



## WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

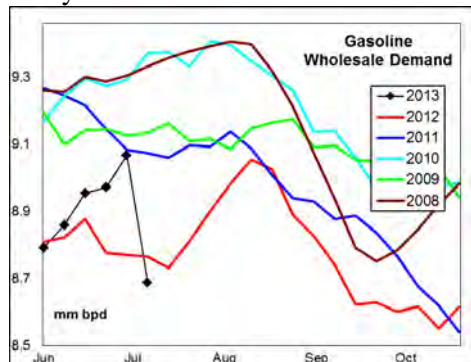
### A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Thursday, July 18, 2013

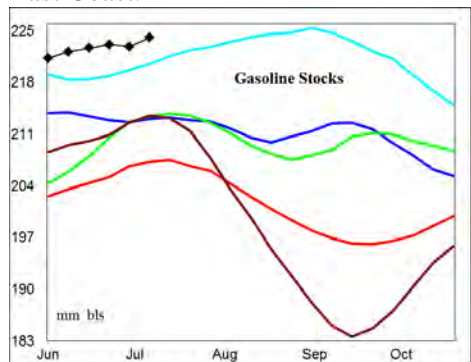


#### Major Fundamental Trends<sup>1</sup>

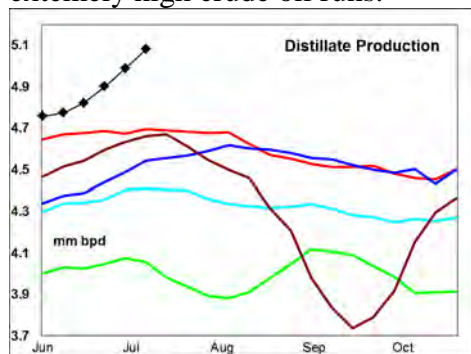
Gasoline wholesale demand plunged -0.6 million bpd last week, reversing an earlier spike. The volatility in demand indicates that changes in exports were likely included in demand estimates.



Gasoline production fell -0.5 million bpd last week on several unplanned maintenance issues. Stocks increased +3.1 million barrels with the level still above the 5-year range. Stock levels remain extremely high in the Gulf and East Coast.



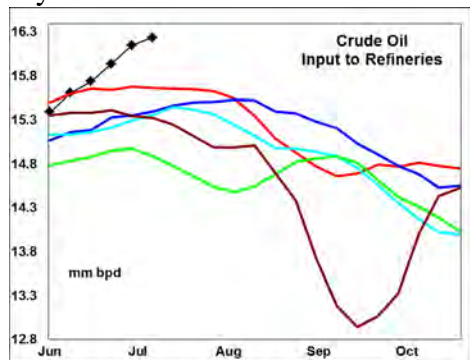
Distillate production increased last week to a new record high on extremely high crude oil runs.



The spike in production led to a

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

+3.9 million barrel stock build and lifted the seasonal stock build rate to a level comparable with the last 3-years.



Crude oil runs increased +119,000 bpd last week to a new record high. Imports remain extremely low, leading to a -6.9 million barrel crude oil stock draw for the week. Crude oil stock levels are now -2.7% below last years' record high. Crude oil stocks have now declined over -27 million barrels in the last 3-wks; a record decline.

**Demand** for gasoline plunged -0.6 million bpd last week, indicating the earlier high level was due in part to inclusion of a surge in exports. Wholesale demand, measured over the last four weeks compared to a year ago: gasoline increased +2.3%; distillate was +12% higher; jet fuel was +1.3% higher, and residual increased +7%.

**Stocks forward coverage:** Gasoline demand coverage increased on a +3.1 million barrel stock build and -0.6 million bpd drop in wholesale demand. Coverage remains well above the 5-year range.

Distillate coverage increased on a +3.9 million barrel stock build, partially offset by robust demand. Coverage levels were near historic lows.

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

Residual fuel oil coverage was nearly unchanged on the week.

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

**Refinery utilization** rates increased last week on a +119,000 bpd rise in crude oil runs. During the latest 4-wk period crude oil input was +390,000 bpd above a year ago.

Gasoline yield % on crude oil runs fell on a -539,000 bpd drop in output compared to the +119,000 bpd rise in crude oil runs. Yield % on crude oil runs ended the week at a record low.

Distillate yield % on crude oil runs were near unchanged on a +44,000 bpd rise in output compared to the 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 fell on a -85,000 bpd decrease in output, compared to the increase crude oil input. The yield % level fell below the 5-year range.

**Petroleum Imports/Exports:** Imports of crude oil and refined fuels were each modestly higher last week.

During the latest 4-wk period crude oil imports were -1.1 million bpd below last year; distillate imports increased +15,000 bpd; finished gasoline imports increased +33,000 bpd, gasoline blend stock imports were -168,000 bpd lower; jet fuel imports increased +80,000 bpd, while residual fuel oil imports were -57,000 bpd lower.

During the latest 4-wk period exports of gasoline were -79,000 bpd below last year, jet fuel was +34,000 bpd higher and distillate exports fell -267,000 bpd. (Weekly estimates are updated the 3<sup>rd</sup> week of each month – with new estimates next week.)

**Crude Oil** stocks fell -6.9 million barrels last week, on record high crude oil runs and continued extremely low imports. Stocks ended the week -10.4 million barrels below last year's record level (-2.7%). Stock levels ended the week -1% below last year in Cushing.



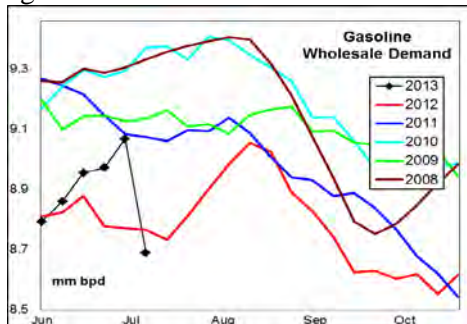
## WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

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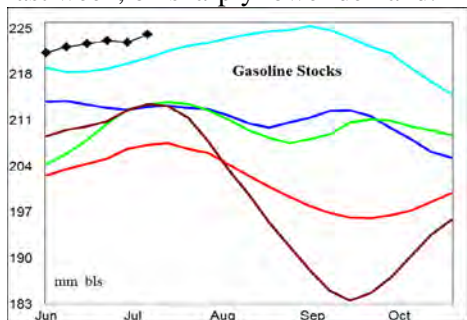
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#### Product Supply-Demand Trends

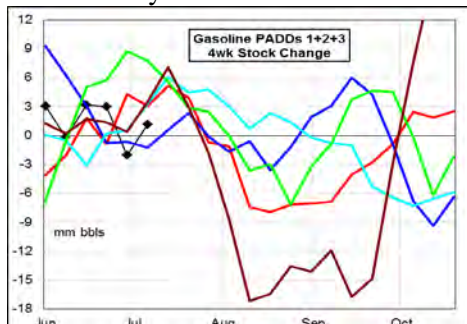
**Gasoline** wholesale demand plunged last week by -0.6 million bpd. The sharp drop points to a short term surge in imports being included in the demand estimate. The latest 4-wk average demand was +206,000 bpd above a year ago. Supply fell -315,000 bpd last week on a sharp drop in production partially offset by higher imports. Supply for the latest 4-wk period was +100,000 bpd above a year ago.



Stocks increased +3.1 million barrels last week, on sharply lower demand.



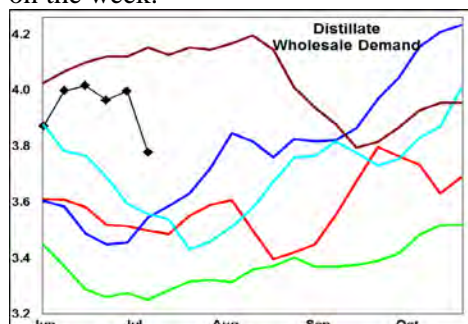
The latest 4-wk stock change in markets East of the Rockies was a -2 million barrel draw, a record draw for this time of year.



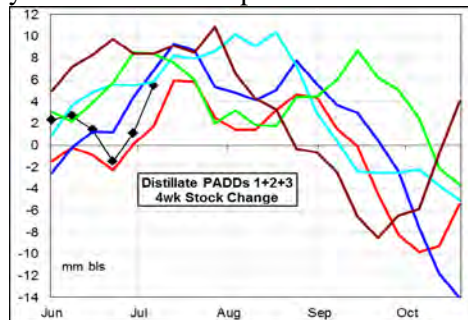
A downward adjustment in demand points to an earlier jump in exports being included in the demand estimate. Look for a seasonal stock build during the next 3-wks, then a seasonal draw in

August and September. Stock levels remain very high PADDs 1 & 3.

**Distillate** demand decreased -26,000 bpd on the week, to a level still above four of the last 5-years. The high level of demand likely includes some increase in exports. The latest 4-wk average demand was +430,000 bpd above a year ago. Supply increased +93,000 bpd last week to a new record high. The latest 4-wk average supply was +294,000 bpd above last year. Stocks increased +3.9 million barrels on the week.



The latest 4-wk stock change in markets East of the Rockies was a +5.8 million barrel build, slightly above last years' build for the period.



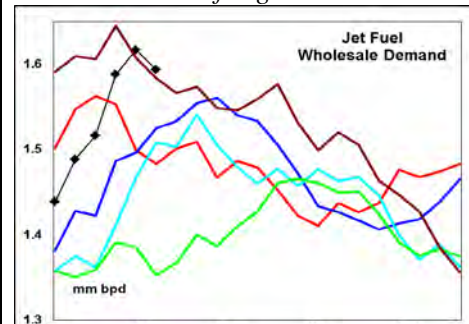
The recent spike in production has offset the surge in demand, so that seasonal stock builds are near the average of the last 3-years.

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

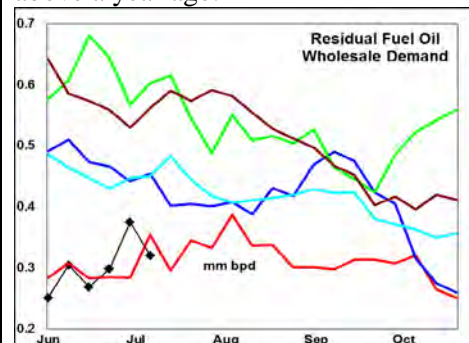
**Jet Fuel** wholesale demand decreased -33,000 bpd last week, with the level matching 5-year highs. The high level of demand appears to include an increase in exports. The latest 4-wk average demand was +21,000 bpd above last year.

Supplies decreased -33,000 bpd on the week, with production near the average of the last 3-years and imports above the 5-year range. Supply for the latest 4-wk period was +50,000 bpd above a year ago. Stocks fell below the 5-year range.

Look for demand to pull back from current near record levels. 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 decreased -14,000 bpd last week. Demand for the latest 4-wk period was +23,000 bpd above a year ago.



Supply (production + imports) increased +152,000 bpd last week, on higher imports and production. Production levels match 5-year lows while imports remain below the historic range. Stock levels match the average of the last 3-years.

Stock levels remain above the 5-year range in both the Midwest and Gulf regions. Imports spiked on the west coast last week to record levels. Demand for the latest 4-wk period continues to track year ago levels.





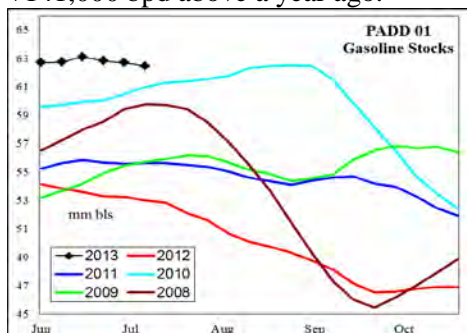
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#### PADD Supply Trends

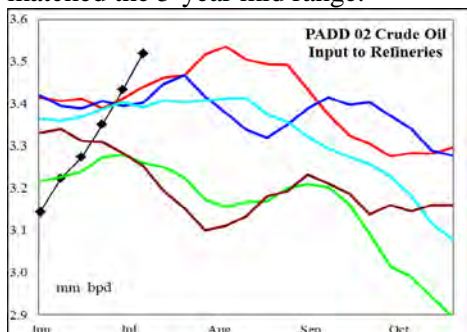
**PADD 1** refinery crude oil runs increased +31,000 bpd last week, to a level +14% above last year. The latest 4-wk average crude oil thru put was +141,000 bpd above a year ago.



Gasoline supply decreased -28,000 bpd on a drop in production that was nearly offset by higher imports. Stocks declined -0.2 million barrels last week, although the level remains above the 5-year range.

Distillate supply increased +6,000 bpd on the week. Stocks fell -0.8 million barrels with ULSD stock levels near the 5-year high.

Jet fuel stocks jumped +0.5 million barrels last week, to a level that matched the 5-year mid range.



**PADD 2** crude oil refinery runs increased +110,000 bpd on the week, with the level above the 5-year range. Runs for the latest 4-wk period were +7,000 bpd above prior 5-year highs. Crude oil stocks fell -1.4 million barrels last week, driven by the record refinery runs. Stocks ended the week nearly unchanged from a year ago for the entire region and Cushing.

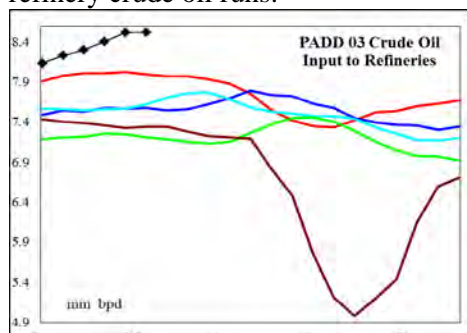
Gasoline production fell -183,000 bpd on the week, to a level that matched 5-year lows. Stocks increased +0.3 million barrels although the level

remains below the 5-year range.

Distillate supply increased +66,000 bpd last week, to a new season high level. Stocks increased +1.2 million barrels on the week, to a level above the last 2-years.

Jet fuel production was nearly unchanged last week, at a level that matched 5-year highs. Stock levels remain below the 5-year range.

**PADD 3** refinery runs increased +21,000 bpd on the week with the level +6% above last year's record high. During the latest 4-wk period, average runs were +454,000 bpd above a year ago. Crude oil stocks fell -6.1 million barrels last week, driven by extremely low imports and record refinery crude oil runs.



Gasoline supply declined -152,000 bpd on the week, to a level near the average of the last 2-years. Stocks increased +2.1 million barrels with the level well above the 5-year range.

Distillate supply decreased -49,000 bpd last week, with the level +9% above last years' record high. The latest 4-wk average supply was +205,000 bpd above last year. Stocks increased +2.9 million barrels on the week, with the level above a year ago.

Jet fuel supply fell -59,000 bpd on the week, with production above the average of the last 3-years. Stock levels fell below the 5-year range.

Residual fuel oil supplies increased +65,000 bpd to a level year last year. Stock levels ended the week +17% above a year ago, and a record high.

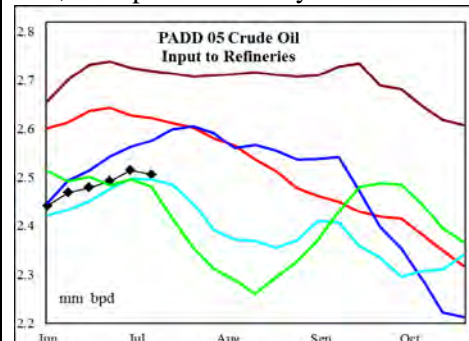
**PADD 4** refinery crude runs increased +9,000 bpd on the week, ending the week at a level which matched lows of the last 3-years.

Gasoline production jumped +36,000 bpd on the week, to a level near highs of the last 3-years. Stocks extended a seasonal build, but the level remains below the last 3-years.

Distillate production increased +20,000 bpd, although the level remains below the last 3-years. Stock levels ended the week comparable to the last 3-years.

Jet fuel production and stock levels ended the week with each comparable to the average of the last 3-years.

**PADD 5** crude oil refinery runs decreased -51,000 bpd on the week; to a level below the last 2-years. The latest 4-wk average run rate was -147,000 bpd below last year.




Gasoline supply fell -80,000 bpd on the week with production slightly below the last 2-years. The latest 4-wk average supply was +63,000 bpd above a year ago. Stocks jumped +0.8 million barrels on the week, to a level above the mid range.

Distillate supply increased +49,000 bpd, with production at a record high. The latest 4-wk average supply was unchanged from a year ago. Stocks increased +0.8 million barrels on the week, to a level that matched 5-year highs for the period.

Jet fuel supply decreased -3,000 bpd on the week, with the production falling below the 5-year range. Stocks fell -0.5 million barrels to a level below the 5-year range.

Residual fuel oil production remains below the 5-year range, partially offset by imports that surged to over 100,000 bpd on the week.



FUNDAMENTAL

PETROLEUM TRENDS

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PETROLEUM: Graph Link and Weekly Summary

A Fundamental Petroleum Trends Weekly Report

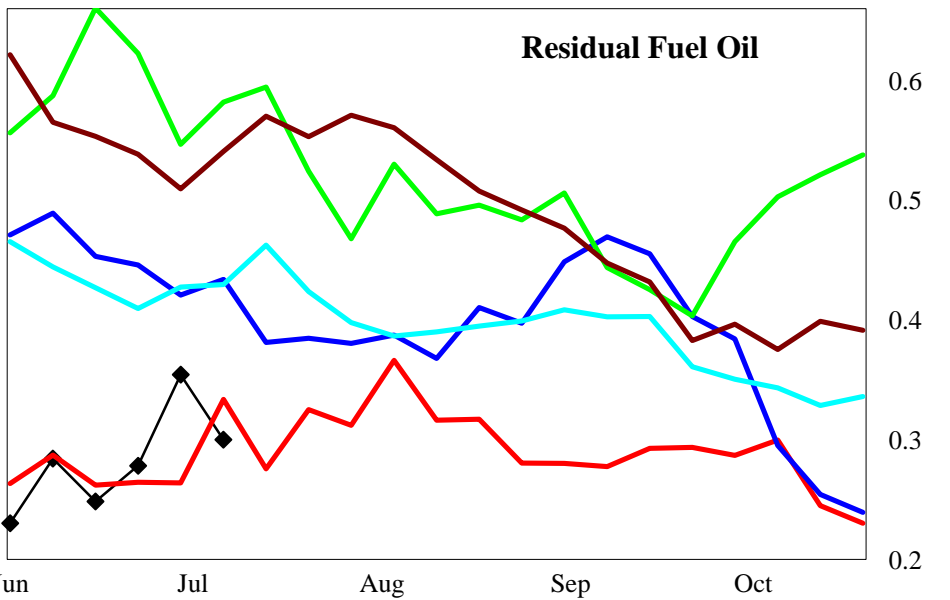
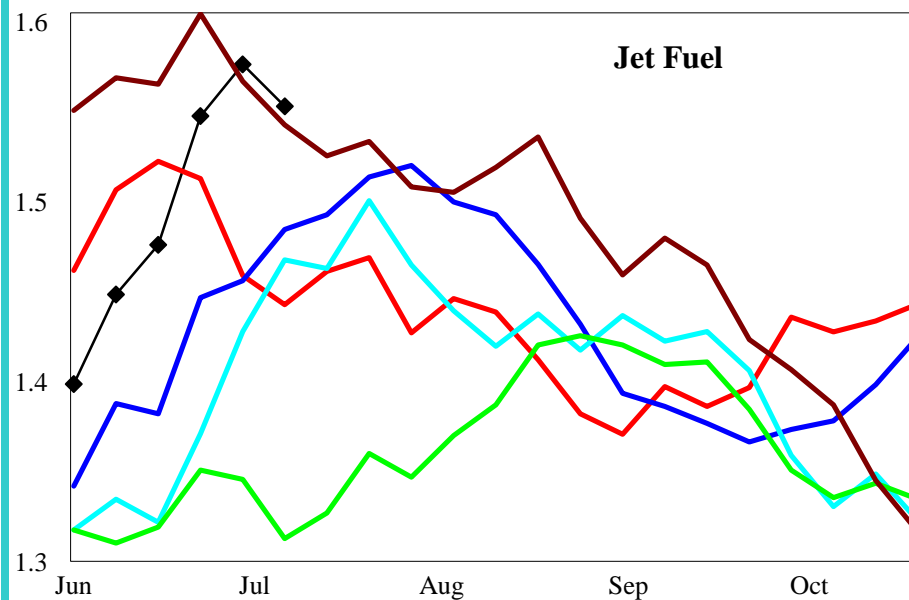
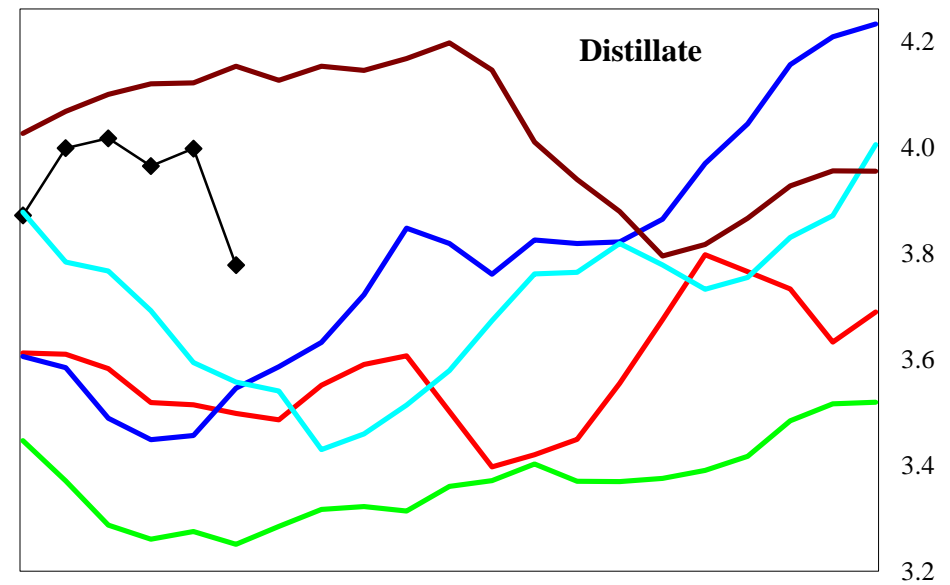
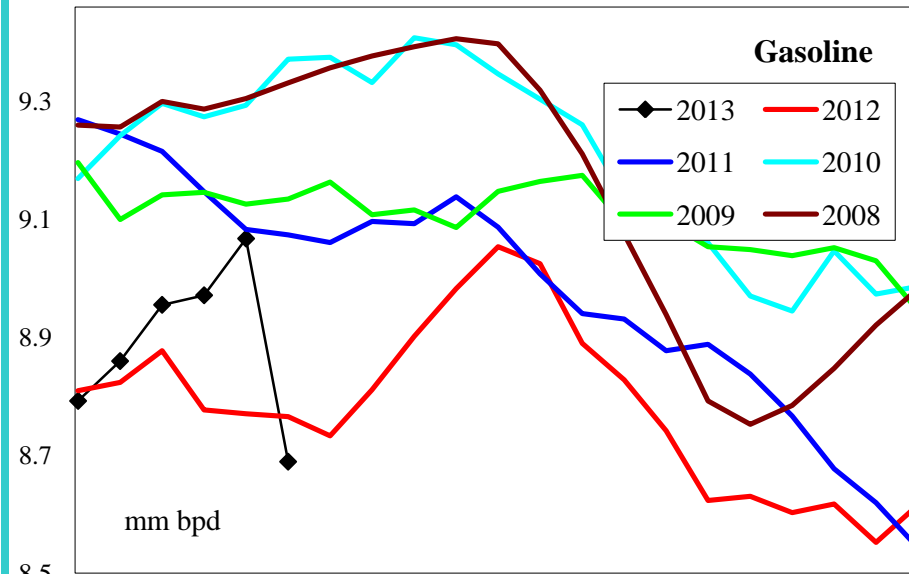
July 17, 2013

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Fundamental Trends	Wholesale Demand	Stocks Days Fwd Coverage	Refinery Utilization		Product Yield %			Imports
Supply/Demand Trends	12-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	-6,902	635	-1,407	-6,056	-303	231	
	Imports	180	27	81	132	6	-67	
	Input	119	31	110	21	9	-51	
	% Utilization	0.40						
Gasoline	Stocks	3,055	-159	257	2,058	81	818	
	Production	-539	-160	-183	-177	36	-146	
	Imports	224	132	1	25	0	66	
	Supplied	-570						
Distillate	Stocks	3,870	-792	1,246	2,874	-274	815	
	Production	44	-46	65	-49	20	54	
	Imports	49	52	1	0	0	-5	
	Supplied	-26						
Jet Fuel	Stocks	-559	546	201	-721	-41	-544	
	Production	-85	3	-6	-59	-2	-19	
	Imports	52	36	0	0	0	16	
	Supplied	-33						
Residual Fuel Oil	Stocks	265	-593	30	872	3	-47	
	Production	29	1	10	14	9	-6	
	Imports	123	-9	-1	51	1	82	
	Supplied	-14						

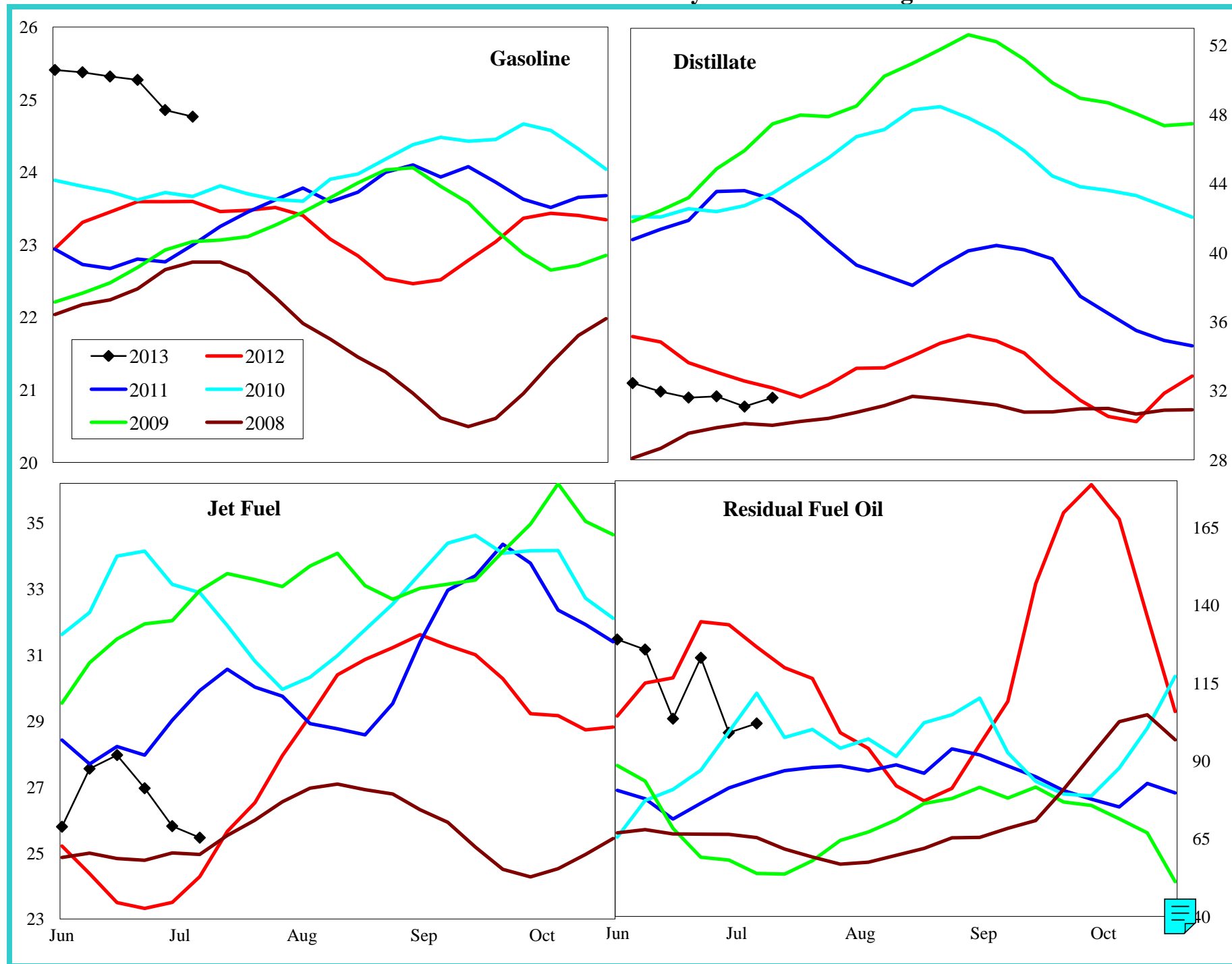
# United States Wholesale Petroleum Demand



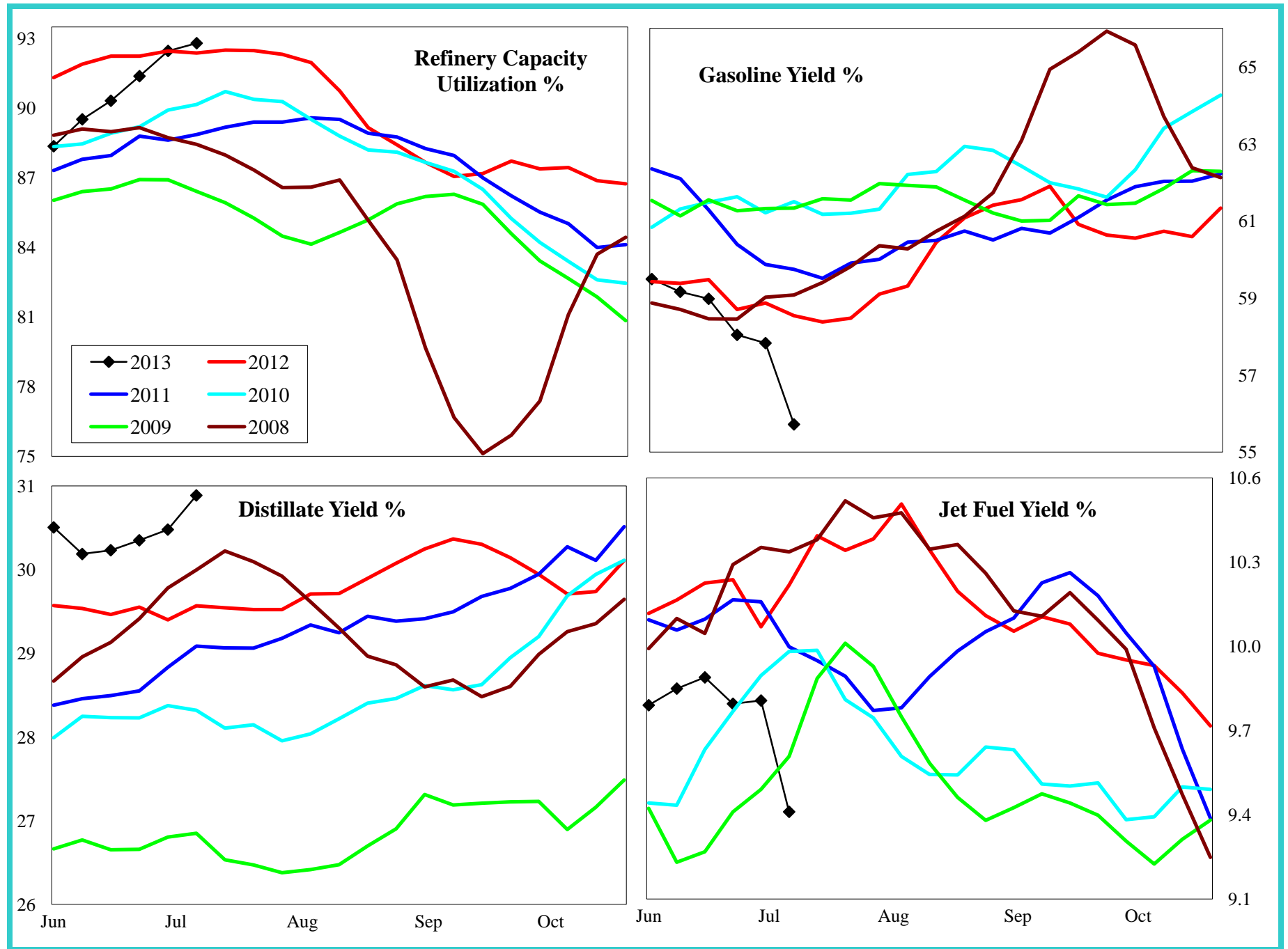
	000 bpd change from prior year				% change from prior year				
	4wk avg	Jun	May	Jan	4wk avg	Jun	May	Apr	
<b>Gasoline</b>	206	-116	-269	-51	2.3	-1.3	-3.0	-0.6	
<b>Distillate</b>	430	380	96	167	12.0	10.2	2.6	4.5	
<b>Jet Fuel</b>	21	-56	75	55	1.3	-3.6	5.3	4.0	
<b>Resid</b>	23	-100	111	-124	7.0	-26.9	37.8	-30.4	



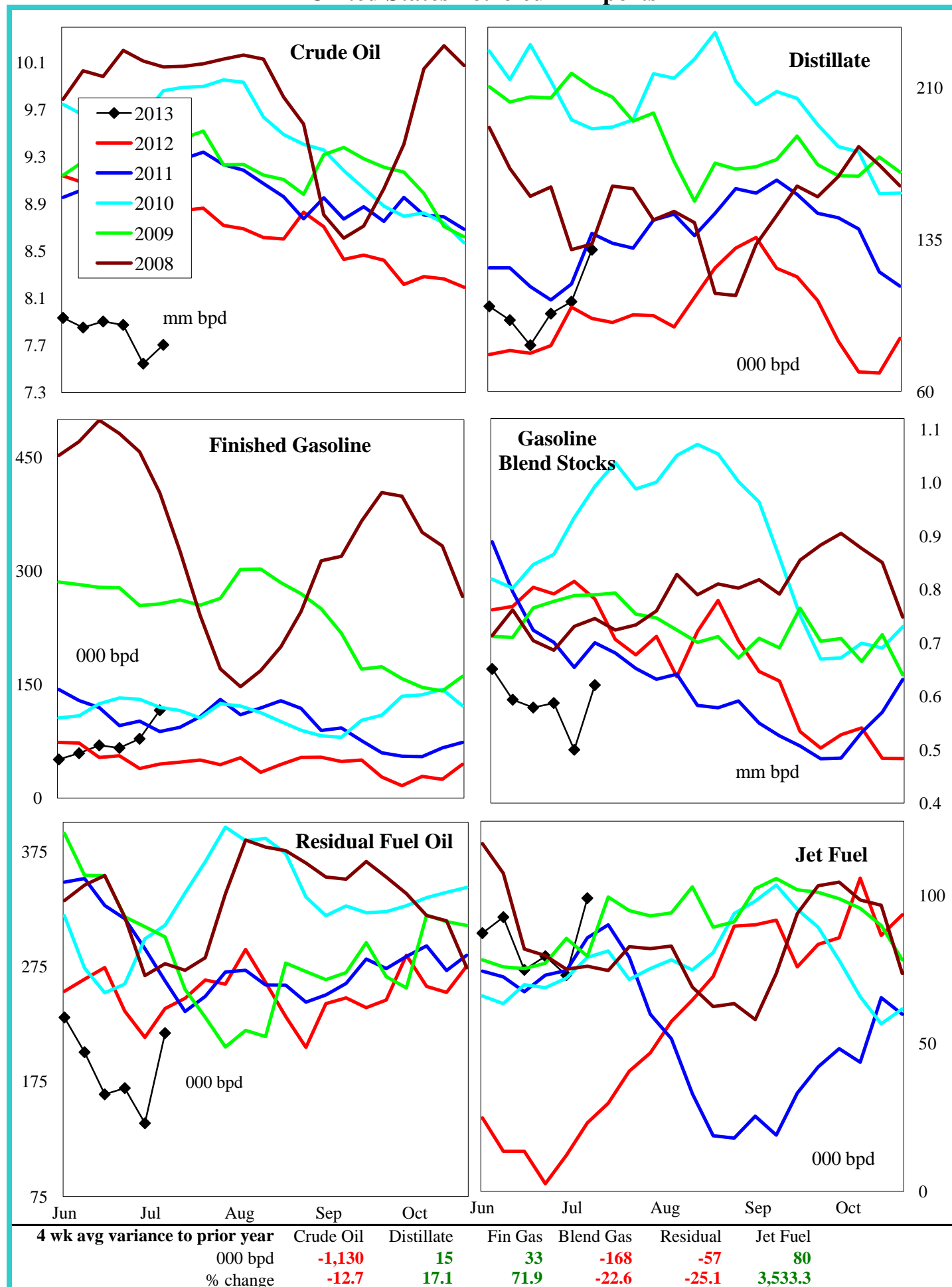
# United States Product Stocks: Days Forward Coverage



## United States Refinery Percent Utilization Rate and Product Yields

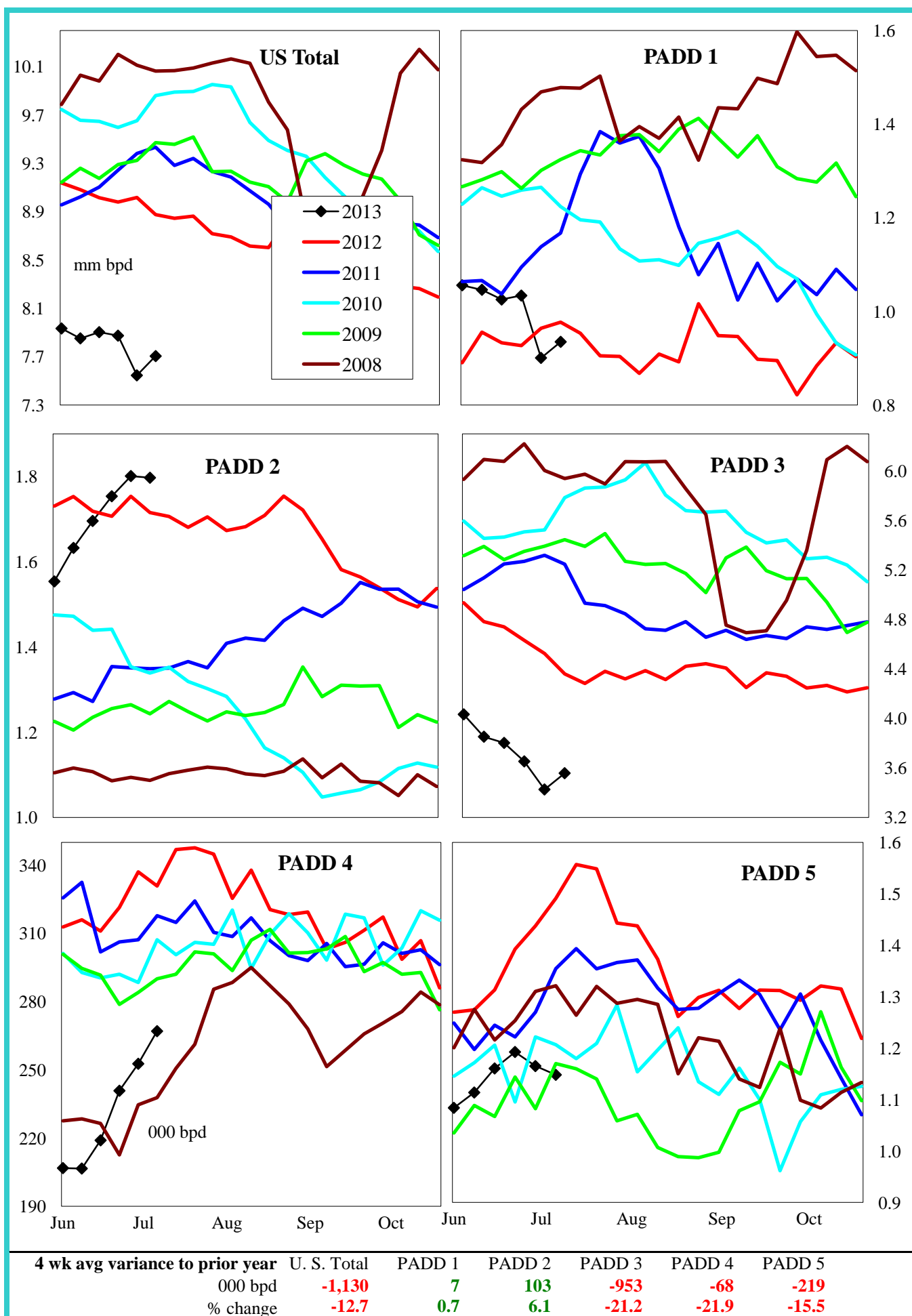


# United States Petroleum Imports

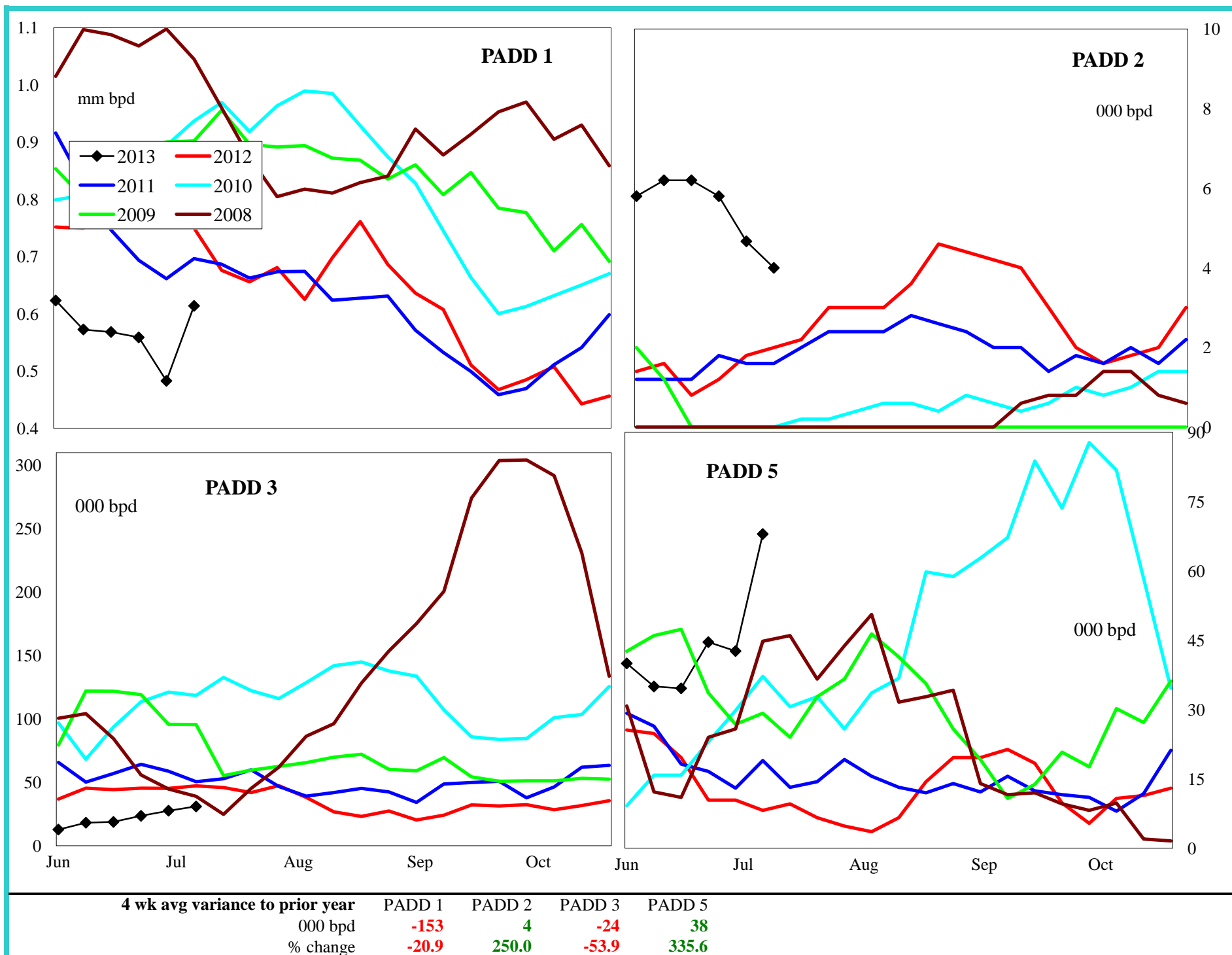




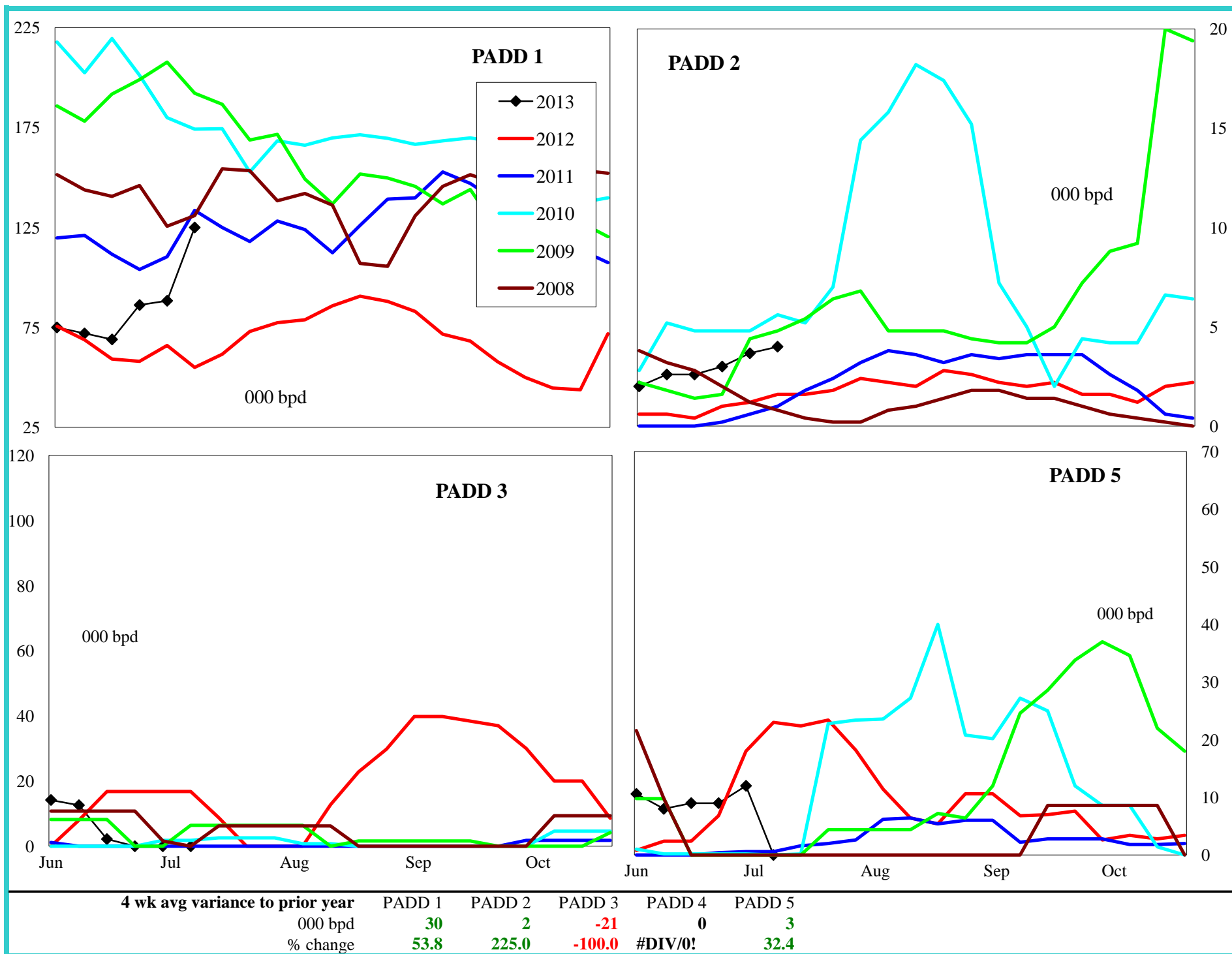
## Crude Oil Imports by PADD



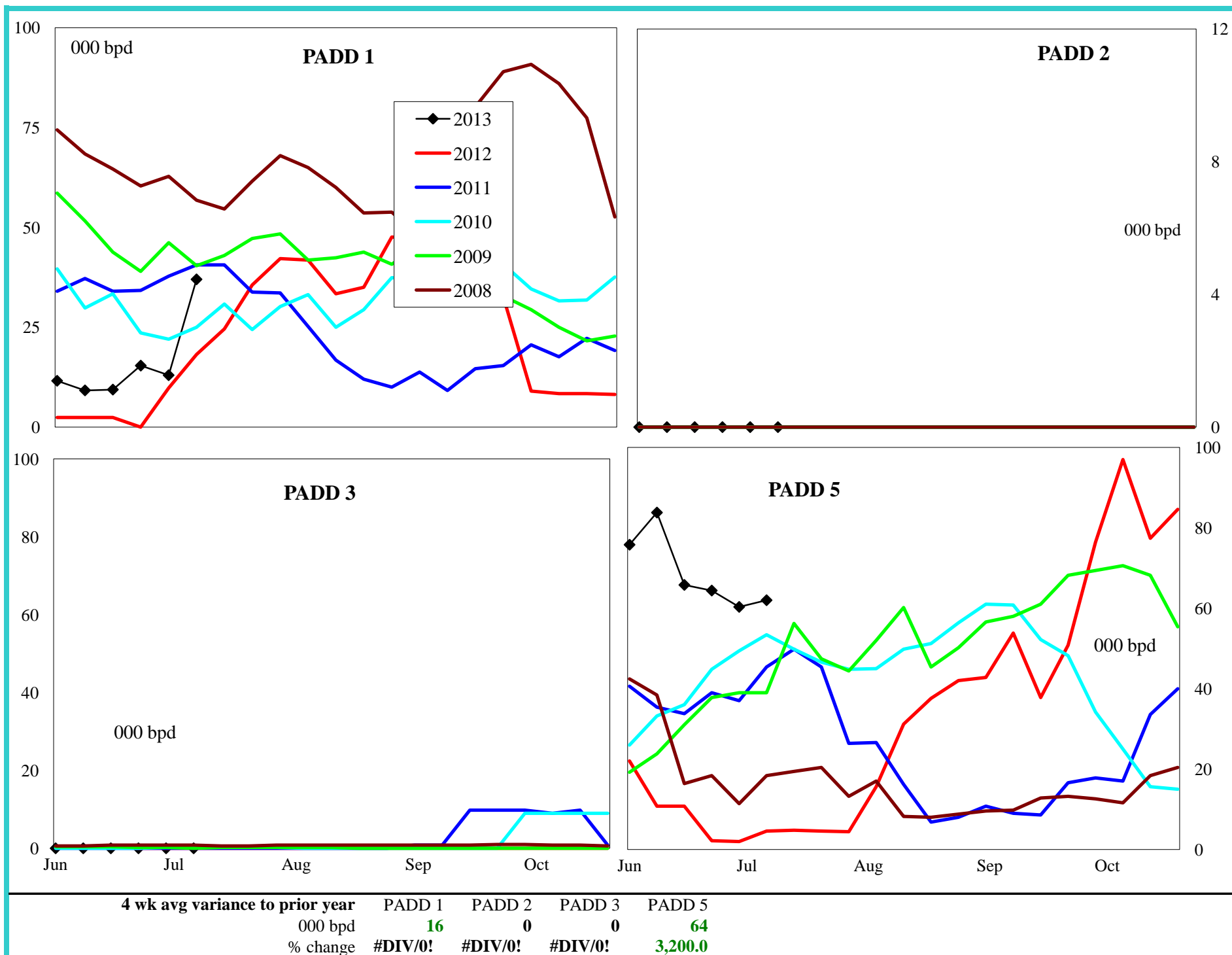
# Gasoline Imports by PADD (Finished + Blend Stocks)



# Distillate Imports by PADD

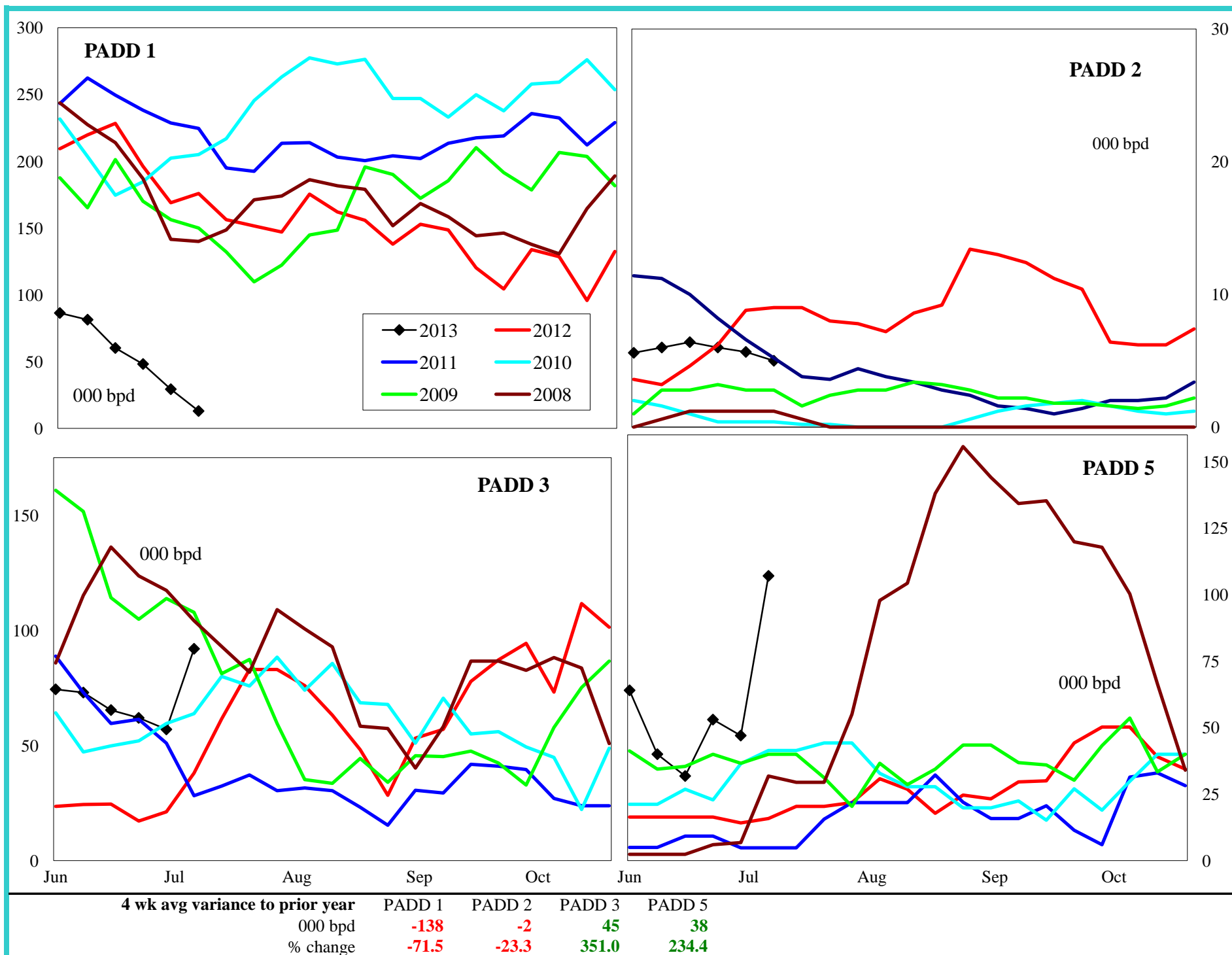


# Jet Fuel Imports by PADD

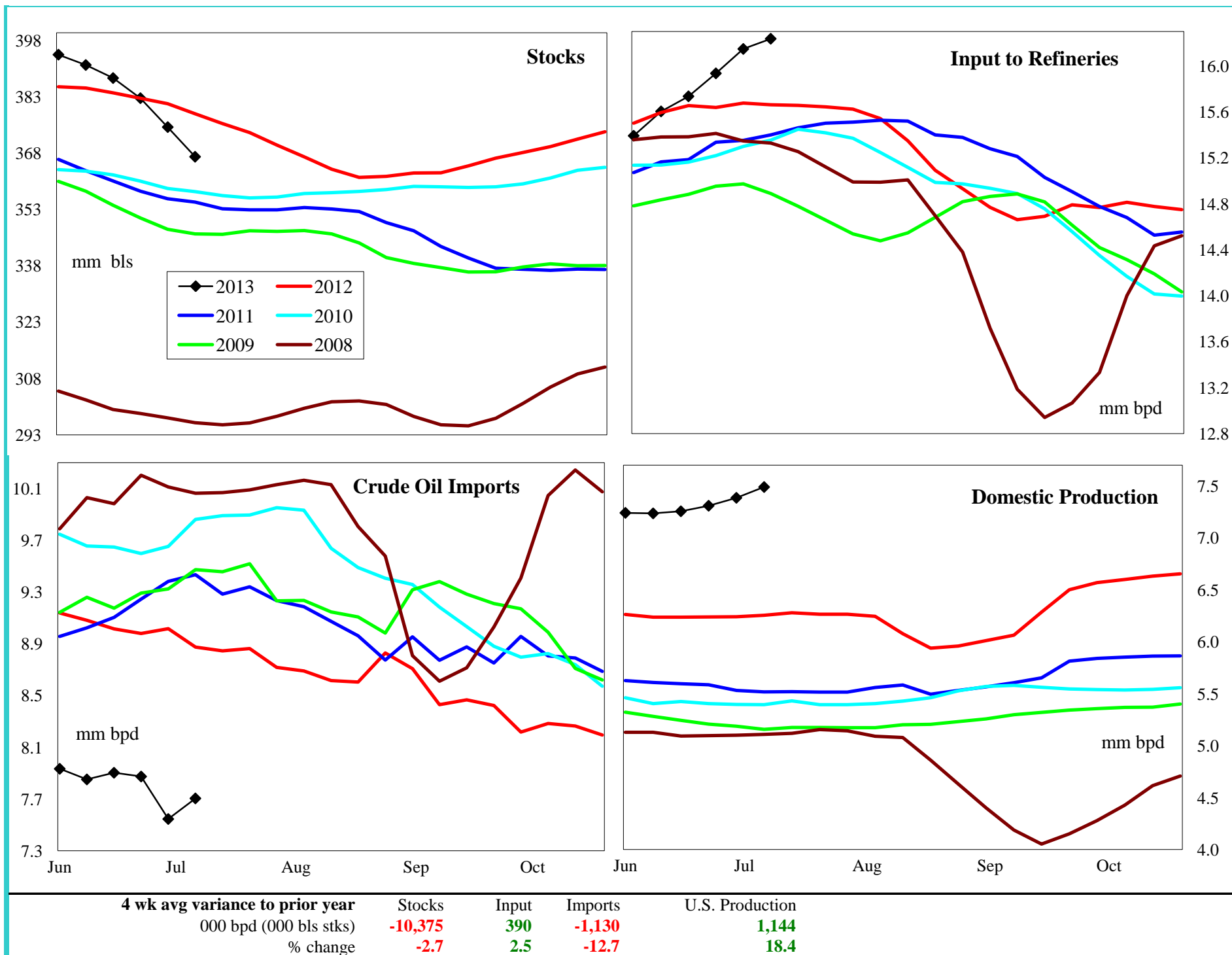




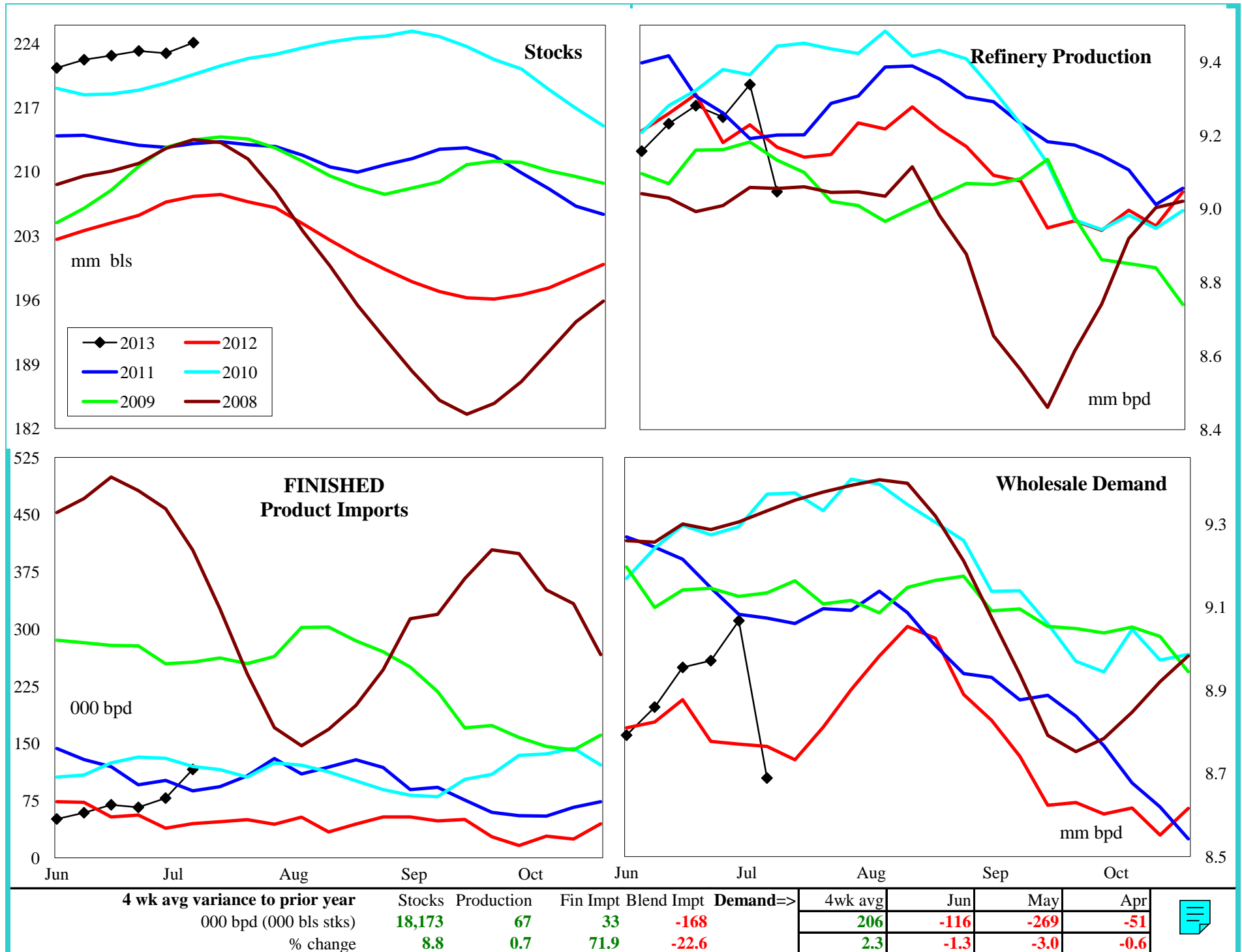
# Residual Fuel Oil Imports by PADD



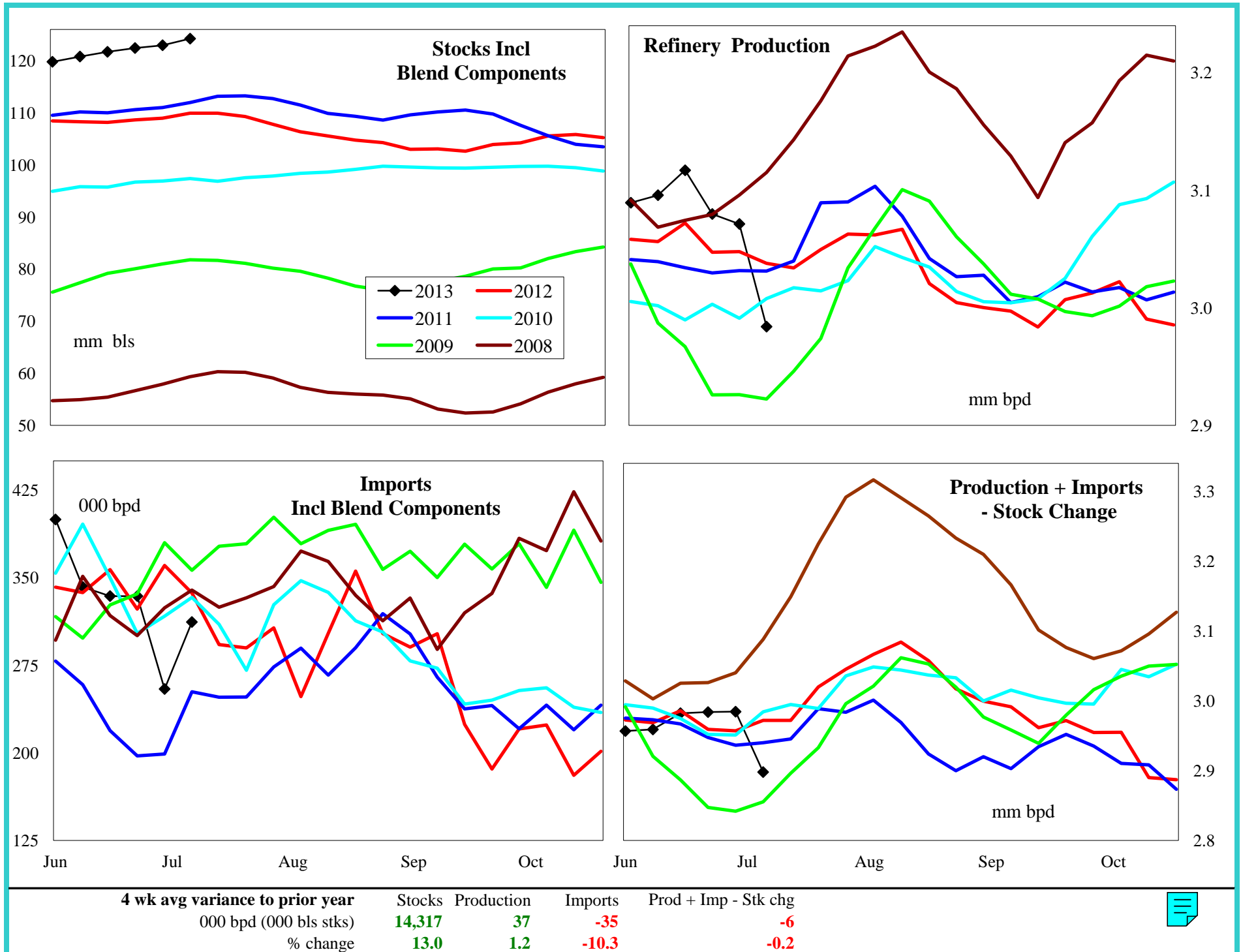
# United States Crude Oil Supply and Demand Balance



# United States Gasoline Supply and Demand Balance

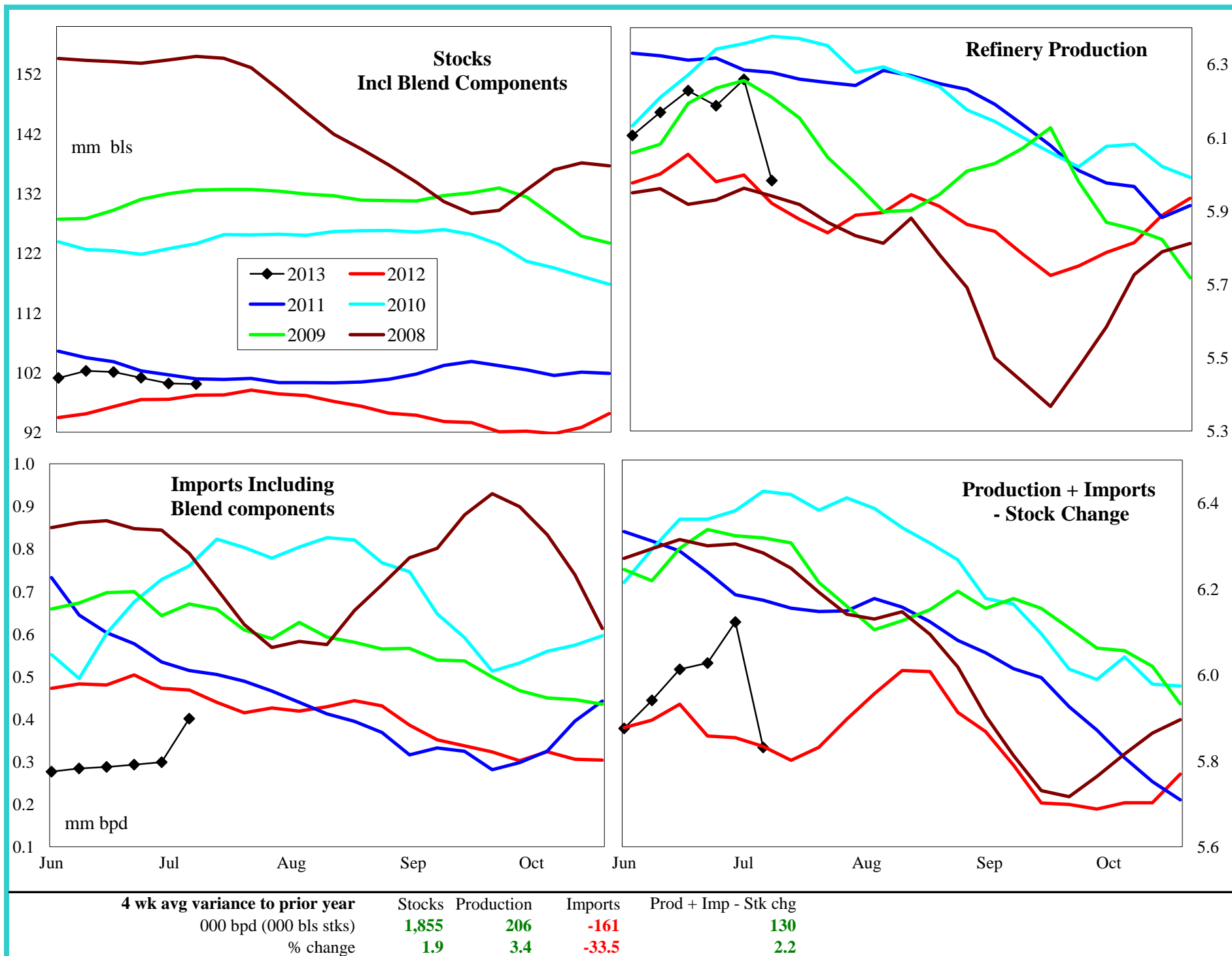


# United States Reformulated Gasoline Supply

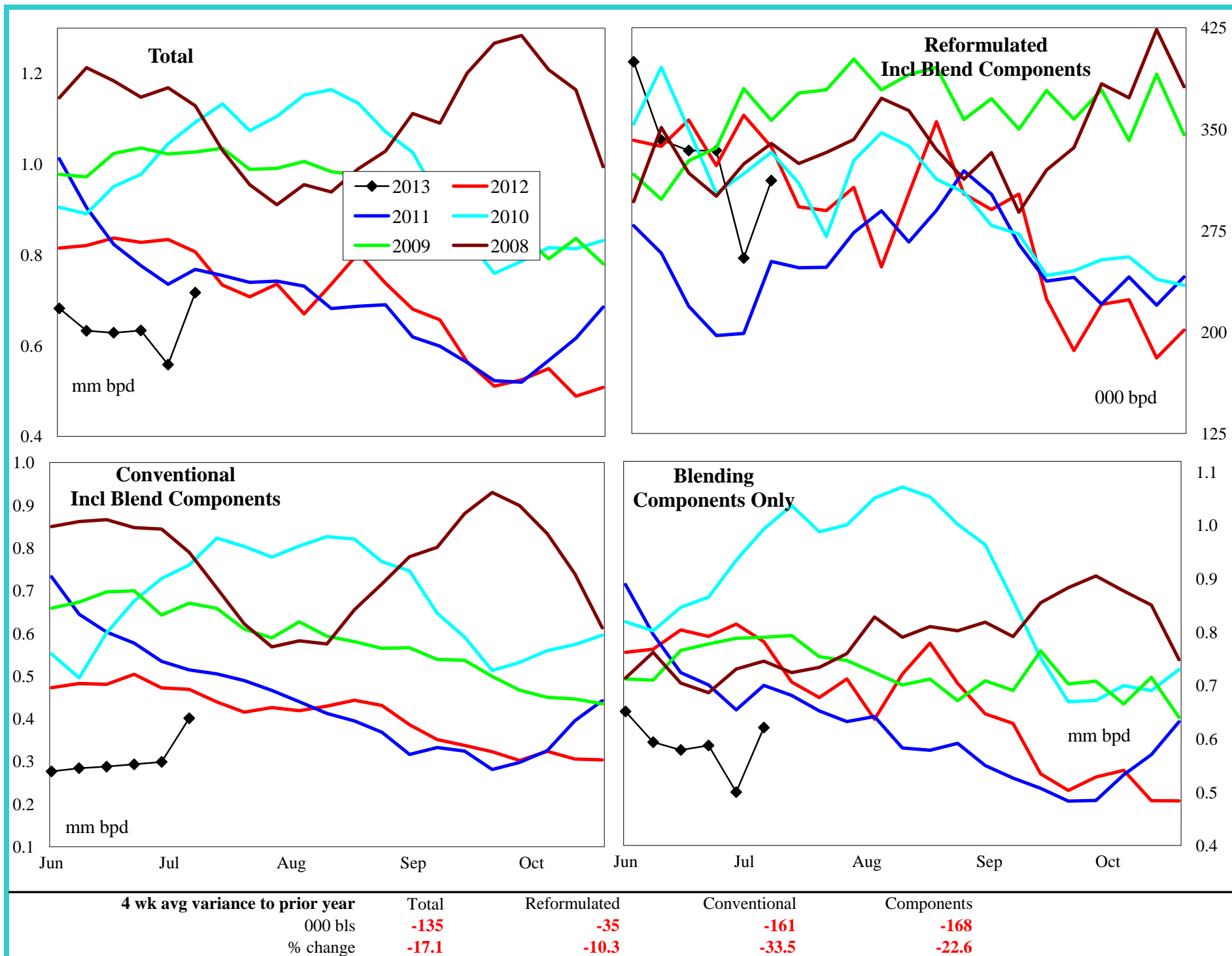




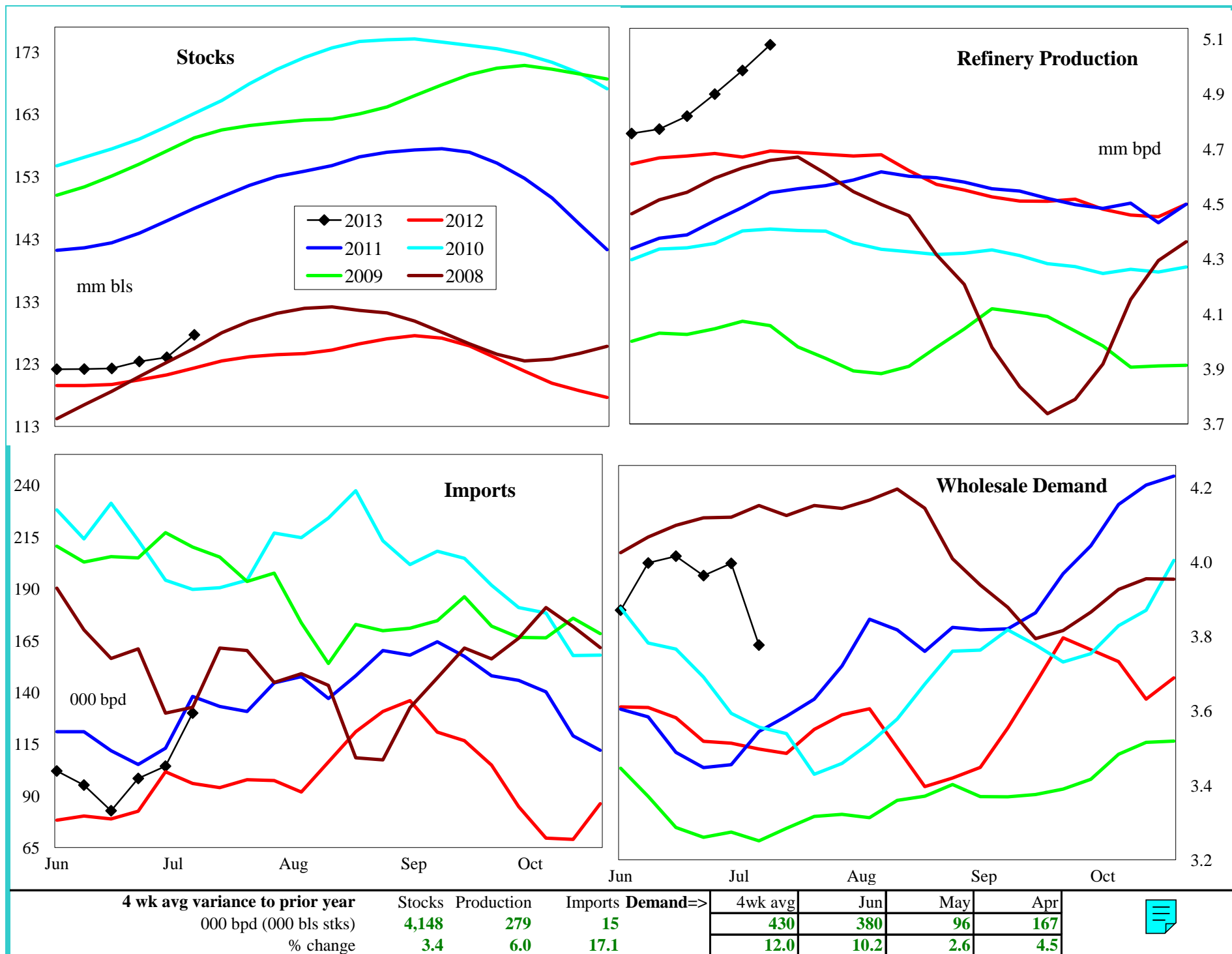
# United States Conventional Gasoline Supply



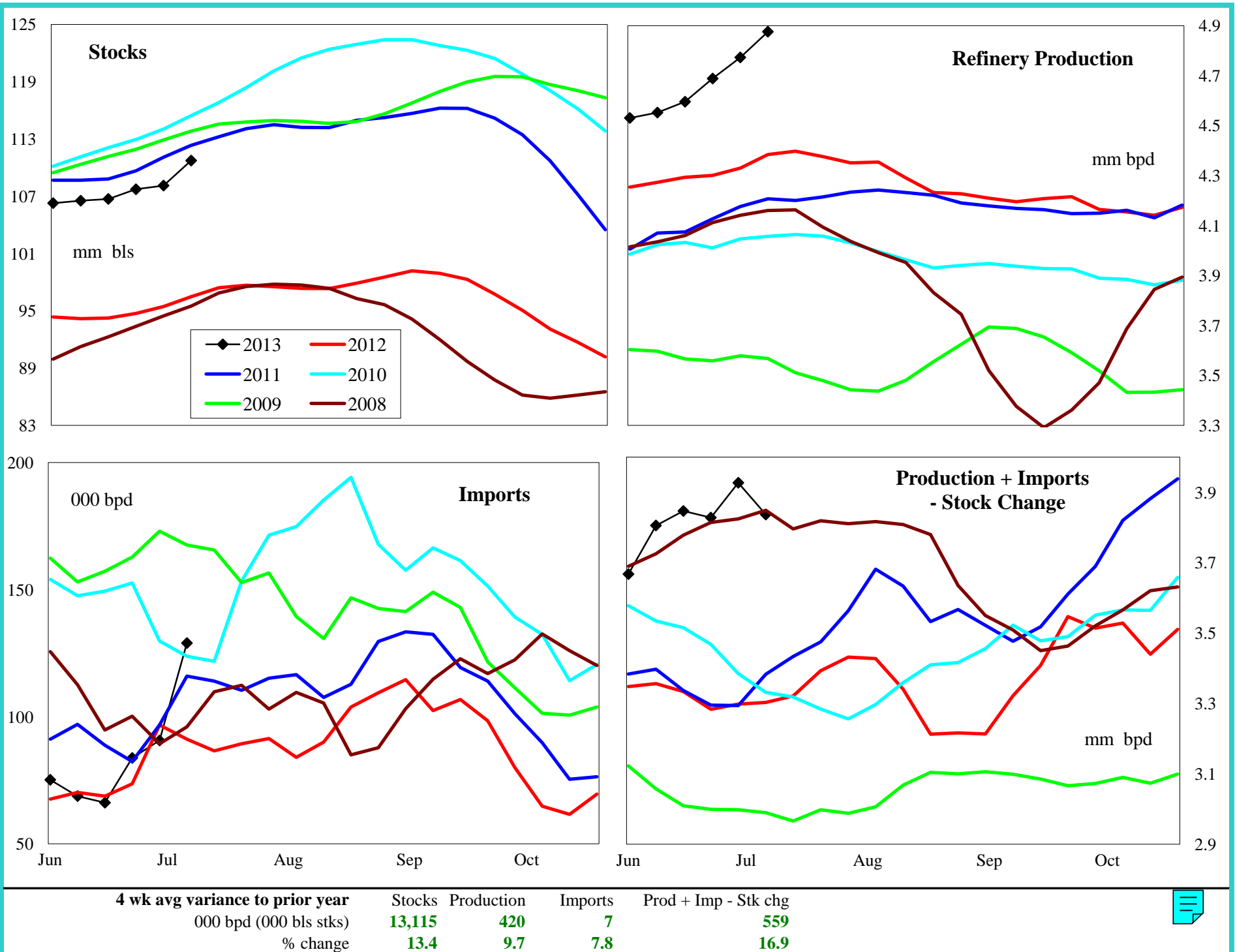
# United States Gasoline Imports by Type



# United States Distillate Supply and Demand Balance

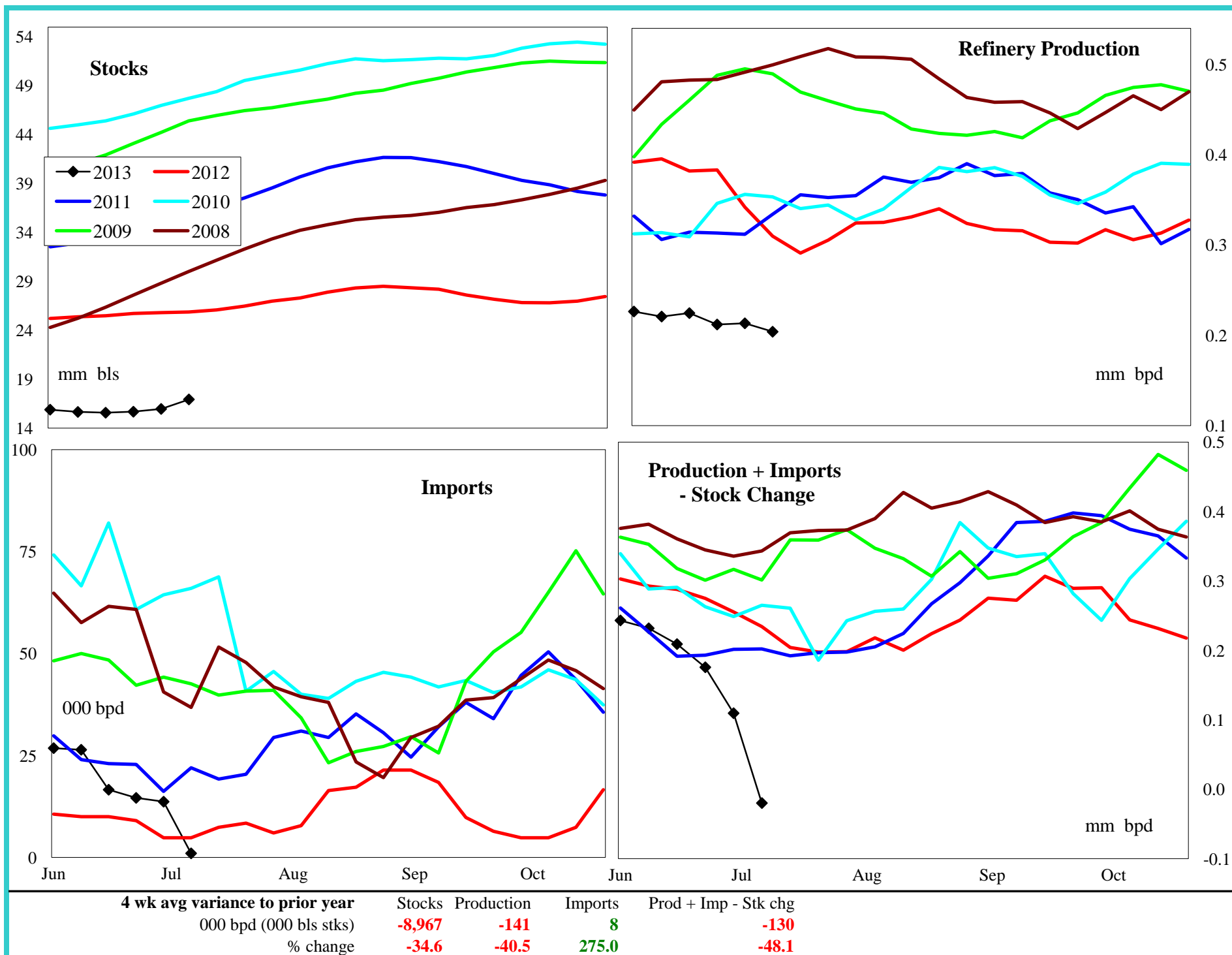


# United States Low Sulfur Distillate Supply

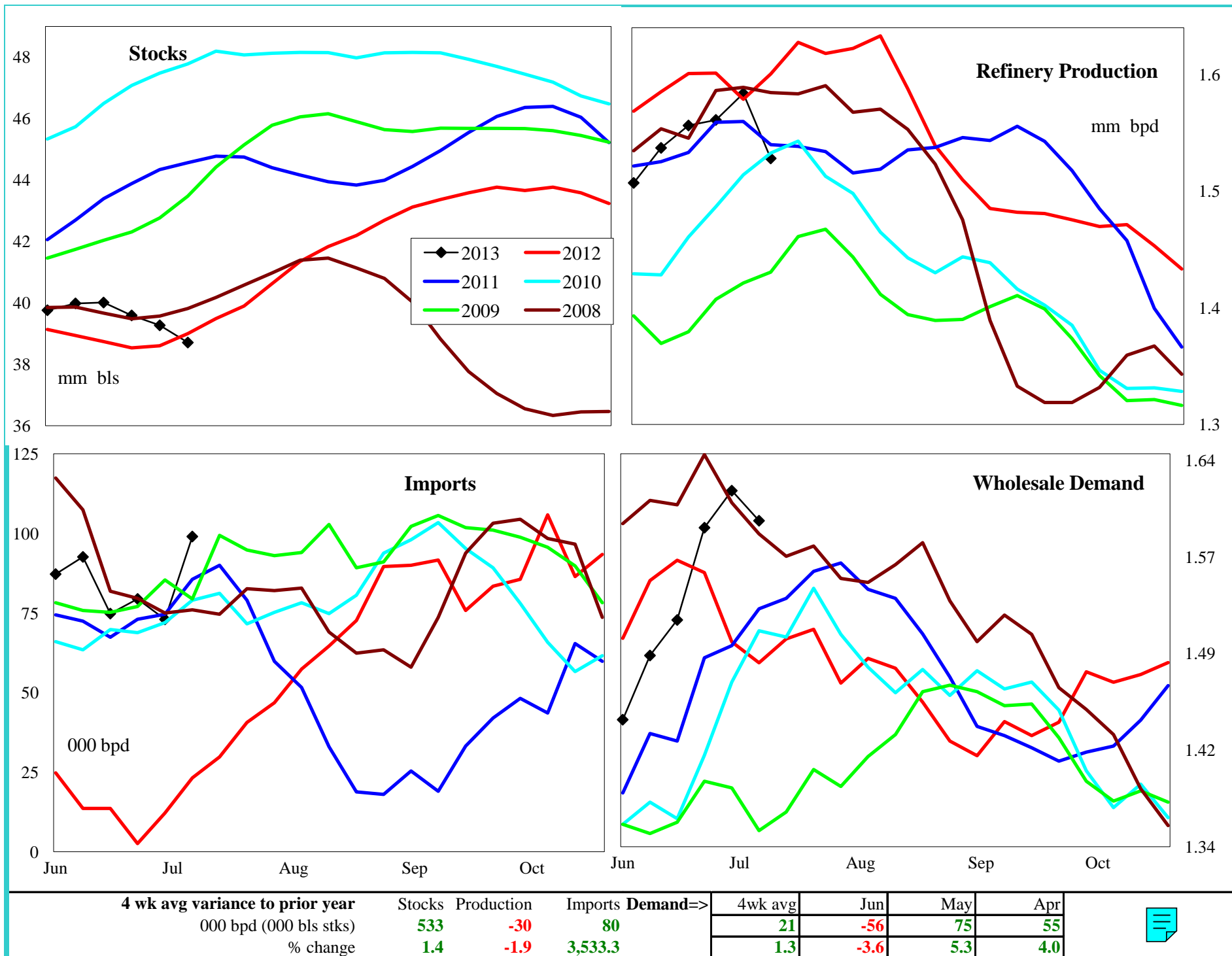




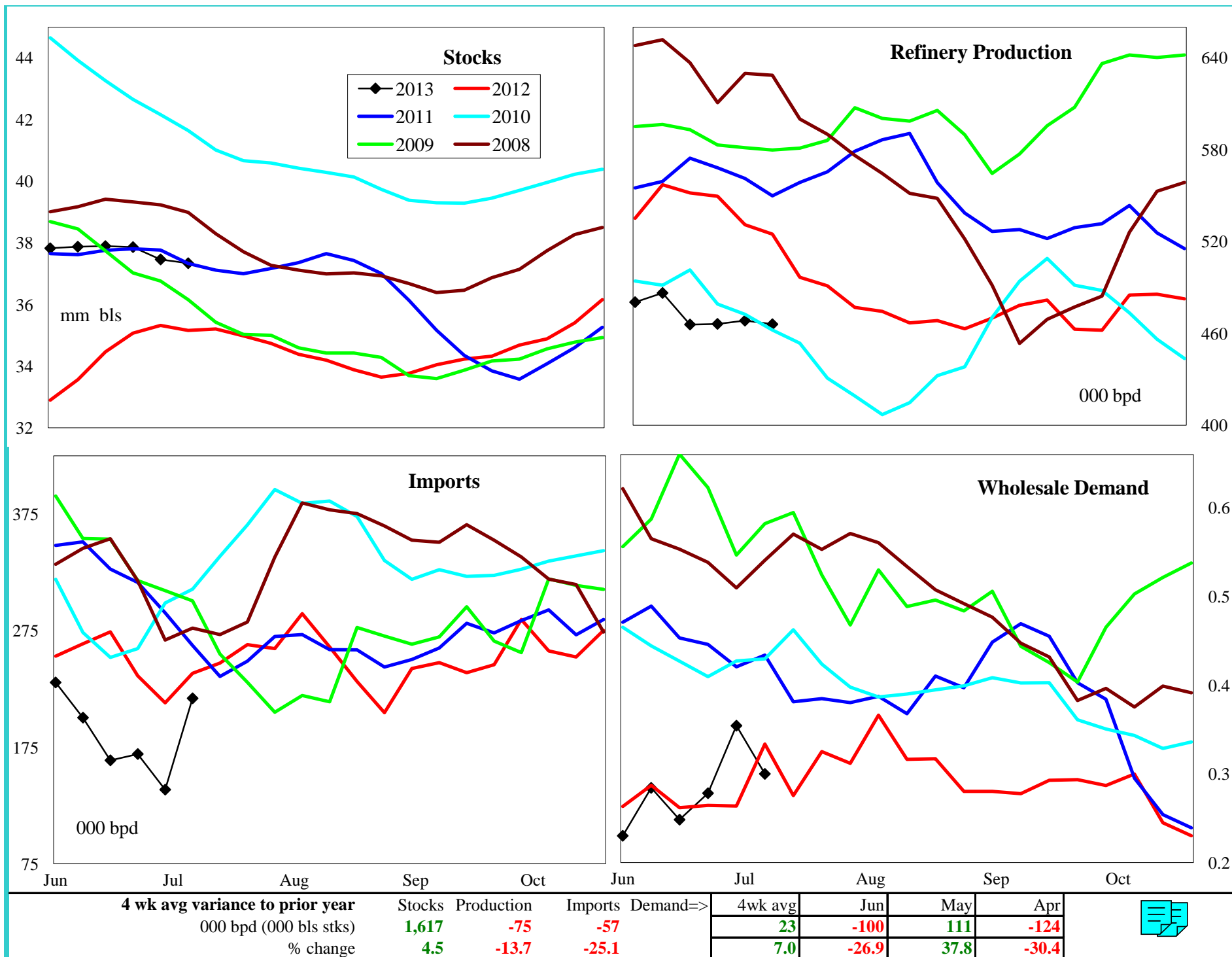
# United States High Sulfur Distillate Supply



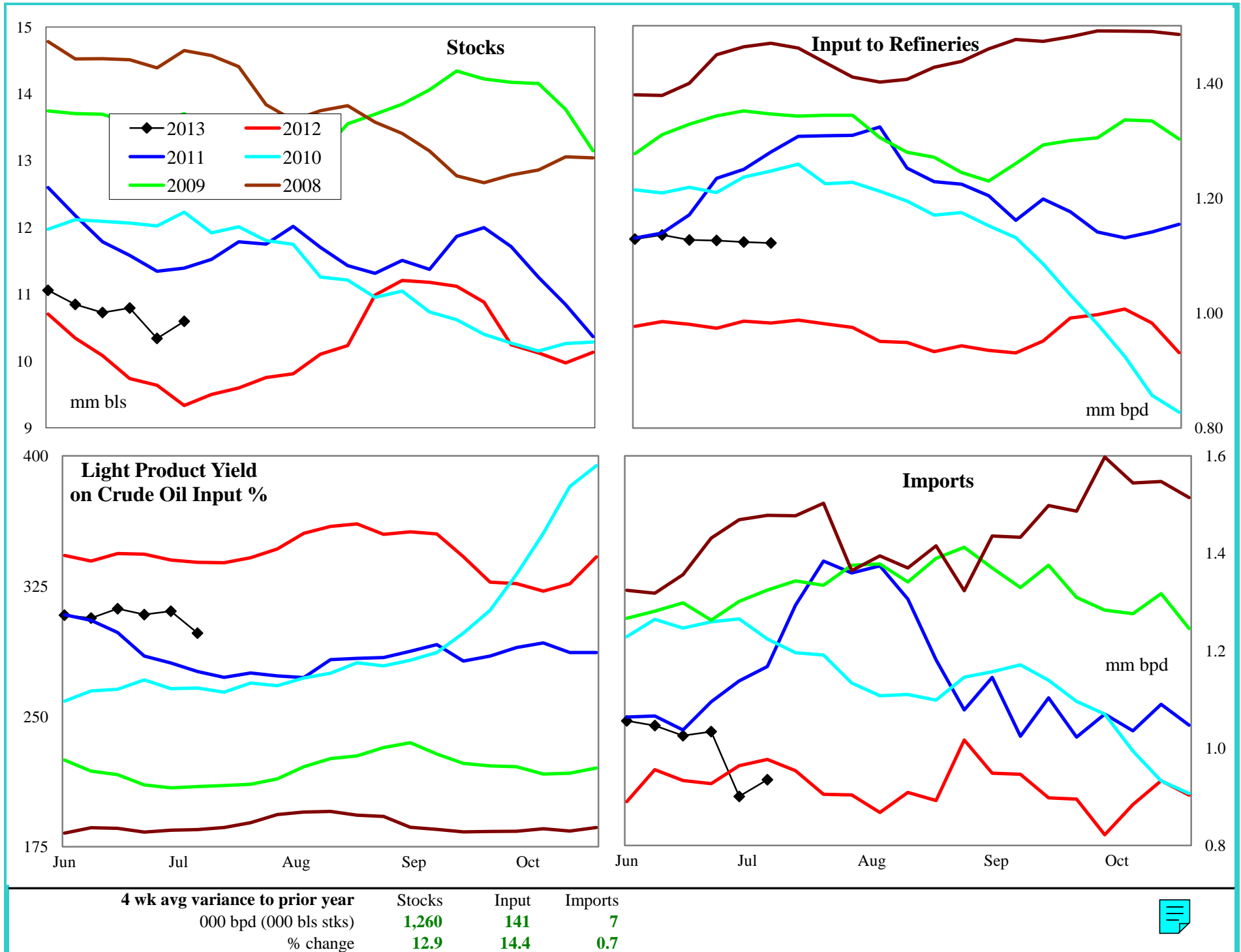
# United States Jet Fuel Supply and Demand Balance



# United States Residual Fuel Oil Supply and Demand Balance

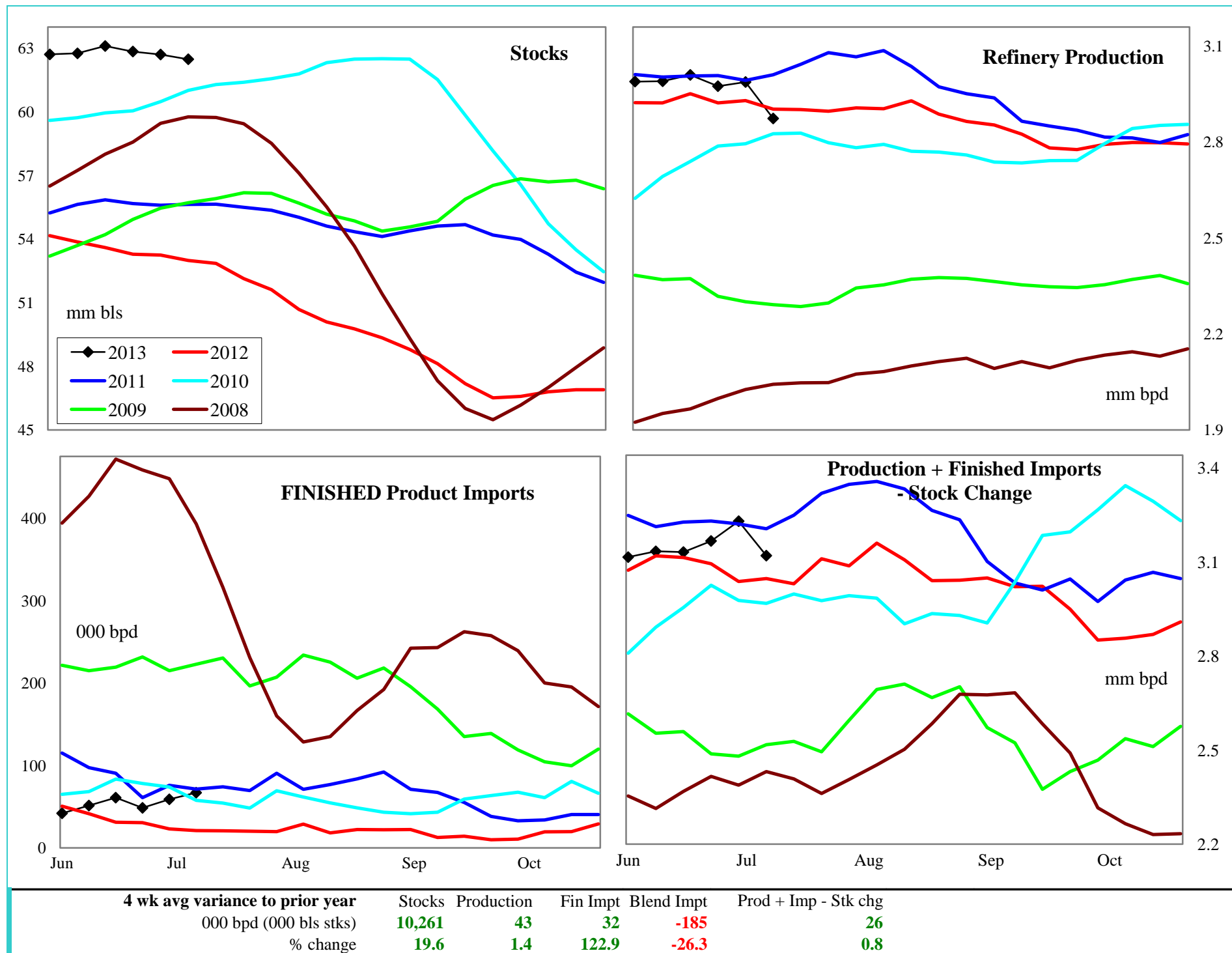


# PADD 1 Crude Oil Supply and Refining

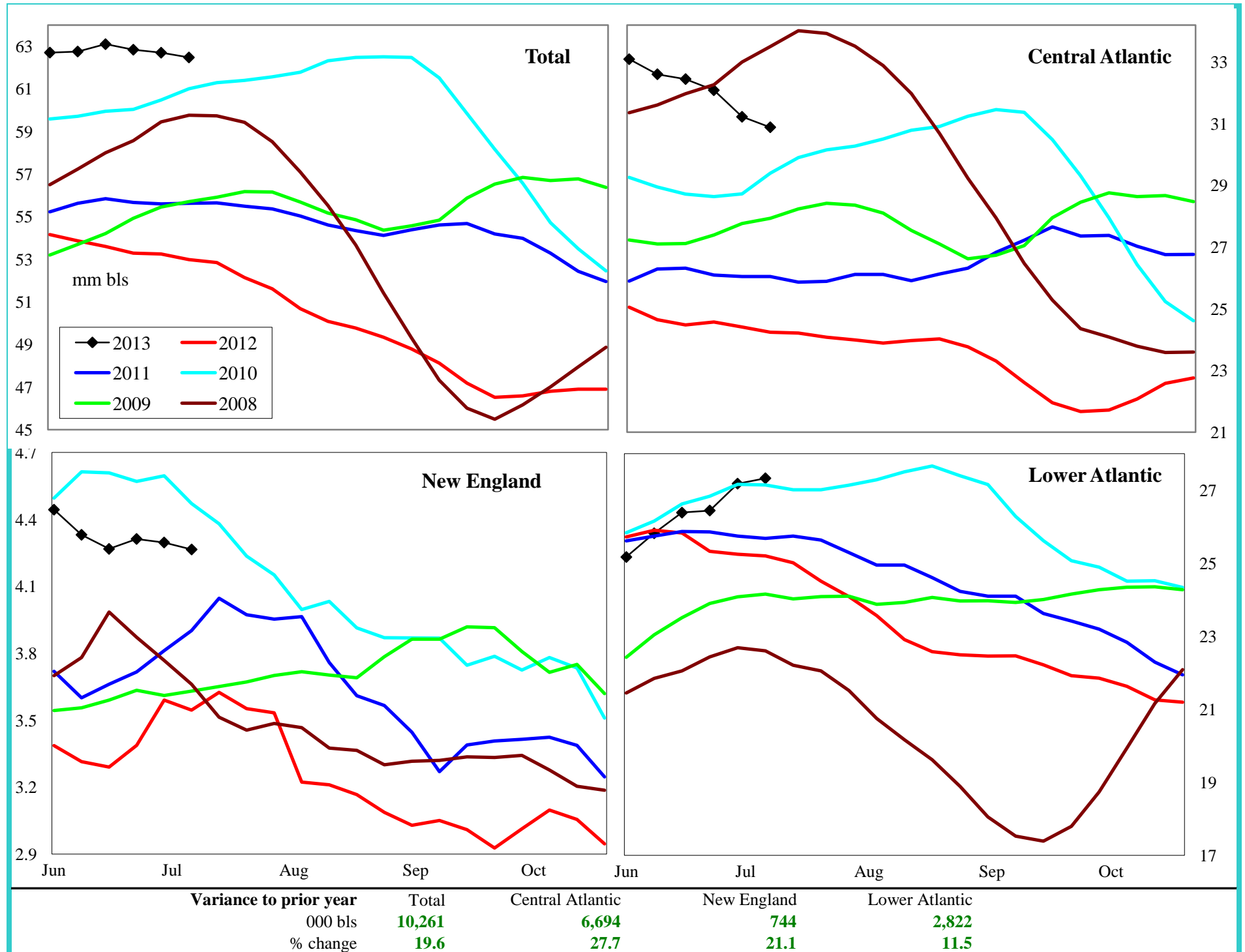




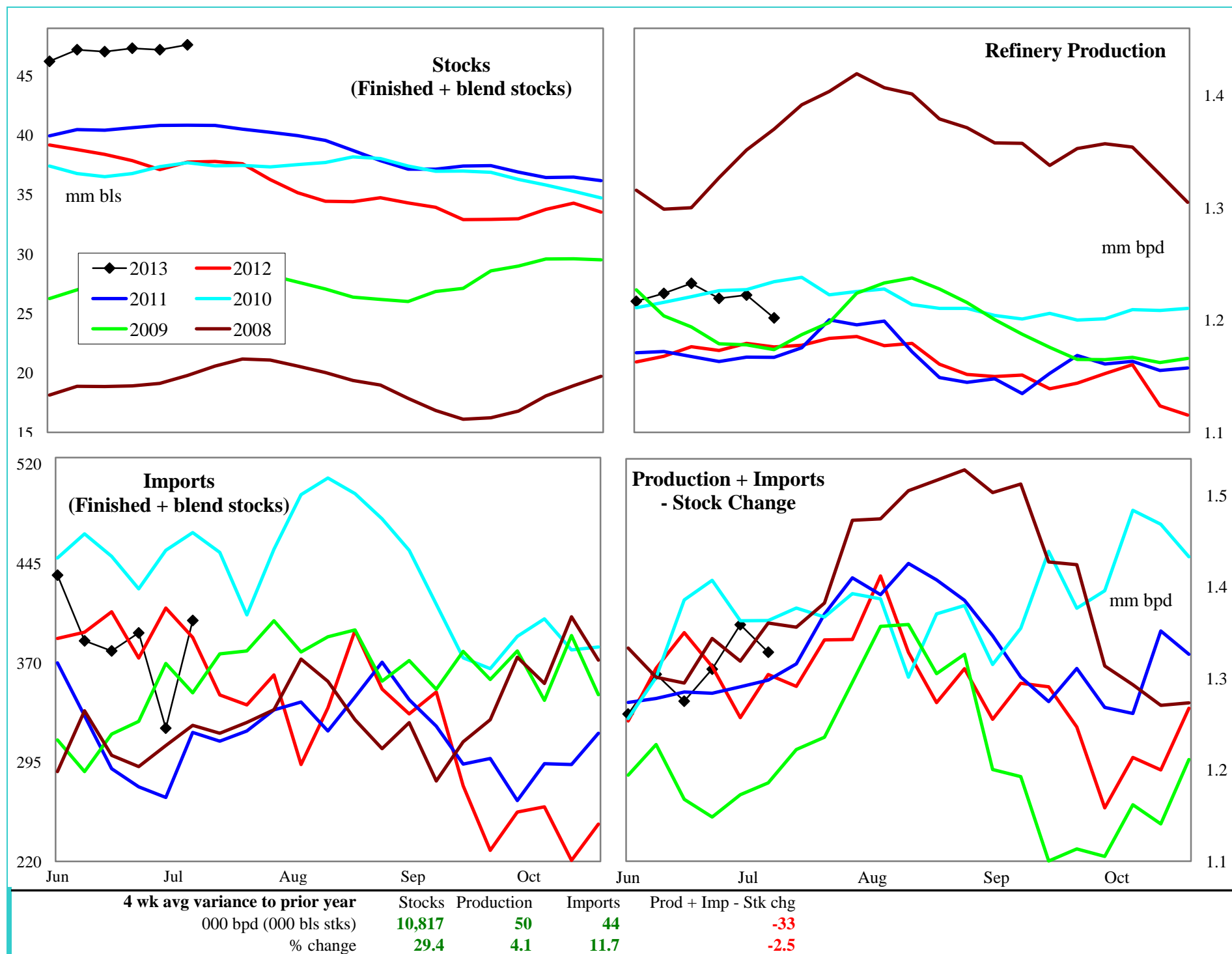
## PADD 1 Gasoline Supply



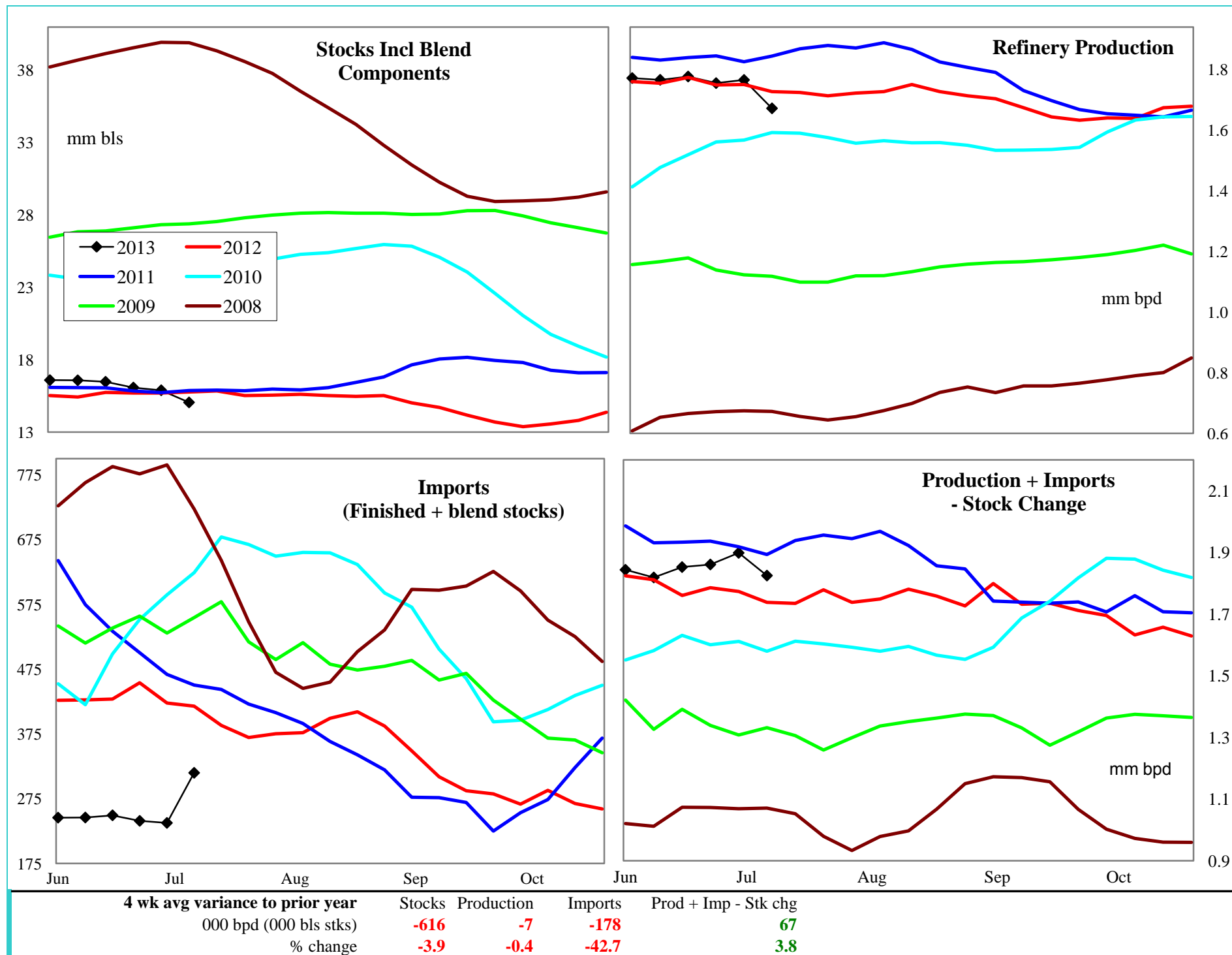
# PADD 1 Gasoline Stocks by Region



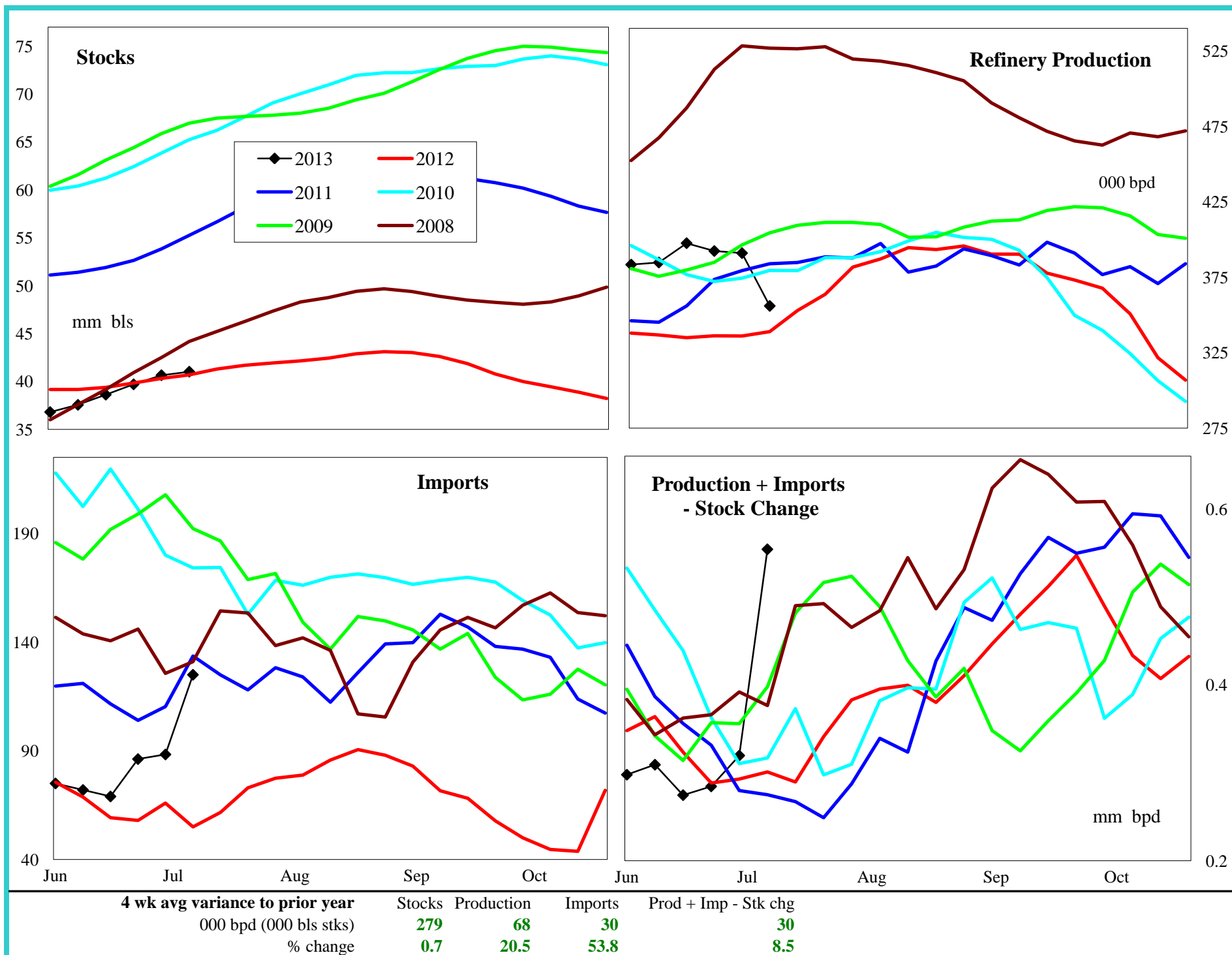
# PADD 1 Reformulated Gasoline Supply



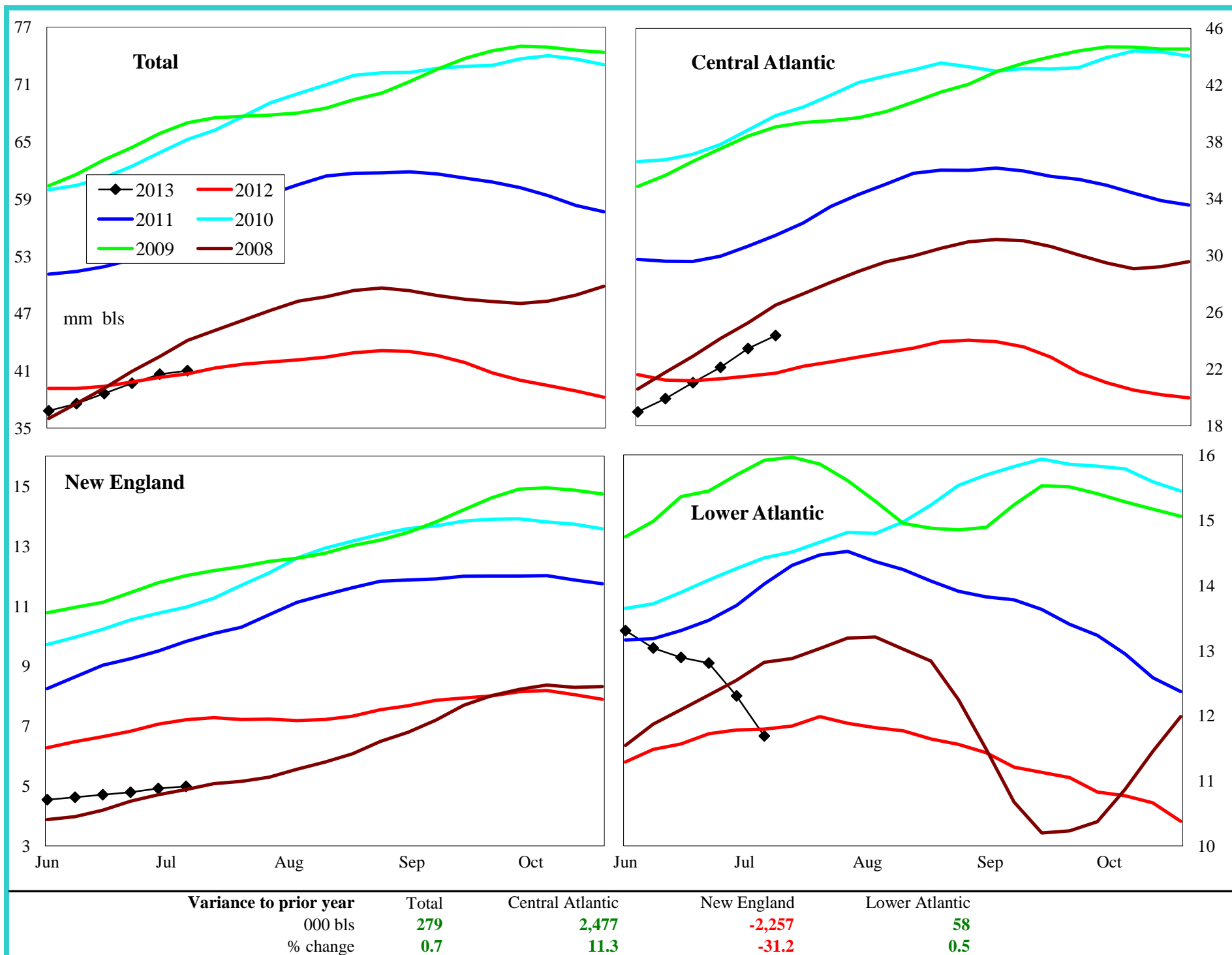
# PADD 1 Conventional Gasoline Supply



## PADD 1 Distillate Supply

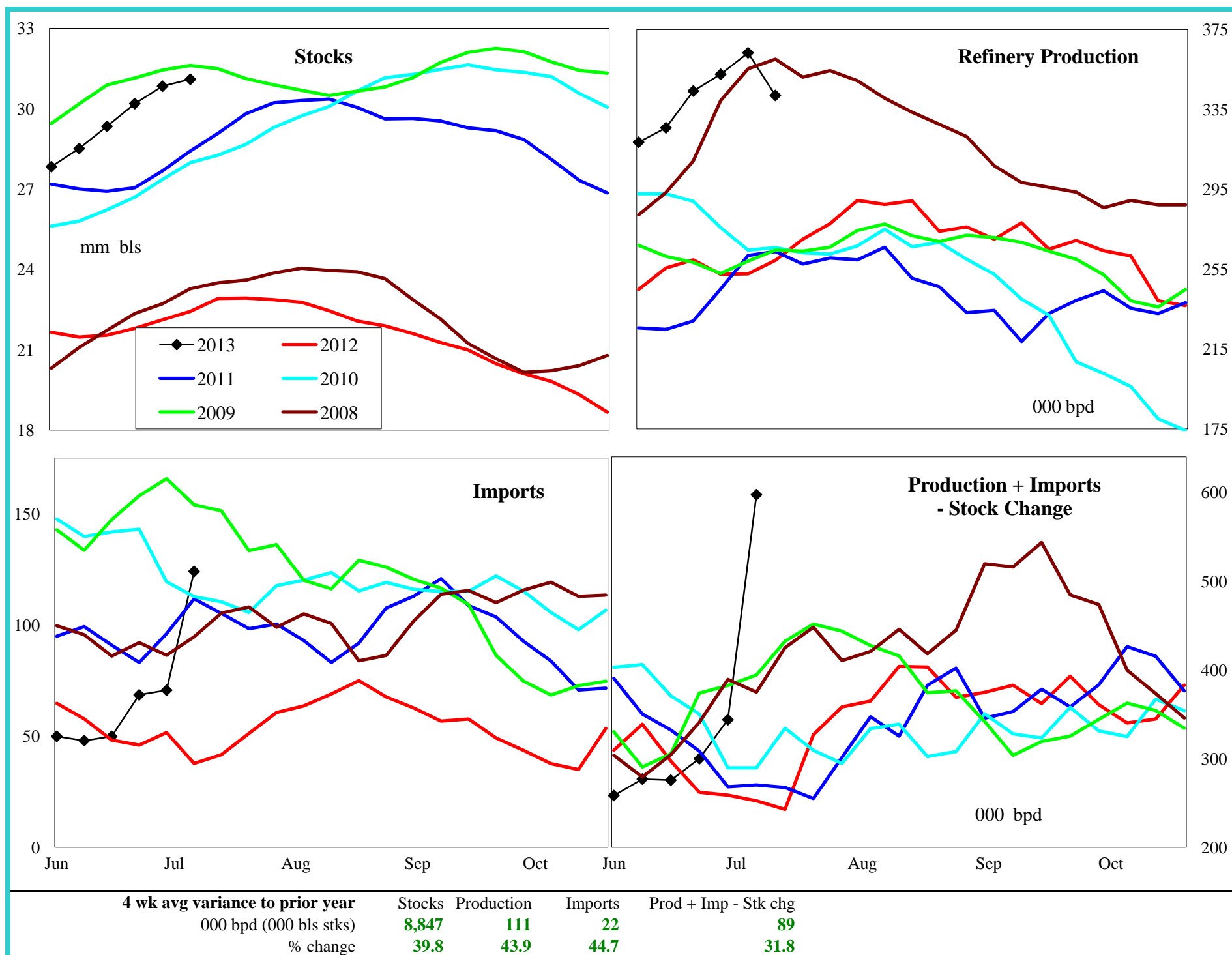


## PADD 1 Distillate Stocks by Region

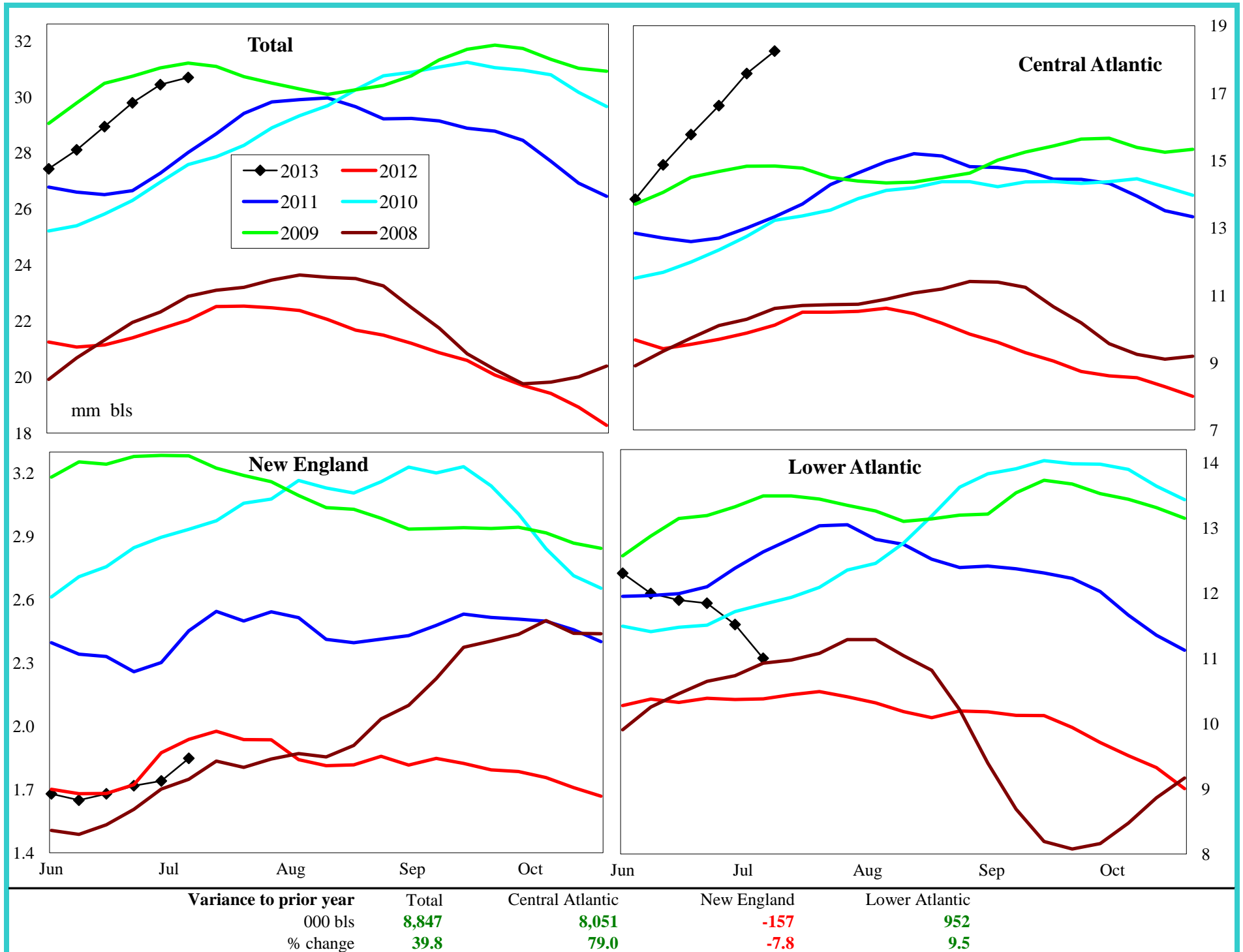




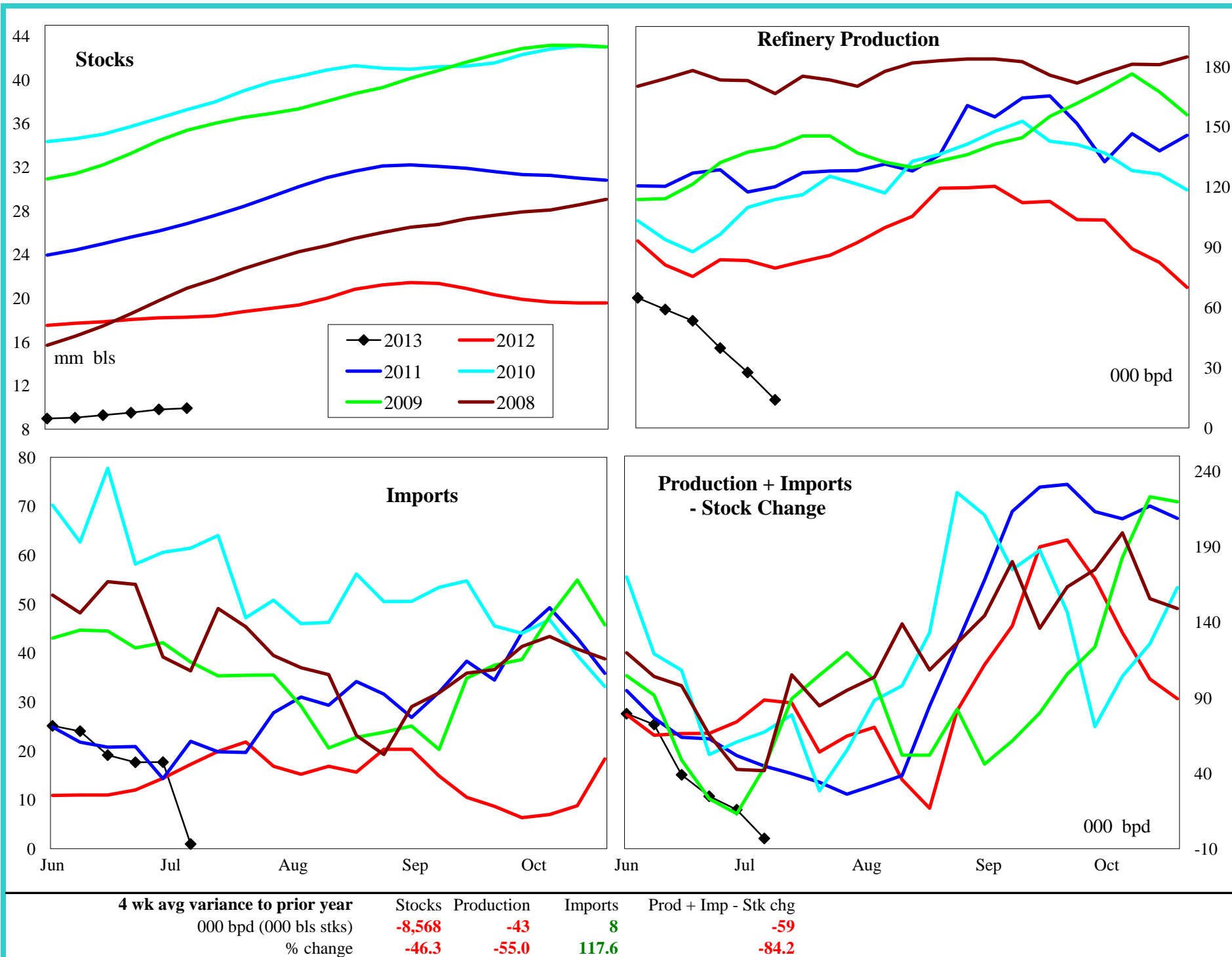
# PADD 1 Low Sulfur Distillate Supply



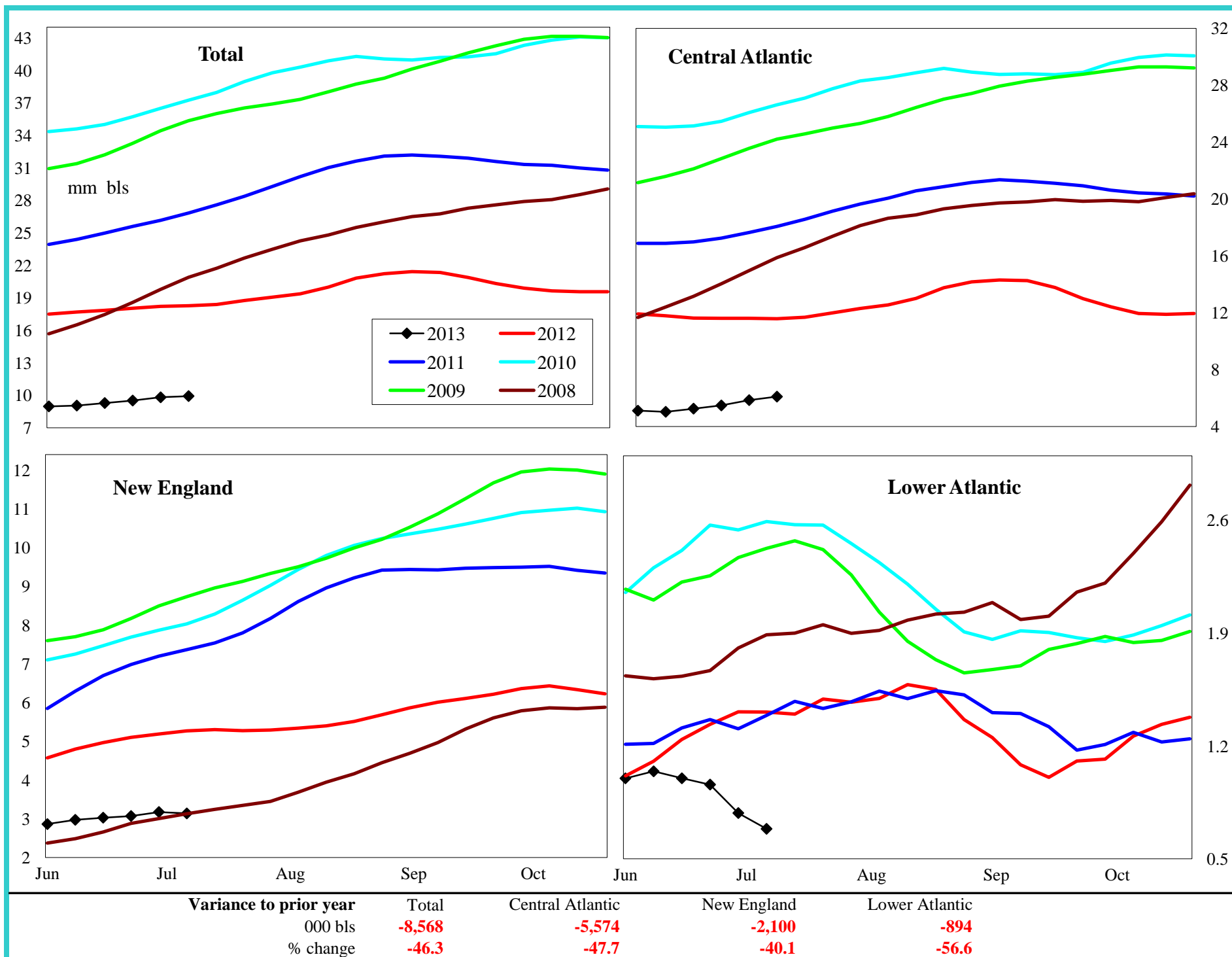
# PADD 1 Low Sulfur Distillate Stocks by Region



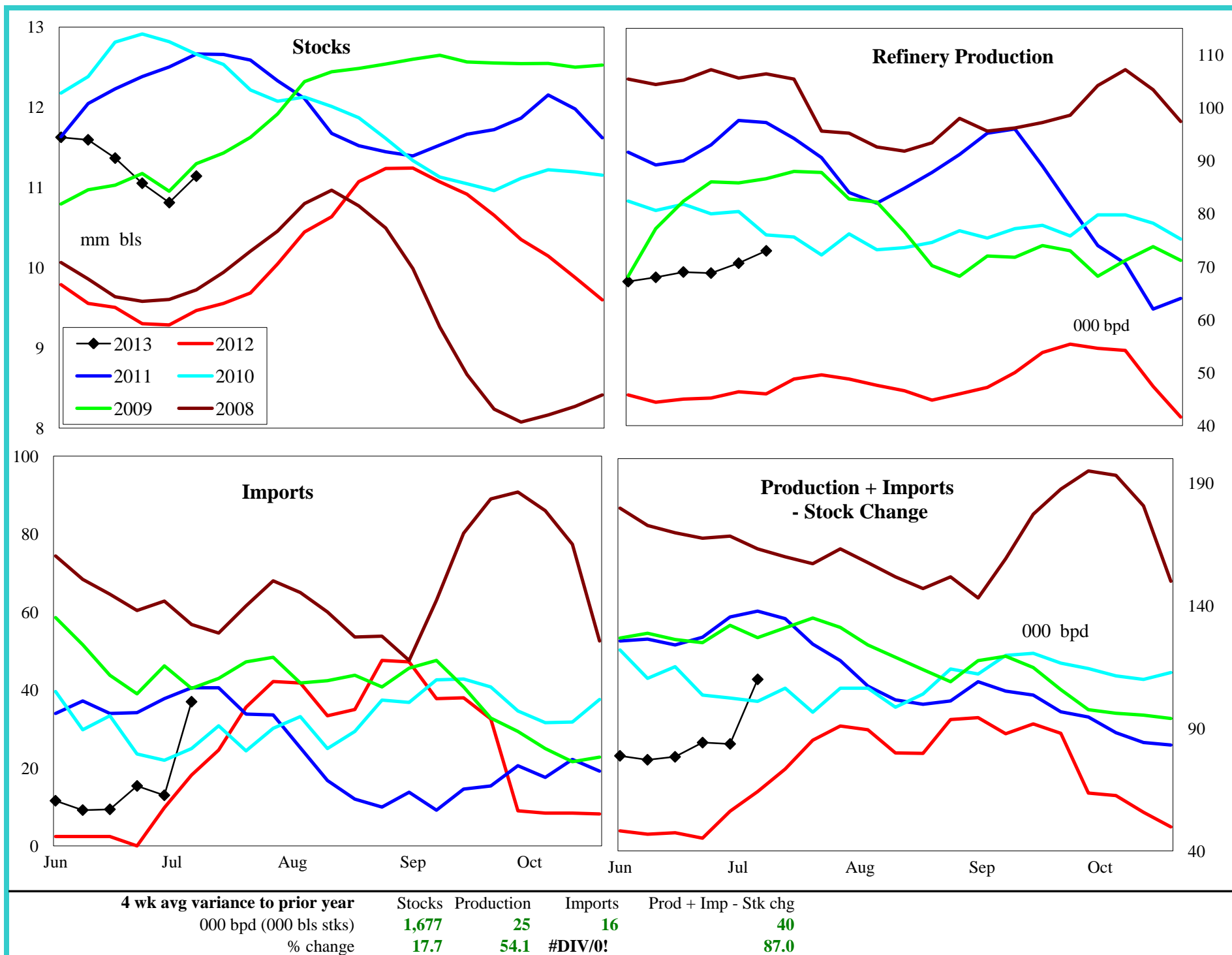
# PADD 1 High Sulfur Distillate Supply



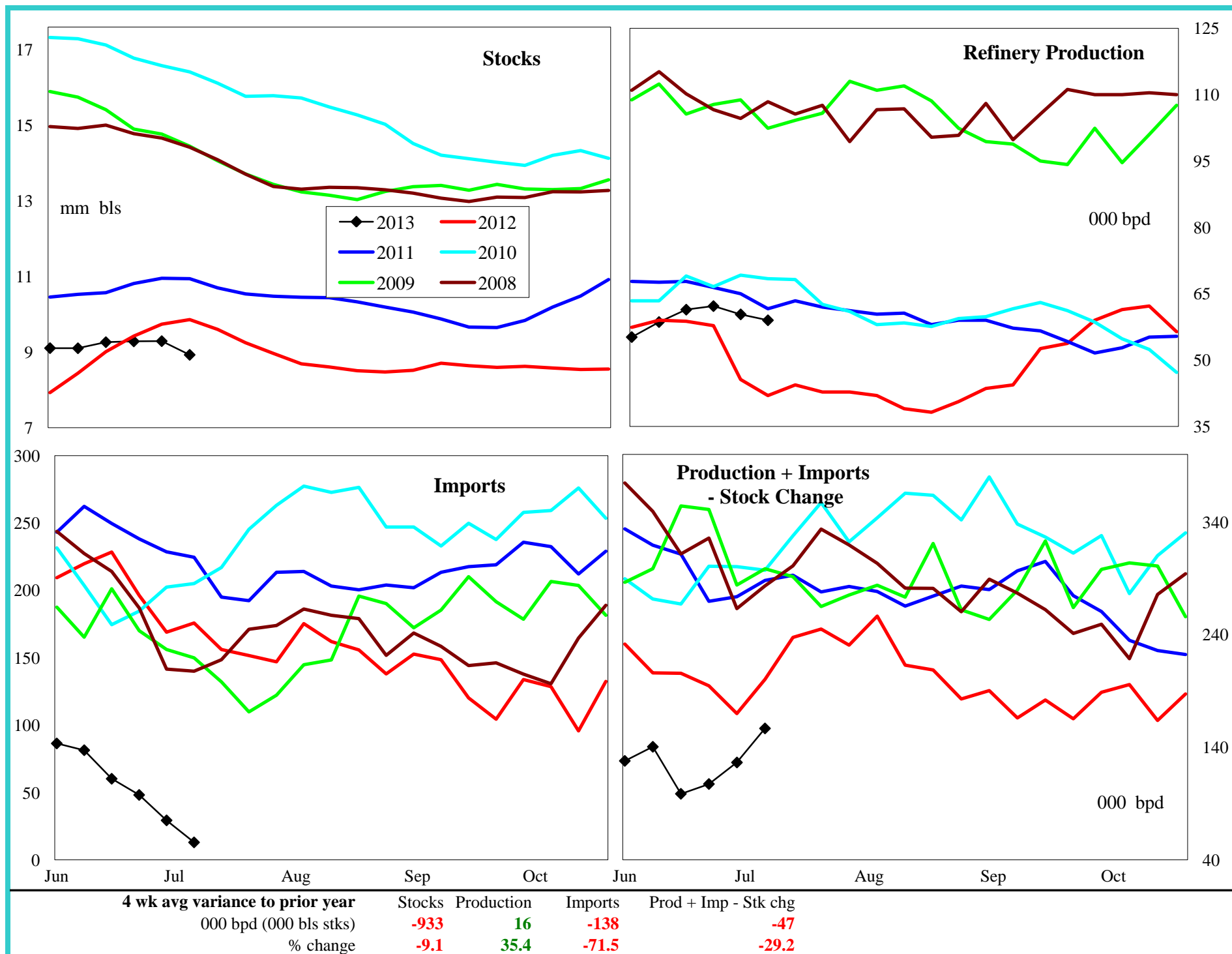
## PADD 1 High Sulfur Distillate Stocks by Region



## PADD 1 Jet Fuel Supply

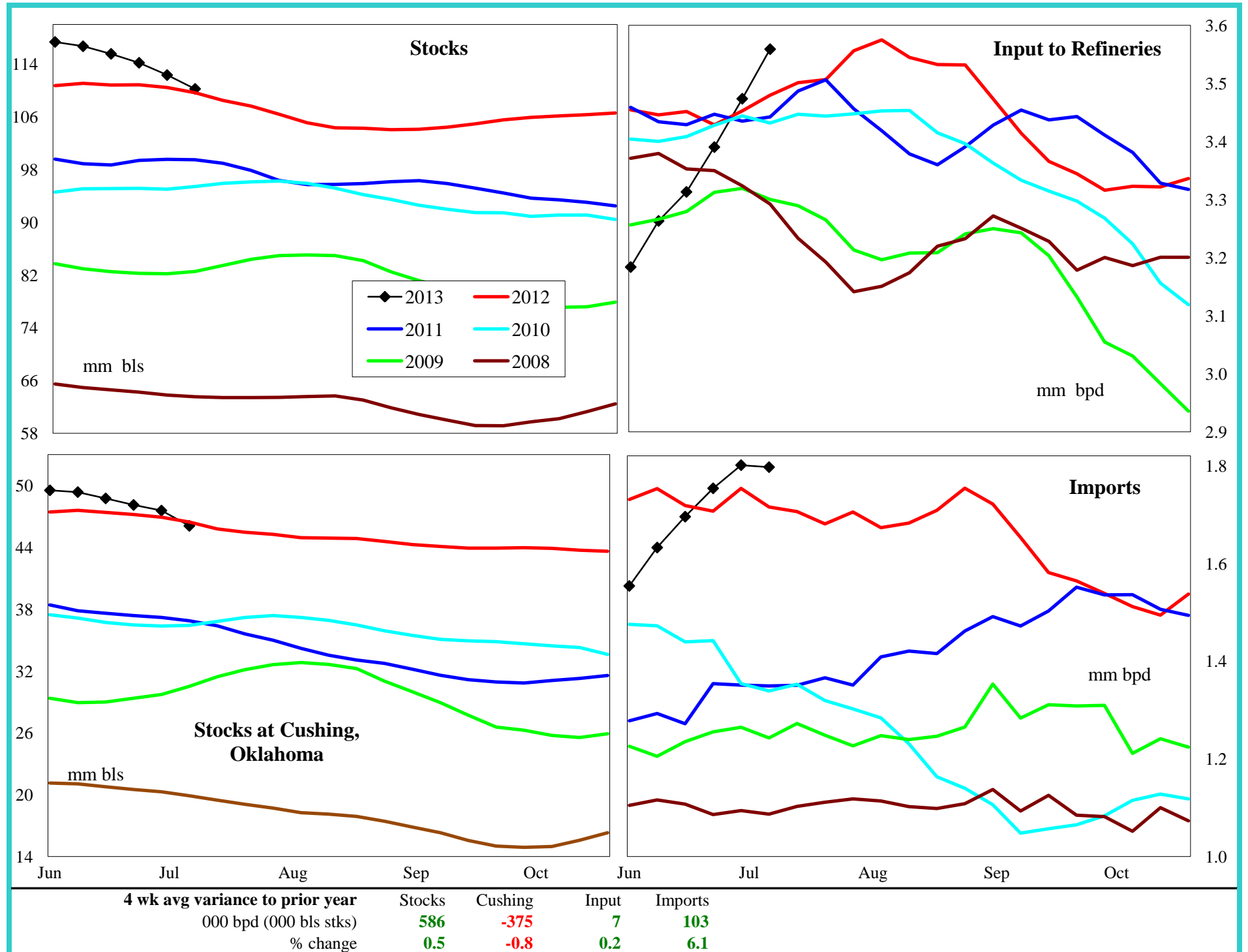


# PADD 1 Residual Fuel Oil Supply

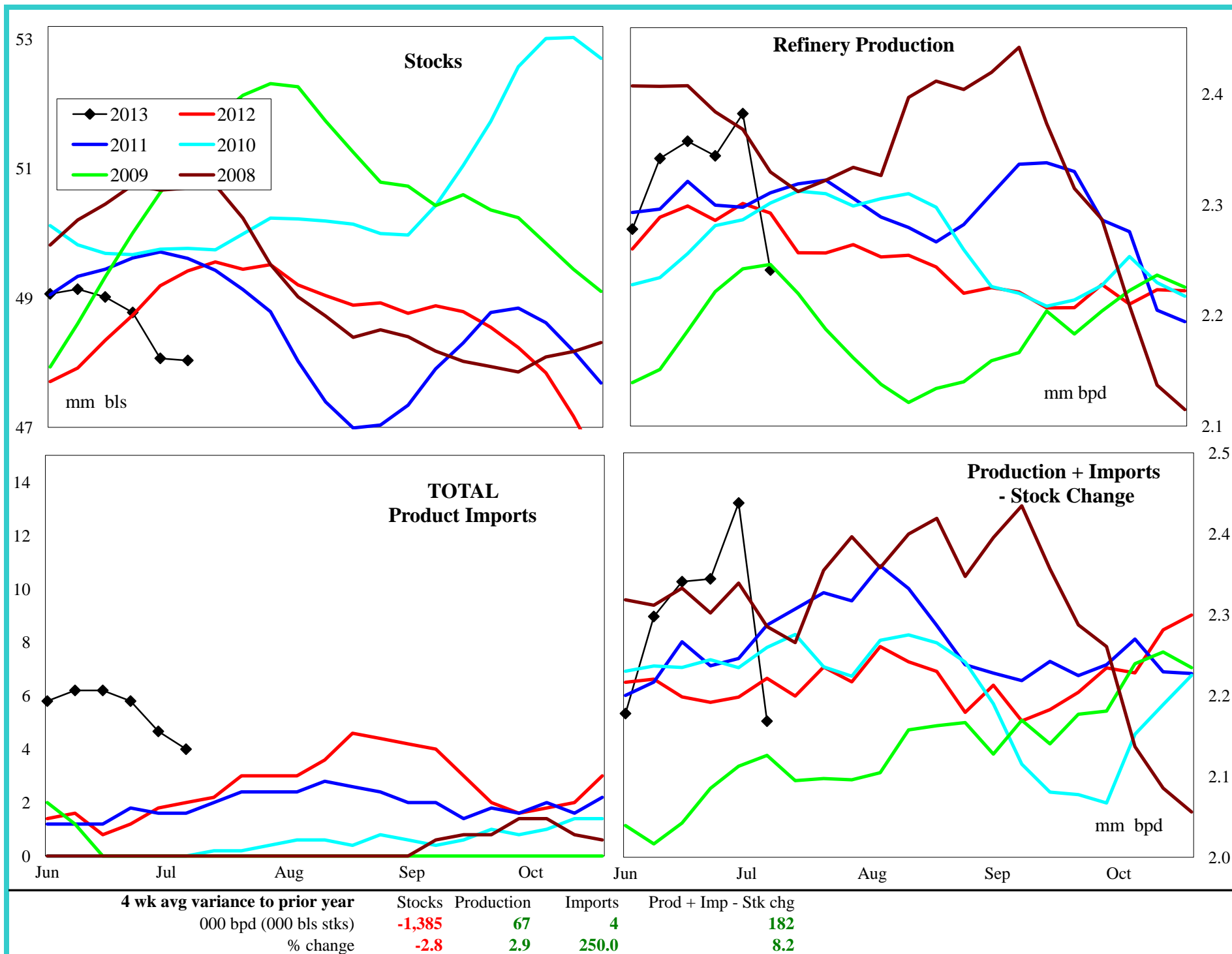




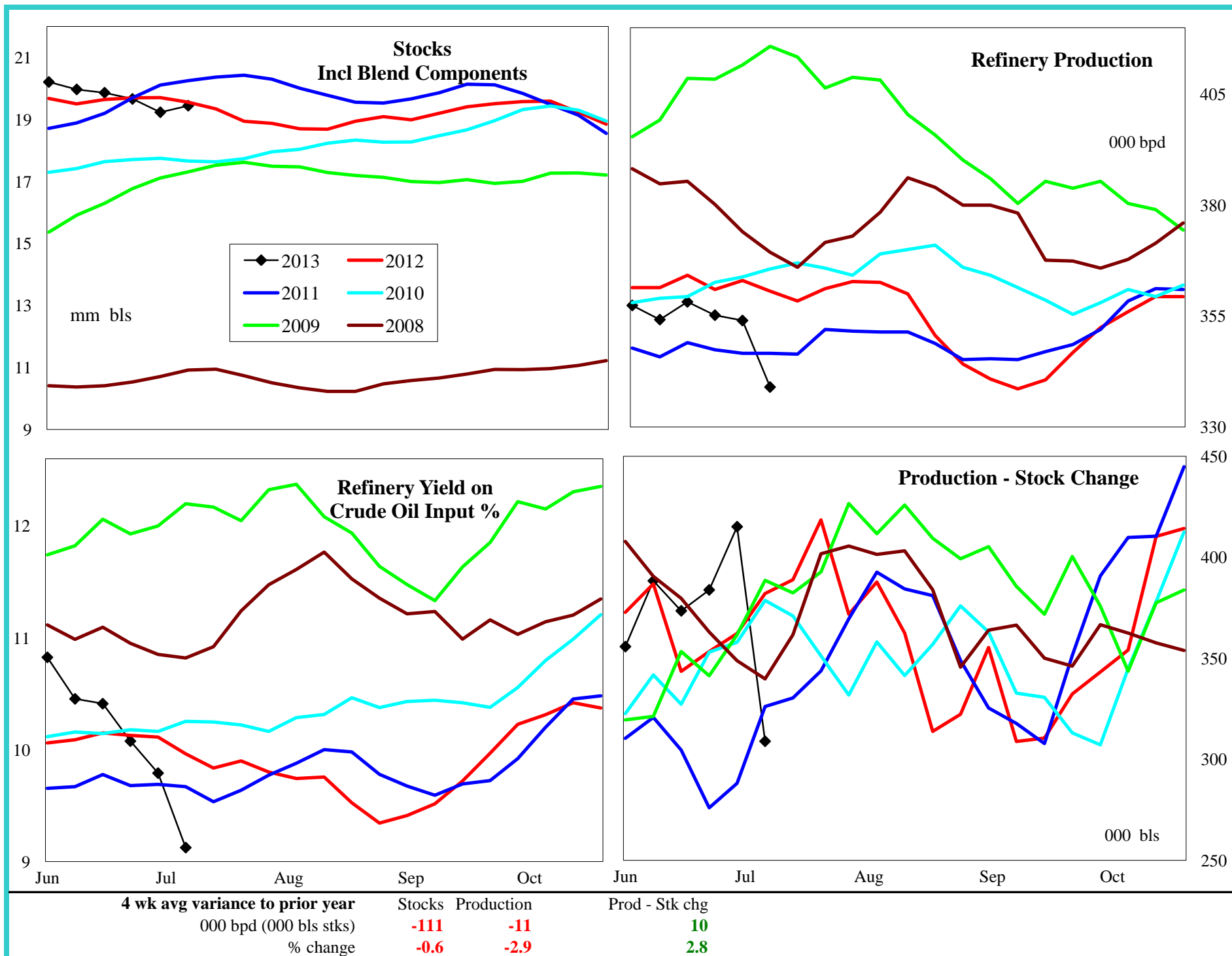
# PADD 2 Crude Oil Supply and Refining



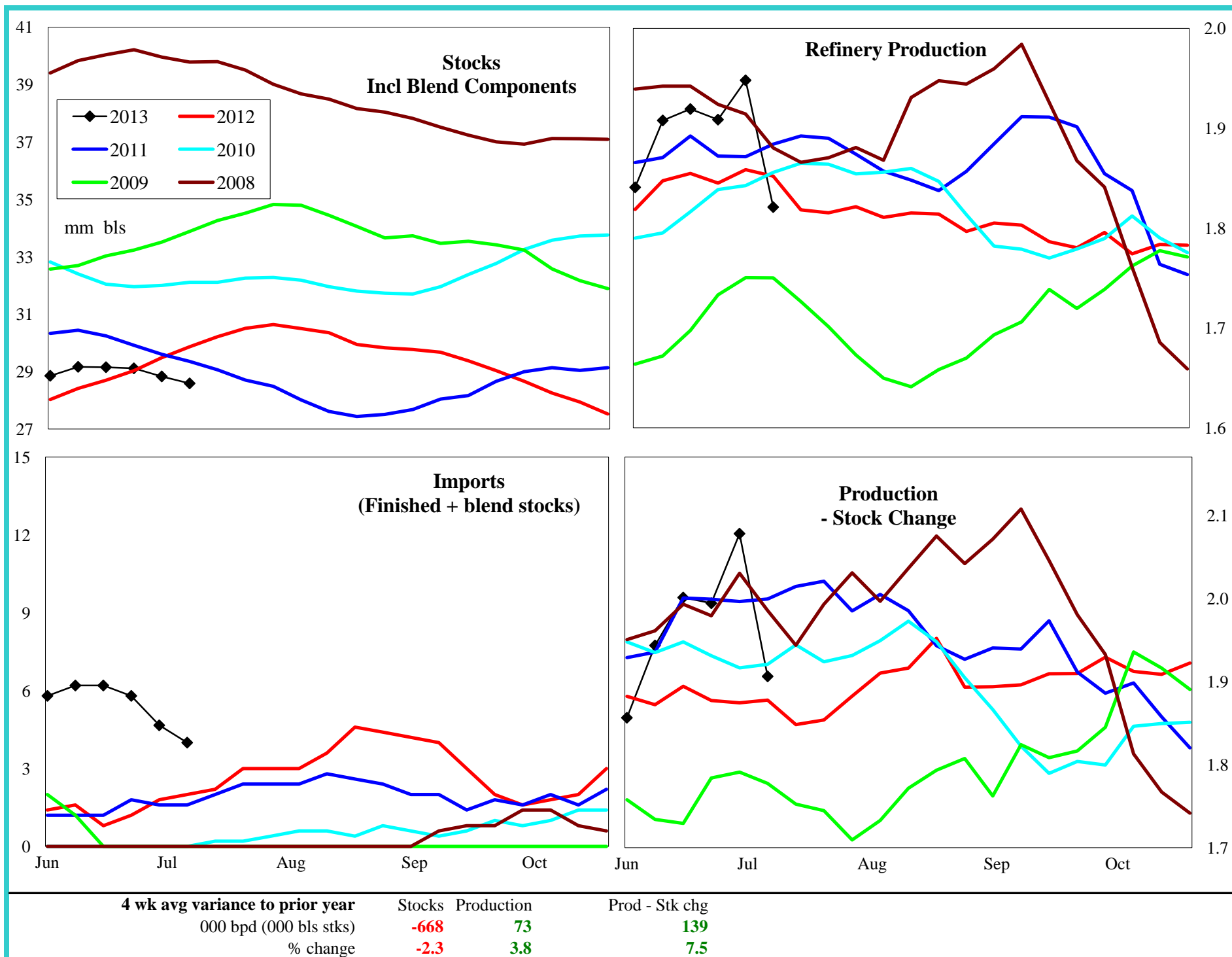
# PADD 2 Gasoline Supply



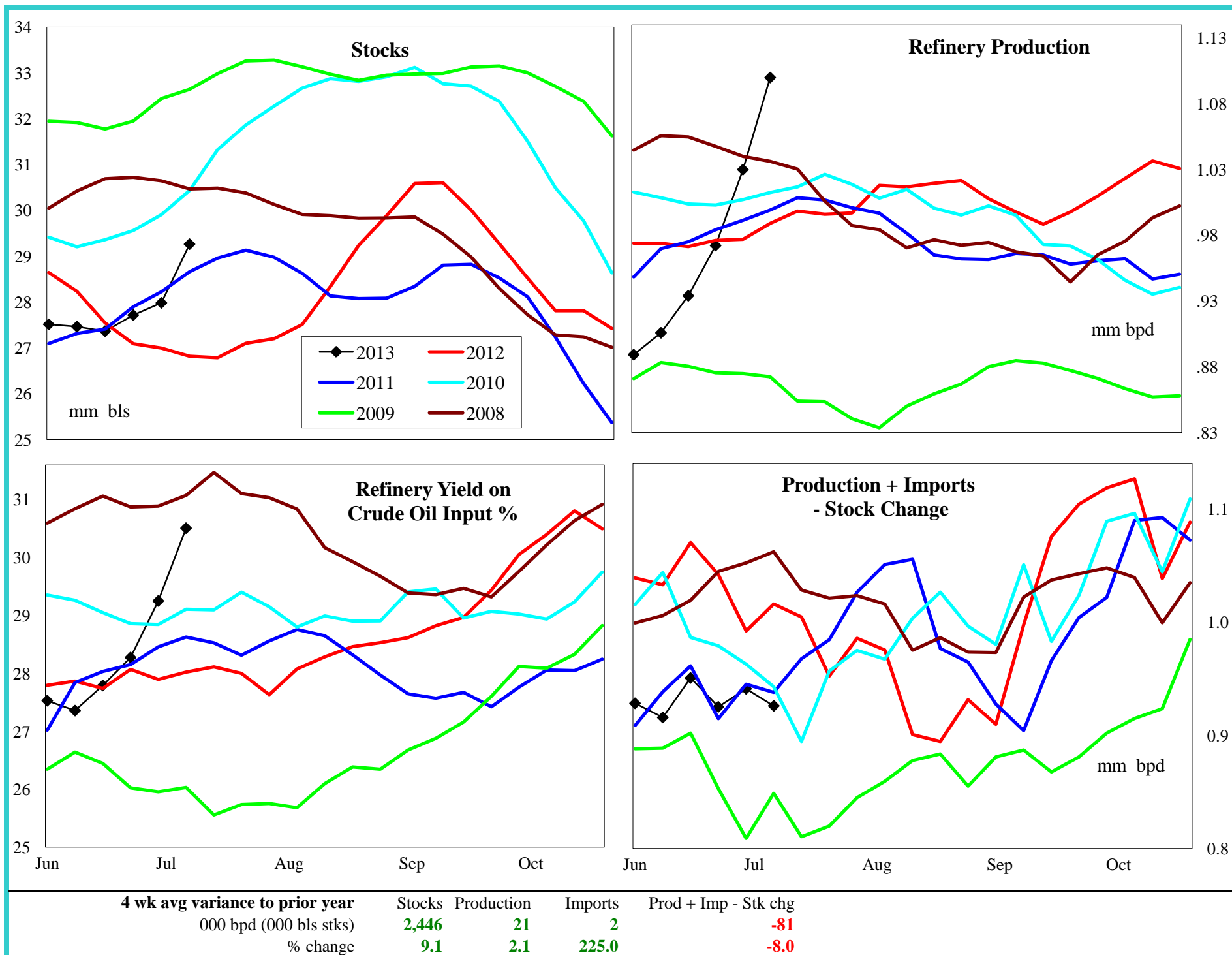
## PADD 2 Reformulated Gasoline Supply



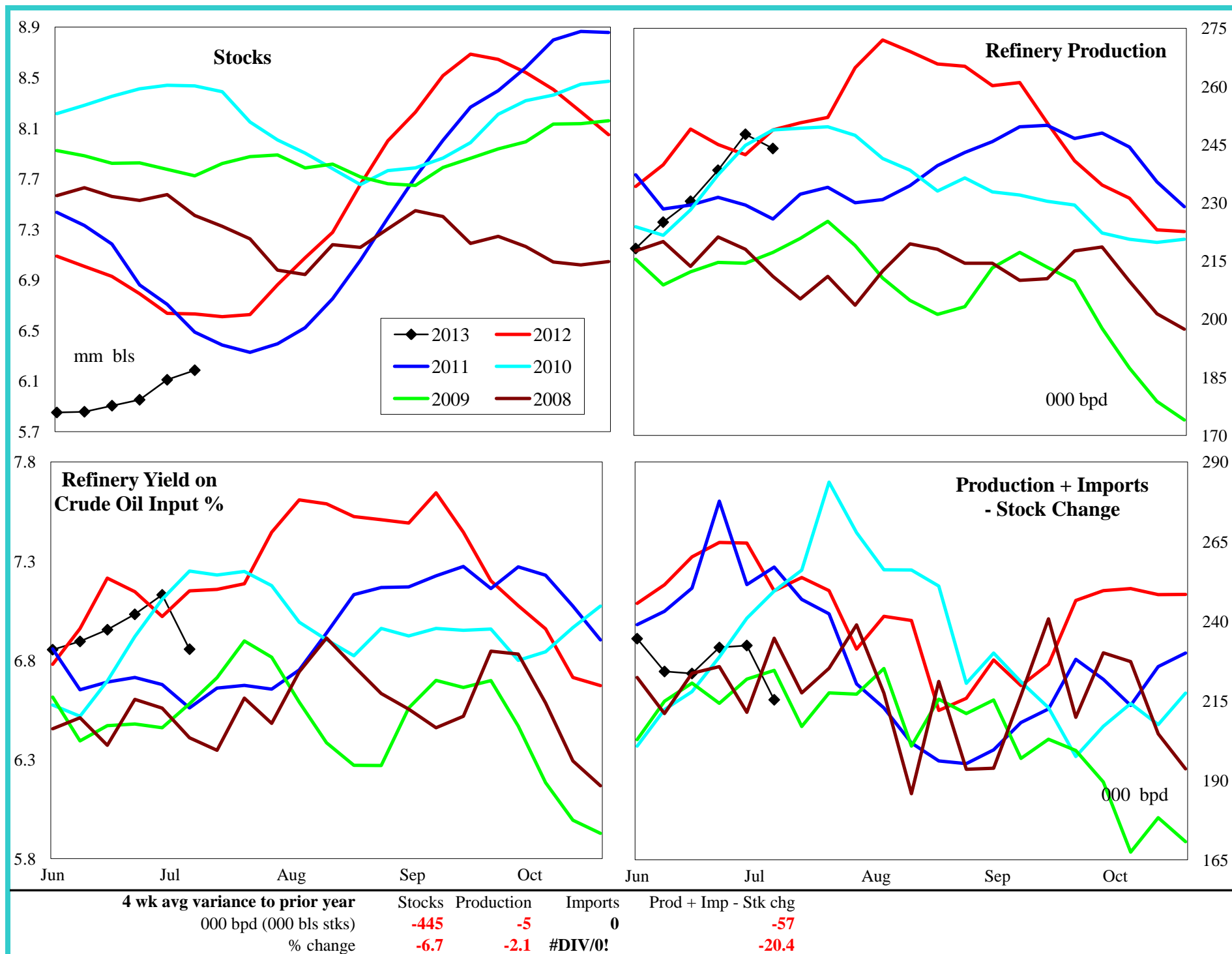
## PADD 2 Conventional Gasoline Supply



## PADD 2 Distillate Supply

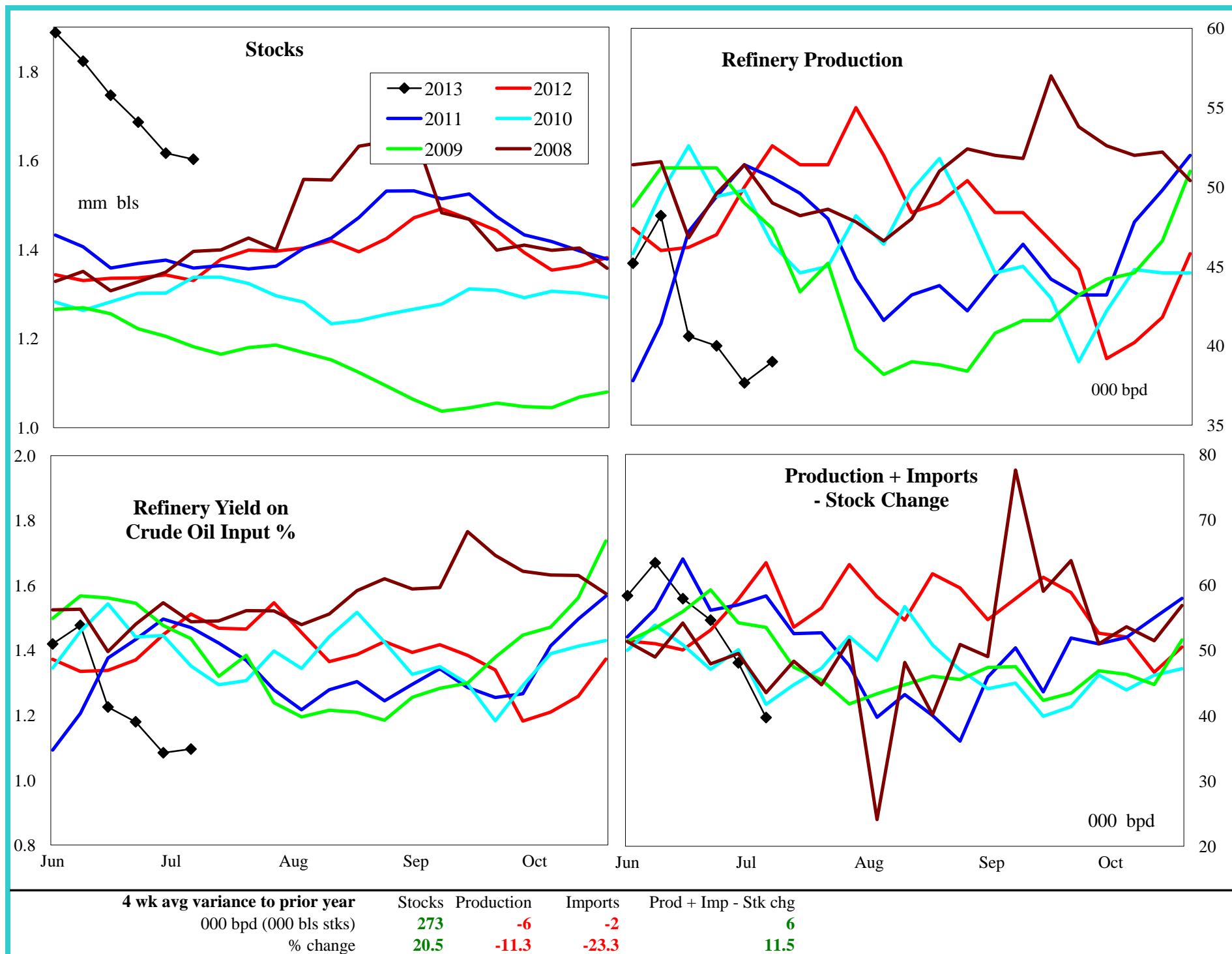


## PADD 2 Jet Fuel Supply

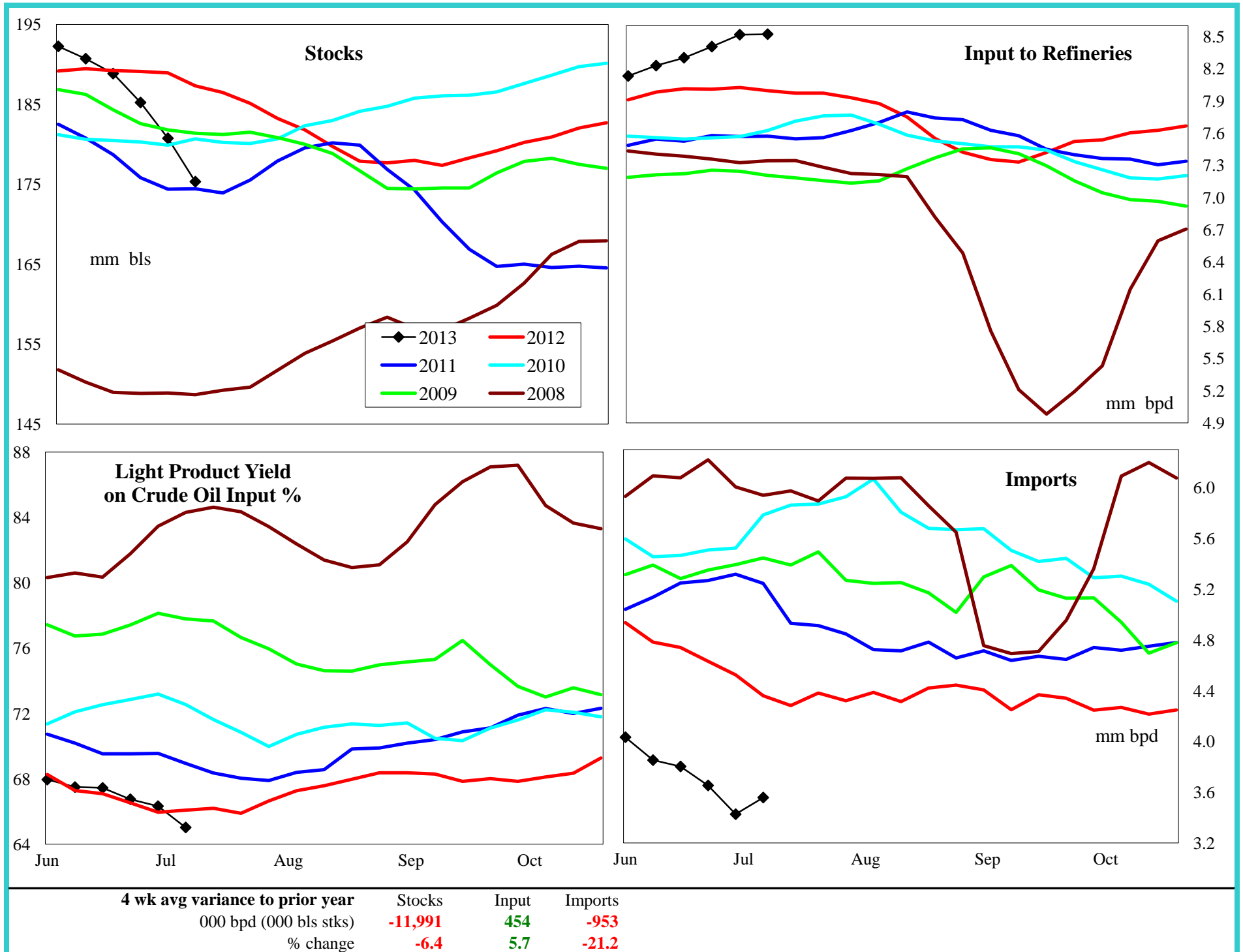




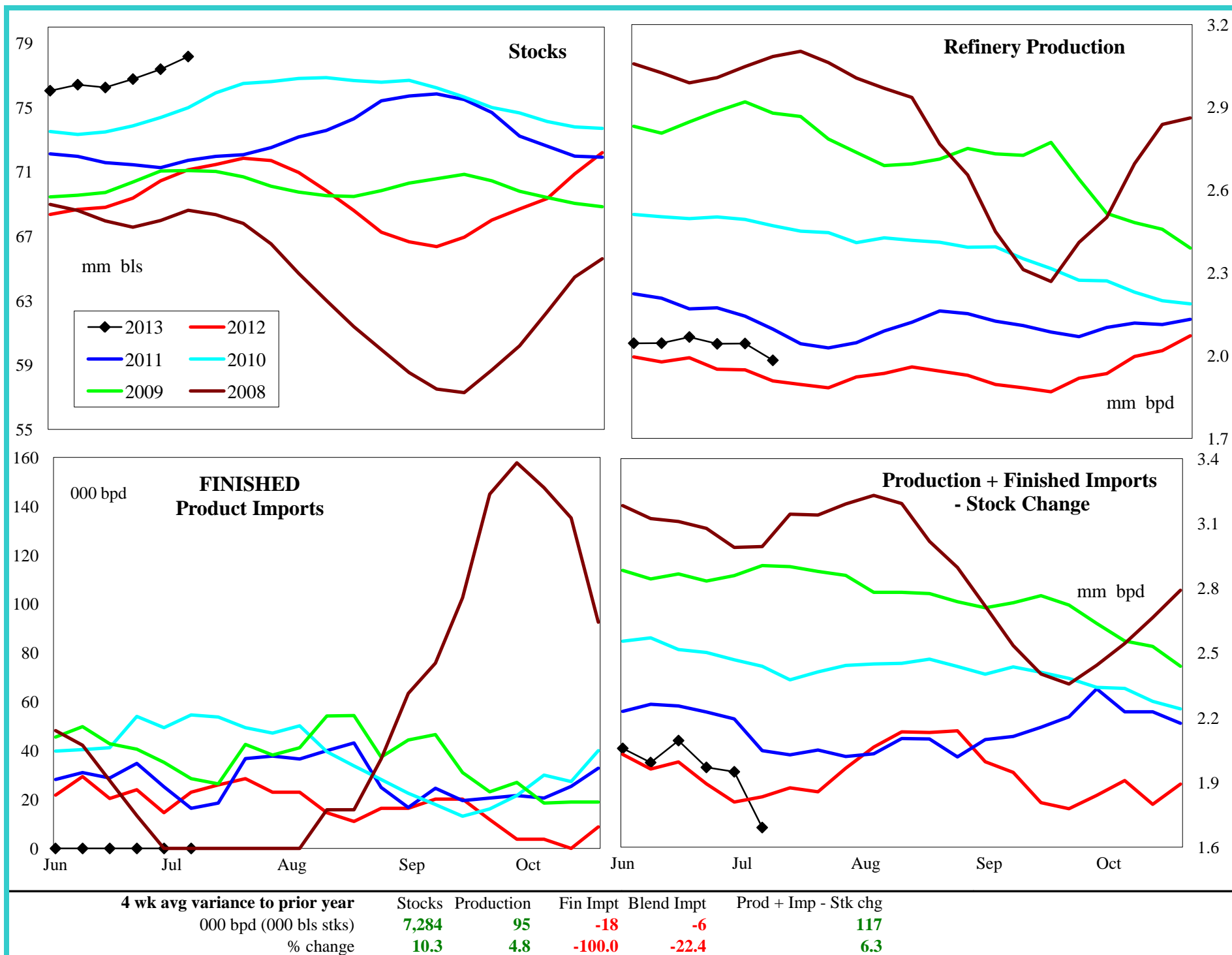
# PADD 2 Residual Fuel Oil Supply



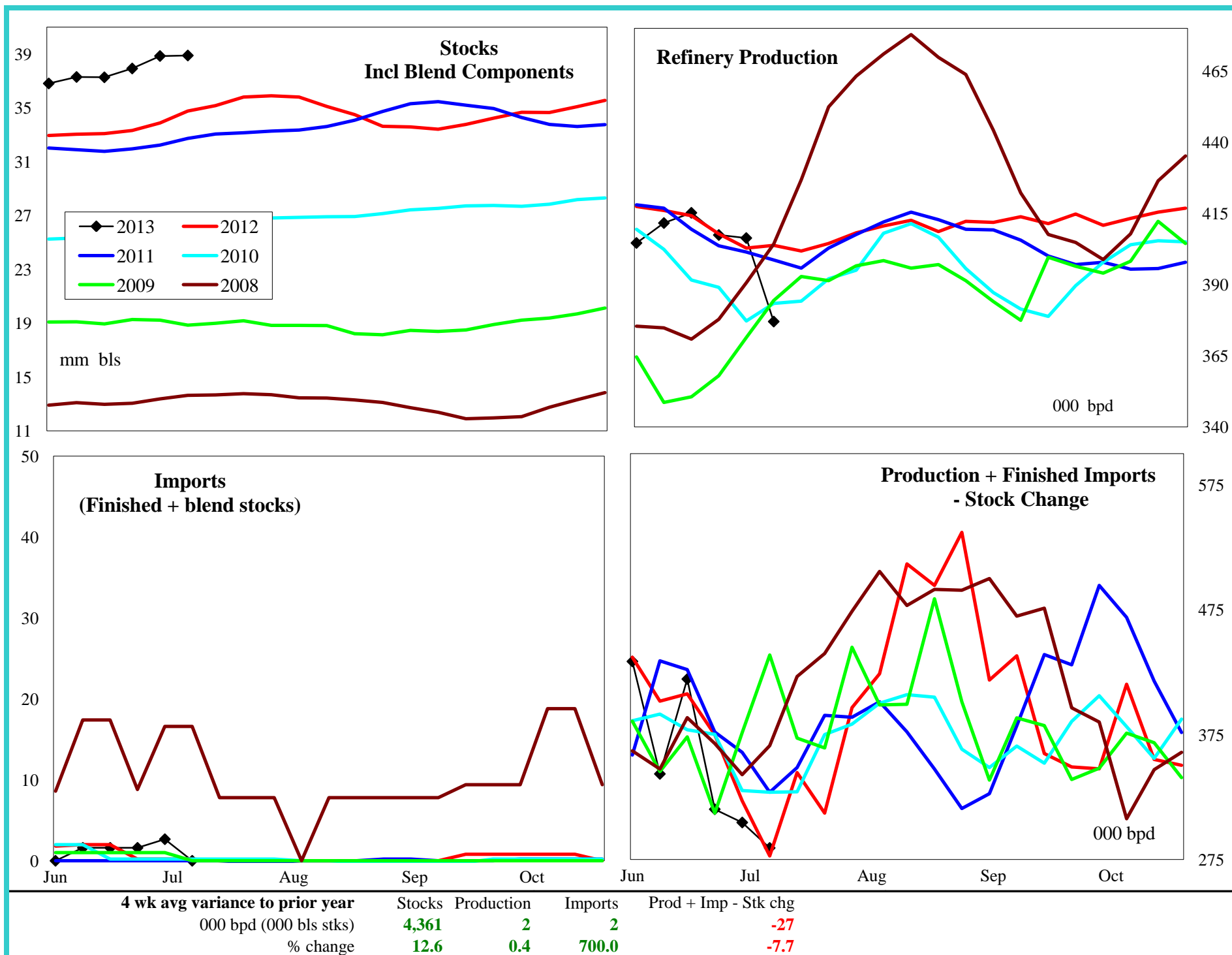
# PADD 3 Crude Oil Supply and Refining



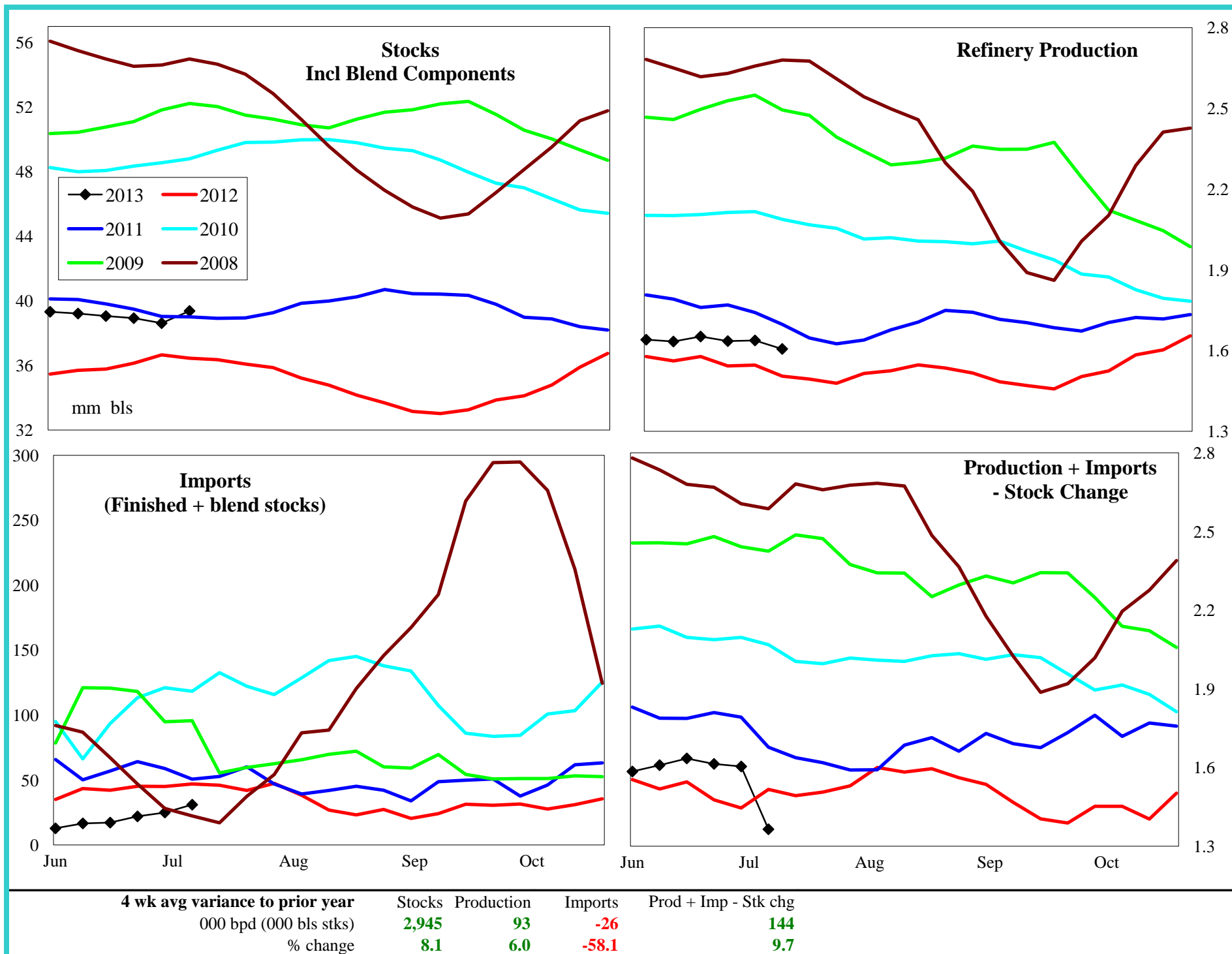
# PADD 3 Gasoline Supply



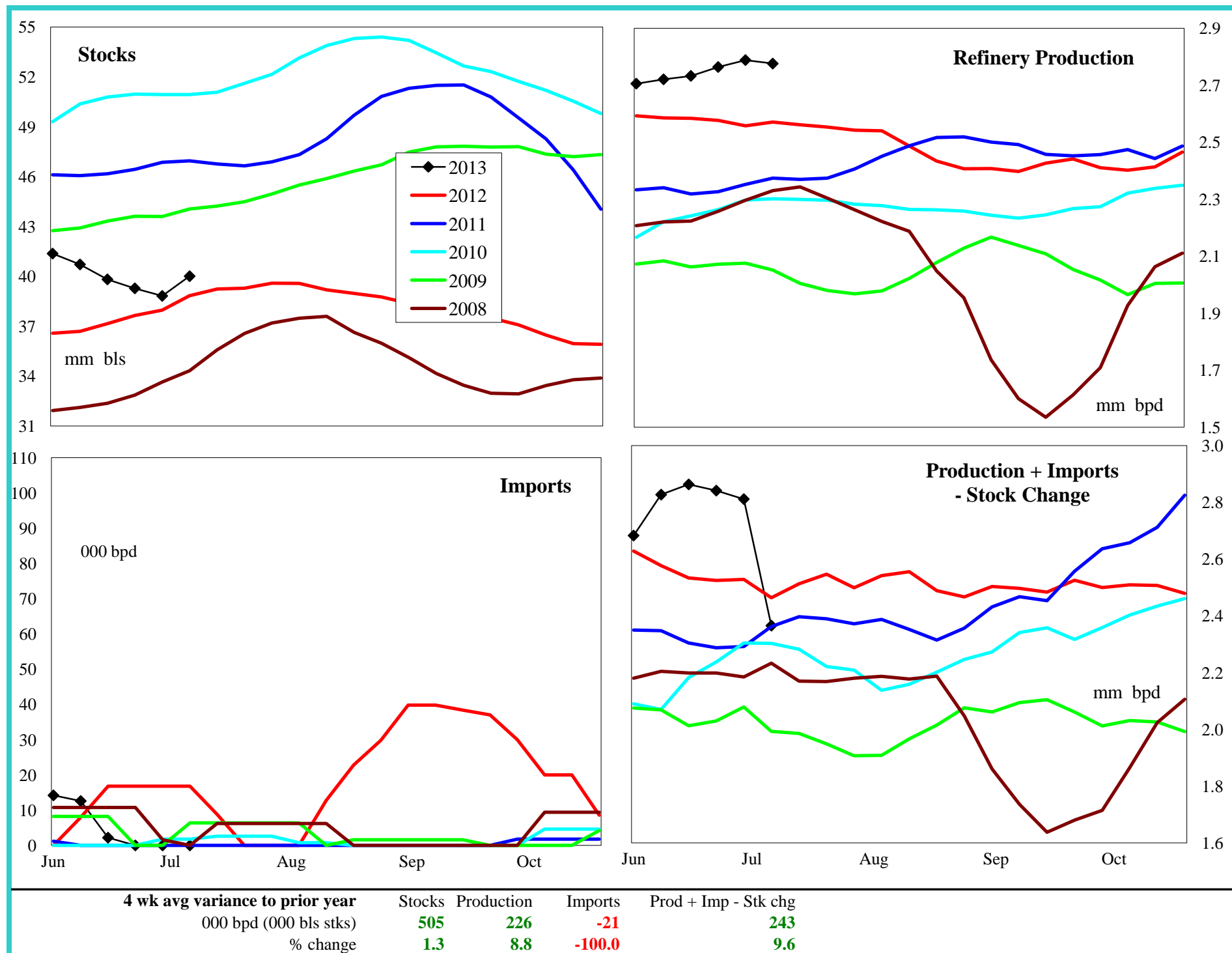
# PADD 3 Reformulated Gasoline Supply



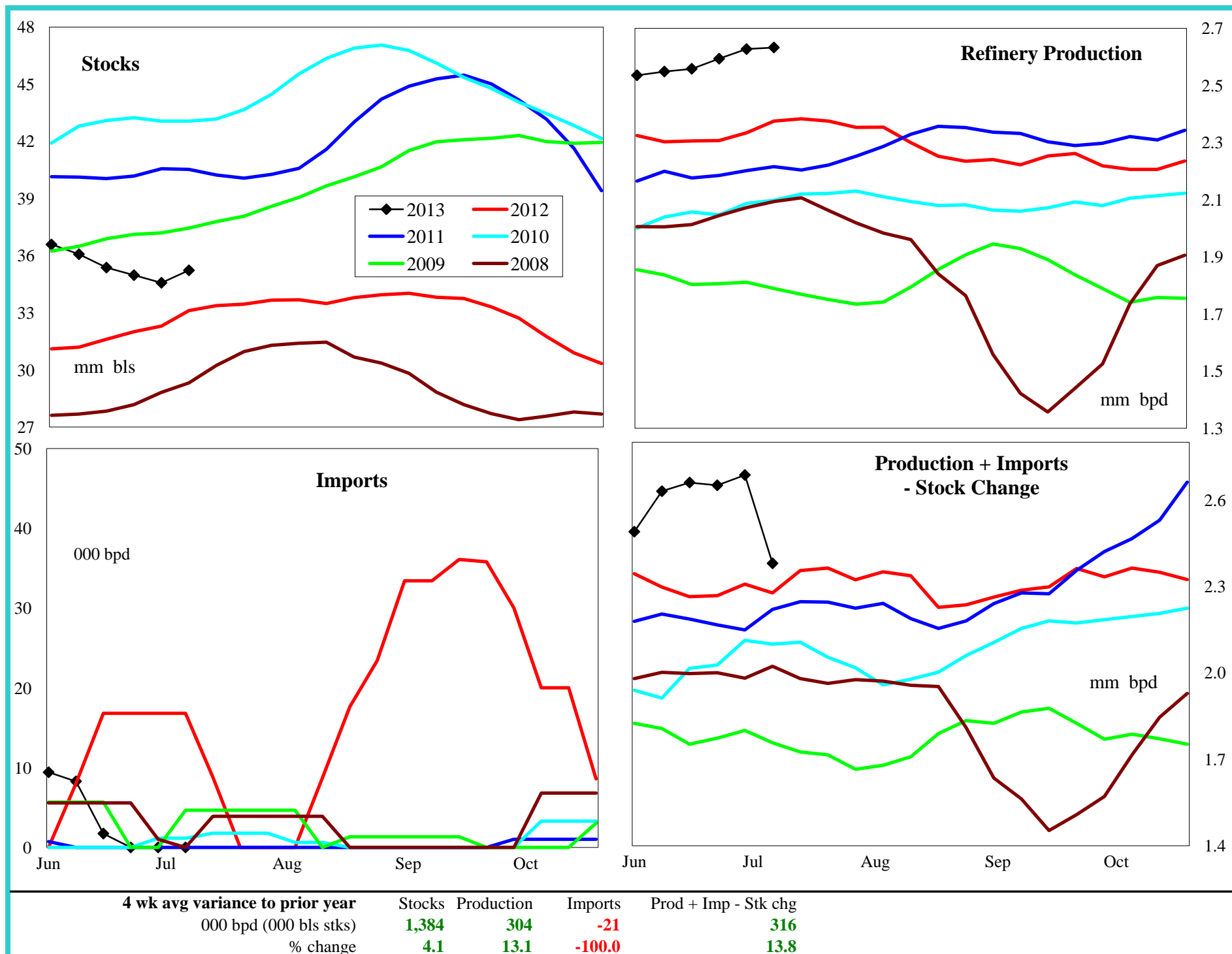
# PADD 3 Conventional Gasoline Supply



# PADD 3 Distillate Supply

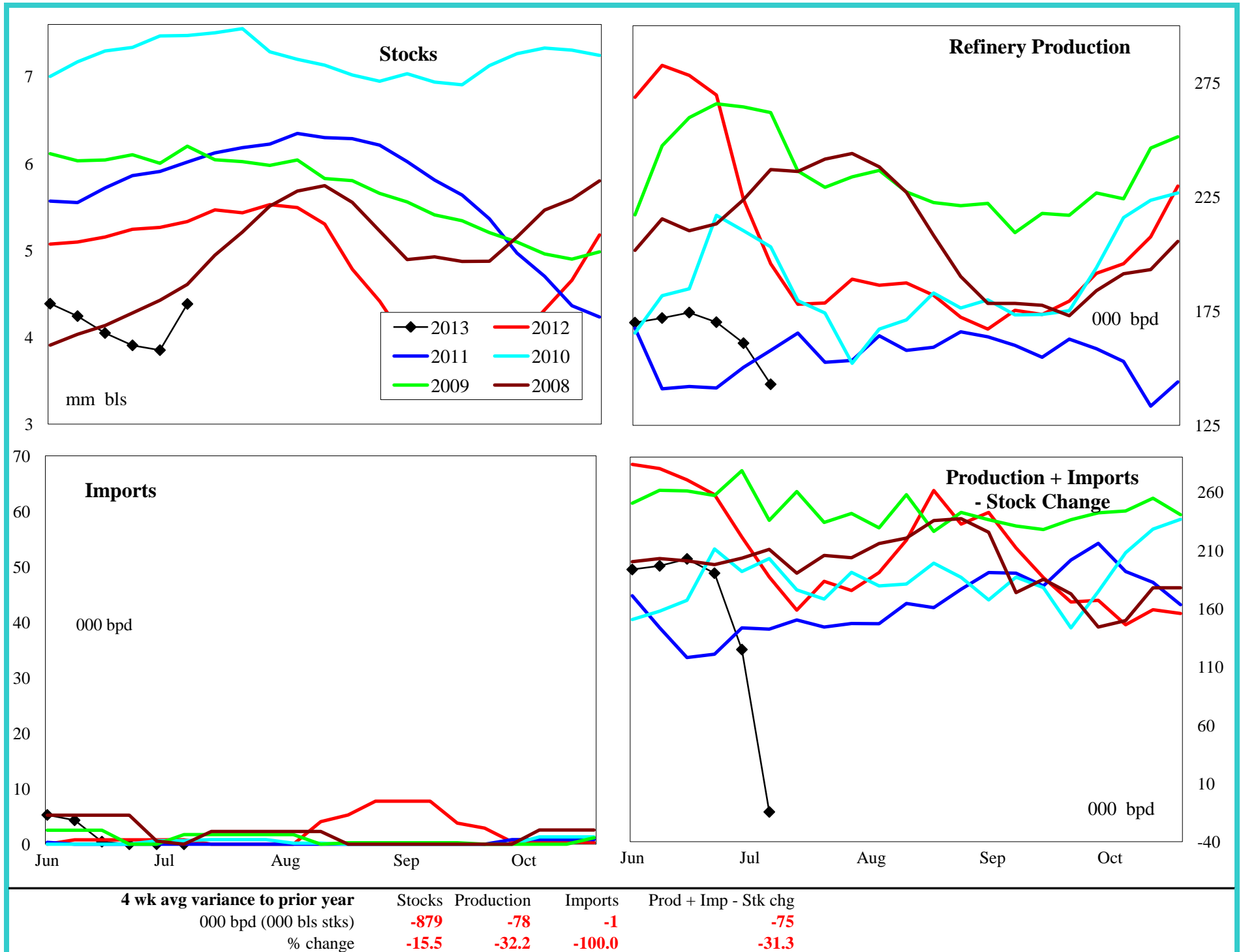


# PADD 3 Low Sulfur Distillate Supply

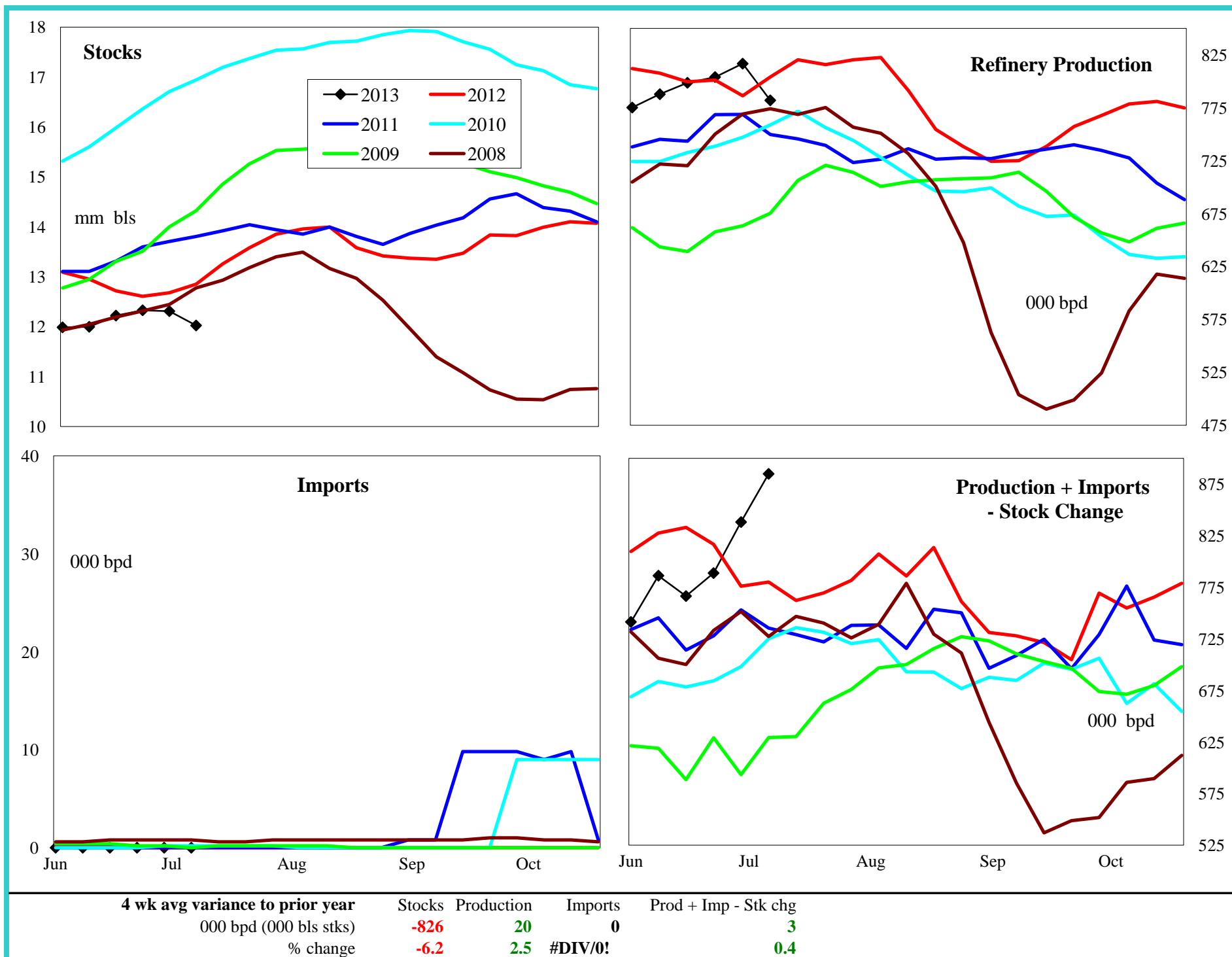




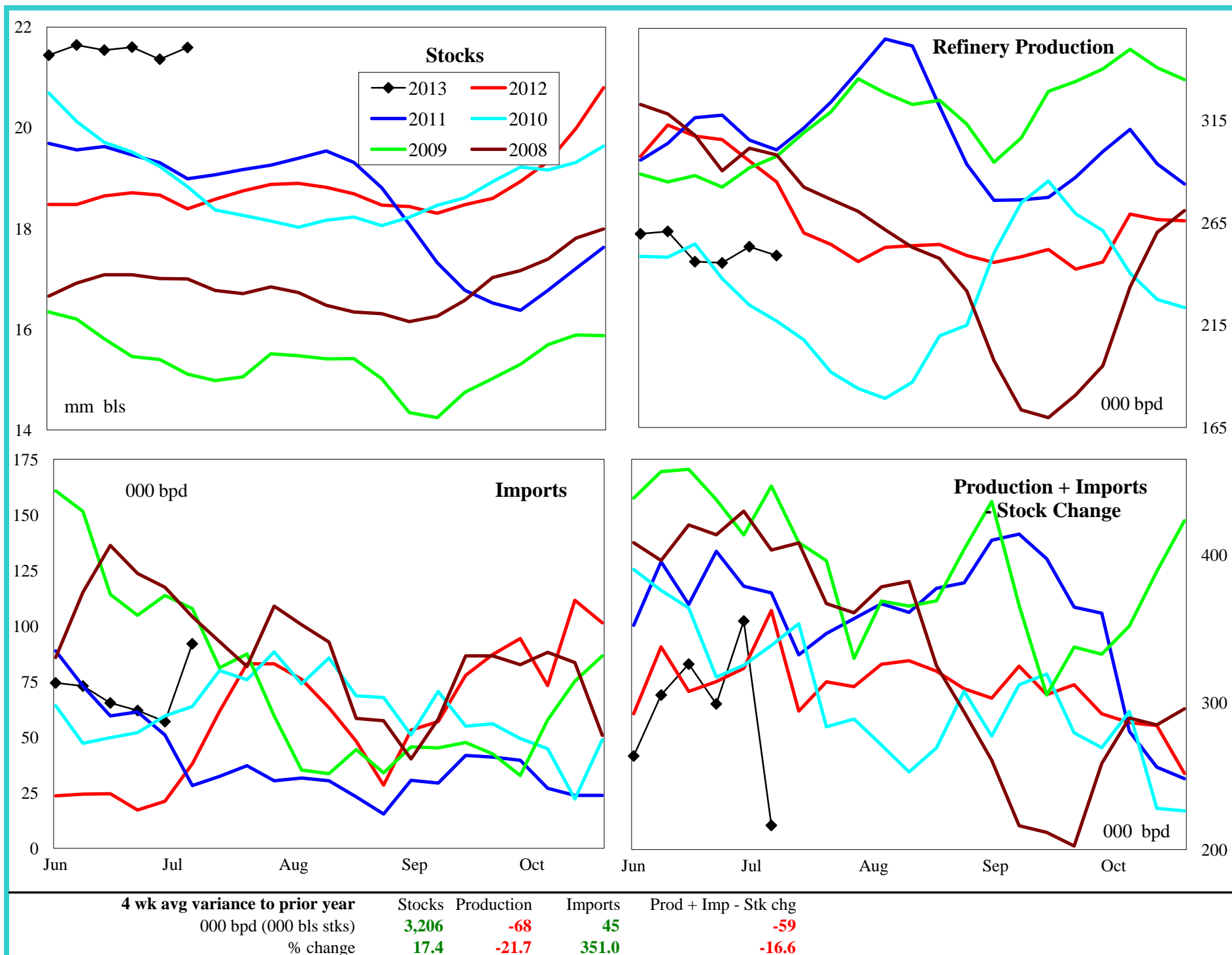
# PADD 3 High Sulfur Distillate Supply



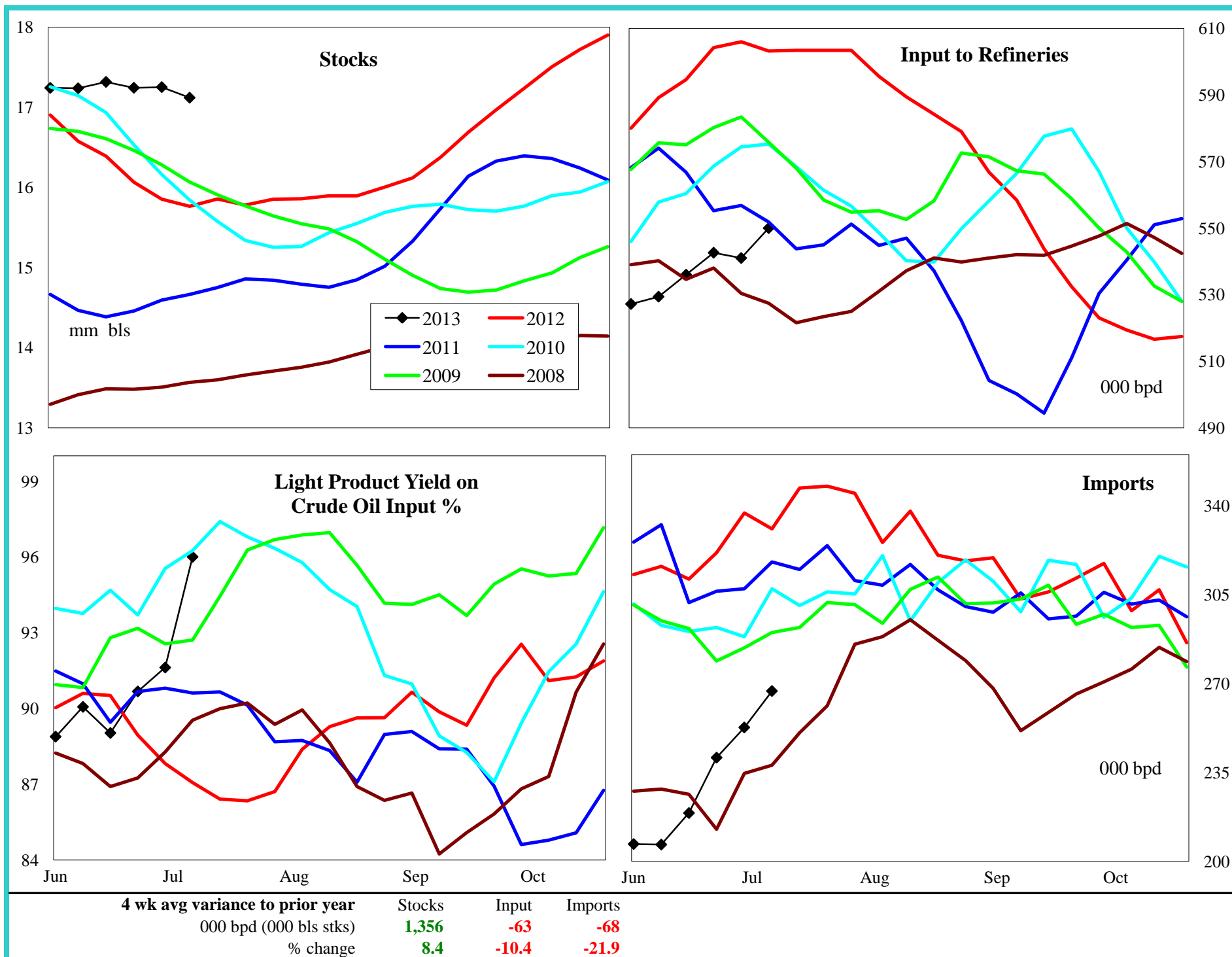
# PADD 3 Jet Fuel Supply



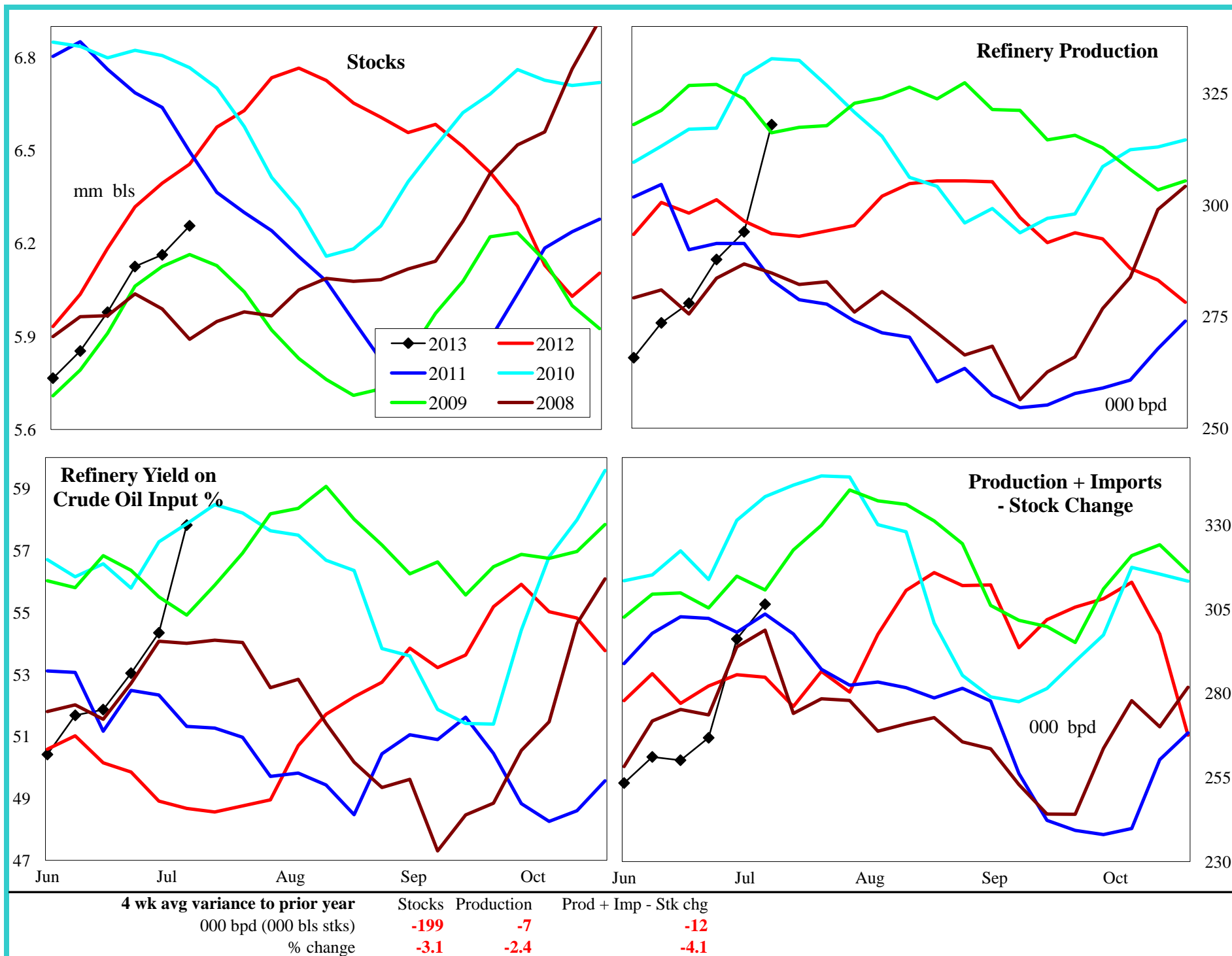
# PADD 3 Residual Fuel Oil Supply



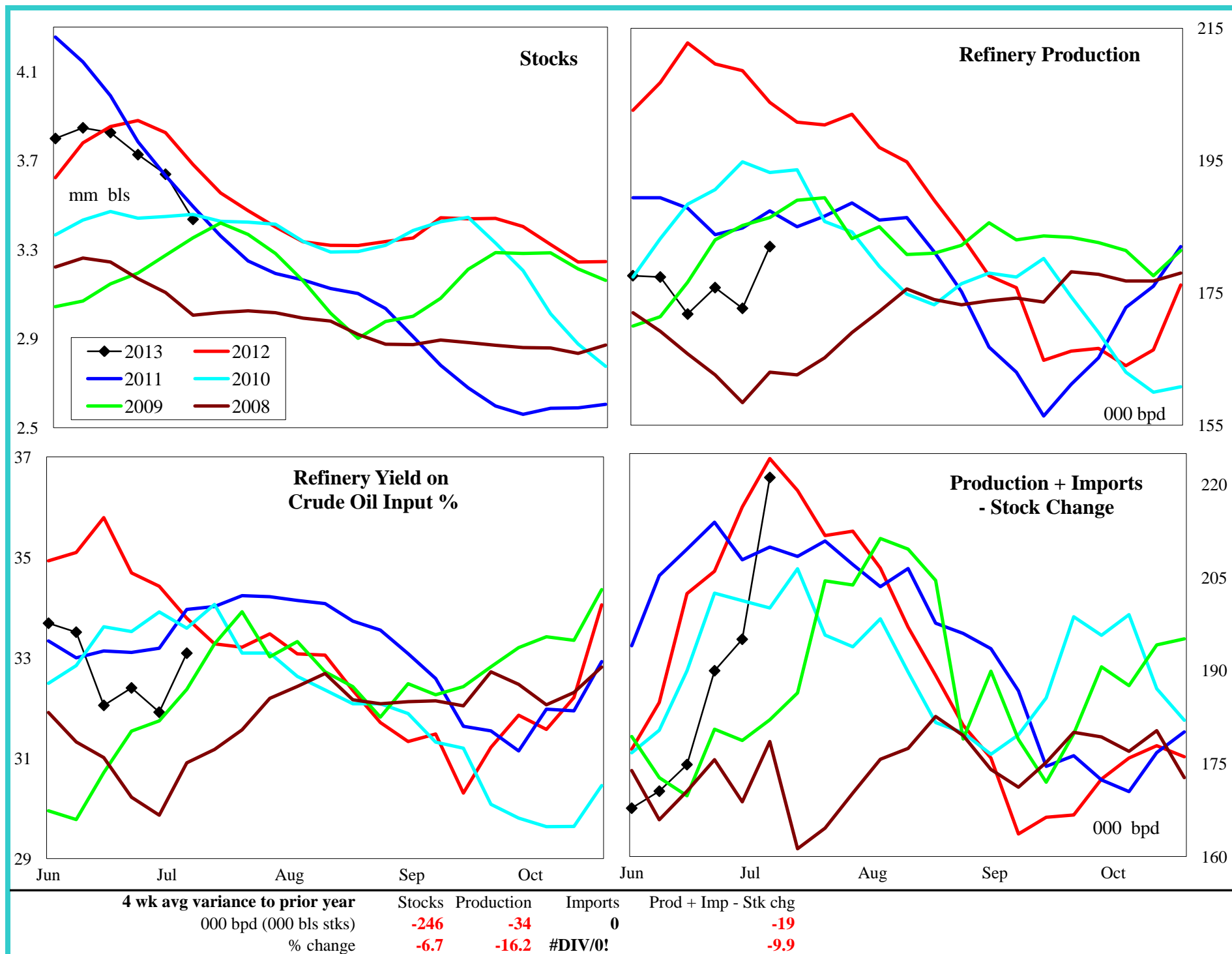
# PADD 4 Crude Oil Supply and Refining



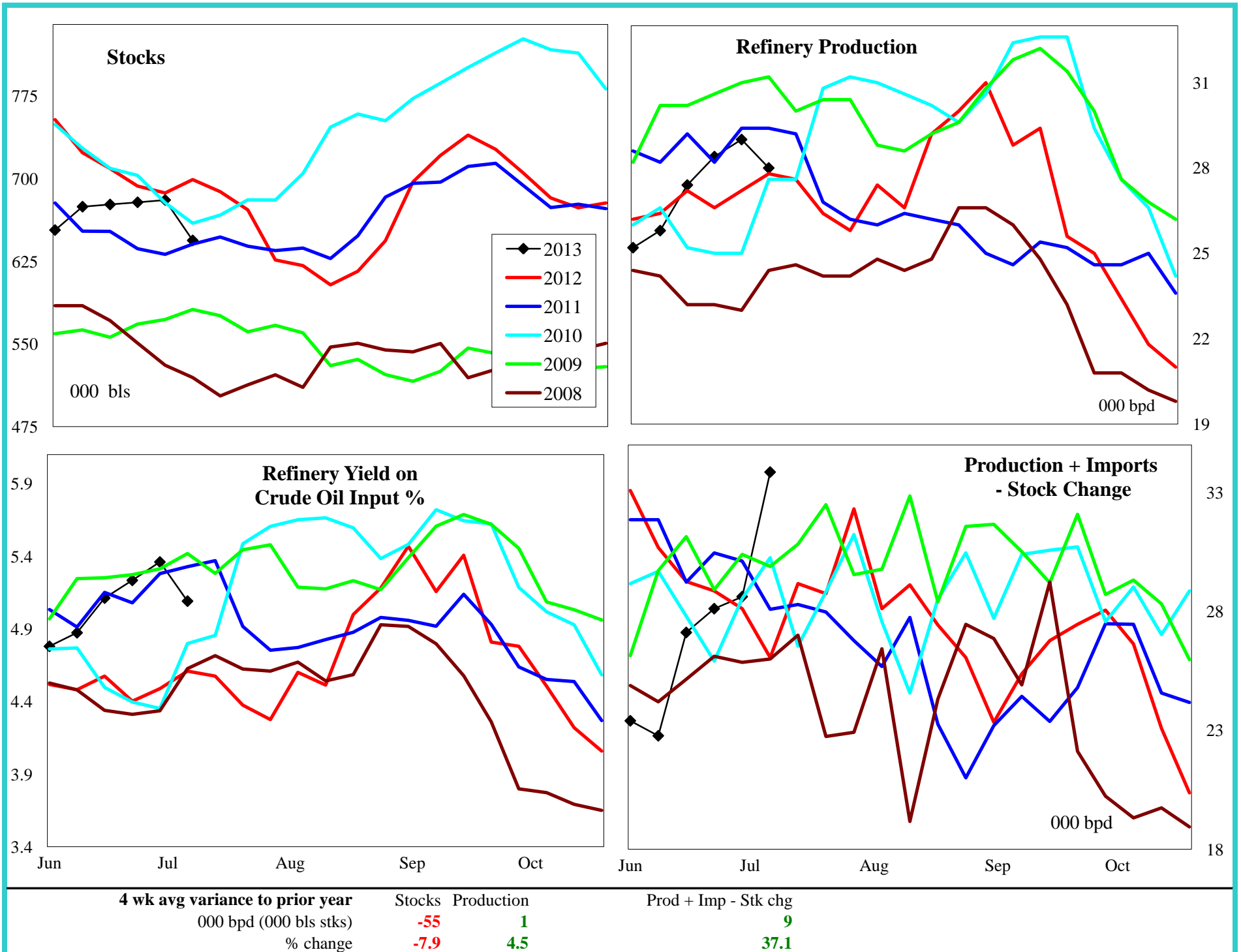
# PADD 4 Gasoline Supply



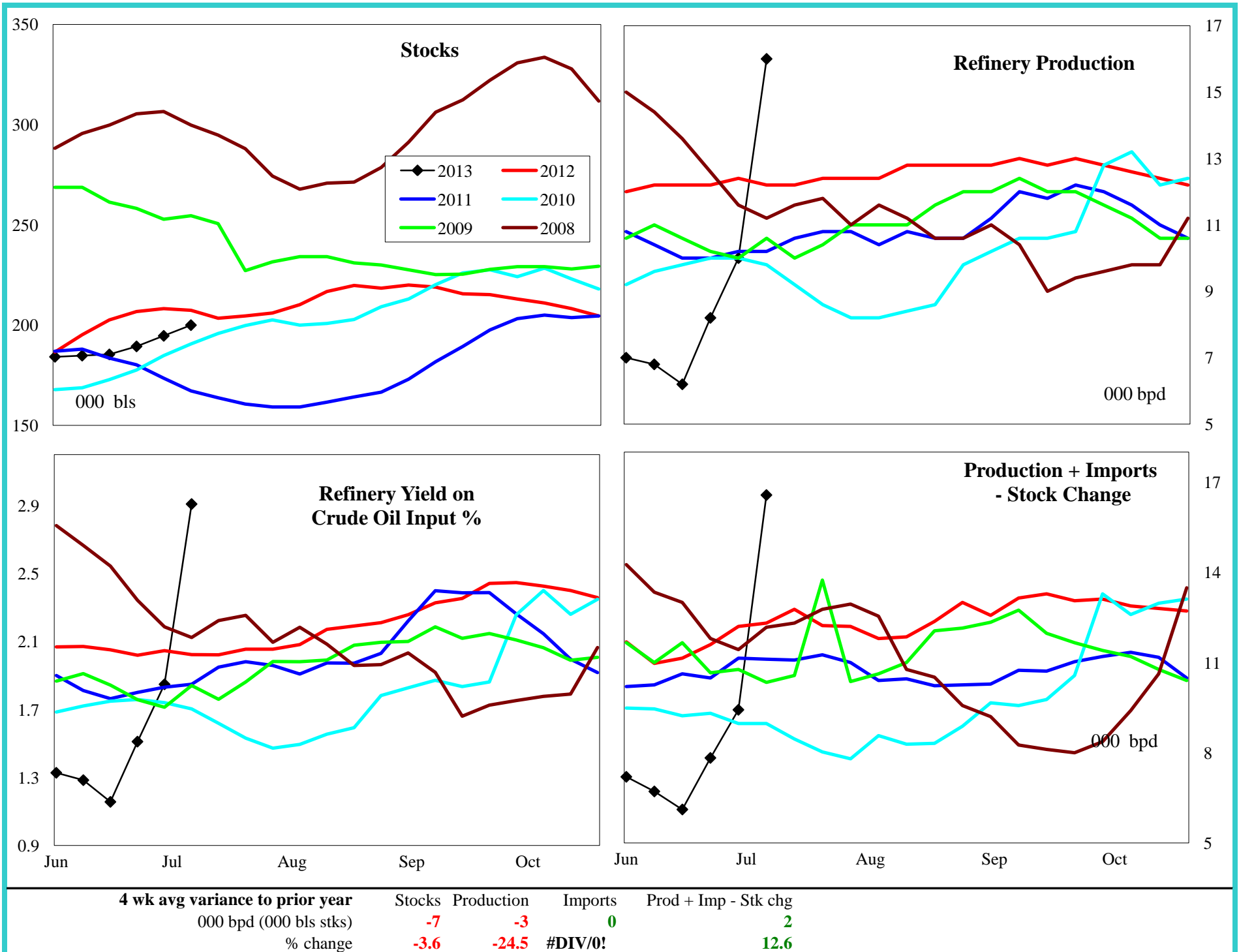
## PADD 4 Distillate Supply



# PADD 4 Jet Fuel Supply

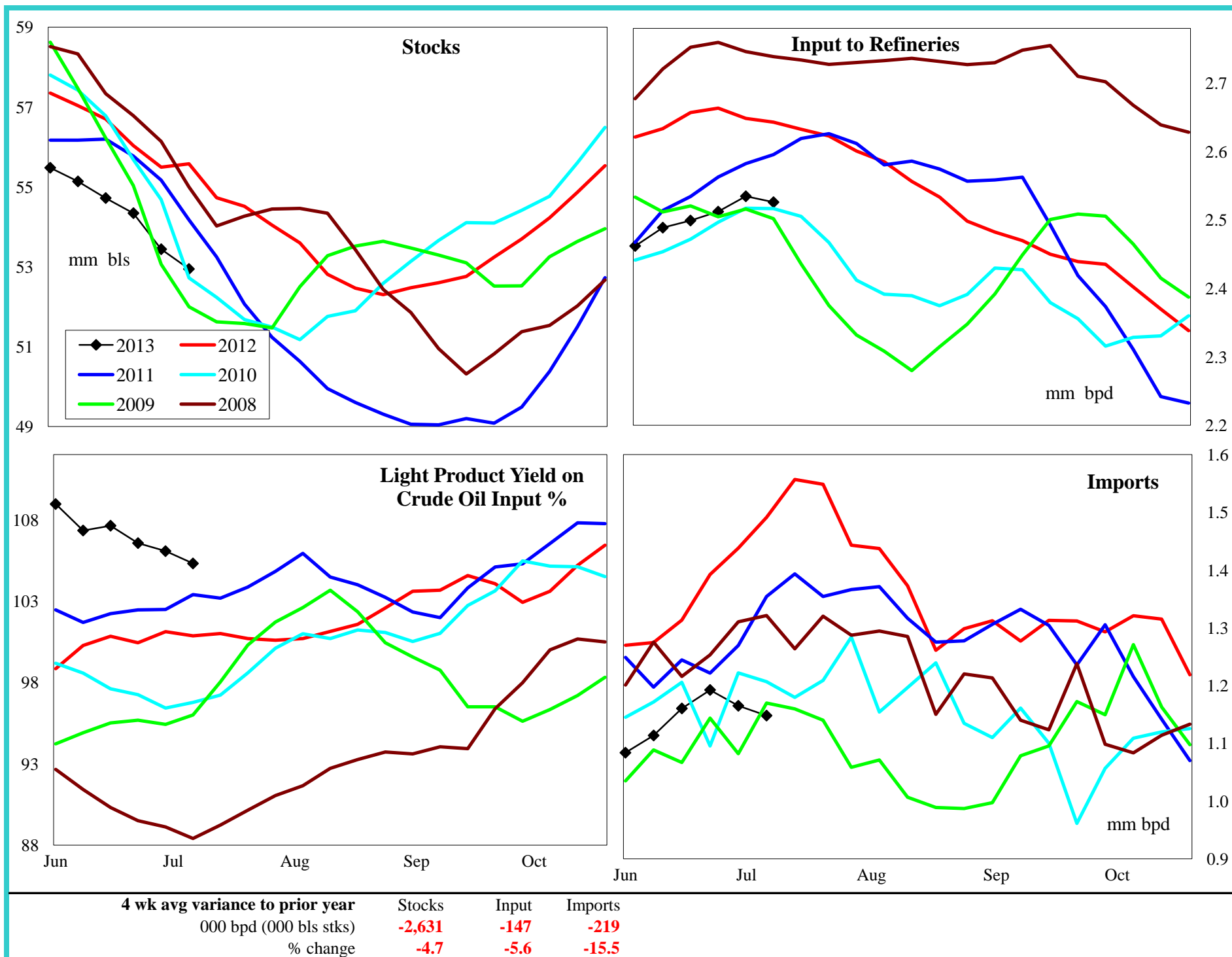


# PADD 4 Residual Fuel Oil Supply

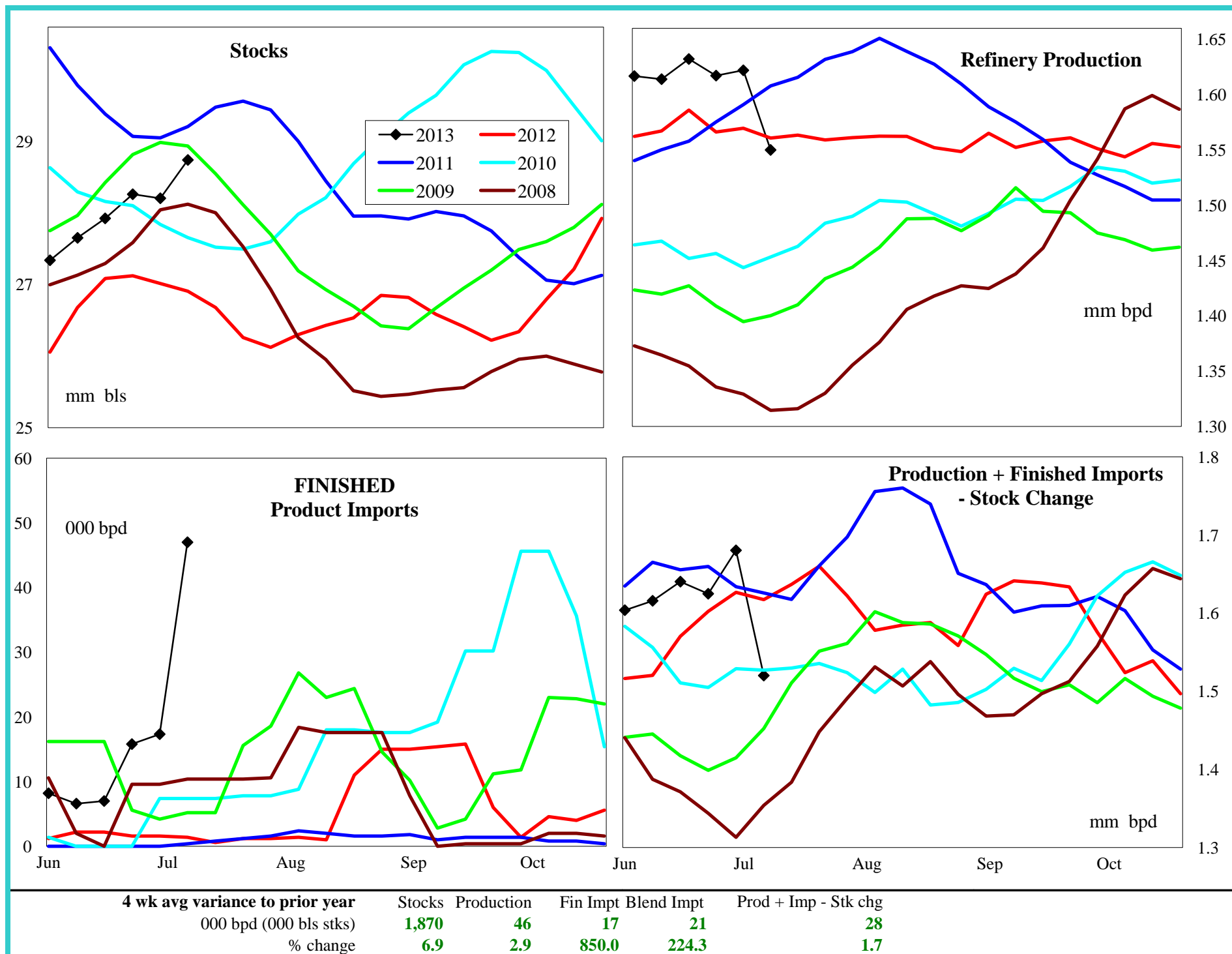




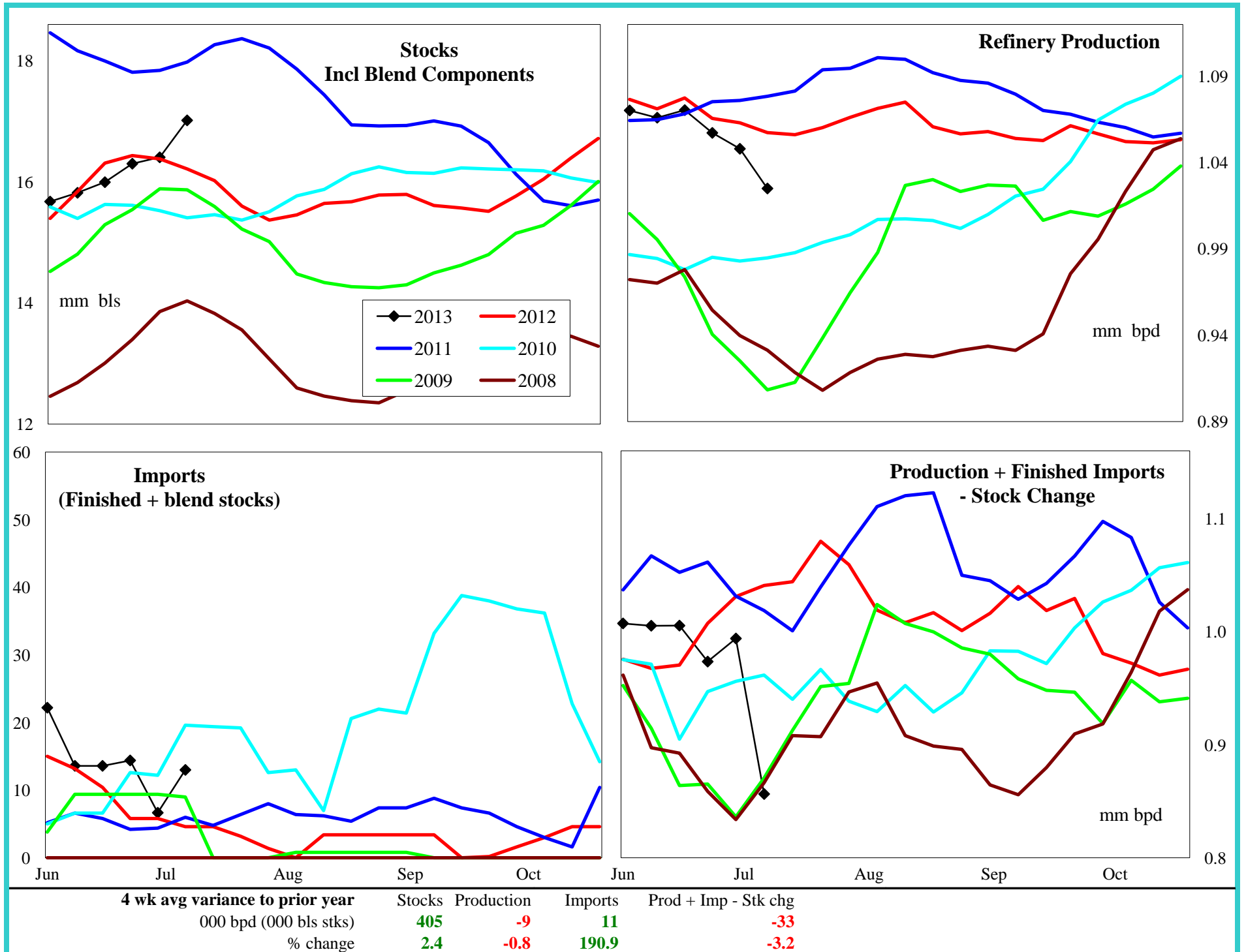
# PADD 5 Crude Oil Supply and Refining



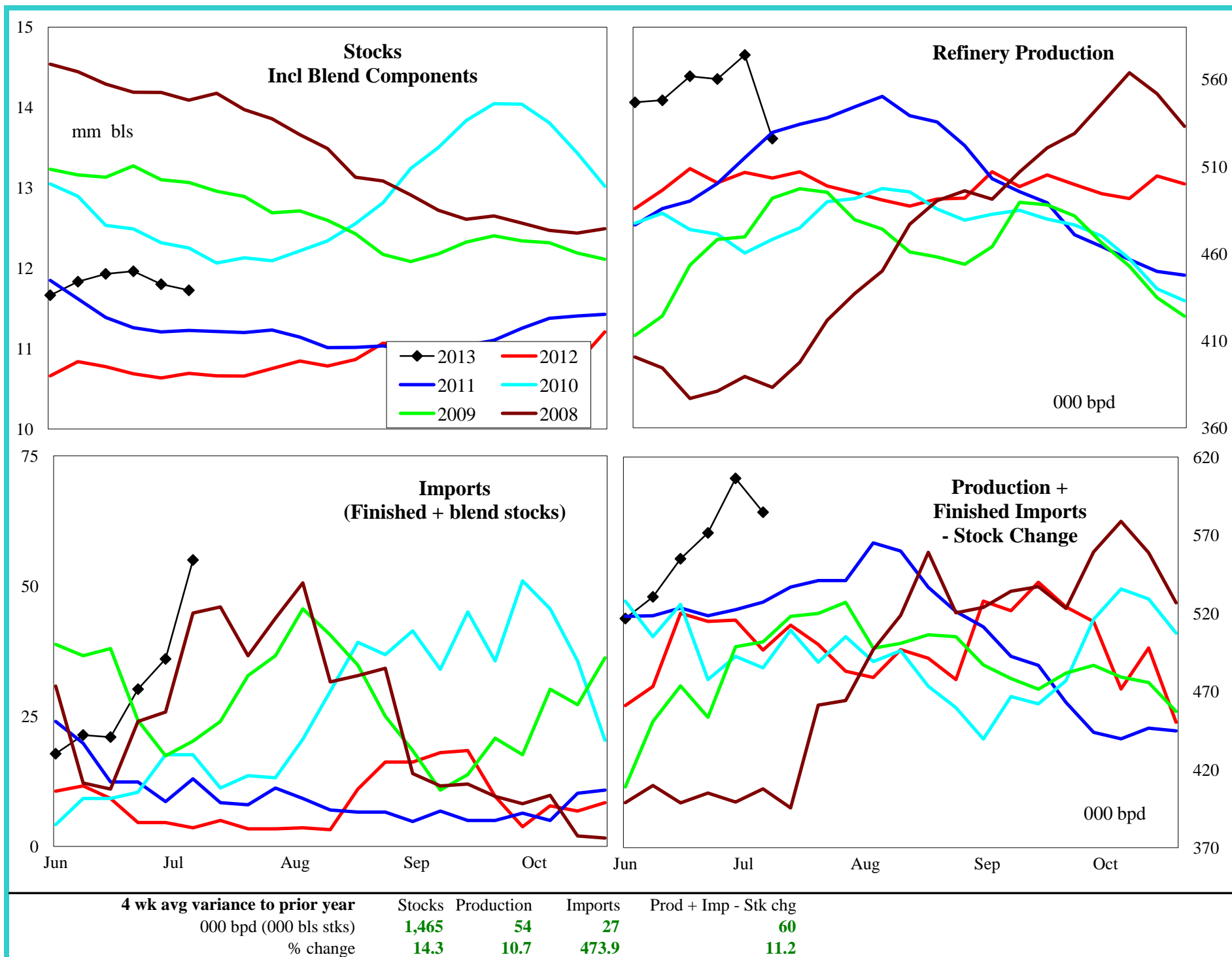
## PADD 5 Gasoline Supply



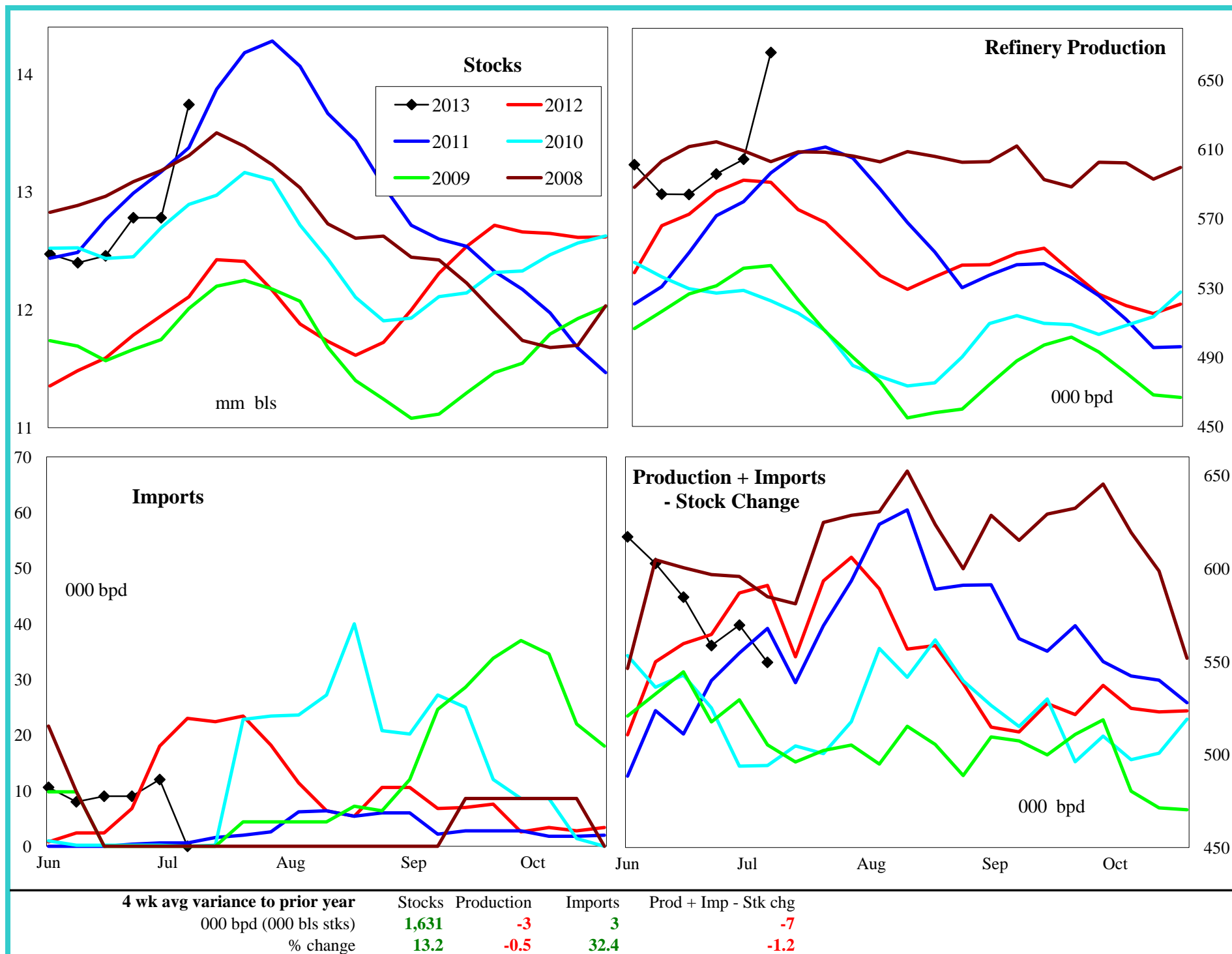
# PADD 5 Reformulated Gasoline Supply



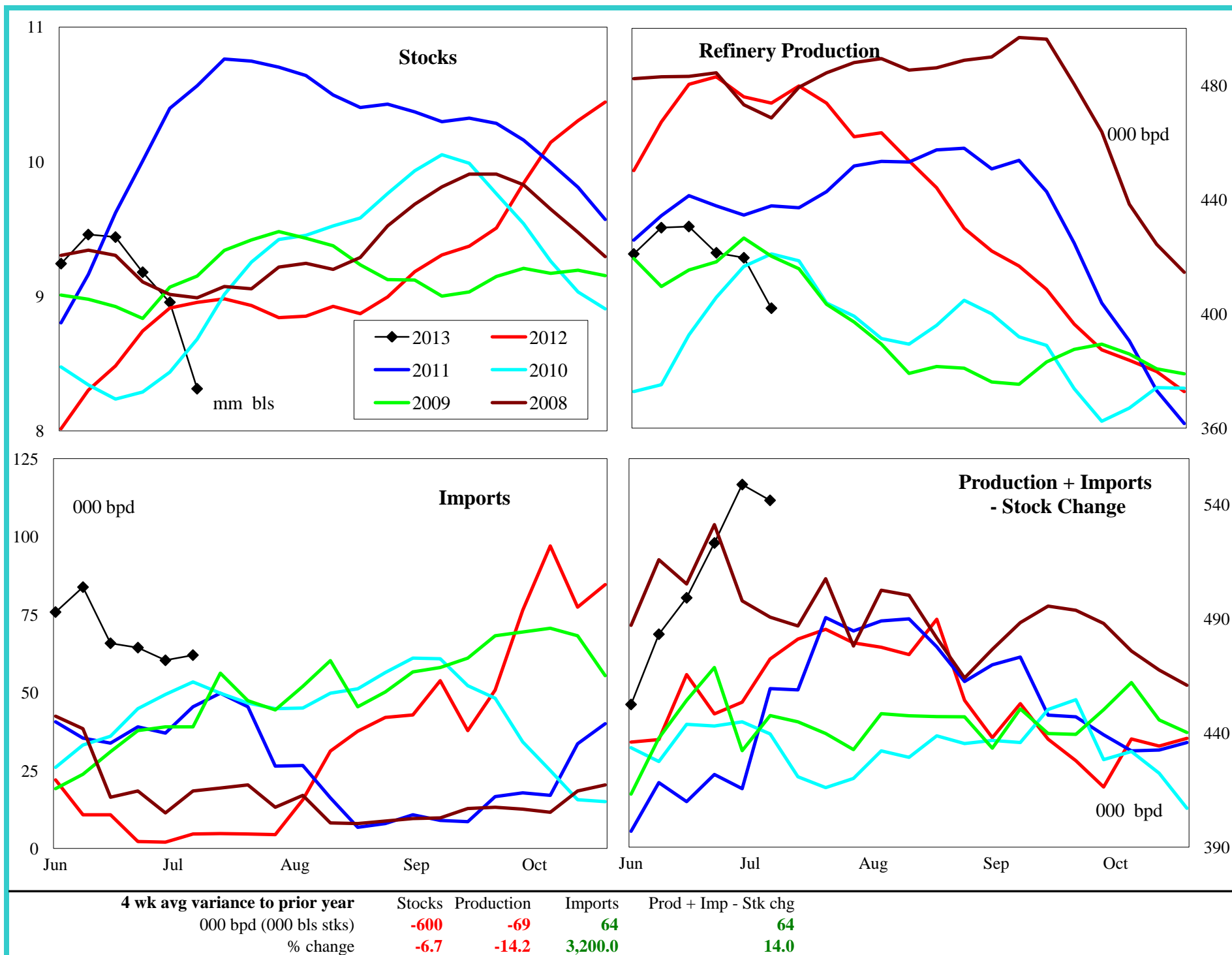
# PADD 5 Conventional Gasoline Supply



## PADD 5 Distillate Supply



# PADD 5 Jet Fuel Supply



# PADD 5 Residual Fuel Oil Supply

