



WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

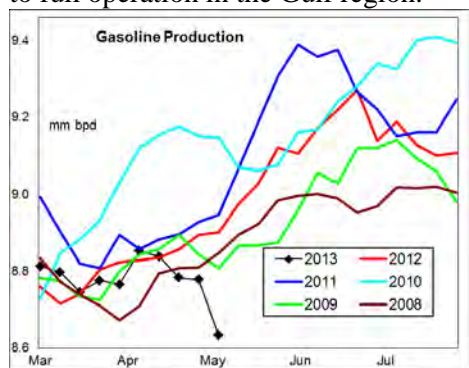
A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Wednesday, May 08, 2013

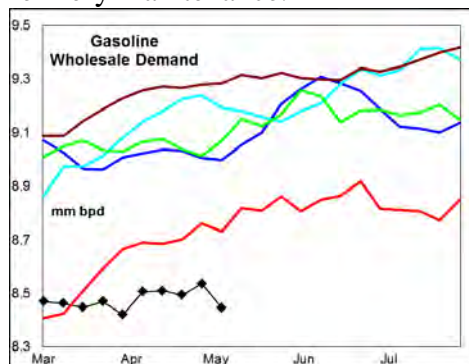


Major Fundamental Trends¹

Gasoline production remains exceptionally low, declining last week even as crude oil runs jumped +0.5 million bpd. Expect a surge in gasoline output as FCCU units return to full operation in the Gulf region.



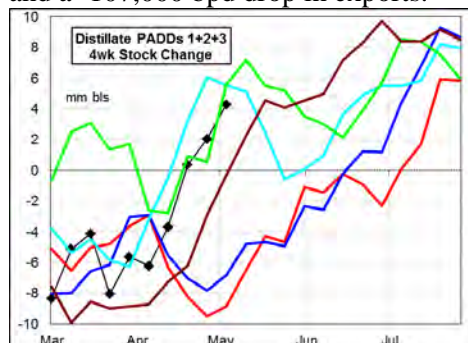
Gasoline stocks remain extremely high on the East coast, the result of weak demand and a year on year increase in imports. Supplies in other regional markets continue to tighten including the Midwest, Northwest and Rocky mountains, driven by planned and unplanned refinery maintenance.



The distillate supply balance continues to improve as measured by the latest 4-wk stock change in markets East of the Rockies. Stocks increased +5.6 million barrels during the latest 4-wk period compared to -7 million barrel average draw during the last 2-years.

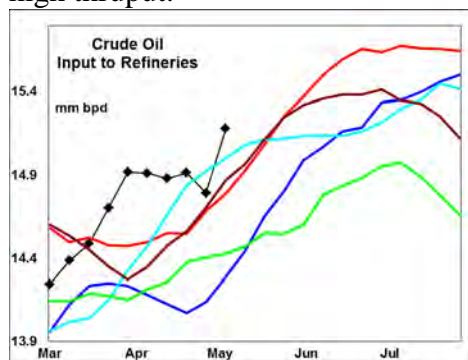
Underlying this build is a year on year decrease in demand of -0.2 million bpd for the most recent 4-wk

period, a +154,000 bpd rise in imports +111,000 bpd increase in production, and a -107,000 bpd drop in exports.



Look for distillate supplies to improve further on a continuation of the current fundamental supply and demand trends.

Crude oil stocks should begin to draw as refiners return from maintenance, operating at record high throughput.



Demand for jet fuel increased last week, while other transport fuels were nearly unchanged. Wholesale demand, measured over the last four weeks compared to a year ago: gasoline decreased -2.4%; distillate was -5.1% lower; jet fuel was +5.5% higher, and residual fuel fell -38%.

Stocks forward coverage: Gasoline demand coverage declined on a -0.9 million barrel stock draw, partially offset by low demand. Coverage levels remain well above the 5-year range for this time of year.

Distillate coverage increased on a +1.8 million barrel stock build and weak demand. Coverage levels ended the week equal to year ago levels.

Jet fuel coverage declined on sharply higher demand and a small increase in stocks. Days of coverage

fell below that of the last 2-years.

Residual fuel oil coverage increased on a +0.7 million barrel stock build, to a new all-time high.

Refinery utilization rates increased on a +470,000 bpd increase in crude oil thru put for the week. During the latest 4-wk period crude oil input was +0.3 million bpd above a year ago.

Gasoline yield % on crude oil runs fell on a -113,000 bpd decline in output compared to the +470,000 bpd rise in crude oil thru put. Yield % on crude oil runs fell to an all time record low.

Distillate yield % on crude oil runs increased on a +232,000 bpd rise in output compared to the increase in crude oil throughput. The yield % on crude oil runs was above the 5-year range.

Jet fuel yield % on crude oil runs increased on a +119,000 bpd rise in output, compared to the higher crude oil runs. The yield % level jumped to an all-time record high.

Petroleum Imports/Exports of crude oil fell -0.6 million bpd last week to fresh record lows. Gasoline imports increased on the week, while middle distillates were nearly unchanged.

During the latest 4-wk period crude oil imports were -1.1 million bpd below last year; distillate imports increased +154,000 bpd; finished gasoline imports decreased -36,000 bpd, gasoline blend stock imports were +98,000 bpd higher; jet fuel imports increased +4,000 bpd, while residual fuel oil imports were +46,000 bpd higher.

During the latest 4-wk period exports of gasoline were +89,000 bpd above last year, jet fuel was +18,000 bpd higher and distillate exports fell -107,000 bpd.

Crude Oil stocks increased +0.2 million barrels last week. This occurred even on a -0.6 million bpd drop in imports and +0.5 million bpd rise in crude oil refinery runs. Stock levels ended the week +16 million barrels above prior 5-year highs.

¹ Source is latest EIA Weekly Statistics



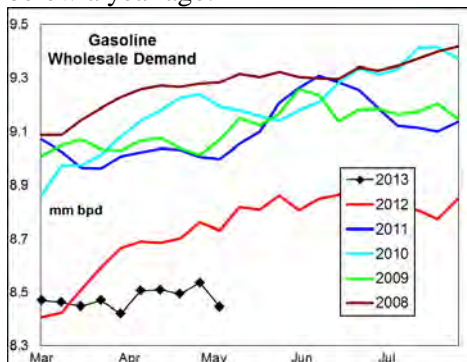
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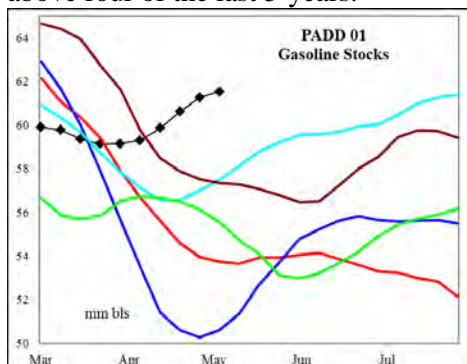
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Product Supply-Demand Trends

Gasoline wholesale demand increased +30,000 bpd on the week. The latest 4-wk average demand was -209,000 bpd below last year. Supply increased +39,000 bpd last week. Supply for the latest 4-wk period was -91,000 bpd below a year ago.



The latest 4-wk stock draw in markets East of the Rockies was -4.2 million barrels, comparable to the average of the last 2-years. Stock levels remain above four of the last 5-years.



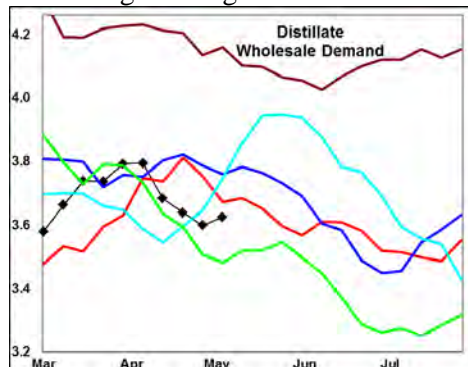
Stocks decreased -0.2 million barrels last week in PADD 1, with the level in this key region at a record high for this time of year.

Gasoline production decreased -113,000 bpd last week, even as crude oil runs climbed +470,000 bpd. Expect a surge in gasoline production in the near term as FCCU's return to full operation.

Stock levels on the West Coast remain extremely low, even with production near 5-year highs; extending the current supply squeeze.

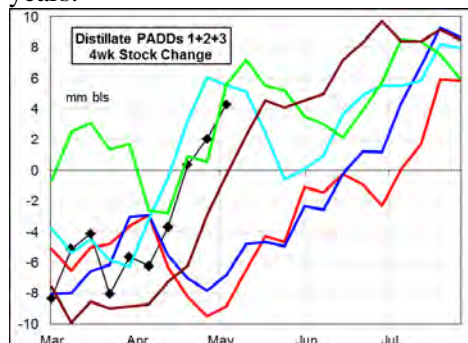
Distillate demand was unchanged last week, at a level below the last 2-years. The latest 4-wk average demand was -194,000 bpd below a year ago,

continuing the longer term downtrend.



Supply increased +190,000 bpd last week, on higher production. The latest 4-wk average supply was +265,000 bpd above last year. Stocks increased +01.8 million barrels on the week.

The latest 4-wk stock change in markets East of the Rockies was a +5.6 million barrel build, compared to -7 million barrel draws for the last 2-years.



Weak demand, high imports and production has led to the near record rate of stock building in markets East of the Rockies.

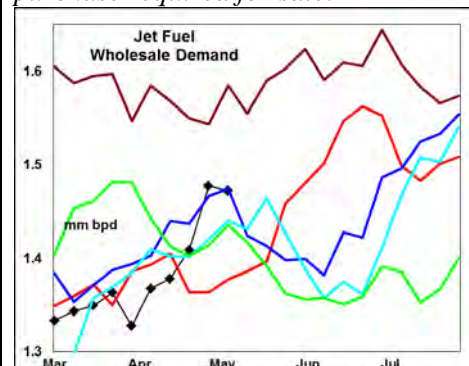
Imports averaged +154,000 bpd above a year ago for the last 4-wks, with production up +111,000 bpd. Combined with weak demand, expect a continued high rate of stock build for the balance of the spring quarter.

Jet Fuel demand increased +107,000 bpd on the week, to a level above the latest 3-year mid range. The latest 4-wk average demand was +74,000 bpd above a year ago.

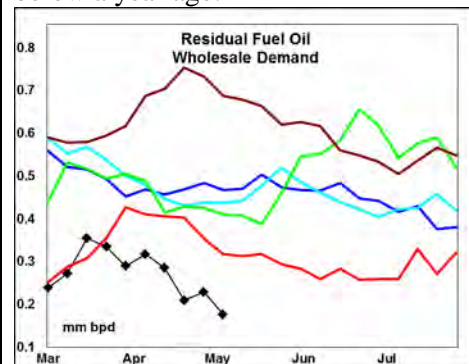
Supplies jumped +140,000 bpd on the week, driven by higher production and imports. Supply for the latest 4-wk period was +110,000 bpd above a year ago. Stocks increased +0.3 million barrels on the week, with the

level above the last 2-years.

Production increased to a new all time record high for the spring season last week. Look for stocks to continue to build at an above average rate; driven by the incentive of no RINNS purchase required for sale.



Residual fuel oil demand was nearly unchanged last week. Demand for the latest 4-wk period was -161,000 bpd below a year ago.



Supply (production + imports) declined -2,000 bpd last week, on lower imports. Production and imports were each comparable to last year. Stocks increased +0.7 million barrels to a level near the 5-year mid range.

Wholesale demand was -38% below last year for the most recent 4-wk period, leading to a +21% rise in stock levels compared to a year ago. Markets remain over supplied in the Midwest and Gulf regions on record stock levels.



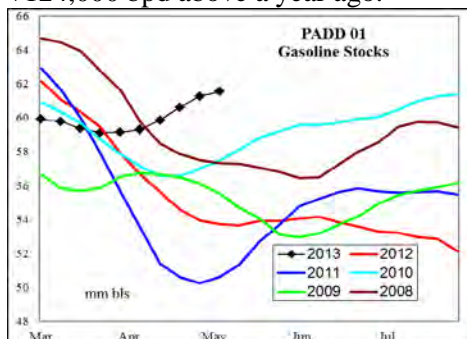
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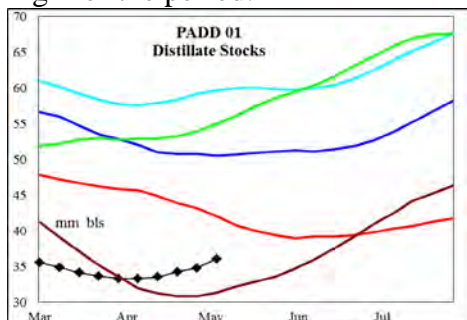
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PADD Supply Trends

PADD 1 refinery crude oil runs increased +20,000 bpd last week, to a level above the last 2-years. The latest 4-wk average crude oil thru put was +124,000 bpd above a year ago.

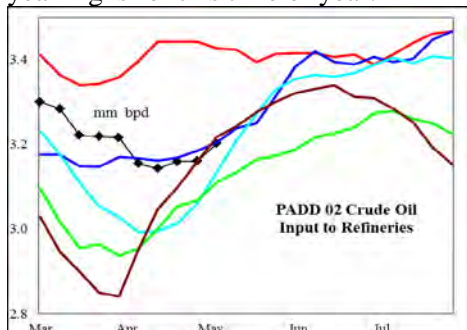


Gasoline supply increased +148,000 bpd on the week, with supplies +120,000 bpd above a year ago. Stocks declined -0.2 million barrels with the level at a record high for the period.



Distillate supply declined -81,000 bpd on the week, driven by lower imports. Production levels were near 4-year highs.

Jet fuel supplies increased +15,000 bpd on the week. Stocks decreased -0.1 million barrels, to a level near 5-year highs for this time of year.



PADD 2 crude oil refinery runs increased +18,000 bpd on the week, with the level at the 3-year mid range.

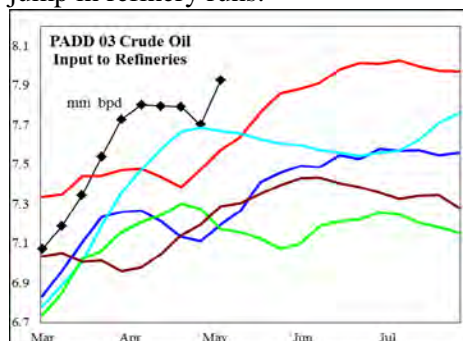
Runs for the latest 4-wk period were -312,000 bpd below last year. Crude oil stocks increased +0.7 million barrels on the week. Stocks ended the week +11% above a year ago at Cushing, Oklahoma.

Gasoline production increased +90,000 bpd on the week, to match the average of the last 2-years. Stocks fell -1.3 million barrels to a level near historic lows.

Distillate supply decreased -18,000 bpd last week, to a level near the mid range. Stocks were unchanged on the week, with the level matching the average of the last 3-years.

Jet fuel production surged +69,000 bpd to a new all time high on the economic incentive of no runs purchase requirements. Stock levels ended the week -9% below the prior record low for the period.

PADD 3 refinery runs increased +296,000 bpd on the week. The latest 4-wk average runs were +400,000 bpd above a year ago. Crude oil stocks declined -2.6 million barrels on a -0.5 million barrel drop in imports and the jump in refinery runs.



Gasoline supply declined -180,000 bpd on the week, to a new 5-year low. Stocks increased +0.9 million barrels on the week, to a level near historic highs for the period.

Distillate supply jumped +318,000 bpd on the week on sharply higher production and record imports. The latest 4-wk average supply was +77,000 bpd above last year. Stocks increased +0.1 million barrels on the week, to a level +7% above last year.

Jet fuel supply increased +43,000 bpd on the week with production well

above the 5-year range. Stocks increased +0.4 million barrels on the week, to a level above four of the last 5-years.

Residual fuel oil supplies decreased -45,000 bpd to a level that matched historic highs. Stocks ended the week at a record high for the period.

PADD 4 refinery crude runs were unchanged on the week, with the level comparable to the last 2-years.

Gasoline production declined -13,000 bpd on the week, to a level comparable to the last 2-years. Stocks fell -0.6 million barrels, ending the week at a level equal to the average of the last 2-years.

Distillate production was nearly unchanged last week, at a level near historic highs for this time of year. Stocks increased +0.3 million barrels on the week, a level comparable to historic highs for the spring season.

Jet fuel stocks fell sharply last week, to a level below the last 3-years. Production was comparable to the last 2-years.


PADD 5 crude oil refinery runs increased +137,000 bpd on the week; to a level above the last 2-years. The latest 4-wk average run rate was +39,000 bpd above last year.

Gasoline supply fell -75,000 bpd on the week, with production still above four of the last 5-years. The latest 4-wk average supply was +43,000 bpd above a year ago. Stocks increased +0.3 million barrels, a level still below the 5-year range.

Distillate supply declined -28,000 bpd, to a level near the 5-year mid range. Stocks fell -0.6 million barrels, to a level below the 5-year mid range.

Jet fuel production was above four of the last 5-years for the week. Stocks increased +0.2 million barrels, but the level remains below the 5-year range.

Residual fuel oil production was -34% below a year ago for the latest 4-wk average, pointing to refinery upgrades of the bottom of the barrel.



FUNDAMENTAL

PETROLEUM TRENDS

PETROLEUM: Graph Link and Weekly Summary

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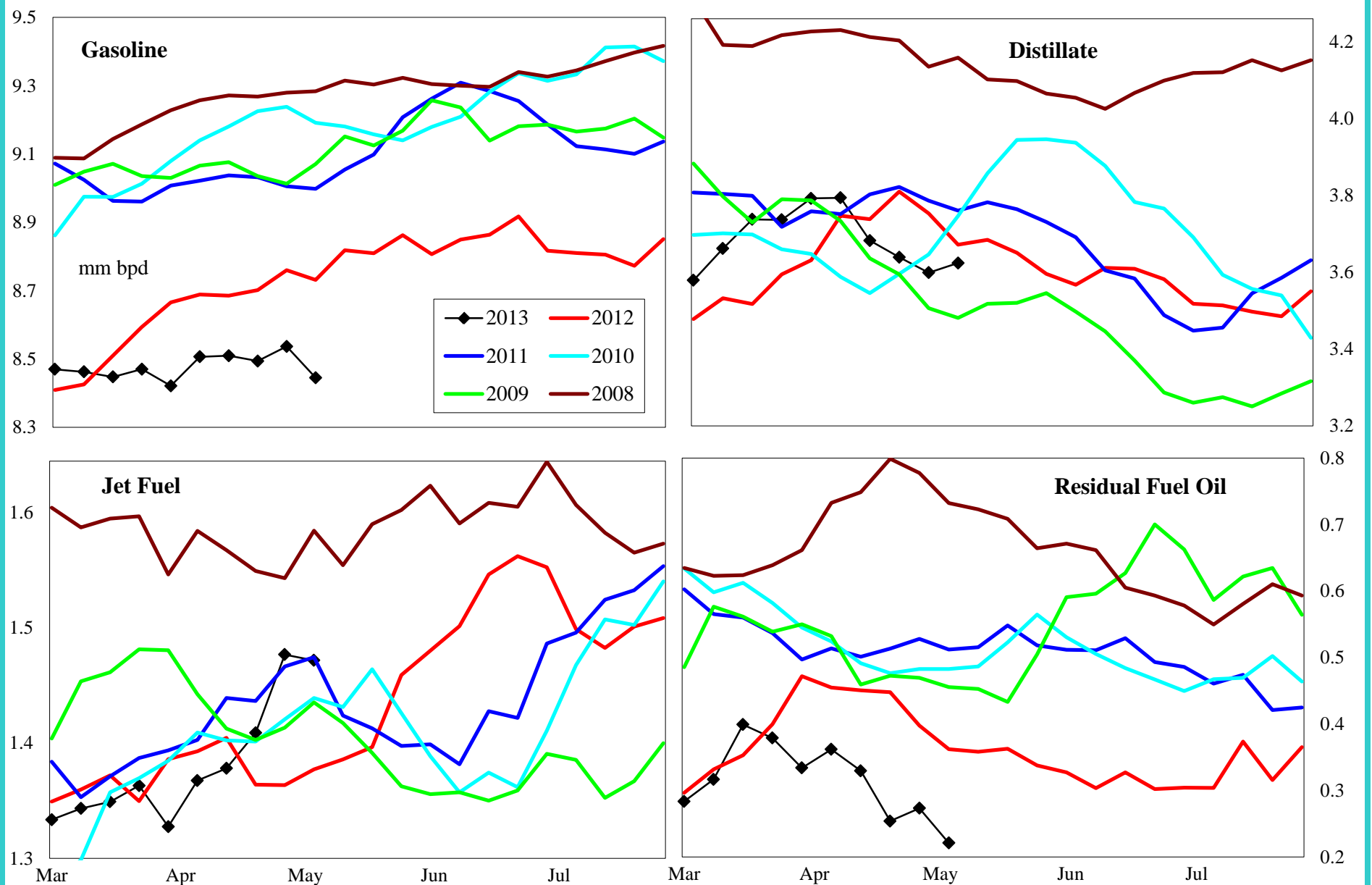
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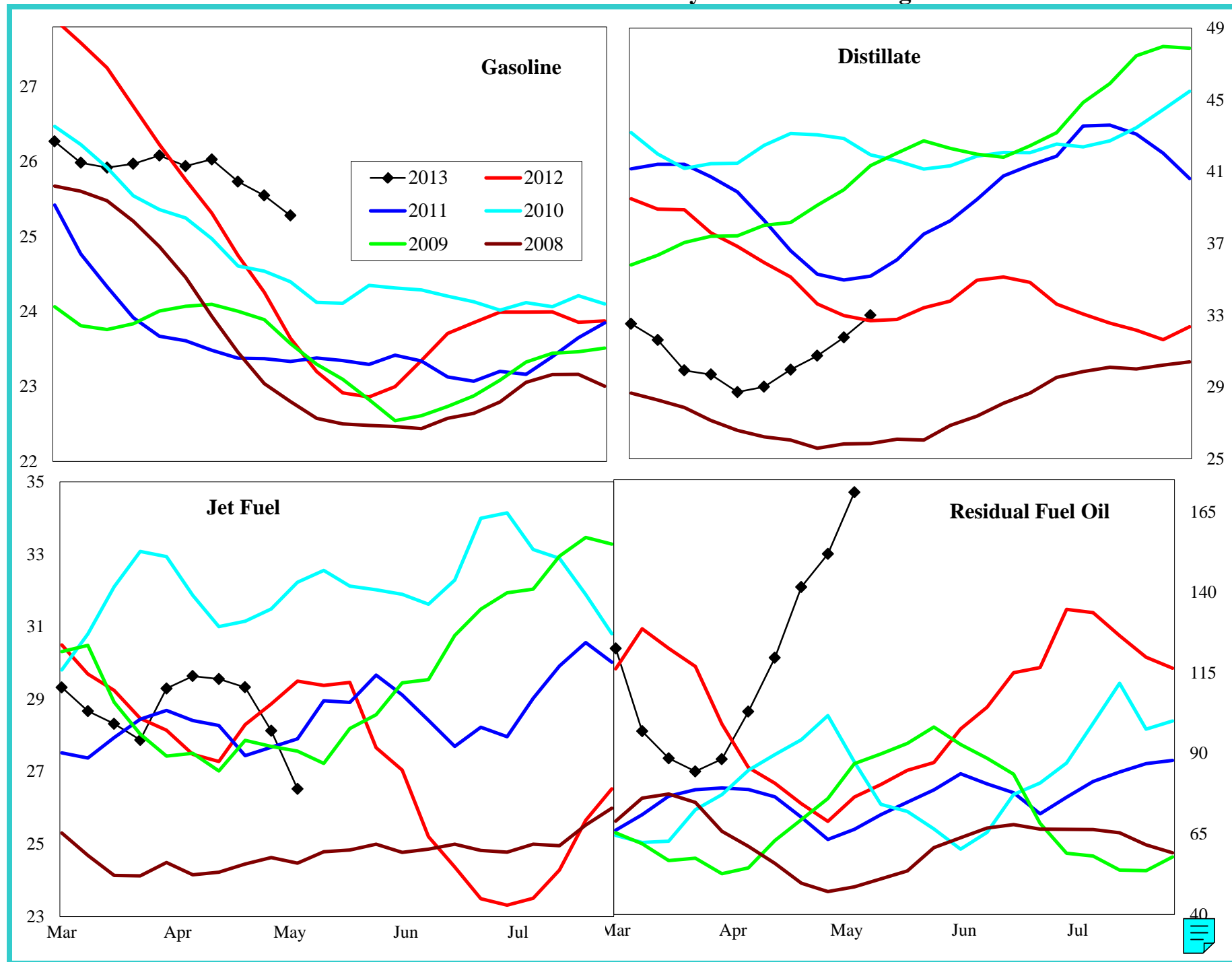
Fundamental Trends	Wholesale Demand	Stocks Days Fwd Coverage	Refinery Utilization		Product Yield %		Imports
Supply/Demand Trends	3-May-13	EIA-DOE CHANGE FROM PRIOR WEEK					
	000 bpd stocks 000 bls	U. S. Total	PADD				
			1	2	3	4	5
Crude Oil	Stocks	230	588	656	-2,610	33	1,564
	Imports	-560	-711	15	-523	-15	674
	Input	470	20	18	296	0	137
	% Utilization	2.60					
Gasoline	Stocks	-910	-182	-1,342	919	-603	298
	Production	-113	-8	90	-225	-13	-29
	Imports	152	156	-4	45	0	-45
	Supplied	30					
Distillate	Stocks	1,812	2,104	-82	81	260	-551
	Production	232	24	-19	255	1	-28
	Imports	-42	-105	1	63	0	0
	Supplied	-1					
Jet Fuel	Stocks	327	-115	-9	359	-120	212
	Production	119	-6	69	43	9	4
	Imports	21	21	0	0	0	0
	Supplied	107					
Residual Fuel Oil	Stocks	705	604	-59	-115	9	264
	Production	55	-13	20	49	2	-5
	Imports	-57	11	3	-94	0	25
	Supplied	2					

United States Wholesale Petroleum Demand

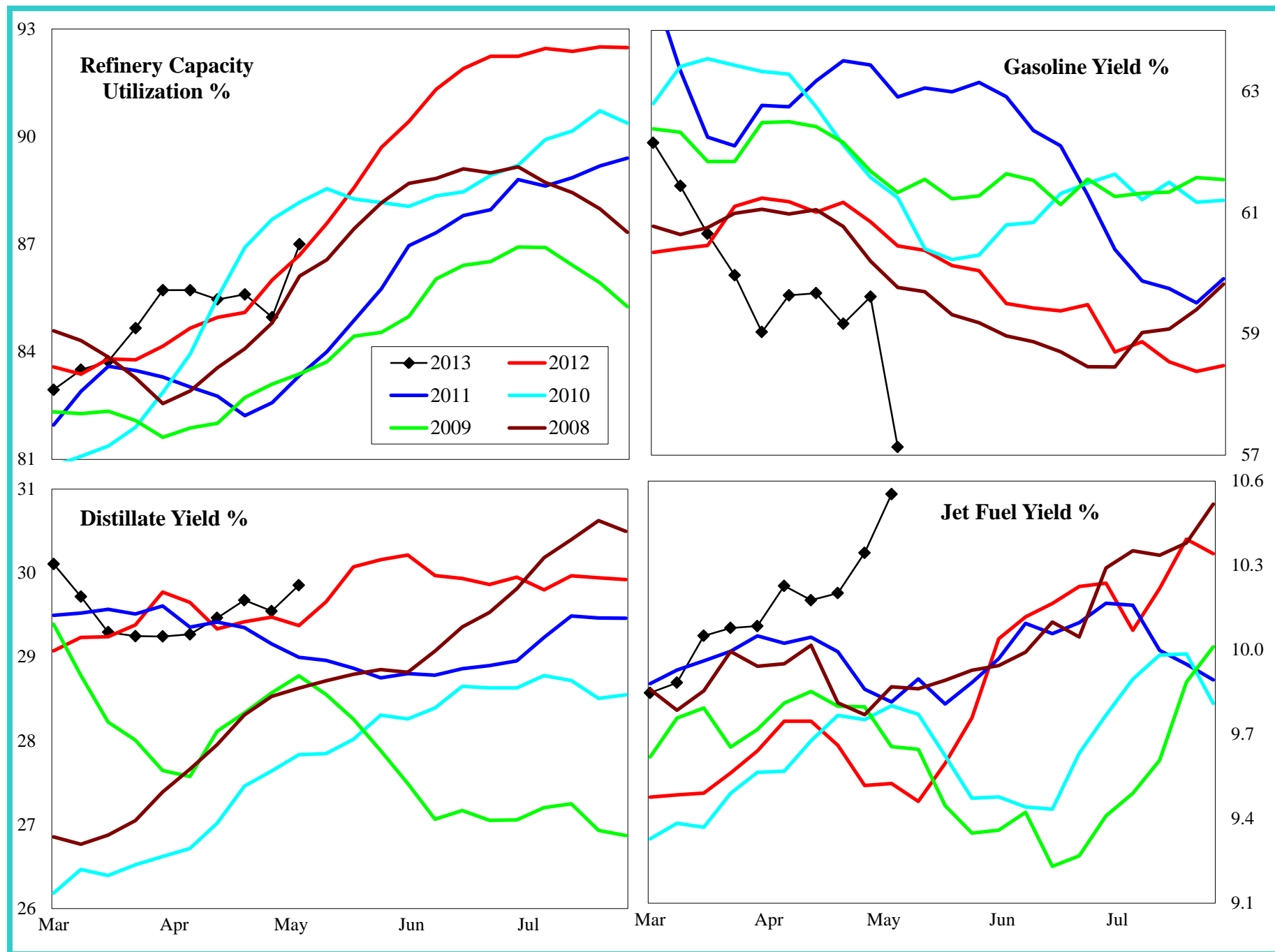


	000 bpd change from prior year				% change from prior year				
	4wk avg	Apr	Mar	Jan	4wk avg	Apr	Mar	Feb	
Gasoline	-209	-311	-165	-210	-2.4	-3.5	-1.9	-2.4	
Distillate	-194	-21	52	-5	-5.1	-0.6	1.4	-0.1	
Jet Fuel	74	34	-17	-30	5.5	2.5	-1.2	-2.2	
Resid	-161	-146	8	-90	-37.6	-35.8	1.9	-22.8	

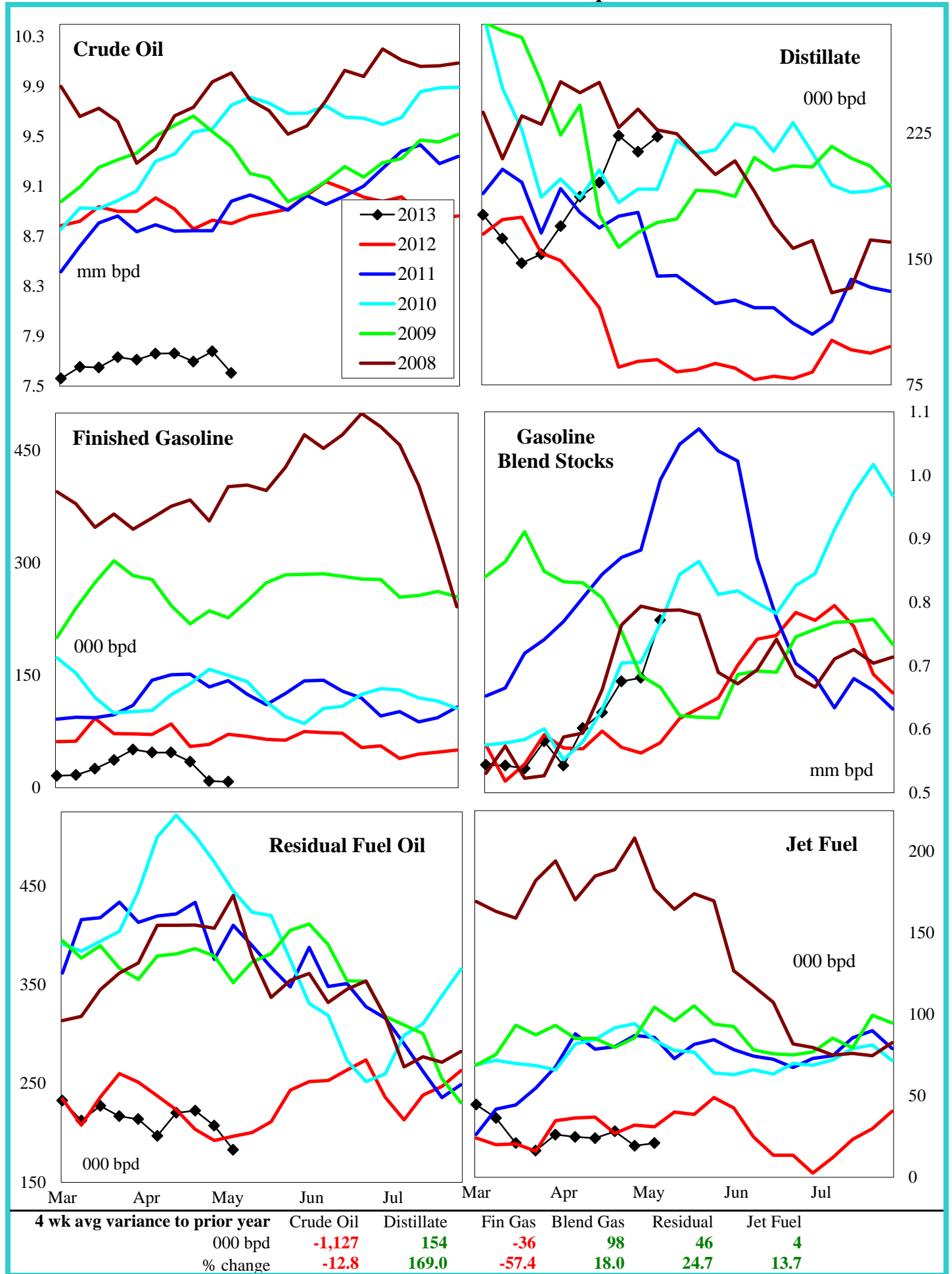


United States Product Stocks: Days Forward Coverage

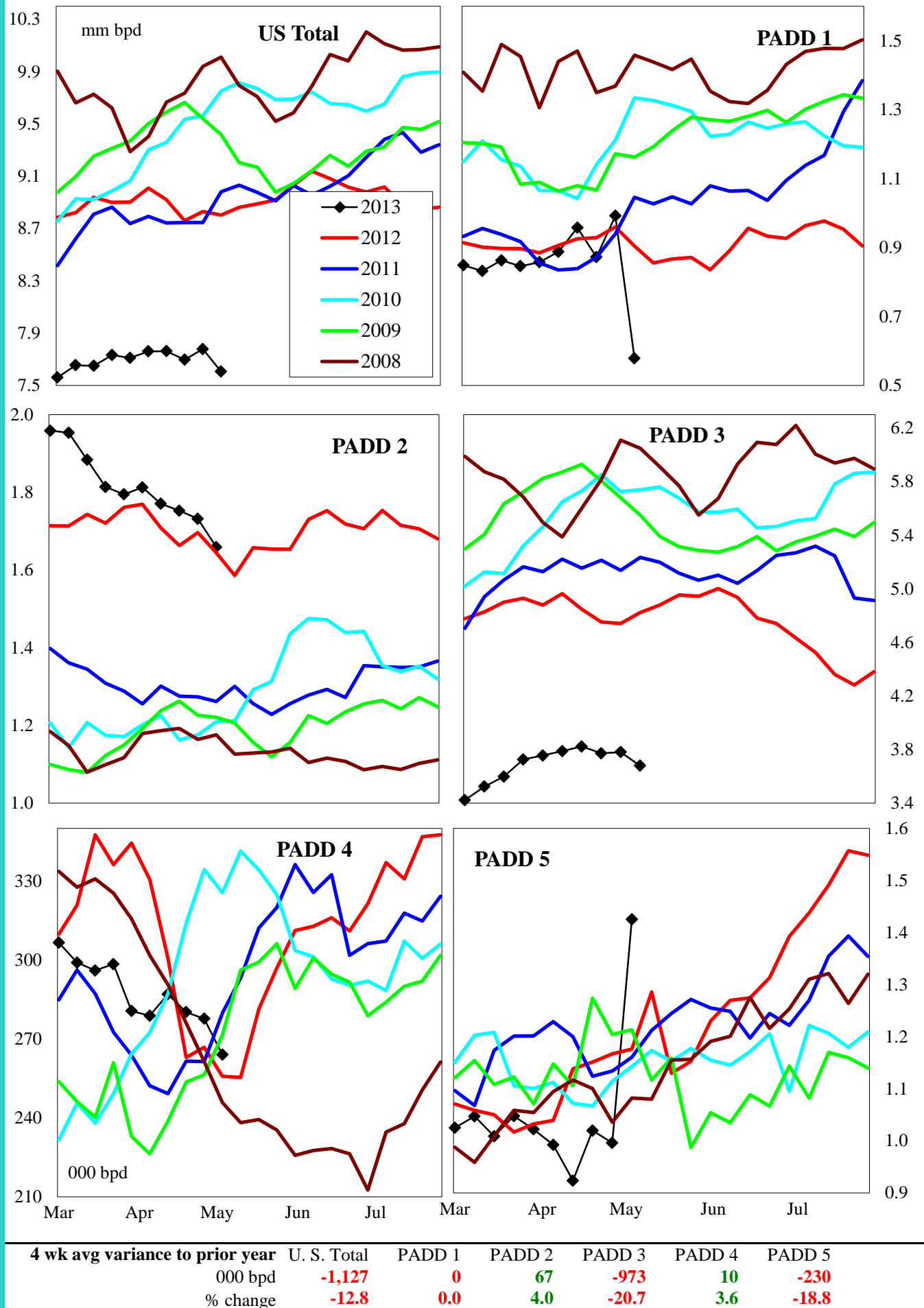
United States Refinery Percent Utilization Rate and Product Yields



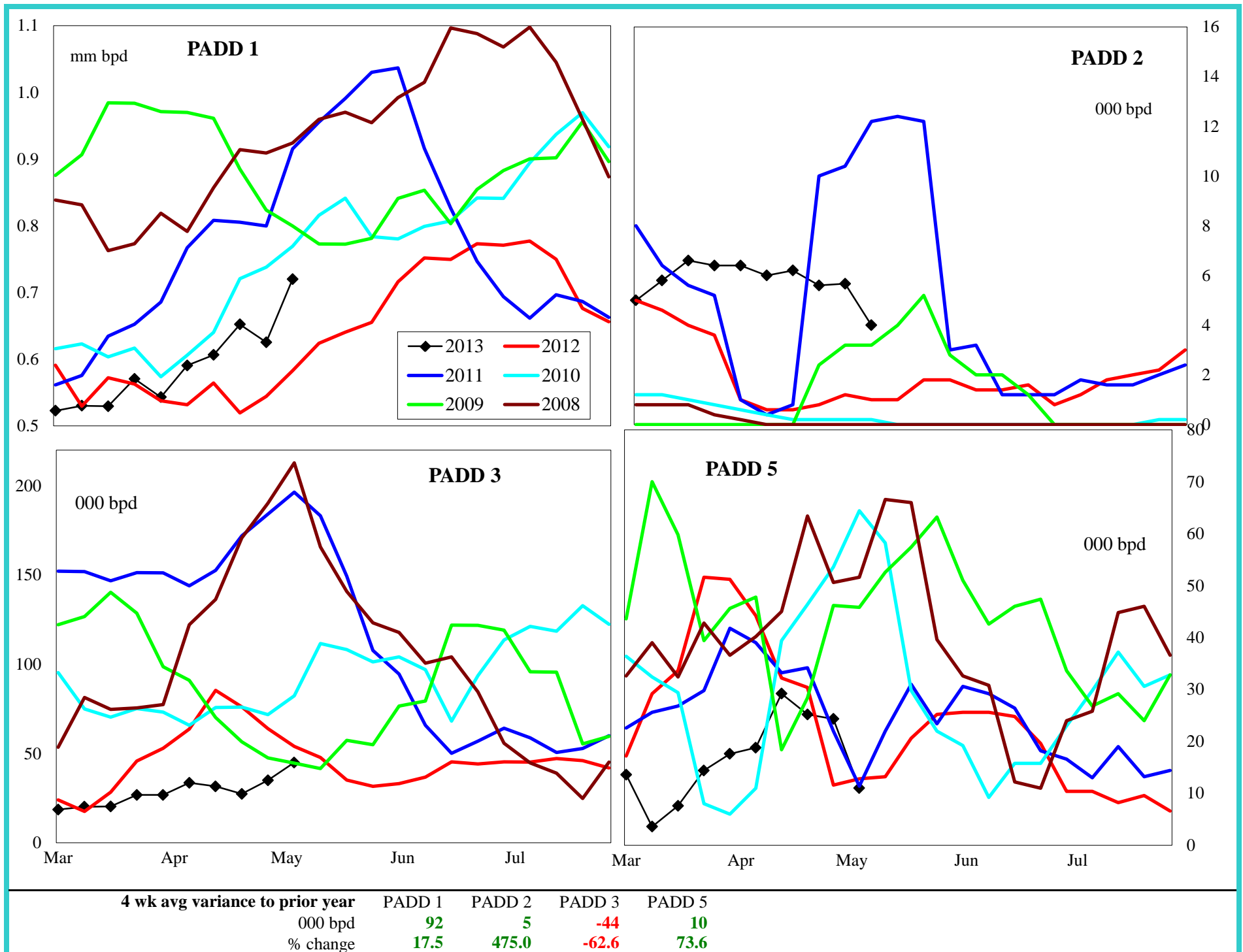
United States Petroleum Imports



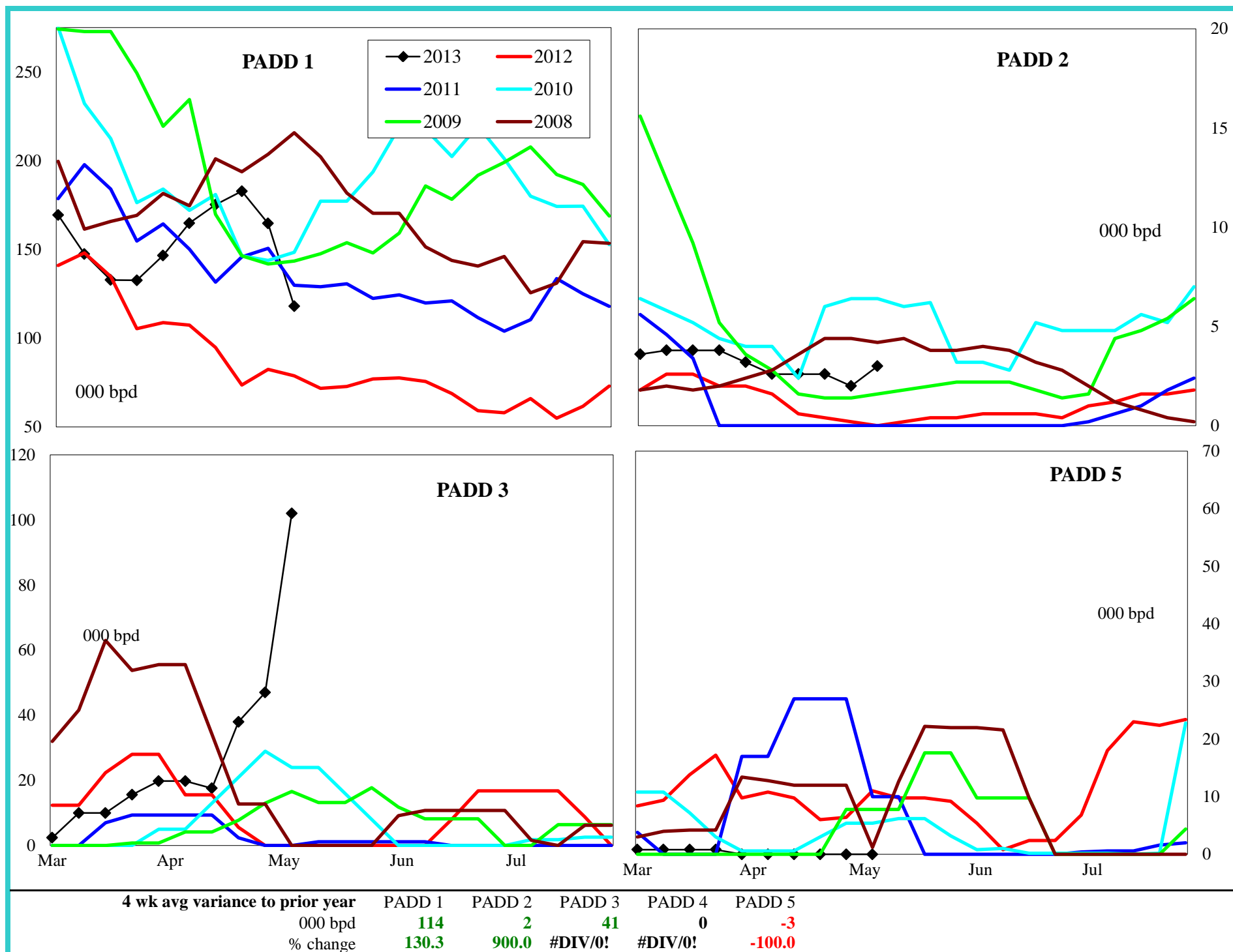
Crude Oil Imports by PADD



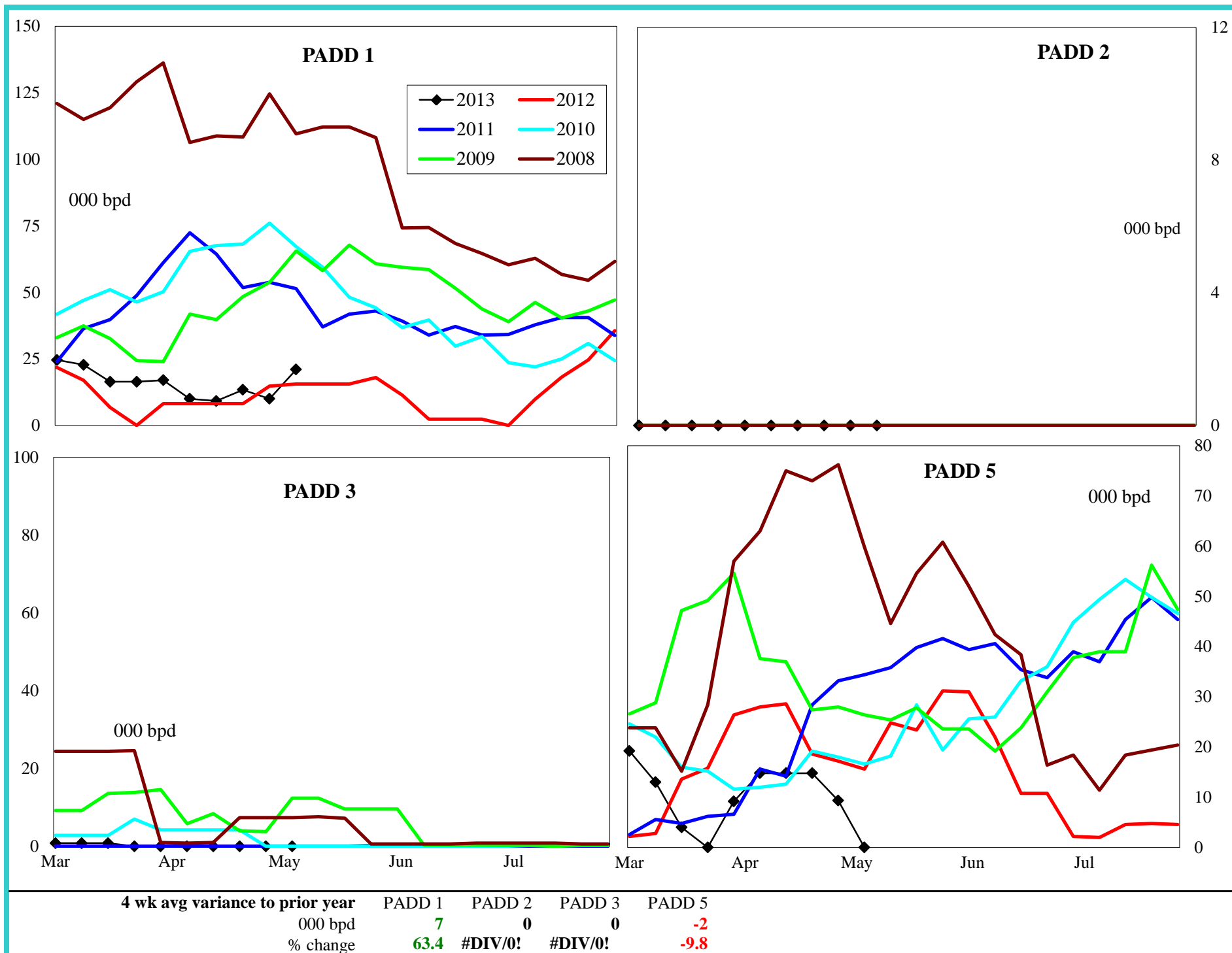
Gasoline Imports by PADD (Finished + Blend Stocks)



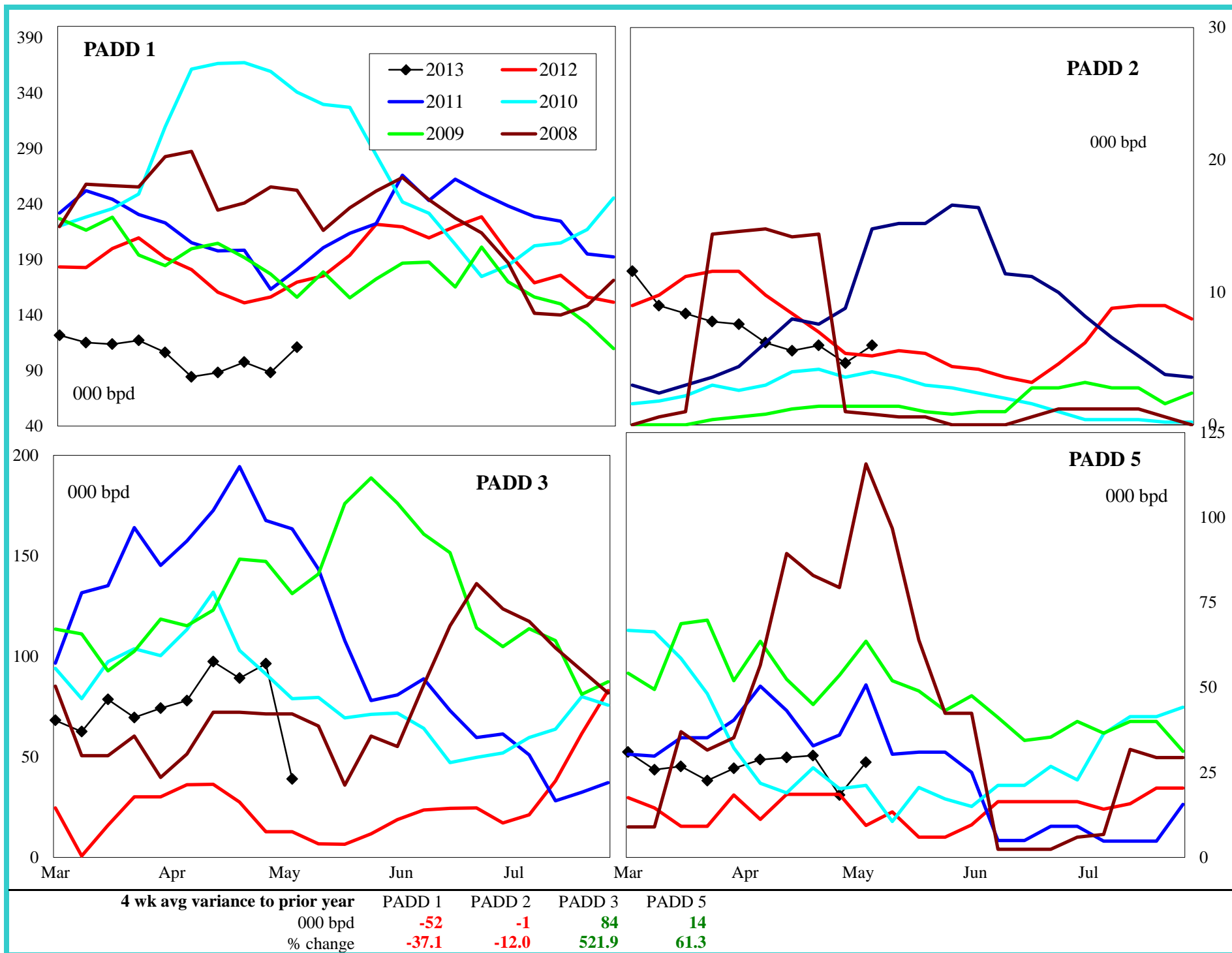
Distillate Imports by PADD



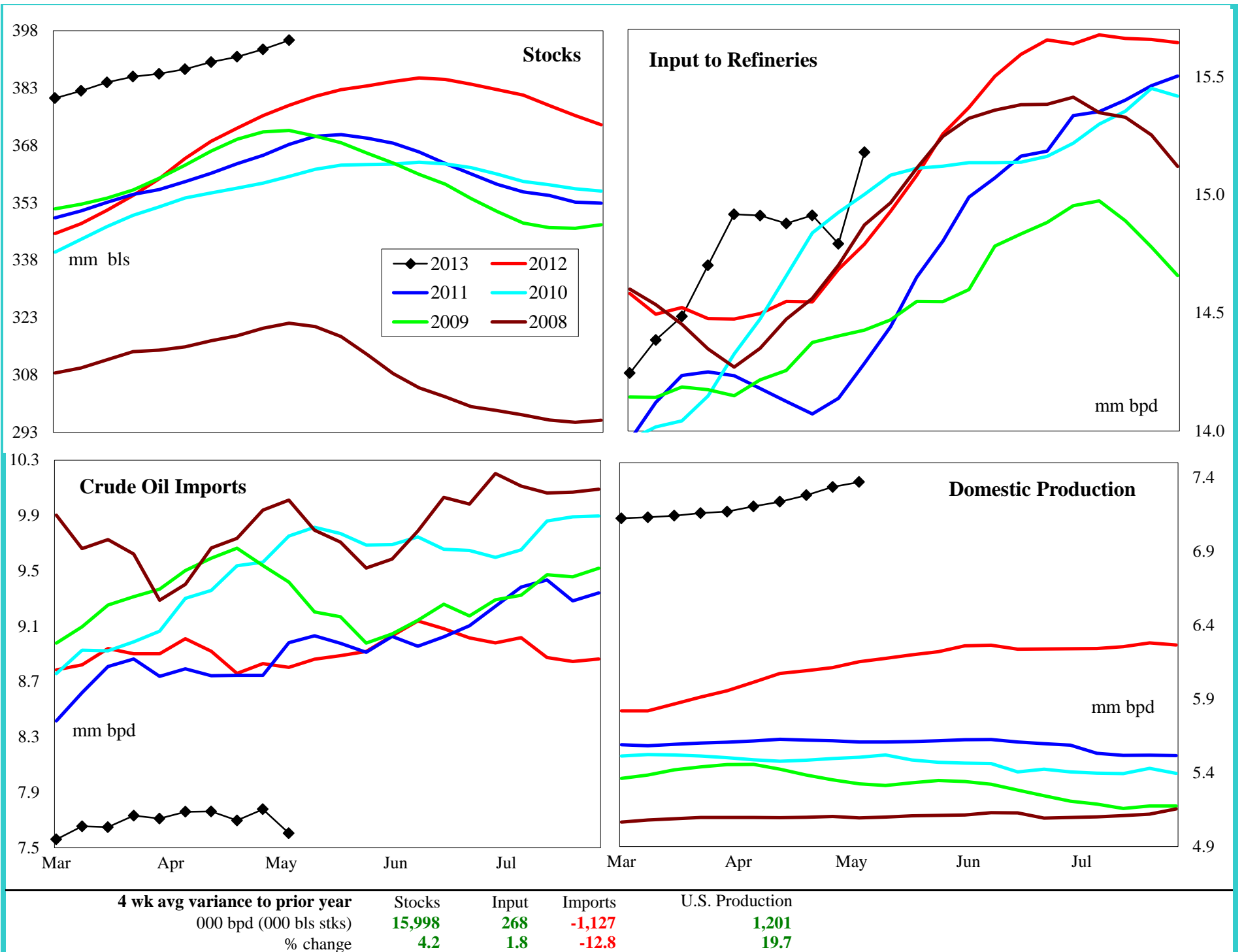
Jet Fuel Imports by PADD



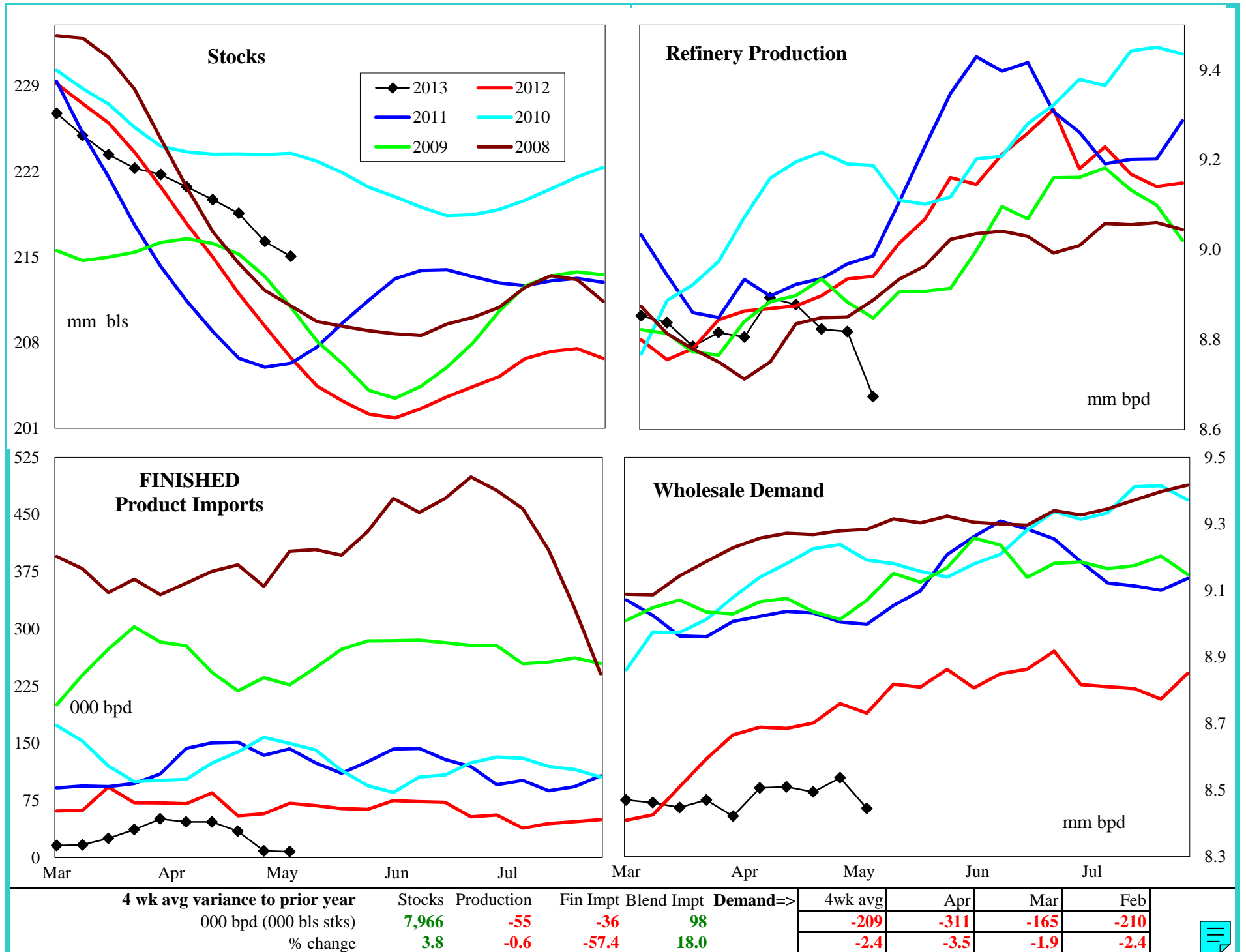
Residual Fuel Oil Imports by PADD



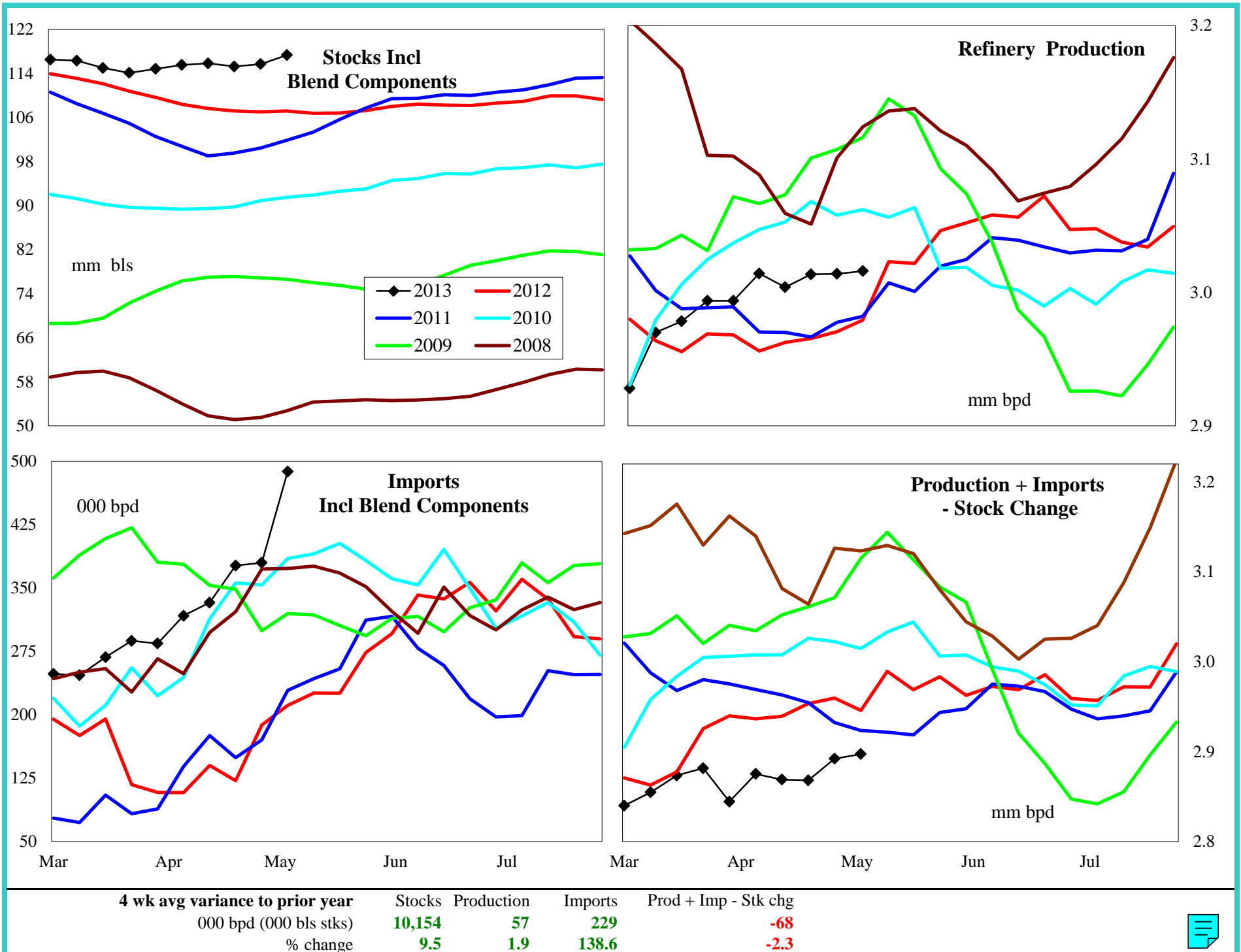
United States Crude Oil Supply and Demand Balance



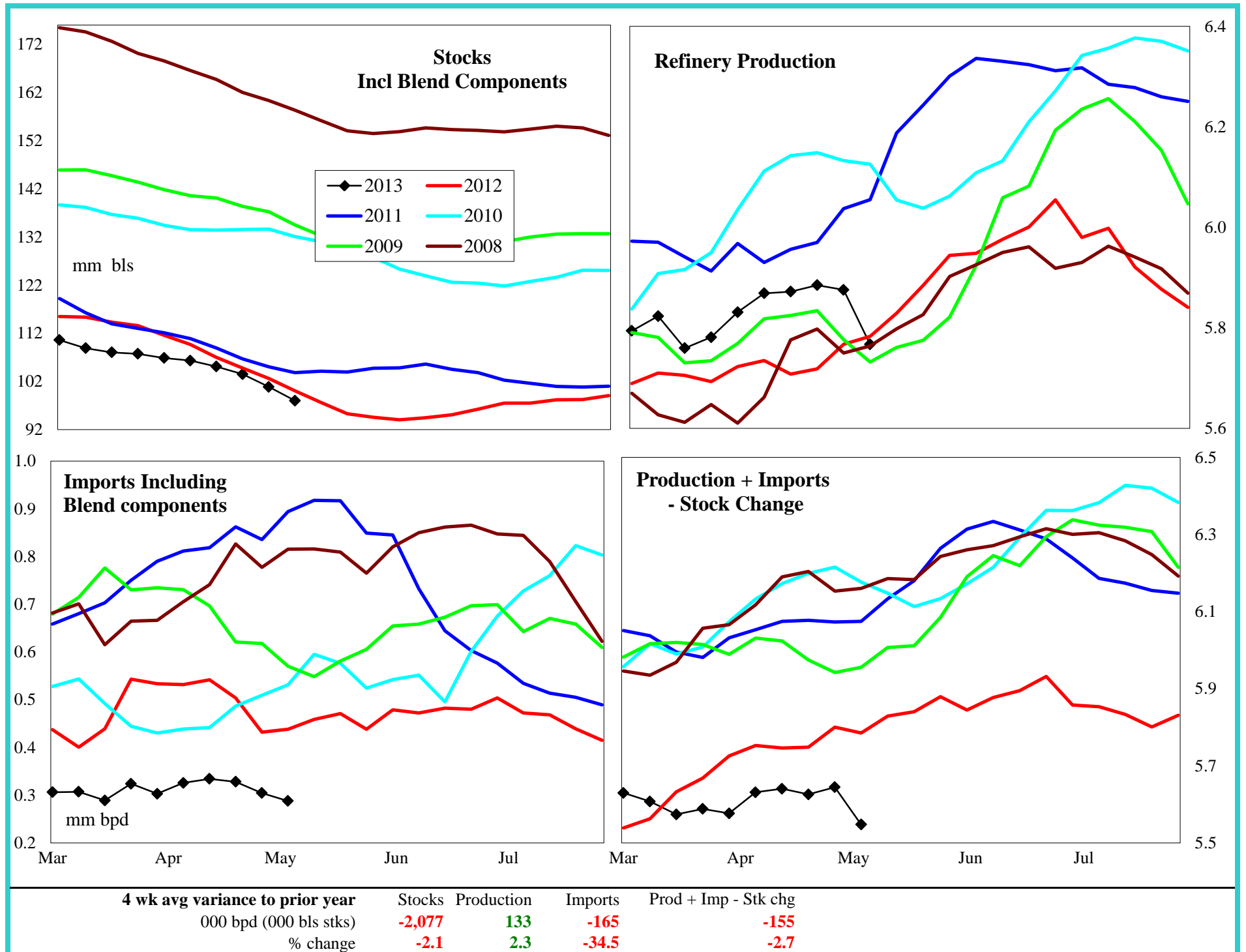
United States Gasoline Supply and Demand Balance



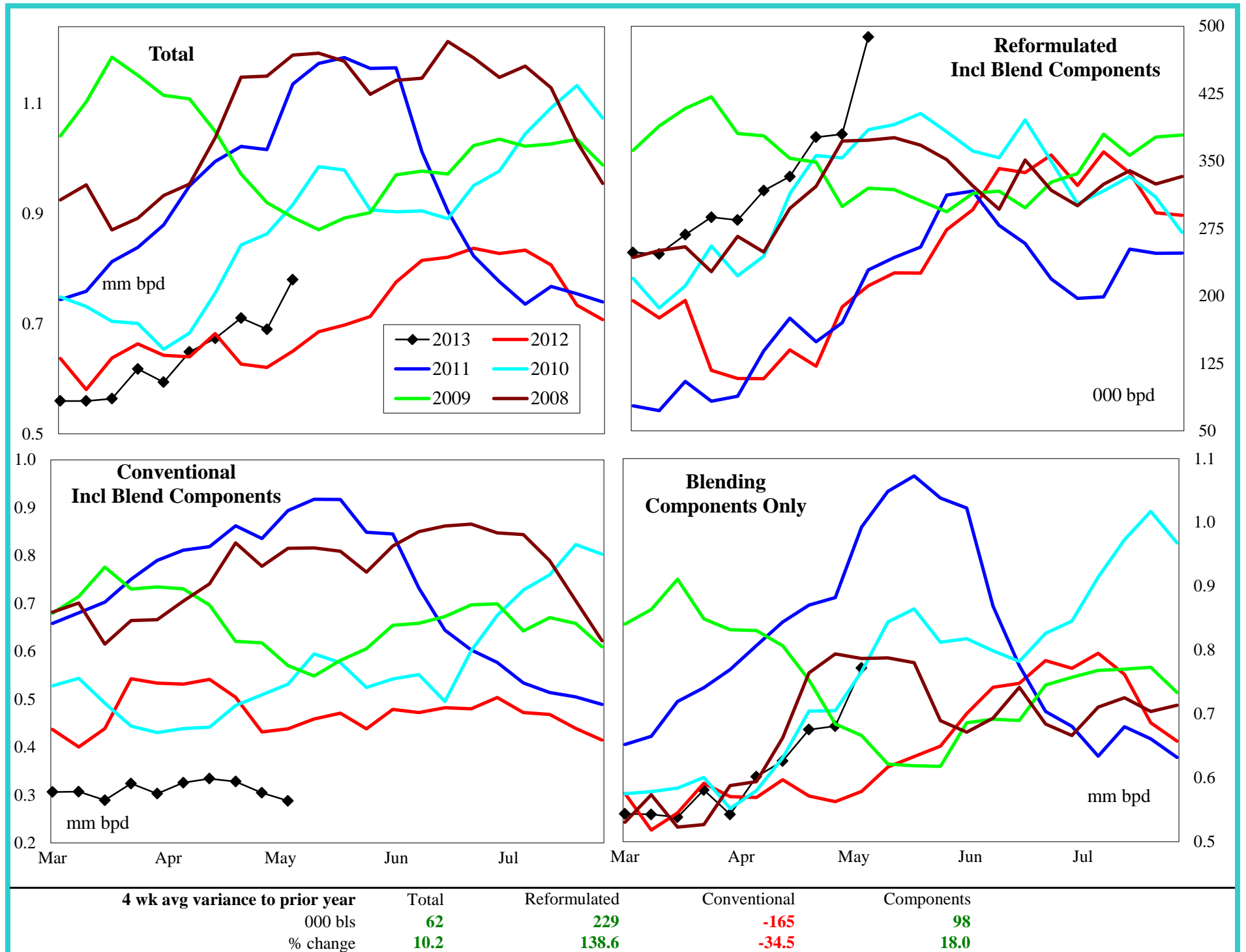
United States Reformulated Gasoline Supply



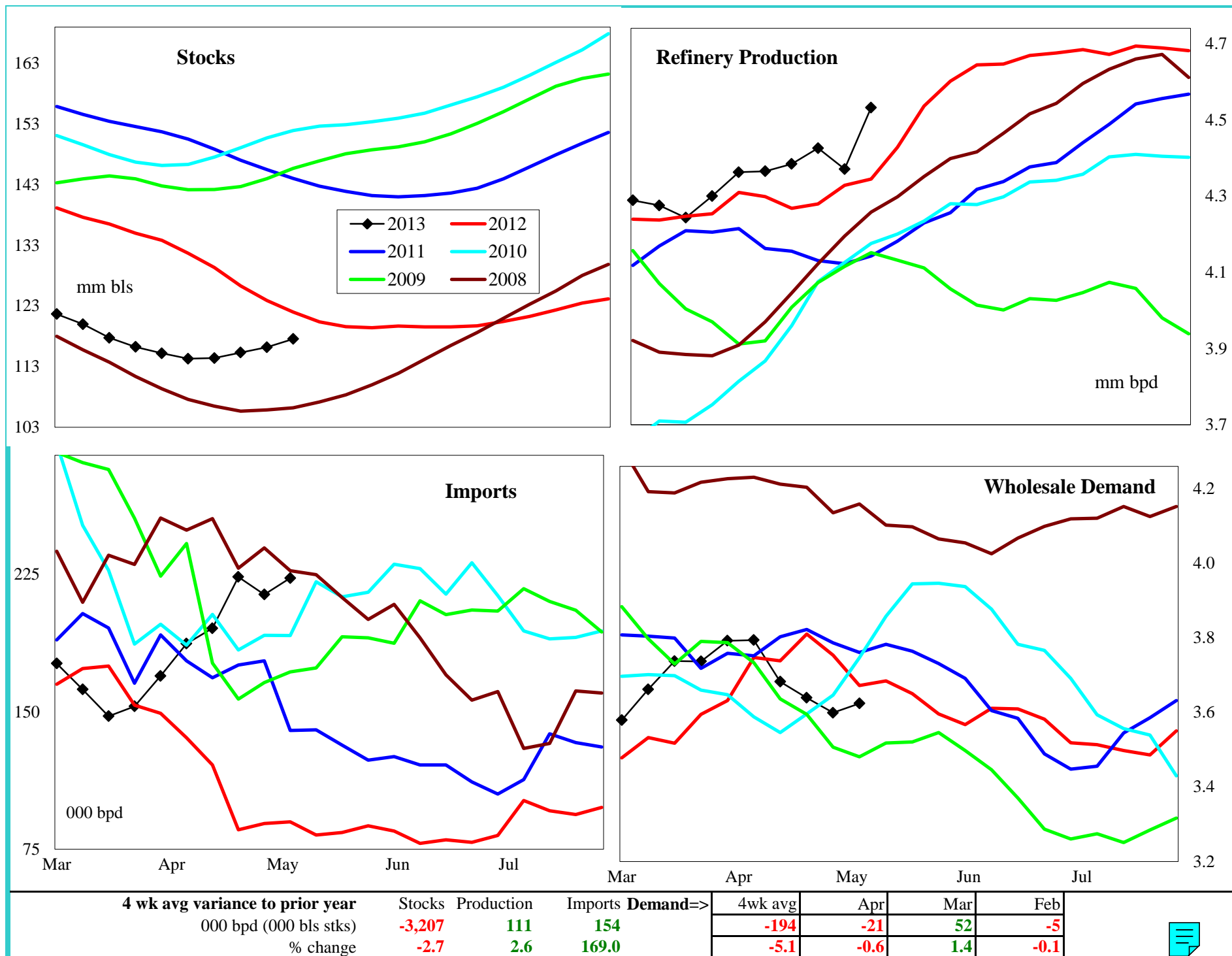
United States Conventional Gasoline Supply



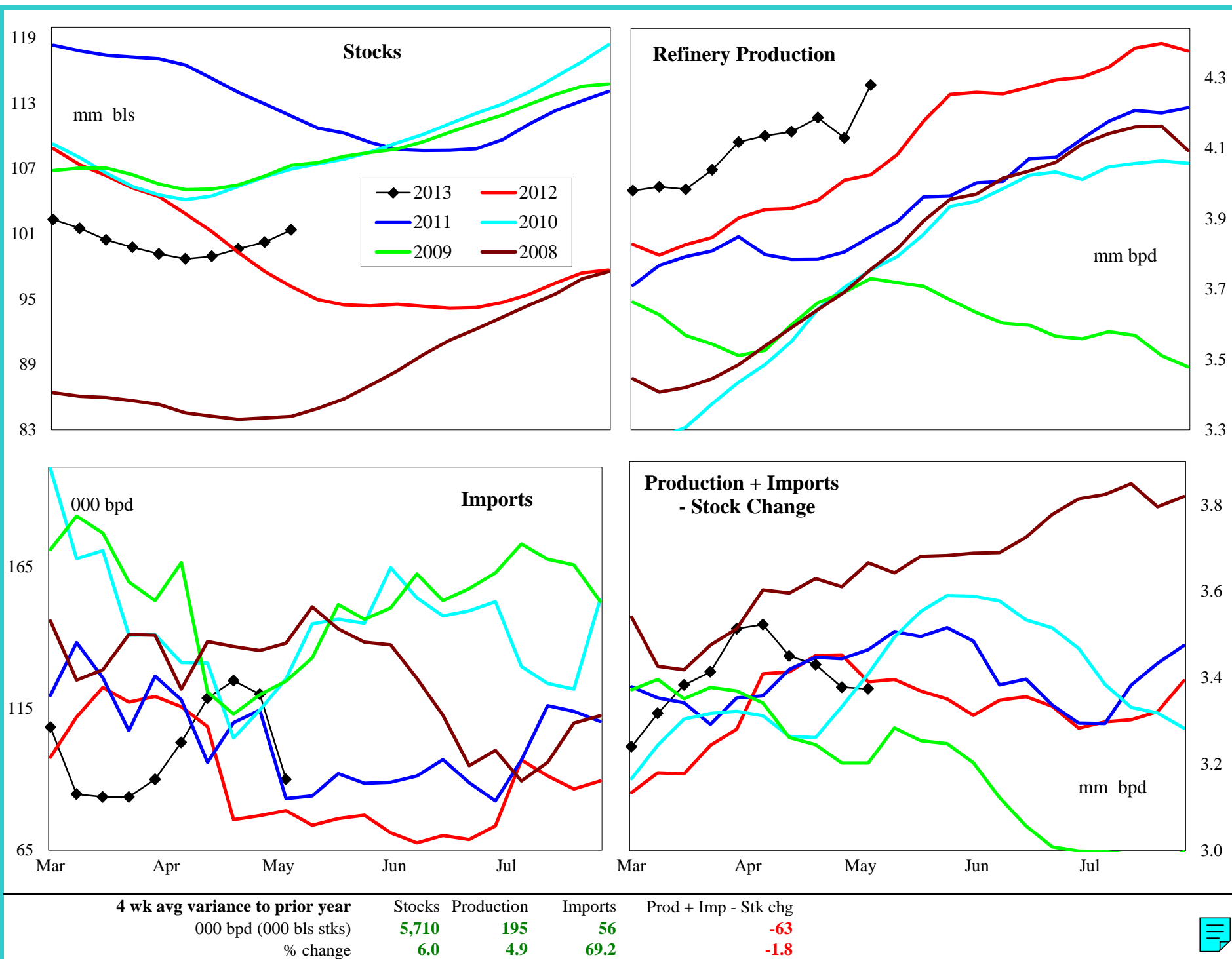
United States Gasoline Imports by Type



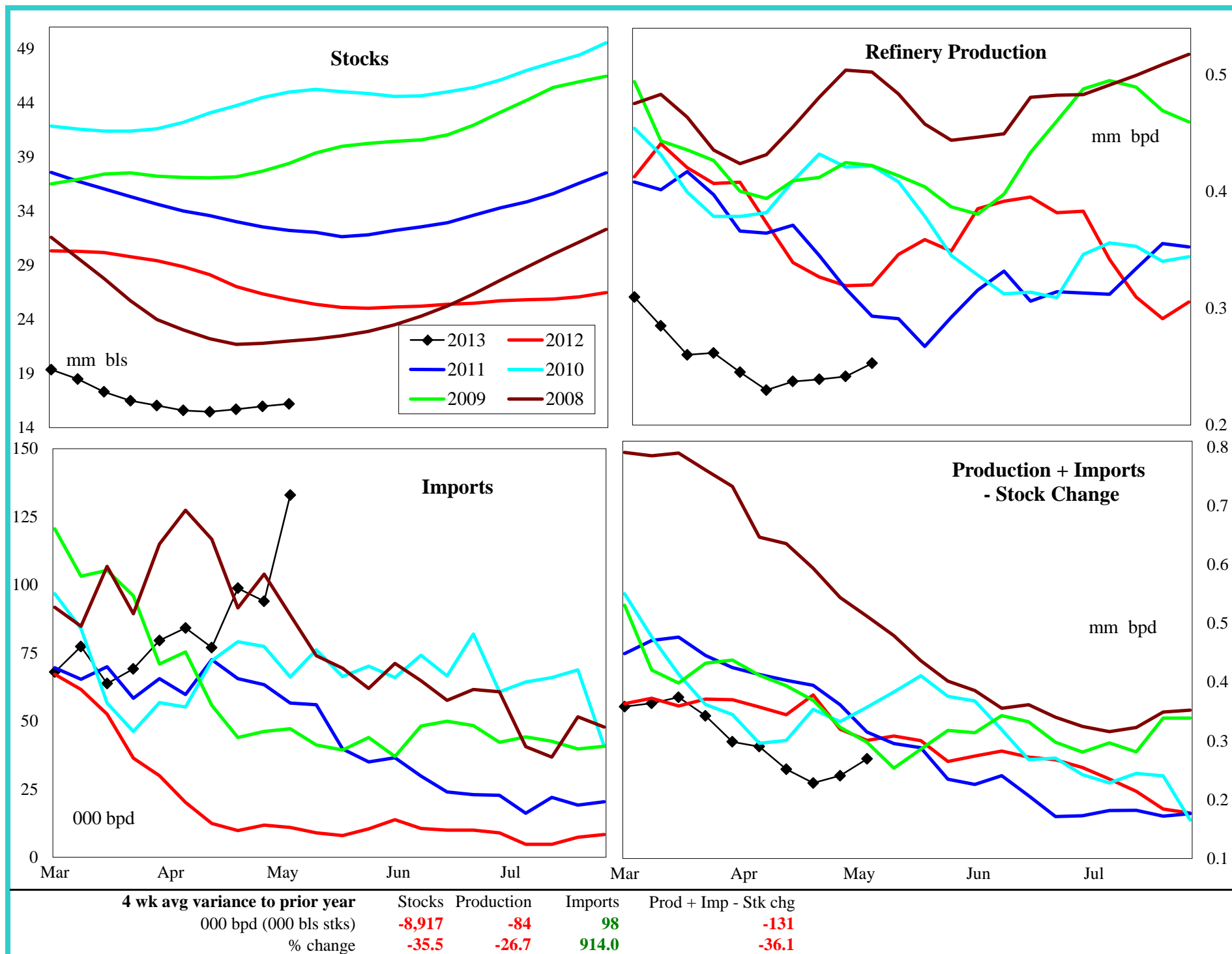
United States Distillate Supply and Demand Balance



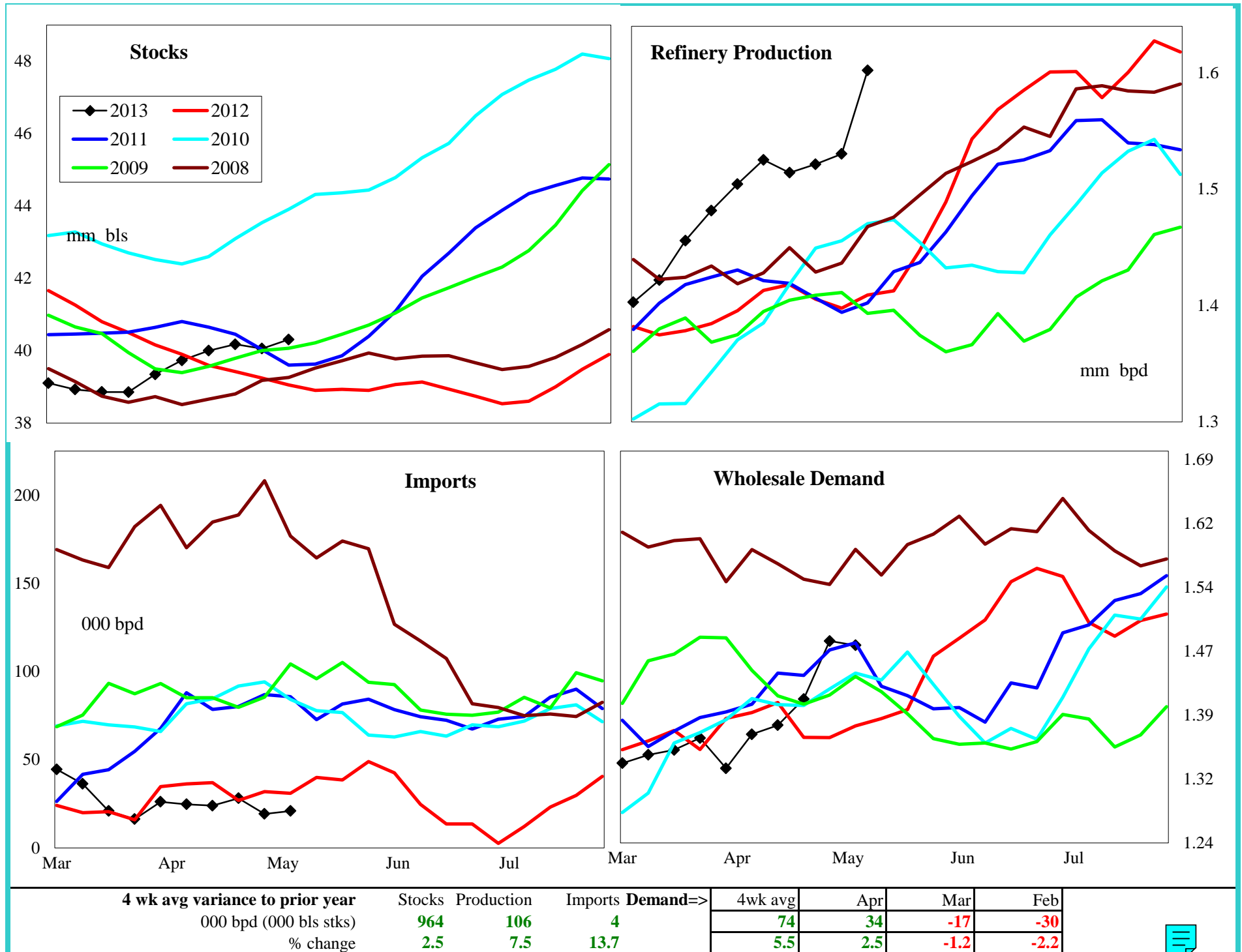
United States Low Sulfur Distillate Supply



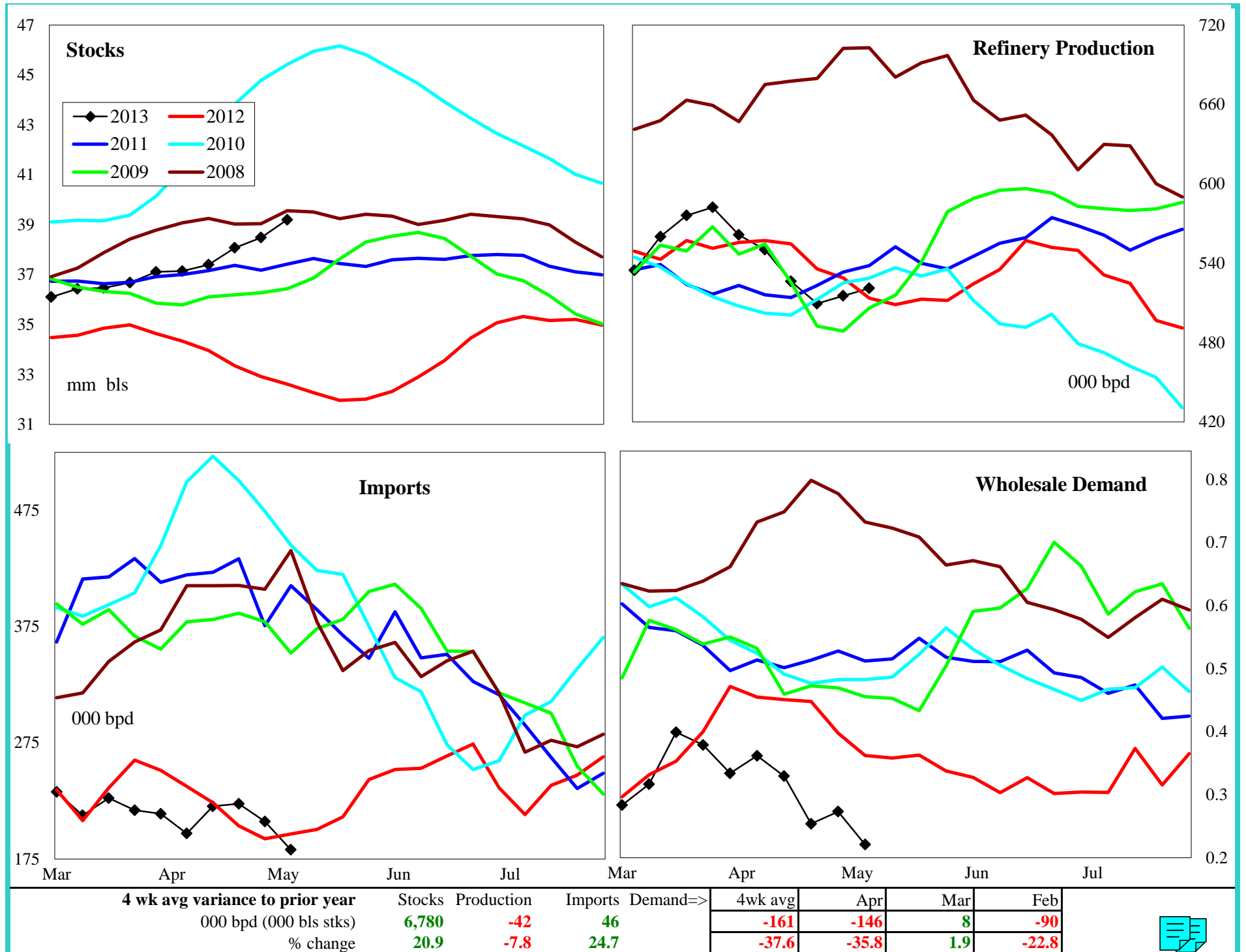
United States High Sulfur Distillate Supply



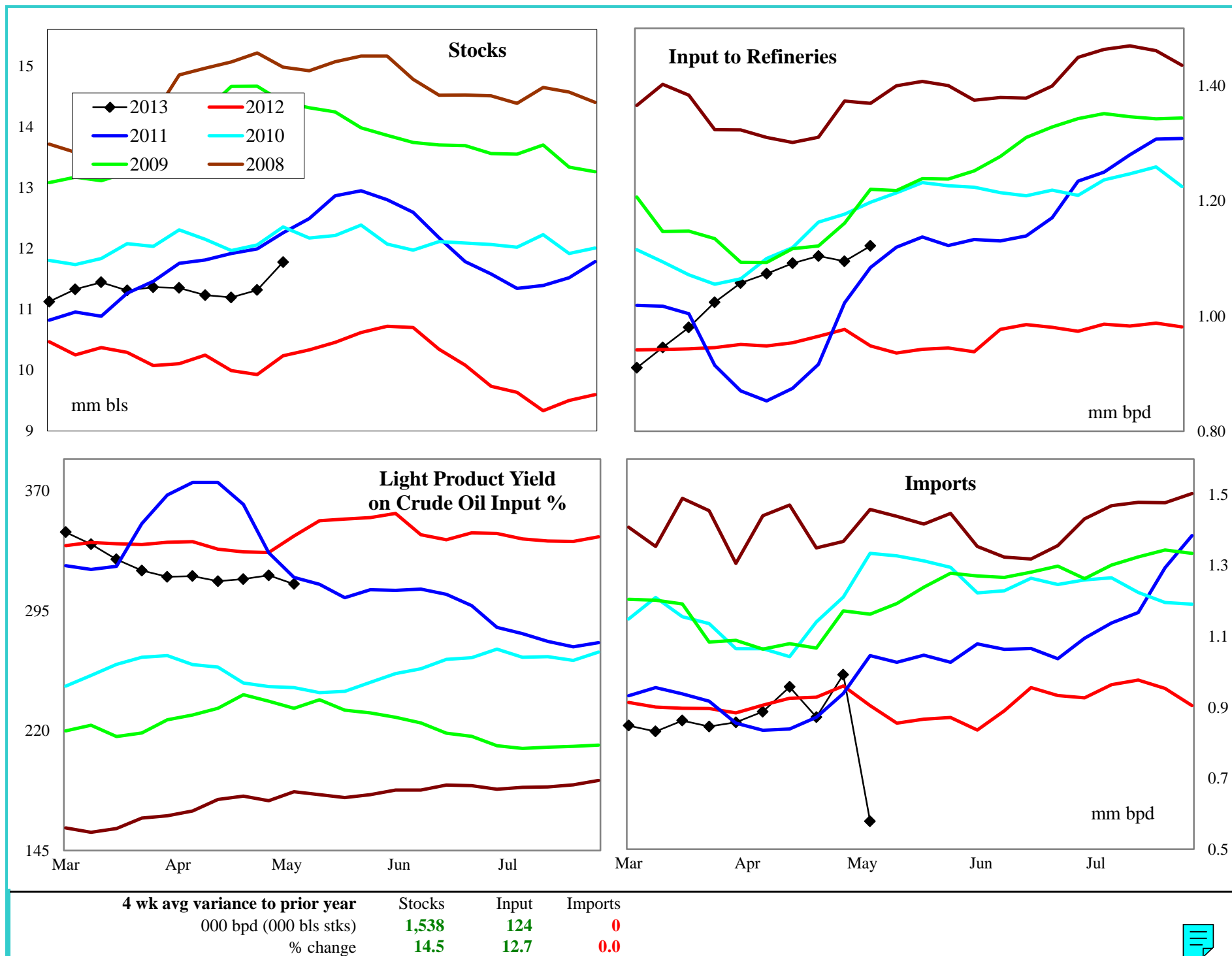
United States Jet Fuel Supply and Demand Balance



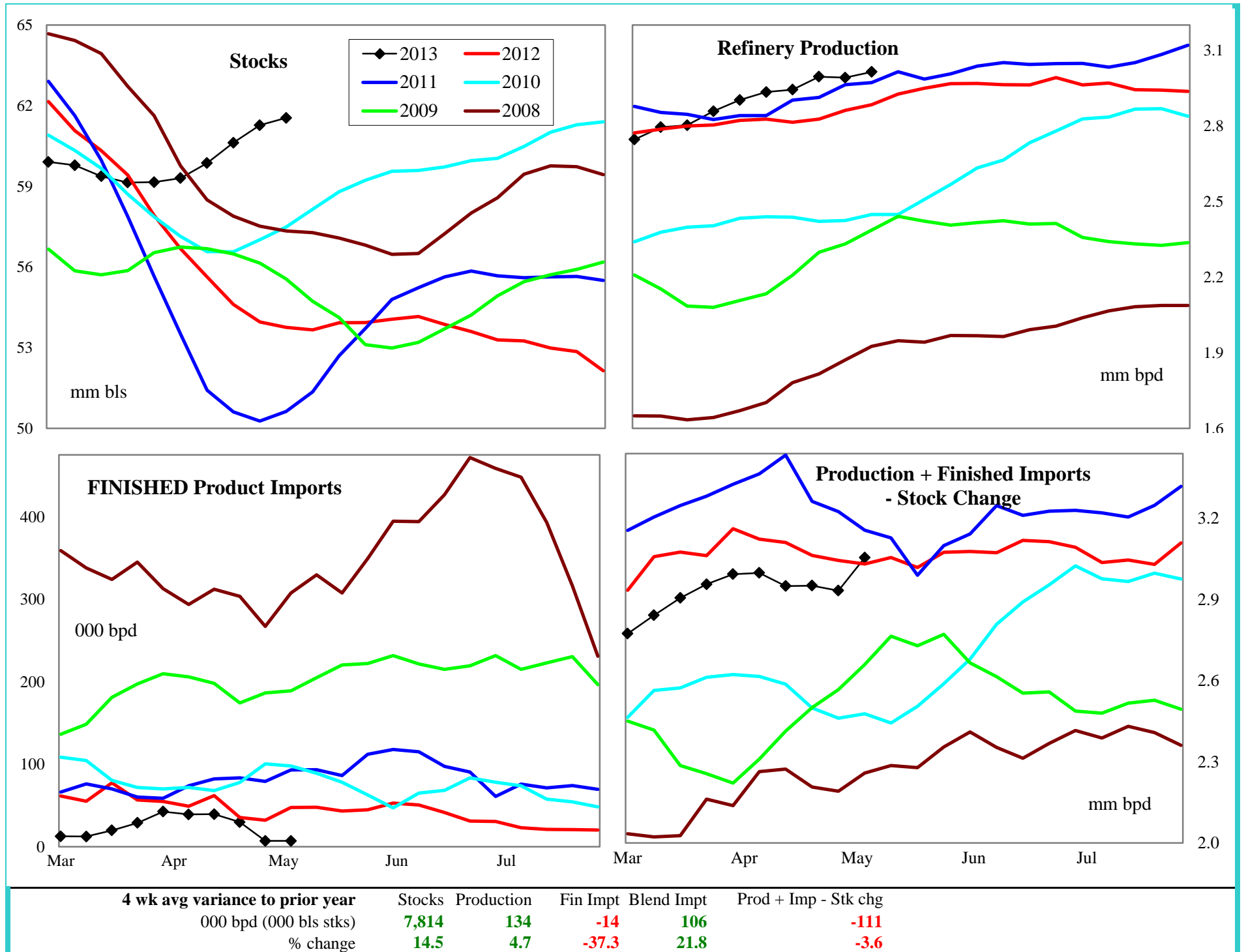
United States Residual Fuel Oil Supply and Demand Balance



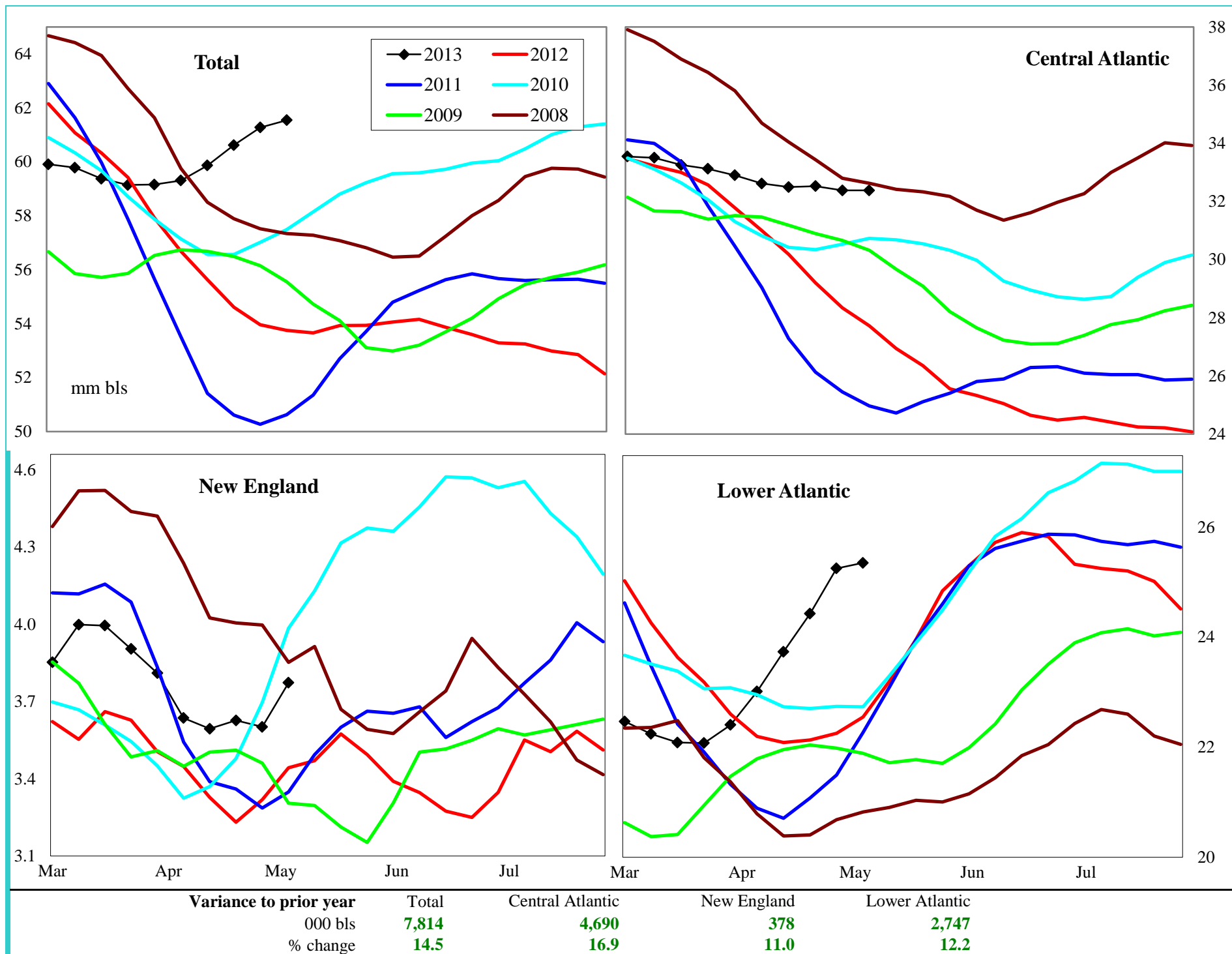
PADD 1 Crude Oil Supply and Refining



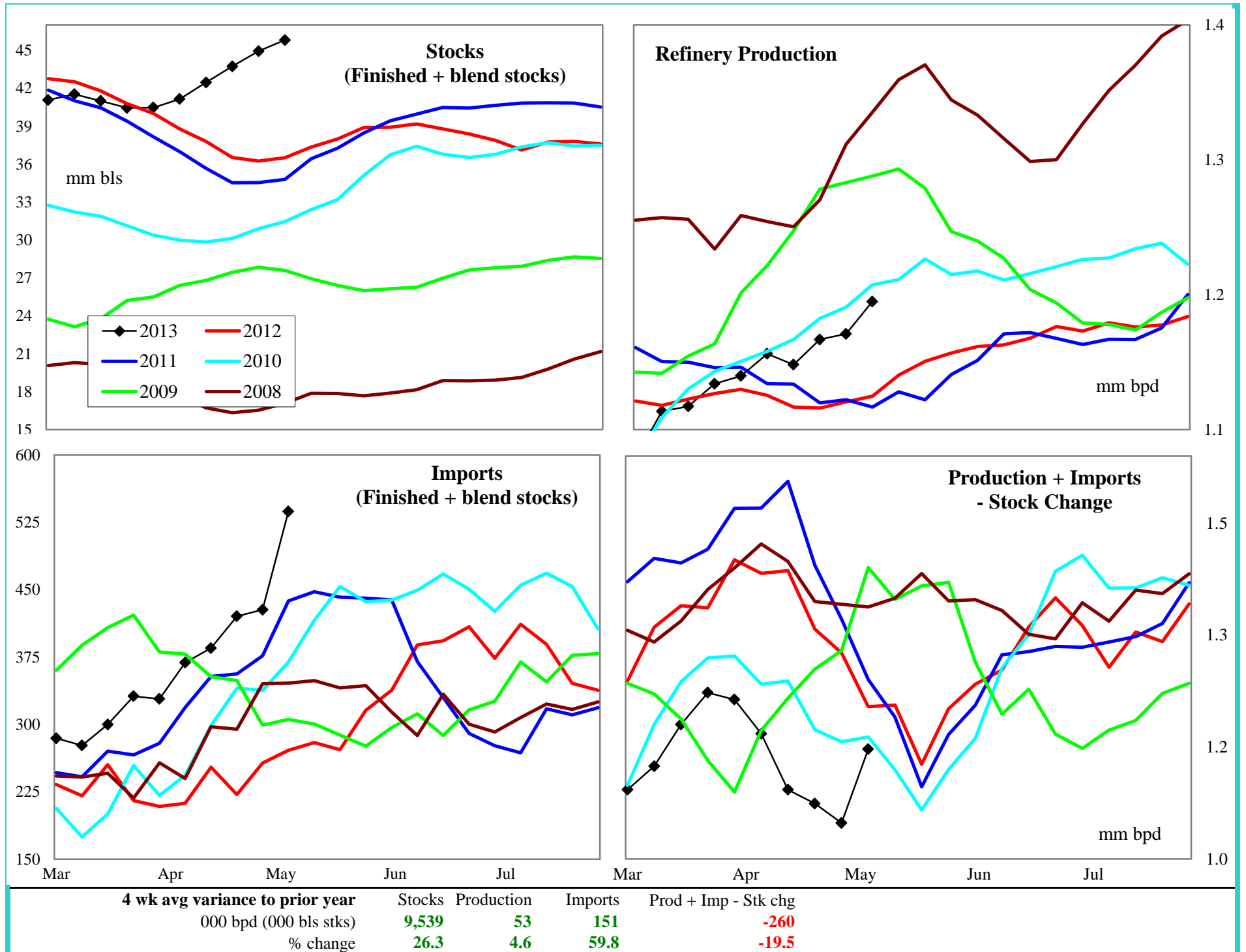
PADD 1 Gasoline Supply



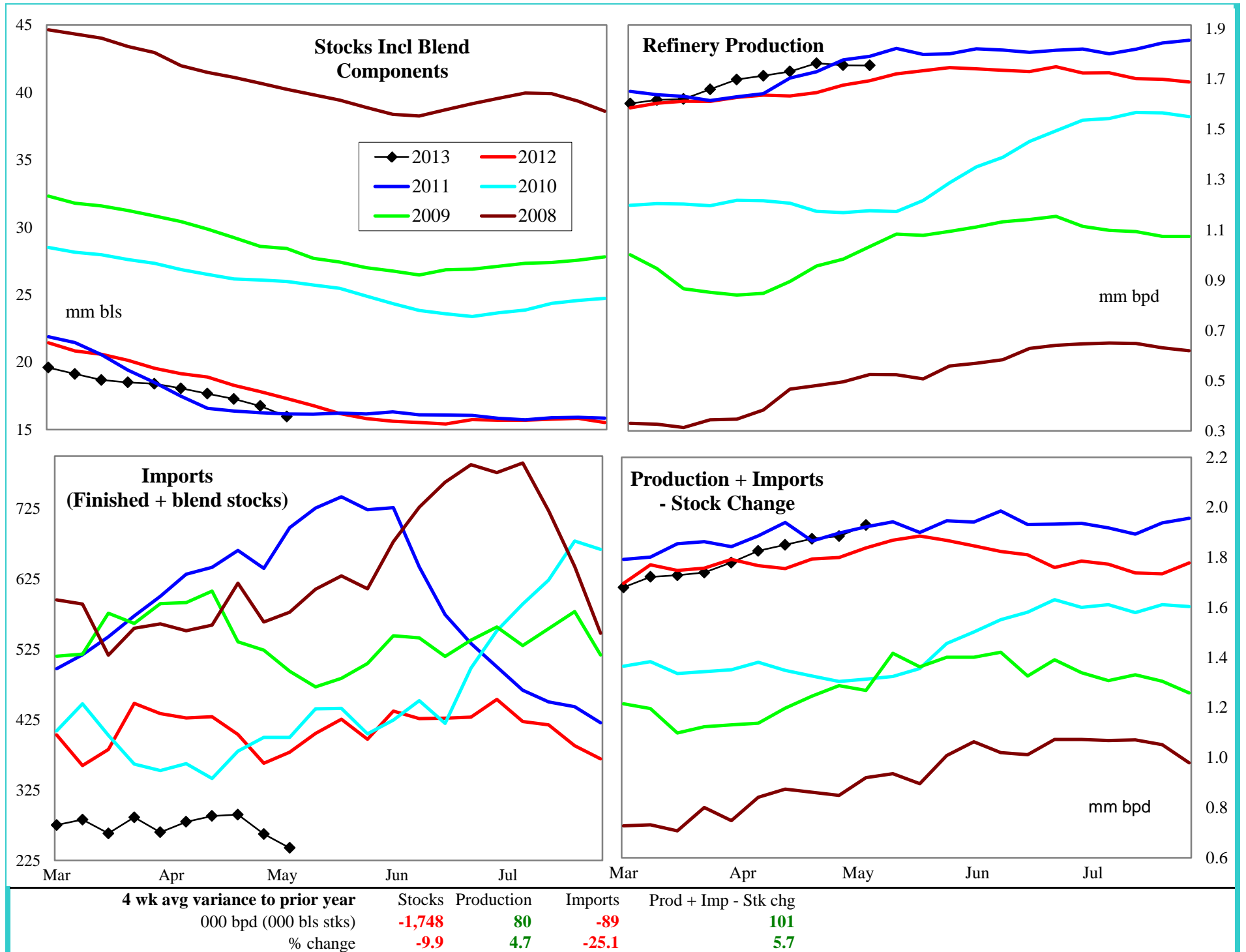
PADD 1 Gasoline Stocks by Region



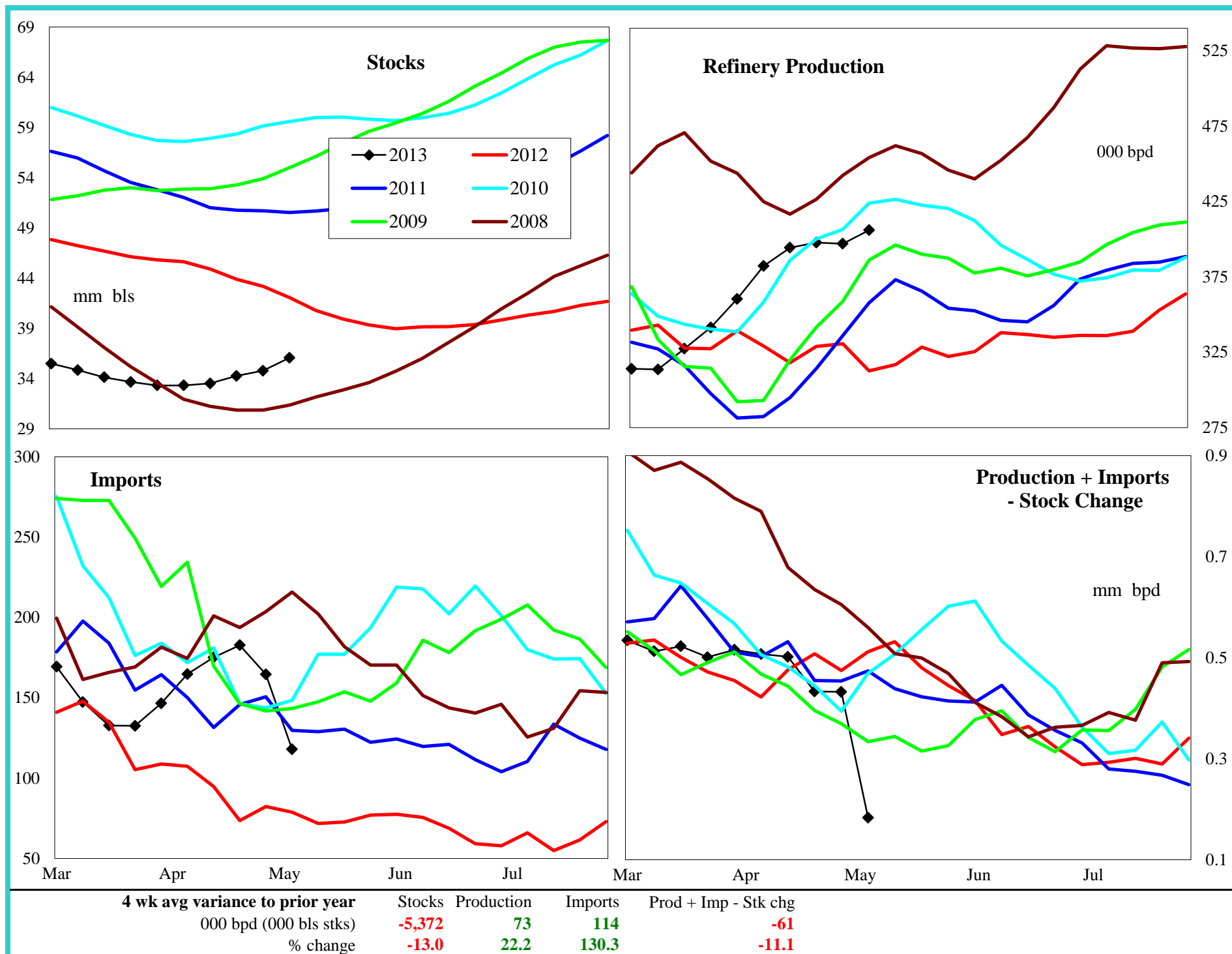
PADD 1 Reformulated Gasoline Supply



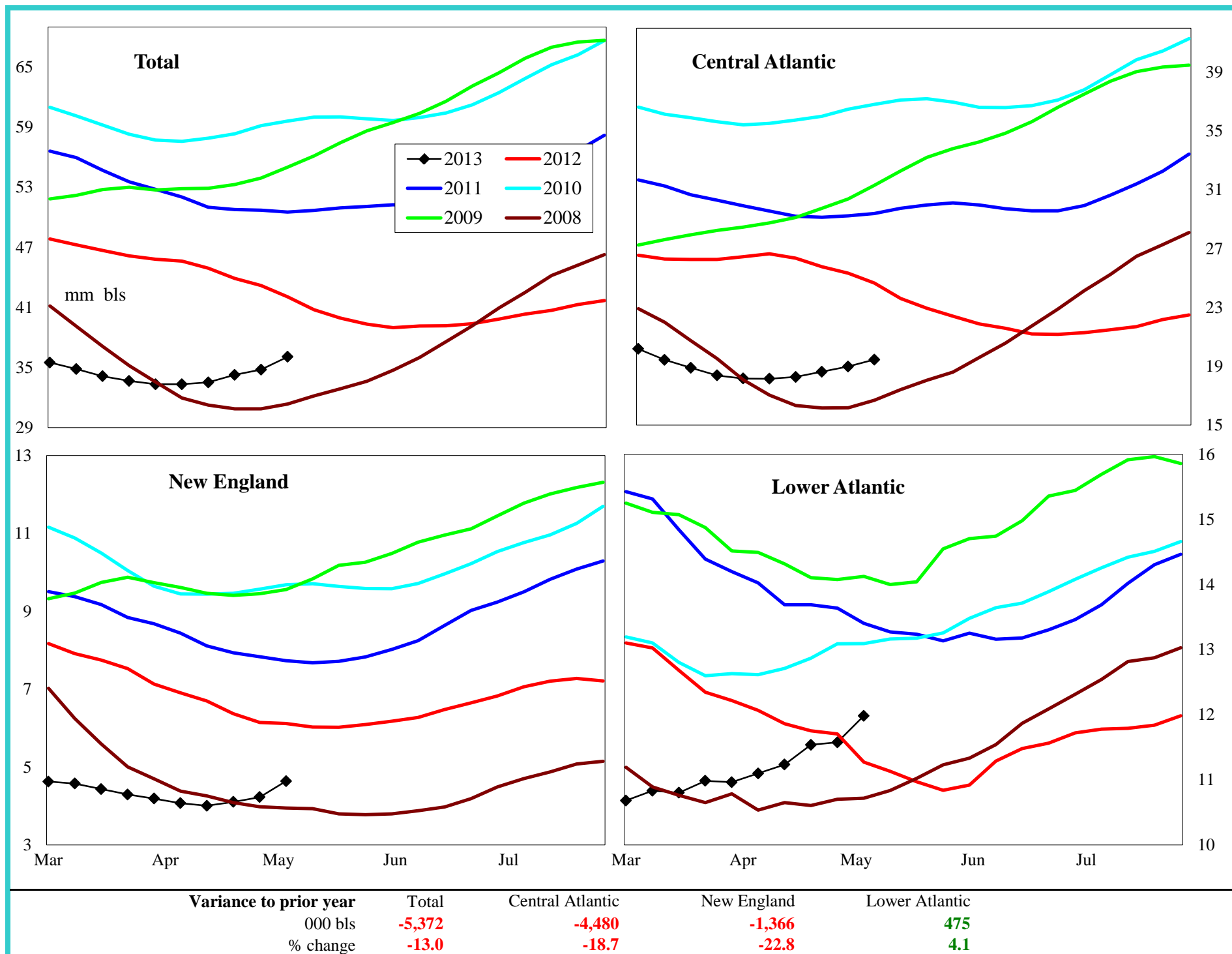
PADD 1 Conventional Gasoline Supply



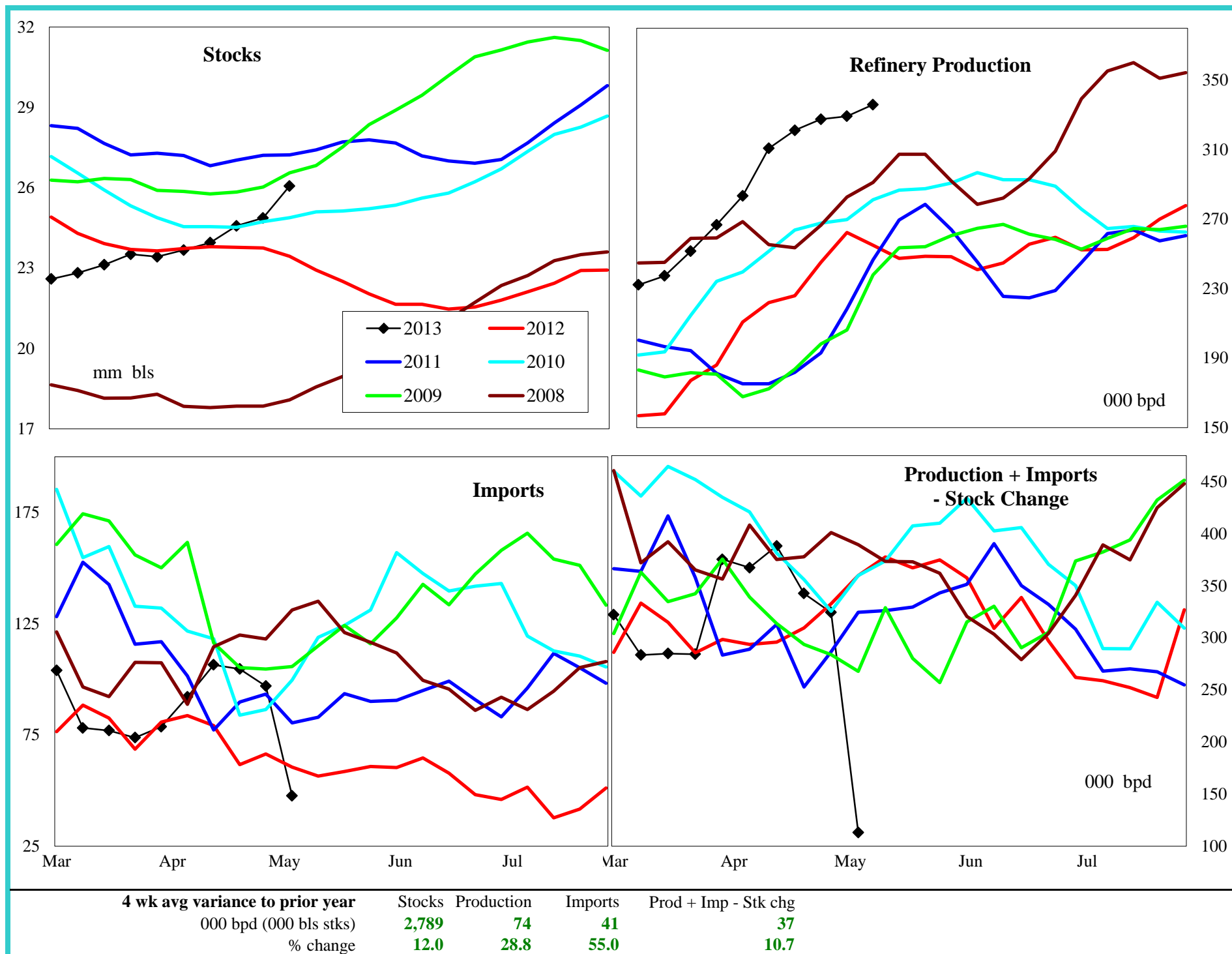
PADD 1 Distillate Supply



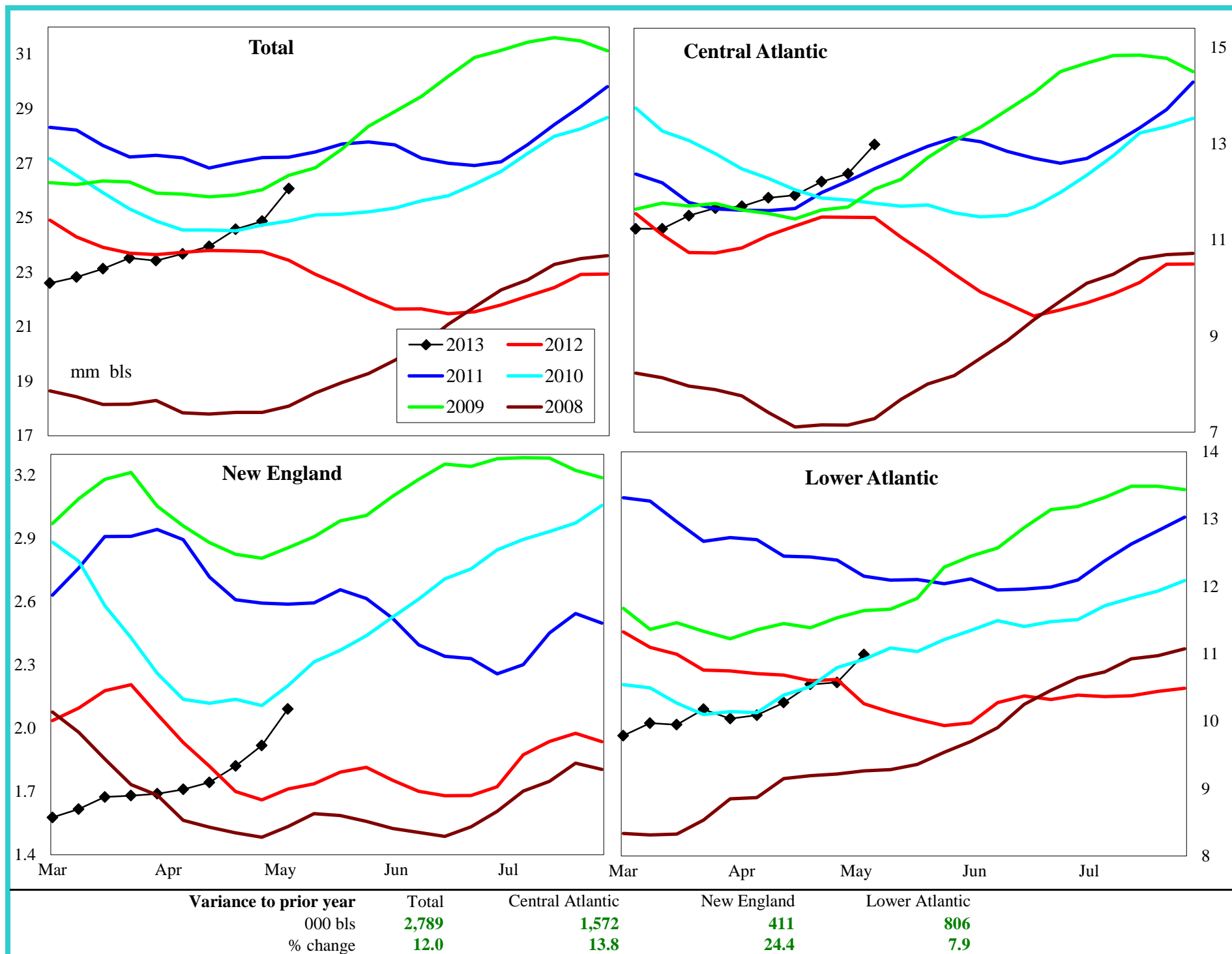
PADD 1 Distillate Stocks by Region



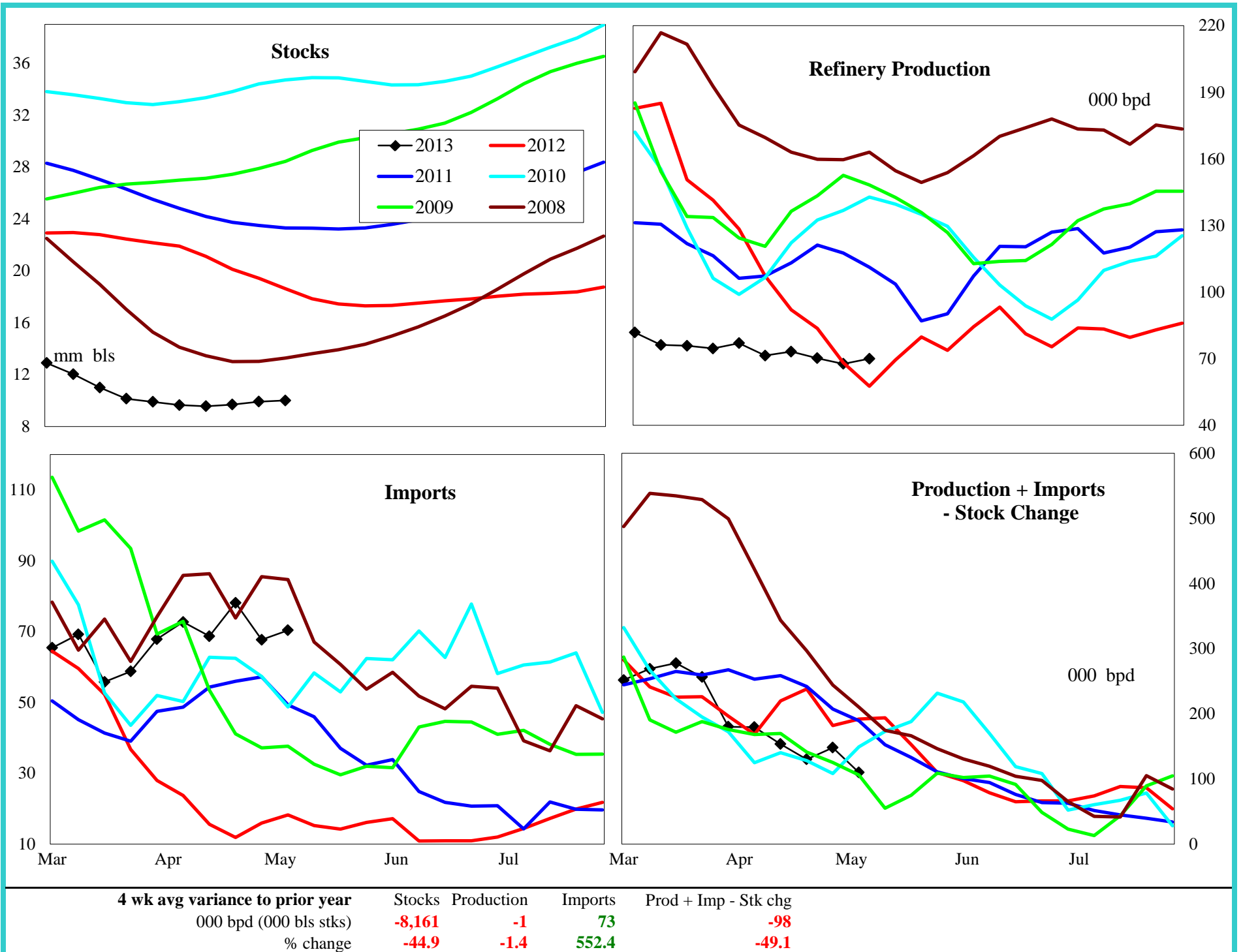
PADD 1 Low Sulfur Distillate Supply



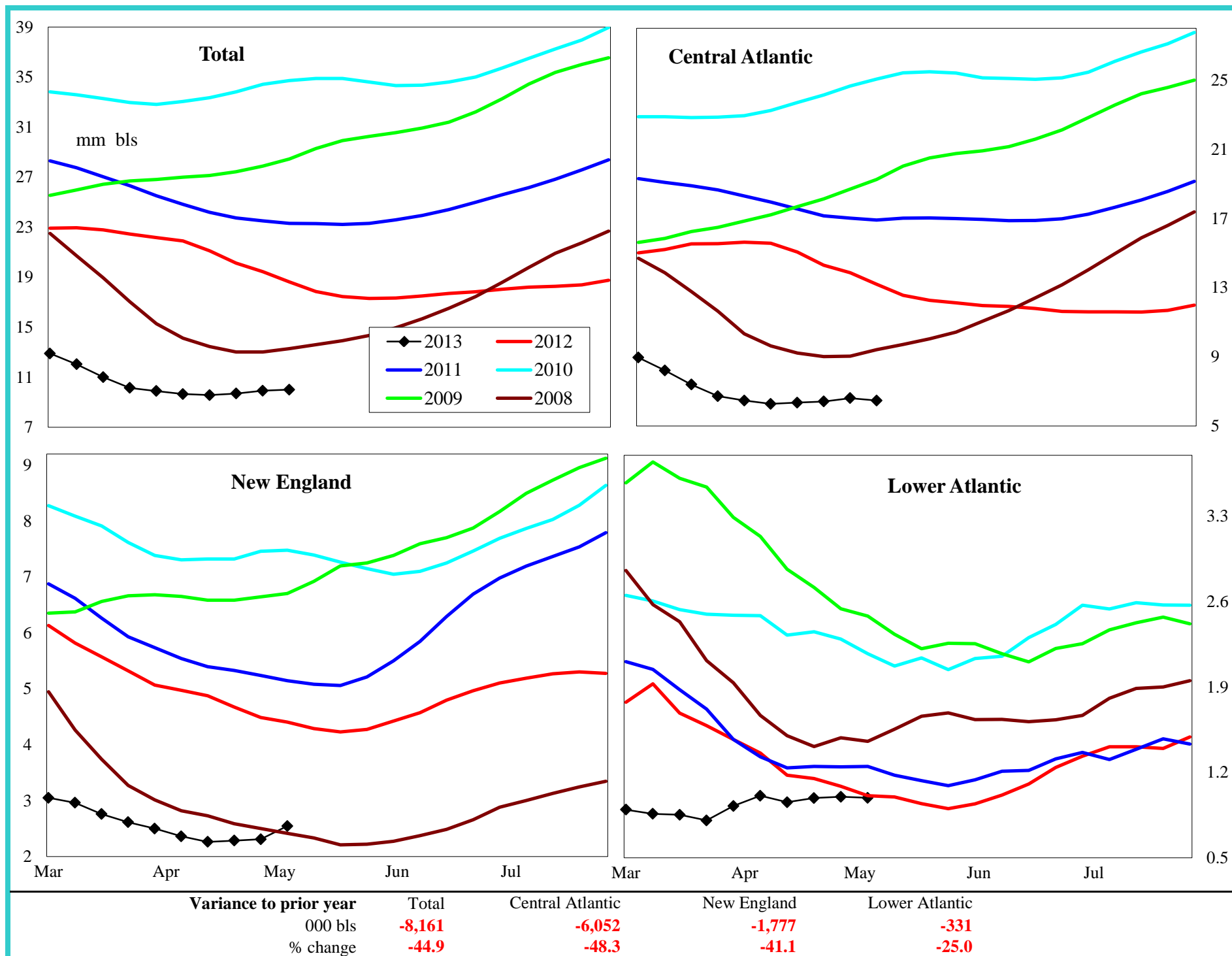
PADD 1 Low Sulfur Distillate Stocks by Region



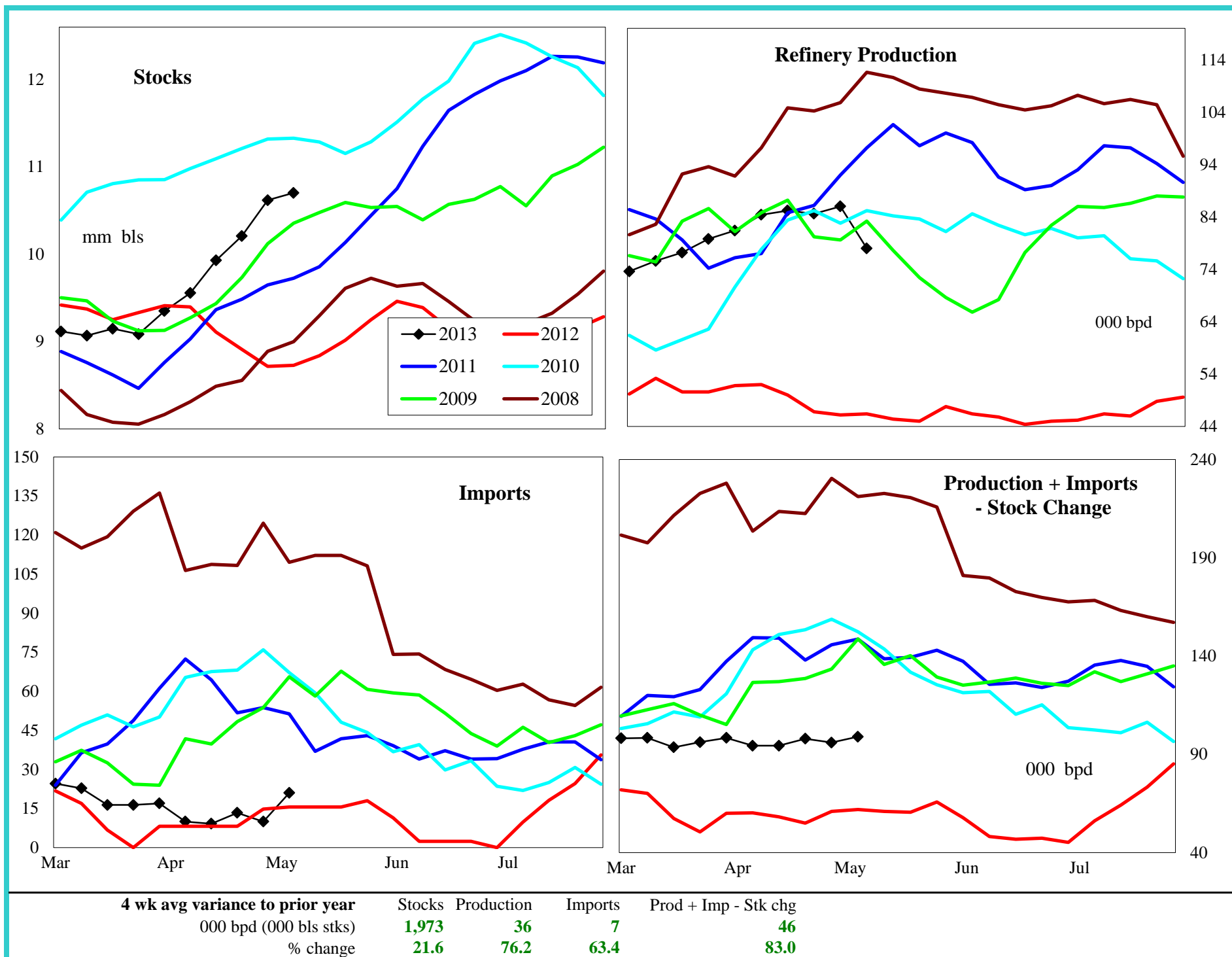
PADD 1 High Sulfur Distillate Supply



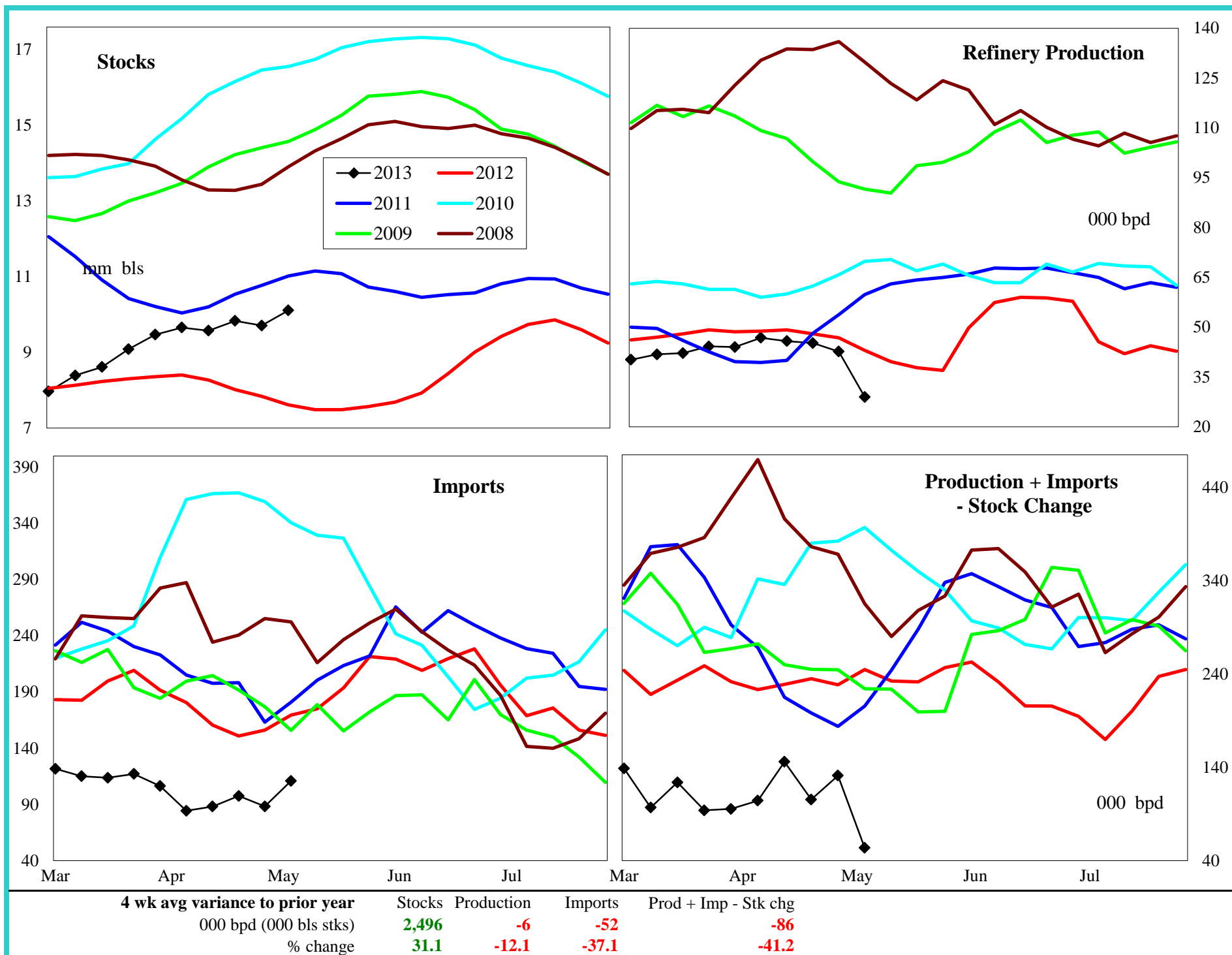
PADD 1 High Sulfur Distillate Stocks by Region



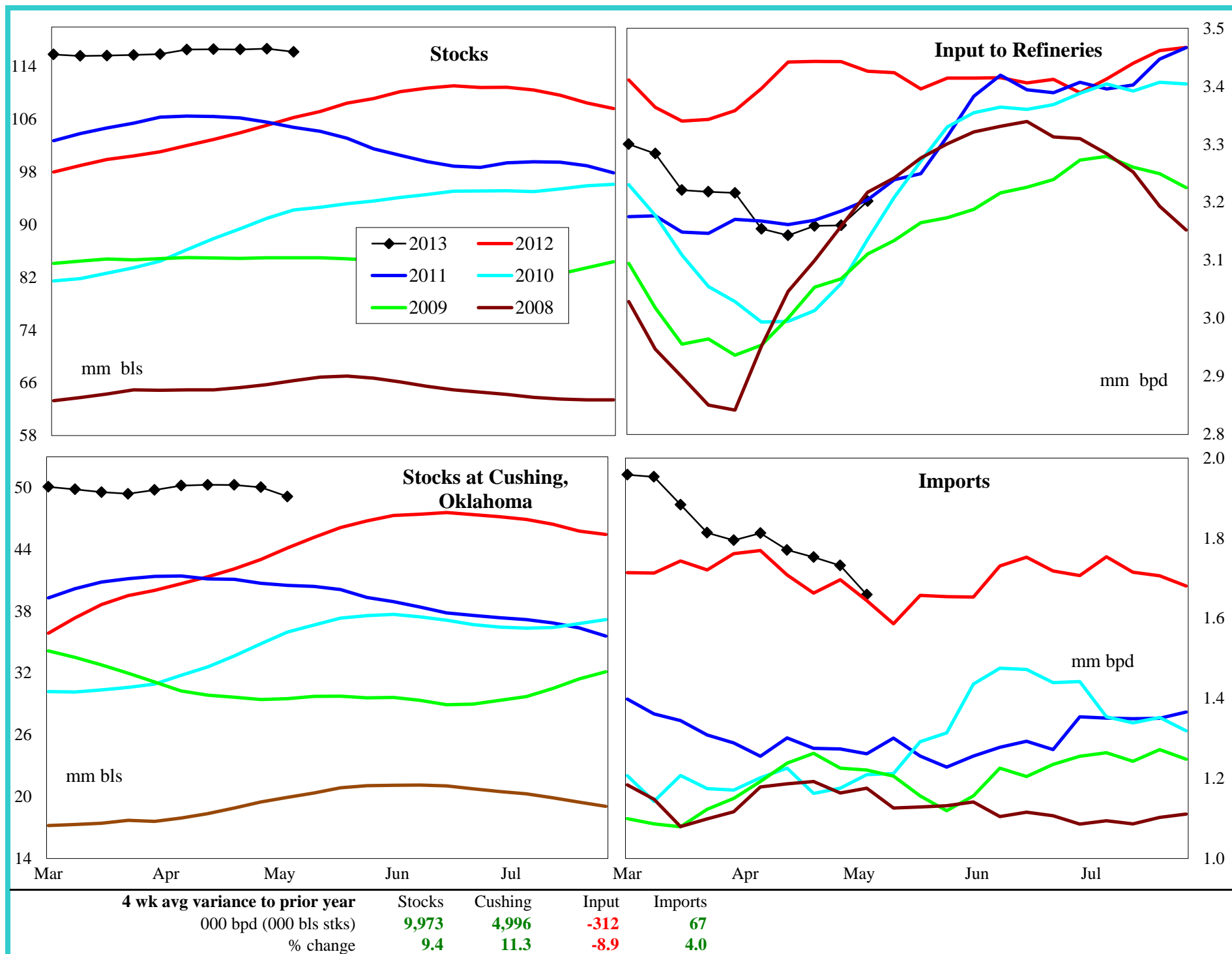
PADD 1 Jet Fuel Supply



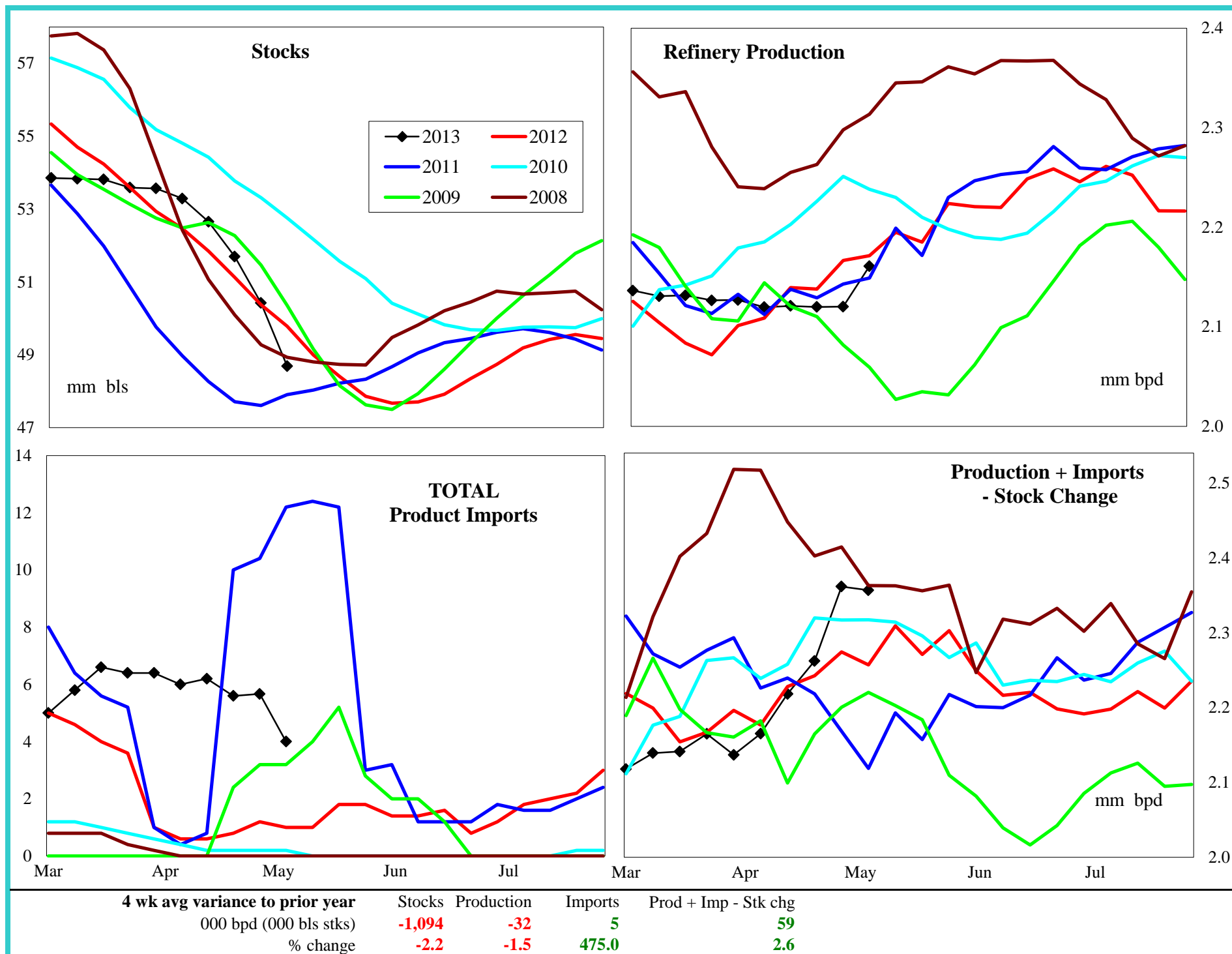
PADD 1 Residual Fuel Oil Supply



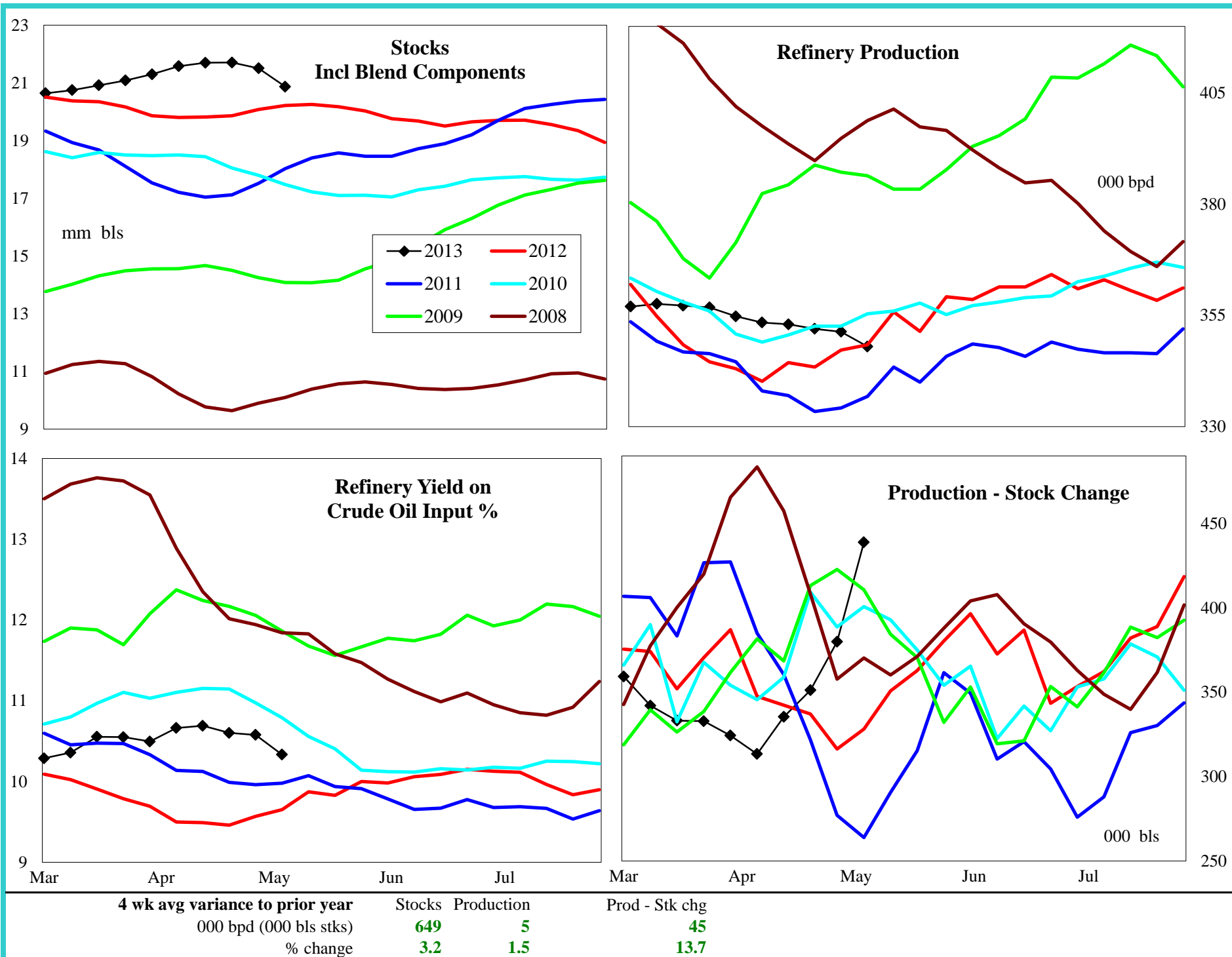
PADD 2 Crude Oil Supply and Refining



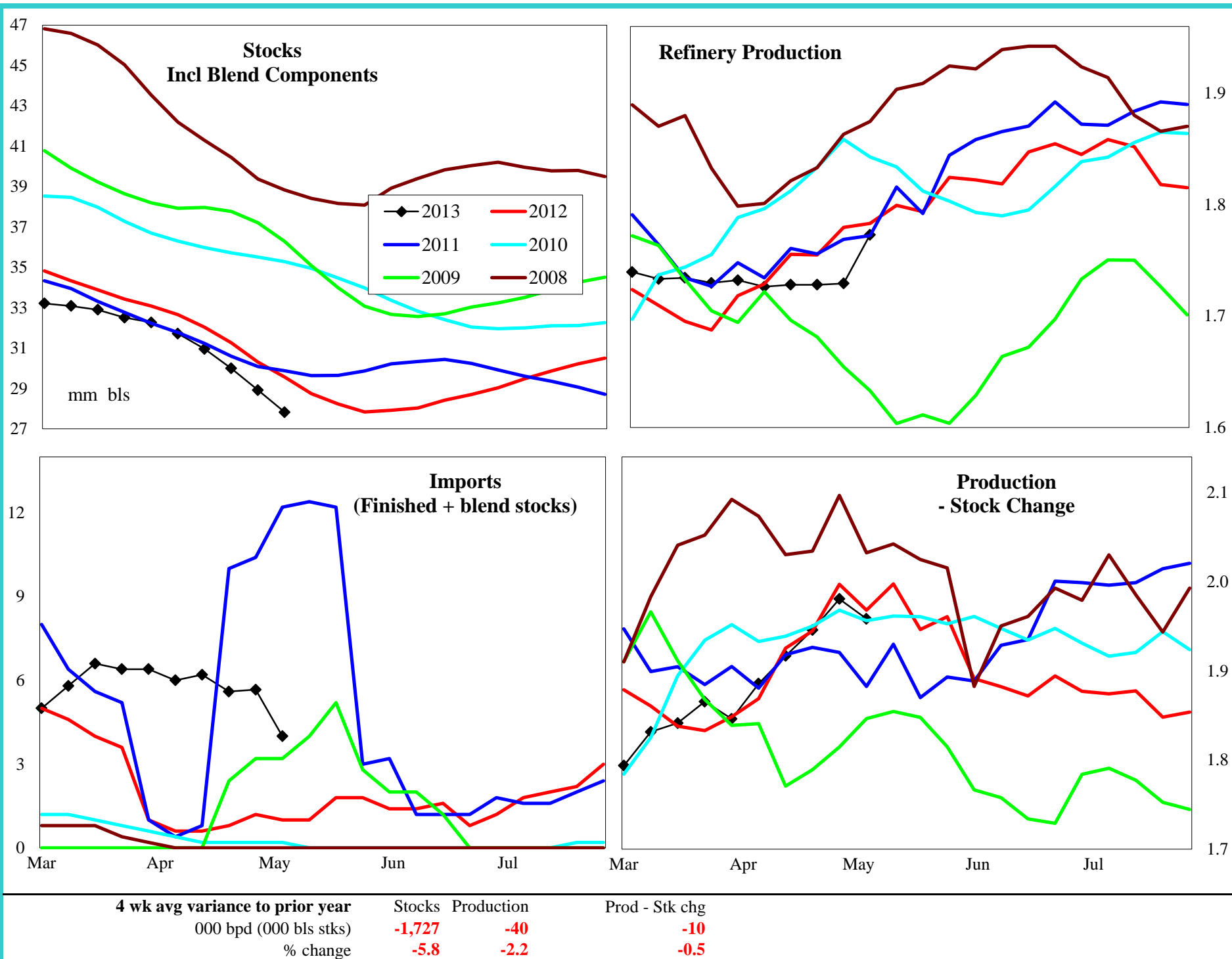
PADD 2 Gasoline Supply



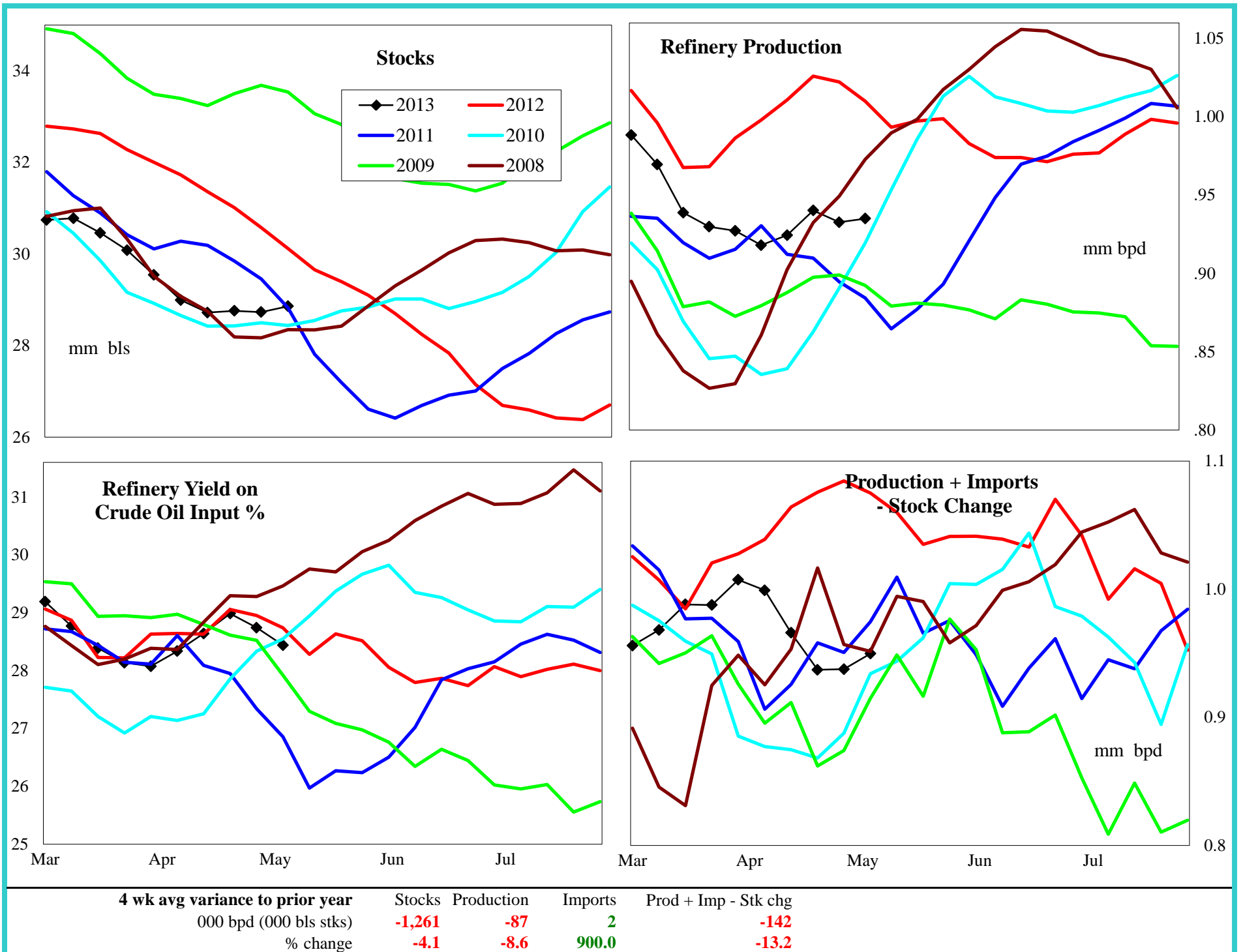
PADD 2 Reformulated Gasoline Supply



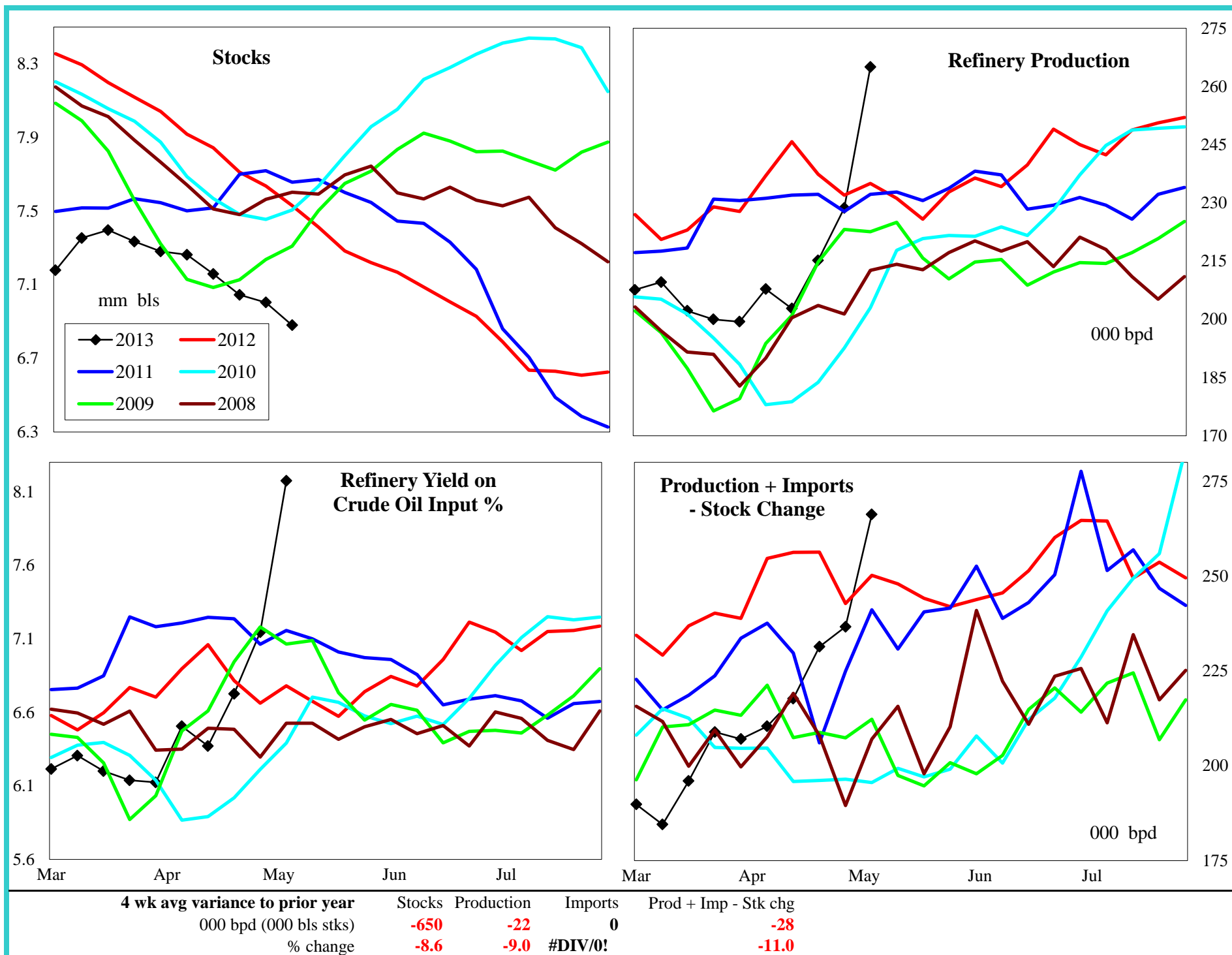
PADD 2 Conventional Gasoline Supply



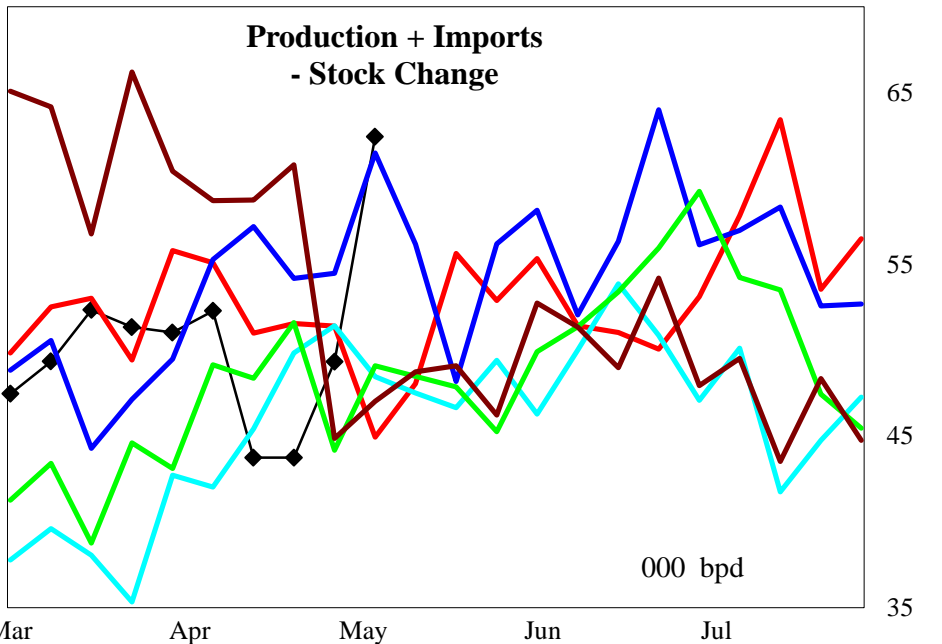
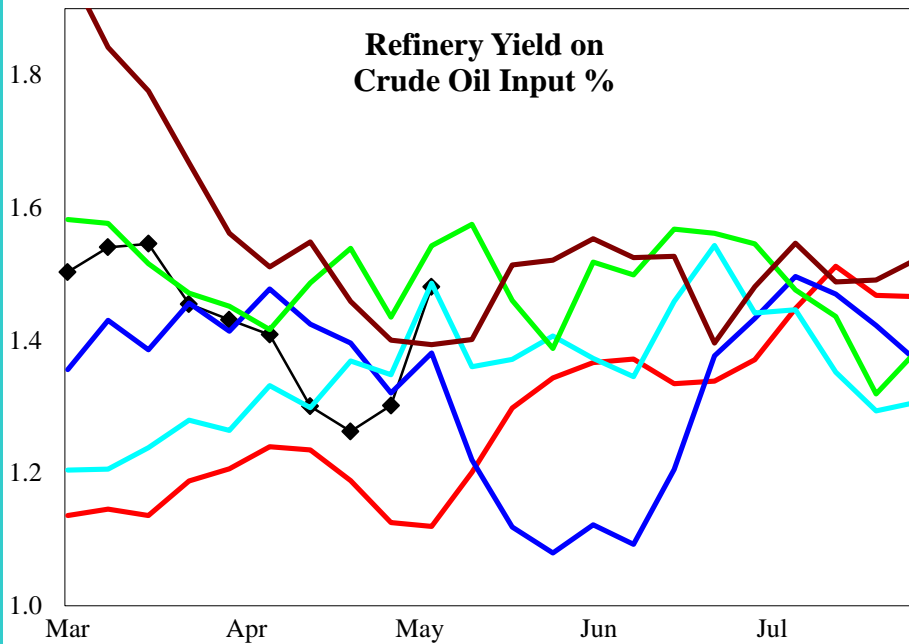
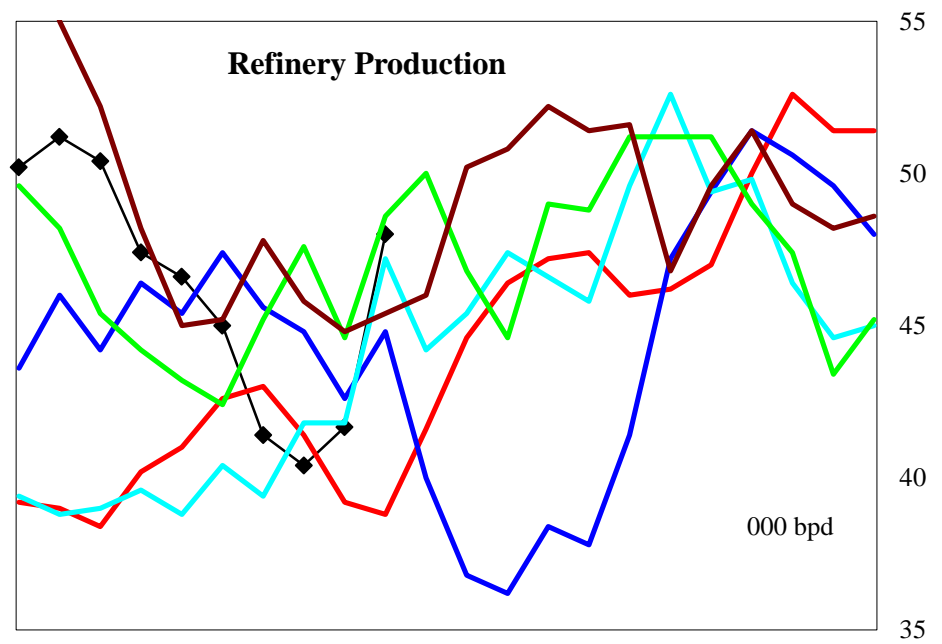
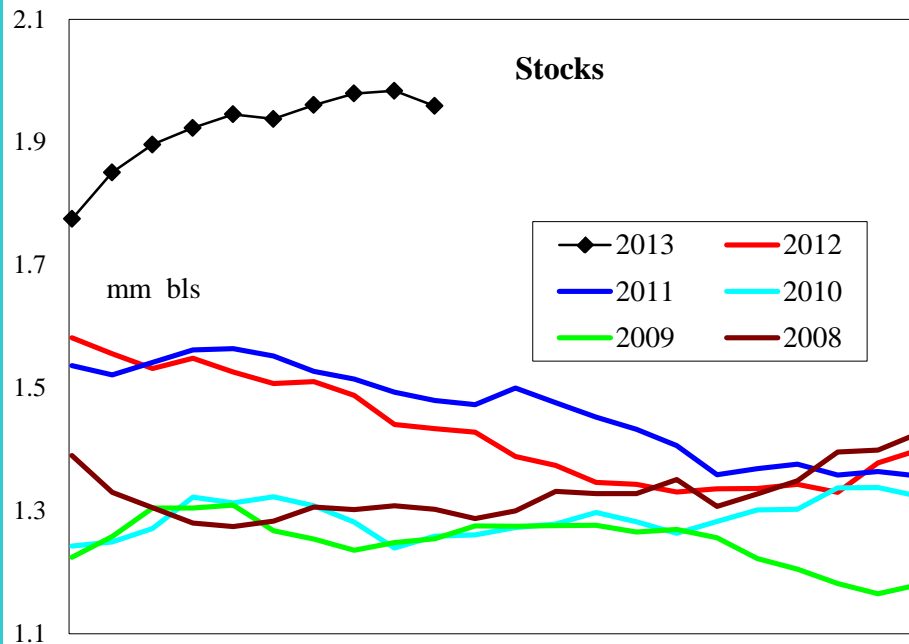
PADD 2 Distillate Supply



PADD 2 Jet Fuel Supply



PADD 2 Residual Fuel Oil Supply



4 wk avg variance to prior year

000 bpd (000 bbls stks)

% change

Stocks

Production

Imports

Prod + Imp - Stk chg

525

-1

-1

-10

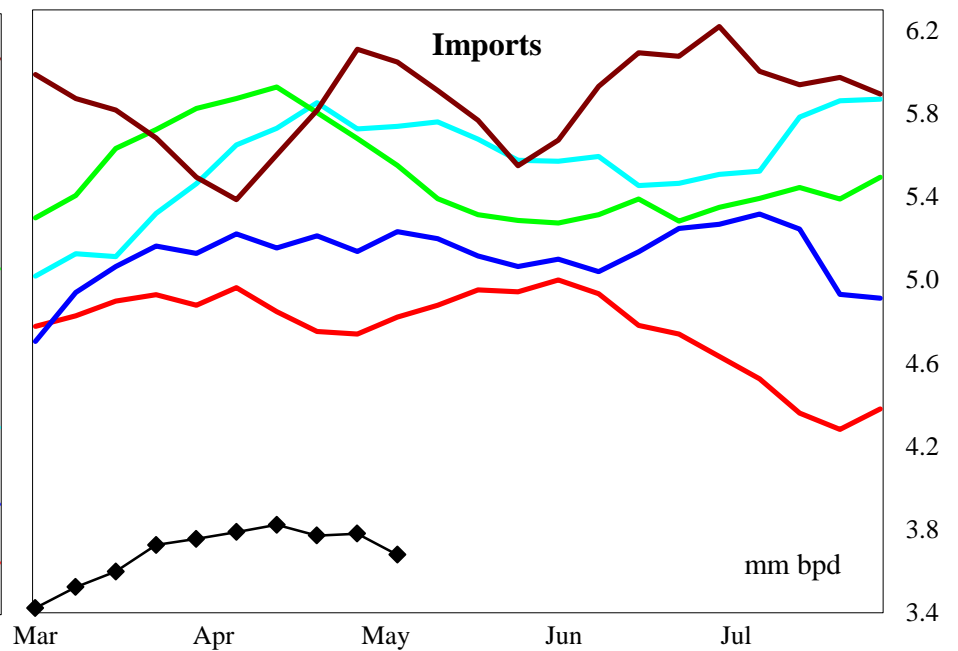
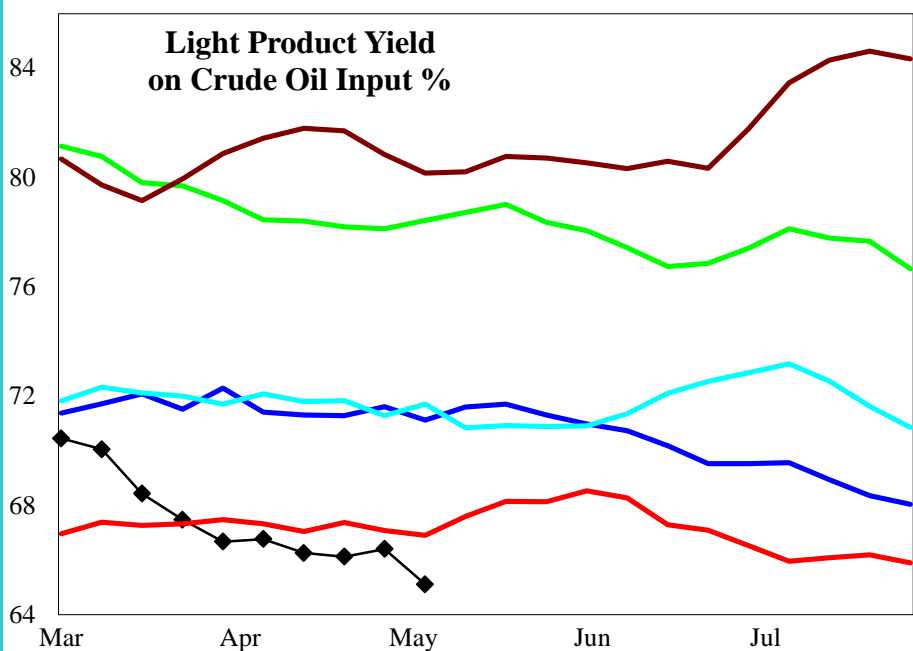
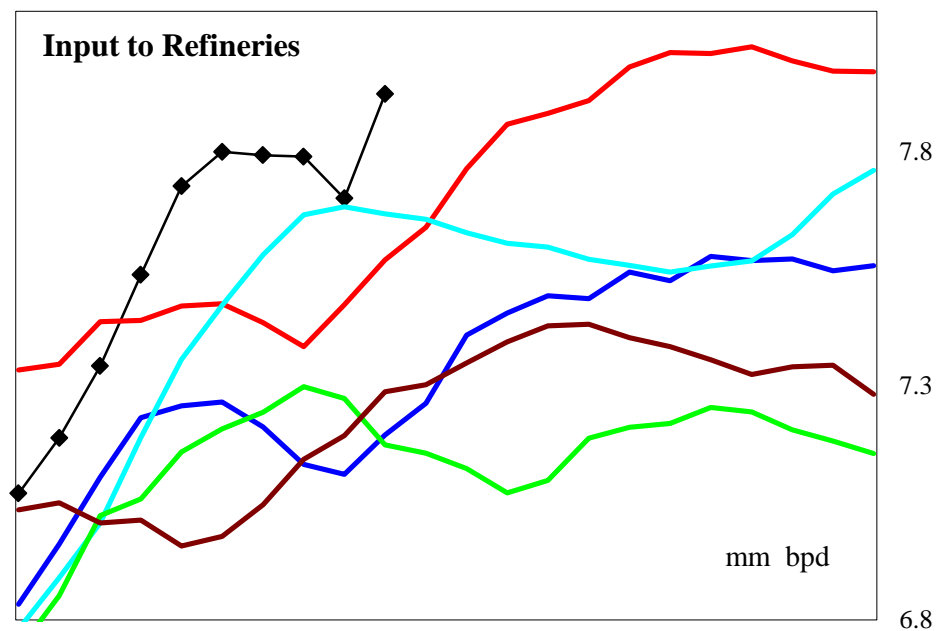
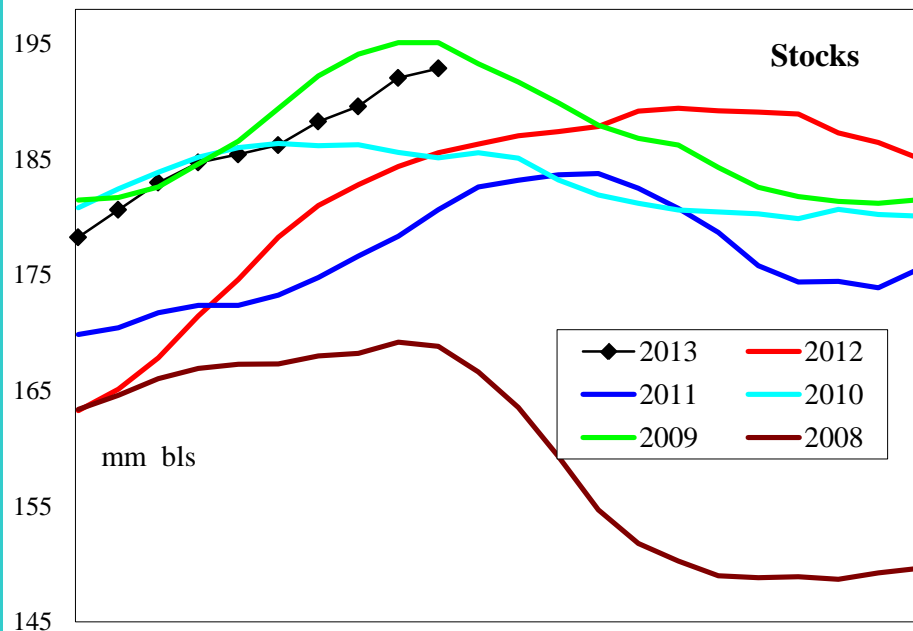
36.6

-1.9

-12.0

-19.2

PADD 3 Crude Oil Supply and Refining



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

7,301

3.9

Input

400

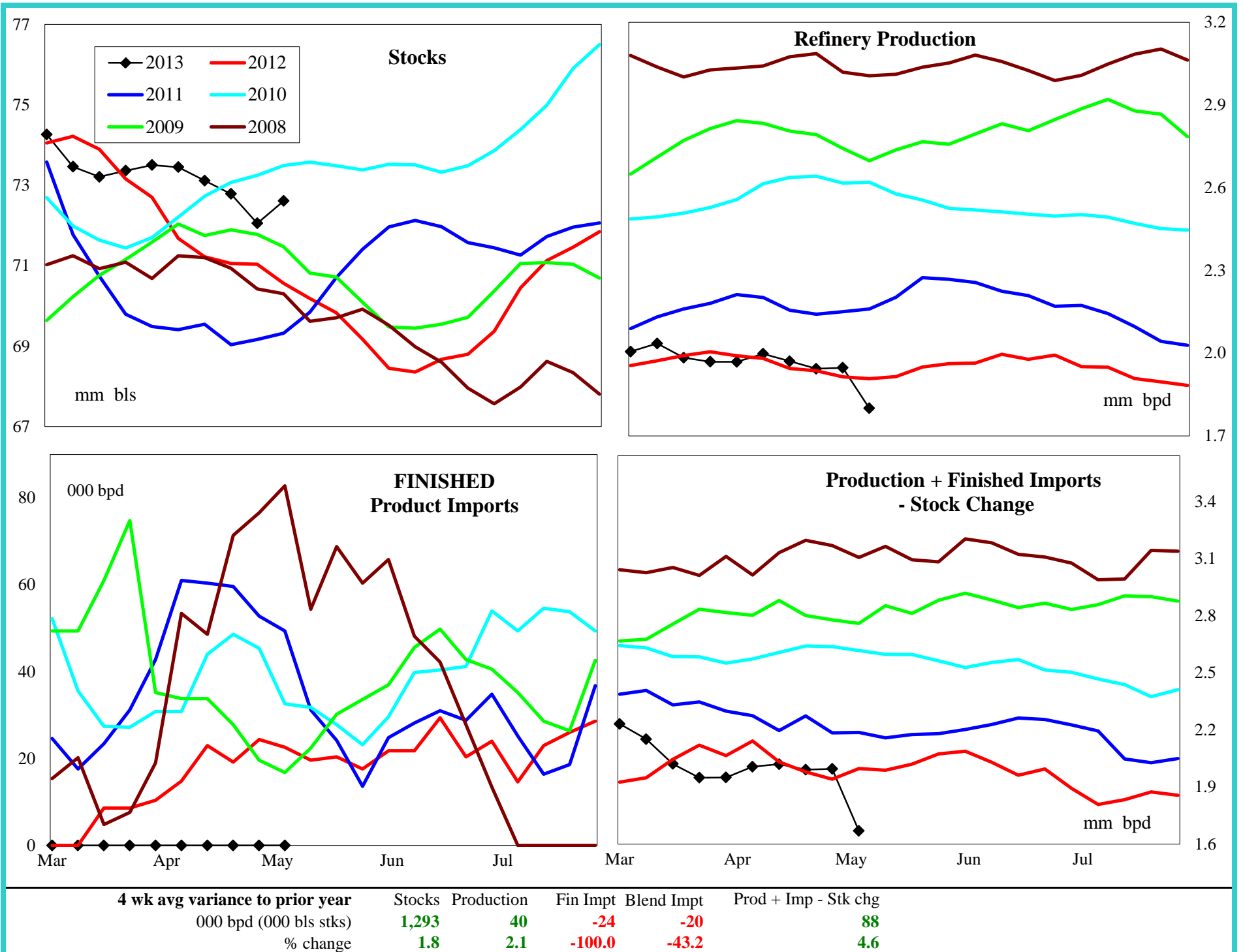
5.4

Imports

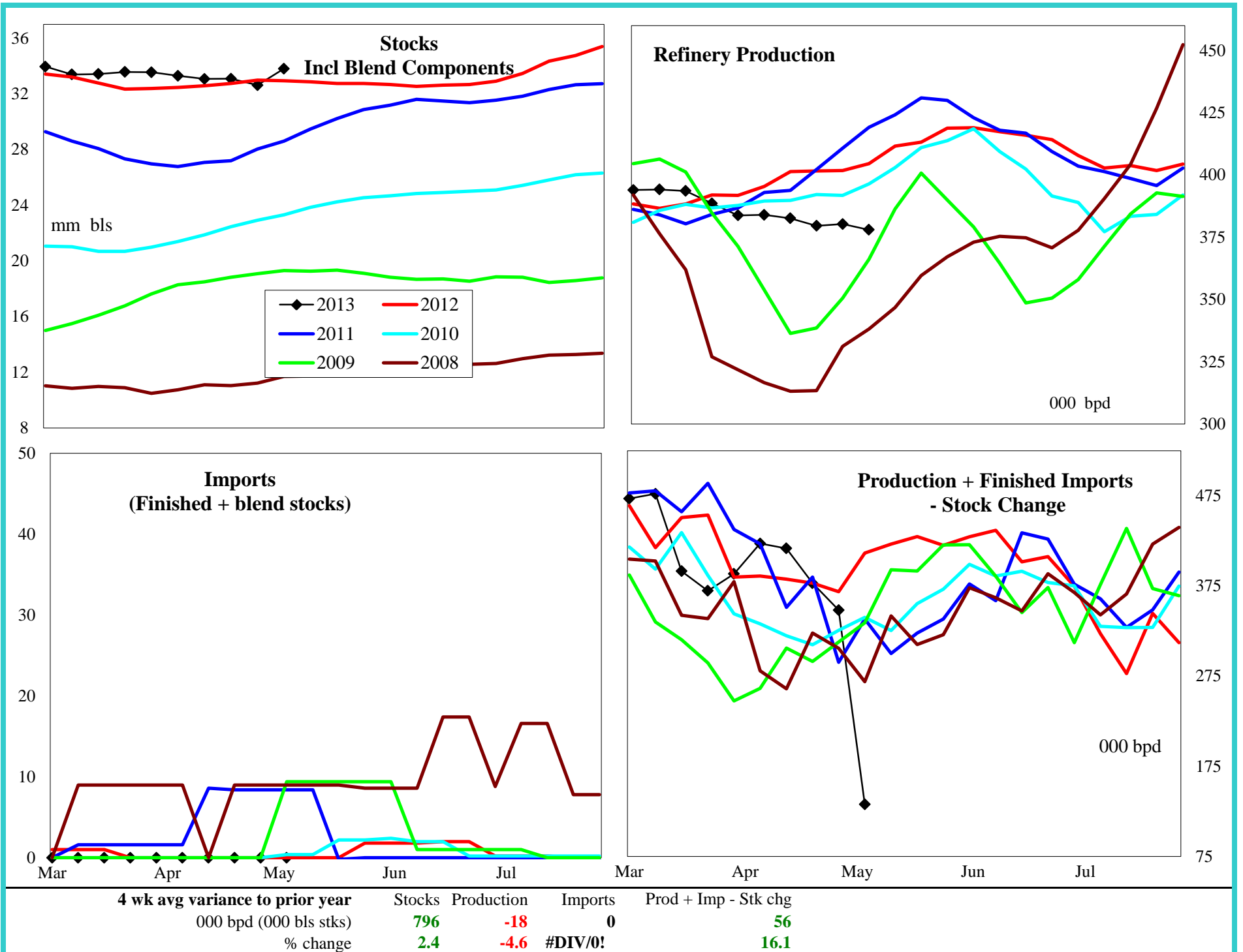
-973

-20.7

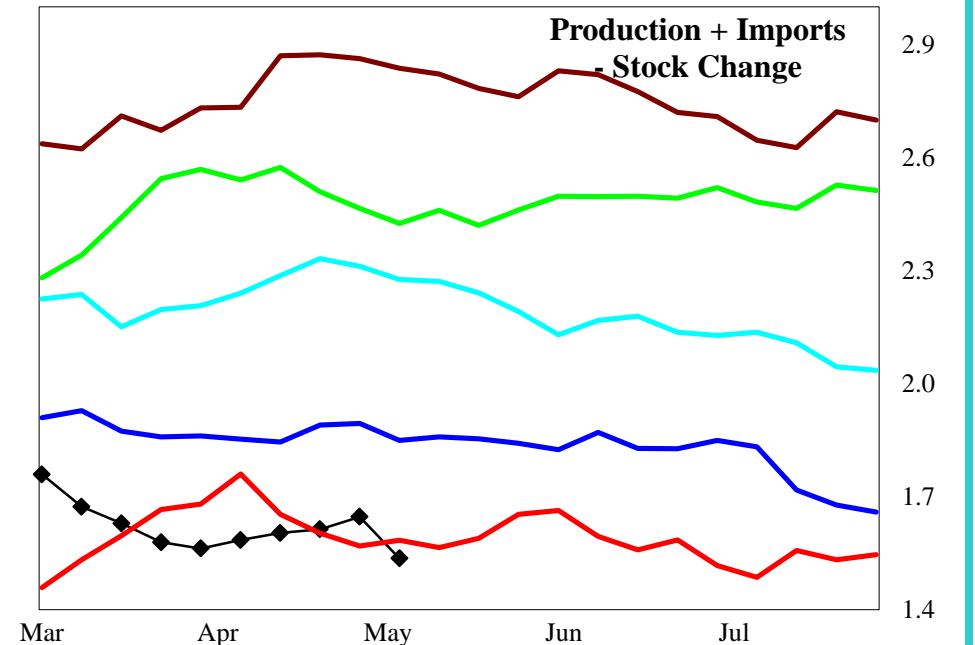
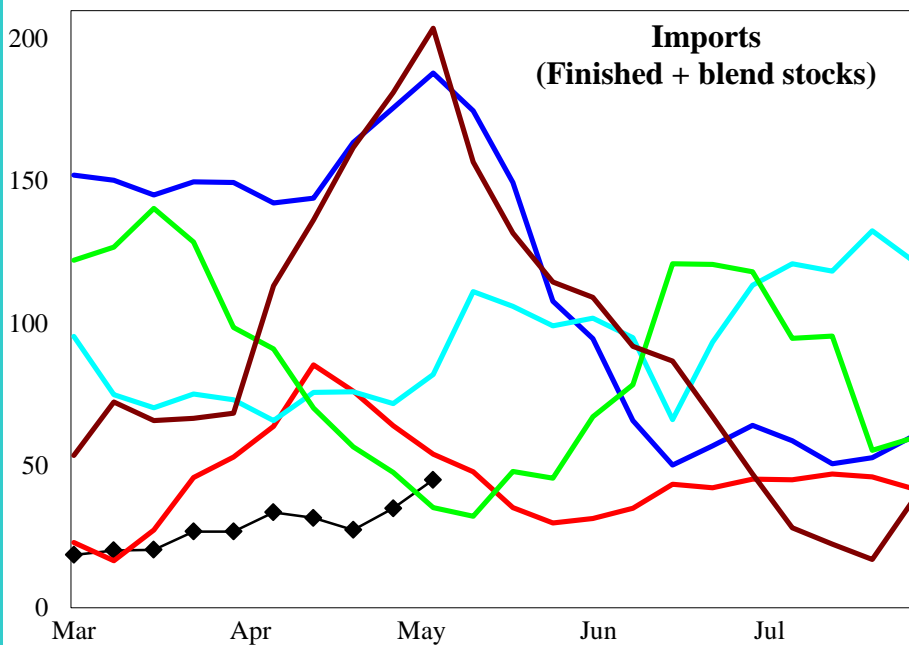
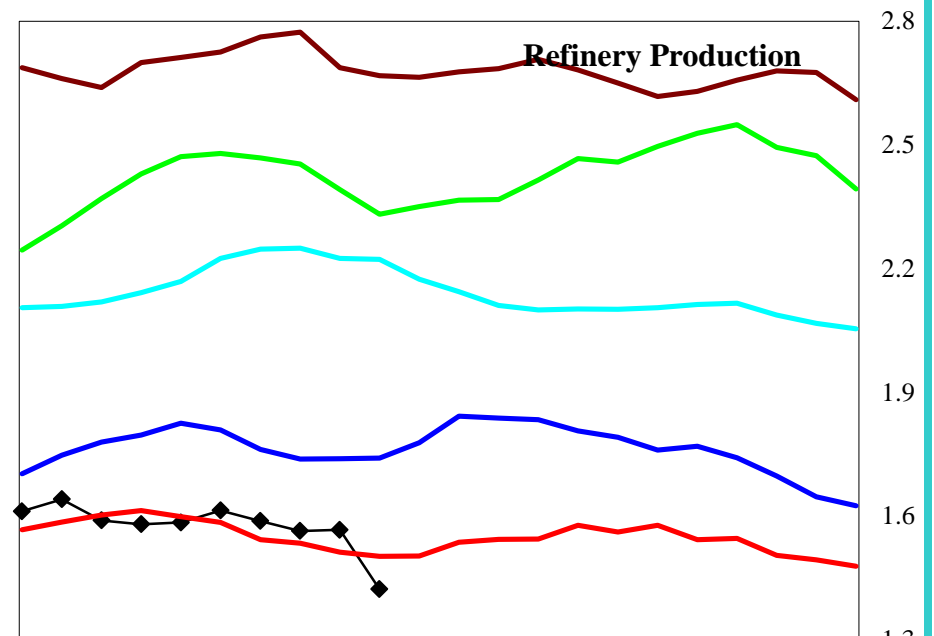
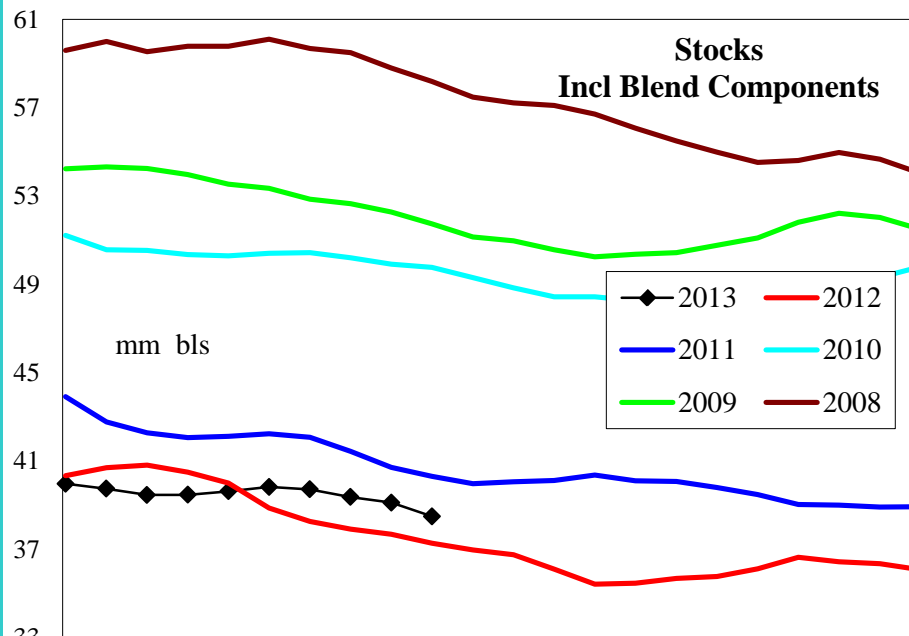
PADD 3 Gasoline Supply



PADD 3 Reformulated Gasoline Supply



PADD 3 Conventional Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

Production

Imports

Prod + Imp - Stk chg

575

58

-44

30

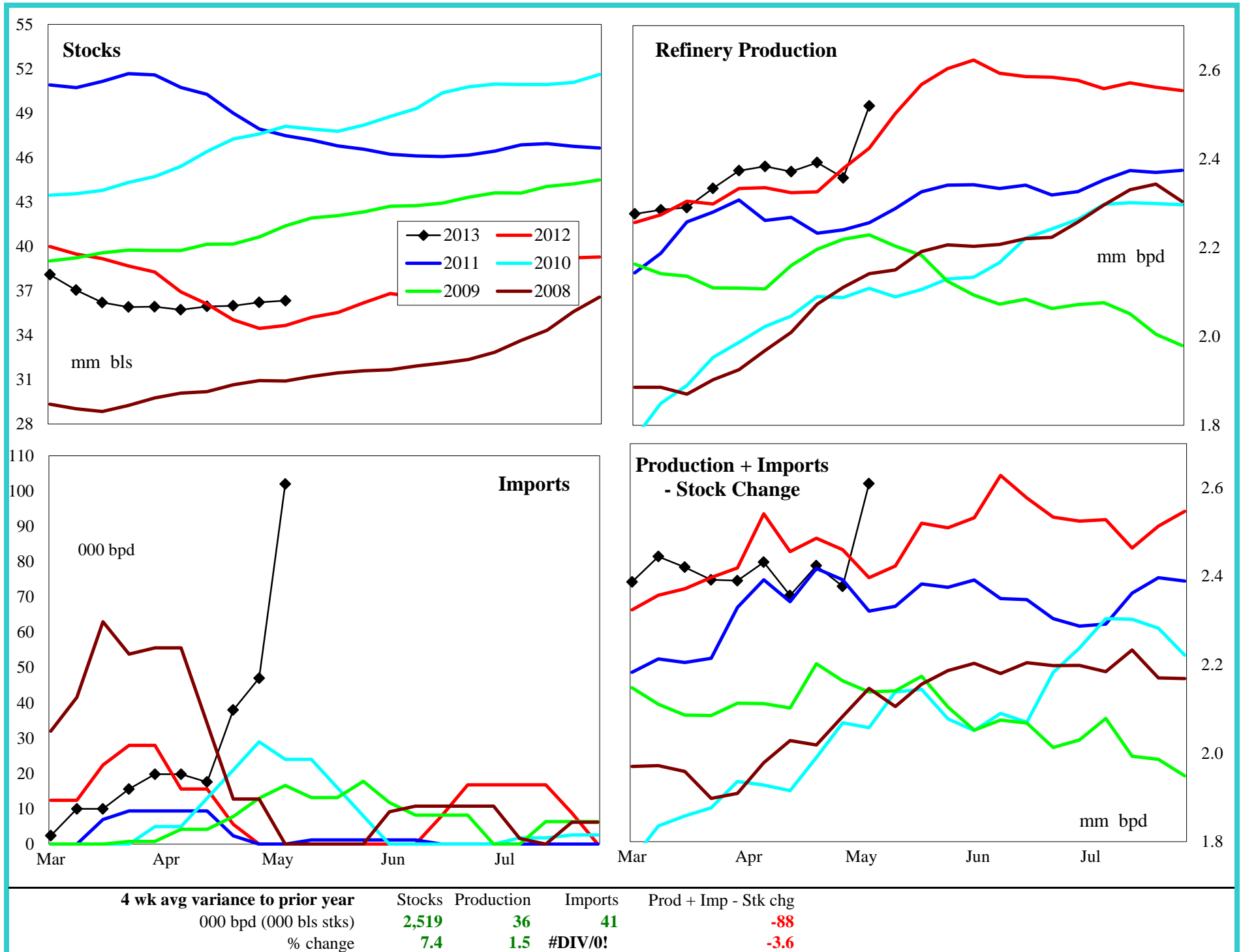
1.5

3.8

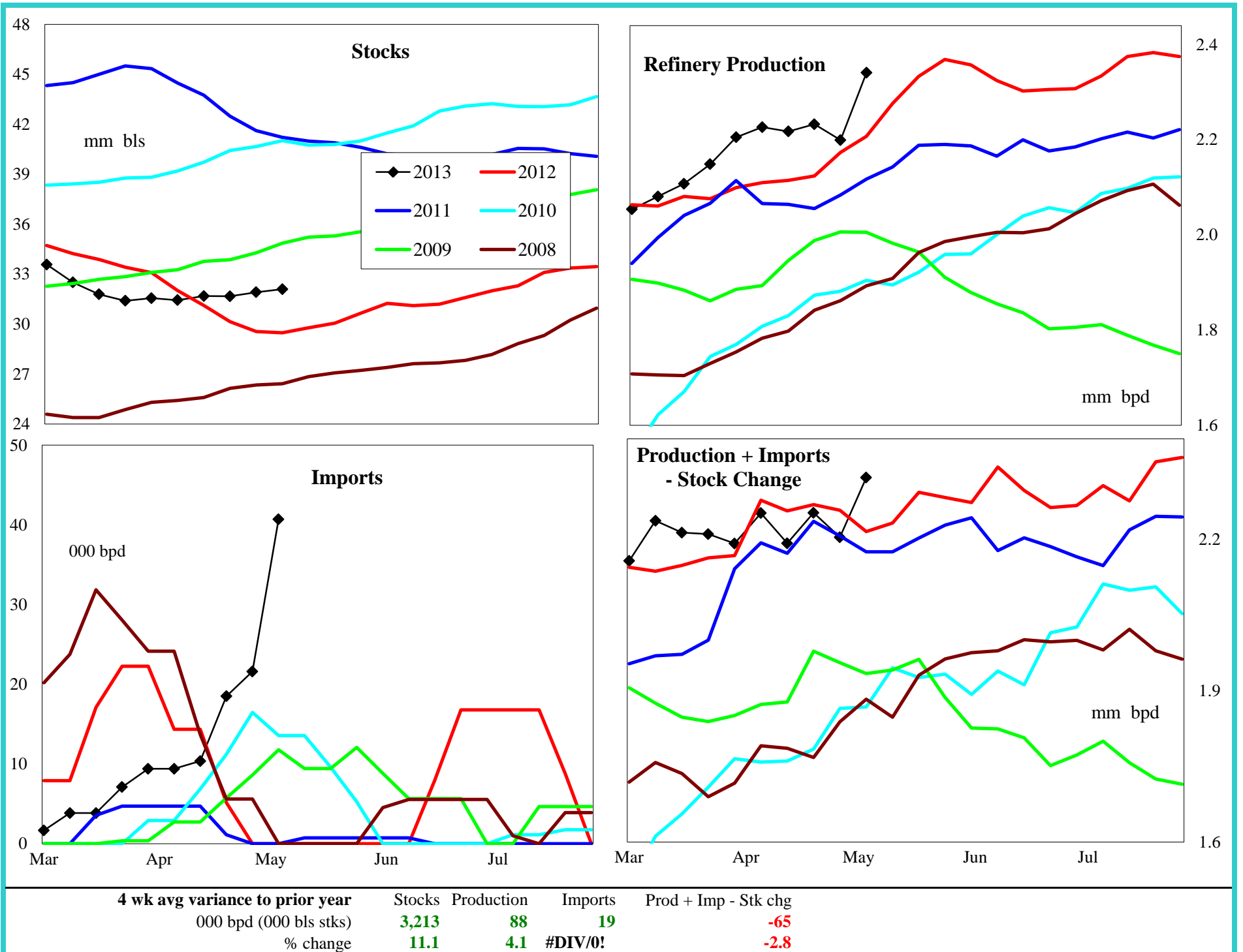
-62.6

1.9

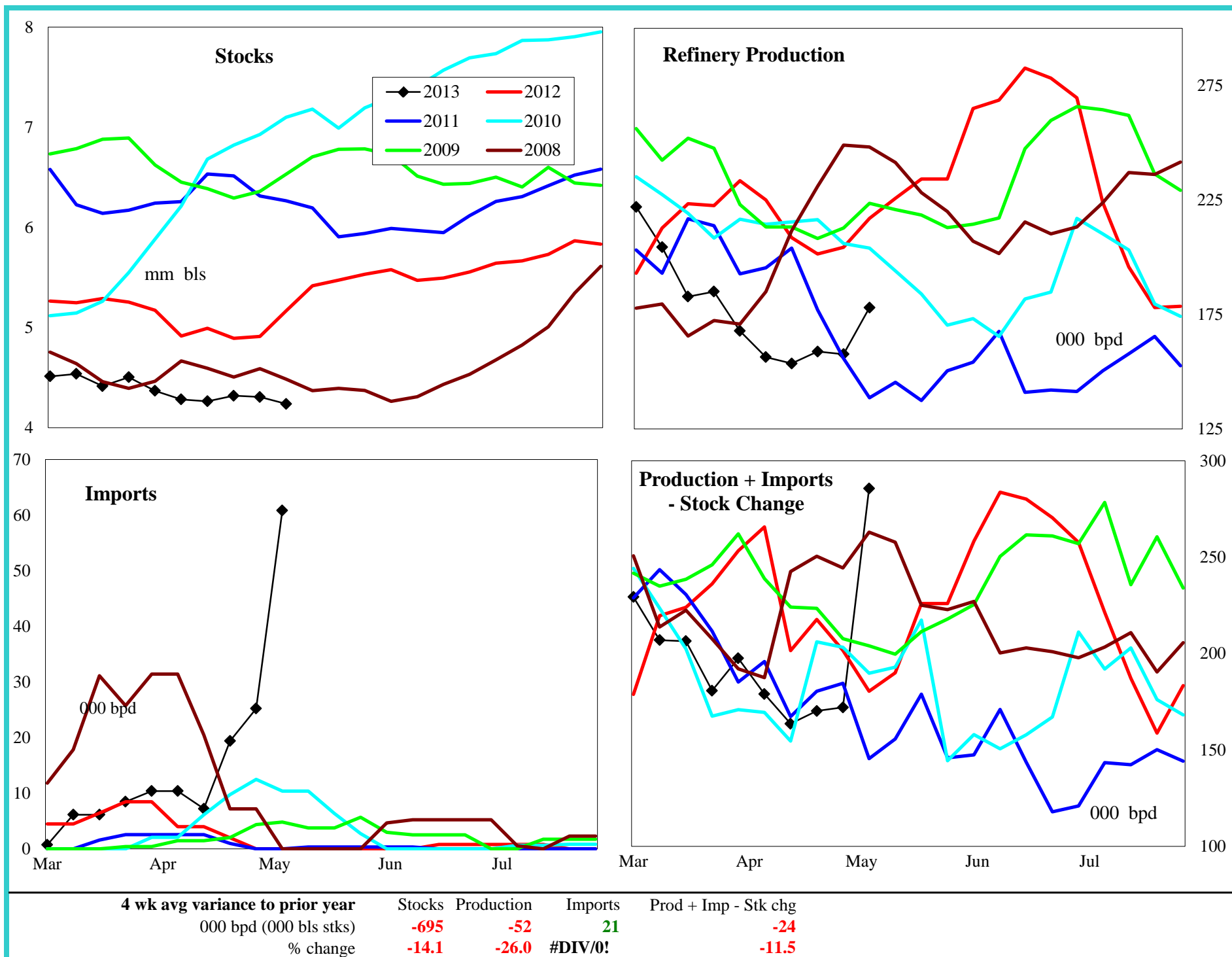
PADD 3 Distillate Supply



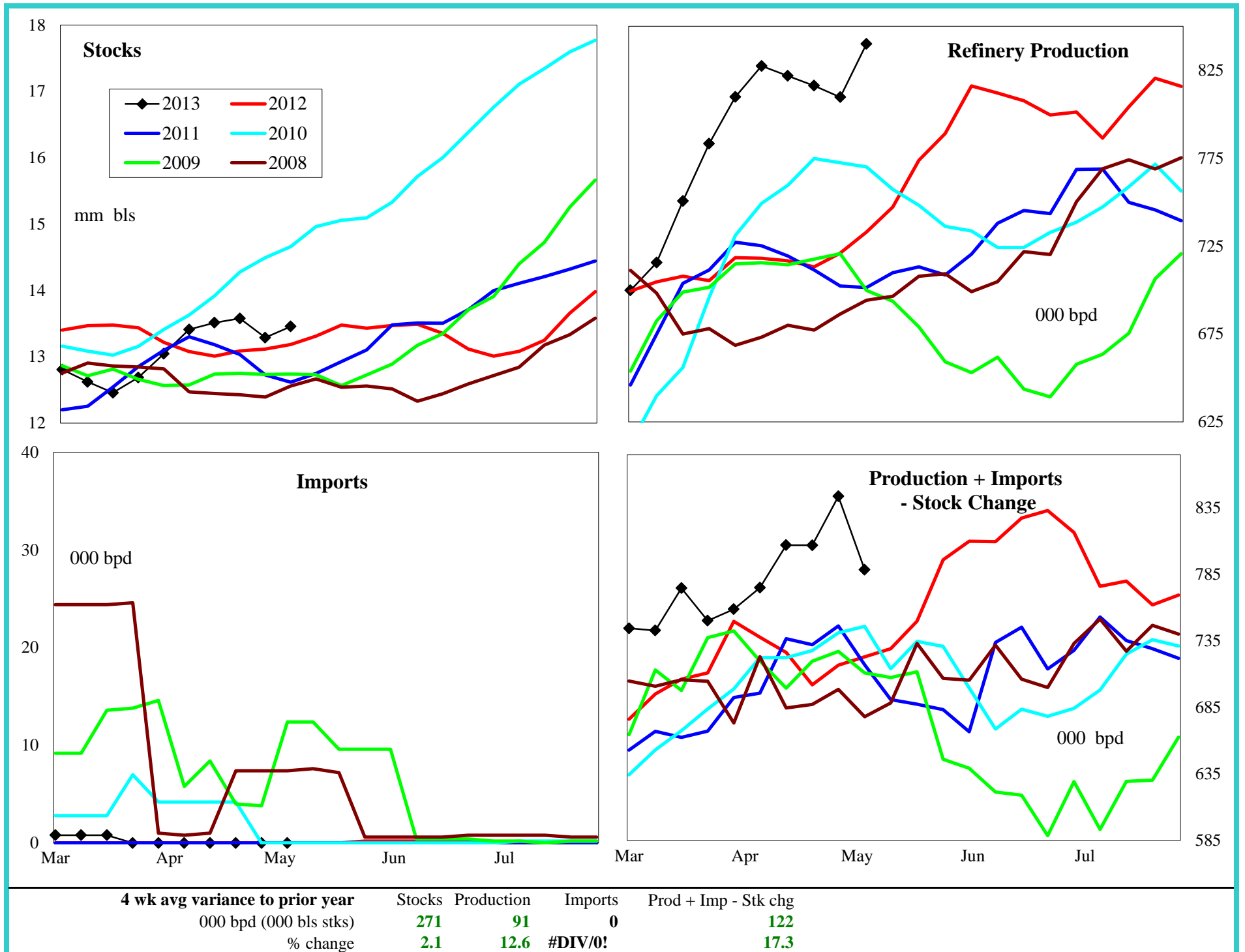
PADD 3 Low Sulfur Distillate Supply



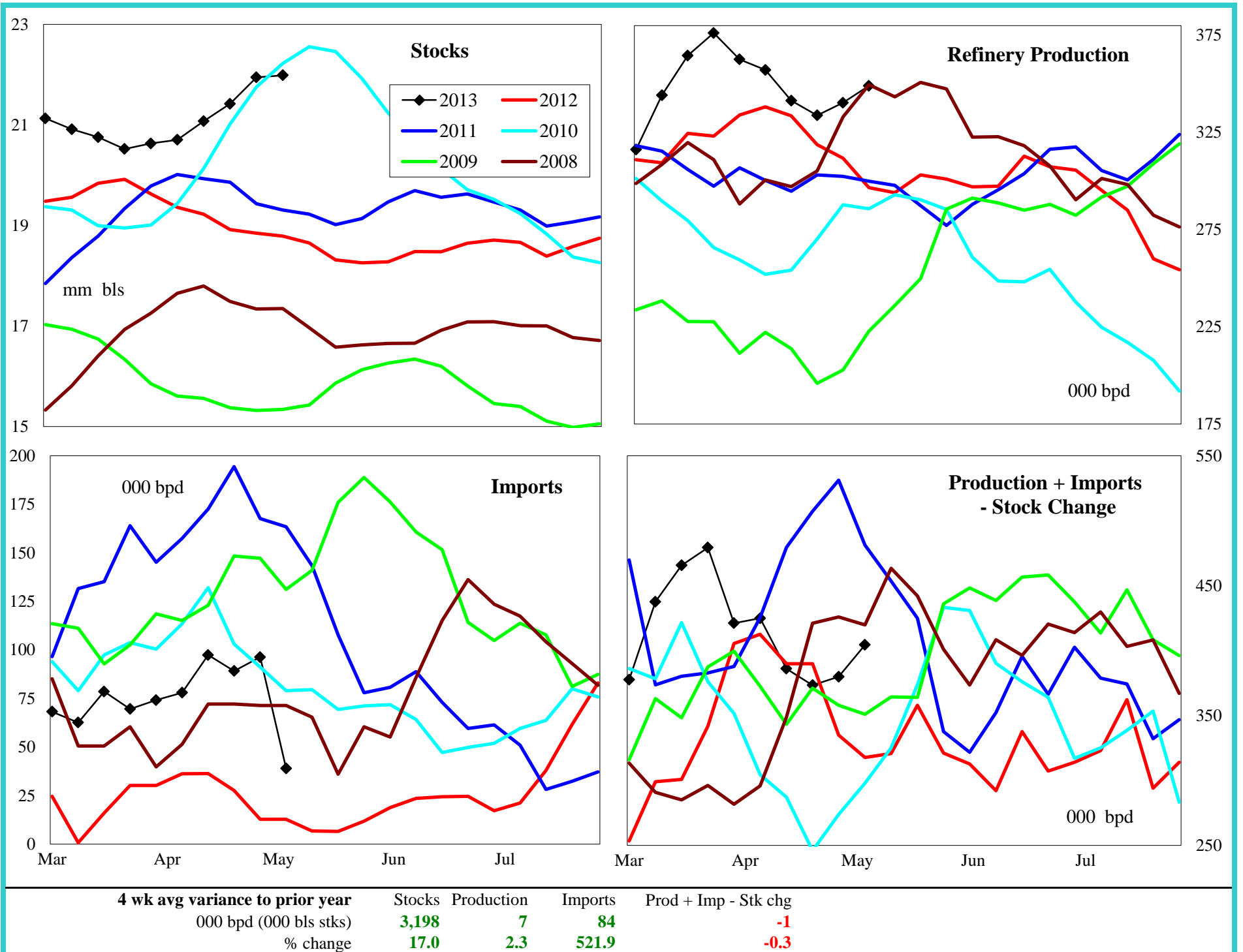
PADD 3 High Sulfur Distillate Supply



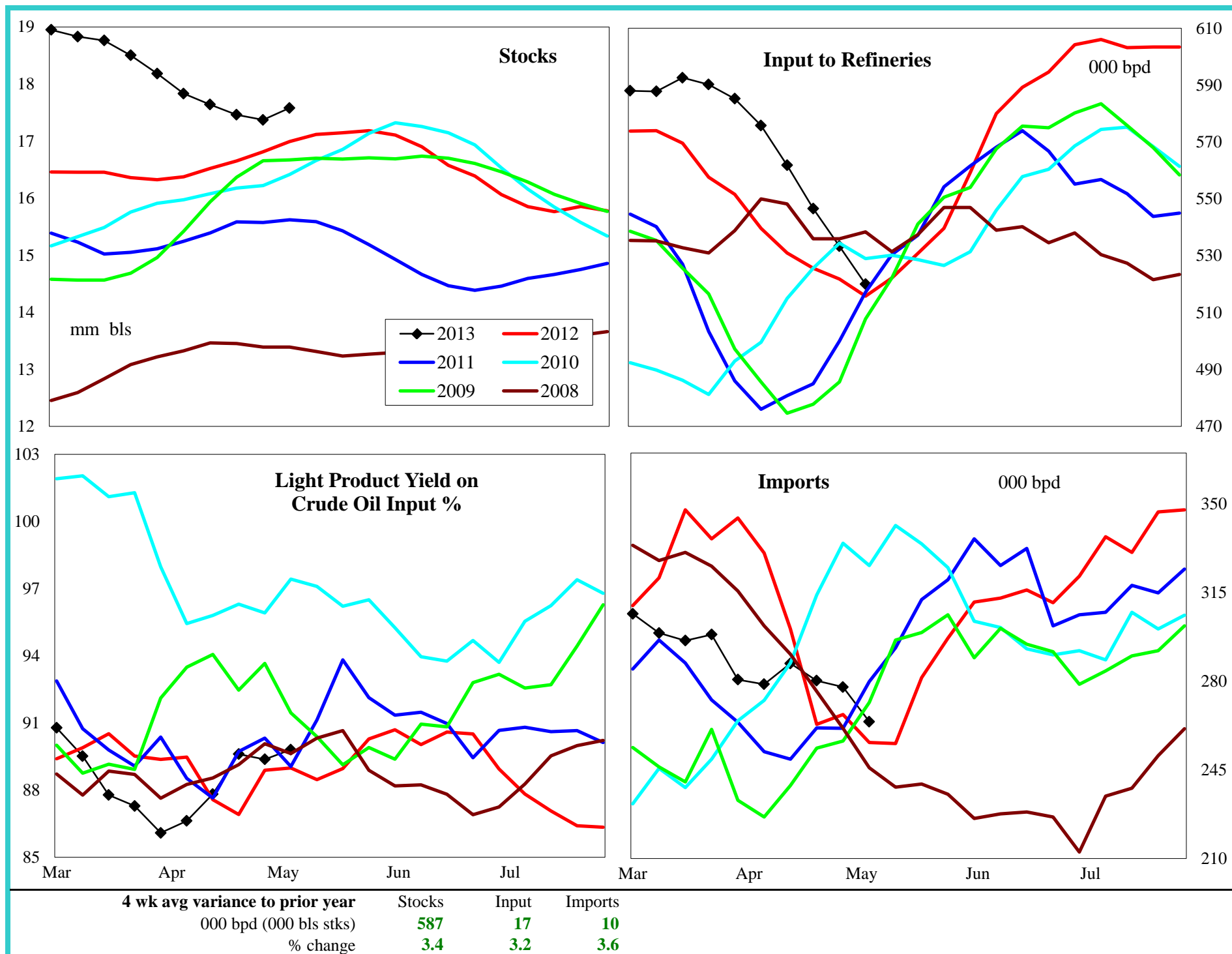
PADD 3 Jet Fuel Supply



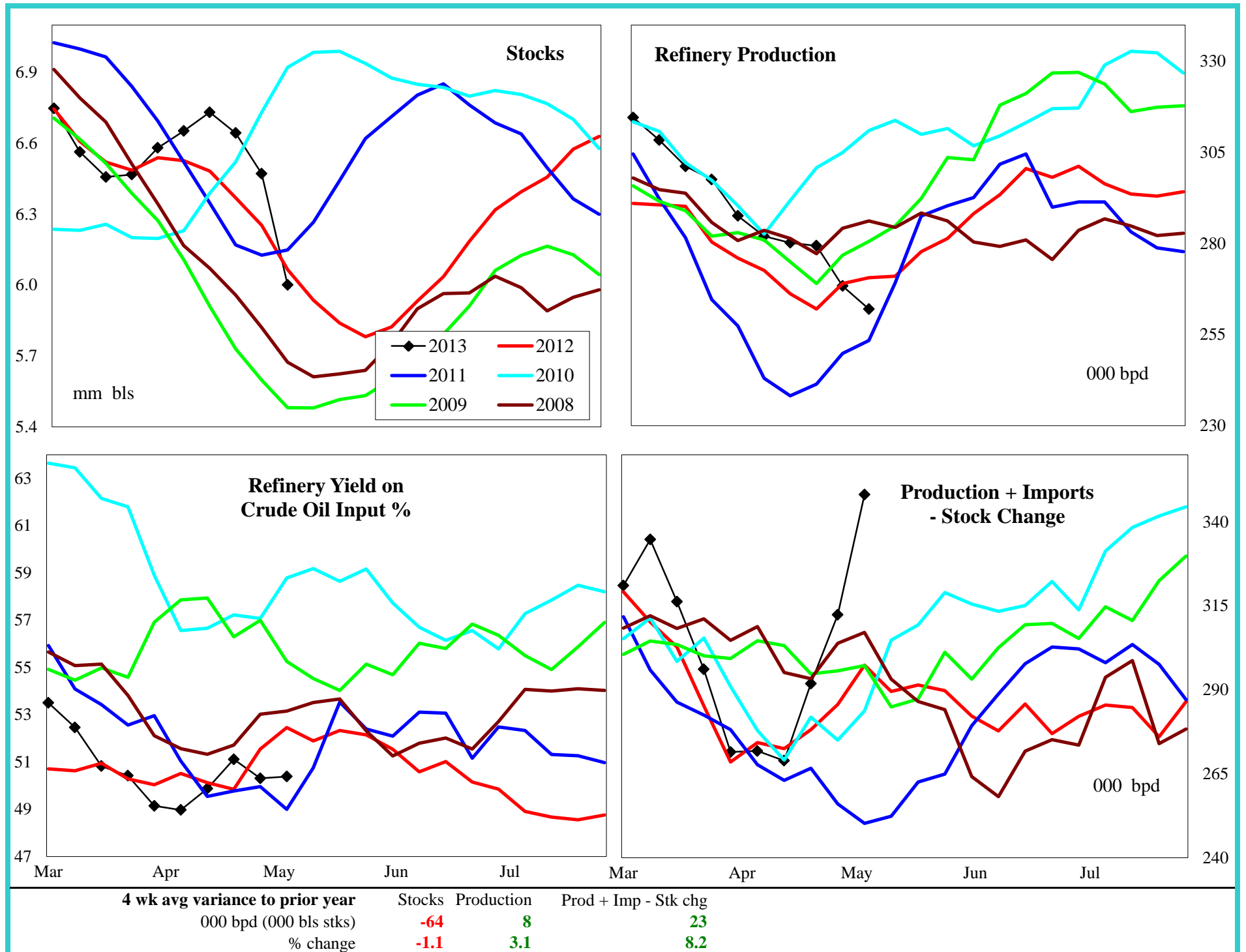
PADD 3 Residual Fuel Oil Supply



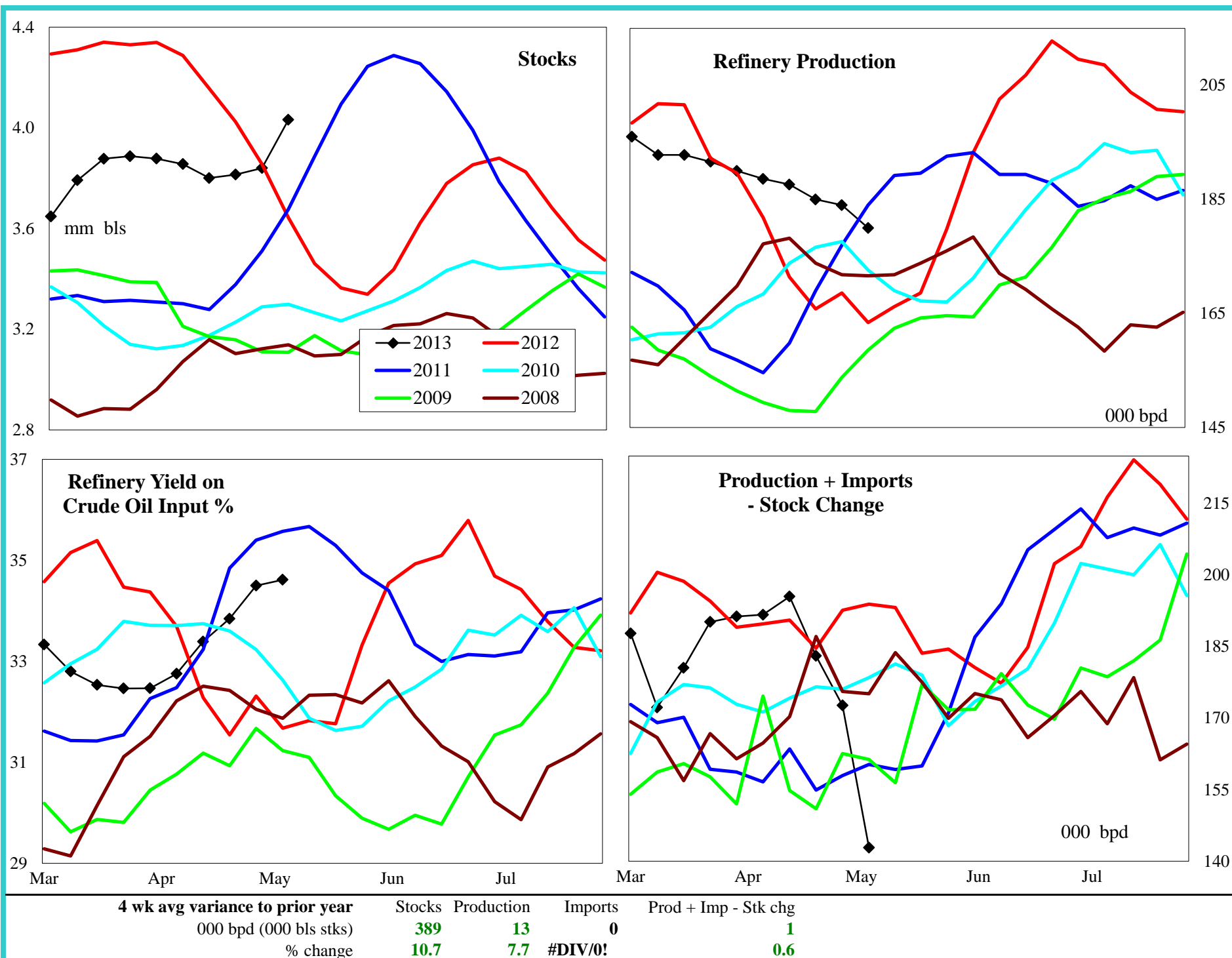
PADD 4 Crude Oil Supply and Refining



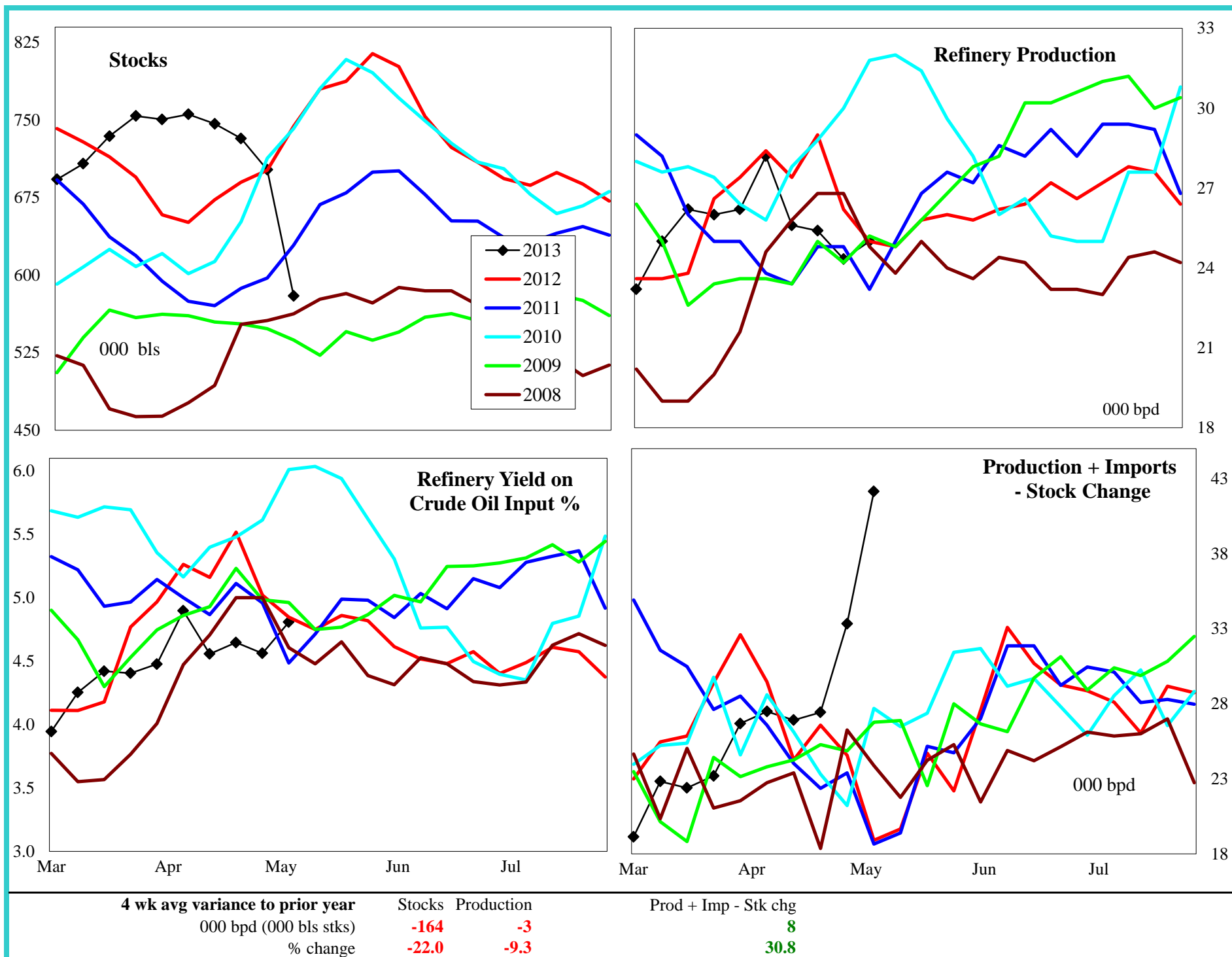
PADD 4 Gasoline Supply



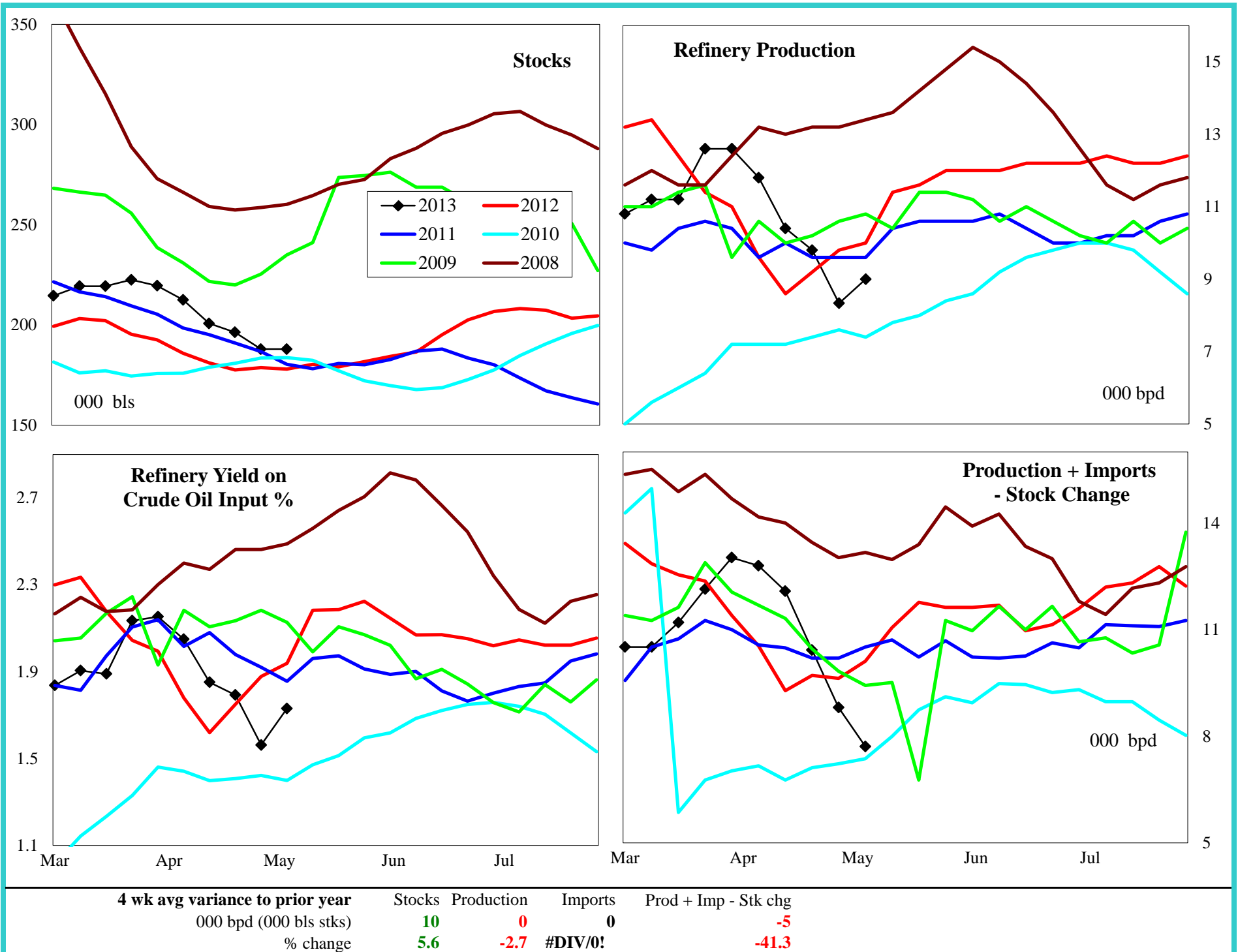
PADD 4 Distillate Supply



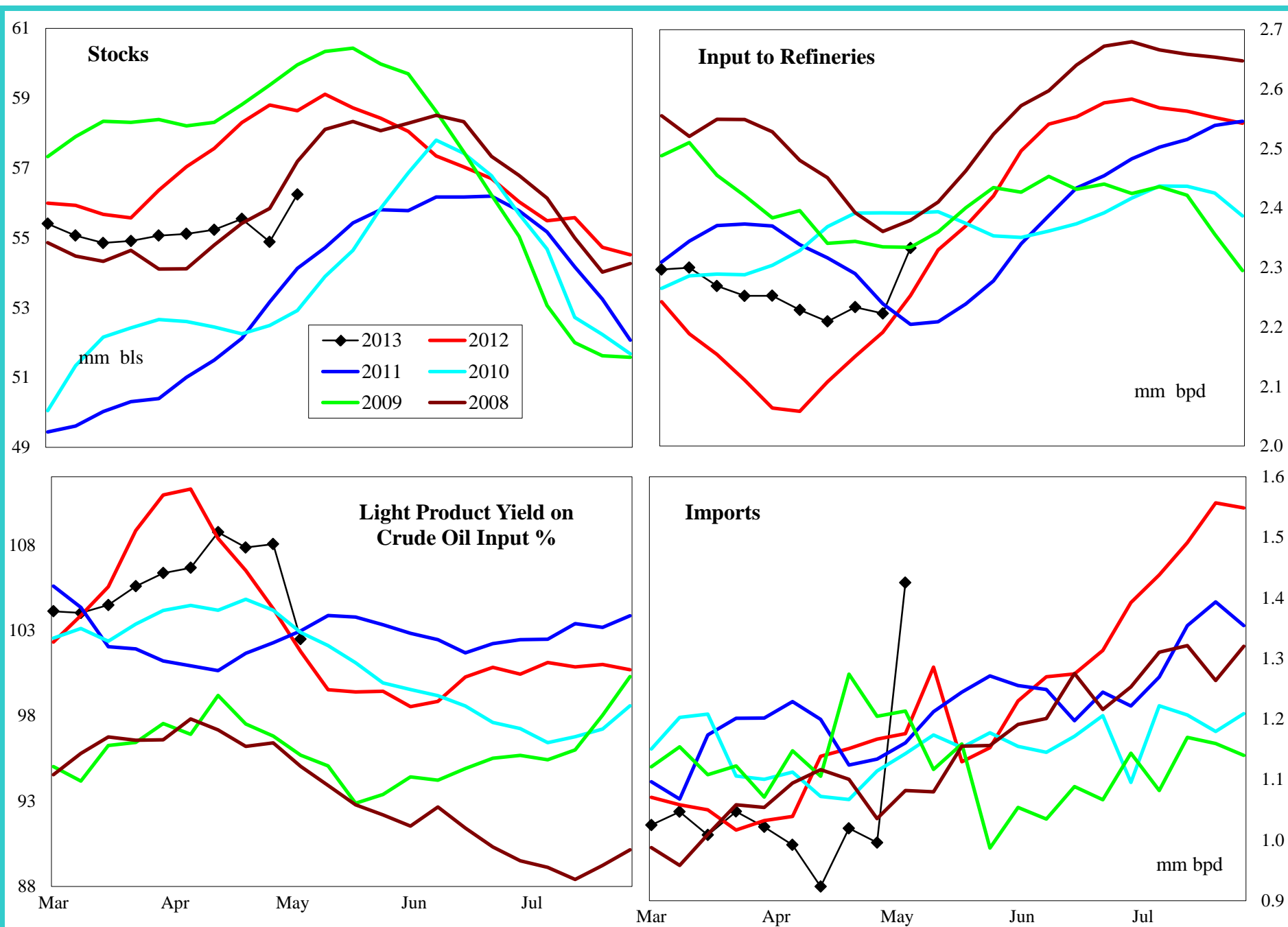
PADD 4 Jet Fuel Supply



PADD 4 Residual Fuel Oil Supply



PADD 5 Crude Oil Supply and Refining



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

-2,400

-4.1

Input

39

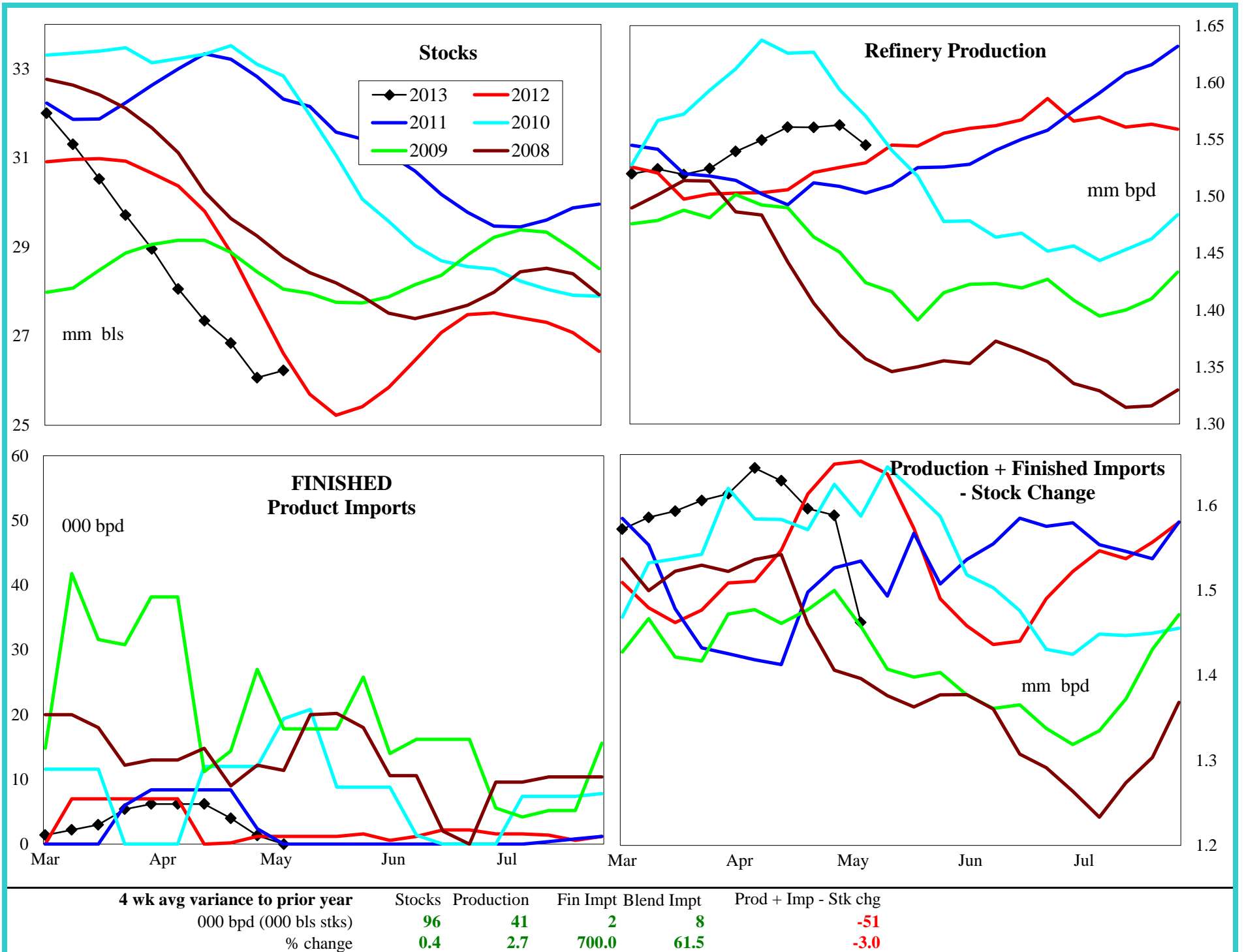
1.7

Imports

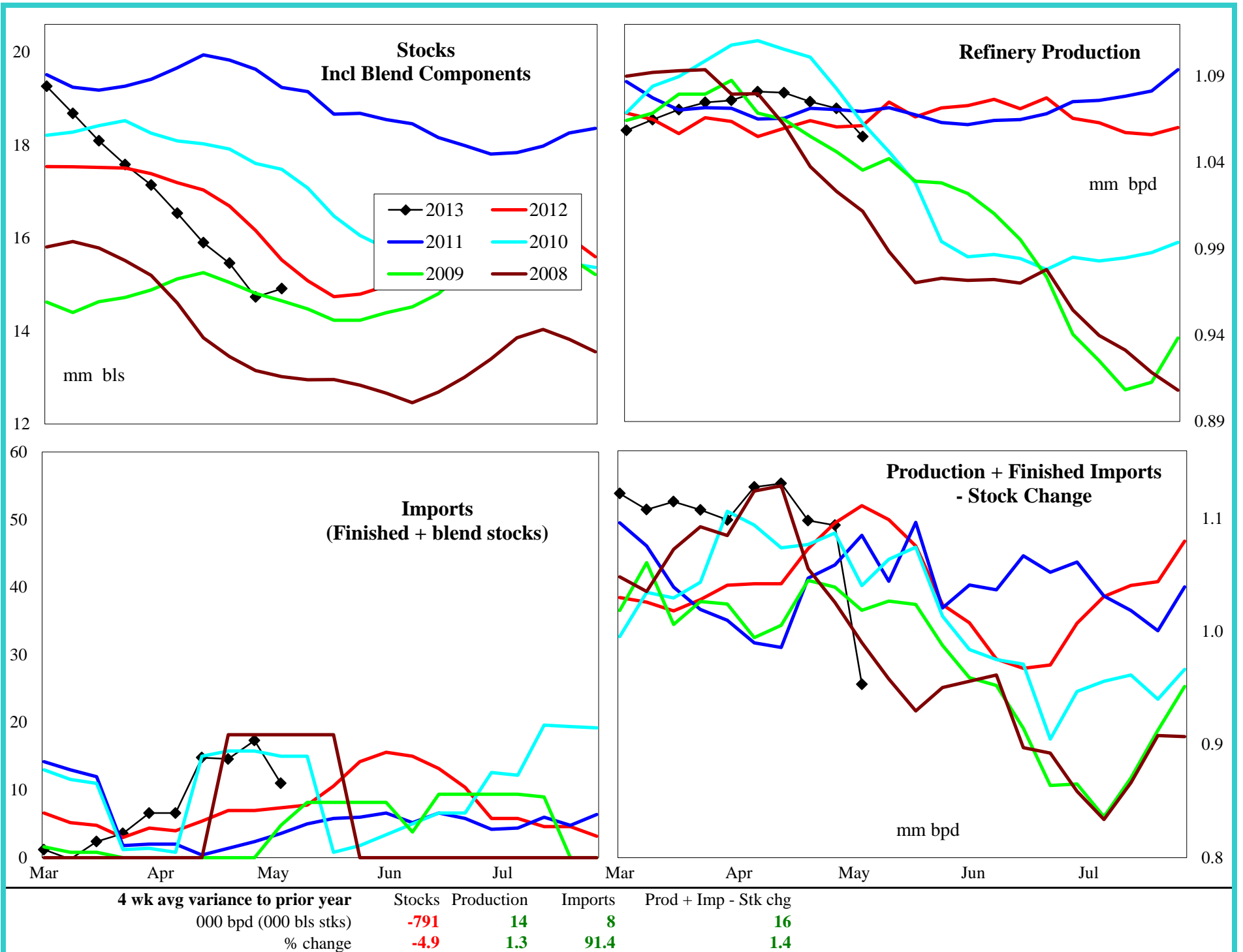
-230

-18.8

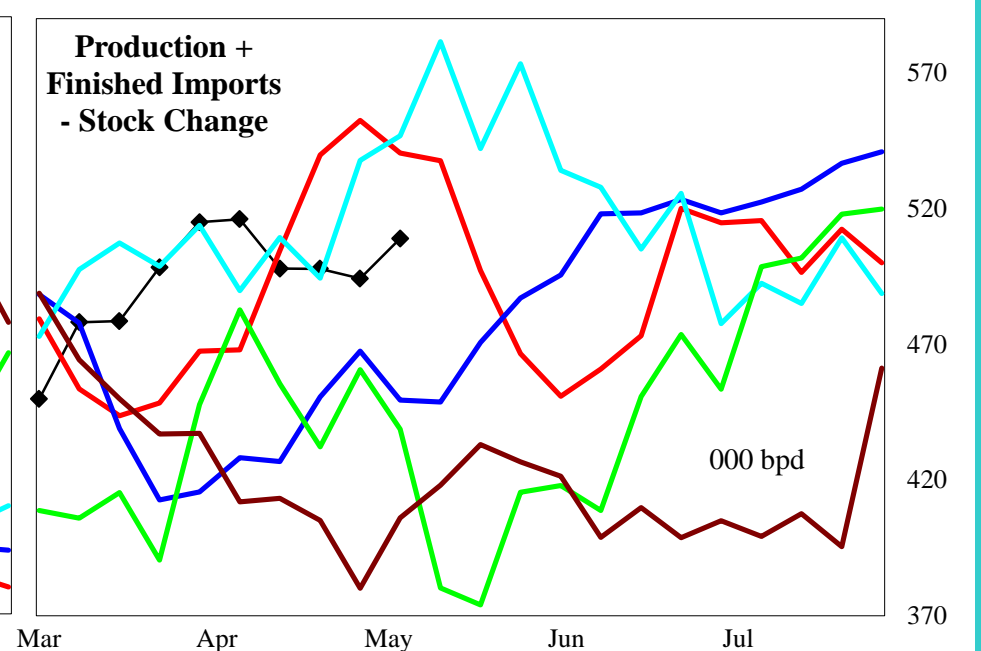
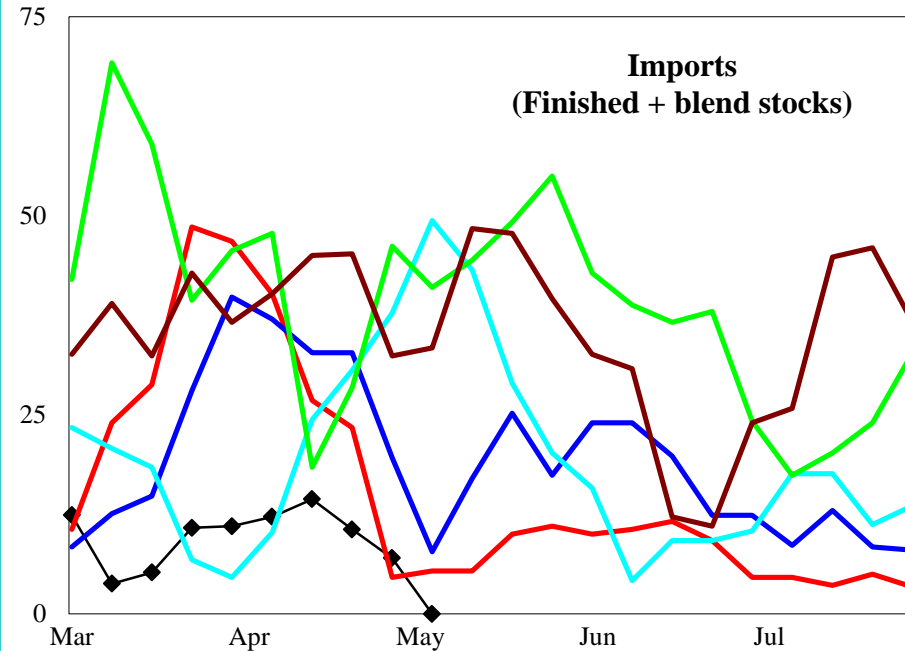
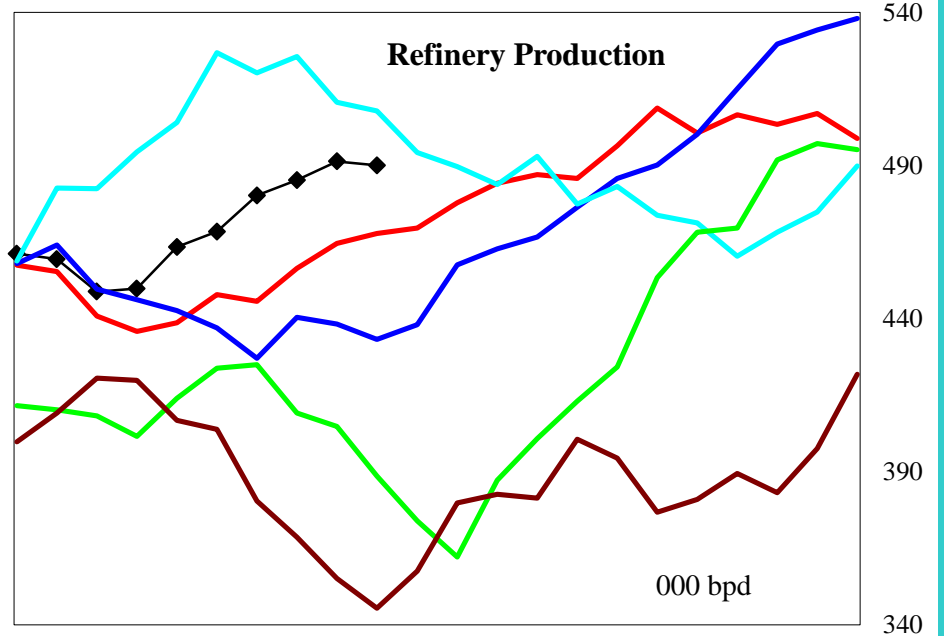
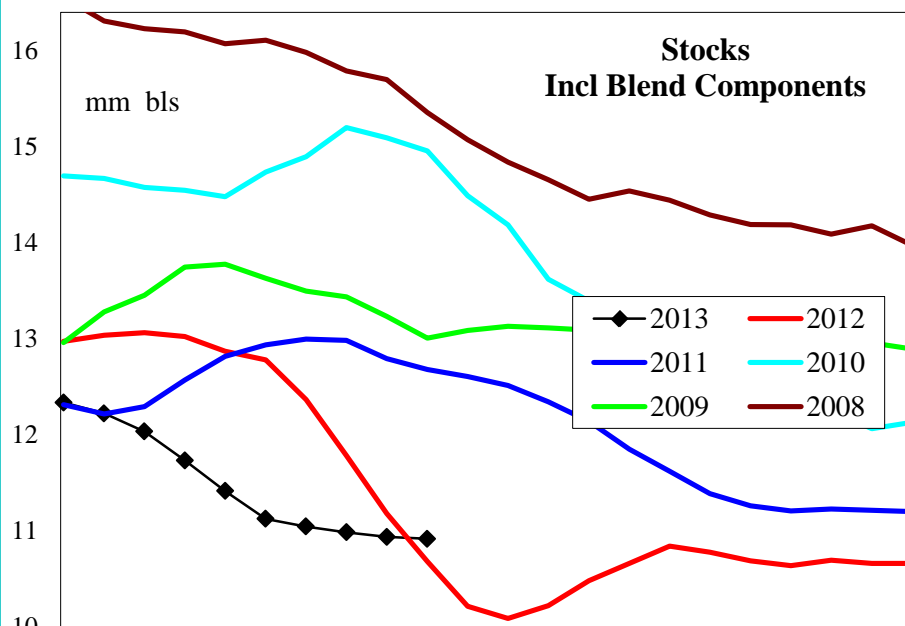
PADD 5 Gasoline Supply



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

887

27

2

-67

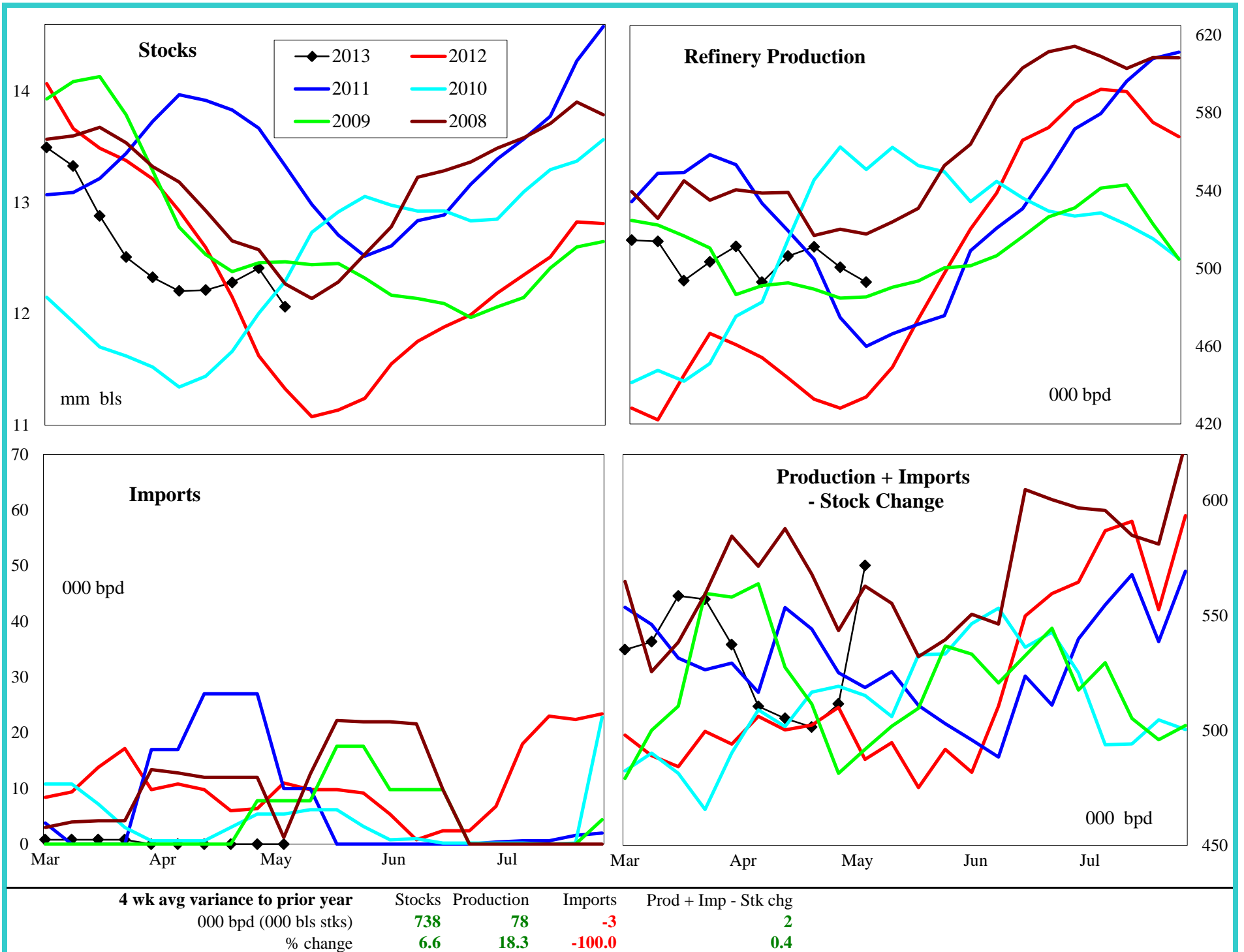
8.8

5.7

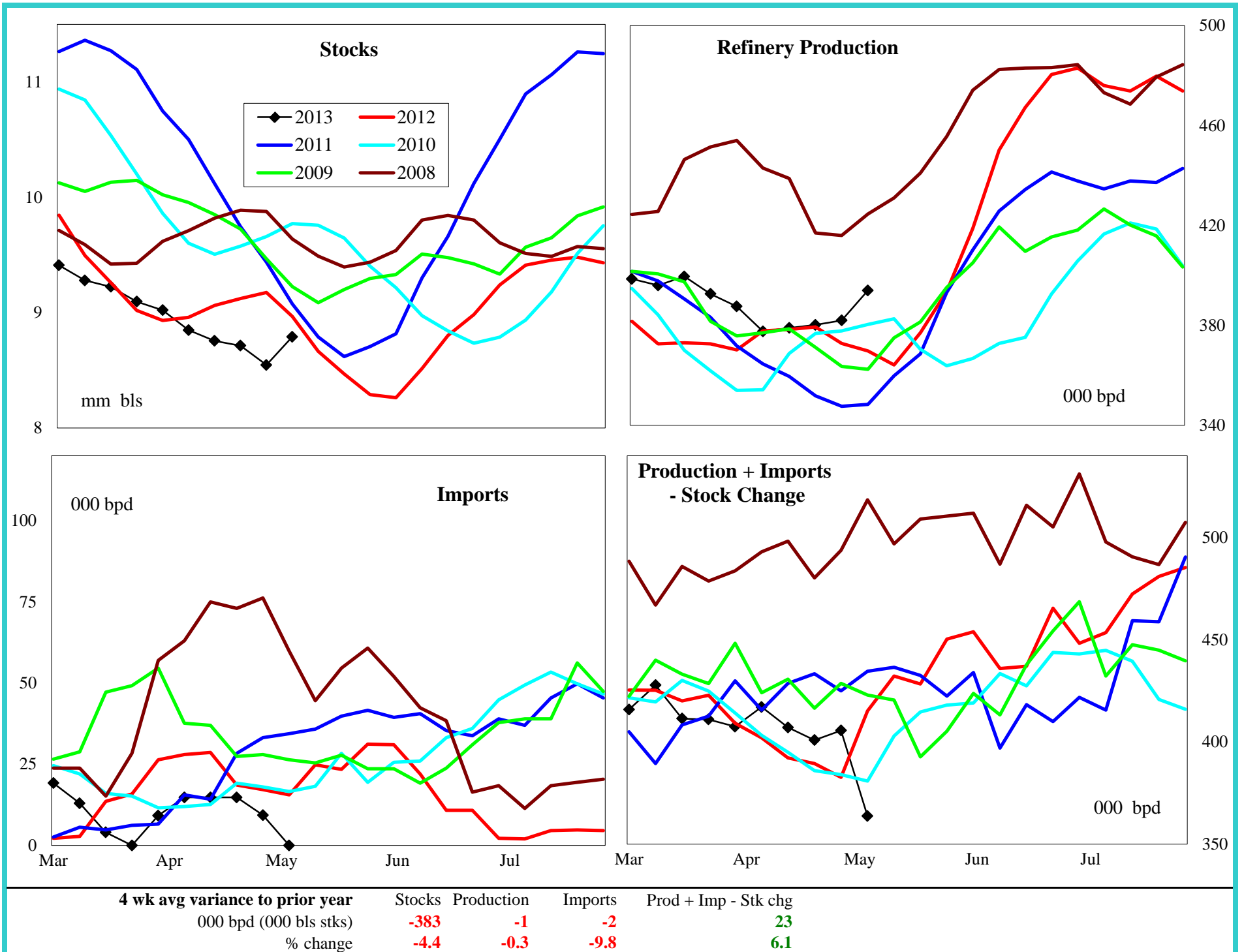
38.9

-11.8

PADD 5 Distillate Supply



PADD 5 Jet Fuel Supply



PADD 5 Residual Fuel Oil Supply

