



## WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

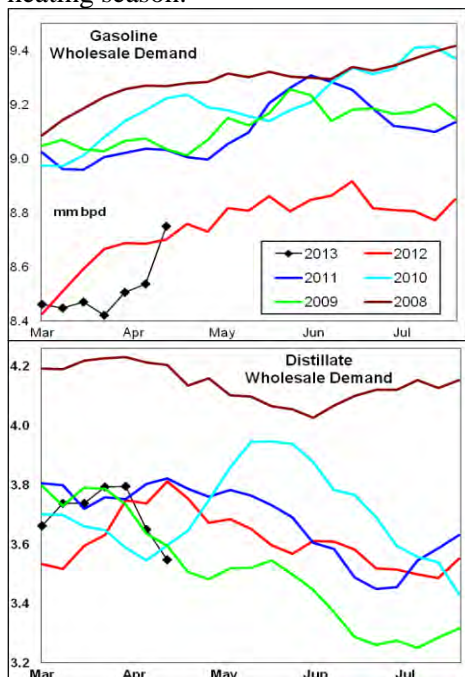
### A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Wednesday, April 24, 2013

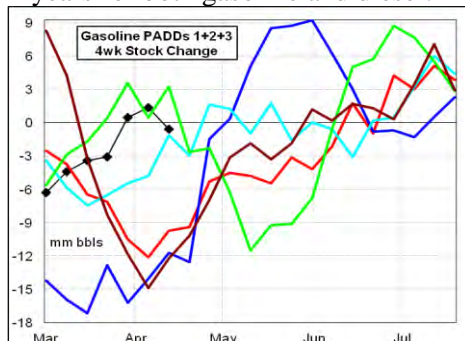


#### Major Fundamental Trends<sup>1</sup>

Wholesale demand for gasoline and jet fuel each surged +350,000 bpd last week as the downstream supply chain restocked following the sharp drop in prices. However, distillate demand saw another decrease, with the level falling to match 5-year lows. This lack of a surge in distillate demand points to renewed longer term weakness after an end to the later than normal winter heating season.



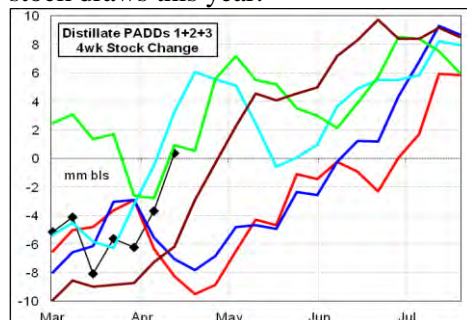
Stock draws for the latest 4-wk period in markets East of the Rockies were significantly less than each of the last 2-years for both gasoline and diesel.



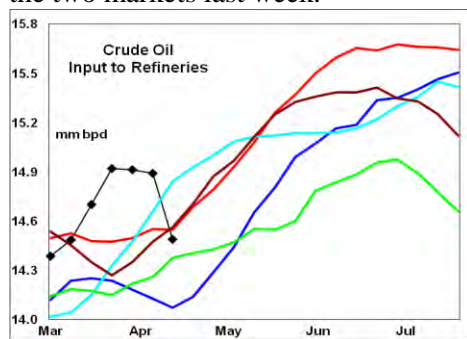
The variance between this year and the last 2-years was over -10 million barrels for both gasoline and distillate.

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

Weak wholesale demand and higher refinery crude oil runs, particularly in the Gulf region underlies the lack of stock draws this year.



Unplanned refinery maintenance in the Gulf region led to a -445,000 bpd drop in crude oil runs last week; due in part to electric power failures in the area. Combined with peak refinery maintenance in the Midwest, the result was a +4.3 million barrel stock build in the two markets last week.



**Demand** for gasoline and jet fuel each surged nearly +350,000 bpd last week, while distillate demand was marginally lower. Wholesale demand, measured over the last four weeks compared to a year ago: gasoline decreased -1.7%; distillate was -2.6% lower; jet fuel was -3% lower, and residual fuel fell -24%.

**Stocks forward coverage:** Gasoline demand coverage fell on a -4 million barrel stock draw and sharply higher demand. Coverage levels remain above the 5-year range for this time of year.

Distillate coverage increased on a +0.1 million barrel stock build and very weak demand. Coverage levels remain below the last 2-years.

Jet fuel coverage fell on an extreme spike in wholesale demand and a -1.1 million barrel stock draw for the week.

Residual fuel oil coverage remains extremely high on very low demand and stock levels at the 5-year mid range.

**Refinery utilization** rates decreased on a -586,000 bpd decline 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 increased on a +93,000 bpd rise in output compared to the -586,000 bpd decline in crude oil thru put. Yield % on crude oil runs surged to a level that matched the 5-year mid range.

Distillate yield % on crude oil runs fell on a -197,000 bpd decline in output compared to the drop in 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 jumped on a +22,000 bpd increase in output, compared to the lower crude oil runs. The yield % level reached a new record high.

**Petroleum Imports/Exports** of middle distillates fell sharply last week, while other products and crude oil were little changed week-on-week.

During the latest 4-wk period crude oil imports were -1.3 million bpd below last year; distillate imports increased +50,000 bpd; finished gasoline imports decreased -19,000 bpd, gasoline blend stock imports were +45,000 bpd higher; jet fuel imports declined -14,000 bpd, while residual fuel oil imports were -32,000 bpd lower.

During the latest 4-wk period exports of gasoline were +137,000 bpd above last year, jet fuel was +33,000 bpd higher and distillate exports fell -104,000 bpd.

**Crude Oil** stocks increased +0.9 million barrels on the week, including a build of +4.5 million barrels in regions East of the Rockies that resulted from sharp decreases in crude oil runs. Stock levels remain +16 million barrels above prior 5-year highs.



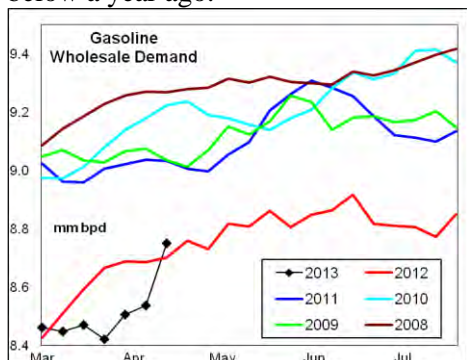
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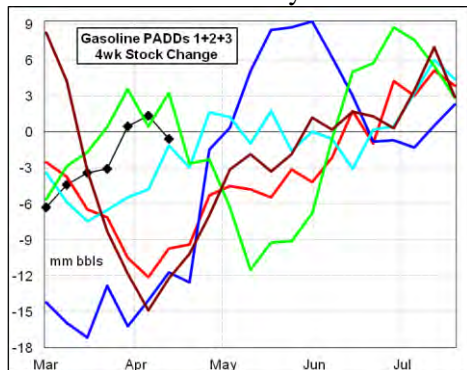
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#### Product Supply-Demand Trends

**Gasoline** wholesale demand jumped +367,000 bpd on the week, to a level comparable with last year. The latest 4-wk average demand was -153,000 bpd below last year. Supply increased +149,000 bpd last week. Supply for the latest 4-wk period was -15,000 bpd below a year ago.



The latest 4-wk stock draw in markets East of the Rockies was -0.6 million barrels, compared to an average draw of -10 million barrels in each of the last 2-years. Stock levels remain above four of the last 5-years.



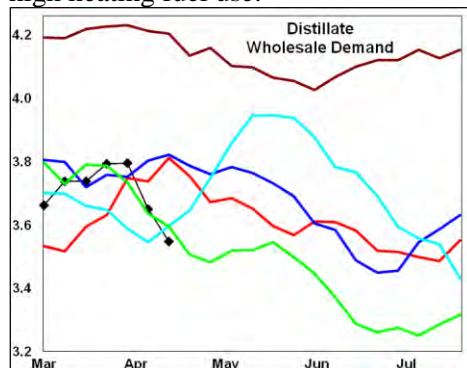
Stock levels in PADD 1 increased +0.6 million barrels last week, reaching are now at 5-year new 5-year high for this time of year.

*Stocks fell -4.5 million barrels in regions outside the East Coast, in response to the jump in wholesale demand.*

*Stock levels on the West Coast remain extremely low, even with production near 5-year highs; risking a short term supply squeeze.*

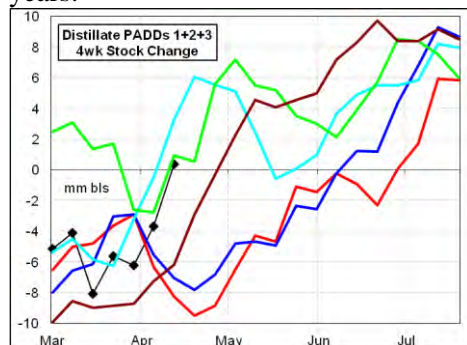
**Distillate** demand declined -38,000 bpd last week, to a level that matched 5-year lows. The latest 4-wk average demand was -99,000 bpd below a year

ago; a sharp drop from earlier year-on-year increases that were caused by high heating fuel use.



Supply plunged -380,000 bpd last week, on lower imports and production. The latest 4-wk average supply was +153,000 bpd above last year. The sharp drop in supply was offset by extremely weak demand, leading to a +0.1 million barrel stock build for the week.

The latest 4-wk stock change in markets East of the Rockies was a +0.4 million barrel build, compared to -8 million barrel draws for the last 2-years.



Very weak demand, high imports and production has led to the earlier than normal stock build in markets East of the Rockies.

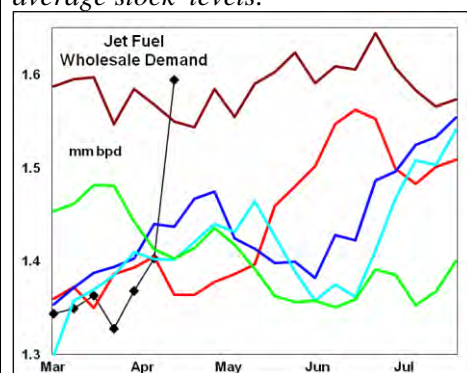
*Look for a rebound in production following unplanned refinery maintenance in the Gulf and completion of seasonal maintenance in the Midwest. Surges in gasoline and jet fuel demand following the large drop in wholesale prices last week, did not carry over to distillate -- pointing to underlying weak demand.*

**Jet Fuel** demand surged +338,000 bpd on the week, to a 5-year high. The latest 4-wk average demand was -

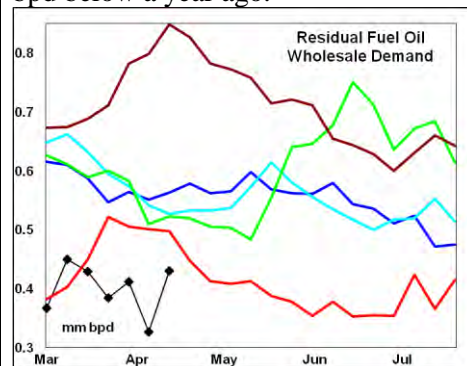
43,000 bpd below a year ago.

Supplies decreased -23,000 bpd on the week, driven by lower imports. Supply for the latest 4-wk period was +94,000 bpd above a year ago. Stocks fell -1.1 million barrels on the week, with the level comparable to the last 2-years.

*Production remains +8% above last year and at a 5-year high. Expect a sharp decline in wholesale demand in the near term. The market should remain well supplied with above average stock levels.*



**Residual fuel oil** demand increased +131,000 bpd last week. Demand for the latest 4-wk period was -112,000 bpd below a year ago.



Supply (production + imports) increased +34,000 bpd last week, on higher production. Production exceeded the last 3-years while imports matched 5-year lows. Stocks were unchanged on the week at a level that matched the 5-year mid range.

*Production and stock levels in the Midwest and Gulf regions each exceeded the 5-year range as refiners processed heavier crude oil grades that yield higher residual fuel.*





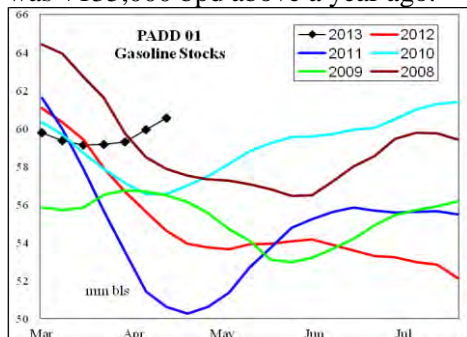
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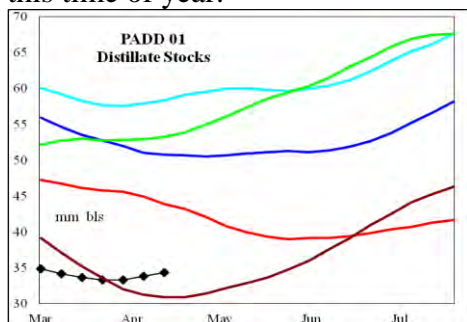
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#### PADD Supply Trends

**PADD 1** refinery crude oil runs decreased -35,000 bpd last week, a level well above the last 2-years. The latest 4-wk average crude oil thru put was +135,000 bpd above a year ago.

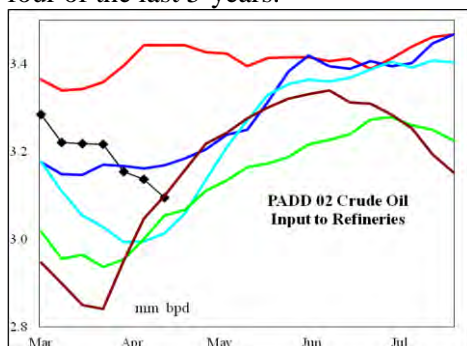


Gasoline supply was nearly unchanged on the week, with supplies +83,000 bpd above a year ago. Stocks increased +0.6 million barrels to a record high level for this time of year.



Distillate supply fell -168,000 bpd on the week, driven by a sharp drop in imports. Production levels exceeded each of the last 3-years.

Jet fuel supplies decreased -15,000 bpd on the week. Stocks increased +0.3 million barrels, to a level above four of the last 5-years.



**PADD 2** crude oil refinery runs were well below each of the last 2-years on heavier than normal maintenance.

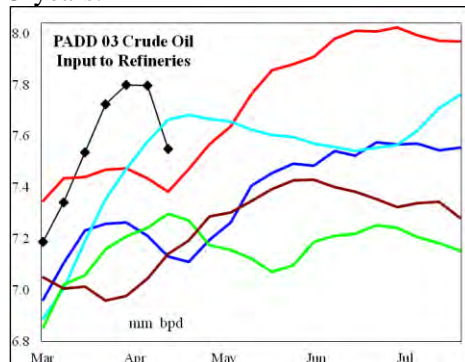
Runs for the latest 4-wk period were -292,000 bpd below last year. Crude oil stocks increased +1.4 million barrels on the week. Stocks ended the week +22% above a year ago at Cushing, Oklahoma.

Gasoline production was nearly unchanged on the week, at a level comparable with the last 2-years. Stocks fell -1.1 million barrels to a level well above the historic mid range.

Distillate supply decreased -28,000 bpd last week, to a level that matched the mid range. Stock levels matched 5-year lows for the week.

Jet fuel production increased +44,000 bpd on the week, to a level below the last 2-years. Stock levels were near 5-year lows.

**PADD 3** refinery runs fell -445,000 bpd on unplanned maintenance. The latest 4-wk average runs were +381,000 bpd above a year ago. Crude oil stocks increased +2.8 million barrels to a level above each of the last 3-years.



Gasoline supply increased +111,000 bpd on the week, to a level comparable with the last 2-years. Stocks fell -1.7 million barrels on the week, to a level near the historic mid range.

Distillate supply fell -174,000 bpd on the week, with the latest 4-wk average +57,000 bpd above last year. Stocks increased +0.3 million barrels on the week, to a level +8% above last year.

Jet fuel supply decreased -35,000 bpd on the week with production above the 5-year range. Stocks fell -0.9 million barrels on the week, to a level above the last 3-years

Residual fuel oil supplies increased +110,000 bpd to a fresh 5-year high. Stocks ended the week at a record high for the period.

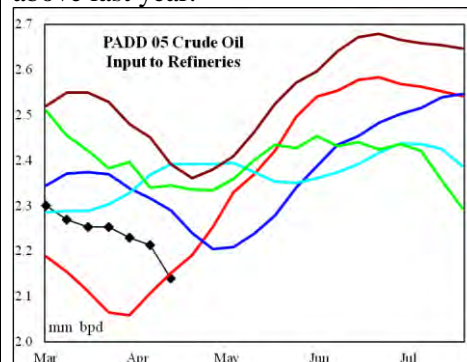
**PADD 4** refinery crude runs decreased -18,000 bpd on the week, with the level well above the historic range.

Gasoline production decreased -31,000 bpd on the week, to a level that matched the 5-year mid range. Stocks ended the week at a record high level for this time of year.

Distillate production increased +4,000 bpd on the week, with the level well above the 5-year range. Stocks were nearly unchanged on the week, at a level mid way between last years' record highs and prior year average.

Jet fuel stocks and production were each at record high levels.

**PADD 5** crude oil refinery runs fell -83,000 bpd on the week; to a level that matched 5-year lows. The latest 4-wk average run rate was +148,000 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 +58,000 bpd above a year ago. Stocks decreased -1.5 million barrels, to a record low level.

Distillate supply decreased -12,000 bpd, to a level below the 5-year mid range. Stocks increased +0.3 million barrels, to a level that matched the 5-year mid range.

Jet fuel stocks fell -0.8 million barrels on the week to a new record low. Supplies were comparable to the 3-year mid range.



# PETROLEUM: Graph Link and Weekly Summary

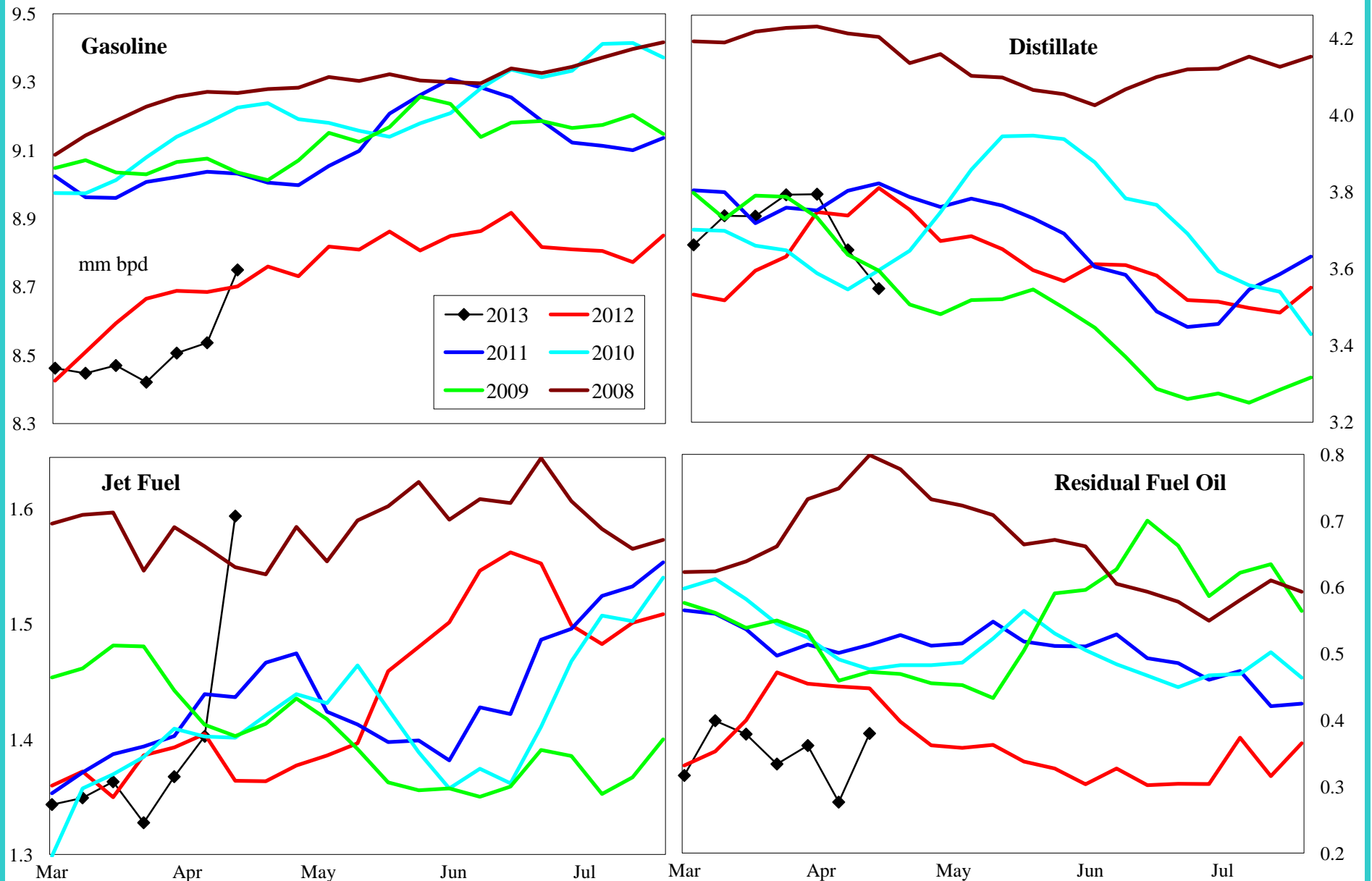
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Fundamental Trends	<a href="#">Wholesale Demand</a>	<a href="#">Stocks Days Fwd Coverage</a>	<a href="#">Refinery Utilization</a> <a href="#">Product Yield %</a>			<a href="#">Imports</a>	
Supply/Demand Trends	19-Apr-13	EIA-DOE CHANGE FROM PRIOR WEEK					
	000 bpd stocks 000 bls	U. S. Total	PADD				
			1	2	3	4	5
<a href="#">Crude Oil</a>	Stocks	947	262	1,437	2,845	-334	-3,263
	Imports	133	288	90	-109	39	-174
	Input	-586	-35	-5	-445	-18	-83
	% Utilization	-2.80					
<a href="#">Gasoline</a>	Stocks	-3,928	570	-1,096	-1,745	-119	-1,538
	Production	93	7	-5	51	-31	7
	Imports	56	11	-1	60	0	-13
	Supplied	367					
<a href="#">Distillate</a>	Stocks	97	130	-530	314	-77	259
	Production	-197	-9	-25	-153	4	-12
	Imports	-183	-159	-3	-21	0	0
	Supplied	-38					
<a href="#">Jet Fuel</a>	Stocks	-1,088	343	194	-862	57	-821
	Production	22	13	44	-35	7	-6
	Imports	-46	-28	0	0	0	-18
	Supplied	338					
<a href="#">Residual Fuel Oil</a>	Stocks	-29	-602	-48	955	-1	-334
	Production	133	18	18	102	-2	-2
	Imports	-99	-32	-3	8	0	-71
	Supplied	131					

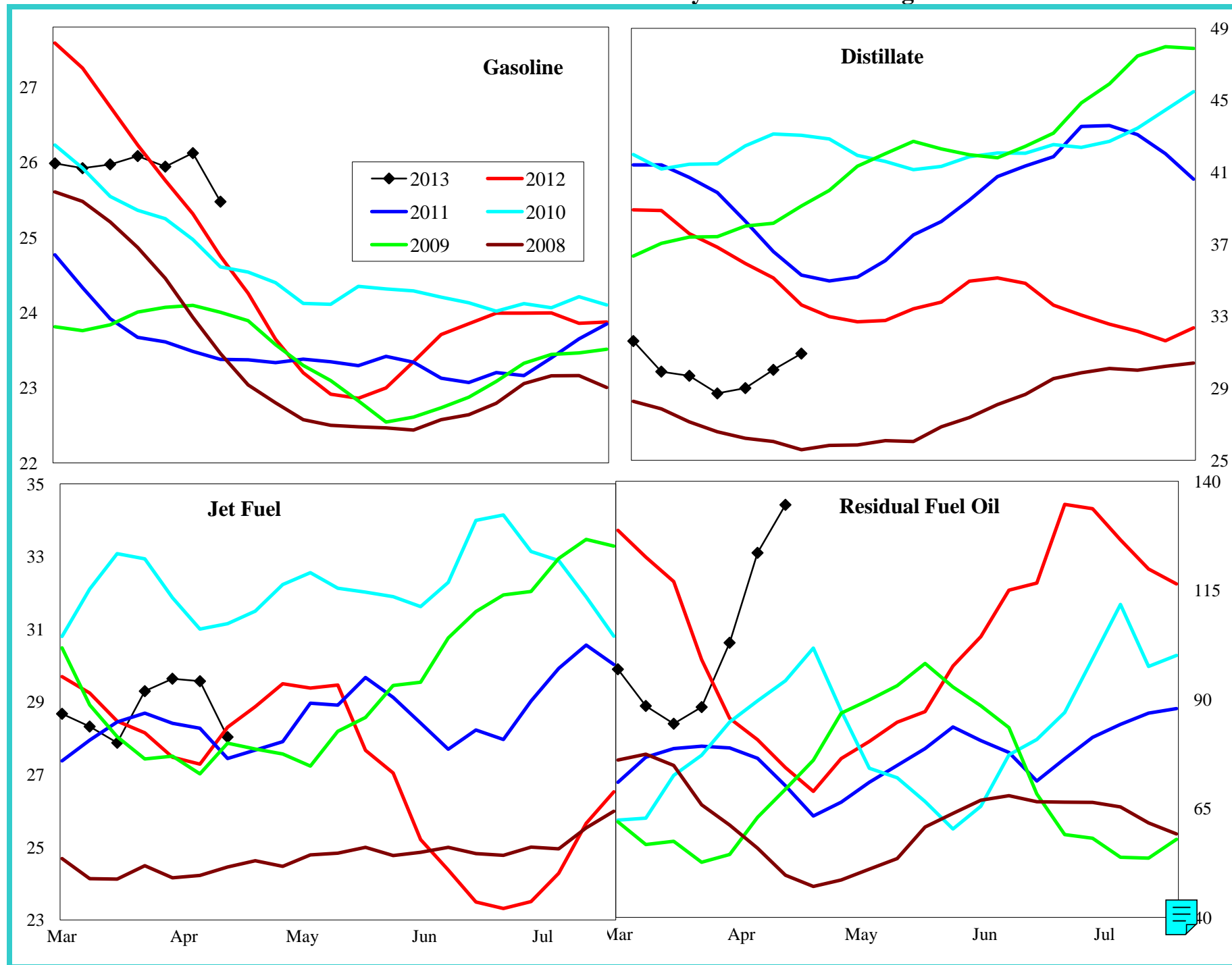
# United States Wholesale Petroleum Demand



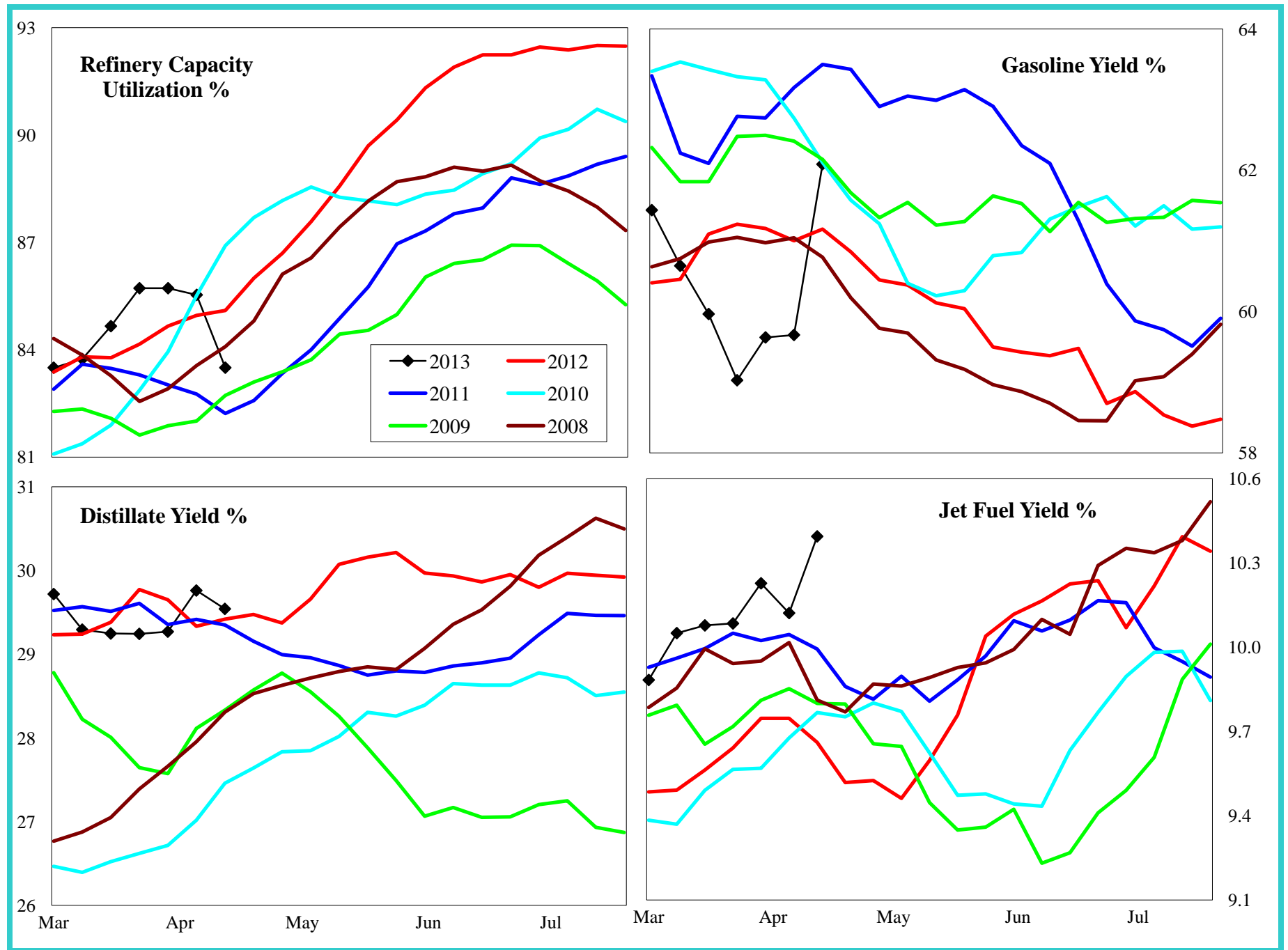
	000 bpd change from prior year				% change from prior year			
	4wk avg	Mar	Jan	Jan	4wk avg	Mar	Feb	Jan
<b>Gasoline</b>	-151	-165	-171	31	-1.7	-1.9	-2.0	0.4
<b>Distillate</b>	-99	52	-203	232	-2.6	1.4	-5.1	6.1
<b>Jet Fuel</b>	-43	-17	-40	-16	-3.0	-1.2	-3.0	-1.2
<b>Resid</b>	-112	8	-160	-70	-23.9	1.9	-40.6	-16.7



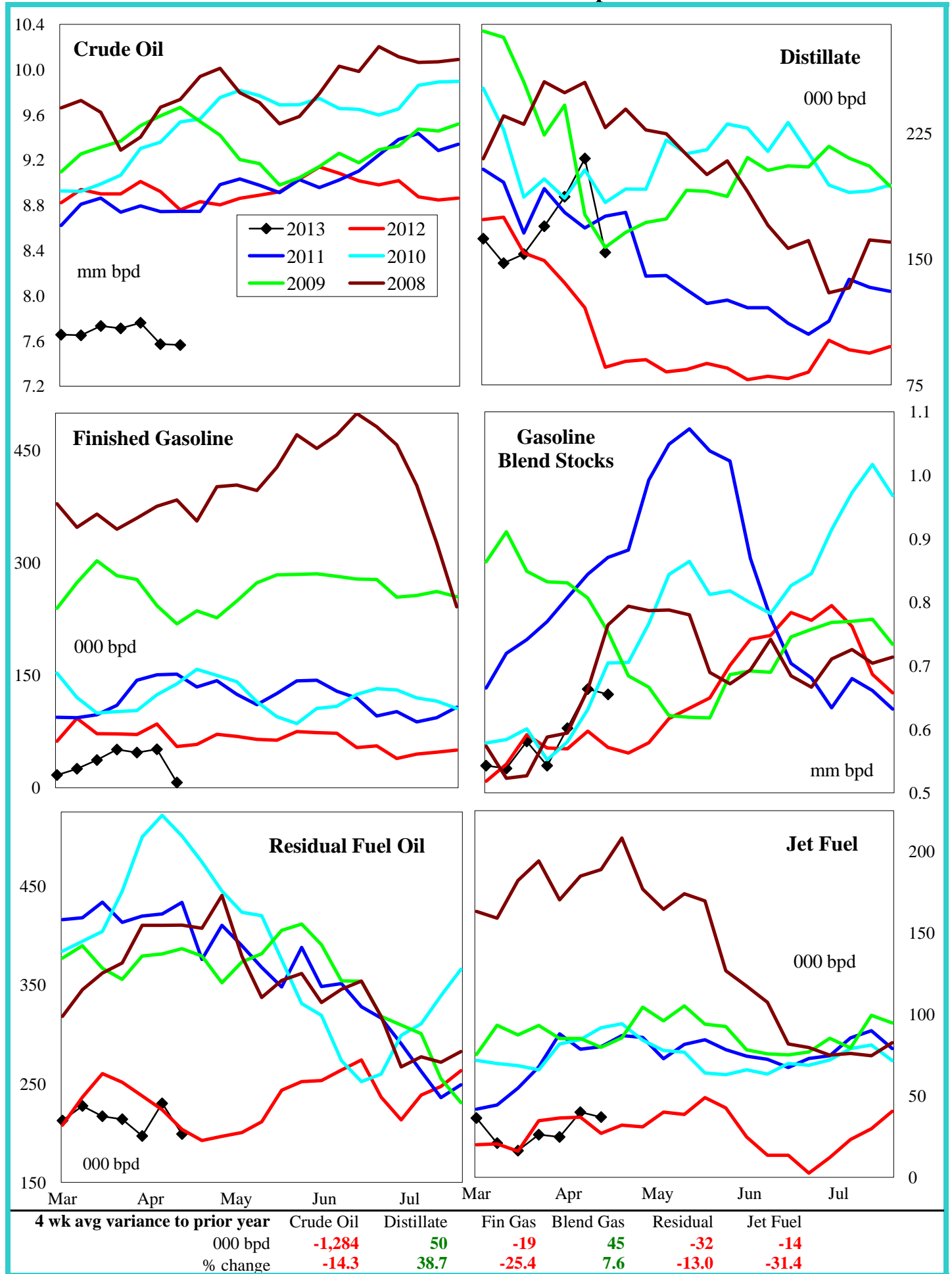
# United States Product Stocks: Days Forward Coverage



## United States Refinery Percent Utilization Rate and Product Yields

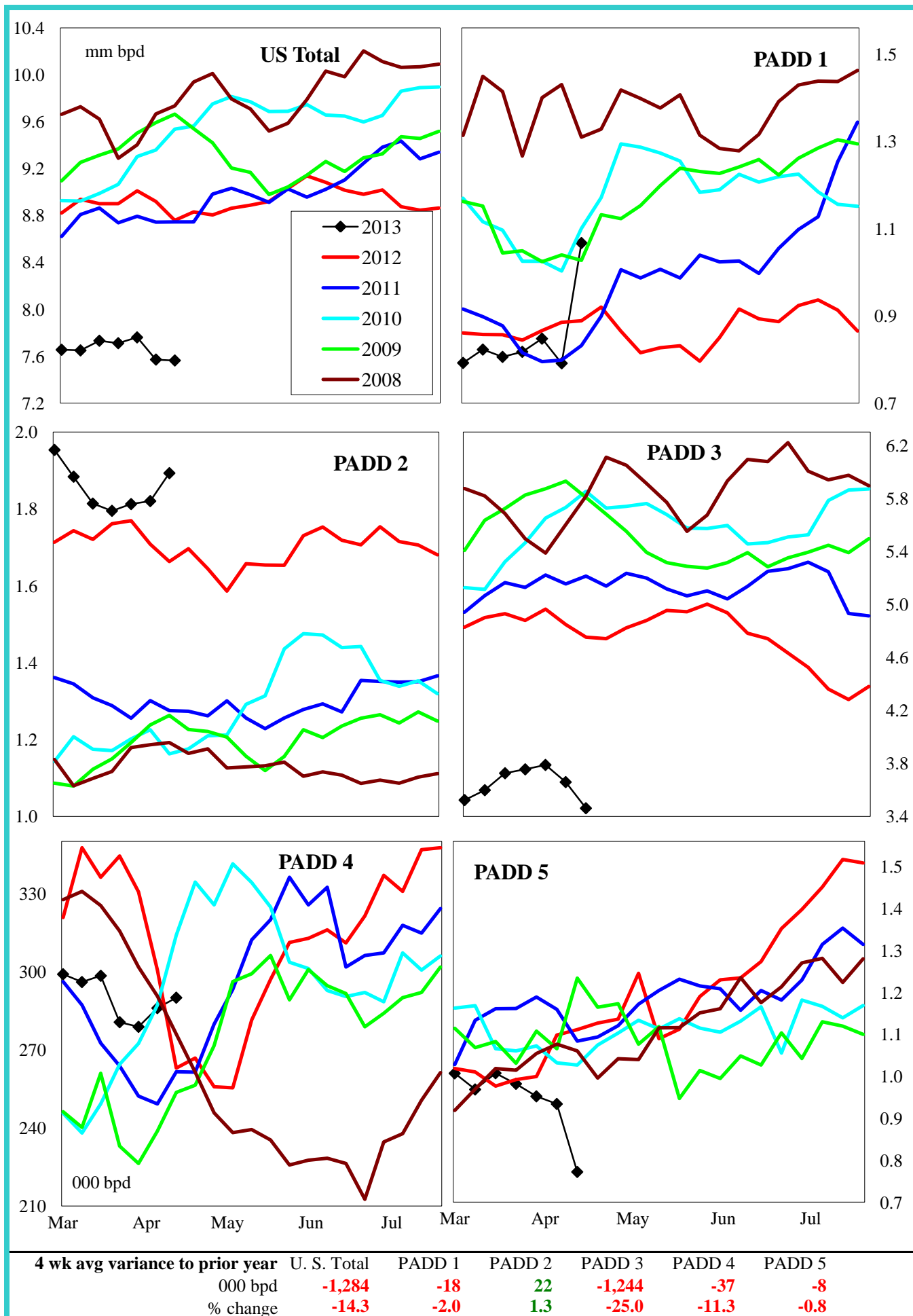


# United States Petroleum Imports

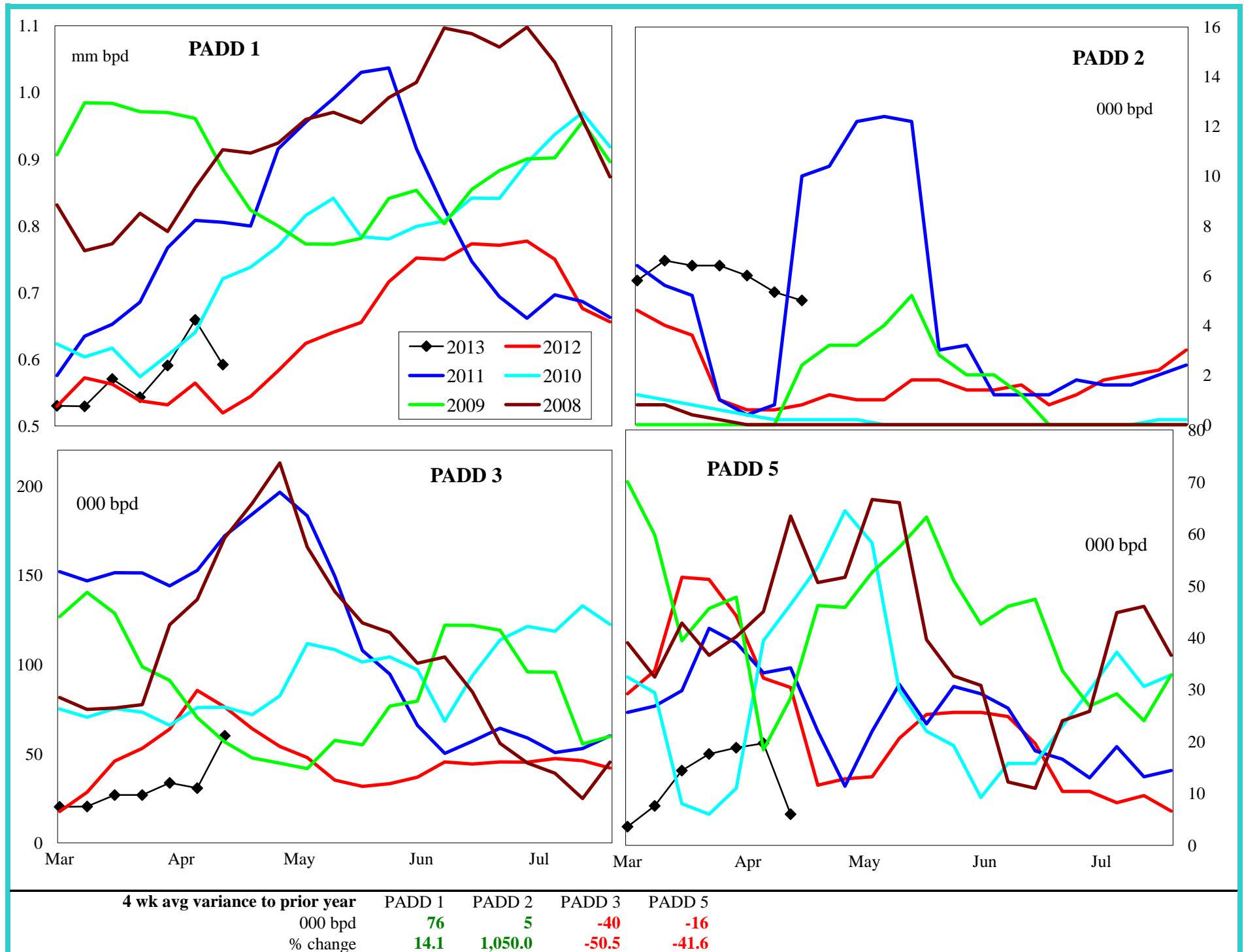




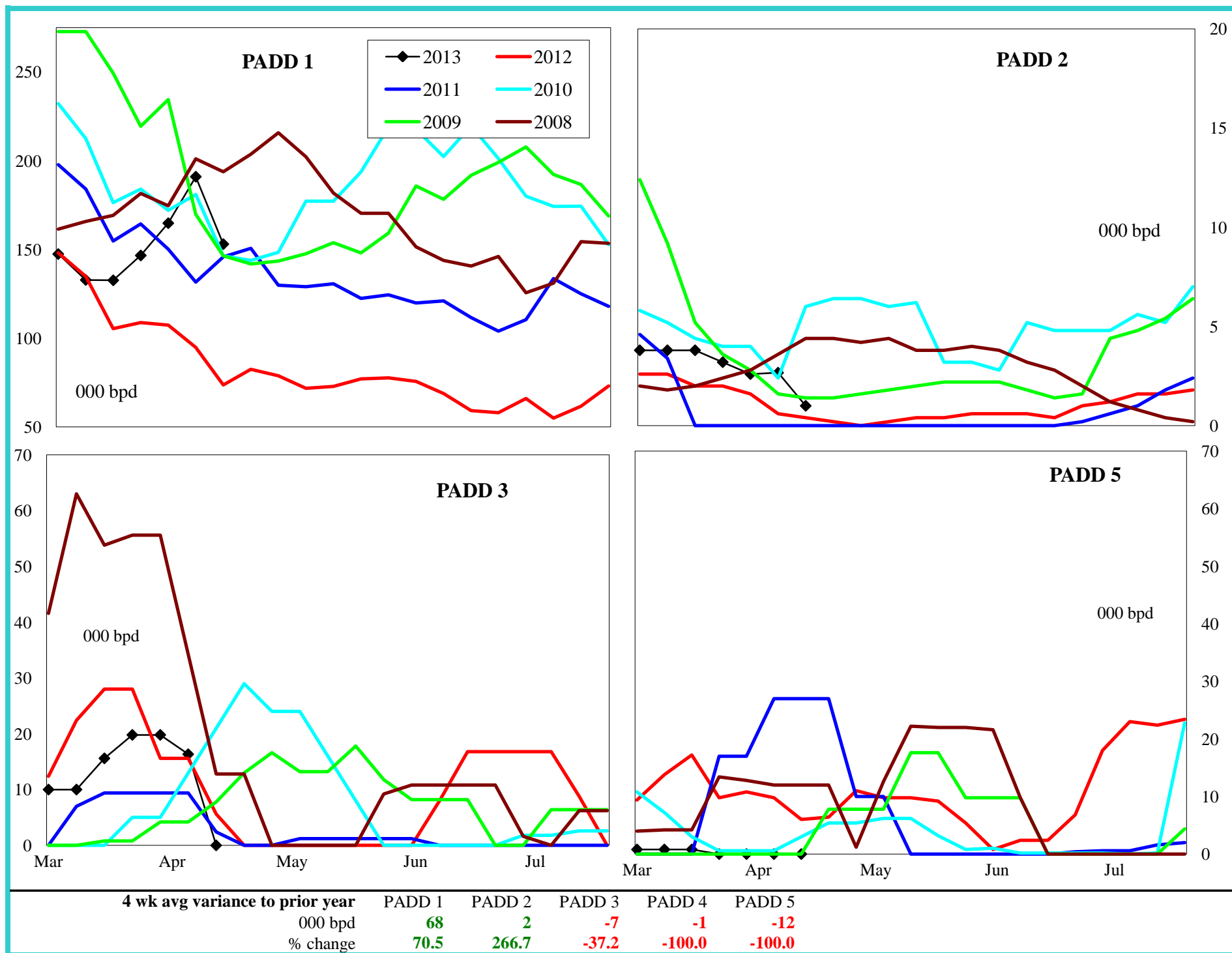
## Crude Oil Imports by PADD



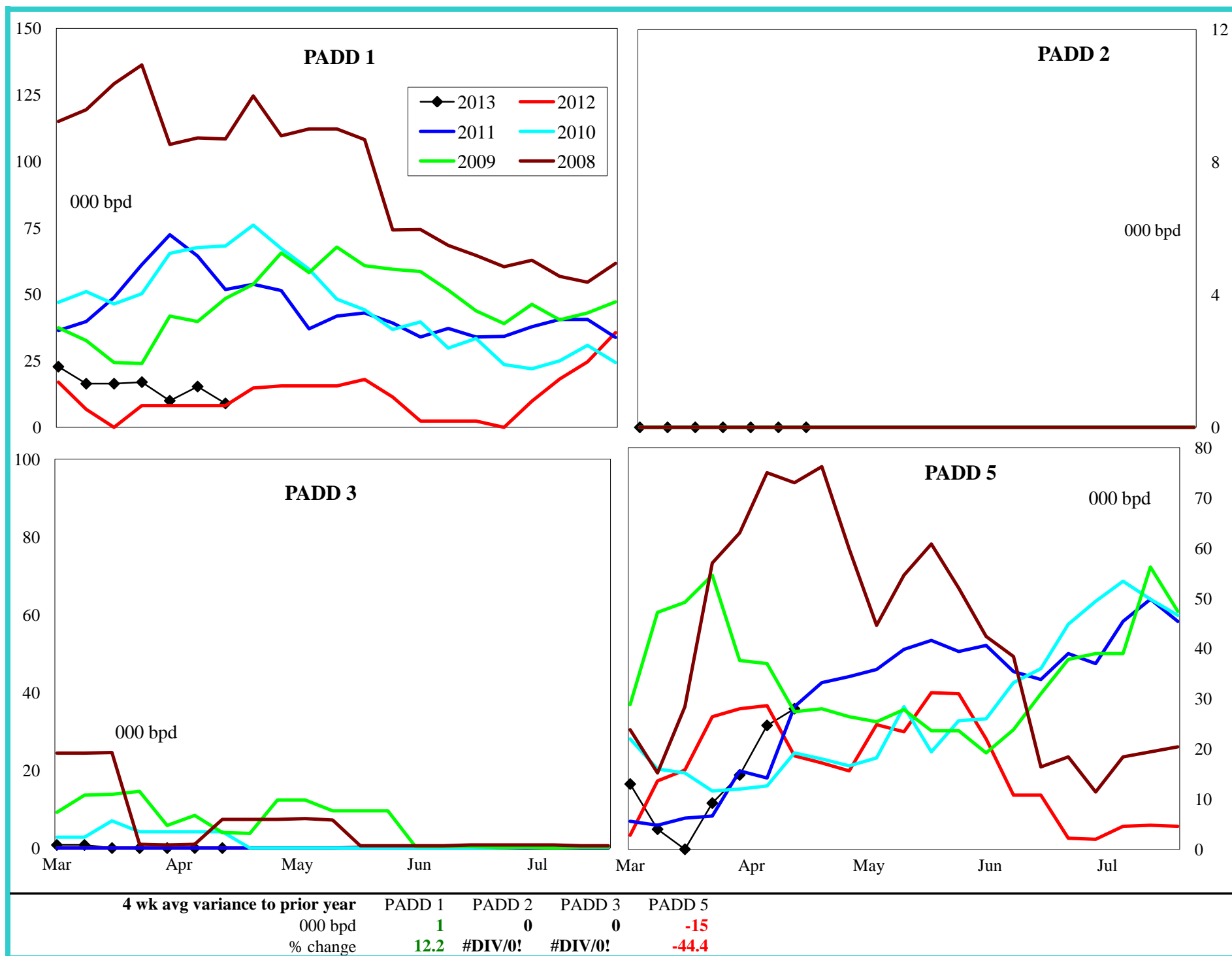
# Gasoline Imports by PADD (Finished + Blend Stocks)



# Distillate Imports by PADD

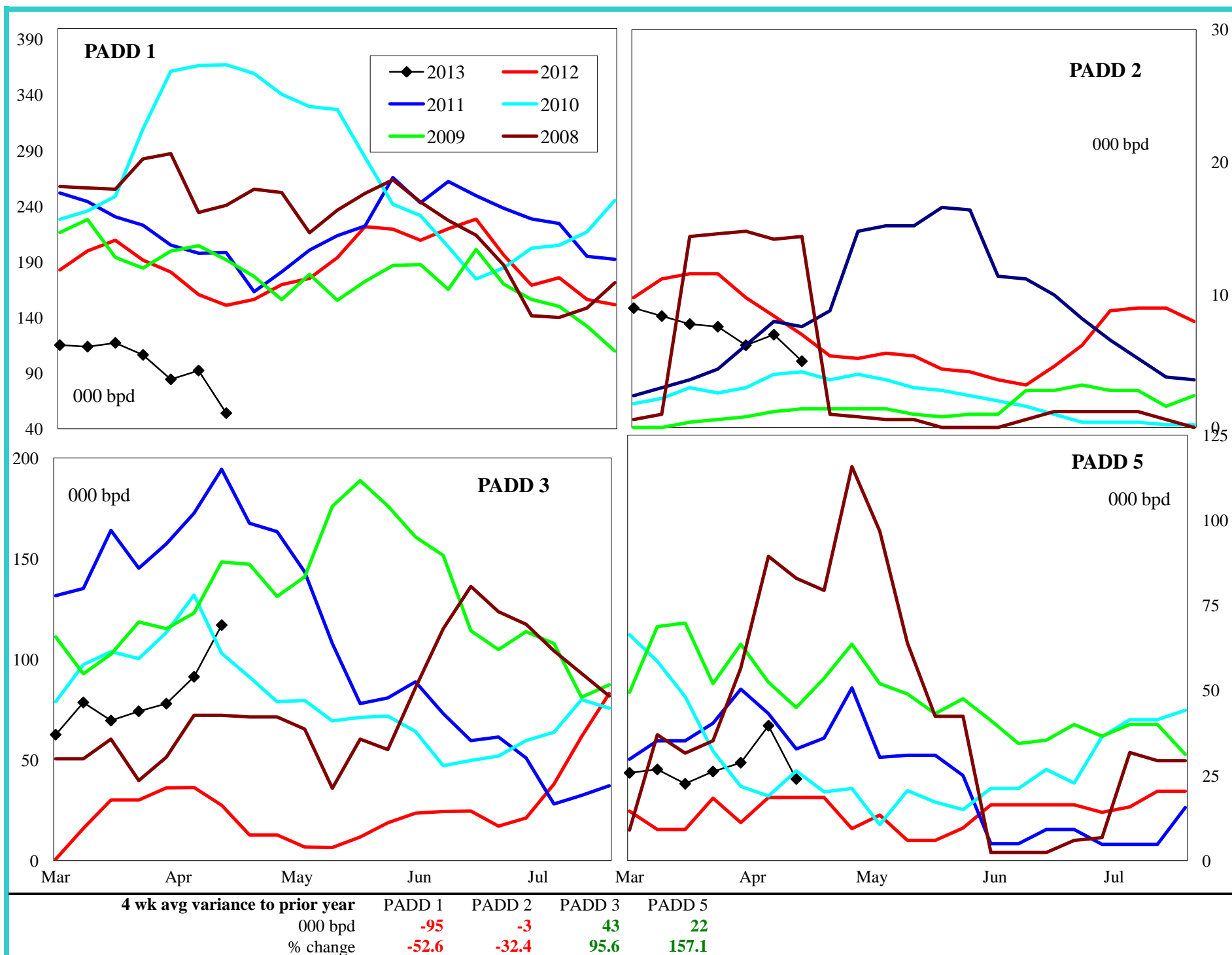


# Jet Fuel Imports by PADD

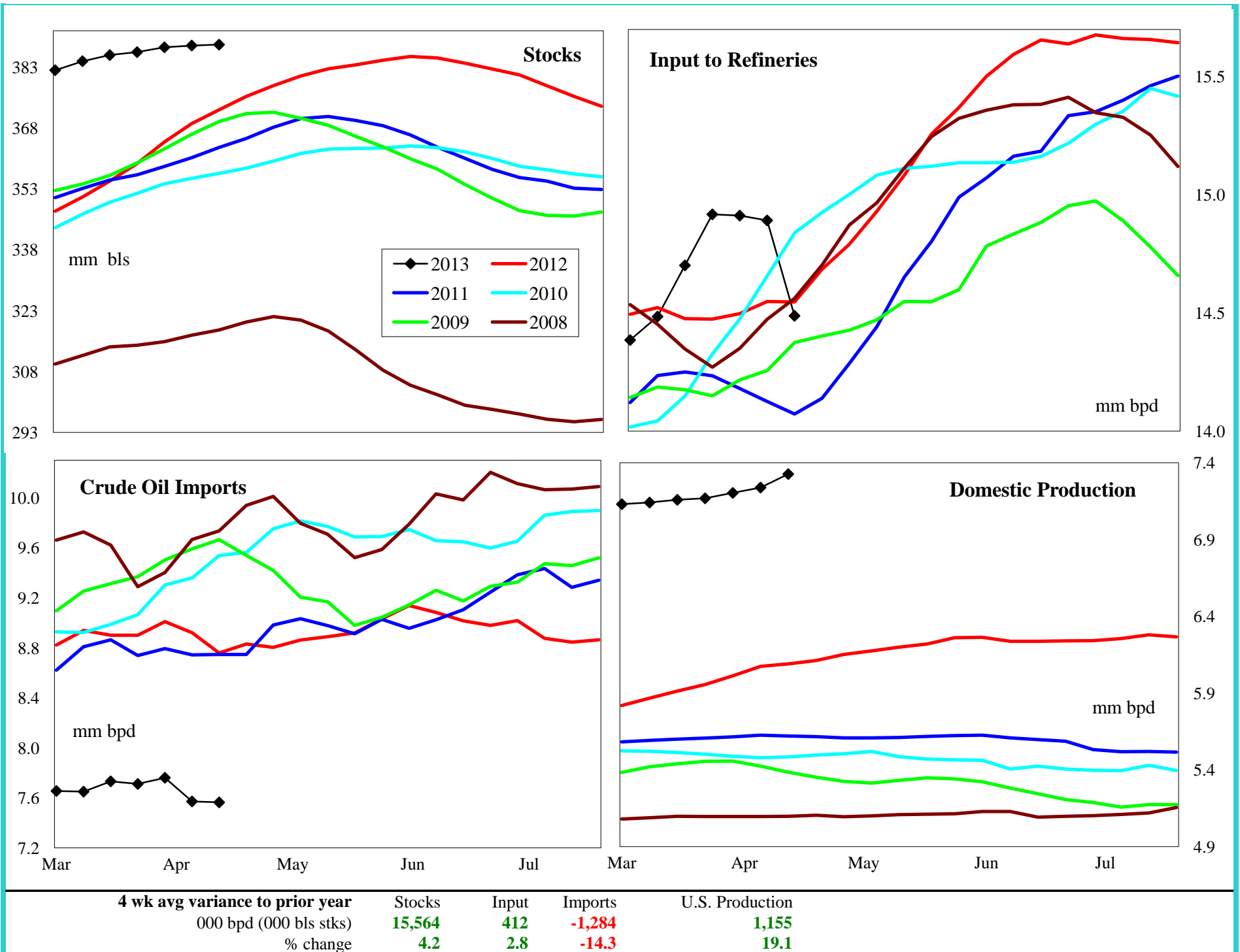




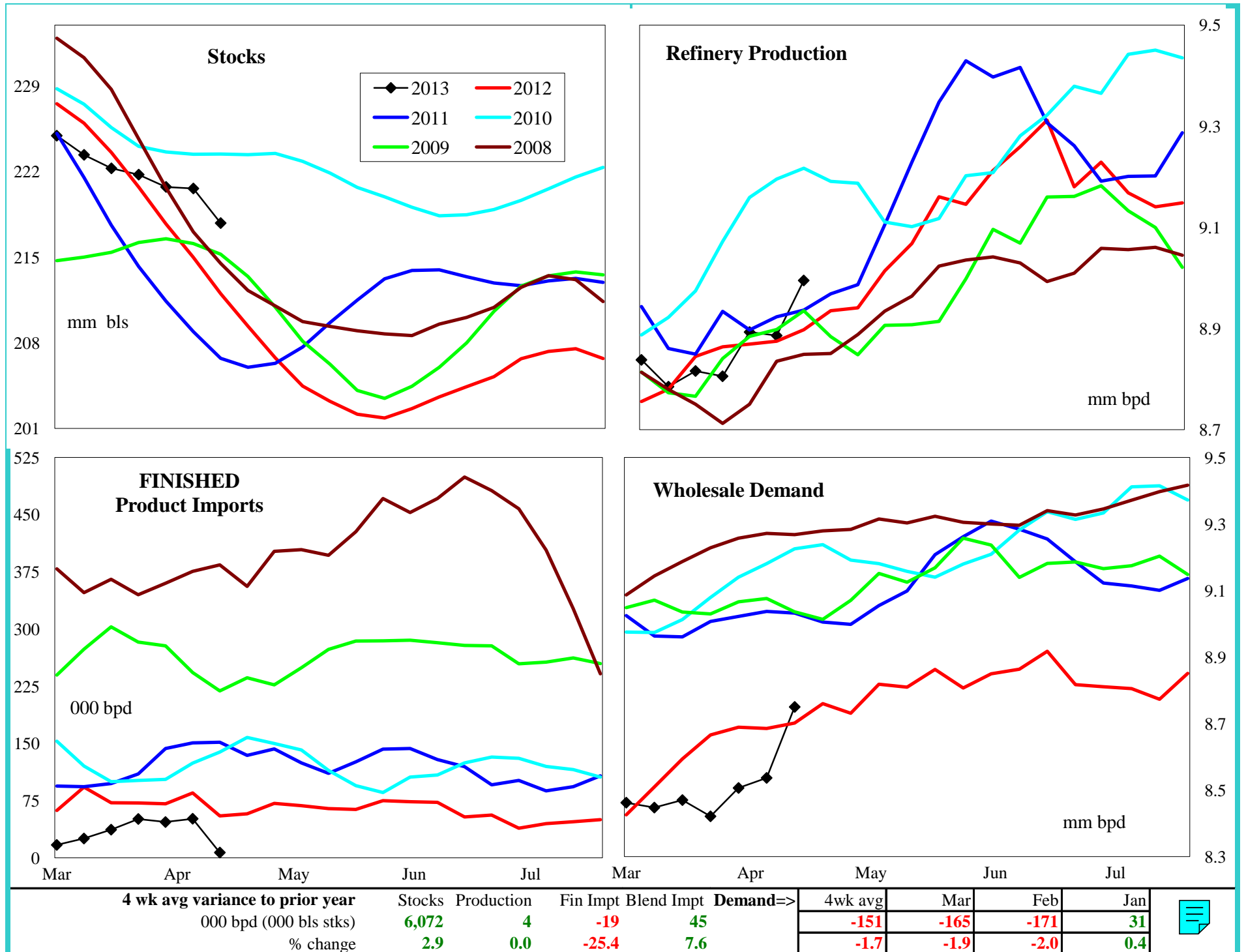
## Residual Fuel Oil Imports by PADD



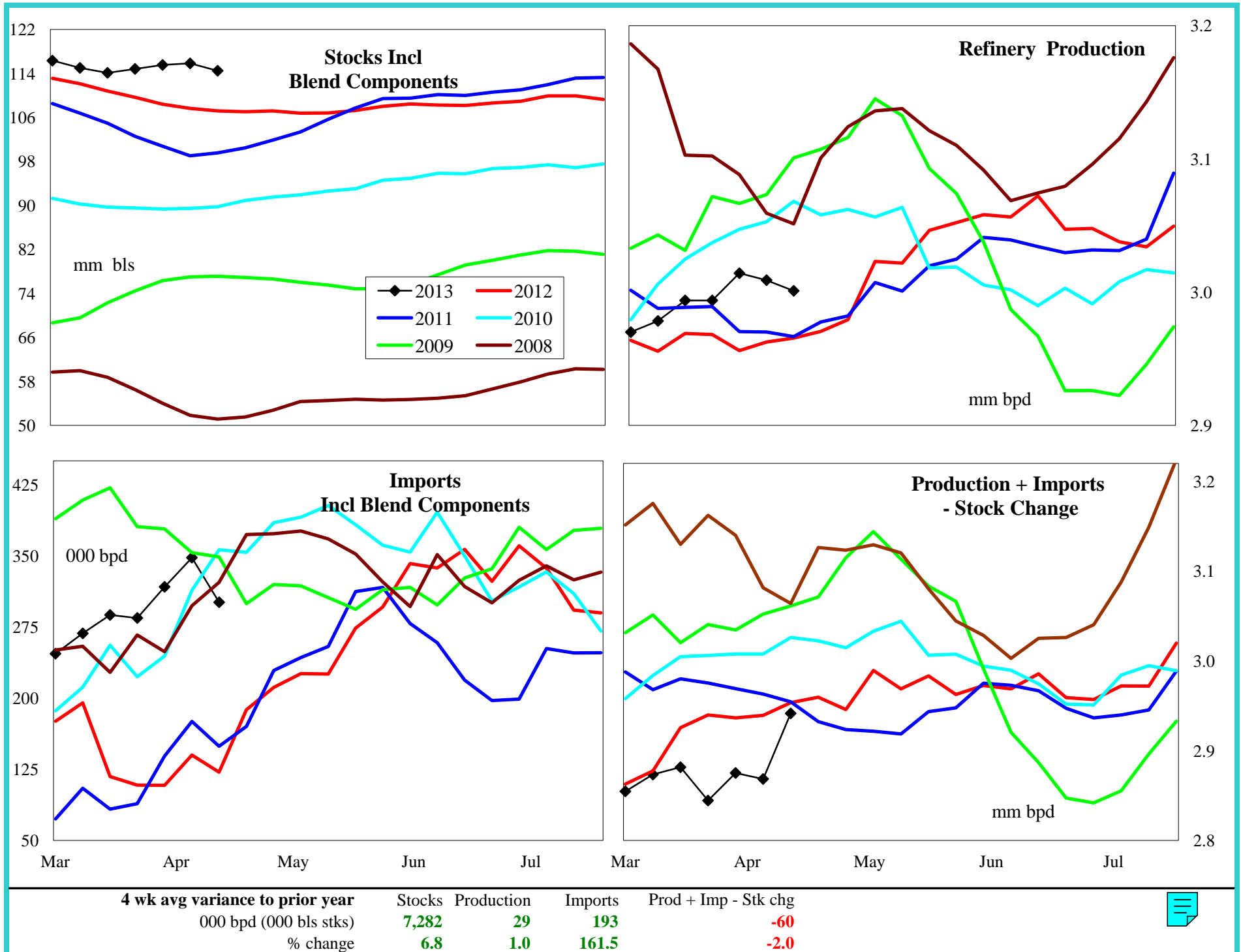
# United States Crude Oil Supply and Demand Balance



# United States Gasoline Supply and Demand Balance

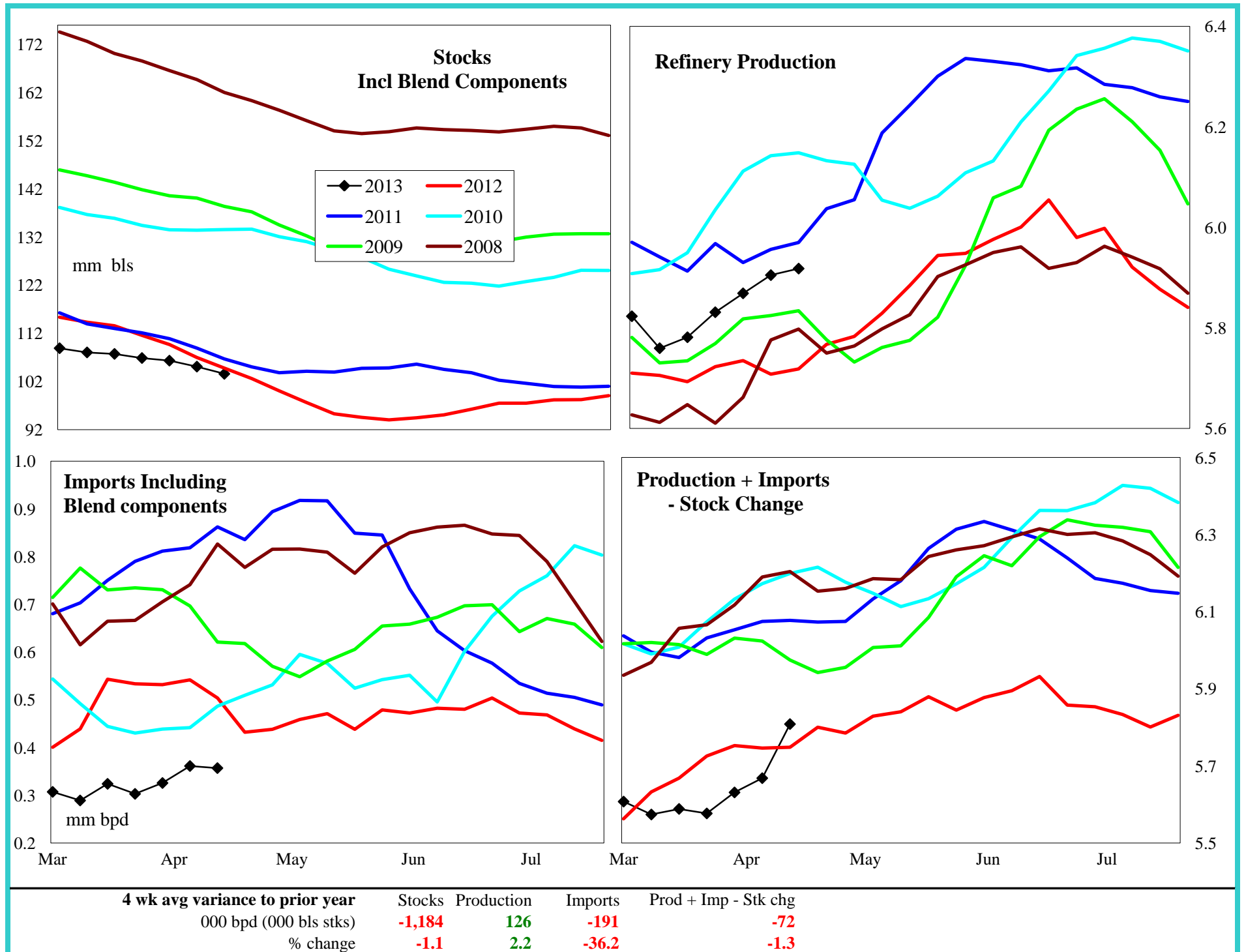


# United States Reformulated Gasoline Supply

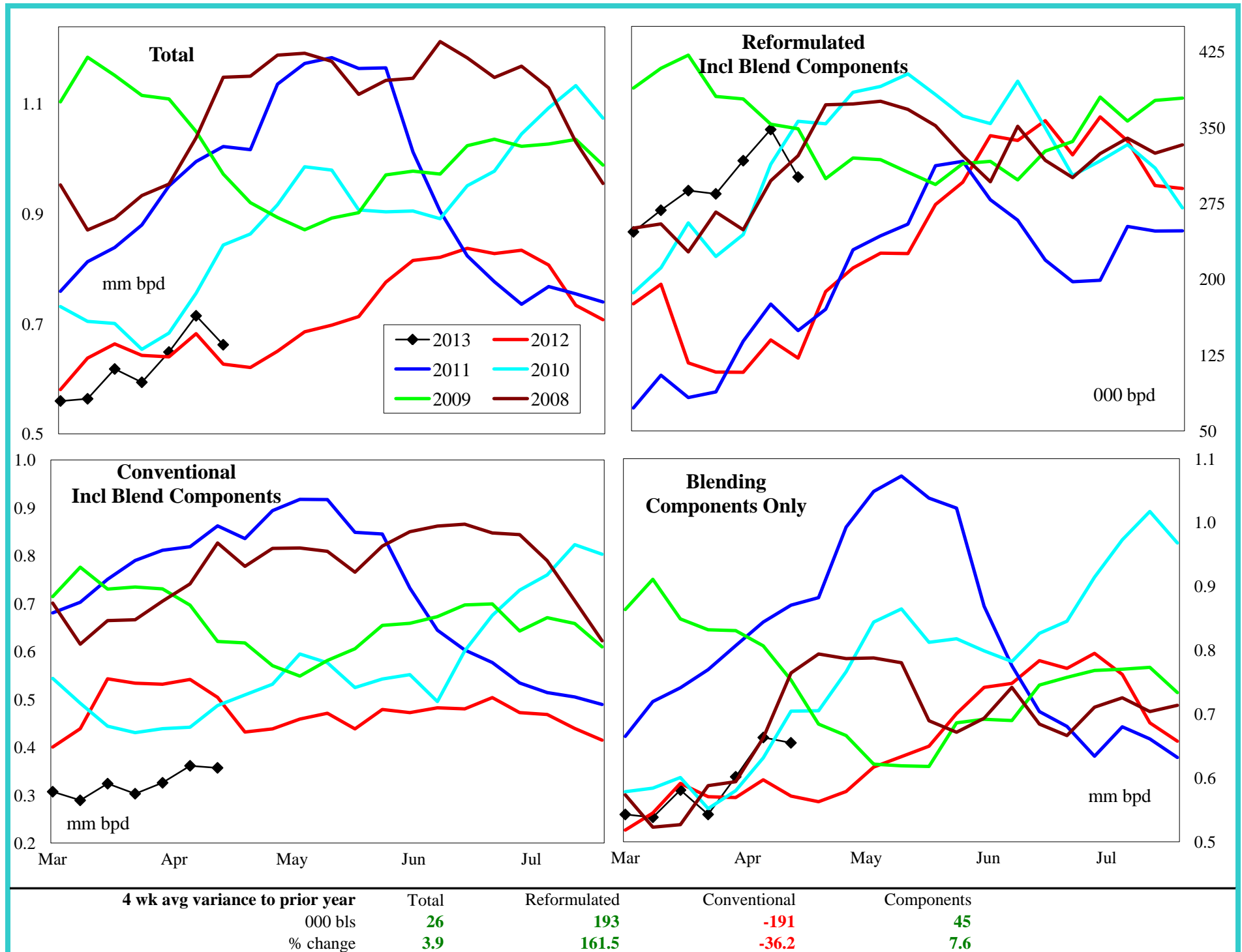




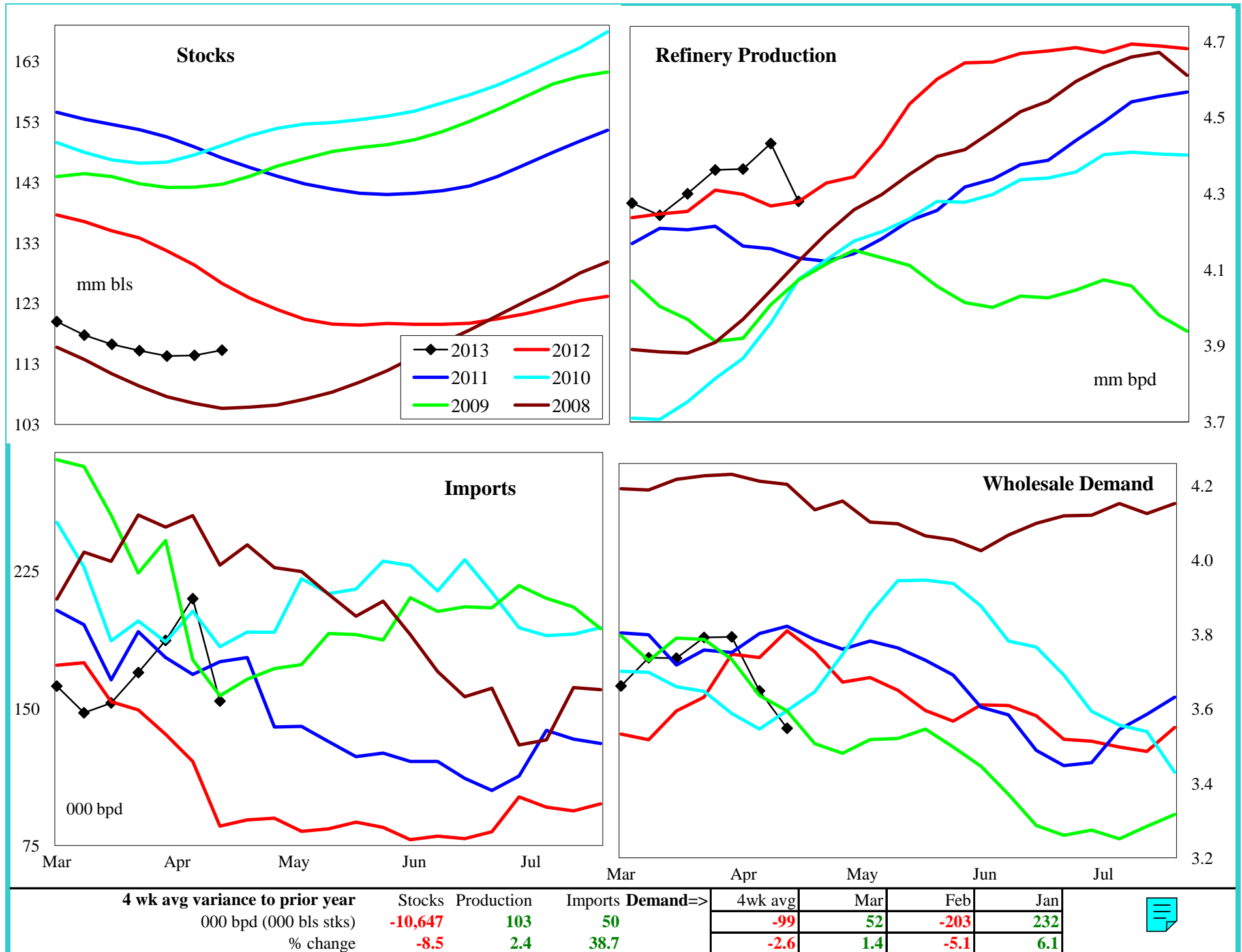
# United States Conventional Gasoline Supply



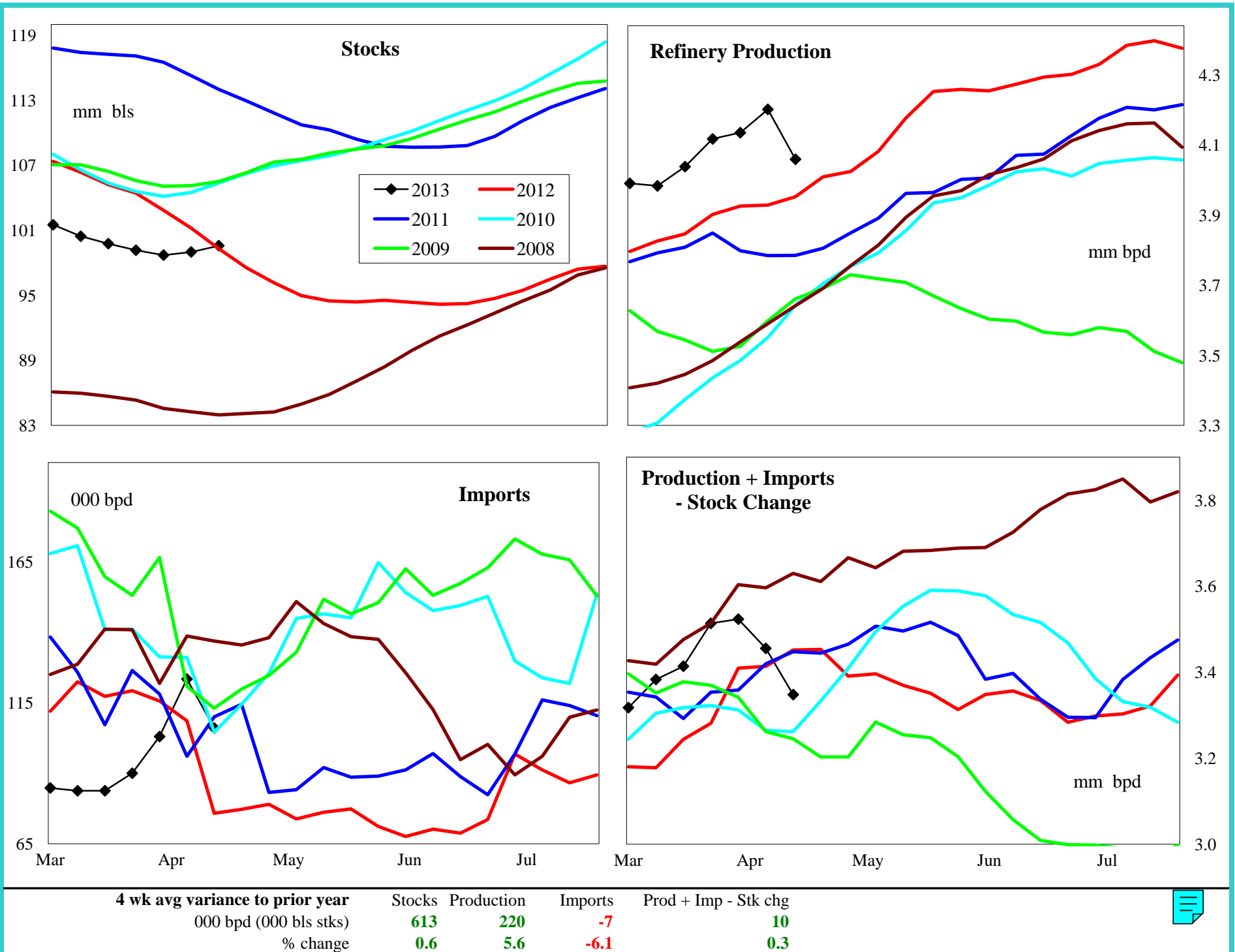
# United States Gasoline Imports by Type



# United States Distillate Supply and Demand Balance

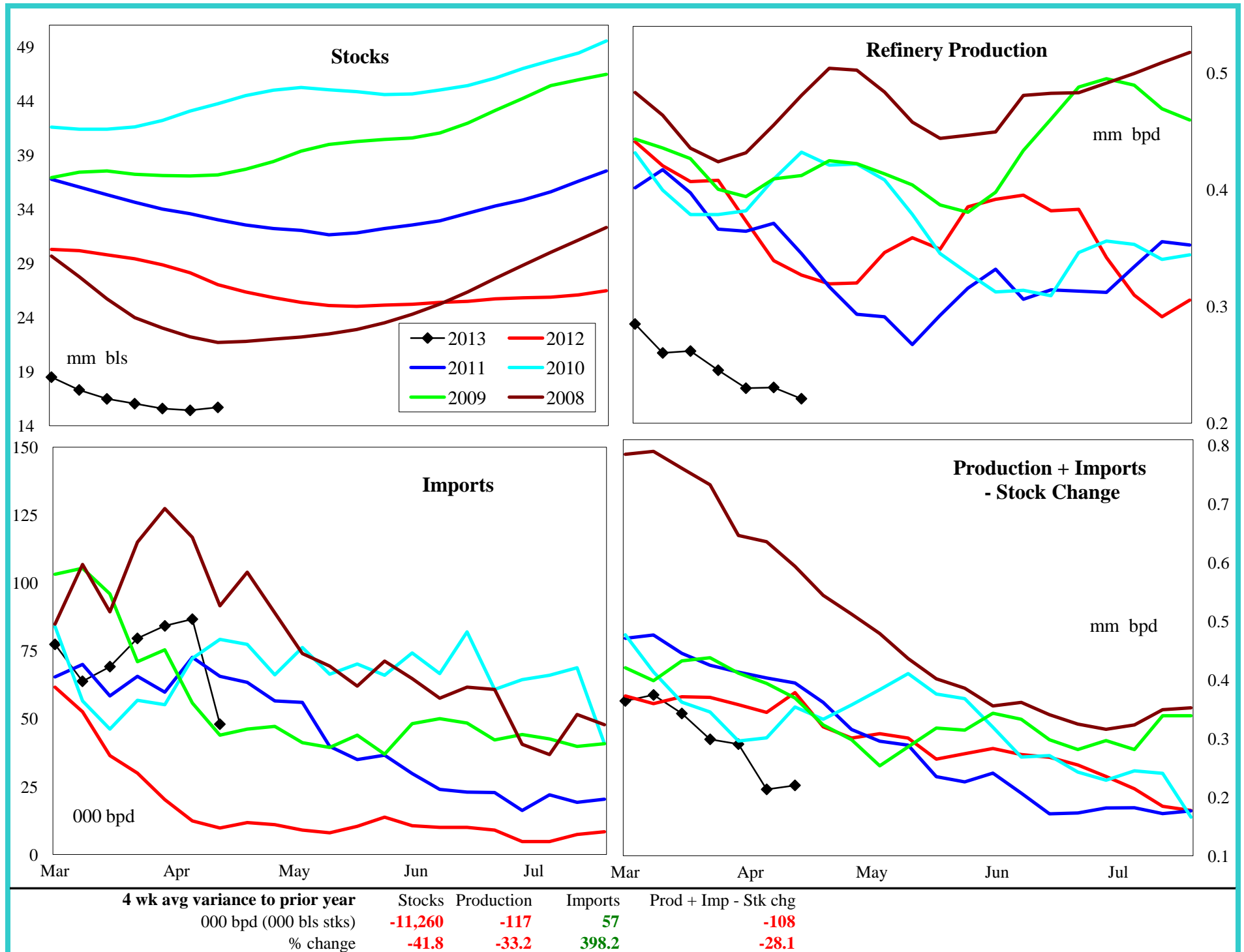


# United States Low Sulfur Distillate Supply

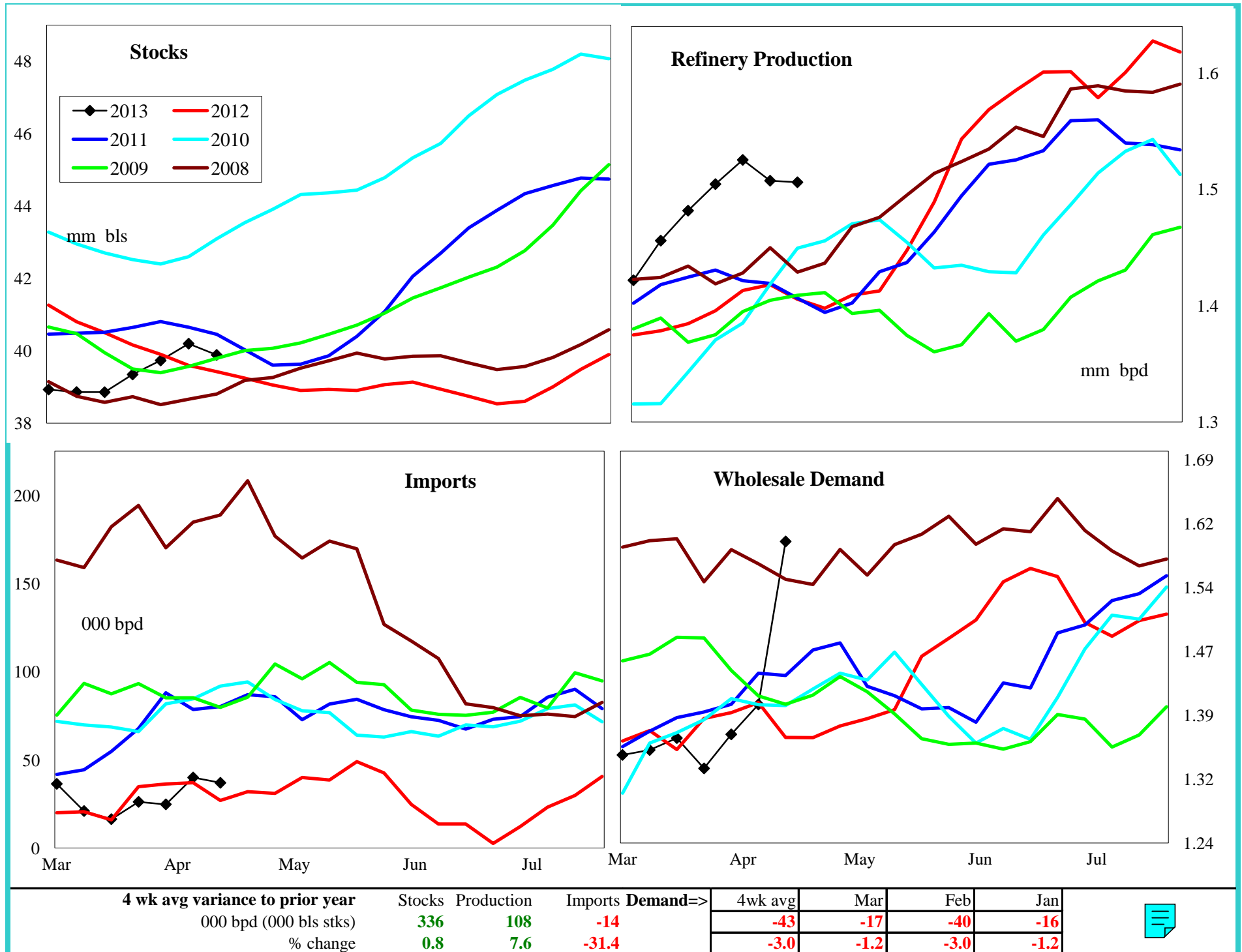




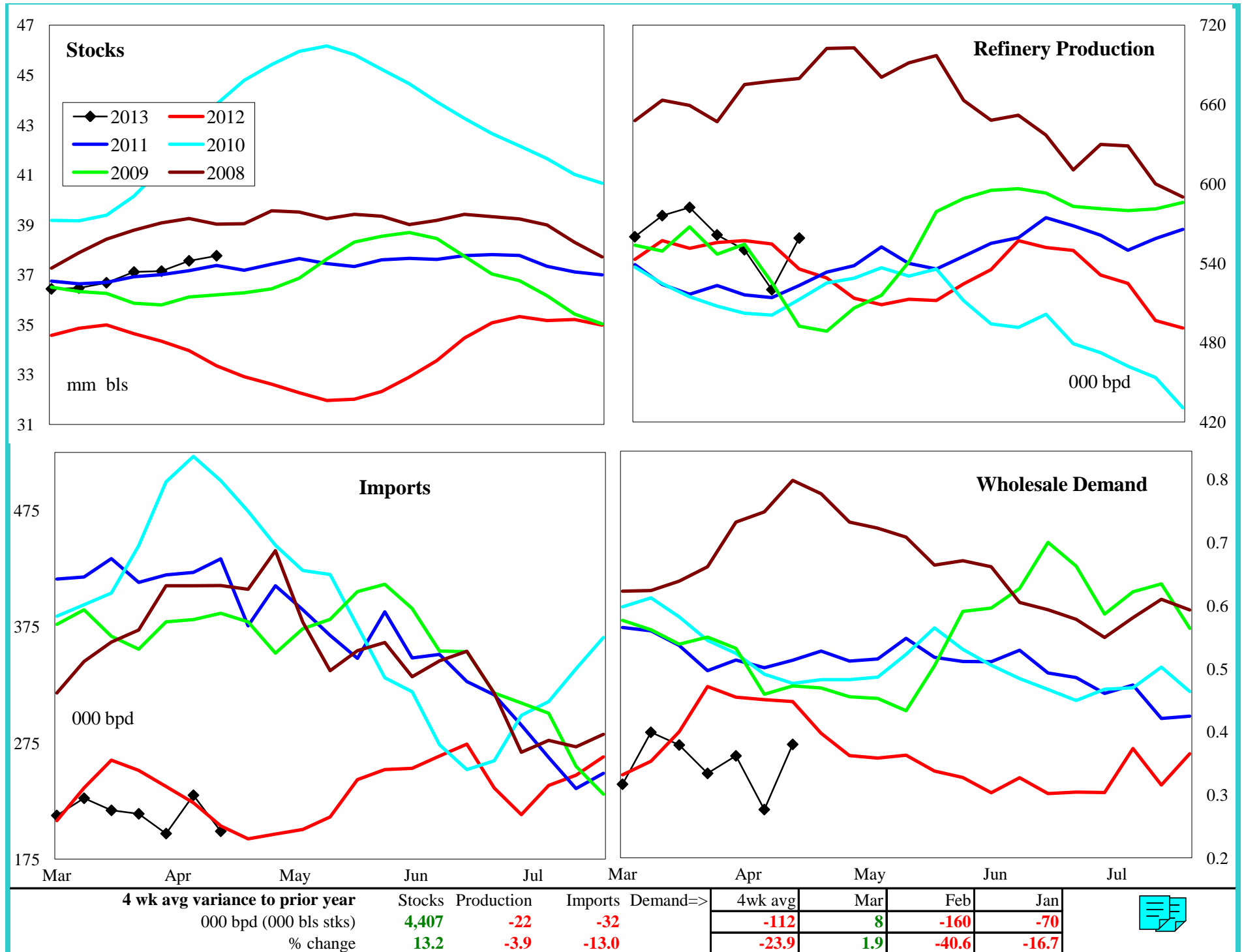
# United States High Sulfur Distillate Supply



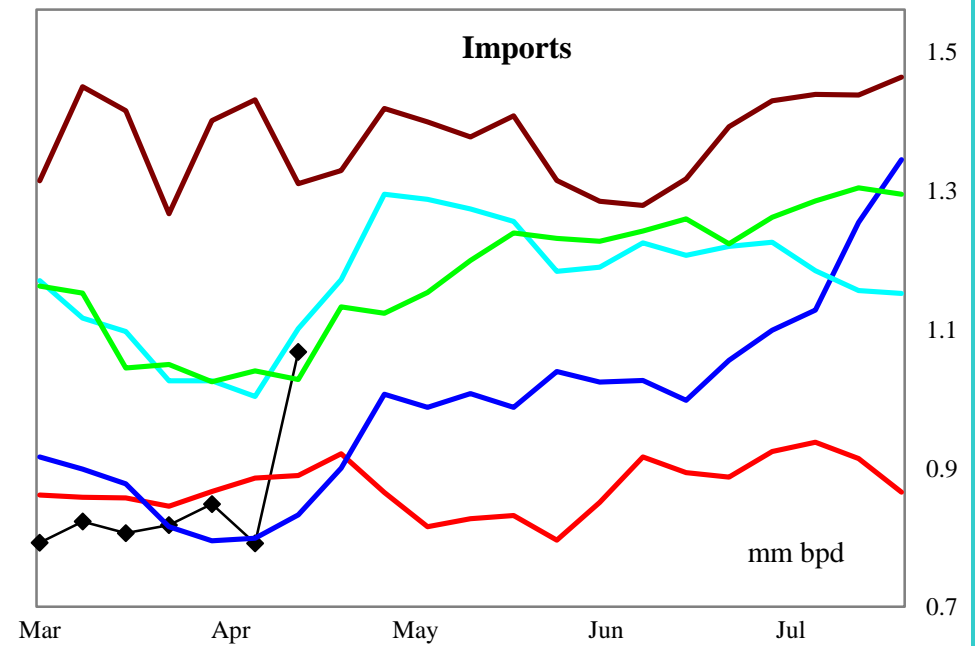
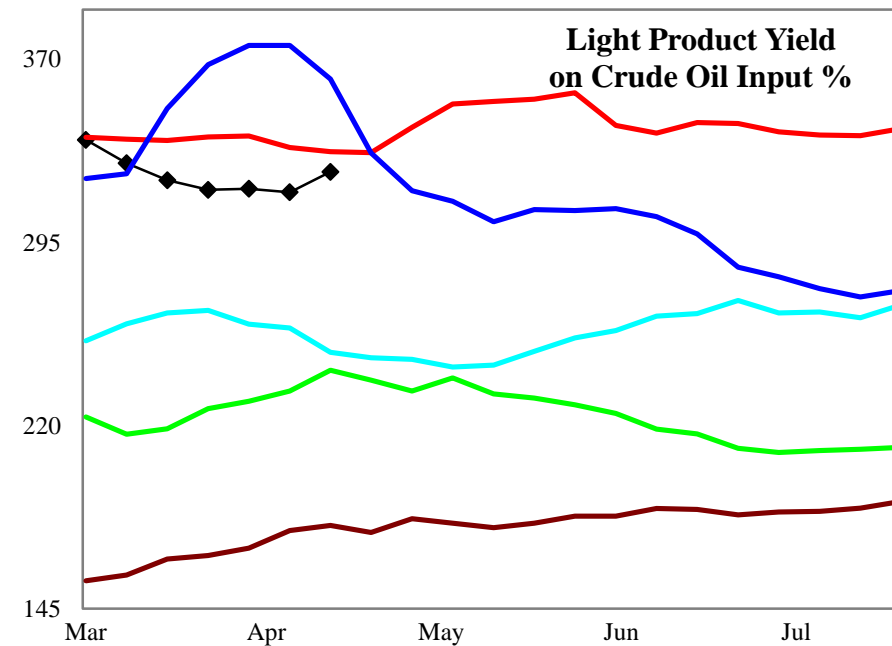
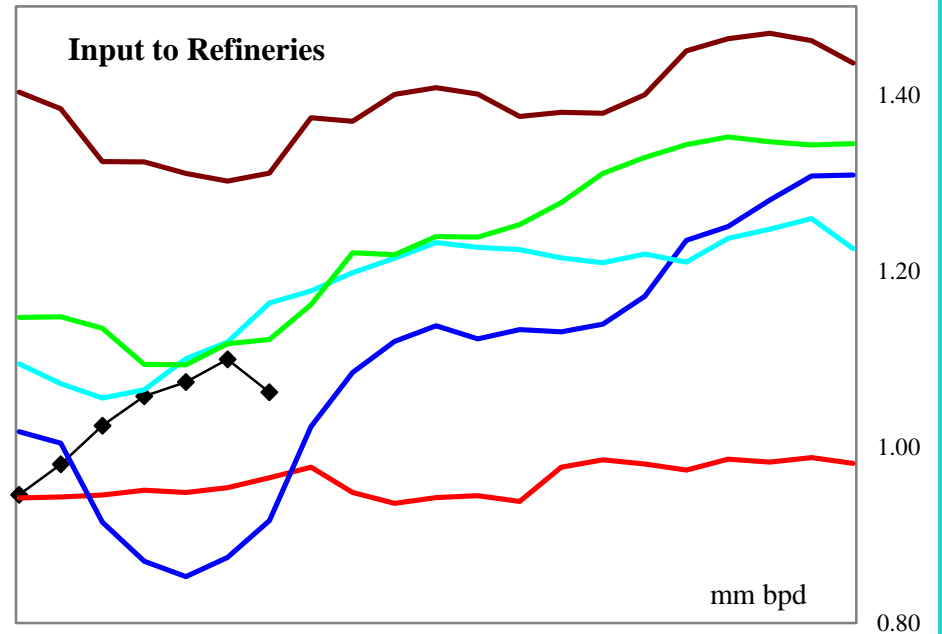
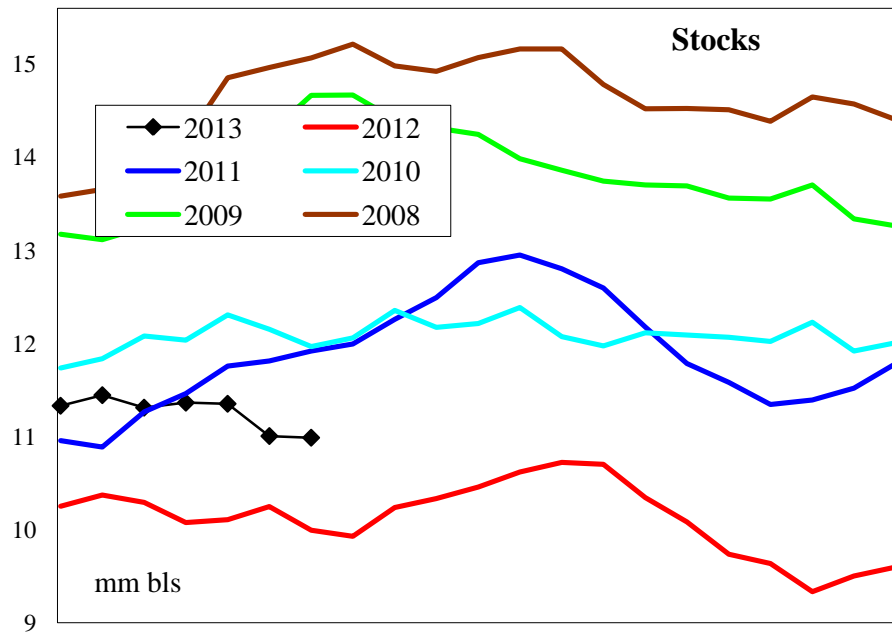
# United States Jet Fuel Supply and Demand Balance



# United States Residual Fuel Oil Supply and Demand Balance



# PADD 1 Crude Oil Supply and Refining



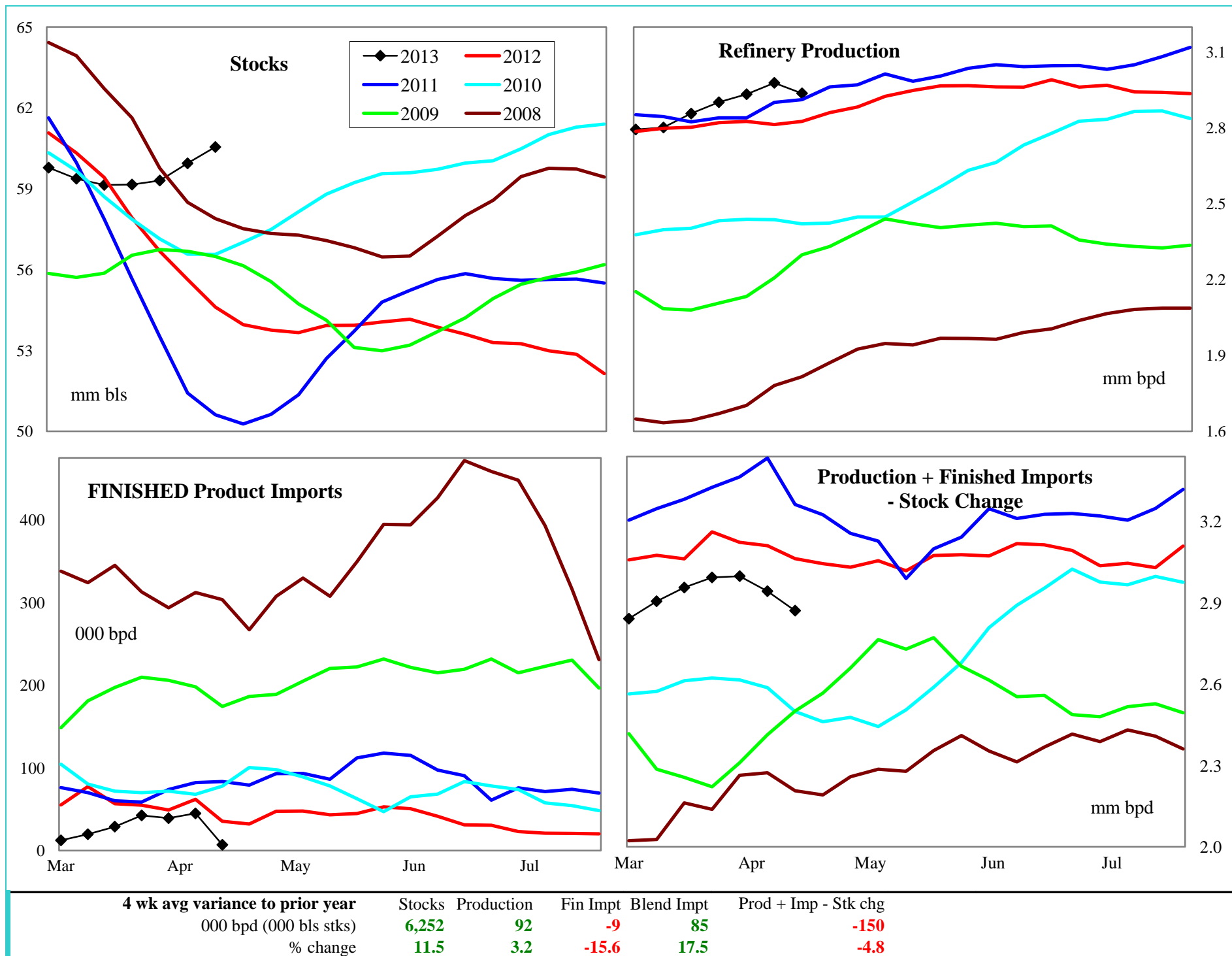
**4 wk avg variance to prior year**  
000 bpd (000 bls stks)  
% change

	Stocks	Input	Imports
000 bpd (000 bls stks)	994	135	-18
% change	9.6	14.1	-2.0

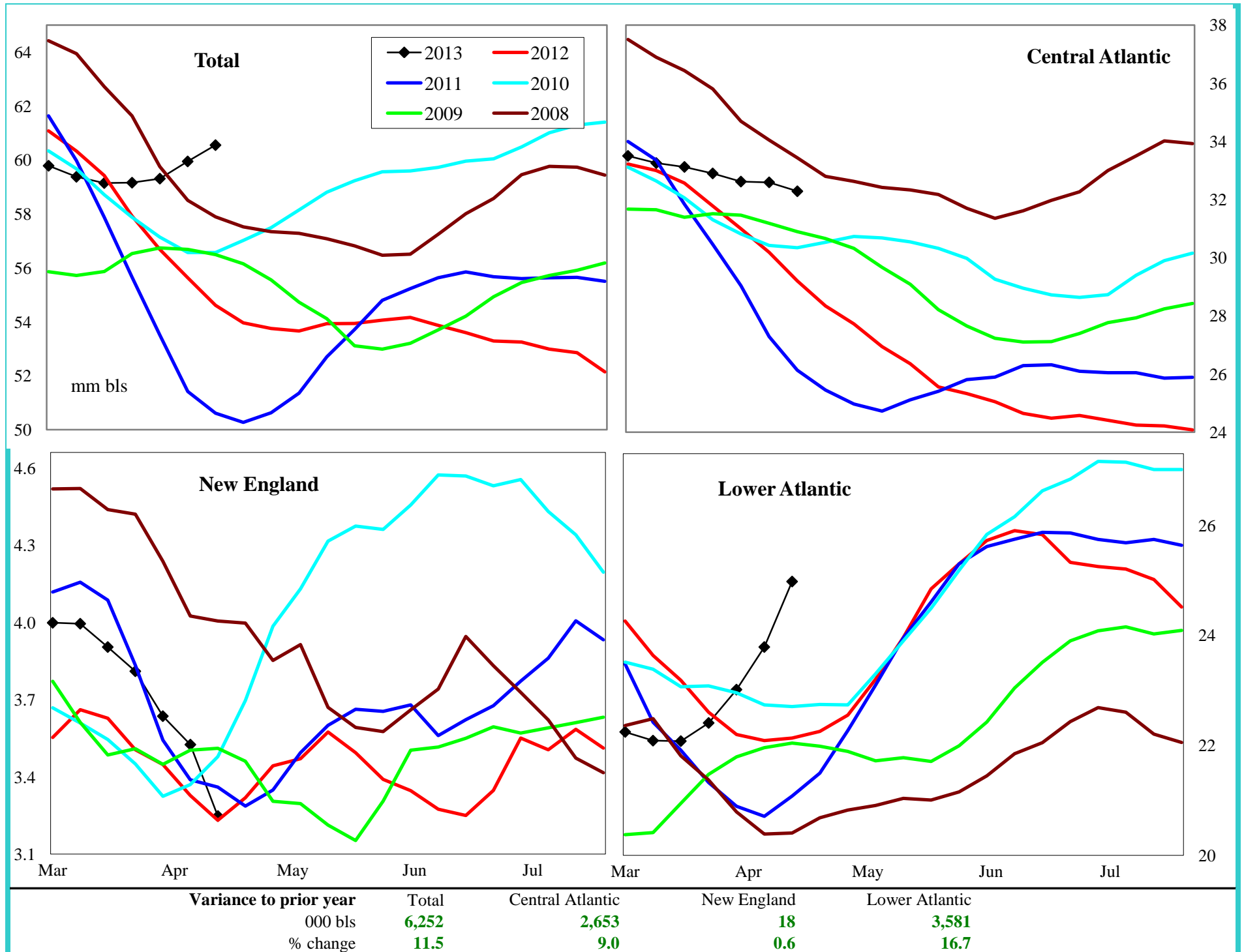




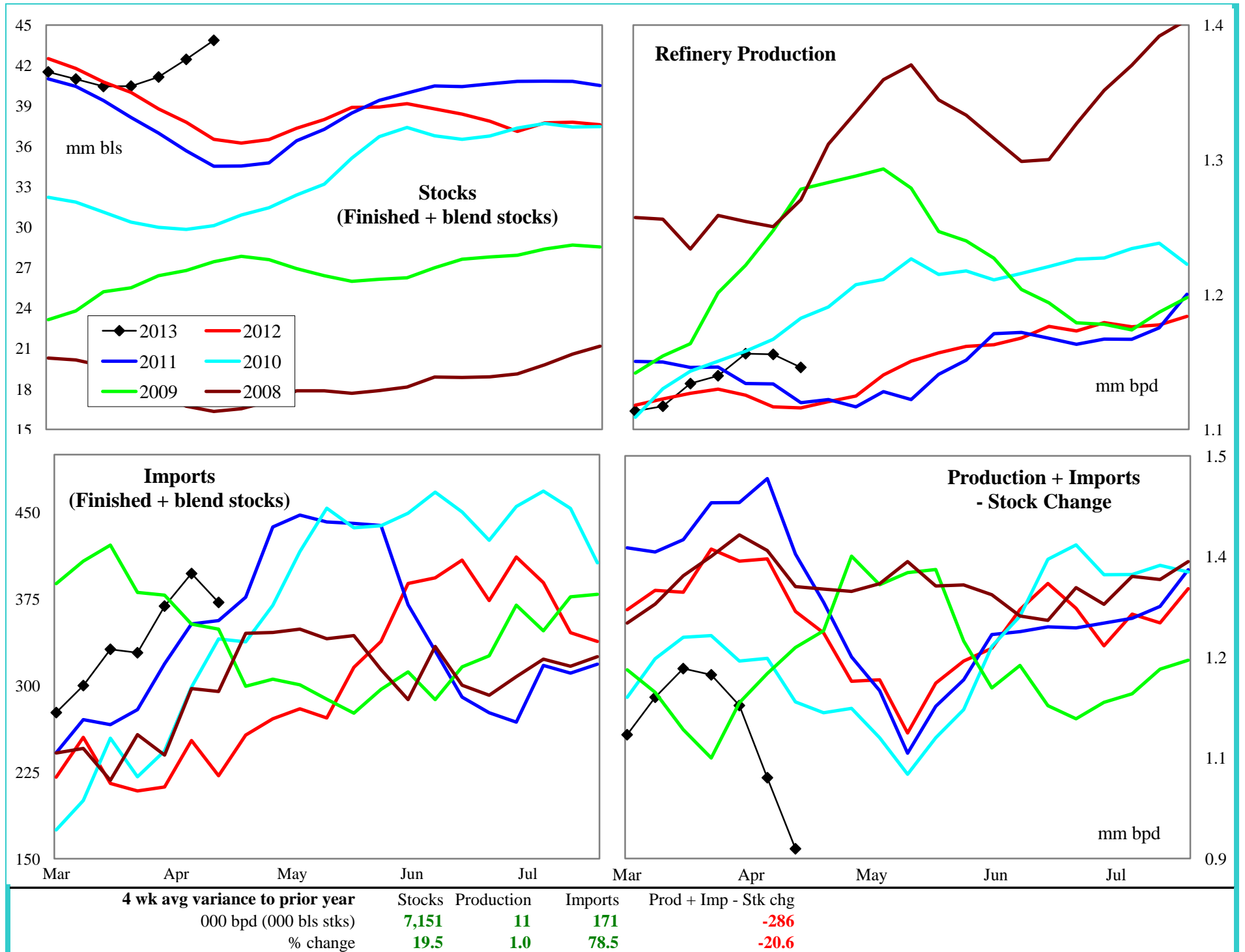
# PADD 1 Gasoline Supply



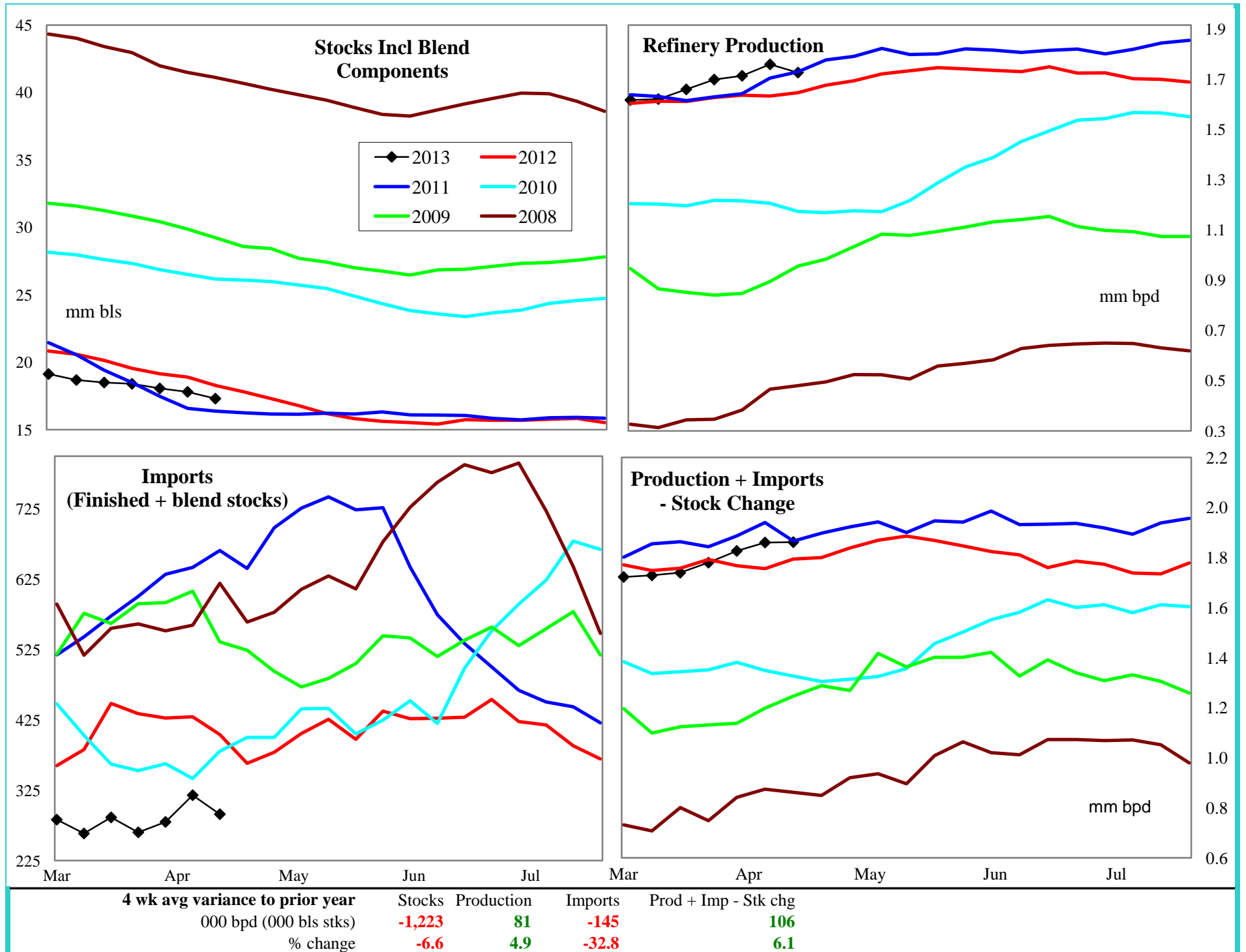
# PADD 1 Gasoline Stocks by Region



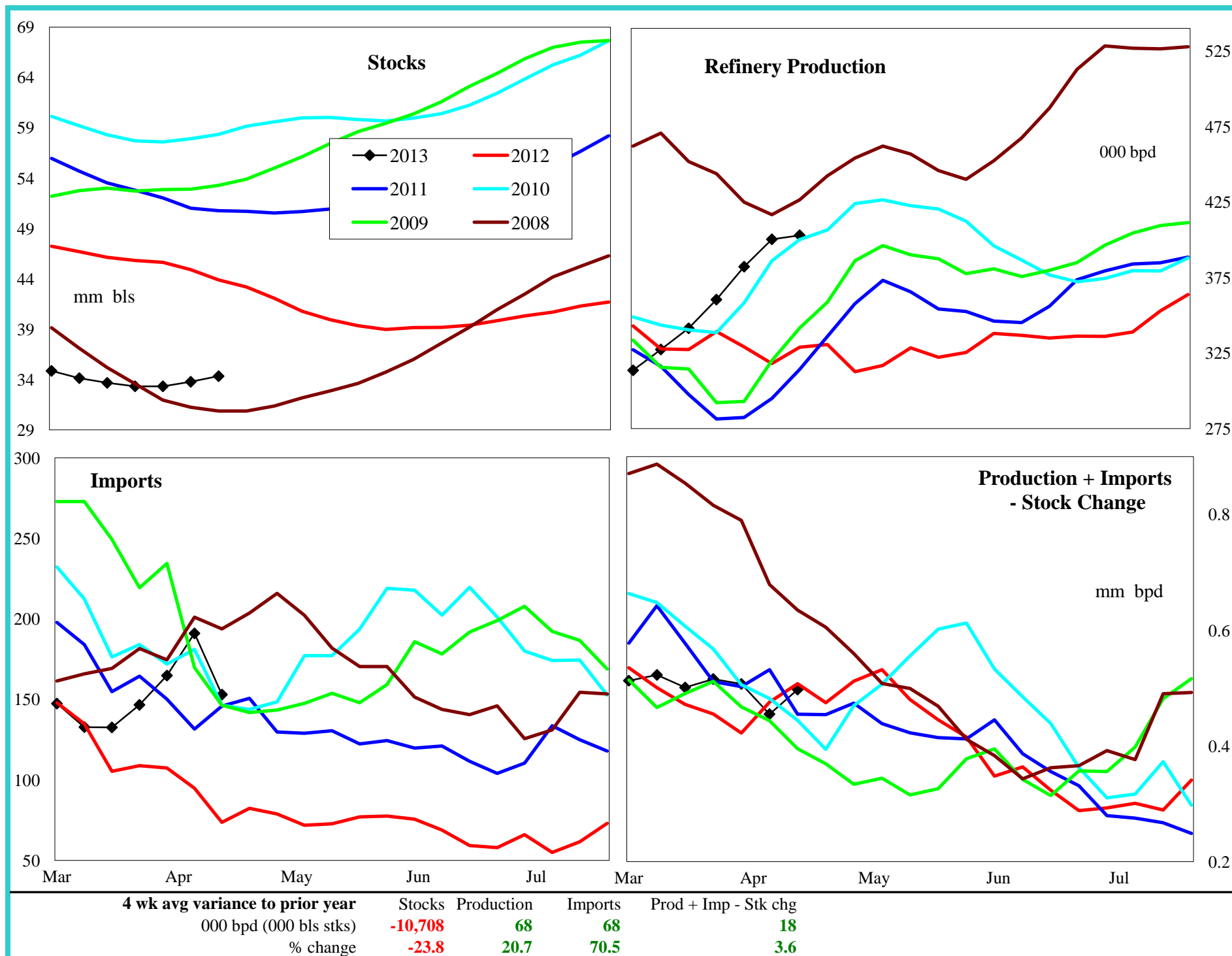
# PADD 1 Reformulated Gasoline Supply



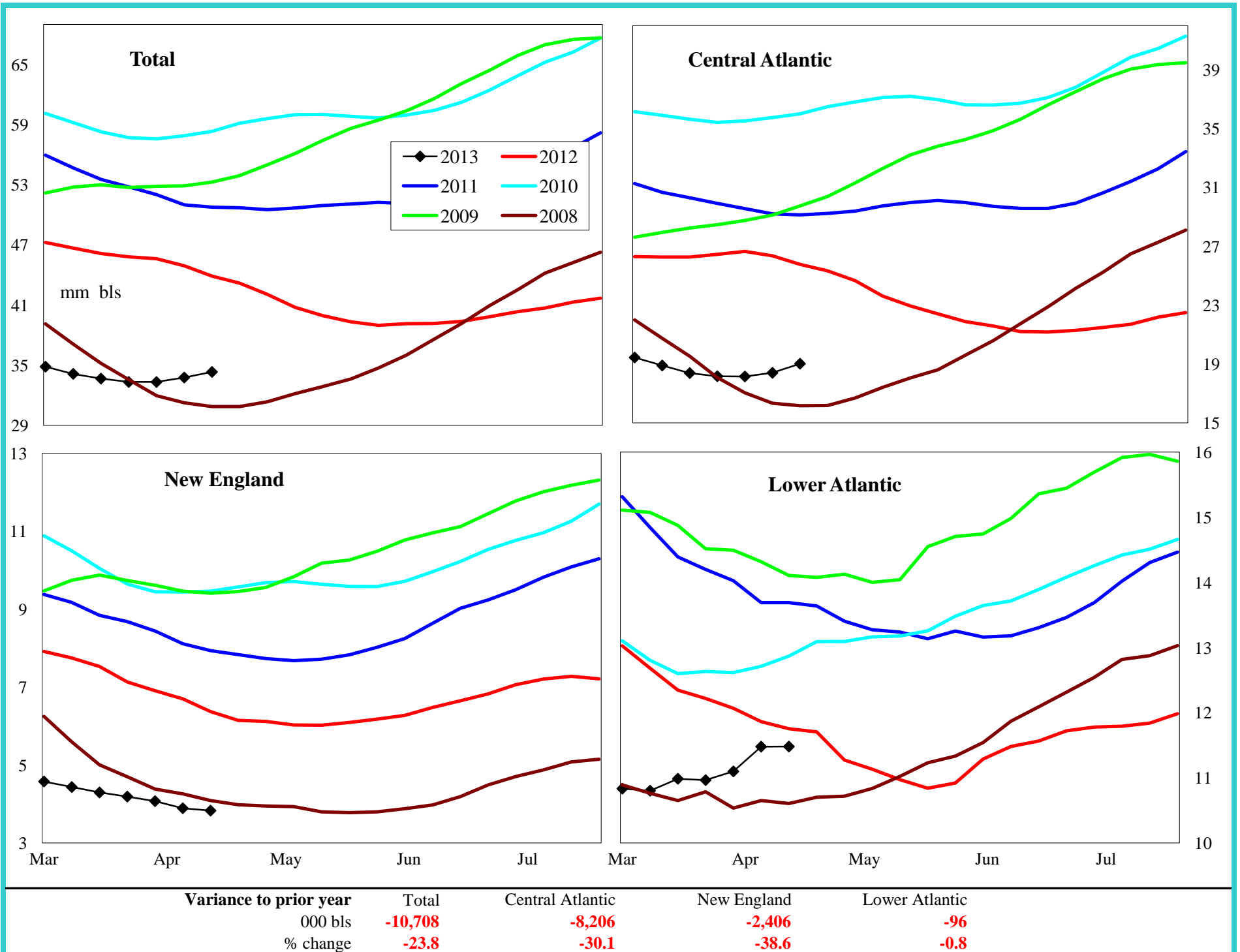
# PADD 1 Conventional Gasoline Supply



# PADD 1 Distillate Supply

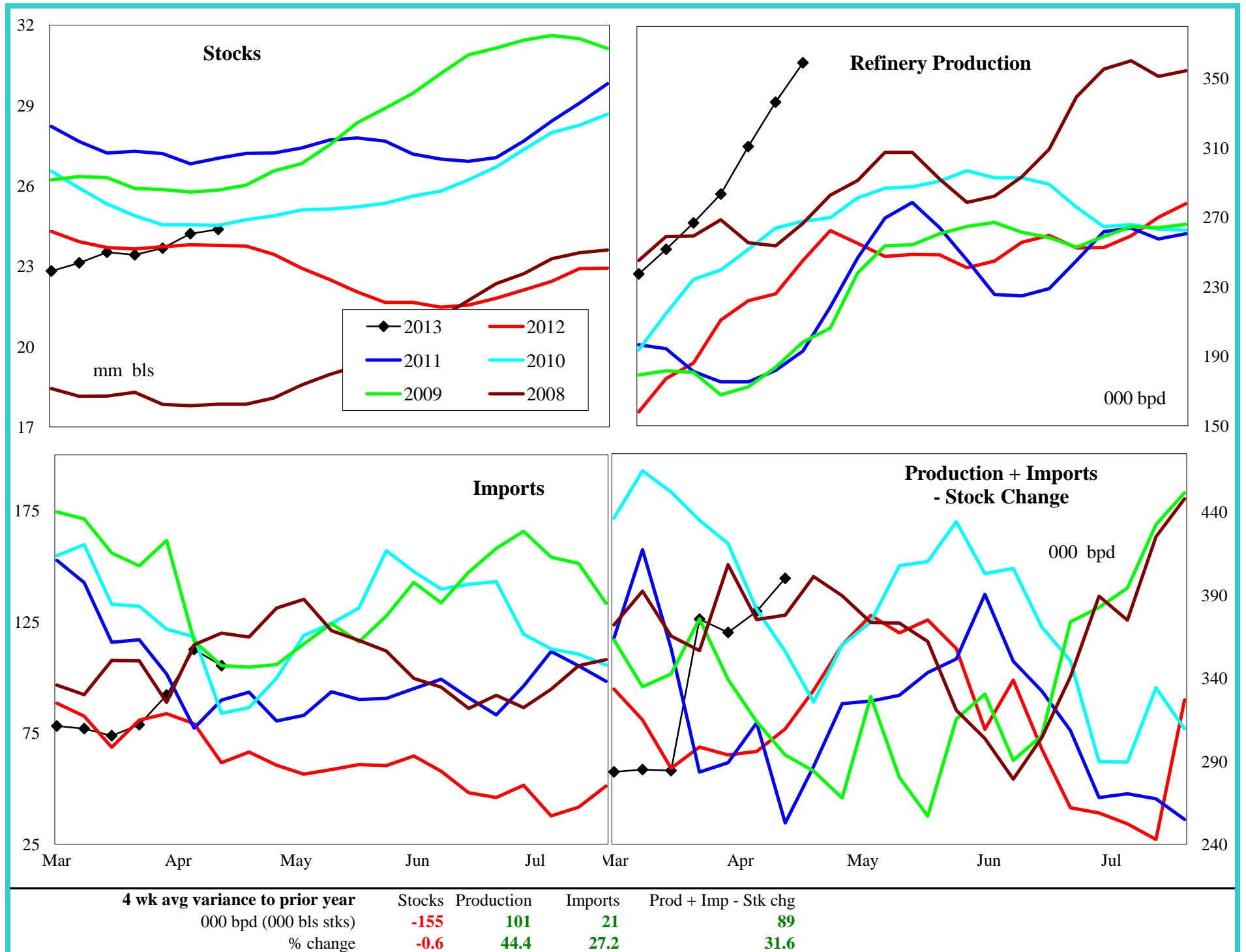


## PADD 1 Distillate Stocks by Region

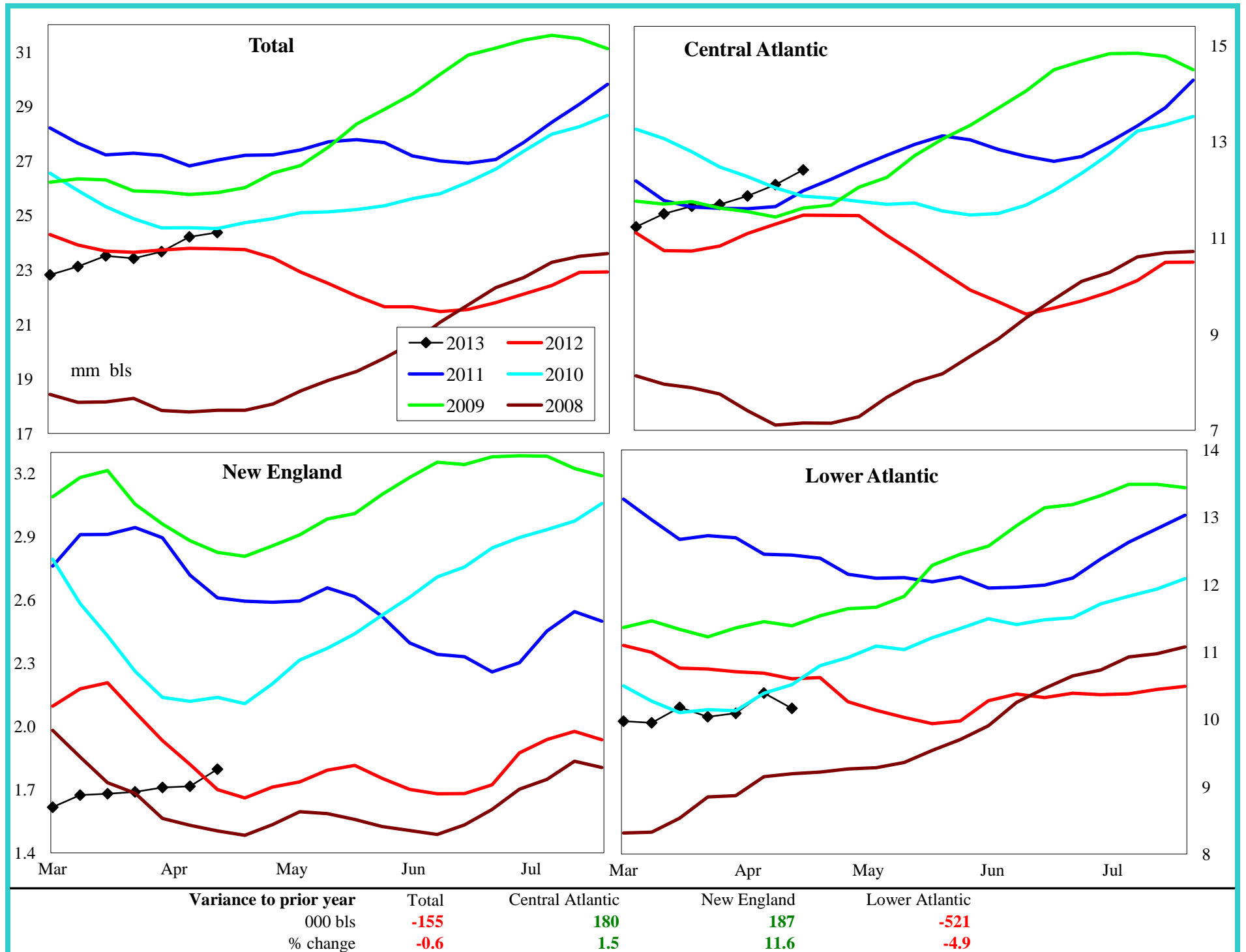




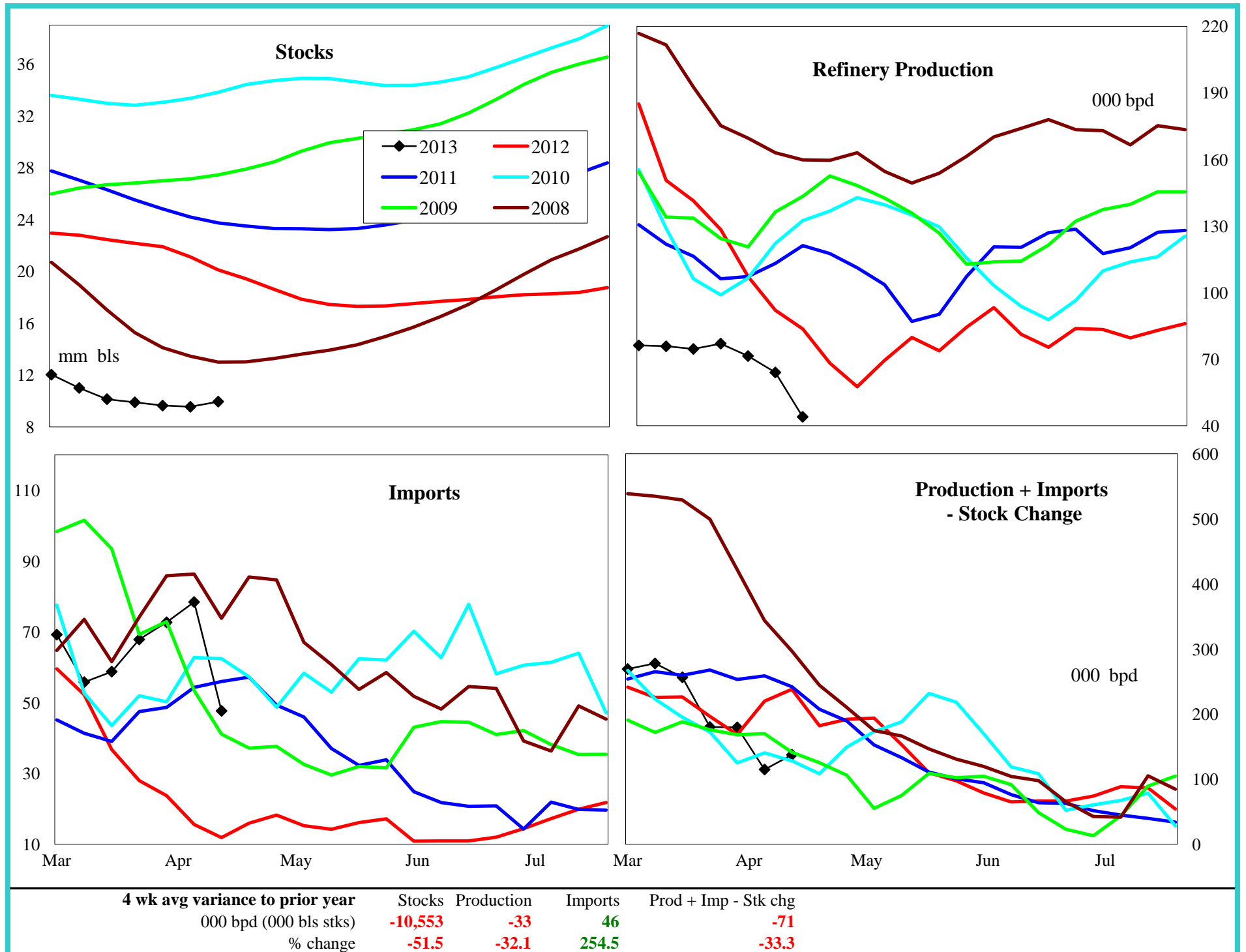
# PADD 1 Low Sulfur Distillate Supply



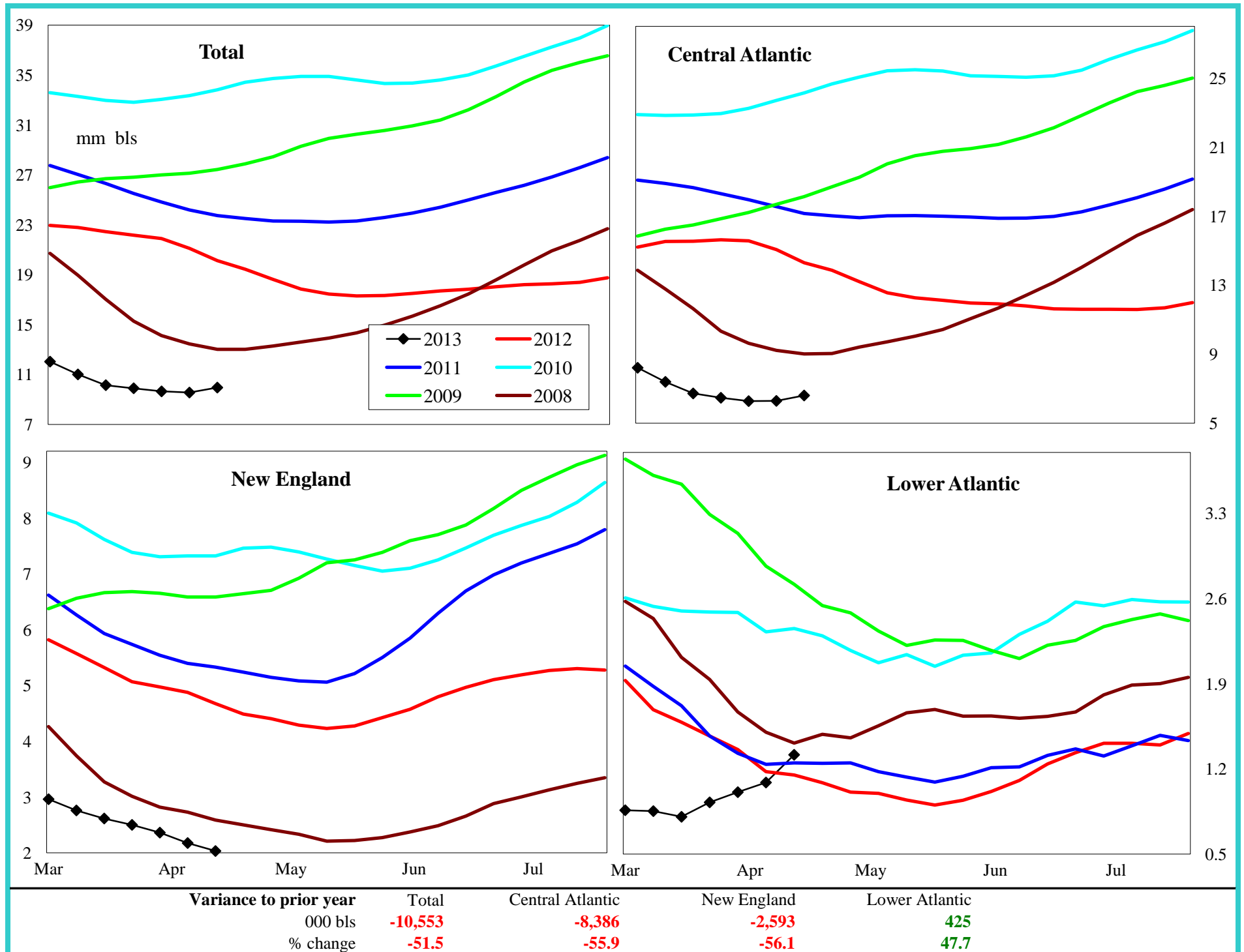
# PADD 1 Low Sulfur Distillate Stocks by Region



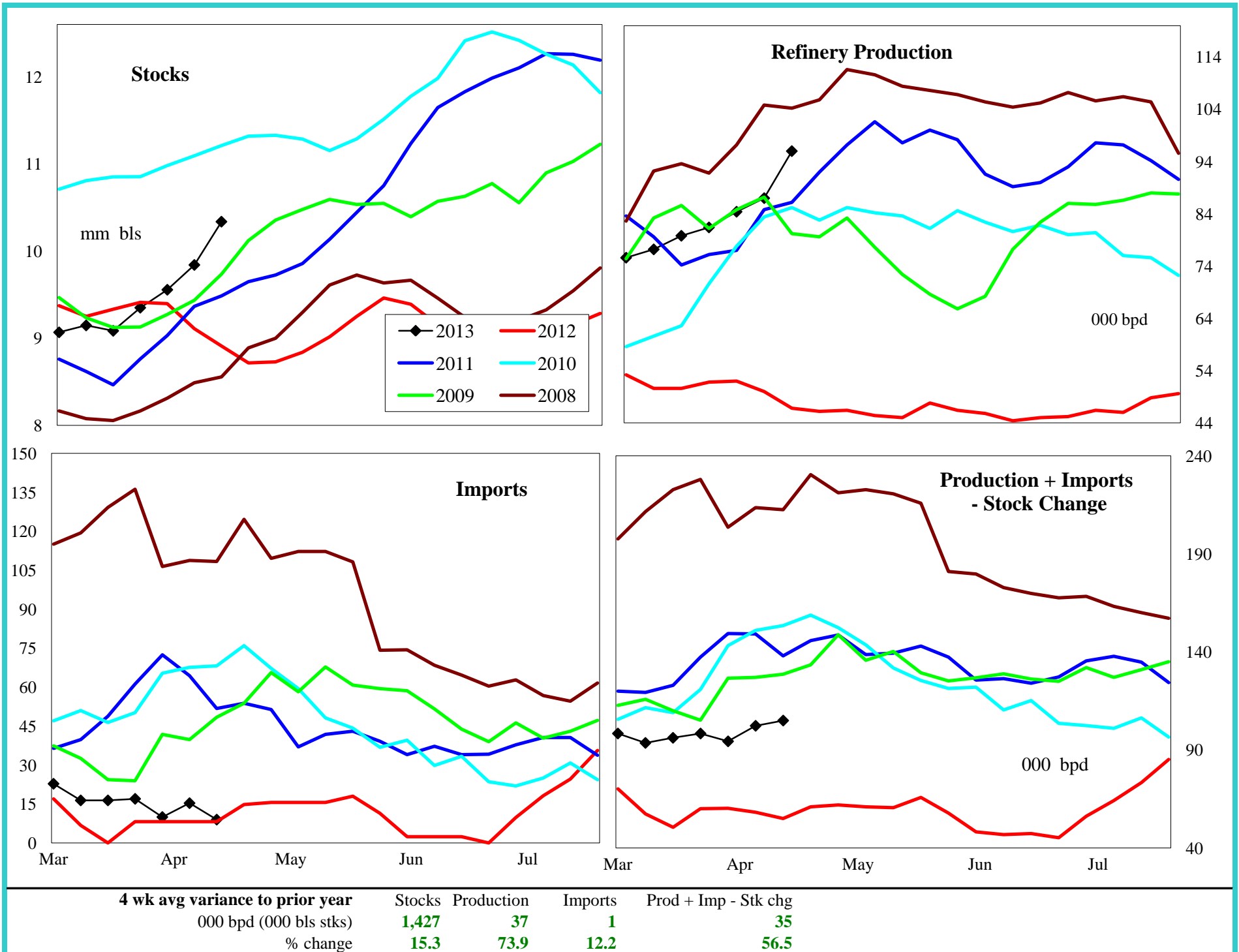
# PADD 1 High Sulfur Distillate Supply



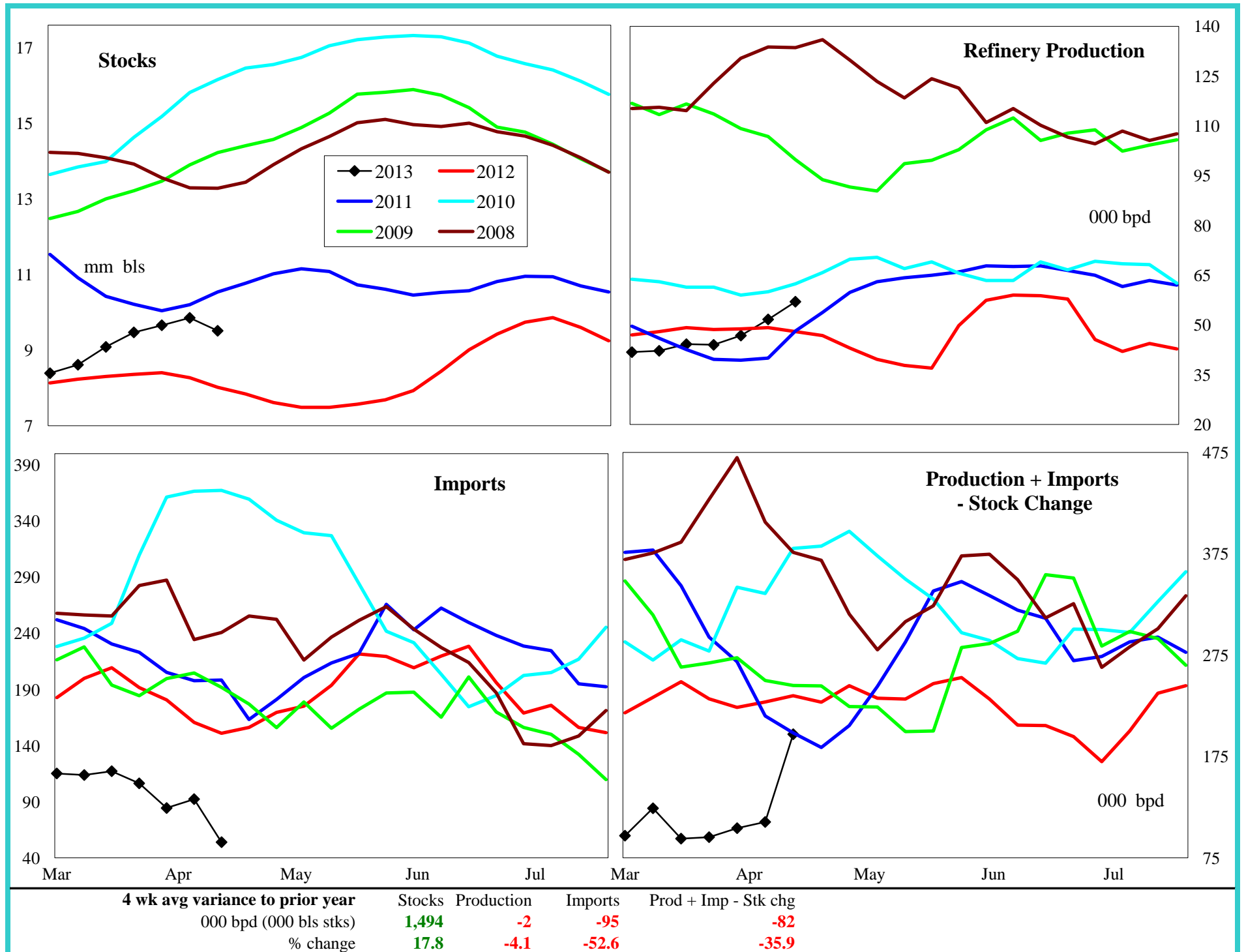
# PADD 1 High Sulfur Distillate Stocks by Region



# PADD 1 Jet Fuel Supply

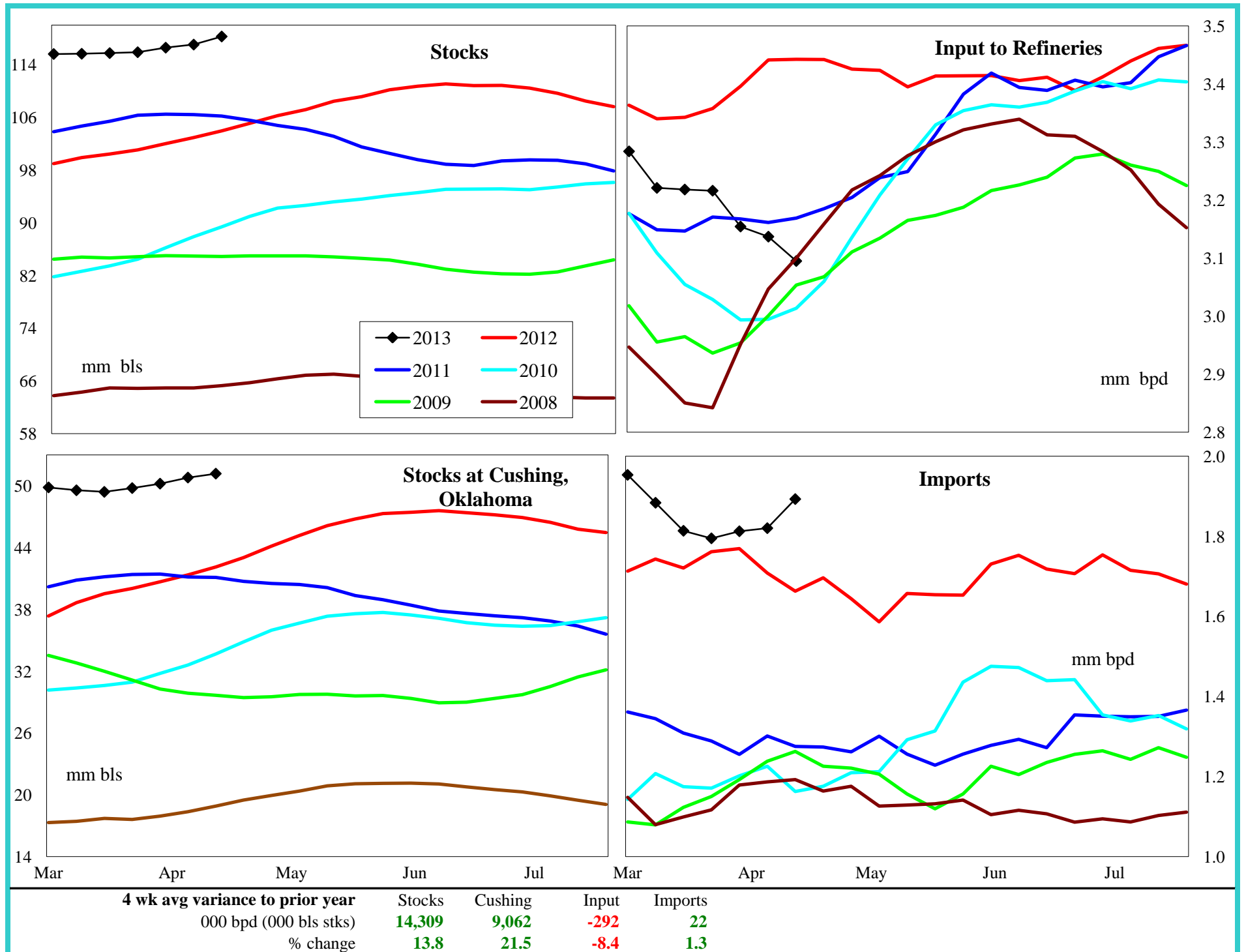


# PADD 1 Residual Fuel Oil Supply

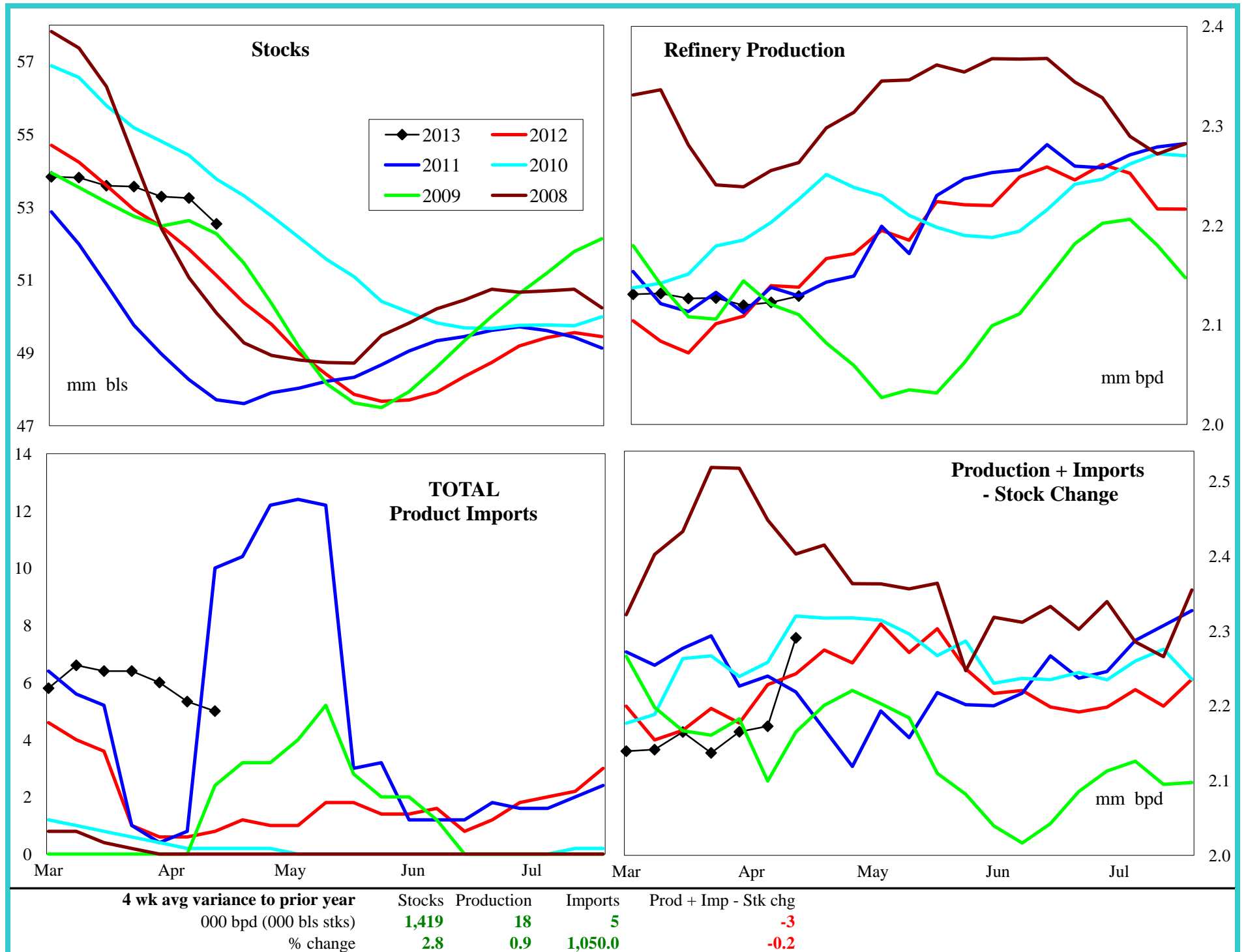




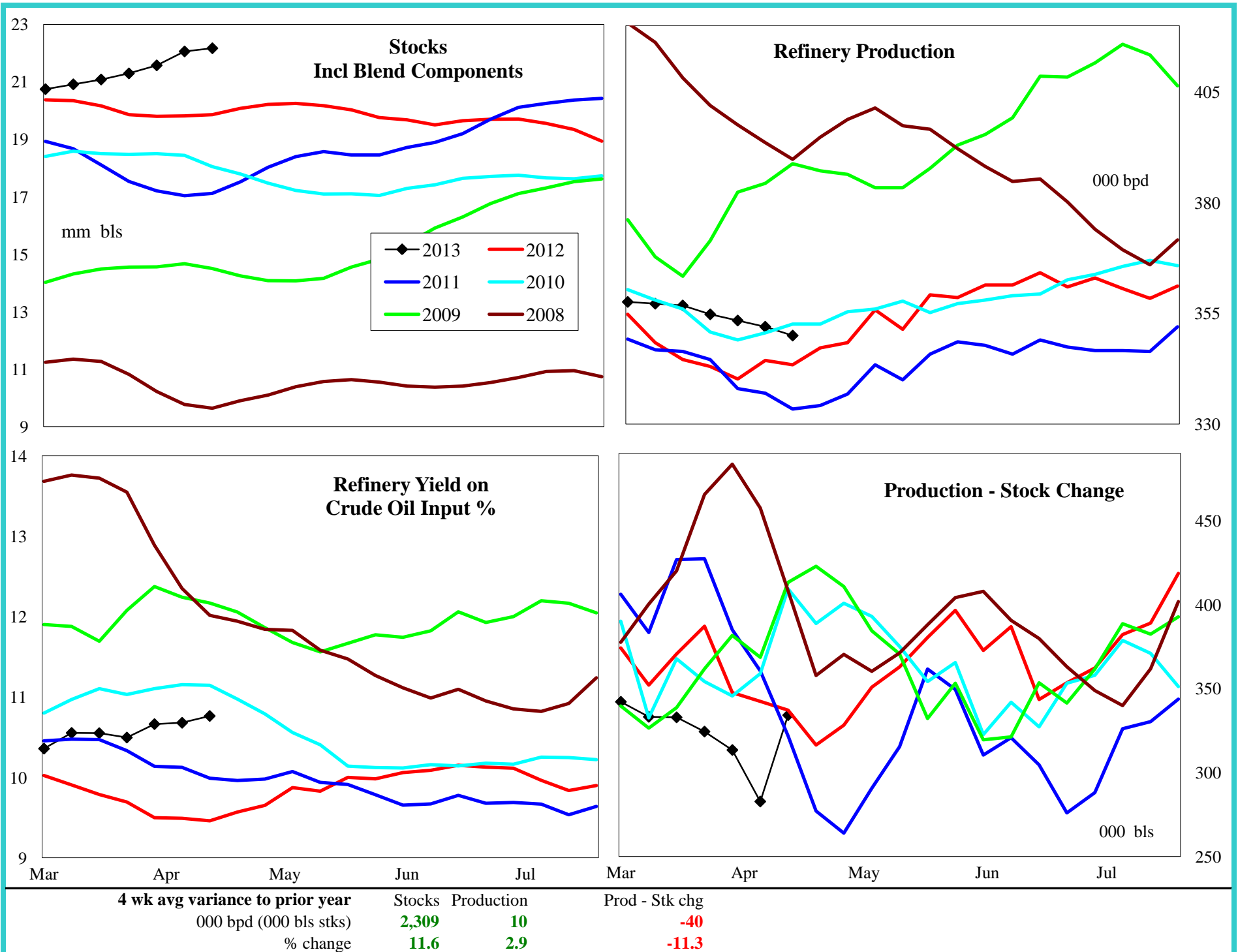
# PADD 2 Crude Oil Supply and Refining



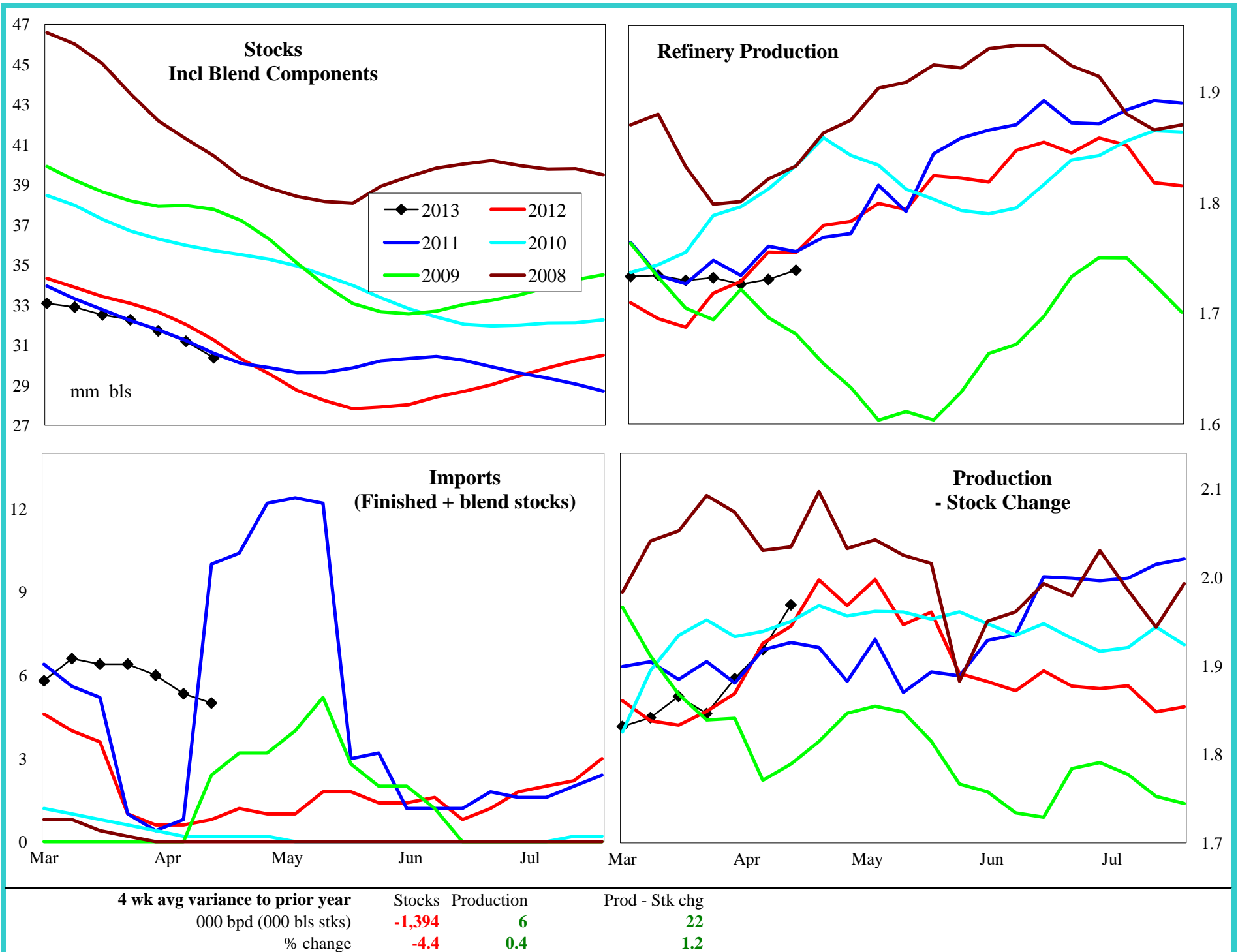
# PADD 2 Gasoline Supply



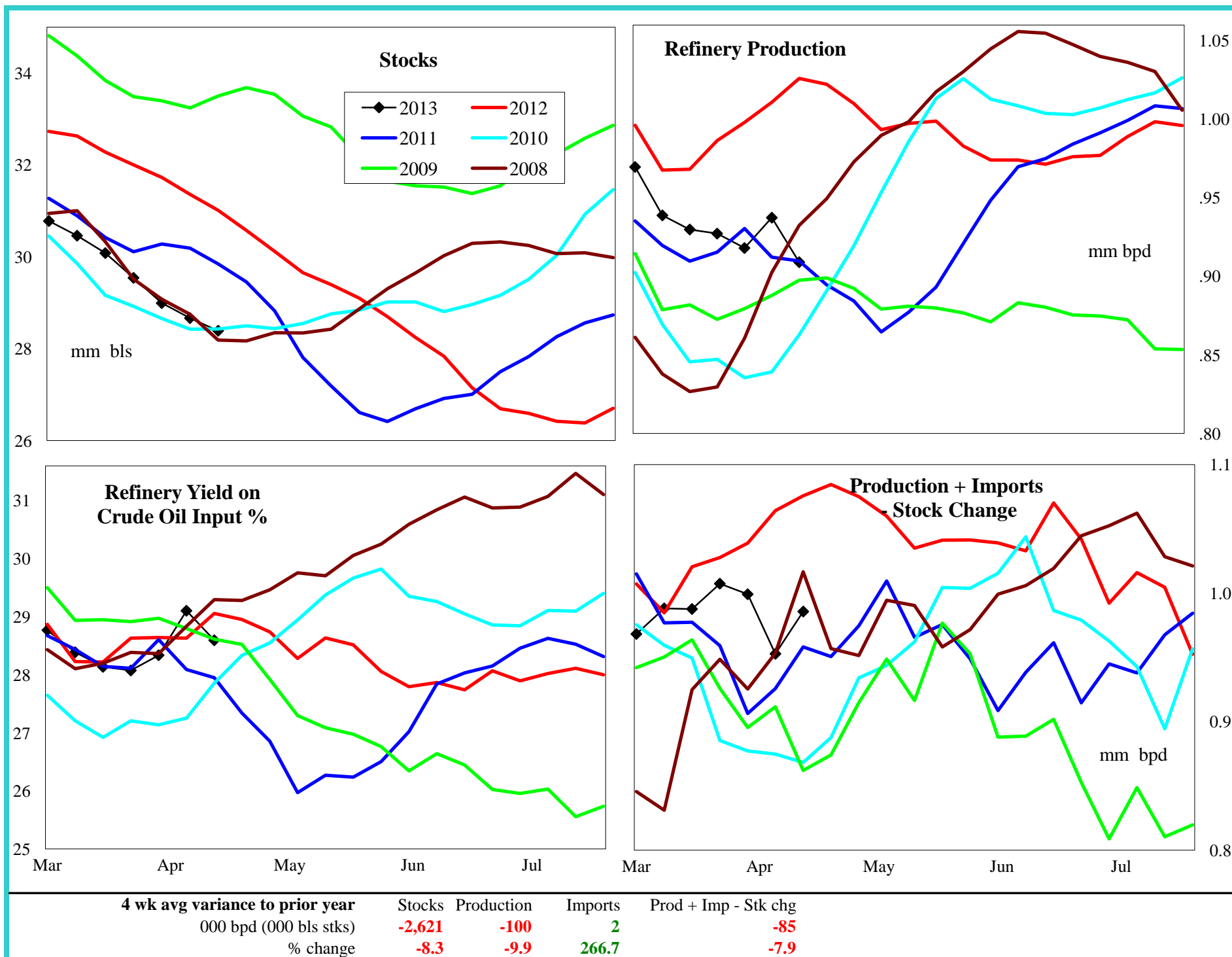
# PADD 2 Reformulated Gasoline Supply



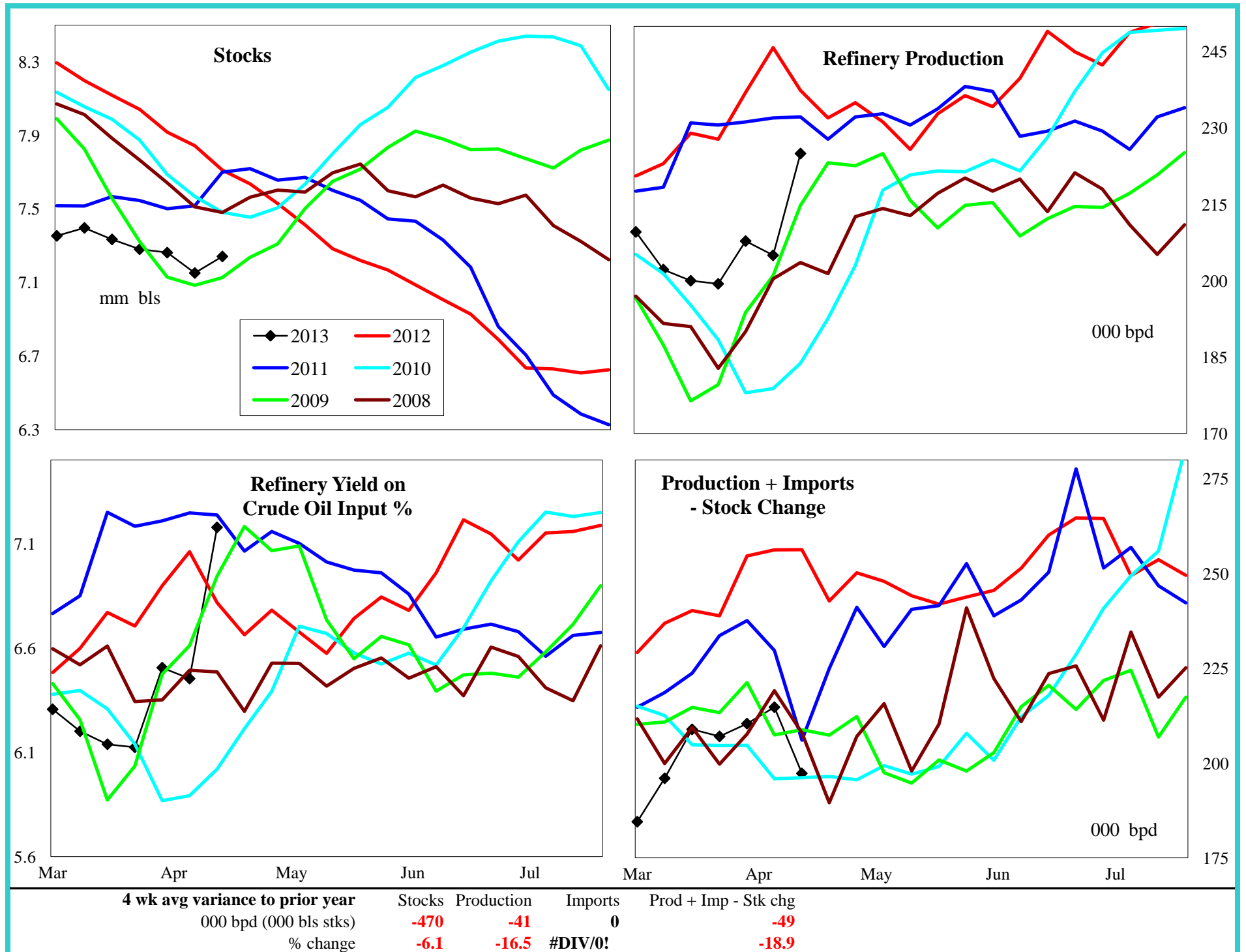
# PADD 2 Conventional Gasoline Supply



# PADD 2 Distillate Supply

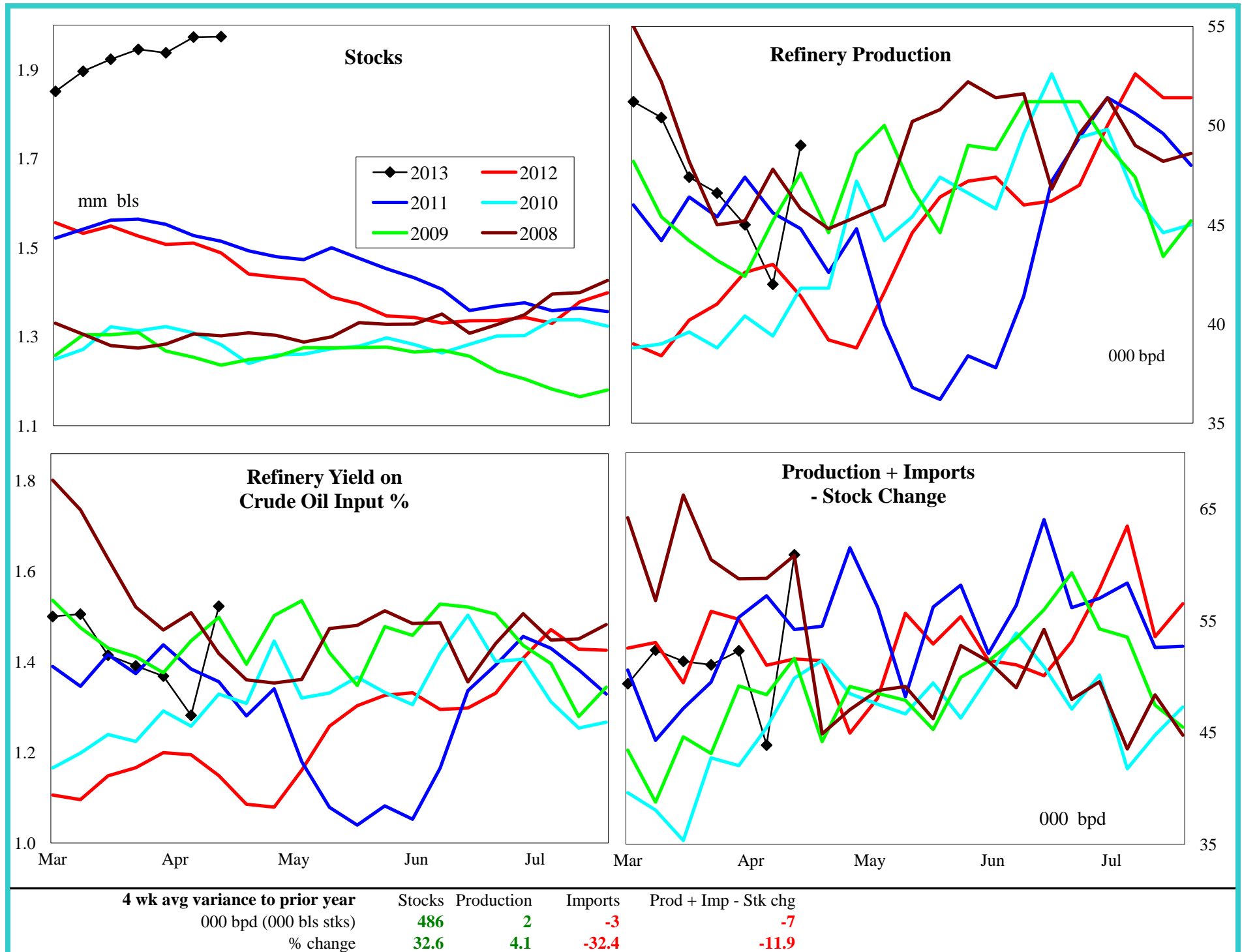


# PADD 2 Jet Fuel Supply

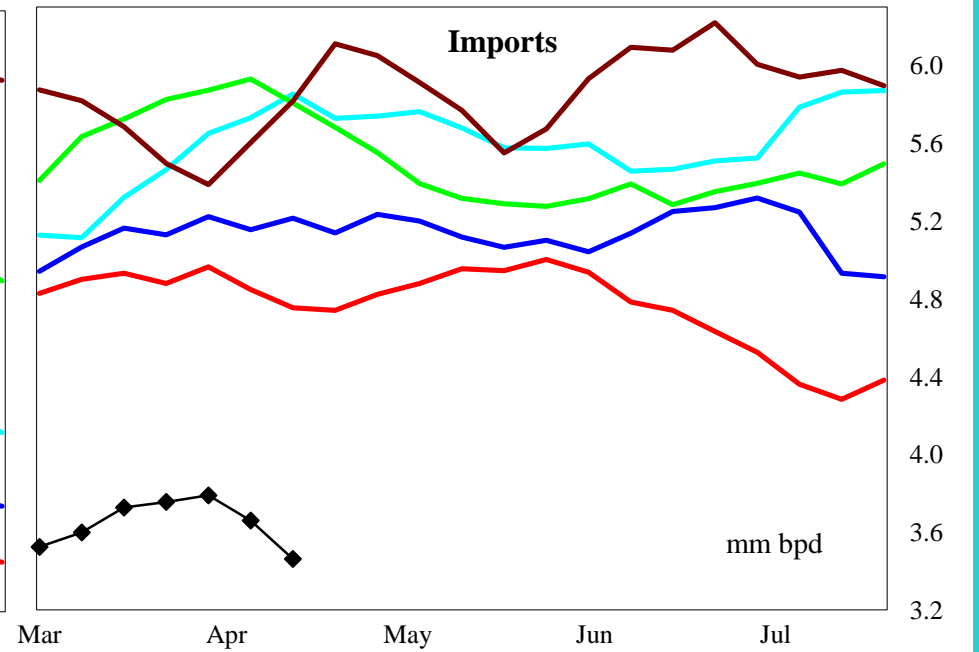
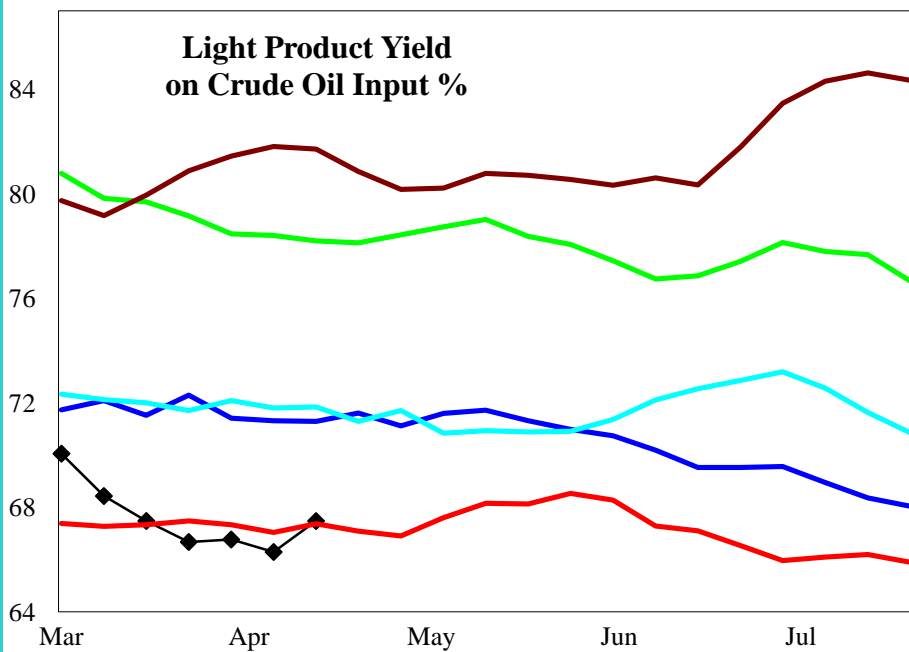
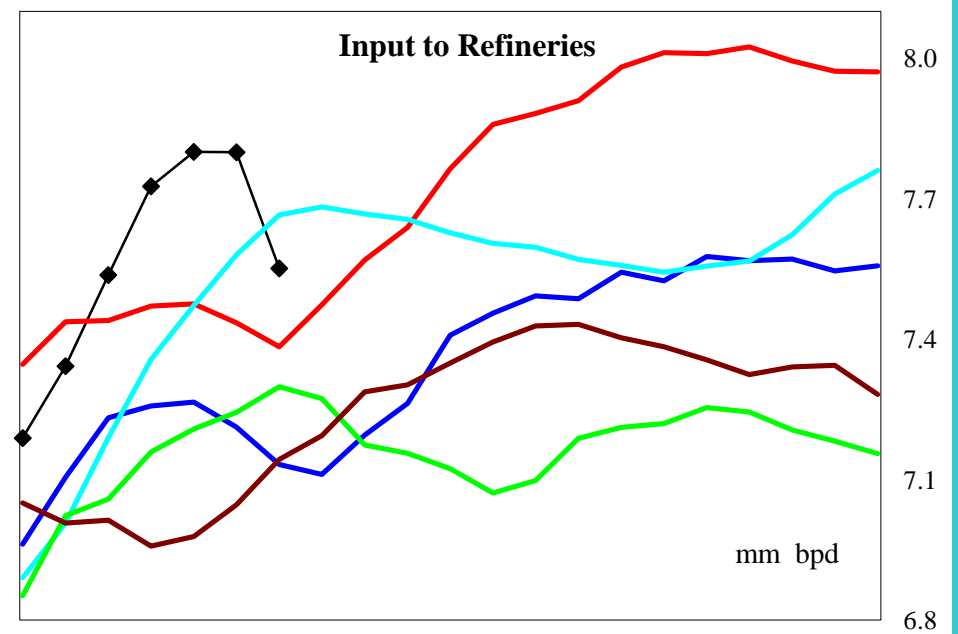
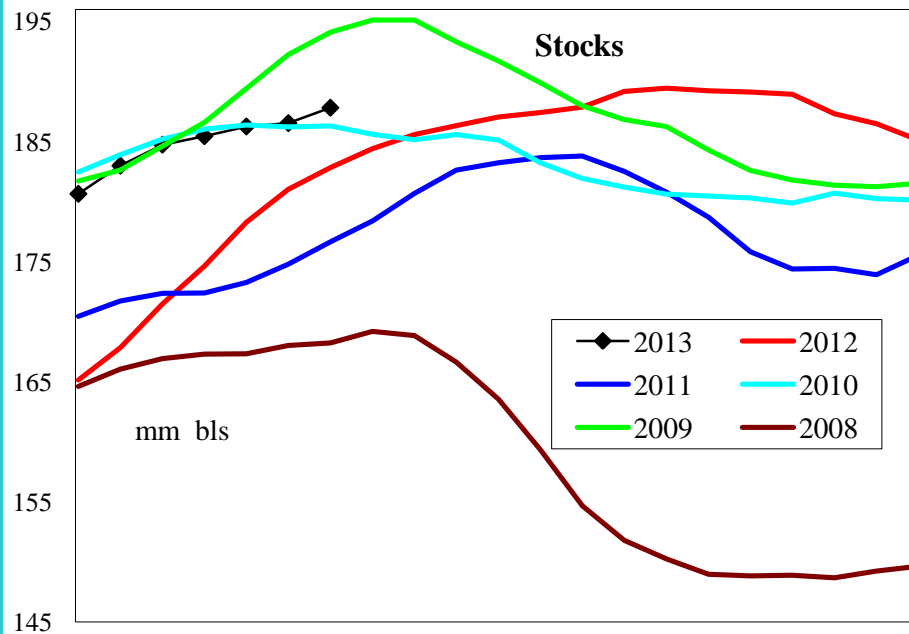




# PADD 2 Residual Fuel Oil Supply



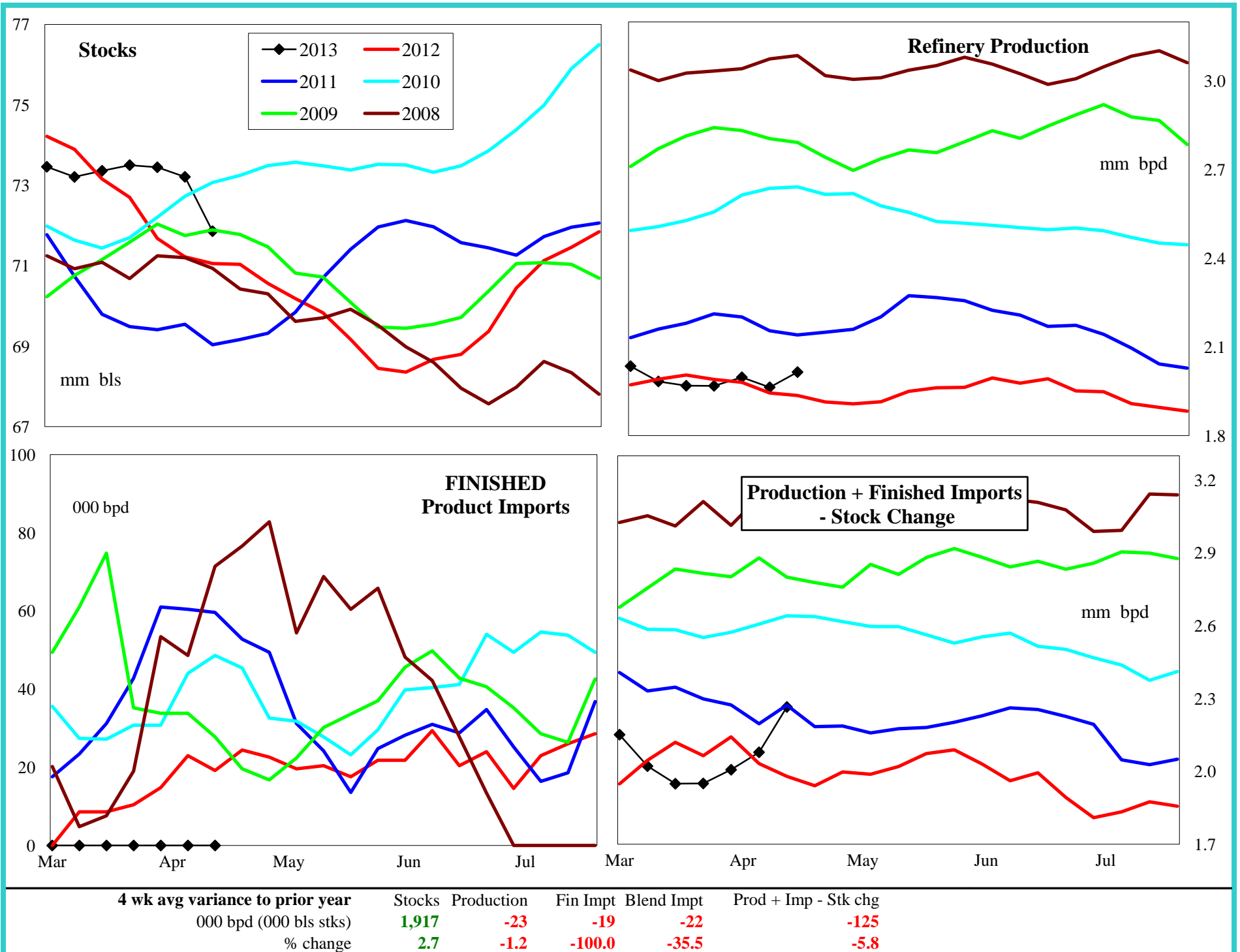
# PADD 3 Crude Oil Supply and Refining



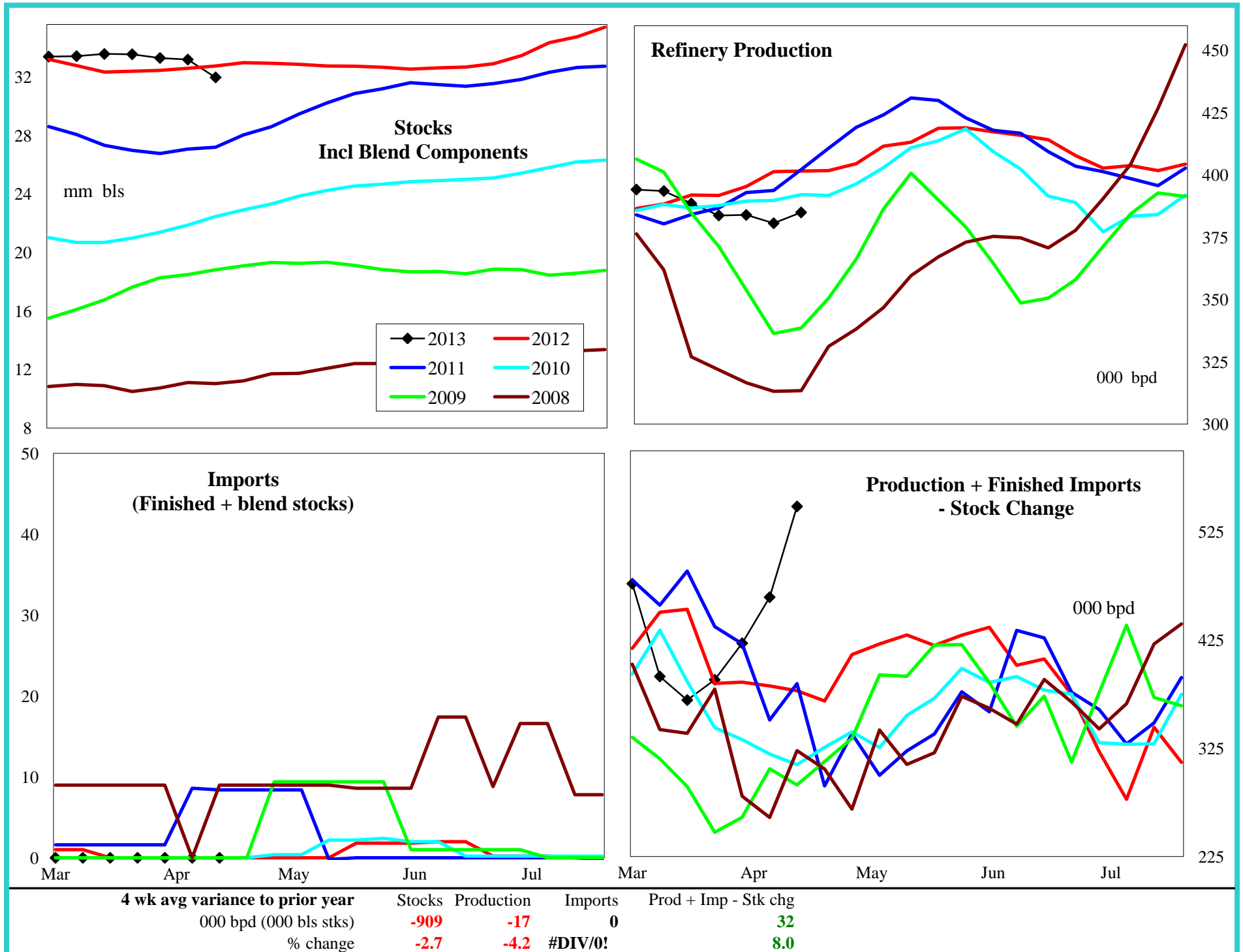
**4 wk avg variance to prior year**  
000 bpd (000 bls stks)  
% change

	Stocks	Input	Imports
000 bpd (000 bls stks)	4,994	381	-1,244
% change	2.7	5.1	-25.0

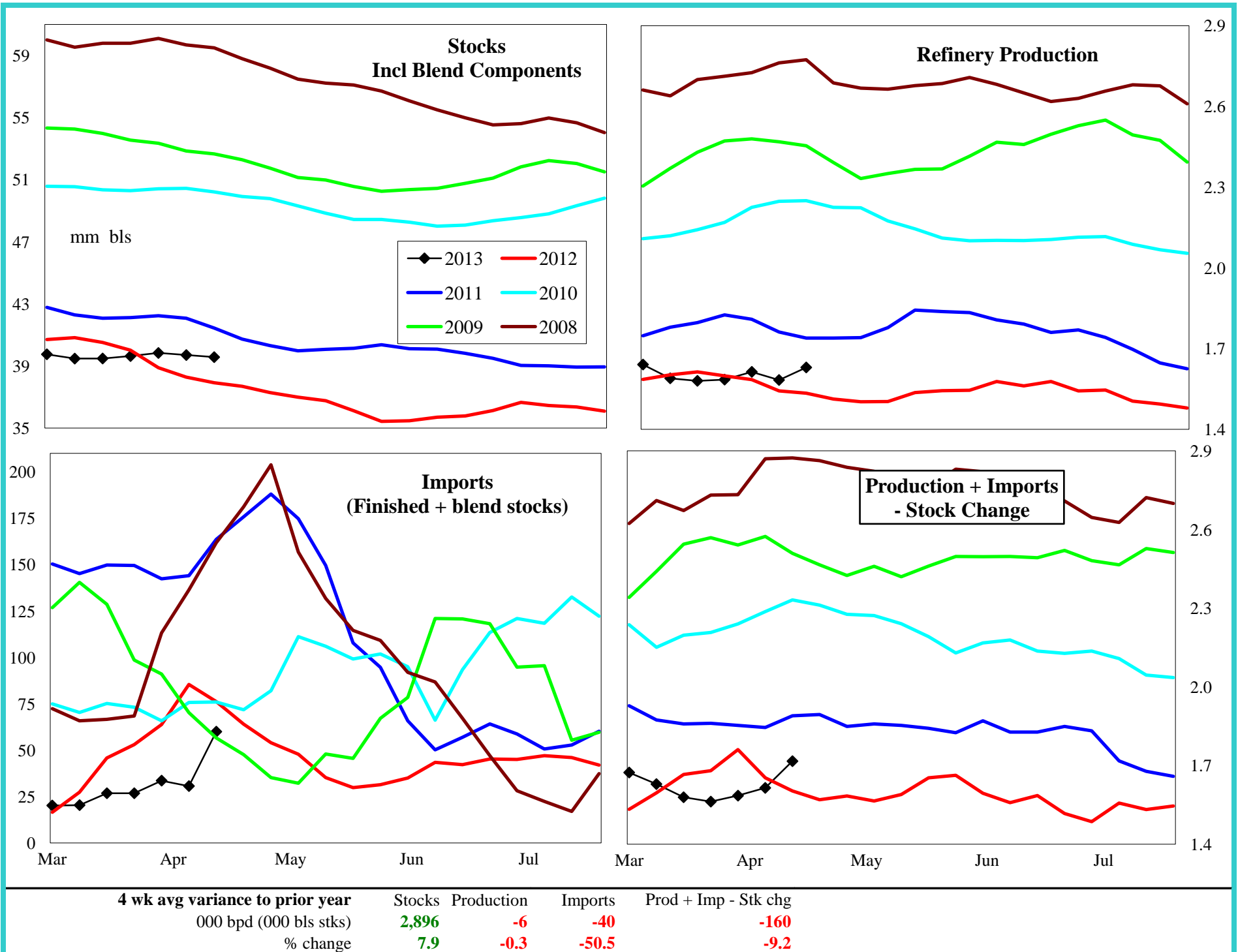
# PADD 3 Gasoline Supply



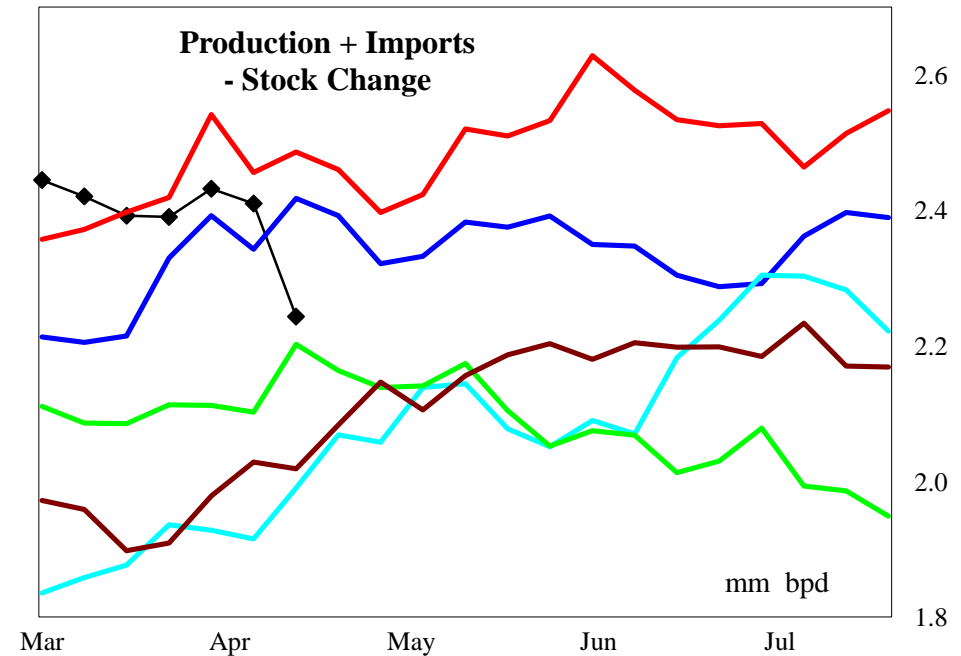
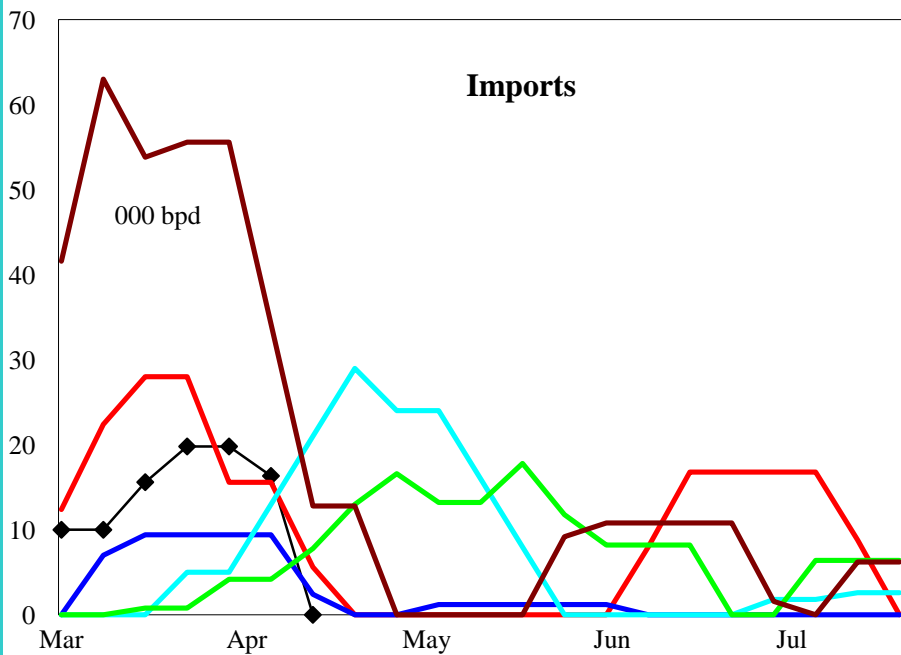
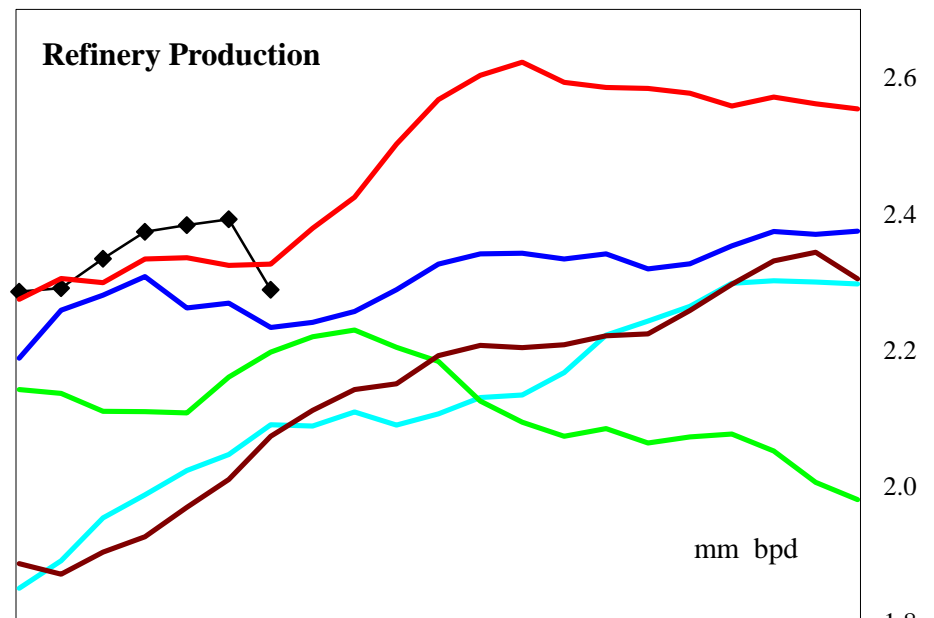
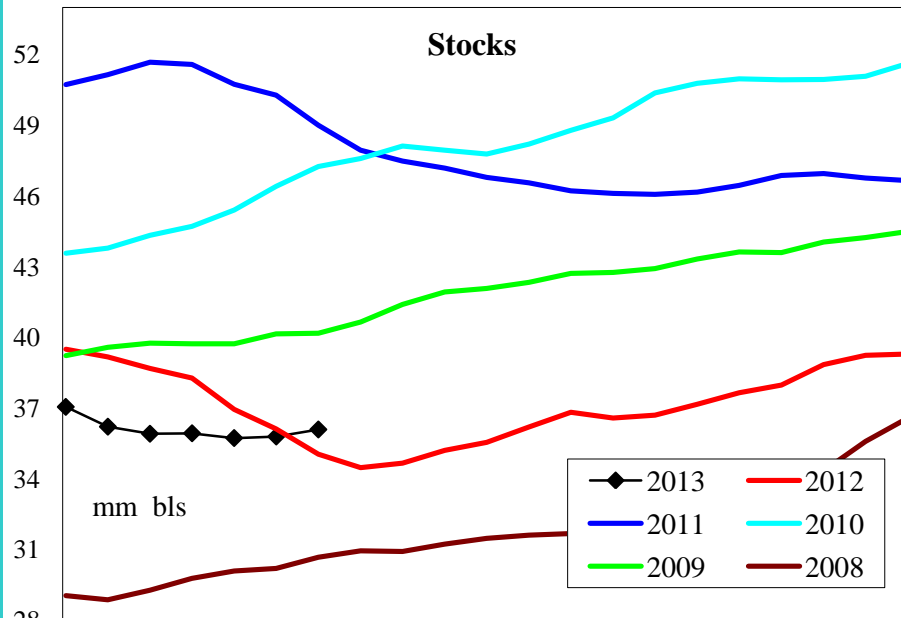
# PADD 3 Reformulated Gasoline Supply



# PADD 3 Conventional Gasoline Supply



# PADD 3 Distillate Supply



**4 wk avg variance to prior year**

000 bpd (000 bls stks)

% change

Stocks

2,589

7.7

Production

64

2.7

Imports

-7

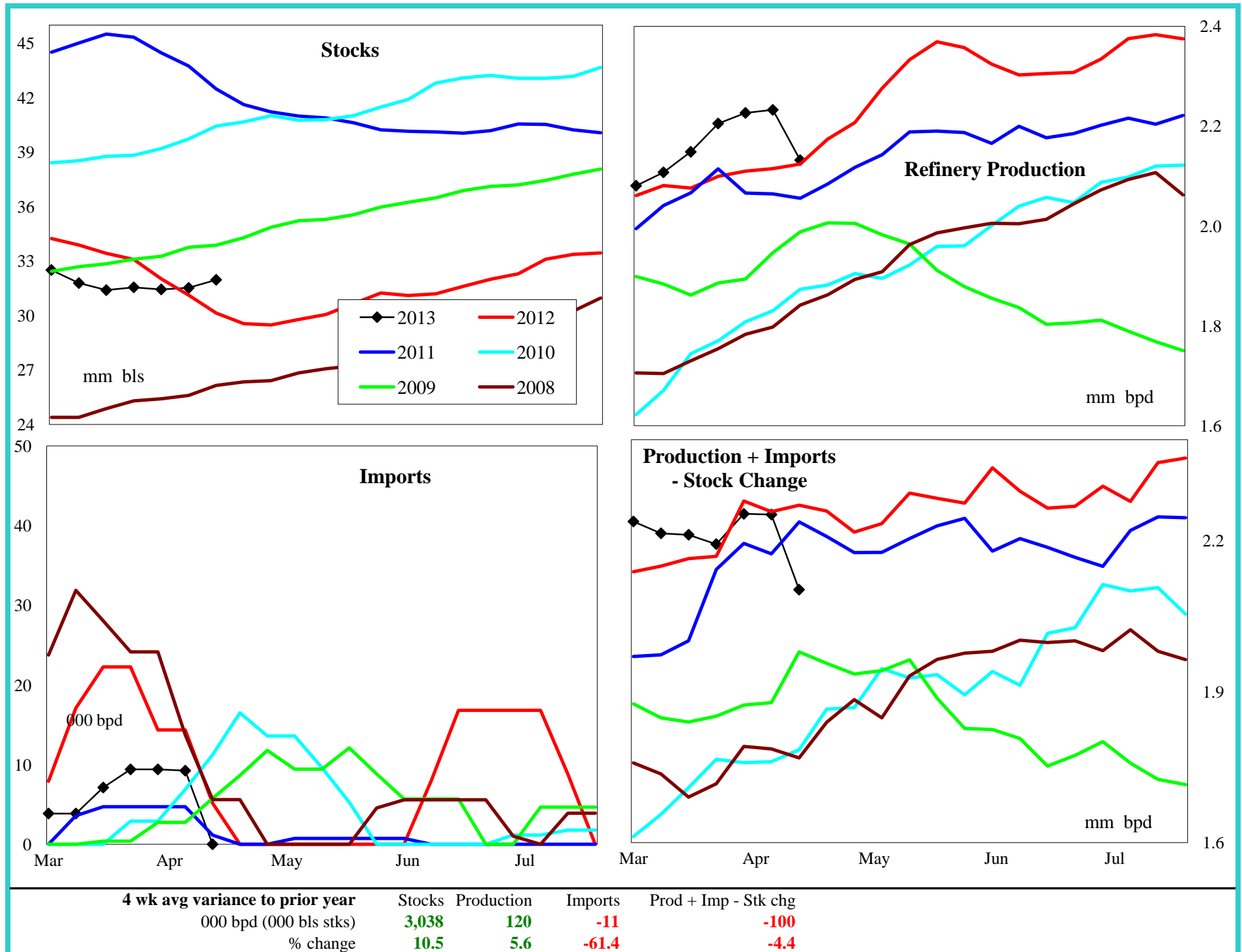
-37.2

Prod + Imp - Stk chg

-147

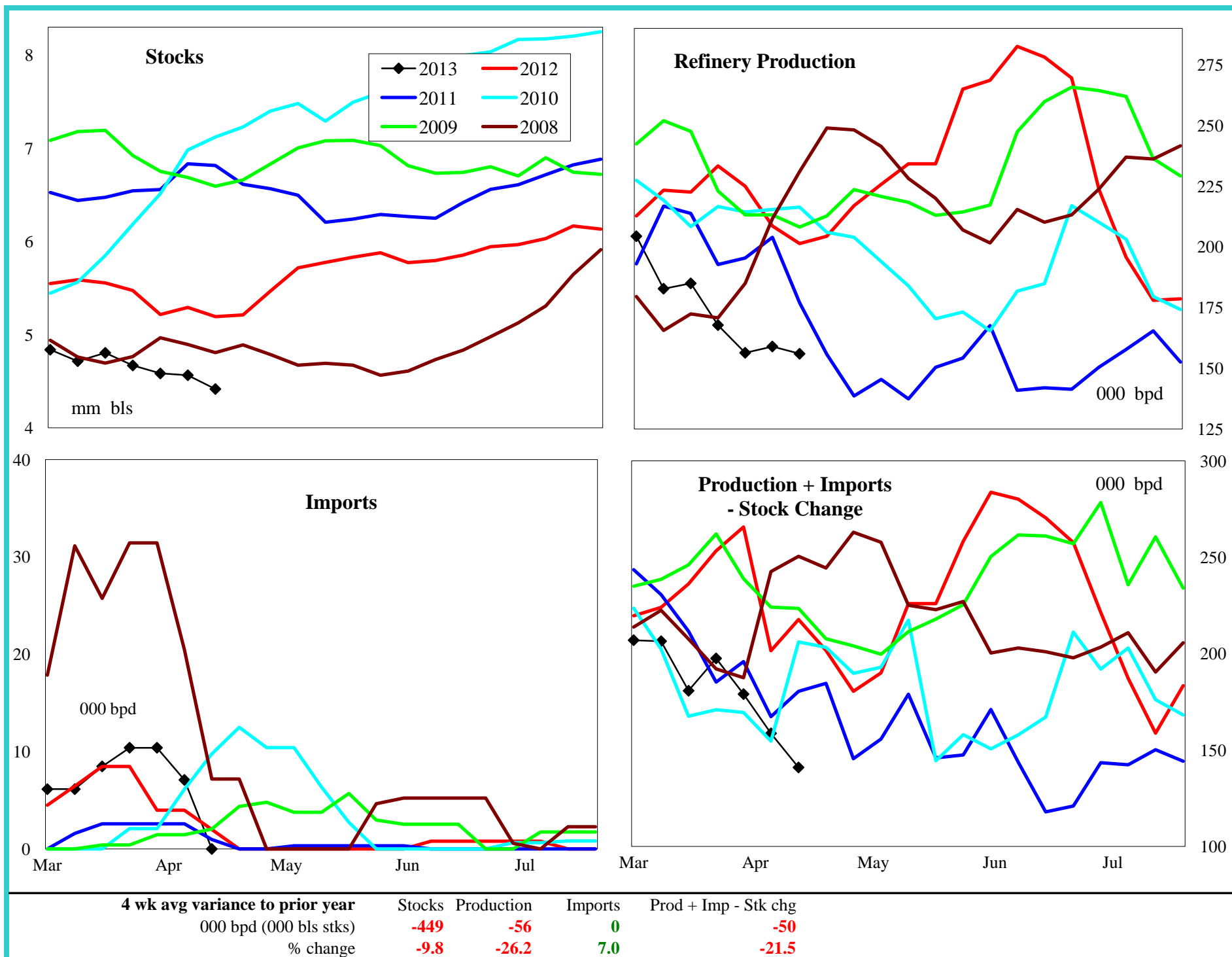
-5.8

# PADD 3 Low Sulfur Distillate Supply

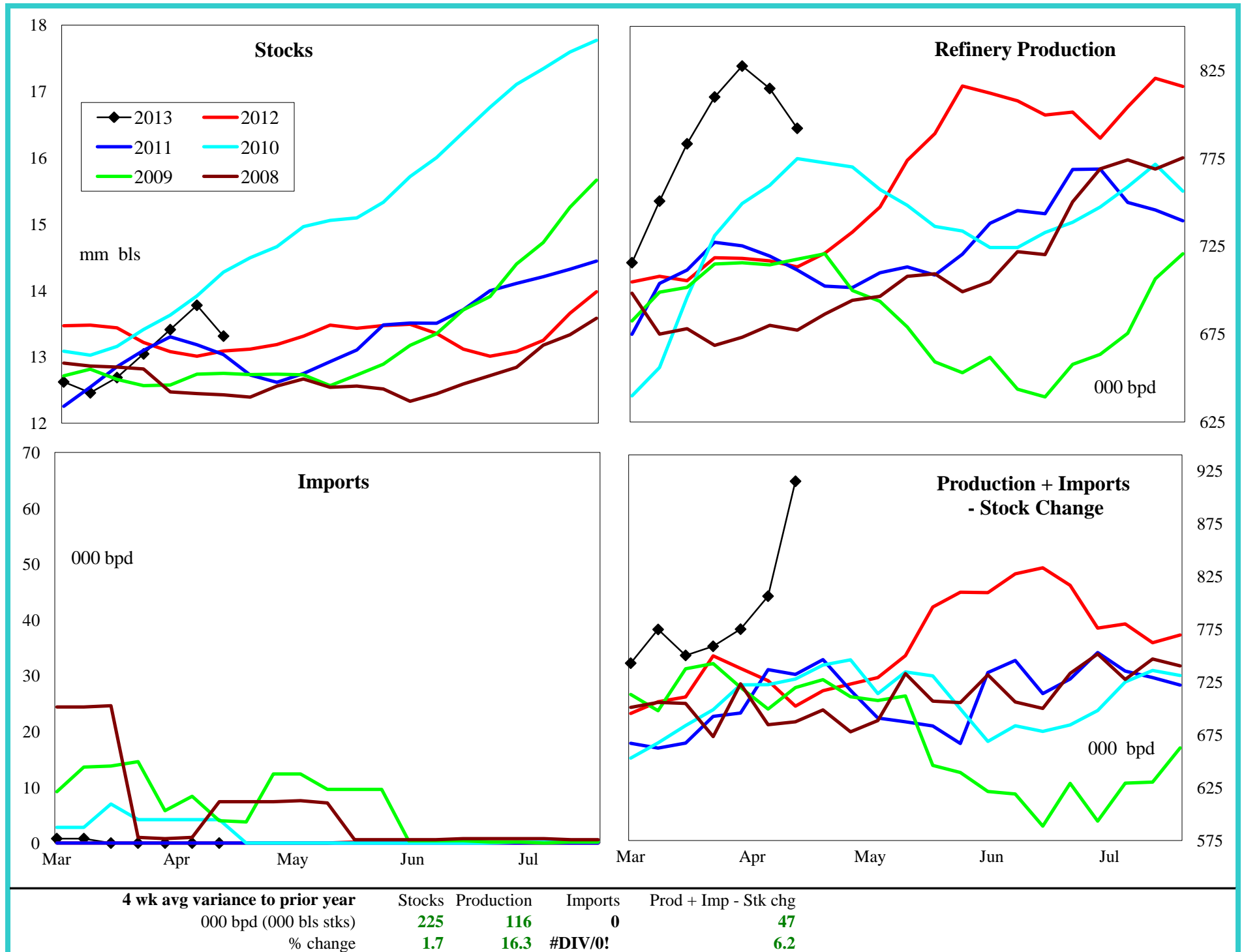




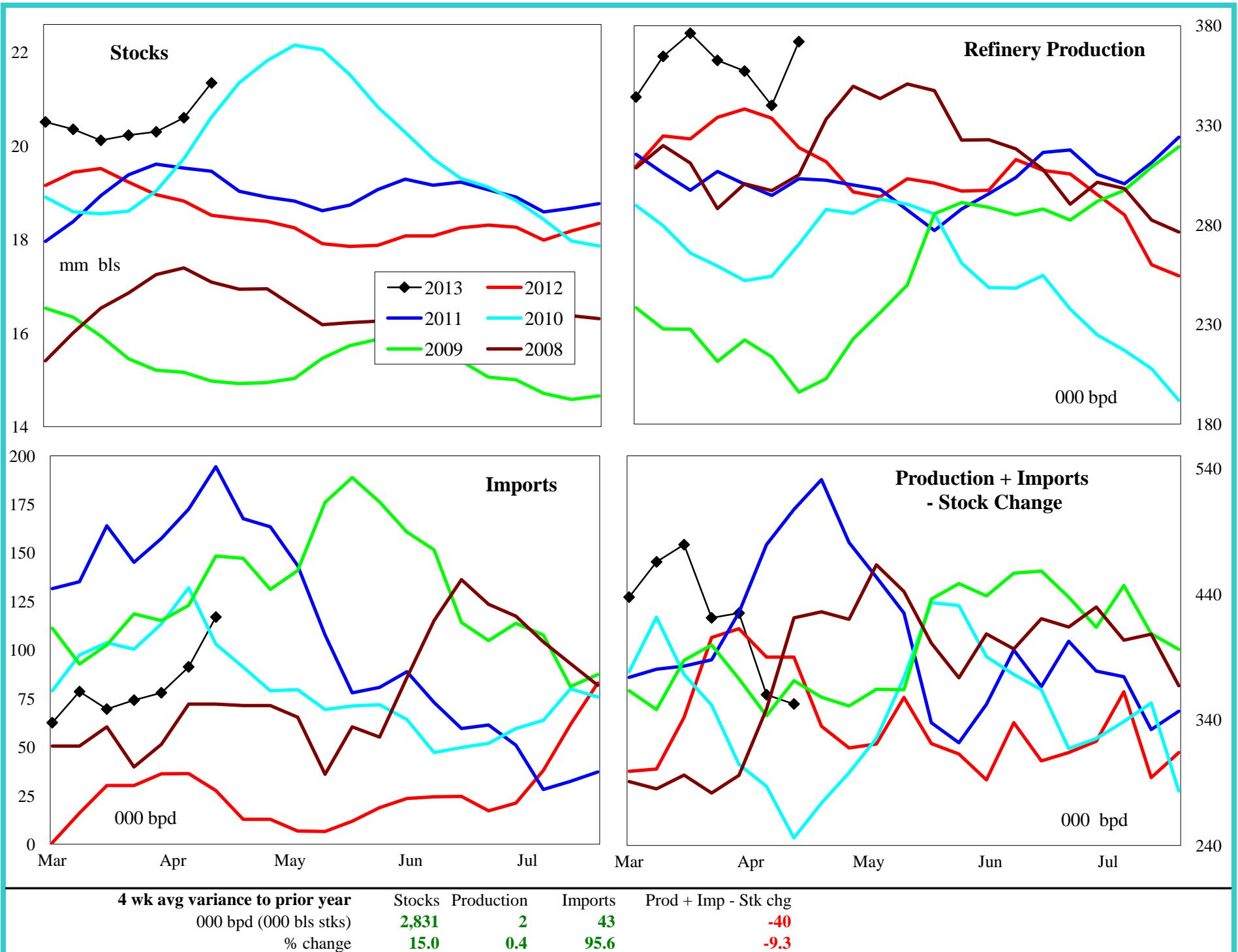
# PADD 3 High Sulfur Distillate Supply



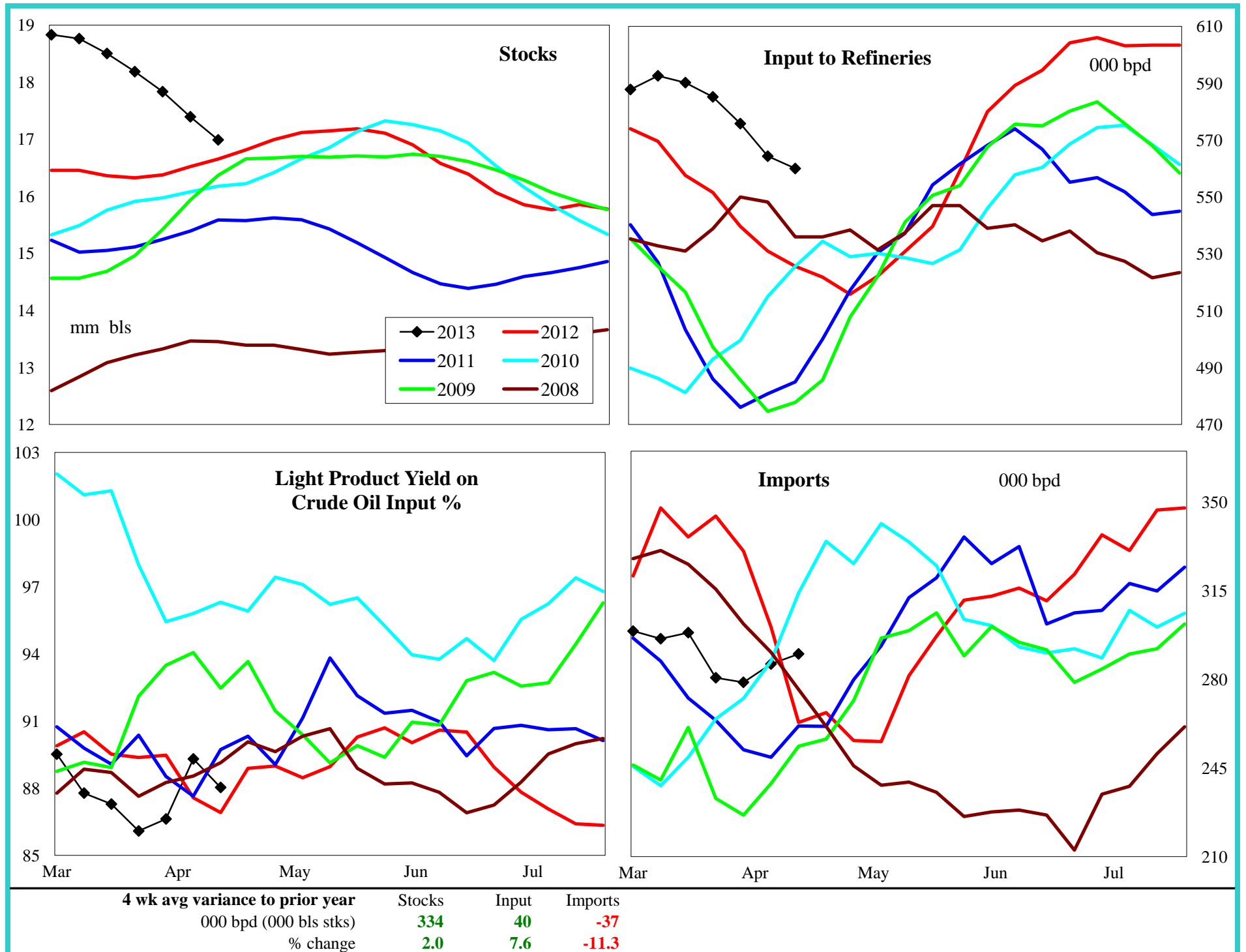
# PADD 3 Jet Fuel Supply



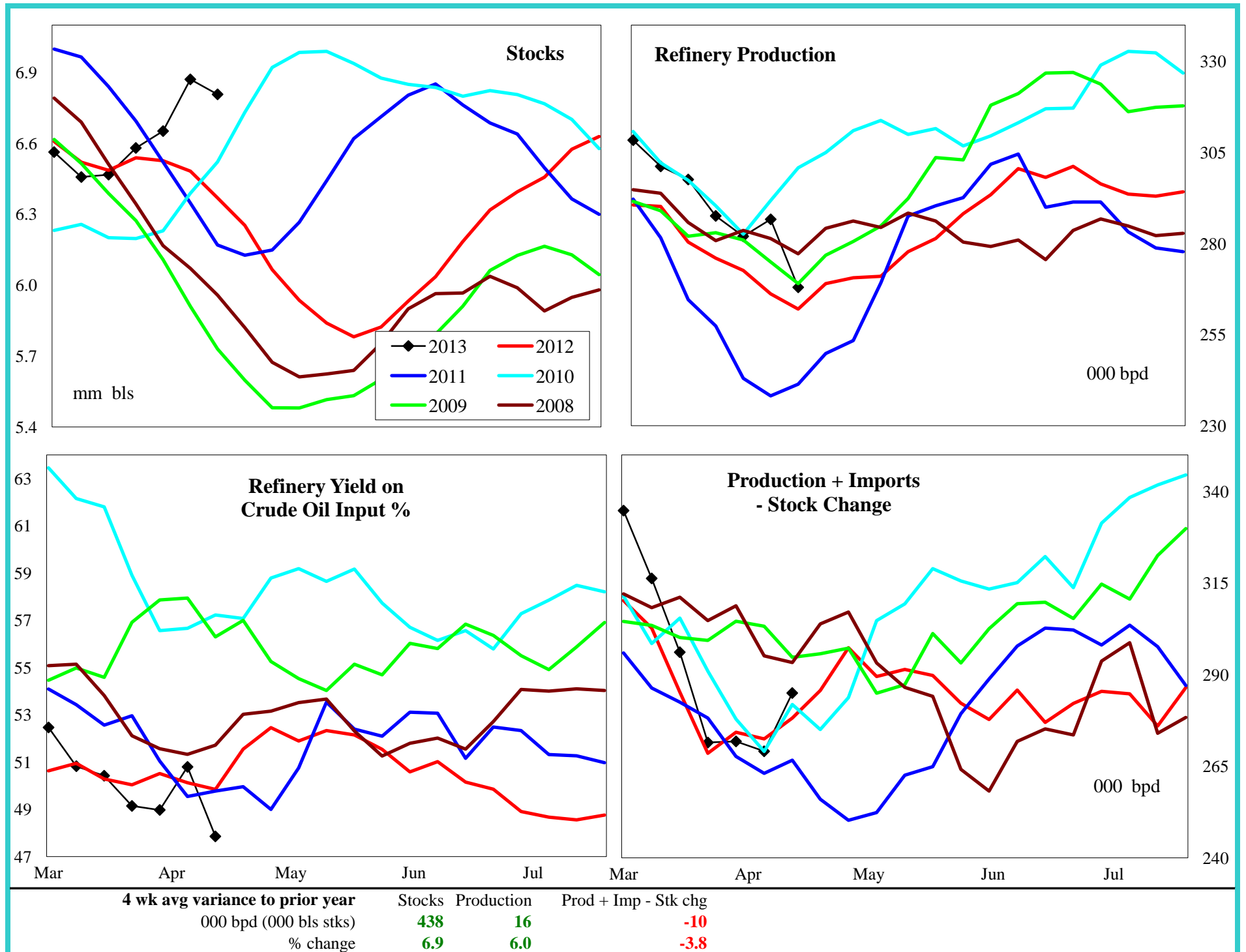
# PADD 3 Residual Fuel Oil Supply



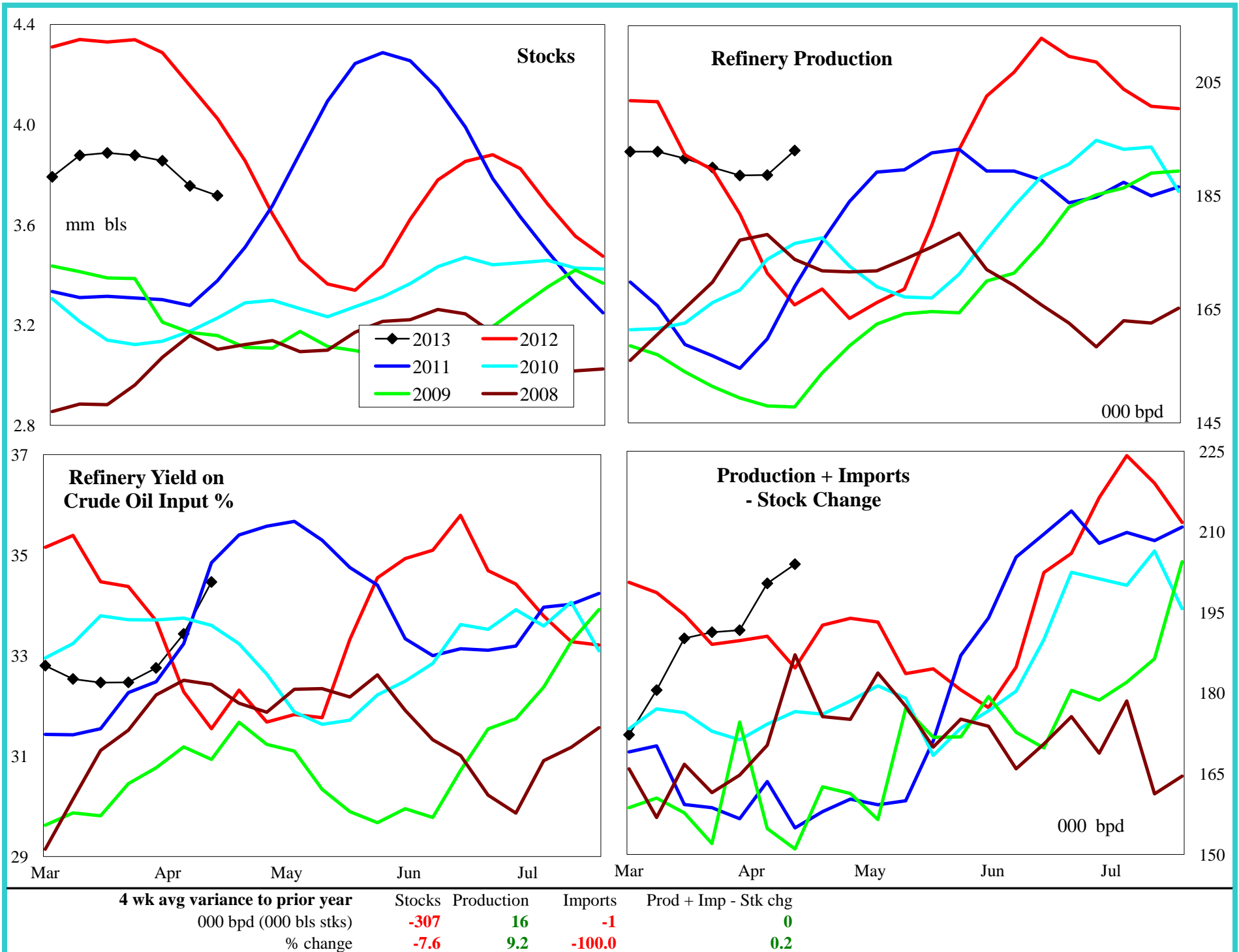
# PADD 4 Crude Oil Supply and Refining



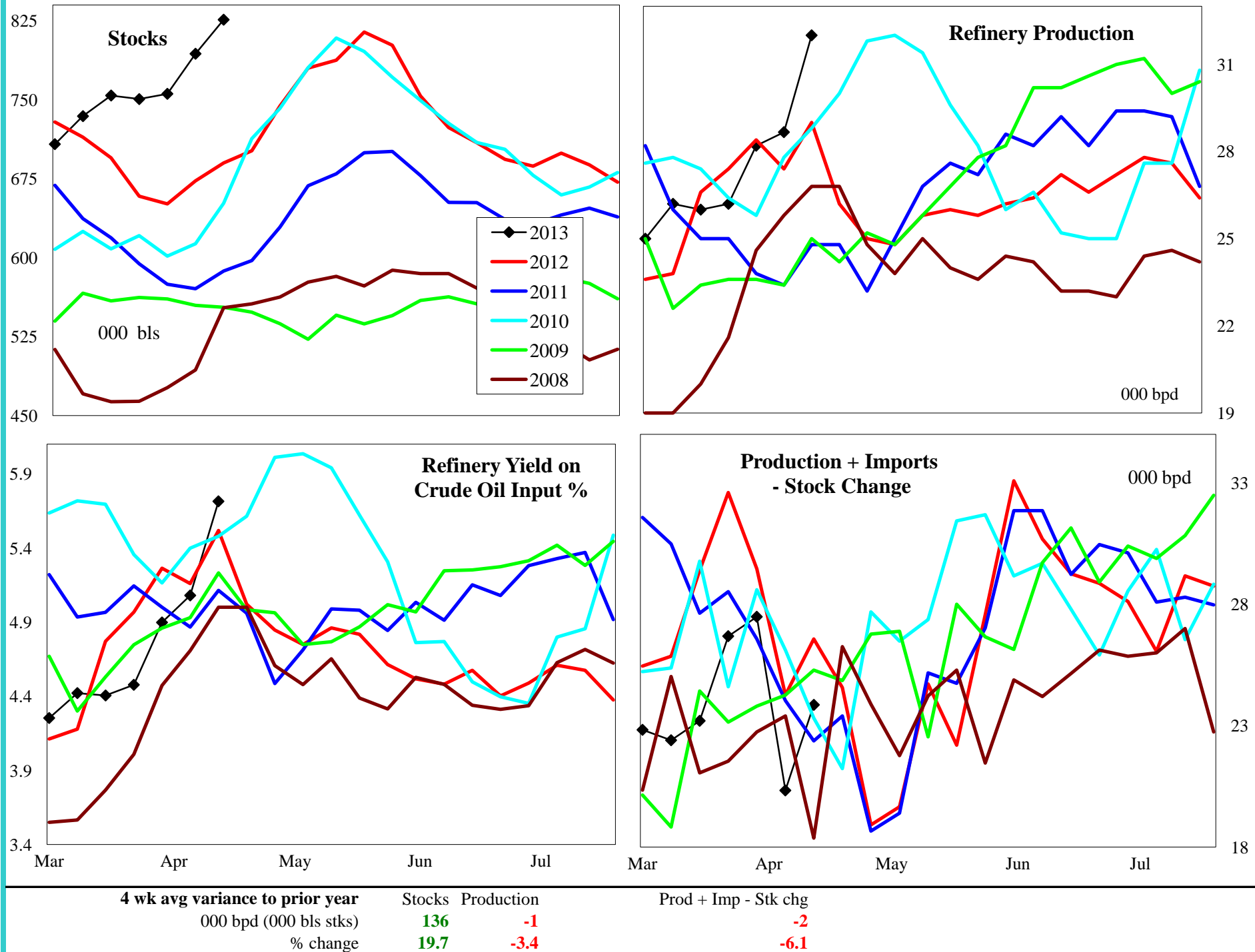
# PADD 4 Gasoline Supply



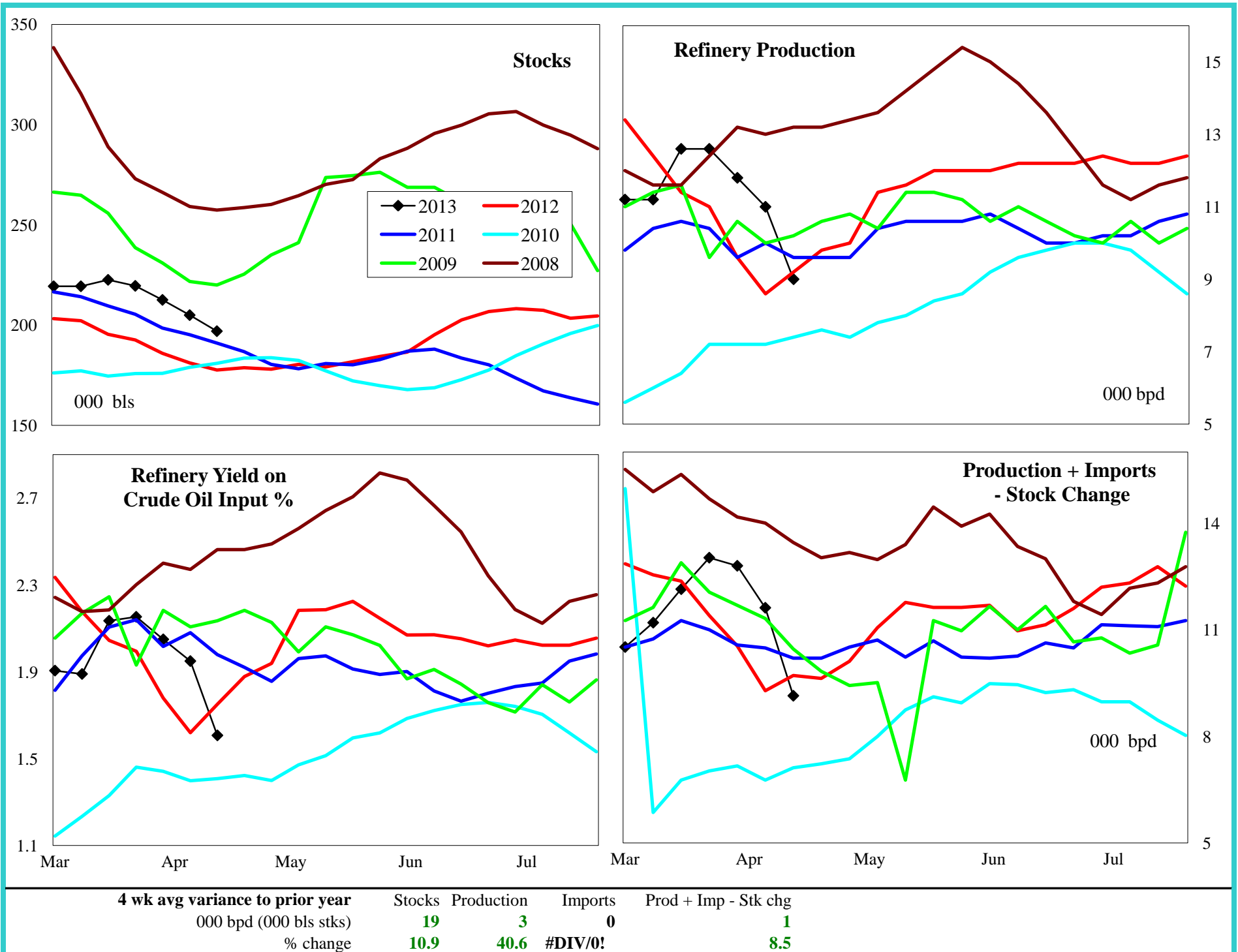
# PADD 4 Distillate Supply



# PADD 4 Jet Fuel Supply

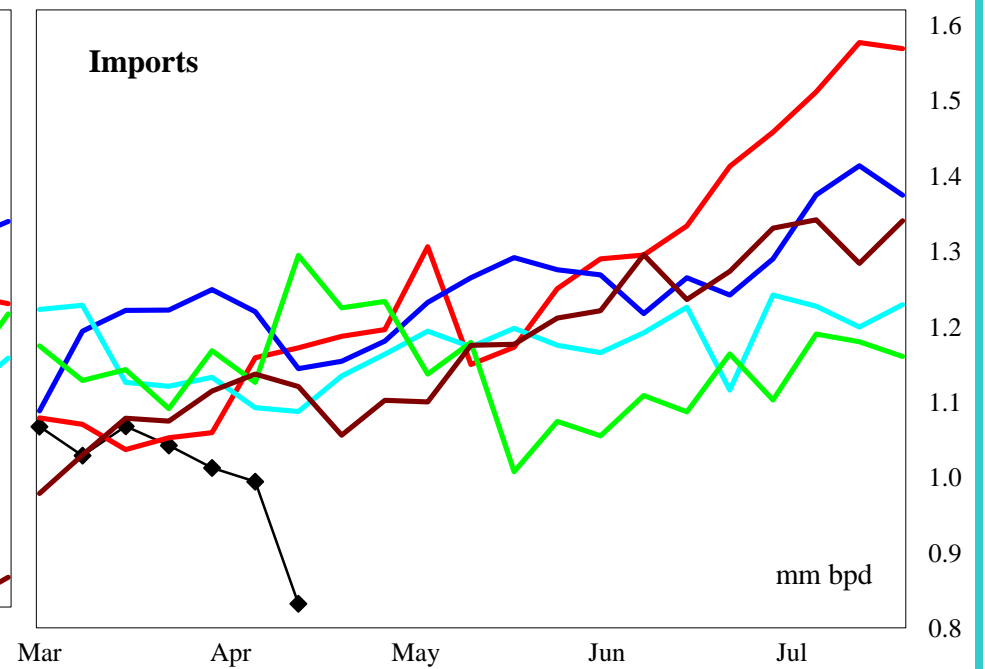
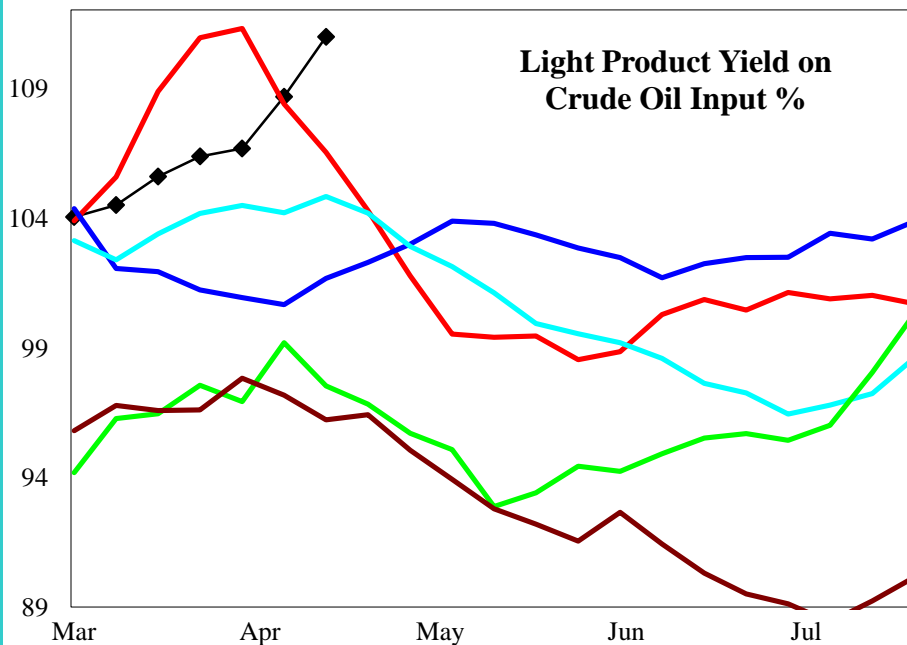
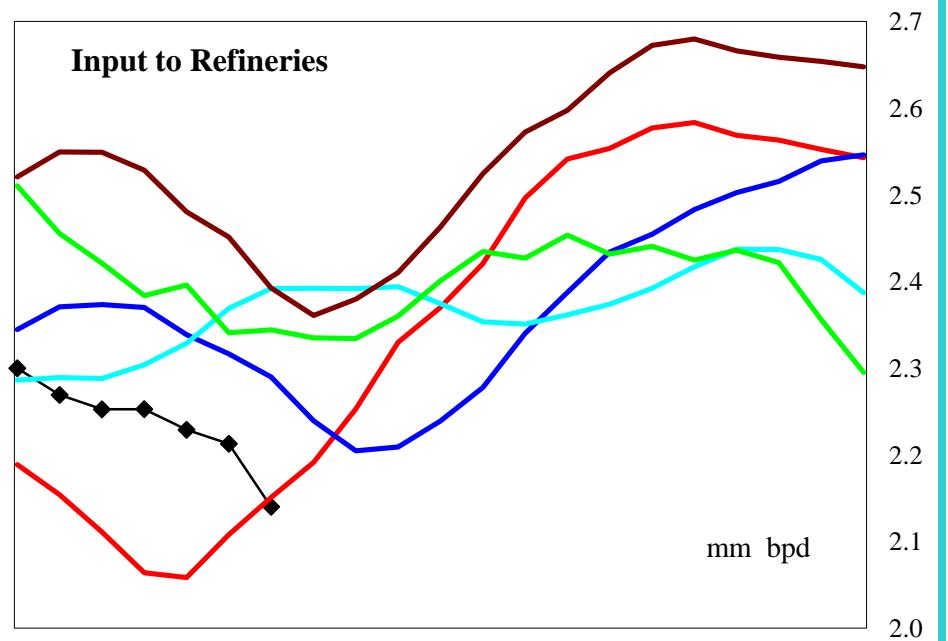
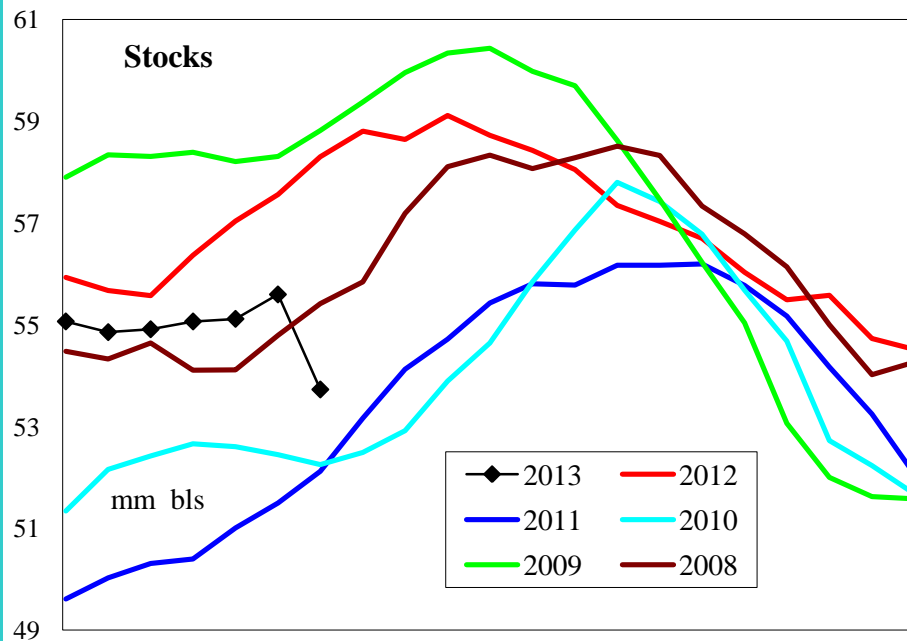


# PADD 4 Residual Fuel Oil Supply





# PADD 5 Crude Oil Supply and Refining



**4 wk avg variance to prior year**

000 bpd (000 bls stks)

% change

Stocks

**-4,572**

**-7.8**

Input

**148**

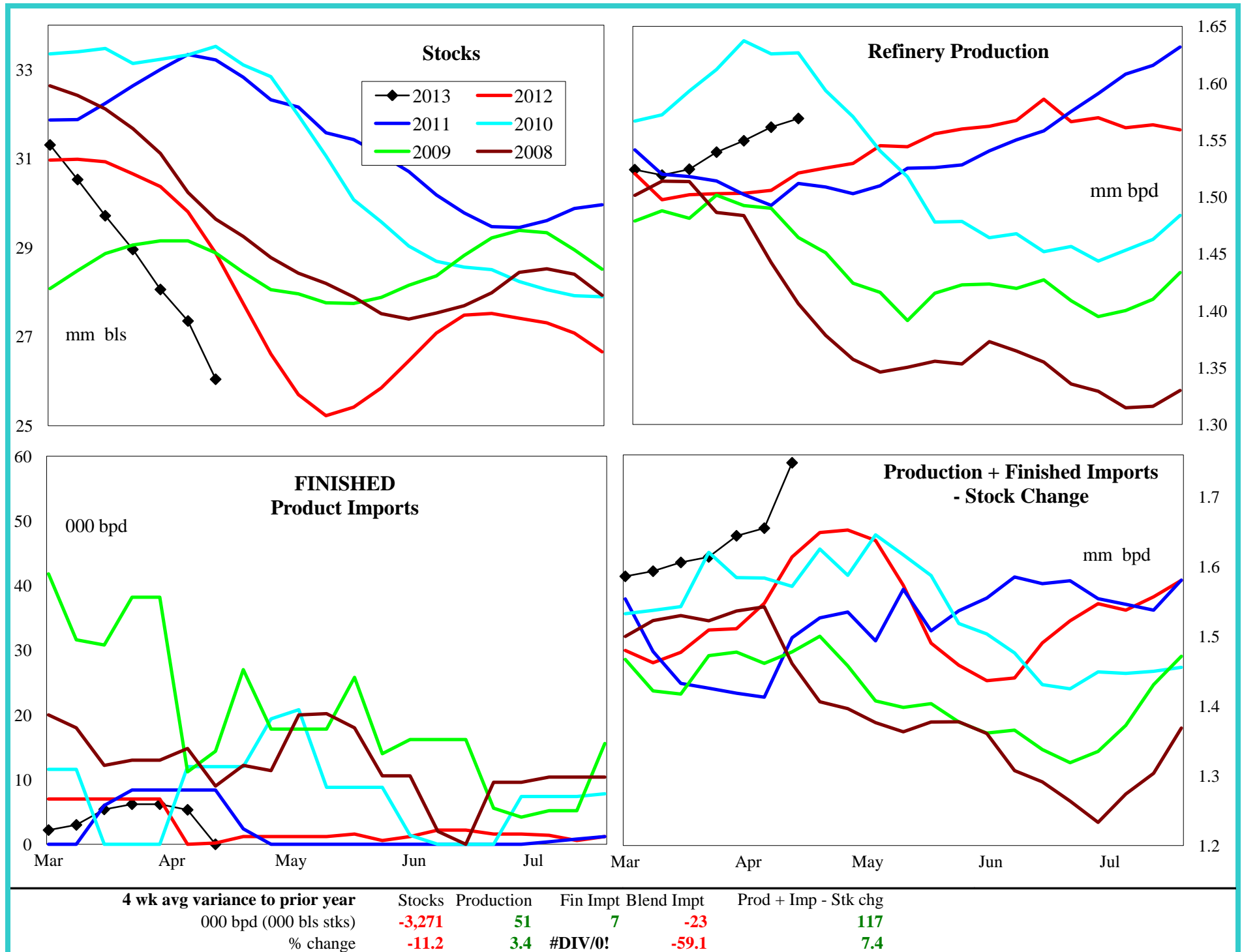
**7.0**

Imports

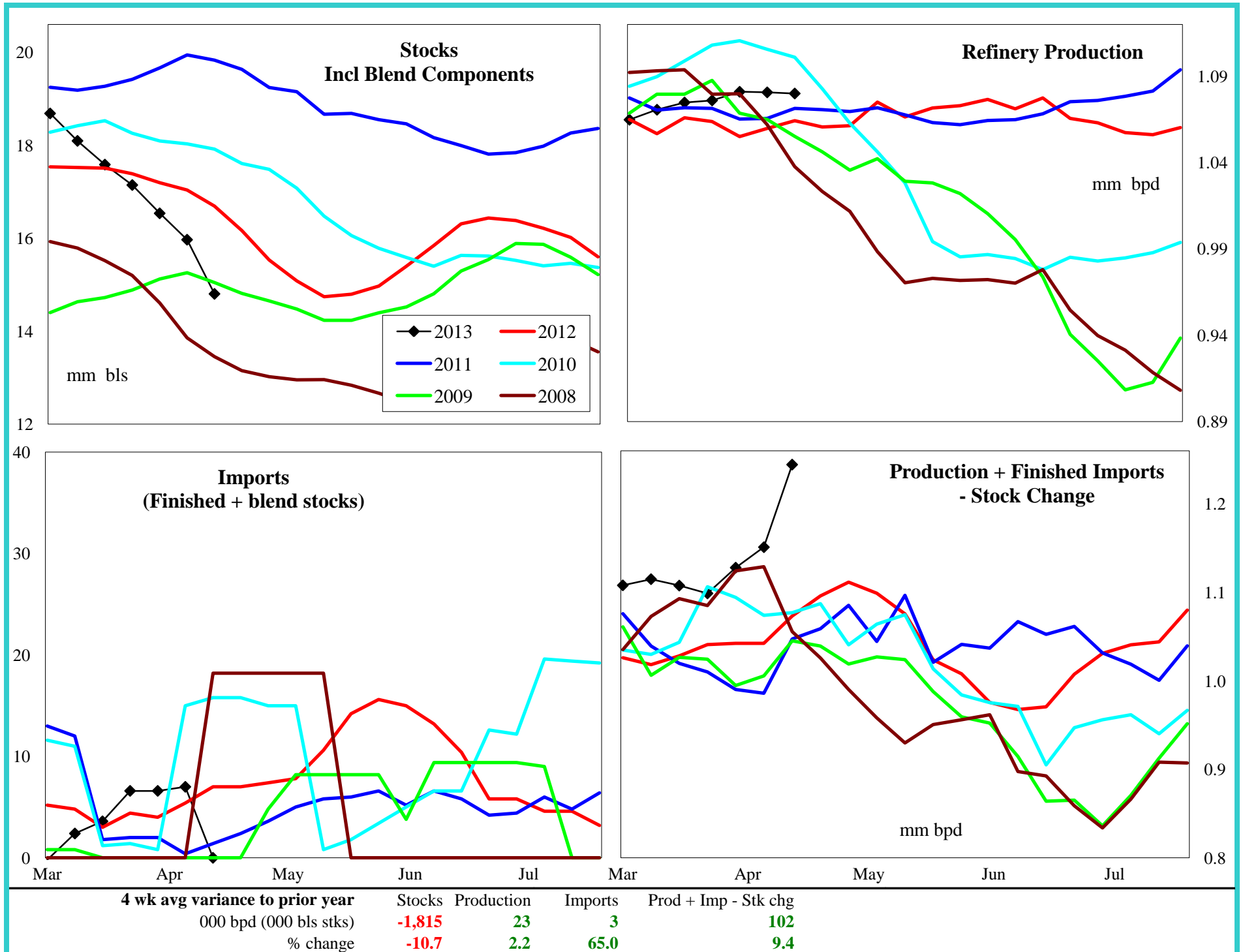
**-8**

**-0.8**

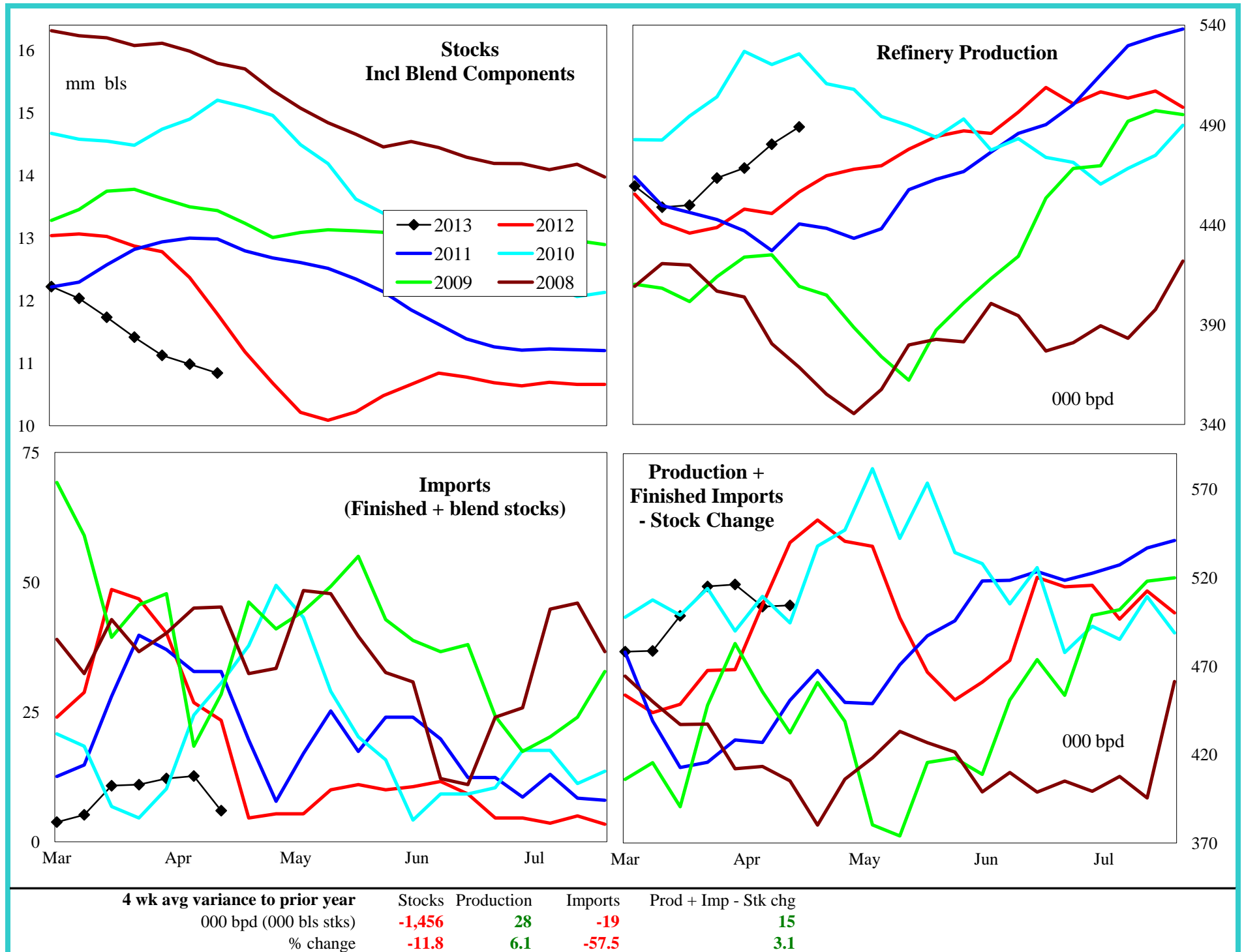
# PADD 5 Gasoline Supply



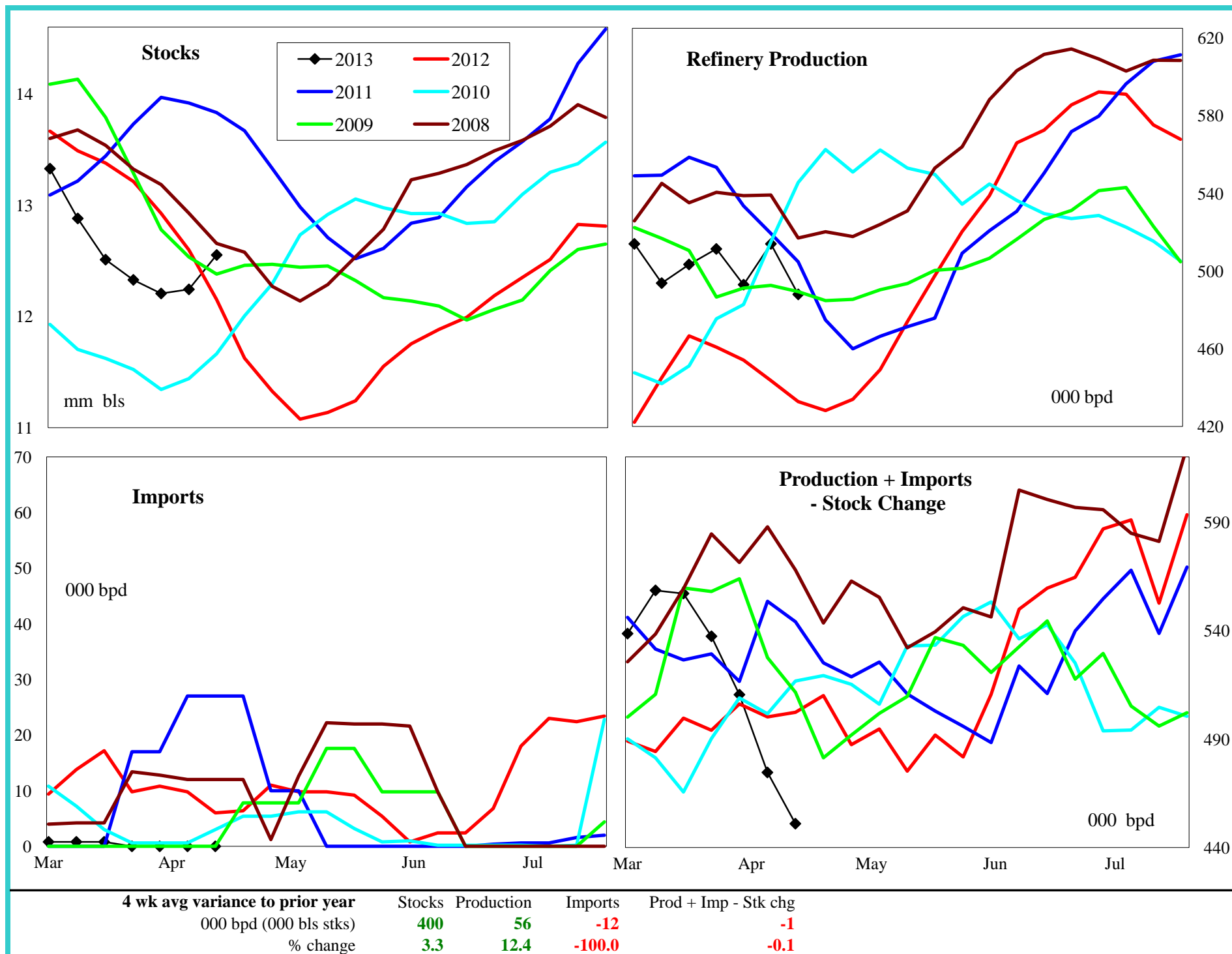
# PADD 5 Reformulated Gasoline Supply



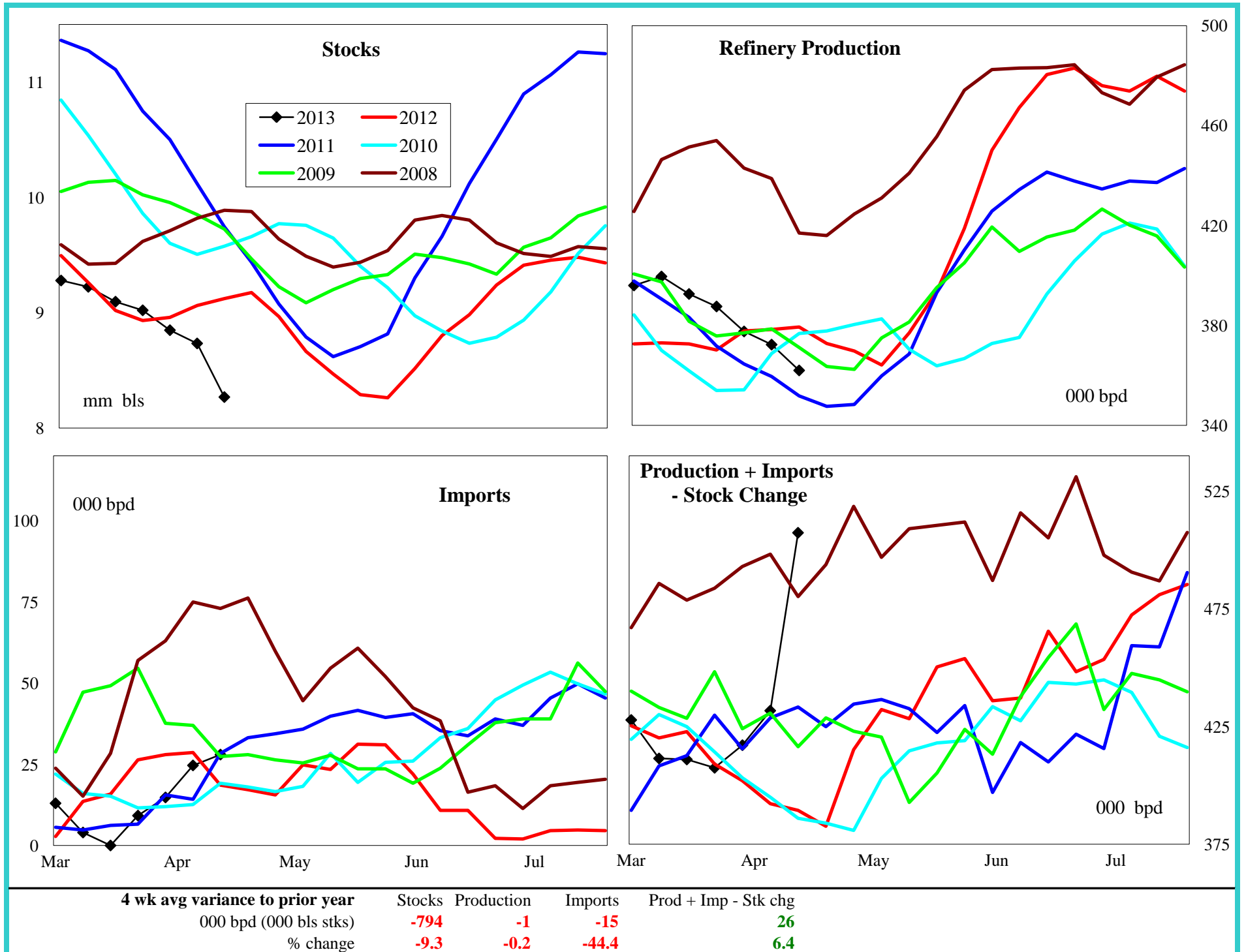
# PADD 5 Conventional Gasoline Supply



# PADD 5 Distillate Supply



# PADD 5 Jet Fuel Supply



# PADD 5 Residual Fuel Oil Supply

