



## WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

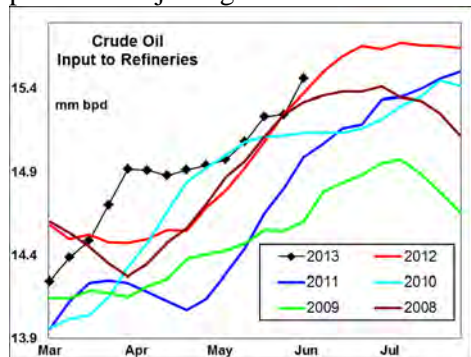
### A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Wednesday, June 05, 2013



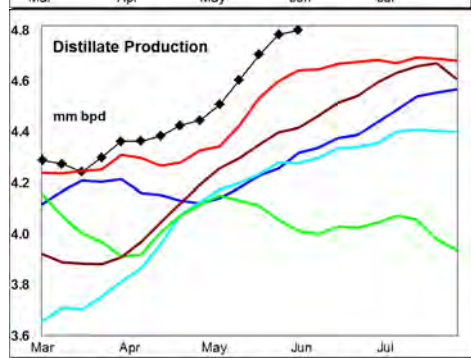
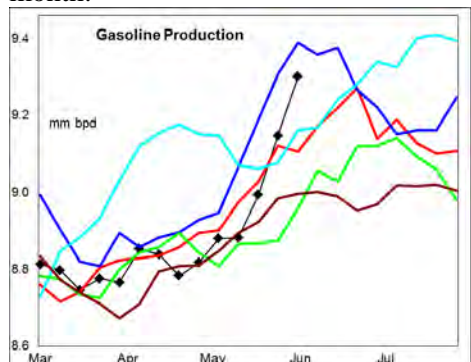
#### Major Fundamental Trends<sup>1</sup>

Refiners increased crude oil runs +0.4 million bpd last week, with higher thru put in all major regions.

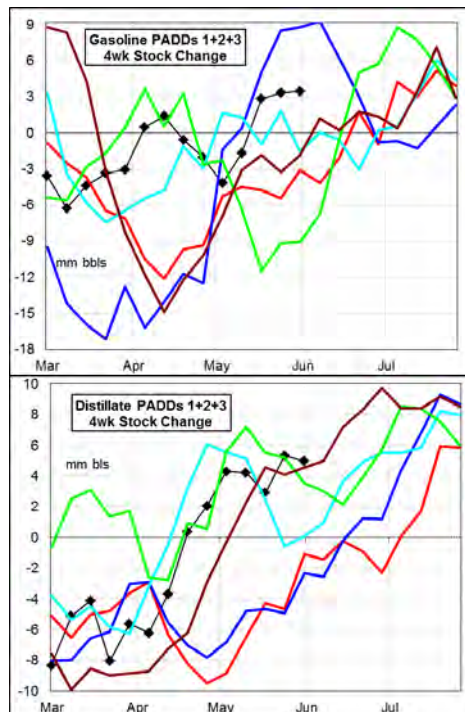


Crude oil thru put remains well below prior years in the Midwest and Rockies as extended maintenance continues.

Gasoline and distillate production are also sharply higher. Look for exceptionally high output as refiners return from maintenance in the Midwest during the balance of the month.



Flat domestic demand, lower exports, and very high production continues to drive a high rate of stock builds in the combined markets east of the Rockies.



Crude oil stocks fell -6.3 million barrels last week; driven by a +0.4 million bpd jump in refinery crude oil throughput and a -0.5 million bpd drop in imports. As midwest refiners return from maintenance, look for continued seasonal stock draws of crude oil during the summer quarter.

**Demand** for gasoline and distillate each declined last week, while jet fuel was higher. Wholesale demand, measured over the last four weeks compared to a year ago: gasoline decreased -0.8%; distillate was +6% higher; jet fuel was +5% higher, and residual increased +12%.

**Stocks forward coverage:** Gasoline demand coverage decreased on a -0.4 million barrel stock draw. Coverage levels remain extremely high for this time of year.

Distillate coverage increased on a +2.6 million barrel stock build lower wholesale demand. Coverage levels ended the week below year ago levels.

Jet fuel coverage increased on a rise in production and +0.4 million barrel stock build.

Residual fuel oil coverage declined on a -0.7 million barrel stock draw and

surge in demand. However, coverage remains above the 5-year range.

**Refinery utilization** rates increased last week on a +433,000 bpd rise in crude oil runs. During the latest 4-wk period crude oil input was +81,000 bpd above a year ago.

Gasoline yield % on crude oil runs increased on a +332,000 bpd jump in output compared the higher crude oil runs. Yield % on crude oil runs ended the week near the 3-year mid range.

Distillate yield % on crude oil runs fell on a +37,000 bpd rise in output compared a large increase in crude oil input. The yield % on crude oil runs remains extremely high.

Jet fuel yield % on crude oil runs increased on a +57,000 bpd rise in output, compared to the higher crude oil input. The yield % level remains below the last 2-years.

**Petroleum Imports/Exports** of crude oil and gasoline each fell for the 2<sup>nd</sup> consecutive week.

During the latest 4-wk period crude oil imports were -1.2 million bpd below last year; distillate imports increased +26,000 bpd; finished gasoline imports decreased -61,000 bpd, gasoline blend stock imports were +85,000 bpd higher; jet fuel imports increased +16,000 bpd, while residual fuel oil imports were -15,000 bpd lower.

During the latest 4-wk period exports of gasoline were -59,000 bpd below last year, jet fuel was +22,000 bpd higher and distillate exports fell -246,000 bpd.

**Crude Oil** stocks fell -6.3 million barrels last week, with stock draws in all regions. A +0.4 million bpd rise in crude oil runs and -0.5 million bpd drop in imports contributed to the stock draw. Stock levels ended the week +7 million barrels above prior 5-year highs.

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



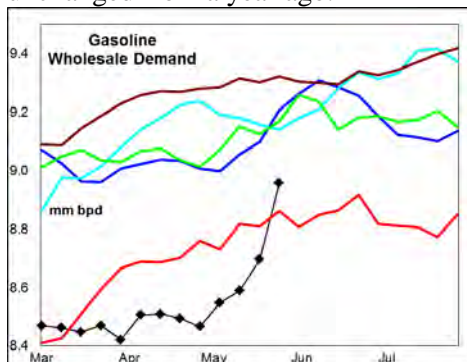
## WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

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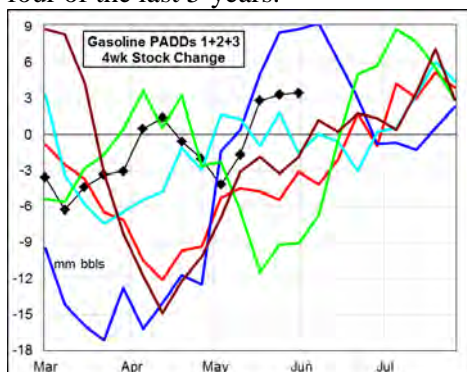
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#### Product Supply-Demand Trends

**Gasoline** wholesale demand decreased -134,000 bpd on the week. The latest 4-wk average demand was -69,000 bpd below last year. Supply increased +134,000 bpd last week. Supply for the latest 4-wk period was nearly unchanged from a year ago.



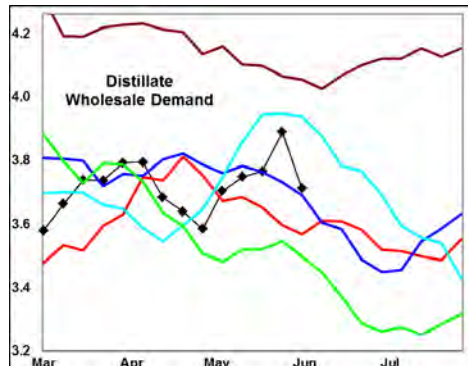
Stocks declined -0.4 million barrels last week, ending at a level near 5-year highs. The latest 4-wk stock change in markets East of the Rockies was a +3.4 million barrel build, a larger build than four of the last 5-years.



While wholesale demand is only slightly below last year, increased production and imports earlier in the quarter lifted stock levels significantly above the last 2-years.

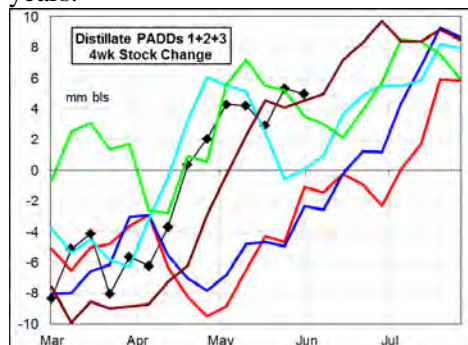
Stock levels remain exceptionally high in the Gulf and East Coast, while the Midwest is now comparable to the last 2-years. Look for a sharp increase in the Midwest as extended maintenance in the Chicago area is completed.

**Distillate** demand decreased -65,000 bpd last week, to level slightly above the last 2-years.



Supply increased +44,000 bpd last week, with production at a record high. The latest 4-wk average supply was +202,000 bpd above last year. Stocks increased +2.6 million barrels on the week.

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

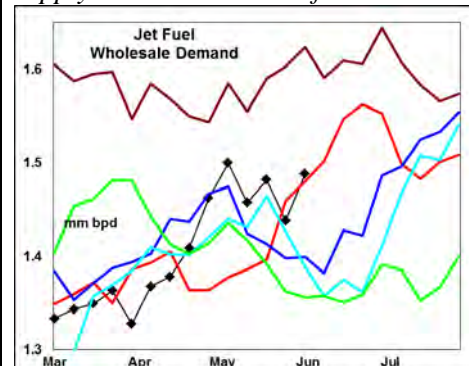
Production averaged +176,000 bpd above a year ago for the last 4-wks, with imports +26,000 bpd higher. Combined with weak exports and an expected pull back in demand, look for a continued high rate of stock building during the balance of the spring quarter.

**Jet Fuel** wholesale demand increased +107,000 bpd last week to a level which matched a year ago. The latest 4-wk average demand was +72,000 bpd above last year.

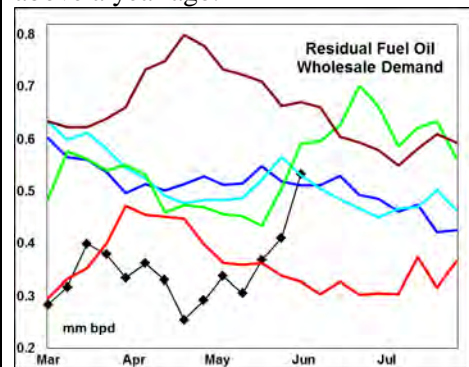
Supplies increased +147,000 bpd on the week, including a spike in imports to record highs. Supply for the latest 4-wk period was +34,000 bpd

above a year ago. Stock levels matched 5-year lows.

A spike in imports on the West Coast significantly improved the supply balance last week for the area.



**Residual fuel oil** demand spiked +314,000 bpd last week. Demand for the latest 4-wk period was +43,000 bpd above a year ago.



Supply (production + imports) increased +89,000 bpd last week, on higher production. Production levels matched the last 2-years. Stocks decreased -0.7 million barrels to a level below the historic mid range.

Stock levels remain exceptionally high in the Midwest and Gulf region. Demand for the latest 4-wk period saw a small year on year increase from prior record lows.



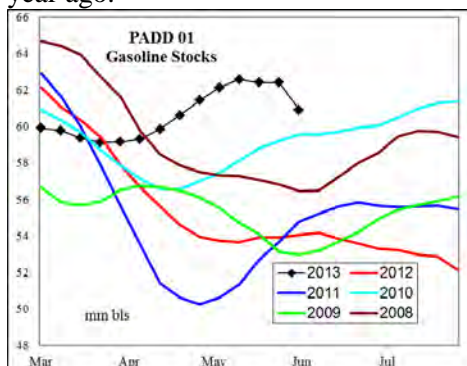
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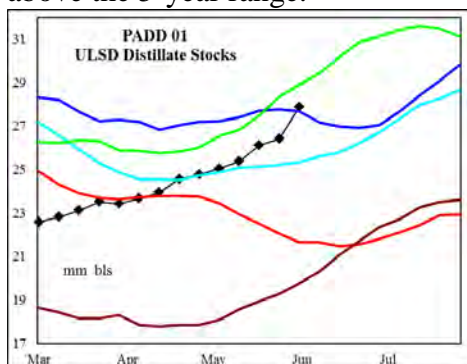
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#### PADD Supply Trends

**PADD 1** refinery crude oil runs increased +13,000 bpd last week, to a level matching highs of the last 2-years. The latest 4-wk average crude oil thru put was +207,000 bpd above a year ago.

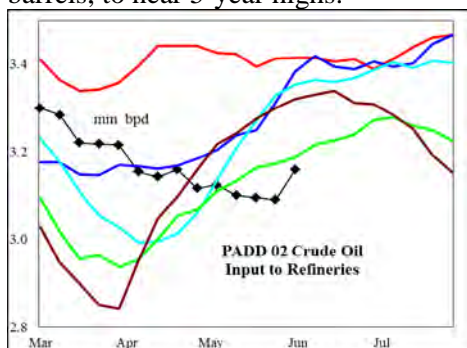


Gasoline supply fell -218,000 bpd on the week. Stocks declined -1.8 million barrels to level still well above the 5-year range.



Distillate supply decreased -64,000 bpd on the week. Stock levels of ULSD were above the 5-year range in both the Central and Lower Atlantic regions.

Jet fuel stocks jumped +0.9 million barrels, to near 5-year highs.



**PADD 2** crude oil refinery runs climbed +183,000 bpd on the week, with the level still below the 5-year

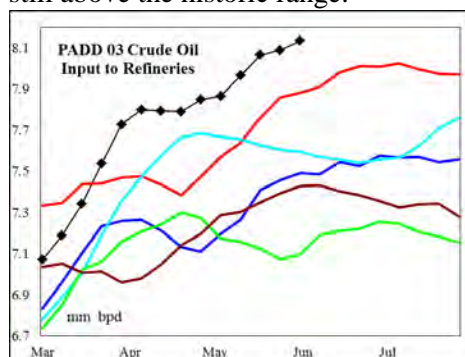
range. Runs for the latest 4-wk period were -341,000 bpd below last year. Crude oil stocks fell -1 million barrels on the week. Stocks ended the week +6% above a year ago at Cushing.

Gasoline production jumped +183,000 bpd on the week, to level well above the last 3-years. Stocks increased +0.3 million barrels to a level that matched the historic mid range.

Distillate supply increased +22,000 bpd last week, to a level near 5-year lows. Stocks jumped +1.6 million barrels on the week, to a level near the 3-year mid range.

Jet fuel stocks ended the week -20% below the prior record lows; extending an exceptional drawdown.

**PADD 3** refinery runs increased +90,000 bpd on the week. The latest 4-wk average runs were +284,000 bpd above a year ago. Crude oil stocks decreased -2.5 million barrels a level still above the historic range.



Gasoline supply increased +54,000 bpd on the week, a level slightly above last year. Stocks increased +1 million barrels on the week, a record high level.

Distillate supply increased +121,000 bpd on the week on higher production and imports. The latest 4-wk average supply was +129,000 bpd above last year. Stocks fell -1 million barrels on the week, to a level +near the 5-year mid range.

Jet fuel supply increased +23,000 bpd on the week with production near last years' record high. Stock levels remain below the historic range.

Residual fuel oil supplies increased

+73,000 bpd to a level above the mid range. Stock levels matched 5-year highs.

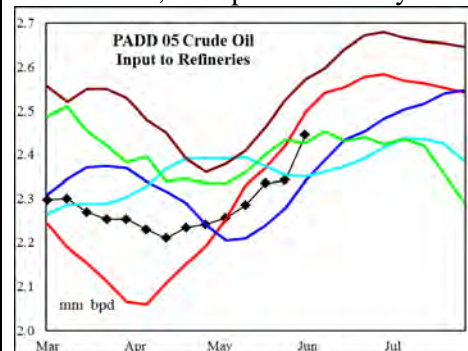
**PADD 4** refinery crude runs decreased -13,000 bpd on the week, and remain well below the 5-year range.

Gasoline production increased +17,000 bpd with the level still well below the historic range. Stocks fell to record low levels for the week.

Distillate production increased +15,000 bpd last week, to a level comparable with the last 2-years. Stock levels ended the week at the mid range of the prior 2-years.

Jet fuel stocks ended the week below the last 3-years with production below the historic range.

**PADD 5** crude oil refinery runs climbed +158,000 bpd on the week; to a level above the latest 3-year mid range. The latest 4-wk average run rate was -57,000 bpd below last year.



Gasoline supply decreased -108,000 bpd on the week, with production well above the 5-year range. The latest 4-wk average supply was +50,000 bpd above a year ago. Stocks increased +0.2 million barrels, with the level still at the low end of the historic range.

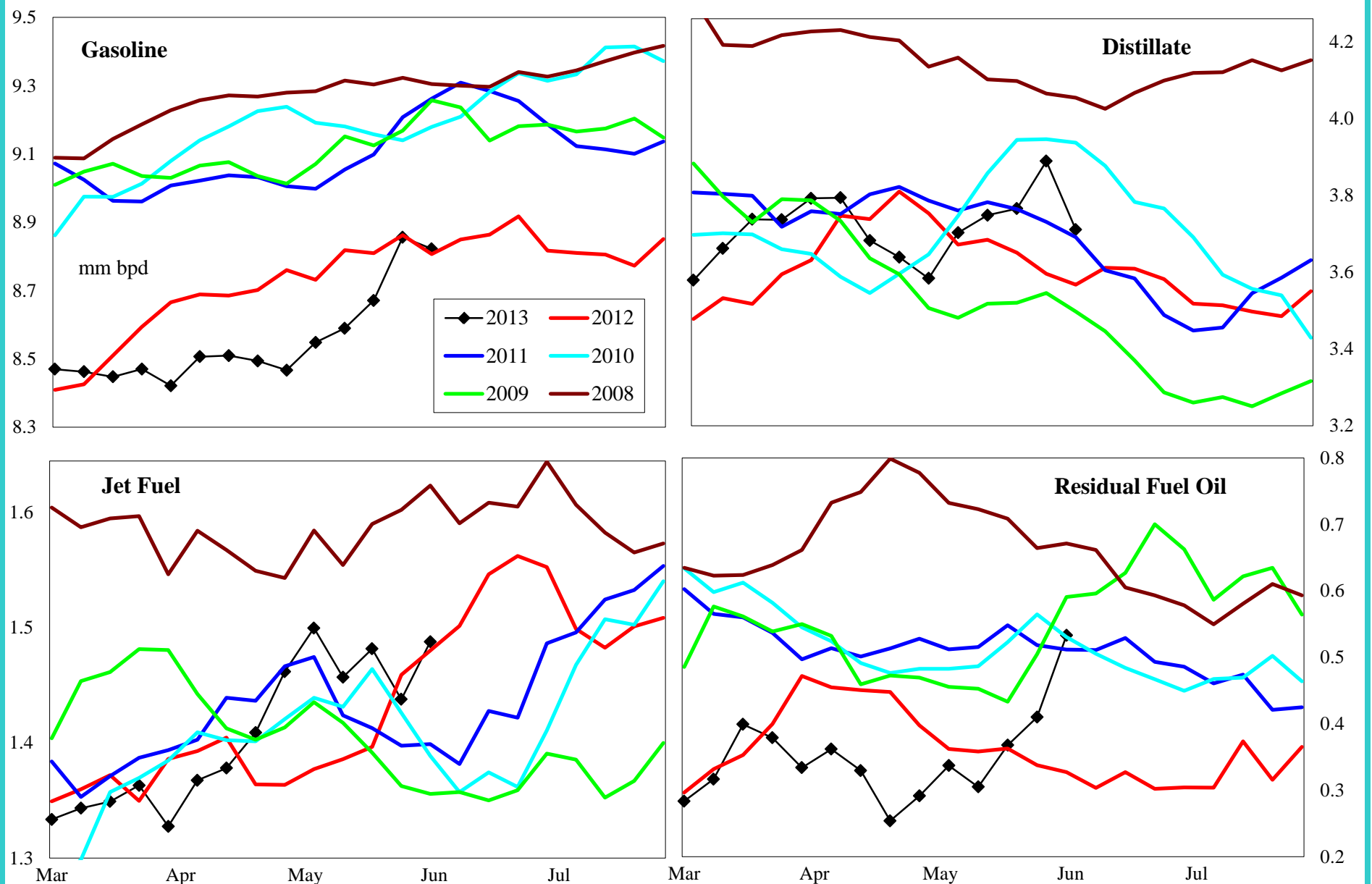
Distillate supply fell -51,000 bpd, with production at record highs. Stocks increased +0.6 million barrels, a level that matched 5-year highs.

Jet fuel supply surged +132,000 bpd on higher imports. Stocks increased +0.3 million barrels, to a level near historic highs.

Residual fuel oil supply fell -70,000 bpd on a drop in imports. Stocks also fell sharply to match historic lows.



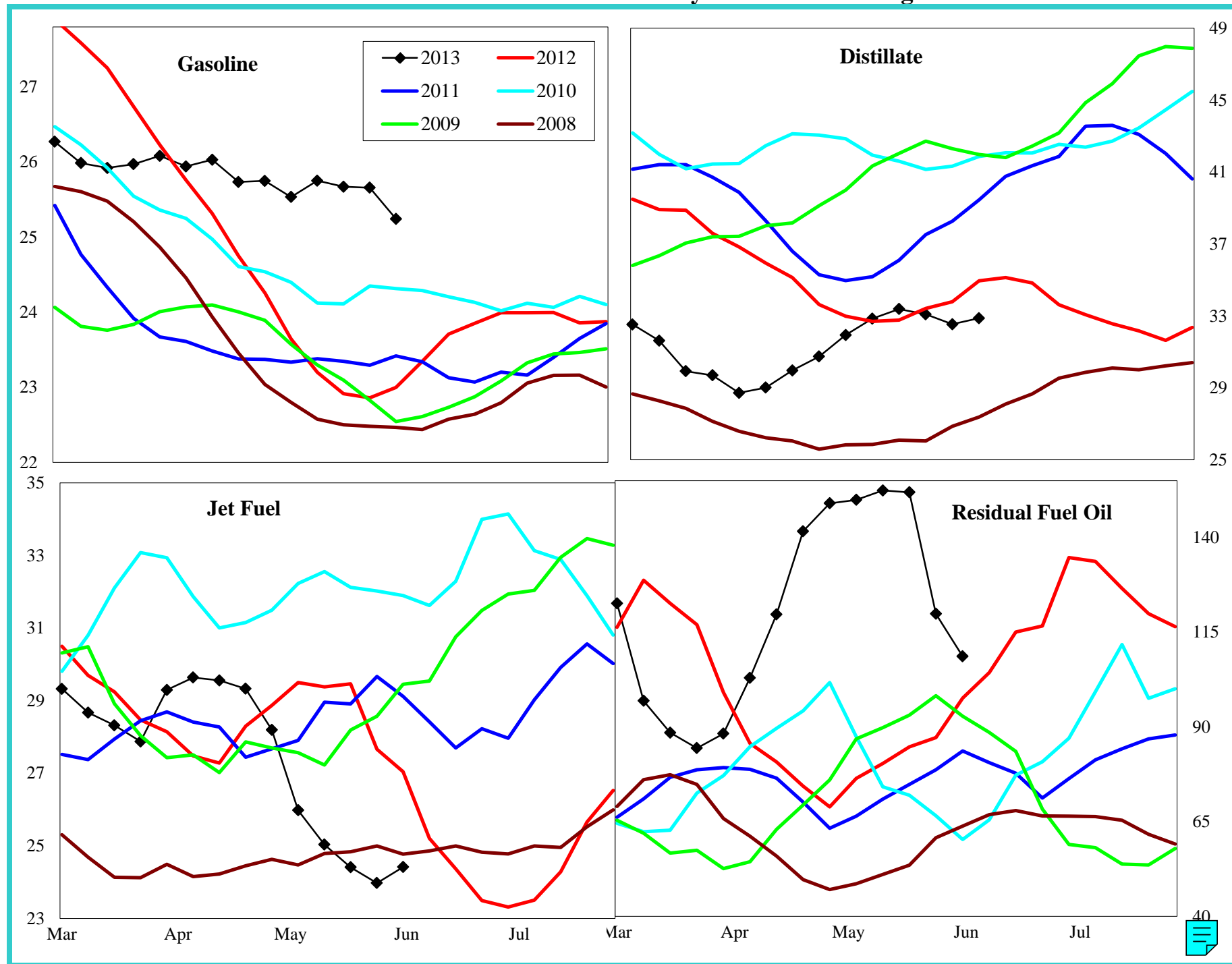
## United States Wholesale Petroleum Demand



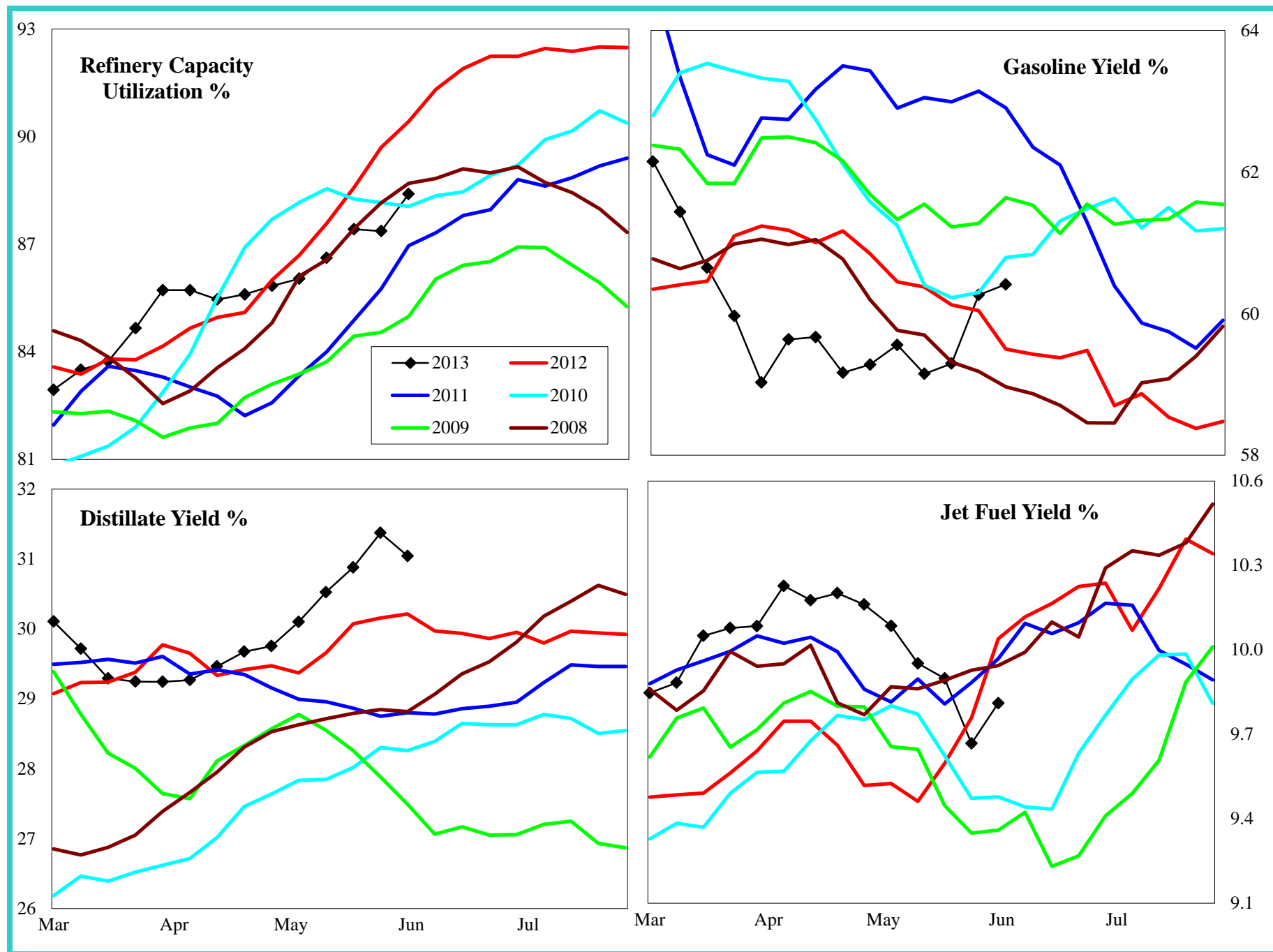
	000 bpd change from prior year				% change from prior year				
	4wk avg	Apr	Mar	Jan	4wk avg	Apr	Mar	Feb	
Gasoline	-69	-311	-165	-210	-0.8	-3.5	-1.9	-2.4	
Distillate	217	-21	52	-5	6.0	-0.6	1.4	-0.1	
Jet Fuel	72	34	-17	-30	5.1	2.5	-1.2	-2.2	
Resid	43	-146	8	-90	11.7	-35.8	1.9	-22.8	



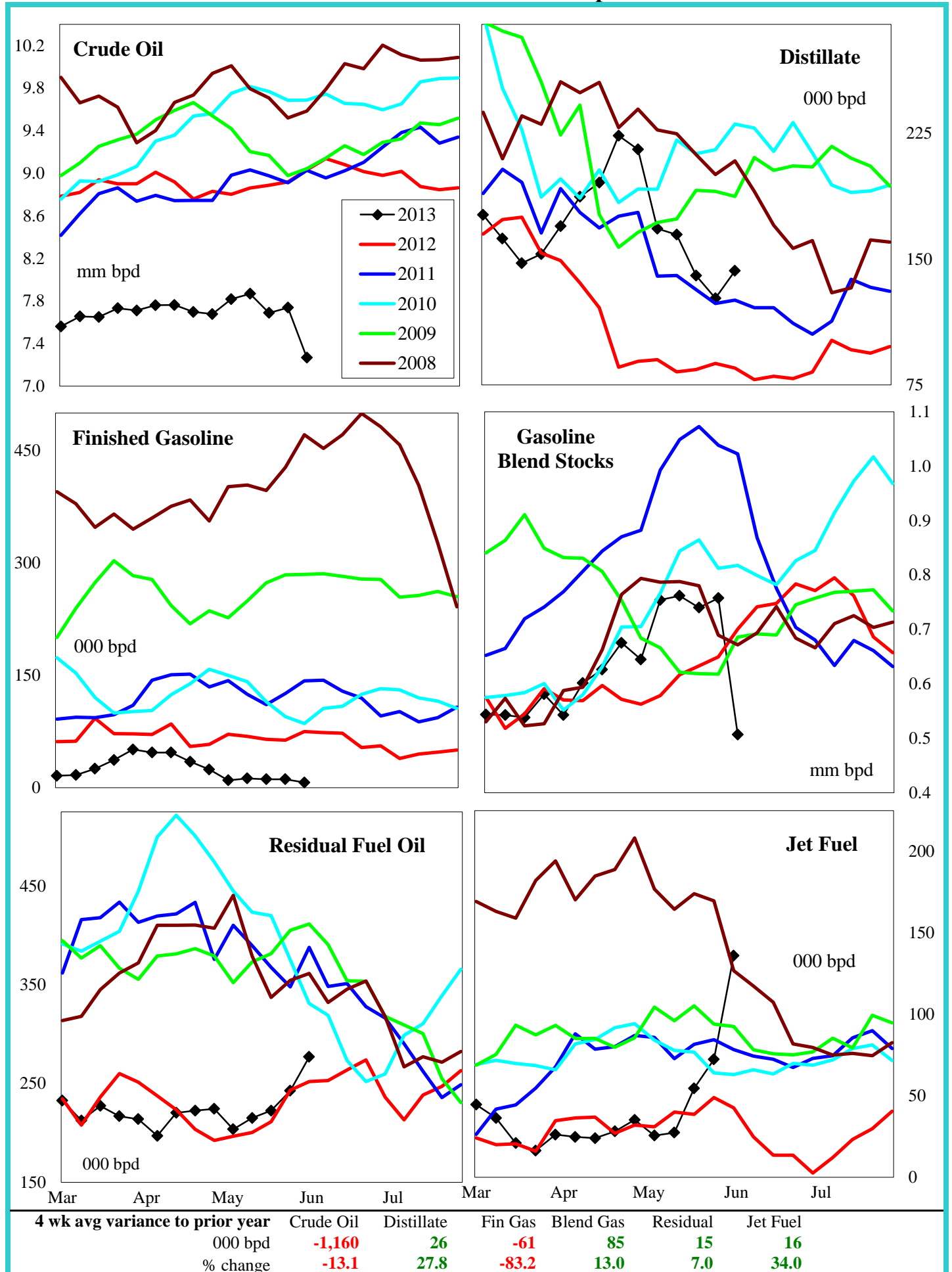
## United States Product Stocks: Days Forward Coverage



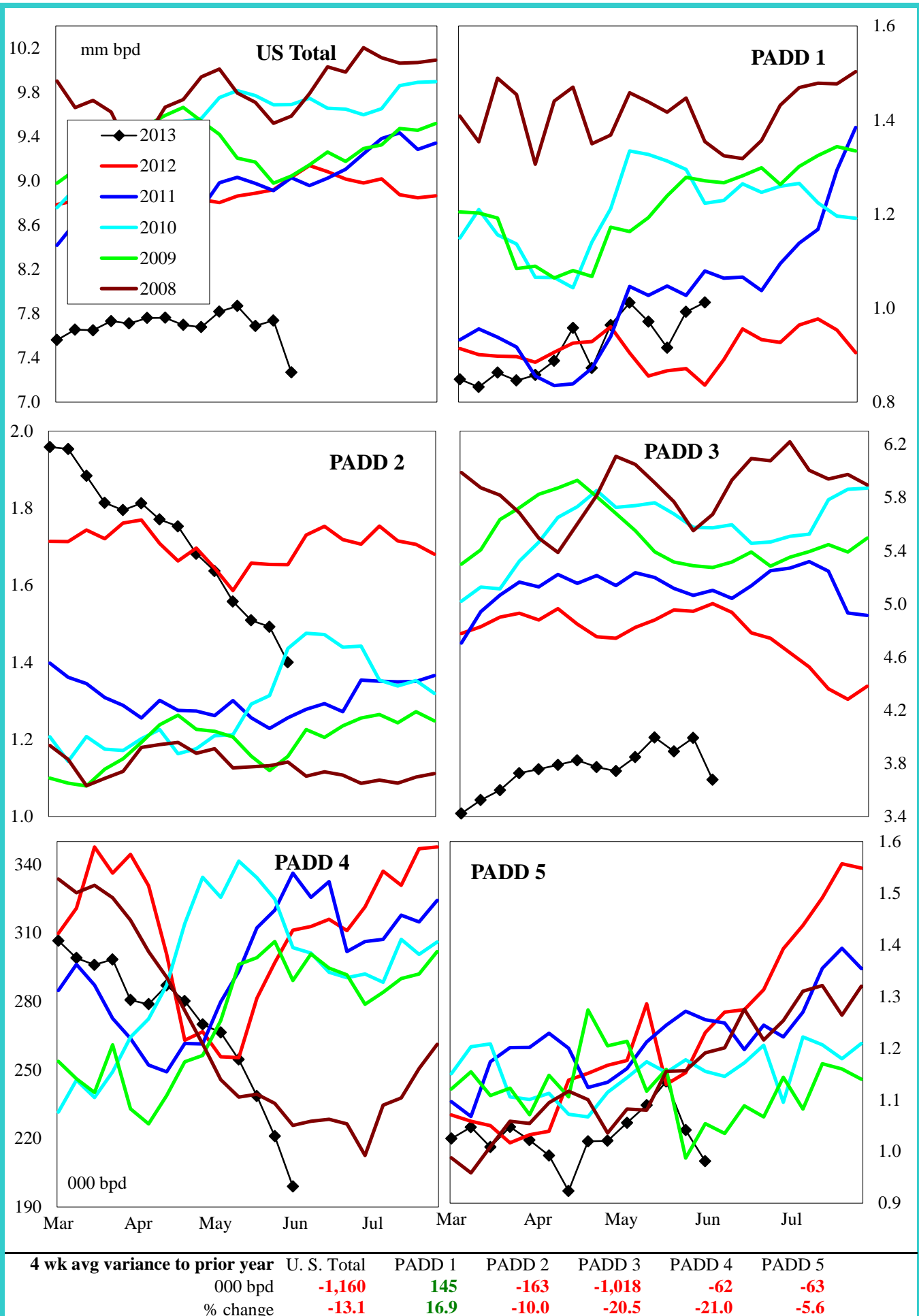
## United States Refinery Percent Utilization Rate and Product Yields



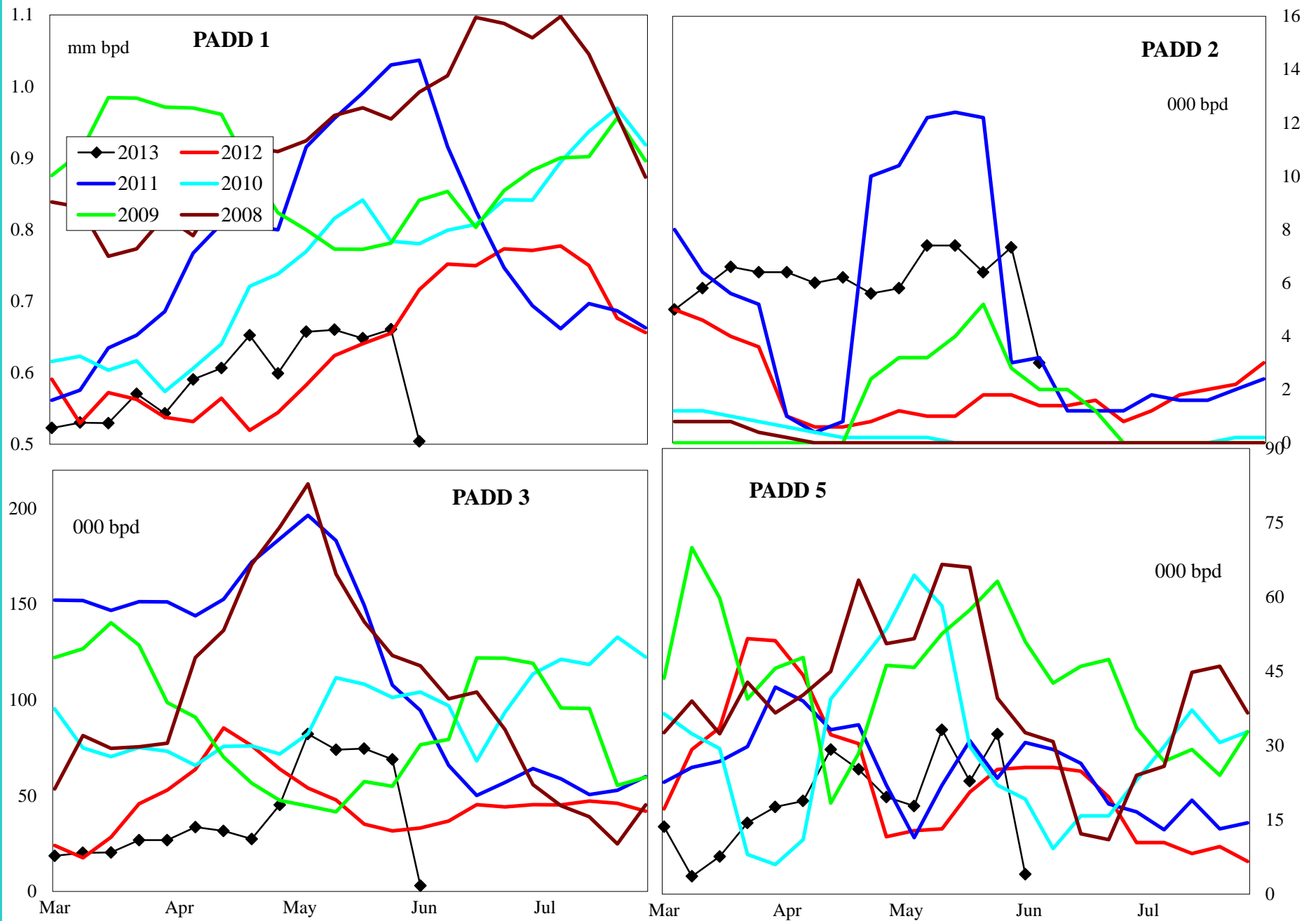
# United States Petroleum Imports



## Crude Oil Imports by PADD

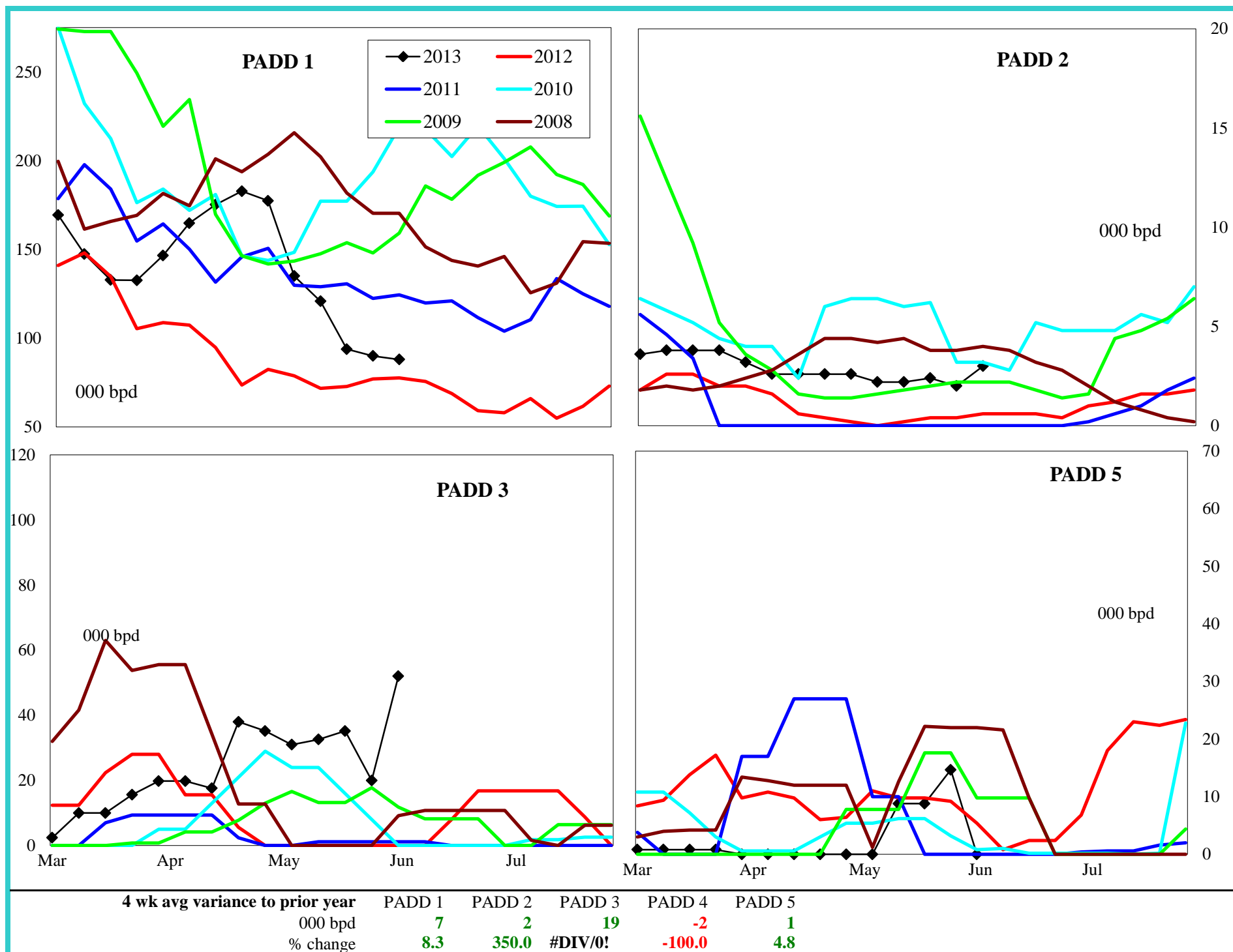


# Gasoline Imports by PADD (Finished + Blend Stocks)

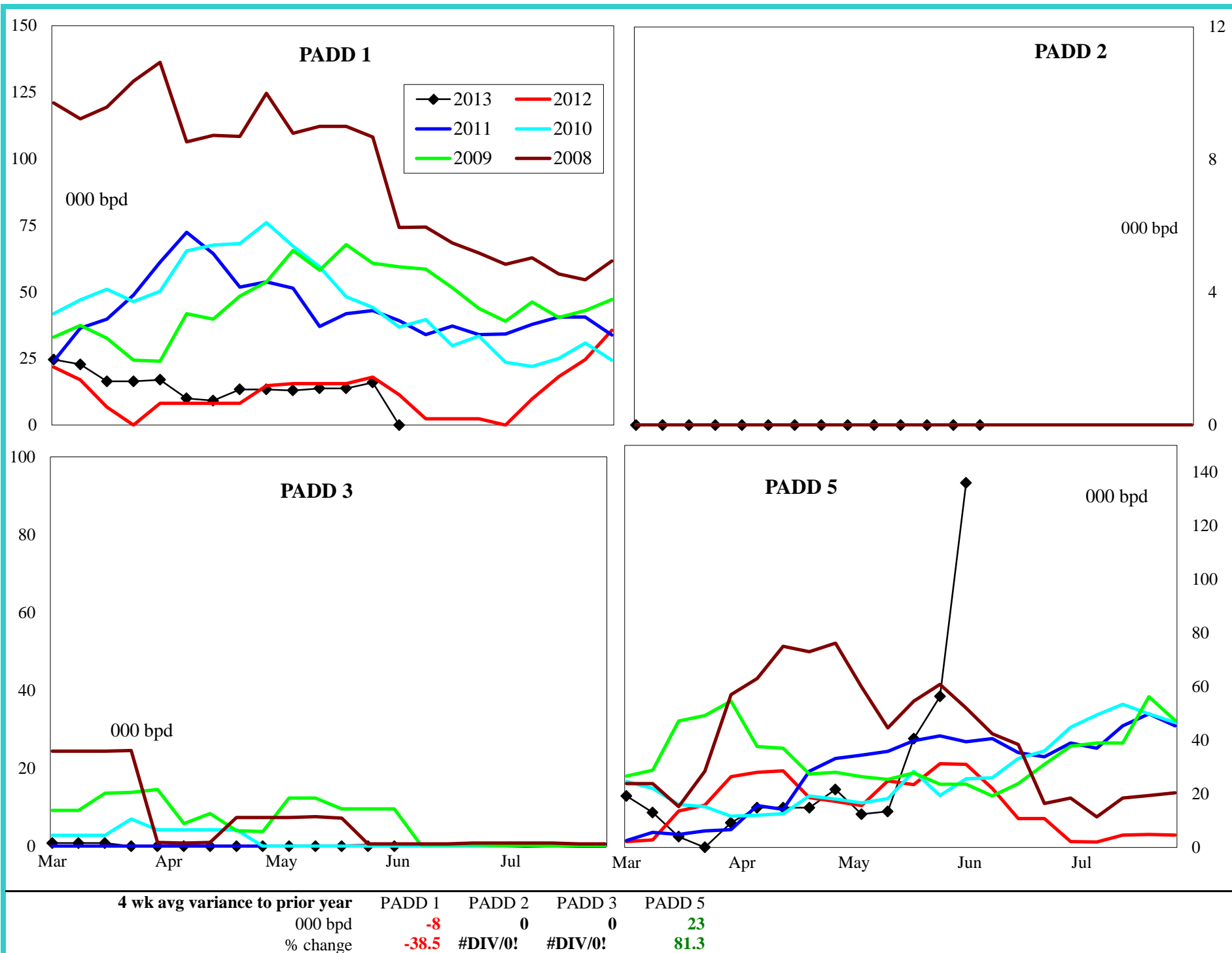


4 wk avg variance to prior year	PADD 1	PADD 2	PADD 3	PADD 5
000 bpd	-37	5	48	8
% change	-5.6	250.0	141.2	45.1

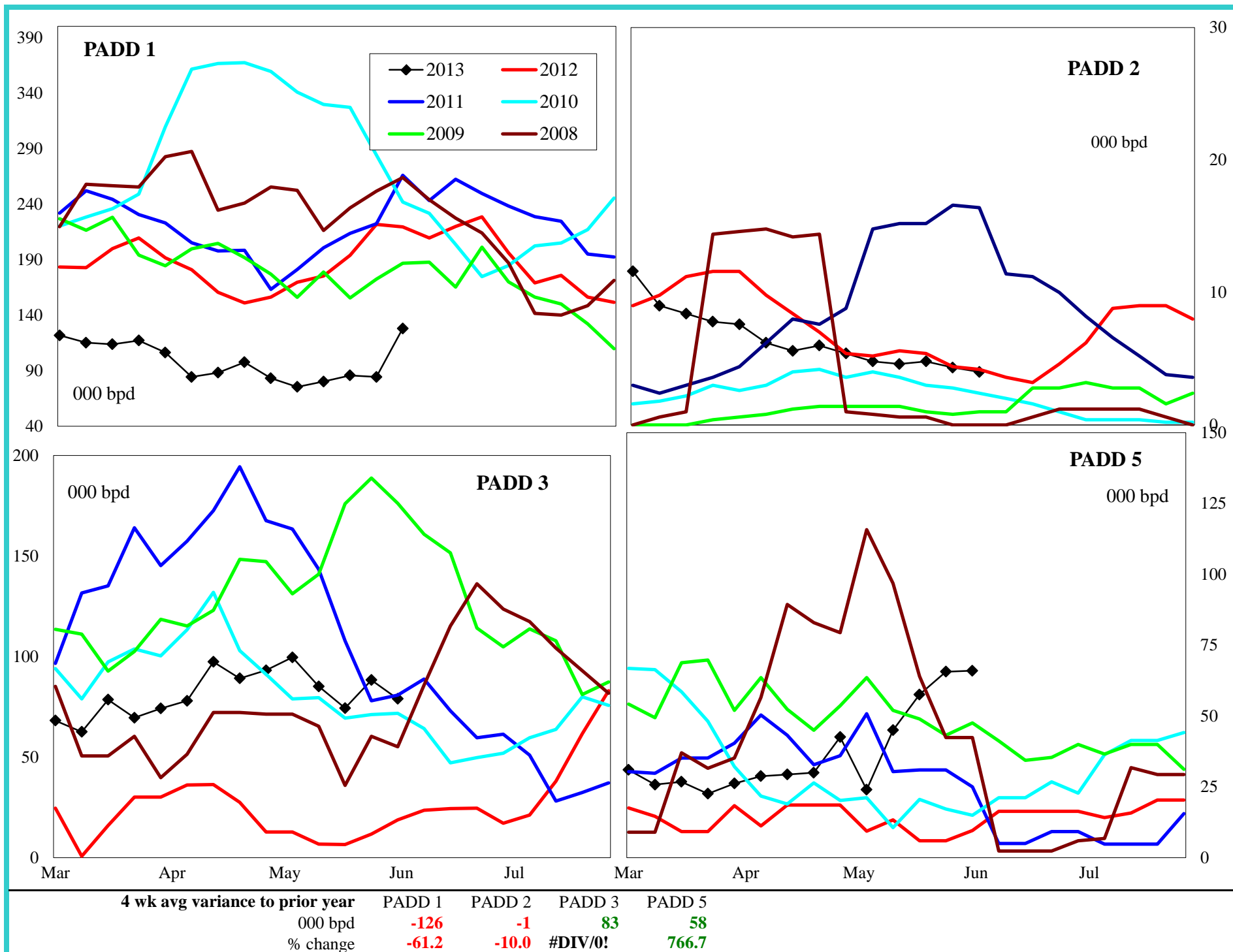
# Distillate Imports by PADD



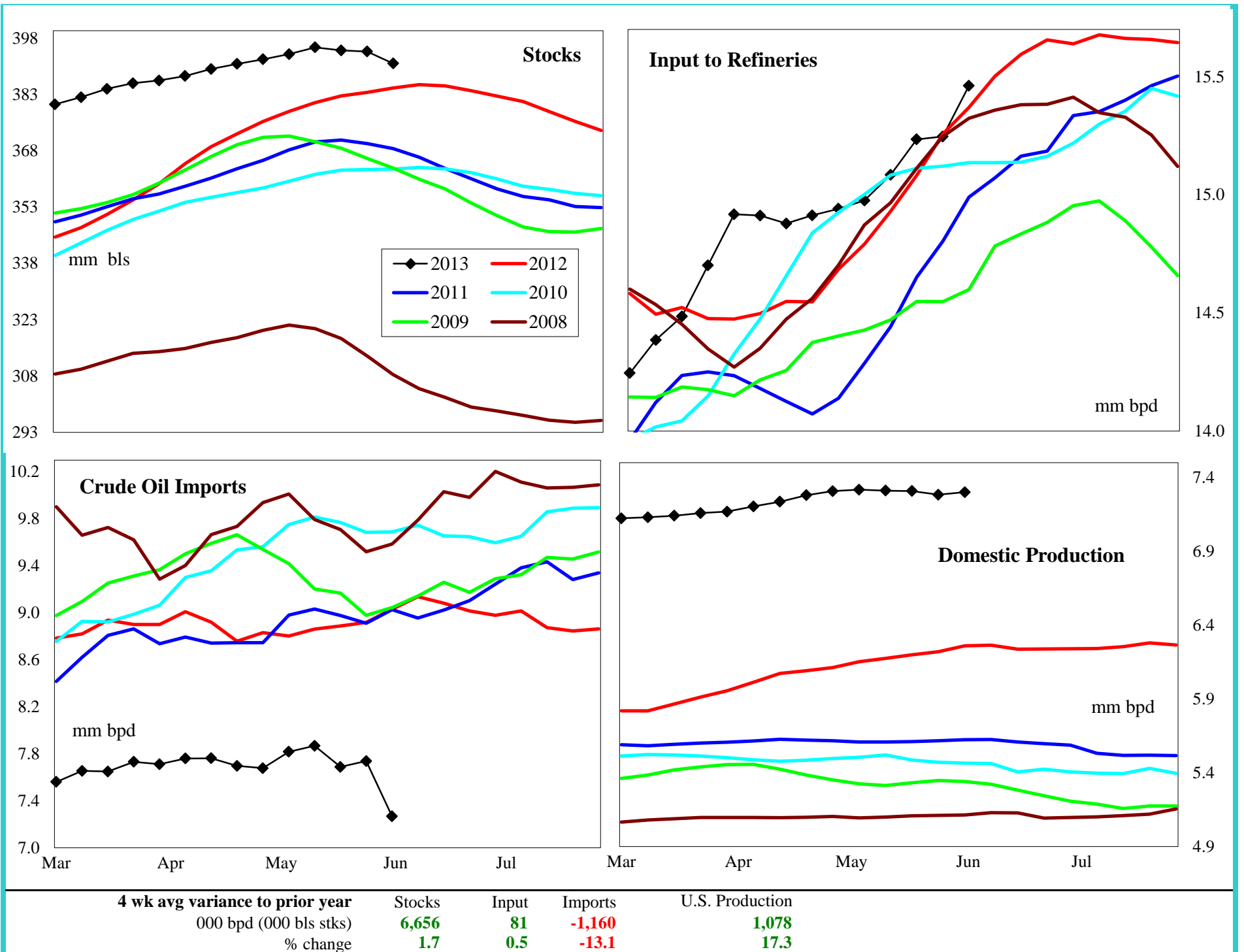
# Jet Fuel Imports by PADD



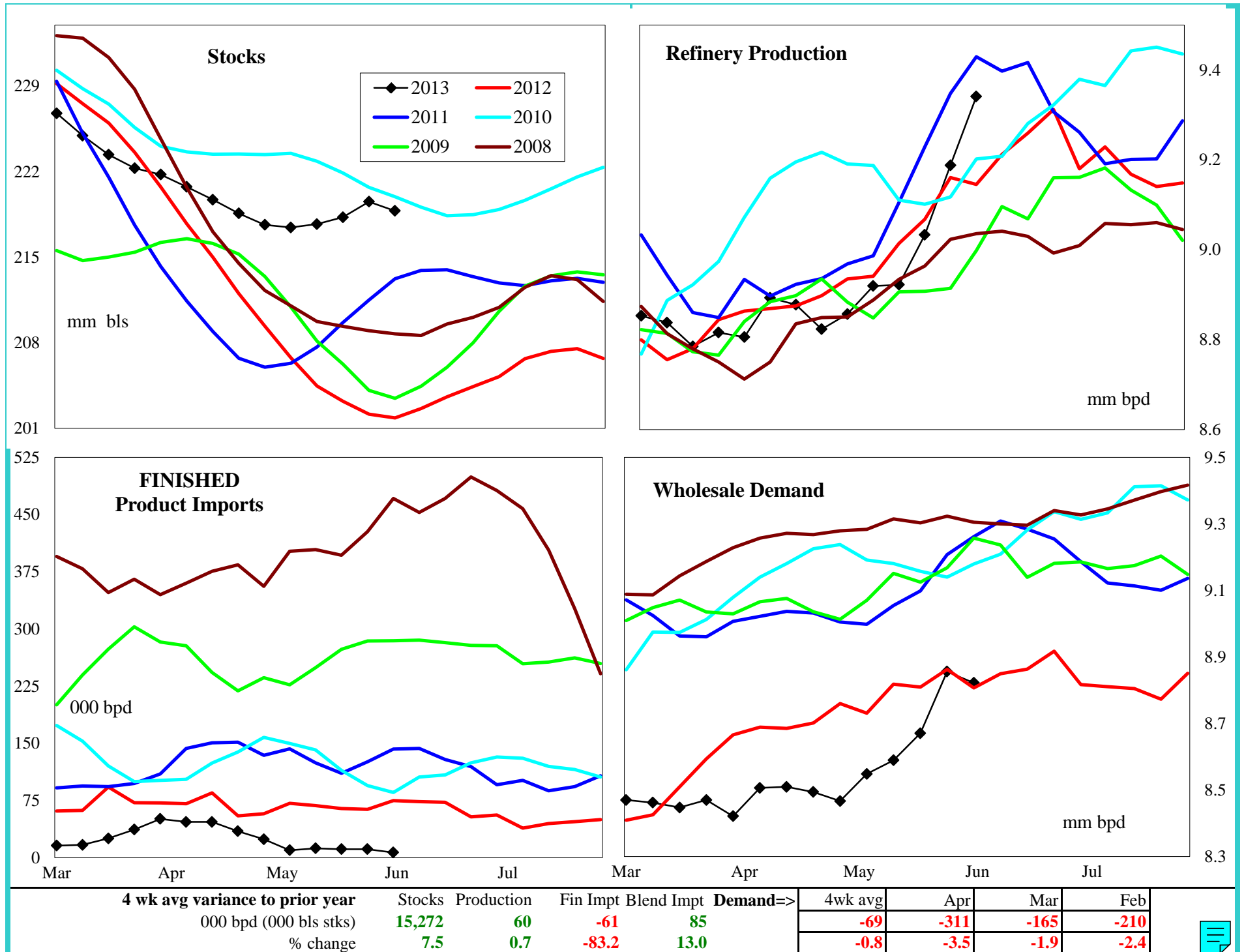
## Residual Fuel Oil Imports by PADD



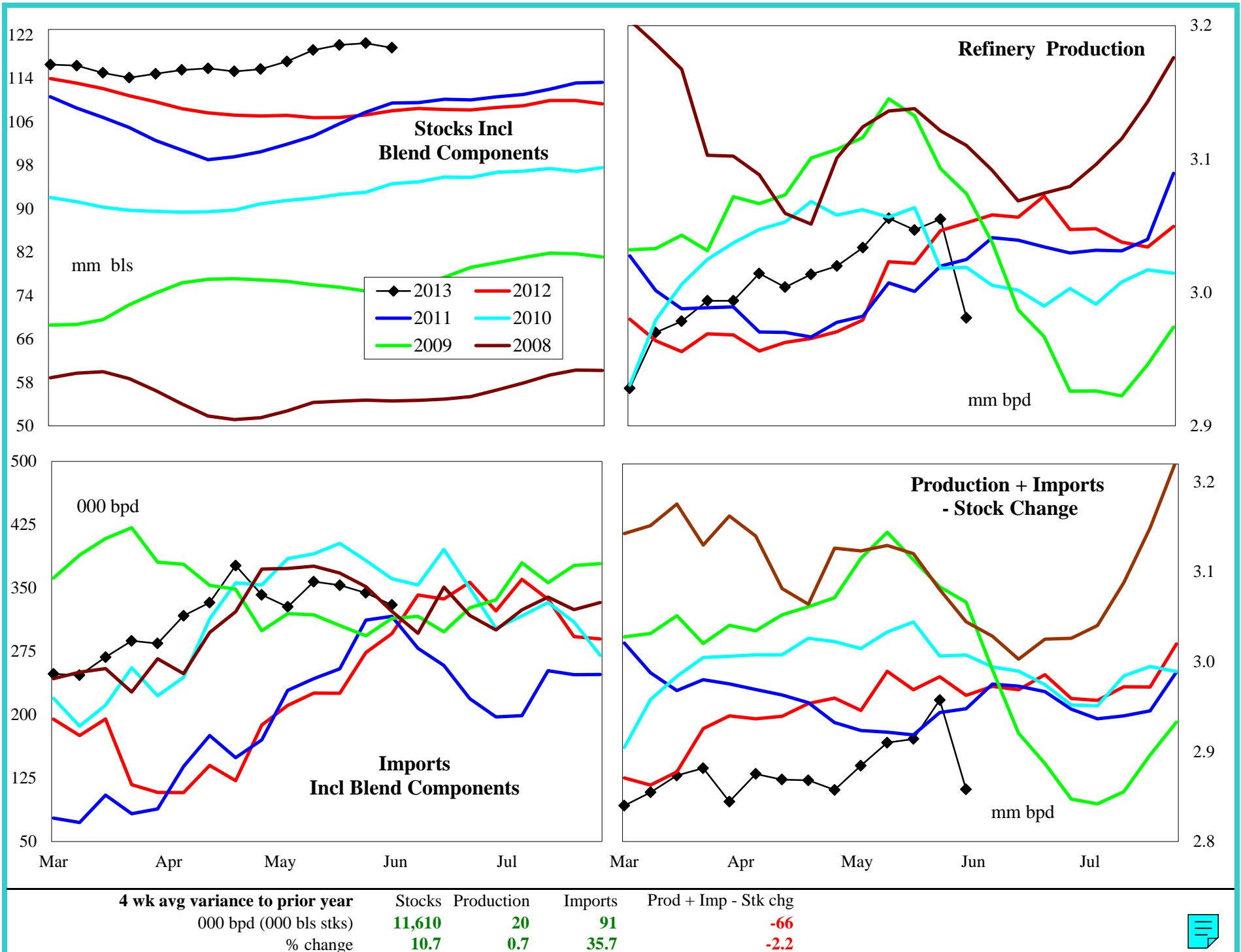
# United States Crude Oil Supply and Demand Balance



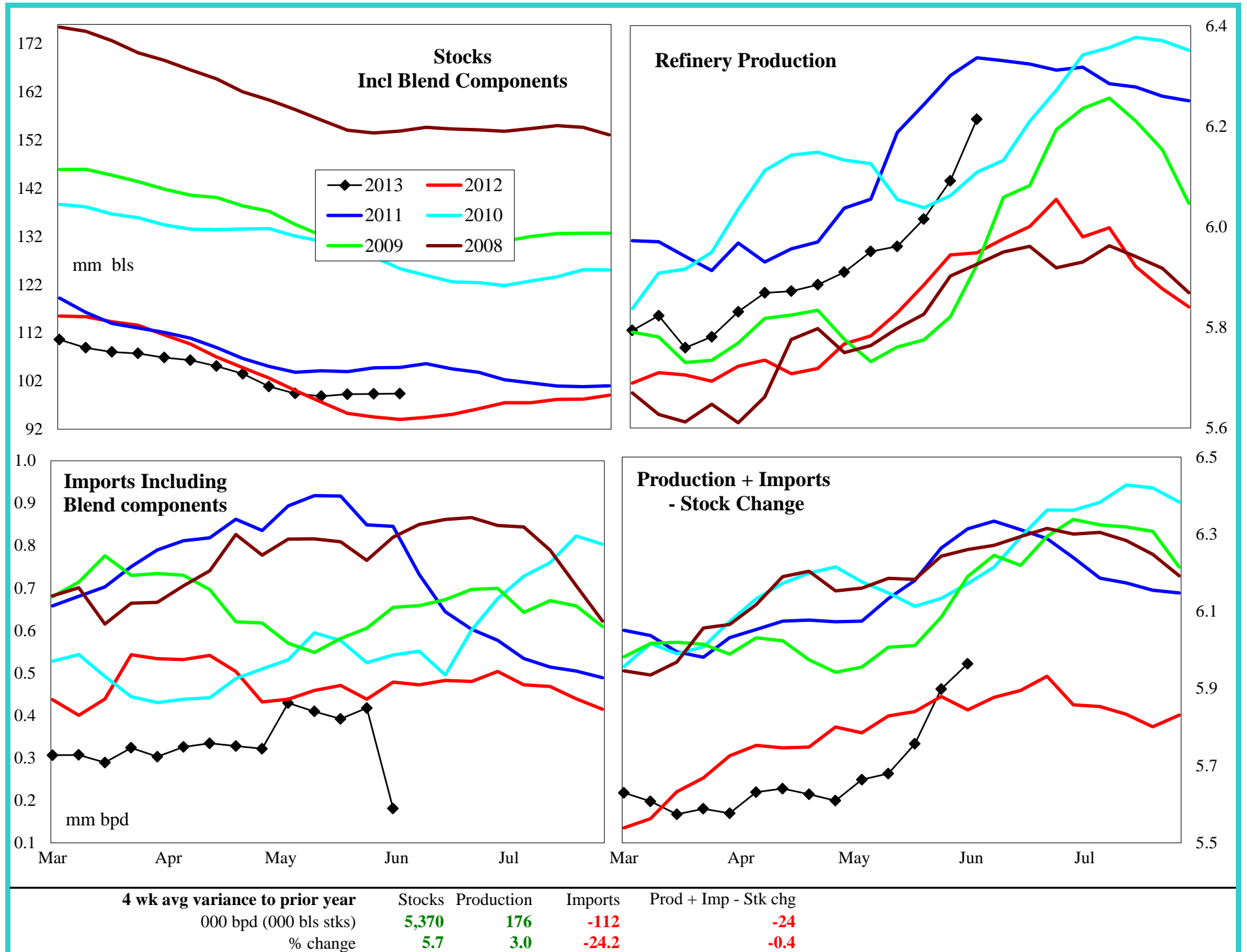
# United States Gasoline Supply and Demand Balance



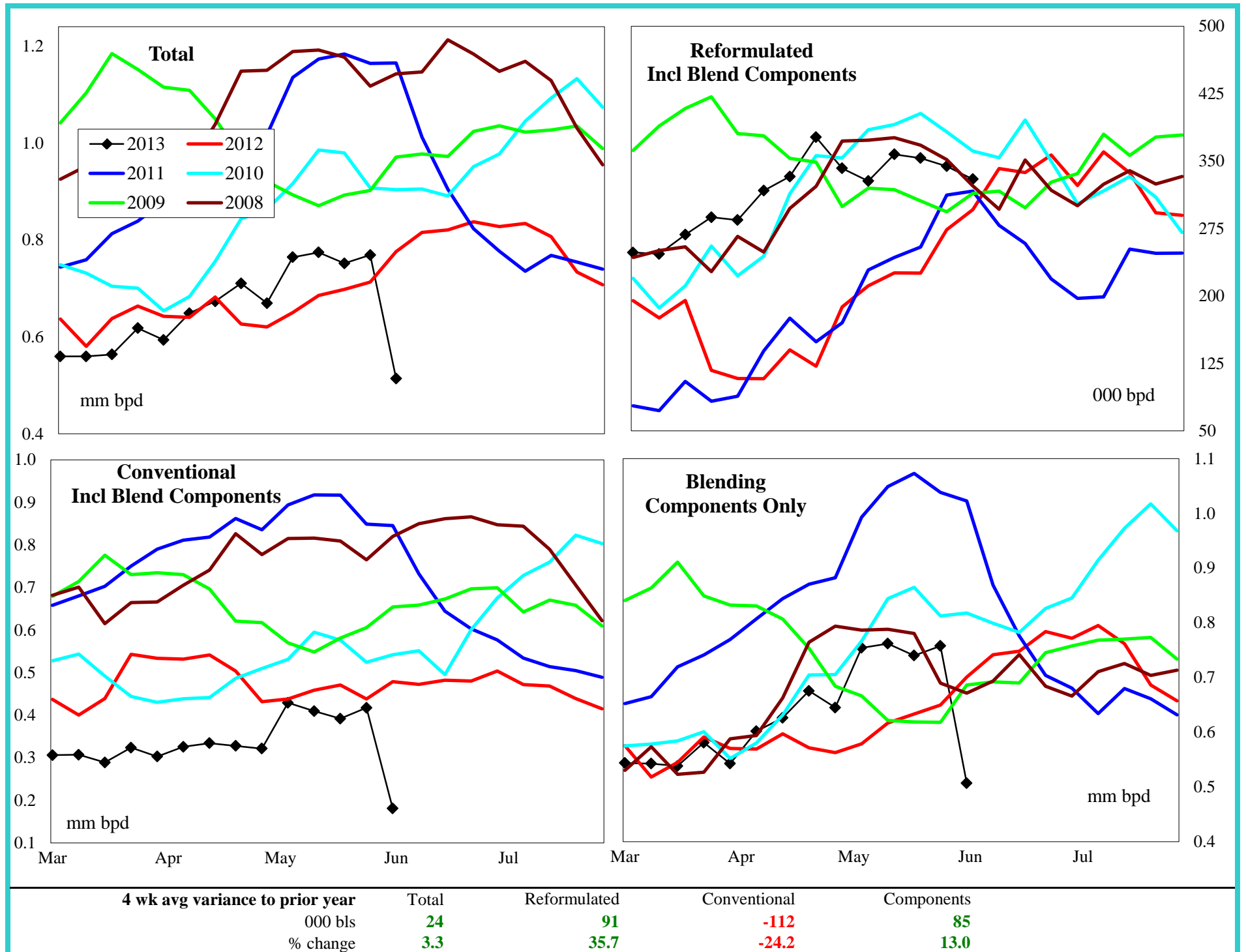
# United States Reformulated Gasoline Supply



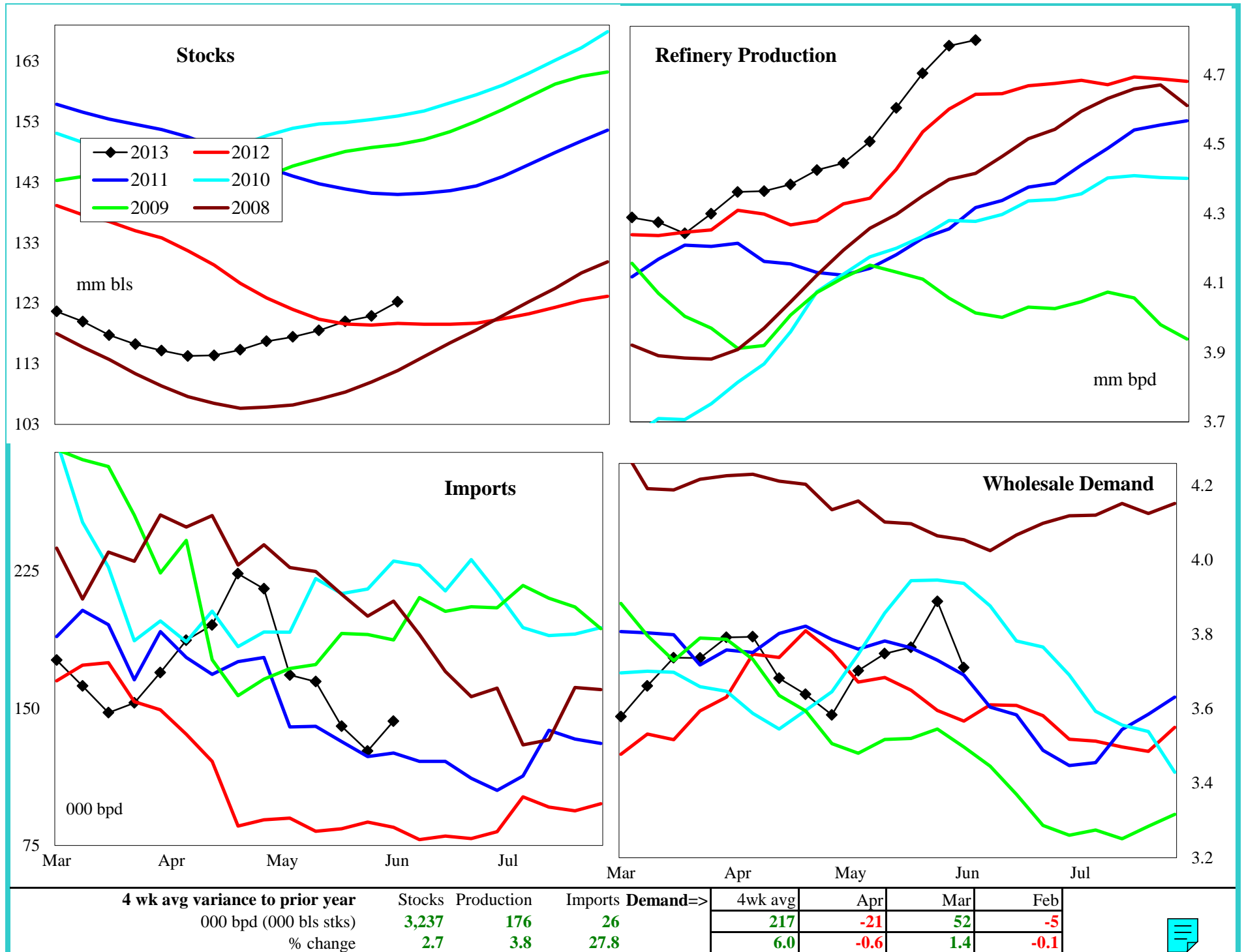
# United States Conventional Gasoline Supply



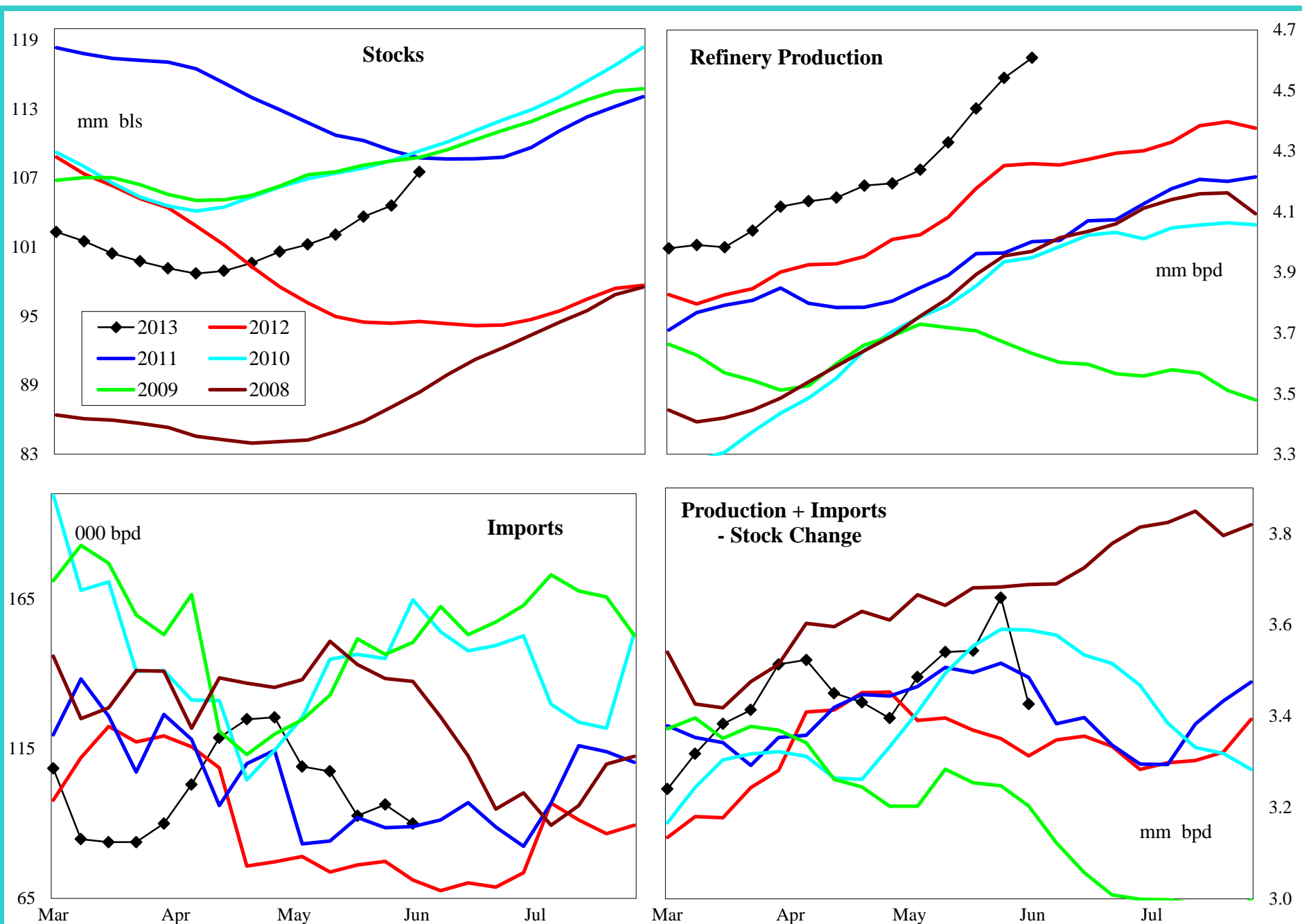
# United States Gasoline Imports by Type



# United States Distillate Supply and Demand Balance



# United States Low Sulfur Distillate Supply



**4 wk avg variance to prior year**

000 bpd (000 bls stks)

% change

Stocks

**12,536**

**13.2**

Production

**268**

**6.4**

Imports

**9**

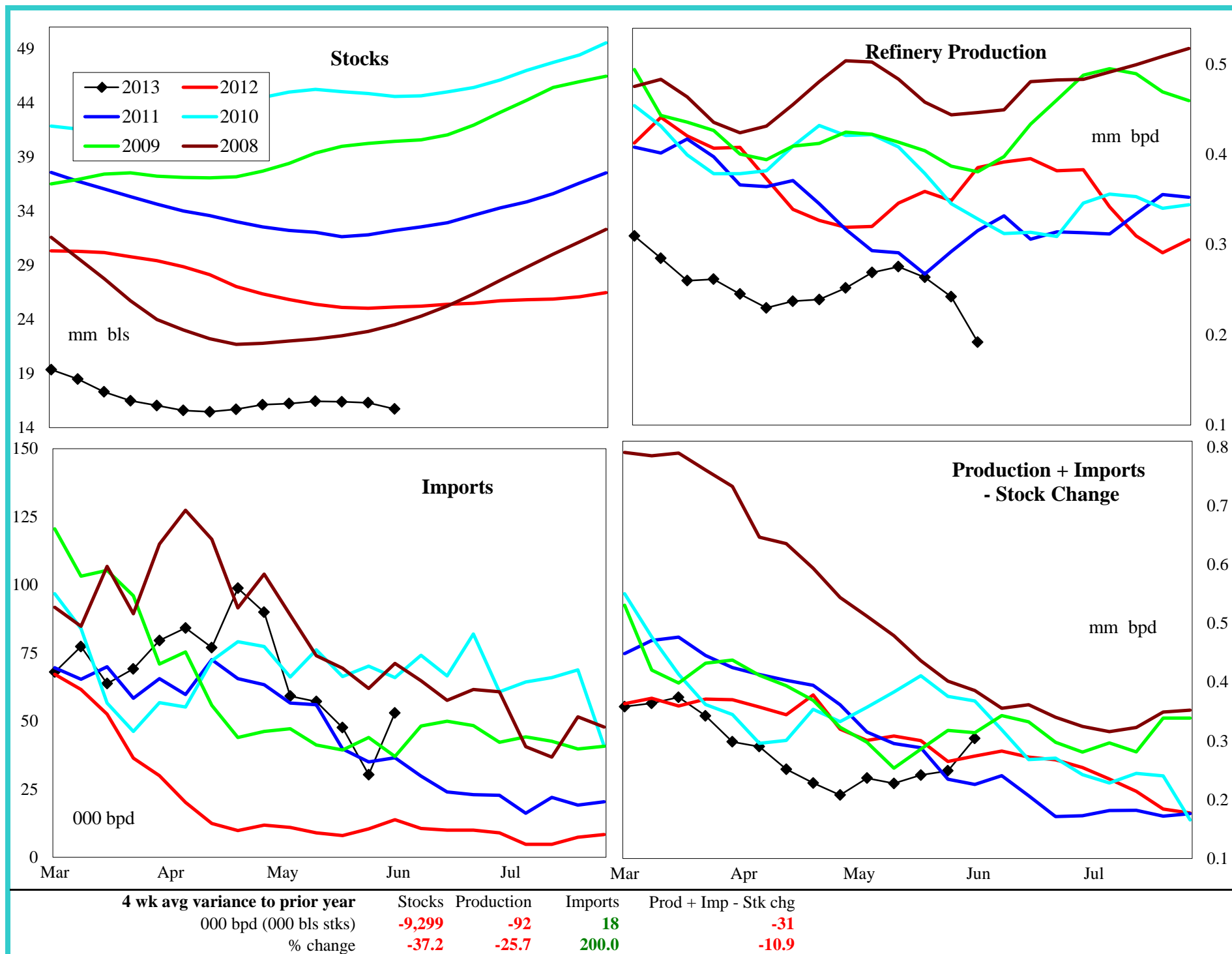
**10.0**

Prod + Imp - Stk chg

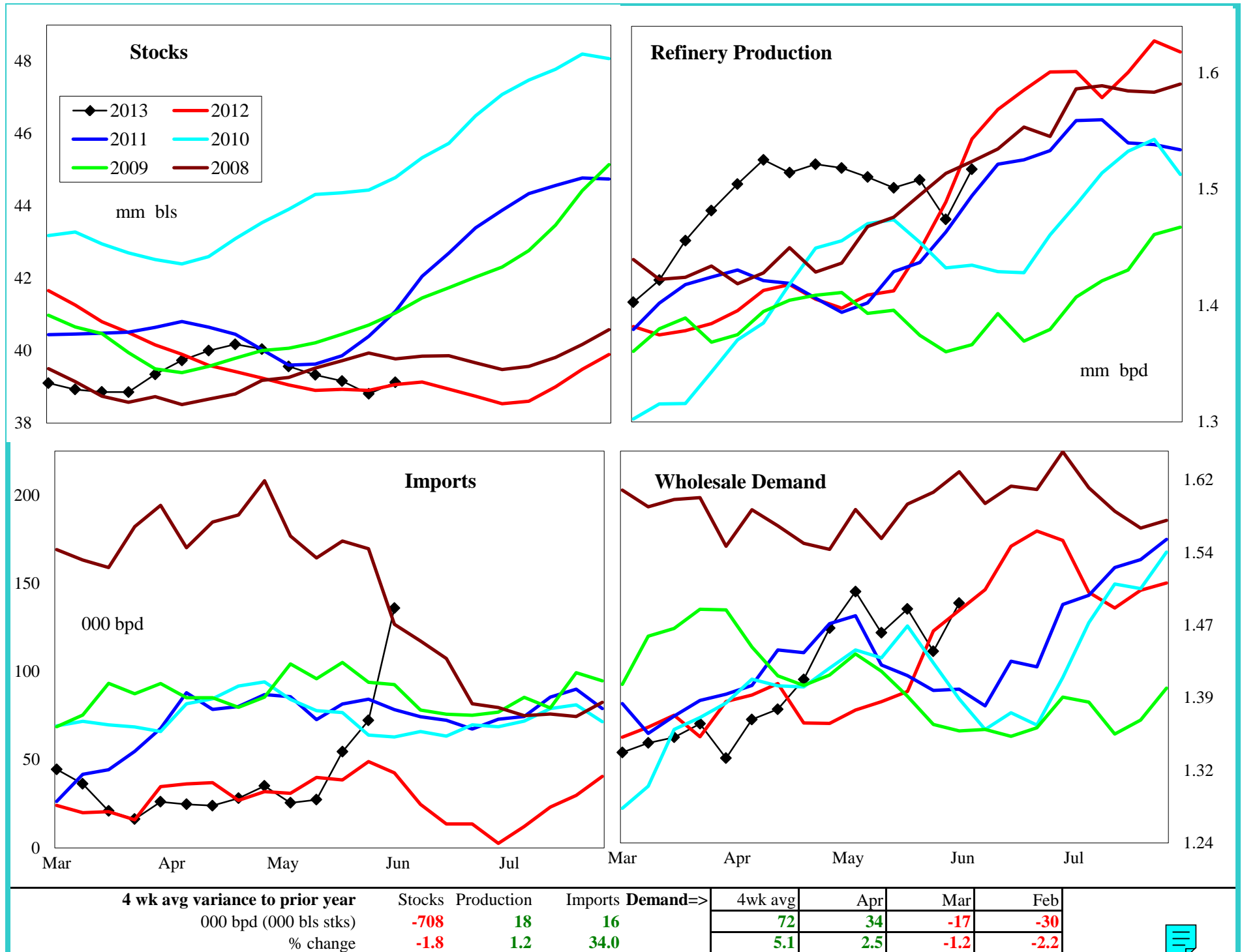
**249**

**7.4**

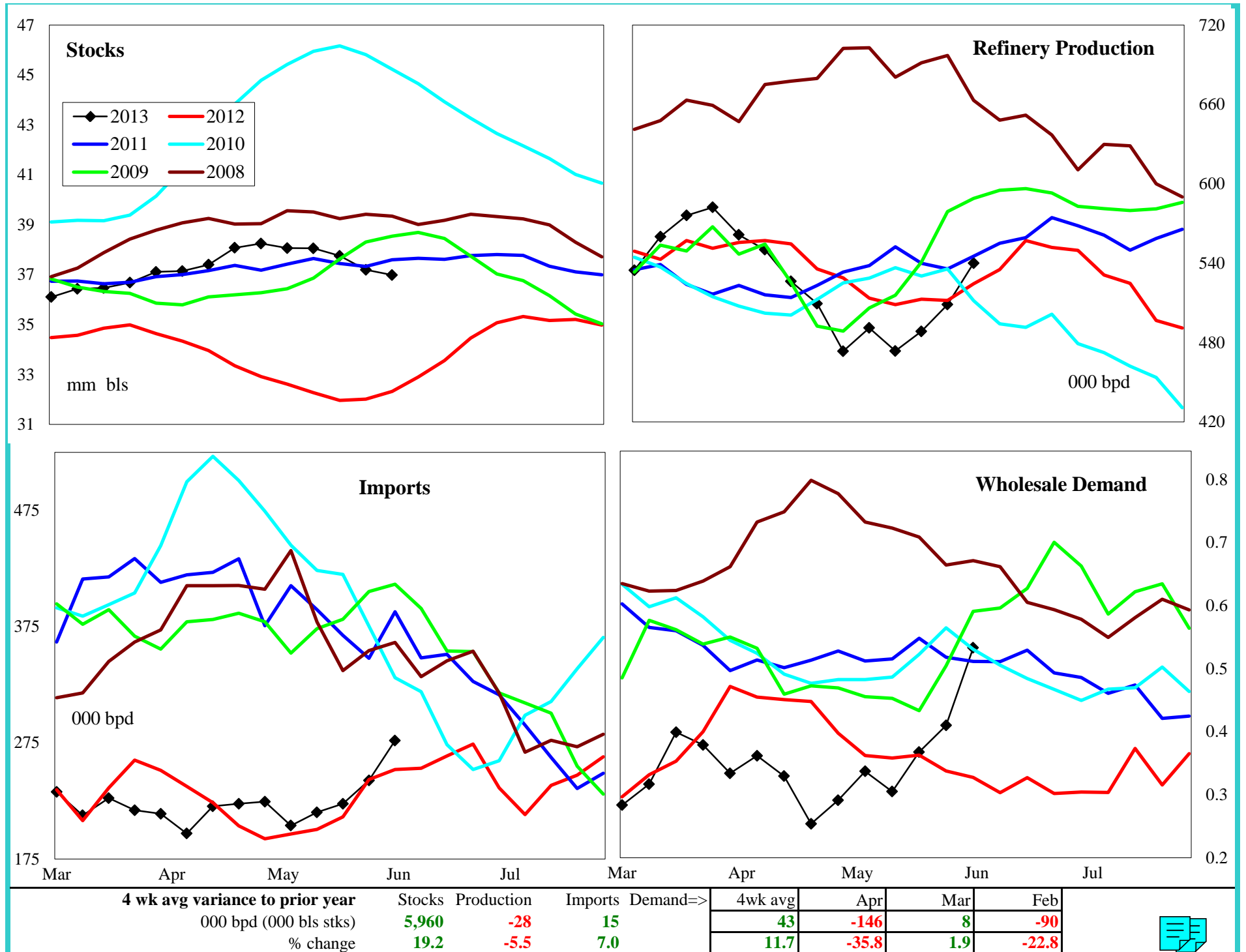
# United States High Sulfur Distillate Supply



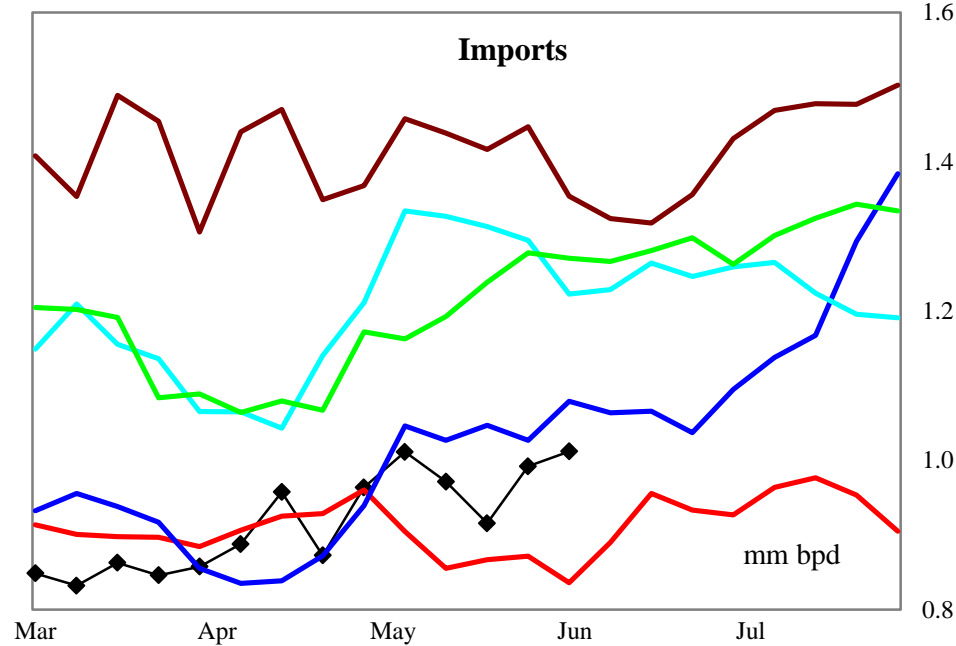
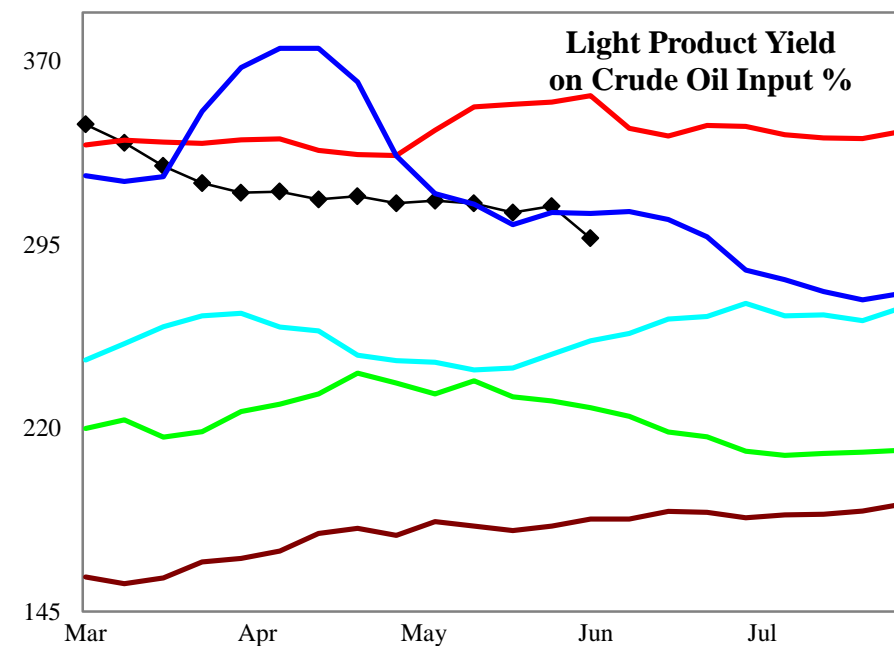
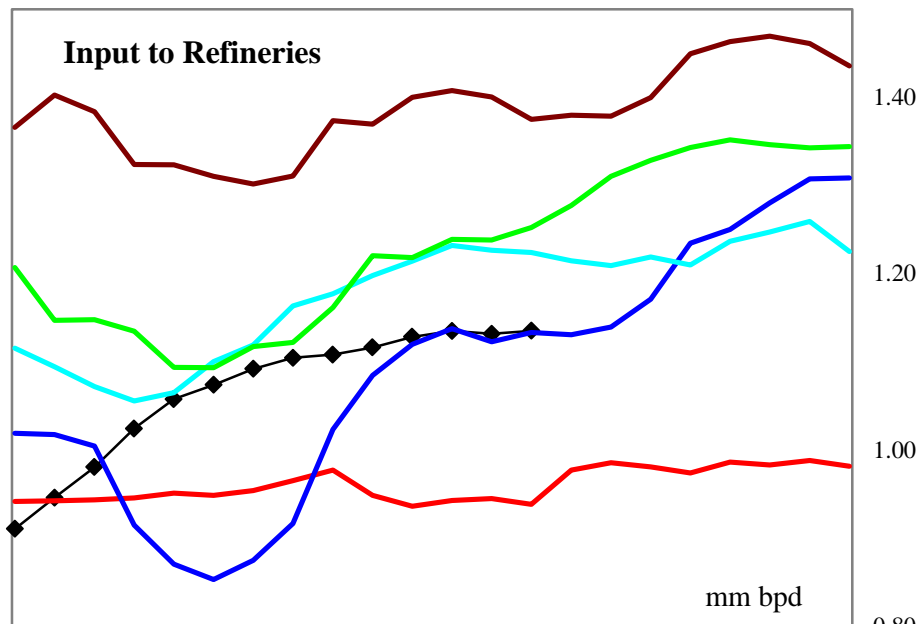
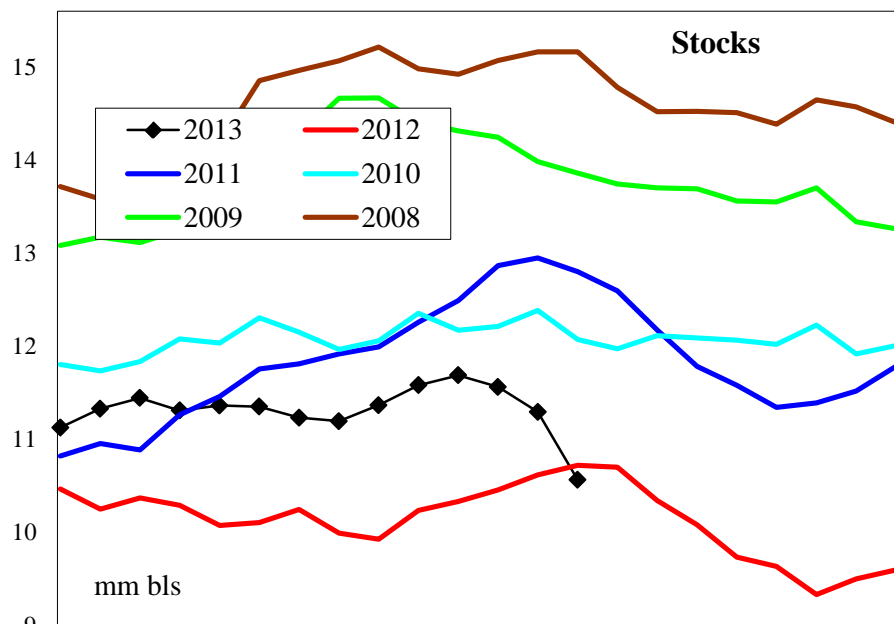
# United States Jet Fuel Supply and Demand Balance



# 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

-155

-1.4

Input

207

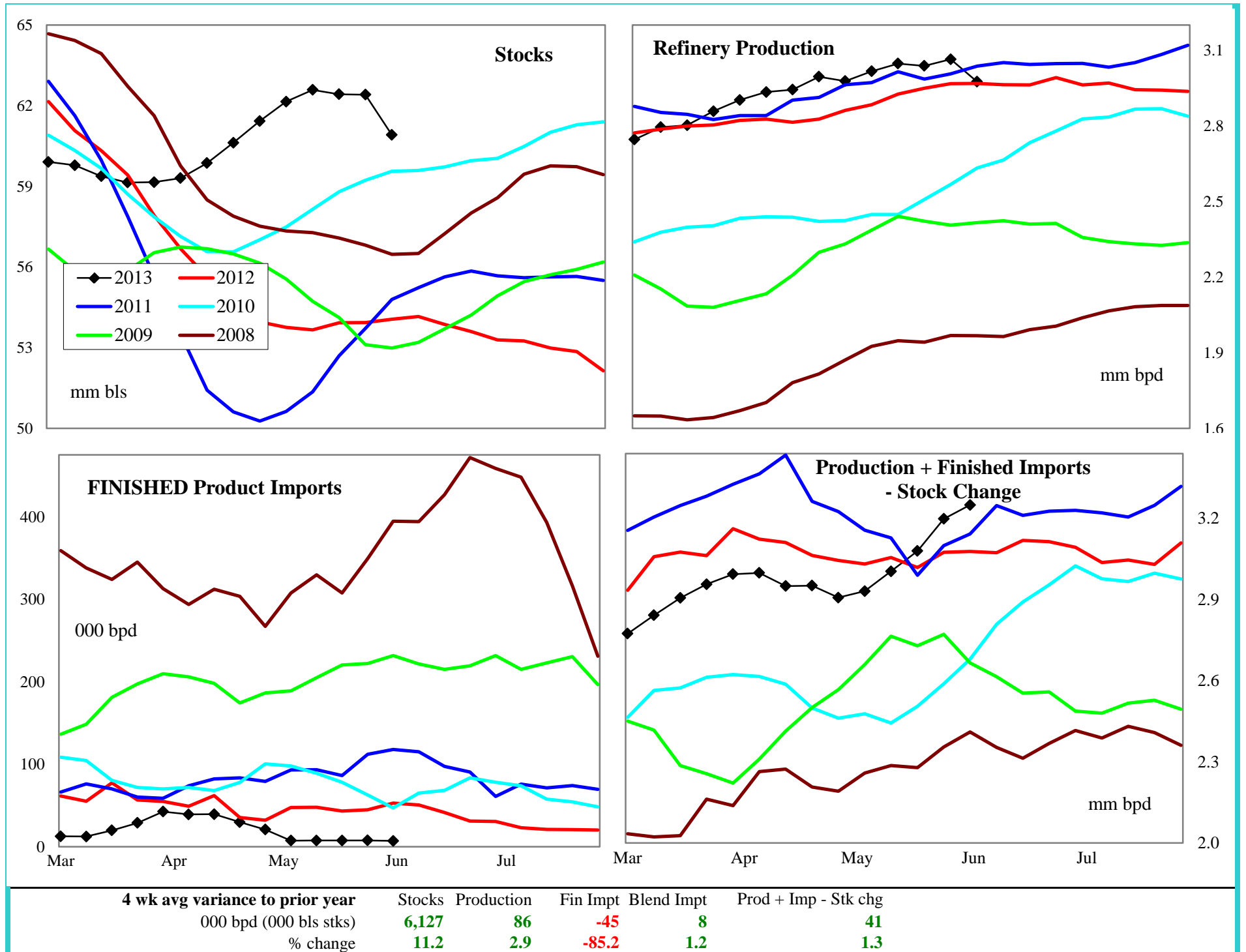
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Imports

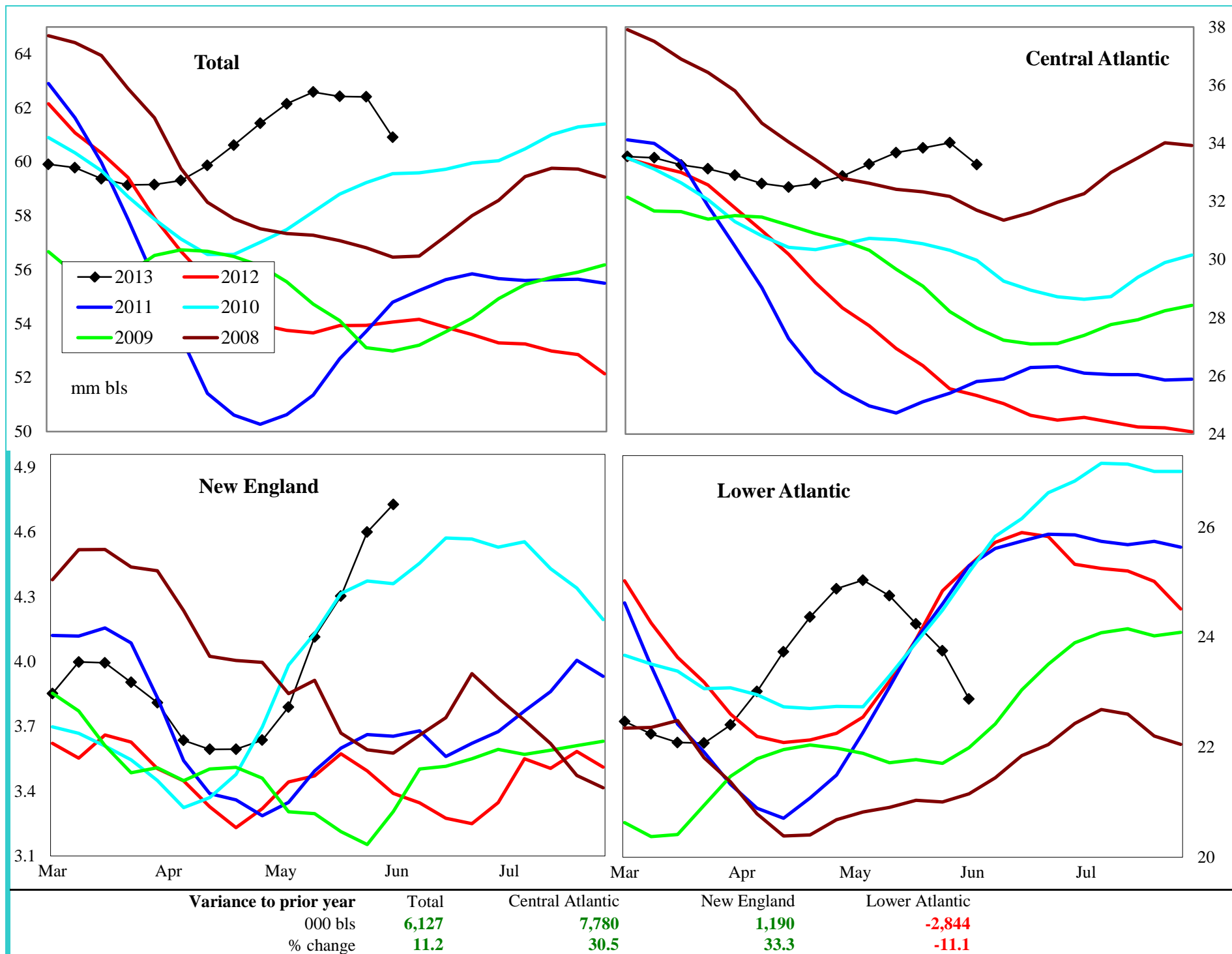
145

16.9

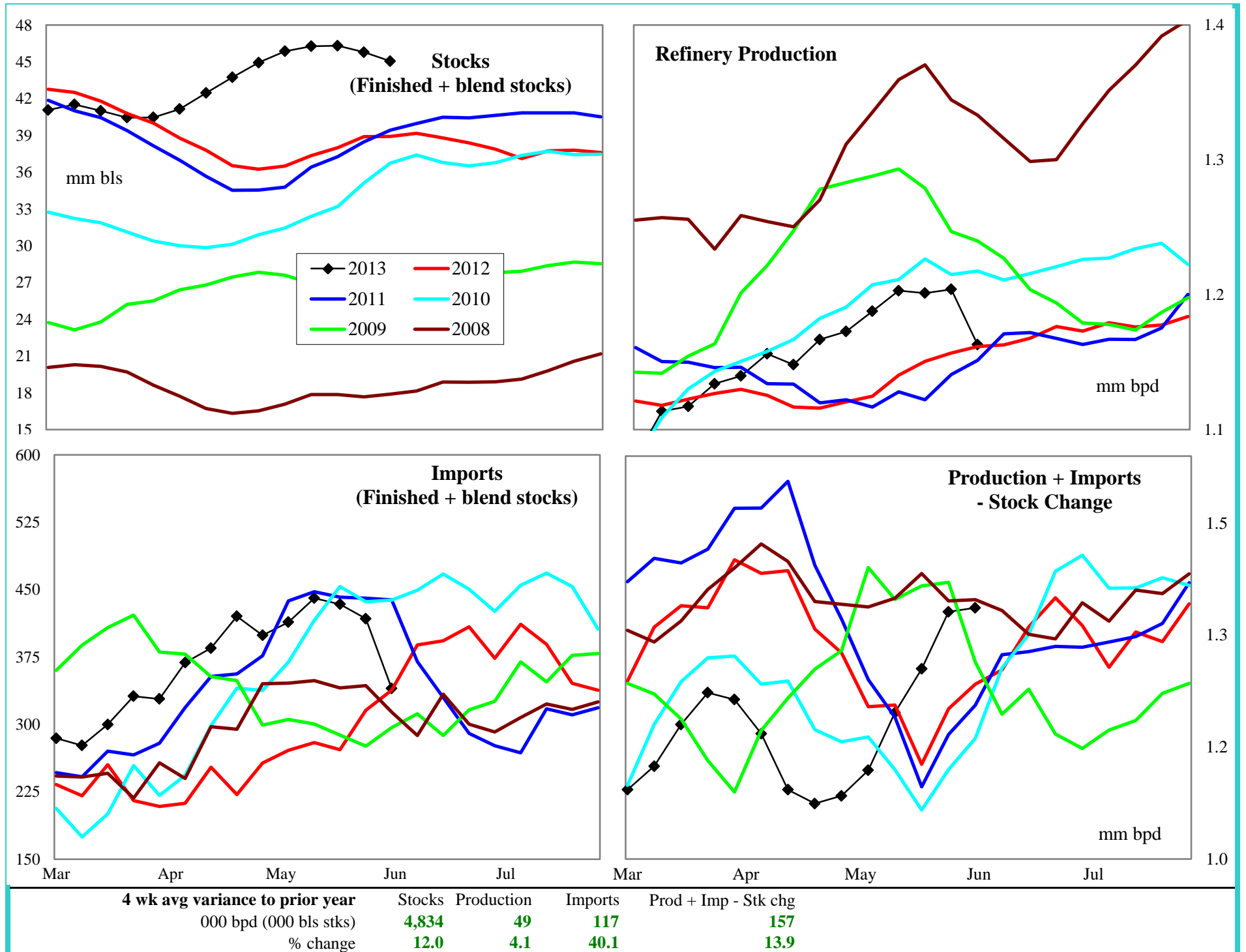
## PADD 1 Gasoline Supply



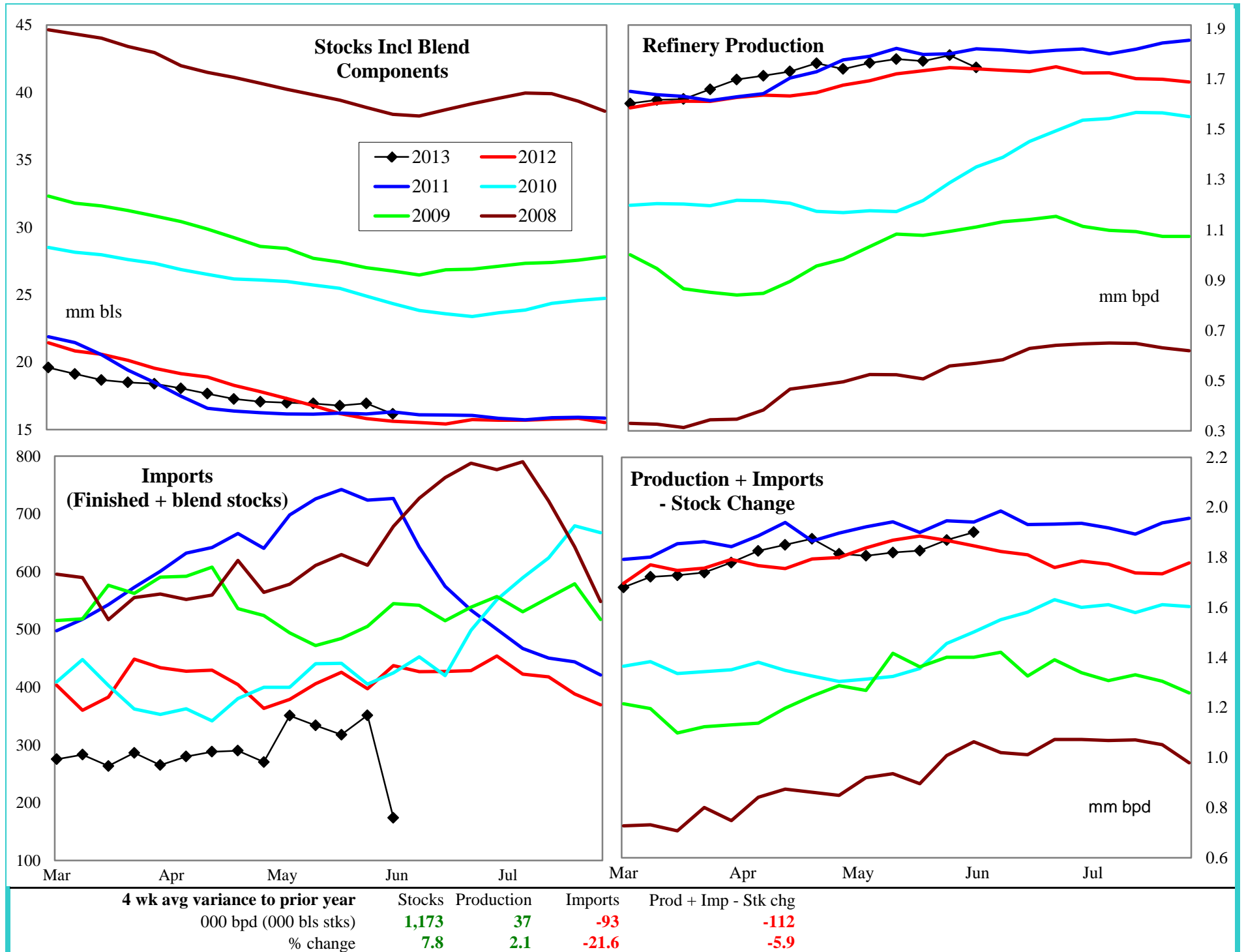
## PADD 1 Gasoline Stocks by Region



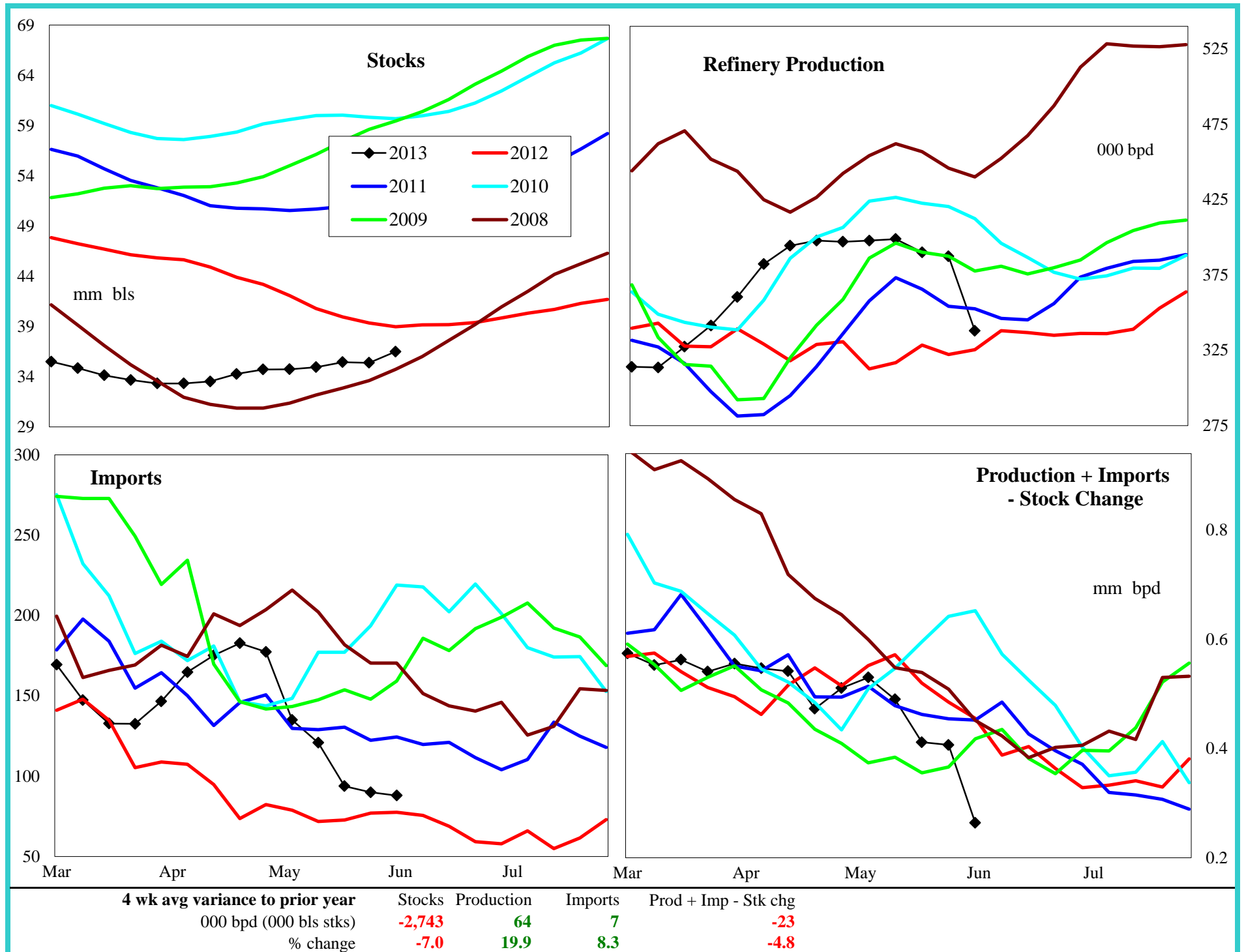
# PADD 1 Reformulated Gasoline Supply



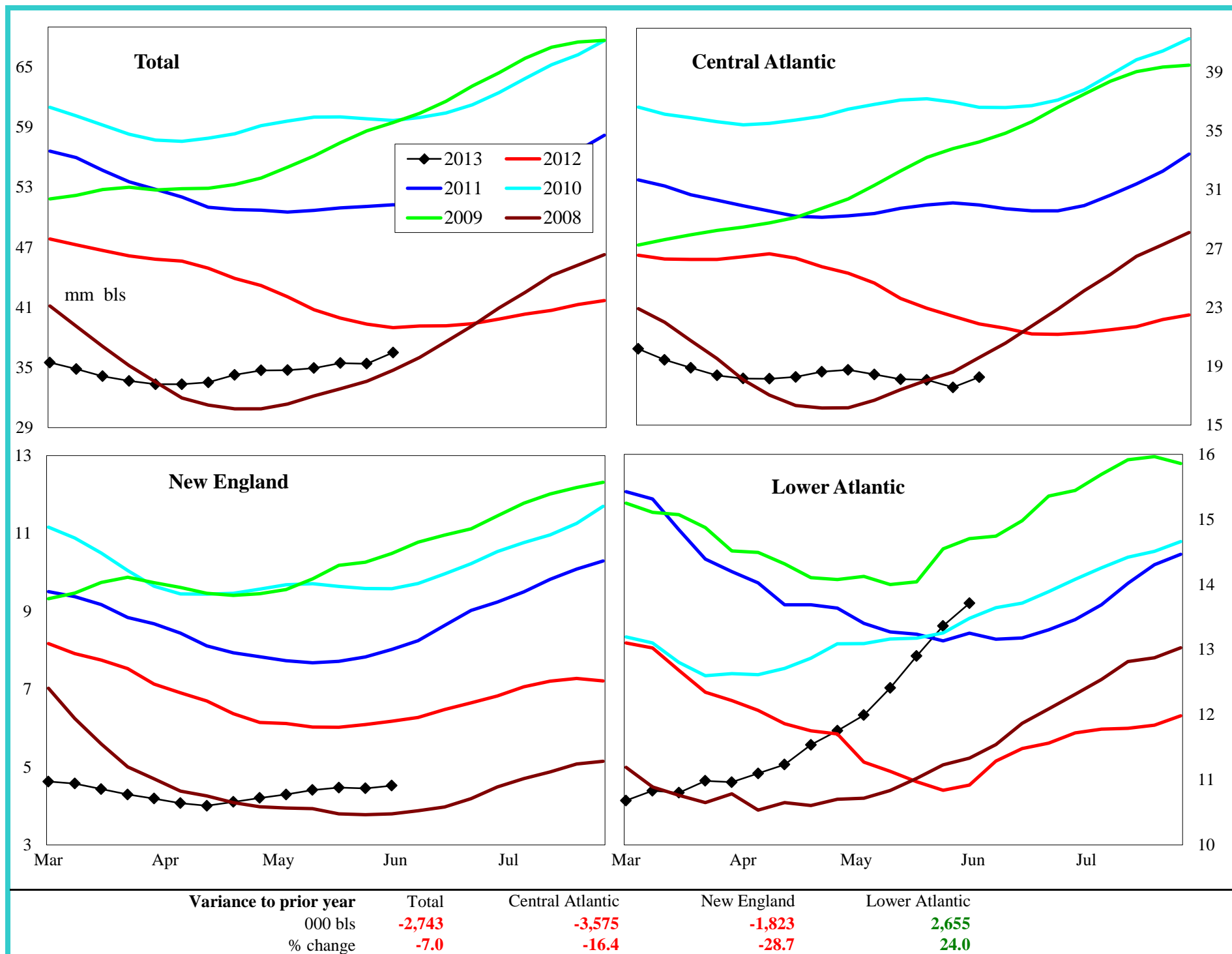
# PADD 1 Conventional Gasoline Supply



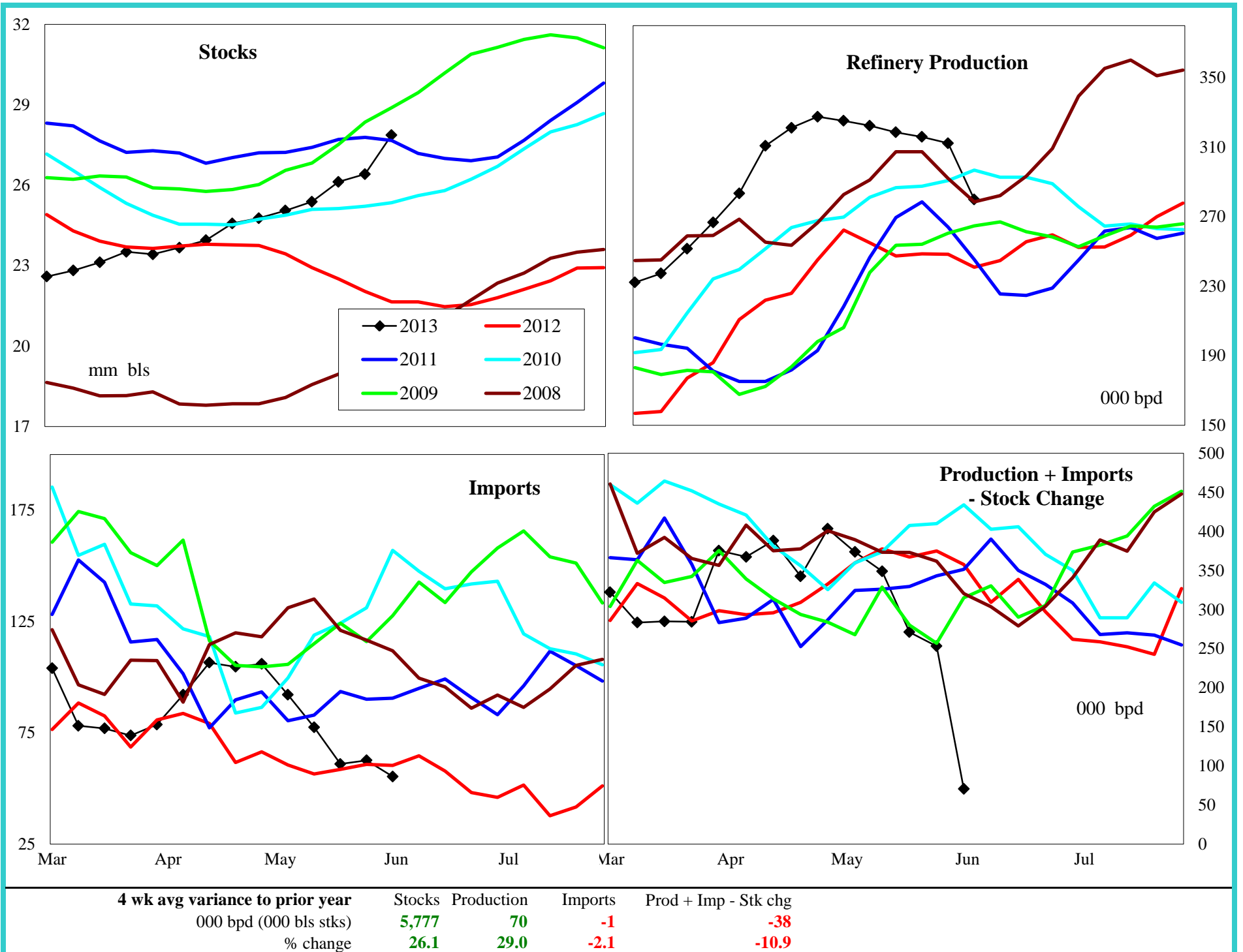
## PADD 1 Distillate Supply



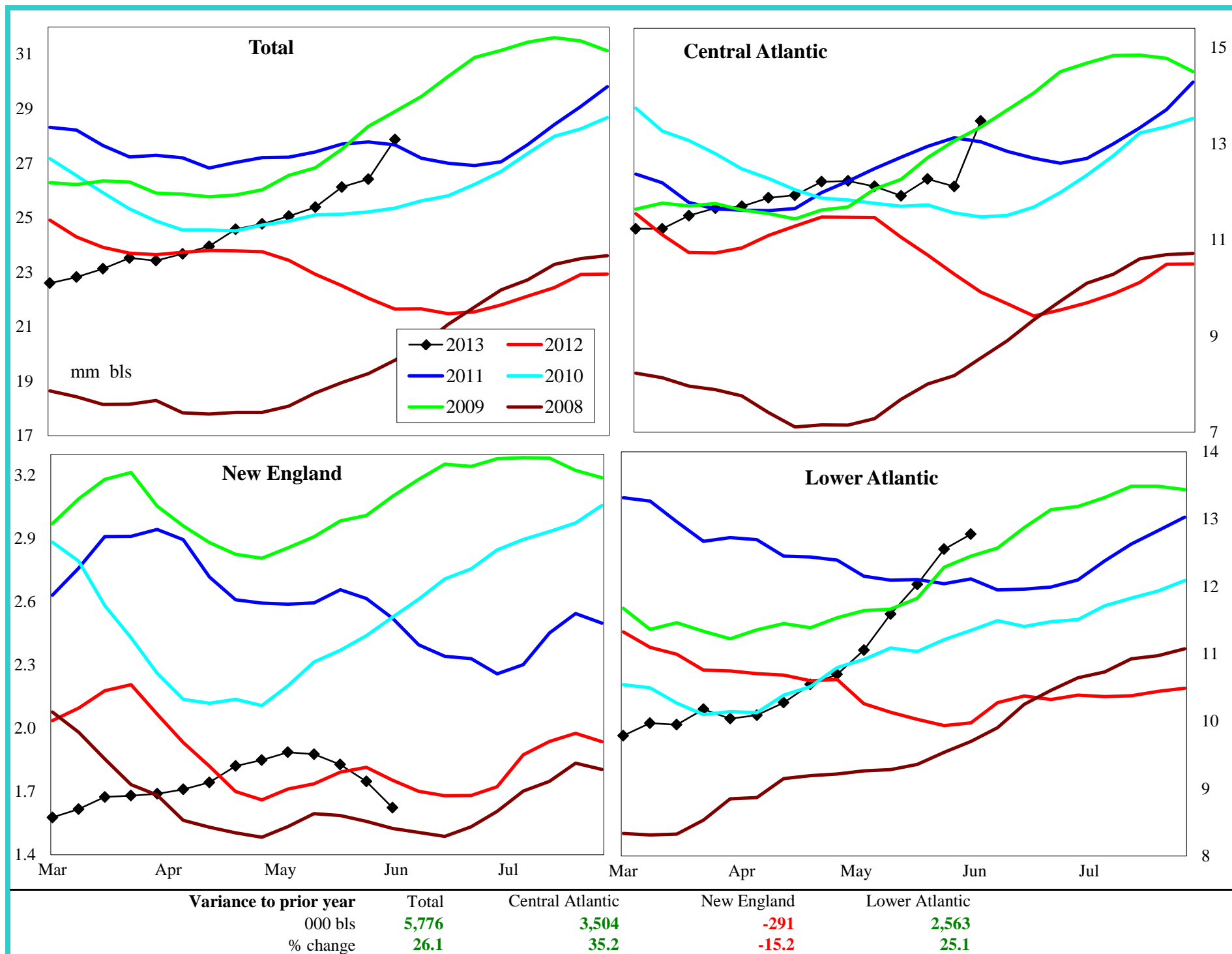
# PADD 1 Distillate Stocks by Region



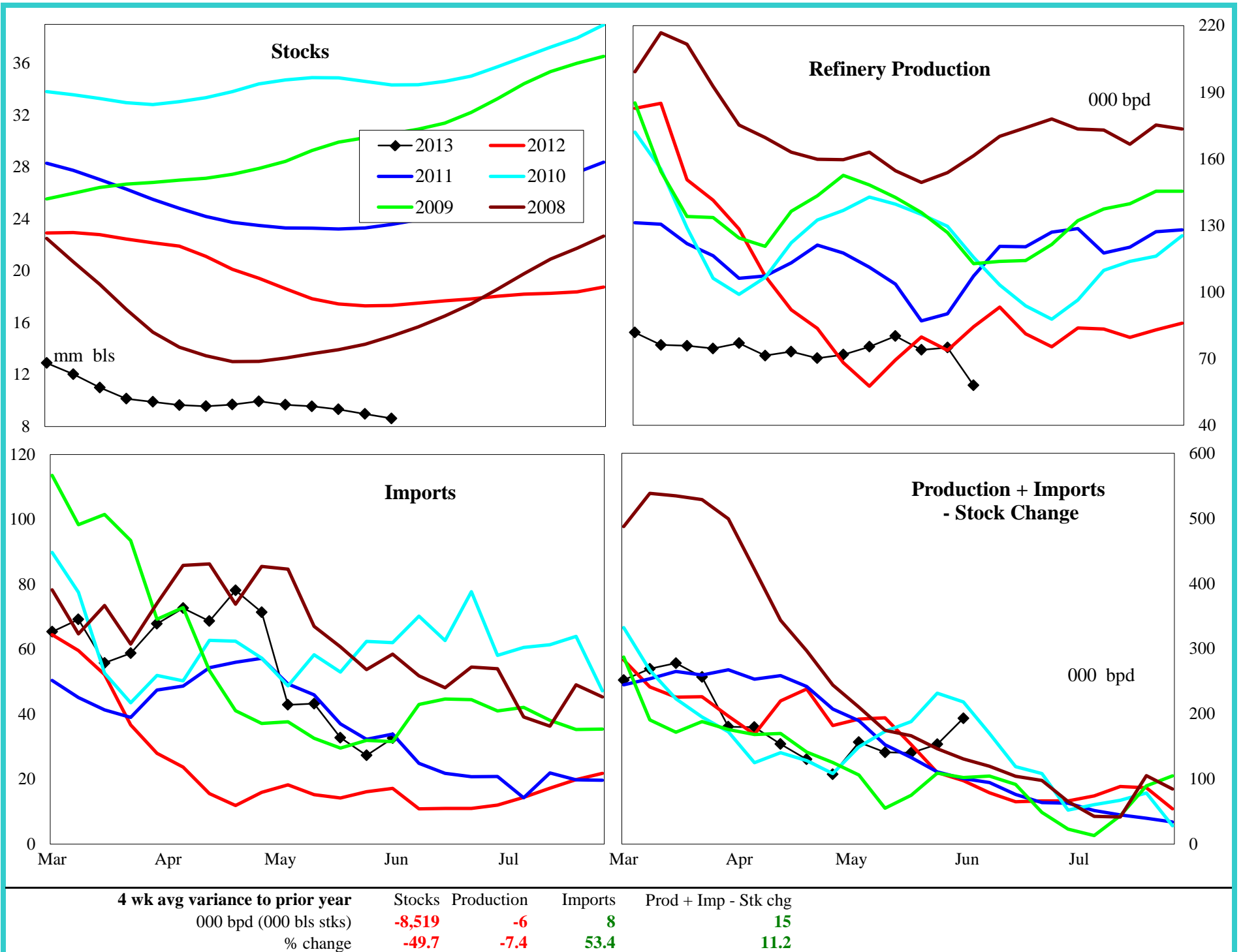
# PADD 1 Low Sulfur Distillate Supply



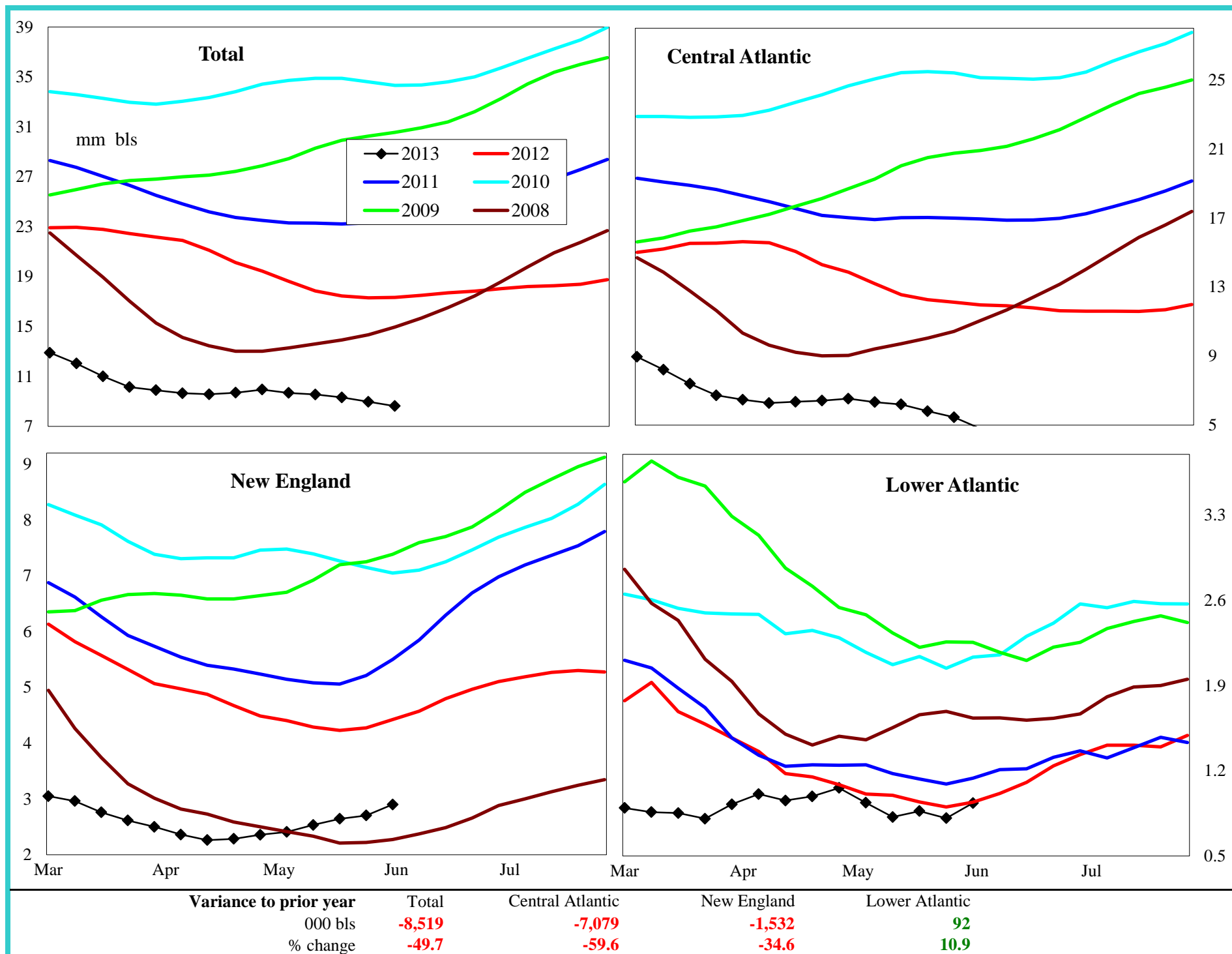
# PADD 1 Low Sulfur Distillate Stocks by Region



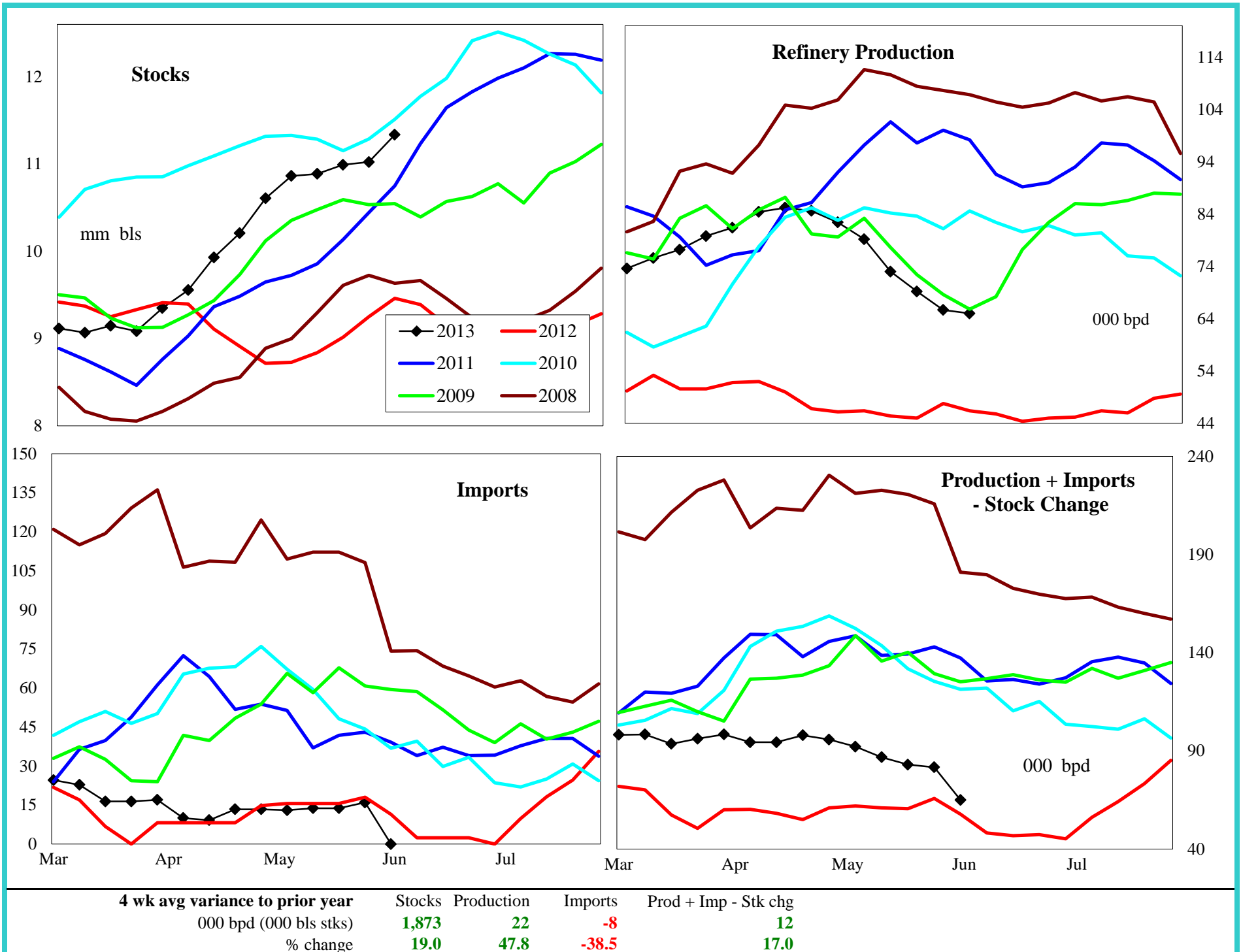
# PADD 1 High Sulfur Distillate Supply



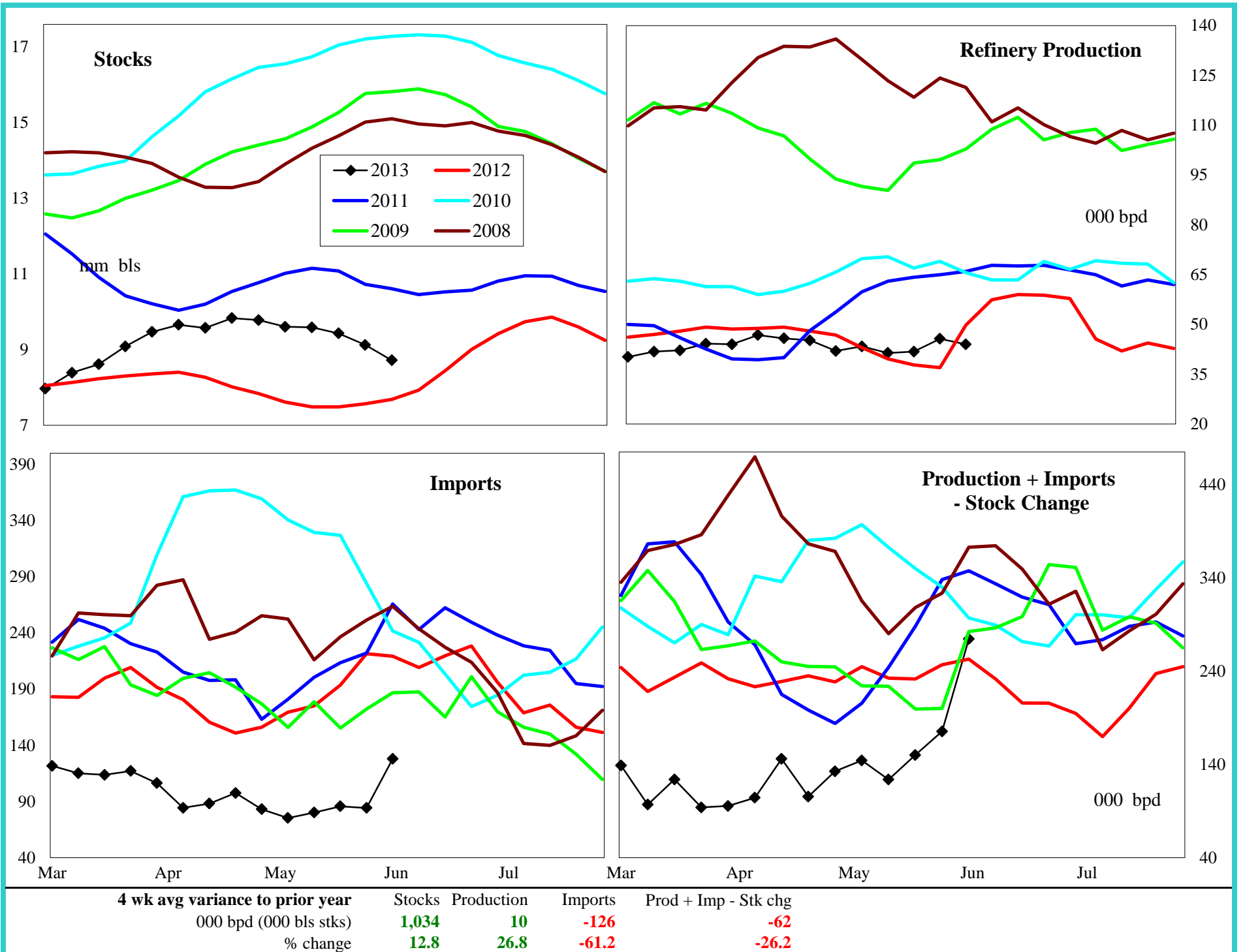
# PADD 1 High Sulfur Distillate Stocks by Region



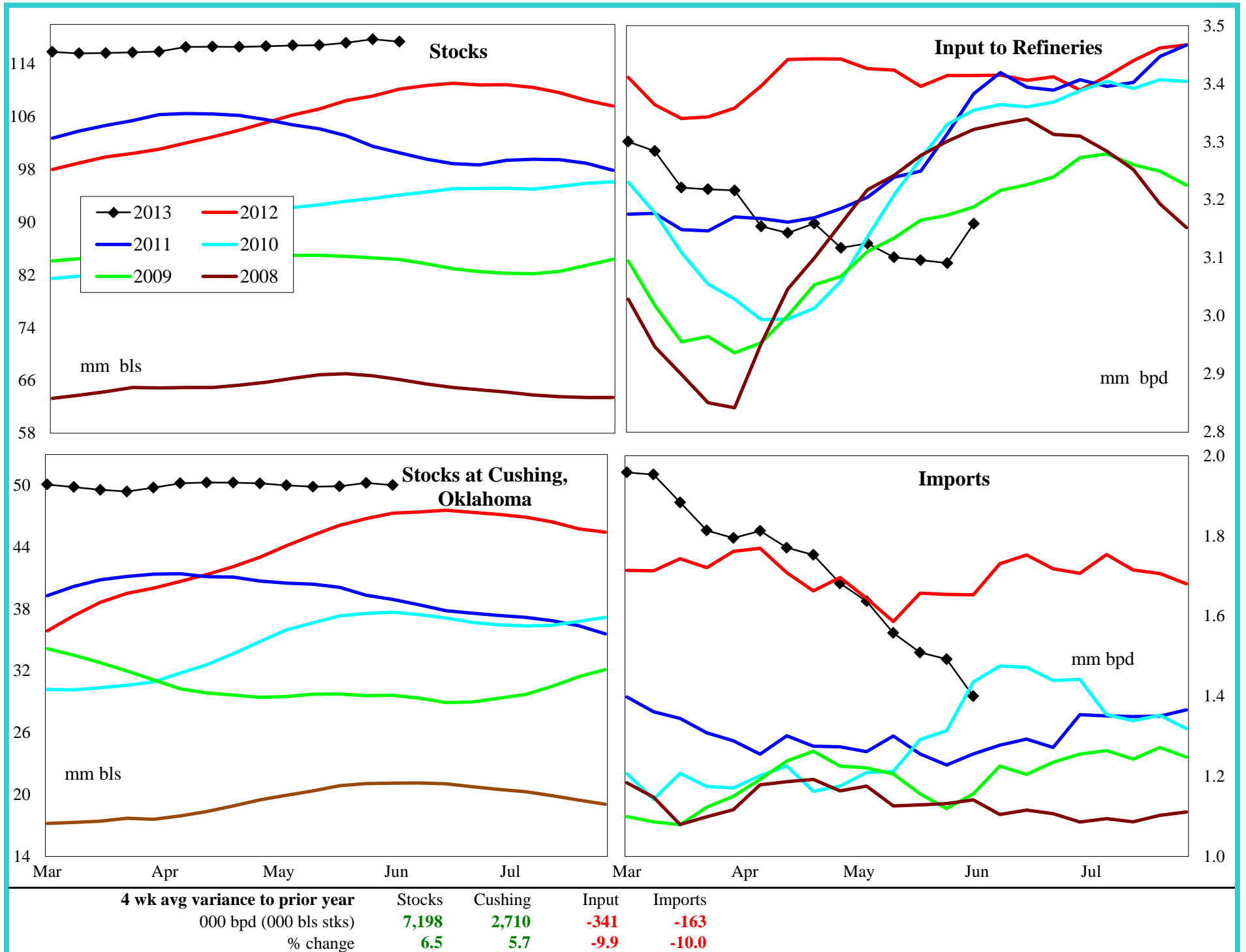
## PADD 1 Jet Fuel Supply



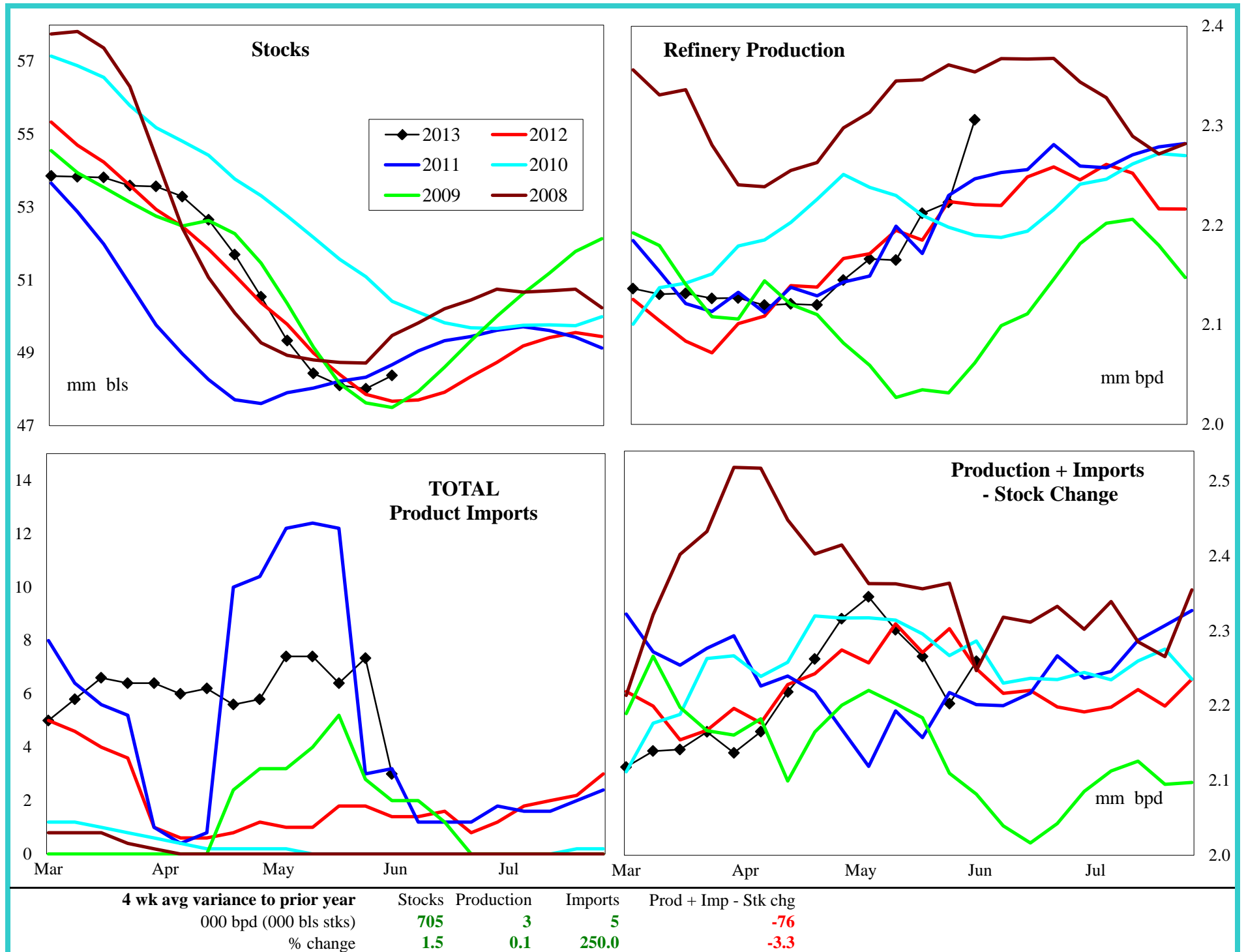
# PADD 1 Residual Fuel Oil Supply



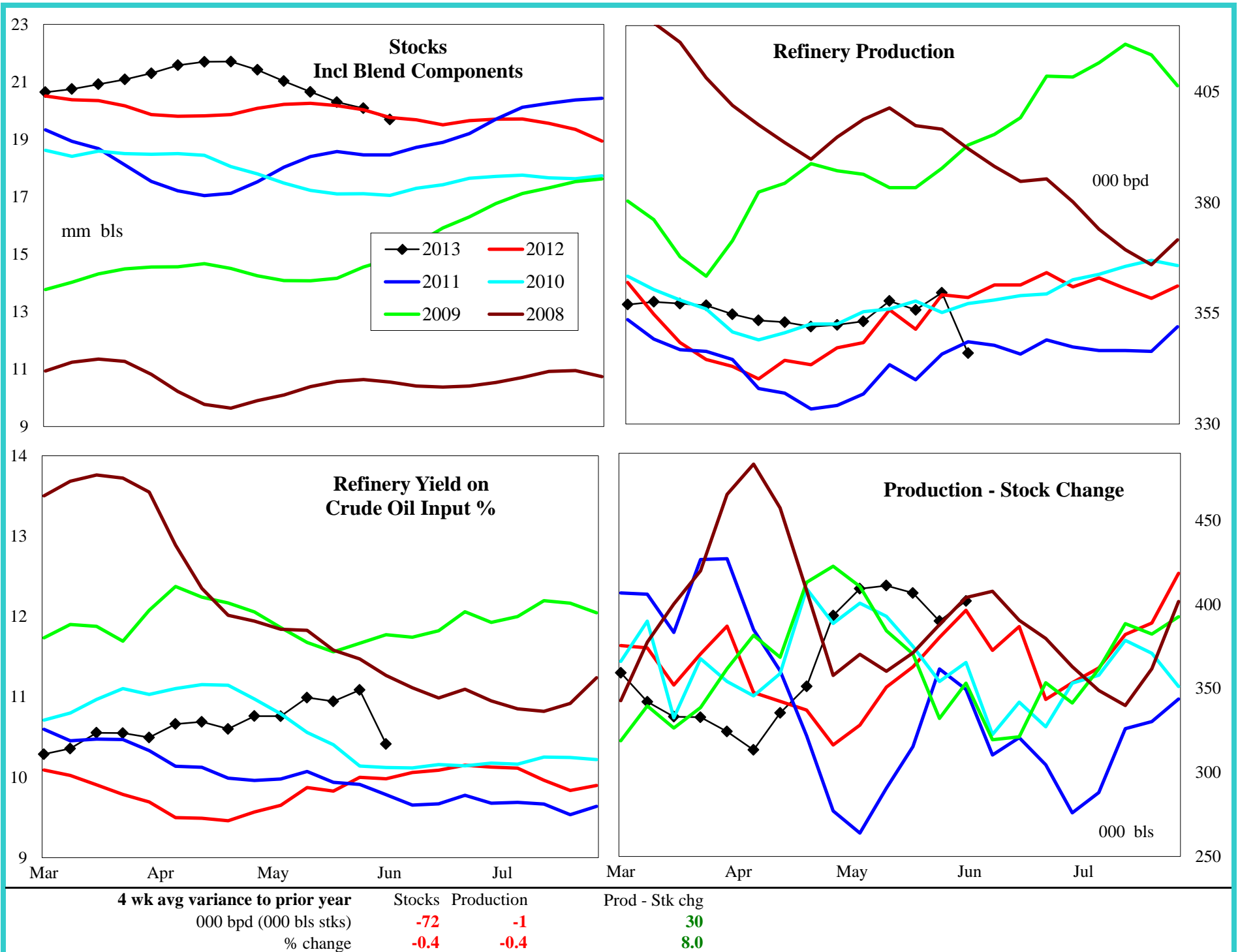
# PADD 2 Crude Oil Supply and Refining



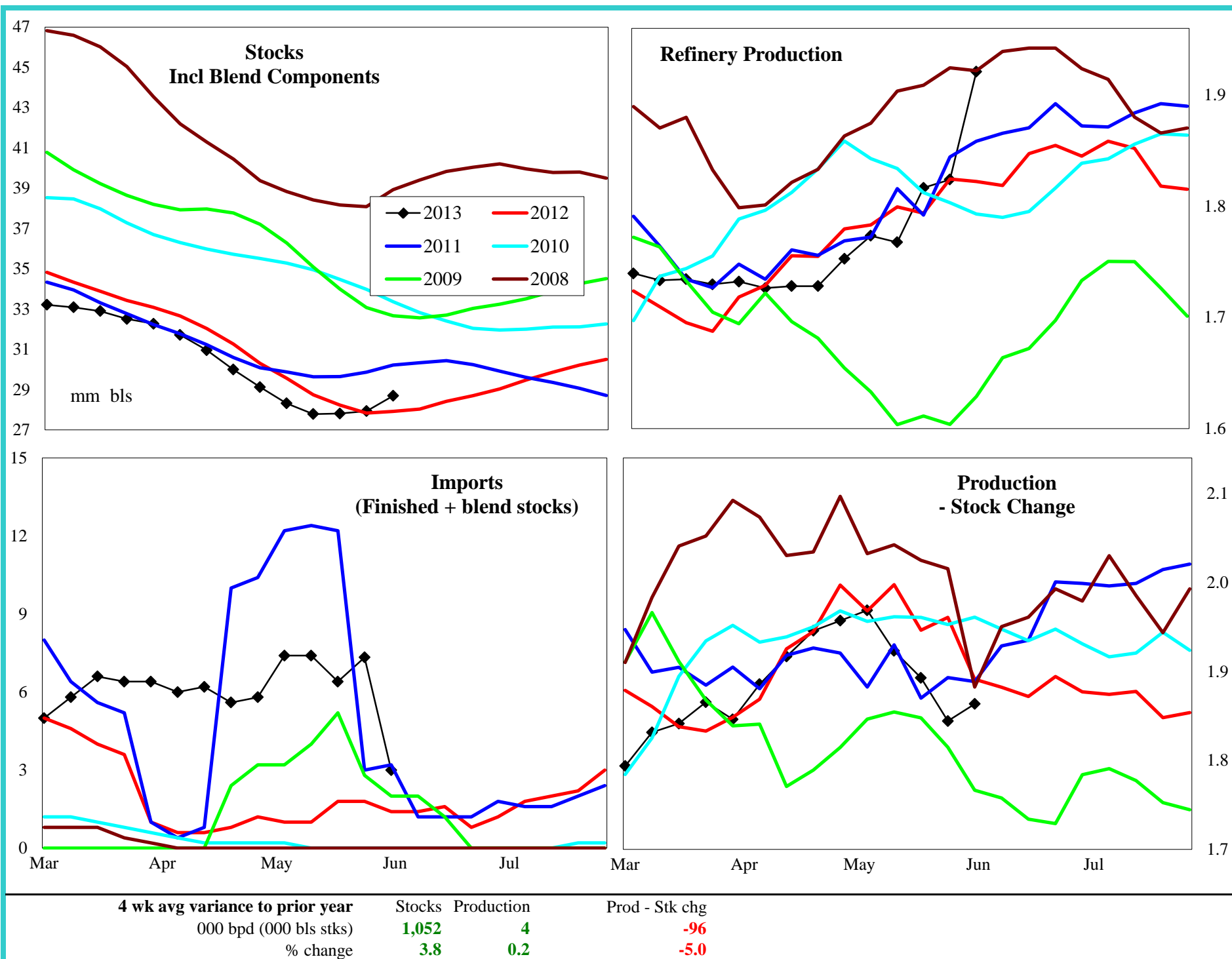
## PADD 2 Gasoline Supply



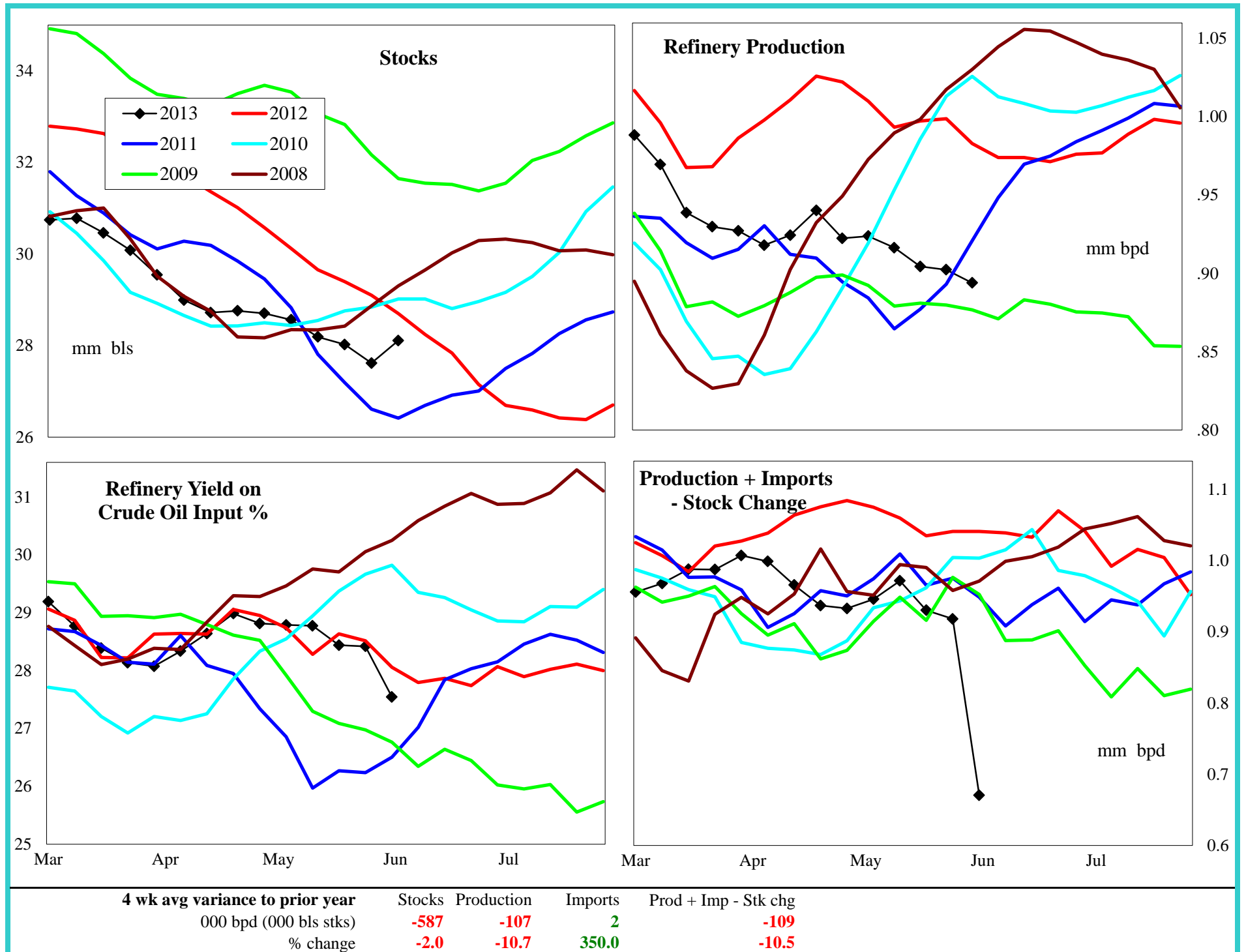
# PADD 2 Reformulated Gasoline Supply



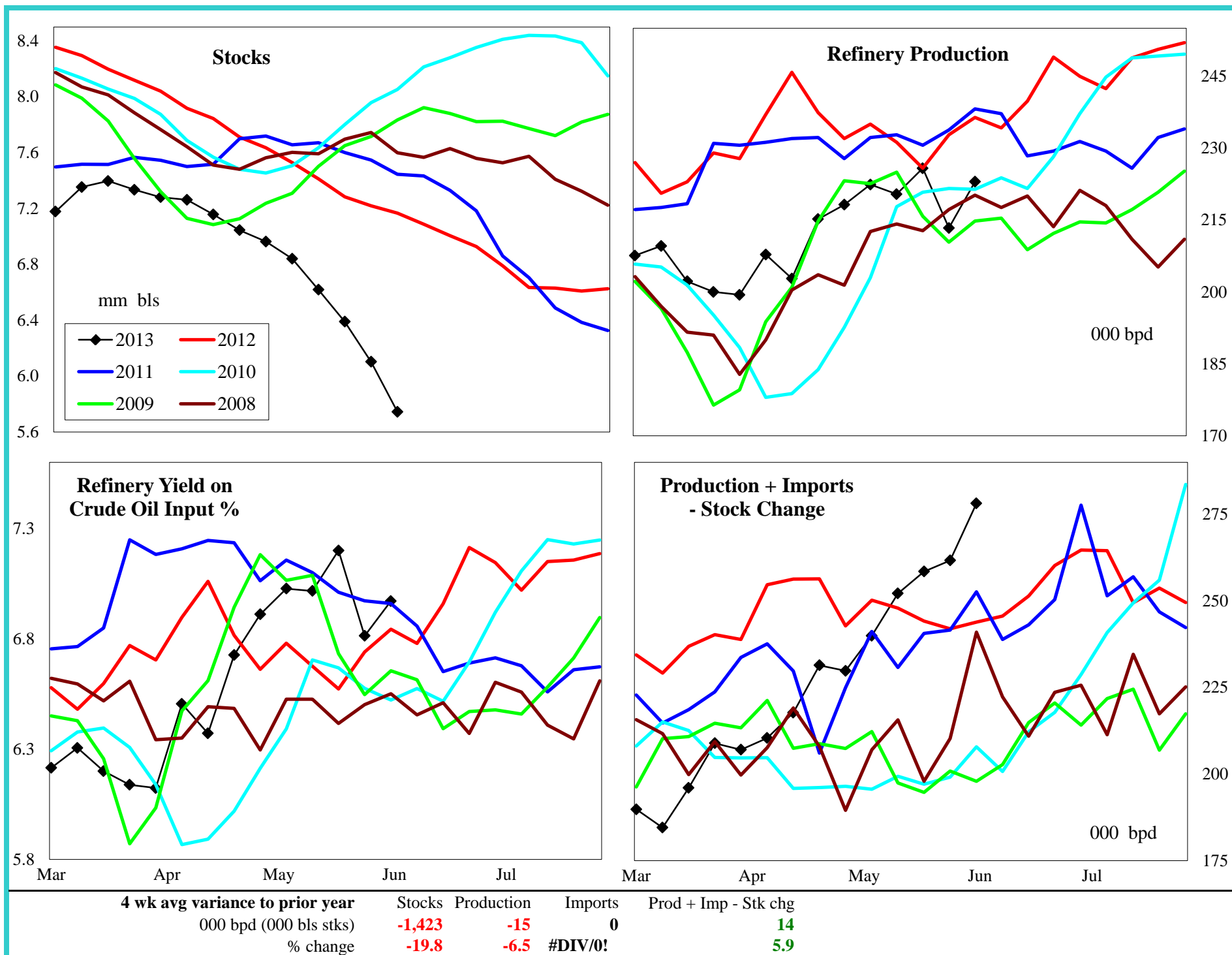
# PADD 2 Conventional Gasoline Supply



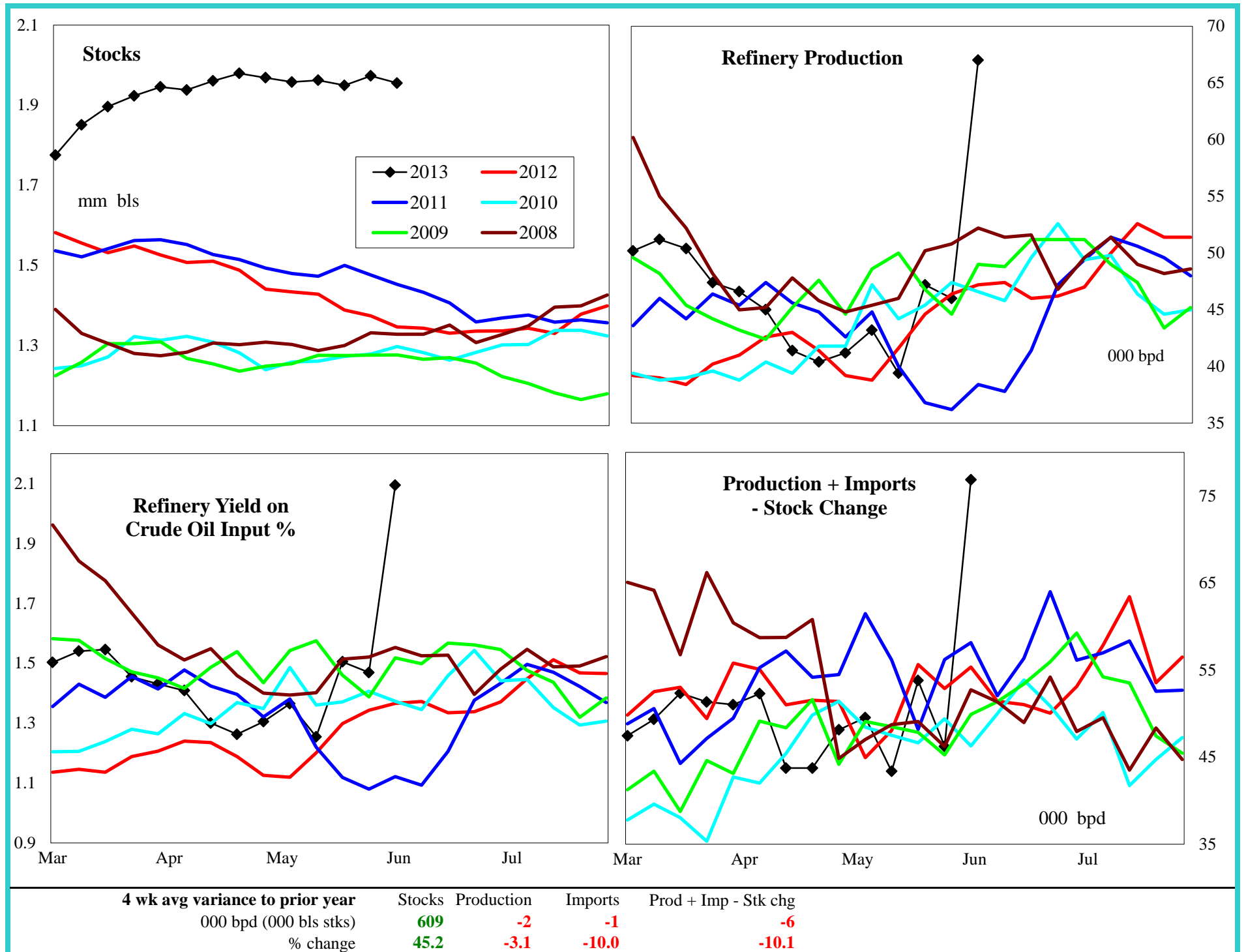
## PADD 2 Distillate Supply



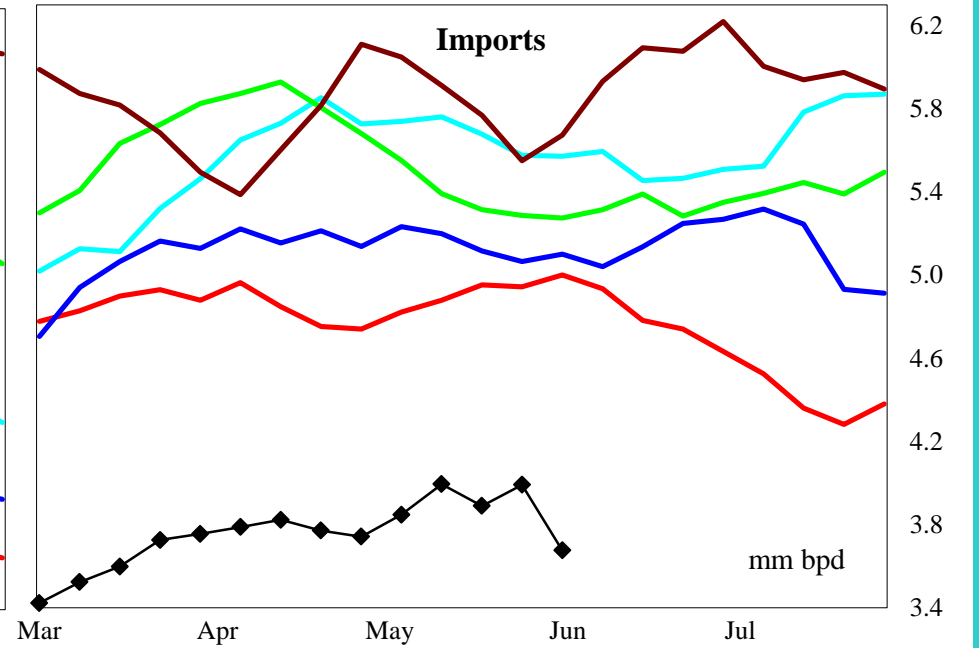
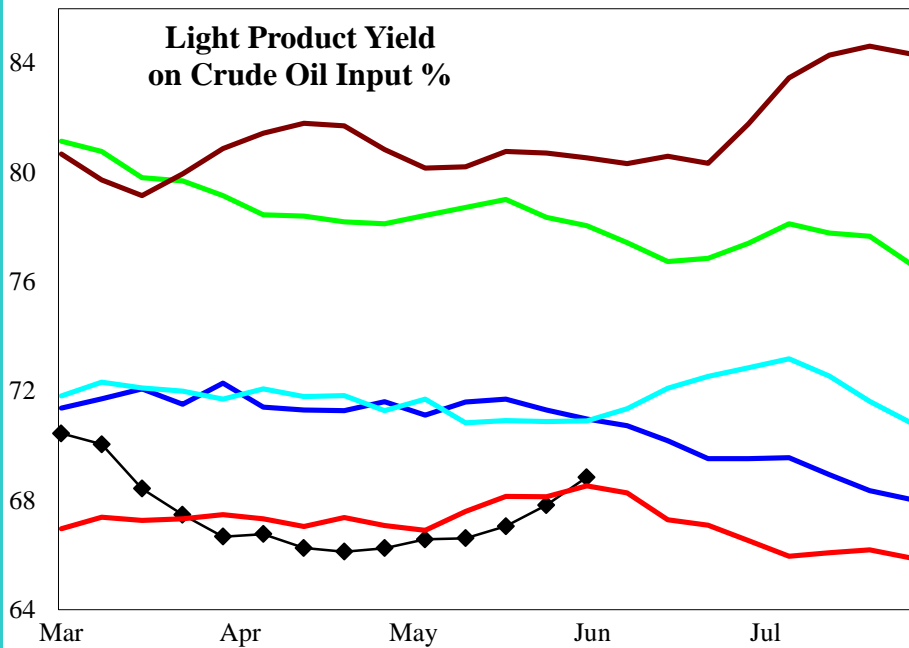
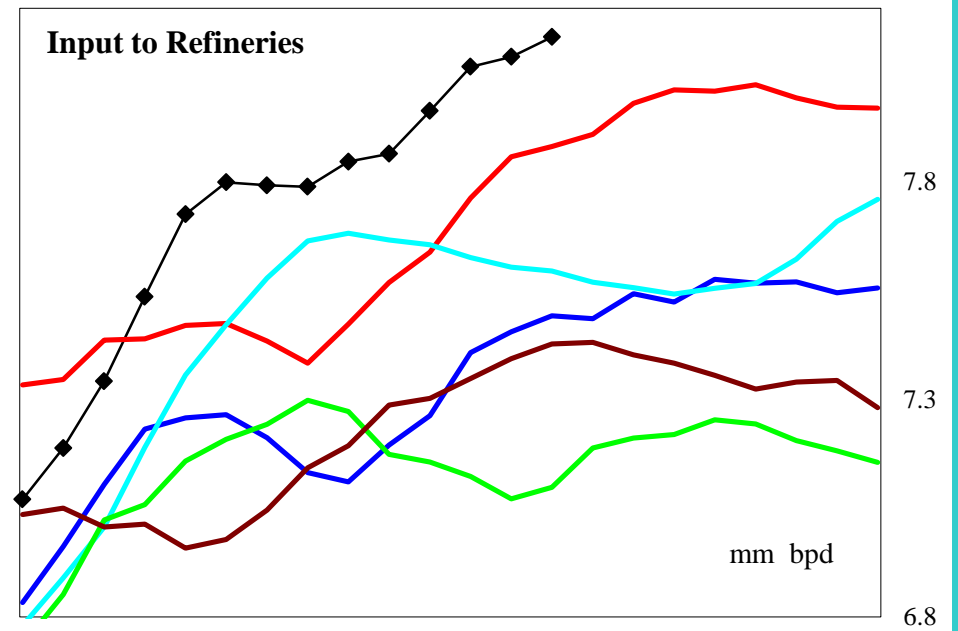
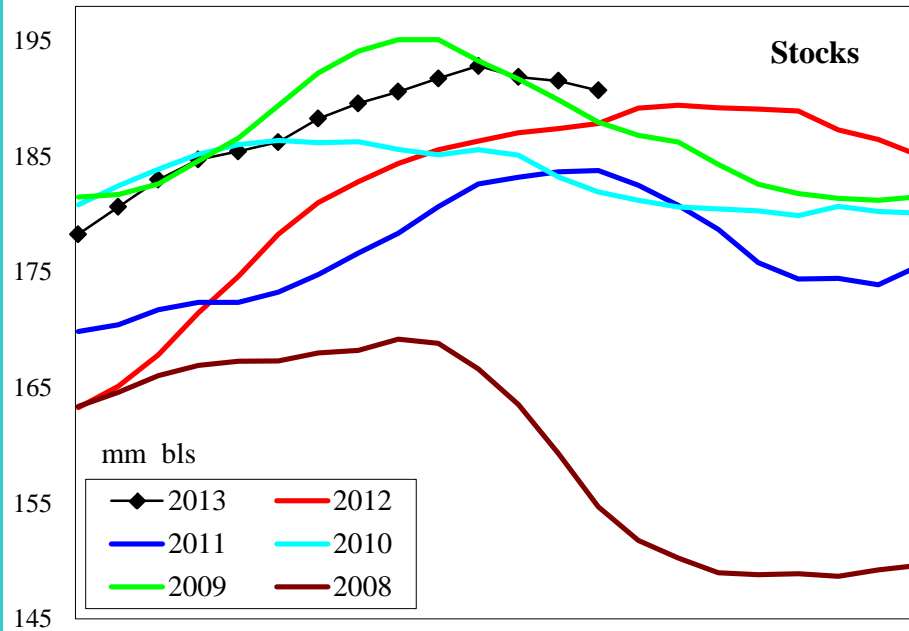
## PADD 2 Jet Fuel Supply



# 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

2,849

1.5

Input

284

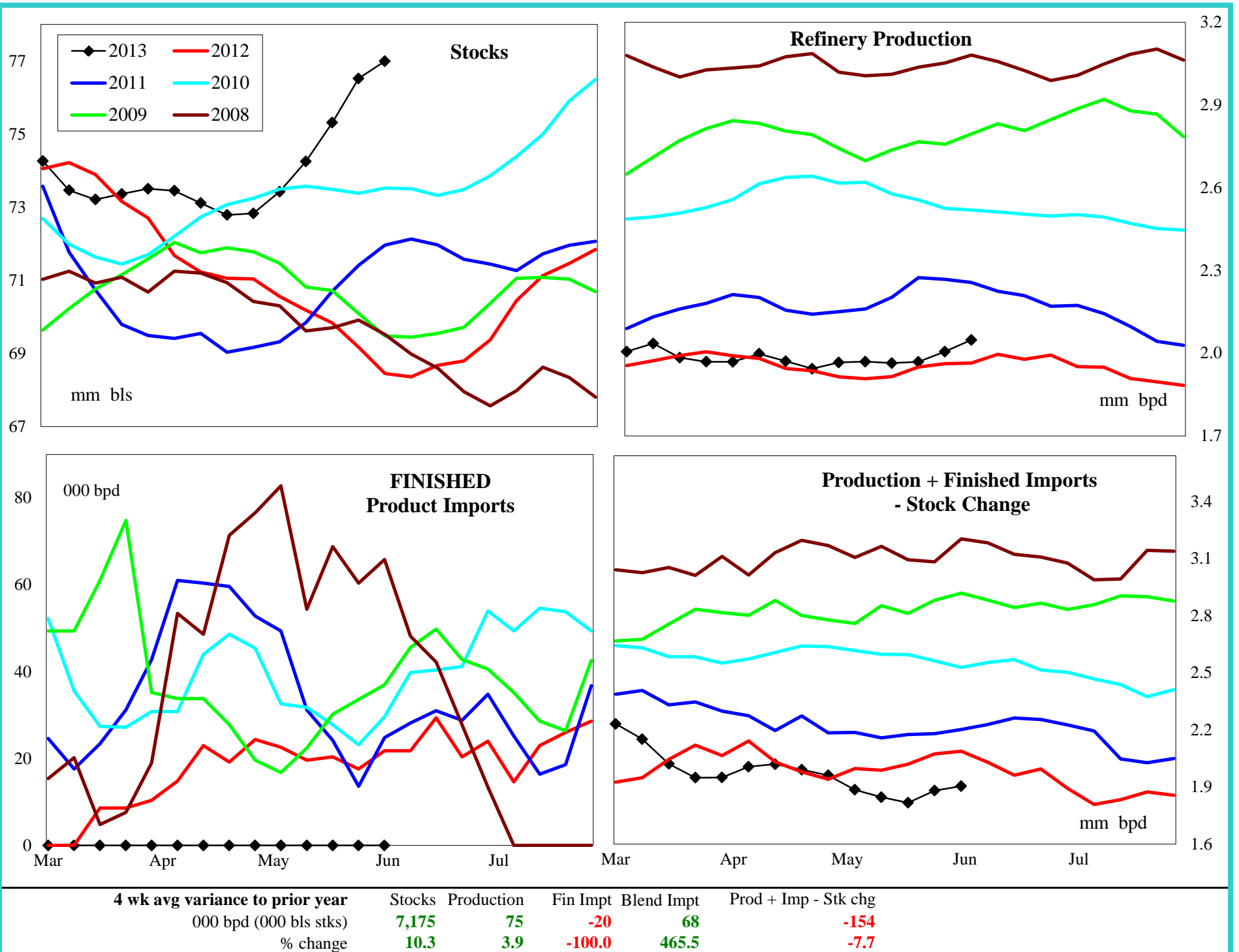
3.6

Imports

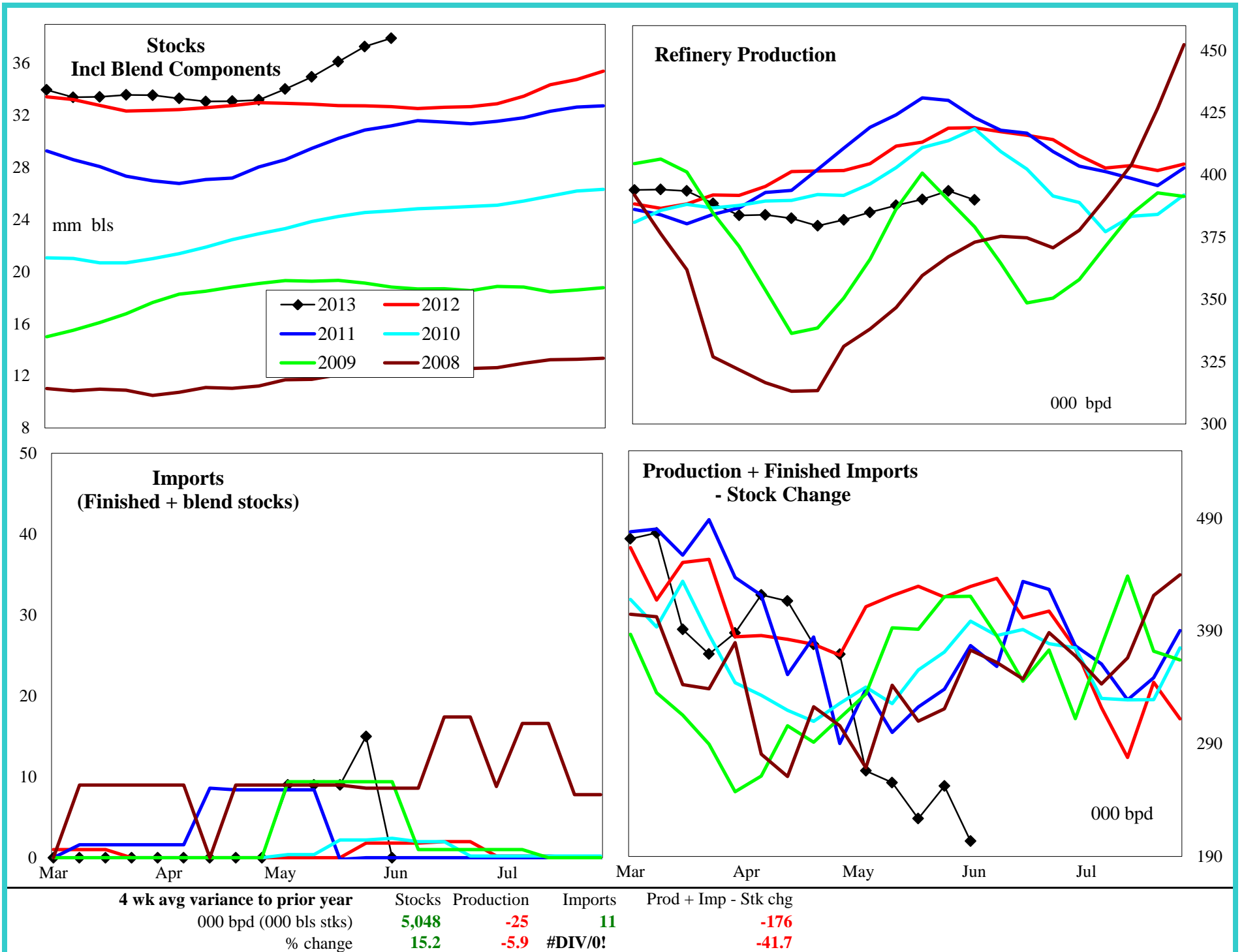
-1,018

-20.5

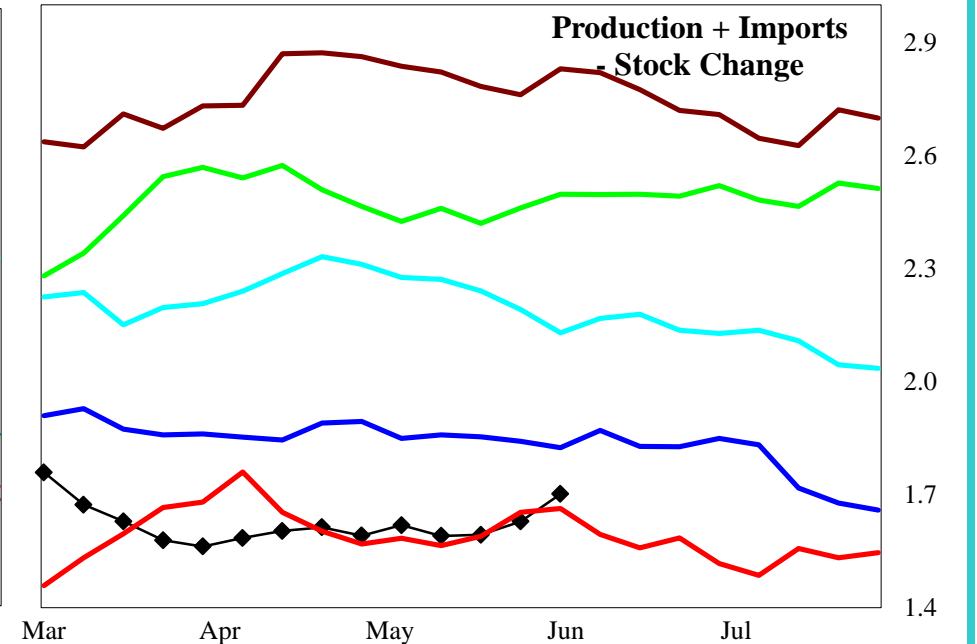
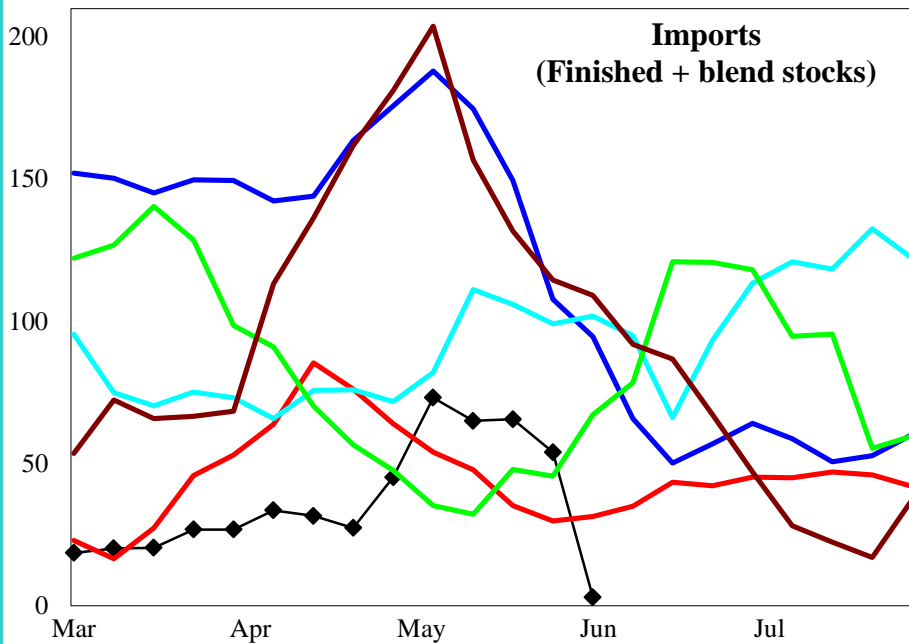
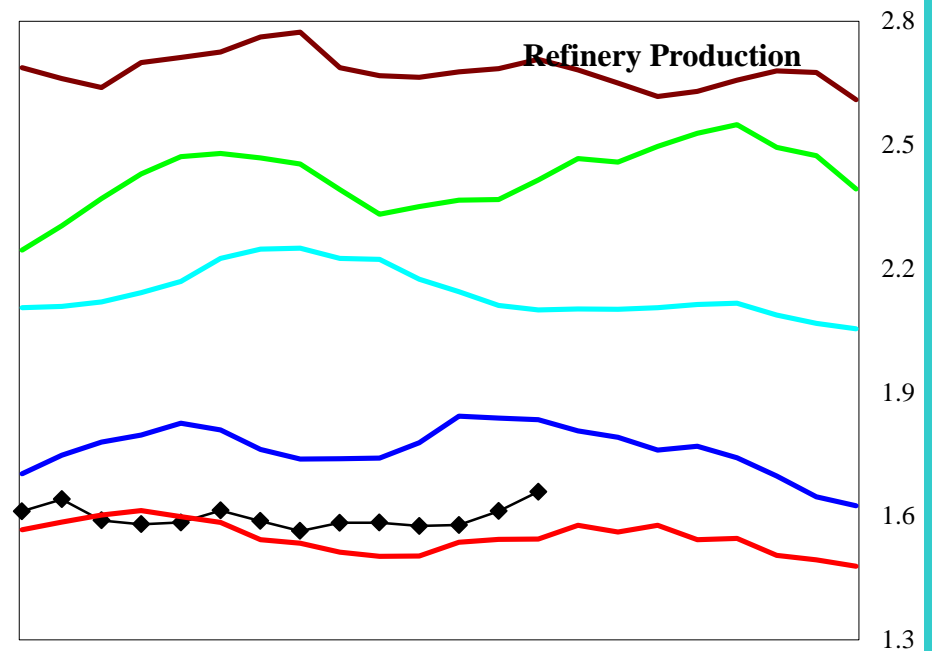
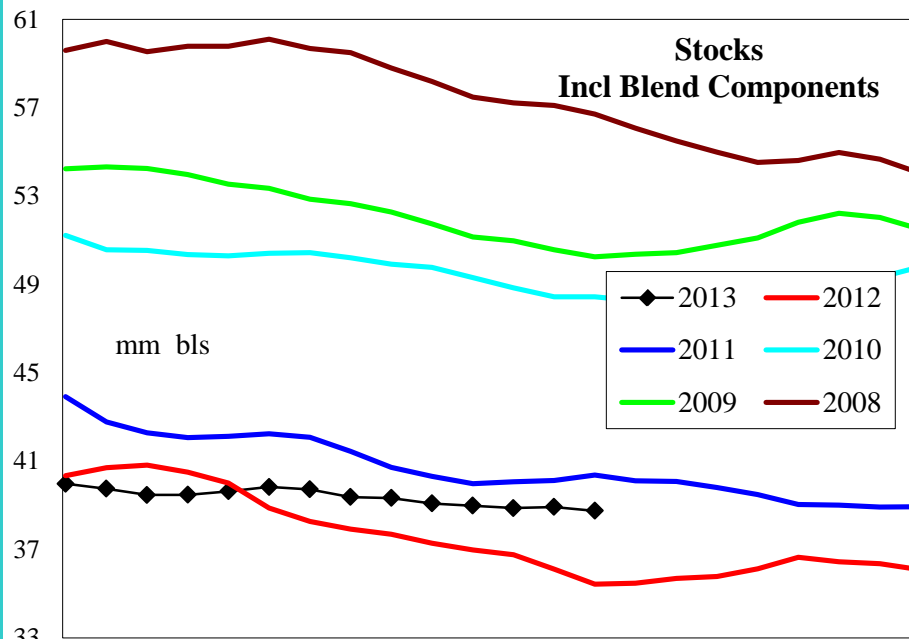
## PADD 3 Gasoline Supply



# PADD 3 Reformulated Gasoline Supply



# PADD 3 Conventional Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

2,187

6.0

Production

100

6.6

Imports

37

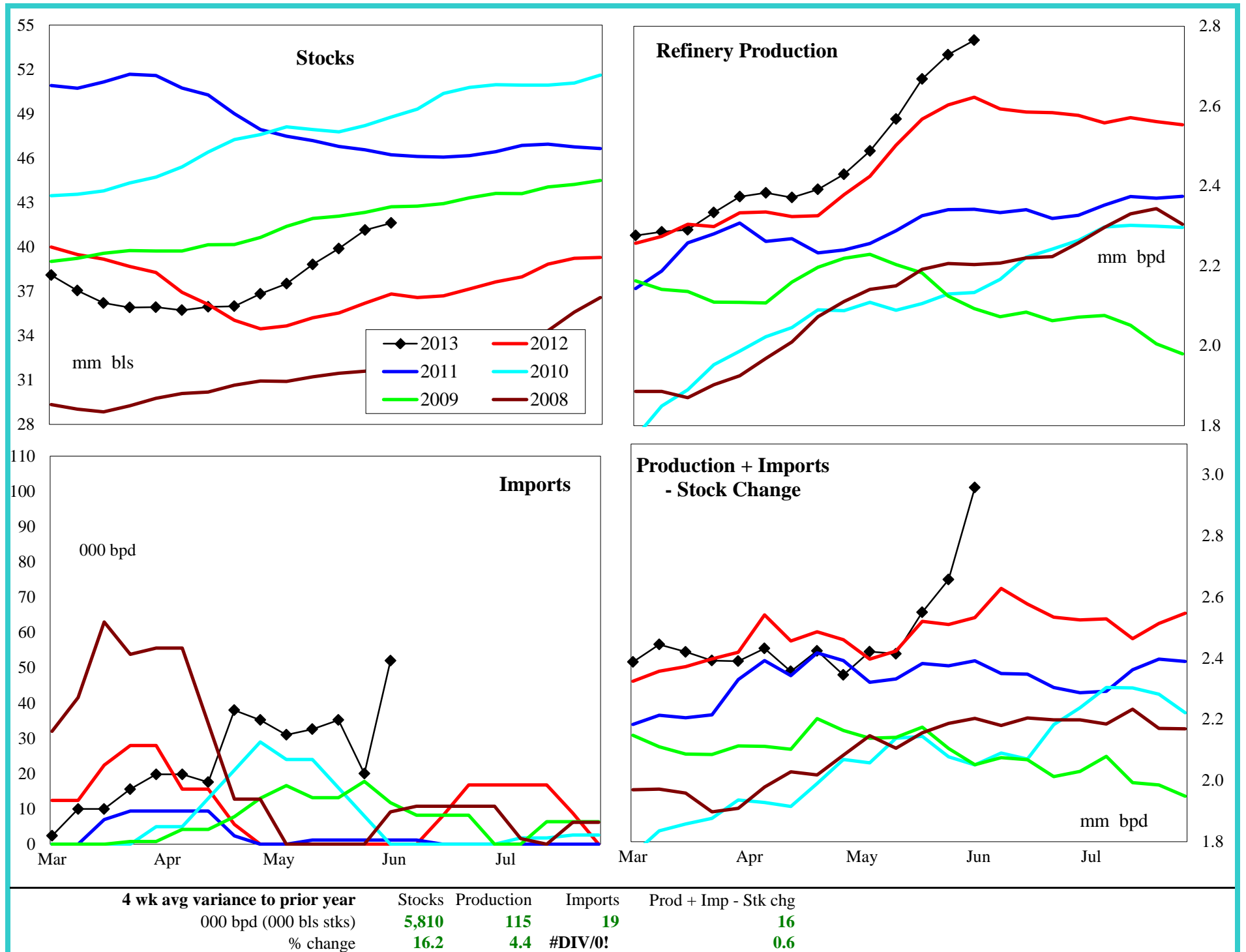
108.1

Prod + Imp - Stk chg

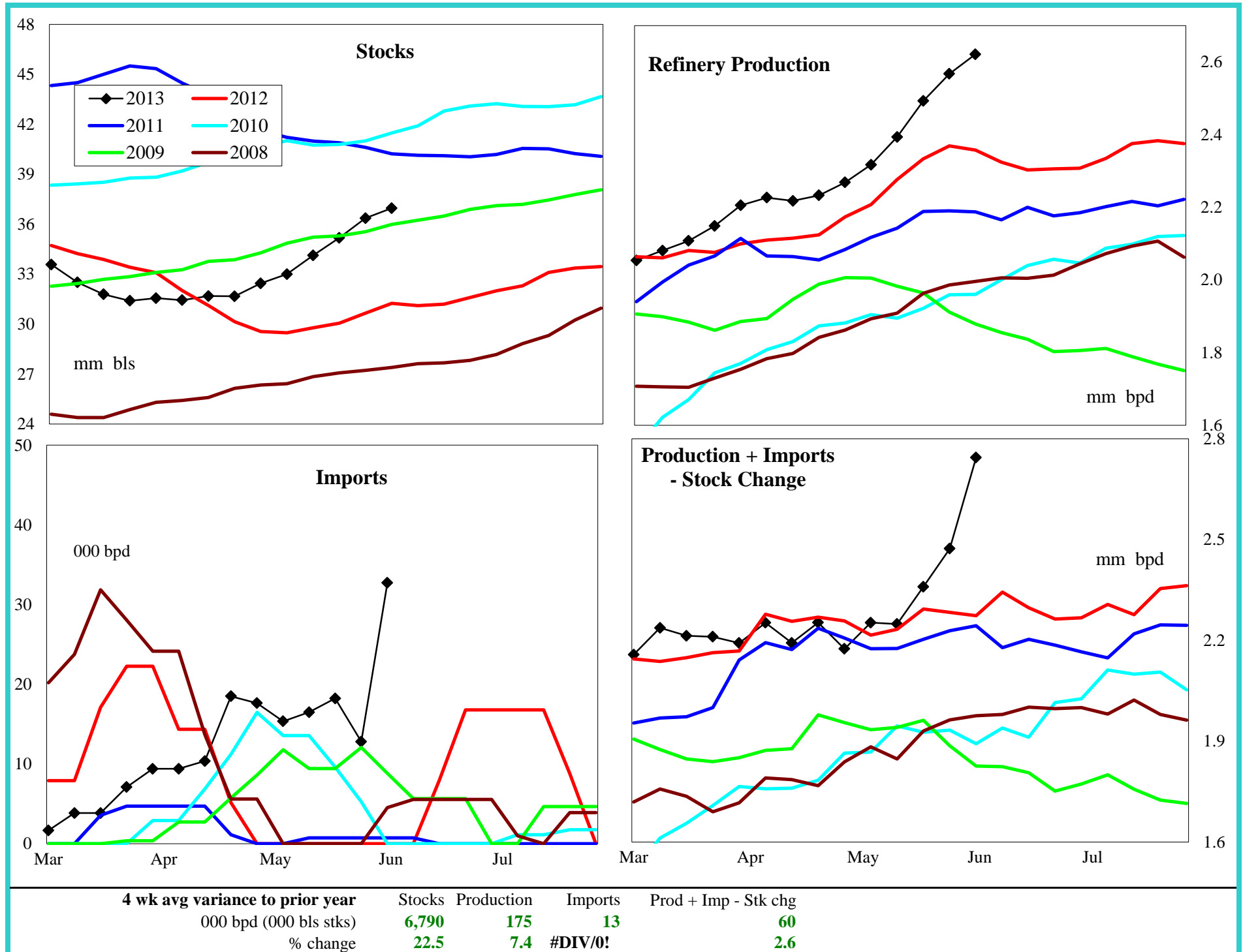
22

1.4

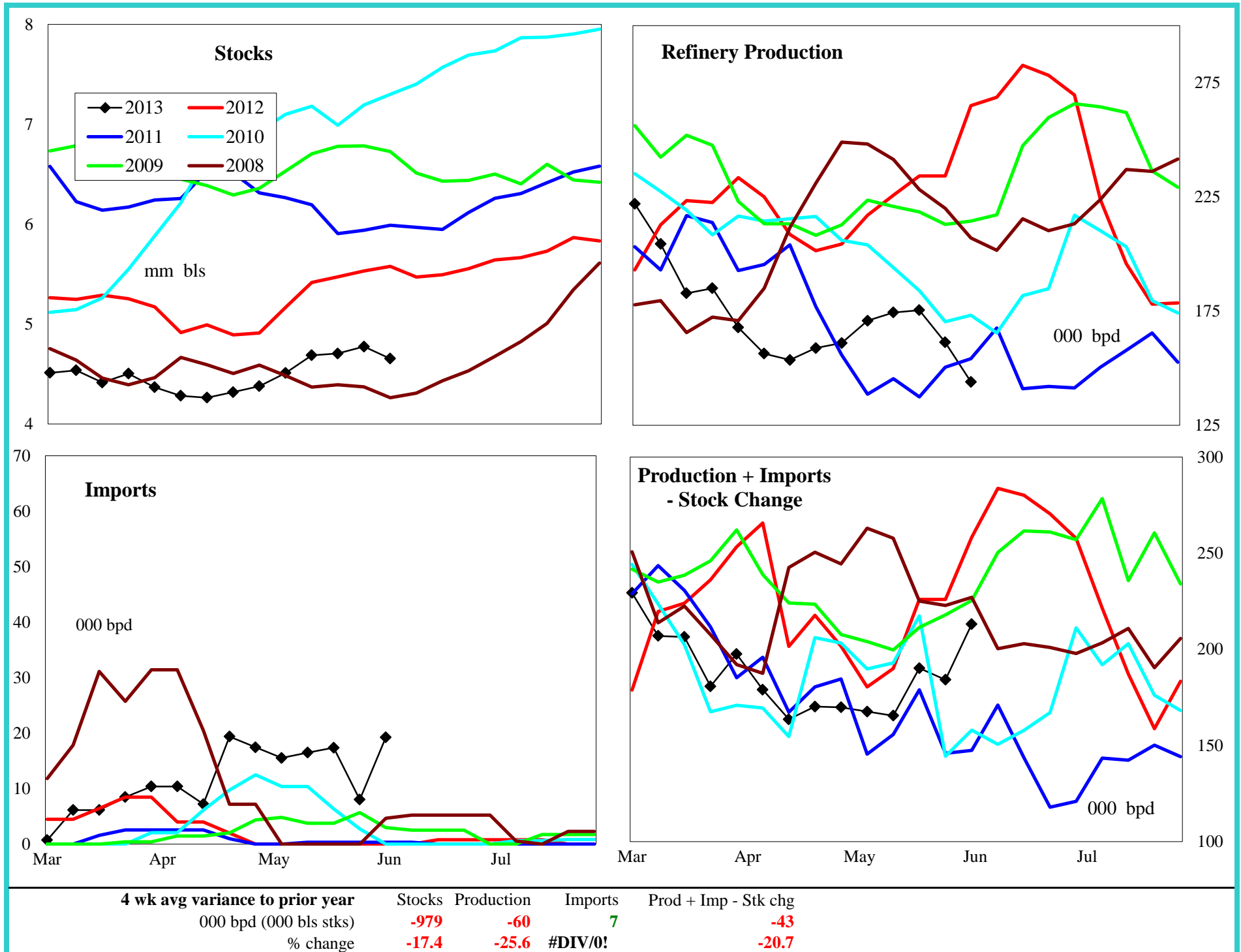
## PADD 3 Distillate Supply



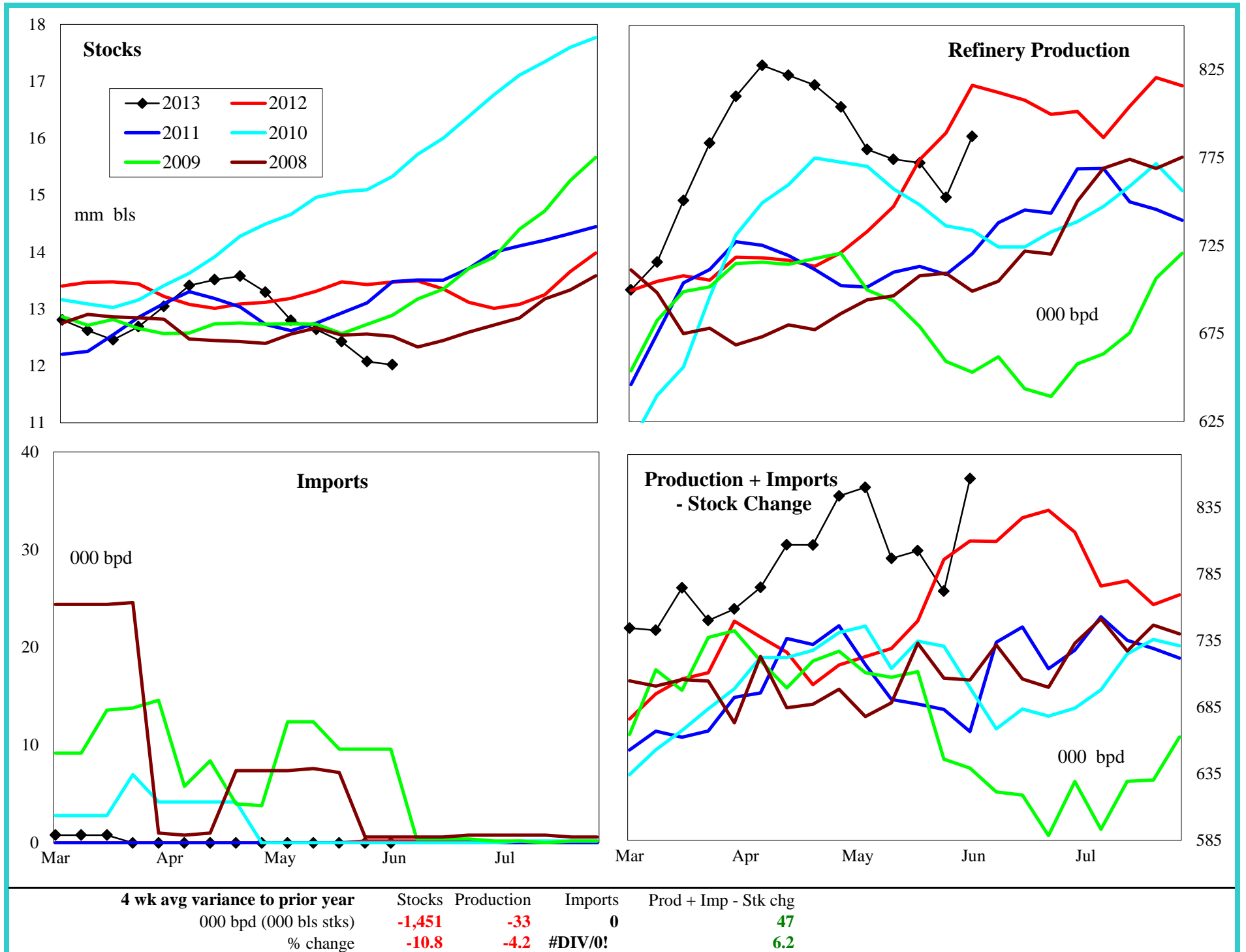
# PADD 3 Low Sulfur Distillate Supply



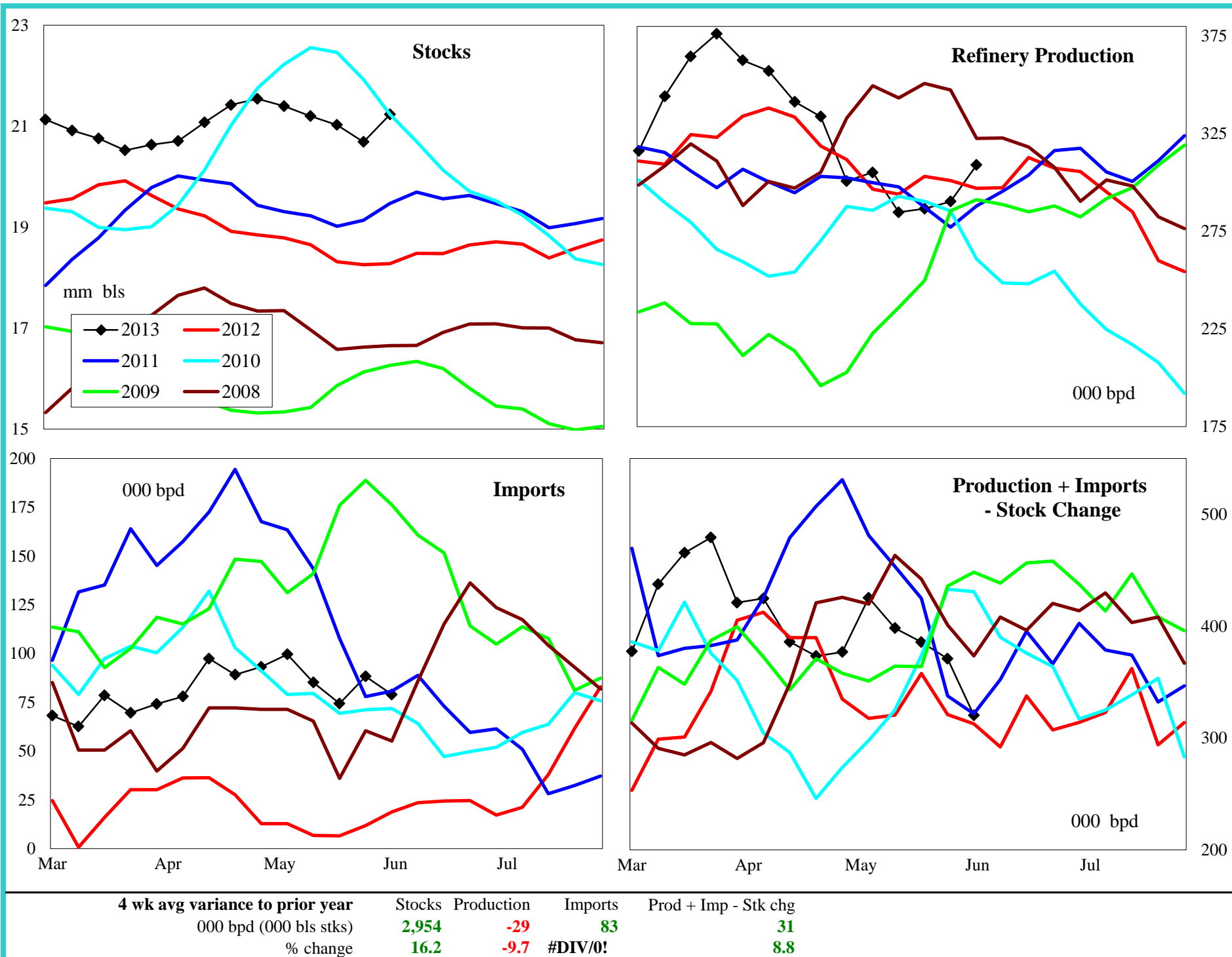
# PADD 3 High Sulfur Distillate Supply



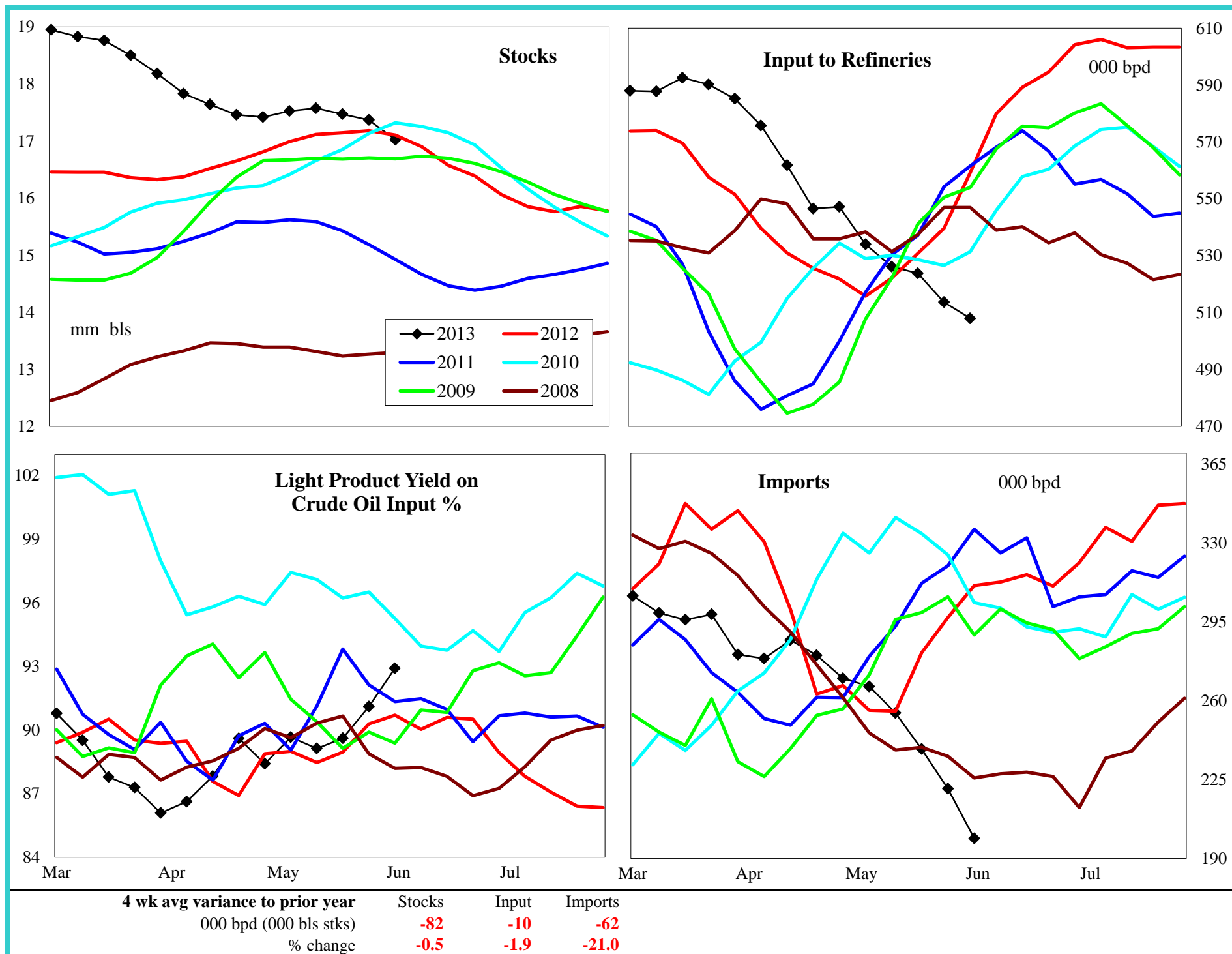
## PADD 3 Jet Fuel Supply



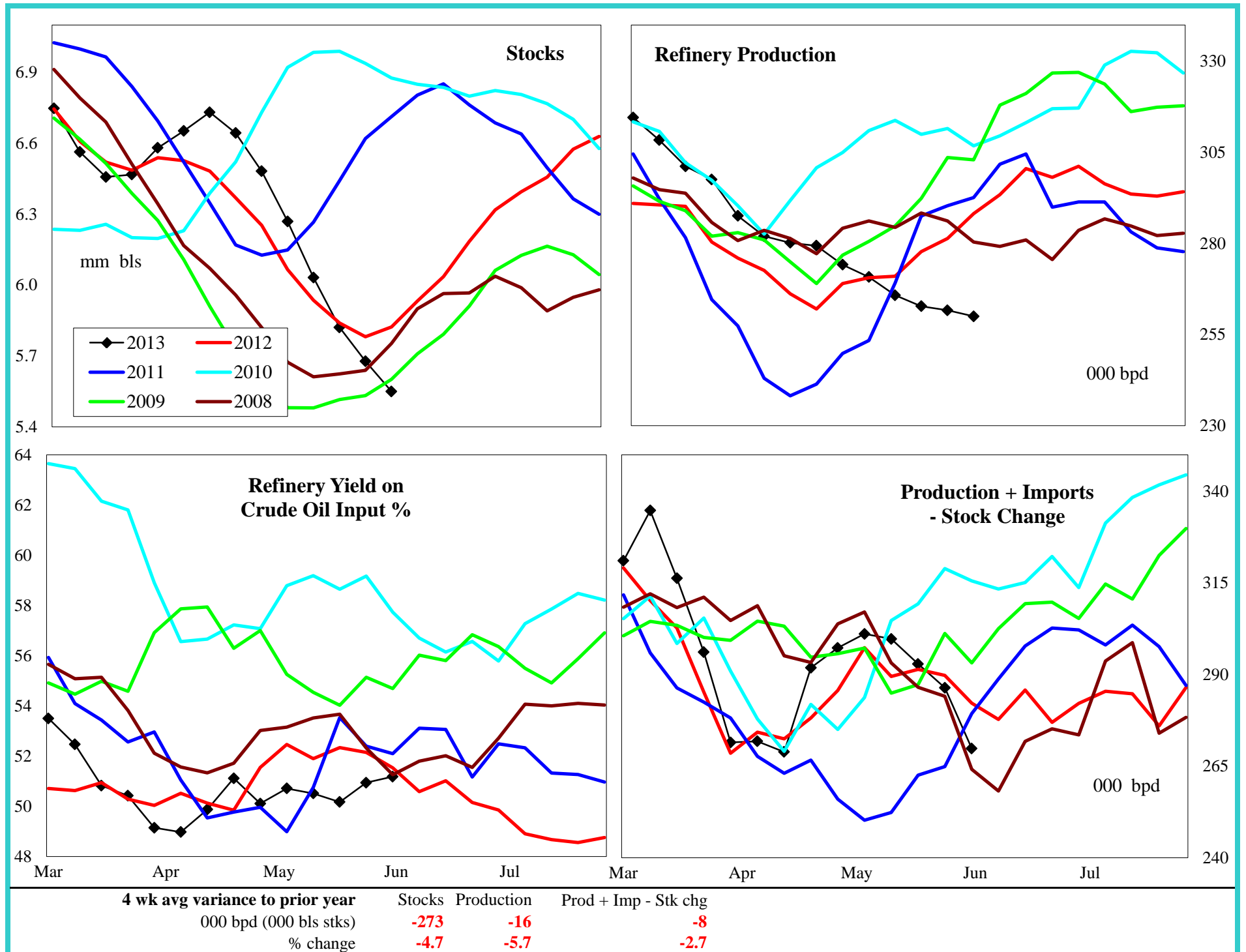
# PADD 3 Residual Fuel Oil Supply



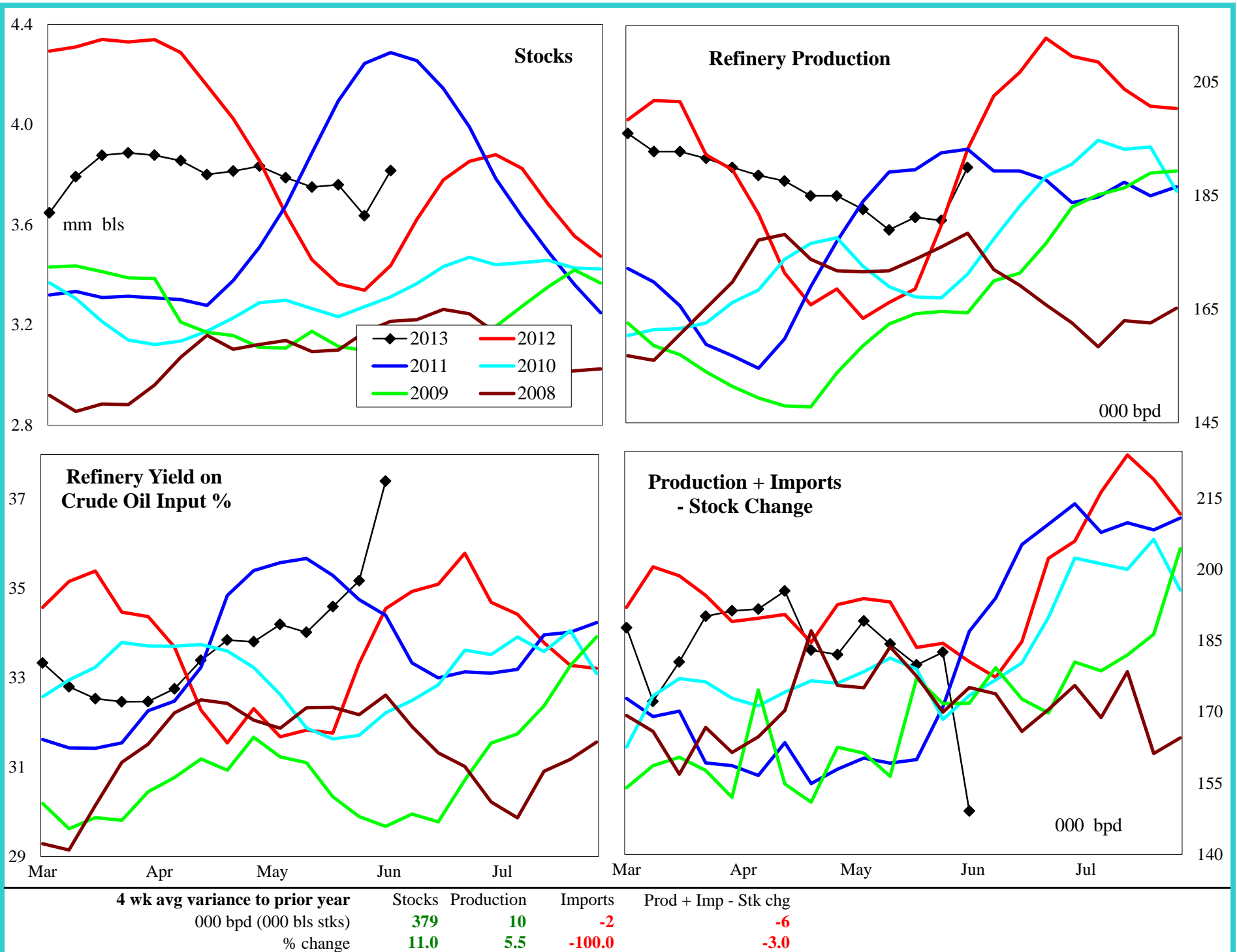
# PADD 4 Crude Oil Supply and Refining



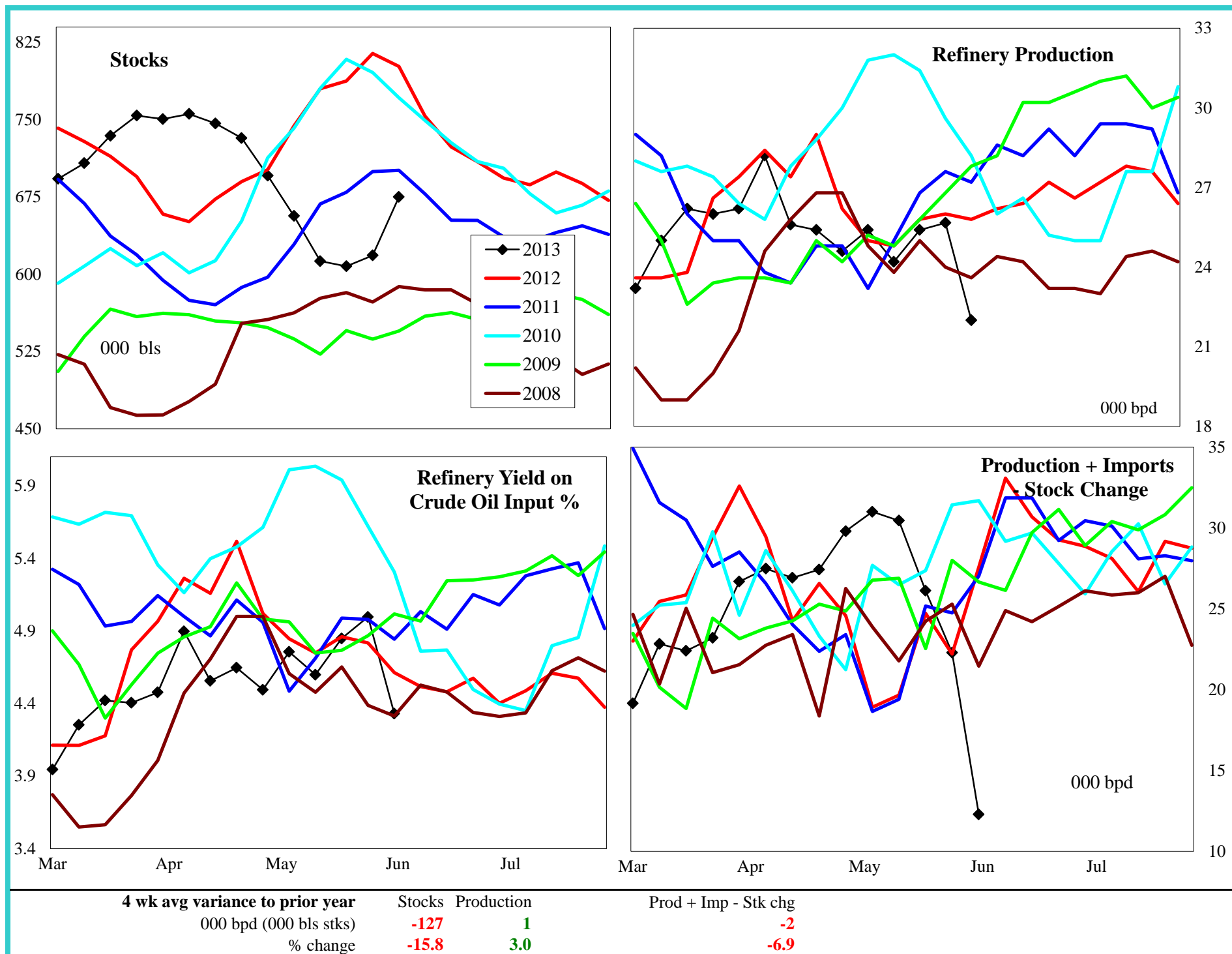
## PADD 4 Gasoline Supply



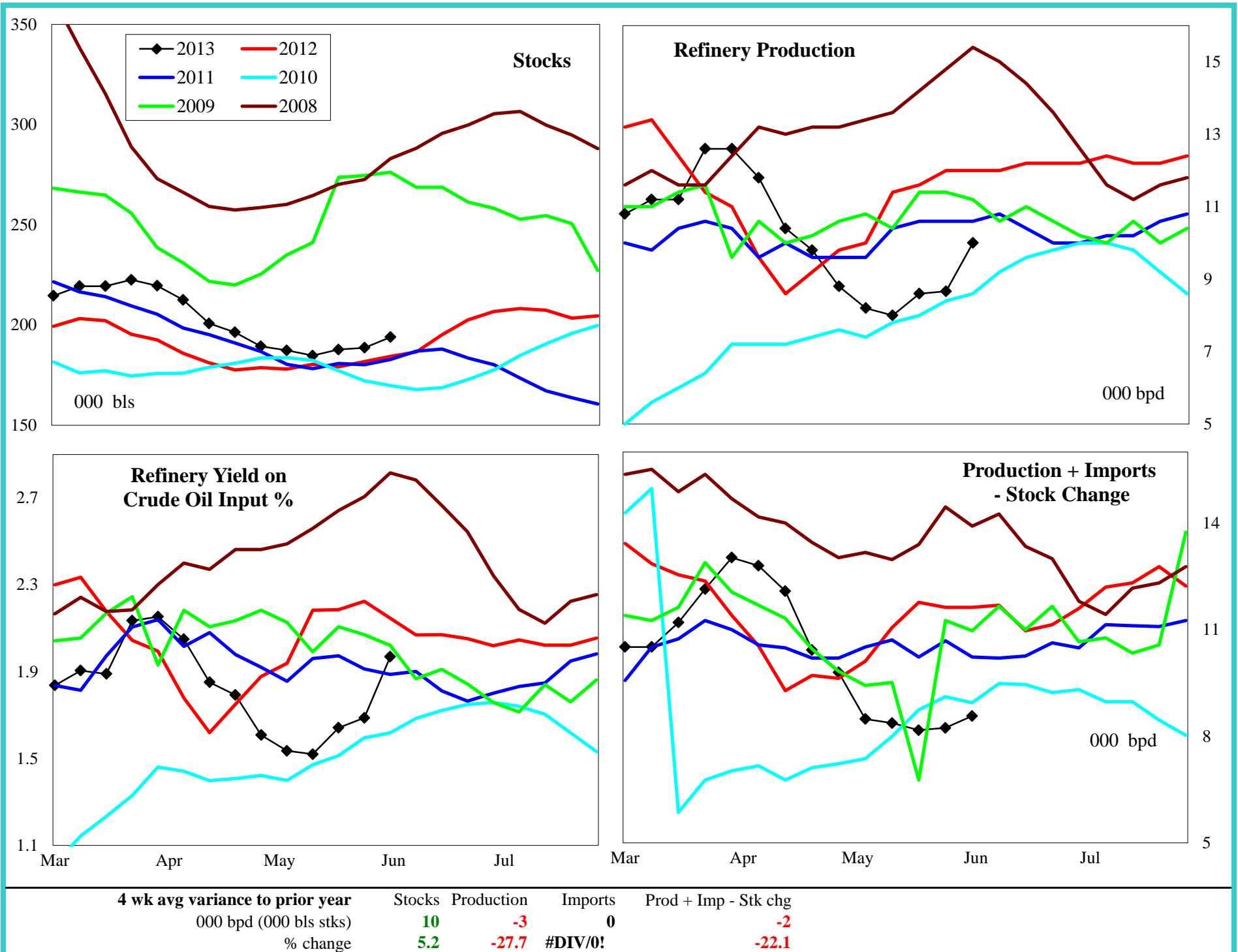
## PADD 4 Distillate Supply



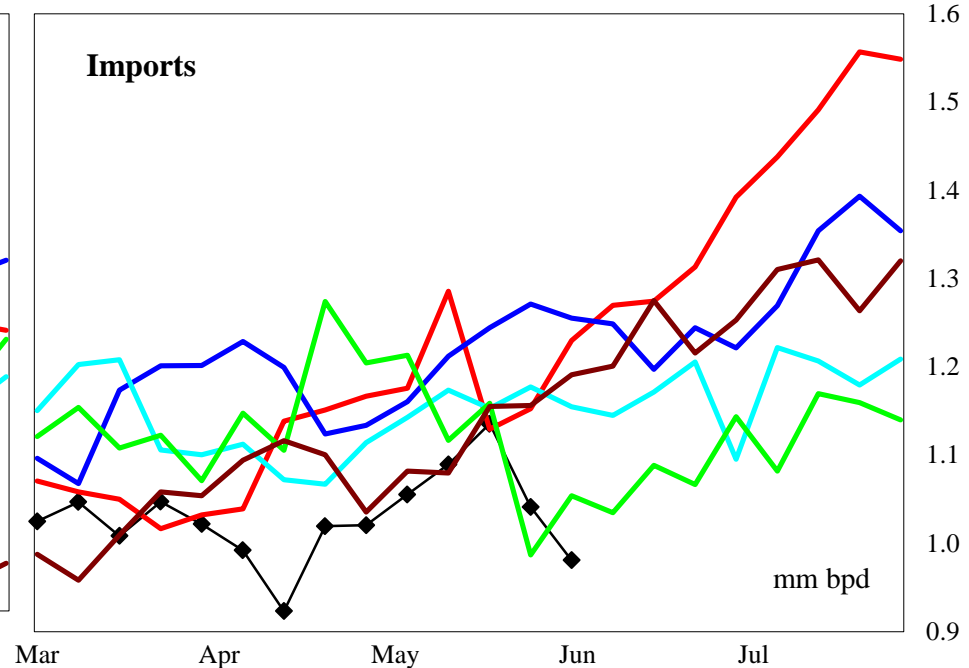
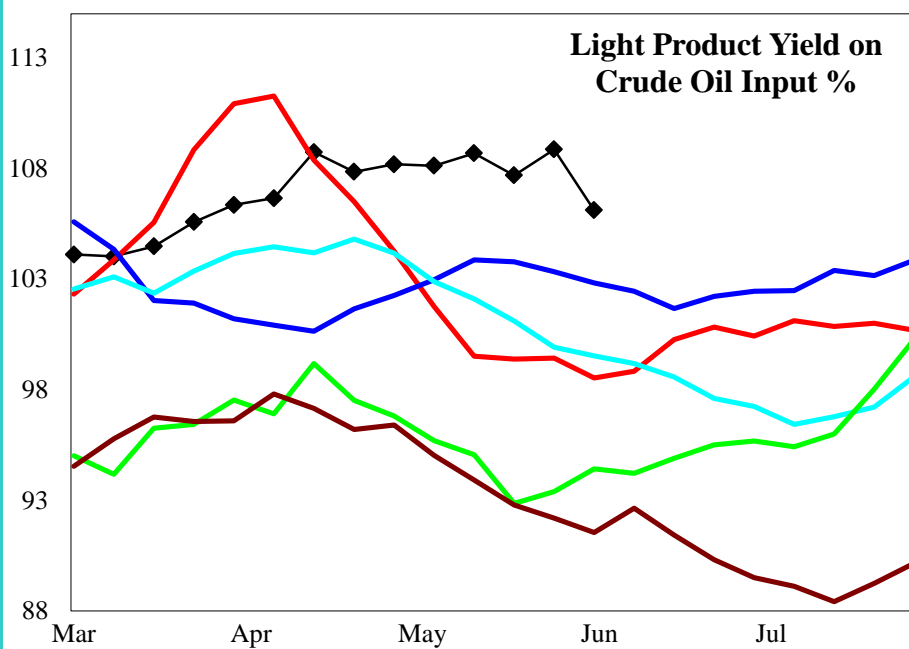
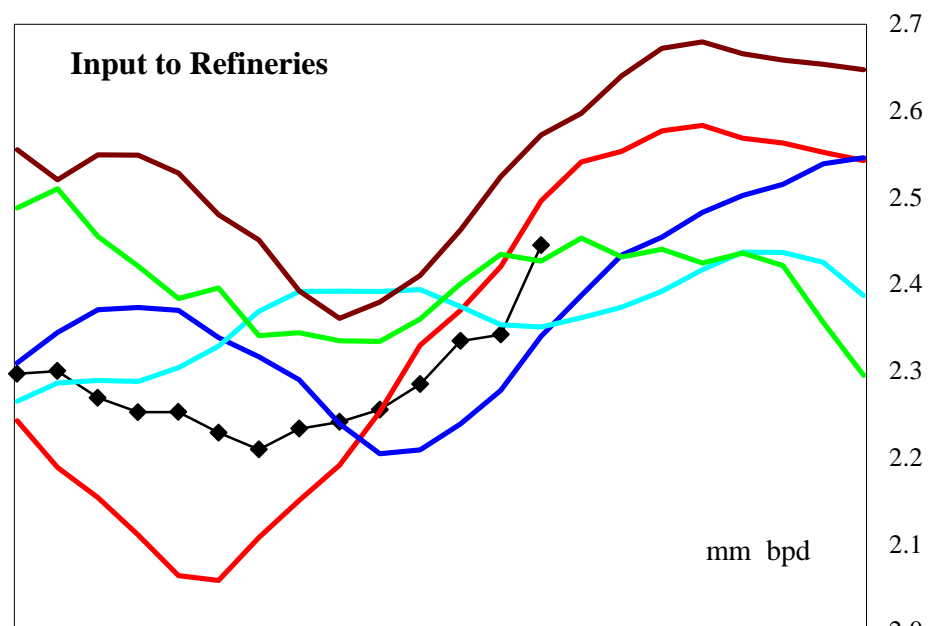
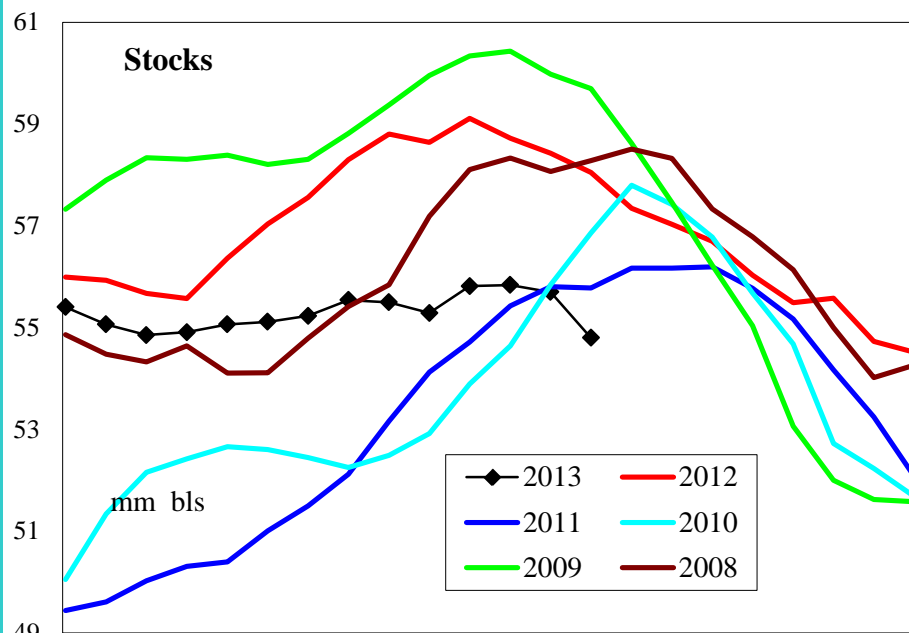
## PADD 4 Jet Fuel Supply



# 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

-3,252

-5.6

Input

-57

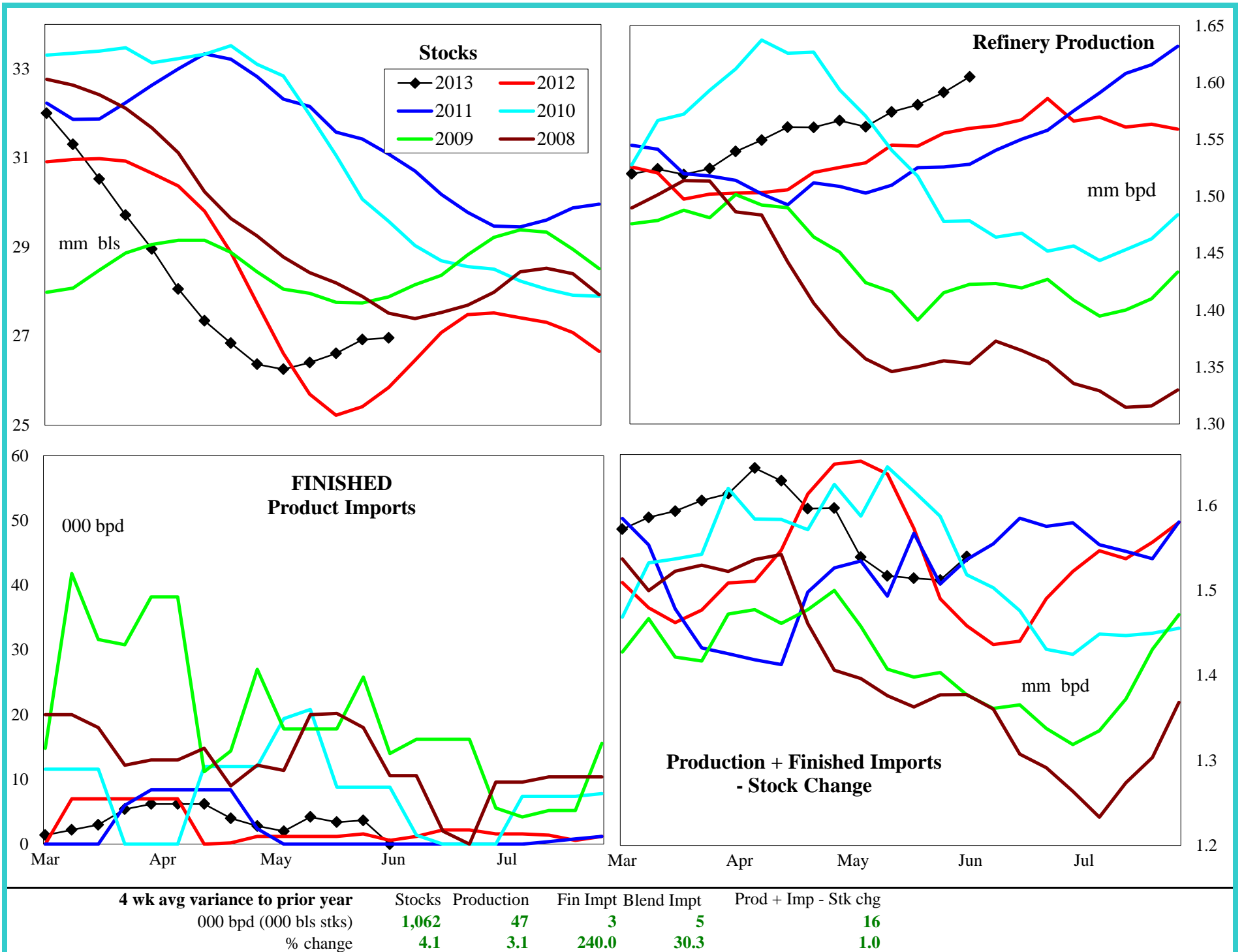
-2.3

Imports

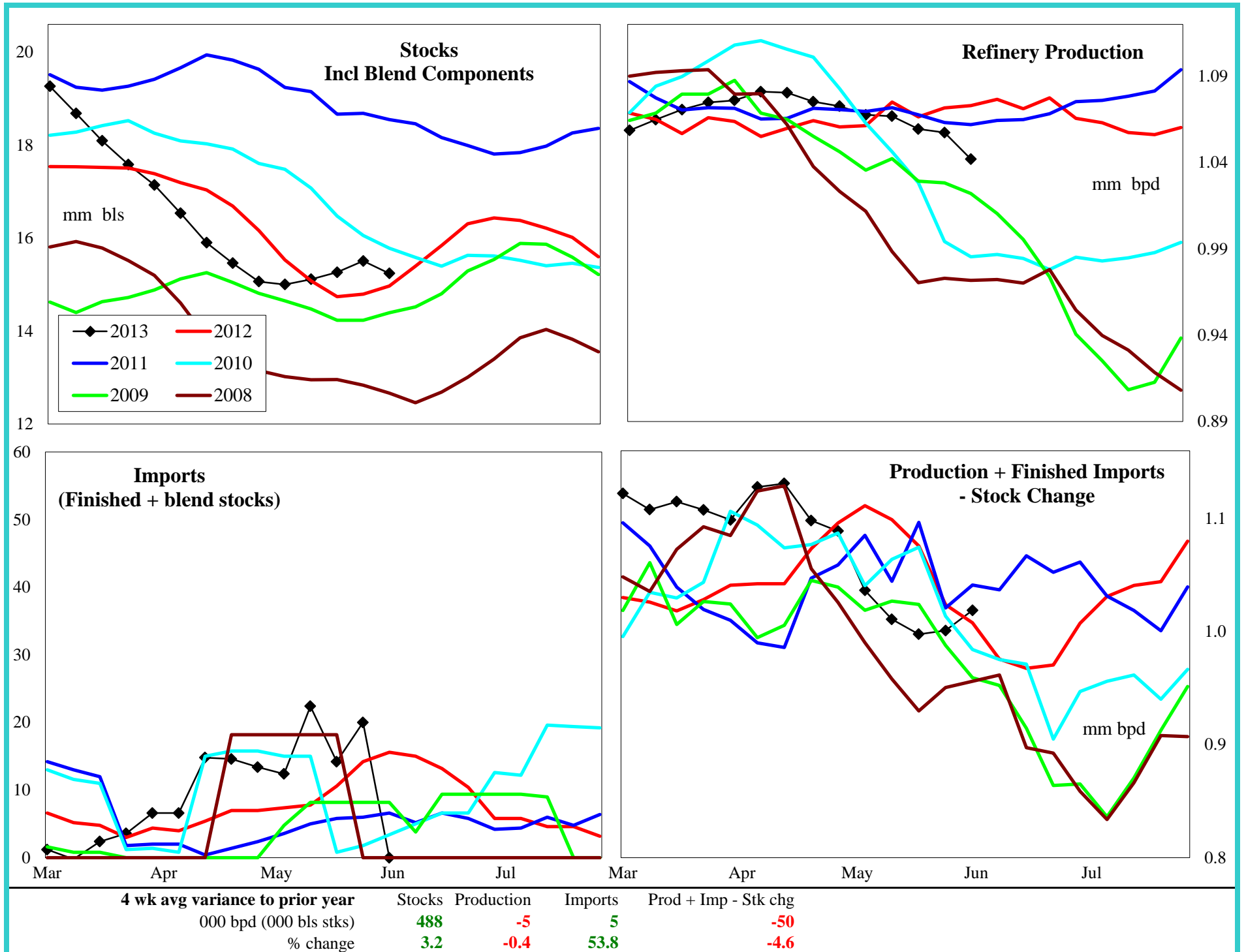
-63

-5.6

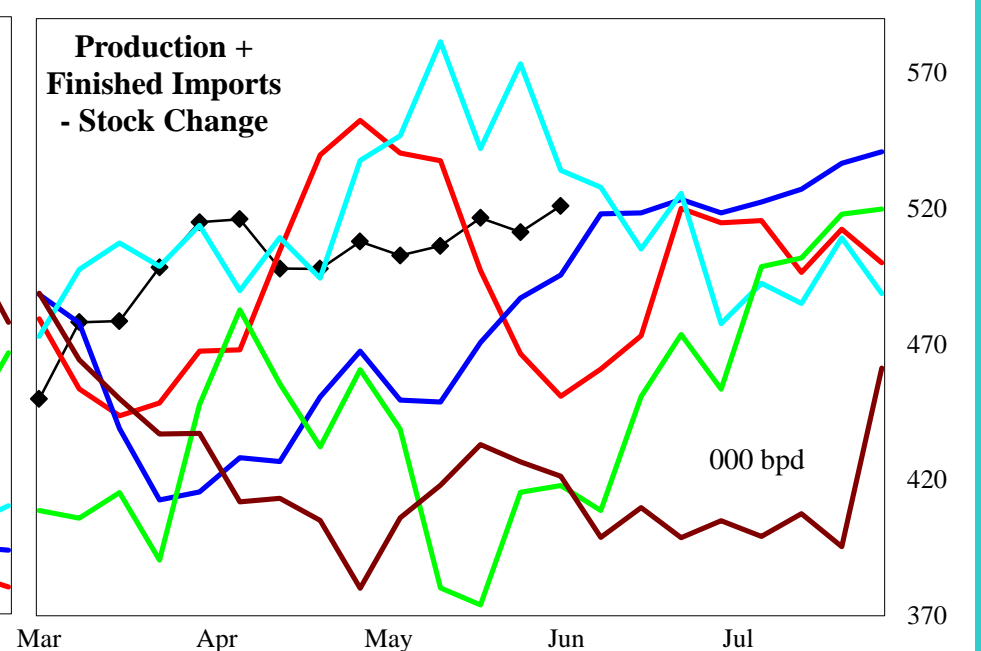
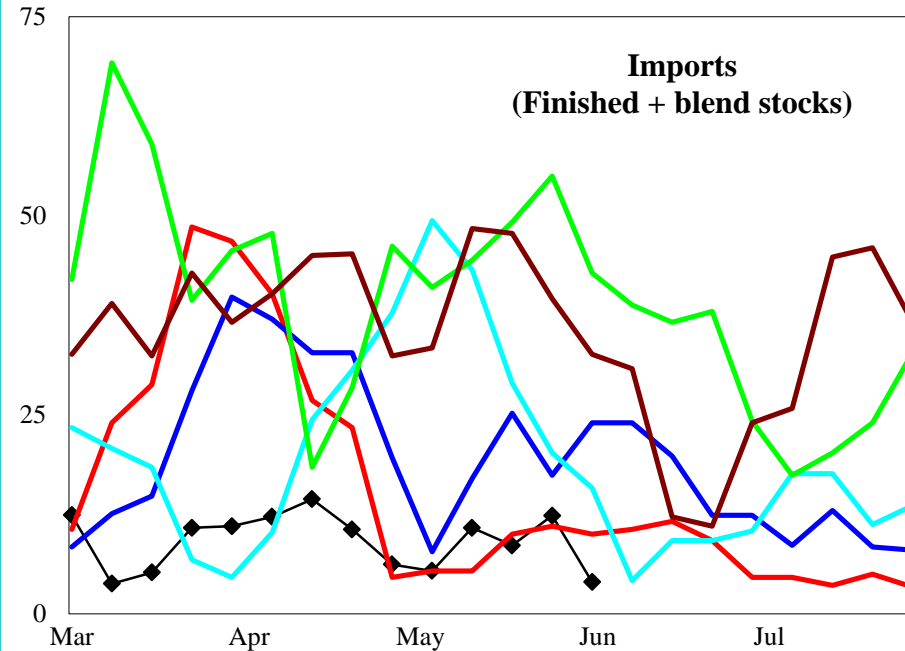
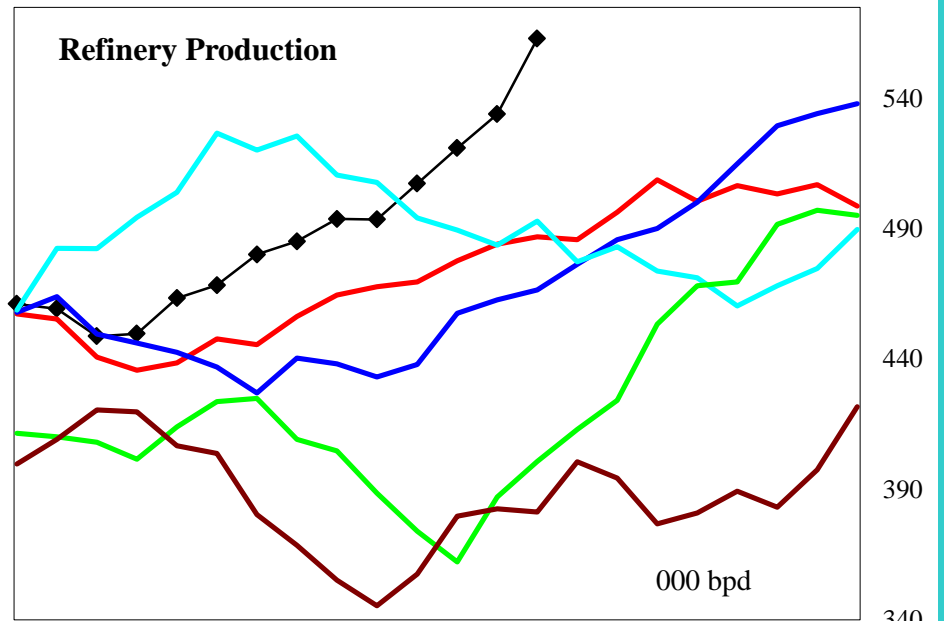
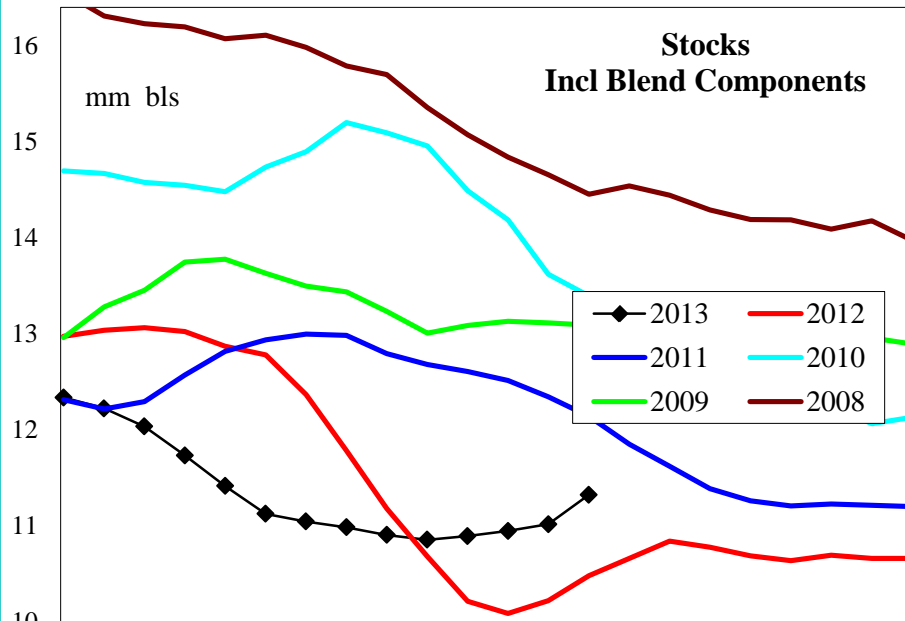
## PADD 5 Gasoline Supply



# 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

574

52

3

66

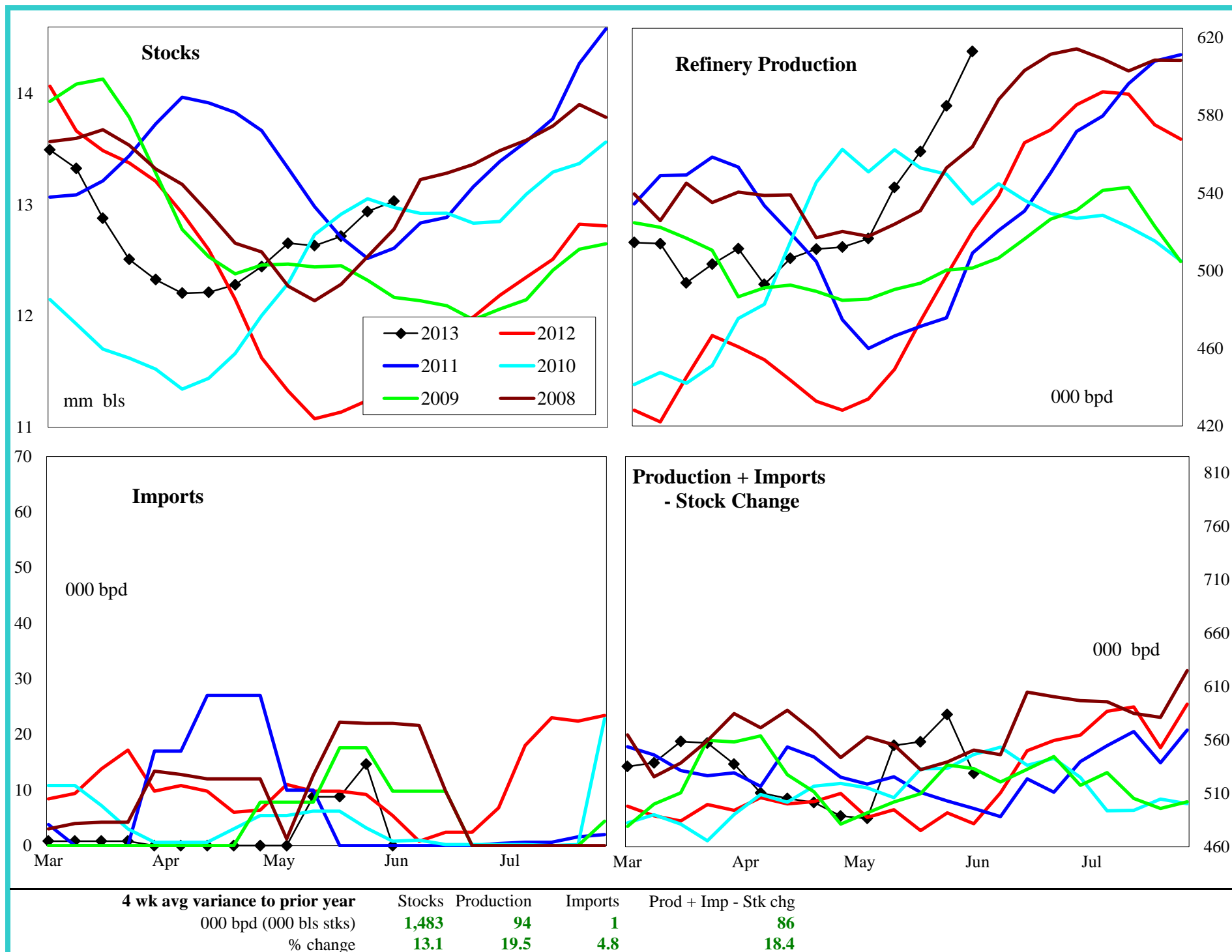
5.3

10.9

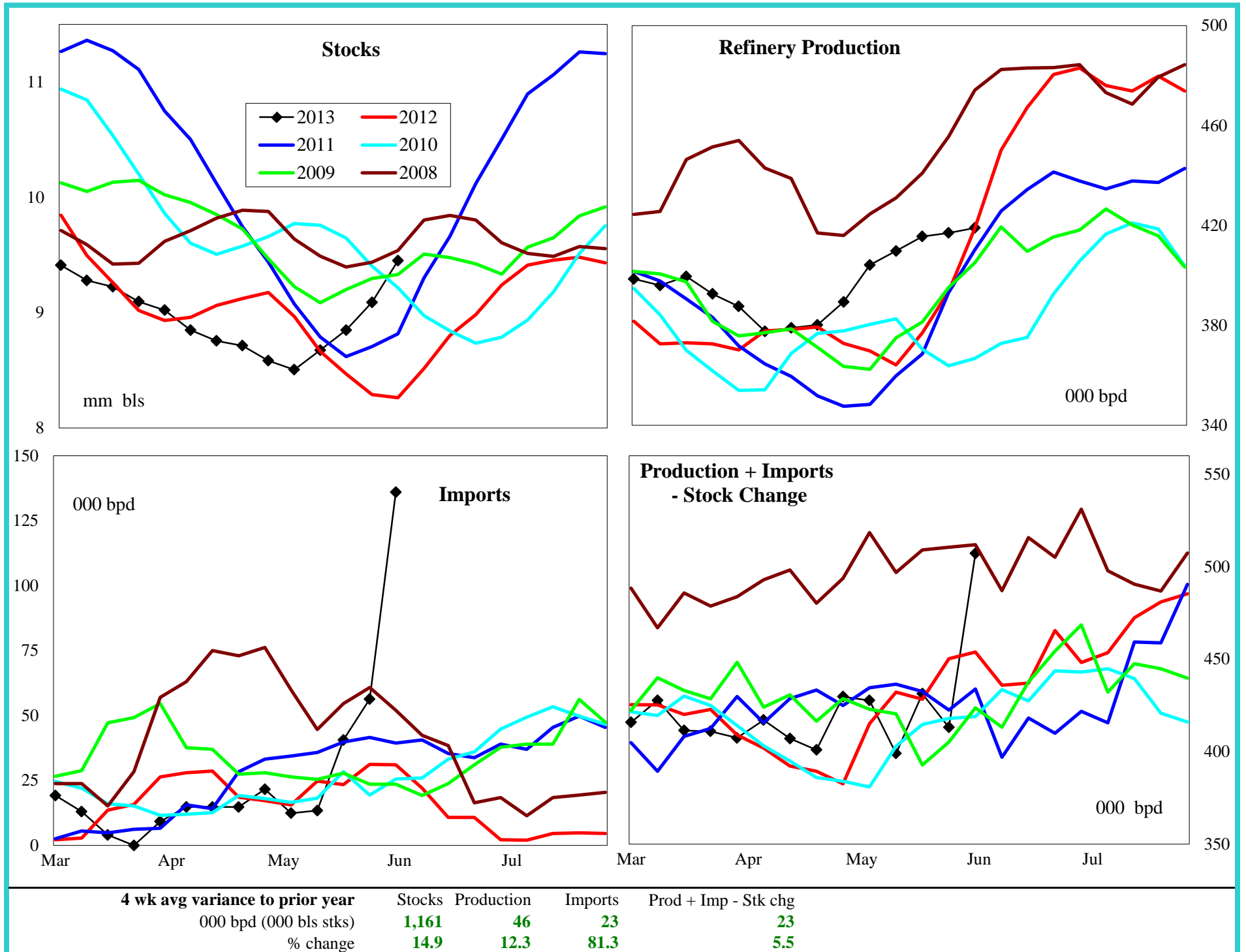
34.4

14.6

## PADD 5 Distillate Supply



## PADD 5 Jet Fuel Supply



# PADD 5 Residual Fuel Oil Supply

