



WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

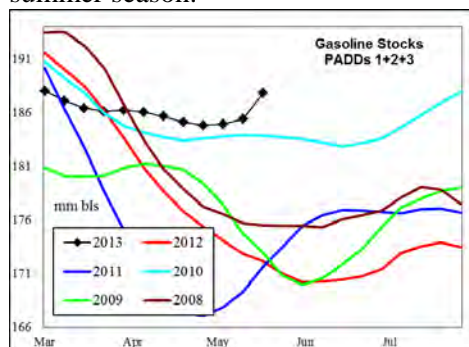
A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Wednesday, May 22, 2013

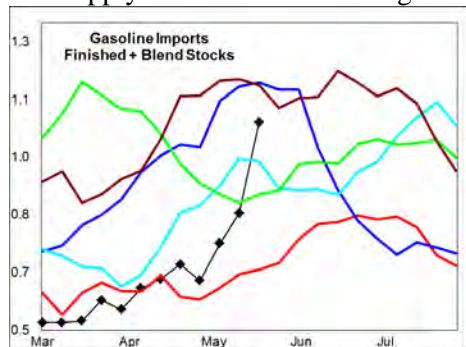


Major Fundamental Trends¹

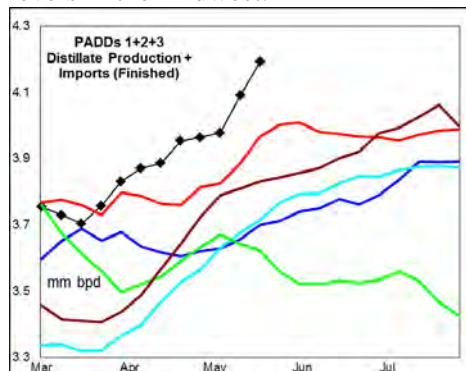
Gasoline markets in the East and Gulf regions are very over supplied, with stock levels at record highs for the summer season.



A year-on-year decrease in demand, surge in imports (due in part to strength in the U.S. dollar compared to the Euro, and weak economic conditions in Europe) and increased domestic production underlies the oversupply conditions in these regions.



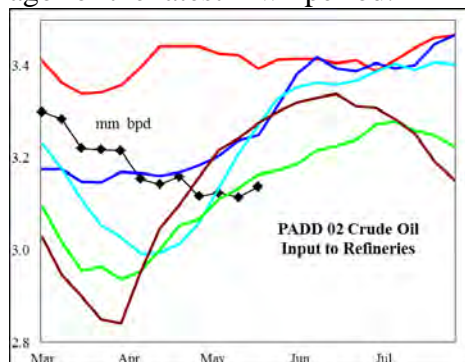
Stock levels in the combined regions East of the Rockies are at 5-year highs, even with the extremely low stock levels in the Midwest.



Distillate supplies in markets East

of the Rockies are also extremely high; driven by very high production, relatively high imports, a -177,000 bpd drop in exports. The drop in exports is due in part to the strength in the U.S. dollar versus European refiners.

Refinery maintenance in the Midwest region continues to constrain crude oil runs with the level -0.3 million bpd below a year ago for the latest 4-wk period.



As refiners return to operation in PADD 2, look for crude oil runs to exceed year ago levels by +0.5 million bpd during the peak summer quarter; driven by completion of refinery expansions/upgrades.

Demand for gasoline and distillate each jumped sharply last week, while jet fuel demand collapsed. Wholesale demand, measured over the last four weeks compared to a year ago: gasoline decreased -3.3%; distillate was +2.5% higher; jet fuel was +6% higher, and residual fuel fell -8%.

Stocks forward coverage: Gasoline demand coverage increased on a +3 million barrel stock build. Coverage levels remain extremely high for this time of year.

Distillate coverage decreased on a -1.1 million barrel stock draw and +0.6 million bpd spike in wholesale demand. Coverage levels ended the week near year ago levels.

Jet fuel coverage fell on a -0.5 million barrel stock draw. Days of coverage remain below the 5-year range.

Residual fuel oil coverage fell on a

-1.1 million barrel stock draw and higher demand, although the level remains extremely high.

Refinery utilization rates were nearly unchanged last week. During the latest 4-wk period crude oil input was +228,000 bpd above a year ago.

Gasoline yield % on crude oil runs jumped on a +285,000 bpd rise in output compared no change in crude oil runs. Yield % on crude oil runs ended the week near year ago levels.

Distillate yield % on crude oil runs increased on a +148,000 bpd rise in output compared no change in crude oil input. The yield % on crude oil runs reached a new record high.

Jet fuel yield % on crude oil runs fell on a -71,000 bpd drop in output, compared to no change in crude oil input. The yield % level fell to a level near 5-year lows.

Petroleum Imports/Exports of gasoline spiked by +410,000 bpd last week to near all-time highs for the spring season.

During the latest 4-wk period crude oil imports were -0.9 million bpd below last year; distillate imports increased +86,000 bpd; finished gasoline imports decreased -59,000 bpd, gasoline blend stock imports were +191,000 bpd higher; jet fuel imports decreased -13,000 bpd, while residual fuel oil imports were +11,000 bpd higher.

During the latest 4-wk period exports of gasoline were +29,000 bpd above last year, jet fuel was +16,000 bpd higher and distillate exports fell -177,000 bpd.

Crude Oil stocks declined -0.3 million barrels last week on record refinery runs. Recent crude oil stock draws are below the historic average even, even with record refinery thru put; pointing to a very well supplied market. Stock levels ended the week +12 million barrels above prior 5-year highs.

¹ Source is latest EIA Weekly Statistics



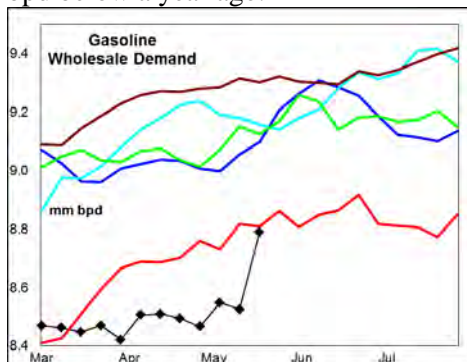
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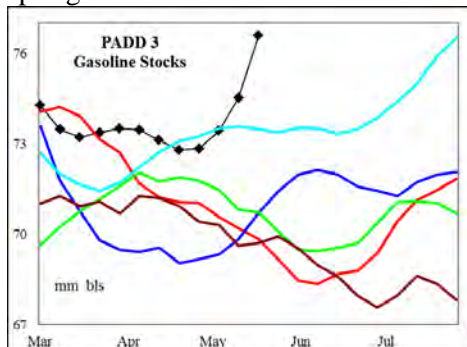
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Product Supply-Demand Trends

Gasoline wholesale demand jumped +449,000 bpd on the week. The latest 4-wk average demand was -292,000 bpd below last year. Supply surged +0.7 million bpd last week. Supply for the latest 4-wk period was -138,000 bpd below a year ago.



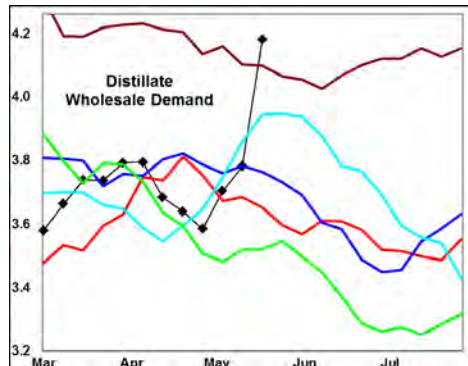
Stocks saw a counter seasonal build of +3 million barrels last week, ending at a level near 5-year highs. Stocks increased +2.2 million barrels in the Gulf region, lifting the stock level in this region to a new record high for the spring season.



Gasoline production jumped +541,000 bpd during the last 2-wks, with imports also climbing to near record highs; driving exceptional over supply in East and Gulf coast markets.

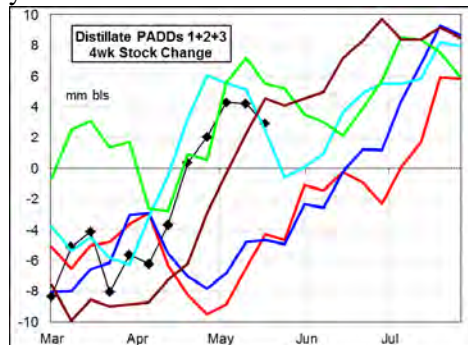
Stock levels in the Midwest remain extremely low on unplanned refinery maintenance; although higher crude runs this week point to a forthcoming improvement in gasoline supply.

Distillate demand spiked +0.6 million bpd last week, to a record weekly level, driving the latest 4-wk average demand +91,000 bpd above a year ago.



Supply increased +151,000 bpd last week, on higher production. The latest 4-wk average supply was +270,000 bpd above last year. Stocks fell -1.1 million barrels on the week.

The latest 4-wk stock change in markets East of the Rockies was a +2.4 million barrel build, compared to -5 million barrel draws for the last 2-years.



Record production and weak exports has led to the high rate of stock building in markets East of the Rockies.

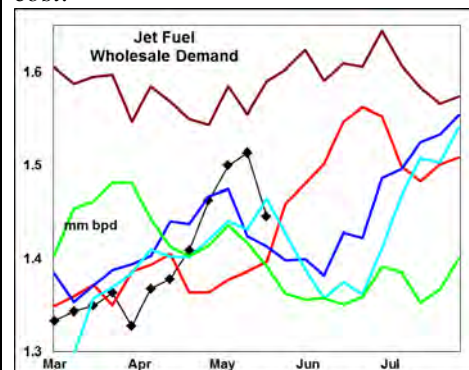
Production averaged +184,000 bpd above a year ago for the last 4-wks, with imports +86,000 bpd higher. Combined with weak exports and an expected pull back in demand, look for a continued high rate of stock building during the balance of the spring quarter.

Jet Fuel wholesale demand fell -178,000 bpd last week to a level that matched the last 2-years. The latest 4-wk average demand was +86,000 bpd above a year ago.

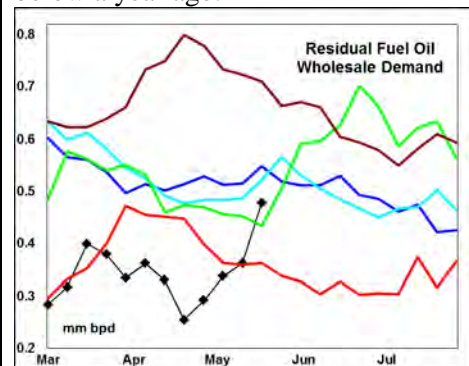
Supplies declined -71,000 bpd on the week, driven by lower production. Supply for the latest 4-wk period was +101,000 bpd above a year ago. Stocks fell -0.5 million barrels on the

week, with the level below the 5-year range.

Look for a seasonal uptrend in demand on peak summer air travel to drive a year-on-year increase. Production has declined on weakness in the relative price of jet to distillate, after adjusting of difference in Rins cost.



Residual fuel oil demand increased +90,000 bpd last week. Demand for the latest 4-wk period was -29,000 bpd below a year ago.



Supply (production + imports) increased +112,000 bpd last week, on higher production. Production matched 5-year lows for the week. Stocks fell -1.1 million barrels with the level falling below the mid range.

Stock levels ended the week above the last year in all major regional markets; due to very low demand. Markets remain well supplied in all regional markets East of the Rockies.



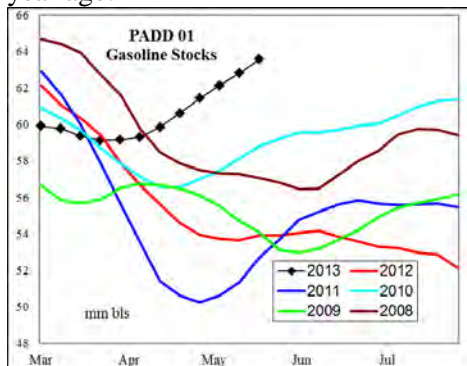
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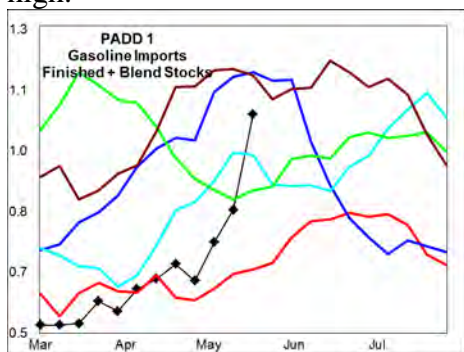
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PADD Supply Trends

PADD 1 refinery crude oil runs decreased -19,000 bpd last week, to a level matching highs of the last 2-years. The latest 4-wk average crude oil thru put was +191,000 bpd above a year ago.

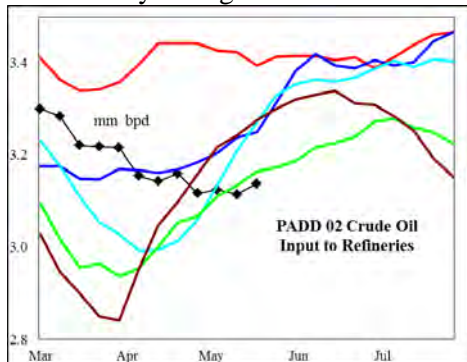


Gasoline supply jumped +477,000 bpd on the week, due in part to near record imports. Stocks increased +0.2 million barrels to level +19% above a year ago, and a new record high.



Distillate supply increased +53,000 bpd on the week. Production levels were near 3-year highs.

Jet fuel supplies increased +31,000 bpd on the week. Stocks increased +0.1 million barrels, to a level that matched 5-year highs.



PADD 2 crude oil refinery runs

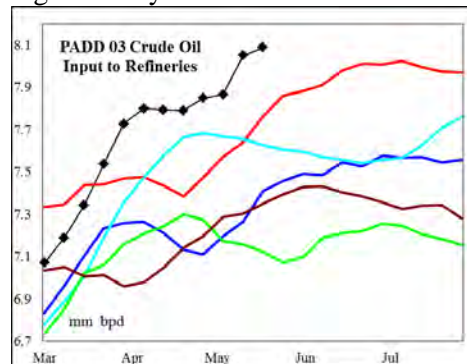
jumped +133,000 bpd on the week, to a level just below the 5-year range. Runs for the latest 4-wk period were -283,000 bpd below last year. Crude oil stocks increased +1 million barrels on the week. Stocks ended the week +9% above a year ago at Cushing.

Gasoline production increased +10,000 bpd on the week, to level above the last 3-years. Stocks decreased -0.2 million barrels to fresh 5-year lows.

Distillate supply increased +60,000 bpd last week, to a level near 5-year lows. Stocks decreased -0.5 million barrels on the week, to a level below the latest 3-year mid range.

Jet fuel production fell -22,000 bpd to a level below the 5-year range. Stock levels ended the week -12% below the prior record low for the period.

PADD 3 refinery runs decreased -52,000 bpd on the week. The latest 4-wk average runs were +311,000 bpd above a year ago. Crude oil stocks declined -1.2 million barrels on very high refinery crude oil runs.



Gasoline supply increased +18,000 bpd on the week, to a level above last year. Stocks increased +2.2 million barrels on the week, to a season record high level.

Distillate supply increased +84,000 bpd on the week on higher production. The latest 4-wk average supply was +108,000 bpd above last year. Stocks decreased -0.5 million barrels on the week, to a level +6% above last year.

Jet fuel supply fell -57,000 bpd on the week with production equal to the 5-year mid range. Stocks ended the

week at fresh 5-year lows.

Residual fuel oil supplies increased +152,000 bpd to a level above the historic mid range. Stocks fell -1 million barrels with the level above four of the last 5-years.

PADD 4 refinery crude runs fell -46,000 bpd last week, to a level below the 5-year range.

Gasoline production increased +15,000 bpd on the week, with the level comparable to the last 2-years. Stocks decreased -0.2 million barrels, ending the week at a level equal to the mid range.

Distillate production was comparable to the latest 3-year mid range. Stocks fell -0.3 million barrels to a level comparable to the latest 2-year mid range.

Jet fuel stocks ended the week near historic lows, with production jumping to near 5-year highs.


PADD 5 crude oil refinery runs decreased -20,000 bpd on the week; to a level comparable with the last 2-years. The latest 4-wk average run rate was -5,000 bpd below last year.

Gasoline supply decreased -44,000 bpd on the week, with production comparable to the last 2-years. The latest 4-wk average supply was +18,000 bpd above a year ago. Stocks increased +1 million barrels, on the week to a level +12% above last year's record lows.

Distillate supply decreased -37,000 bpd, although the level remains well above the last 2-years. Stocks increased +0.6 million barrels, to a record high level for this time of year.

Jet fuel supply decreased -25,000 bpd on lower imports. Stocks increased +0.5 million barrels, to a comparable to the last 2-years.

Residual fuel oil production was near the historic mid range with stock levels above two of the last 3-years.



FUNDAMENTAL

PETROLEUM TRENDS

PETROLEUM: Graph Link and Weekly Summary

A Fundamental Petroleum Trends Weekly Report

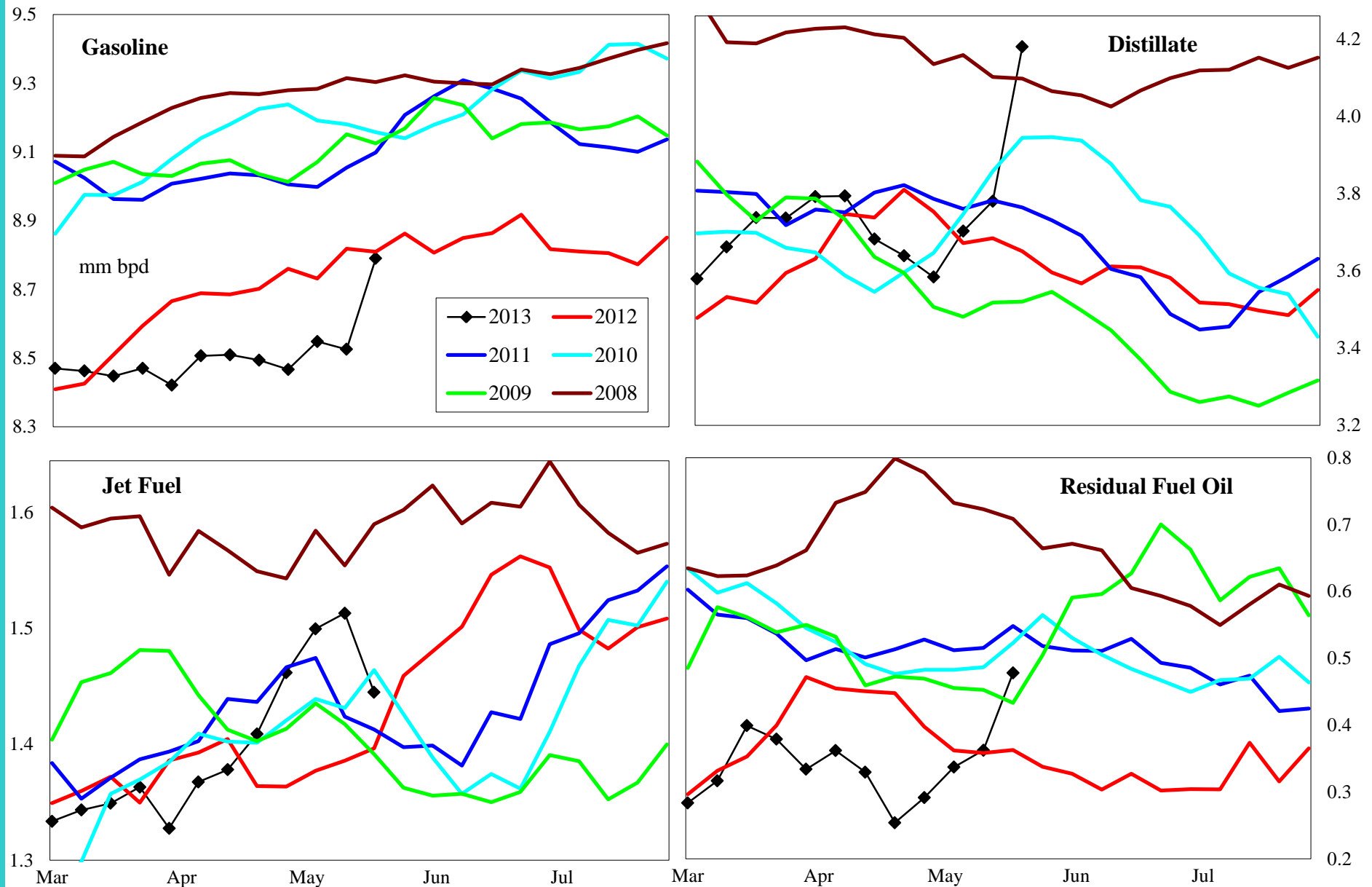
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Fundamental Trends	Wholesale Demand	Stocks Days Fwd Coverage	Refinery Utilization		Product Yield %		Imports
Supply/Demand Trends	17-May-13	EIA-DOE CHANGE FROM PRIOR WEEK					
	000 bpd stocks 000 bls	U. S. Total	PADD				
			1	2	3	4	5
Crude Oil	Stocks	-338	-357	980	-1,231	183	88
	Imports	507	33	171	303	-33	31
	Input	-4	-19	133	-52	-46	-20
	% Utilization	-0.70					
Gasoline	Stocks	3,015	233	-159	2,189	-205	957
	Production	285	143	10	-46	15	-48
	Imports	410	334	8	64	0	4
	Supplied	449					
Distillate	Stocks	-1,052	-722	-186	-493	-294	643
	Production	148	34	61	98	-7	-37
	Imports	3	19	-1	-14	0	0
	Supplied	643					
Jet Fuel	Stocks	-495	91	-326	-744	-31	514
	Production	-71	-4	-22	-57	4	9
	Imports	0	35	0	0	0	-34
	Supplied	-178					
Residual Fuel Oil	Stocks	-1,105	-451	99	-997	3	240
	Production	119	3	-9	79	0	47
	Imports	-7	-18	0	73	0	-61
	Supplied	90					

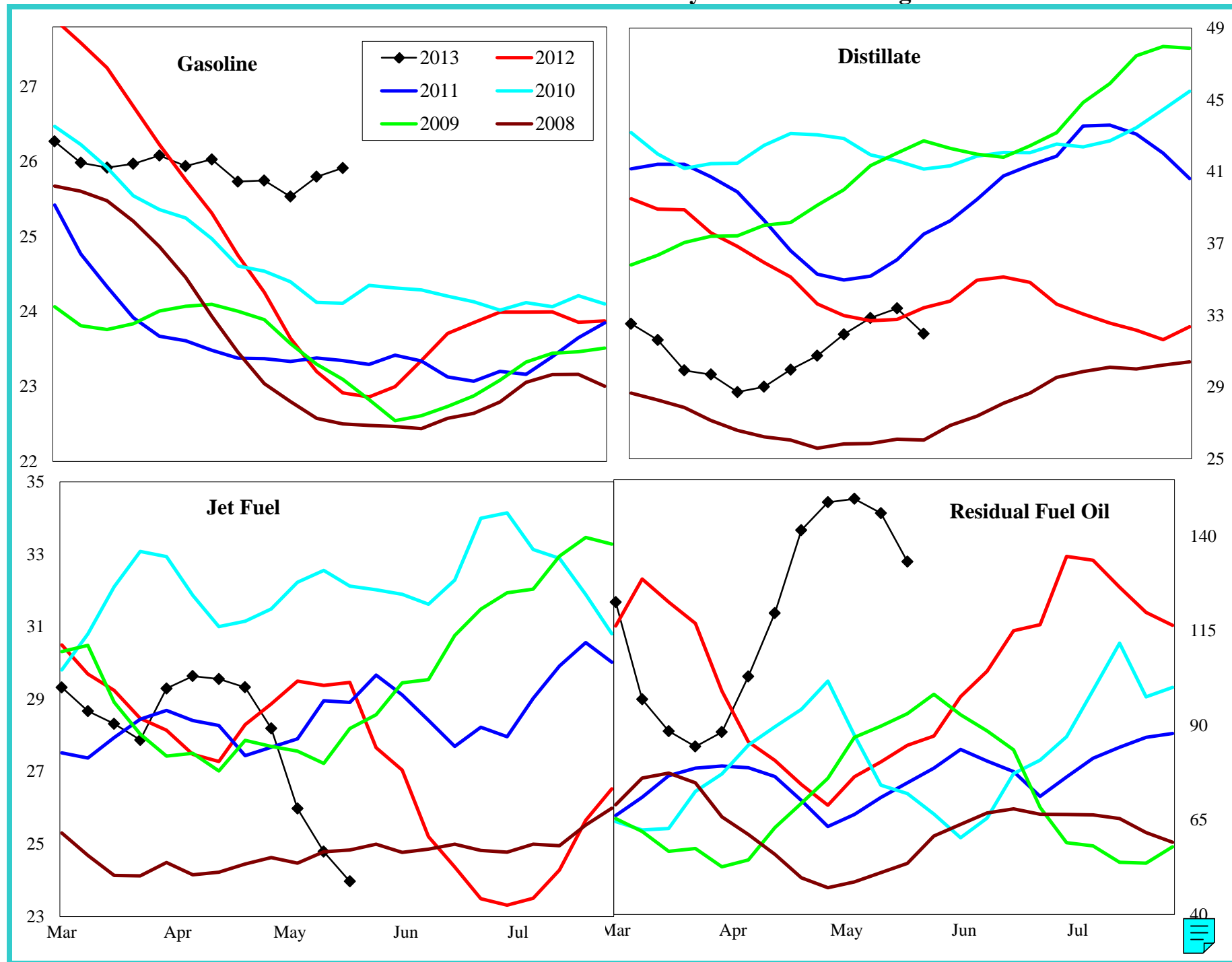
United States Wholesale Petroleum Demand



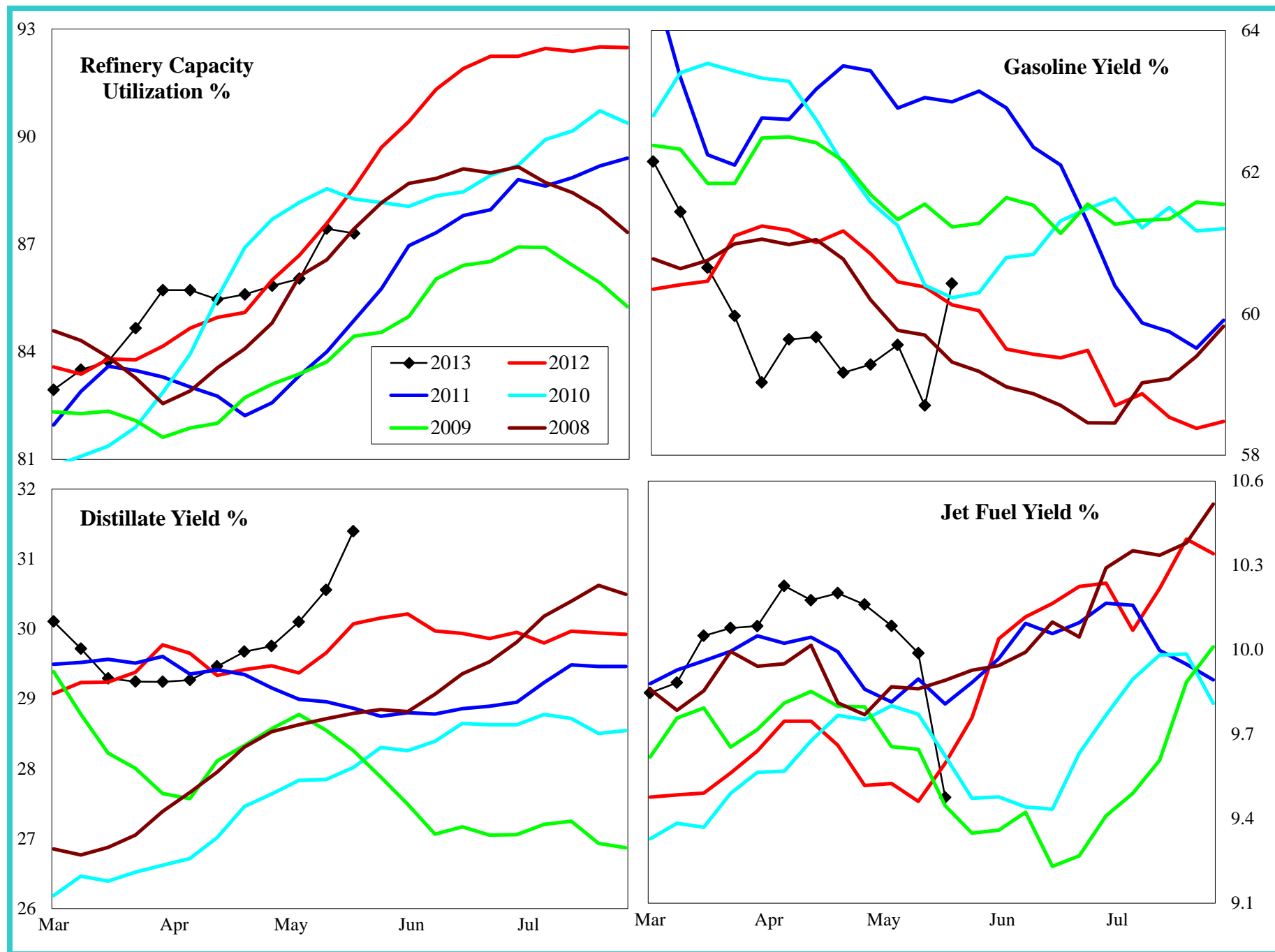
	000 bpd change from prior year				% change from prior year				
	4wk avg	Apr	Mar	Jan	4wk avg	Apr	Mar	Feb	
Gasoline	-292	-311	-165	-210	-3.3	-3.5	-1.9	-2.4	
Distillate	91	-21	52	-5	2.5	-0.6	1.4	-0.1	
Jet Fuel	86	34	-17	-30	6.2	2.5	-1.2	-2.2	
Resid	-29	-146	8	-90	-8.0	-35.8	1.9	-22.8	



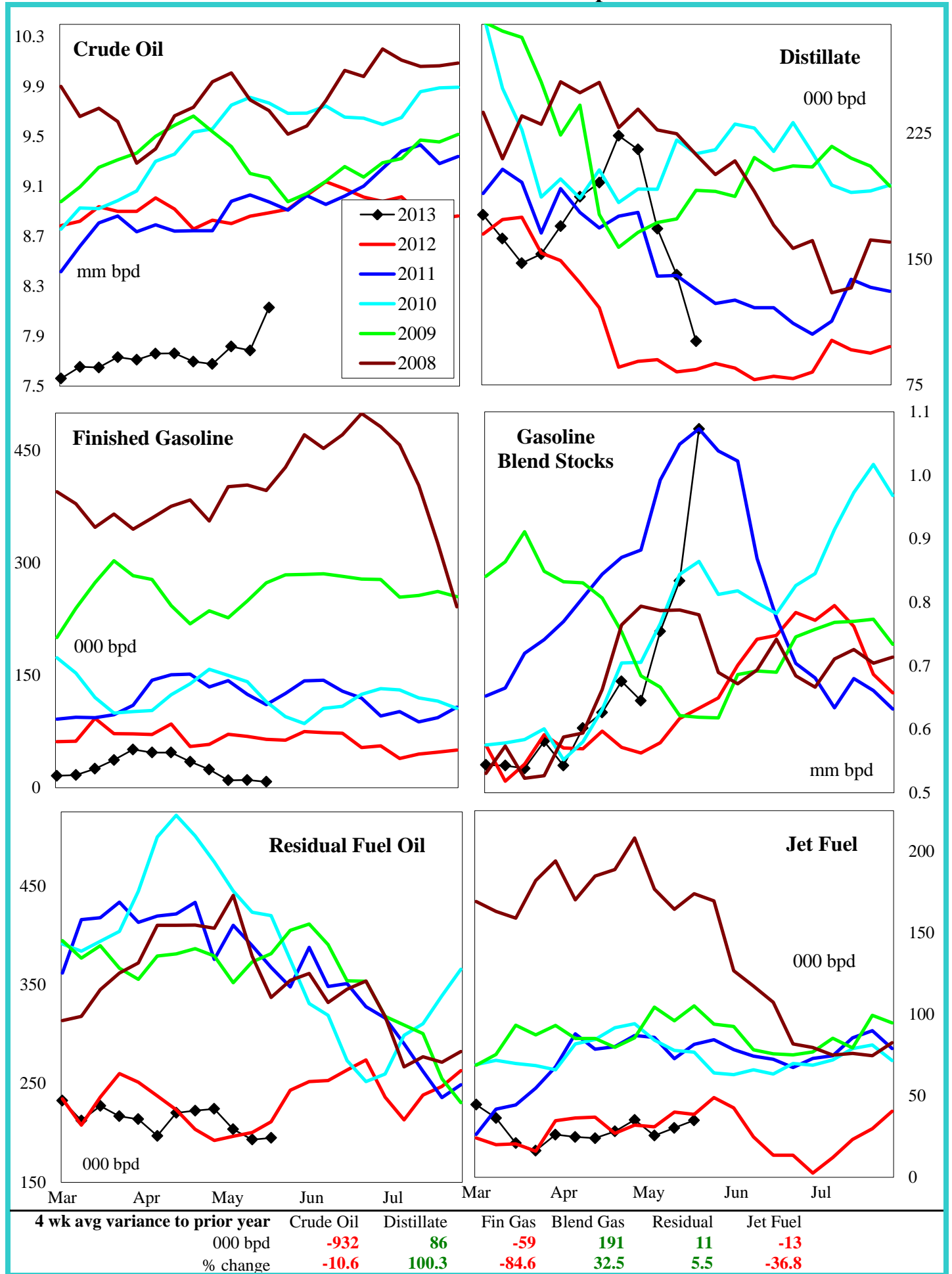
United States Product Stocks: Days Forward Coverage



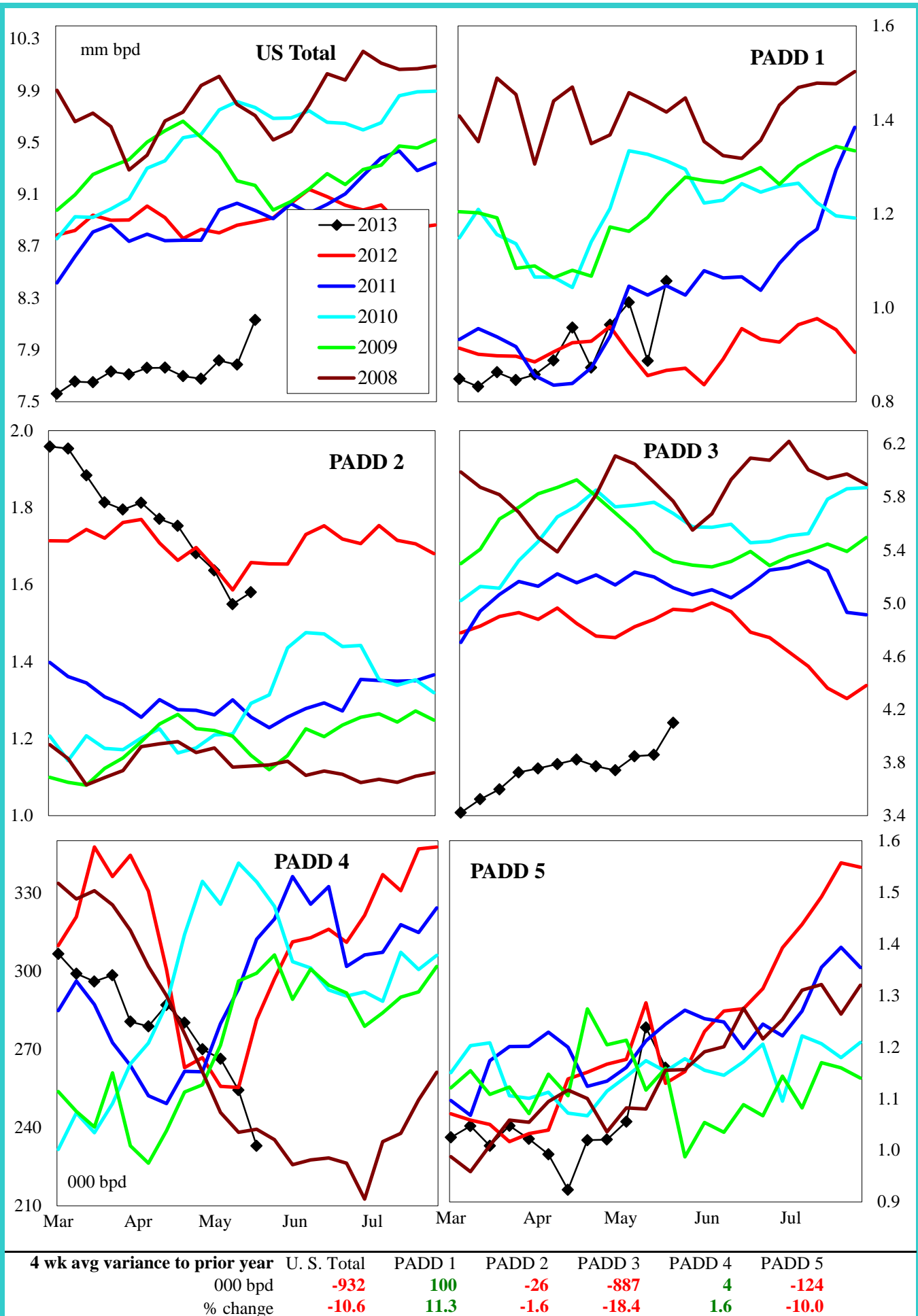
United States Refinery Percent Utilization Rate and Product Yields



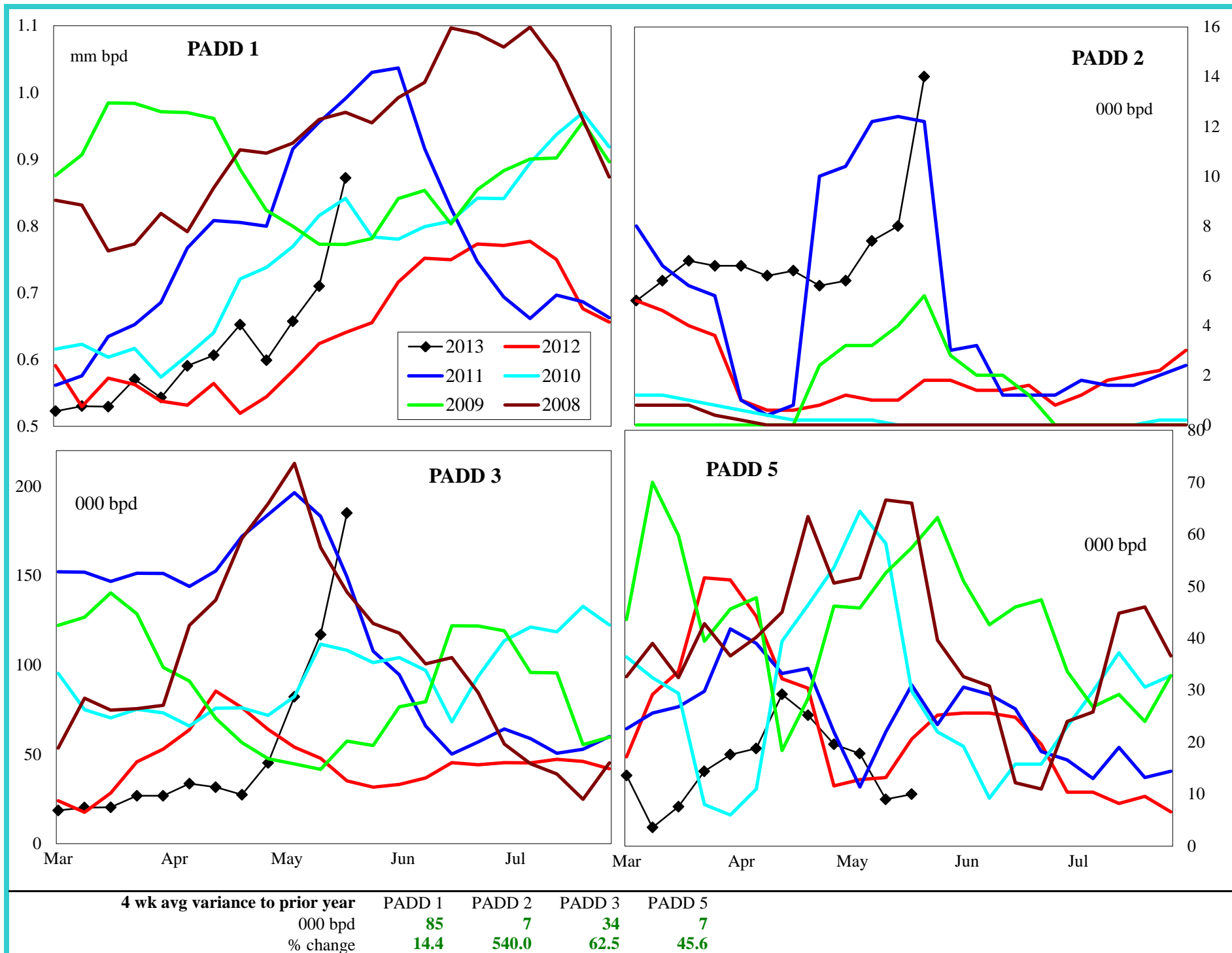
United States Petroleum Imports



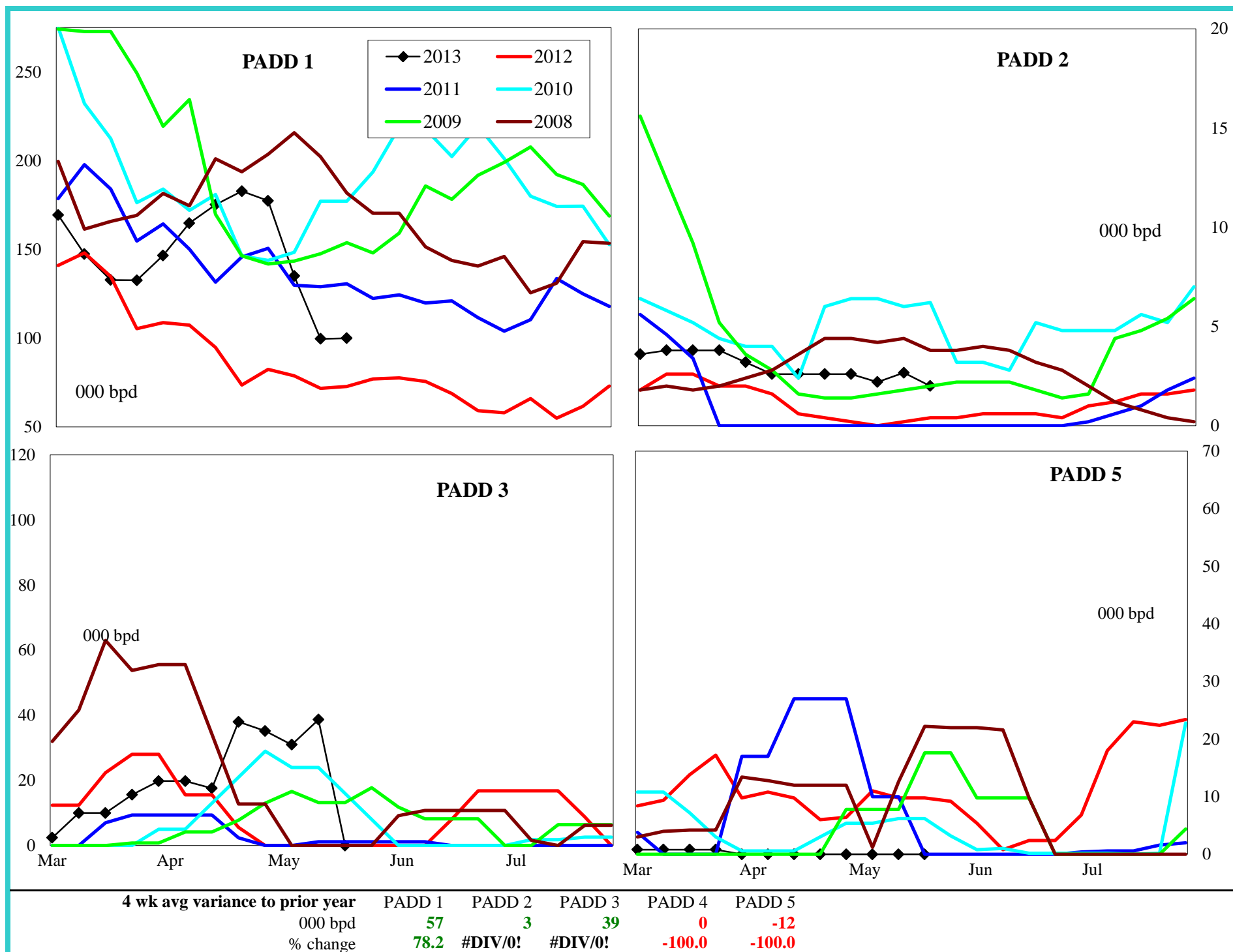
Crude Oil Imports by PADD



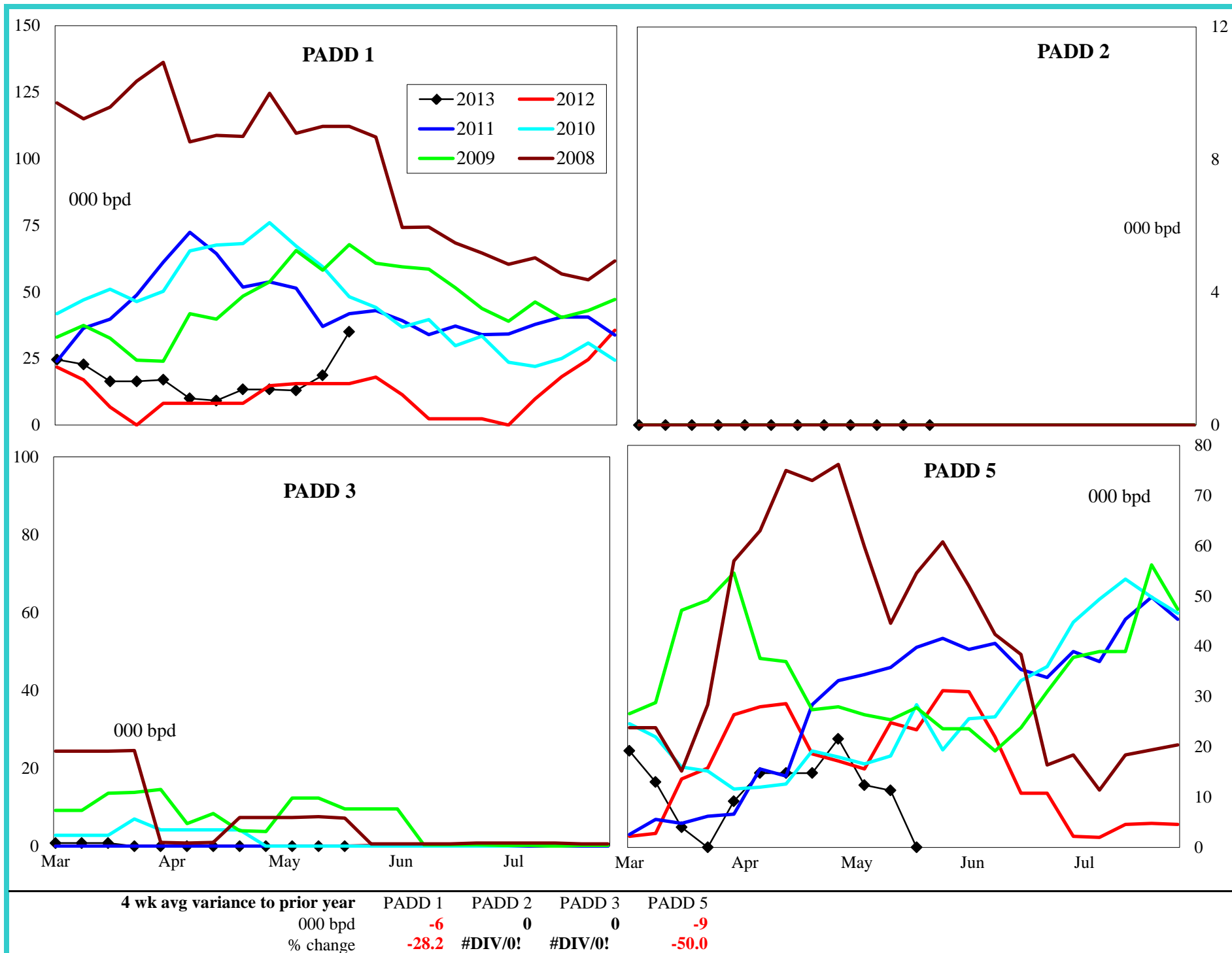
Gasoline Imports by PADD (Finished + Blend Stocks)



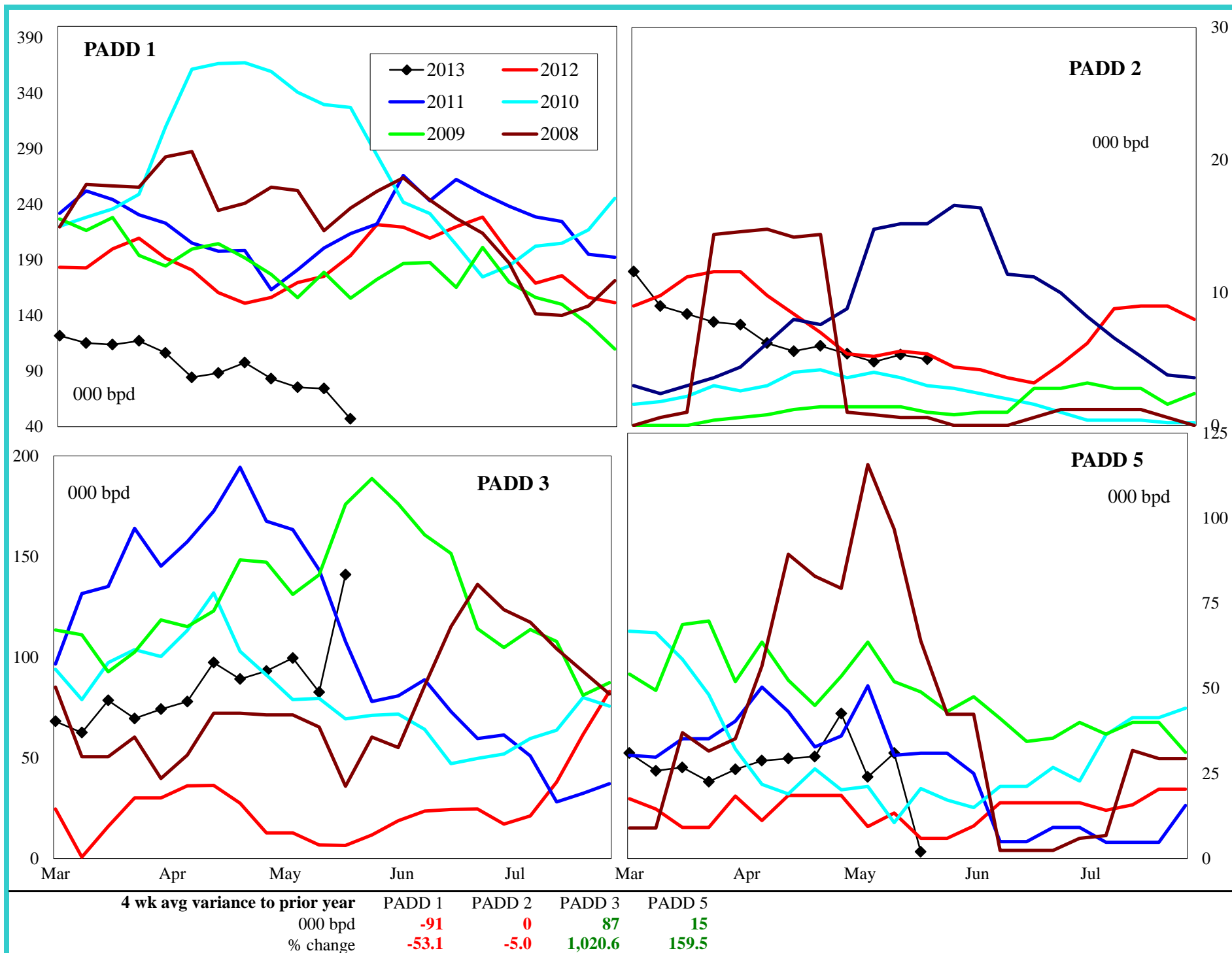
Distillate Imports by PADD



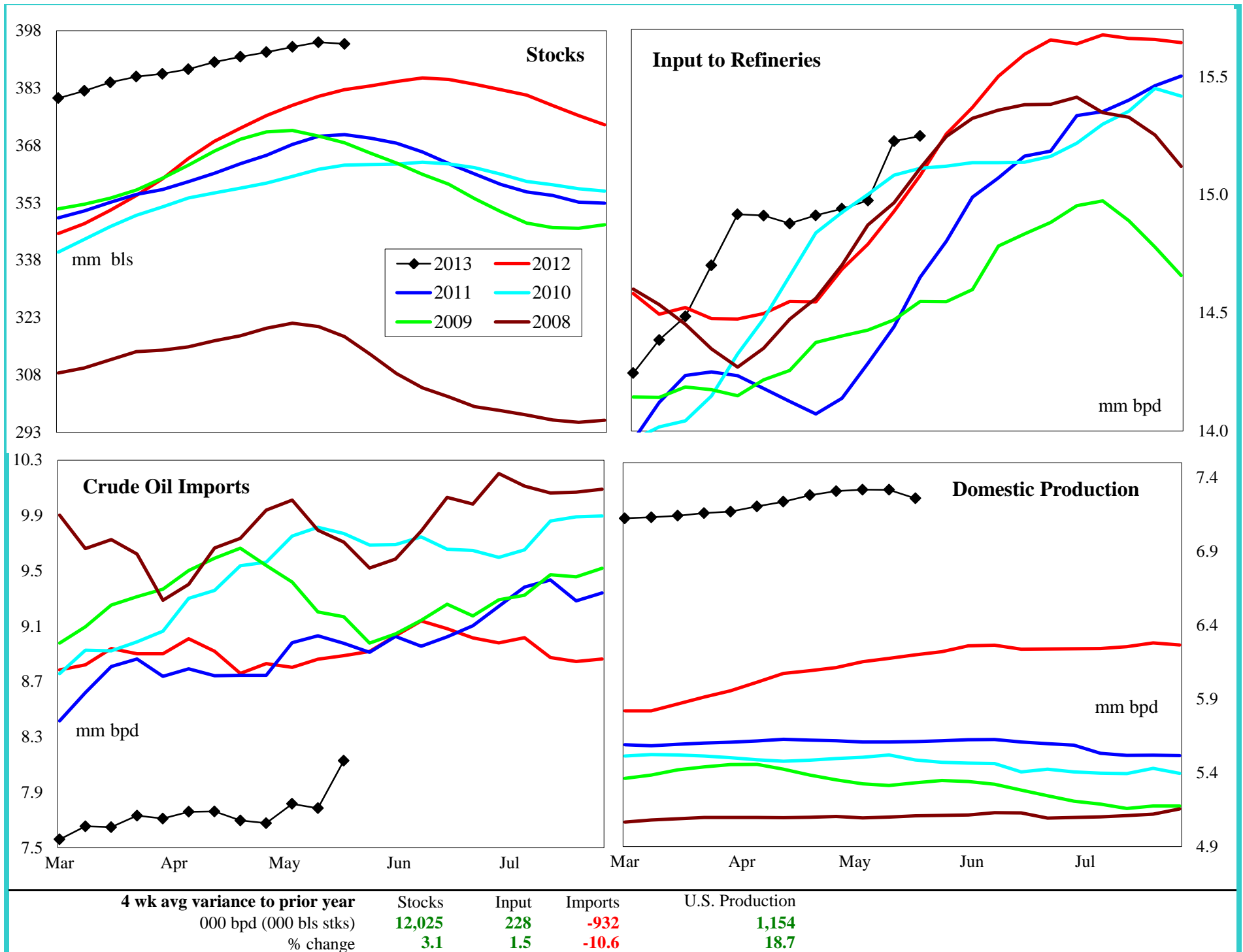
Jet Fuel Imports by PADD



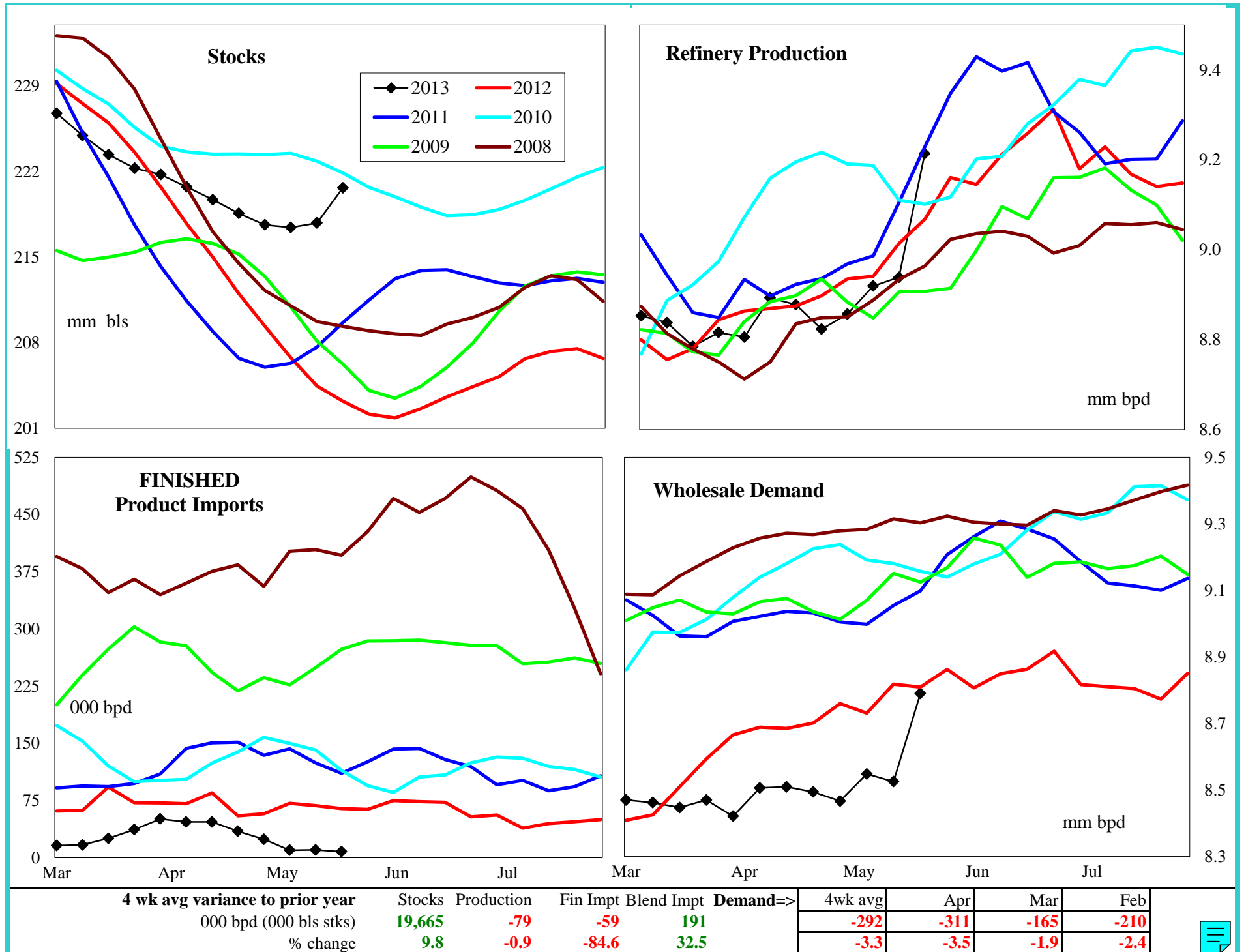
Residual Fuel Oil Imports by PADD



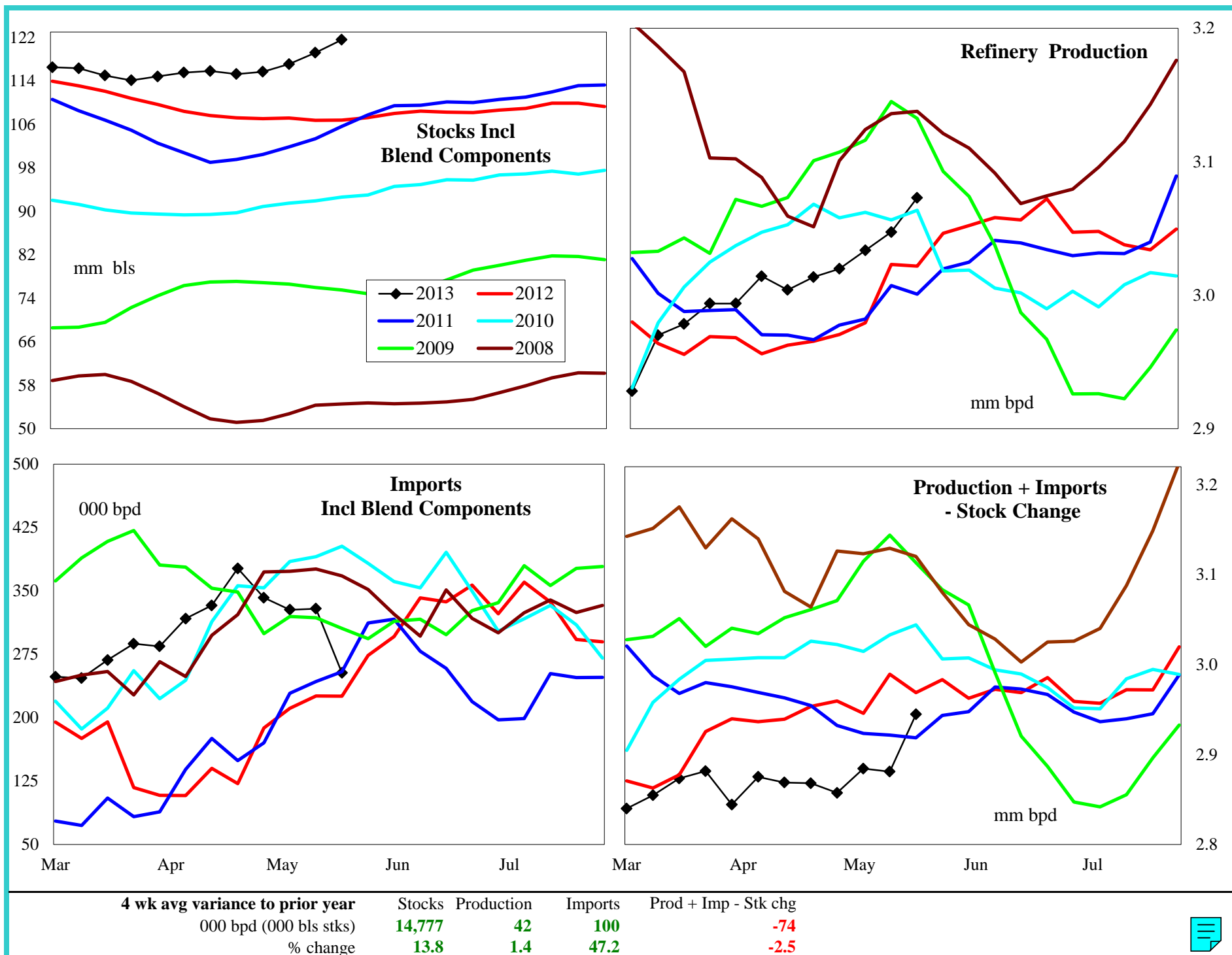
United States Crude Oil Supply and Demand Balance



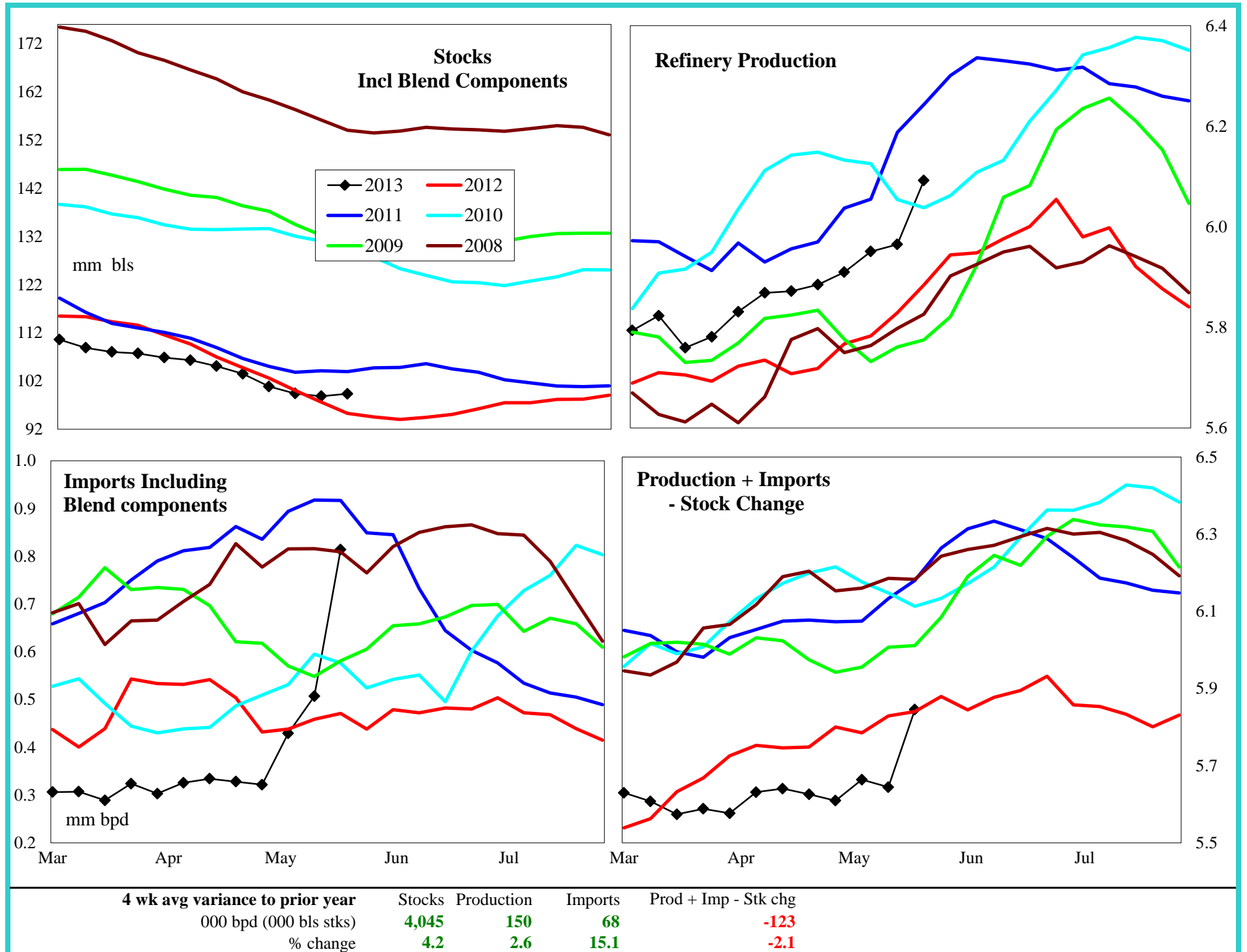
United States Gasoline Supply and Demand Balance



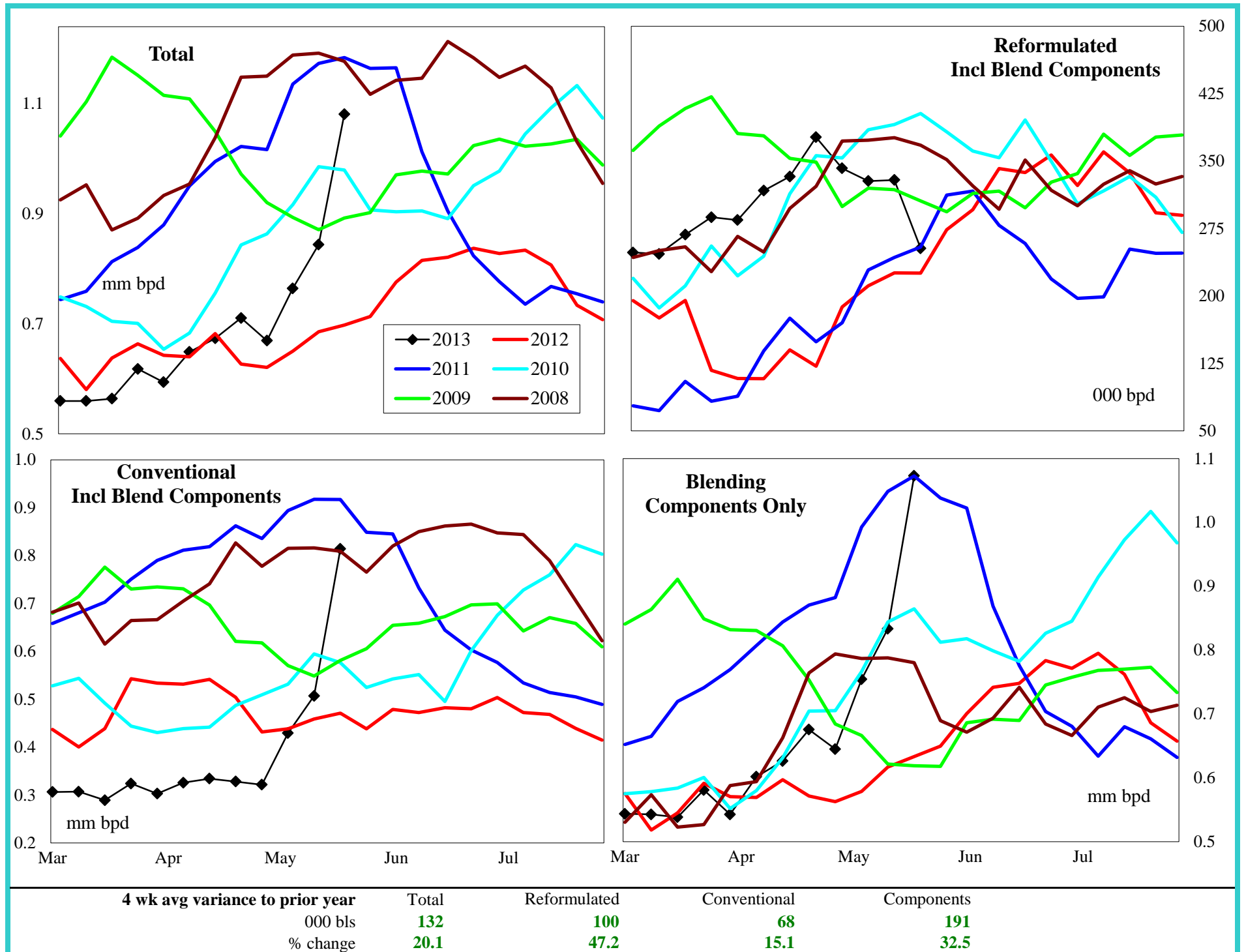
United States Reformulated Gasoline Supply



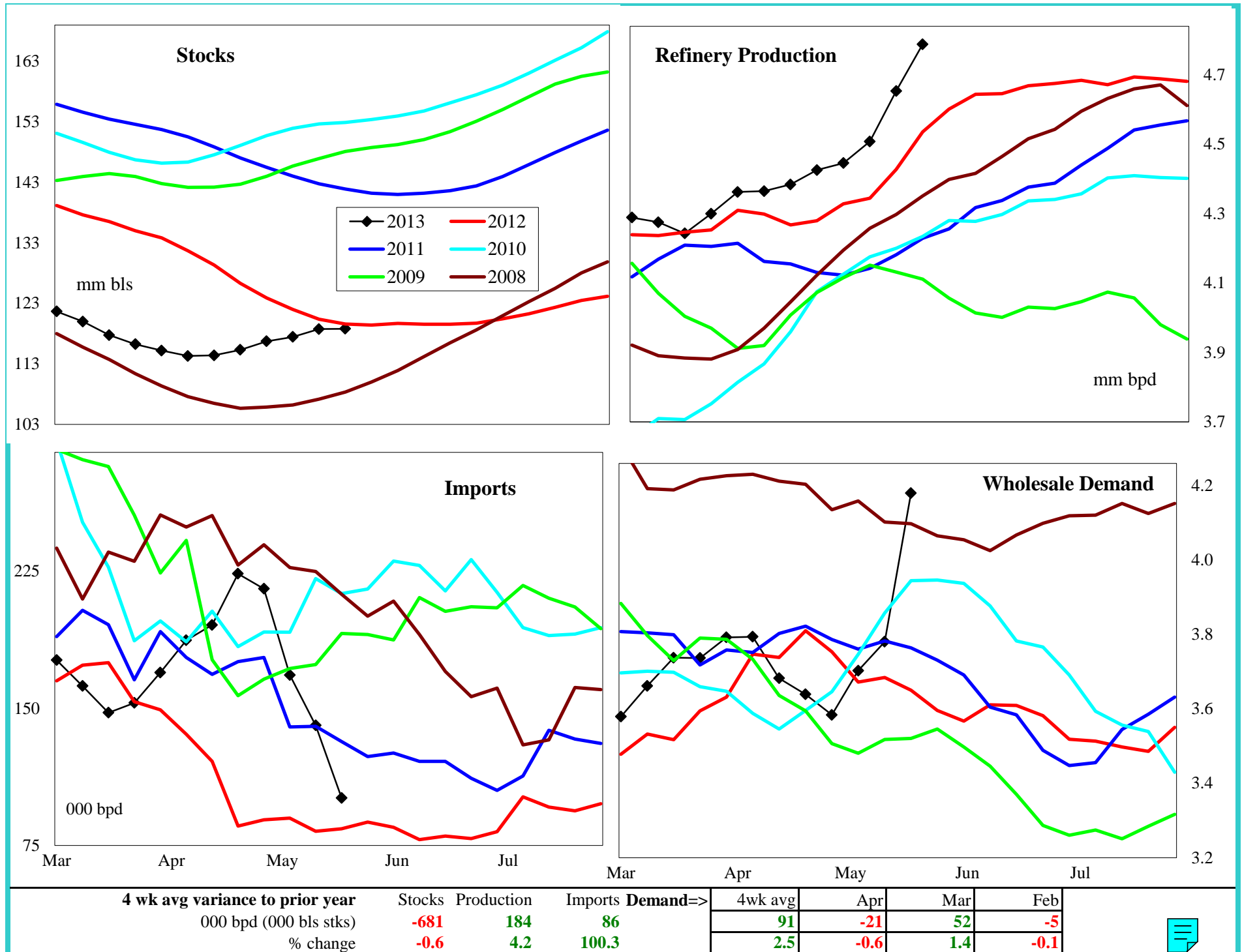
United States Conventional Gasoline Supply



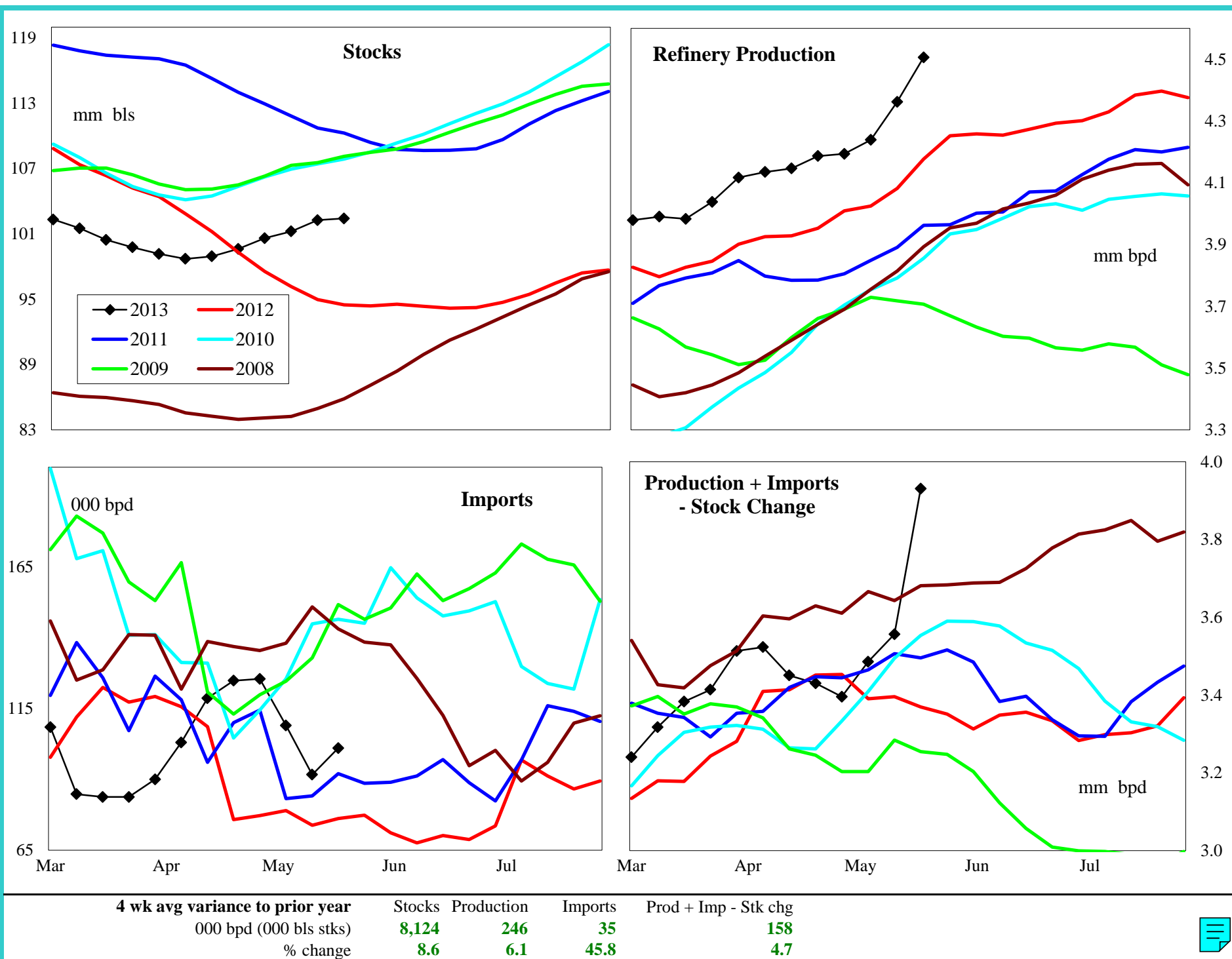
United States Gasoline Imports by Type



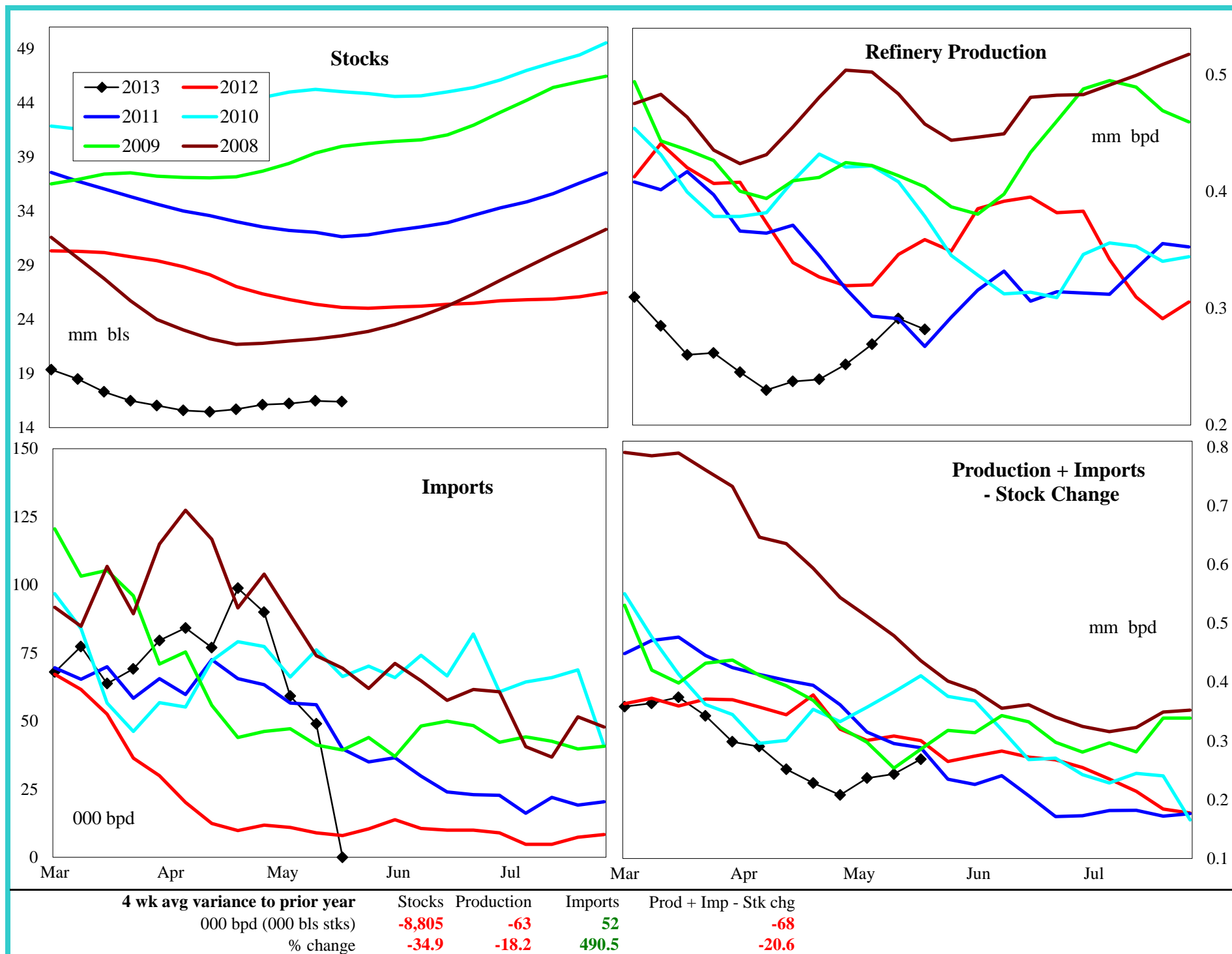
United States Distillate Supply and Demand Balance



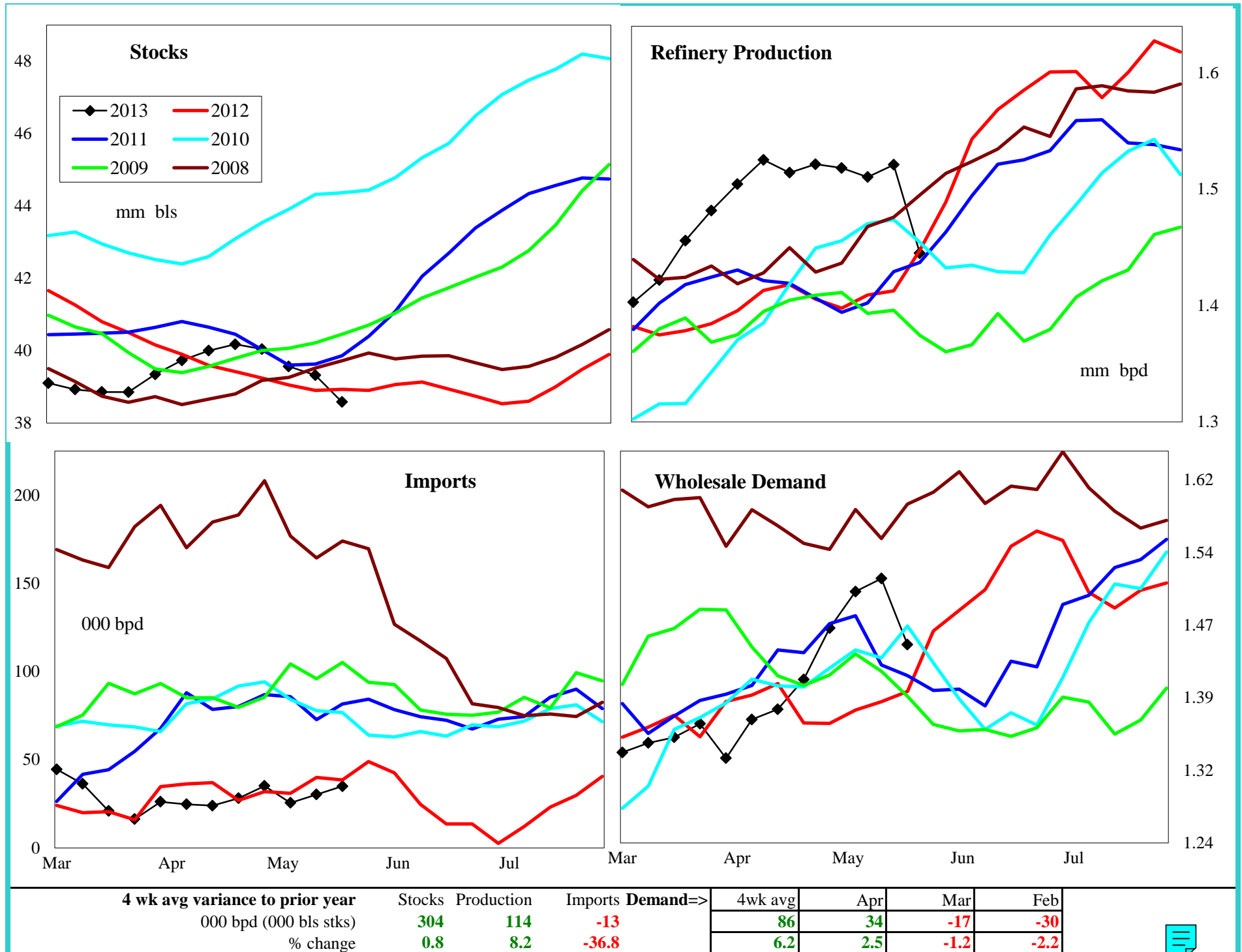
United States Low Sulfur Distillate Supply



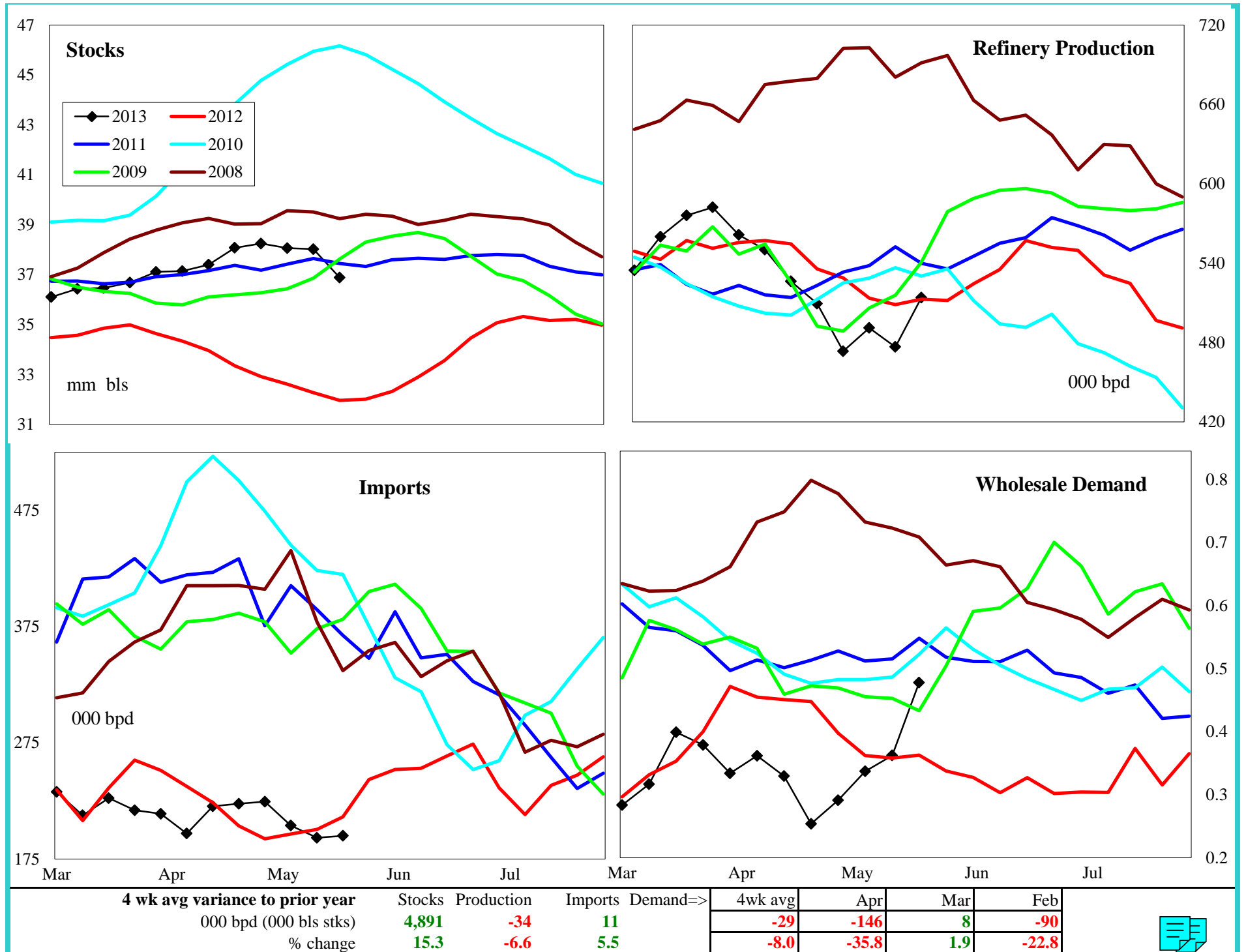
United States High Sulfur Distillate Supply



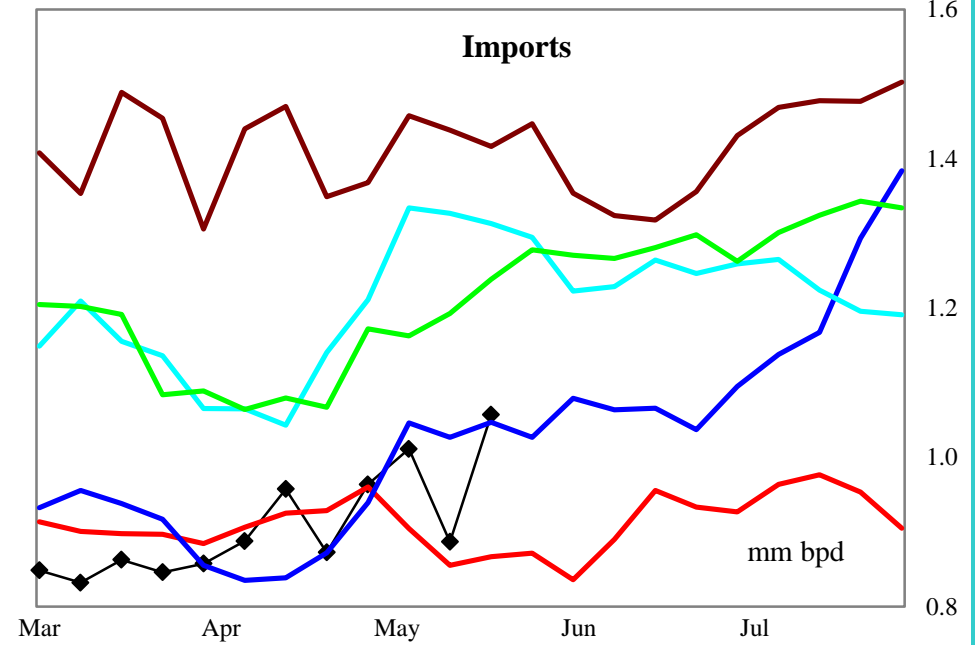
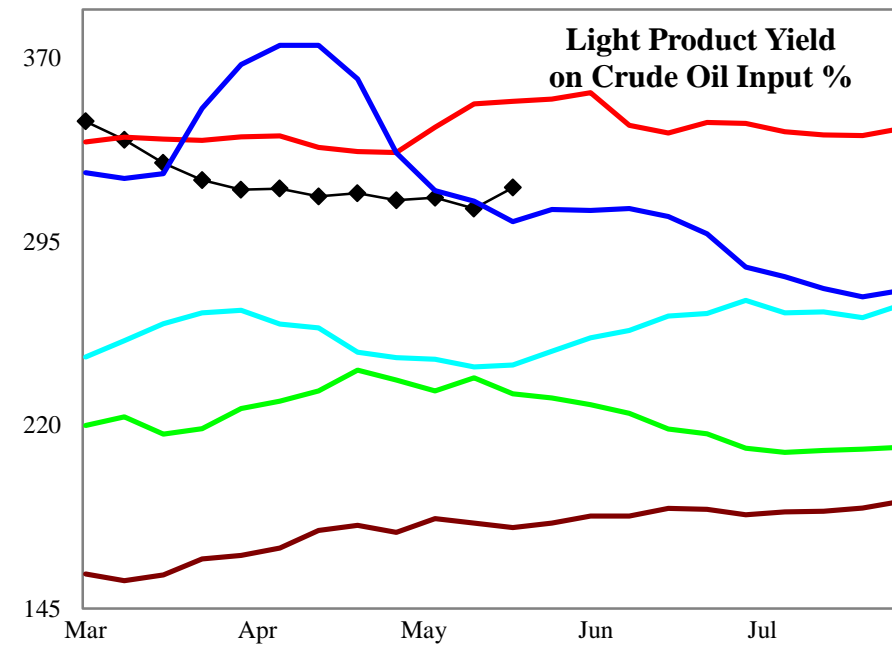
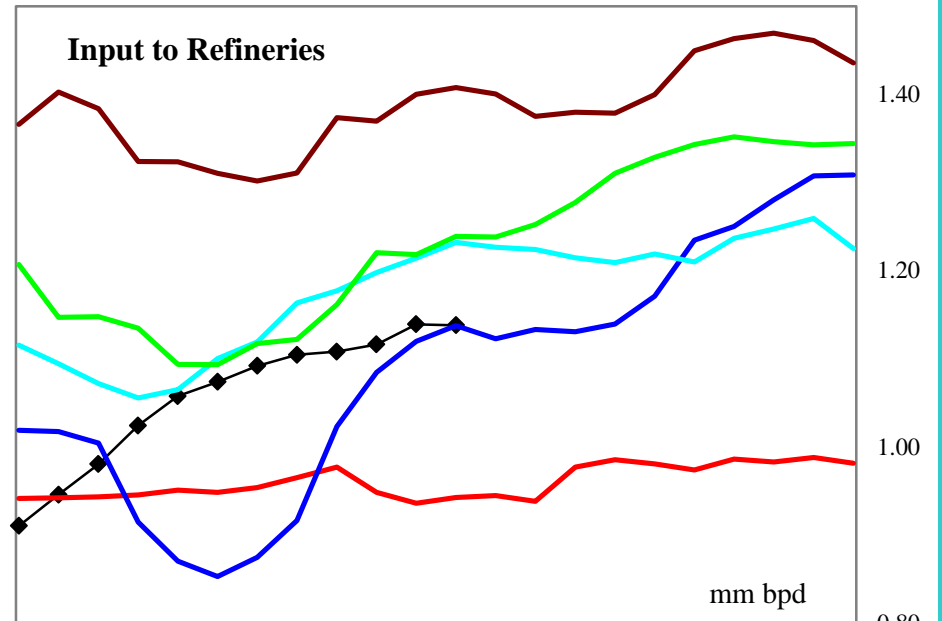
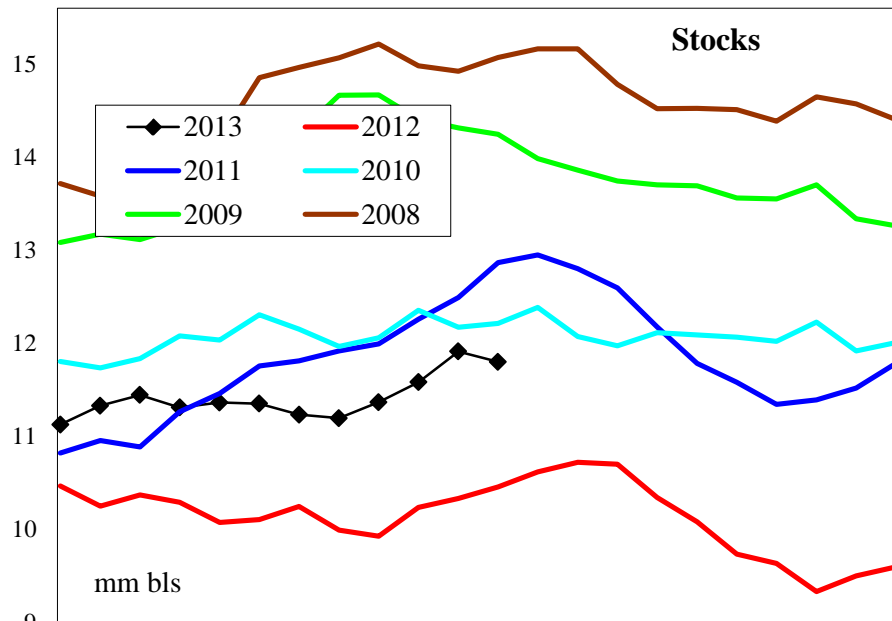
United States Jet Fuel Supply and Demand Balance



United States Residual Fuel Oil Supply and Demand Balance



PADD 1 Crude Oil Supply and Refining



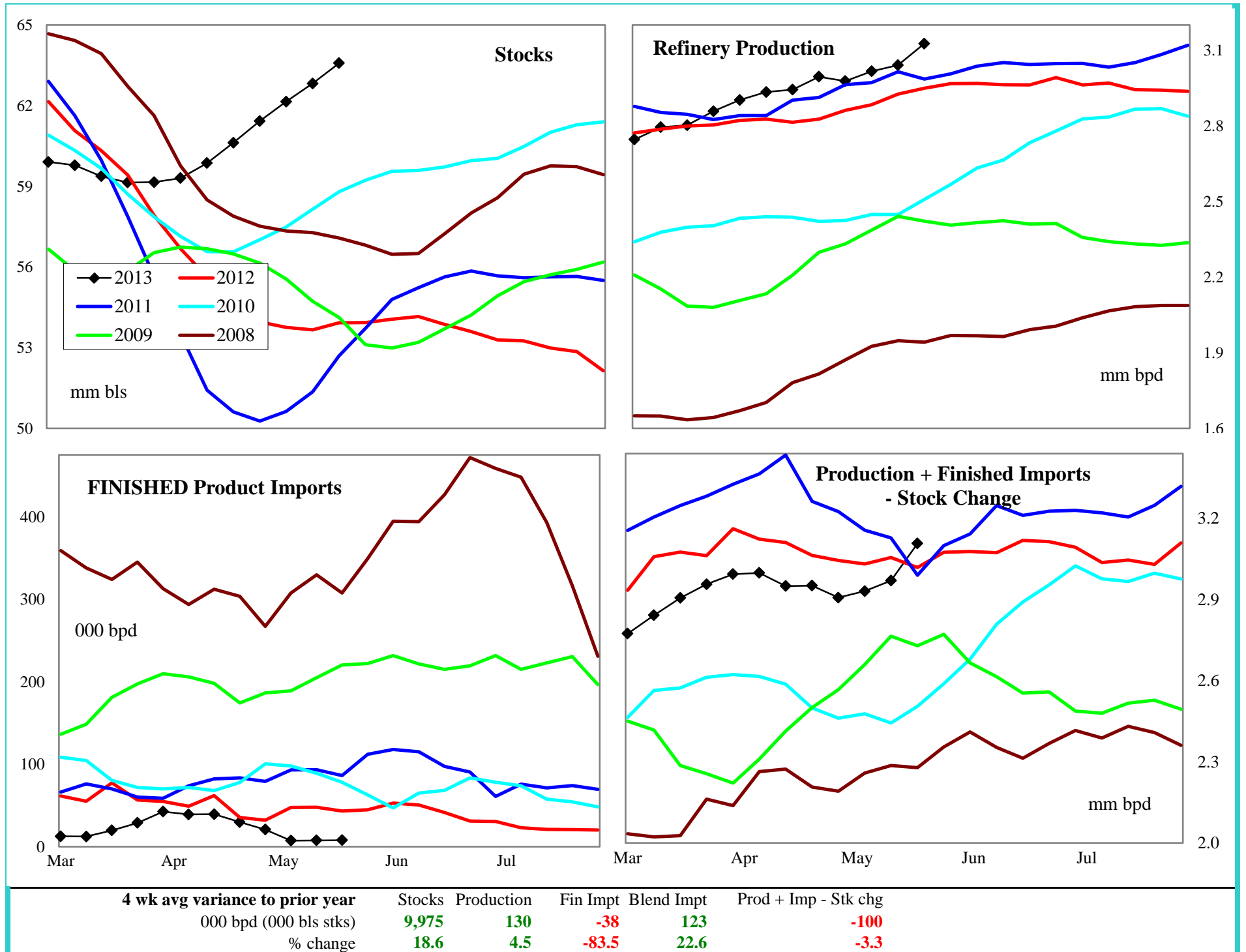
4 wk avg variance to prior year
000 bpd (000 bls stks)
% change

Stocks
1,343
12.4

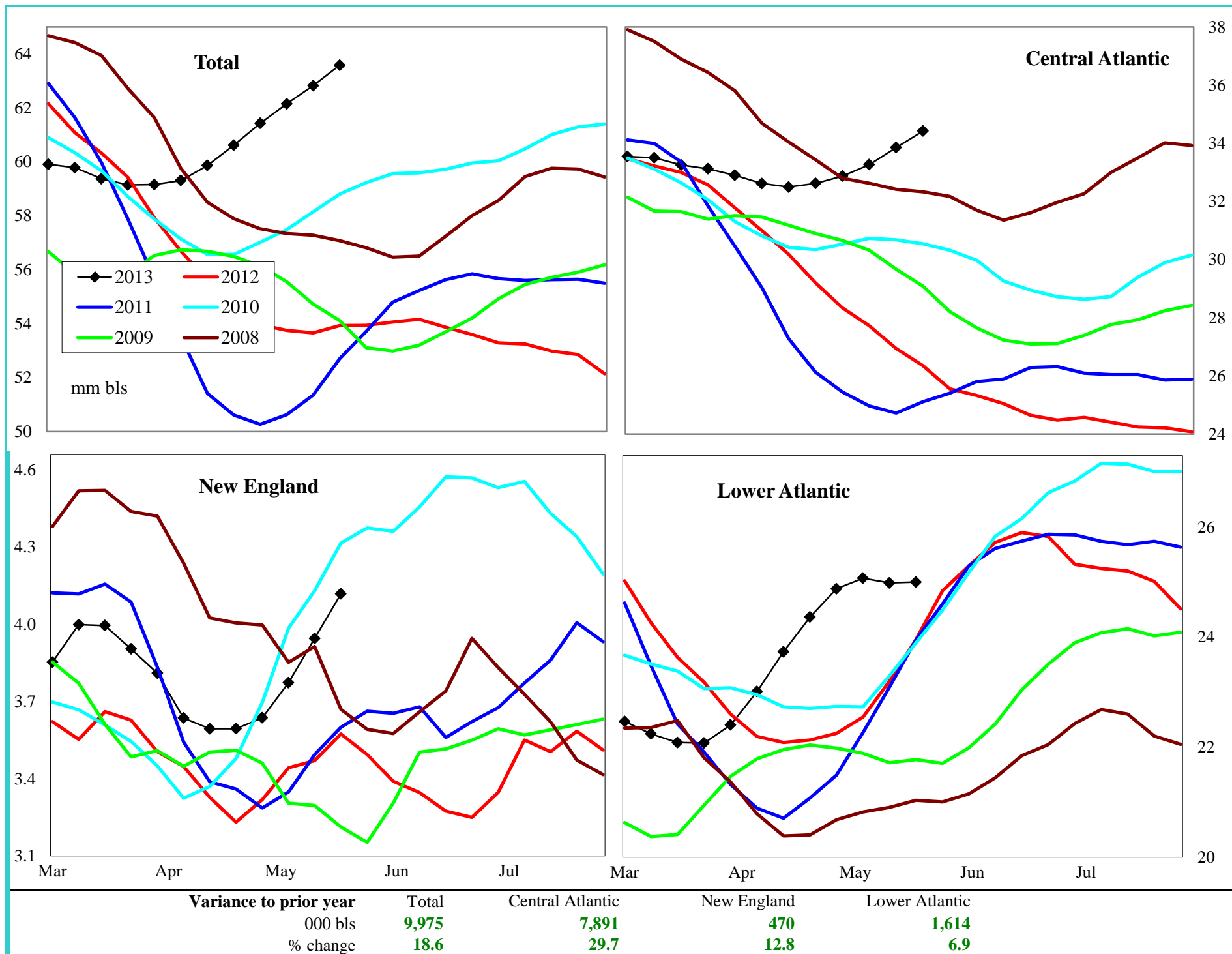
Input
191
20.3

Imports
100
11.3

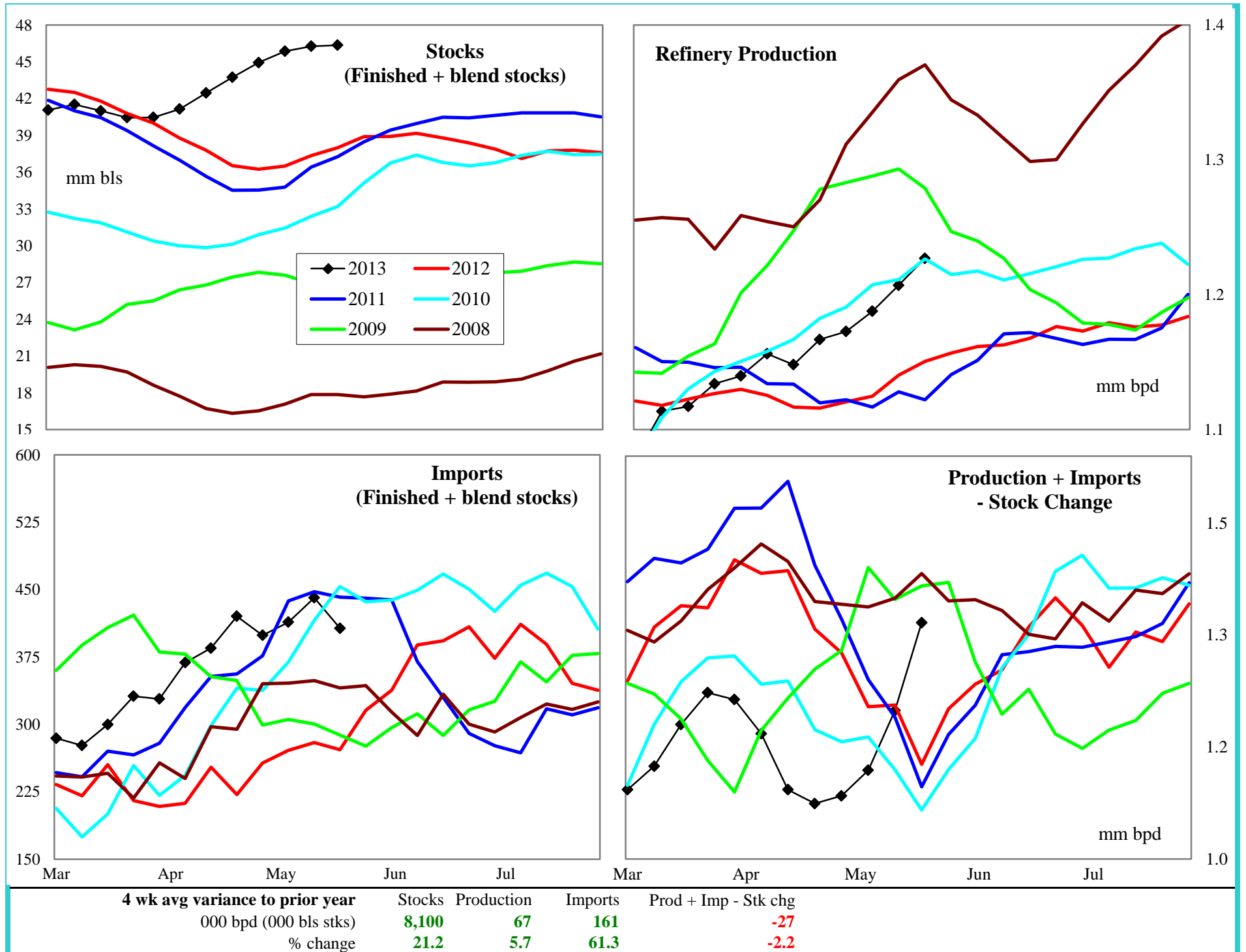
PADD 1 Gasoline Supply



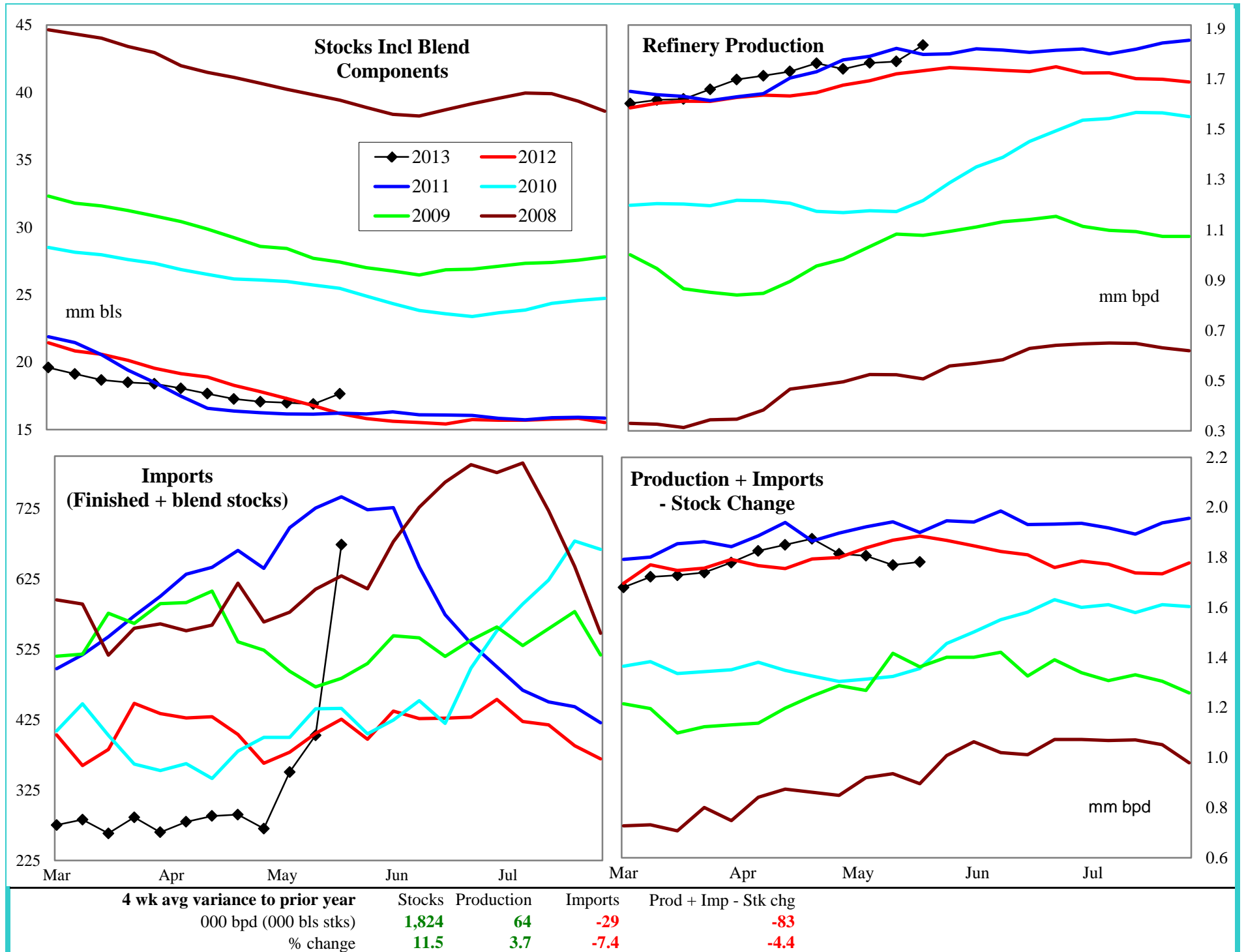
PADD 1 Gasoline Stocks by Region



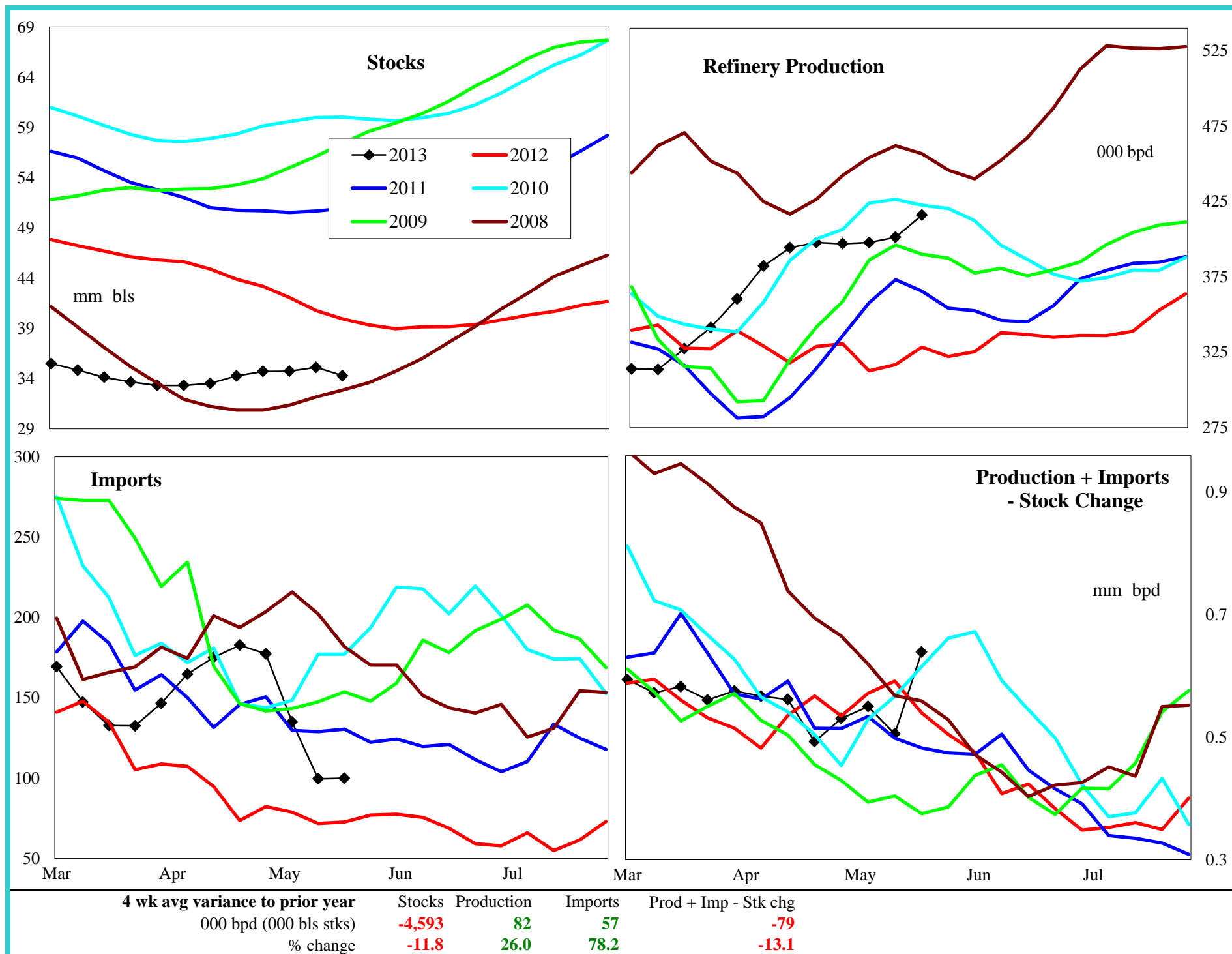
PADD 1 Reformulated Gasoline Supply



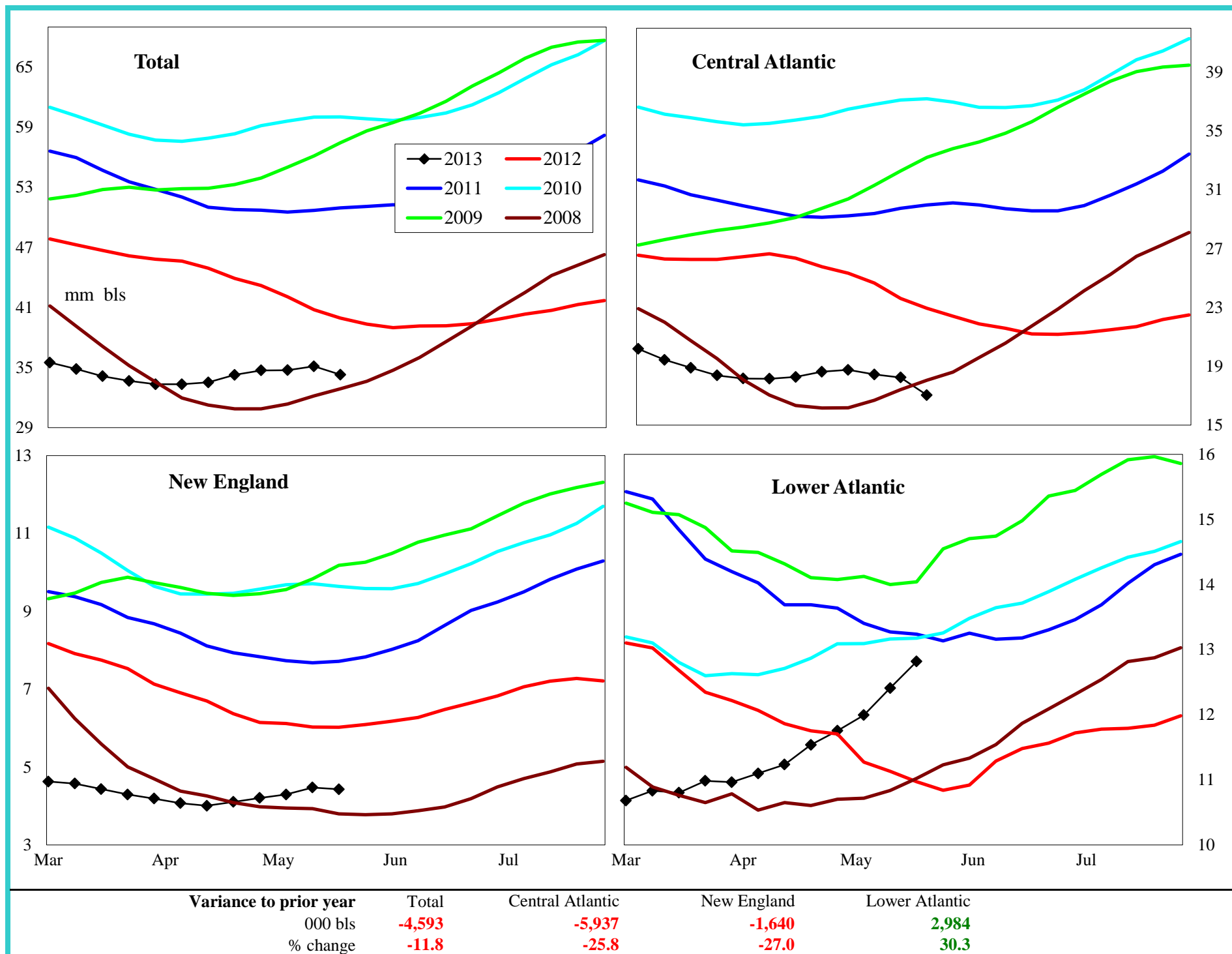
PADD 1 Conventional Gasoline Supply



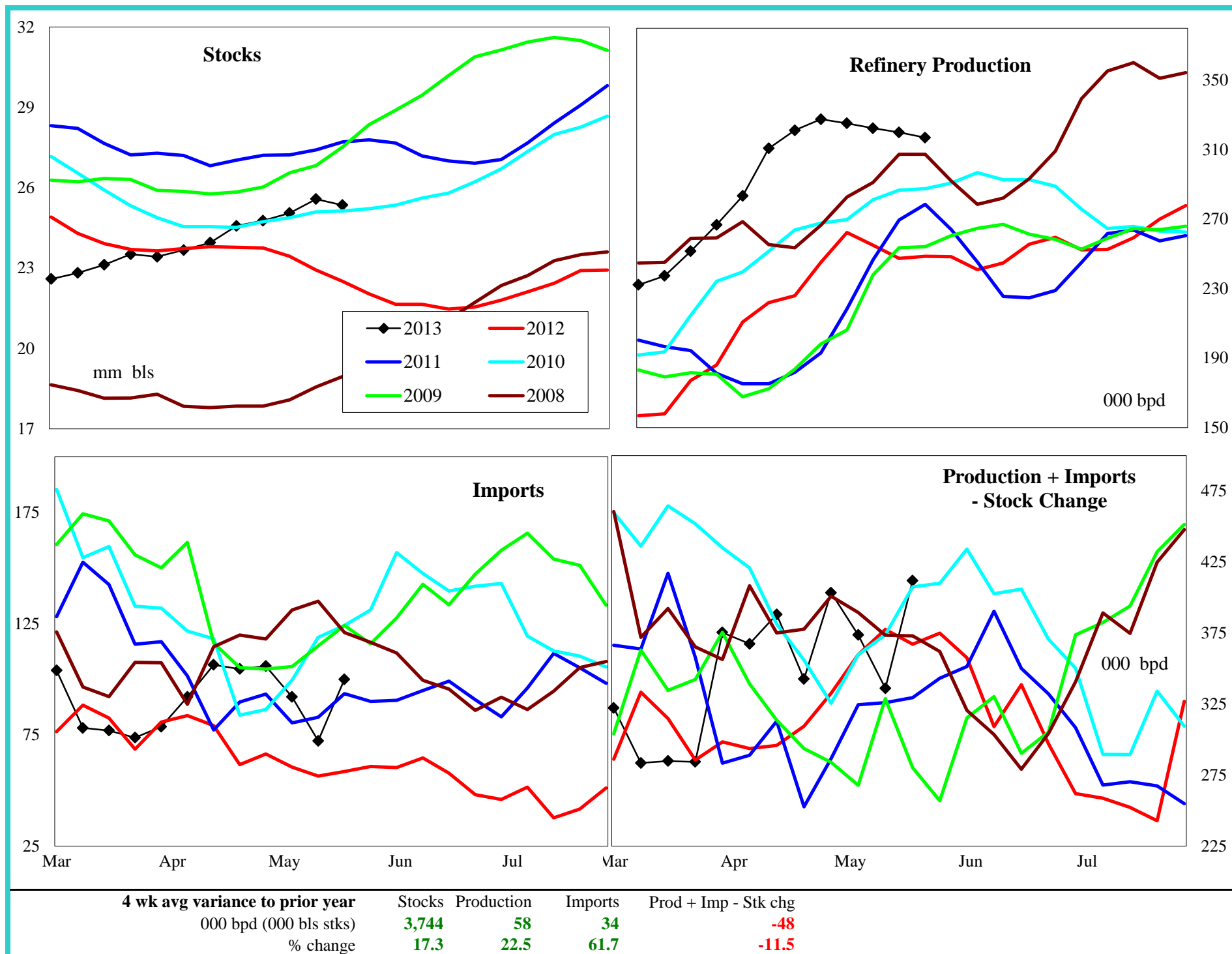
PADD 1 Distillate Supply



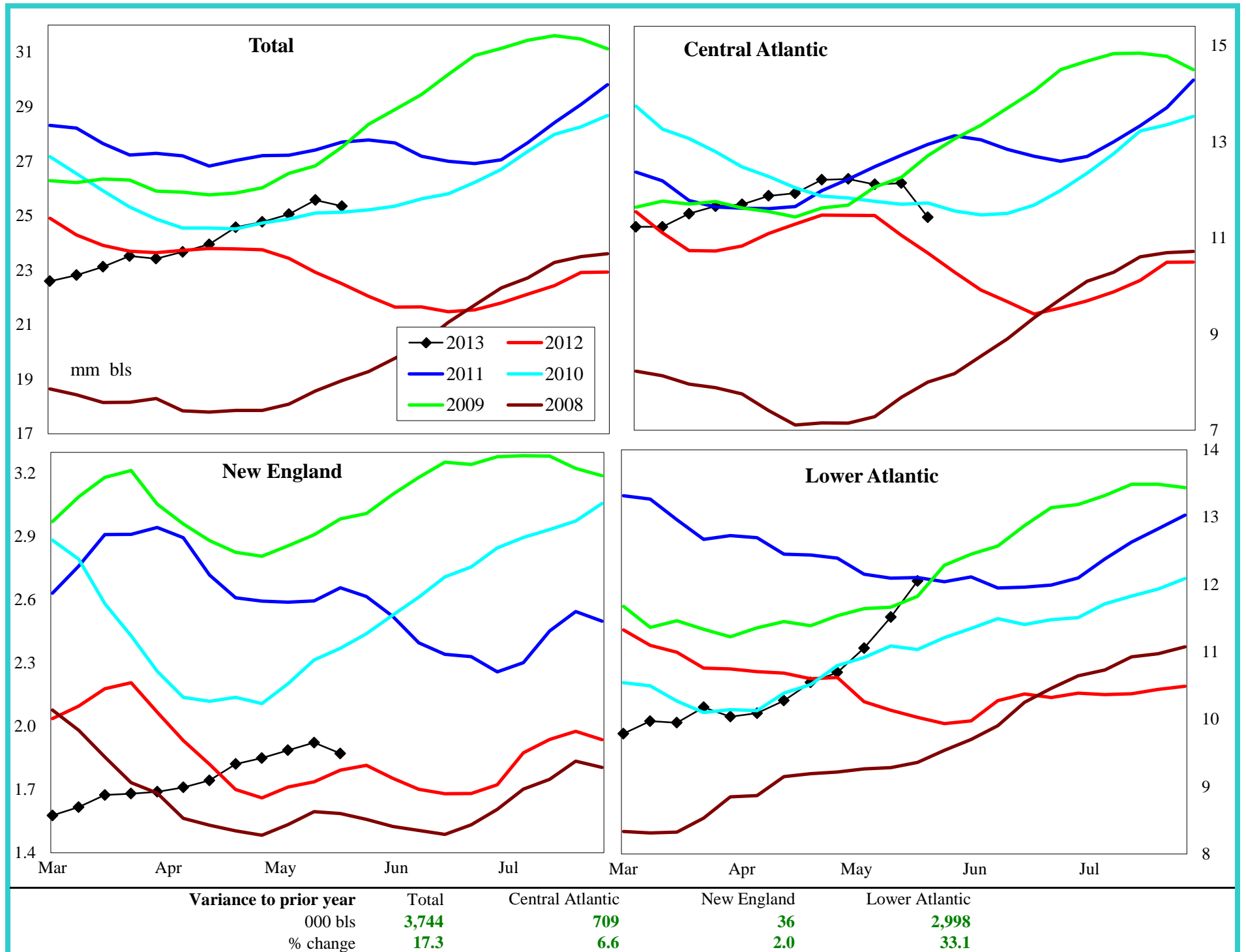
PADD 1 Distillate Stocks by Region



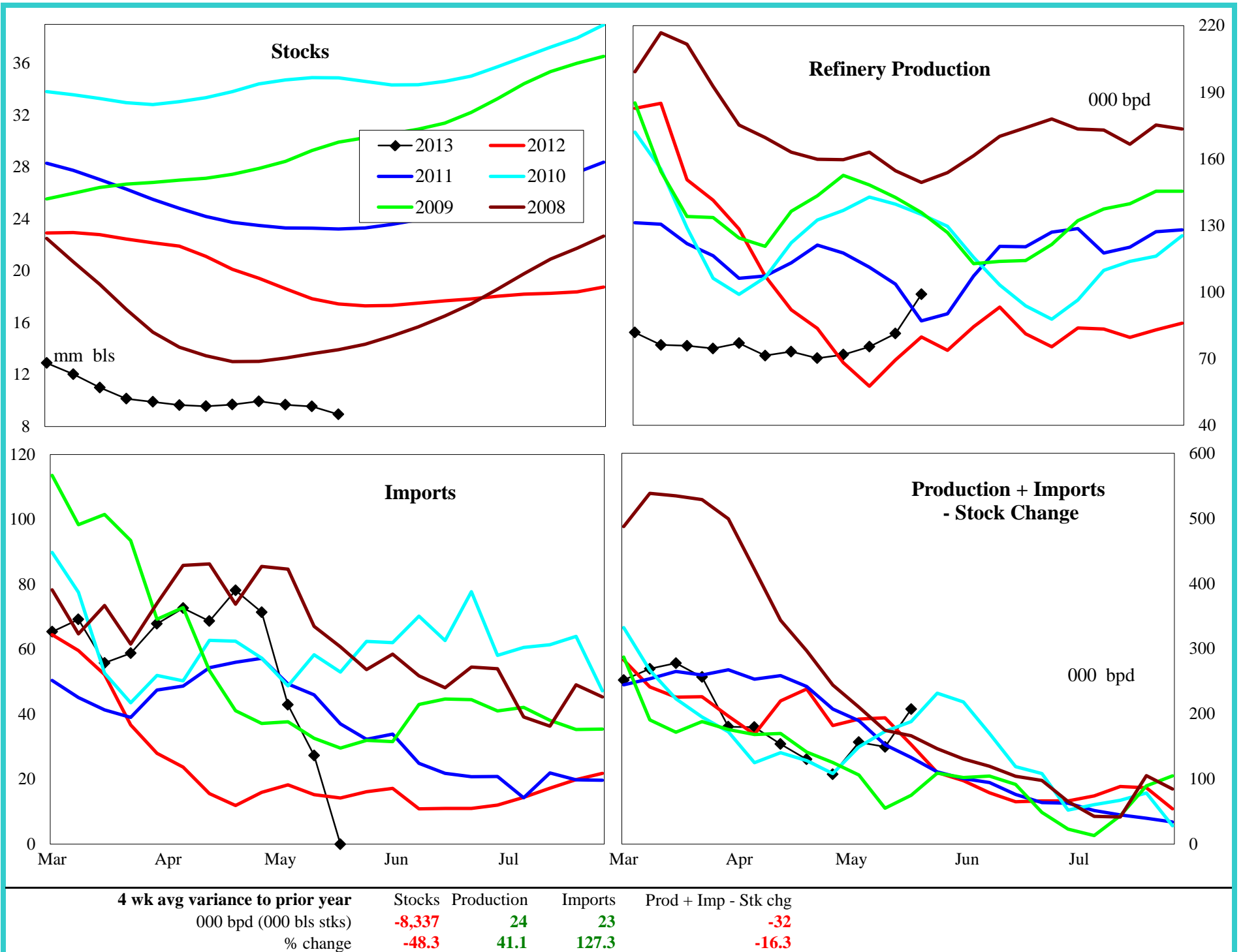
PADD 1 Low Sulfur Distillate Supply



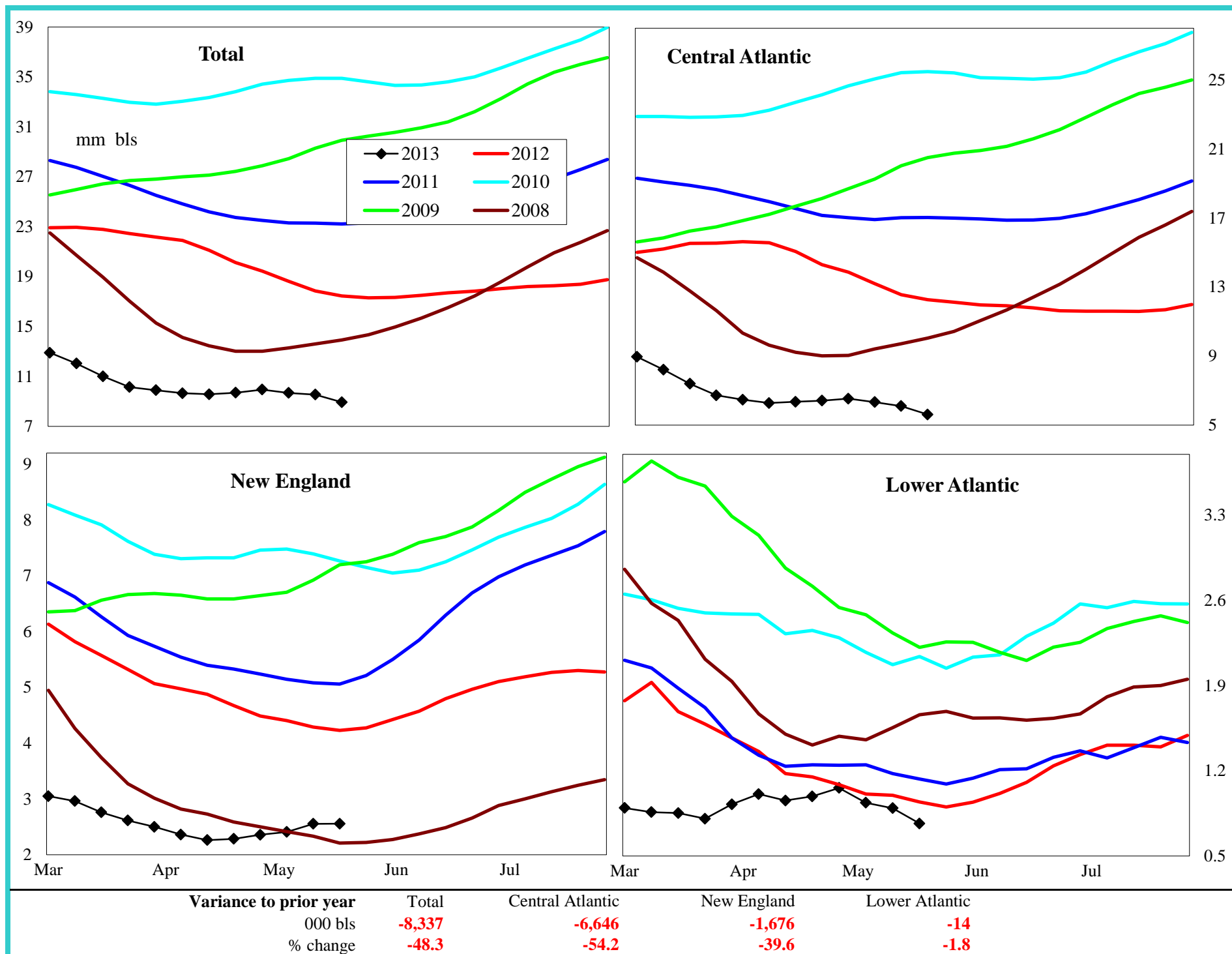
PADD 1 Low Sulfur Distillate Stocks by Region



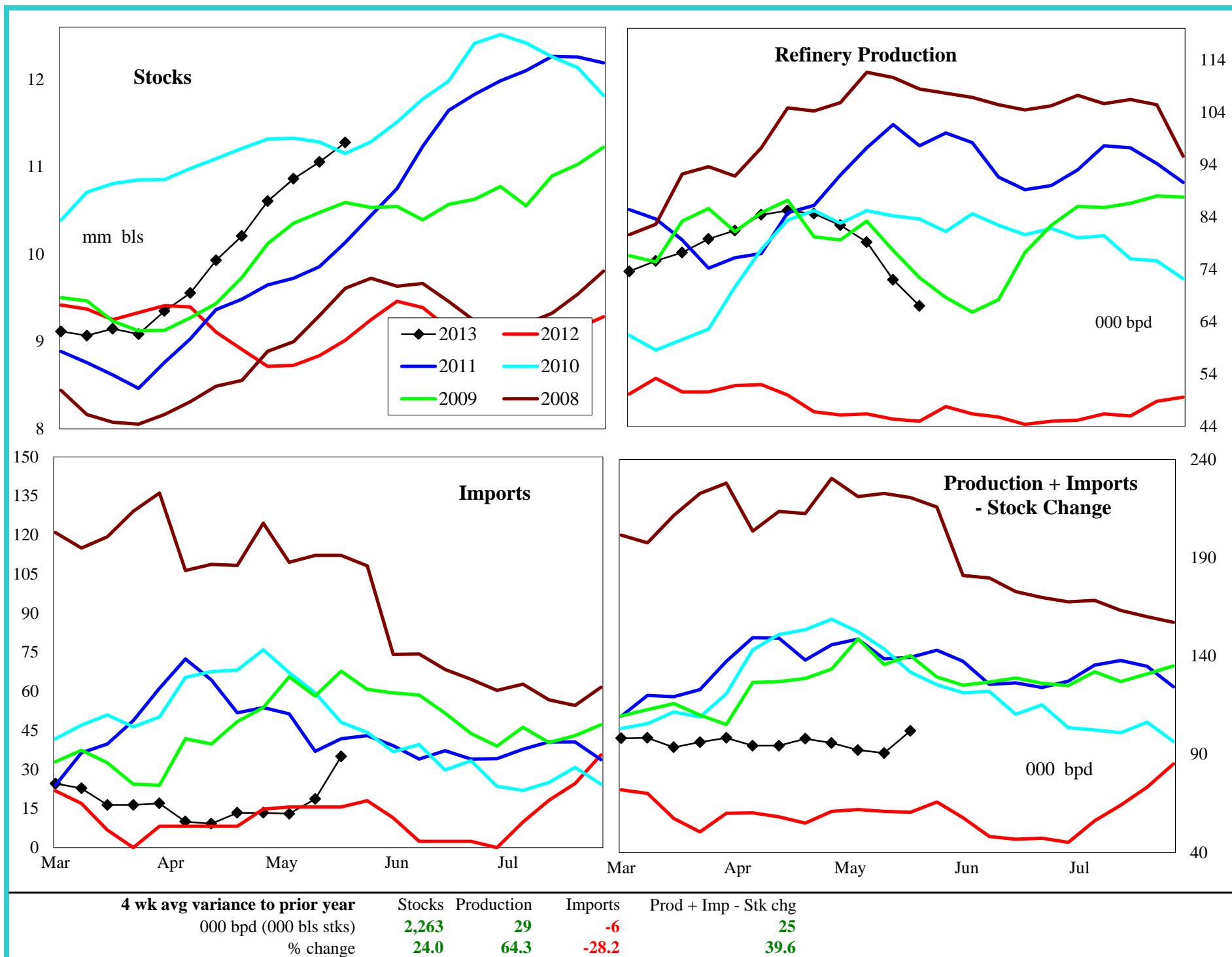
PADD 1 High Sulfur Distillate Supply



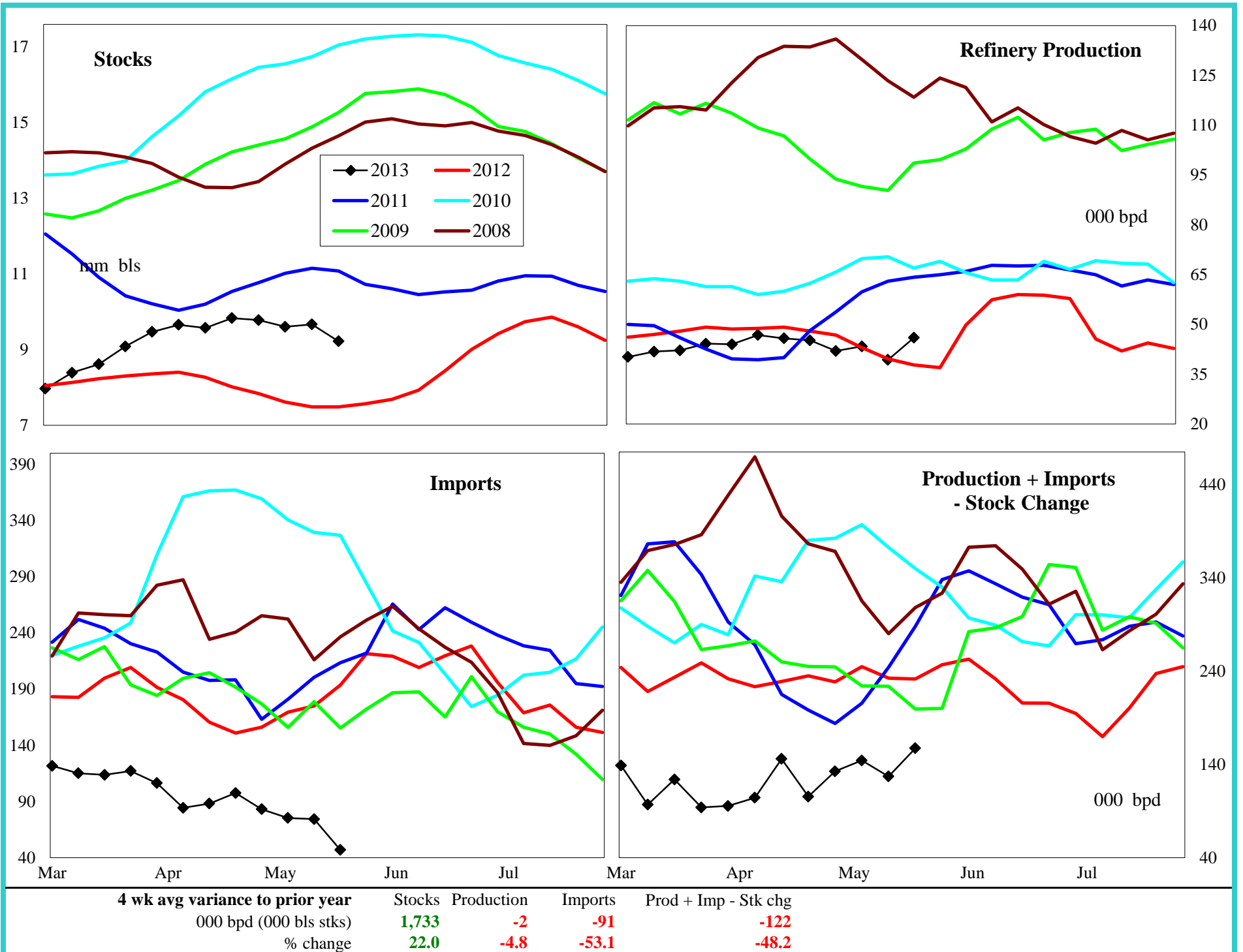
PADD 1 High Sulfur Distillate Stocks by Region



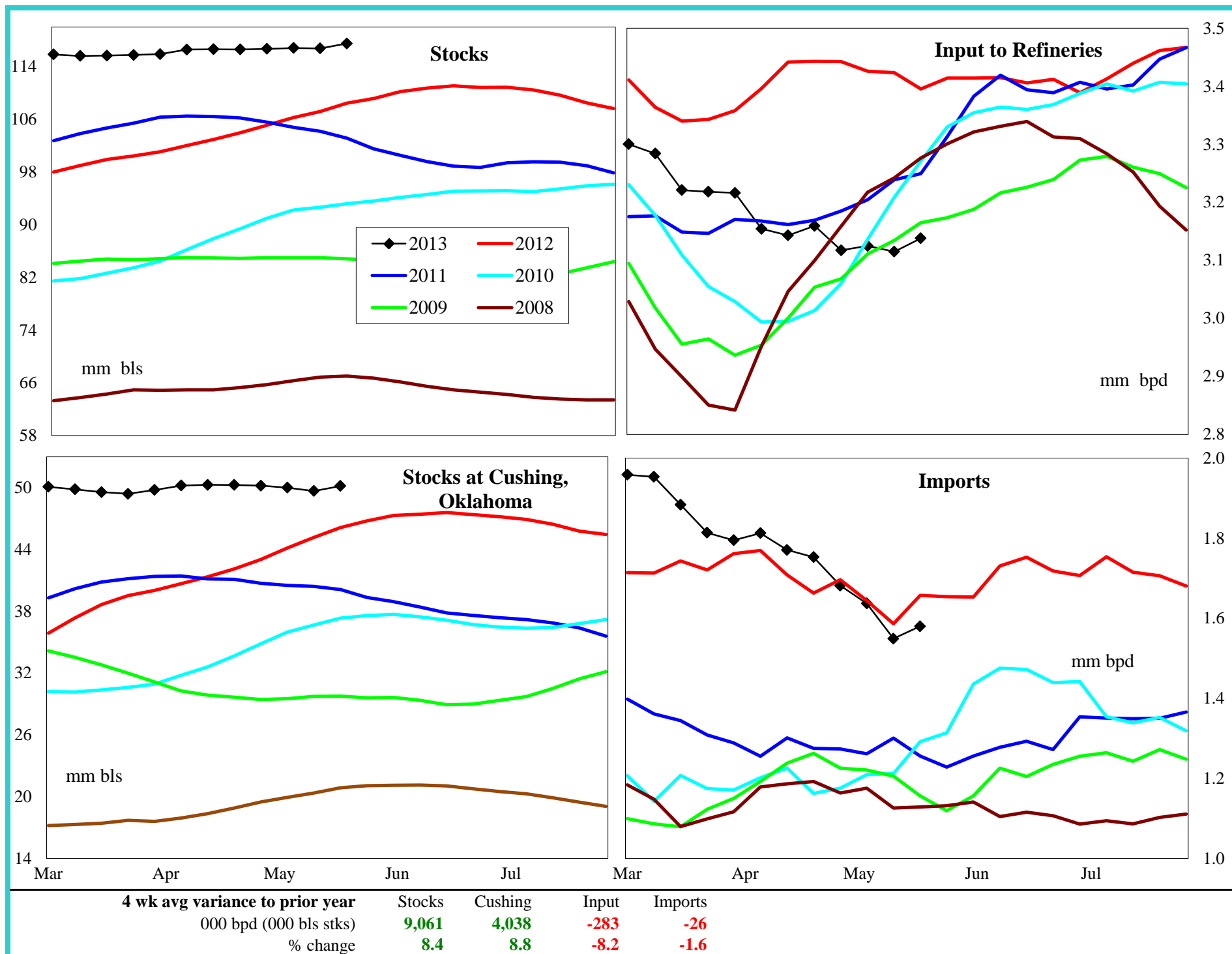
PADD 1 Jet Fuel Supply



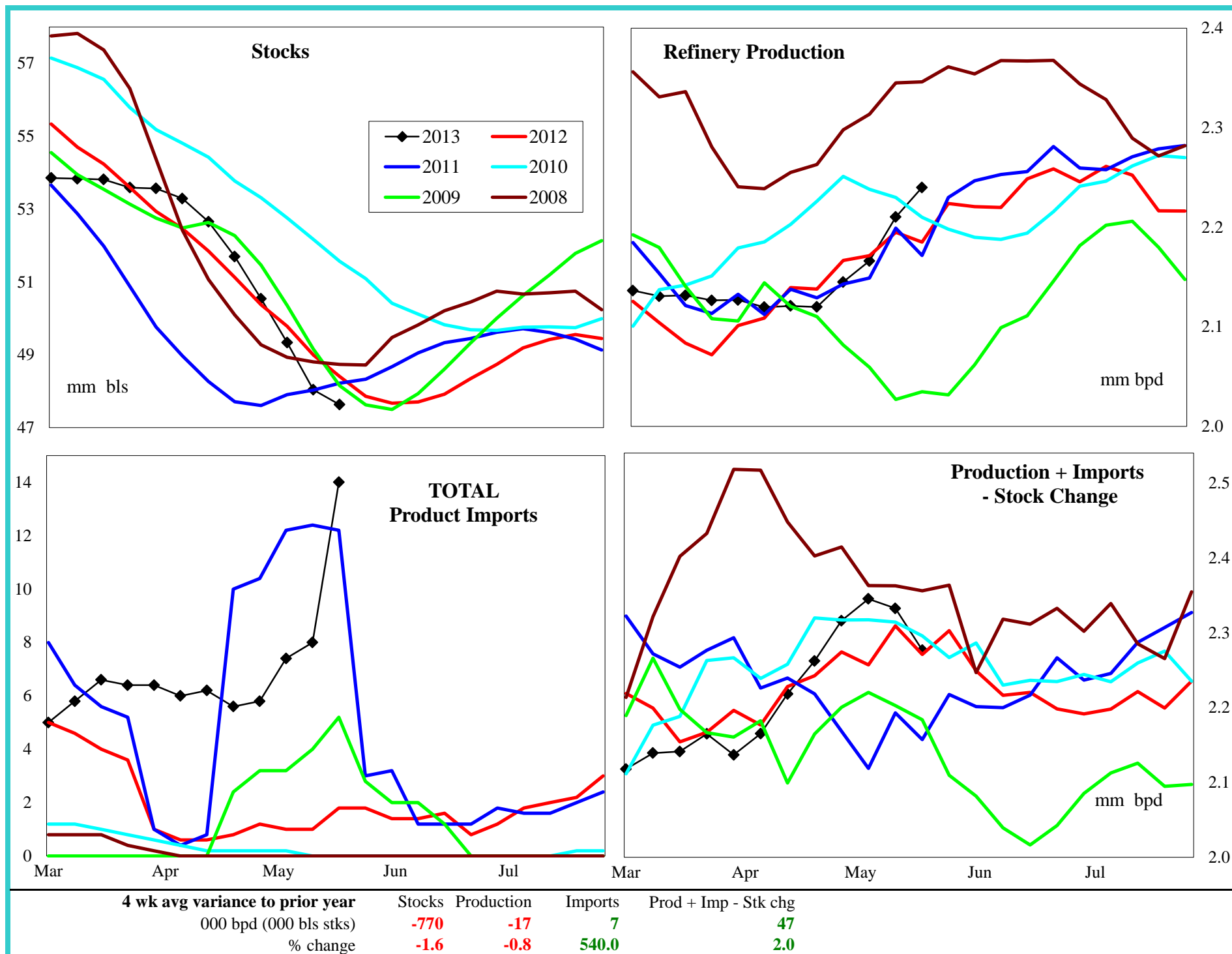
PADD 1 Residual Fuel Oil Supply



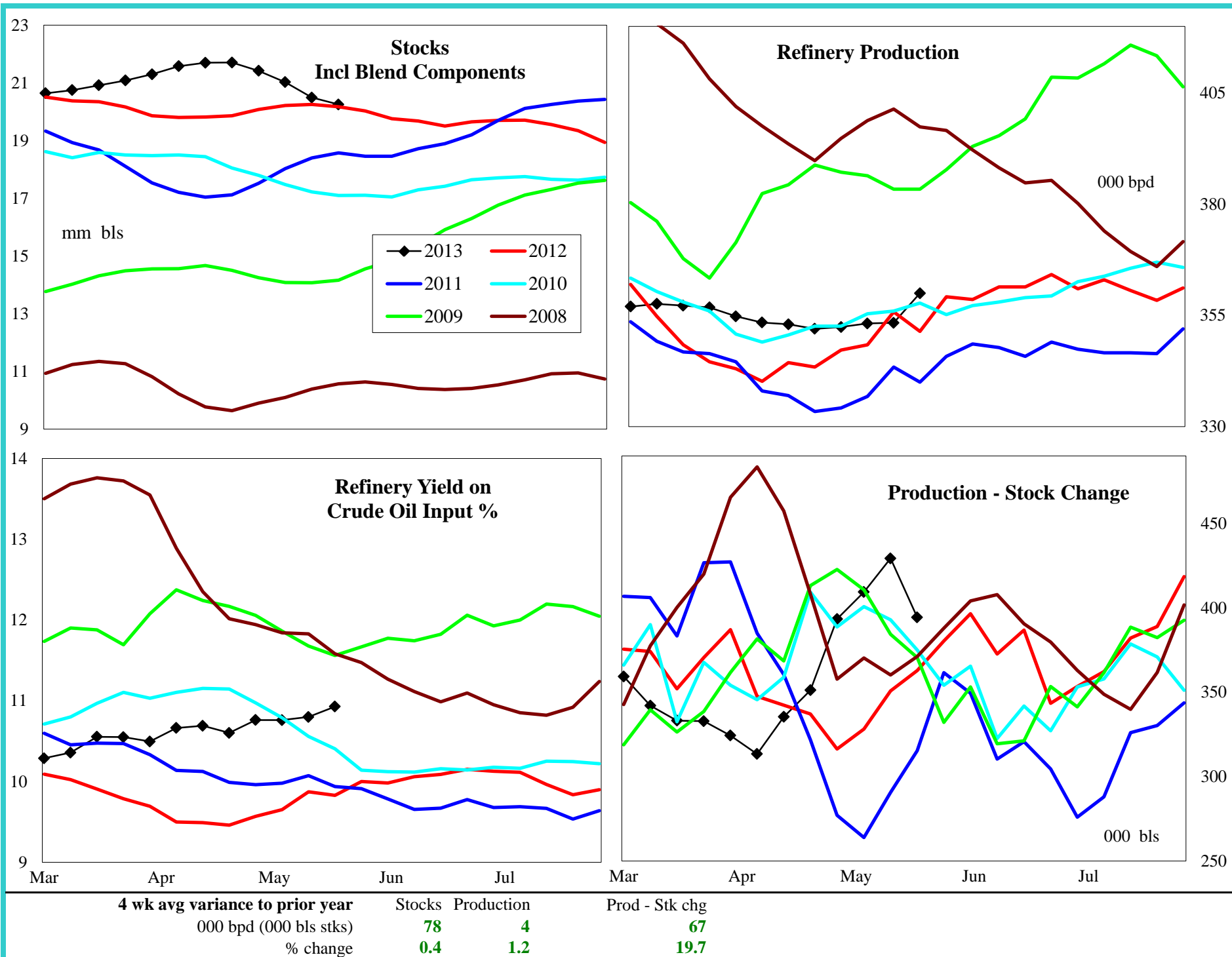
PADD 2 Crude Oil Supply and Refining



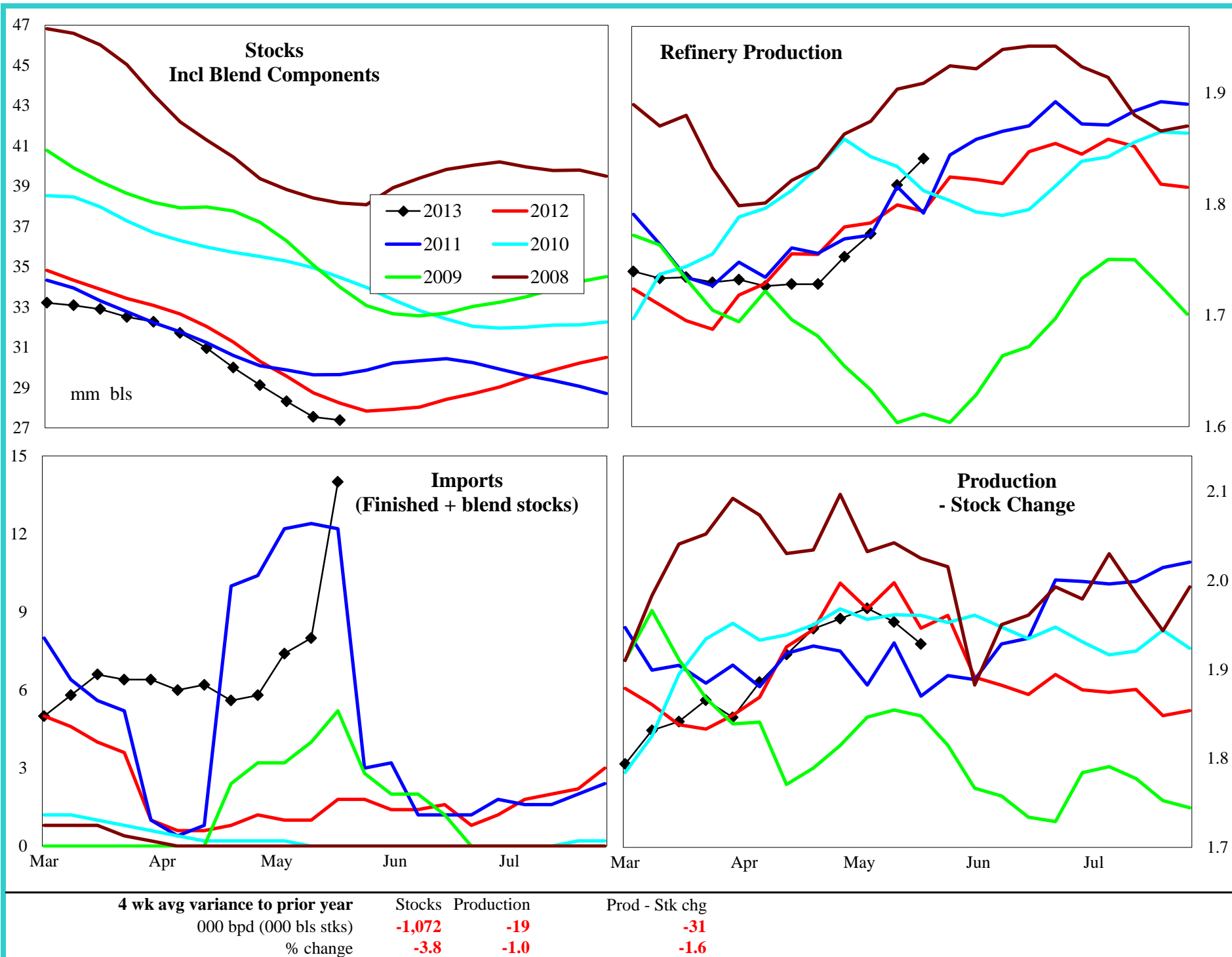
PADD 2 Gasoline Supply



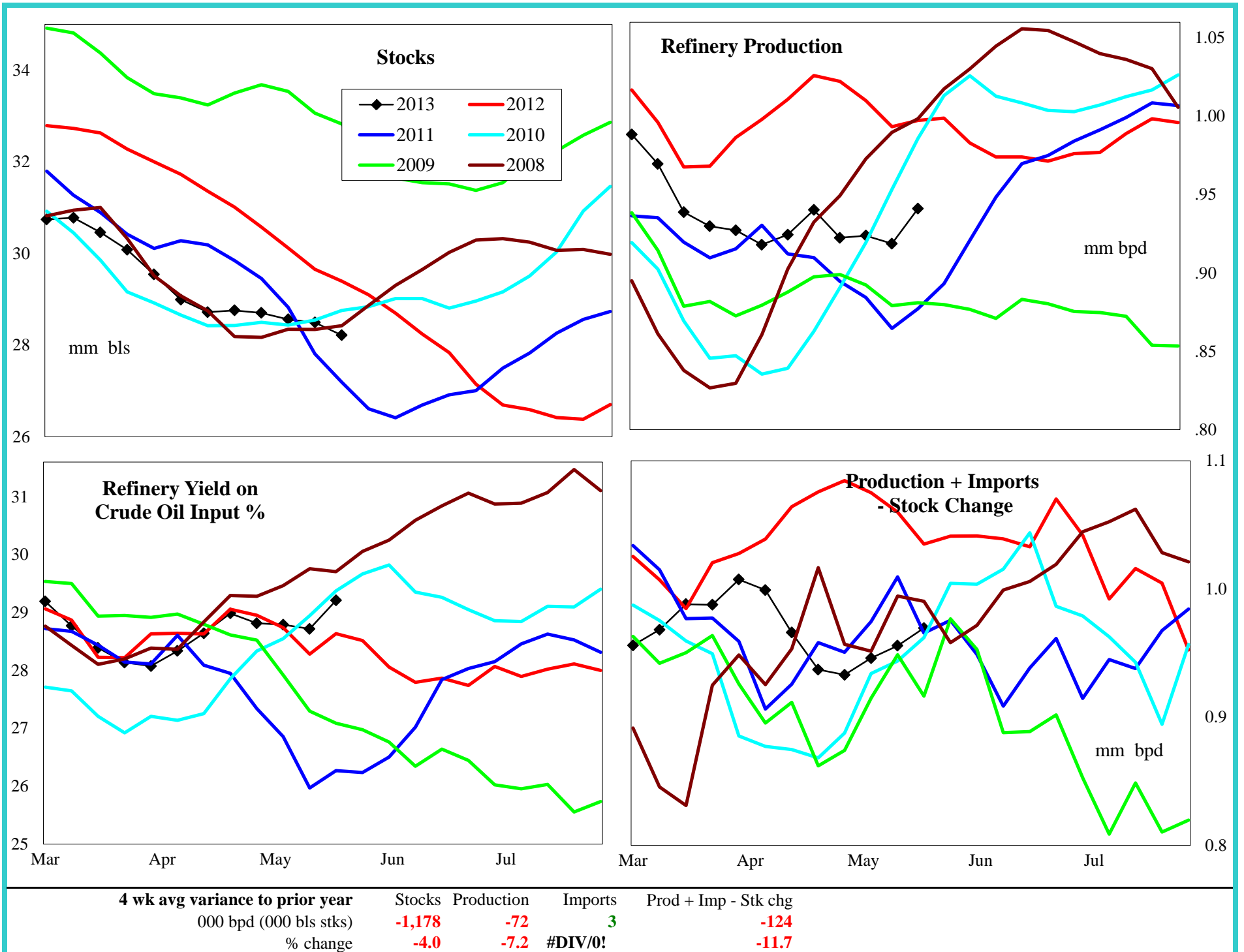
PADD 2 Reformulated Gasoline Supply



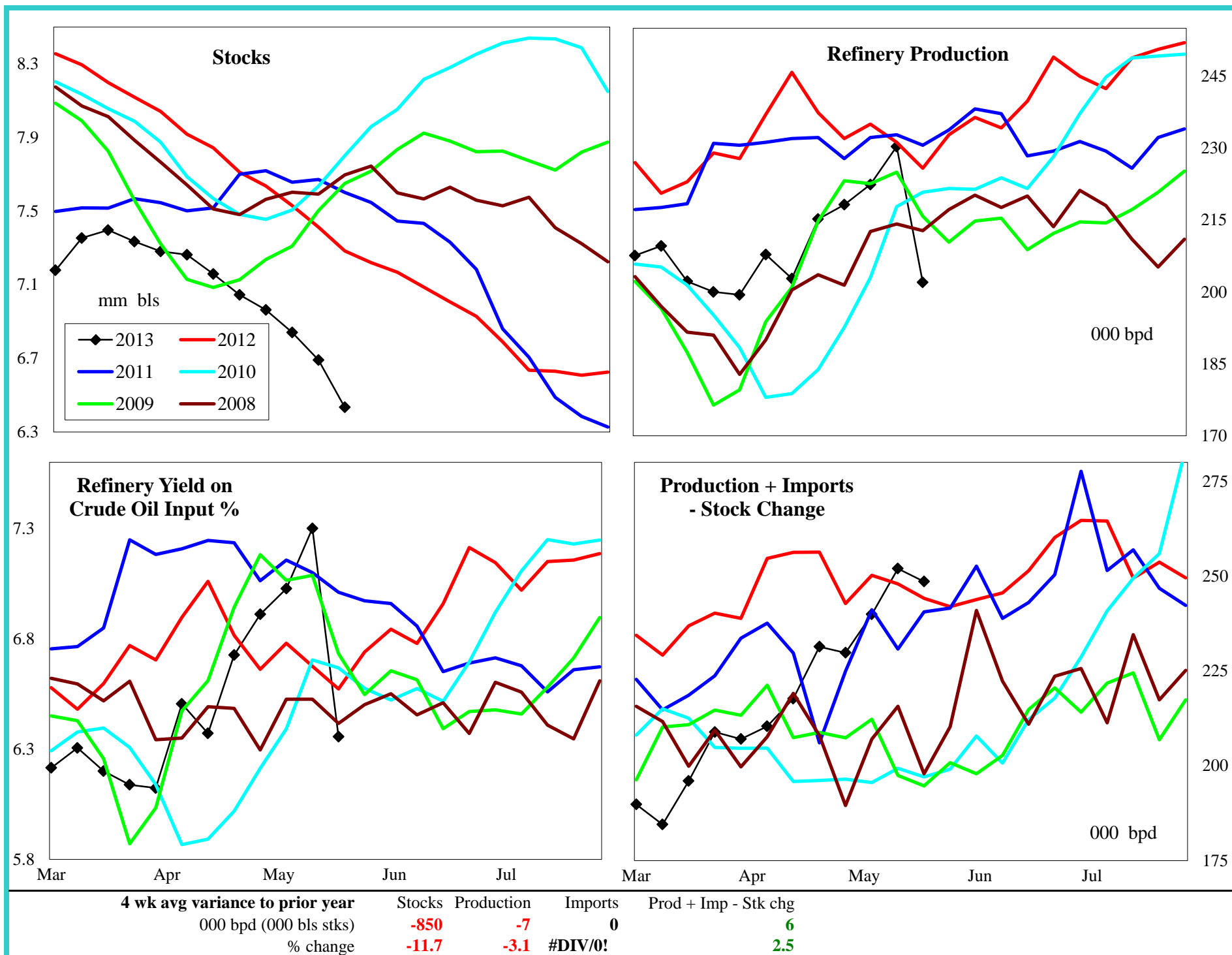
PADD 2 Conventional Gasoline Supply



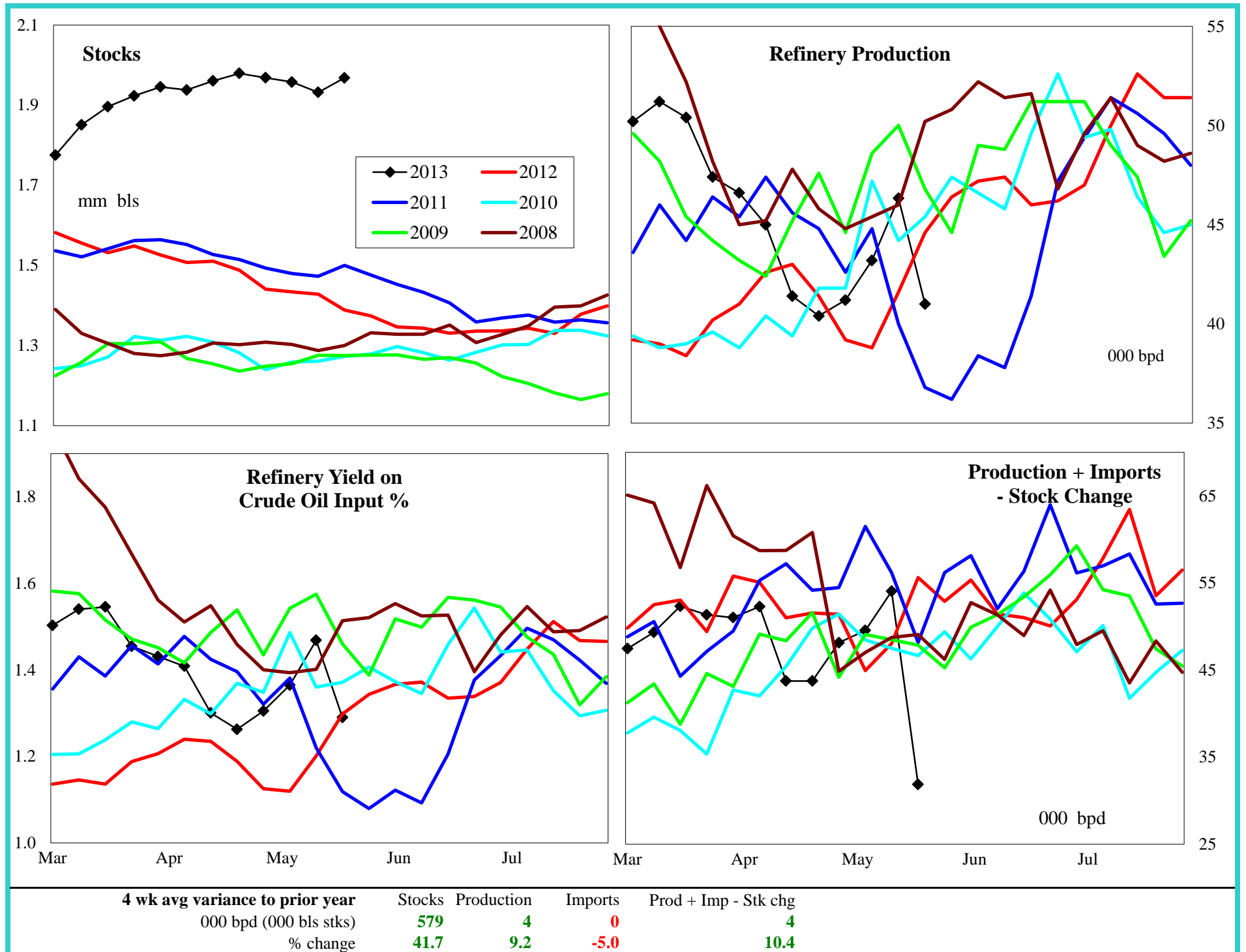
PADD 2 Distillate Supply



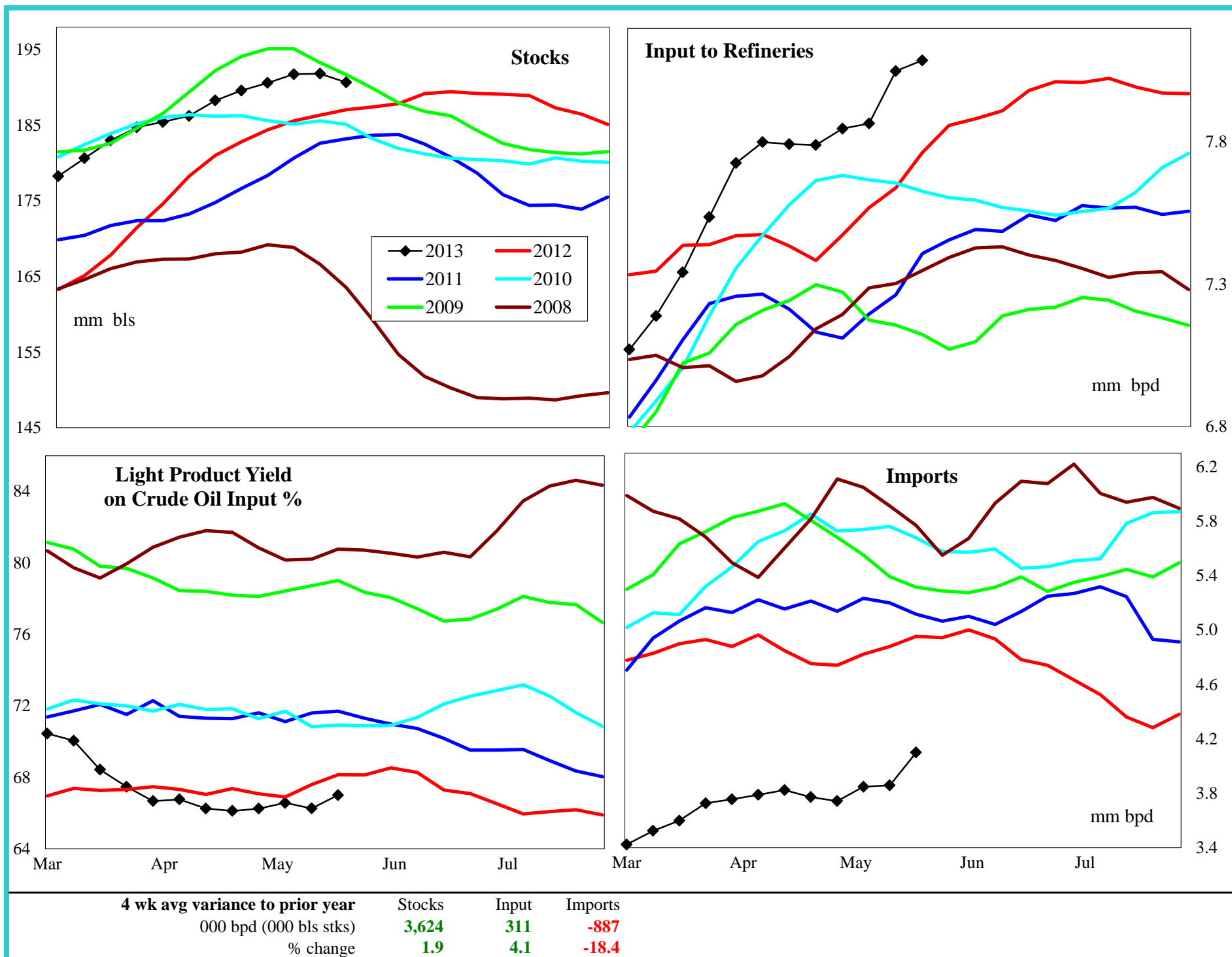
PADD 2 Jet Fuel Supply



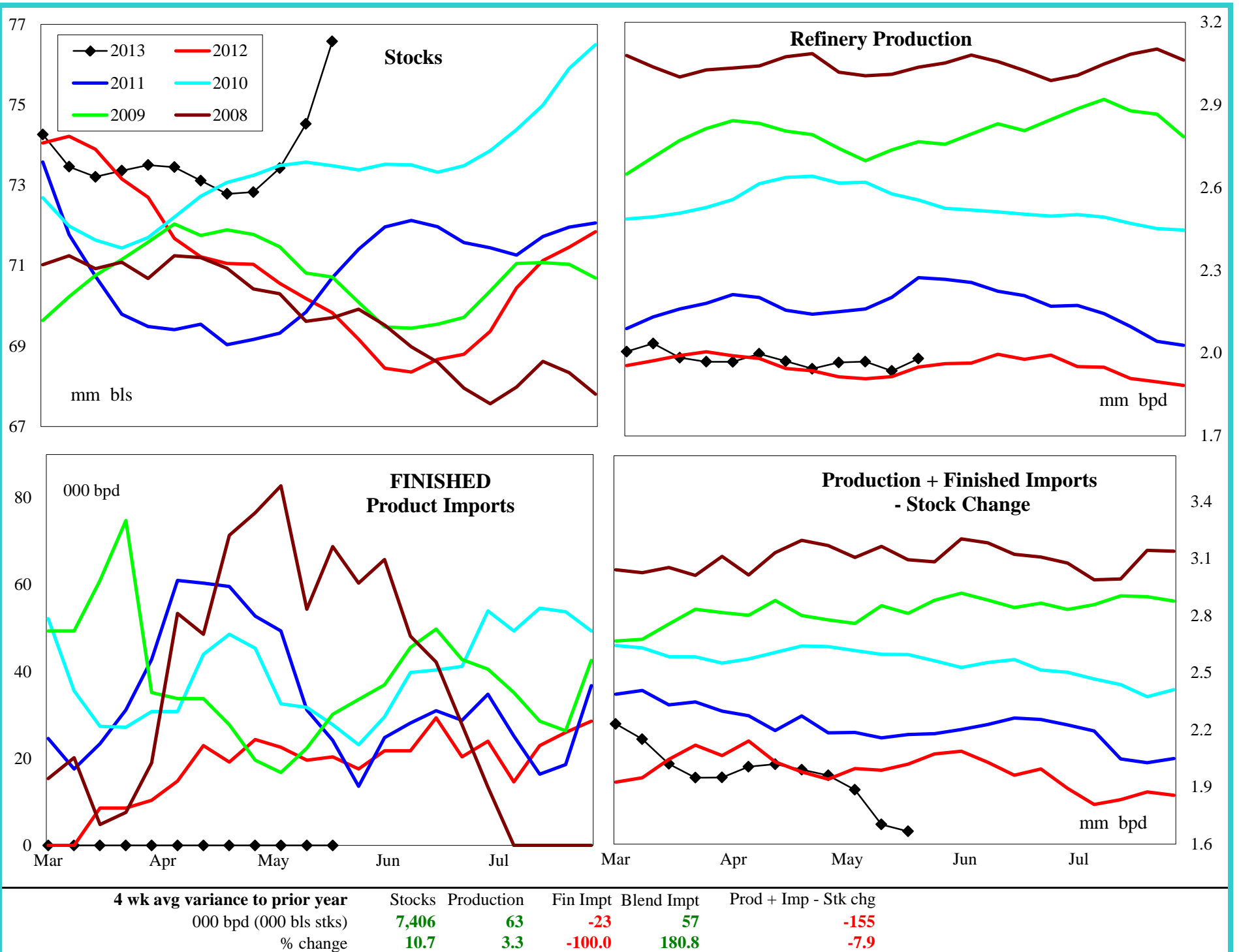
PADD 2 Residual Fuel Oil Supply



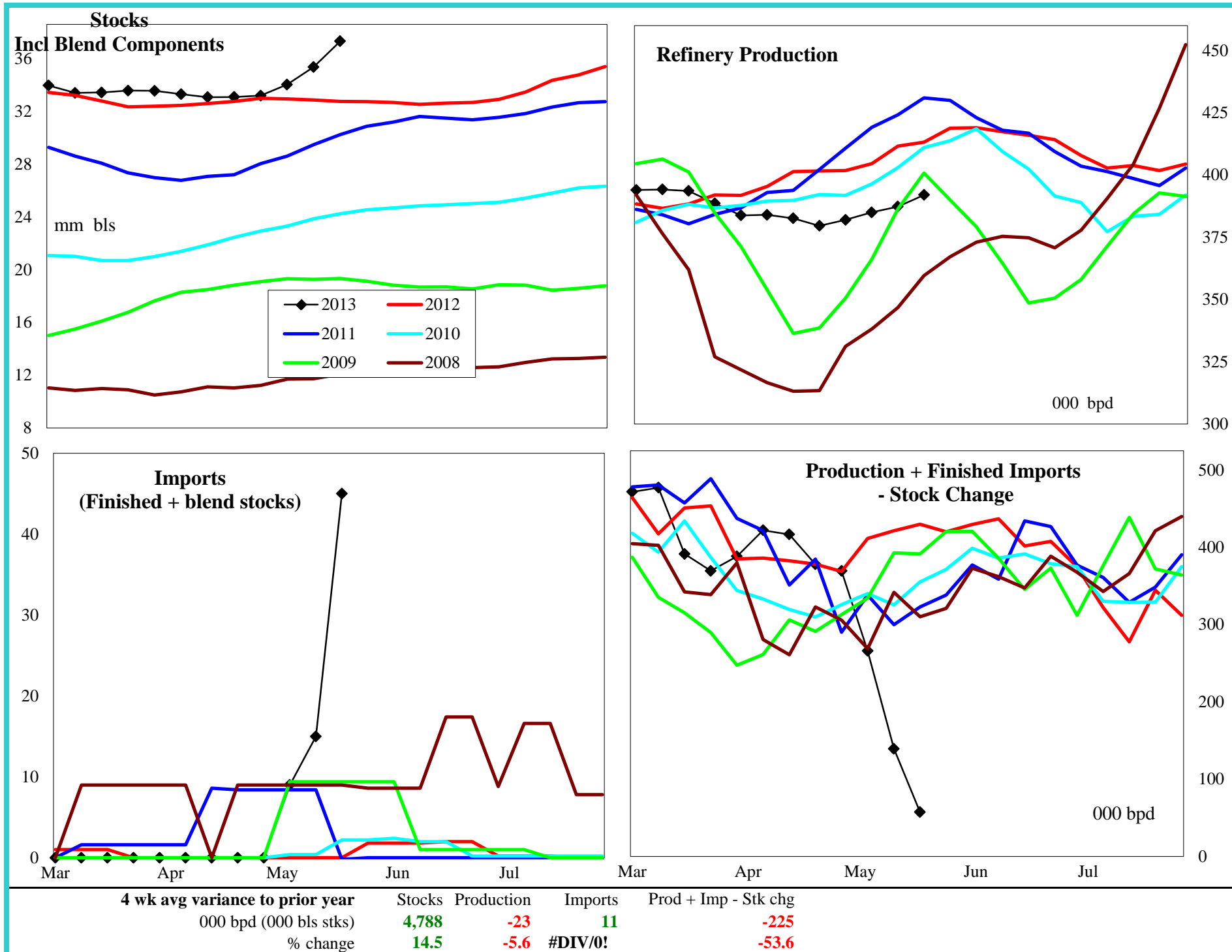
PADD 3 Crude Oil Supply and Refining



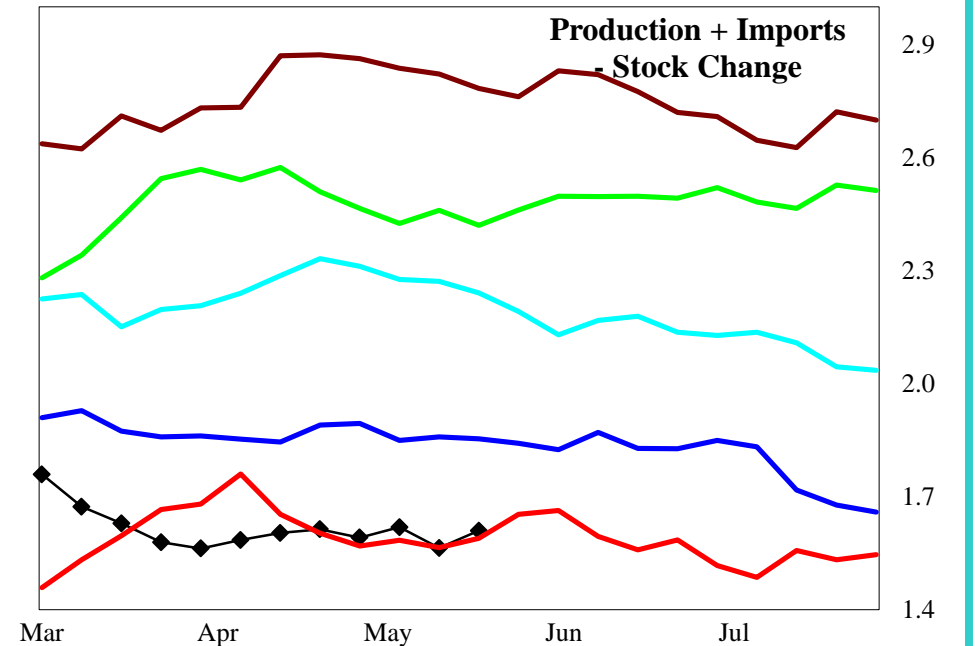
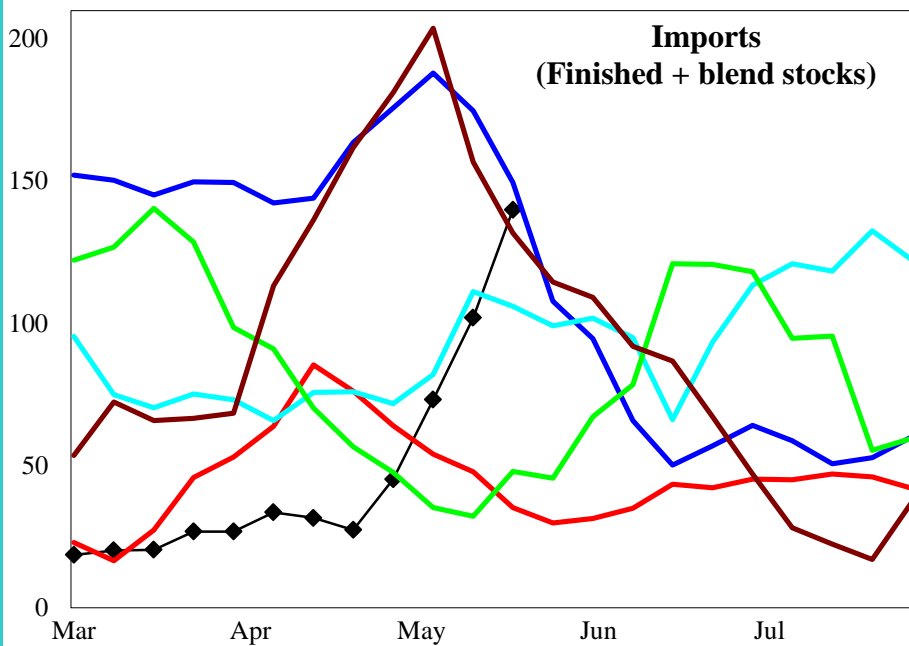
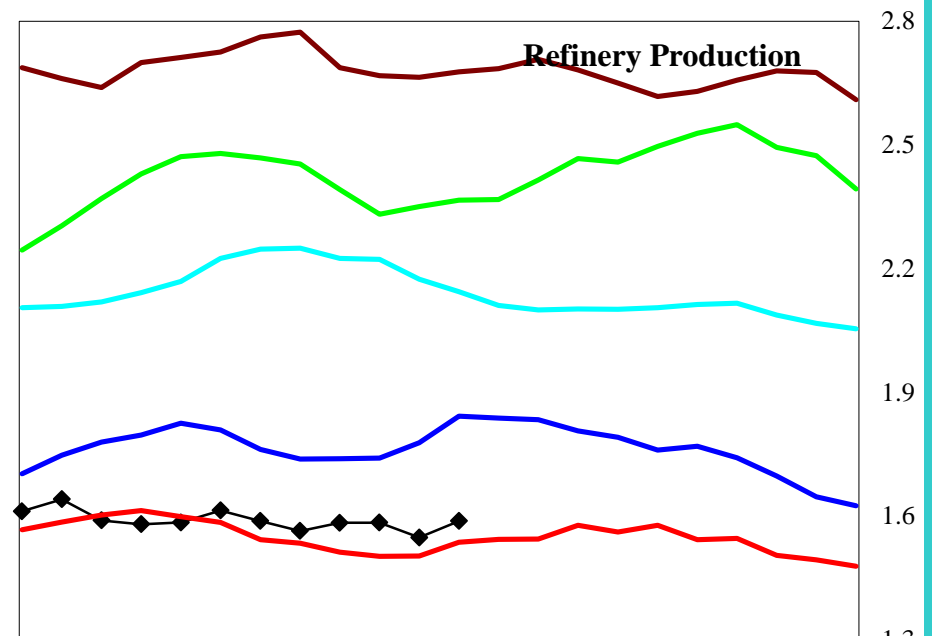
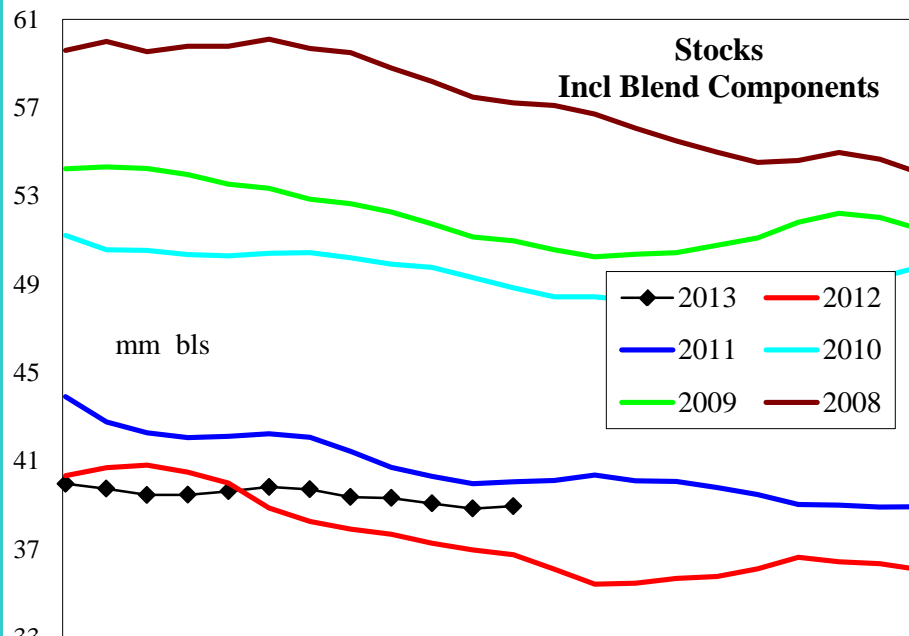
PADD 3 Gasoline Supply



PADD 3 Reformulated Gasoline Supply



PADD 3 Conventional Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

2,617

7.2

Production

86

5.8

Imports

23

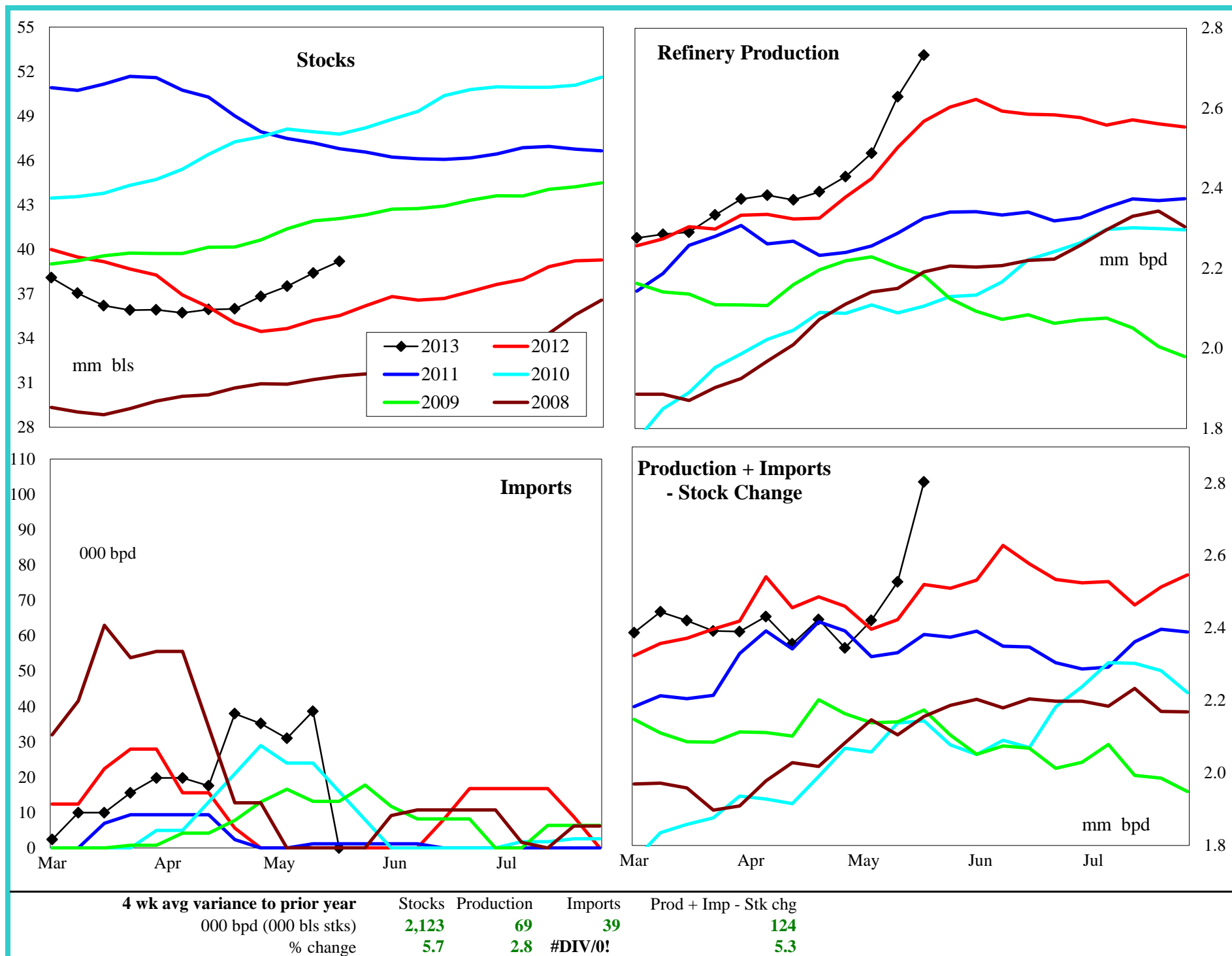
41.7

Prod + Imp - Stk chg

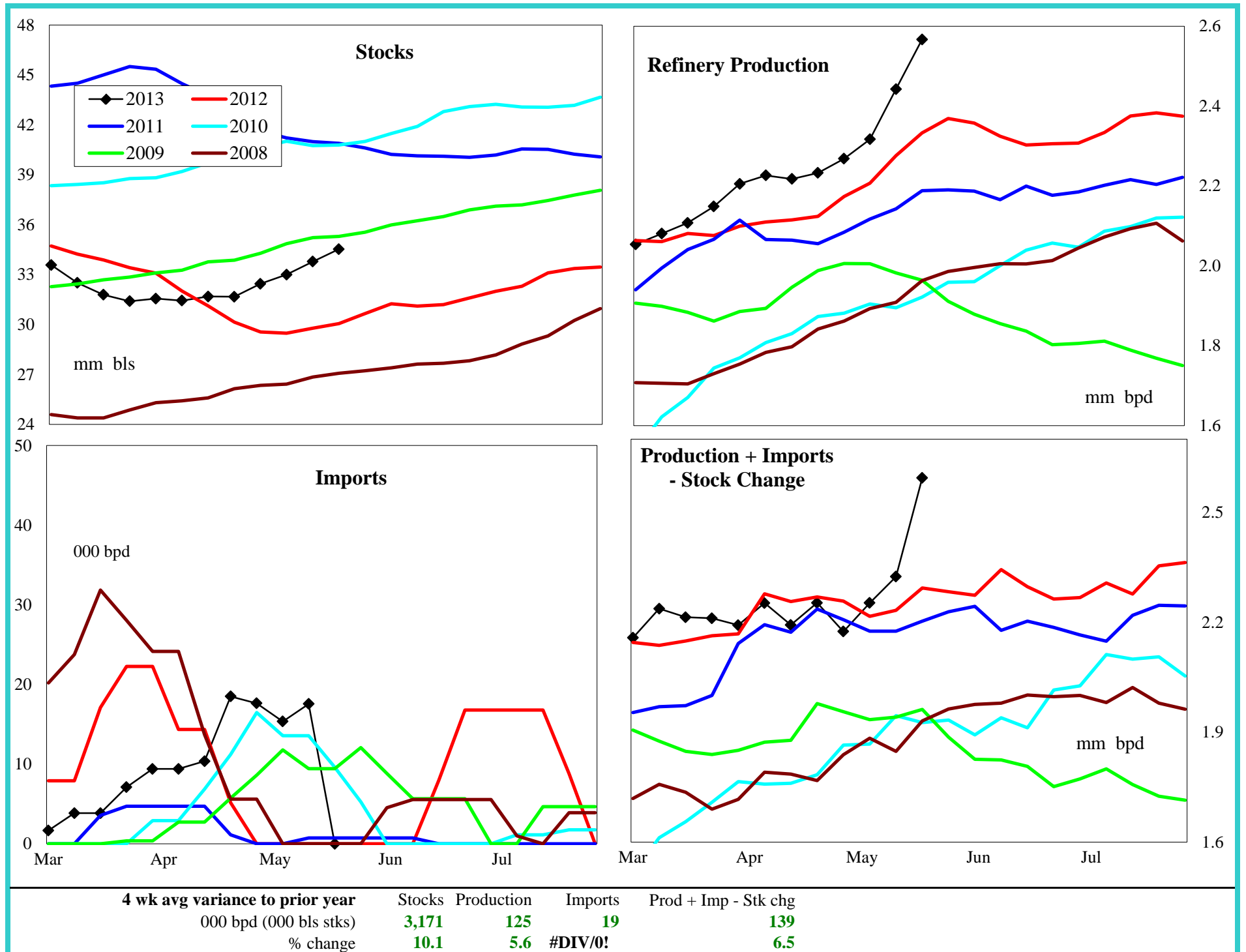
73

4.8

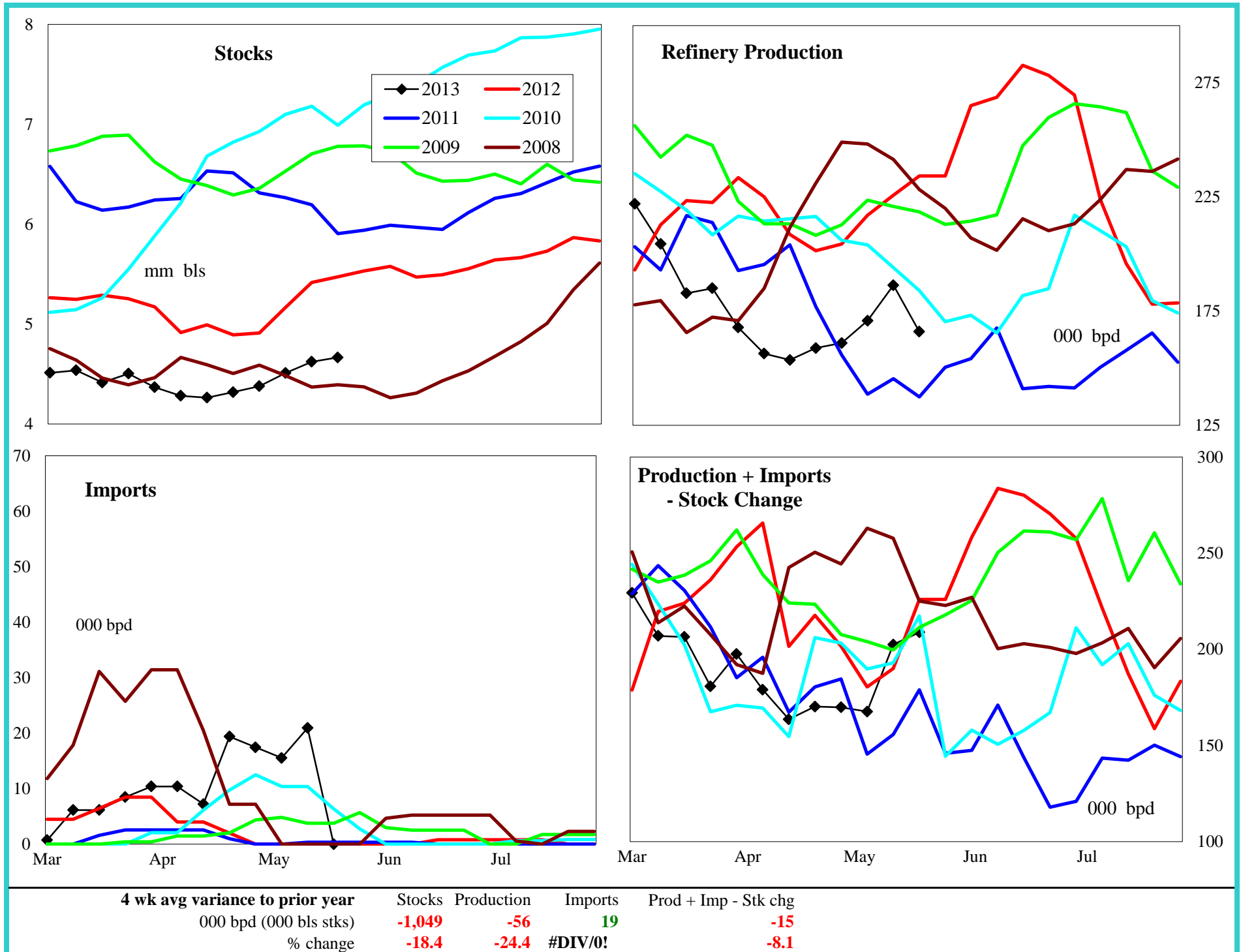
PADD 3 Distillate Supply



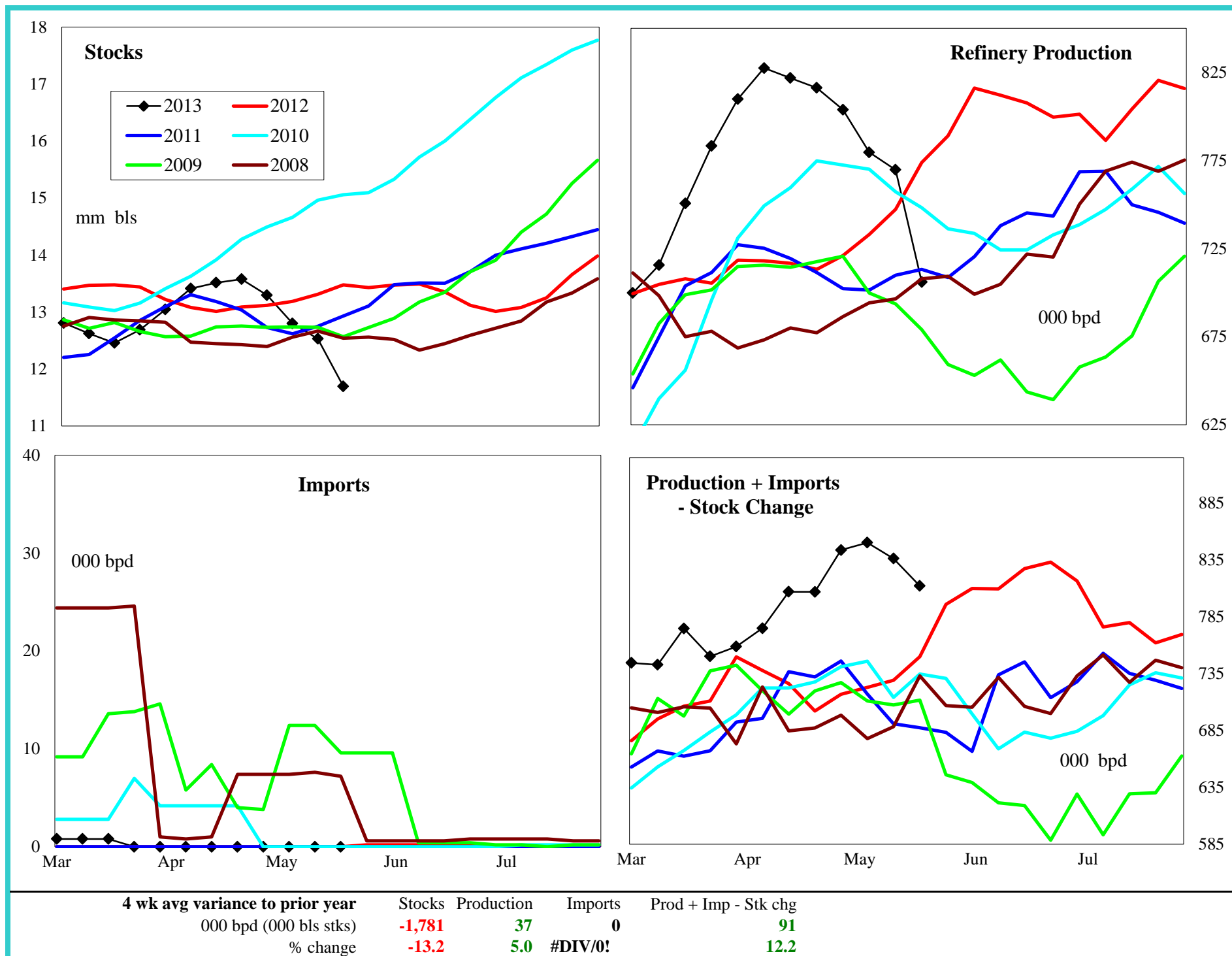
PADD 3 Low Sulfur Distillate Supply



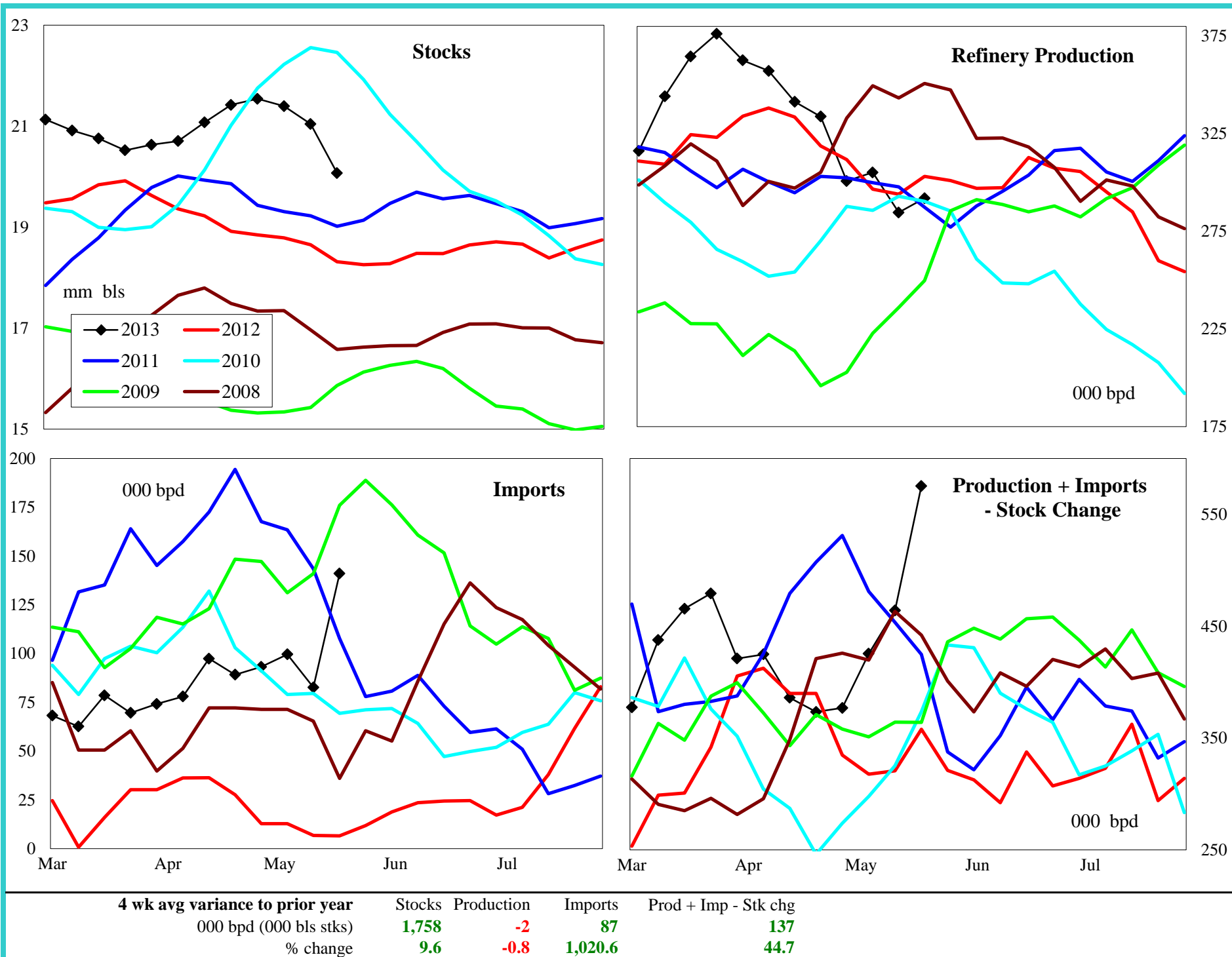
PADD 3 High Sulfur Distillate Supply



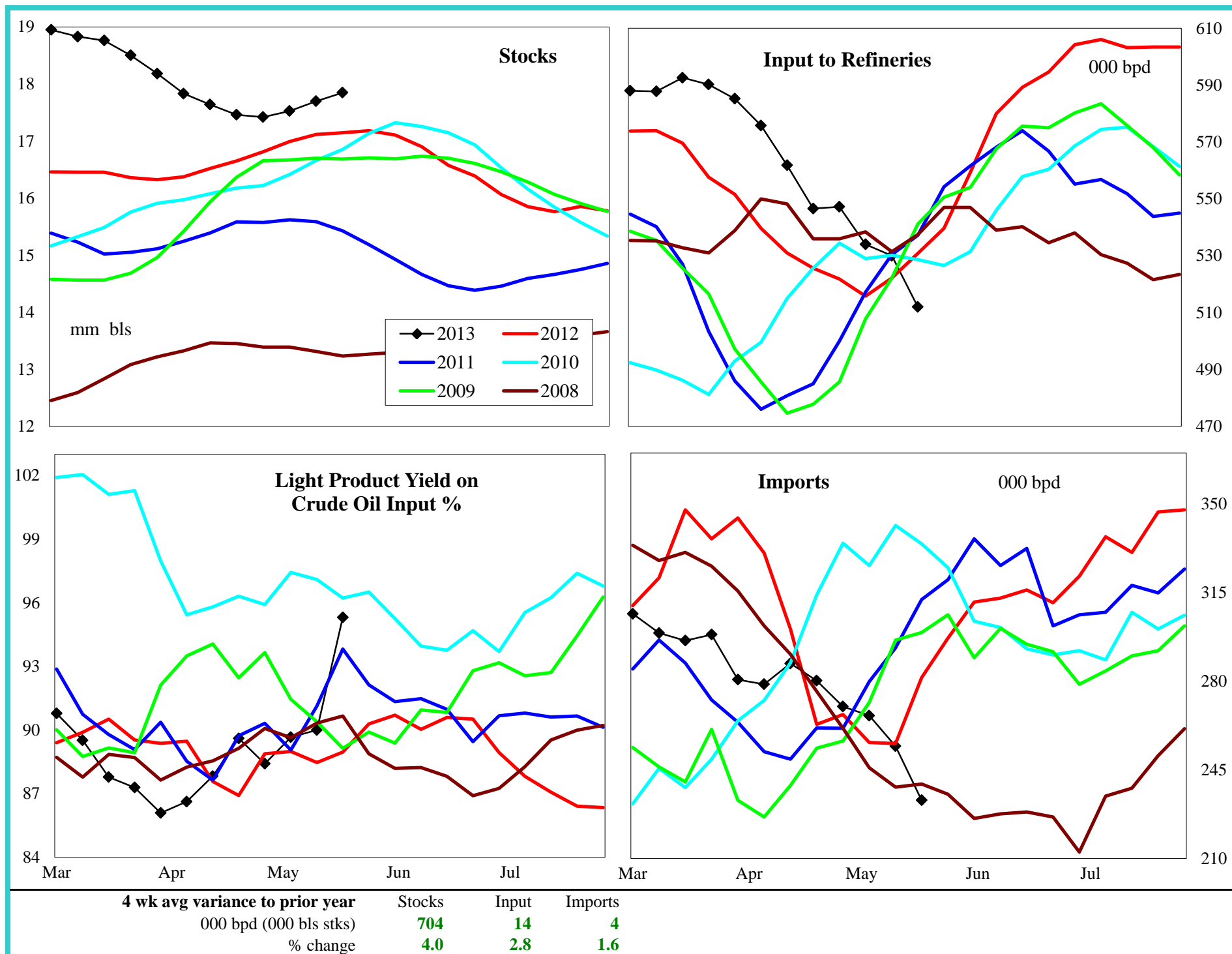
PADD 3 Jet Fuel Supply



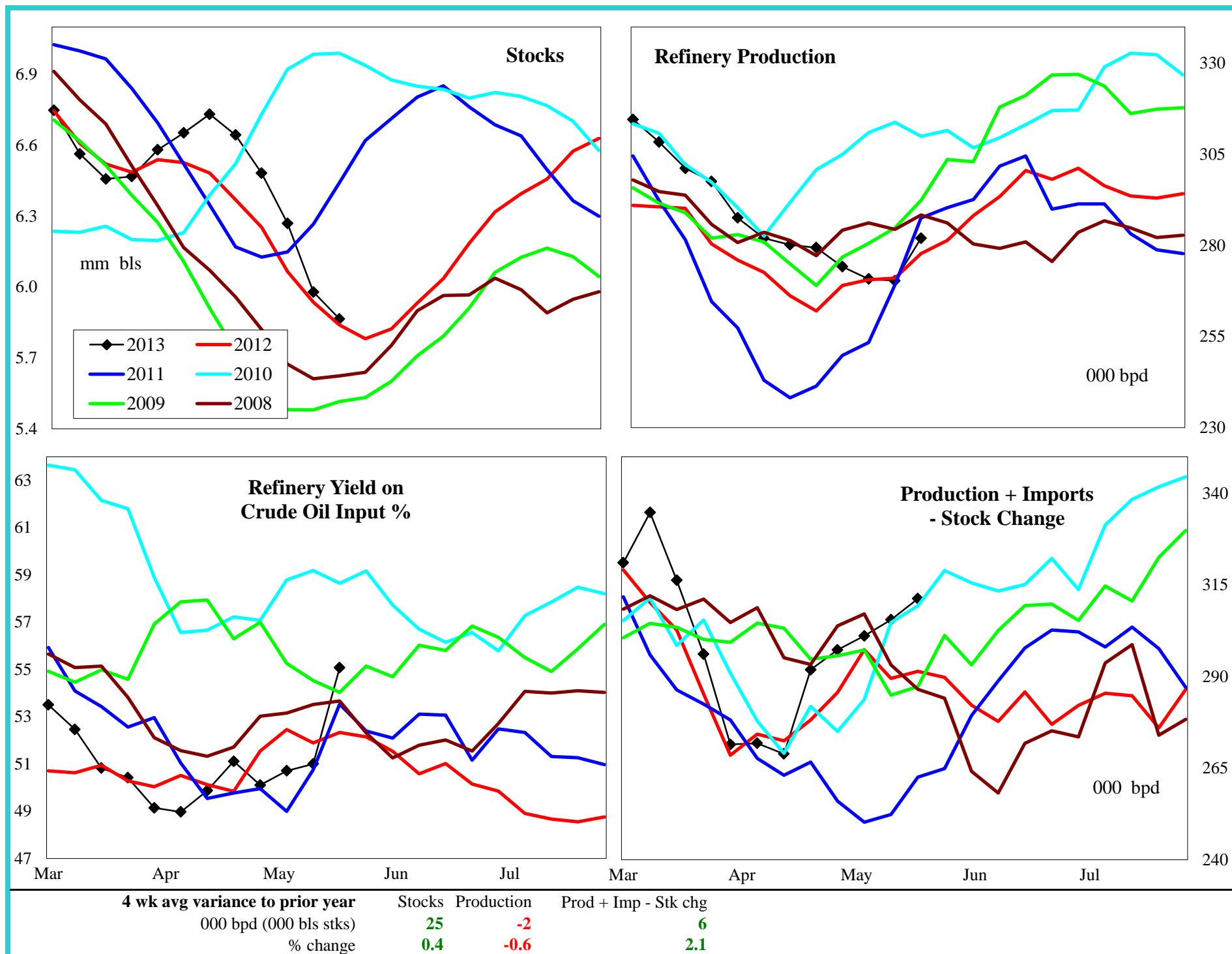
PADD 3 Residual Fuel Oil Supply



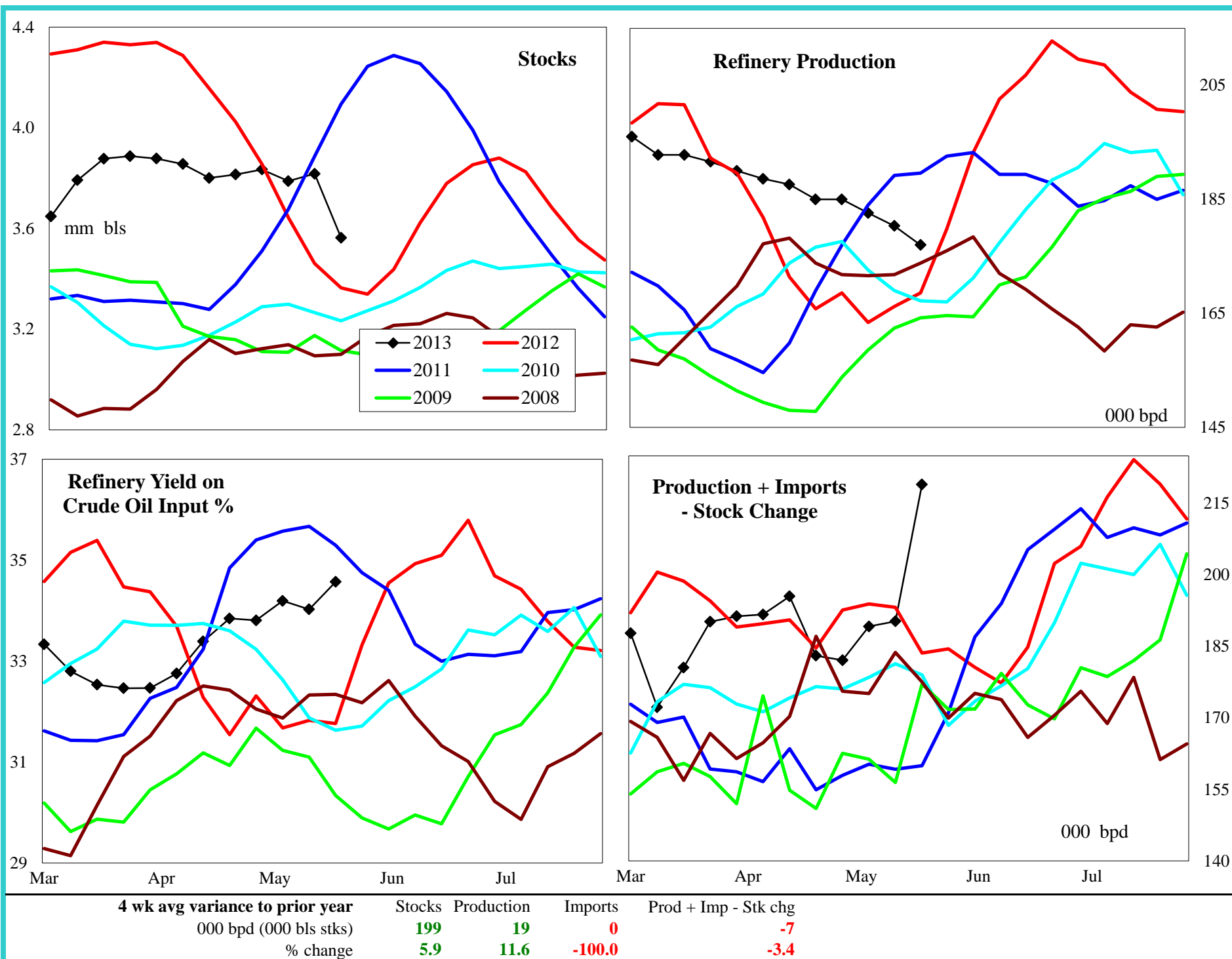
PADD 4 Crude Oil Supply and Refining



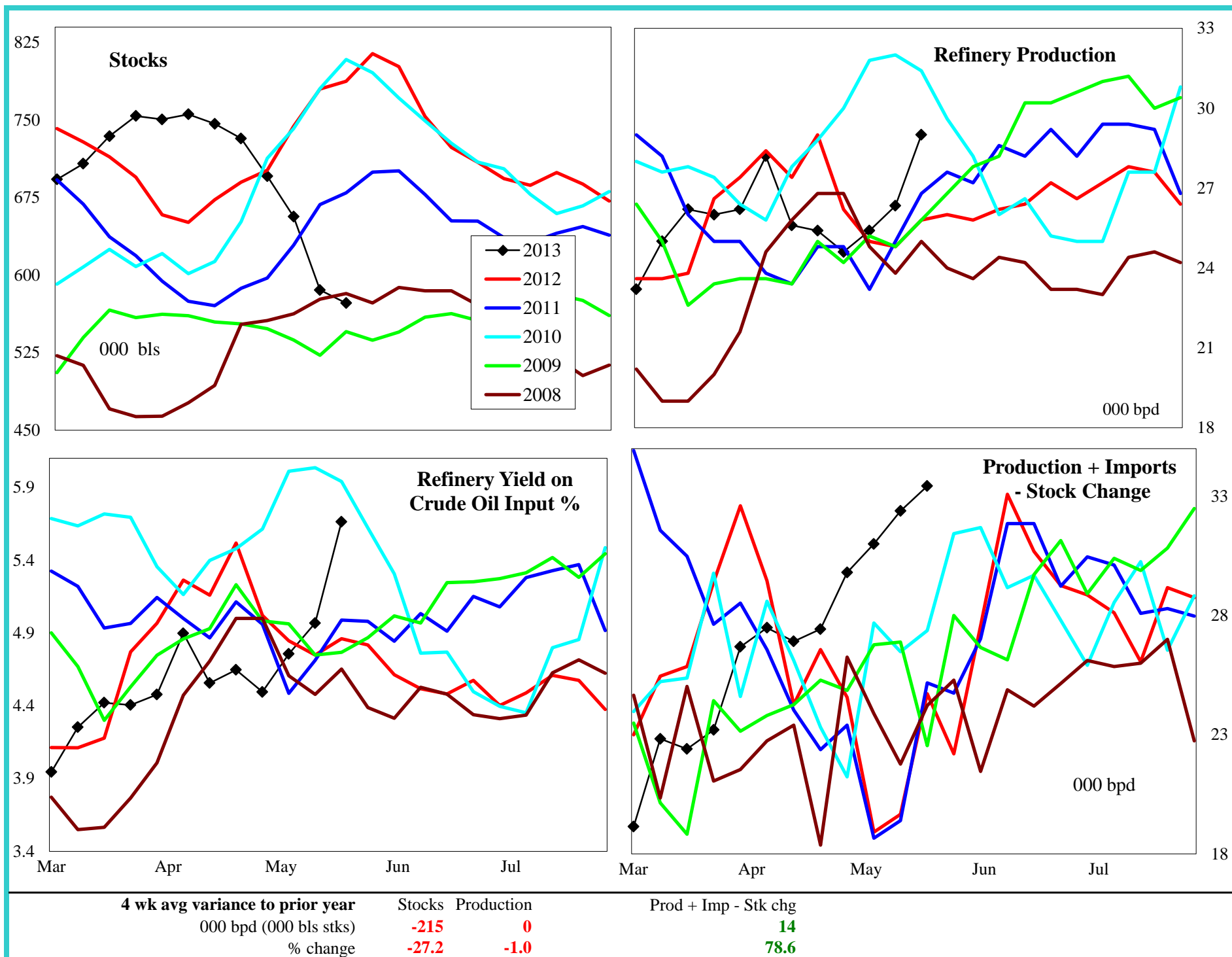
PADD 4 Gasoline Supply



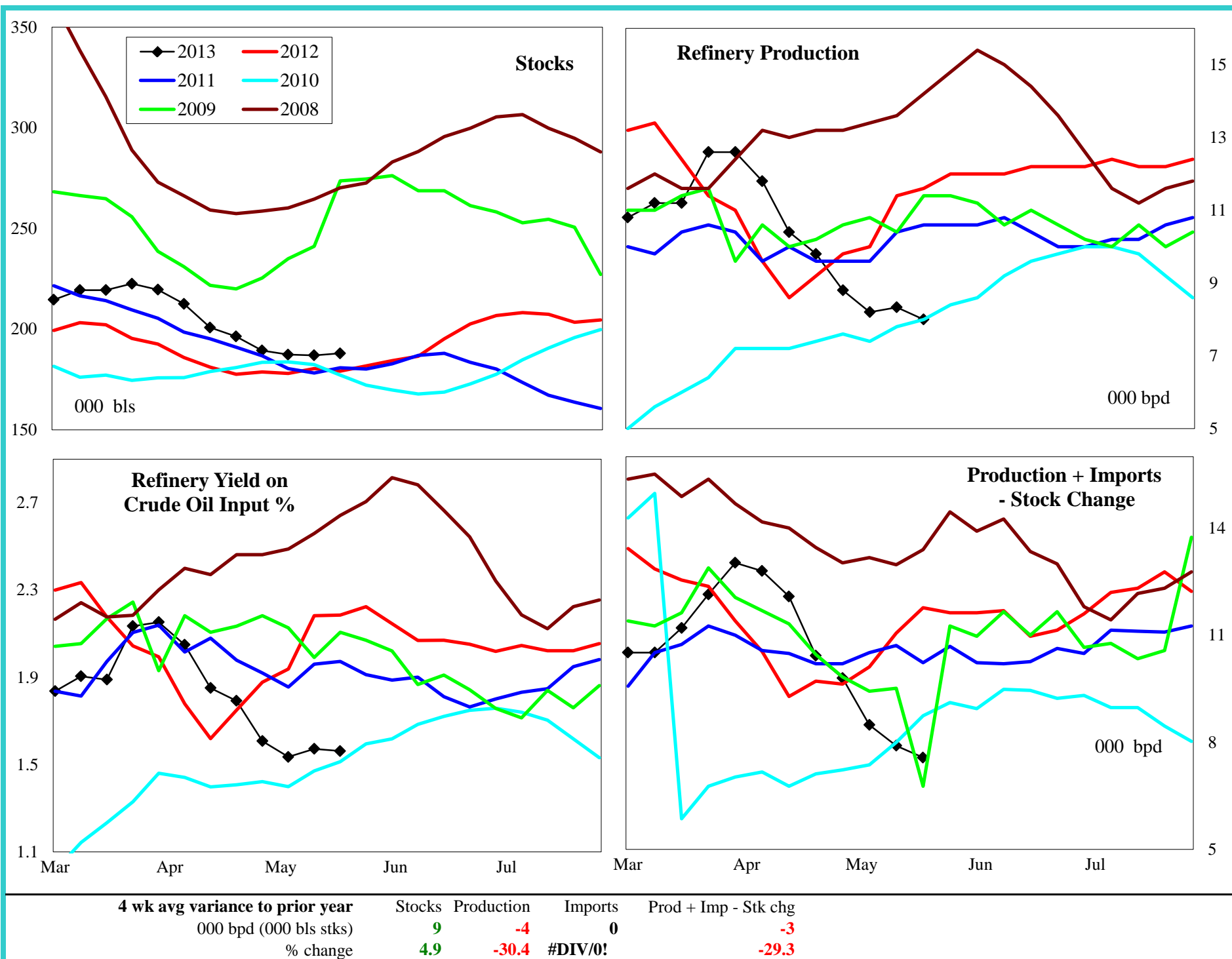
PADD 4 Distillate Supply



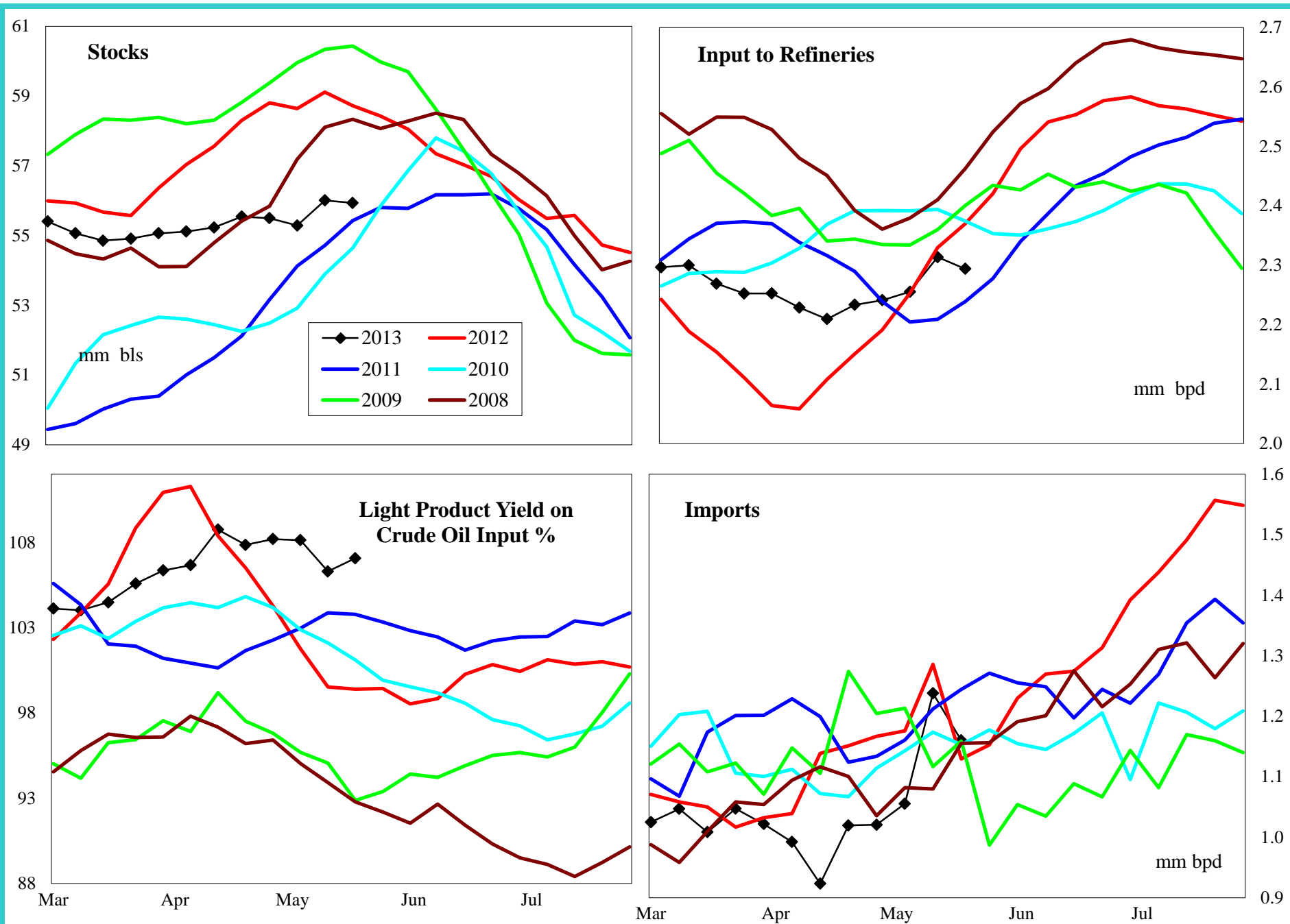
PADD 4 Jet Fuel Supply



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

-2,790

-4.8

Input

-5

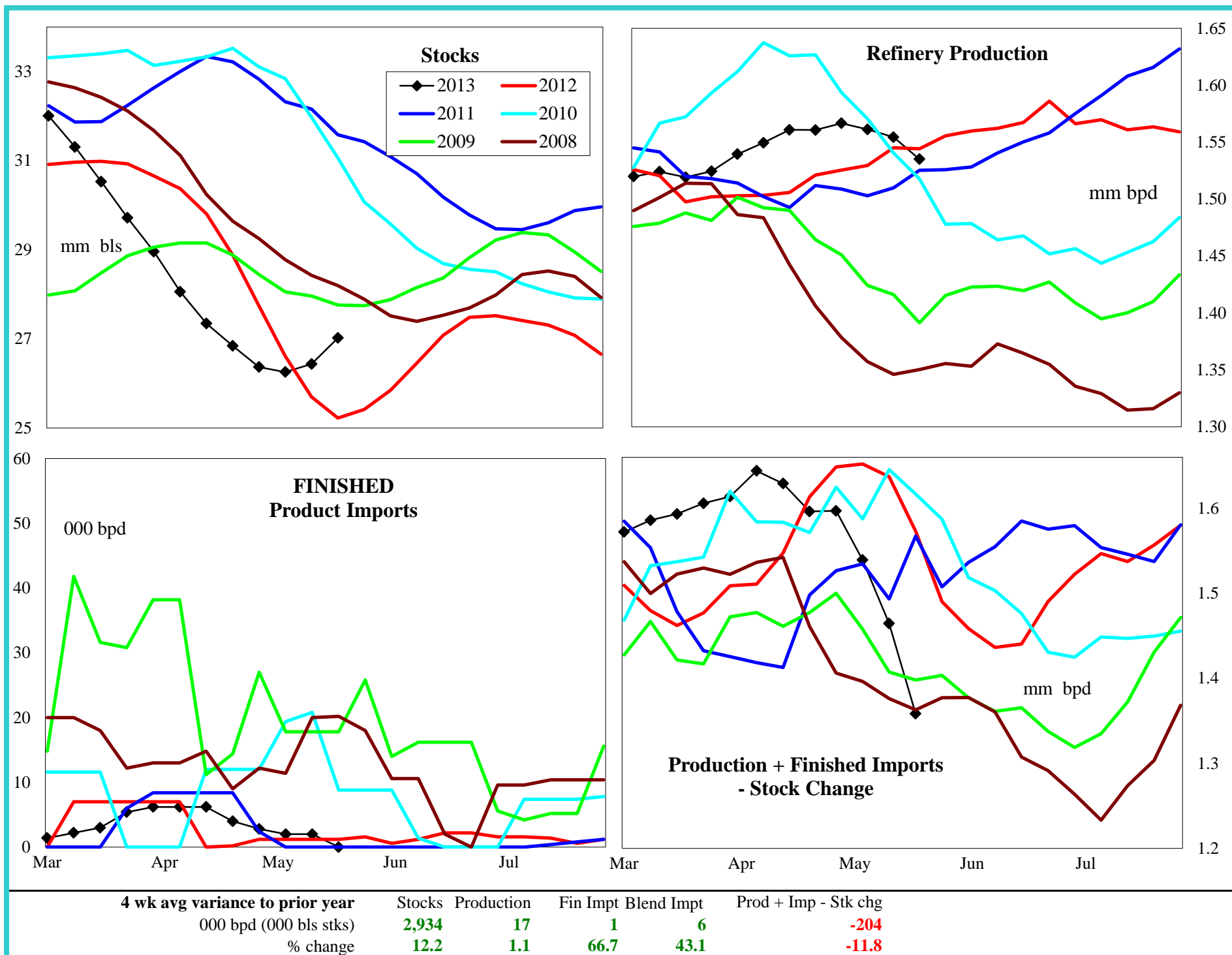
-0.2

Imports

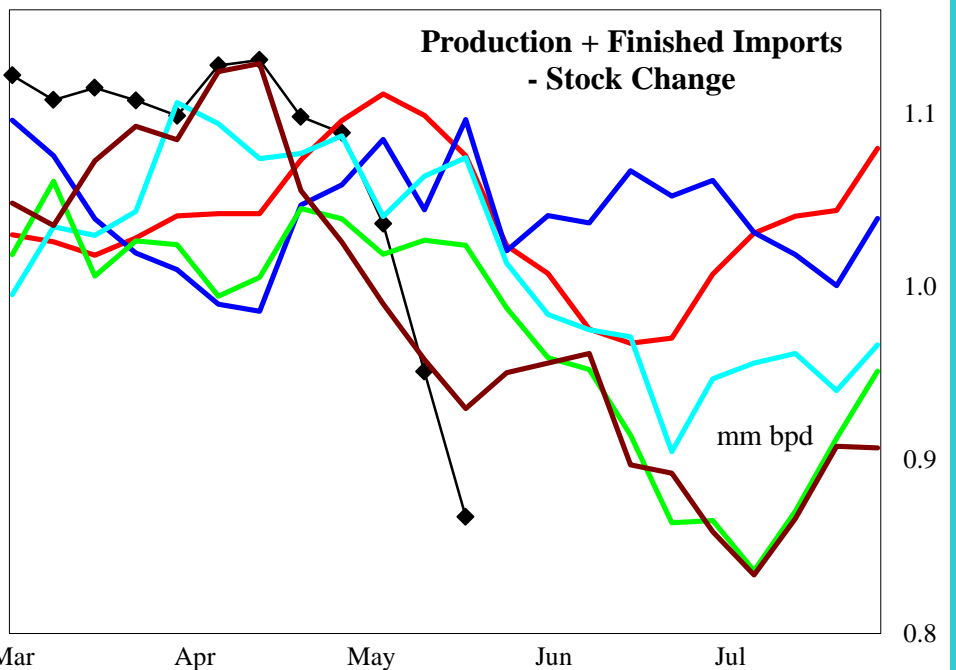
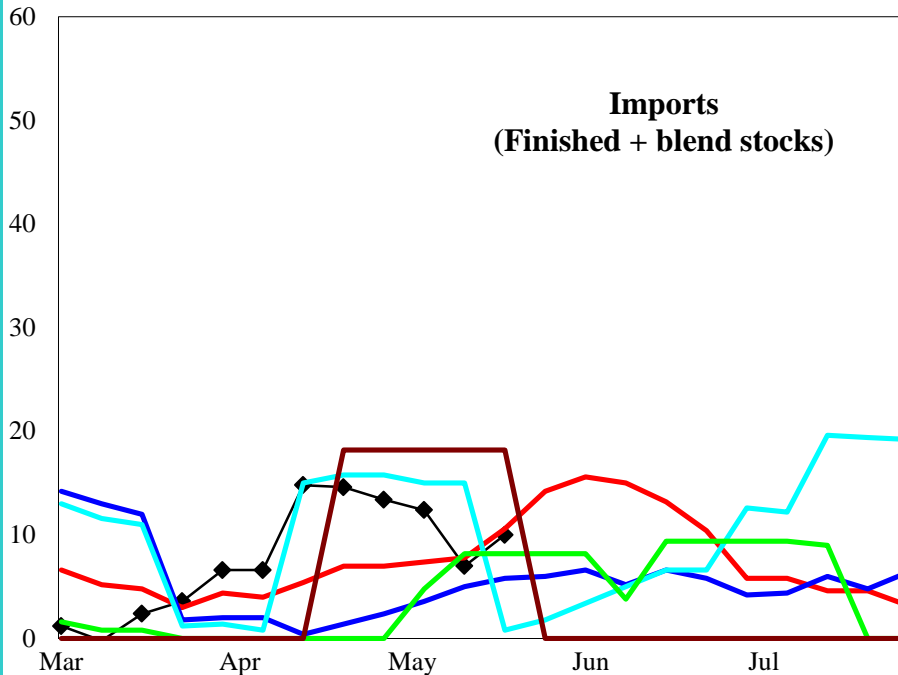
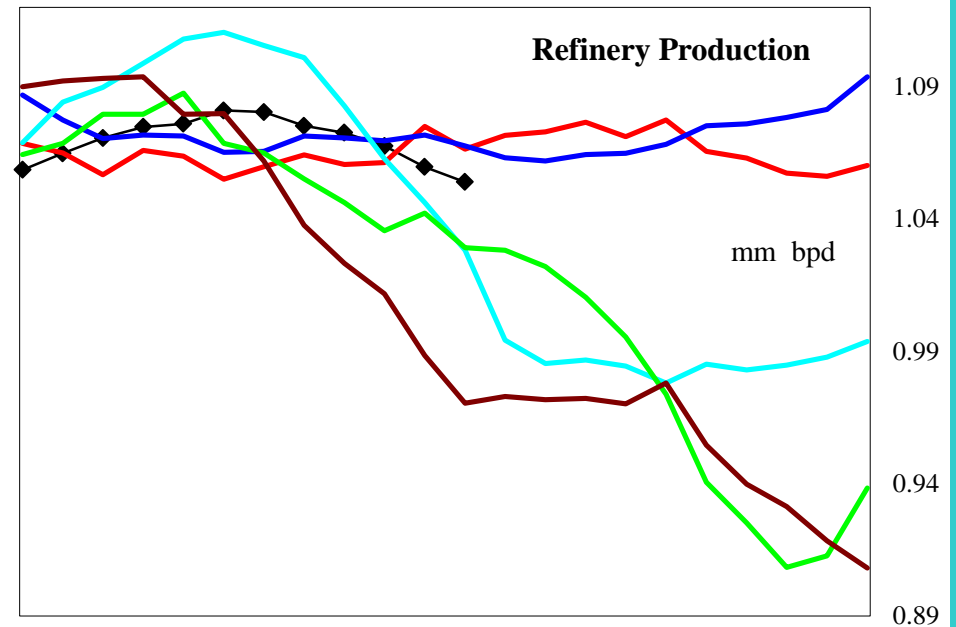
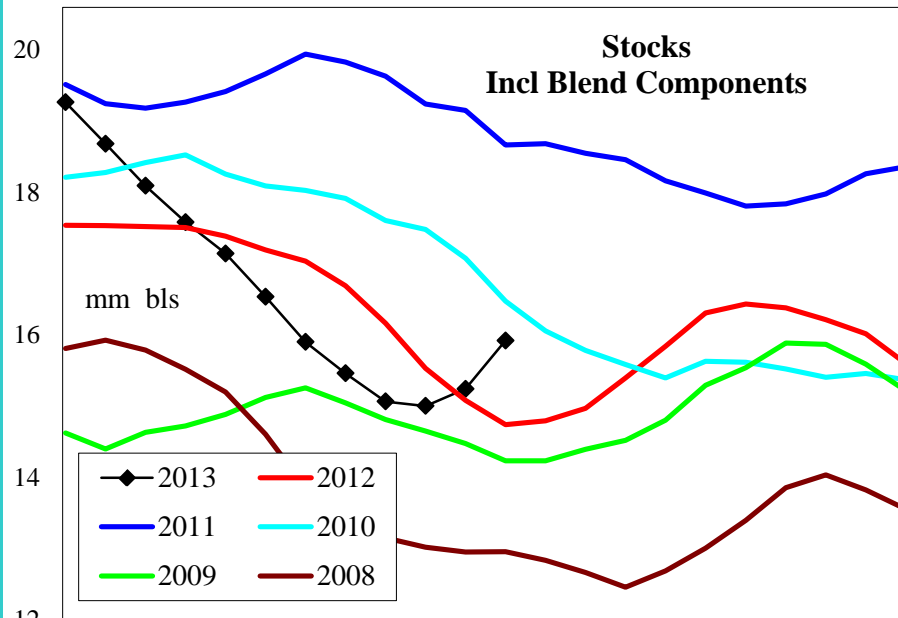
-124

-10.0

PADD 5 Gasoline Supply



PADD 5 Reformulated Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bbls stks)

% change

Stocks

Production

Imports

Prod + Imp - Stk chg

2,019

-4

8

-141

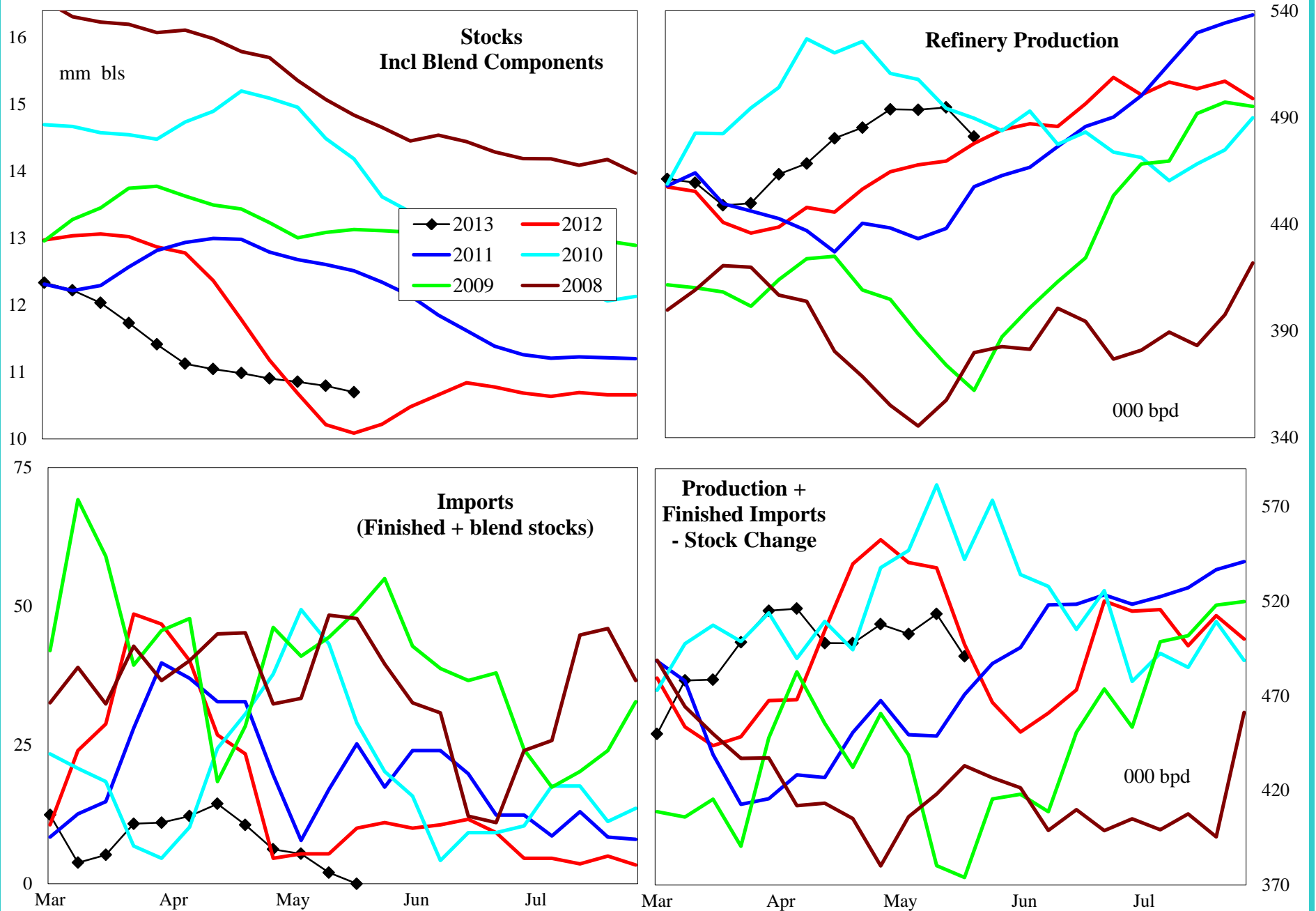
14.1

-0.4

106.7

-12.1

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

915

21

-2

-63

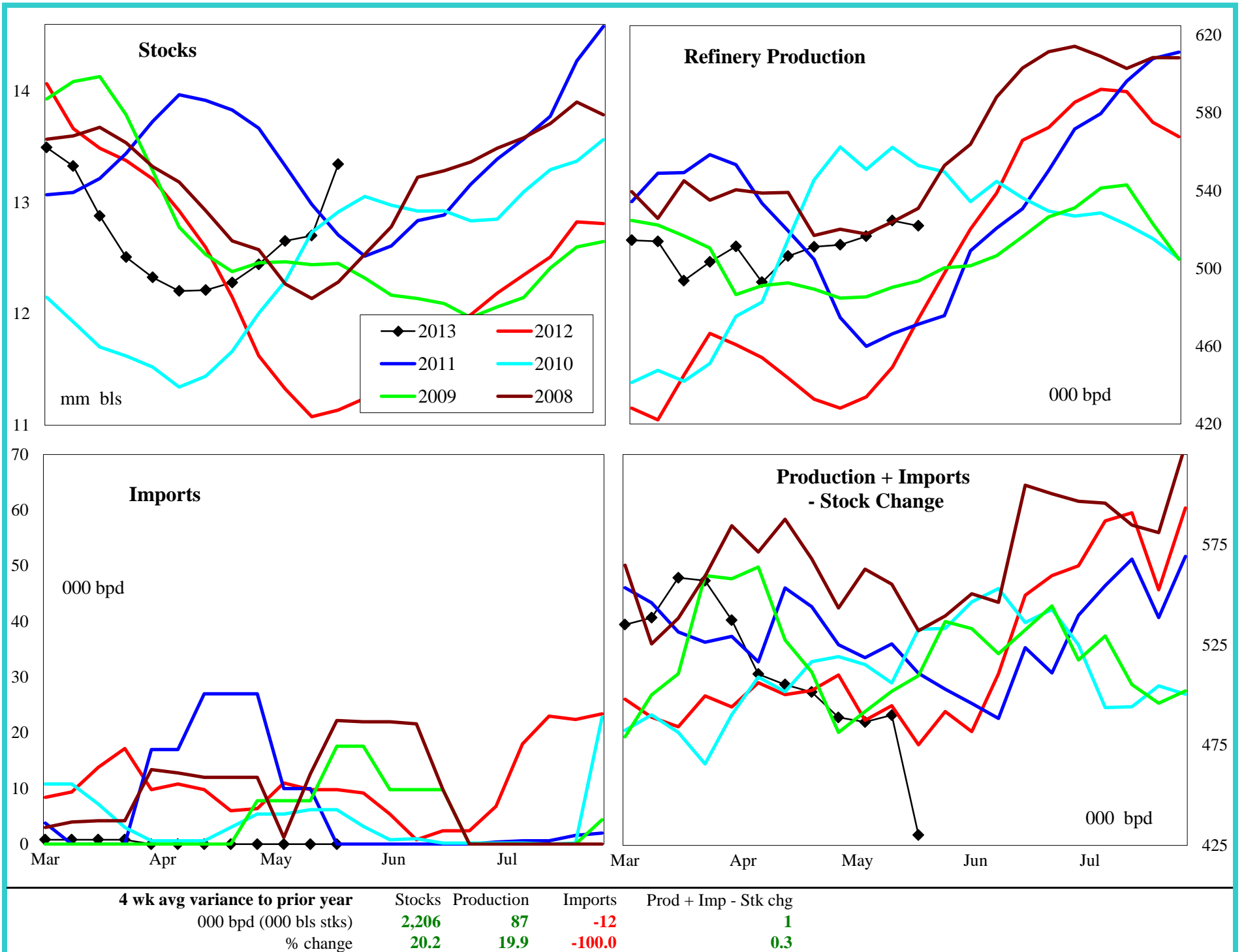
9.4

4.3

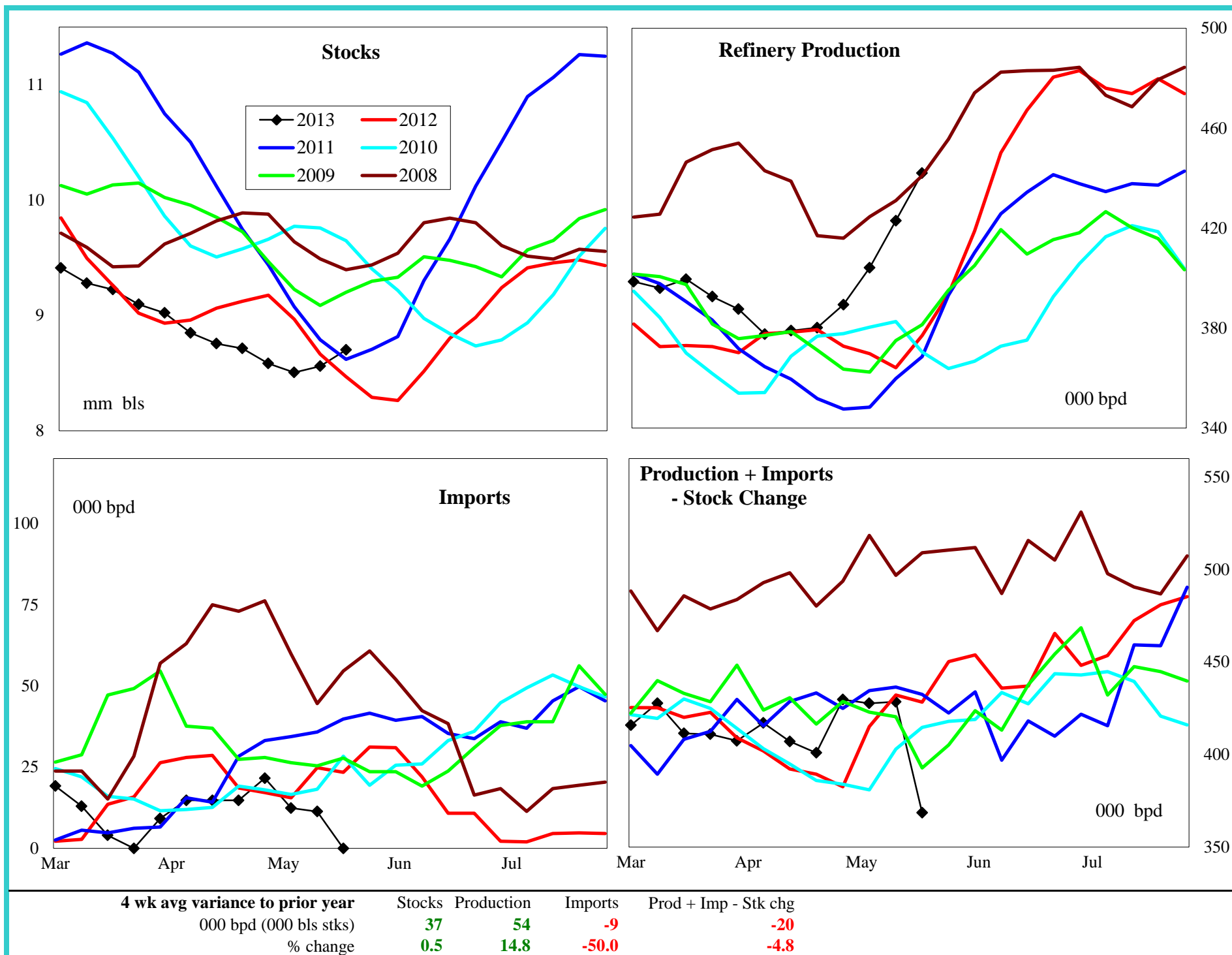
-22.2

-11.2

PADD 5 Distillate Supply



PADD 5 Jet Fuel Supply



PADD 5 Residual Fuel Oil Supply

