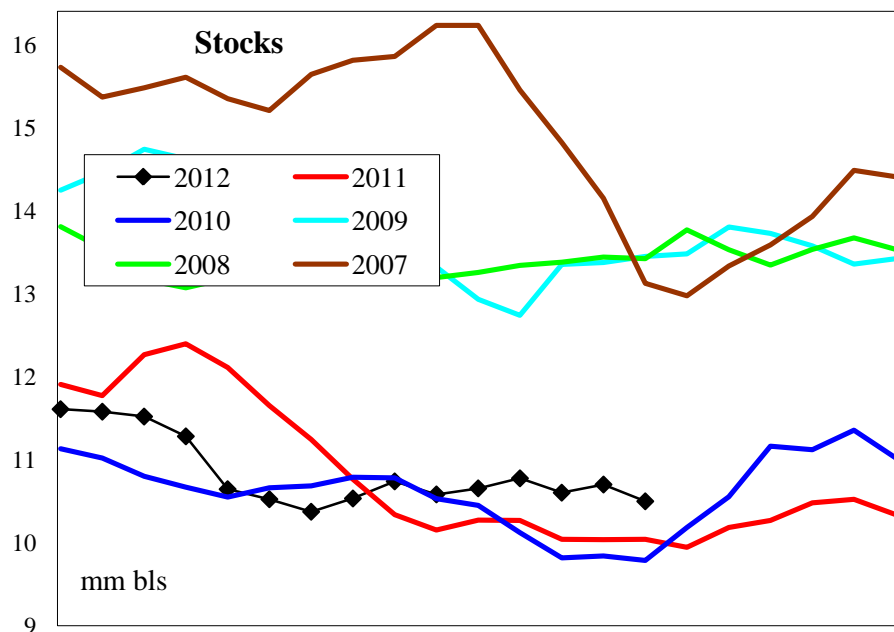
# United States Jet Fuel Supply and Demand Balance



# United States Residual Fuel Oil Supply and Demand Balance



# PADD 1 Crude Oil Supply and Refining



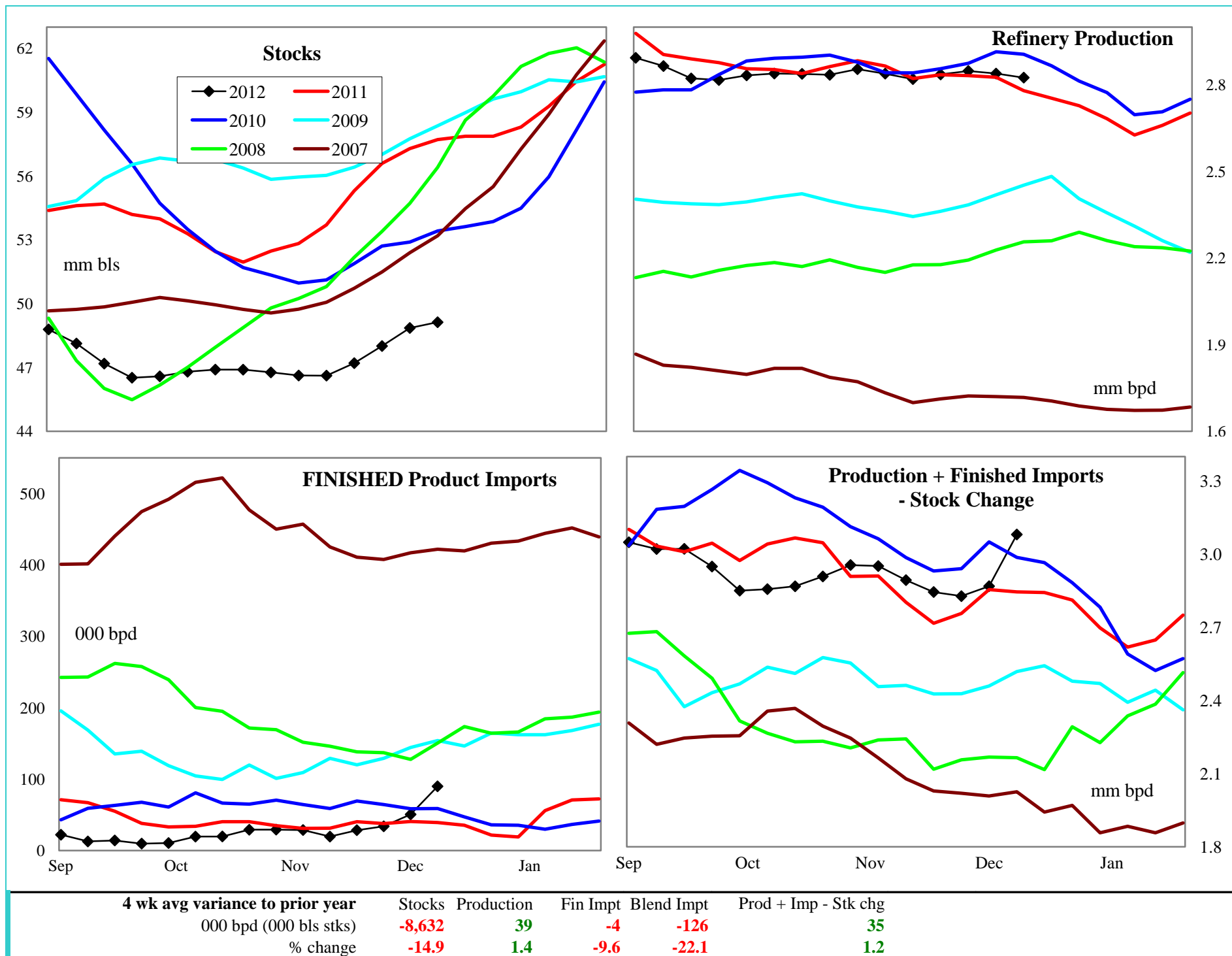
**4 wk avg variance to prior year**  
000 bpd (000 bls stks)  
% change

	Stocks	Input	Imports
000 bpd (000 bls stks)	457	-93	-102
% change	4.6	-9.0	-10.2

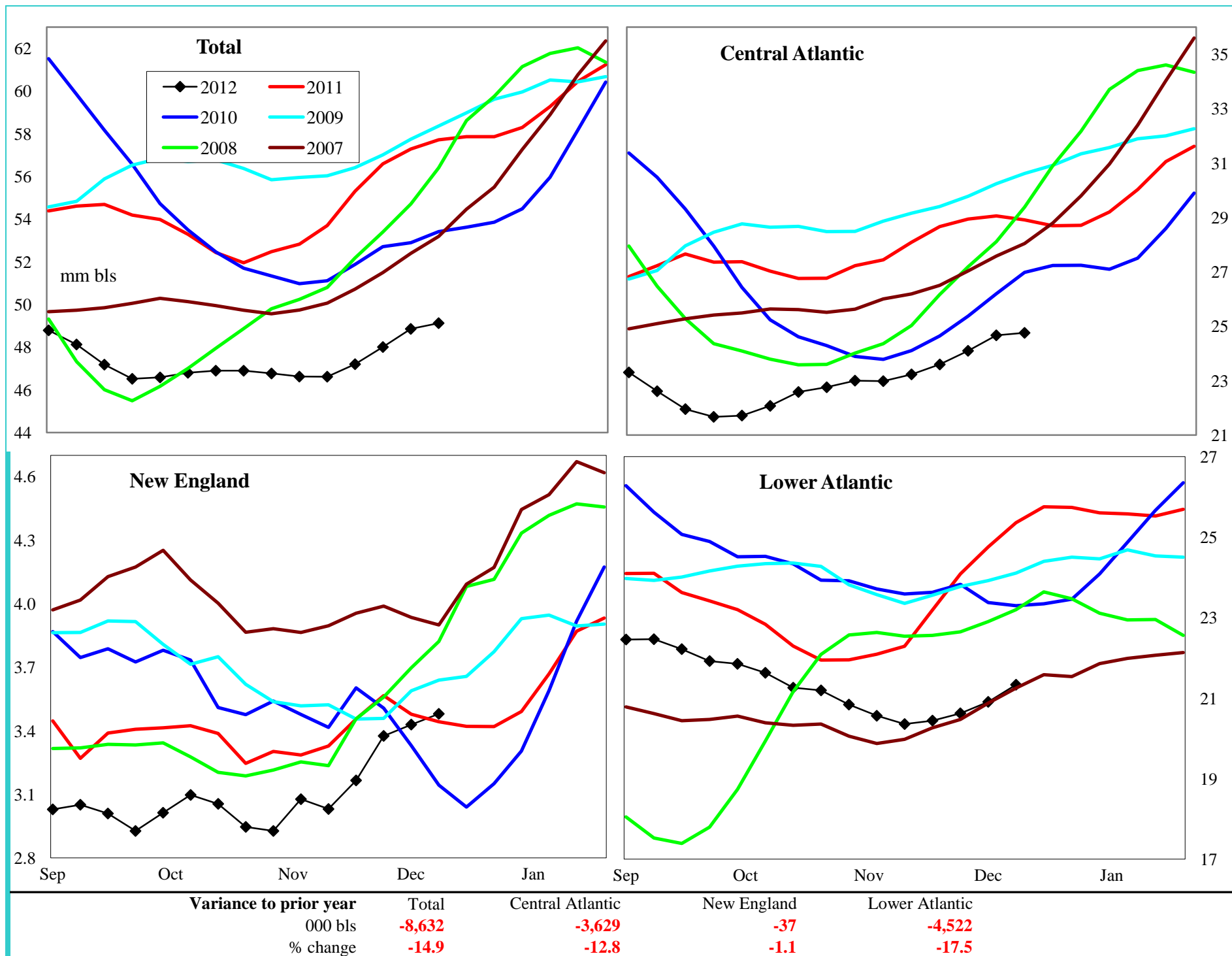




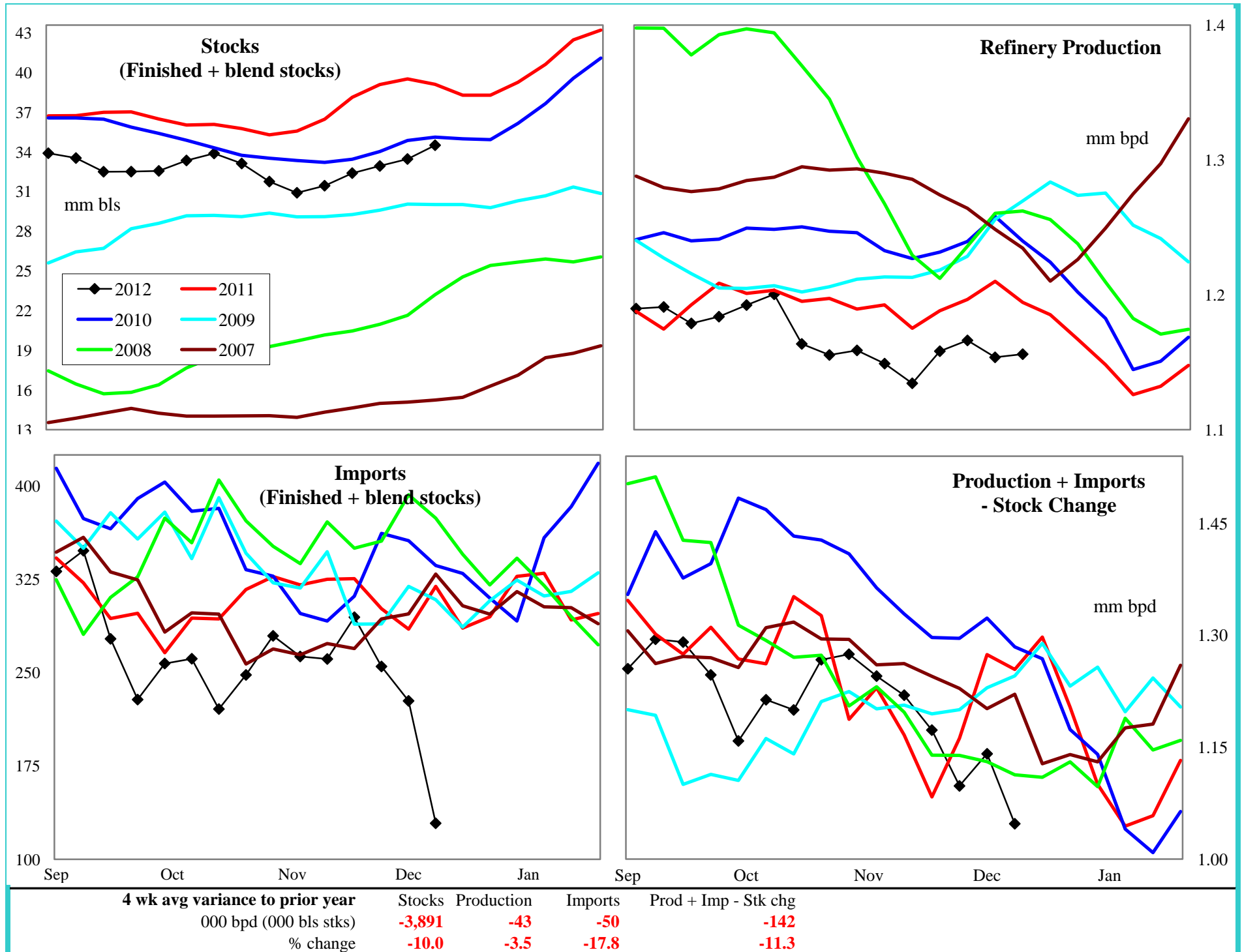
# PADD 1 Gasoline Supply



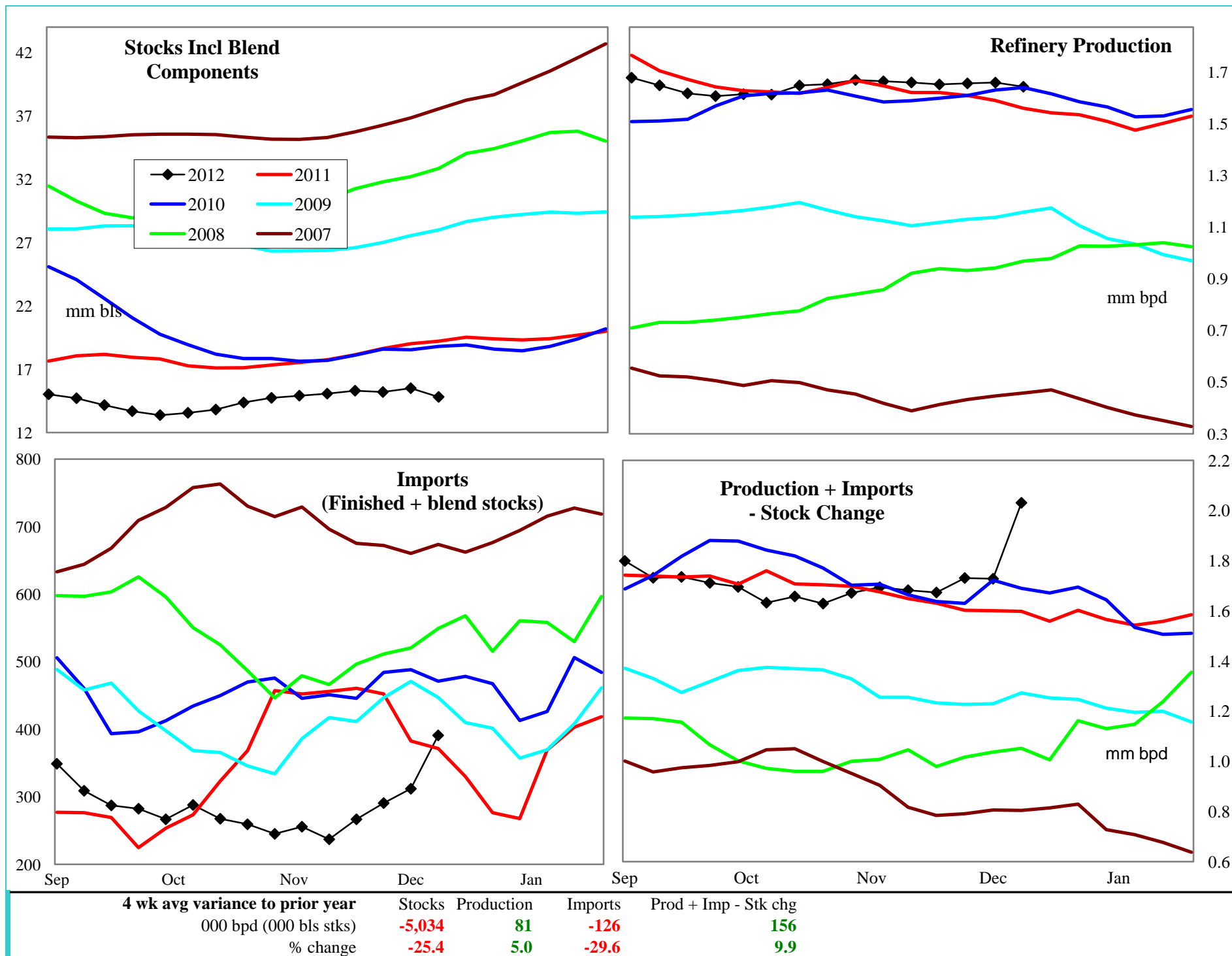
# PADD 1 Gasoline Stocks by Region



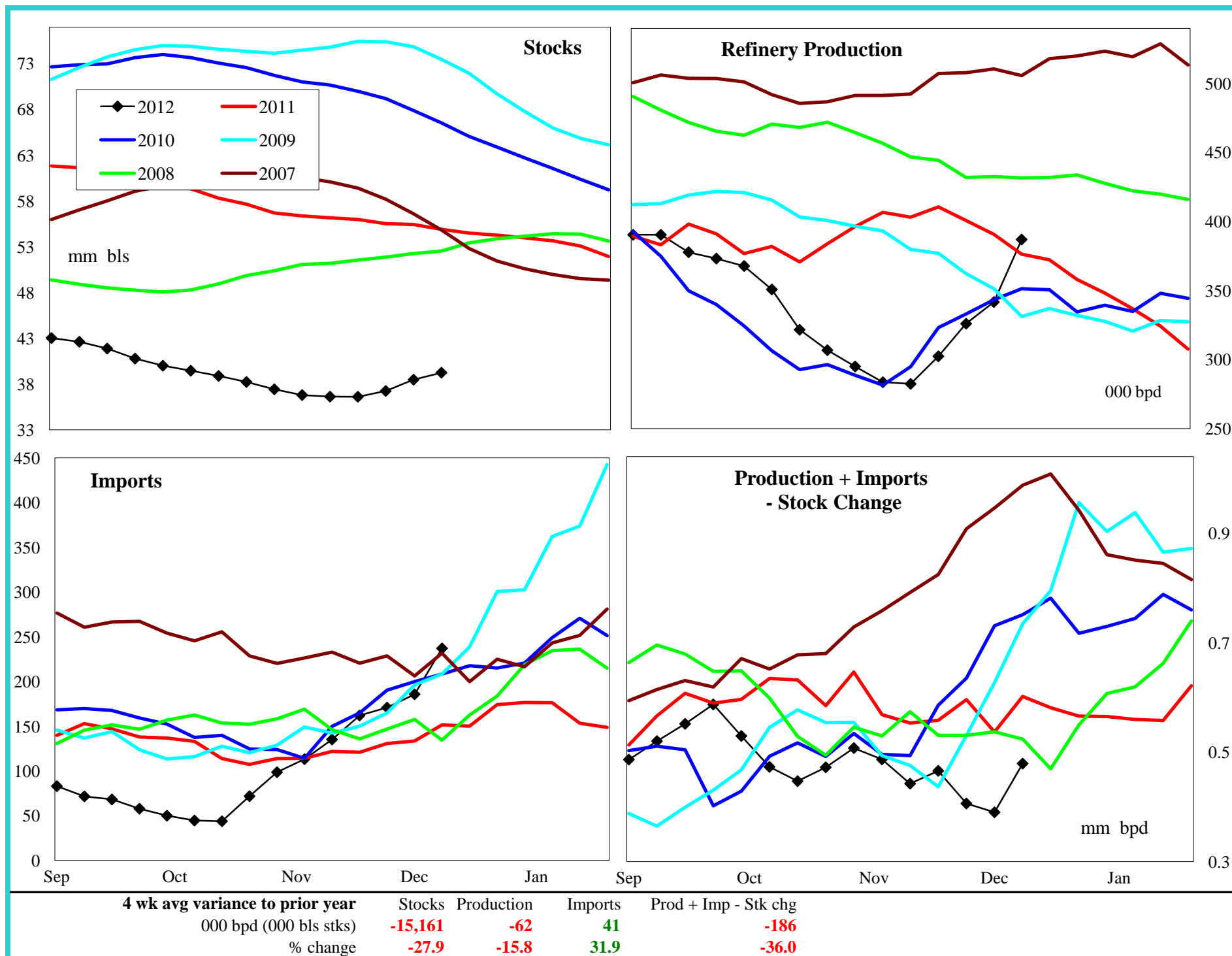
# PADD 1 Reformulated Gasoline Supply



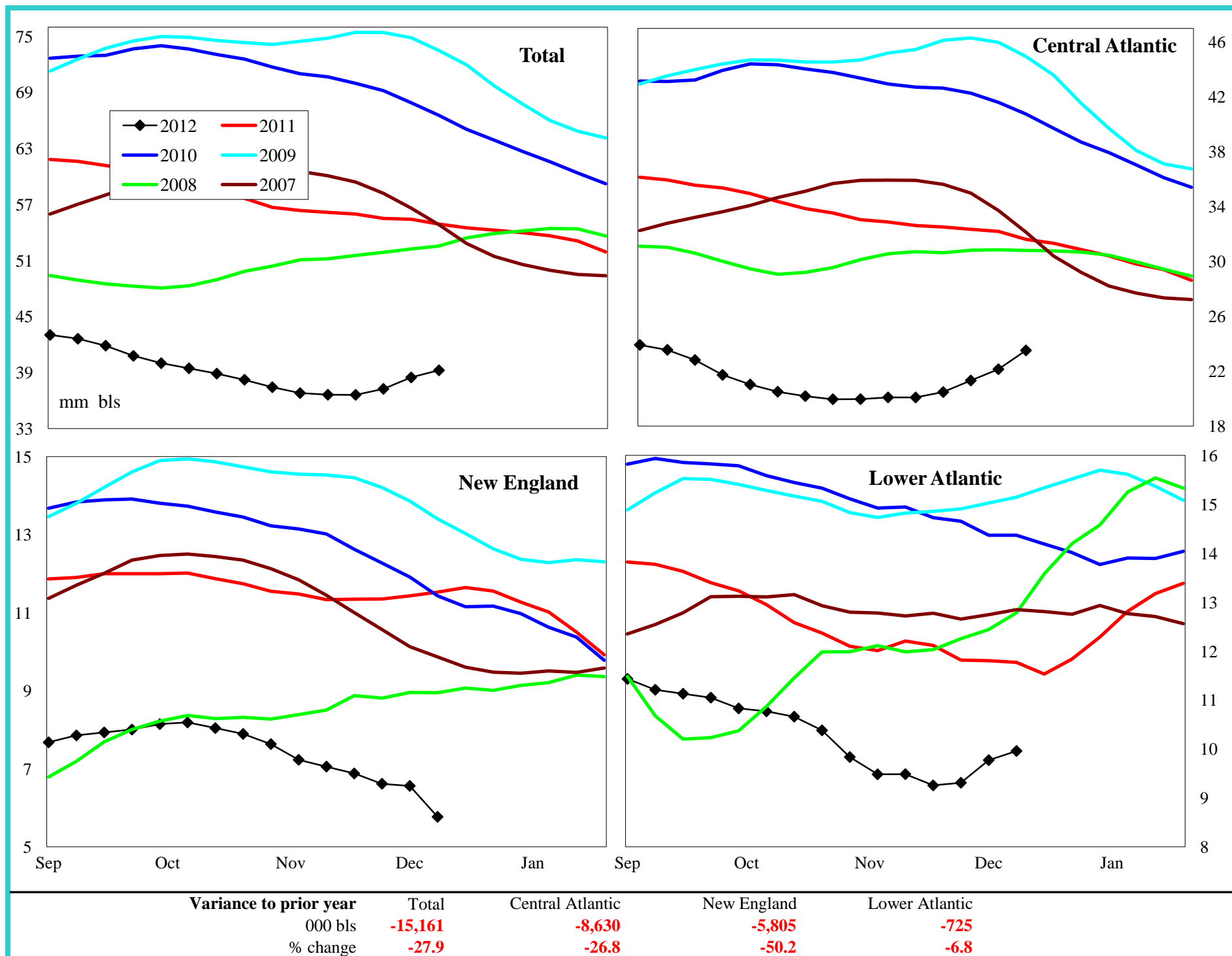
# PADD 1 Conventional Gasoline Supply



# PADD 1 Distillate Supply

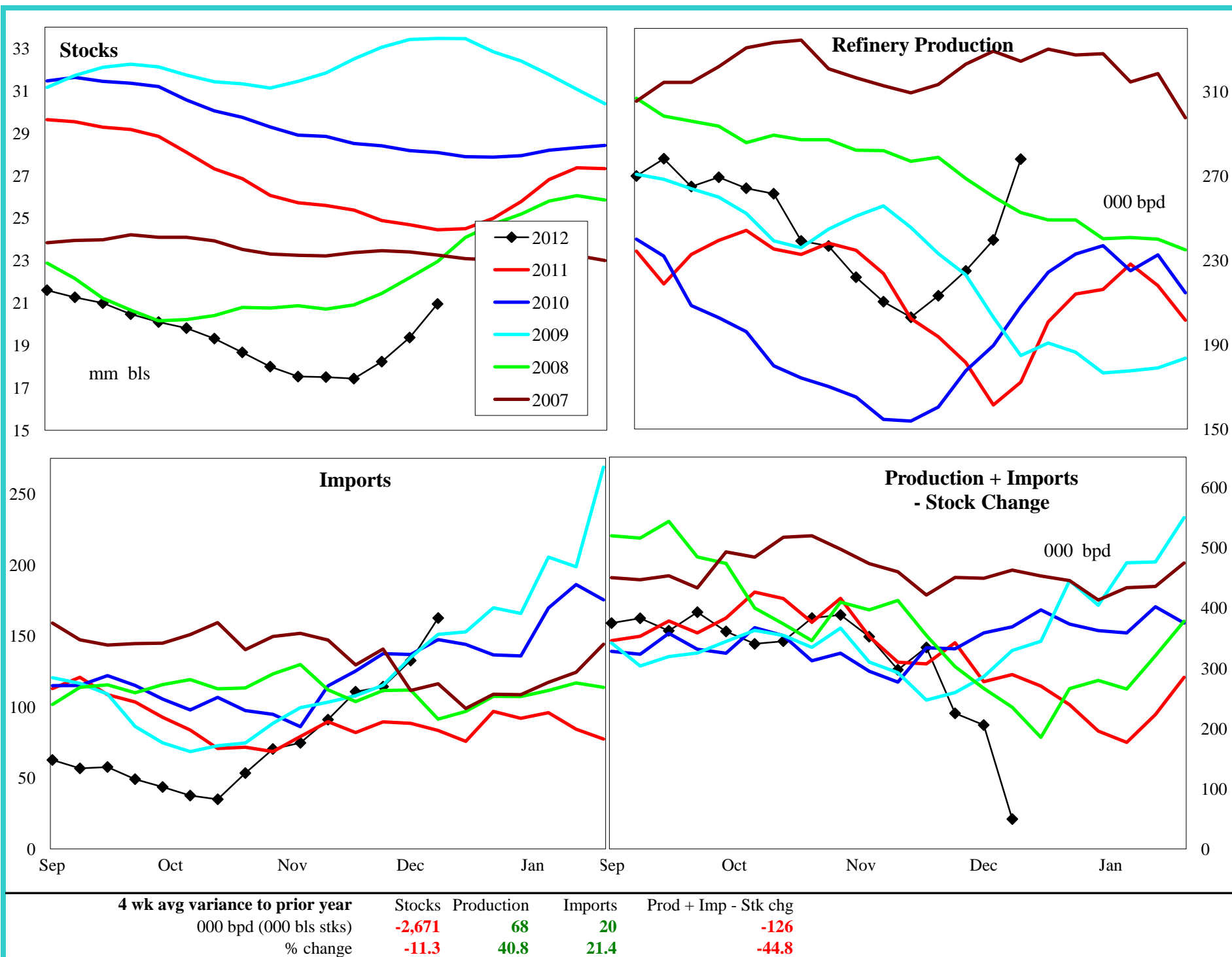


# PADD 1 Distillate Stocks by Region

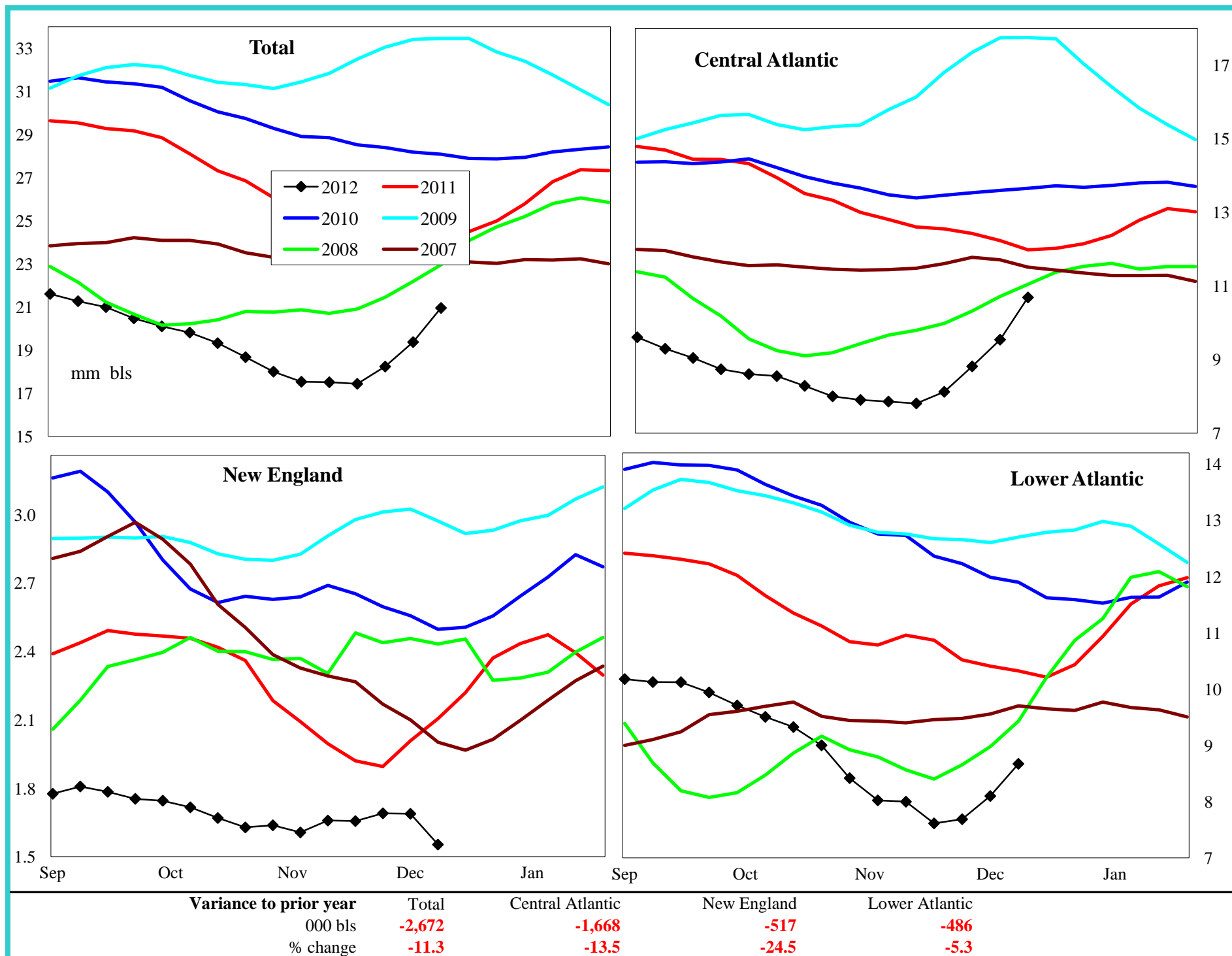




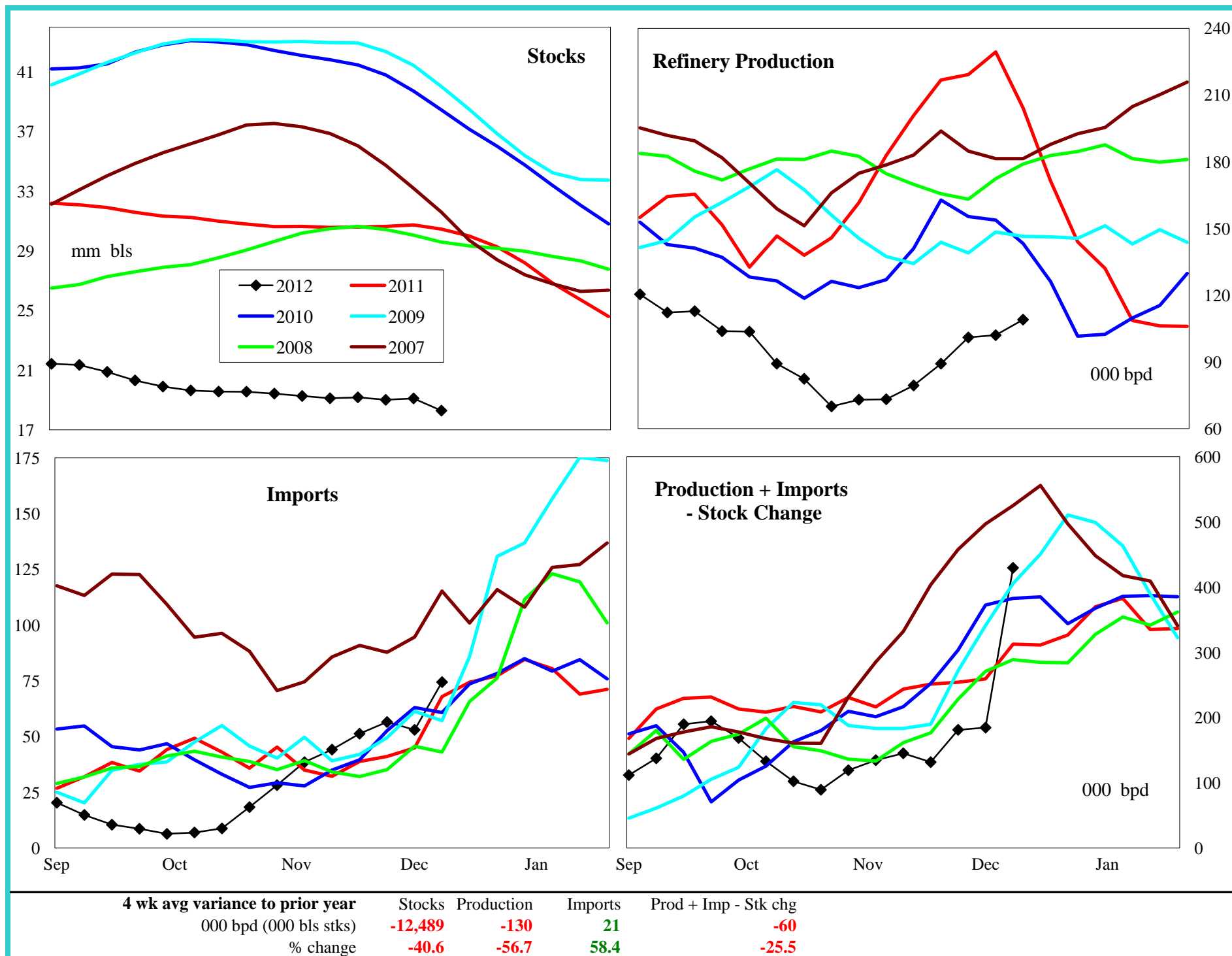
# PADD 1 Low Sulfur Distillate Supply



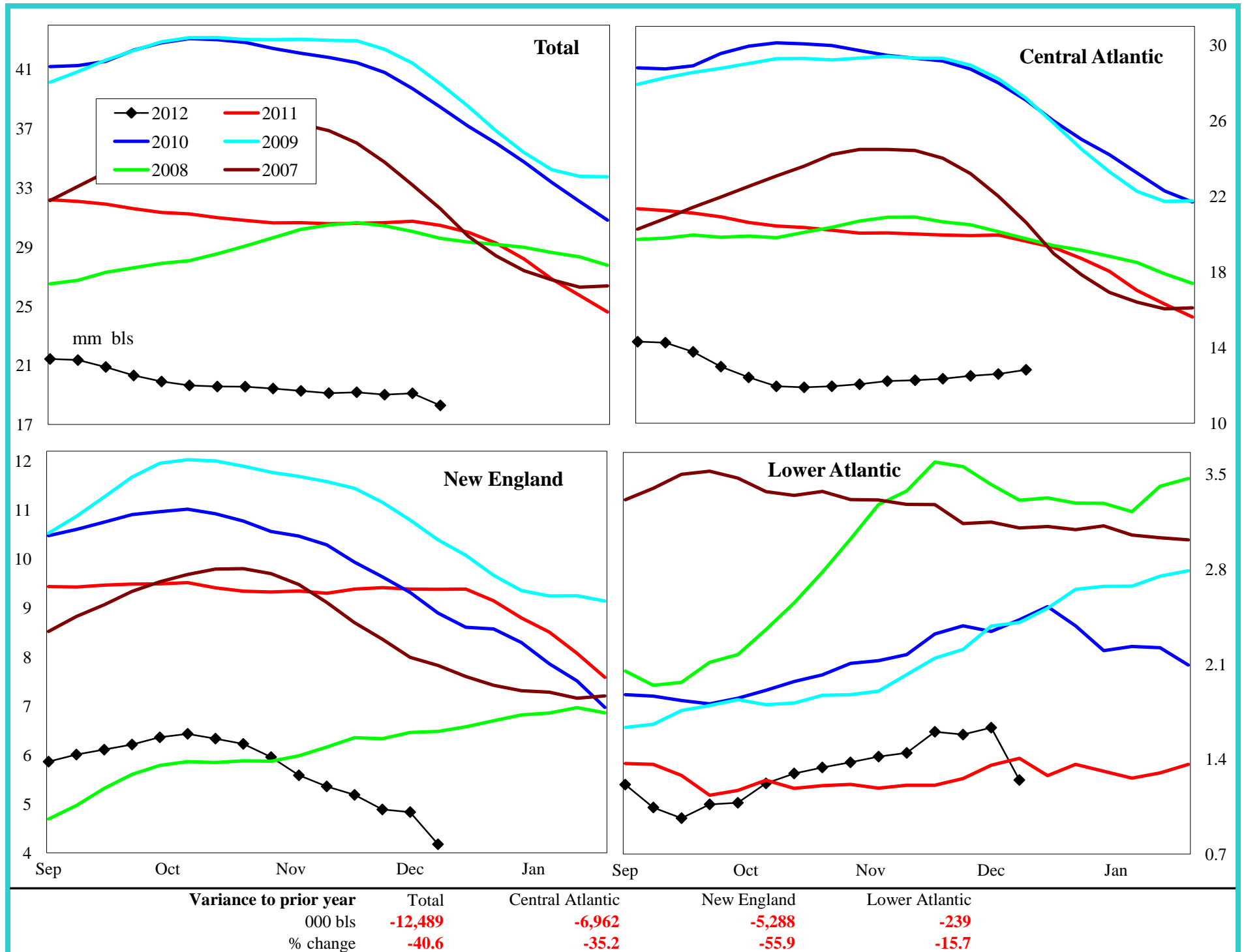
# PADD 1 Low Sulfur Distillate Stocks by Region



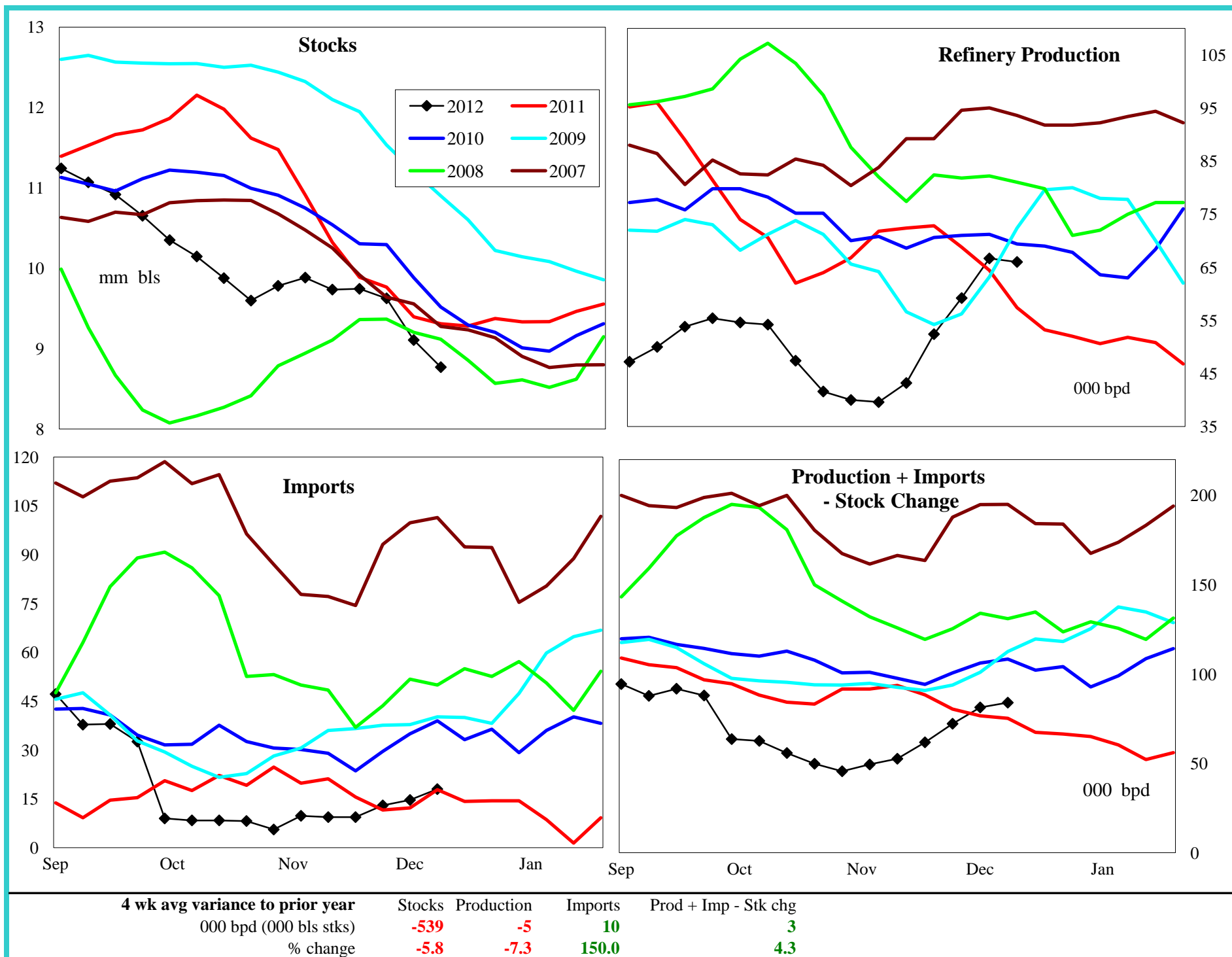
# PADD 1 High Sulfur Distillate Supply



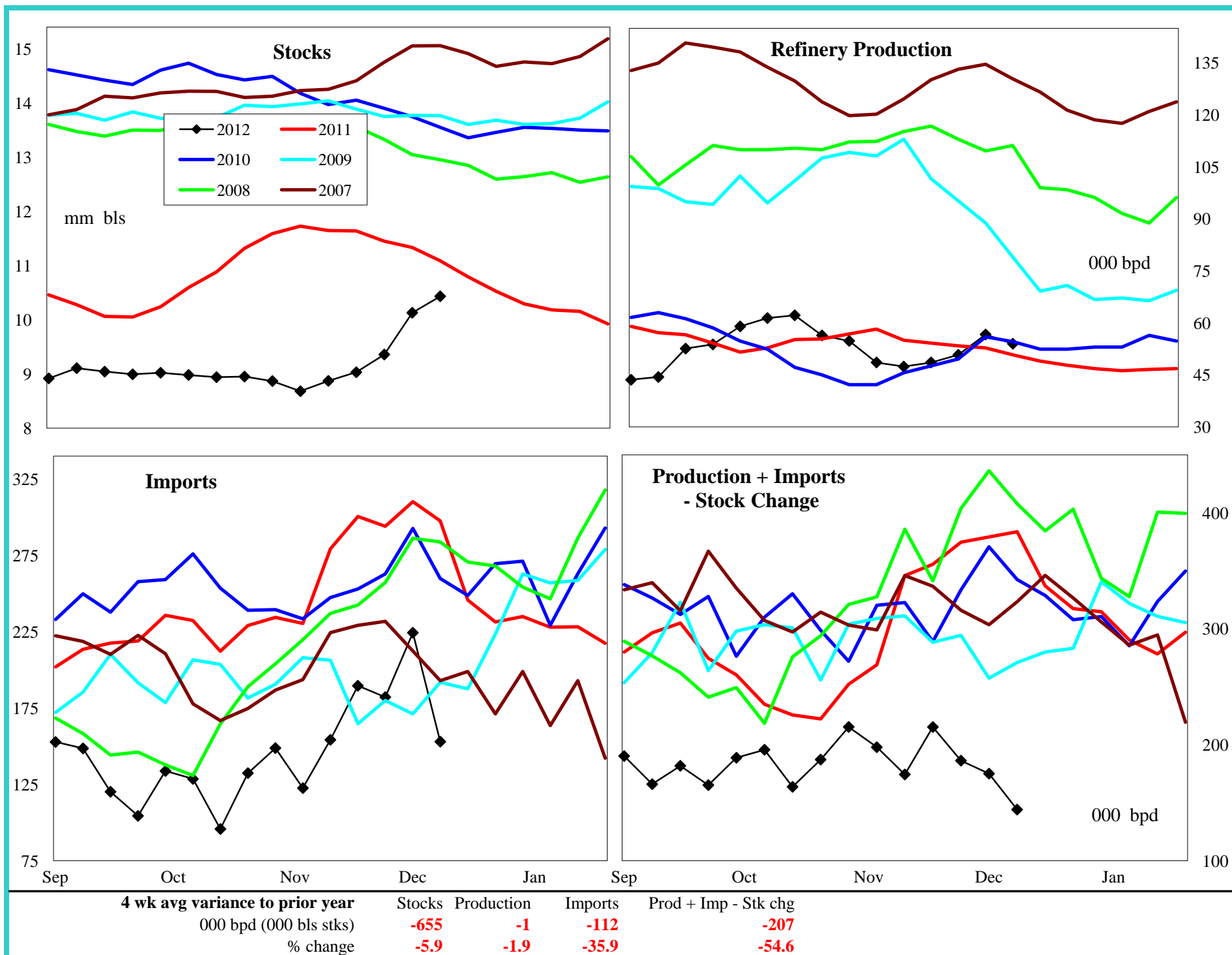
## PADD 1 High Sulfur Distillate Stocks by Region



# PADD 1 Jet Fuel Supply

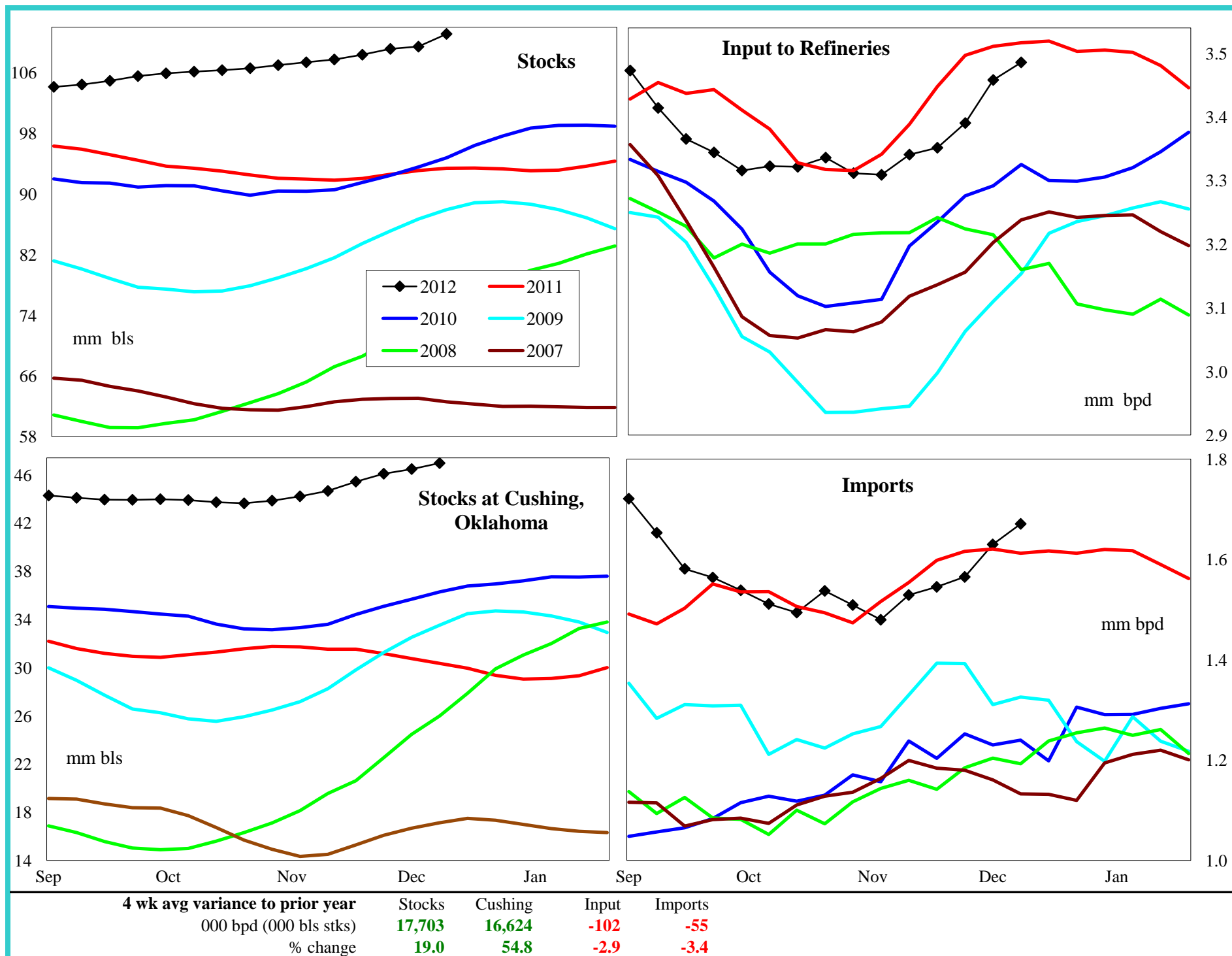


# PADD 1 Residual Fuel Oil Supply

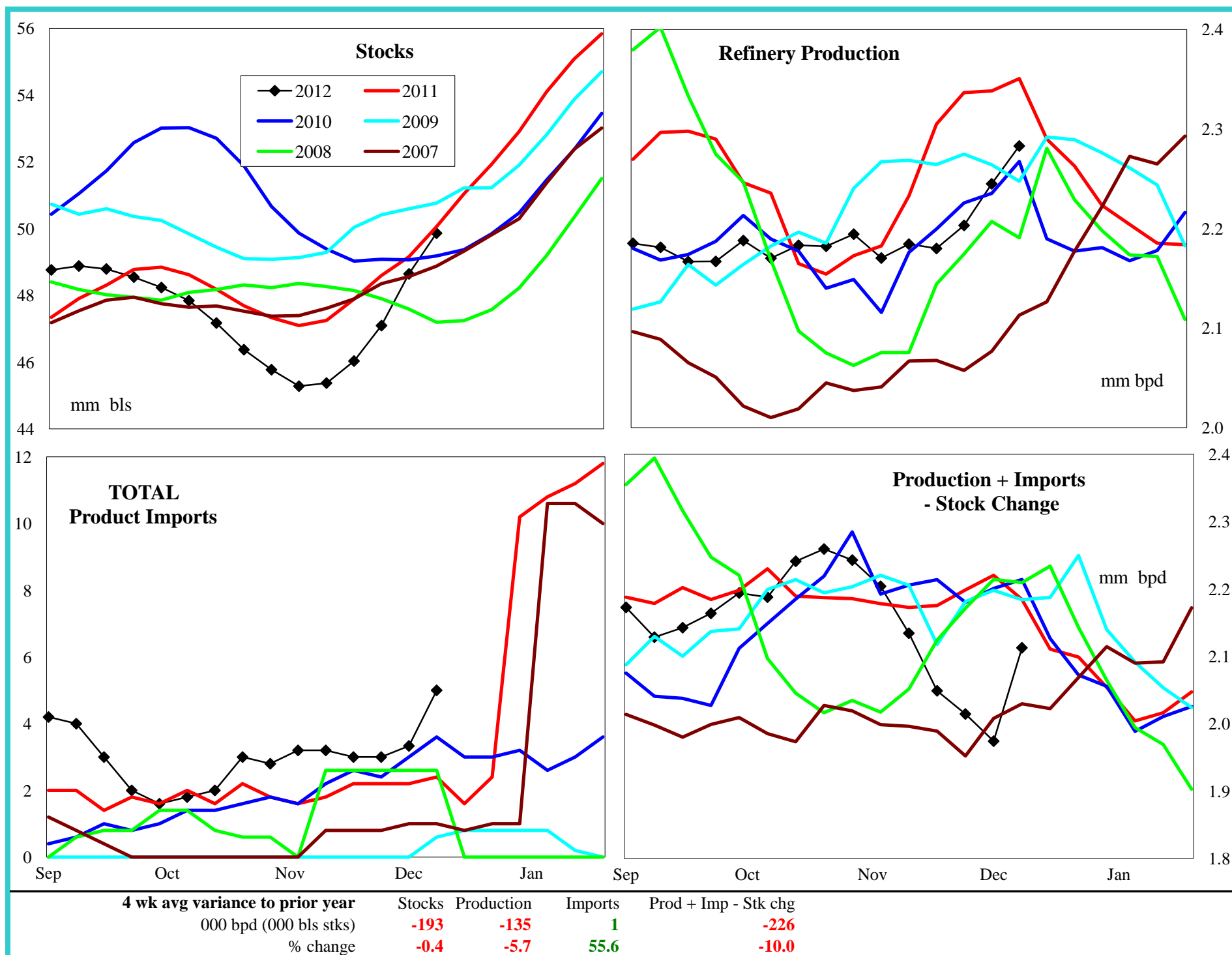




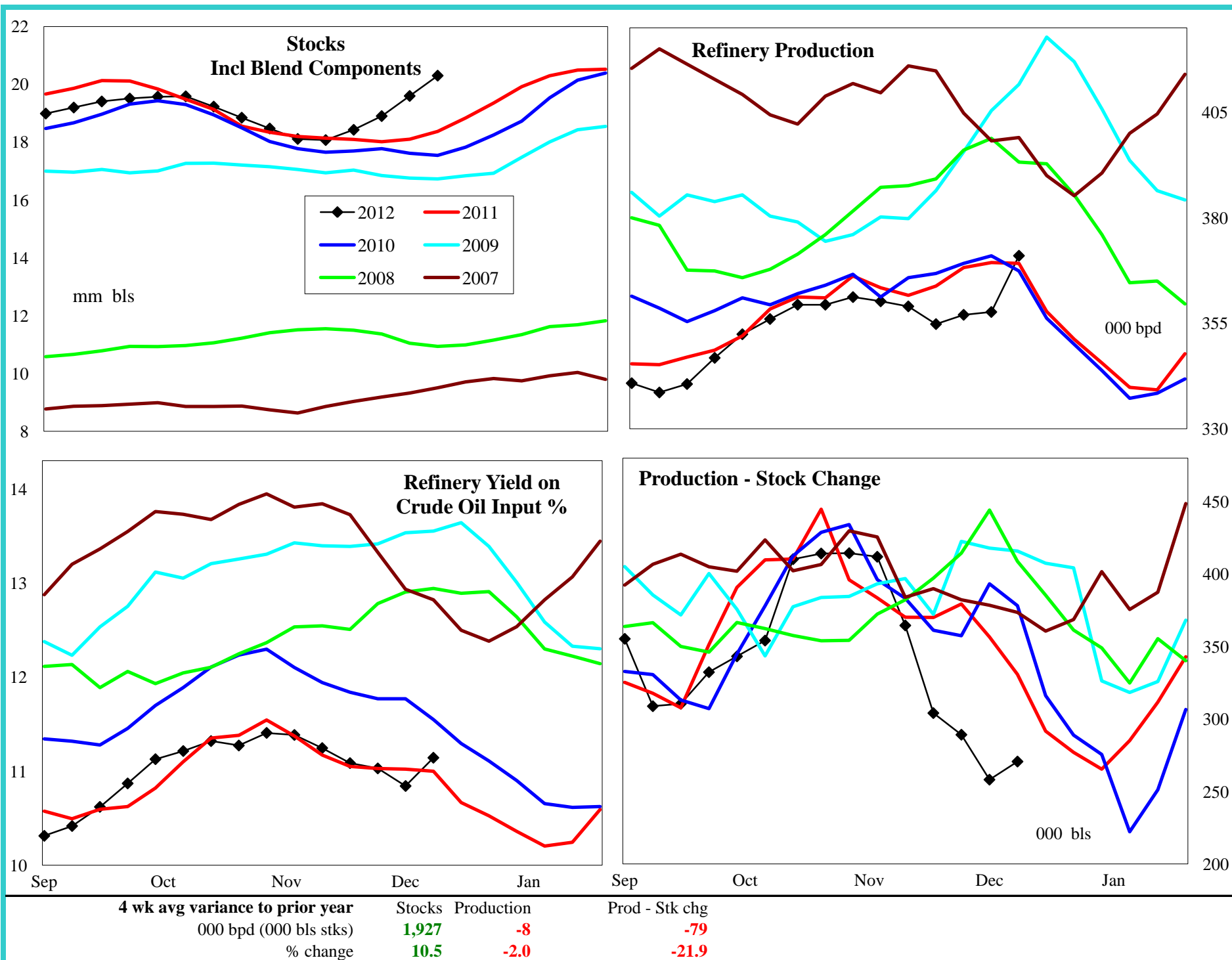
# PADD 2 Crude Oil Supply and Refining



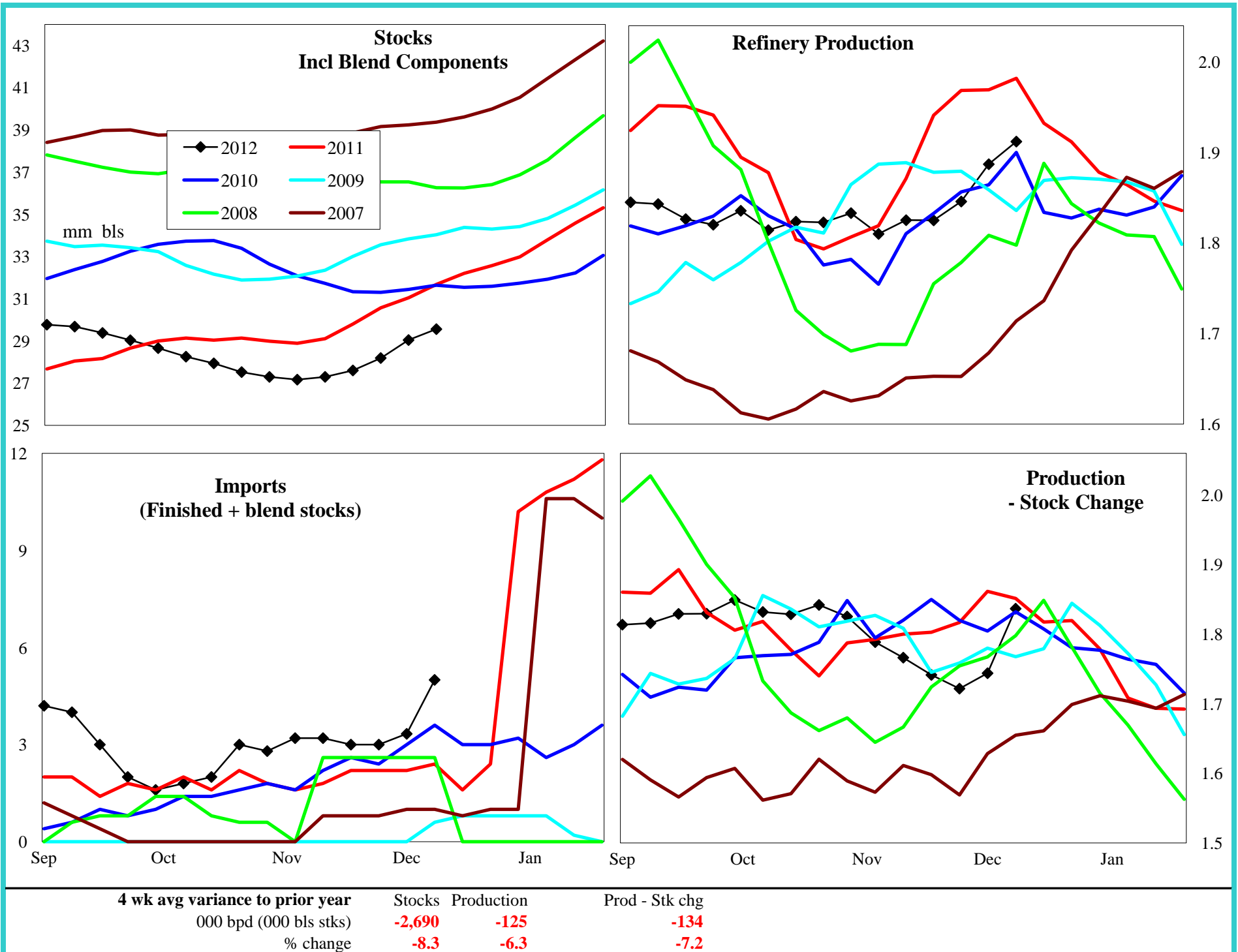
# PADD 2 Gasoline Supply



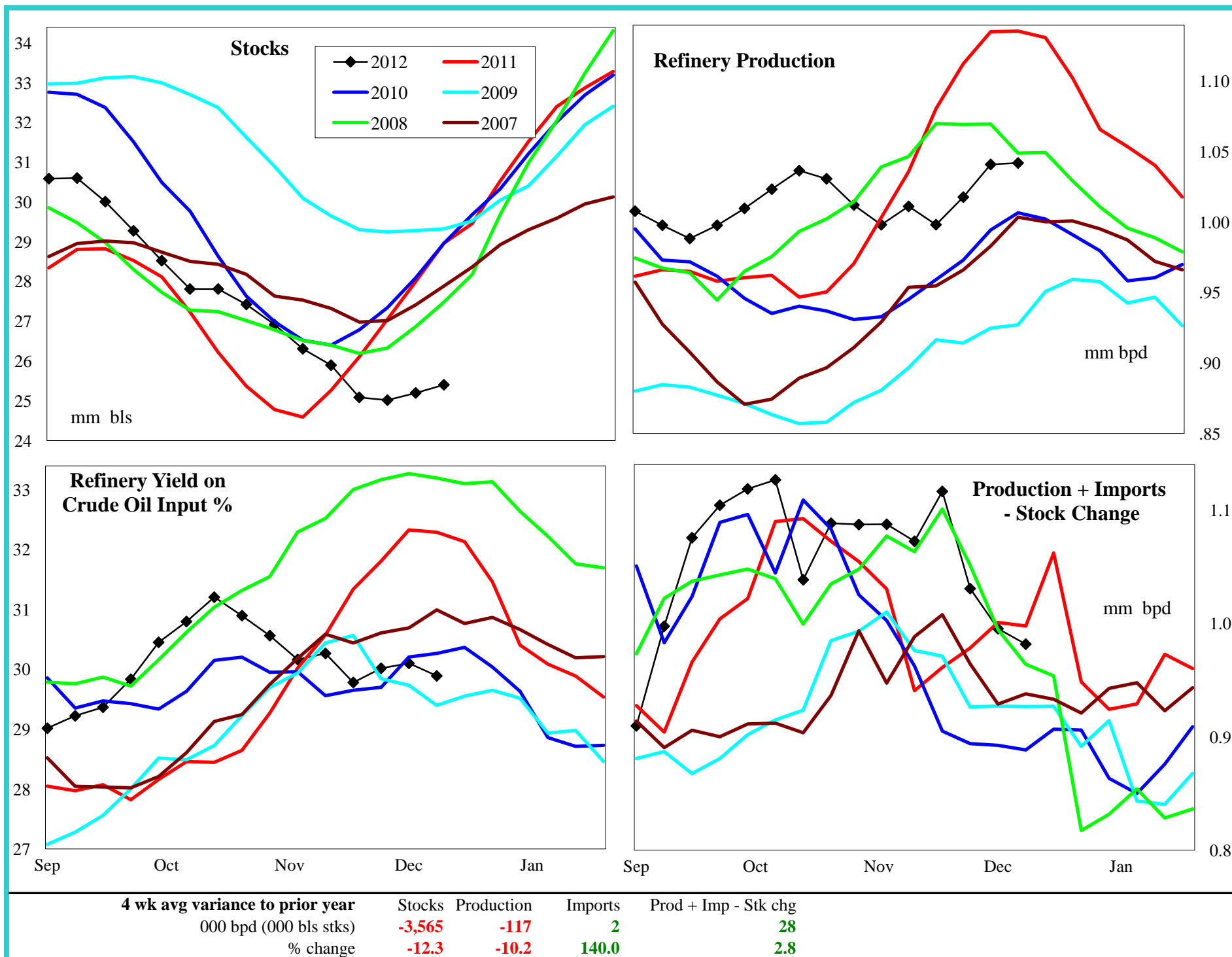
# PADD 2 Reformulated Gasoline Supply



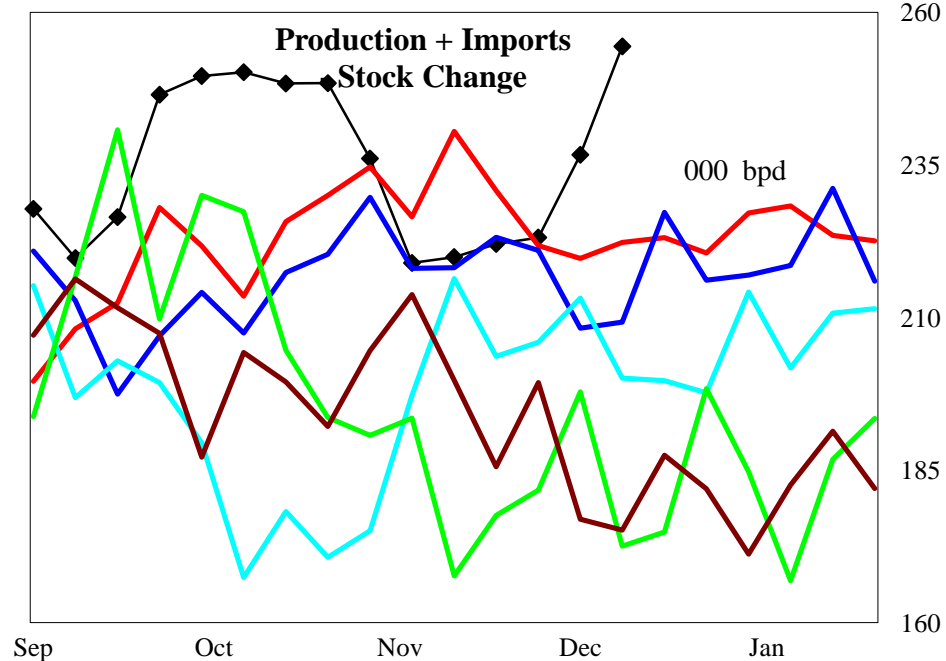
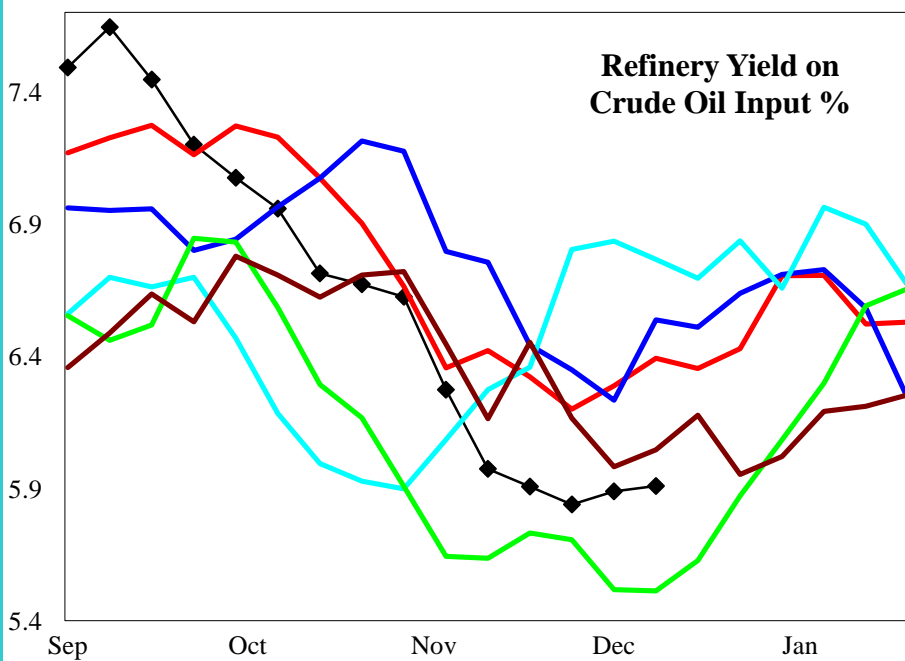
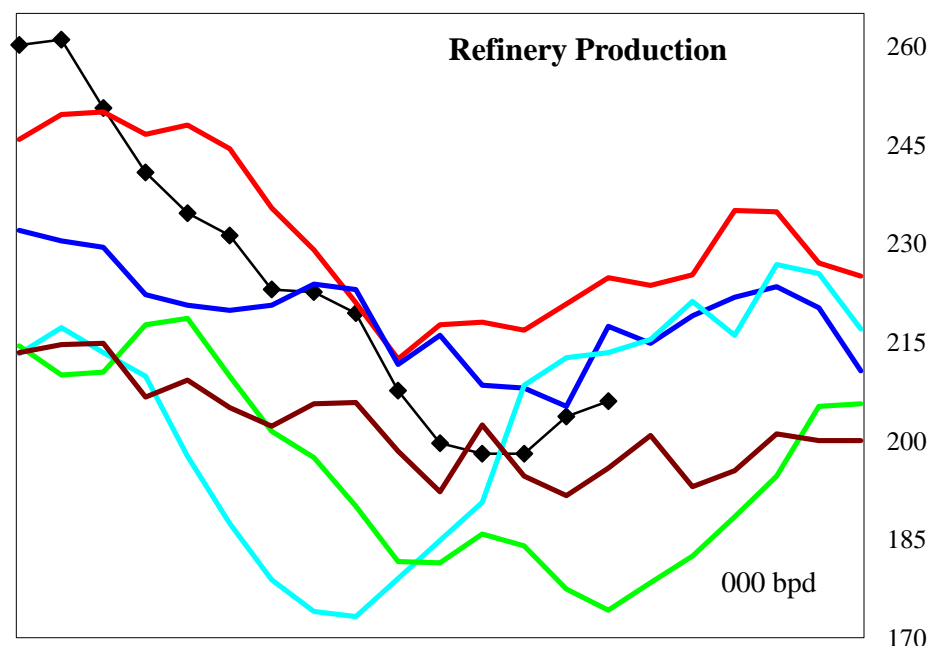
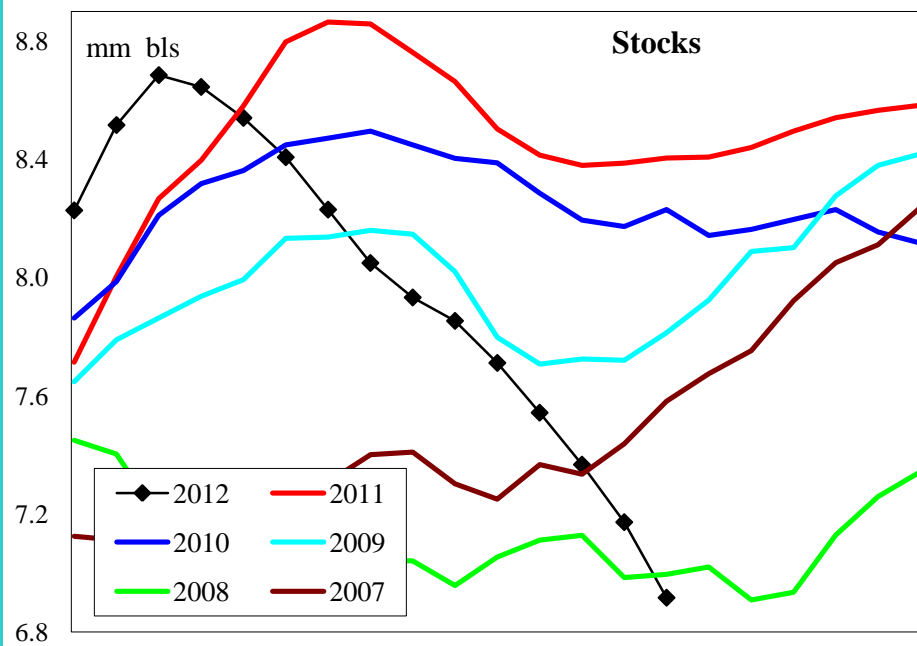
# PADD 2 Conventional Gasoline Supply



# PADD 2 Distillate Supply



# PADD 2 Jet Fuel Supply



**4 wk avg variance to prior year**

000 bpd (000 bls stks)

% change

**Stocks**

**Production**

**Imports**

**Prod + Imp - Stk chg**

**-1,488**

**-23**

**0**

**12**

**-17.7**

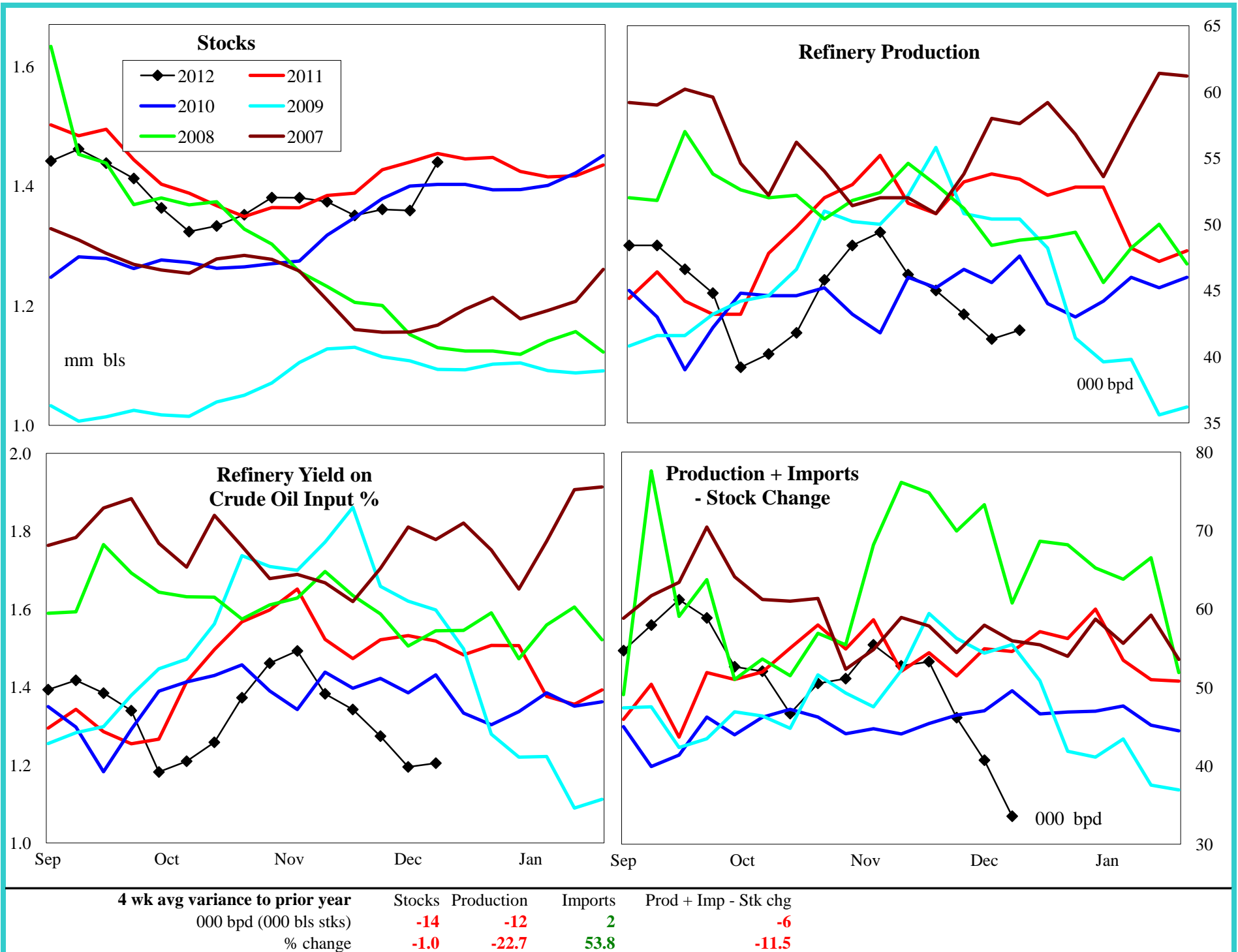
**-10.5**

**#DIV/0!**

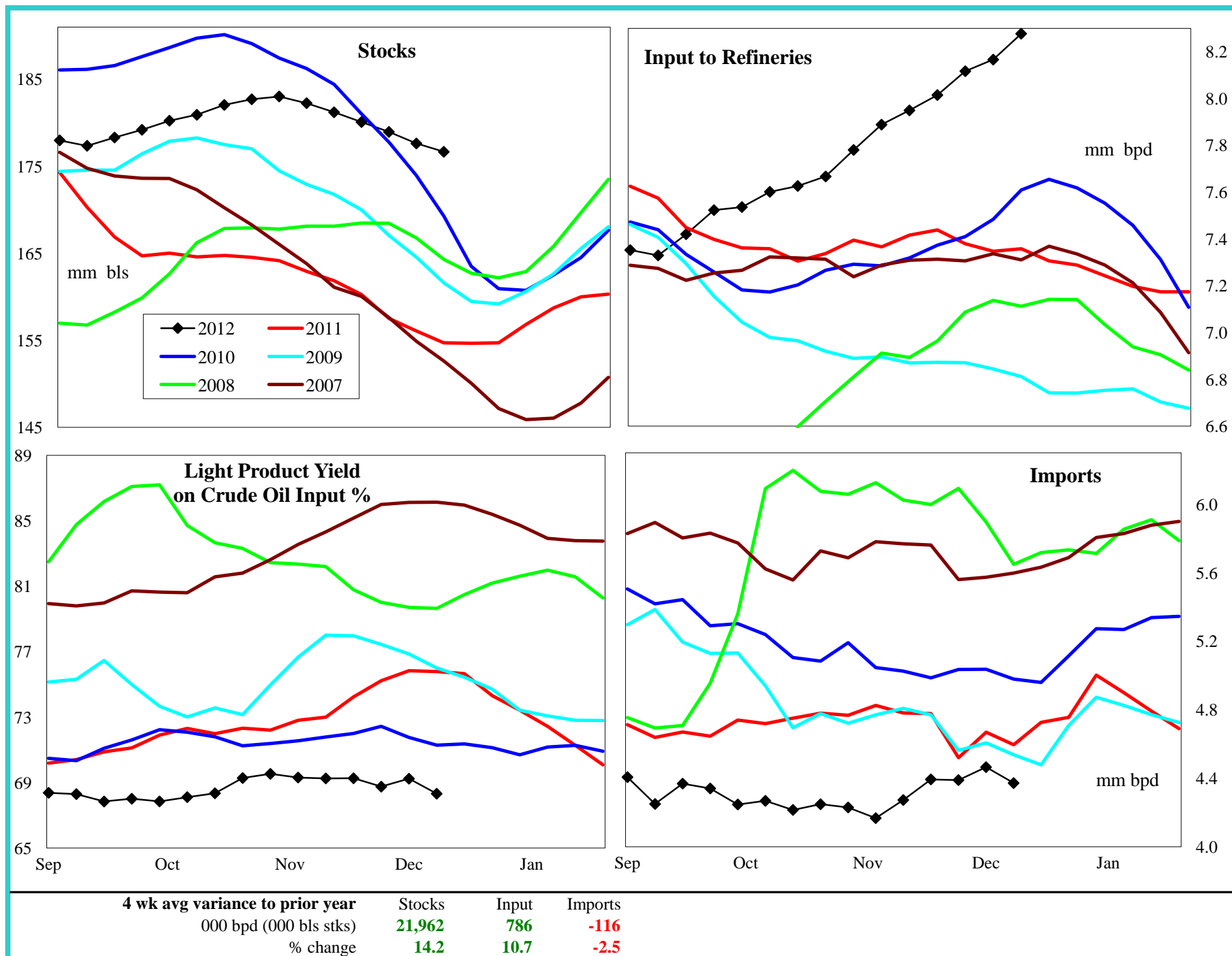
**5.8**



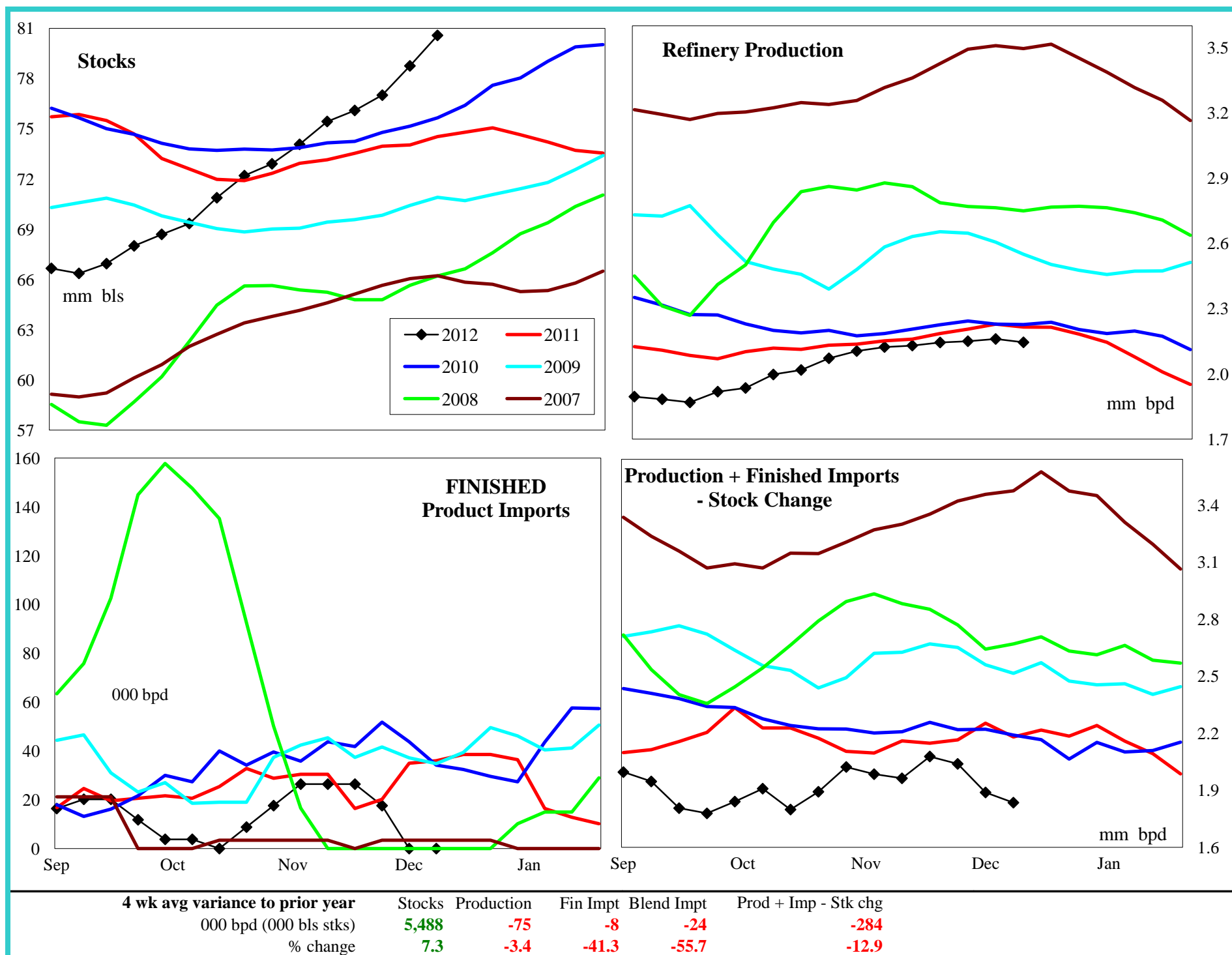
# PADD 2 Residual Fuel Oil Supply



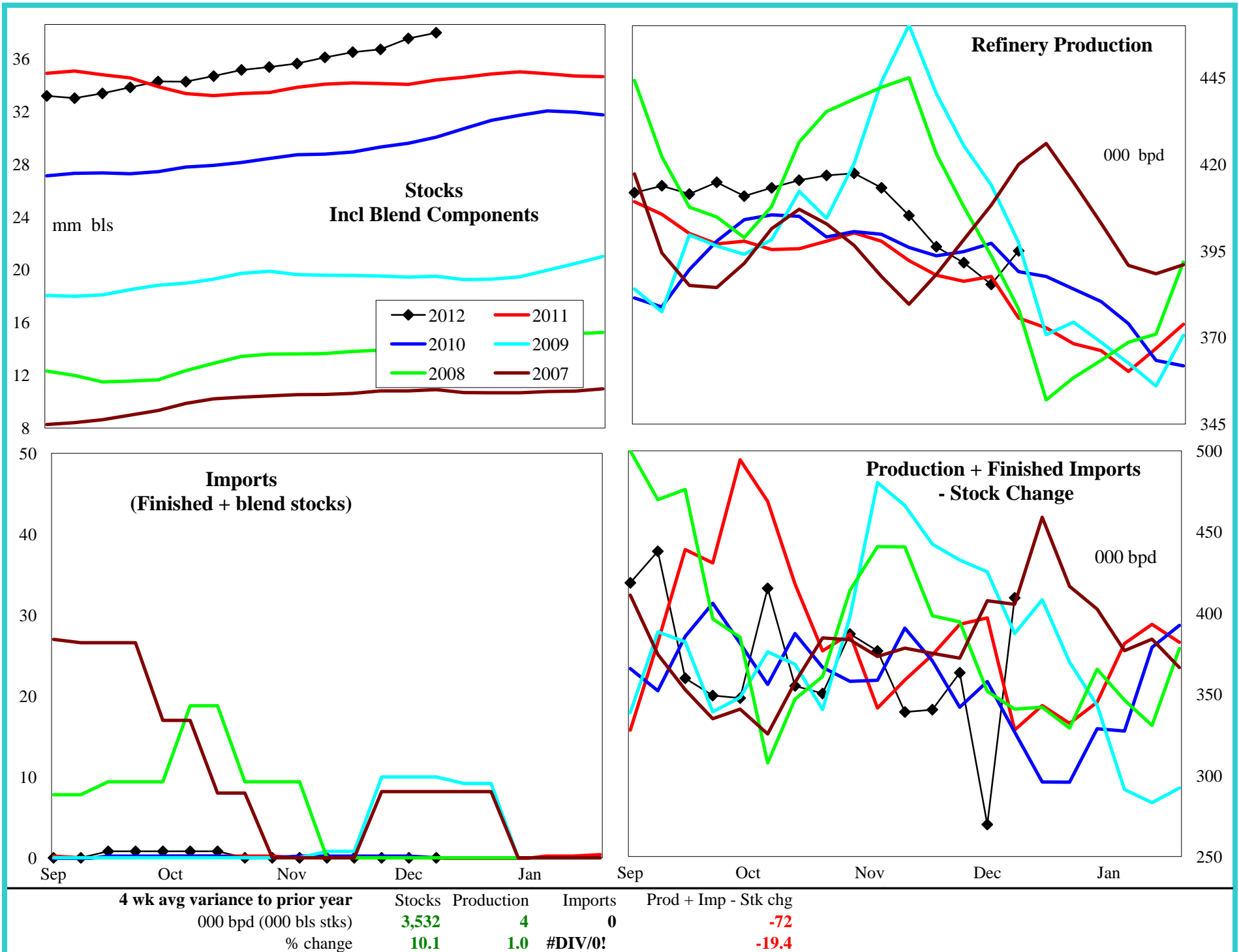
# PADD 3 Crude Oil Supply and Refining



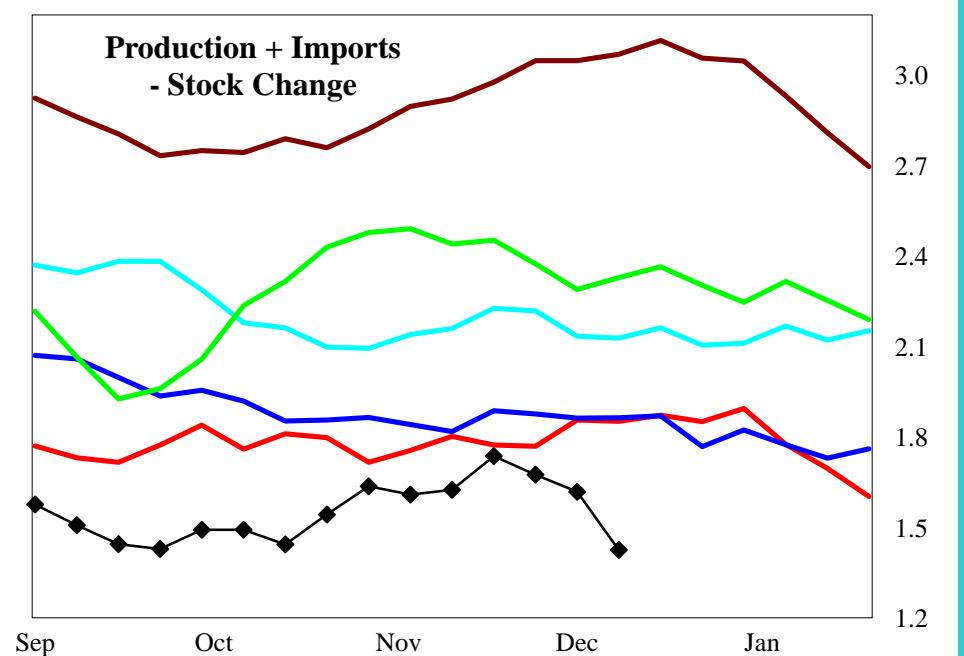
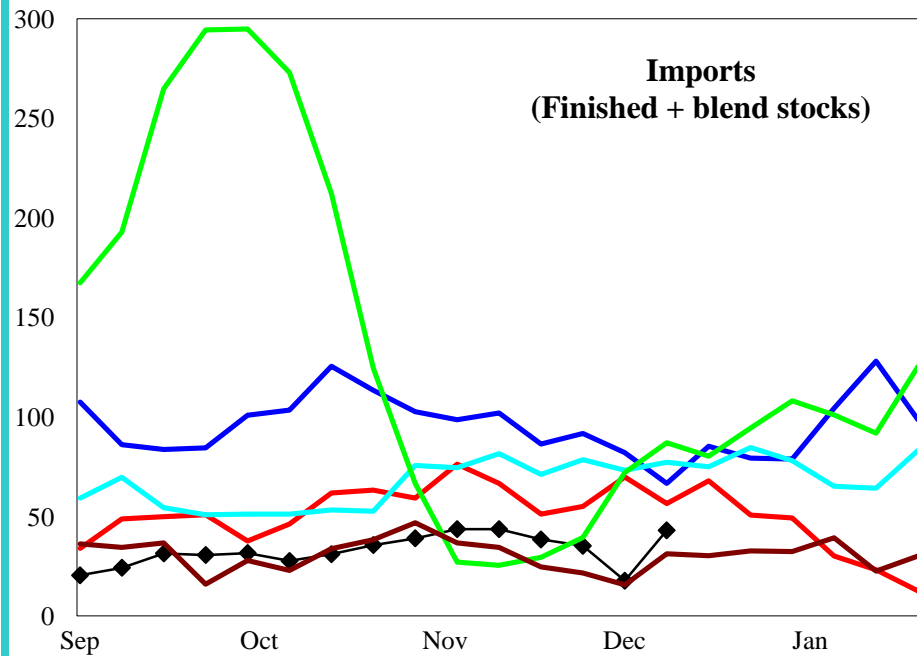
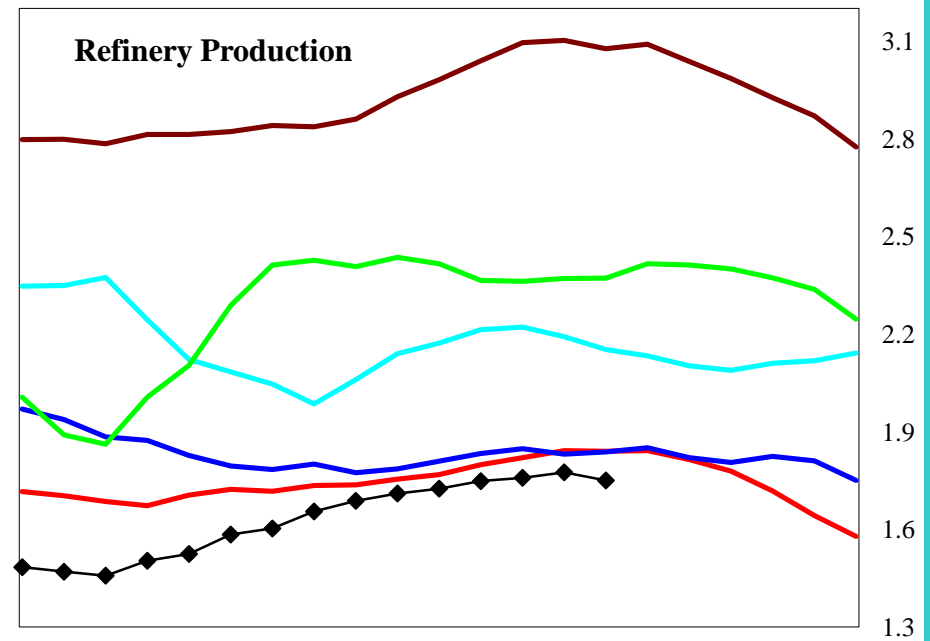
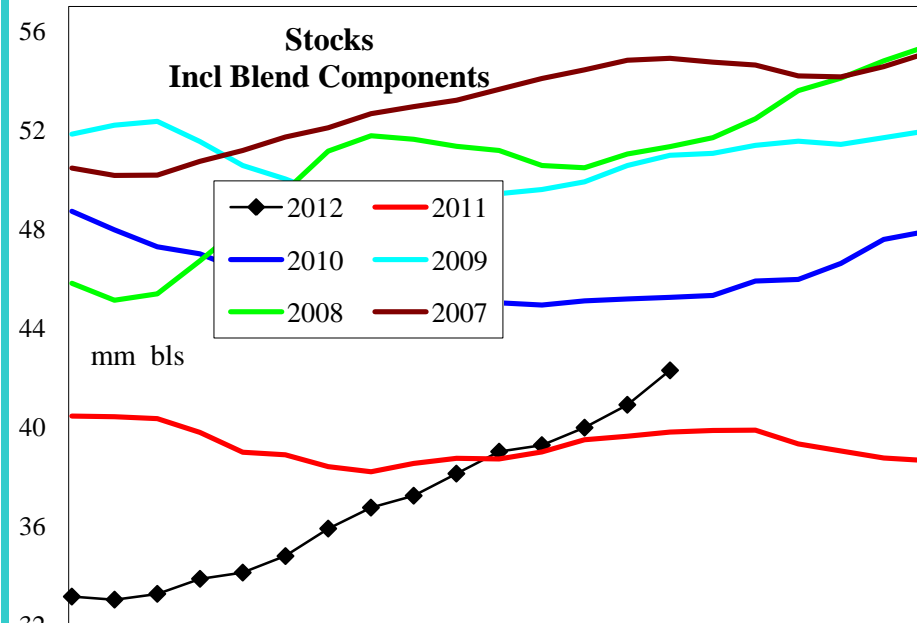
# PADD 3 Gasoline Supply



# PADD 3 Reformulated Gasoline Supply



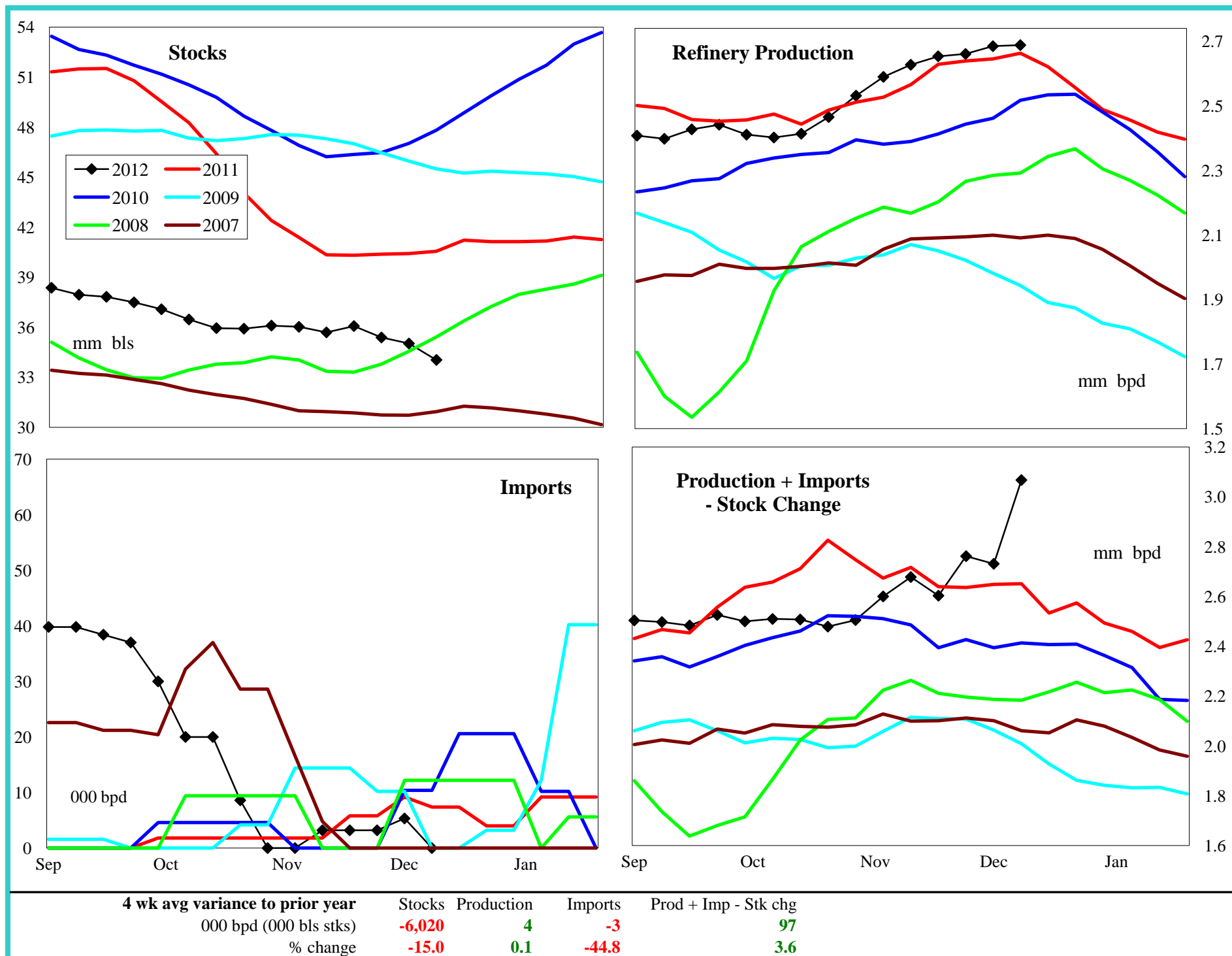
# PADD 3 Conventional Gasoline Supply



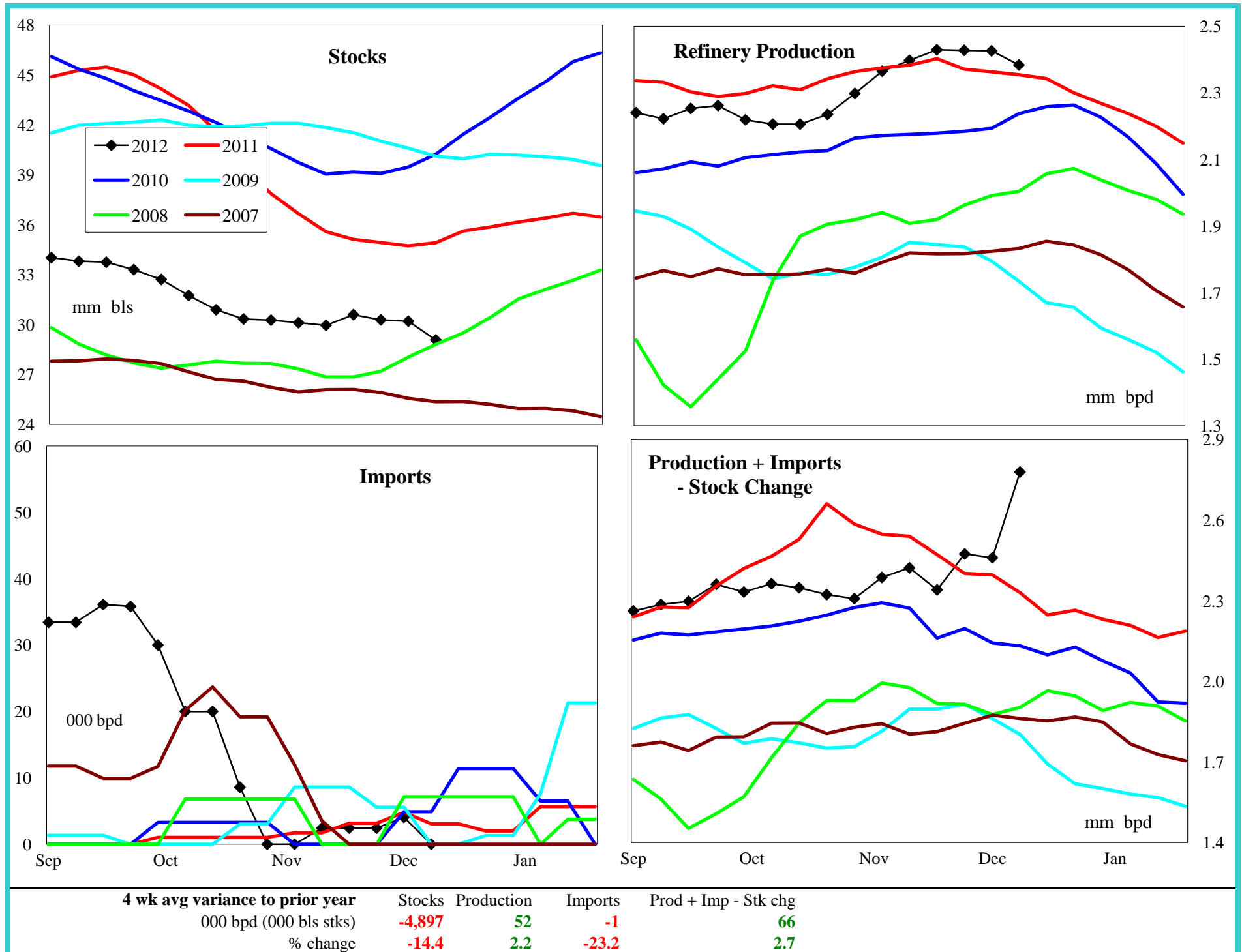
**4 wk avg variance to prior year**  
000 bpd (000 bls stks)  
% change

Stocks	Production	Imports	Prod + Imp - Stk chg
1,946	-79	-32	-212
4.8	-4.3	-51.4	-11.6

# PADD 3 Distillate Supply

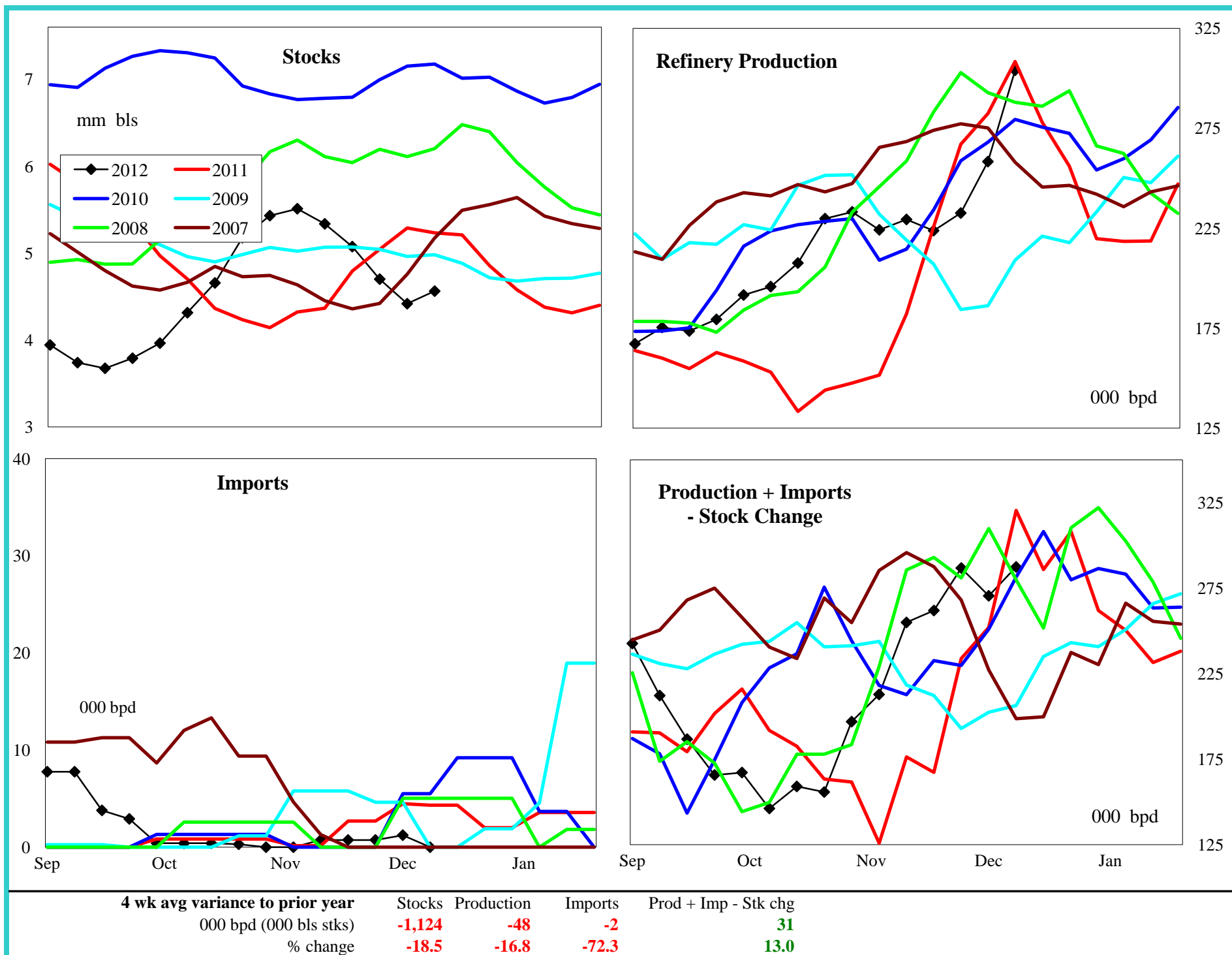


# PADD 3 Low Sulfur Distillate Supply

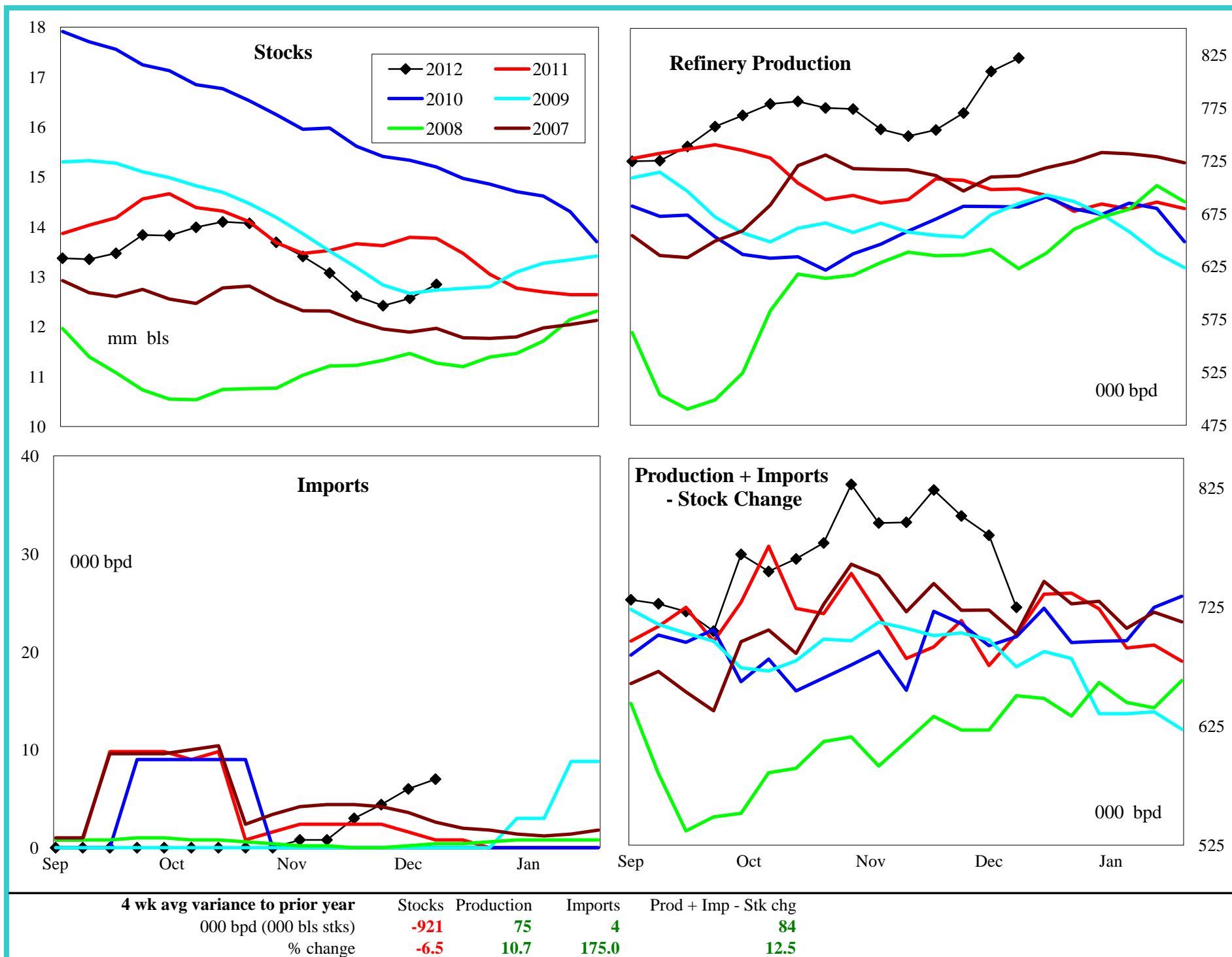




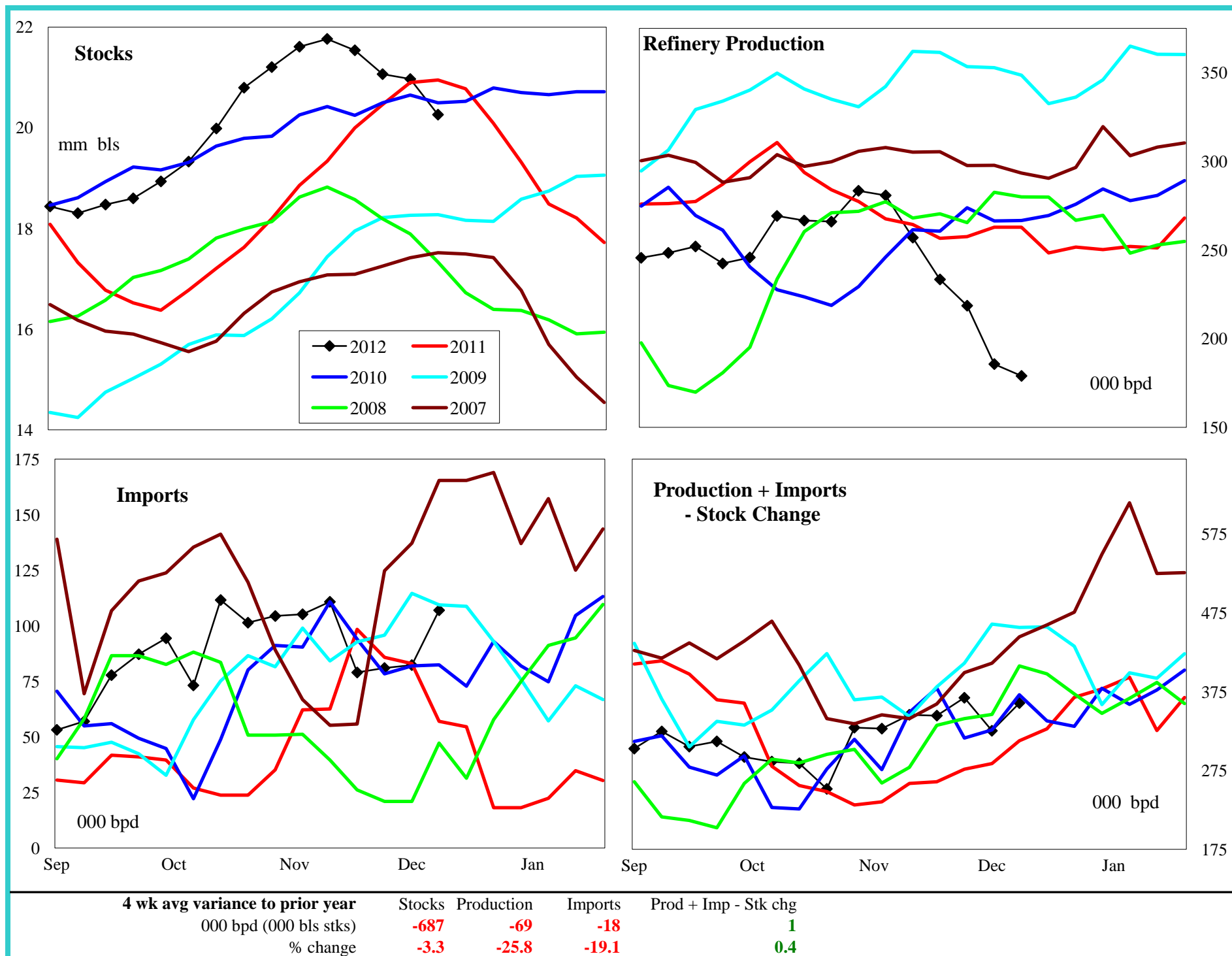
# PADD 3 High Sulfur Distillate Supply



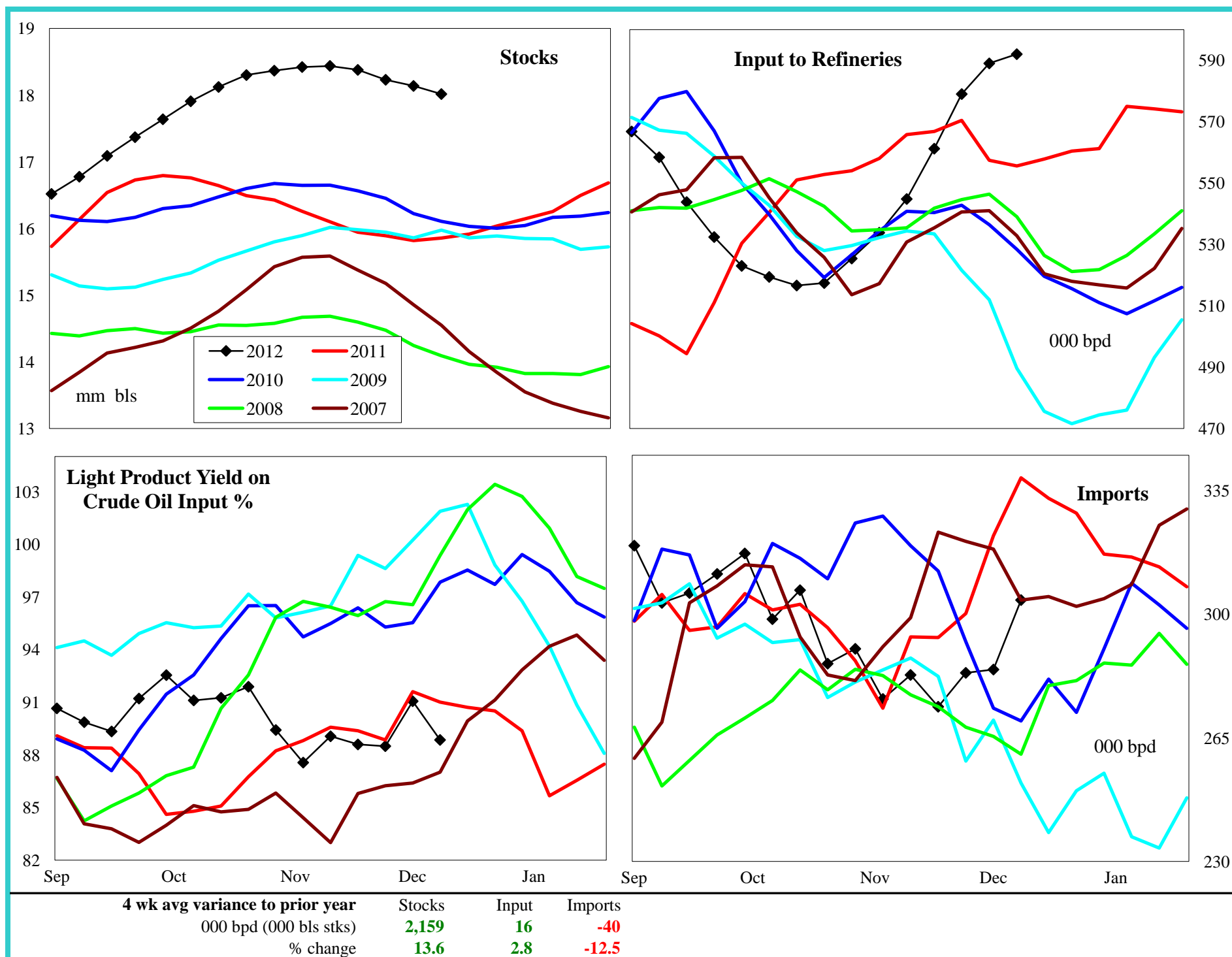
# PADD 3 Jet Fuel Supply



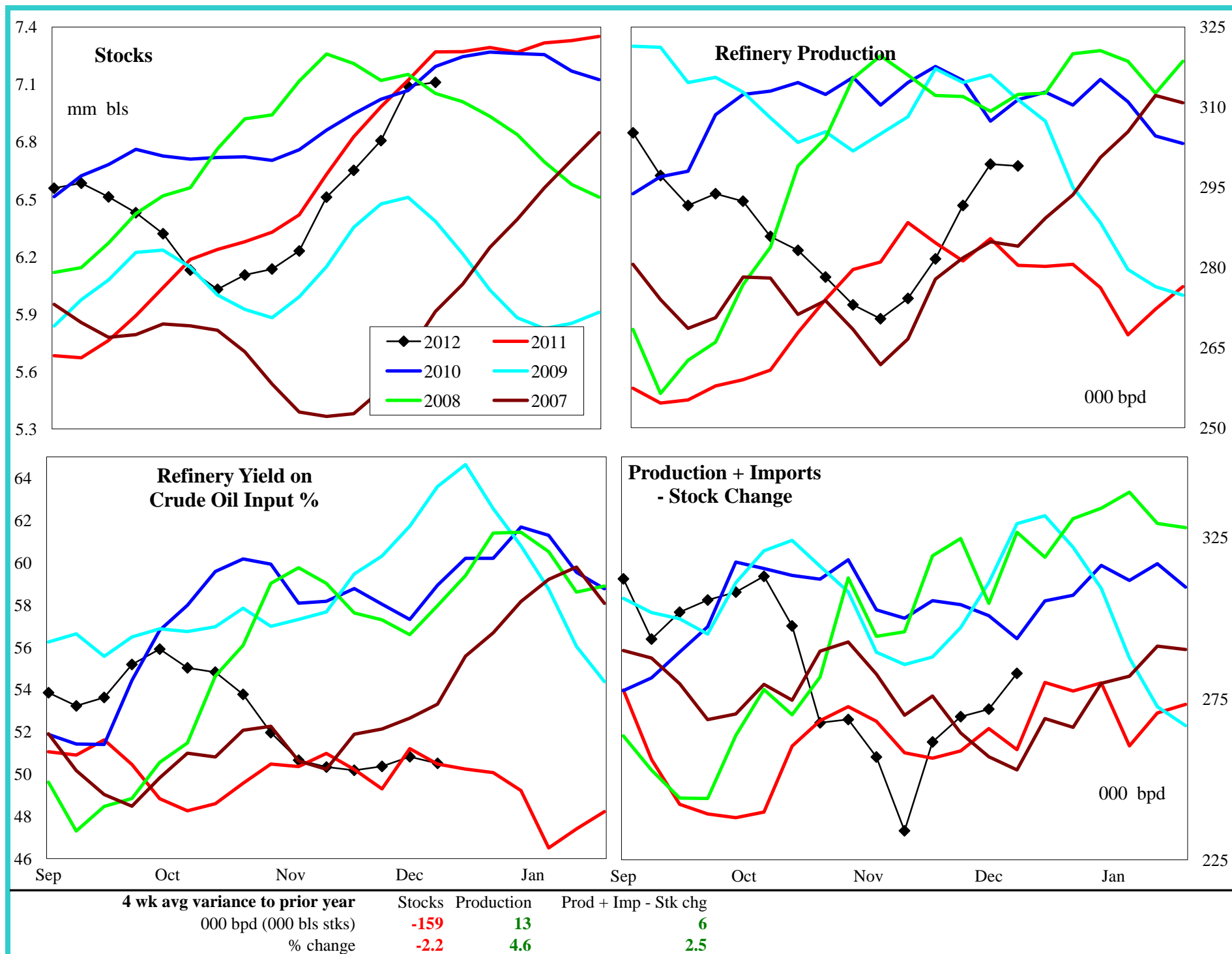
# PADD 3 Residual Fuel Oil Supply



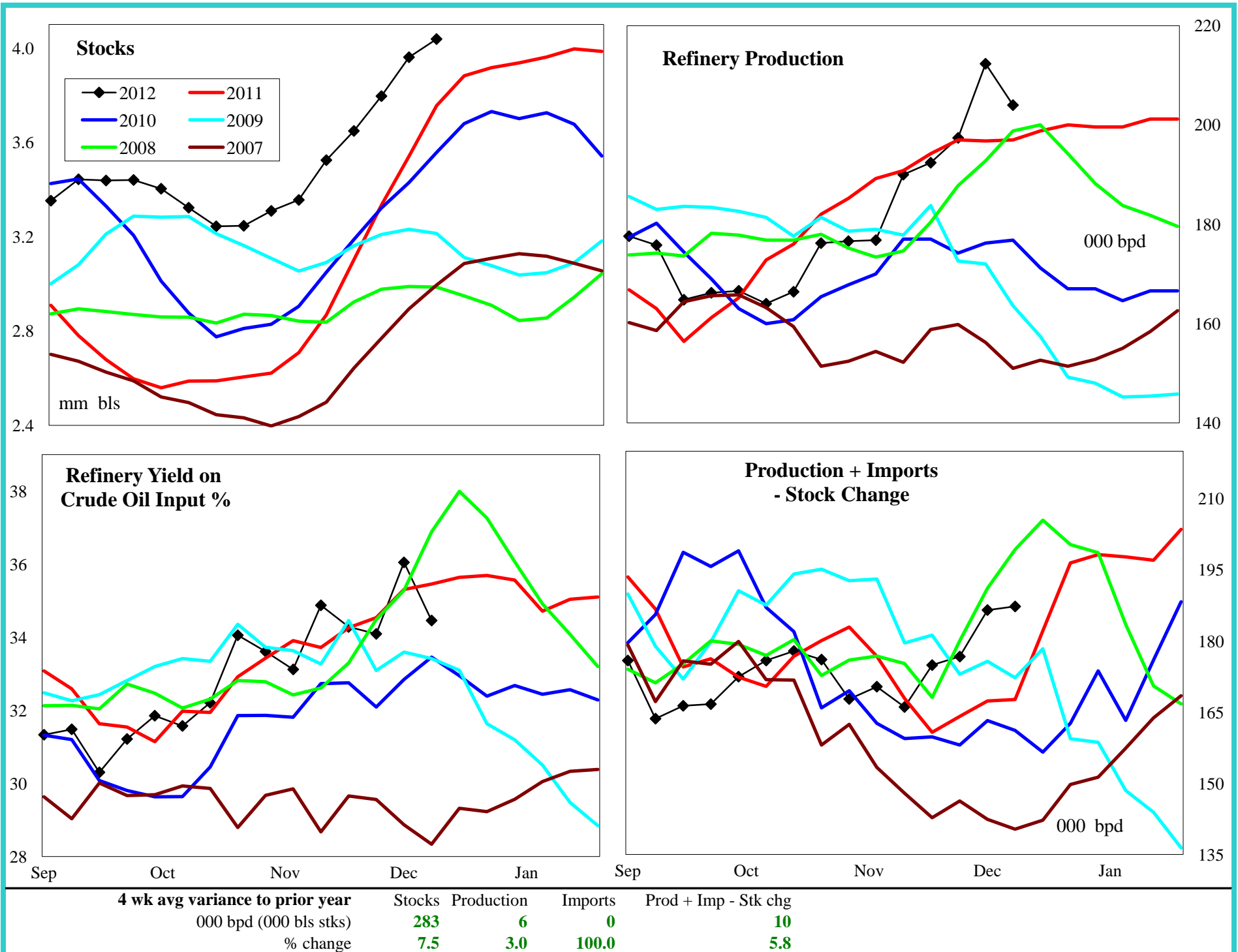
# PADD 4 Crude Oil Supply and Refining



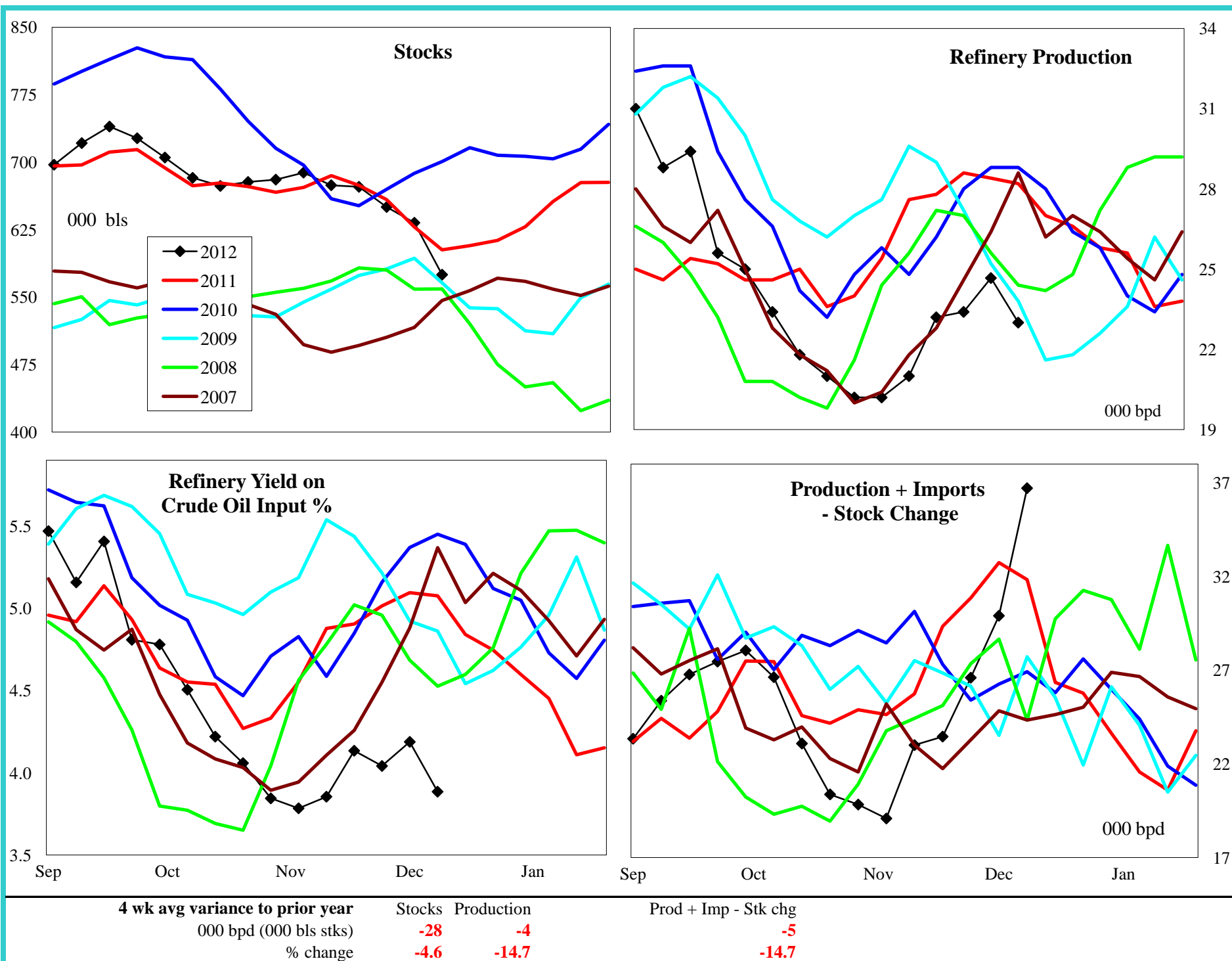
# PADD 4 Gasoline Supply



# PADD 4 Distillate Supply

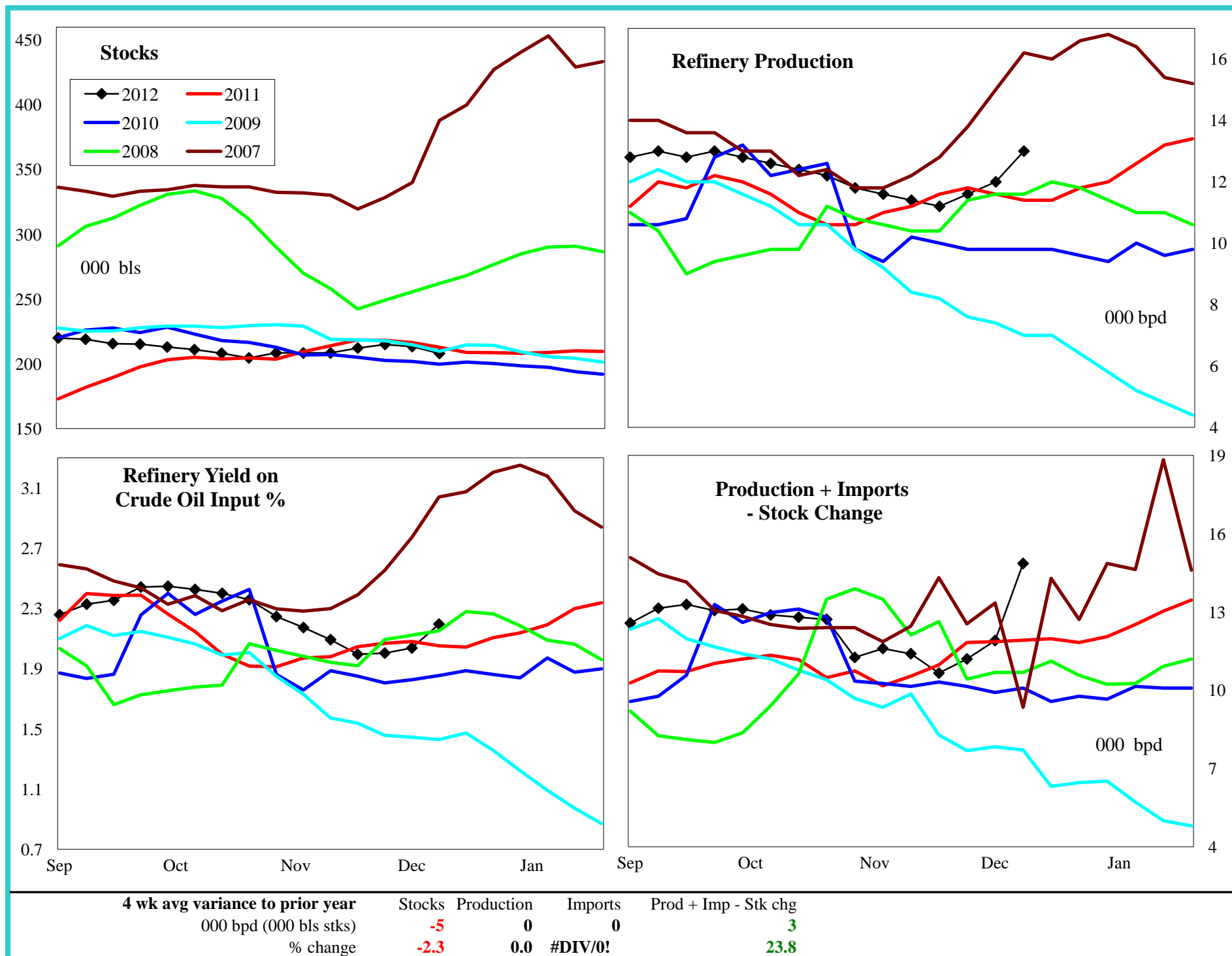


# PADD 4 Jet Fuel Supply

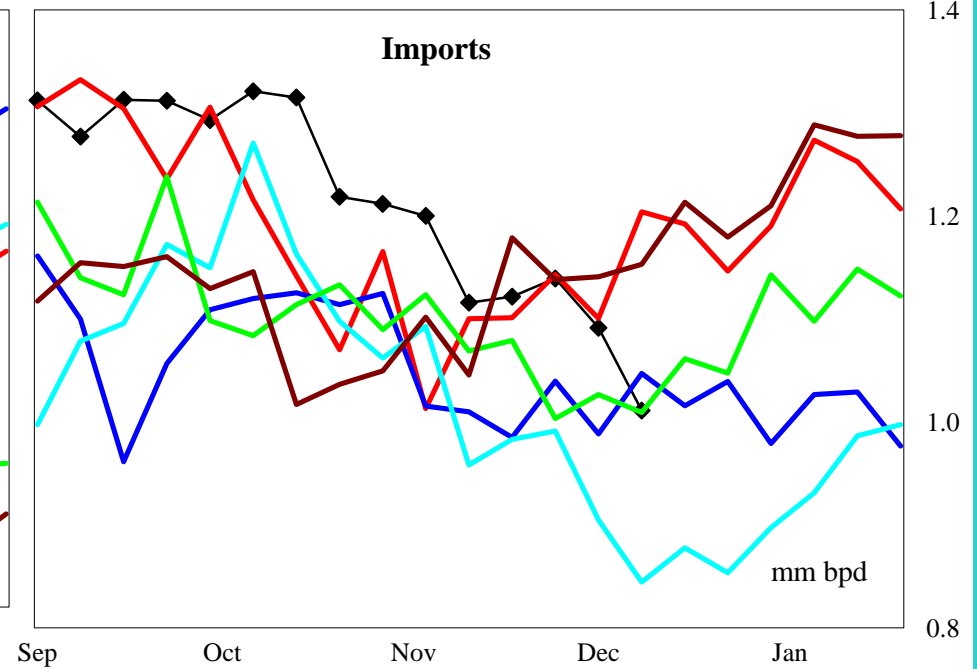
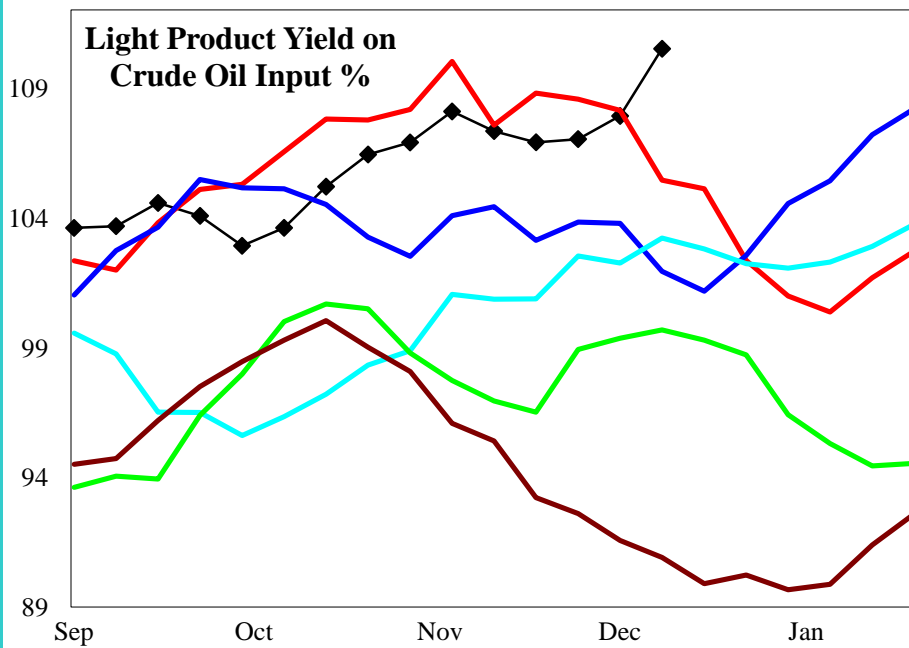
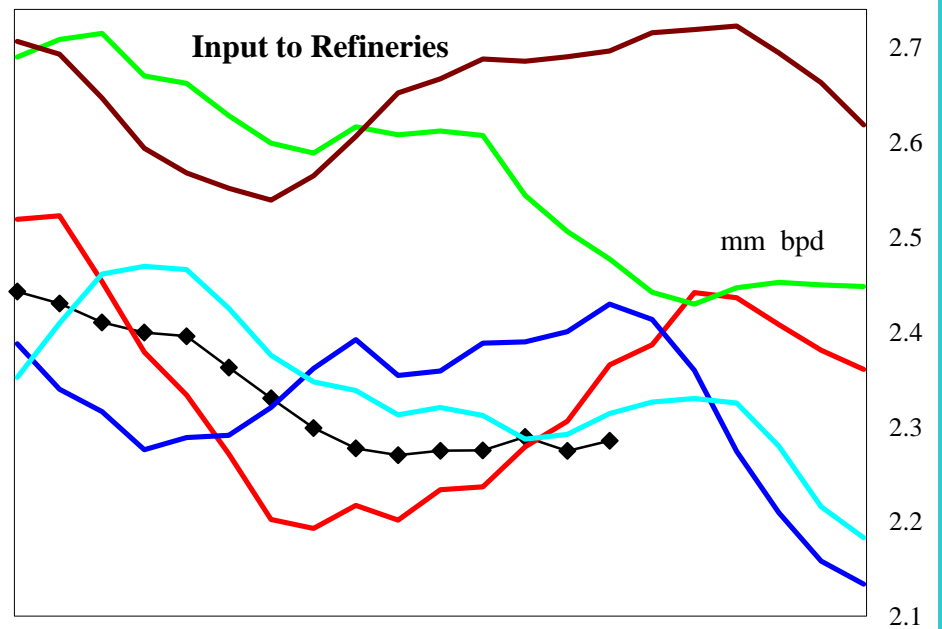
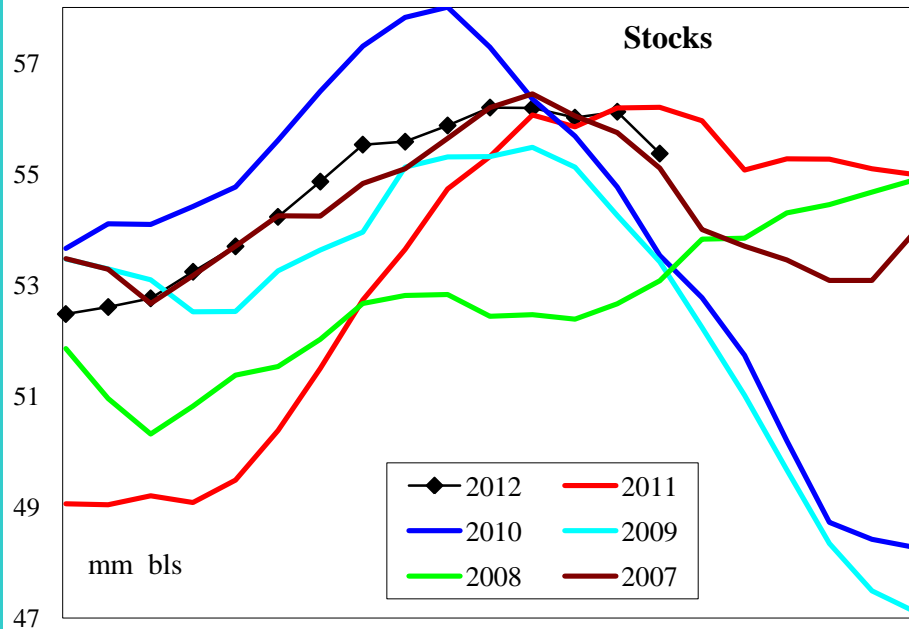




# PADD 4 Residual Fuel Oil Supply



# PADD 5 Crude Oil Supply and Refining



**4 wk avg variance to prior year**

000 bpd (000 bls stks)

% change

**Stocks**

**-834**

**-1.5**

**Input**

**15**

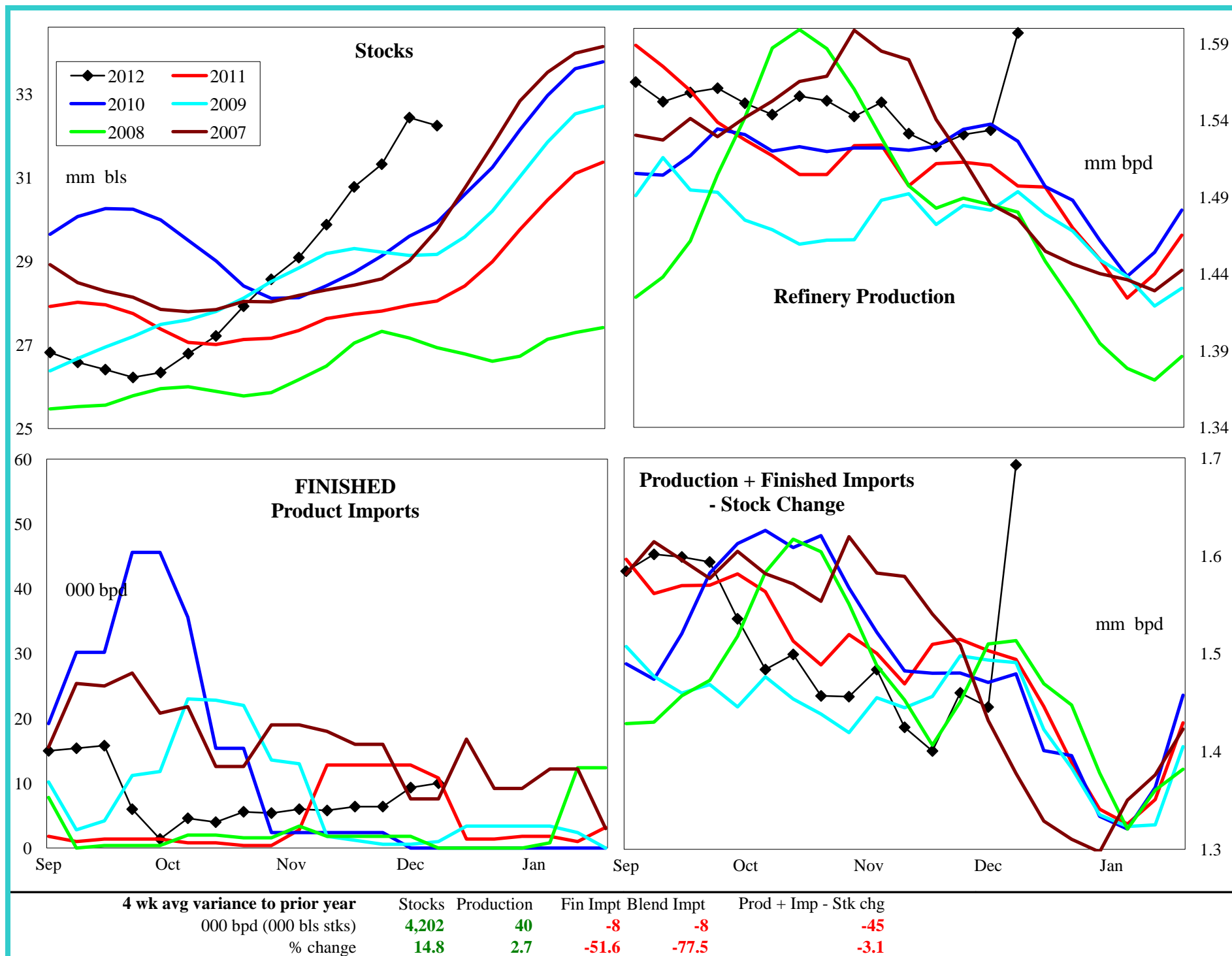
**0.6**

**Imports**

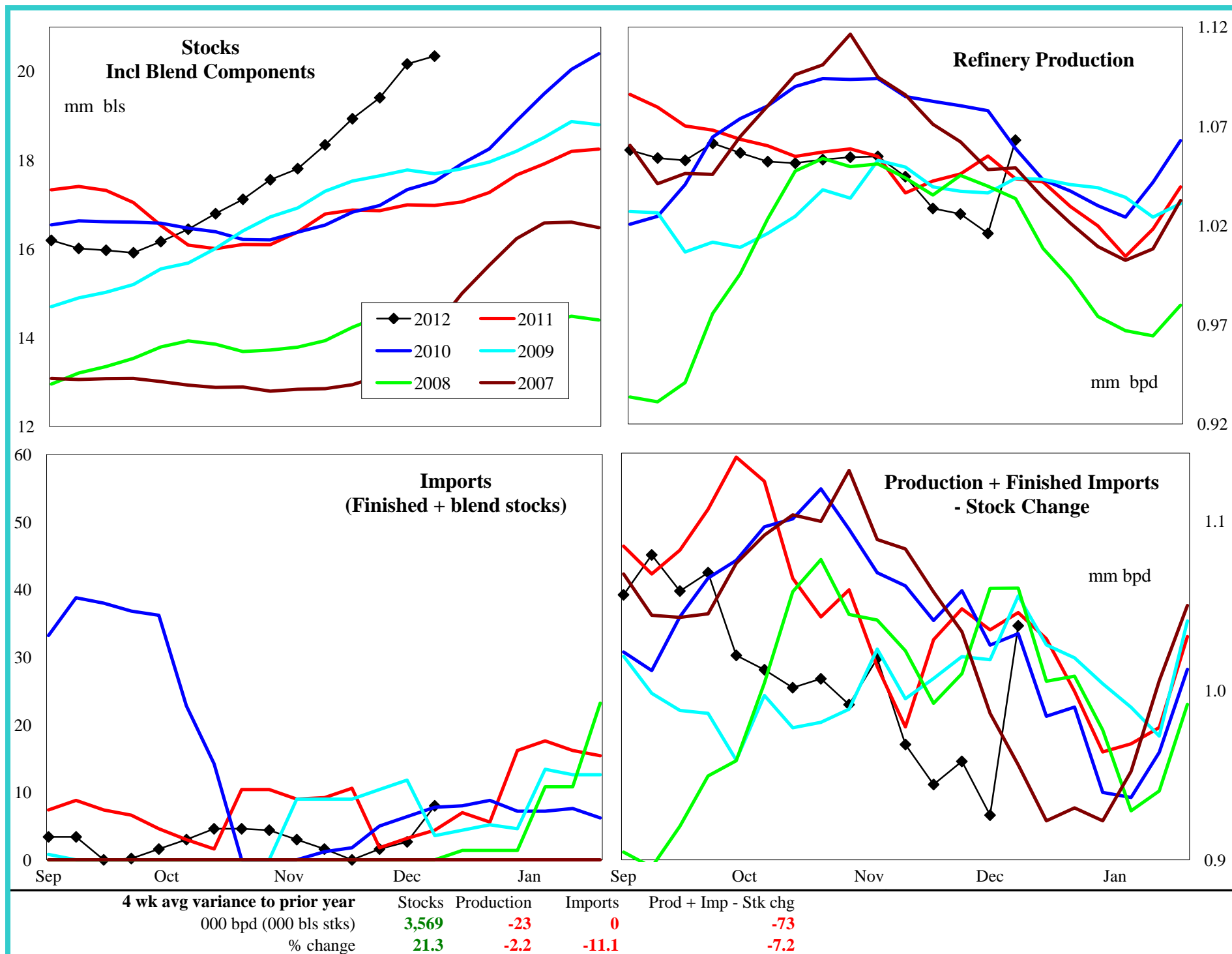
**24**

**2.2**

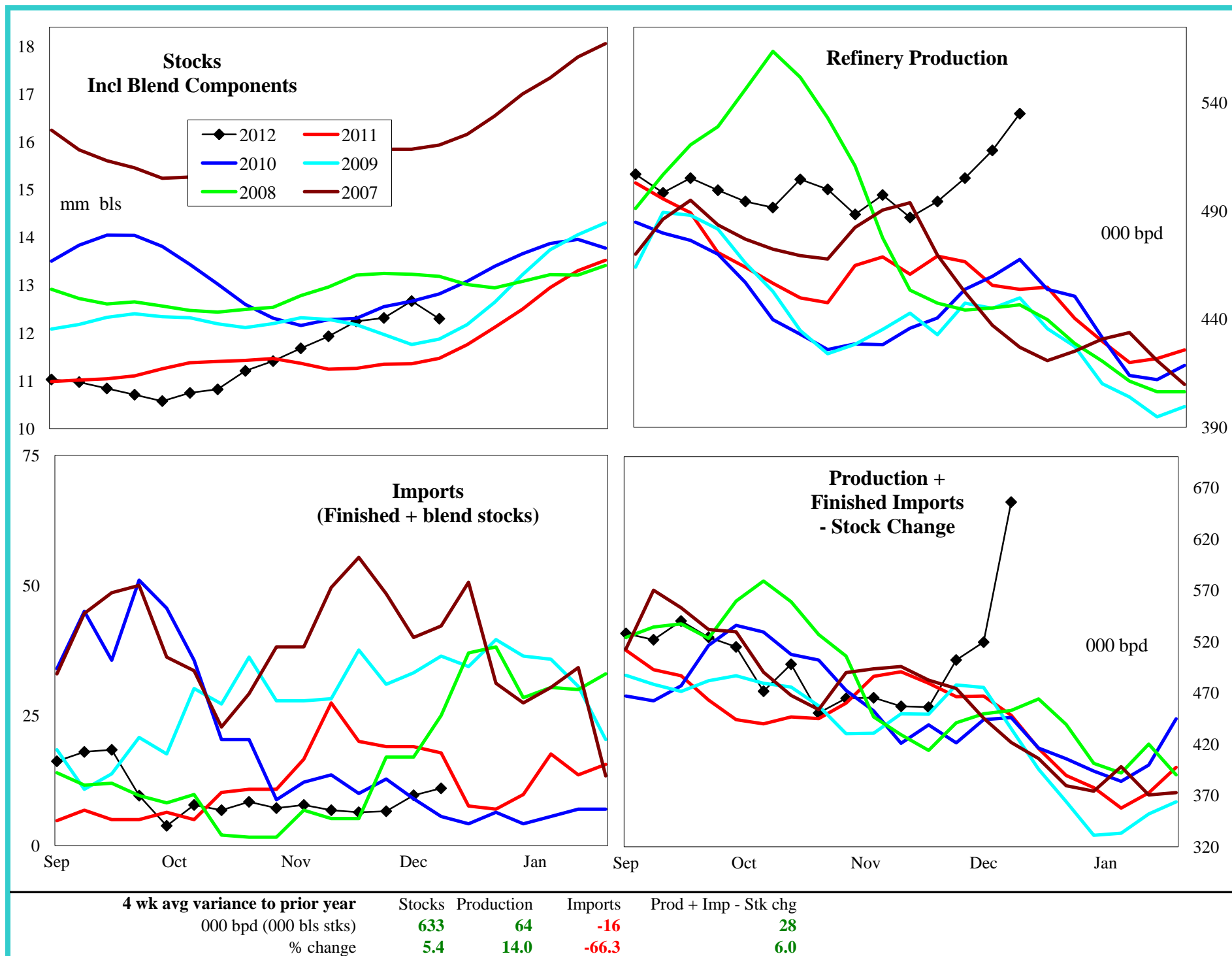
# PADD 5 Gasoline Supply



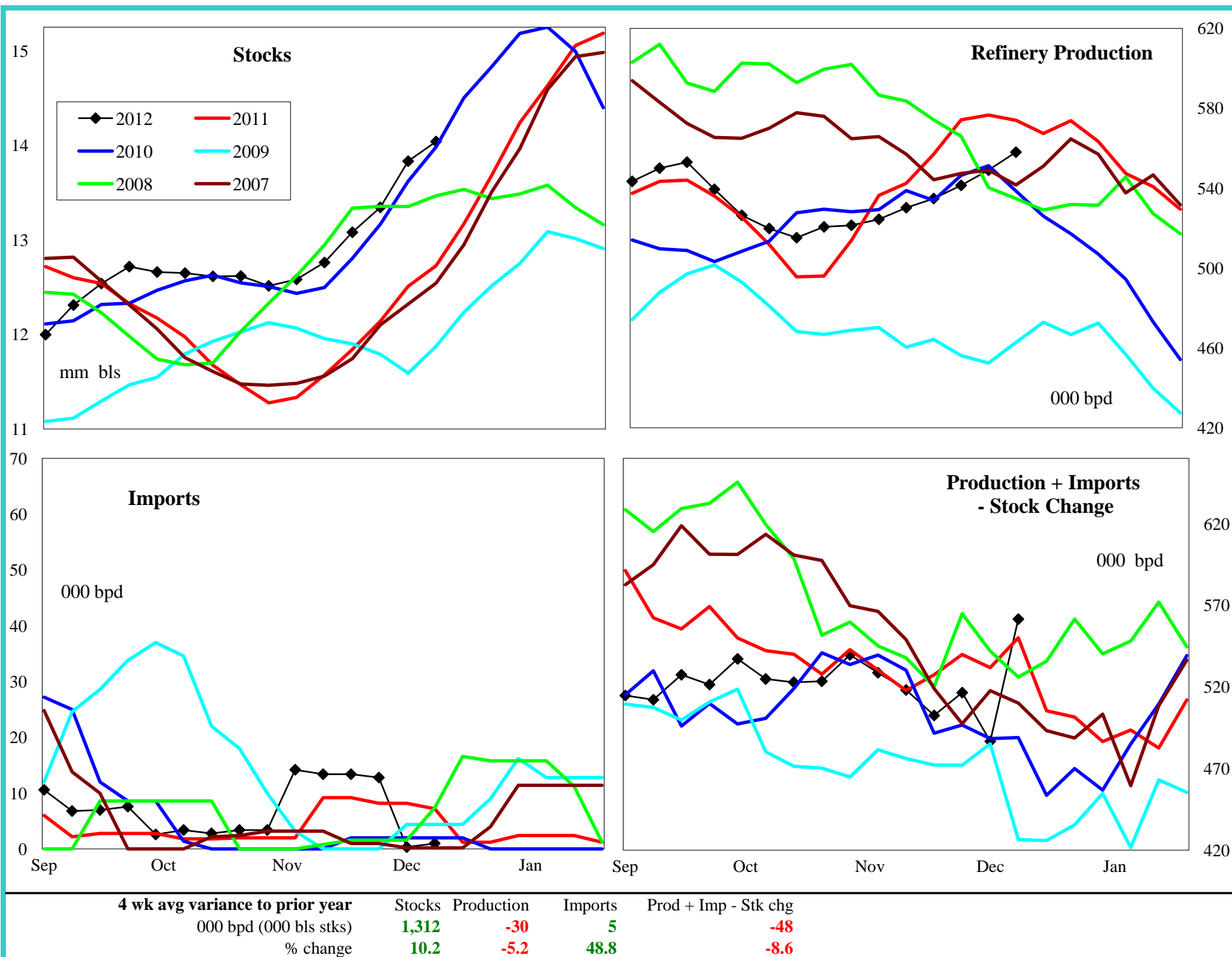
# PADD 5 Reformulated Gasoline Supply



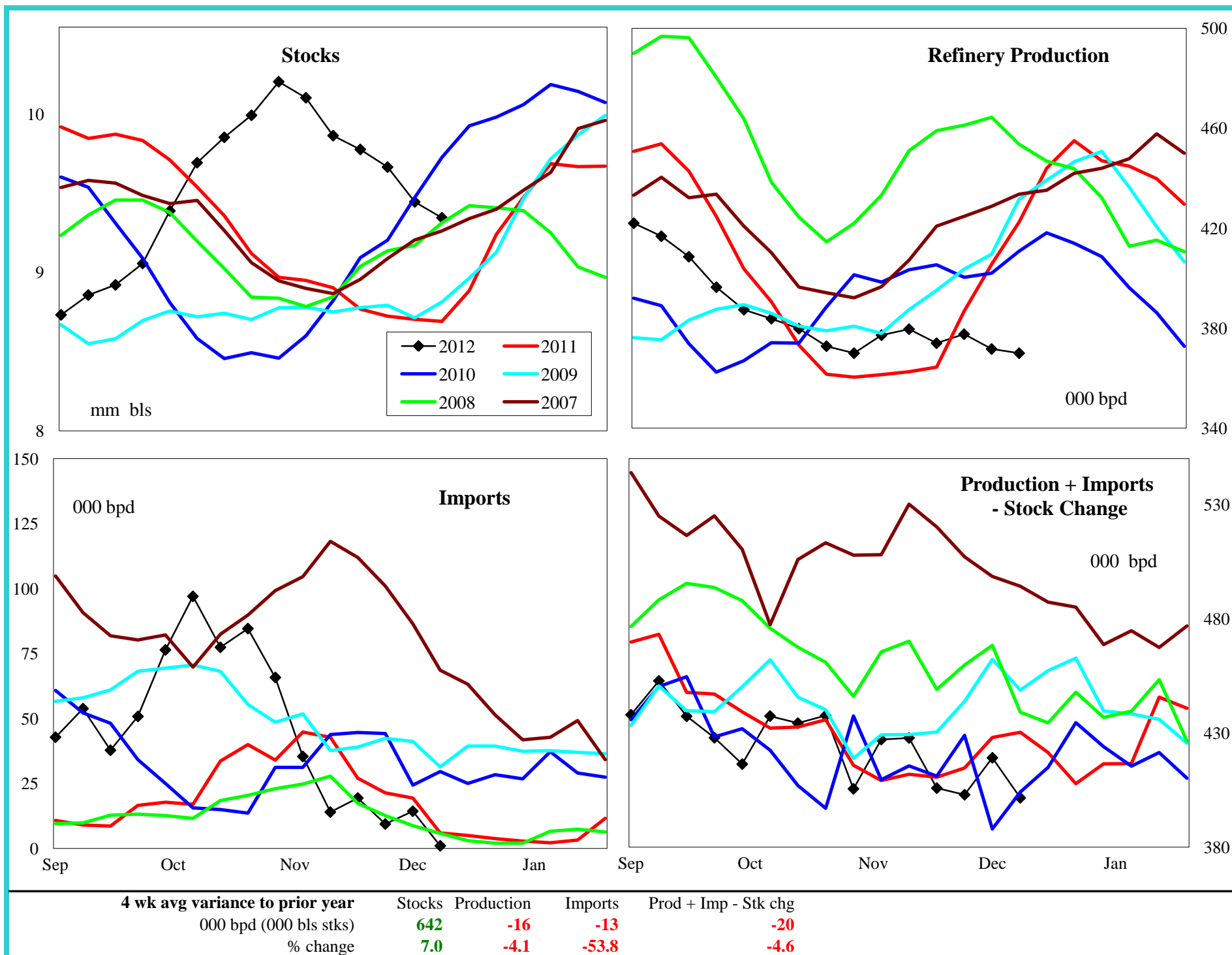
# PADD 5 Conventional Gasoline Supply



# PADD 5 Distillate Supply



# PADD 5 Jet Fuel Supply



# PADD 5 Residual Fuel Oil Supply

