



WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

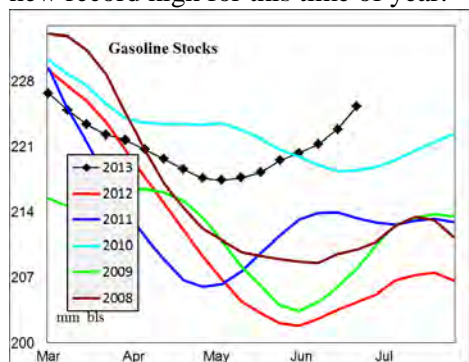
A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Wednesday, June 26, 2013



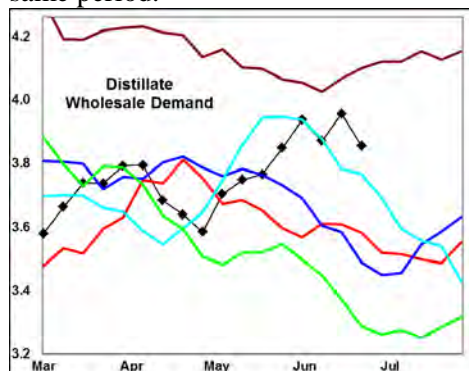
Major Fundamental Trends¹

While gasoline wholesale demand has witnessed an above average seasonal increase during the last 60-days, stocks have climbed +9 million barrels to a new record high for this time of year.



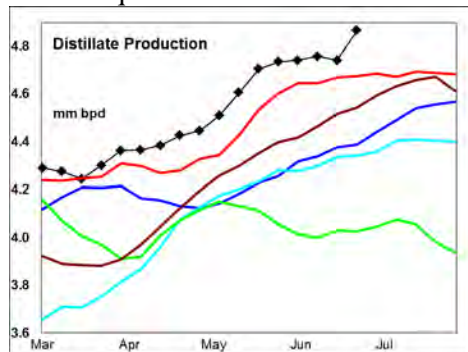
Stock levels are exceptionally high on the East and Gulf Coast regions; due in part to higher imports. However, stock levels have also increased at an above average rate in all other regions. In the absence of hurricane disruptions, gasoline supplies should be very ample during the summer driving season.

Distillate demand remains very robust with the latest 4-wk average +336,000 bpd above a year ago. This increase has been partially offset by a -273,000 bpd drop in exports for the same period.

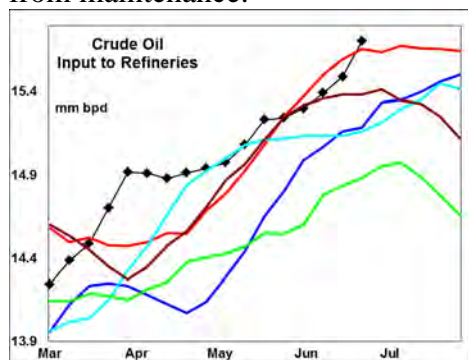


Distillate production has consistently exceeded prior year levels during the last 4-months, increasing to a new record high last week. Look for a seasonal decline in demand, combined with weak exports and record production to again lead to above

average rate of stock builds during the summer quarter.



Crude oil thru put increased last week to a new record high as both Gulf and Midwest refiners returned from maintenance.



Demand for distillate and jet fuel fell a combined -278,000 bpd on the week. Wholesale demand, measured over the last four weeks compared to a year ago: gasoline decreased -0.3%; distillate was +9.3% higher; jet fuel was -5.3% lower, and residual declined -1%.

Stocks forward coverage: Gasoline demand coverage increased on a +3.7 million barrel stock build that more than offset higher demand. Coverage is at a record high for the summer quarter.

Distillate coverage increased on a +1.6 million barrel stock build and continued robust demand. Coverage levels ended the week below year ago levels.

Jet fuel coverage increased on a +9.4 million barrel stock build and lower wholesale demand. Coverage levels matched the historic mid range.

Residual fuel oil coverage remains very high on very low demand.

Refinery utilization rates increased last week on a +173,000 bpd rise in crude oil runs. During the latest 4-wk period crude oil input was -102,000 bpd below a year ago.

Gasoline yield % on crude oil runs decreased on a +33,000 bpd increase in output compared to the +173,000 bpd rise in crude oil runs. Yield % on crude oil runs ended the week at a 5-year low.

Distillate yield % on crude oil runs jumped on a +189,000 bpd rise in output compared to the increase in crude oil thru put. The yield % on crude oil runs was a record for the season.

Jet fuel yield % on crude oil runs decreased slightly on a -4,000 bpd decrease in output, compared to the increase crude oil input. The yield % level remains below the last 2-years.

Petroleum Imports/Exports: Imports of gasoline surged +0.4 million bpd last week to a level sharply above the last 2-years.

During the latest 4-wk period crude oil imports were -1.2 million bpd below last year; distillate imports increased +14,000 bpd; finished gasoline imports decreased -17,000 bpd, gasoline blend stock imports were -128,000 bpd lower; jet fuel imports increased +81,000 bpd, while residual fuel oil imports were -36,000 bpd lower.

During the latest 4-wk period exports of gasoline were -76,000 bpd below last year, jet fuel was +27,000 bpd higher and distillate exports fell -273,000 bpd.

Crude Oil stocks were unchanged last week with only small changes across regions. Stock levels ended the week +7 million barrels above prior 5-year highs, with Cushing +1.9 million barrels above a year ago.

¹ Source is latest EIA Weekly Statistics



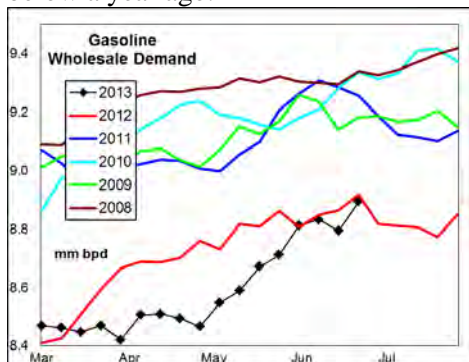
WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

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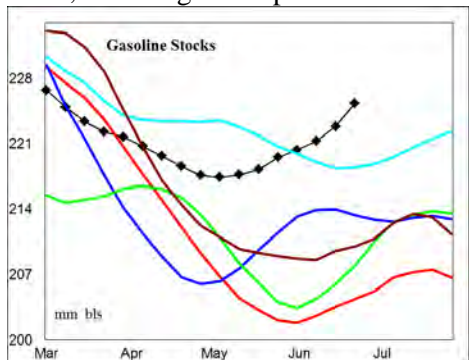
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Product Supply-Demand Trends

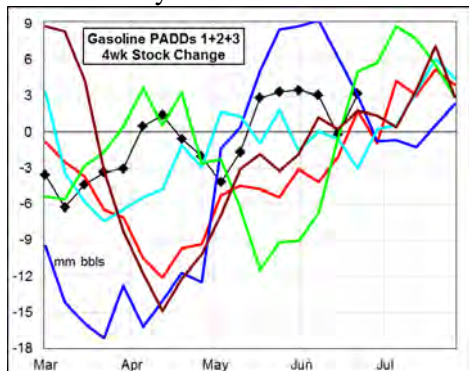
Gasoline wholesale demand increased +54,000 bpd on the week. The latest 4-wk average demand was -28,000 bpd below last year. Supply increased +414,000 bpd last week. Supply for the latest 4-wk period was -50,000 bpd below a year ago.



Stocks jumped +3.7 million barrels last week, on a surge in imports.



The latest 4-wk stock build in markets East of the Rockies was a +3.1 million barrel build, slightly above the average of the last 2-years.

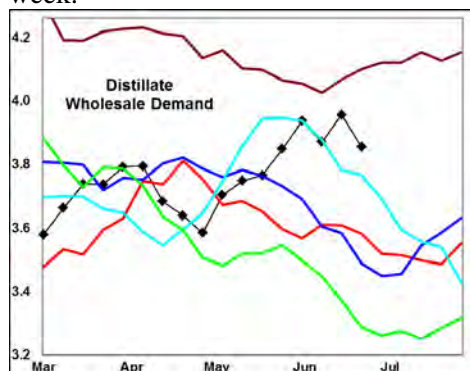


Wholesale demand is only slightly below last year for the most recent 4-wk period. Sharply higher imports has contributed to the record high stock levels in markets East of the Rockies. Imports have also increased on the West Coast following the spike in

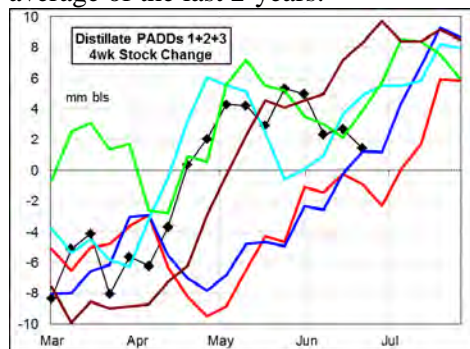
wholesale prices. Supplies should remain very ample across nearly all markets for the summer season.

Distillate demand declined -121,000 bpd last week, although the level remains well above the last 3-years. The latest 4-wk average demand was +336,000 bpd above a year ago.

Supply increased +194,000 bpd last week, on higher production. The latest 4-wk average supply was +115,000 bpd above last year. Stocks increased +1.6 million barrels on the week.



The latest 4-wk stock change in markets East of the Rockies was a +1.4 million barrel build, slightly above the average of the last 2-years.



The recent surge in distillate demand, combined with lower production, has slowed the rate of stock building.

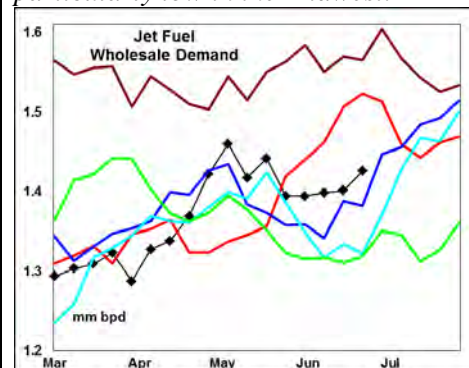
Look for a sharp pull back in seasonal demand, and higher seasonal production to lead to renewed above average rate of stock builds during the summer quarter.

Jet Fuel wholesale demand fell -157,000 bpd last week to a level comparable with the last 2-years. The latest 4-wk average demand was -82,000 bpd below last year.

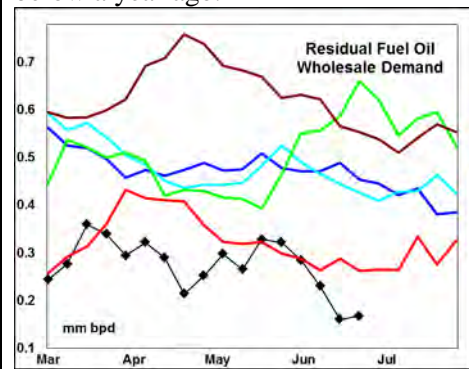
Supplies increased +34,000 bpd on

the week, with production at the 3-year mid range. Supply for the latest 4-wk period was +7,000 bpd above a year ago. Stocks increased +0.4 million barrels on the week, to a level at the low end of the 5-year range.

Look for demand to trend seasonally higher, offset by seasonally higher production. Sharply higher imports on the West Coast has led to record stock levels in that region. Stock levels remain particularly low in the Midwest.



Residual fuel oil demand was nearly unchanged last week. Demand for the latest 4-wk period was -3,000 bpd below a year ago.



Supply (production + imports) increased +134,000 bpd last week, on higher production and imports. Production levels were below the 5-year range. Stocks increased +1.6 million barrels on the week.

Stock levels reached a new record high in the Gulf. Stocks continue to trend lower in the Midwest, although the level remains well above the historic range. Demand for the latest 4-wk period remains below the historic range.



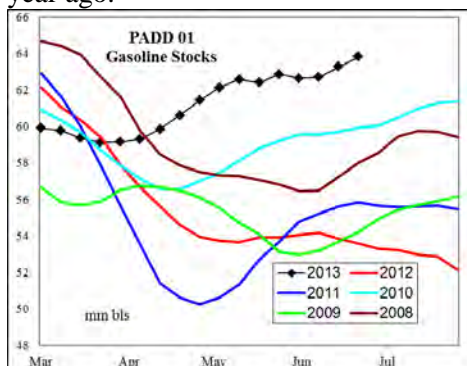
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PADD Supply Trends

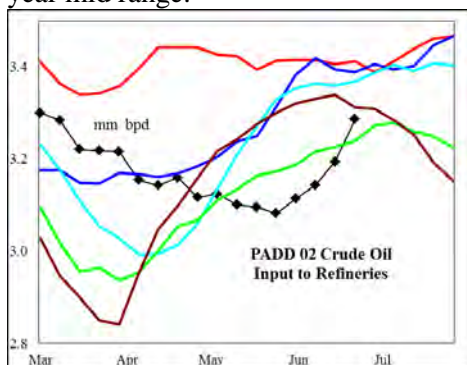
PADD 1 refinery crude oil runs declined -63,000 bpd last week, to a level near the average of the last 2-years. The latest 4-wk average crude oil thru put was +140,000 bpd above a year ago.



Gasoline supply jumped +311,000 bpd on a surge in imports. Stocks increased +1.6 million barrels with the level at a new record high.

Distillate supply increased +53,000 bpd on the week. Stocks increased +0.5 million barrels with the level of ULSD stocks at a 5-year high in the key Central Atlantic Region.

Jet fuel stocks fell -0.6 million barrels last week, to a level near the 5-year mid range.



PADD 2 crude oil refinery runs increased +121,000 bpd on the week, with the level below each of the last 3-years. Runs for the latest 4-wk period were -219,000 bpd below last year. Crude oil stocks were nearly unchanged on the week. Stocks ended the week +4% above a year ago at Cushing.

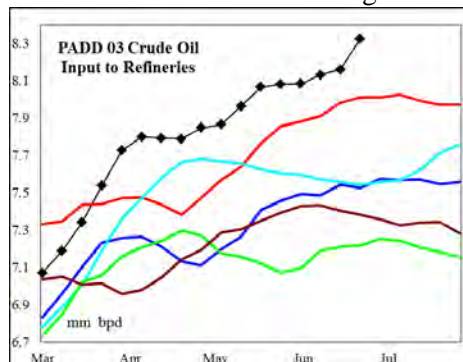
Gasoline production increased +52,000 bpd on the week, to level comparable to the last 2-years. Stocks

increased +0.2 million barrels to a level above the historic mid range.

Distillate supply increased +75,000 bpd last week, with the level sharply below the last 3-years. Stocks were unchanged on the week, with the level matching the last 2-years.

Jet fuel production increased to a level that matched the 3-year mid range, while stock levels remain -15% below a year ago.

PADD 3 refinery runs increased +173,000 bpd on the week. During the latest 4-wk period, average runs were +181,000 bpd above a year ago. Crude oil stocks decreased -0.6 million barrels last week, although the level remains above the historic range.



Gasoline supply increased +19,000 bpd on the week, to a level above last year. Stocks increased +0.6 million barrels to a new record high for this time of year.

Distillate supply increased +159,000 bpd on the week, to a new record high level for the season. The latest 4-wk average supply was +143,000 bpd above last year. Stocks increased +1.1 million barrels on the week, a level +13% above a year ago.

Jet fuel supply was unchanged on the week, with output near last year's record highs. Stock levels remain near 5-year lows.

Residual fuel oil supplies declined -48,000 bpd to a level comparable to a year ago. Stock levels ended the week at a new 5-year high for the period.

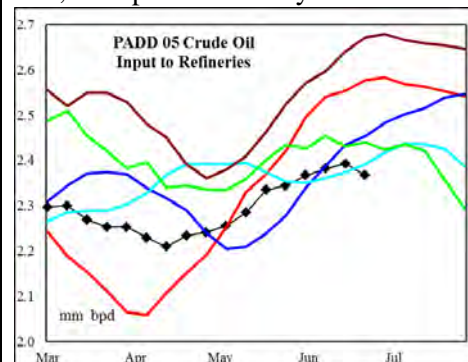
PADD 4 refinery crude runs increased +6,000 bpd on the week, ending the week nearly -65,000 bpd below last years' record high.

Gasoline production increased +17,000 bpd with the level still below the last 2-years. Stocks jumped +0.5 million barrels to a level above a year ago.

Distillate production decreased -13,000 bpd last week, to a level well below the last 3-years. Stock levels ended the week comparable to the last 2-years.

Jet fuel production increased to a level near the 3-year highs with stocks at the low end of the 3-year range.

PADD 5 crude oil refinery runs declined -63,000 bpd on the week; to a level below the 5-year range. The latest 4-wk average run rate was -148,000 bpd below last year.




Gasoline supply decreased -7,000 bpd on the week, as production declined to match historic highs and imports increased +41,000 bpd. The latest 4-wk average supply was +54,000 bpd above a year ago. Stocks increased +0.8 million barrels, to a level near historic highs.

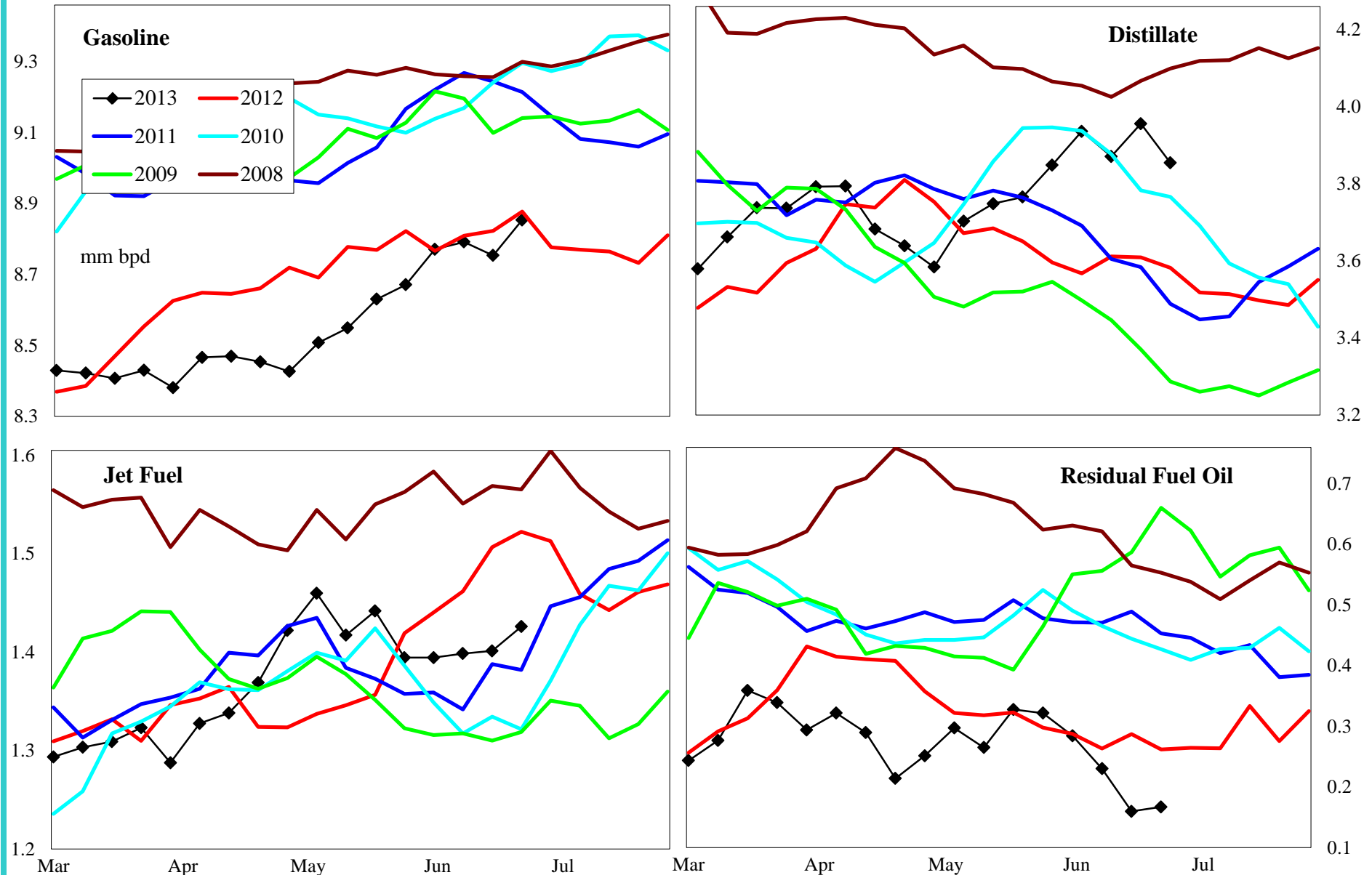
Distillate supply fell -79,000 bpd, on a sharp drop in production. The latest 4-wk average supply was +49,000 bpd above a year ago. Stocks were nearly unchanged on the week, at a level that matched 3-year highs.

Jet fuel supply decreased -7,000 bpd on the week, with a drop in production offset by imports of 75,000 bpd last week. Stocks increased +0.5 million barrels, to a level that matched historic highs.

Residual fuel oil supply increased +41,000 bpd on the week. Stocks ended the week at a level near year ago levels.

 FUNDAMENTAL PETROLEUM TRENDS		CHARTS: Graph Link and Weekly Summary					
		A Fundamental Petroleum Trends Weekly Report				June 26, 2013	
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Fundamental Trends	Wholesale Demand	Stocks Days Fwd Coverage	Refinery Utilization Product Yield %			Imports	
Supply/Demand Trends	21-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	18	714	118	-586	466	-694
	Imports	-138	-205	233	-221	-12	67
	Input	173	-63	121	173	6	-63
	% Utilization	0.90					
Gasoline	Stocks	3,653	1,562	206	589	464	833
	Production	33	-65	52	54	17	-48
	Imports	381	376	-1	-35	0	41
	Supplied	54					
Distillate	Stocks	1,567	458	6	1,055	94	-45
	Production	189	57	75	159	-13	-88
	Imports	5	-4	0	0	0	9
	Supplied	-121					
Jet Fuel	Stocks	369	-575	297	246	-79	480
	Production	-4	2	23	0	3	-32
	Imports	38	14	0	0	0	25
	Supplied	-157					
Residual Fuel Oil	Stocks	1,633	852	-176	1,150	-1	-191
	Production	26	-2	31	-27	3	19
	Imports	108	109	-1	-21	0	22
	Supplied	6					
Propane	Stocks	1,729	171	215	1,266	77	
	Propylene stk	71					
	Production	9	-2	15	3	-7	
	Imports	15	3	3	0	9	
	Supplied	268					

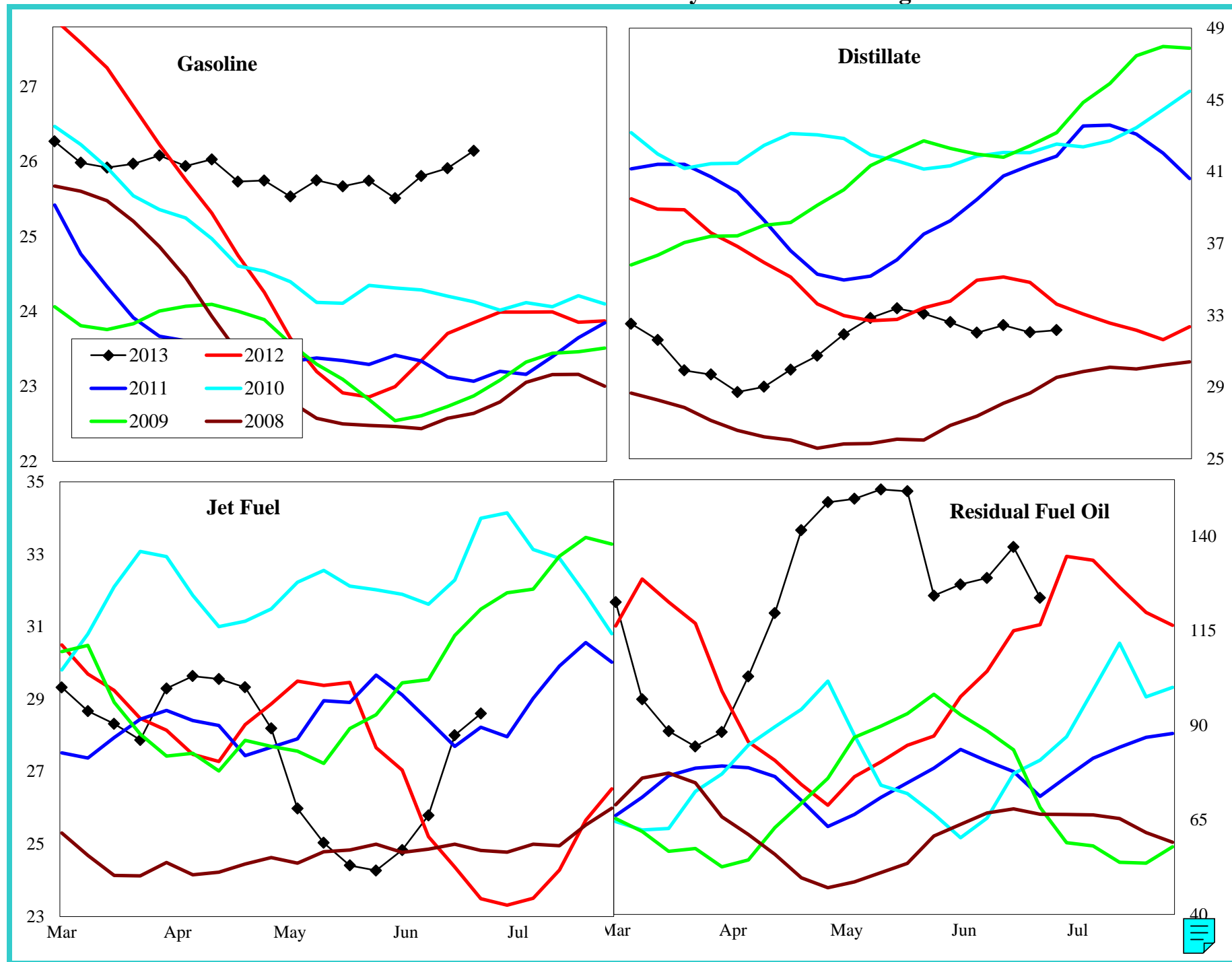
United States Wholesale Petroleum Demand



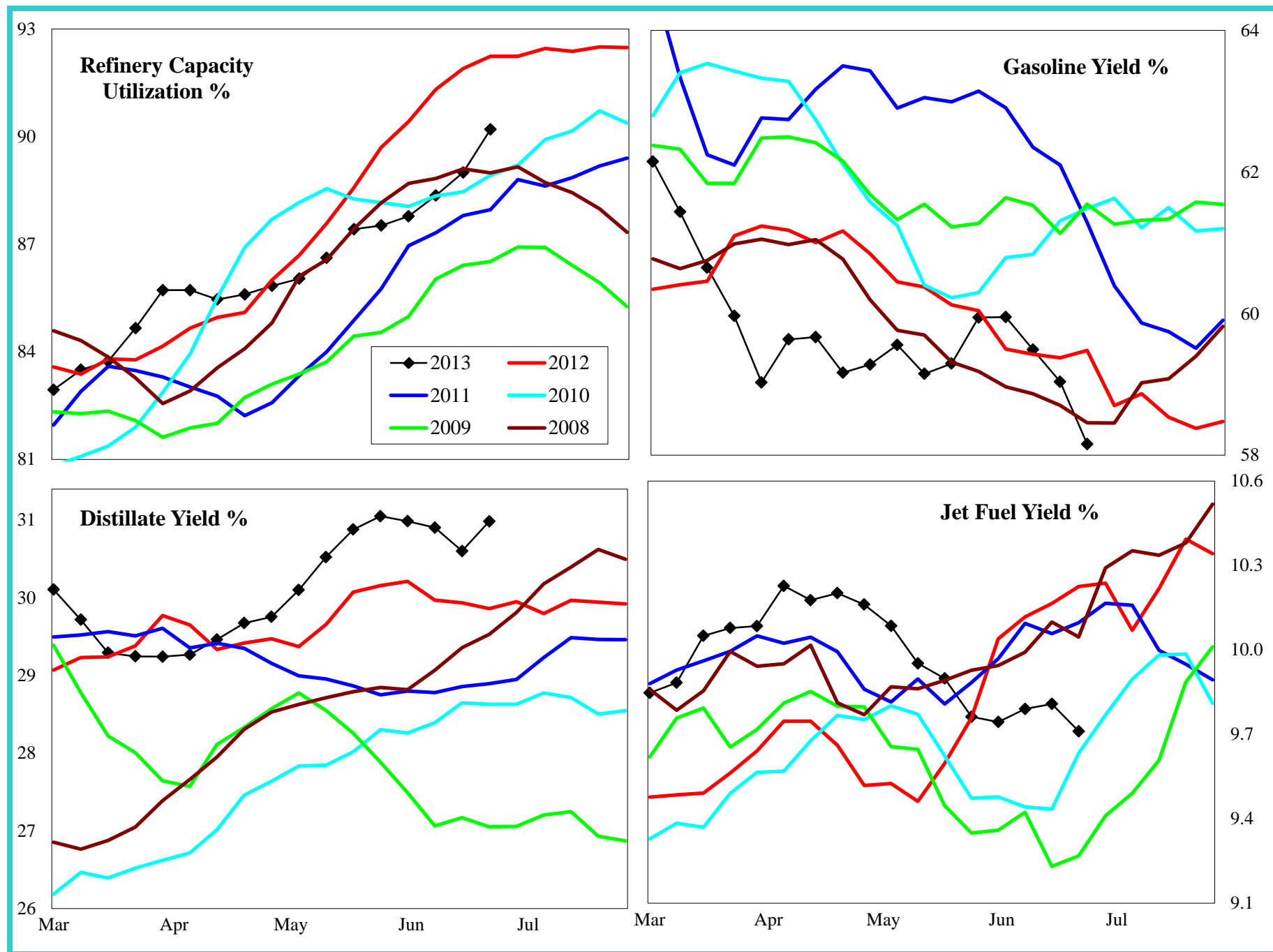
	000 bpd change from prior year				% change from prior year			
	4wk avg	May	Jan	Jan	4wk avg	May	Apr	Mar
Gasoline	-28	-269	-319	-17	-0.3	-3.0	-3.6	-0.2
Distillate	336	96	-68	66	9.3	2.6	-1.8	1.8
Jet Fuel	-82	75	63	-13	-5.3	5.3	4.6	-0.9
Resid	-3	111	-141	15	-1.1	37.8	-34.6	3.6



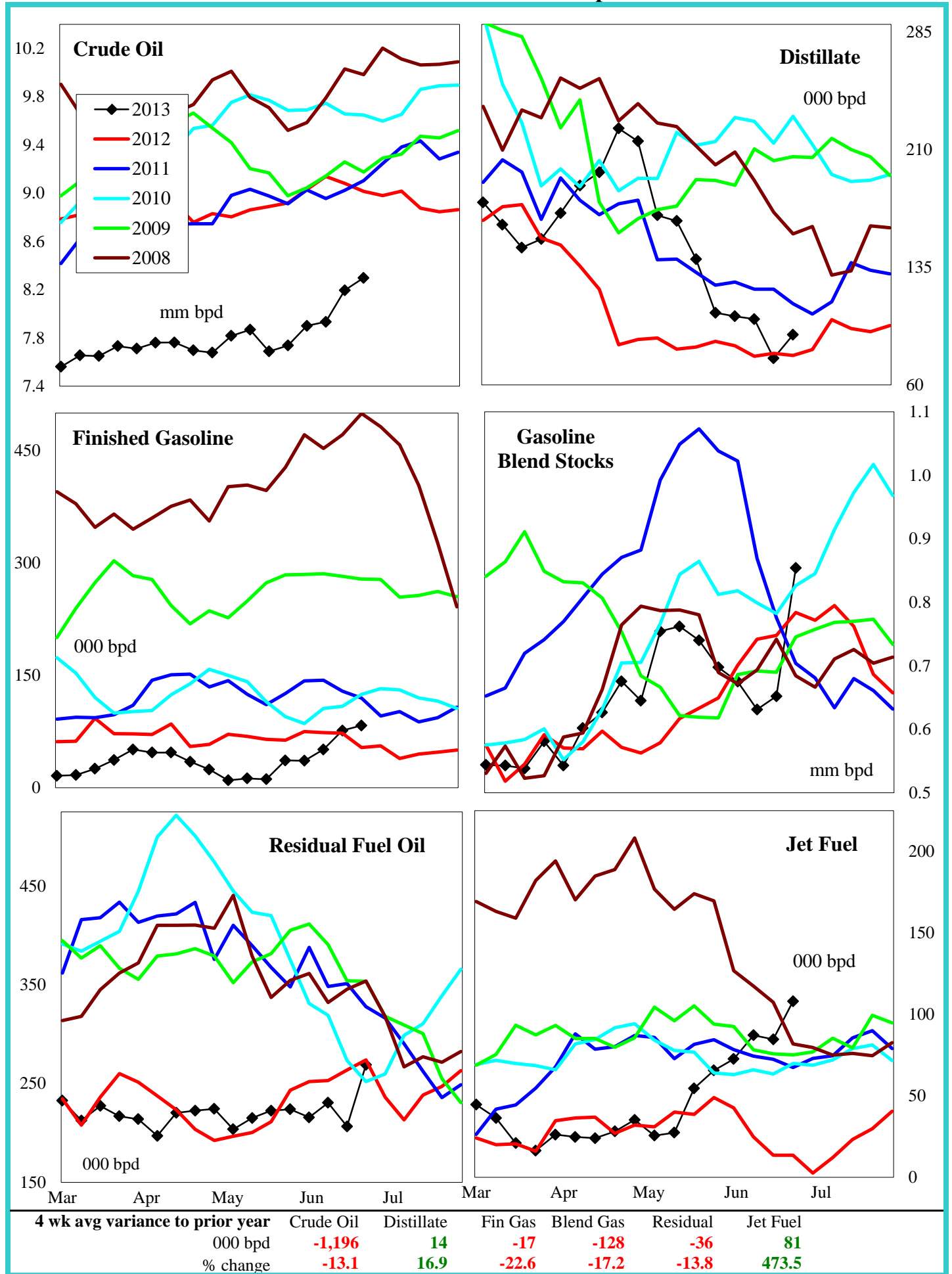
United States Product Stocks: Days Forward Coverage



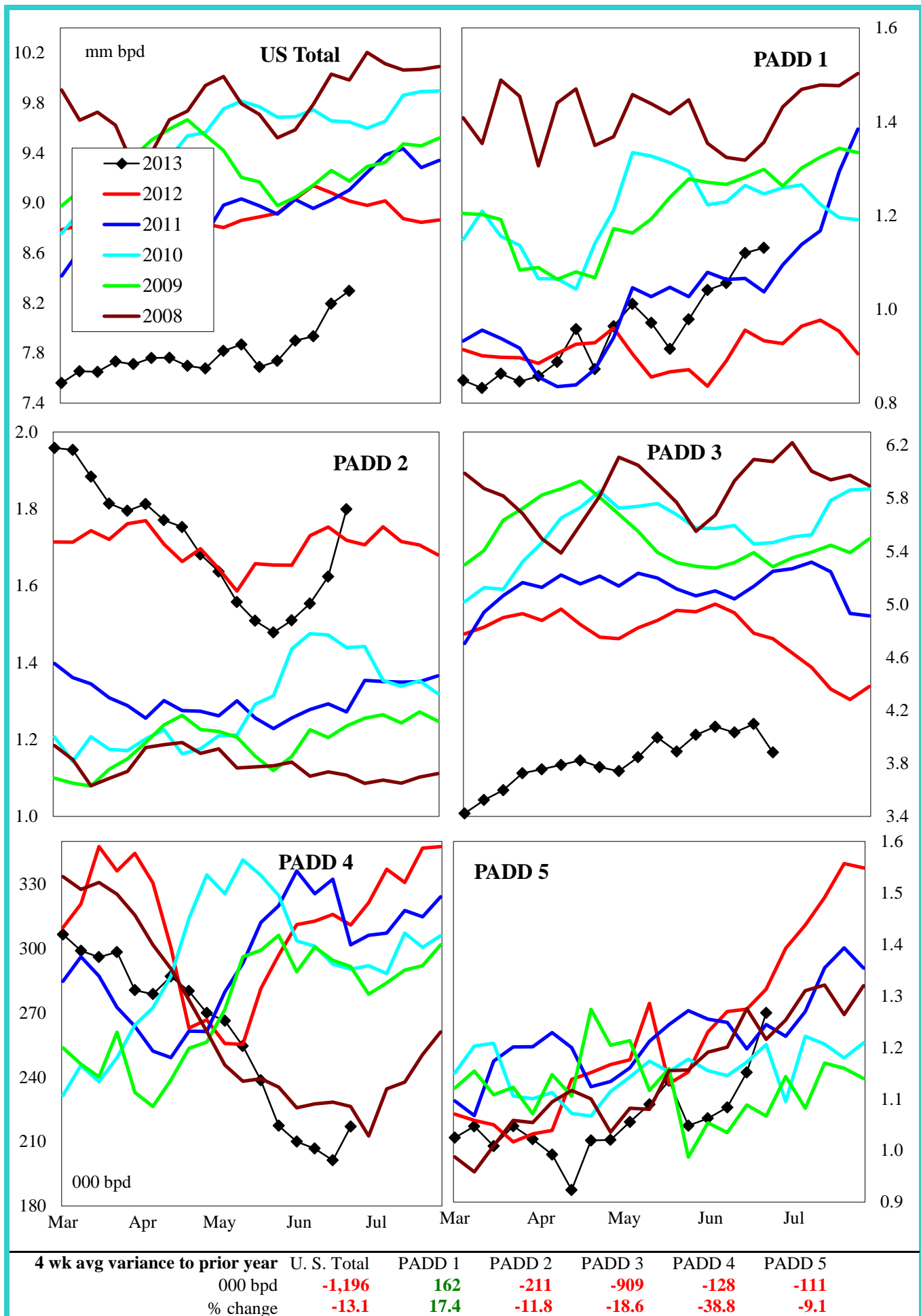
United States Refinery Percent Utilization Rate and Product Yields



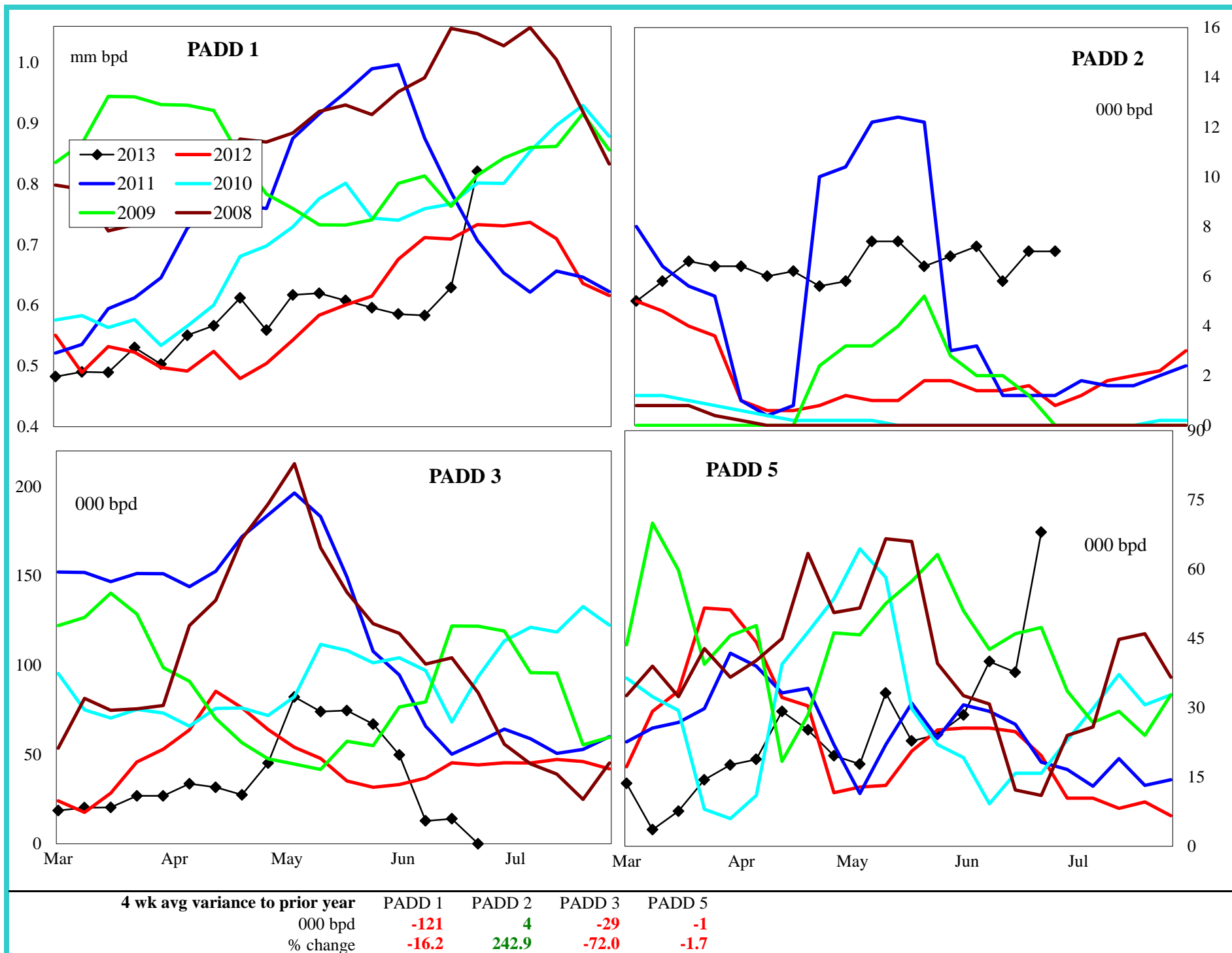
United States Petroleum Imports



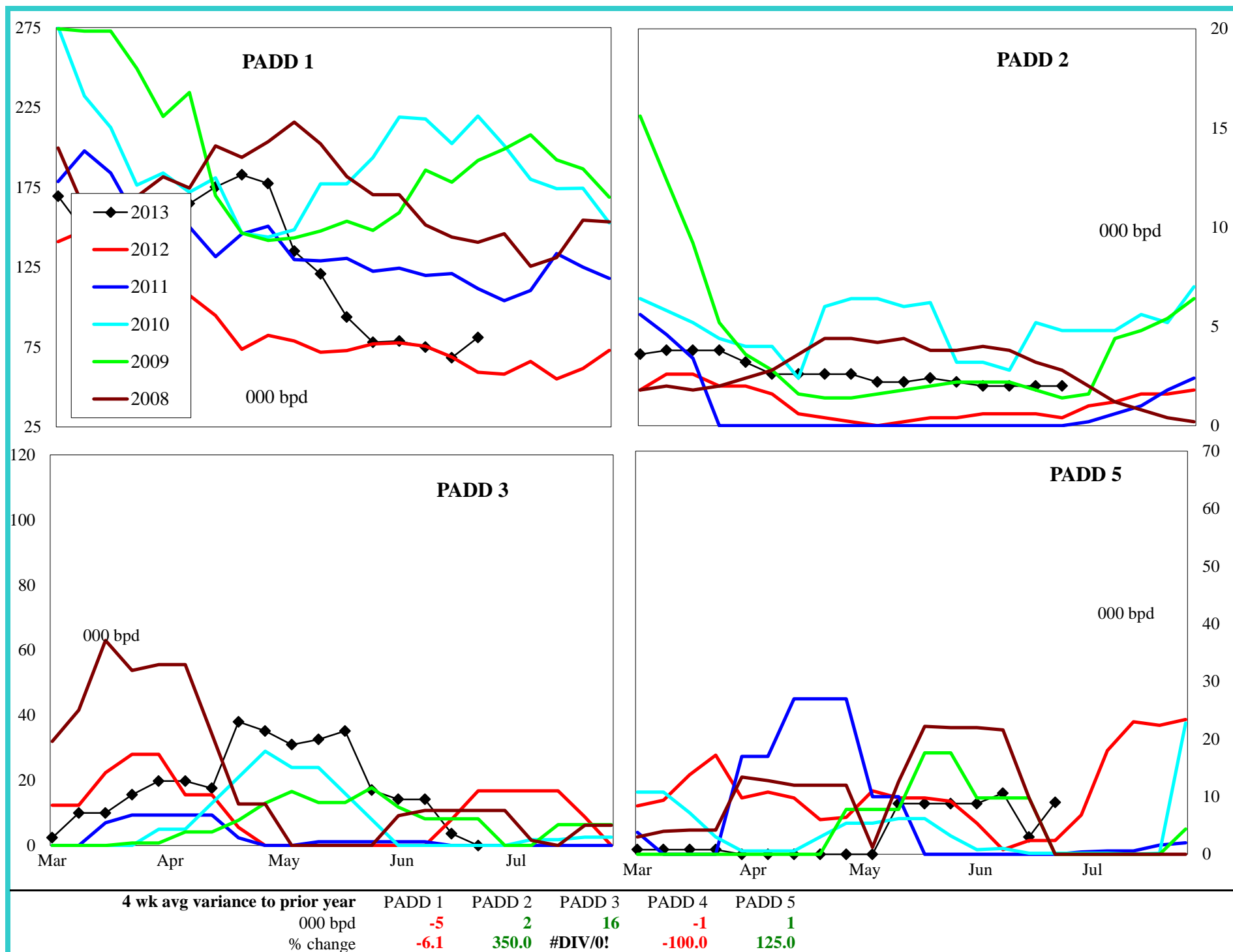
Crude Oil Imports by PADD



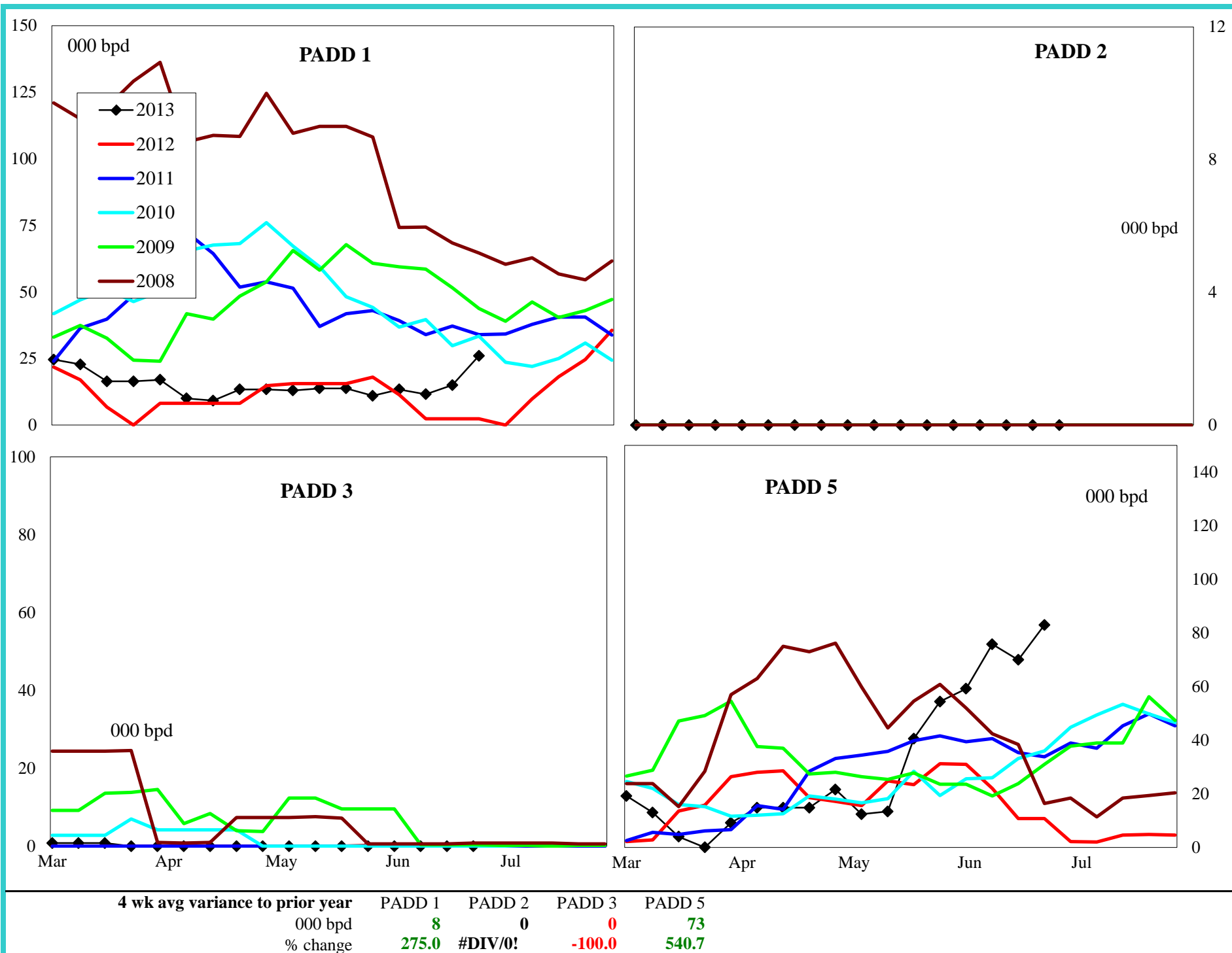
Gasoline Imports by PADD (Finished + Blend Stocks)



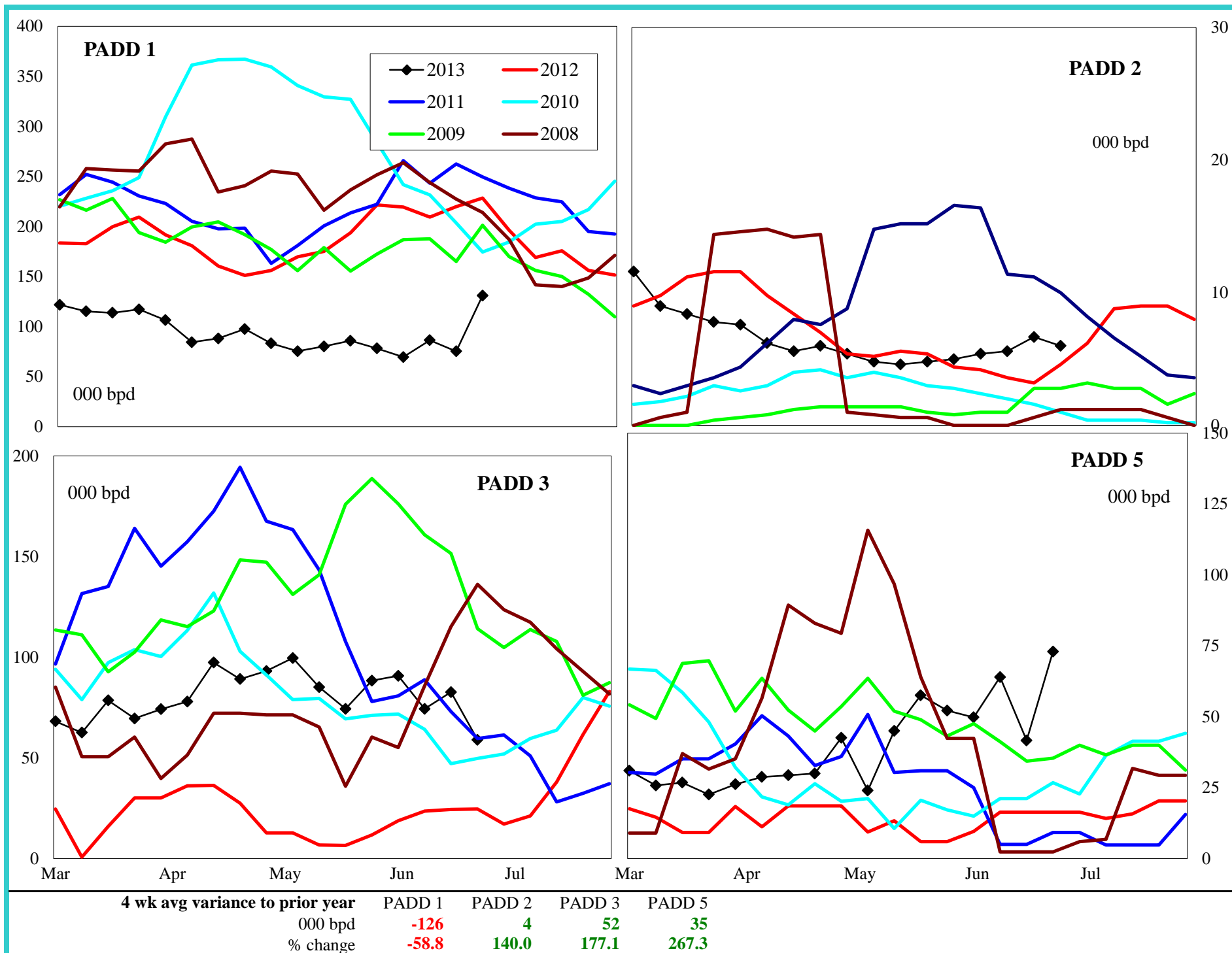
Distillate Imports by PADD



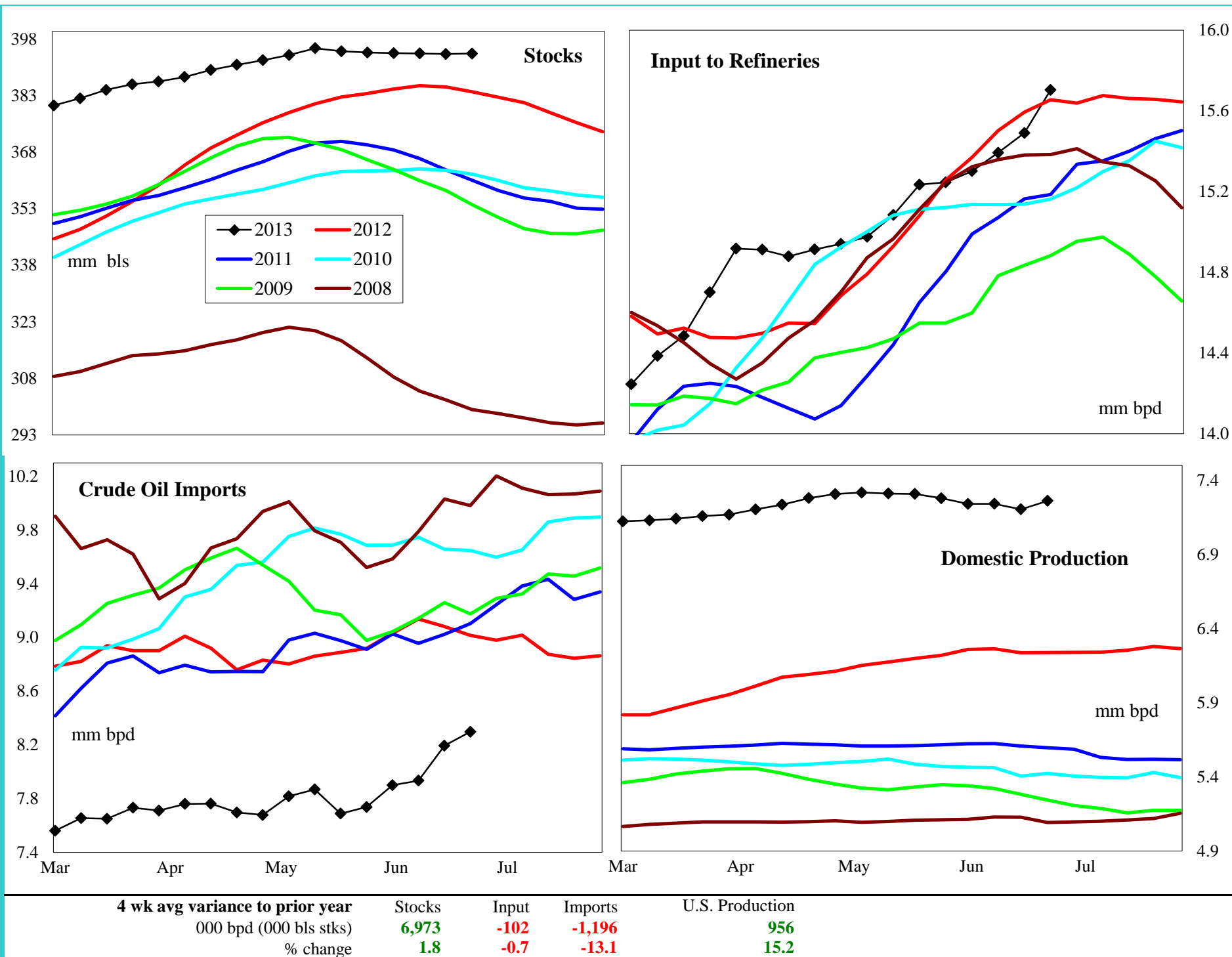
Jet Fuel Imports by PADD



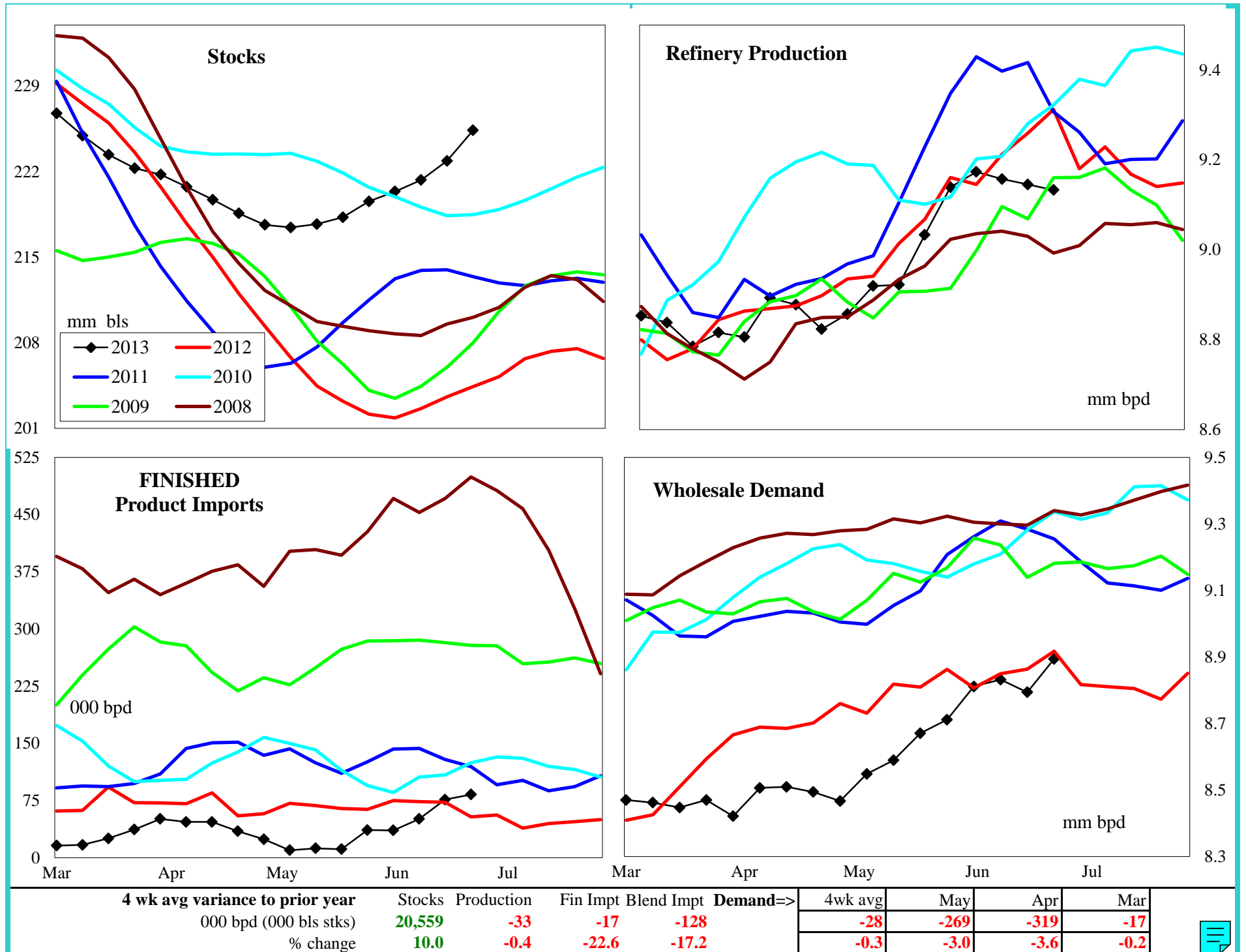
Residual Fuel Oil Imports by PADD



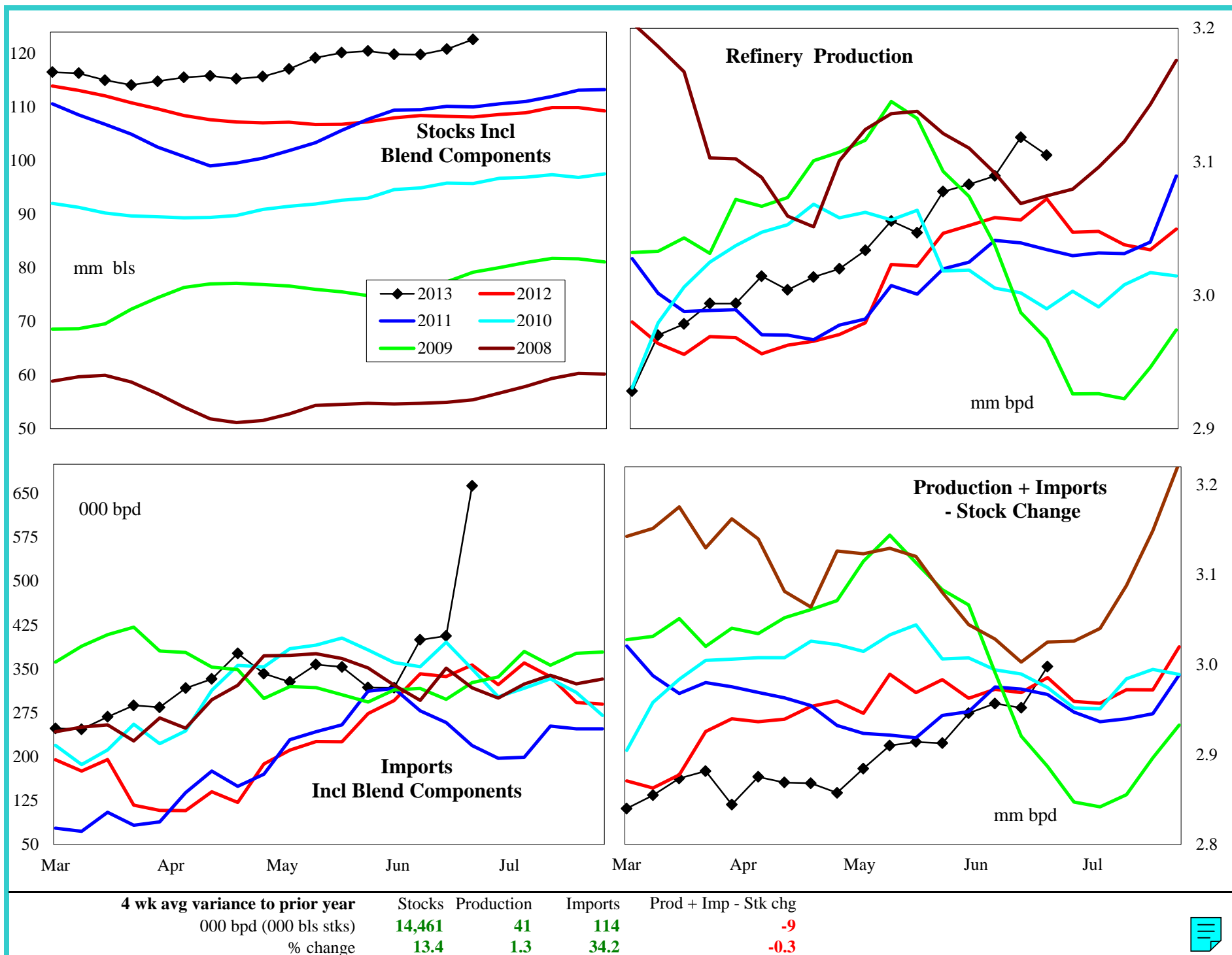
United States Crude Oil Supply and Demand Balance



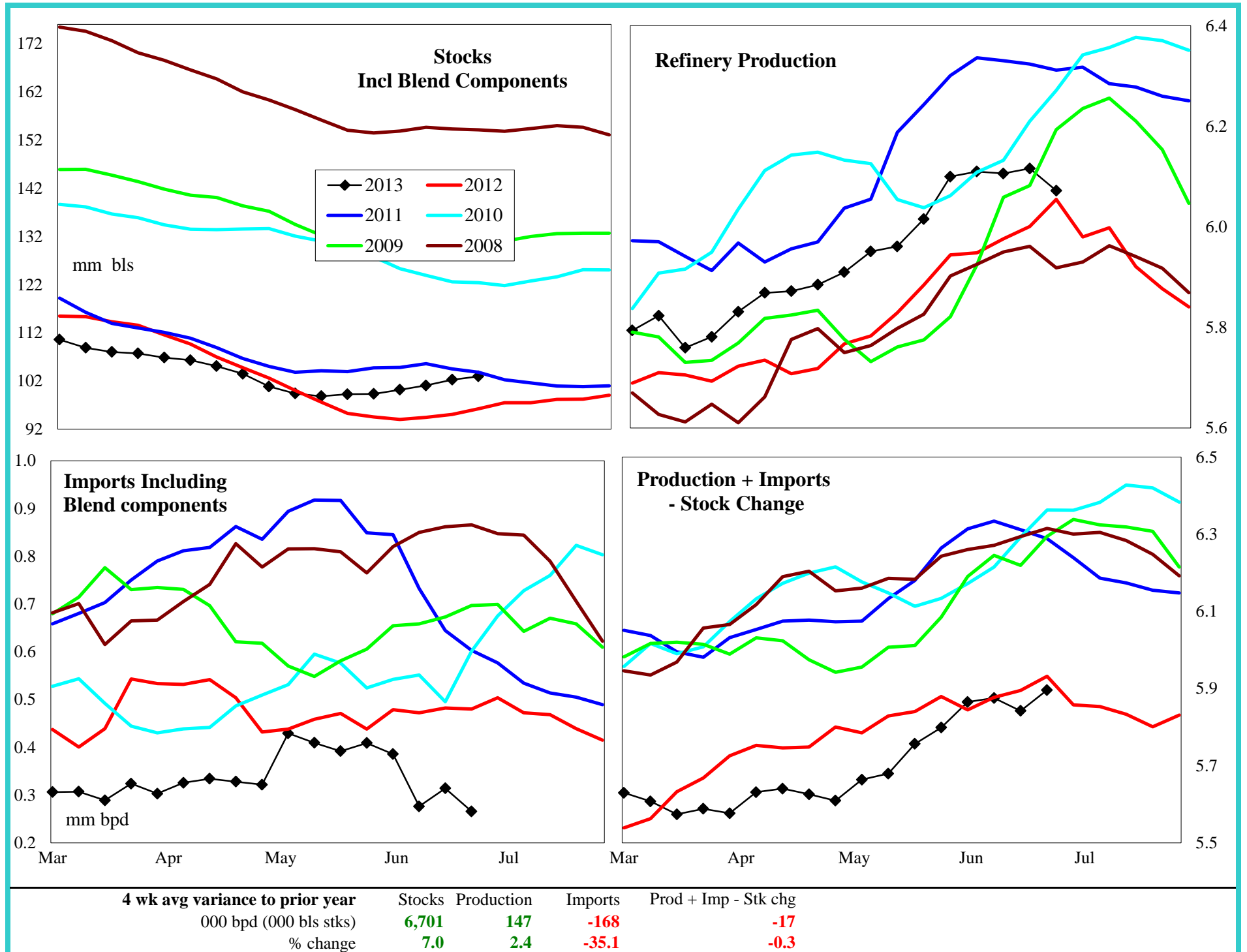
United States Gasoline Supply and Demand Balance



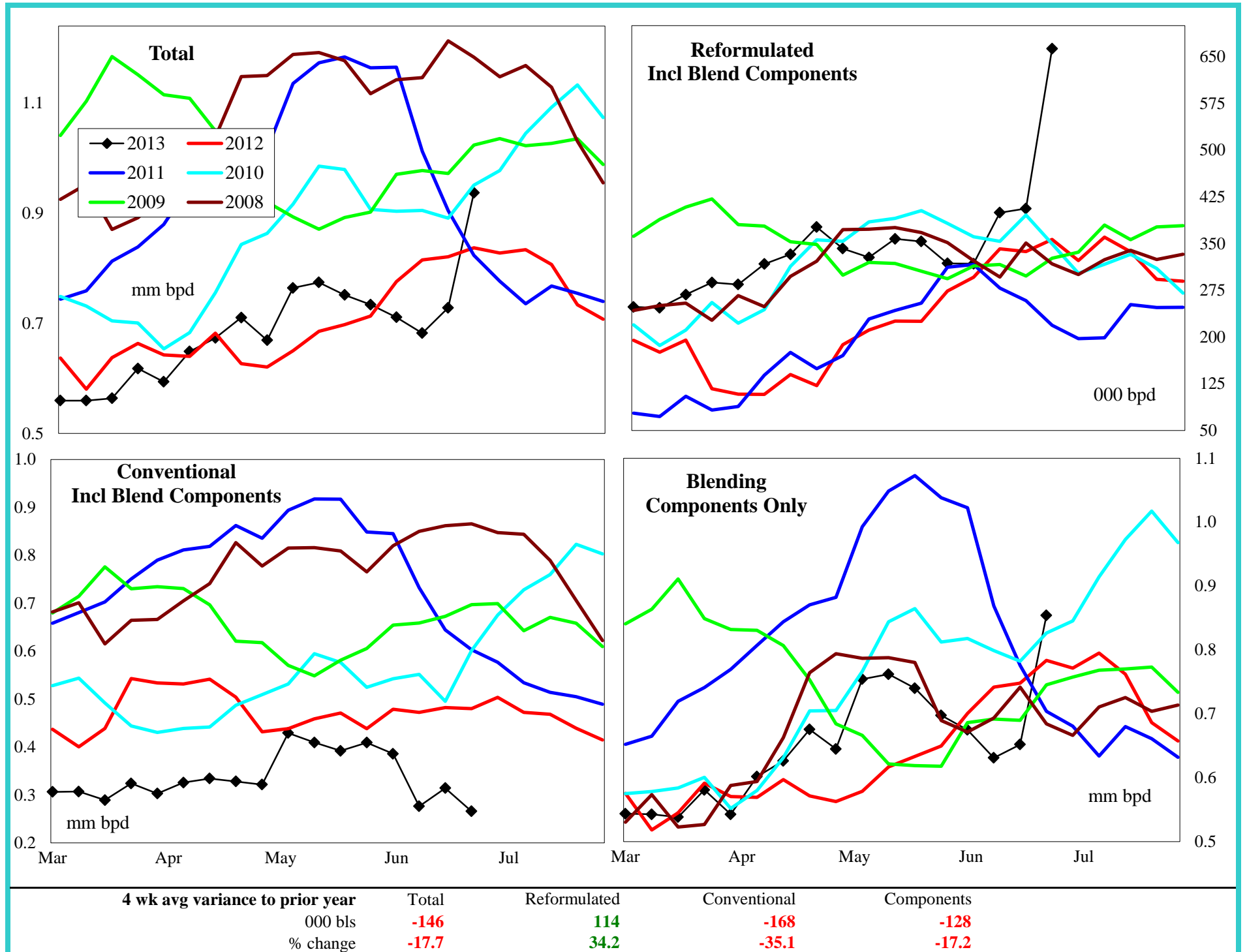
United States Reformulated Gasoline Supply



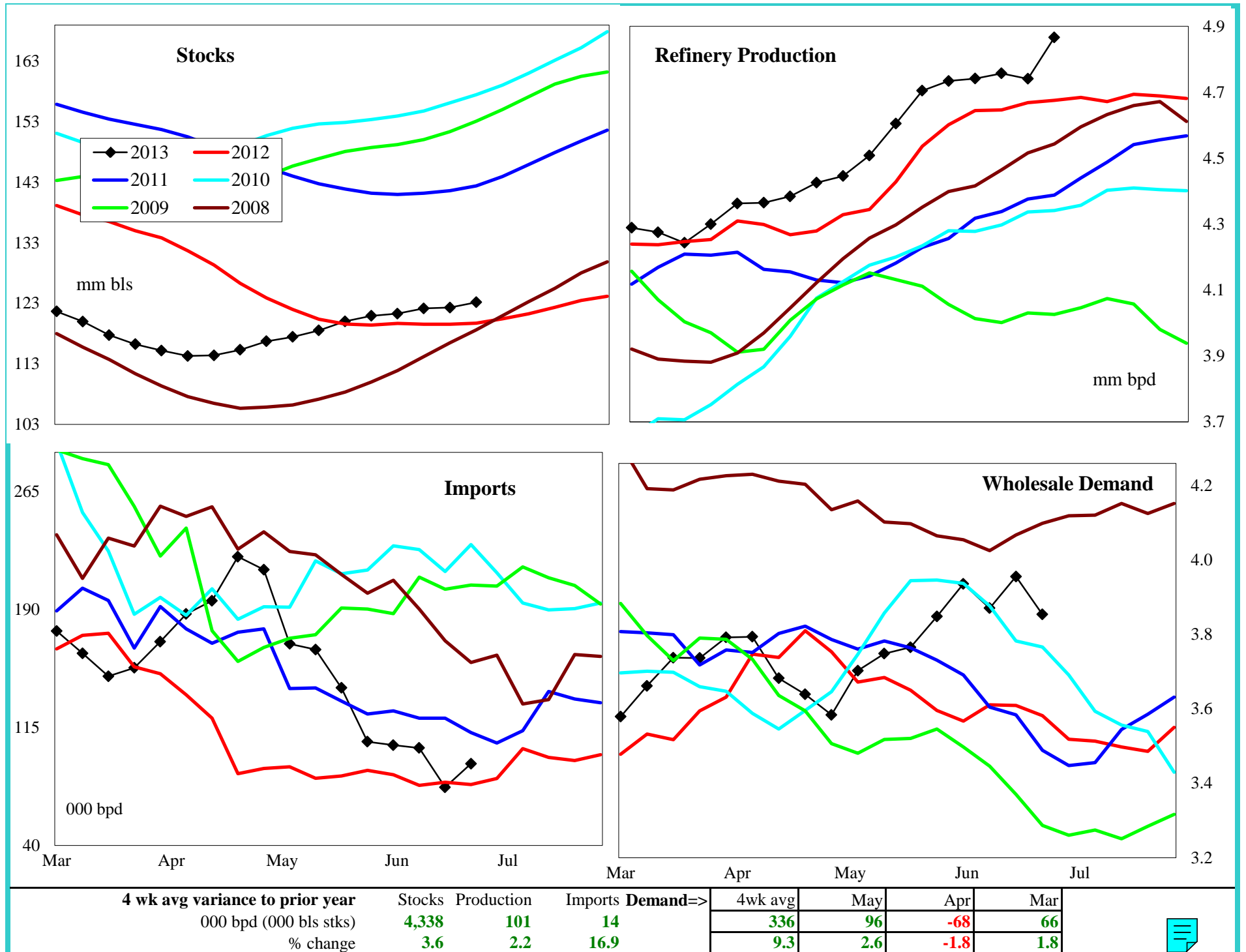
United States Conventional Gasoline Supply



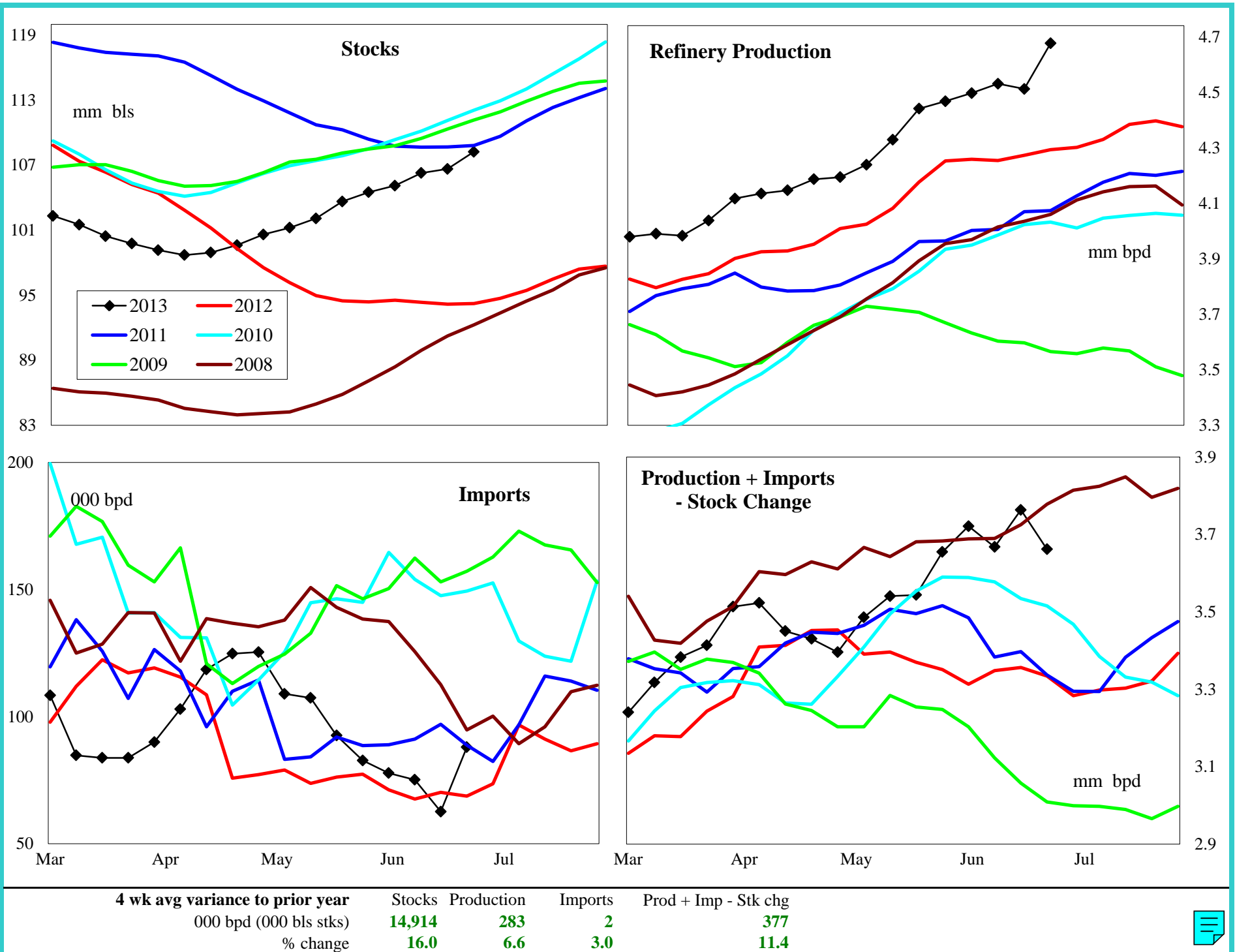
United States Gasoline Imports by Type



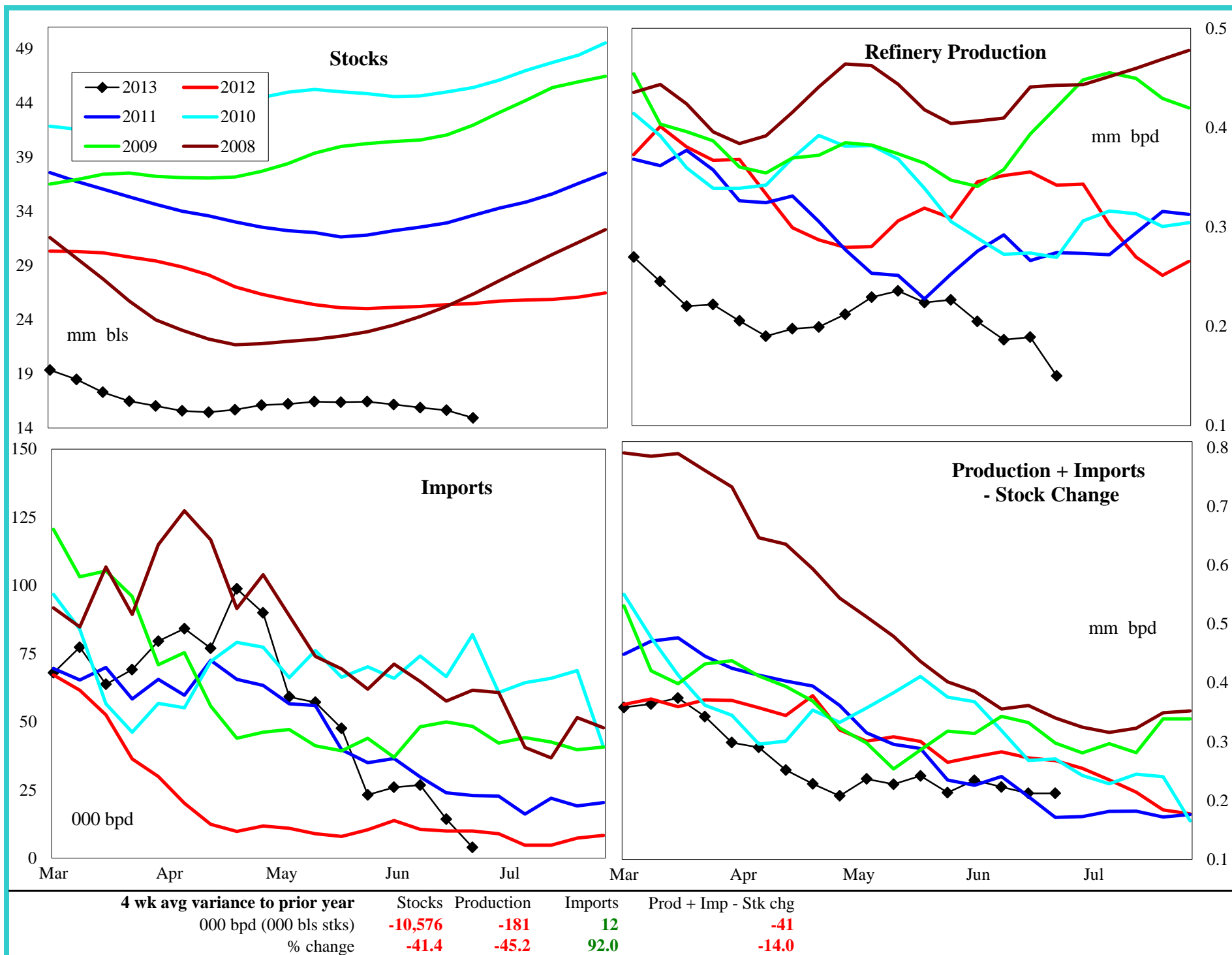
United States Distillate Supply and Demand Balance



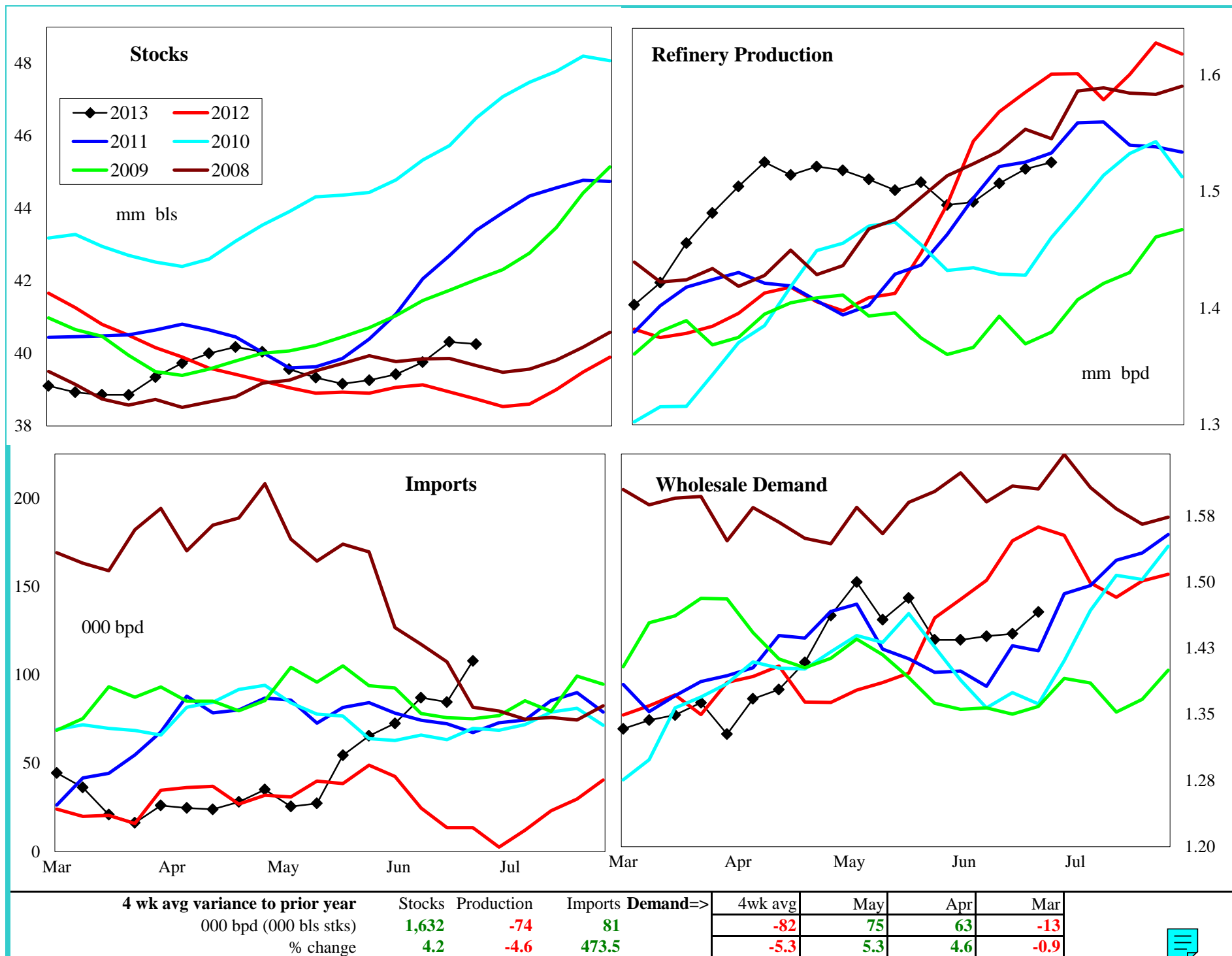
United States Low Sulfur Distillate Supply



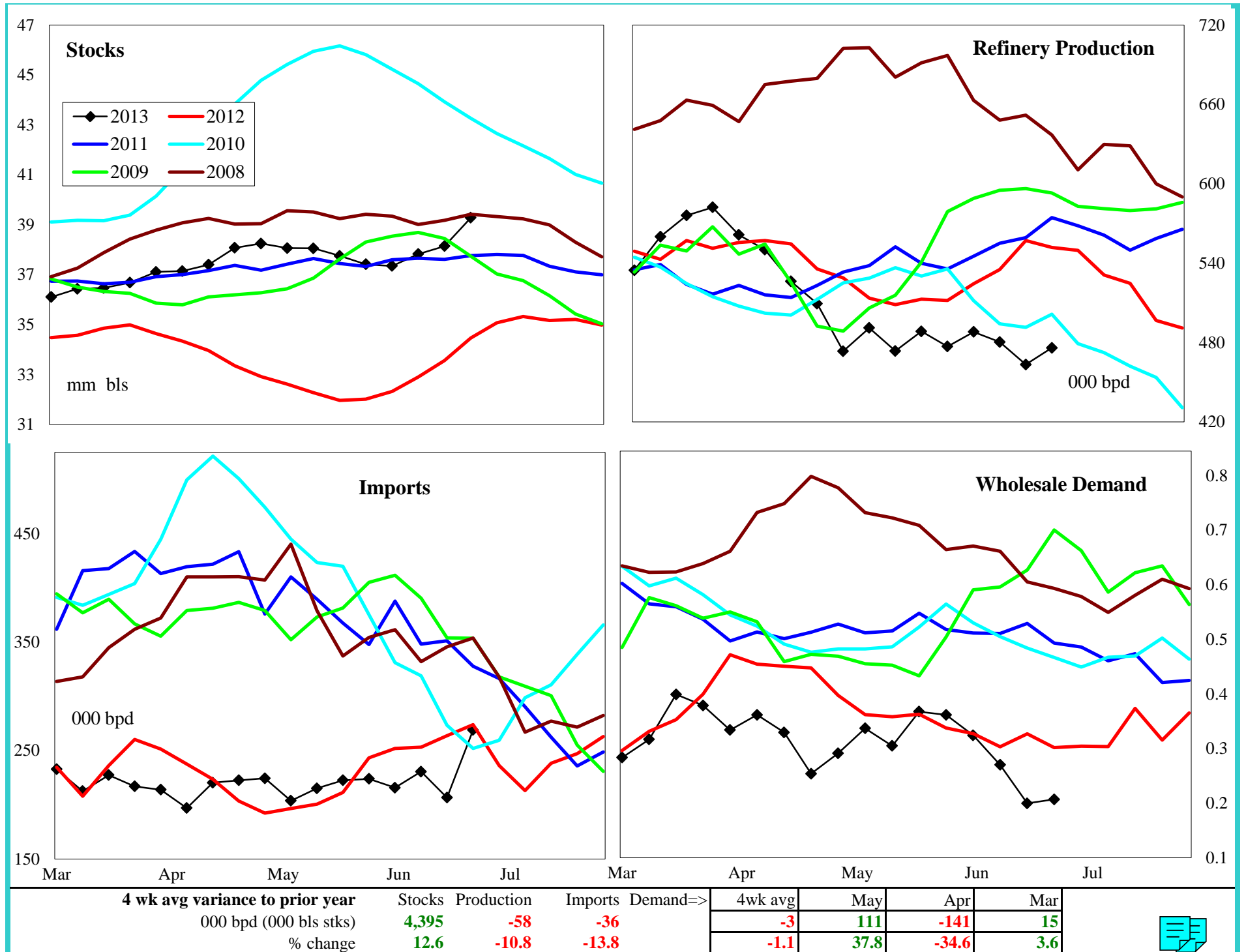
United States High Sulfur Distillate Supply



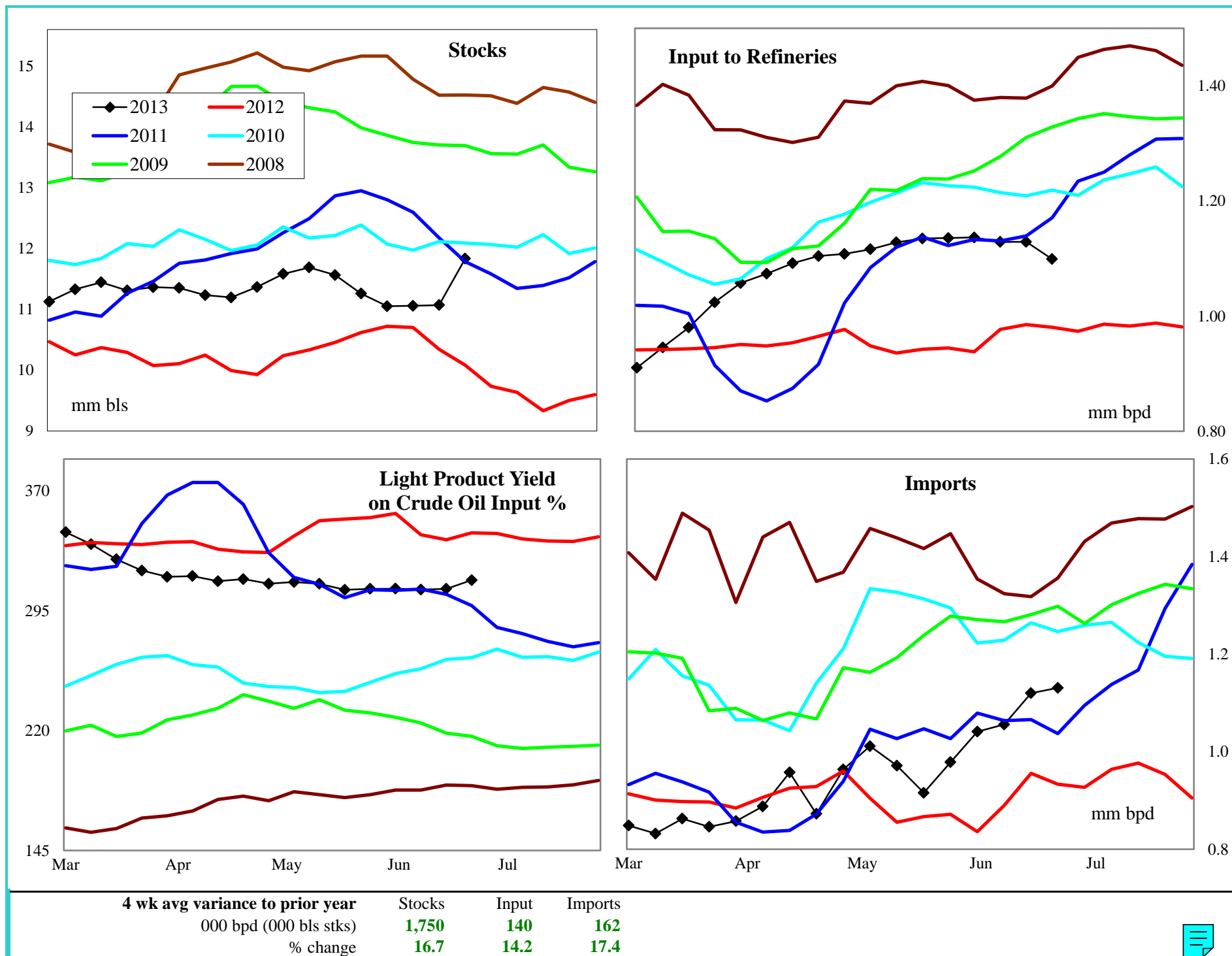
United States Jet Fuel Supply and Demand Balance



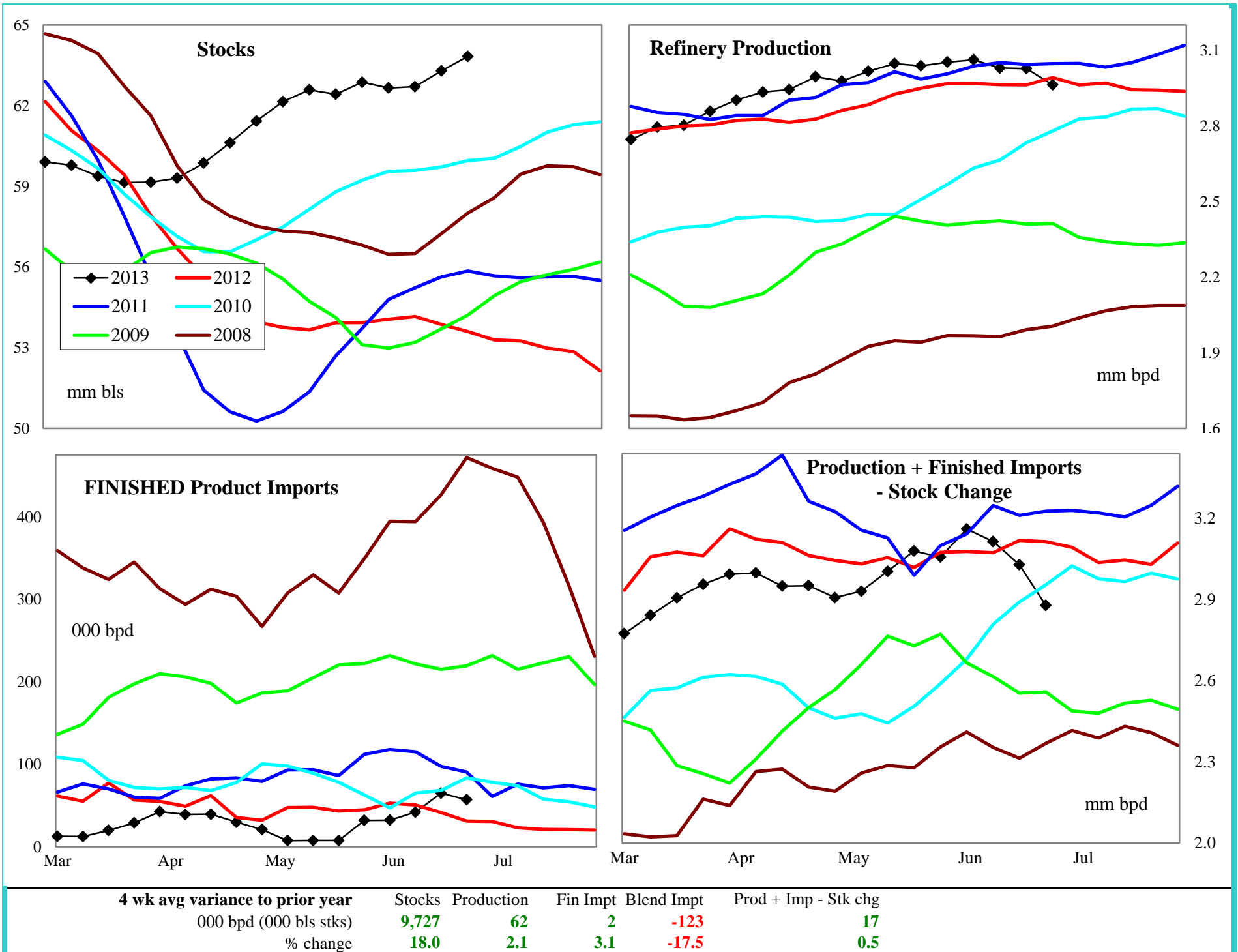
United States Residual Fuel Oil Supply and Demand Balance



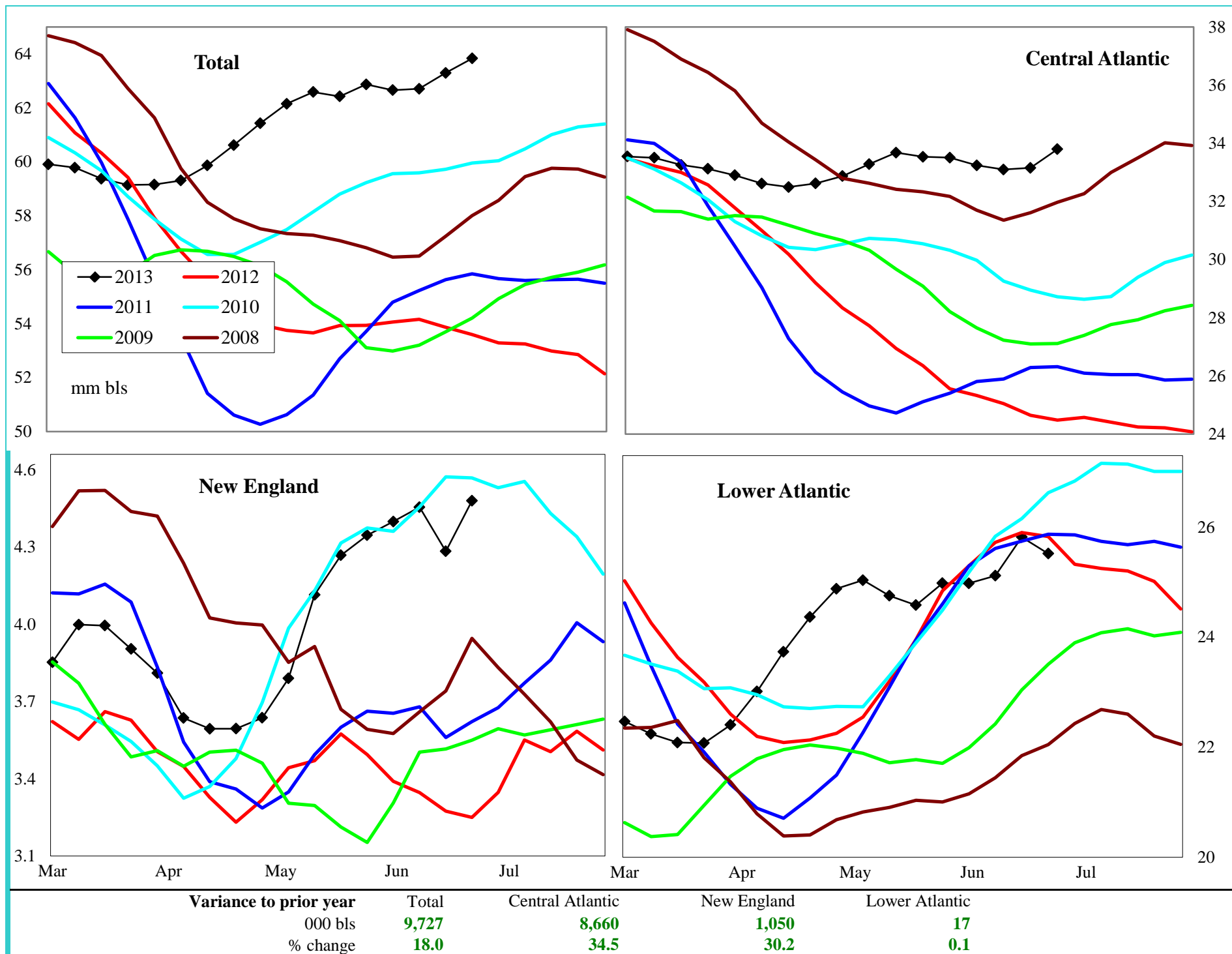
PADD 1 Crude Oil Supply and Refining



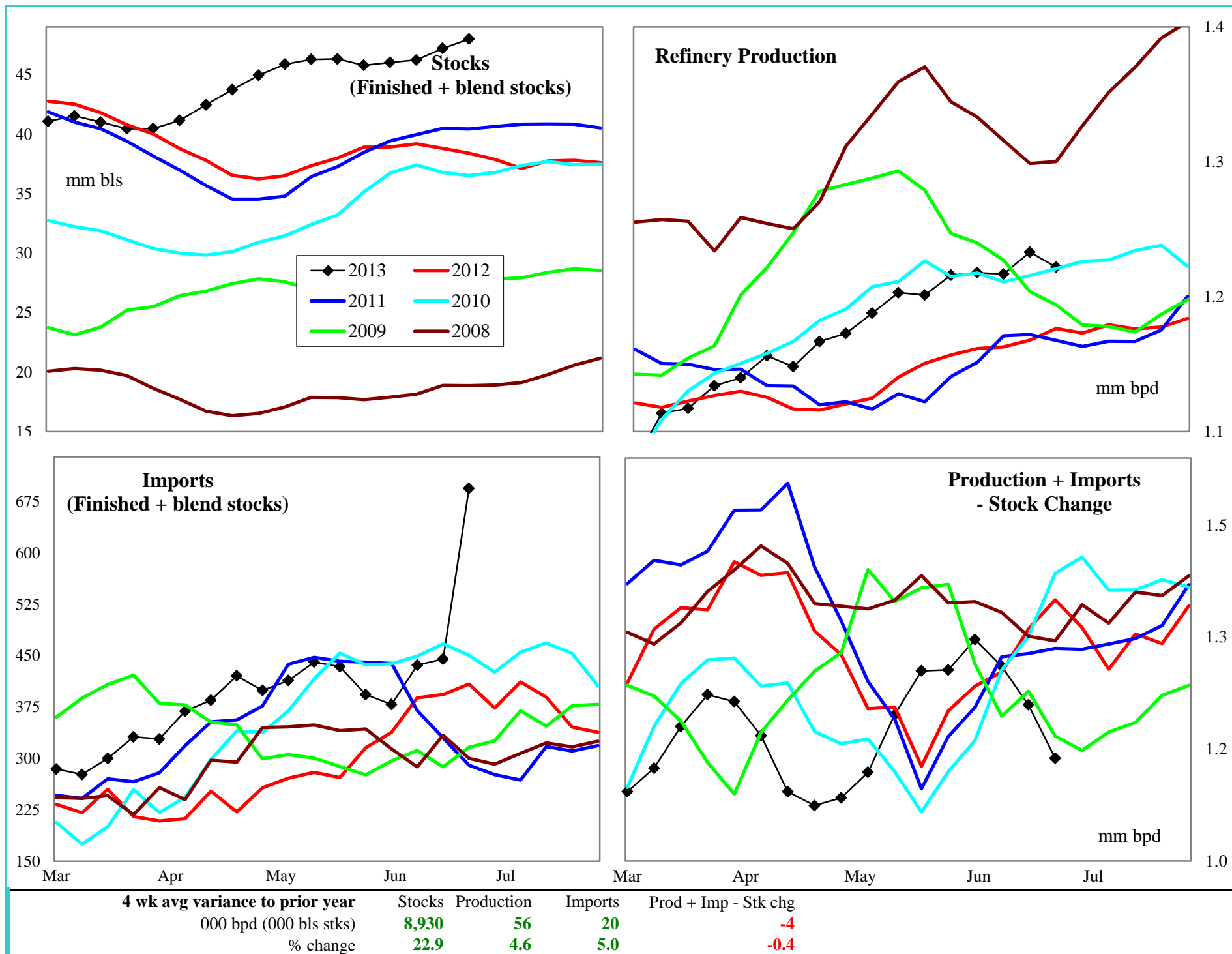
PADD 1 Gasoline Supply



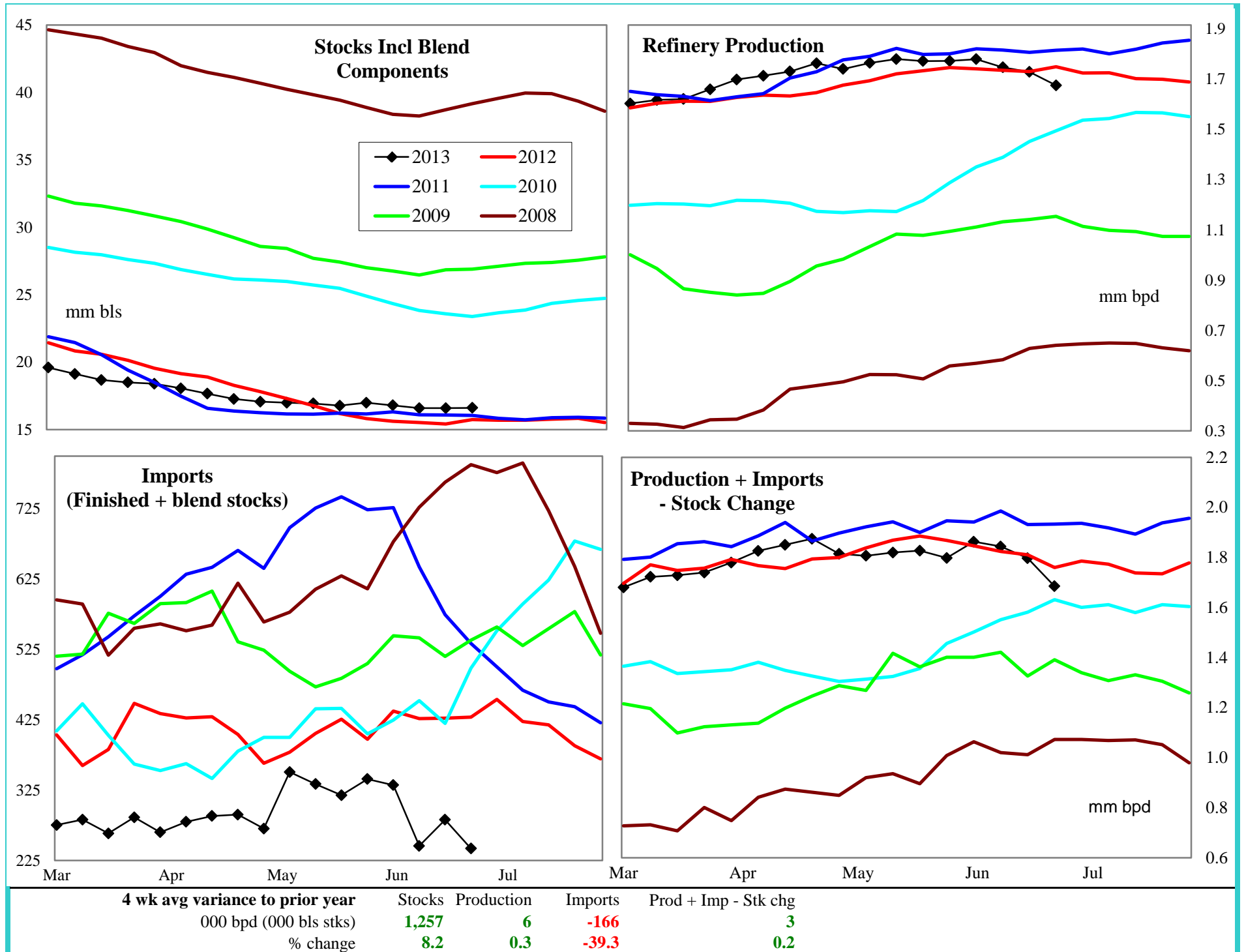
PADD 1 Gasoline Stocks by Region



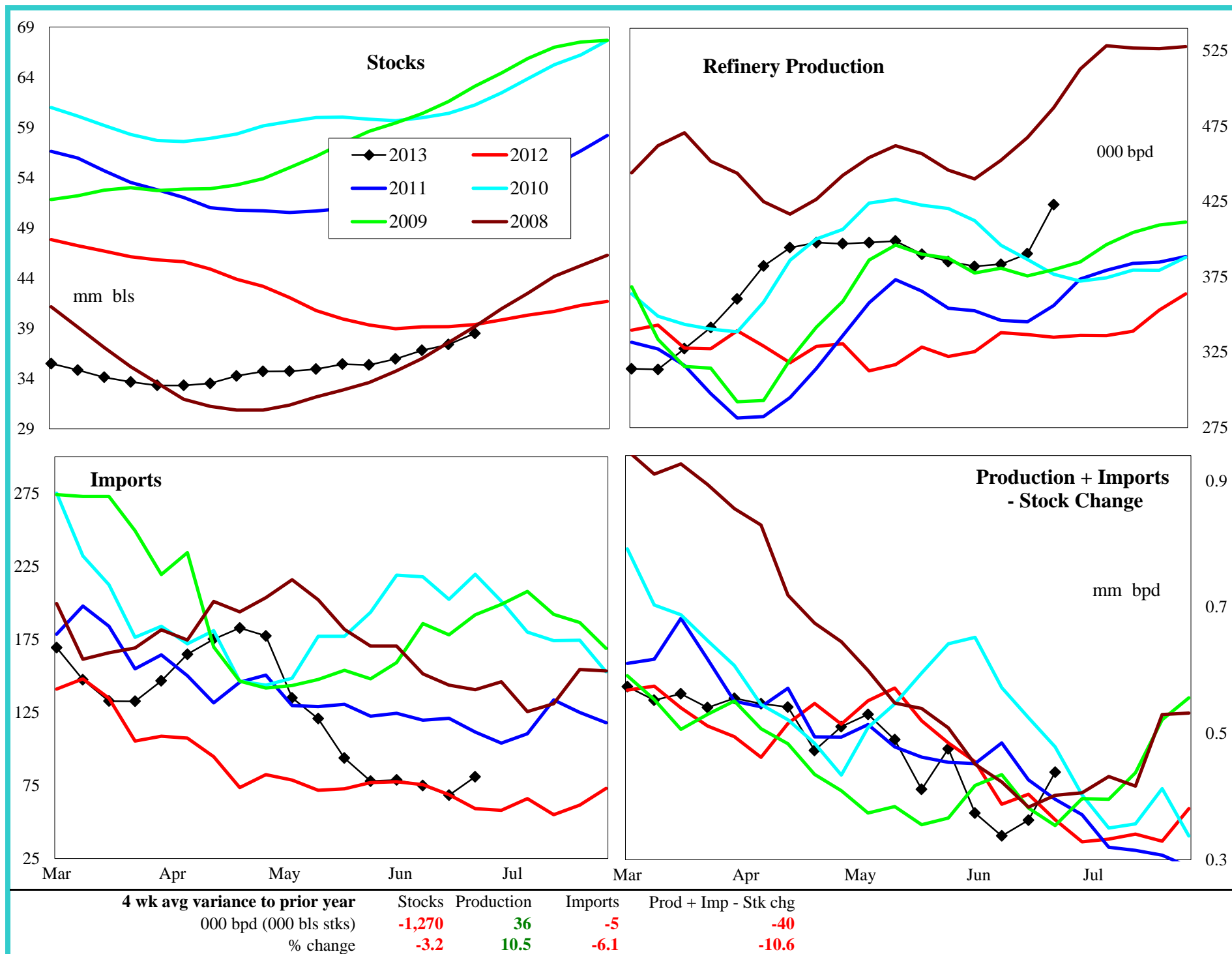
PADD 1 Reformulated Gasoline Supply



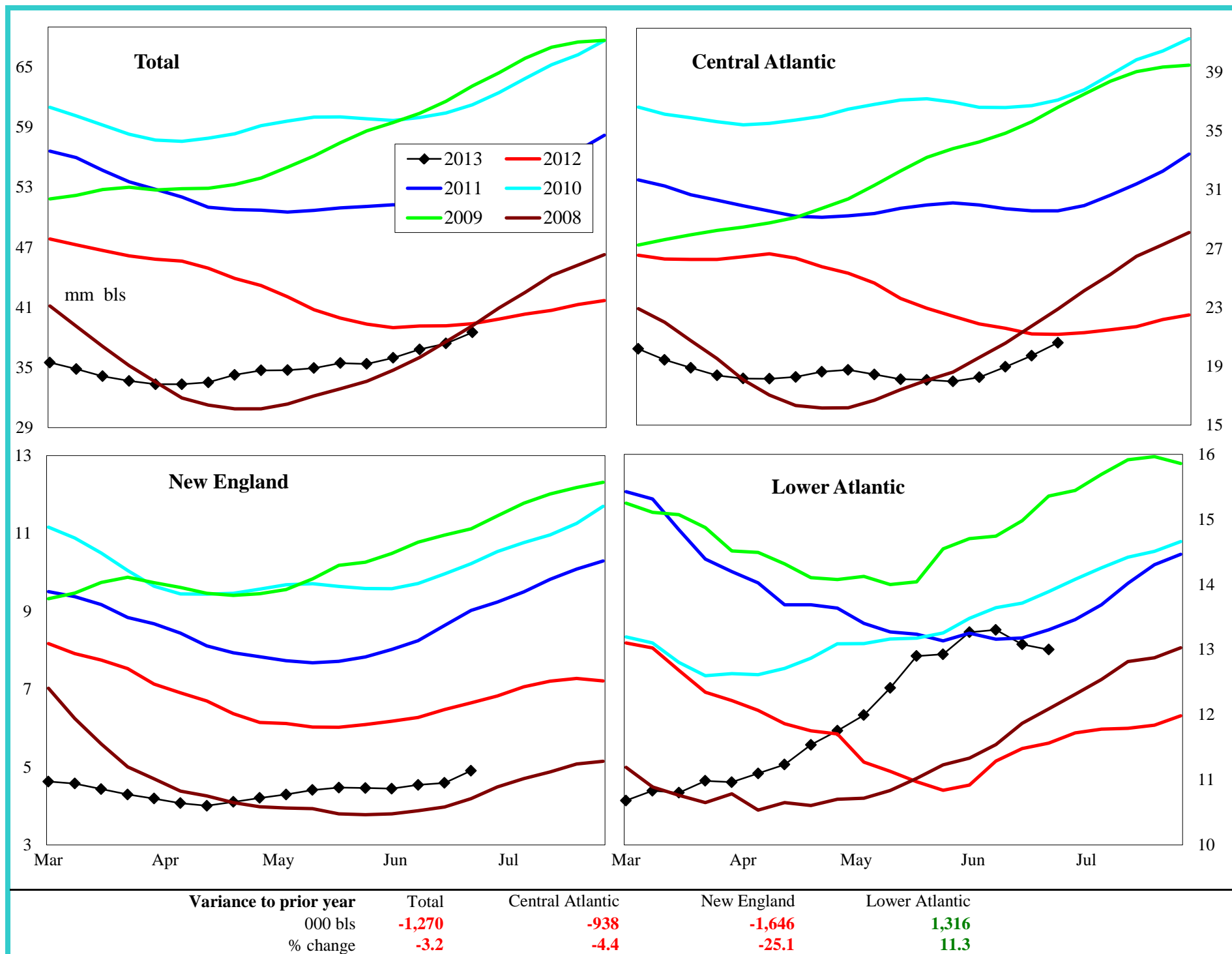
PADD 1 Conventional Gasoline Supply



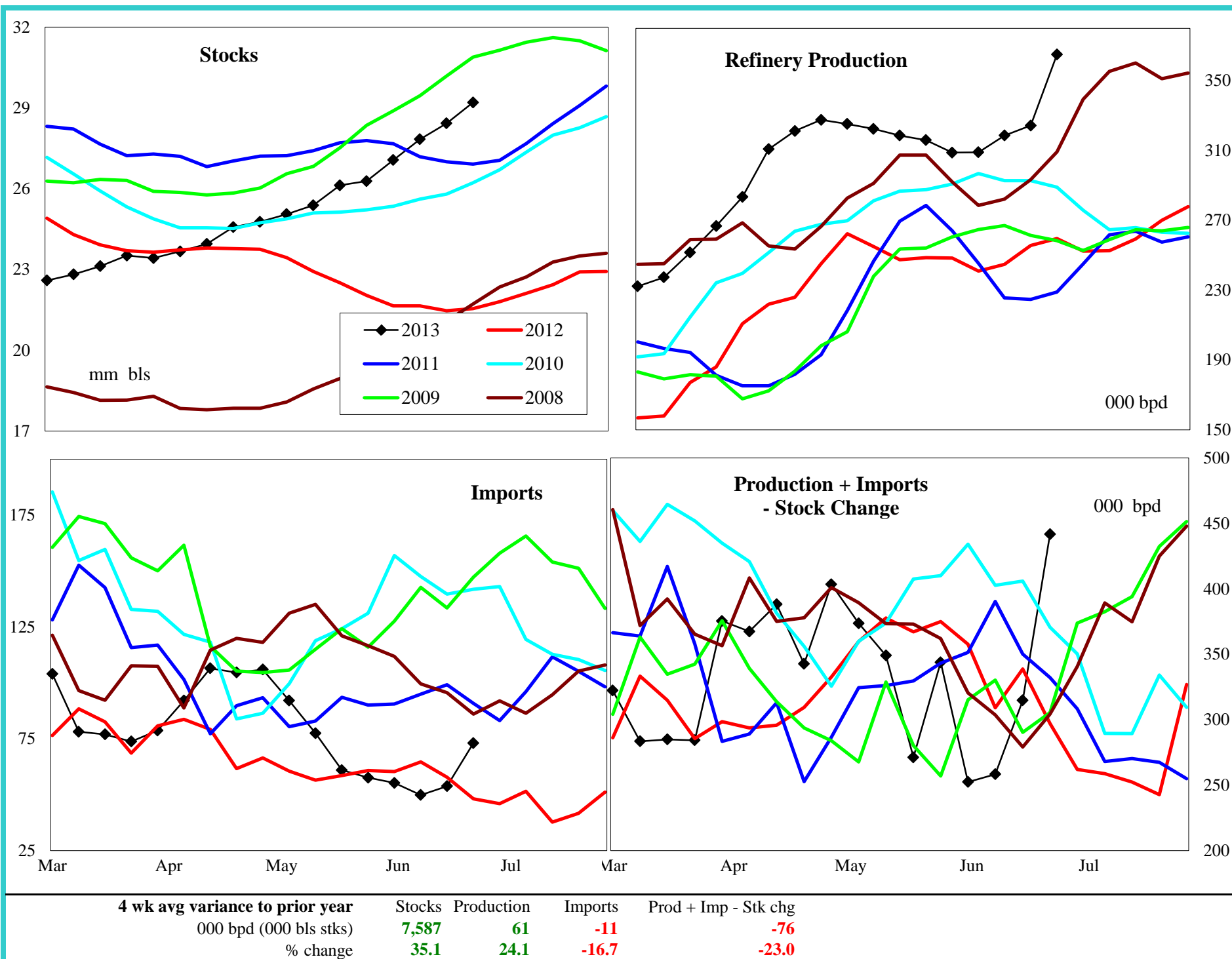
PADD 1 Distillate Supply



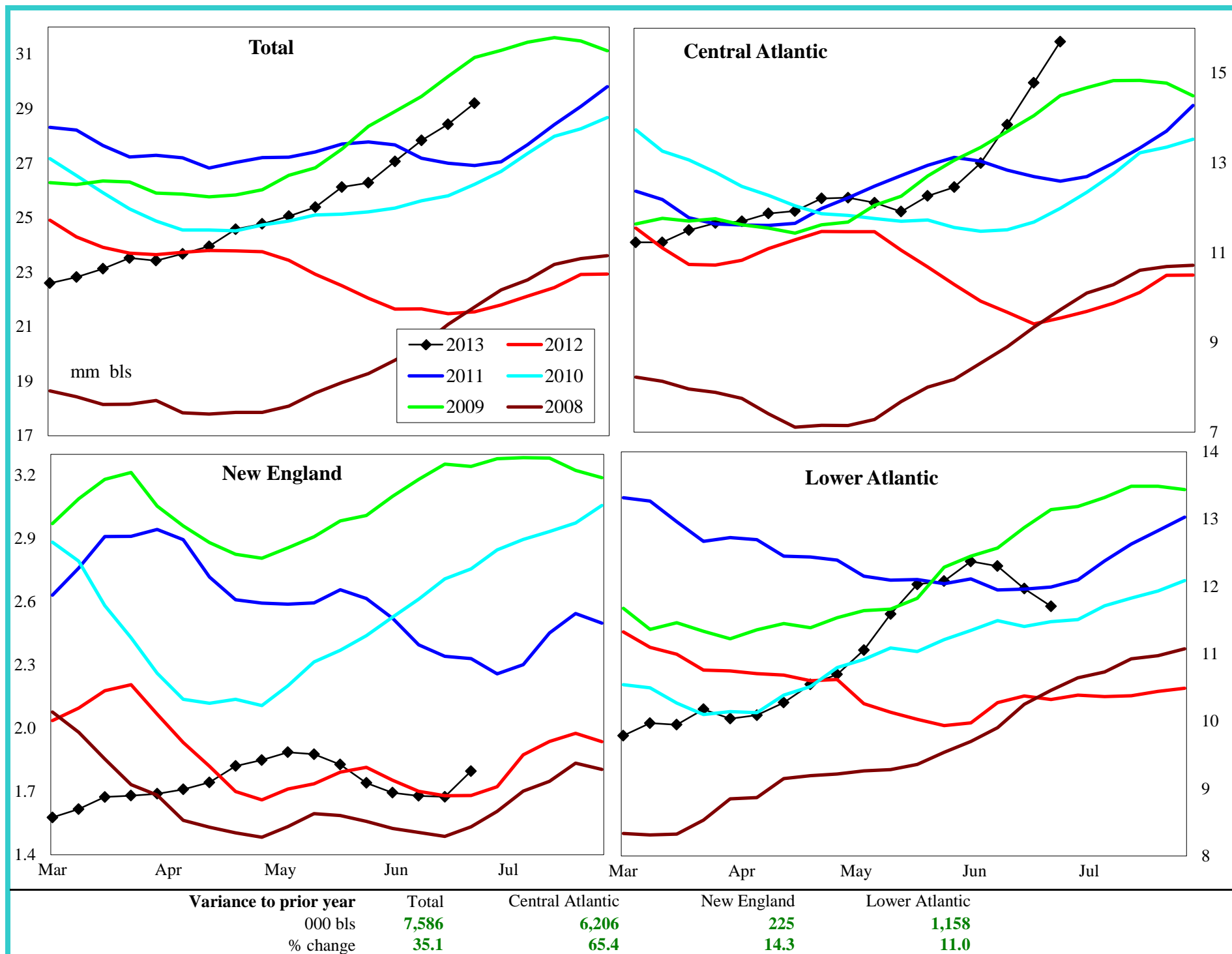
PADD 1 Distillate Stocks by Region



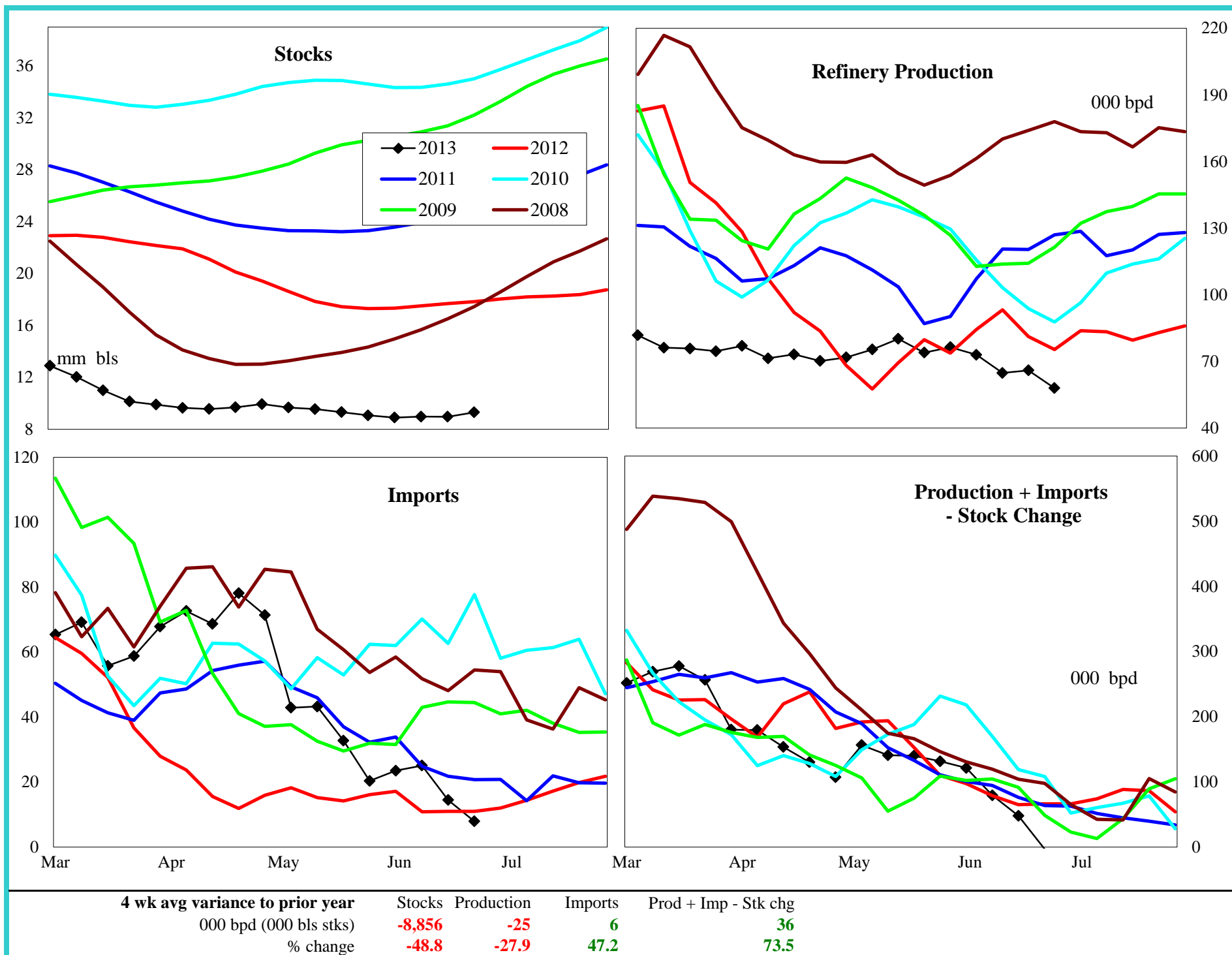
PADD 1 Low Sulfur Distillate Supply



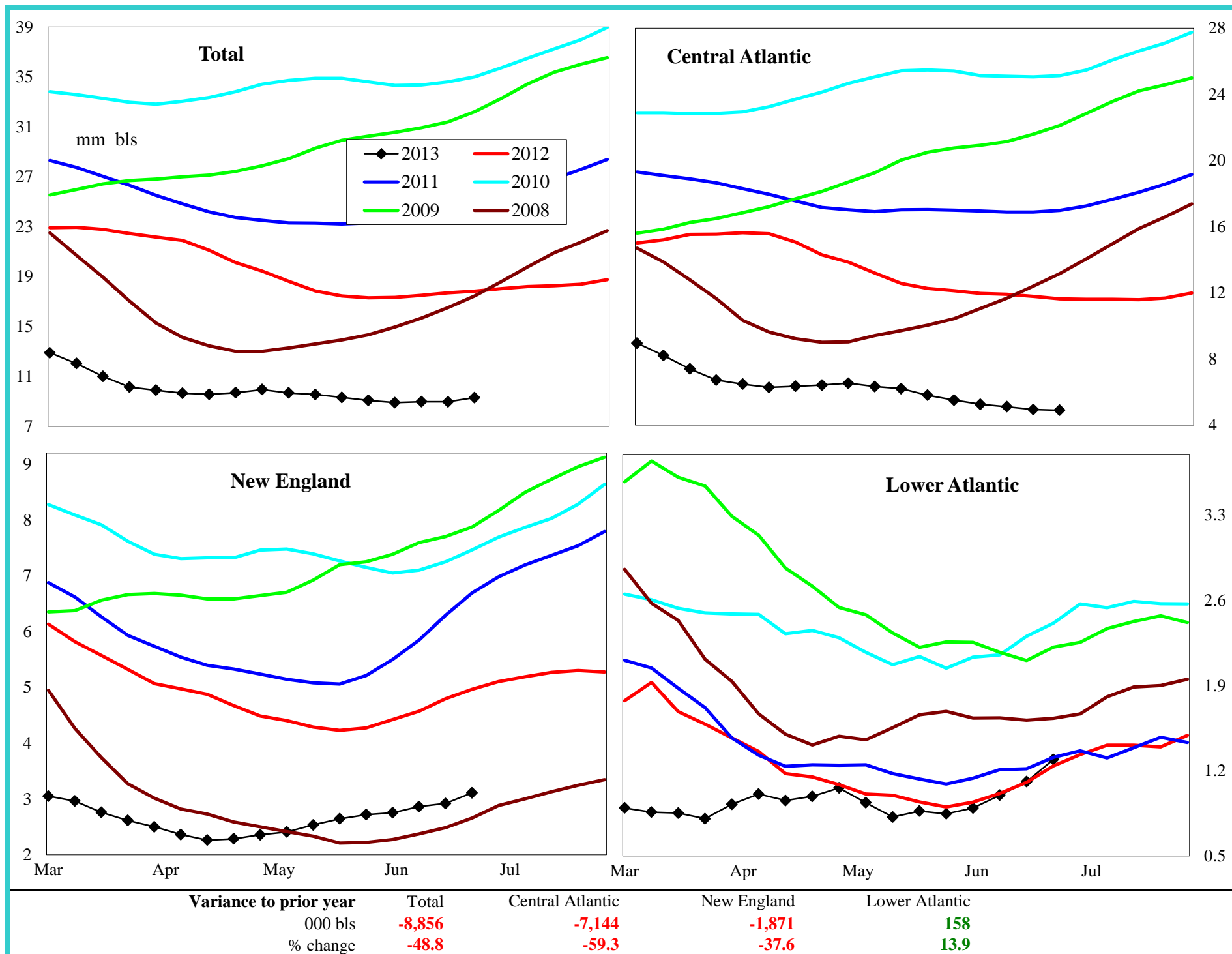
PADD 1 Low Sulfur Distillate Stocks by Region



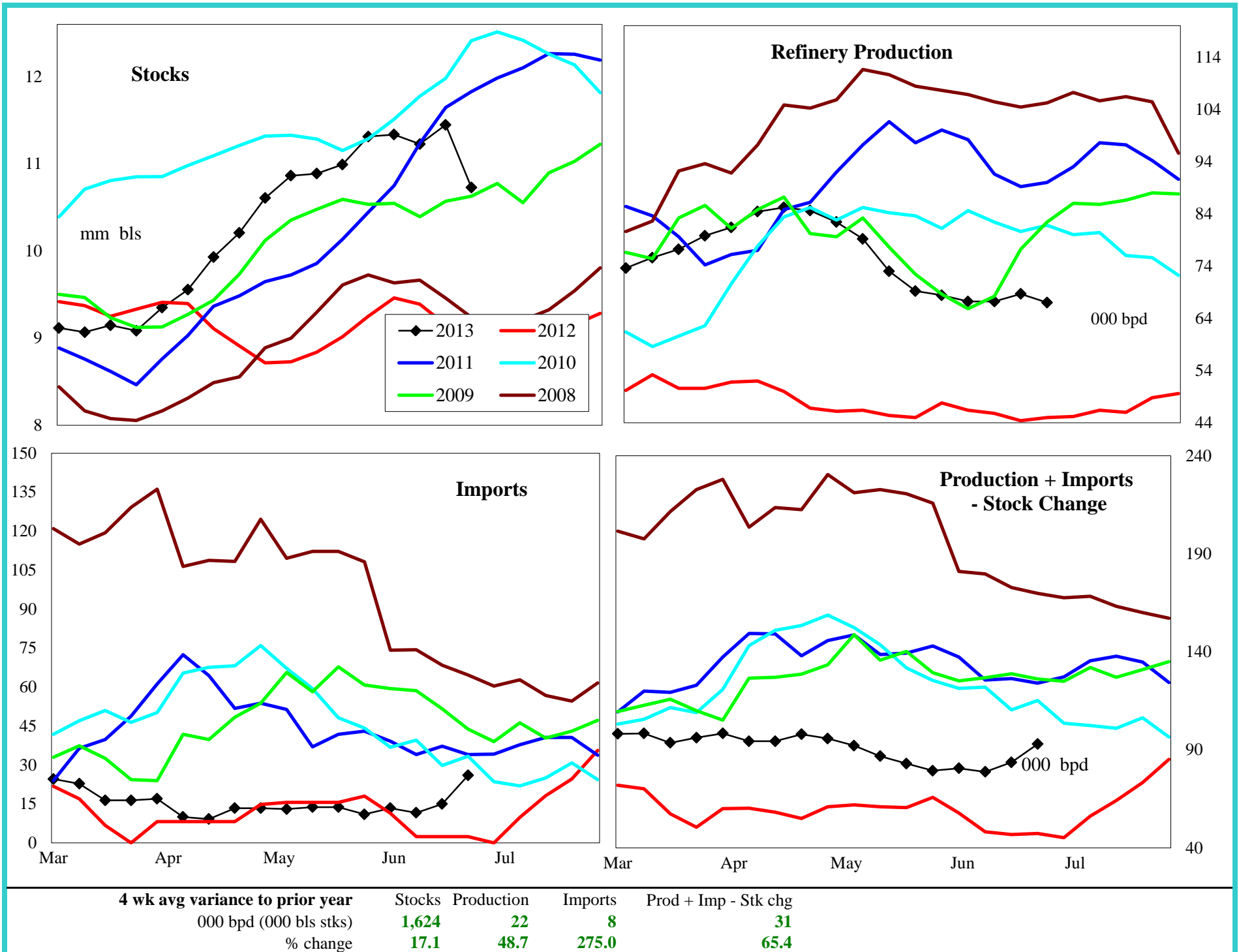
PADD 1 High Sulfur Distillate Supply



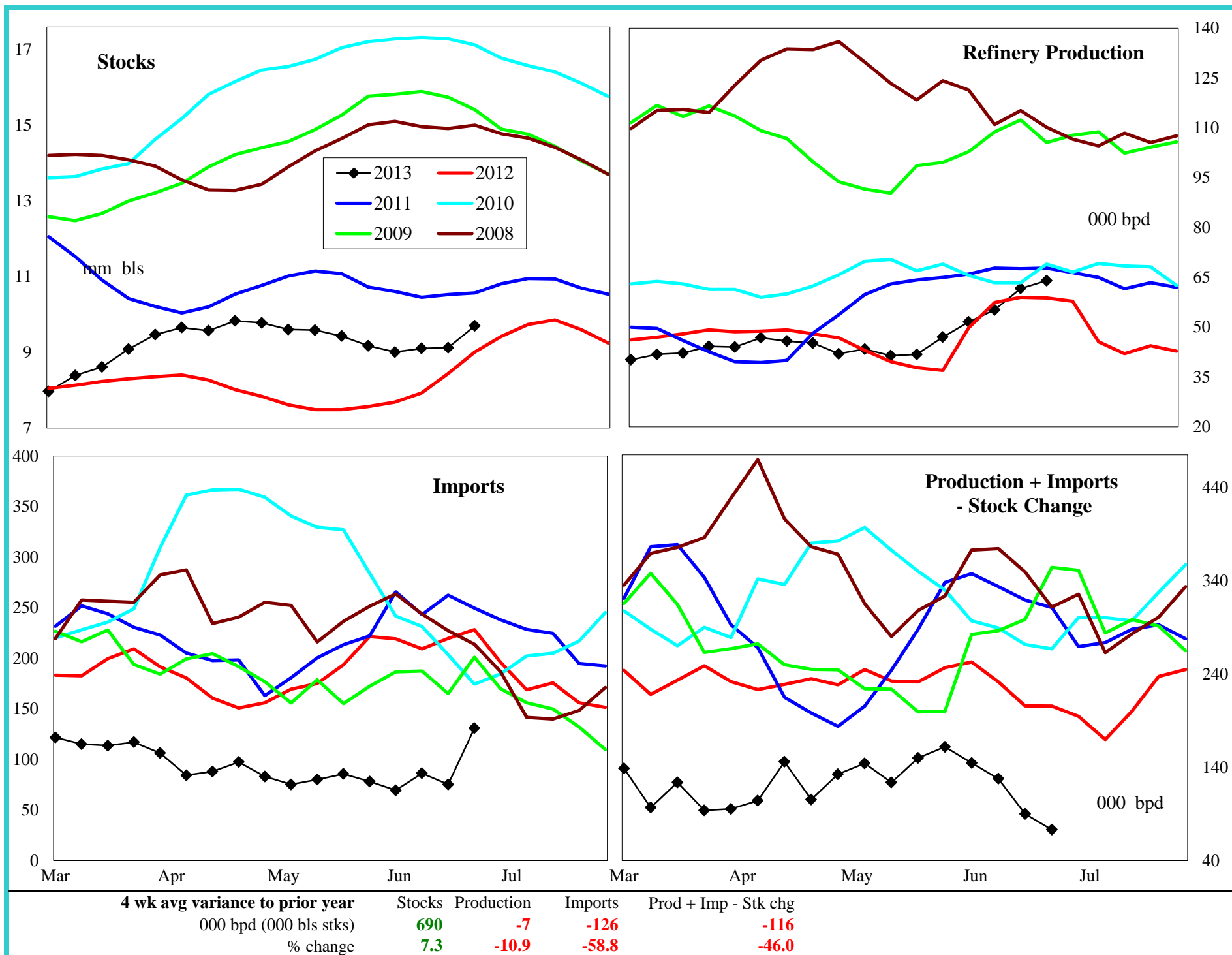
PADD 1 High Sulfur Distillate Stocks by Region



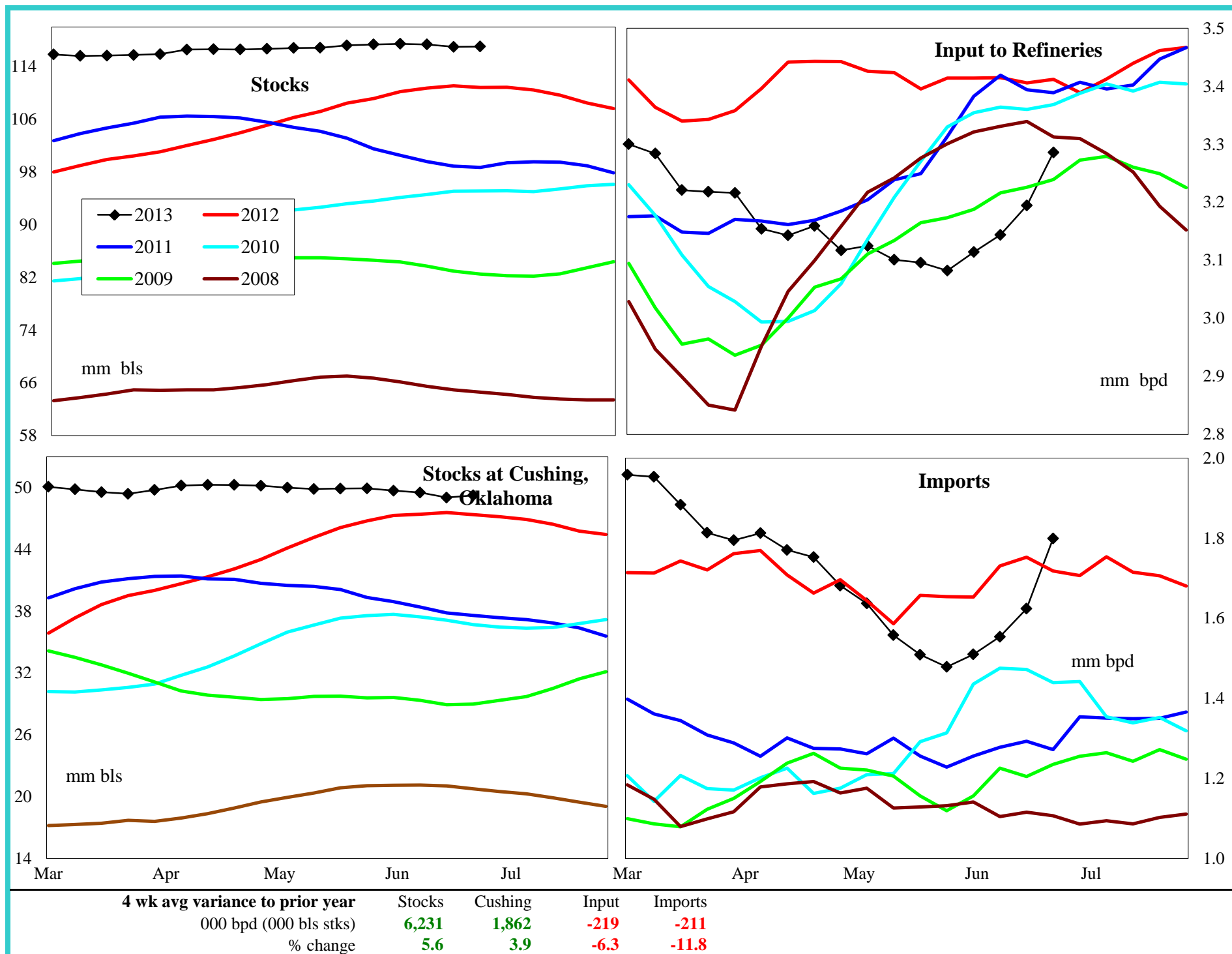
PADD 1 Jet Fuel Supply



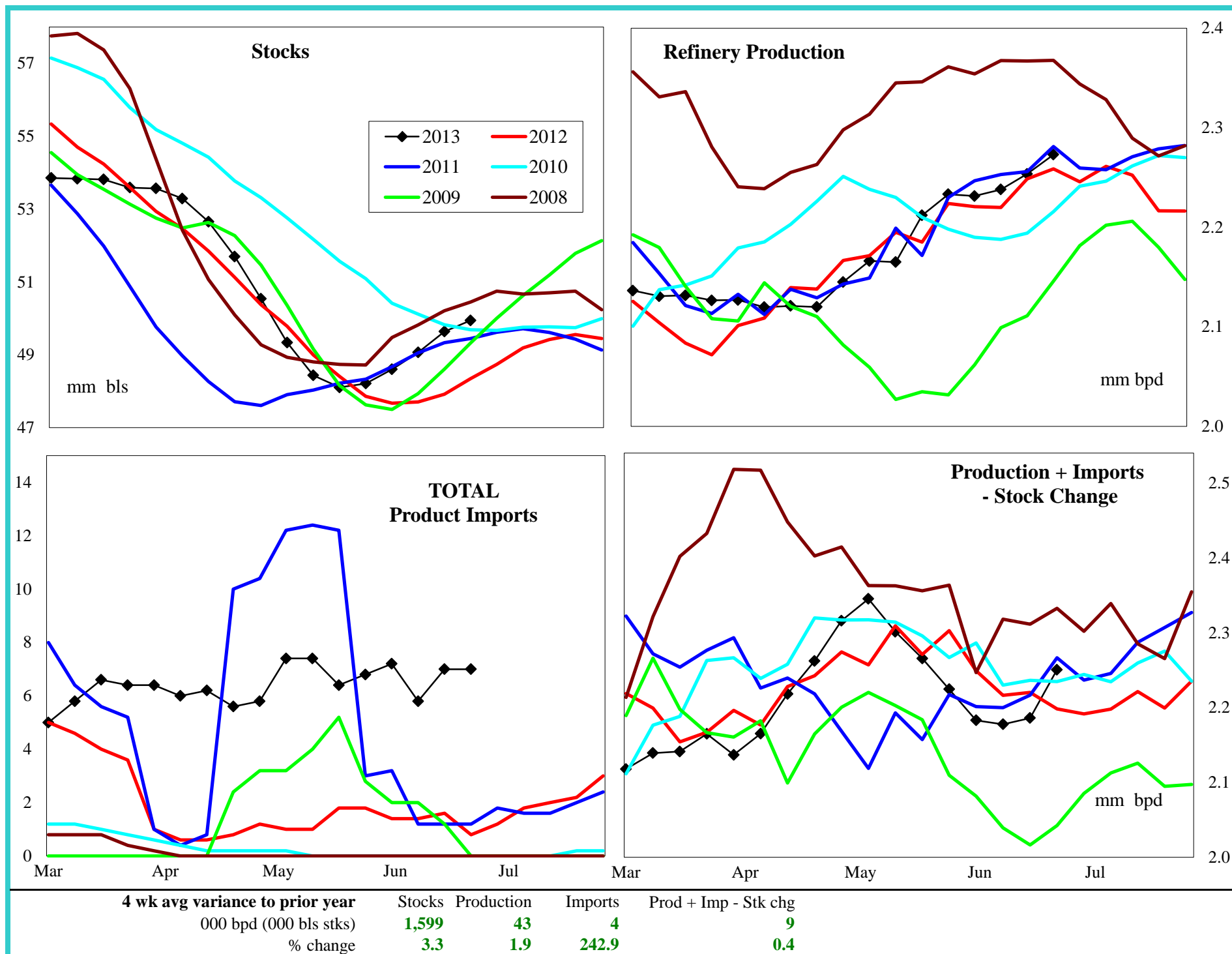
PADD 1 Residual Fuel Oil Supply



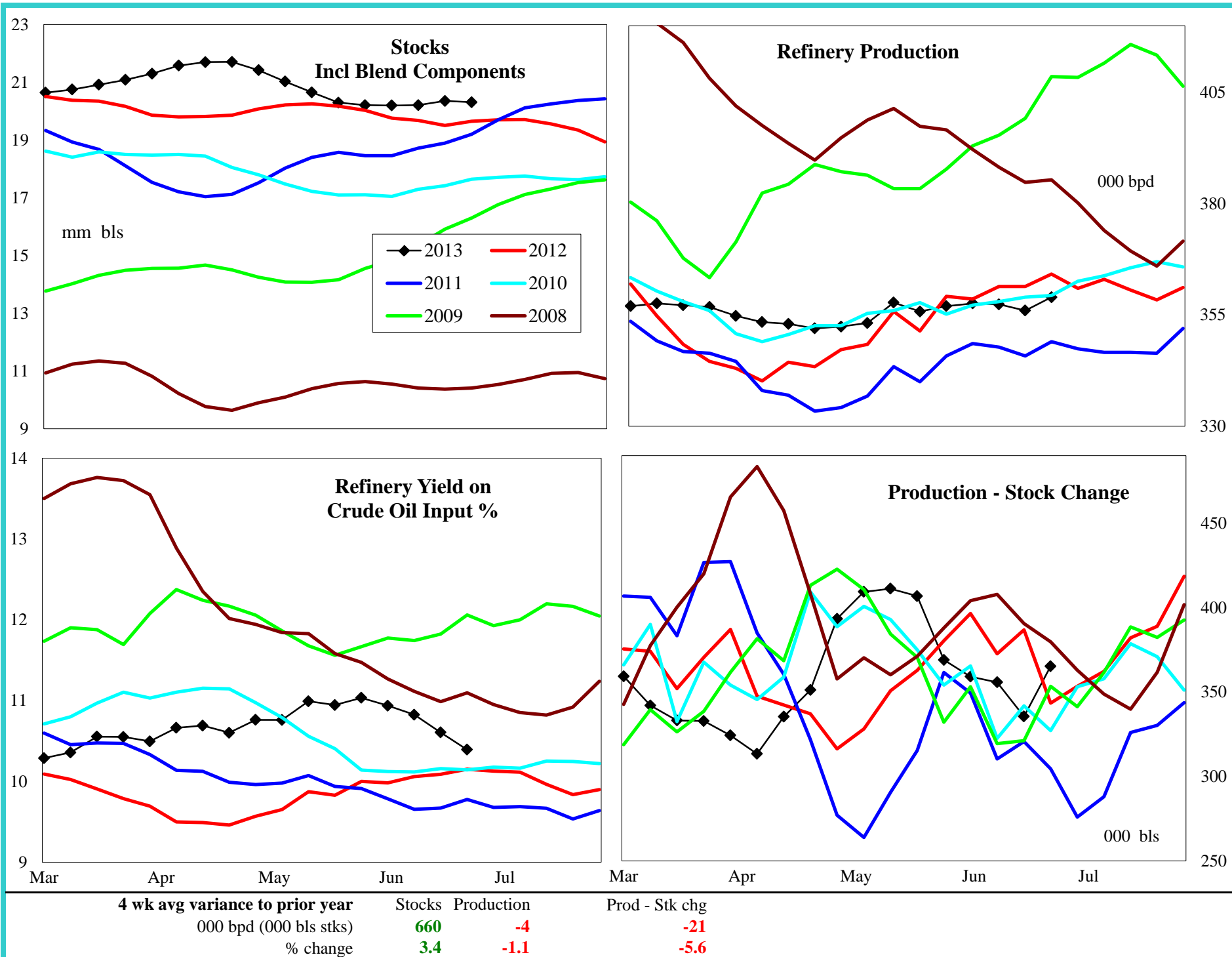
PADD 2 Crude Oil Supply and Refining



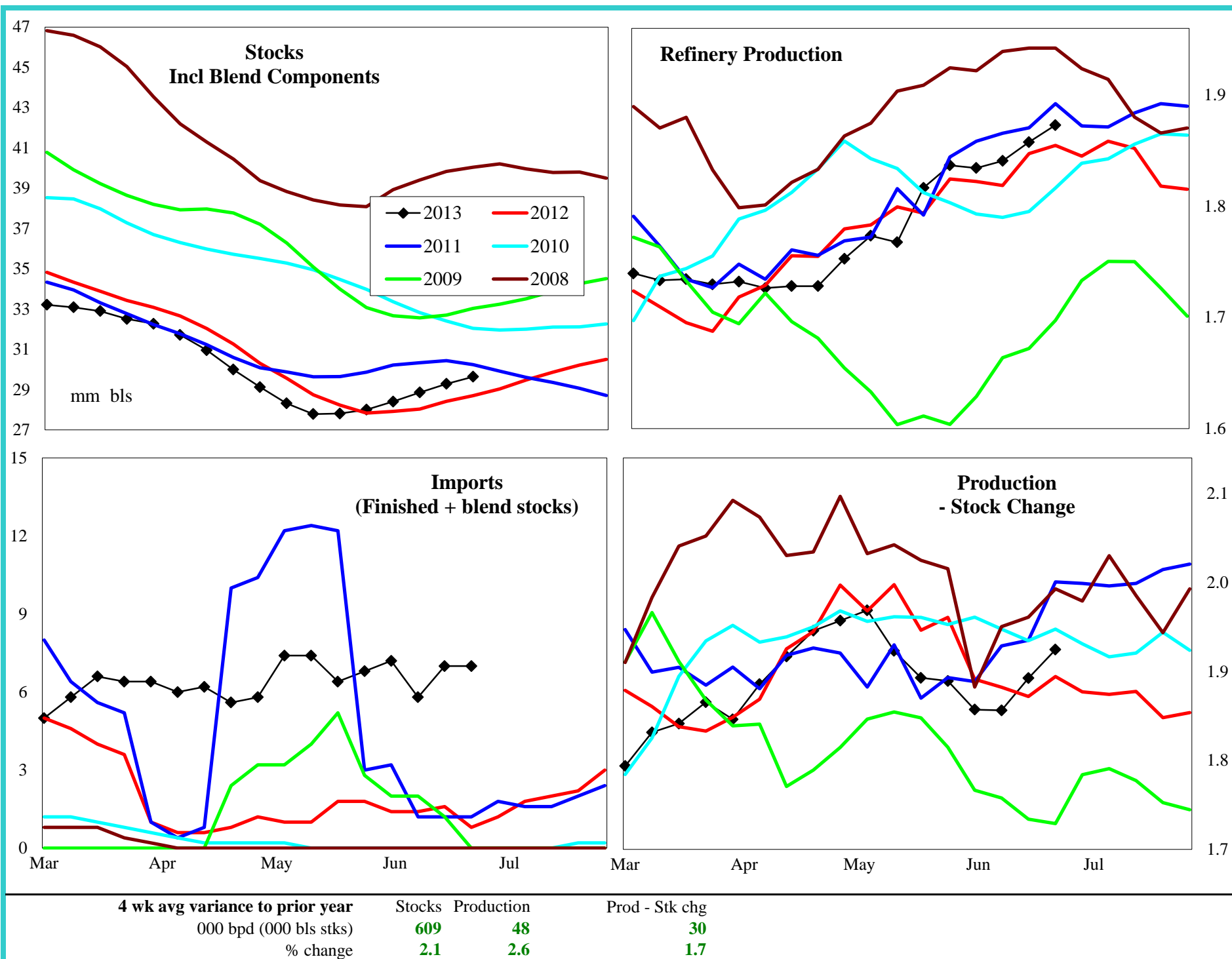
PADD 2 Gasoline Supply



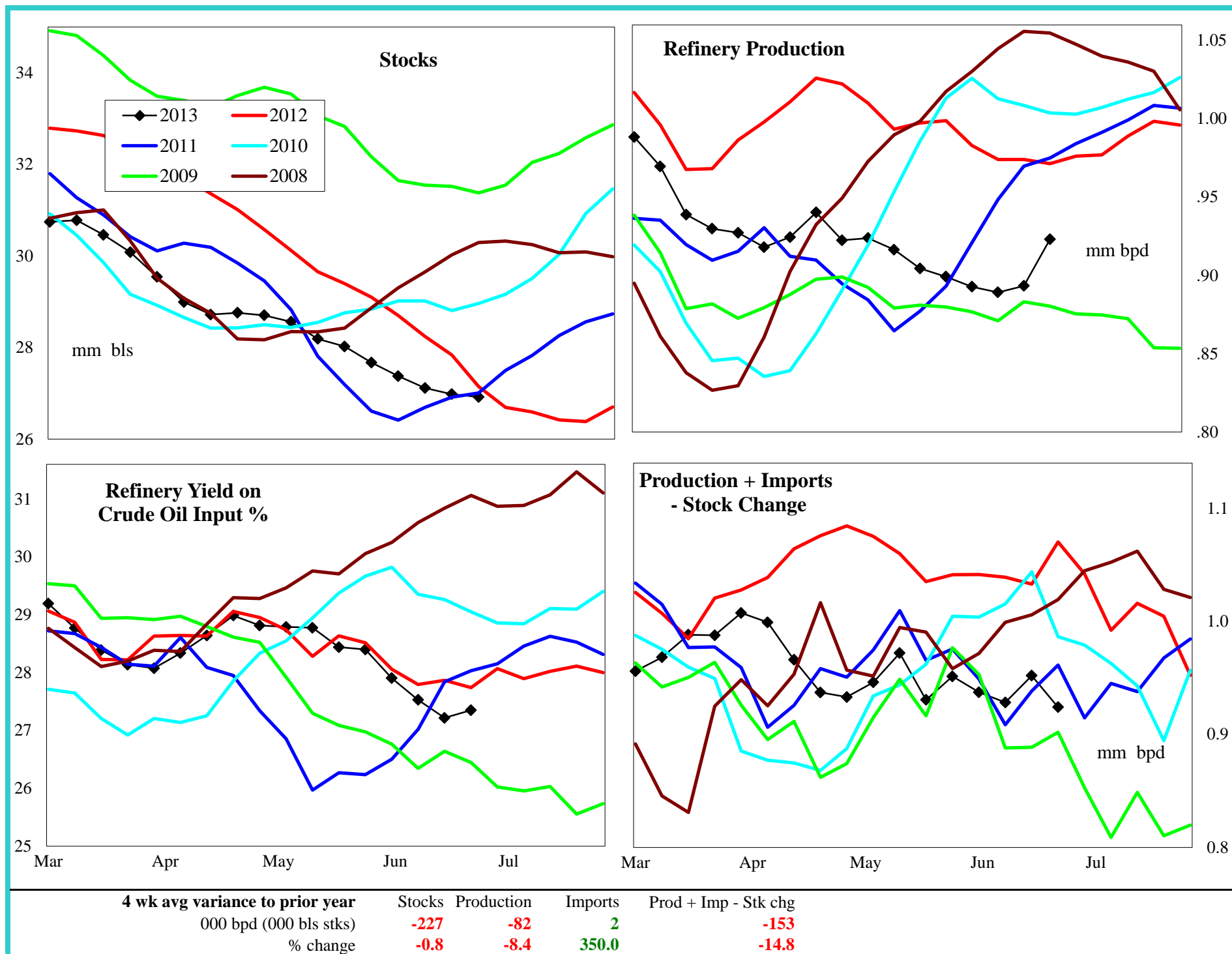
PADD 2 Reformulated Gasoline Supply



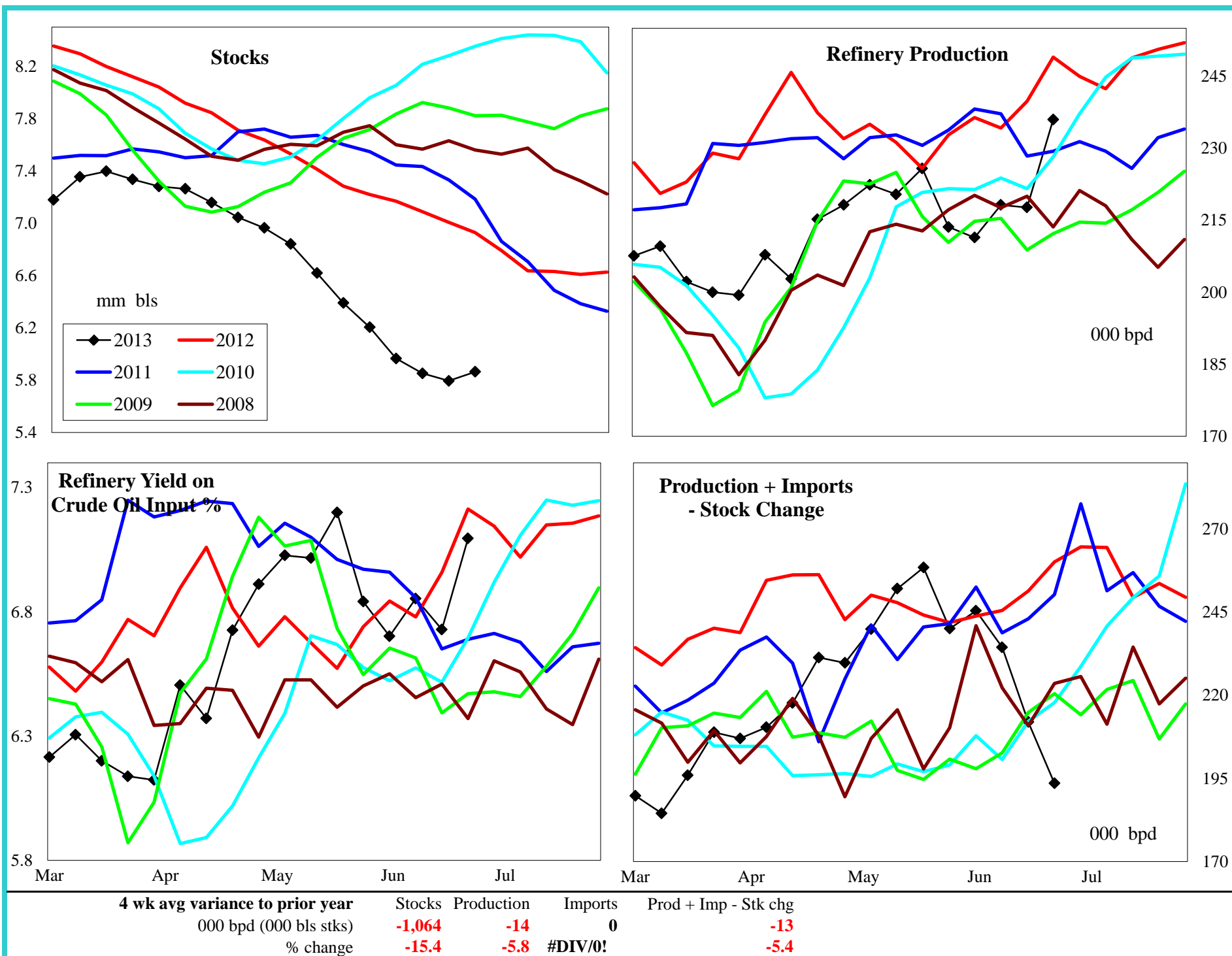
PADD 2 Conventional Gasoline Supply



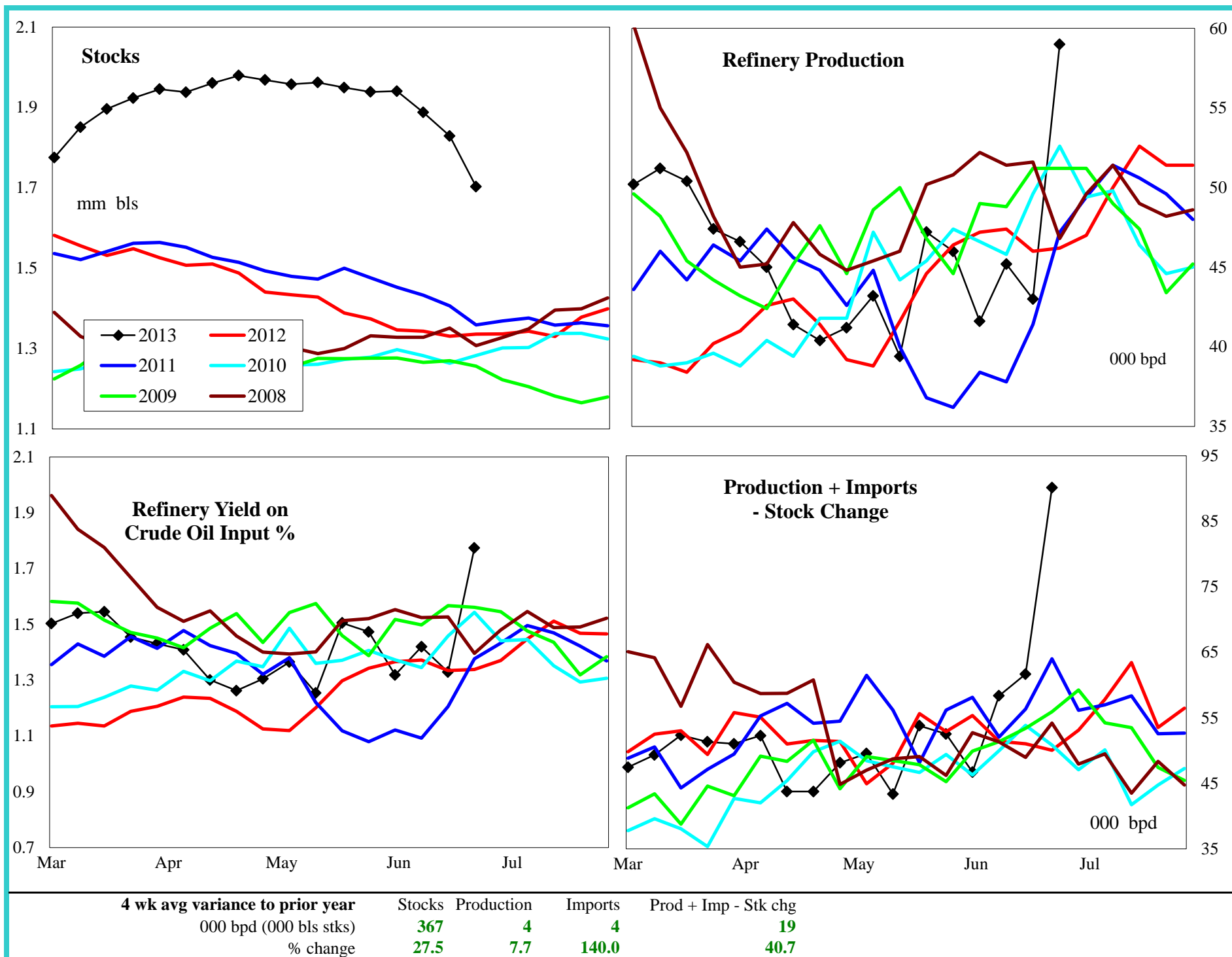
PADD 2 Distillate Supply



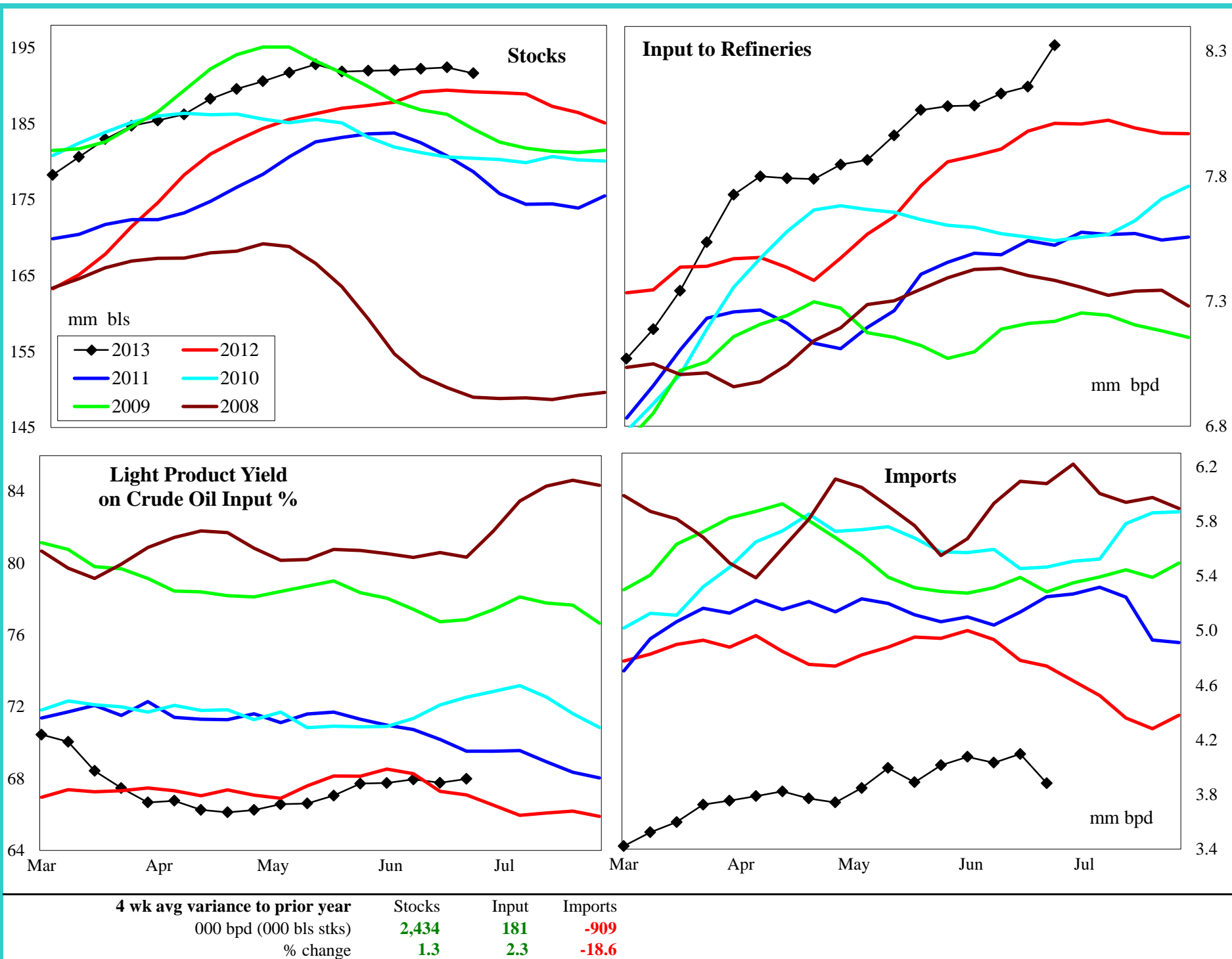
PADD 2 Jet Fuel Supply



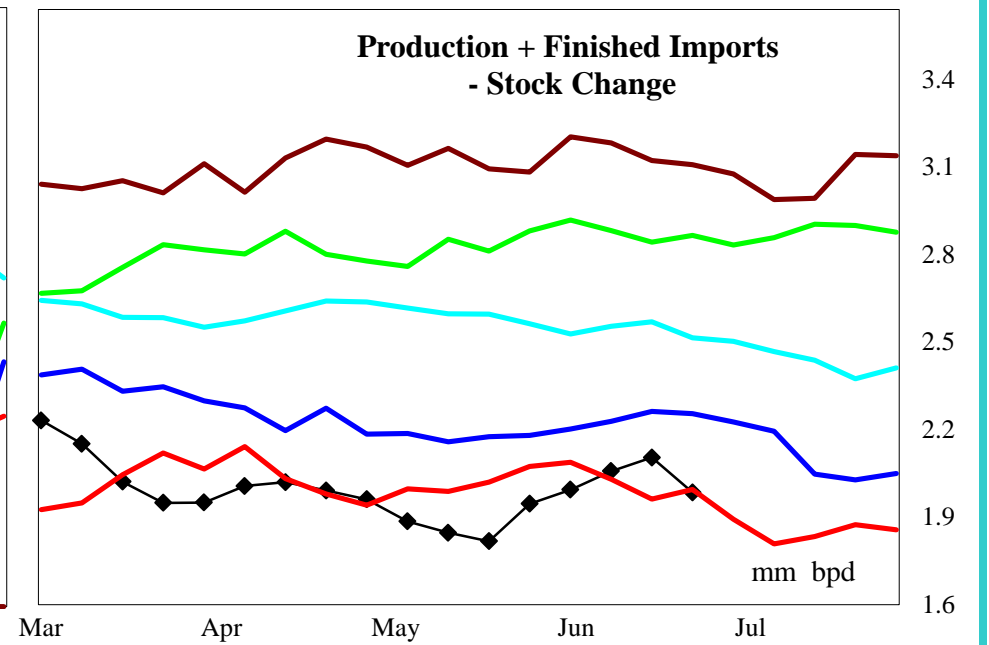
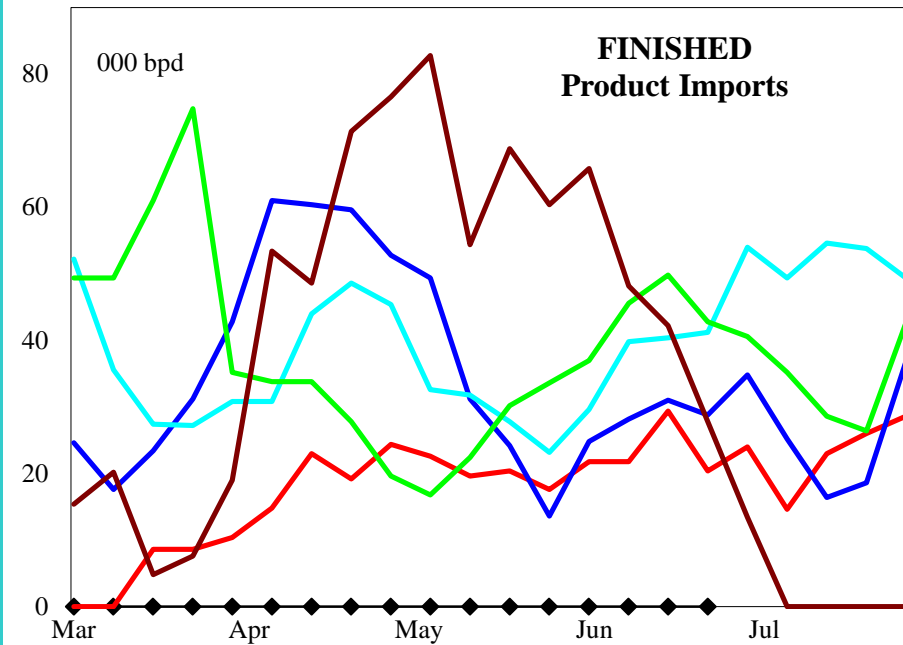
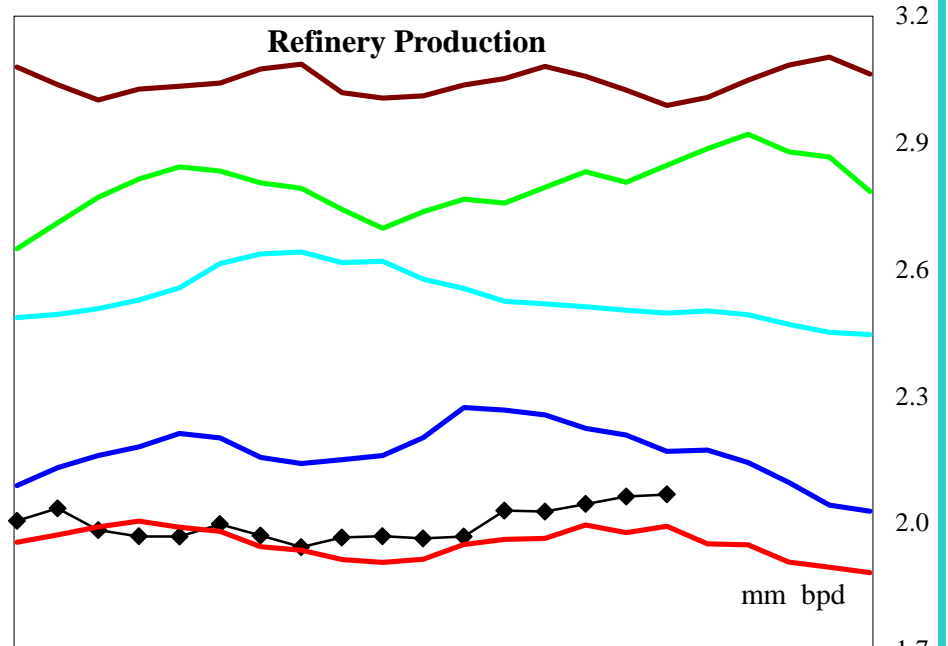
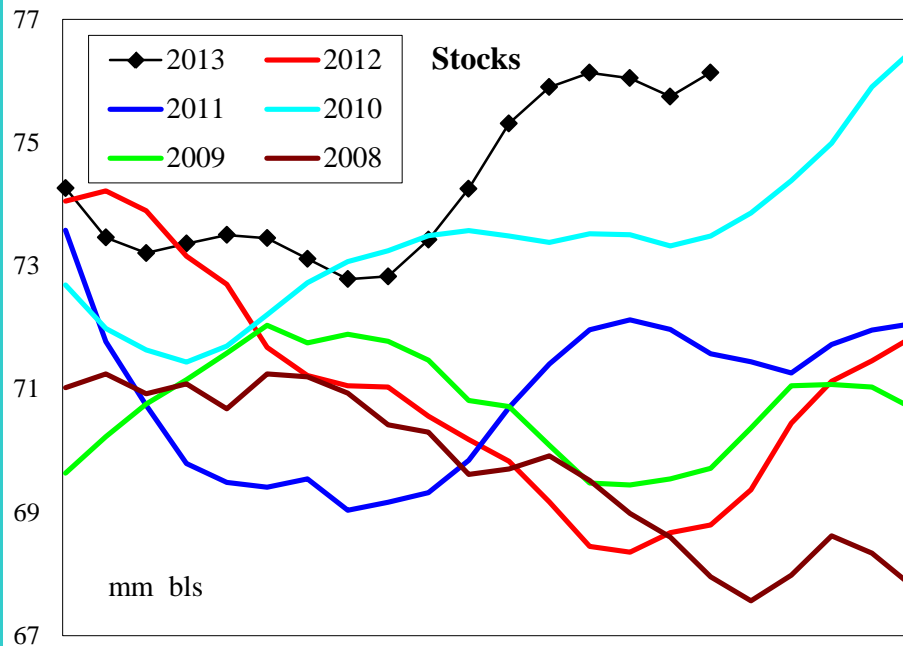
PADD 2 Residual Fuel Oil Supply



PADD 3 Crude Oil Supply and Refining



PADD 3 Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bbls stks)

% change

Stocks

7,429

10.8

Production

64

3.2

Fin Impt

-26

-100.0

Blend Impt

-4

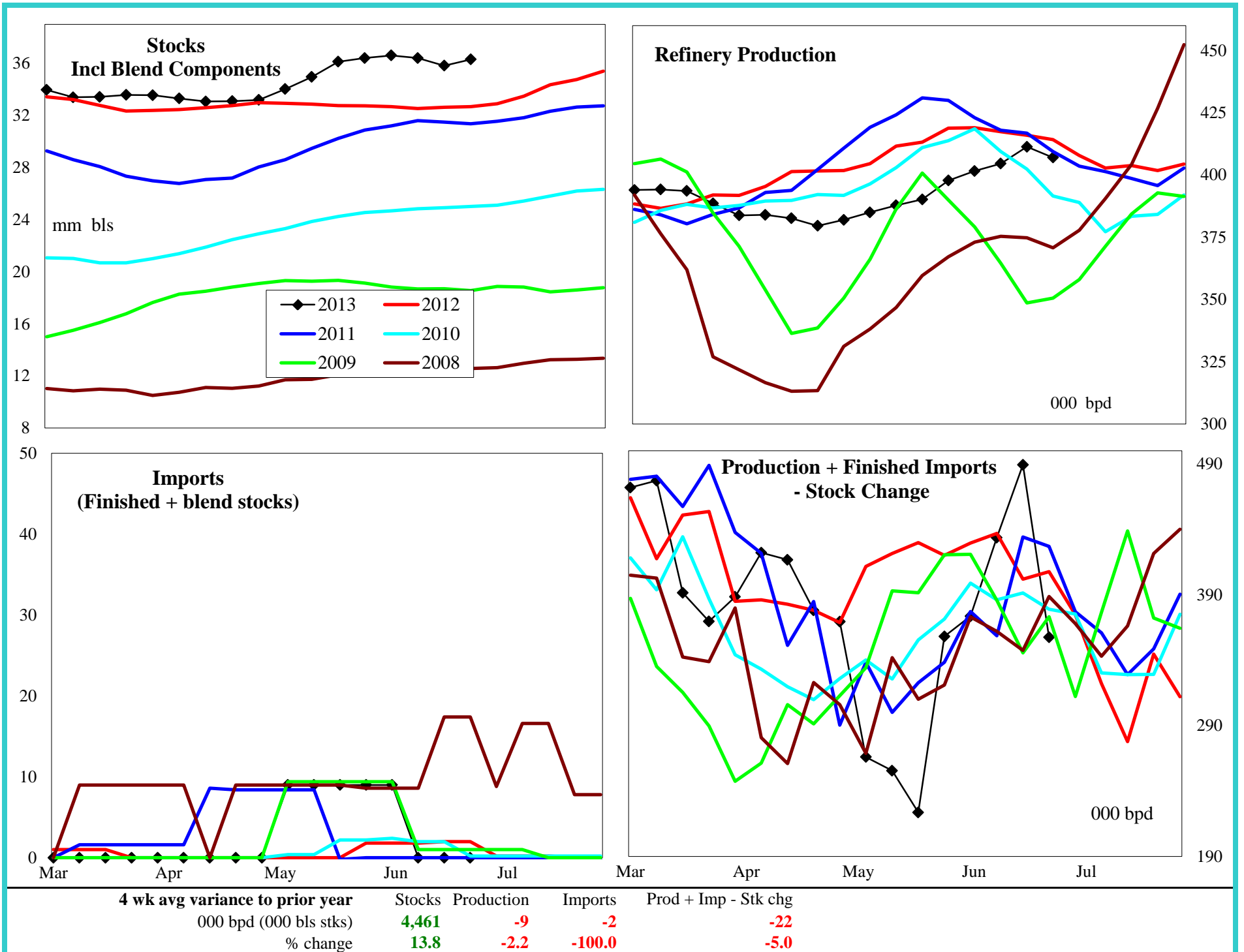
-23.7

Prod + Imp - Stk chg

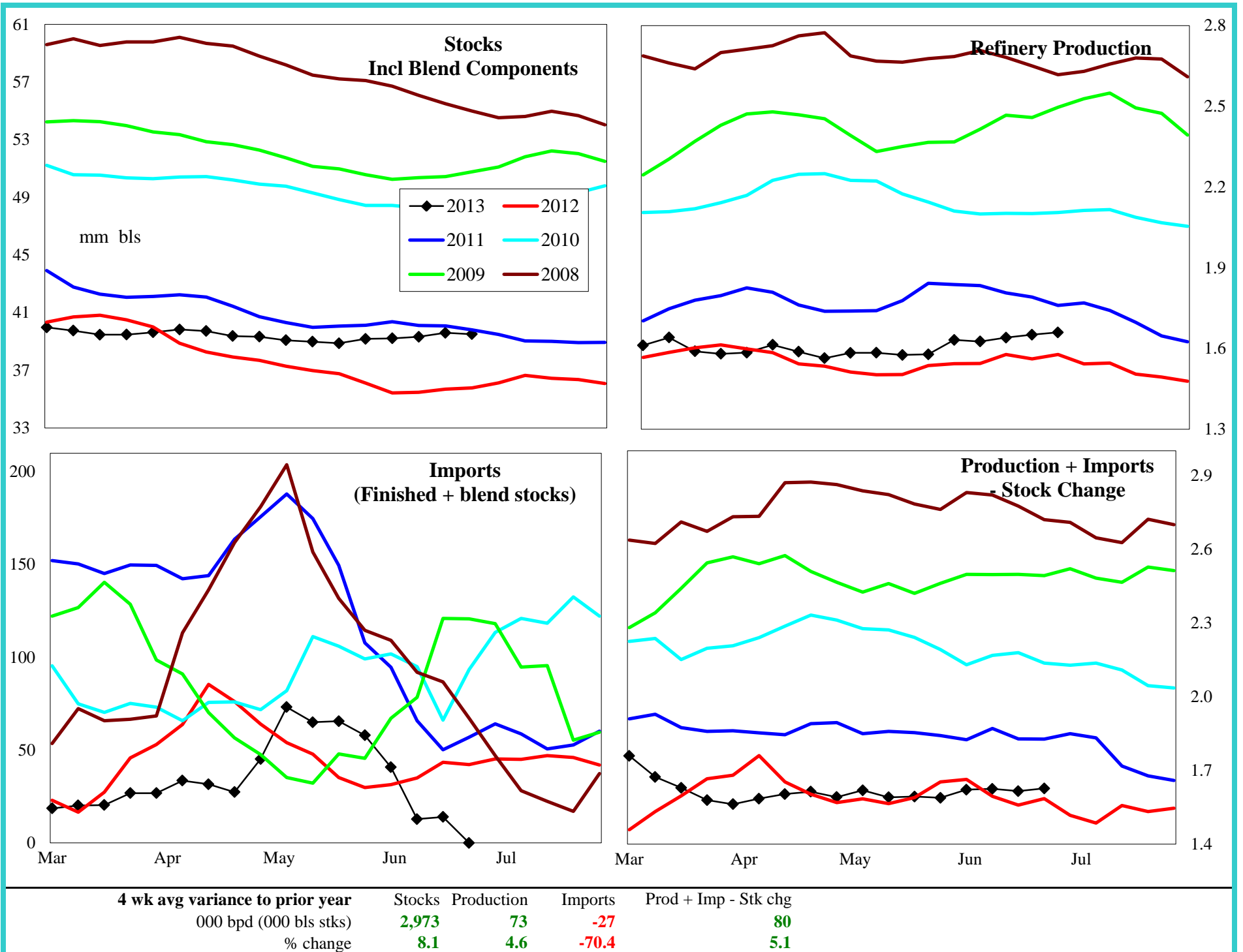
57

2.8

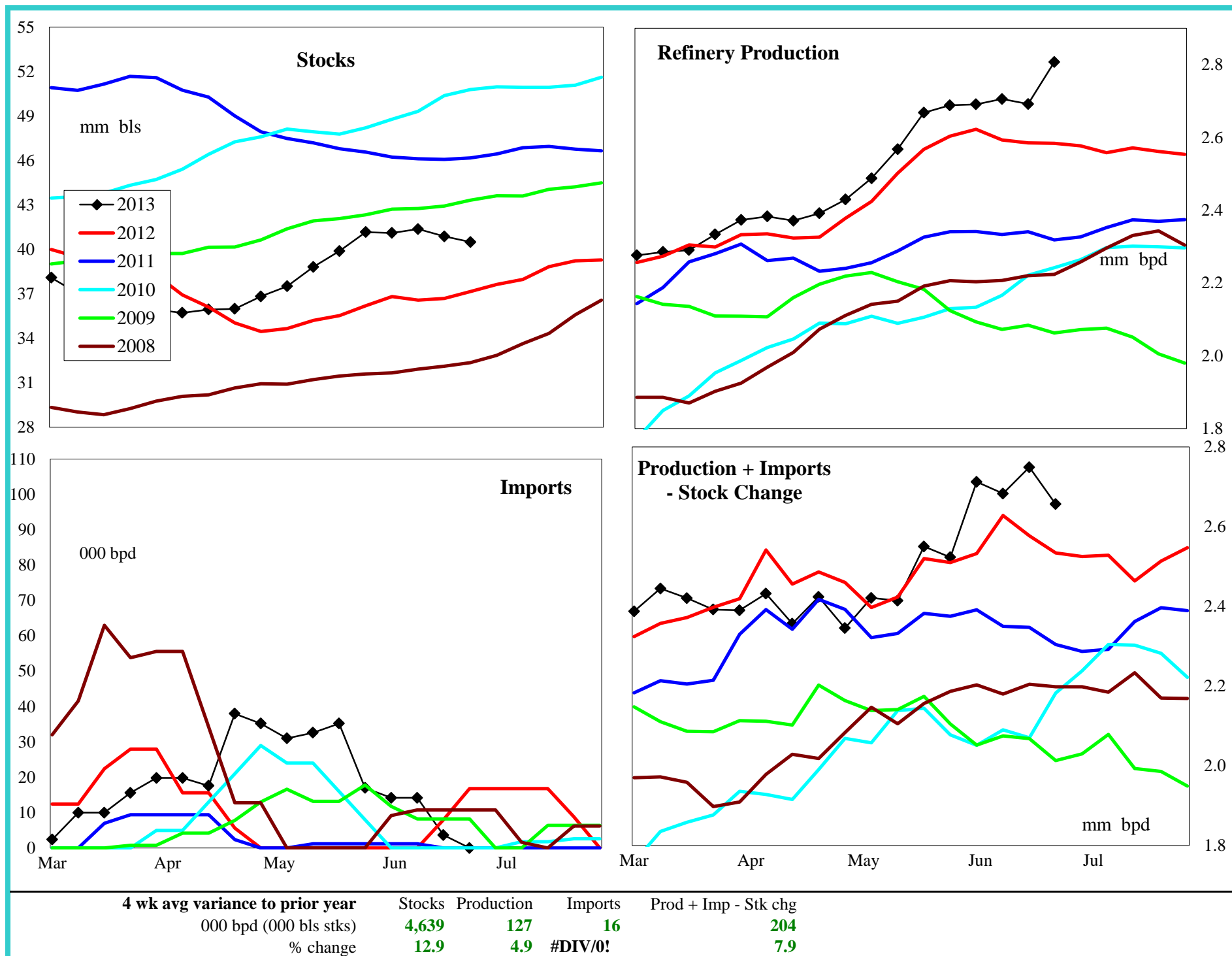
PADD 3 Reformulated Gasoline Supply



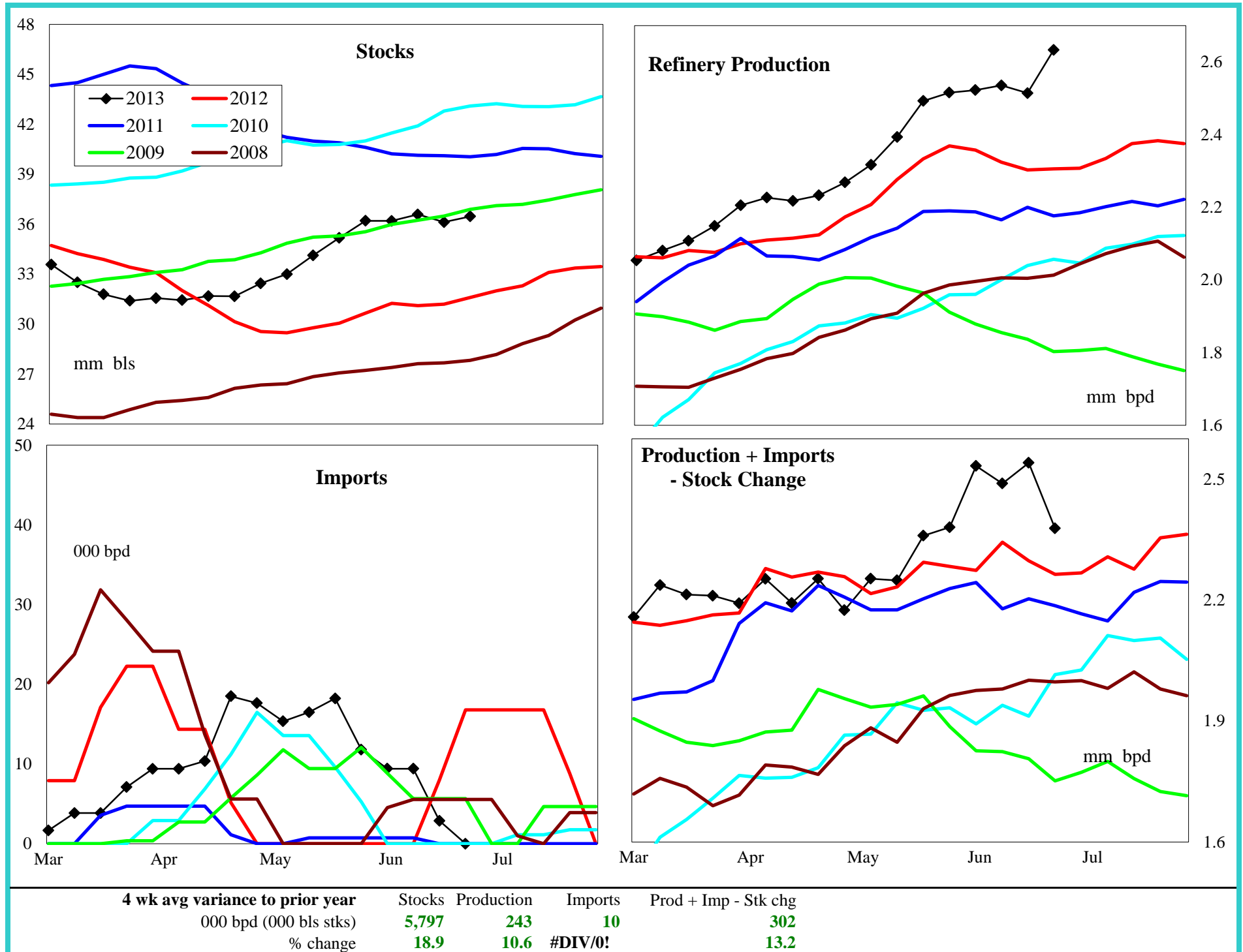
PADD 3 Conventional Gasoline Supply



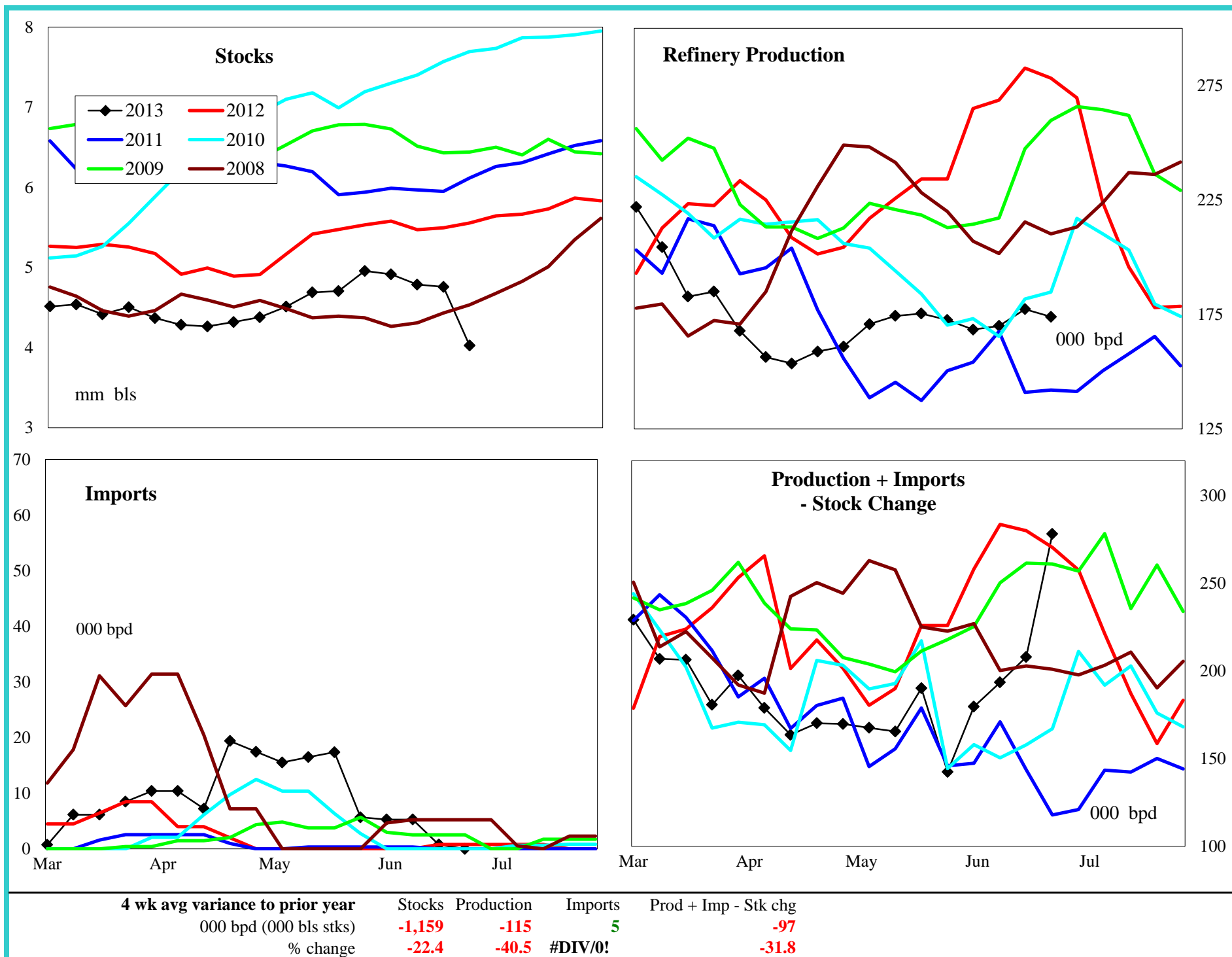
PADD 3 Distillate Supply



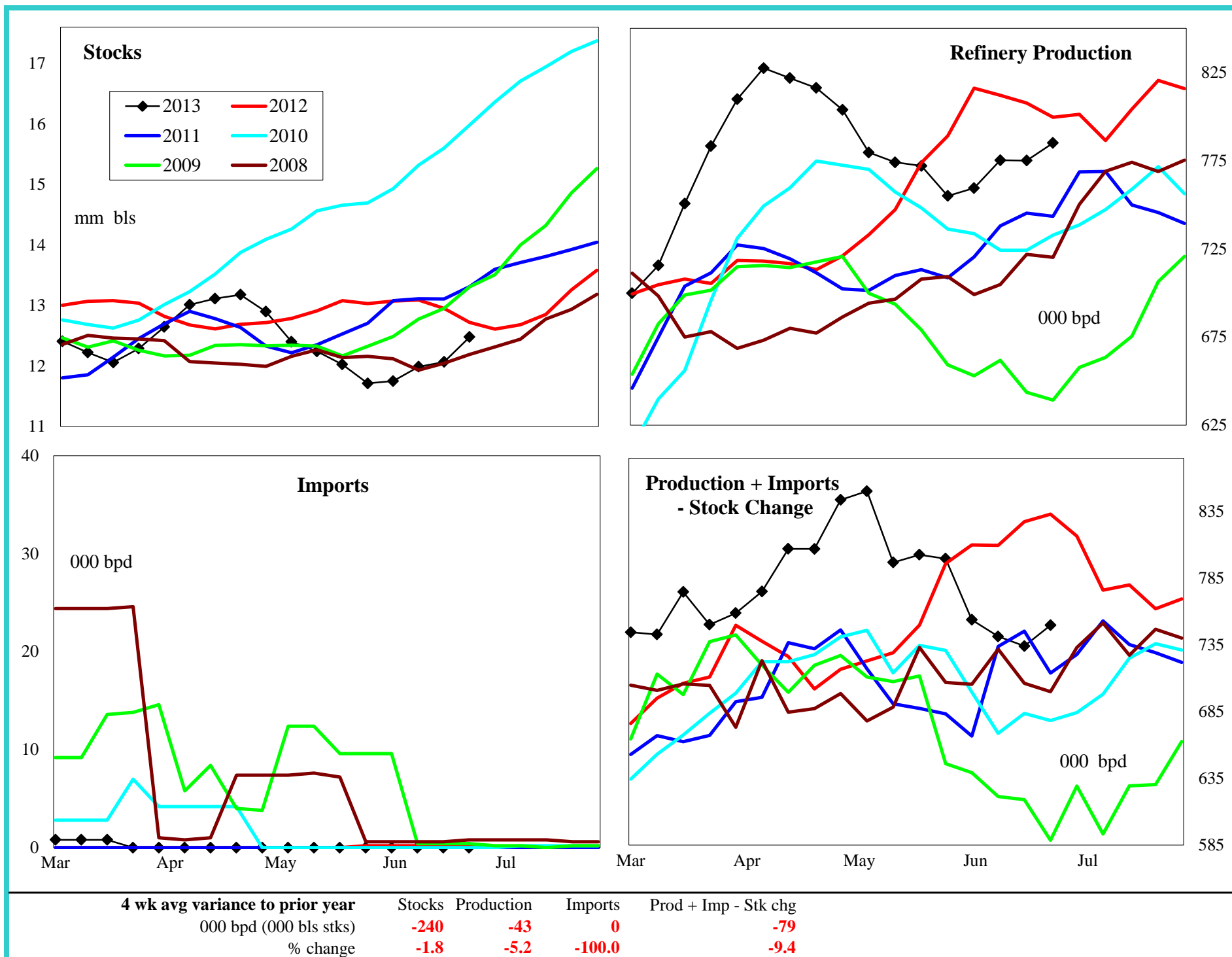
PADD 3 Low Sulfur Distillate Supply



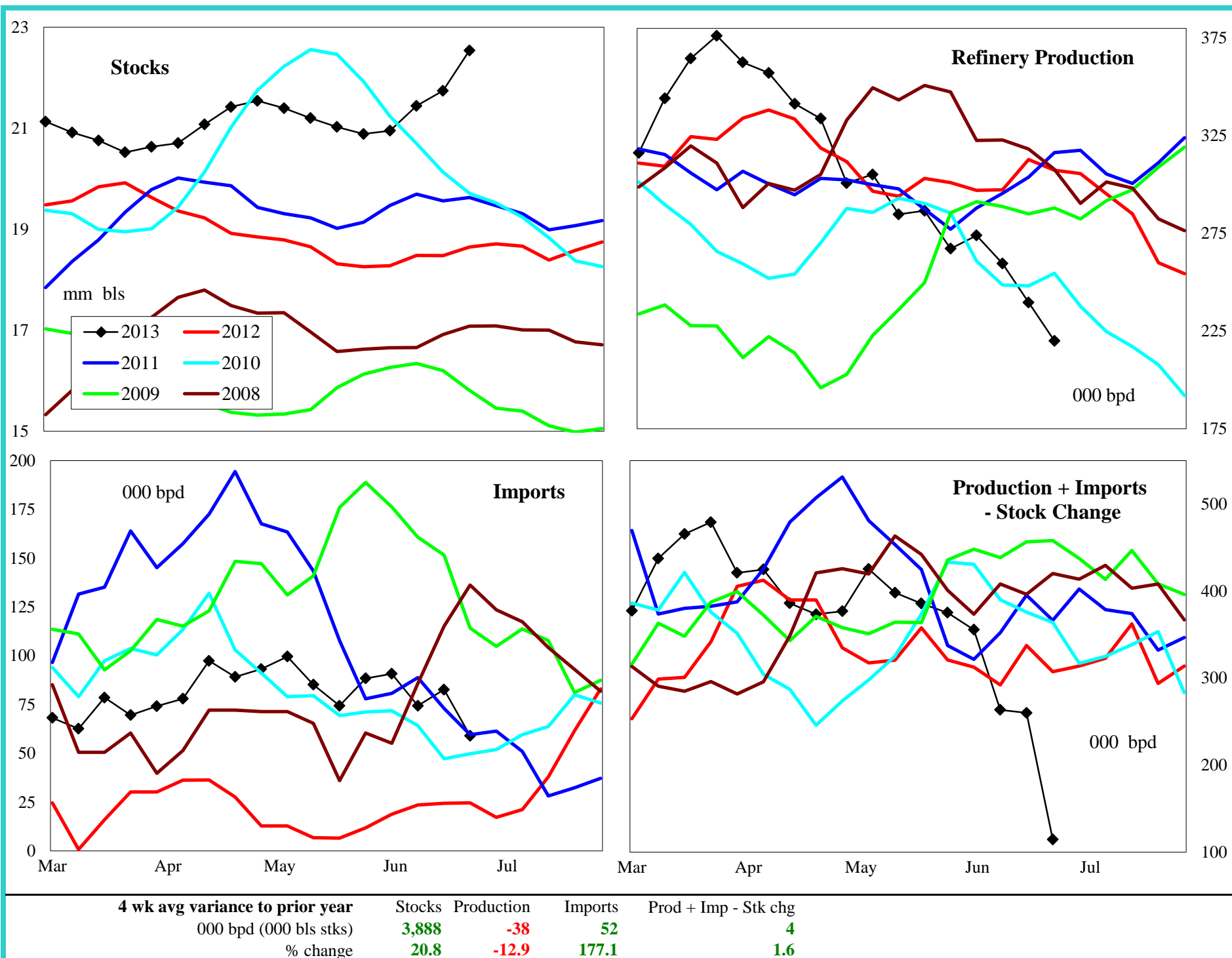
PADD 3 High Sulfur Distillate Supply



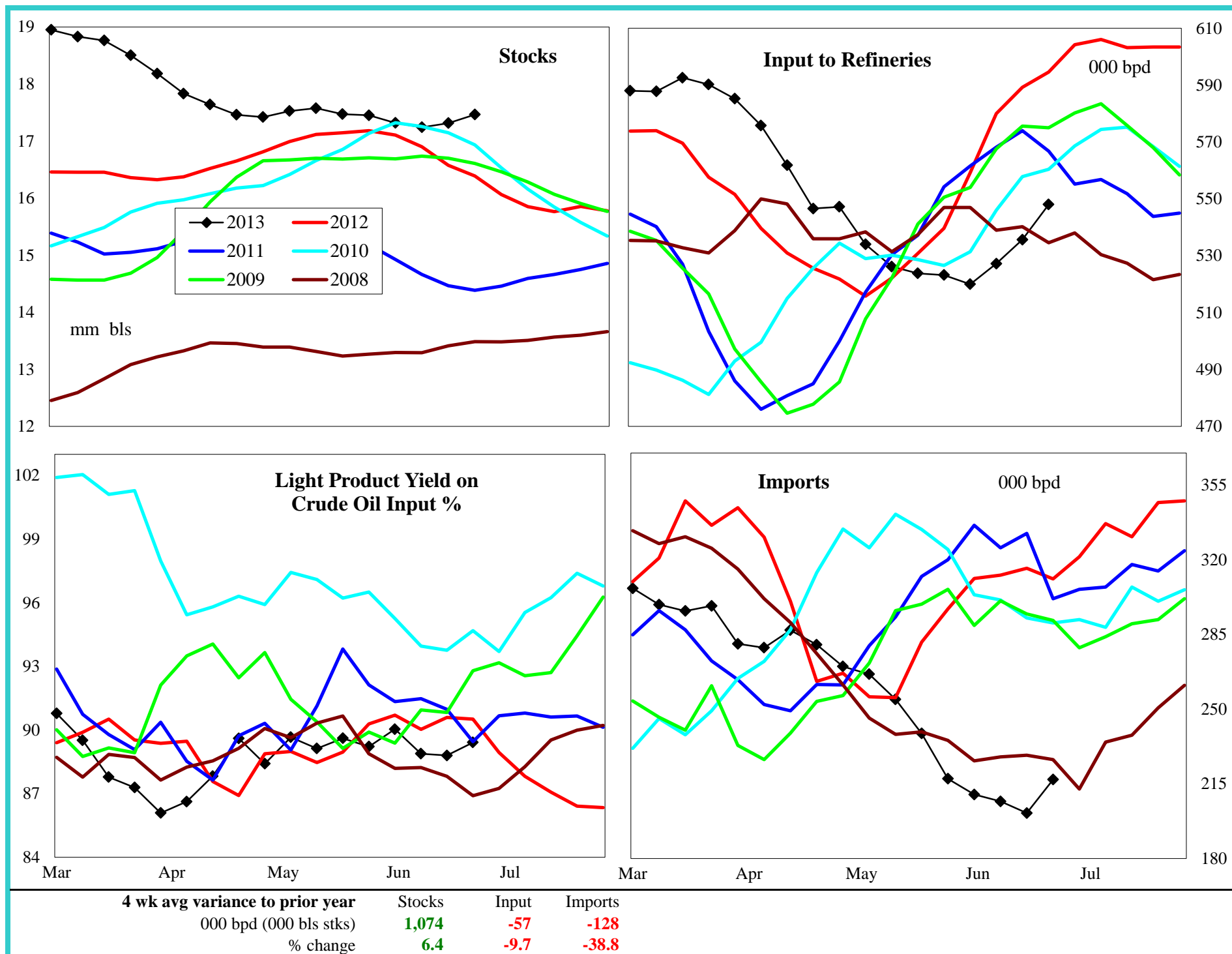
PADD 3 Jet Fuel Supply



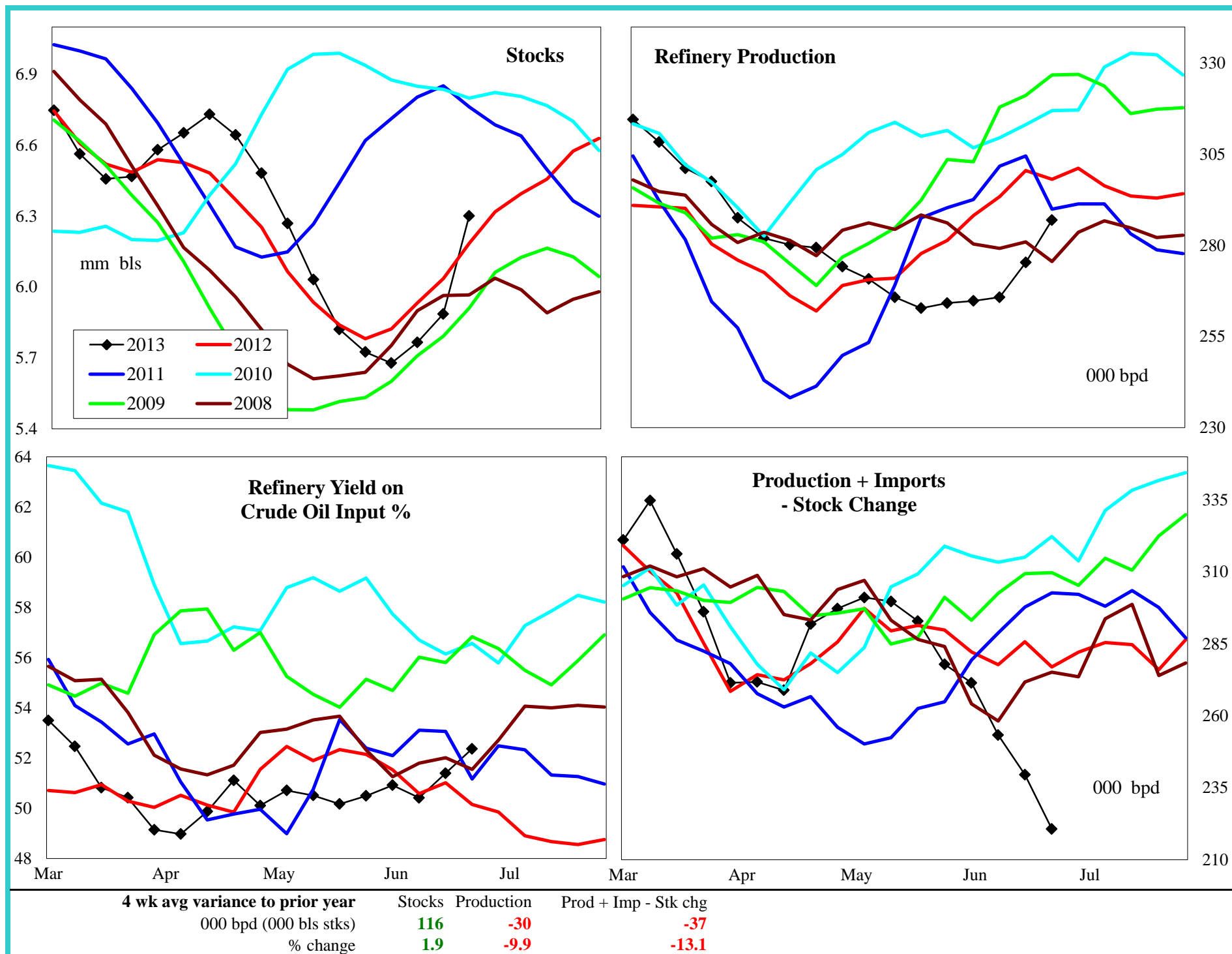
PADD 3 Residual Fuel Oil Supply



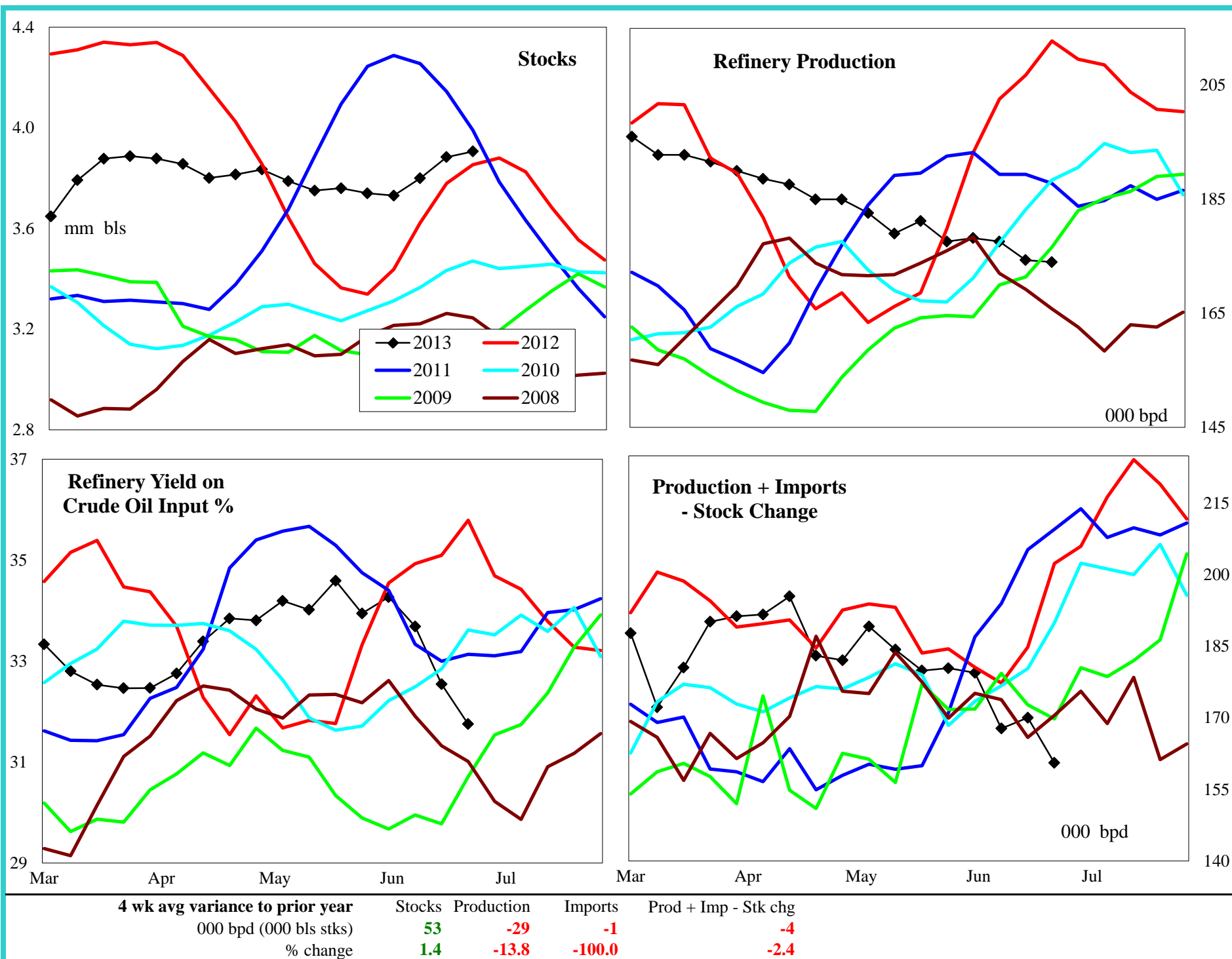
PADD 4 Crude Oil Supply and Refining



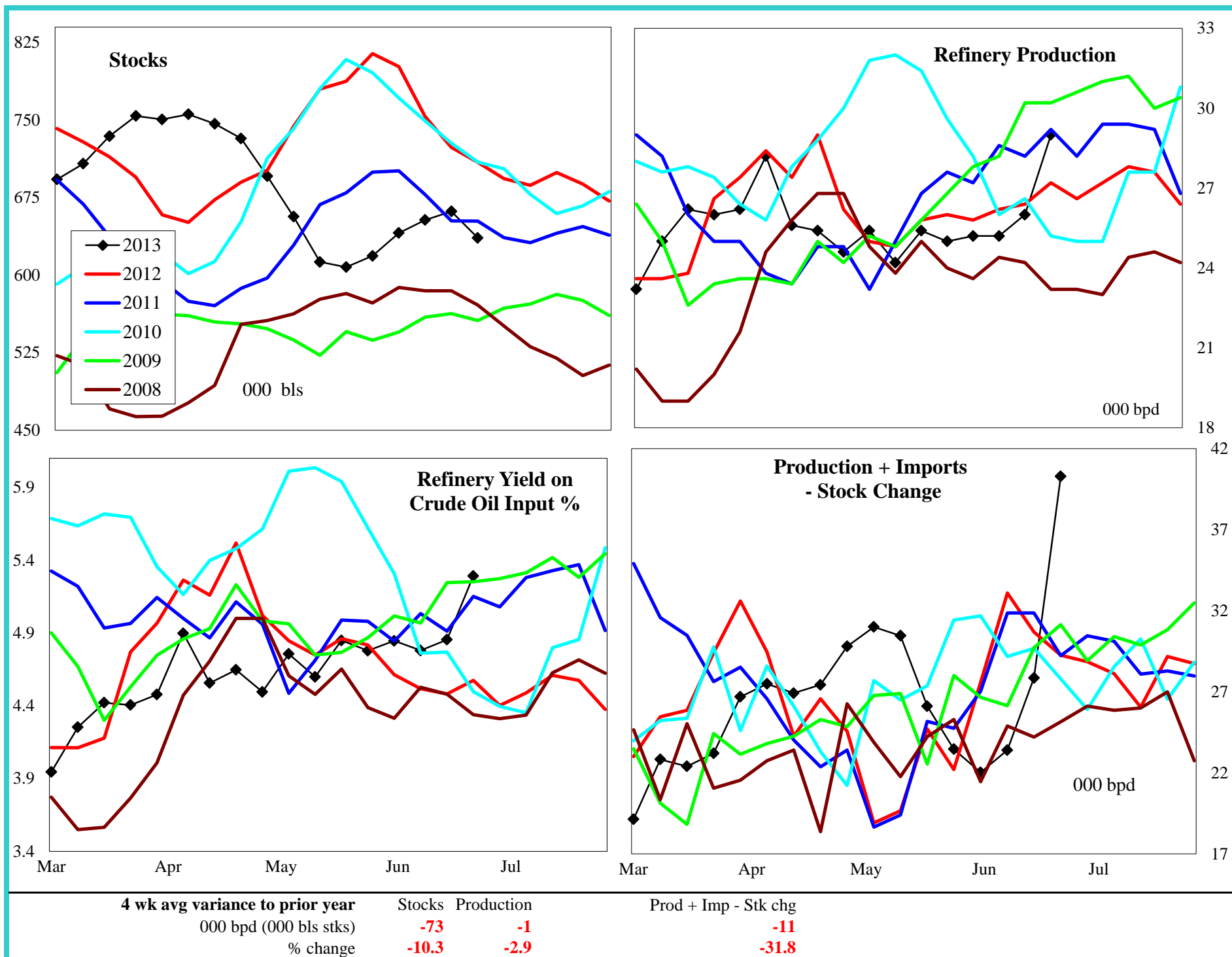
PADD 4 Gasoline Supply



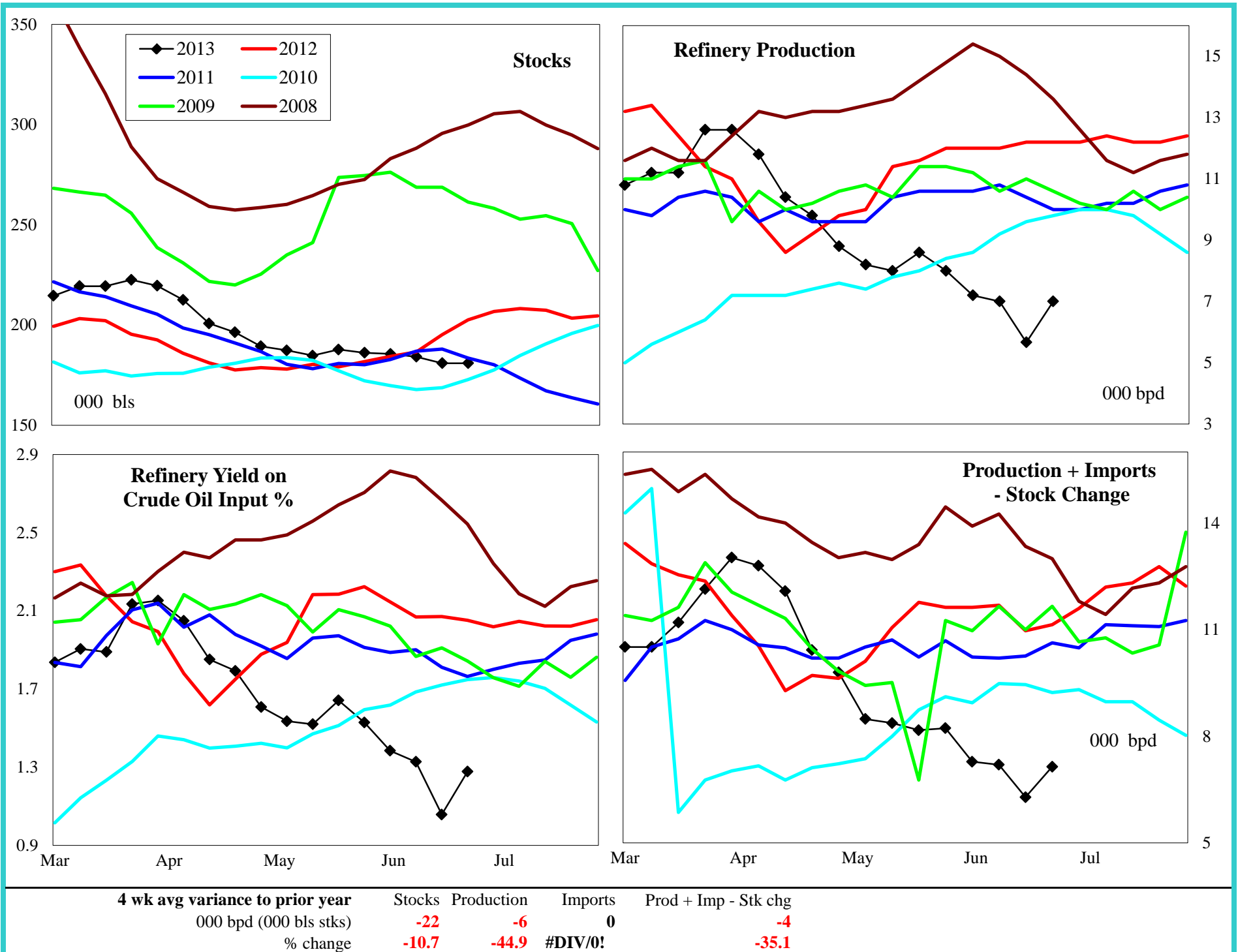
PADD 4 Distillate Supply



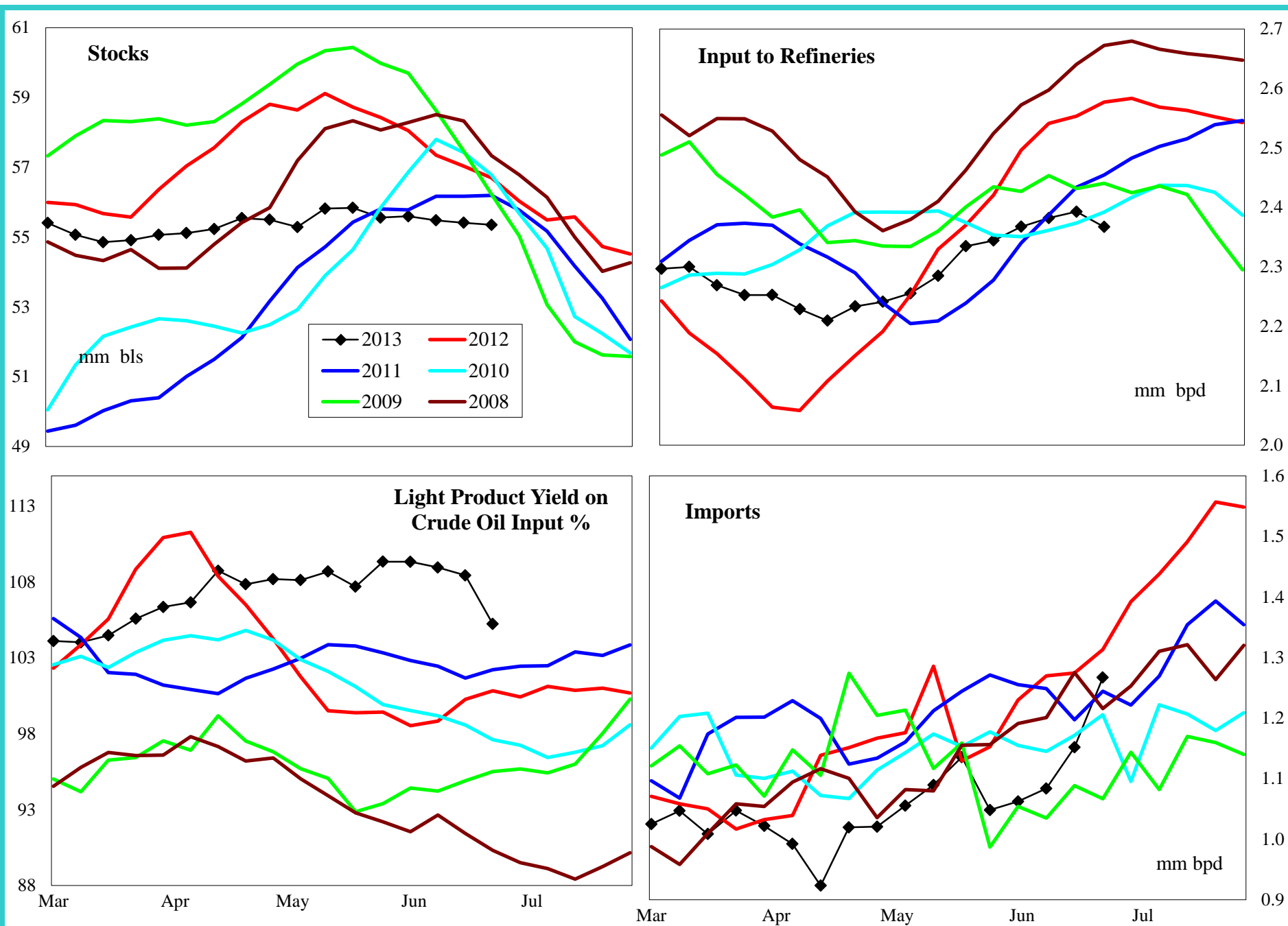
PADD 4 Jet Fuel Supply



PADD 4 Residual Fuel Oil Supply



PADD 5 Crude Oil Supply and Refining



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

-1,349

-2.4

Input

-148

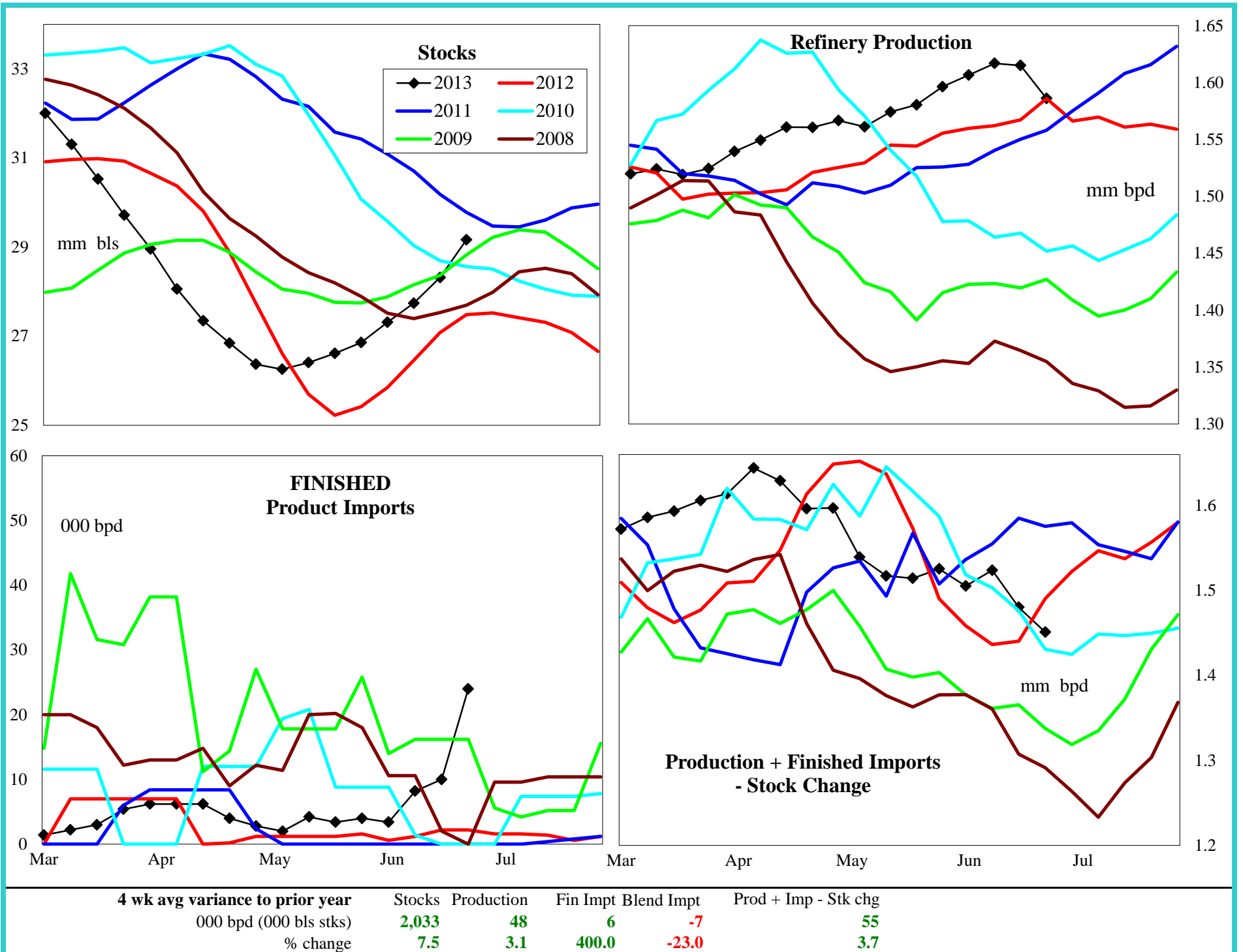
-5.7

Imports

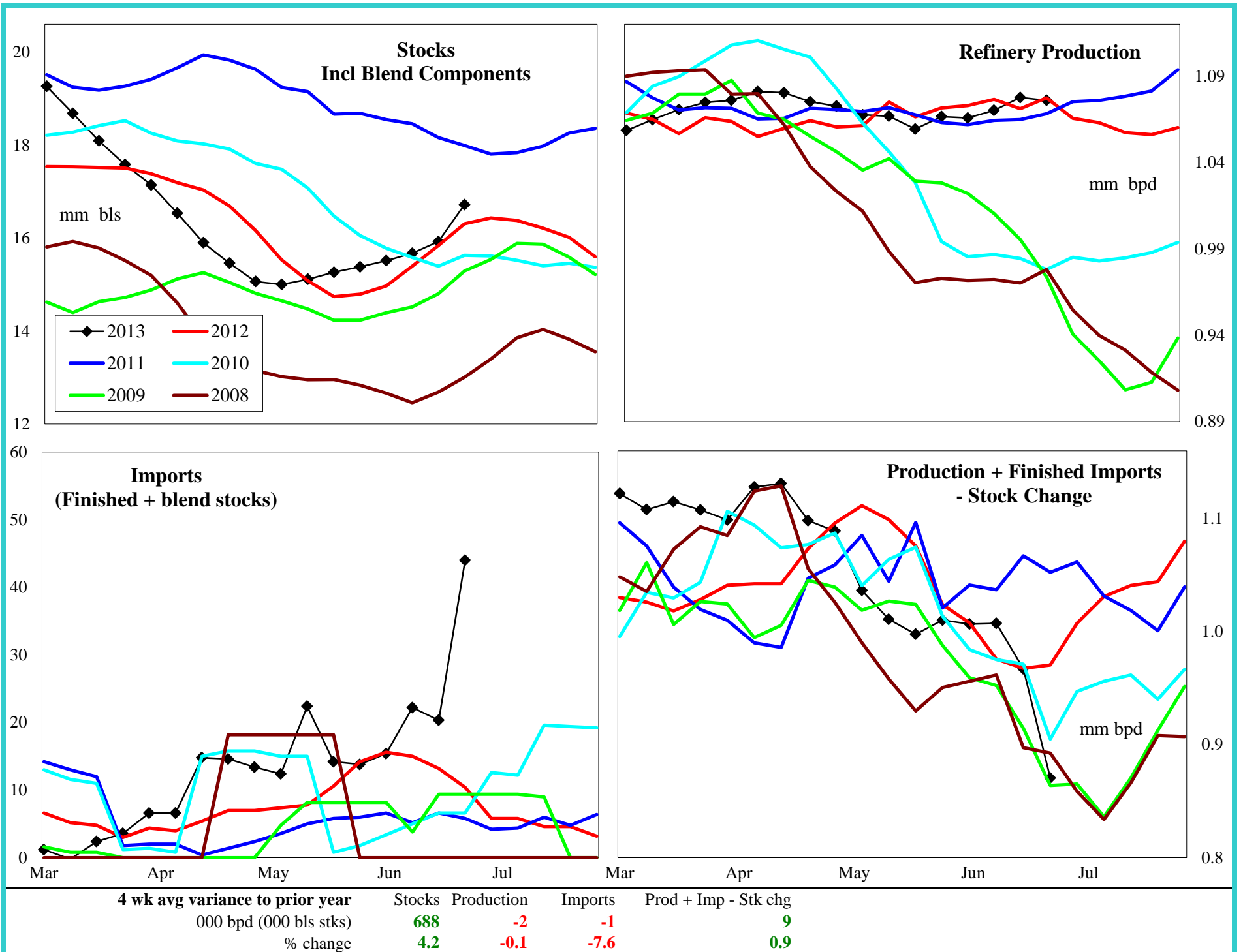
-111

-9.1

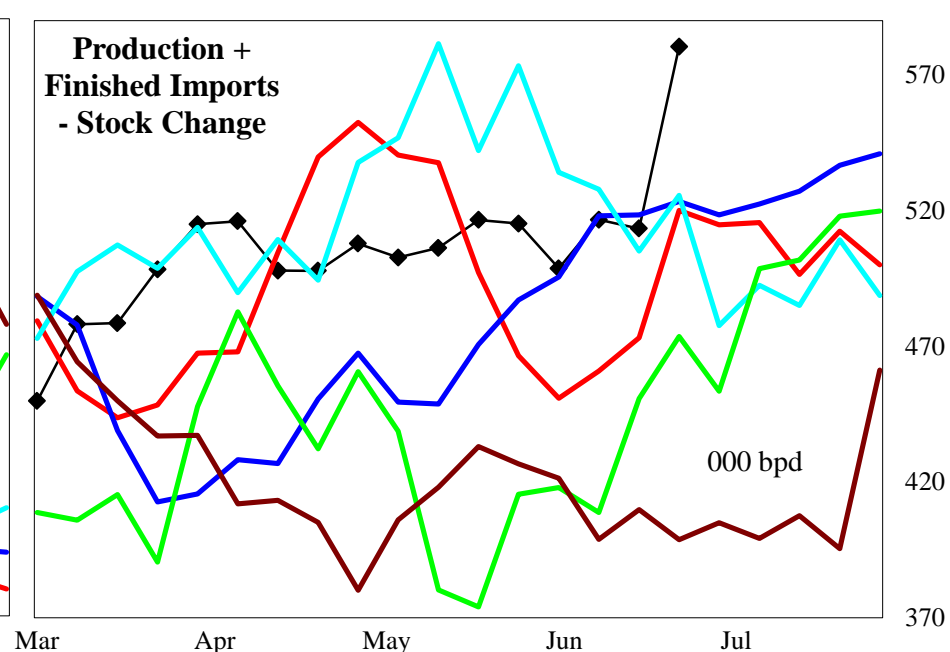
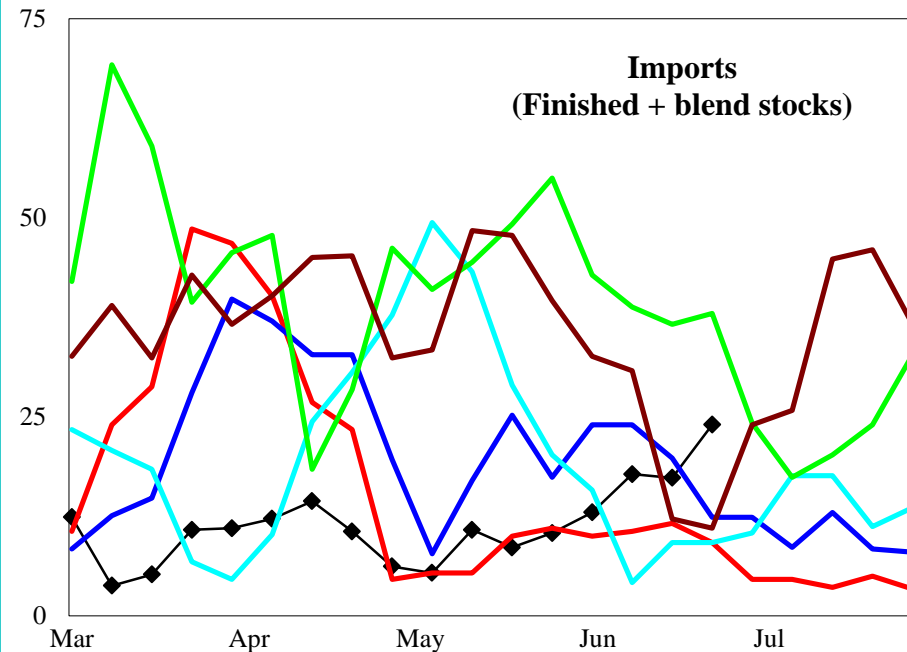
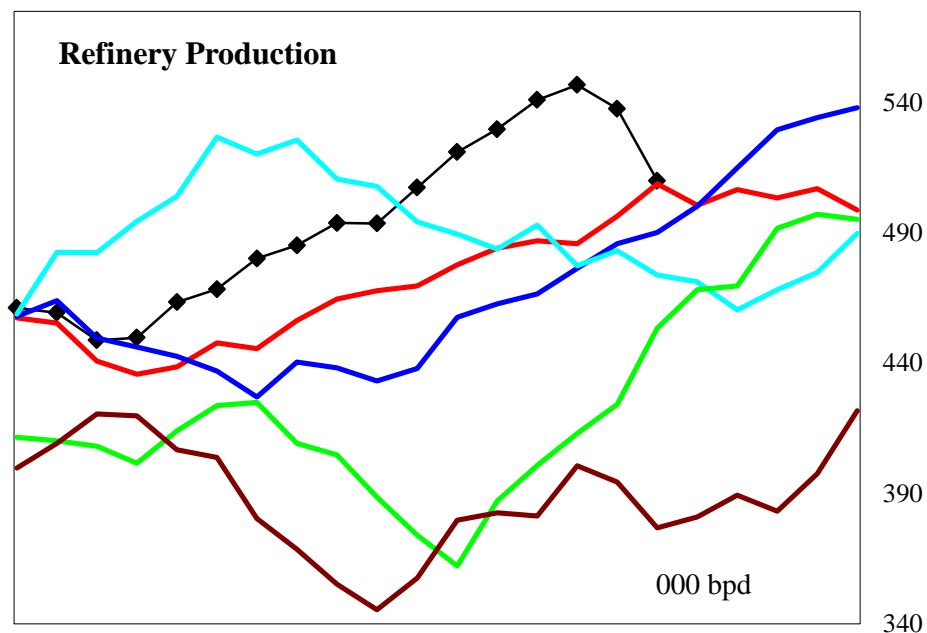
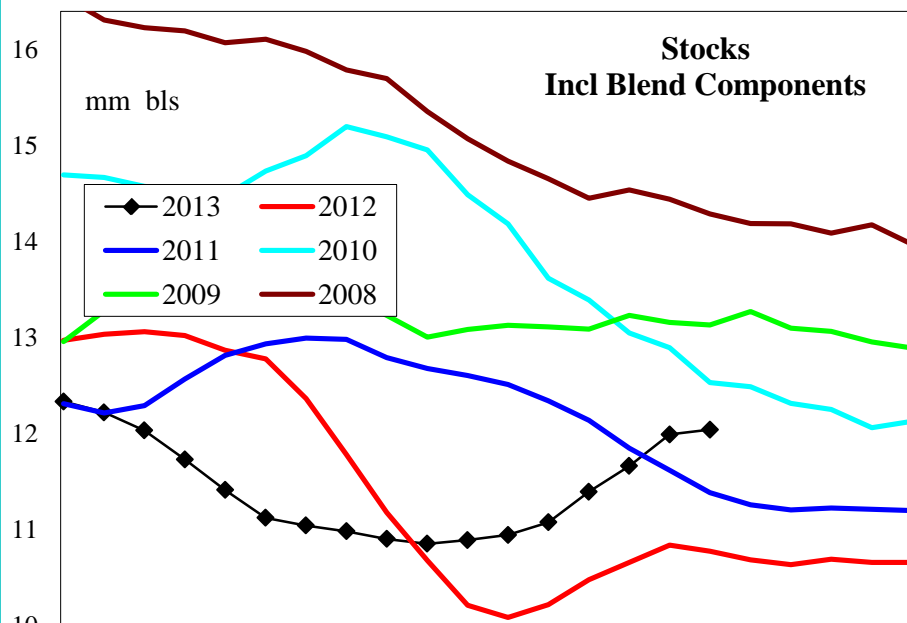
PADD 5 Gasoline Supply



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

1,345

50

1

45

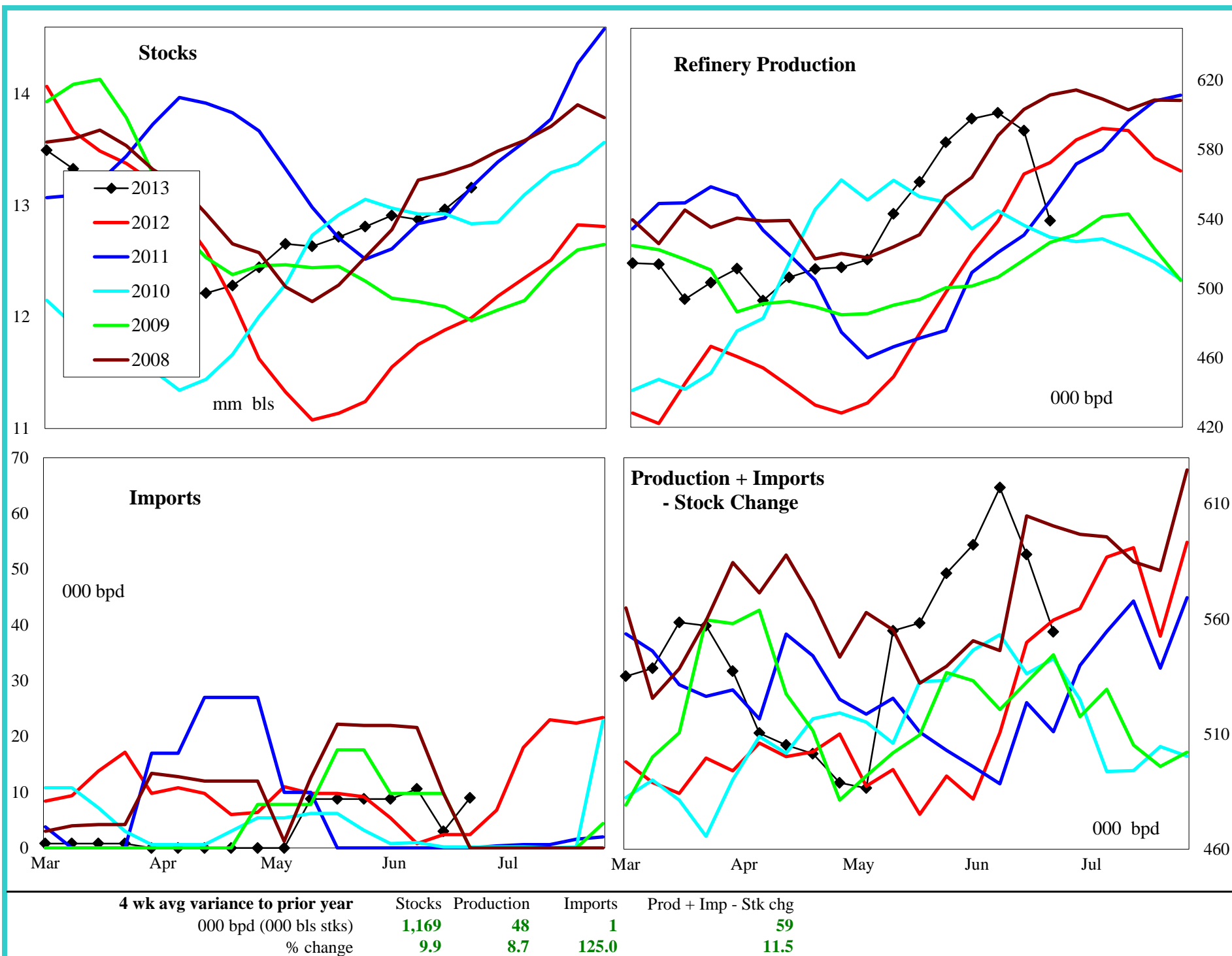
12.6

10.0

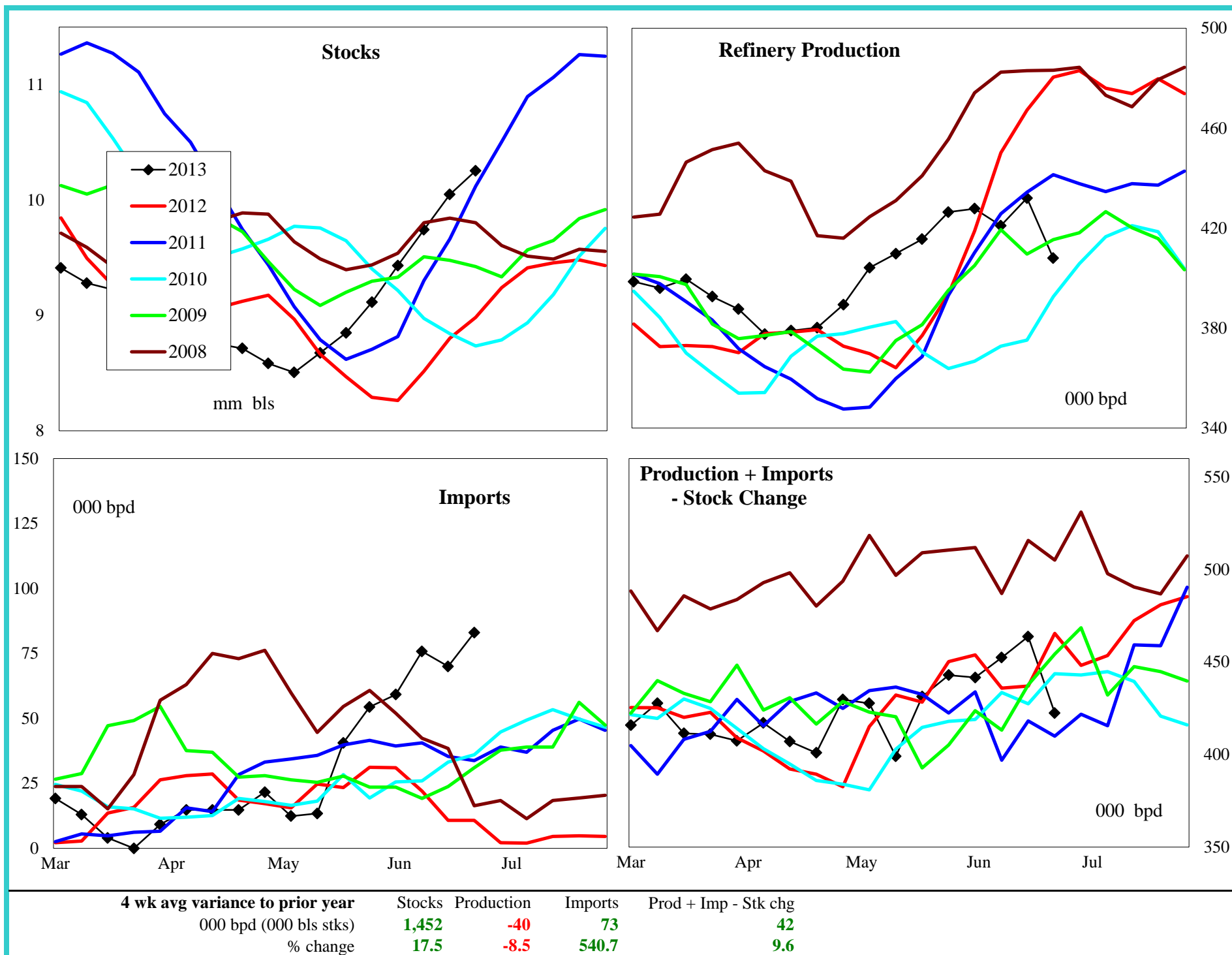
5.7

9.7

PADD 5 Distillate Supply



PADD 5 Jet Fuel Supply



PADD 5 Residual Fuel Oil Supply

