



WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

A Fundamental Petroleum Trends Weekly Report

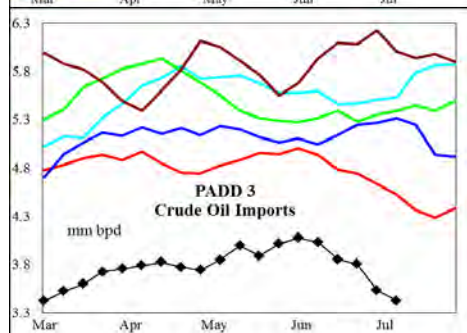
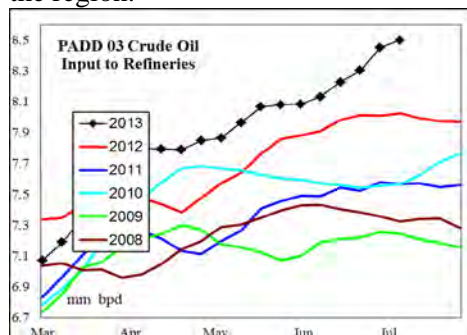
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Wednesday, July 10, 2013



Major Fundamental Trends¹

U.S. commercial crude oil stocks have declined -20 million barrels during the last 2-wks. The massive draw down was not the result of stock draws from Cushing, where the decline was only -2.3 million barrels during the last 2-wks. A timing mismatch between the seasonal ramp in crude oil runs and an increase in imports underlies the -1.4 million bpd average stock draw during this period.

Over half of the stock draw occurred in the Gulf region where crude oil runs increased +175,000 bpd during the last 2-wks while crude oil imports fell -0.7 million bpd. This swing in the supply balance was met by drawing down working stocks in the region.



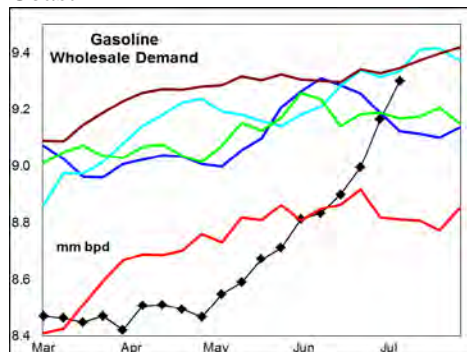
During the last 2-wks crude oil stocks decreased -5.4 million barrels in the Midwest; driven largely by increased deliveries to the Gulf. Refinery crude oil runs and imports increased nearly the same in the Midwest during the same period.

West Coast crude oil stocks fell -2.6 million barrels during the last 2-

wks on a +130,000 bpd rise in crude oil refinery runs with imports nearly unchanged.

East Coast stocks decreased -1.9 million barrels, due largely to a -0.4 million bpd drop in crude oil imports over the last 2-wks.

Gasoline demand was nearly unchanged last week, which included the 4th of July travel week, at an extremely high level. The EIA also released a restatement of PADD 1 demand which had been reported unusually low during the last several months because of under reporting of receipts from the Gulf to the East Coast



Demand for distillate and jet fuel fell a combined -0.7 million bpd on the week. Gasoline demand remains extremely high. Wholesale demand, measured over the last four weeks compared to a year ago: gasoline increased +2.5%; distillate was +12% higher; jet fuel was +2.9% higher, and residual declined -1%.

Stocks forward coverage: Gasoline demand coverage fell on a -2.6 million barrel stock draw and extremely high wholesale demand. Coverage remains well above the 5-year range.

Distillate coverage increased on a +3 million barrel stock build and -0.6 million bpd drop in demand. Coverage levels were above last years' lows.

Jet fuel coverage fell on a -0.6 million barrel stock draw and very high wholesale demand. Coverage levels were at the low end of the historic range.

Residual fuel oil coverage fell on a -0.9 million barrel stock draw.

Coverage levels ended the week at the 3-year mid range.

Refinery utilization rates increased slightly last week on a +28,000 bpd rise in crude oil runs. During the latest 4-wk period crude oil input was +196,000 bpd above a year ago.

Gasoline yield % on crude oil runs increased on a +204,000 bpd increase in output compared to the +28,000 bpd rise in crude oil runs. Yield % on crude oil runs ended the week near the 3-year mid range.

Distillate yield % on crude oil runs jumped on a +193,000 bpd rise in output compared to the small change in crude oil thru put. The yield % on crude oil runs reached a new 5-year high.

Jet fuel yield % on crude oil runs was unchanged on a +3,000 bpd increase in output, compared to the increase crude oil input. The yield % level remains below the last 2-years.

Petroleum Imports/Exports: Imports of crude oil and refined fuels were nearly unchanged from last week.

During the latest 4-wk period crude oil imports were -1.1 million bpd below last year; distillate imports increased +8,000 bpd; finished gasoline imports declined -7,000 bpd, gasoline blend stock imports were -267,000 bpd lower; jet fuel imports increased +72,000 bpd, while residual fuel oil imports were -98,000 bpd lower.

During the latest 4-wk period exports of gasoline were -75,000 bpd below last year, jet fuel was +32,000 bpd higher and distillate exports fell -272,000 bpd.

Crude Oil stocks plunged -9.9 million barrels last week, with a cumulative -20 million barrel draw over the past 2-wks. The surge reflects a sharp drop in imports as Gulf refiners received increased domestic supplies from West Texas and the Midwest with startup of new pipelines in these markets. Stock levels ended the week unchanged from a year ago in Cushing.

¹ Source is latest EIA Weekly Statistics



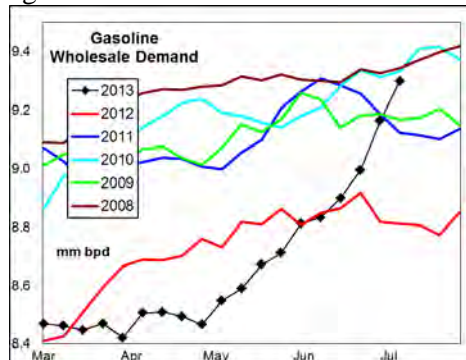
WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

A Fundamental Petroleum Trends Weekly Report

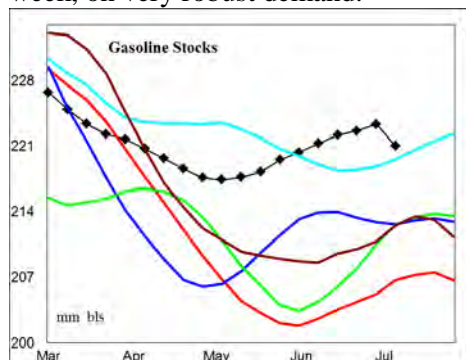
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Wednesday, July 10, 2013

Product Supply-Demand Trends

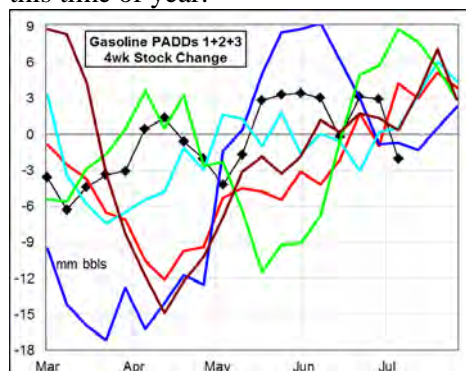
Gasoline wholesale demand was nearly unchanged last week at a level near 5-year highs. The latest 4-wk average demand was +218,000 bpd above a year ago. Supply increased +232,000 bpd last week on record high production. Supply for the latest 4-wk period was +41,000 bpd above a year ago.



Stocks fell -2.6 million barrels last week, on very robust demand.



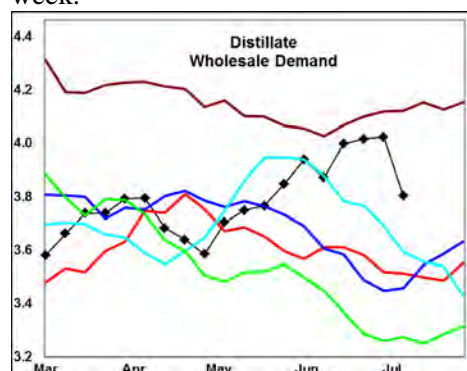
The latest 4-wk stock change in markets East of the Rockies was a -2 million barrel draw, a record draw for this time of year.



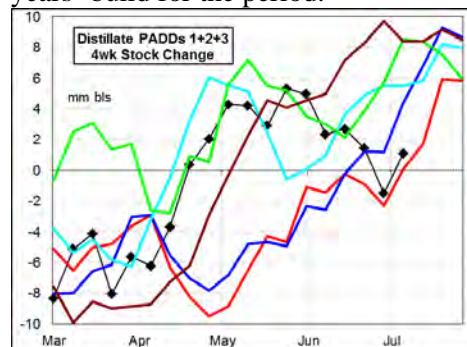
Robust wholesale demand reflects in part, an adjustment by the EIA to East Coast demand estimates. Look for a pull back in demand from the current spike in the near term. Combined with

season high production, gasoline supplies remain very high on the East and Gulf Coasts. A recent surge in Midwest and West Coast production should lead to improved supplies in those regions.

Distillate demand plunged -0.6 million bpd on the week, to a level above each of the last 3-years. The latest 4-wk average demand was +444,000 bpd above a year ago. Increased +172,000 bpd last week, on higher production. The latest 4-wk average supply was +199,000 bpd above last year. Stocks increased +3 million barrels on the week.



The latest 4-wk stock change in markets East of the Rockies was a +1.1 million barrel build, slightly above last years' build for the period.



The recent increase in wholesale demand has limited stock builds to near historic lows for this time of year.

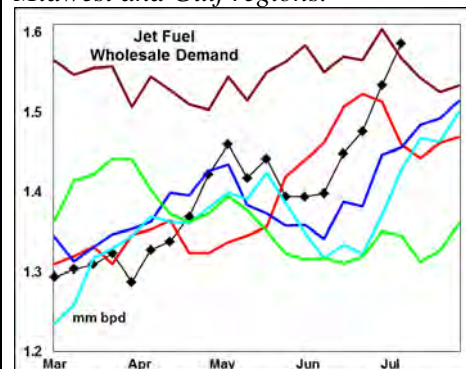
Look for a sharp pull back in seasonal demand, and higher seasonal production to lead to renewed stock builds for the balance of the summer quarter.

Jet Fuel wholesale demand was nearly unchanged on the week at a level that matched 5-year highs. The latest 4-wk average demand was +45,000 bpd

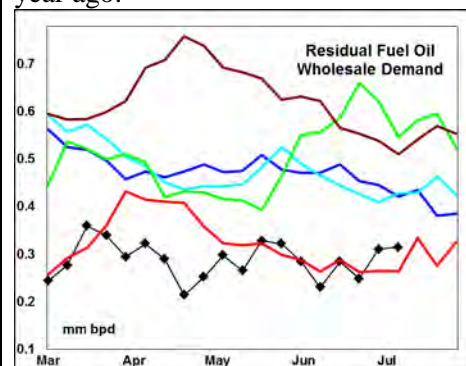
above last year.

Supplies decreased -23,000 bpd on the week, with production levels equal to 5-year highs. Supply for the latest 4-wk period was +34,000 bpd above a year ago. Stocks decreased -0.6 million barrels on the week, to a level at the low end of the 5-year range.

Look for demand to pull back from the pre 4-th of July surge. Seasonally high production should lead to modest stock building during the next quarter. Stock levels remain very low in the Midwest and Gulf regions.



Residual fuel oil demand fell -135,000 bpd last week. Demand for the latest 4-wk period was -5,000 bpd below a year ago.



Supply (production + imports) decreased -77,000 bpd last week, on lower production. Production levels were below the 5-year range. Stocks fell -0.9 million barrels on the week.

Stock levels remain above the 5-year range in both the Midwest and Gulf regions. Demand for the latest 4-wk period continues to match year ago levels.



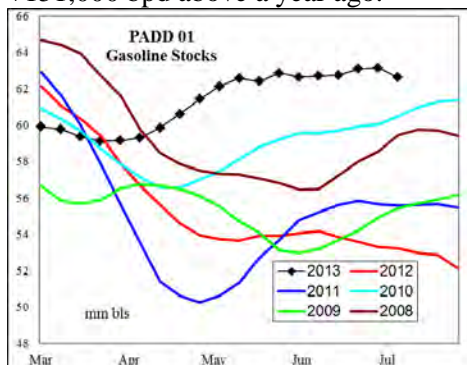
WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Wednesday, July 10, 2013

PADD Supply Trends

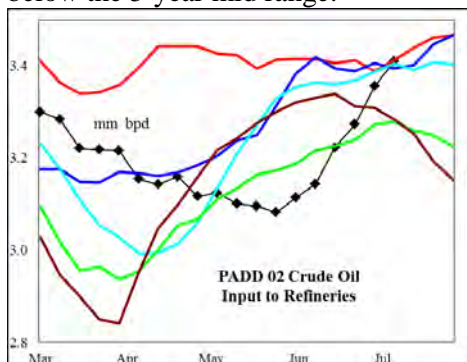
PADD 1 refinery crude oil runs declined -67,000 bpd last week, to a level +16% above last year. The latest 4-wk average crude oil thru put was +151,000 bpd above a year ago.



Gasoline supply increased +107,000 bpd on higher imports. Stocks declined -0.4 million barrels with the level well above the historic range.

Distillate supply decreased -7,000 bpd on the week. Stocks increased +2.7 million barrels to a new record high level for ULSD grade.

Jet fuel stocks decreased -0.1 million barrels last week, to a level below the 5-year mid range.



PADD 2 crude oil refinery runs increased +36,000 bpd on the week, with the level matching the prior 3-year average. Runs for the latest 4-wk period were -100,000 bpd below last year. Crude oil stocks fell -3.5 million barrels last week, driven by the increase in refinery runs. Stocks ended the week equal to last year at Cushing.

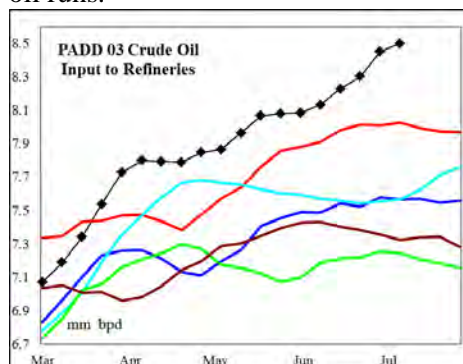
Gasoline production fell -58,000 bpd on the week, with the level still well above the 5-year range. Stocks fell -0.6 million barrels to a level

below the historic range.

Distillate supply increased +79,000 bpd last week, to a level that matched 5-year highs. Stocks increased +1.4 million barrels on the week, to a level near the 3-year mid range.

Jet fuel production was nearly unchanged last week, at a level above the 5-year range. Stock levels remain -10% below last years' record lows.

PADD 3 refinery runs decreased -28,000 bpd on the week with the level +5% above last year's record high. During the latest 4-wk period, average runs were +367,000 bpd above a year ago. Crude oil stocks fell -4.2 million barrels last week, driven by extremely low imports and record refinery crude oil runs.



Gasoline supply climbed +131,000 bpd on the week, to a level above the last 2-years. Stocks fell -1.8 million barrels although the level remains above the 5-year range.

Distillate supply increased +61,000 bpd last week, with the level +8% above last years' record high. The latest 4-wk average supply was +195,000 bpd above last year. Stocks fell -2.2 million barrels on the week, driven by increased deliveries to other regions.

Jet fuel supply increased +14,000 bpd on the week, with production at a new record high. Stock levels matched a year ago.

Residual fuel oil supplies fell -39,000 bpd to a level near 5-year lows. Stock levels ended the week +11% above a year ago.

PADD 4 refinery crude runs increased +9,000 bpd on the week, ending the

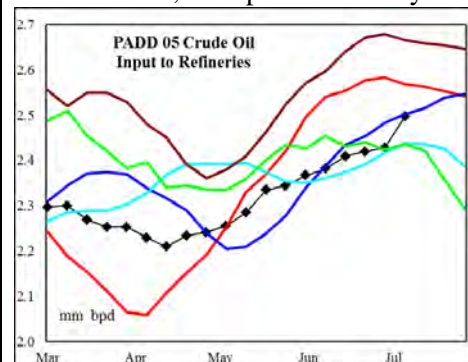
week at a level below each of the last 3-years.

Gasoline production was unchanged on the week, at a level equal to historic lows. Stock levels remain below each of the last 3-years.

Distillate production declined -12,000 bpd to a level that matched 5-year lows. Stock levels ended the week comparable to the last 2-years.

Jet fuel production and stock levels ended the week with each near historic highs.

PADD 5 crude oil refinery runs increased +76,000 bpd on the week; to a level that matched the latest 3-year average. The latest 4-wk average run rate was -159,000 bpd below last year.




Gasoline supply increased +20,000 bpd on the week with production at a record high. The latest 4-wk average supply was +60,000 bpd above a year ago. Stocks were nearly unchanged on the week, at a level that matched the 3-year mid range.

Distillate supply increased +51,000 bpd, on higher production. The latest 4-wk average supply was +9,000 bpd above a year ago. Stocks increased +1.3 million barrels on the week, to a level above the 3-year mid range.

Jet fuel supply fell -42,000 bpd on the week, with the production level near historic lows. Stocks fell -0.8 million barrels to a level near the 3-year mid range.

Residual fuel oil supply remains near historic lows on very low production. Stock levels were near historic lows.



FUNDAMENTAL

PETROLEUM TRENDS

PETROLEUM: Graph Link and Weekly Summary

A Fundamental Petroleum Trends Weekly Report

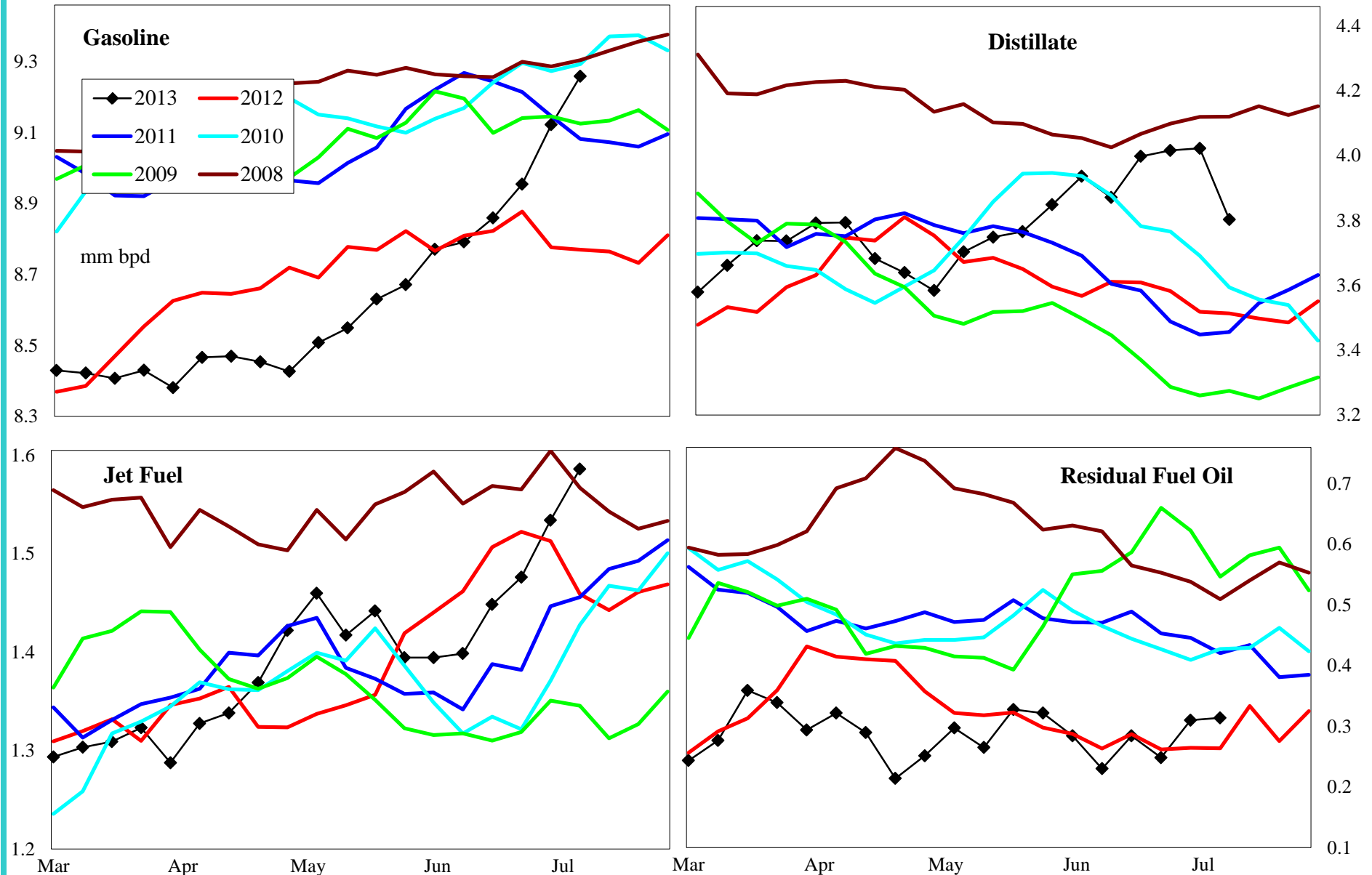
July 10, 2013

Lehi German Tel: 816.505.0980

www.fundamentalpetroleumtrends.com

Fundamental Trends	Wholesale Demand	Stocks Days Fwd Coverage	Refinery Utilization		Product Yield %		Imports
Supply/Demand Trends	5-Jul-13	EIA-DOE CHANGE FROM PRIOR WEEK					
	000 bpd stocks 000 bls	U. S. Total	PADD				
			1	2	3	4	5
Crude Oil	Stocks	-9,874	-503	-3,476	-4,160	209	-1,946
	Imports	118	49	-174	130	31	83
	Input	28	-67	36	-28	9	76
	% Utilization	0.20					
Gasoline	Stocks	-2,634	-352	-611	-1,761	119	-30
	Production	204	-22	-58	171	0	76
	Imports	28	129	-4	-40	0	-56
	Supplied	5					
Distillate	Stocks	3,038	2,688	1,350	-2,191	-60	1,252
	Production	193	-13	80	61	-12	77
	Imports	-21	6	-1	0	0	-26
	Supplied	-607					
Jet Fuel	Stocks	-562	-101	-175	581	-28	-839
	Production	3	1	1	14	1	-15
	Imports	-26	0	0	0	0	-27
	Supplied	-4					
Residual Fuel Oil	Stocks	-898	100	-101	-1,045	10	138
	Production	-65	-6	-16	-41	0	-1
	Imports	-11	-31	0	3	0	16
	Supplied	-135					

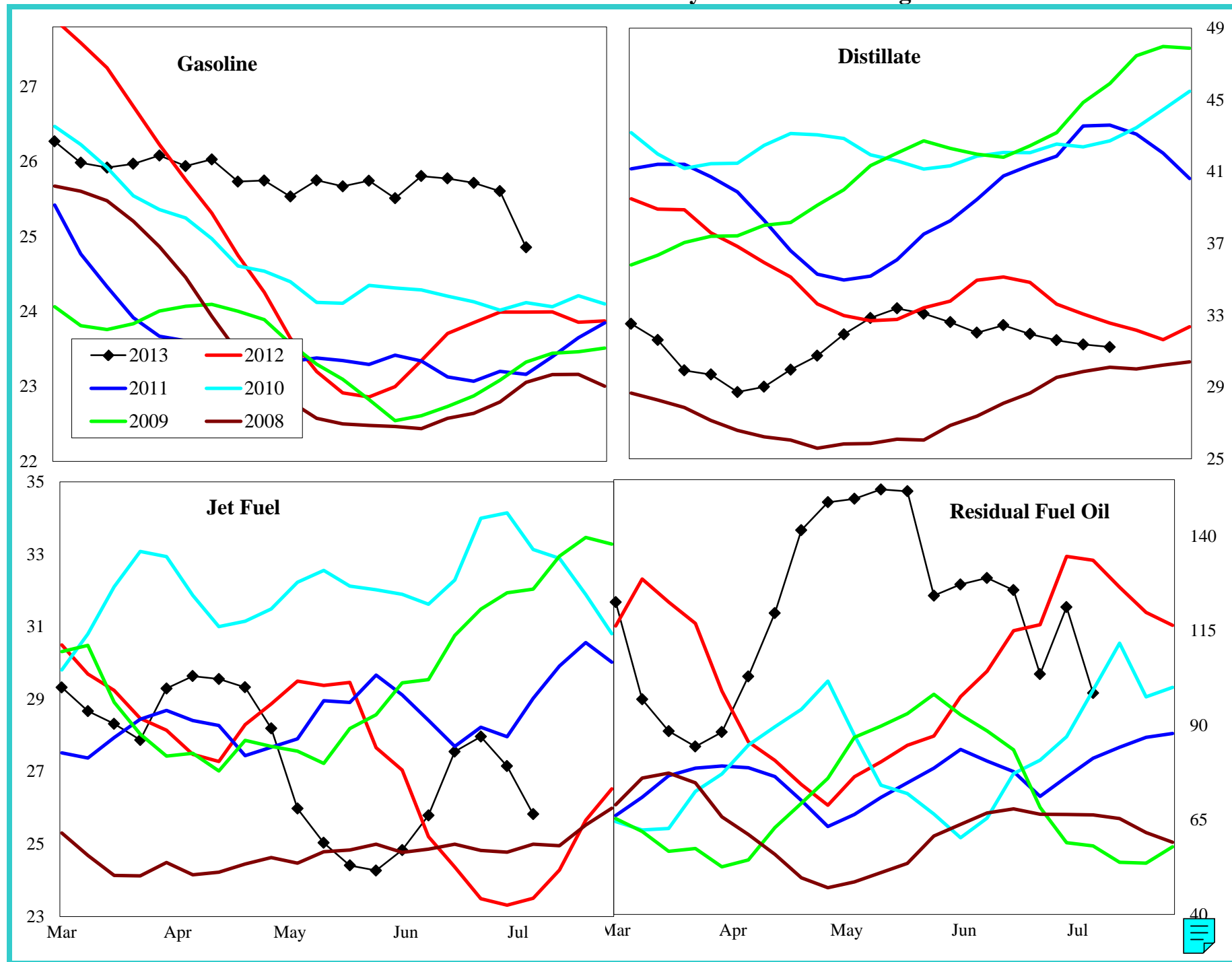
United States Wholesale Petroleum Demand



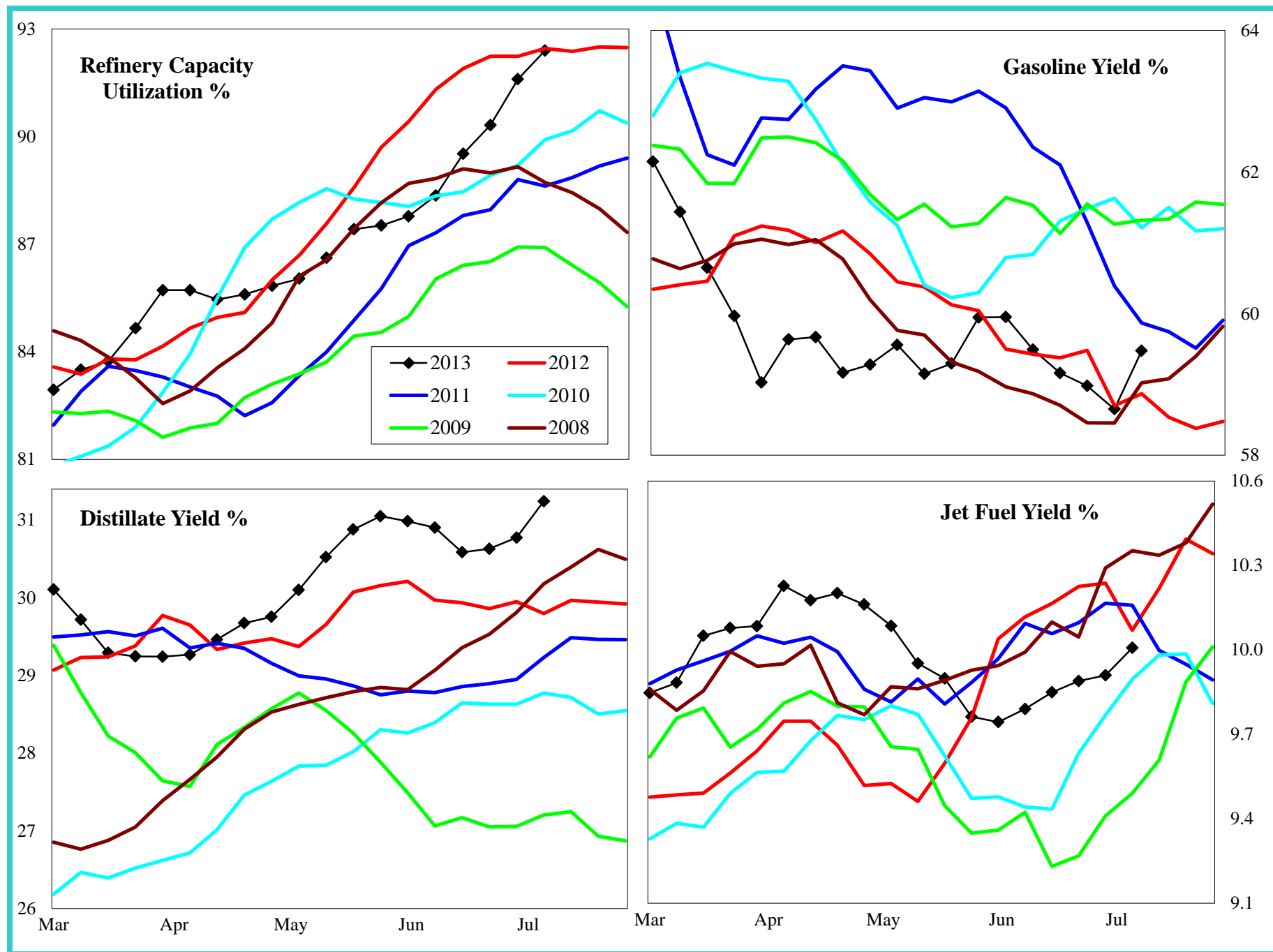
	000 bpd change from prior year				% change from prior year				
	4wk avg	Jun	May	Jan	4wk avg	Jun	May	Apr	
Gasoline	218	-116	-269	-51	2.5	-1.3	-3.0	-0.6	
Distillate	444	380	96	167	12.3	10.2	2.6	4.5	
Jet Fuel	45	-56	75	55	2.9	-3.6	5.3	4.0	
Resid	-5	-100	111	-124	-1.4	-26.9	37.8	-30.4	



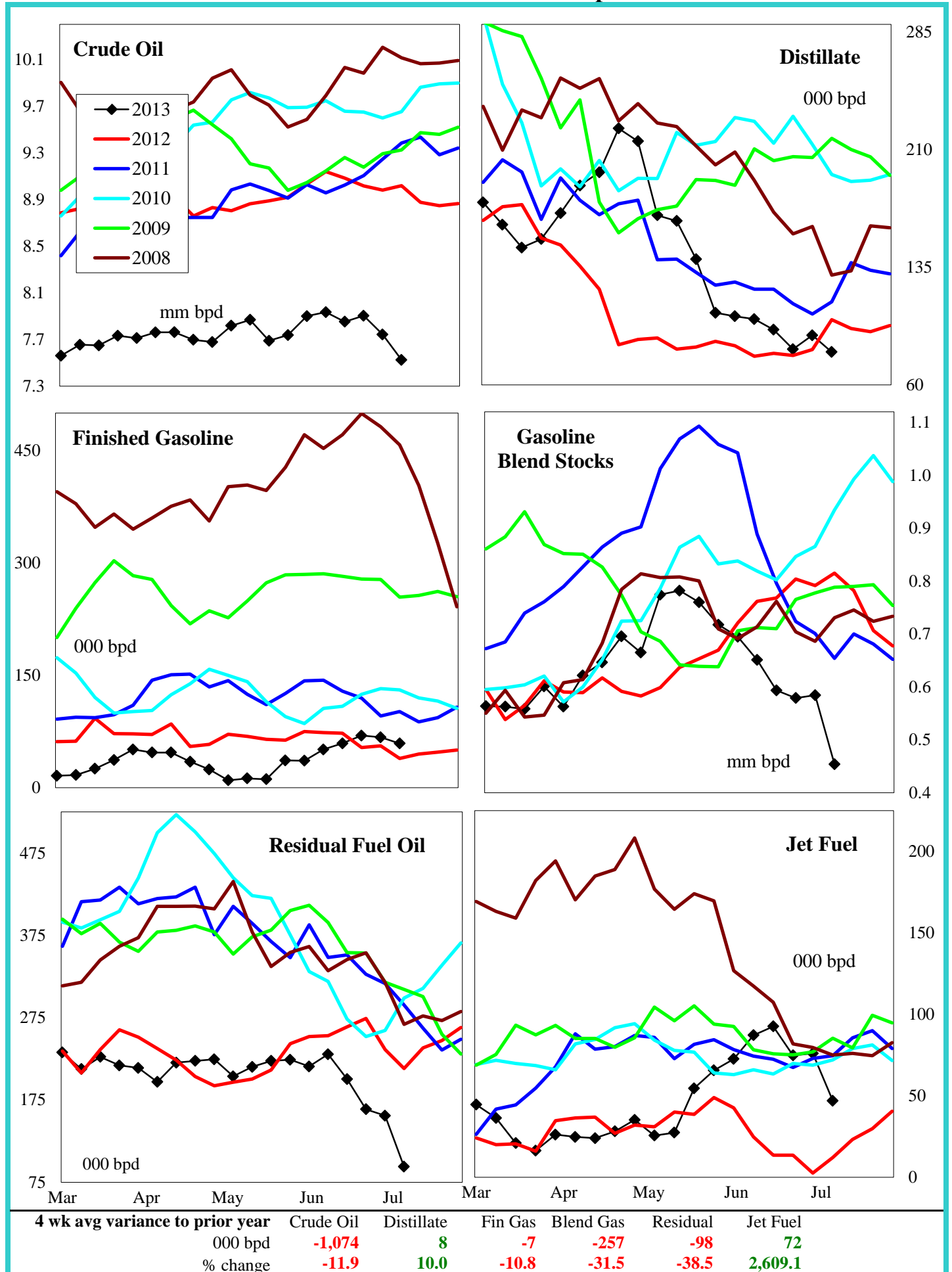
United States Product Stocks: Days Forward Coverage



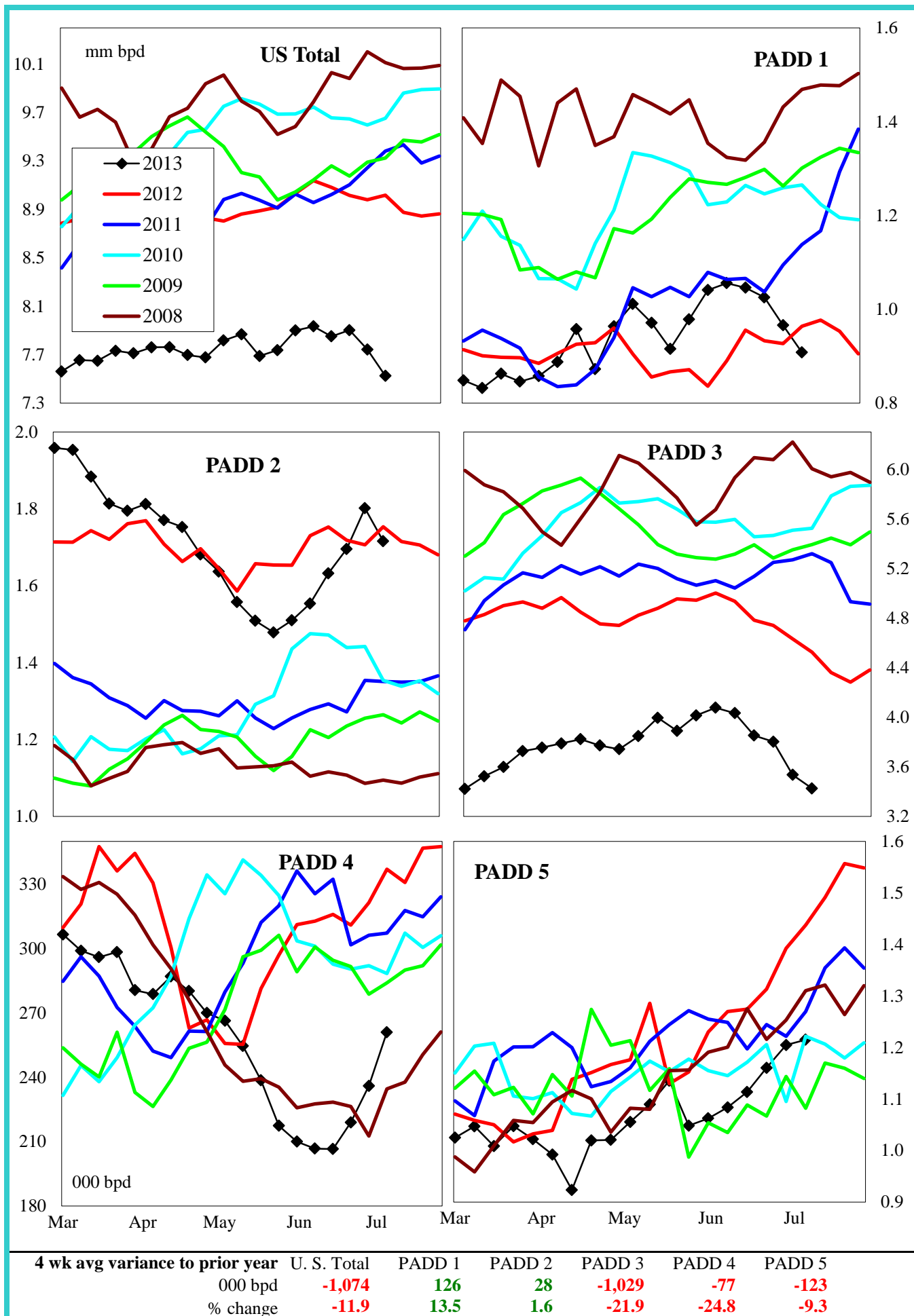
United States Refinery Percent Utilization Rate and Product Yields



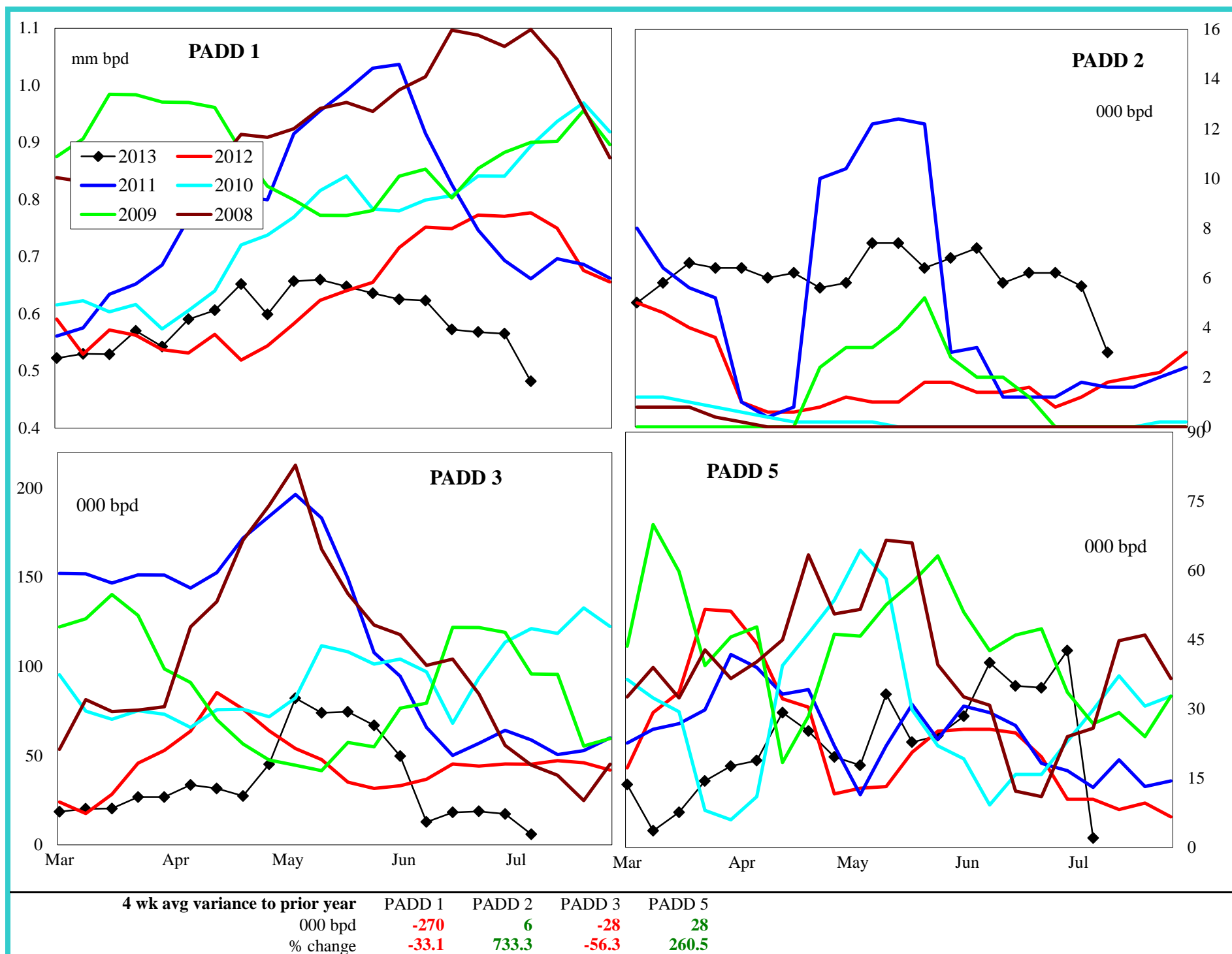
United States Petroleum Imports



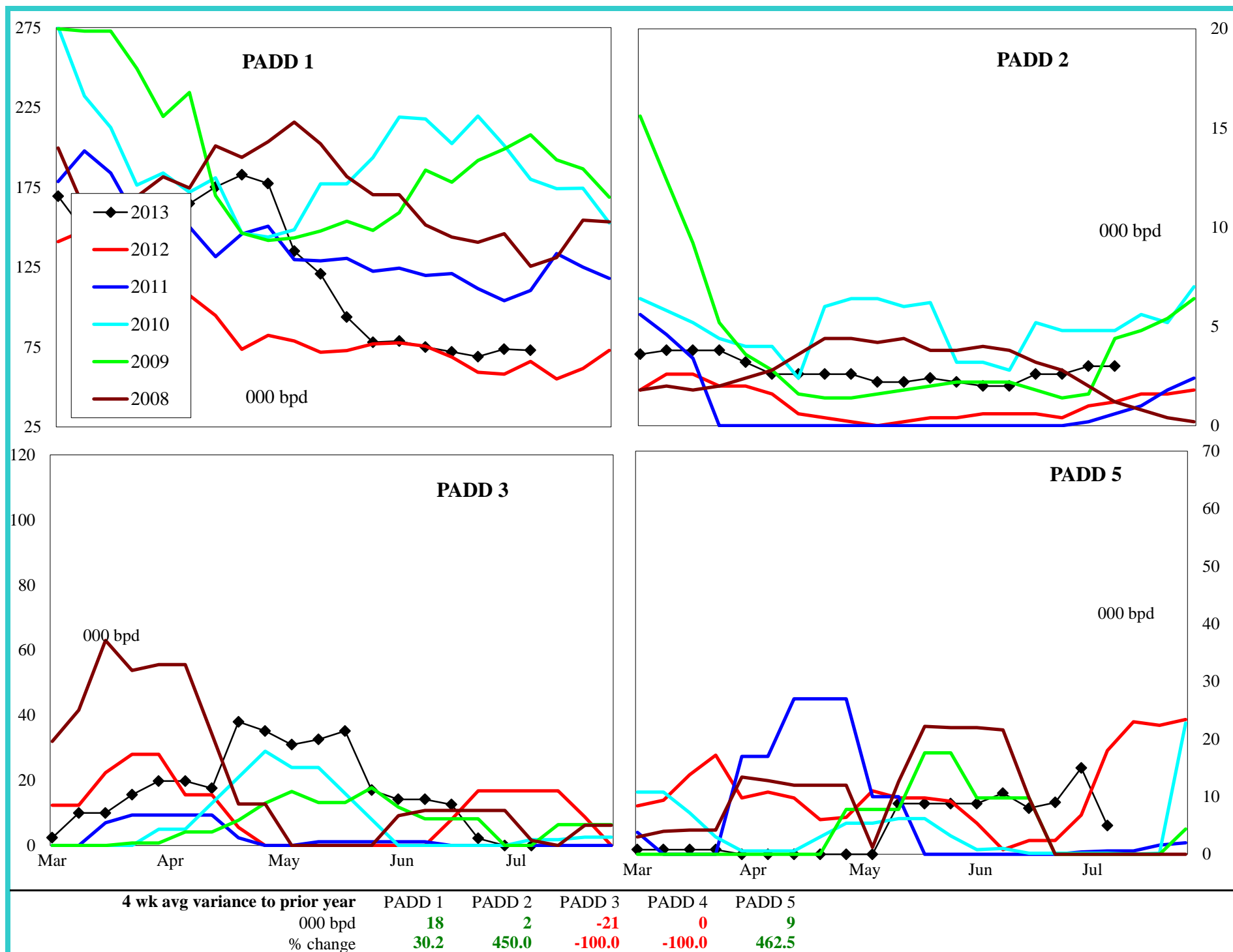
Crude Oil Imports by PADD



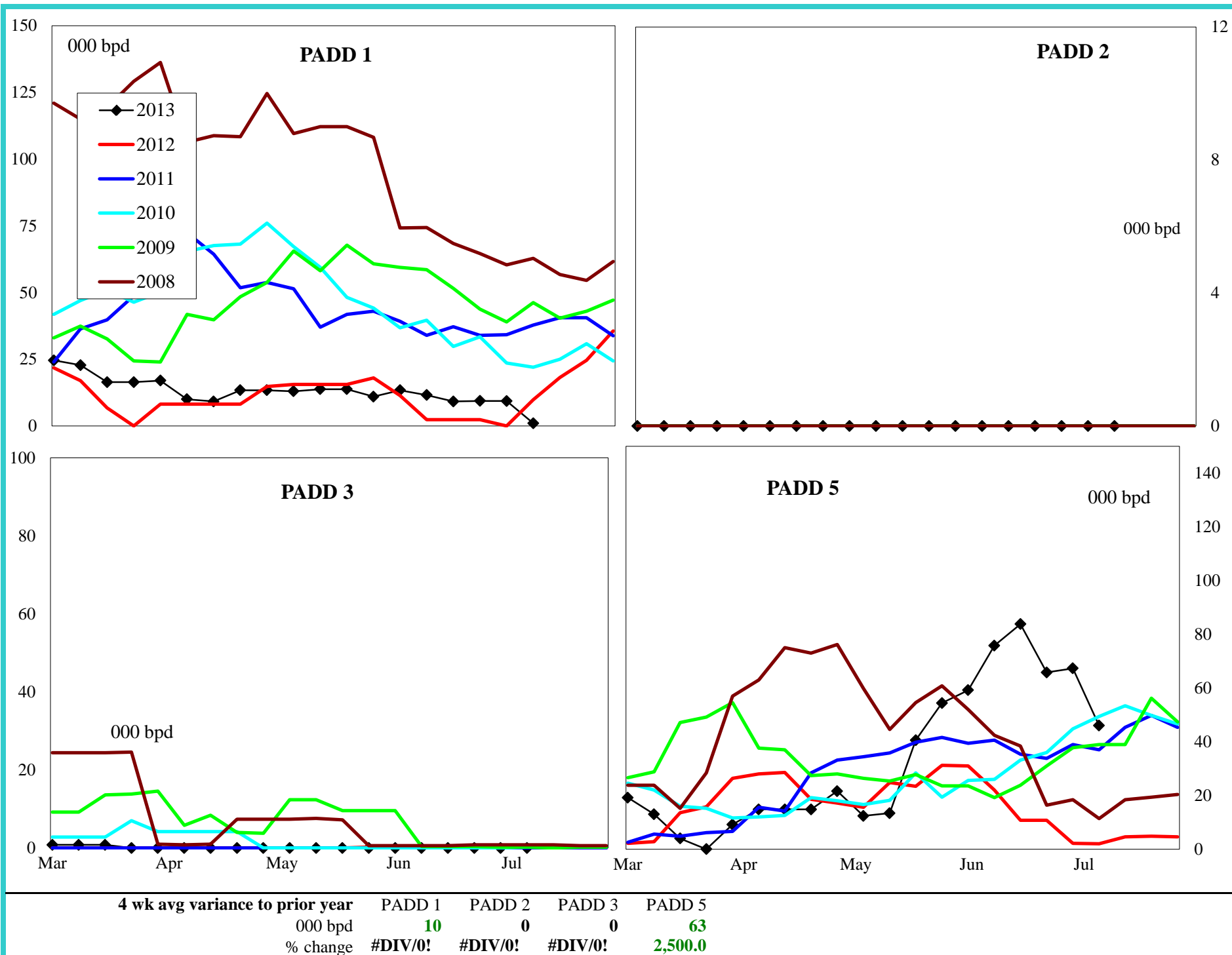
Gasoline Imports by PADD (Finished + Blend Stocks)



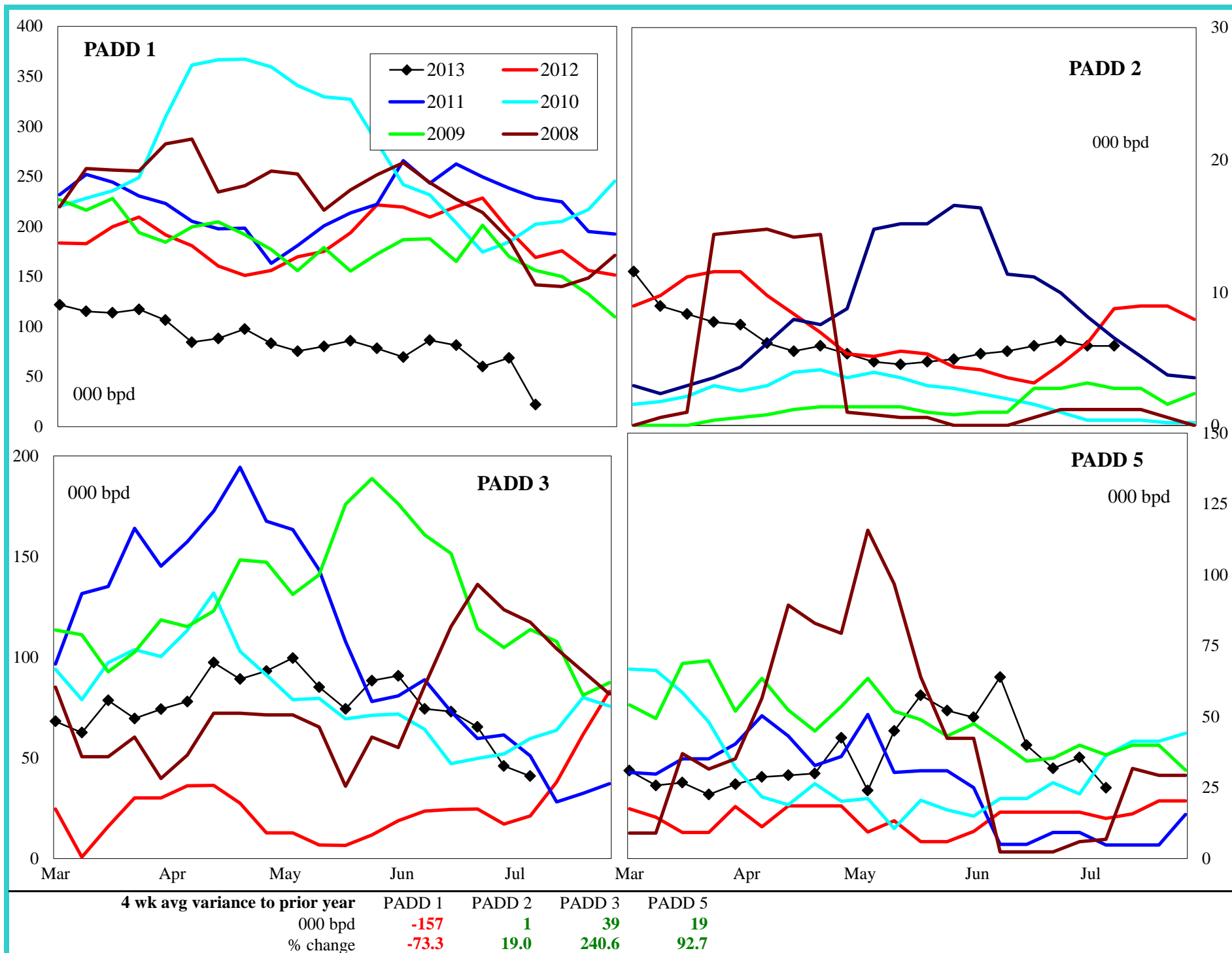
Distillate Imports by PADD



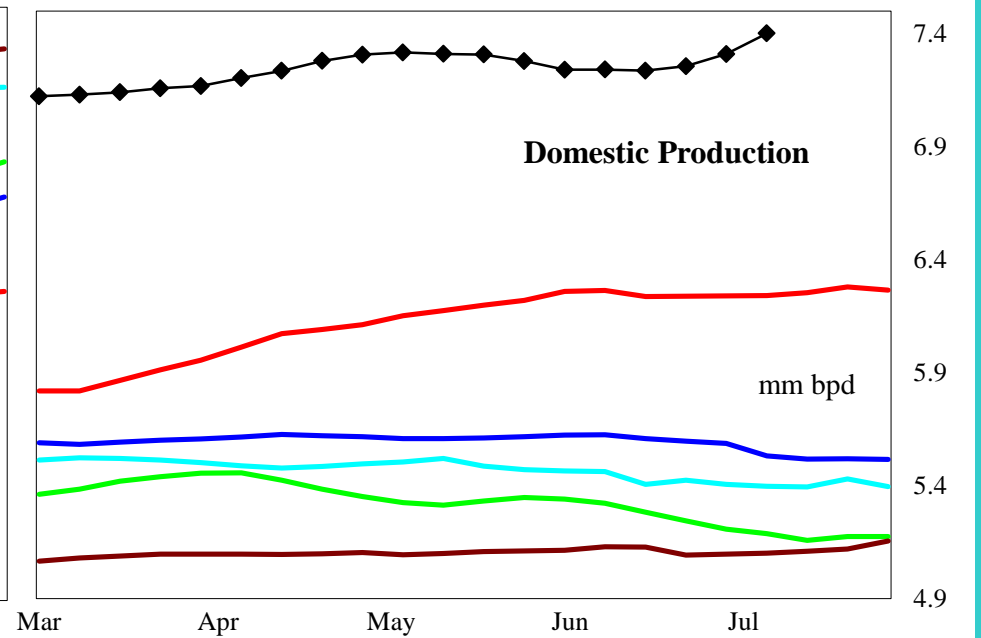
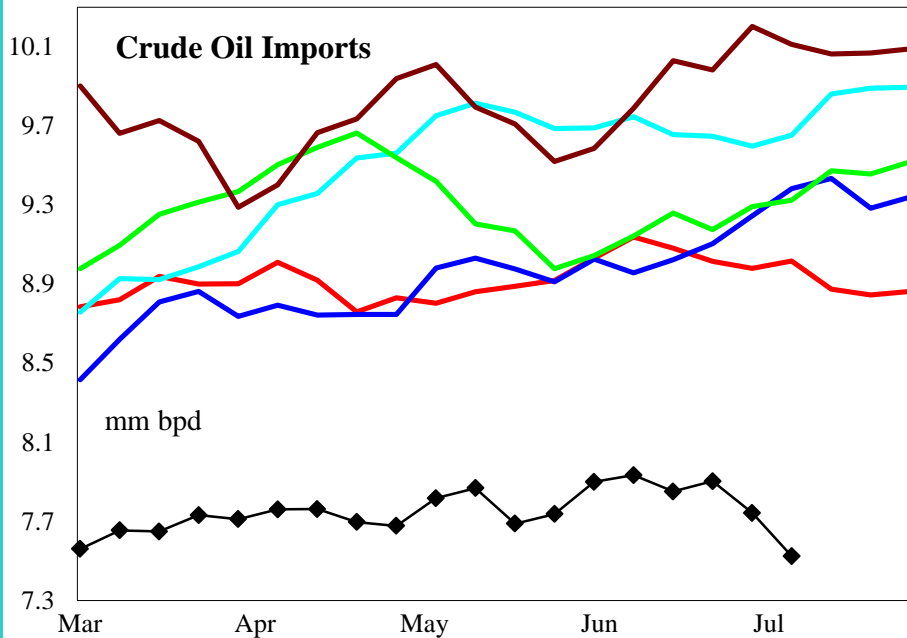
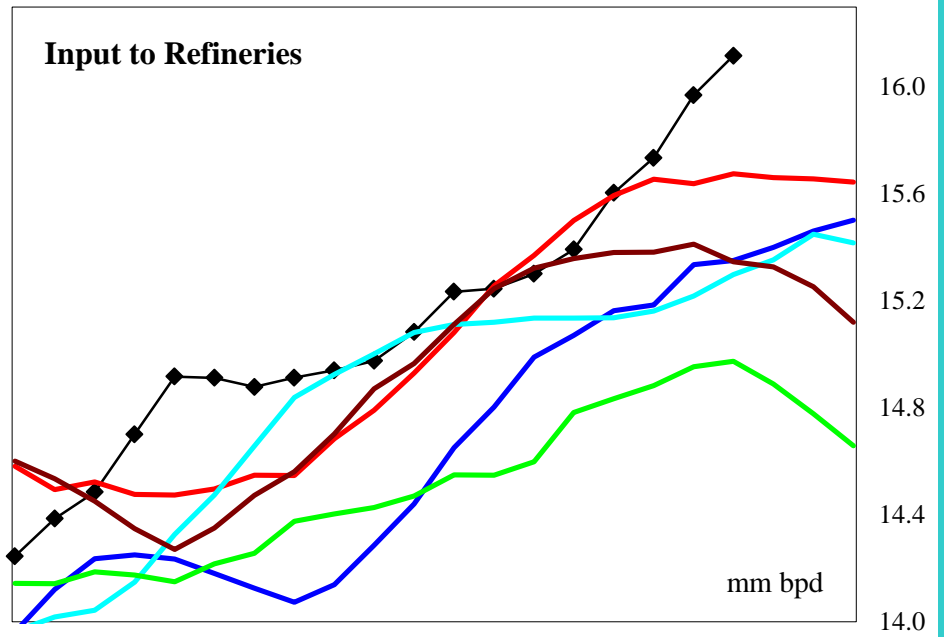
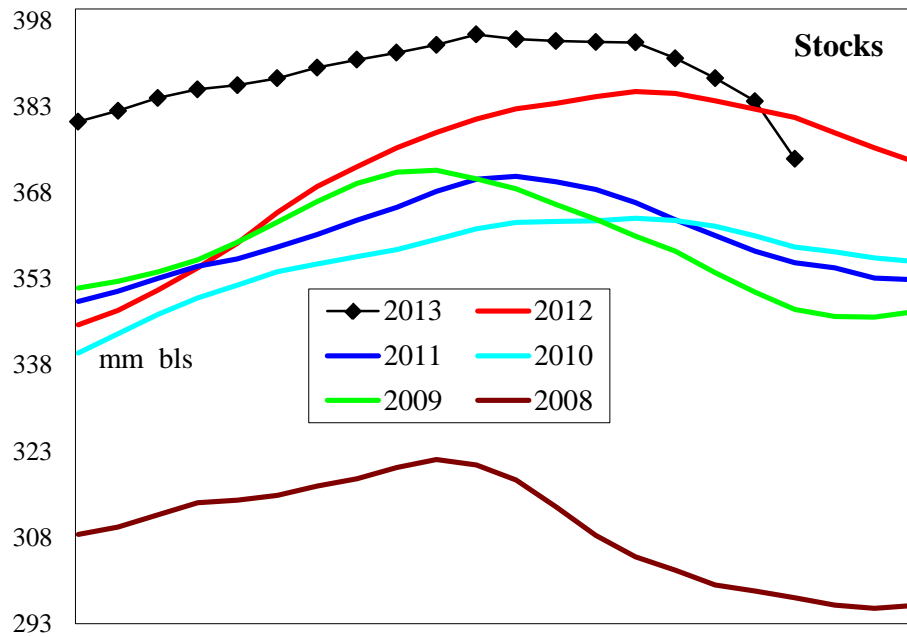
Jet Fuel Imports by PADD



Residual Fuel Oil Imports by PADD



United States Crude Oil Supply and Demand Balance



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

-4,282

-1.1

Input

196

1.3

Imports

-1,074

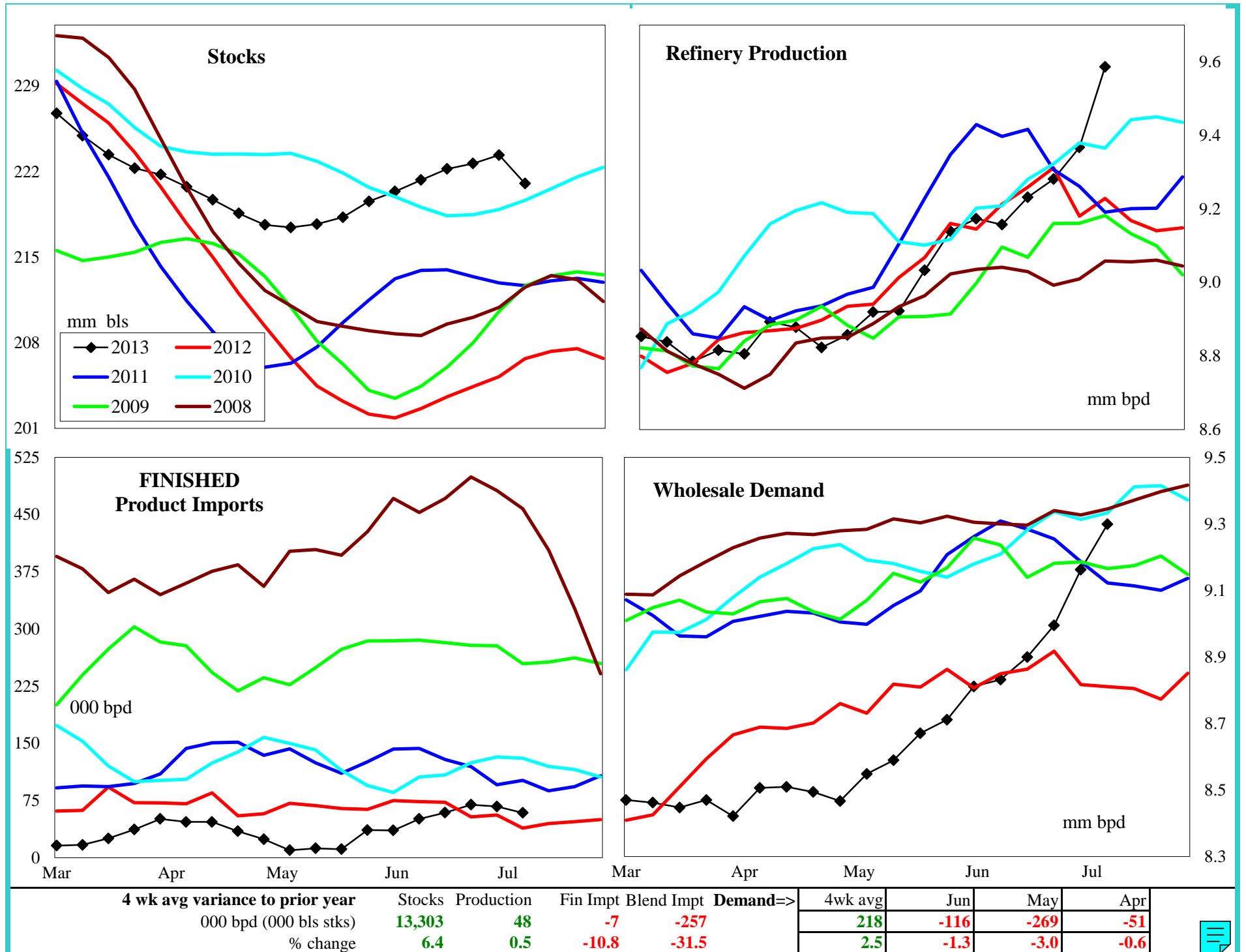
-11.9

U.S. Production

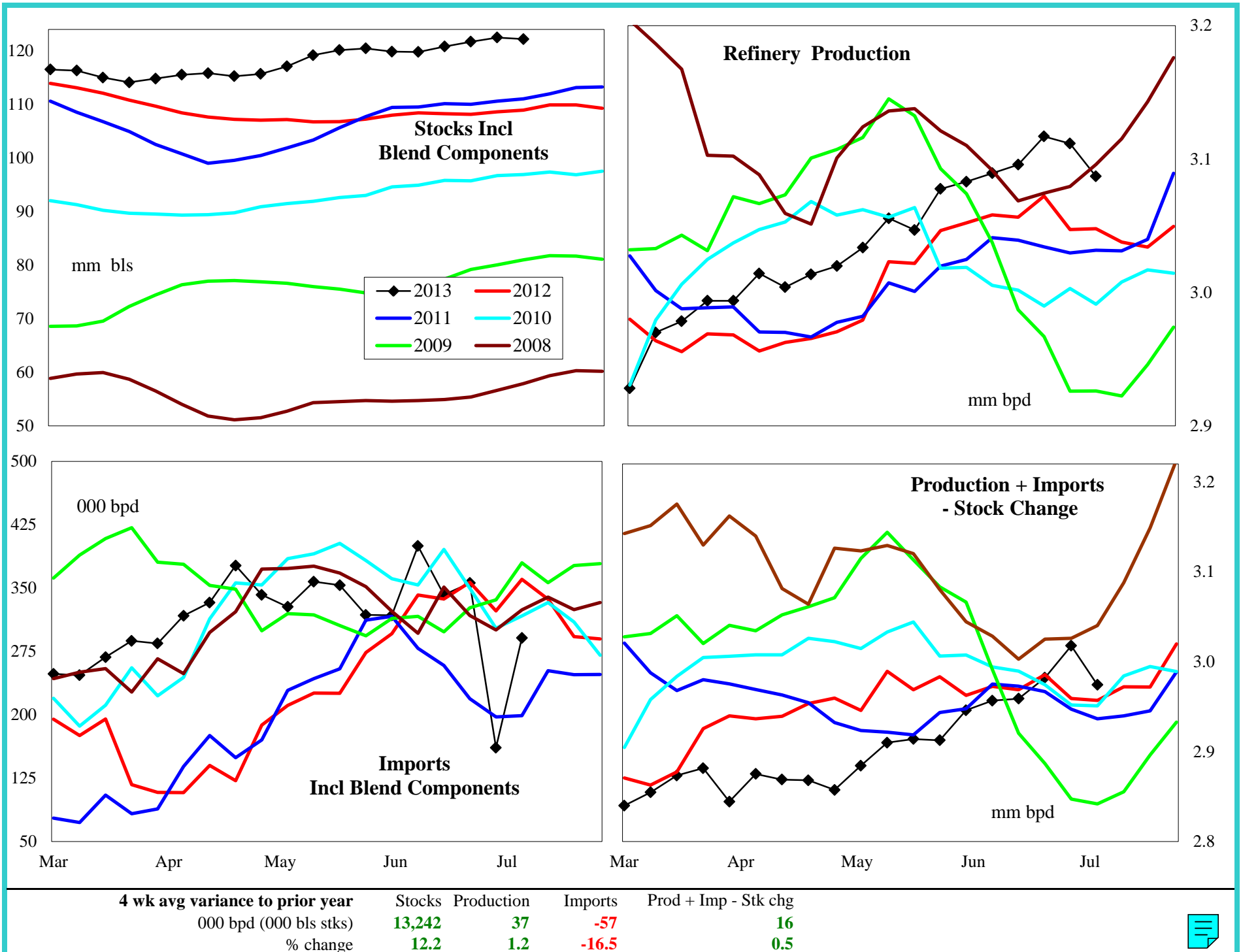
1,026

16.5

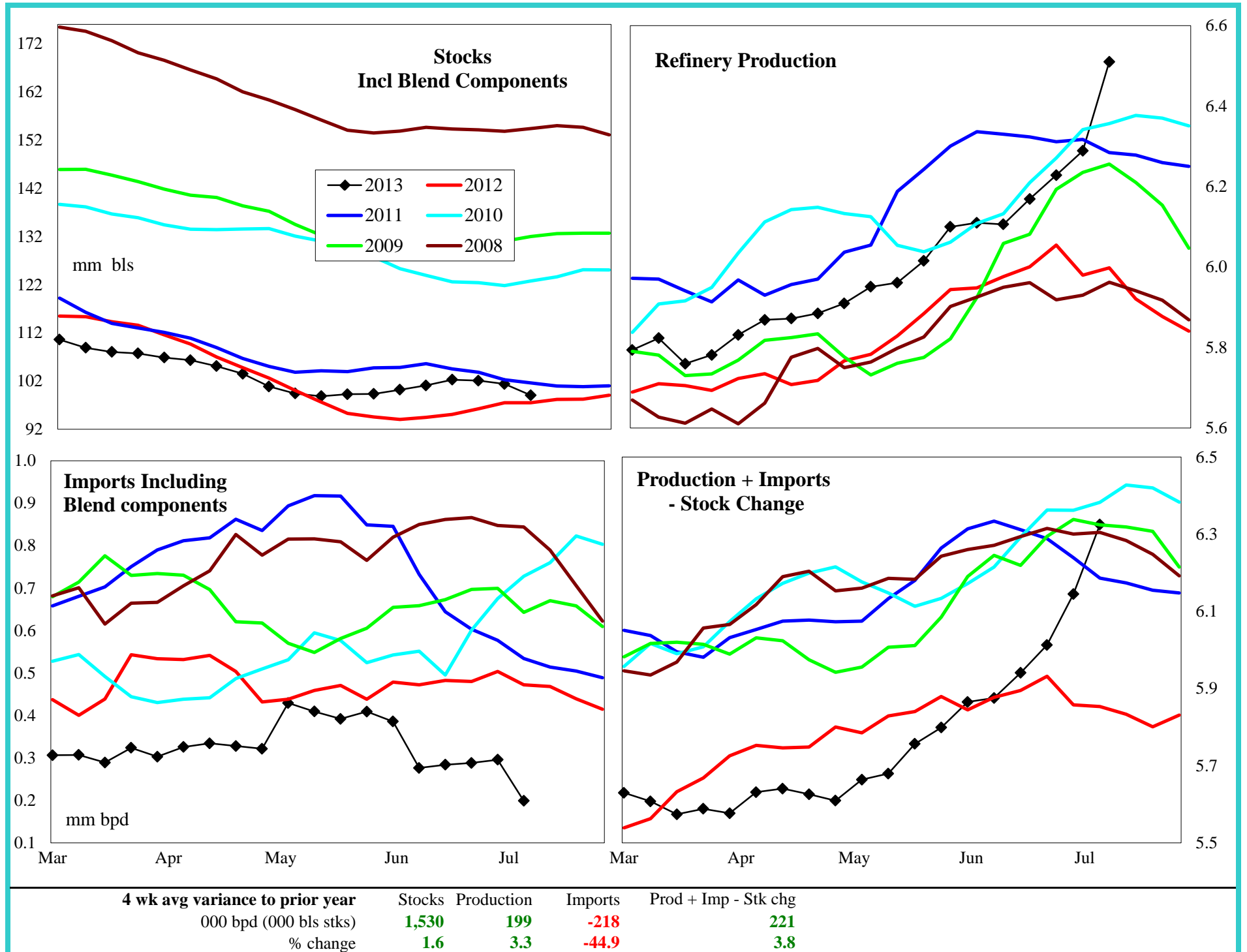
United States Gasoline Supply and Demand Balance



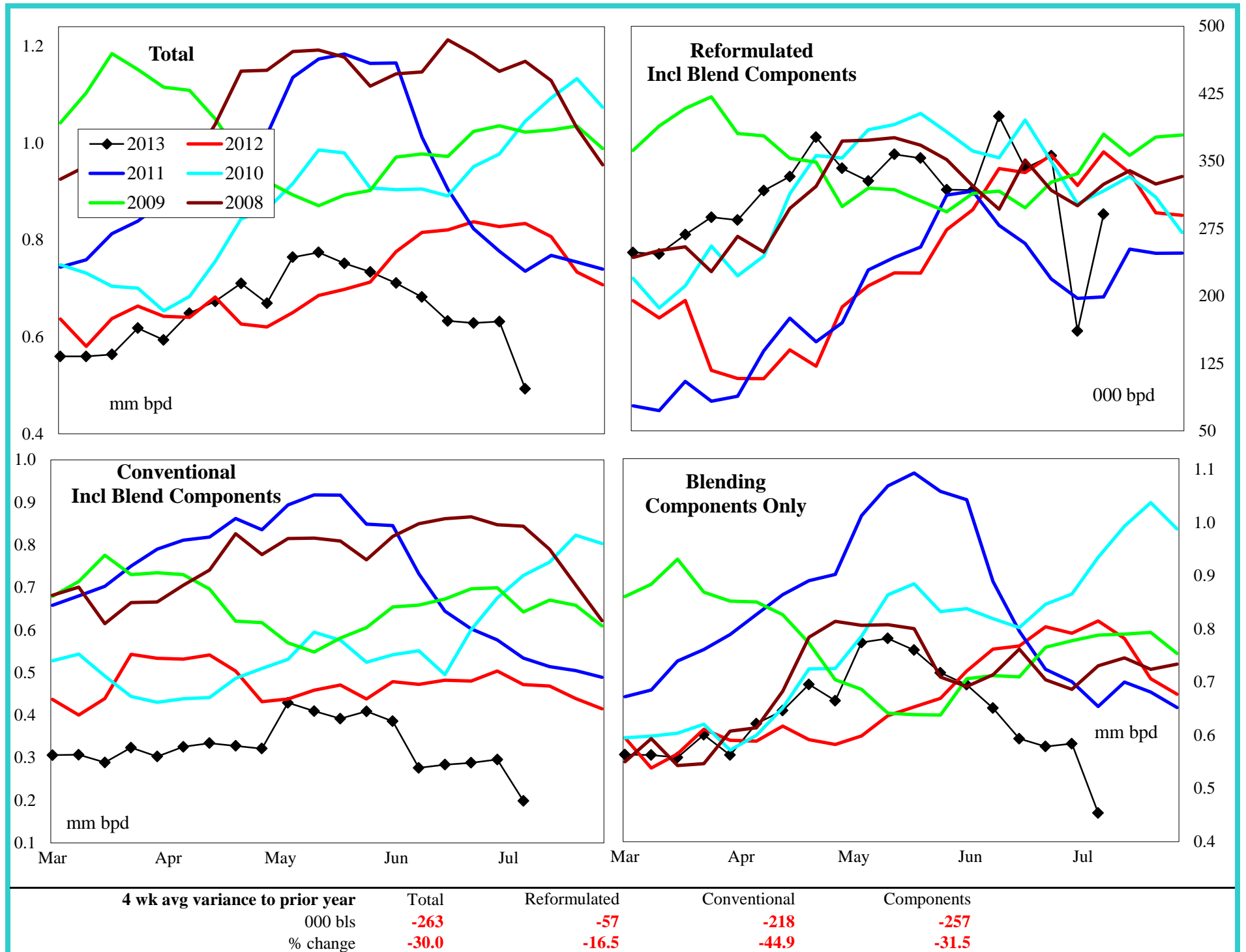
United States Reformulated Gasoline Supply



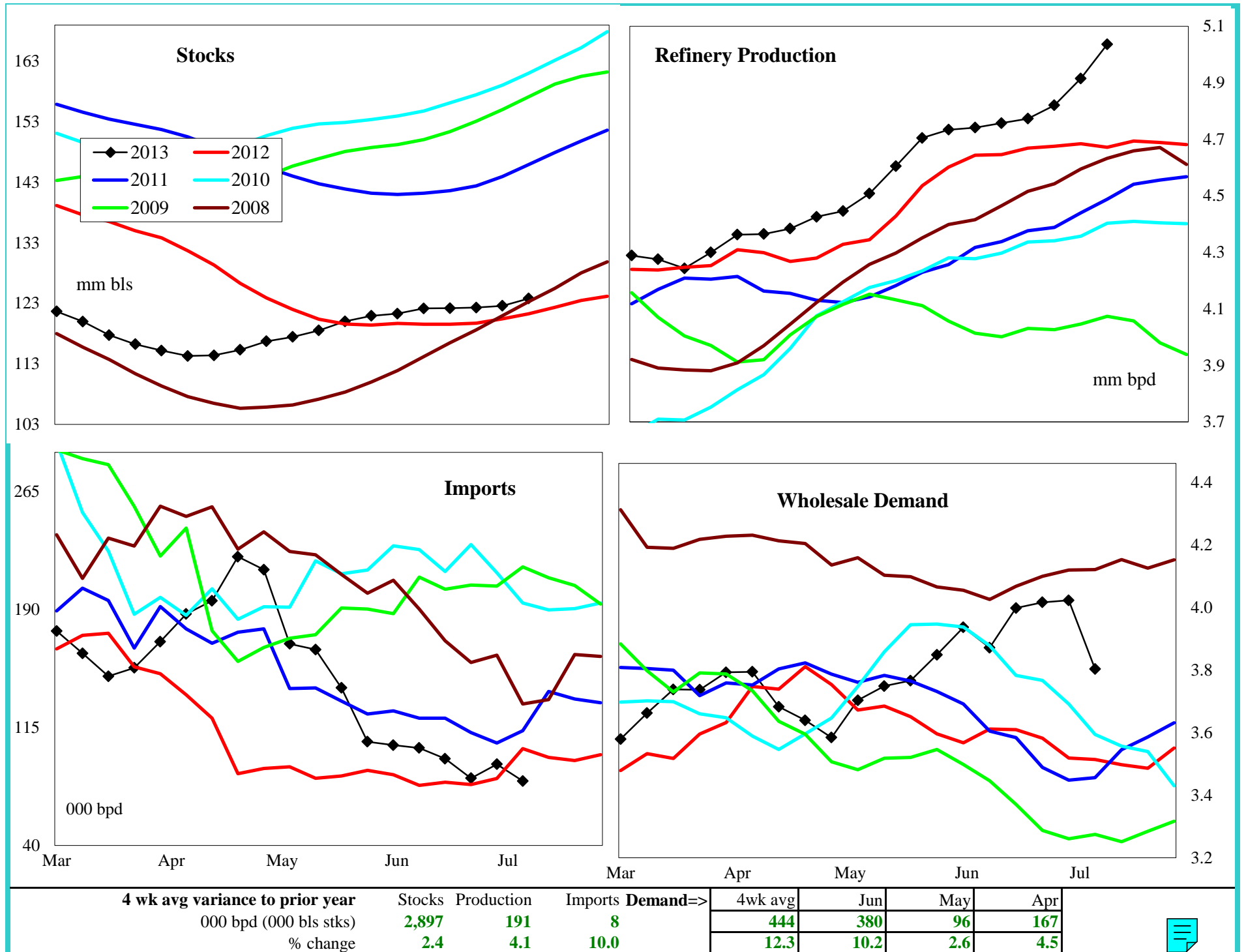
United States Conventional Gasoline Supply



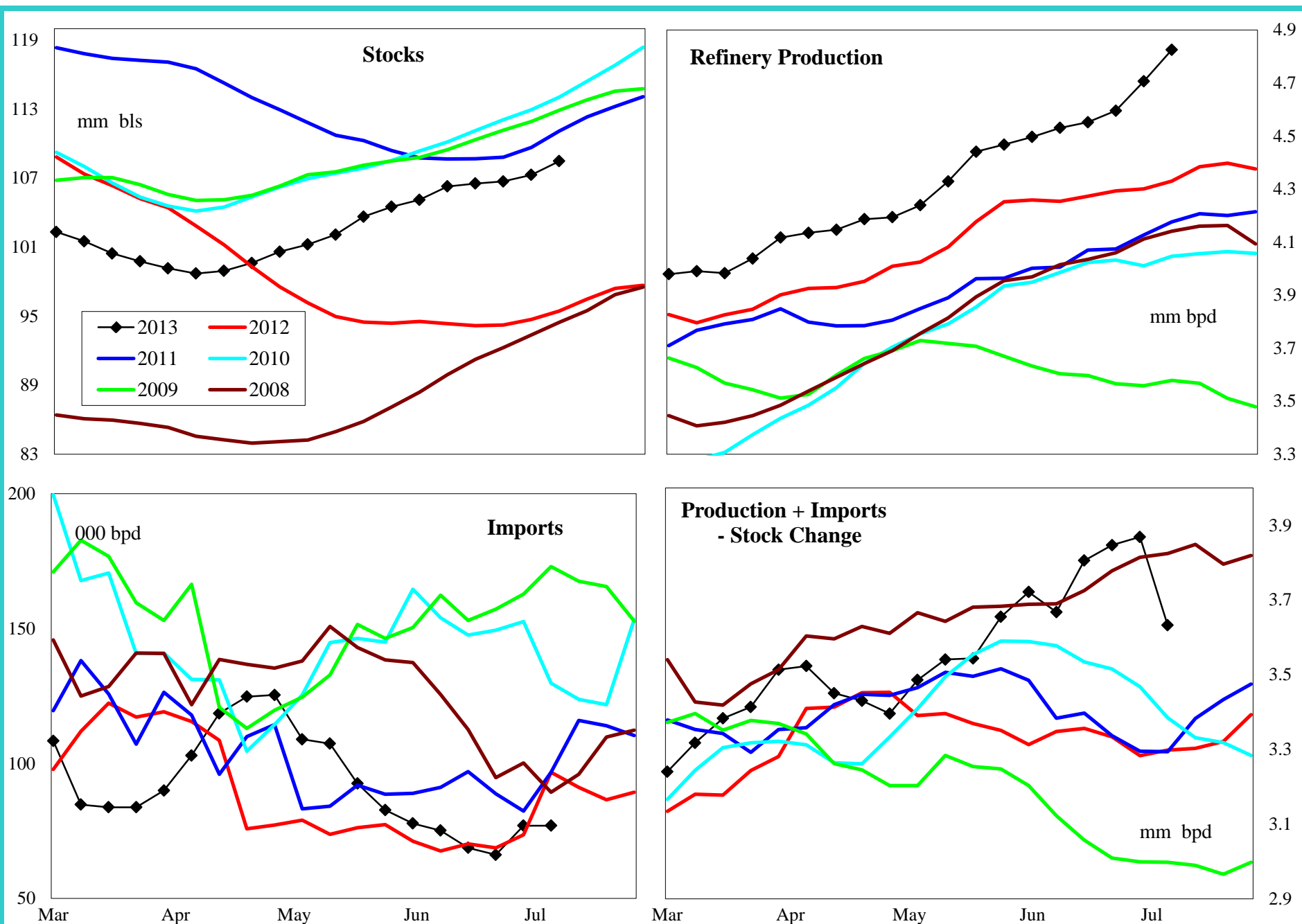
United States Gasoline Imports by Type



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

13,160

13.8

Production

377

8.8

Imports

-2

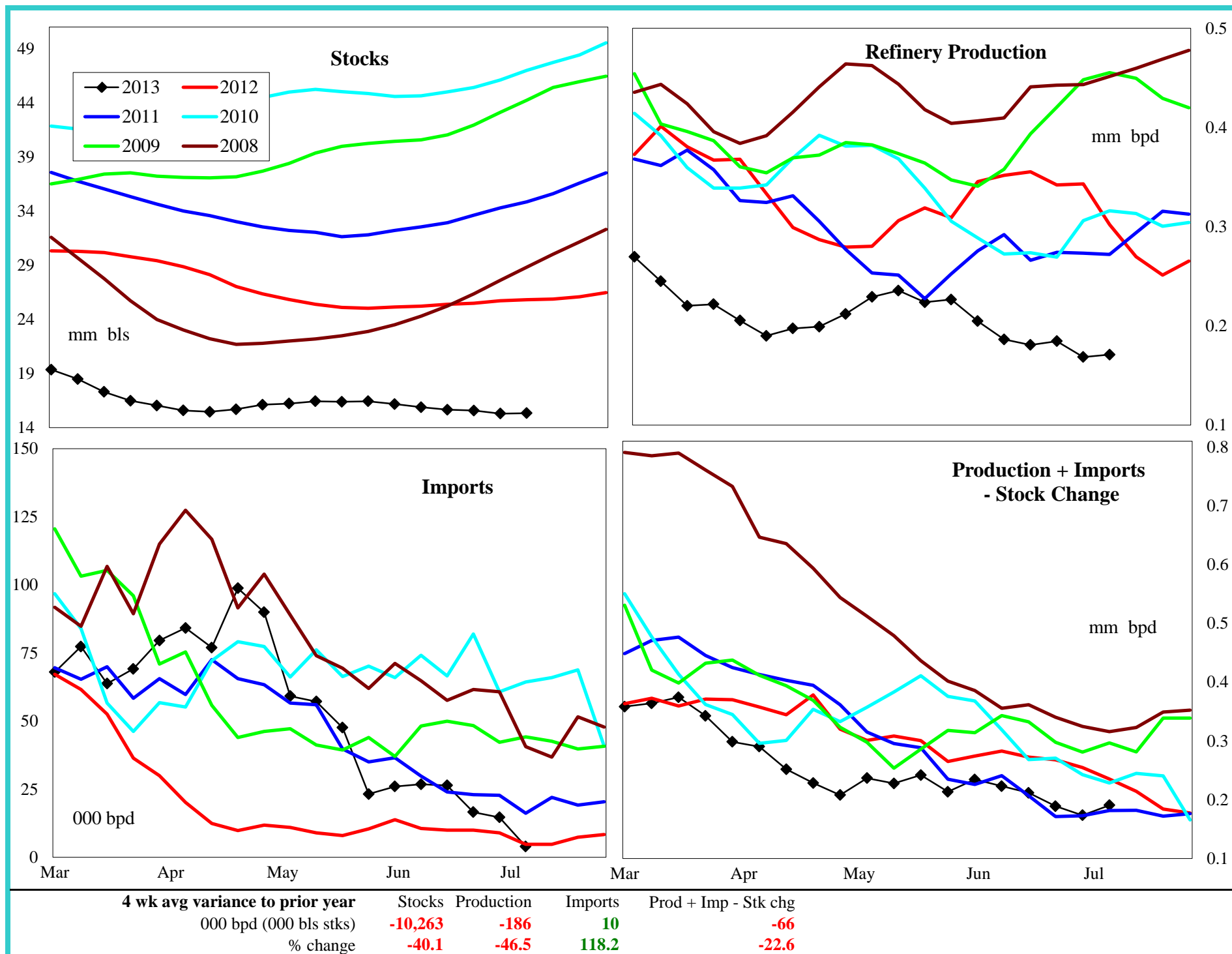
-2.0

Prod + Imp - Stk chg

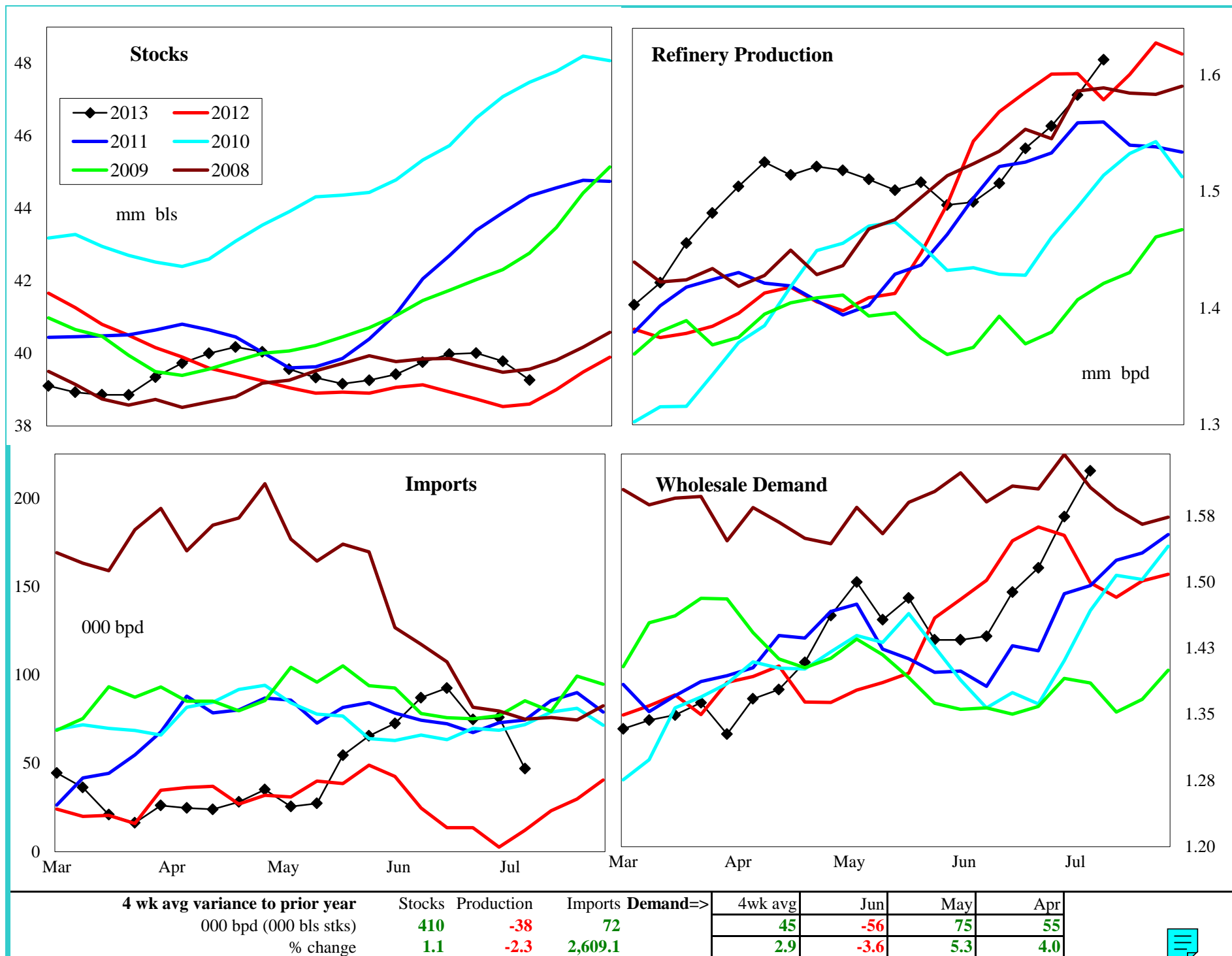
510

15.4

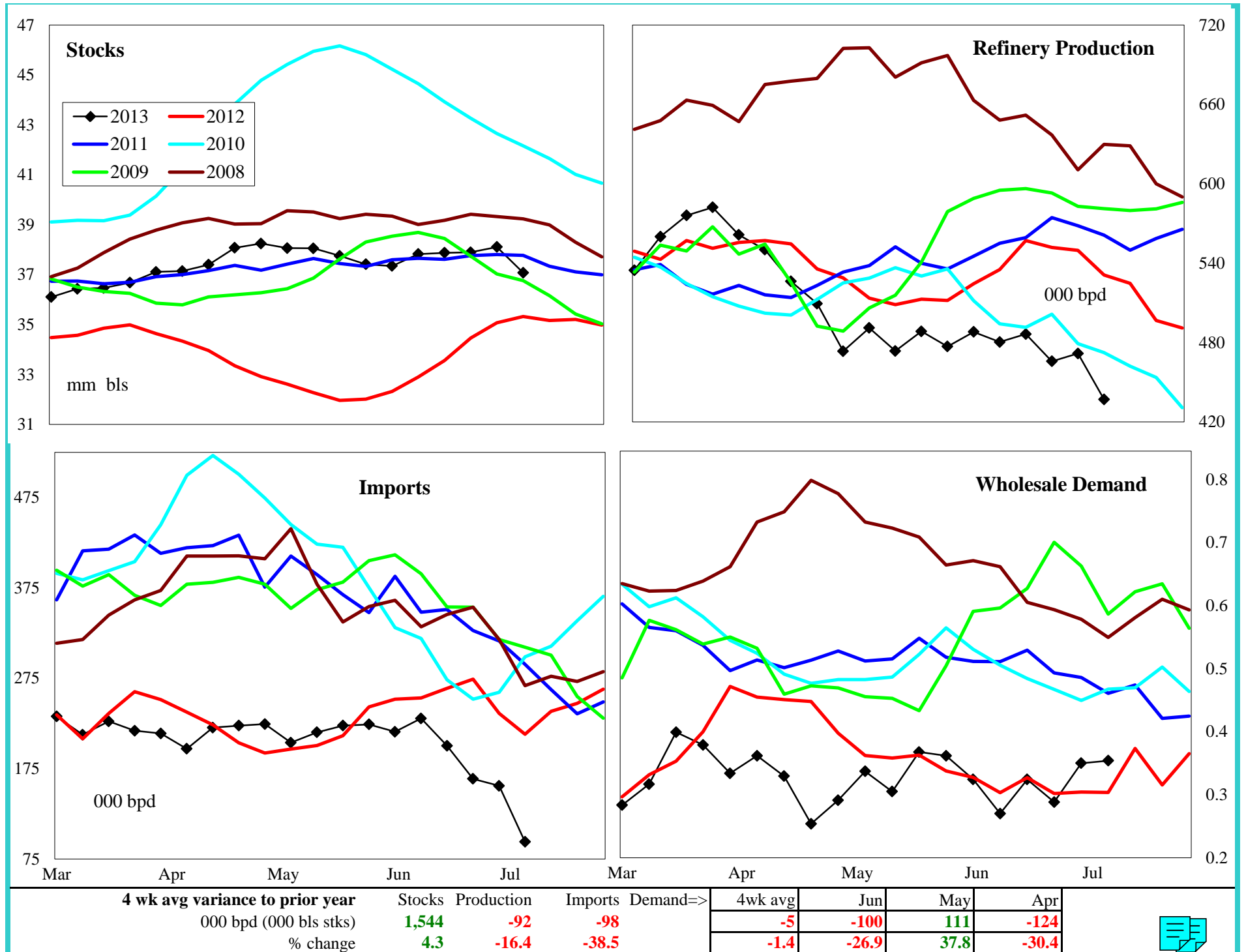
United States High Sulfur Distillate Supply



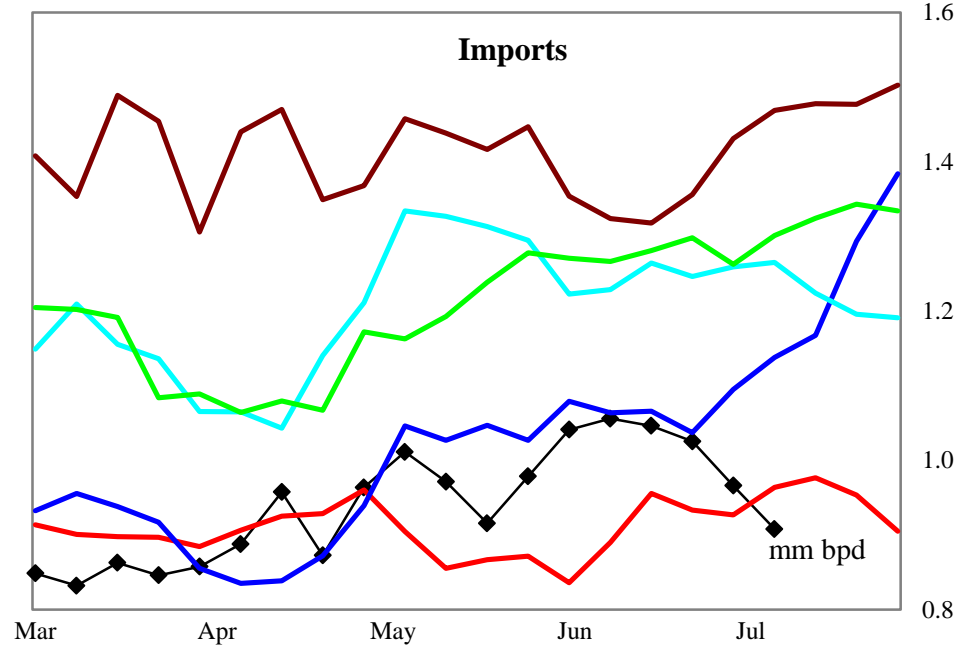
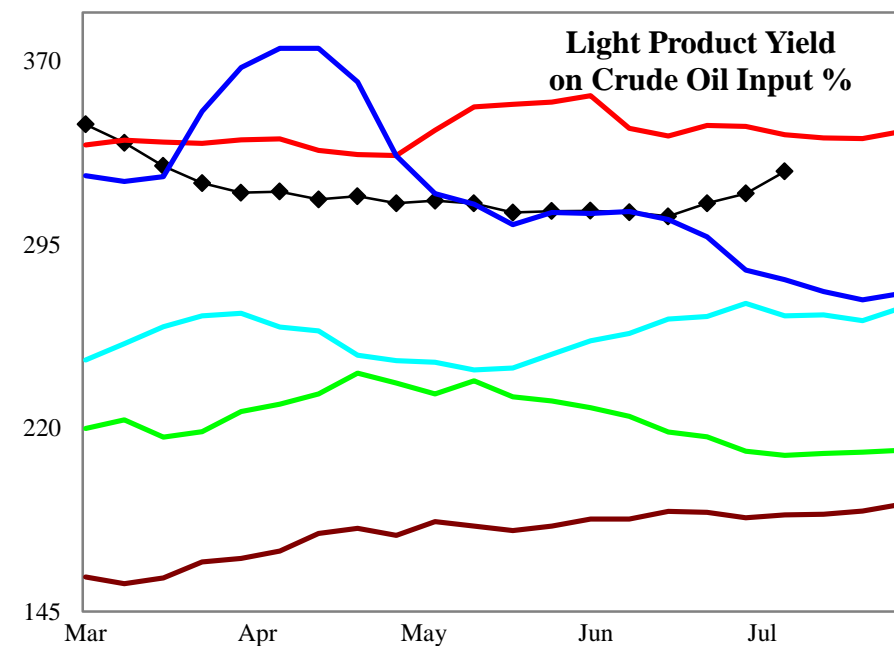
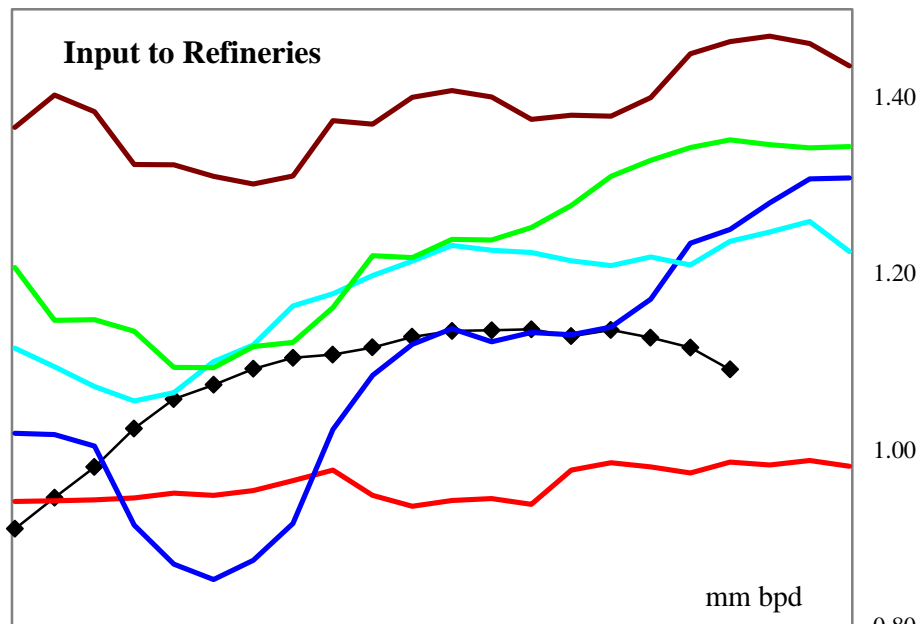
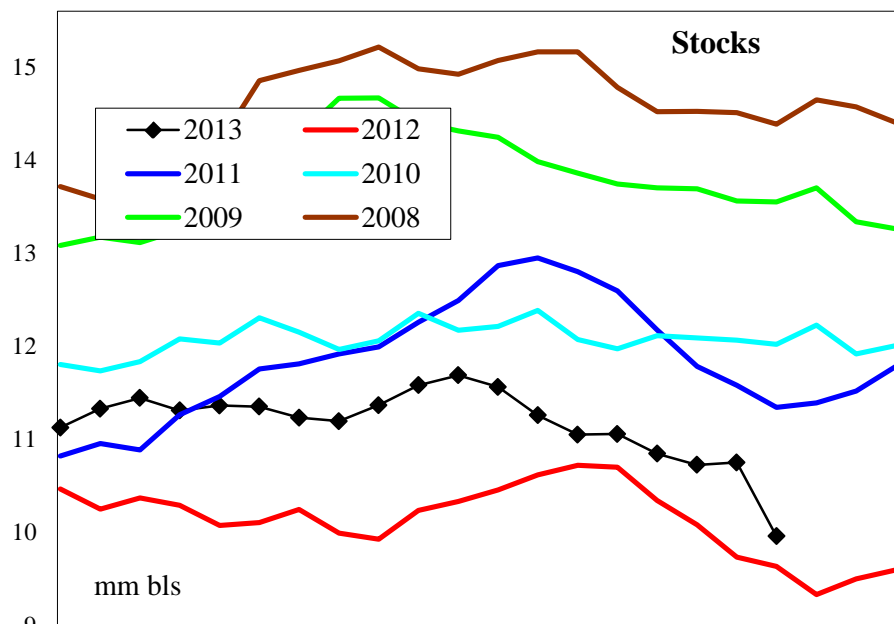
United States Jet Fuel Supply and Demand Balance



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

322

3.2

Input

151

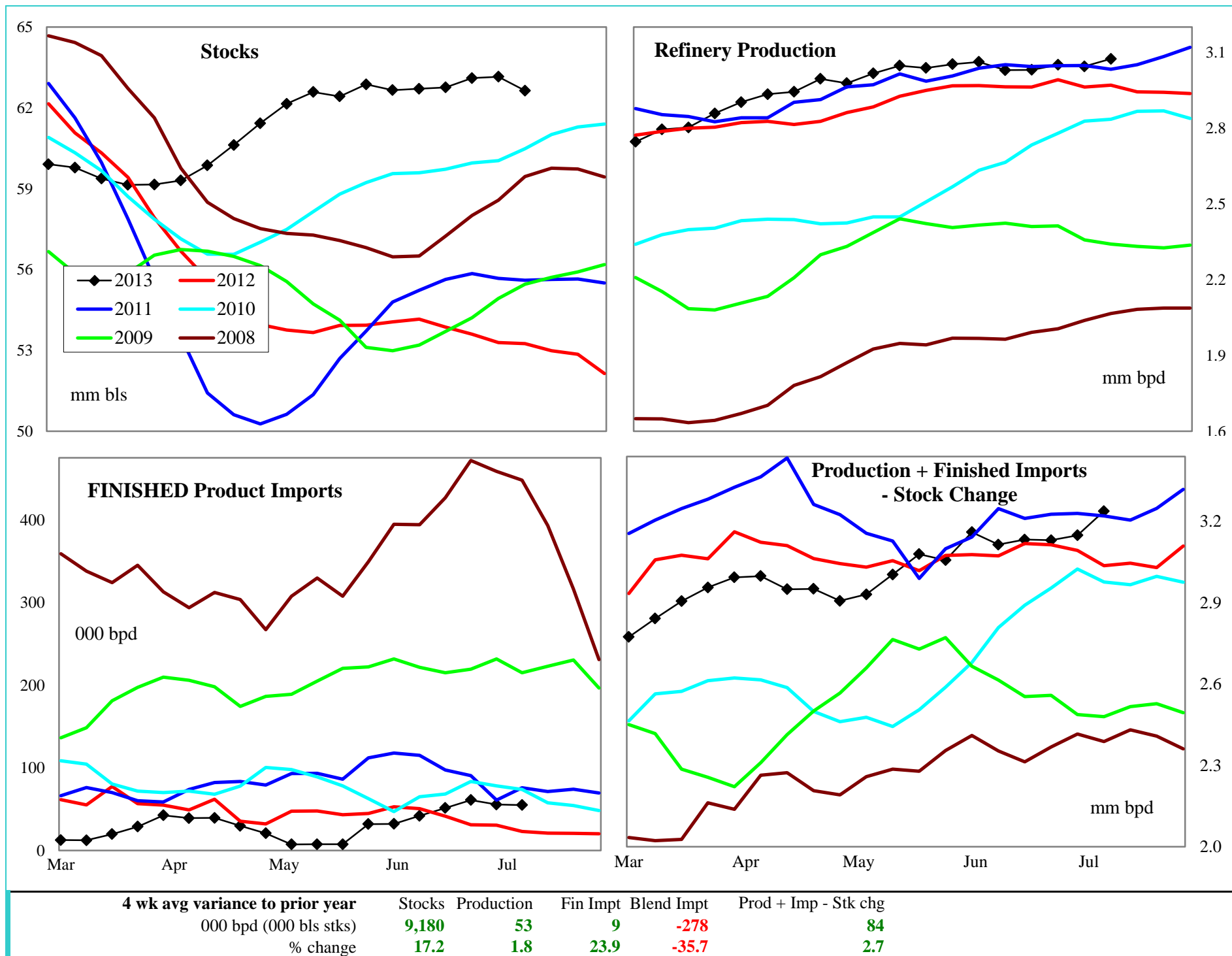
15.5

Imports

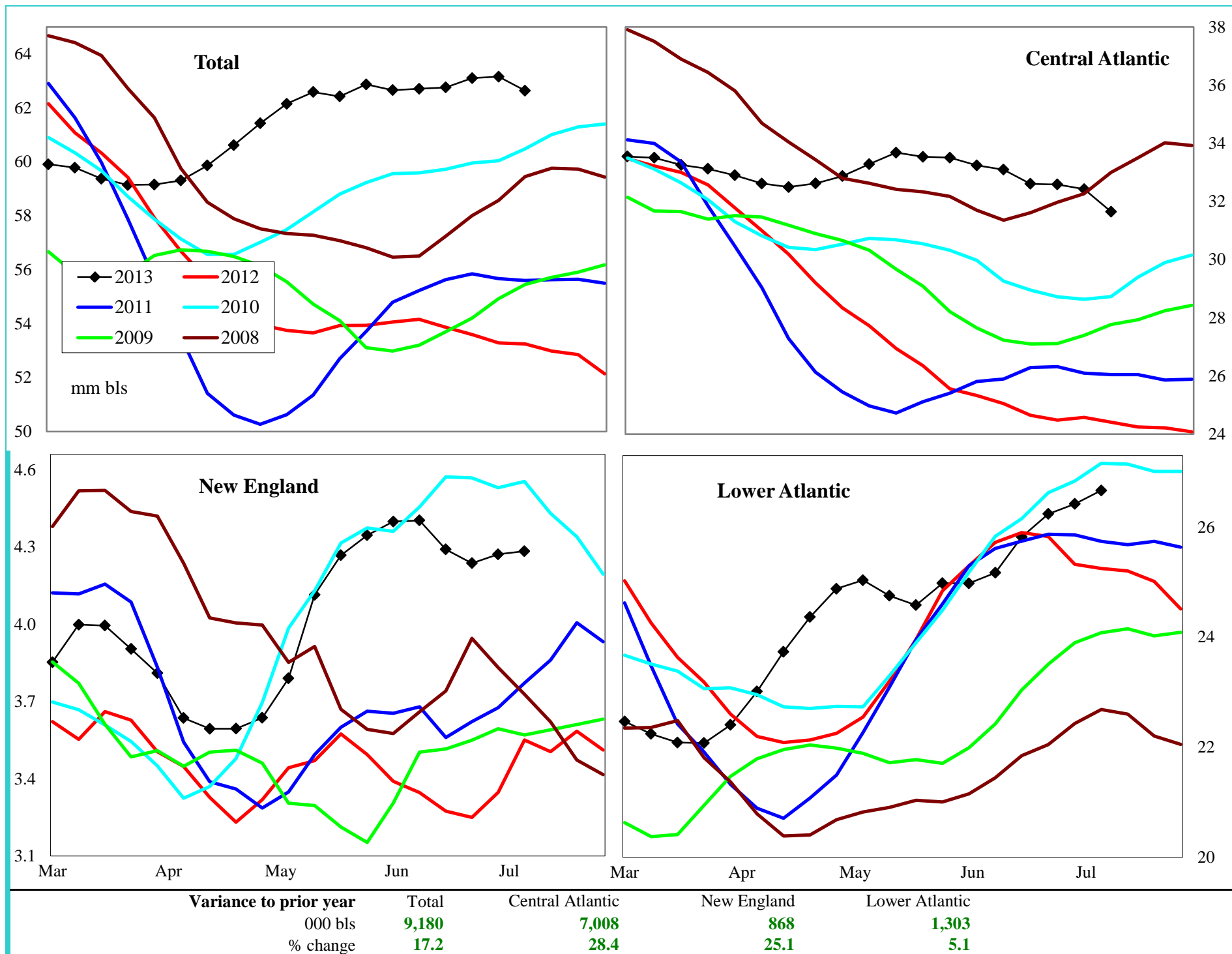
126

13.5

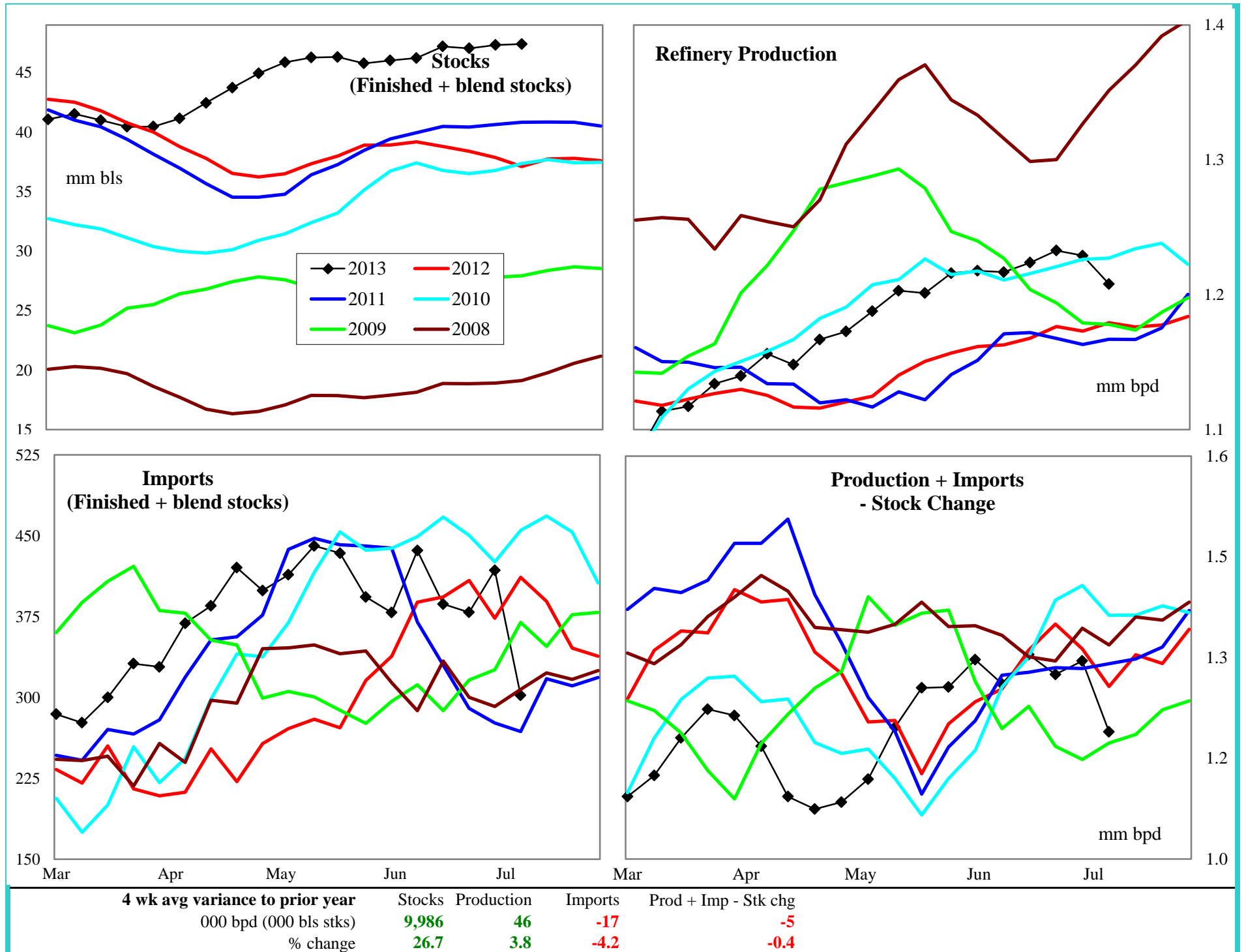
PADD 1 Gasoline Supply



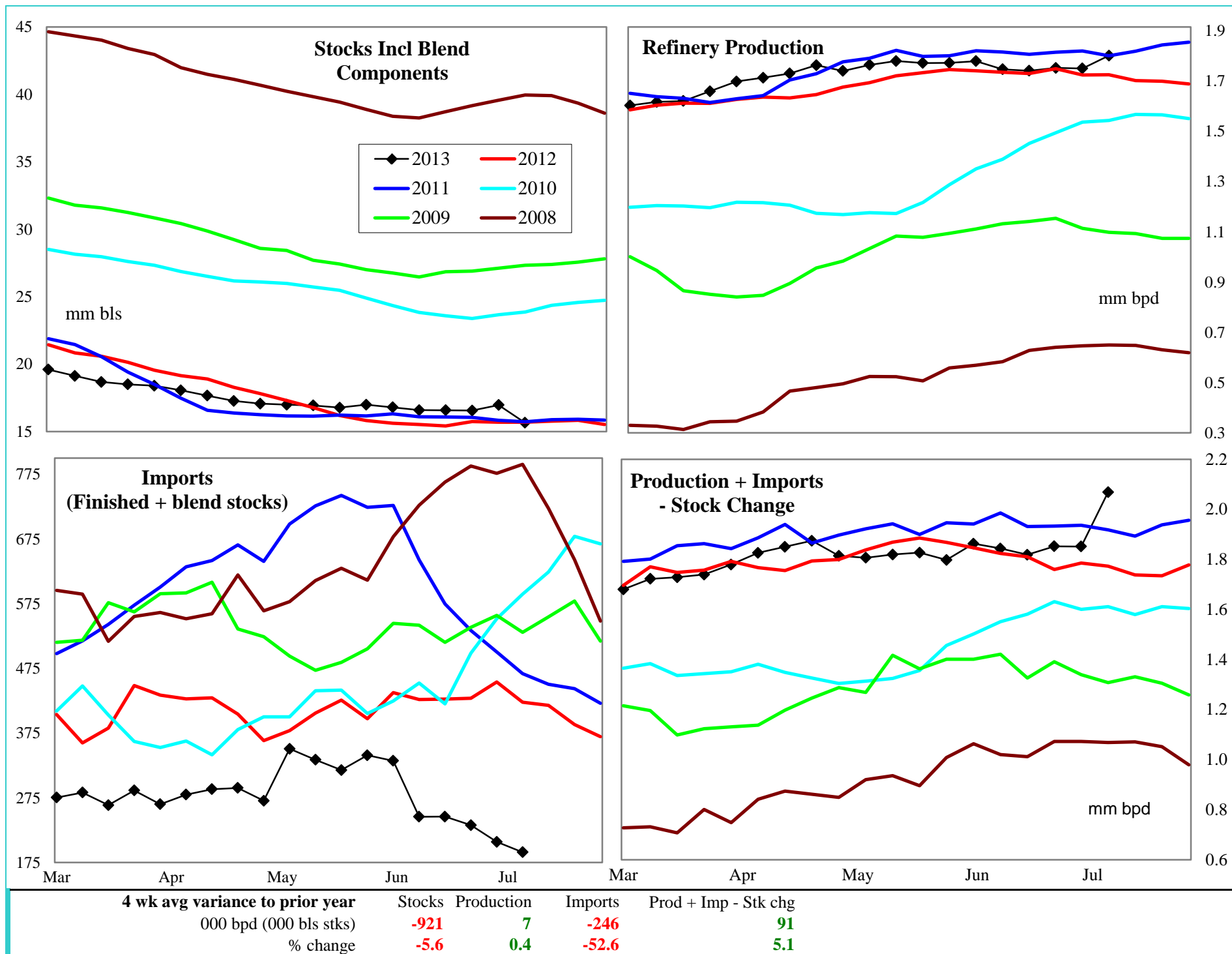
PADD 1 Gasoline Stocks by Region



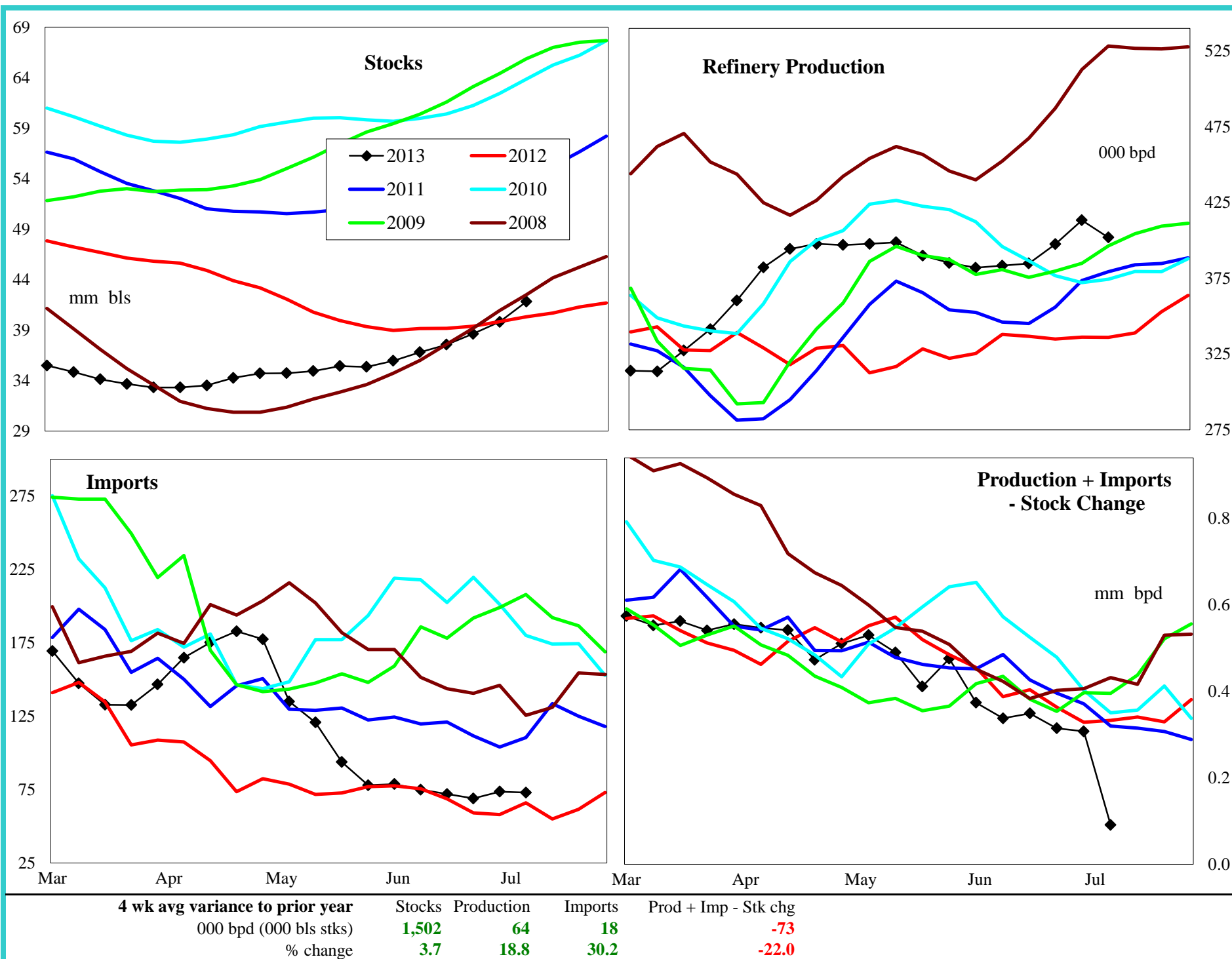
PADD 1 Reformulated Gasoline Supply



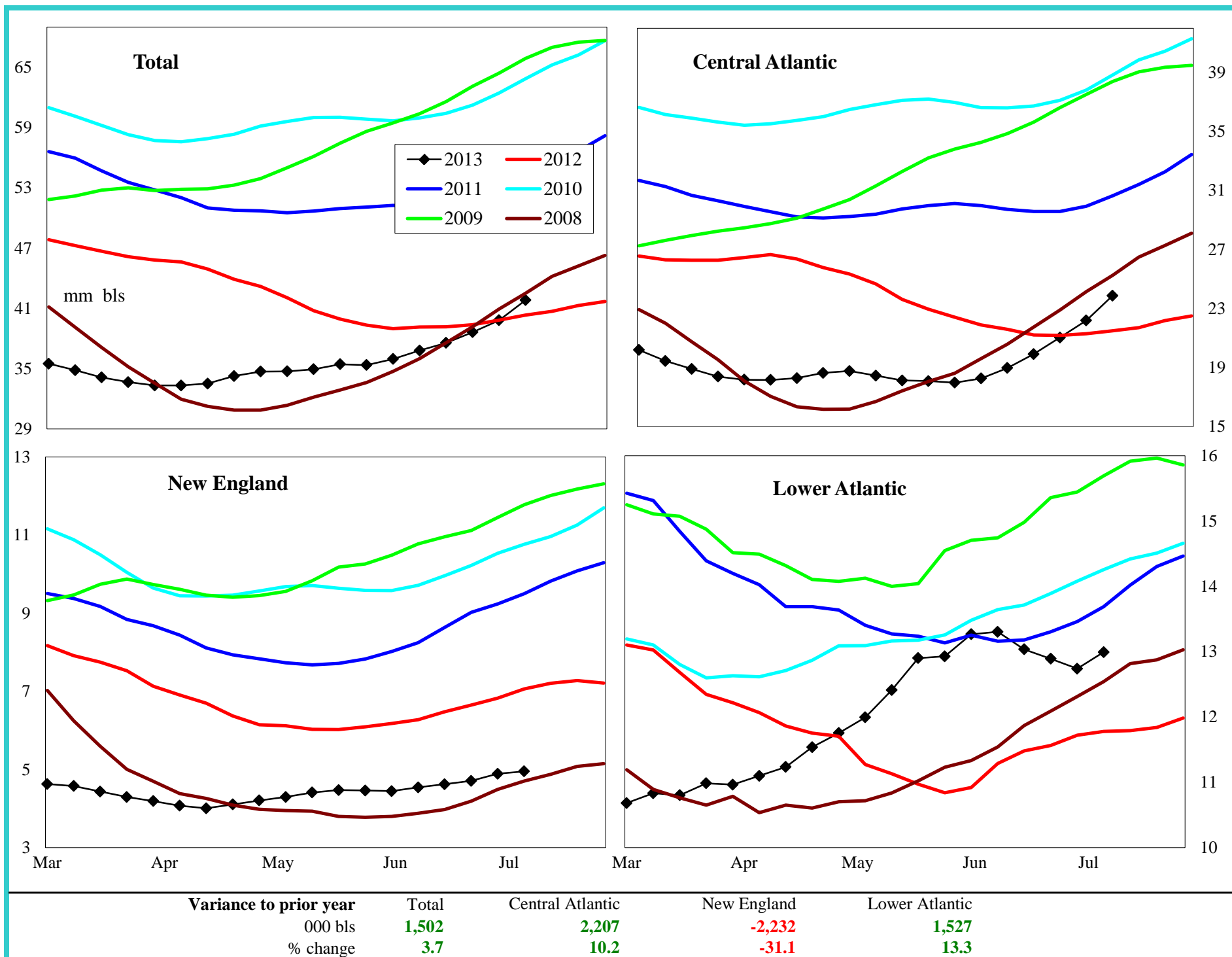
PADD 1 Conventional Gasoline Supply



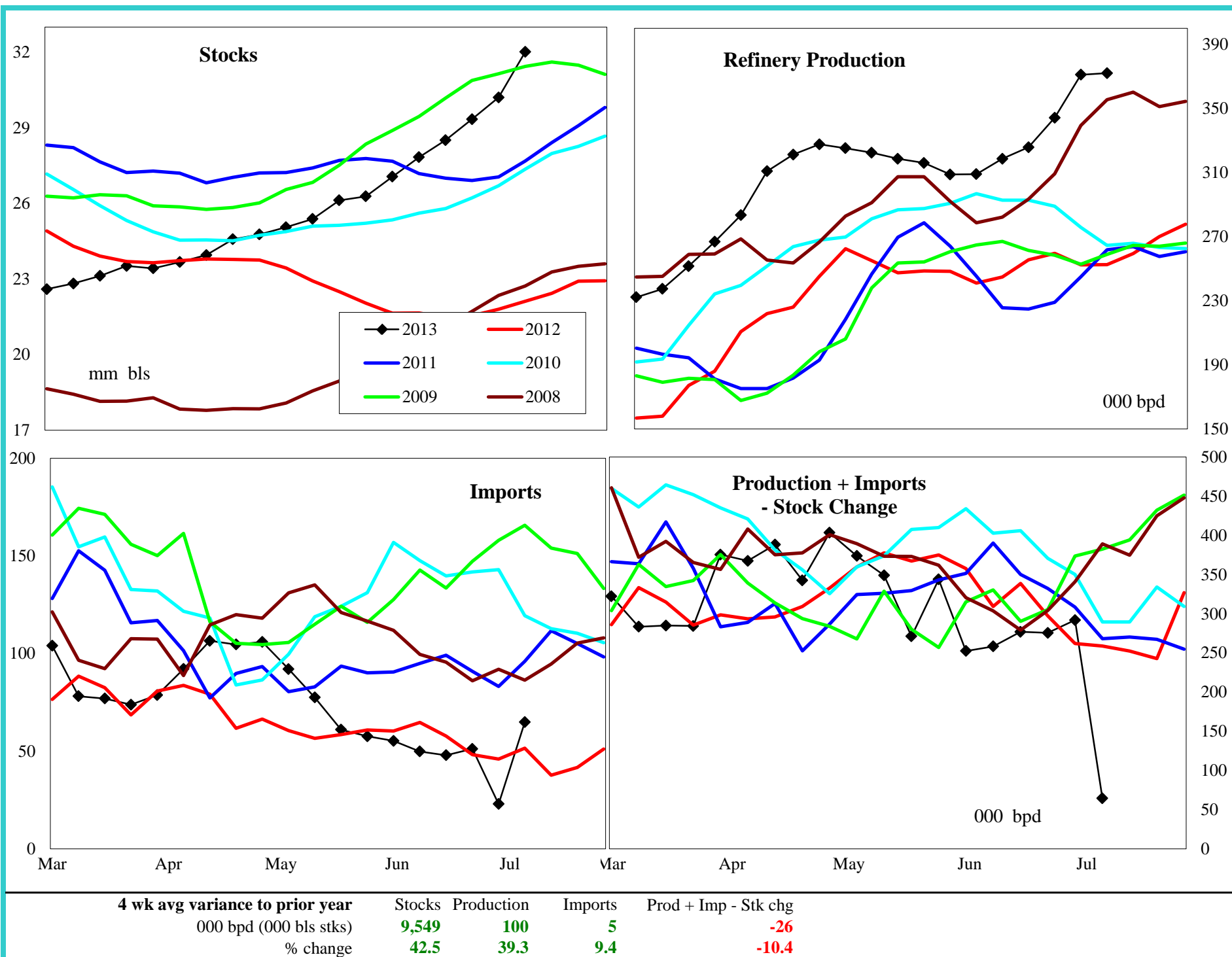
PADD 1 Distillate Supply



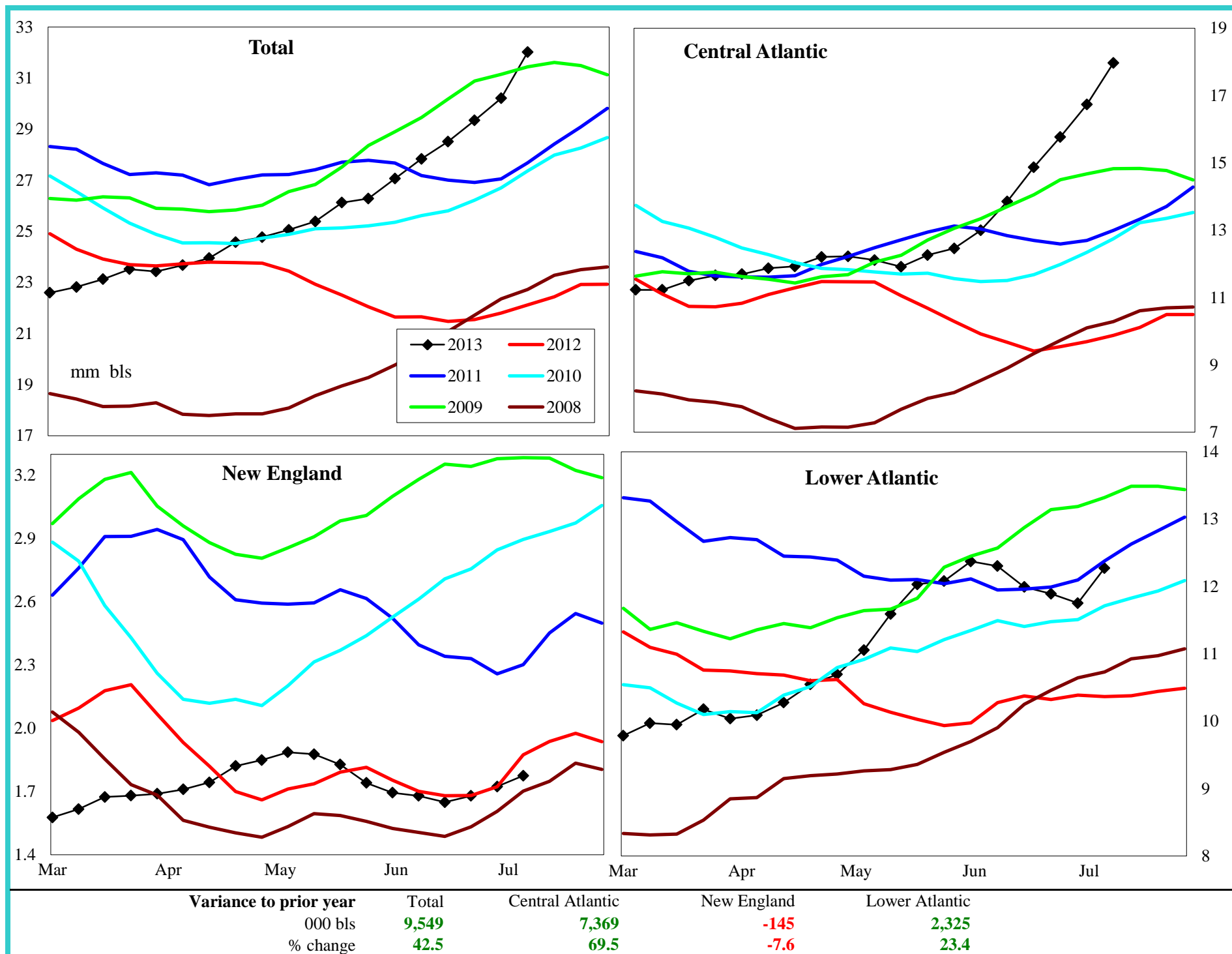
PADD 1 Distillate Stocks by Region



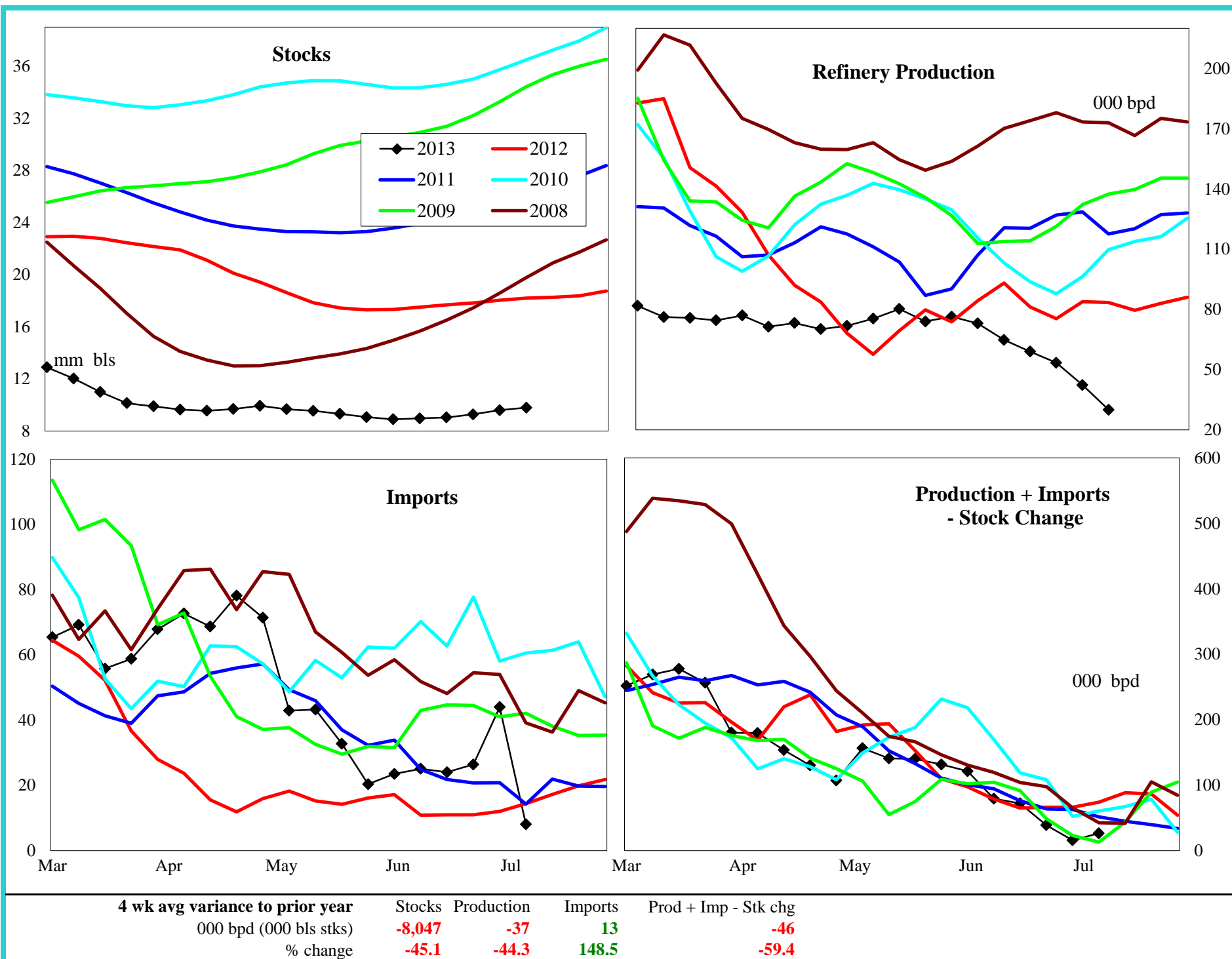
PADD 1 Low Sulfur Distillate Supply



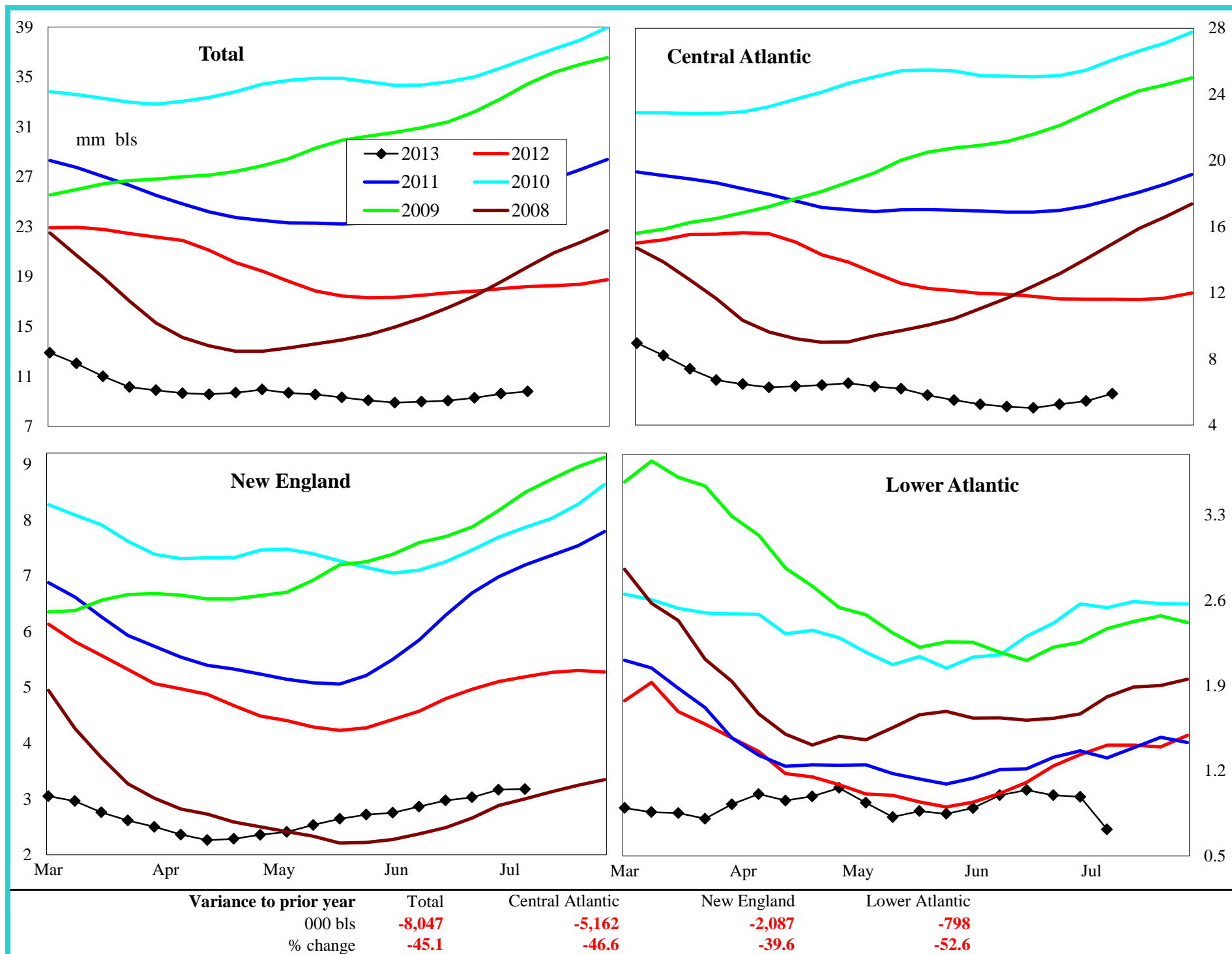
PADD 1 Low Sulfur Distillate Stocks by Region



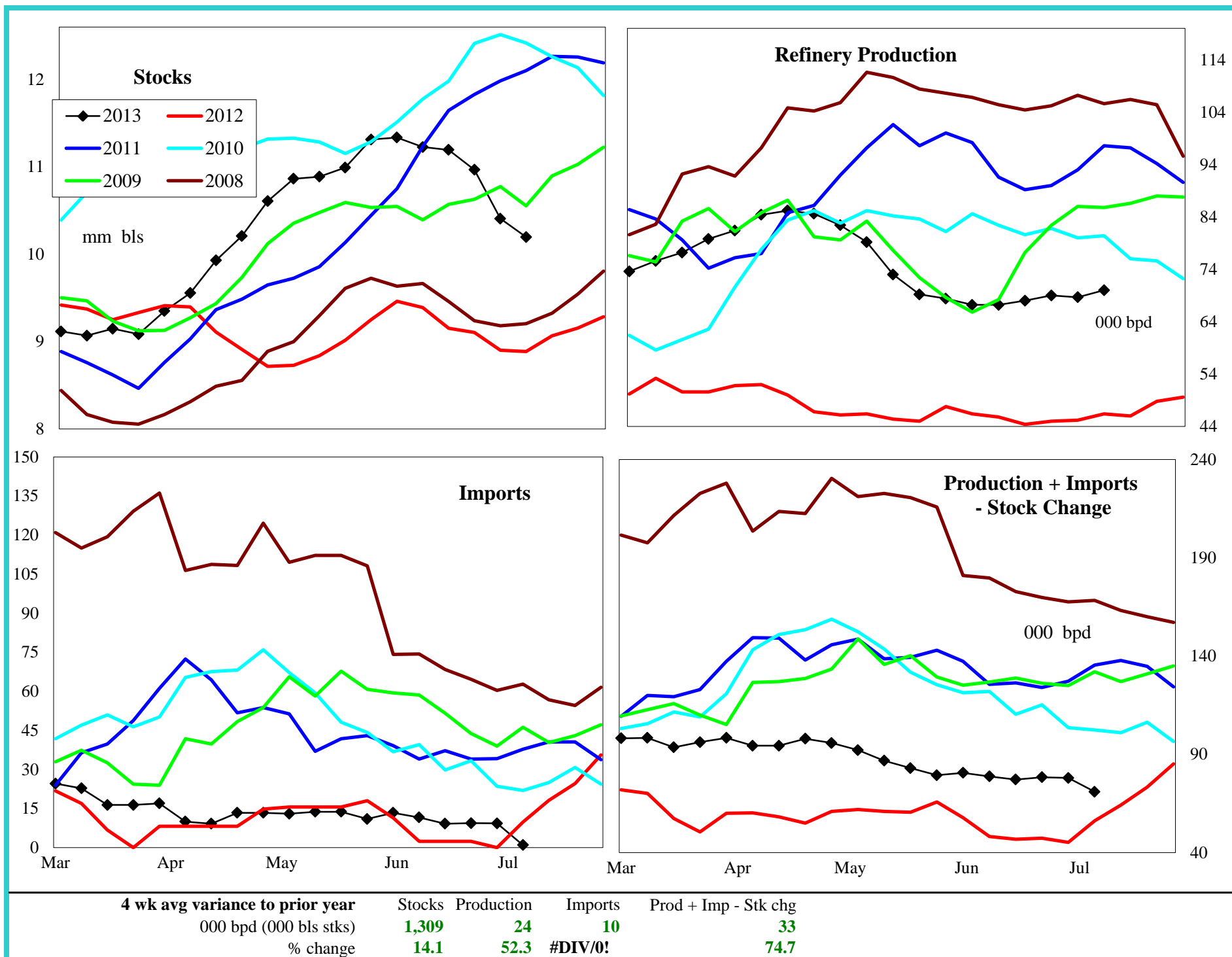
PADD 1 High Sulfur Distillate Supply



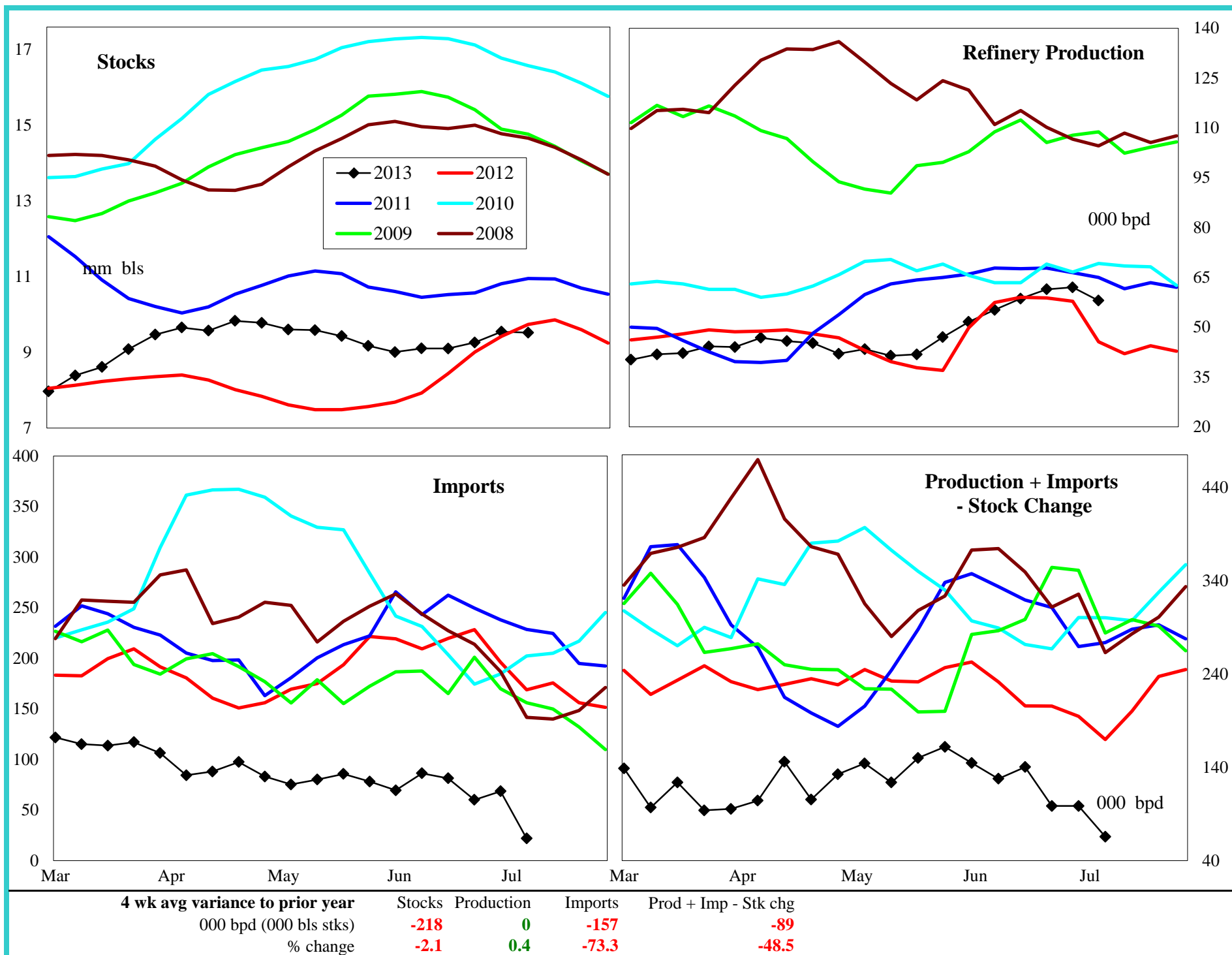
PADD 1 High Sulfur Distillate Stocks by Region



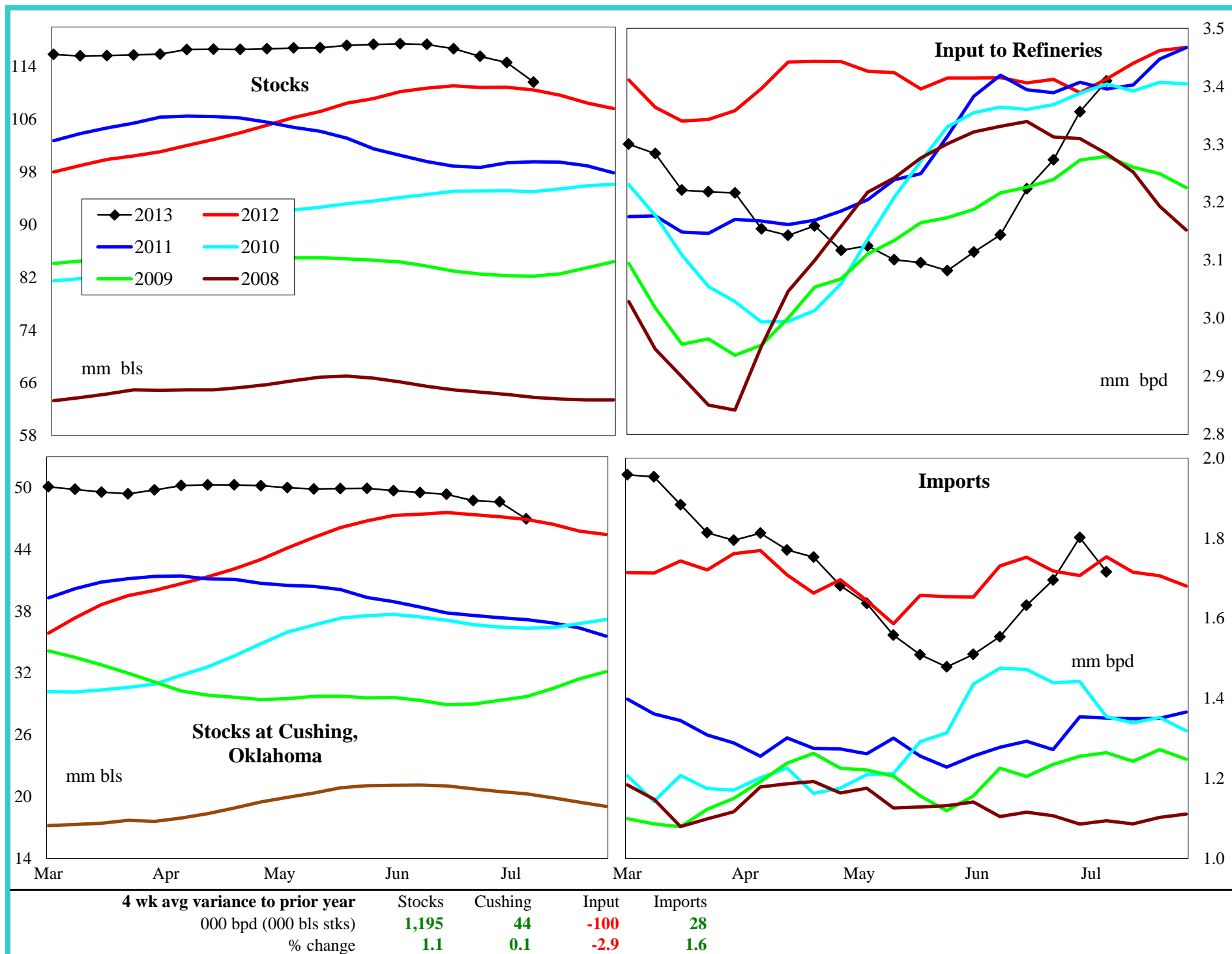
PADD 1 Jet Fuel Supply



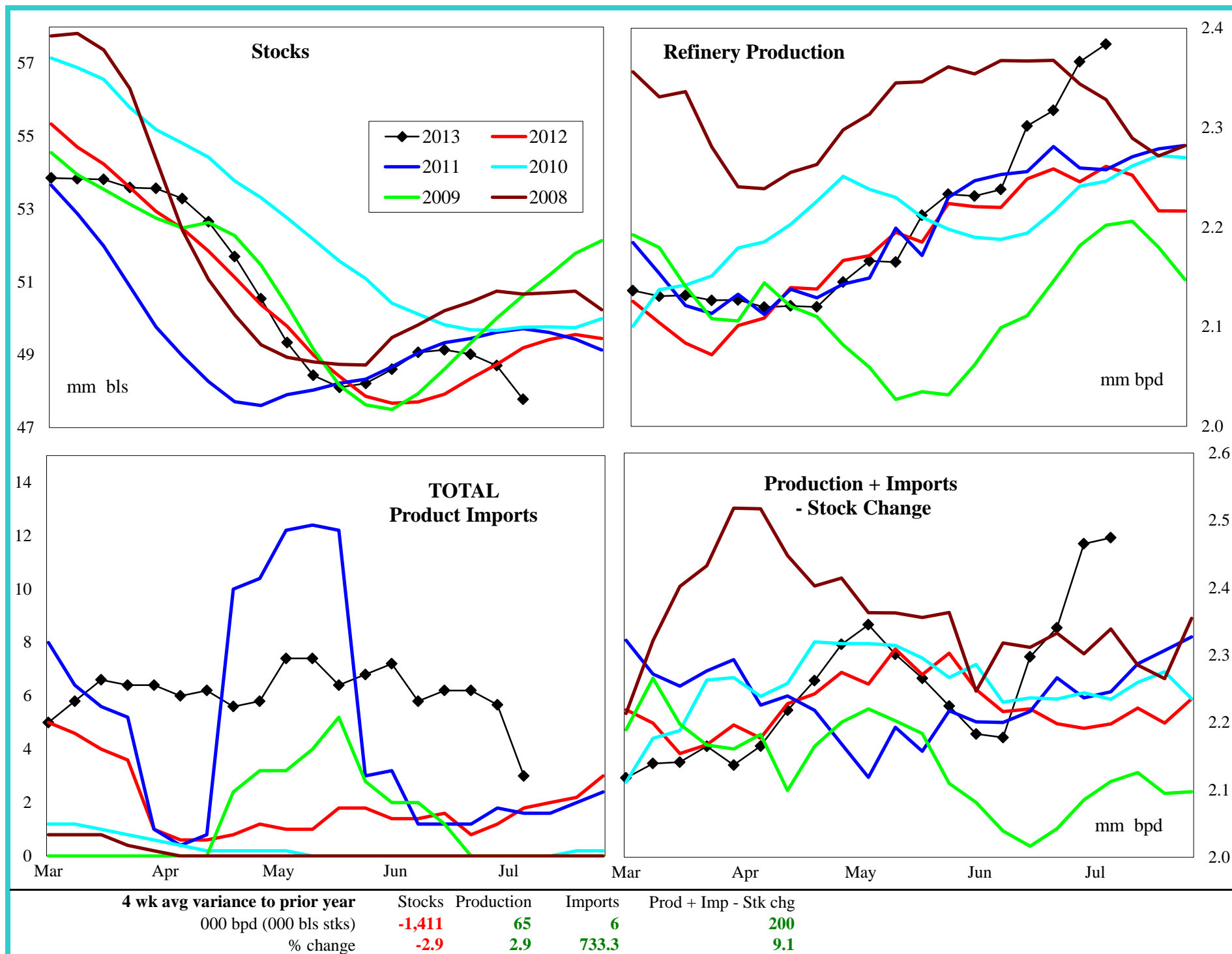
PADD 1 Residual Fuel Oil Supply



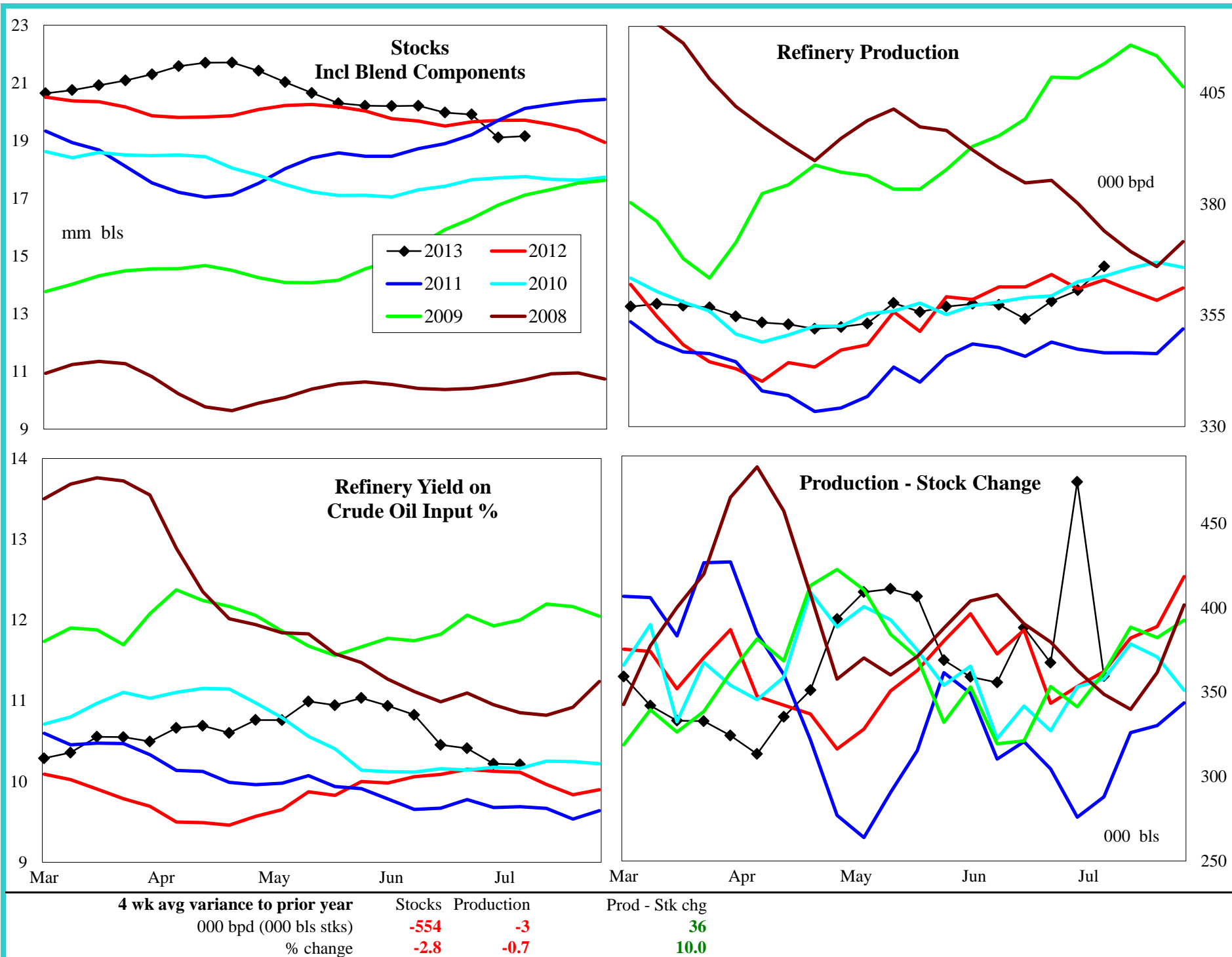
PADD 2 Crude Oil Supply and Refining



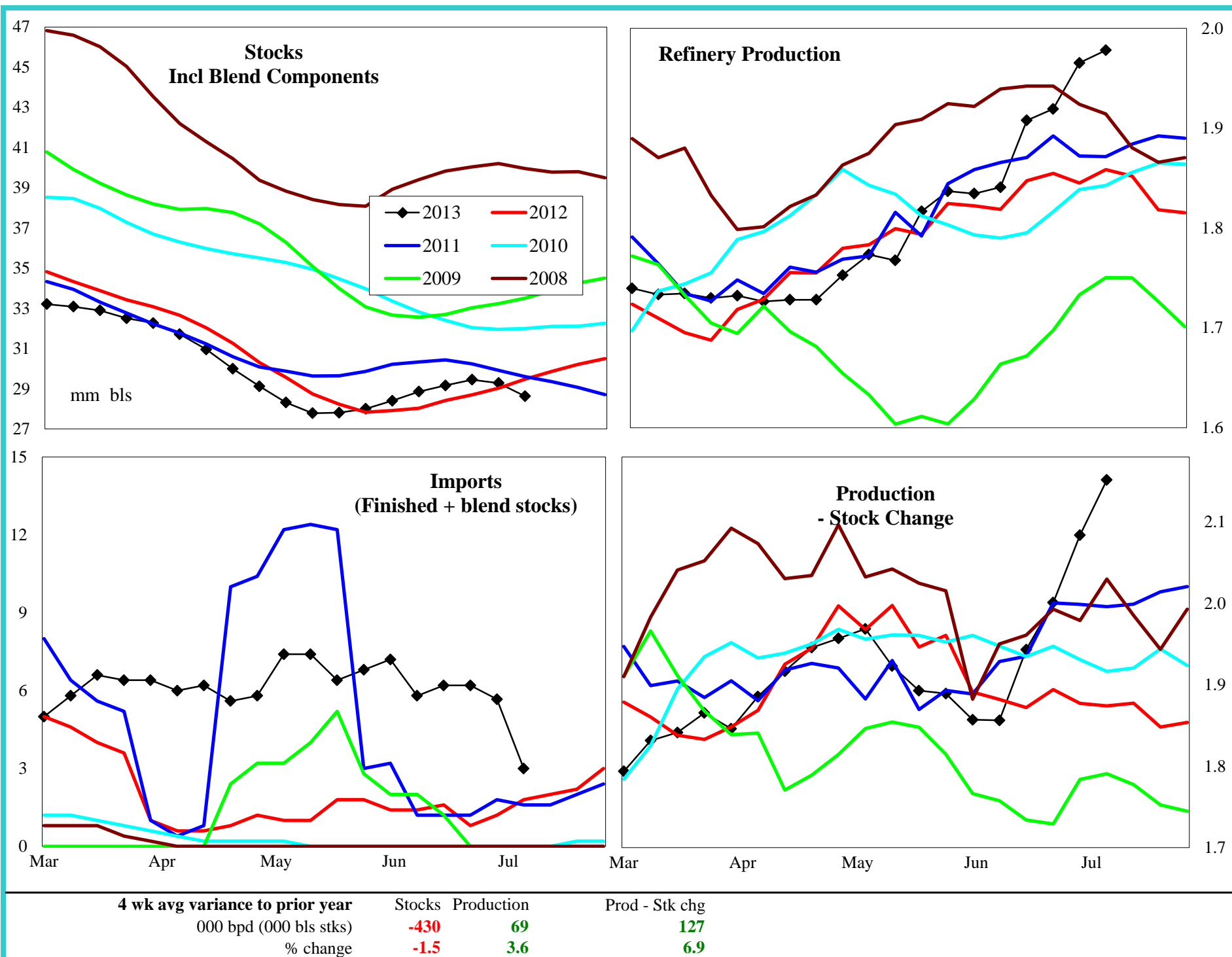
PADD 2 Gasoline Supply



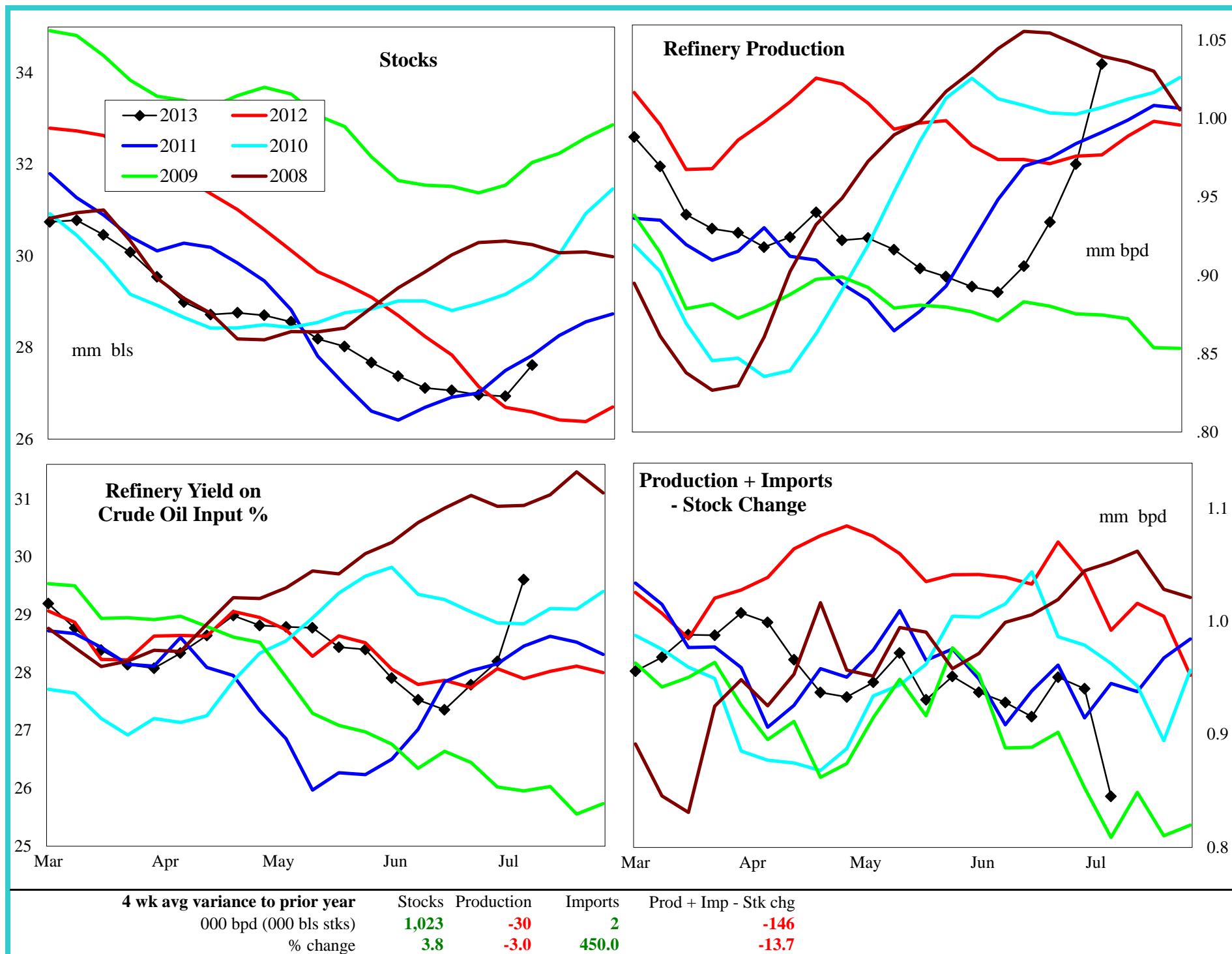
PADD 2 Reformulated Gasoline Supply



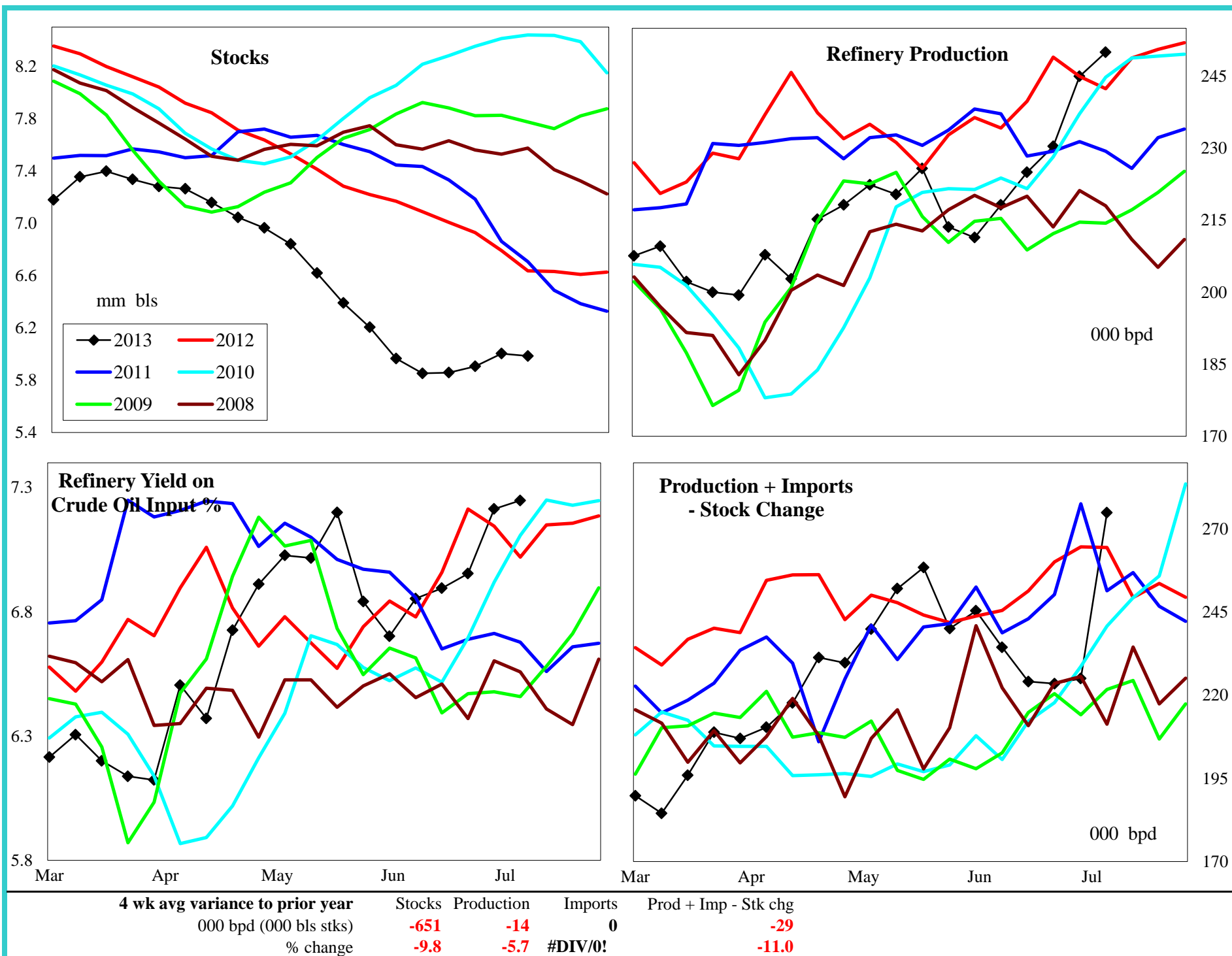
PADD 2 Conventional Gasoline Supply



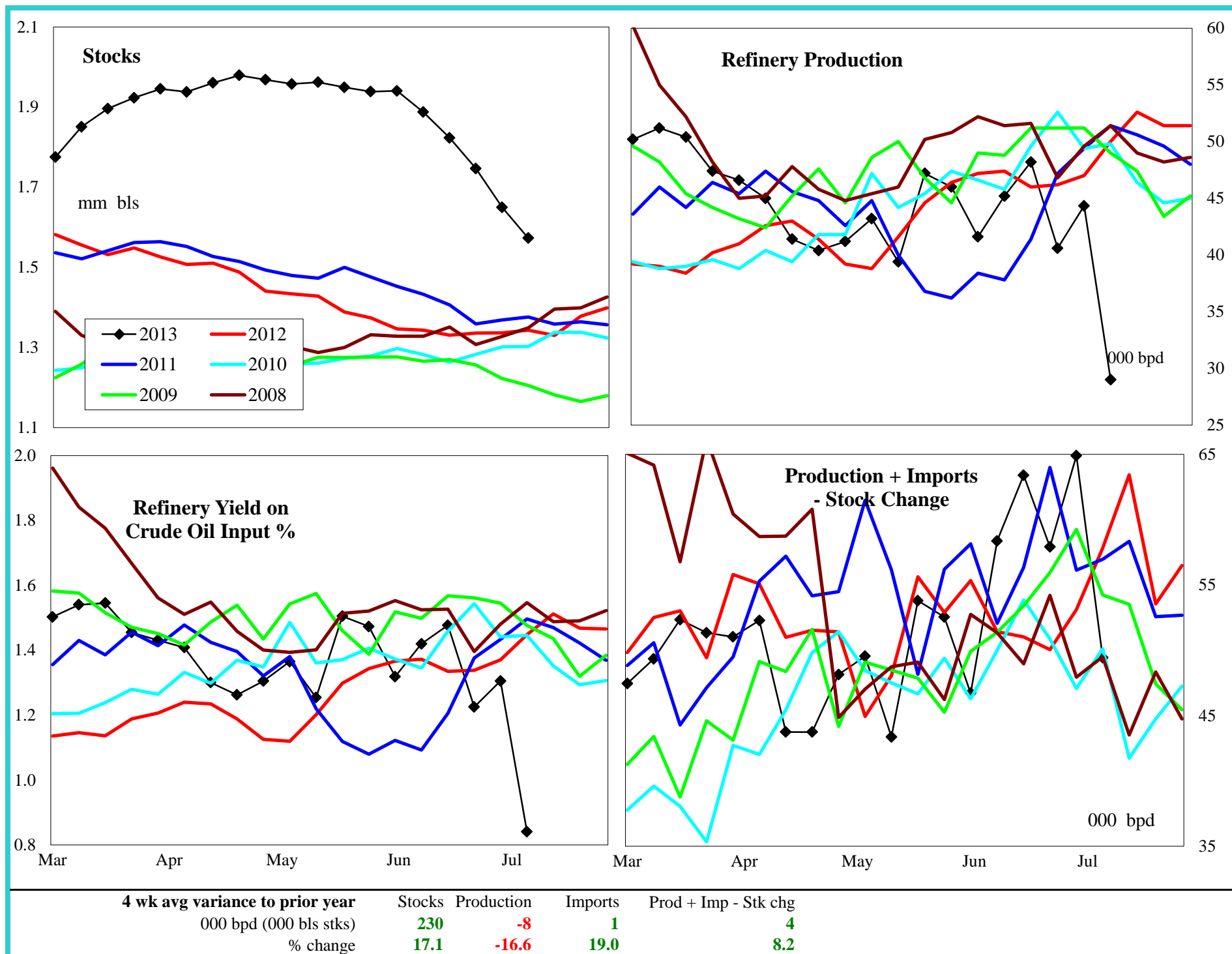
PADD 2 Distillate Supply



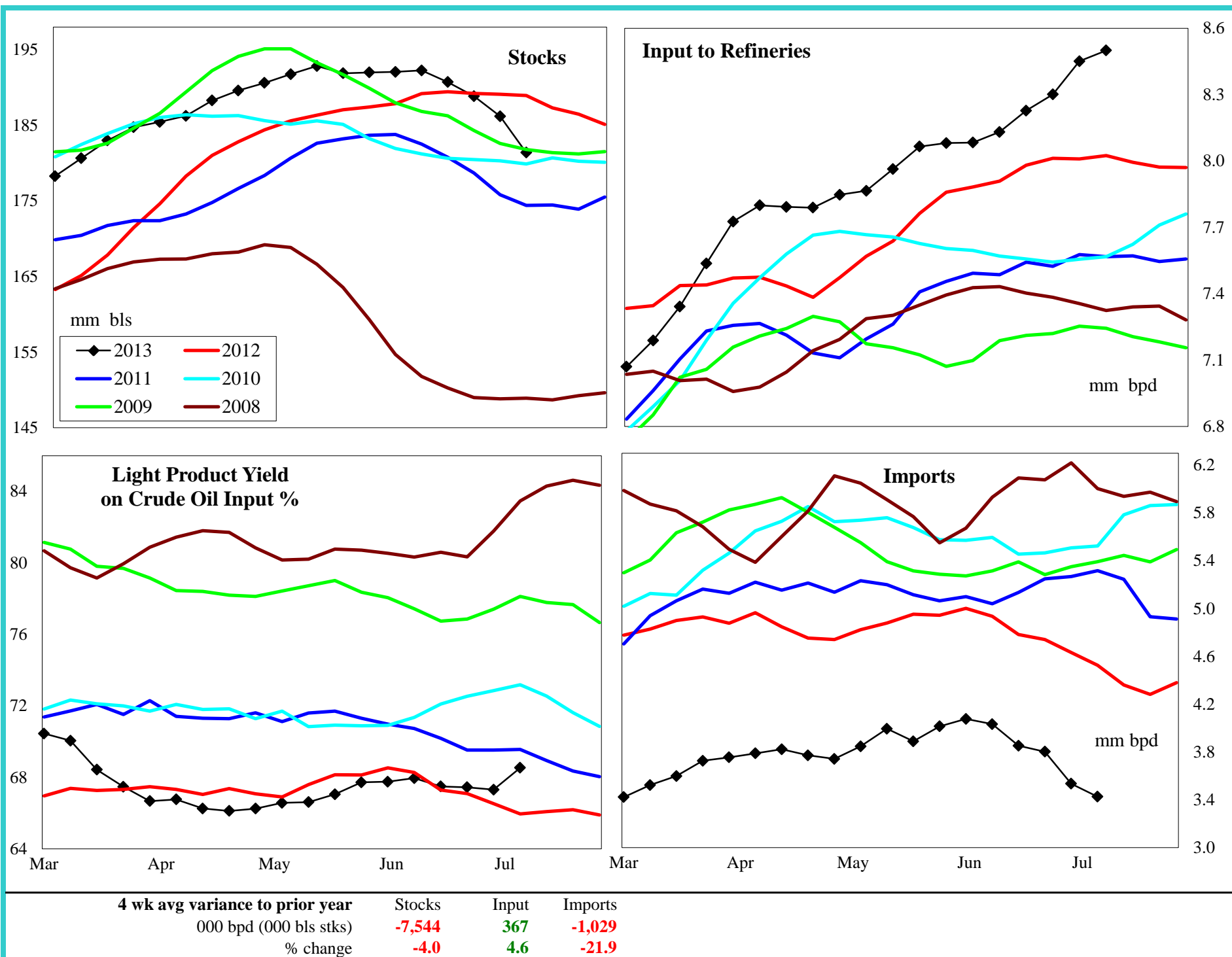
PADD 2 Jet Fuel Supply



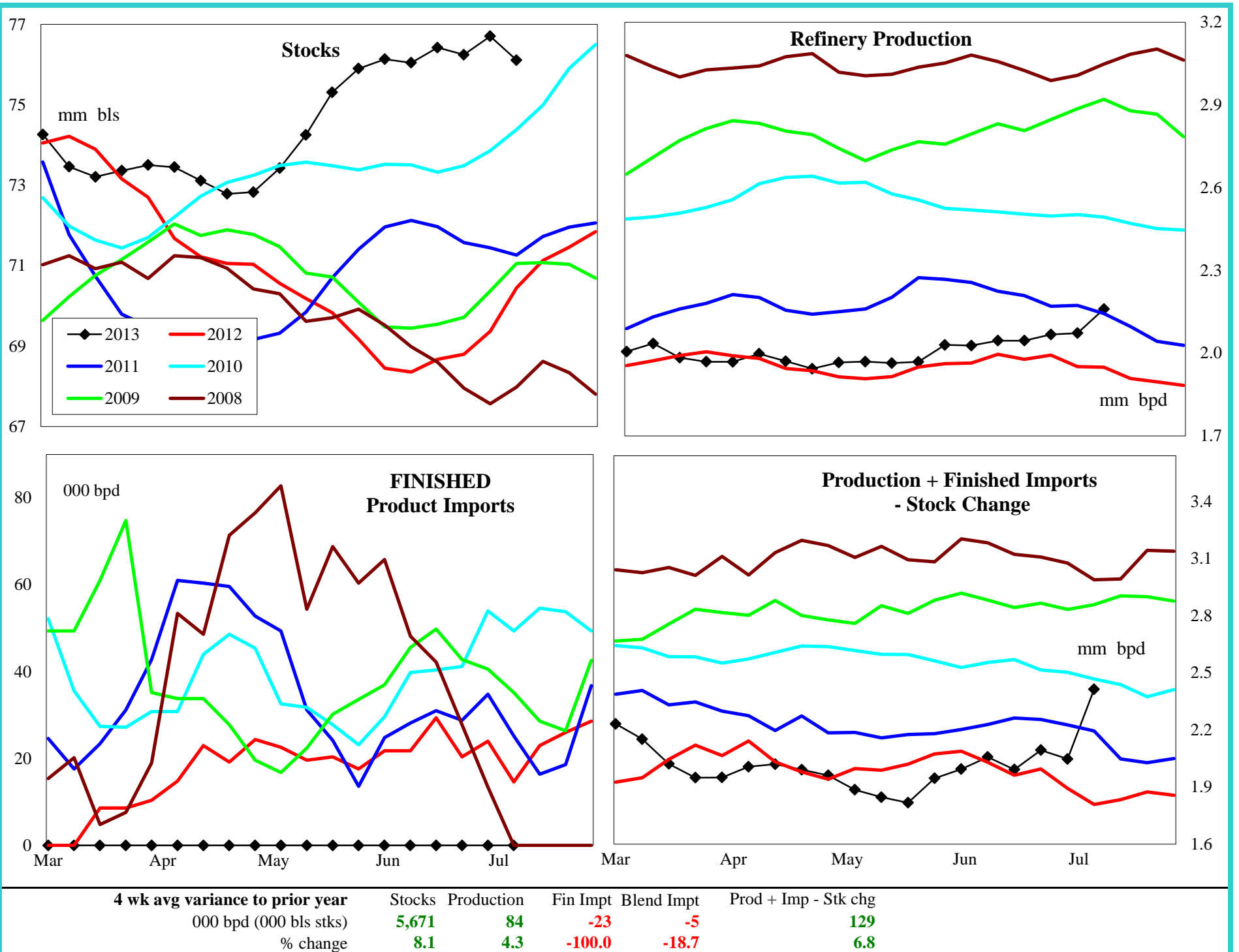
PADD 2 Residual Fuel Oil Supply



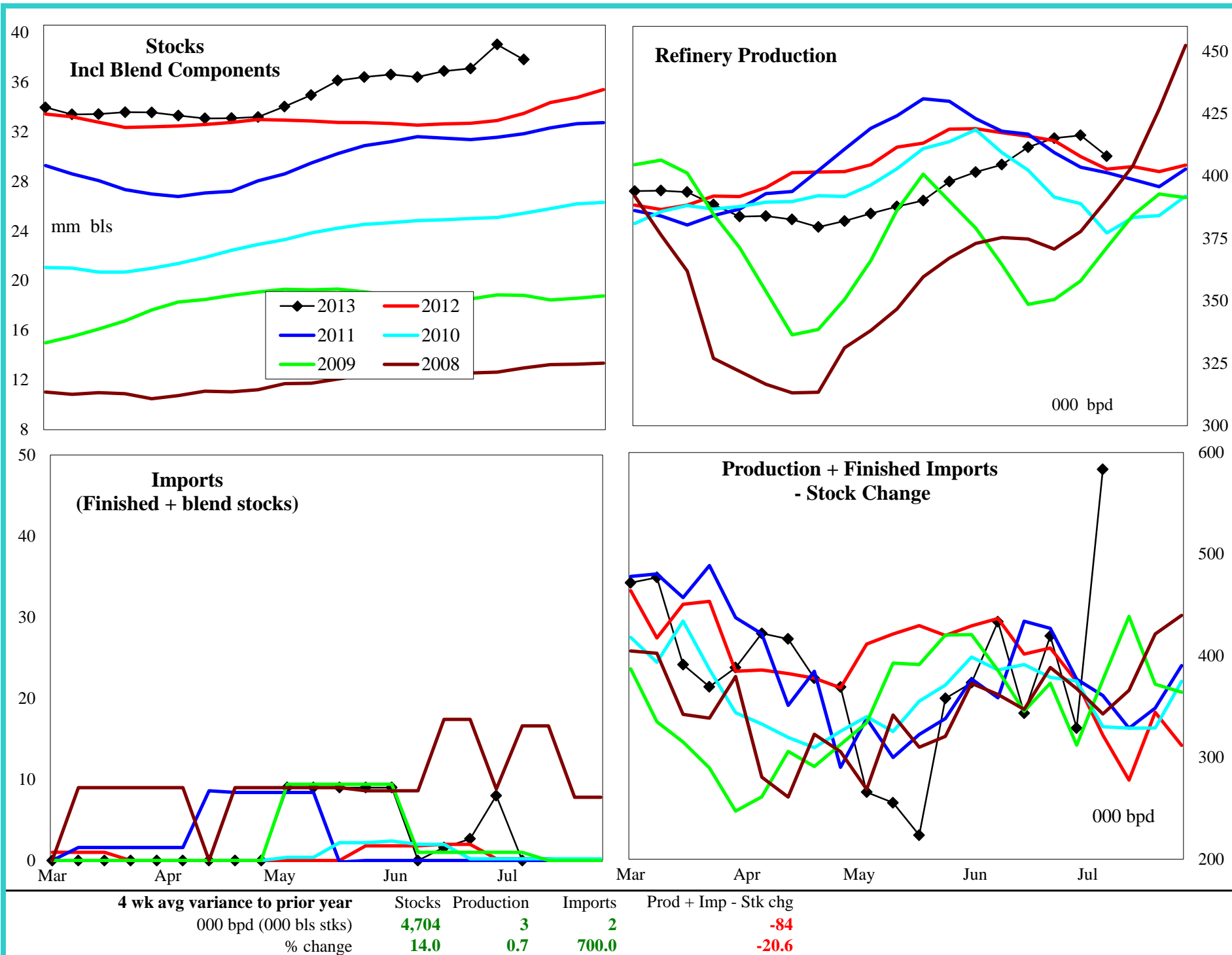
PADD 3 Crude Oil Supply and Refining



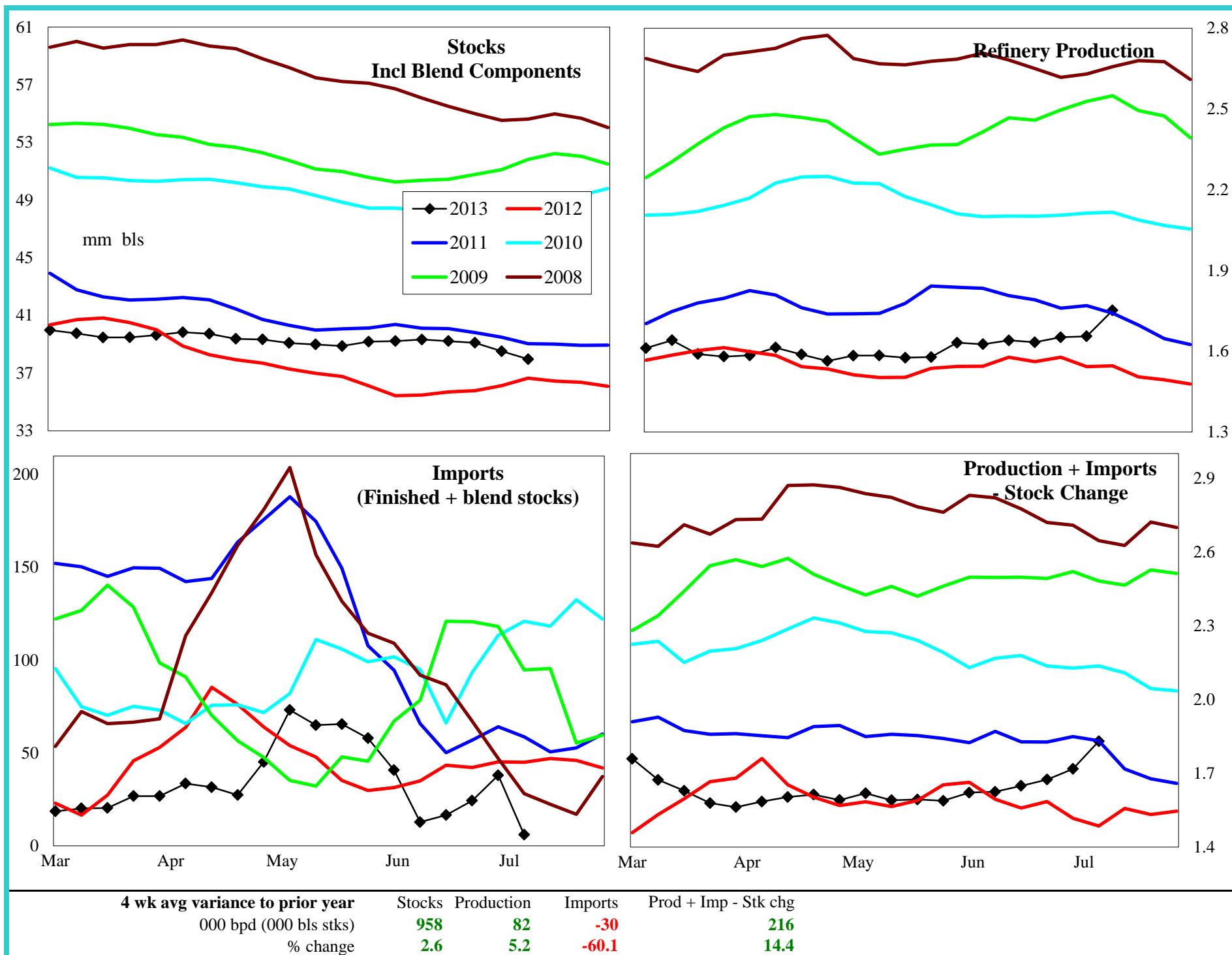
PADD 3 Gasoline Supply



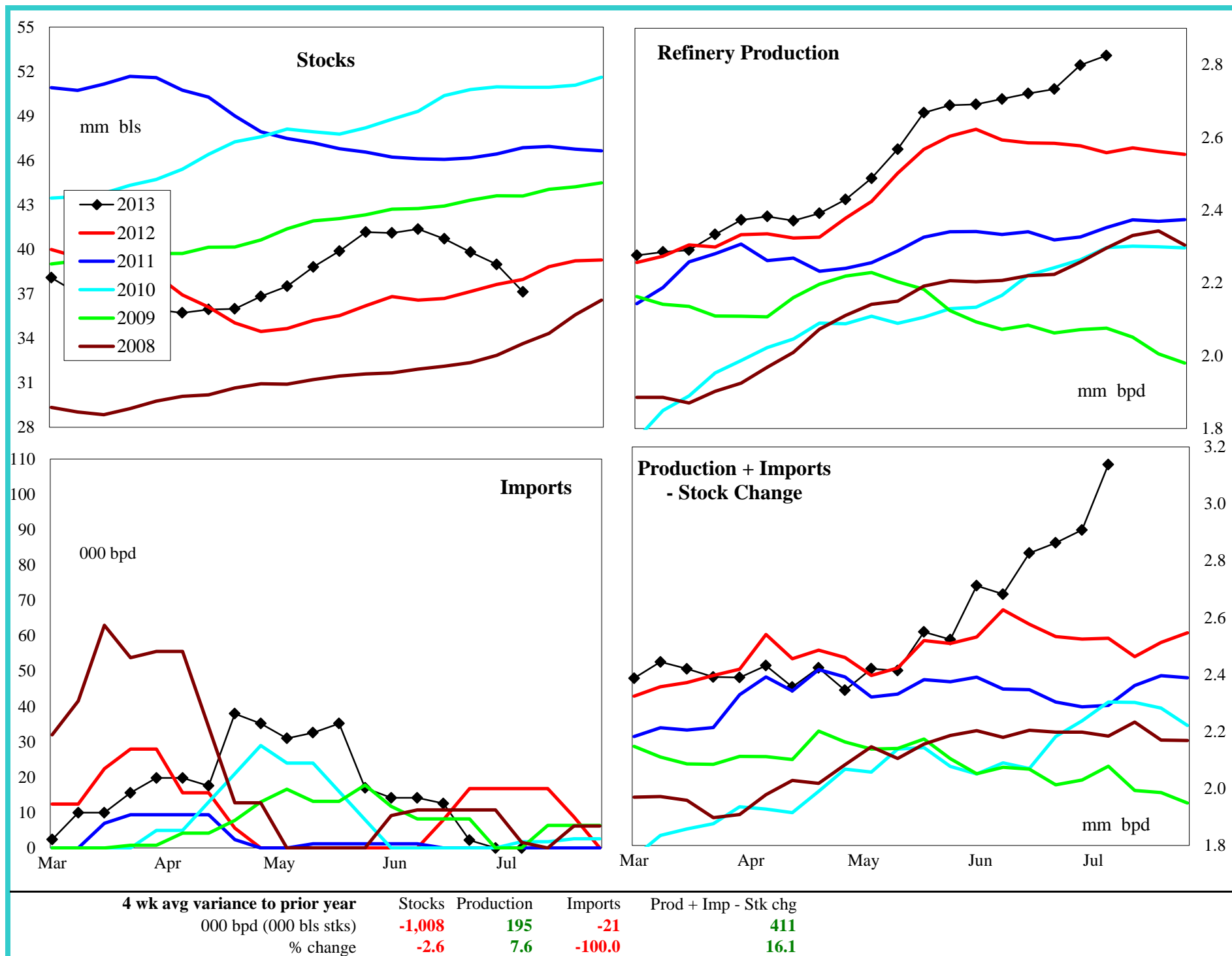
PADD 3 Reformulated Gasoline Supply



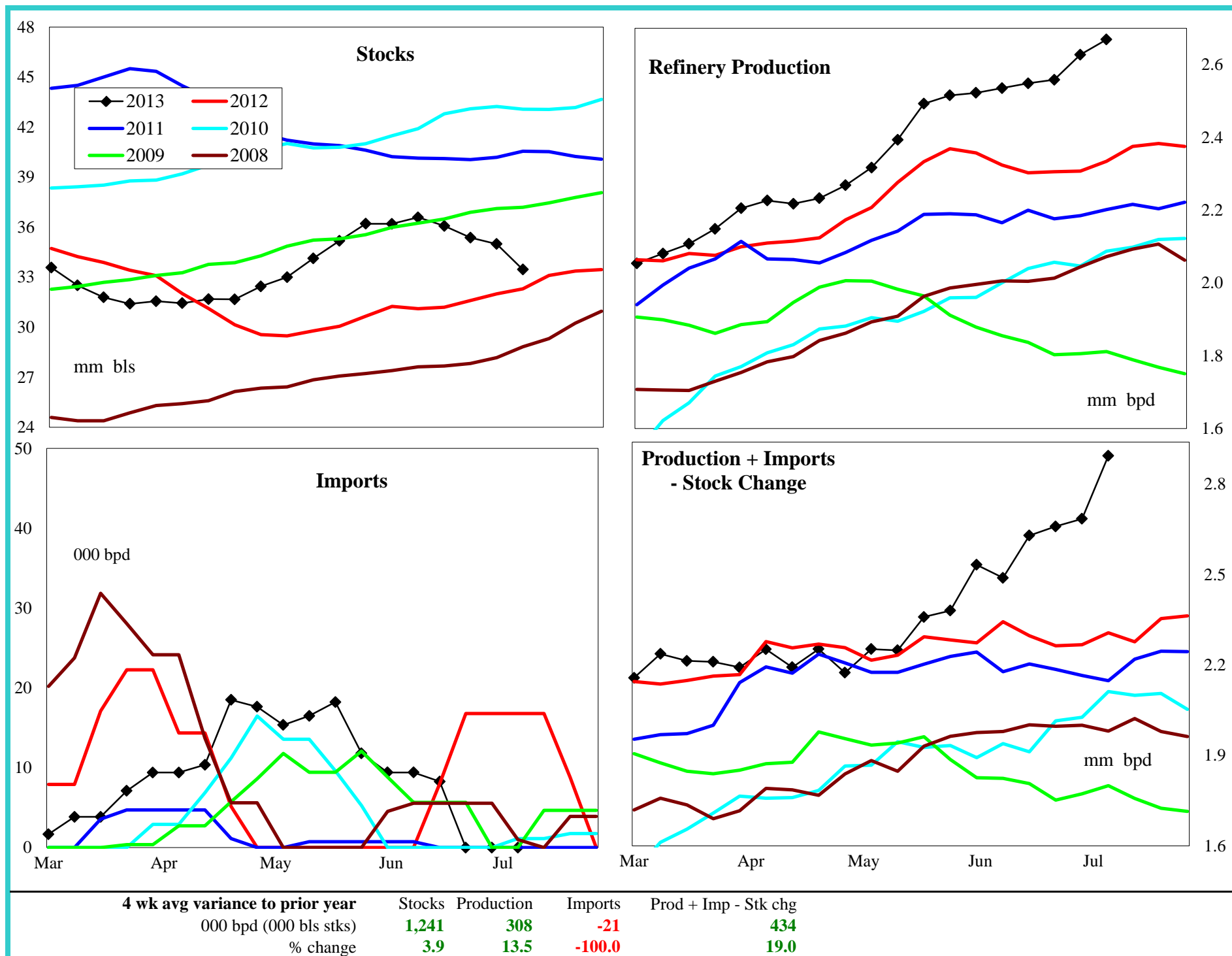
PADD 3 Conventional Gasoline Supply



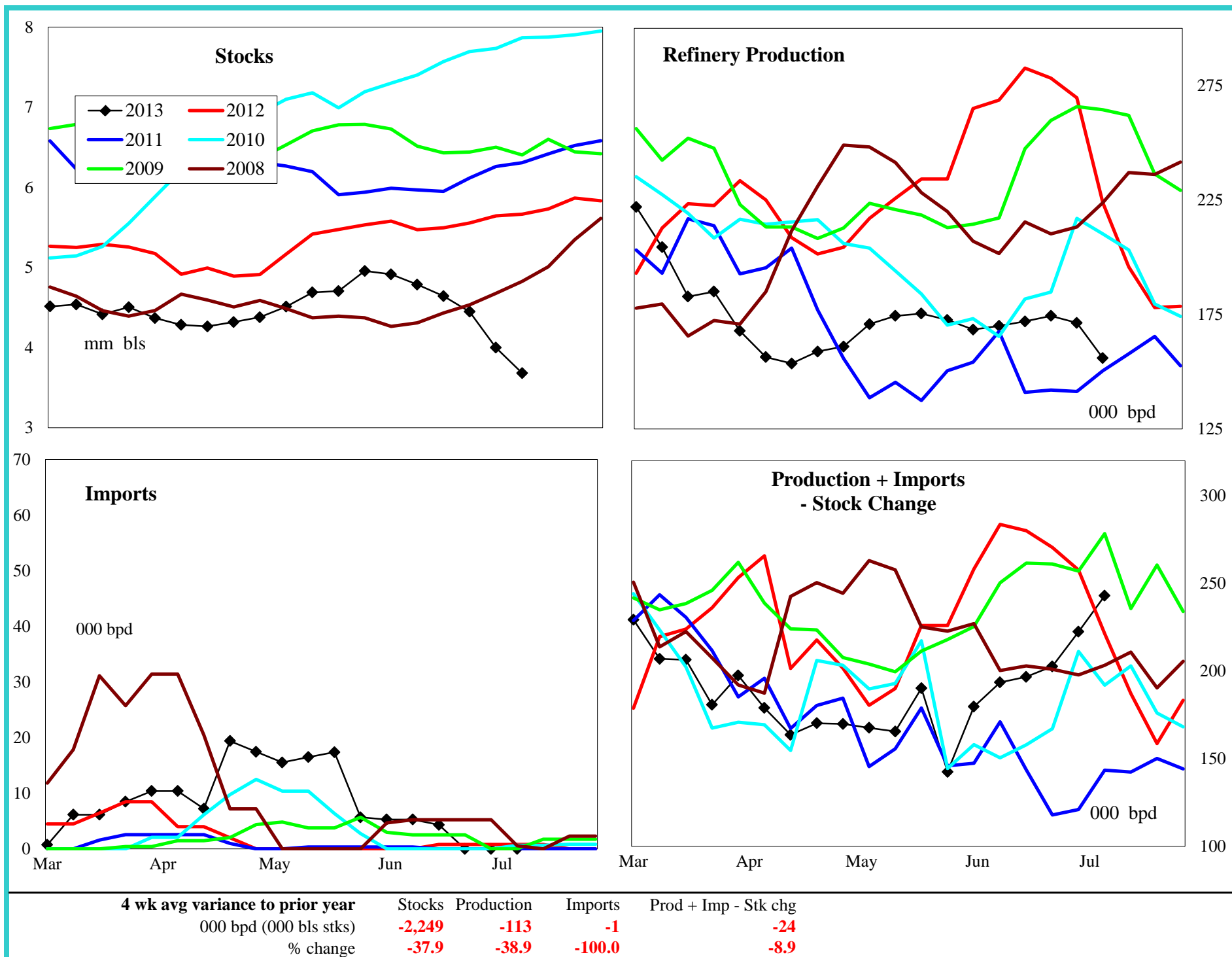
PADD 3 Distillate Supply



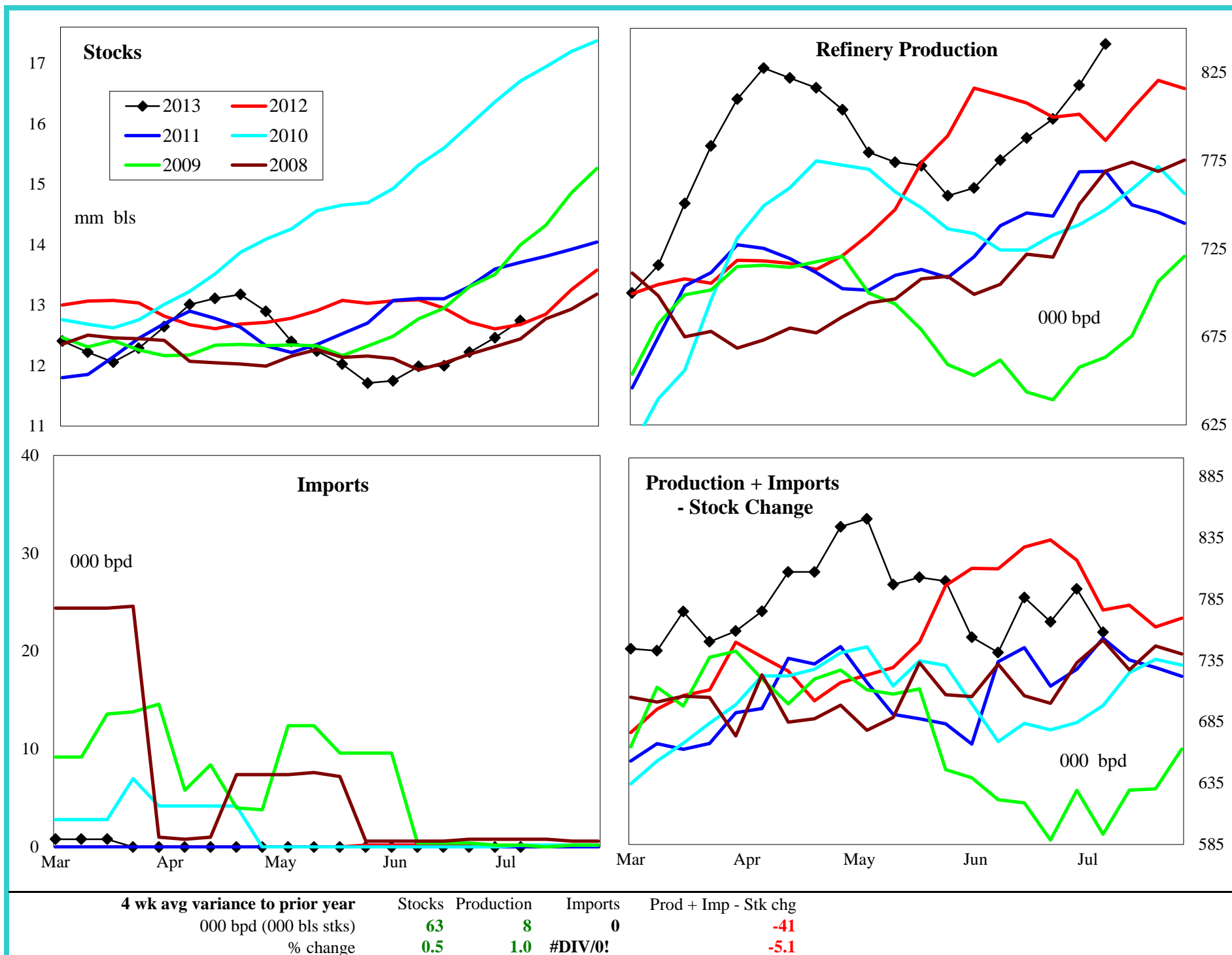
PADD 3 Low Sulfur Distillate Supply



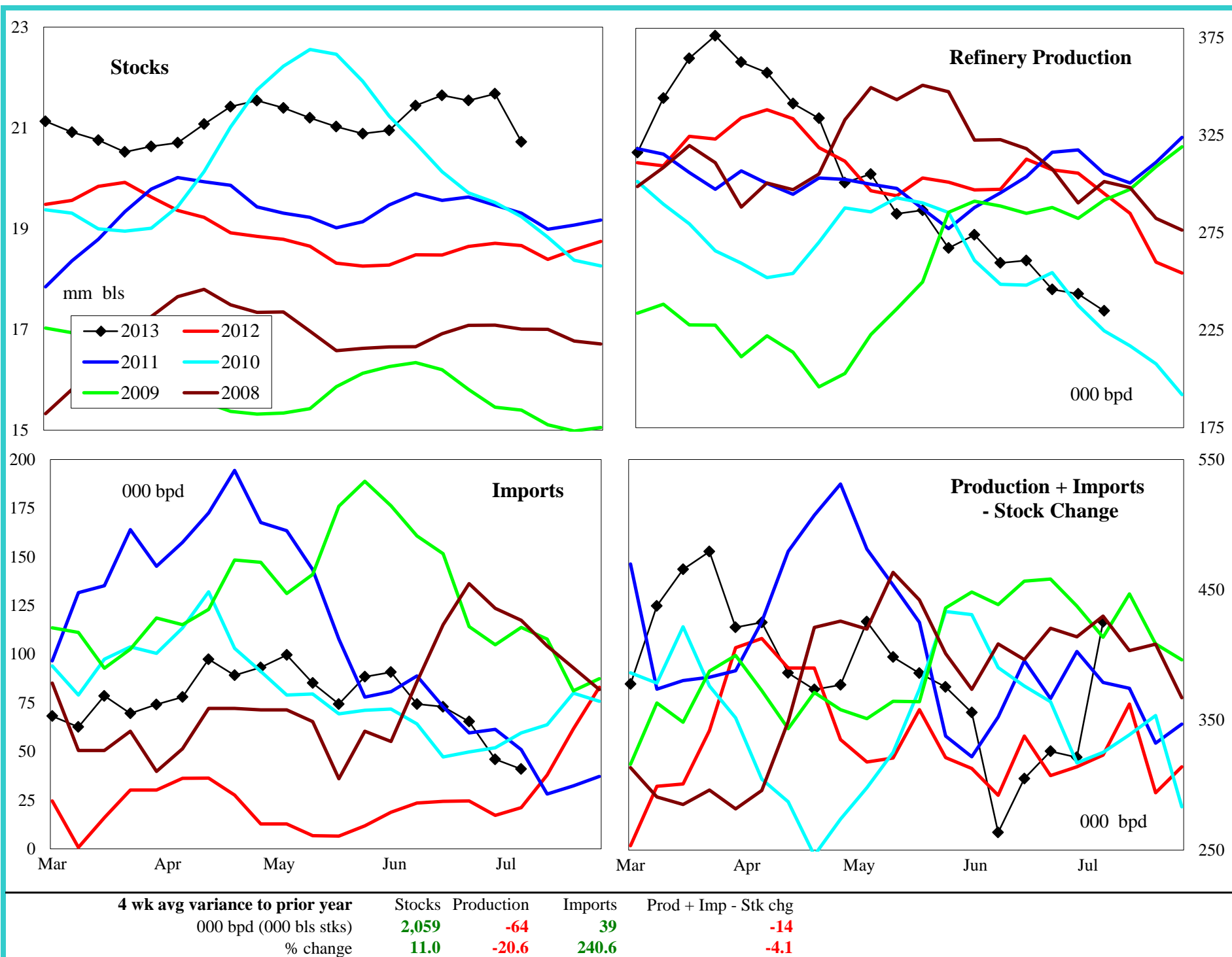
PADD 3 High Sulfur Distillate Supply



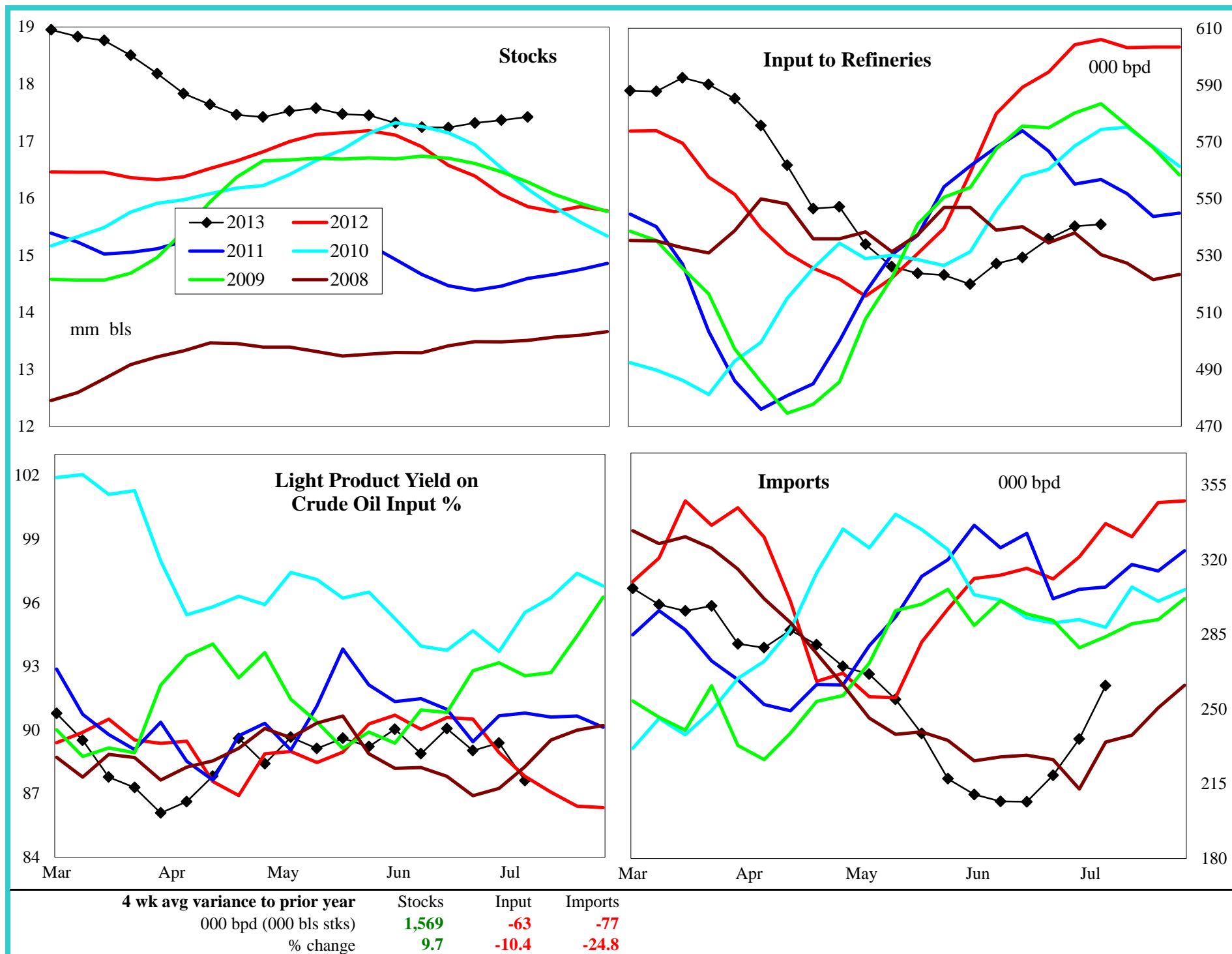
PADD 3 Jet Fuel Supply



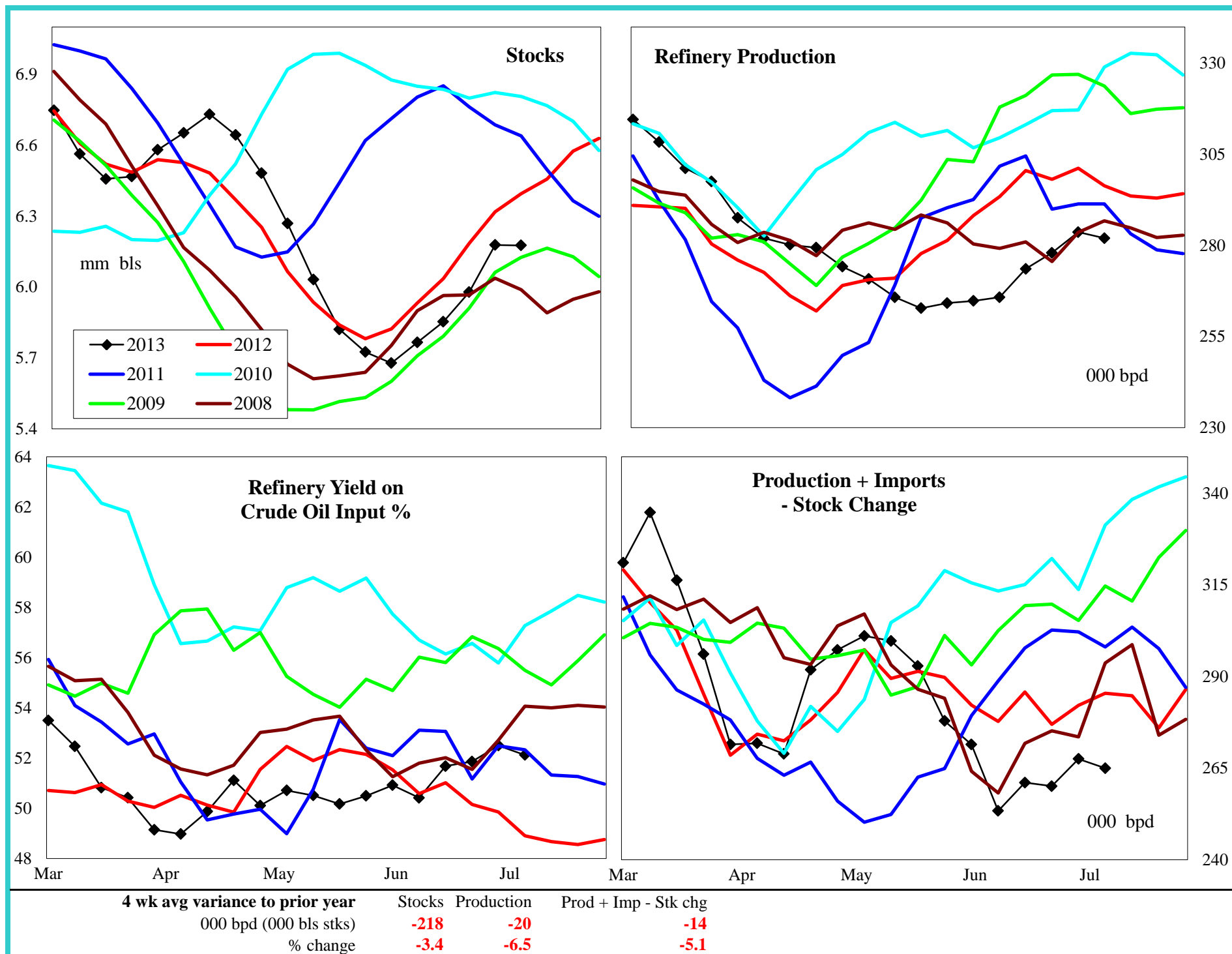
PADD 3 Residual Fuel Oil Supply



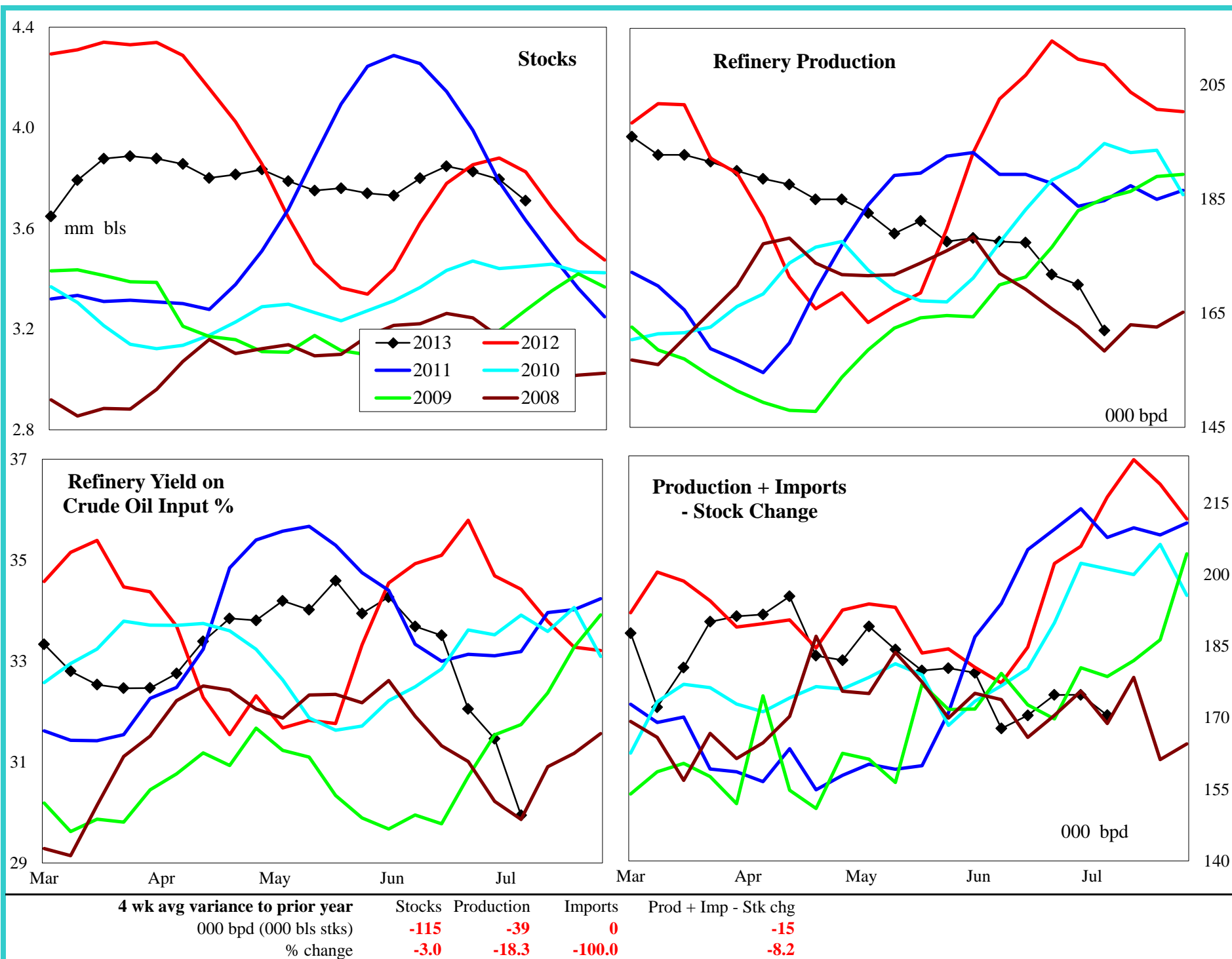
PADD 4 Crude Oil Supply and Refining



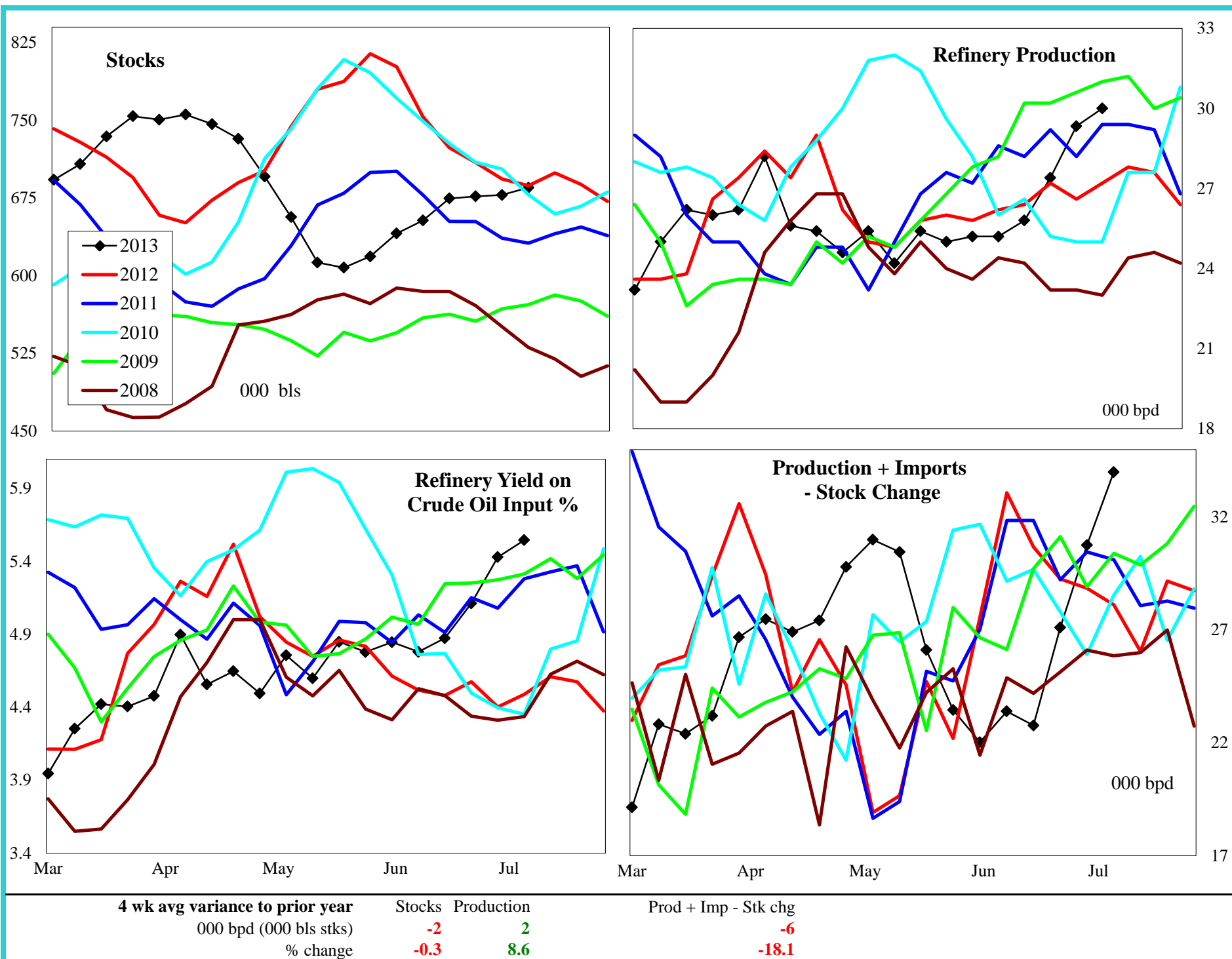
PADD 4 Gasoline Supply



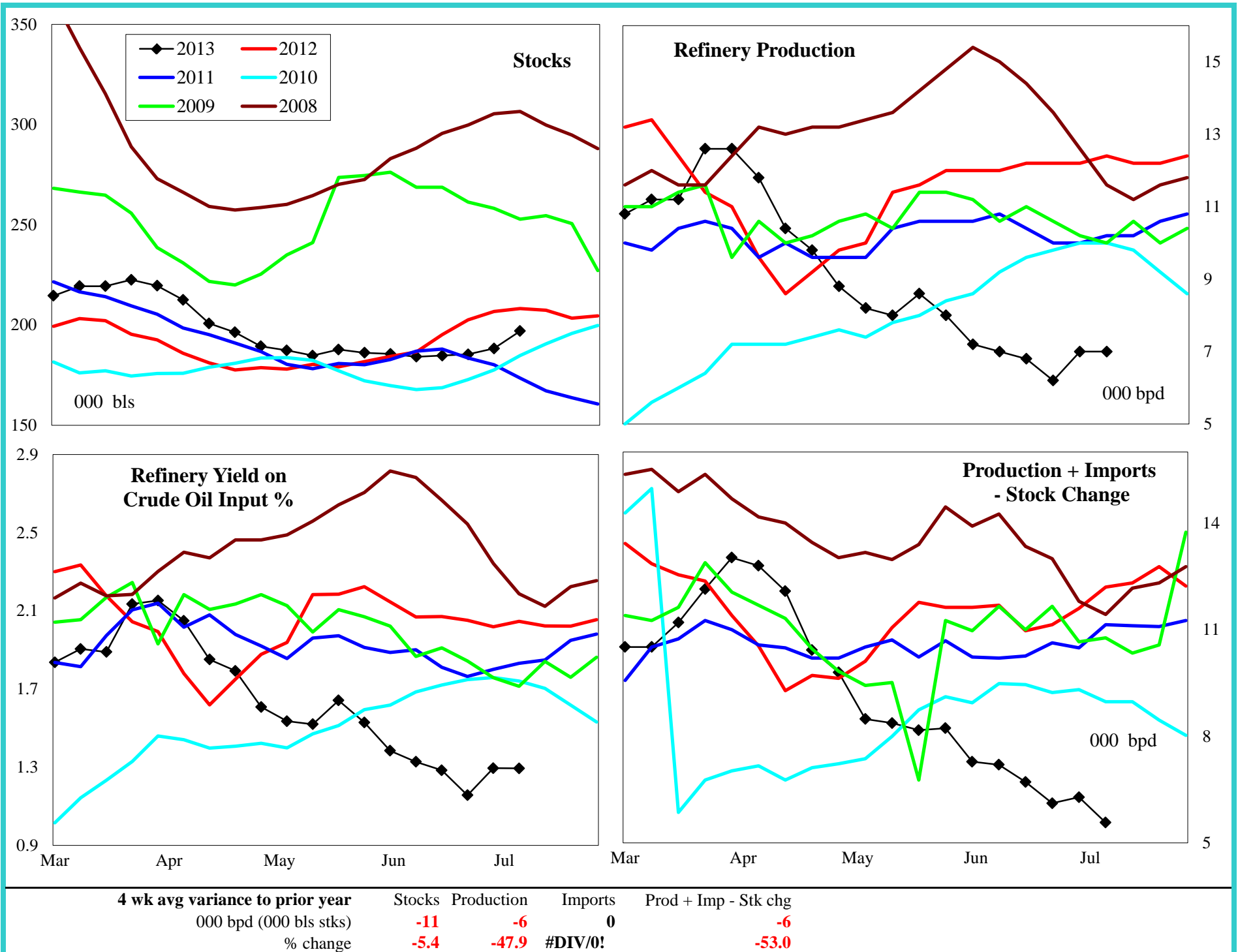
PADD 4 Distillate Supply



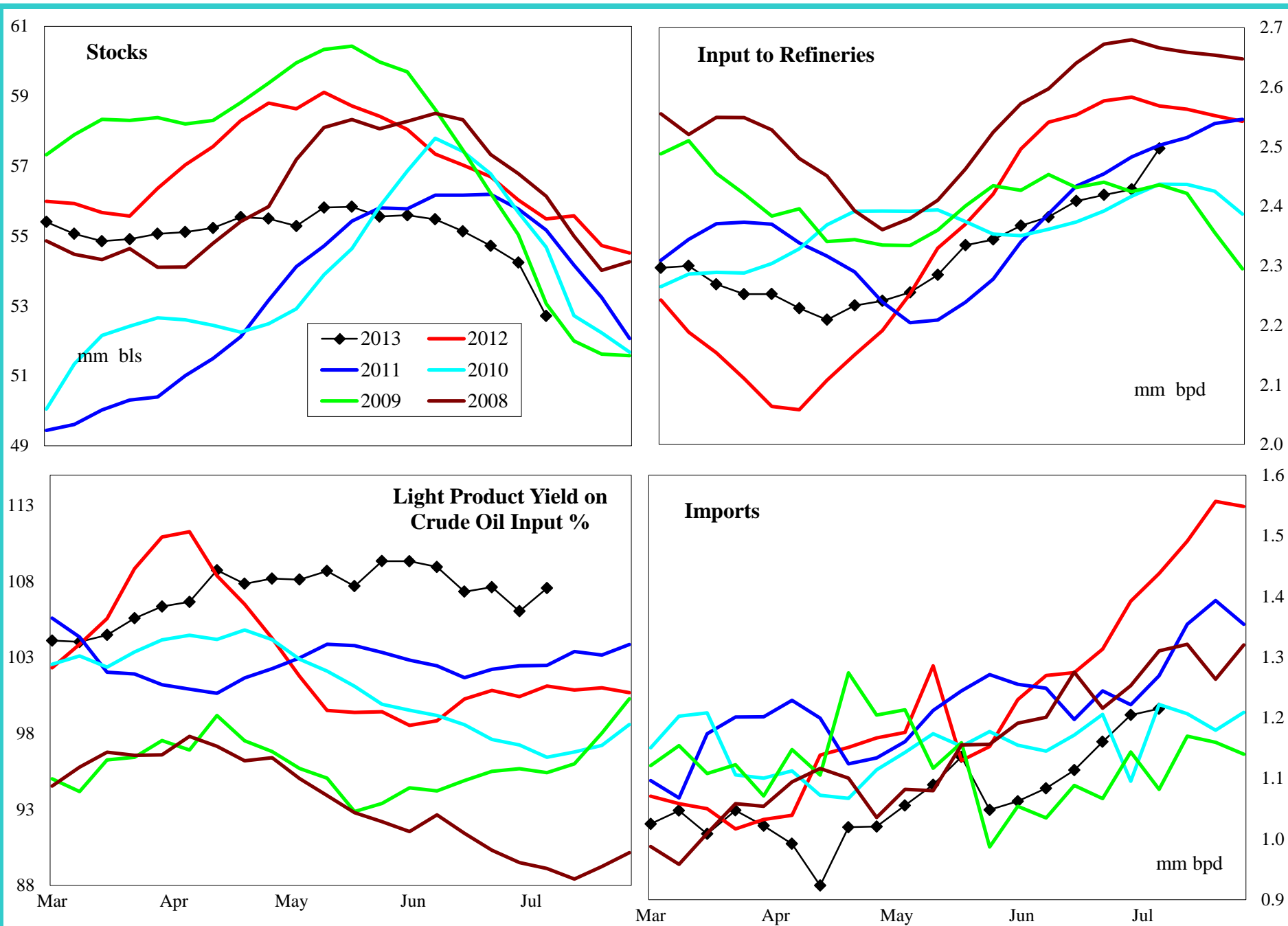
PADD 4 Jet Fuel Supply



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

-2,779

-5.0

Input

-159

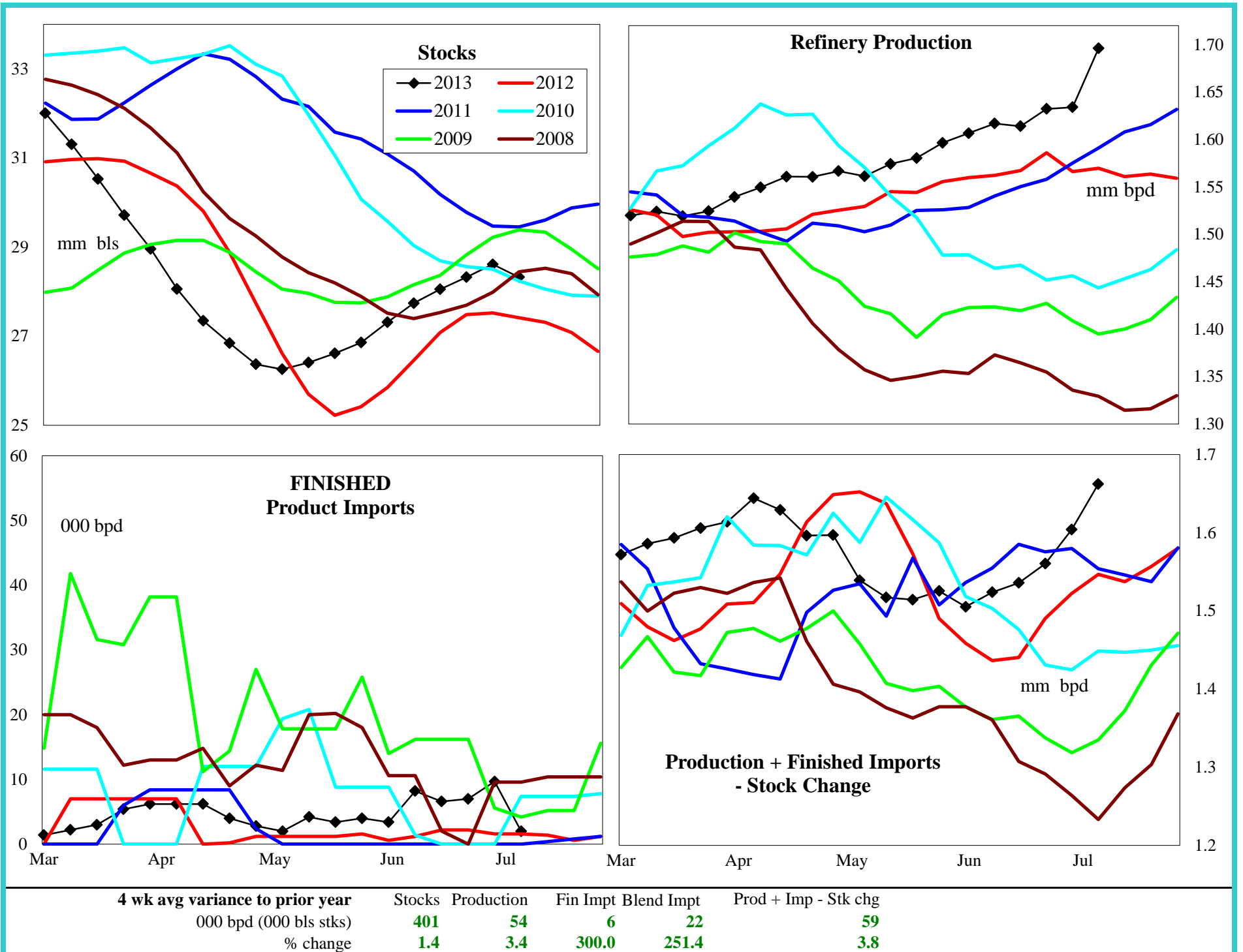
-6.0

Imports

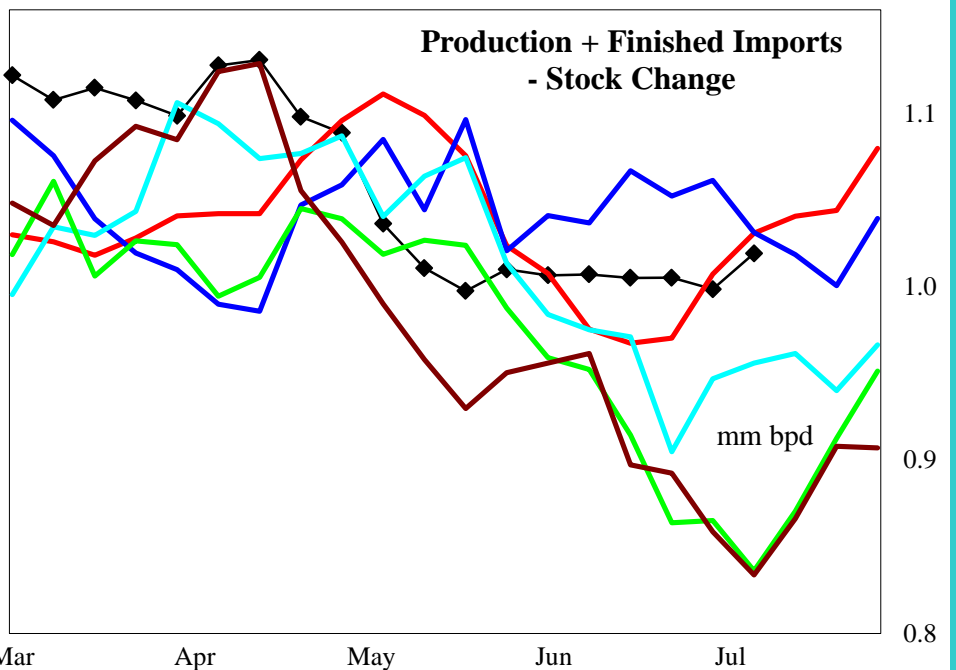
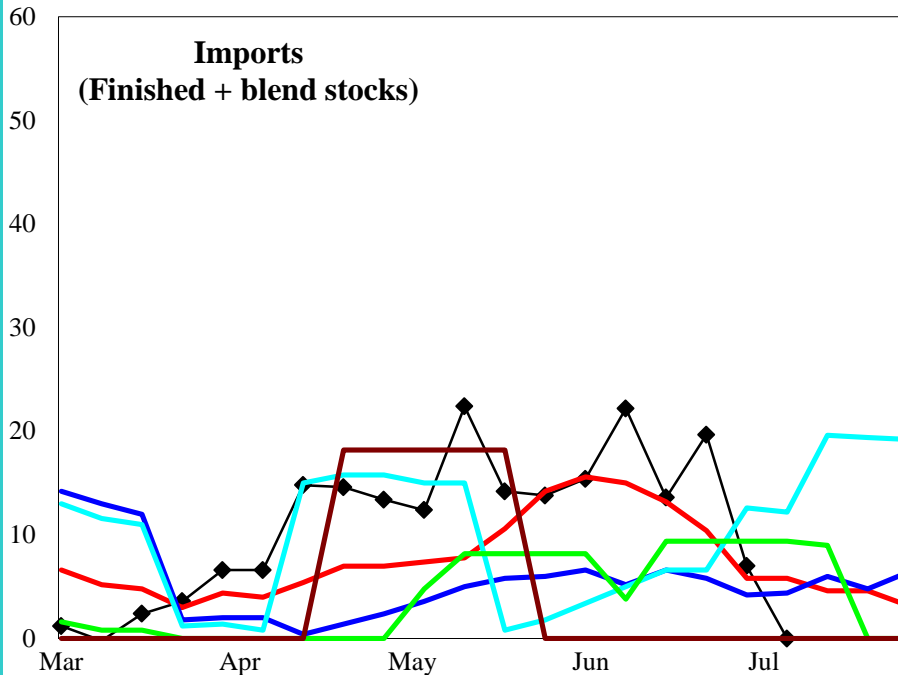
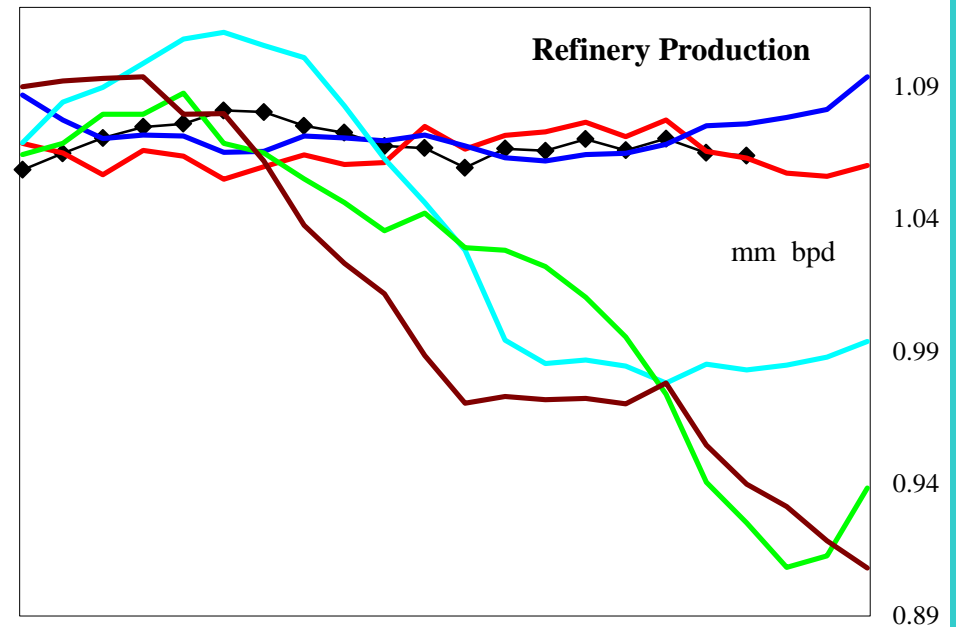
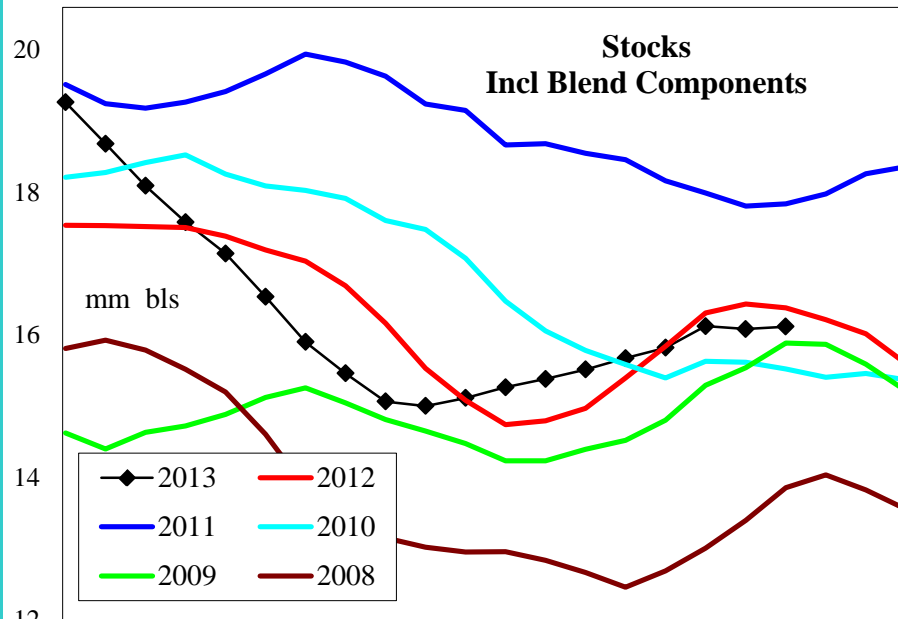
-123

-9.3

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

-976

-7

10

10

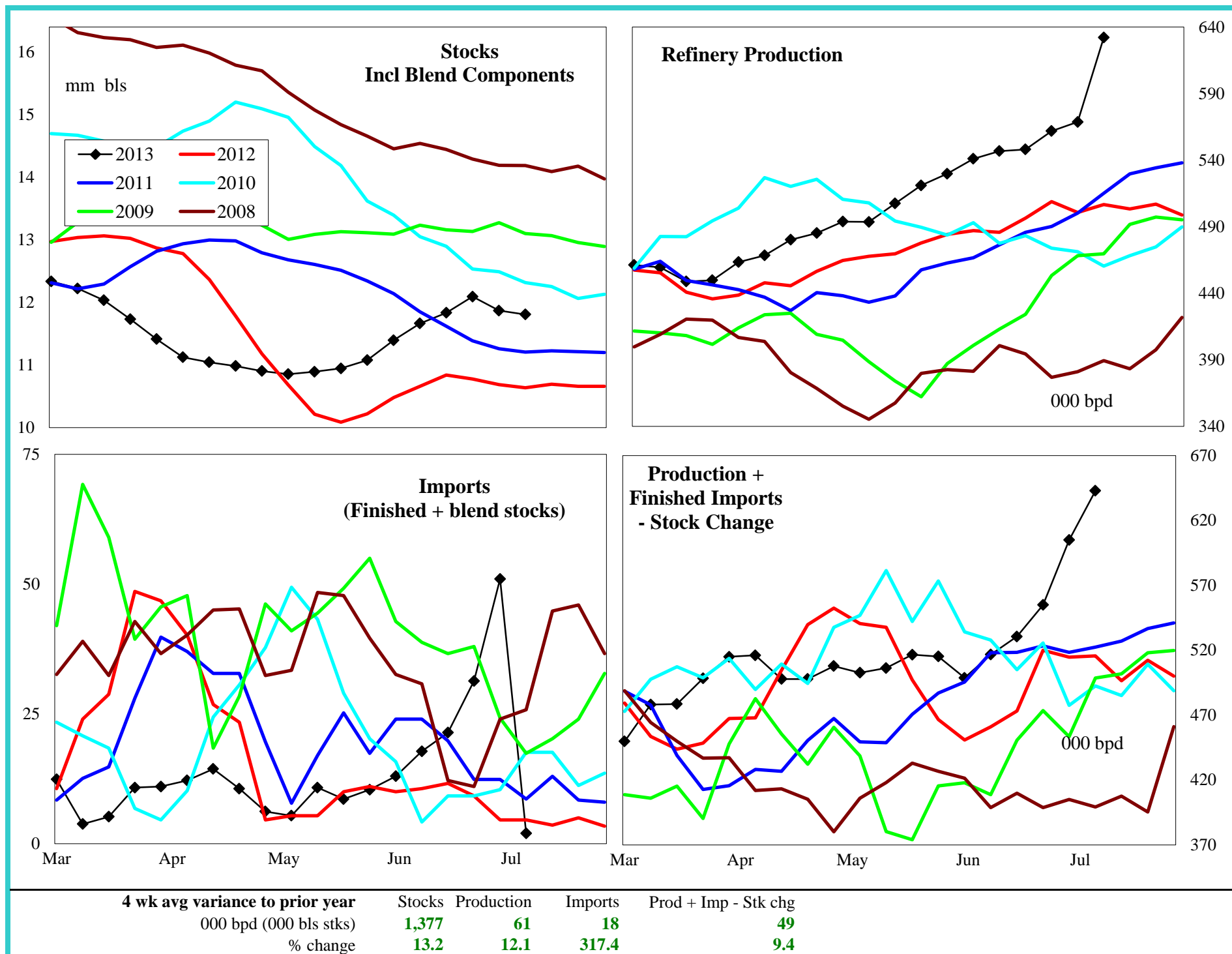
-5.6

-0.7

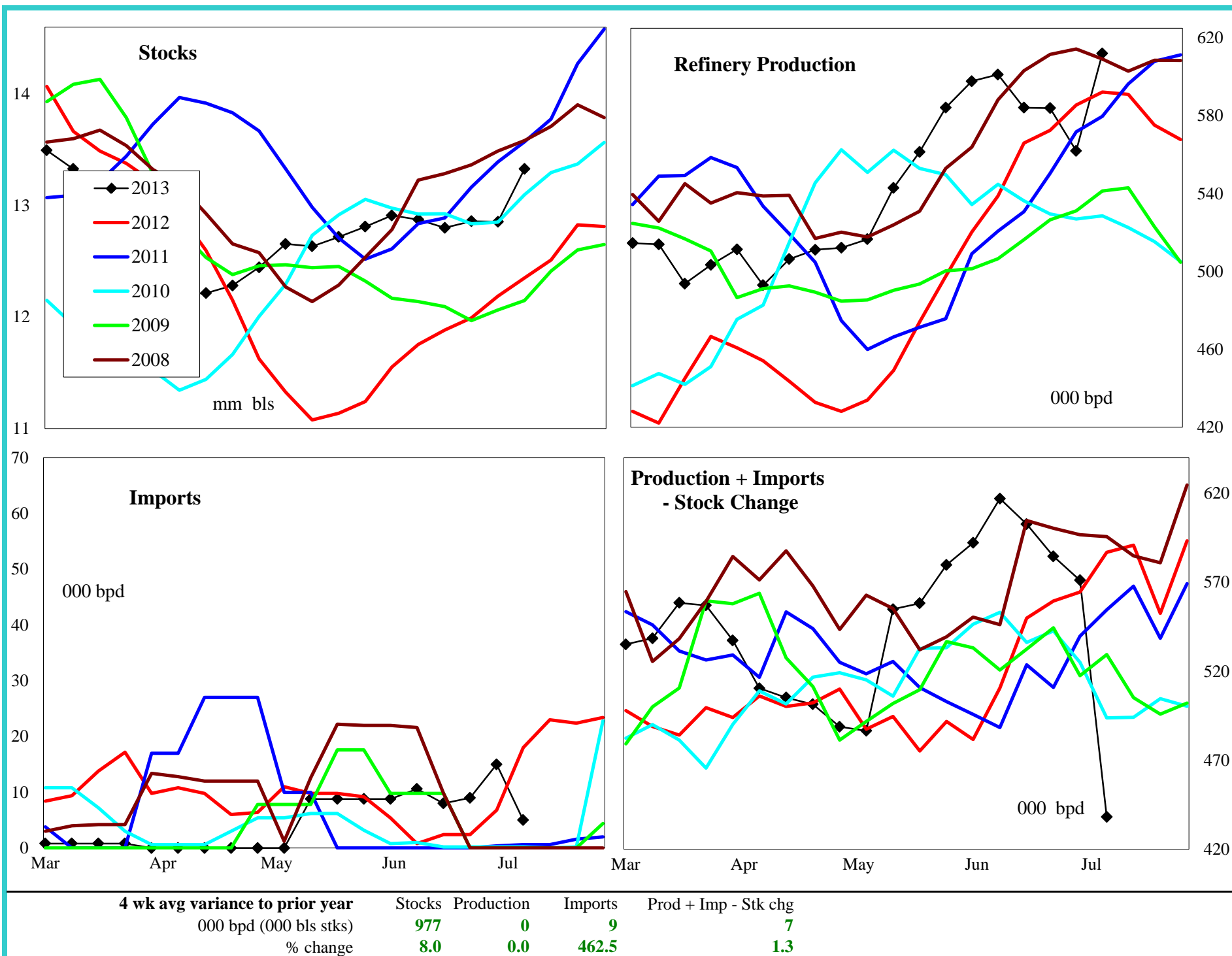
195.0

1.0

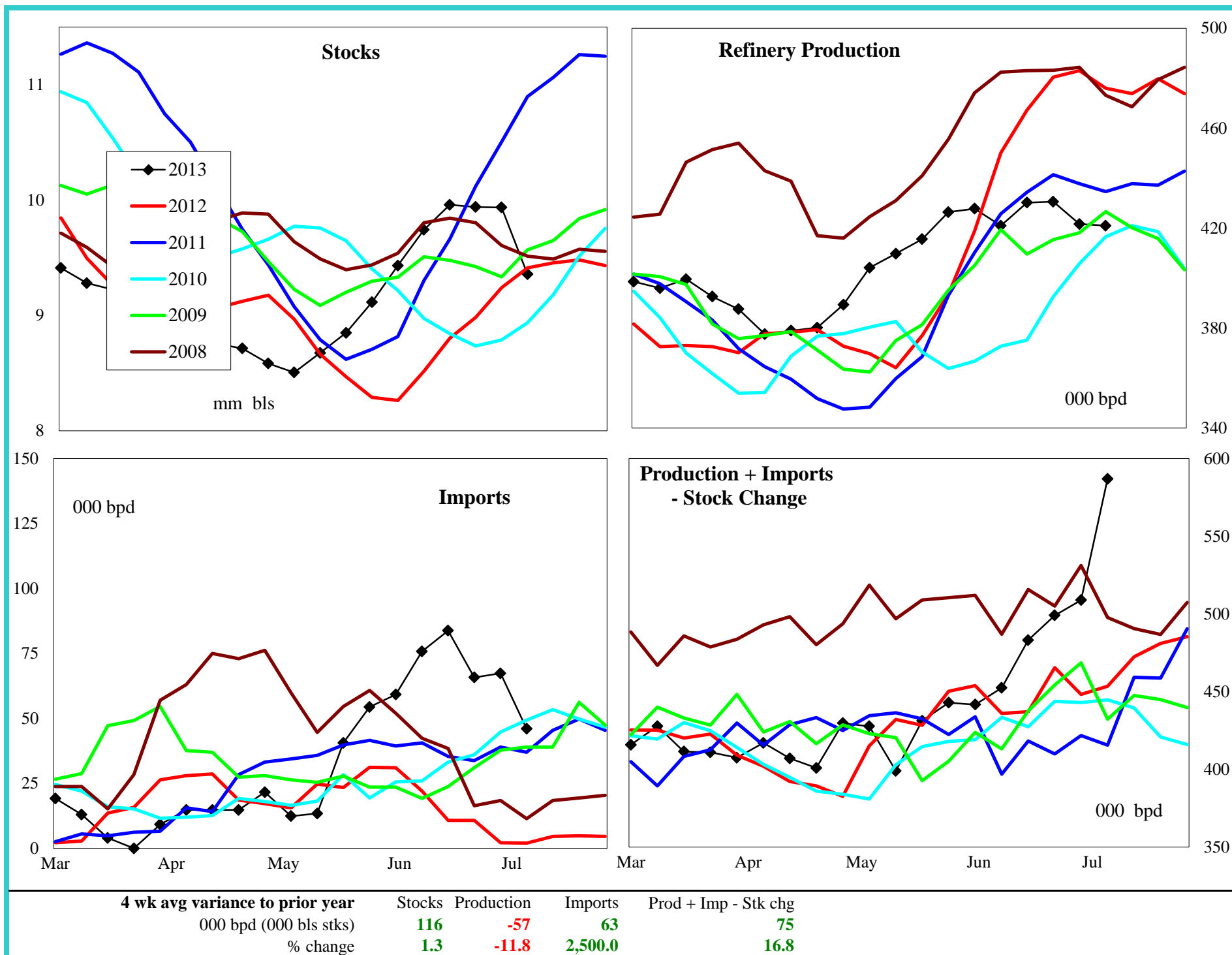
PADD 5 Conventional Gasoline Supply



PADD 5 Distillate Supply



PADD 5 Jet Fuel Supply



PADD 5 Residual Fuel Oil Supply

