



WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

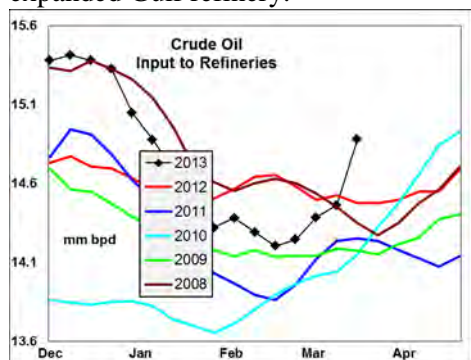
A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Sunday, March 31, 2013



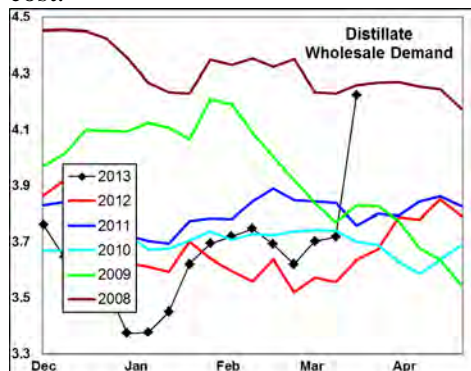
Major Fundamental Trends¹

Crude oil input to refiners has increased +0.9 million bpd during the last 2-wks as refiners returned from maintenance and Shell started their expanded Gulf refinery.

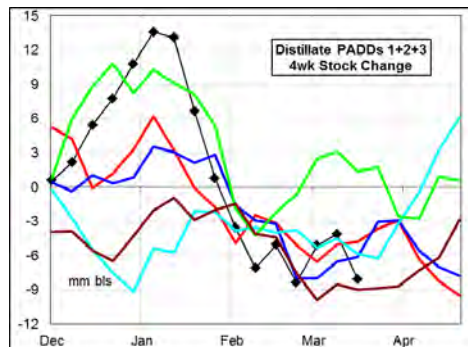


The surge in crude oil runs has lifted output of jet fuel and residual fuel, while distillate production remains nearly unchanged from a year ago.

The high cost of RINS has contributed to the increased output of jet fuel which is not subject to RINS purchases. Wholesale distillate demand spiked +0.9 million bpd during the last 2-wks, due in part to record high heating degree days for this time of year in key heating markets. Also the high cost of RINS has likely led to a surge in distillate exports, which are not subject to RINS cost.



The spike in wholesale distillate demand and a lack of increase in production has led to near record stock draws for the most recent 4-wk period in markets East of the Rockies.



Gasoline wholesale demand has slipped below last year. Stock levels in markets East of the Rockies ended the week equal or above the historic mid range. Stock draws in markets east of the Rockies for the latest 4-wk period were less than each of the last 3-years.

Demand for distillate spiked +0.6 million bpd, due in part to cold temperatures in key heating markets and higher exports which do not incur RINS cost. Wholesale demand, measured over the last four weeks compared to a year ago: gasoline decreased -0.2%; distillate was +5.8% higher; jet fuel was +2% higher, and residual fuel increased +0.9%.

Stocks forward coverage: Gasoline demand coverage decreased on a -1.6 million barrel stock draw, and increase in weekly demand. Coverage levels were above the mid range of the most recent 3-year range.

Distillate coverage extended the downtrend on a -4.5 million barrel stock draw and +0.6 million bpd jump in weekly demand.

Jet fuel coverage increased on a +0.7 million barrel stock build. Coverage levels fell below the last 3-years.

Residual fuel oil coverage increased on a +1.9 million barrel stock build. The coverage level ended the week below the 5-year mid range.

Refinery utilization rates increased on a +364,000 bpd jump in crude oil throughput. During the latest 4-wk period crude oil input was -112,000 bpd below a year ago.

Gasoline yield % on crude oil runs increased on a +303,000 bpd rise in

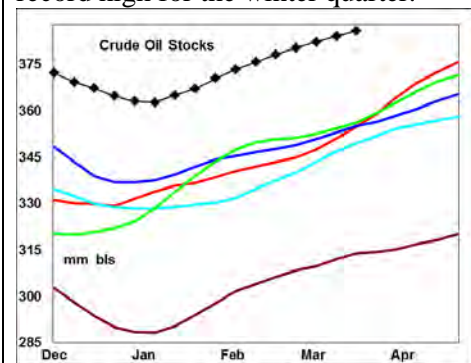
output compared to the +364,000 bpd rise in crude oil throughput. Yield % on crude oil runs remain below the historic range.

Distillate yield % on crude oil runs decreased on a -64,000 bpd decrease in output compared to the increase in crude oil throughput. The yield % on crude oil runs fell well below the last 2-years.

Jet fuel yield % on crude oil runs spiked on a +136,000 bpd rise in output, compared to the increase in crude oil runs. The yield % level was a record high.

Petroleum Imports of crude oil, gasoline and distillates were each higher on the week. During the latest 4-wk period crude oil imports were -1.2 million bpd below last year; distillate imports increased +1,000 bpd; finished gasoline imports decreased -56,000 bpd, gasoline blend stock imports increased +36,000 bpd; jet fuel imports increased +14,000 bpd, while residual fuel oil imports were +18,000 bpd higher.

Crude Oil stocks increased +3.3 million barrels last week, including builds in all major regional markets. Refinery crude oil runs jumped +0.9 million bpd, during the last 2-wks as refiners returned from maintenance. Imports surged +0.8 million bpd last week, to the highest level of the last 4-months. U.S. stocks ended the week +9.2% above last year and a new record high for the winter quarter.



¹ Source is latest EIA Weekly Statistics



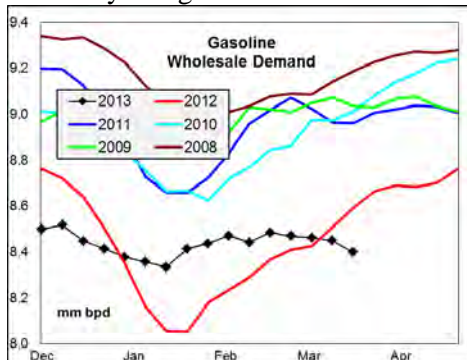
WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

A Fundamental Petroleum Trends Weekly Report

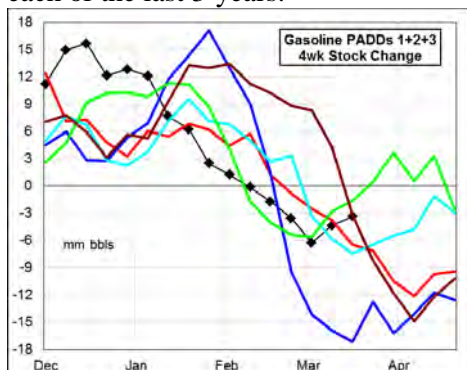
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Sunday, March 31, 2013

Product Supply-Demand Trends

Gasoline wholesale demand increased +75,000 bpd on the week, a level below last years' lows. The latest 4-wk average demand was -13,000 bpd below last year. Supply increased +0.4 million barrels last week, on higher production and imports. Supply for the latest 4-wk period was -43,000 bpd below a year ago.



Stocks decreased -1.6 million barrels last week, to a level below the latest 3-year mid range. The latest 4-wk draw of -3.2 million barrels was less than each of the last 3-years.

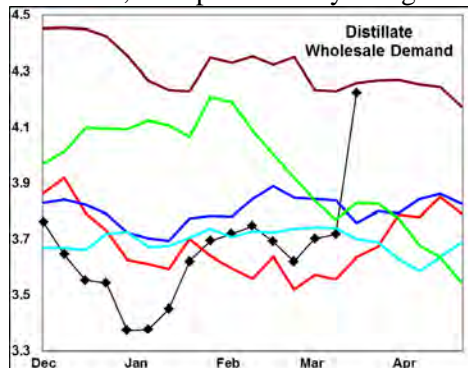


Stock levels on the East Coast, Midwest and Gulf are each equal to or higher than the historic mid range. Stocks on the West Coast have dropped to near 5-year lows. Year on year demand has slipped below last year, and a 5-year lows.

With weak demand and ample supplies in markets East of the Rockies, risk of a spring price spike are reduced.

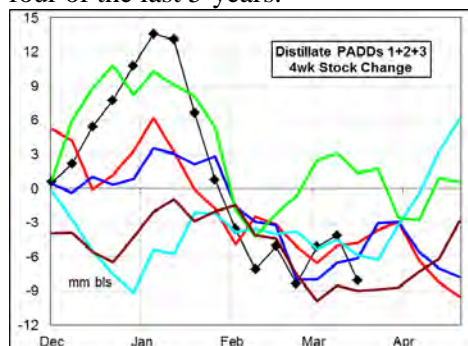
Distillate demand has spiked +0.9 million bpd during the last 2-wks; pointing to a surge in exports. Exports are not subject to RINS cost, providing an incentive to exports over domestic

sales. The latest 4-wk average demand was +204,000 bpd above a year ago.



Supply increased +93,000 bpd last week, on sharply higher imports. The latest 4-wk average supply was +2,000 bpd below last year. Stocks fell -4.5 million barrels on the week, to a level -15% below a year ago.

The latest 4-wk stock change in markets East of the Rockies was a -8.1 million barrel draw, a draw larger than four of the last 5-years.



Sharply higher demand in the last 2-wks (likely due to exports) and production levels comparable to a year ago have extended the draw down in distillate stocks. Distillate stock levels are now at the largest deficit compared to a year ago of the last 90-days.

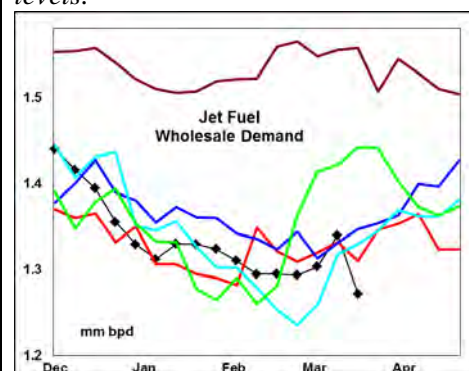
Look for a strong exports, higher year-on year demand to extend the seasonal stock draw trends for the next 30-days.

Jet Fuel demand decreased -82,000 bpd on the week, to a level below the 5-year range. The latest 4-wk average demand was +26,000 bpd above a year ago.

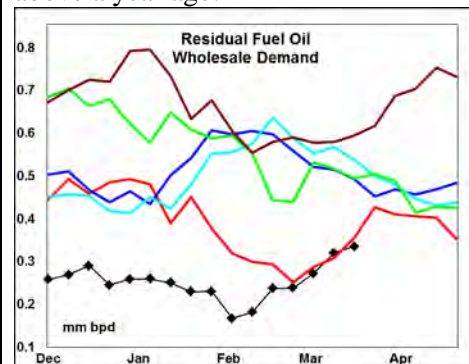
Supplies increased +96,000 bpd on the week, with production at a record high level; due in part to no RINS cost compared to diesel fuel production.

Supply for the latest 4-wk period was +77,000 bpd above a year ago. Stocks increased +0.7 million barrels on the week, to a level that matched historic lows.

The spike in RINS cost for diesel production has led to a surge in output of jet fuel. Continuation of this trend should lead to meaningful stock builds of jet fuel which remain at very low levels.



Residual fuel oil demand increased +139,000 bpd last week. Demand for the latest 4-wk period was +3,000 bpd above a year ago.



Supply (production + imports) fell -190,000 bpd last week, on lower imports. Production remains above levels of the last 3-years, driven by record high output in the Gulf Region. Stock levels remain above the historic mid range on a sharp upturn on the East Coast and very high stocks in the Gulf and Midwest.

The Gulf and Midwest each are reporting stock levels above the 5-year range on high production rates.



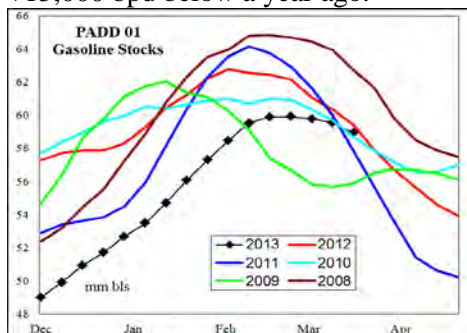
WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Sunday, March 31, 2013

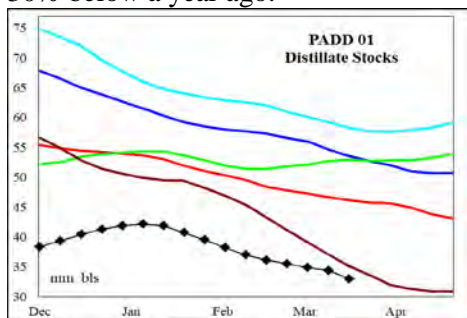
PADD Supply Trends

PADD 1 refinery crude oil runs increased +30,000 bpd last week, a level above the last 2-years. The latest 4-wk average crude oil thru put was +15,000 bpd below a year ago.

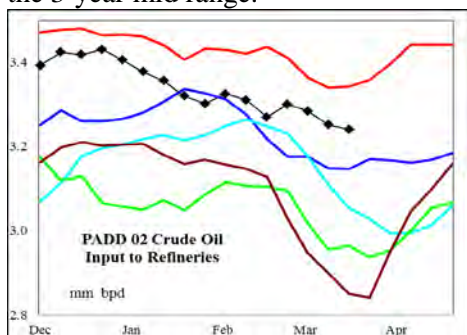


Gasoline supply jumped +327,000 bpd on the week, reversing the prior week decrease. Stocks decreased -0.9 million barrels, with the level equal to the latest 3-year average.

Distillate supply increased +136,000 bpd on the week to a level comparable to the latest 3-year average. Stocks fell -1.3 million barrels on the week, with the level -30% below a year ago.



Jet fuel supplies decreased -41,000 bpd on the week, with stock levels below the 3-year mid range.



PADD 2 crude oil refinery runs fell -163,000 bpd last week, to a level below last year. Runs for the latest 4-wk period were -97,000 bpd below last

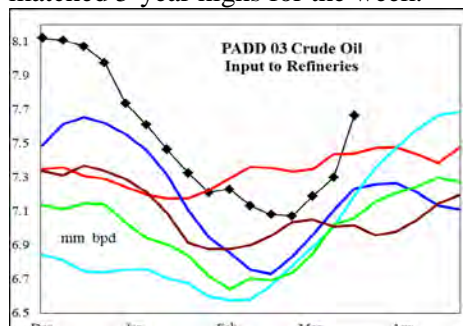
year. Crude oil stocks increased +0.6 million barrels on the week. Stocks ended the week +25% above a year ago at Cushing, Oklahoma.

Gasoline production fell -100,000 bpd on the week, to a level that matched record lows for the period. Stocks decreased -0.7 million barrels on the week, to a level near the historic mid range.

Distillate supply declined -35,000 bpd last week, to a level below last years' record high. Stocks declined -0.8 million barrels last week, to a level equal to the historic mid range.

Jet fuel production jumped +38,000 bpd on the week, to a level near the average of the last 2-years. Stock levels remain below the 5-year range.

PADD 3 refinery runs jumped +0.5 million bpd to a new record high for this time of year. The latest 4-wk average runs were -152,000 bpd below a year ago. Crude oil stocks increased +1.6 million barrels to a level that matched 5-year highs for the week.



Gasoline supply increased +0.3 million bpd on the week, to a level which matched highs of the last 2-years for the period. Stocks increased +1.2 million barrels, to a level that matched historic highs for the period.

Distillate supply increased +134,000 bpd on the week, with the latest 4-wk average -8,000 bpd below last year. Stocks fell -2 million barrels on the week, to a level -8% below last year.

Jet fuel supply jumped +121,000 bpd on the week to an all time high, due in part to high cost RINS for diesel production compared to jet fuel which

does not require purchase of RINS credits. Stocks increased +1.1 million barrels on the week, to a level near lows of the last 5-years.

Residual fuel oil supplies declined -82,000 bpd on the week, with output still +25% above the 5-year range. Stocks fell -1.1 million barrels, with the level still above the 5-year range.

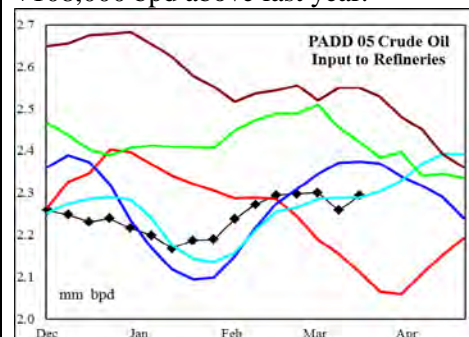
PADD 4 refinery crude runs decreased -17,000 bpd on the week, with the level above the 5-year range.

Gasoline production decreased -12,000 bpd on the week, to a level that matched the 5-year mid range. Stocks decreased -0.2 million barrels to a level which matched 5-year lows for the week.

Distillate production decreased -16,000 bpd on the week, with the level below last years' record high. Stocks increased +0.2 million barrels to a level just below last years' all time high.


Jet fuel production and stocks were each at 5-year highs for the season.

PADD 5 crude oil refinery runs increased +32,000 bpd on the week; to a level at the 3-year average. The latest 4-wk average run rate was +108,000 bpd above last year.

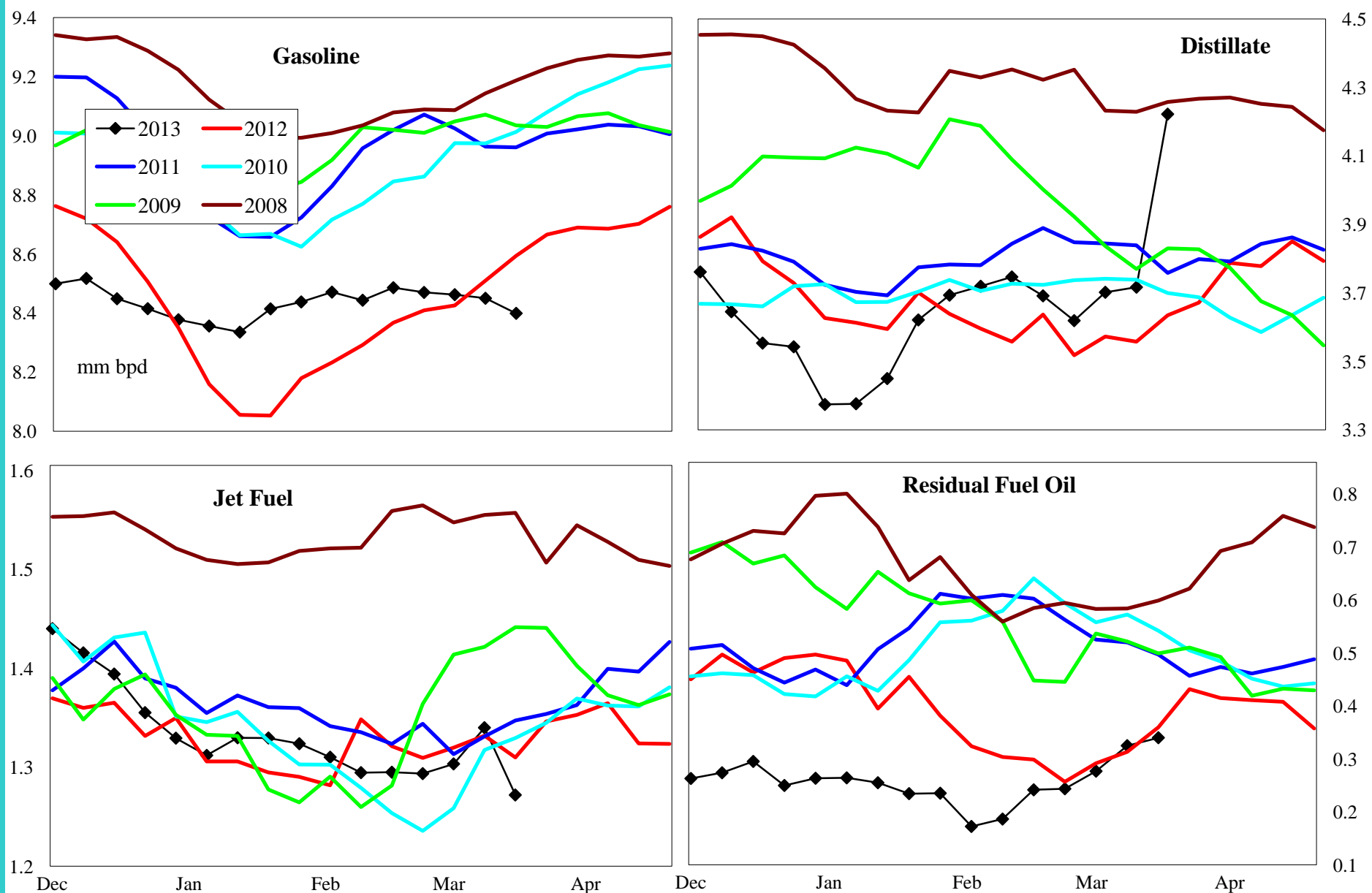


Gasoline supply was nearly unchanged on the week, at a level comparable with the last 2-years. The latest 4-wk average supply was +2,000 bpd above a year ago. Stocks fell -1 million barrels, to a level well below the last 3-years.

Distillate supply fell -126,000 bpd, to a level that matched lows of the last 5-years. Stocks decreased -0.6 million barrels to a level below four of the last 5-years.

 FUNDAMENTAL PETROLEUM TRENDS?		PETROLEUM: Graph Link and Weekly Summary					
		A Fundamental Petroleum Trends Weekly Report				March 27, 2013	
		Lehi German Tel: 816.505.0980				www.fundamentalpetroleumtrends.com	
Fundamental Trends	Wholesale Demand	Stocks Days Fwd Coverage	Refinery Utilization			Imports	
Supply/Demand Trends	22-Mar-13	EIA-DOE CHANGE FROM PRIOR WEEK					
	000 bpd stocks 000 bls	U. S. Total	PADD				
			1	2	3	4	5
Crude Oil	Stocks	3,256	730	555	1,567	-232	635
	Imports	841	-15	49	734	-61	134
	Input	364	30	-163	480	-17	34
	% Utilization	2.20					
Gasoline	Stocks	-1,596	-864	-699	1,241	-241	-1,034
	Production	303	196	-100	290	-12	-2
	Imports	118	131	0	-16	0	4
	Supplied	75					
Distillate	Stocks	-4,513	-1,339	-834	-1,977	223	-587
	Production	-64	27	-33	84	-16	-126
	Imports	157	109	-2	50	0	0
	Supplied	642					
Jet Fuel	Stocks	676	-359	77	1,102	-55	-88
	Production	136	-1	38	121	7	-29
	Imports	-40	-40	0	0	0	0
	Supplied	-82					
Residual Fuel Oil	Stocks	-356	1,353	-108	-1,132	6	-474
	Production	-29	4	-11	-20	1	-1
	Imports	-161	-83	-6	-62	0	-11
	Supplied	139					

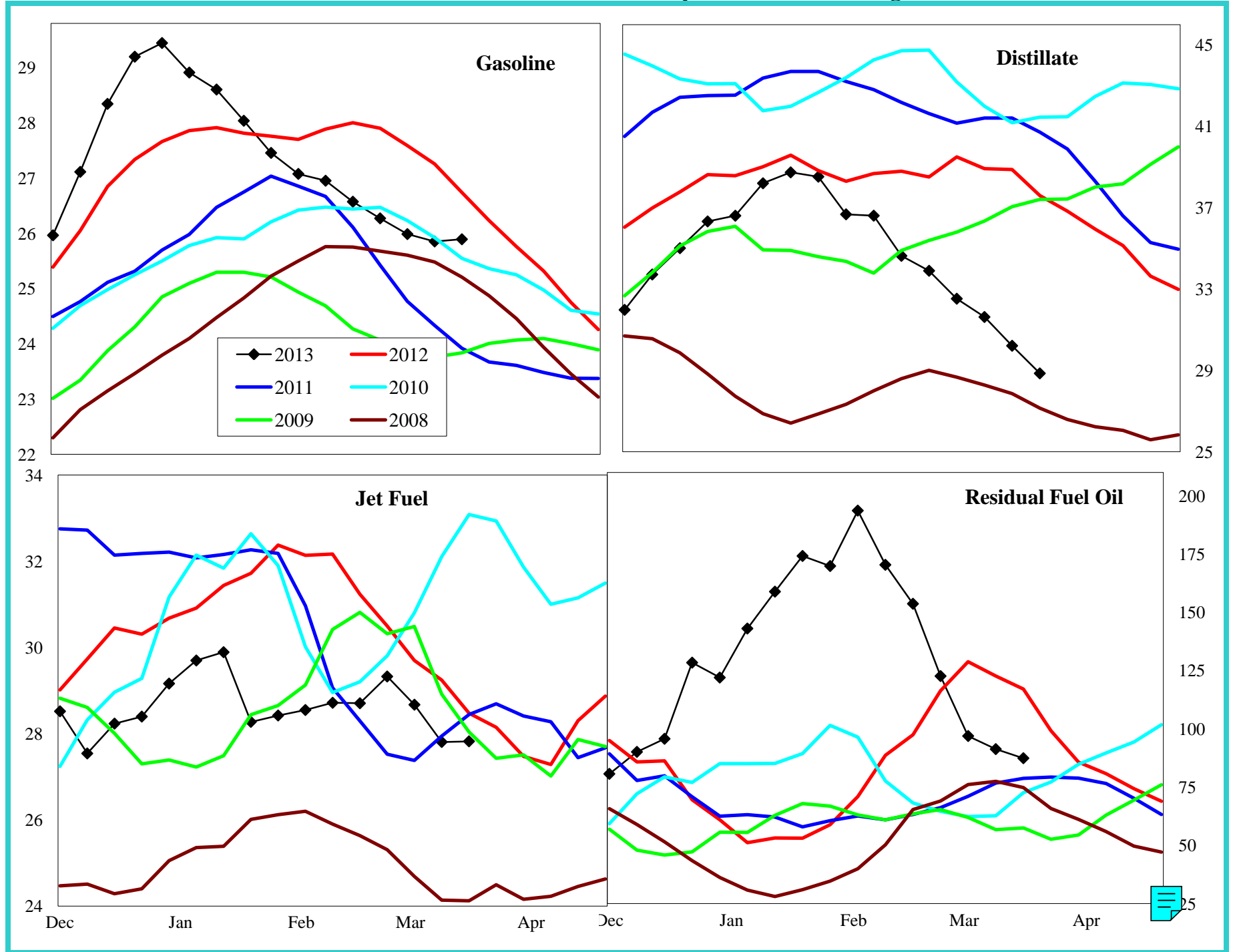
United States Wholesale Petroleum Demand



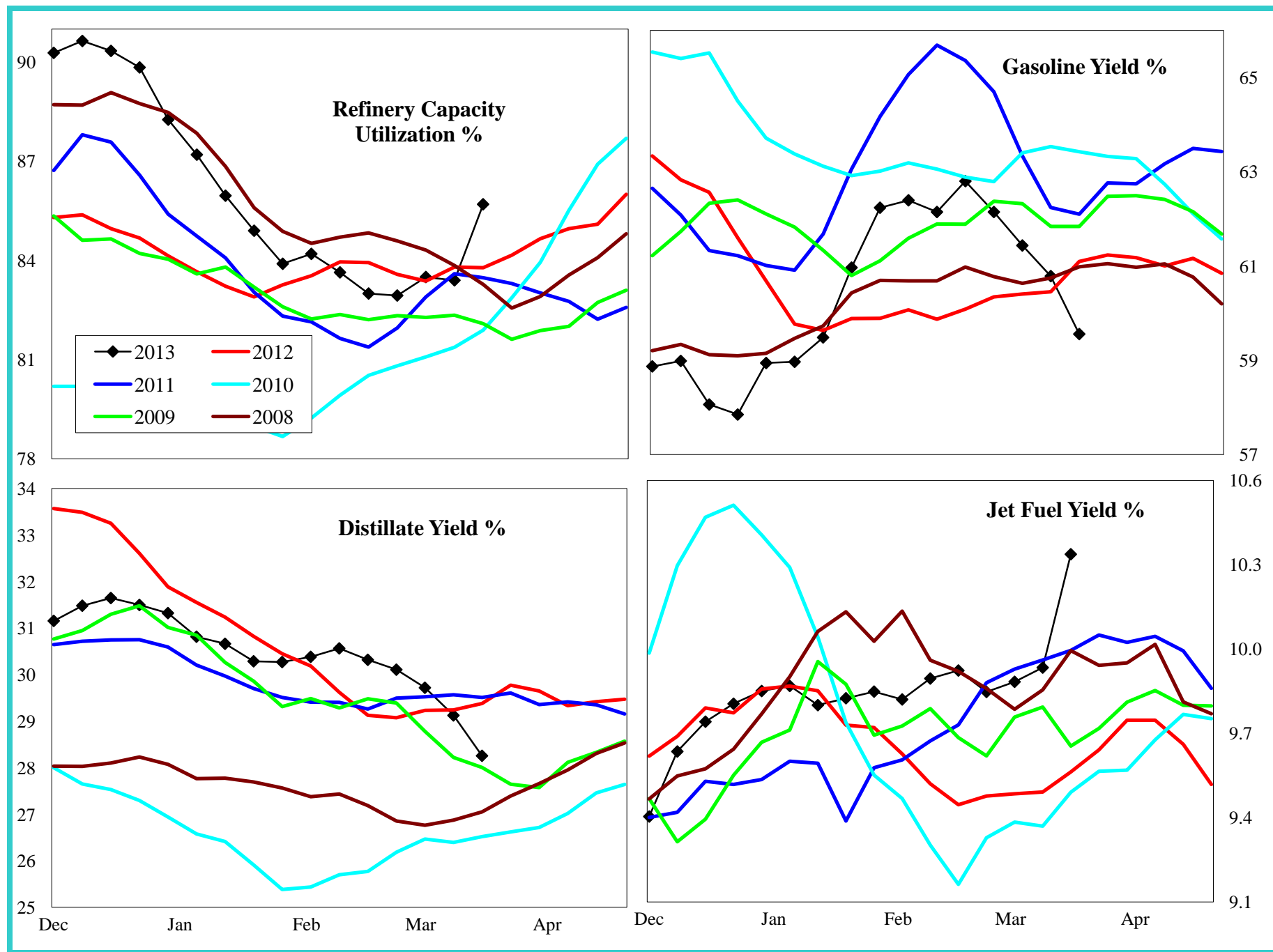
	000 bpd change from prior year				% change from prior year			
	4wk avg	Feb	Jan	Dec	4wk avg	Feb	Jan	Dec
Gasoline	-13	-171	230	-244	-0.2	-2.0	2.8	-2.8
Distillate	204	-203	-282	-286	5.8	-5.1	-7.4	-7.4
Jet Fuel	26	-40	49	67	2.0	-3.0	3.7	4.9
Resid	3	-160	-135	-209	0.9	-40.6	-32.1	-40.3



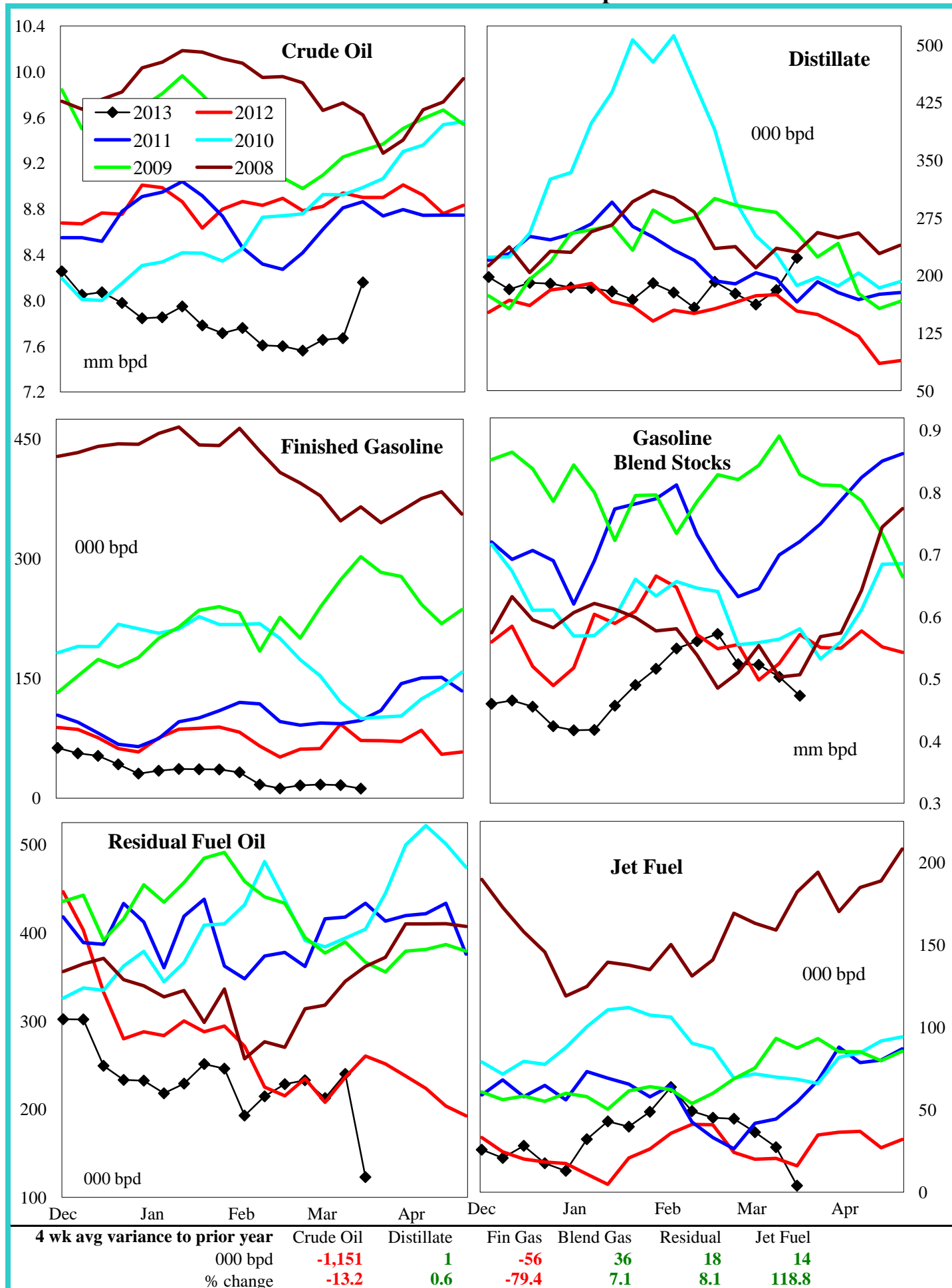
United States Product Stocks: Days Forward Coverage



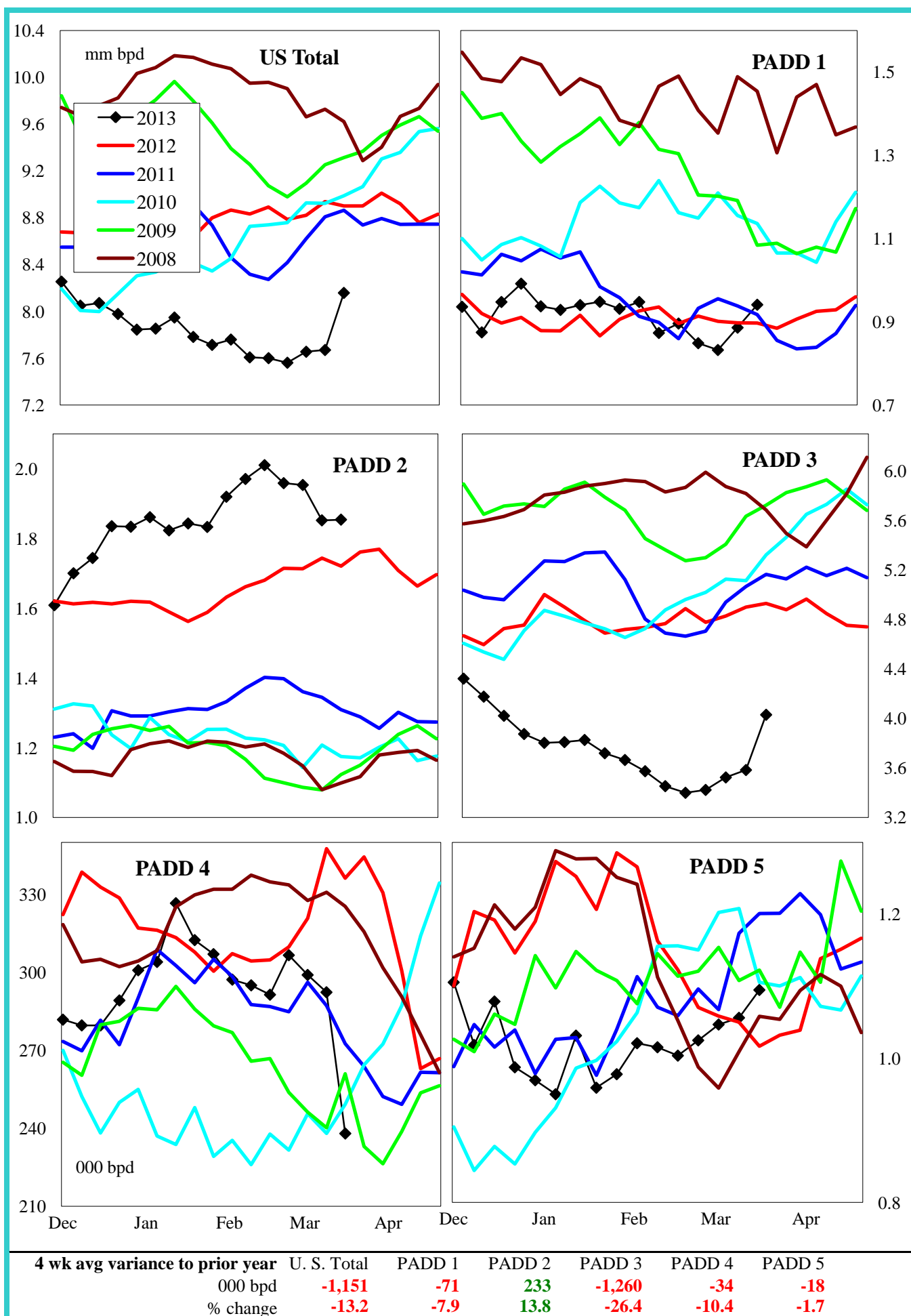
United States Refinery Percent Utilization Rate and Product Yields



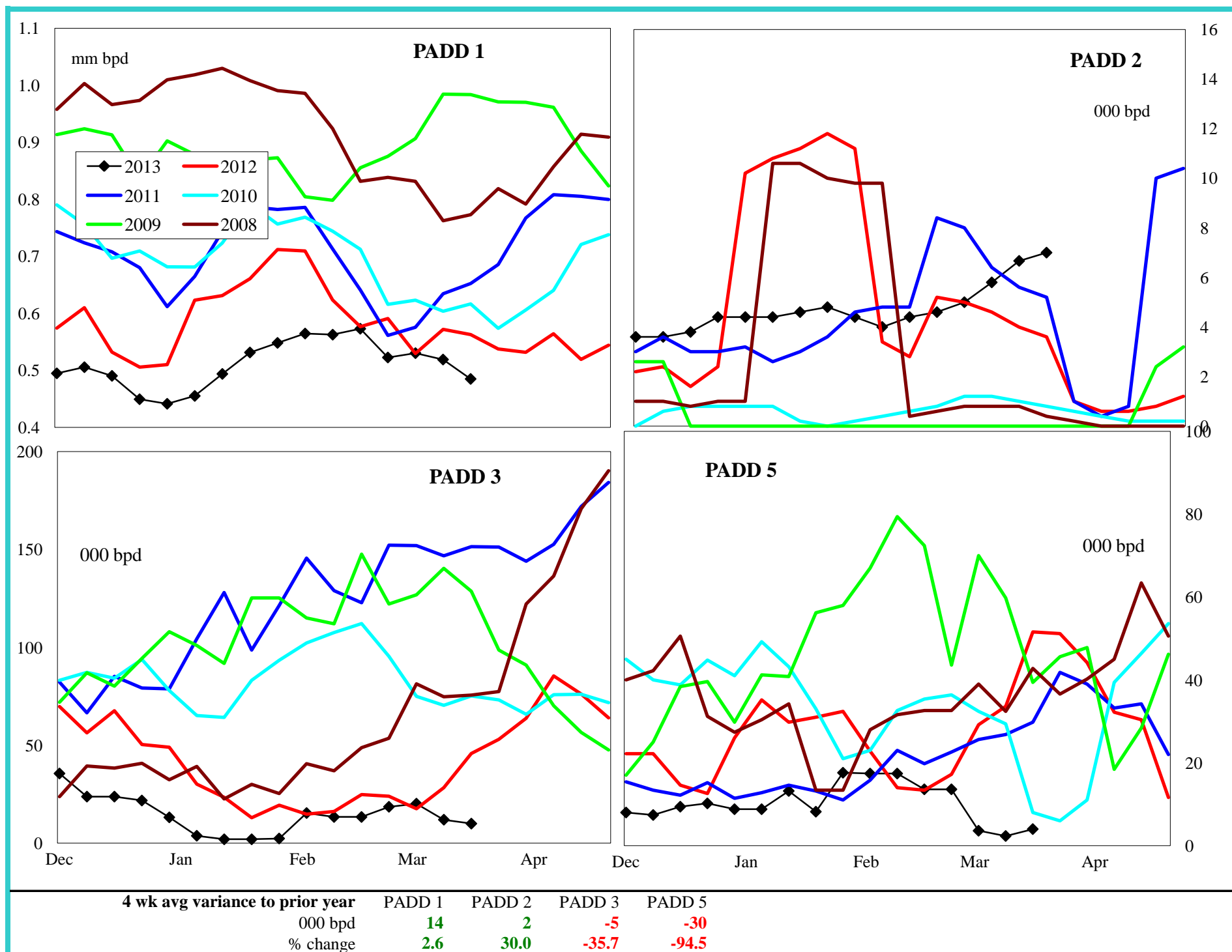
United States Petroleum Imports



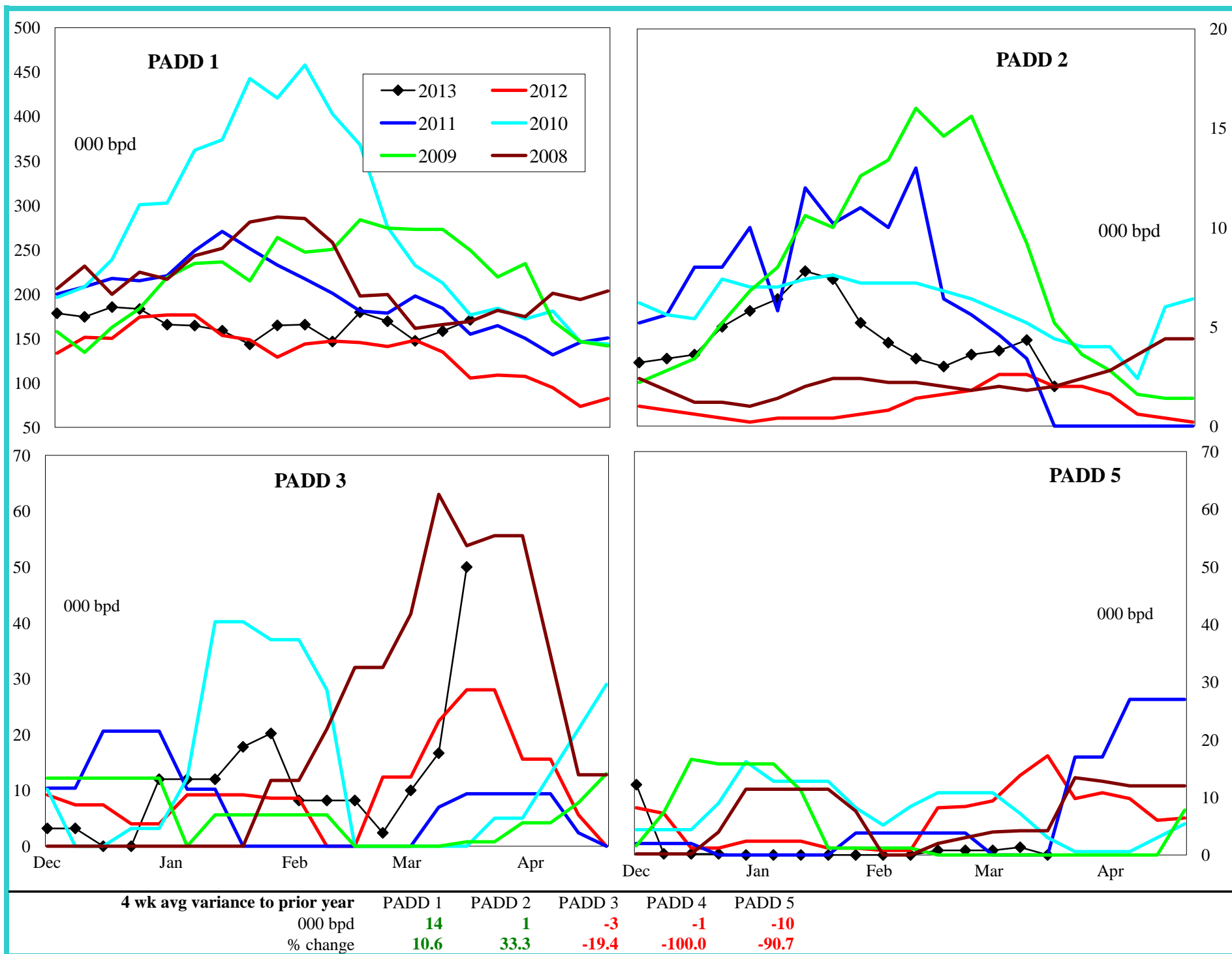
Crude Oil Imports by PADD



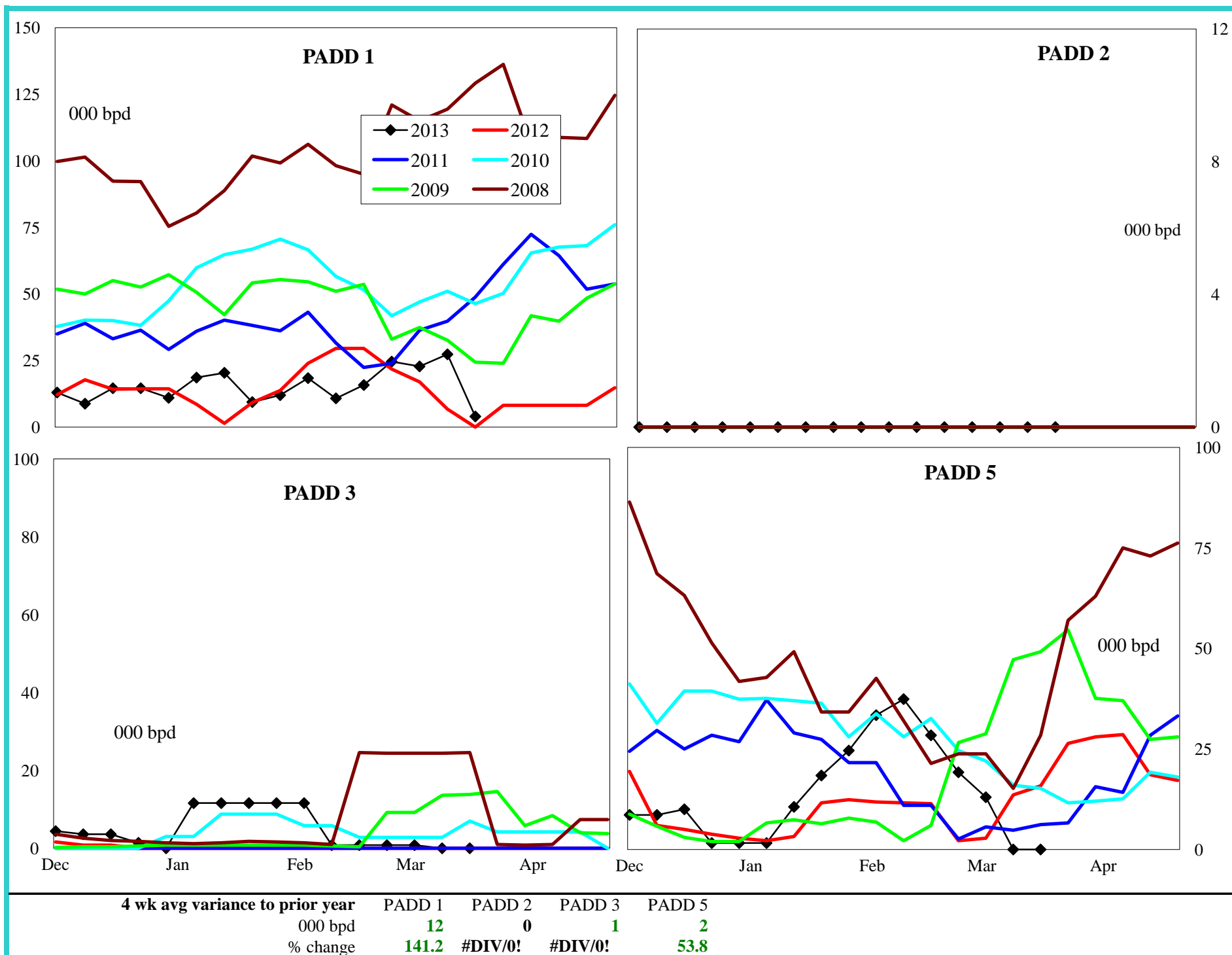
Gasoline Imports by PADD (Finished + Blend Stocks)



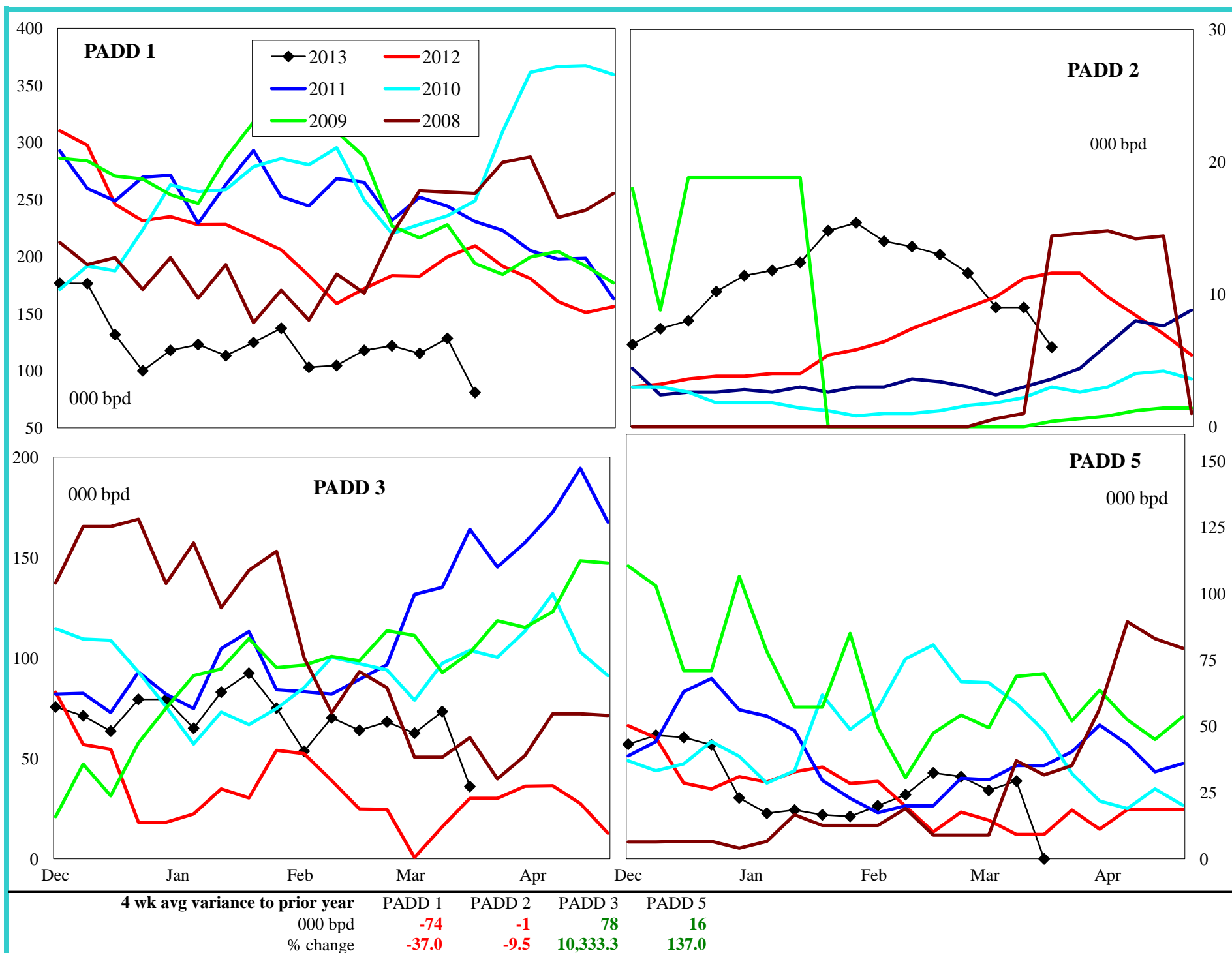
Distillate Imports by PADD



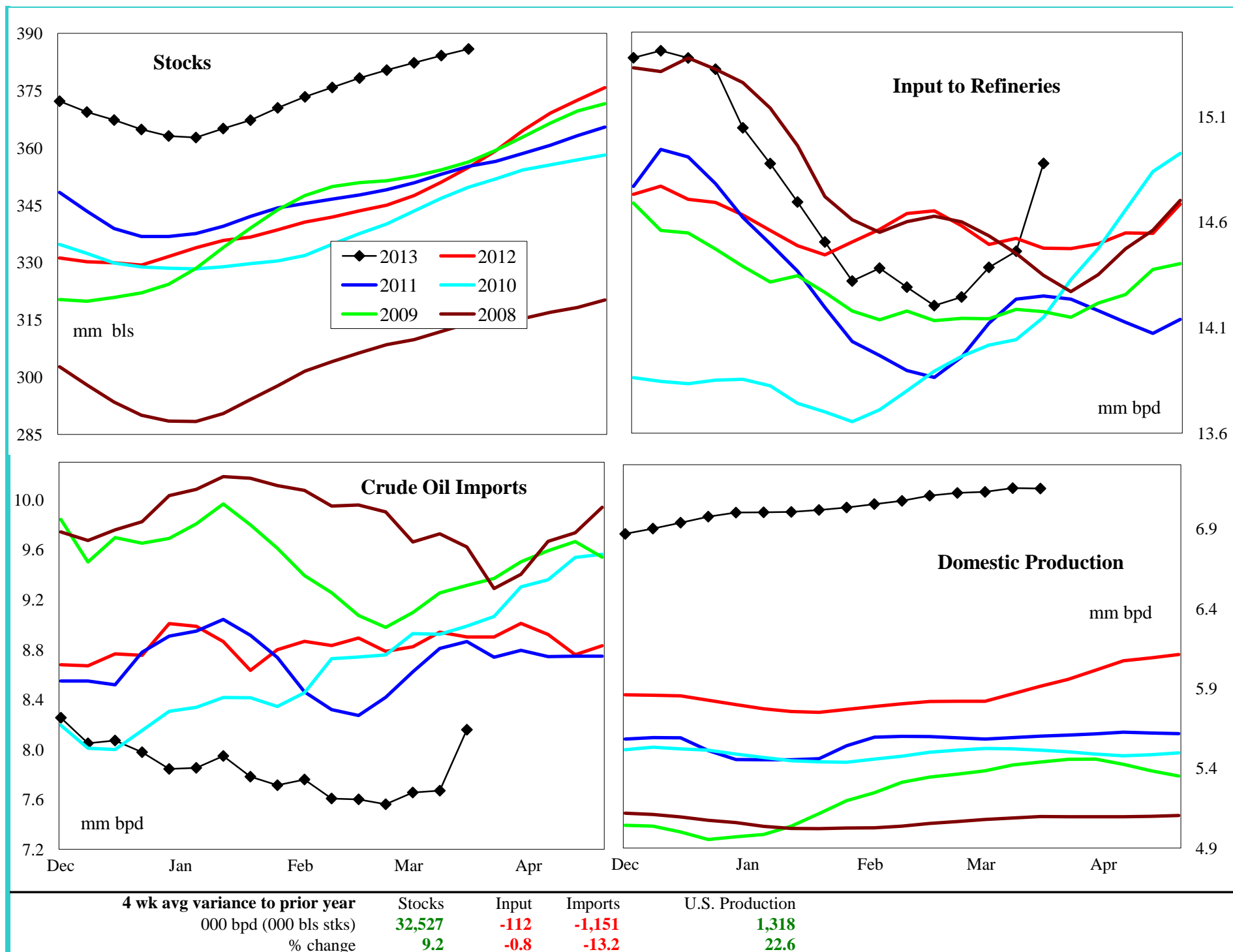
Jet Fuel Imports by PADD



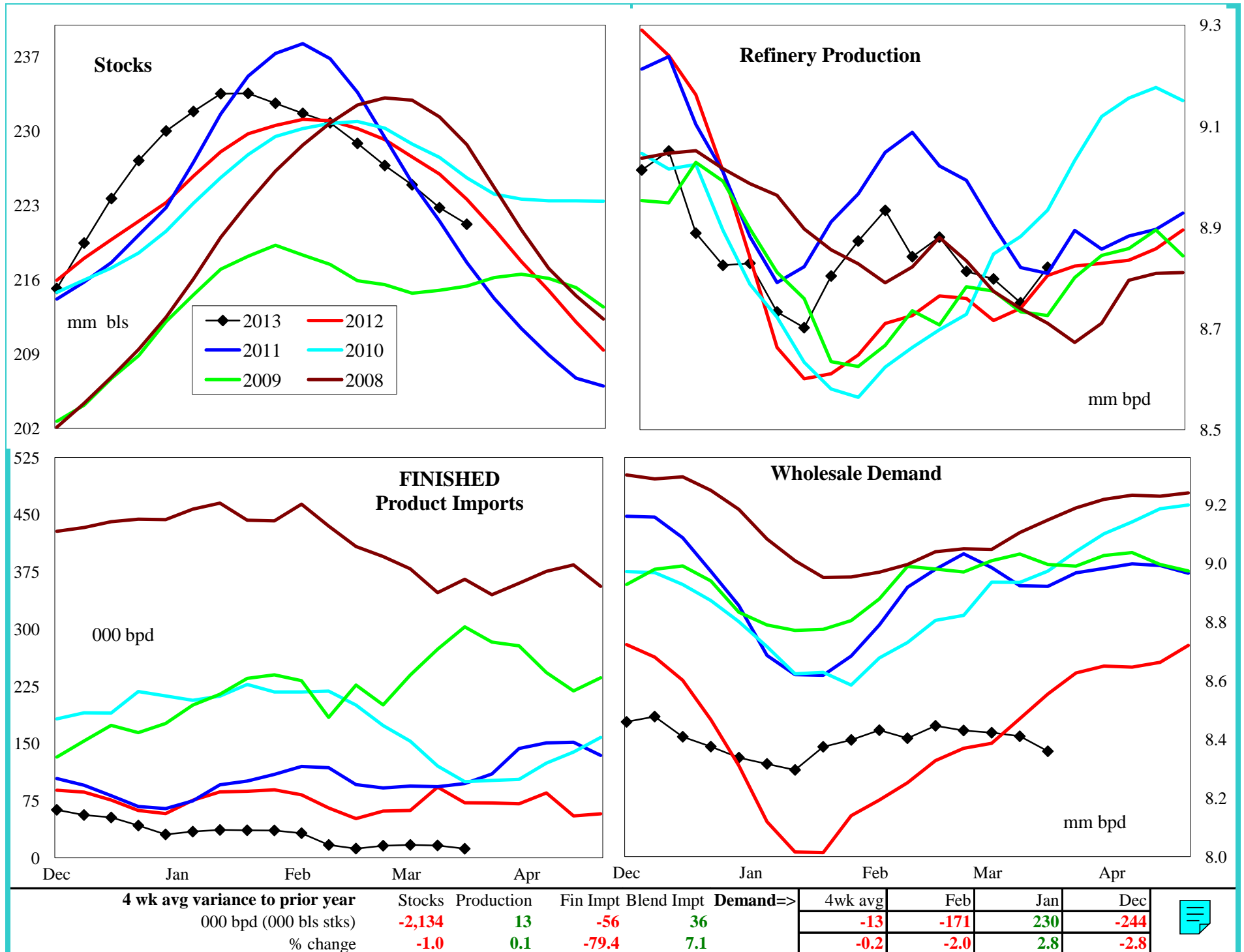
Residual Fuel Oil Imports by PADD



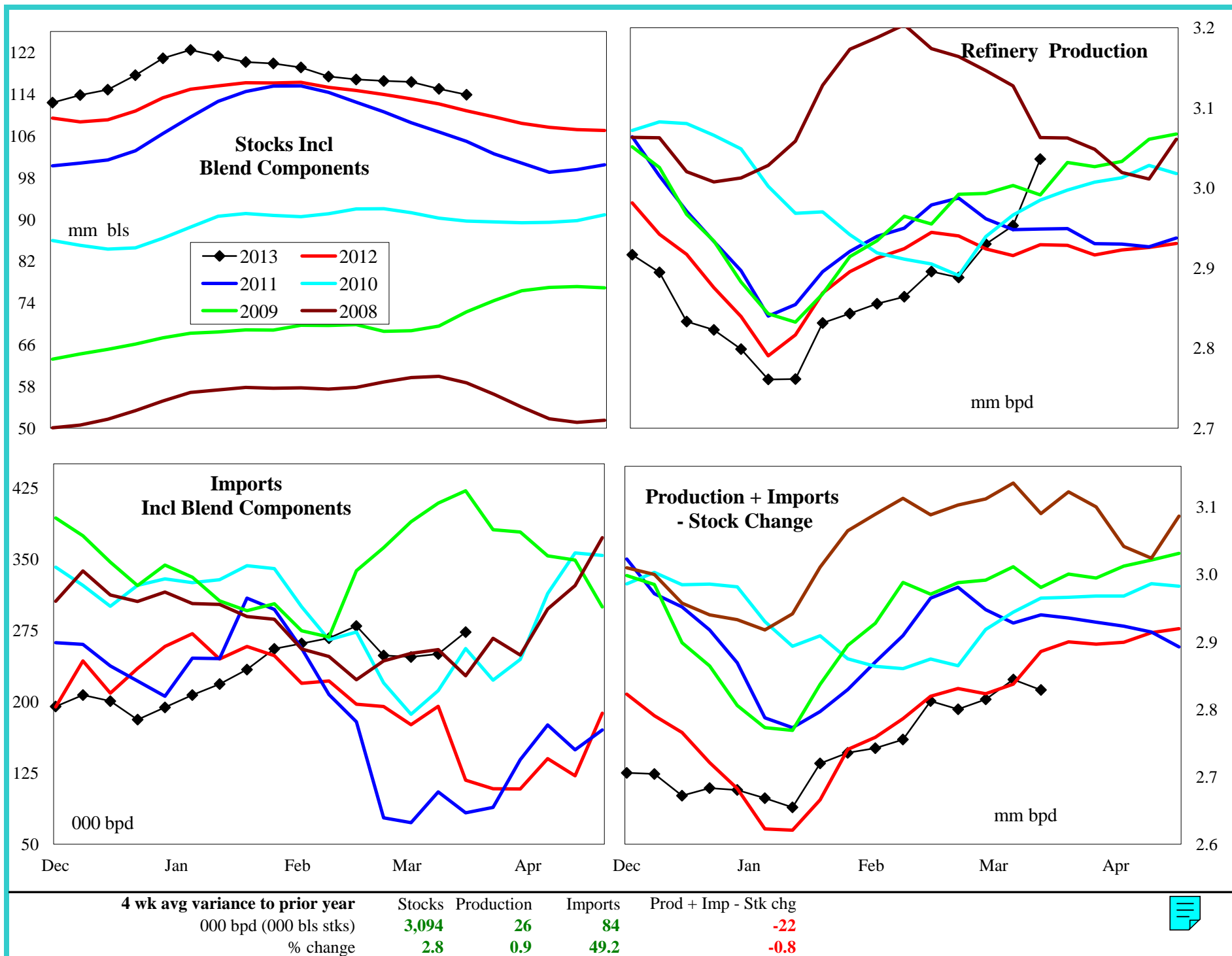
United States Crude Oil Supply and Demand Balance



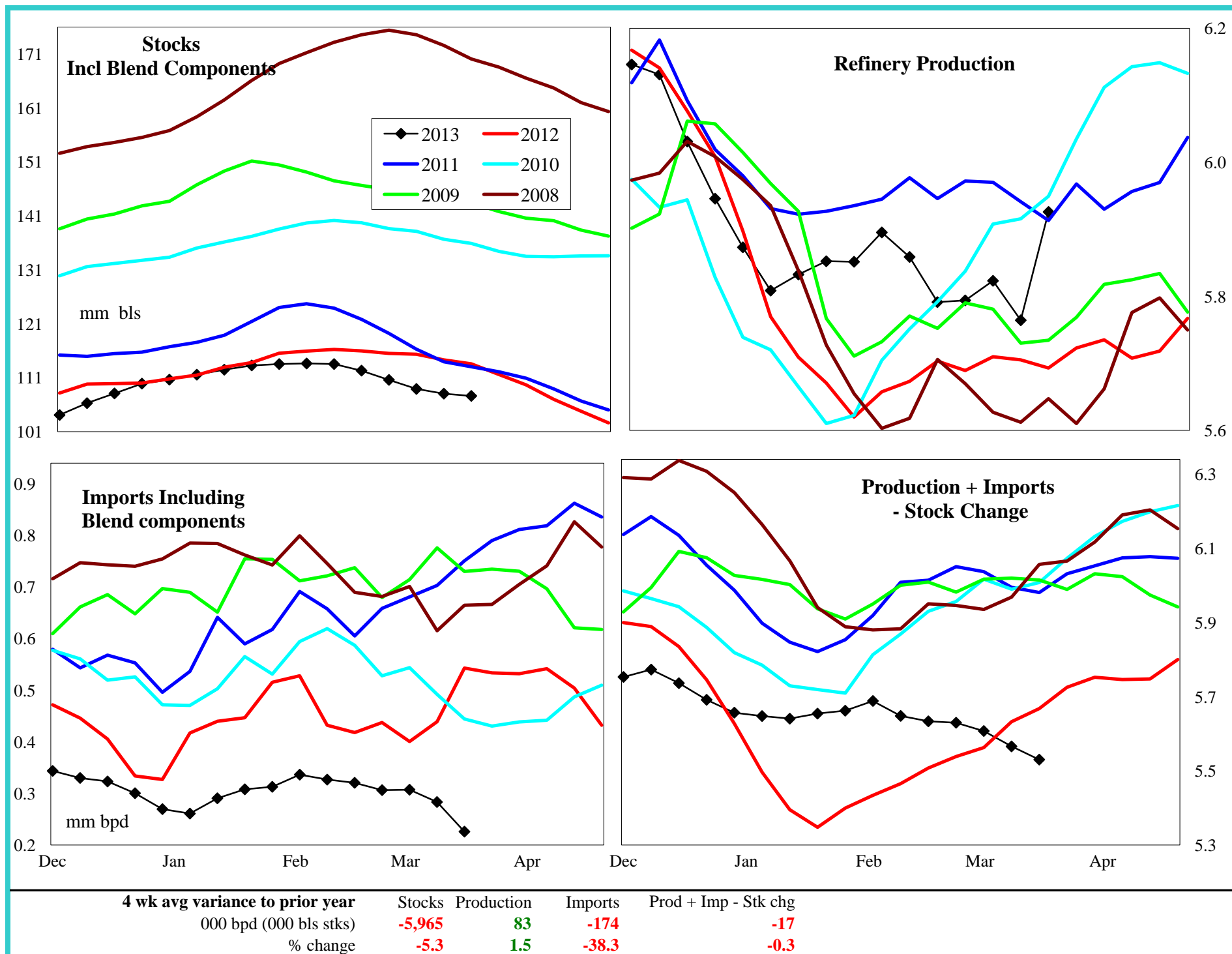
United States Gasoline Supply and Demand Balance



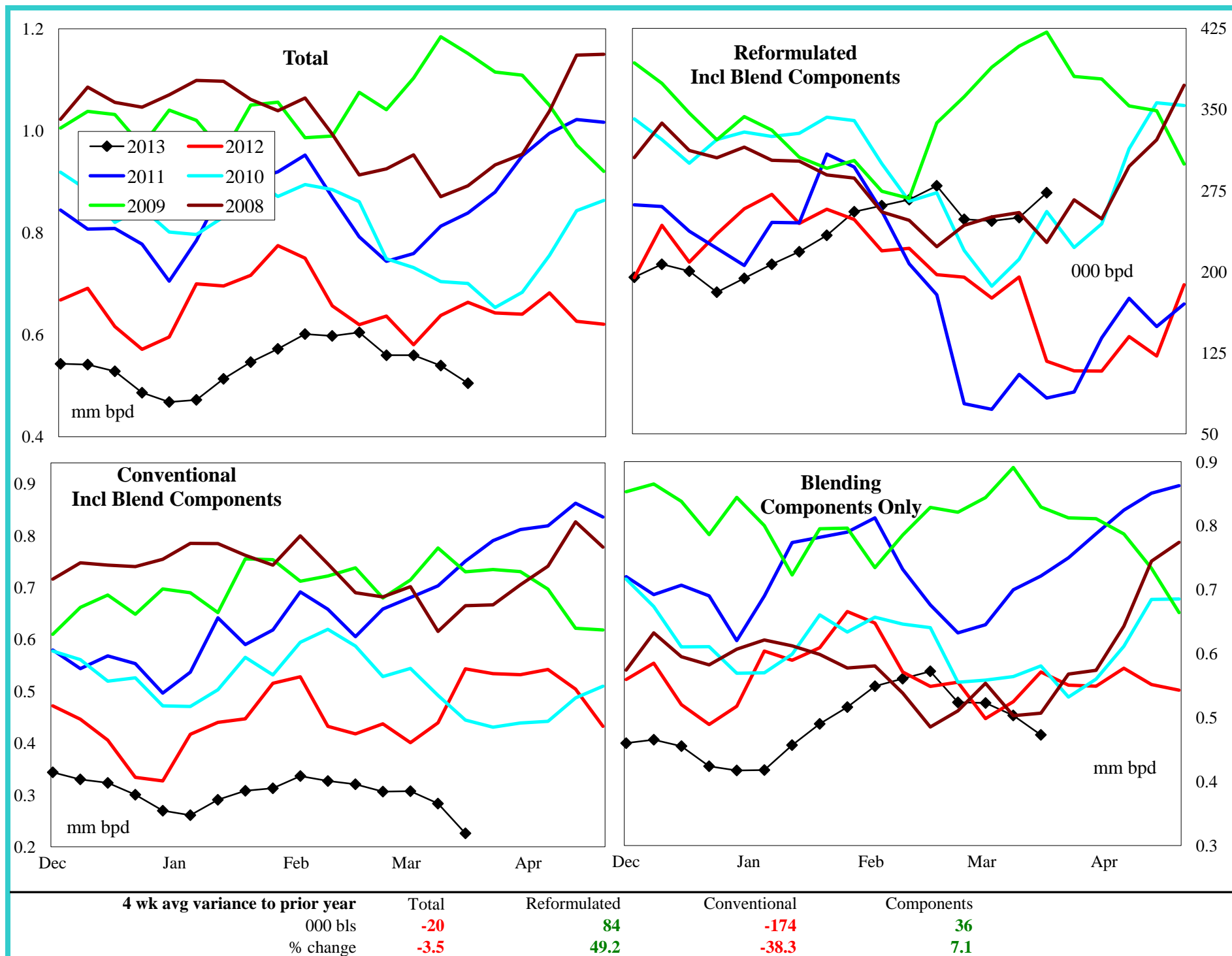
United States Reformulated Gasoline Supply



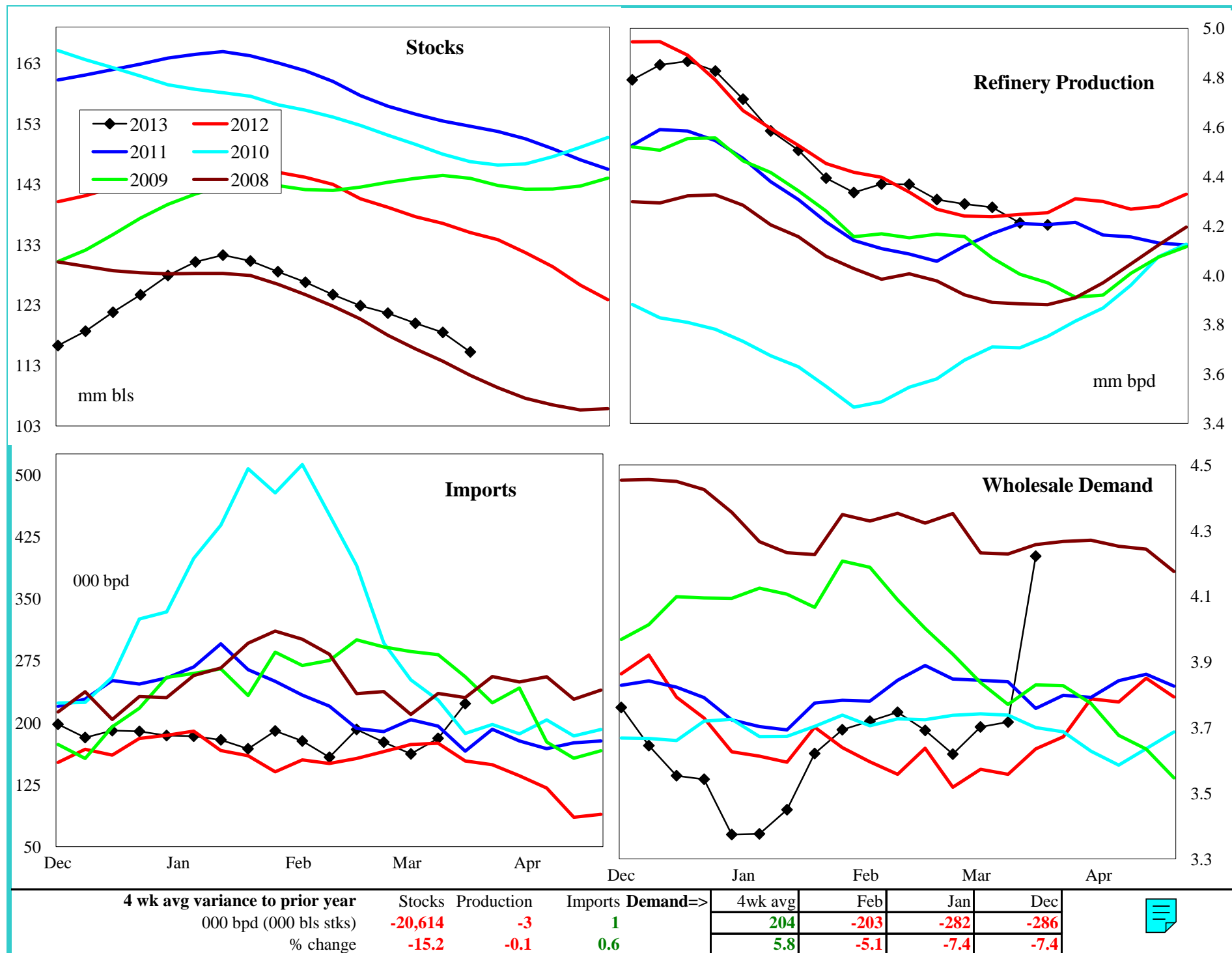
United States Conventional Gasoline Supply



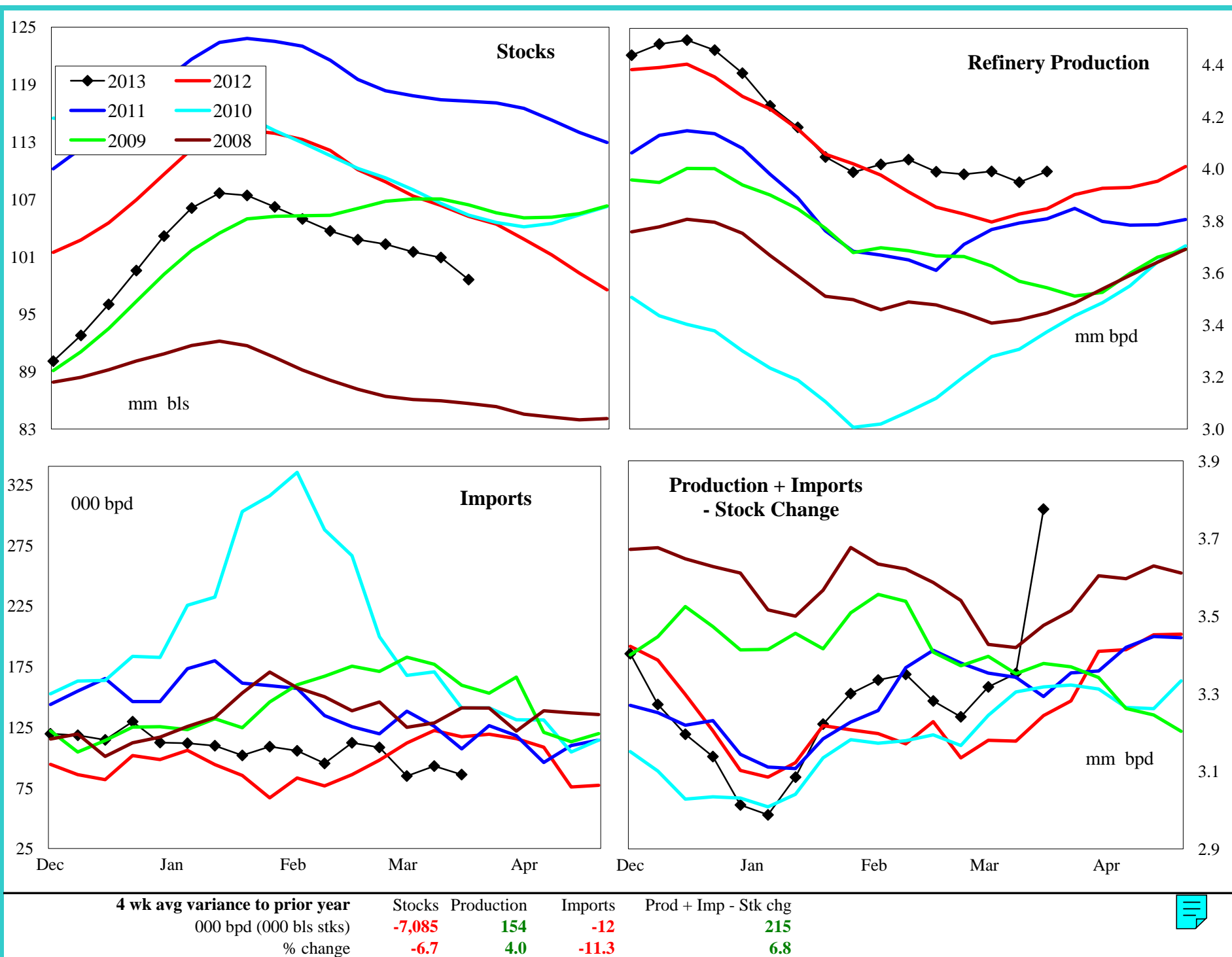
United States Gasoline Imports by Type



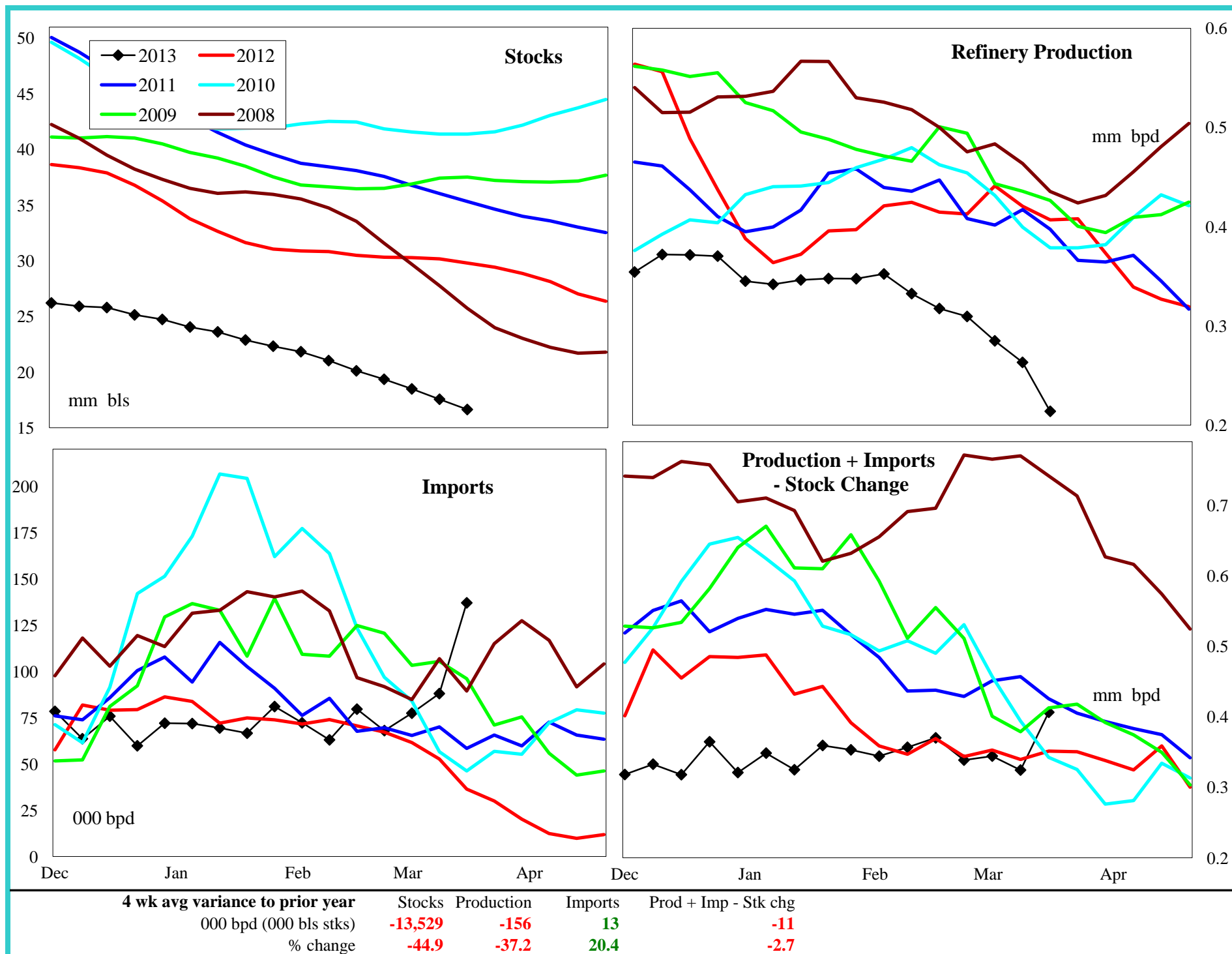
United States Distillate Supply and Demand Balance



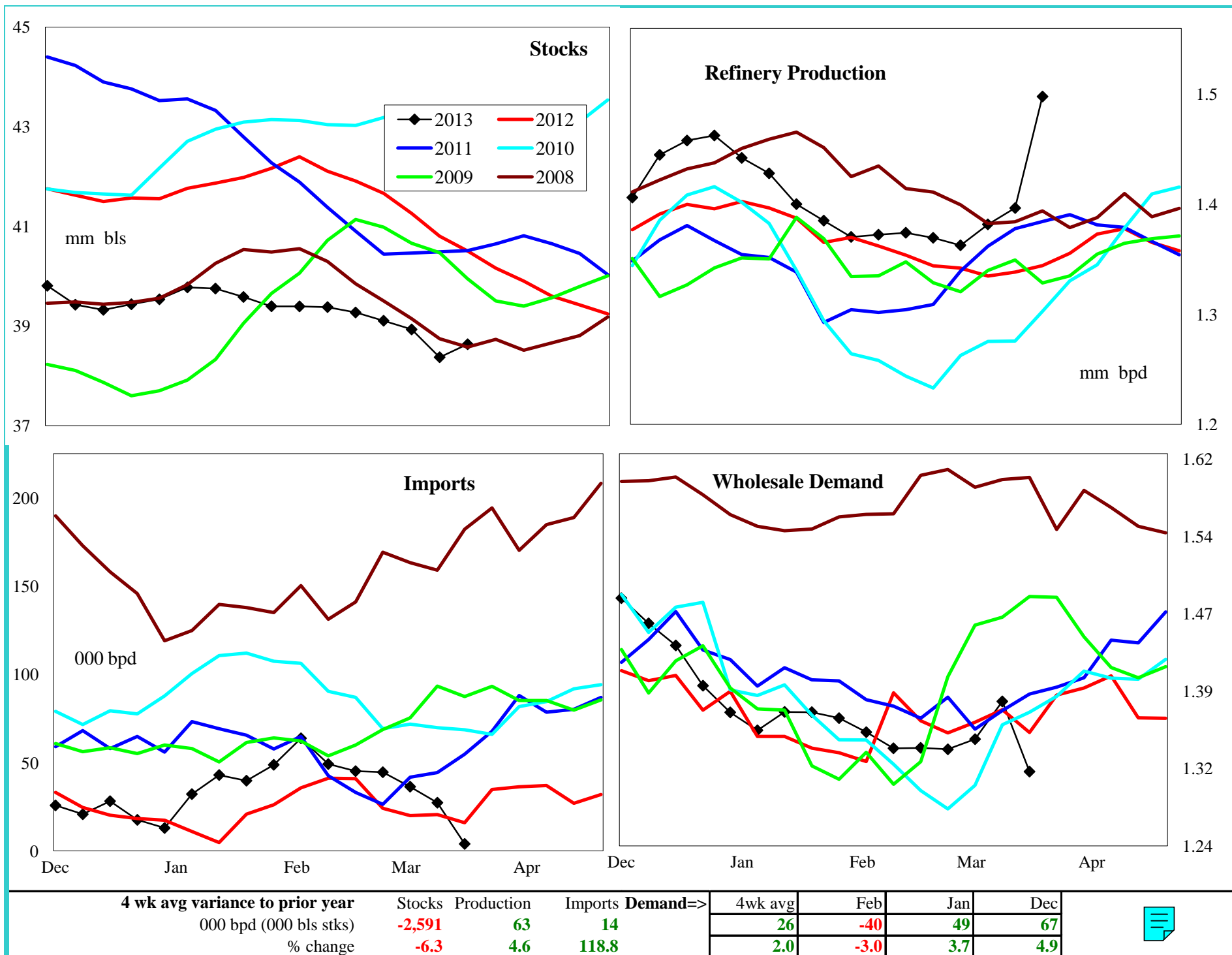
United States Low Sulfur Distillate Supply



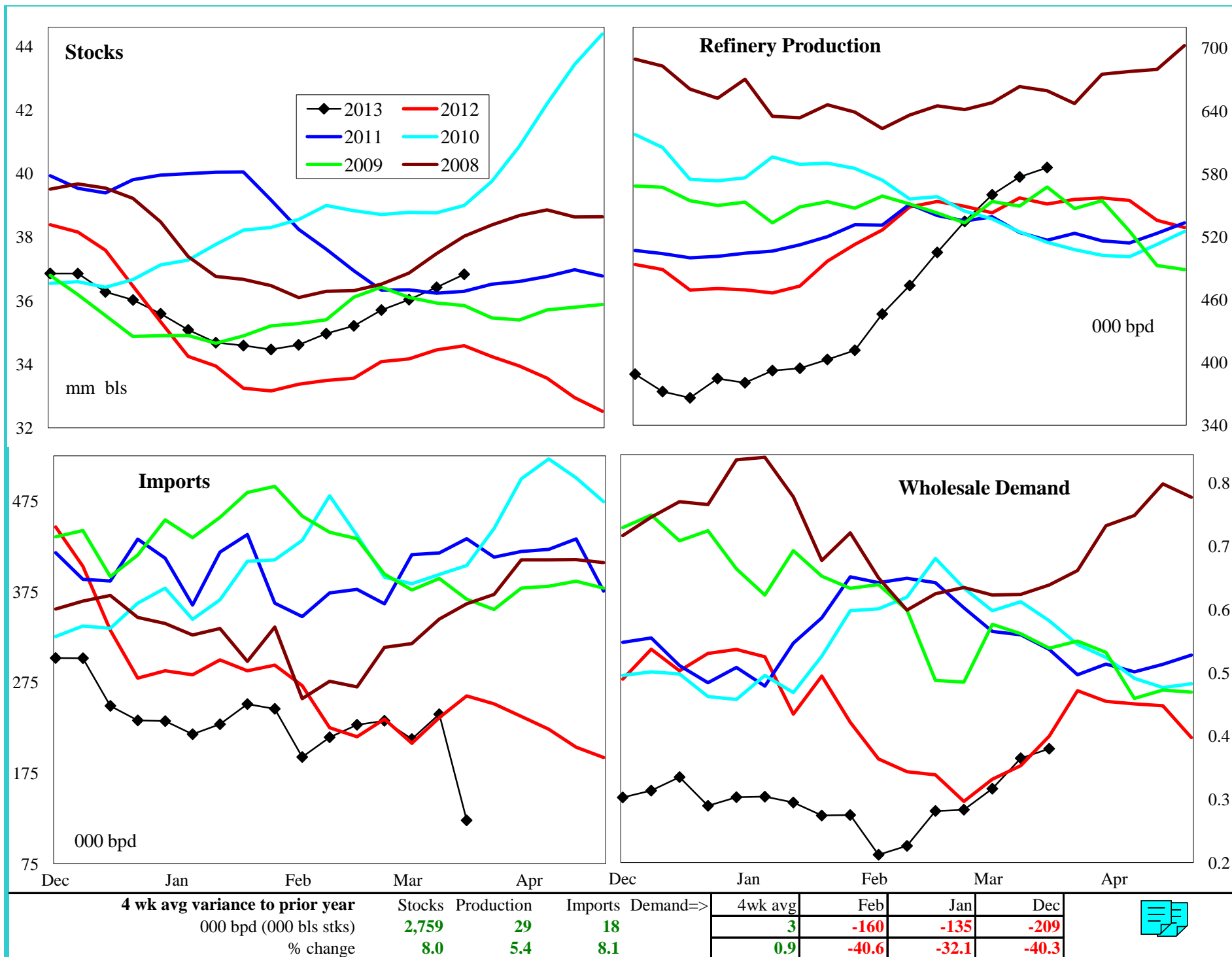
United States High Sulfur Distillate Supply



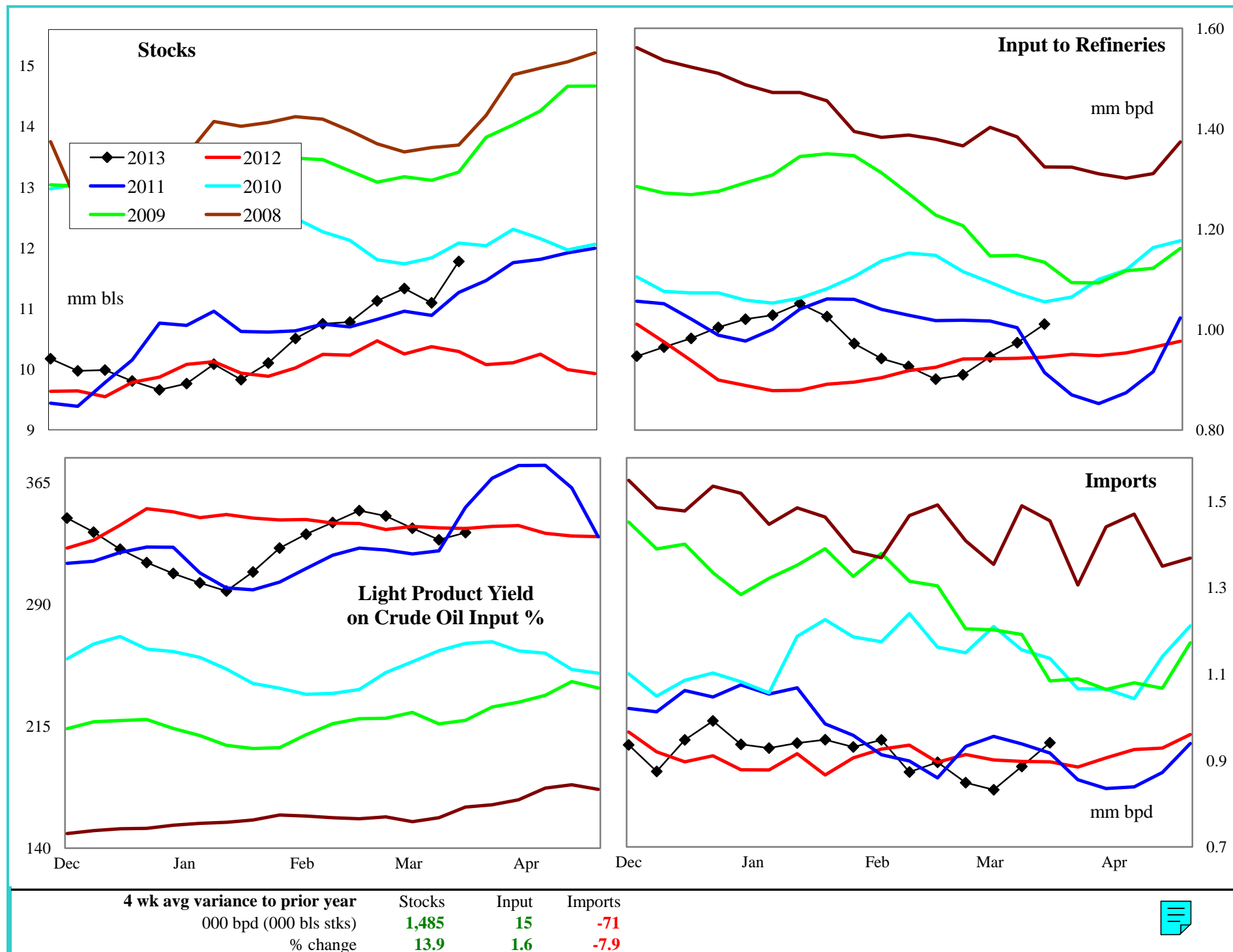
United States Jet Fuel Supply and Demand Balance



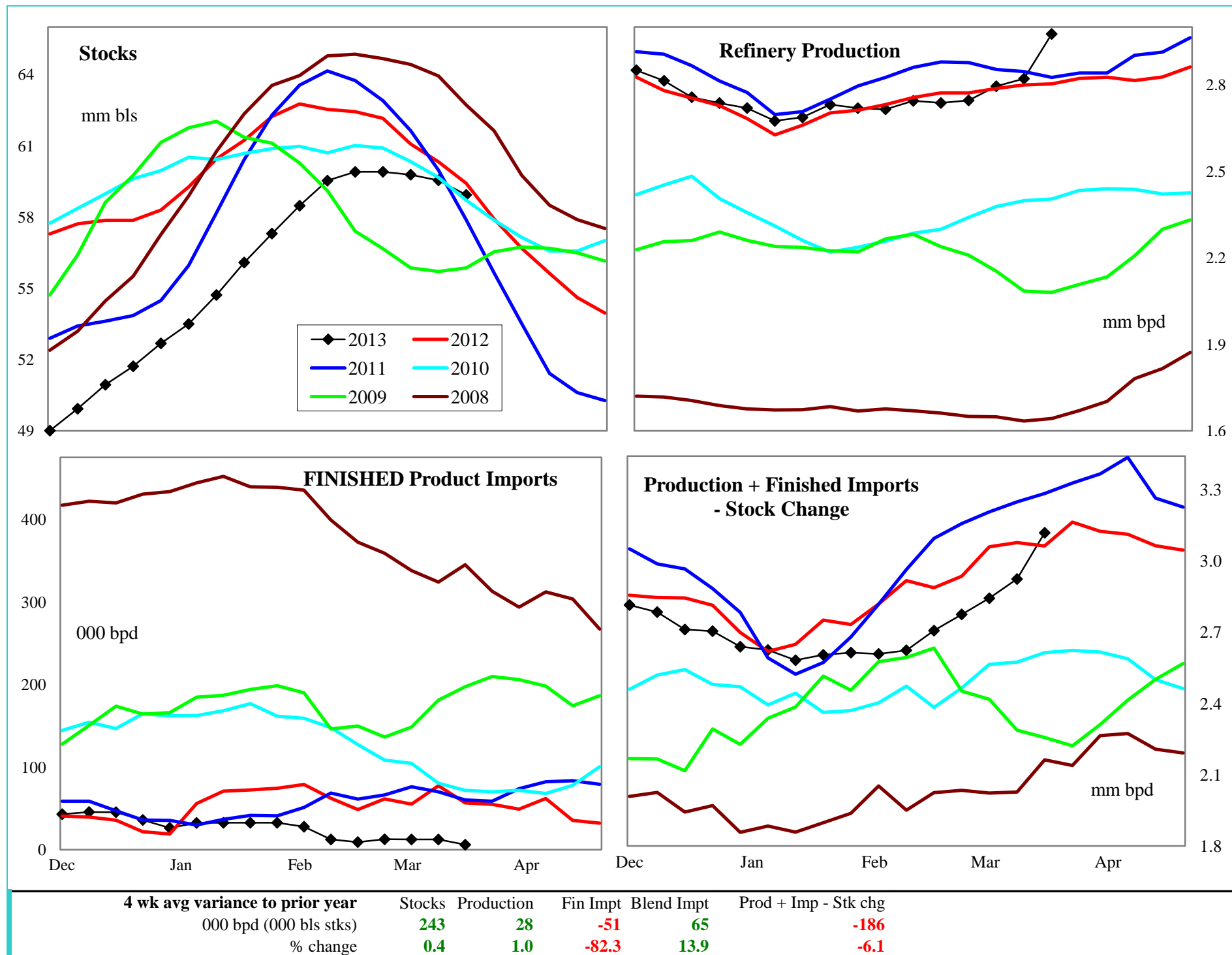
United States Residual Fuel Oil Supply and Demand Balance



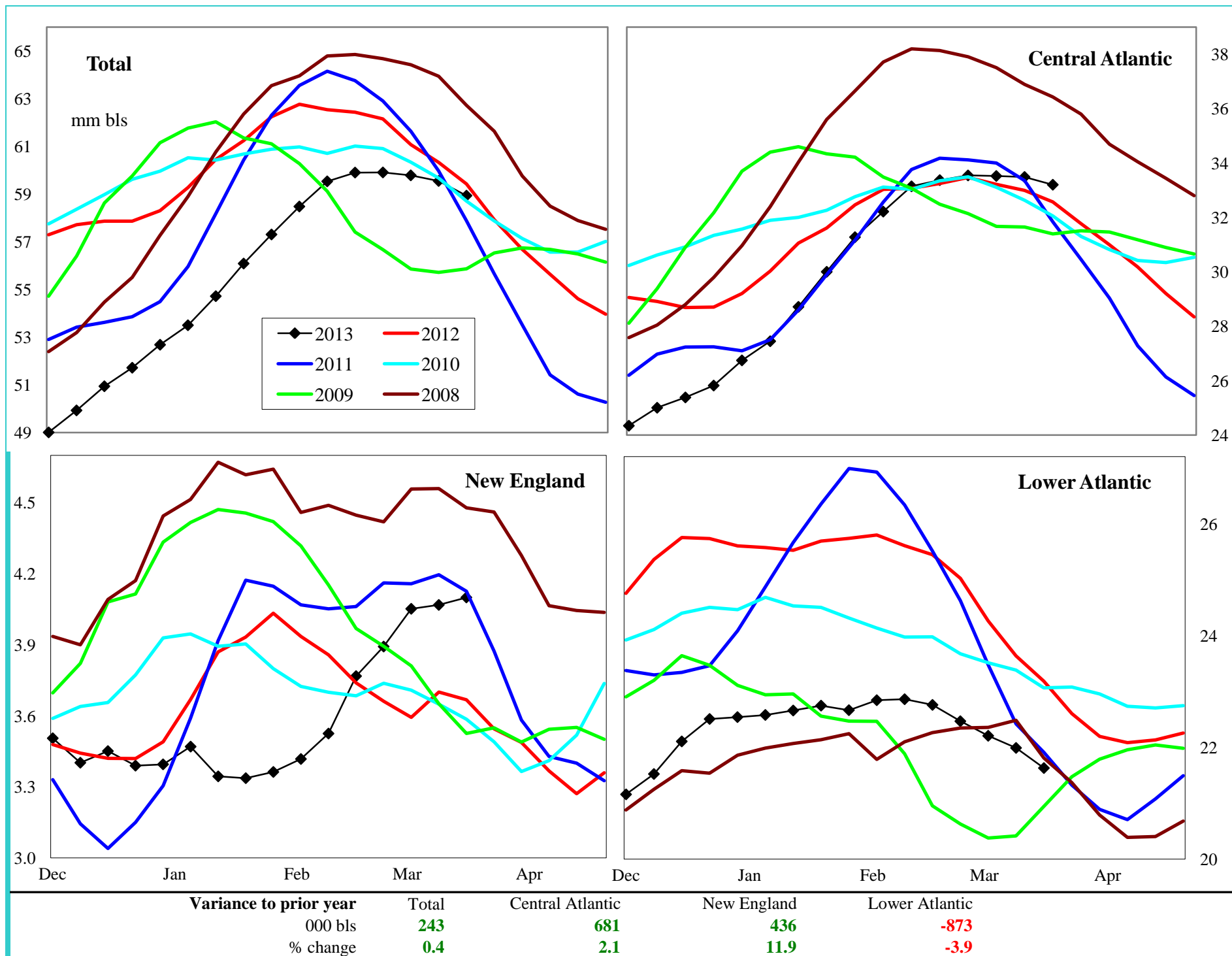
PADD 1 Crude Oil Supply and Refining



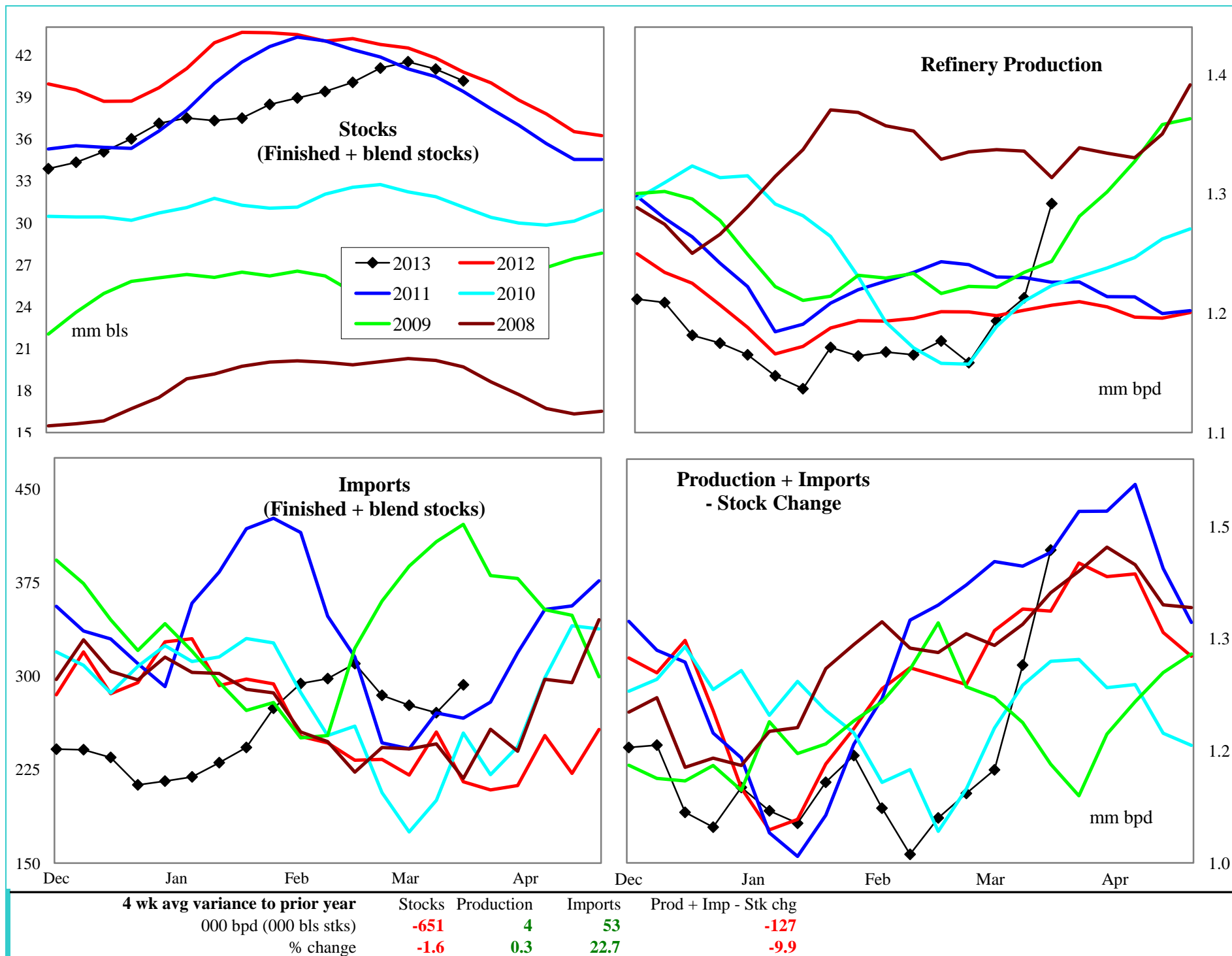
PADD 1 Gasoline Supply



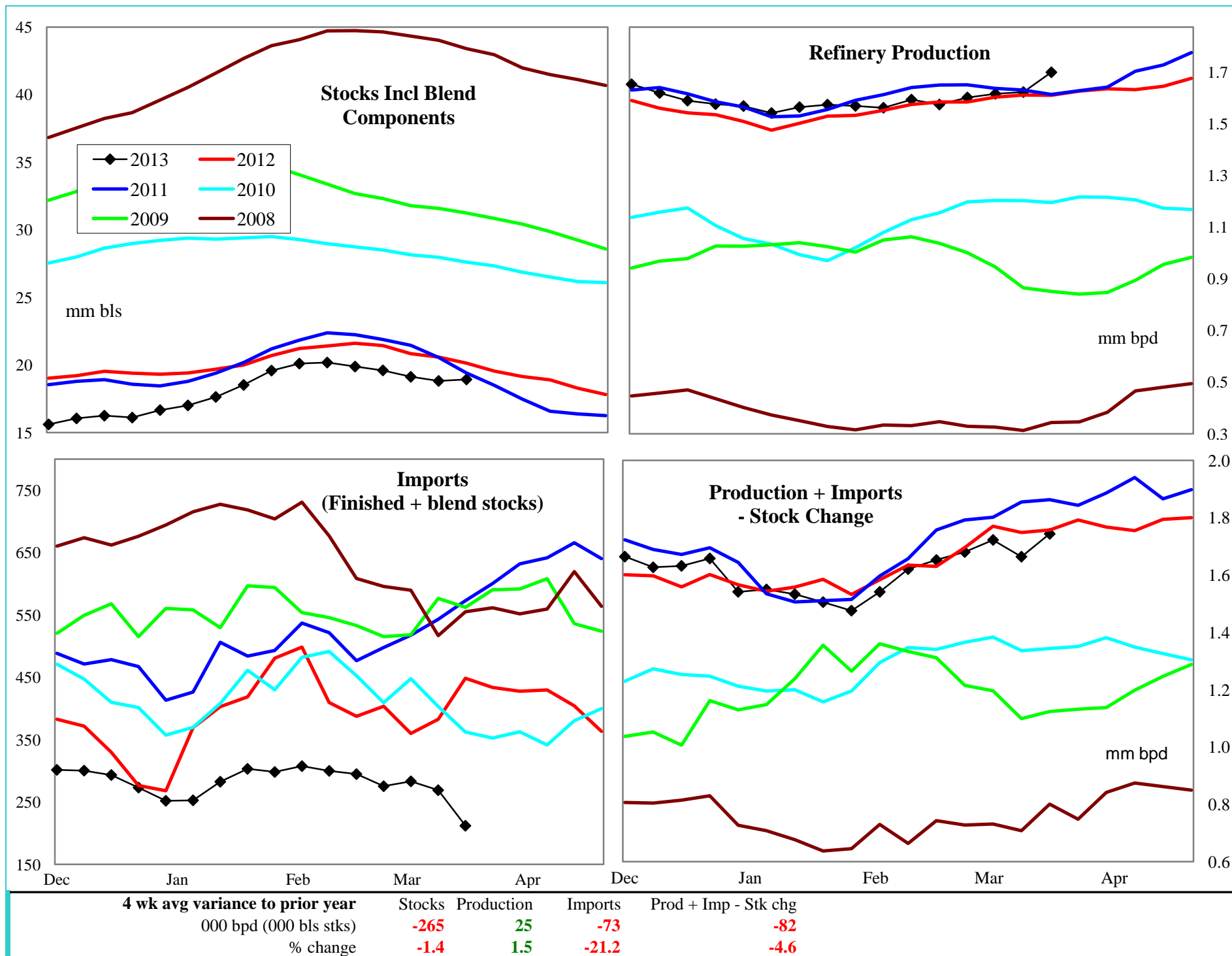
PADD 1 Gasoline Stocks by Region



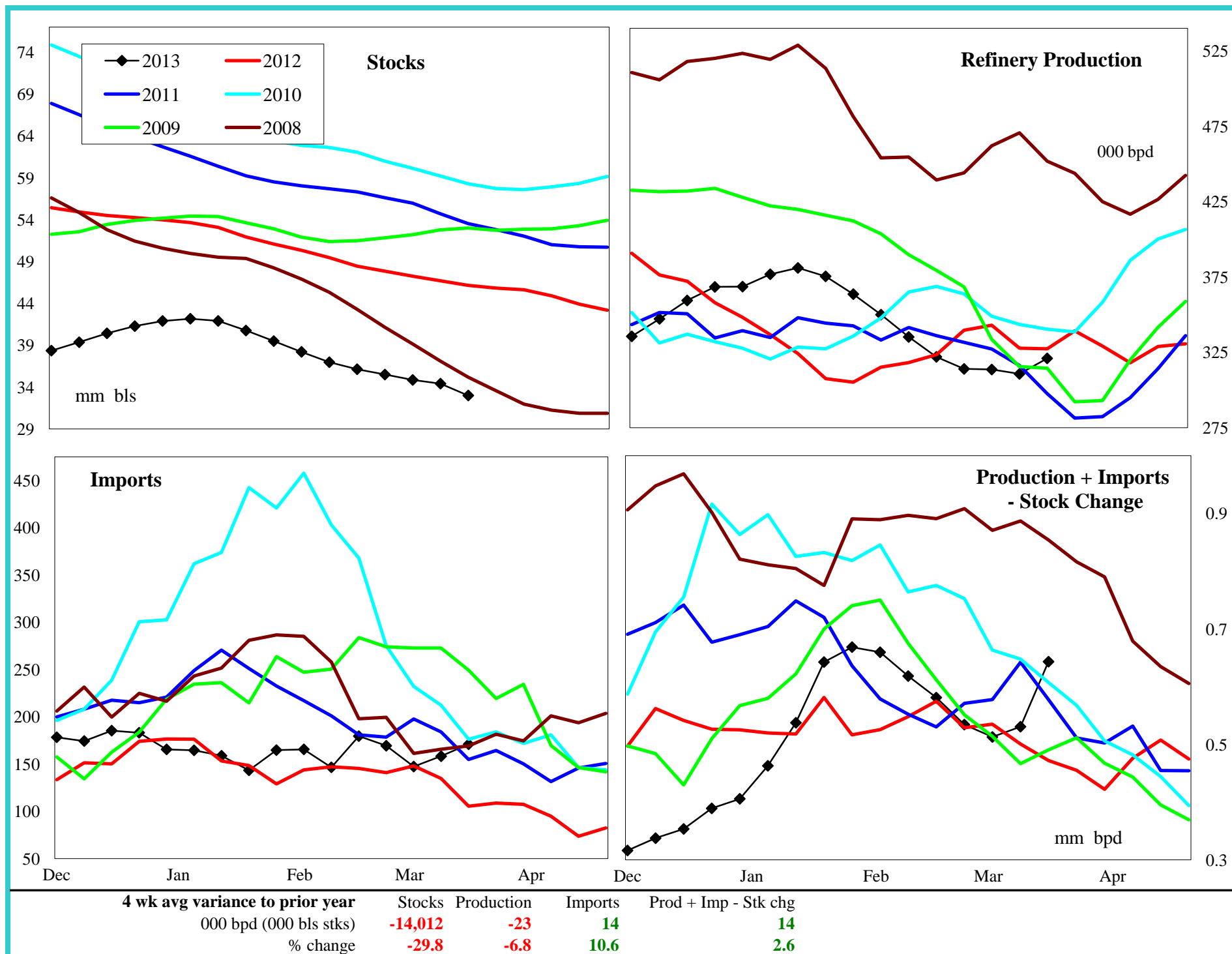
PADD 1 Reformulated Gasoline Supply



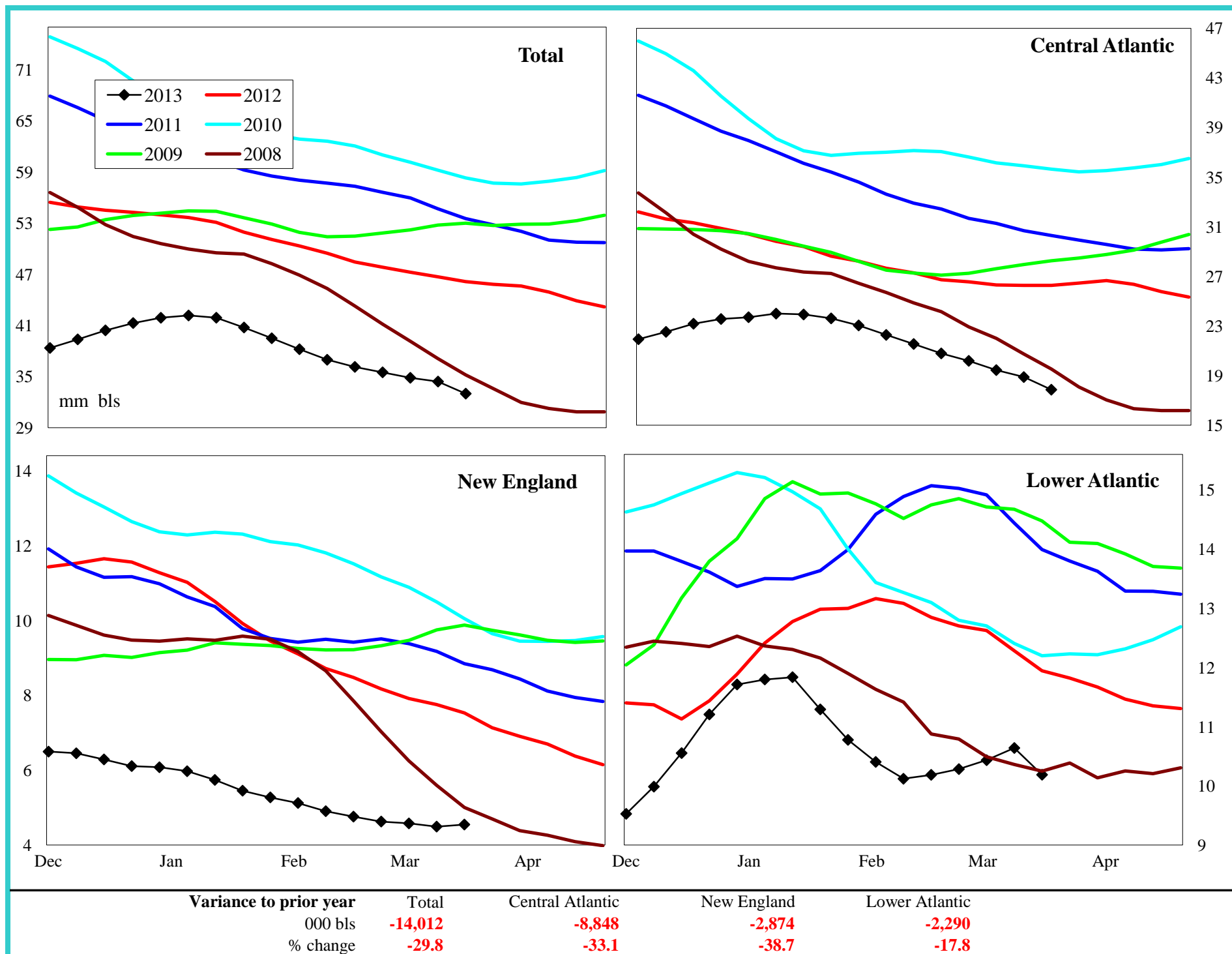
PADD 1 Conventional Gasoline Supply



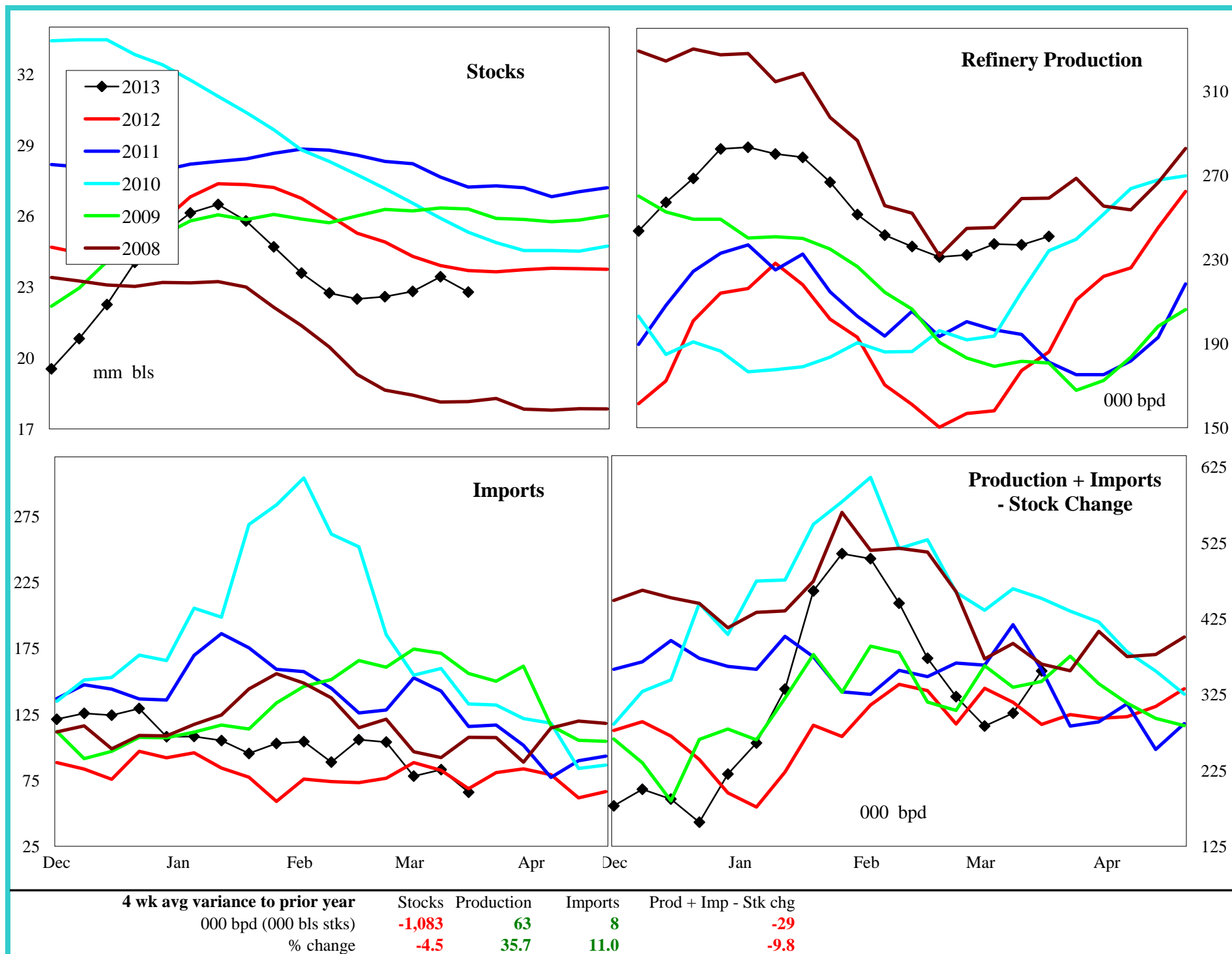
PADD 1 Distillate Supply



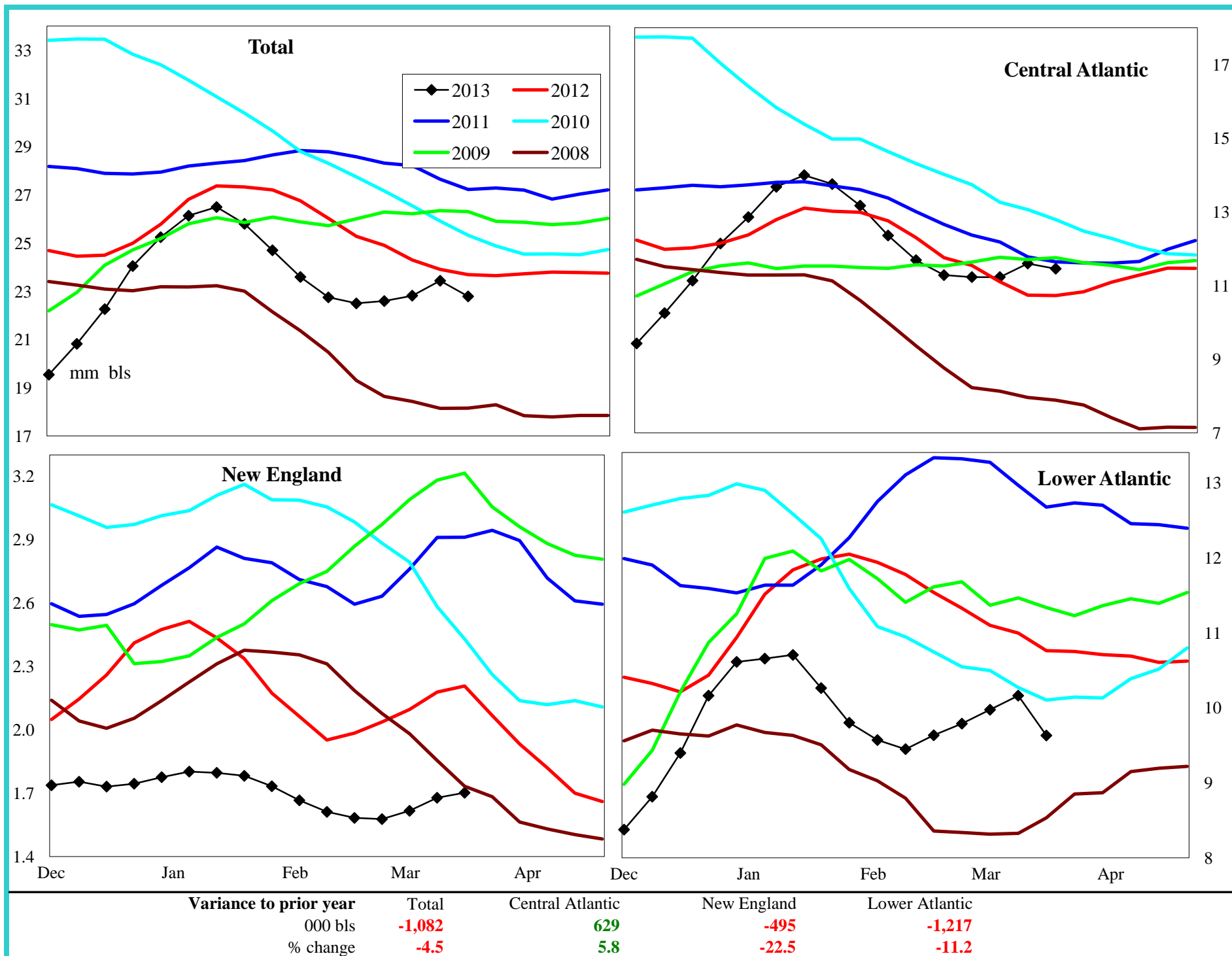
PADD 1 Distillate Stocks by Region



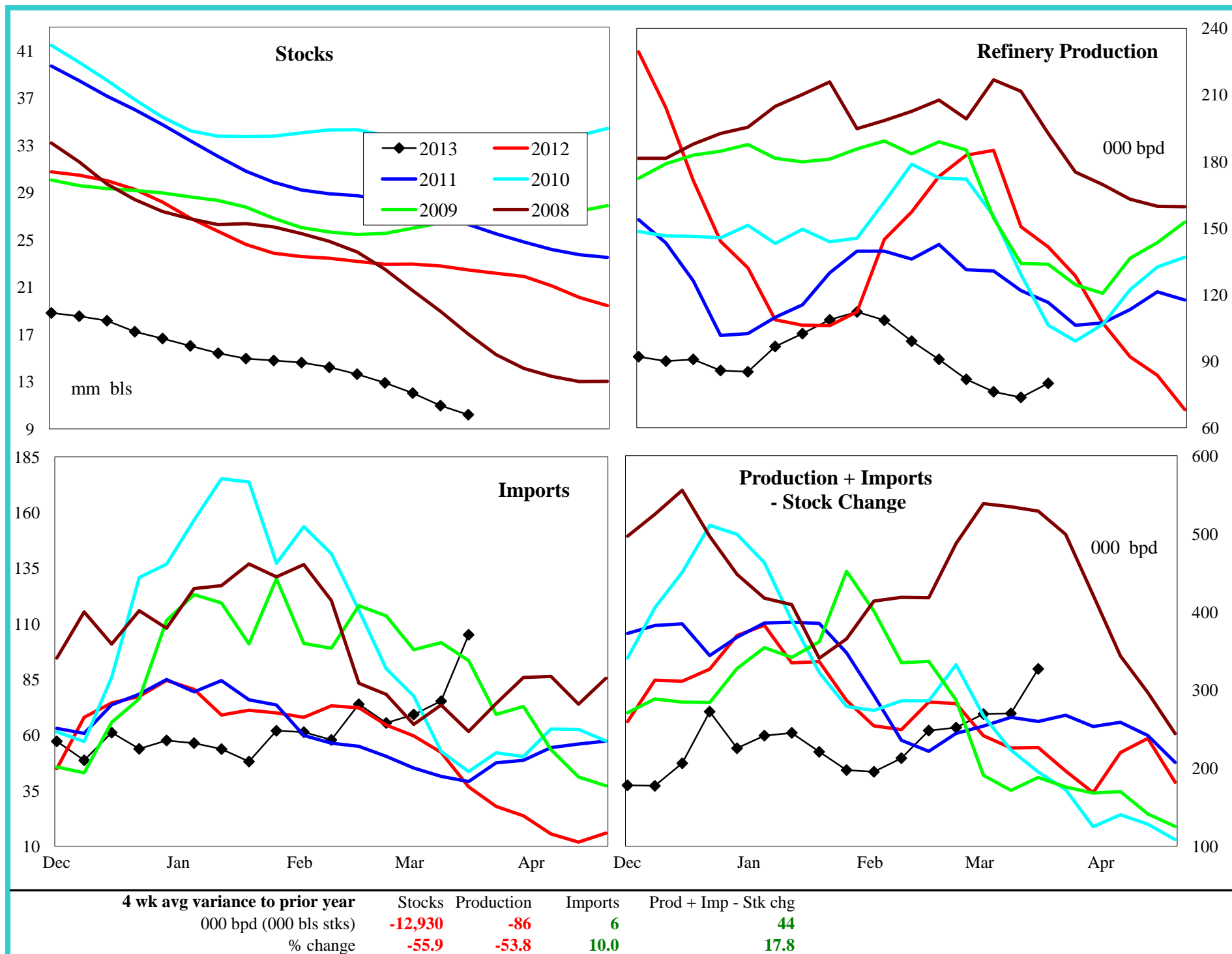
PADD 1 Low Sulfur Distillate Supply



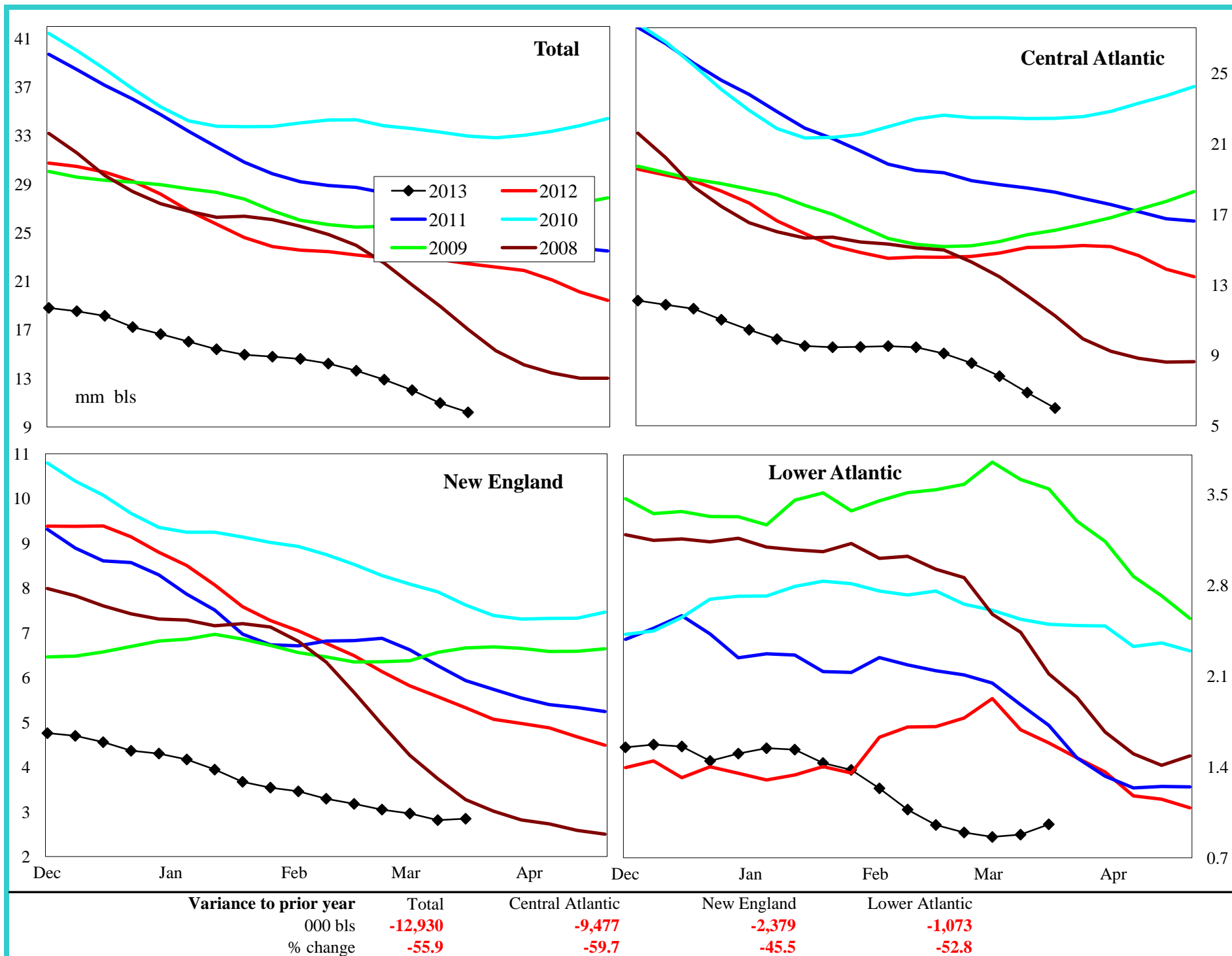
PADD 1 Low Sulfur Distillate Stocks by Region



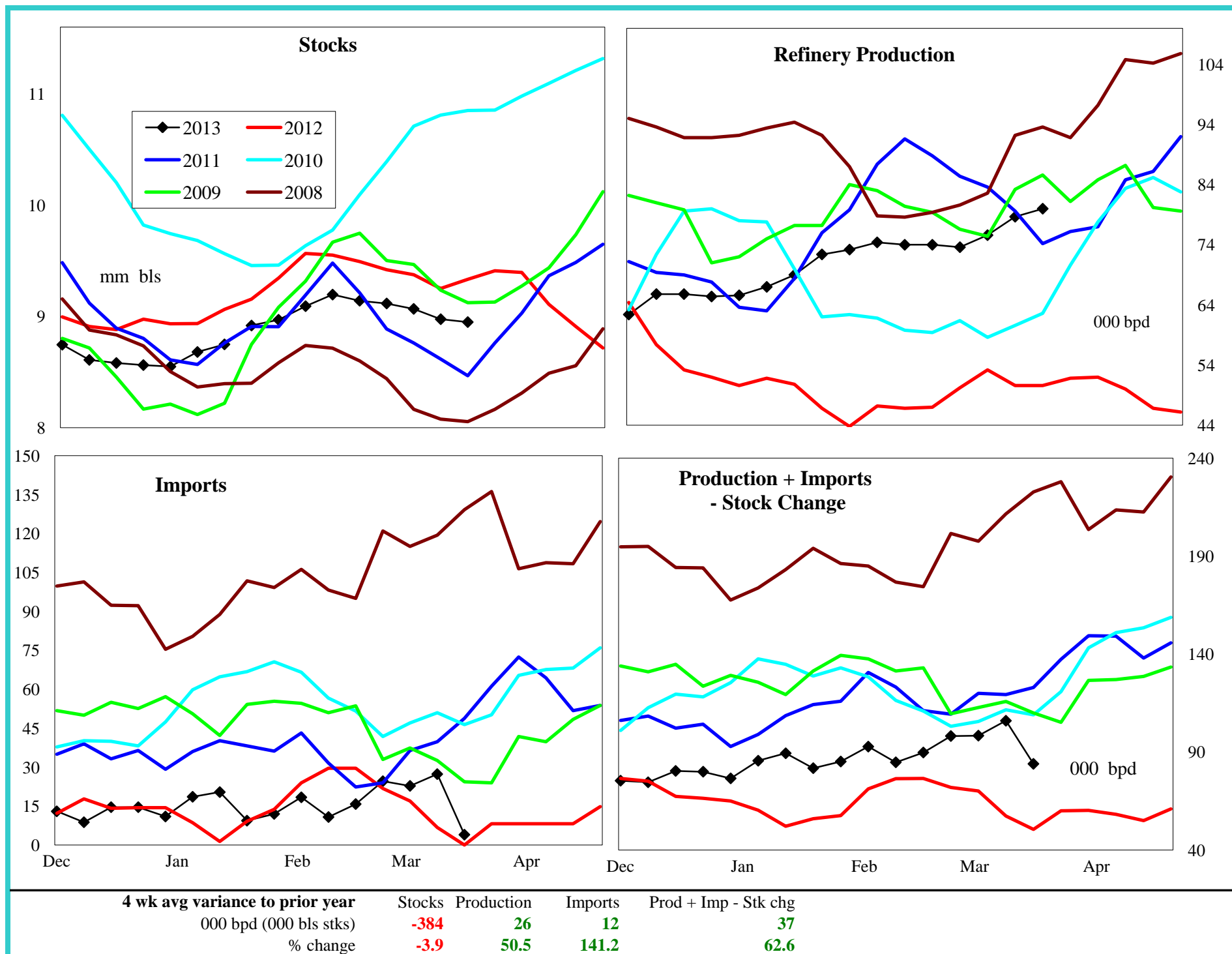
PADD 1 High Sulfur Distillate Supply



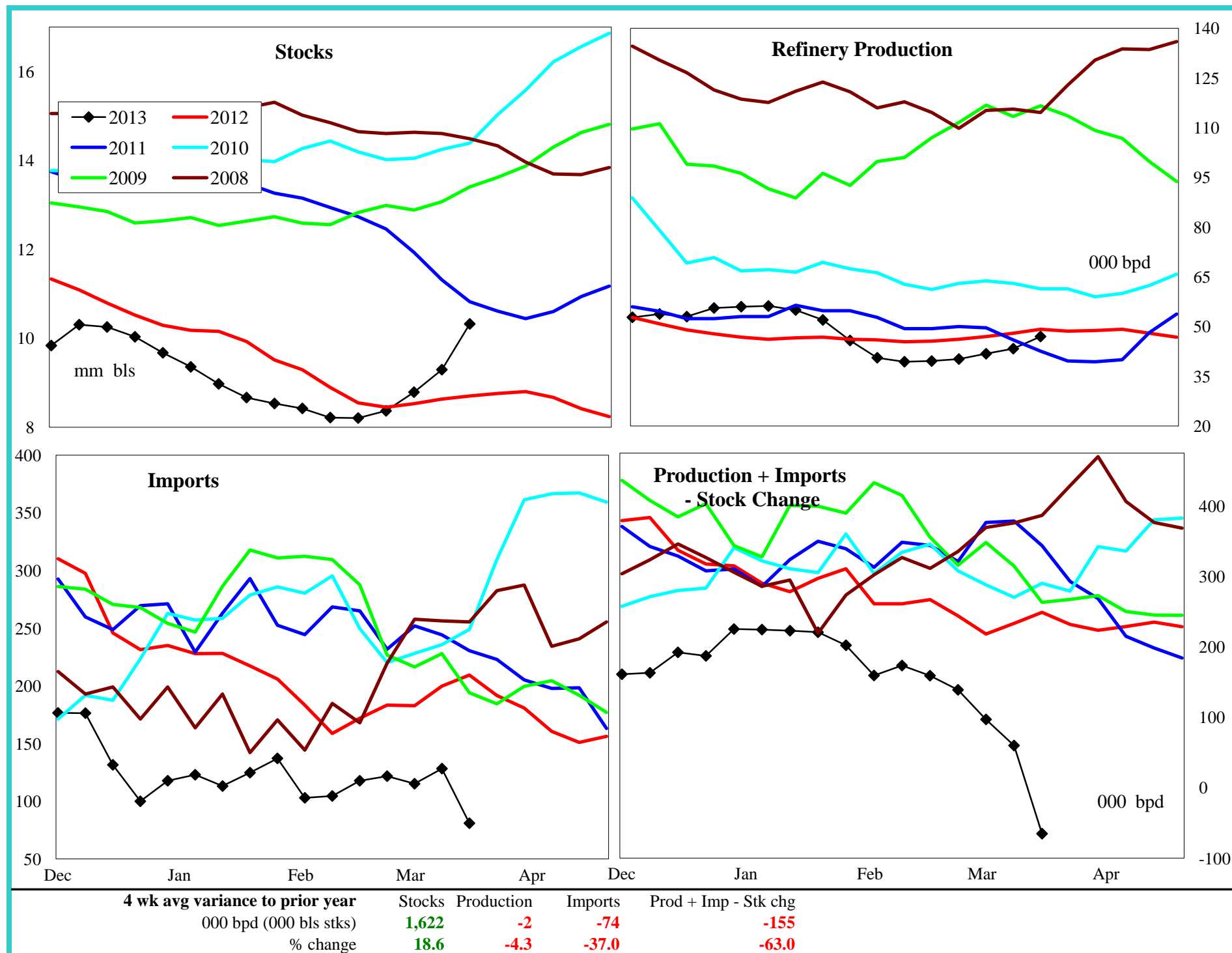
PADD 1 High Sulfur Distillate Stocks by Region



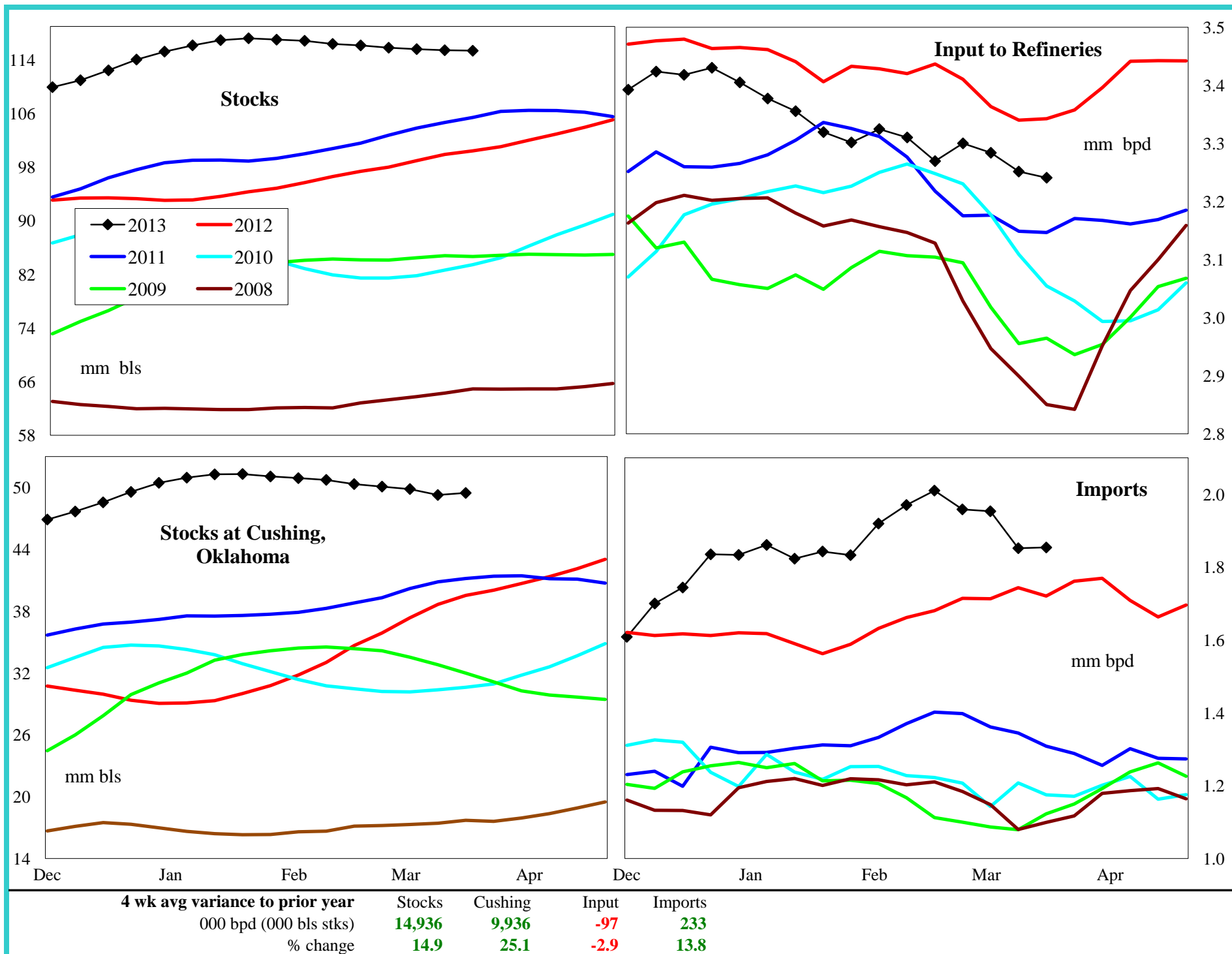
PADD 1 Jet Fuel Supply



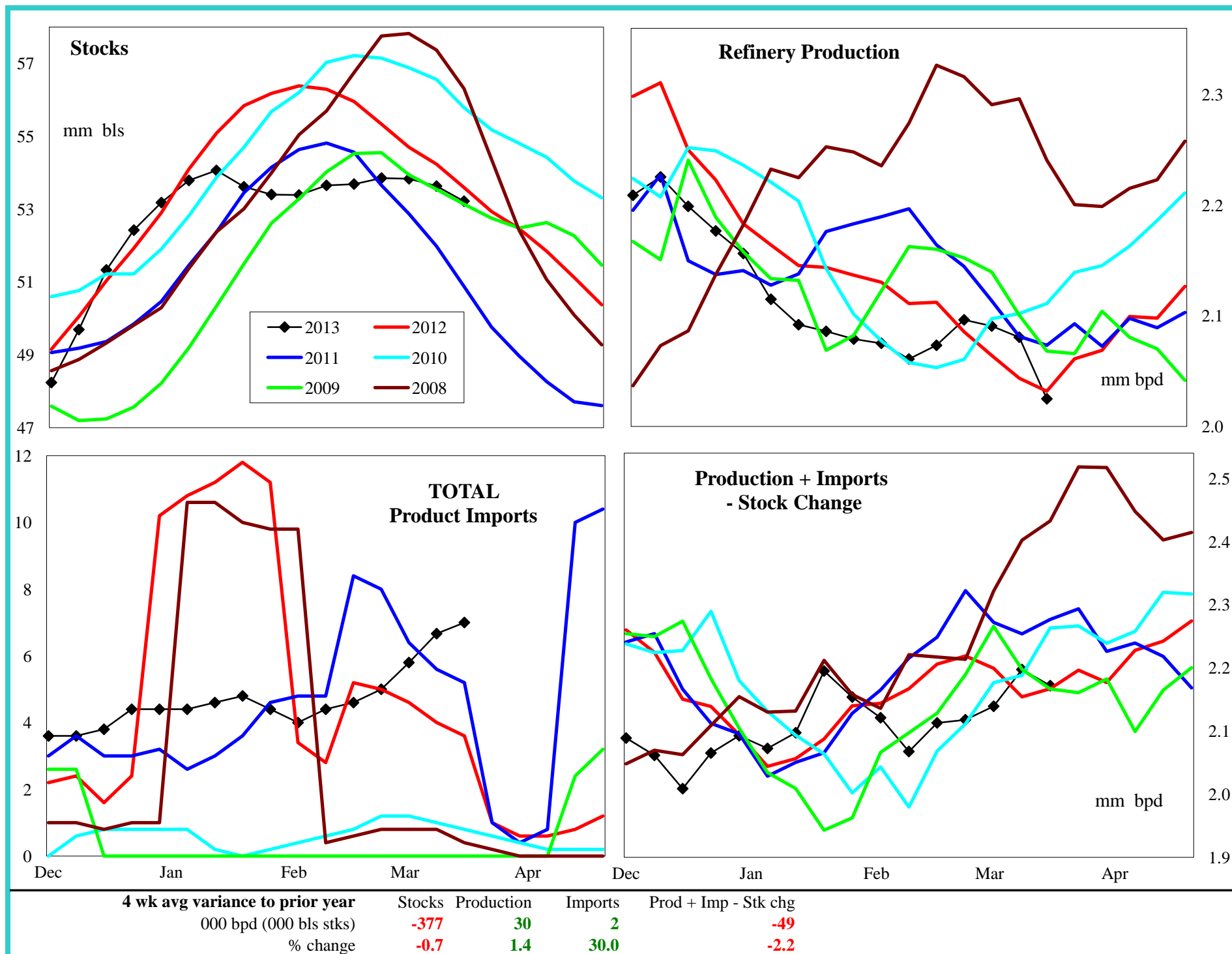
PADD 1 Residual Fuel Oil Supply



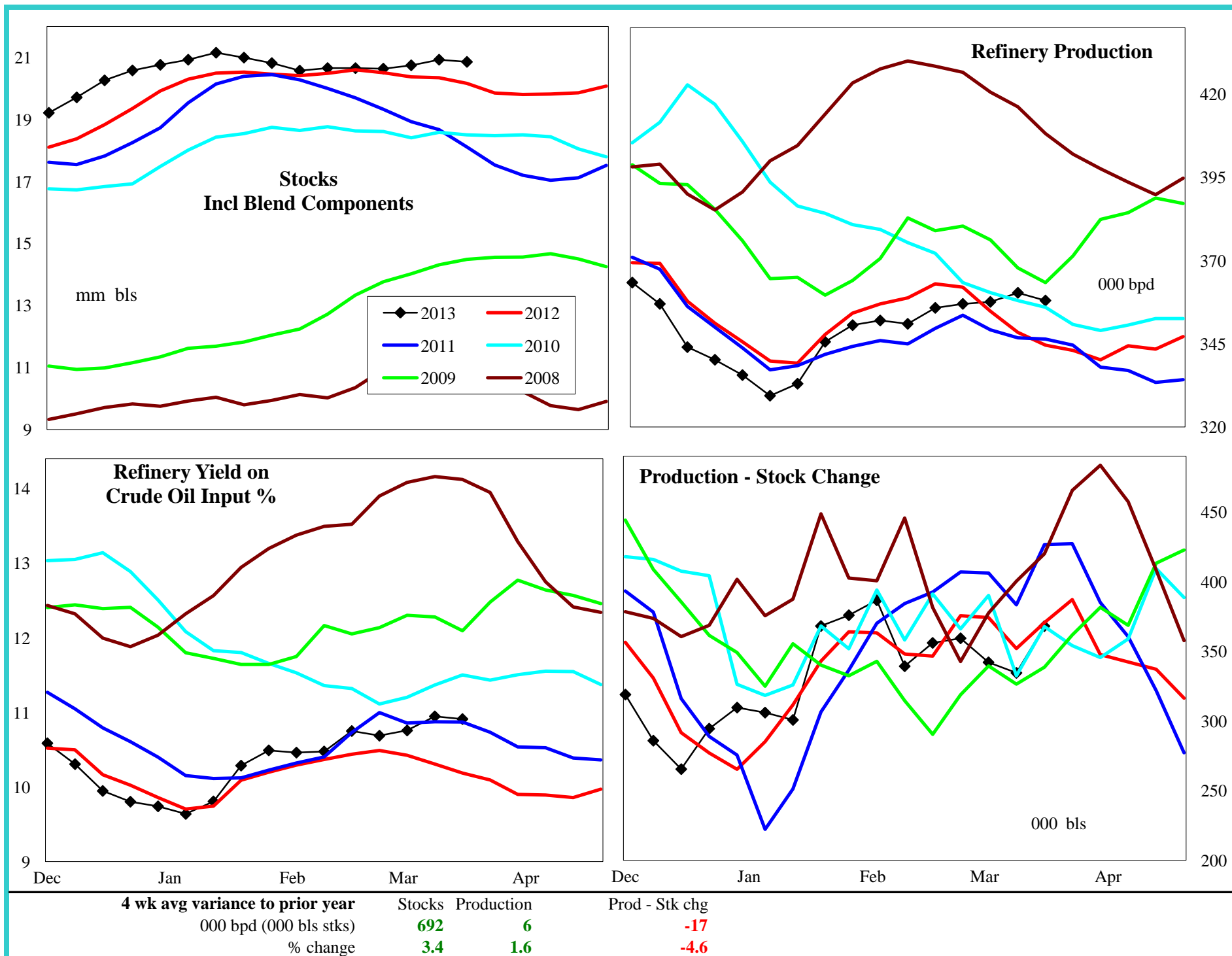
PADD 2 Crude Oil Supply and Refining



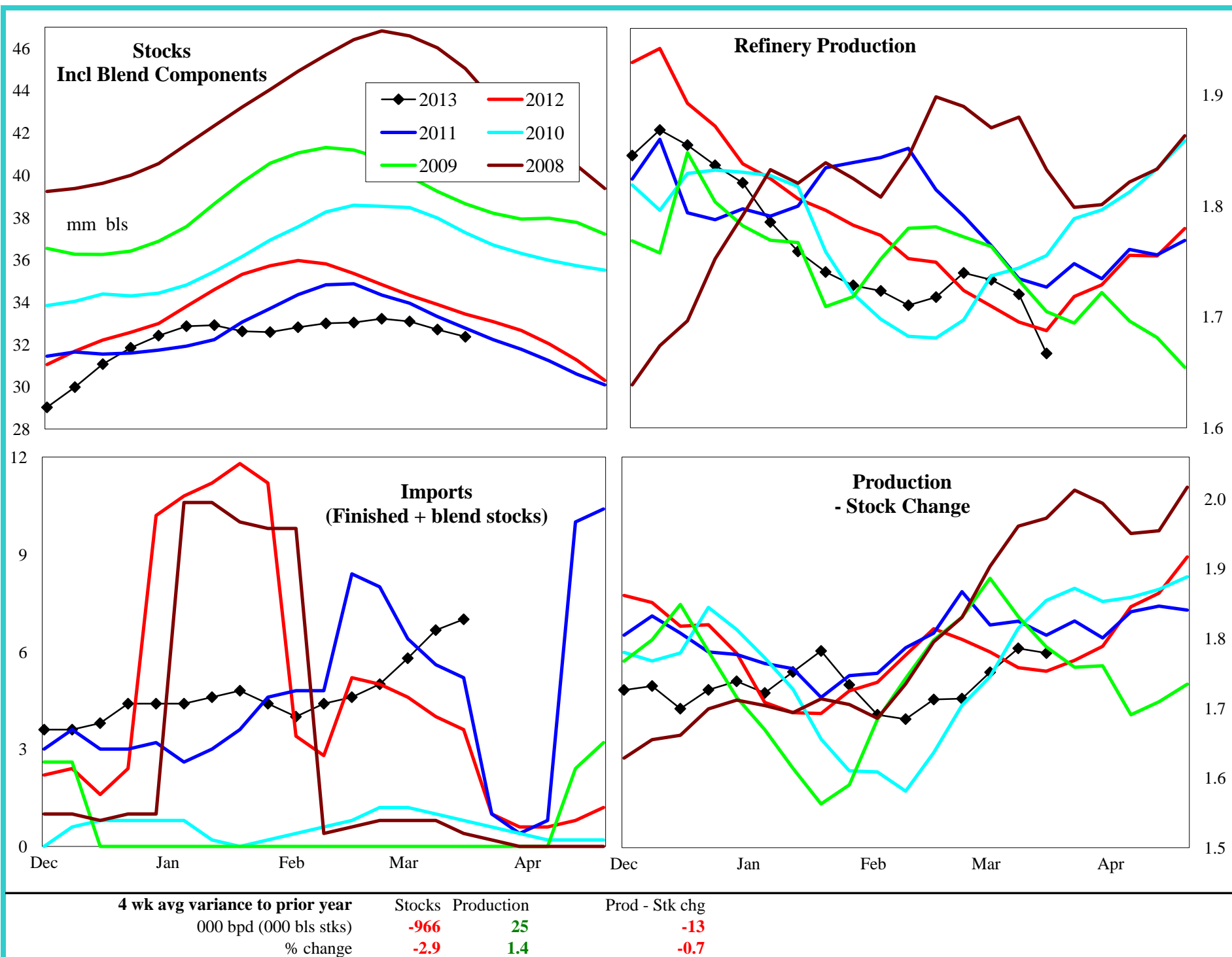
PADD 2 Gasoline Supply



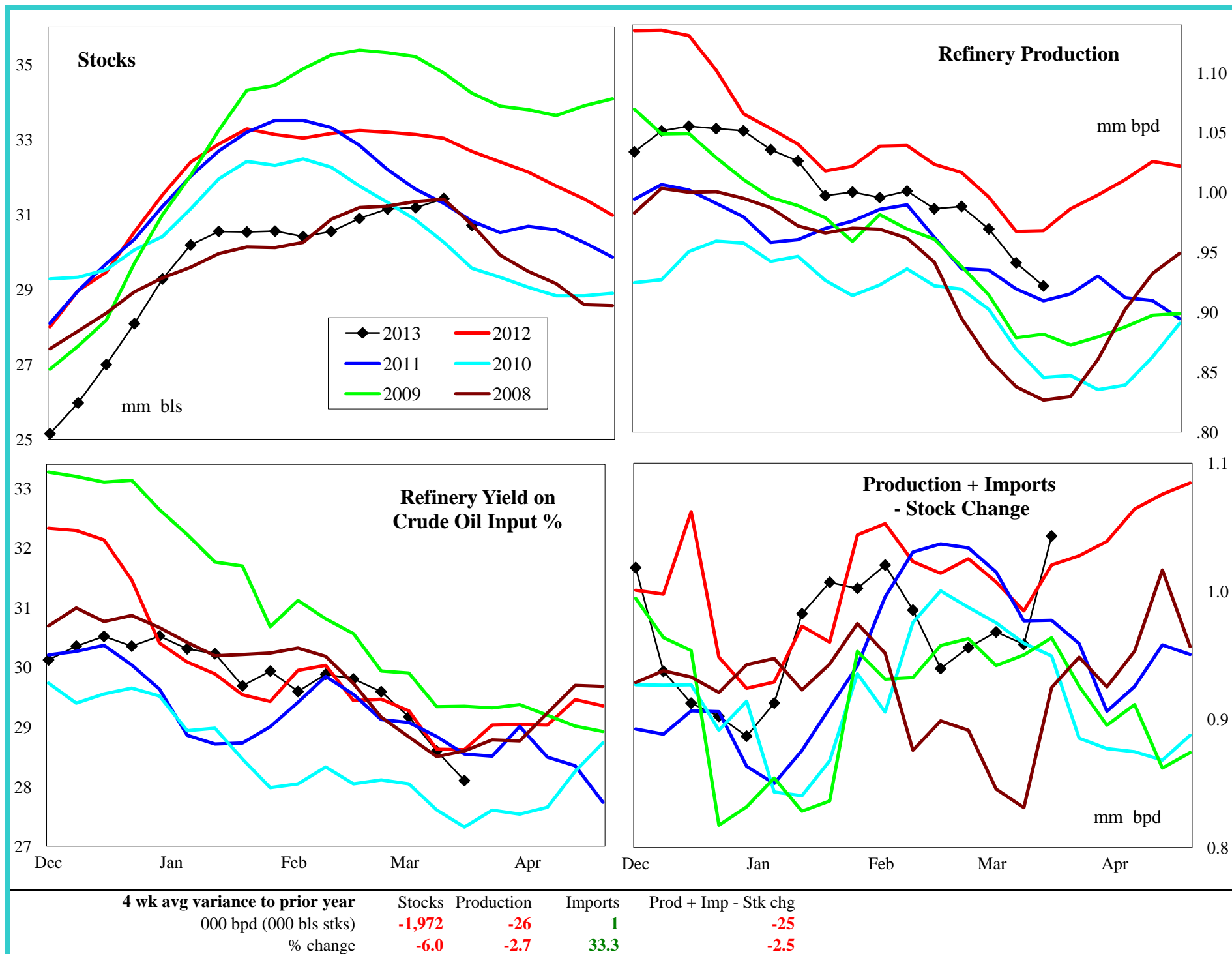
PADD 2 Reformulated Gasoline Supply



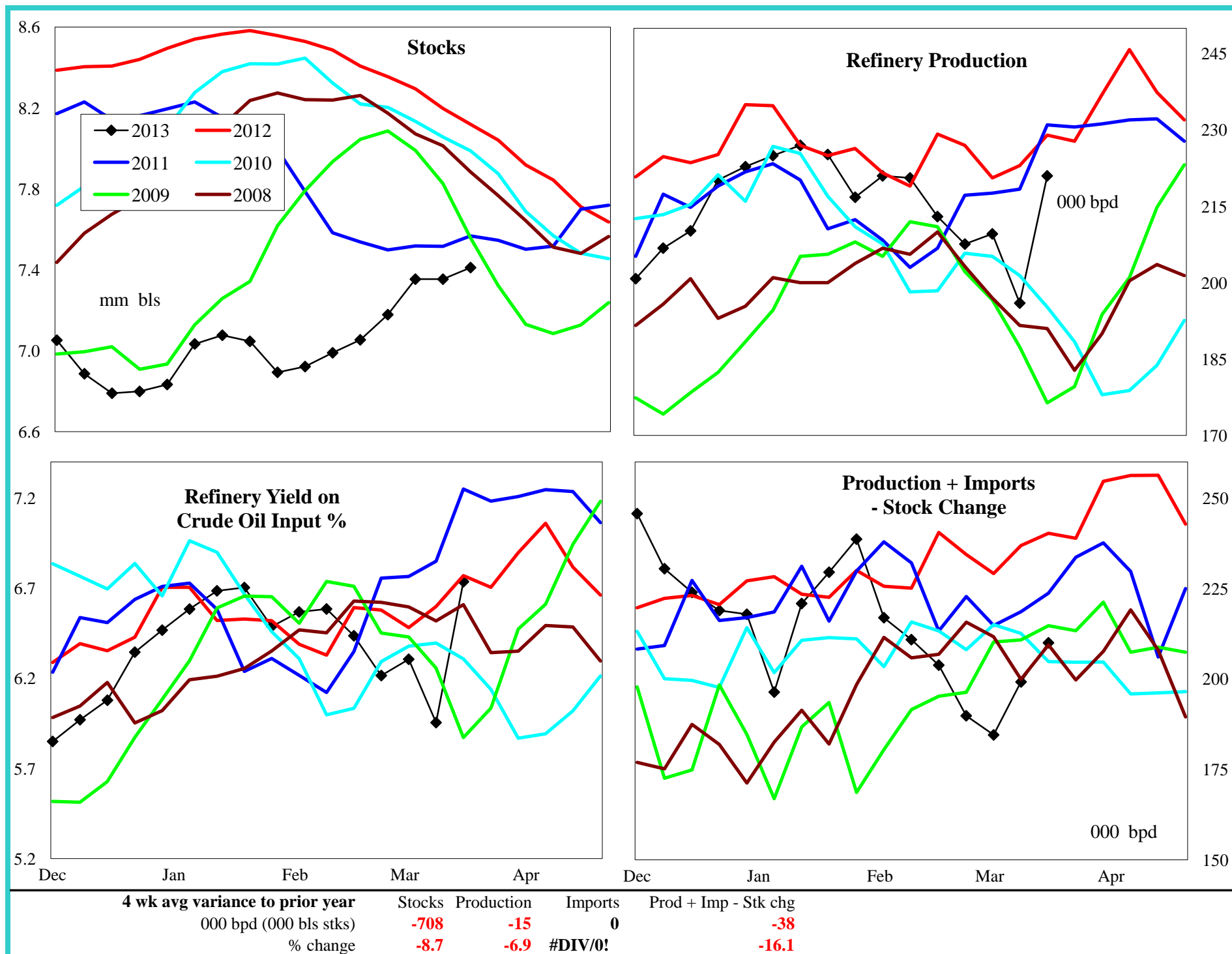
PADD 2 Conventional Gasoline Supply



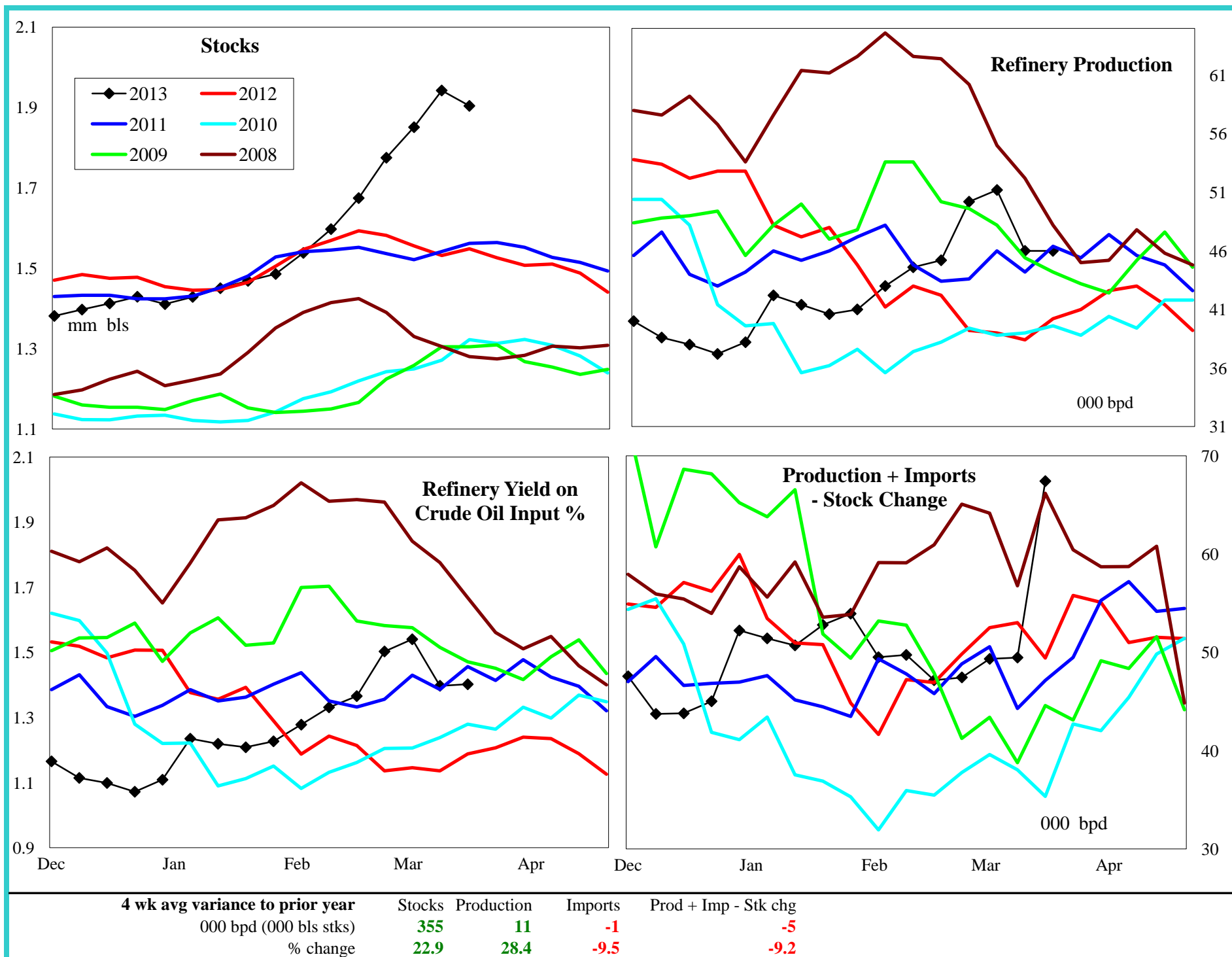
PADD 2 Distillate Supply



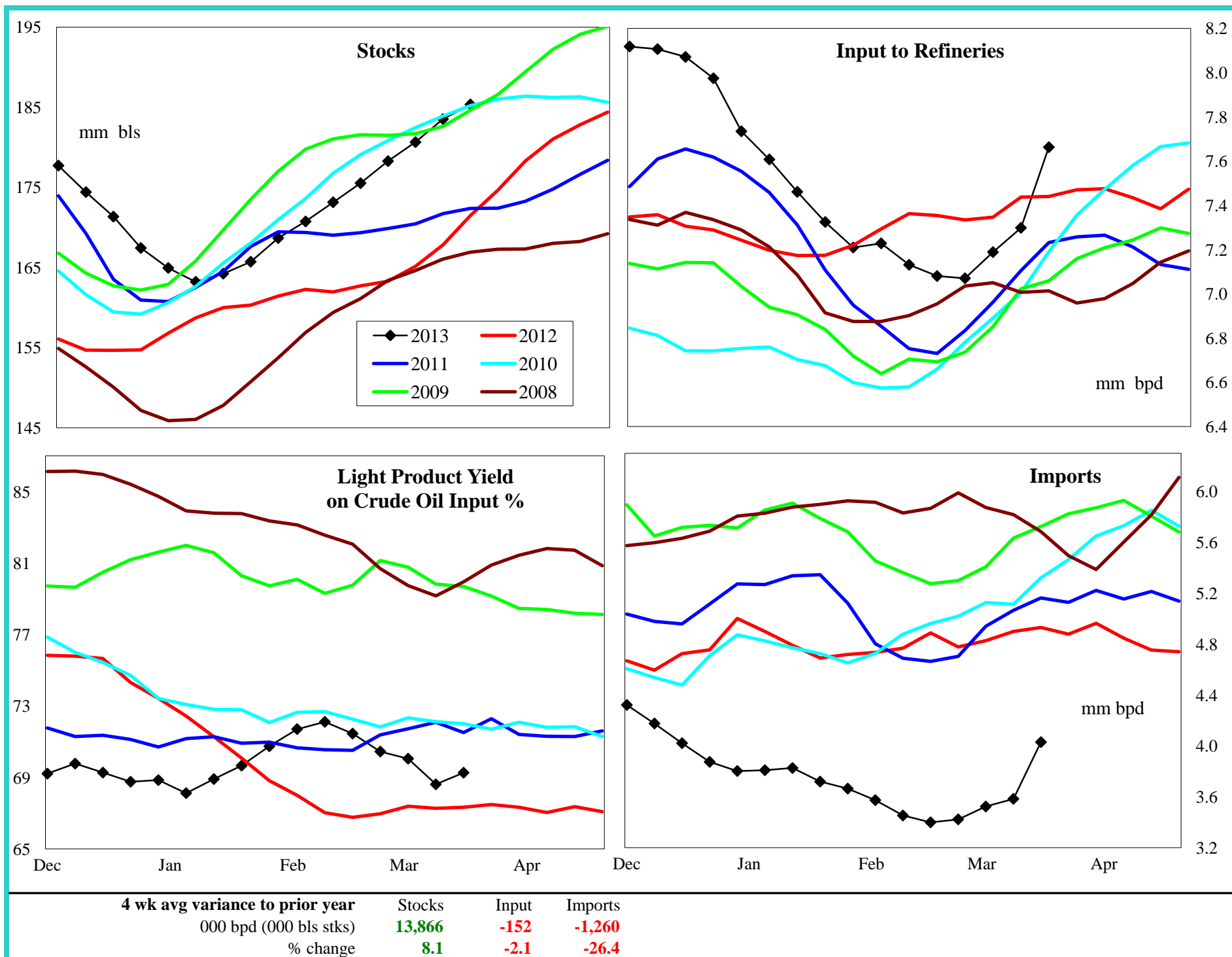
PADD 2 Jet Fuel Supply



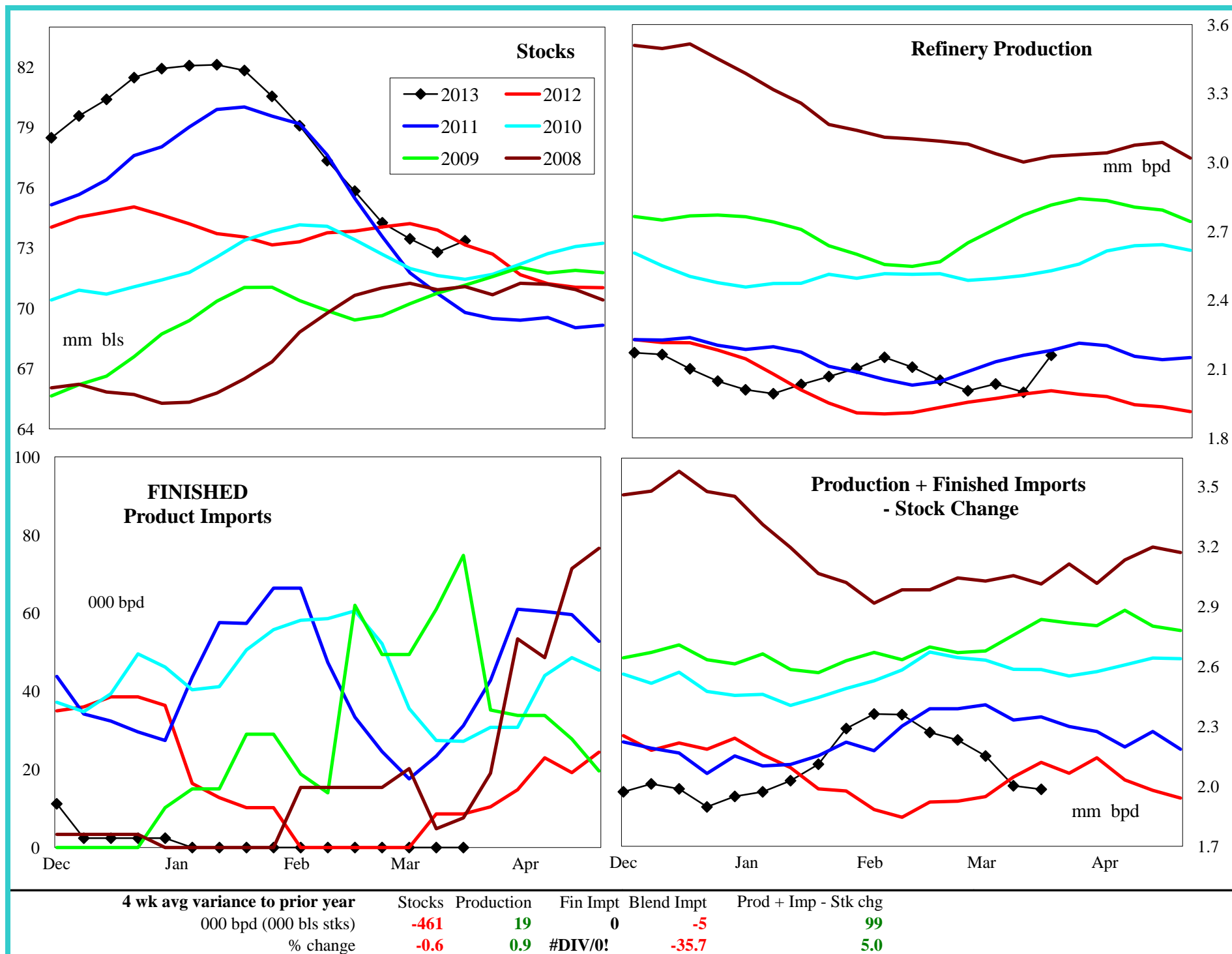
PADD 2 Residual Fuel Oil Supply



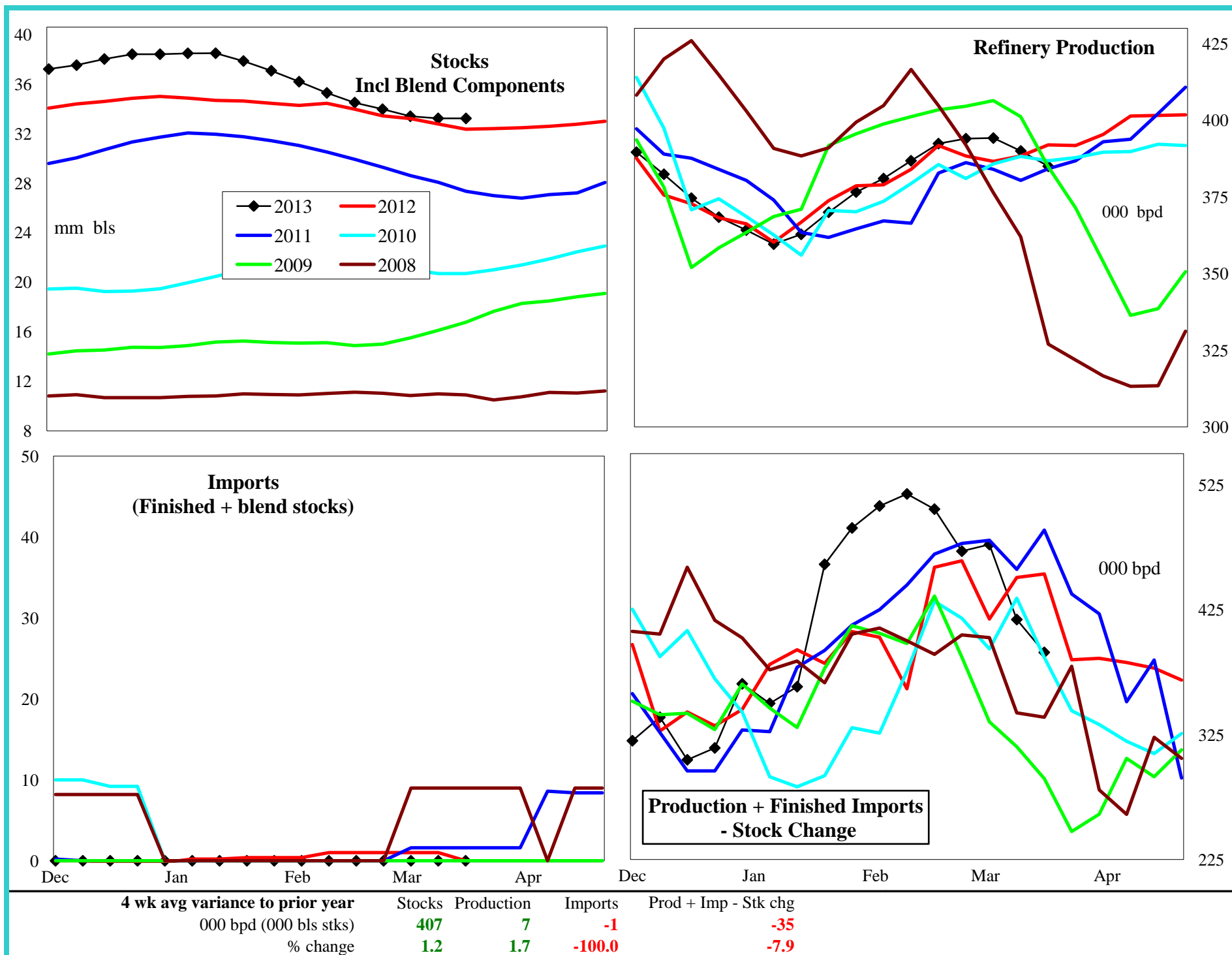
PADD 3 Crude Oil Supply and Refining



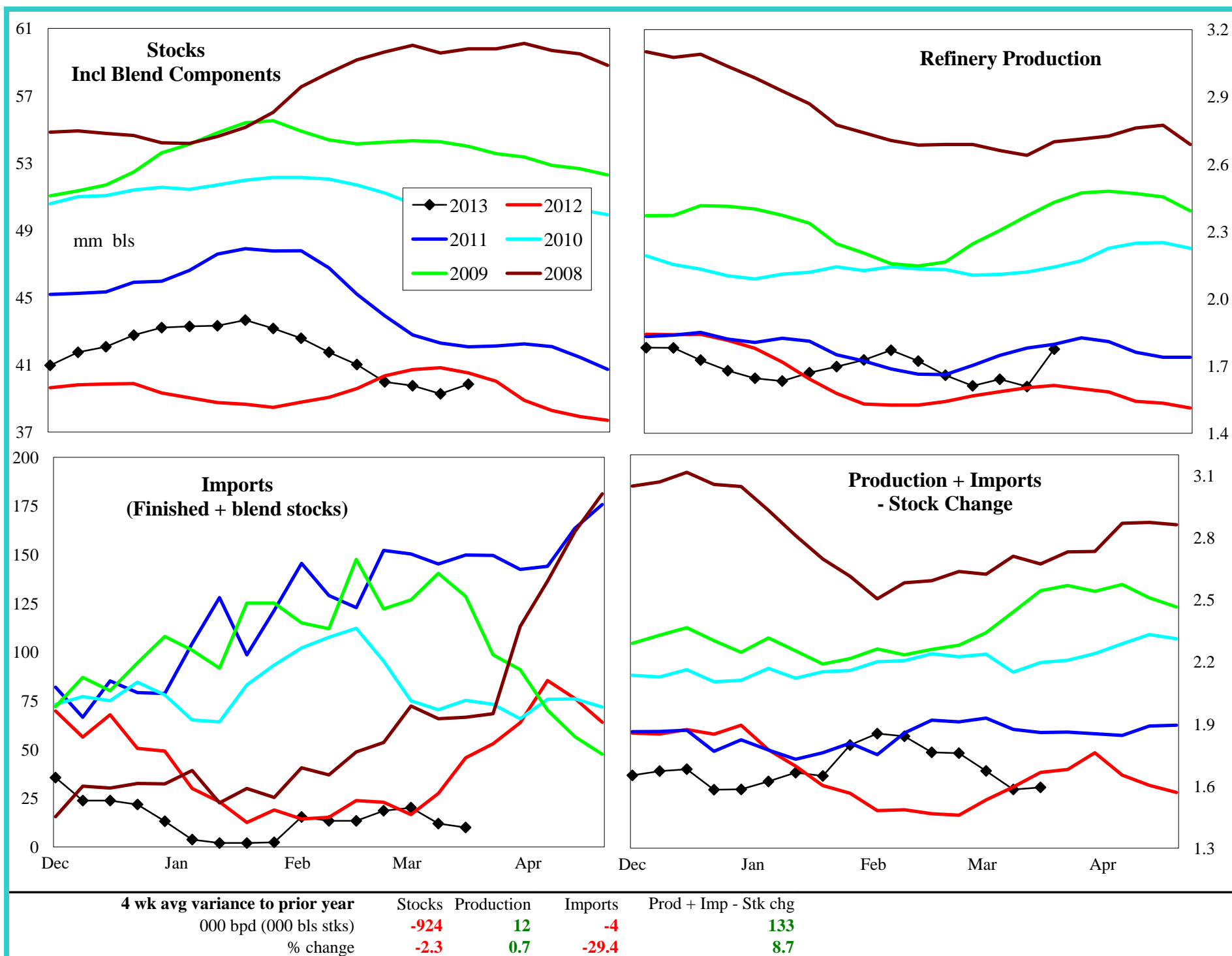
PADD 3 Gasoline Supply



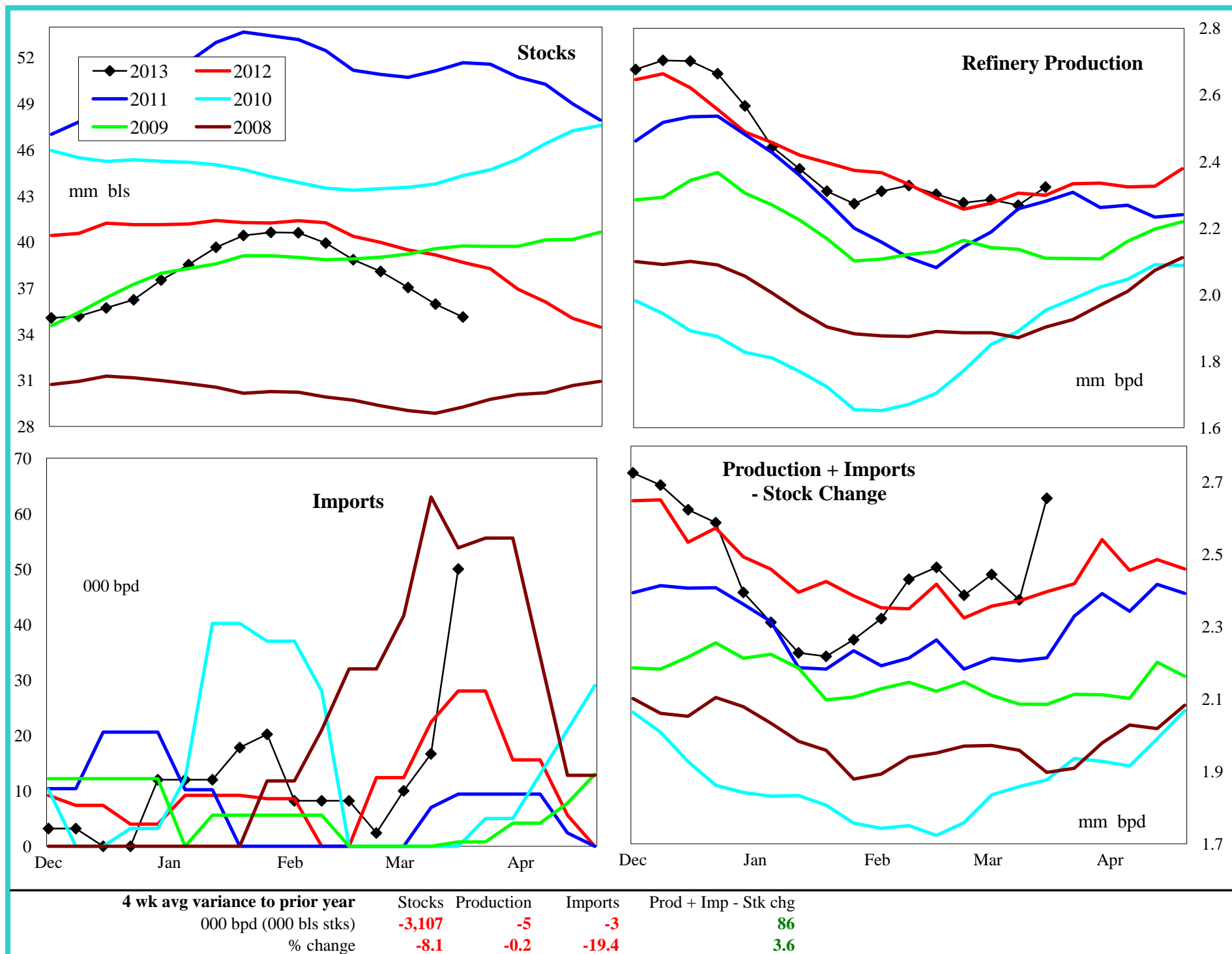
PADD 3 Reformulated Gasoline Supply



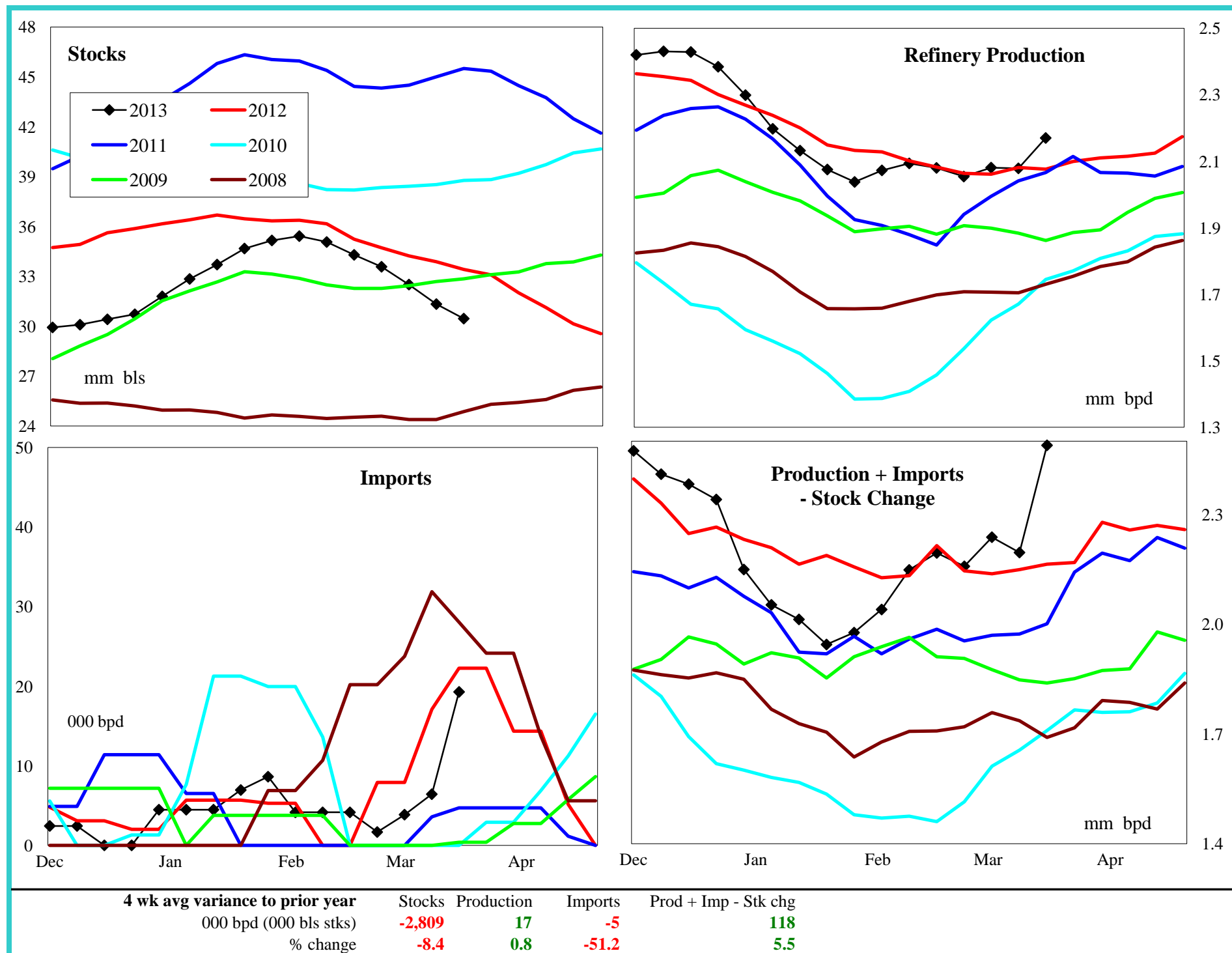
PADD 3 Conventional Gasoline Supply



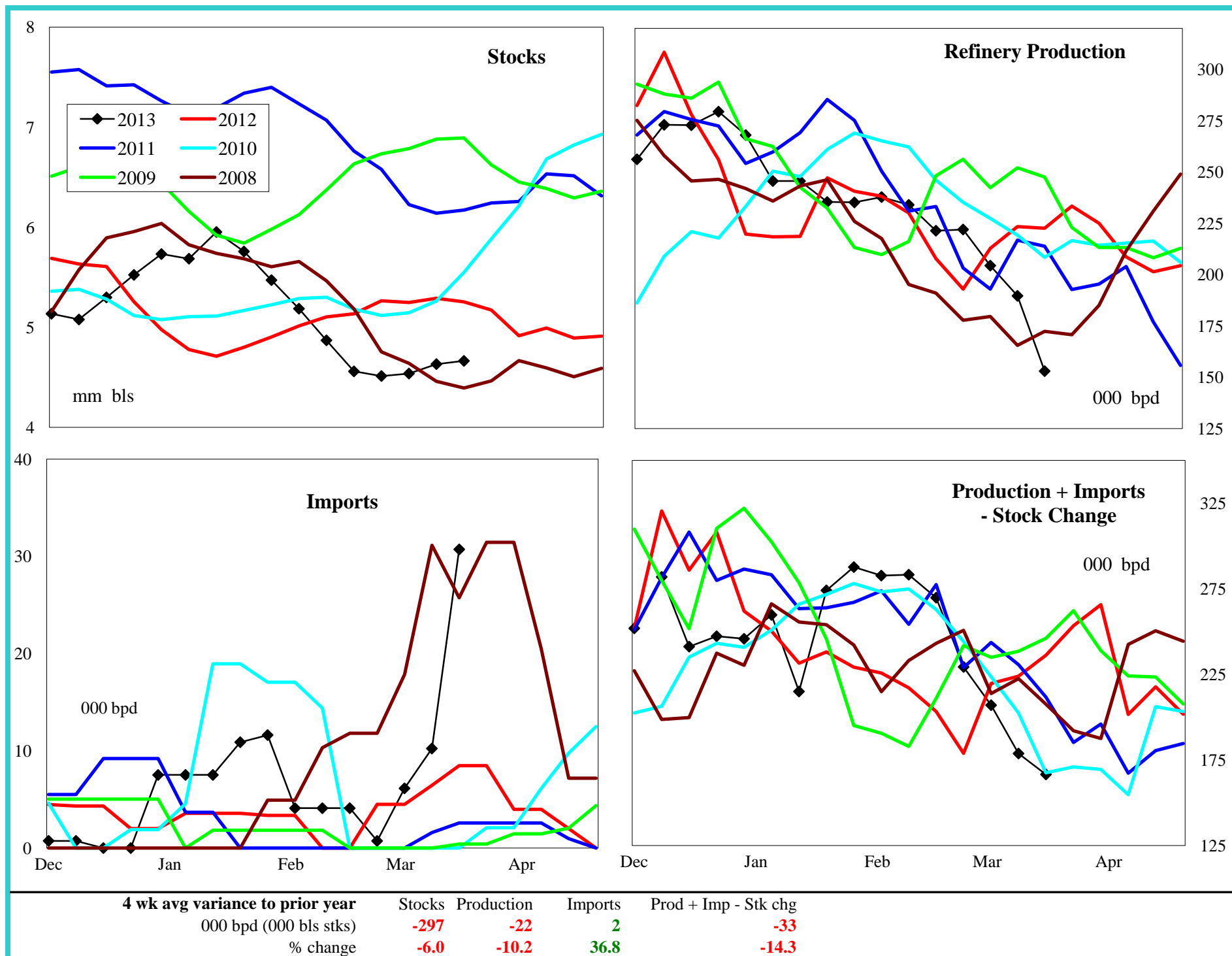
PADD 3 Distillate Supply



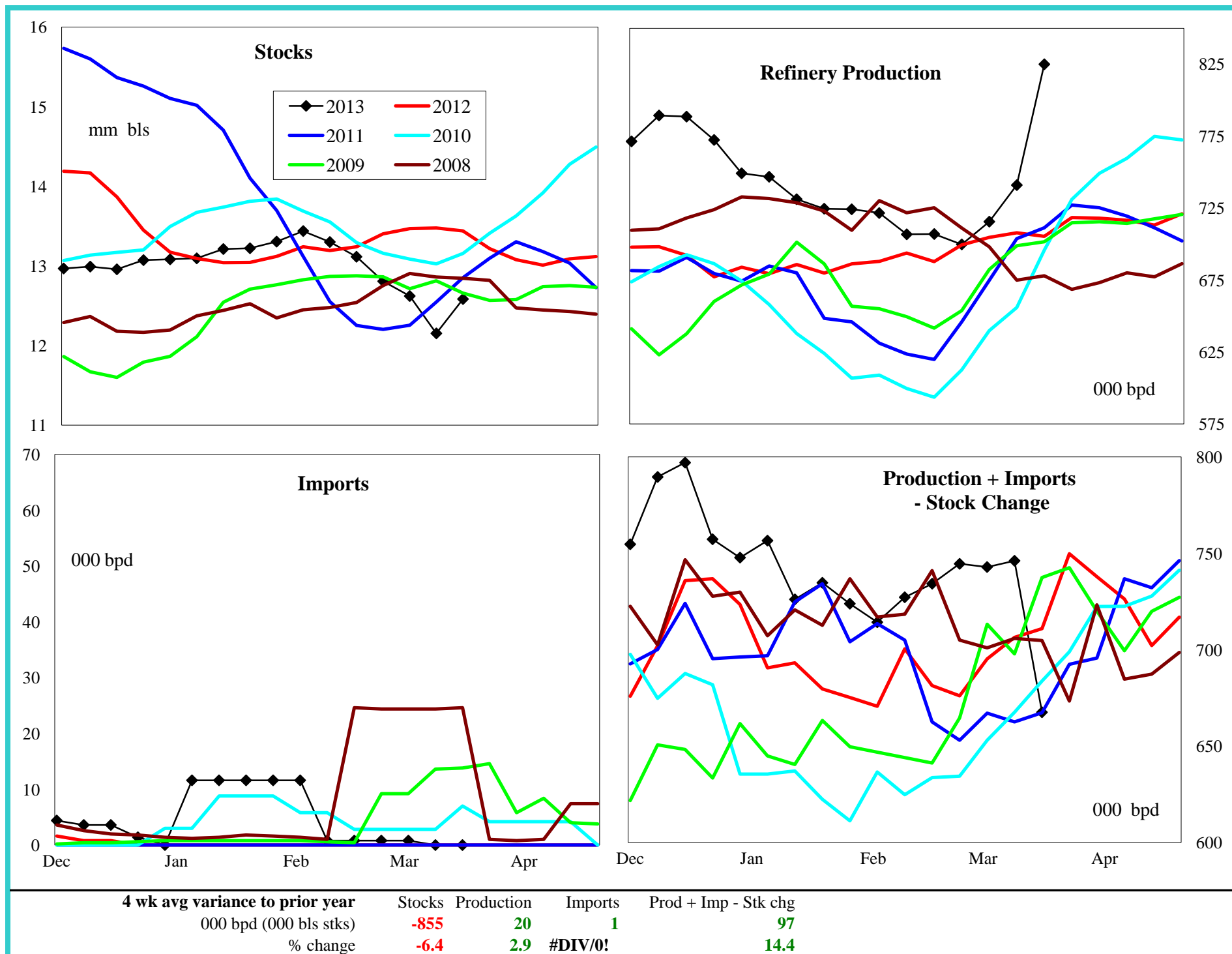
PADD 3 Low Sulfur Distillate Supply



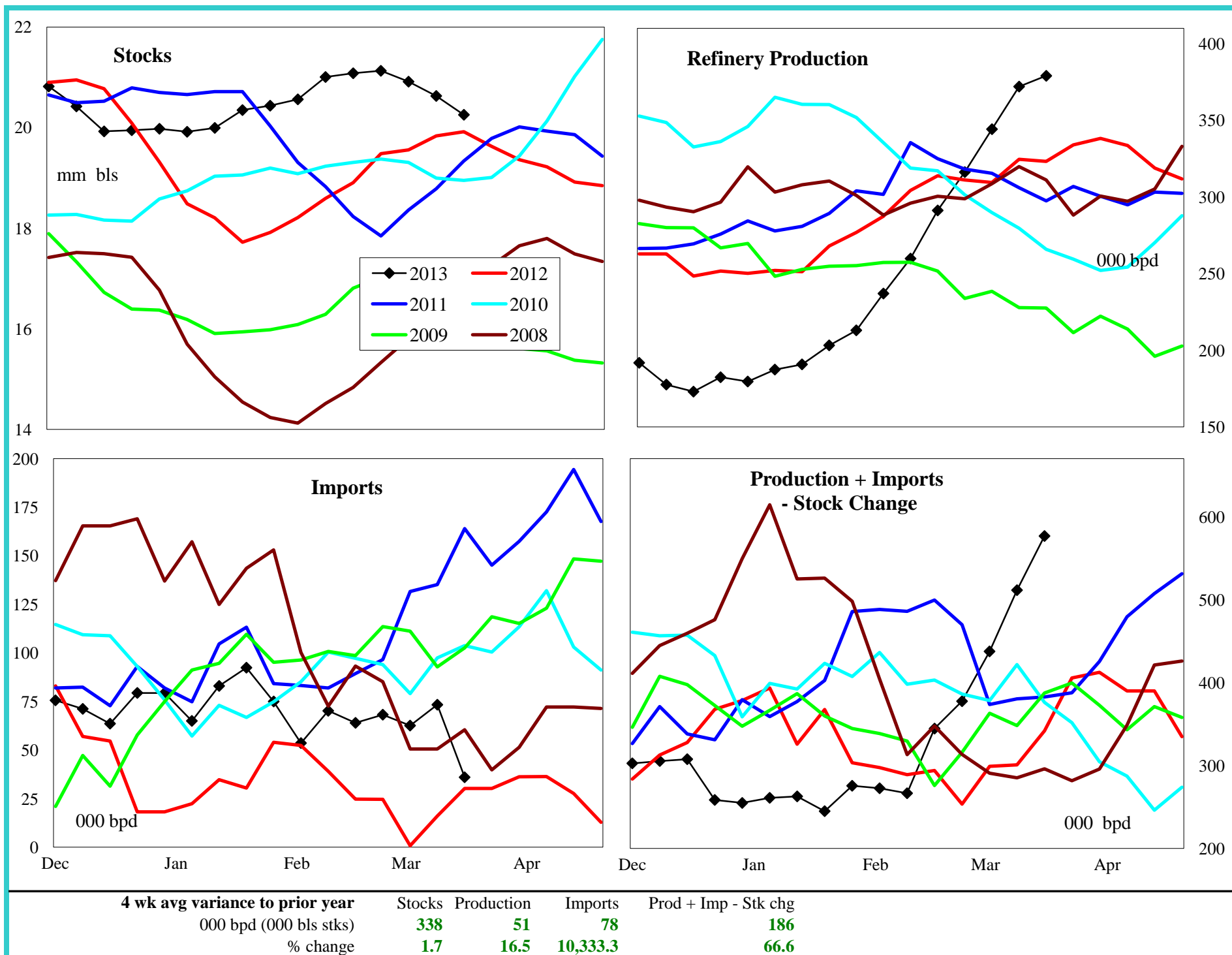
PADD 3 High Sulfur Distillate Supply



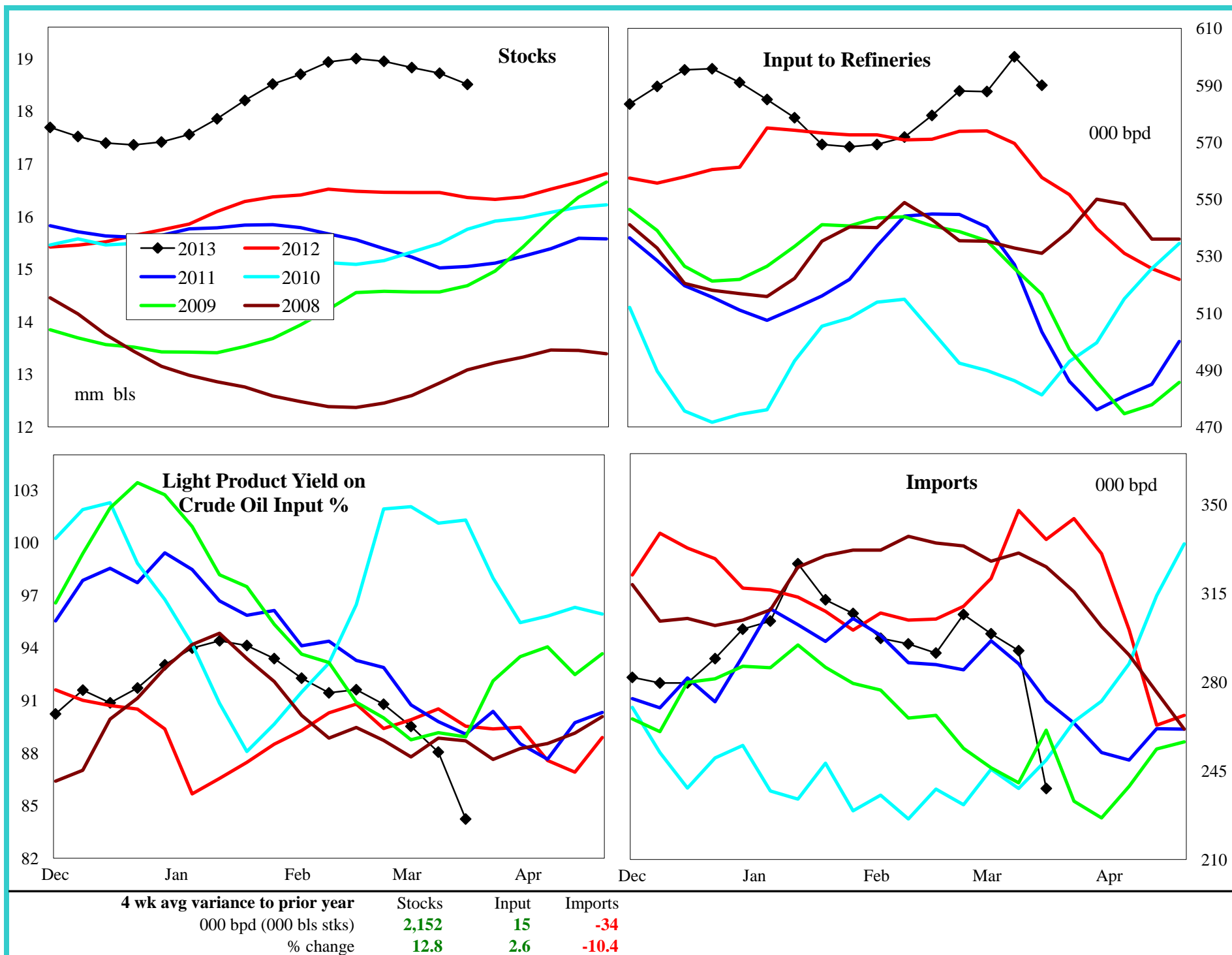
PADD 3 Jet Fuel Supply



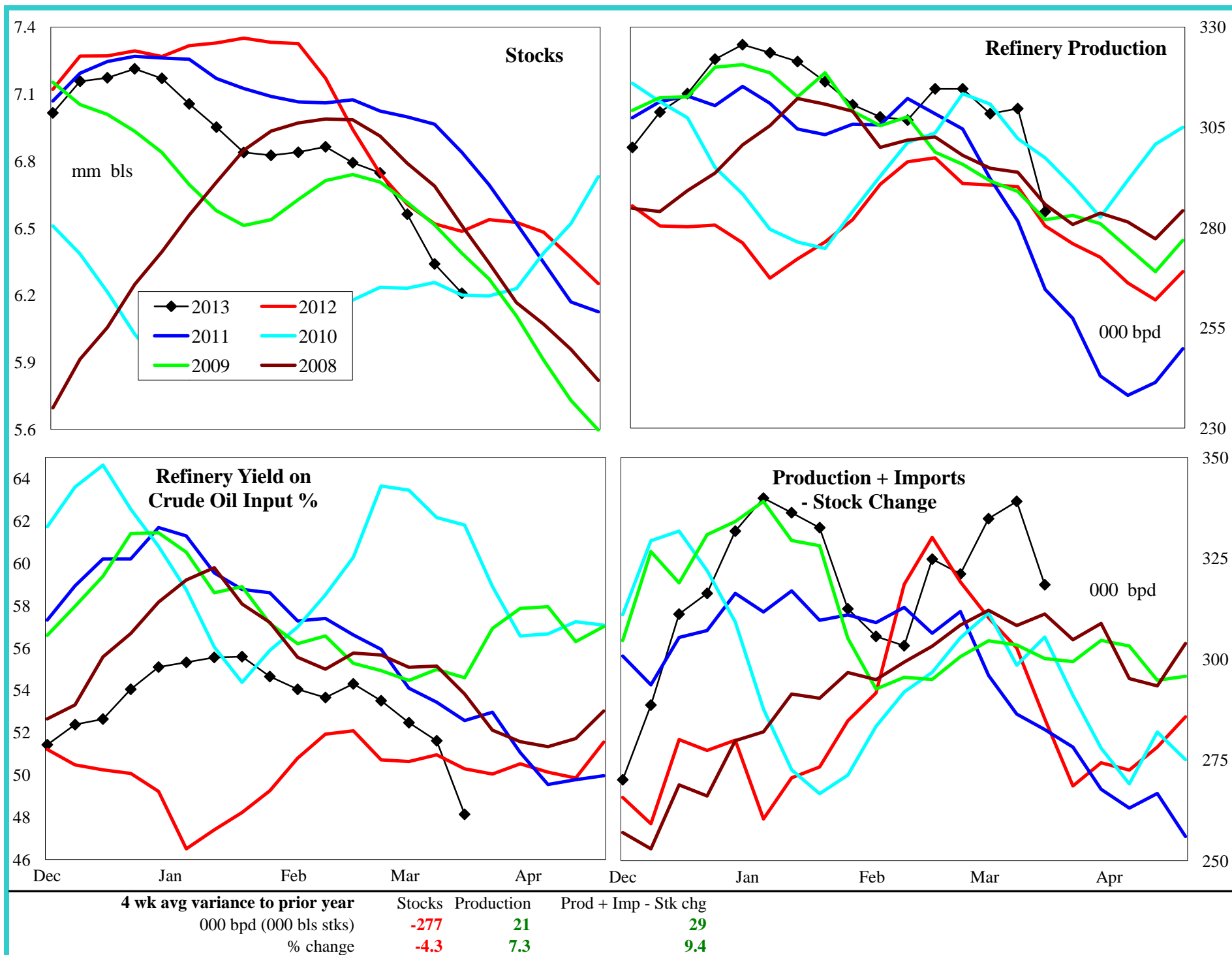
PADD 3 Residual Fuel Oil Supply



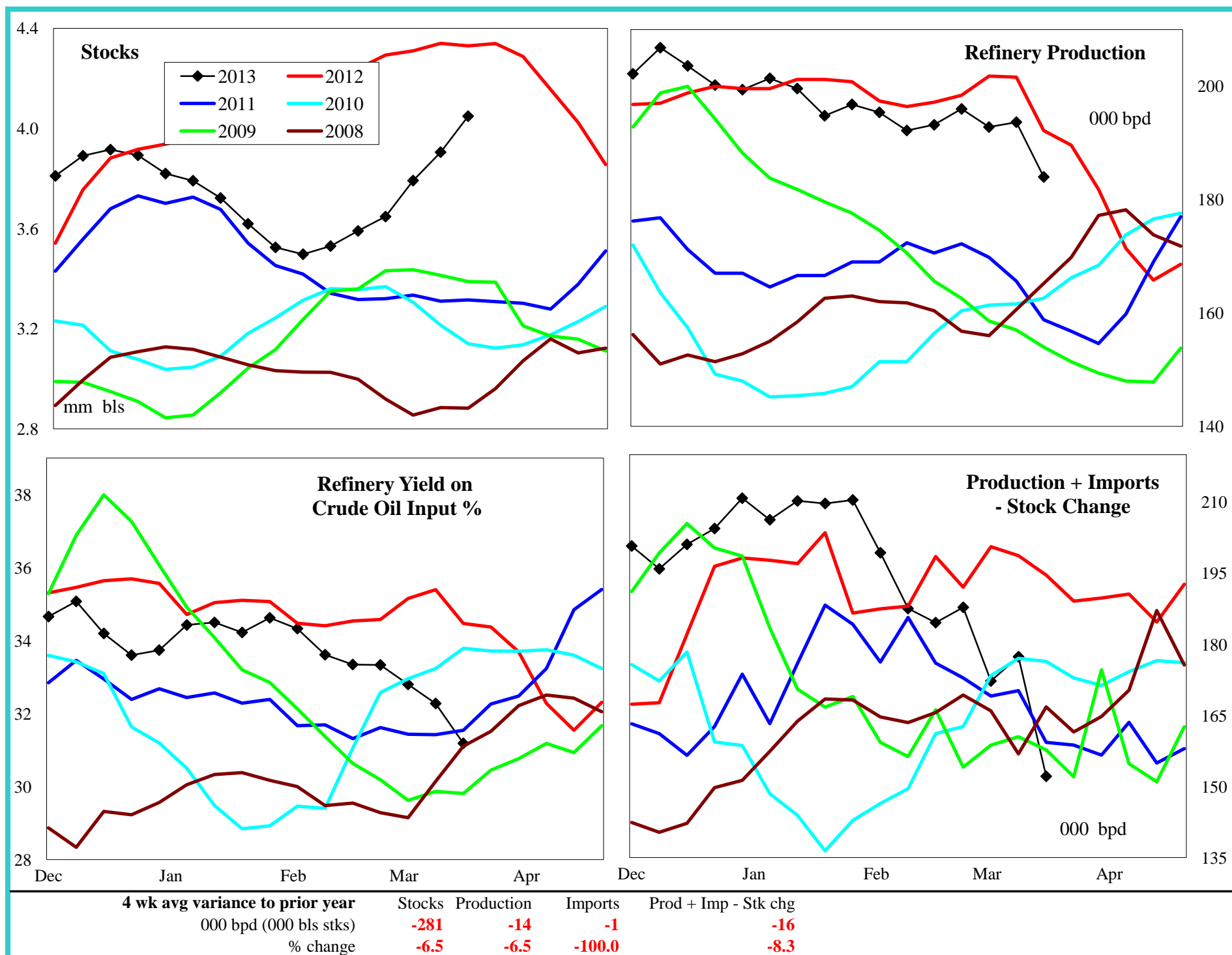
PADD 4 Crude Oil Supply and Refining



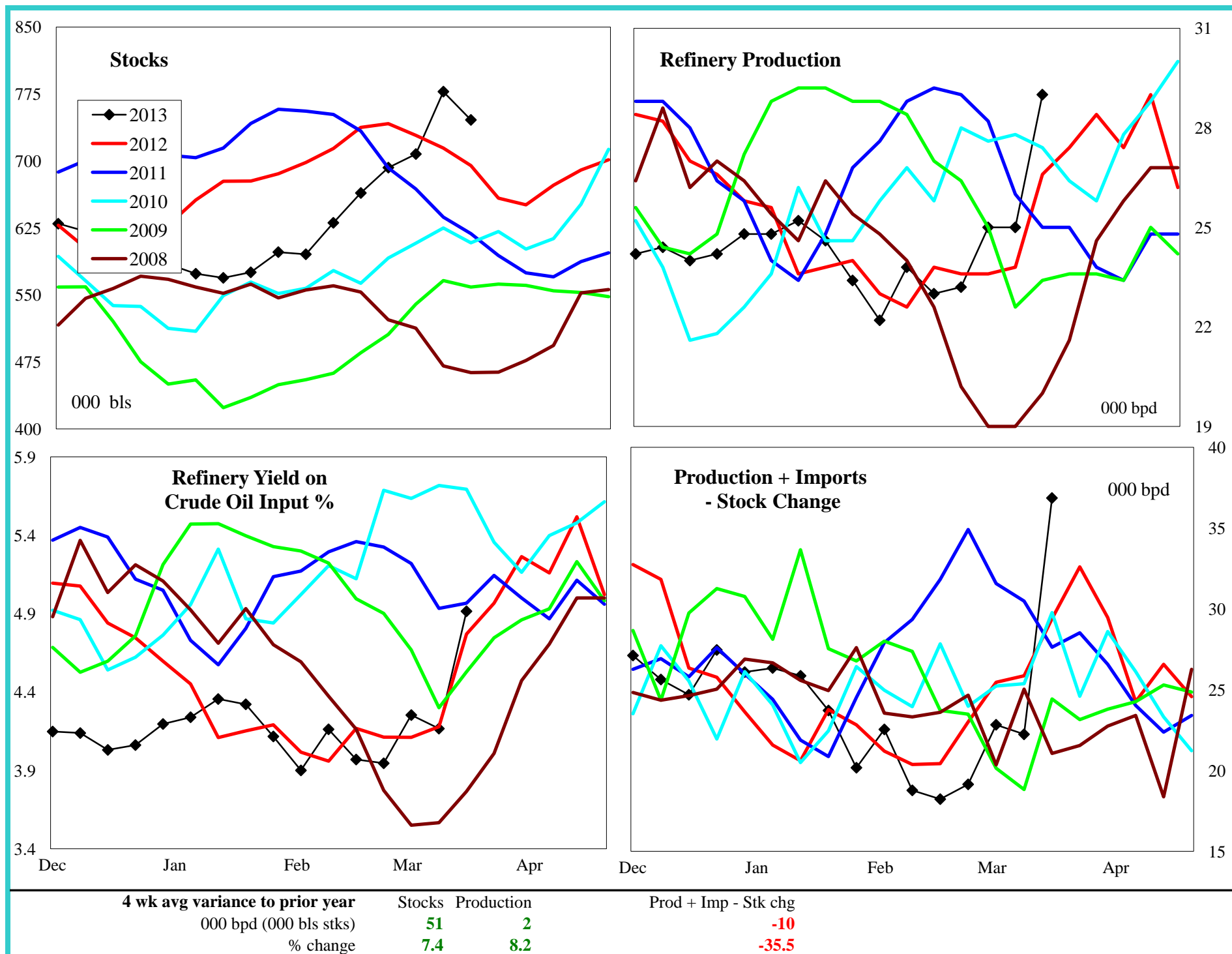
PADD 4 Gasoline Supply



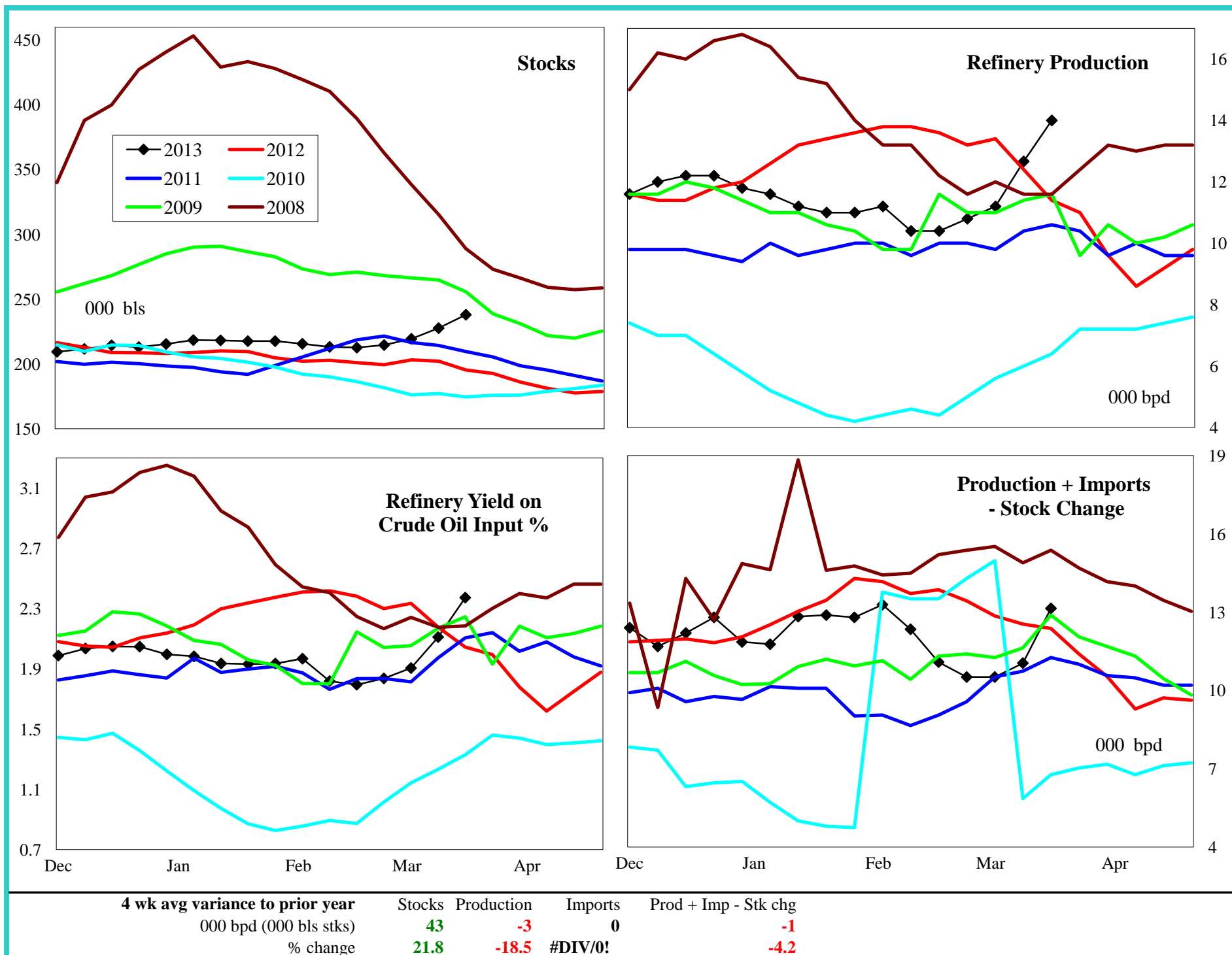
PADD 4 Distillate Supply



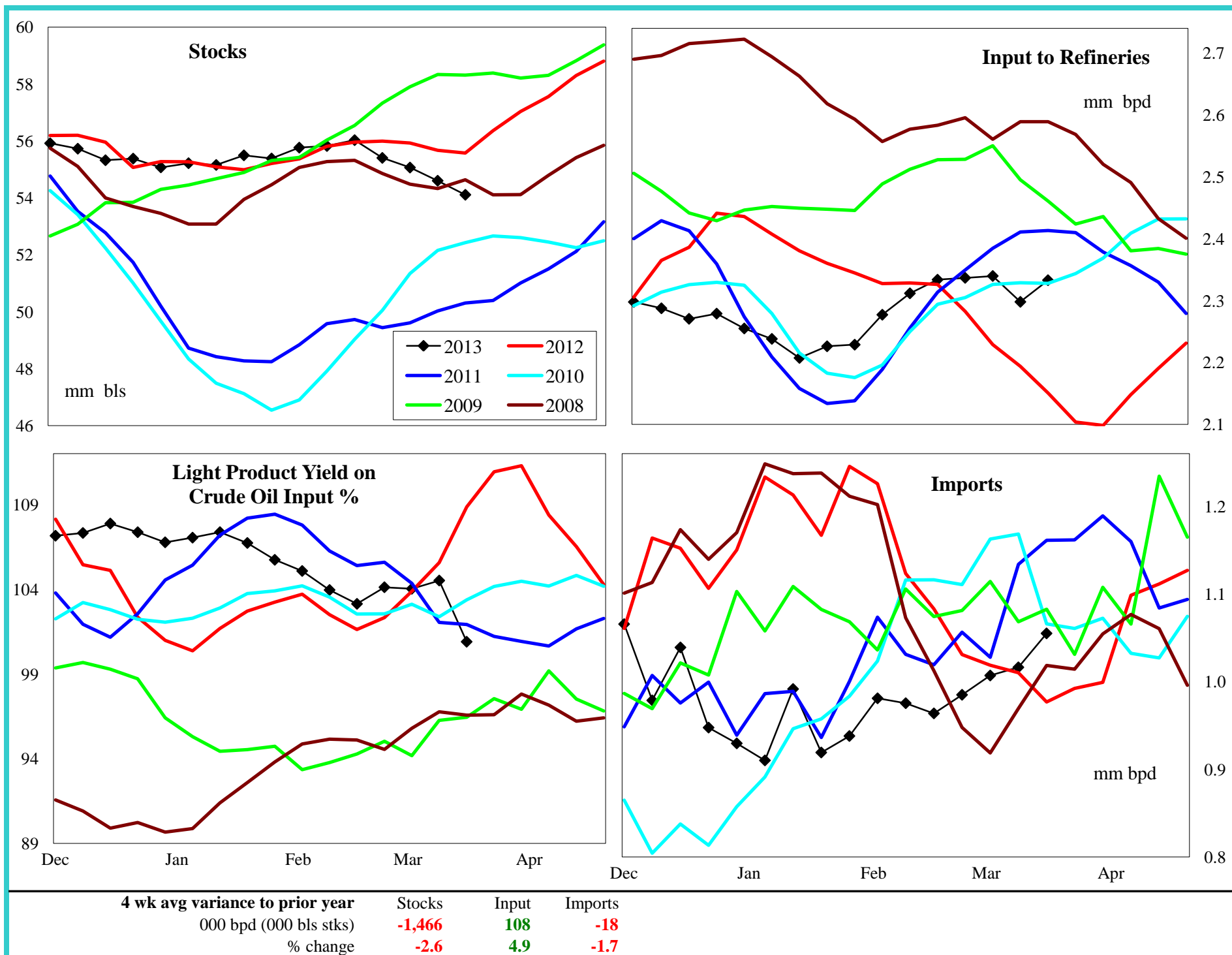
PADD 4 Jet Fuel Supply



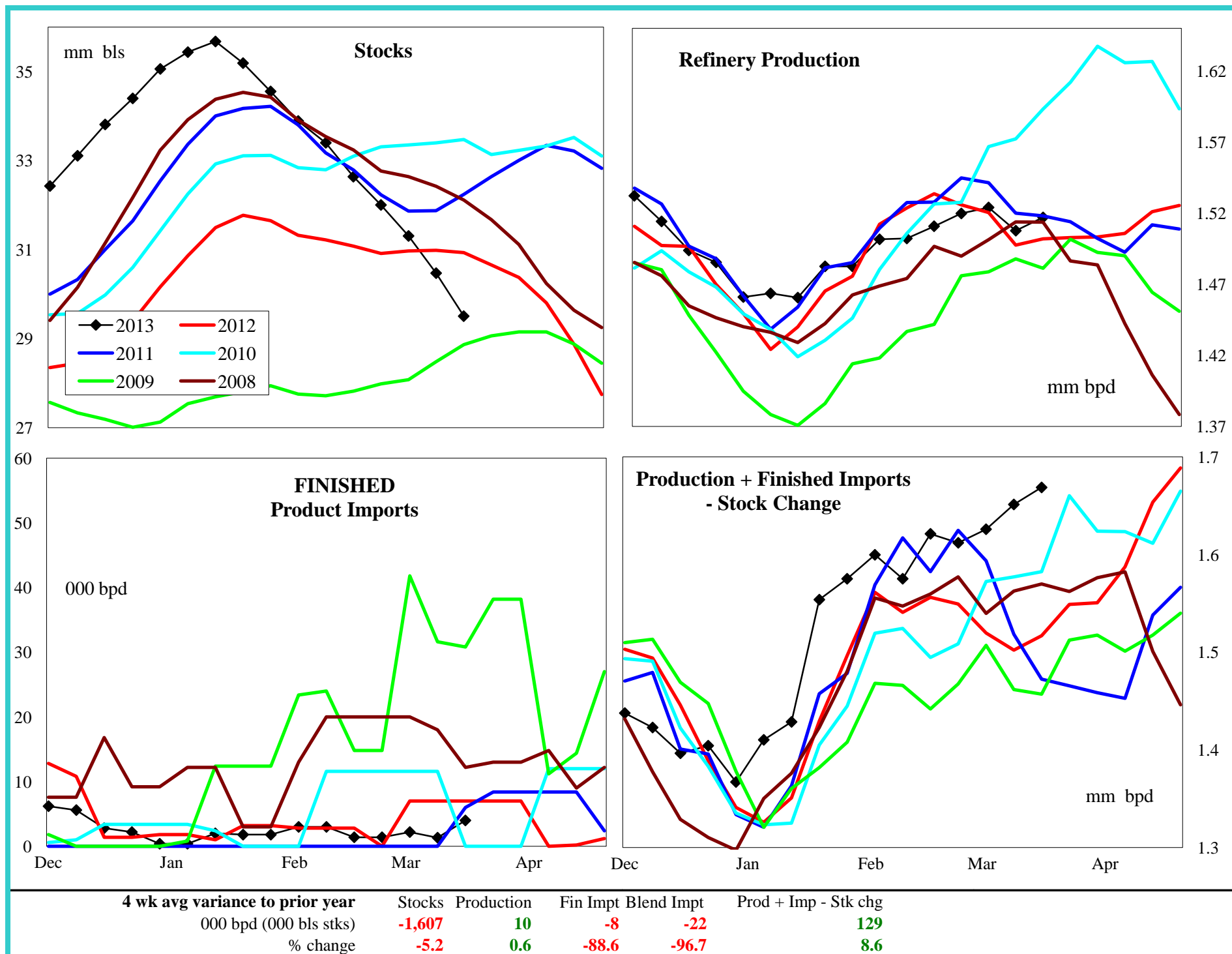
PADD 4 Residual Fuel Oil Supply



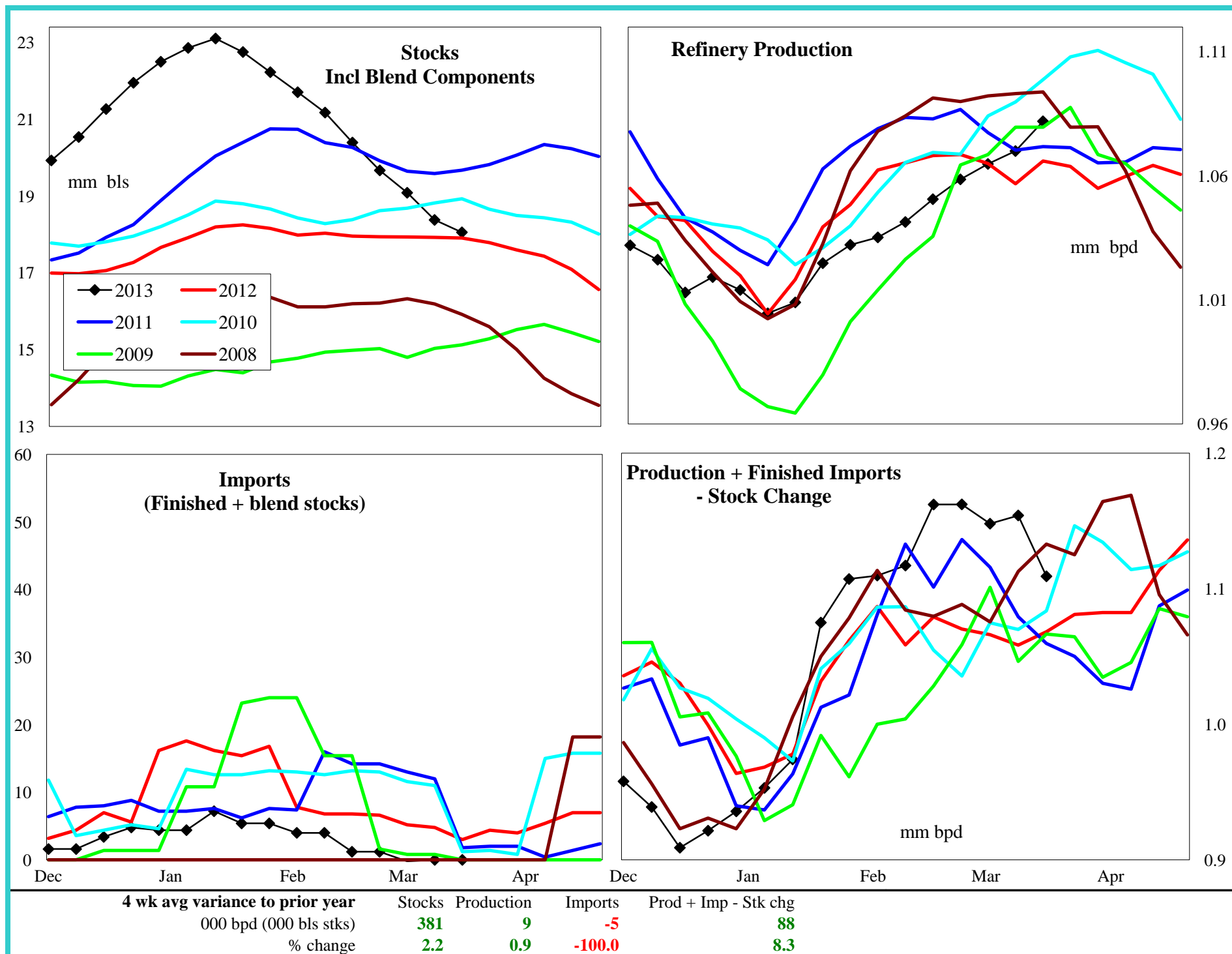
PADD 5 Crude Oil Supply and Refining



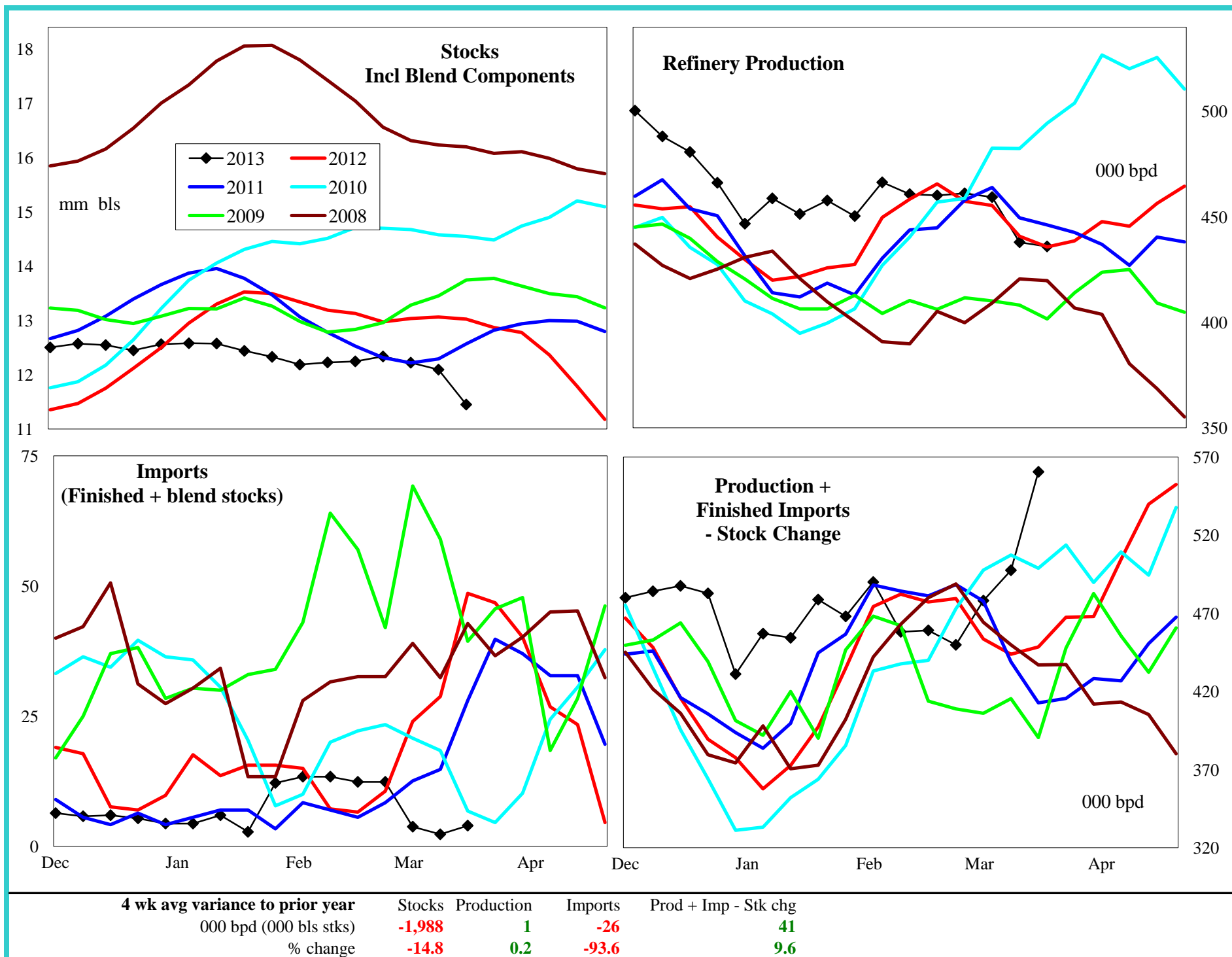
PADD 5 Gasoline Supply



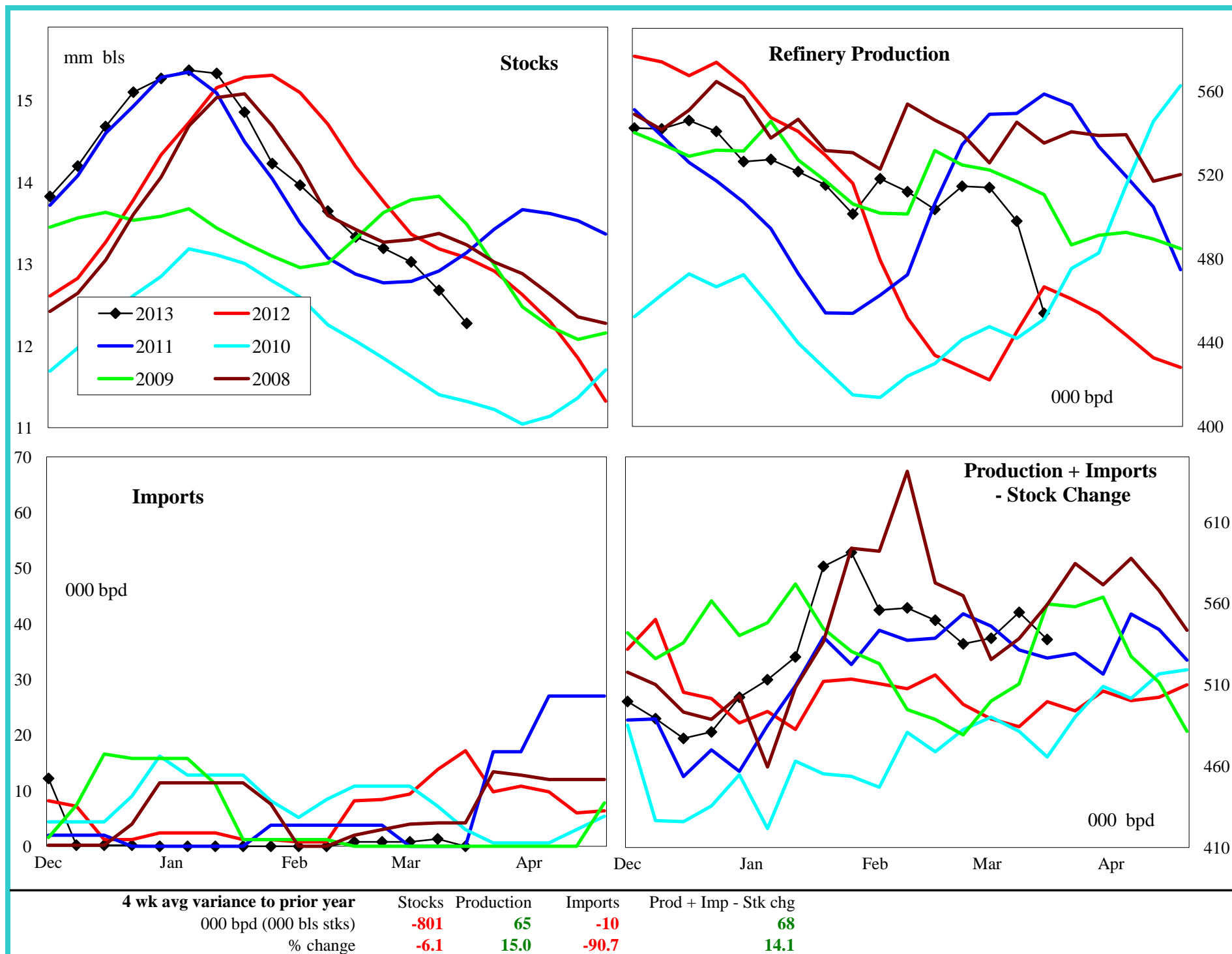
PADD 5 Reformulated Gasoline Supply



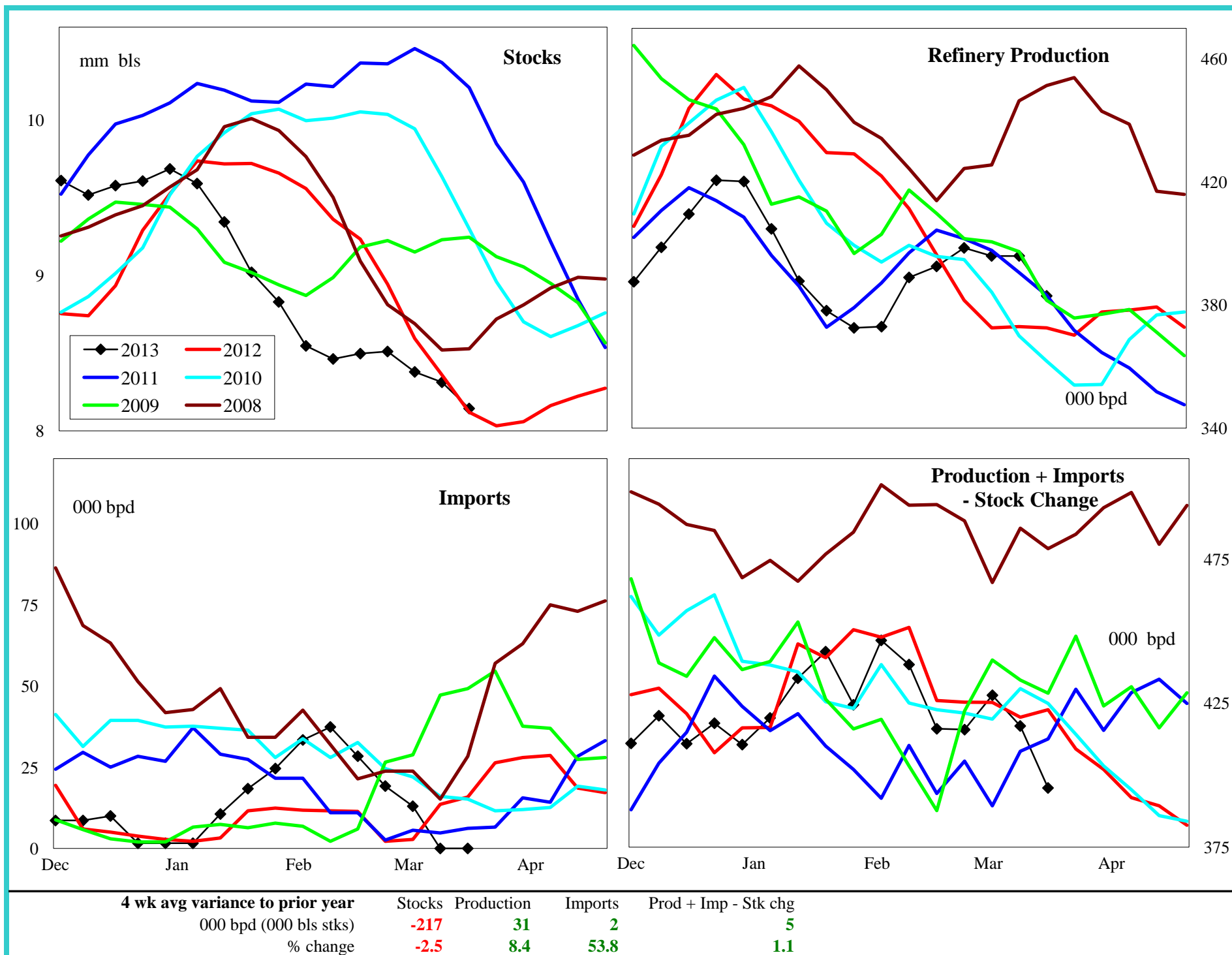
PADD 5 Conventional Gasoline Supply



PADD 5 Distillate Supply



PADD 5 Jet Fuel Supply



PADD 5 Residual Fuel Oil Supply

