



WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

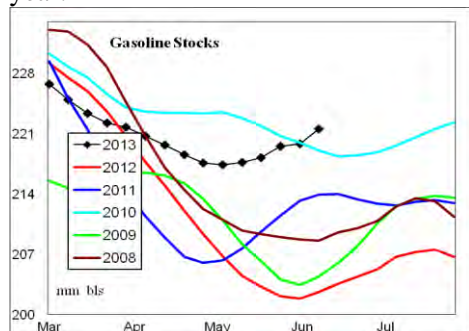
A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Wednesday, June 12, 2013

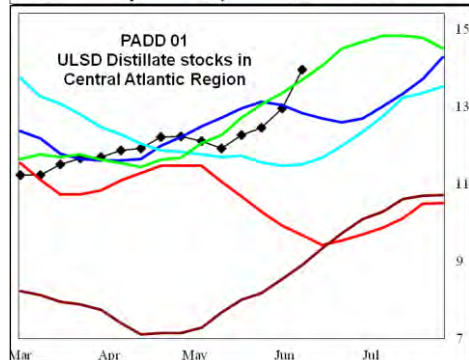
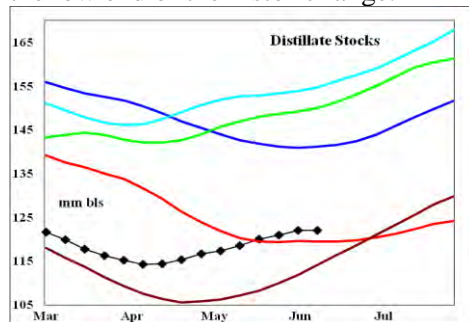


Major Fundamental Trends¹

Gasoline supplies continue to increase with significant stock builds in the East, Midwest and West Coast markets last week. Stock levels ended the week at record highs for this time of year.

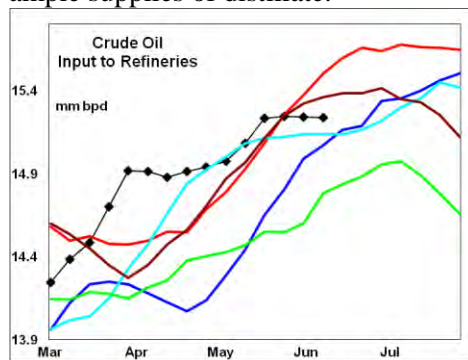


Distillate demand spiked +347,000 bpd last week to record highs for the period. Combined with lower production and imports, the result was a counter seasonal stock draw of -1.2 million barrels. Stock levels remain at the low end of the historic range.



However, with consideration for the phase out of high sulfur heating oil, and the subsequent reduction in need for duplicate storage, the high stocks of ULSD on the East Coast point to

ample supplies of distillate.



Refiners saw a decline in crude oil runs last week in all major markets, totaling -225,000 bpd. As a result the latest 4-wk average thru put rate fell -67,000 bpd below a year ago, the first such year-on-year decrease since late winter. Crude oil thru put remains well below prior years in the Midwest and Rockies as extended maintenance continues.

The lower crude oil thru put last week contributed to a drop in production of transport fuels last week by a combined -275,000 bpd.

Crude oil stocks experienced a counter seasonal build of +2.5 million barrels last week; driven by a +0.6 million bpd jump in imports and the above noted drop in refinery input.

Demand for gasoline and jet fuel each fell sharply last week, while distillate demand surged. Wholesale demand, measured over the last four weeks compared to a year ago: gasoline decreased -0.4%; distillate was +9% higher; jet fuel was -5.5% lower, and residual increased +1%.

Stocks forward coverage: Gasoline demand coverage increased on a +2.7 million barrel stock build. Coverage is at a record high for the summer quarter.

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 decreased on a -1.2 million barrel stock draw and surge in wholesale demand. Coverage levels are below the last 4-years.

Residual fuel oil coverage increased on a +0.5 million barrel stock build and -342,000 bpd drop in wholesale demand. Coverage ended the week above the 5-year range.

Refinery utilization rates fell last week on a -225,000 bpd decline in crude oil runs. During the latest 4-wk period crude oil input was -67,000 bpd below a year ago.

Gasoline yield % on crude oil runs was nearly unchanged on a -138,000 bpd decrease in output compared the lower 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 -121,000 bpd drop in output compared to the decrease in crude oil input. The yield % on crude oil runs remains above the 5-year range.

Jet fuel yield % on crude oil runs increased on a -13,000 bpd decline in output, compared to the decrease crude oil input. The yield % level remains below the last 2-years.

Petroleum Imports/Exports: Imports of crude oil and gasoline each increased last week.

During the latest 4-wk period crude oil imports were -1.2 million bpd below last year; distillate imports increased +19,000 bpd; finished gasoline imports decreased -28,000 bpd, gasoline blend stock imports were +55,000 bpd higher; jet fuel imports increased +21,000 bpd, while residual fuel oil imports were -19,000 bpd lower.

During the latest 4-wk period exports of gasoline were -95,000 bpd below last year, jet fuel was +23,000 bpd higher and distillate exports fell -259,000 bpd.

Crude Oil stocks increased +2.5 million barrels last week on the -225,000 bpd drop in refinery runs and a +582,000 bpd rise in imports. Stock levels ended the week +9.4 million barrels above prior 5-year highs.

¹ Source is latest EIA Weekly Statistics



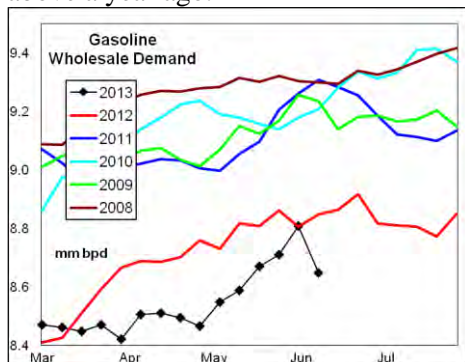
WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

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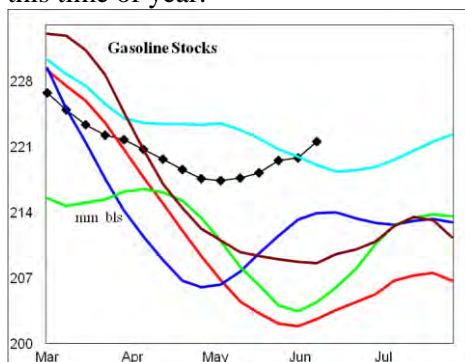
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Product Supply-Demand Trends

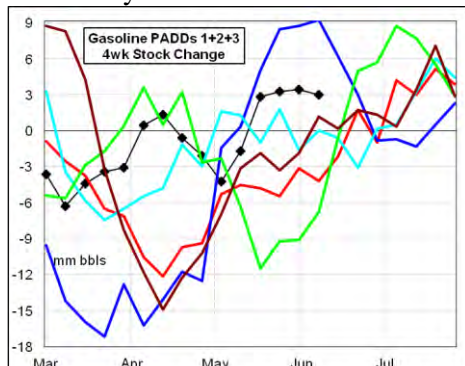
Gasoline wholesale demand decreased -174,000 bpd on the week. The latest 4-wk average demand was -32,000 bpd below last year. Supply increased +40,000 bpd last week. Supply for the latest 4-wk period was +27,000 bpd above a year ago.



Stocks jumped +2.7 million barrels last week, ending a record high level for this time of year.



The latest 4-wk stock build in markets East of the Rockies was a +3 million barrel build, a larger build than four of the last 5-years.

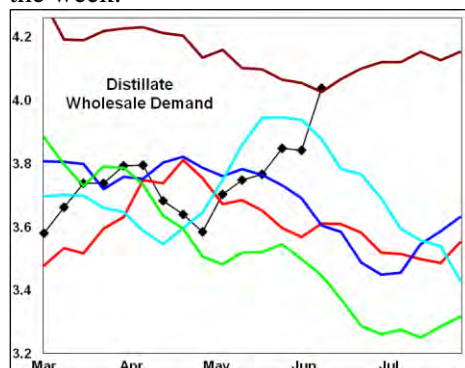


While wholesale demand is only slightly below last year, increased production and imports earlier in the quarter lifted stock levels to record highs. Stock levels are especially burdensome on the East and Gulf

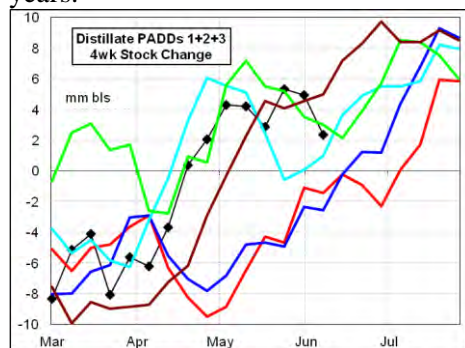
Coast markets. Only the Rockies and West Coast show stock levels below the historic mid range.

Distillate demand surged +327,000 bpd last week, to a level that matched 5-year weekly highs.

Supply fell -212,000 bpd last week, on lower production and record low imports. The latest 4-wk average supply was +149,000 bpd above last year. Stocks fell -1.2 million barrels on the week.



The latest 4-wk stock change in markets East of the Rockies was a +2.3 million barrel build, compared to -2 million barrel draws for the last 2-years.



The recent surge in distillate demand, combined with record low imports, has slowed the rate of stock building.

Look for a sharp pull back in seasonal demand, and higher seasonal production to lead to renewed above average rate of stock building over the summer quarter.

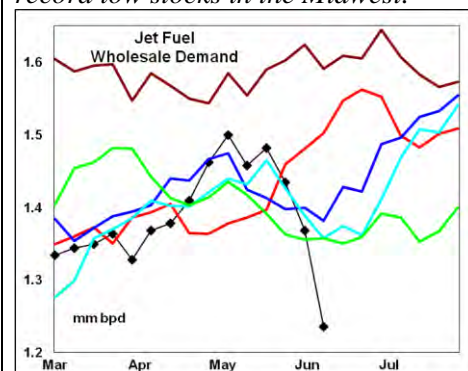
Jet Fuel wholesale demand fell -253,000 bpd last week to a level below the 5-year range. The latest 4-wk average demand was -80,000 bpd below last year.

Supplies declined -73,000 bpd on the week on a sharp drop in imports.

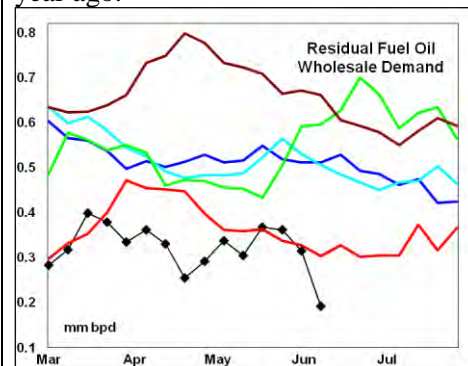
Supply for the latest 4-wk period was -24,000 bpd below a year ago. Stocks jumped +1.7 million barrels on the week, to a level near the historic mid range.

Look for demand to rebound from last week's lows, offsetting a seasonal uptrend in production, so that stock builds remain below the historic average.

A shift in fueling from the East to Midwest regions has led to record high stocks on the East Coast, offset by record low stocks in the Midwest.



Residual fuel oil demand fell -342,000 bpd last week. Demand for the latest 4-wk period was unchanged from a year ago.



Supply (production + imports) fell -163,000 bpd last week, on lower production and imports. Production levels fell below the 5-year range. Stocks increased +0.5 million barrels to a level that matched the historic mid range.

Stock levels remain exceptionally high in the Midwest and Gulf region. Demand for the latest 4-wk period was unchanged from last years' record lows.



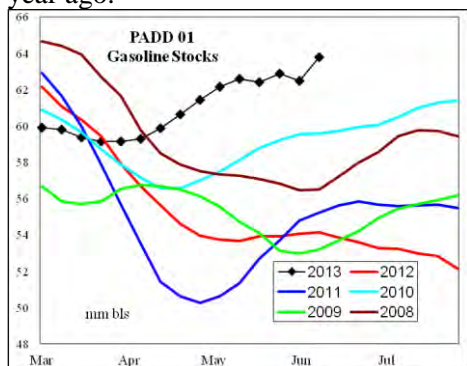
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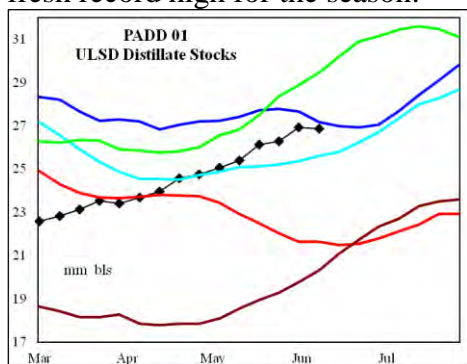
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PADD Supply Trends

PADD 1 refinery crude oil runs decreased -9,000 bpd last week, to a level matching highs of the last 2-years. The latest 4-wk average crude oil thru put was +198,000 bpd above a year ago.

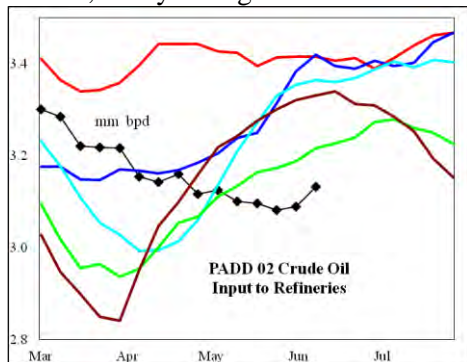


Gasoline supply increased +272,000 bpd on the week. Stocks jumped +2.9 million barrels to a fresh record high for the season.



Distillate supply decreased -5,000 bpd on the week. Stock levels of ULSD were near 3-year highs, with the key Central Atlantic region at 5-year highs.

Jet fuel stocks jumped +1 million barrels, to 5-year highs.



PADD 2 crude oil refinery runs declined -26,000 bpd on the week, with the level still below the 5-year range. Runs for the latest 4-wk period

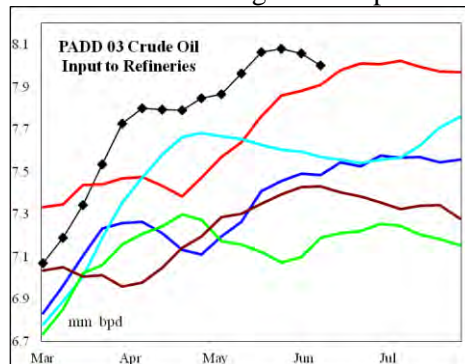
were -321,000 bpd below last year. Crude oil stocks declined -0.4 million barrels on the week. Stocks ended the week +4% above a year ago at Cushing.

Gasoline production decreased -39,000 bpd on the week, to level above the last 3-years. Stocks increased +0.9 million barrels to a level that matched the historic mid range.

Distillate supply increased +14,000 bpd last week, with the level still well below the last 3-years. Stocks fell -1 million barrels on the week, to a level comparable with the last 2-years.

Jet fuel stocks ended the week -16% below the prior record lows.

PADD 3 refinery runs declined -133,000 bpd on the week. During the latest 4-wk period, average runs were +211,000 bpd above a year ago. Crude oil stocks increased +2.7 million barrels to a record high for the period.



Gasoline supply increased +63,000 bpd on the week, to a level above last year. Stocks fell -1.4 million barrels on the week, but remain at a level well above the 5-year range.

Distillate supply fell -186,000 bpd on the week on lower production and imports. The latest 4-wk average supply was +96,000 bpd above last year. Stocks increased +1.1 million barrels on the week, a level that matched the historic mid range.

Jet fuel supply depressed -32,000 bpd on the week with production above the latest 3-year mid range. Stock levels remain below the historic range.

Residual fuel oil supplies declined -27,000 bpd to a level comparable to a

year ago. Stock levels ended the week at a 5-year high for the period.

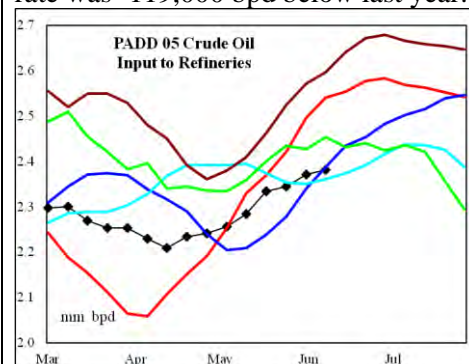
PADD 4 refinery crude runs increased +9,000 bpd on the week, ending the week nearly -100,000 bpd below last years' record high.

Gasoline production increased +9,000 bpd with the level still well below the historic range. Stock levels remain at record lows.

Distillate production fell -28,000 bpd last week, to a level below the 5-year range. Stock levels ended the week comparable to the last 2-years.

Jet fuel production fell to a record low on the week, with stocks near the a average of the last 3-years.

PADD 5 crude oil refinery runs decreased -64,000 bpd on the week; to a level comparable with the 3-year mid range. The latest 4-wk average run rate was -119,000 bpd below last year.



Gasoline supply increased +34,000 bpd on the week, with production well above the 5-year range. The latest 4-wk average supply was +43,000 bpd above a year ago. Stocks increased +0.5 million barrels, with the level still at the low end of the historic range.

Distillate supply decreased -6,000 bpd, although the production level remains above the historic range. Stocks fell -0.5 million barrels, a level below the mid range.

Jet fuel supply decreased -38,000 bpd on lower imports. Stocks increased +0.7 million barrels, to a level above the 5-year range.

Residual fuel oil supply fell -65,000 bpd on a drop in imports. Stocks also increased +0.4 million barrels to a level above the mid range.

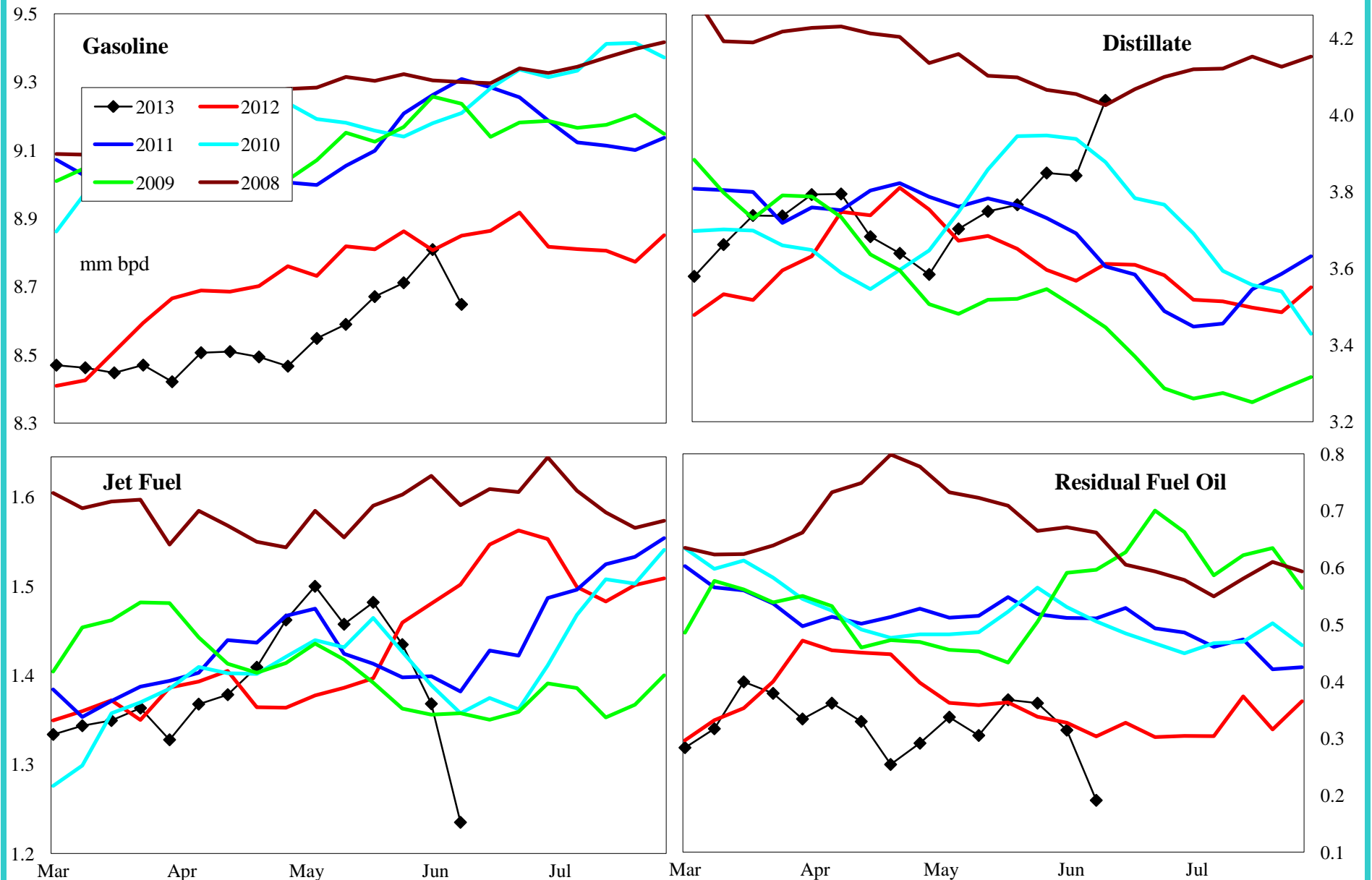


PETROLEUM: Graph Link and Weekly Summary

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Fundamental Trends	Wholesale Demand	Stocks Days Fwd Coverage	Refinery Utilization Product Yield %				Imports
Supply/Demand Trends	7-Jun-13	EIA-DOE CHANGE FROM PRIOR WEEK					
	000 bpd stocks 000 bls	U. S. Total	PADD				
			1	2	3	4	5
Crude Oil	Stocks	2,523	-308	-352	2,690	460	33
	Imports	582	-119	107	629	-41	7
	Input	-225	-9	-26	-133	9	-64
	% Utilization	-0.90					
Gasoline	Stocks	2,748	2,864	855	-1,436	-29	493
	Production	-138	115	-39	59	9	20
	Imports	178	157	3	4	0	14
	Supplied	-174					
Distillate	Stocks	-1,163	-863	-998	1,092	116	-509
	Production	-121	44	15	-145	-28	-6
	Imports	-91	-49	-1	-41	0	0
	Supplied	327					
Jet Fuel	Stocks	1,675	973	207	-130	-41	666
	Production	-13	9	-19	-32	1	29
	Imports	-60	7	0	0	0	-67
	Supplied	-253					
Residual Fuel Oil	Stocks	518	104	-50	67	-14	412
	Production	-76	11	-25	-57	-4	1
	Imports	-87	-55	3	30	0	-65
	Supplied	-342					

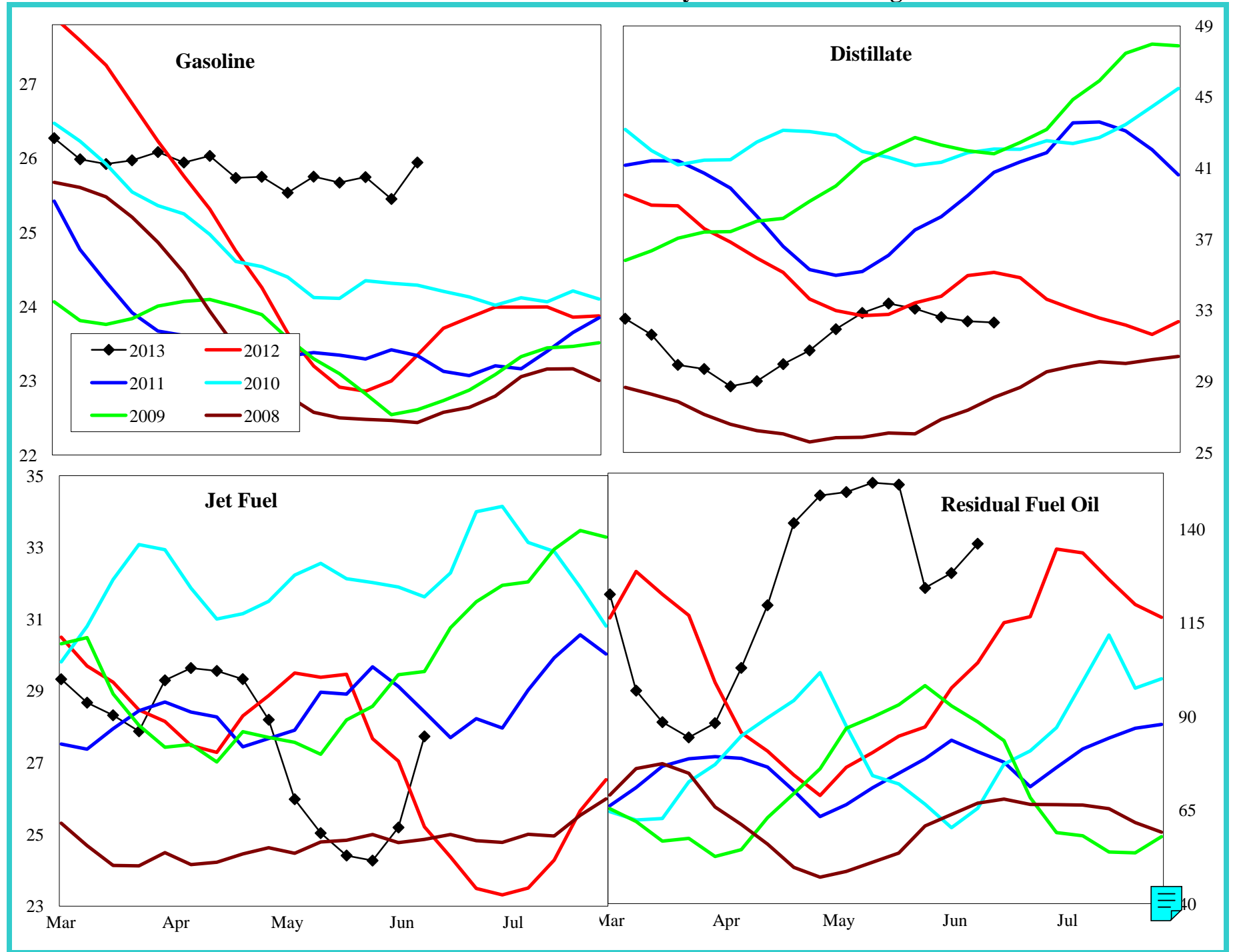
United States Wholesale Petroleum Demand



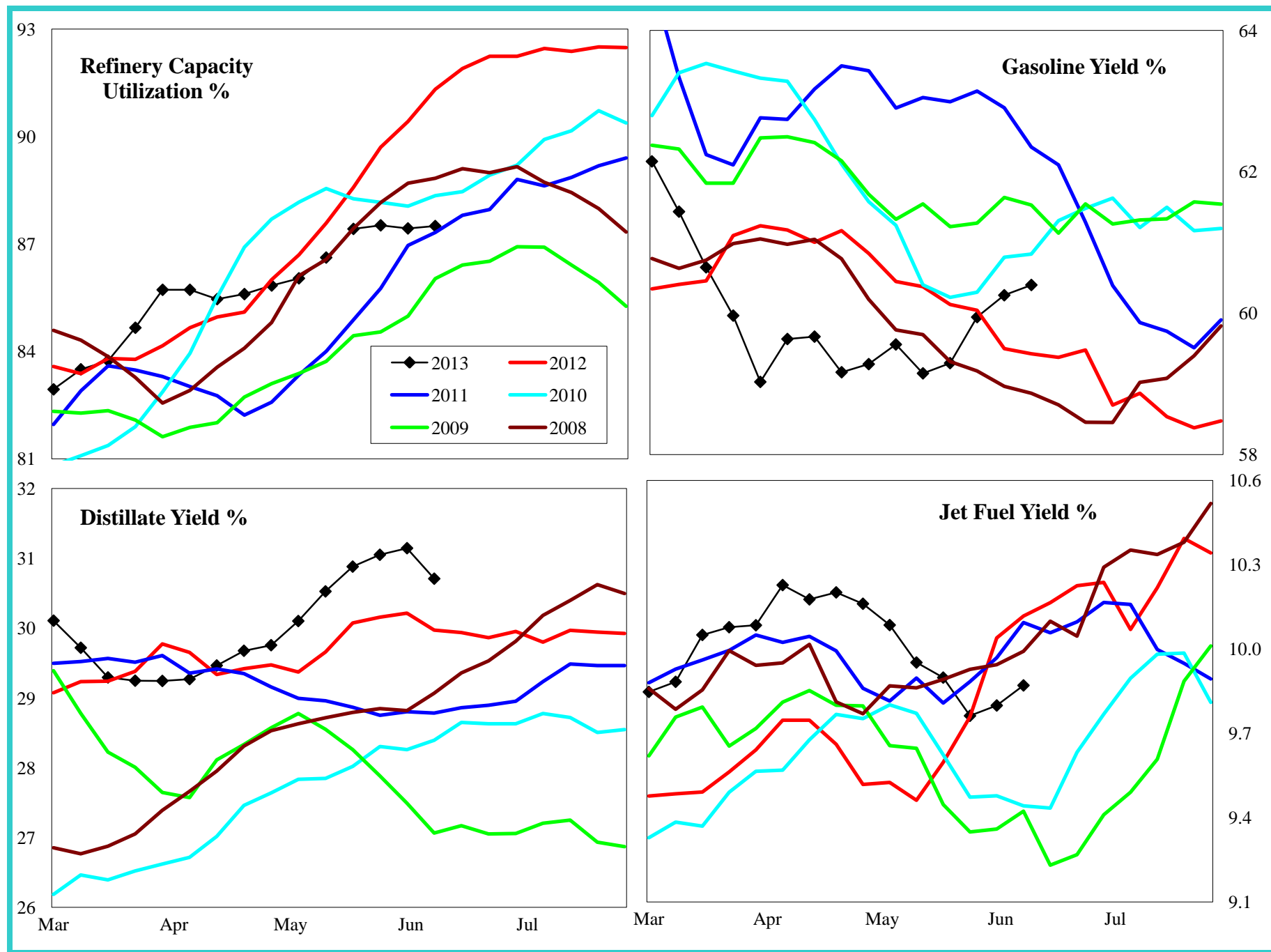
	000 bpd change from prior year				% change from prior year			
	4wk avg	Apr	Mar	Jan	4wk avg	Apr	Mar	Feb
Gasoline	-32	-311	-165	-210	-0.4	-3.5	-1.9	-2.4
Distillate	333	-21	52	-5	9.2	-0.6	1.4	-0.1
Jet Fuel	-80	34	-17	-30	-5.5	2.5	-1.2	-2.2
Resid	2	-146	8	-90	0.5	-35.8	1.9	-22.8



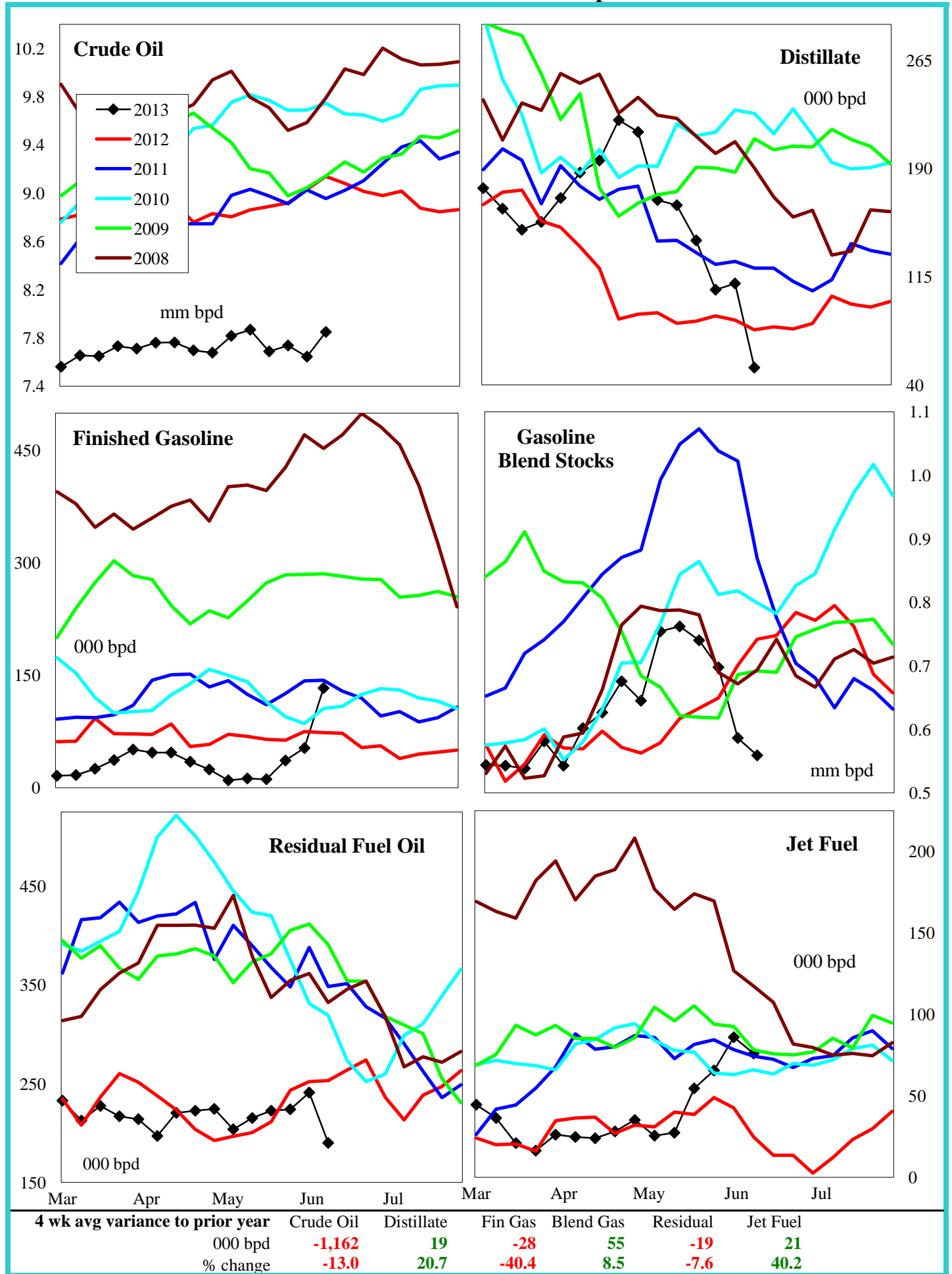
United States Product Stocks: Days Forward Coverage



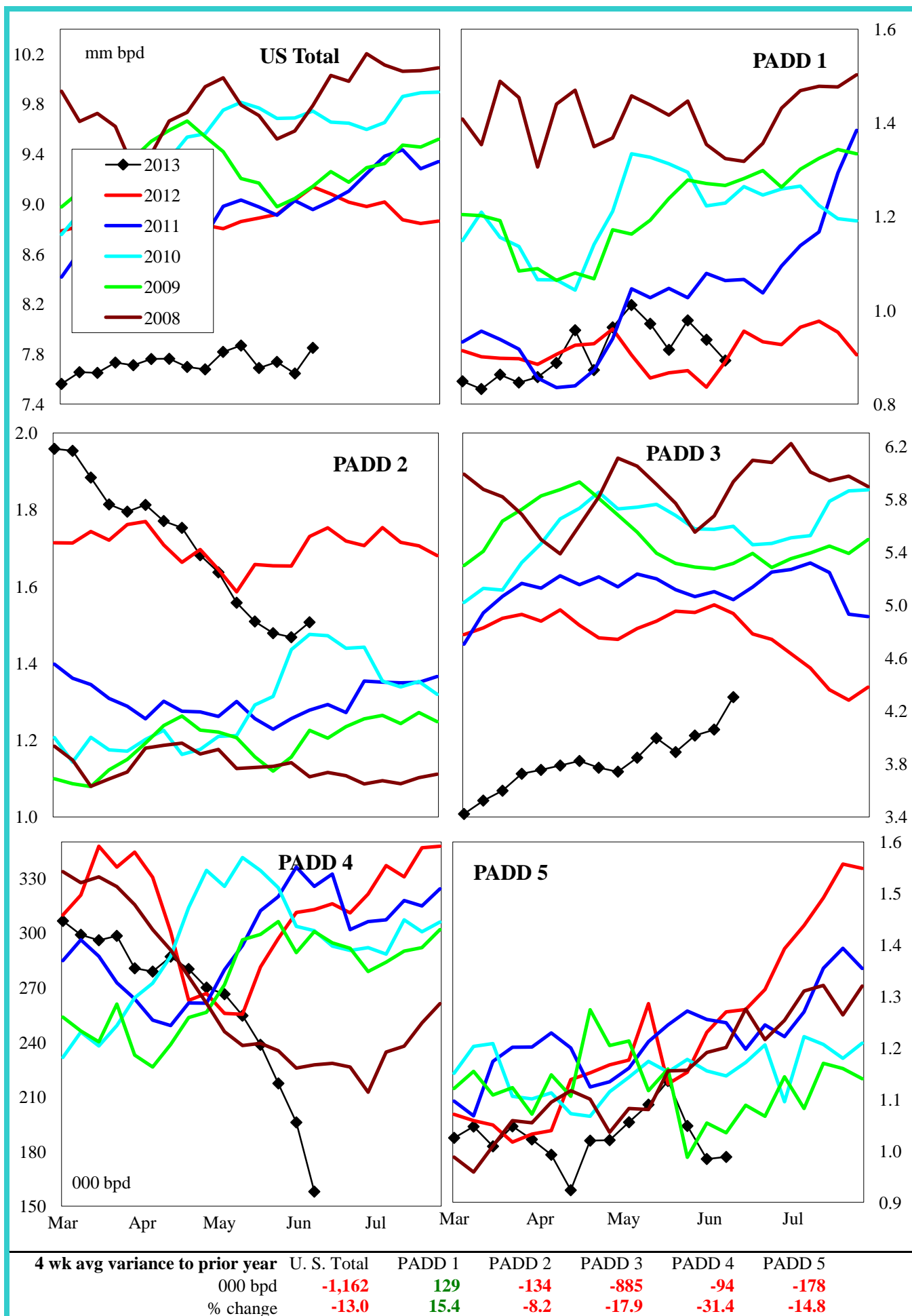
United States Refinery Percent Utilization Rate and Product Yields



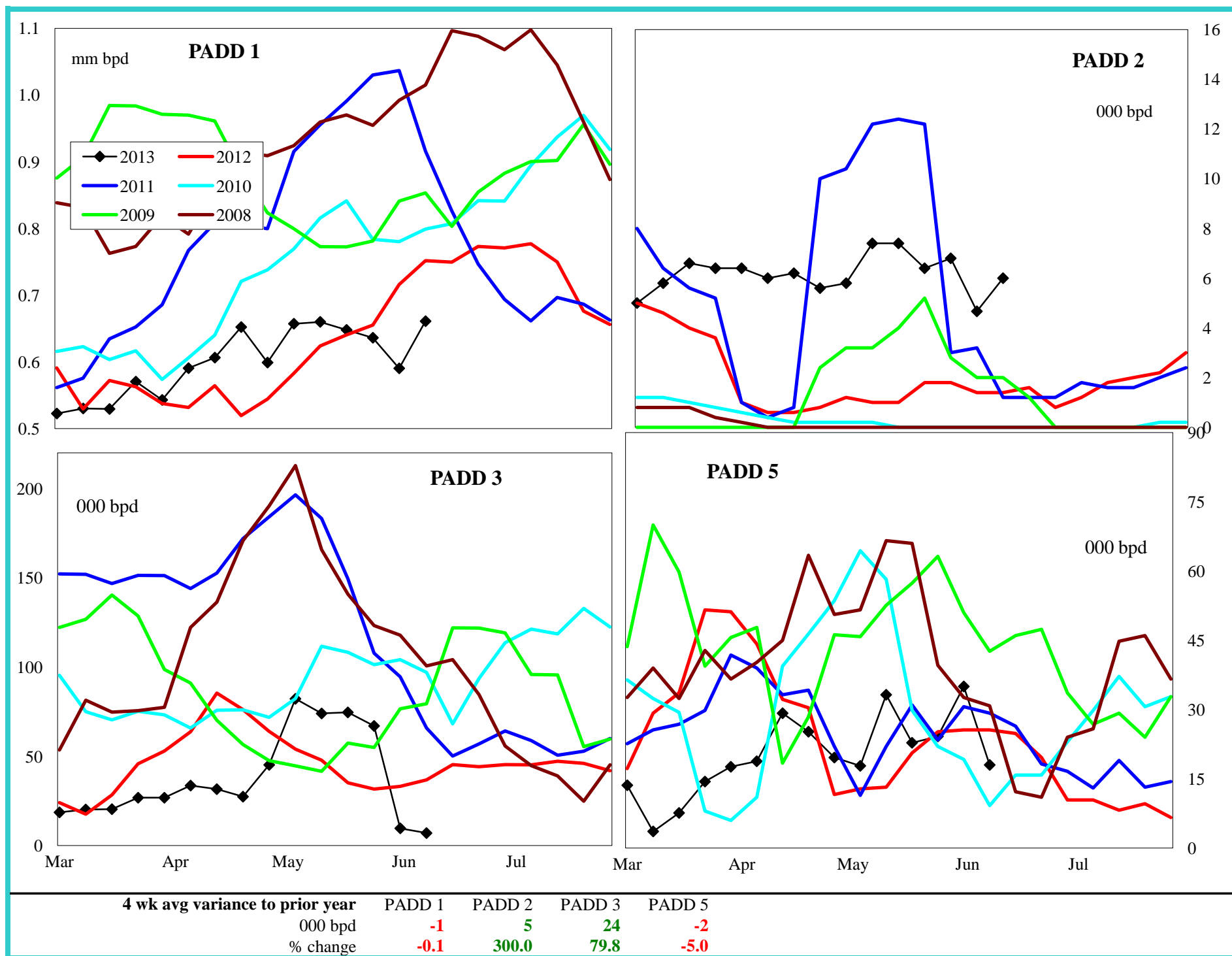
United States Petroleum Imports



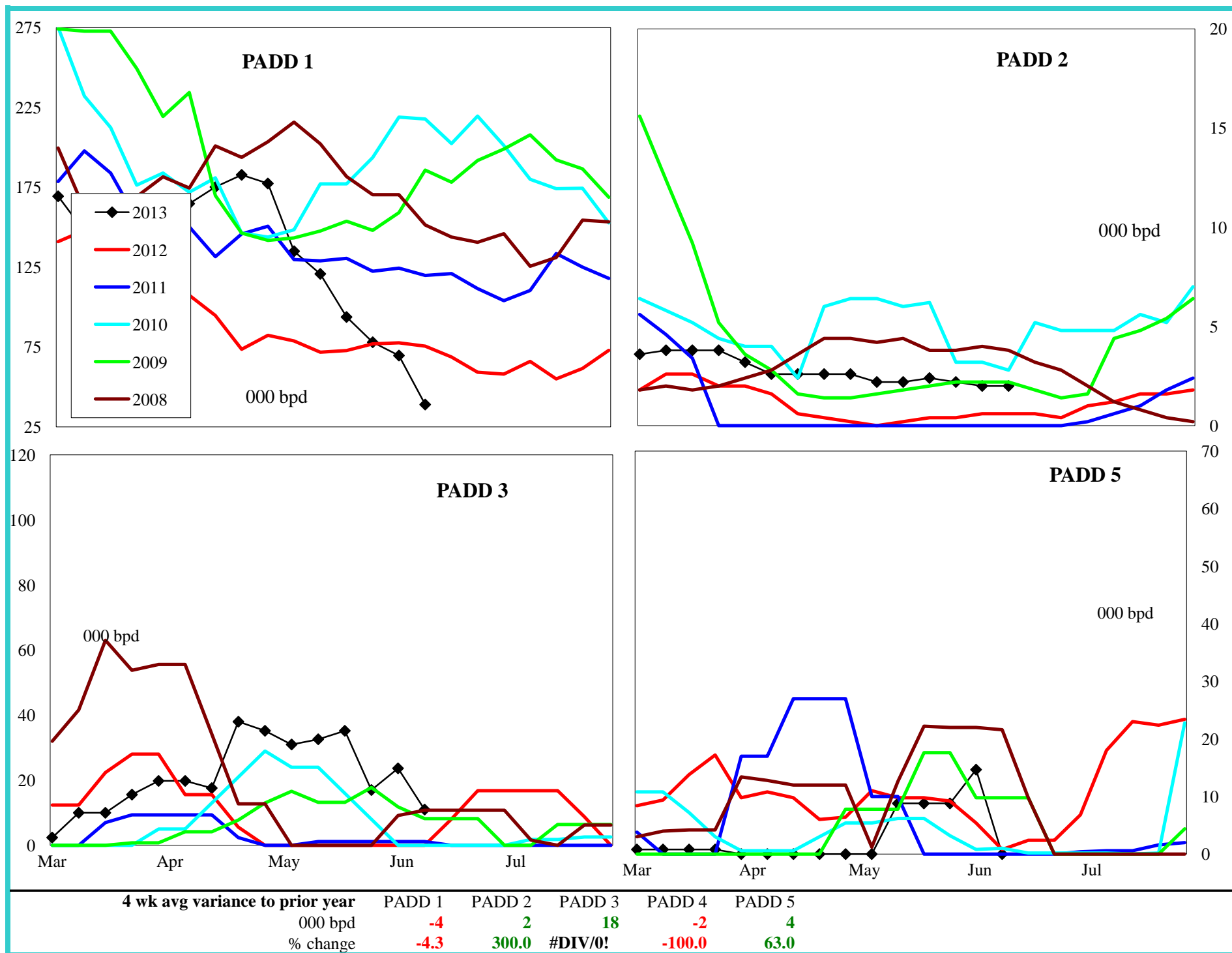
Crude Oil Imports by PADD



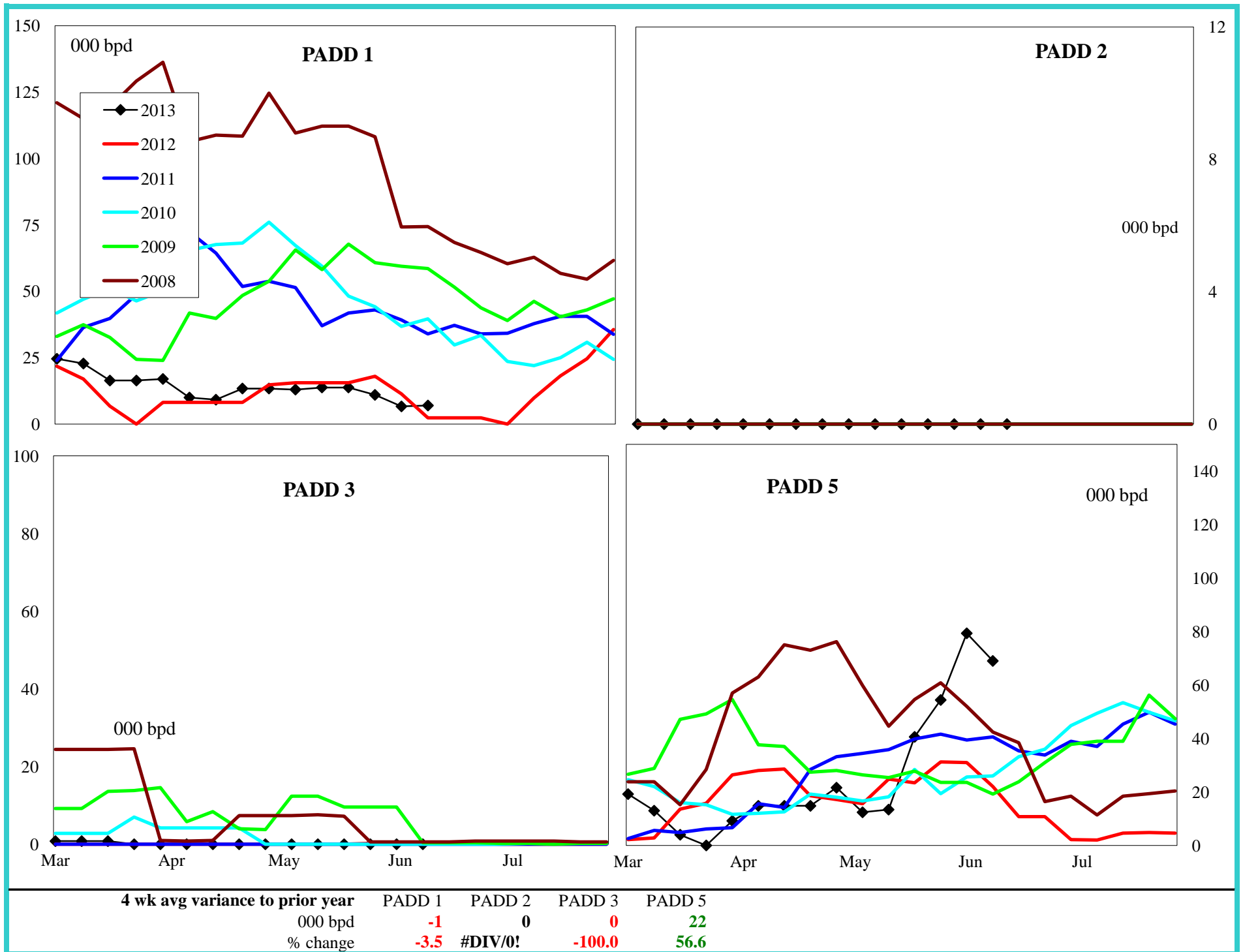
Gasoline Imports by PADD (Finished + Blend Stocks)



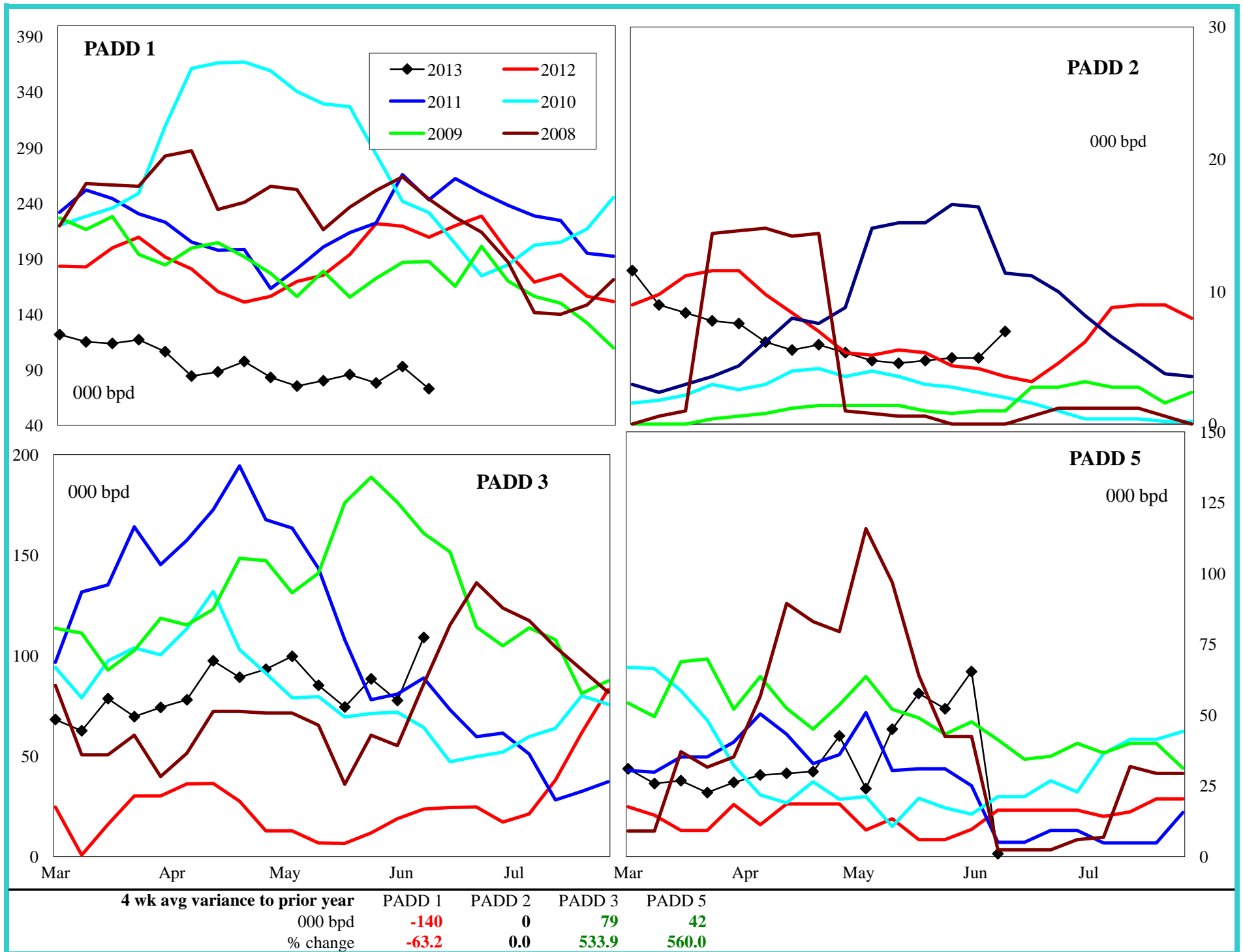
Distillate Imports by PADD



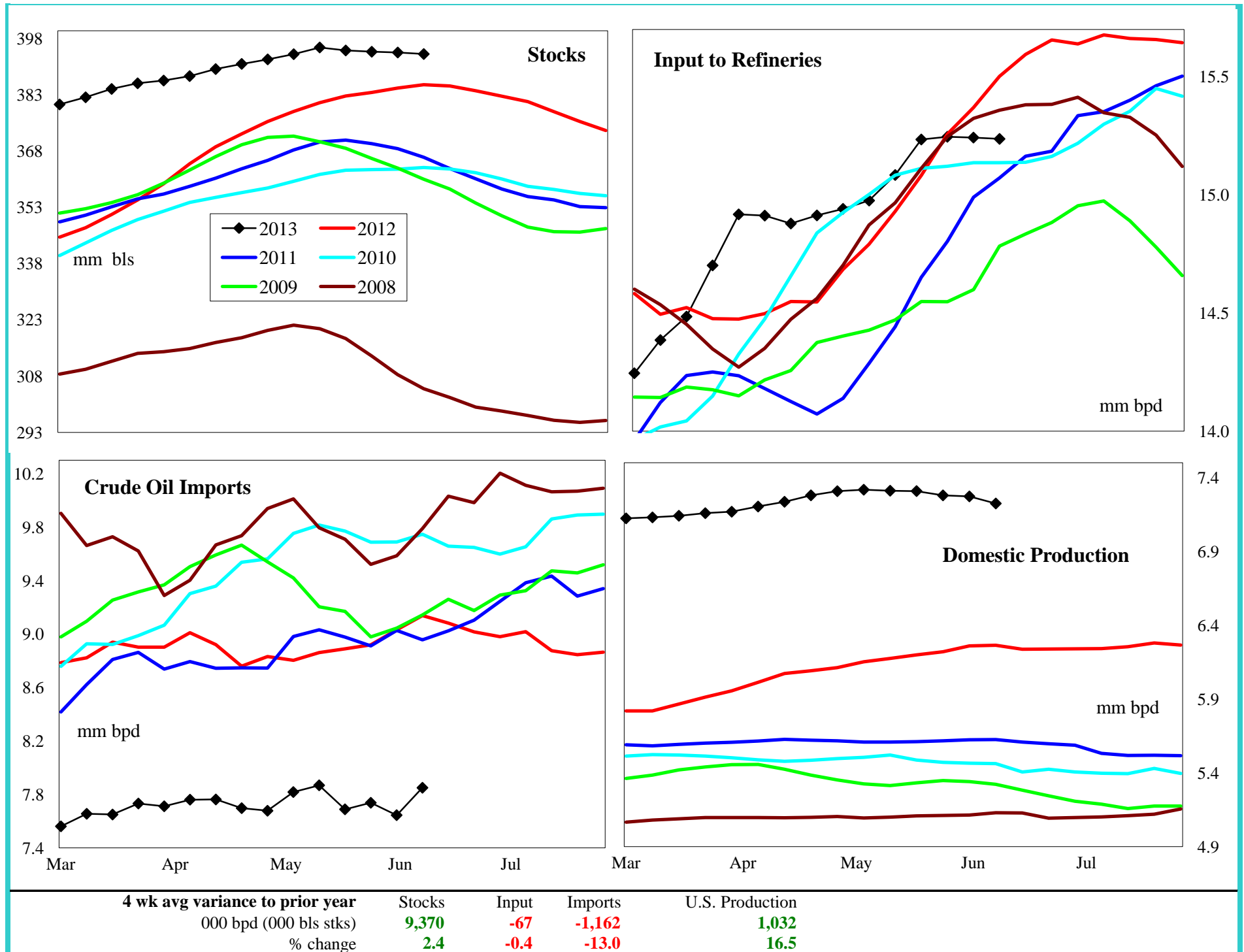
Jet Fuel Imports by PADD



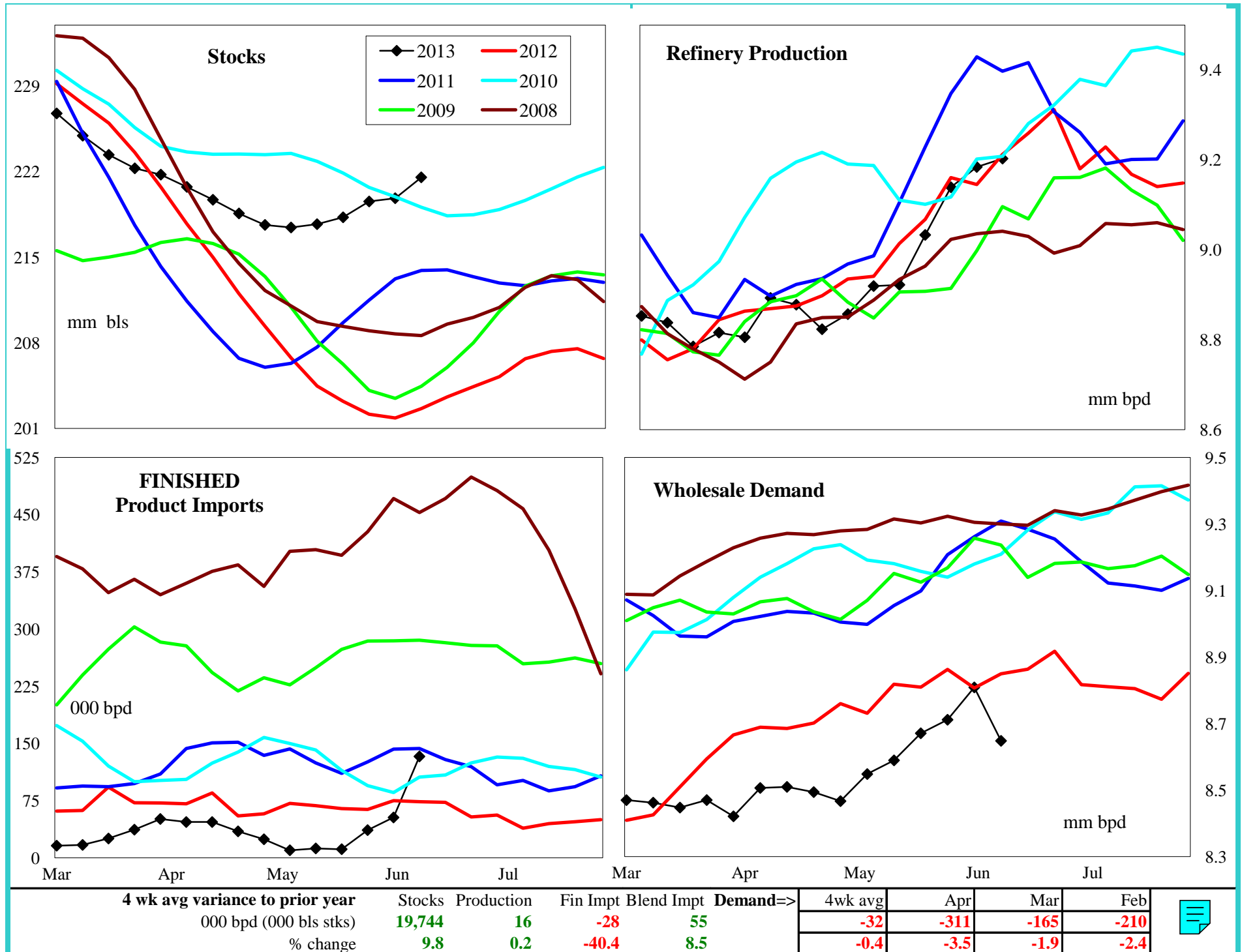
Residual Fuel Oil Imports by PADD



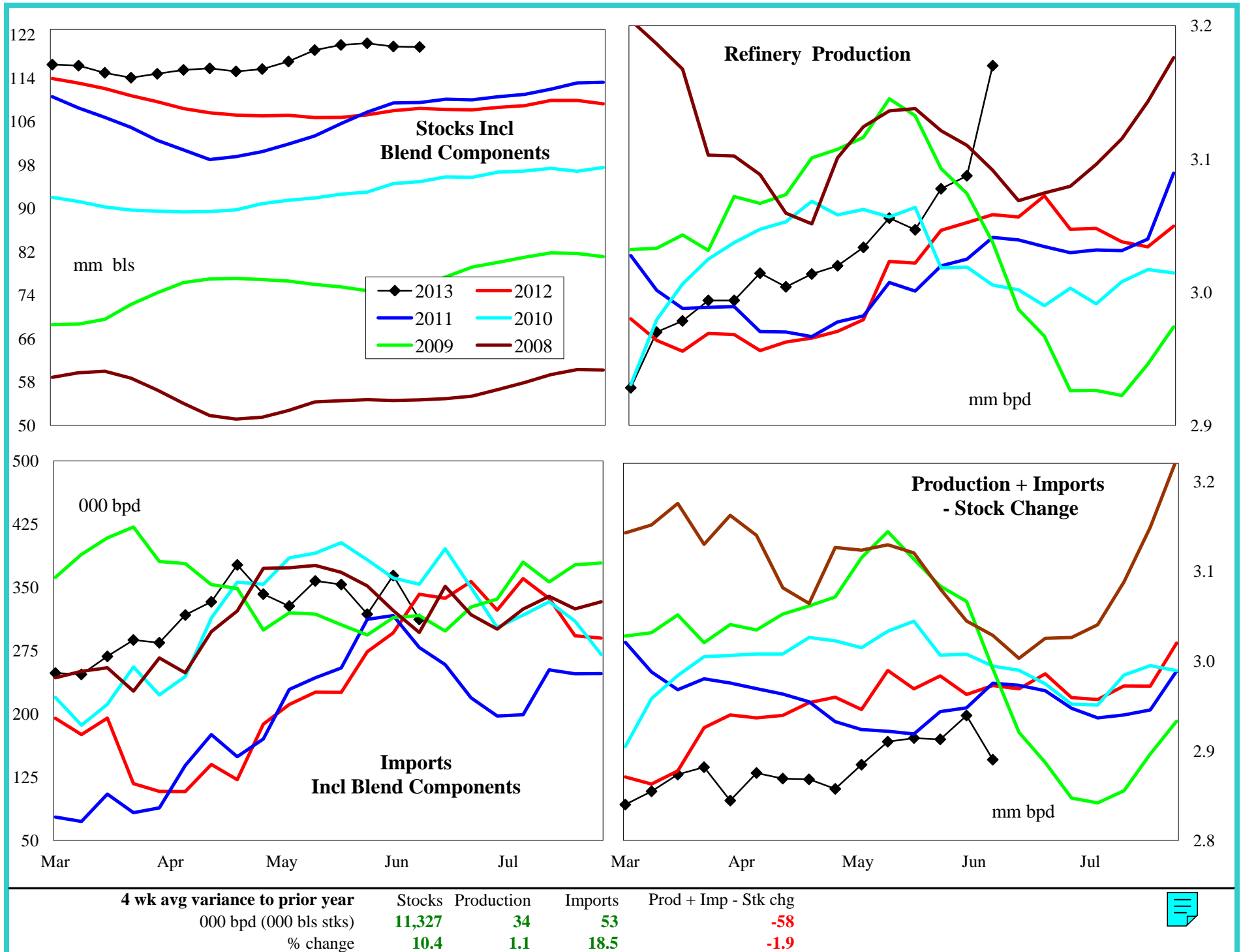
United States Crude Oil Supply and Demand Balance



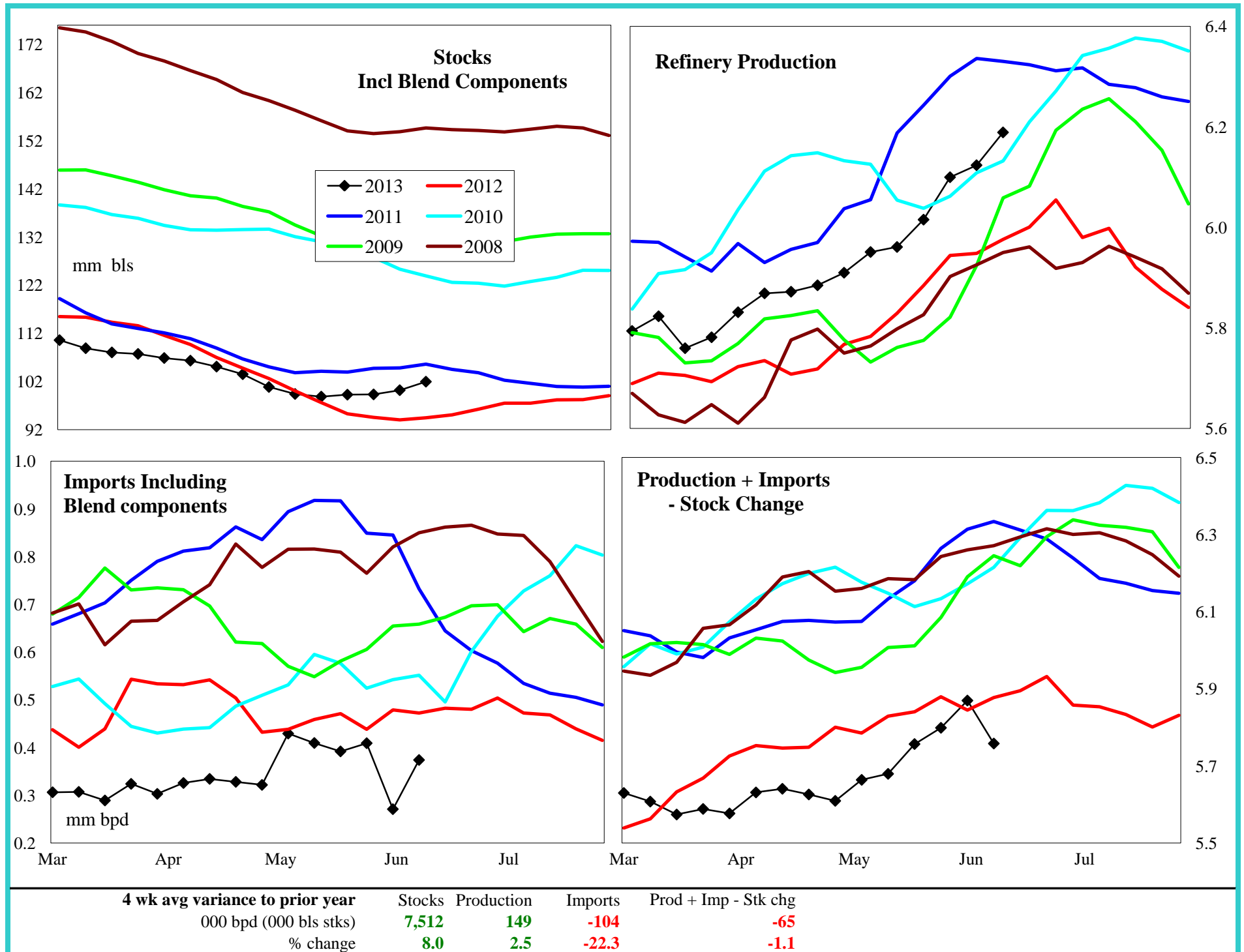
United States Gasoline Supply and Demand Balance



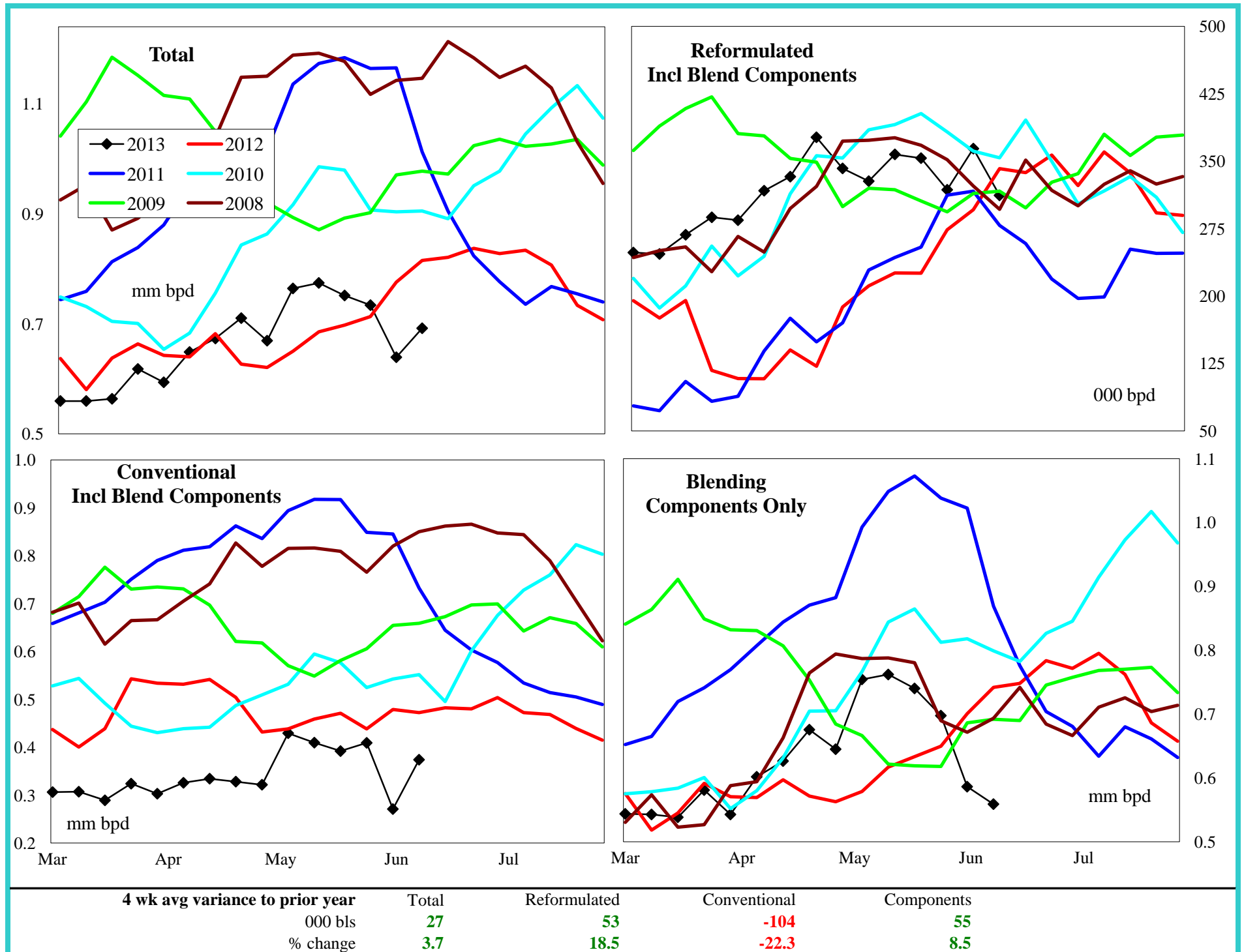
United States Reformulated Gasoline Supply



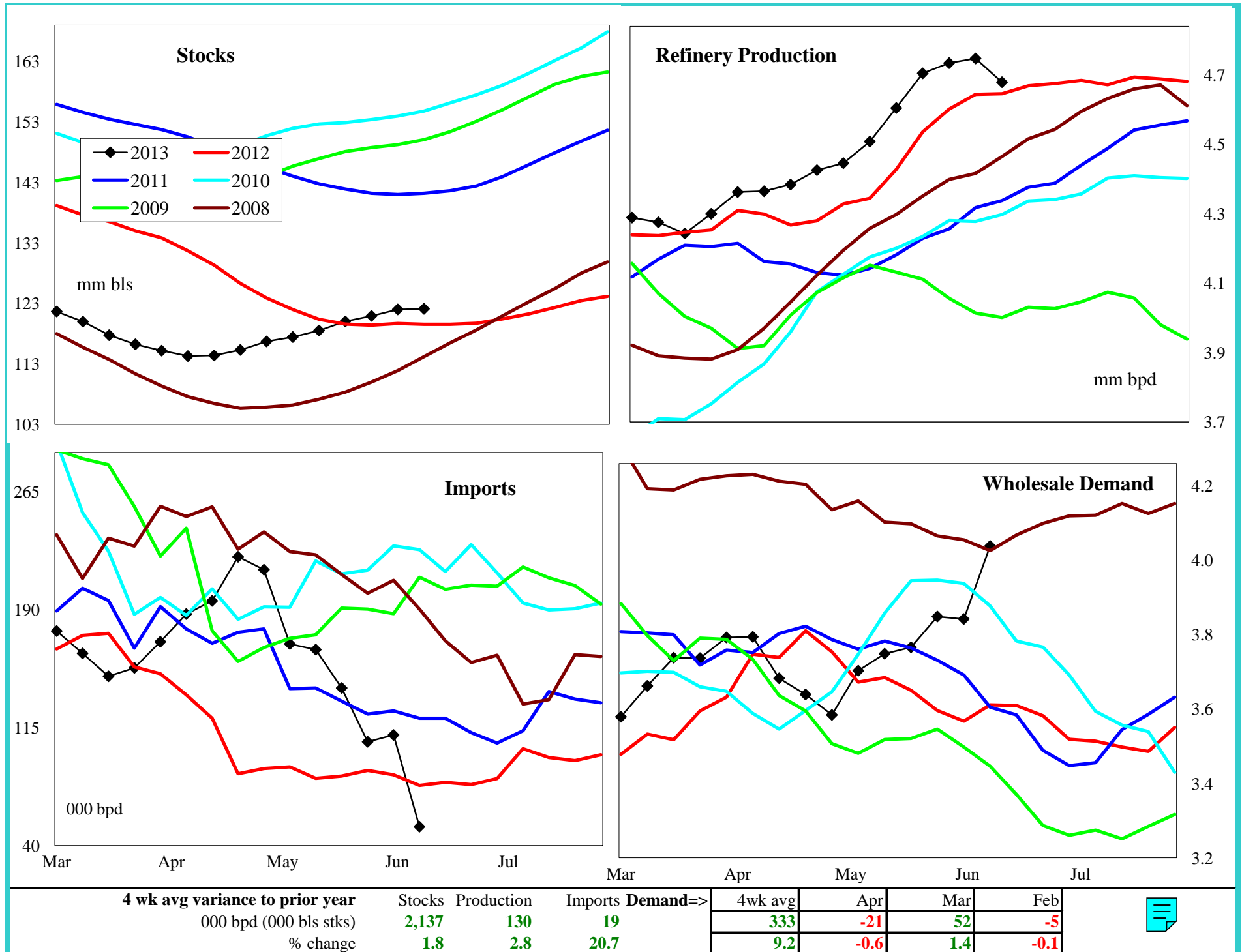
United States Conventional Gasoline Supply



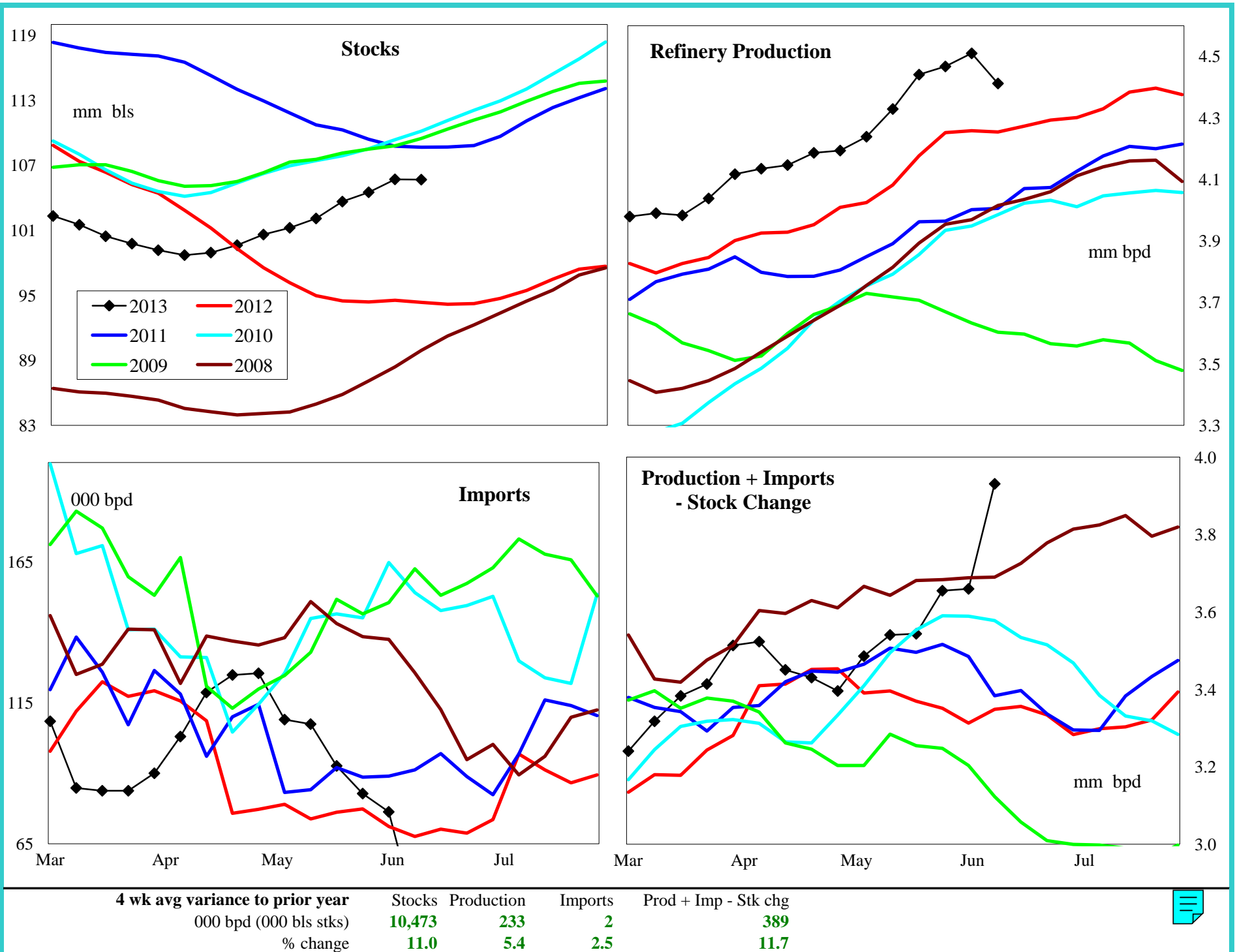
United States Gasoline Imports by Type



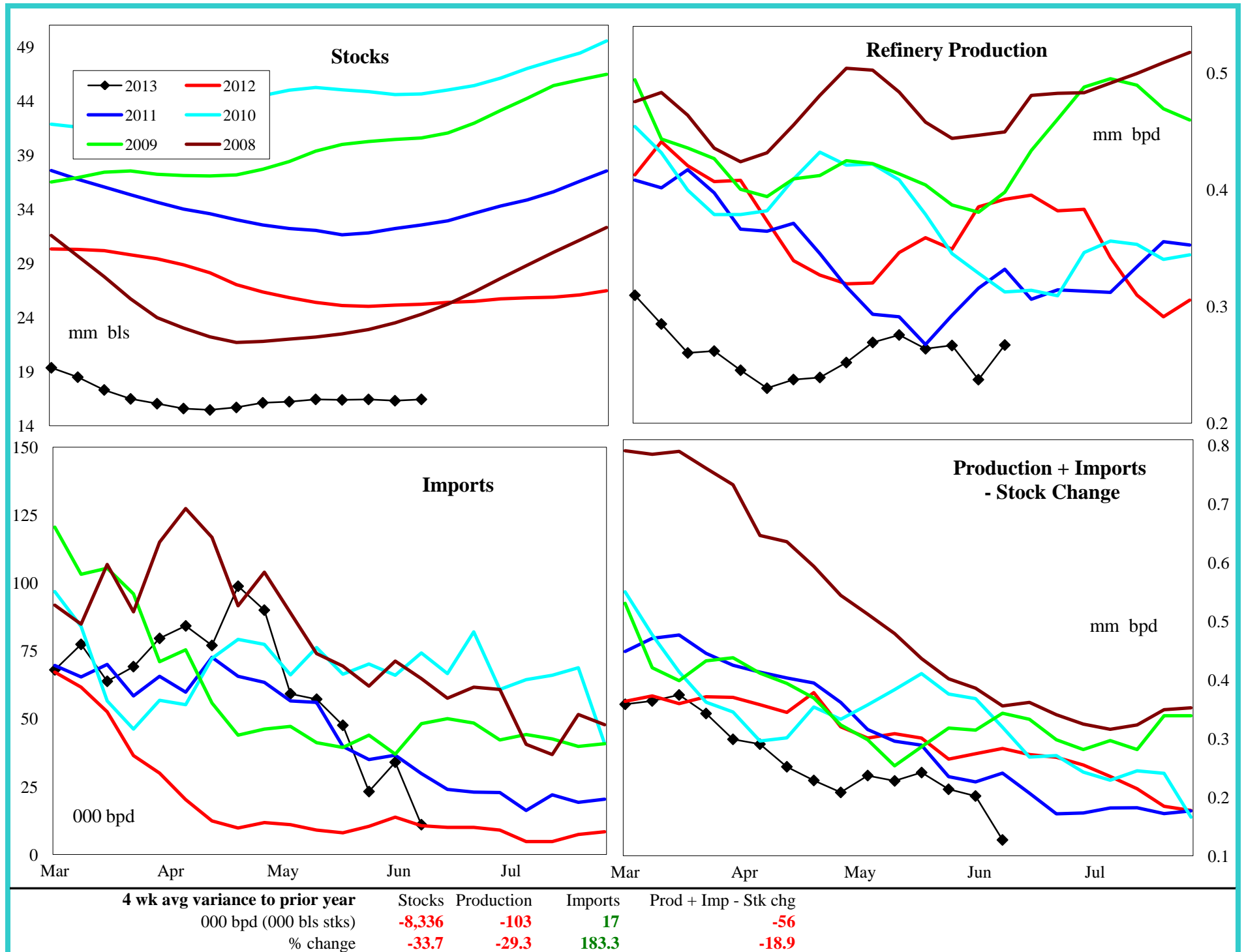
United States Distillate Supply and Demand Balance



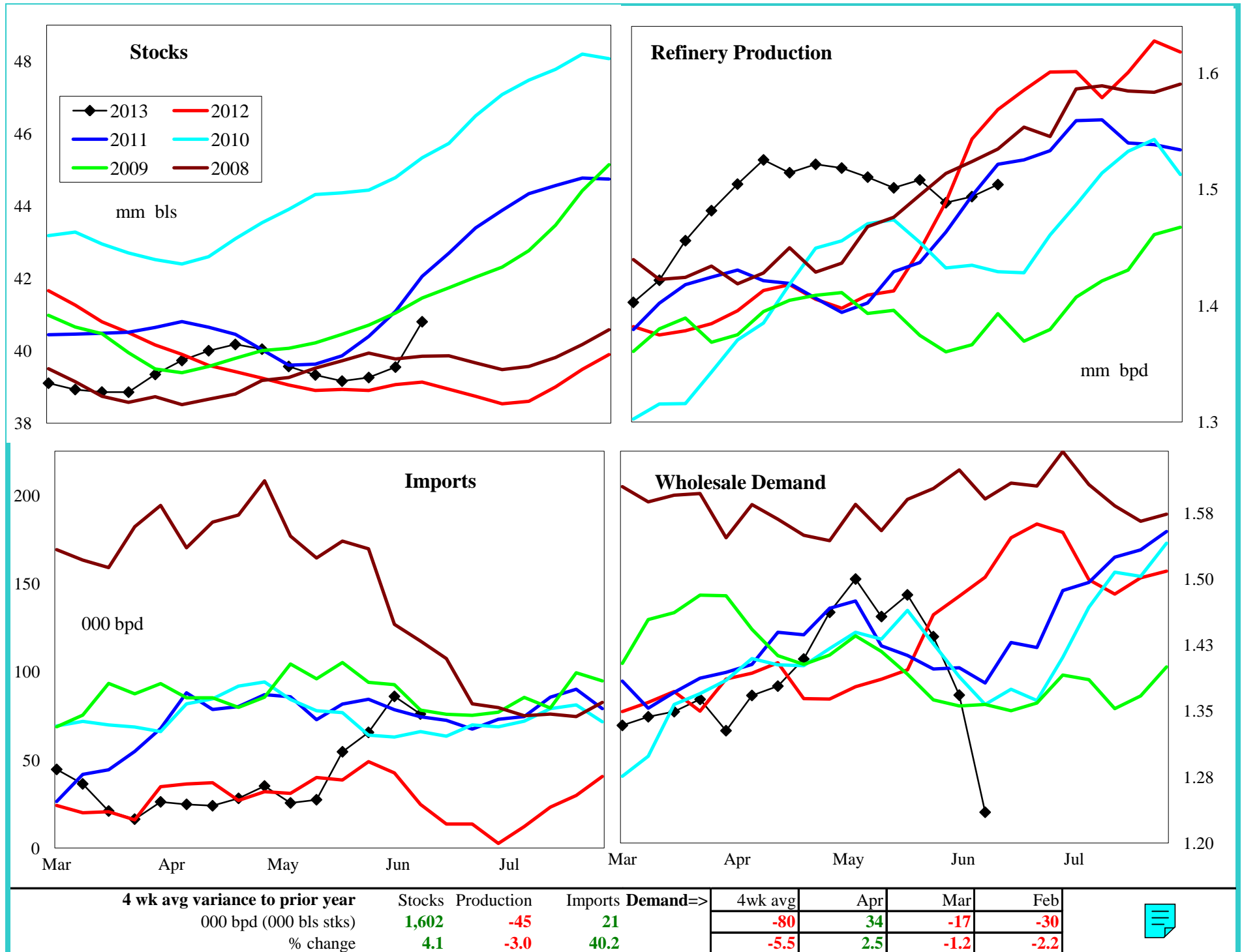
United States Low Sulfur Distillate Supply



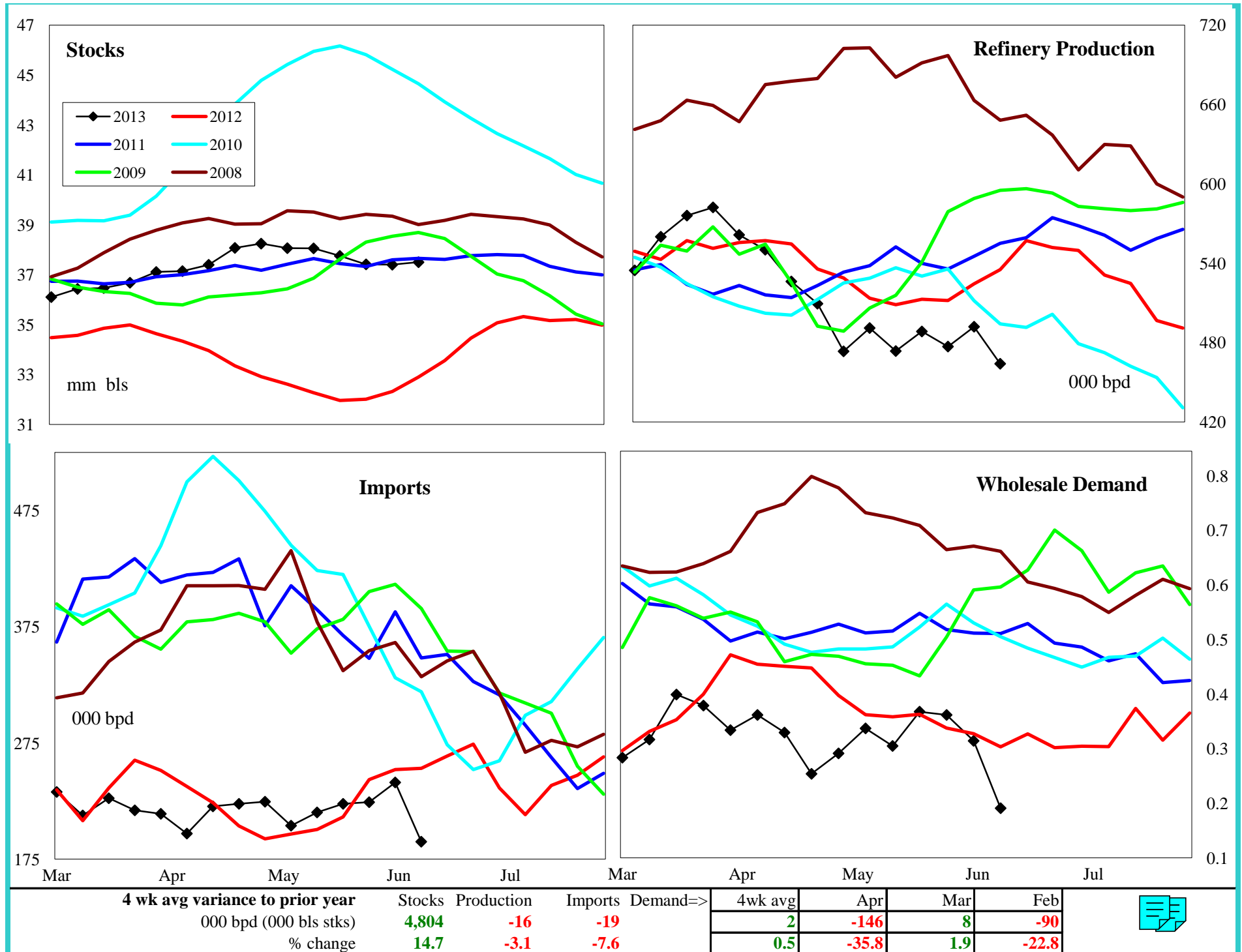
United States High Sulfur Distillate Supply



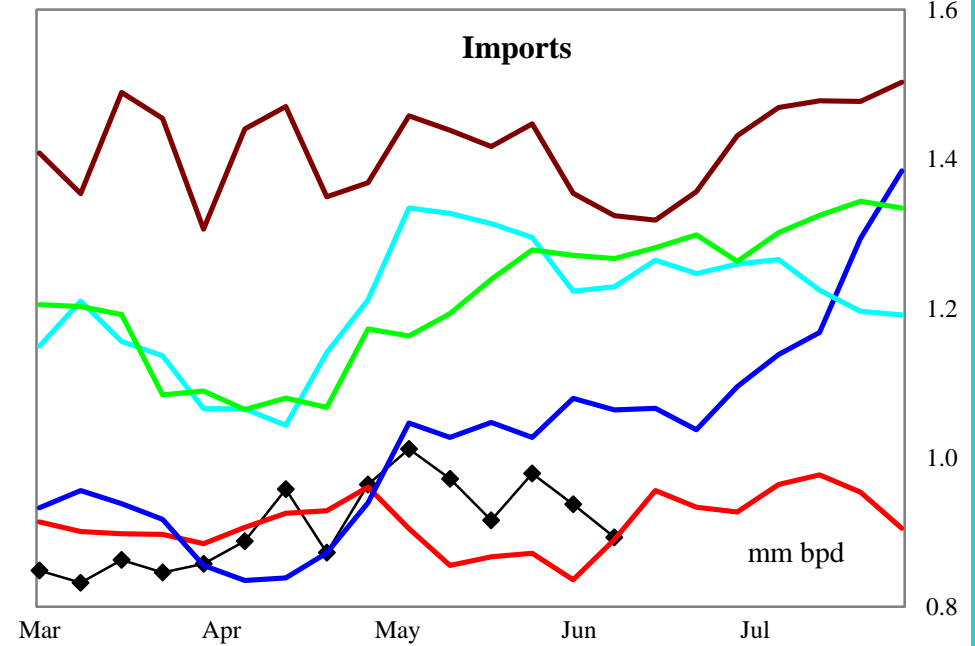
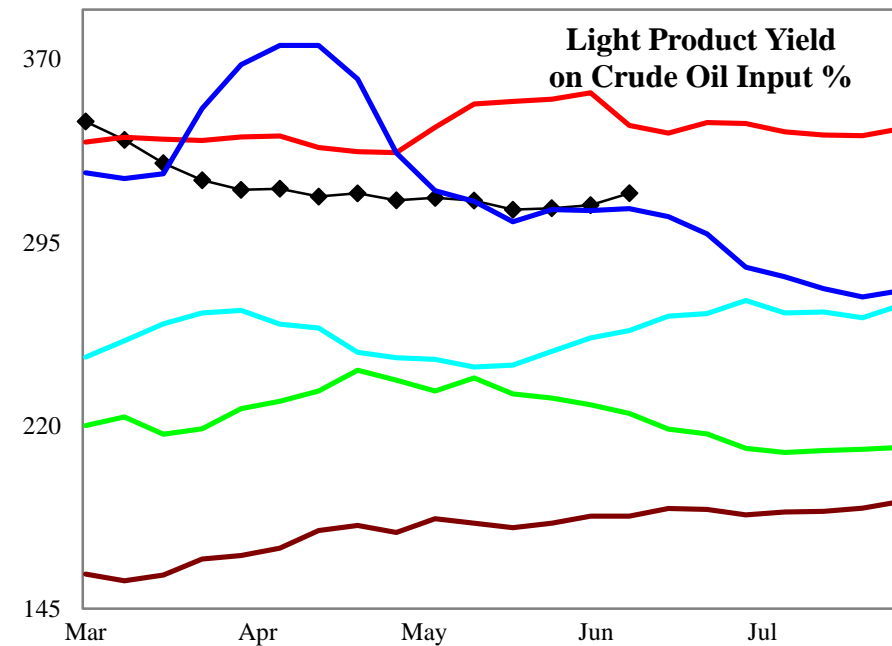
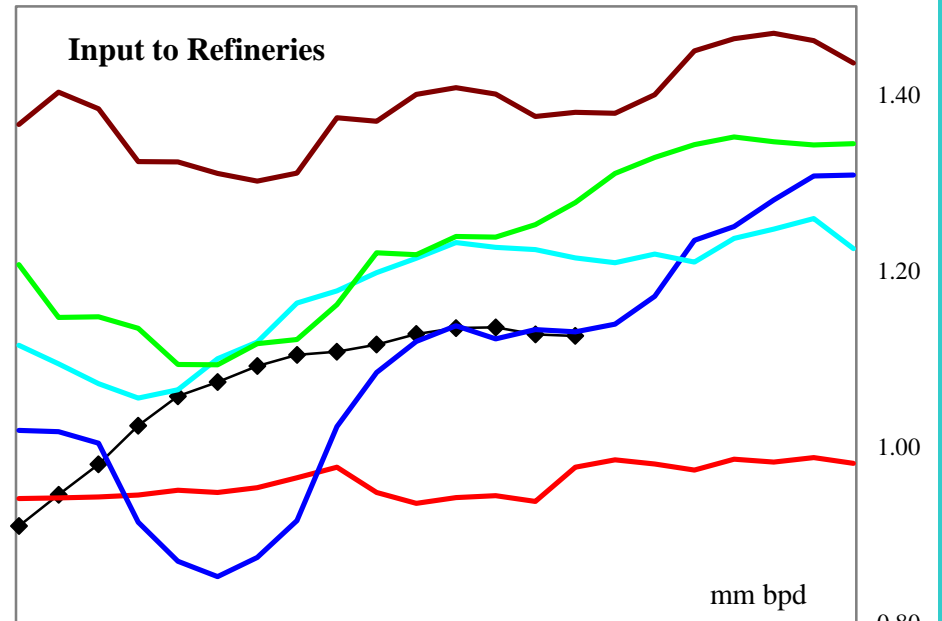
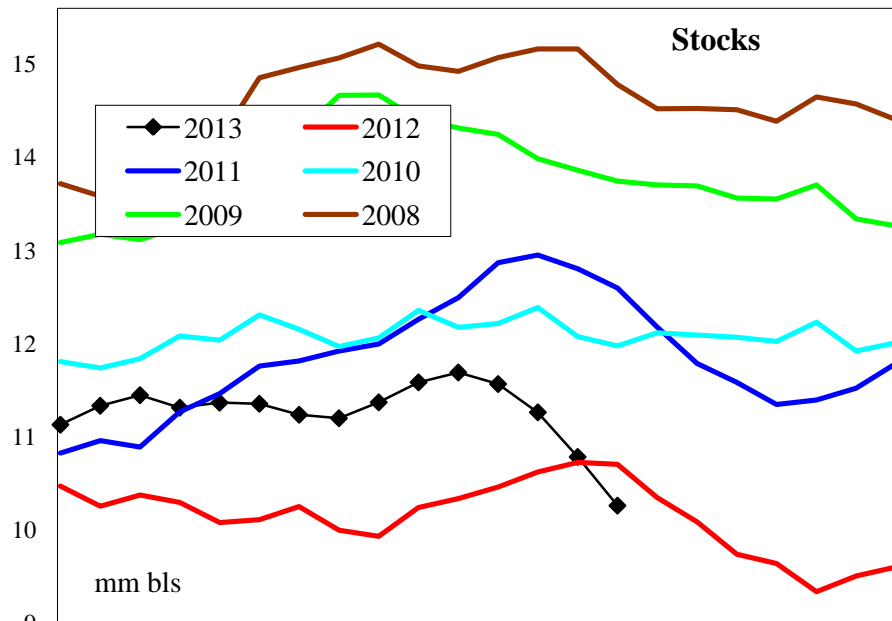
United States Jet Fuel Supply and Demand Balance



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

-444

-4.0

Input

198

21.3

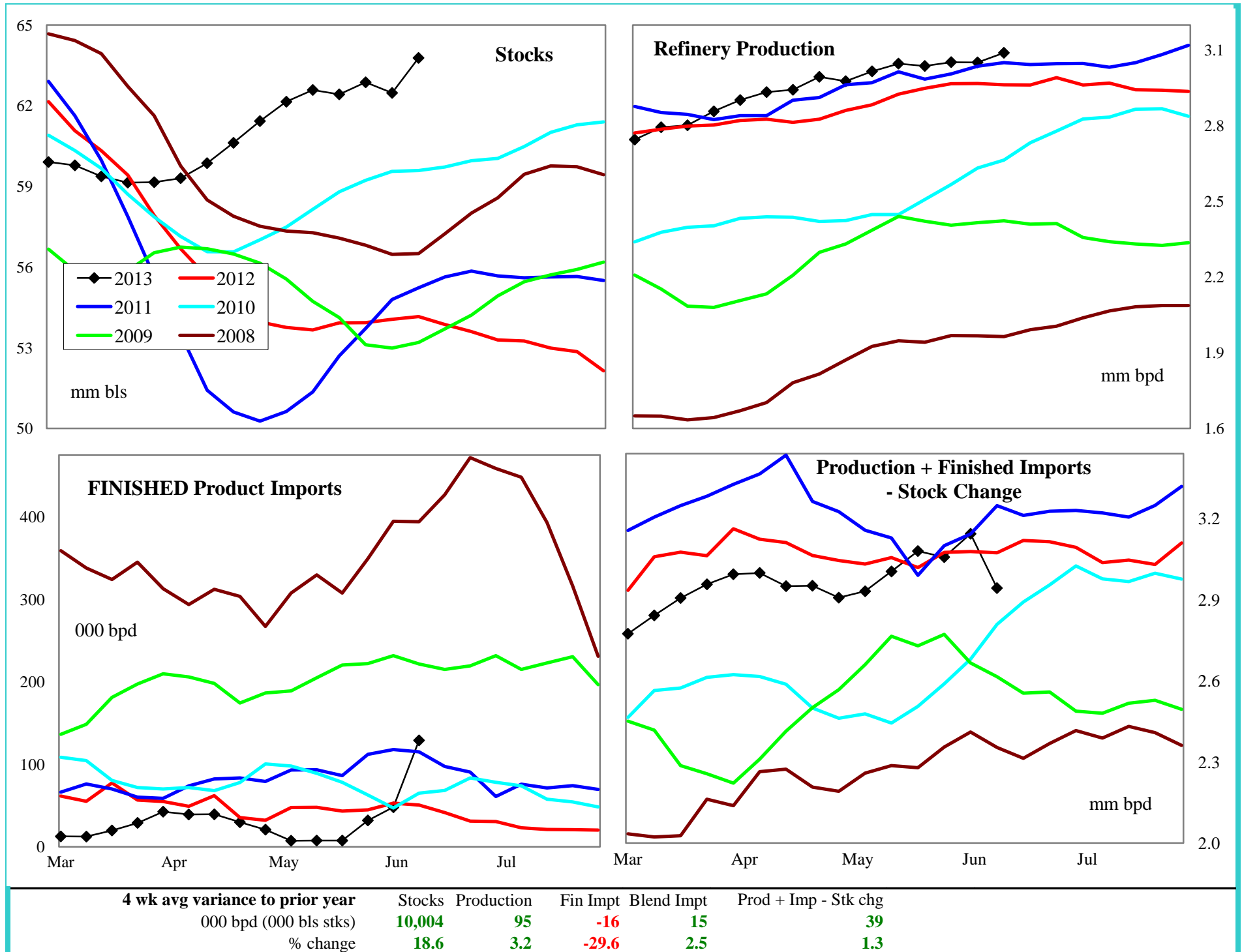
Imports

129

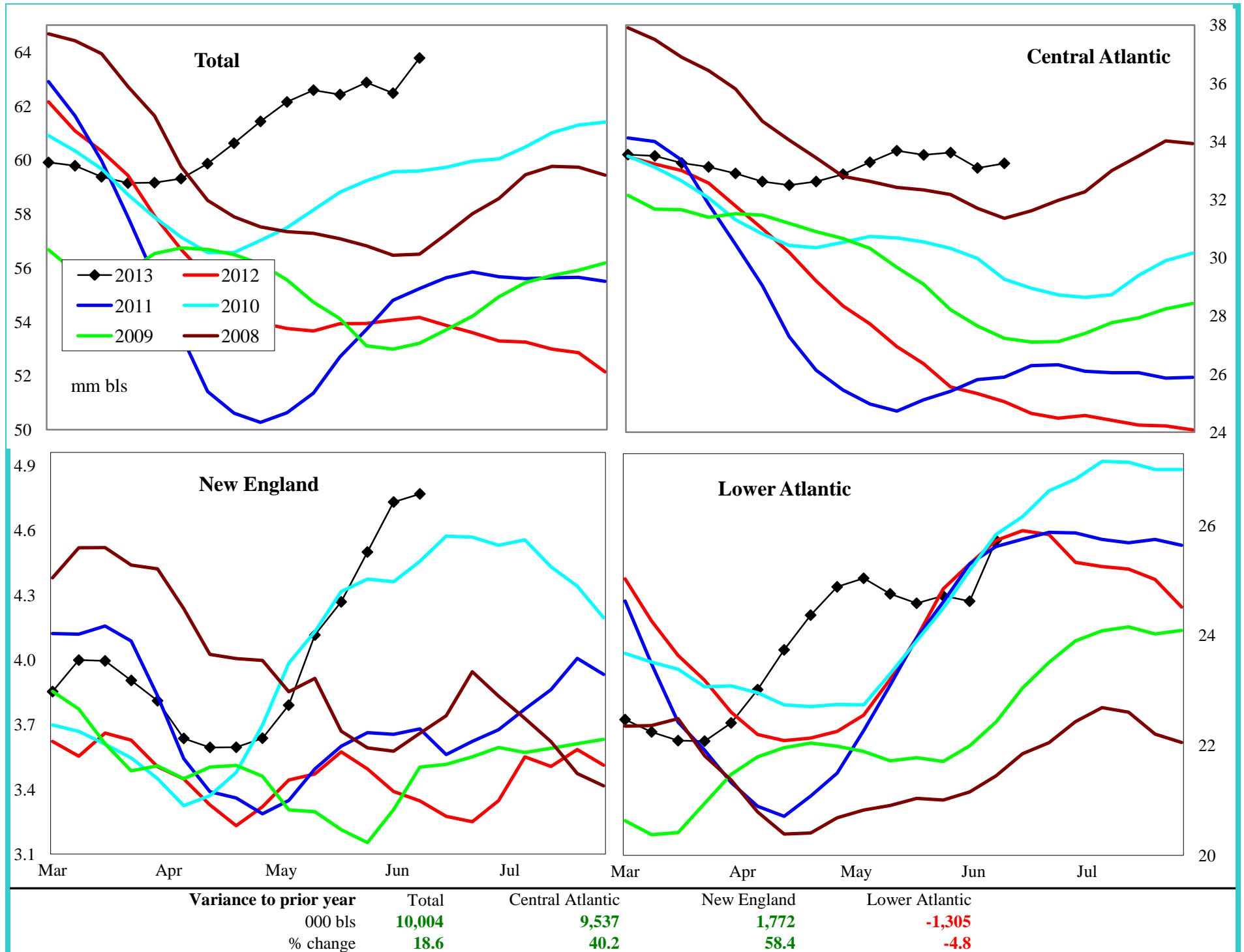
15.4



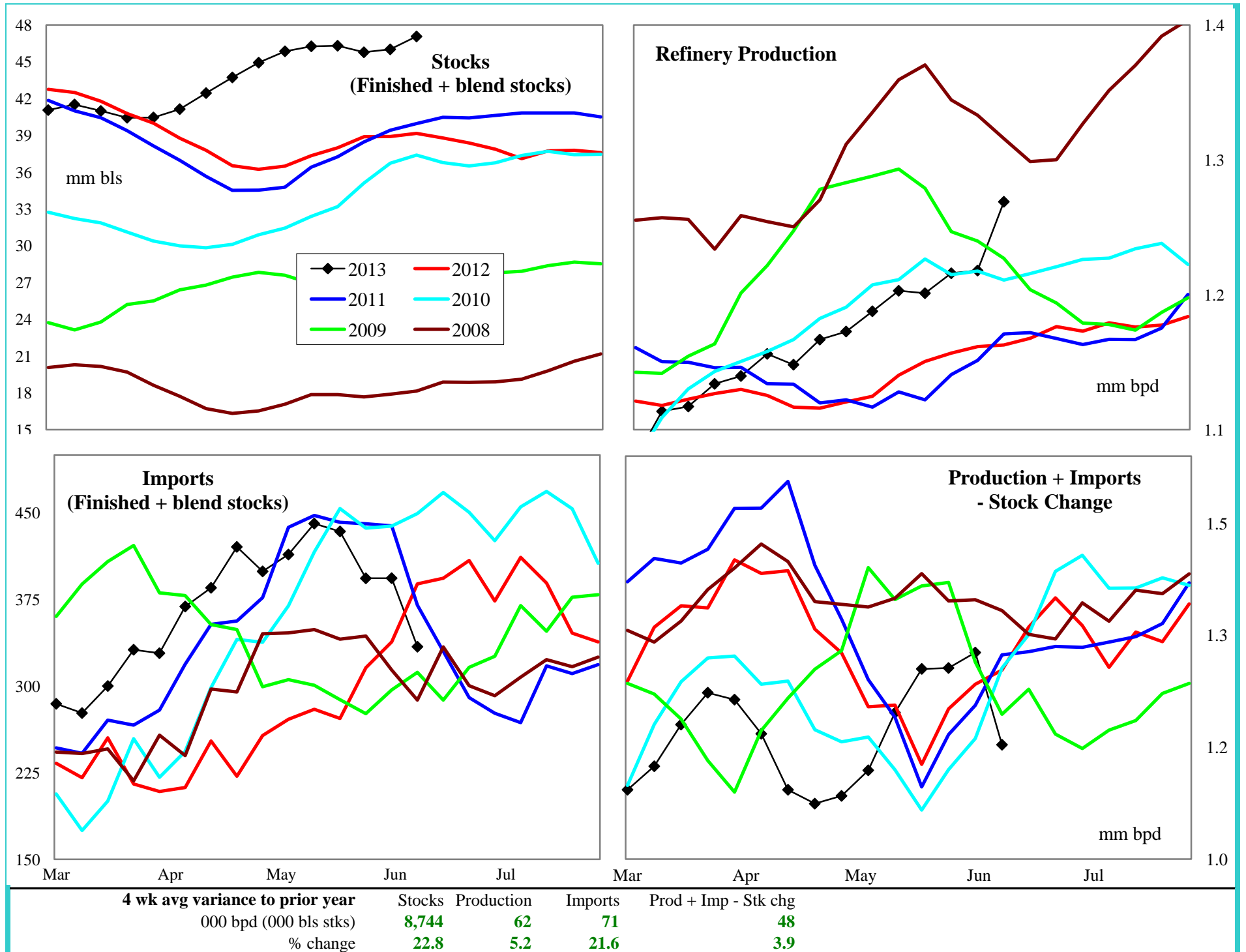
PADD 1 Gasoline Supply



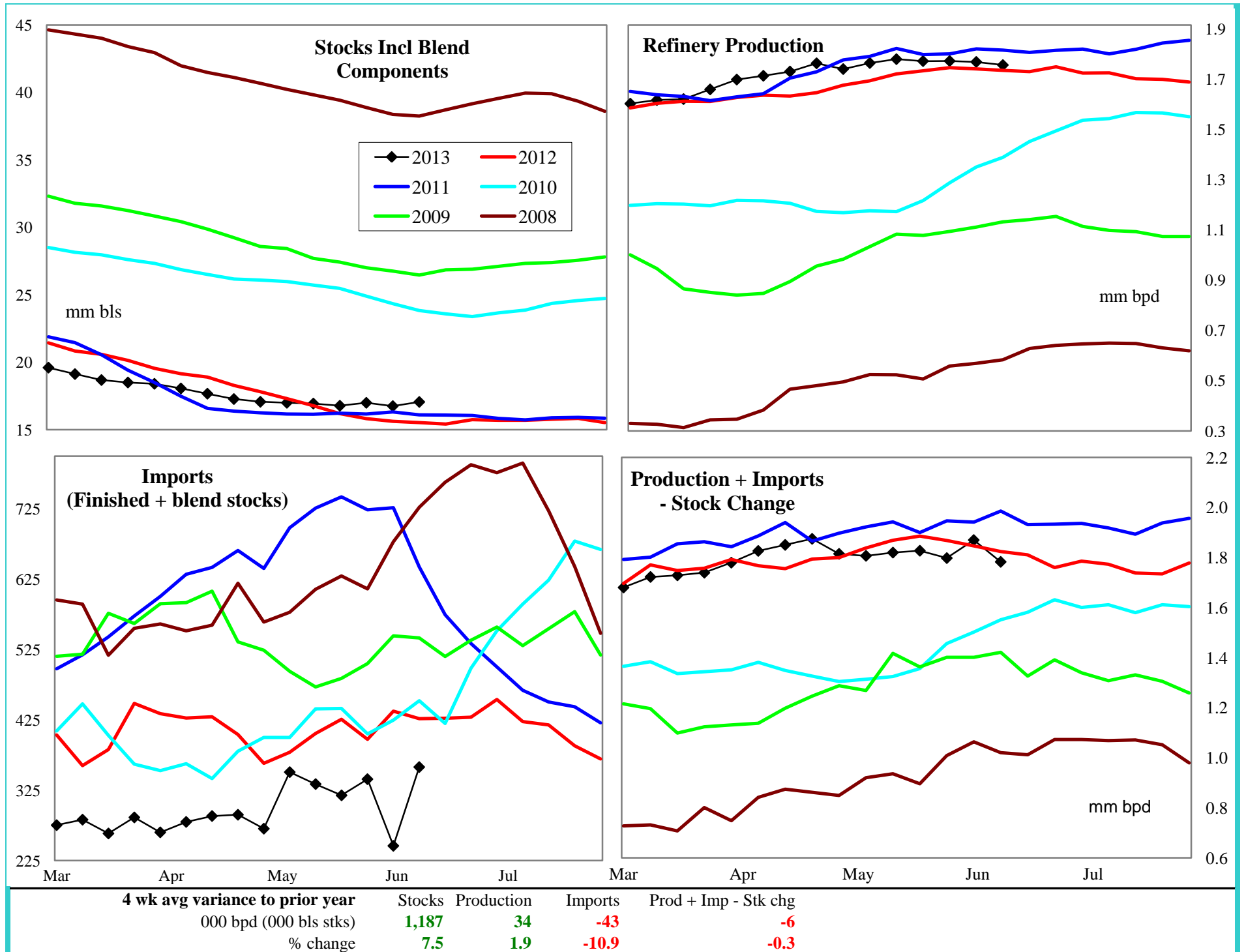
PADD 1 Gasoline Stocks by Region



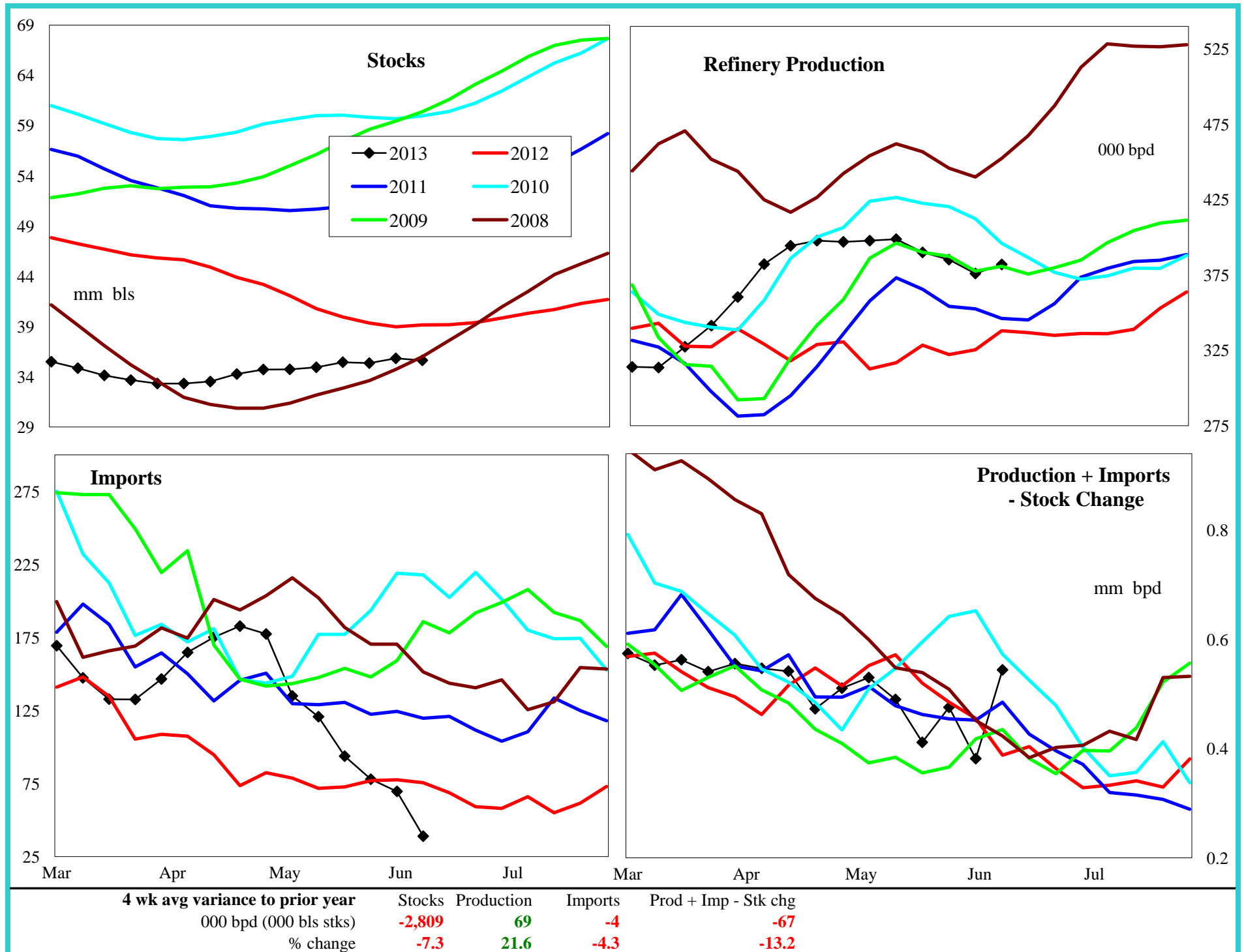
PADD 1 Reformulated Gasoline Supply



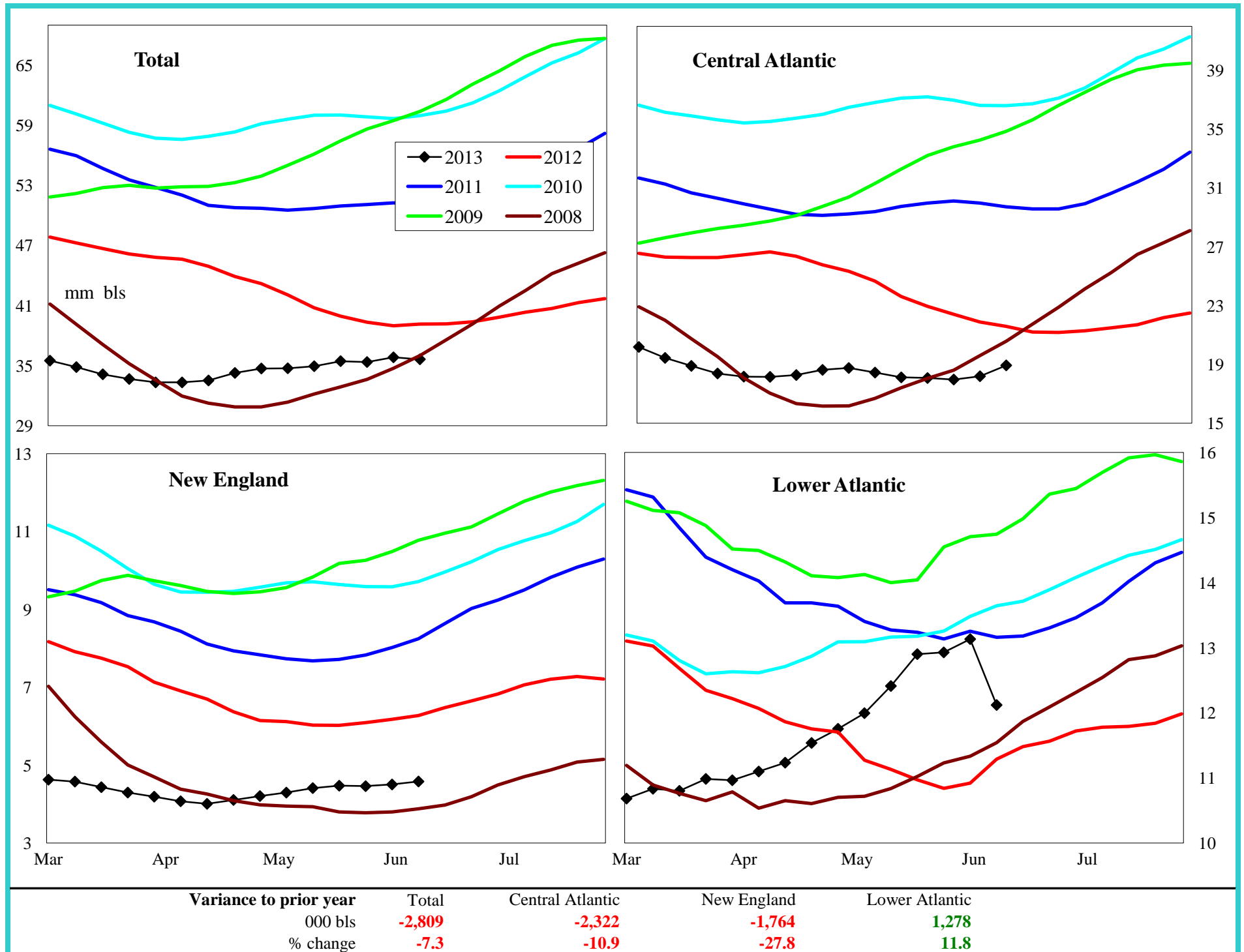
PADD 1 Conventional Gasoline Supply



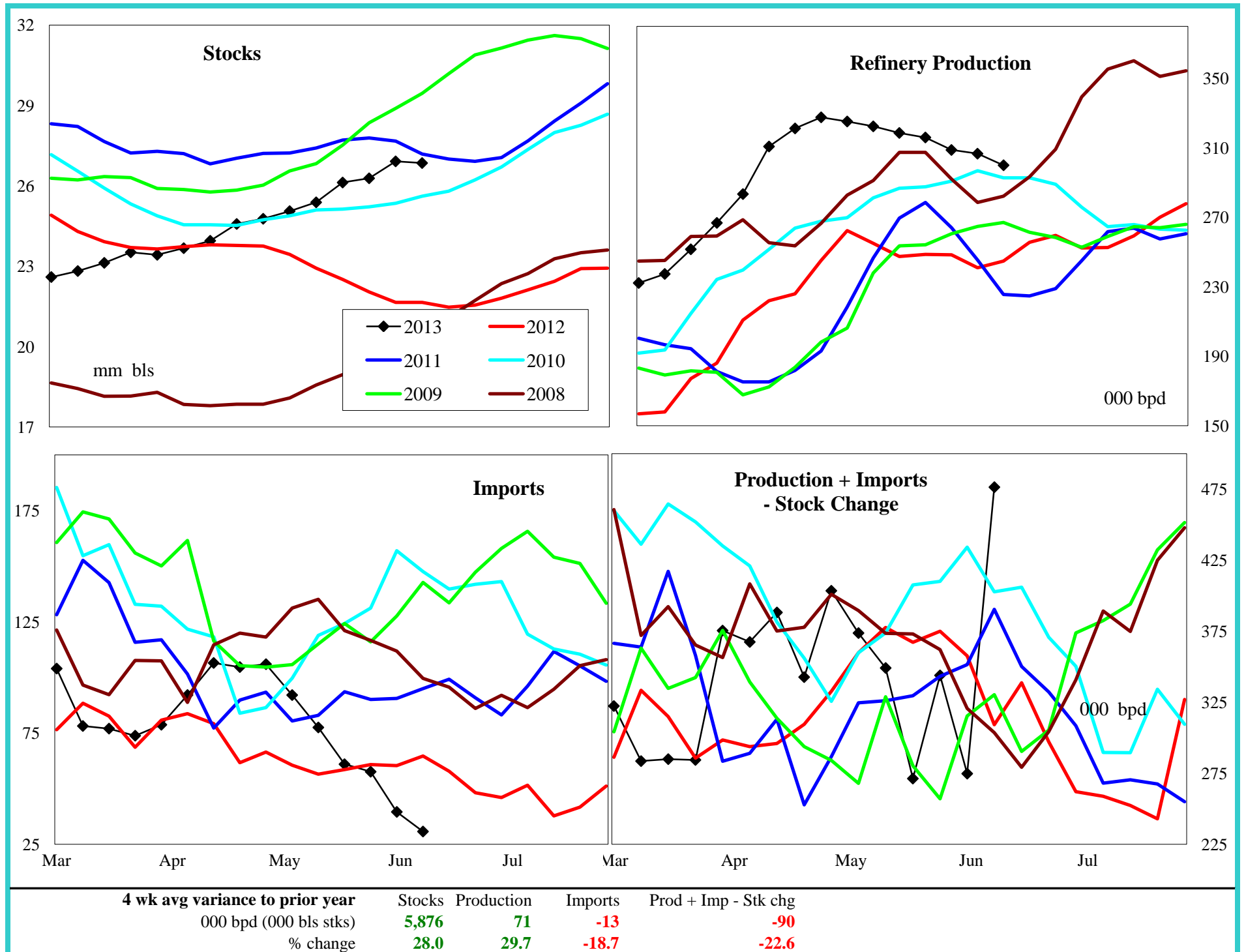
PADD 1 Distillate Supply



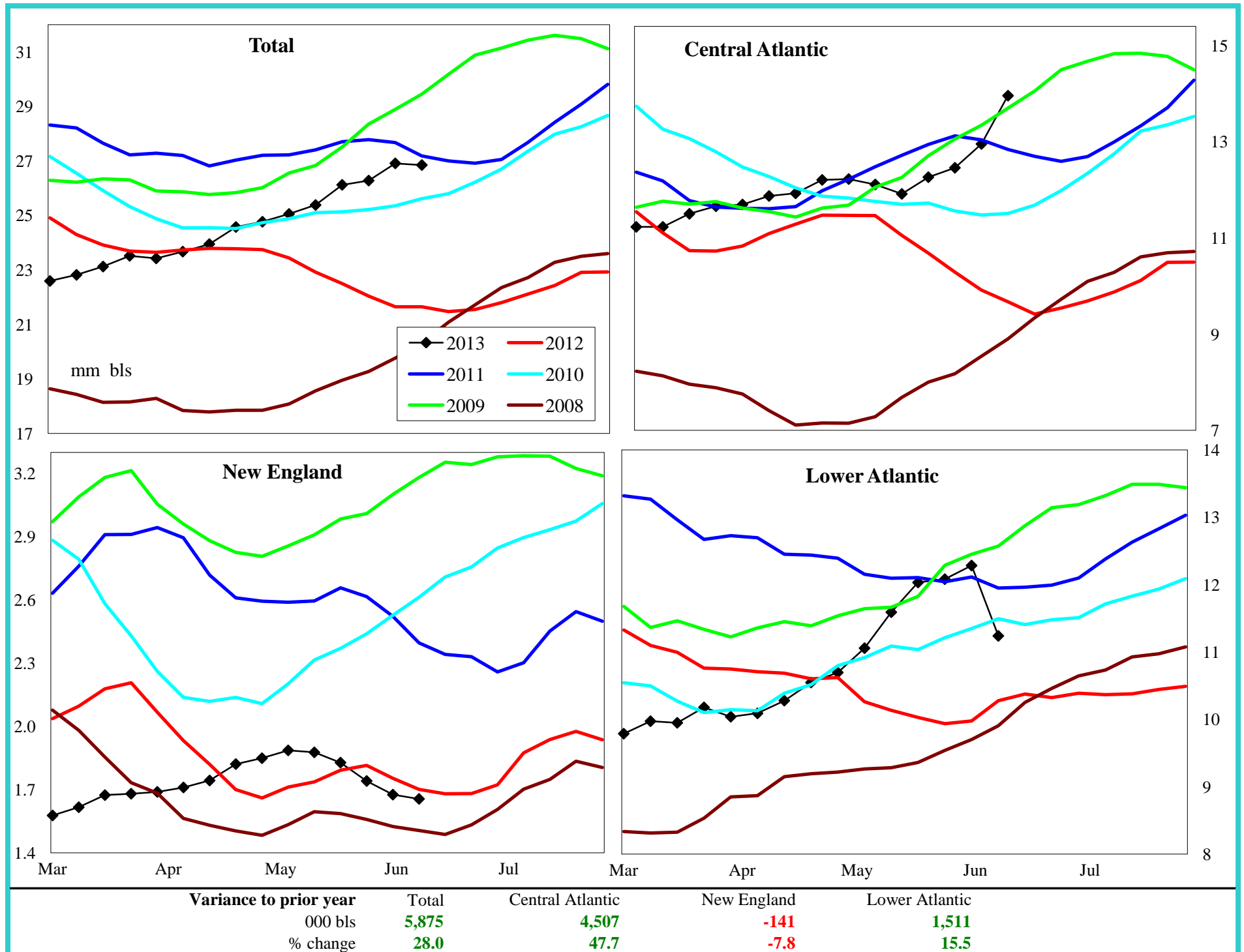
PADD 1 Distillate Stocks by Region



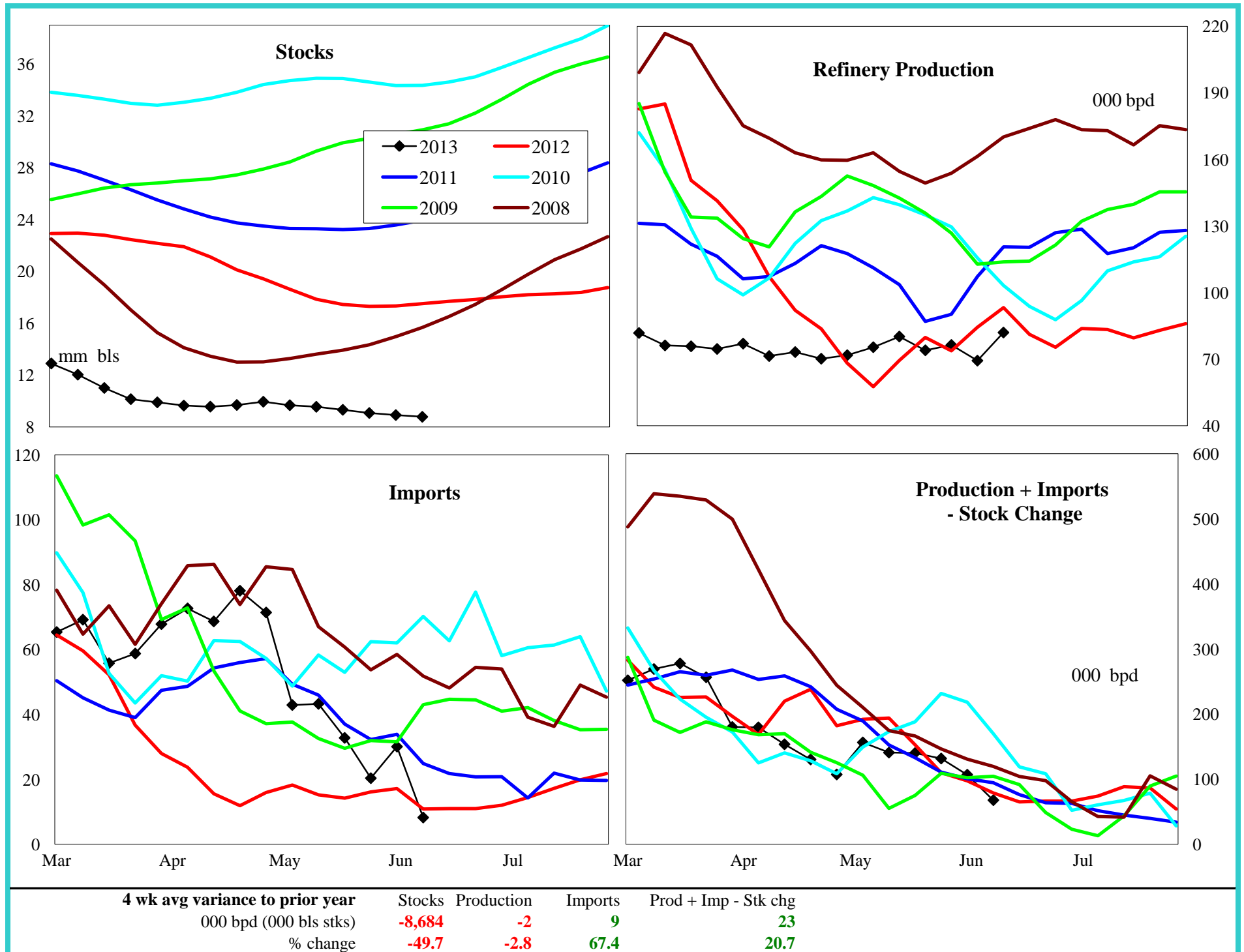
PADD 1 Low Sulfur Distillate Supply



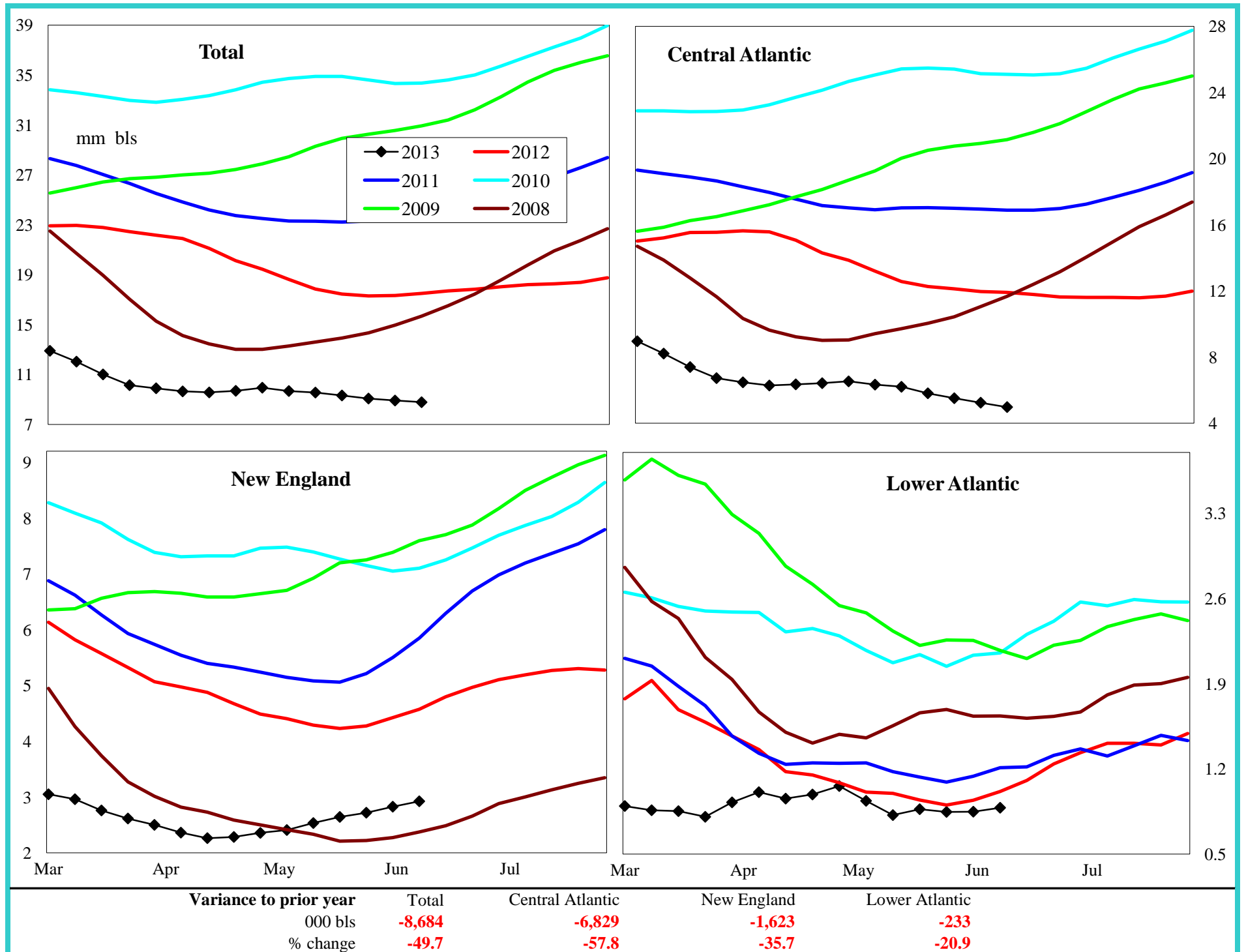
PADD 1 Low Sulfur Distillate Stocks by Region



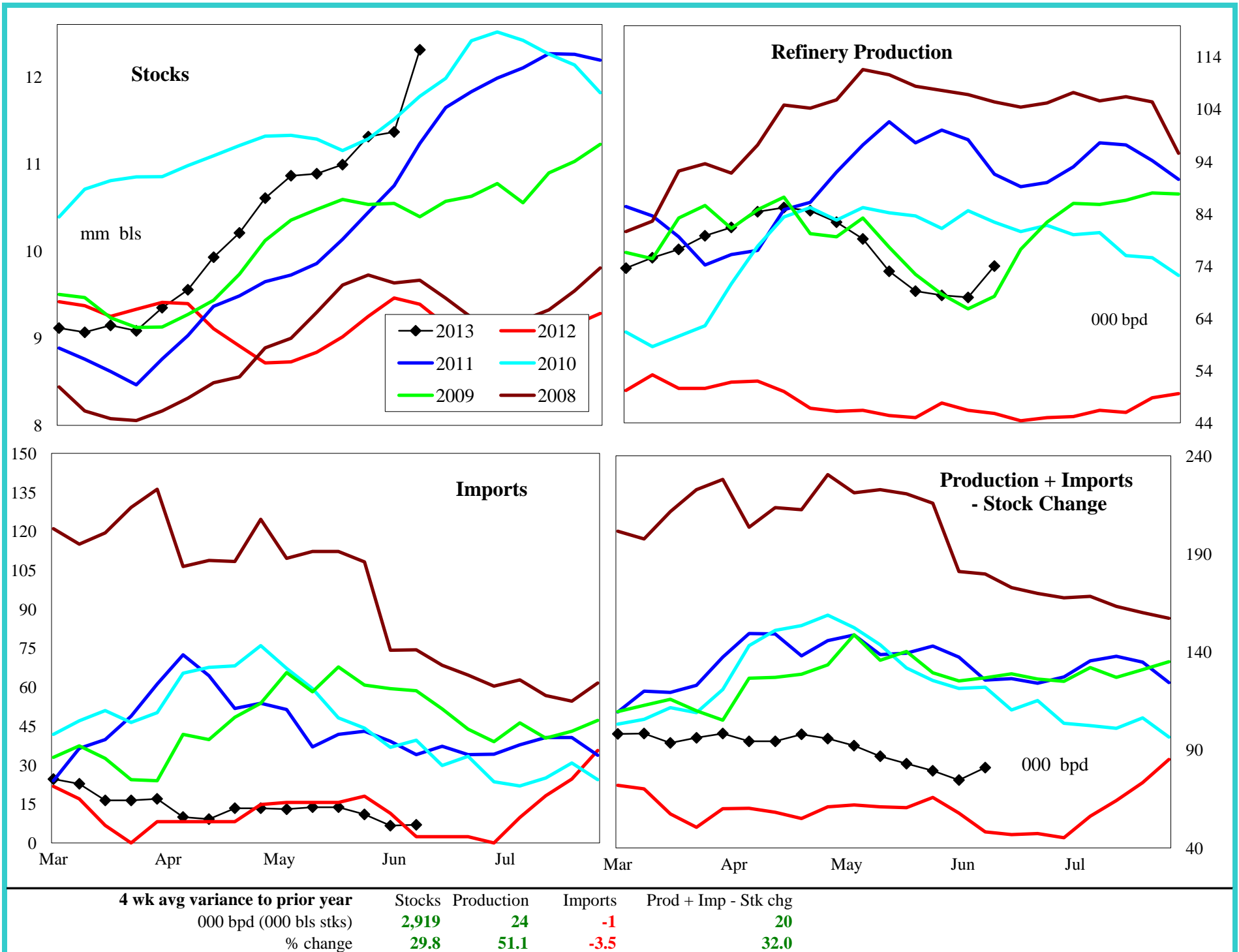
PADD 1 High Sulfur Distillate Supply



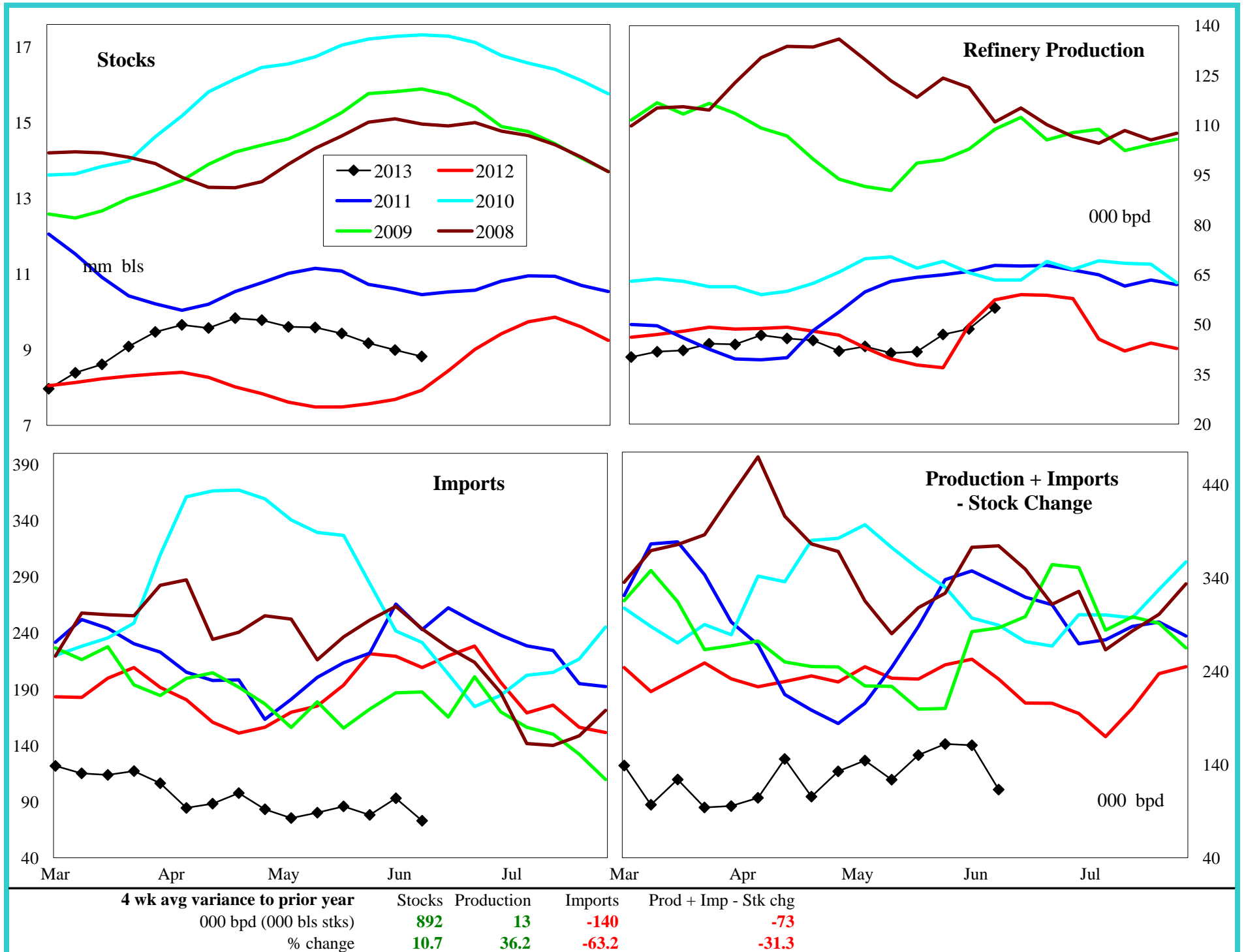
PADD 1 High Sulfur Distillate Stocks by Region



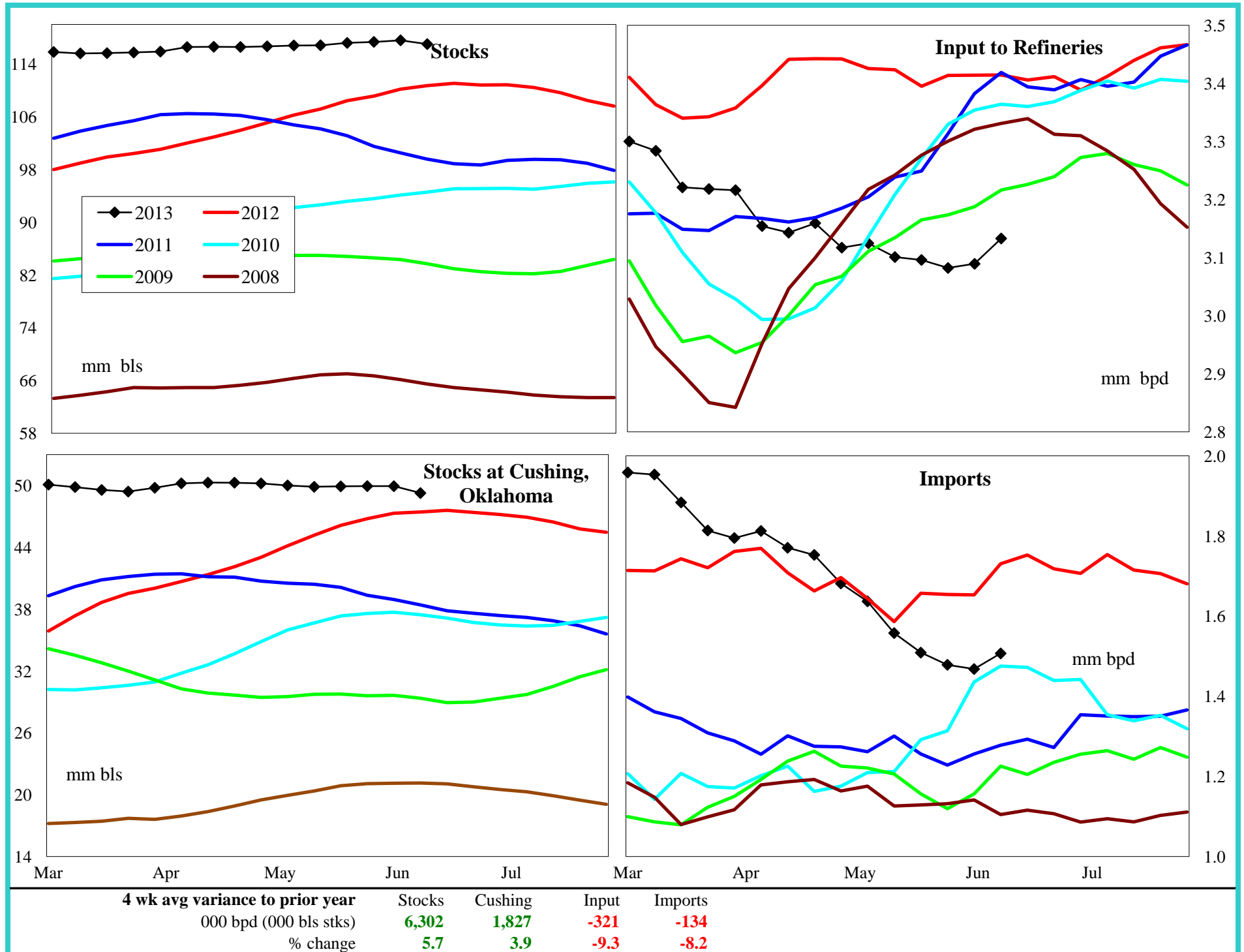
PADD 1 Jet Fuel Supply



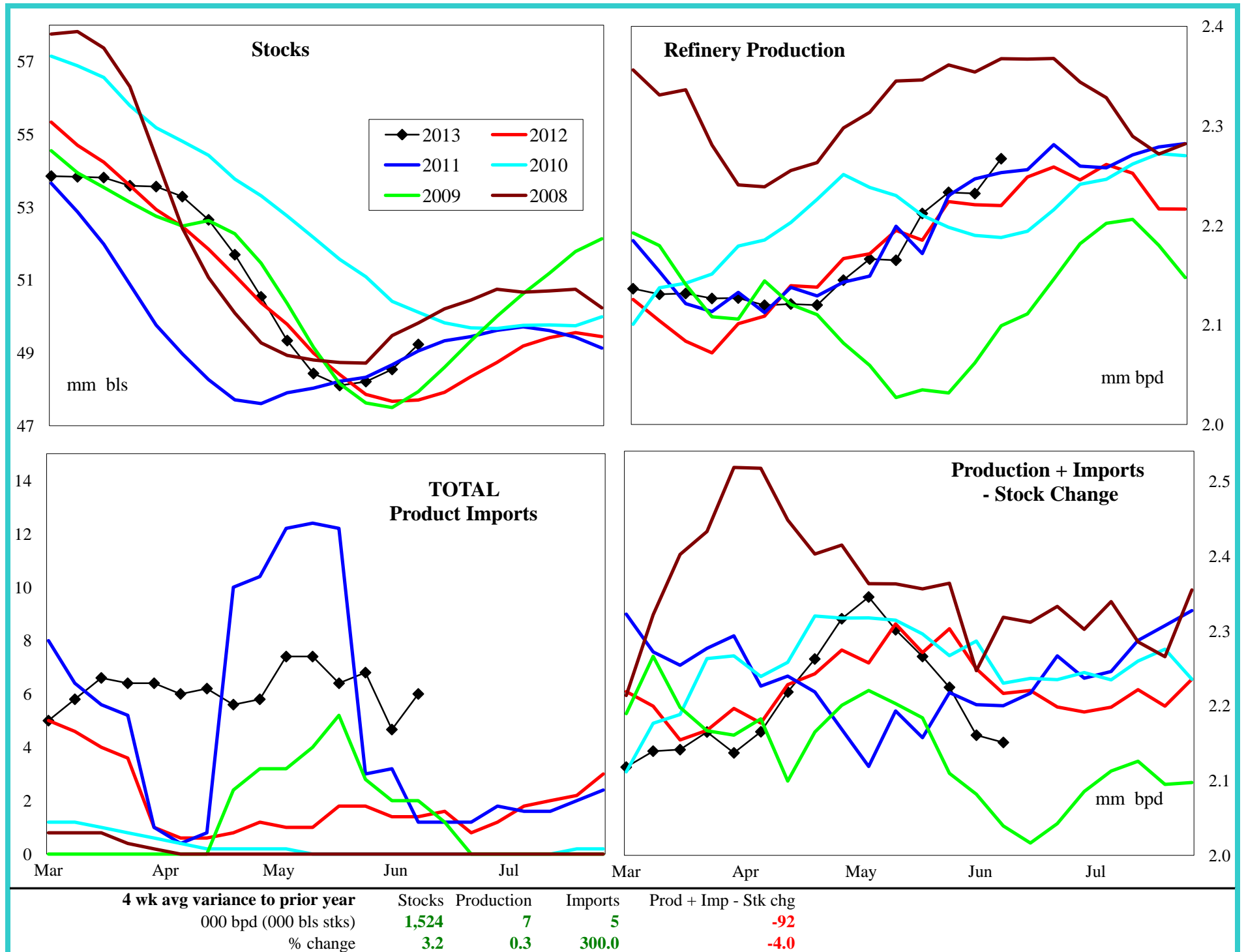
PADD 1 Residual Fuel Oil Supply



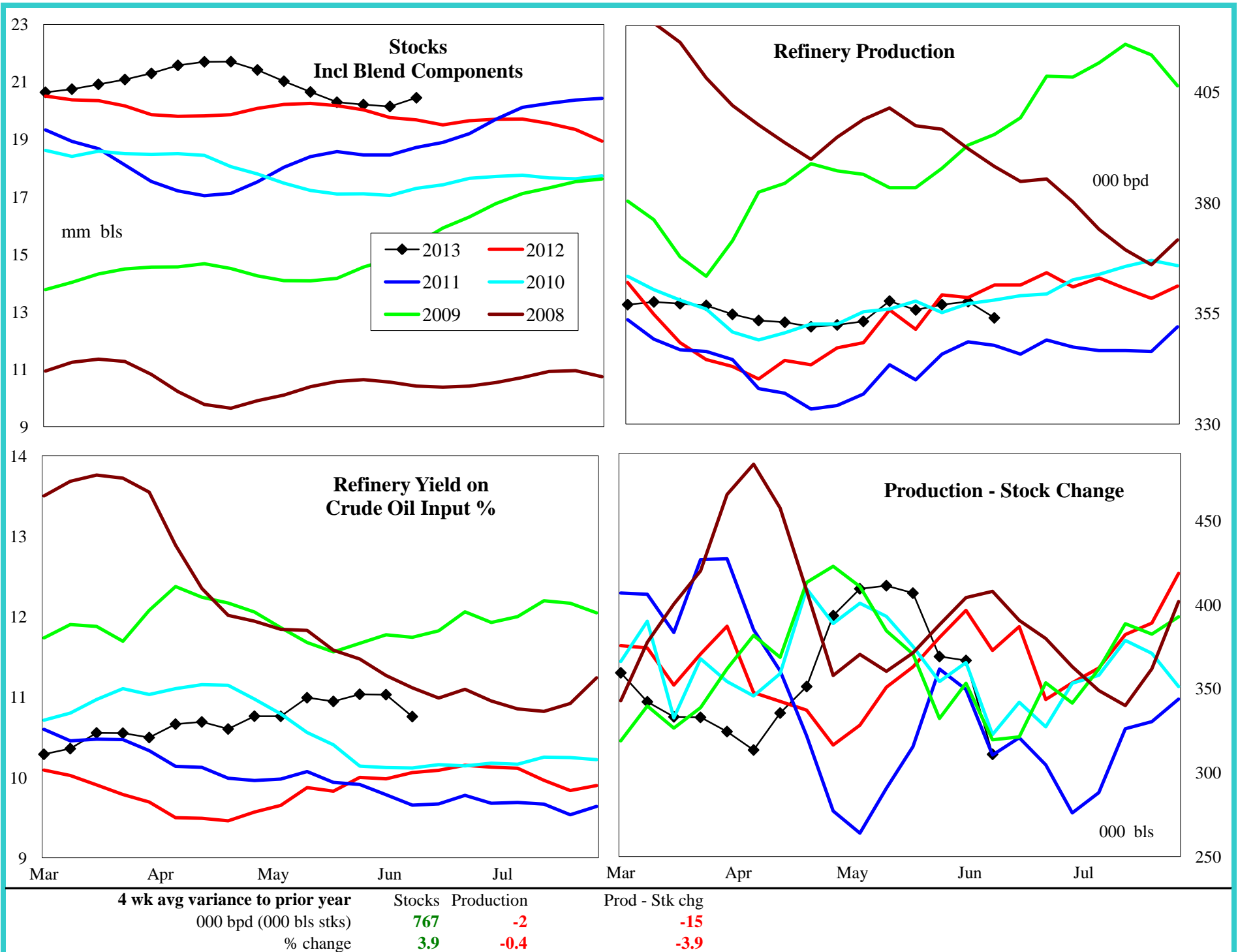
PADD 2 Crude Oil Supply and Refining



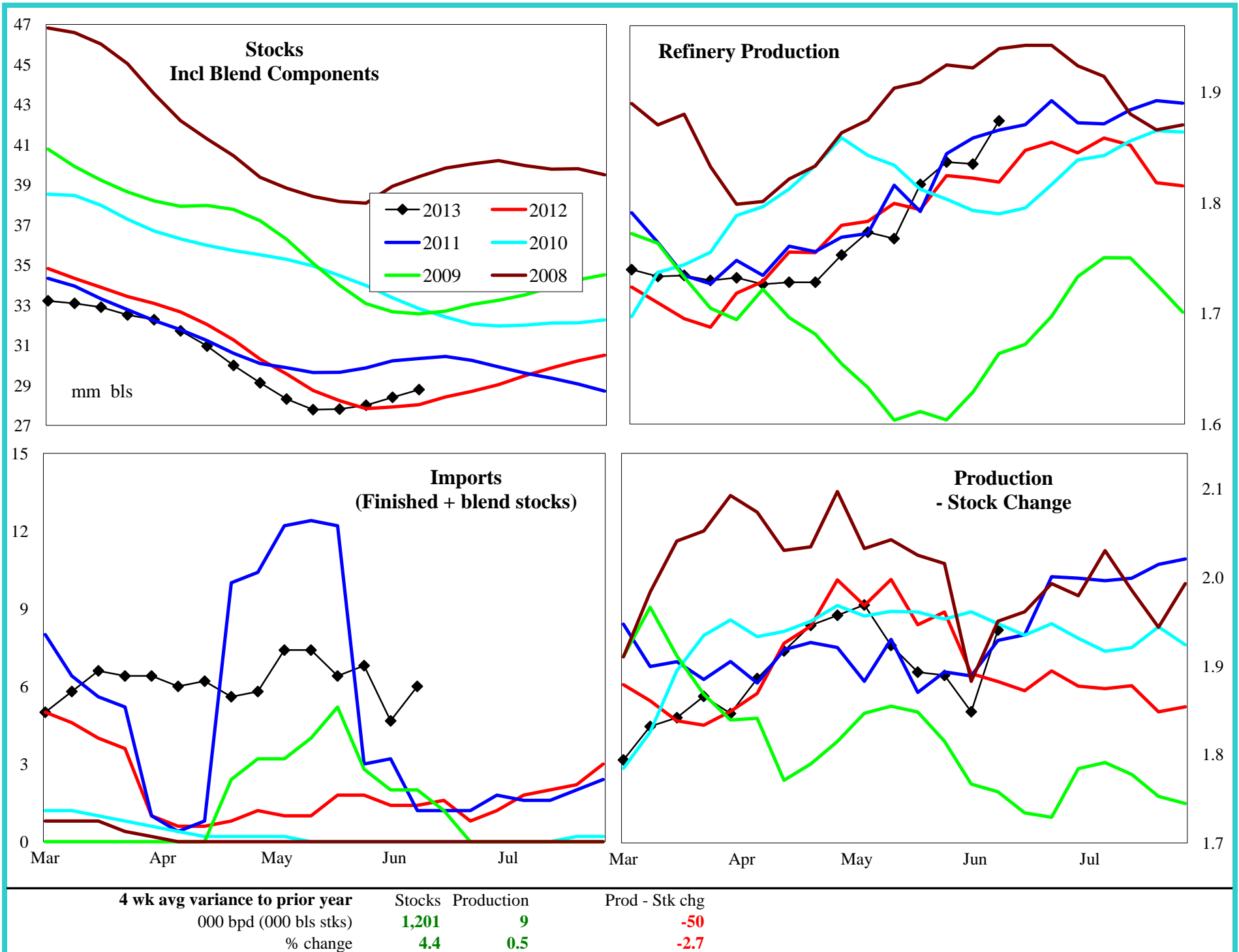
PADD 2 Gasoline Supply



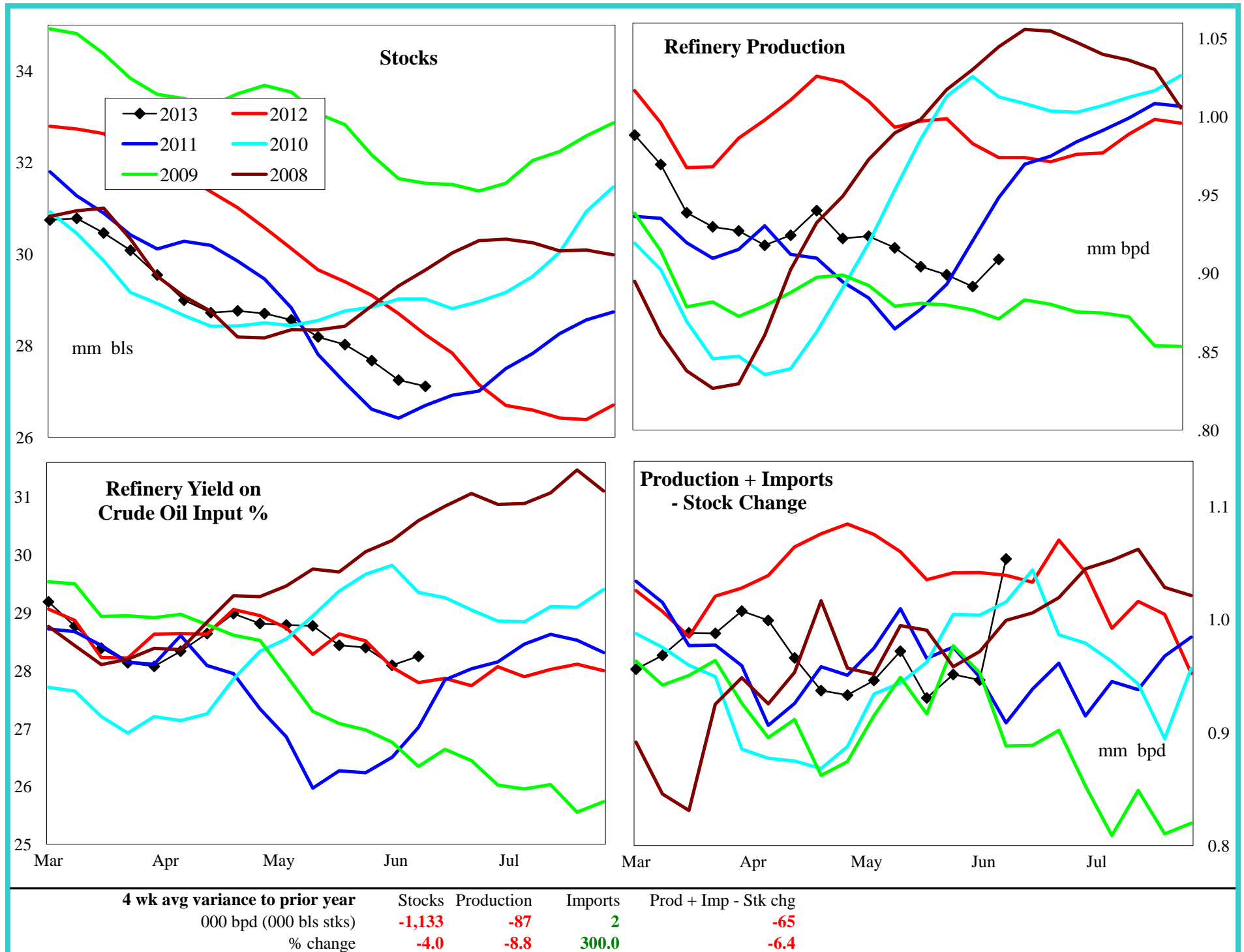
PADD 2 Reformulated Gasoline Supply



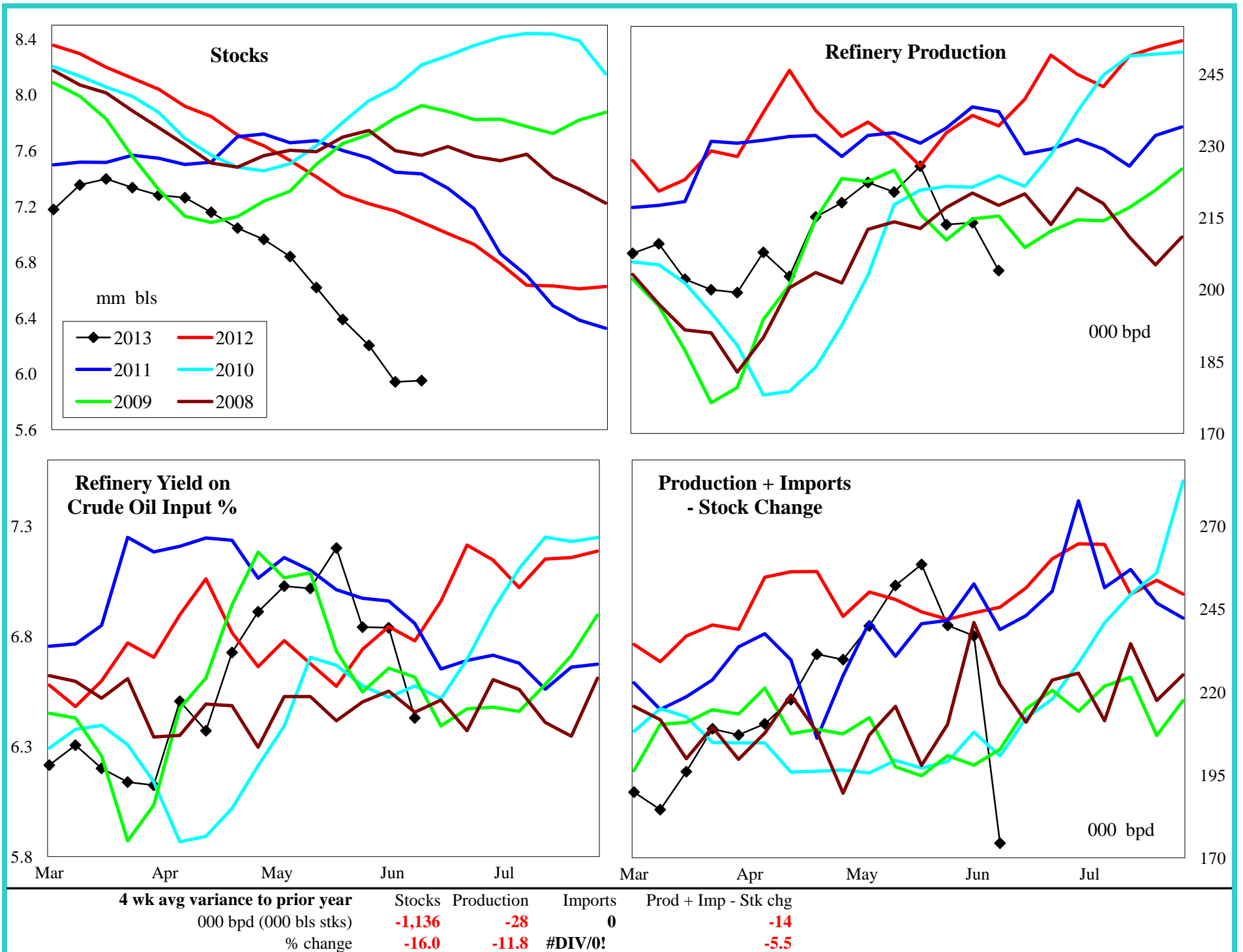
PADD 2 Conventional Gasoline Supply



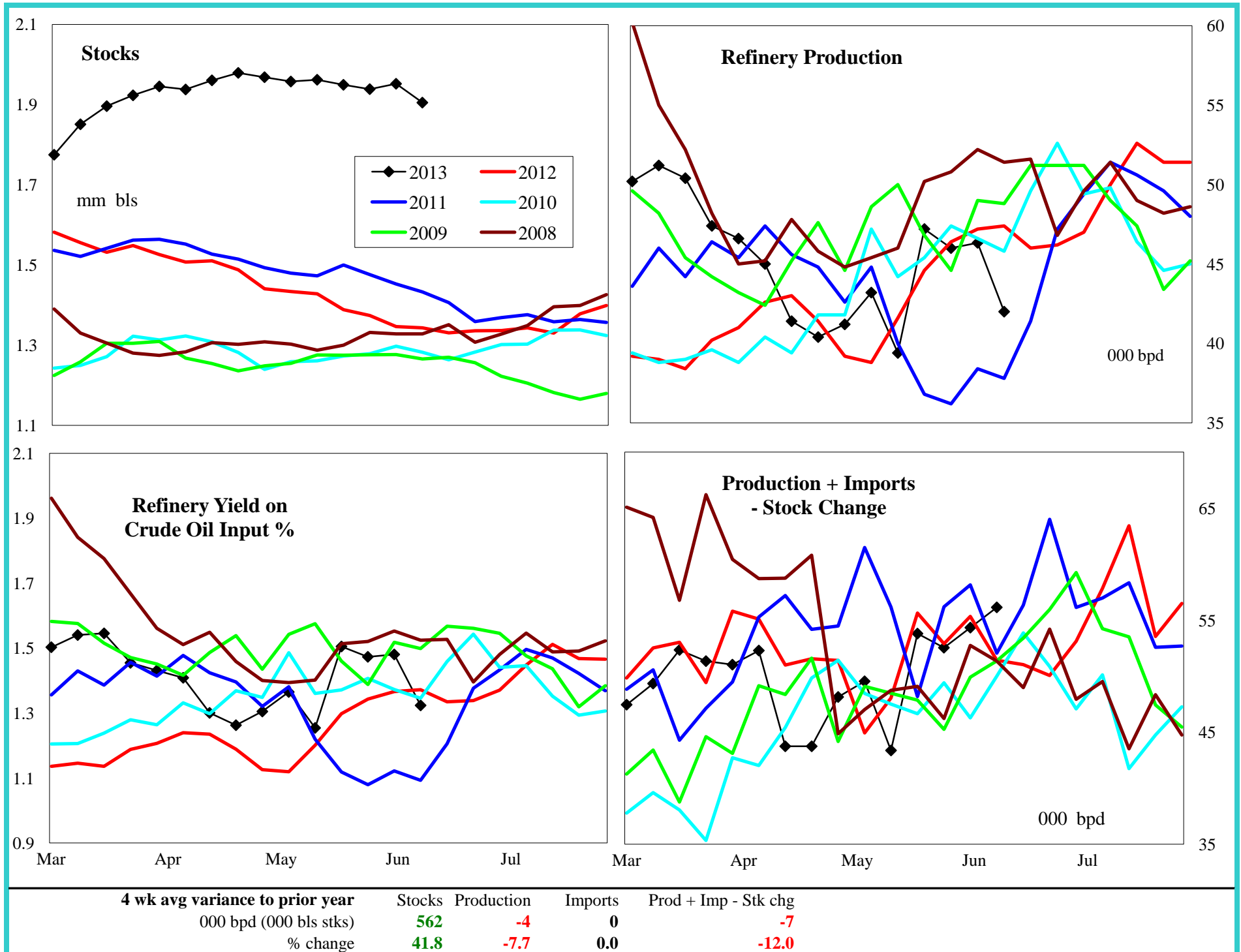
PADD 2 Distillate Supply



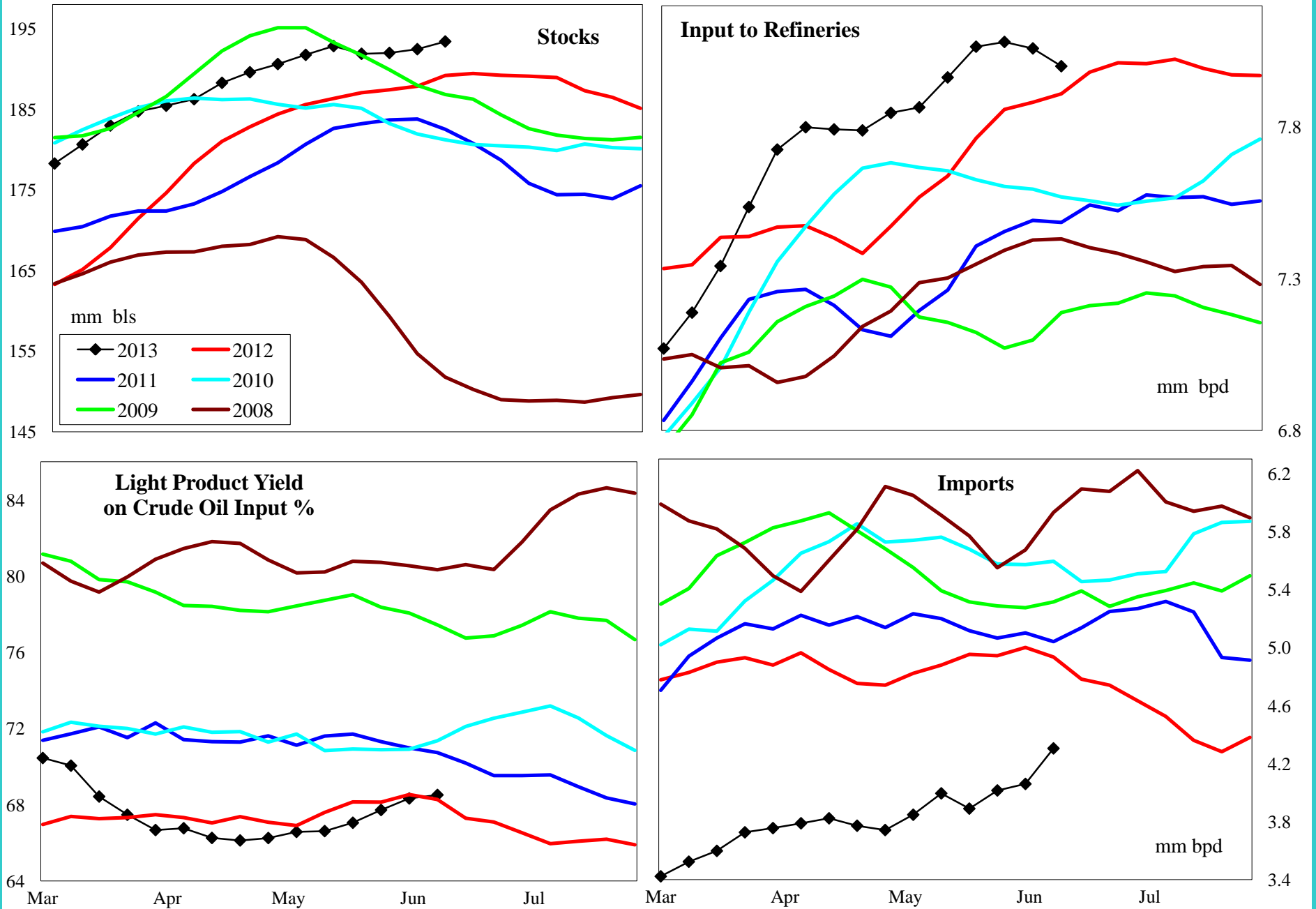
PADD 2 Jet Fuel Supply



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

4,227

2.2

Input

211

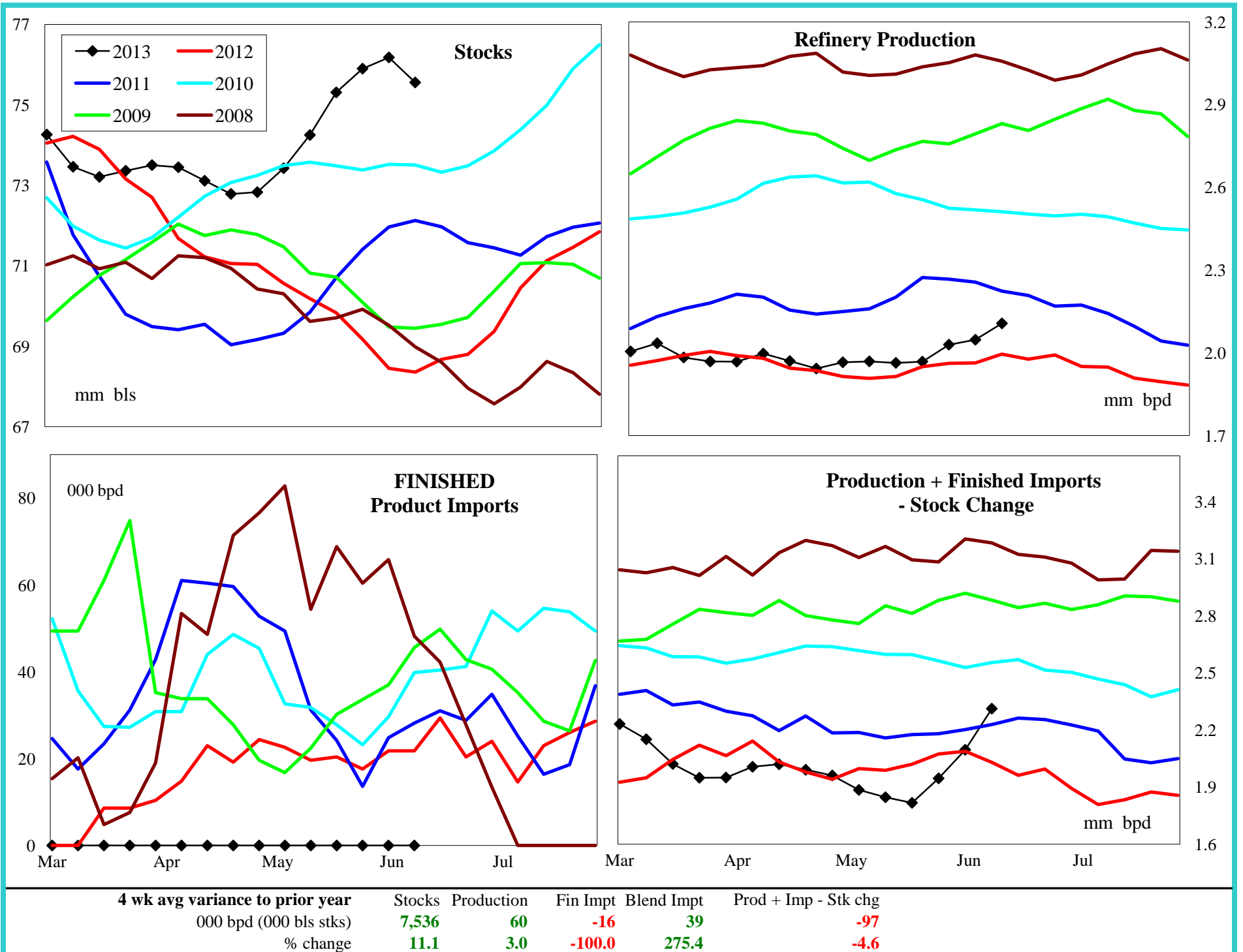
2.7

Imports

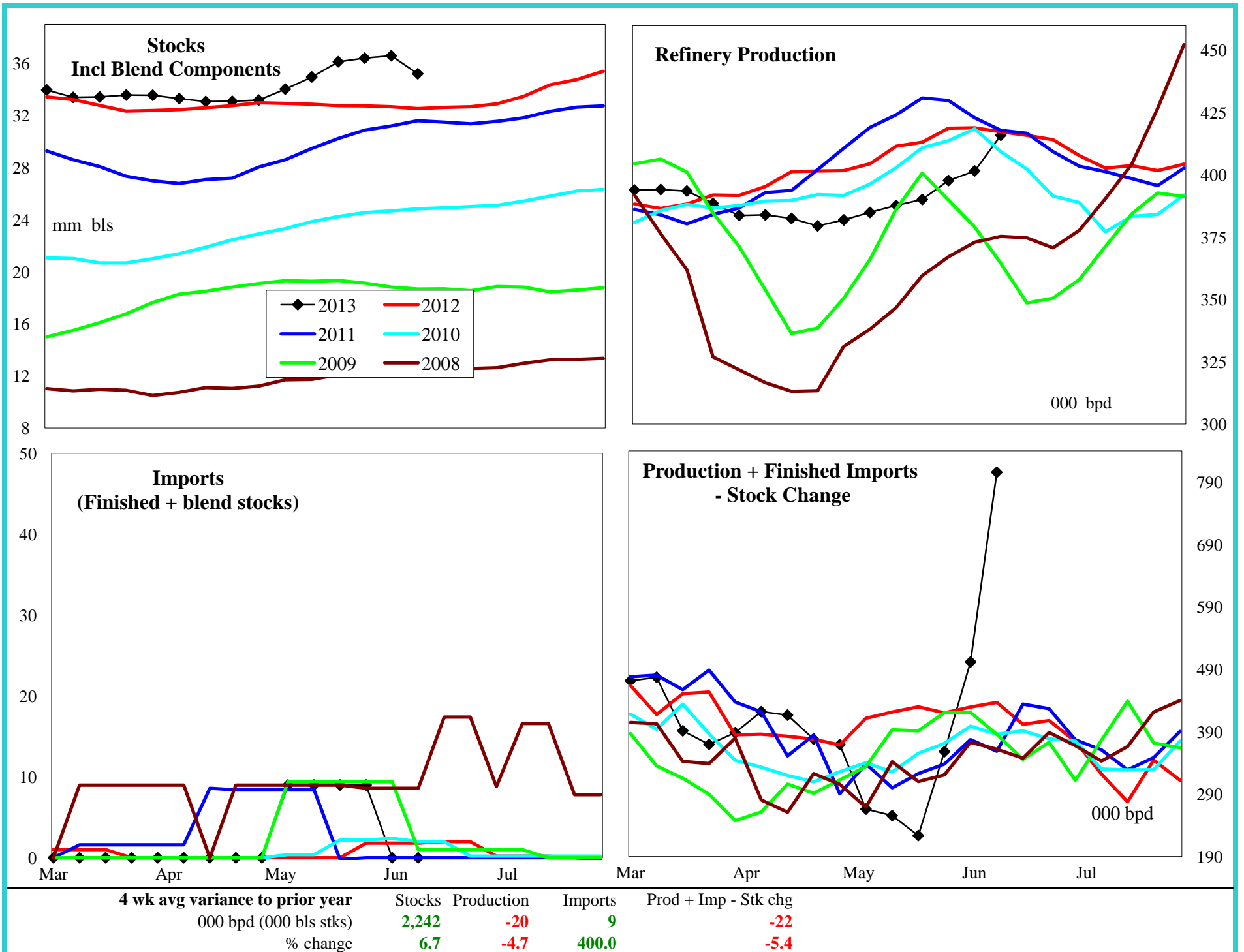
-885

-17.9

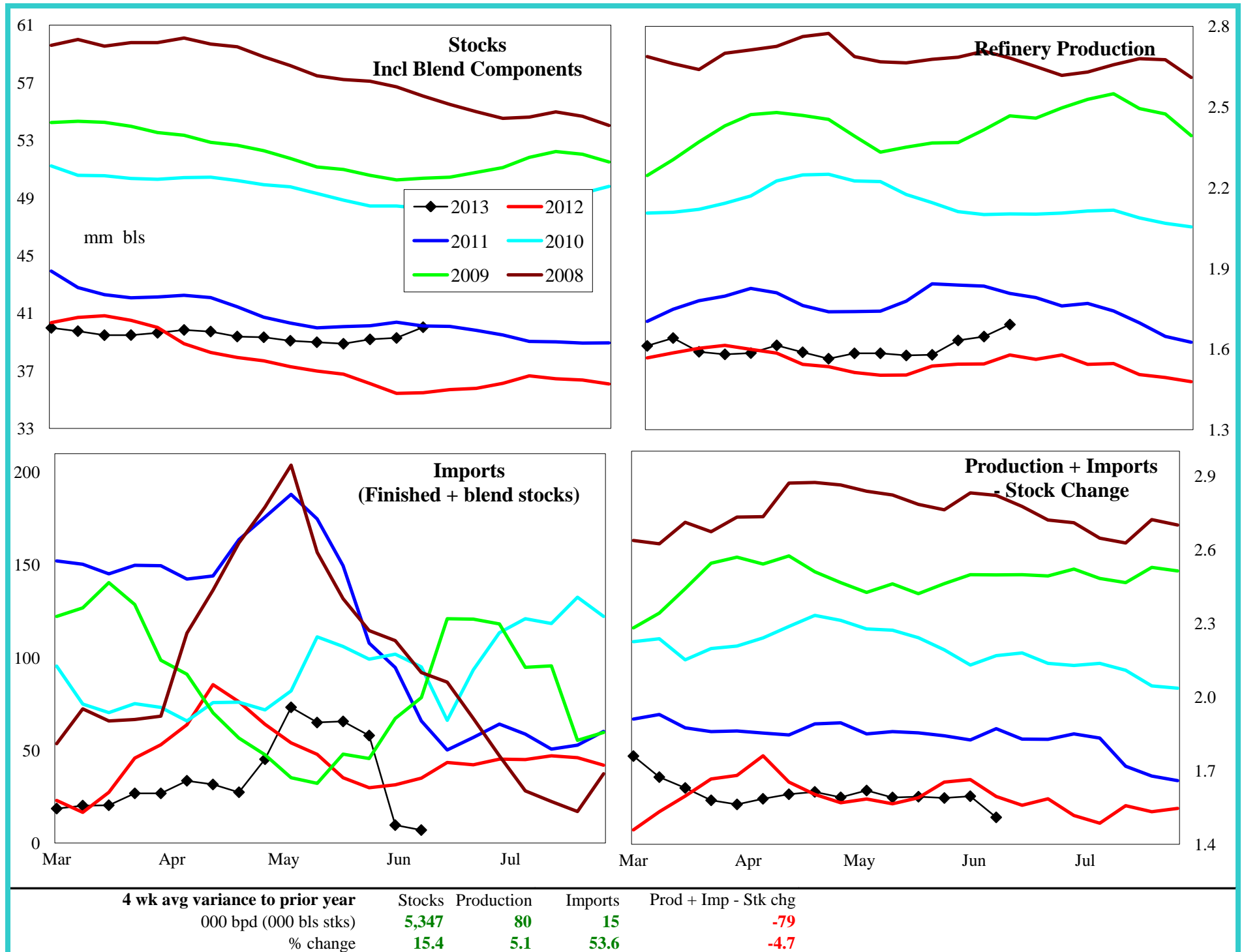
PADD 3 Gasoline Supply



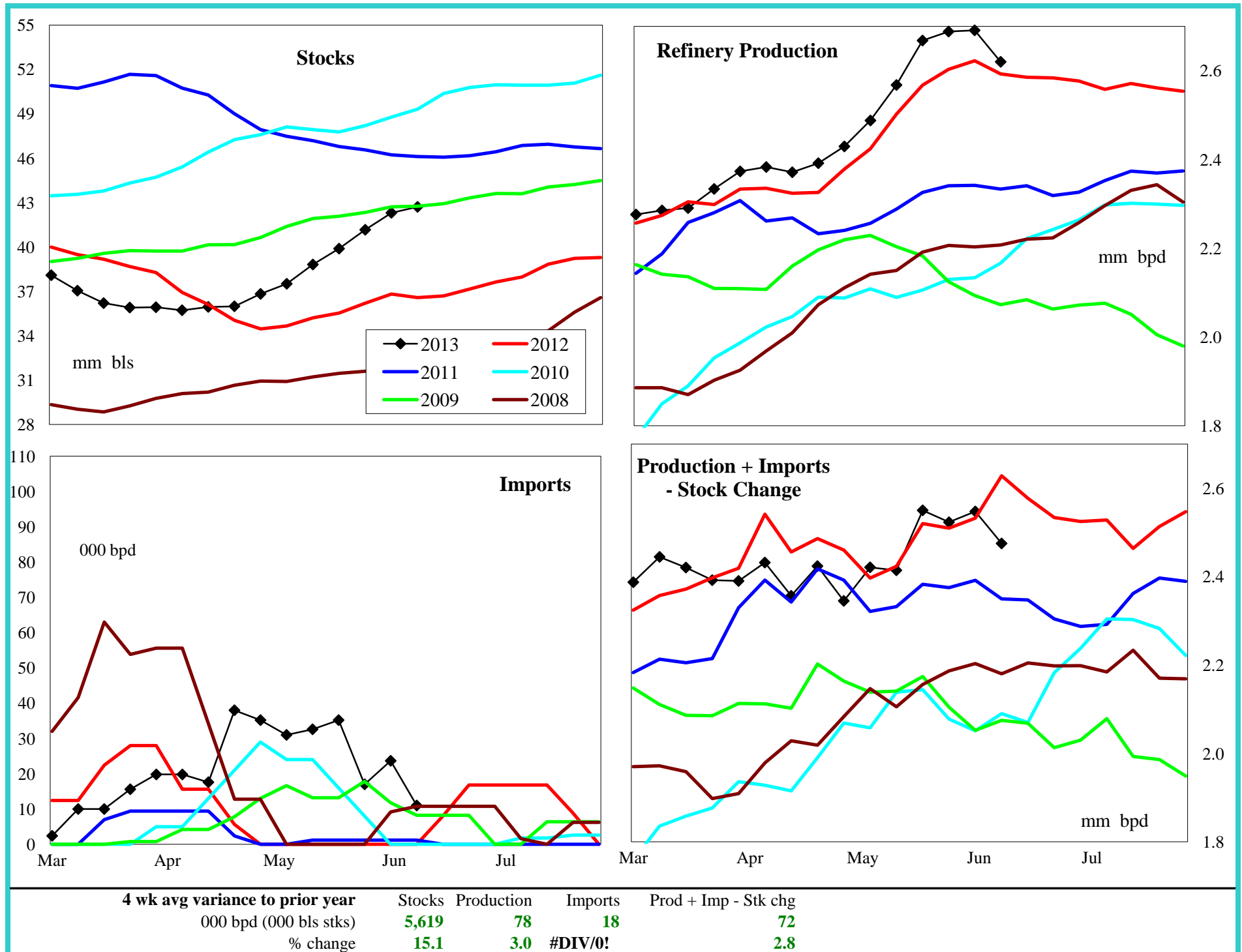
PADD 3 Reformulated Gasoline Supply



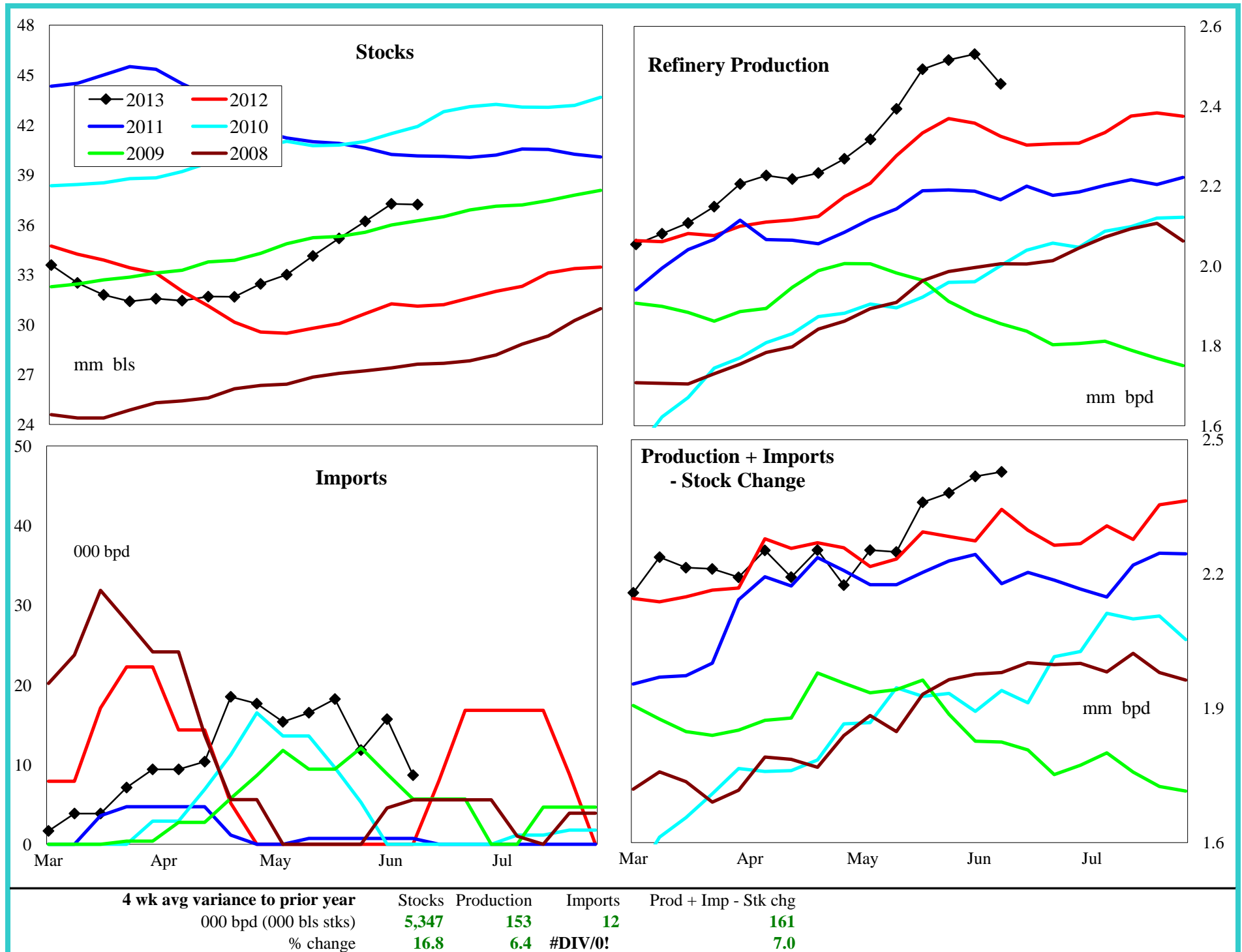
PADD 3 Conventional Gasoline Supply



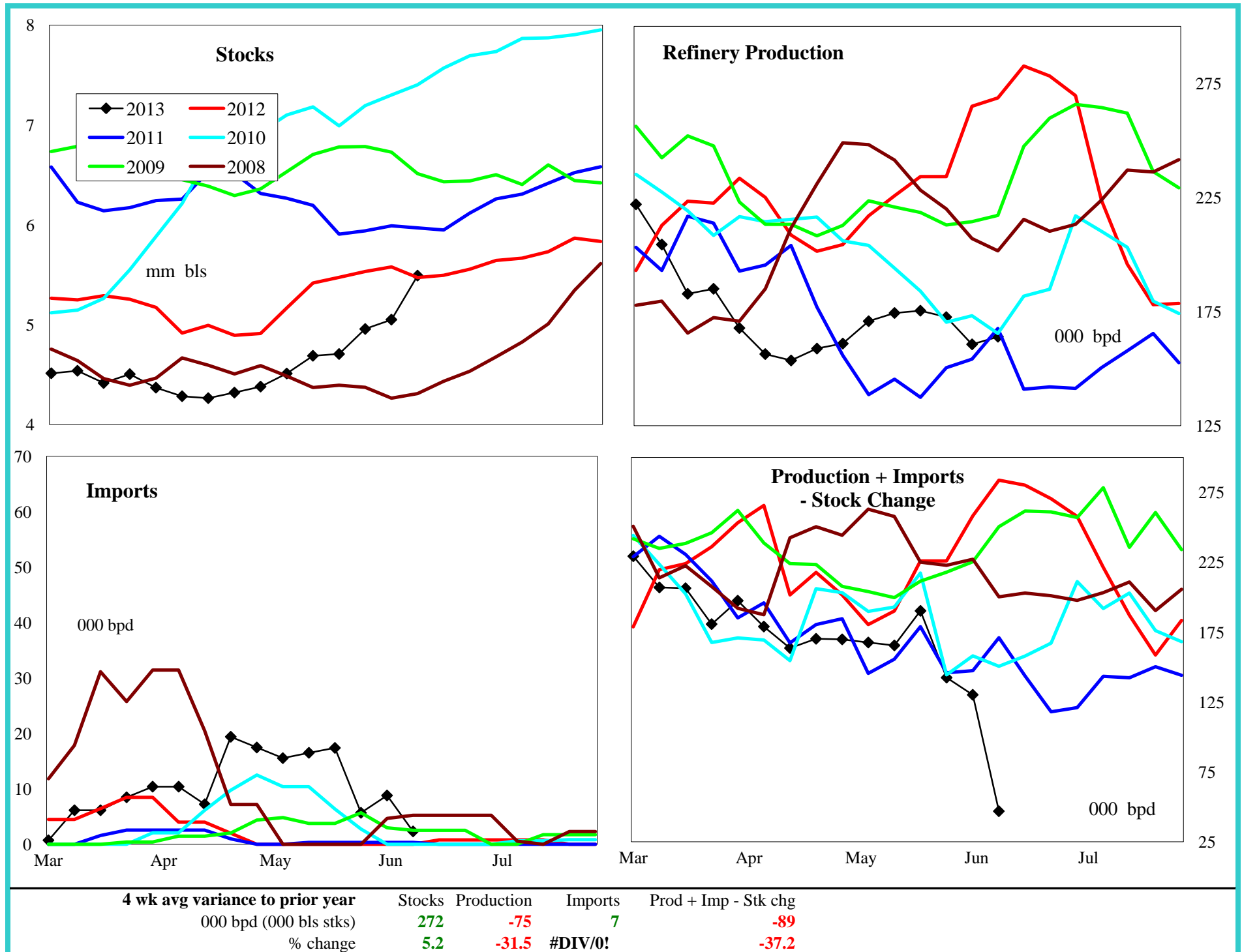
PADD 3 Distillate Supply



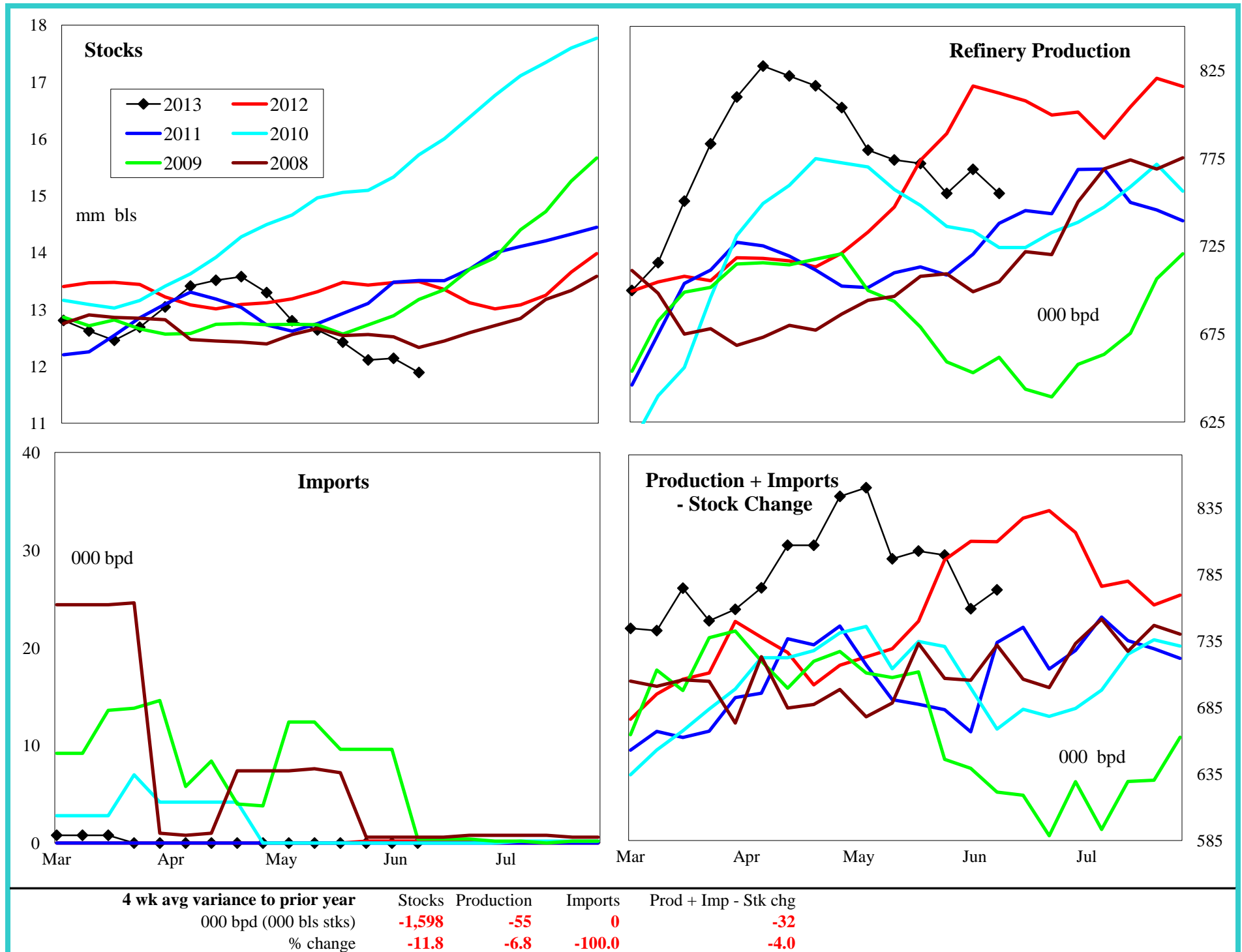
PADD 3 Low Sulfur Distillate Supply



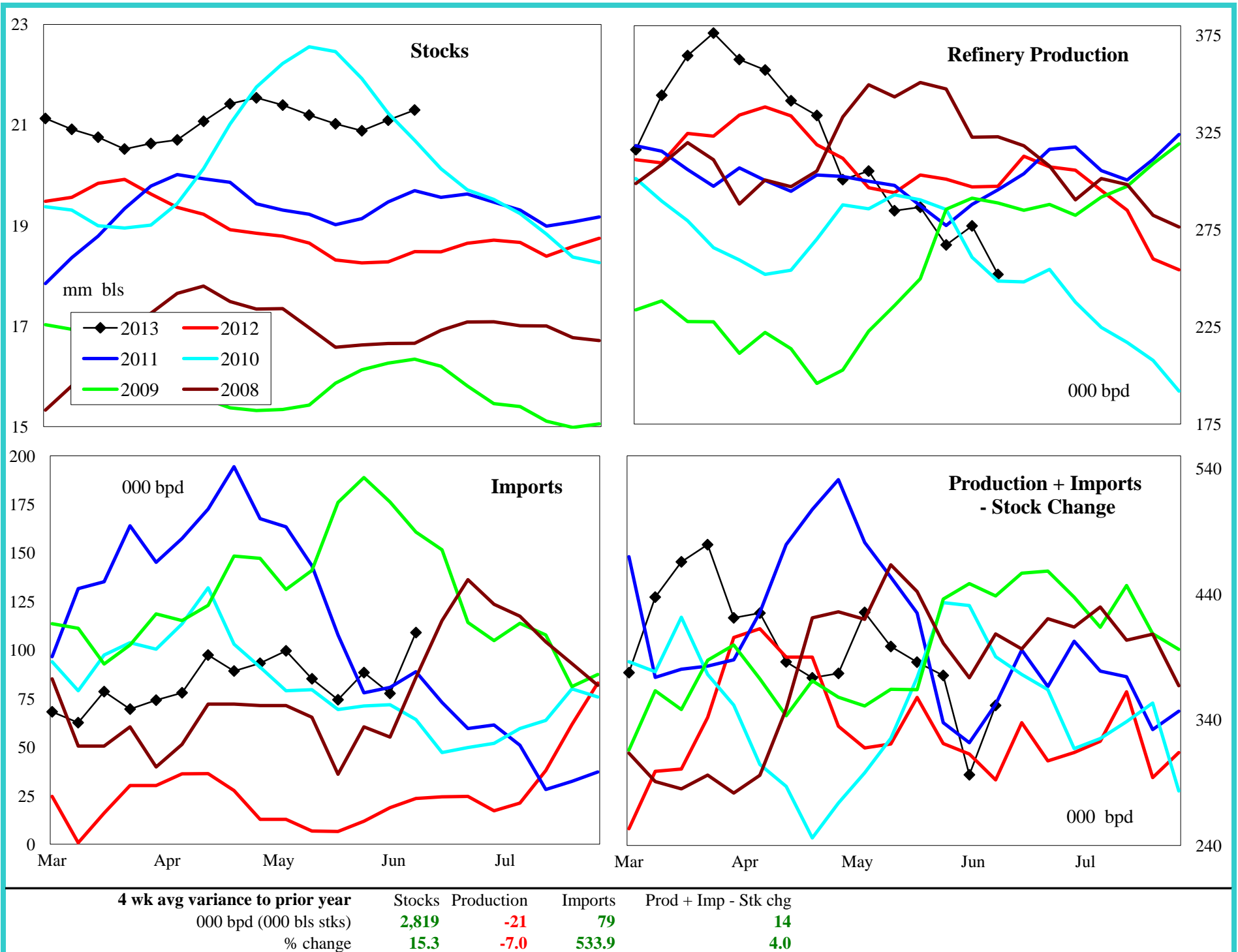
PADD 3 High Sulfur Distillate Supply



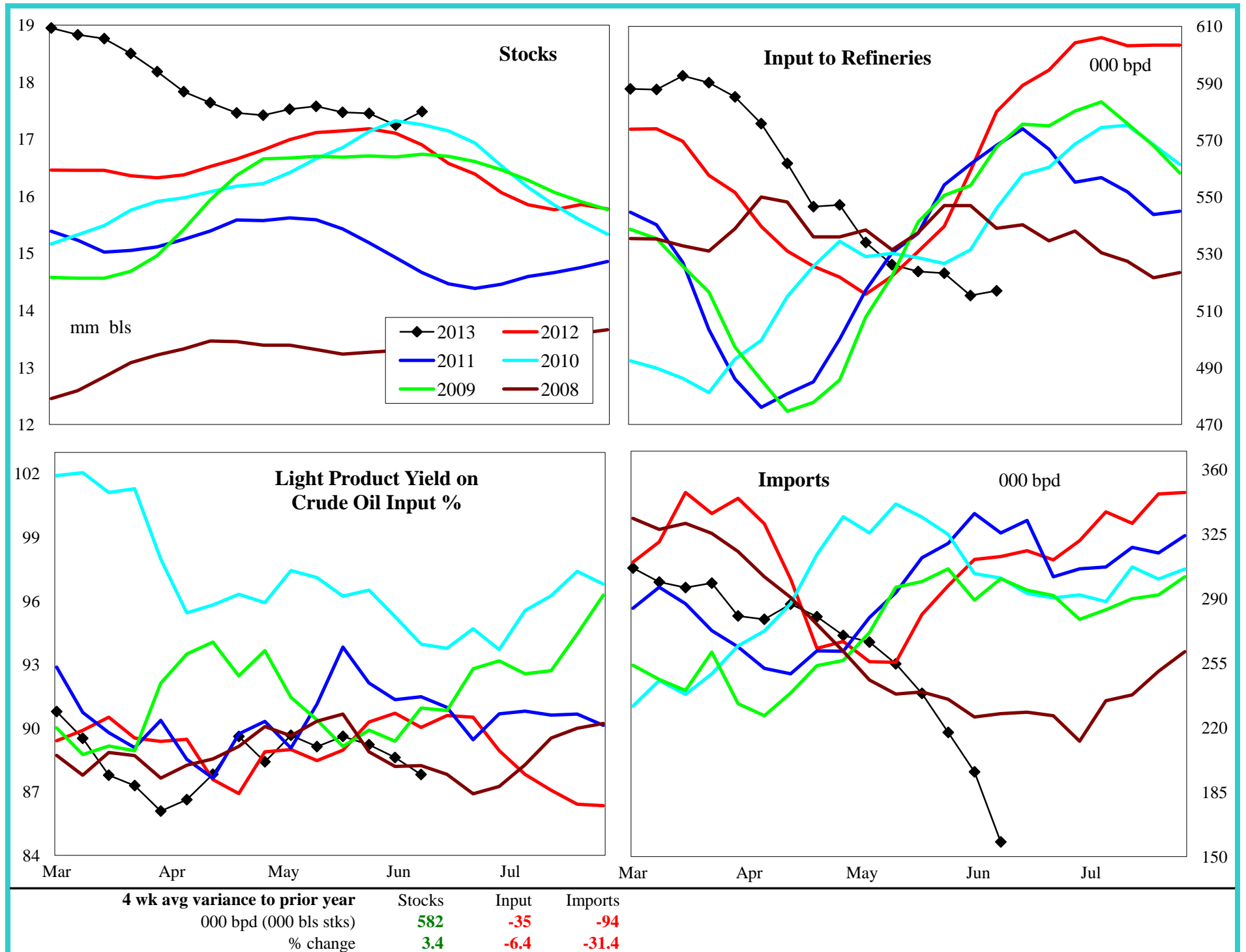
PADD 3 Jet Fuel Supply



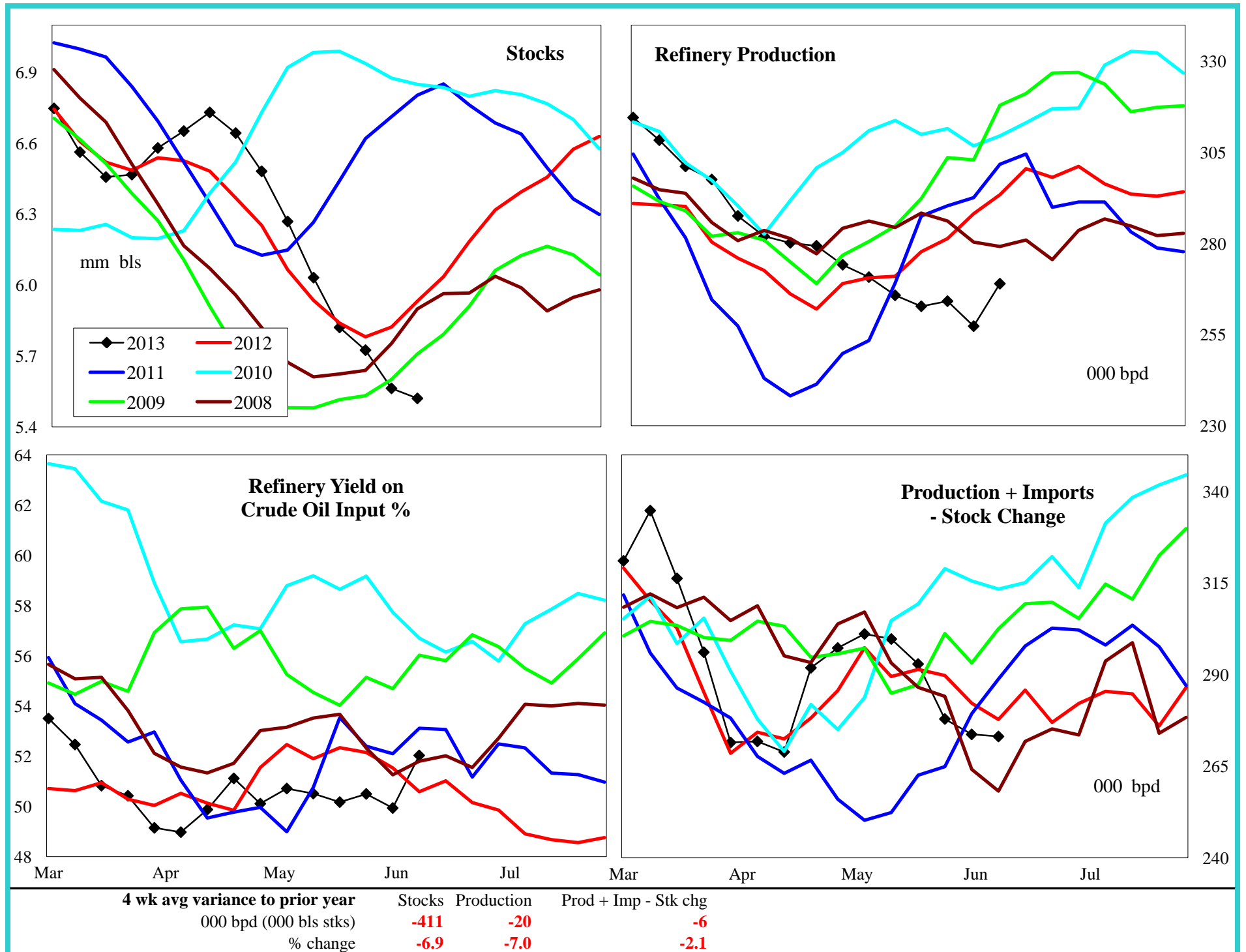
PADD 3 Residual Fuel Oil Supply



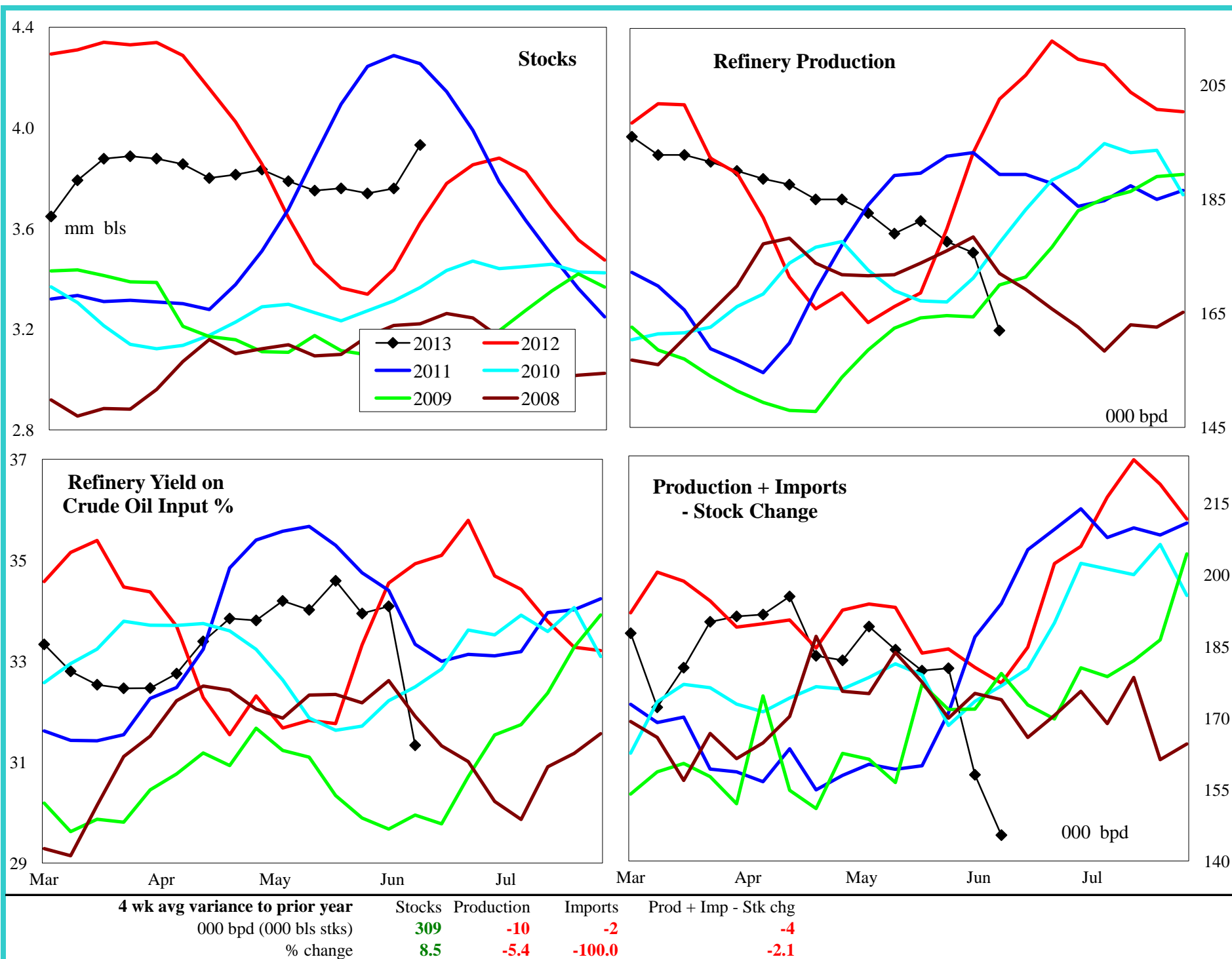
PADD 4 Crude Oil Supply and Refining



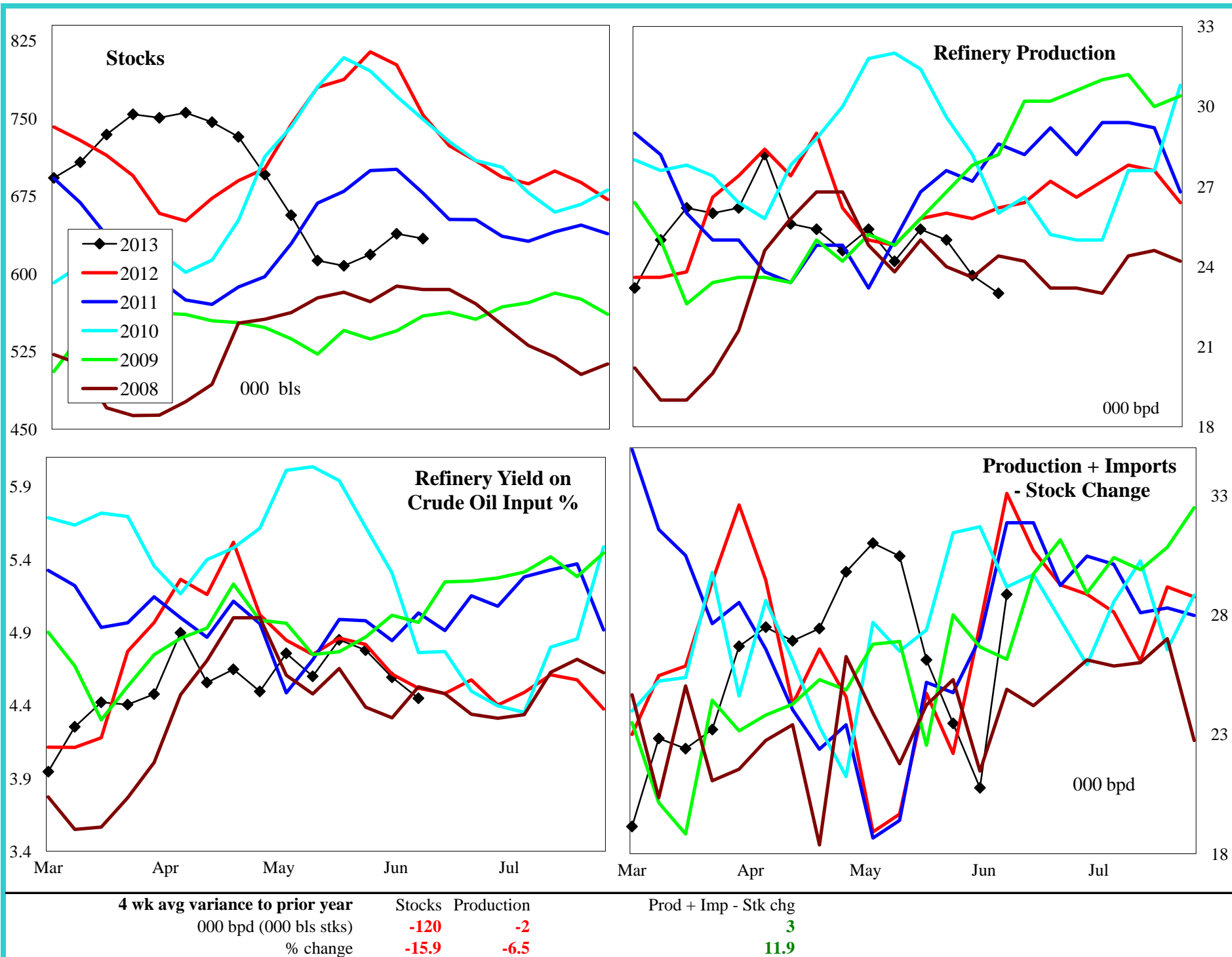
PADD 4 Gasoline Supply



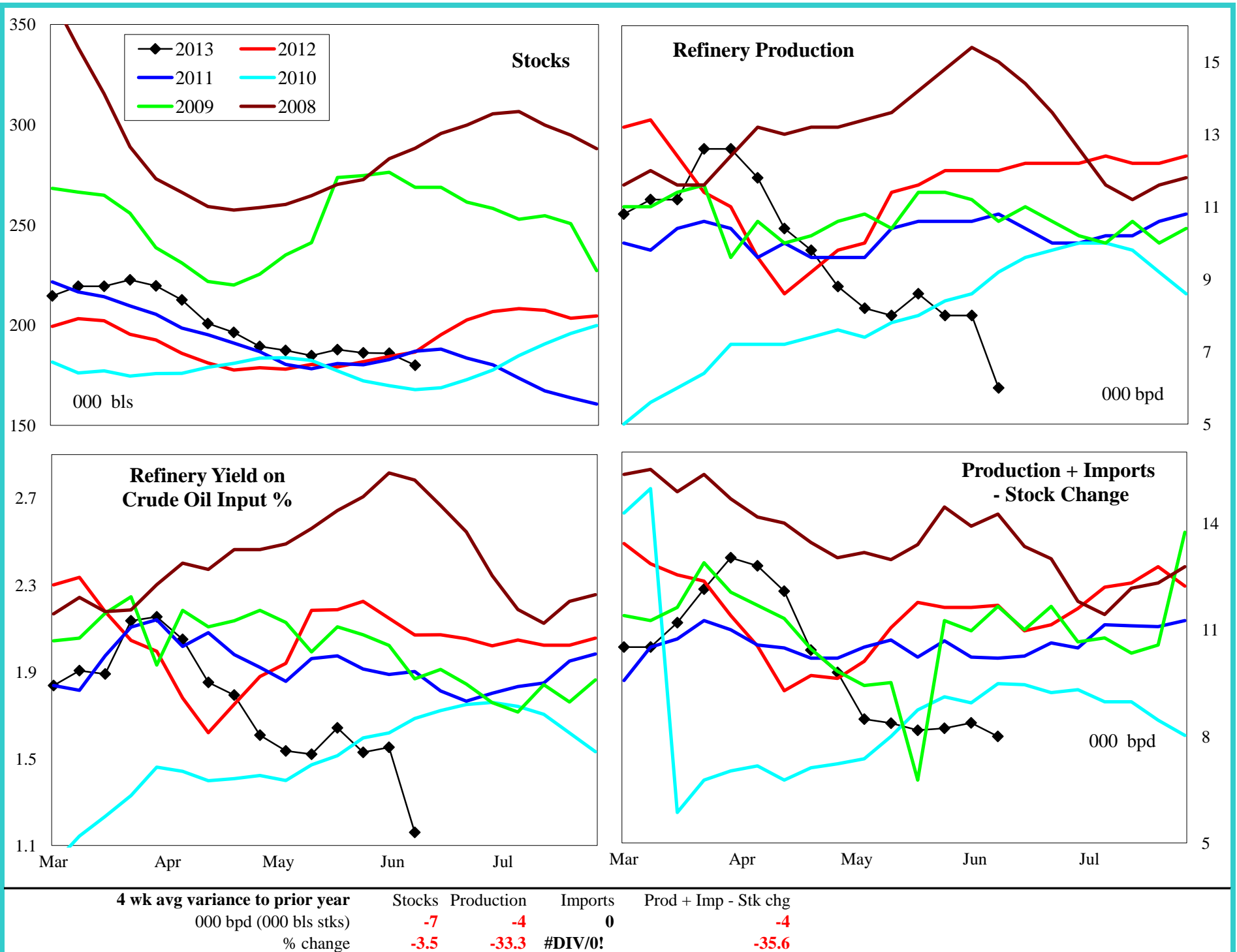
PADD 4 Distillate Supply



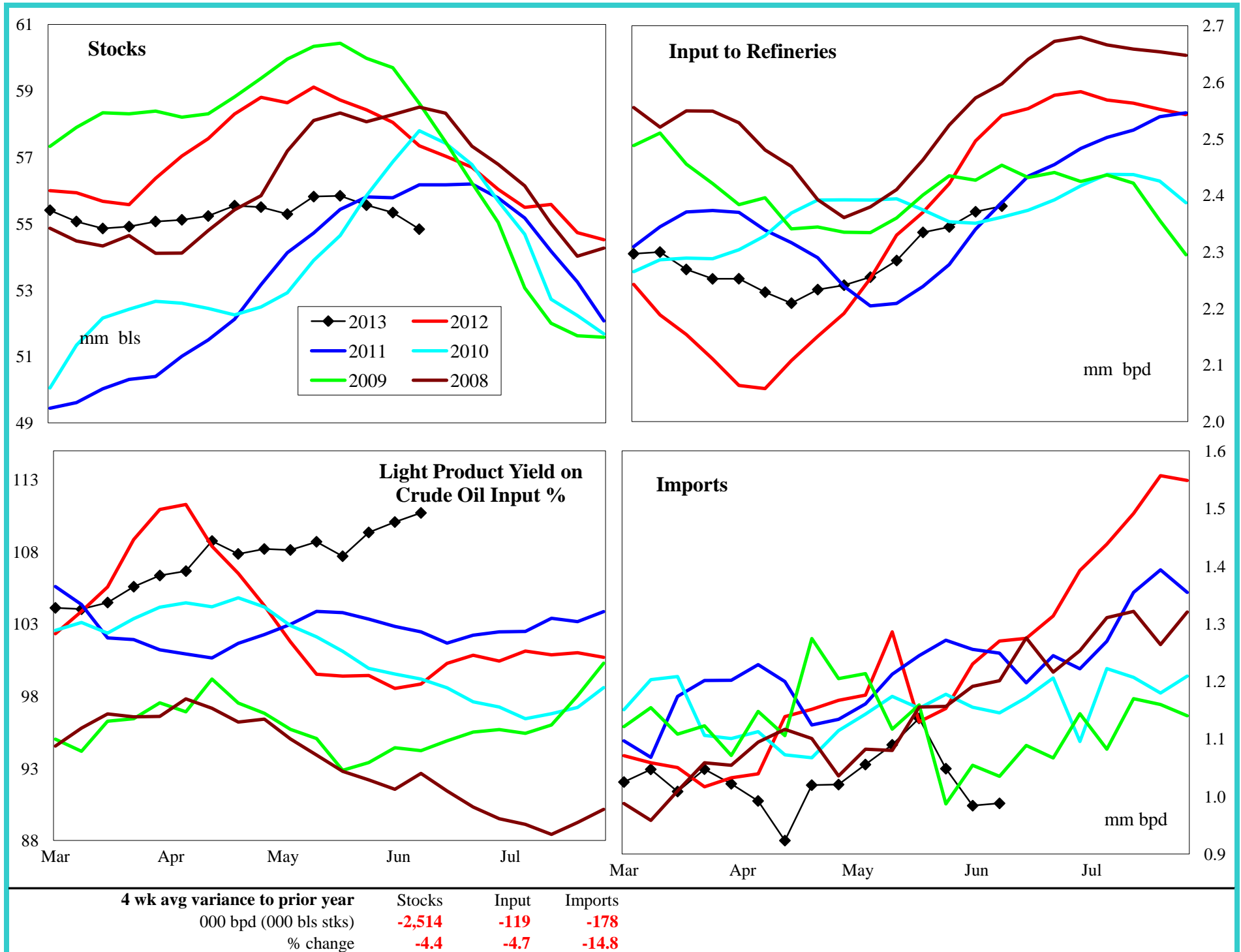
PADD 4 Jet Fuel Supply



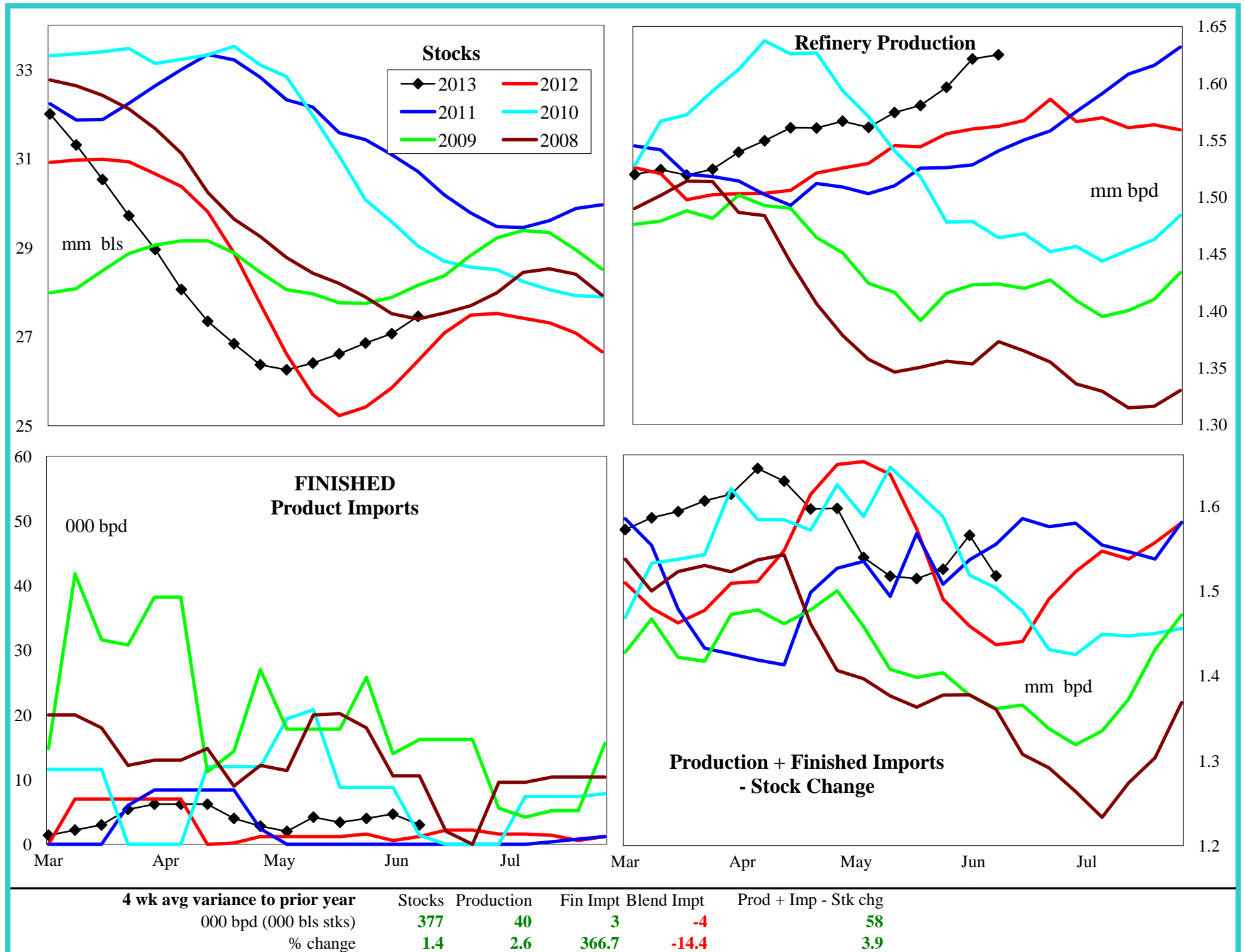
PADD 4 Residual Fuel Oil Supply



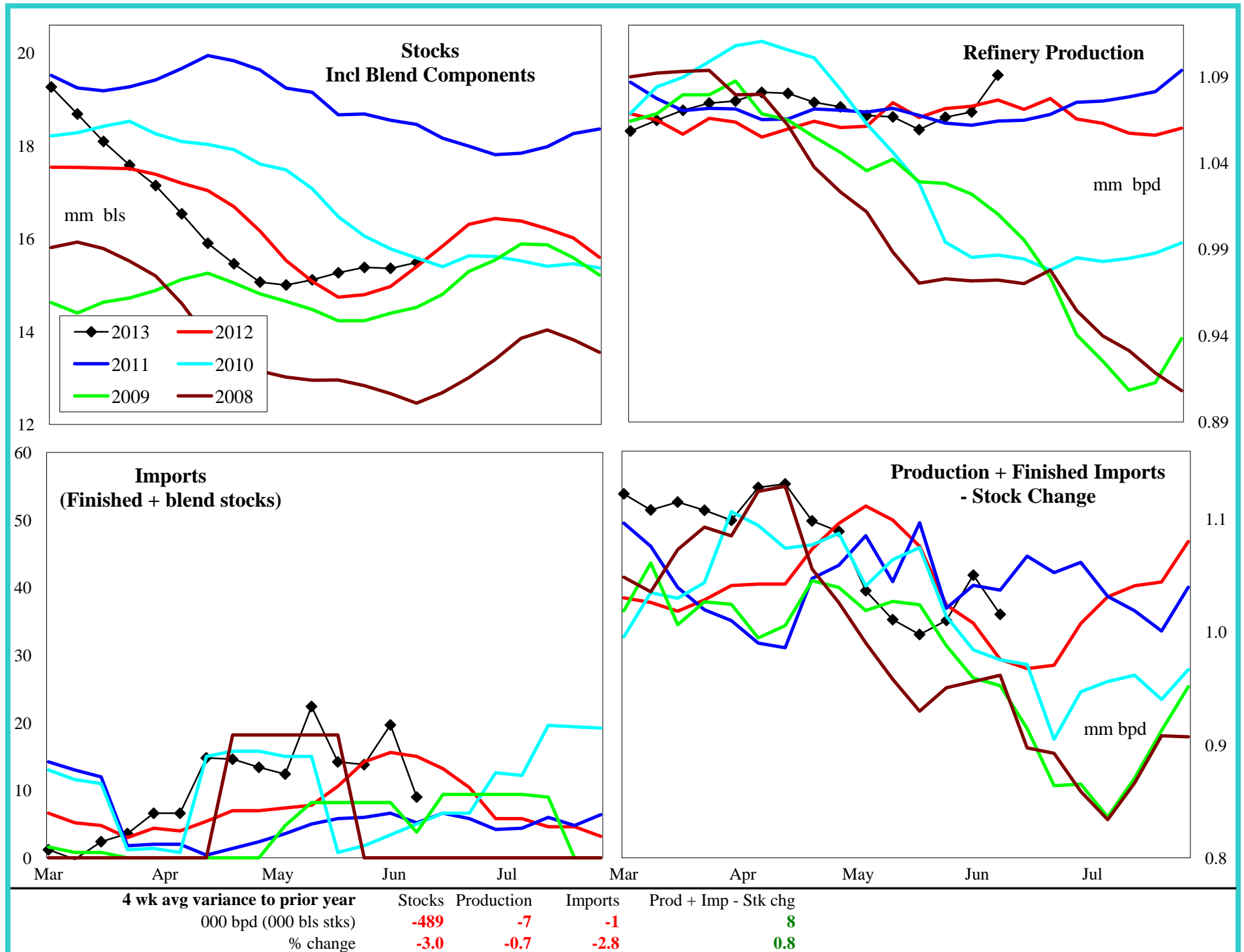
PADD 5 Crude Oil Supply and Refining



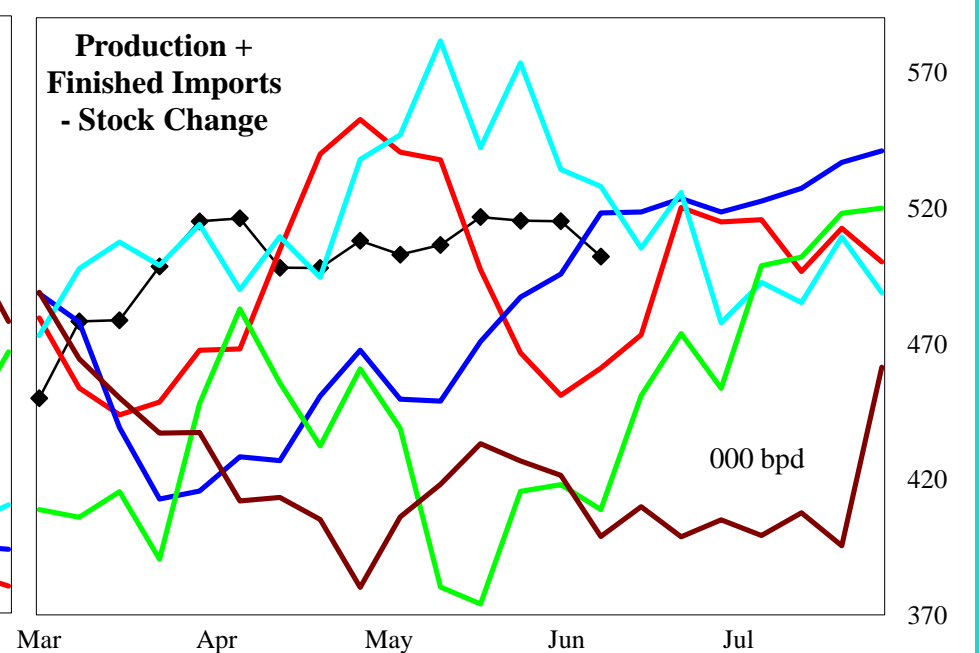
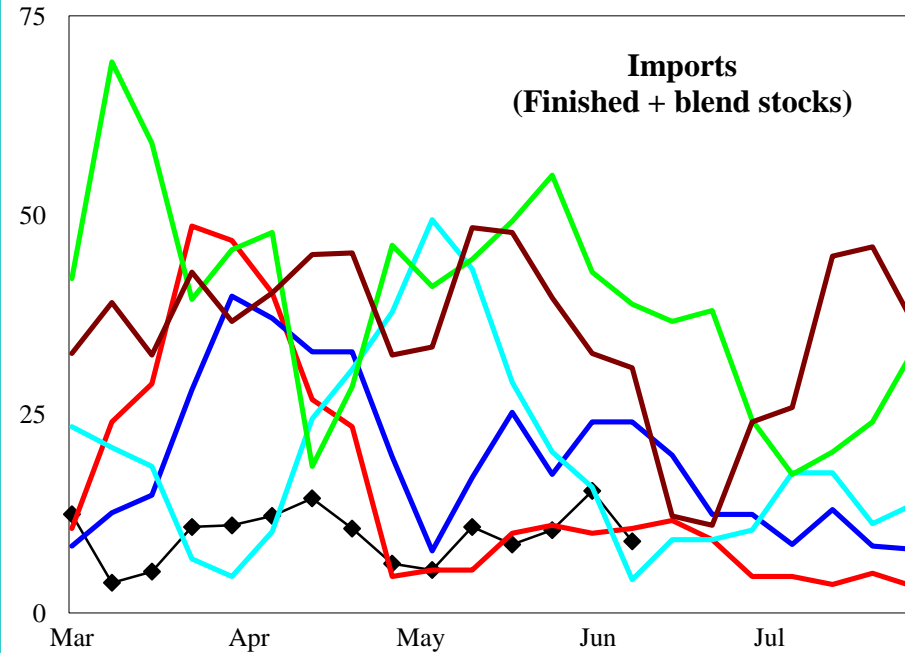
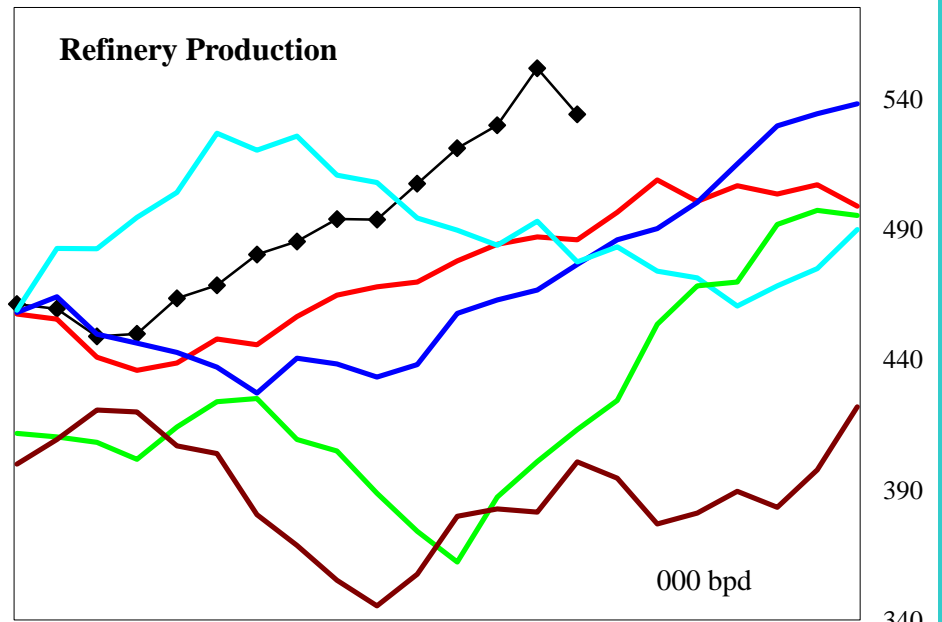
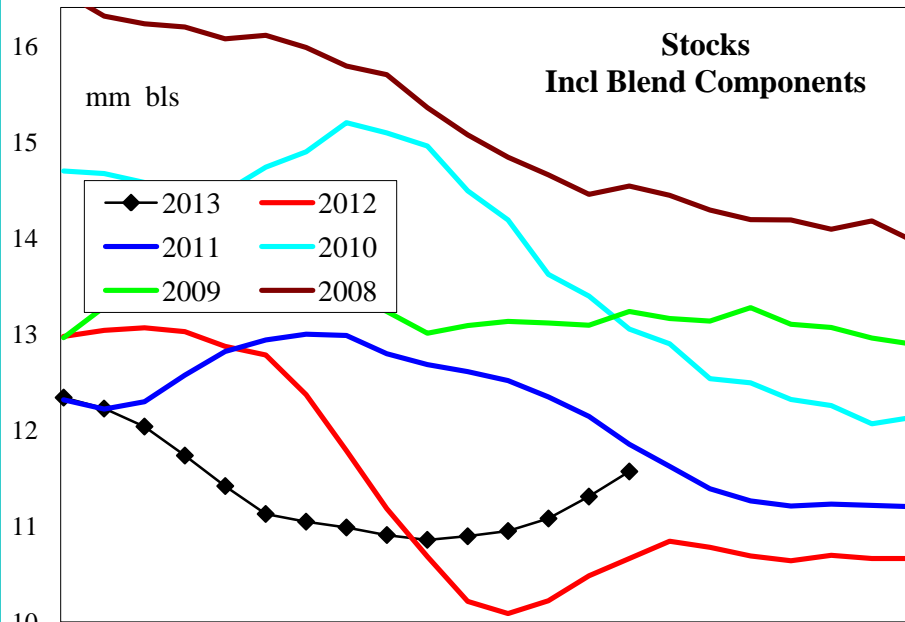
PADD 5 Gasoline Supply



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

866

47

-1

49

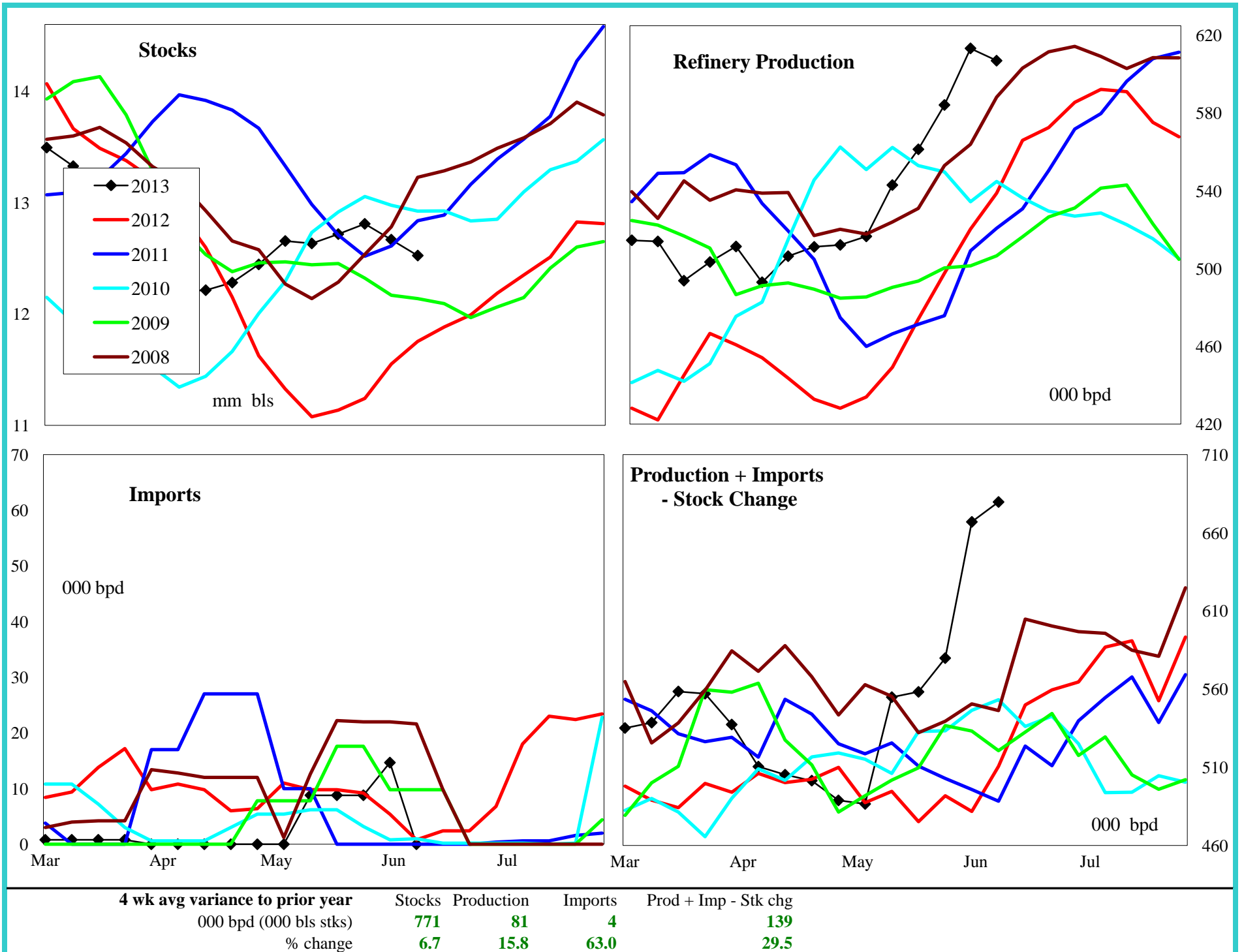
8.1

9.7

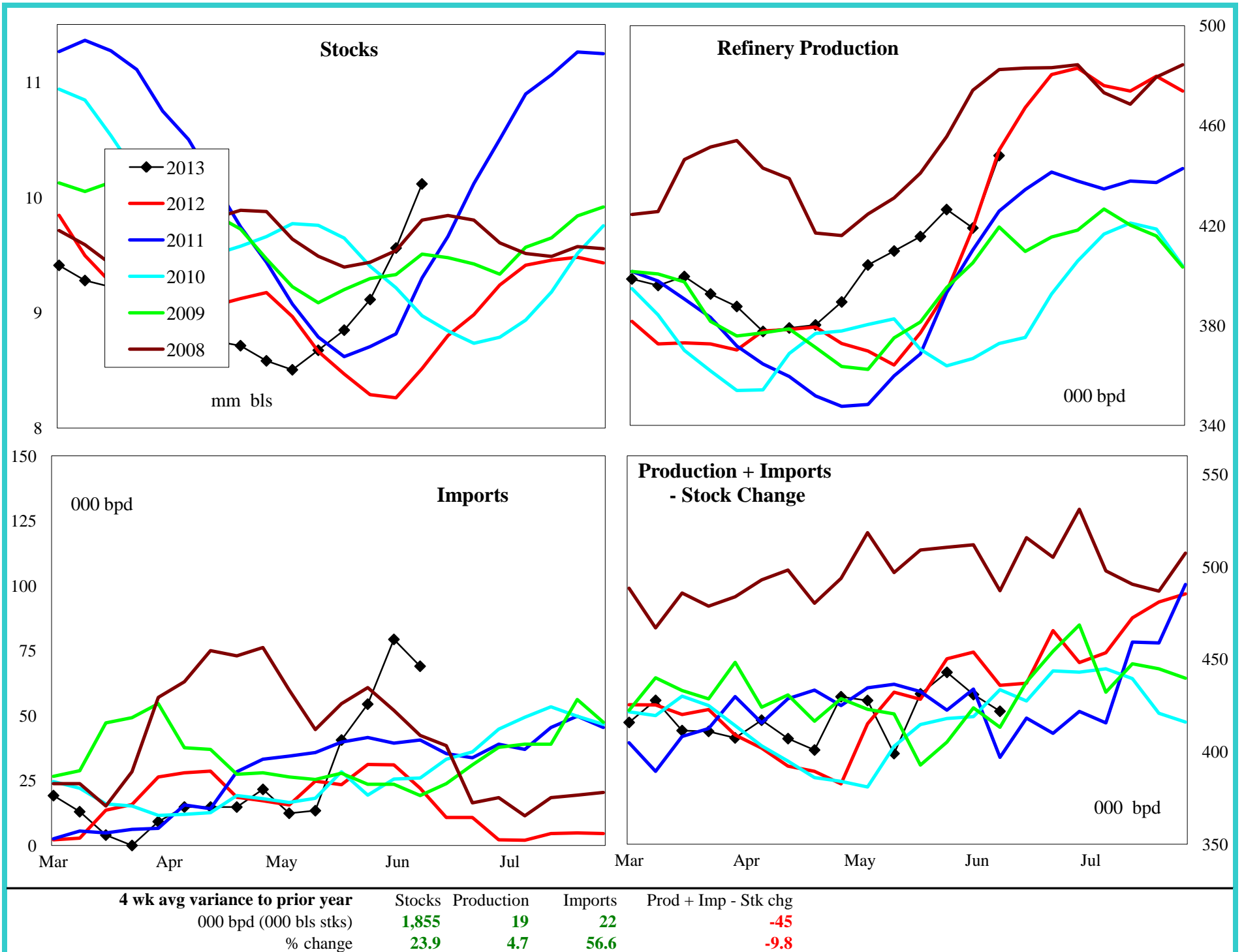
-8.0

10.8

PADD 5 Distillate Supply



PADD 5 Jet Fuel Supply



PADD 5 Residual Fuel Oil Supply

