



WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

A Fundamental Petroleum Trends Weekly Report

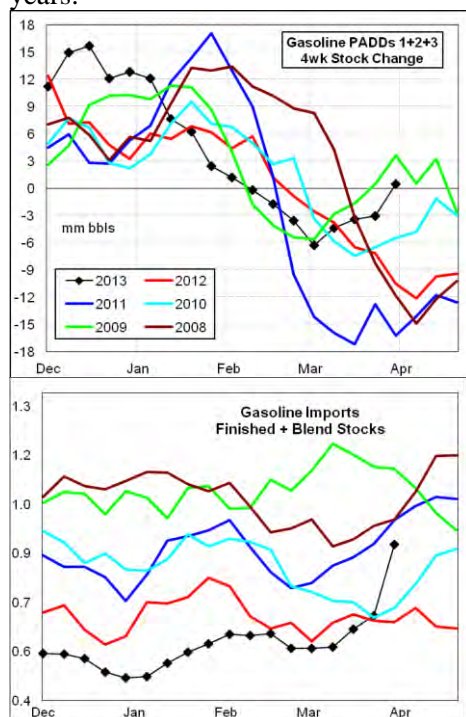
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Wednesday, April 10, 2013



Major Fundamental Trends¹

Gasoline has become over supplied in the Rockies, Midwest, Gulf and East Coast where stock levels are at or near record highs.

Driving the oversupply has been weak demand and a surge in imports. During the most recent 4-wk period stocks increased +0.5 million barrels, compared to an average draw of -13 million barrels for each of the last 2-years.



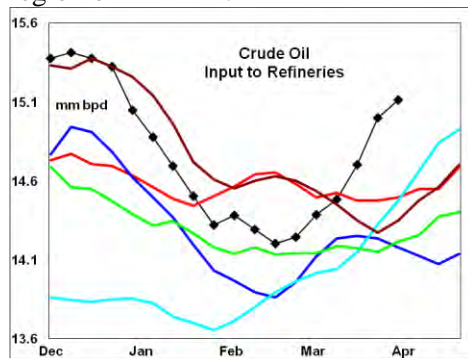
While stock levels are at 5-year lows on the West Coast, very high production should lead to an improvement in the supply balance for that region.

Weak gasoline demand has contributed to the surplus stock levels, with demand -208,000 bpd below a year ago for the most recent 4-wk period.

Distillate demand for the most recent 4-wk period was +0.3 million bpd above a year ago; driven by the unusually late heating season. Distillate demand for the last 6-months of 2012 (before the above normal

winter heating season) decreased -5% year-on-year; look for a return to year-over-year decreases in demand during the 2nd quarter.

Refiners continued to ramp up crude oil runs last week, with the current weekly level +0.65 million bpd above prior 5-year highs. The increase reflects capacity expansion on the Gulf and a return to operation of previously closed capacity in the Central Atlantic region of PADD 1.



Exports of gasoline for the most recent 6-month period were unchanged year-on-year, while combined distillate and jet fuel exports were up less than +25,000 bpd.

Combining fundamental trends of year on year decreases in domestic demand for transport fuels, flat exports and increased crude oil refinery runs points to a meaningful improvement in transport fuel supply balances with risk of oversupply during the next 6-months.

Demand for gasoline remains well below the historic range for the last month. Wholesale demand, measured over the last four weeks compared to a year ago: gasoline decreased -2.4%; distillate was +8.3% higher; jet fuel was -2.6% lower, and residual fuel fell -20%.

Stocks forward coverage: Gasoline demand coverage saw a counter seasonal increase on a +1.7 million barrel stock build and lower demand. Coverage levels matched 5-year highs for this time of year.

Distillate coverage was nearly unchanged on a -0.2 million barrel stock draw, offset by slightly lower

demand for the week. Coverage levels remains near 5-year lows.

Jet fuel coverage increased on a +0.3 million barrel stock build. Coverage levels were above each of the last 3-years.

Residual fuel oil coverage increased on a +1.3 million barrel stock build and -0.4 million bpd drop in demand. The coverage level ended the week above the 5-year range.

Refinery utilization rates increased on a +106,000 bpd rise in crude oil thru put for the week. During the latest 4-wk period crude oil input was +0.4 million bpd above a year ago.

Gasoline yield % on crude oil runs decreased on a -185,000 bpd decline in output compared to the +106,000 bpd rise in crude oil thru put. Yield % on crude oil runs fell to a new record low.

Distillate yield % on crude oil runs surged on a +215,000 bpd rise in output compared to the higher crude oil throughput. The yield % on crude oil runs was above the 5-year range for the week.

Jet fuel yield % on crude oil runs decreased on a -34,000 bpd decline in output, compared to the higher crude oil runs. The yield % level remains above the 5-year range.

Petroleum Imports of gasoline surged last week the highest level of the last 6-months.

During the latest 4-wk period crude oil imports were -1.2 million bpd below last year; distillate imports decreased -29,000 bpd; finished gasoline imports decreased -43,000 bpd, gasoline blend stock imports were -63,000 bpd lower; jet fuel imports declined -7,000 bpd, while residual fuel oil imports were -67,000 bpd lower.

Crude Oil stocks were nearly unchanged last week, on lower imports and crude oil refinery runs that were +0.65 million bpd above the prior 5-year high for this time of year. U.S. stocks ended the week +24 million barrels above last year and a new record high for the winter quarter.

¹ Source is latest EIA Weekly Statistics



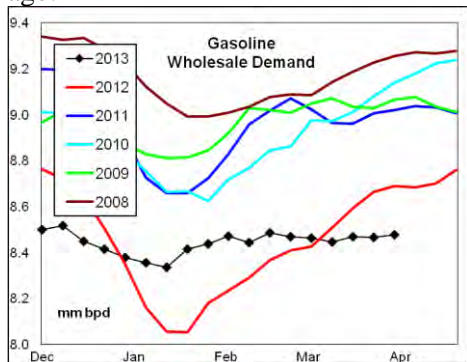
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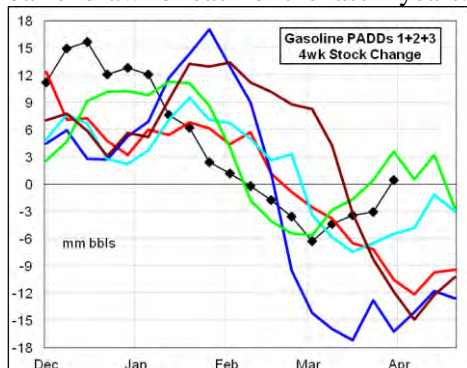
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Product Supply-Demand Trends

Gasoline wholesale demand decreased -46,000 bpd on the week, a level well below the historic range. The latest 4-wk average demand was -208,000 bpd below last year. Supply increased +96,000 bpd last week, on higher imports. Supply for the latest 4-wk period was -112,000 bpd below a year ago.



Weak demand and higher imports led to a counter seasonal stock build of +1.6 million barrels last week. Stock levels are now above four of the last 5-years. The latest 4-wk stock change was a build of +0.5 million barrels compared to an average -13 million barrel draw for each of the last 2-years.

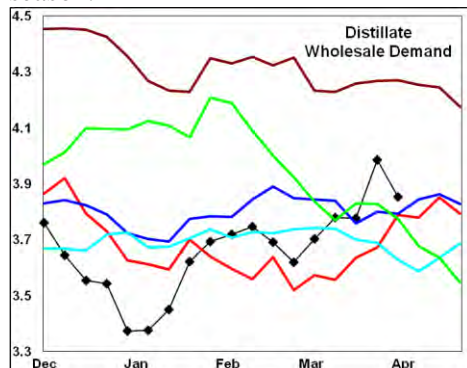


Stock levels in PADD 1 now match 5-year highs for the week; in the Gulf and Rockies stocks are above the 5-year range and the midwest reported stock levels above four of the last 5-years.

With the exception of the West Coast, gasoline stock levels are excessive. Weak demand and a surge in imports to the East Coast has led to the improved supply balance.

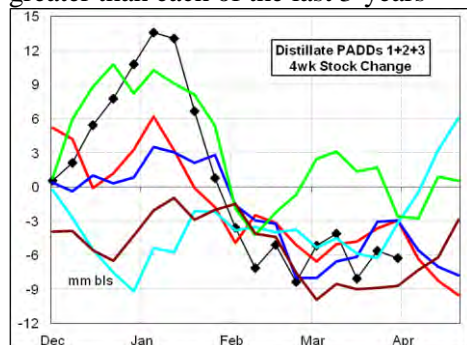
Distillate demand decreased -29,000 bpd last week, to a level slightly above

the last 2-years. The latest 4-wk average demand was +298,000 bpd above a year ago; driven by a much colder than normal late winter heating season.



Supply jumped +271,000 bpd last week, on sharply higher production and imports. The latest 4-wk average supply was +25,000 bpd above last year. Stocks decreased -0.2 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 -6.2 million barrel draw, -3 million barrels greater than each of the last 3-years



Distillate supply has increased to a level slightly above a year ago for the most recent 4-wk period. However, high crude oil runs should lead to further increases in output, partially offset by record jet fuel production.

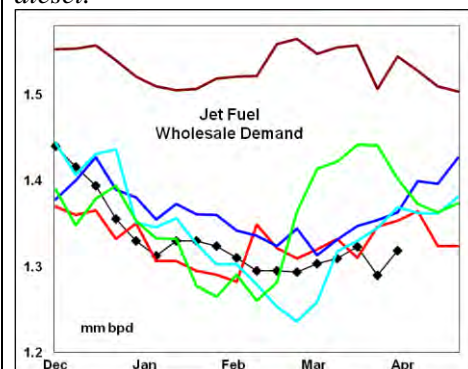
Look for stock draws to moderate as production climbs to new record highs, partially offset by modest strength in demand.

Jet Fuel demand increased +40,000 bpd on the week, with the level still below the 5-year range. The latest 4-wk average demand was -36,000 bpd below a year ago.

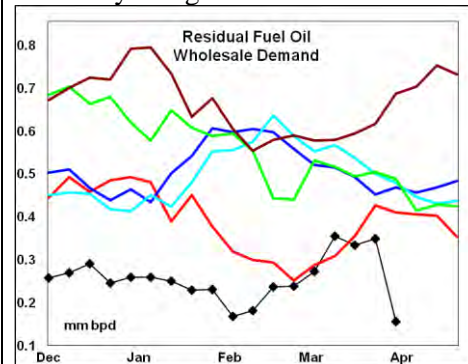
Supplies decreased -34,000 bpd on

the week, although production remains well above the 5-year range. Supply for the latest 4-wk period was +114,000 bpd above a year ago. Stocks increased +0.3 million barrels on the week, lifting the level to the historic mid range.

The market should remain very well supplied due to a lack of RINS credits needed for jet fuel compared to diesel.



Residual fuel oil demand fell -0.4 million bpd last week. Demand for the latest 4-wk period was -90,000 bpd below a year ago.



Supply (production + imports) decreased -9,000 bpd last week, on lower production. Production remains above levels of the last 4-years, driven by record high output in the Gulf and Midwest regions. Stock levels remain above the historic mid range record production in the Gulf region.

Increased runs of heavy crude oil in the Midwest and Gulf have lifted output of residual fuel to record highs. Stock levels in the Gulf and Midwest Regions are each above the historic range.



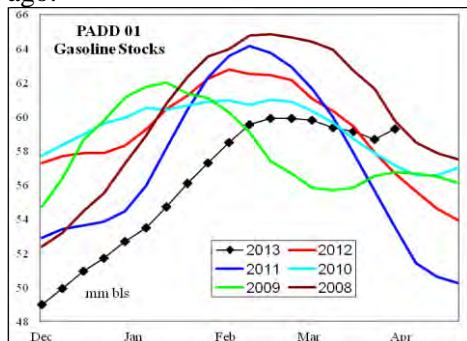
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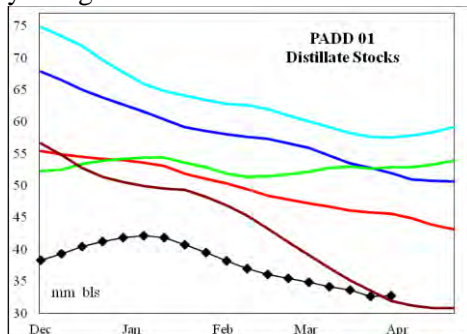
PADD Supply Trends

PADD 1 refinery crude oil runs increased +80,000 bpd last week, a level above four of the last 5-years. The latest 4-wk average crude oil thru put was +100,000 bpd above a year ago.



Gasoline supply spiked +625,000 bpd on the week, to a record high, including a surge in imports. Based on the surge in supply, stocks saw a counter seasonal build of +1.5 million barrels, to a level that matched 5-year highs.

Distillate supply increased +25,000 bpd on the week, with production above four of the last 5-years. Stocks increased +0.5 million barrels on the week, with the level -27% below a year ago.

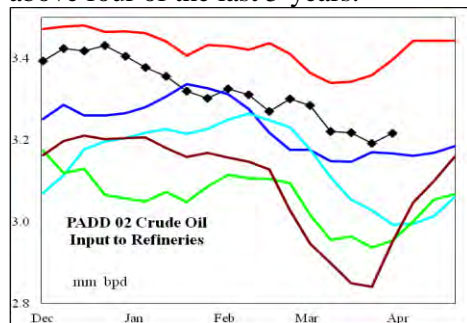


Jet fuel supplies were unchanged on the week, with stock levels and production each near the 3-year mid range

PADD 2 crude oil refinery runs increased +96,000 bpd last week, a level still well below last years' record high. Runs for the latest 4-wk period were -72,000 bpd below last year. Crude oil stocks decreased -0.4 million barrels on the week. Stocks ended the week +23% above a year ago at

Cushing, Oklahoma.

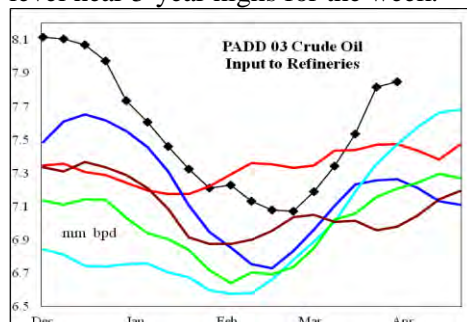
Gasoline production declined -61,000 bpd on the week, to a level near historic lows. Stocks increased +0.1 million barrels on the week, to a level above four of the last 5-years.



Distillate supply jumped +113,000 bpd last week, to a level just below last years' record high. Stocks were unchanged on the week, at a level that matched 5-year lows.

Jet fuel production increased +6,000 bpd on the week, a level well below the last 2-years. Stock levels matched 5-year lows.

PADD 3 refinery runs decreased -89,000 bpd last week, with the level still above the 5-year range. The latest 4-wk average runs were +139,000 bpd above a year ago. Crude oil stocks increased +0.5 million barrels to a level near 5-year highs for the week.



Gasoline supply decreased -58,000 bpd on the week, to a level below the last 2-years. Stocks were nearly unchanged with the level at a record high for the period.

Distillate supply increased +57,000 bpd on the week, with the latest 4-wk average +16,000 bpd above last year. Stocks declined -0.6 million barrels on the week, to a level -5.6% below last year.

Jet fuel supply fell -43,000 bpd on

the week, although production remains well above the 5-year range. Stocks increased +0.7 million barrels on the week, to a level that matched 5-year highs for this time of year.

Residual fuel oil production and stock levels each remain above the historic range.

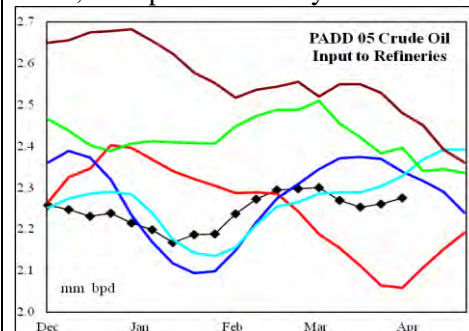
PADD 4 refinery crude runs fell -41,000 bpd on the week, although the level remains above the historic range.

Gasoline production increased +27,000 bpd on the week, to a level that matched 5-year highs for the period. Stocks jumped +0.4 million barrels on the week, reaching 5-year highs for the period.

Distillate production decreased -9,000 bpd on the week, with the level equal to 5-year highs. Stocks decreased -0.2 million barrels on the week, a level mid way between last years' record highs and prior year average.


Jet fuel production matched 5-year highs with stocks at new record levels.

PADD 5 crude oil refinery runs increased +62,000 bpd on the week; to a level near the latest 3-year mid range. The latest 4-wk average run rate was +198,000 bpd above last year.



Gasoline supply increased +10,000 bpd on the week, with production above four of the last 5-years. The latest 4-wk average supply was +42,000 bpd above a year ago. Stocks decreased -0.3 million barrels, to a level below the 5-year range.

Distillate supply increased +85,000 bpd, to a level that matched 5-year highs. Stocks increased +0.2 million barrels, although the level remains near historic lows.



FUNDAMENTAL

PETROLEUM TRENDS

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PETROLEUM: Graph Link and Weekly Summary

A Fundamental Petroleum Trends Weekly Report

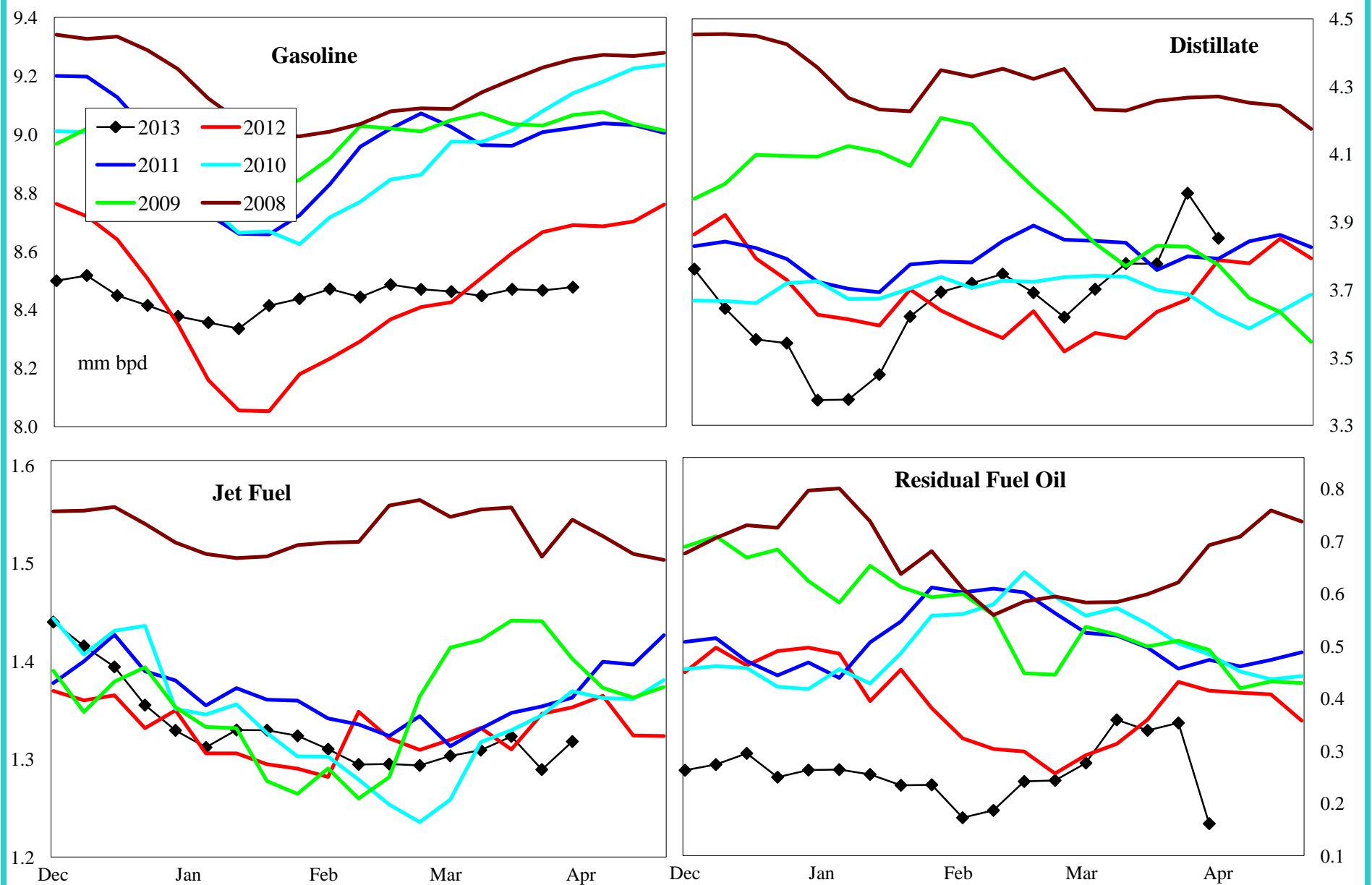
April 10, 2013

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Fundamental Trends	Wholesale Demand	Stocks Days Fwd Coverage	Refinery Utilization		Product Yield %		Imports
Supply/Demand Trends	5-Apr-13	EIA-DOE CHANGE FROM PRIOR WEEK					
	000 bpd stocks 000 bls	U. S. Total	PADD				
			1	2	3	4	5
Crude Oil	Stocks	250	-664	-350	489	-611	1,385
	Imports	-211	-436	17	10	19	180
	Input	106	80	96	-89	-41	62
	% Utilization	0.50					
Gasoline	Stocks	1,699	1,541	102	-77	440	-307
	Production	-185	312	-61	-24	27	7
	Imports	281	313	-2	-34	0	3
	Supplied	-46					
Distillate	Stocks	-169	477	26	-623	-208	159
	Production	215	-3	113	29	-9	85
	Imports	56	28	0	28	0	0
	Supplied	-29					
Jet Fuel	Stocks	288	-117	-281	706	135	-155
	Production	-34	1	6	-43	3	-1
	Imports	0	0	0	0	0	0
	Supplied	40					
Residual Fuel Oil	Stocks	1,308	1,128	57	219	10	-105
	Production	-30	27	-7	-9	1	-41
	Imports	21	73	4	-32	0	-25
	Supplied	-398					

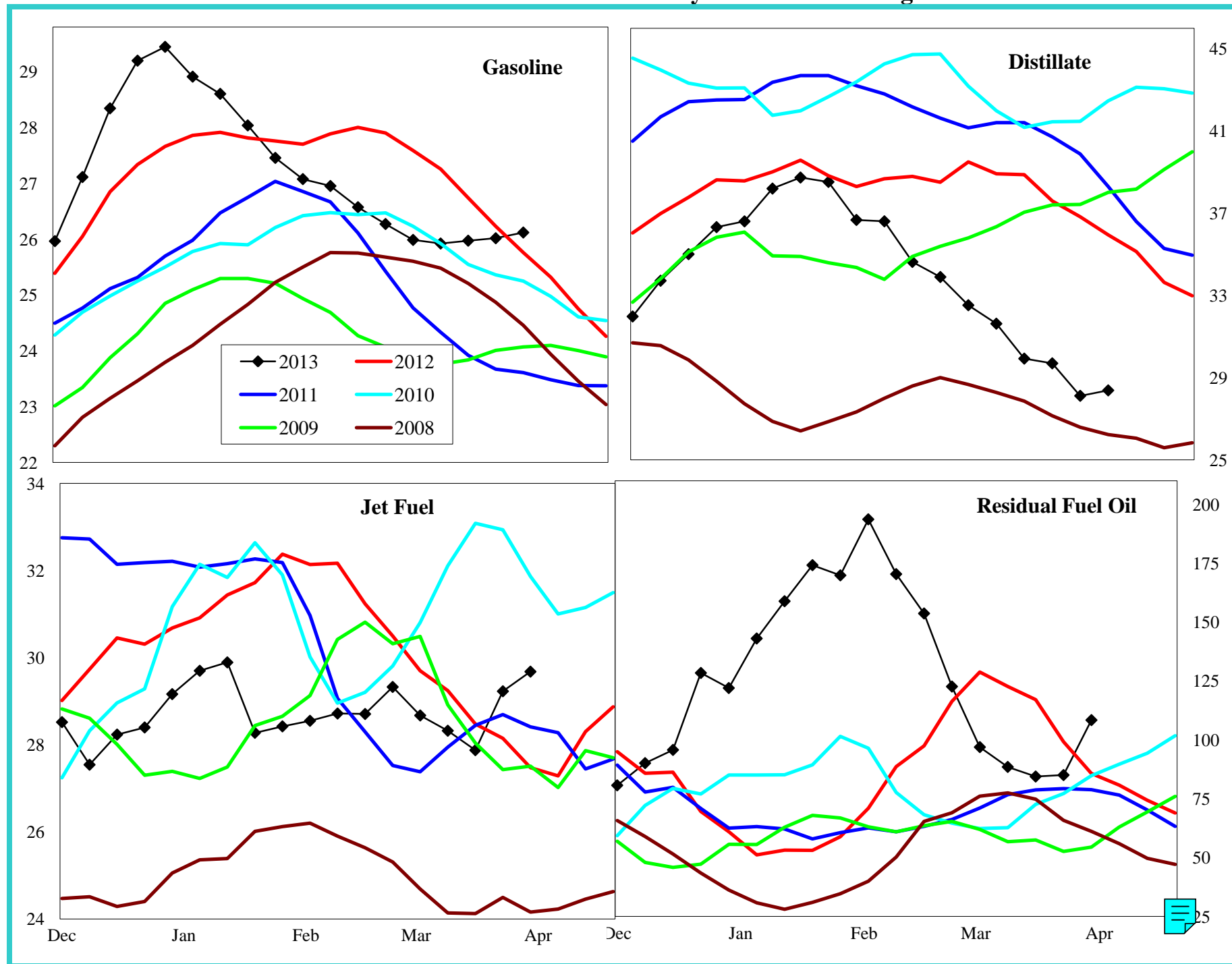
United States Wholesale Petroleum Demand



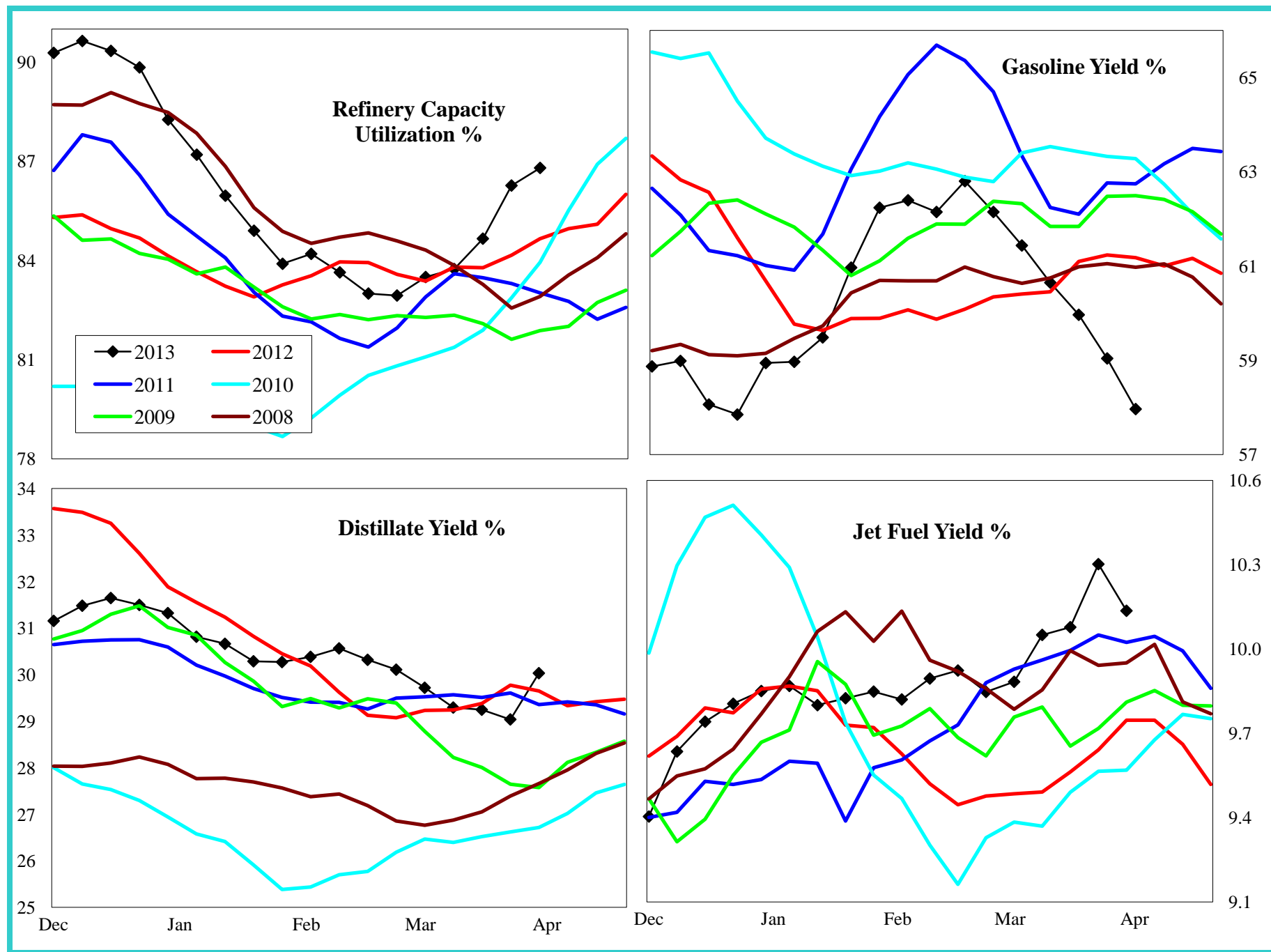
	000 bpd change from prior year				% change from prior year			
	4wk avg	Feb	Jan	Dec	4wk avg	Feb	Jan	Dec
Gasoline	-208	-171	230	-244	-2.4	-2.0	2.8	-2.8
Distillate	298	-203	-282	-286	8.3	-5.1	-7.4	-7.4
Jet Fuel	-36	-40	49	67	-2.6	-3.0	3.7	4.9
Resid	-90	-160	-135	-209	-20.2	-40.6	-32.1	-40.3



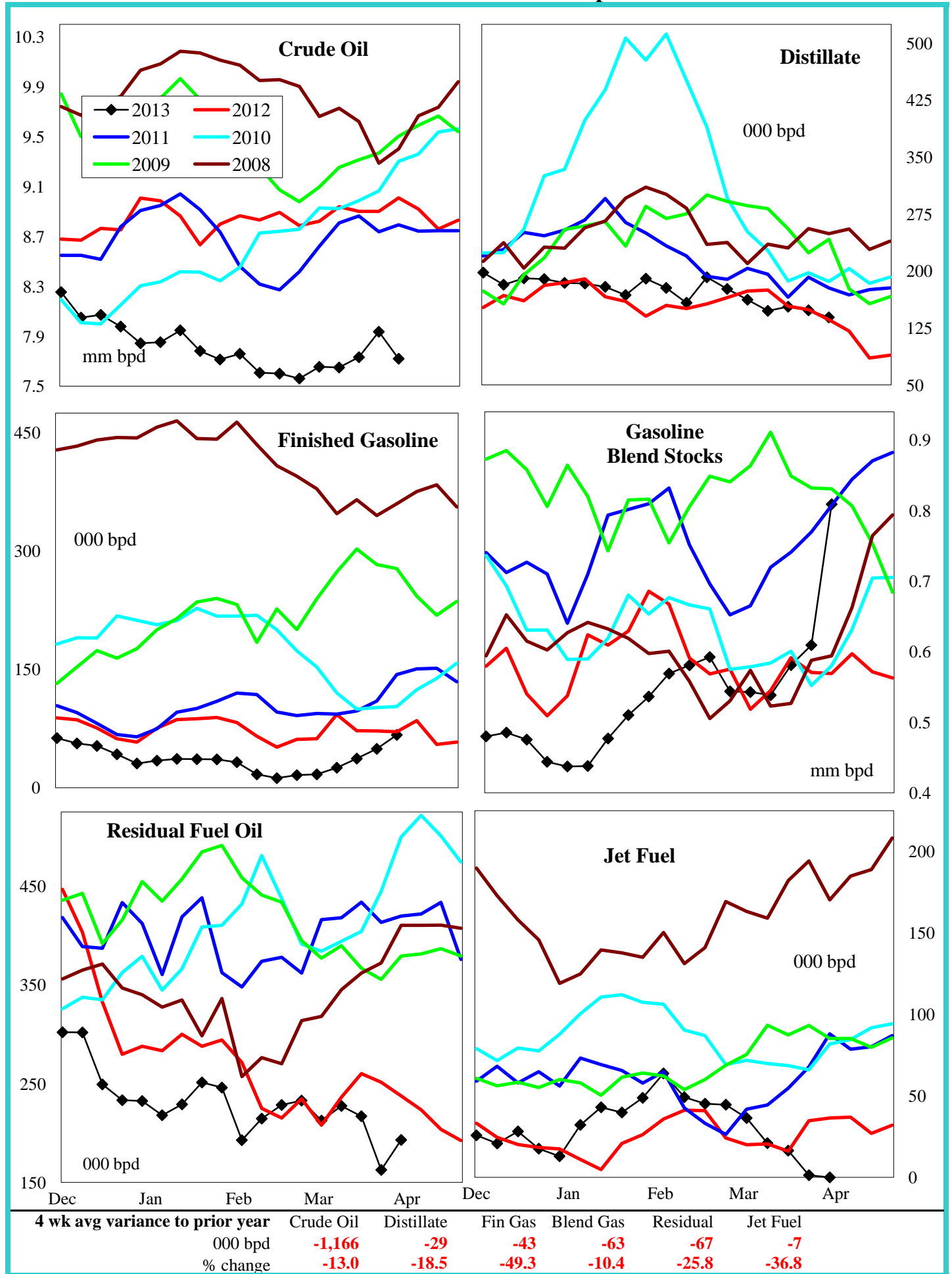
United States Product Stocks: Days Forward Coverage



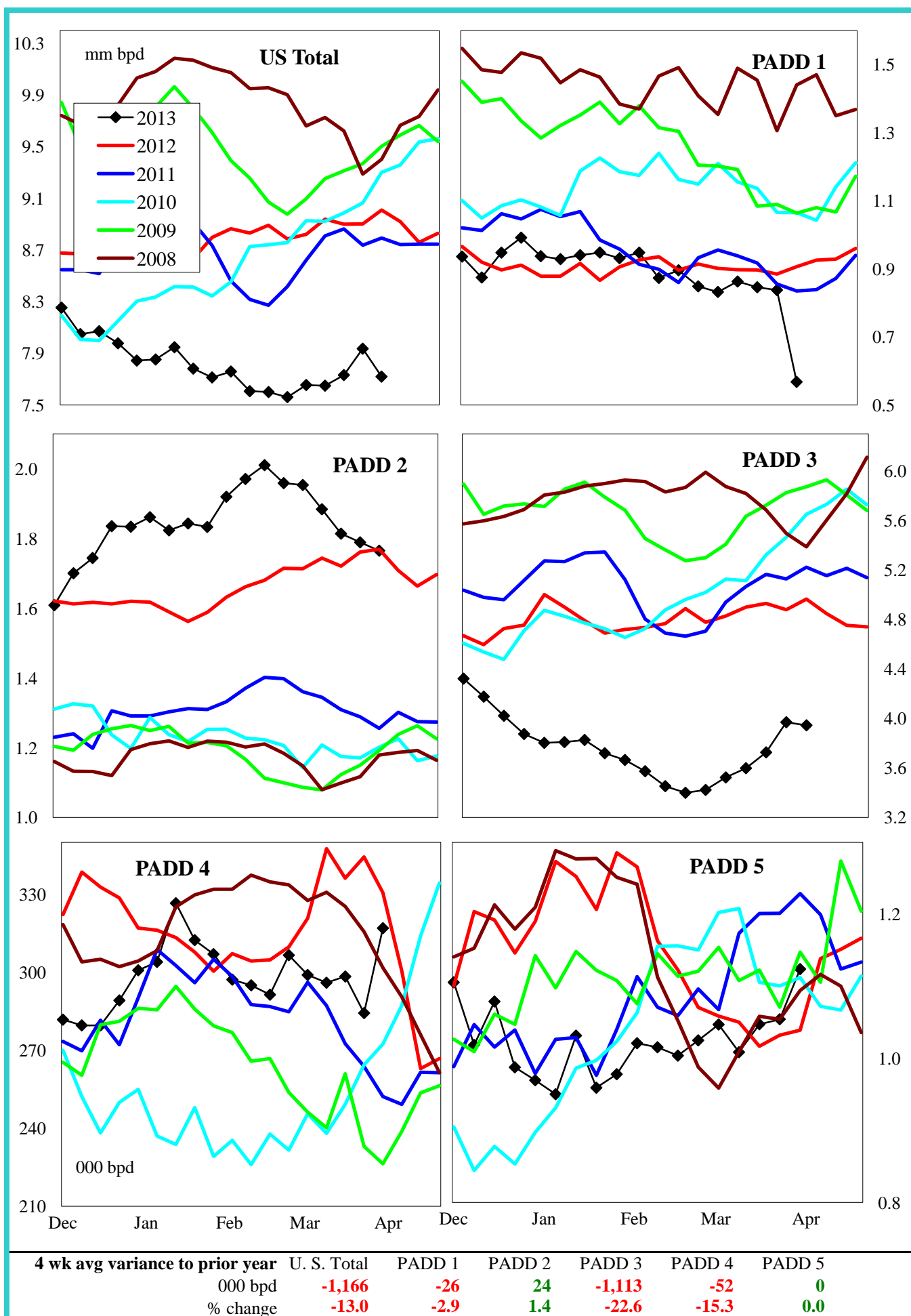
United States Refinery Percent Utilization Rate and Product Yields



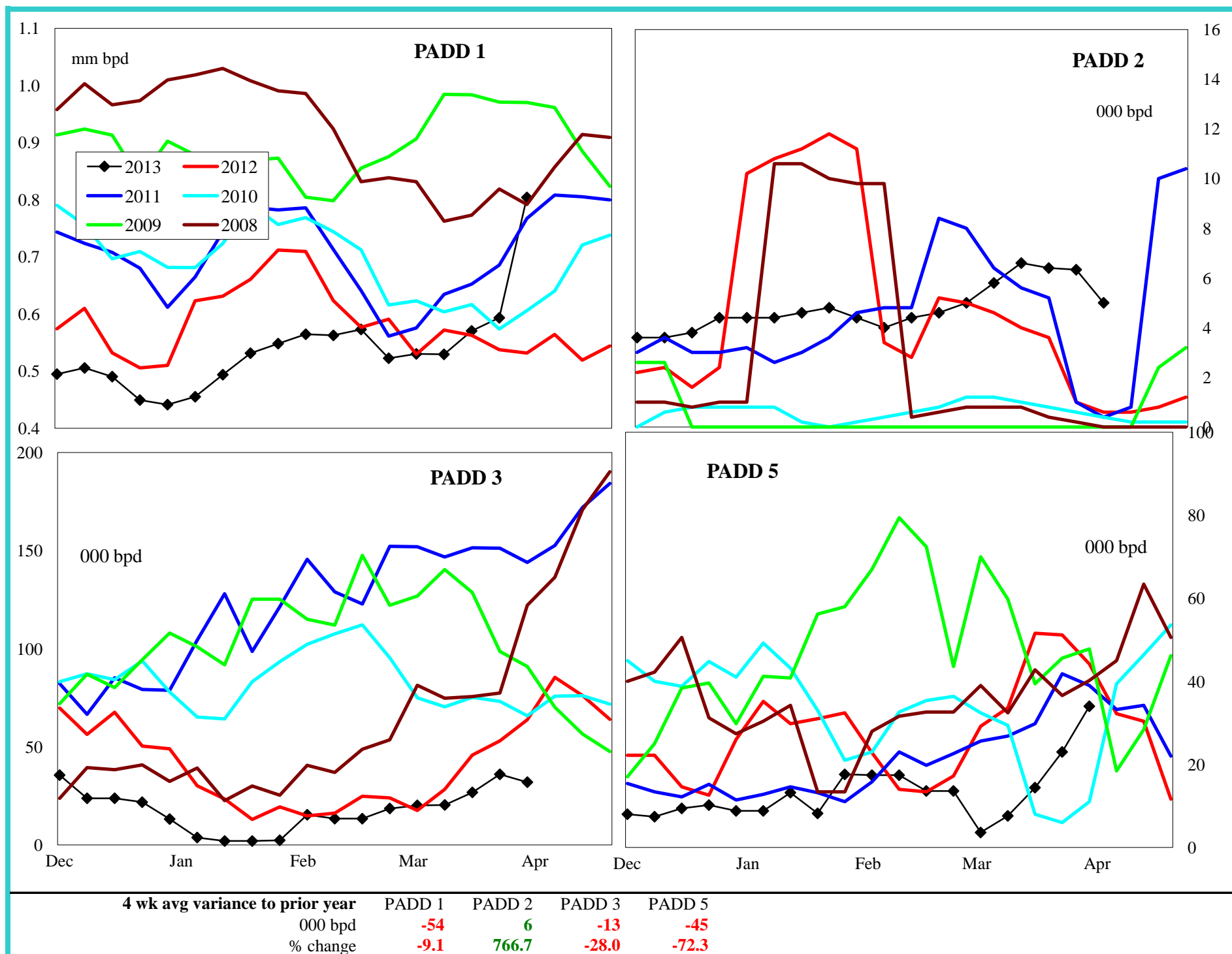
United States Petroleum Imports



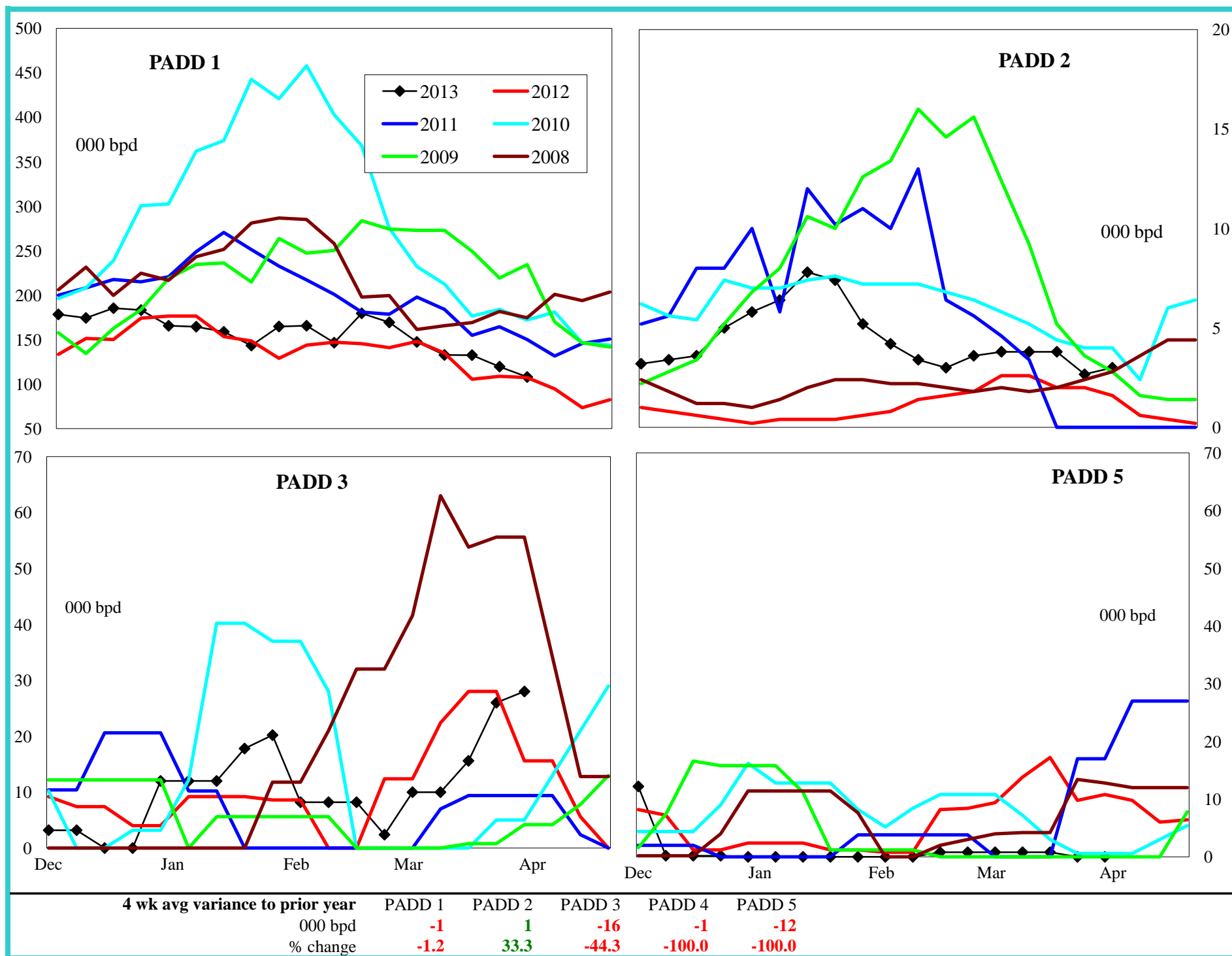
Crude Oil Imports by PADD



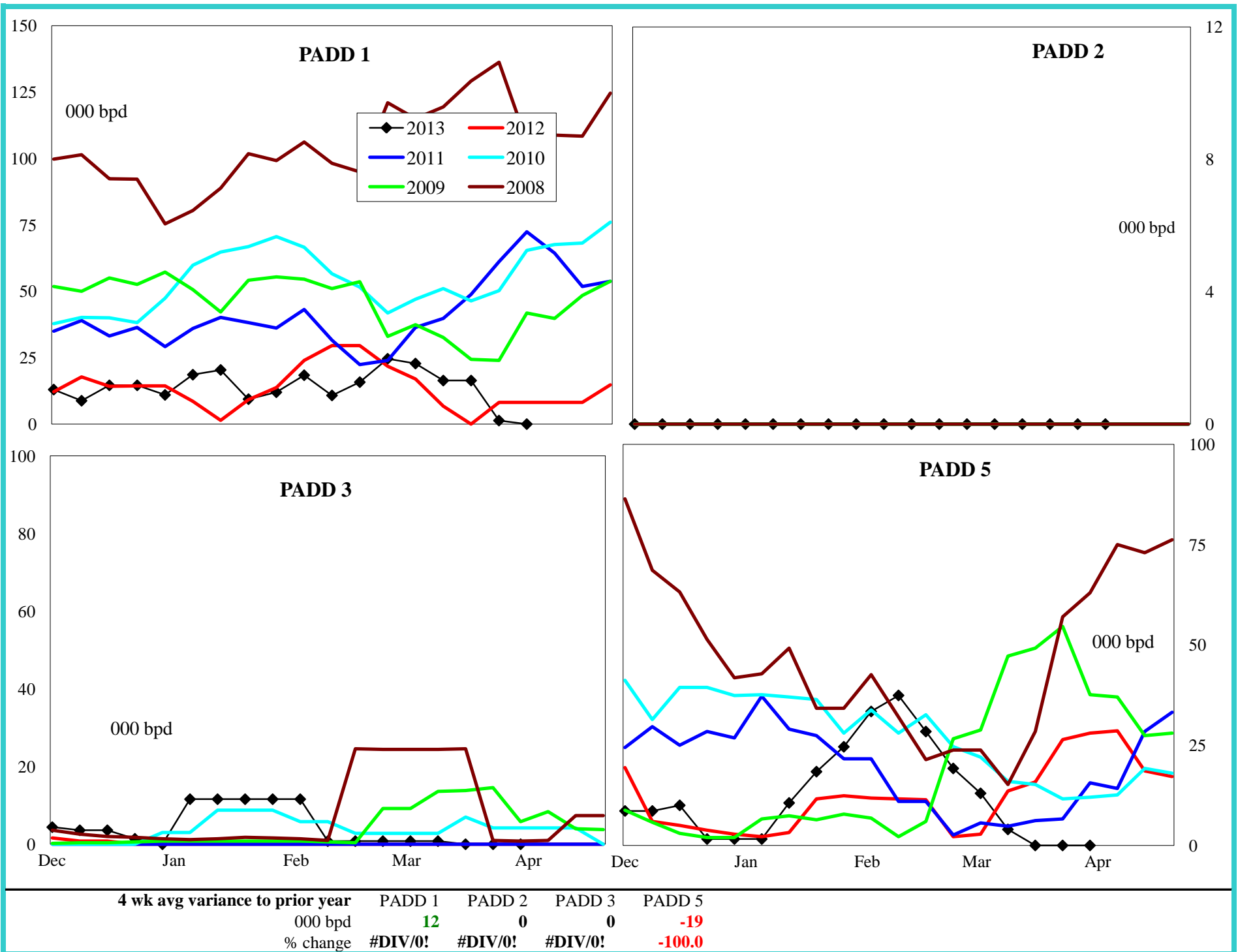
Gasoline Imports by PADD (Finished + Blend Stocks)



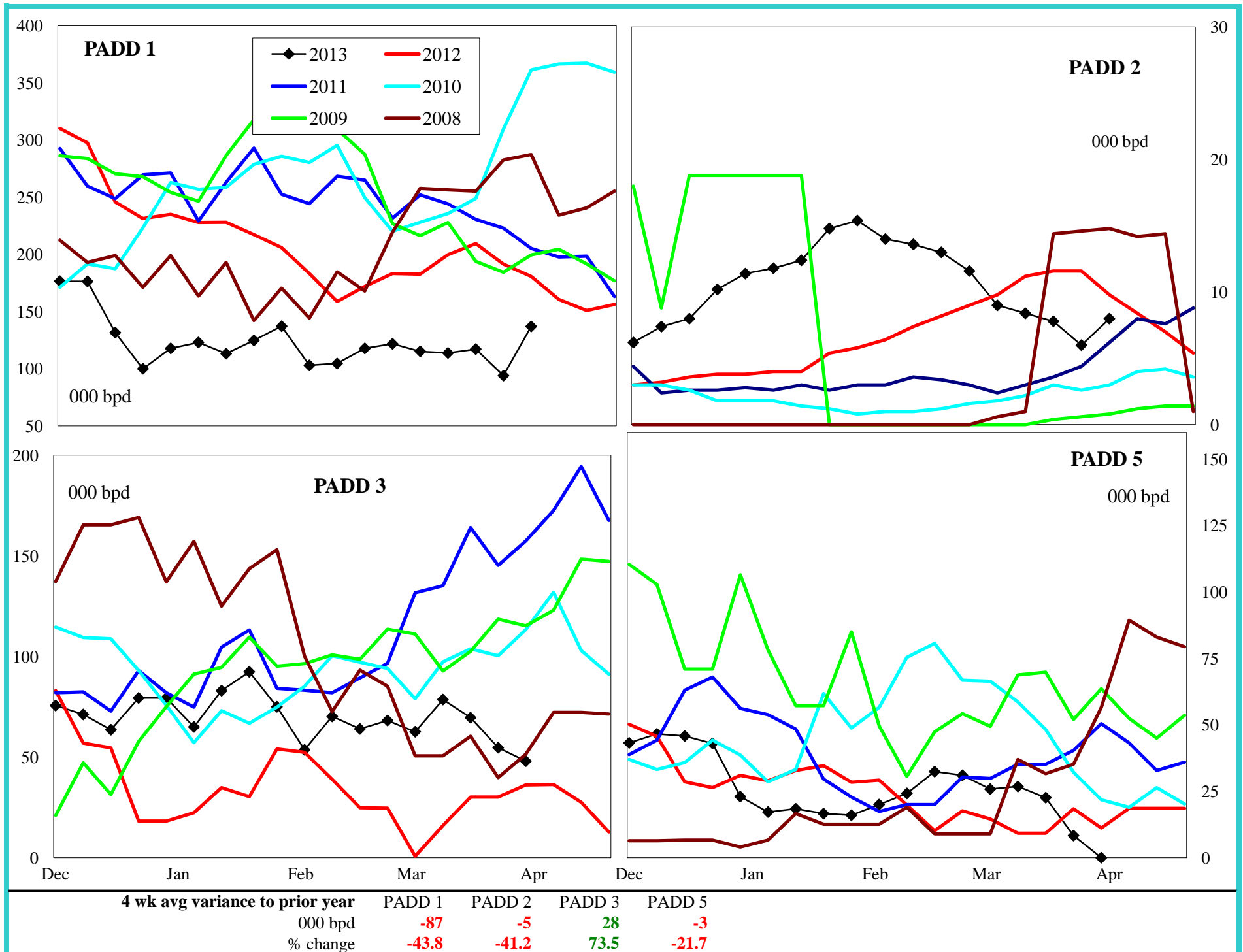
Distillate Imports by PADD



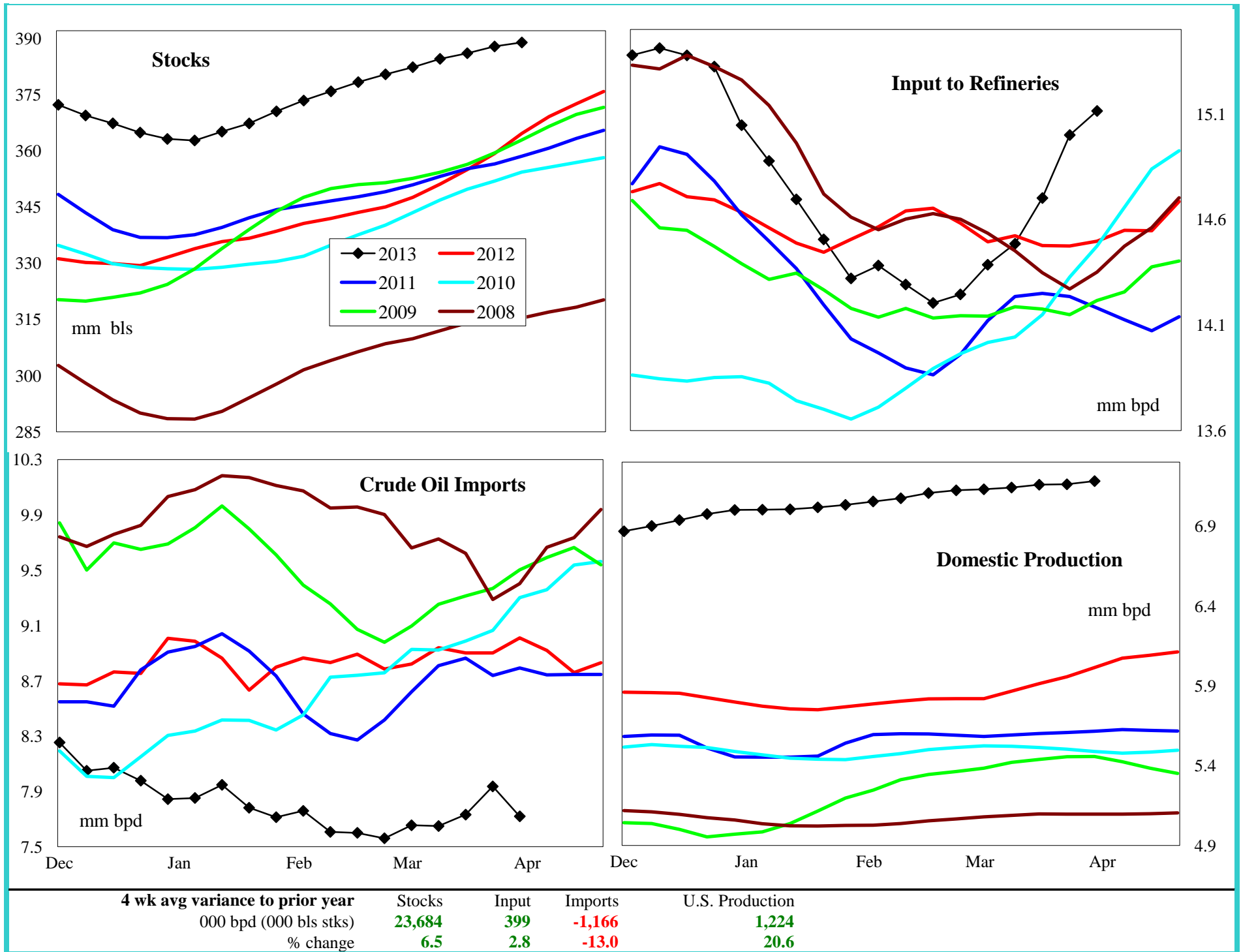
Jet Fuel Imports by PADD

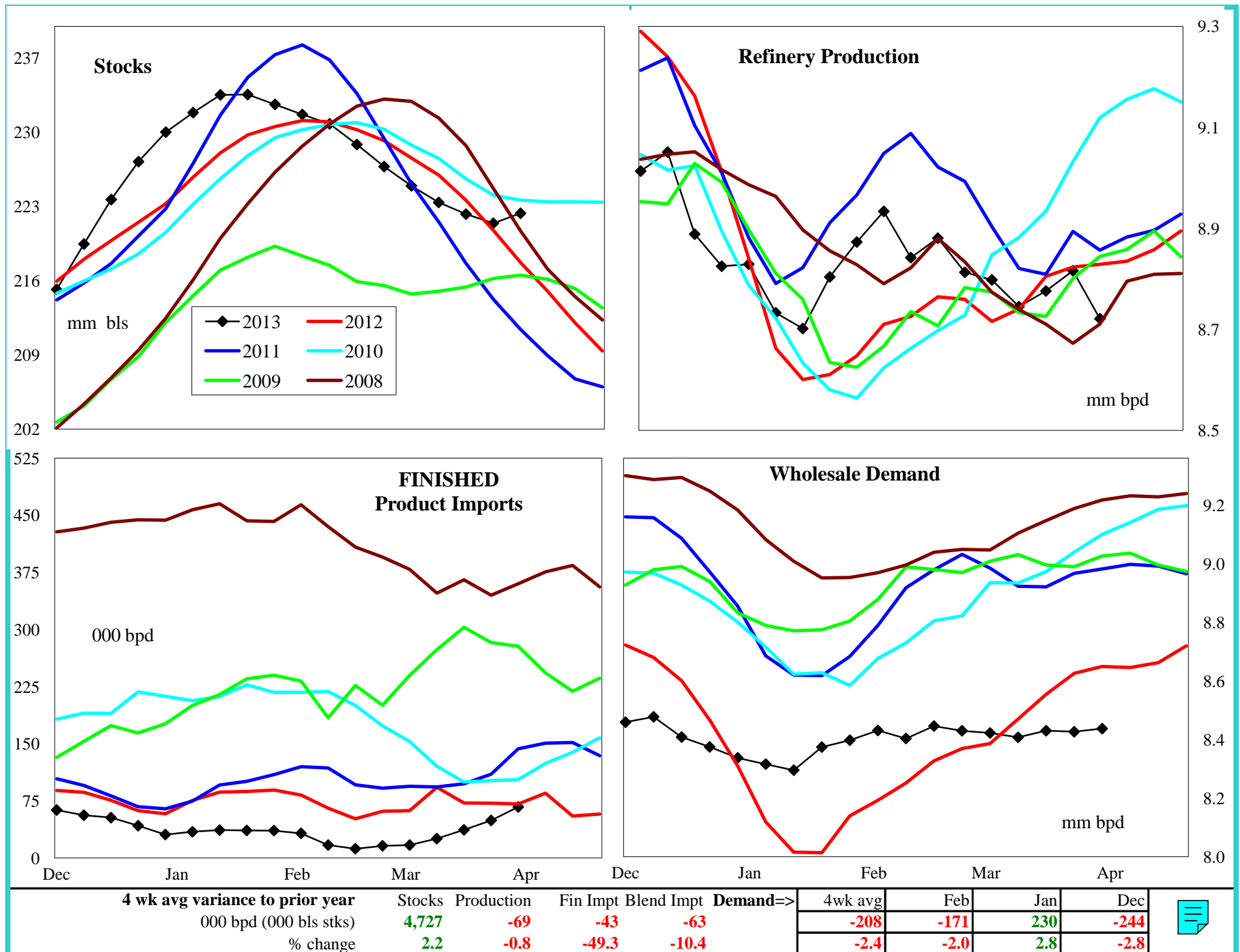


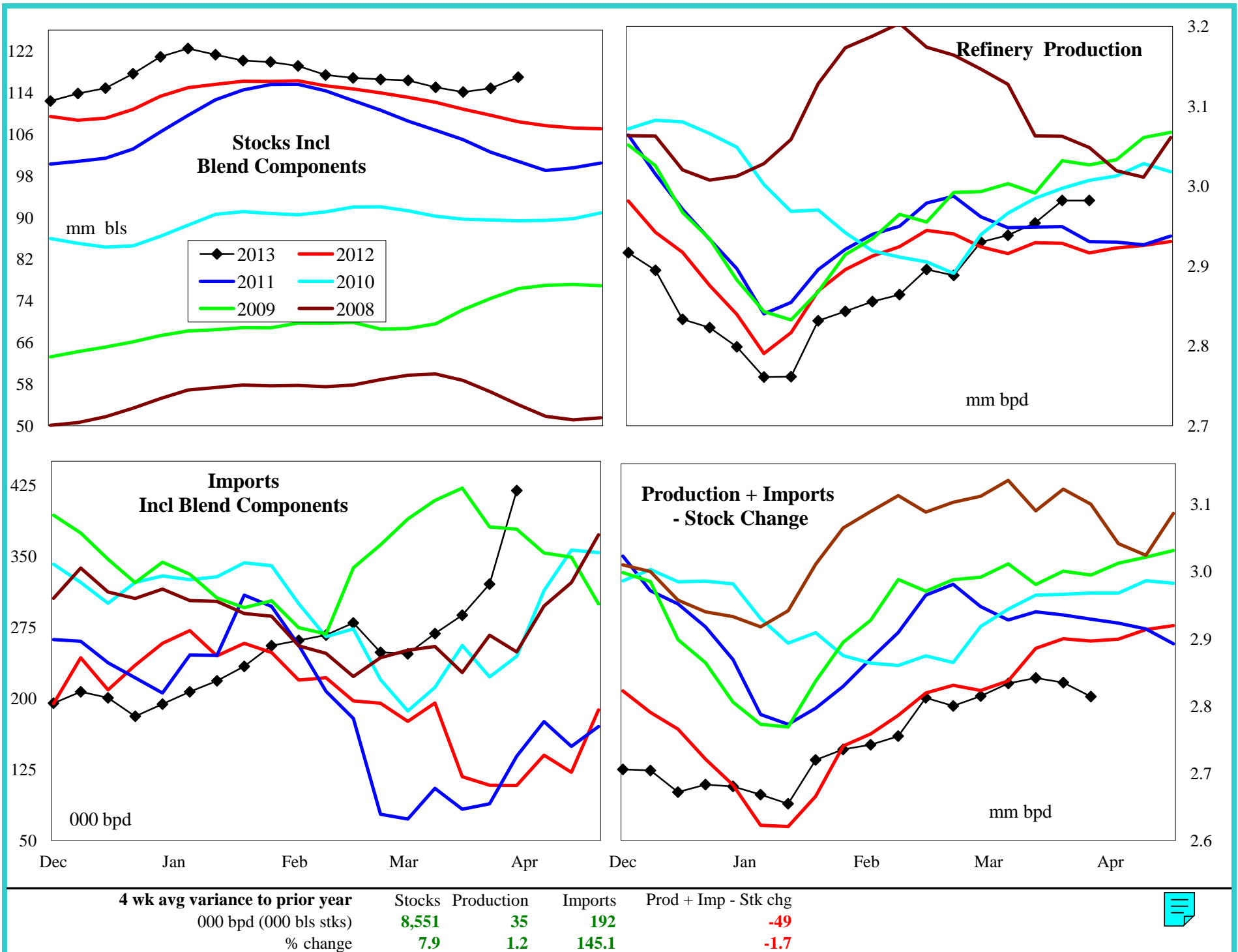
Residual Fuel Oil Imports by PADD



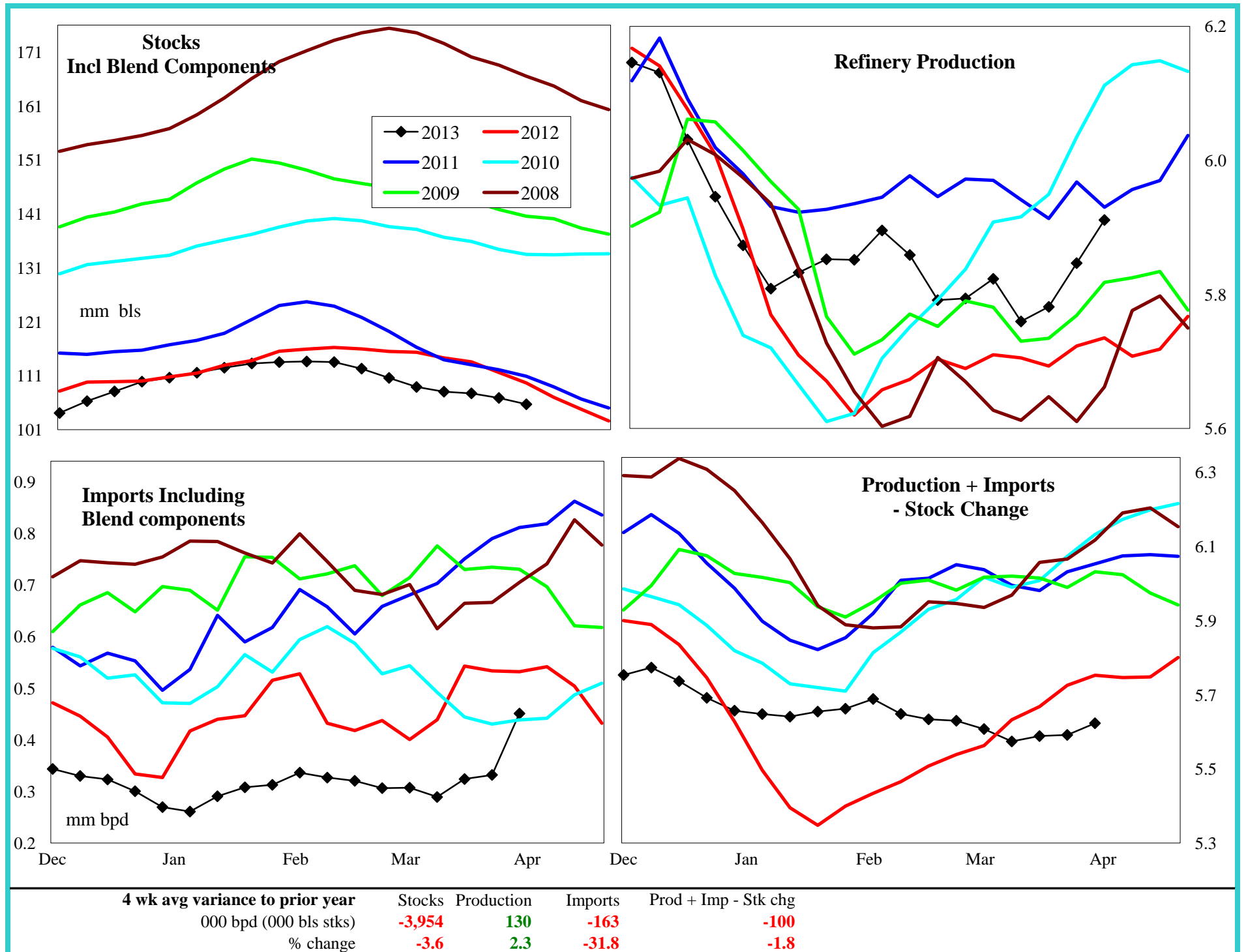
United States Crude Oil Supply and Demand Balance



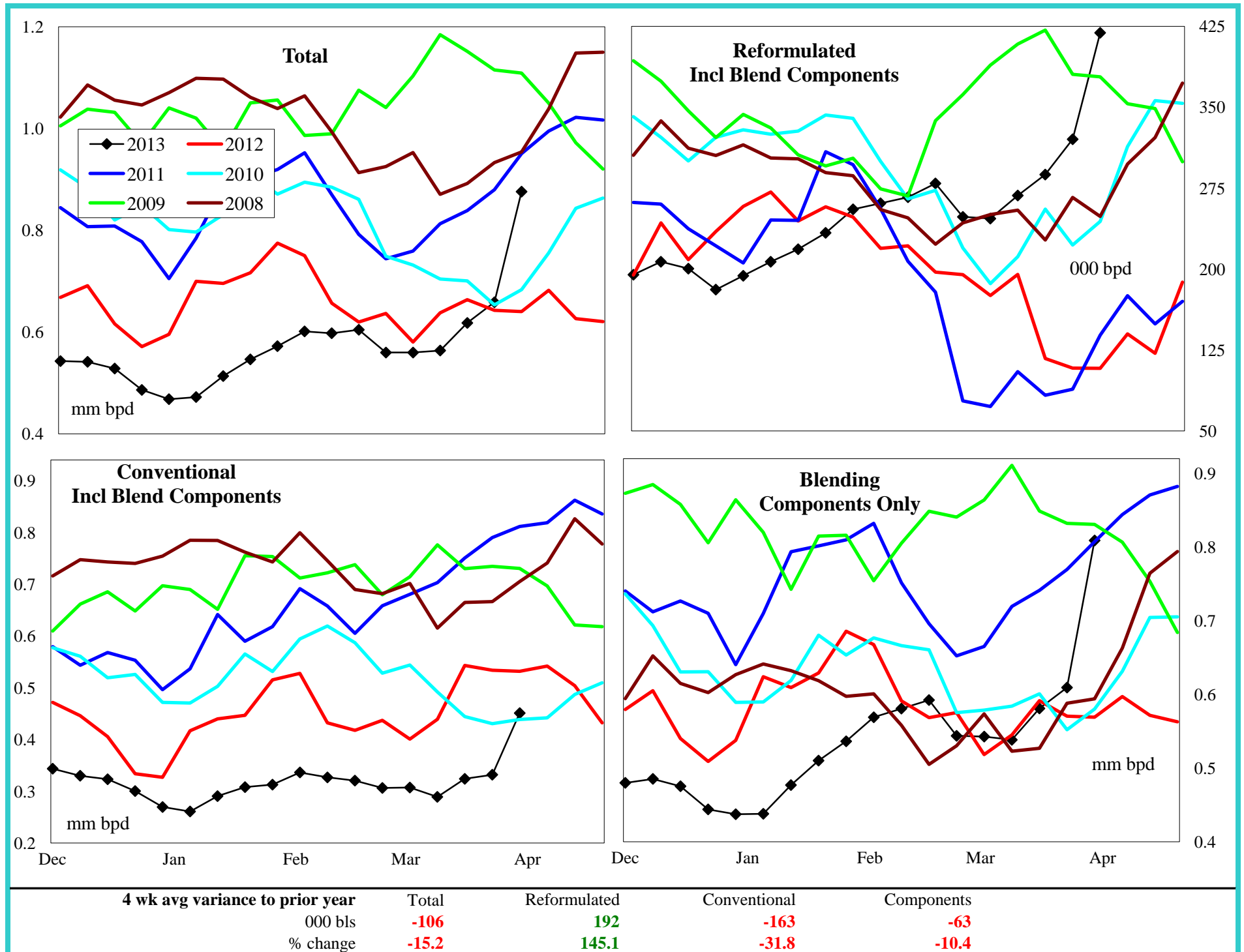




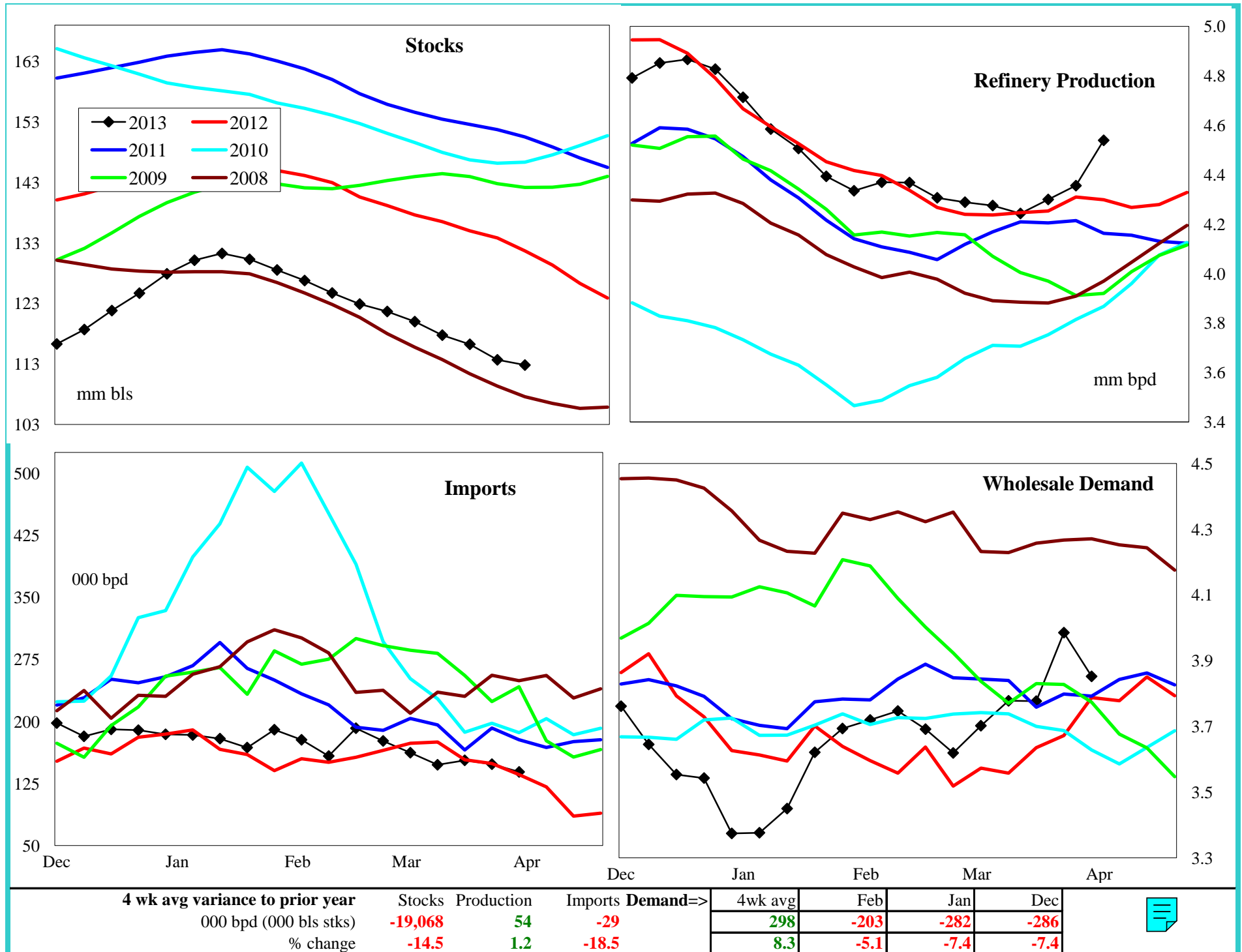
United States Conventional Gasoline Supply



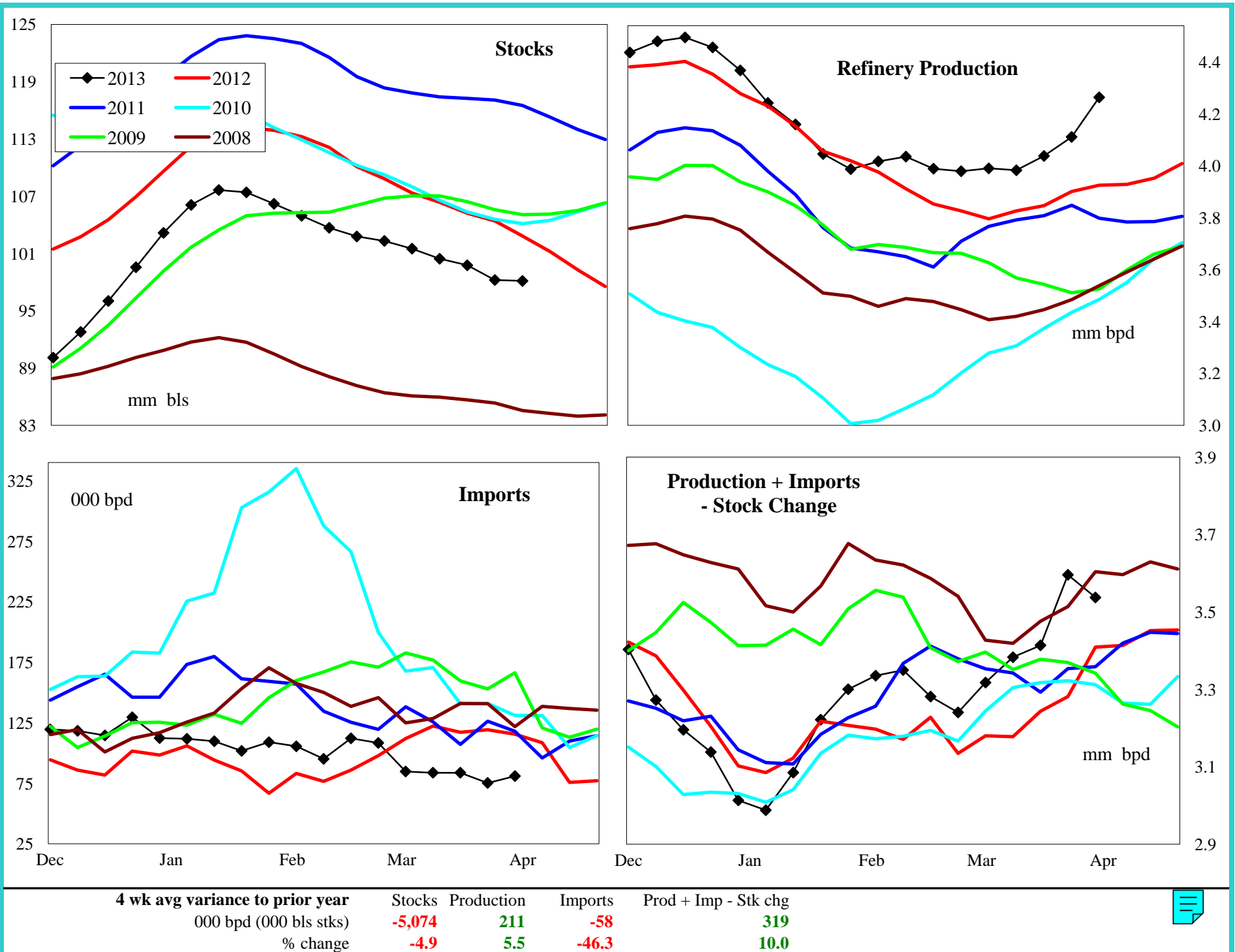
United States Gasoline Imports by Type



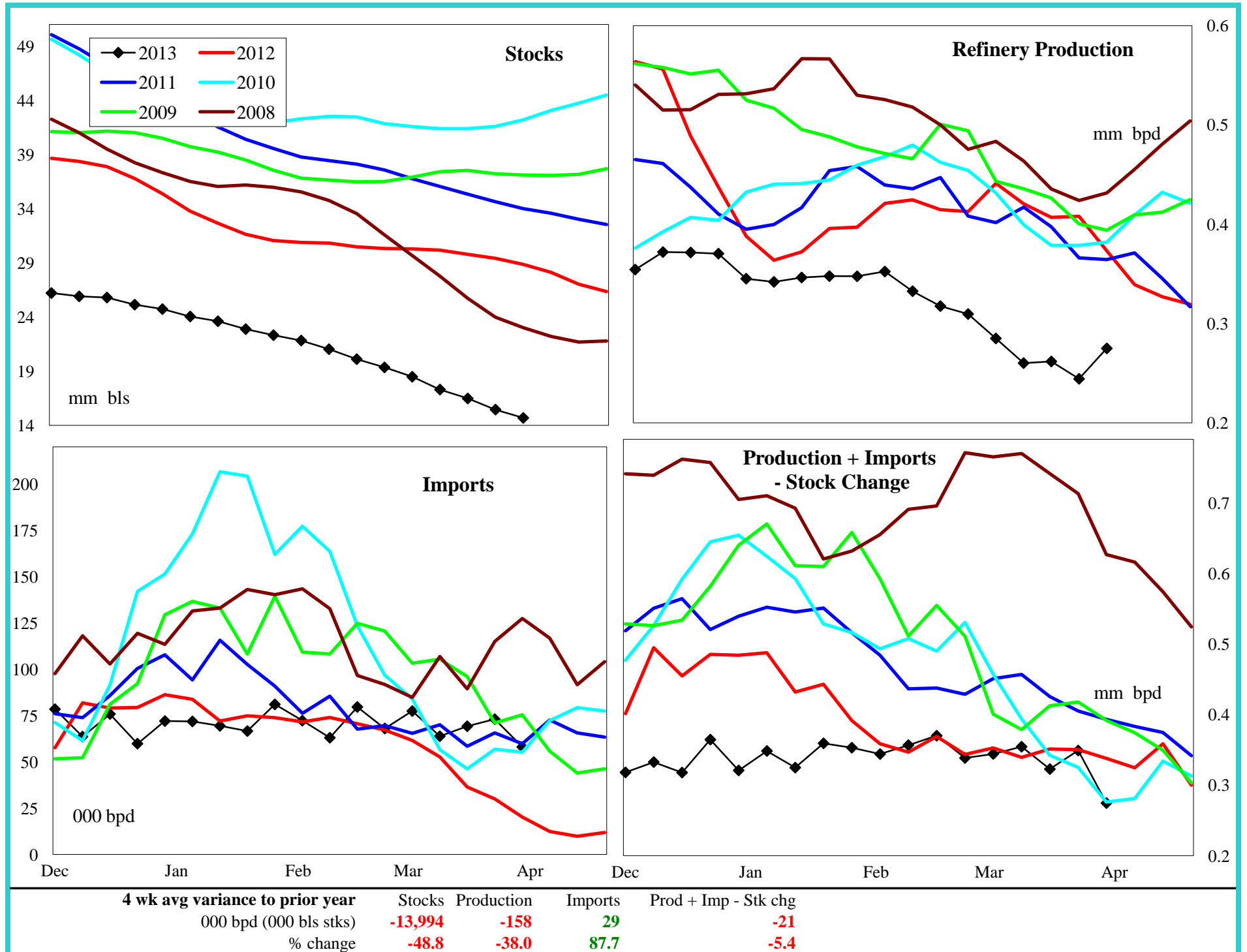
United States Distillate Supply and Demand Balance



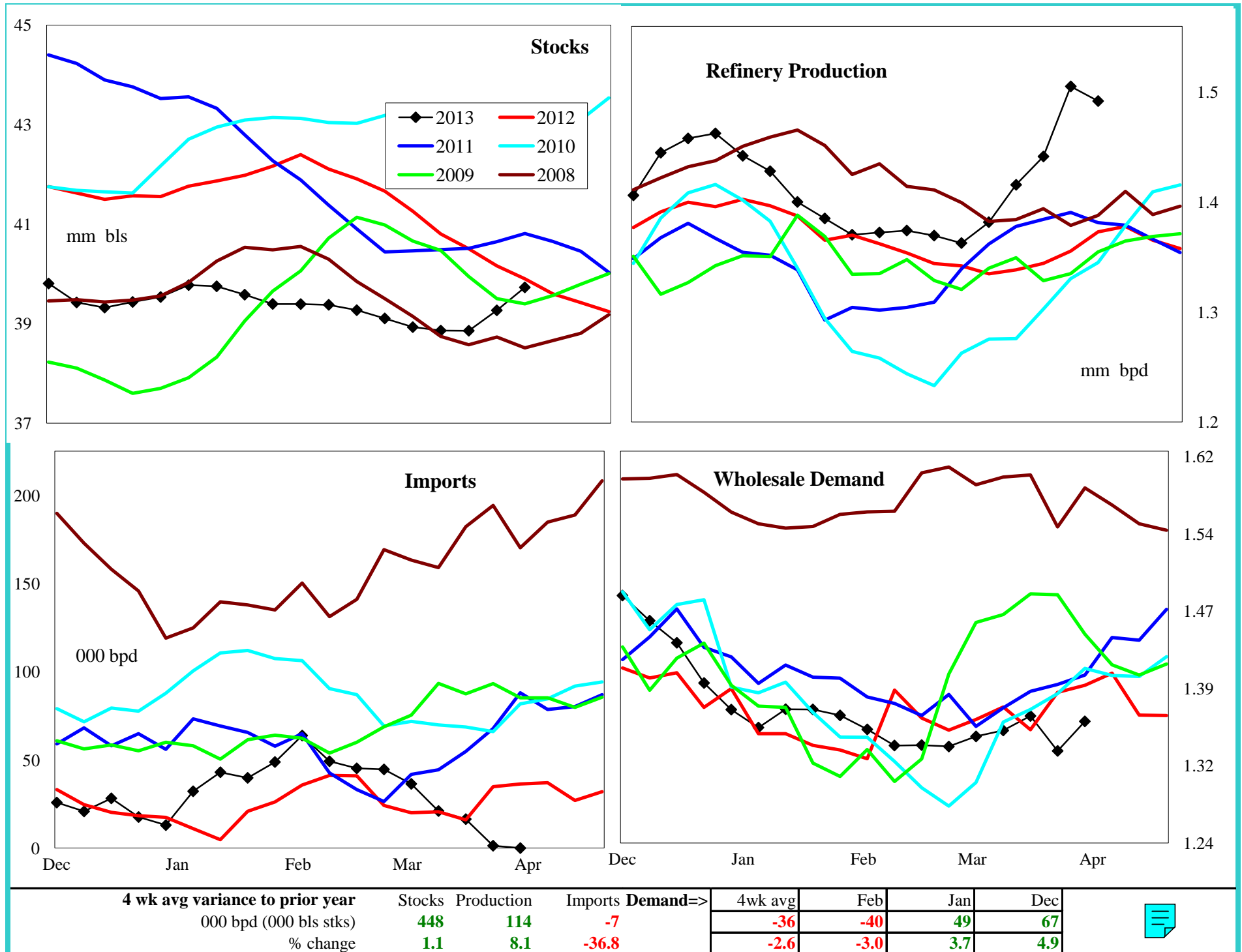
United States Low Sulfur Distillate Supply



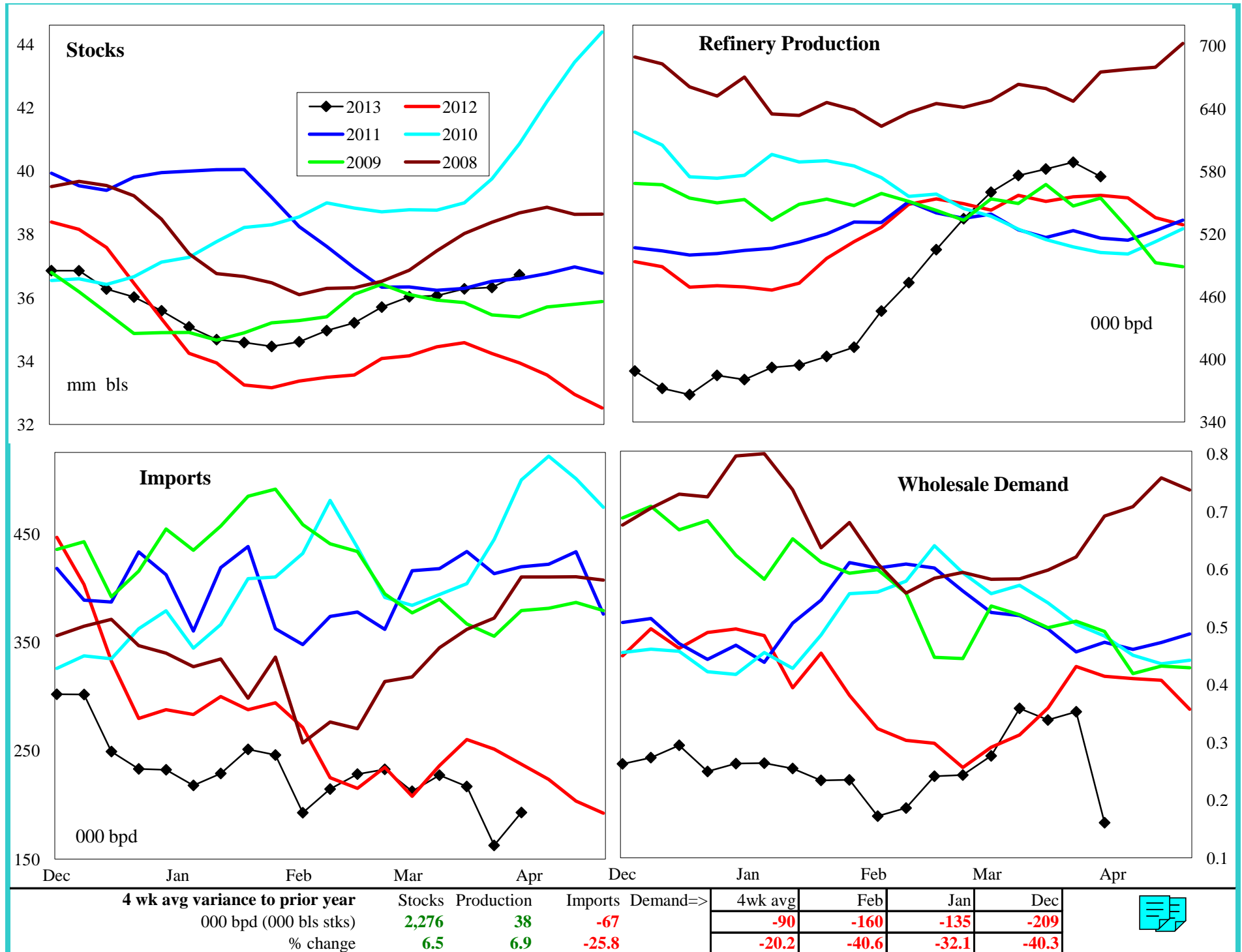
United States High Sulfur Distillate Supply



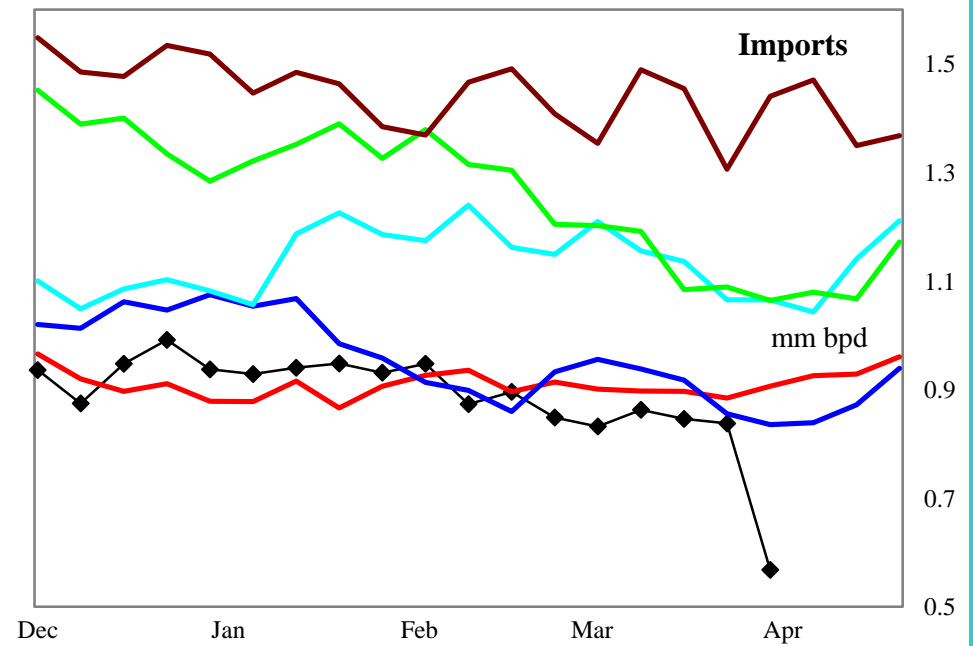
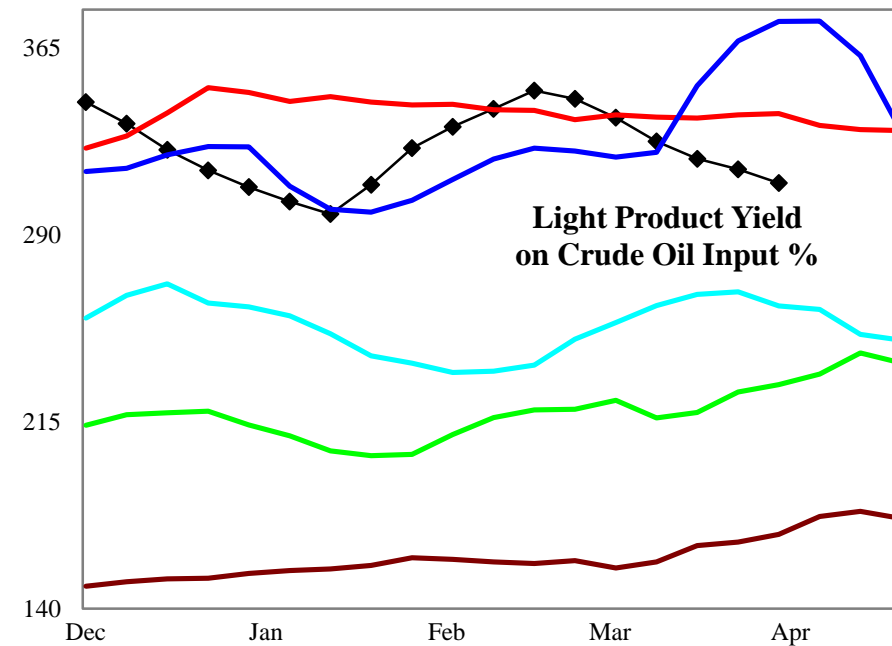
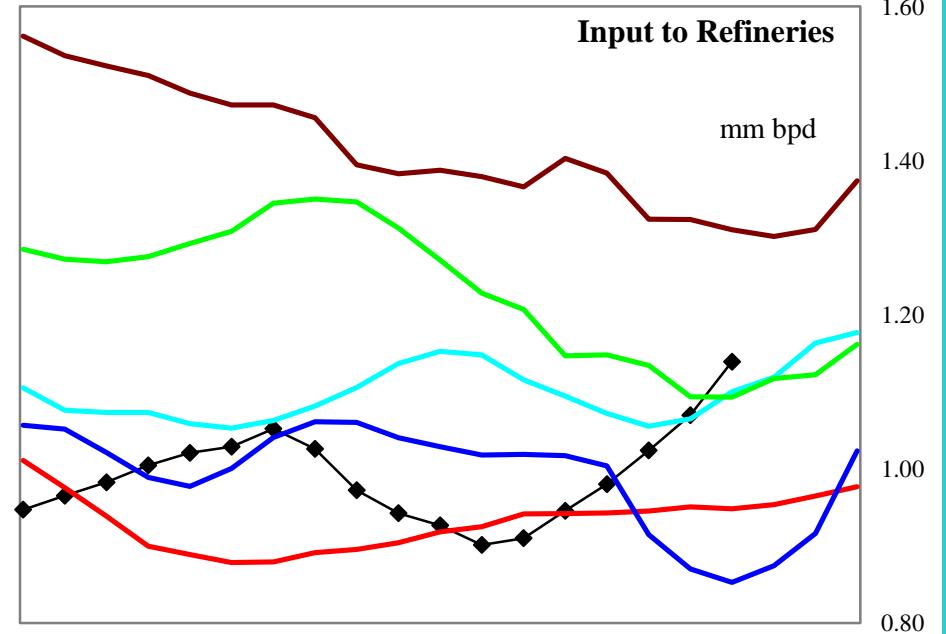
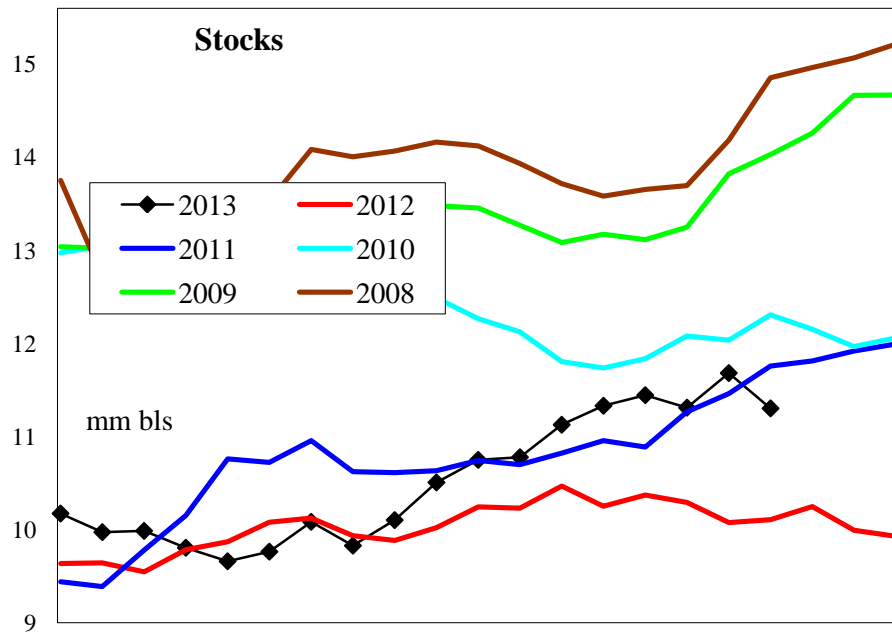
United States Jet Fuel Supply and Demand Balance



United States Residual Fuel Oil Supply and Demand Balance



PADD 1 Crude Oil Supply and Refining



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

1,196

11.4

Input

100

10.6

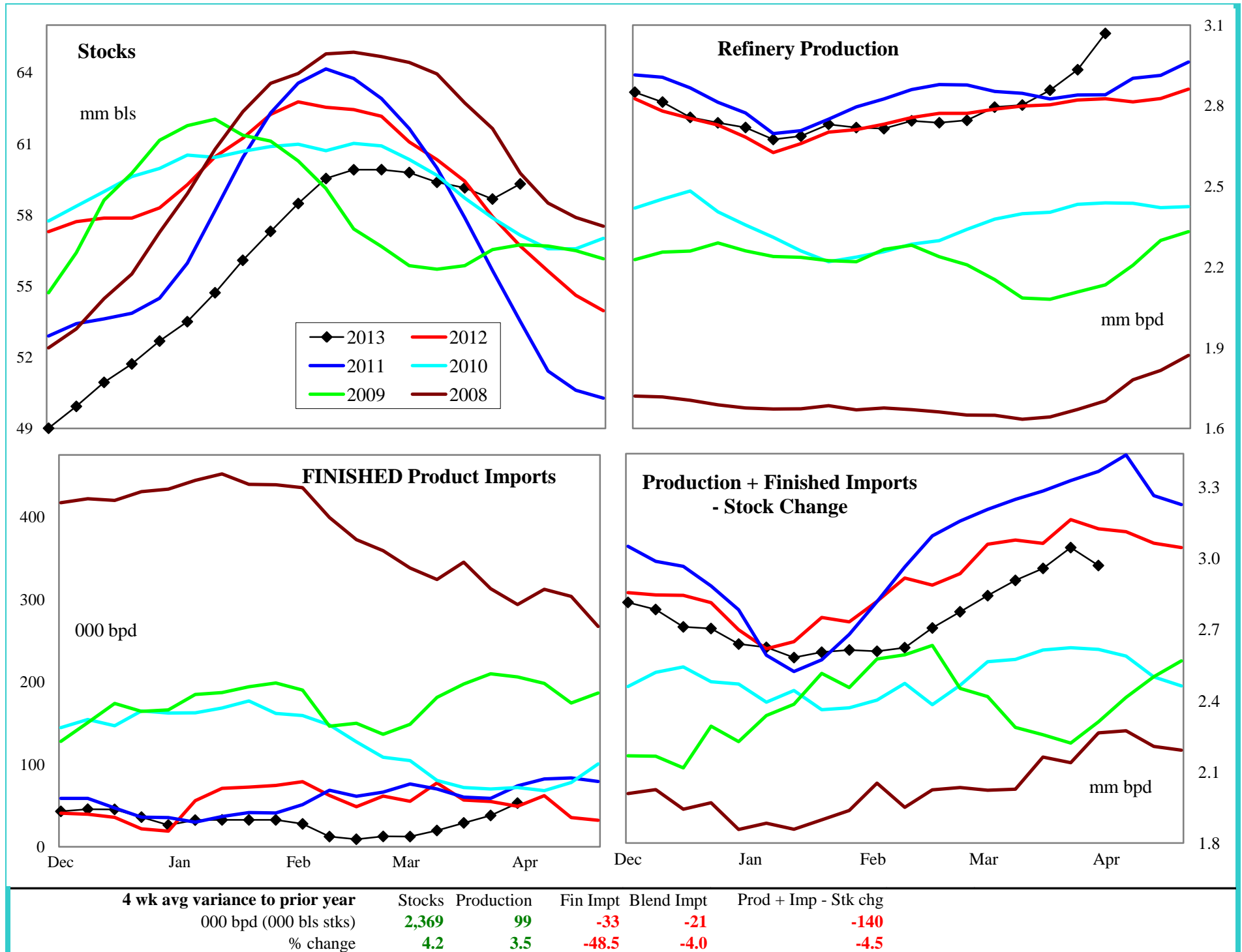
Imports

-26

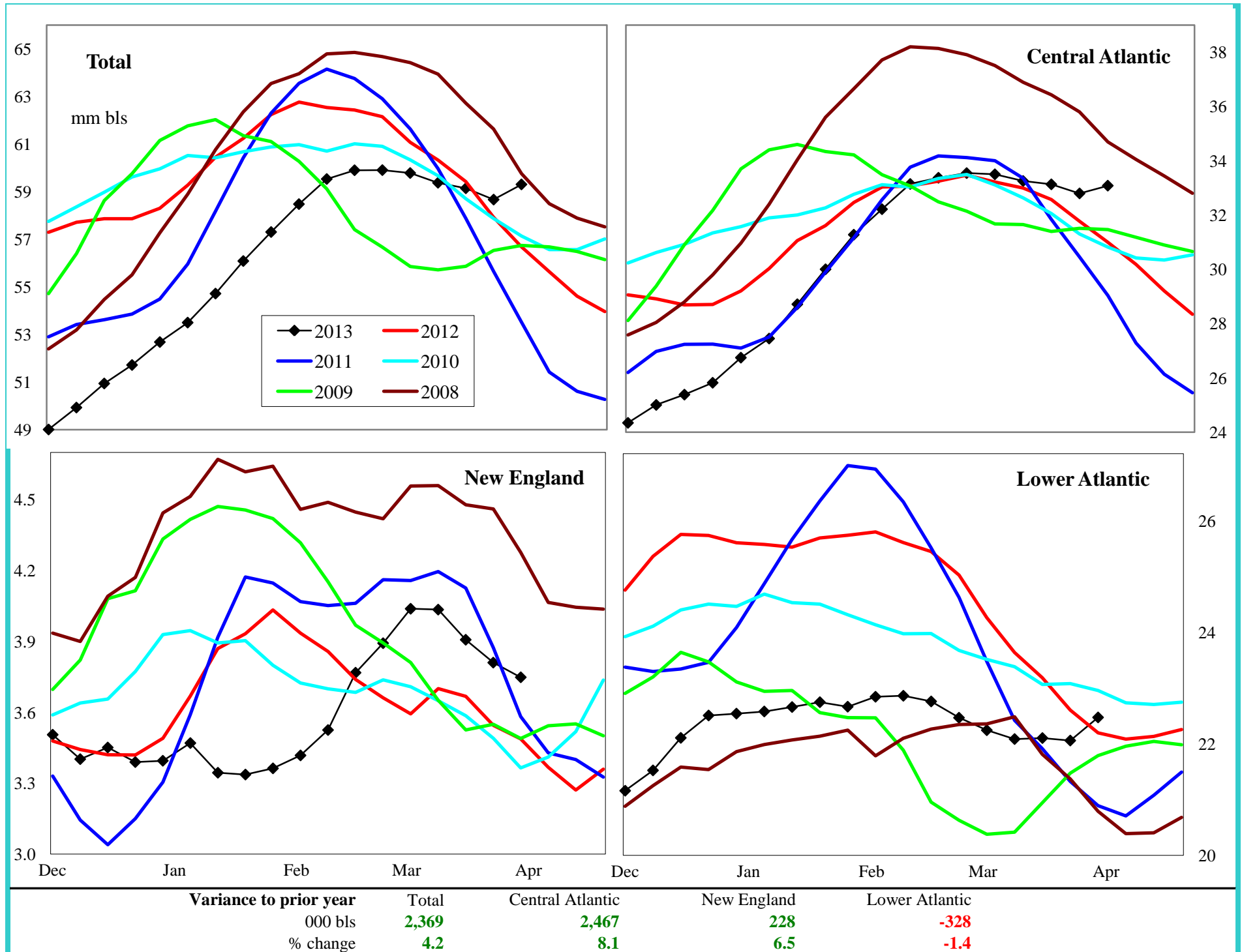
-2.9



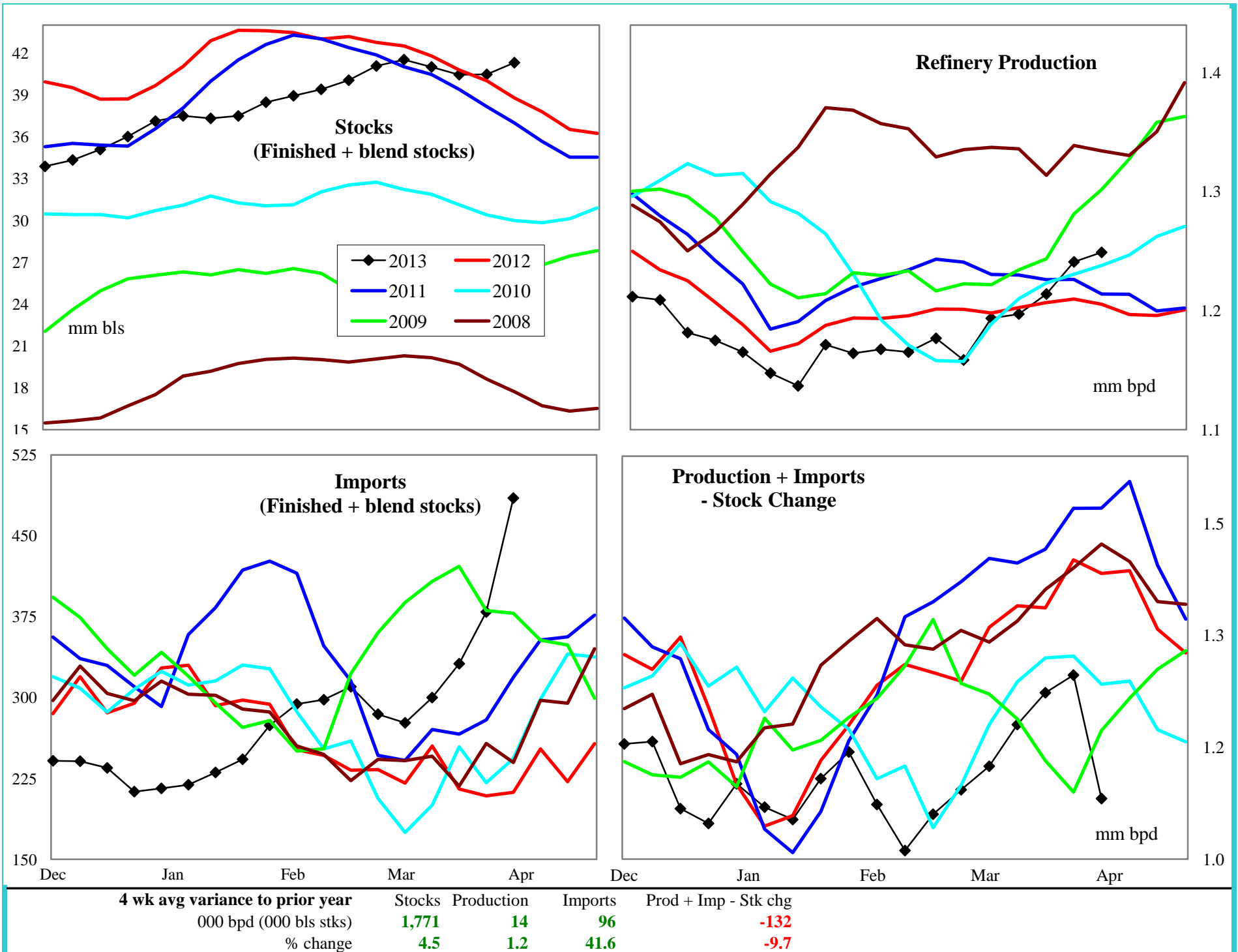
PADD 1 Gasoline Supply



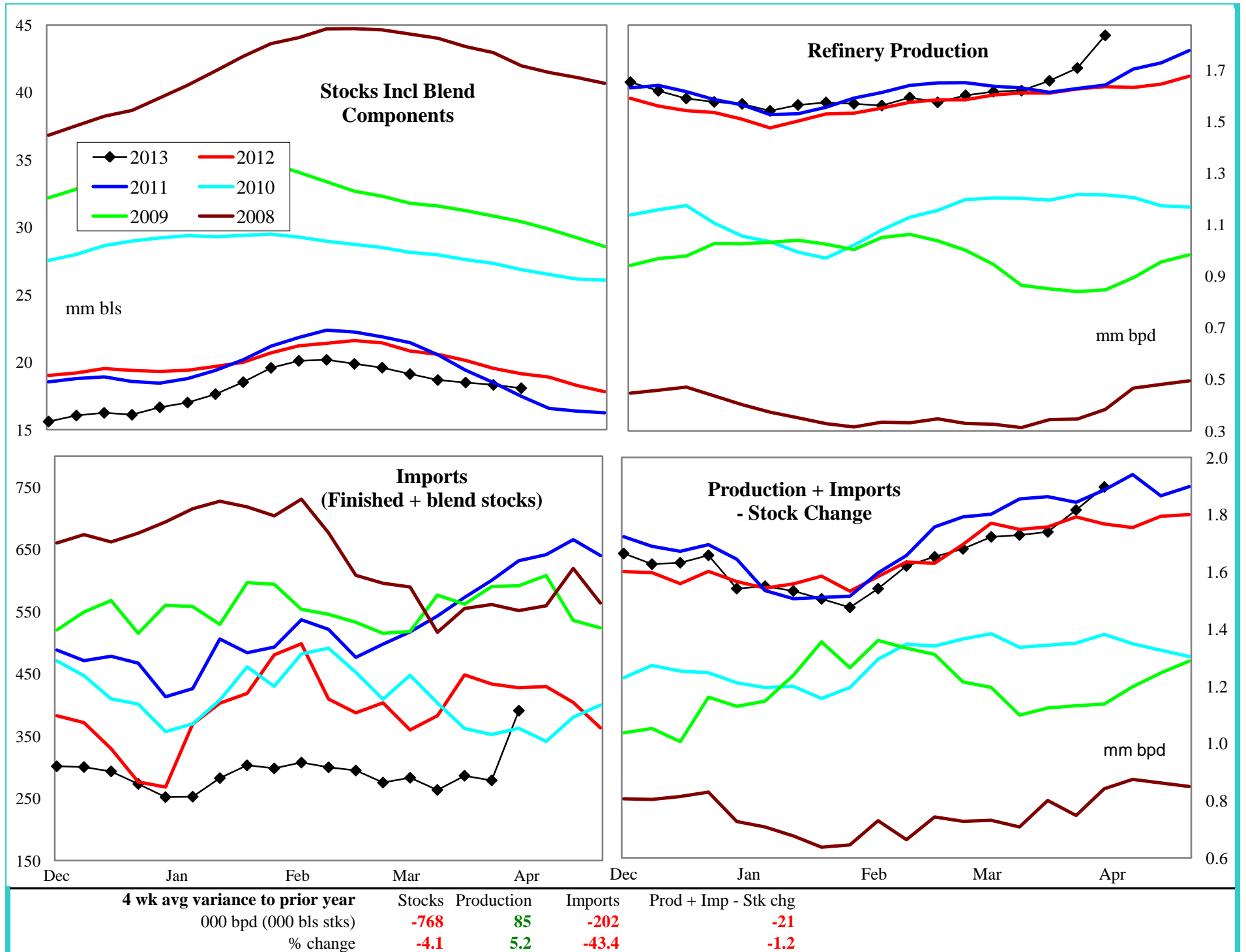
PADD 1 Gasoline Stocks by Region



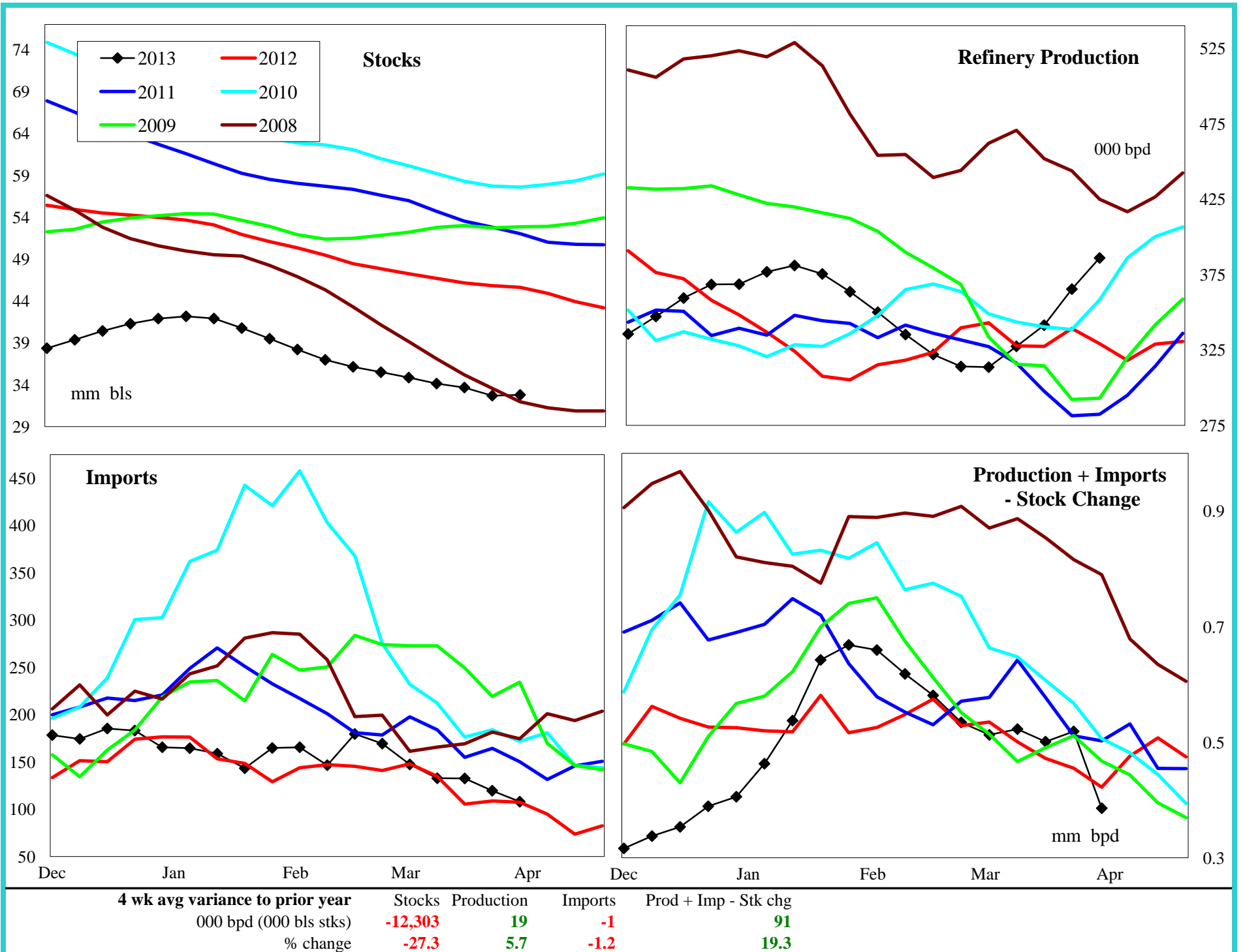
PADD 1 Reformulated Gasoline Supply



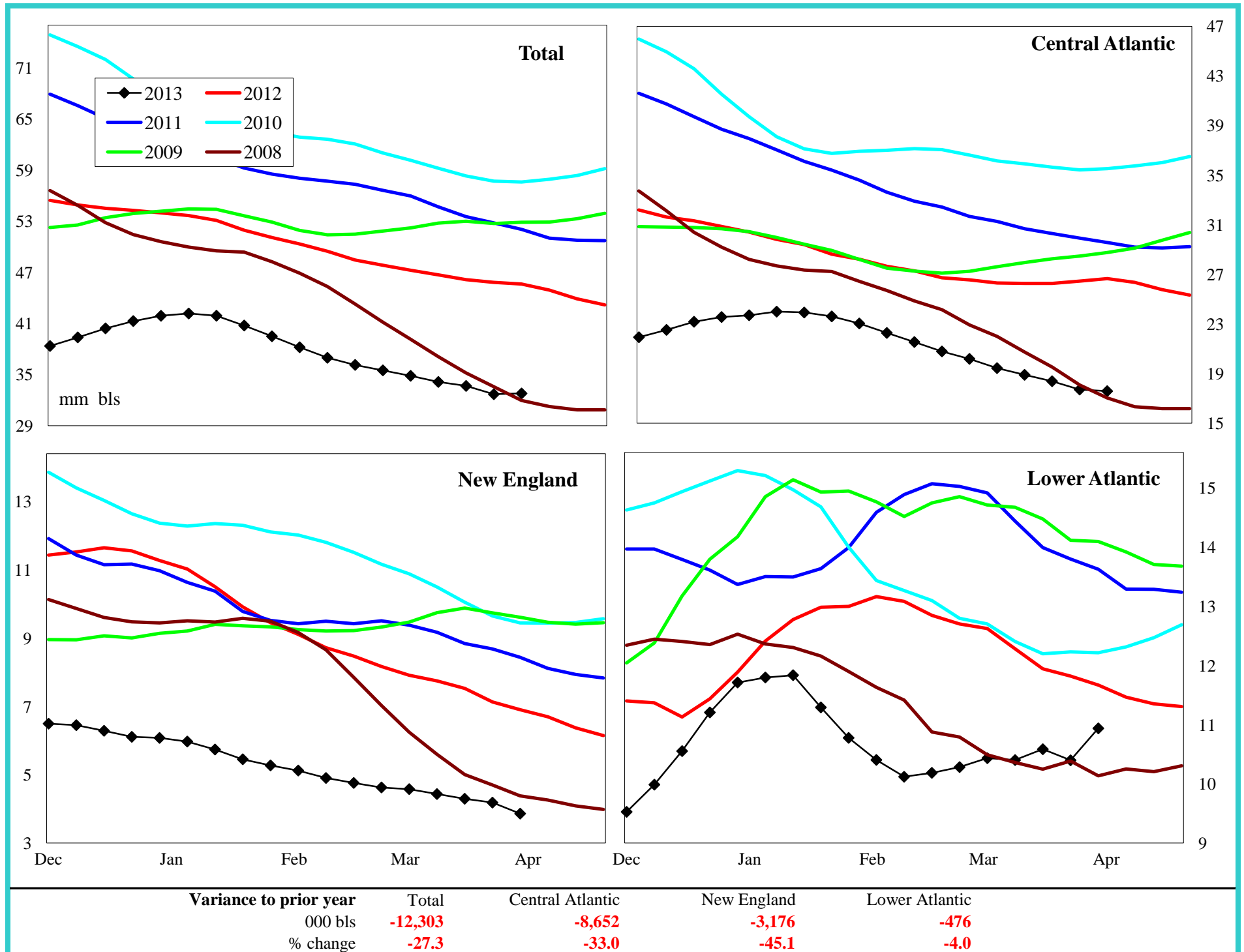
PADD 1 Conventional Gasoline Supply



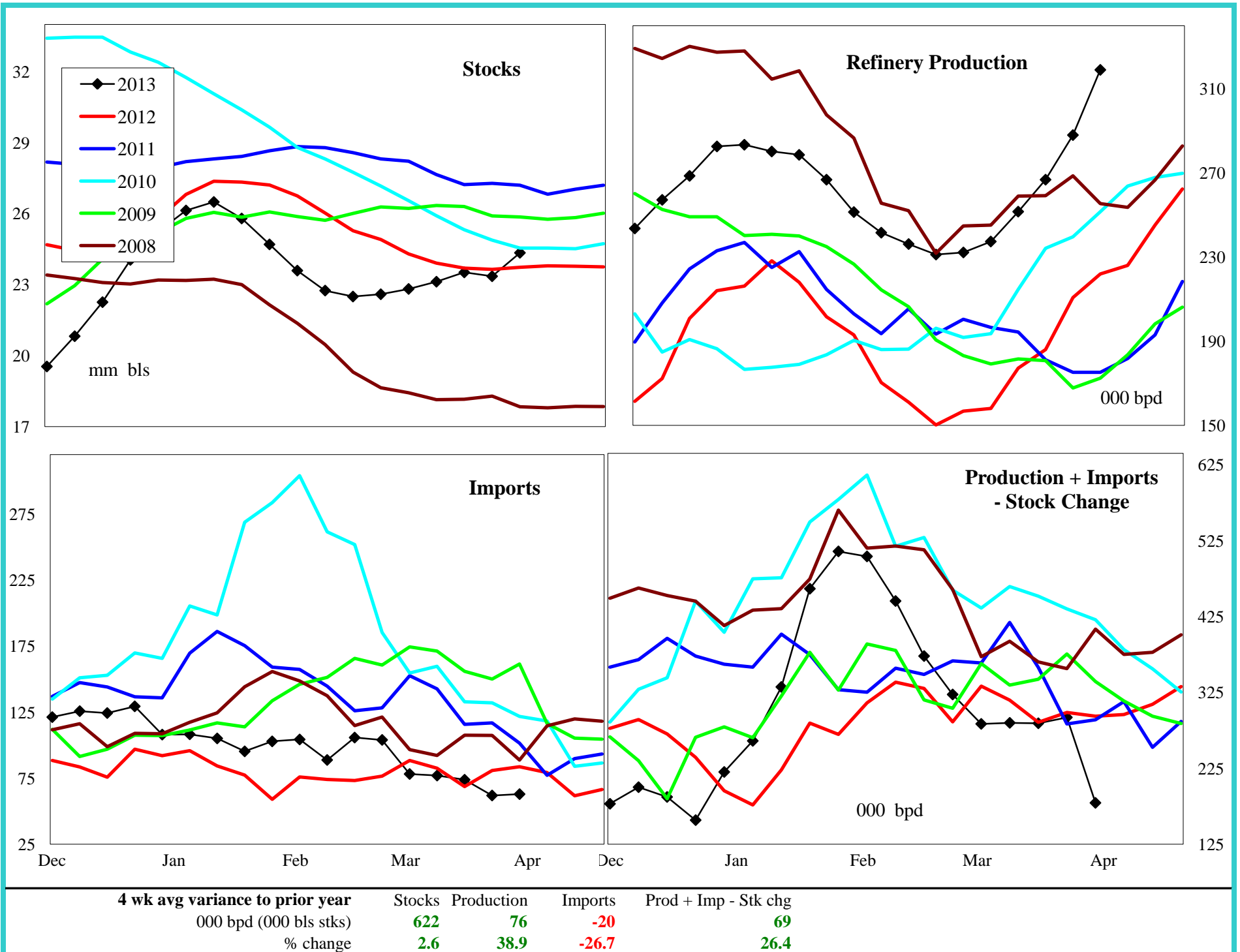
PADD 1 Distillate Supply



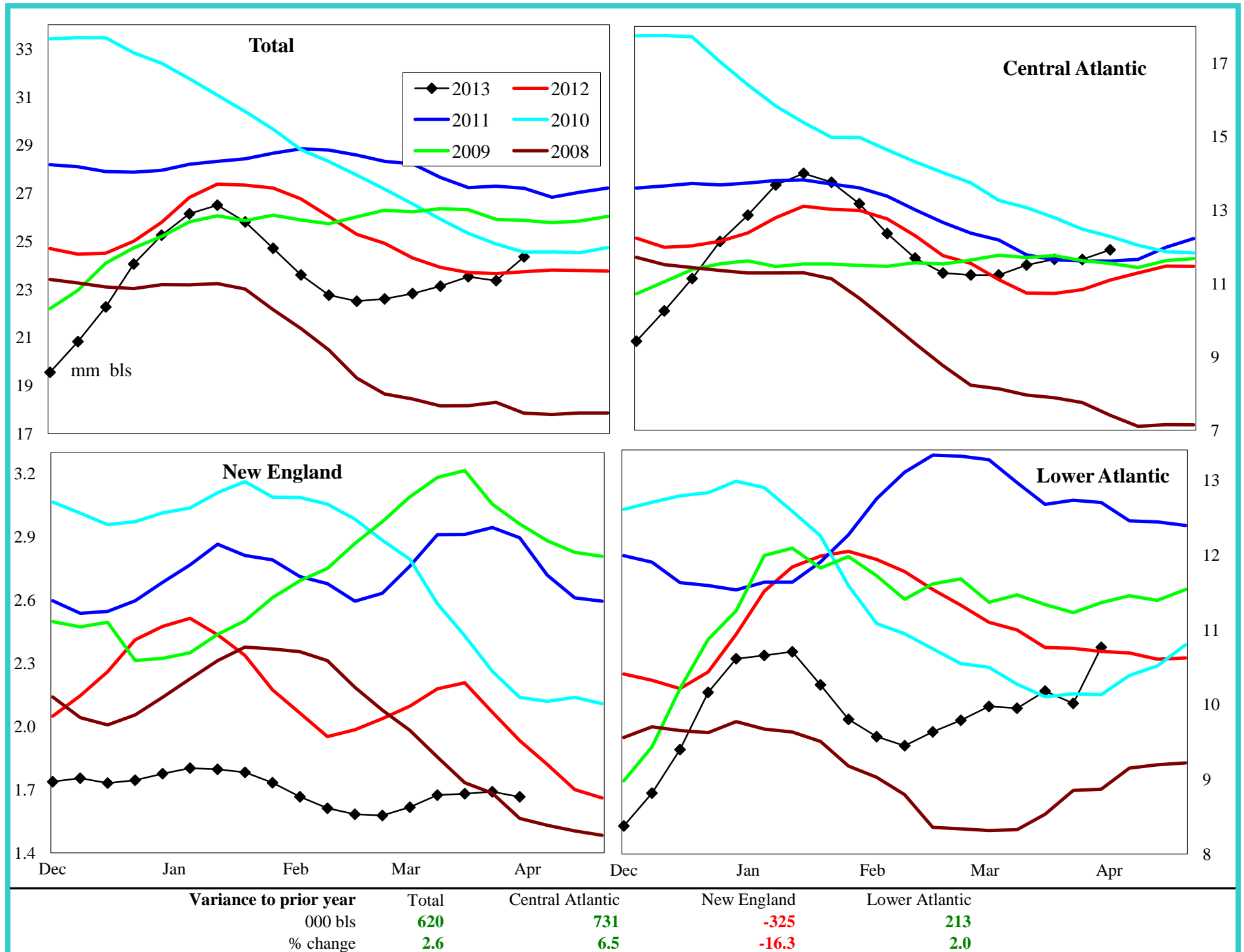
PADD 1 Distillate Stocks by Region



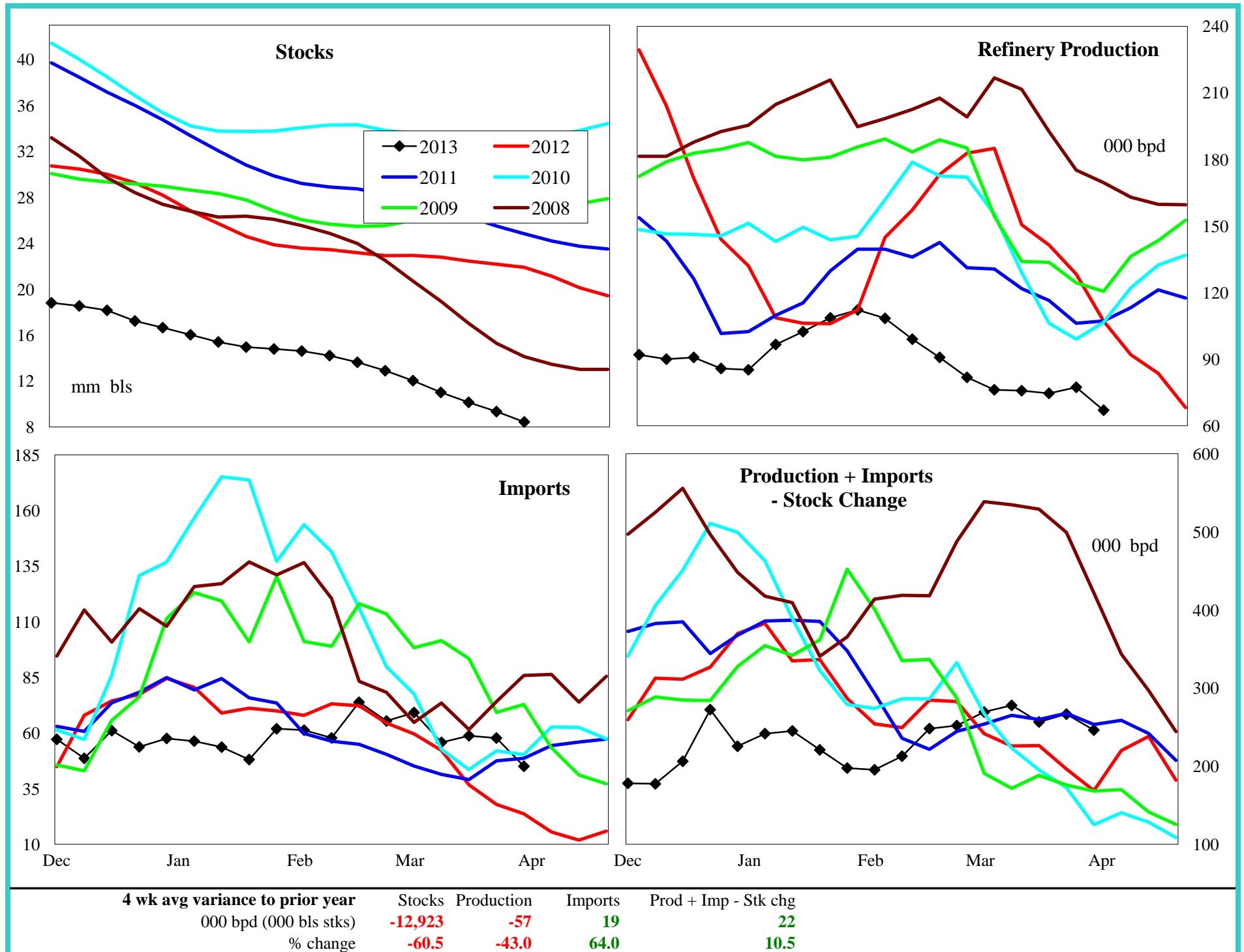
PADD 1 Low Sulfur Distillate Supply



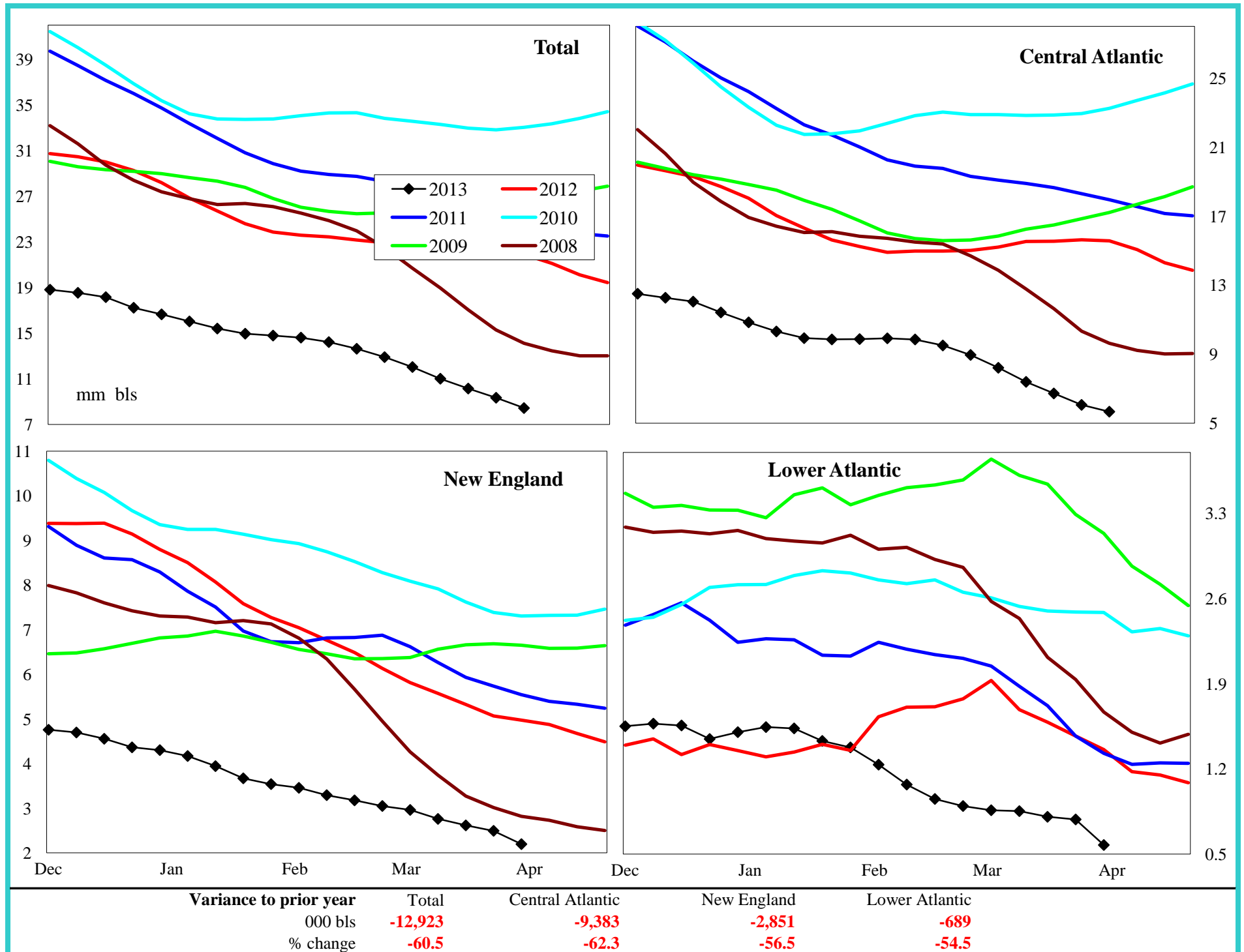
PADD 1 Low Sulfur Distillate Stocks by Region



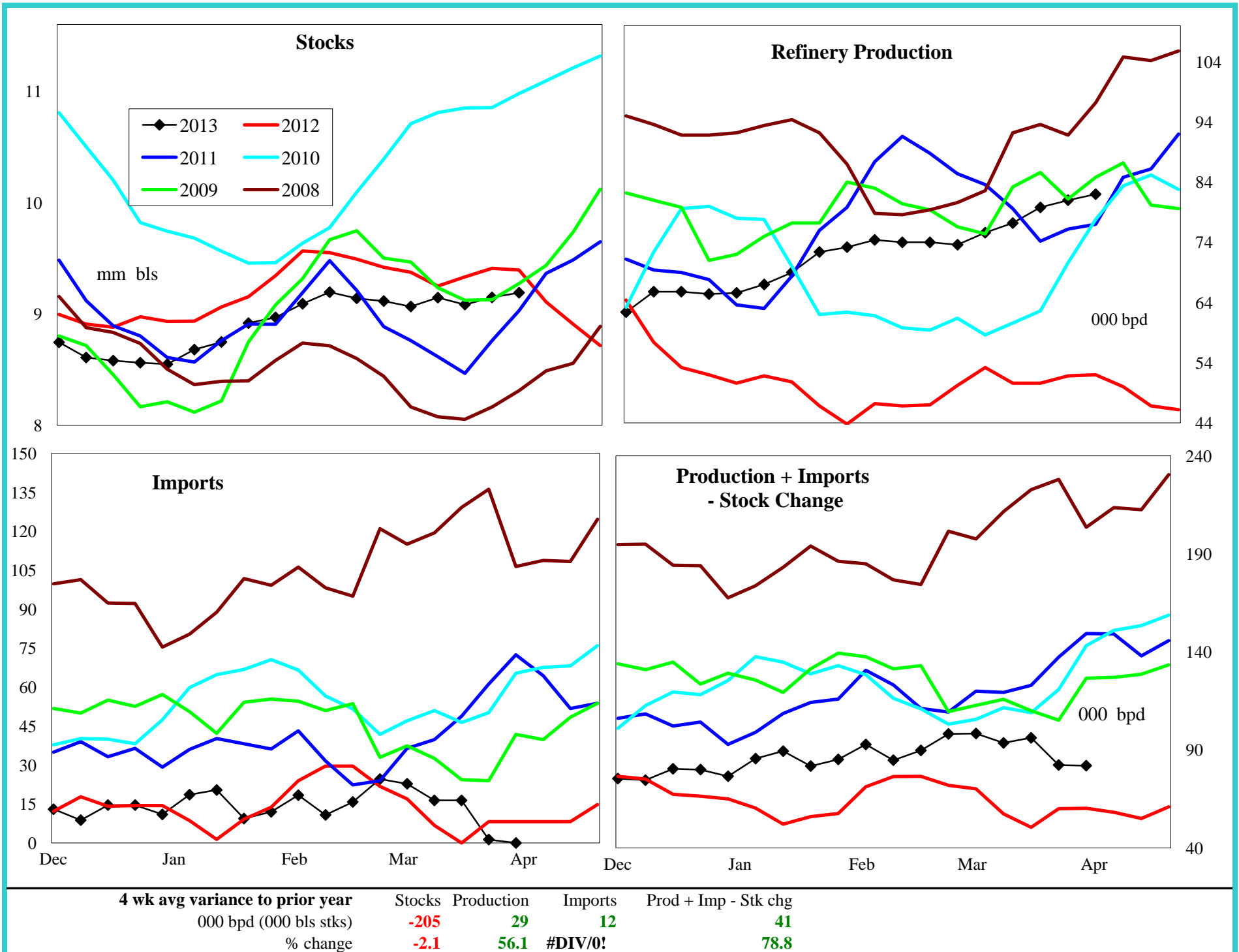
PADD 1 High Sulfur Distillate Supply



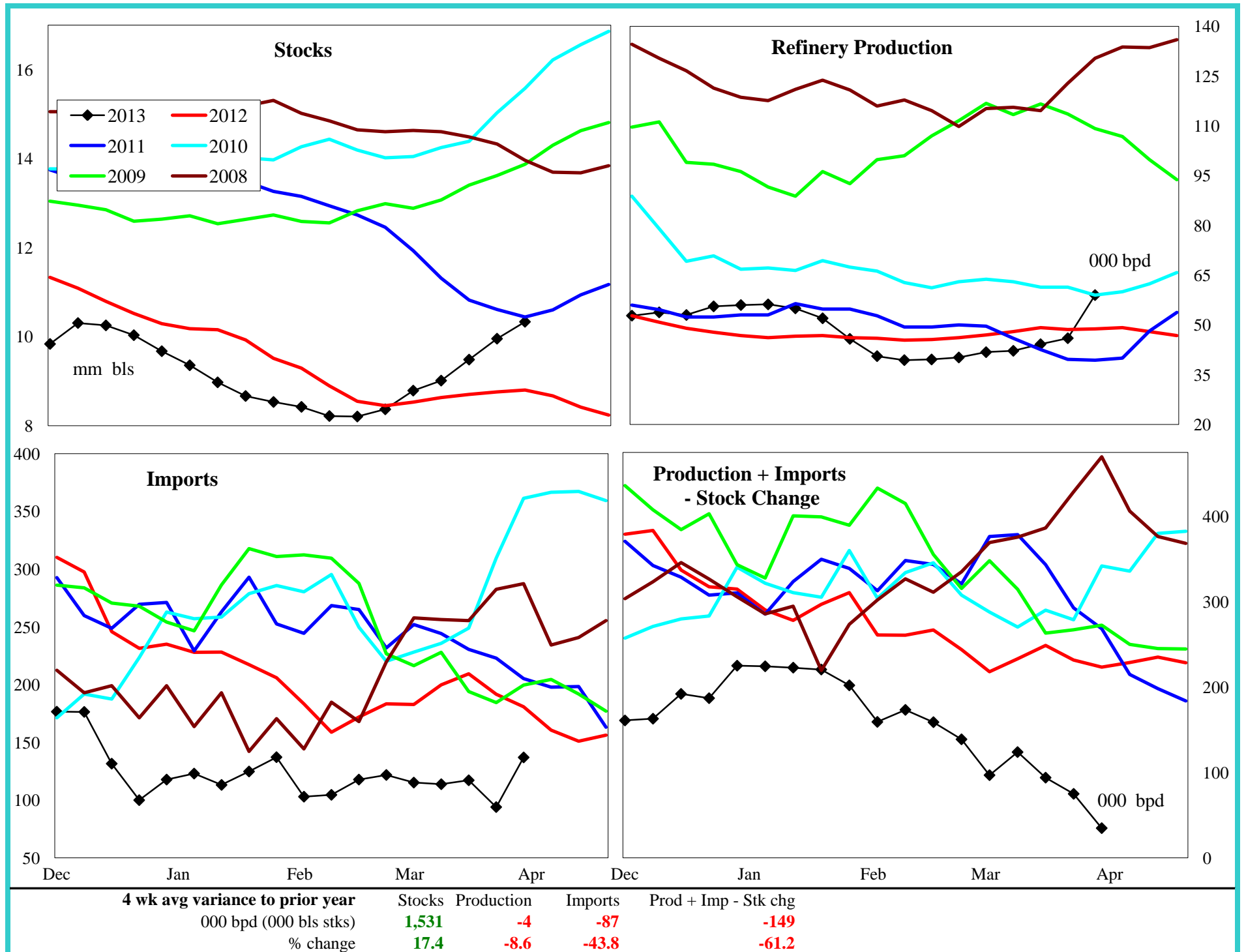
PADD 1 High Sulfur Distillate Stocks by Region



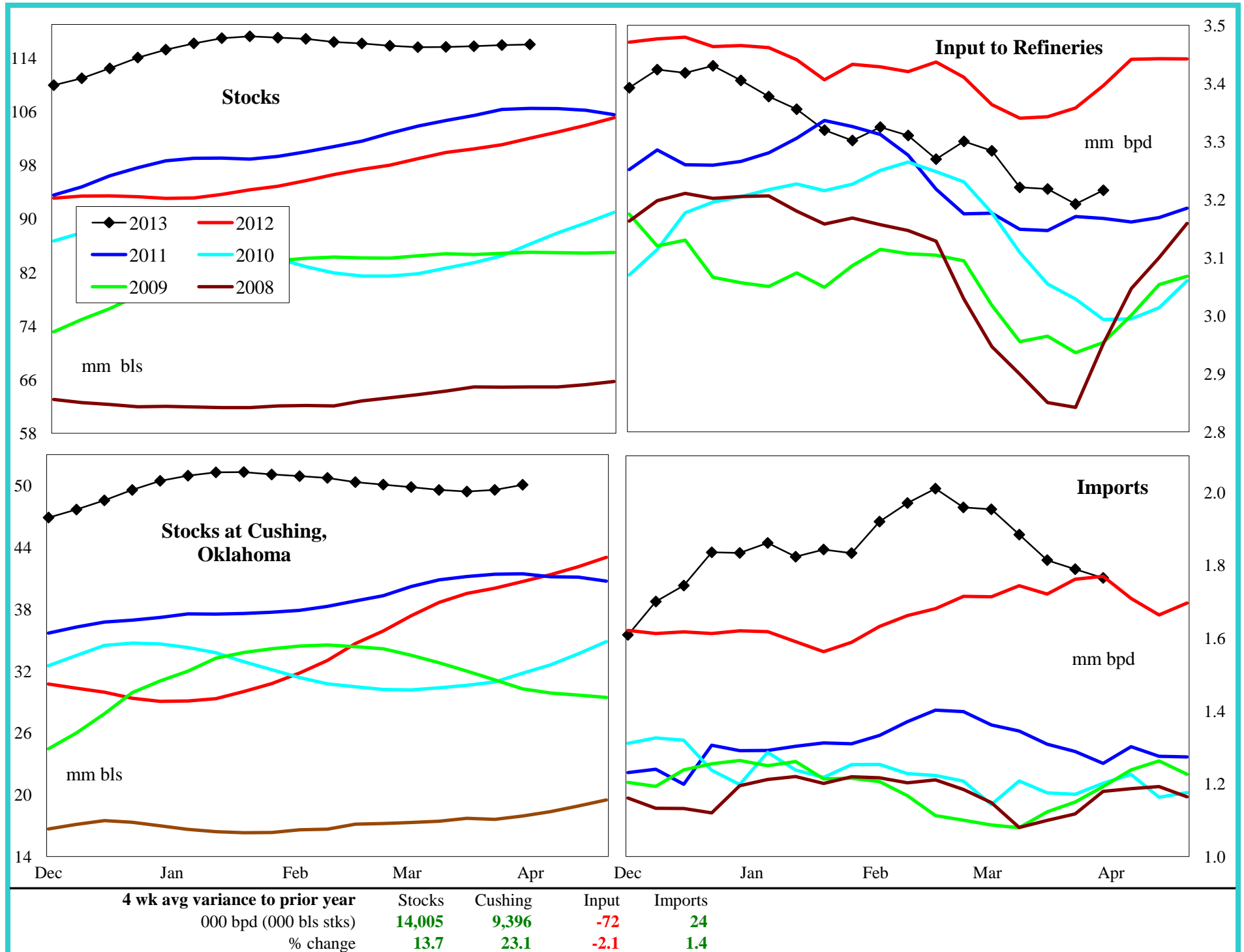
PADD 1 Jet Fuel Supply



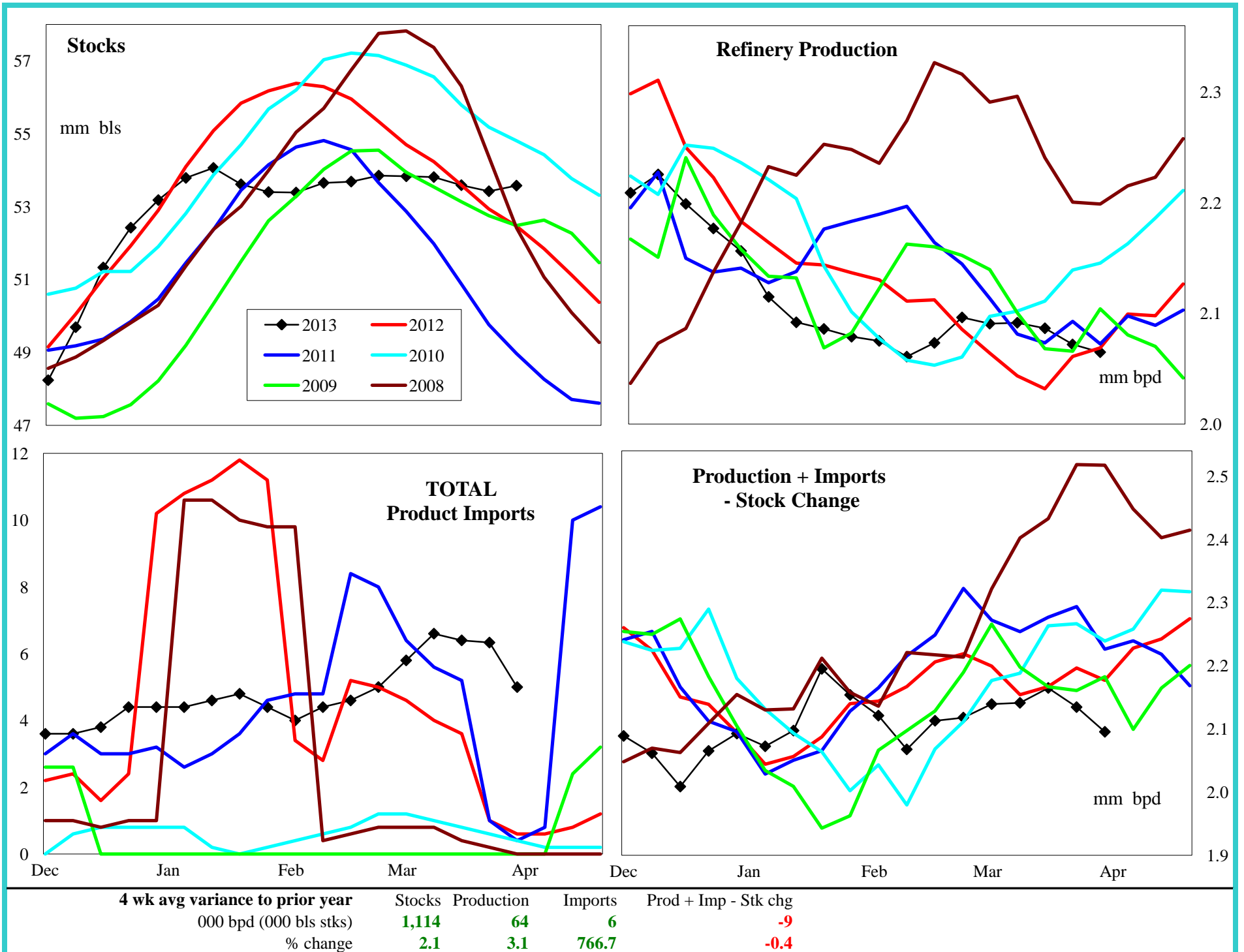
PADD 1 Residual Fuel Oil Supply



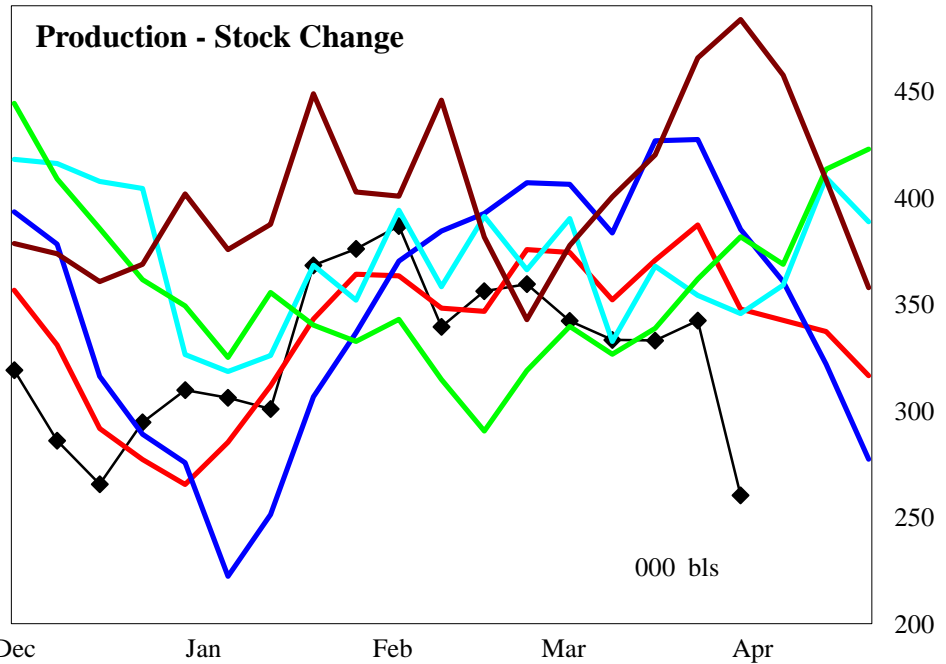
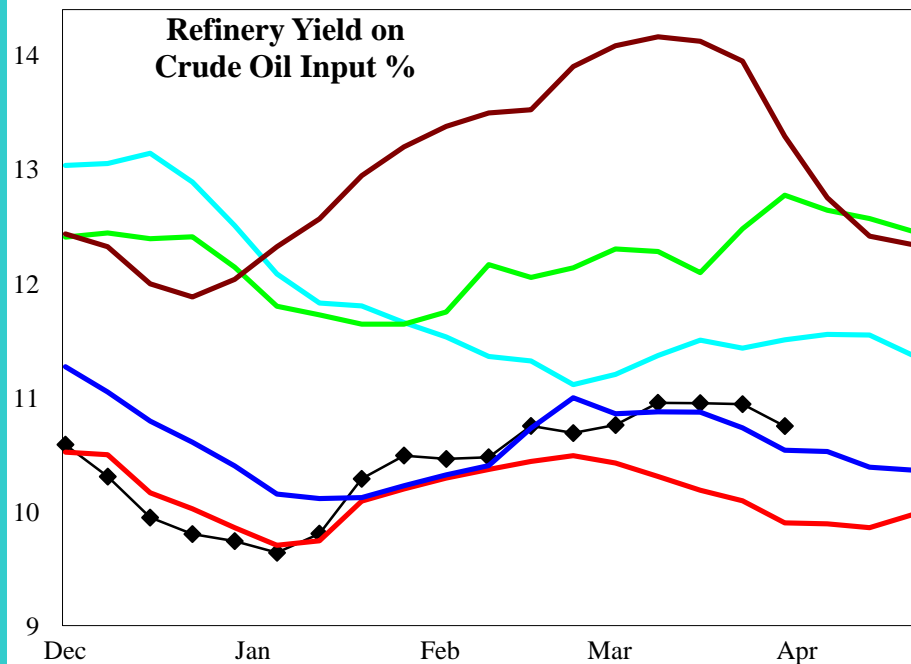
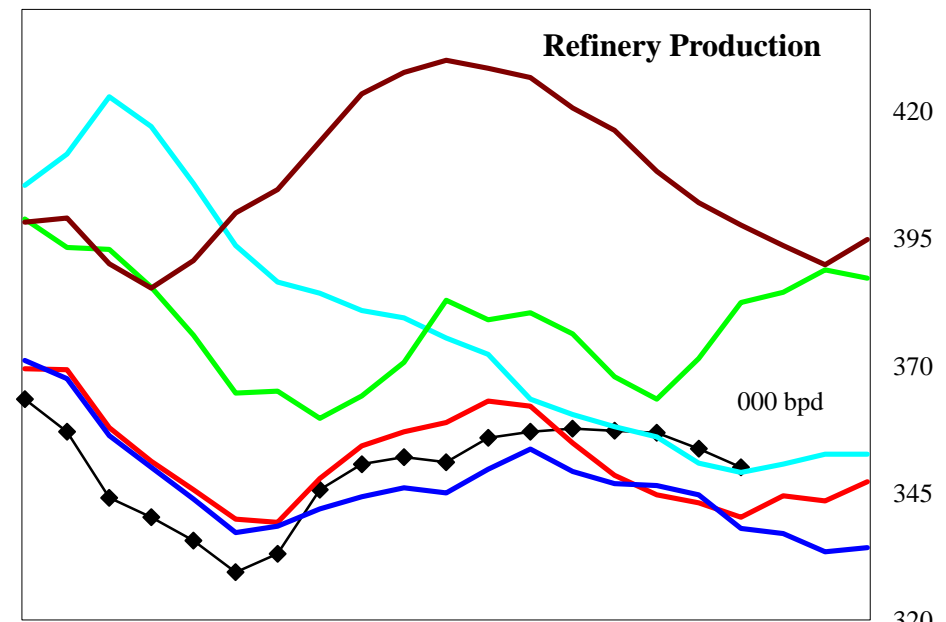
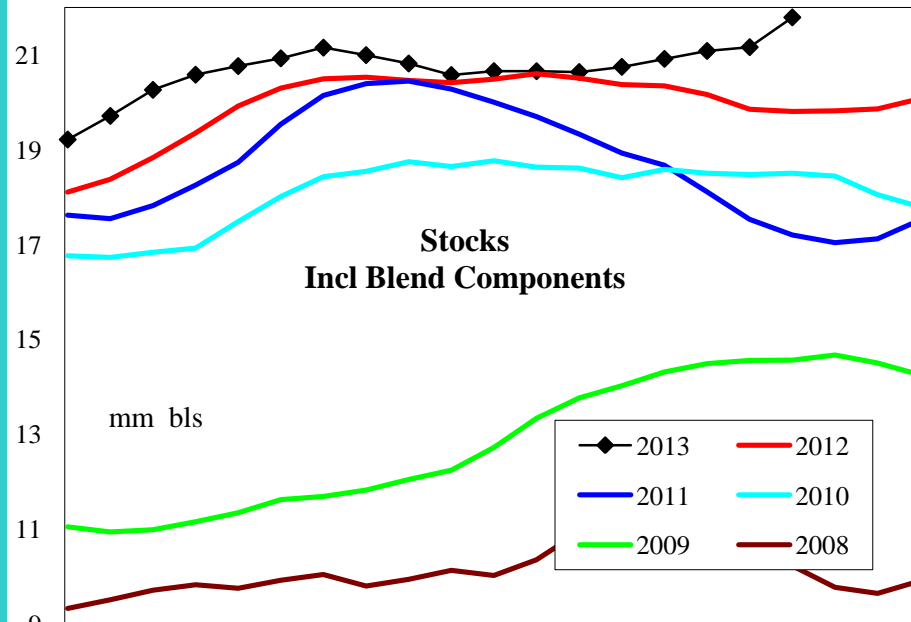
PADD 2 Crude Oil Supply and Refining



PADD 2 Gasoline Supply



PADD 2 Reformulated Gasoline Supply

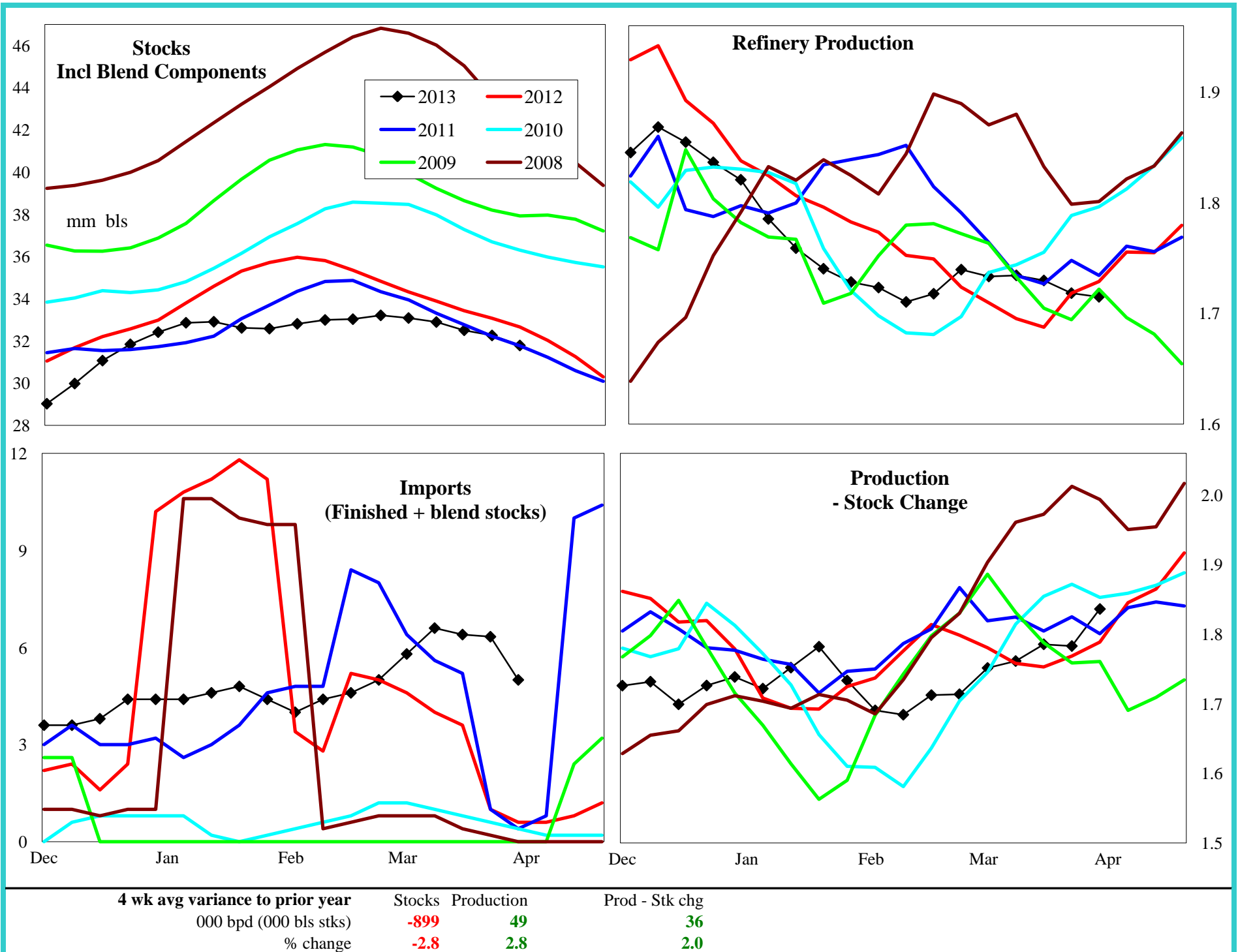


4 wk avg variance to prior year
000 bpd (000 bls stks)
% change

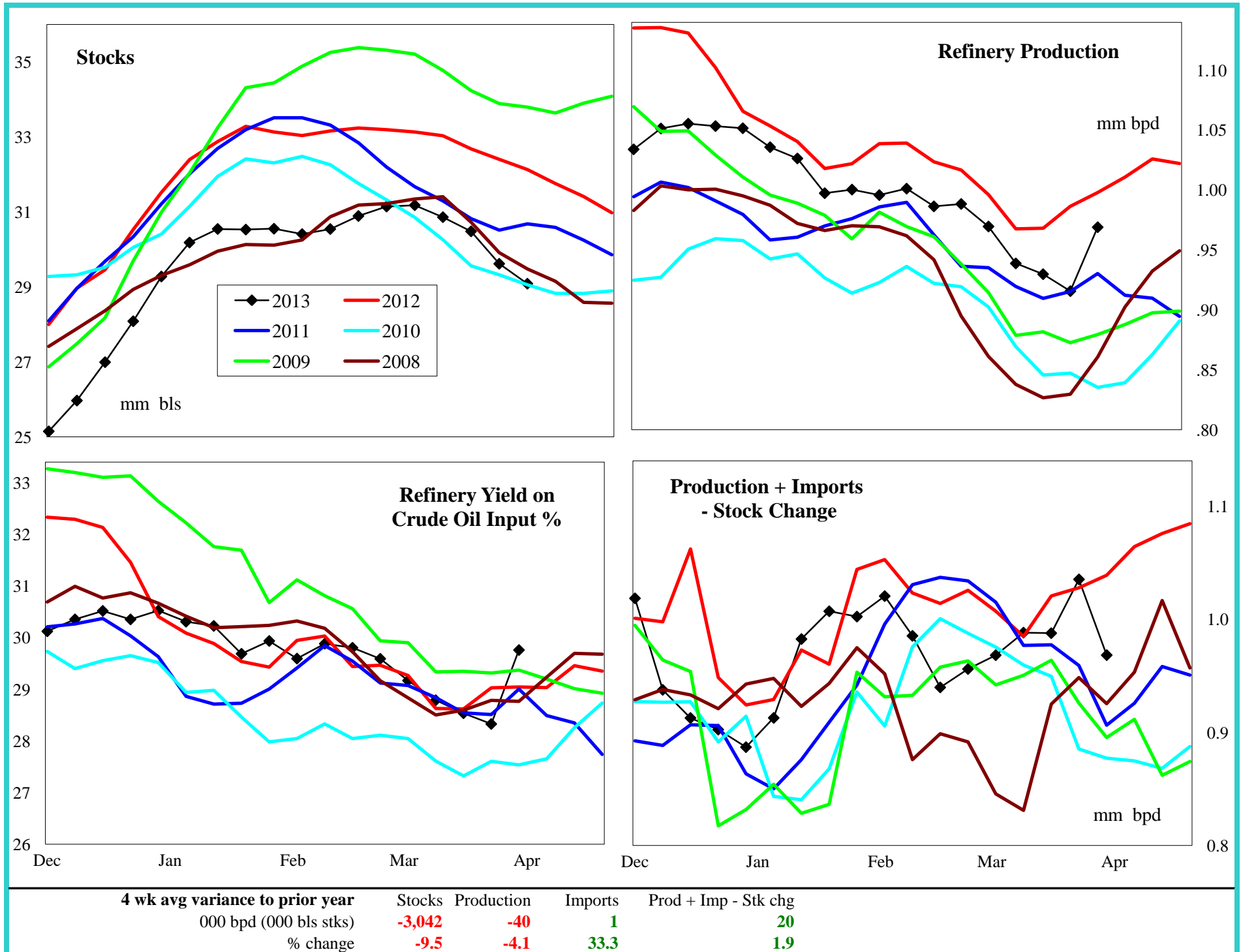
	Stocks	Production
000 bpd (000 bls stks)	1,987	10
% change	10.0	3.0

Prod - Stk chg
-47
-13.0

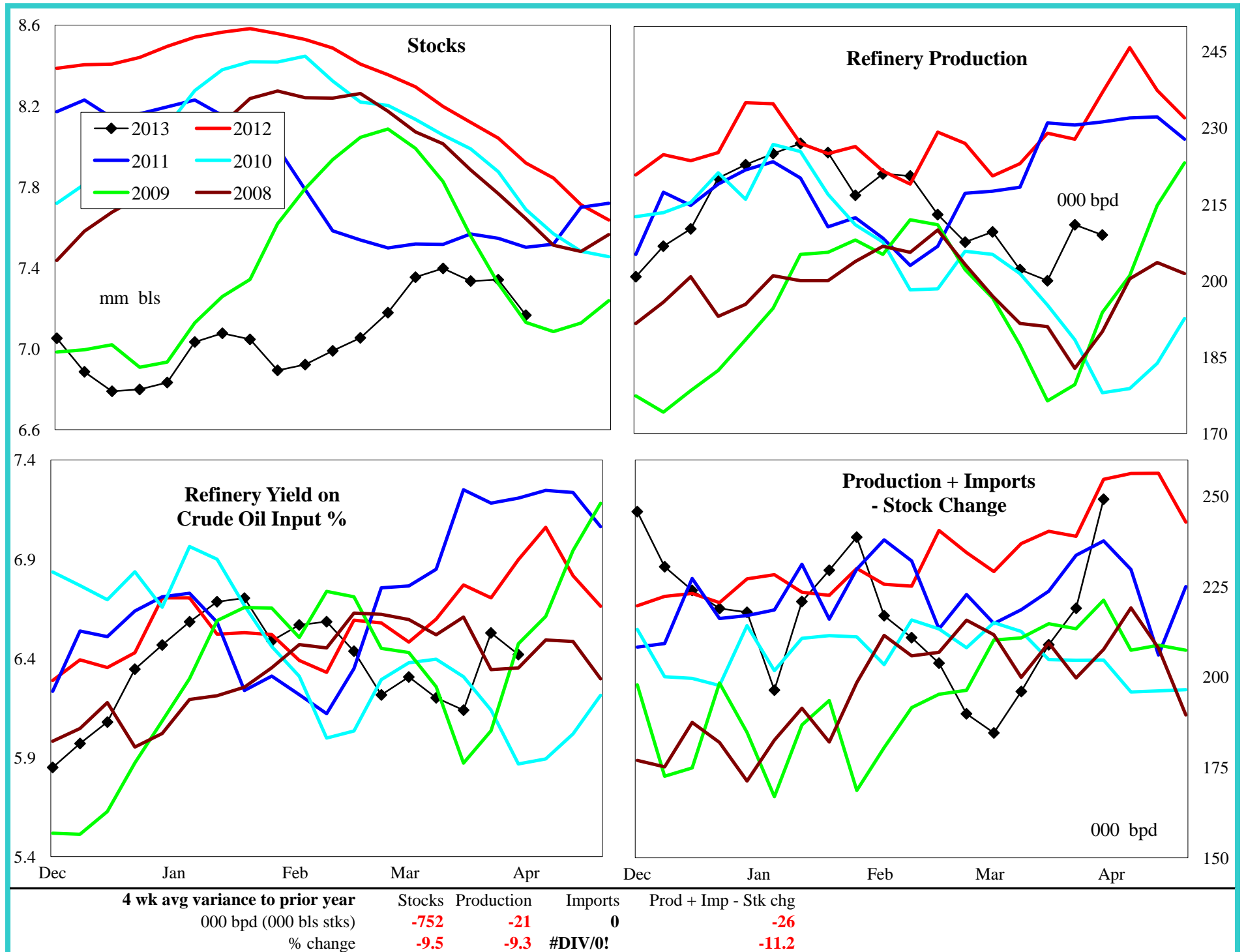
PADD 2 Conventional Gasoline Supply



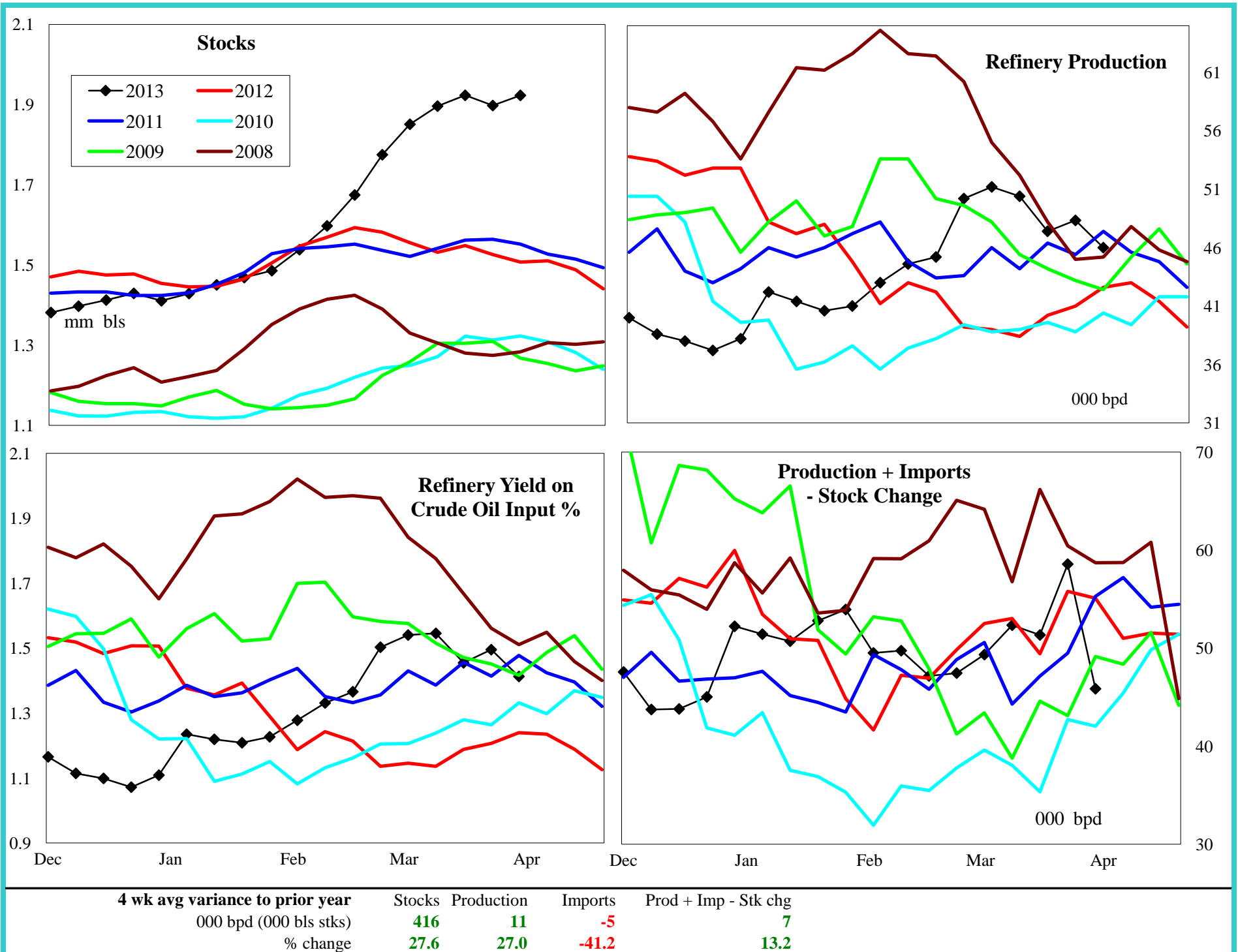
PADD 2 Distillate Supply



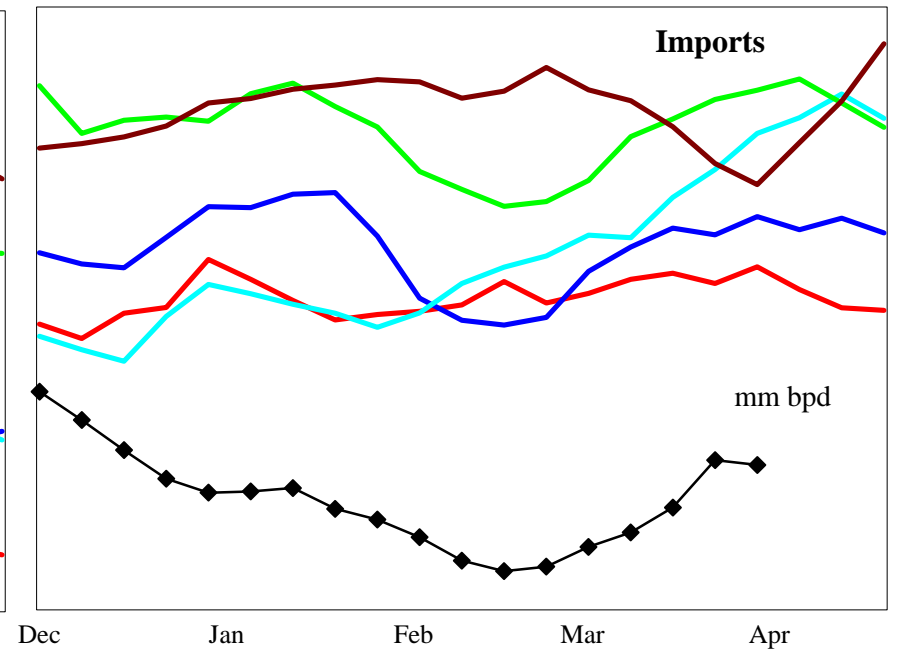
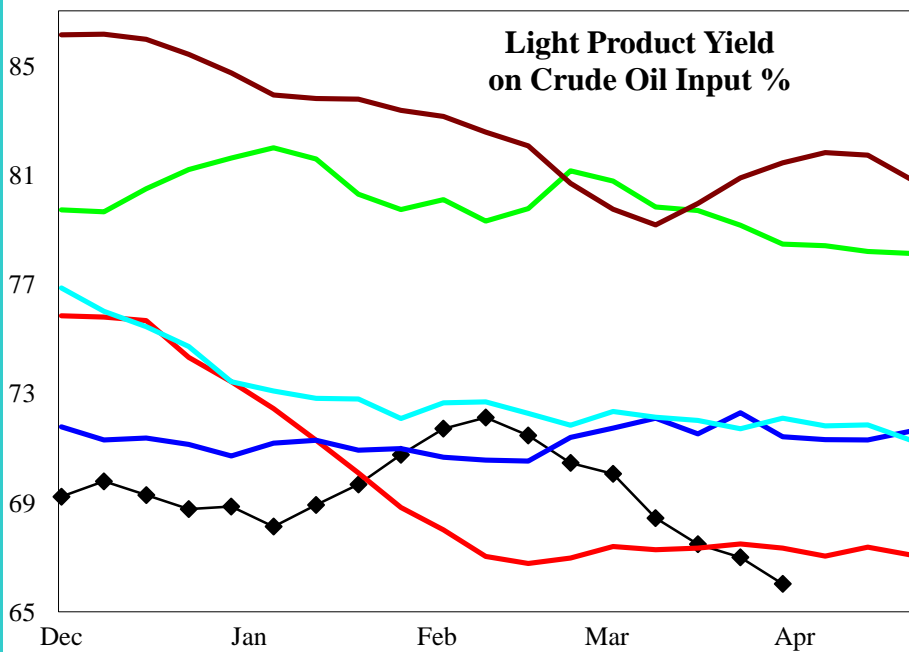
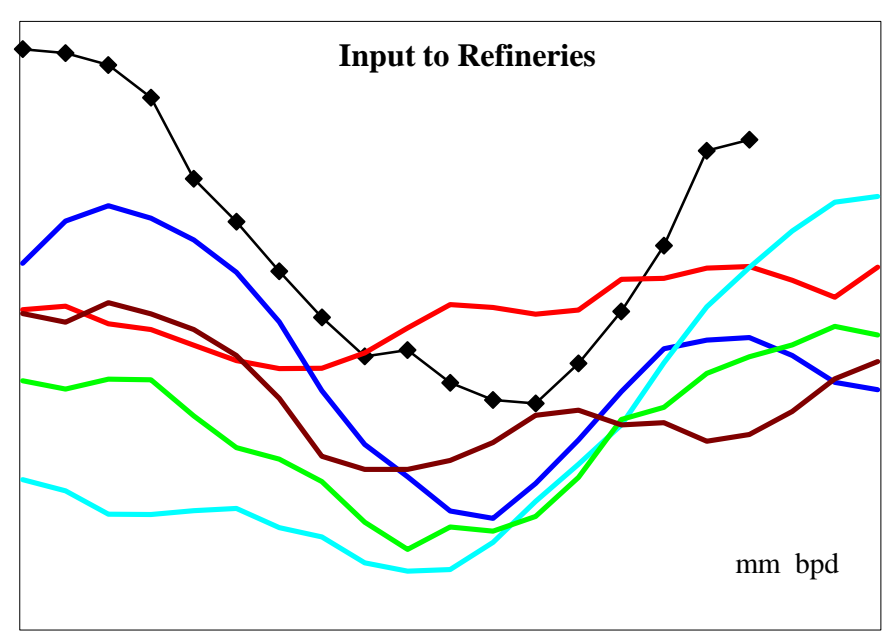
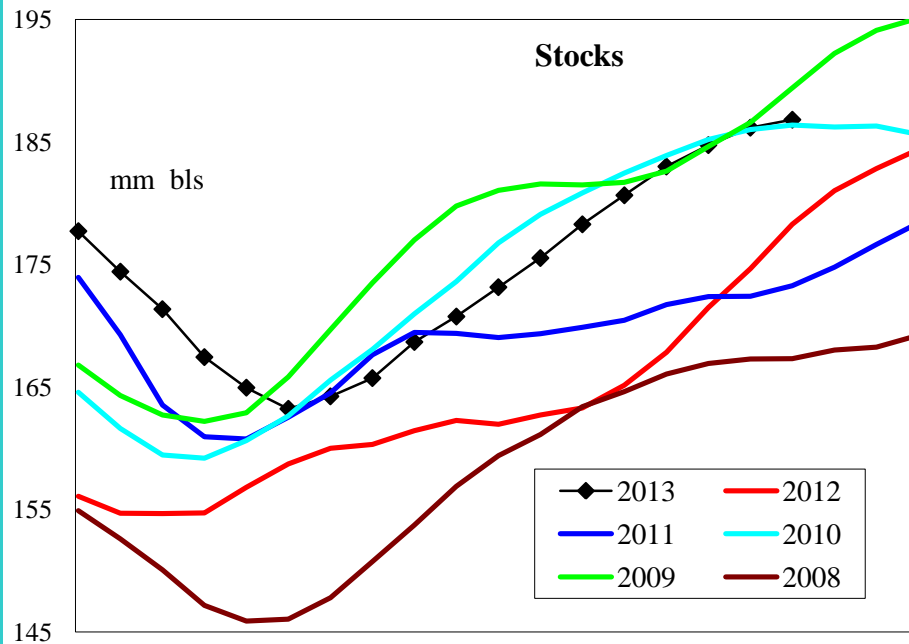
PADD 2 Jet Fuel Supply



PADD 2 Residual Fuel Oil Supply



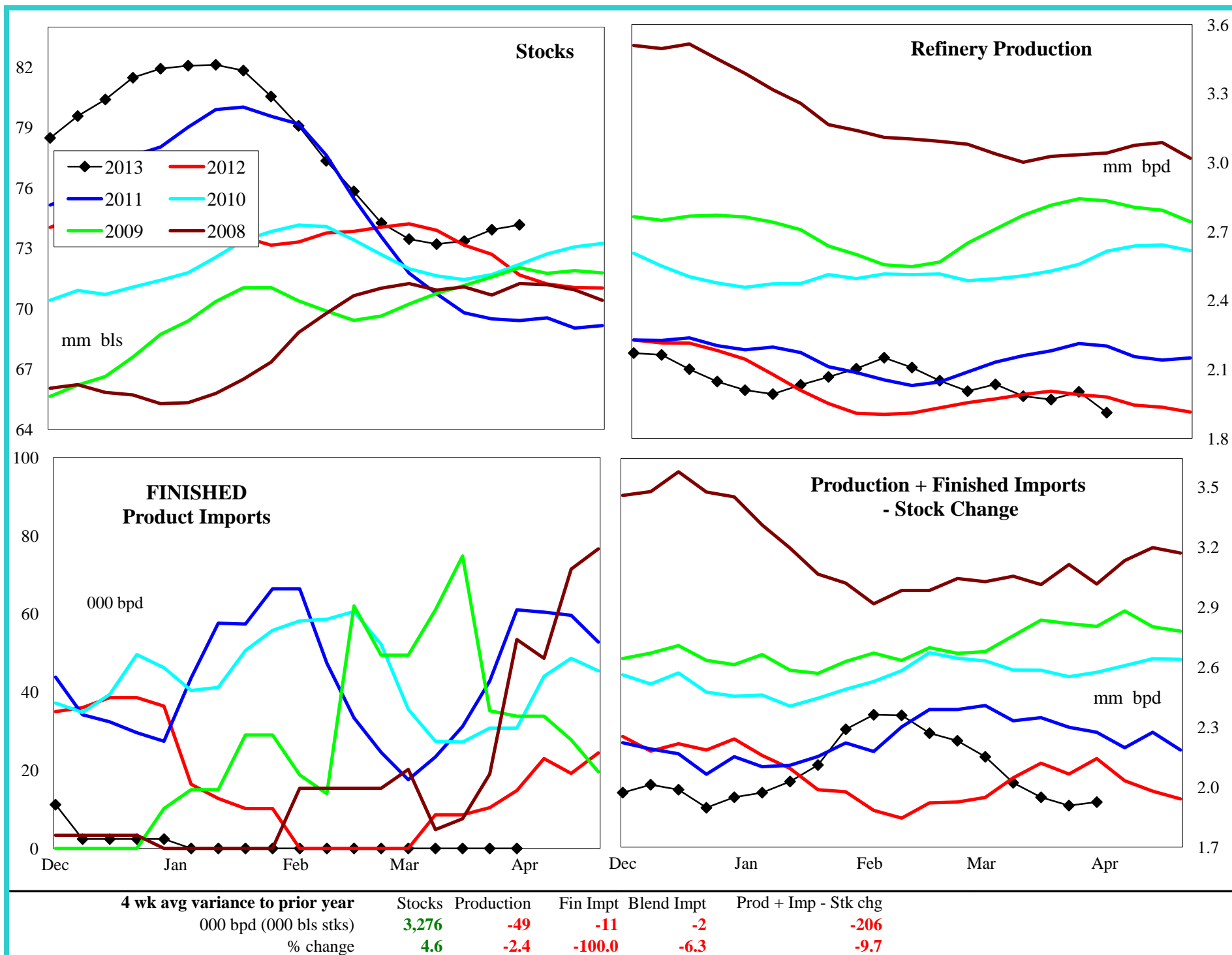
PADD 3 Crude Oil Supply and Refining



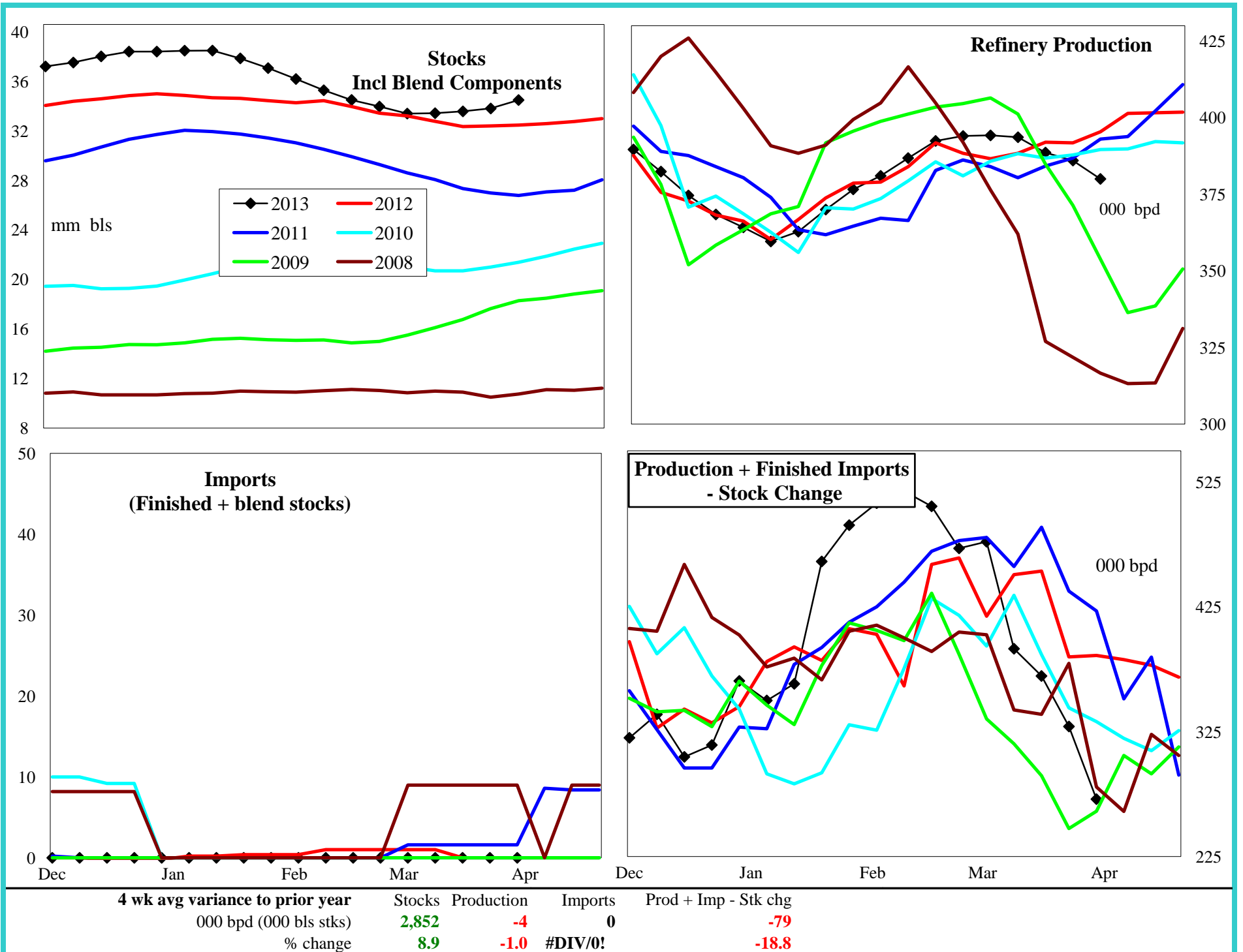
4 wk avg variance to prior year
000 bpd (000 bls stks)
% change

	Stocks	Input	Imports
000 bpd (000 bls stks)	8,538	139	-1,113
% change	4.8	1.9	-22.6

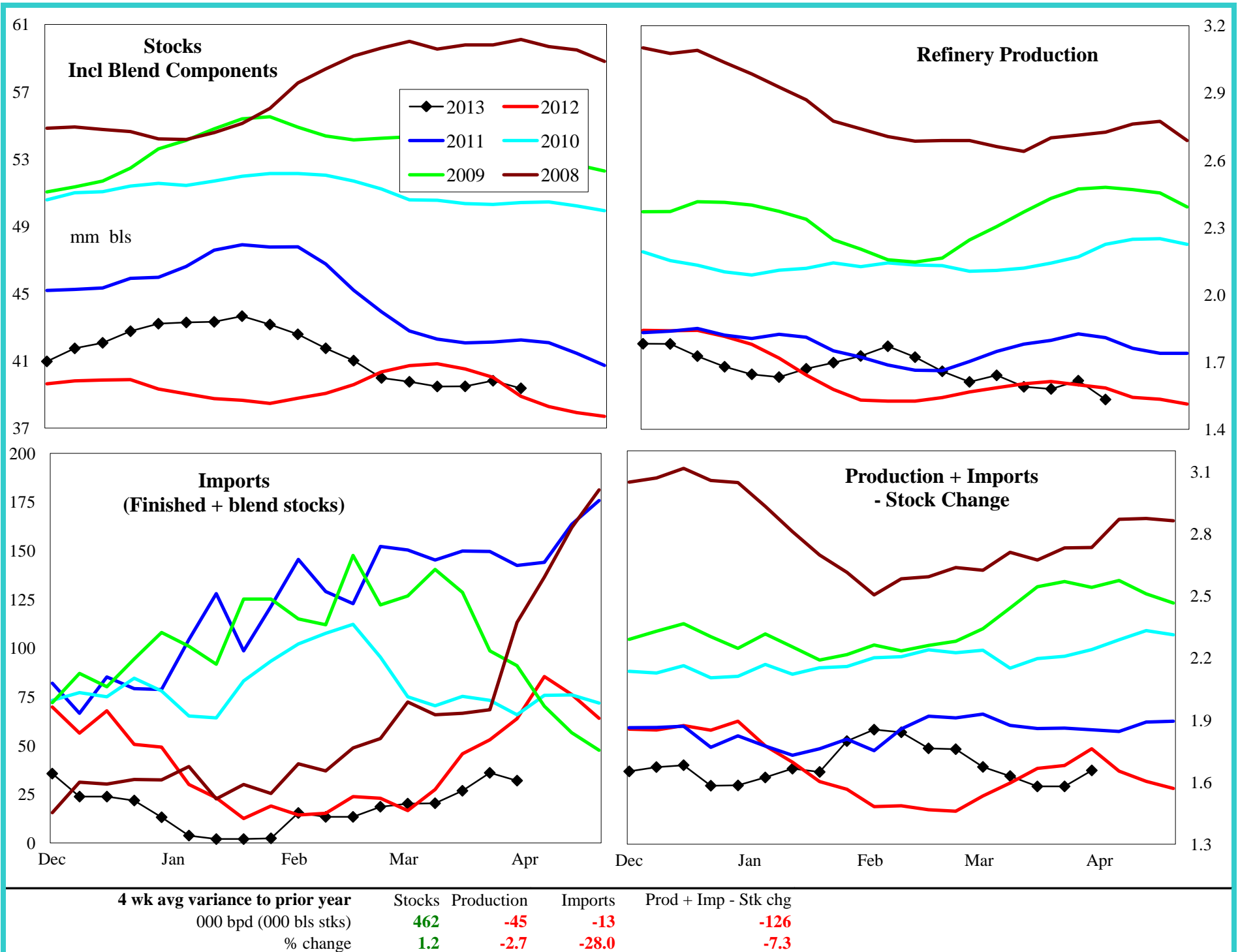
PADD 3 Gasoline Supply



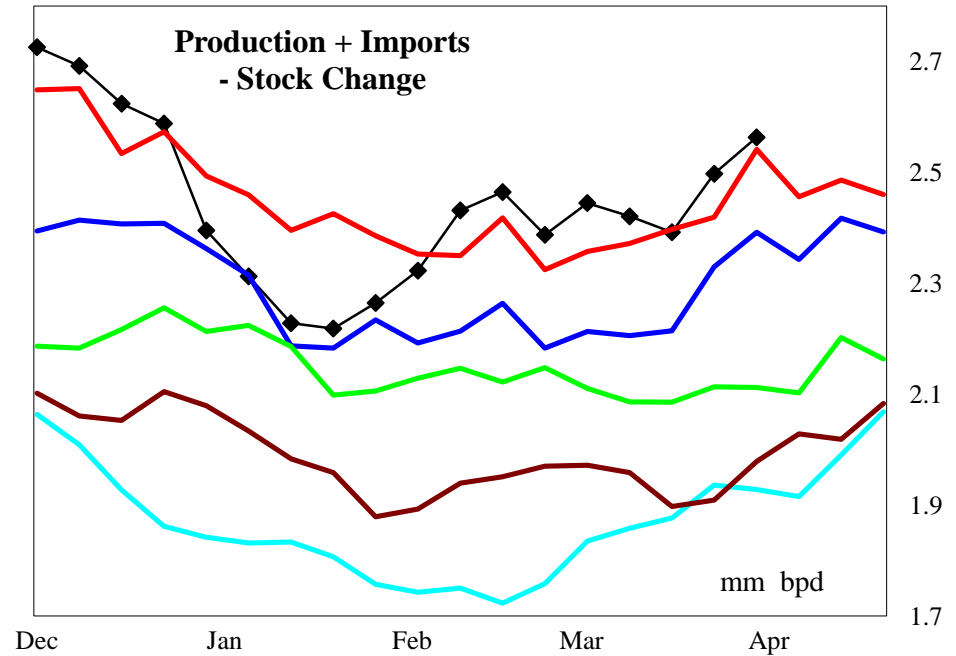
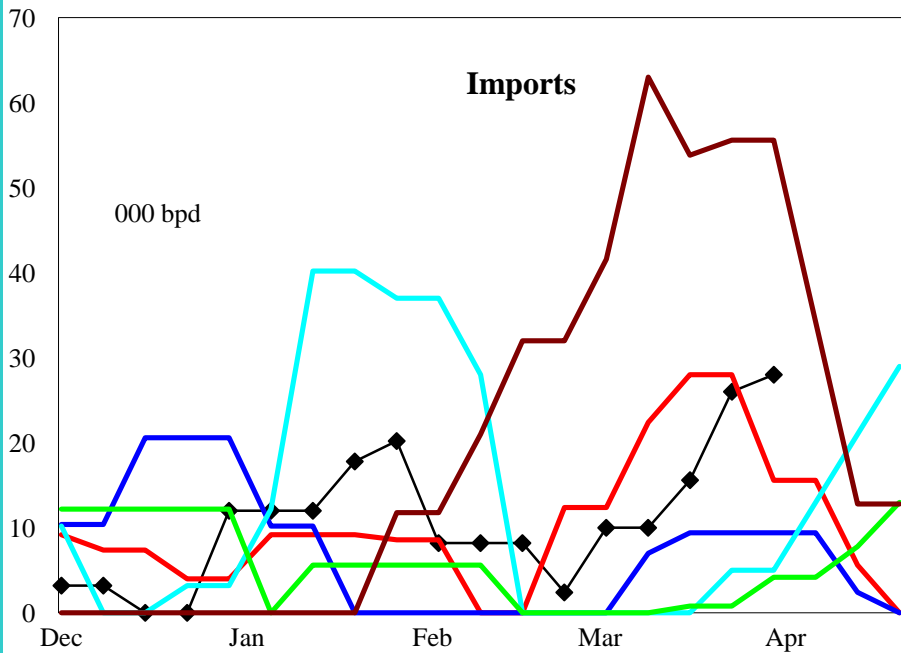
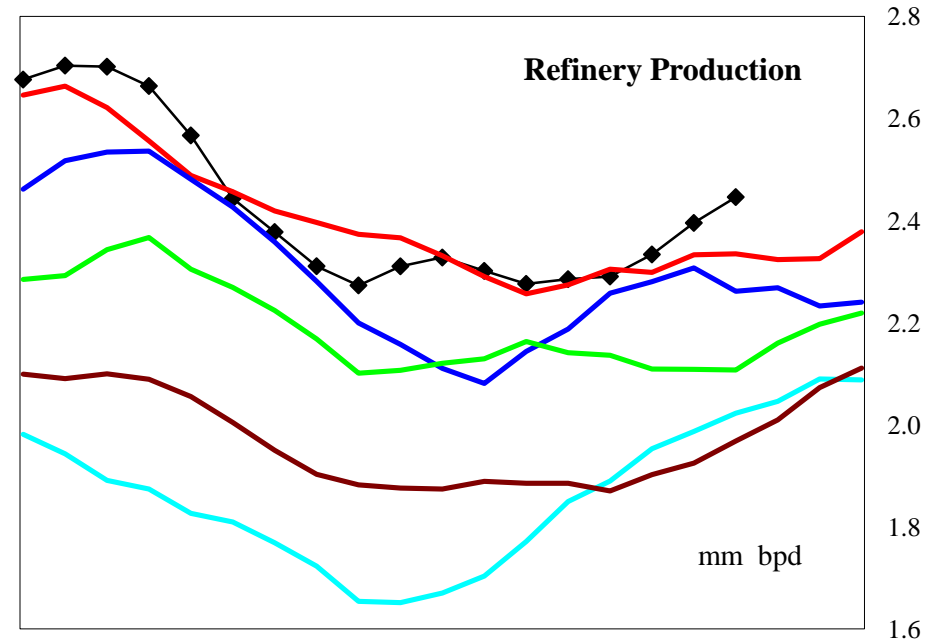
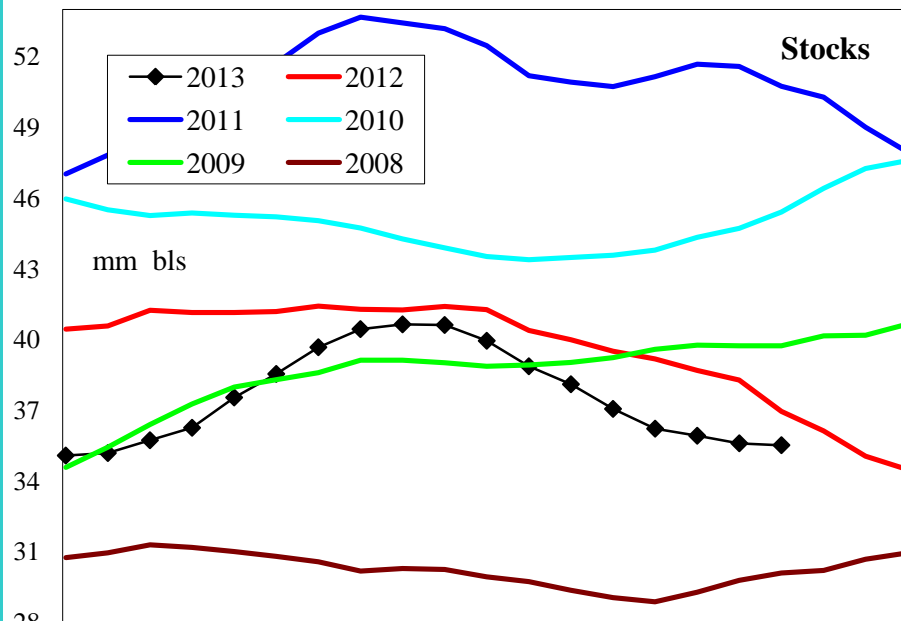
PADD 3 Reformulated Gasoline Supply



PADD 3 Conventional Gasoline Supply



PADD 3 Distillate Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

-2,092

-5.6

Production

32

1.4

Imports

-16

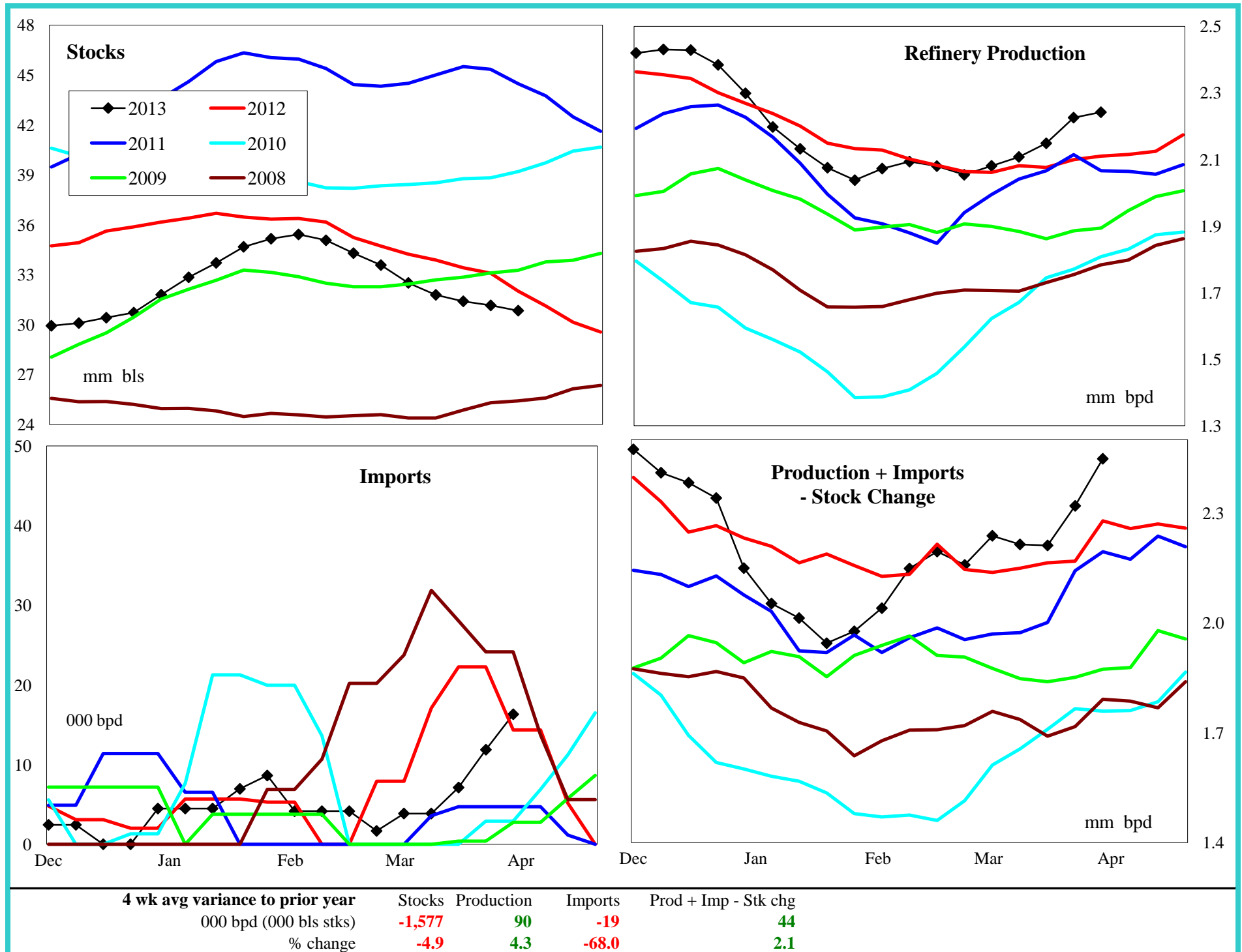
-44.3

Prod + Imp - Stk chg

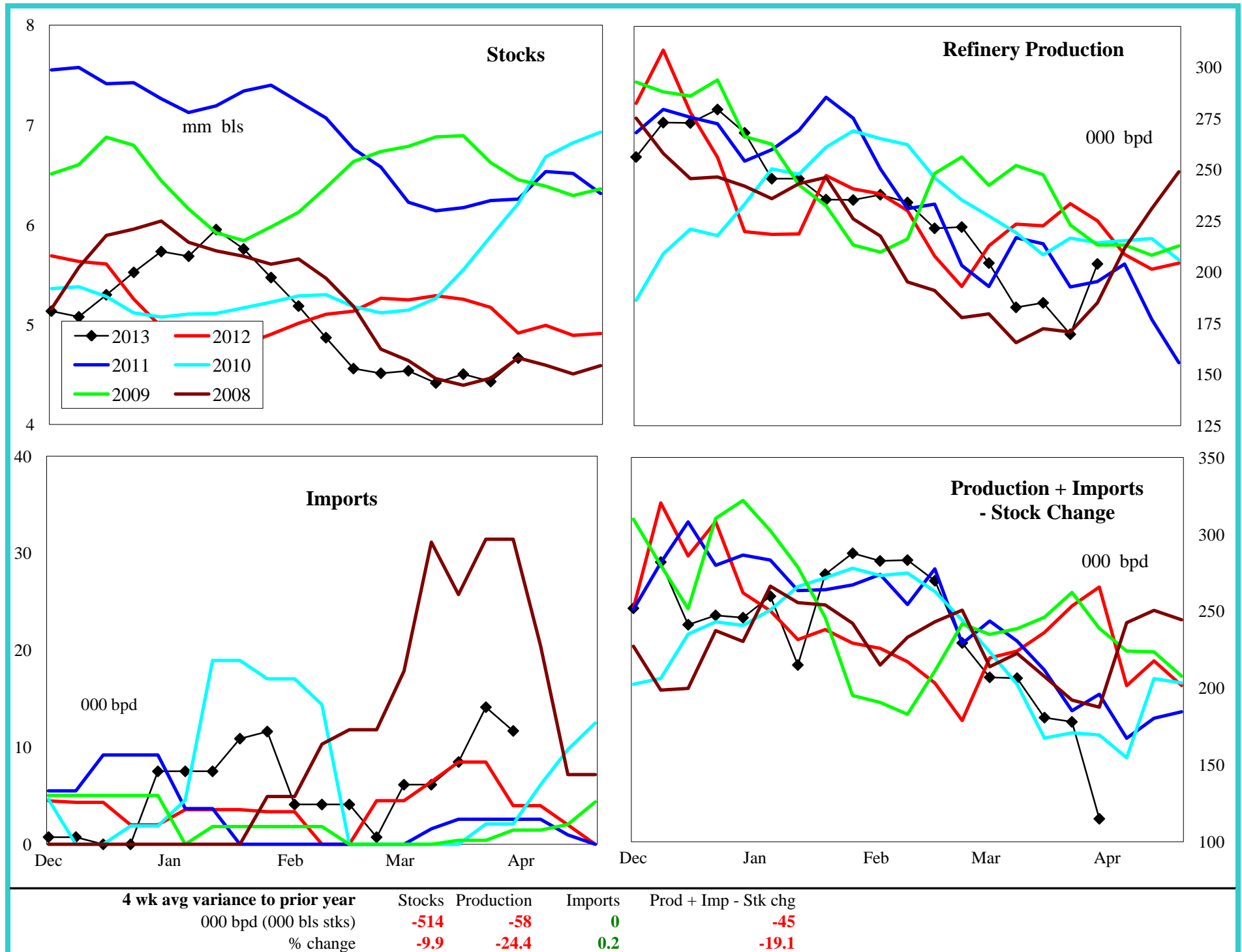
2

0.1

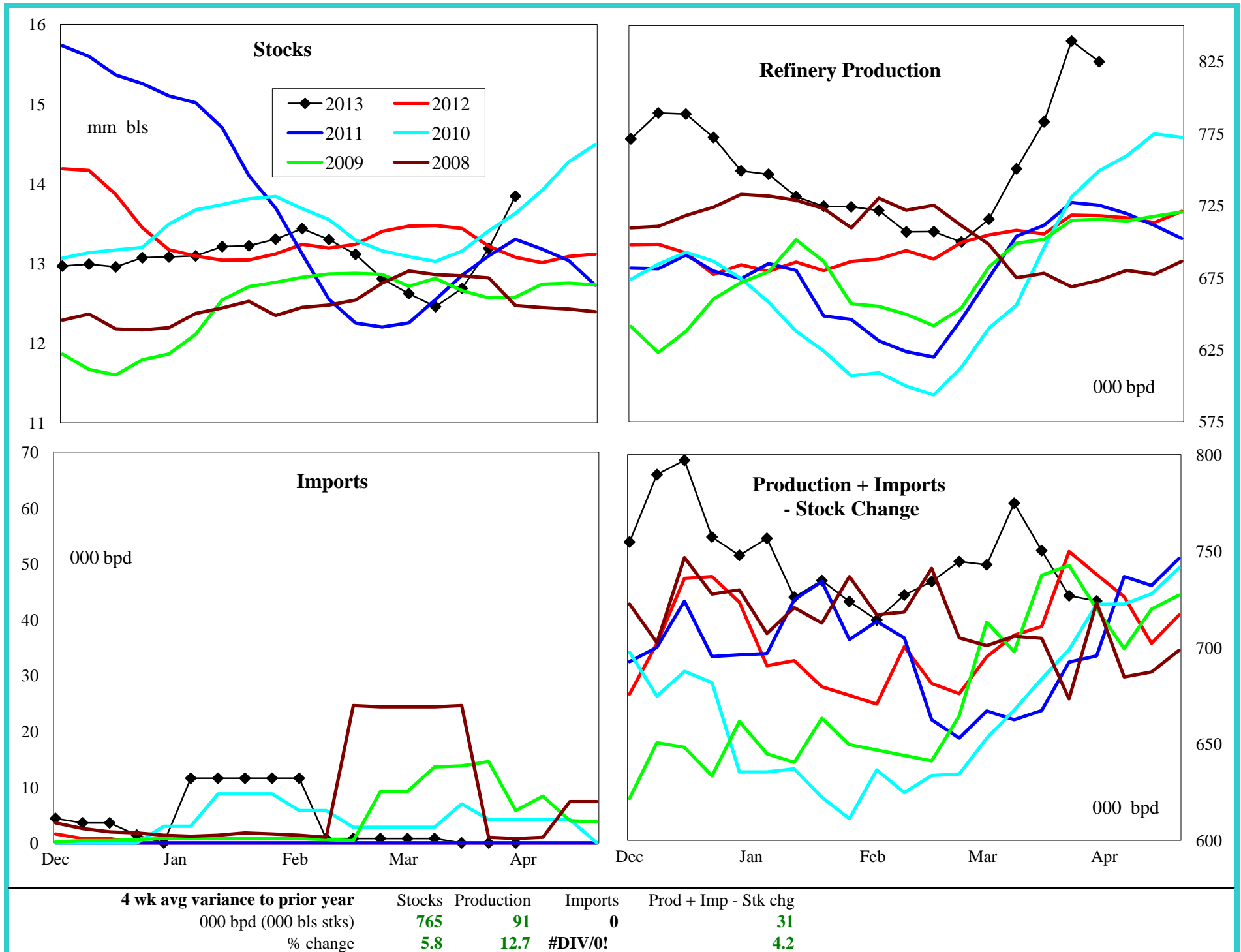
PADD 3 Low Sulfur Distillate Supply



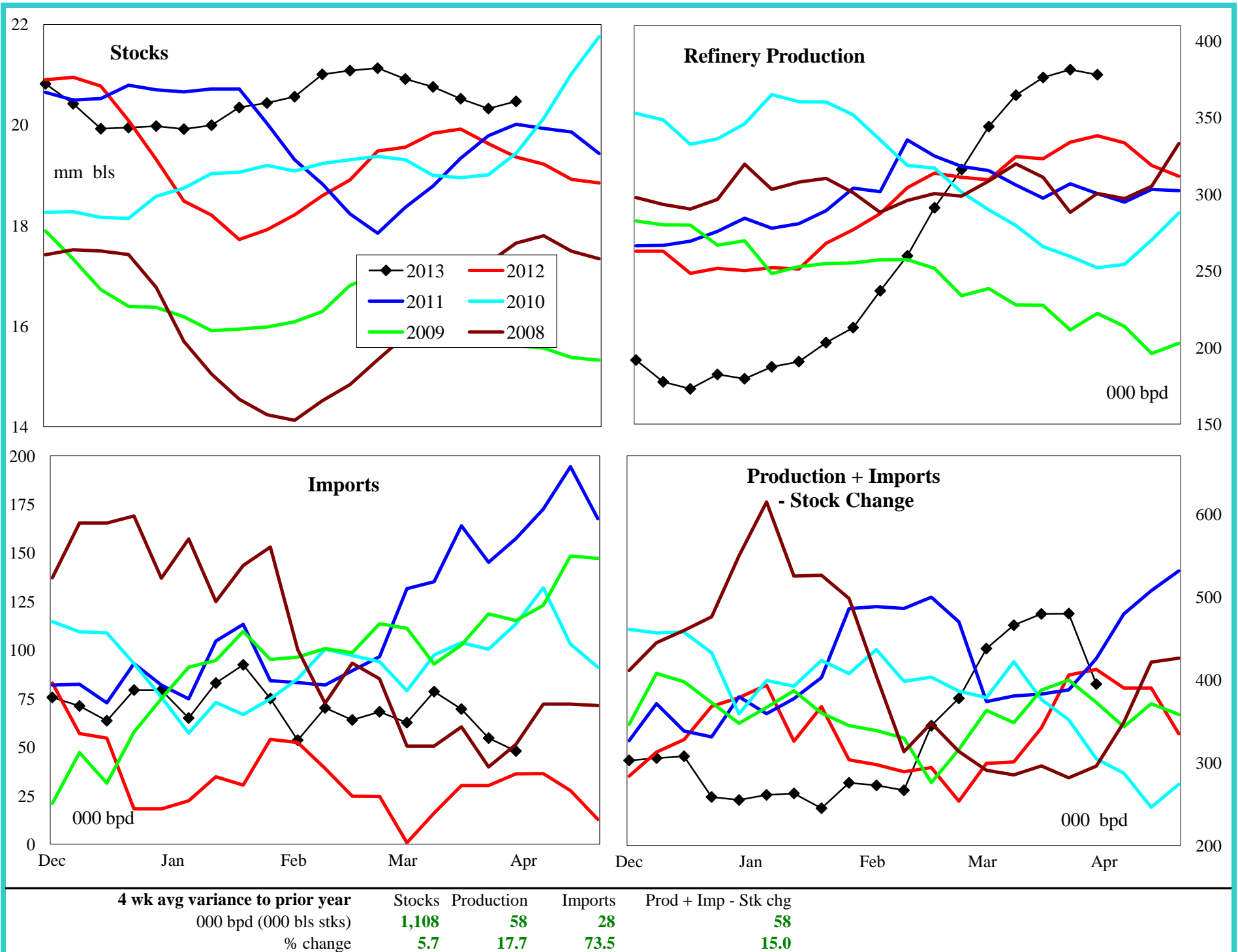
PADD 3 High Sulfur Distillate Supply



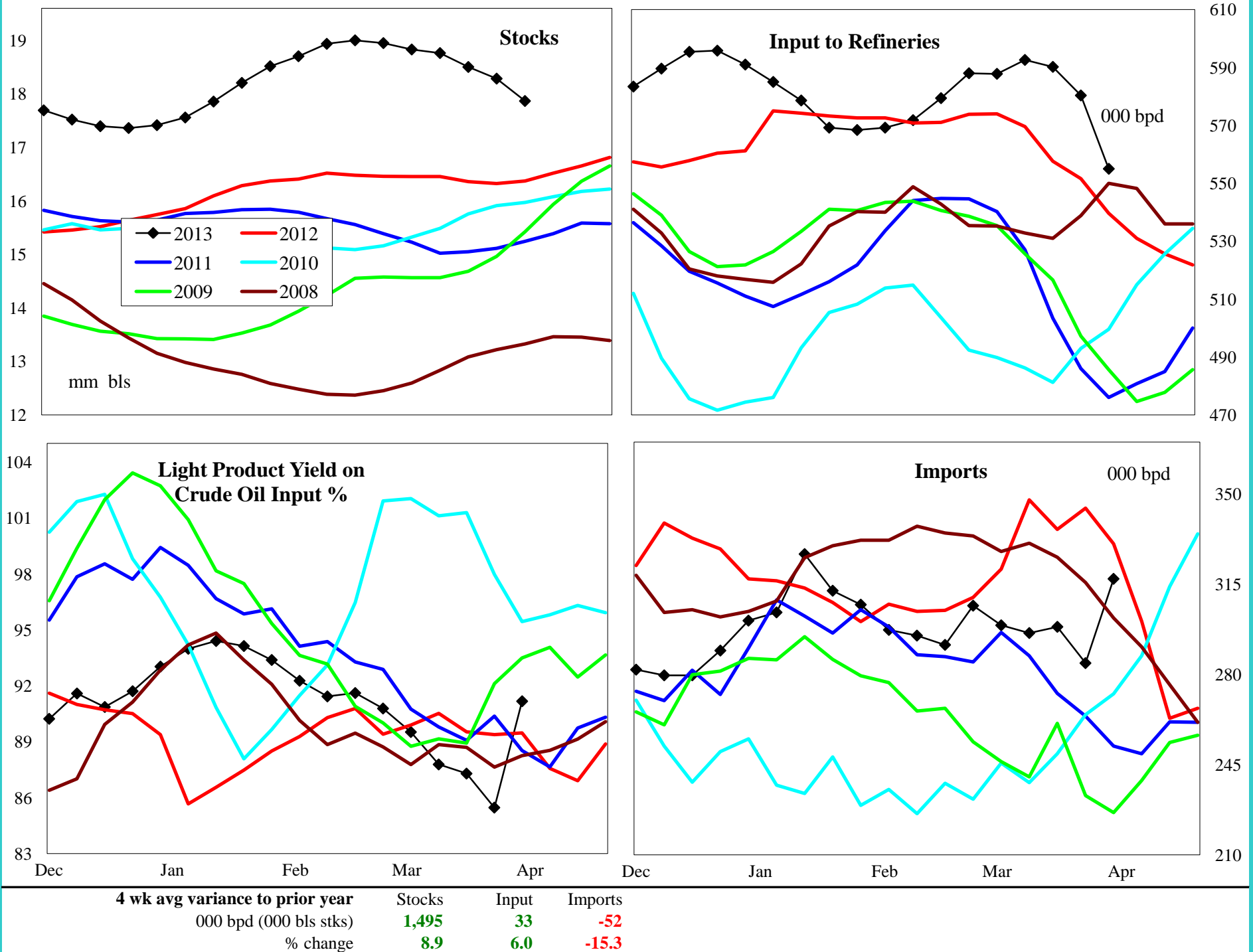
PADD 3 Jet Fuel Supply



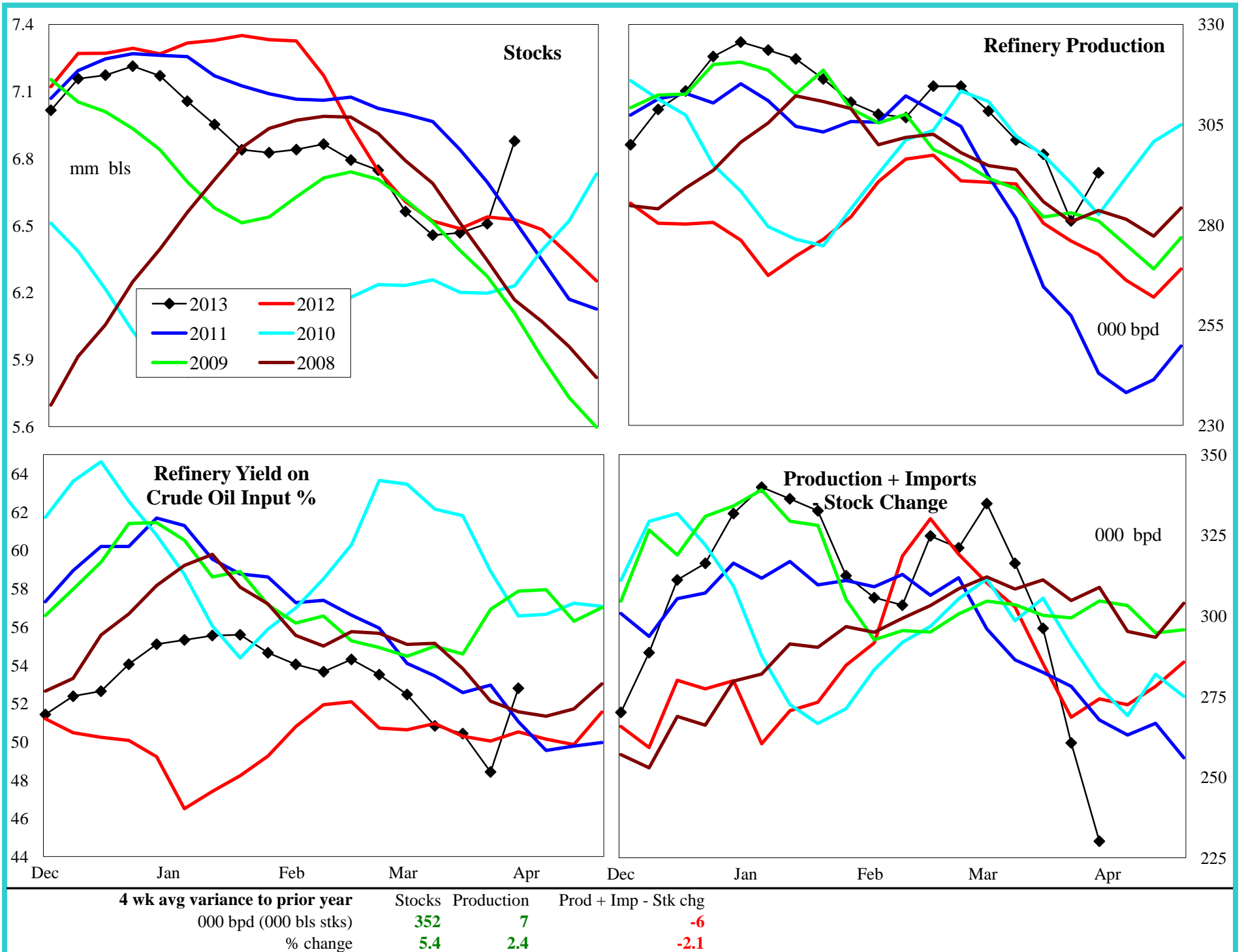
PADD 3 Residual Fuel Oil Supply



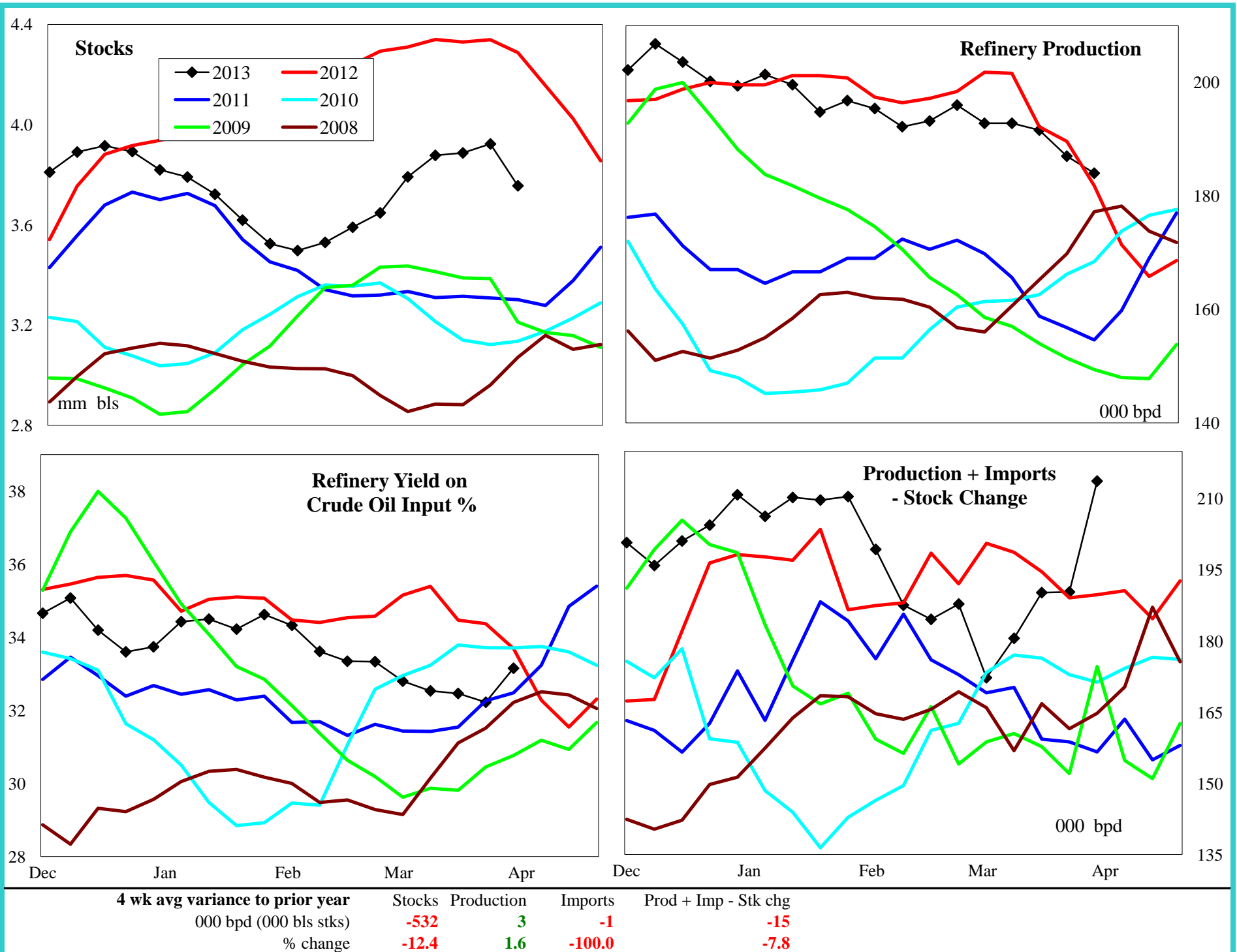
PADD 4 Crude Oil Supply and Refining



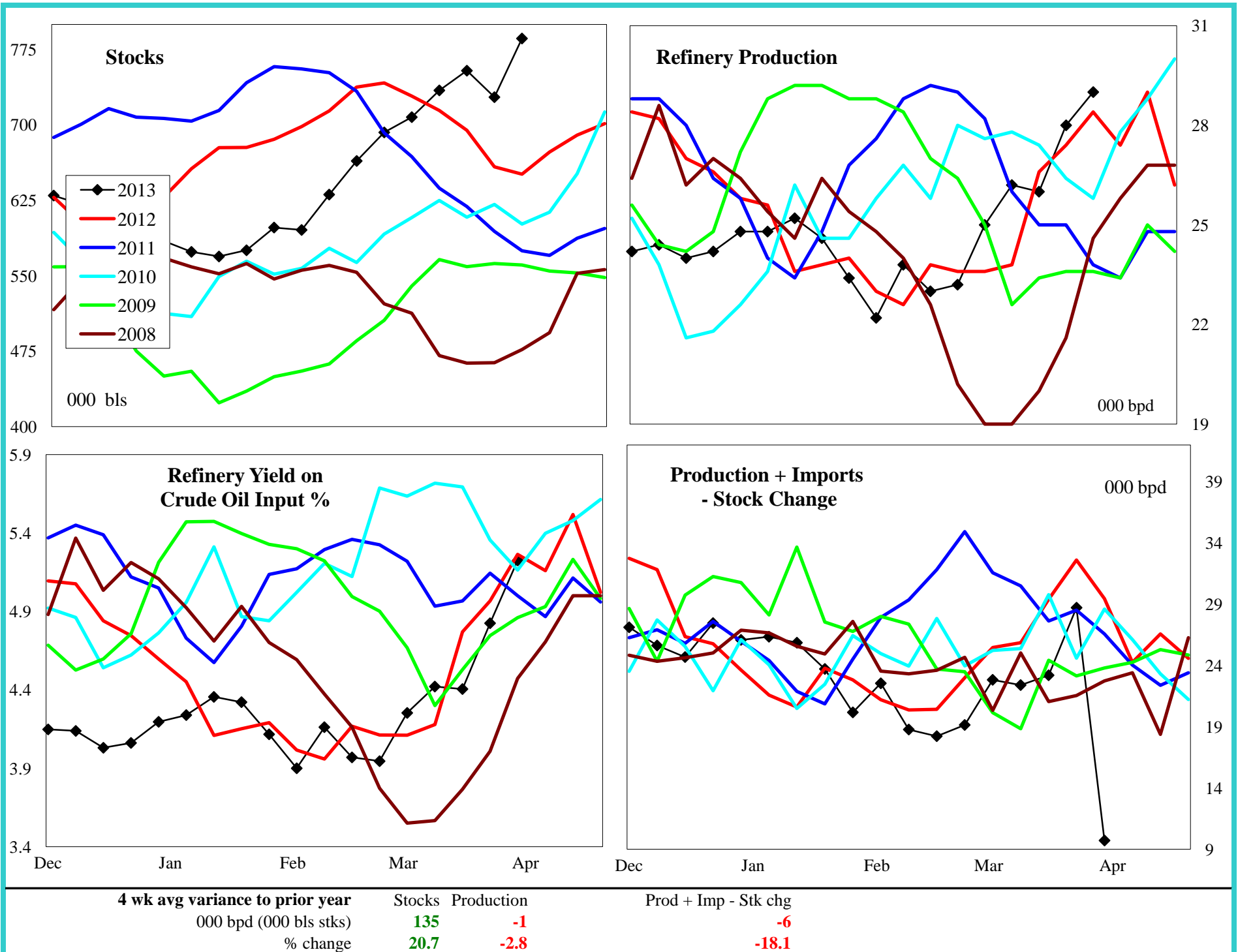
PADD 4 Gasoline Supply



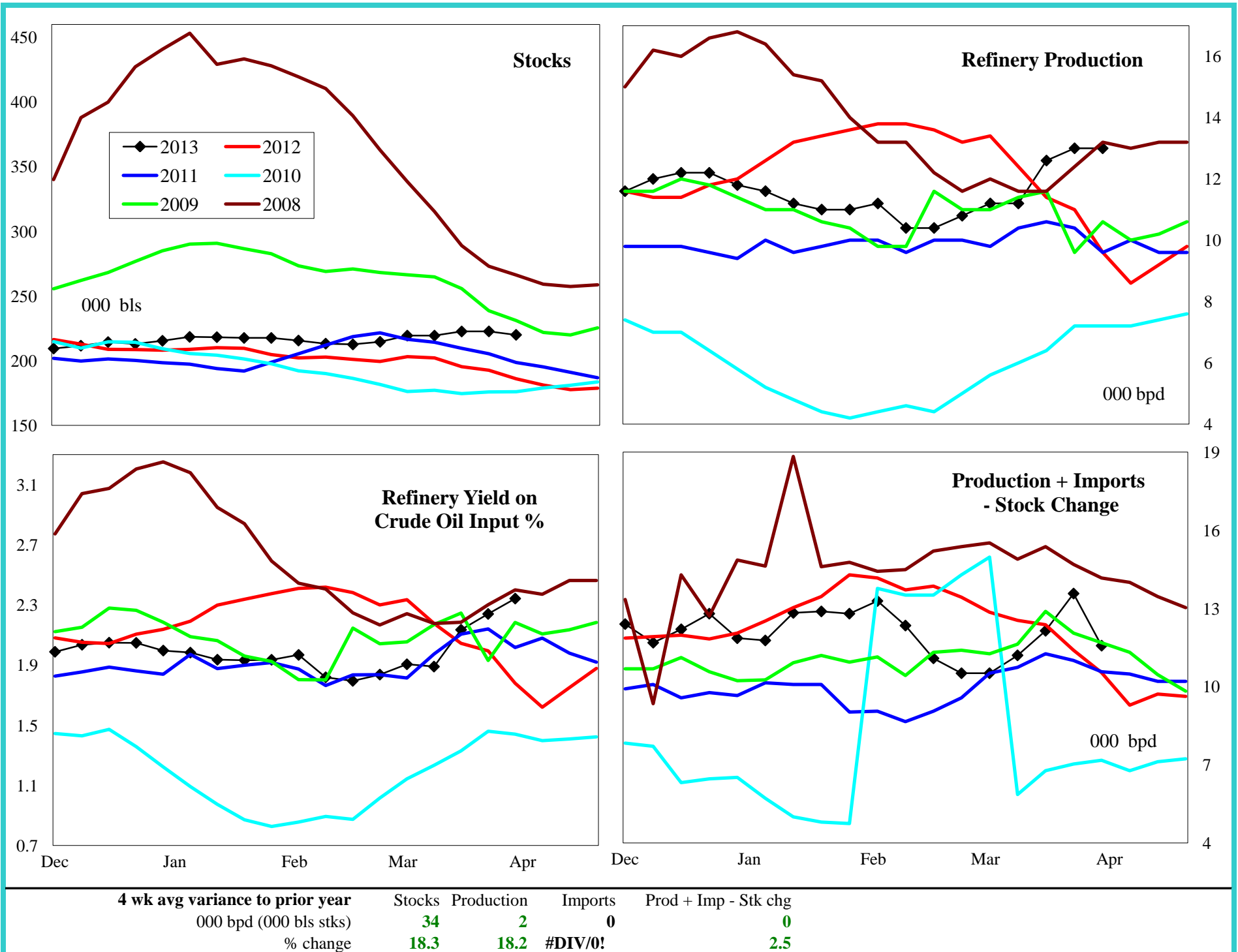
PADD 4 Distillate Supply



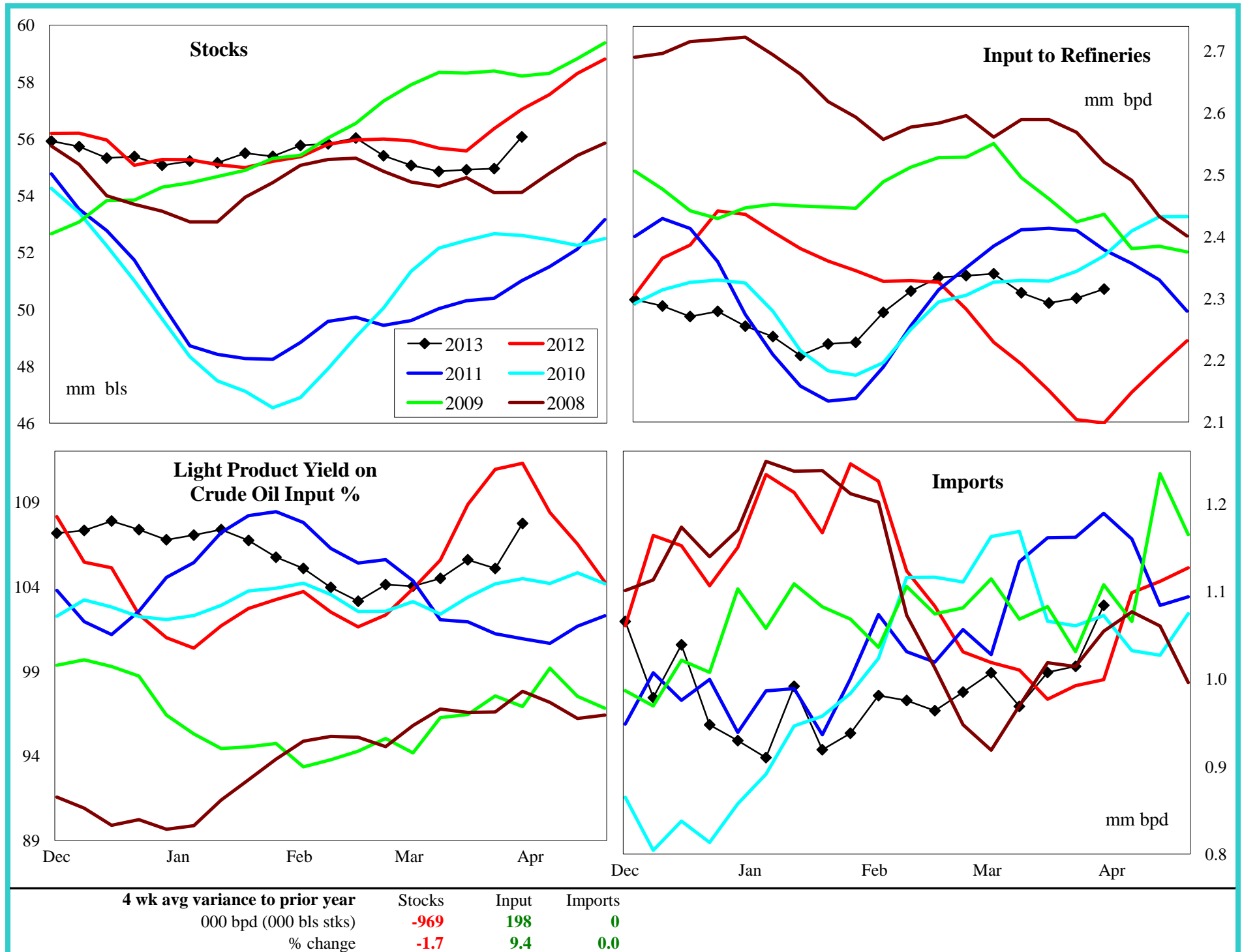
PADD 4 Jet Fuel Supply



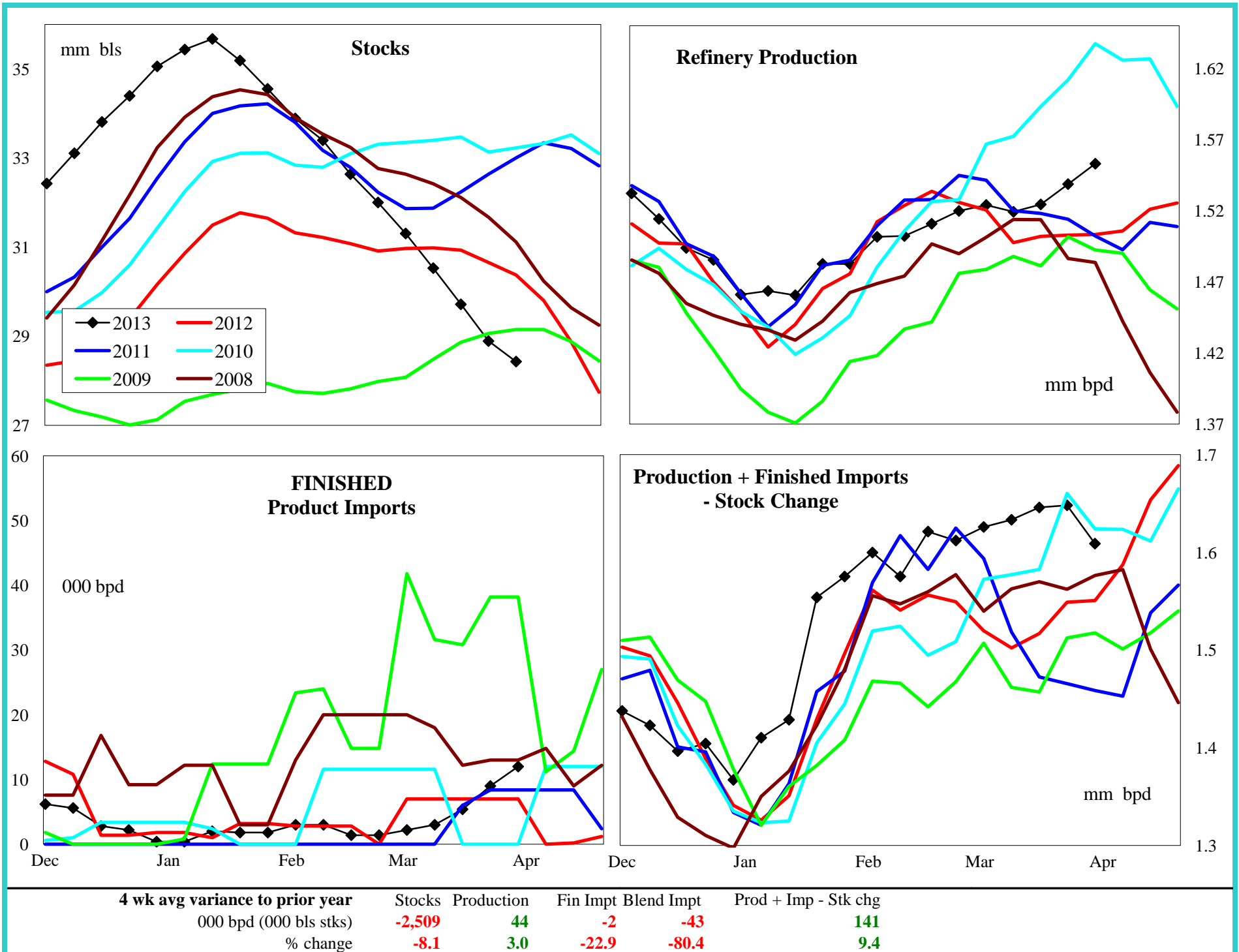
PADD 4 Residual Fuel Oil Supply



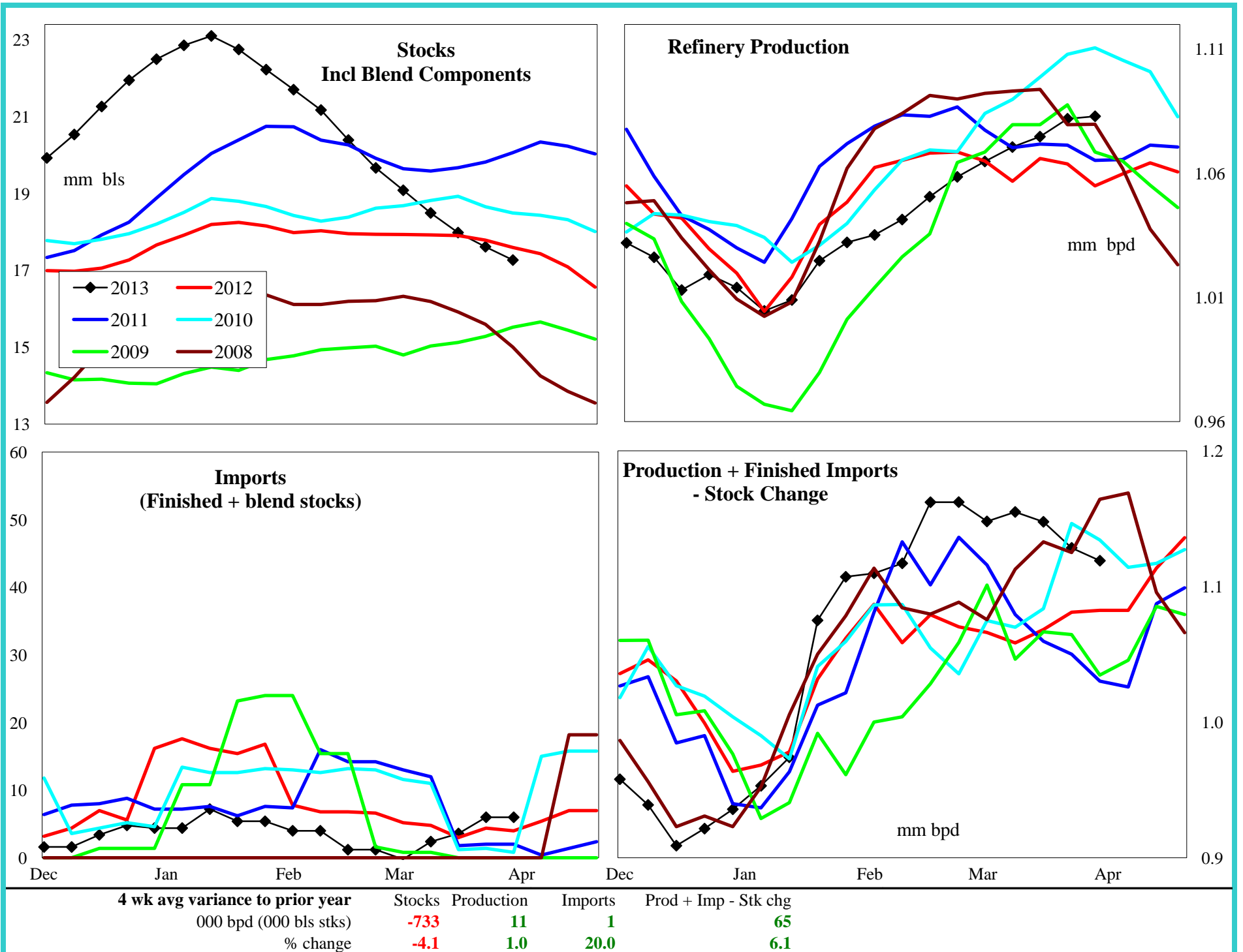
PADD 5 Crude Oil Supply and Refining



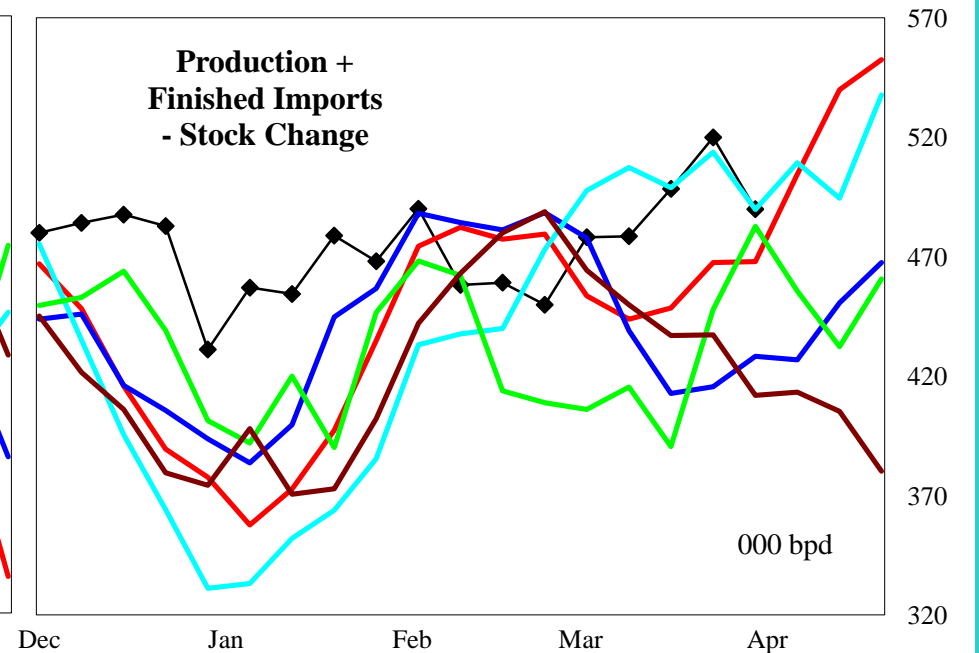
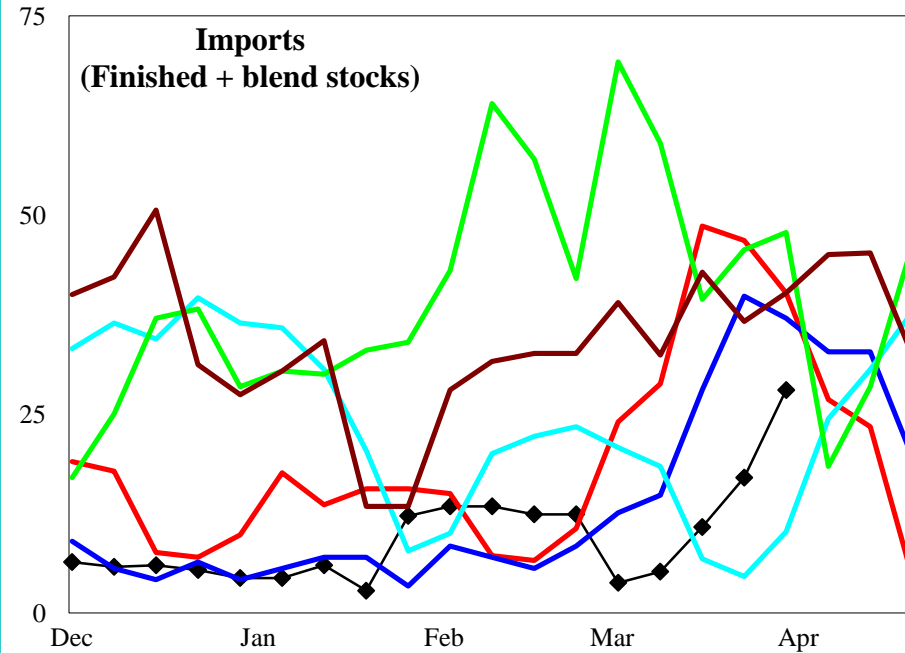
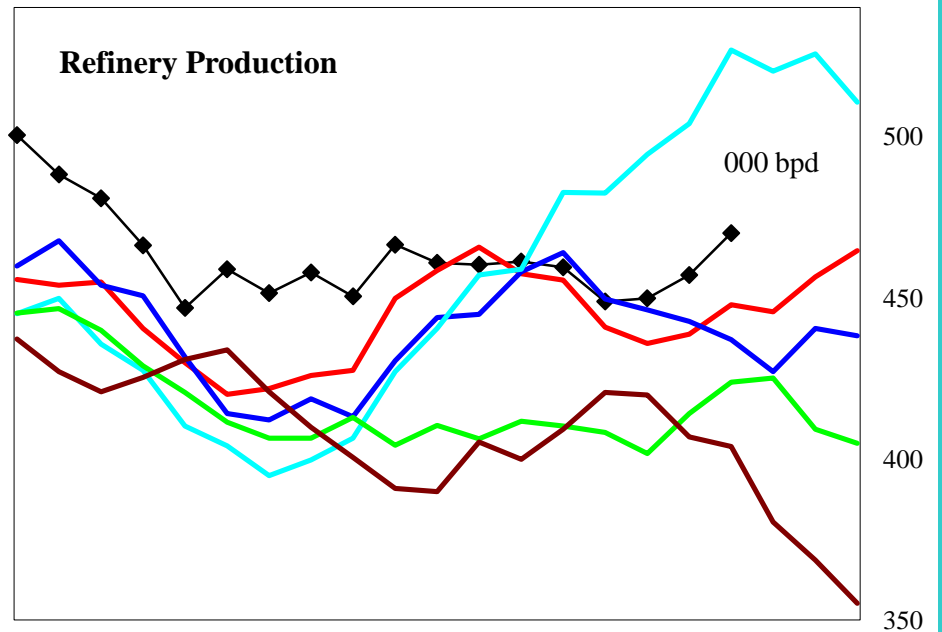
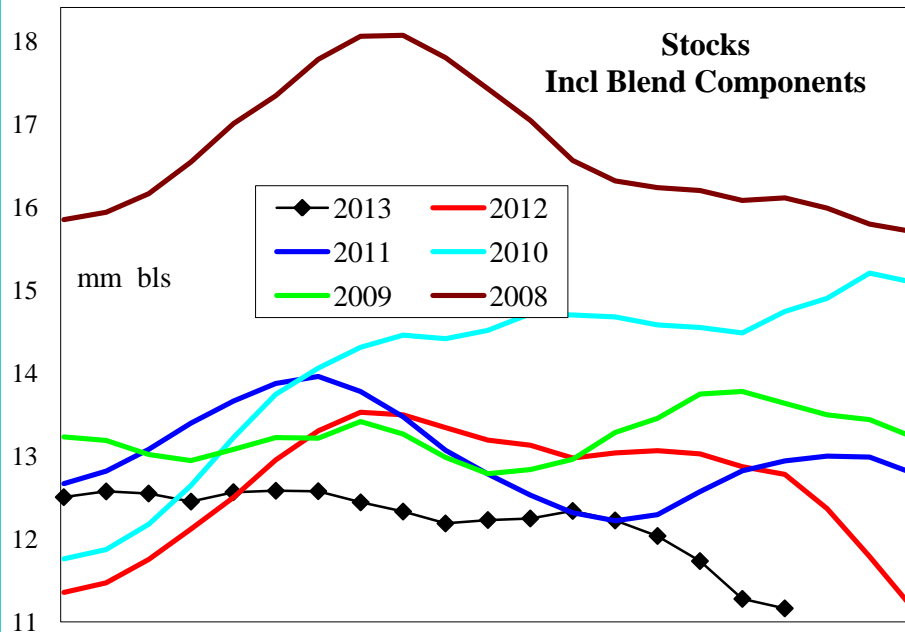
PADD 5 Gasoline Supply



PADD 5 Reformulated Gasoline Supply



PADD 5 Conventional Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

Production

Imports

Prod + Imp - Stk chg

-1,776

34

-46

77

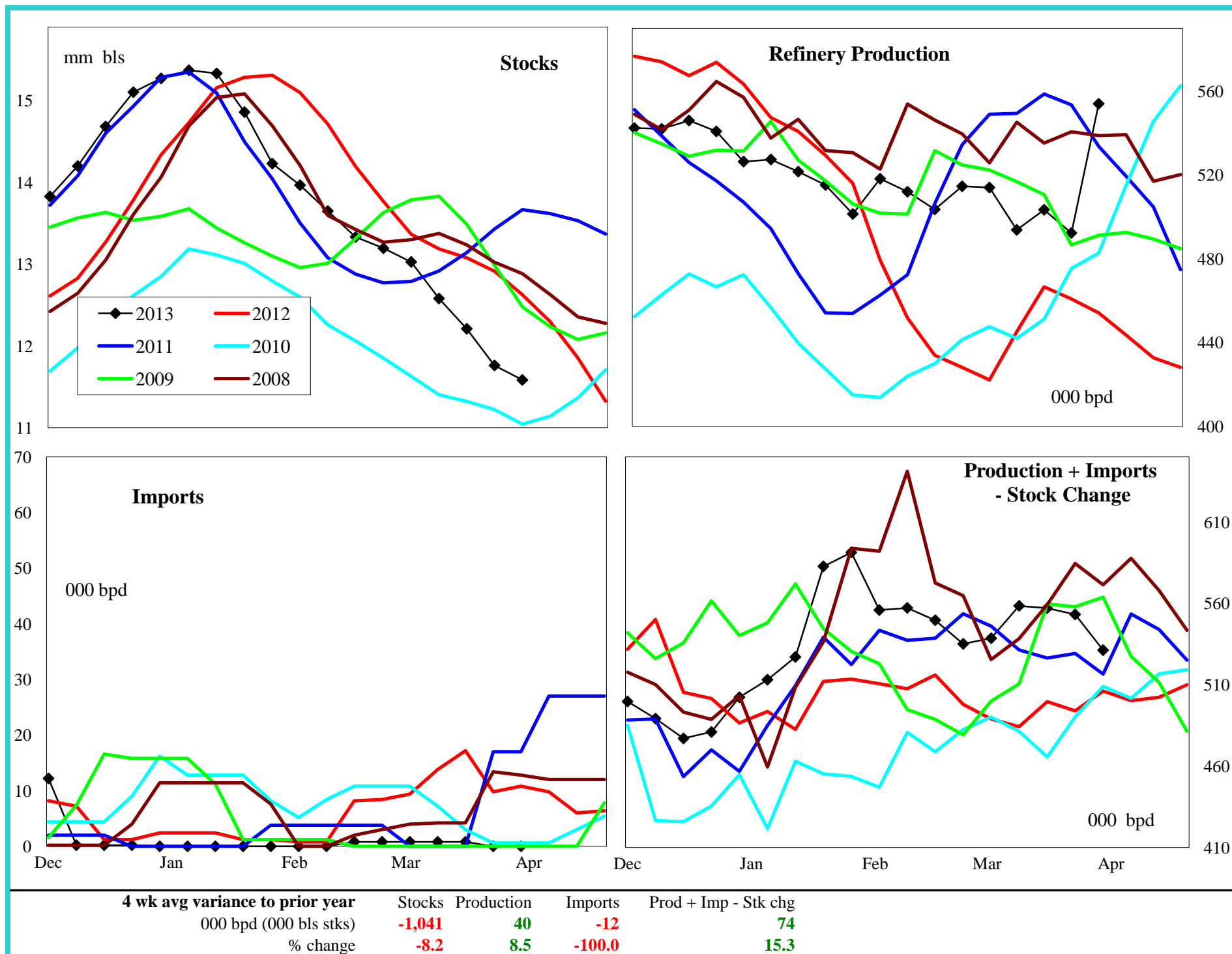
-13.7

8.0

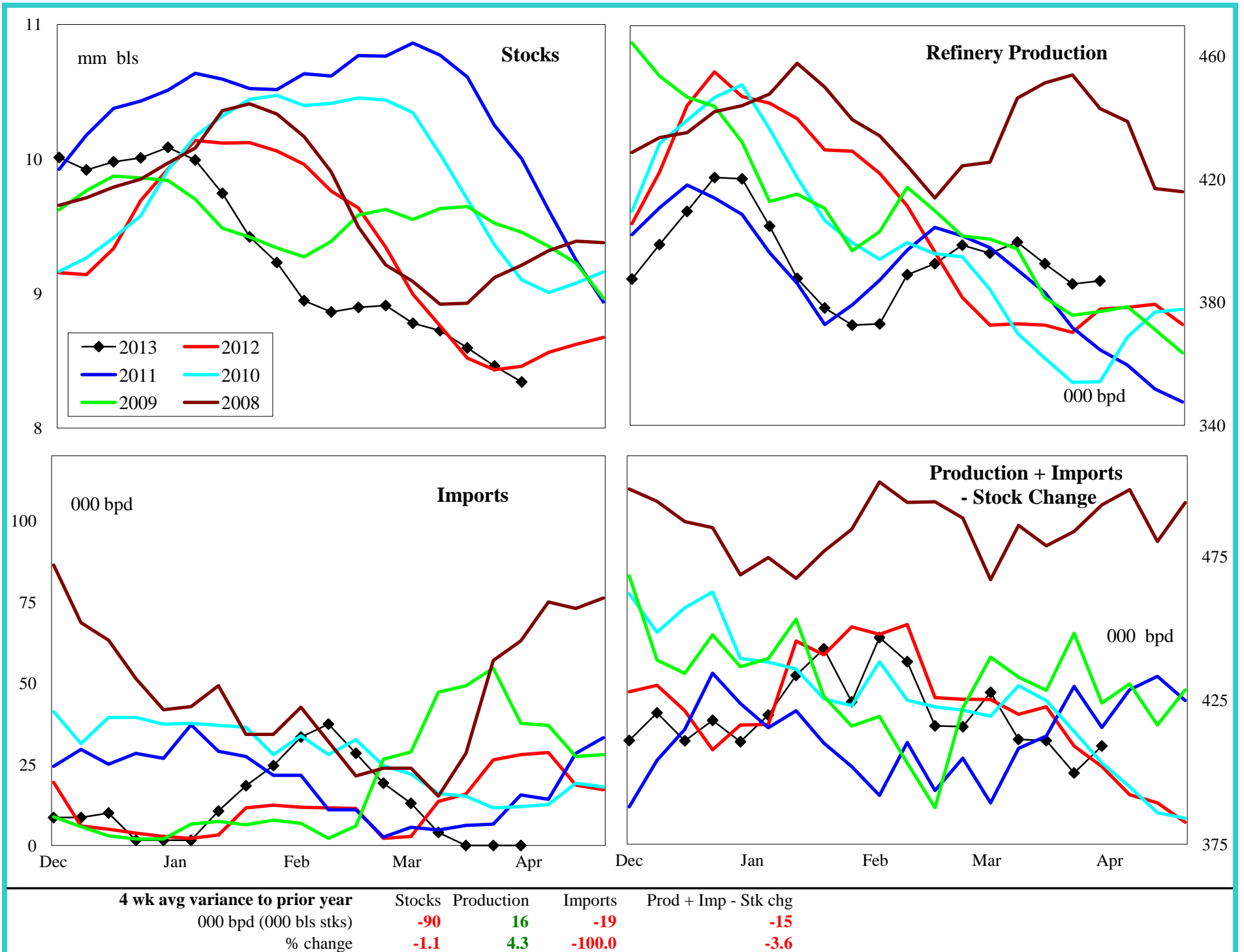
-78.2

17.6

PADD 5 Distillate Supply



PADD 5 Jet Fuel Supply



PADD 5 Residual Fuel Oil Supply

