



## WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

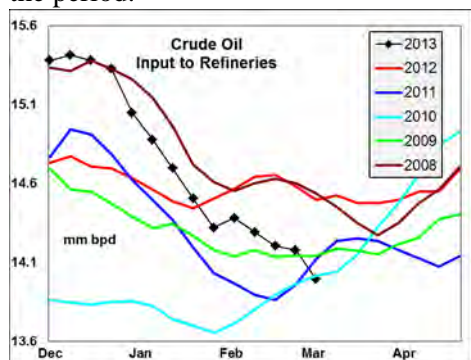
### A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Wednesday, March 13, 2013

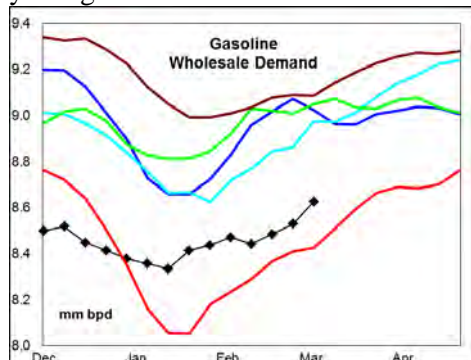


#### Major Fundamental Trends<sup>1</sup>

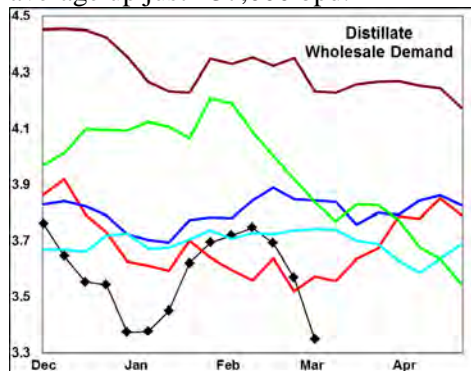
Refiners continued maintenance last week with runs falling to historic lows for the week, with only the Rockies seeing runs above the historic range for the period.



The seasonal uptrend in gasoline continued last week with the 4-wk year on year increase +89,000 bpd above a year ago.

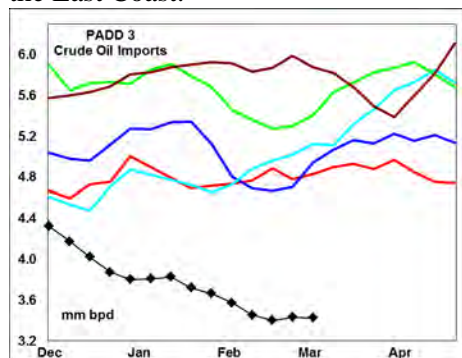


Distillate demand plunged -0.5 million bpd last week. During the Jan-Feb period demand averaged -250,000 bpd below last year, with the latest 4-wk average up just +37,000 bpd.



A recent uptrend in gasoline and distillate imports has contributed to a

slowing in the rate of stock draws on the East Coast.



Crude oil imports into the Gulf region were -1.4 million bpd below a year ago for the most recent 4-wk period as domestic supplies continue to displace imports. Crude oil stocks in the Gulf region have increased at an above average rate during the 6-wks, with the level now comparable to 5-year highs for the period.

Expect further crude oil stock builds over the next 60-days to be a downside risk to crude oil prices.

**Demand** for gasoline increased +0.3 million bpd last week while distillate plunged -0.5 million bpd. Wholesale demand, measured over the last four weeks compared to a year ago: gasoline increased +1.1%; distillate was +1% higher; jet fuel was -3.3% lower, and residual fuel increased +17%.

**Stocks forward coverage:** Gasoline demand coverage decreased on a -3.6 million barrel stock draw. Coverage levels matched the 5-year mid range.

Distillate coverage remains well below the last 3-years, on sharply lower demand for the week.

Jet fuel coverage decreased on a -1.2 million barrel stock draw and higher demand. Coverage levels were near 3-year lows.

Residual fuel oil coverage extended the steep downtrend on a jump in demand and -0.4 million barrel stock draw. The coverage level ended the week above the 3-year mid range.

**Refinery utilization** rates decreased on a -37,000 bpd decline in crude oil throughput. During the latest 4-wk period

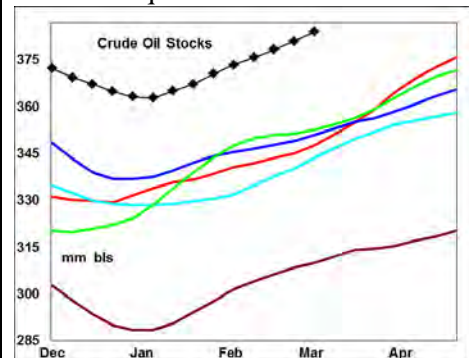
crude oil input was -459,000 bpd below a year ago.

Gasoline yield % on crude oil runs increased on a +348,000 bpd rise in output compared to the -37,000 bpd decrease in crude oil throughput. Yield % on crude oil runs matched historic highs for the week.

Distillate yield % on crude oil runs decreased on a -92,000 bpd decrease in output compared to lower crude oil throughput. The yield % on crude oil runs remains above the historic range for the period.

Jet fuel yield % on crude oil runs decreased on a -33,000 bpd decline in output, compared to the lower crude oil runs. The yield % level matched the historic mid range.

**Petroleum Imports** of refined fuels and crude oil increased a combined +0.5 million bpd last week, with each fuel higher. During the latest 4-wk period crude oil imports were -1.3 million bpd below last year; distillate imports increased +41,000 bpd; finished gasoline imports decreased -43,000 bpd, gasoline blend stock imports increased +8,000 bpd; jet fuel imports increased +15,000 bpd, while residual fuel oil imports were -5,000 bpd lower. **Crude Oil** stocks increased +2.6 million barrels last week, concentrated in the Gulf Region. Imports increased +227,000 bpd on the week, while refinery runs were down -37,000 bpd. U.S. stocks ended the week +10.5% above last year and a record high for the winter quarter.



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



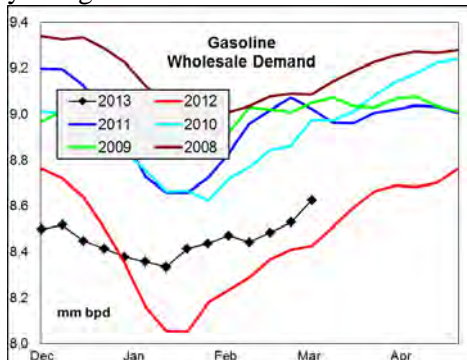
## WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

### A Fundamental Petroleum Trends Weekly Report

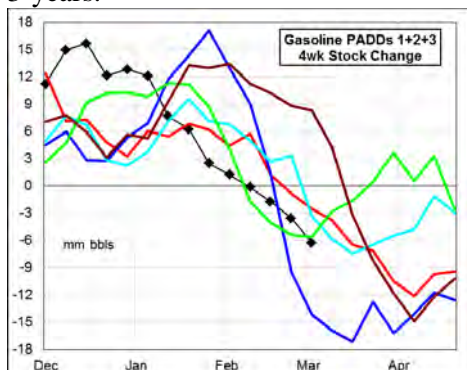
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#### Product Supply-Demand Trends

**Gasoline** wholesale demand climbed +263,000 bpd on the week, at a level above last years' lows. The latest 4-wk average demand was +89,000 bpd above a year ago. Supply reversed last week's decline, rising +0.5 million bpd on the week. Supply for the latest 4-wk period was +75,000 bpd above a year ago.



Stocks decreased -3.6 million barrels last week, to a level below the last 3-years. The latest 4-wk draw of -6.3 million barrels exceeded two of the last 3-years.

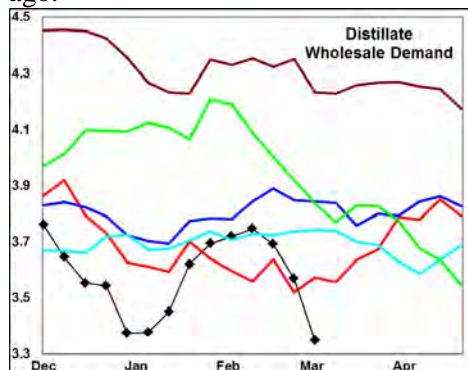


Year-on-year growth in demand and the seasonal uptrend has offset the increase in supply, leading to above average stock draws in markets East of the Rockies. Imports have also increased from record lows in January by +250,000 bpd, lifting stock levels by nearly +1 million barrels in New England.

*Year on year demand growth and spring refinery maintenance should lead to above average stock draws during the next 60-days – pointing to a tightening of the supply balance.*

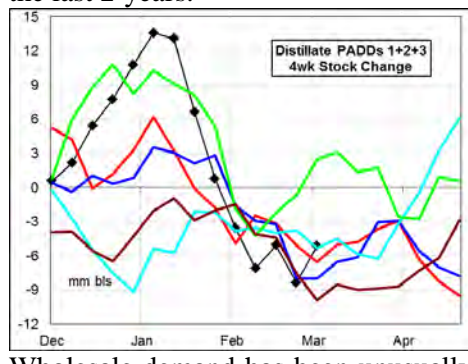
**Distillate** demand plunged -0.5 million

bpd last week, to a level below the 5-year range. The latest 4-wk average demand was +35,000 bpd above a year ago.



Supply increased +50,000 bpd last week, on higher imports. The latest 4-wk average supply was +99,000 bpd above last year. Stocks were unchanged last week, driven by a collapse in demand that offset lower supply.

The latest 4-wk stock change in markets East of the Rockies was a -5.3 million barrel draw, a draw less than the last 2-years.



Wholesale demand has been unusually volatile during the 1<sup>st</sup> quarter, with an average year-on-year decrease of -250,000 bpd for Jan-Feb; and a +1% increase during the latest 4-wk period.

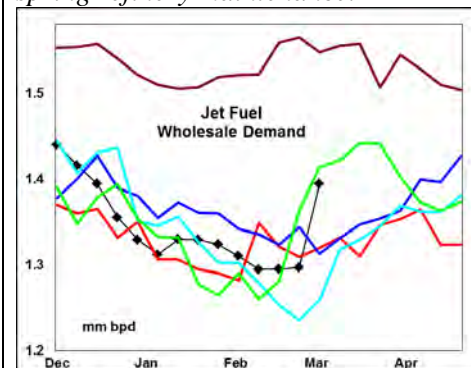
Look for a modest rebound in demand and peak refinery maintenance driving further stock draws over the next 30-days. *Stock levels remain near 5-year lows.*

**Jet Fuel** demand rebounded from recent lows, rising +146,000 bpd on the week, a level above the last 3-years. The latest 4-wk average demand was -45,000 bpd below a year ago.

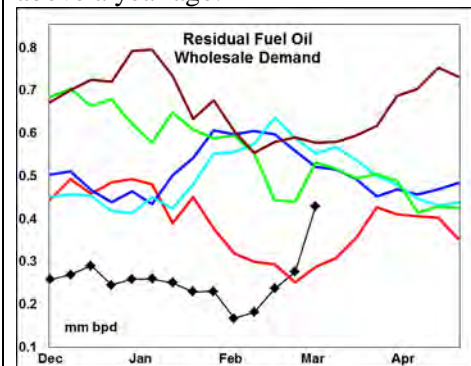
Supplies decreased -22,000 bpd on

the week, due to lower production. Supply for the latest 4-wk period was +33,000 bpd above a year ago. Stocks fell -1.2 million barrels on the week, to a record low level for the week.

*Stock levels are particularly low in all major regional markets, with only the Rockies seeing record high stocks. Look for the supply balance to remain tight during the next 2-months on higher seasonal demand and ongoing spring refinery maintenance.*



**Residual fuel oil** demand increased +172,000 bpd last week. Demand for the latest 4-wk period was +43,000 bpd above a year ago.



Supply (production + imports) increased +54,000 bpd last week, on higher imports. The latest 4-wk average supply was -44,000 bpd below last year on lower production. Stocks decreased -0.4 million barrels on the week, to a level +11% above last years' record lows.

*Stock levels in PADDs 2 & 3 each ended the week above the 5-year range, with the Midwest at all-time highs. Stock levels on the East Coast matched last years' record lows.*



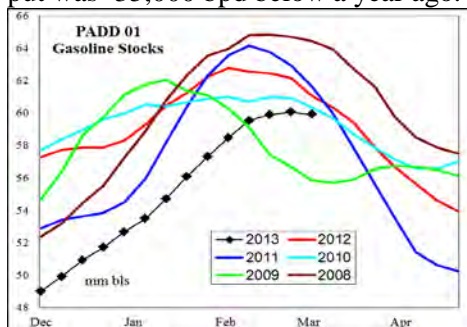
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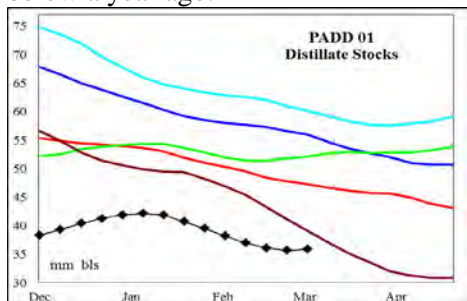
#### PADD Supply Trends

**PADD 1** refinery crude oil runs increased +10,000 bpd last week, a level which matched last years' lows. The latest 4-wk average crude oil thru put was -35,000 bpd below a year ago.

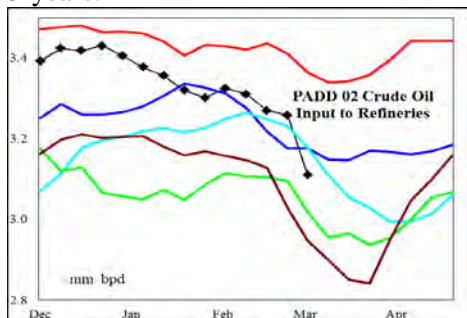


Gasoline supply increased +36,000 bpd on higher imports last week. Stocks decreased -0.5 million barrels, to a level below each of the last 3-years.

Distillate supply jumped +134,000 bpd on the week due to higher imports. Stocks increased +0.8 million barrels on the week, with the level -22% below a year ago.



Jet fuel stocks fell -0.8 million barrels for the week, to a level below the last 3-years.



**PADD 2** crude oil refinery runs fell -120,000 bpd last week, to a level below the last 3-years. Runs for the latest 4-wk period were -170,000 bpd below last year. Crude oil stocks increased +0.6 million barrels on the

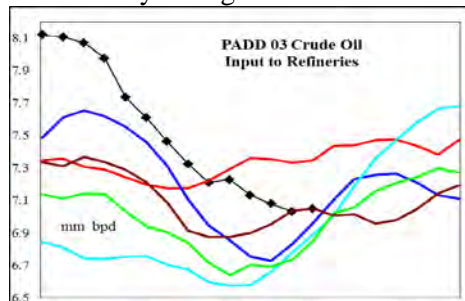
week. Stocks ended the week +32% above a year ago at Cushing, Oklahoma.

Gasoline production was nearly unchanged on the week, a level comparable to the average of the last 3-years. Stocks decreased -0.9 million barrels on the week, with the level below the historic mid range.

Distillate supply fell -63,000 bpd last week, to a level above the 3-year mid range. Stocks increased +1 million barrels last week, to a level above the mid range.

Jet fuel production decreased -36,000 bpd to a level below the historic range. Stocks were nearly unchanged, with the level still below the 5-year range.

**PADD 3** refinery runs increased +0.2 million bpd last week, to a level near the historic mid range. The latest 4-wk average runs were -303,000 bpd below a year ago. Crude oil stocks increased +3.3 million barrels to a level that matched 5-year highs for the week.



Gasoline supply decreased -19,000 bpd last week, ending the week at a level that matched lows of the last 2-years. Production for the latest 4-wk period was +97,000 bpd above a year ago. Stocks fell -0.5 million barrels, to a level near the 3-year mid range.

Distillate supply increased +13,000 bpd on the week, with the latest 4-wk average +26,000 bpd above last year. Stocks fell -1.3 million barrels on the week, to a level well below each of the last 3-years.

Jet fuel supply increased +28,000 bpd last week. Stocks declined -0.3 million barrels on the week, to a level near 5-year lows.

Residual fuel oil supplies were

nearly unchanged on the week, with production at a record high. Stock levels ended the week +3.5% above last year and above the 5-year range.

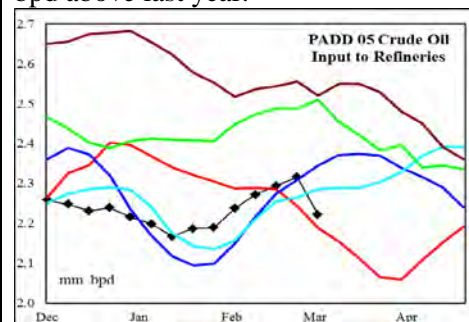
**PADD 4** refinery crude runs jumped +36,000 bpd on the week to a new record high.

Gasoline production increased +38,000 bpd on the week, also an all time record high. Stocks fell -0.5 million barrels to a level below four of the last 5-years.

Distillate production remains slightly below last years' record high levels for the winter quarter. Stocks extended a recent uptrend, with the level -11% below last years' record highs.

Jet fuel production rates for the week were near the 5-year mid range. Stocks increased to a level above the 5-year range.


**PADD 5** crude oil refinery runs fell -136,000 bpd on the week; to a level below the 3-year average. The latest 4-wk average run rate was +37,000 bpd above last year.



Gasoline supply decreased -37,000 bpd on the week, to a level below the last 3-years. The latest 4-wk average supply was -17,000 bpd below a year ago. Stocks fell -1.1 million barrels, with the level below the 3-year mid range.

Distillate supply decreased -42,000 bpd, to a level above two of the last 3-years. Stocks decreased -0.5 million barrels to a level comparable with the latest 3-year mid range.

Jet fuel supply fell -49,000 bpd last week, to a level above the 3-year mid range. Stock levels matched last years' 5-year lows.



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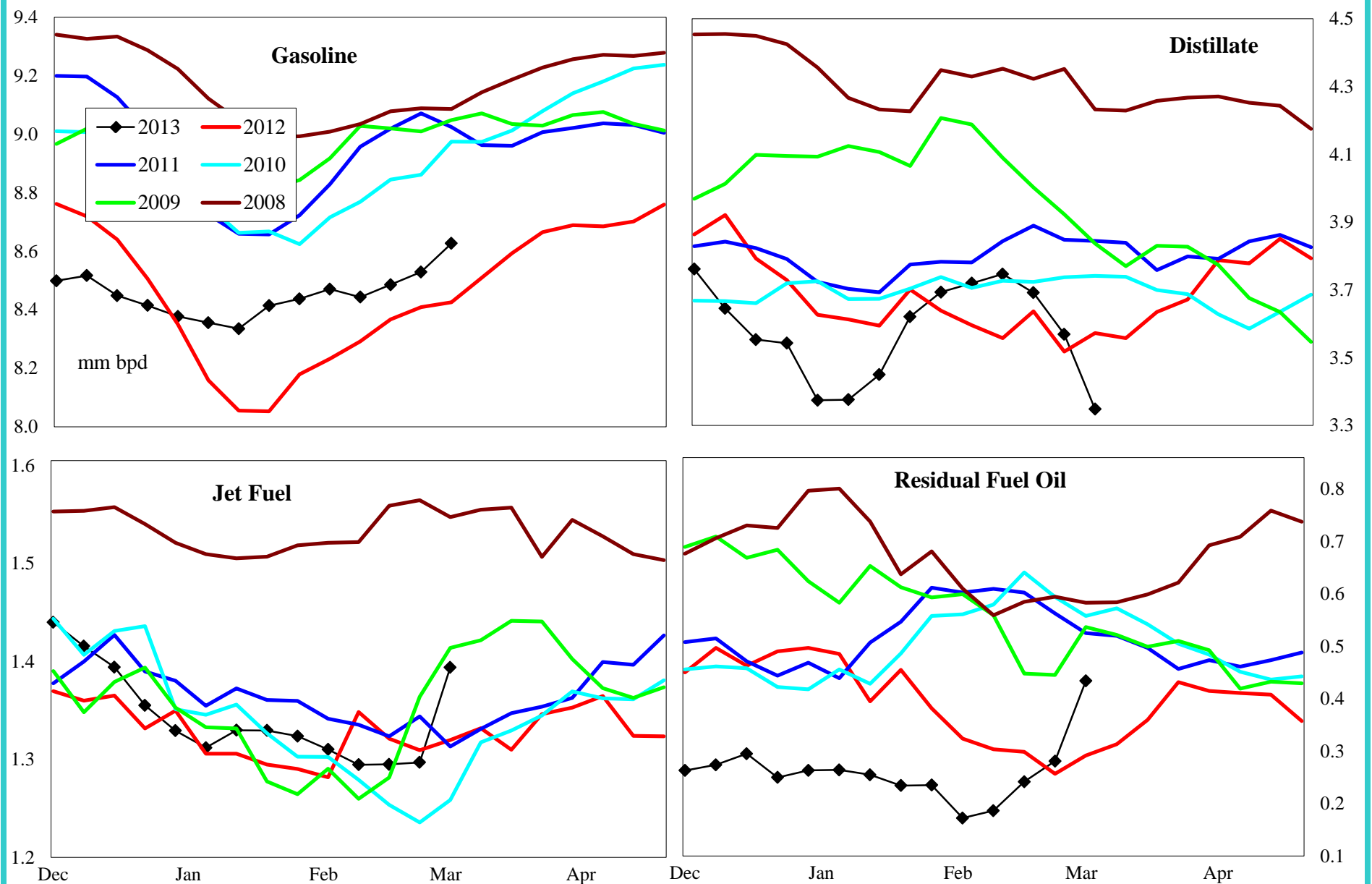
PETROLEUM: Graph Link and Weekly Summary

A Fundamental Petroleum Trends Weekly Report

March 13, 2013

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	8-Mar-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	2,624	-1,513	605	3,342	-253	443
	Imports	227	109	-218	119	35	183
	Input	-37	10	-120	172	36	-136
	% Utilization	-1.20					
<a href="#">Gasoline</a>	Stocks	-3,571	-549	-930	-502	-465	-1,125
	Production	348	-86	2	-19	38	-40
	Imports	122	119	0	0	0	3
	Supplied	263					
<a href="#">Distillate</a>	Stocks	83	774	1,038	-1,331	134	-533
	Production	-92	1	-67	13	7	-46
	Imports	142	133	4	0	0	4
	Supplied	-509					
<a href="#">Jet Fuel</a>	Stocks	-1,219	-833	-162	-298	98	-24
	Production	-33	6	-36	32	-6	-29
	Imports	11	34	0	-4	0	-20
	Supplied	146					
<a href="#">Residual Fuel Oil</a>	Stocks	-414	615	123	-1,399	9	239
	Production	-14	-9	-26	18	5	-1
	Imports	68	20	-2	-7	0	56
	Supplied	172					

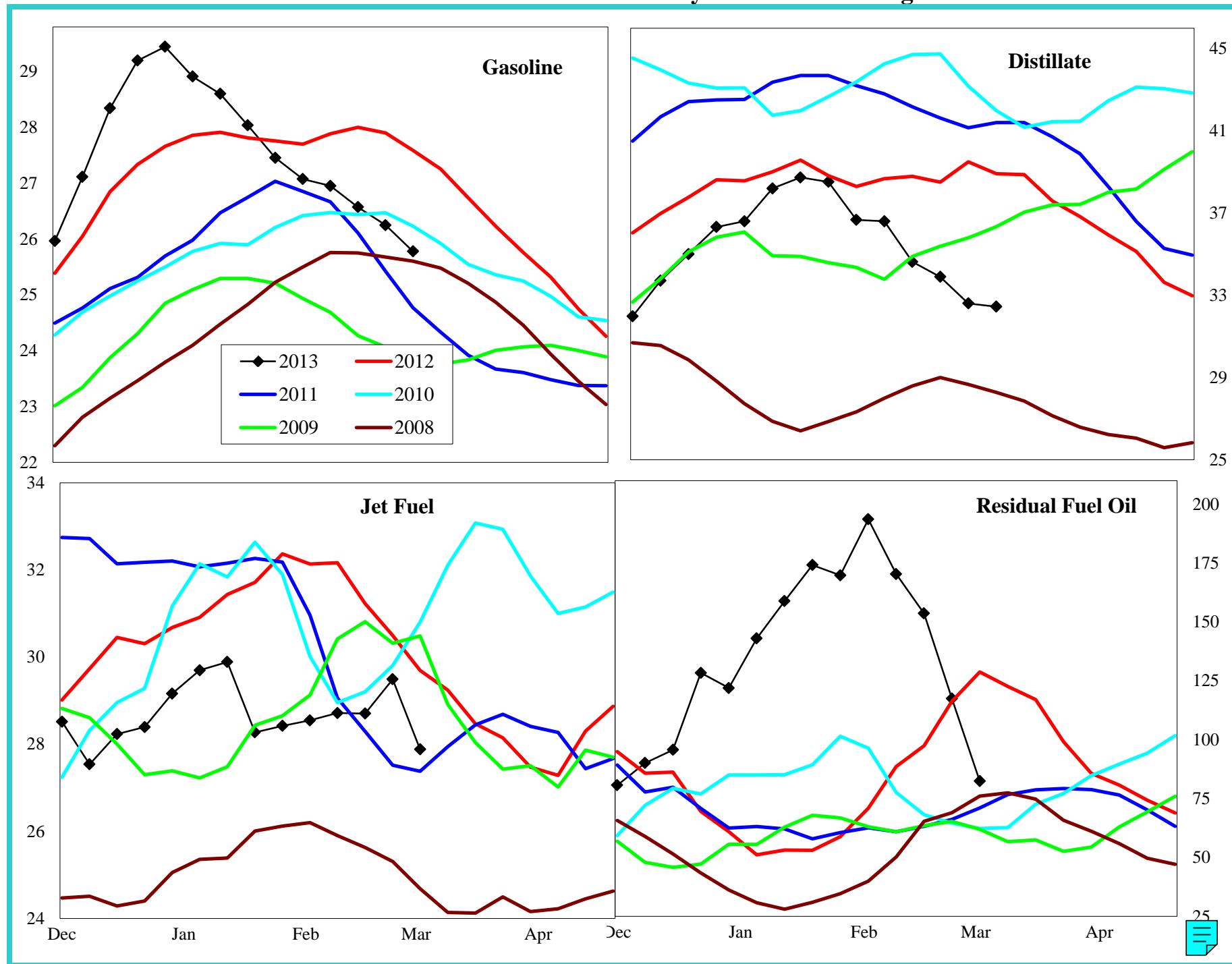
## United States Wholesale Petroleum Demand



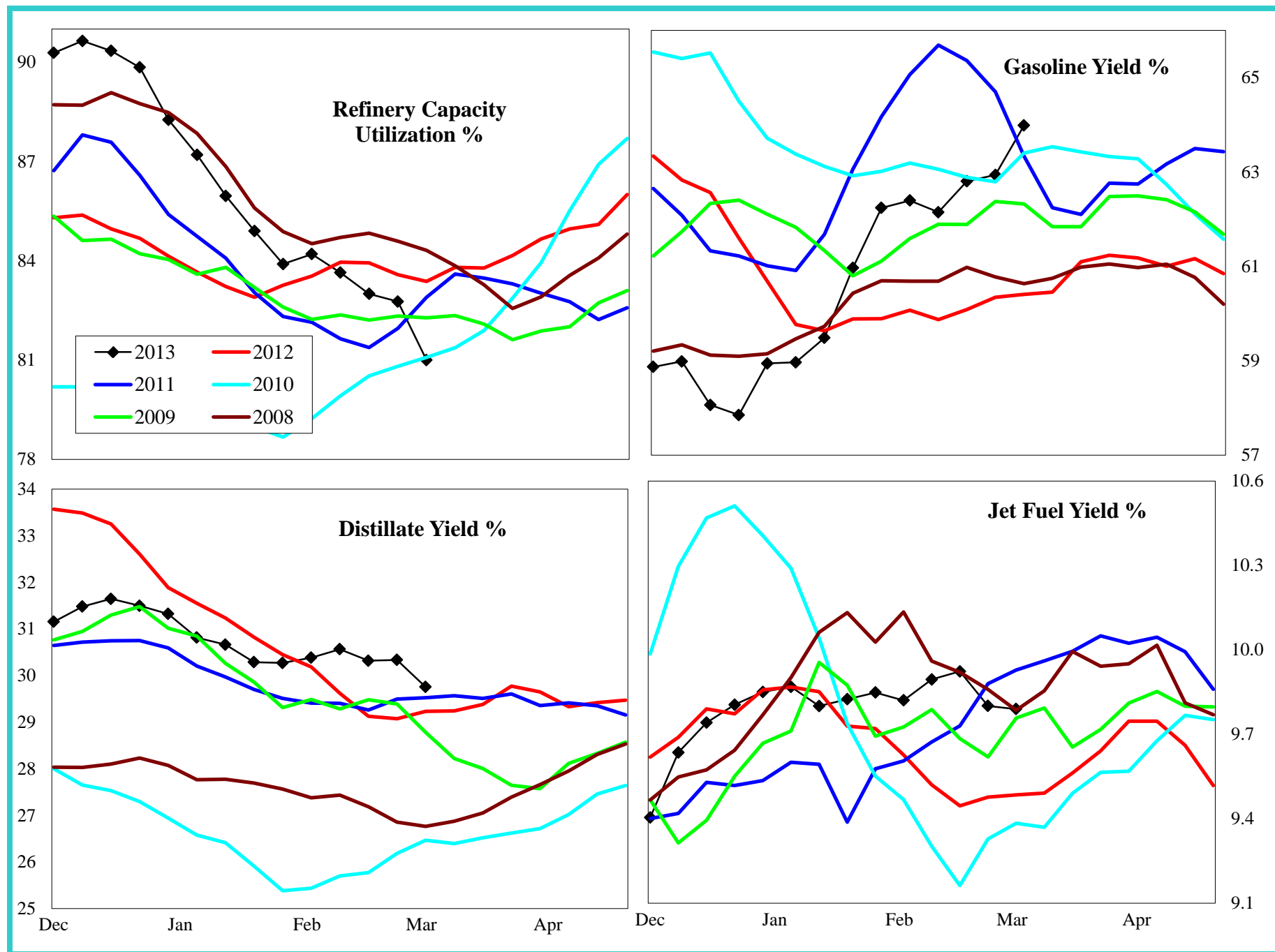
	000 bpd change from prior year				% change from prior year			
	4wk avg	Feb	Jan	Dec	4wk avg	Feb	Jan	Dec
Gasoline	89	-171	230	-244	1.1	-2.0	2.8	-2.8
Distillate	35	-203	-282	-286	1.0	-5.1	-7.4	-7.4
Jet Fuel	-45	-40	49	67	-3.3	-3.0	3.7	4.9
Resid	43	-160	-135	-209	16.9	-40.6	-32.1	-40.3



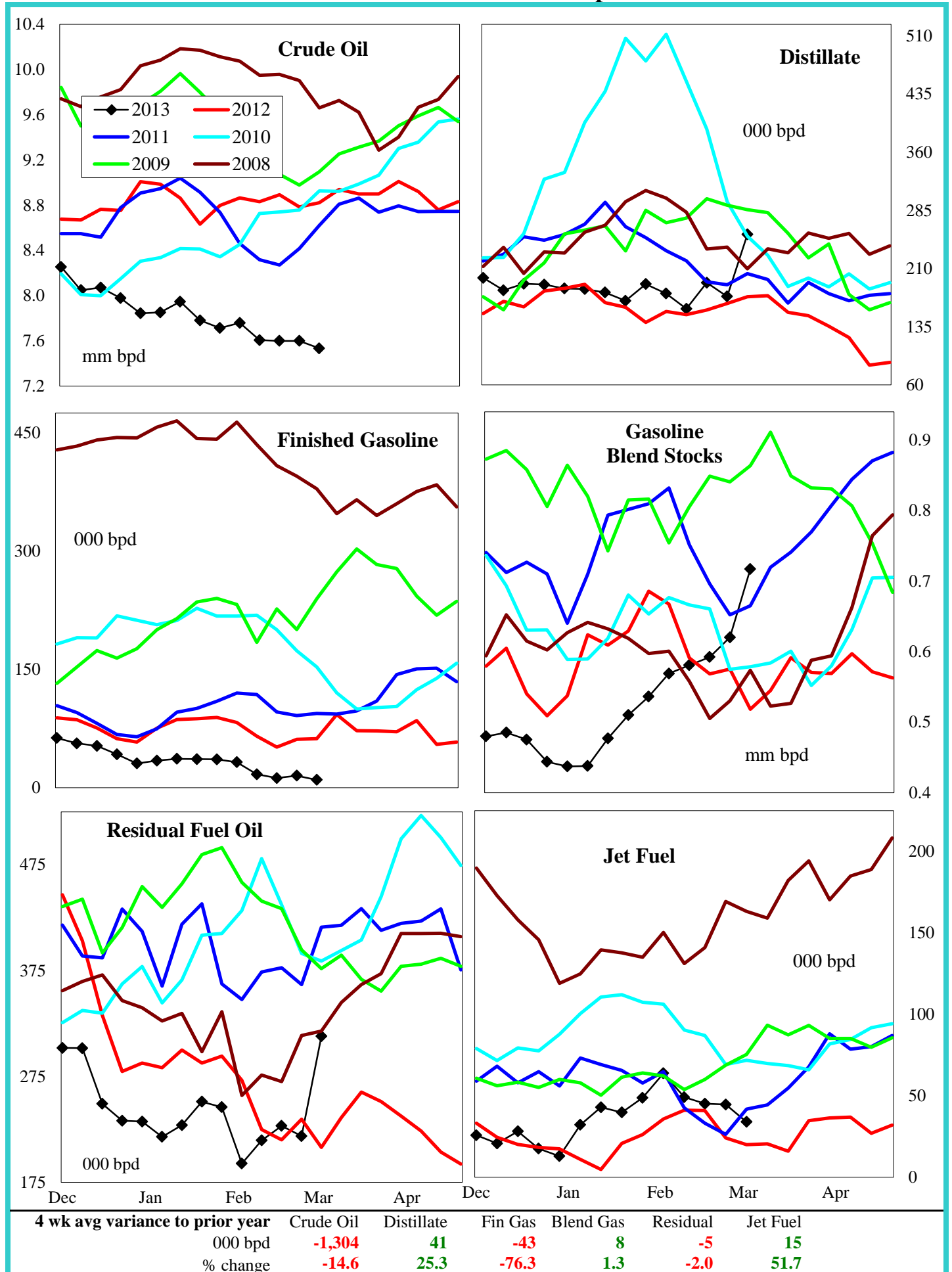
# United States Product Stocks: Days Forward Coverage



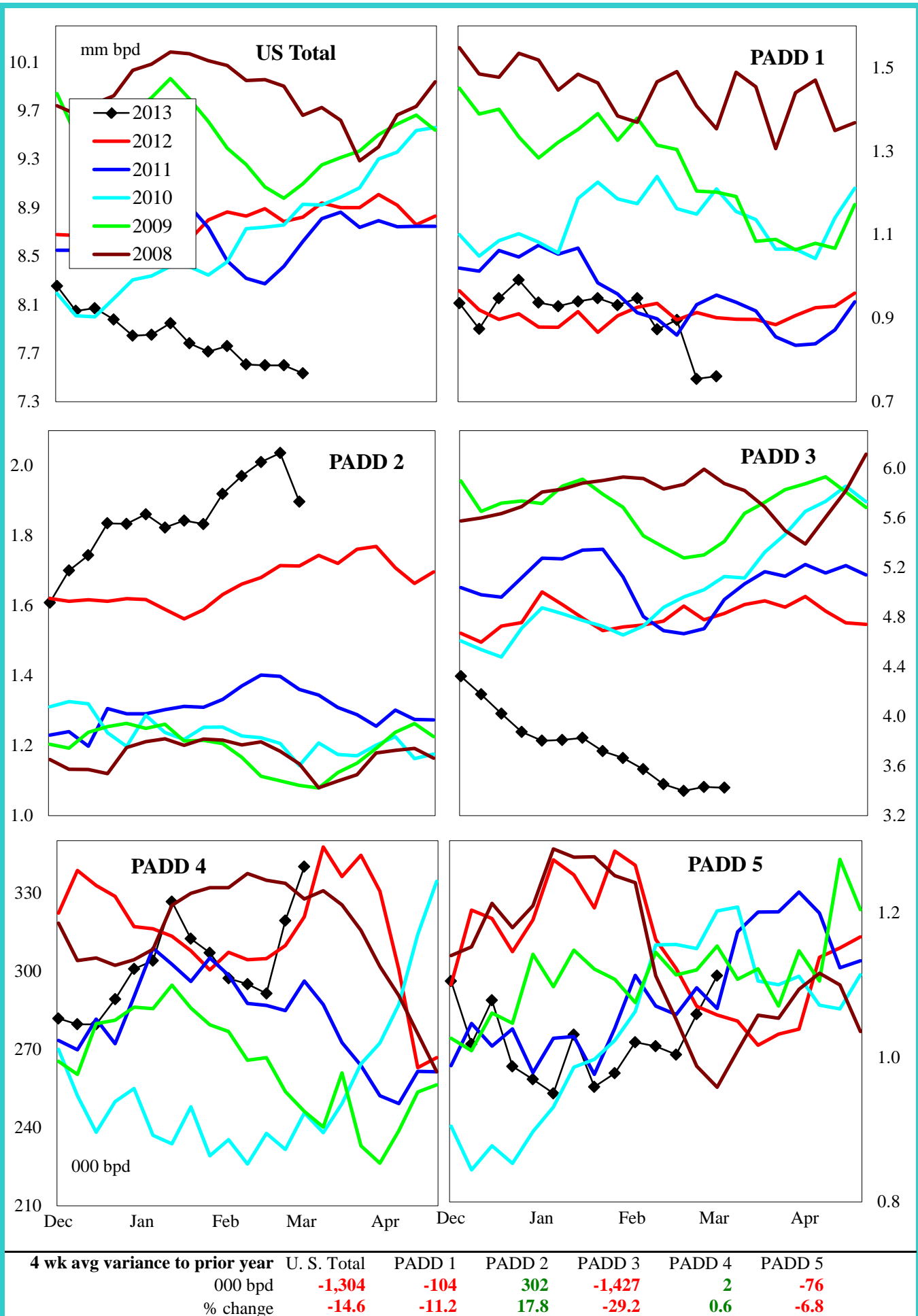
## United States Refinery Percent Utilization Rate and Product Yields



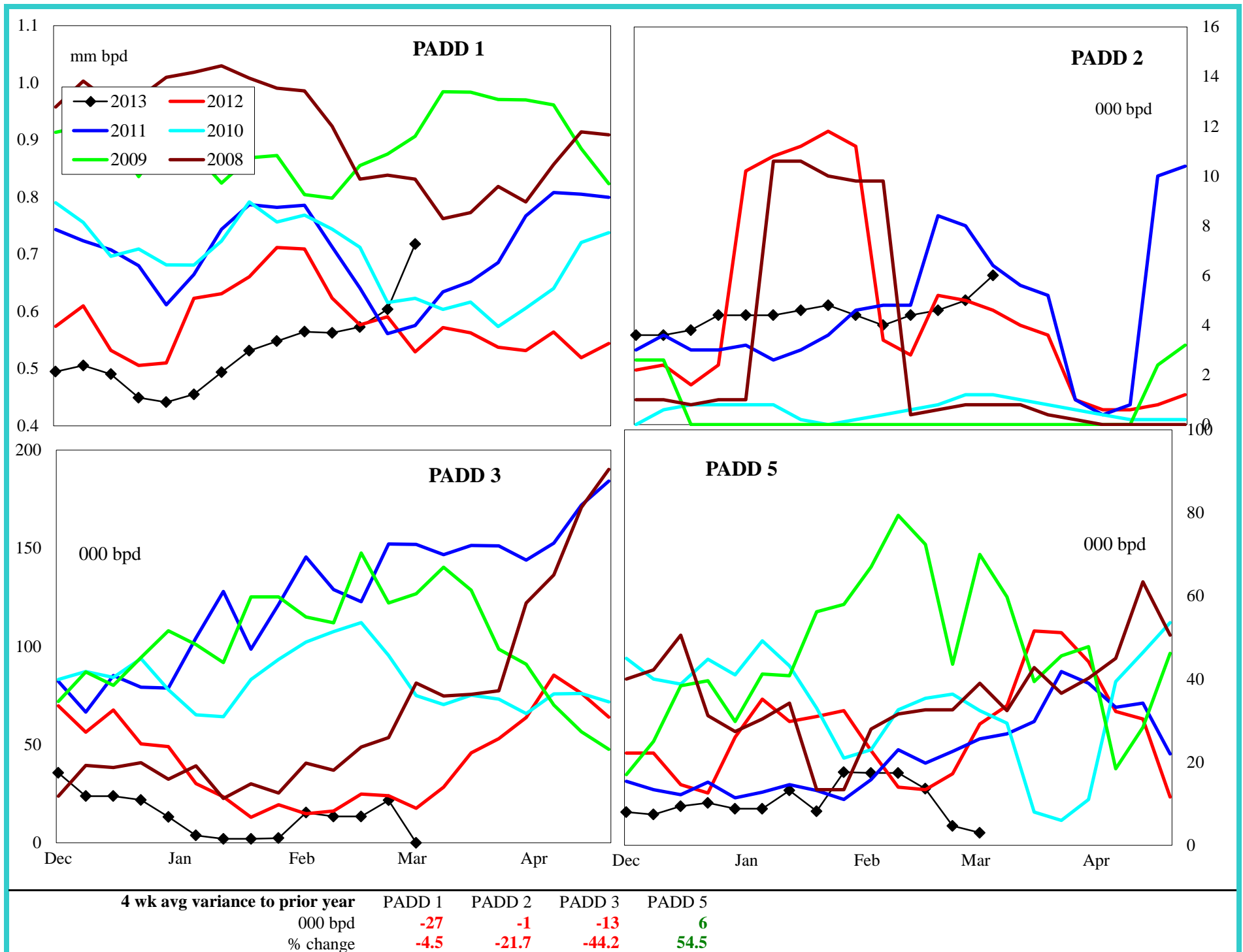
# United States Petroleum Imports



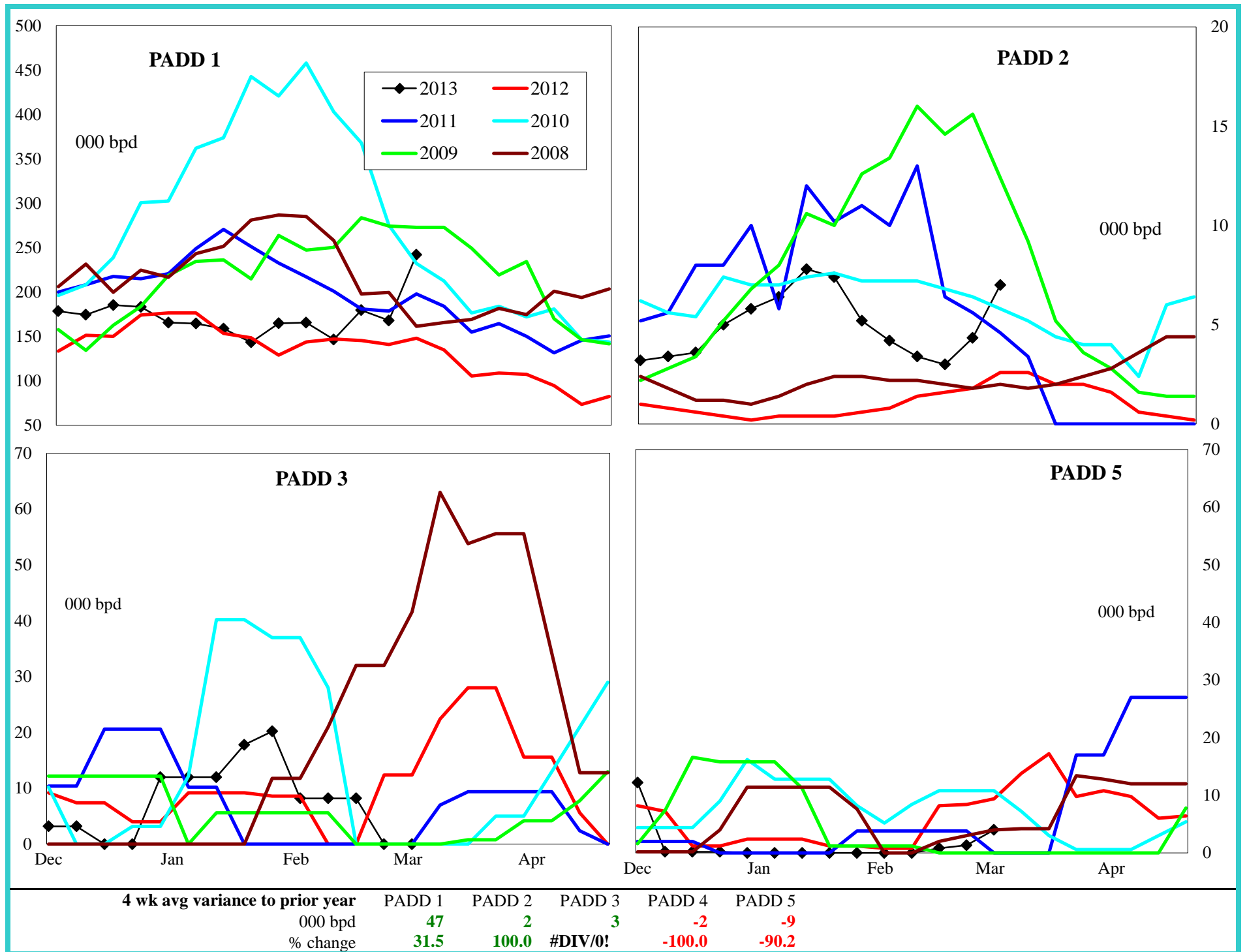
## Crude Oil Imports by PADD



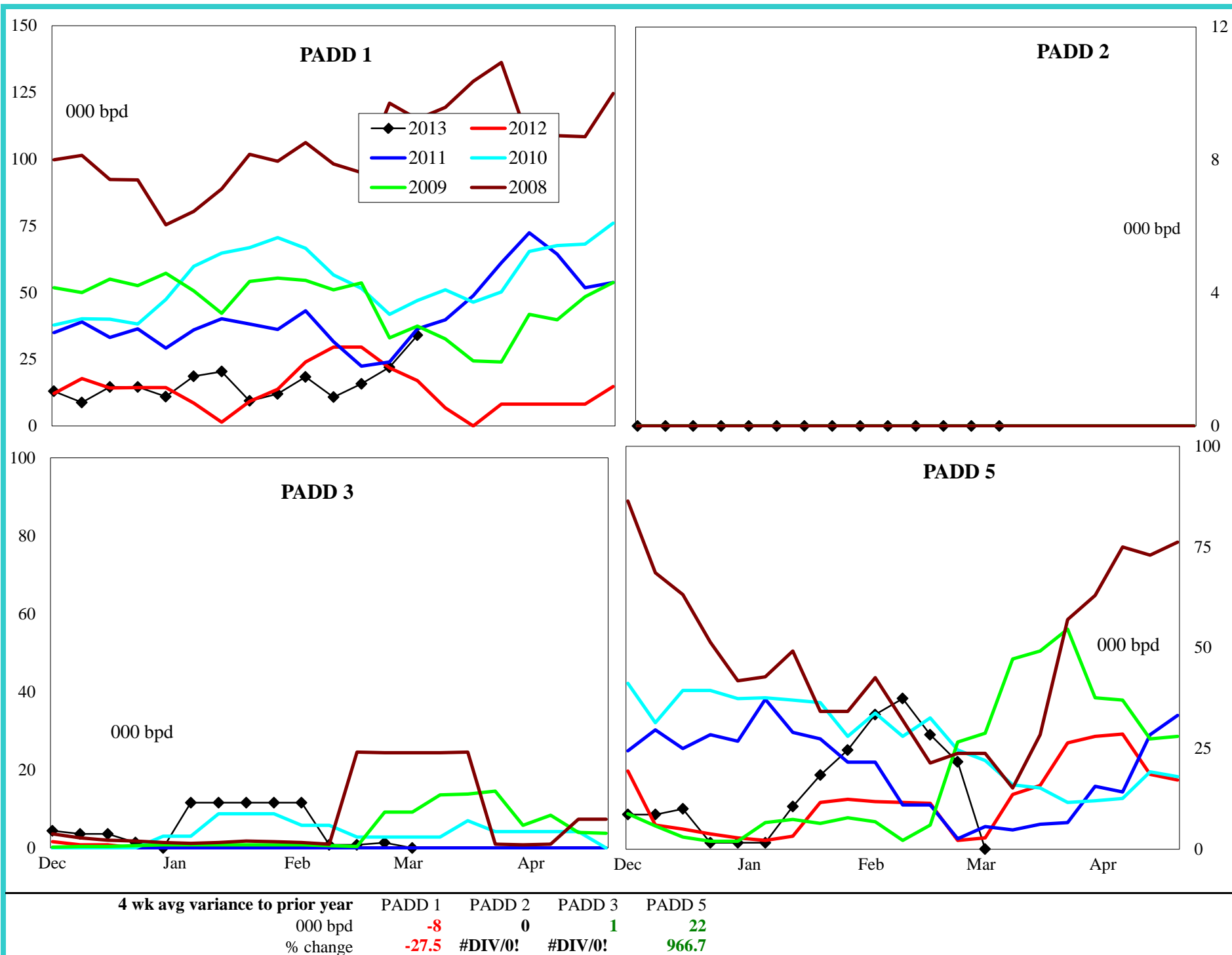
## Gasoline Imports by PADD (Finished + Blend Stocks)



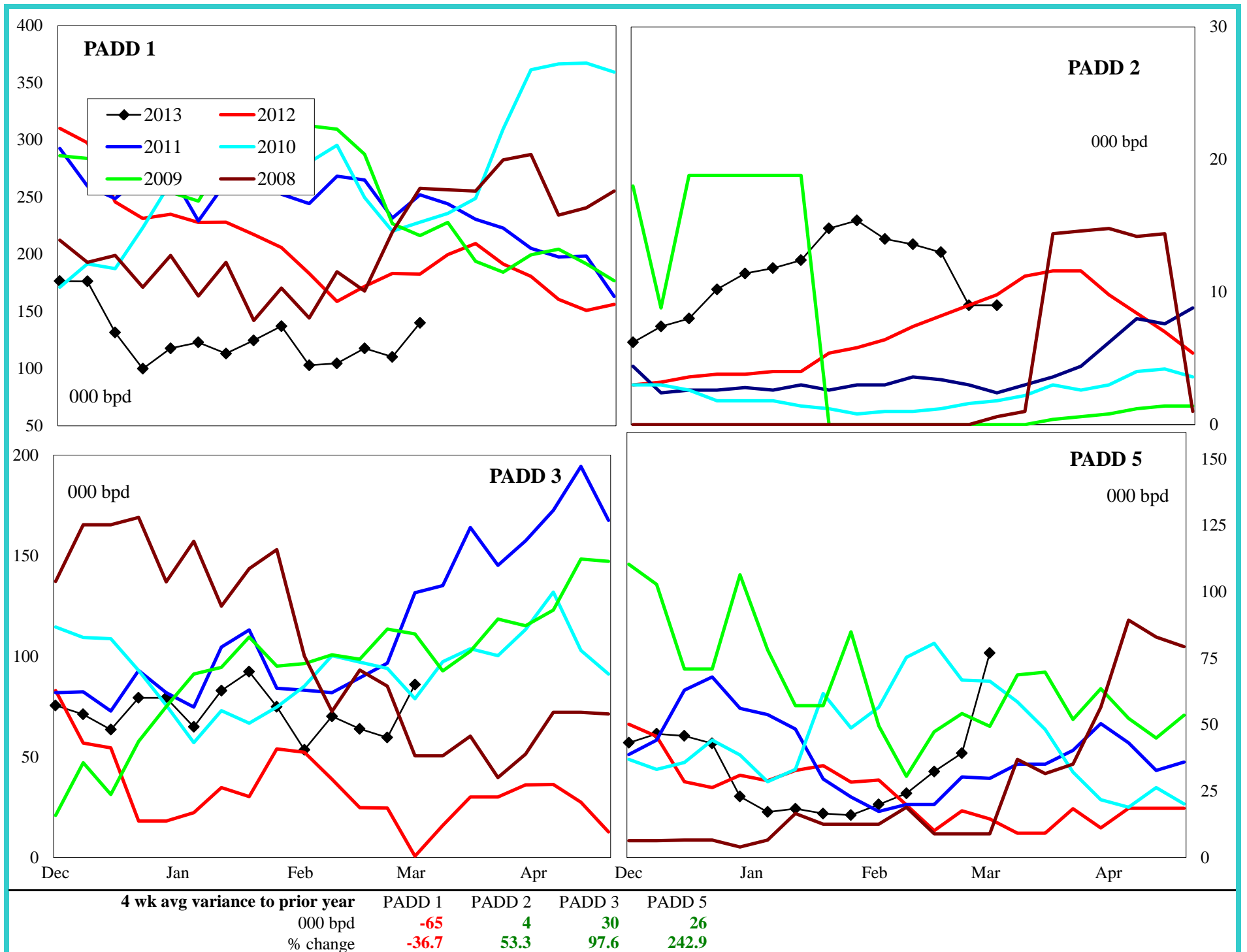
## Distillate Imports by PADD



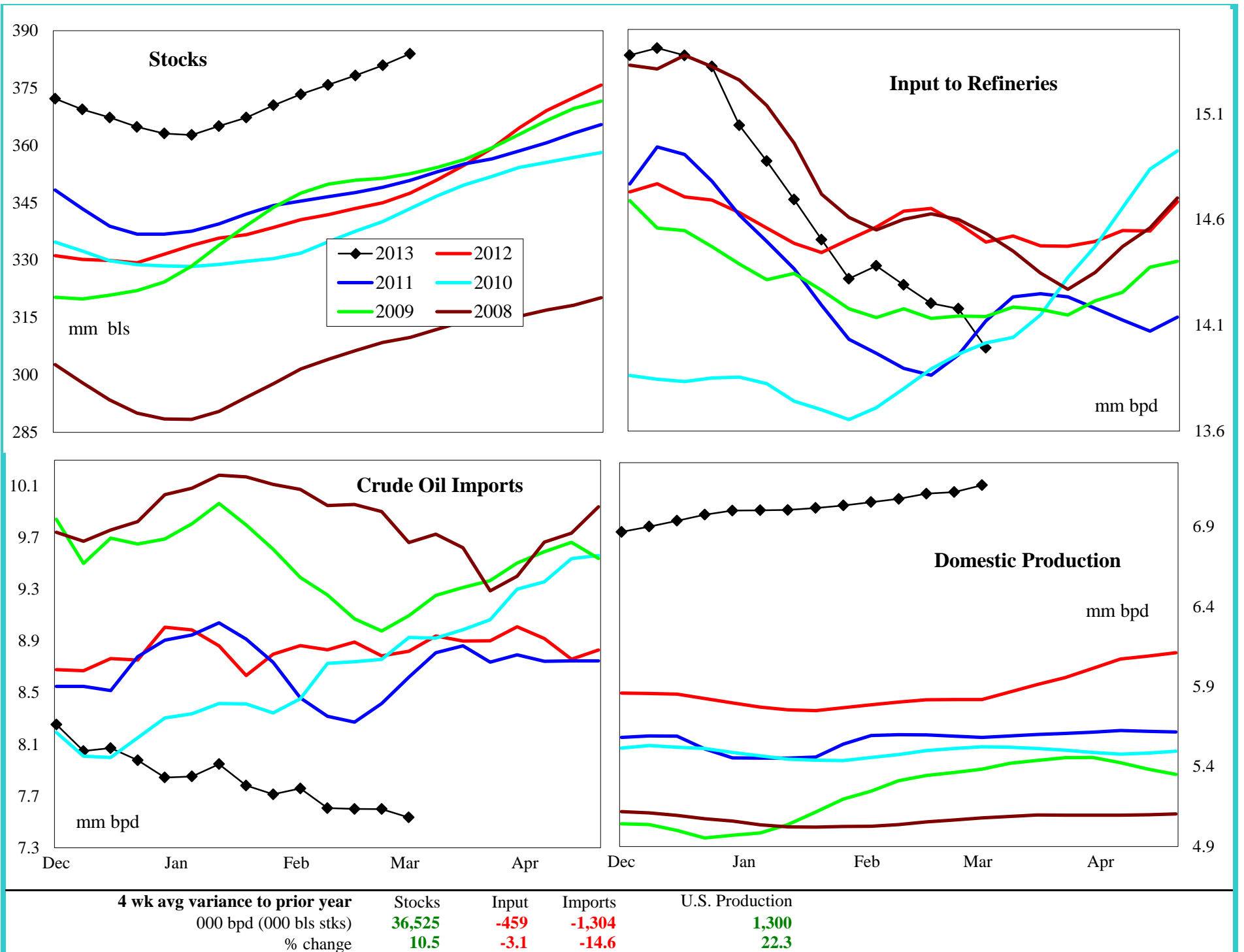
# Jet Fuel Imports by PADD



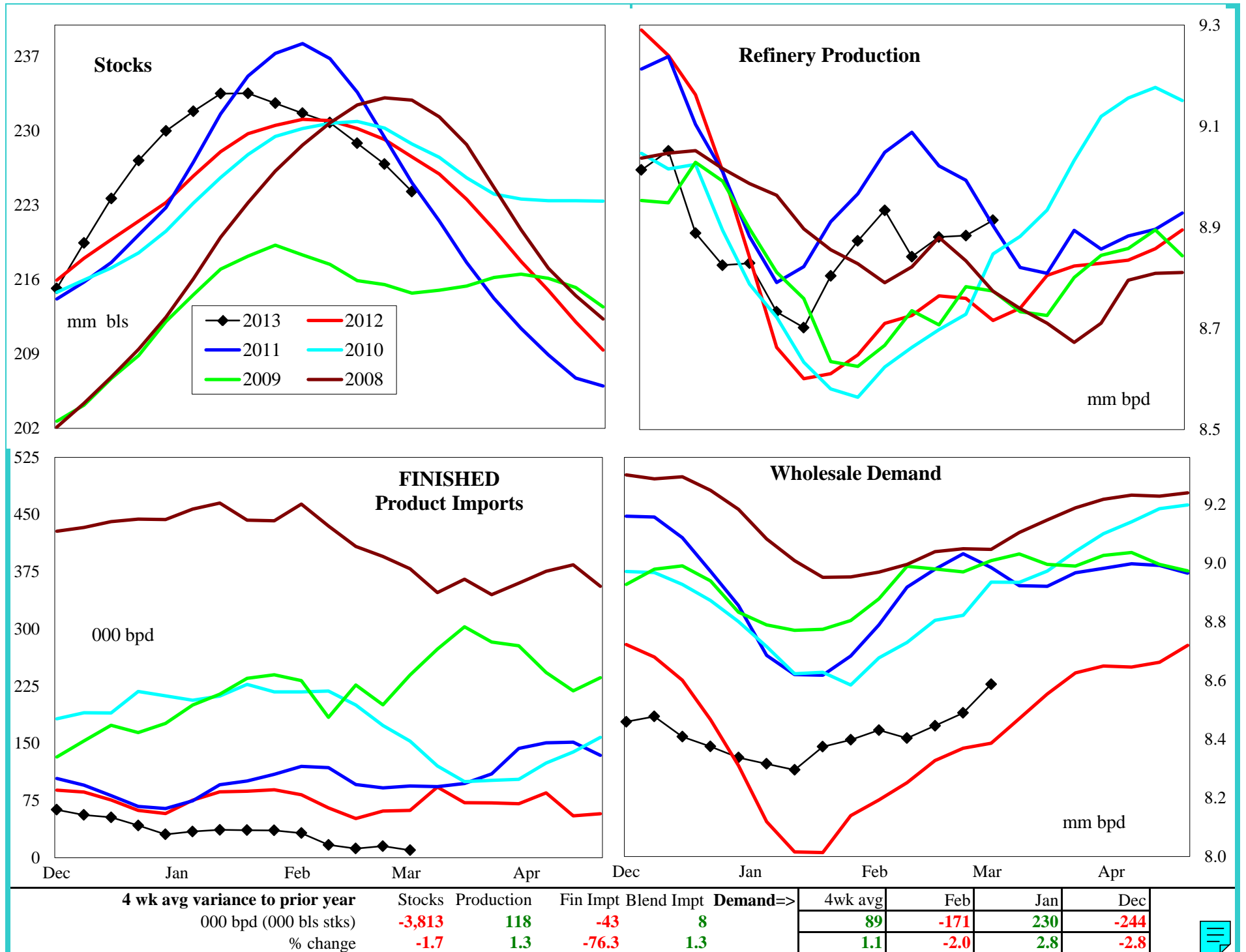
## Residual Fuel Oil Imports by PADD



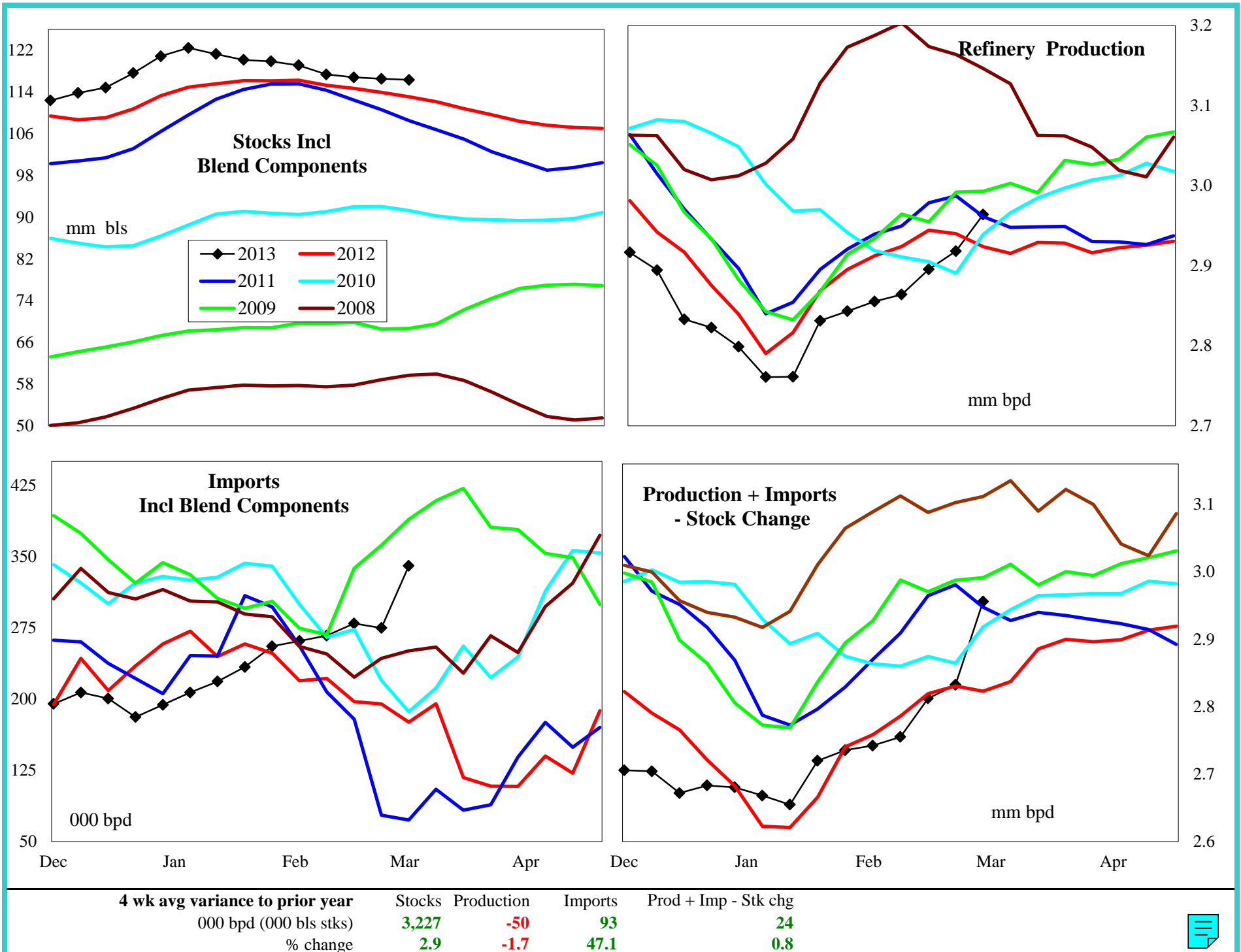
# United States Crude Oil Supply and Demand Balance



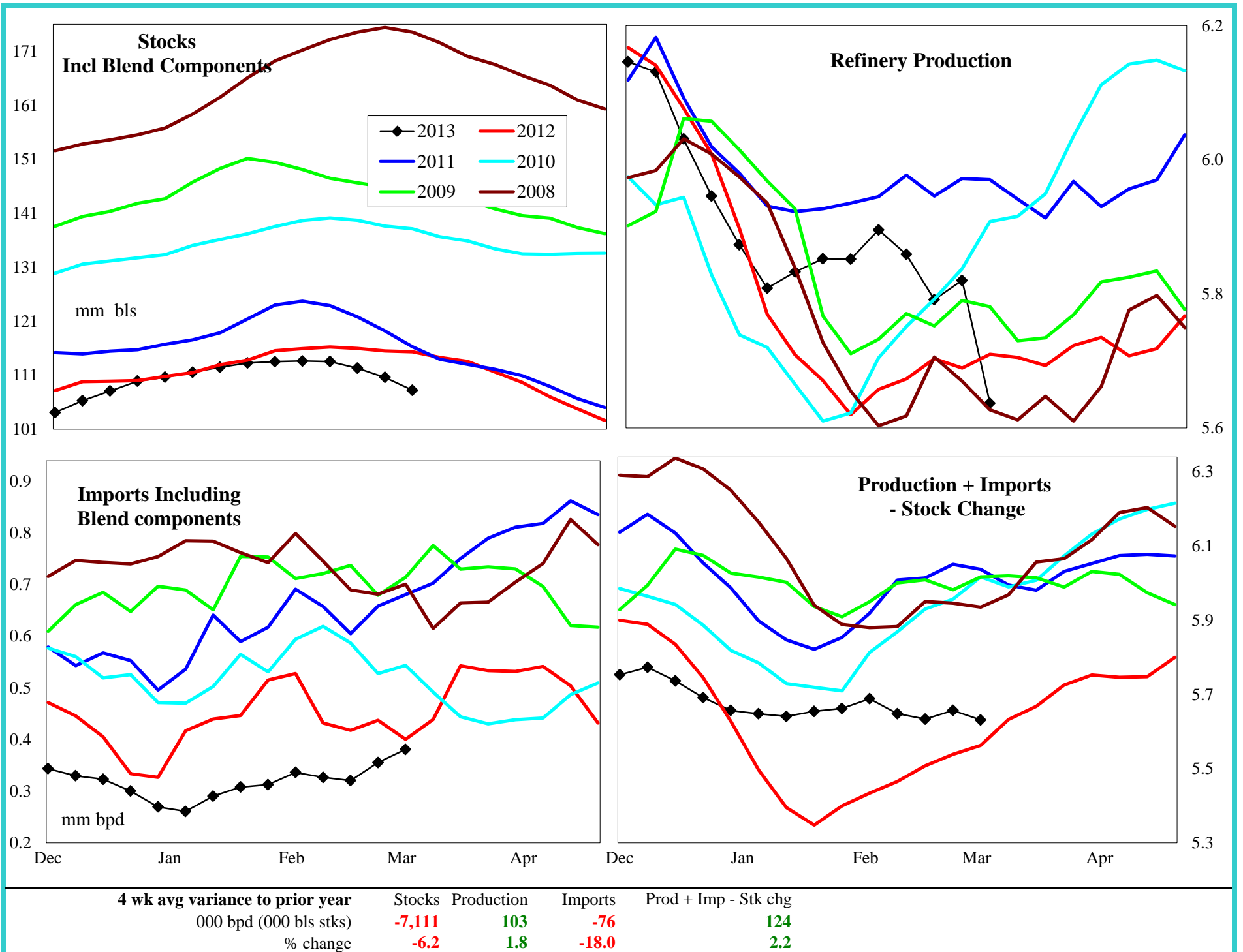
# United States Gasoline Supply and Demand Balance



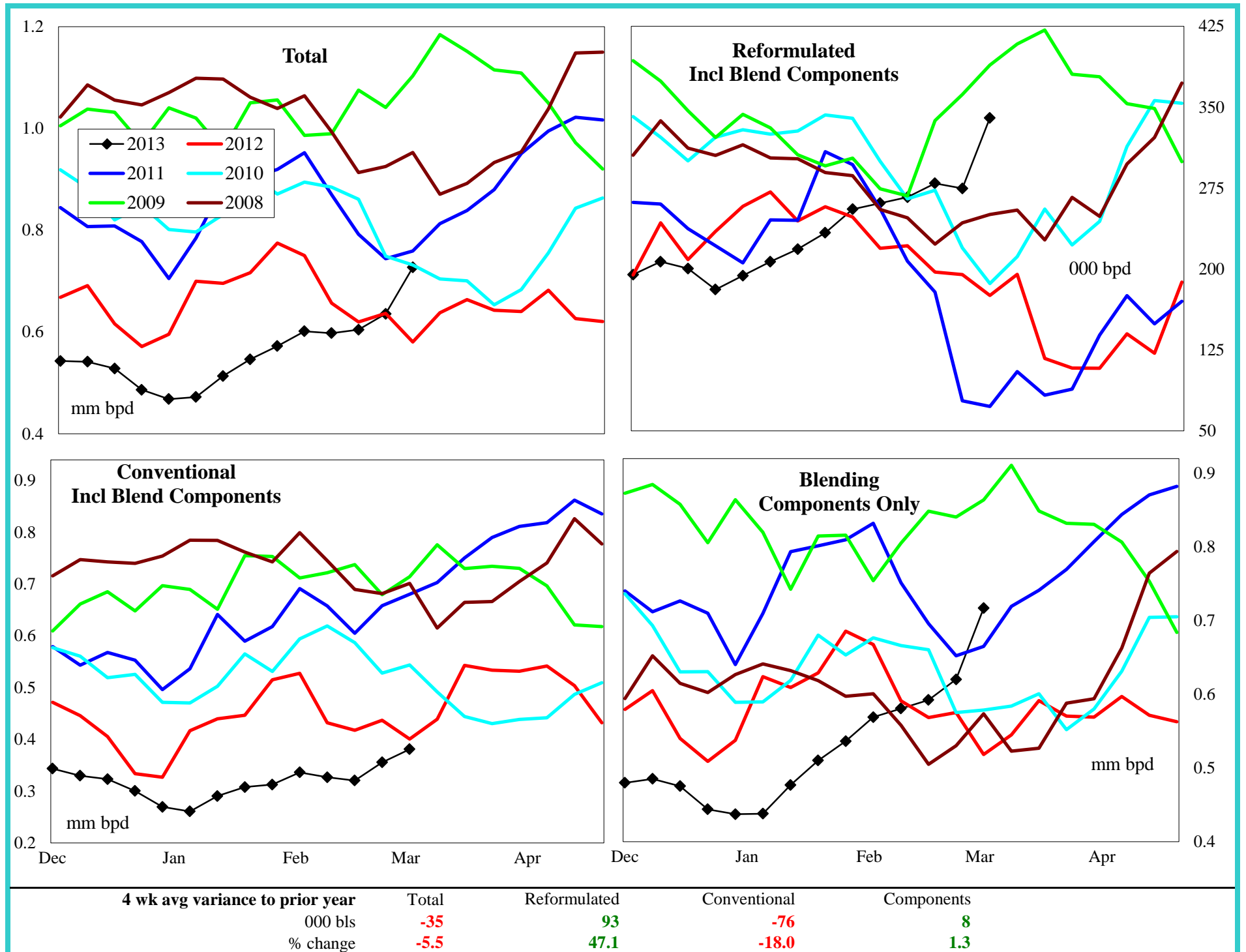
# United States Reformulated Gasoline Supply



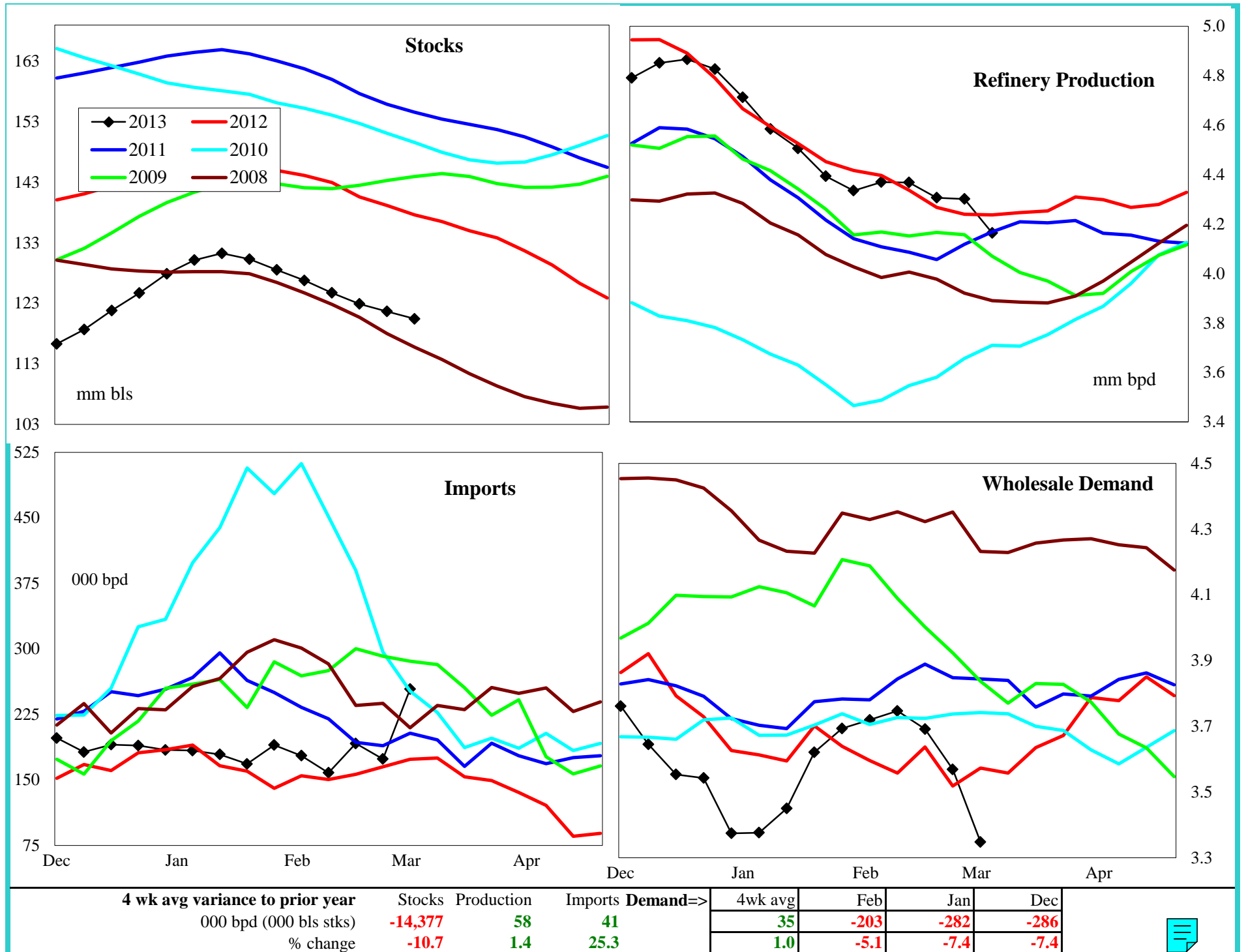
# United States Conventional Gasoline Supply



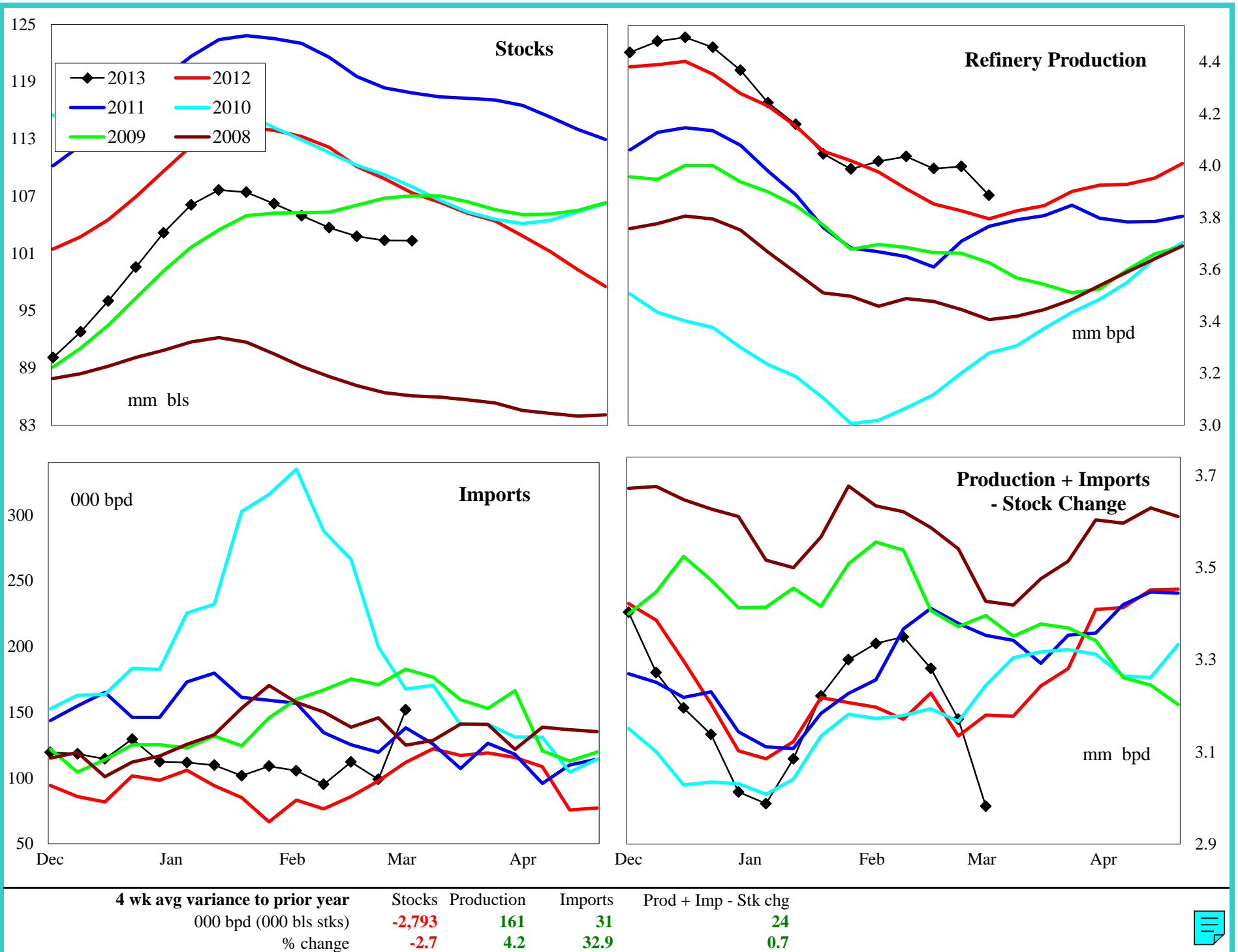
# United States Gasoline Imports by Type



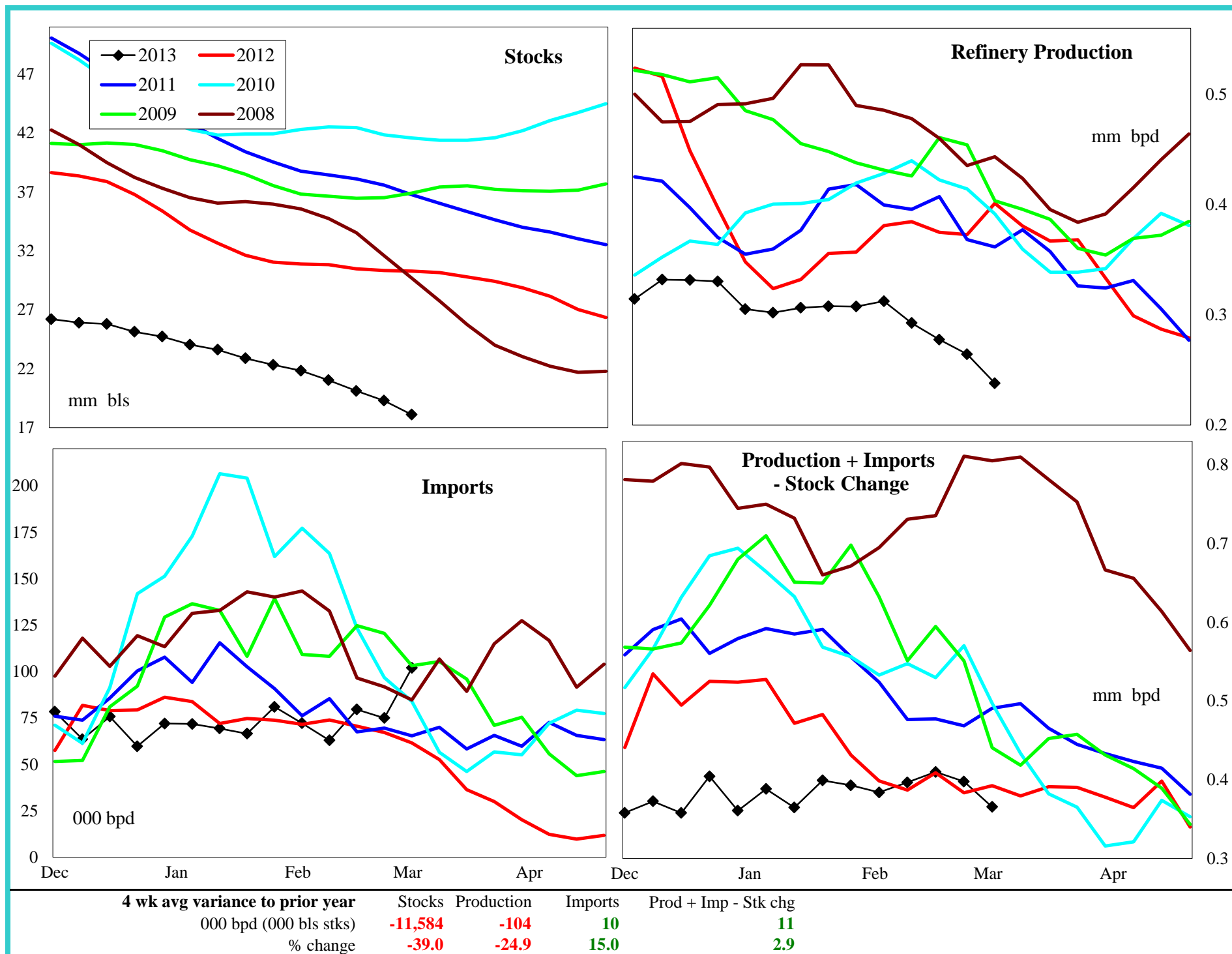
# United States Distillate Supply and Demand Balance



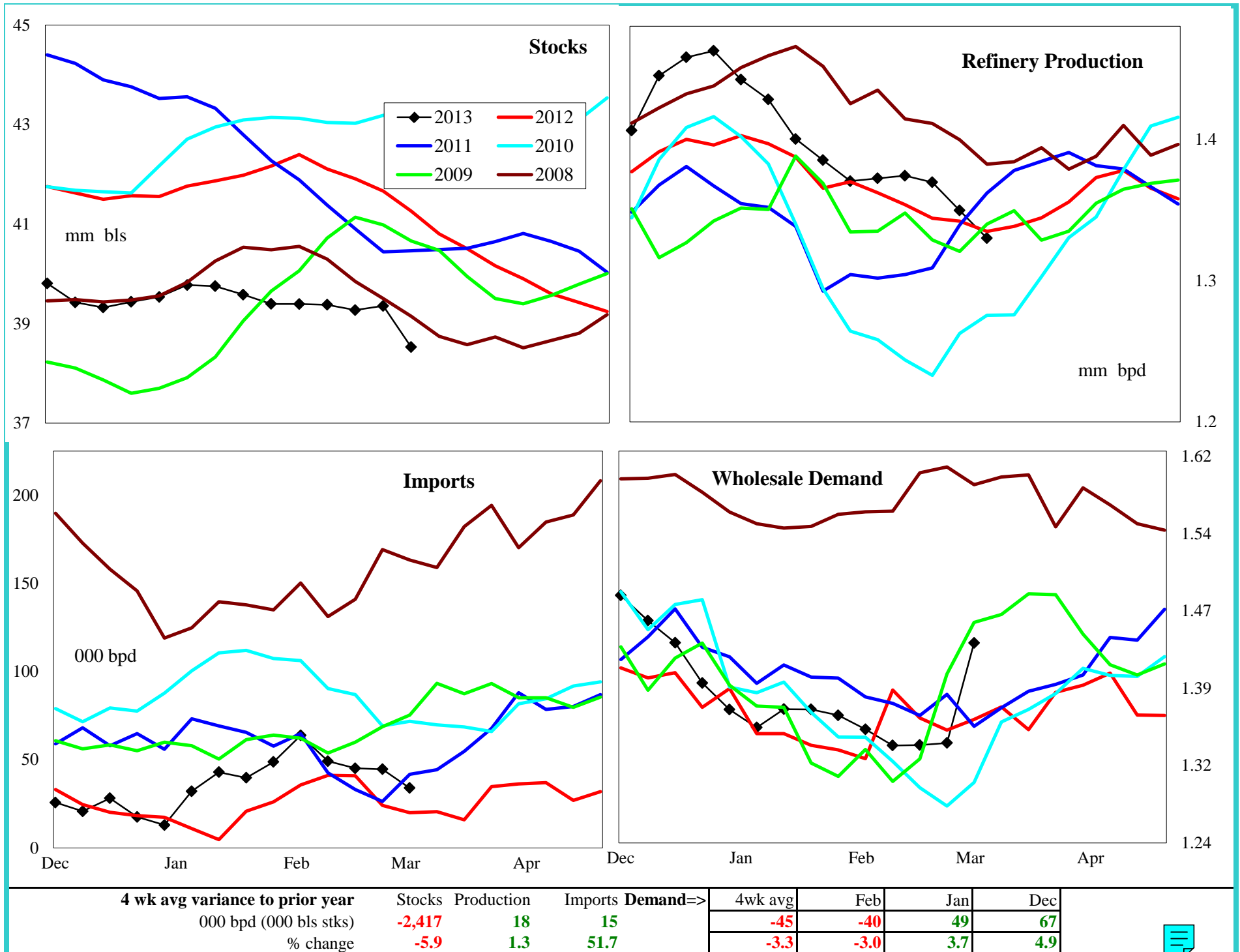
# United States Low Sulfur Distillate Supply



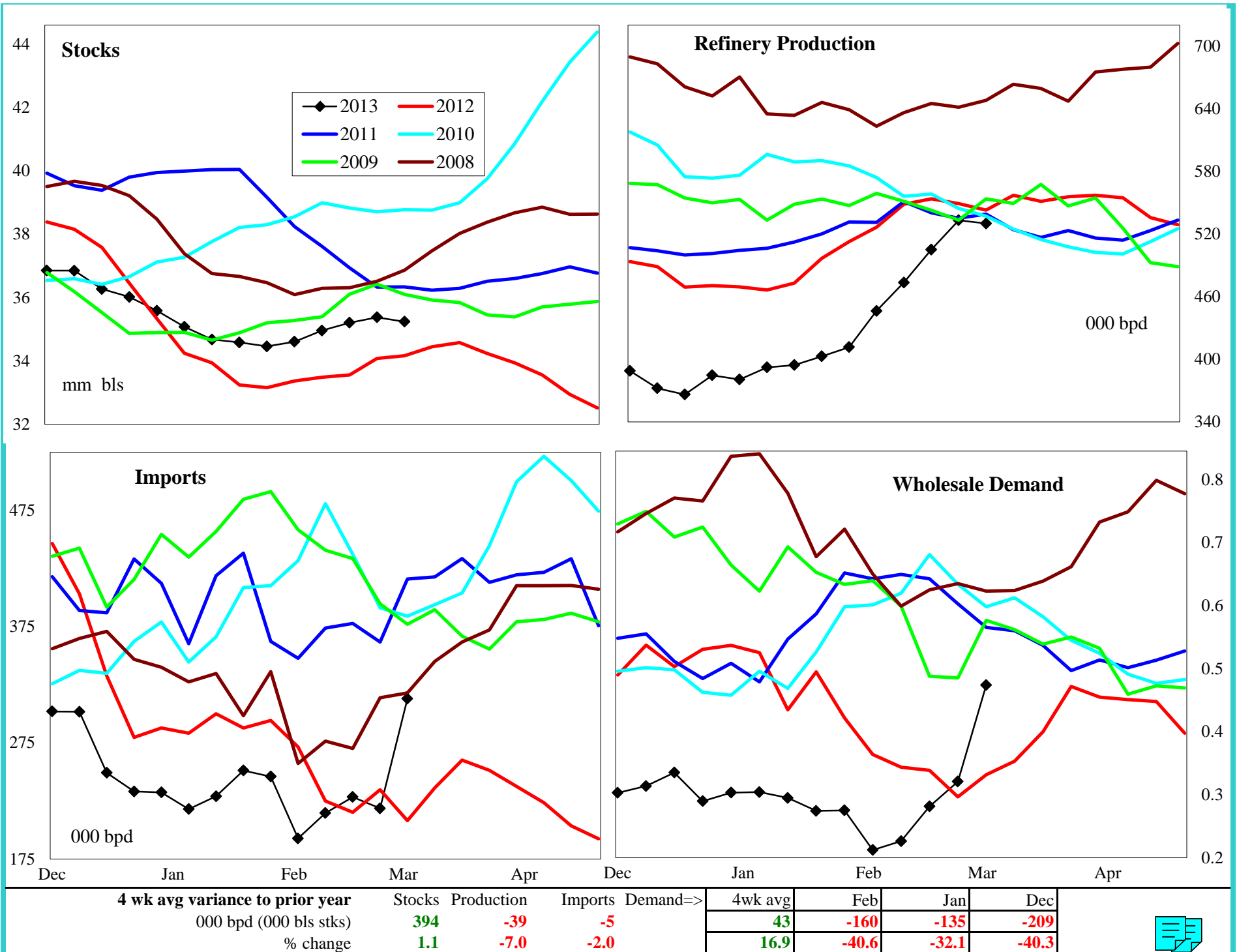
# United States High Sulfur Distillate Supply



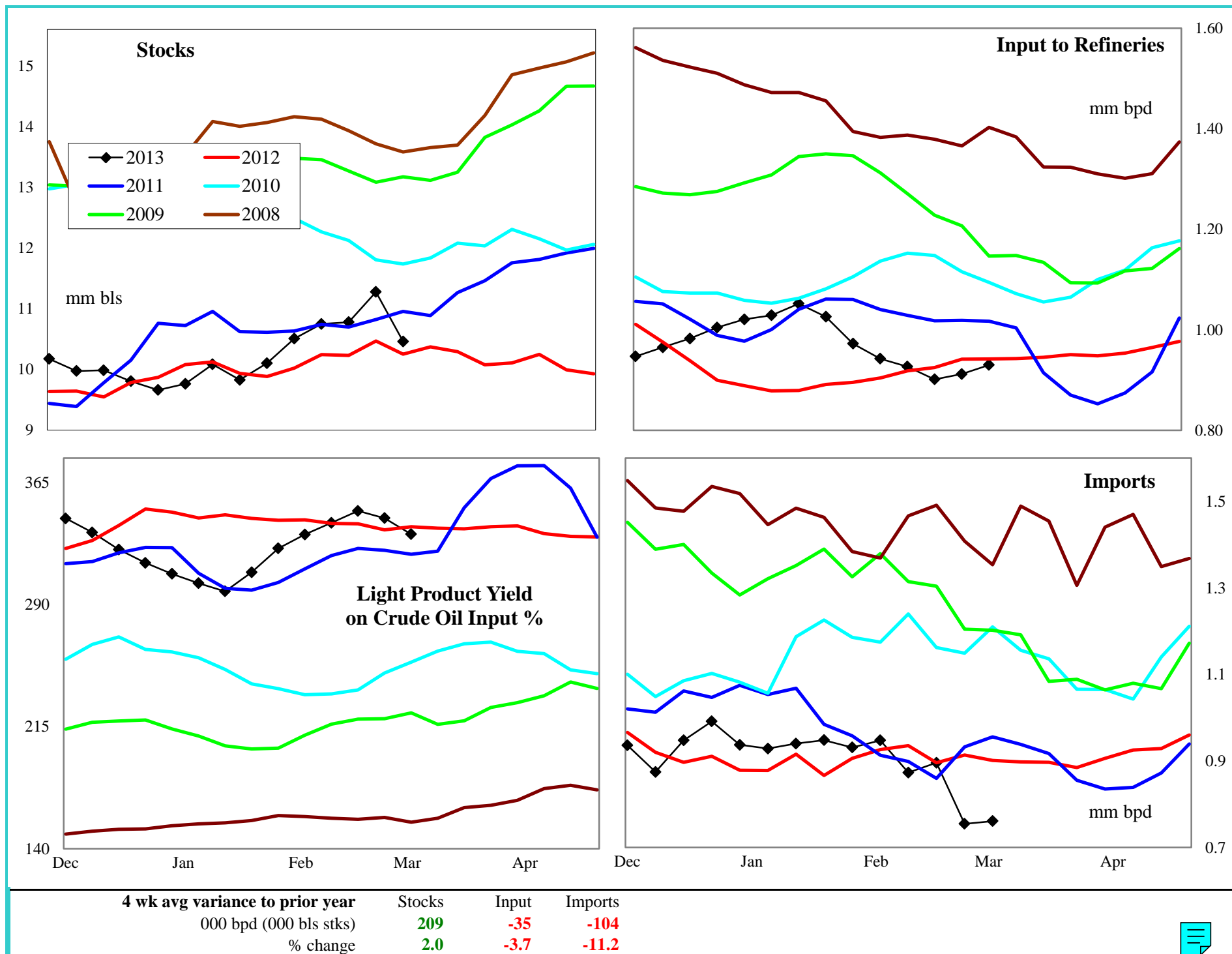
# United States Jet Fuel Supply and Demand Balance



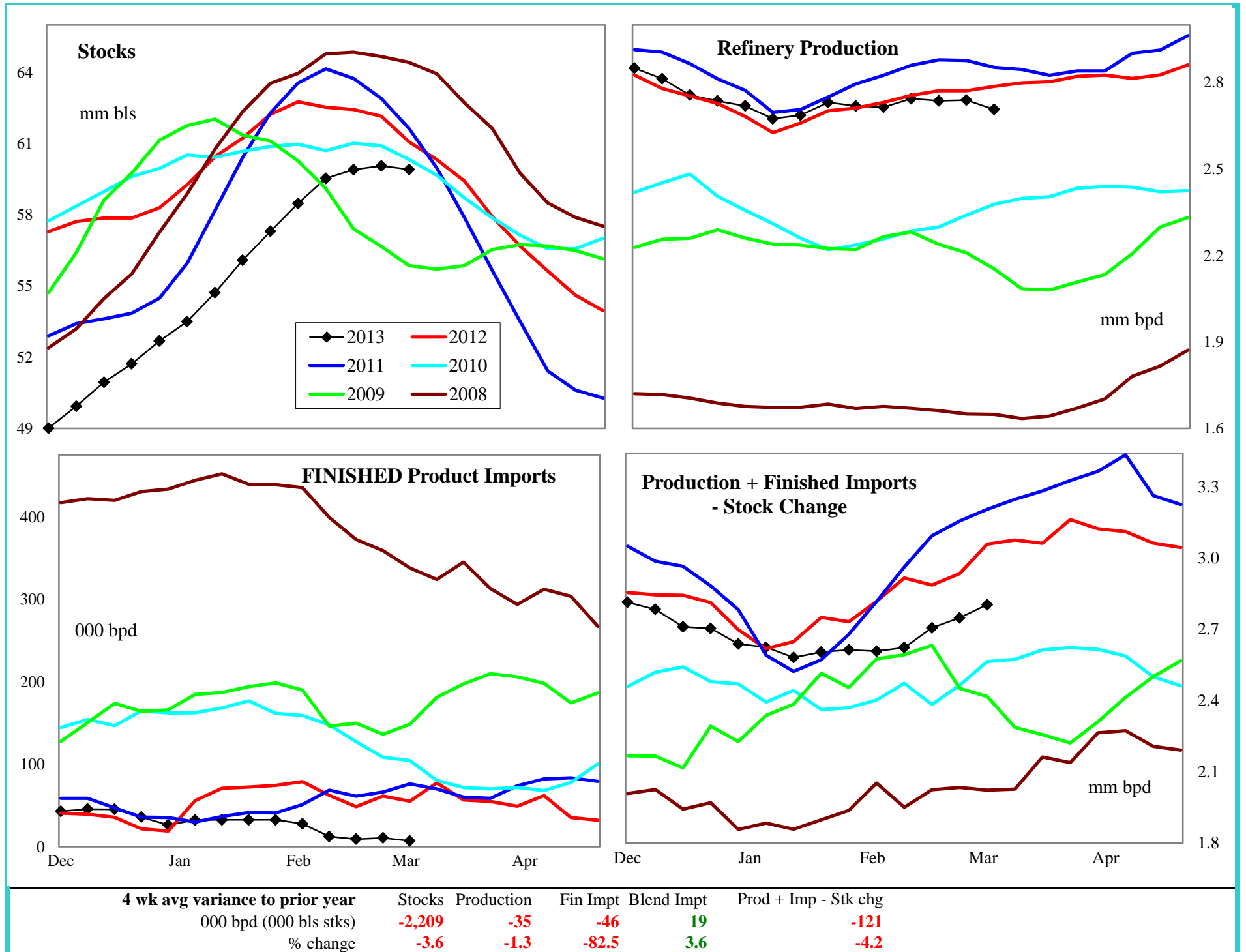
# United States Residual Fuel Oil Supply and Demand Balance



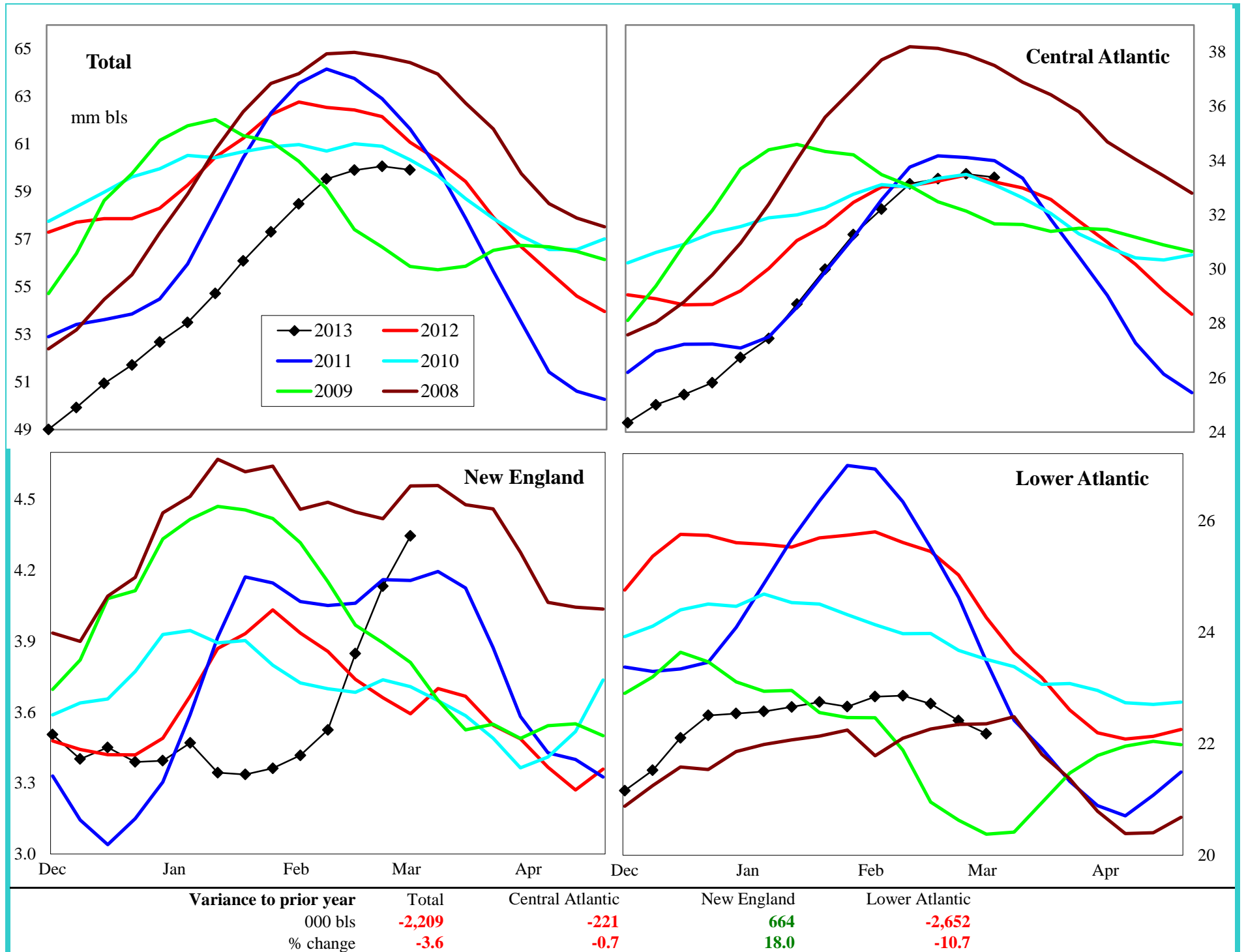
## PADD 1 Crude Oil Supply and Refining



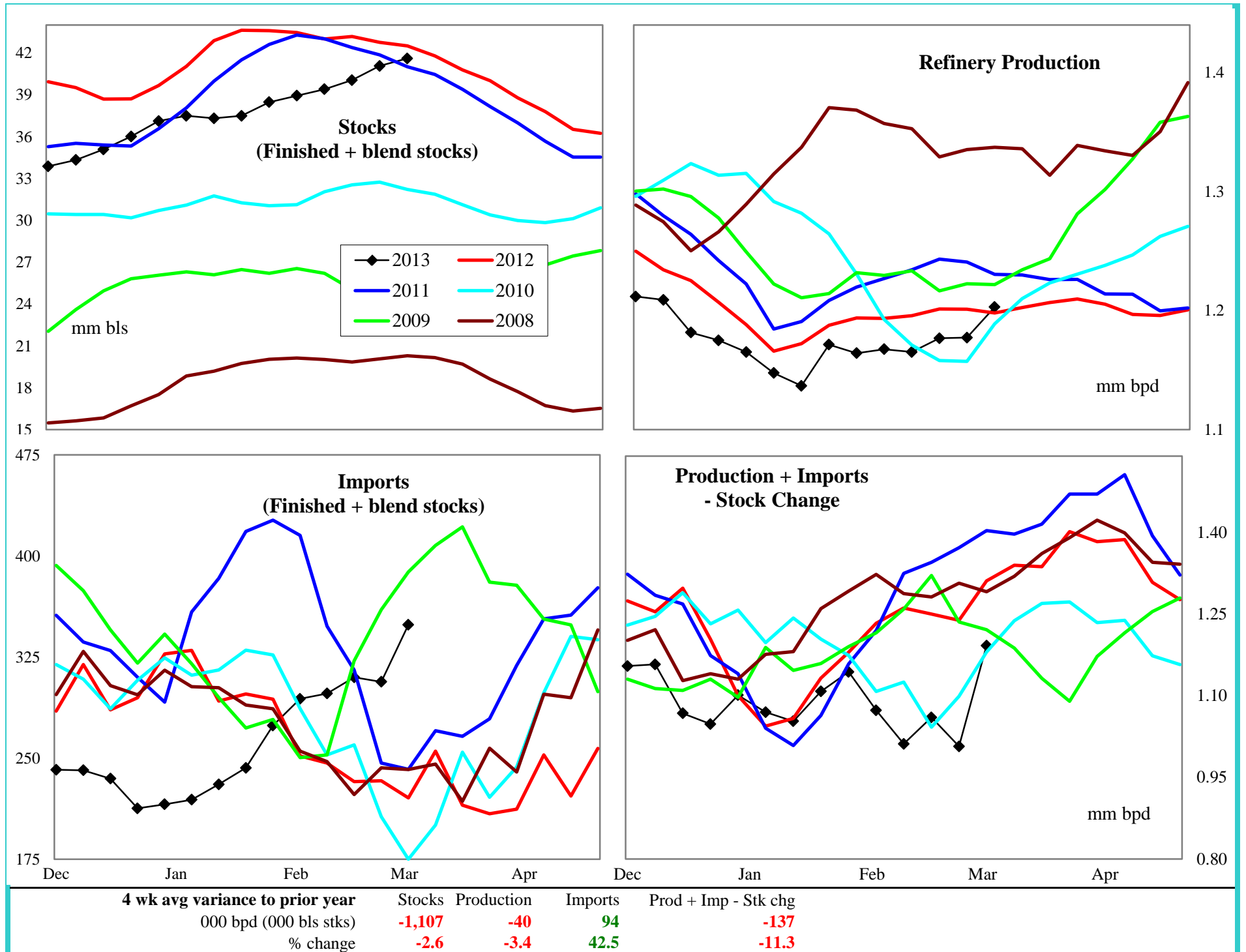
## PADD 1 Gasoline Supply



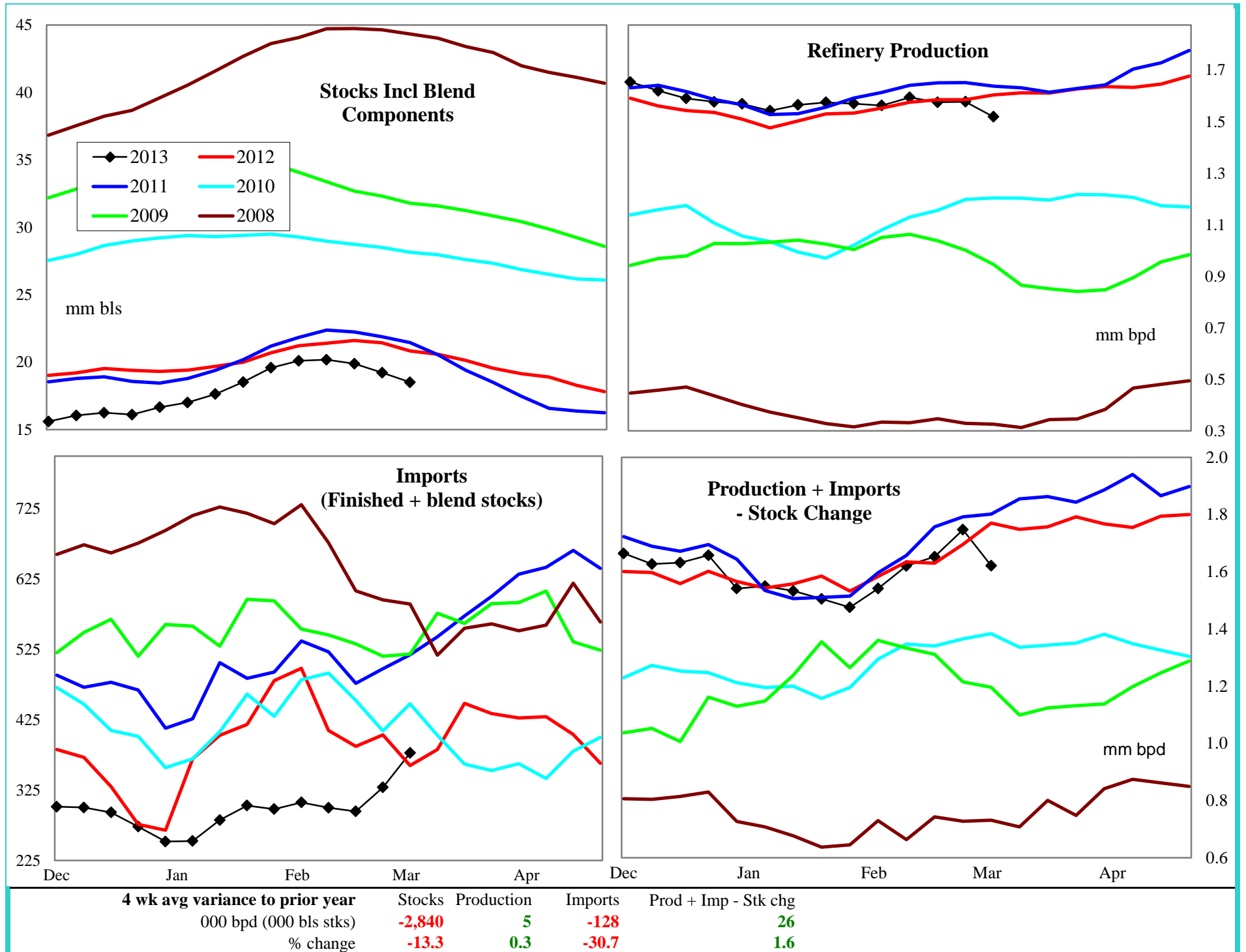
## PADD 1 Gasoline Stocks by Region



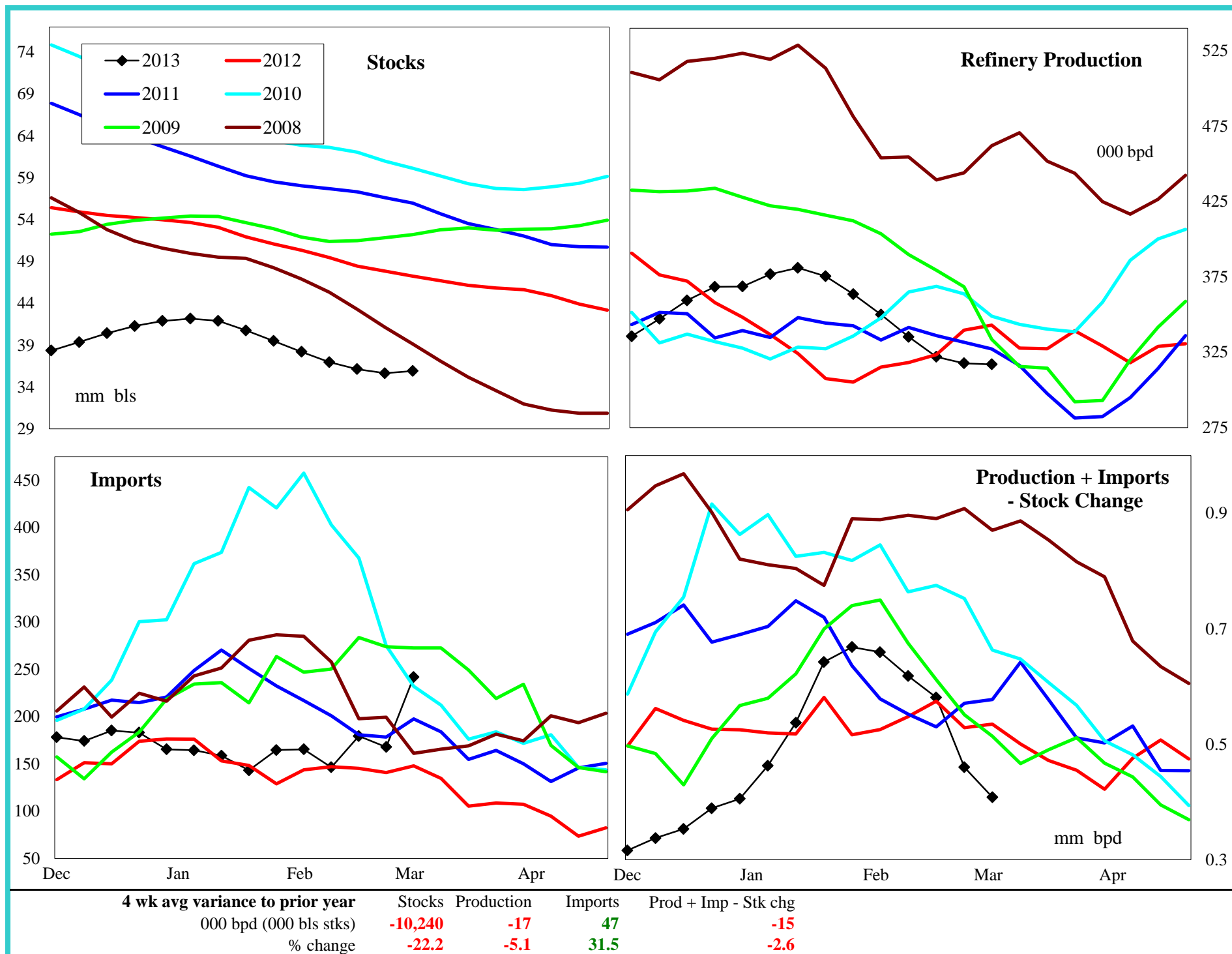
## PADD 1 Reformulated Gasoline Supply



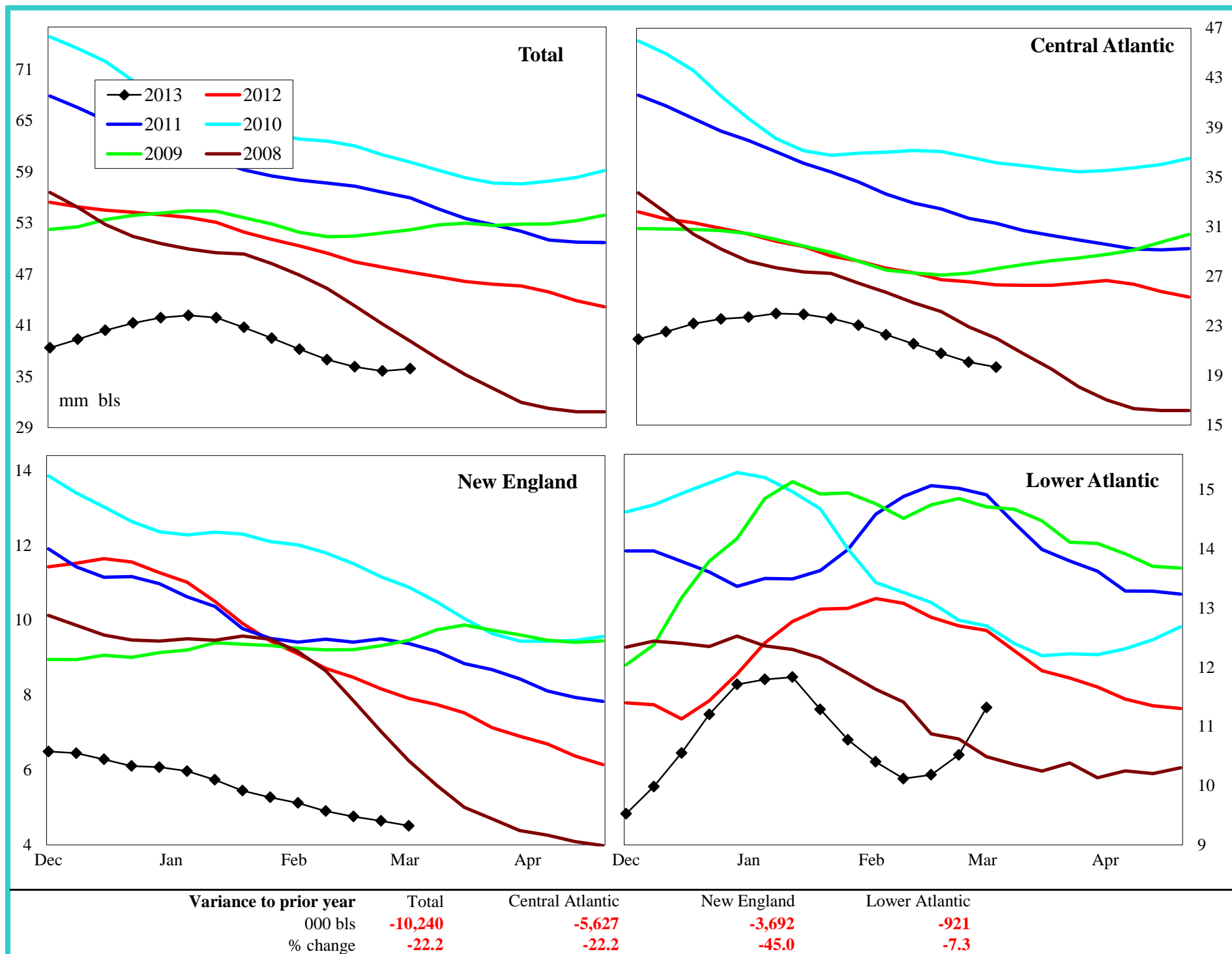
# PADD 1 Conventional Gasoline Supply



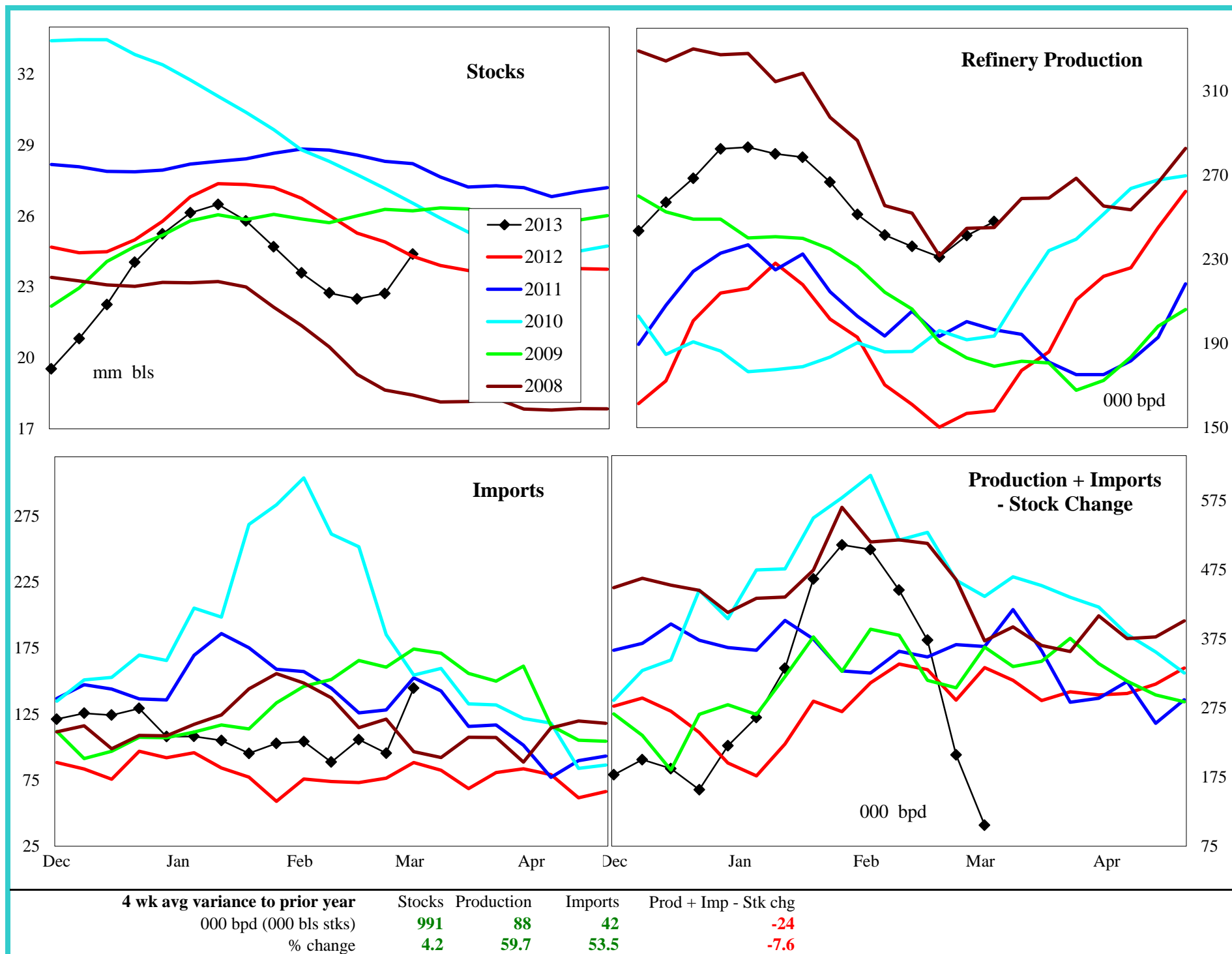
## PADD 1 Distillate Supply



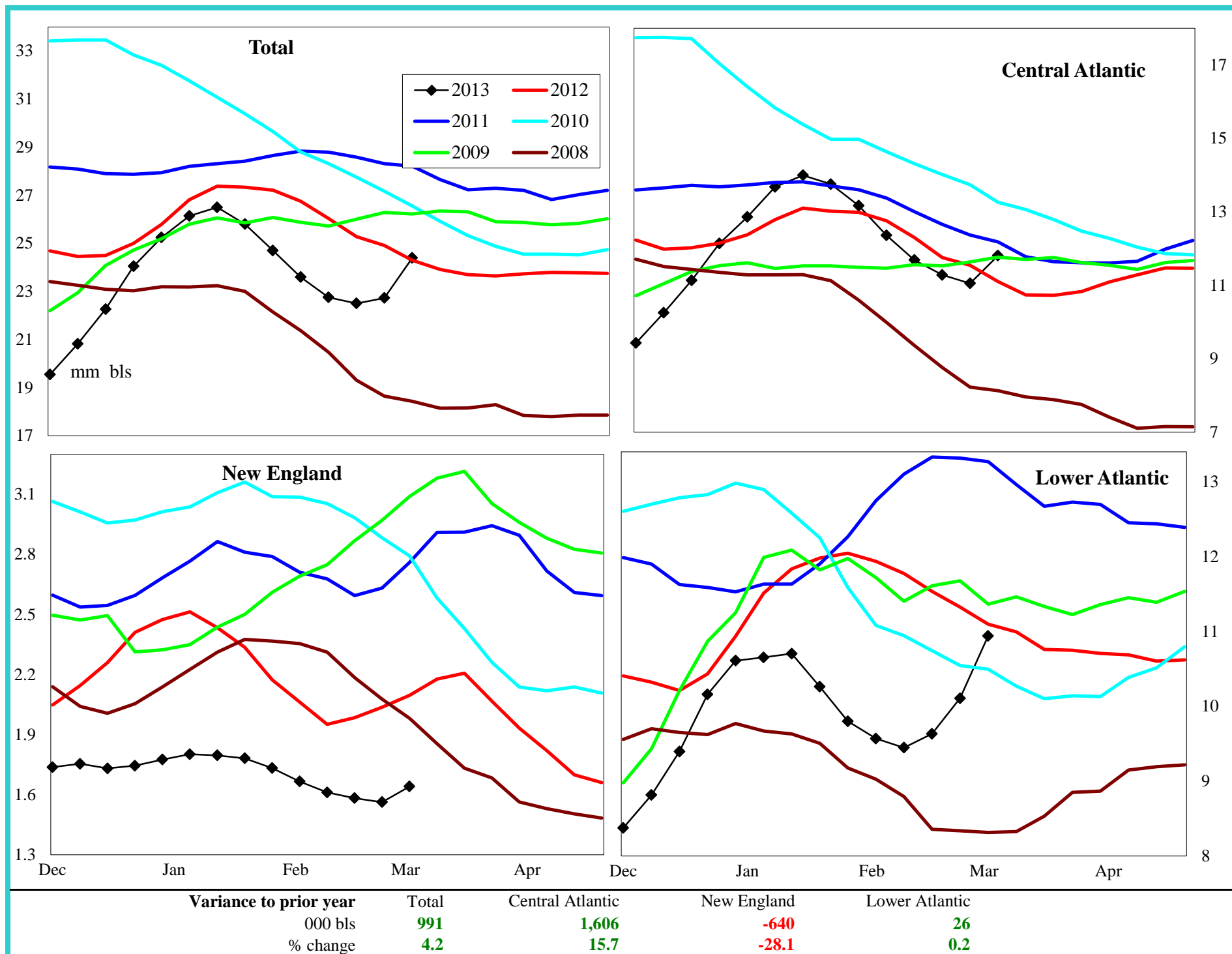
# PADD 1 Distillate Stocks by Region



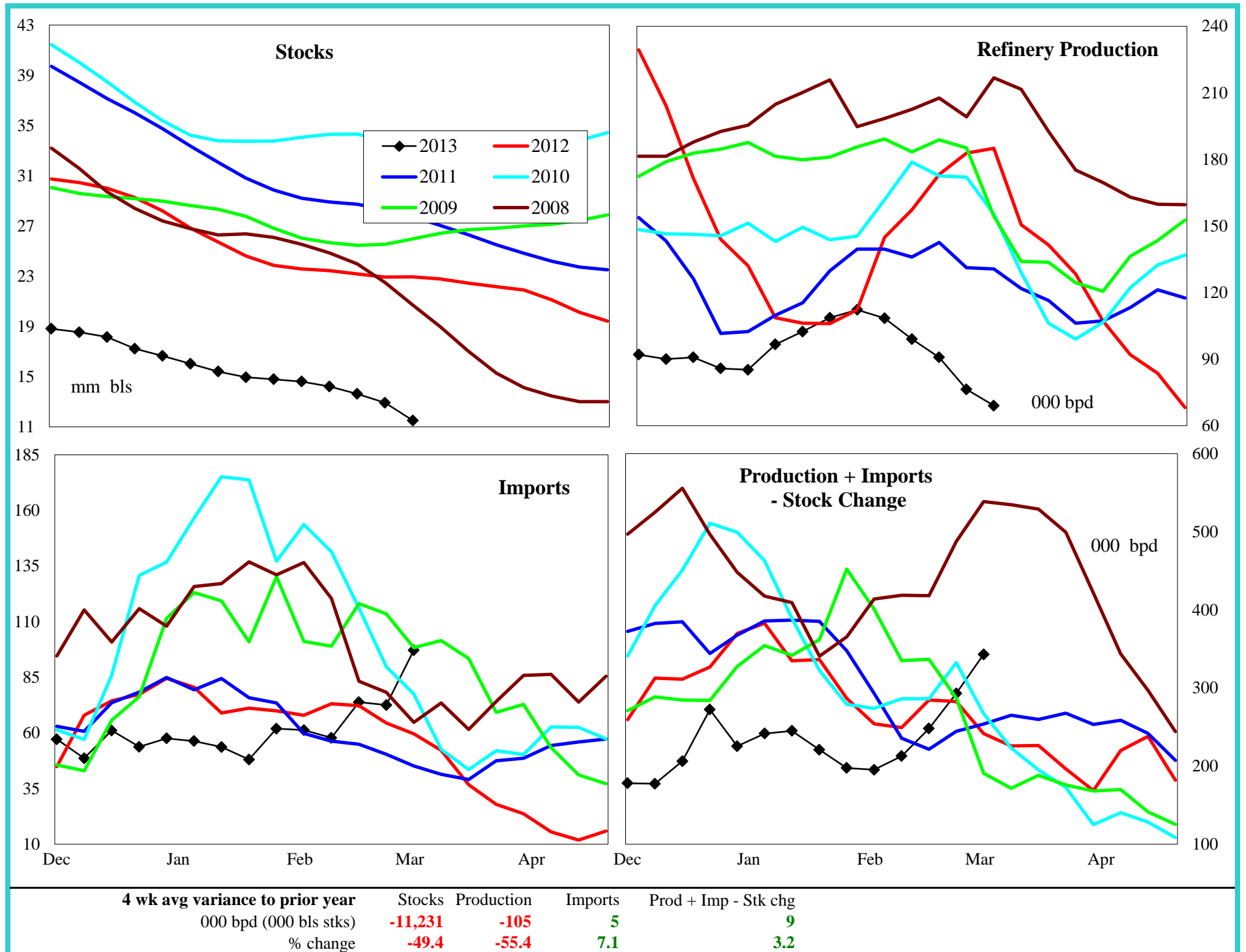
# PADD 1 Low Sulfur Distillate Supply



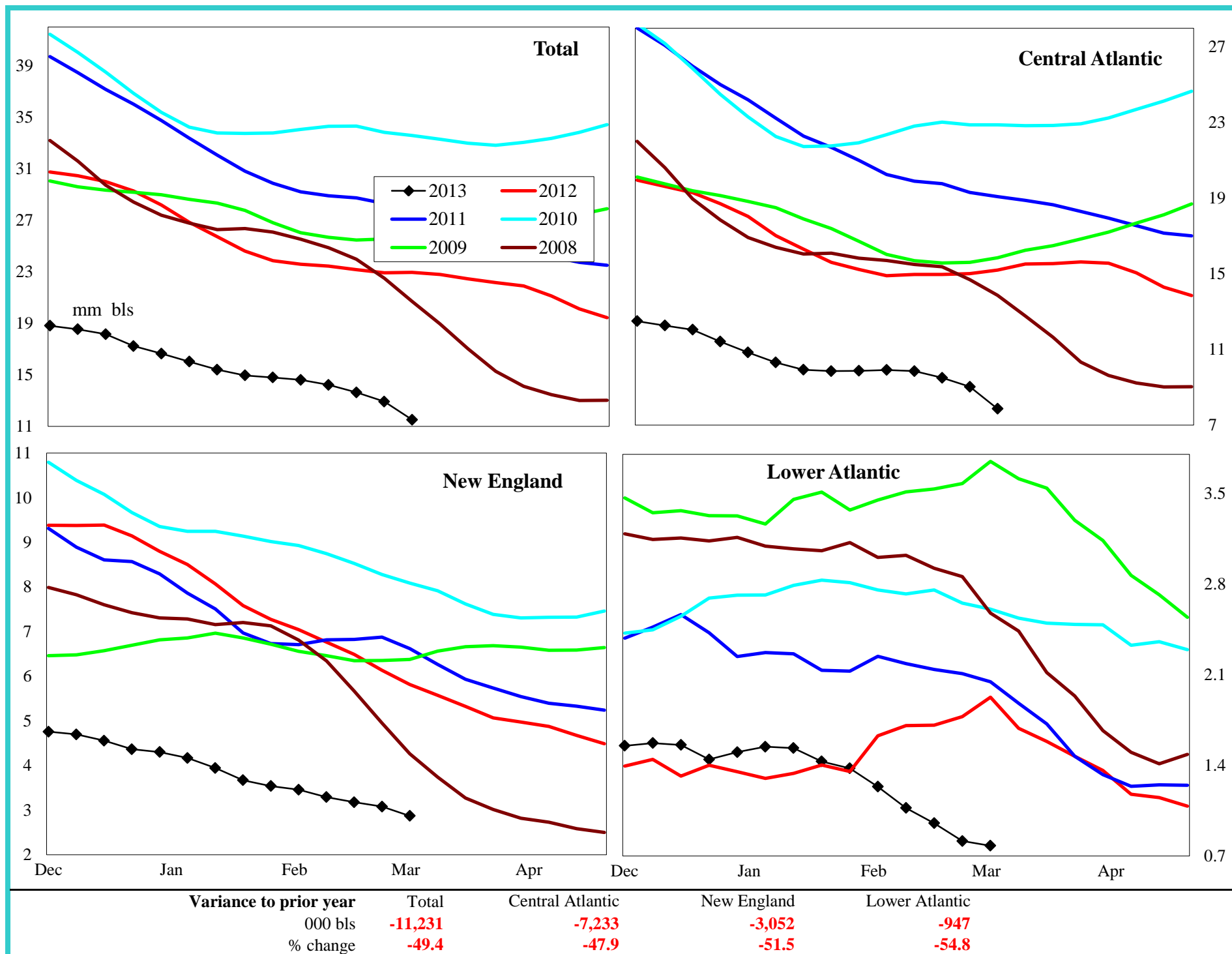
# PADD 1 Low Sulfur Distillate Stocks by Region



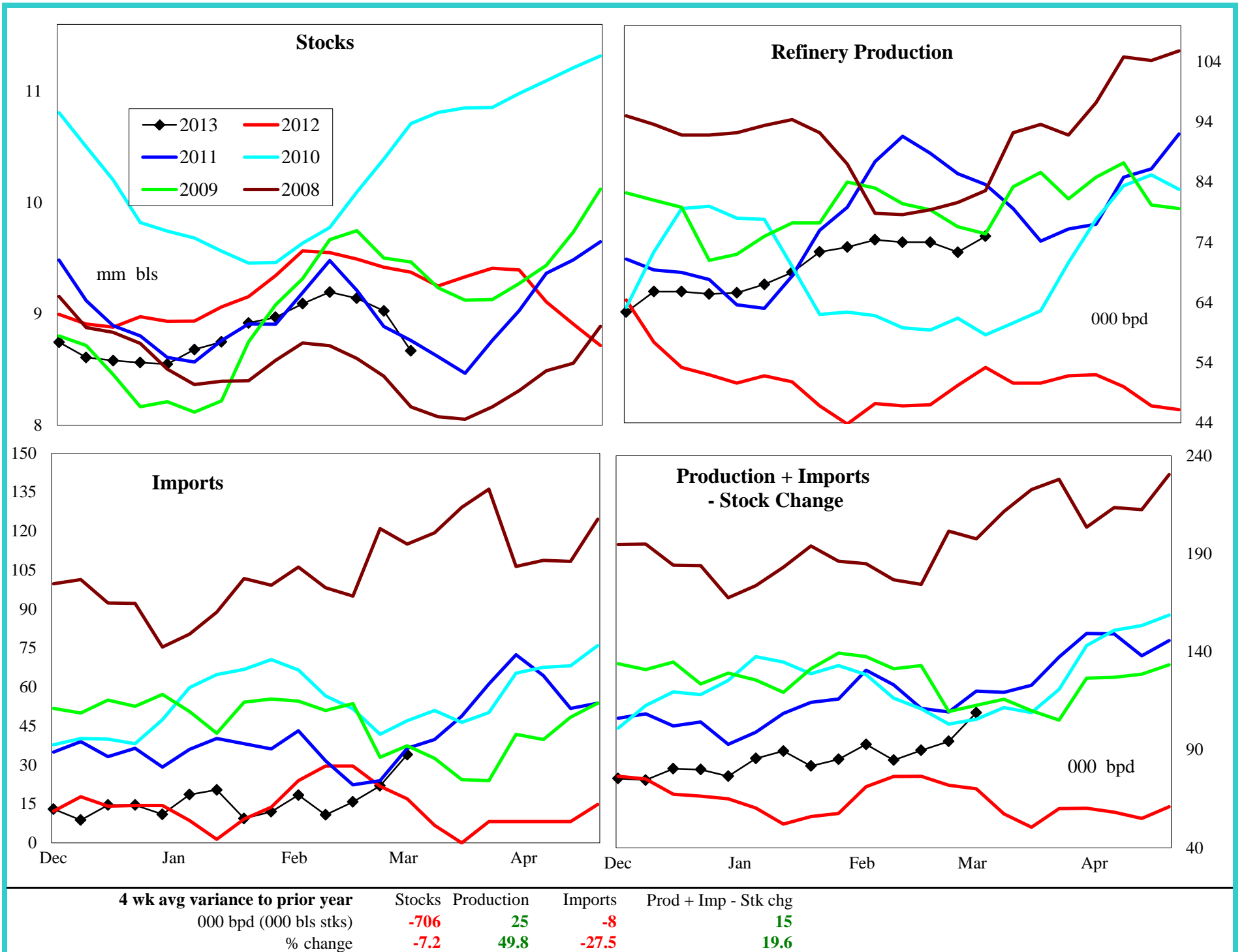
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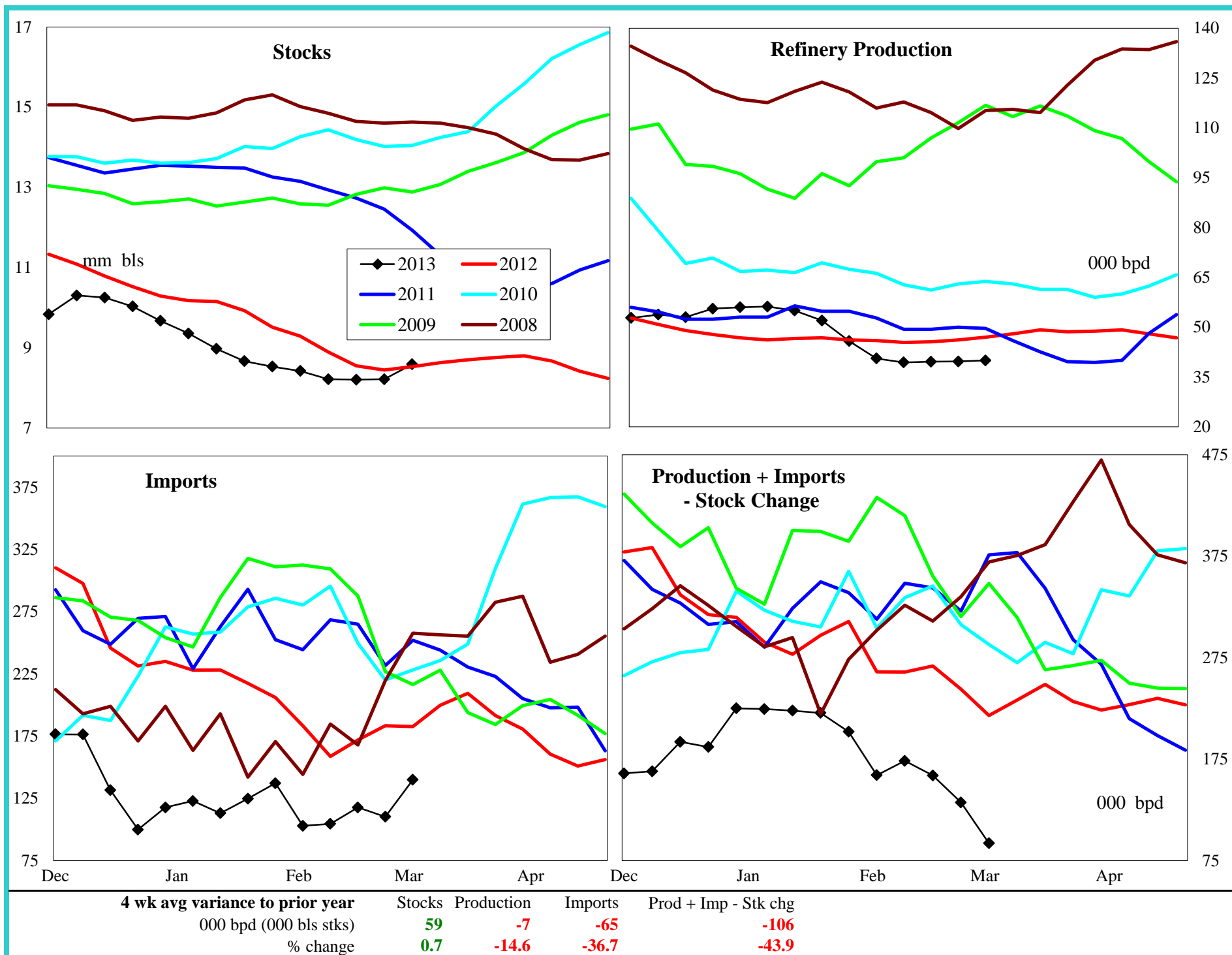
# PADD 1 High Sulfur Distillate Stocks by Region



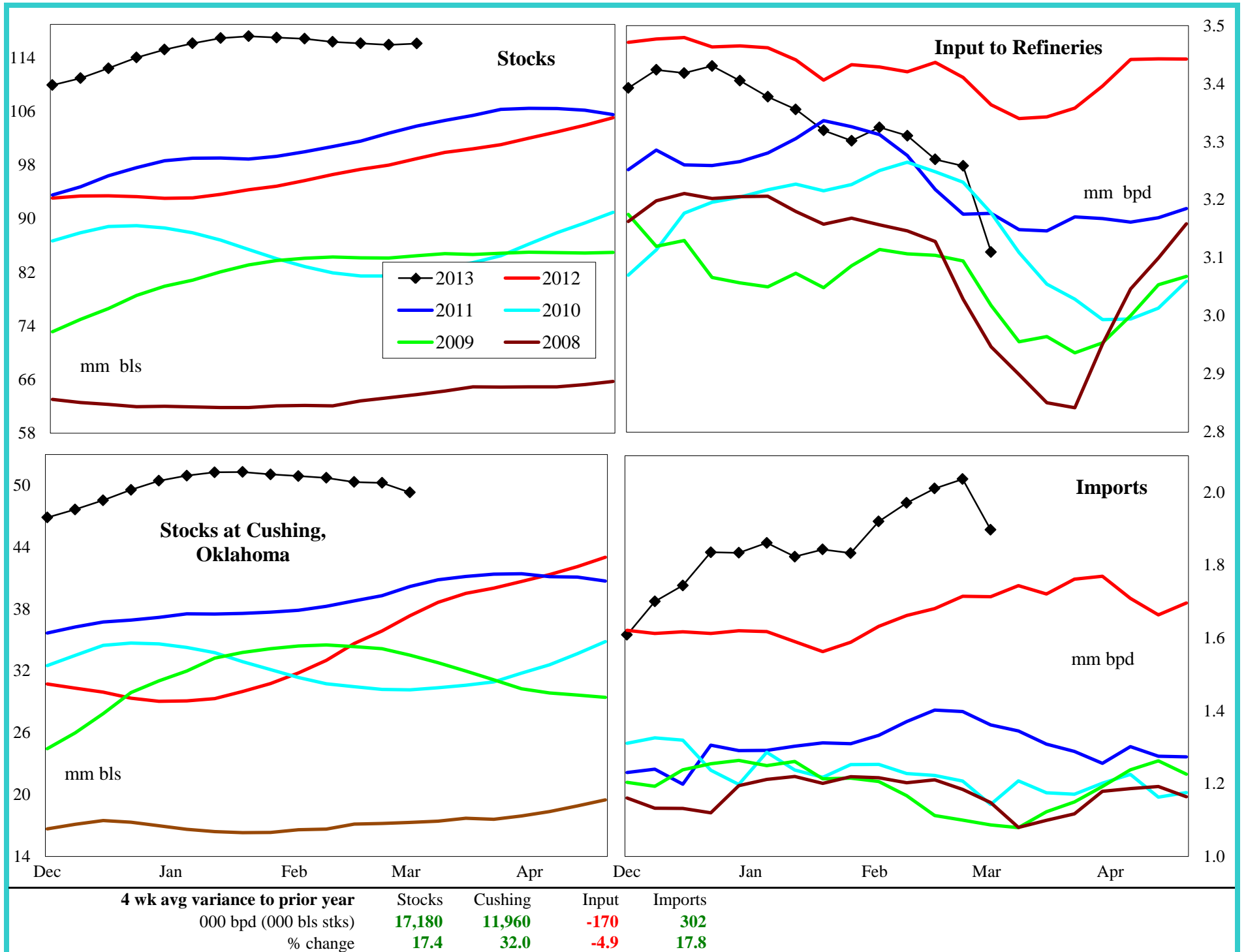
## PADD 1 Jet Fuel Supply



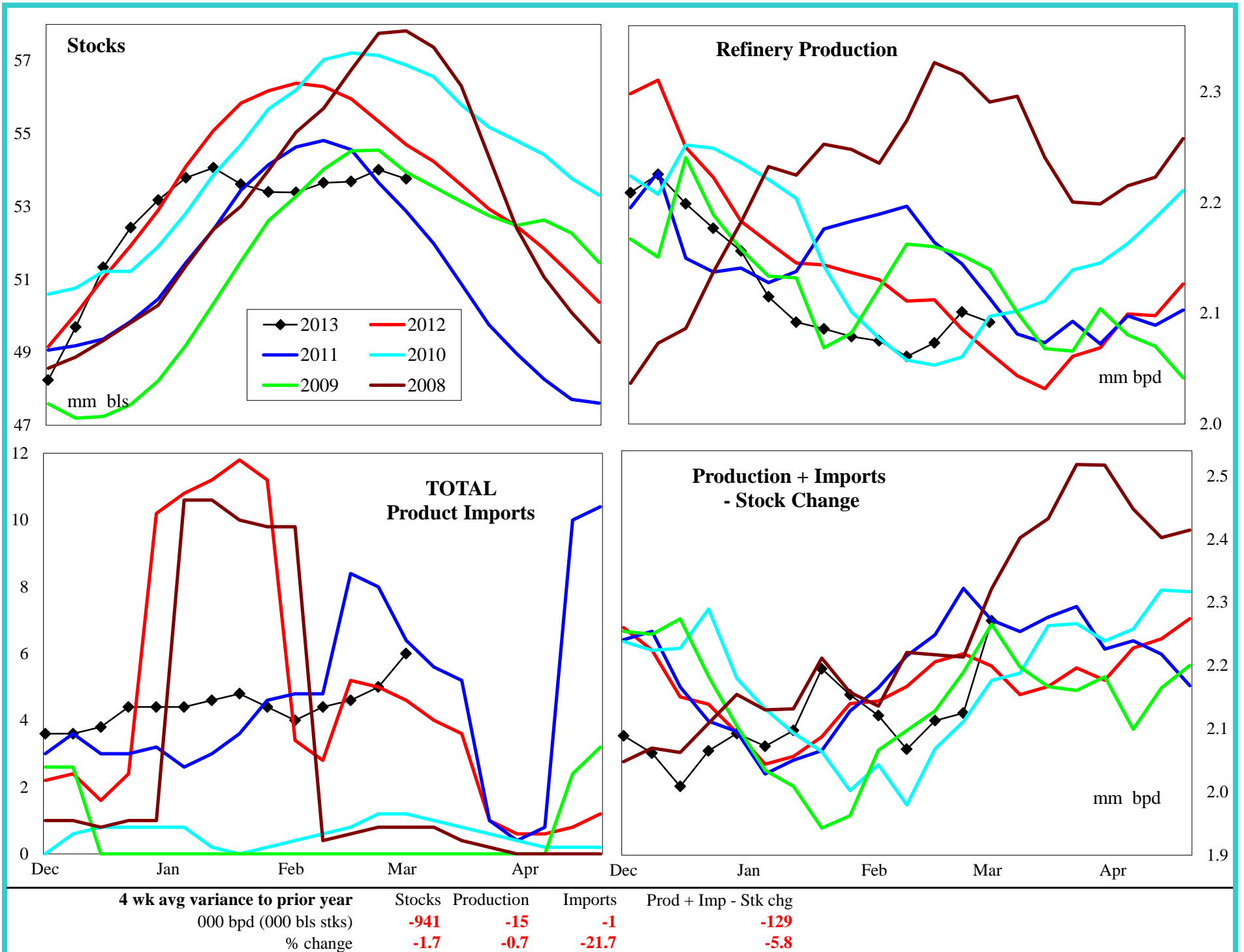
# PADD 1 Residual Fuel Oil Supply



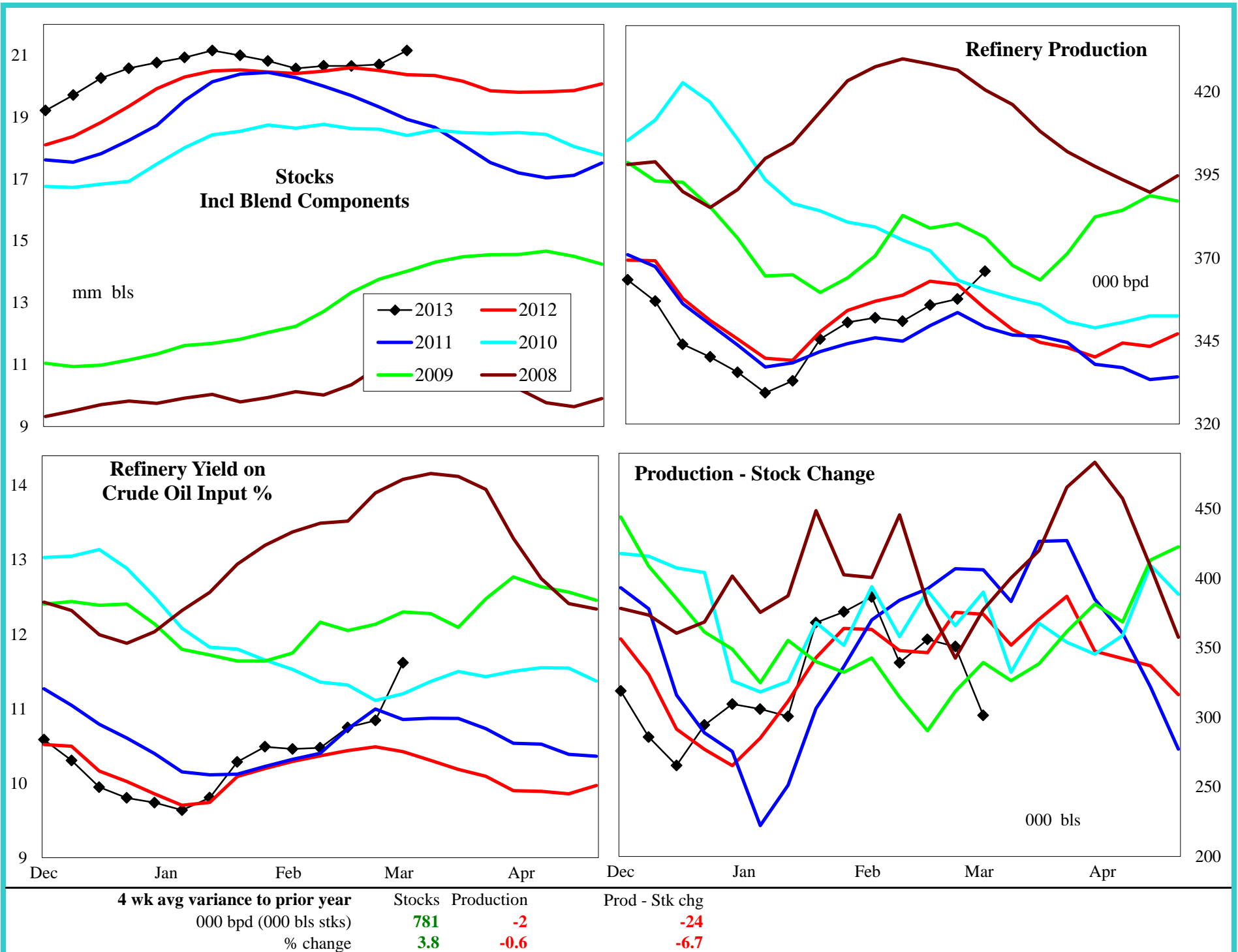
# PADD 2 Crude Oil Supply and Refining



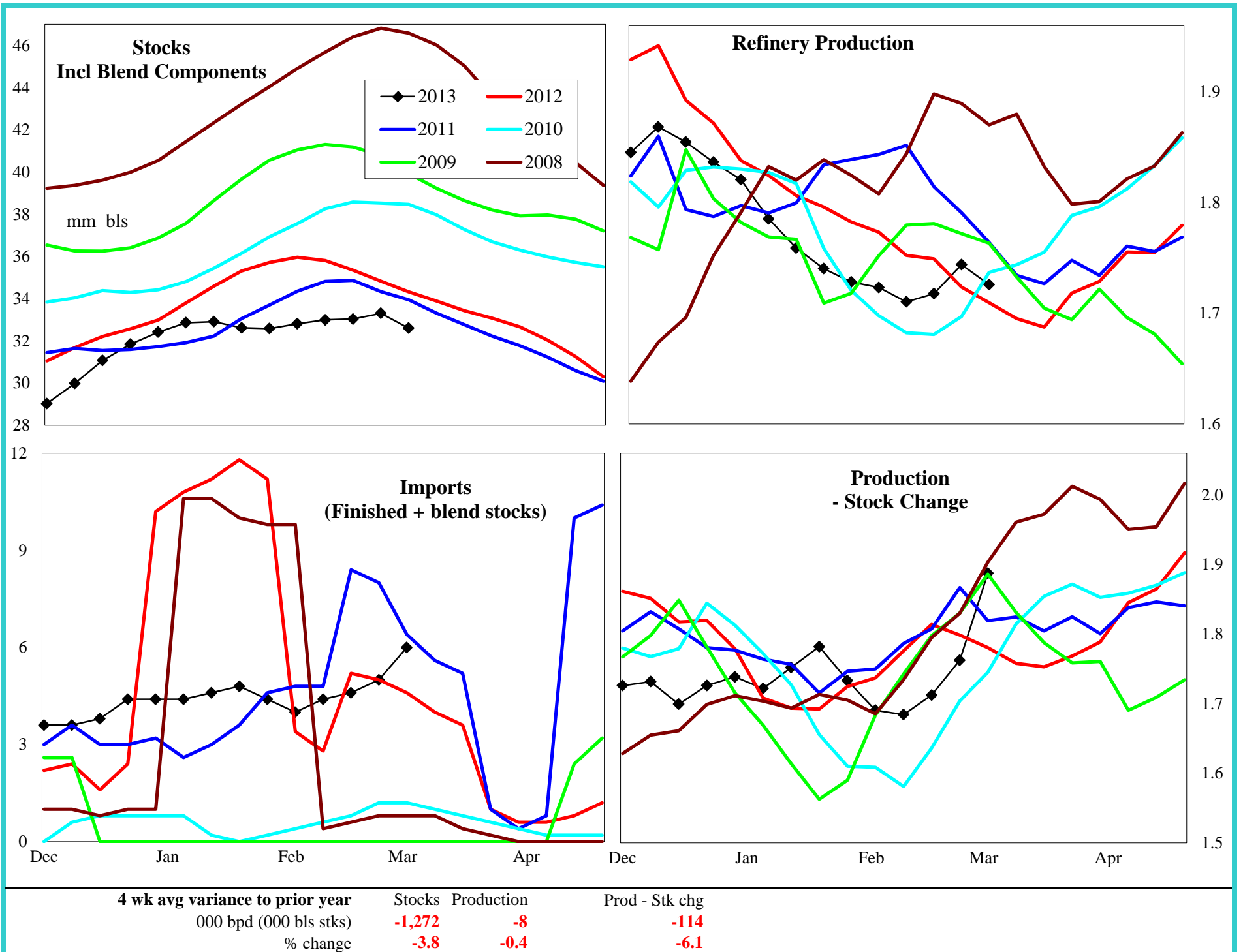
## PADD 2 Gasoline Supply



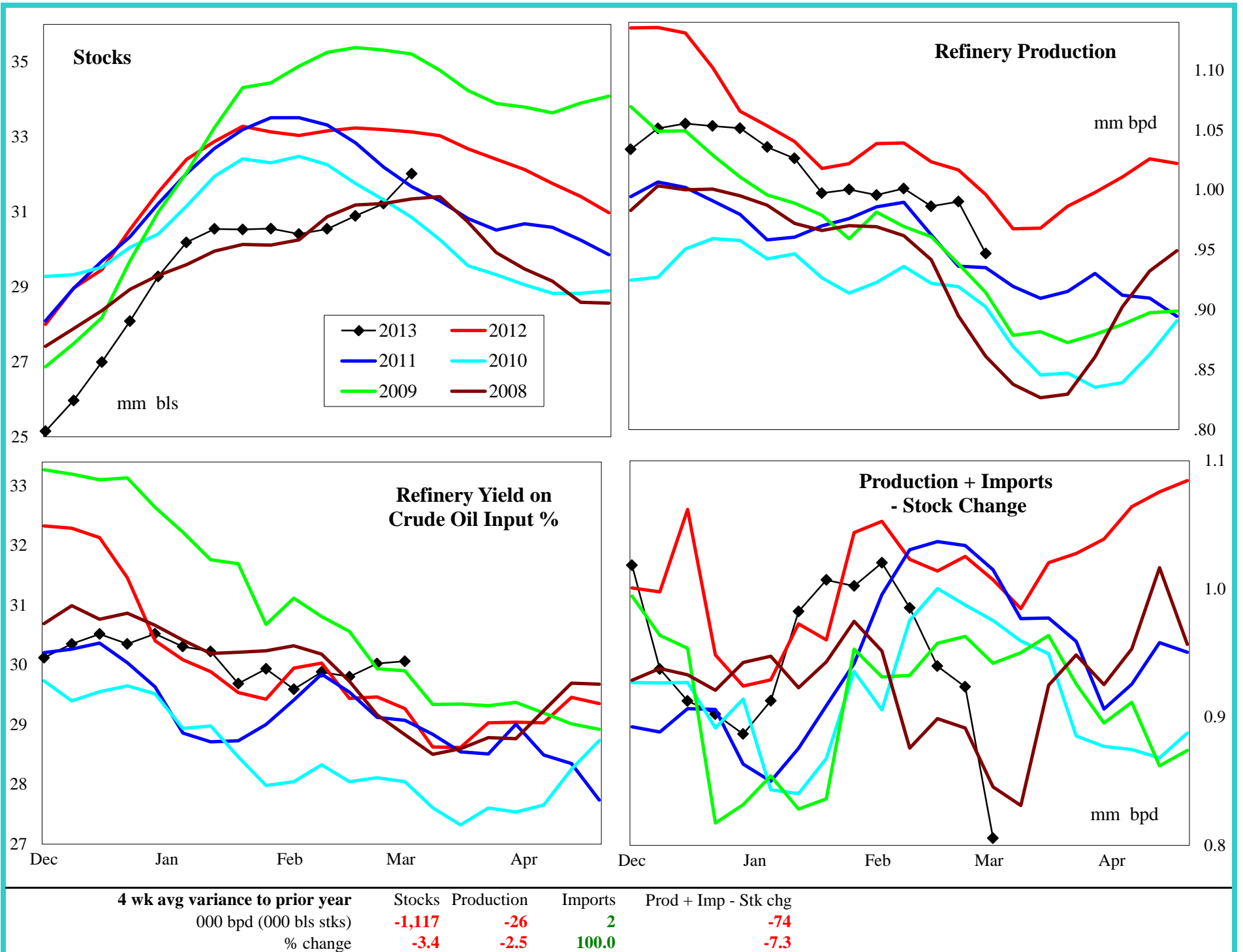
# PADD 2 Reformulated Gasoline Supply



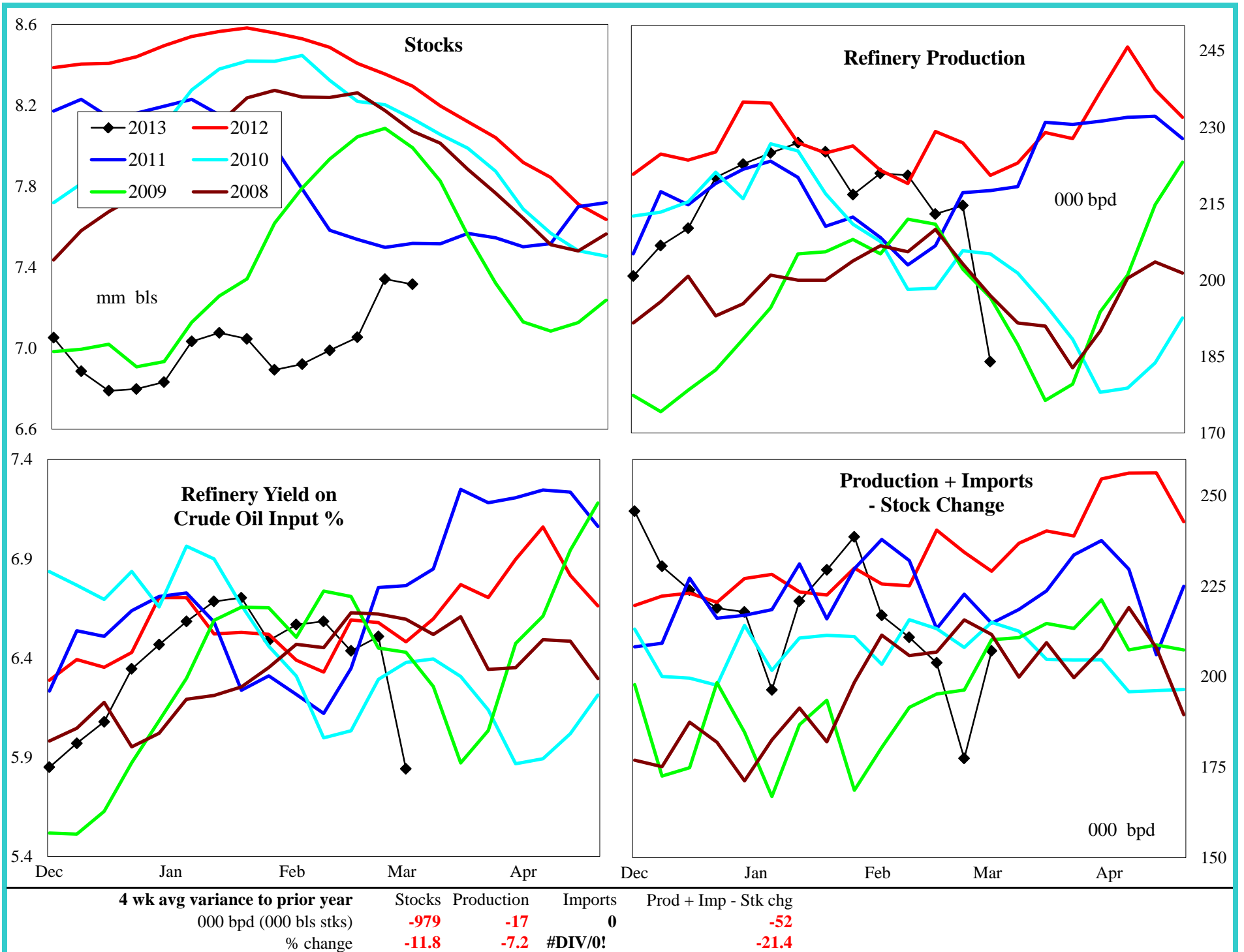
# PADD 2 Conventional Gasoline Supply



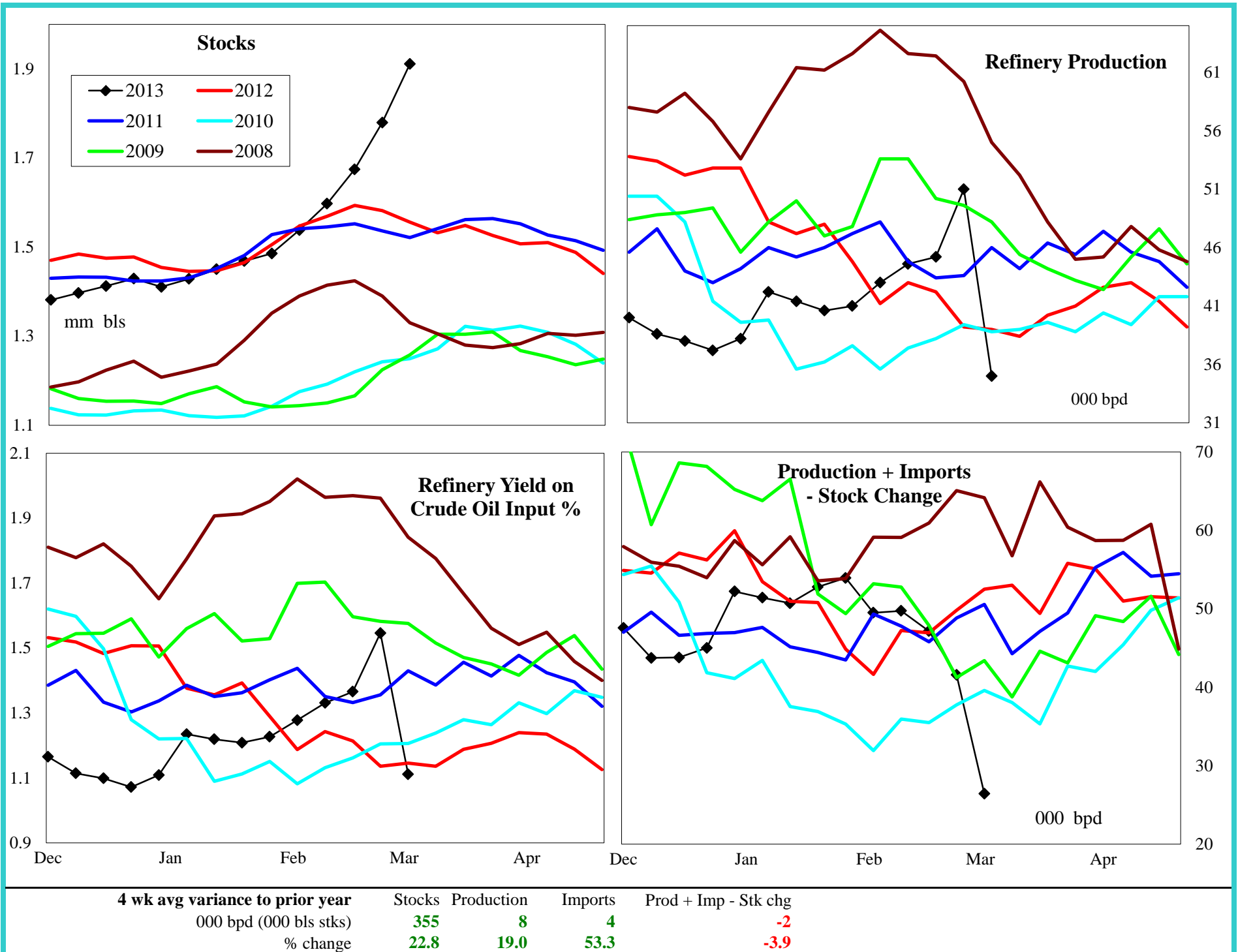
## PADD 2 Distillate Supply



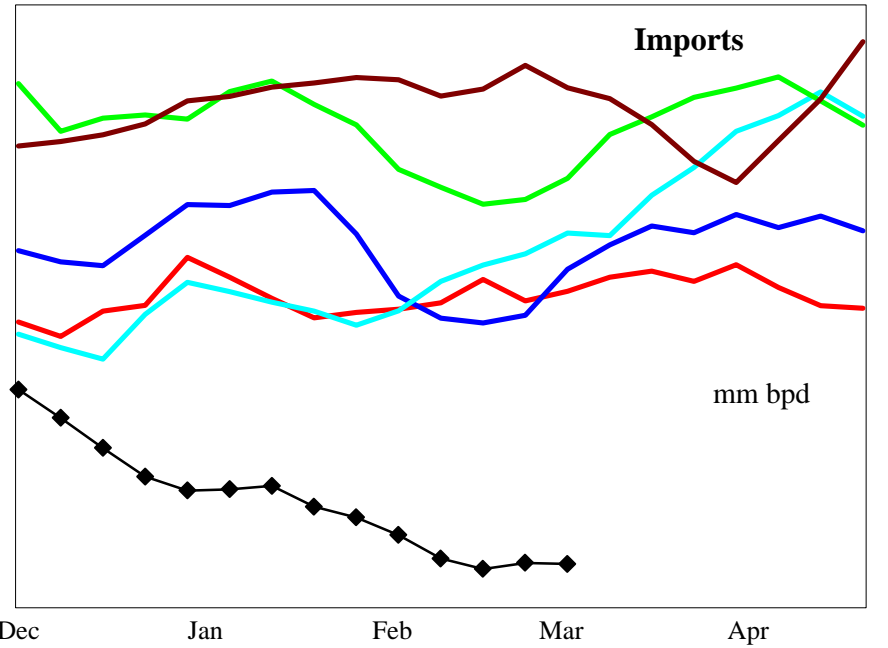
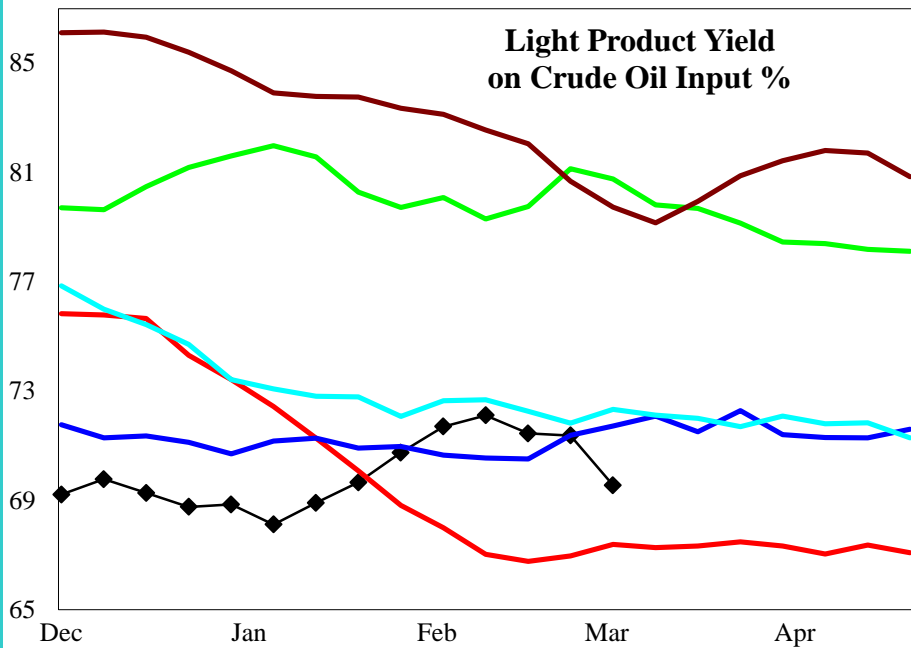
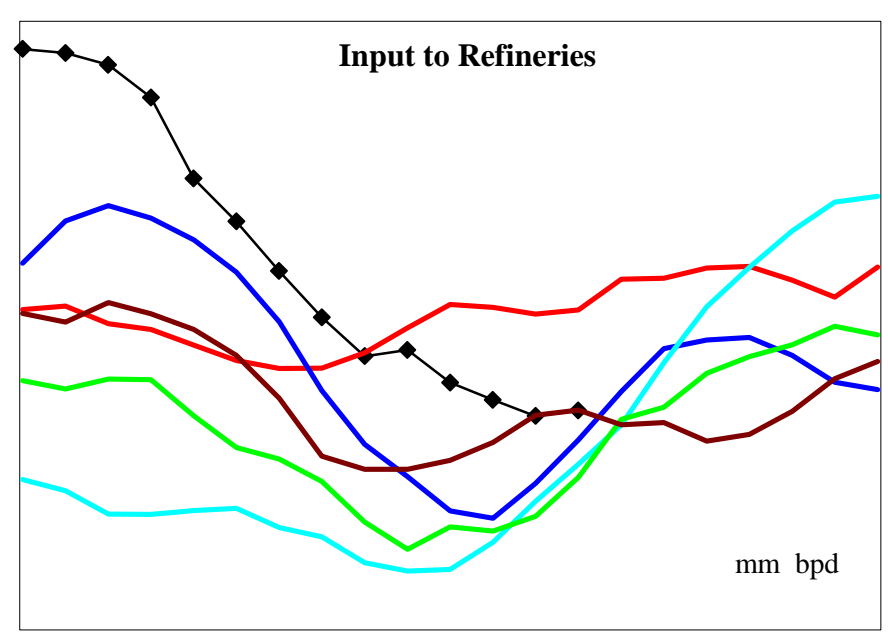
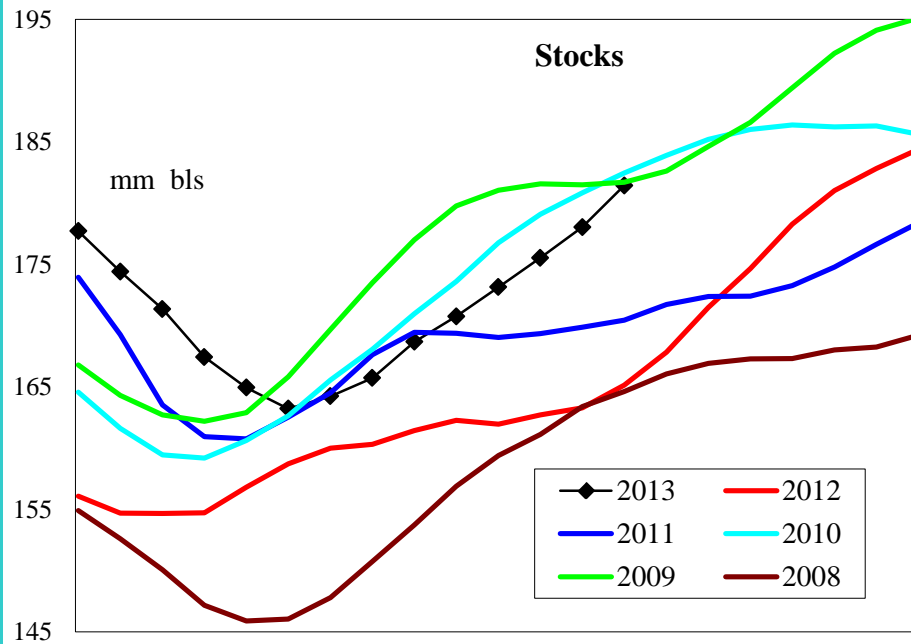
## PADD 2 Jet Fuel Supply



## PADD 2 Residual Fuel Oil Supply



# PADD 3 Crude Oil Supply and Refining



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

16,287

9.9

Input

-303

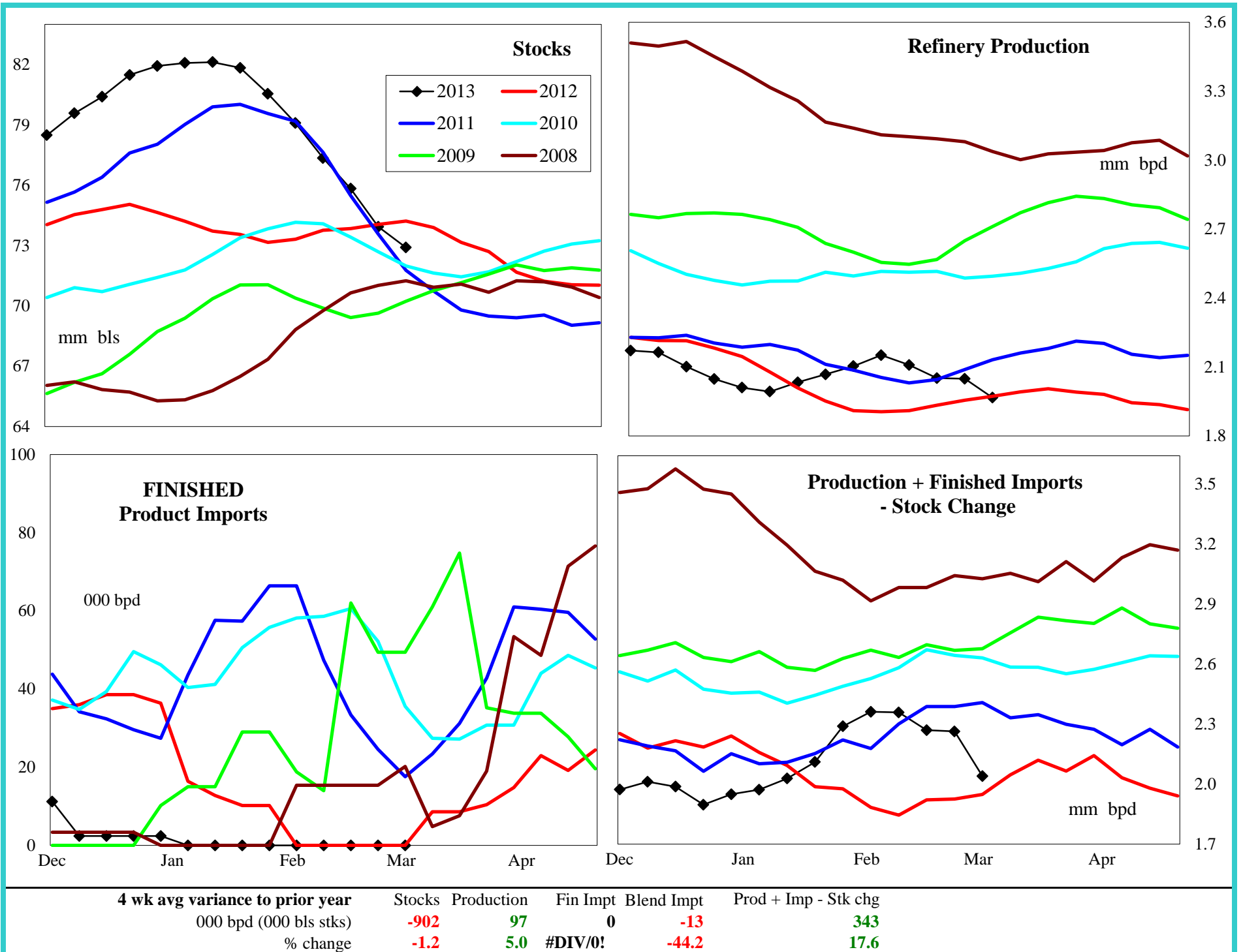
-4.1

Imports

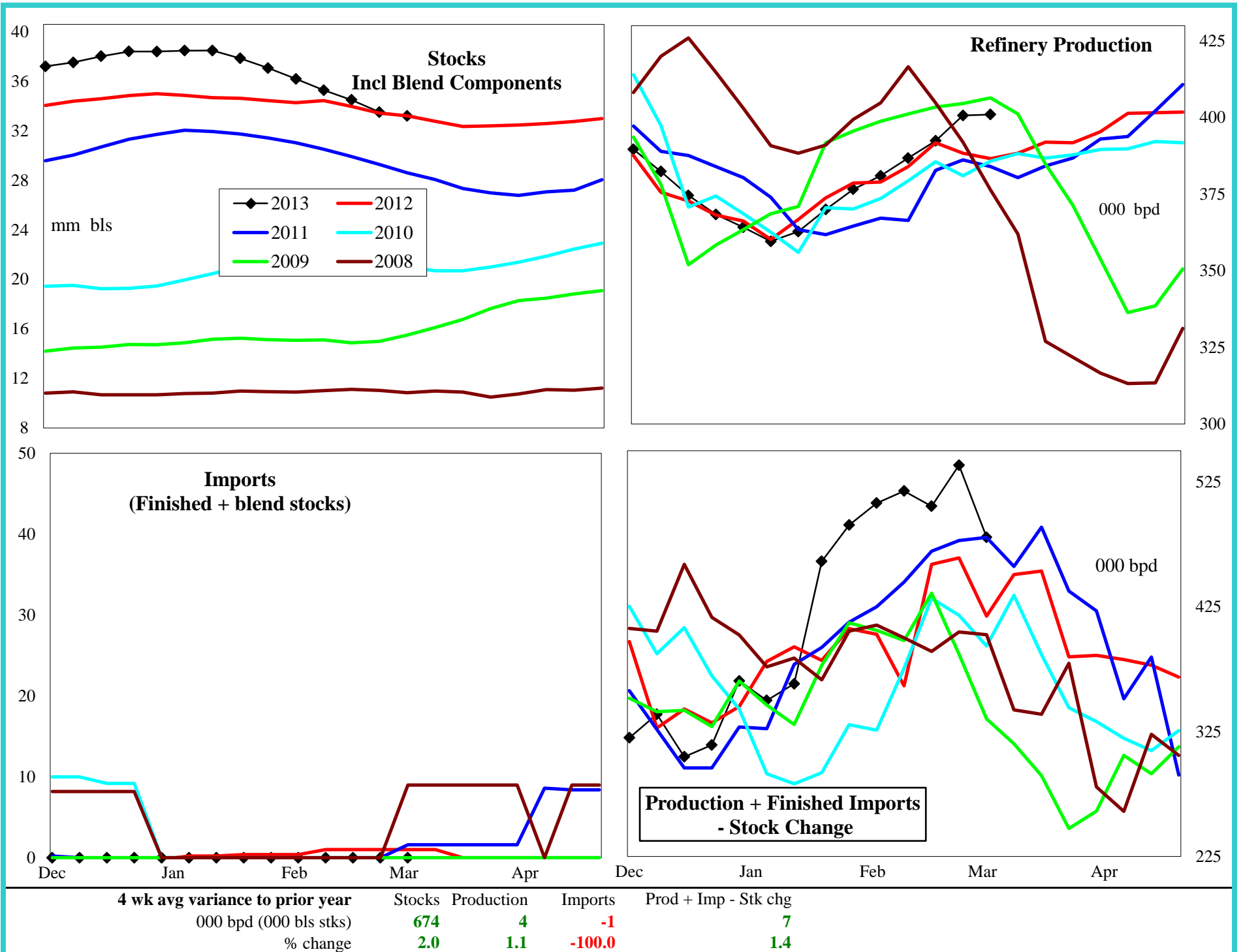
-1,427

-29.2

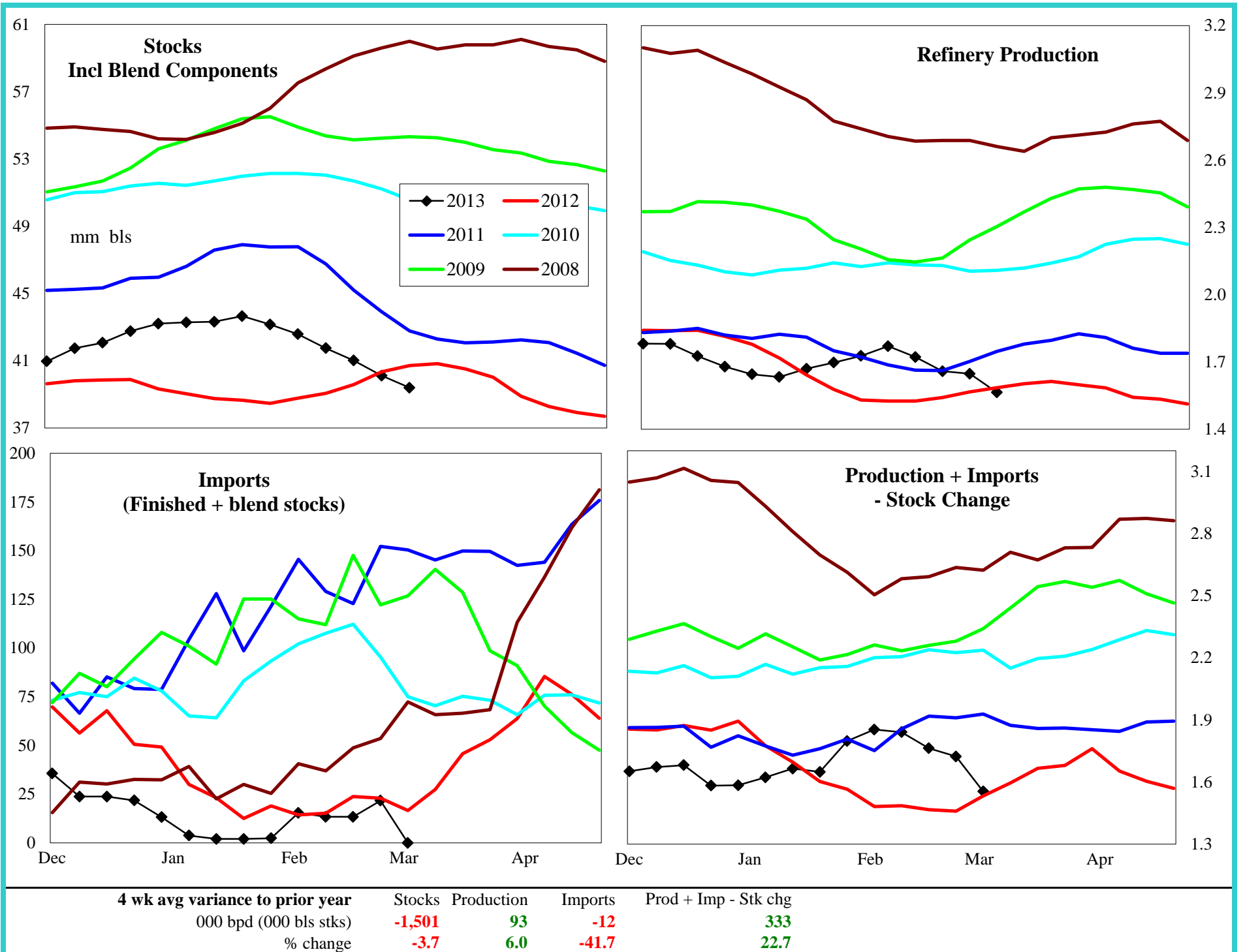
## PADD 3 Gasoline Supply



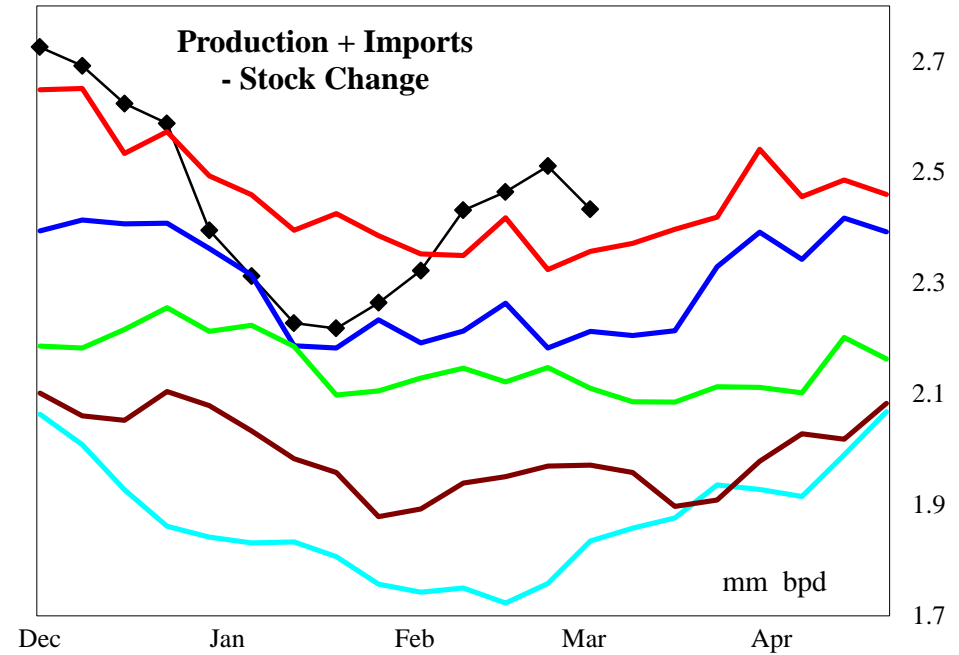
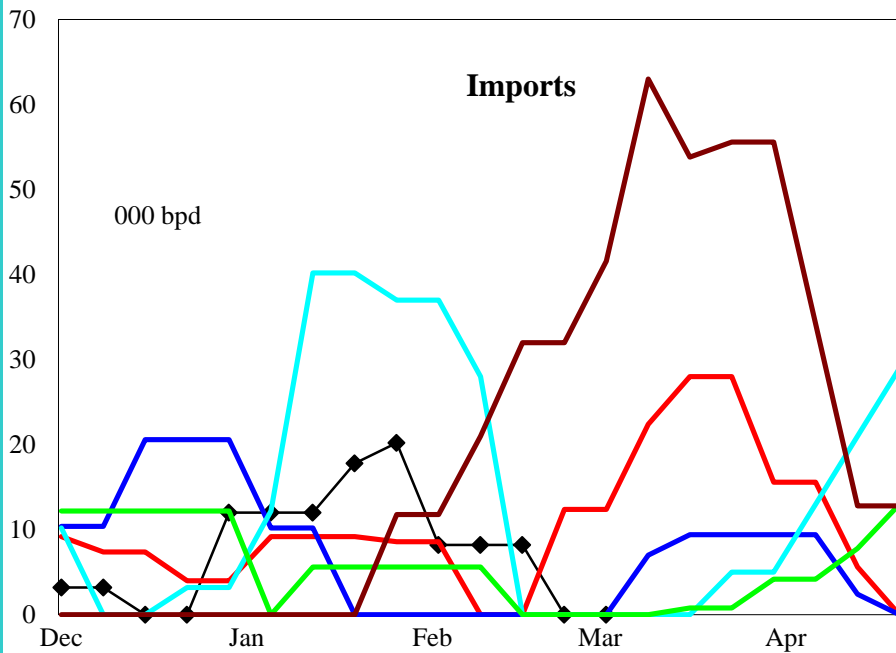
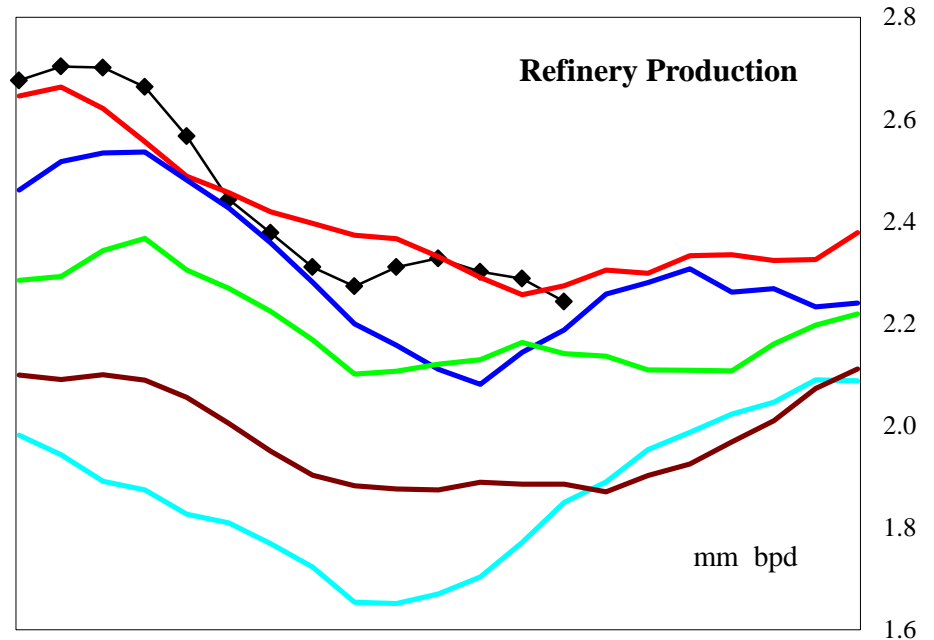
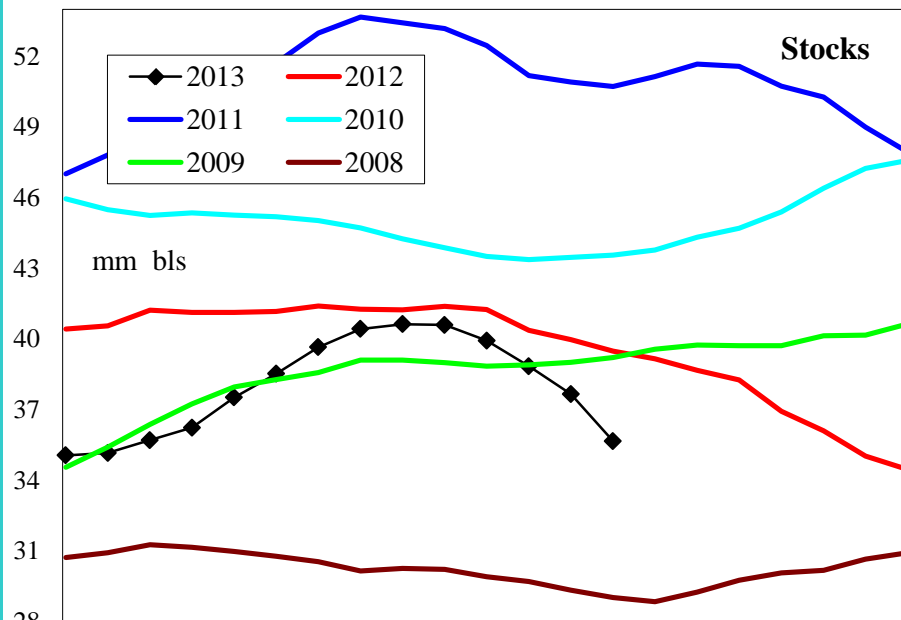
# PADD 3 Reformulated Gasoline Supply



# PADD 3 Conventional Gasoline Supply



## PADD 3 Distillate Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

-2,479

-6.5

Production

23

1.0

Imports

3

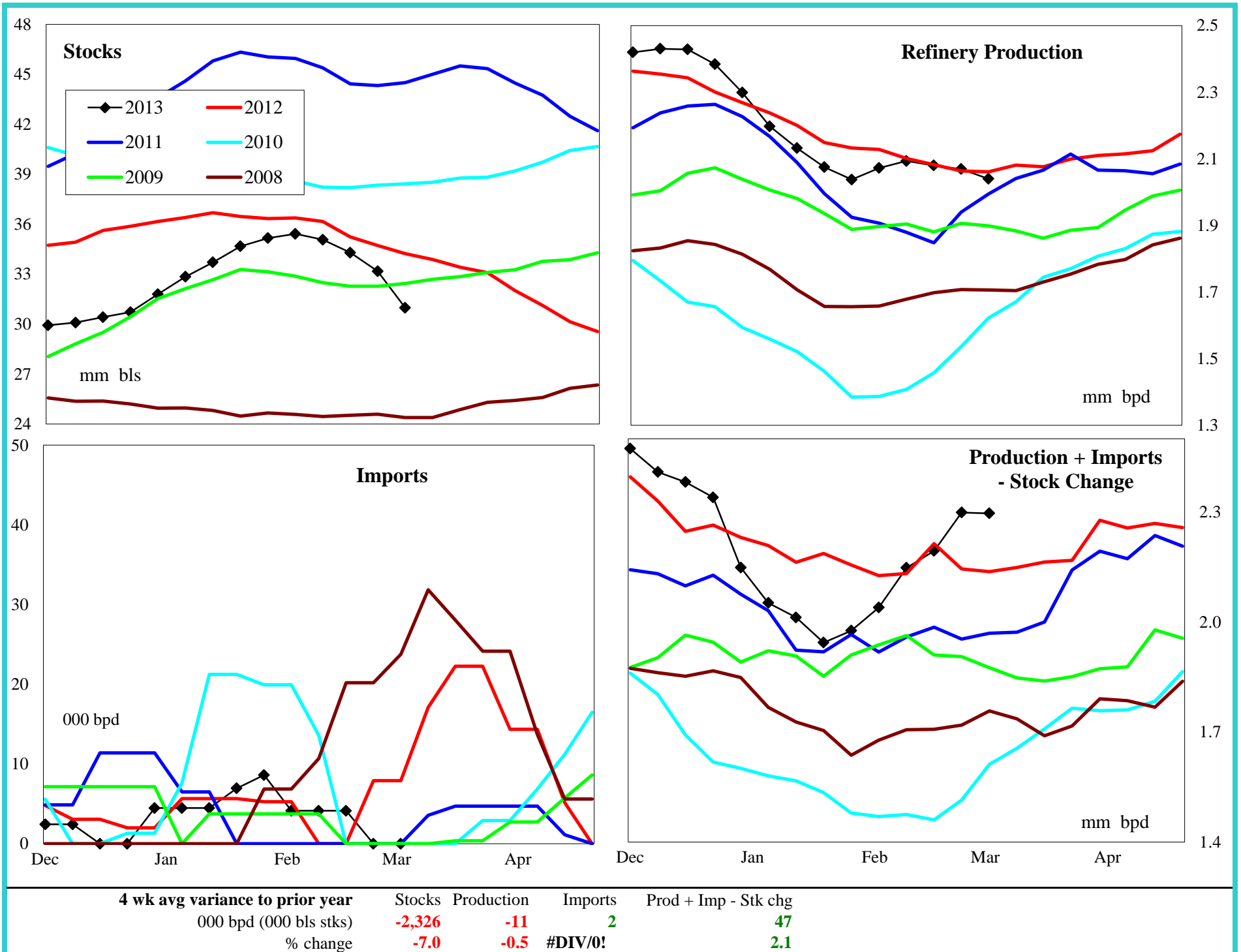
#DIV/0!

Prod + Imp - Stk chg

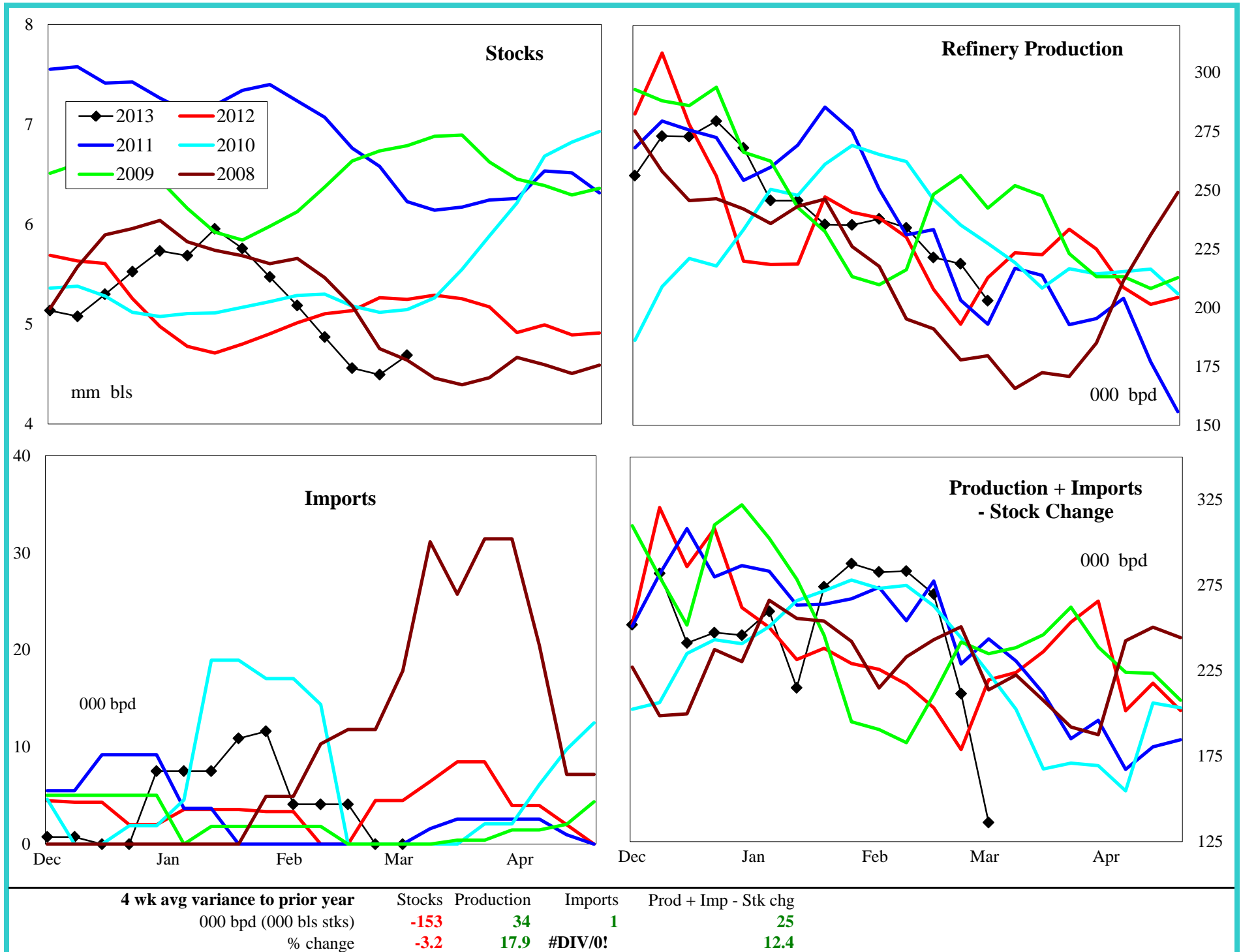
72

3.0

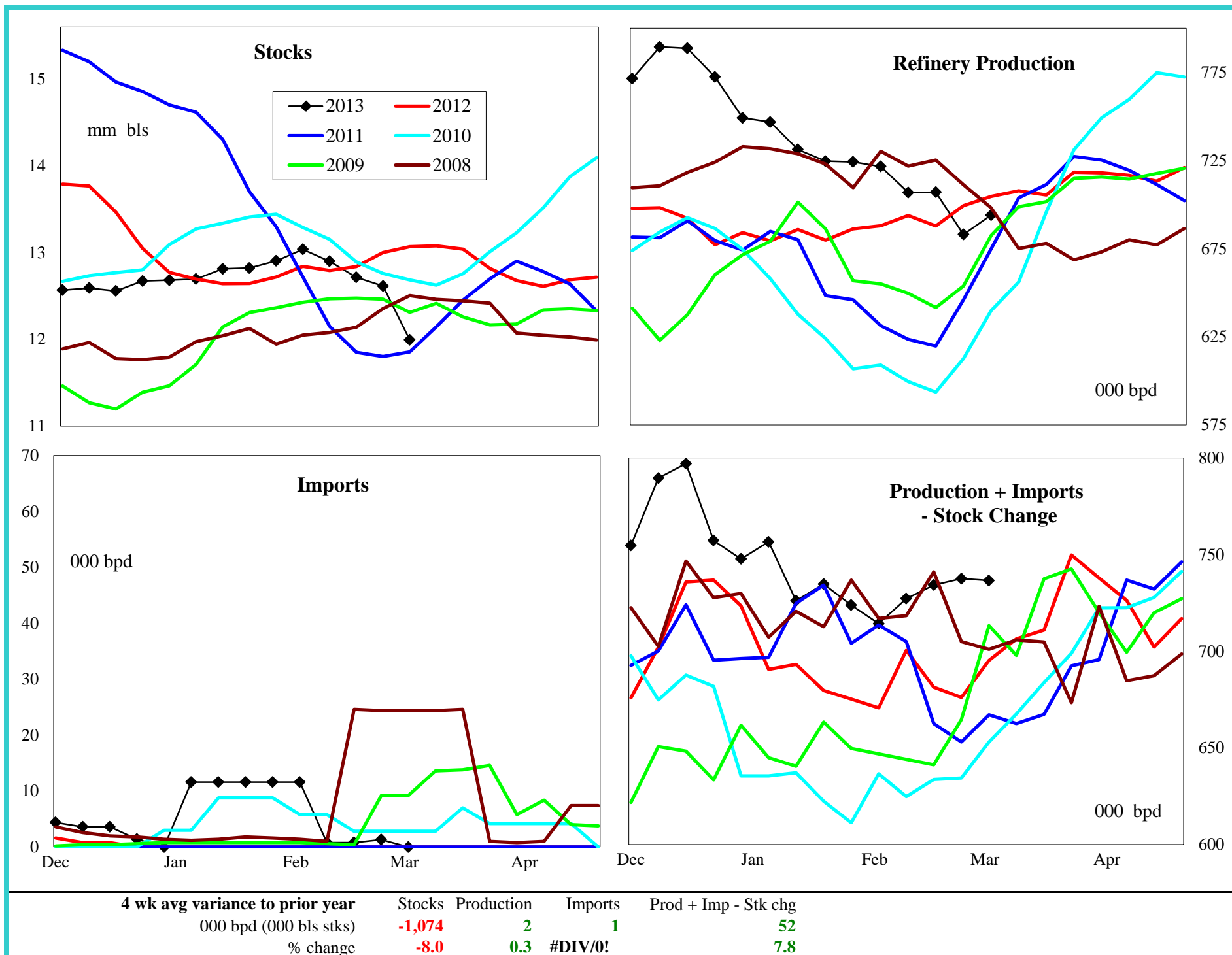
# PADD 3 Low Sulfur Distillate Supply



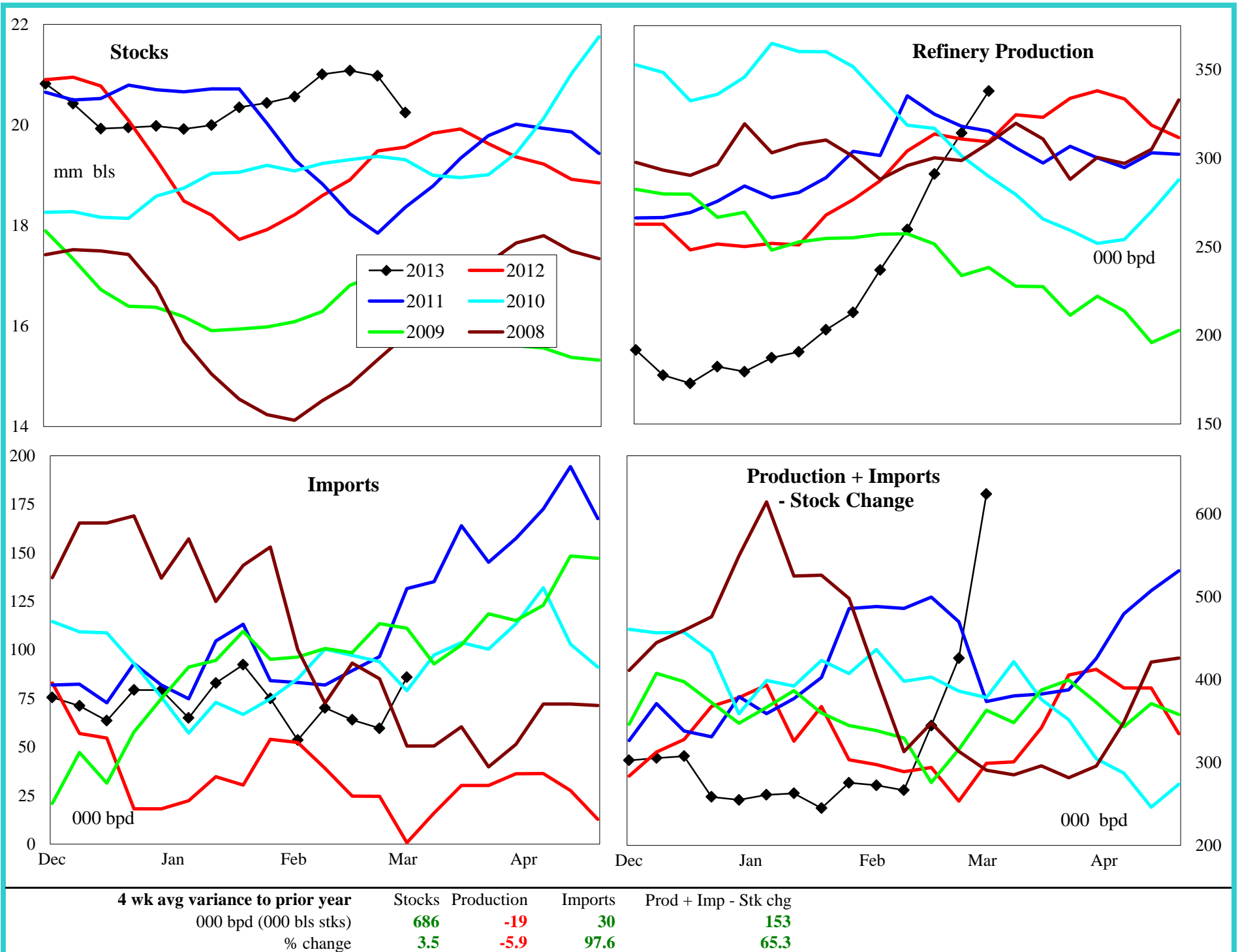
# PADD 3 High Sulfur Distillate Supply



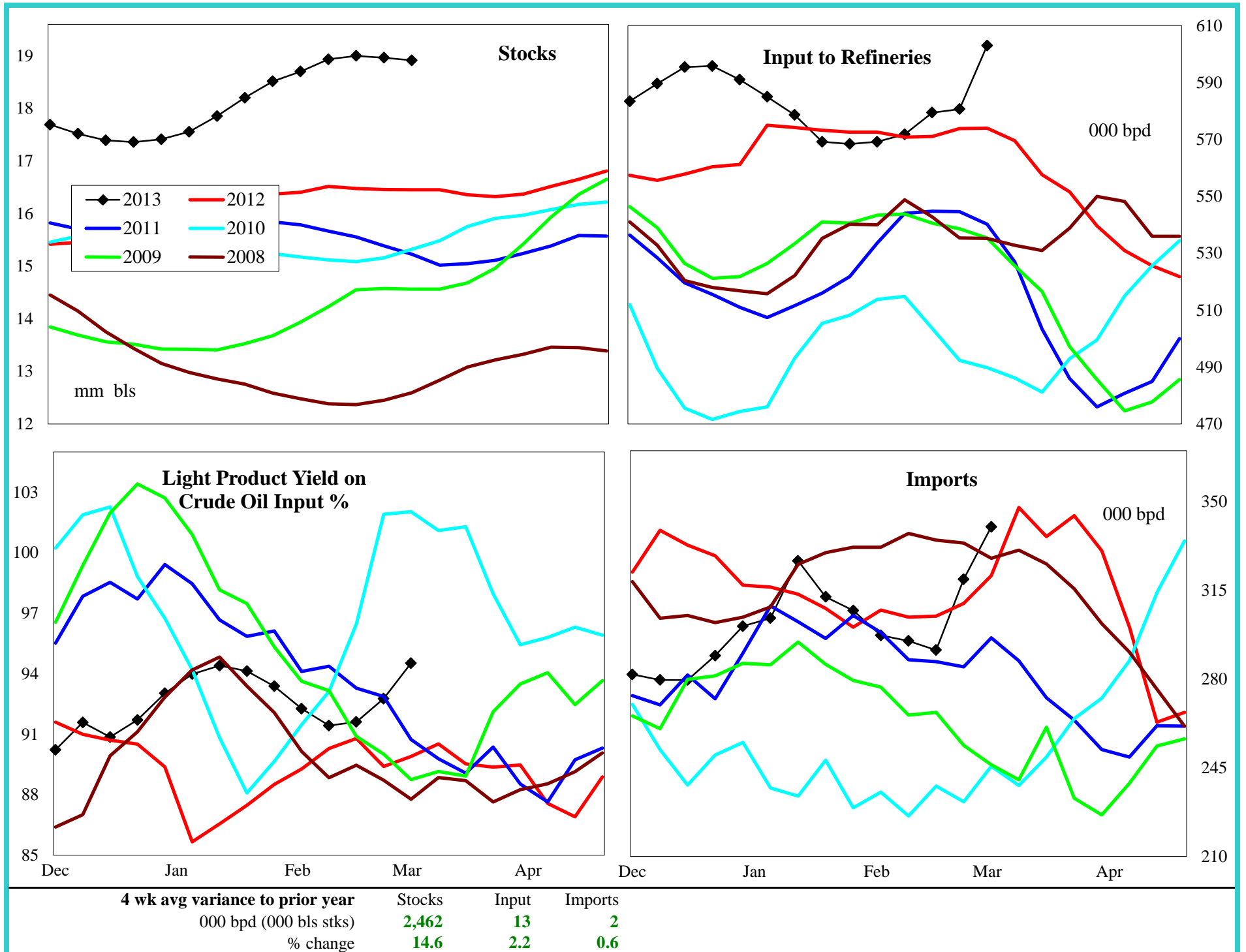
## PADD 3 Jet Fuel Supply



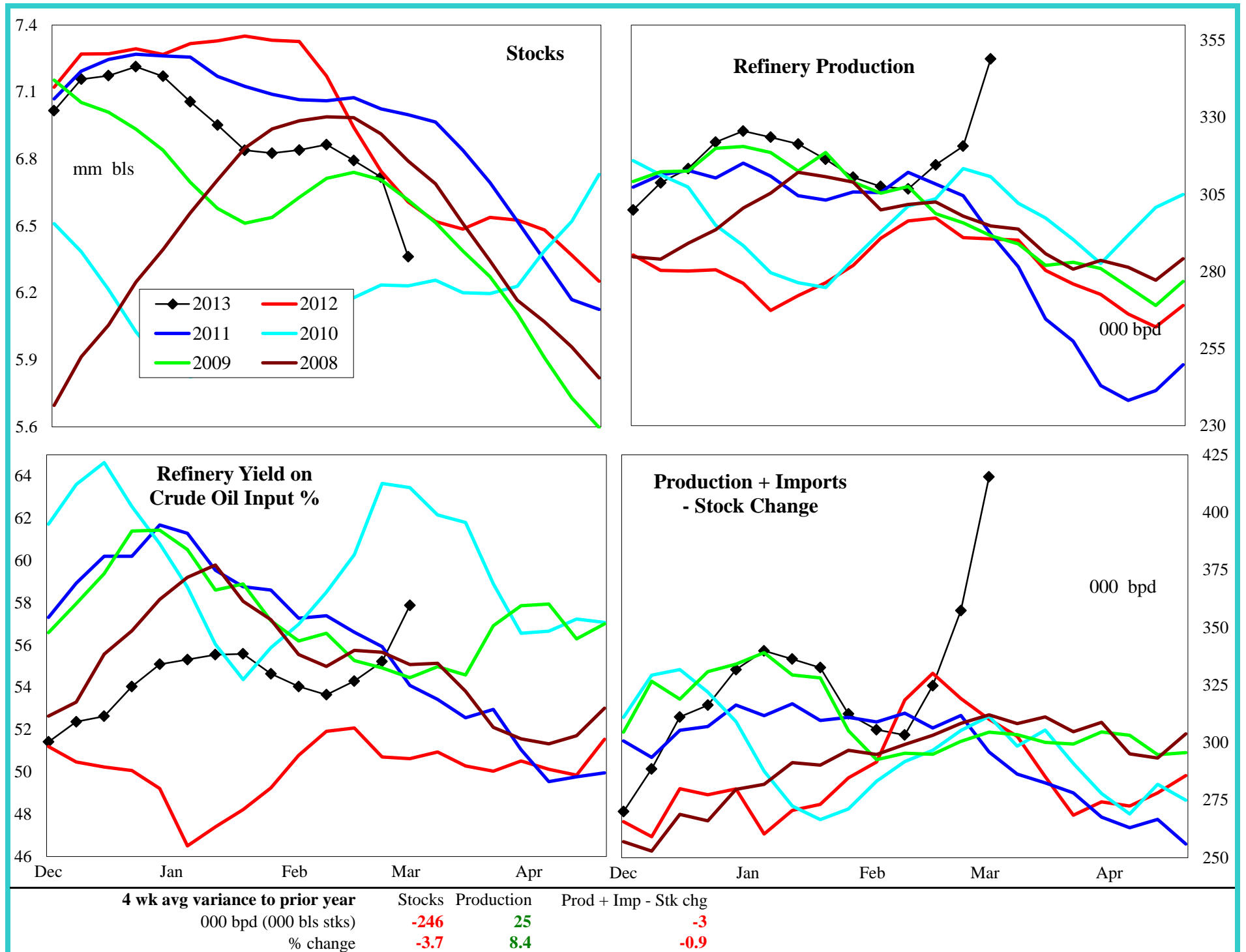
# PADD 3 Residual Fuel Oil Supply



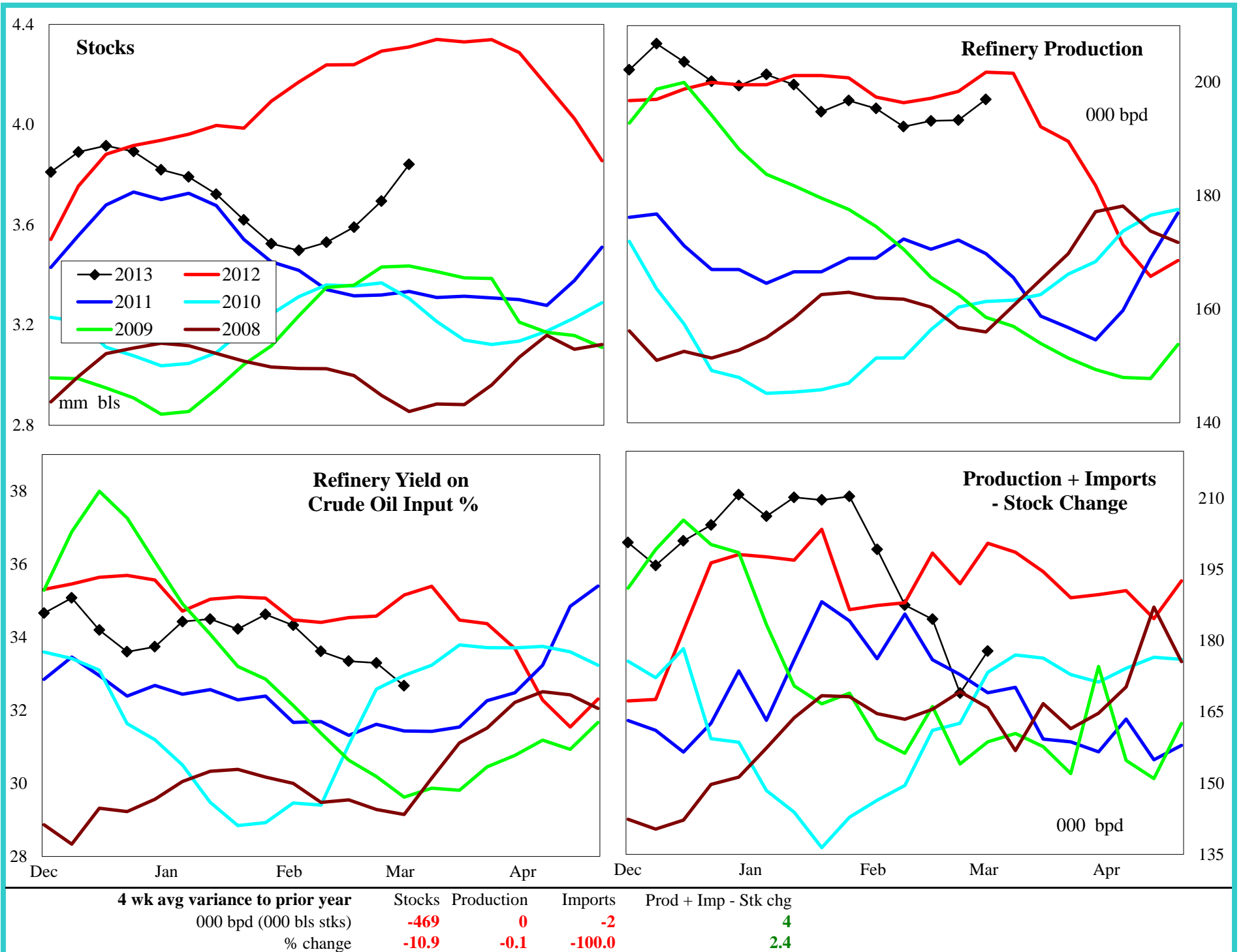
# PADD 4 Crude Oil Supply and Refining



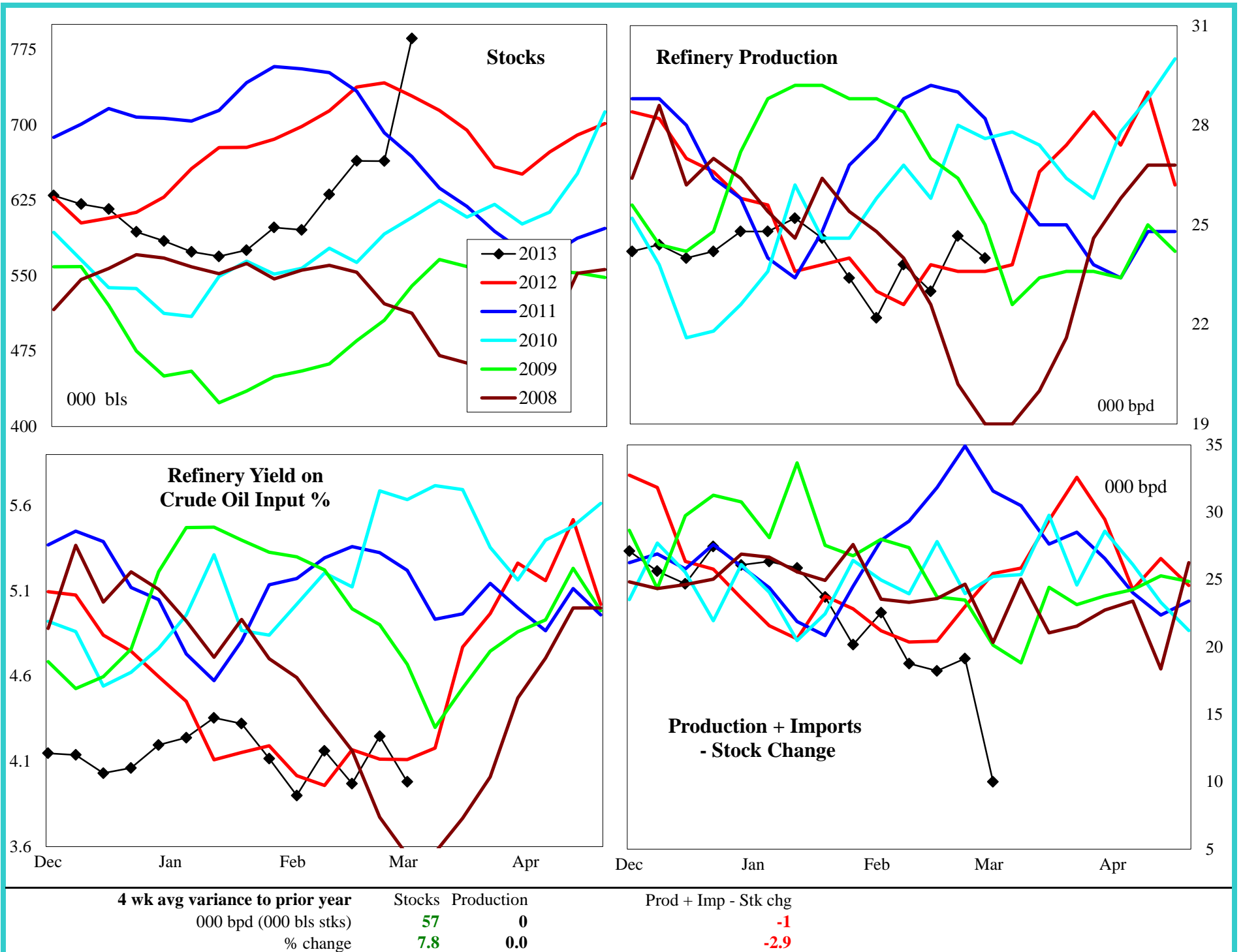
## PADD 4 Gasoline Supply



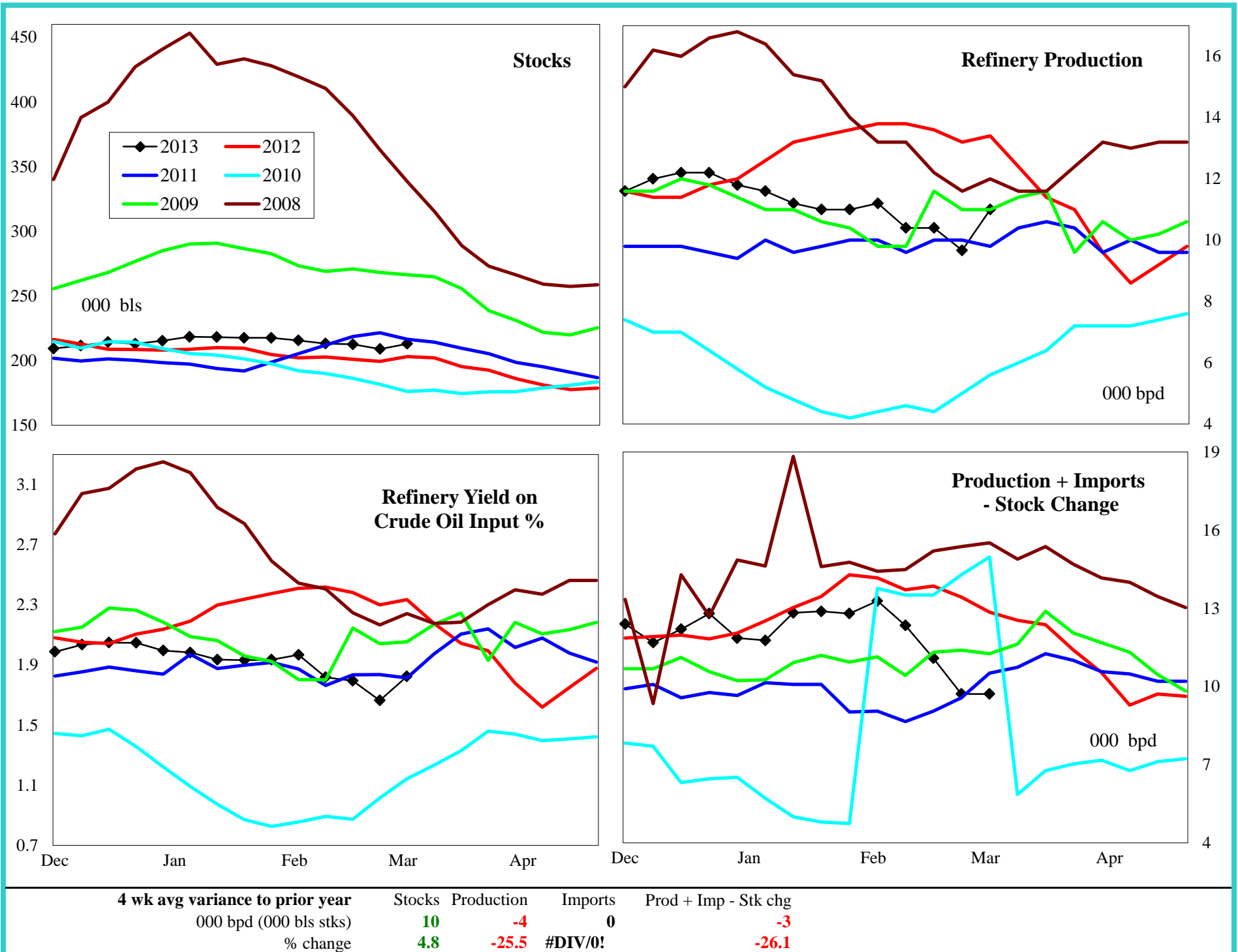
## PADD 4 Distillate Supply



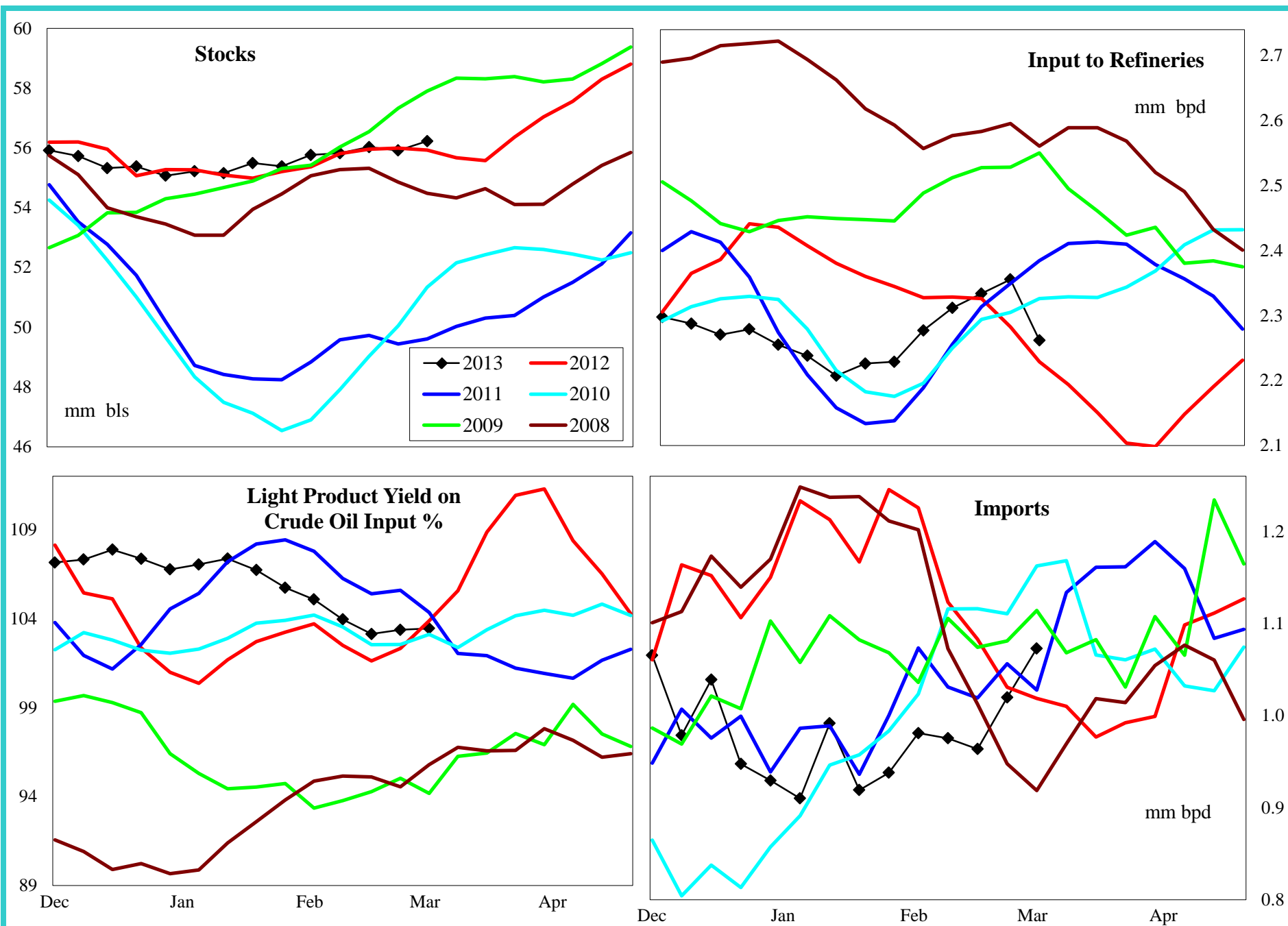
## PADD 4 Jet Fuel Supply



# 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

297

0.5

Input

37

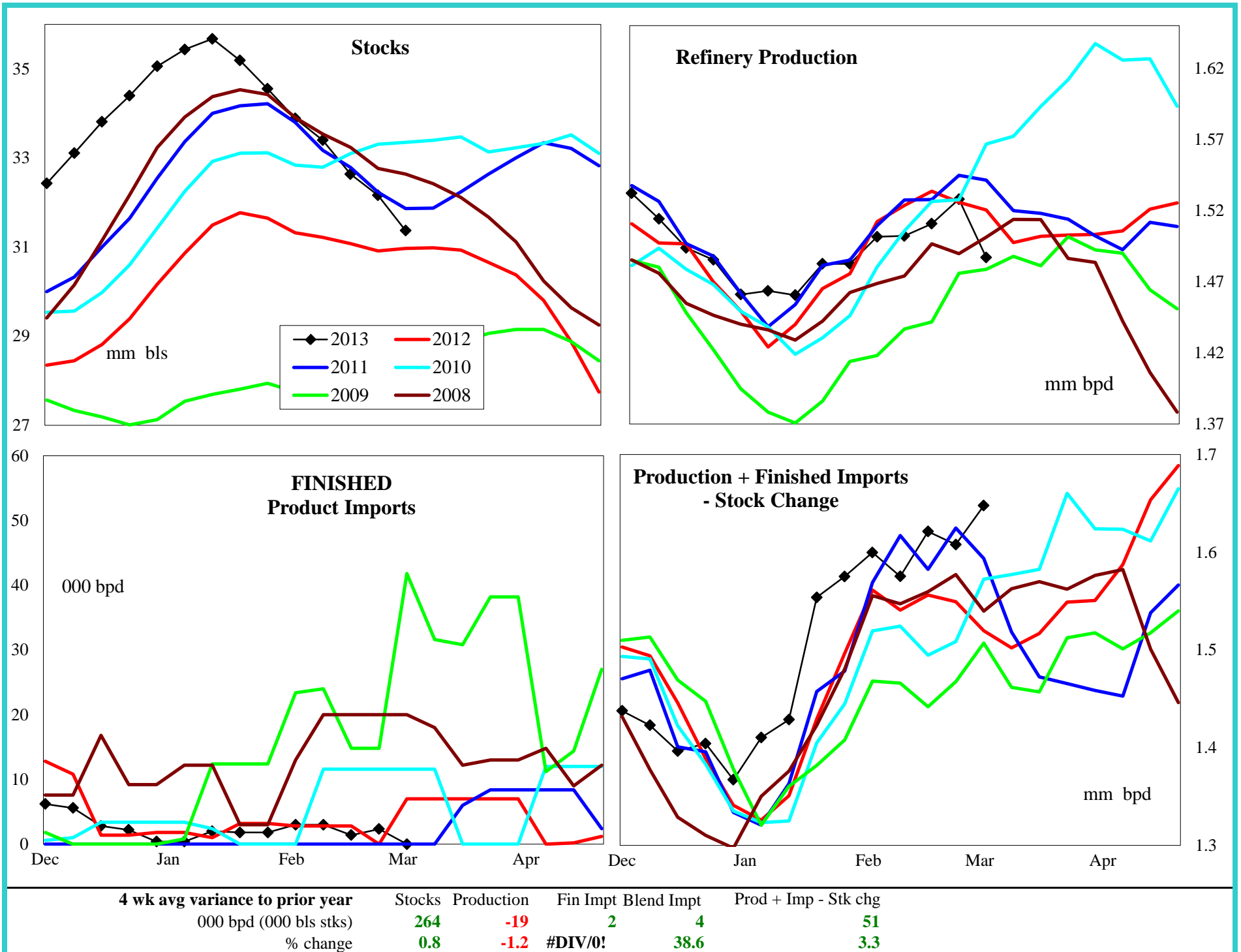
1.6

Imports

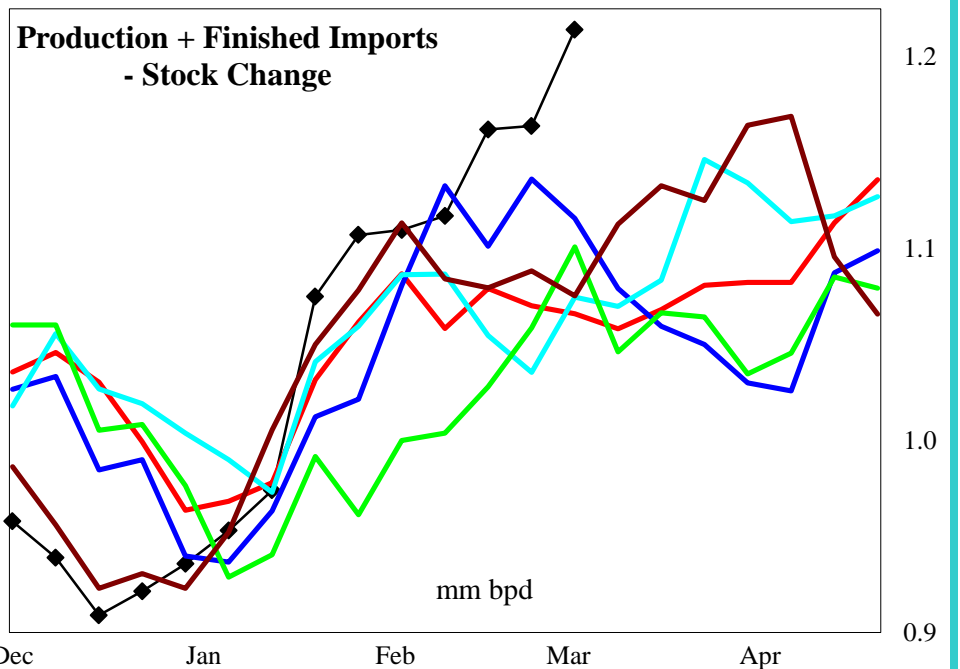
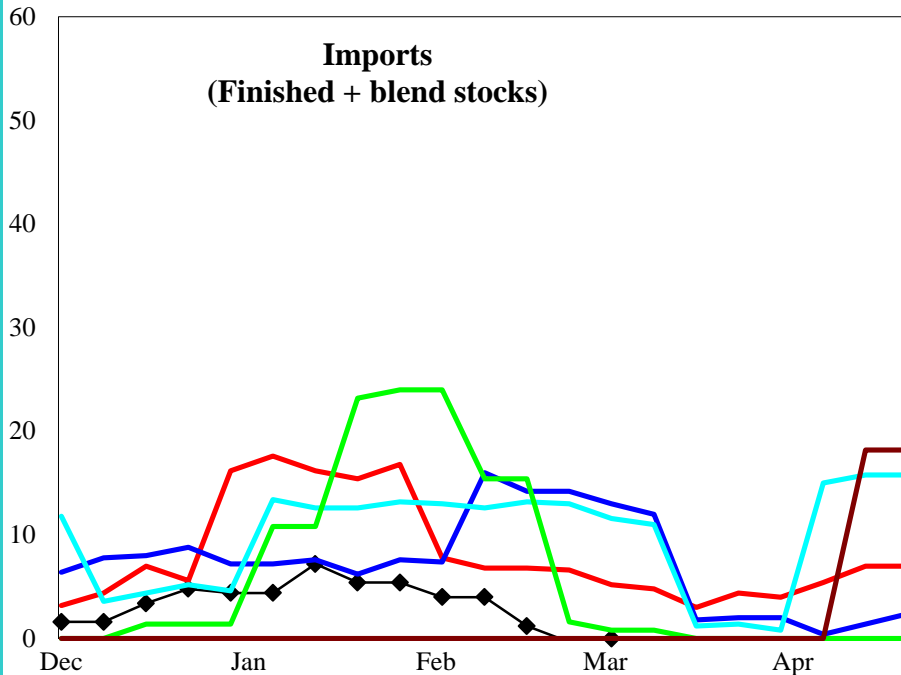
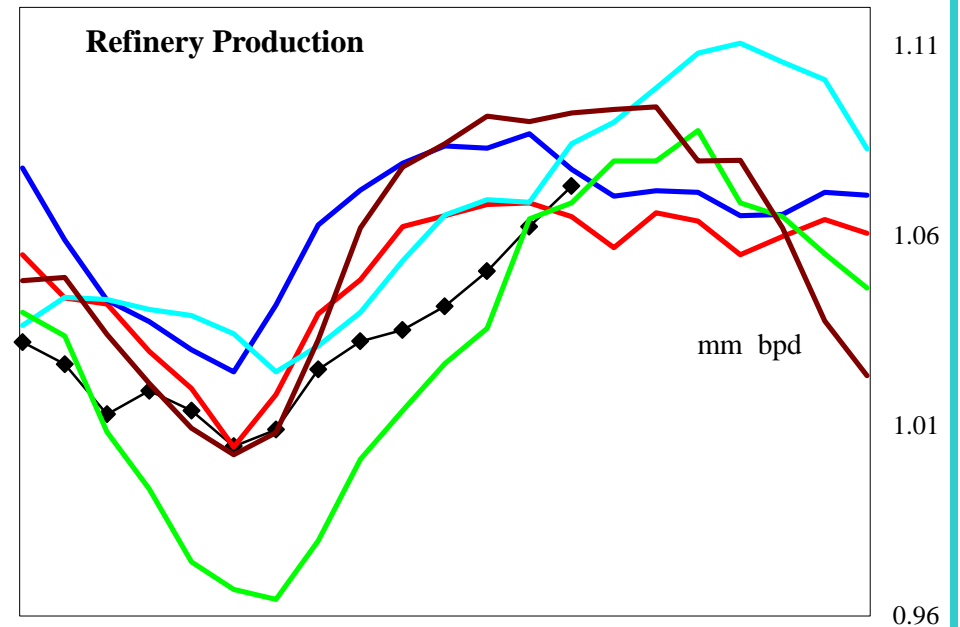
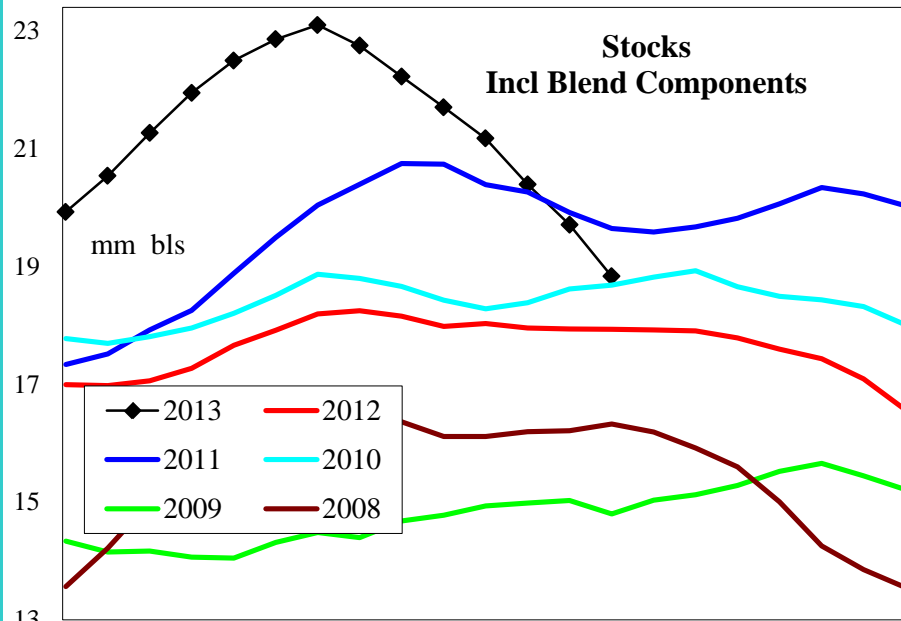
-76

-6.8

## PADD 5 Gasoline Supply



# PADD 5 Reformulated Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

Production

Imports

Prod + Imp - Stk chg

776

-7

-5

103

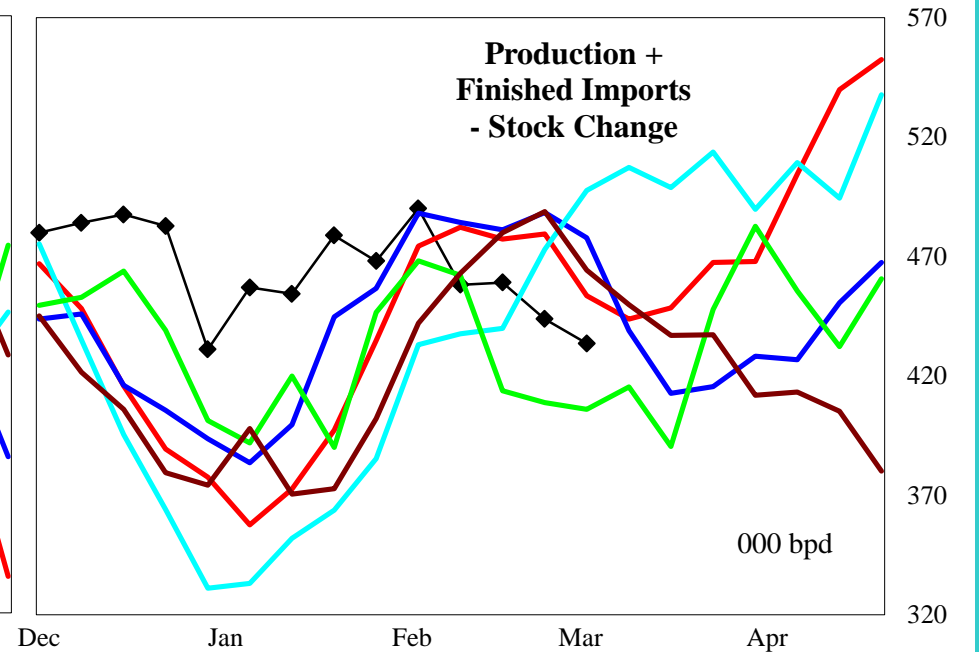
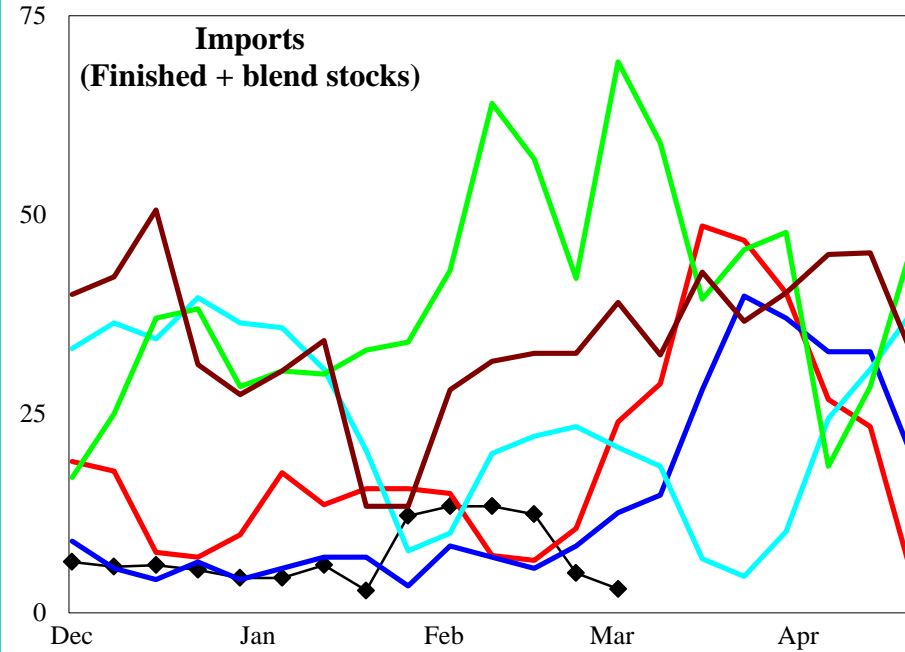
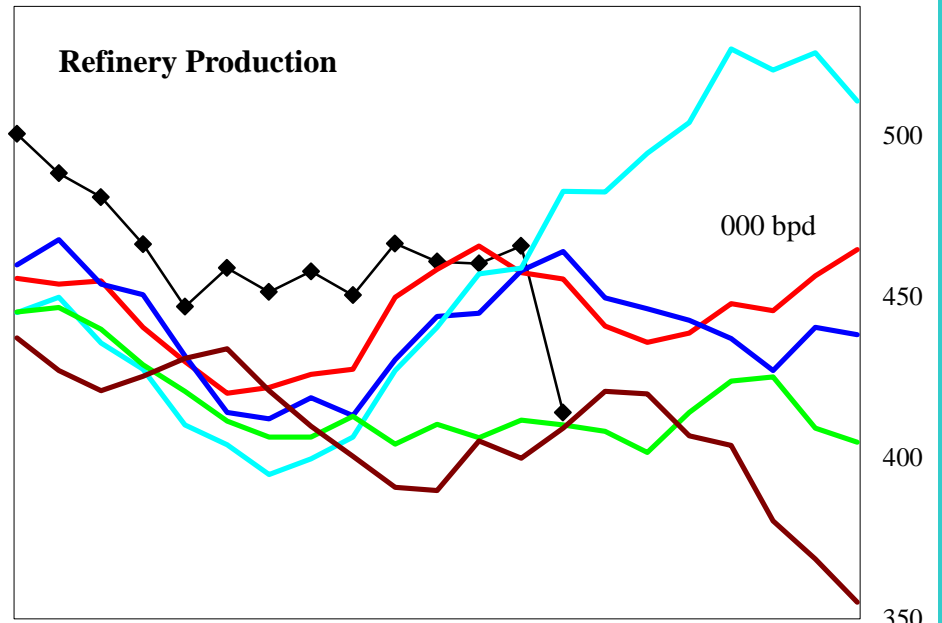
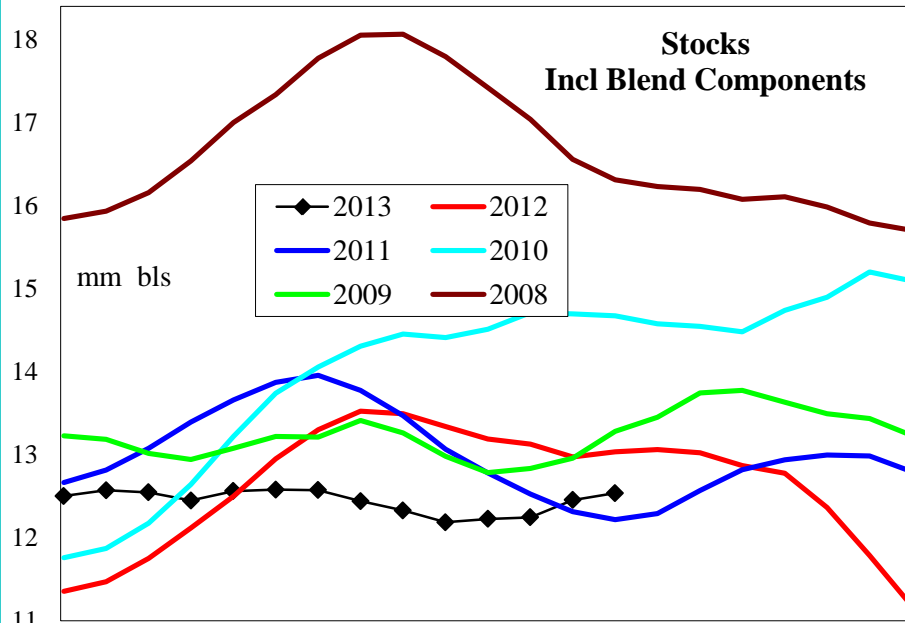
4.3

-0.6

-75.0

9.6

# PADD 5 Conventional Gasoline Supply



**4 wk avg variance to prior year**

000 bpd (000 bls stks)

% change

Stocks

-512

-3.9

Production

-12

-2.6

Imports

11

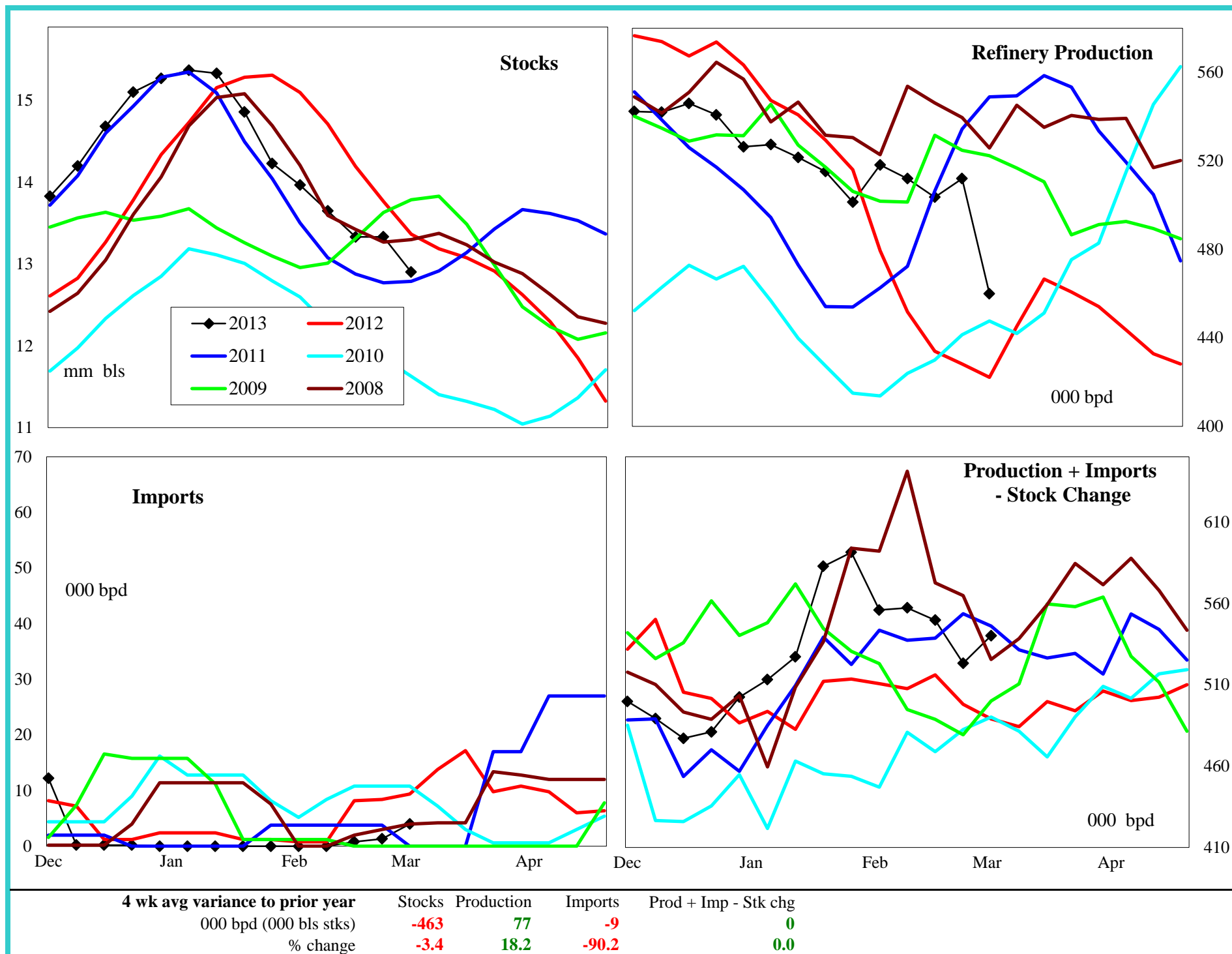
210.0

Prod + Imp - Stk chg

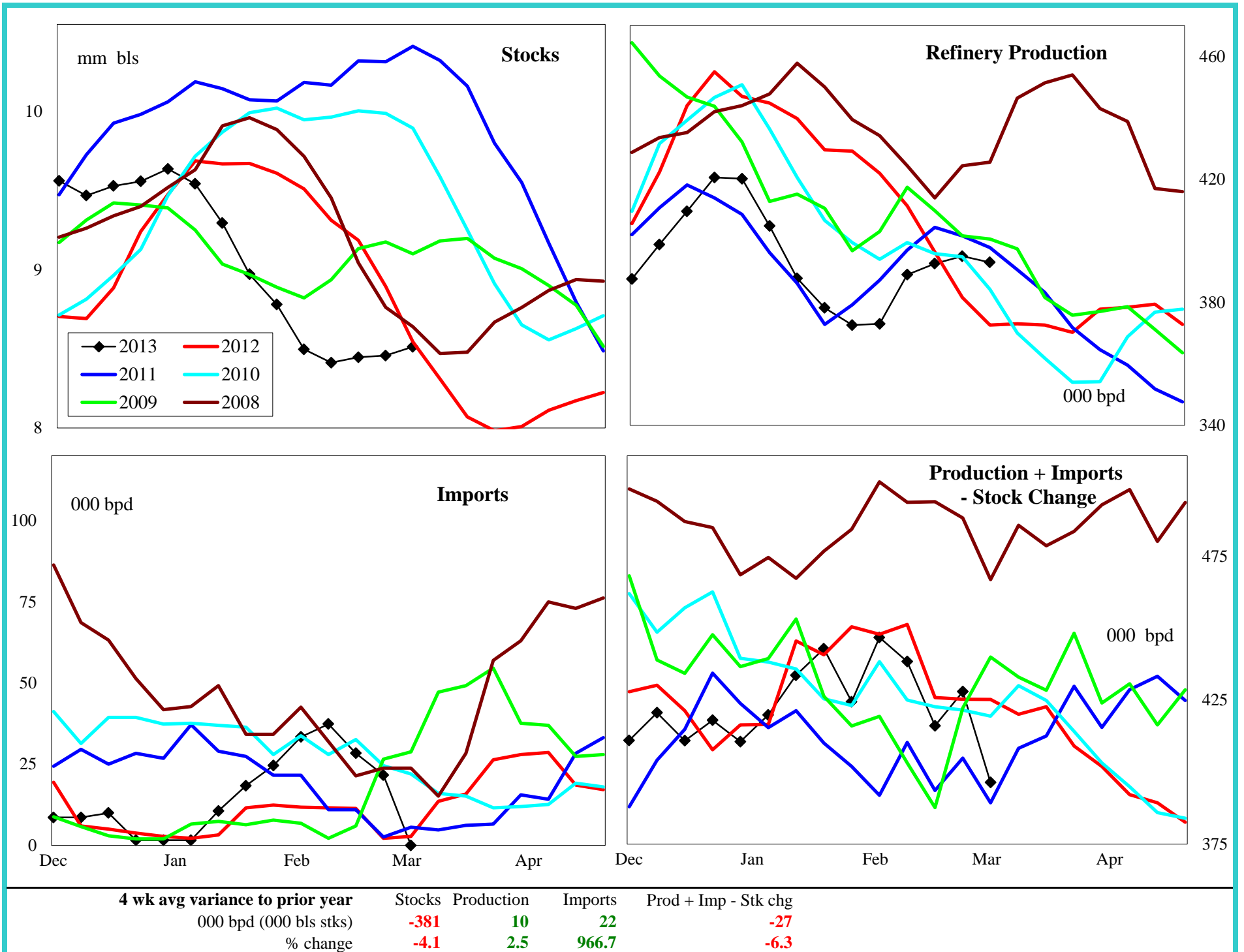
-52

-10.7

## PADD 5 Distillate Supply



## PADD 5 Jet Fuel Supply



# PADD 5 Residual Fuel Oil Supply

