



## WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

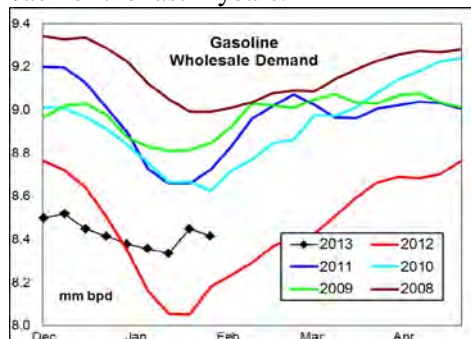
### A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Wednesday, February 06,



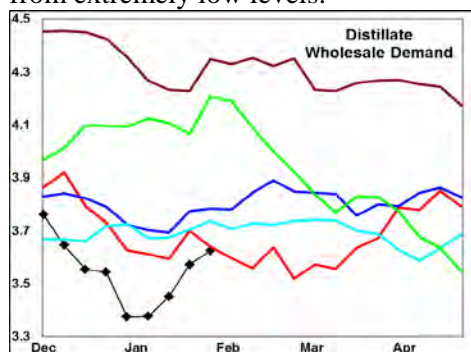
#### Major Fundamental Trends<sup>1</sup>

Gasoline wholesale demand did not experience the large seasonal decline during January which occurred during each of the last 2-years.

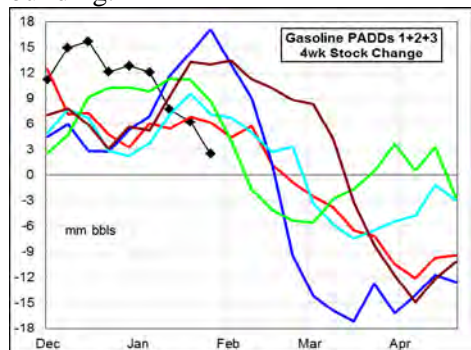


This may indicate the downstream supply chain increased stocks last month, which would constrain the seasonal uptrend that normally occurs in February.

Distillate demand has rebounded from extremely low levels.

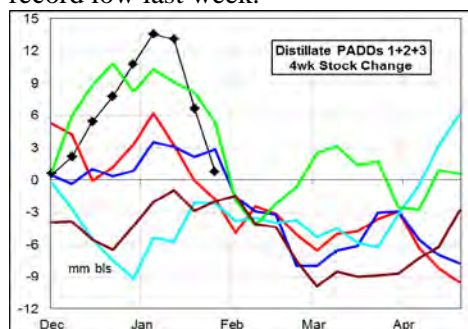


Strength in wholesale demand for gasoline and distillate has driven a marked slowing of season stock building.



The 4-wk rate of stock builds in markets East of the Rockies fell to a

record low last week.



Distillate stock builds also fell from a record rate in mid January to a level only slightly above the 3-year average last week.

The rapid drop in seasonal stock builds risk supply squeezes in regional markets this spring during maintenance season with very low stock levels. These include gasoline in the Central Atlantic Region, distillate across the entire East Coast, and distillate in the Midwest.

Crude oil stocks build during the spring refinery maintenance season. Stock levels are currently +32 million barrels above a year ago; with risk of storage containment before the maintenance seasonal ends.

**Demand** for both gasoline and distillate decreased last week. Wholesale demand, measured over the last four weeks compared to a year ago: gasoline increased +4.9%; distillate was -3.6% lower; jet fuel was +2.3% higher and residual fuel fell -36%. **Stocks forward coverage:** Gasoline demand coverage increased on a +1.7 million barrel stock build and lower wholesale demand. Coverage levels matched last years' record high.

Distillate coverage decreased on a -1 million barrel stock draw, partially offset by lower demand. Coverage levels were below the last 3-years.

Jet fuel coverage trended lower on a -0.8 million barrel stock draw and higher demand. Coverage levels ended the week at a level below four of the last 5-years.

Residual fuel oil coverage remains at extremely high levels on very low demand, equal to nearly 175 days of

demand.

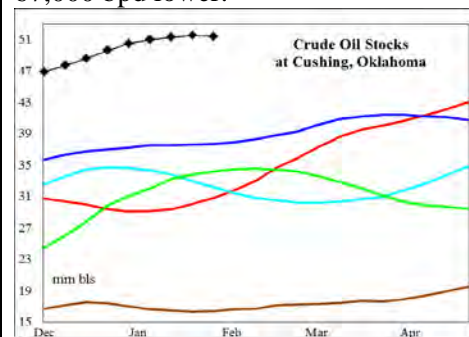
**Refinery utilization** rates decreased on a -50,000 bpd decline in crude oil throughput. During the latest 4-wk period crude oil input was +179,000 bpd above a year ago.

Gasoline yield % on crude oil runs fell on a -303,000 bpd drop in output compared to the -50,000 bpd decline in crude oil runs. Yield % on crude oil runs was below the 5-year mid-range for the week.

Distillate yield % on crude oil runs jumped on a +209,000 bpd rise in output compared to the decrease in crude oil throughput. The yield % on crude oil runs exceeded the historic range.

Jet fuel yield % on crude oil runs was unchanged on a -1,000 bpd decline in output, compared to the larger decrease in crude oil runs. The yield % matched the historic mid-range.

**Petroleum Imports** of crude oil, and middle distillates decreased last week. During the latest 4-wk period crude oil imports were -0.8 million bpd below last year; distillate imports increased +8,000 bpd; finished gasoline imports decreased -58,000 bpd, gasoline blend stock imports decreased -171,000 bpd; jet fuel imports increased +34,000 bpd, while residual fuel oil imports were -67,000 bpd lower.



**Crude Oil** stocks increased +2.6 million barrels last week, including a +3.4 million barrel build in the Gulf region. Stock levels in Cushing ended the week +67% above a year ago, even as increased shipments to the Gulf lifted WTI Midland cash market compared to waterborne and NYMEX prices.

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



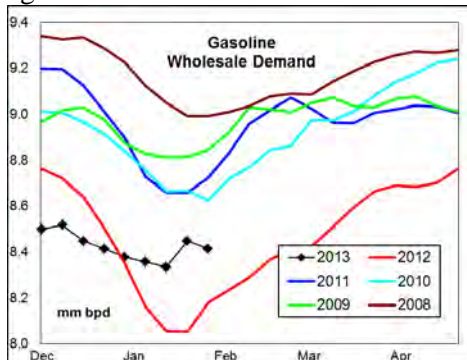
## WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

### A Fundamental Petroleum Trends Weekly Report

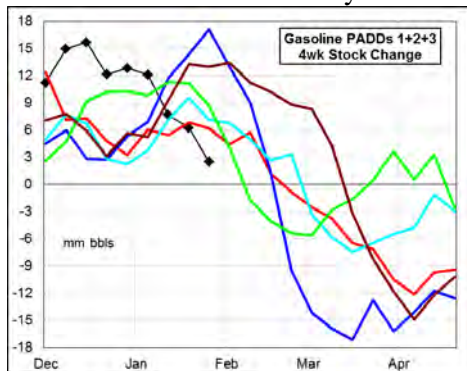
Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Wednesday, February 06,

#### Product Supply-Demand Trends

**Gasoline** demand decreased -86,000 bpd on the week, with the level sharply above last years' record lows. The latest 4-wk average demand was +392,000 bpd above a year ago. This represents the largest year-on-year increase since the recession. Supply fell -233,000 bpd last week on lower production. Supply for the latest 4-wk period was +157,000 bpd above a year ago.



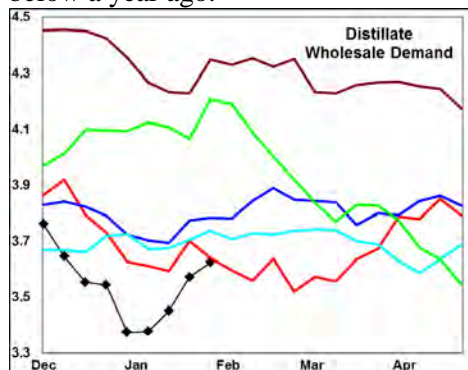
Stocks increased +1.7 million barrels last week, with the level equal to the average of the last 2-years. The latest 4-wk build of +2.4 million barrels was a record low for this time of year.



Look for stock draws with demand trending higher on both a seasonal uptrend and year-on-year increase. Combined with refinery maintenance and low imports due to a tight European market, look for a record rate of stock draws during the next quarter. The East Coast will continue to be at risk of a physical supply squeeze on low local production and low imports; increasing dependency on receipts from the Gulf.

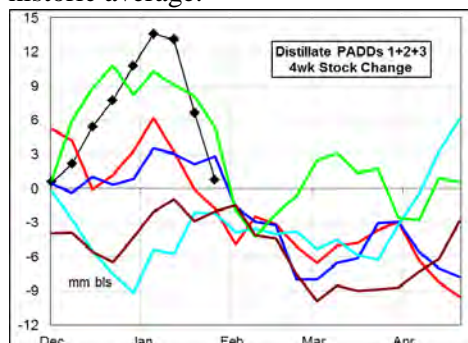
**Distillate** demand decreased -97,000 bpd last week, a level which matched

last years' 5-year lows. The latest 4-wk average demand was -133,000 bpd below a year ago.



Supply increased +85,000 bpd last week, with the latest 4-wk average -57,000 bpd below last year. Stocks fell -1 million barrels last week. Significant draws occurred on the East and West Coasts.

The latest 4-wk stock change in markets East of the Rockies was a +0.8 million barrel build, a level above the historic average.



The rebound in wholesale demand and seasonal refinery maintenance should lead to further stock draws over the next quarter. Stock levels remain at 5-year lows in the Midwest and East coast regions.

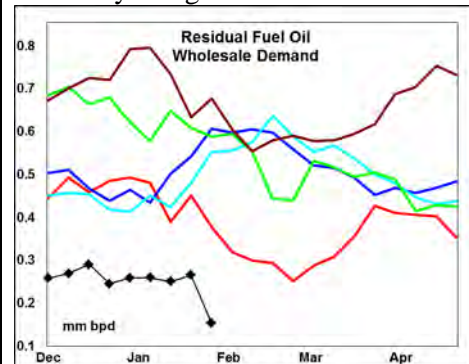
**Jet Fuel** demand increased +66,000 bpd on the week, with the level above the last 4-years. The latest 4-wk average demand was +31,000 bpd above a year ago.

Supplies decreased -43,000 bpd on the week, due to lower imports. Production levels matched the 5-year mid range for the week, with the 4-wk average +11,000 bpd above a year ago. Stocks fell -0.8 million barrels last week to a 5-year low for this time of year.

*Expect above average imports as a result of the earlier spike in jet prices on the East Coast. Stock levels will remain below average until refiners return from maintenance in key regional markets.*



**Residual fuel oil** demand declined -34,000 bpd last week. Demand for the latest 4-wk period was -162,000 bpd below a year ago.



Supply (production + imports) increased +72,000 bpd last week, on higher imports. The latest 4-wk average supply was -163,000 bpd below last year on lower imports and production. Stocks were nearly unchanged on the week, at a level above last years' record low.

*Production, imports and wholesale demand each remain at record lows as refiners have added coking units to processes residual fuel into lighter fuels. End users continue the substitution of low cost gas for residual fuel.*





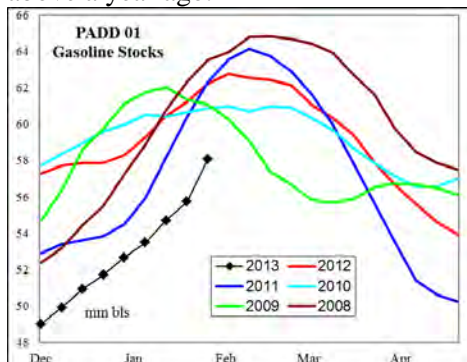
## WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

### A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Wednesday, February 06,

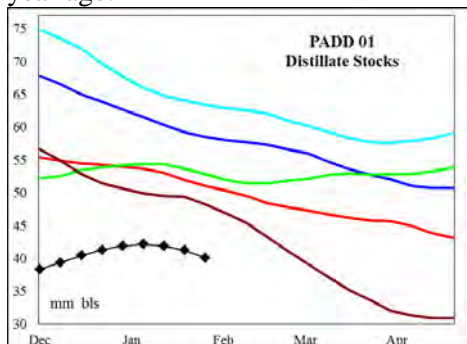
#### PADD Supply Trends

**PADD 1** refinery crude oil runs increased +58,000 bpd last week. The latest 4-wk average was +164,000 bpd above a year ago.

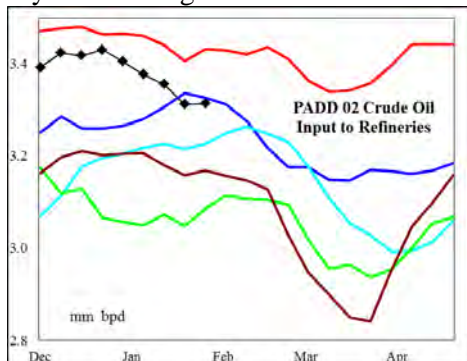


Gasoline supply increased +153,000 bpd on the week. Stocks increased +2.9 million barrels on the week, ending at a level -7% below last year, and a record low for this time of year.

Distillate supply fell -134,000 bpd on the week due to lower imports. Stocks fell -1.2 million barrels on the week, with the level -22% below a year ago.



Jet fuel supply declined -25,000 bpd on lower imports. Stock levels match the 5-year mid range.



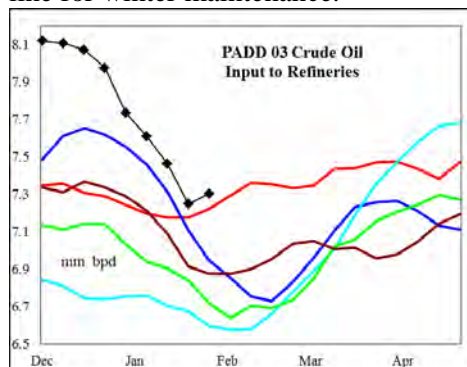
**PADD 2** crude oil refinery runs increased +12,000 bpd last week, to a

level equal to the average of the last 3-years. Runs for the latest 4-wk period were -70,000 bpd below last year. Crude oil stocks decreased -0.6 million barrels on the week. Stocks ended the week +67% above a year ago at Cushing, Oklahoma.

Gasoline production fell -131,000 bpd on the week, to a level below the 5-year range. Stocks increased +0.2 million barrels on the week, a level below the last 3-years.

Distillate supply increased +36,000 bpd on the week, to a level which matched last years' record high. Stocks were unchanged on the week, at a level that matched 5-year lows.

Jet fuel was unchanged for the week. Stock levels ended the week -18% below last year, and a record low. **PADD 3** refinery runs decreased -58,000 bpd last week, with the latest 4-wk average +0.2 million bpd above a year ago. Crude oil stocks increased +3.4 million barrels due to capacity off line for winter maintenance.



Gasoline supply increased +43,000 bpd last week, to a level above the last 2-years. Stocks decreased -1.6 million barrels, a level still above the 5-year record high.

Distillate supply jumped +230,000 bpd on the week, with the latest 4-wk average -98,000 bpd below a year ago. Stocks increased +0.7 million bpd last week, to a level that matched the 5-year mid range.

Jet fuel supply fell -101,000 bpd last week on lower imports and production. Stocks were nearly unchanged for the week, with the level above the mid-range.

Residual fuel oil supplies increased +82,000 bpd on the week. Stocks increased +0.4 million barrels ending the week at a level comparable to 5-year highs.

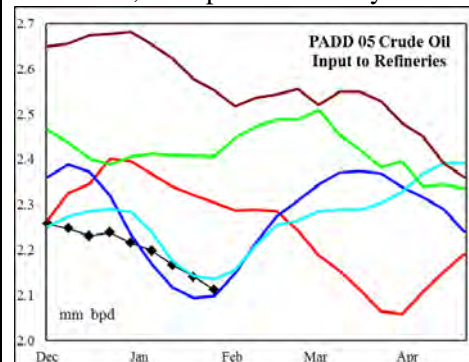
**PADD 4** refinery crude runs increased +11,000 bpd last week, a level near last years' record high.

Gasoline production decreased -5,000 bpd on the week, with the level matching historic highs. Stock levels ended the week well below the 5-year mid-range.

Distillate production matched last years' record highs. Stocks trended lower, with the level well below record highs seen a year ago.

Jet fuel production and stock levels were each at the low end of the historic range for the period.

**PADD 5** crude oil refinery runs declined -73,000 bpd on the week, to a level above that matched 5-year lows. Runs for the most recent 4-wk period were -141,000 bpd below last year.



Gasoline supply declined -58,000 bpd on the week, to a level below the last 2-years. The latest 4-wk average supply was +34,000 bpd above last year. Stocks increased +0.2 million barrels, with the level above the 5-year range.

Distillate supply declined -35,000 bpd, to a level near the historic mid-range. Stocks fell -0.5 million barrels for the week, to a level comparable with the last 2-years.

Jet fuel supplies climbed +78,000 bpd on the week, although production remains below the historic range. Stocks fell -0.6 million barrels to a record low for the winter quarter.



## CHARTS: Graph Link and Weekly Summary

A Fundamental Petroleum Trends Weekly Report

February 6, 2013

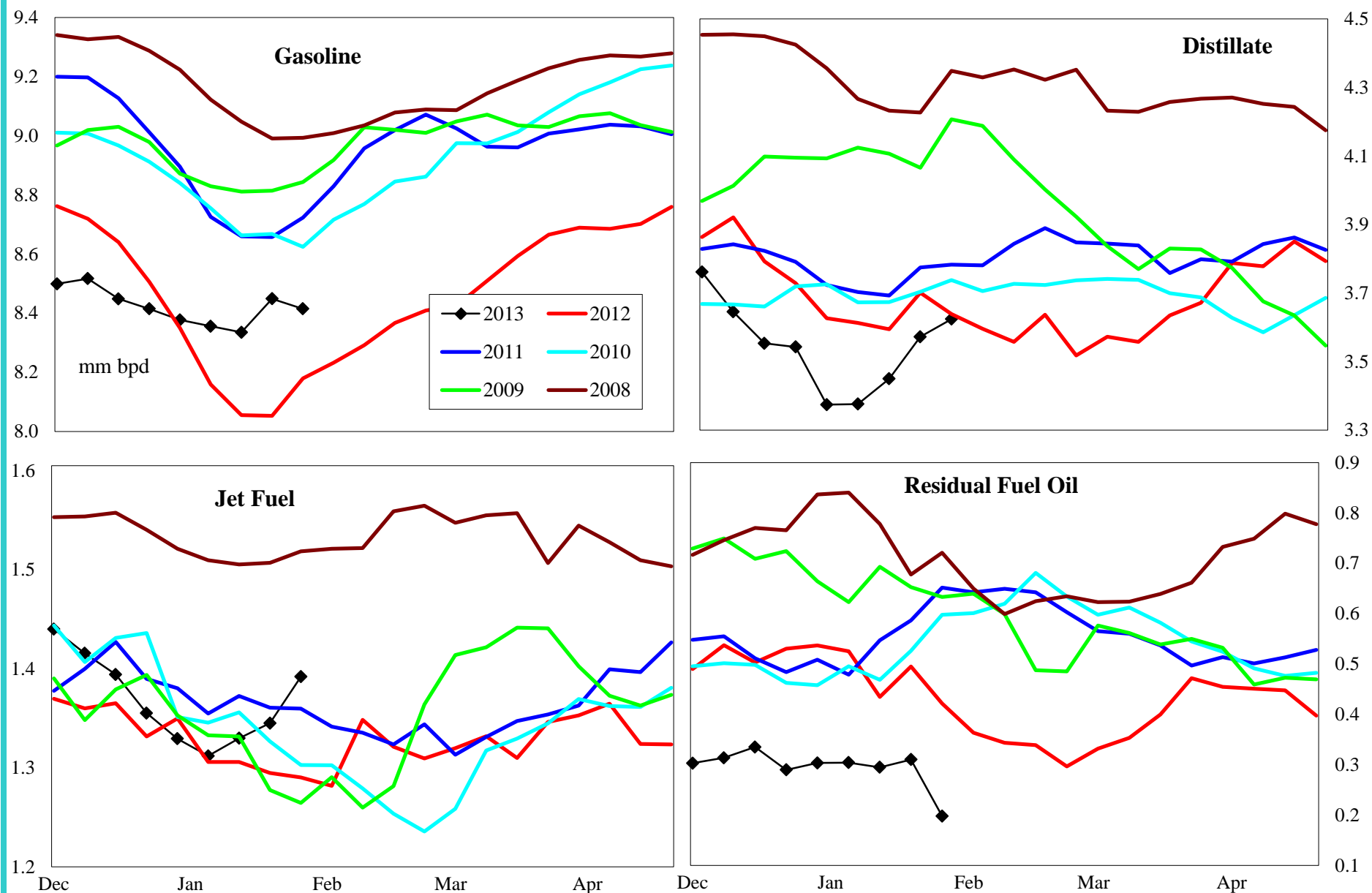


Lehi German Tel: 816.505.0980

[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="#">Imports</a>
Supply/Demand Trends	1-Feb-13	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	2,623	-445	-632	3,423	581	-303
	Imports	-499	-376	-161	-217	42	213
	Input	-50	58	12	-58	11	-73
	% Utilization	-0.80					
<a href="#">Gasoline</a>	Stocks	1,738	2,878	214	-1,608	13	240
	Production	-303	96	-131	53	-5	-80
	Imports	70	57	1	-10	0	22
	Supplied	-86					
<a href="#">Distillate</a>	Stocks	-1,042	-1,223	-24	739	-5	-532
	Production	209	-7	34	230	-14	-35
	Imports	-124	-127	2	0	0	0
	Supplied	-97					
<a href="#">Jet Fuel</a>	Stocks	-750	-38	-143	-59	107	-616
	Production	-1	4	0	-43	6	33
	Imports	-42	-29	0	-58	0	45
	Supplied	66					
<a href="#">Residual Fuel Oil</a>	Stocks	125	-358	33	448	0	3
	Production	-36	-16	-21	-25	1	26
	Imports	108	-38	-1	107	4	36
	Supplied	-34					
<a href="#">Propane</a>	Stocks	-2,564	-704	-1,440	-238	-181	
	Propylene stk	-29					
	Production	-4	-2	7	8	-17	
	Imports	-18	-2	-15	0	0	
	Supplied	-149					

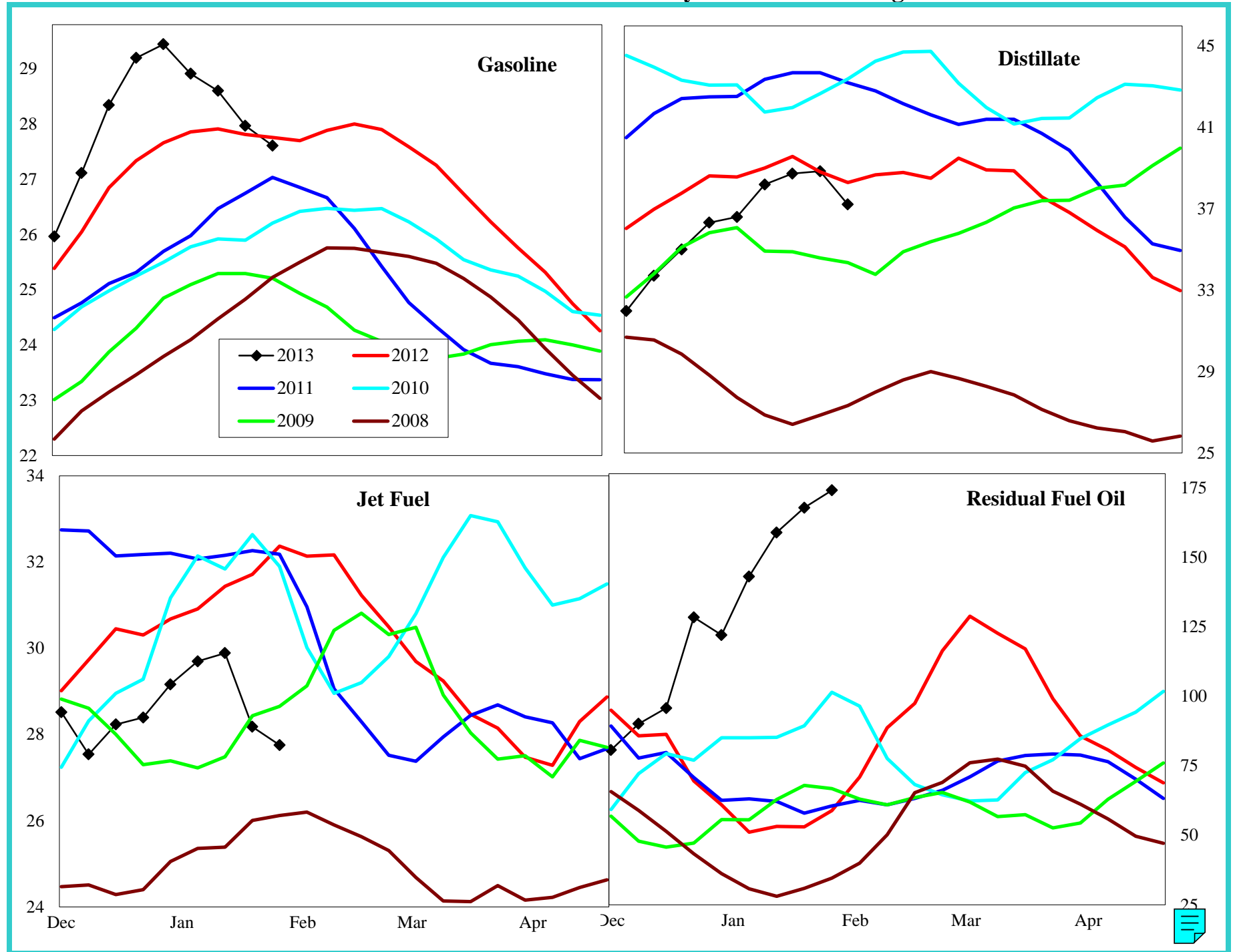
# United States Wholesale Petroleum Demand



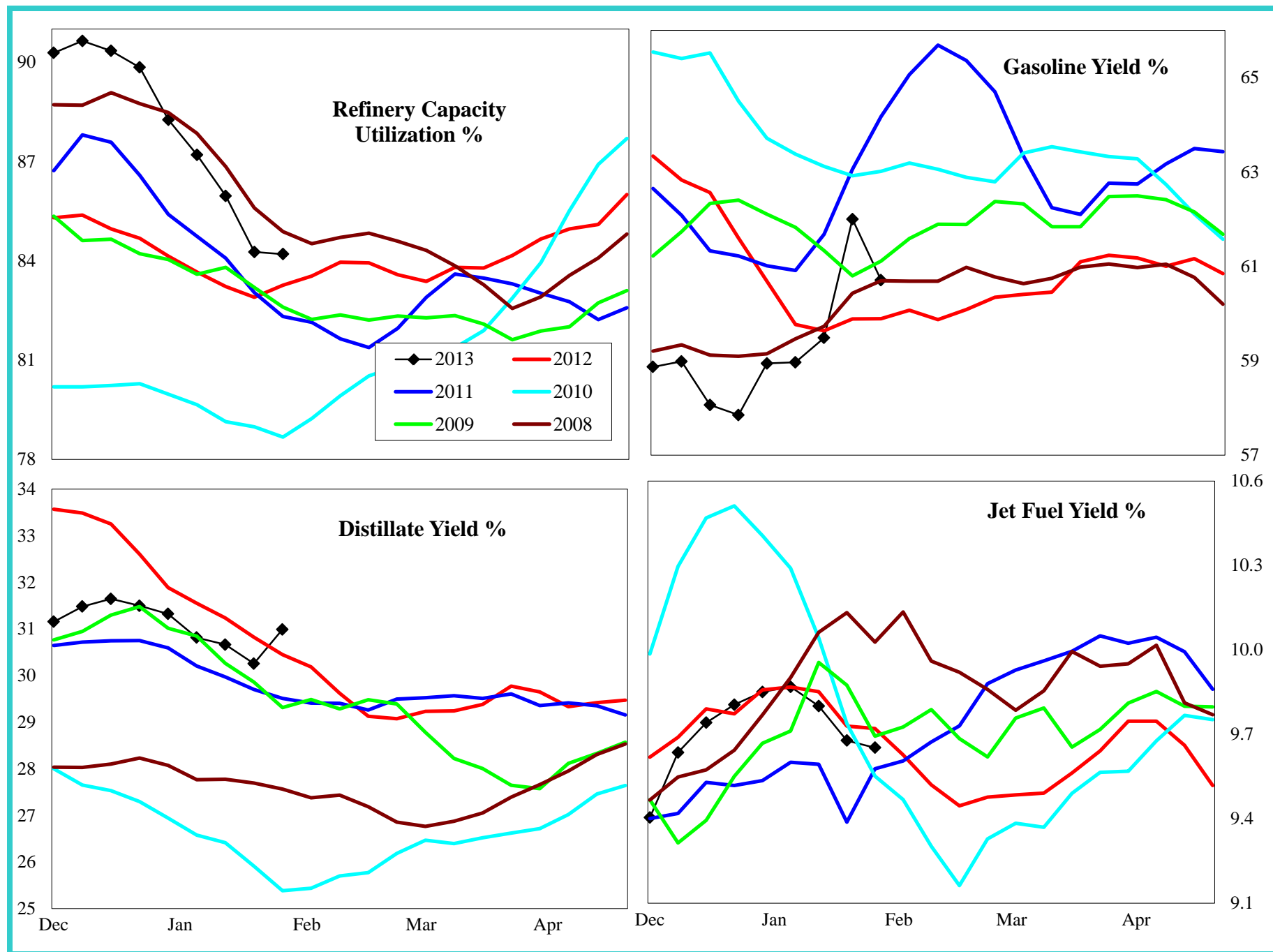
	000 bpd change from prior year				% change from prior year			
	4wk avg	Dec	Nov	Oct	4wk avg	Dec	Nov	Oct
Gasoline	392	-244	110	51	4.9	-2.8	1.3	0.6
Distillate	-133	-286	-187	-165	-3.6	-7.4	-4.6	-4.1
Jet Fuel	31	67	8	-43	2.3	4.9	0.6	-3.1
Resid	-162	-209	-30	-123	-36.2	-40.3	-7.6	-30.6



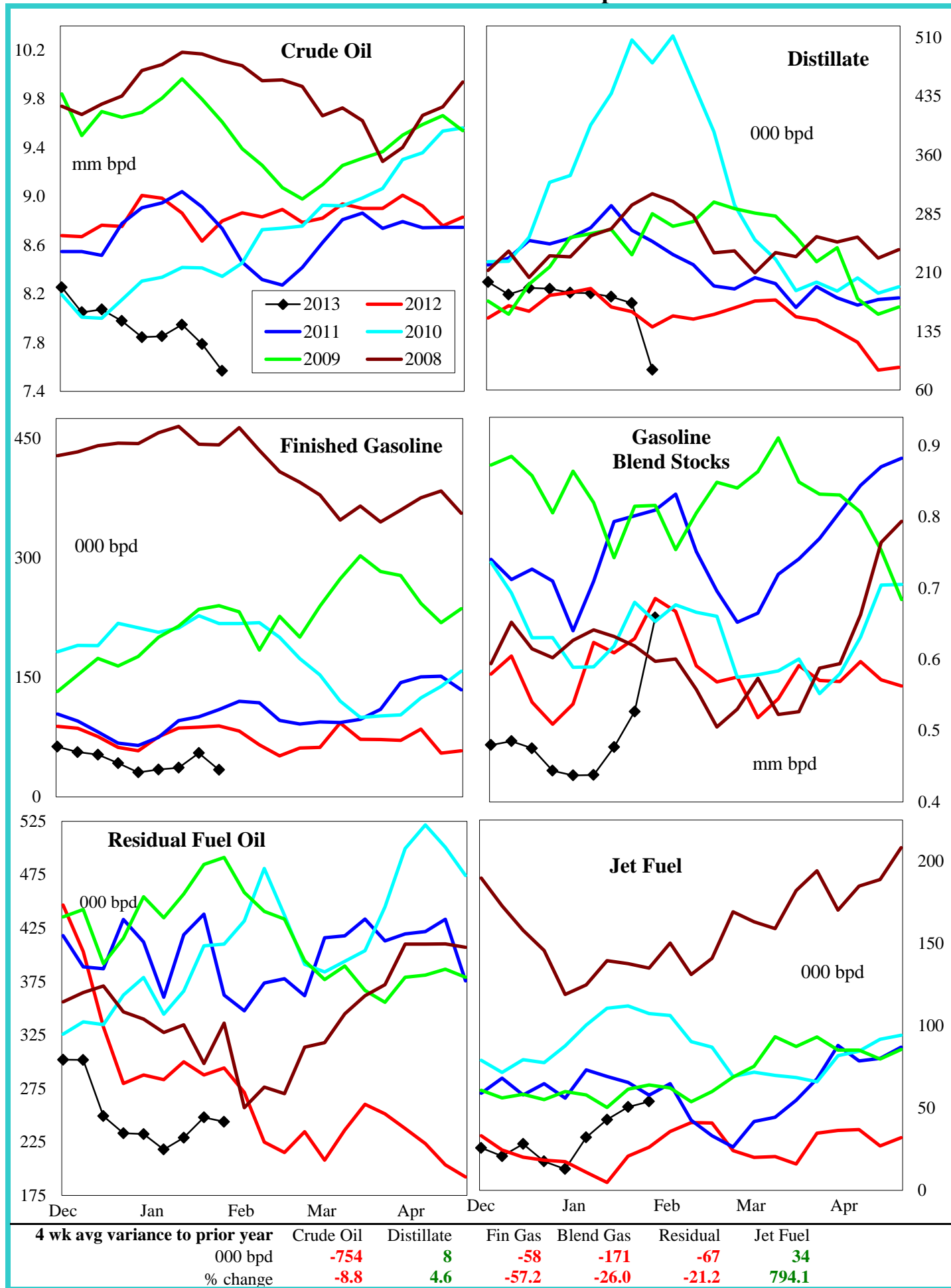
# United States Product Stocks: Days Forward Coverage



## United States Refinery Percent Utilization Rate and Product Yields

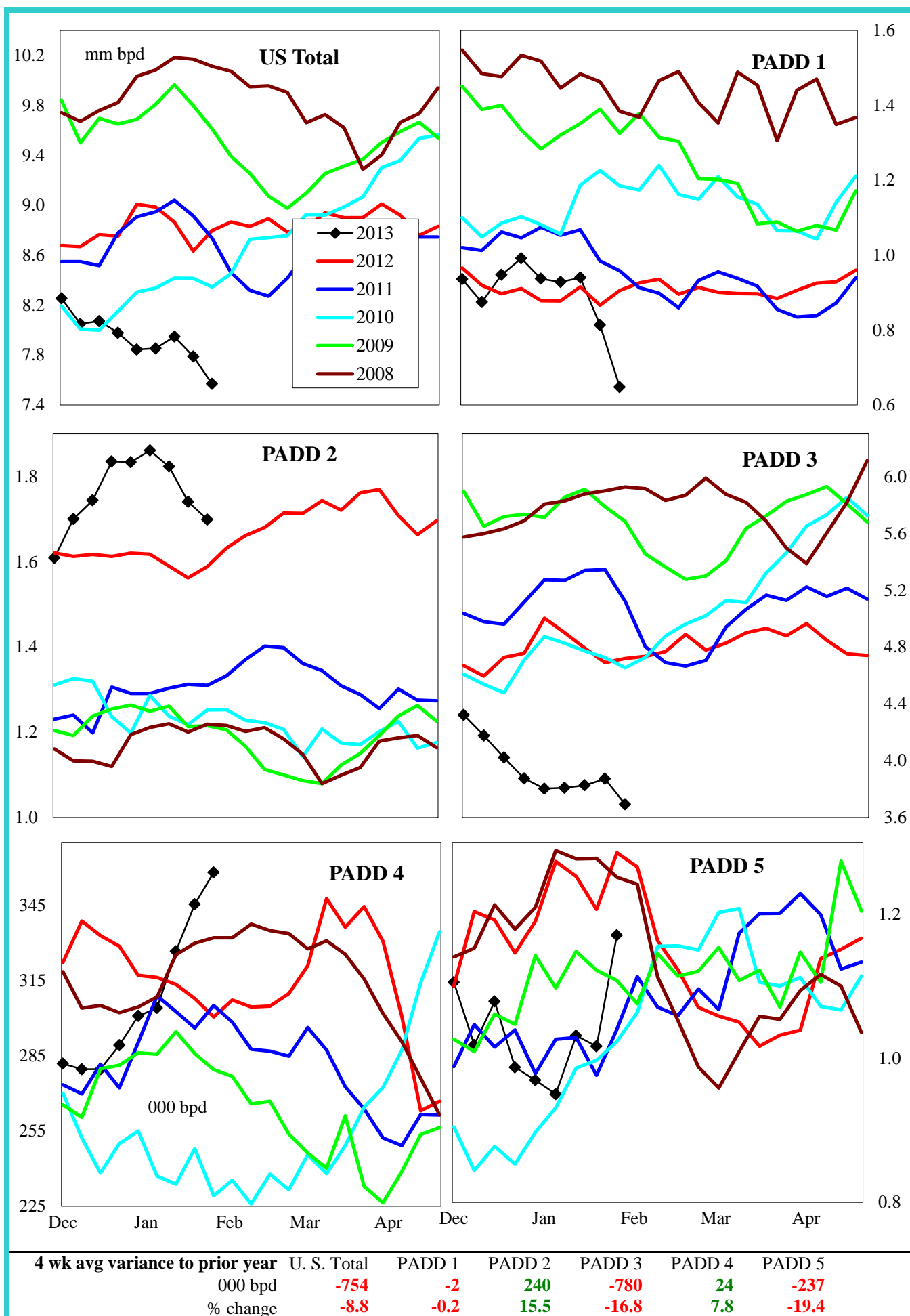


# United States Petroleum Imports

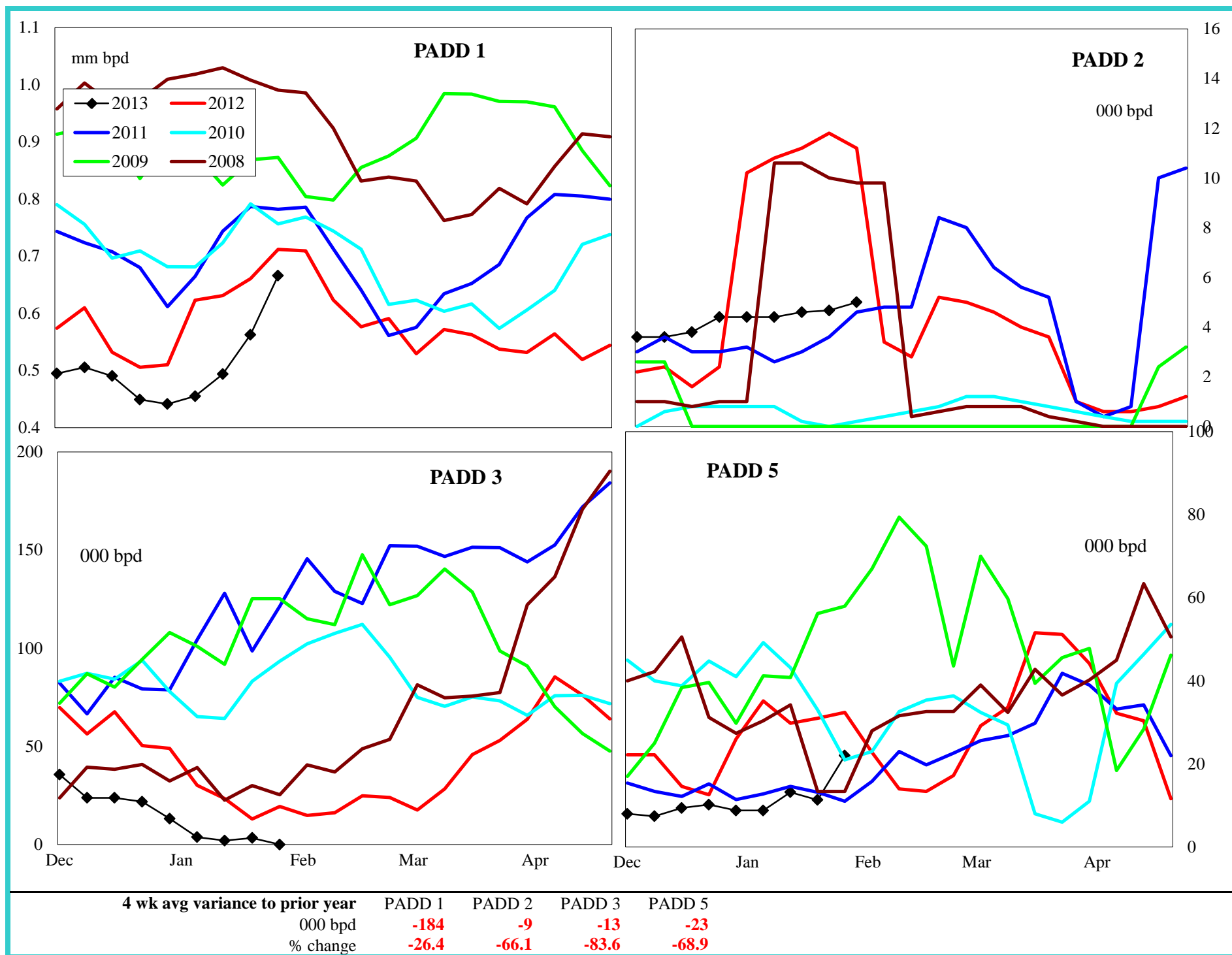




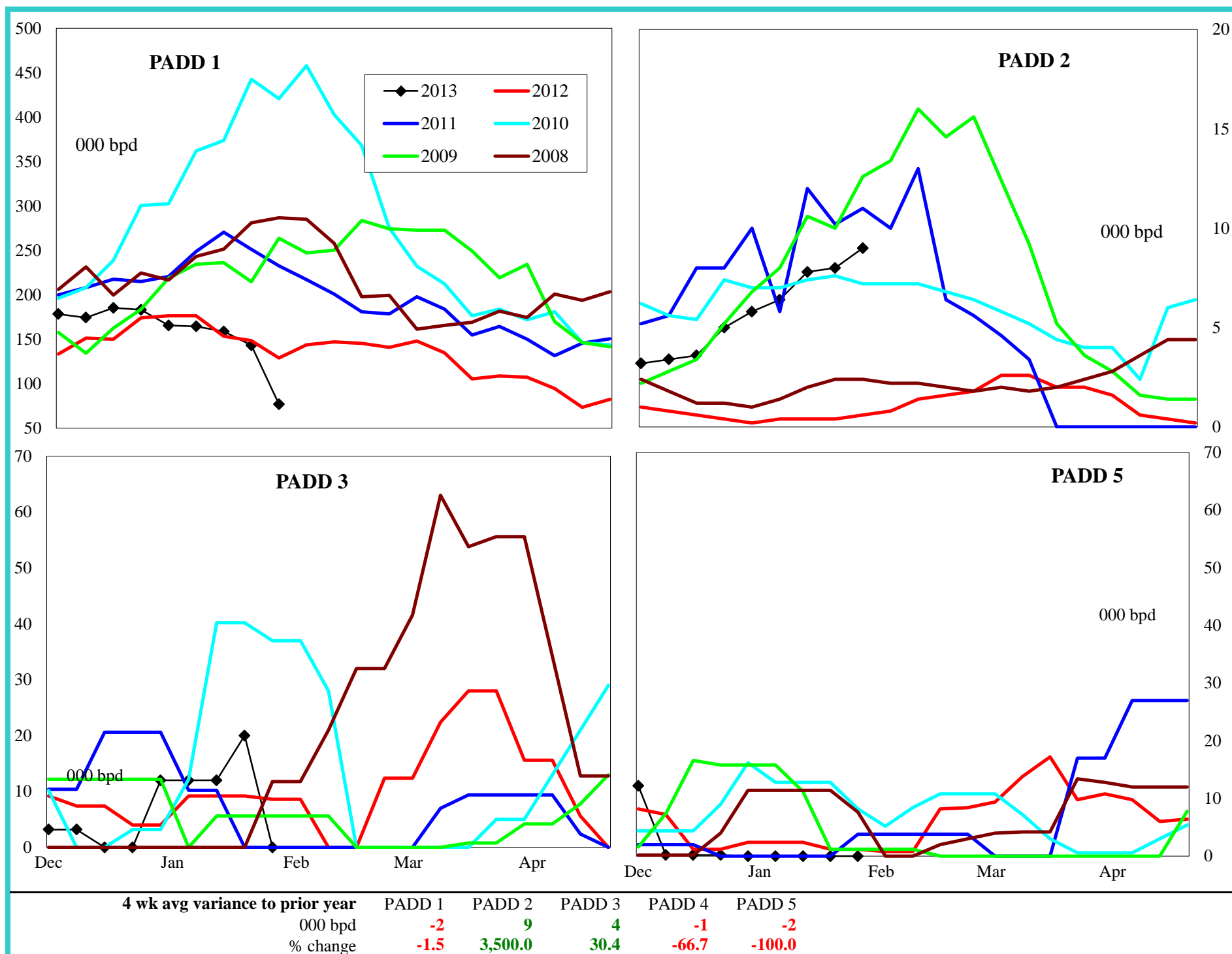
## Crude Oil Imports by PADD



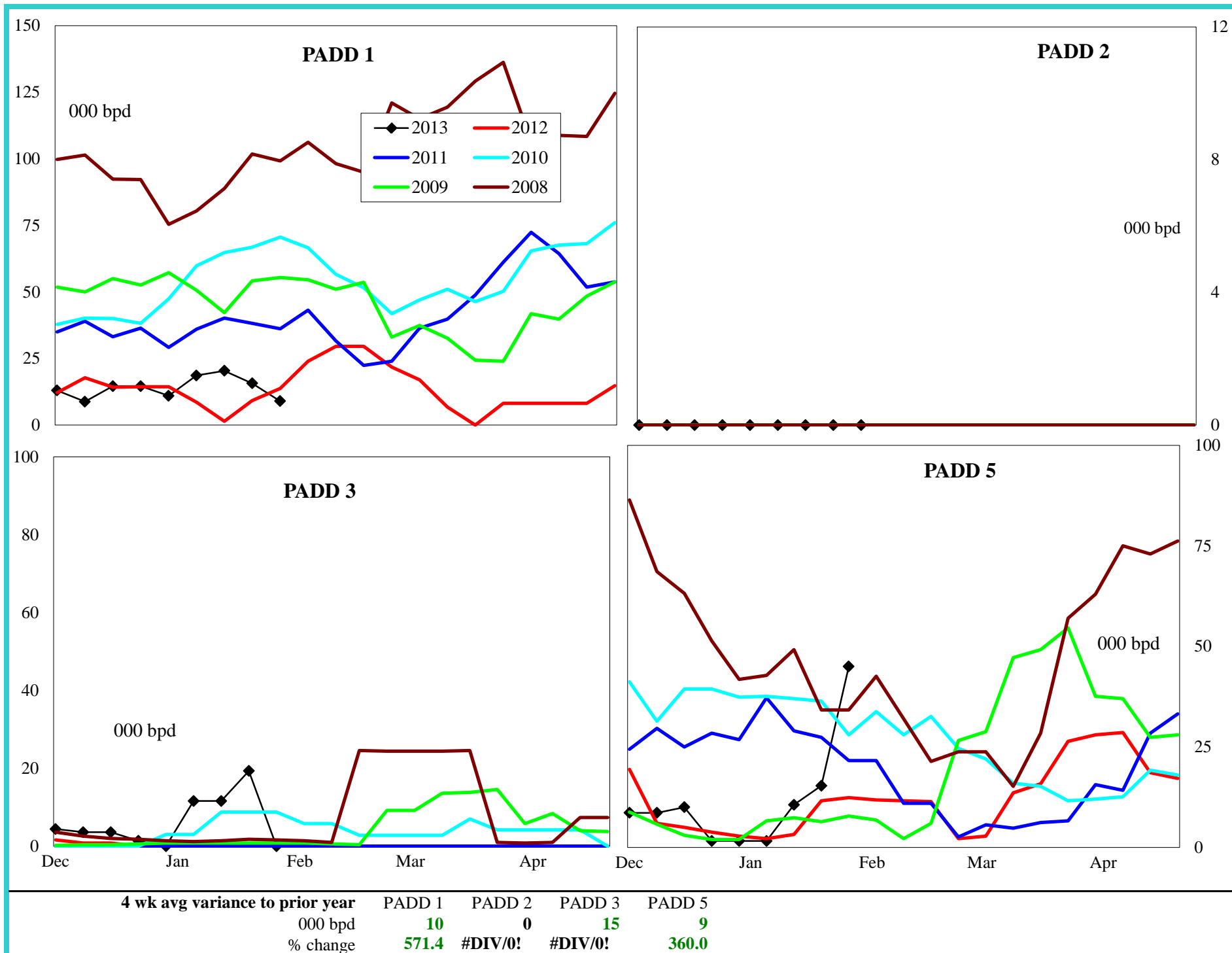
# Gasoline Imports by PADD (Finished + Blend Stocks)



# Distillate Imports by PADD

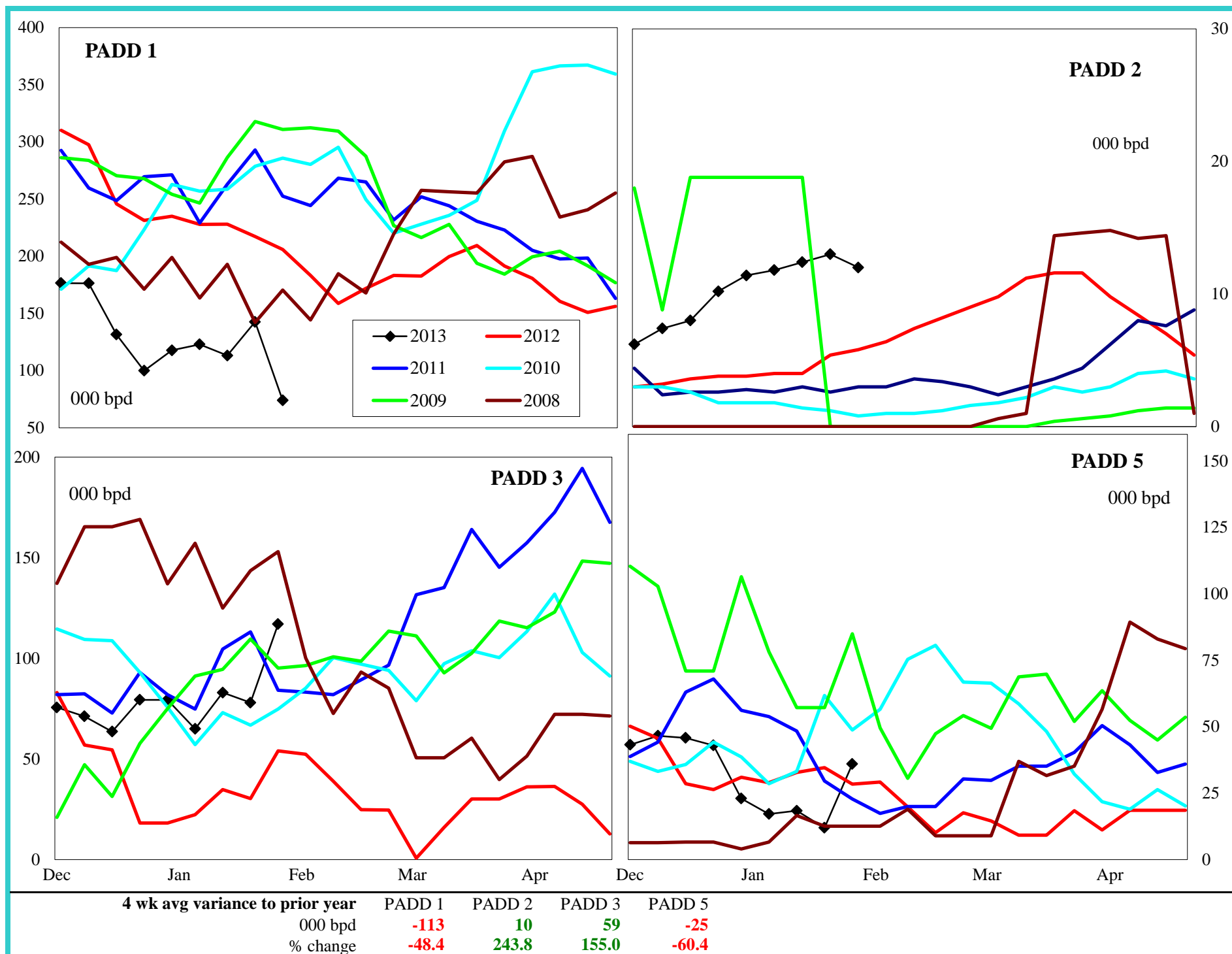


# Jet Fuel Imports by PADD

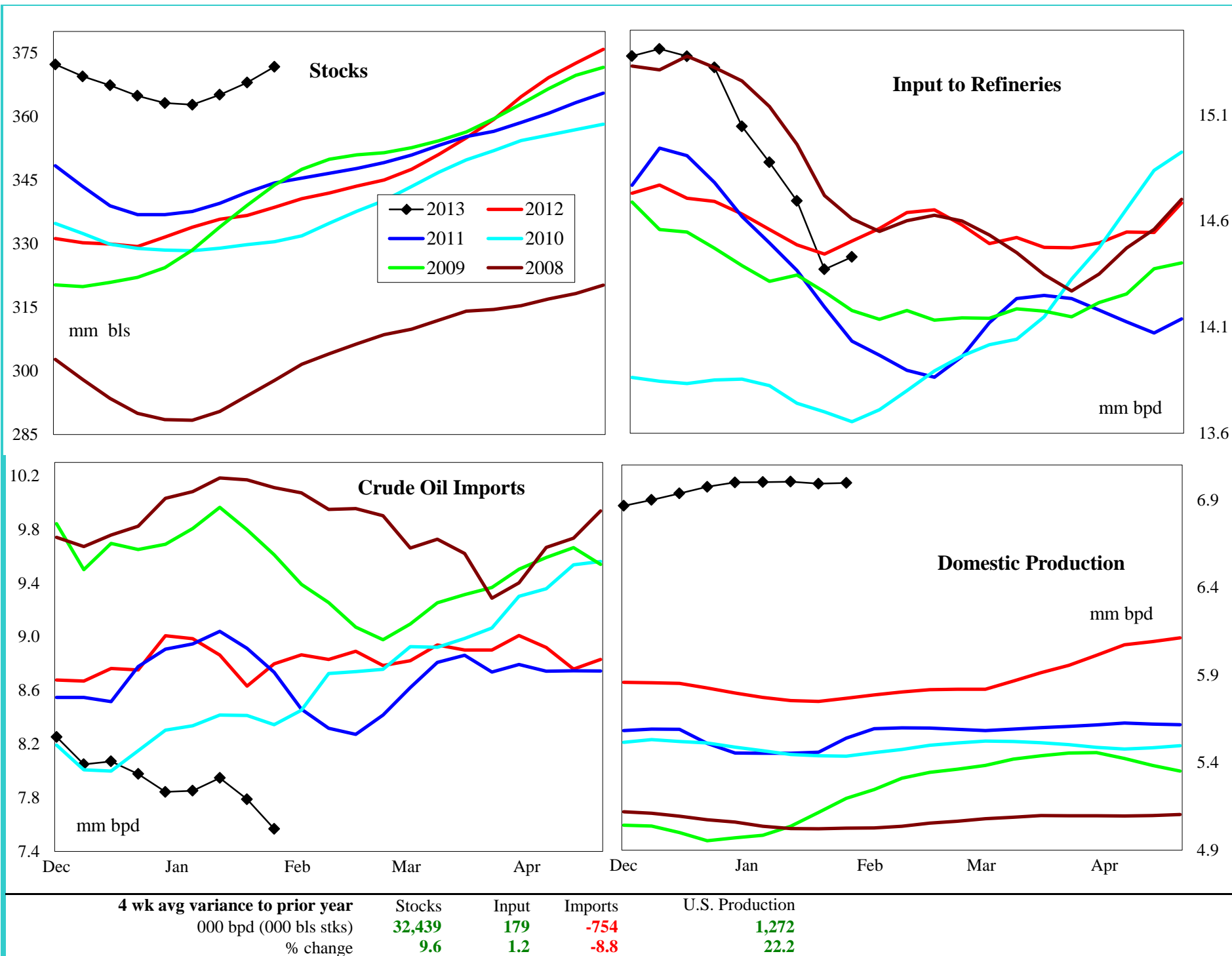




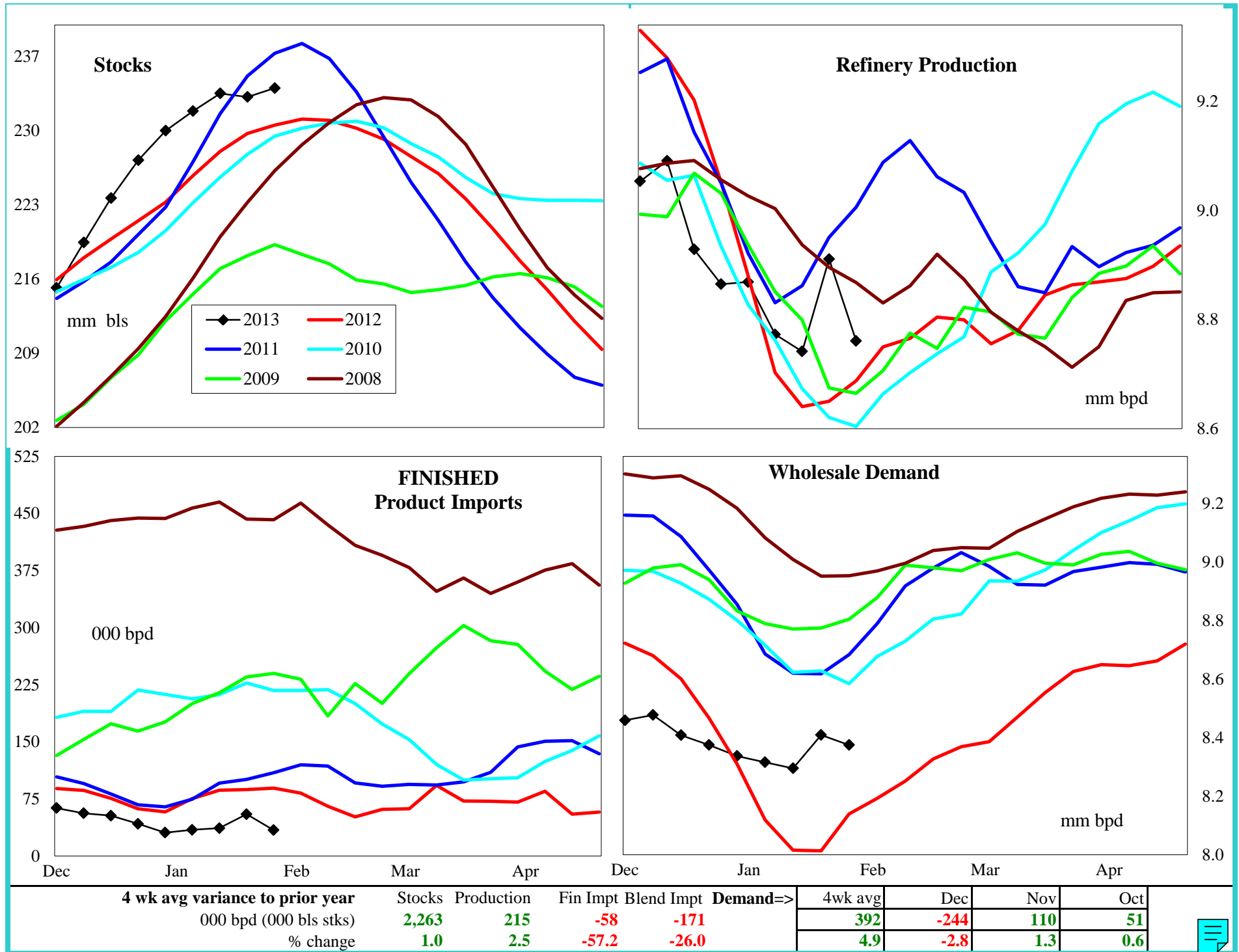
## Residual Fuel Oil Imports by PADD



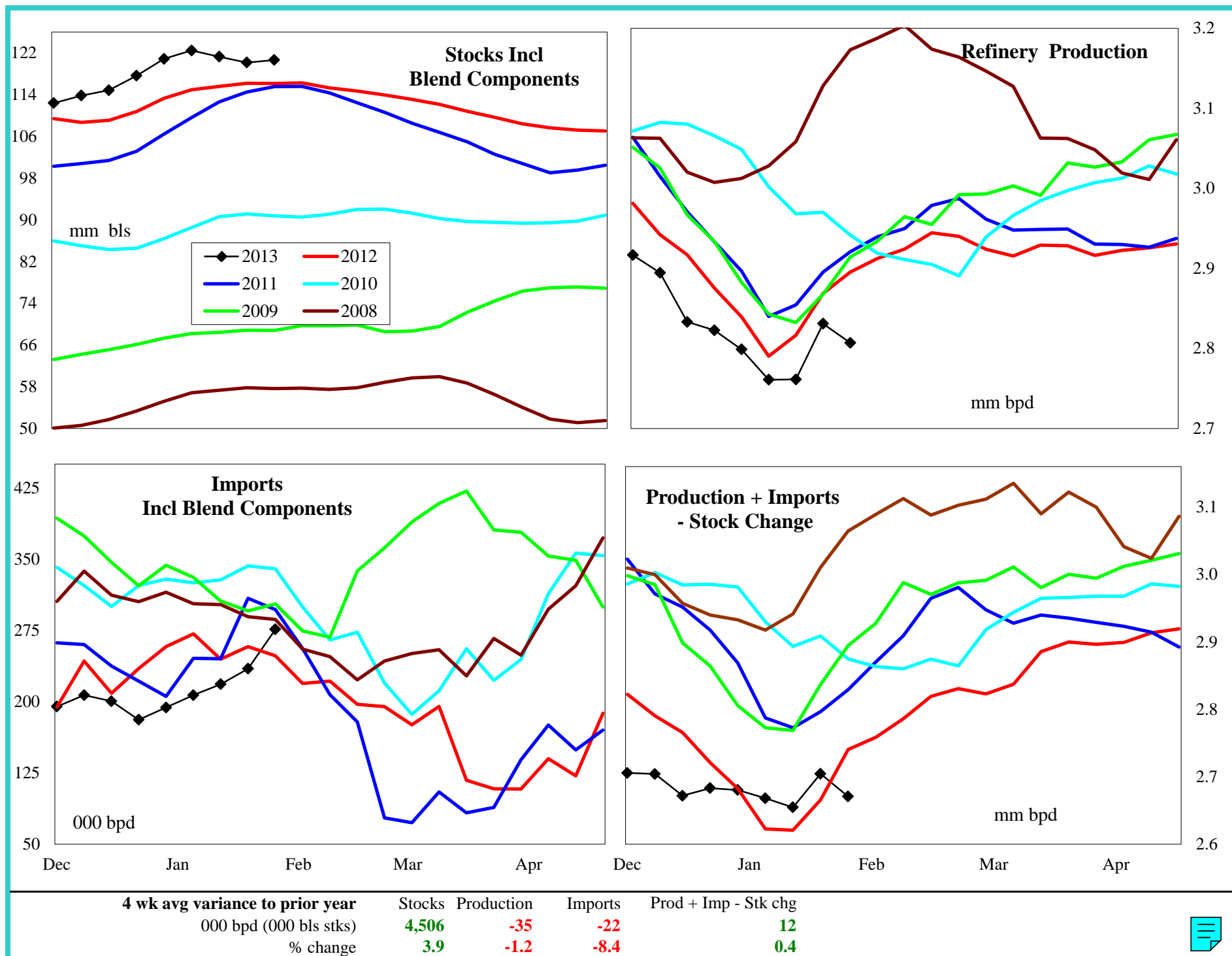
# United States Crude Oil Supply and Demand Balance



# United States Gasoline Supply and Demand Balance

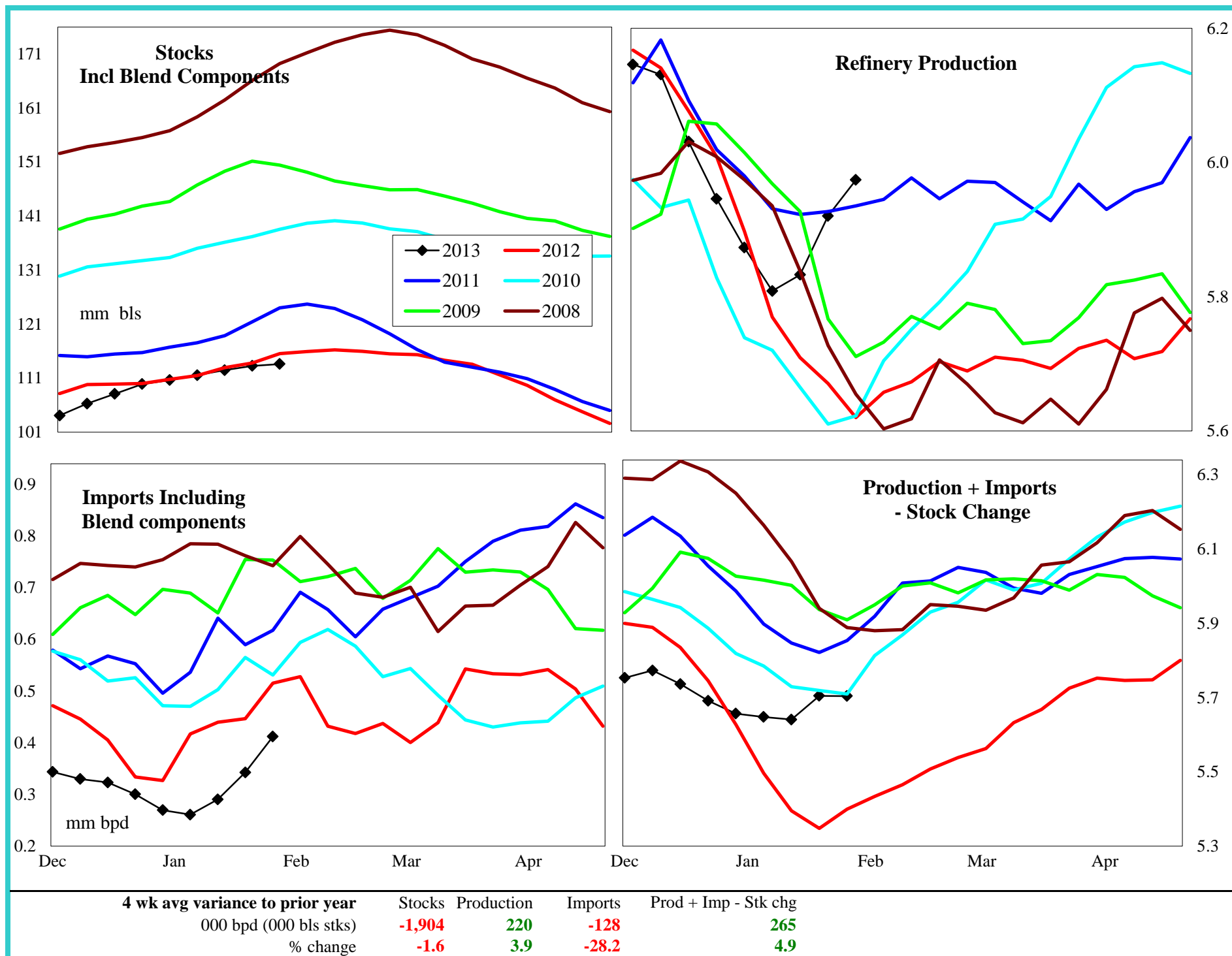


# United States Reformulated Gasoline Supply

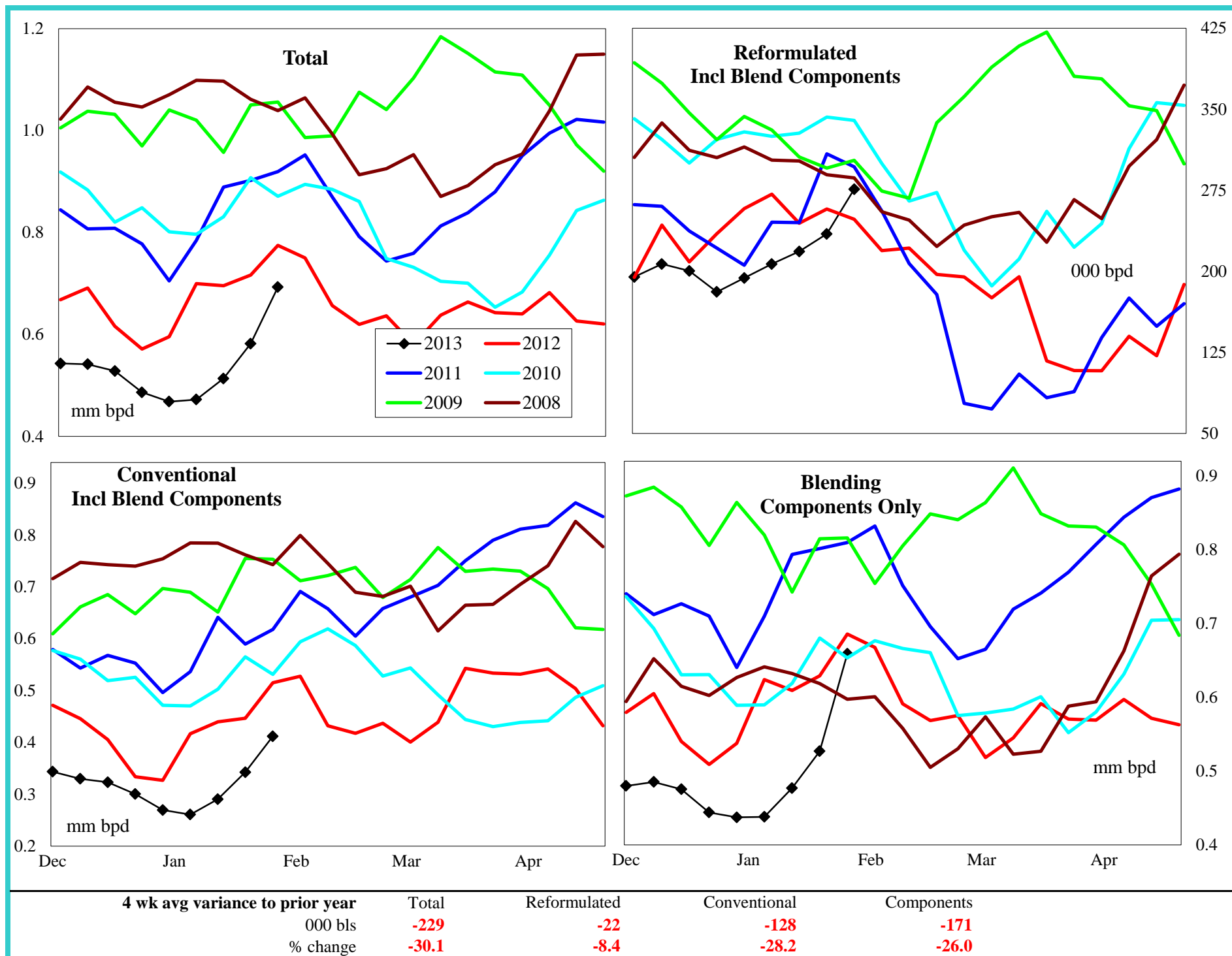




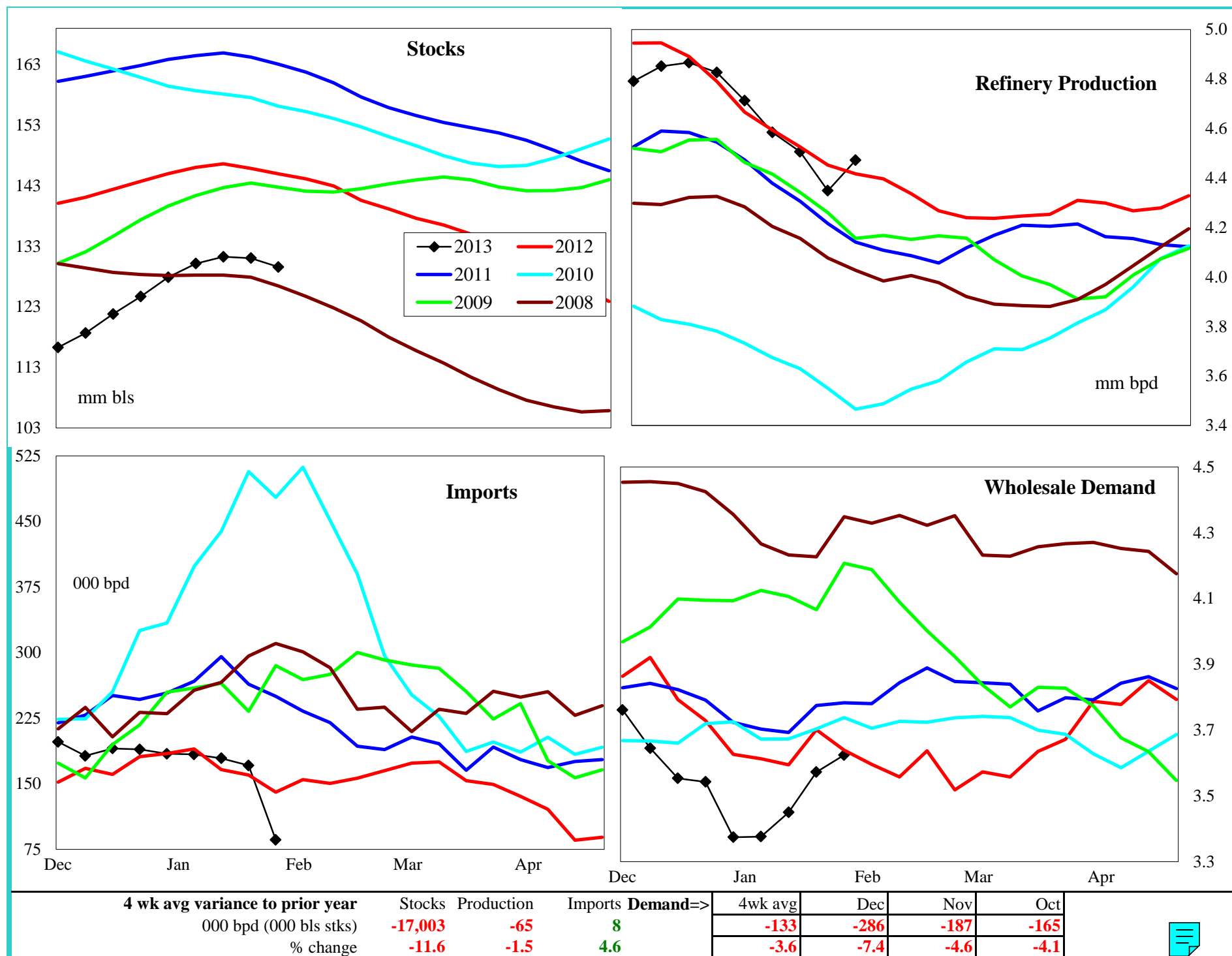
# United States Conventional Gasoline Supply



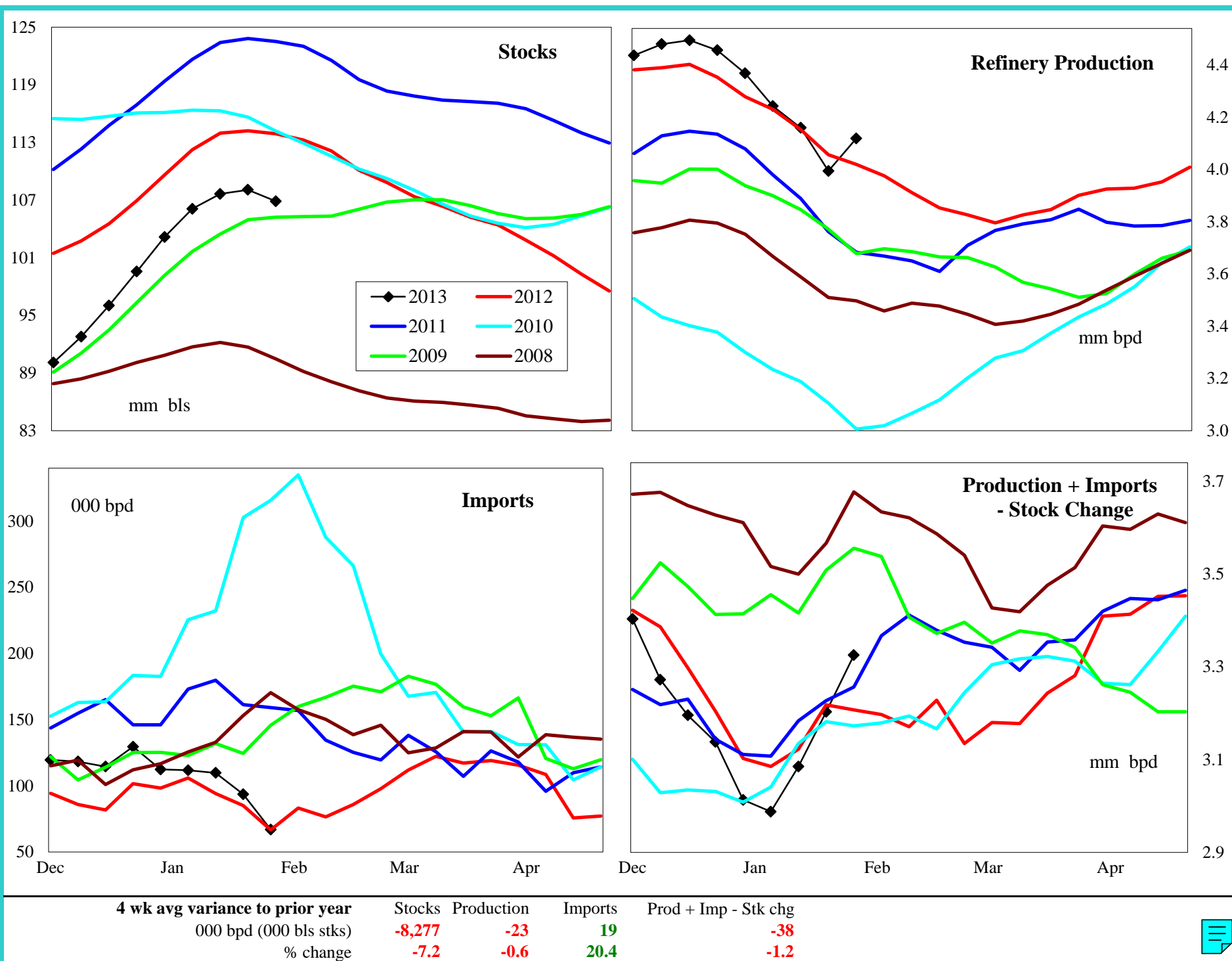
# United States Gasoline Imports by Type



# United States Distillate Supply and Demand Balance

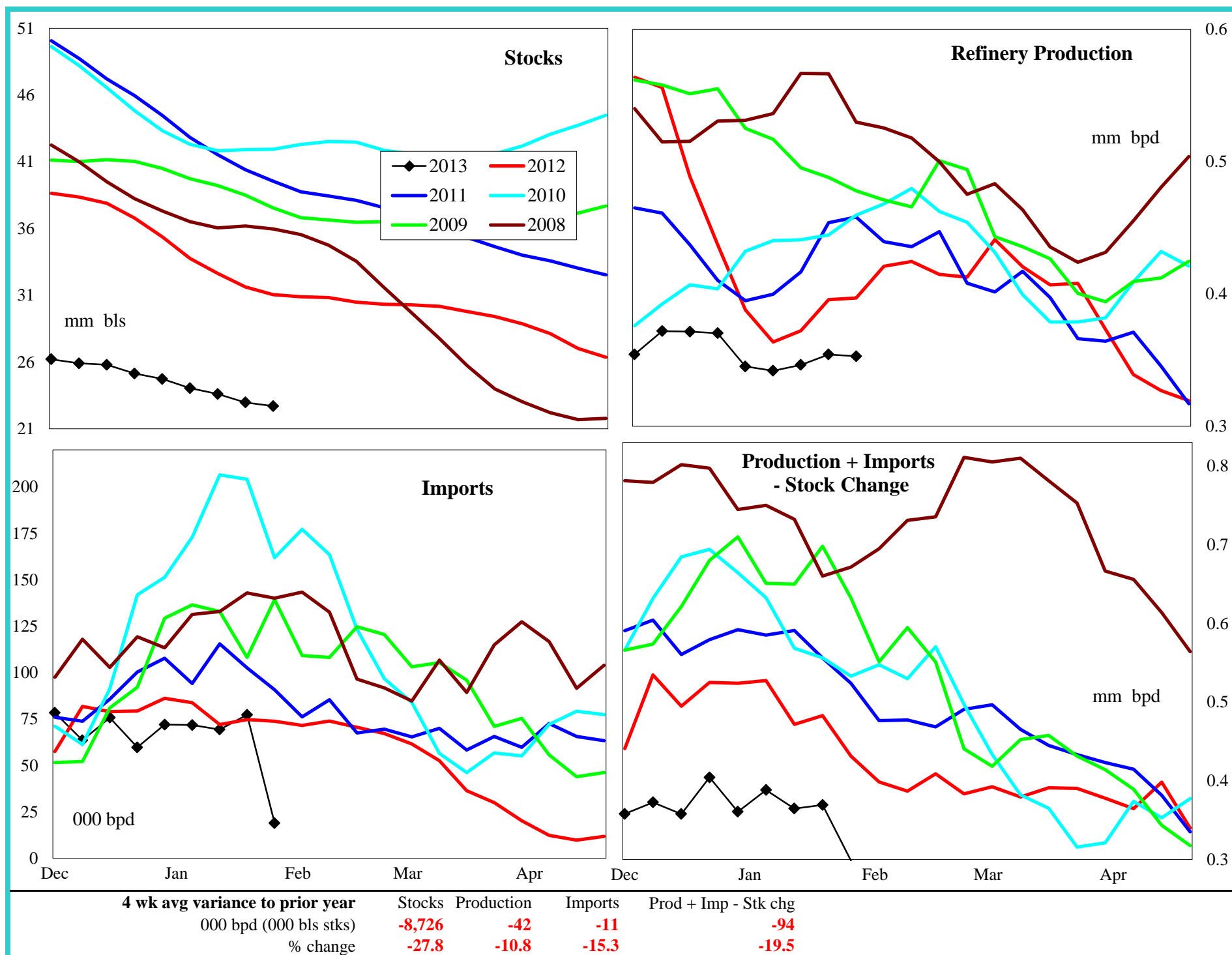


# United States Low Sulfur Distillate Supply

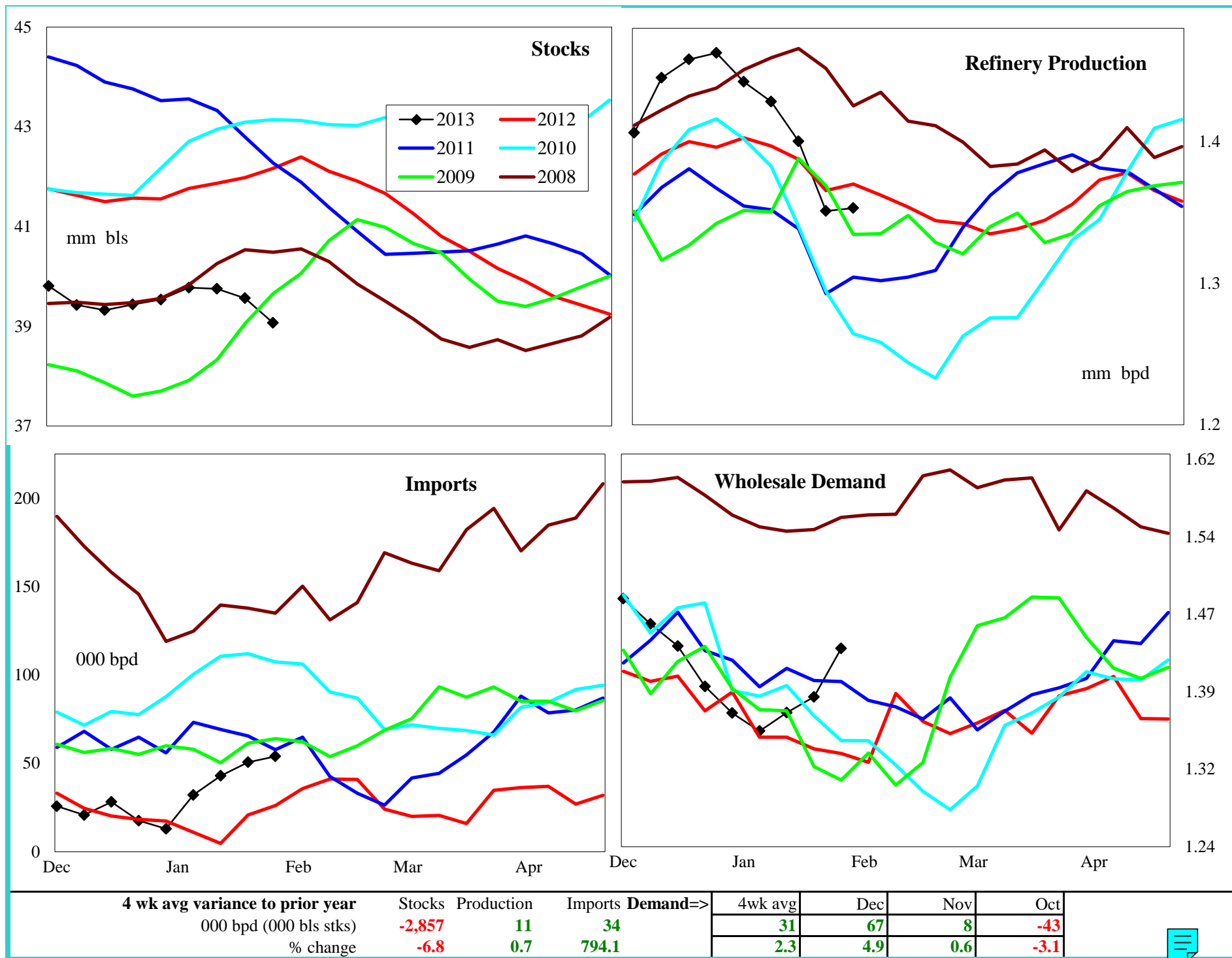




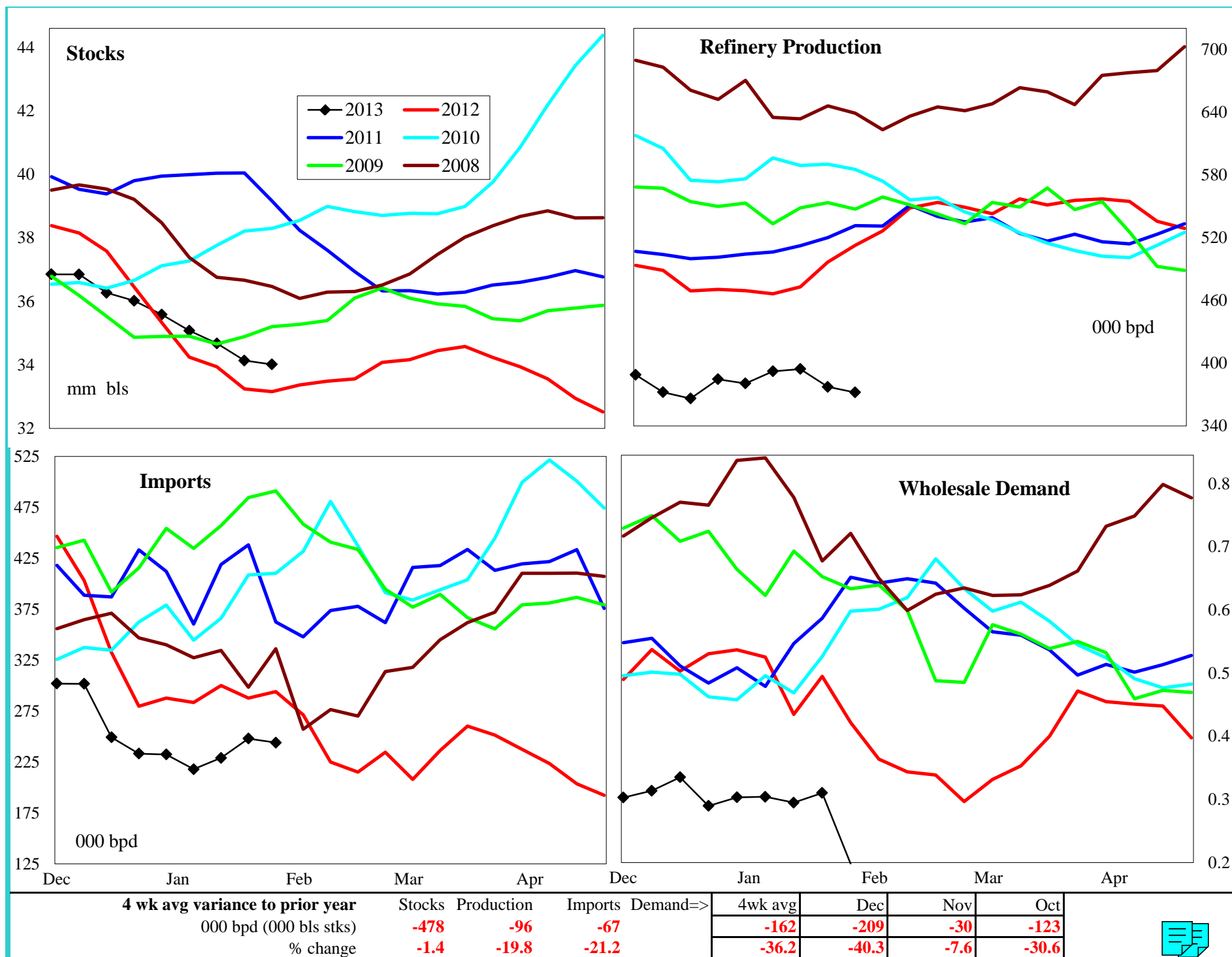
# United States High Sulfur Distillate Supply



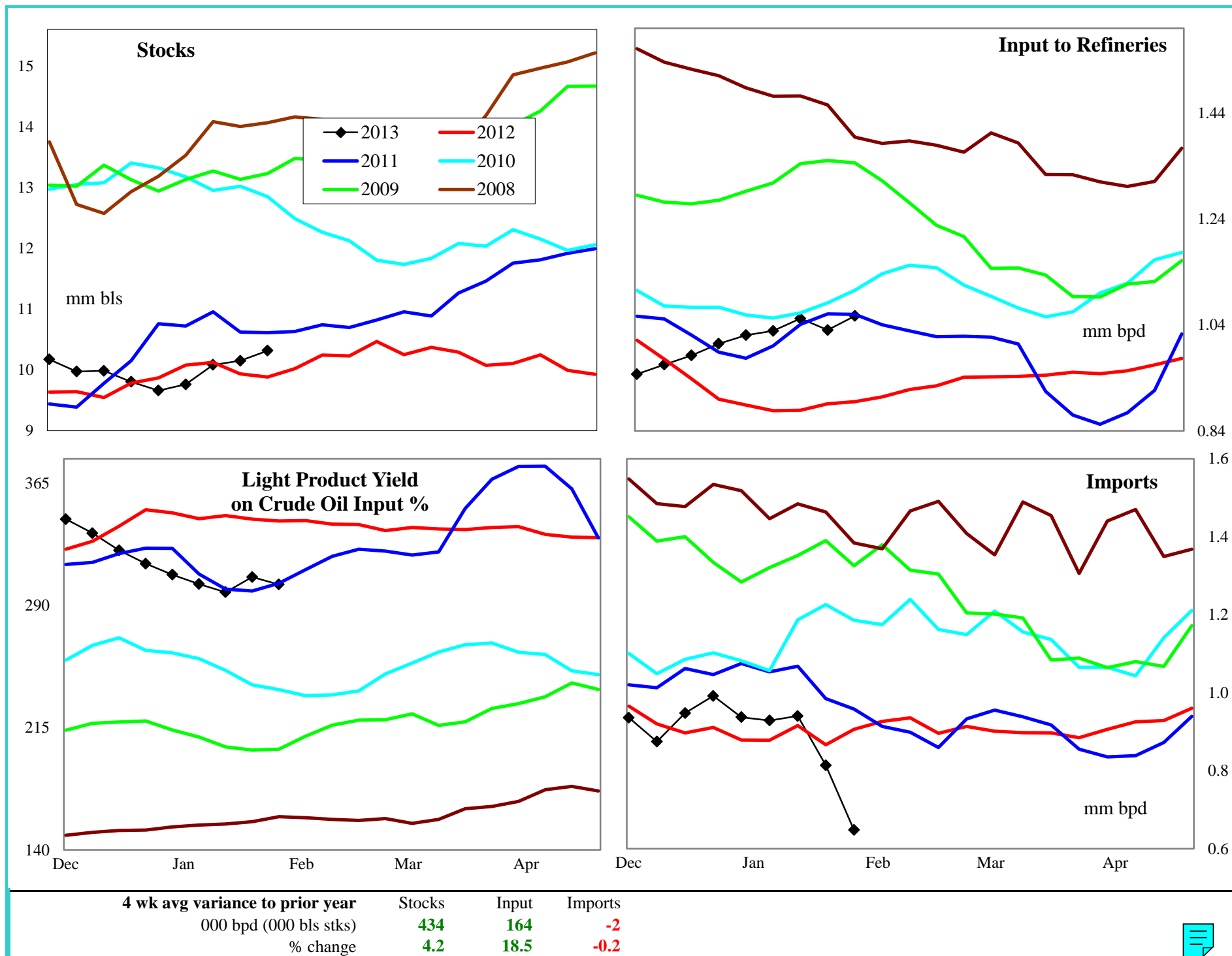
# United States Jet Fuel Supply and Demand Balance



# United States Residual Fuel Oil Supply and Demand Balance

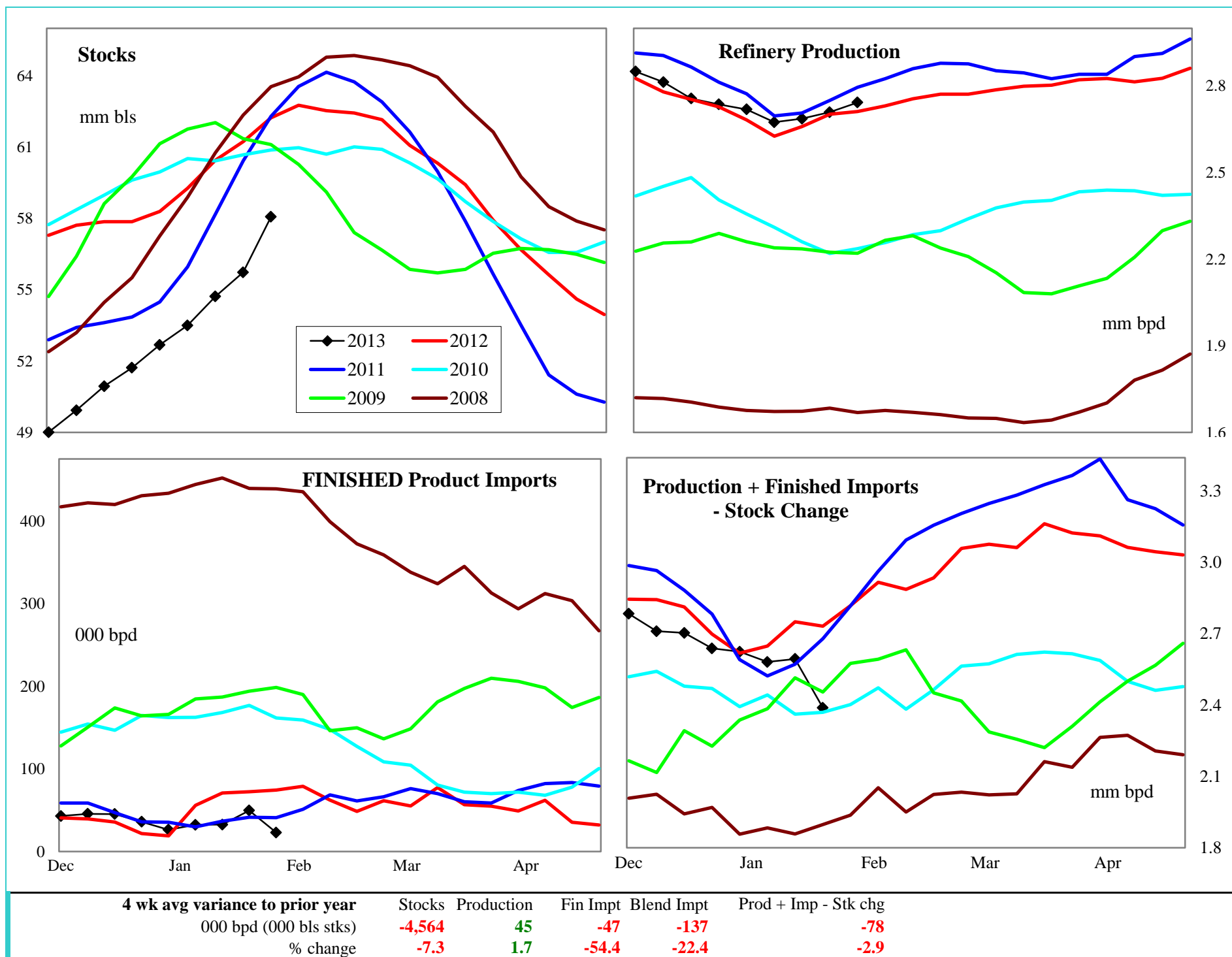


# PADD 1 Crude Oil Supply and Refining

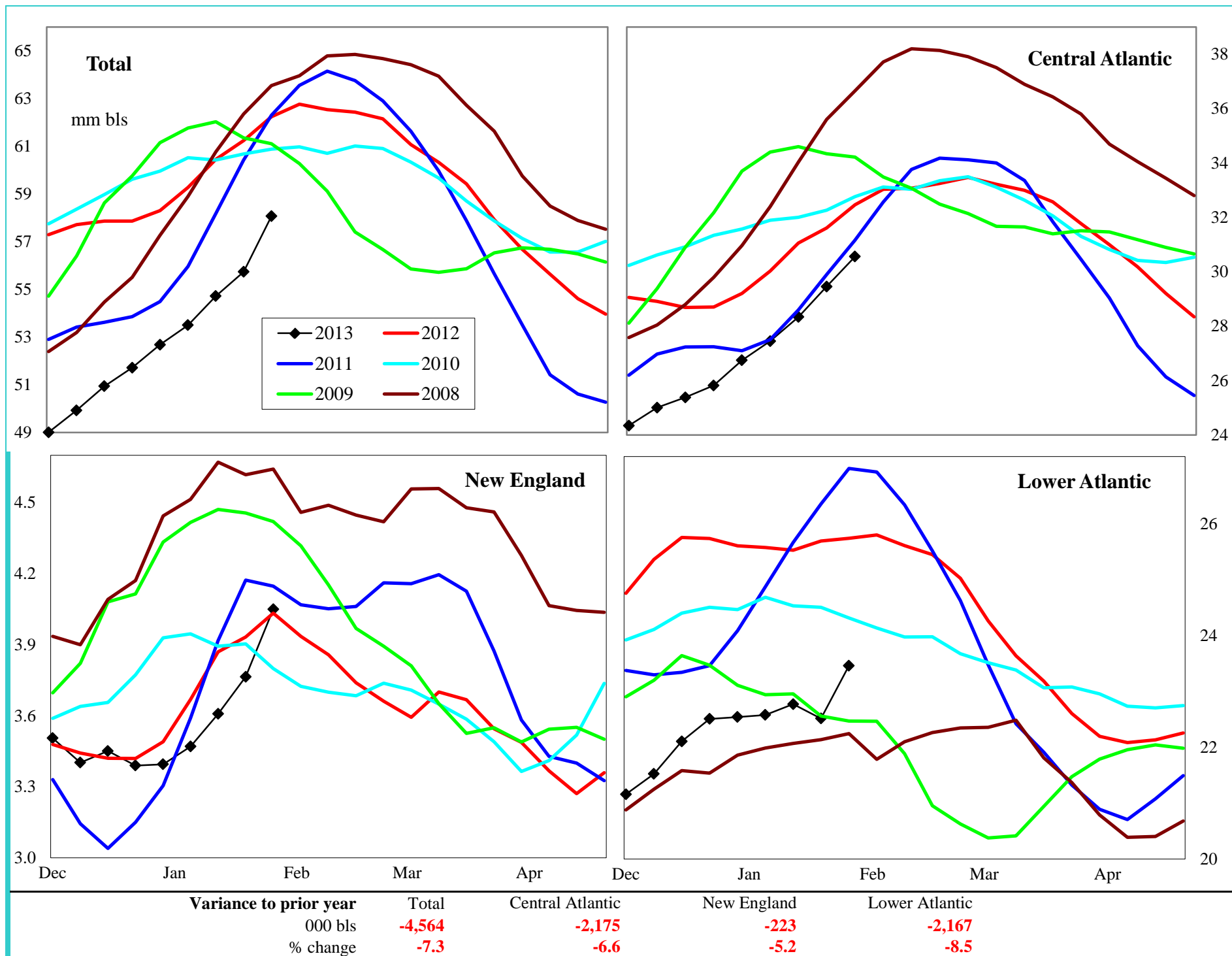




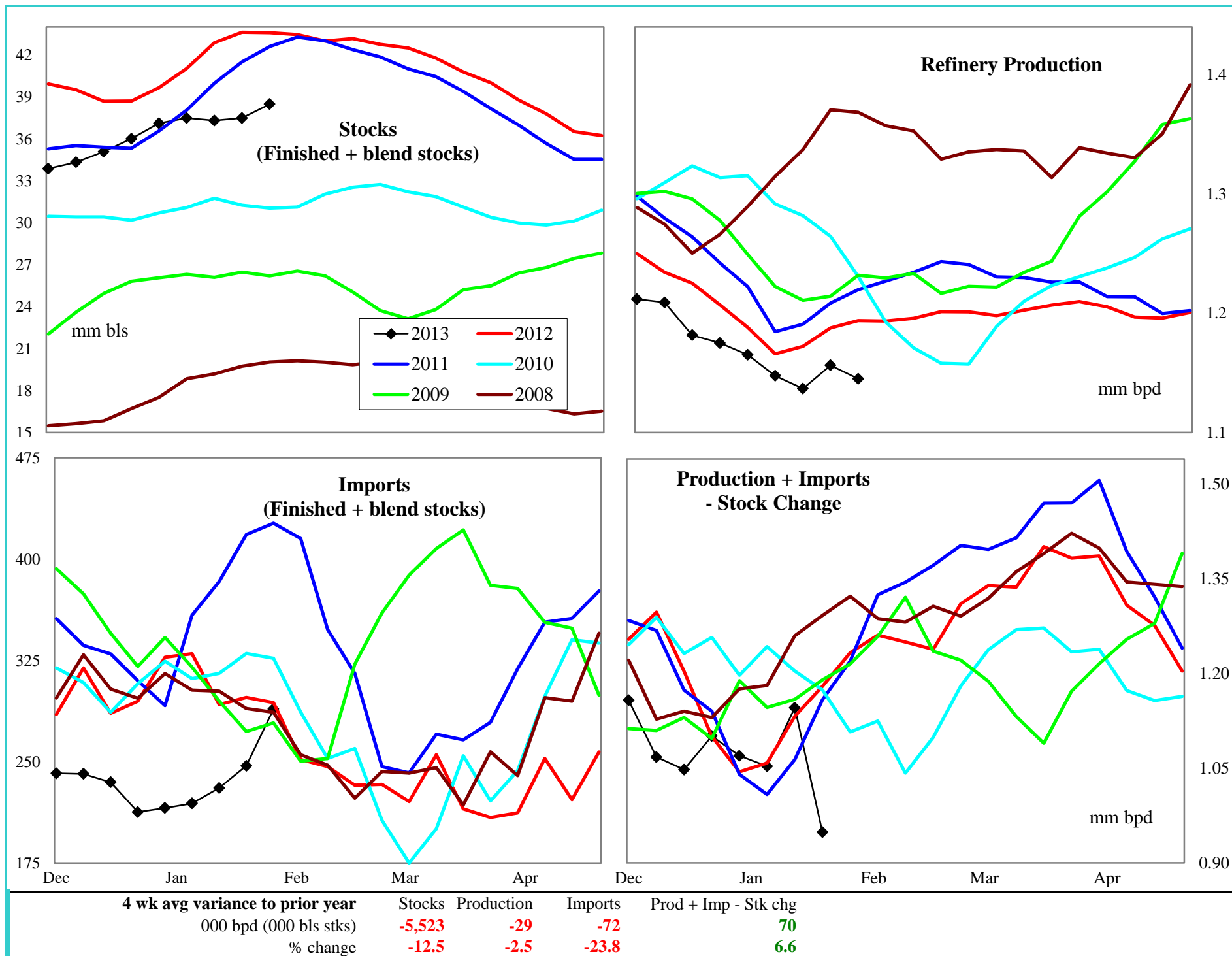
# PADD 1 Gasoline Supply



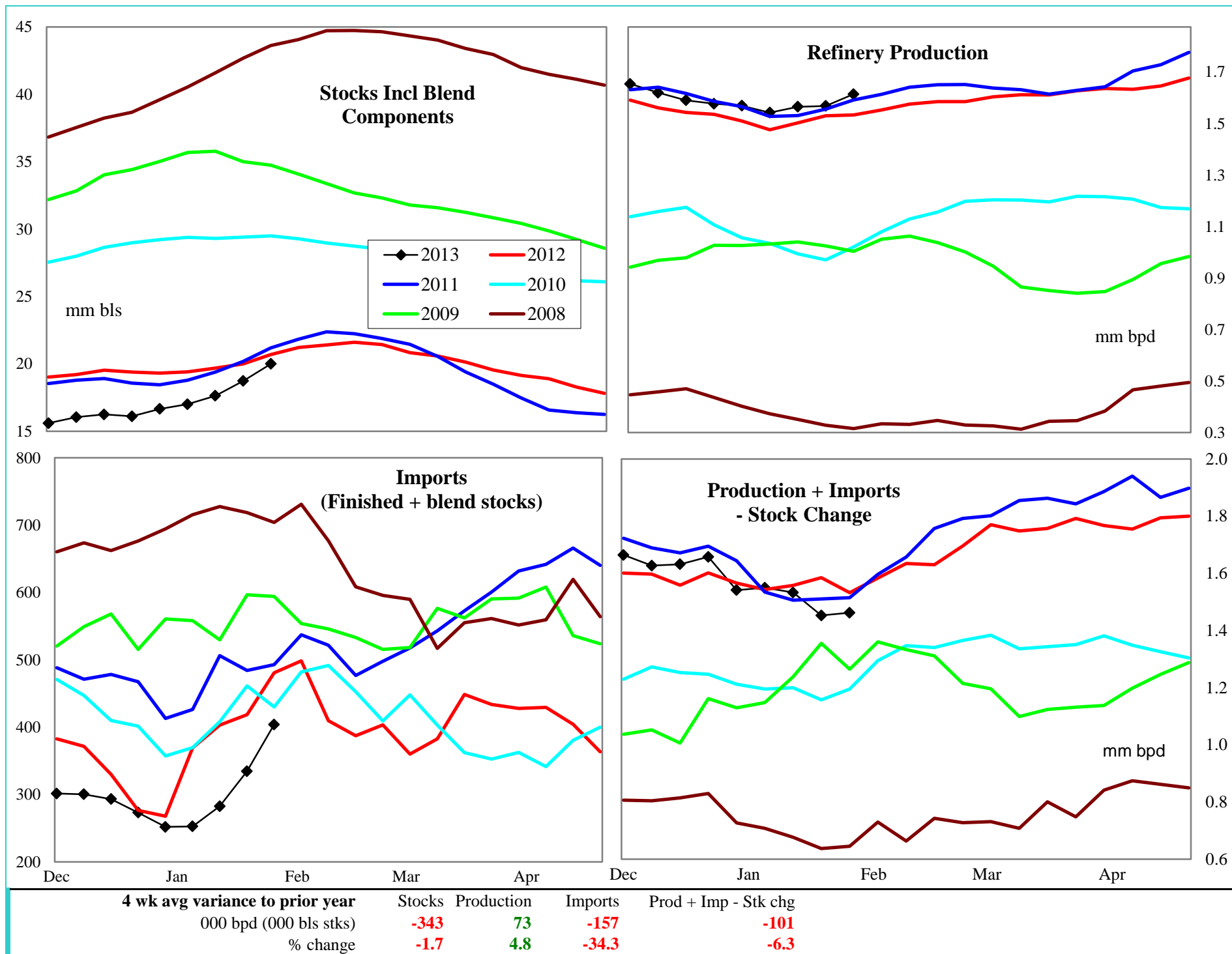
# PADD 1 Gasoline Stocks by Region



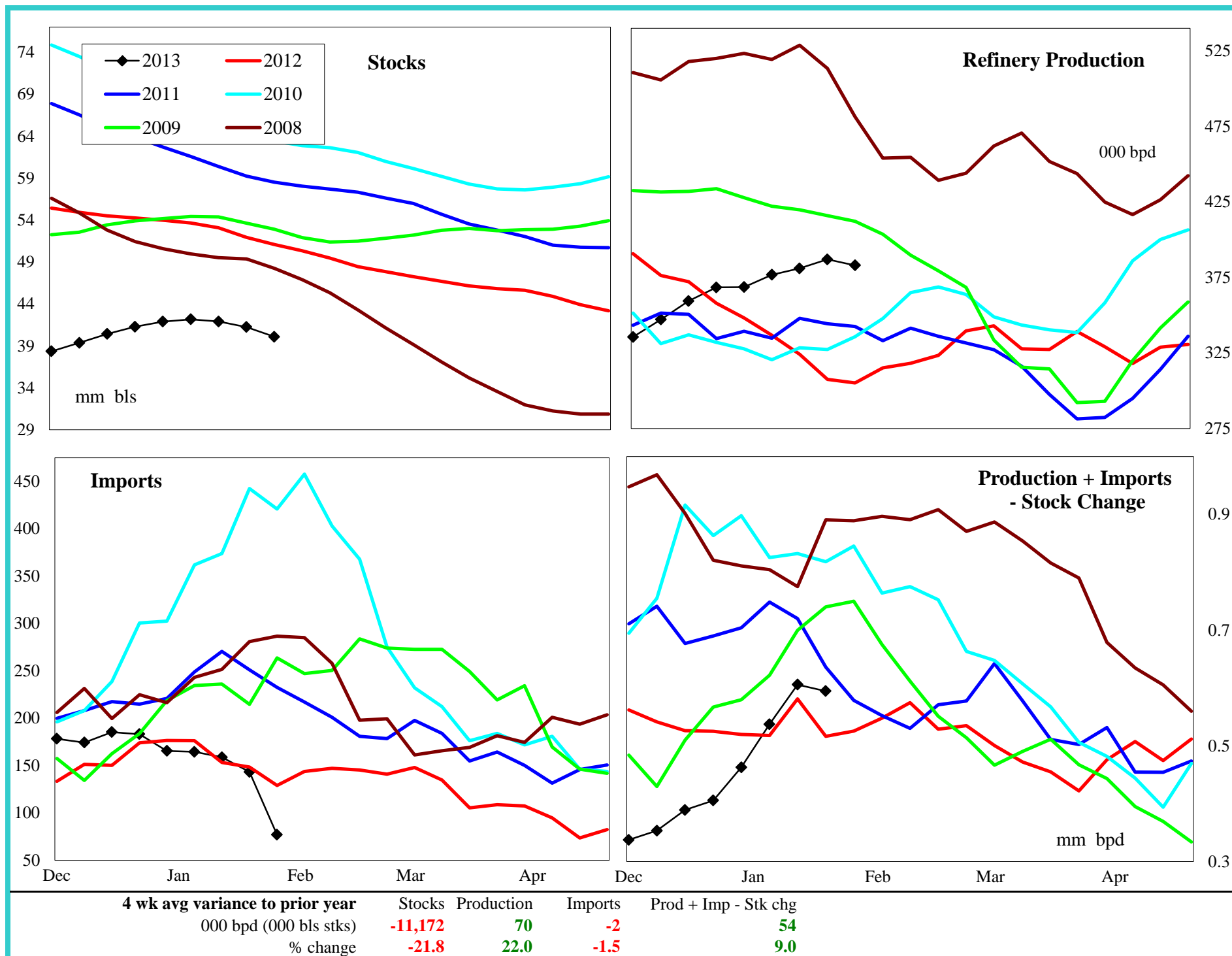
# PADD 1 Reformulated Gasoline Supply



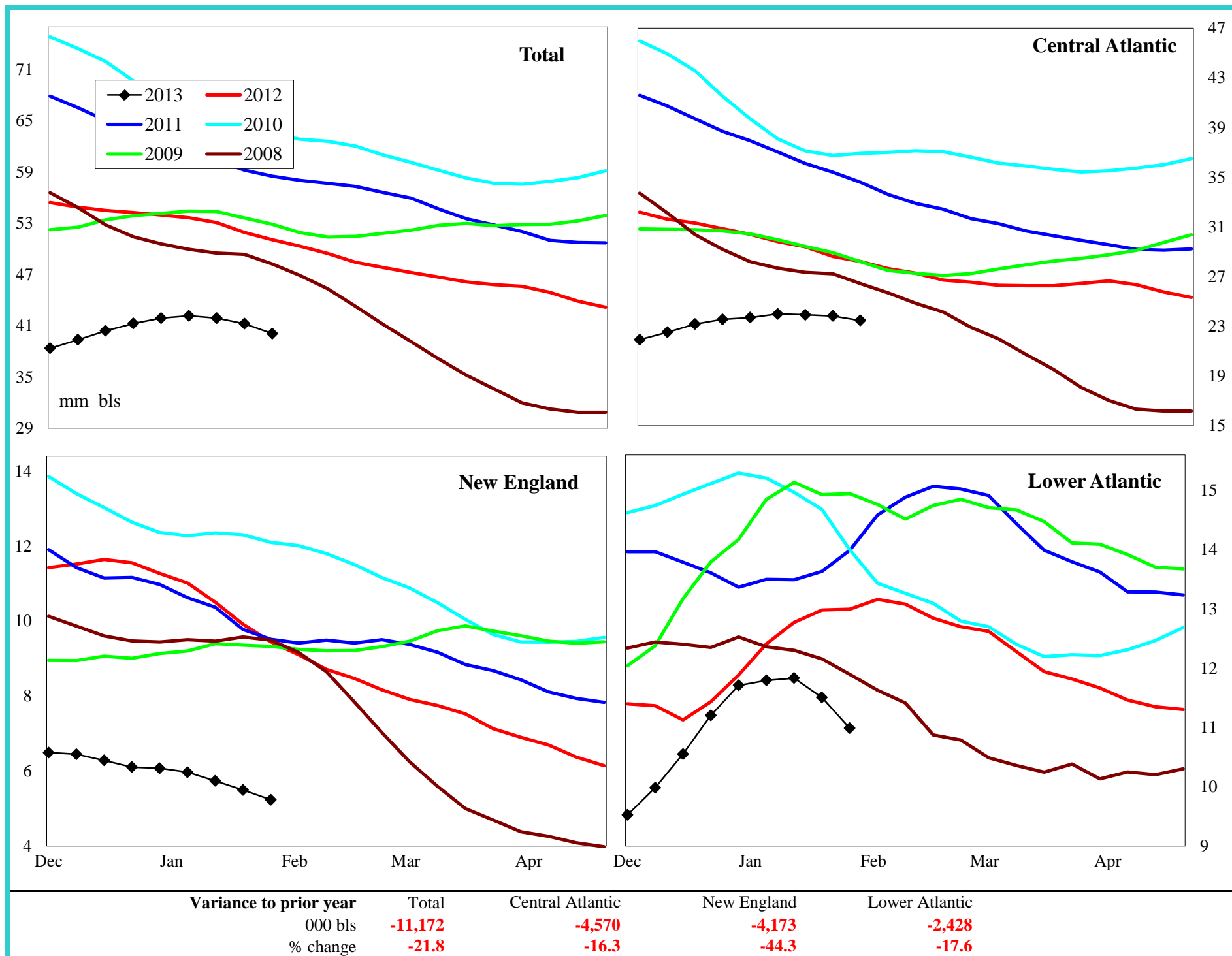
# PADD 1 Conventional Gasoline Supply



# PADD 1 Distillate Supply

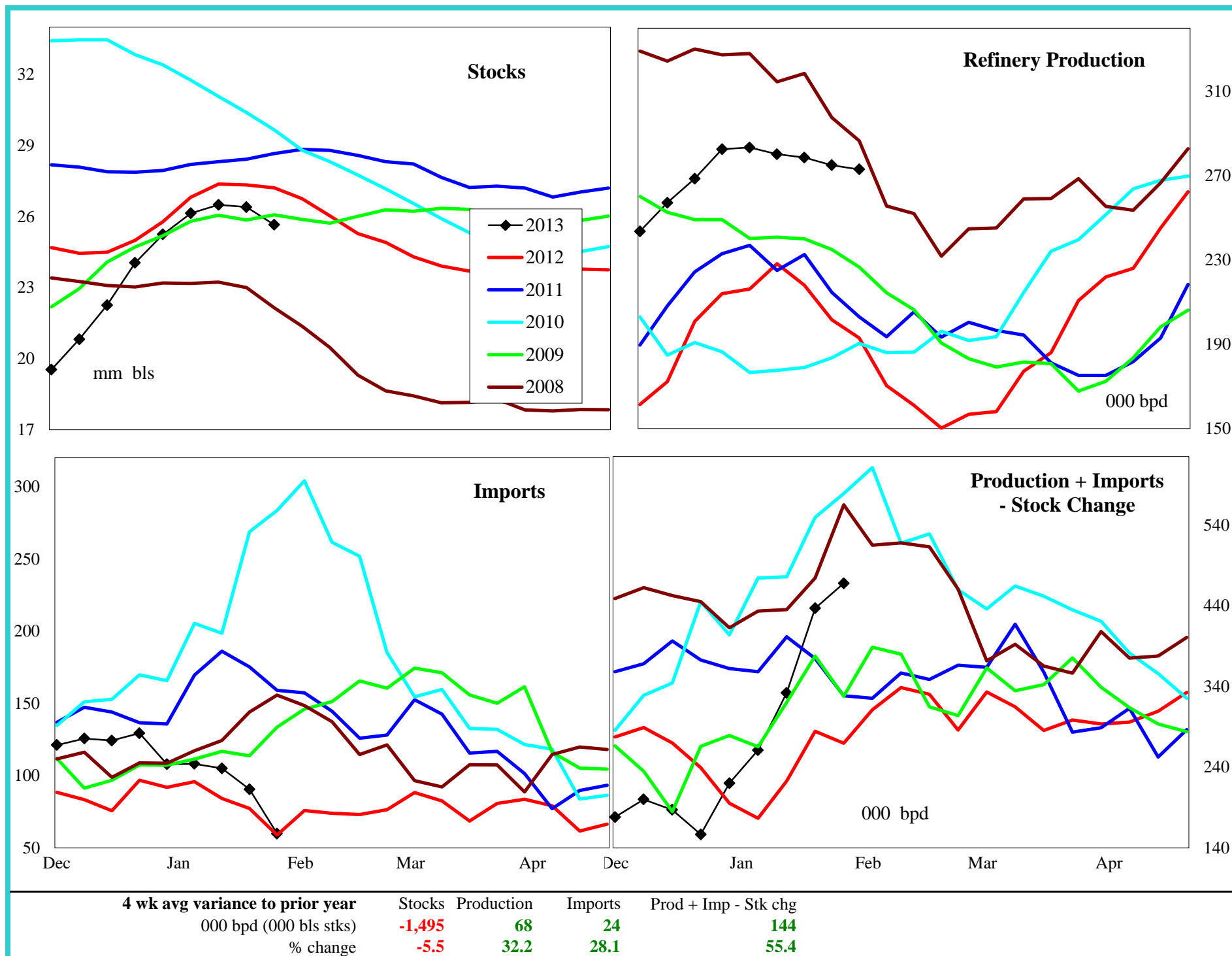


## PADD 1 Distillate Stocks by Region

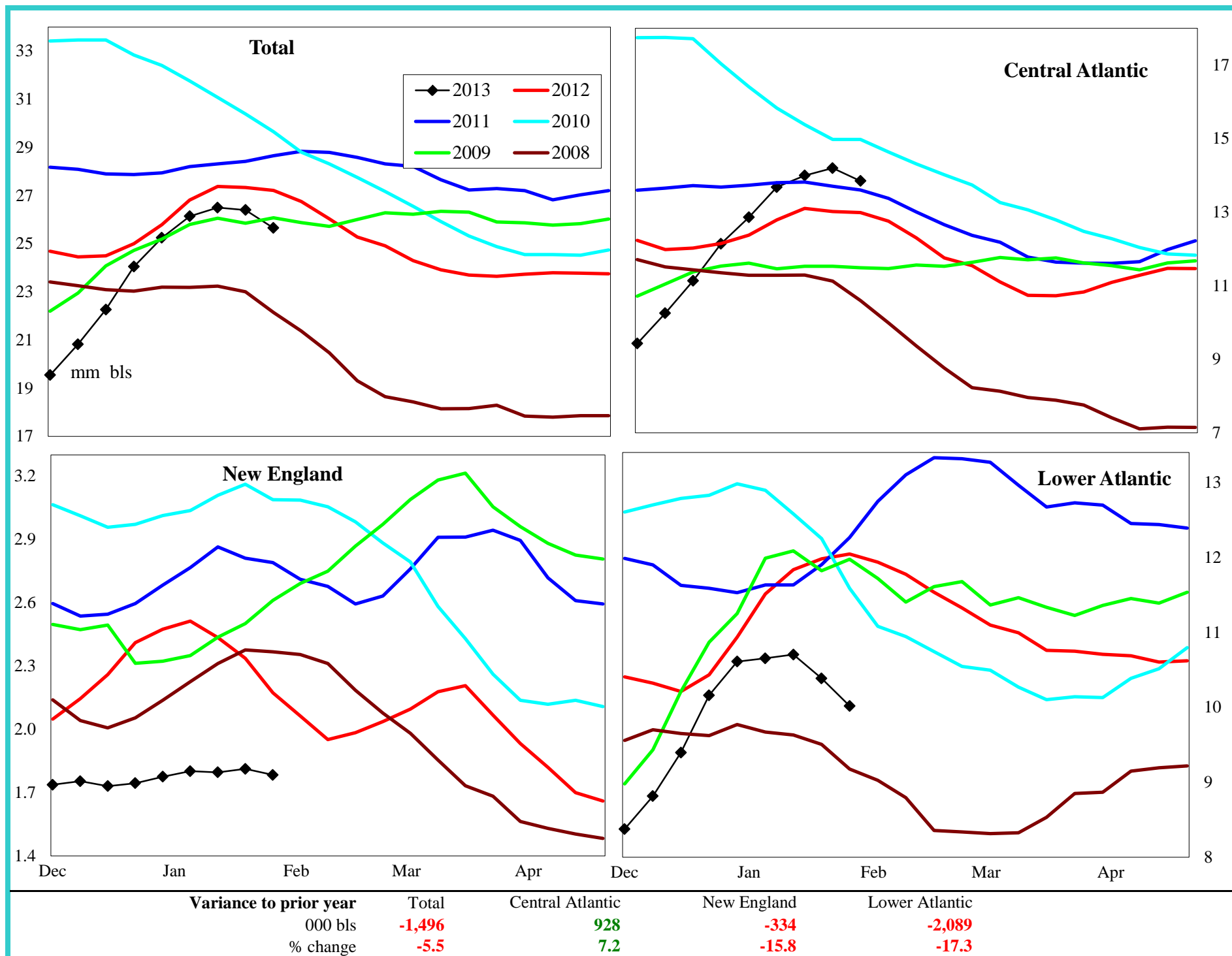




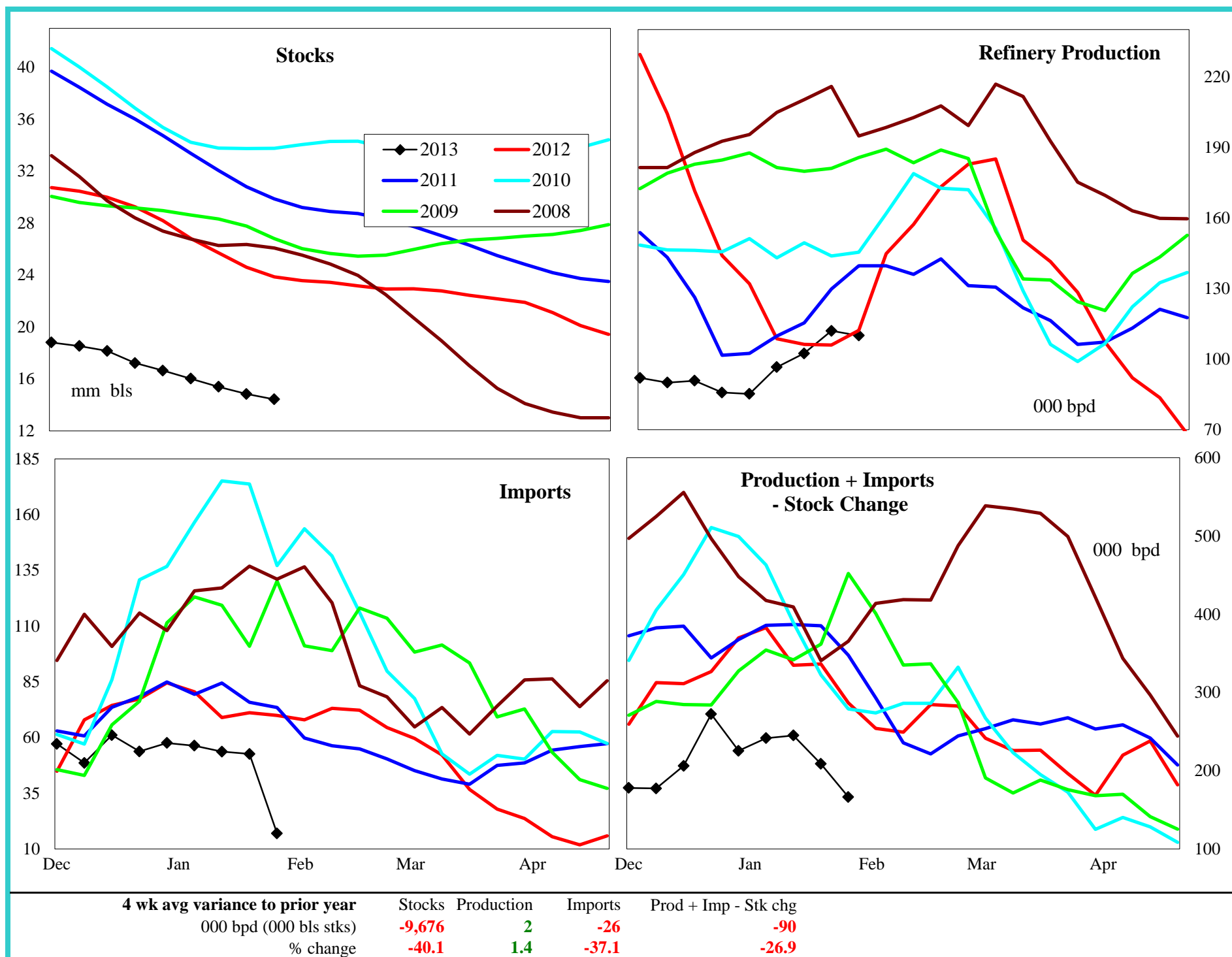
# PADD 1 Low Sulfur Distillate Supply



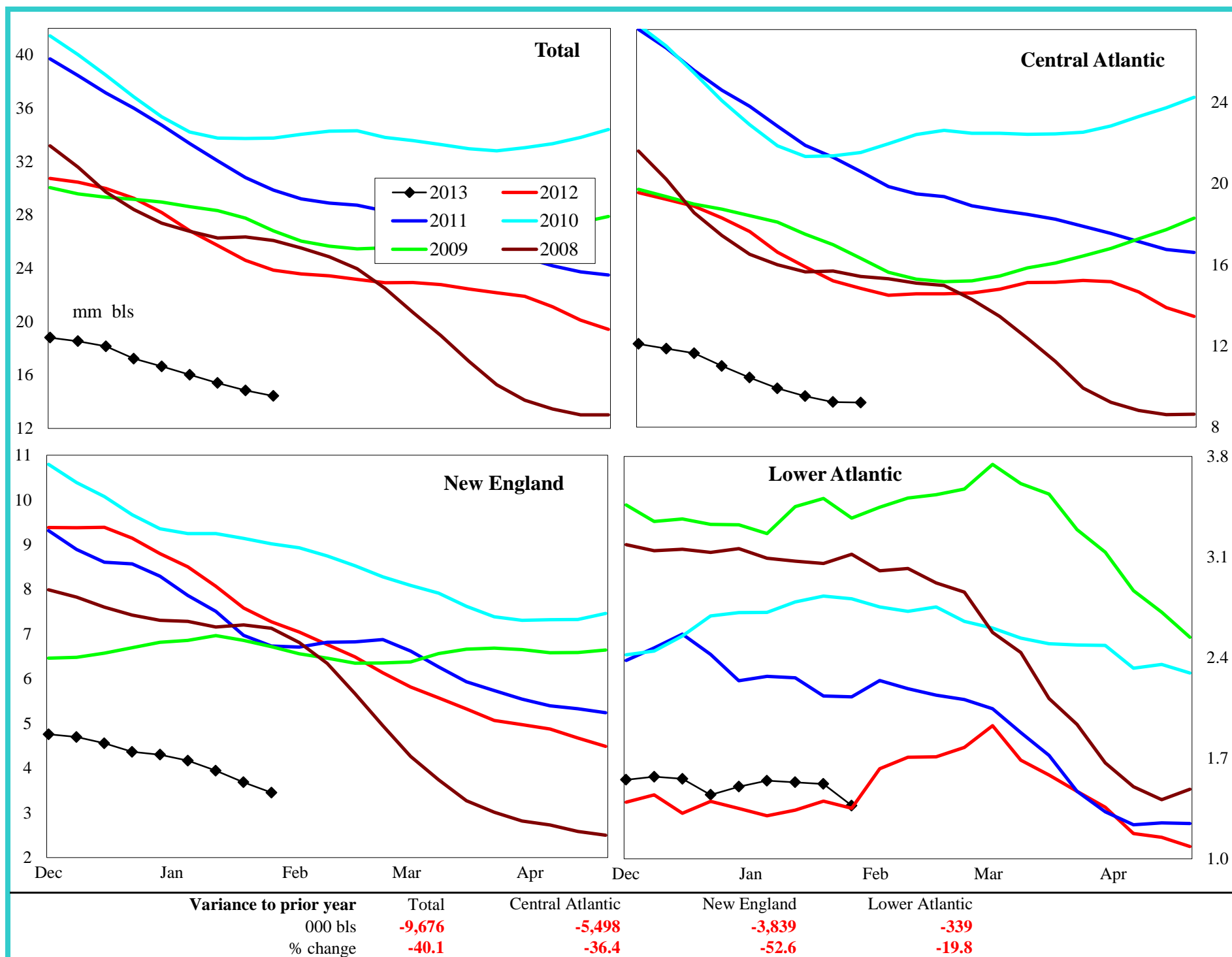
## PADD 1 Low Sulfur Distillate Stocks by Region



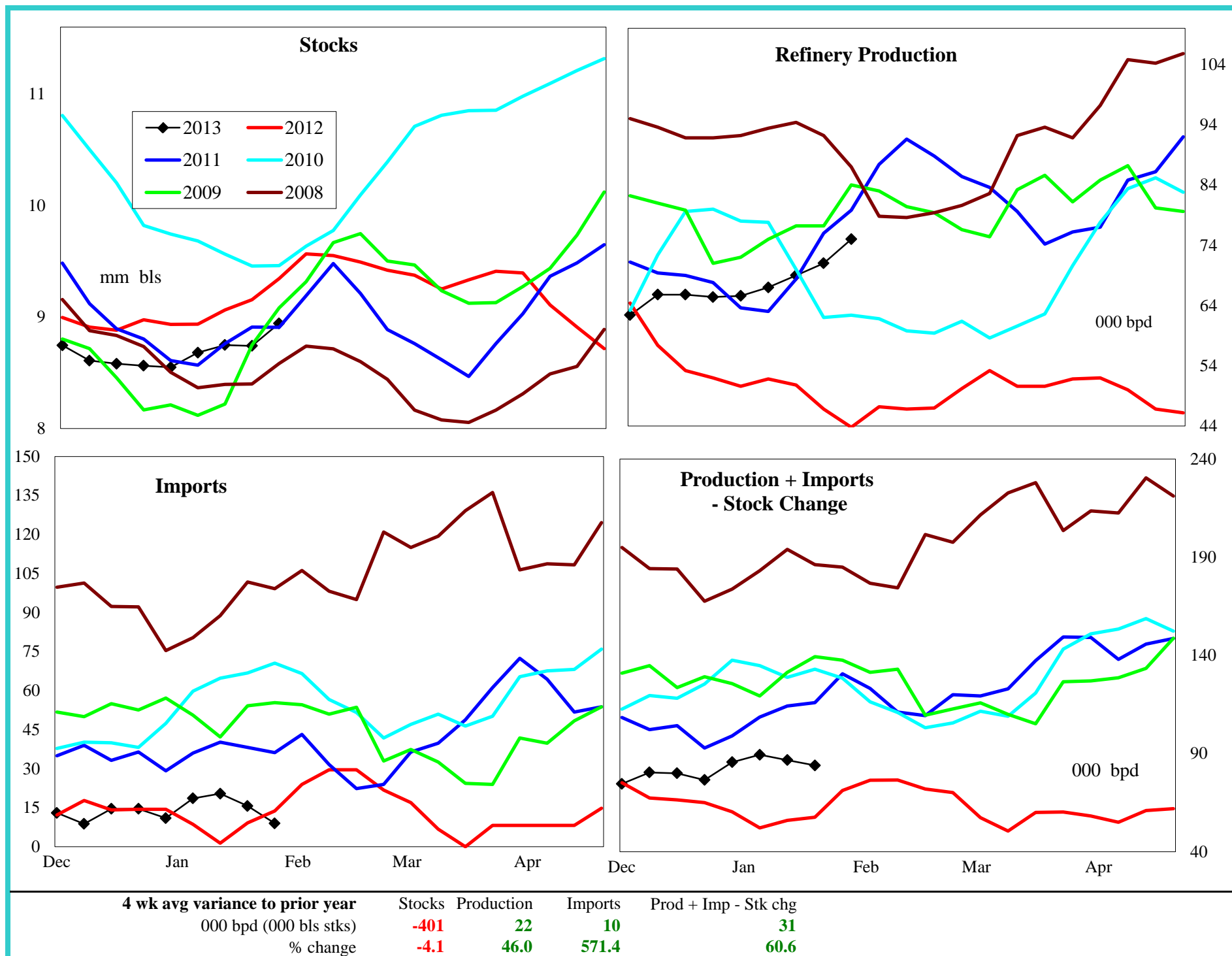
# PADD 1 High Sulfur Distillate Supply



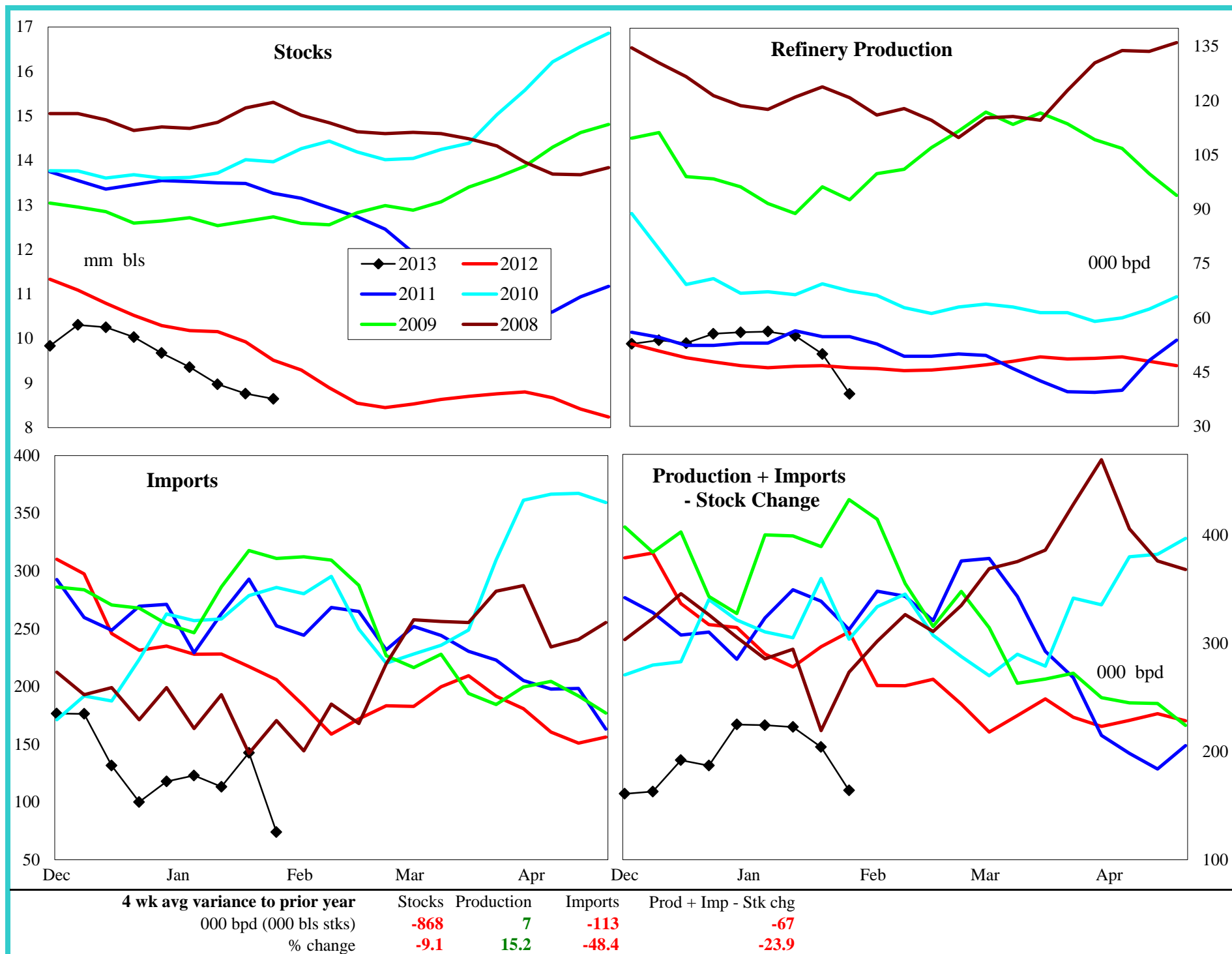
## PADD 1 High Sulfur Distillate Stocks by Region



# PADD 1 Jet Fuel Supply

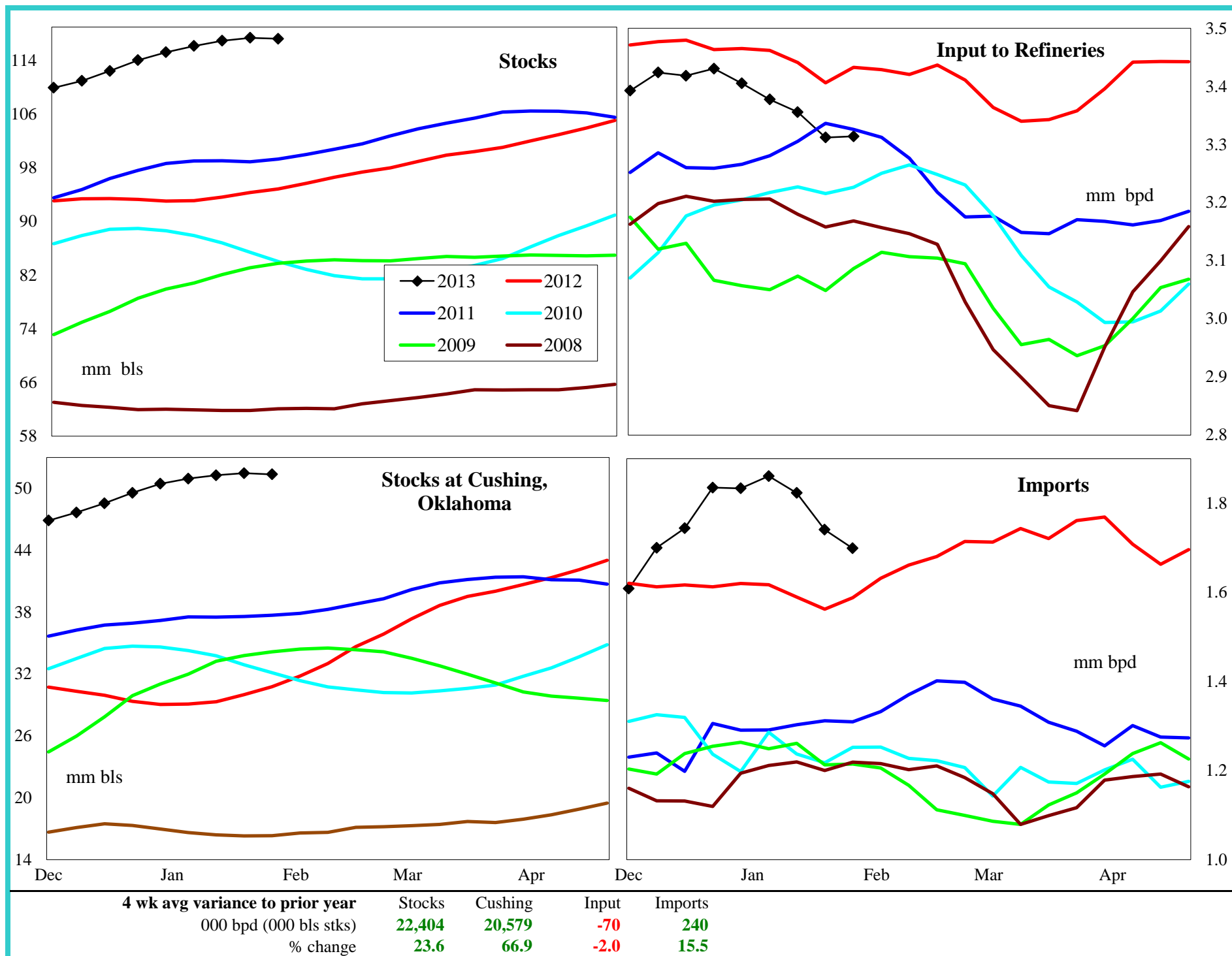


# PADD 1 Residual Fuel Oil Supply

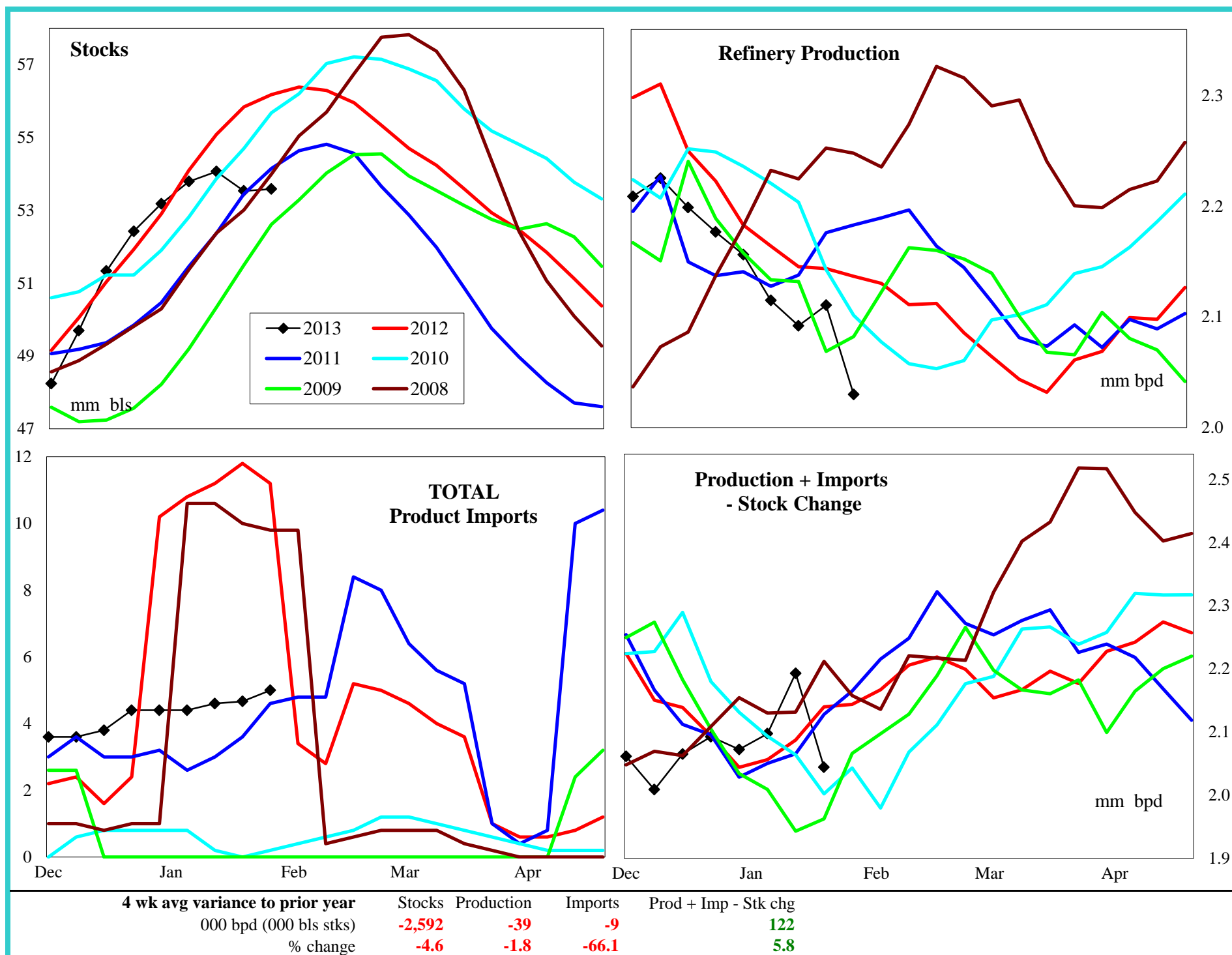




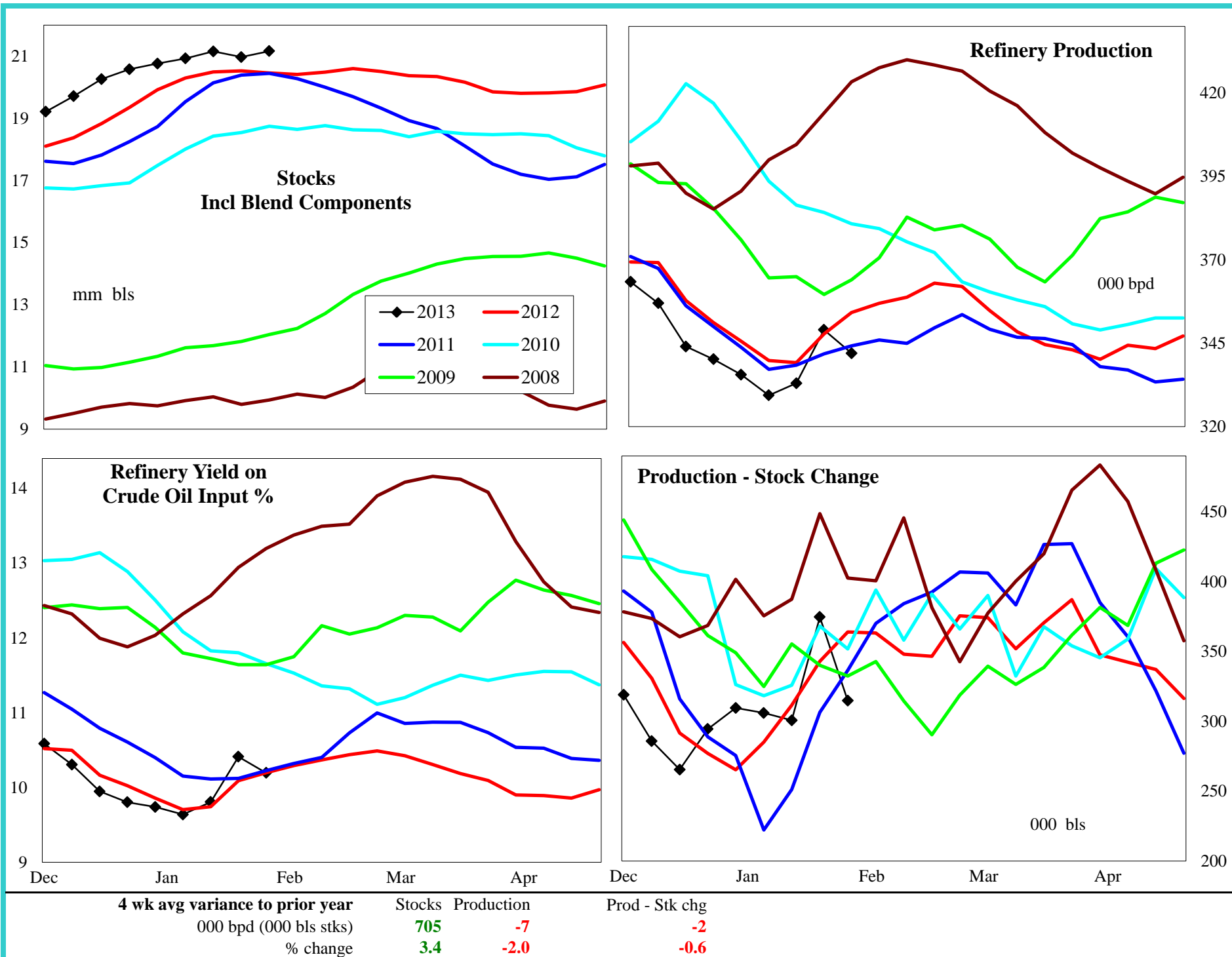
# PADD 2 Crude Oil Supply and Refining



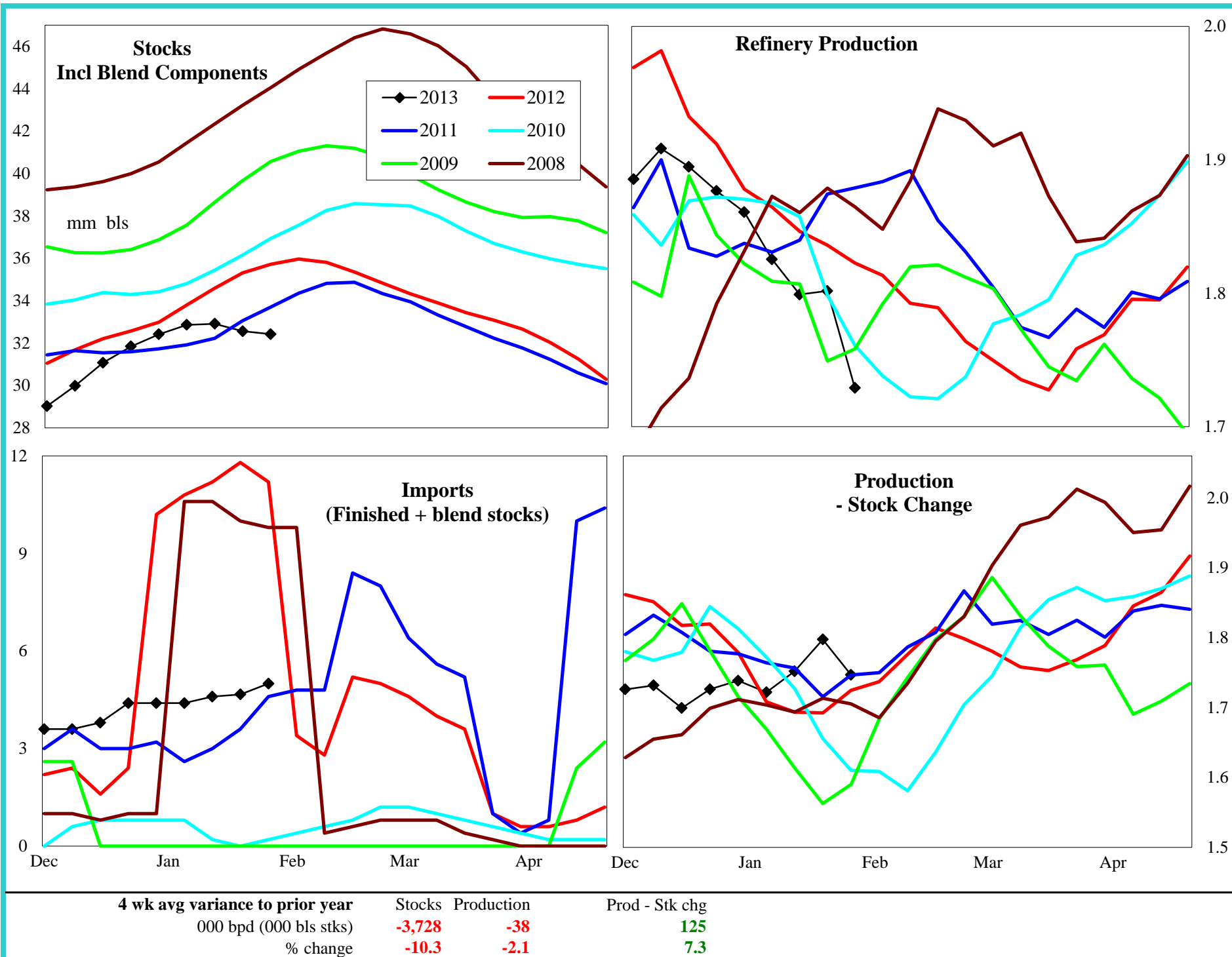
# PADD 2 Gasoline Supply



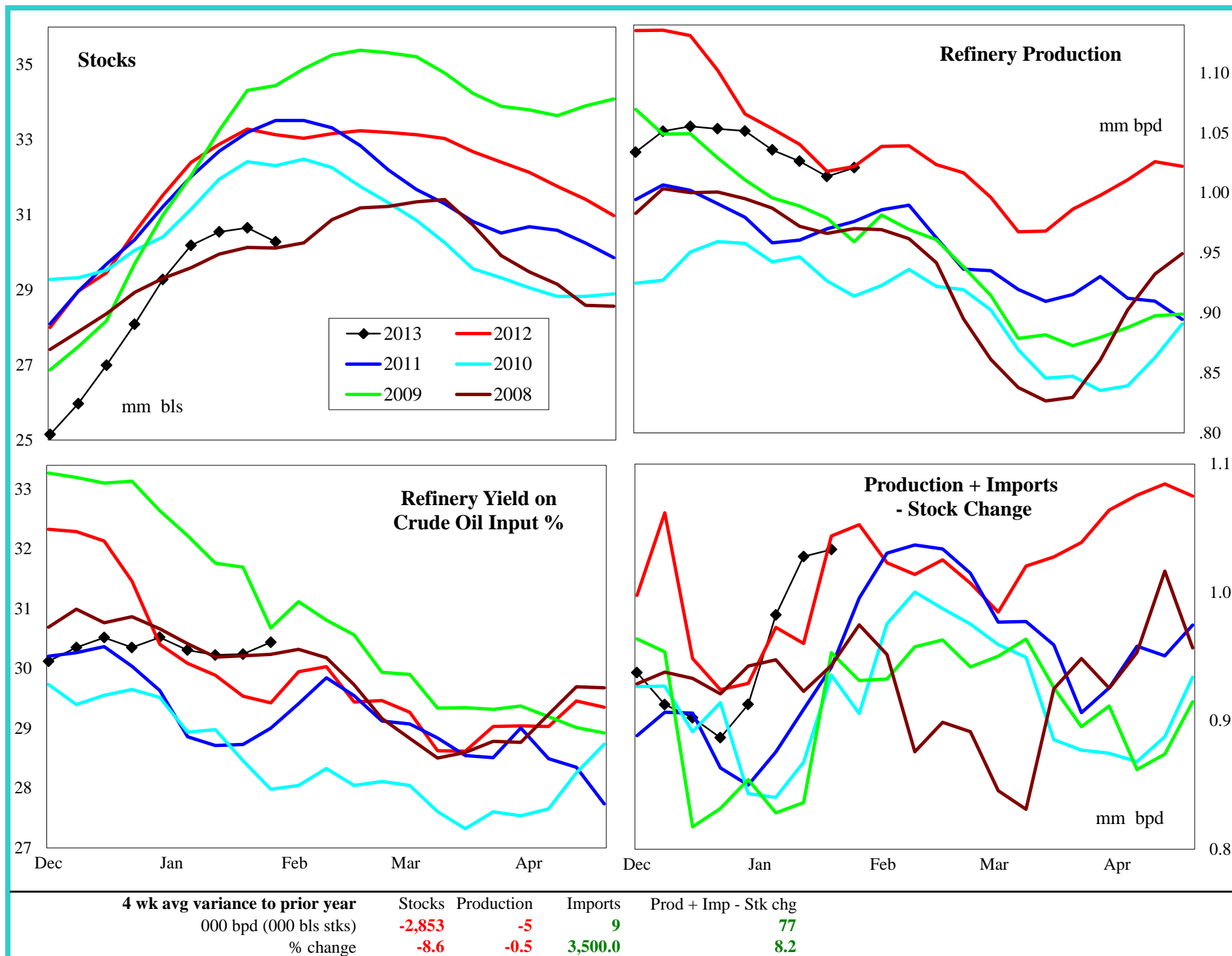
## PADD 2 Reformulated Gasoline Supply



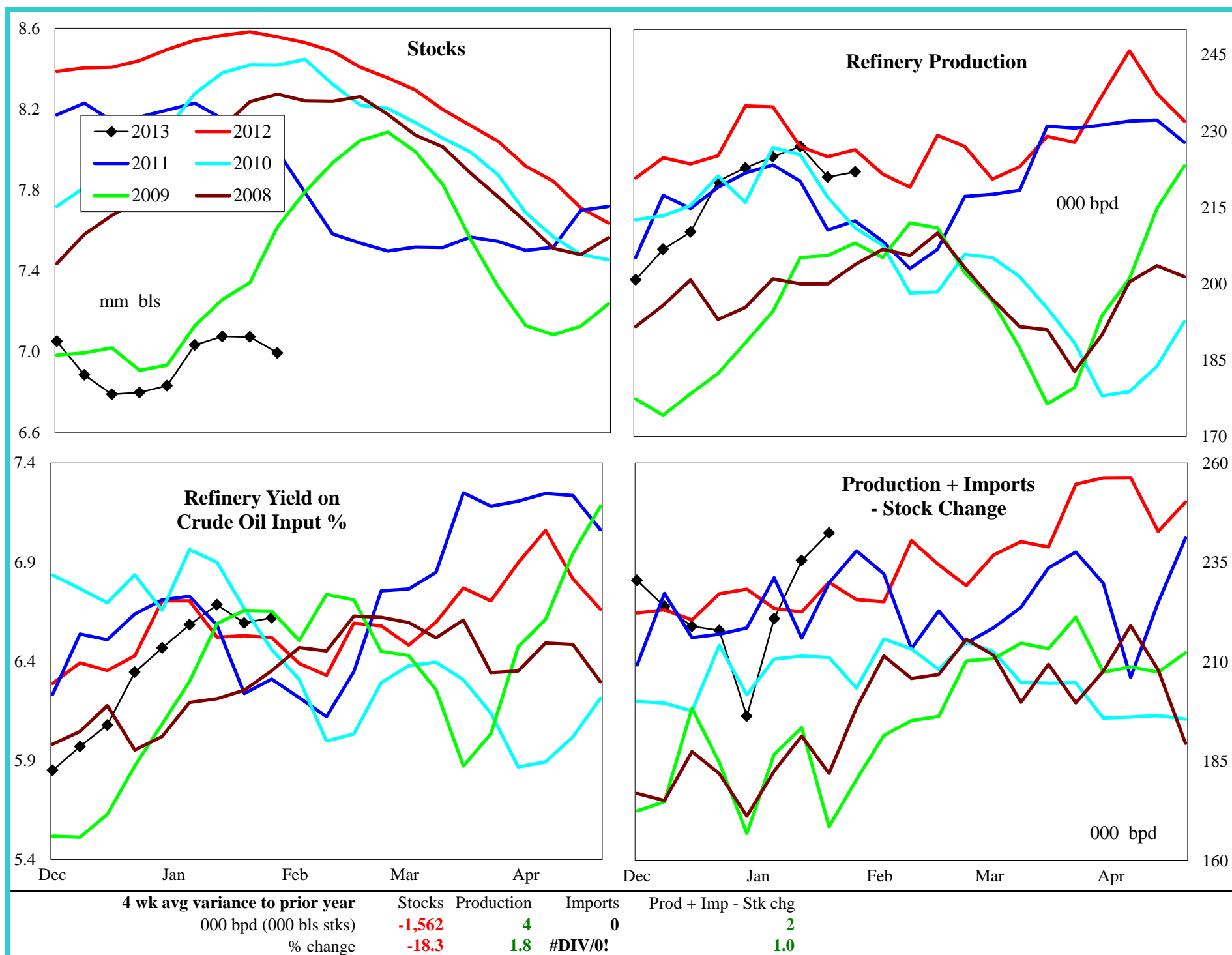
## PADD 2 Conventional Gasoline Supply



# PADD 2 Distillate Supply

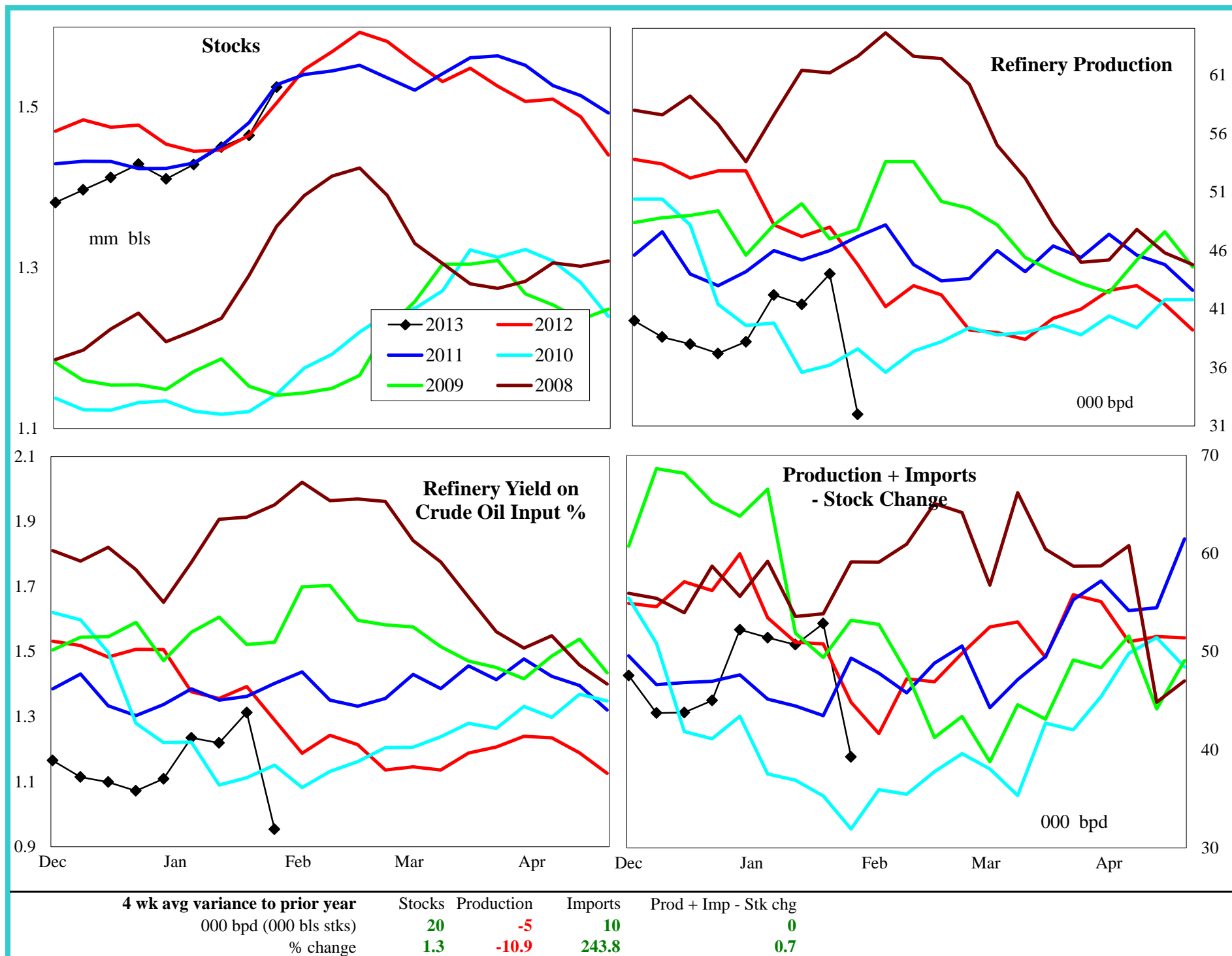


# PADD 2 Jet Fuel Supply

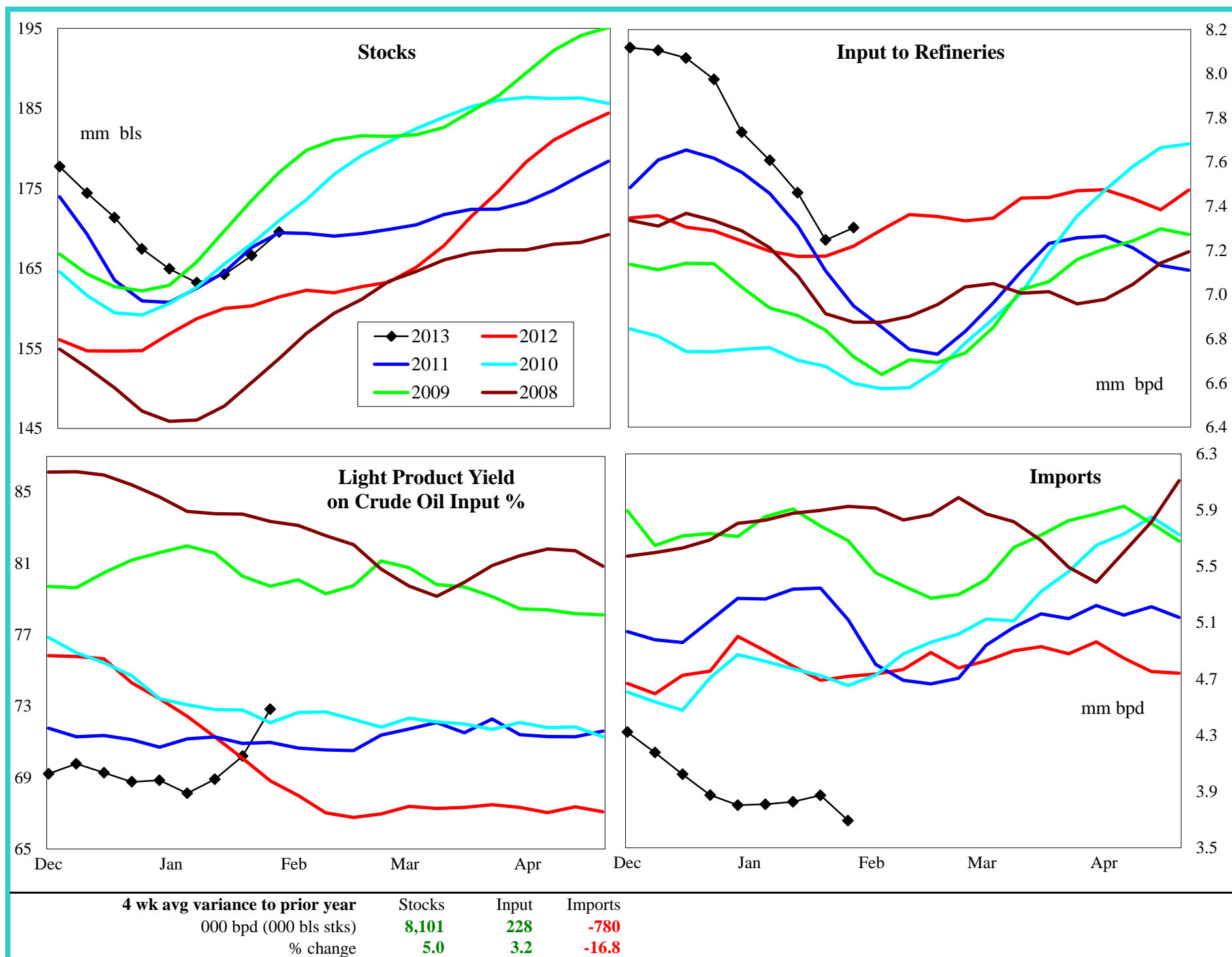




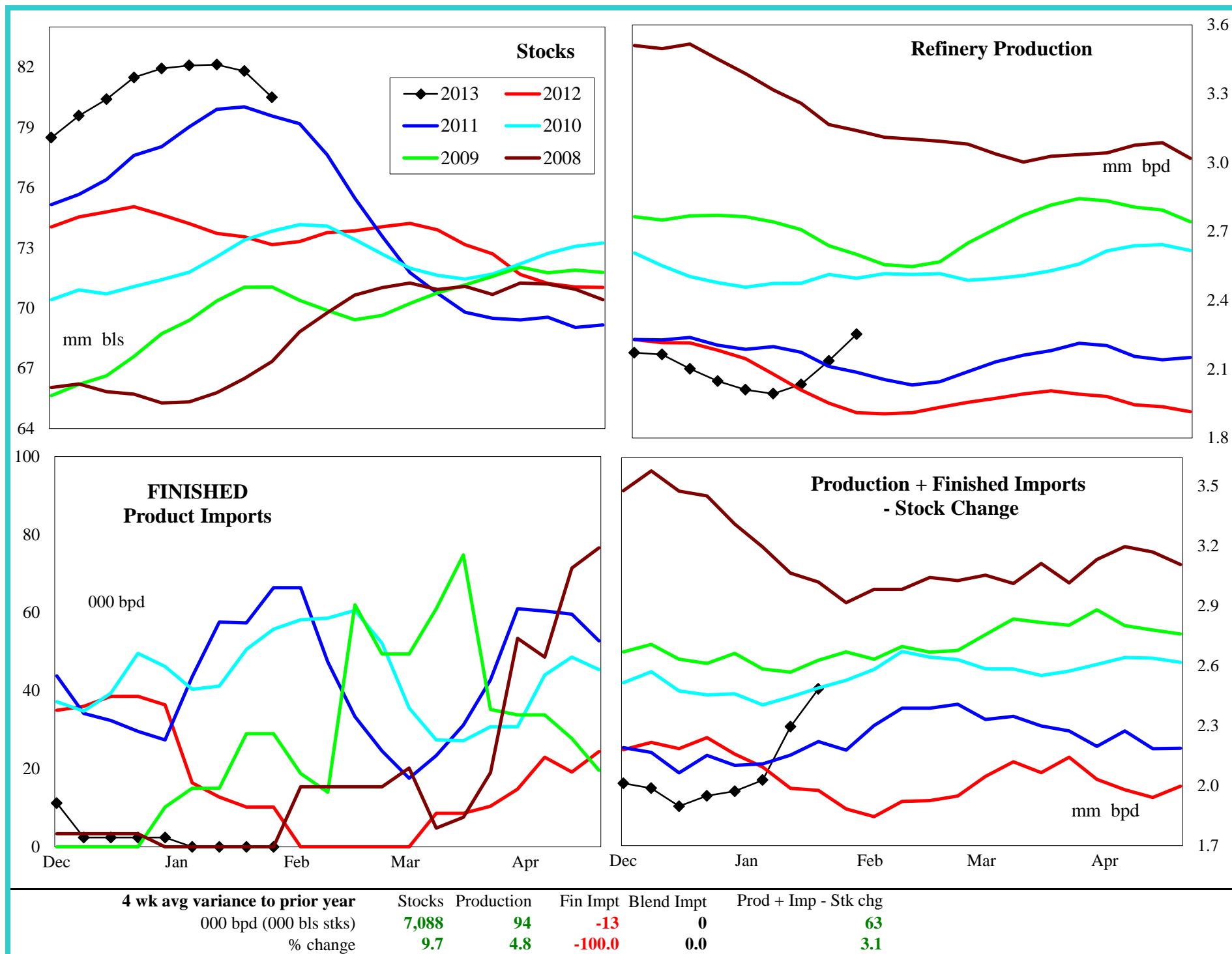
## PADD 2 Residual Fuel Oil Supply



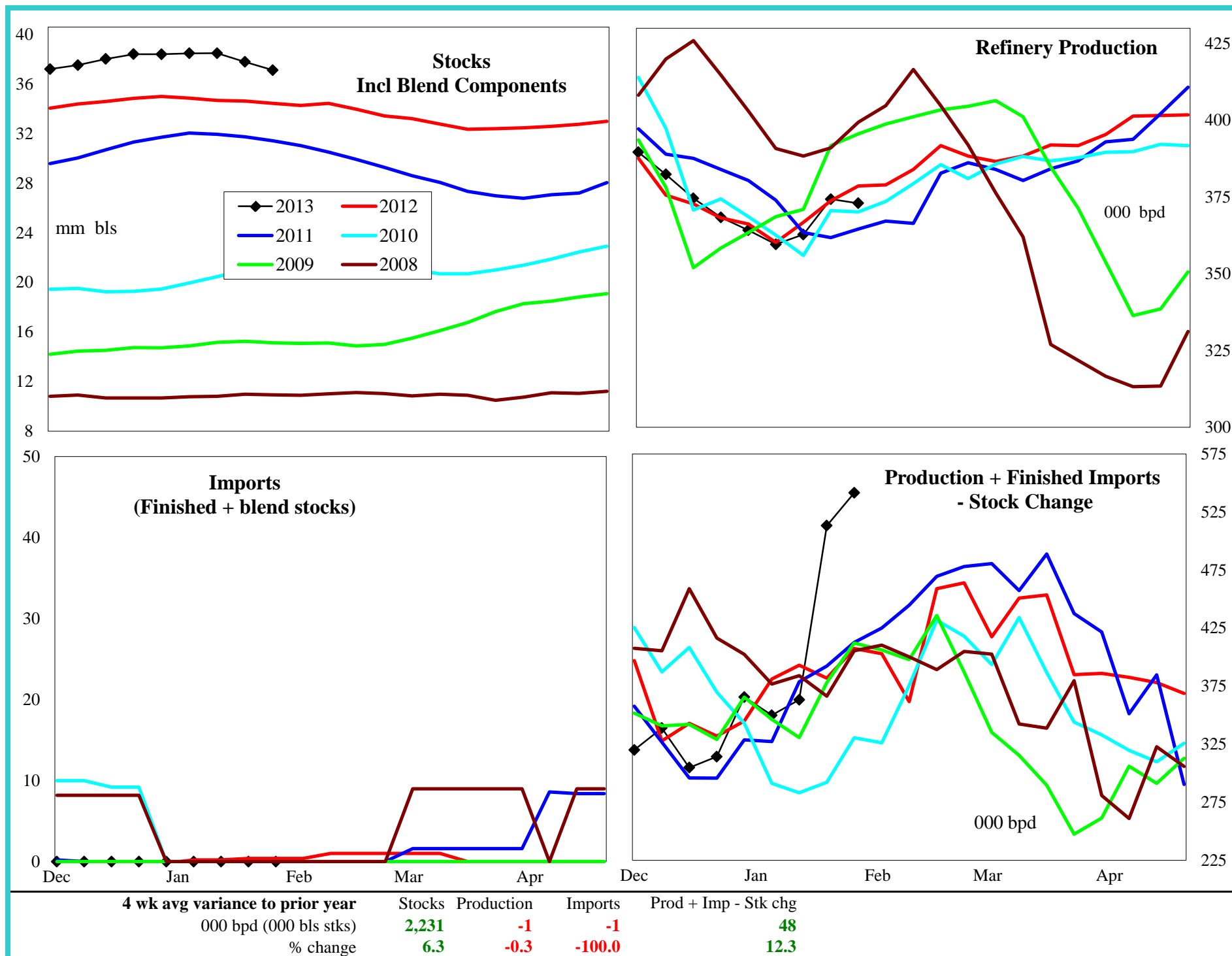
## PADD 3 Crude Oil Supply and Refining



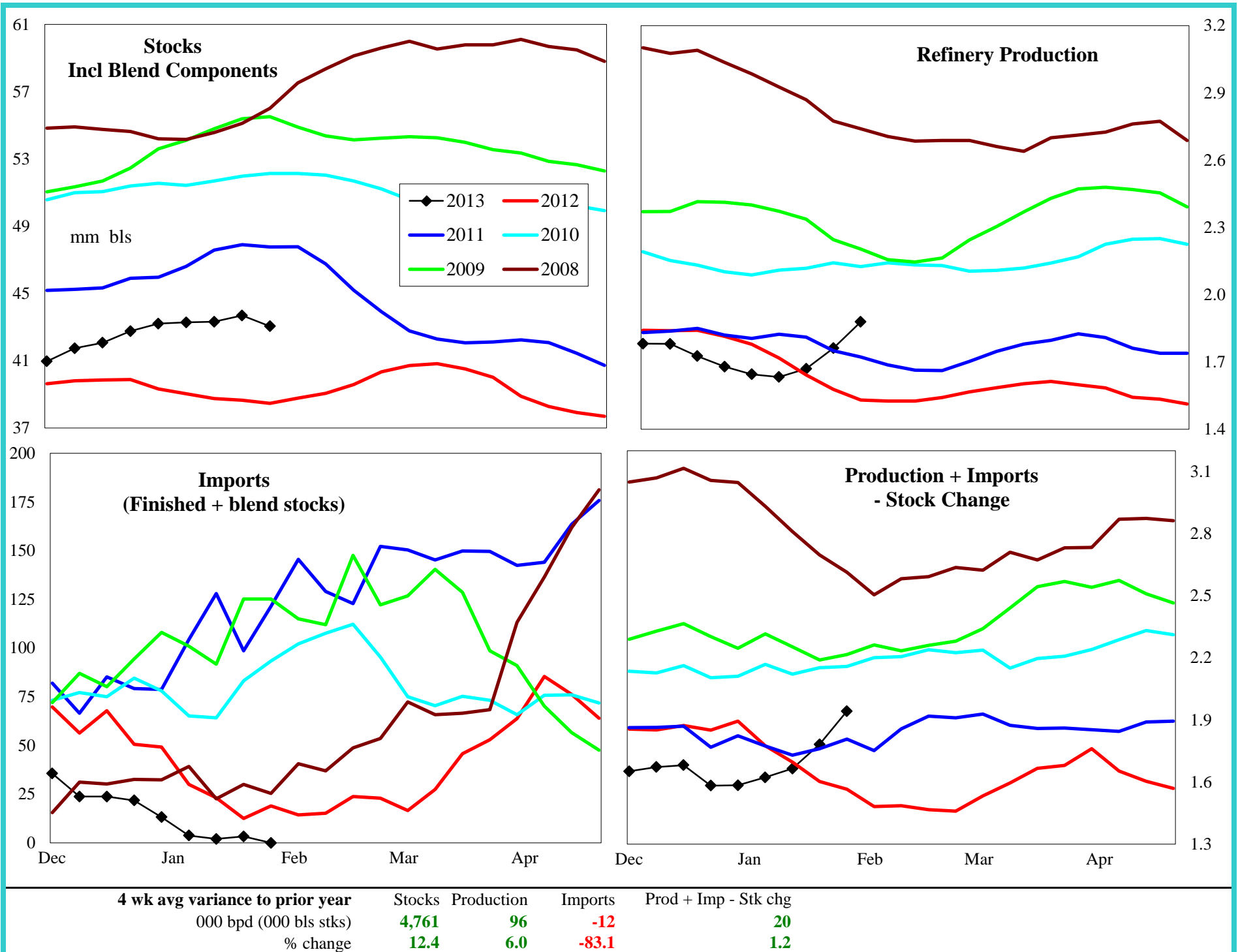
# PADD 3 Gasoline Supply



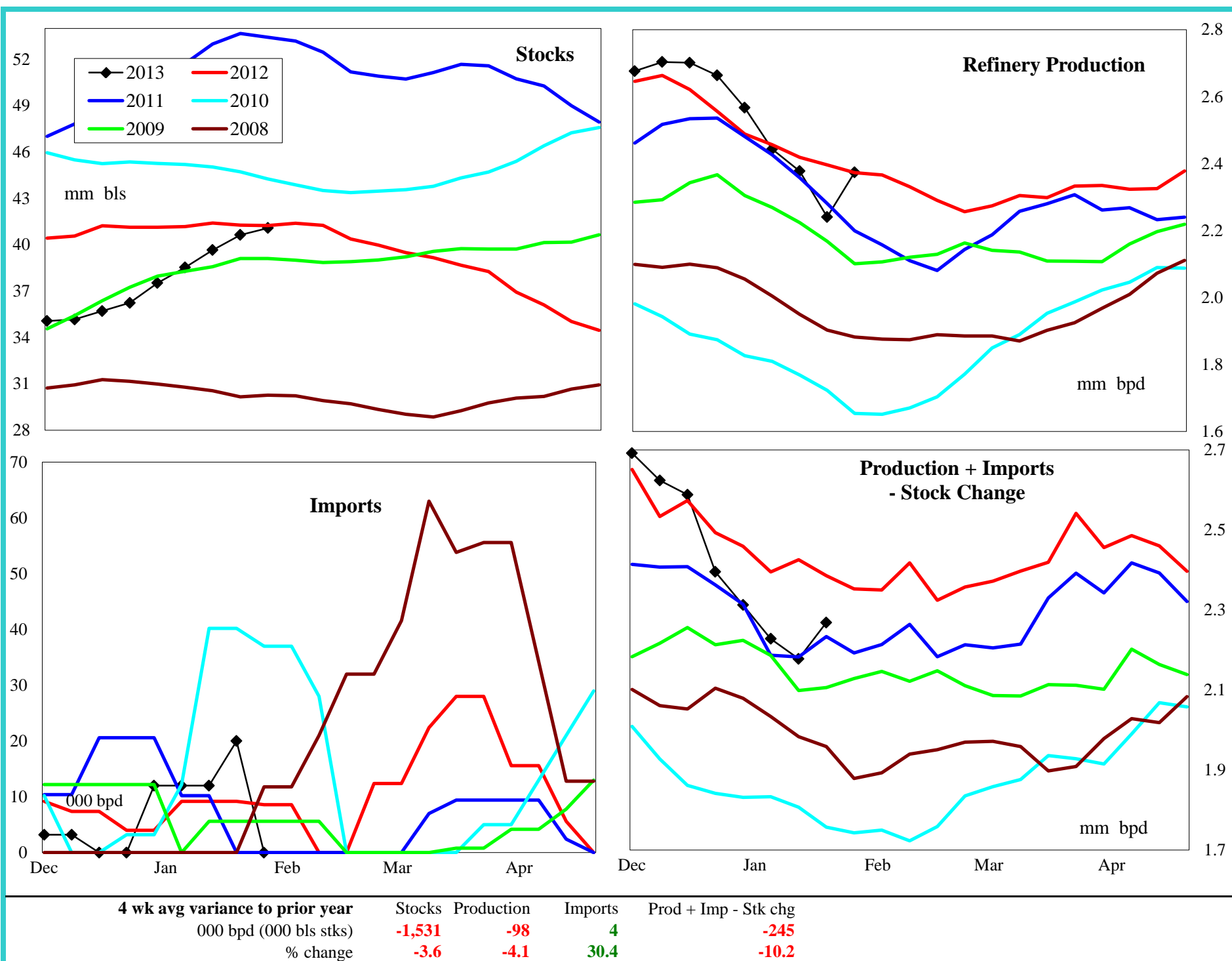
# PADD 3 Reformulated Gasoline Supply



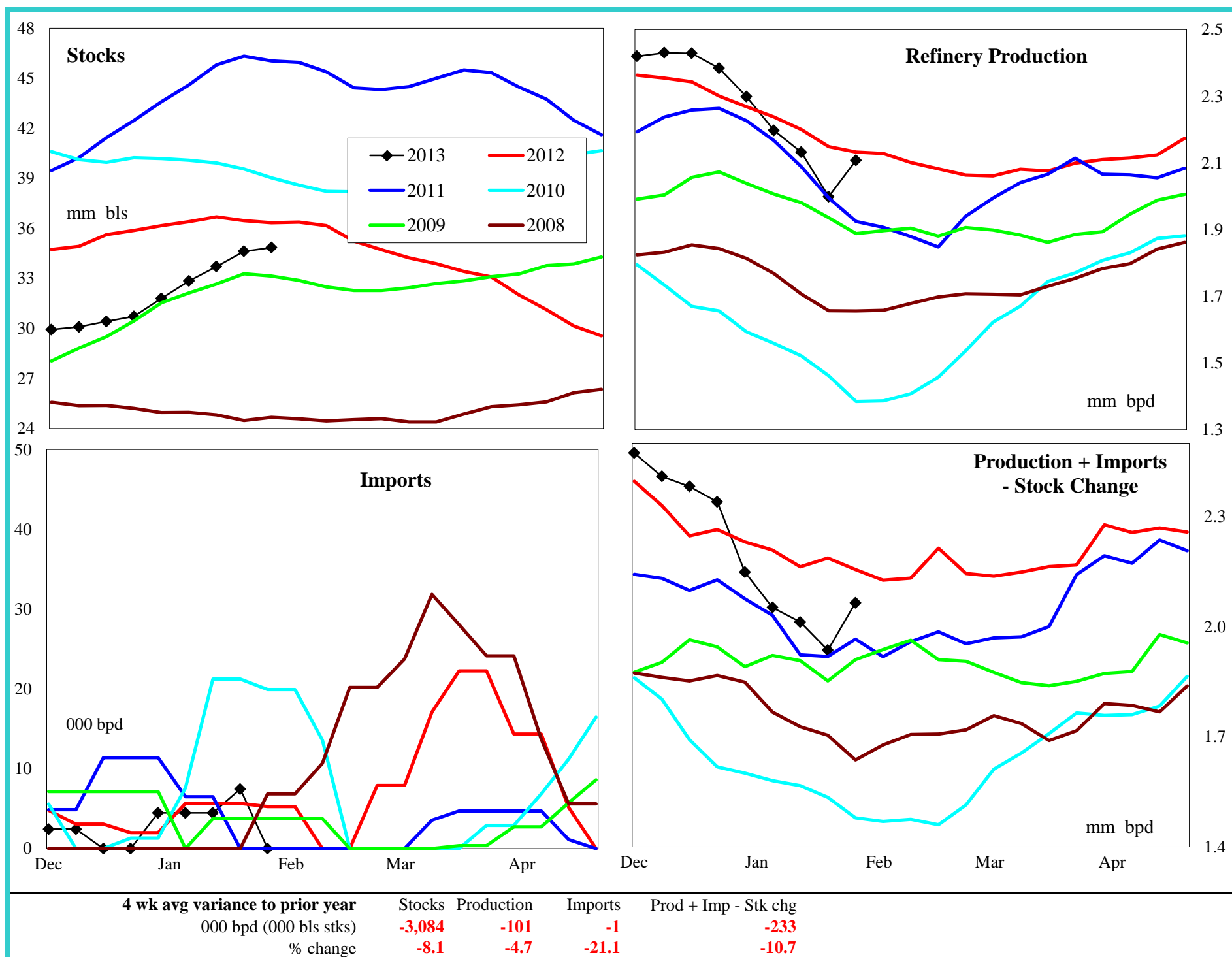
# PADD 3 Conventional Gasoline Supply



# PADD 3 Distillate Supply

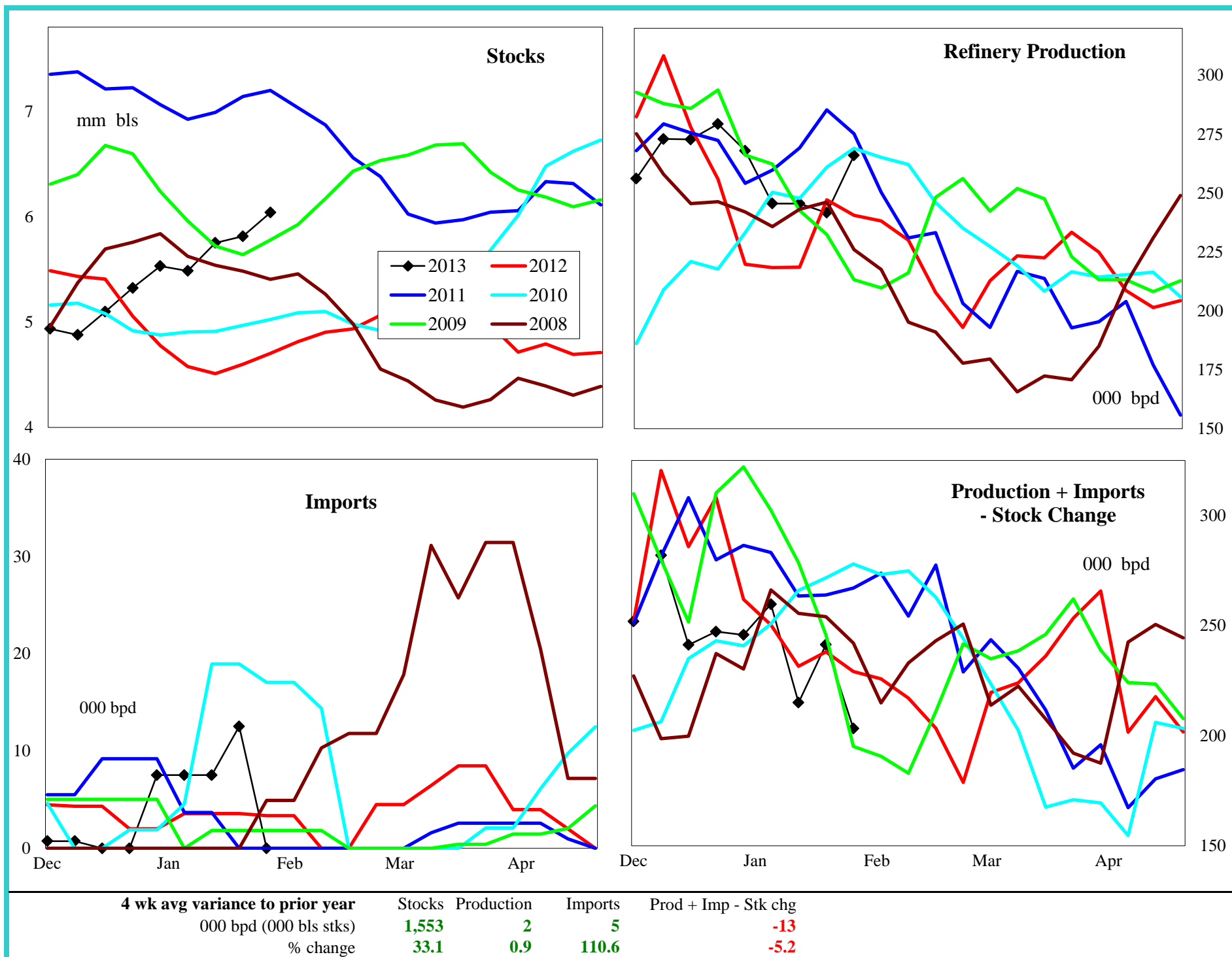


# PADD 3 Low Sulfur Distillate Supply

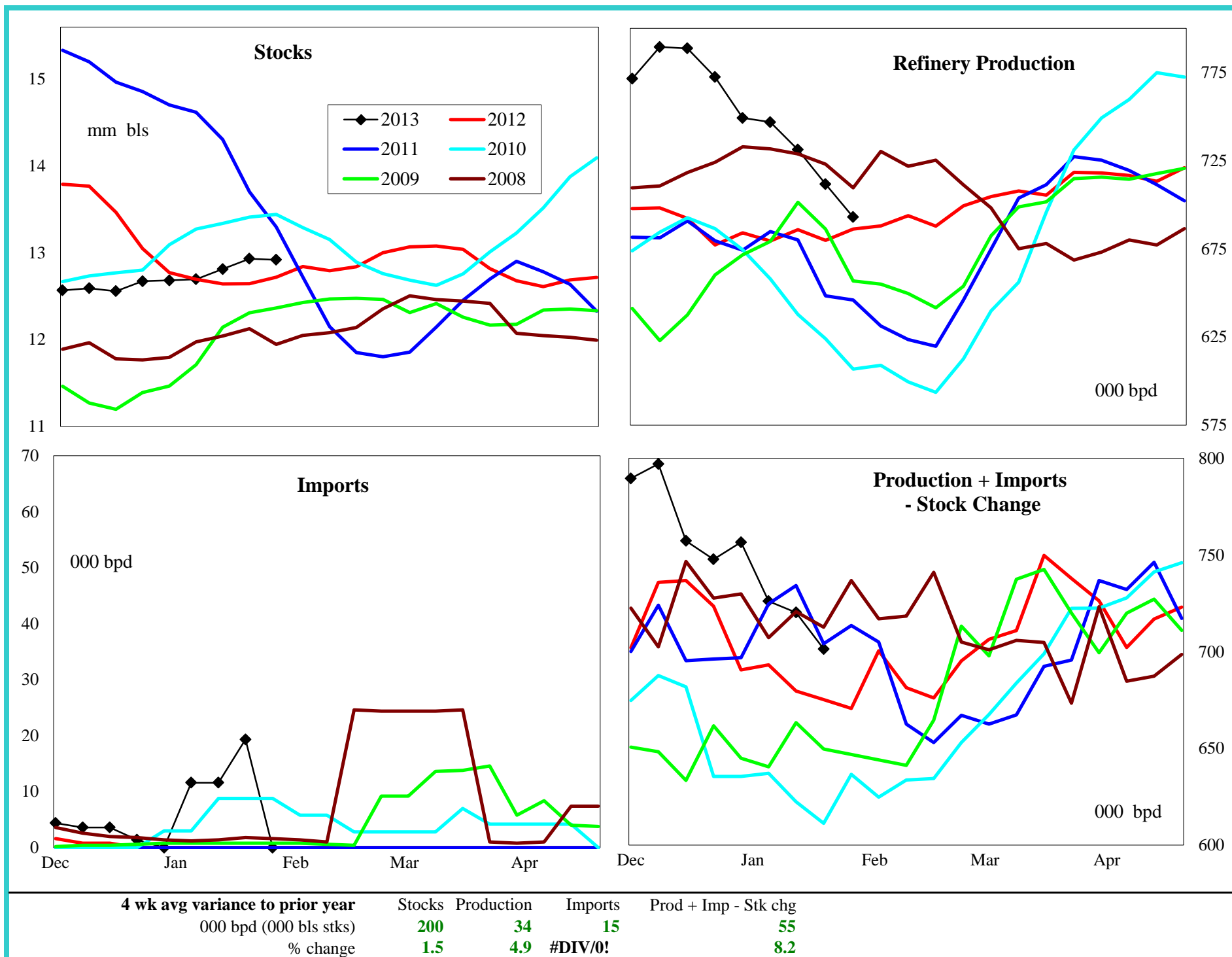




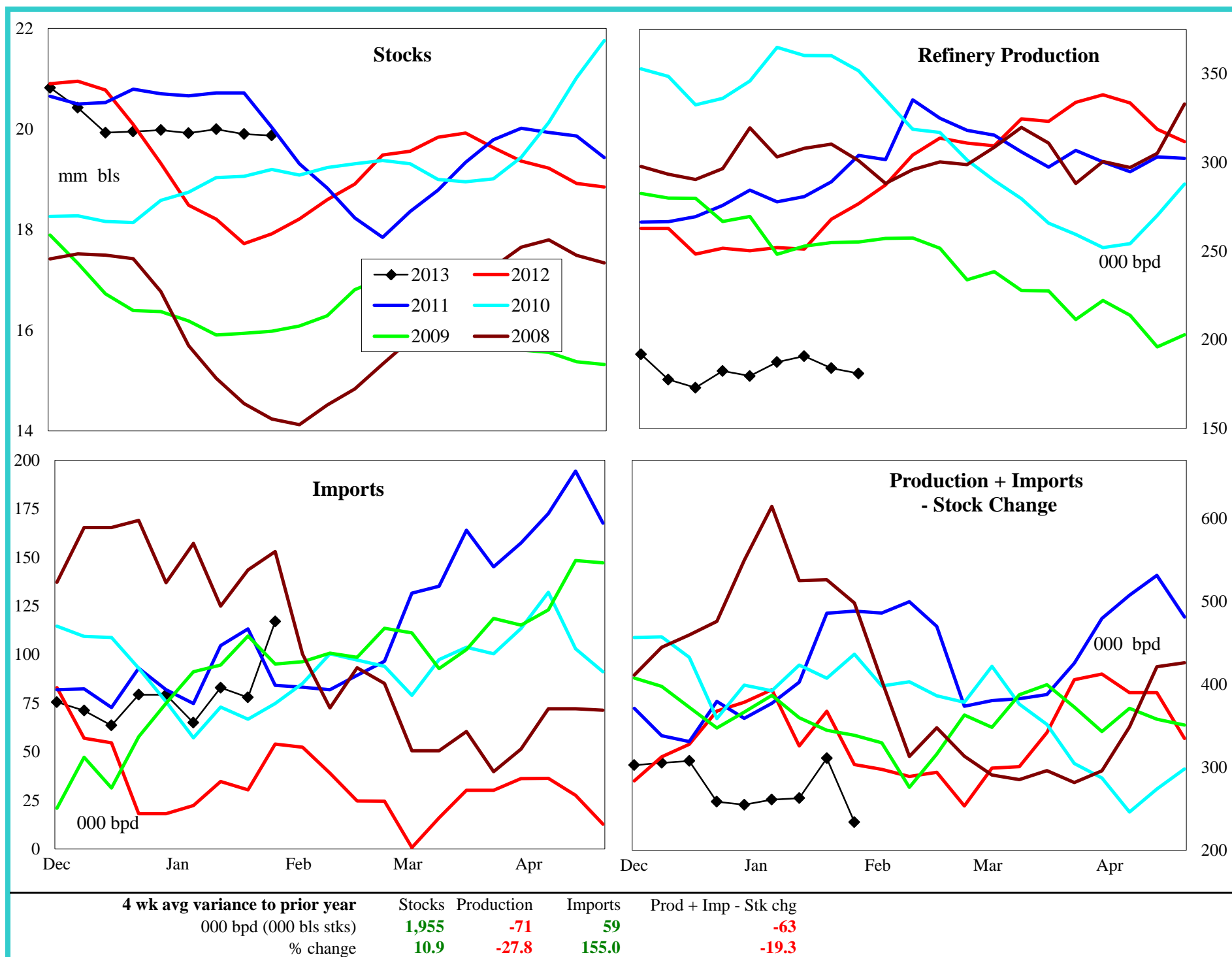
# PADD 3 High Sulfur Distillate Supply



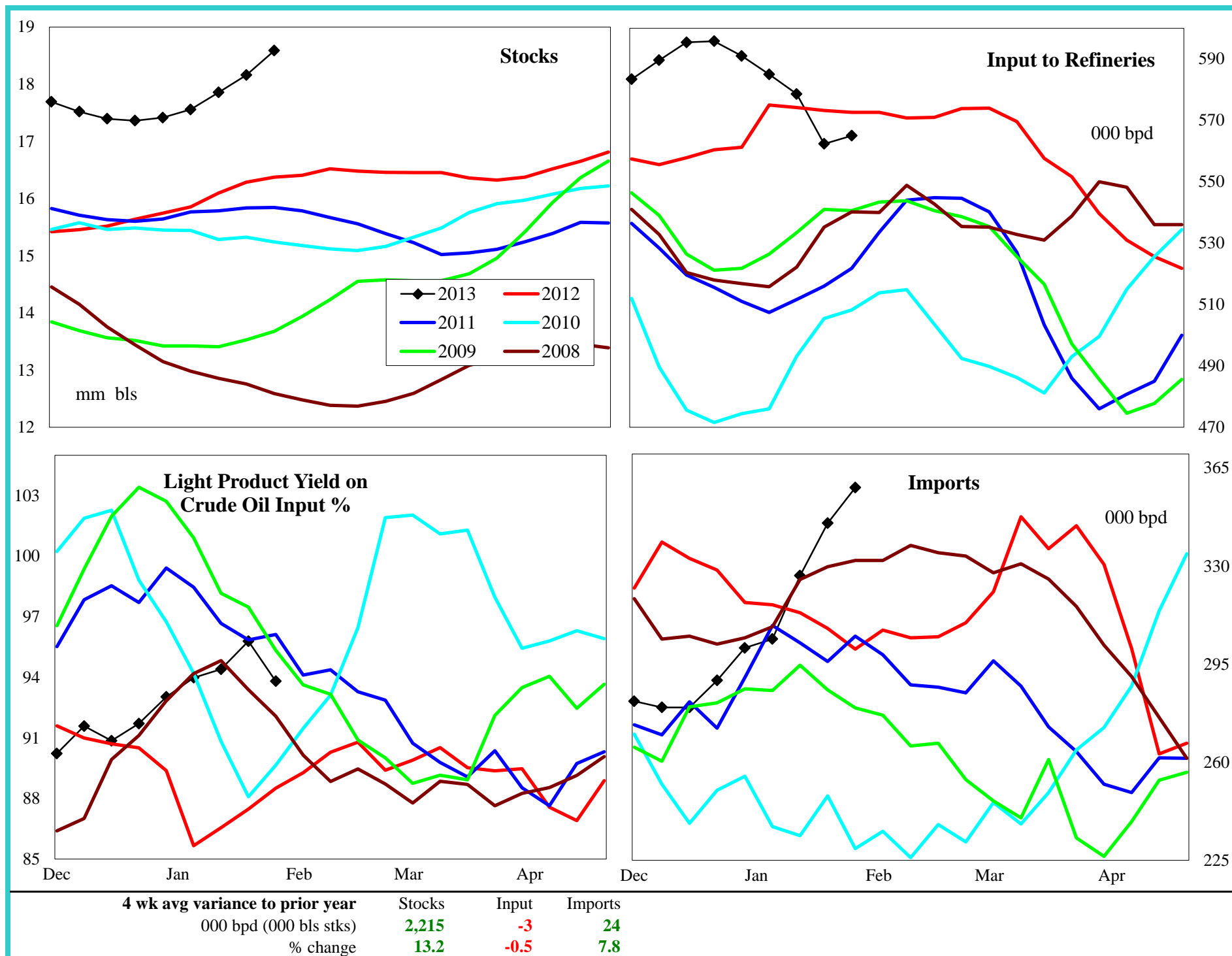
# PADD 3 Jet Fuel Supply



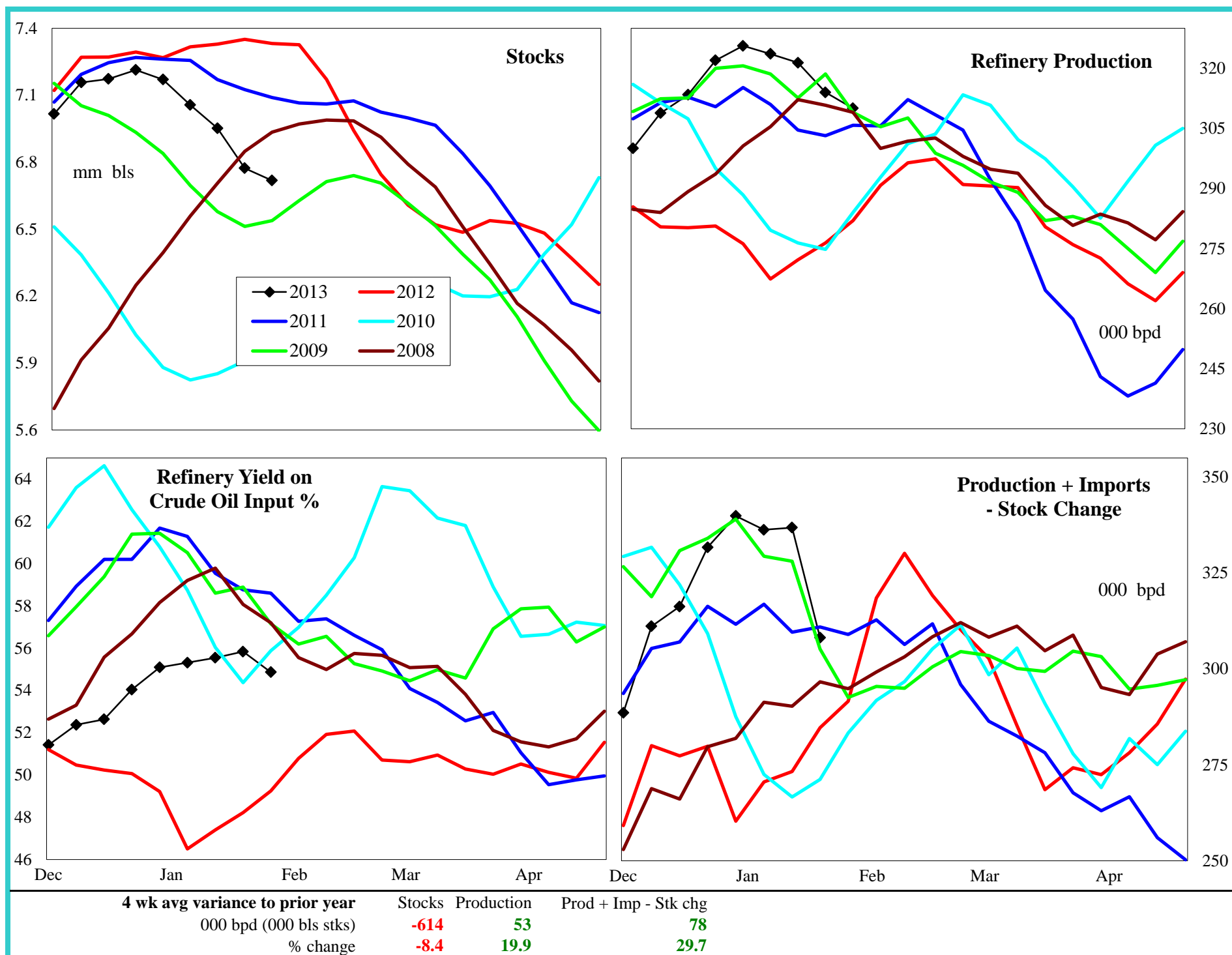
# PADD 3 Residual Fuel Oil Supply



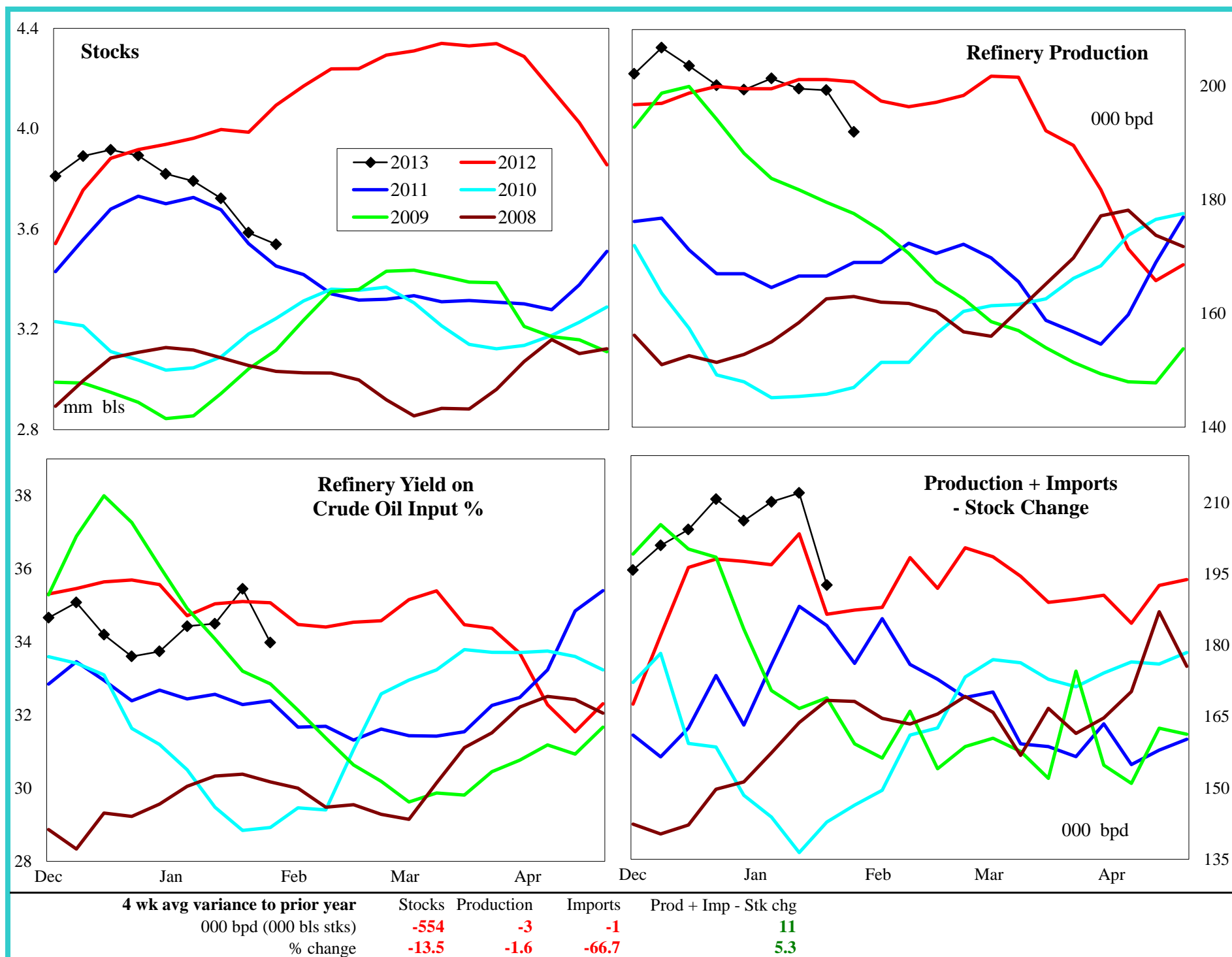
# PADD 4 Crude Oil Supply and Refining



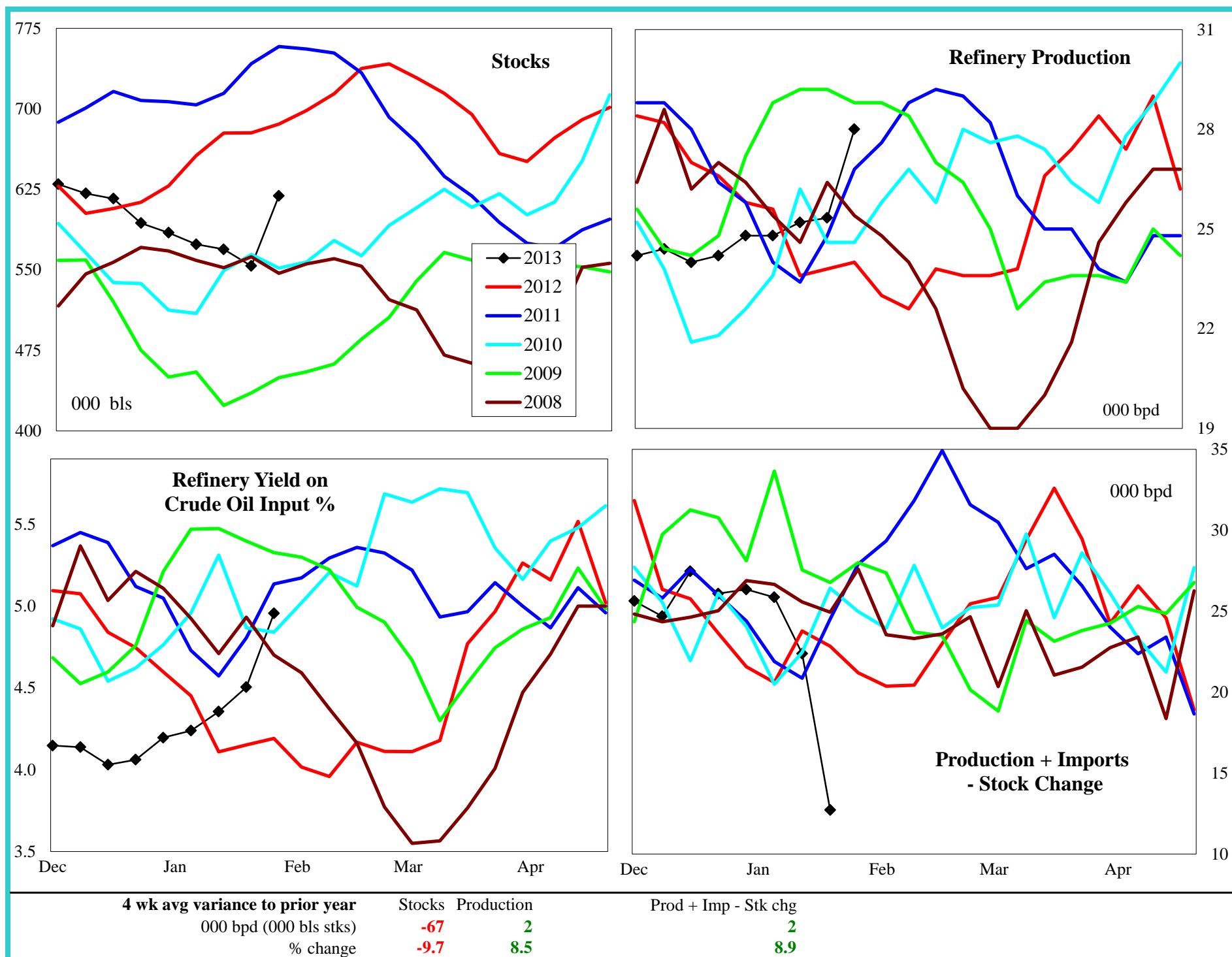
# PADD 4 Gasoline Supply



# PADD 4 Distillate Supply

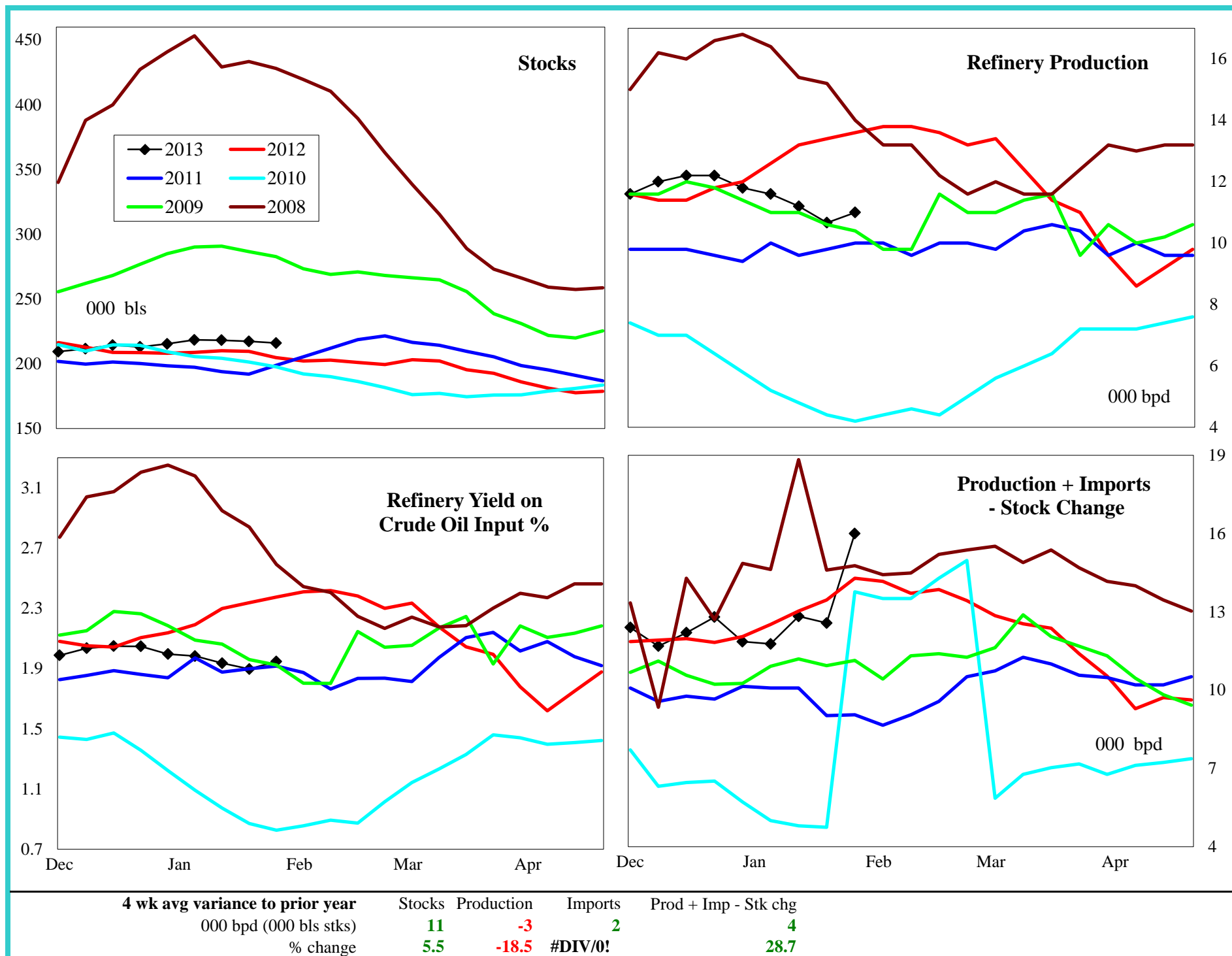


# PADD 4 Jet Fuel Supply

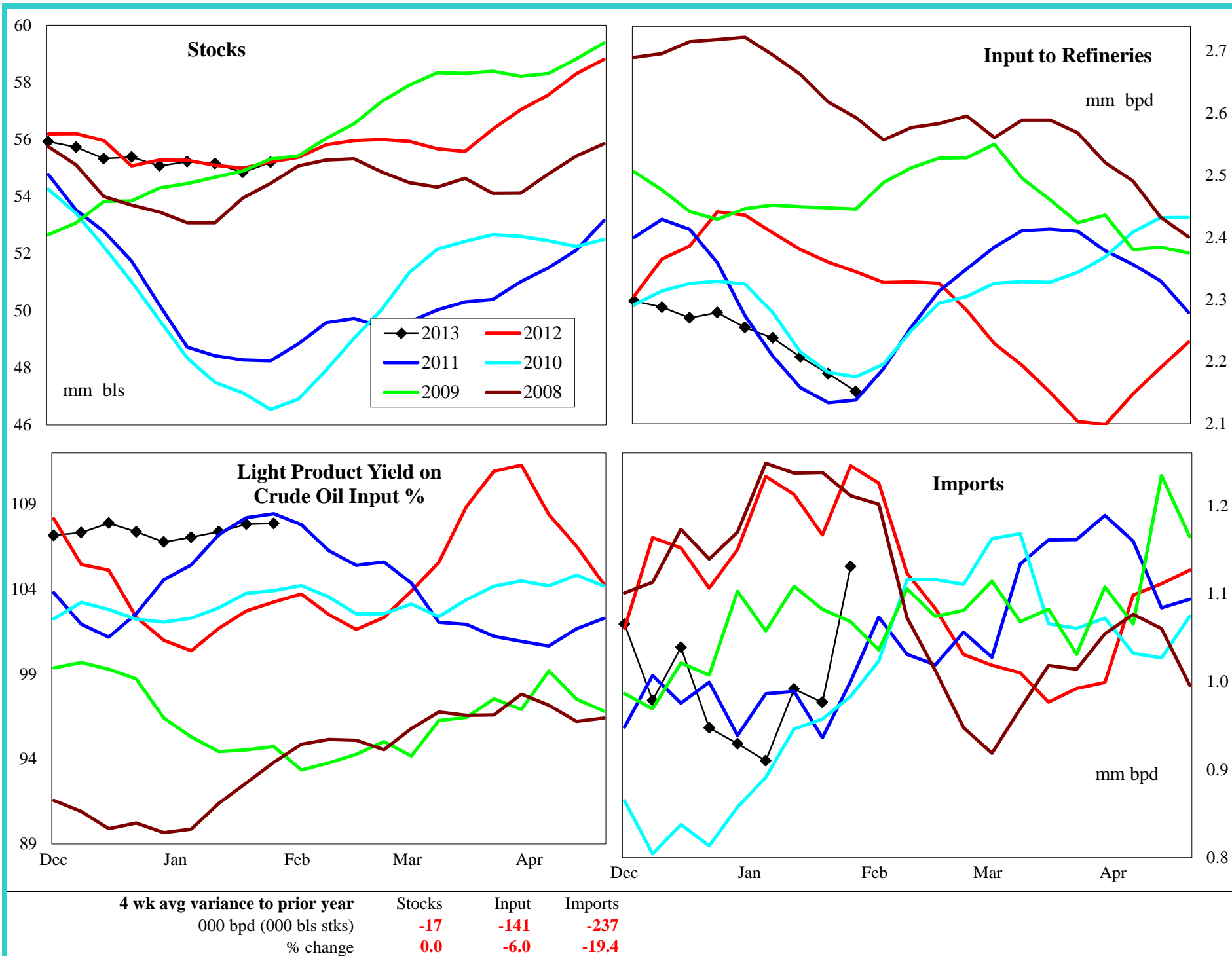




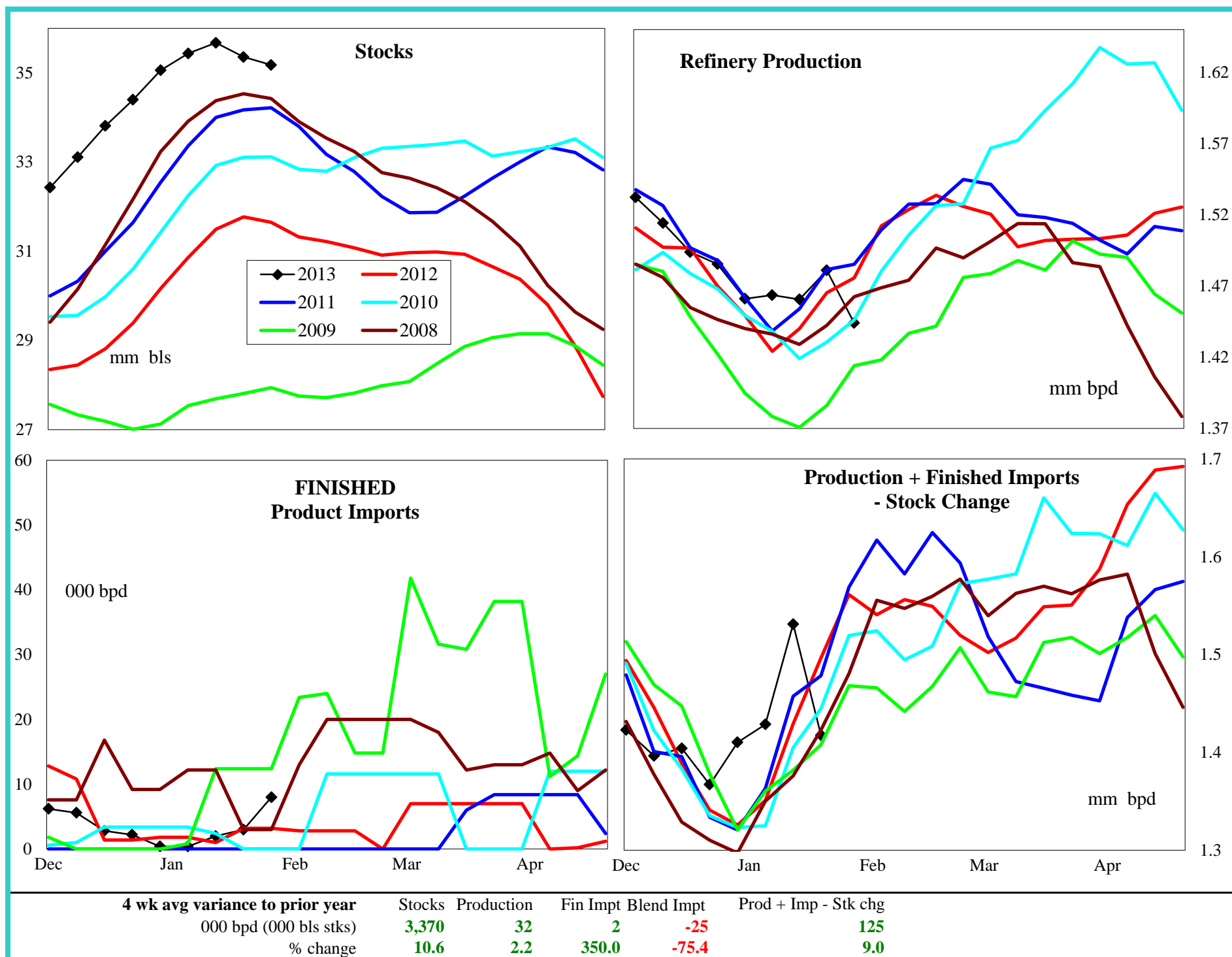
# PADD 4 Residual Fuel Oil Supply



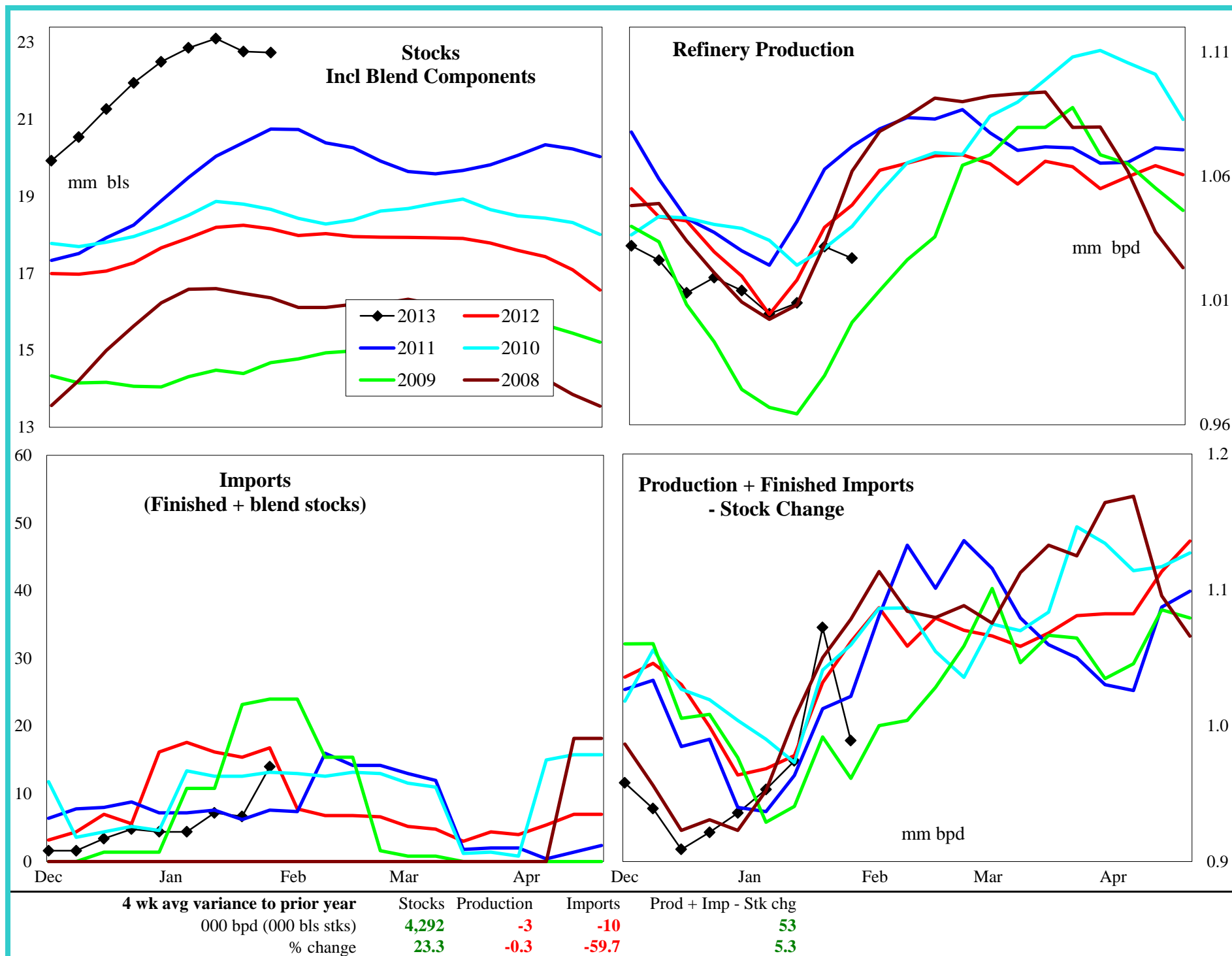
## PADD 5 Crude Oil Supply and Refining



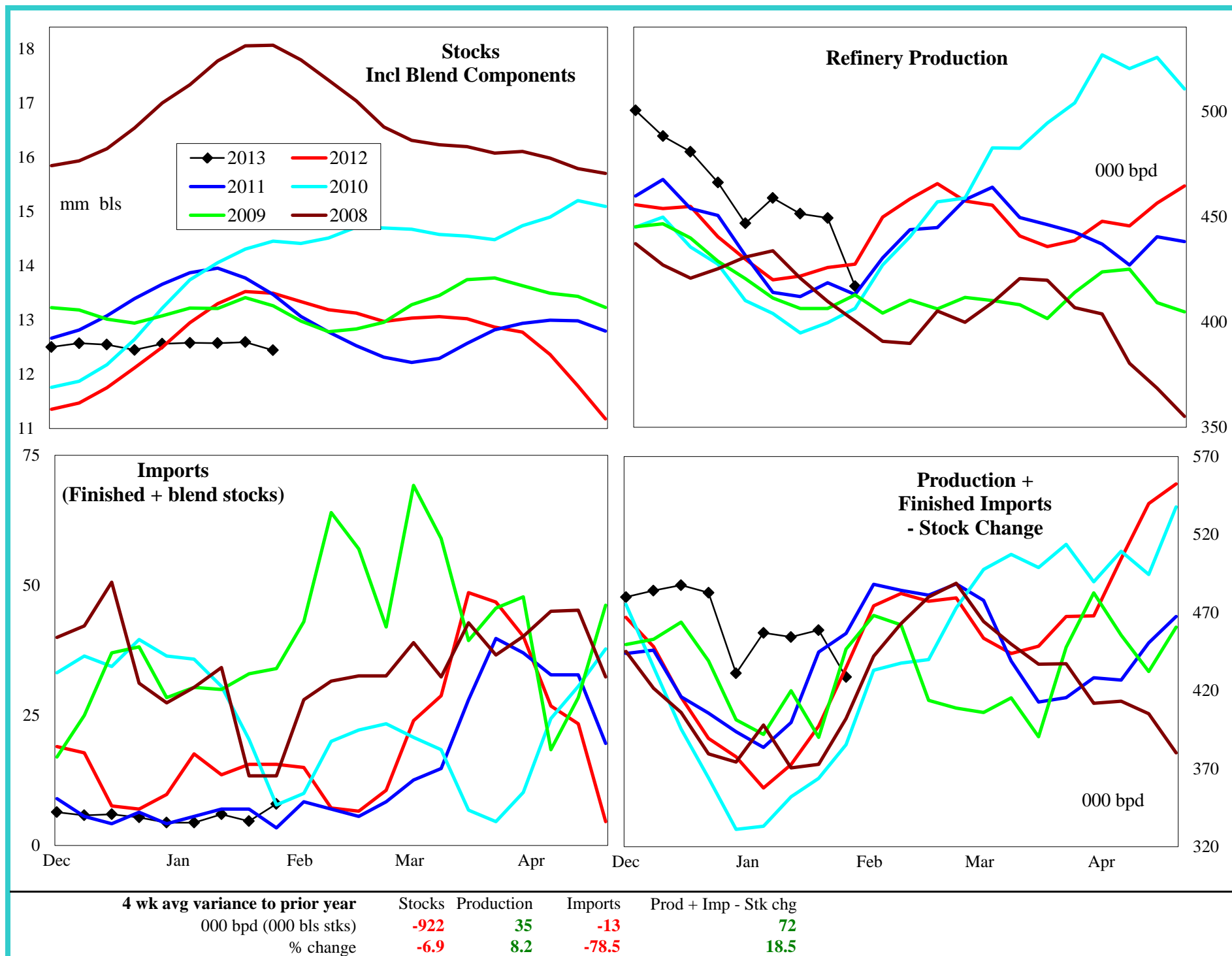
# PADD 5 Gasoline Supply



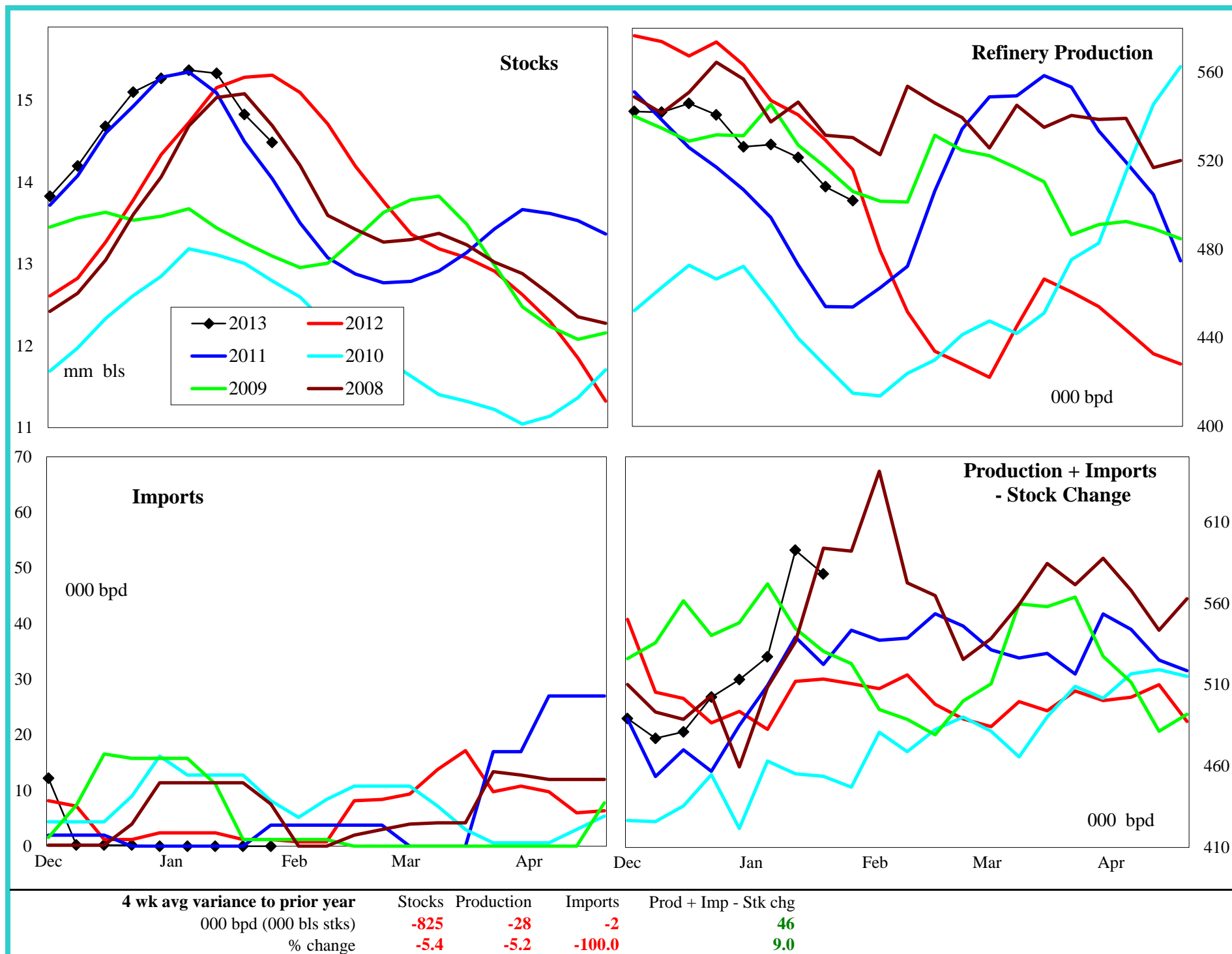
## PADD 5 Reformulated Gasoline Supply



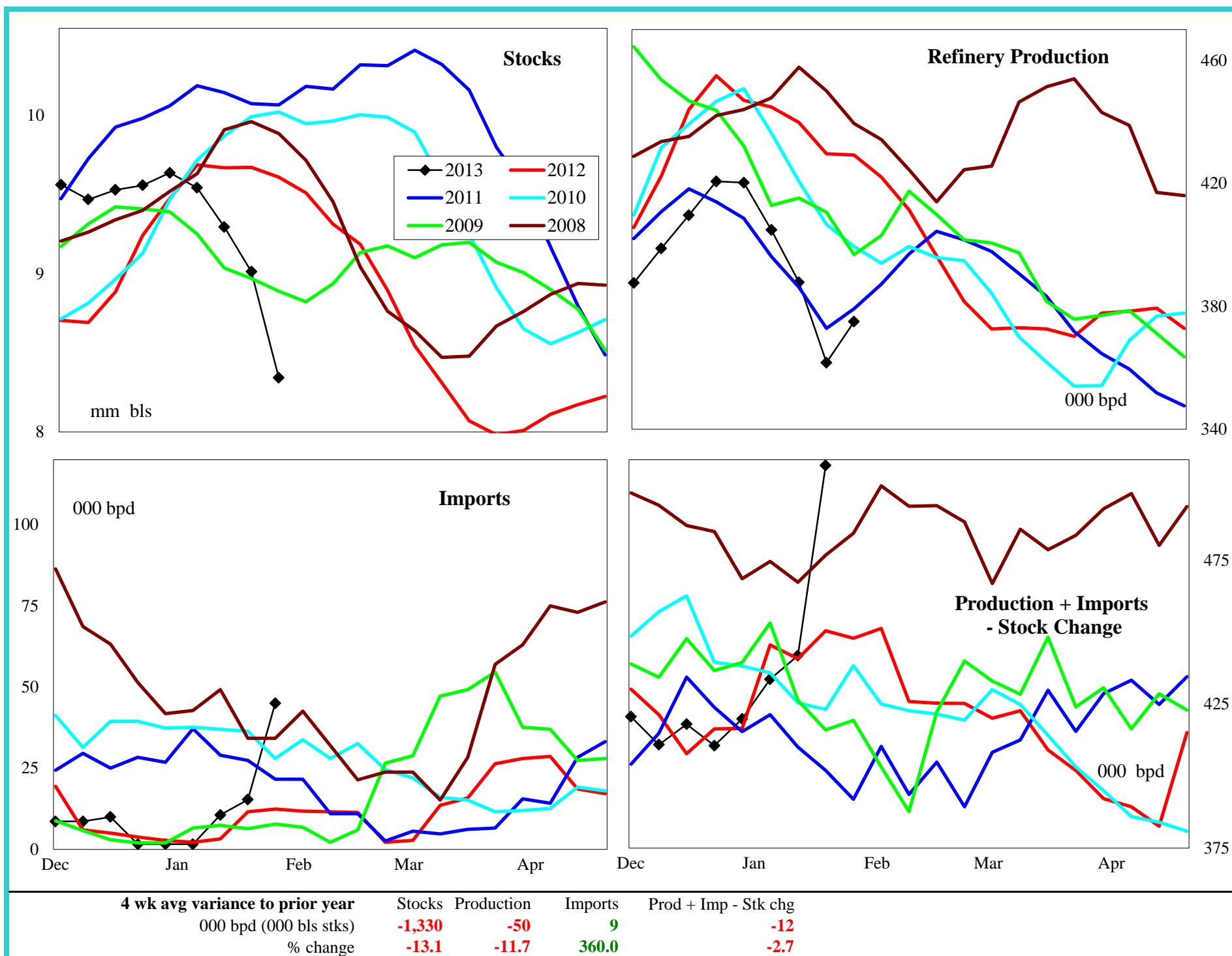
# PADD 5 Conventional Gasoline Supply



# PADD 5 Distillate Supply



# PADD 5 Jet Fuel Supply





# PADD 5 Residual Fuel Oil Supply

