



WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

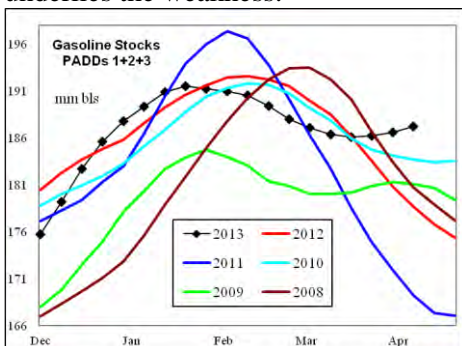
A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Thursday, April 18, 2013

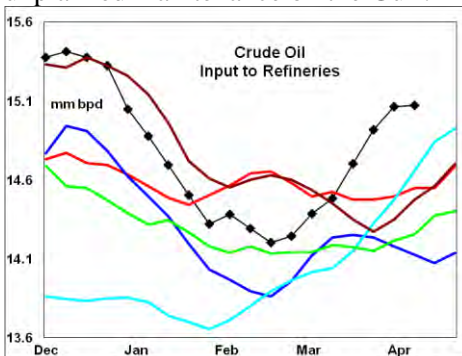


Major Fundamental Trends¹

Wholesale demand for transport fuels fell a combined -422,000 bpd last week, with demand lower for each fuel. Demand during the latest 4-wk period was below year ago levels for gasoline and jet fuel, with distillate higher only because of high heating oil demand in the 2nd half of March. Slower economic growth and the sharp drop in wholesale prices (which causes the downstream supply chain to draw down stocks and cut purchases) underlies the weakness.

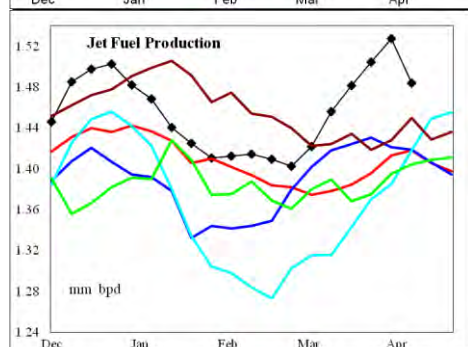
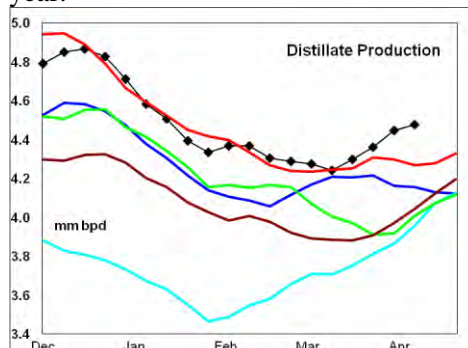


Gasoline stocks are at 5-year highs in markets East of the Rockies. The high stock levels should reduce the impact of above average maintenance in the Midwest this spring and a jump in unplanned maintenance on the Gulf.



Crude oil refinery runs were +0.5 million bpd above last year for the latest 4-wk period, leading to record output of middle distillates. Concurrently, weak demand in Europe has led to a jump in imports of both distillate and jet fuel to the U.S.. Weak demand, record production and a surge

imports has led to stock builds for middle distillates. These fundamental trends point to an end to the long term downtrend in middle distillate stock levels that extended throughout the last year.



Demand for all transport fuels fell last week, due in part to the large drop in wholesale prices which caused the downstream supply chain to draw down stocks. Wholesale demand, measured over the last four weeks compared to a year ago: gasoline decreased -3.3%; distillate was +2.9% higher; jet fuel was -7% lower, and residual fuel fell -24%.

Stocks forward coverage: Gasoline demand coverage increased on a smaller than average -0.6 million barrel stock draw and extremely low demand. Coverage levels exceeded the 5-year range for this time of year.

Distillate coverage increased on a +2.4 million barrel stock build and very weak demand. Coverage levels remain well below the last 2-years.

Jet fuel coverage reached a 5-year high on a +1.2 million barrel stock build and very weak demand.

Residual fuel oil coverage increased on a +0.7 million barrel stock build and very weak demand.

The coverage level ended the week well above the 5-year range.

Refinery utilization rates decreased on a -40,000 bpd decline in crude oil throughput for the week. During the latest 4-wk period crude oil input was +0.5 million bpd above a year ago.

Gasoline yield % on crude oil runs increased on a +141,000 bpd rise in output compared to the -40,000 bpd decline in crude oil throughput. Yield % on crude oil runs remains below the 5-year range.

Distillate yield % on crude oil runs decreased slightly on a -62,000 bpd decline in output compared to the lower 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 -48,000 bpd decline in output, compared to the lower crude oil runs. The yield % level matched the 5-year mid range.

Petroleum Imports of middle distillates jumped nearly +0.3 million bpd last week, driven in part by very weak demand in Europe.

During the latest 4-wk period crude oil imports were -1.3 million bpd below last year; distillate imports increased +53,000 bpd; finished gasoline imports decreased -12,000 bpd, gasoline blend stock imports were +13,000 bpd higher; jet fuel imports declined -21,000 bpd, while residual fuel oil imports were -49,000 bpd lower.

Crude Oil stocks decreased -1.2 million barrels last week, including a -1.8 million barrel draw in the Gulf Region. Stock levels remain +19 million barrels above prior 5-year highs, even with record crude oil runs.

¹ Source is latest EIA Weekly Statistics



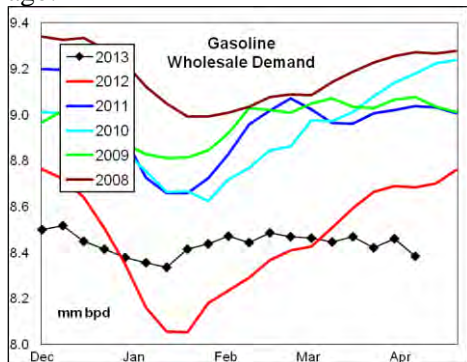
WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

A Fundamental Petroleum Trends Weekly Report

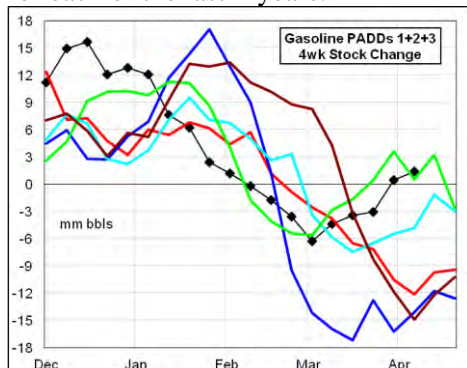
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Thursday, April 18, 2013

Product Supply-Demand Trends

Gasoline wholesale demand decreased -94,000 bpd on the week, a level well below the historic range. The latest 4-wk average demand was -292,000 bpd below last year. Supply decreased -129,000 bpd last week, on lower imports. Supply for the latest 4-wk period was -34,000 bpd below a year ago.



Weak demand and higher imports led to a below average stock draw of -0.6 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 +1.4 million barrels compared to an average -12 million barrel draw for each of the last 2-years.



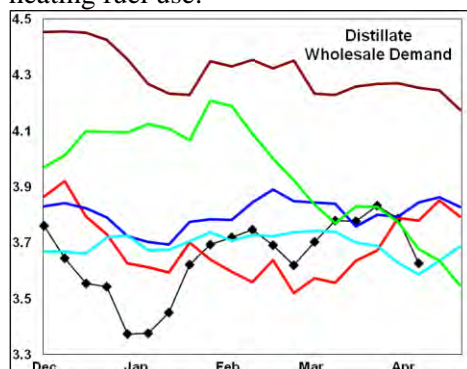
Stock levels in PADD 1 are now at 5-year highs; with stock levels in all other regions, except the West Coast, at or near record levels.

Very weak demand underlies the lack of a normal seasonal stock draw down in markets outside of the west coast.

Look for midwest markets to tighten on spring refinery maintenance, while an end to spring maintenance on the West Coast should drive improved supplies in that region

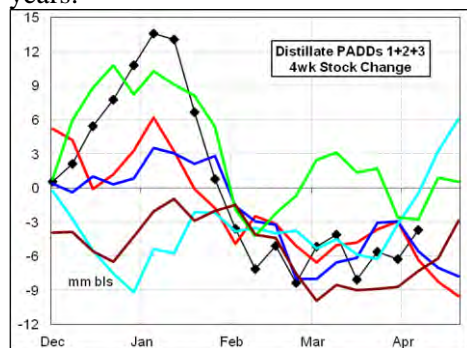
during the 2nd quarter.

Distillate demand fell -226,000 bpd last week, to a level near 5-year lows. The latest 4-wk average demand was +110,000 bpd above a year ago; a sharp drop from earlier year-on-year increases that were caused by high heating fuel use.



Supply increased +136,000 bpd last week, on a surge in imports. The latest 4-wk average supply was +115,000 bpd above last year. Stocks increased +2.4 million barrels on the week, to a level -11% below a year ago.

The latest 4-wk stock change in markets East of the Rockies was a -3.7 million barrel draw, compared to -6 million barrel draws for the last 2-years.



Distillate supply is at a record high with both imports and production above the historic range.

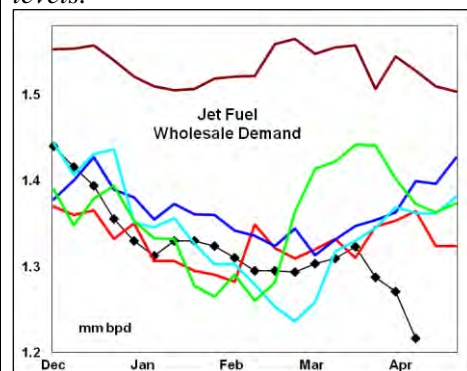
Imports of middle distillates have increased, due in part to weak demand in Europe, while record refinery crude oil runs have lifted production. Combined with soft domestic demand, look for an above average rate of stock building during the summer quarter.

Jet Fuel demand fell -102,000 bpd on the week, to a fresh 5-year low level. The latest 4-wk average demand was -

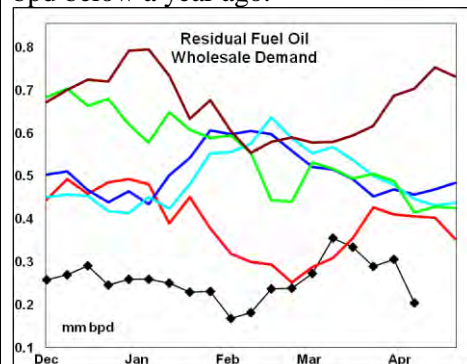
99,000 bpd below a year ago.

Supplies increased +35,000 bpd on the week, driven by a jump in imports. Supply for the latest 4-wk period was +107,000 bpd above a year ago. Stocks increased +1.2 million barrels on the week, lifting the level above four of the last 5-years.

Look for a rebound in wholesale demand, partially offset by increased imports and high production rates. The market should remain well supplied with above average stock levels.



Residual fuel oil demand increased +48,000 bpd last week. Demand for the latest 4-wk period was -114,000 bpd below a year ago.



Supply (production + imports) decreased -44,000 bpd last week, on lower production. Production plunged to a level well below the historic range for the week. Stocks increased +0.7 million barrels on the week, with the level well above the historic mid range.

Production decreased in all regional markets last week, with over a -100,000 bpd drop in the Gulf region. Stock levels in regional markets East of the Rockies are significantly above last year and the highest of this year.



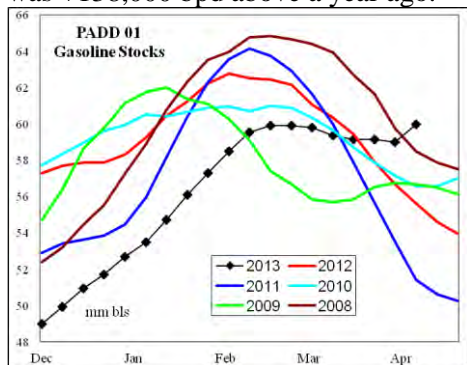
WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

A Fundamental Petroleum Trends Weekly Report

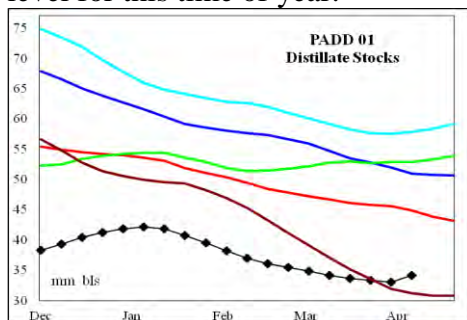
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Thursday, April 18, 2013

PADD Supply Trends

PADD 1 refinery crude oil runs decreased -42,000 bpd last week, a level well above the last 2-years. The latest 4-wk average crude oil thru put was +138,000 bpd above a year ago.

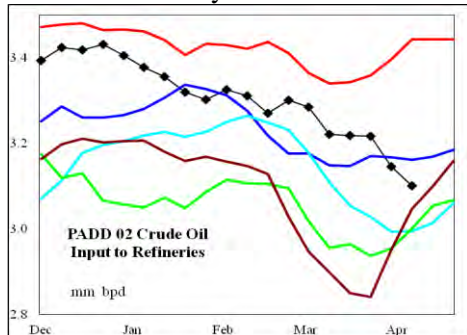


Gasoline supply fell -361,000 bpd on the week, from the prior week record high. Stocks increased +0.7 million barrels to a record high level for this time of year.



Distillate supply jumped +230,000 bpd on the week, driven by a surge in imports. Stocks increased +1.4 million barrels on the week, with the level -23% below a year ago.

Jet fuel supplies increased +38,000 bpd on the week. Stocks jumped +0.8 million barrels, with the level above four of the last 5-years.



PADD 2 crude oil refinery runs fell -116,000 bpd last week, a level below

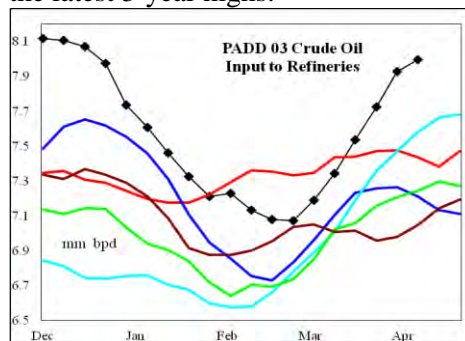
each of the last 2-years. Runs for the latest 4-wk period were -209,000 bpd below last year. Crude oil stocks increased +0.8 million barrels on the week. Stocks ended the week +24% above a year ago at Cushing, Oklahoma.

Gasoline production increased +30,000 bpd on the week, to a level comparable with the last 2-years. Stocks were unchanged on the week, at a level above four of the last 5-years.

Distillate supply decreased -34,000 bpd last week, to a level above the mid range. Stock levels remain at the low end of the historic range.

Jet fuel production fell -28,000 bpd on the week, to a level that matched 5-year lows. Stock levels were also at 5-year lows.

PADD 3 refinery runs increased +146,000 bpd last week, to a fresh 5-year high. The latest 4-wk average runs were +346,000 bpd above a year ago. Crude oil stocks decreased -1.8 million barrels to a level that matched the latest 3-year highs.



Gasoline supply increased +20,000 bpd on the week, to a level comparable with a year ago. Stocks declined -0.6 million barrels on the week, although the level remains above the 5-year range.

Distillate supply decreased -12,000 bpd on the week, with the latest 4-wk average +54,000 bpd above last year. Stocks increased +0.3 million barrels on the week, to a level -1% below last year.

Jet fuel supply was unchanged on the week, with production at a record high level. Stocks increased +0.3 million barrels on the week, to a level

above the 5-year range.

Residual fuel oil stocks ended the week above the 5-year range, while production fell -100,000 to a level below the mid range.

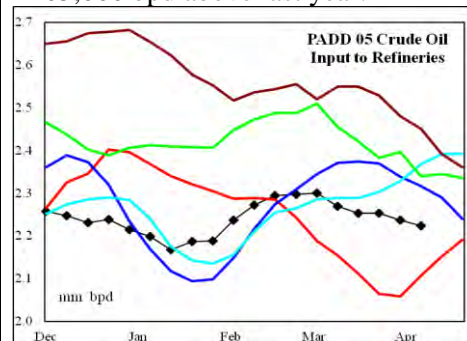
PADD 4 refinery crude runs increased +23,000 bpd on the week, with the level well above the historic range.

Gasoline production increased +6,000 bpd on the week, to a level that matched 5-year highs for the period. Stocks ended the week at a record high level for this time of year.

Distillate production increased +5,000 bpd on the week, with the level above the 5-year range. Stocks were unchanged on the week, at a level mid way between last years' record highs and prior year average.

Jet fuel stocks ended the week at record highs.

PADD 5 crude oil refinery runs fell -52,000 bpd on the week; to a level below the latest 3-year mid range. The latest 4-wk average run rate was +205,000 bpd above last year.



Gasoline supply was nearly unchanged on the week, with production above four of the last 5-years. The latest 4-wk average supply was +34,000 bpd above a year ago. Stocks decreased -0.9 million barrels, to a record low level.

Distillate supply fell -54,000 bpd, to a level near the 5-year mid range. Stocks increased +0.4 million barrels, although the level remains at the low end of the 5-year range.

Jet fuel imports jumped to near record highs, while stock levels matched record lows in the region.



PETROLEUM: Graph Link and Weekly Summary

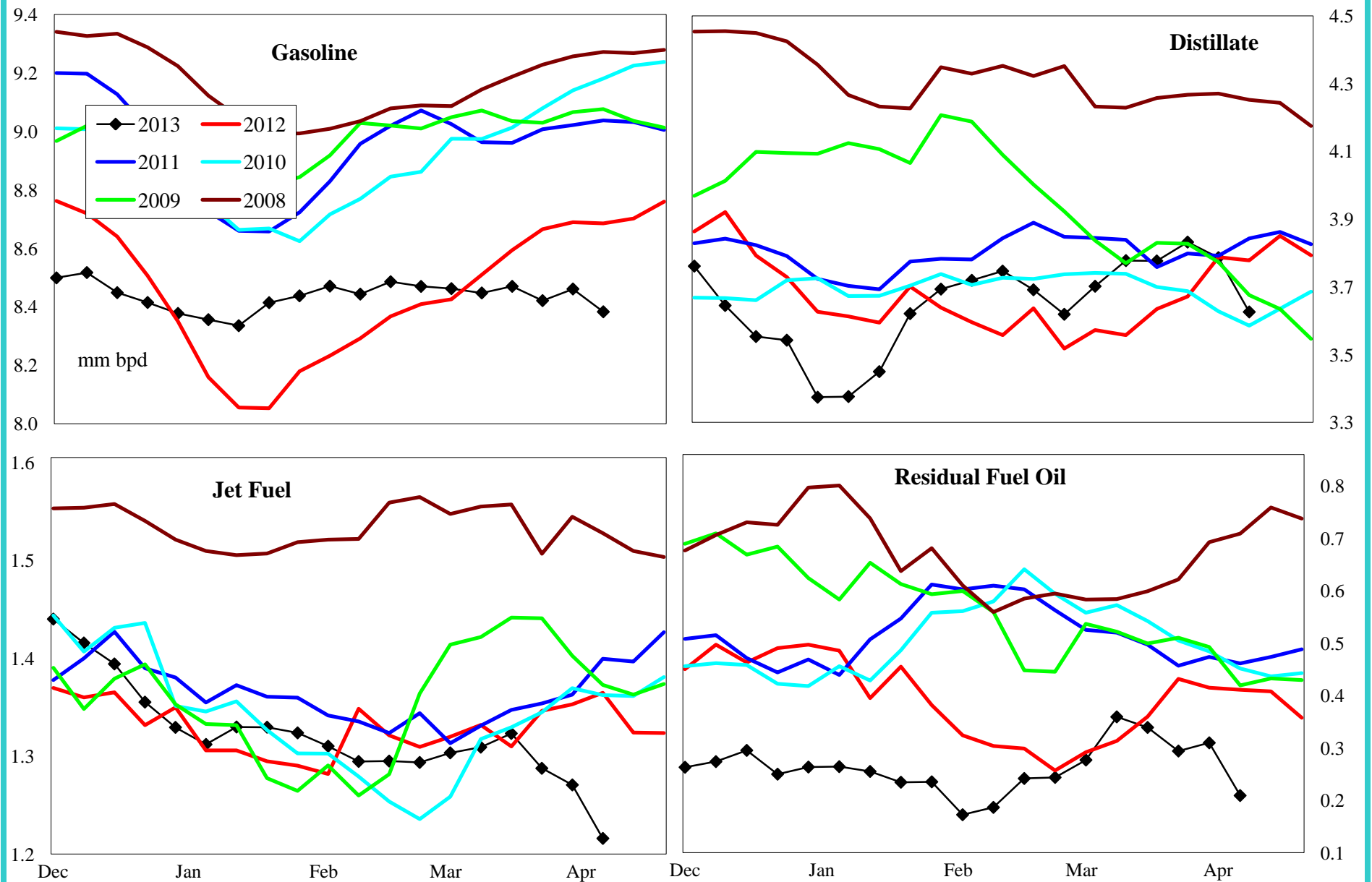
A Fundamental Petroleum Trends Weekly Report

April 17, 2013

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com

Fundamental Trends	Wholesale Demand	Stocks Days Fwd Coverage	Refinery Utilization Product Yield %			Imports	
Supply/Demand Trends	12-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	-1,233	-577	808	-1,842	-545	923
	Imports	-289	251	38	-374	-66	-138
	Input	-40	-42	-116	146	23	-52
	% Utilization	-0.50					
Gasoline	Stocks	-633	674	60	-565	48	-850
	Production	141	-138	29	52	6	9
	Imports	-270	-223	1	-32	0	-15
	Supplied	-94					
Distillate	Stocks	2,364	1,415	235	267	38	409
	Production	-62	26	-35	-5	5	-54
	Imports	198	204	1	-7	0	0
	Supplied	-226					
Jet Fuel	Stocks	1,245	803	-118	331	-17	247
	Production	-48	1	-28	2	-4	-19
	Imports	83	37	0	0	0	46
	Supplied	-102					
Residual Fuel Oil	Stocks	663	179	99	324	-22	83
	Production	-149	-20	-15	-108	-2	-4
	Imports	105	-51	0	61	0	95
	Supplied	48					

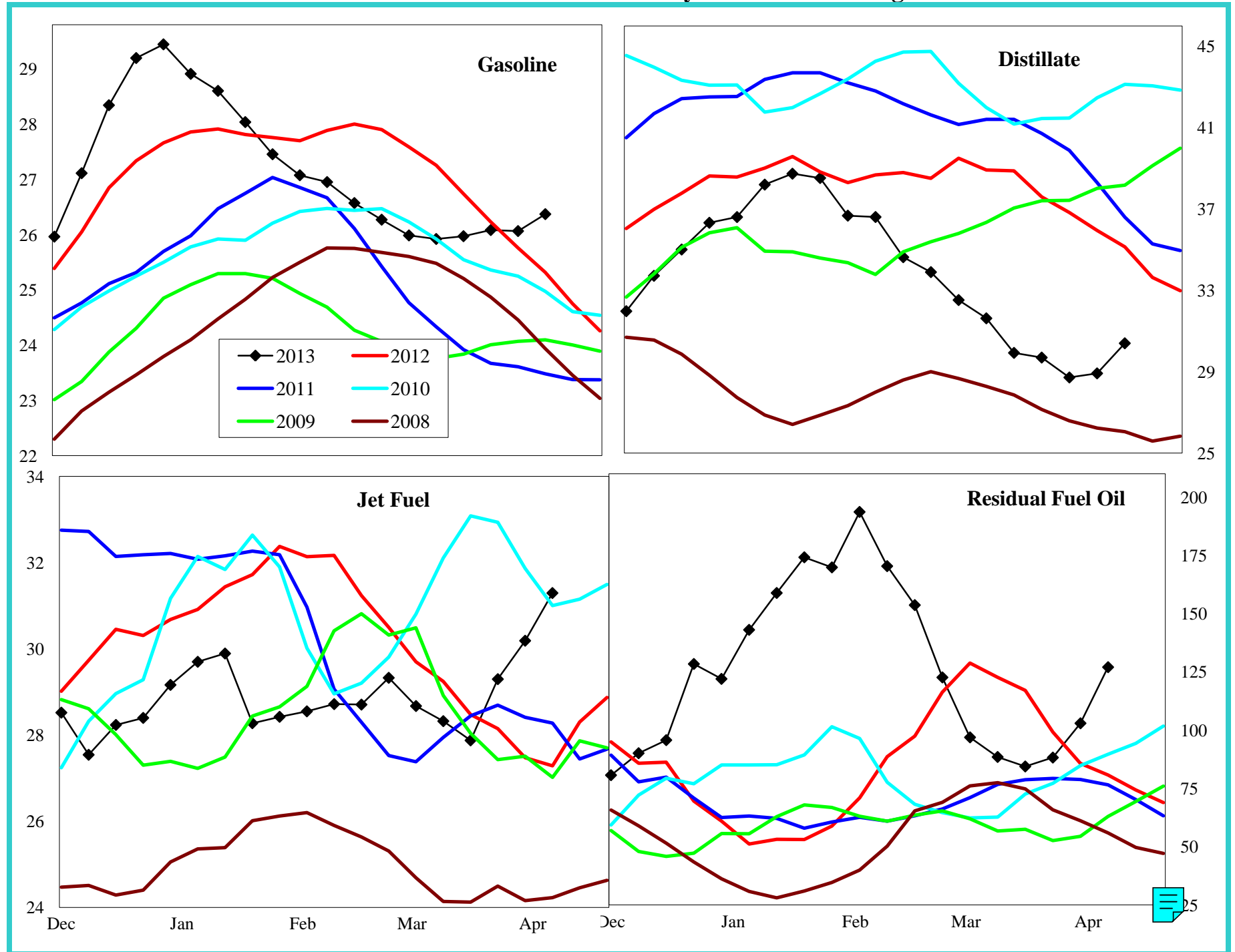
United States Wholesale Petroleum Demand



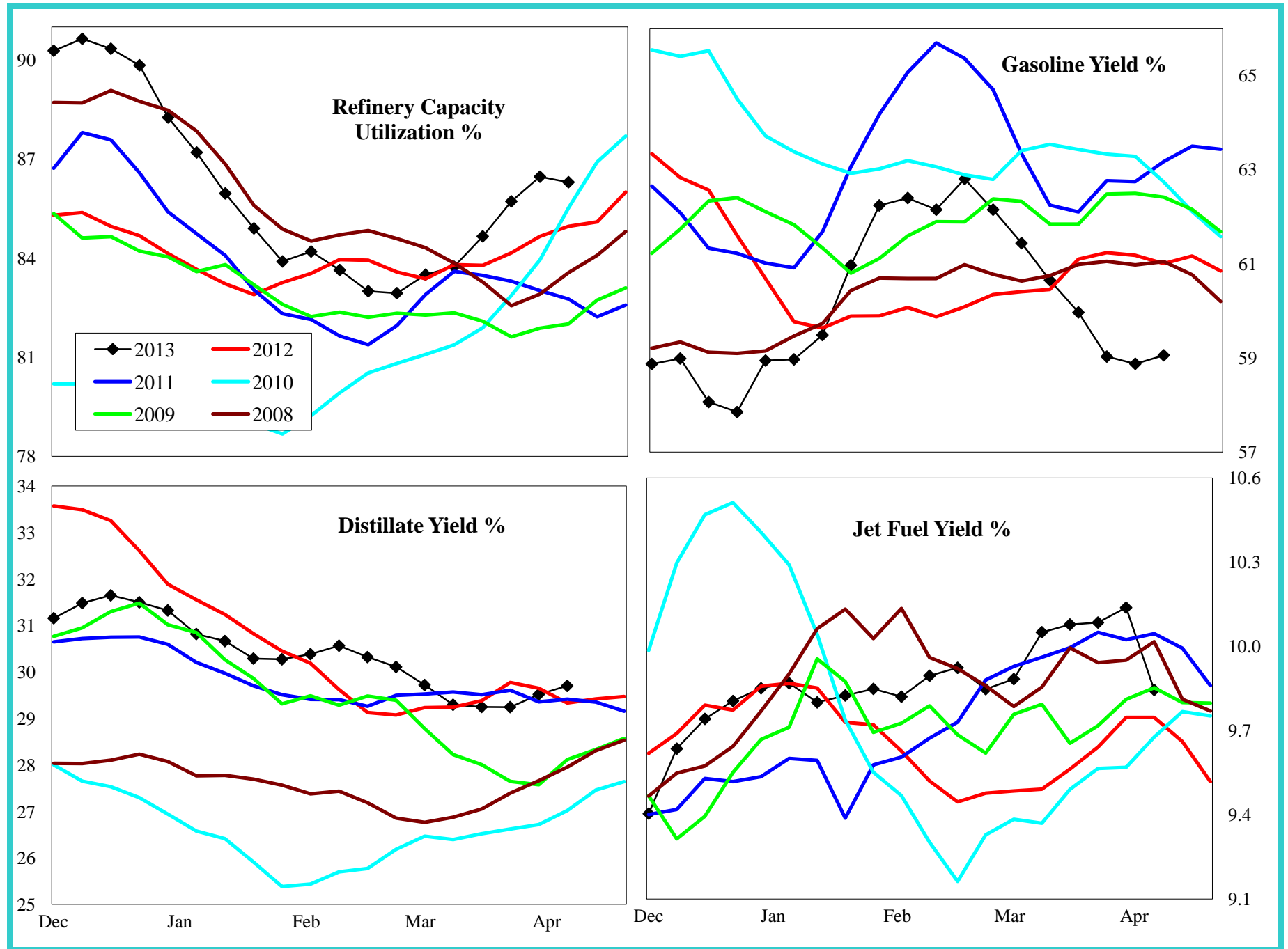
	000 bpd change from prior year				% change from prior year			
	4wk avg	Mar	Jan	Jan	4wk avg	Mar	Feb	Jan
Gasoline	-292	-165	-171	31	-3.3	-1.9	-2.0	0.4
Distillate	110	52	-203	232	2.9	1.4	-5.1	6.1
Jet Fuel	-99	-17	-40	-16	-7.0	-1.2	-3.0	-1.2
Resid	-114	8	-160	-70	-24.1	1.9	-40.6	-16.7



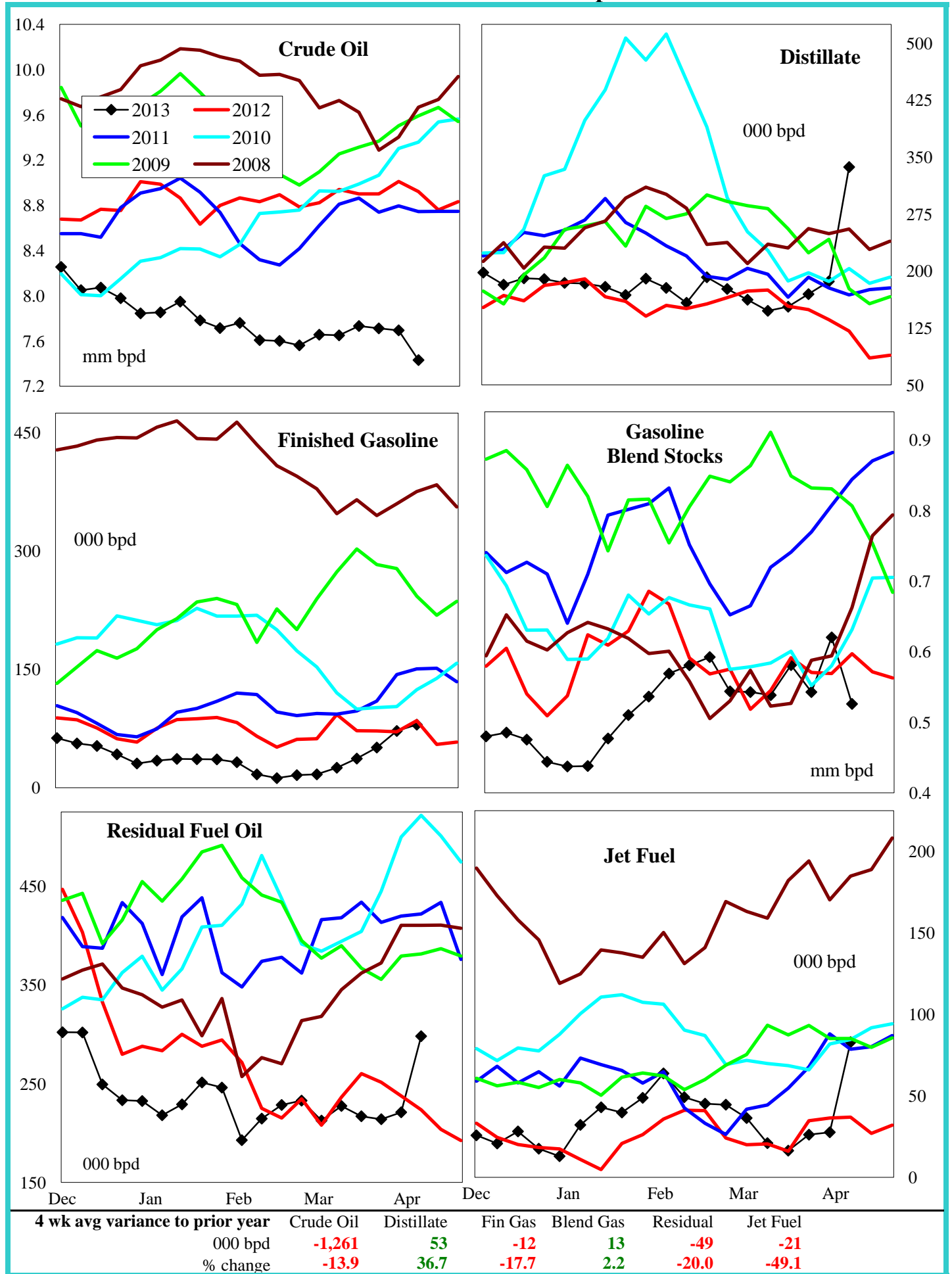
United States Product Stocks: Days Forward Coverage



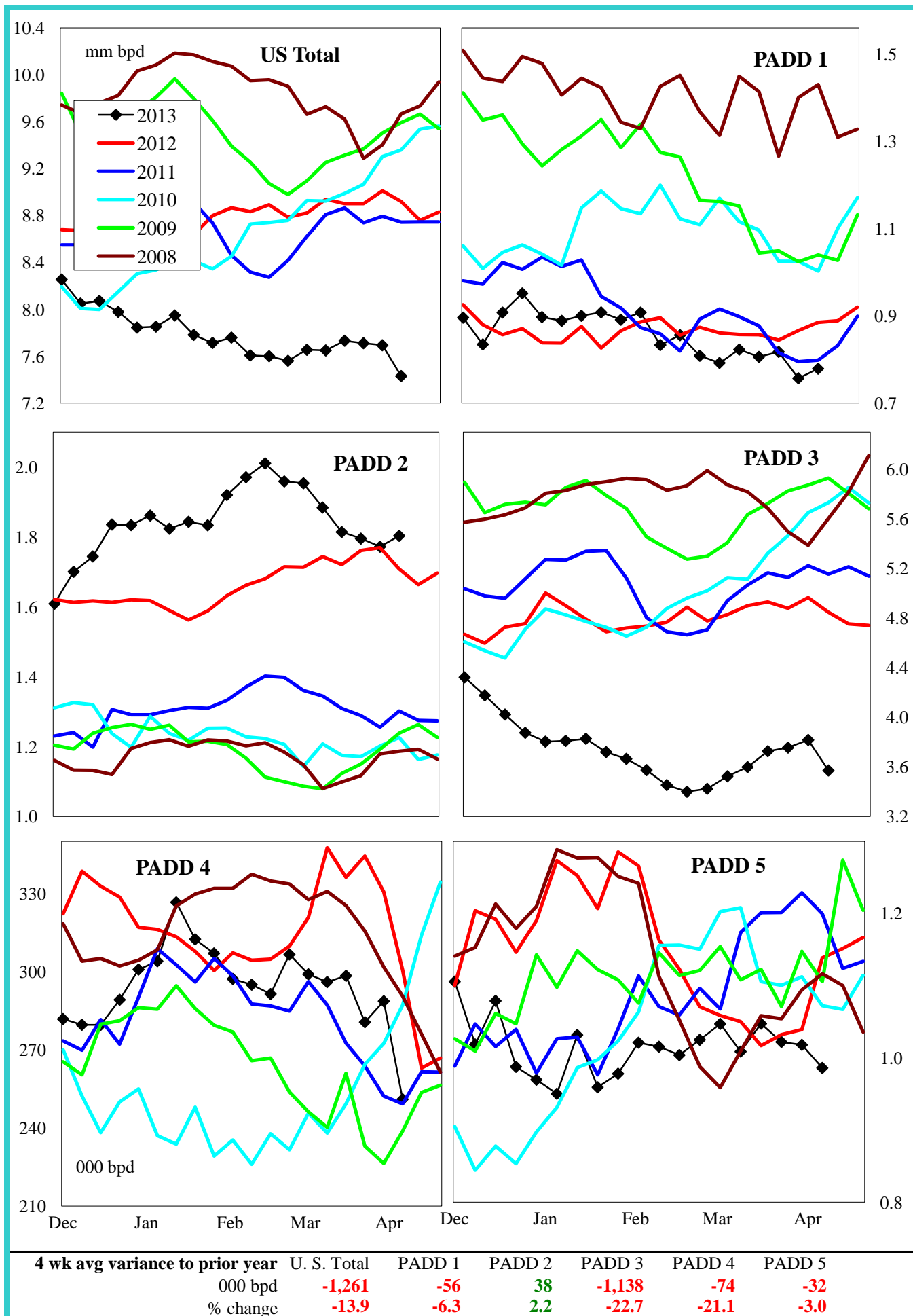
United States Refinery Percent Utilization Rate and Product Yields



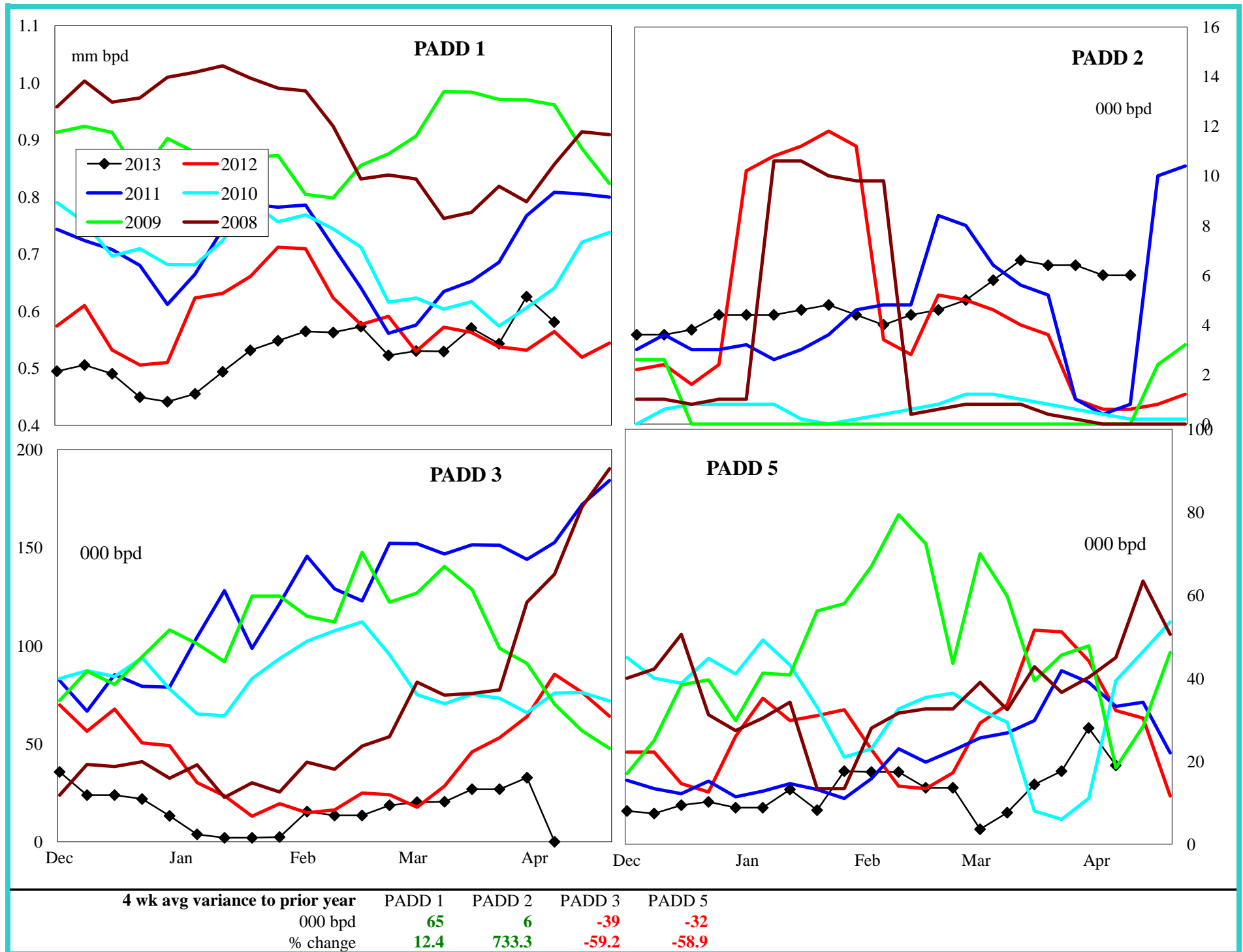
United States Petroleum Imports



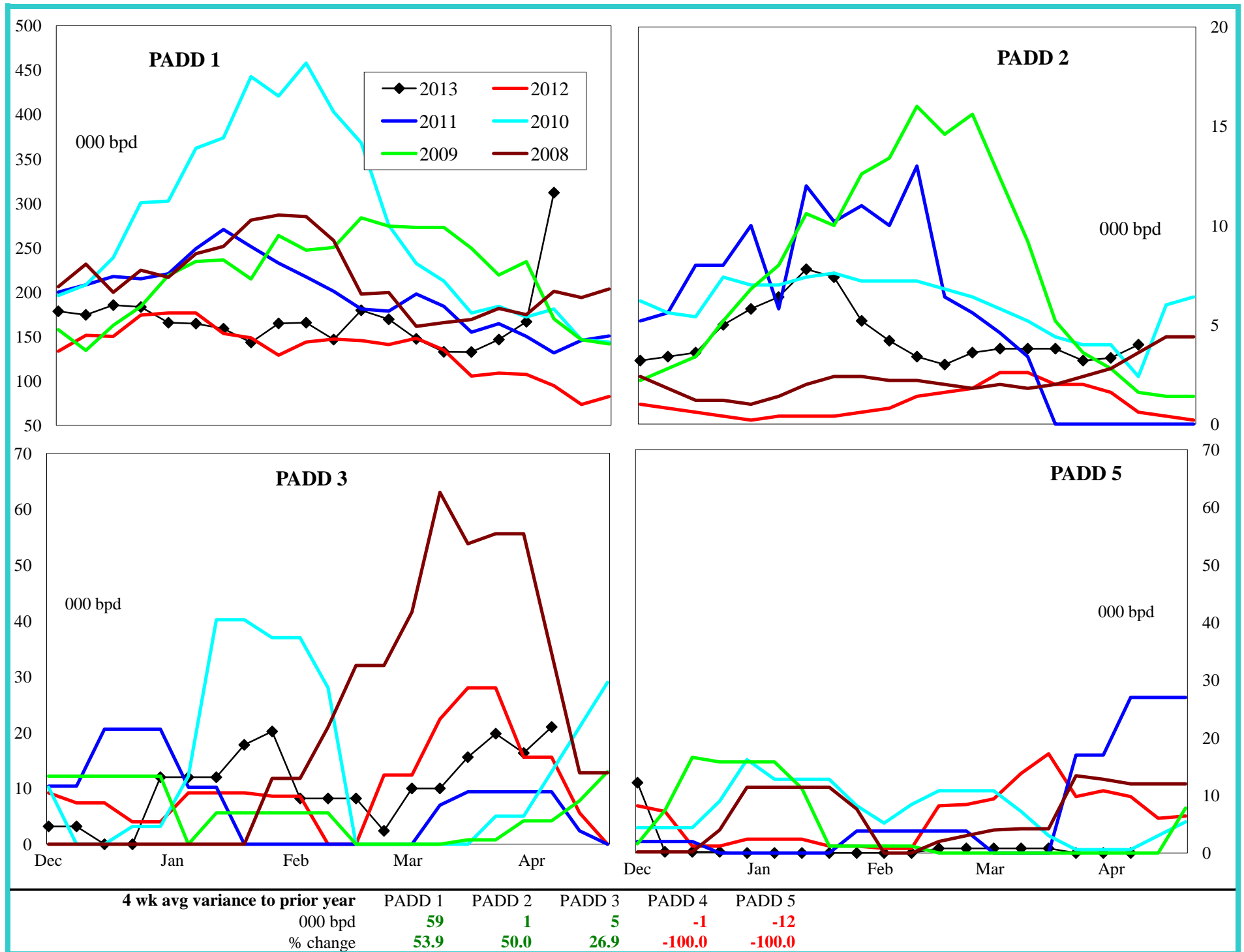
Crude Oil Imports by PADD



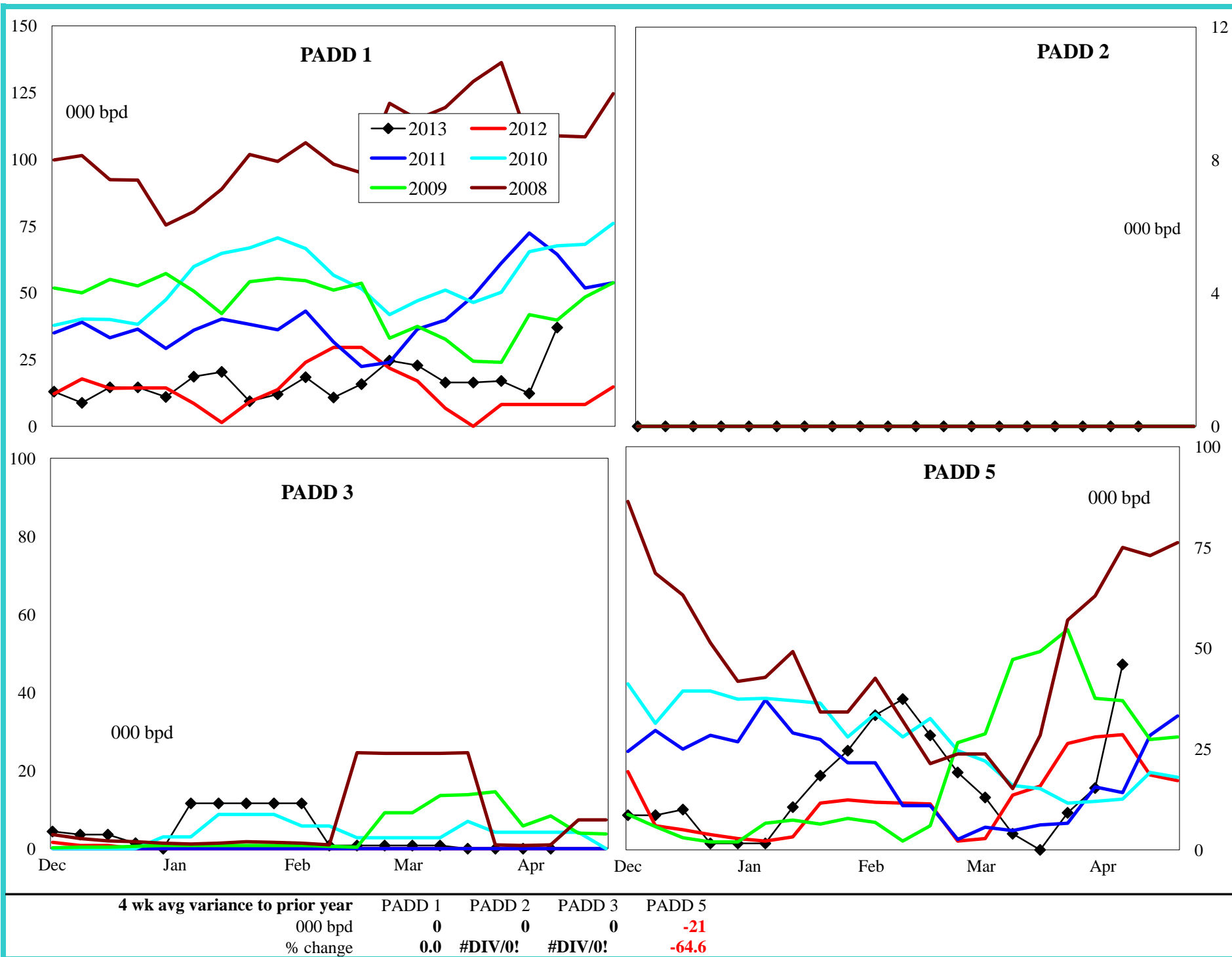
Gasoline Imports by PADD (Finished + Blend Stocks)



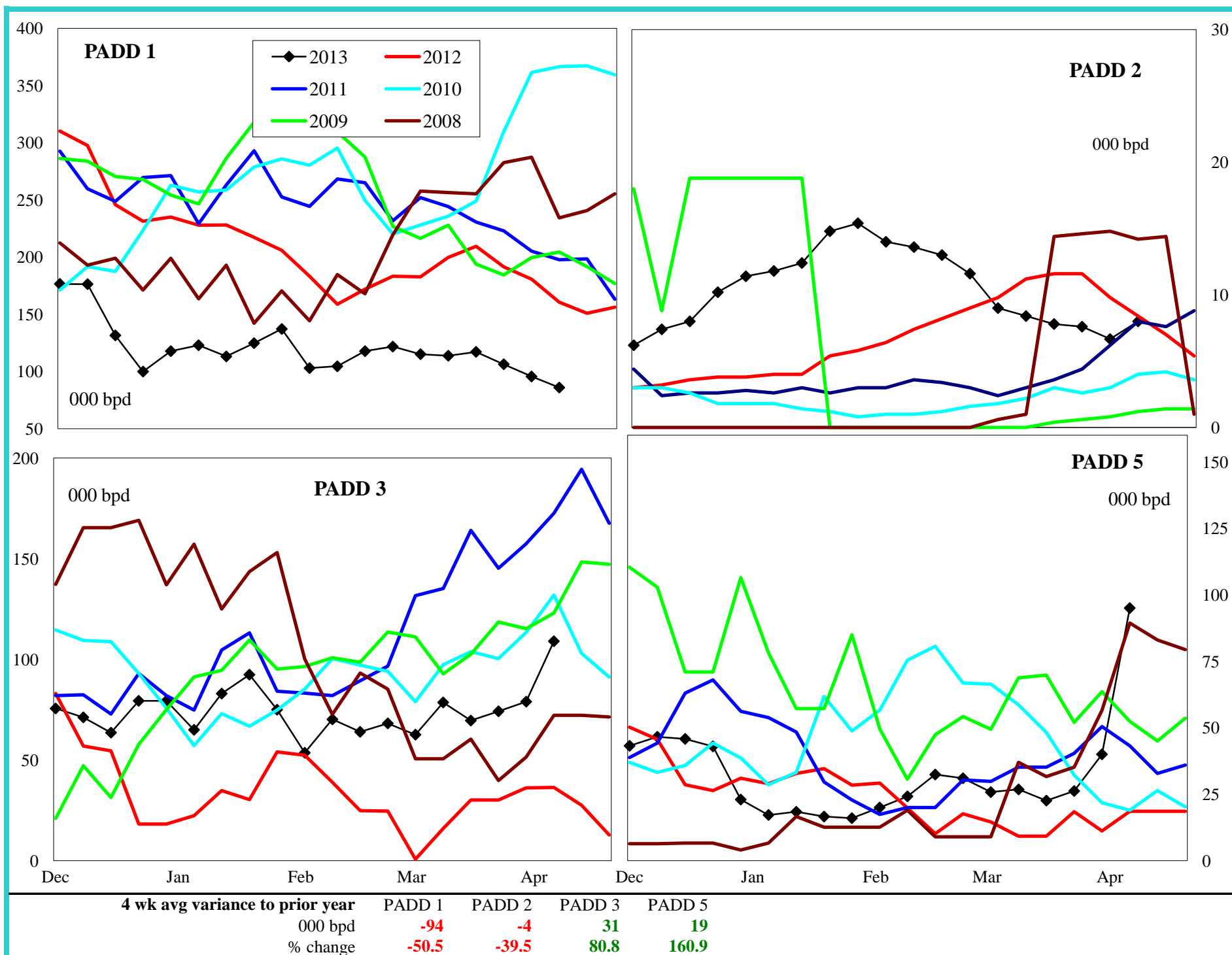
Distillate Imports by PADD



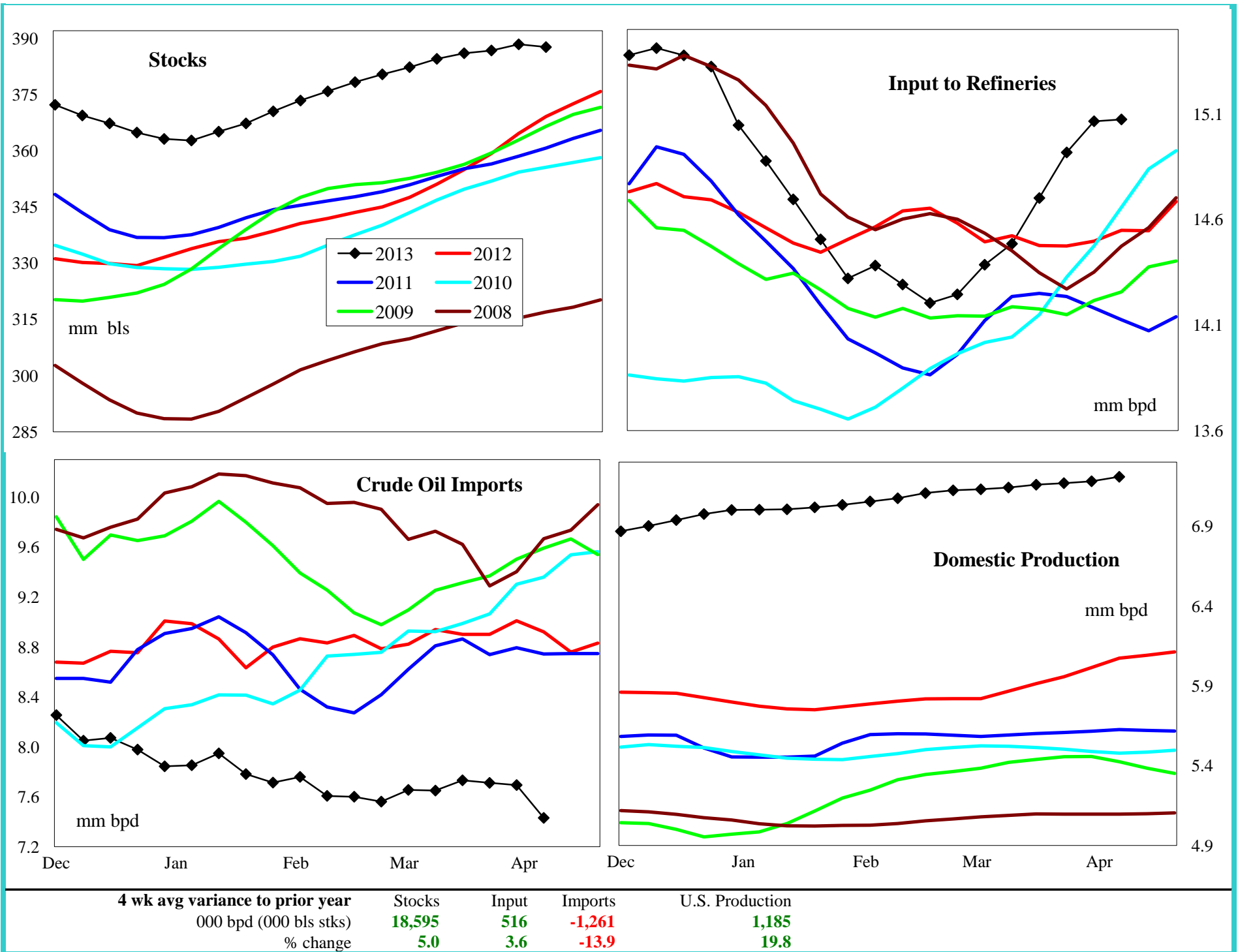
Jet Fuel Imports by PADD



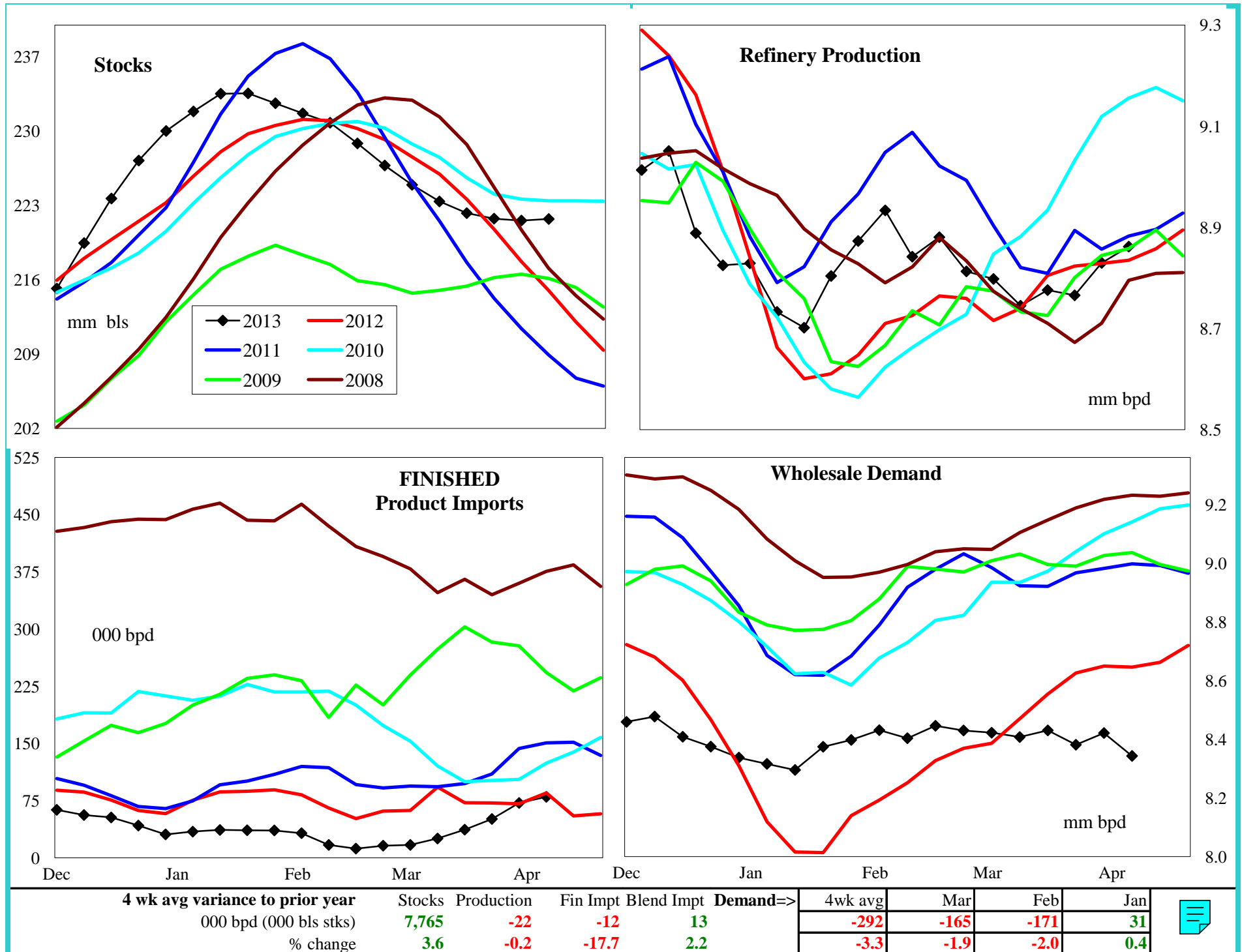
Residual Fuel Oil Imports by PADD



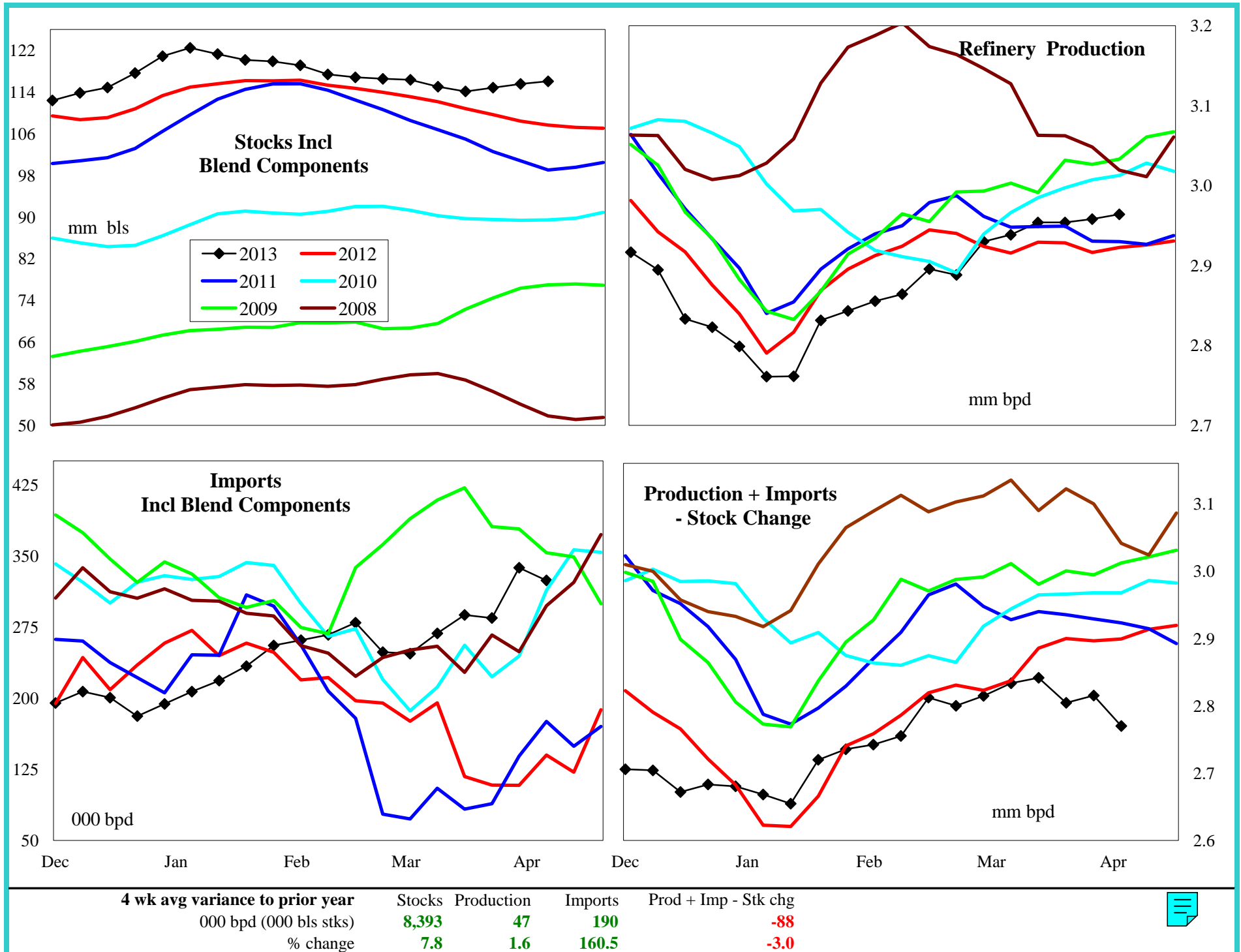
United States Crude Oil Supply and Demand Balance



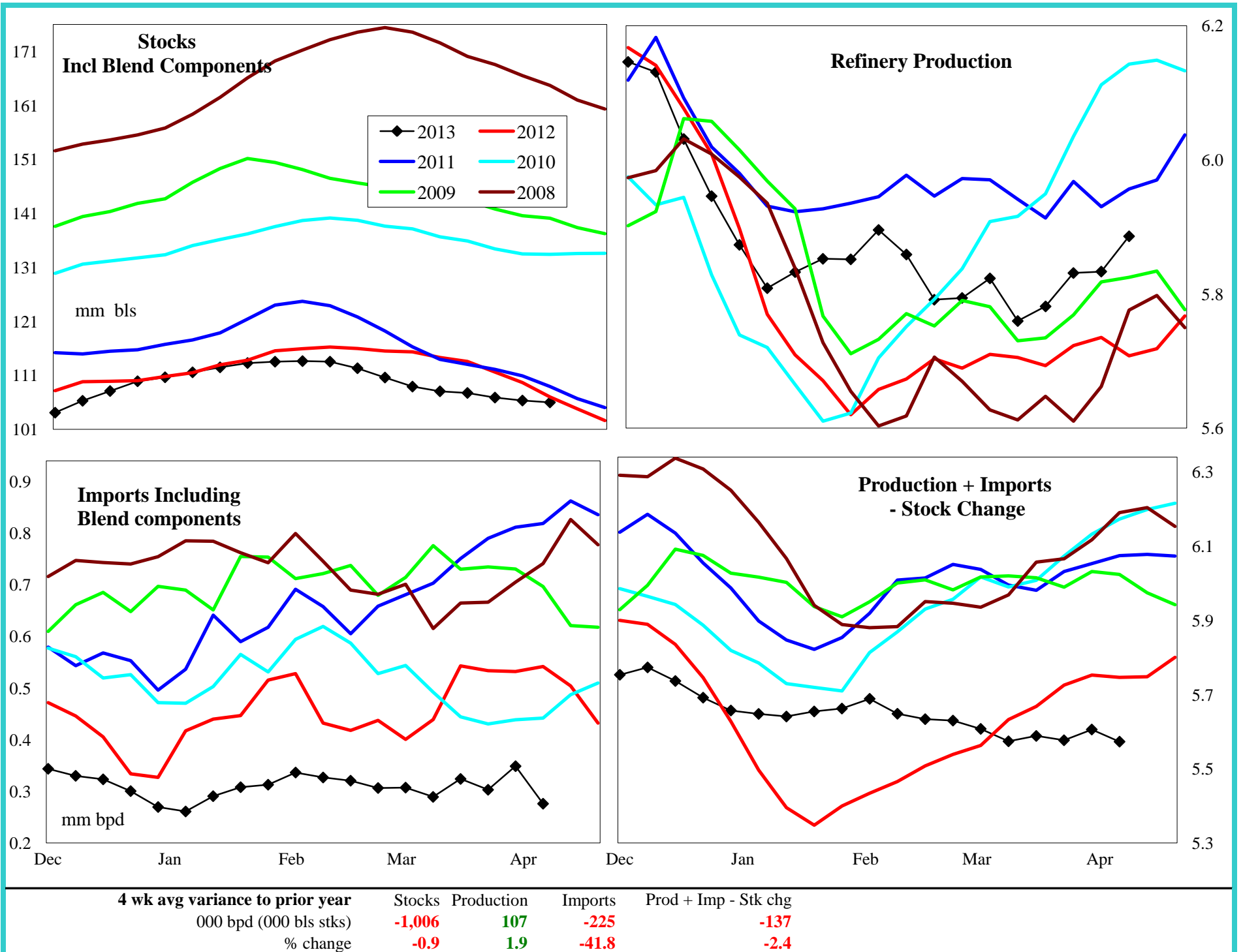
United States Gasoline Supply and Demand Balance



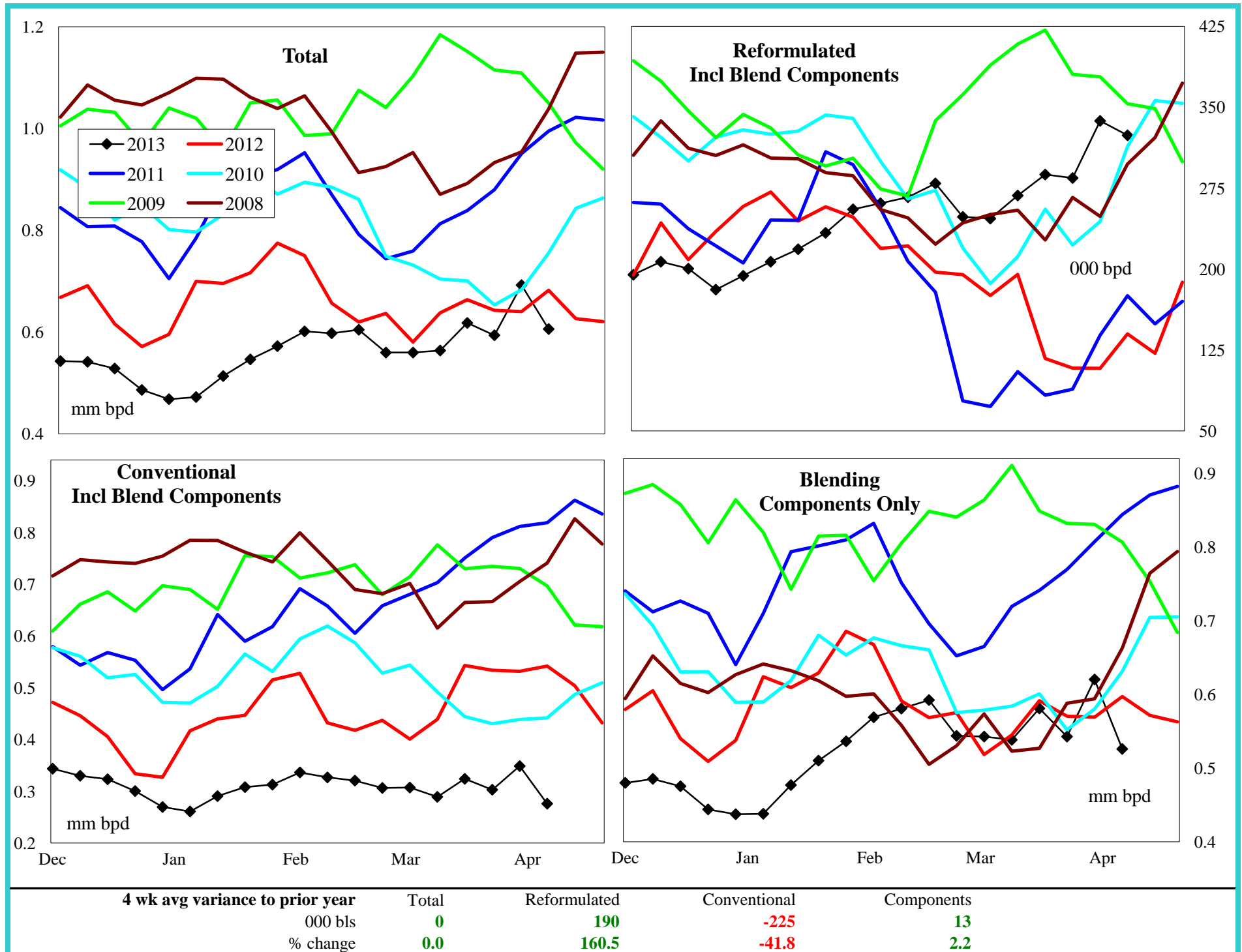
United States Reformulated Gasoline Supply



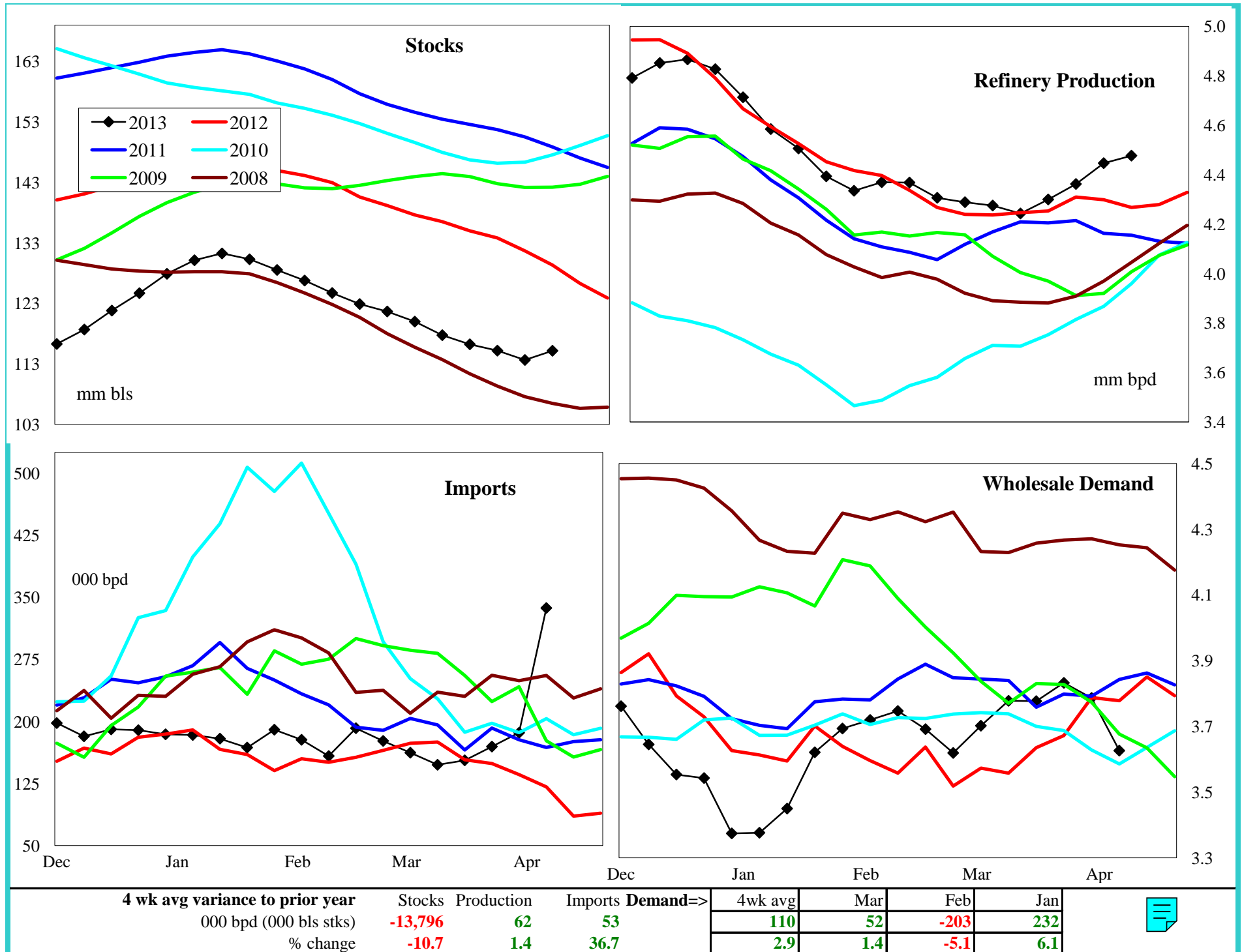
United States Conventional Gasoline Supply



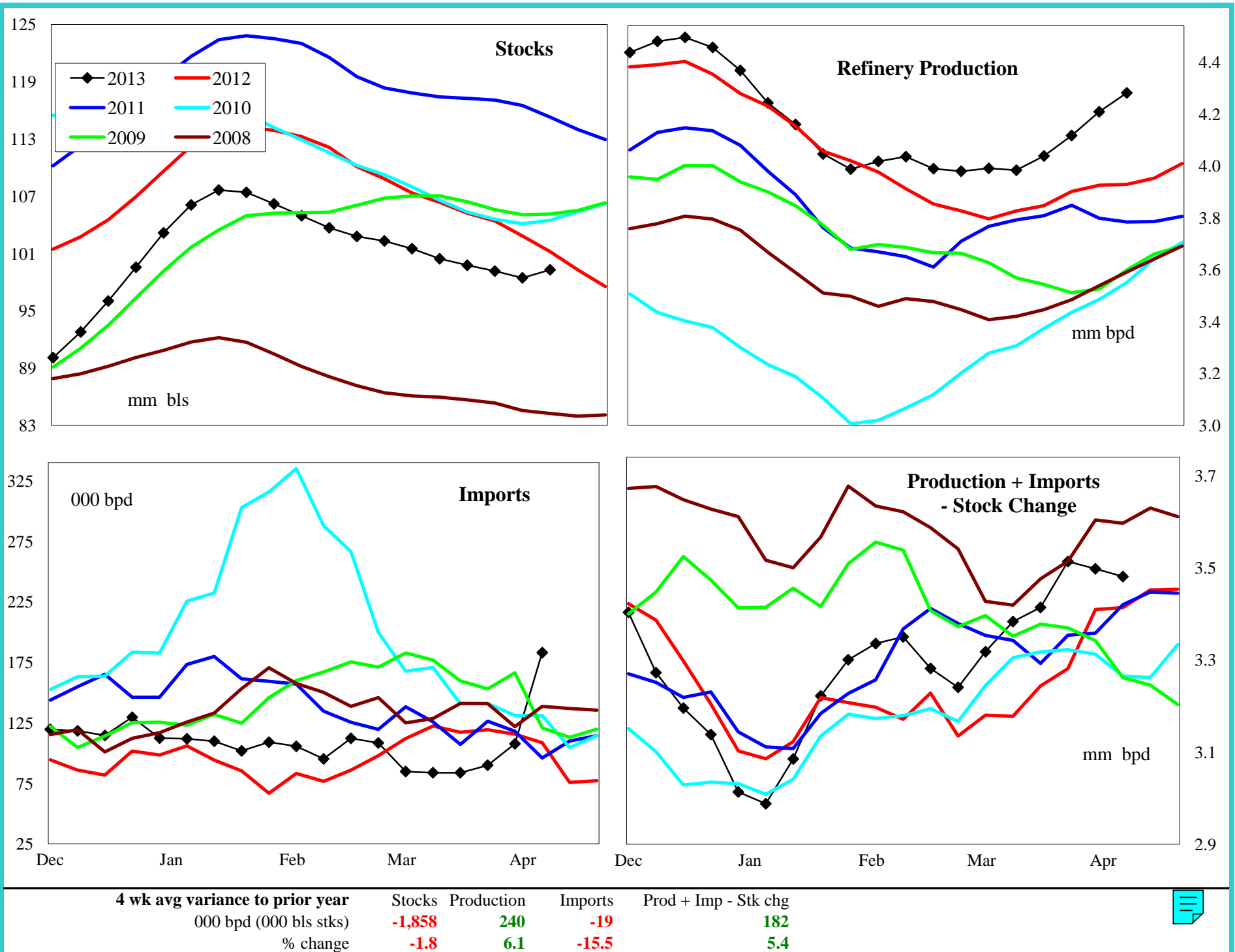
United States Gasoline Imports by Type



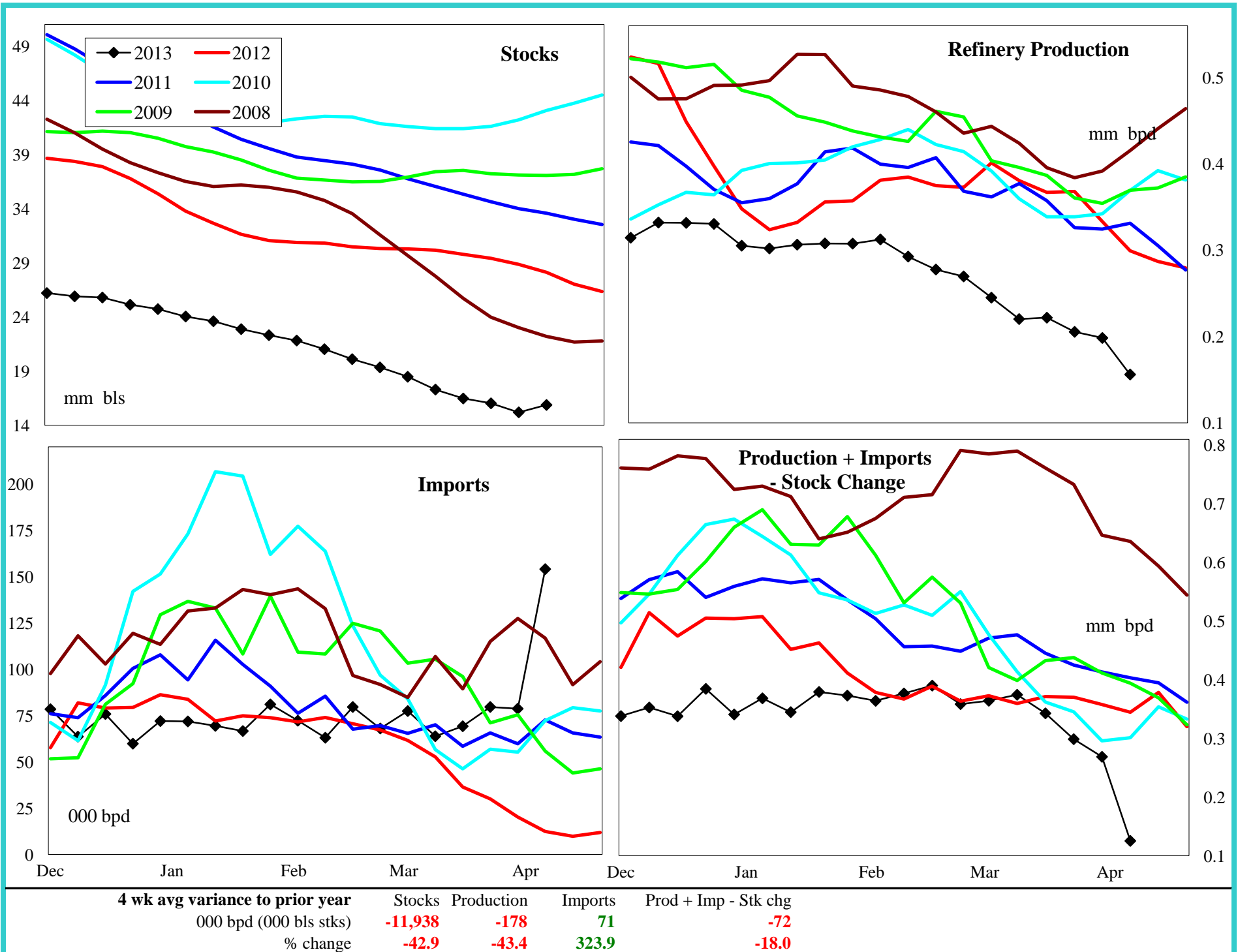
United States Distillate Supply and Demand Balance



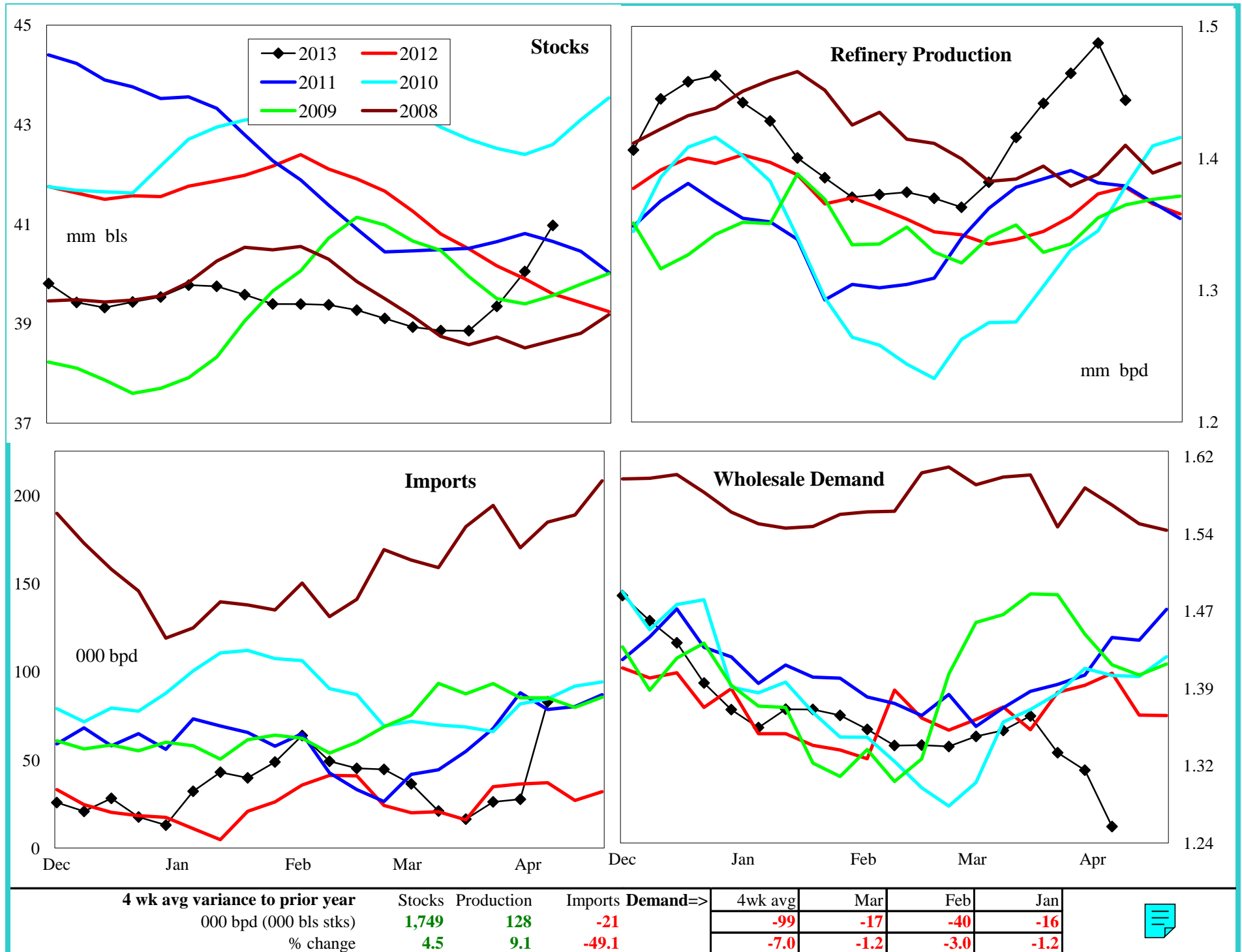
United States Low Sulfur Distillate Supply



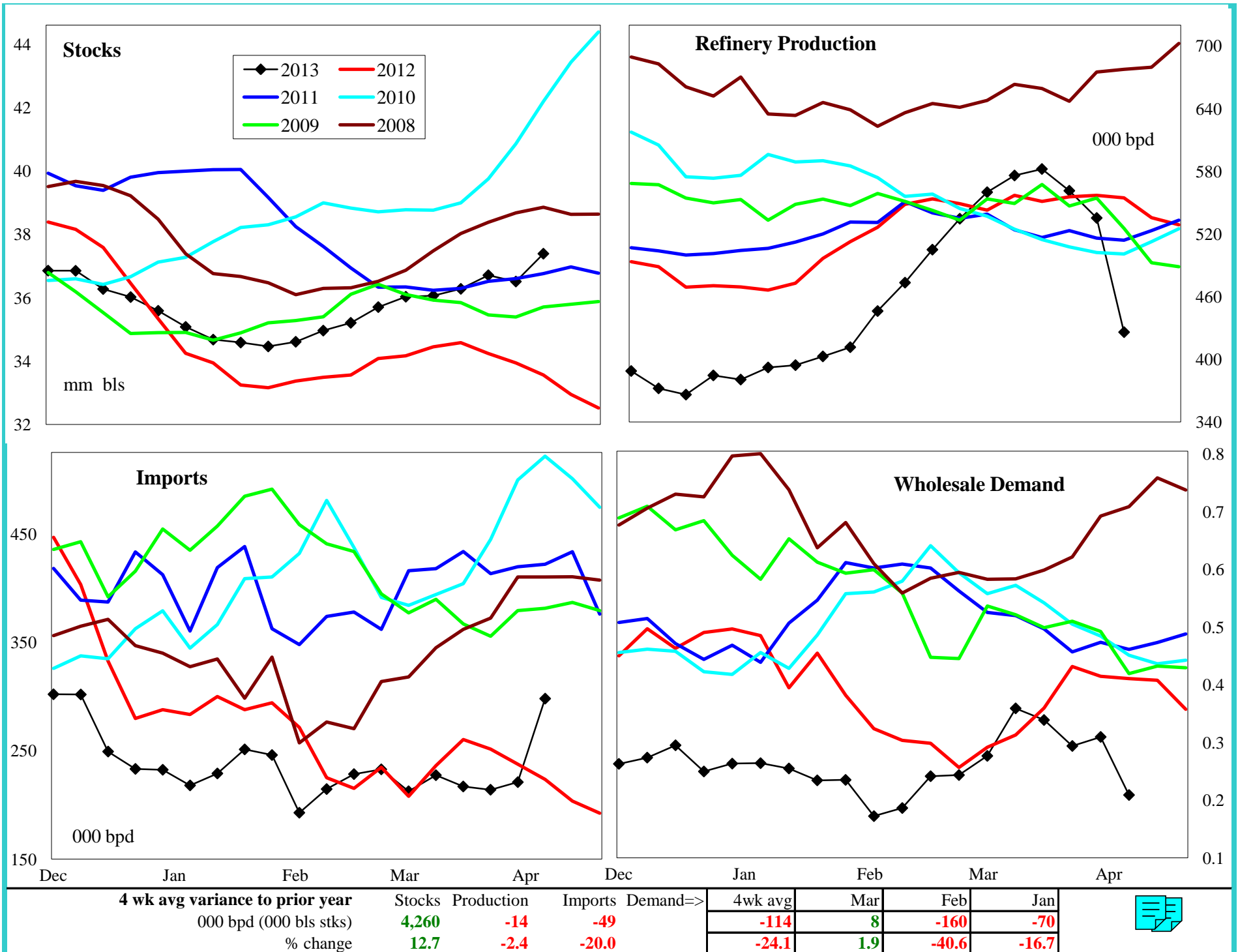
United States High Sulfur Distillate Supply



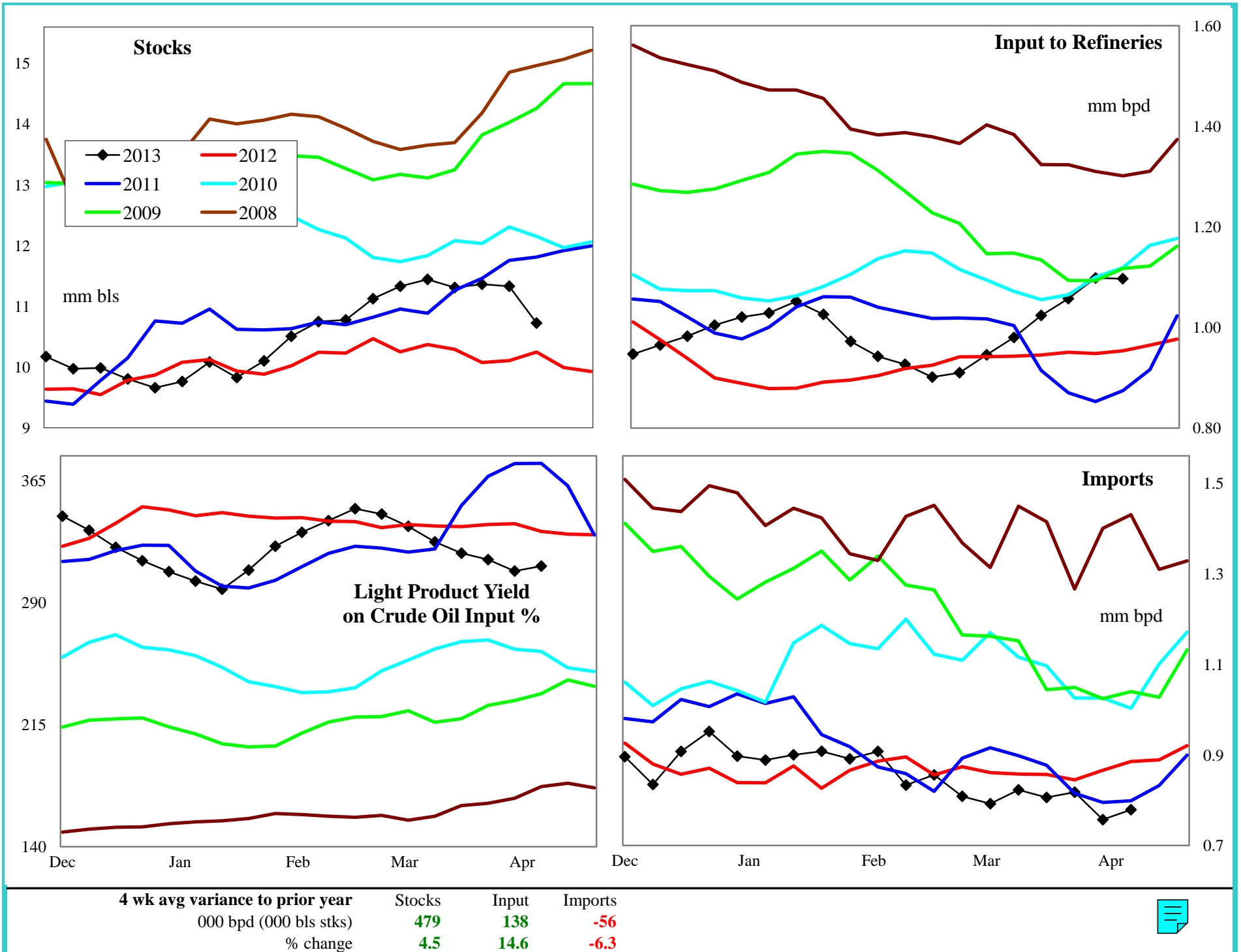
United States Jet Fuel Supply and Demand Balance



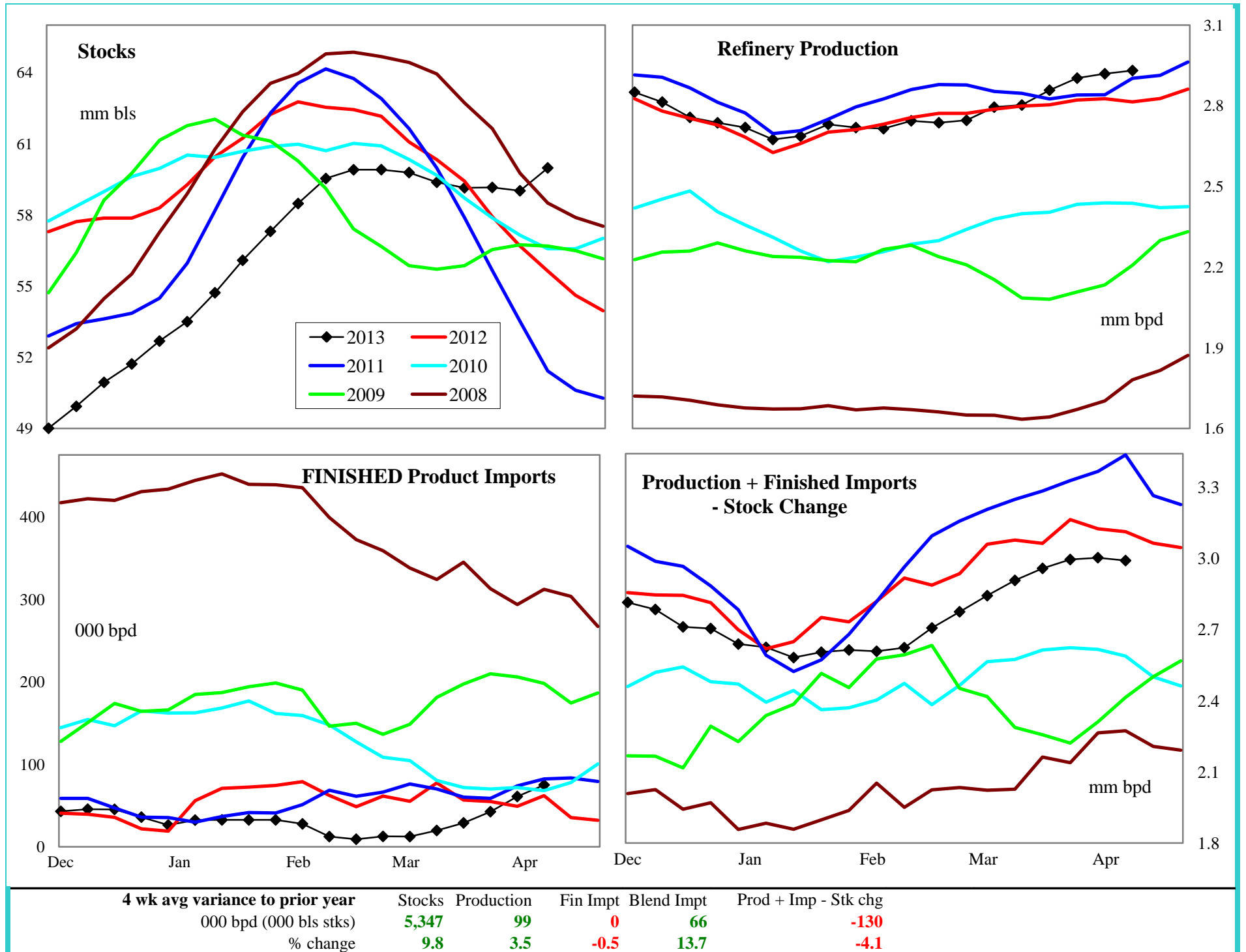
United States Residual Fuel Oil Supply and Demand Balance



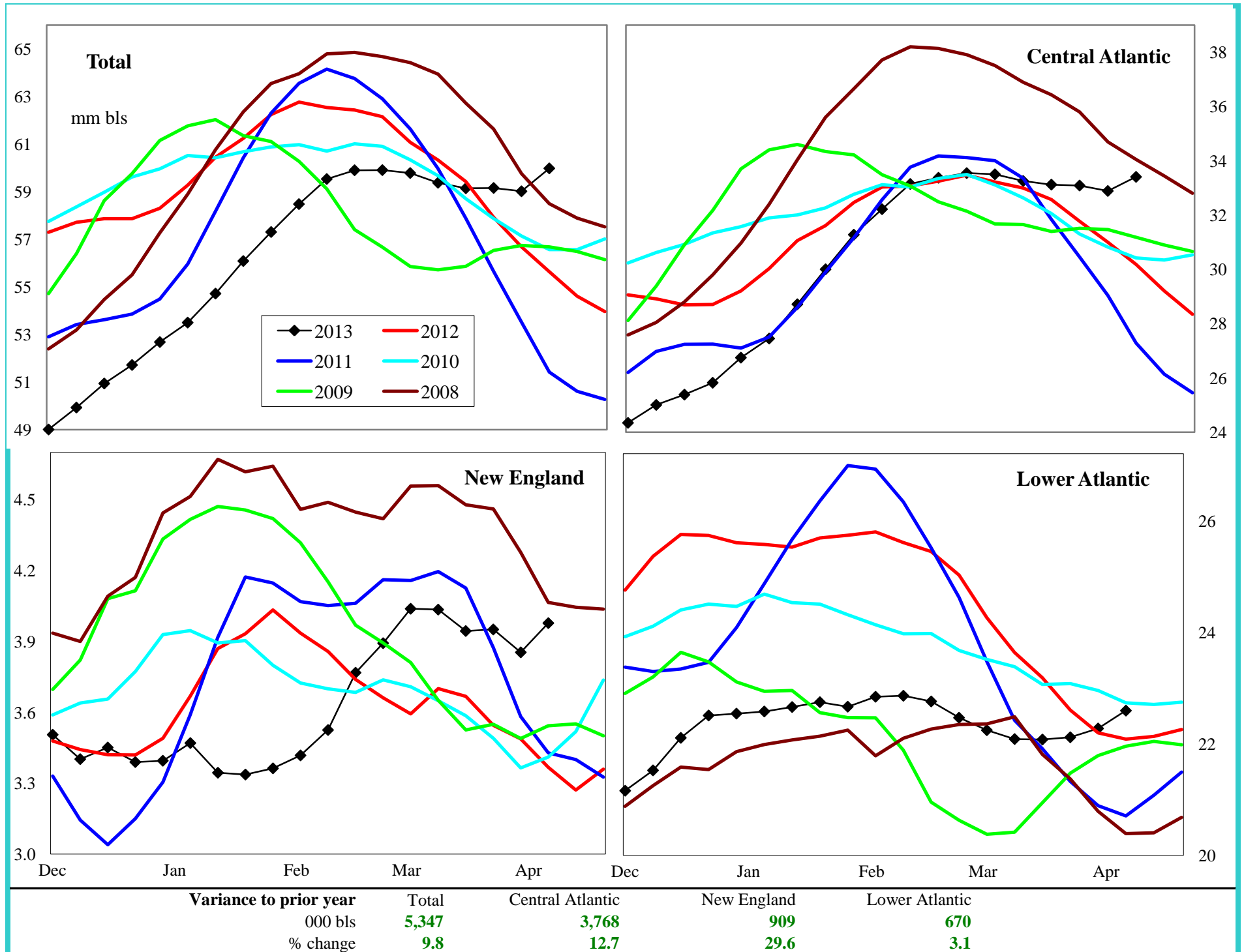
PADD 1 Crude Oil Supply and Refining



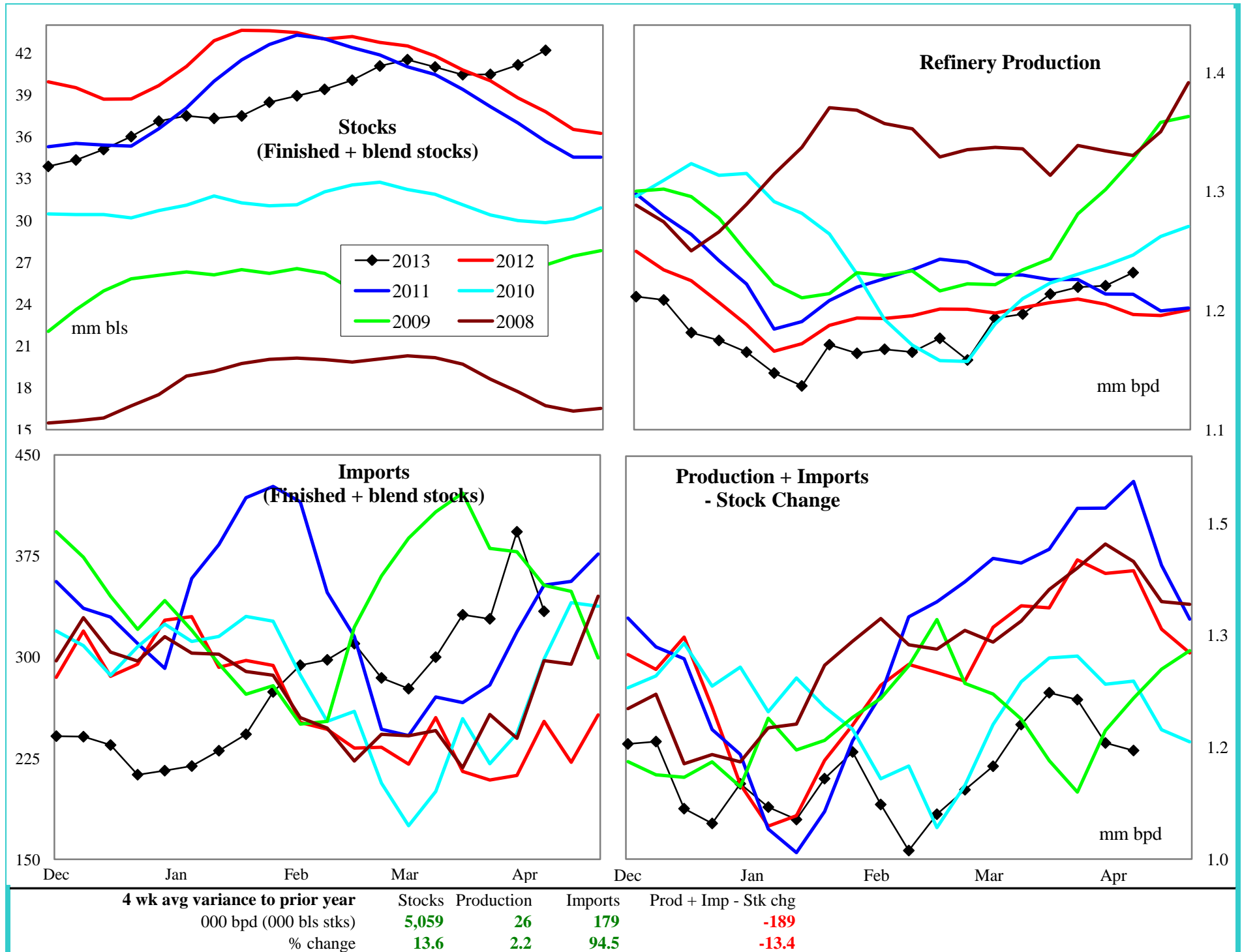
PADD 1 Gasoline Supply



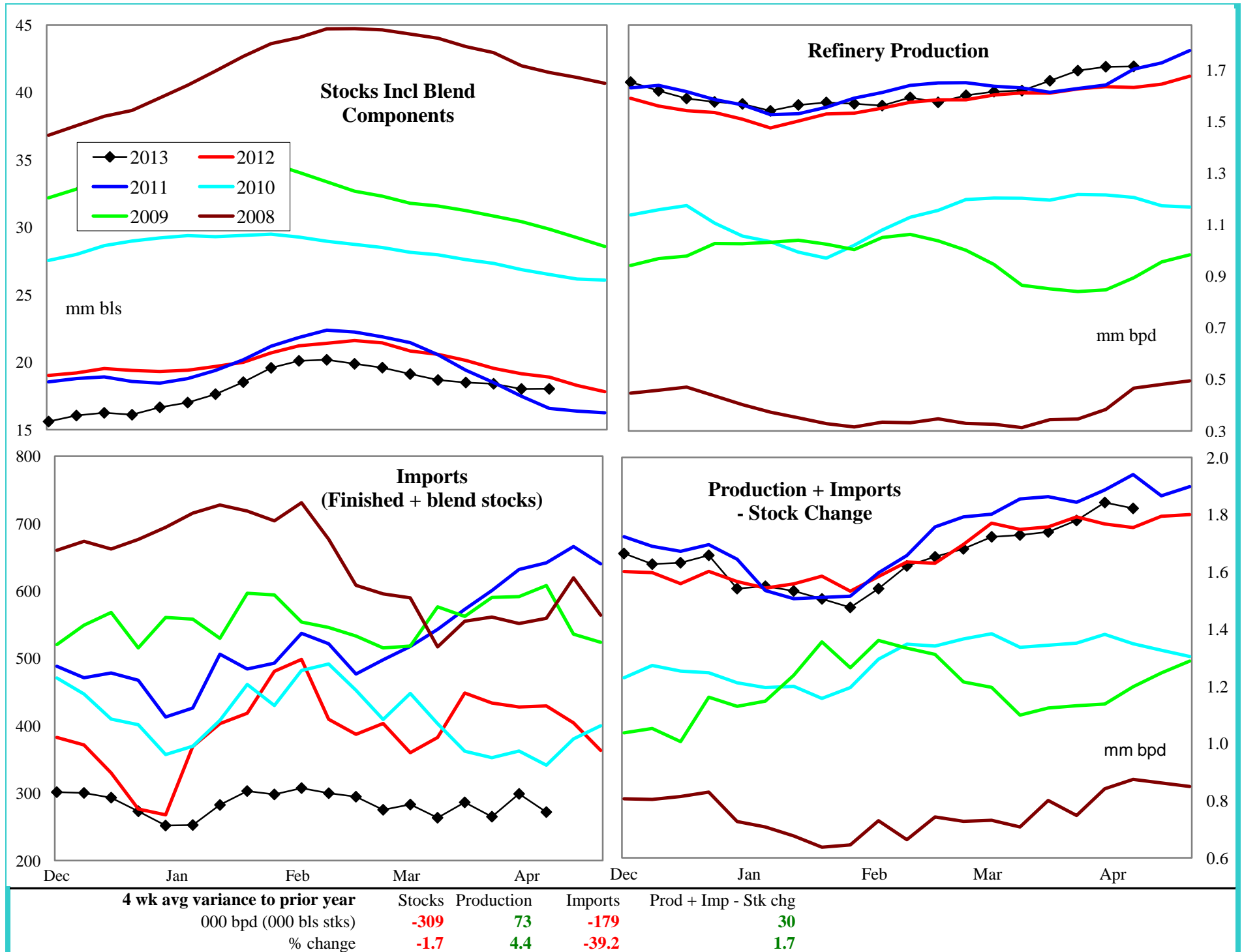
PADD 1 Gasoline Stocks by Region



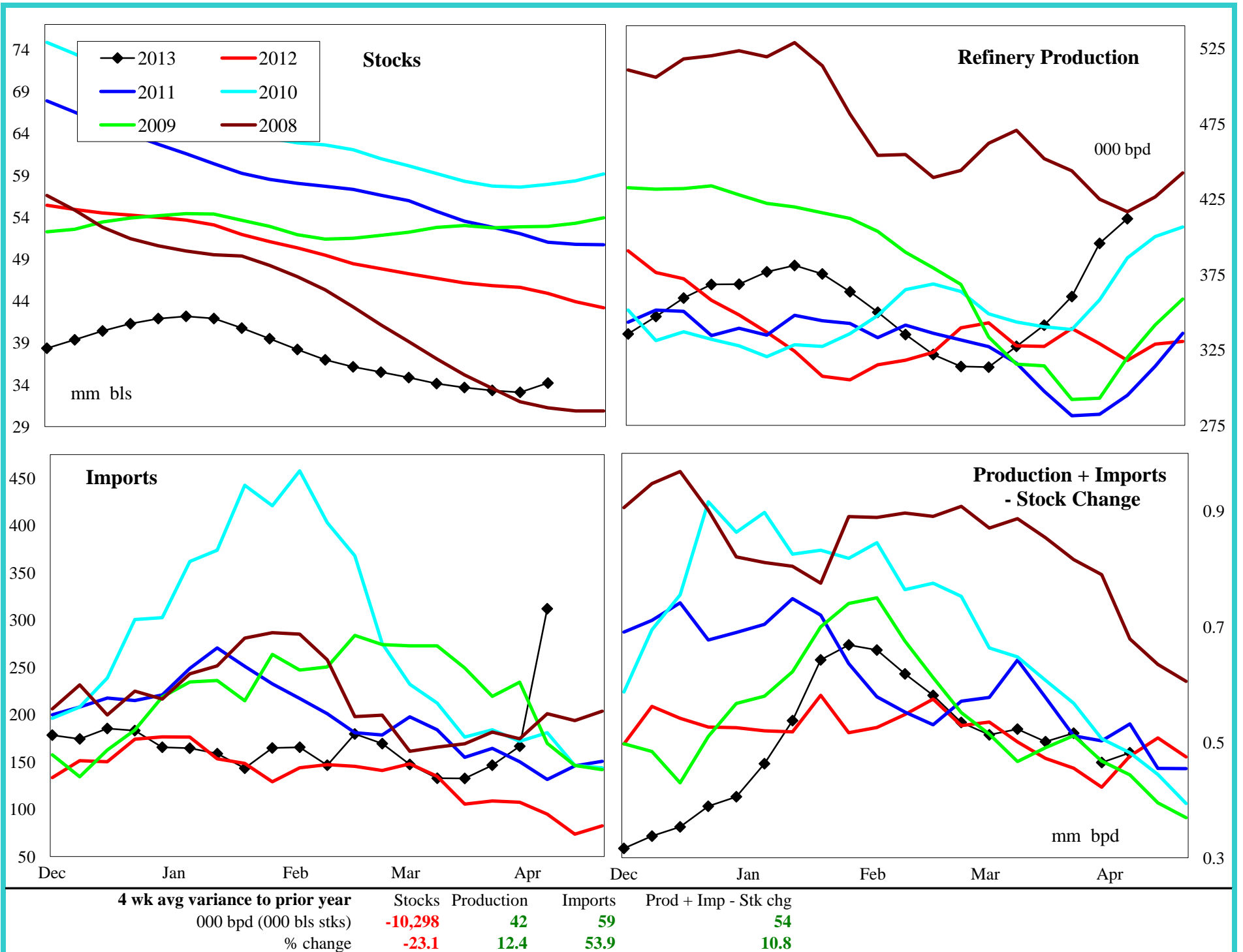
PADD 1 Reformulated Gasoline Supply



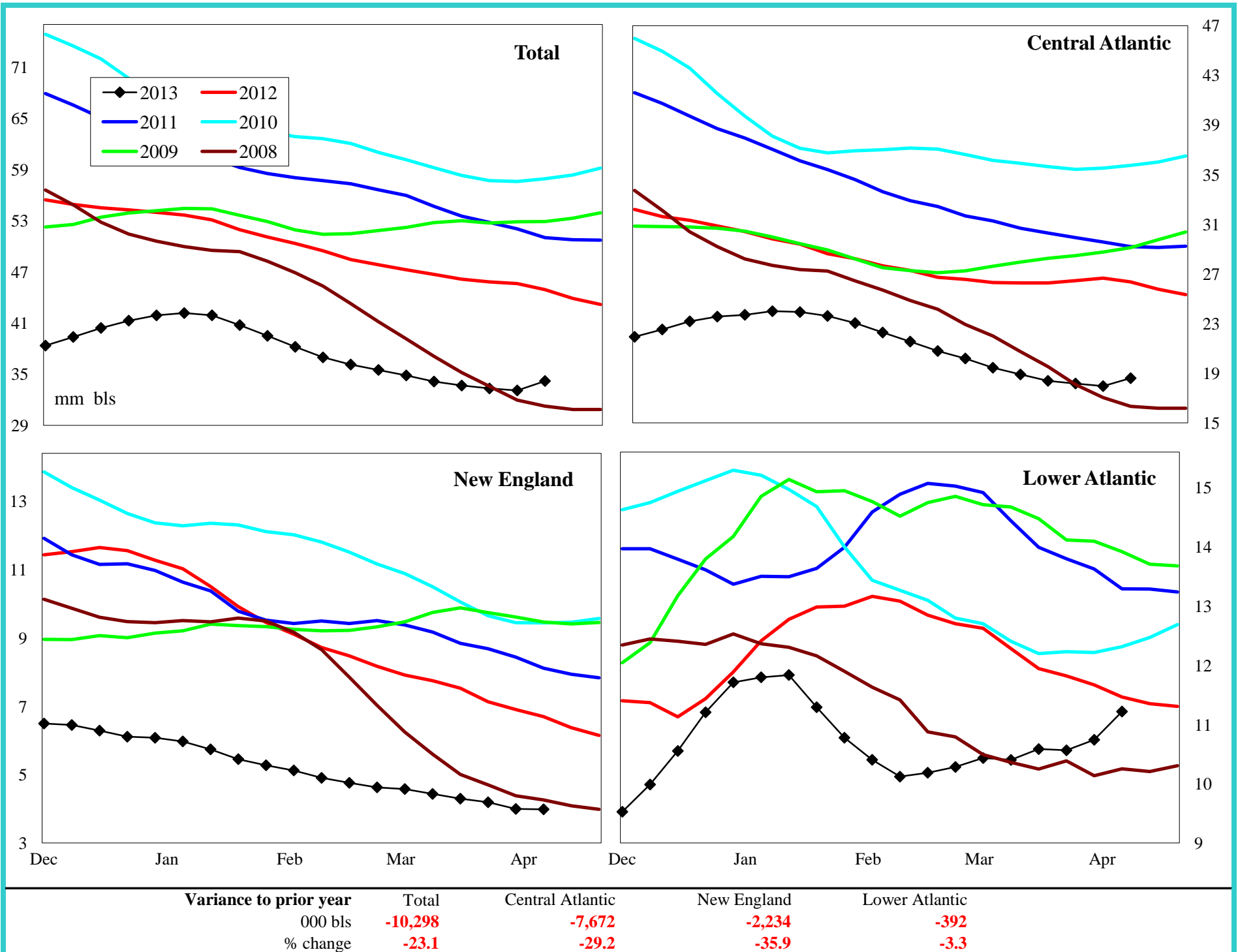
PADD 1 Conventional Gasoline Supply



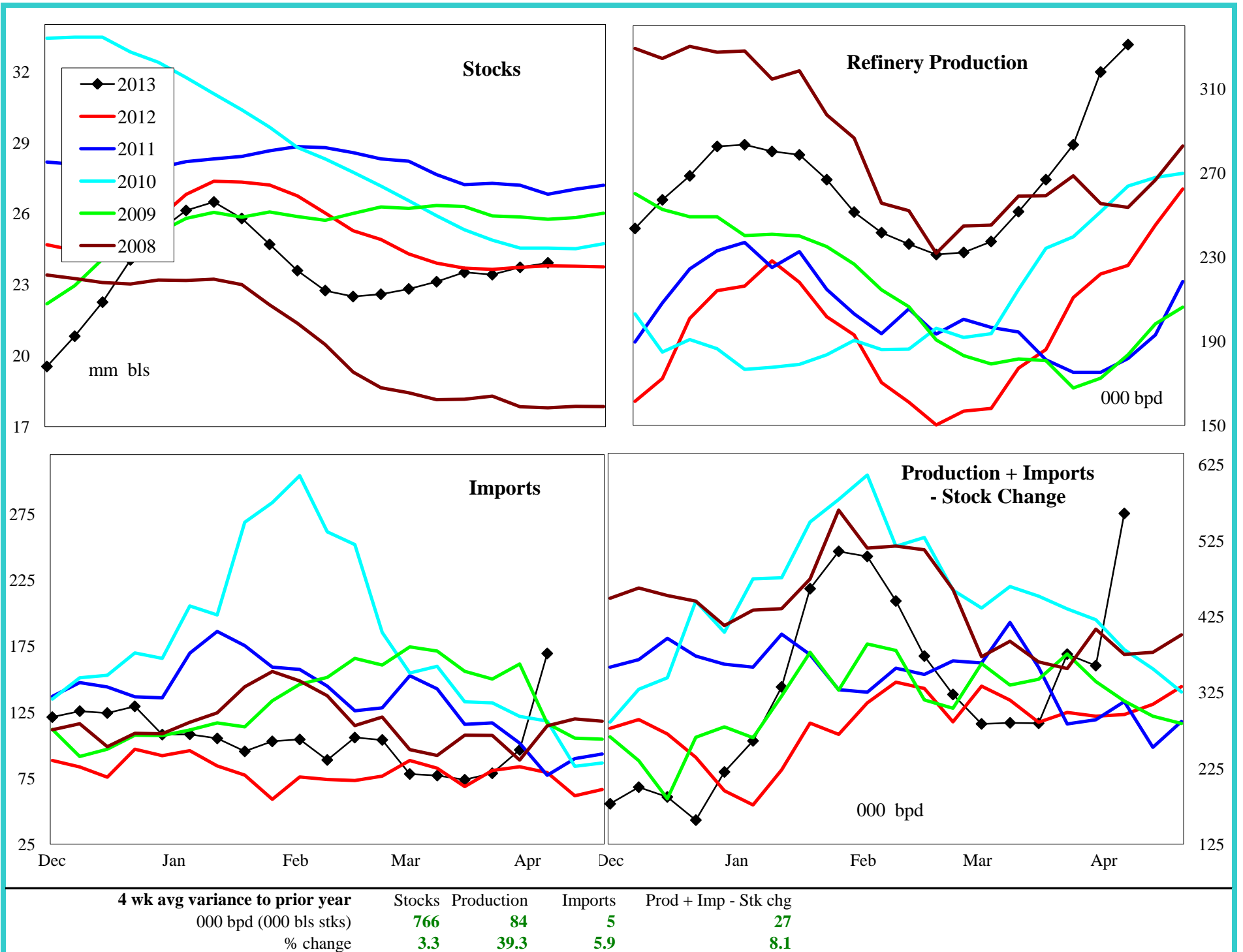
PADD 1 Distillate Supply



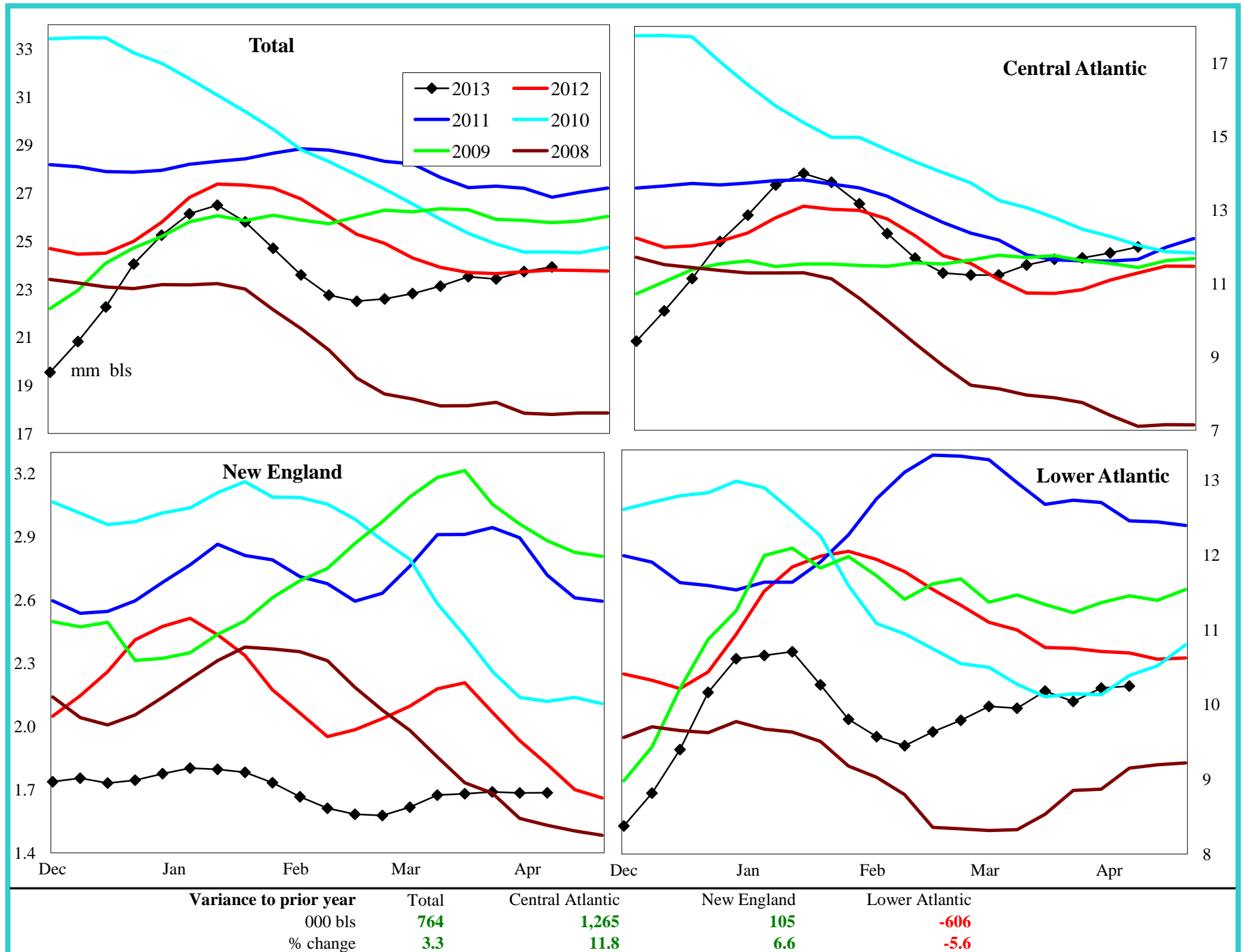
PADD 1 Distillate Stocks by Region



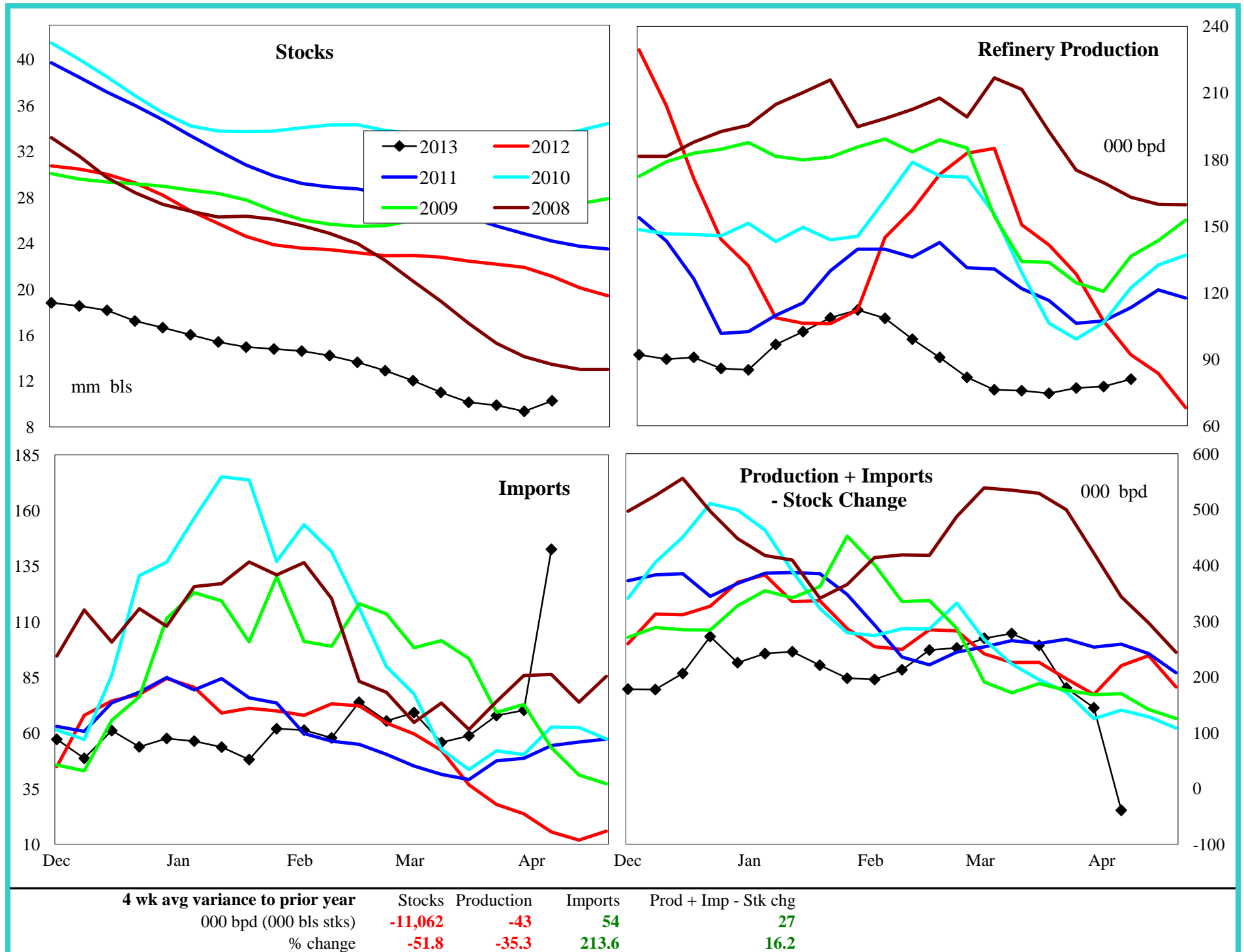
PADD 1 Low Sulfur Distillate Supply



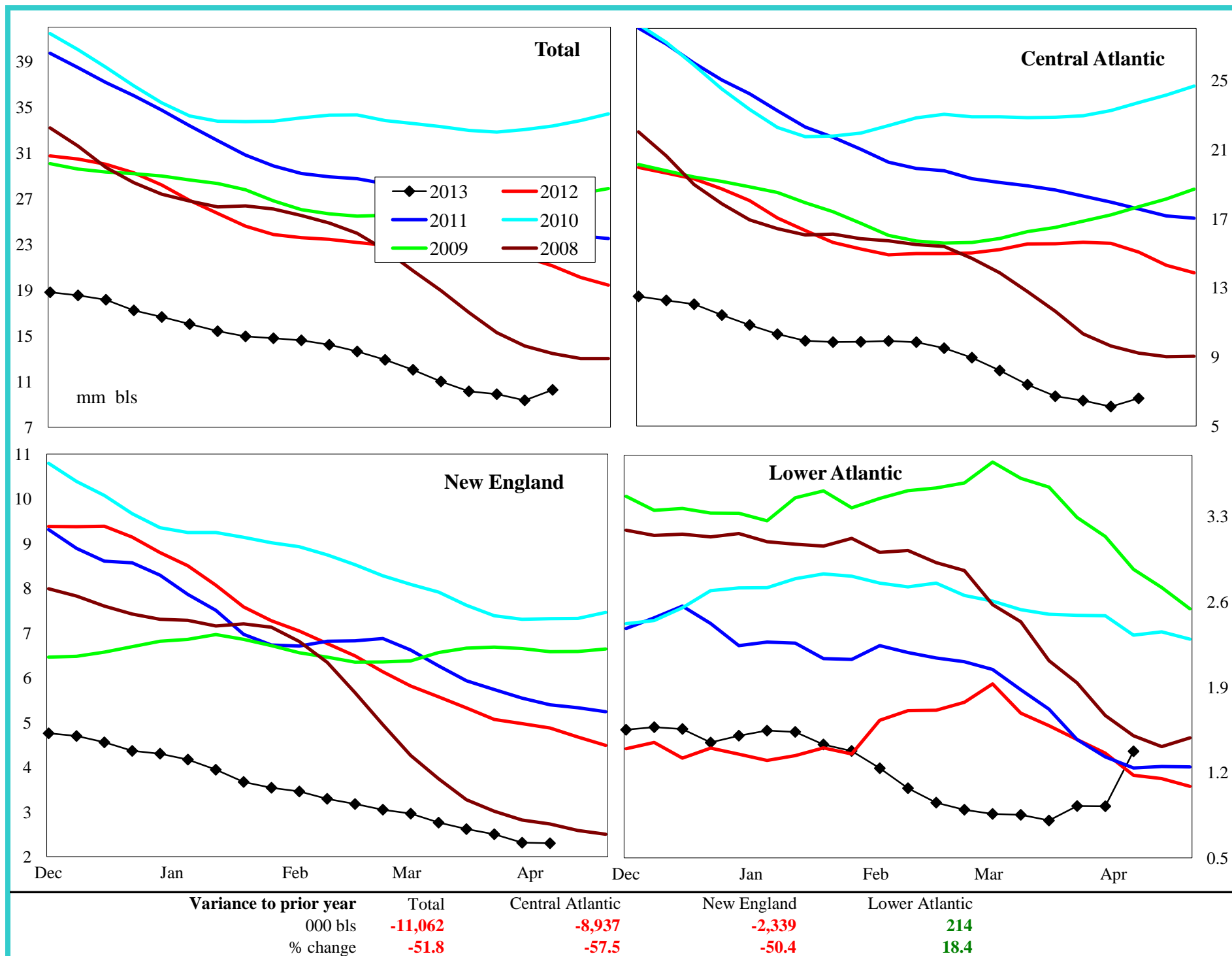
PADD 1 Low Sulfur Distillate Stocks by Region



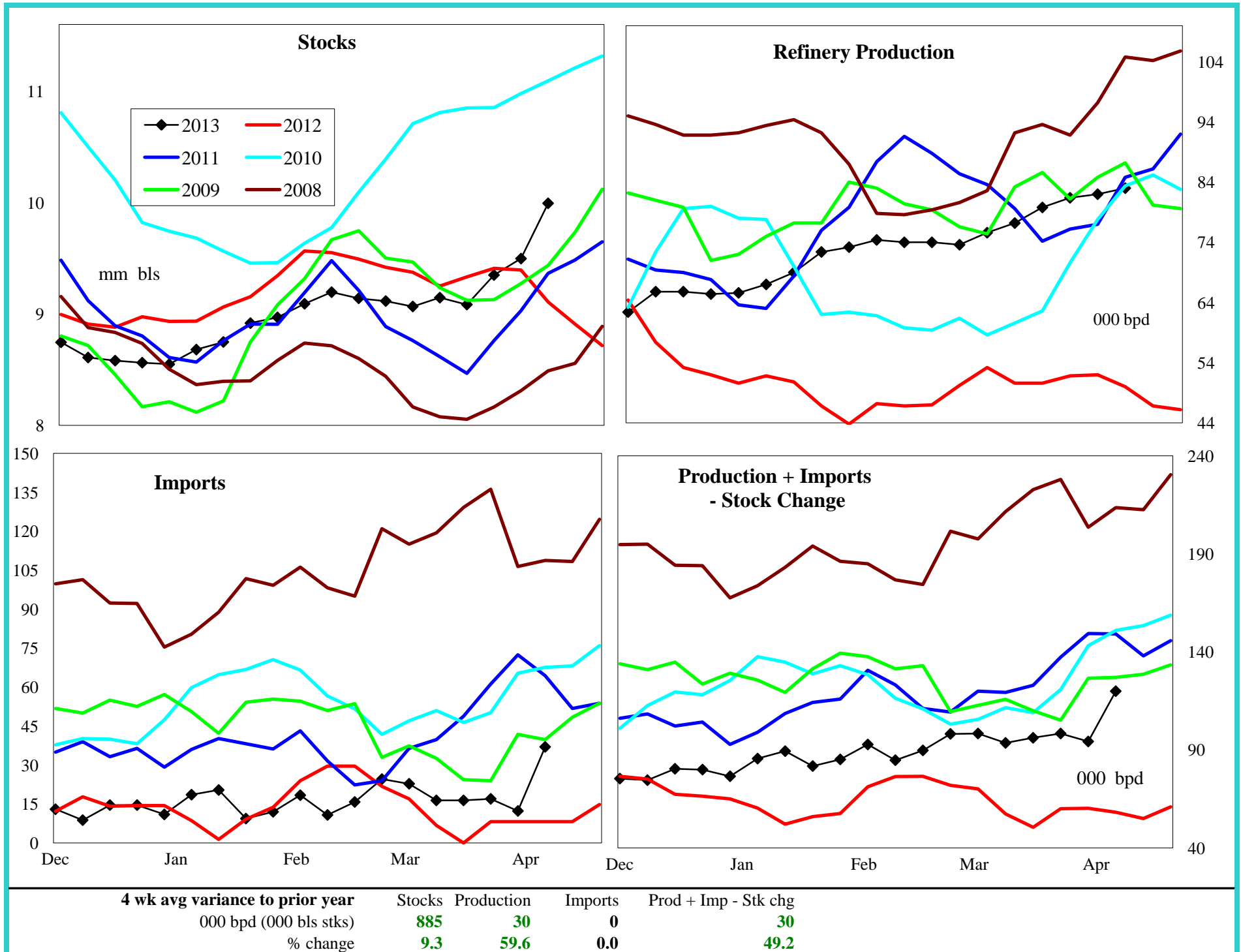
PADD 1 High Sulfur Distillate Supply



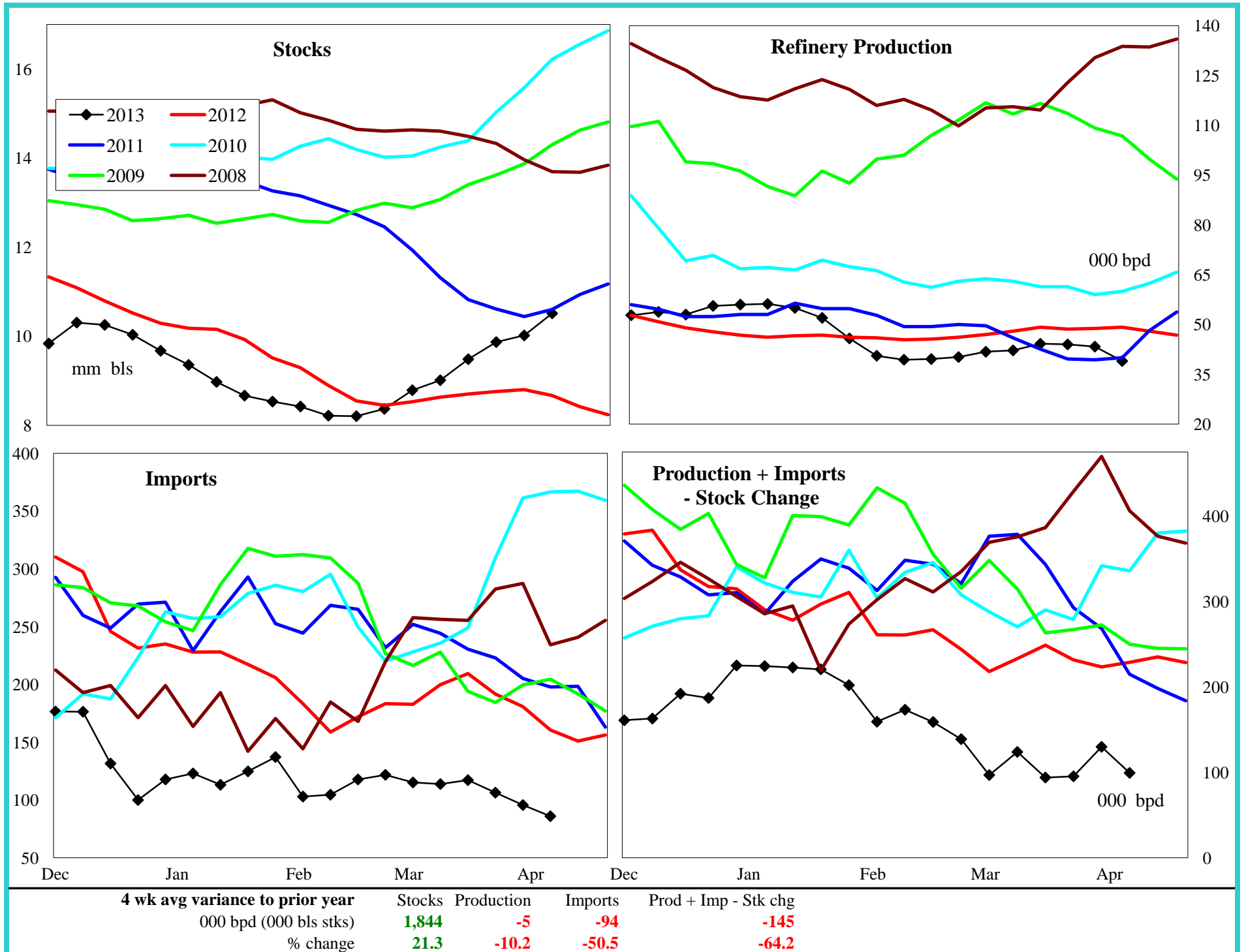
PADD 1 High Sulfur Distillate Stocks by Region



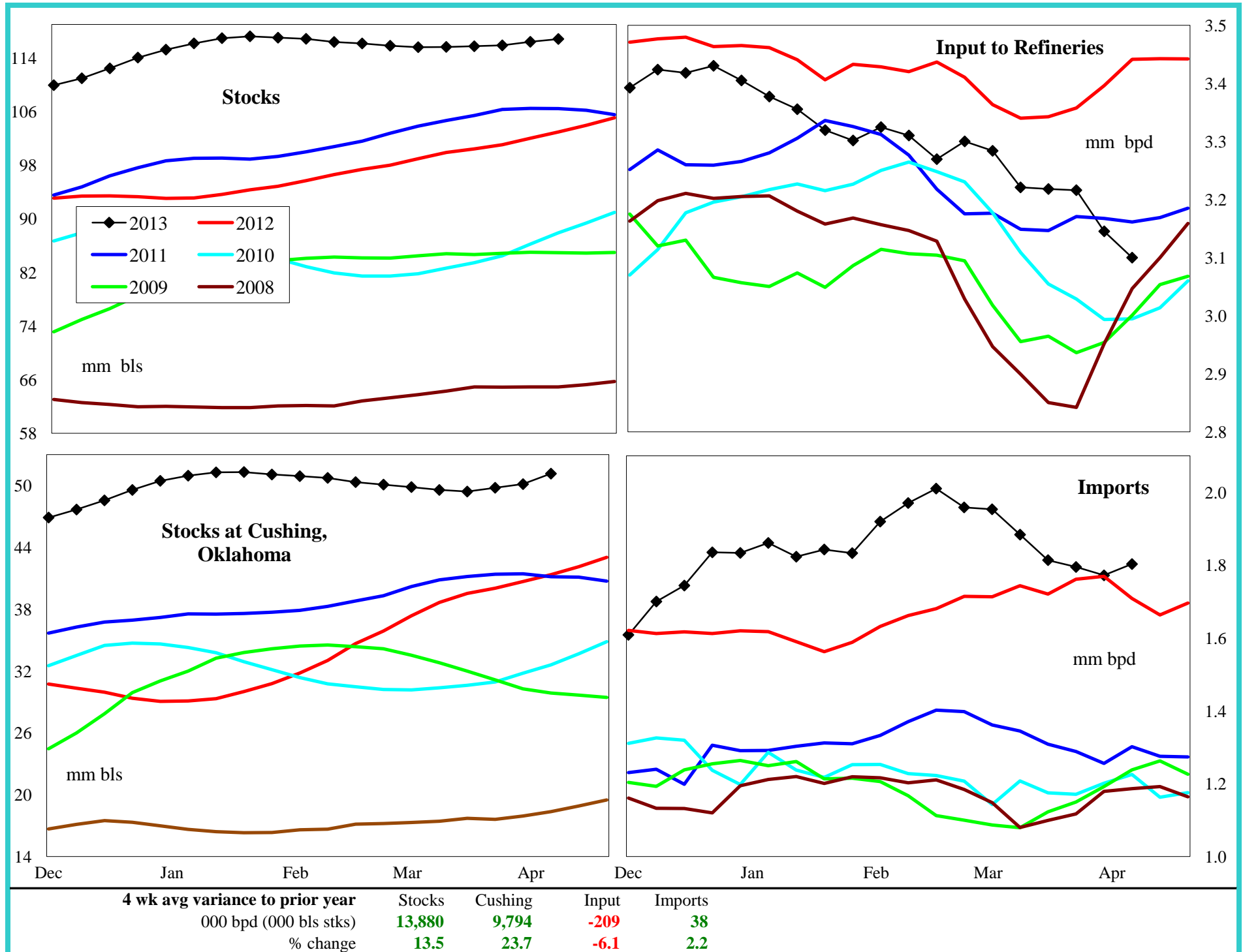
PADD 1 Jet Fuel Supply



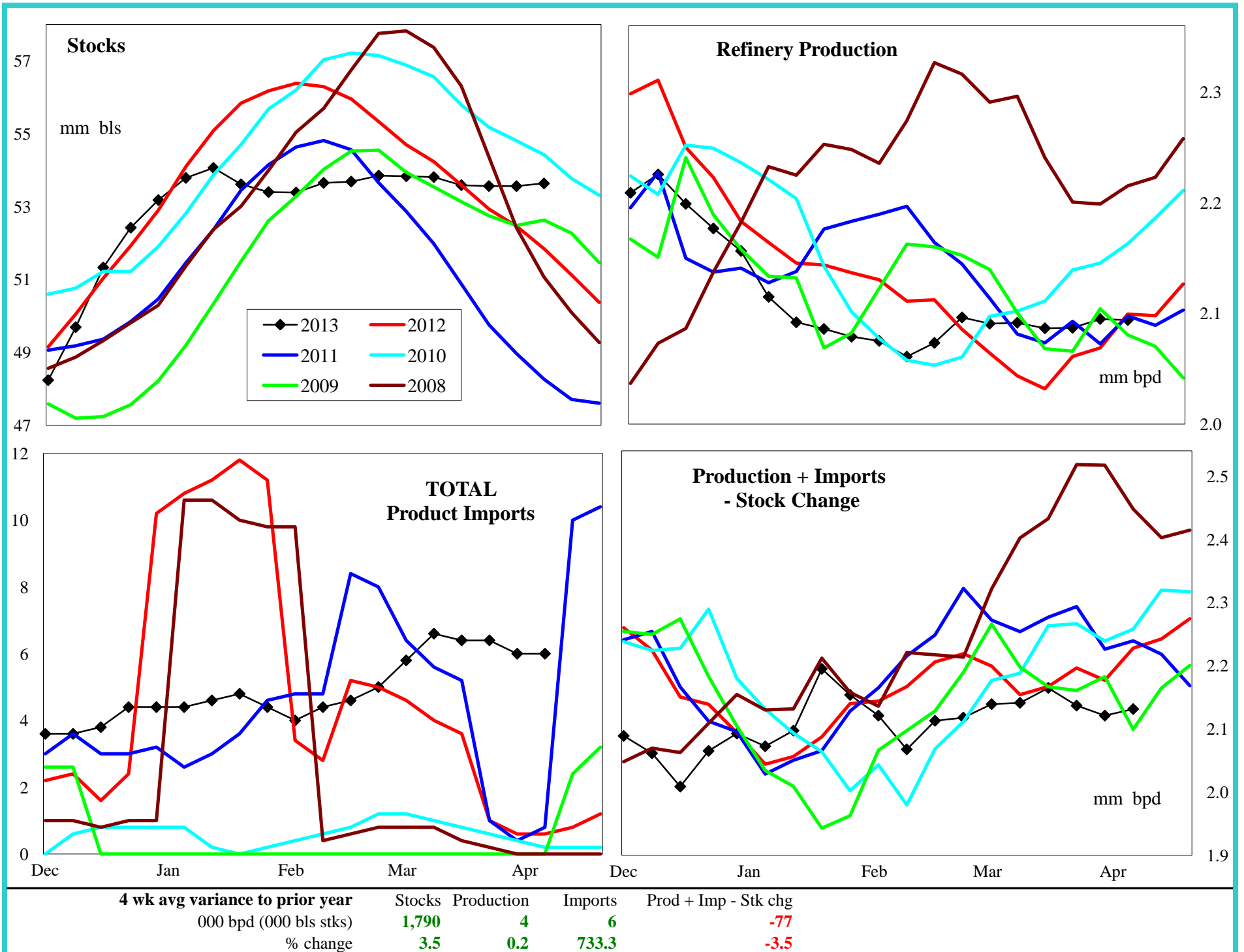
PADD 1 Residual Fuel Oil Supply



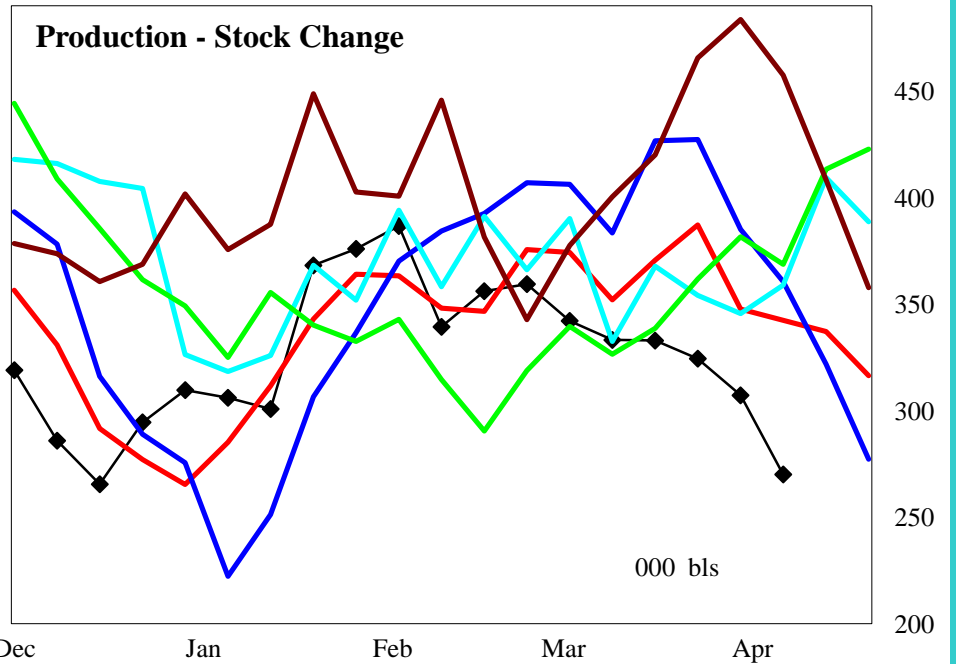
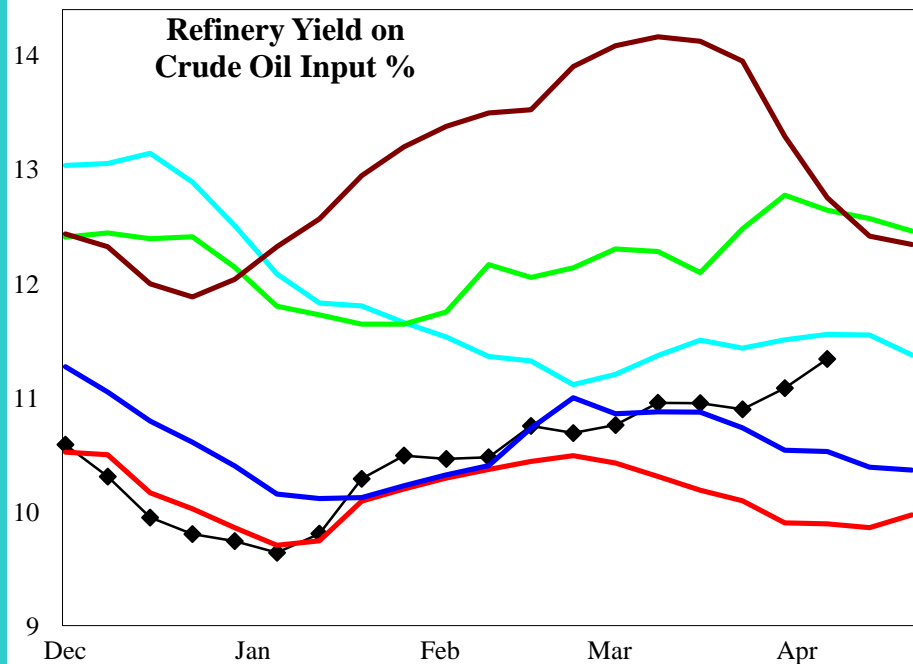
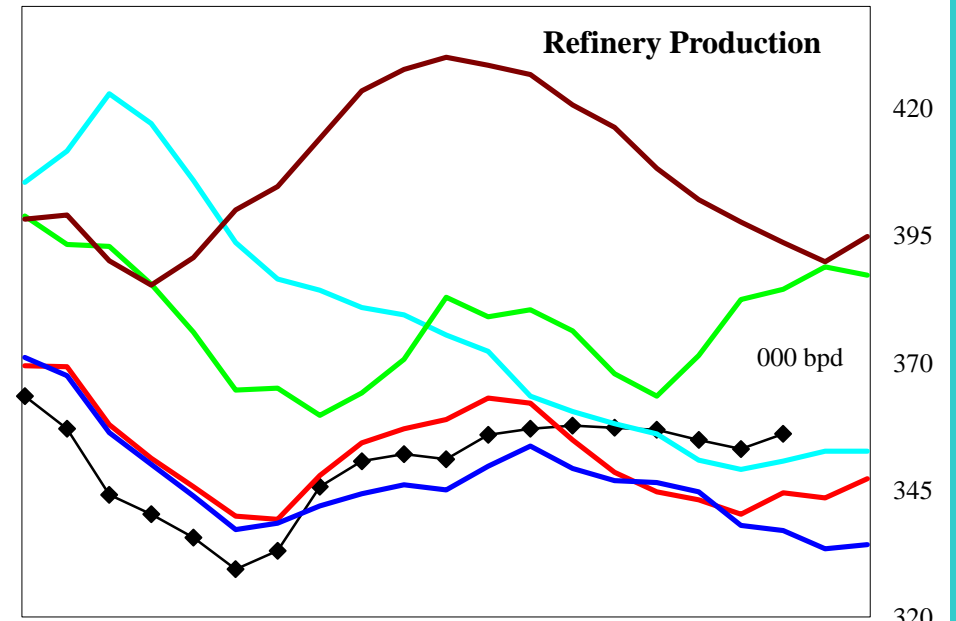
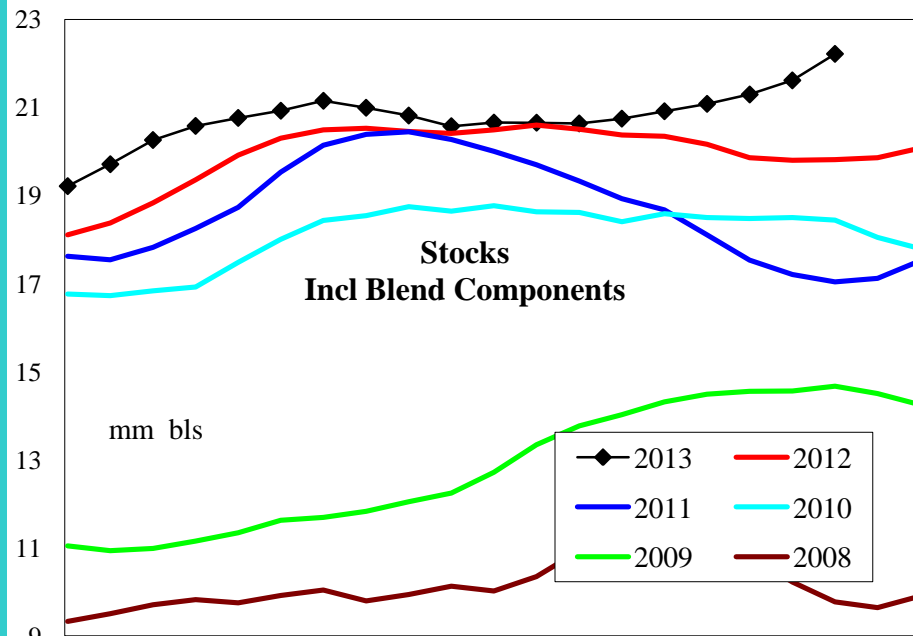
PADD 2 Crude Oil Supply and Refining



PADD 2 Gasoline Supply



PADD 2 Reformulated Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

Production

2,400

12

12.1

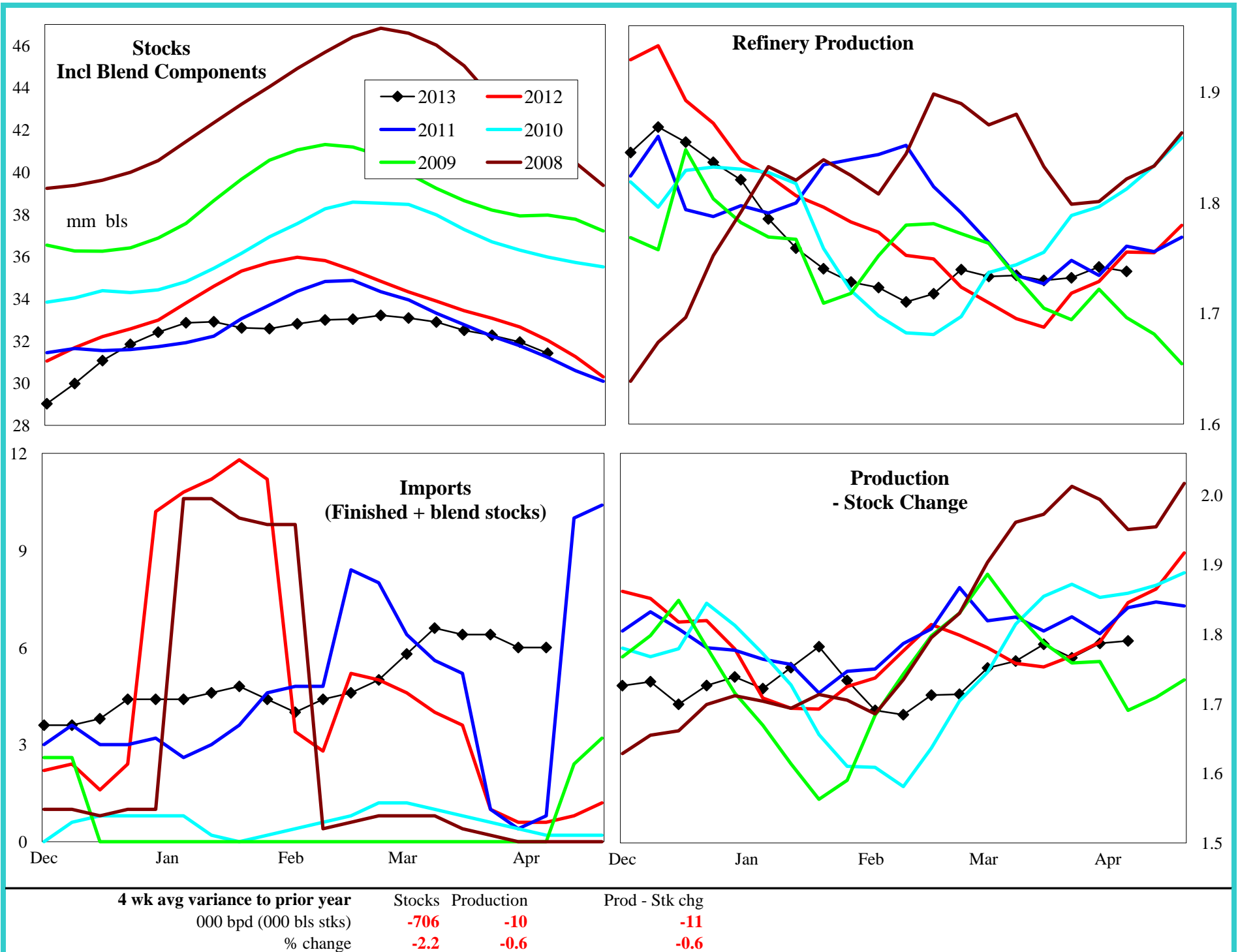
3.5

Prod - Stk chg

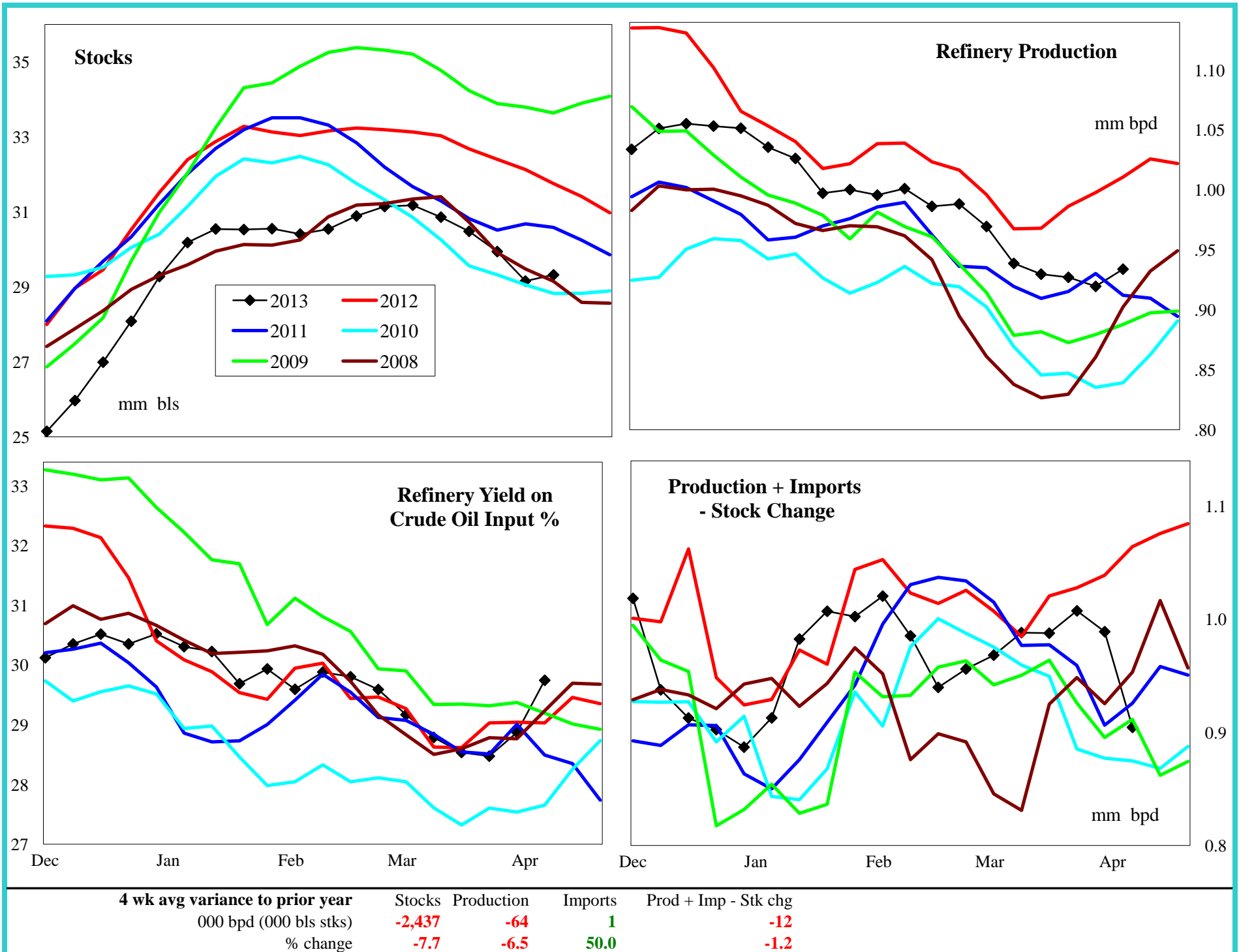
-53

-14.7

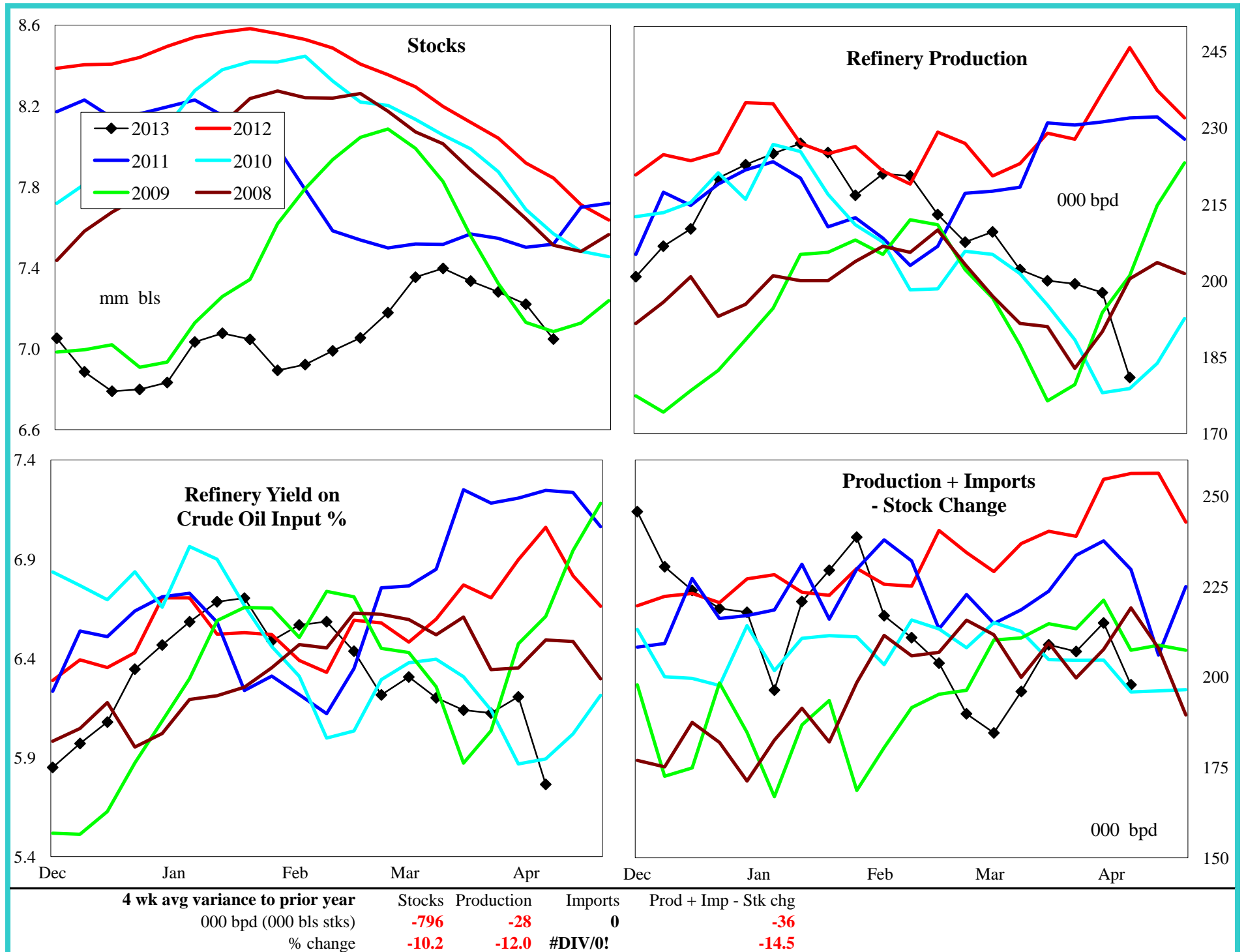
PADD 2 Conventional Gasoline Supply



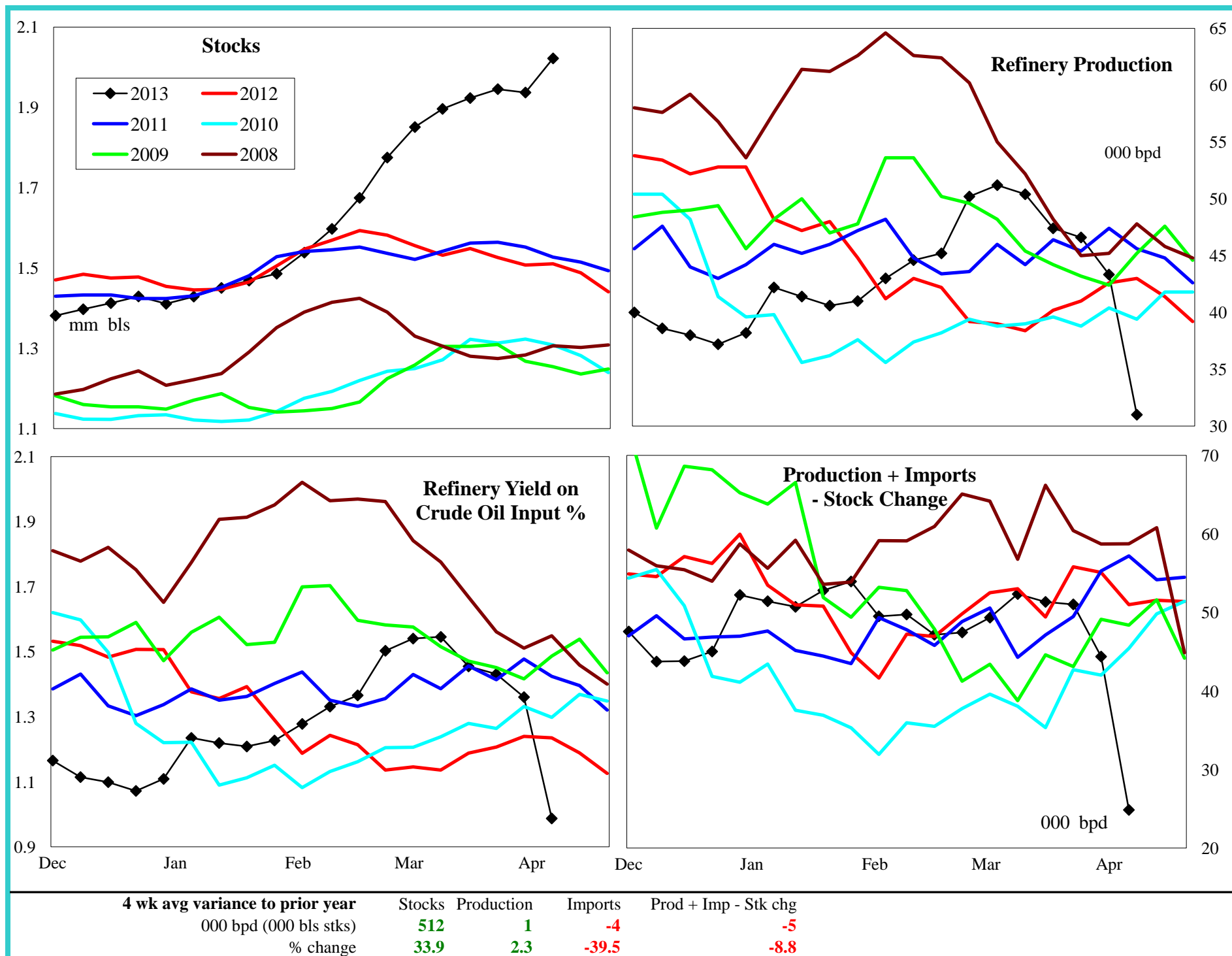
PADD 2 Distillate Supply



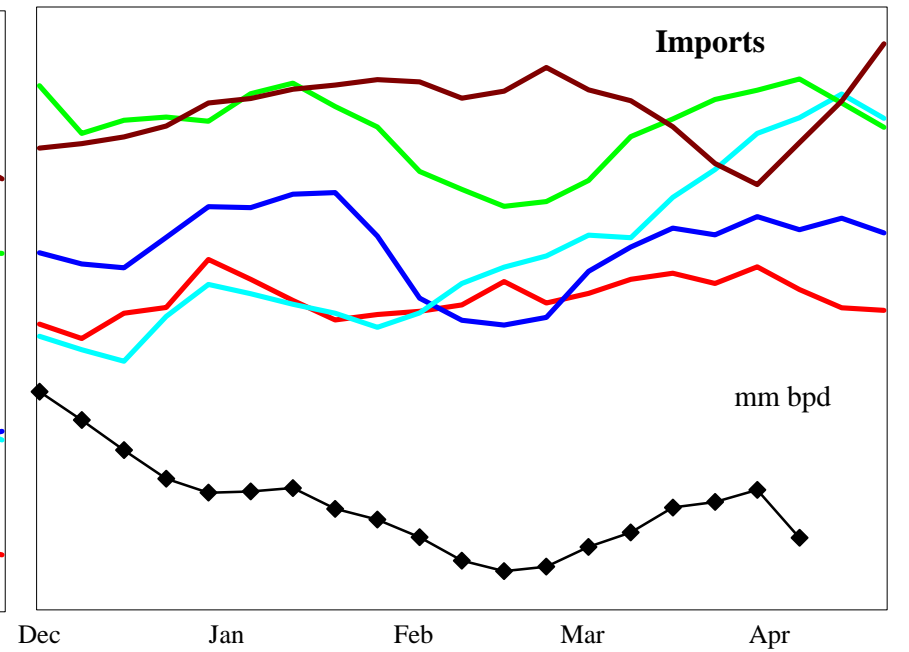
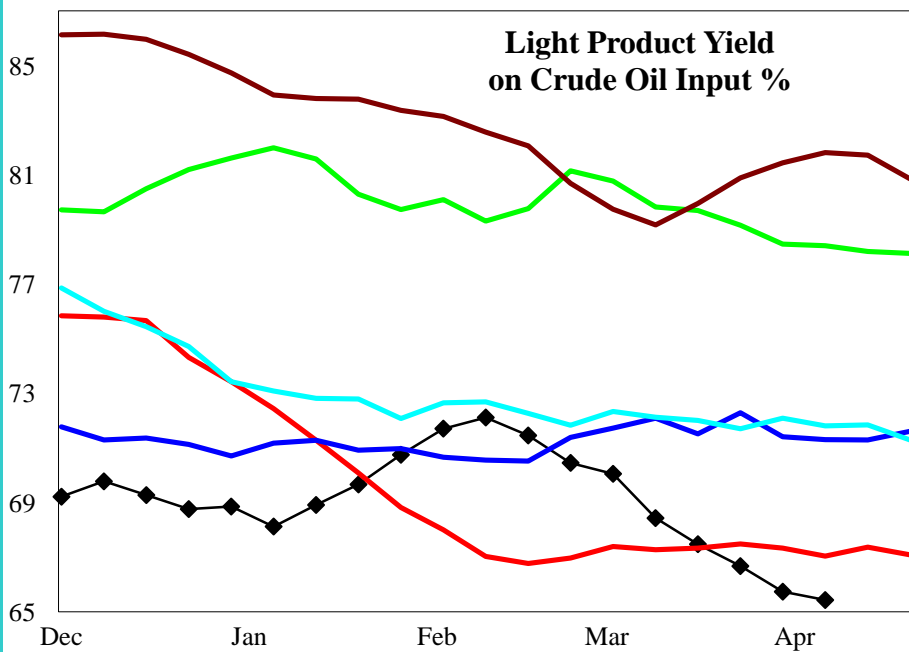
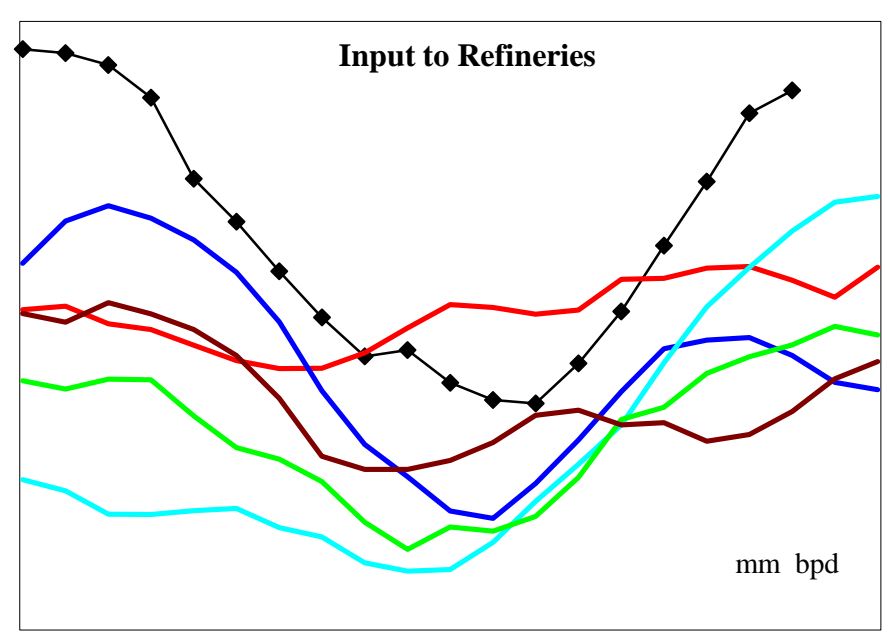
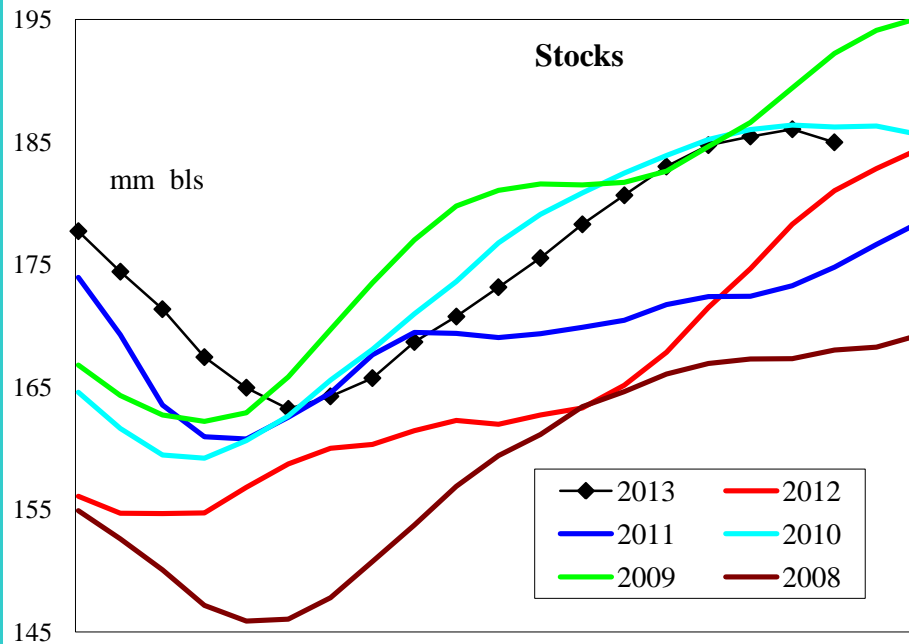
PADD 2 Jet Fuel Supply



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

3,942

2.2

Input

346

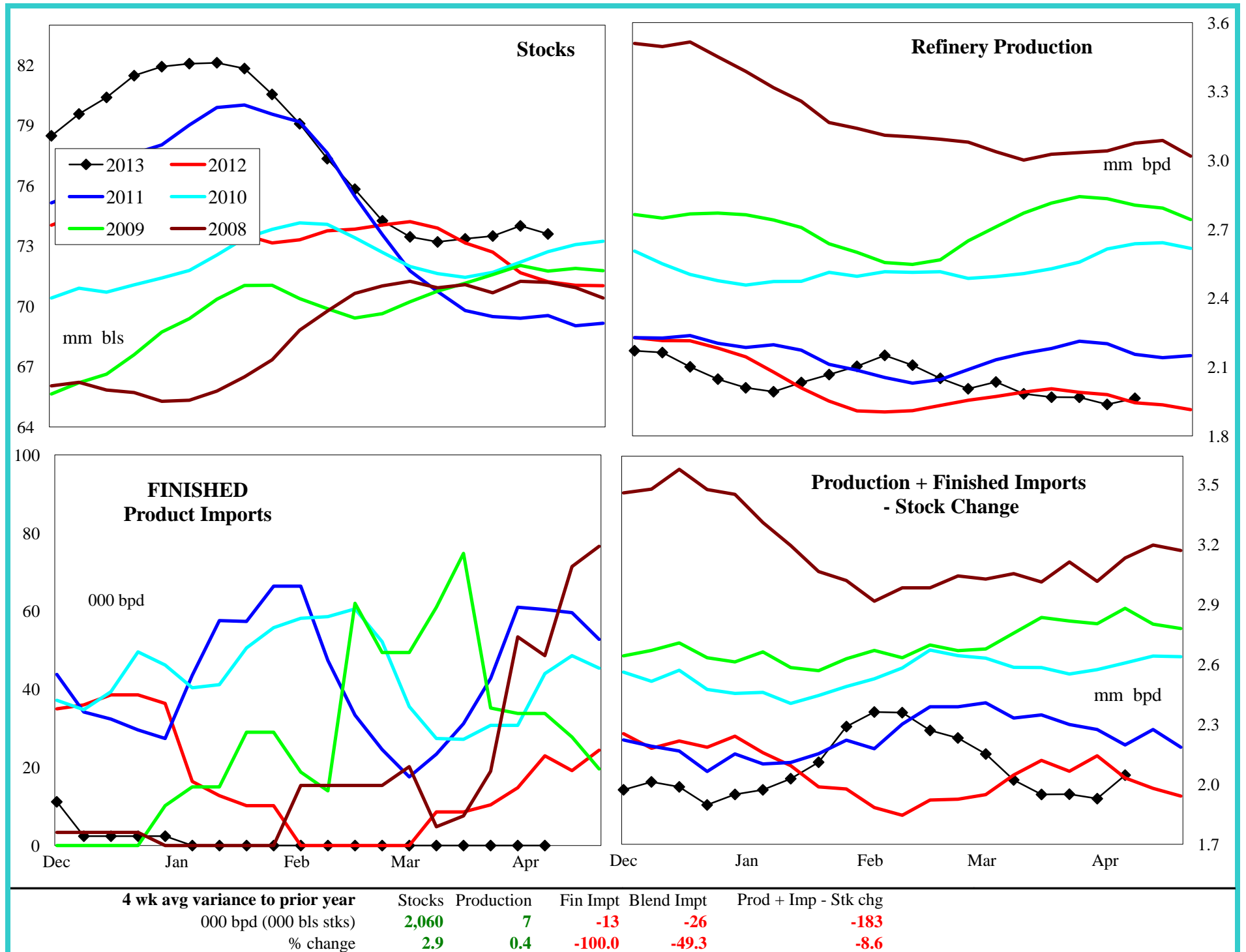
4.6

Imports

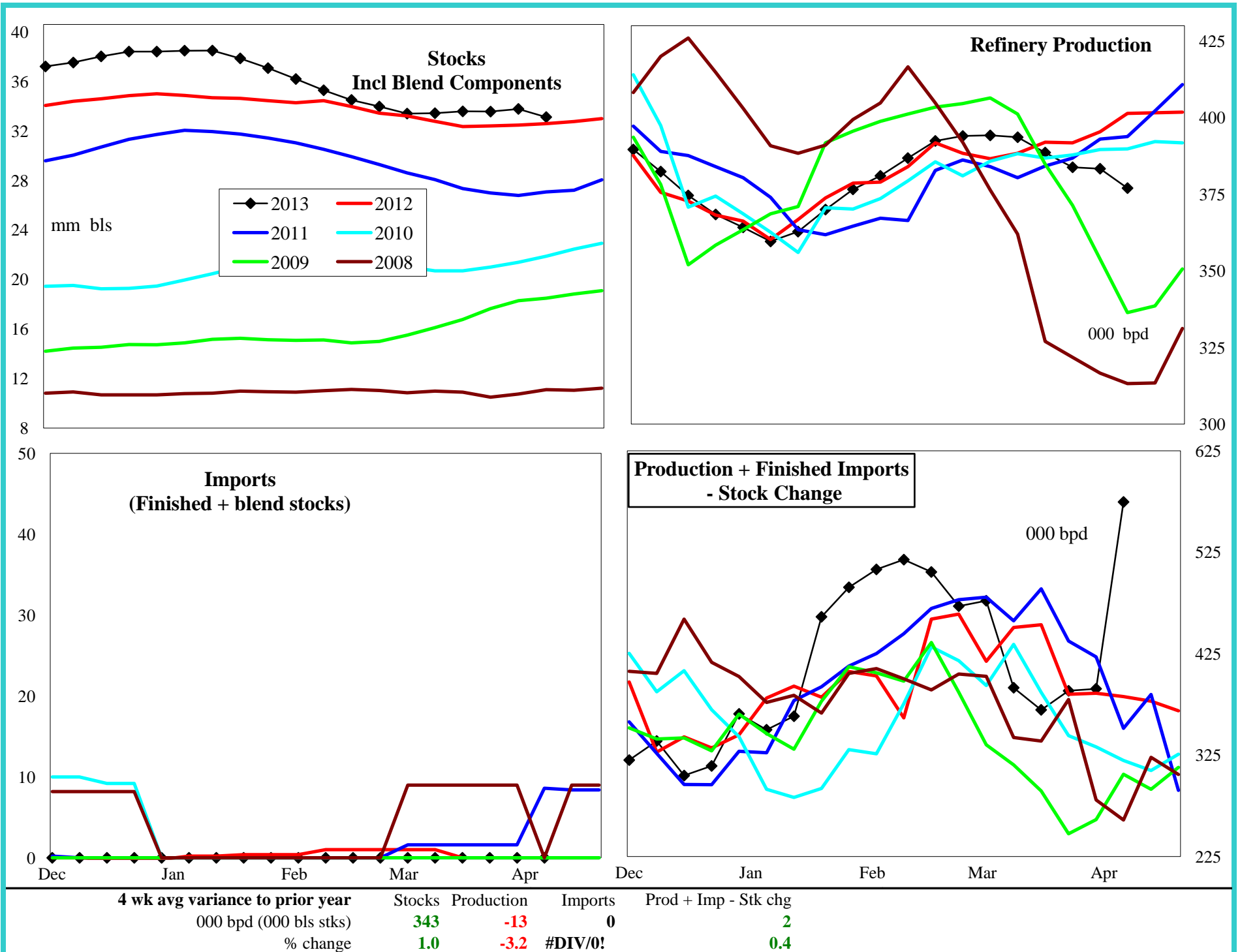
-1,138

-22.7

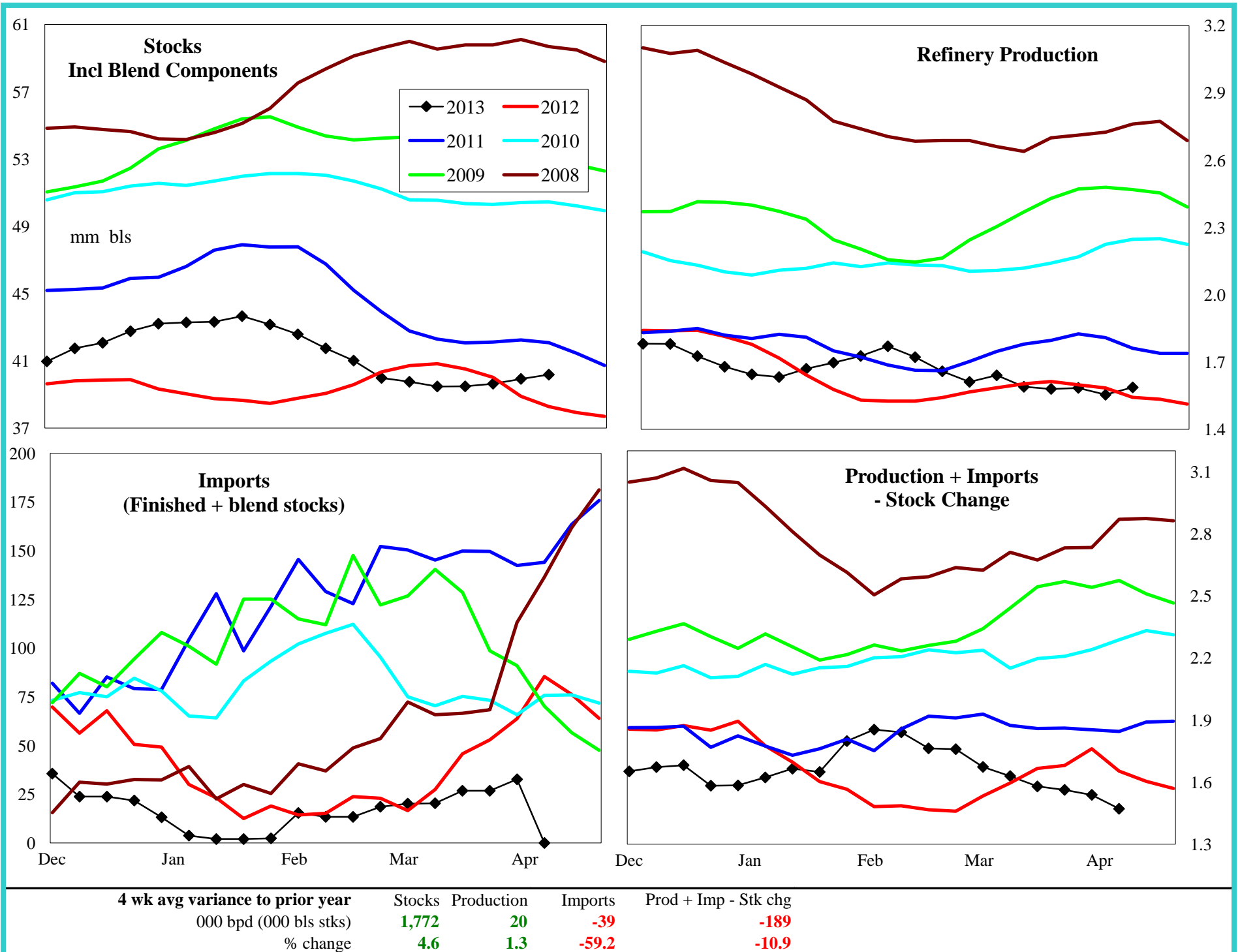
PADD 3 Gasoline Supply



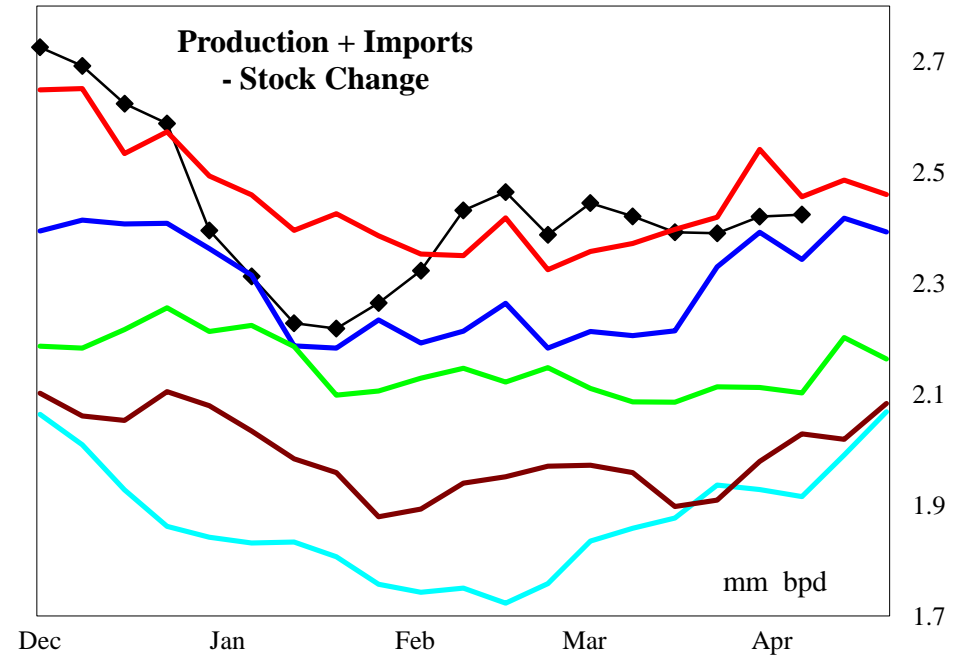
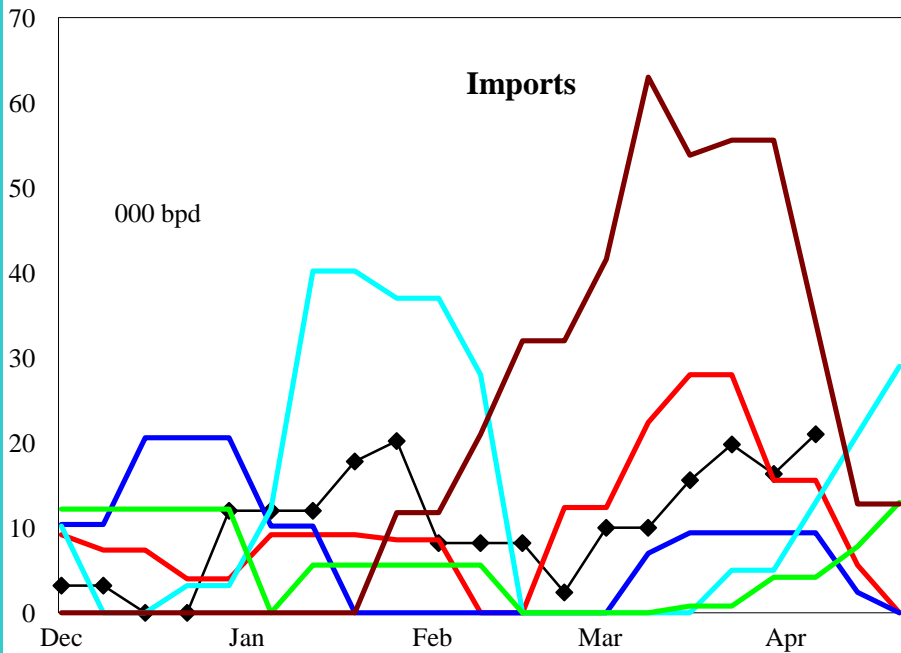
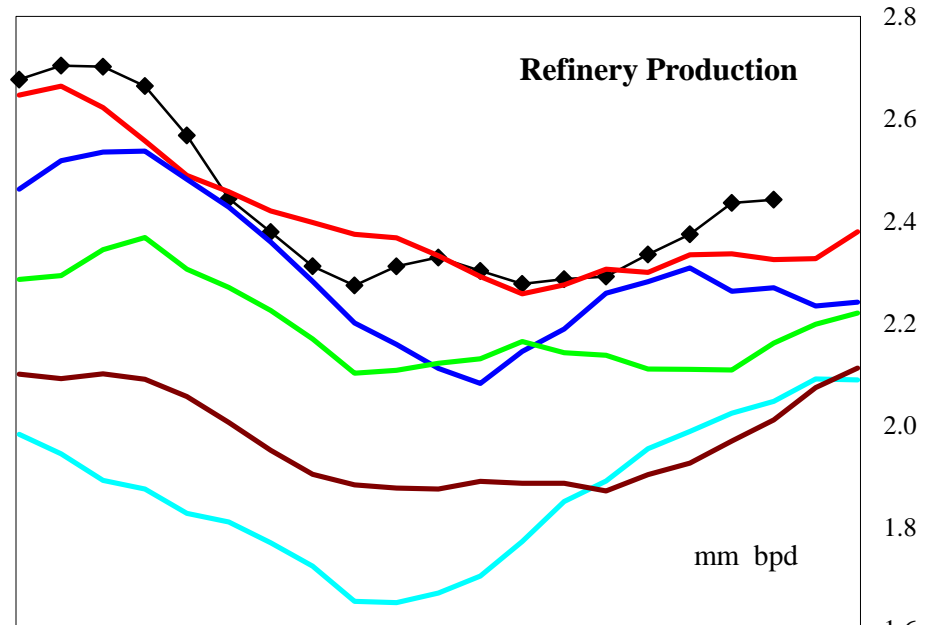
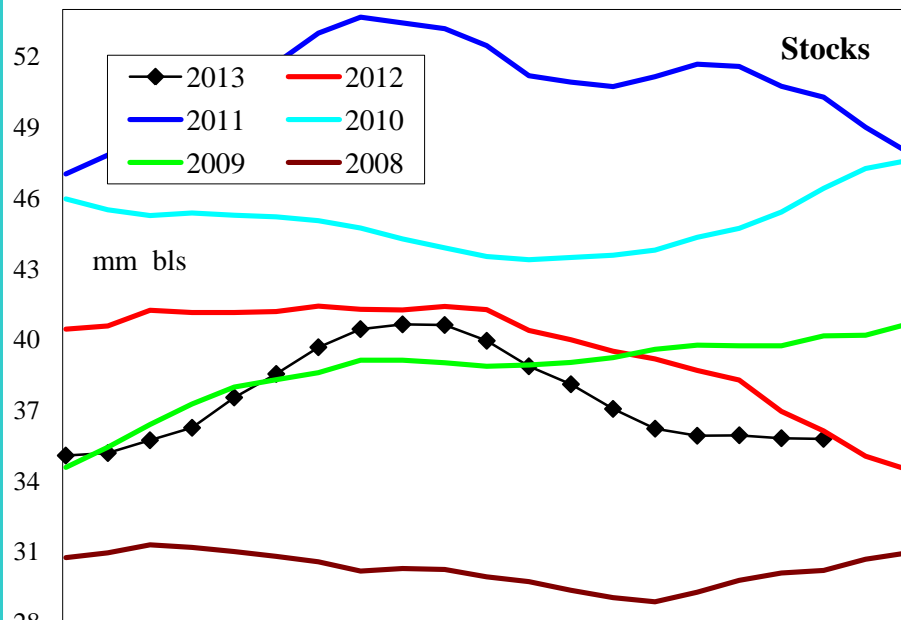
PADD 3 Reformulated Gasoline Supply



PADD 3 Conventional Gasoline Supply



PADD 3 Distillate Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

-343

-0.9

Production

49

2.1

Imports

5

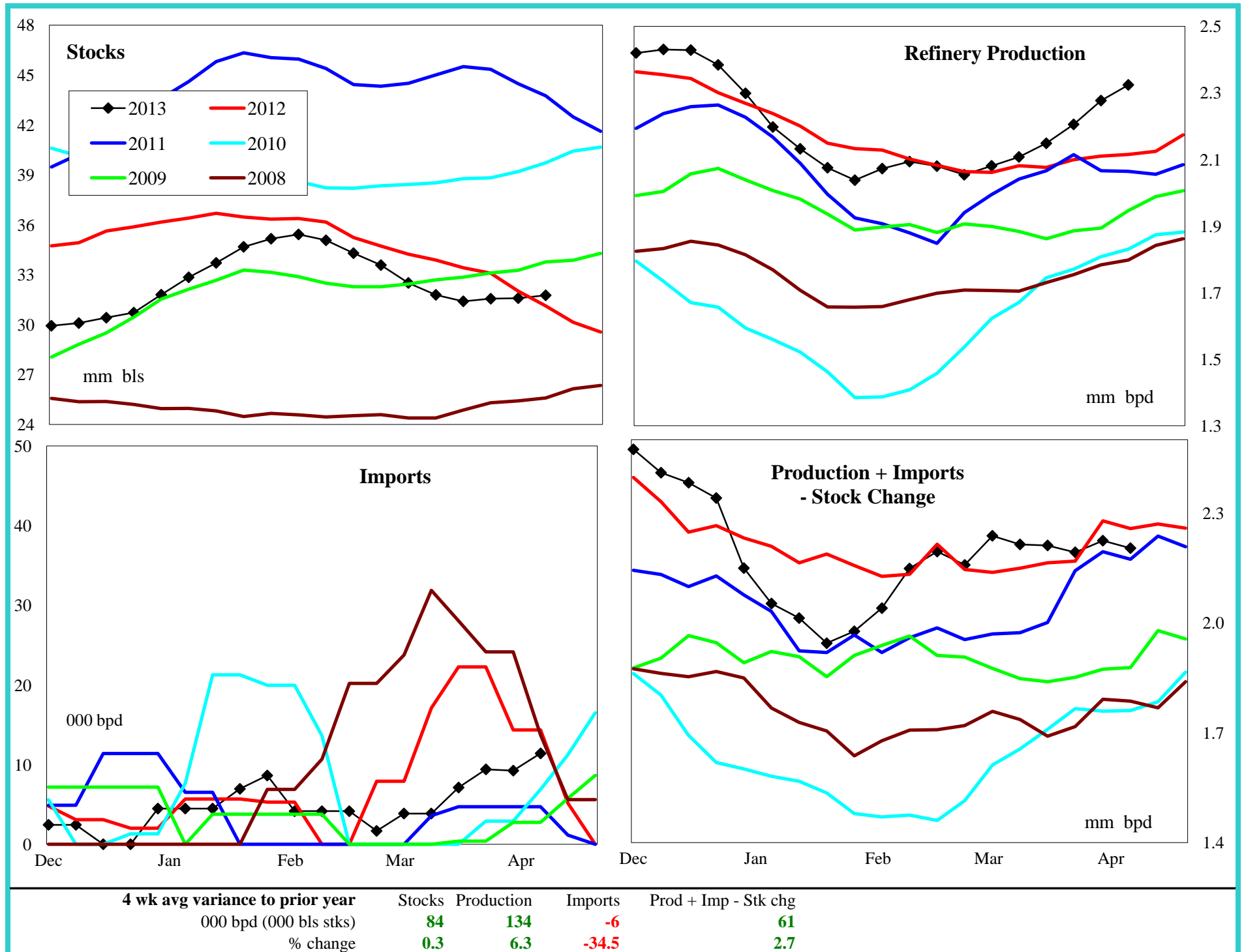
26.9

Prod + Imp - Stk chg

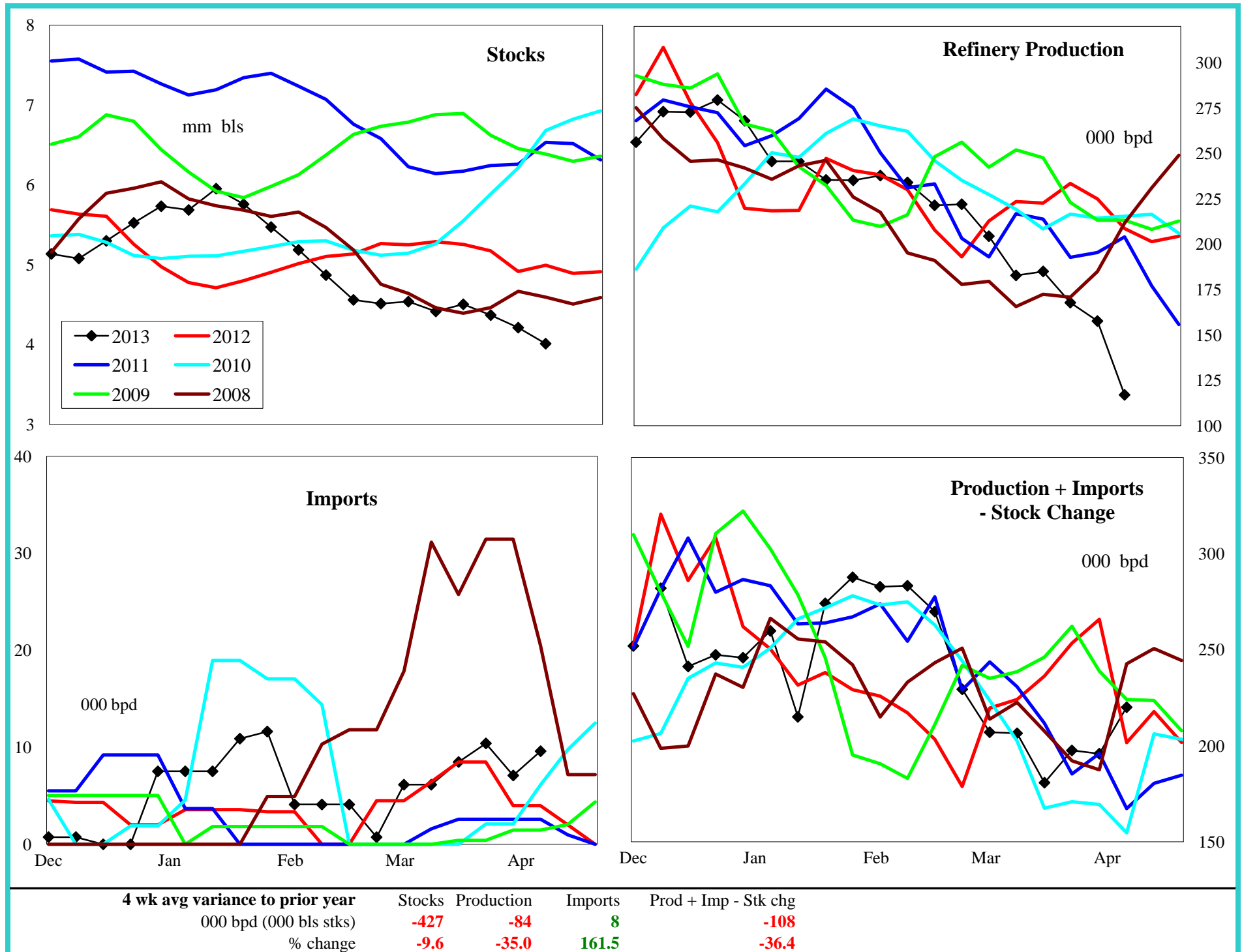
-43

-1.7

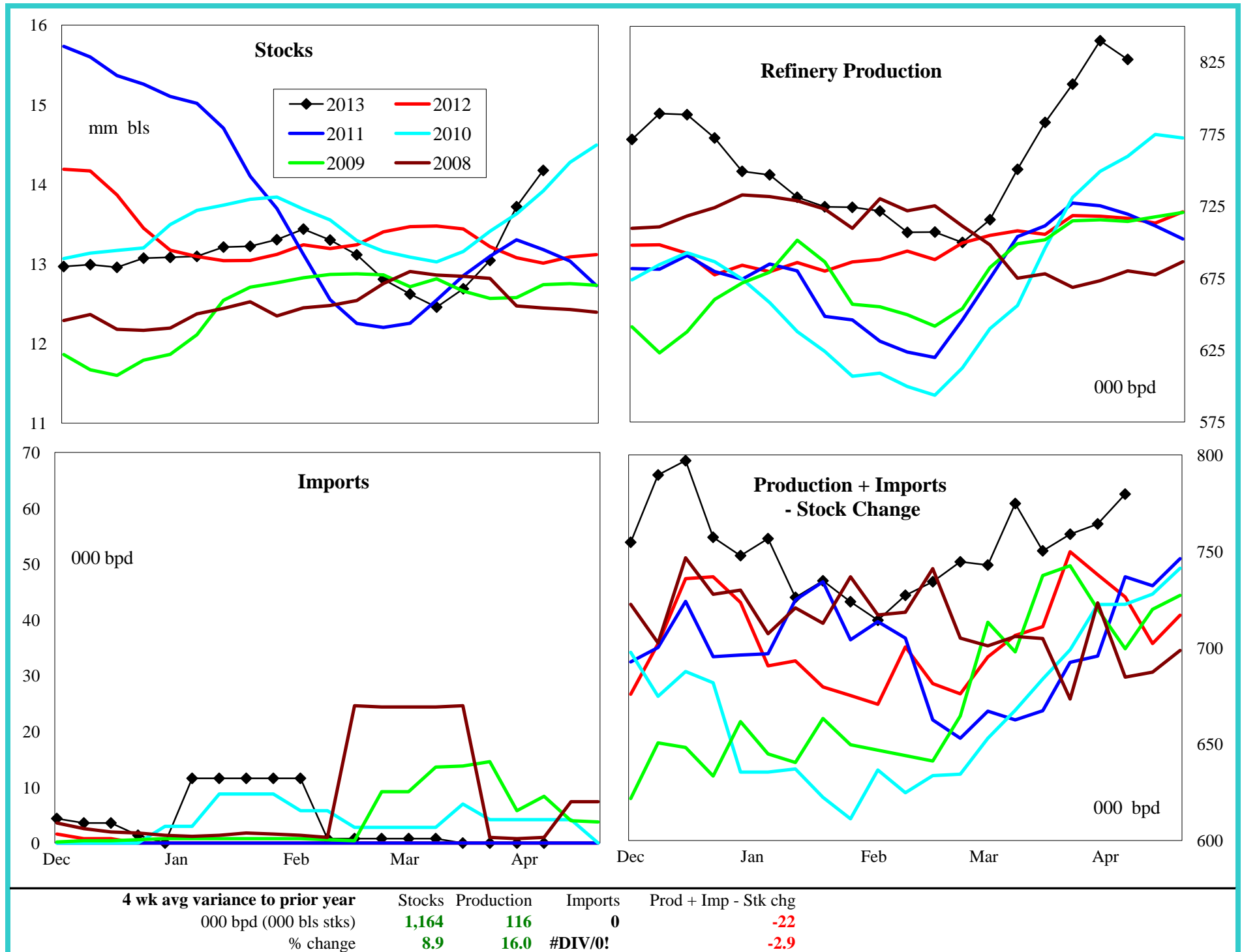
PADD 3 Low Sulfur Distillate Supply



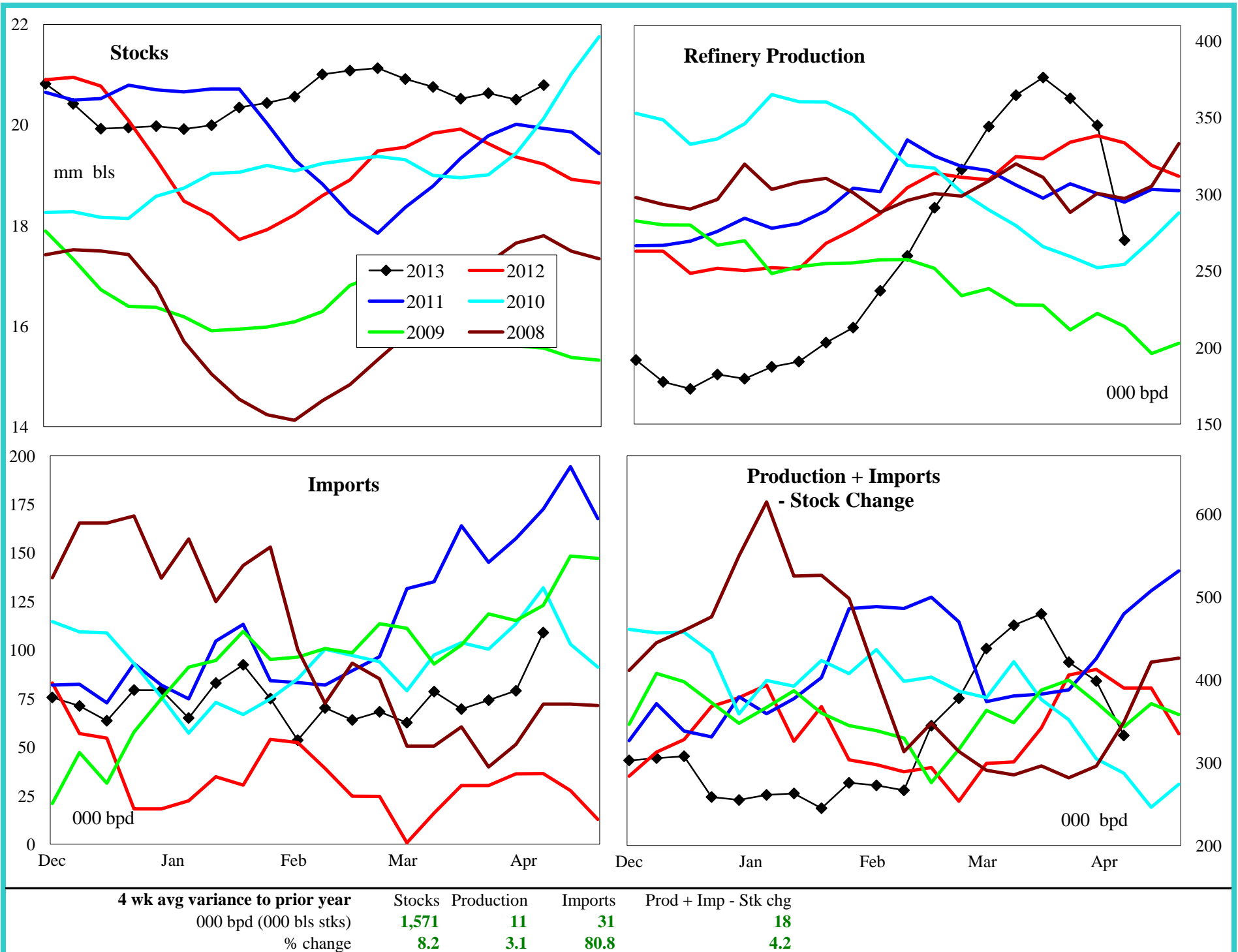
PADD 3 High Sulfur Distillate Supply



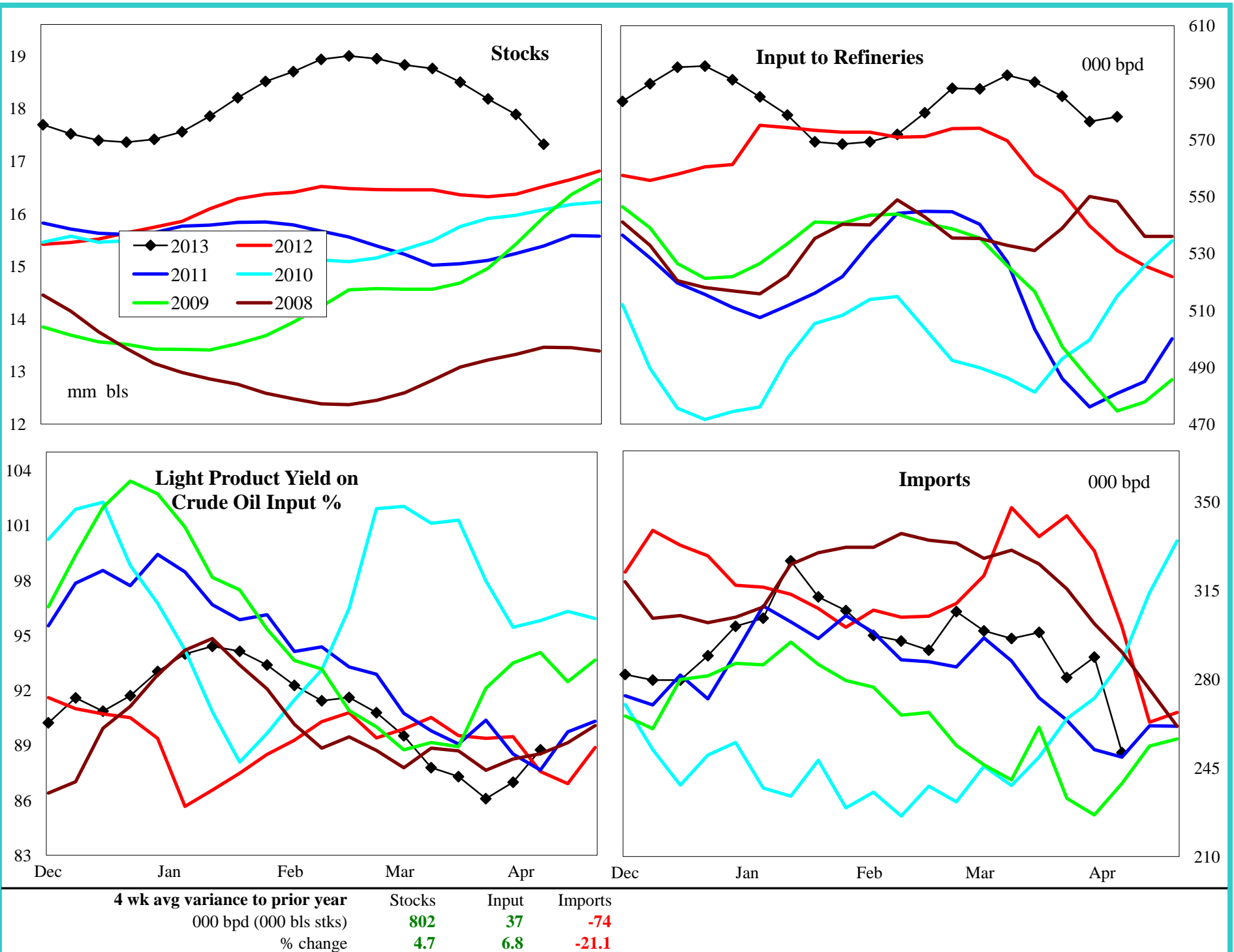
PADD 3 Jet Fuel Supply



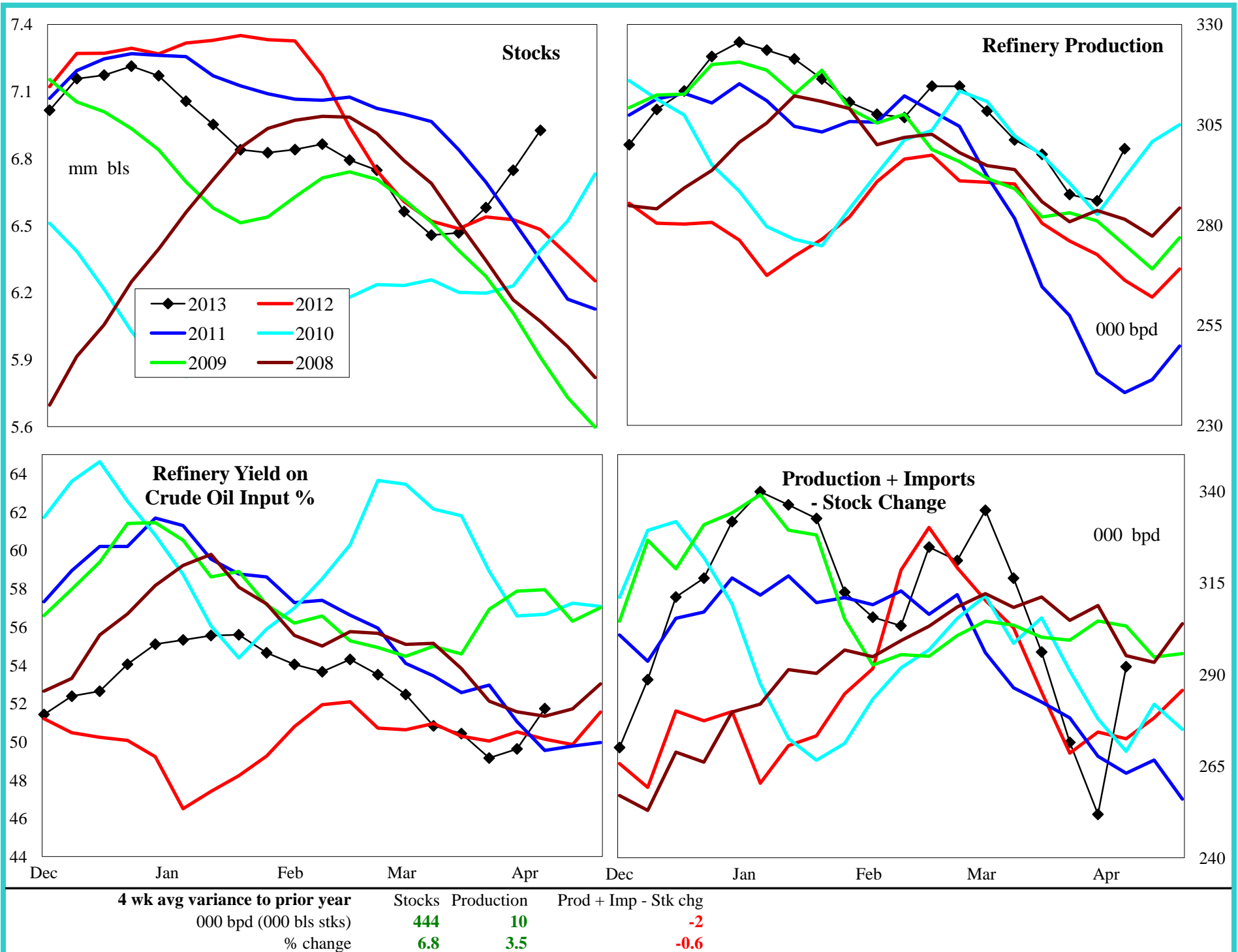
PADD 3 Residual Fuel Oil Supply



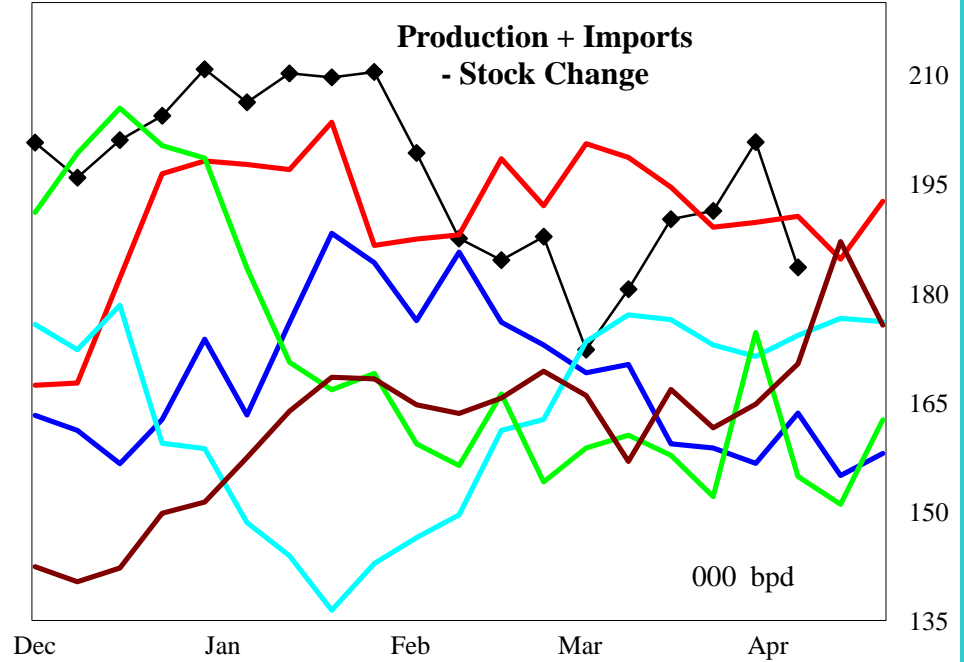
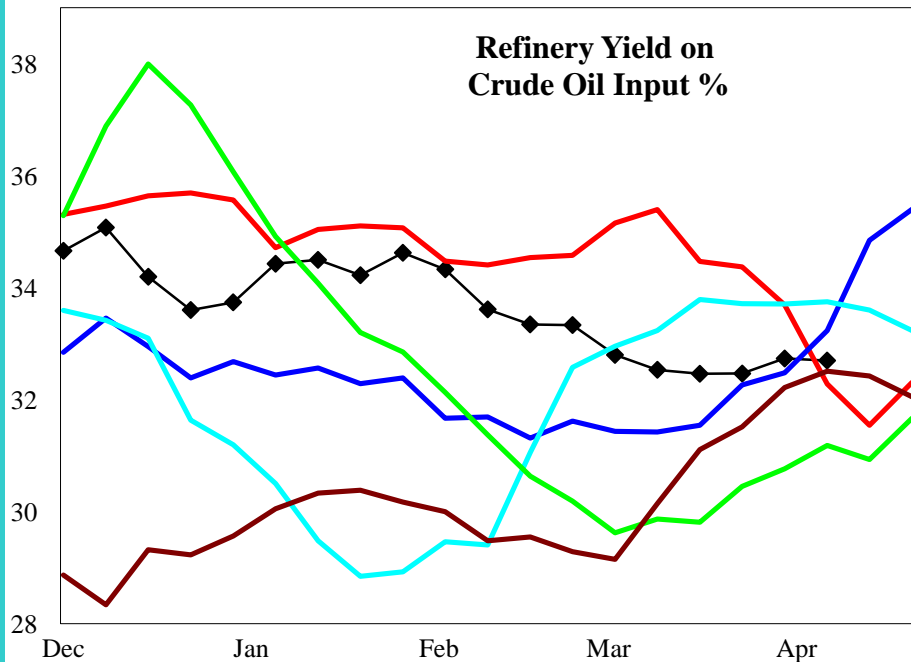
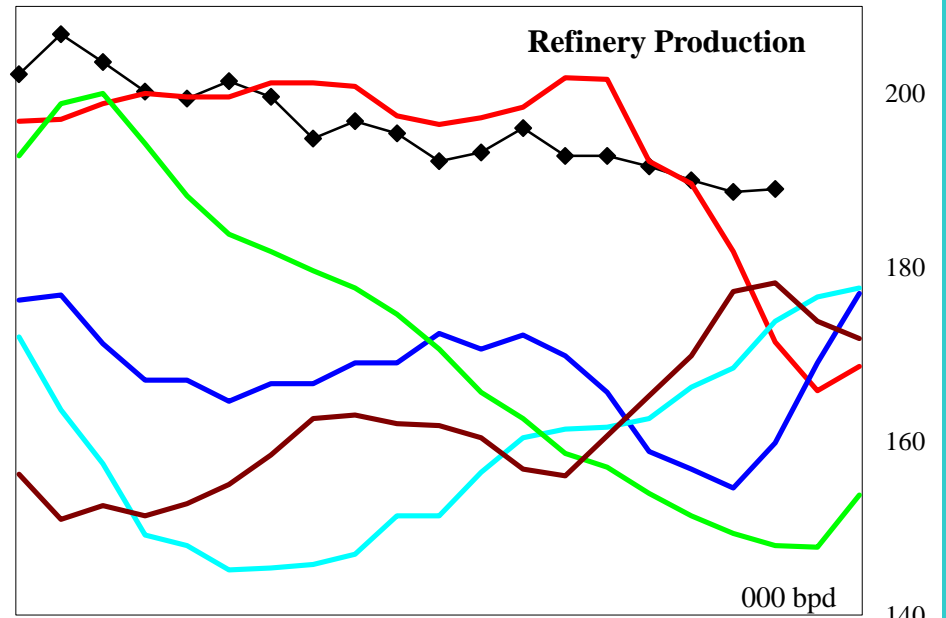
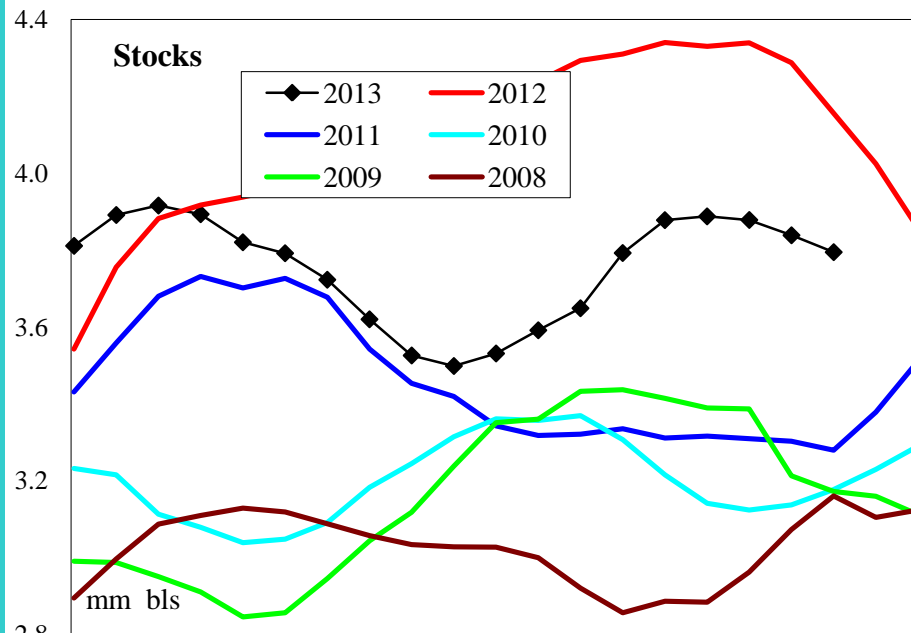
PADD 4 Crude Oil Supply and Refining



PADD 4 Gasoline Supply



PADD 4 Distillate Supply



4 wk avg variance to prior year

000 bpd (000 bbls stks)

% change

Stocks

Production

Imports

Prod + Imp - Stk chg

-362

3

-1

-9

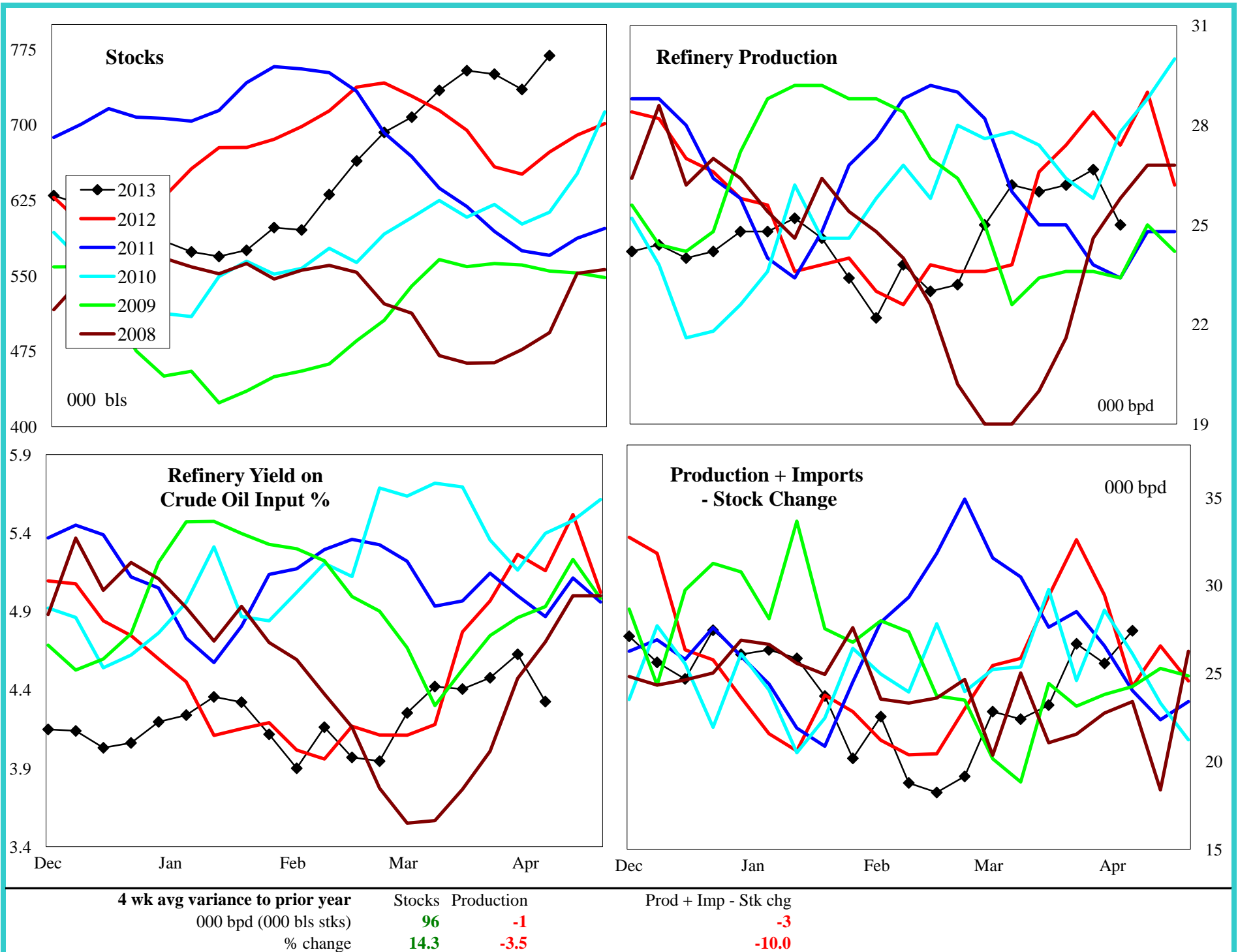
-8.7

1.8

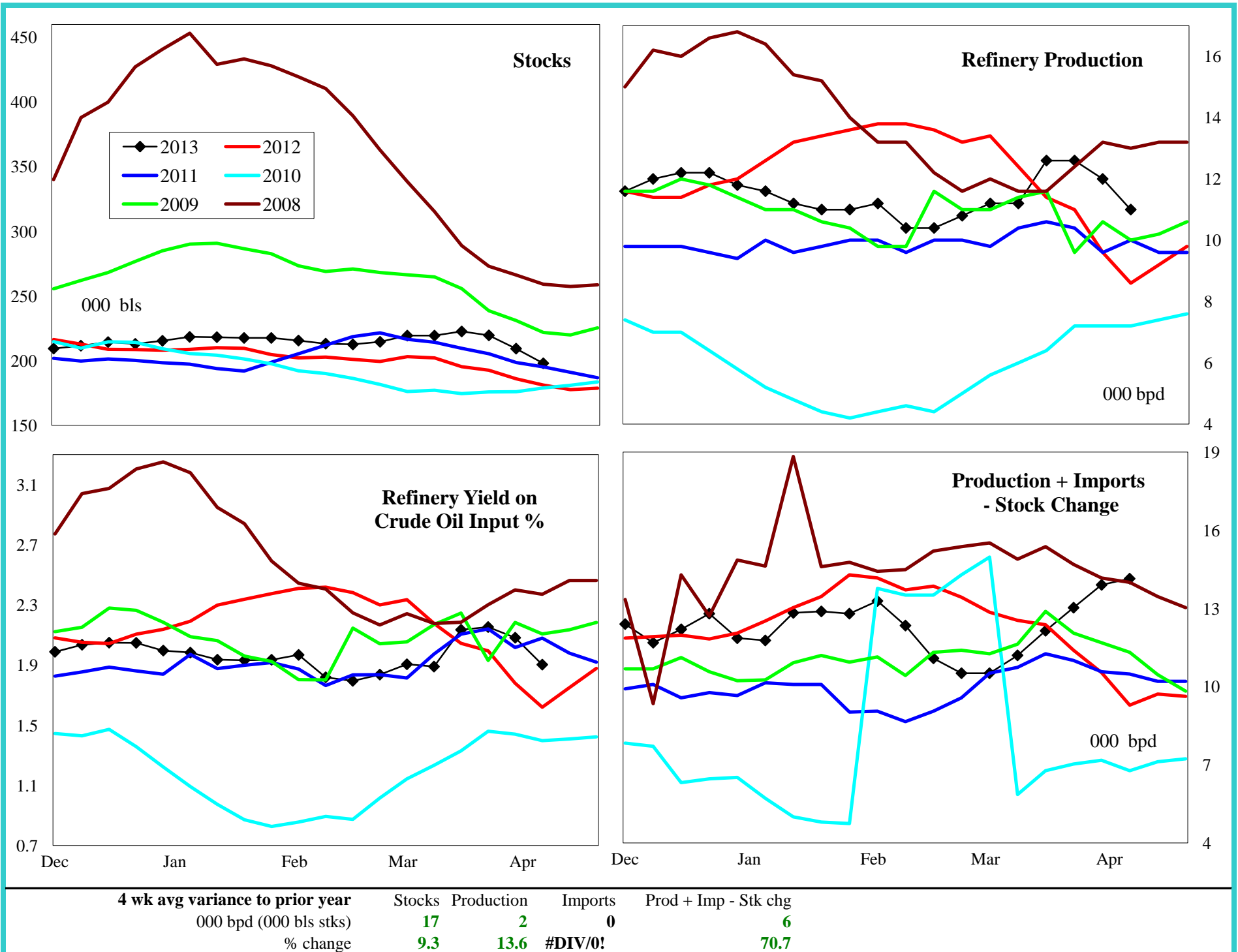
-100.0

-4.4

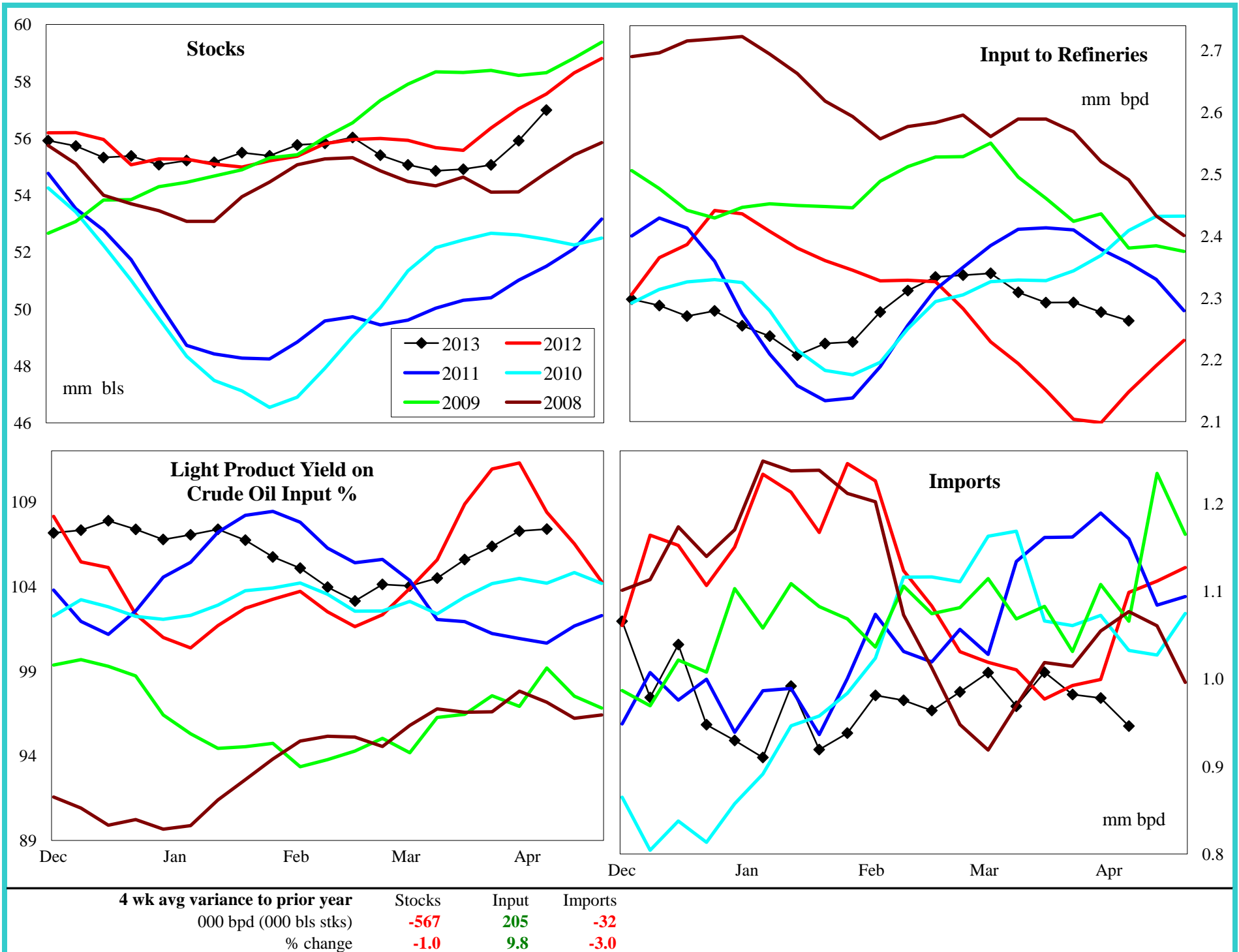
PADD 4 Jet Fuel Supply



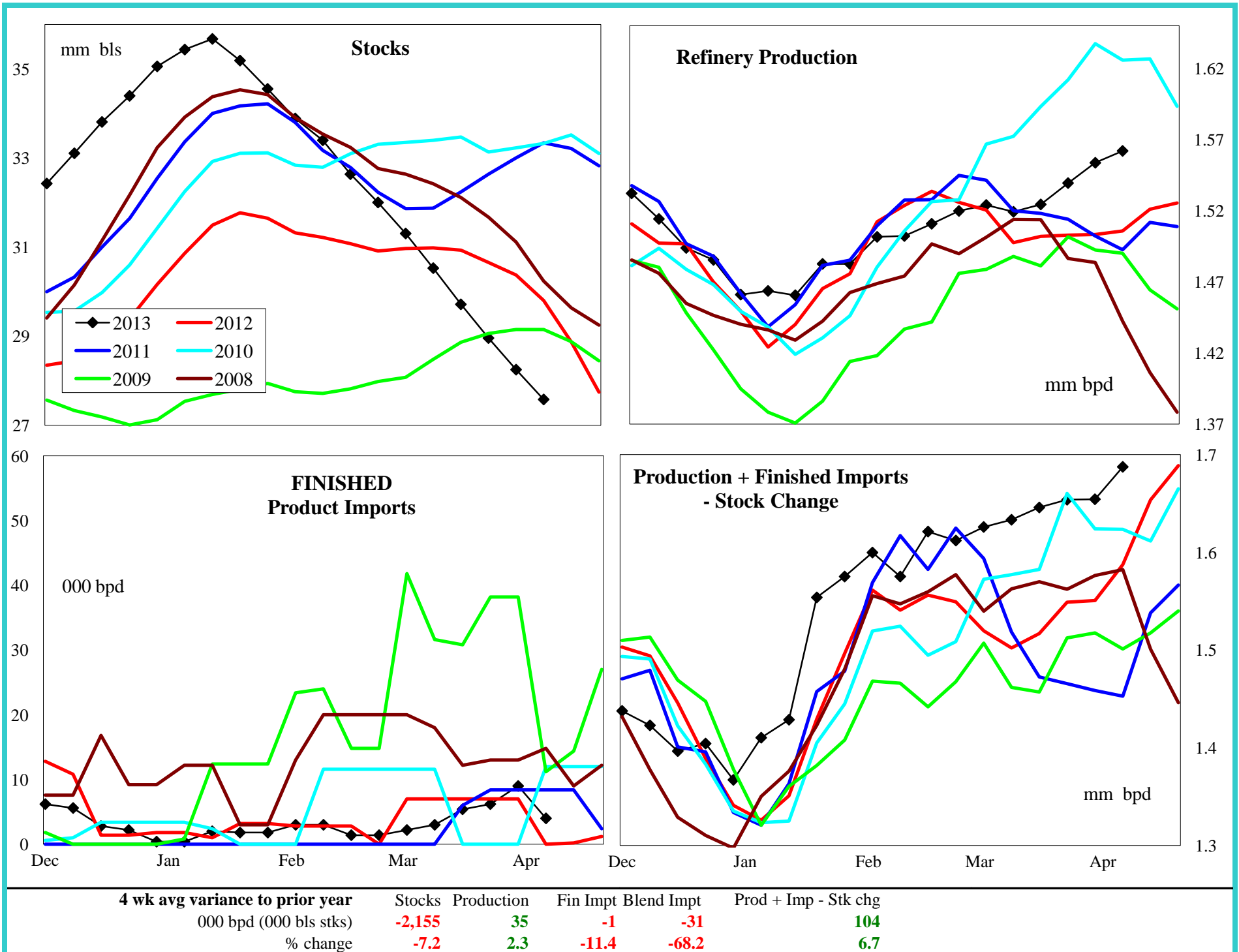
PADD 4 Residual Fuel Oil Supply



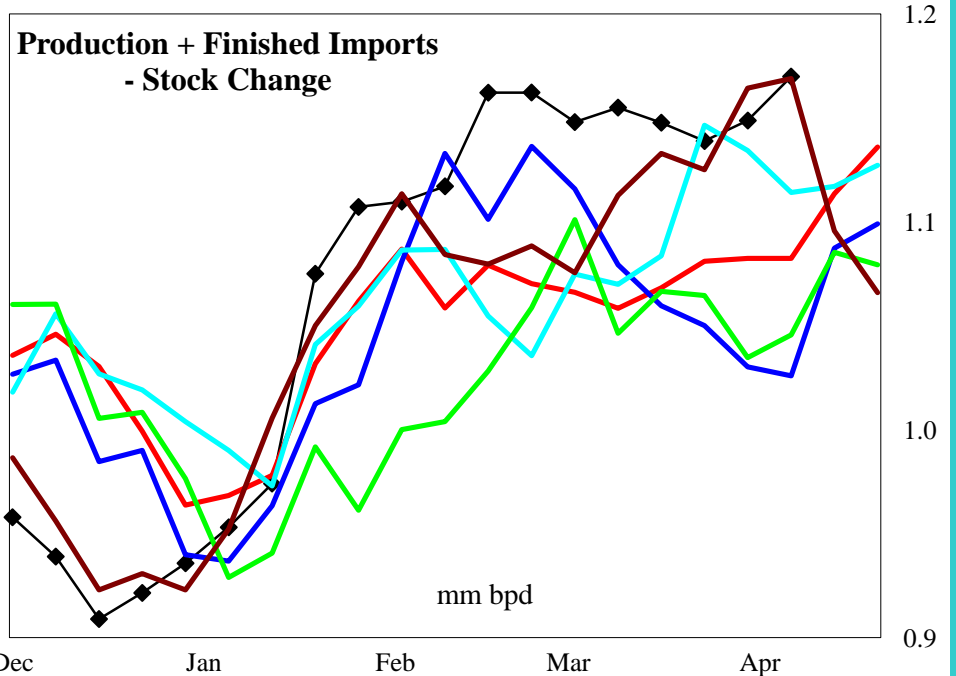
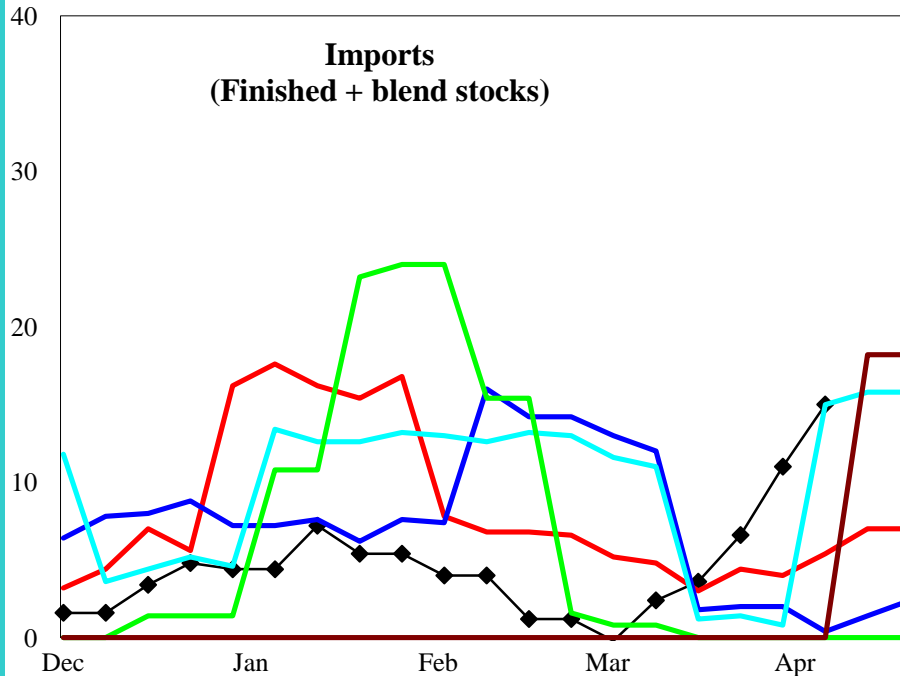
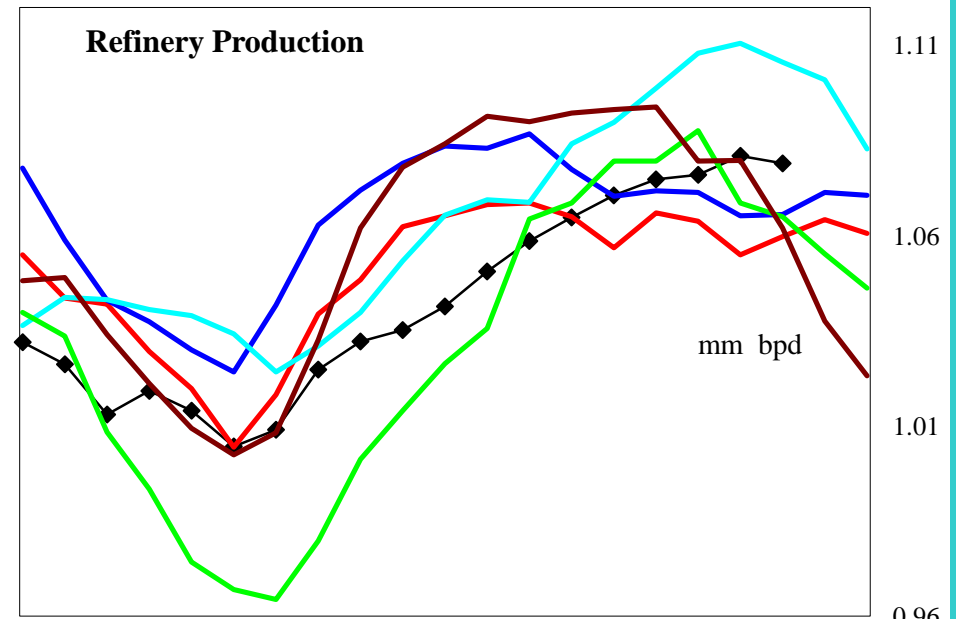
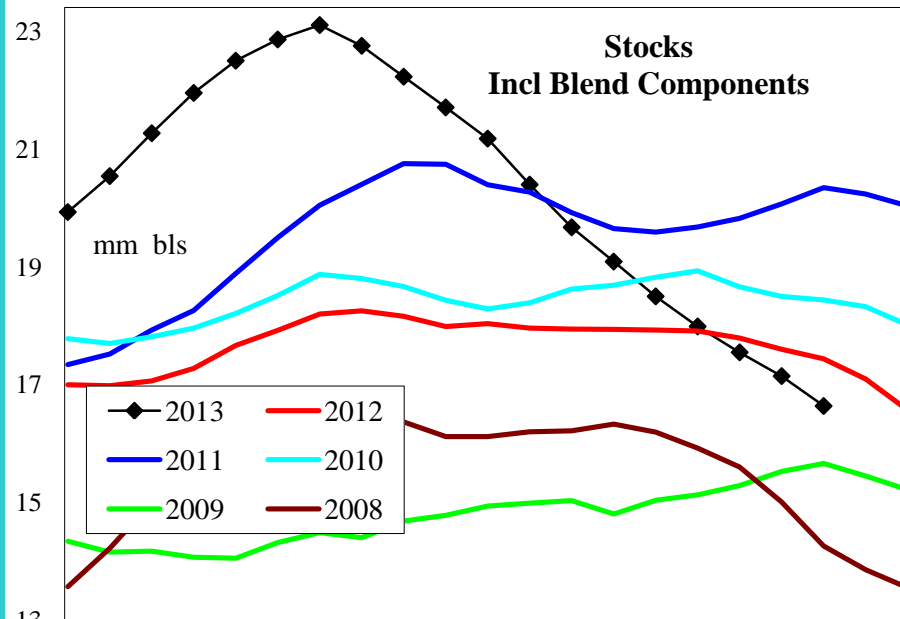
PADD 5 Crude Oil Supply and Refining



PADD 5 Gasoline Supply



PADD 5 Reformulated Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

Production

Imports

Prod + Imp - Stk chg

-822

21

5

60

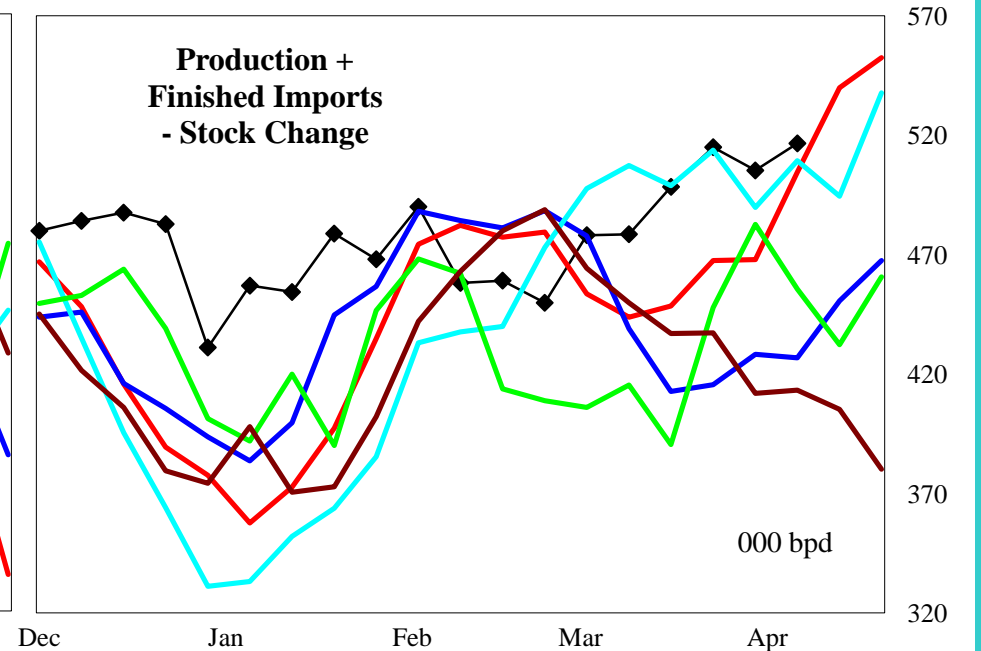
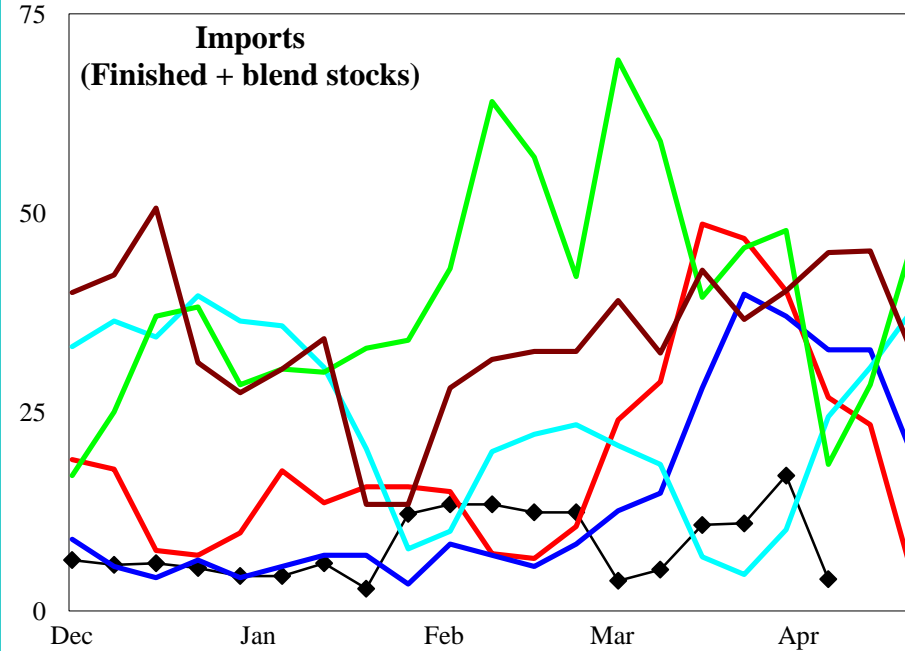
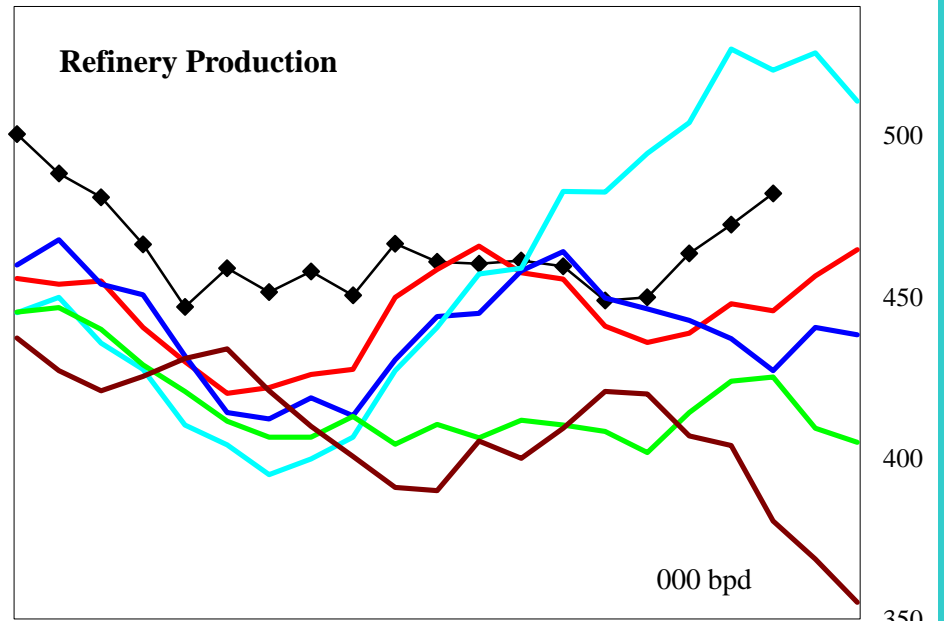
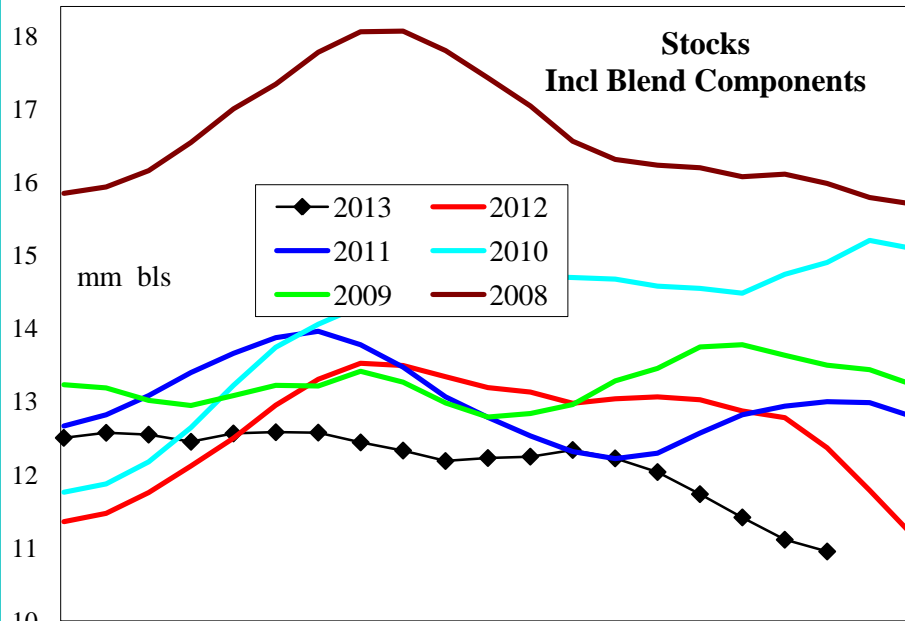
-4.7

2.0

153.8

5.6

PADD 5 Conventional Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

-1,333

-10.9

Production

14

3.1

Imports

-37

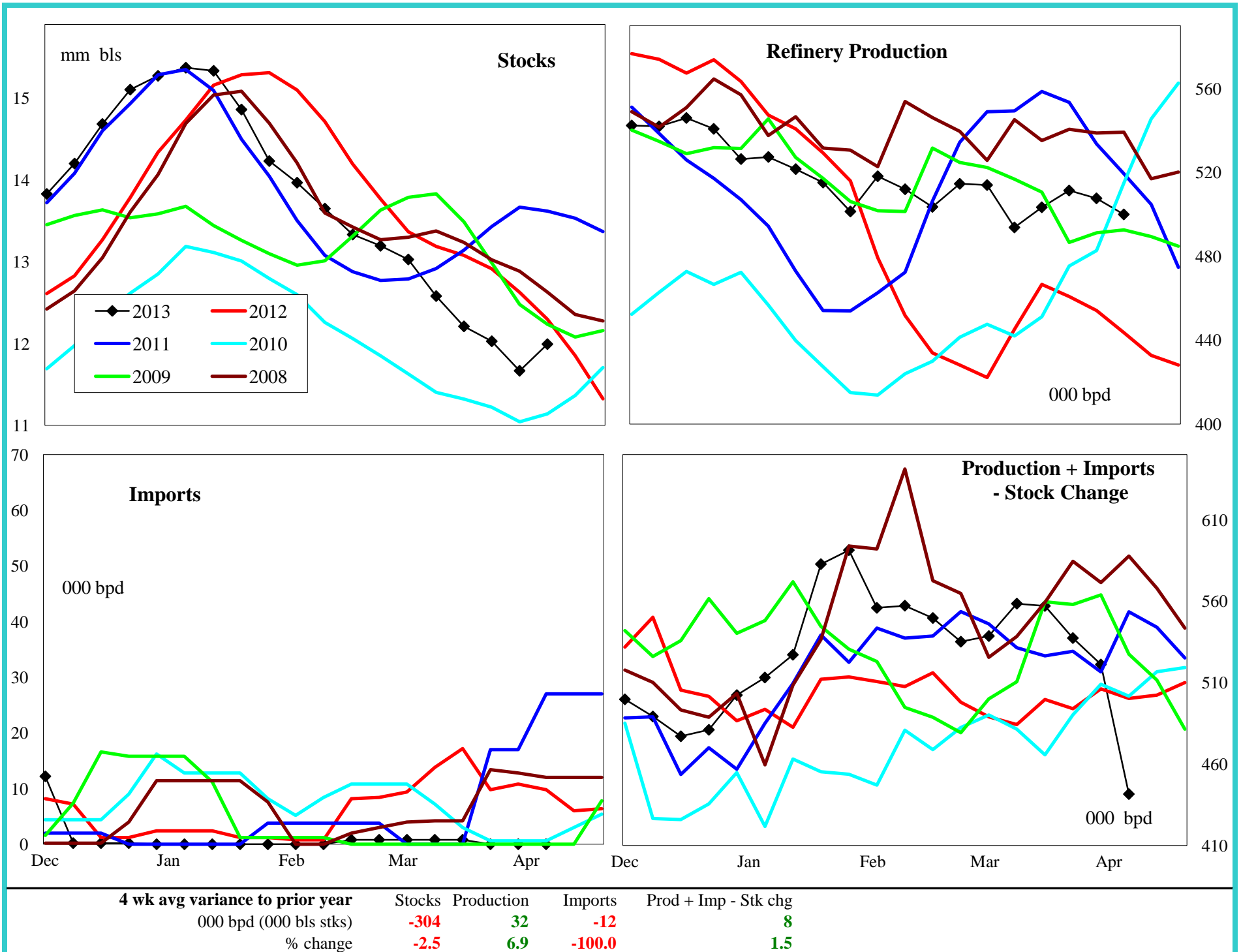
-72.6

Prod + Imp - Stk chg

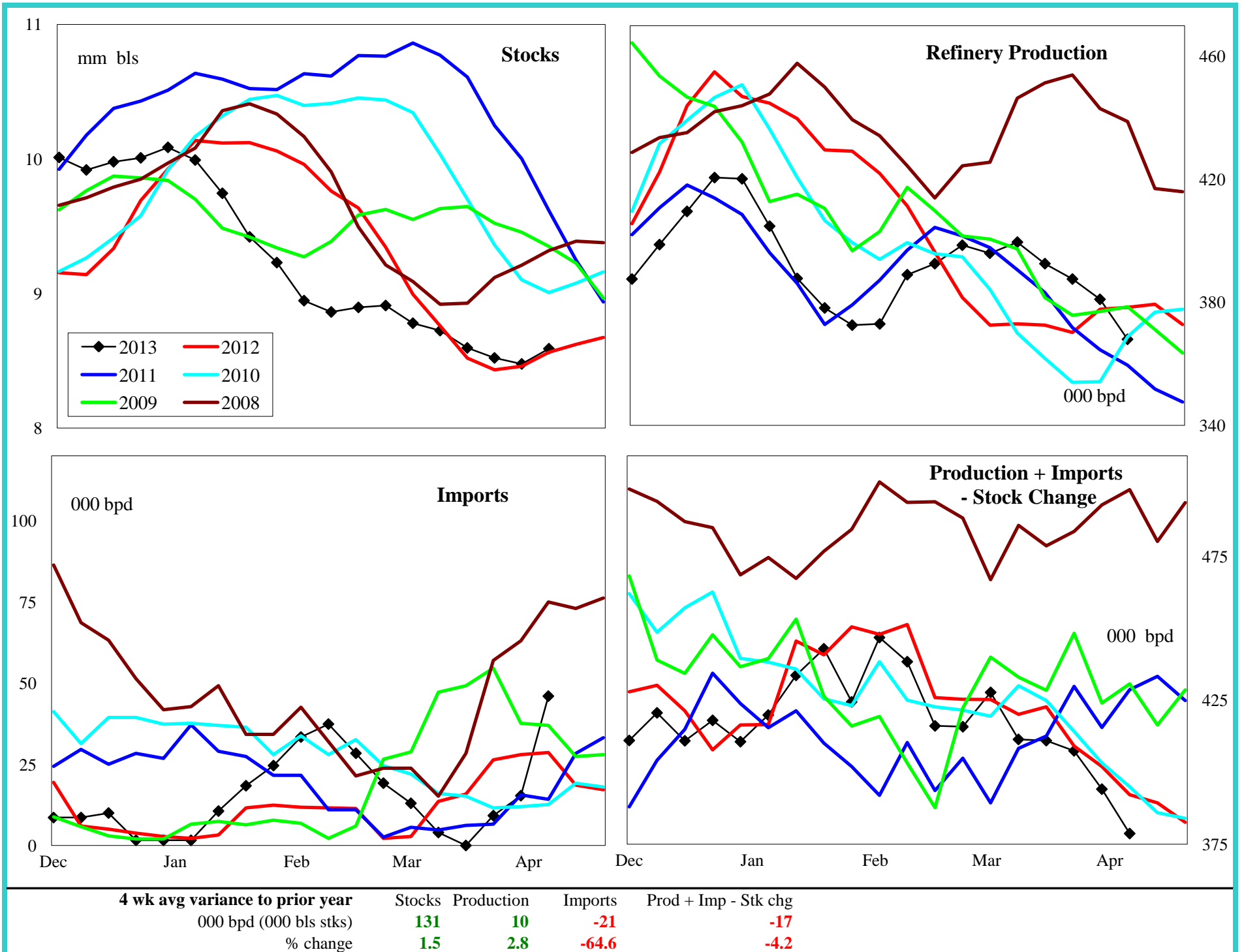
44

9.3

PADD 5 Distillate Supply



PADD 5 Jet Fuel Supply



PADD 5 Residual Fuel Oil Supply

