



## WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

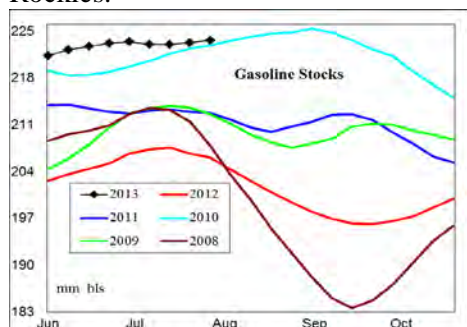
### A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Wednesday, August 07, 2013

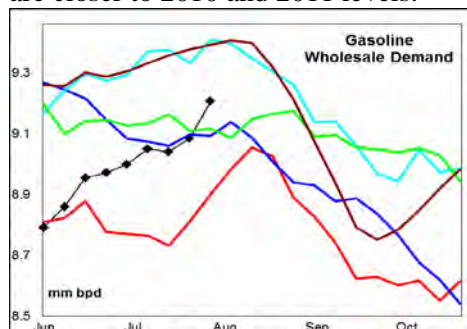


#### Major Fundamental Trends<sup>1</sup>

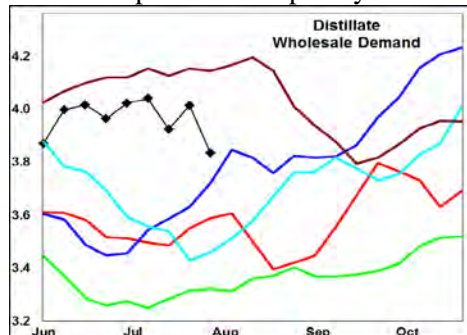
Gasoline supplies are very ample in all regional markets except the Midwest. Stock levels matched or exceeded 5-yr highs in all coastal regions last week, with production at record highs in the Rockies.



Year-on-year growth in transport fuel demand should moderate during the next 2-months, as 2012 demand levels are closer to 2010 and 2011 levels.

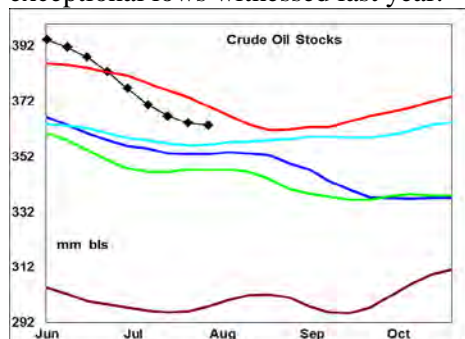


Summer gasoline demand will peak in mid-August, and then see a sharp pull back. Jet fuel demand has declined to levels comparable with prior years.



Current levels of distillate demand are comparable to the levels seen in 2010 and 2011 during August and September; but significantly above the

exceptional lows witnessed last year.



U.S. total crude oil stocks have experienced small builds for 3-consecutive weeks on higher imports and slightly lower refinery runs. However, a longer term draw down of stocks in Cushing continues, with a decline of -9.8 million barrels during the last 5-wks.

**Demand** for gasoline increased last week, while middle distillate and residual fuel oil demand declined last week. Wholesale demand, measured over the last four weeks compared to a year ago: gasoline increased +3.3%; distillate was +11% higher; jet fuel was +1.6% higher, and residual decreased -17%.

**Stocks forward coverage:** Gasoline demand coverage was nearly unchanged on a +0.1 million barrel stock increase and higher demand. Coverage remains slightly above the 5-year range.

Distillate coverage increased on a +0.5 million barrel stock build and lower demand. Coverage levels were near last year.

Jet fuel coverage increased on a +0.6 million barrel stock build and lower demand. Coverage levels remain below the 5-year range.

Residual fuel oil coverage increased on a +0.2 million barrel stock build and lower demand. Coverage levels ended the week at a level above the 5-yr range.

**Refinery utilization** rates declined last week on a -72,000 bpd decrease in crude oil runs. During the latest 4-wk period crude oil input was +404,000

bpd above a year ago.

Gasoline yield % on crude oil runs increased on a +48,000 bpd rise in output compared to the -72,000 bpd decline in crude oil runs. Yield % on crude oil runs ended the week at the 3-yr mid range for the week.

Distillate yield % on crude oil runs increased on a +92,000 bpd rise in output compared to the decrease in crude oil thru put. The yield % on crude oil runs remains above the historic range.

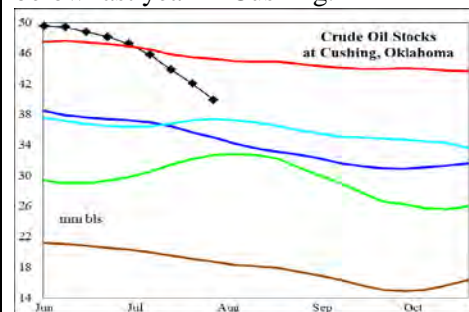
Jet fuel yield % on crude oil runs decreased on a -11,000 bpd decline in output, compared to lower crude oil input. The yield % level was above the 5-yr mid range.

**Petroleum Imports/Exports:** Imports of crude oil, gasoline and distillate were each modestly lower last week.

During the latest 4-wk period crude oil *imports* were -0.9 million bpd below last year; distillate imports increased +22,000 bpd; finished gasoline imports increased +2,000 bpd, gasoline blend stock imports were -96,000 bpd lower; jet fuel imports increased +17,000 bpd, while residual fuel oil imports were +5,000 bpd higher.

The latest weekly *export* estimate saw a +190,000 bpd increase in distillate compared to the prior month, and a -61,000 bpd decrease in gasoline. Jet fuel was nearly unchanged while residual fuel oil jumped +209,000 bpd.

**Crude Oil** stocks declined -1.3 million barrels last week, including a -2.2 million barrel draw in Cushing. Stocks ended the week -6.5 million barrels below last year's record level (-1.8%). Stock levels ended the week -12% below last year in Cushing.



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



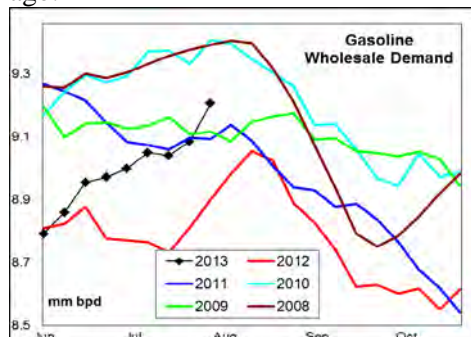
## WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

### A Fundamental Petroleum Trends Weekly Report

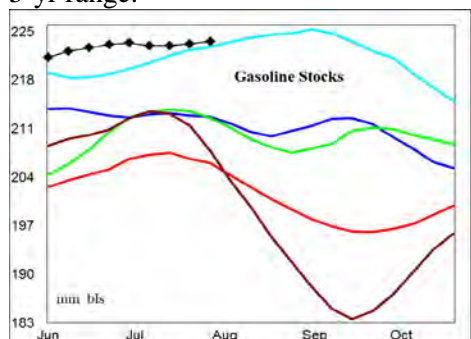
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#### Product Supply-Demand Trends

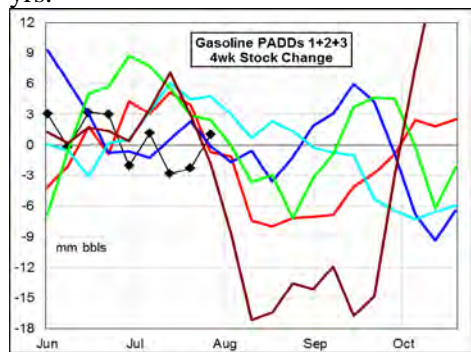
**Gasoline** wholesale demand increased +99,000 bpd on the week. The latest 4-wk average demand was +289,000 bpd above a year ago, and likely includes a rise in exports. Supply decreased -17,000 bpd last week but remains very high on record production. Supply for the latest 4-wk period was +235,000 bpd above a year ago.



Stocks increased +0.1 million barrels last week, with the level still above the 5-yr range.



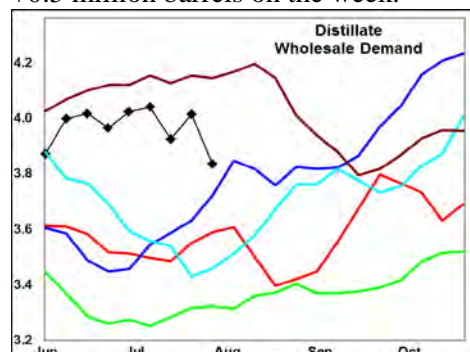
The latest 4-wk stock change in markets East of the Rockies was a +1 million barrel build, above the last 2-yrs.



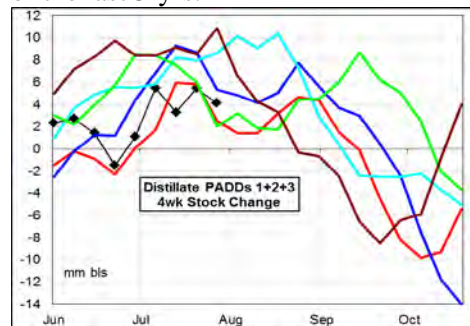
*Robust demand, (including increased exports) has led to a +3.3% year over year increase for the most recent 4-wk period. Supplies have also been extremely high, leading to slightly*

*above average stock building. Look for excess stock levels to burden coastal markets during the balance of the summer driving season.*

**Distillate** wholesale demand fell -0.1 million bpd on the week, although the level remains above the last 3-yrs. The high level of demand likely includes some increase in exports. The latest 4-wk average demand was +398,000 bpd above a year ago, a +11% increase. Supply increased +31,000 bpd last week on higher production. The latest 4-wk average supply was +292,000 bpd above last year. Stocks increased +0.5 million barrels on the week.



The latest 4-wk stock change in markets East of the Rockies was a +4.1 million barrel build, below the average of the last 3-yrs.



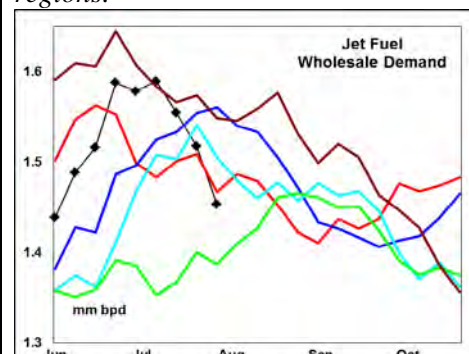
*An exceptional increase in demand (likely including an increase in exports) of +11% over a year ago for the most recent 4-wk period has reduced the rate of stock building to below the historic average. This fundamental trend points to a slower than normal rate of improvement in the supply balance.*

**Jet Fuel** wholesale demand decreased -70,000 bpd last week, to a level below the last 3-yrs. The latest 4-wk average demand was +24,000 bpd above last

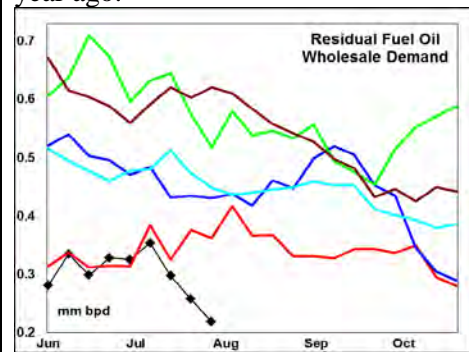
year, a +2% increase.

Supplies increased +46,000 bpd on the week, driven by higher imports. Supply for the latest 4-wk period was -26,000 bpd below a year ago. Stocks increased +0.6 million barrels but remain below the 5-yr range.

*Look for demand to extend a seasonal downtrend. Peak season production and the rebound in imports should lead to modest stock building during the next quarter. Stock levels are below the 5-yr range in most major regions.*



**Residual fuel oil** demand fell -141,000 bpd last week. Demand for the latest 4-wk period was -56,000 bpd below a year ago.



Supply (production + imports) decreased -8,000 bpd last week, on lower production. Production levels matched year ago levels last week. Stock levels matched the average of the last 3-years.

*Stock levels remain above the 5-year range in the Gulf region where stocks are +16% above last year and a record high. Demand for the latest 4-wk period remains exceptionally low.*





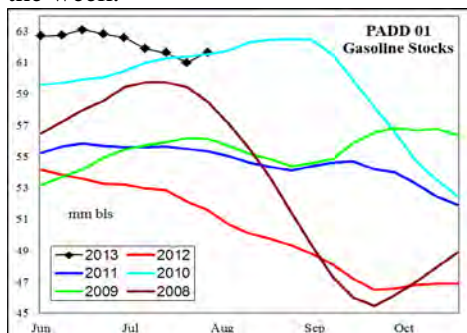
## WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

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#### PADD Supply Trends

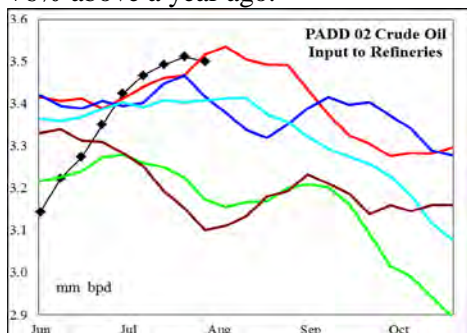
**PADD 1** refinery crude oil runs decreased -20,000 bpd last week, to a level +8% above last year. Crude oil imports climbed +0.2 million bpd on the week.



Gasoline supply fell -127,000 bpd last week on lower imports. Stocks increased +1.4 million barrels to a level that matched 5-yr highs.

Distillate supply decreased -60,000 bpd on the week, with the 4-wk average +28,000 bpd above a yr ago. Stocks fell -1.5 million barrels for the week, although ULSD stocks matched 3-yr highs.

Jet fuel stocks increased +0.8 million barrels last week, to a level +6% above a year ago.



**PADD 2** crude oil refinery runs were unchanged on the week, with the level matching historic highs. Runs for the latest 4-wk period were +36,000 bpd above prior 5-year highs. Crude oil stocks decreased -0.6 million barrels last week. Stocks ended the week -12% below a year ago in Cushing.

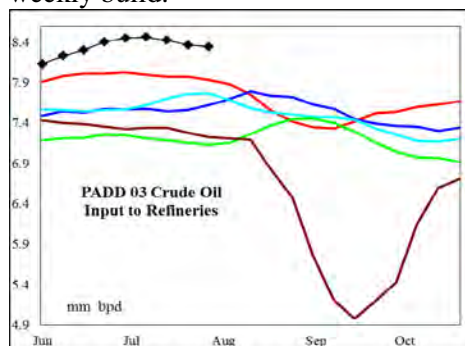
Gasoline production decreased -52,000 bpd on the week, to a level below the historic mid range. Stocks increased +0.3 million barrels to a level that matched historic lows.

Distillate supply decreased -5,000

bpd last week, to a level that matched the 3-yr average. Stocks increased +0.5 million barrels on the week, to a level slightly above the last 2-yrs.

Jet fuel production increased +14,000 bpd last week, to a level that matched the 3-yr average. Stocks ended the week -8% below last year and a 5-yr low.

**PADD 3** refinery runs decreased -42,000 bpd last week. During the latest 4-wk period, average runs were +475,000 bpd above a year ago. Crude oil stocks increased +0.2 million barrels last week, the 3<sup>rd</sup> consecutive weekly build.



Gasoline supply increased +121,000 bpd on the week, with the latest 3-wk average +150,000 bpd above a year ago. Stocks declined -1.2 million barrels to level above the 5-year range.

Distillate supply increased +76,000 bpd on the week, with the latest 4-wk average supply +228,000 bpd above last year. Stocks increased +1.5 million barrels on the week, to a level +7% above last year.

Jet fuel supply decreased -15,000 bpd on the week, with production matching historic highs. Stocks decreased -0.6 million barrels, with the level below the 5-yr range.

Residual fuel supply increased +8,000 bpd to a level comparable with last year. Stock levels ended the week +16% above a year ago, and a record high.

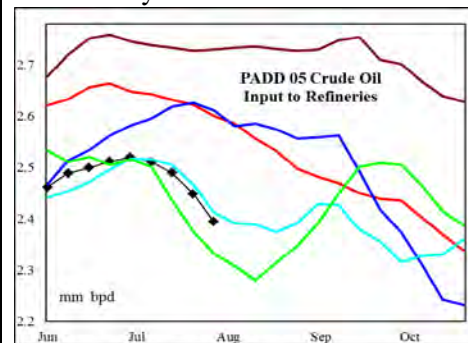
**PADD 4** refinery crude runs decreased -1,000 bpd on the week, to a level slightly above four of the last 5-yrs. Crude oil stocks climbed to a fresh record high, up +13% above a year ago.

Gasoline production increased +6,000 bpd on the week, to a level matching record highs. Stocks climbed +0.3 million barrels to match the latest 3-yr mid range.

Distillate production decreased -2,000 bpd, to a level near the average of the last 3-yrs. Stock levels ended the week at historic lows.

Jet fuel production was slightly above the last 2-yrs for the week. Stock levels fell below the last 3-yrs for the week.

**PADD 5** crude oil refinery runs decreased -7,000 bpd on the week; a level below the last 3-yrs. The latest 4-wk average run rate was -154,000 bpd below last year.




Gasoline supply increased +90,000 bpd on the week with production near 2011 highs. The latest 4-wk average supply was +61,000 bpd above a year ago. Stocks decreased -0.7 million barrels on the week, to a level that matched historic highs.

Distillate supply increased +17,000 bpd, with production comparable to last year. The latest 4-wk average supply was -14,000 bpd below last year. Stocks were unchanged on the week, a level that matched last years' record lows.

Jet fuel supply increased +44,000 bpd last week on higher imports. Stocks increased +0.1 million barrels to a level -9% below last years' record low.

Residual fuel oil supplies were +41,000 bpd above last year on sharply higher imports. Stock levels match the 3-yr mid range.



FUNDAMENTAL

PETROLEUM TRENDS

PETROLEUM: Graph Link and Weekly Summary

A Fundamental Petroleum Trends Weekly Report

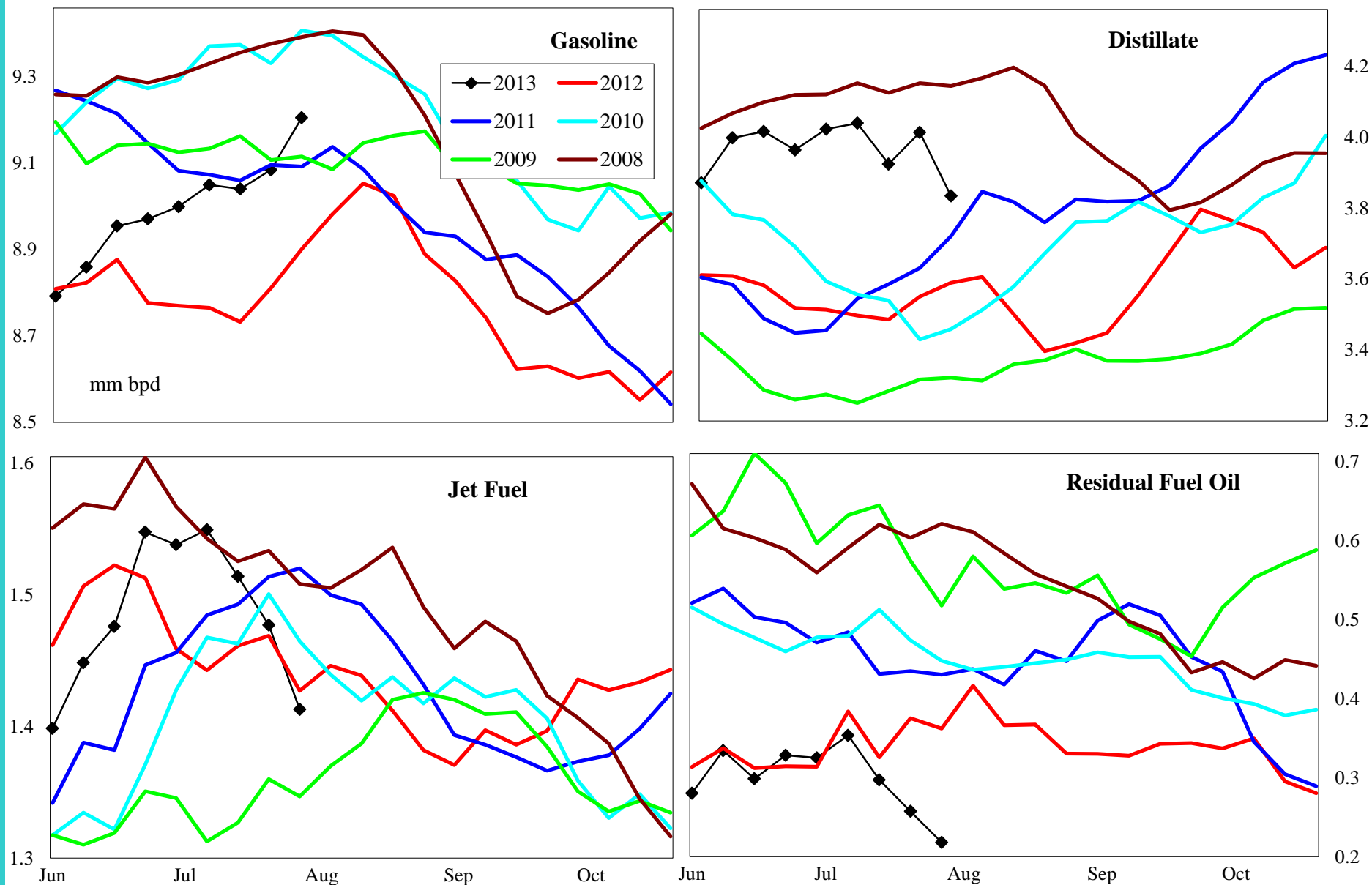
August 7, 2013

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Fundamental Trends	<a href="#">Wholesale Demand</a>	<a href="#">Stocks Days Fwd Coverage</a>	<a href="#">Refinery Utilization</a>		<a href="#">Product Yield %</a>		<a href="#">Imports</a>
Supply/Demand Trends	2-Aug-13	EIA-DOE CHANGE FROM PRIOR WEEK					
	000 bpd stocks 000 bls	U. S. Total	PADD				
			1	2	3	4	5
<a href="#">Crude Oil</a>	Stocks	-1,320	-678	-565	186	588	-850
	Imports	-254	238	131	-94	-78	-451
	Input	-72	-20	-2	-42	-1	-7
	% Utilization	-0.40					
<a href="#">Gasoline</a>	Stocks	135	1,371	347	-1,162	306	-729
	Production	48	-27	-52	121	6	54
	Imports	-65	-100	0	0	0	36
	Supplied	99					
<a href="#">Distillate</a>	Stocks	469	-1,514	481	1,540	-40	1
	Production	92	-11	6	76	-2	22
	Imports	-61	-49	-11	0	3	-5
	Supplied	-103					
<a href="#">Jet Fuel</a>	Stocks	573	821	289	-617	-40	119
	Production	-11	1	14	-15	1	-11
	Imports	57	4	0	0	0	53
	Supplied	-70					
<a href="#">Residual Fuel Oil</a>	Stocks	162	314	26	21	-5	-194
	Production	-38	6	-16	-44	0	16
	Imports	30	-14	-2	52	0	-5
	Supplied	-141					

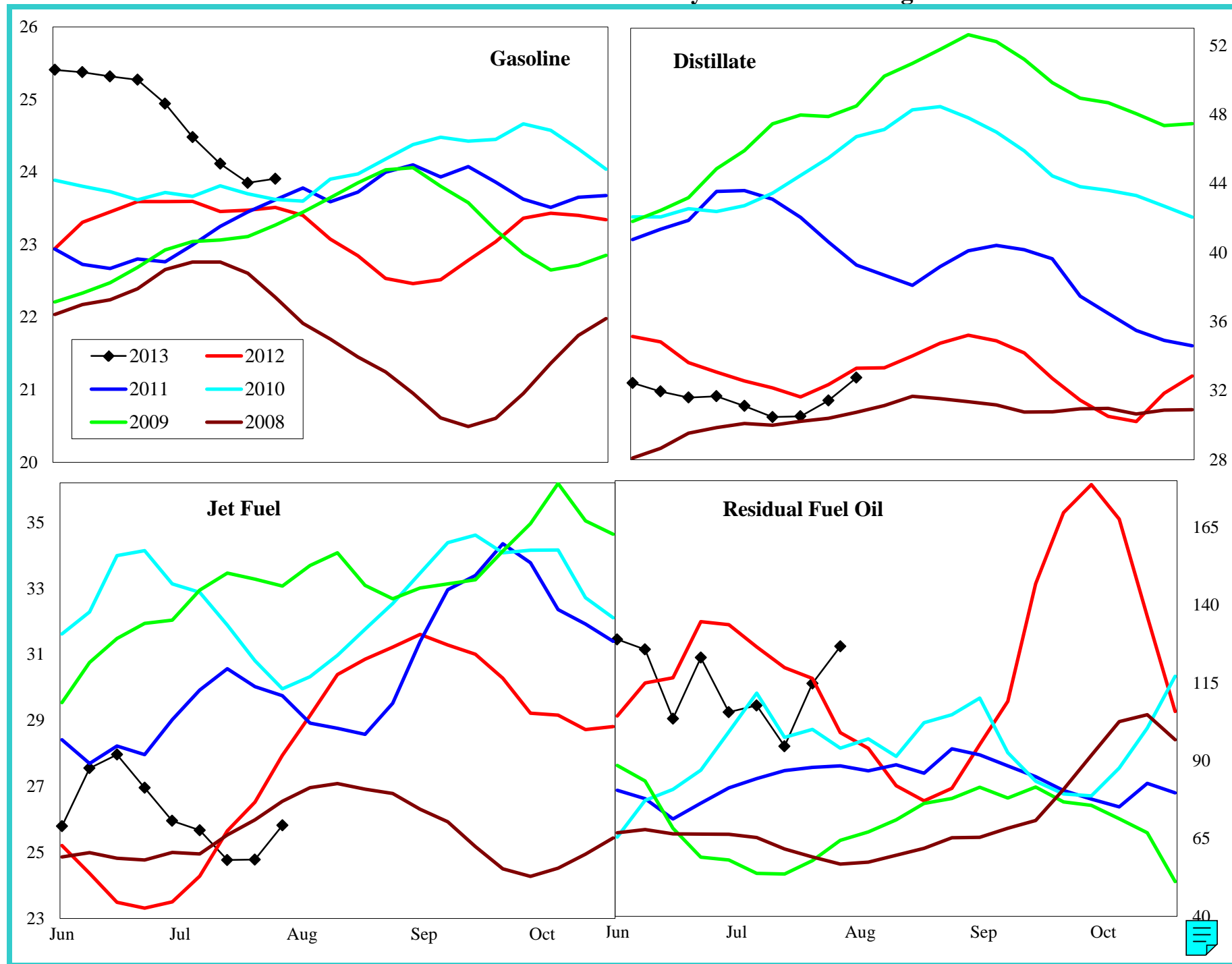
## United States Wholesale Petroleum Demand



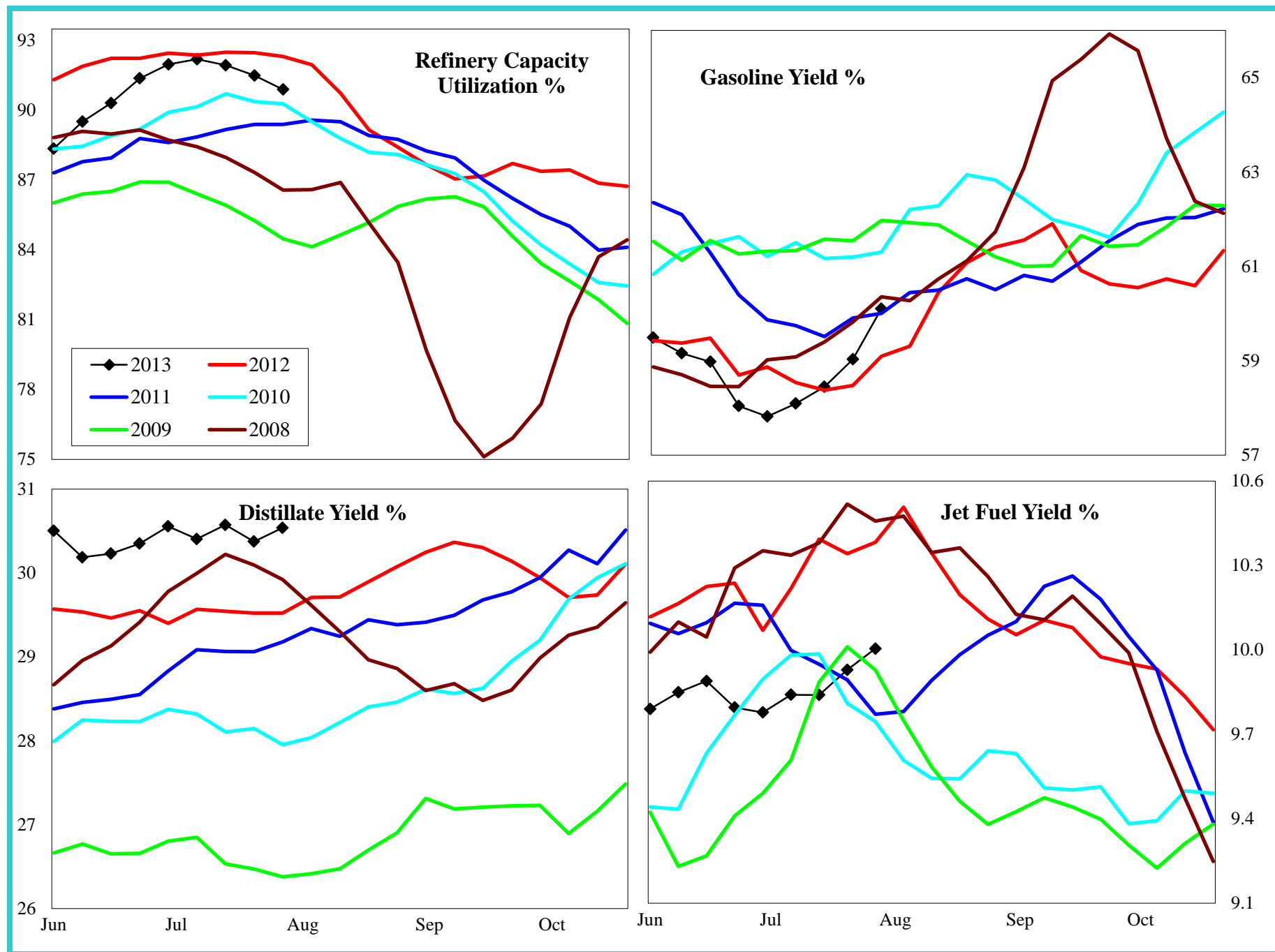
	000 bpd change from prior year				% change from prior year			
	4wk avg	Jun	May	Jan	4wk avg	Jun	May	Apr
Gasoline	289	-116	-269	-51	3.3	-1.3	-3.0	-0.6
Distillate	398	380	96	167	11.1	10.2	2.6	4.5
Jet Fuel	24	-56	75	55	1.6	-3.6	5.3	4.0
Resid	-56	-100	111	-124	-17.0	-26.9	37.8	-30.4



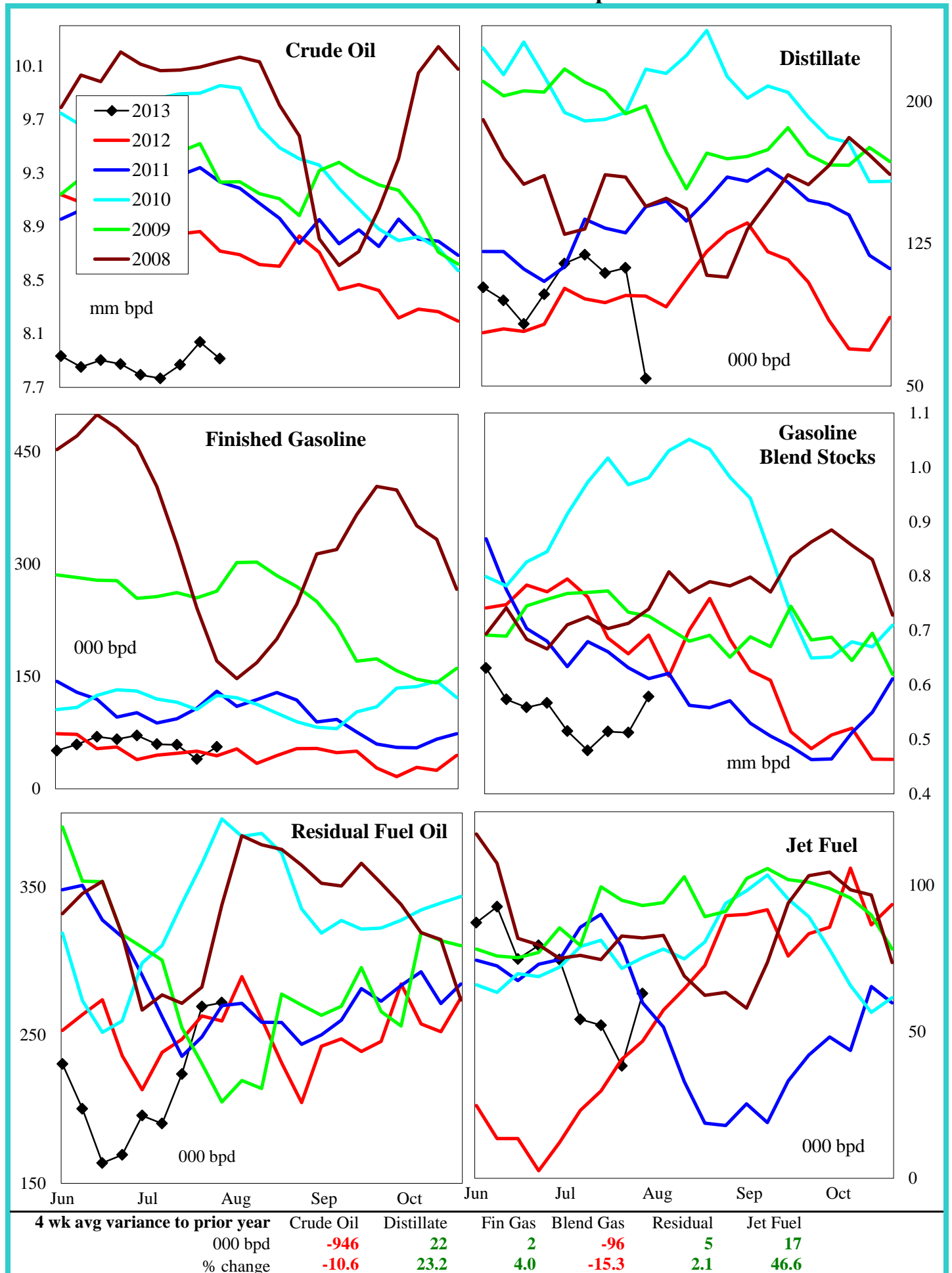
## United States Product Stocks: Days Forward Coverage



## United States Refinery Percent Utilization Rate and Product Yields

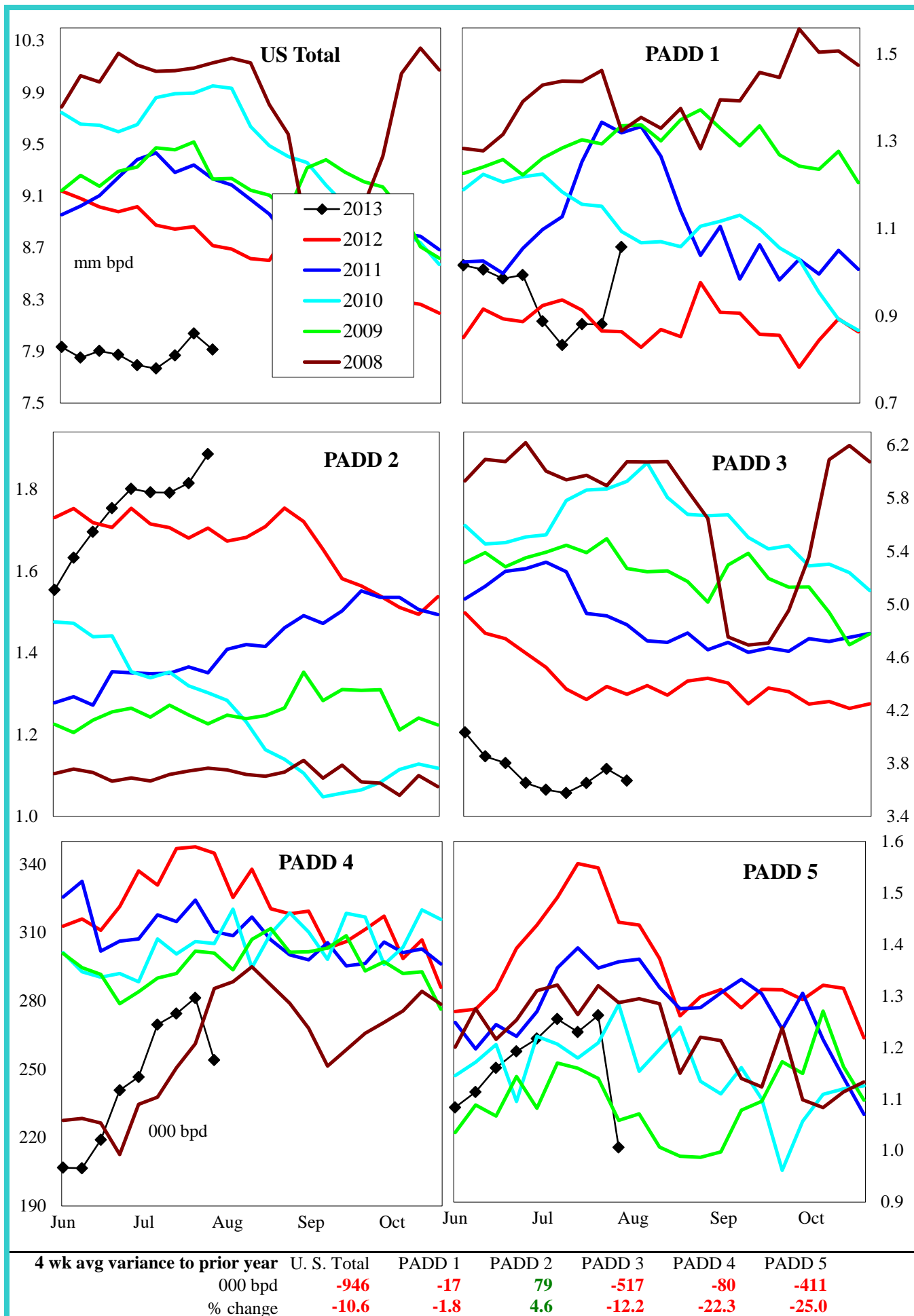


# United States Petroleum Imports

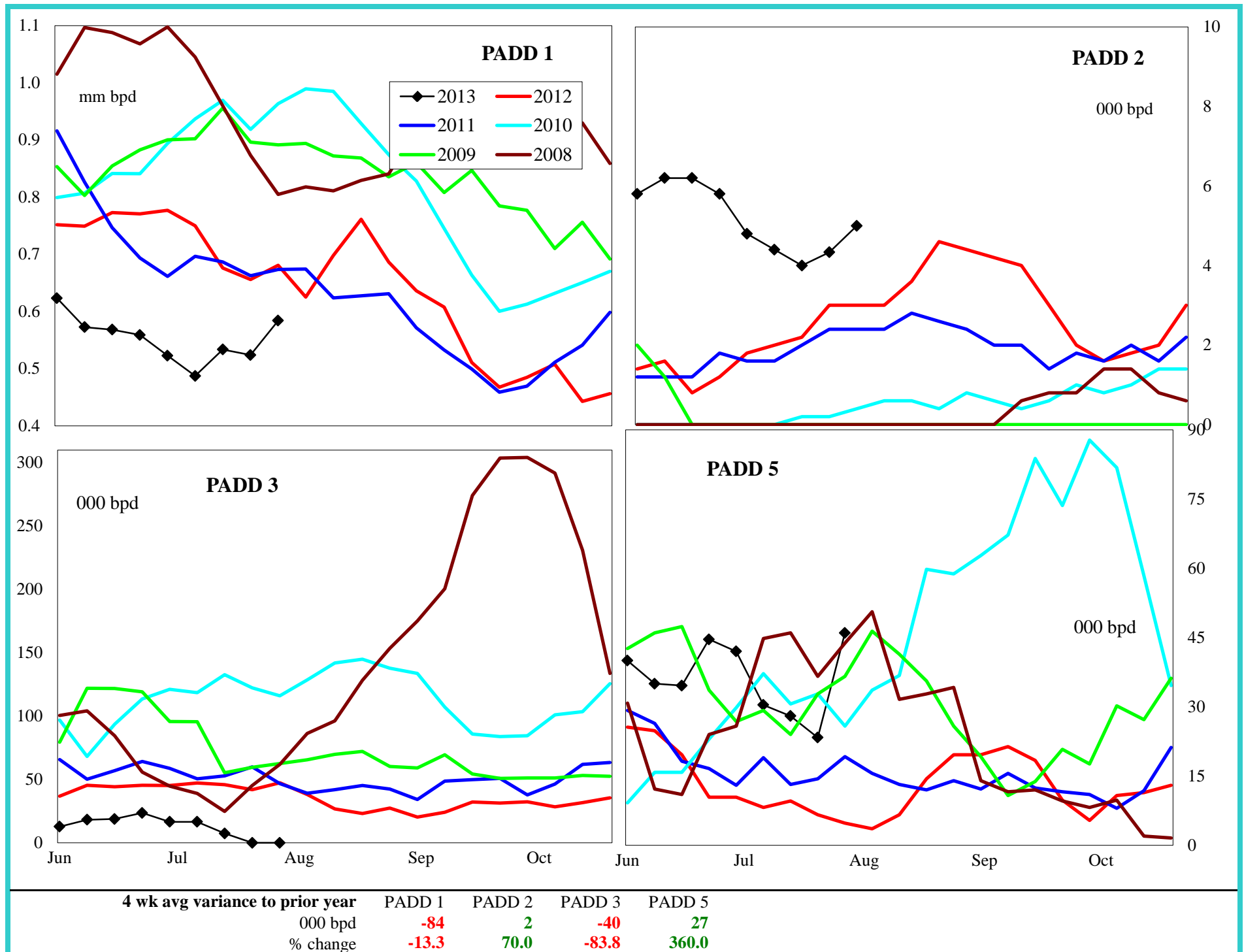




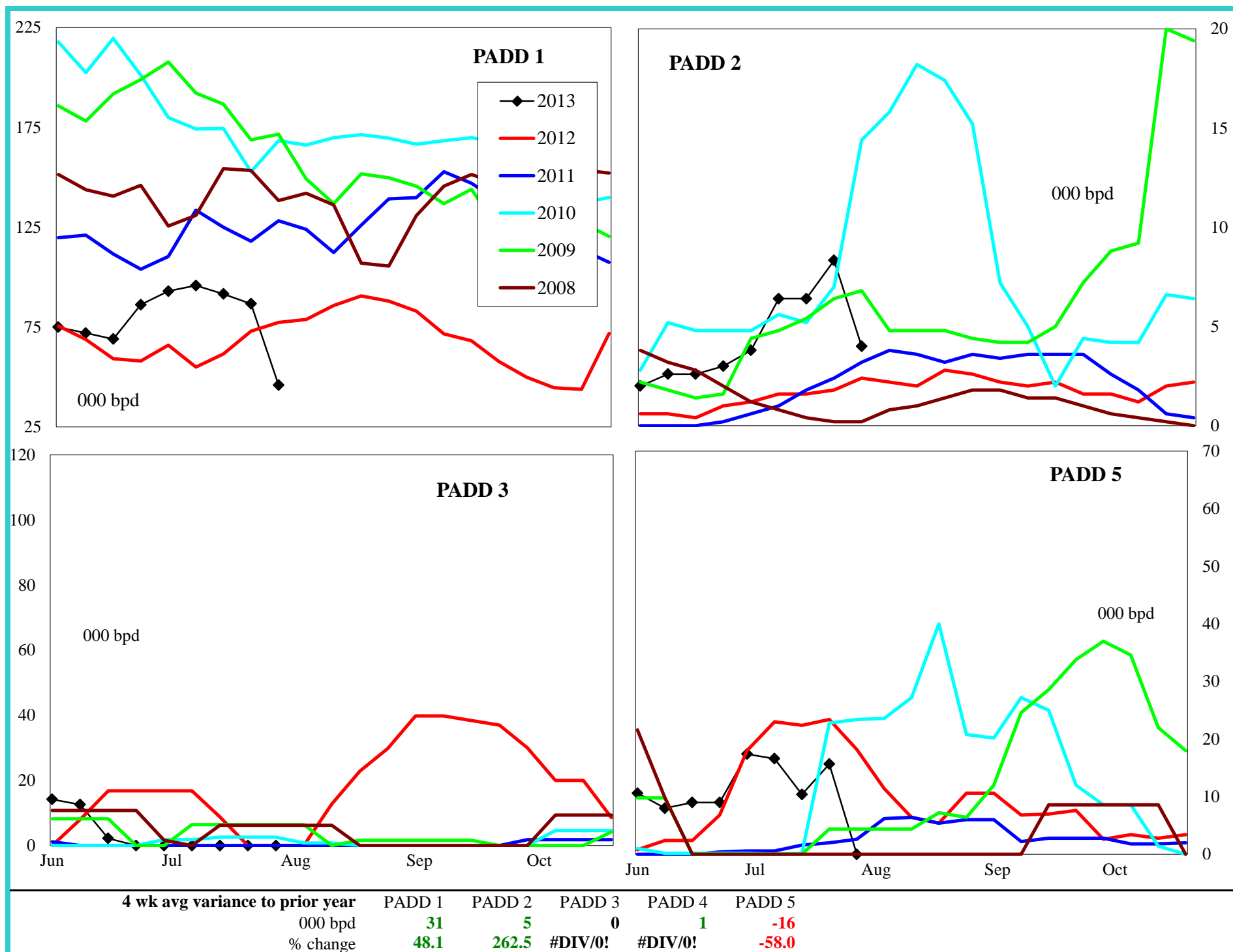
## Crude Oil Imports by PADD



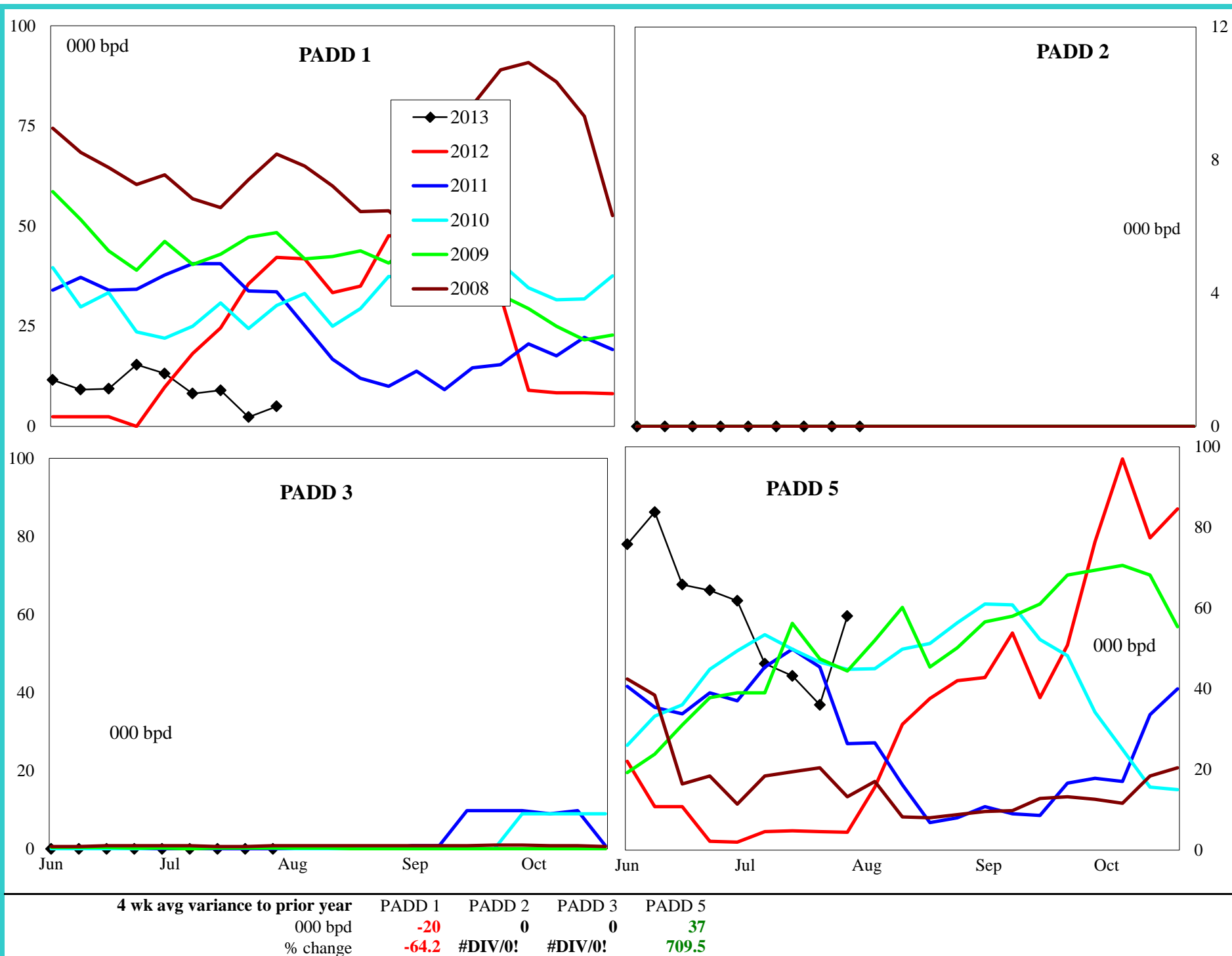
# Gasoline Imports by PADD (Finished + Blend Stocks)



## Distillate Imports by PADD

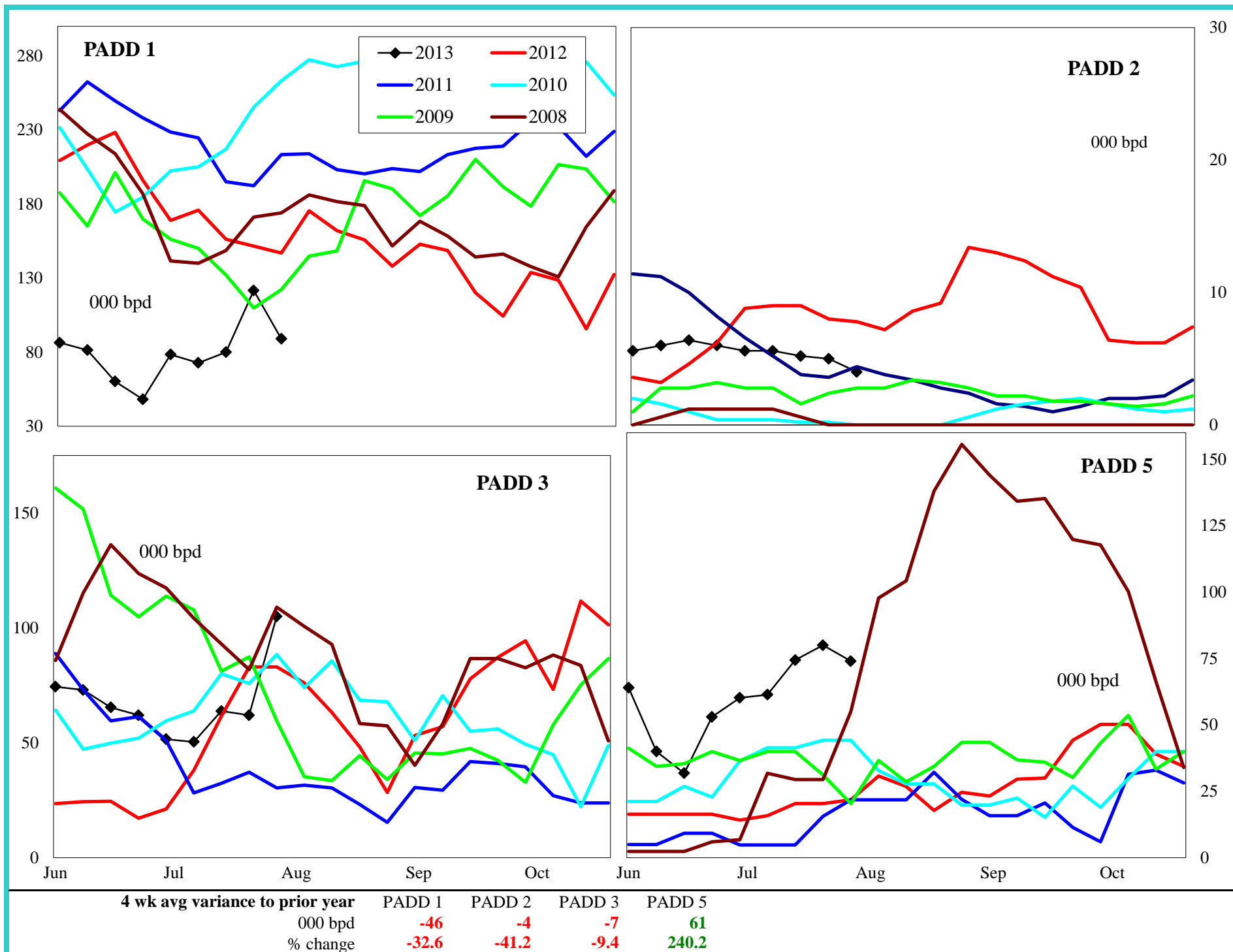


# Jet Fuel Imports by PADD

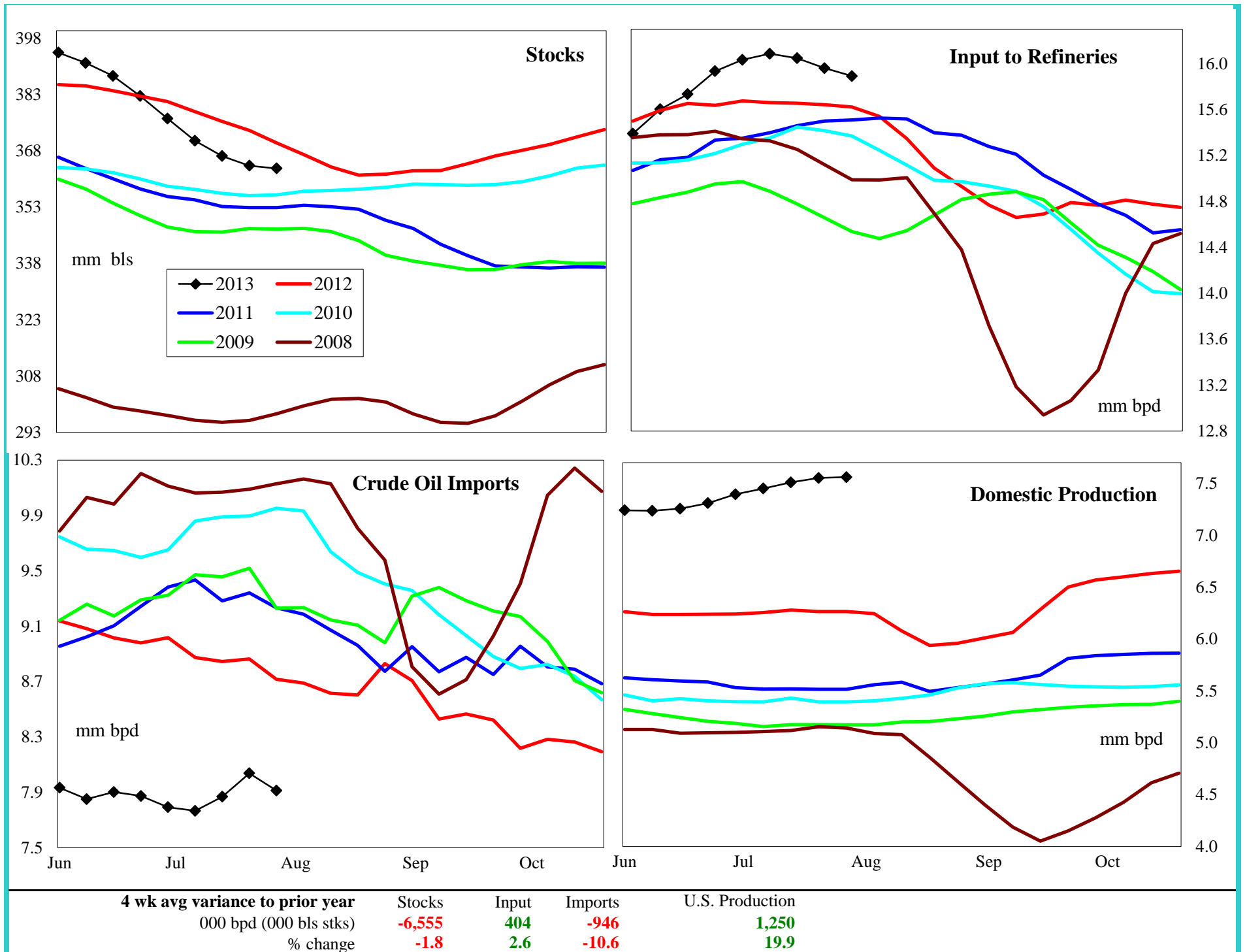




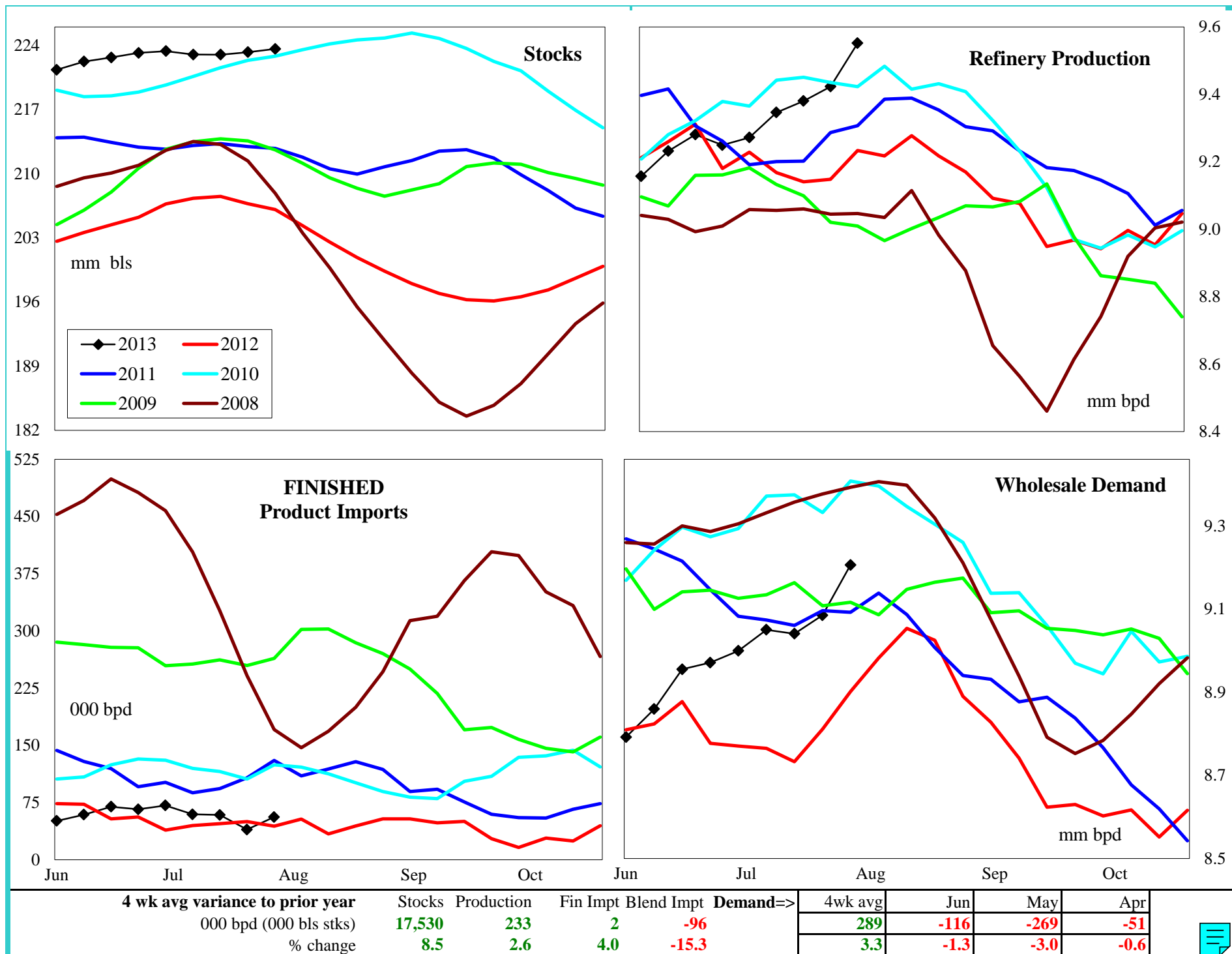
## Residual Fuel Oil Imports by PADD



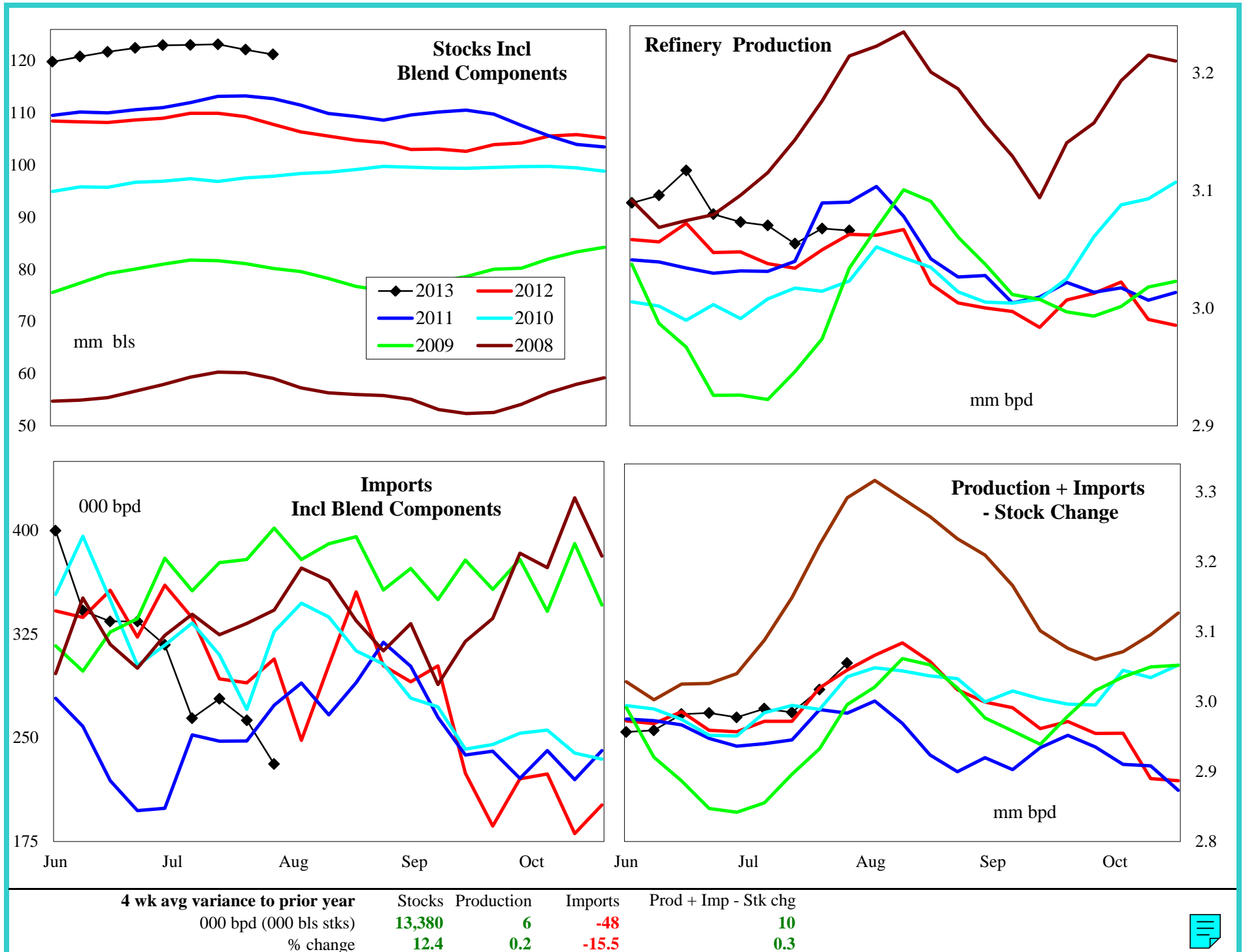
# United States Crude Oil Supply and Demand Balance



# United States Gasoline Supply and Demand Balance

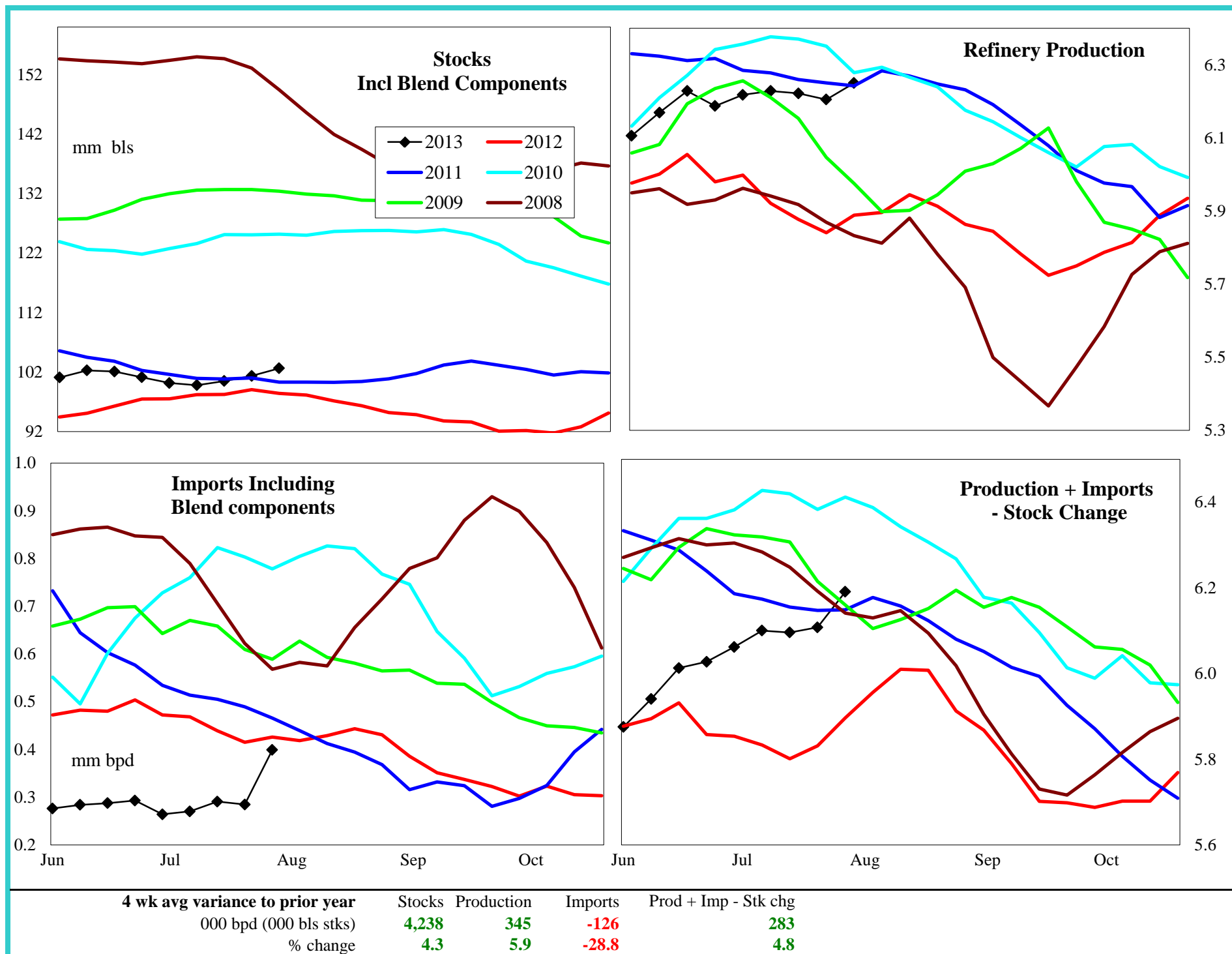


# United States Reformulated Gasoline Supply

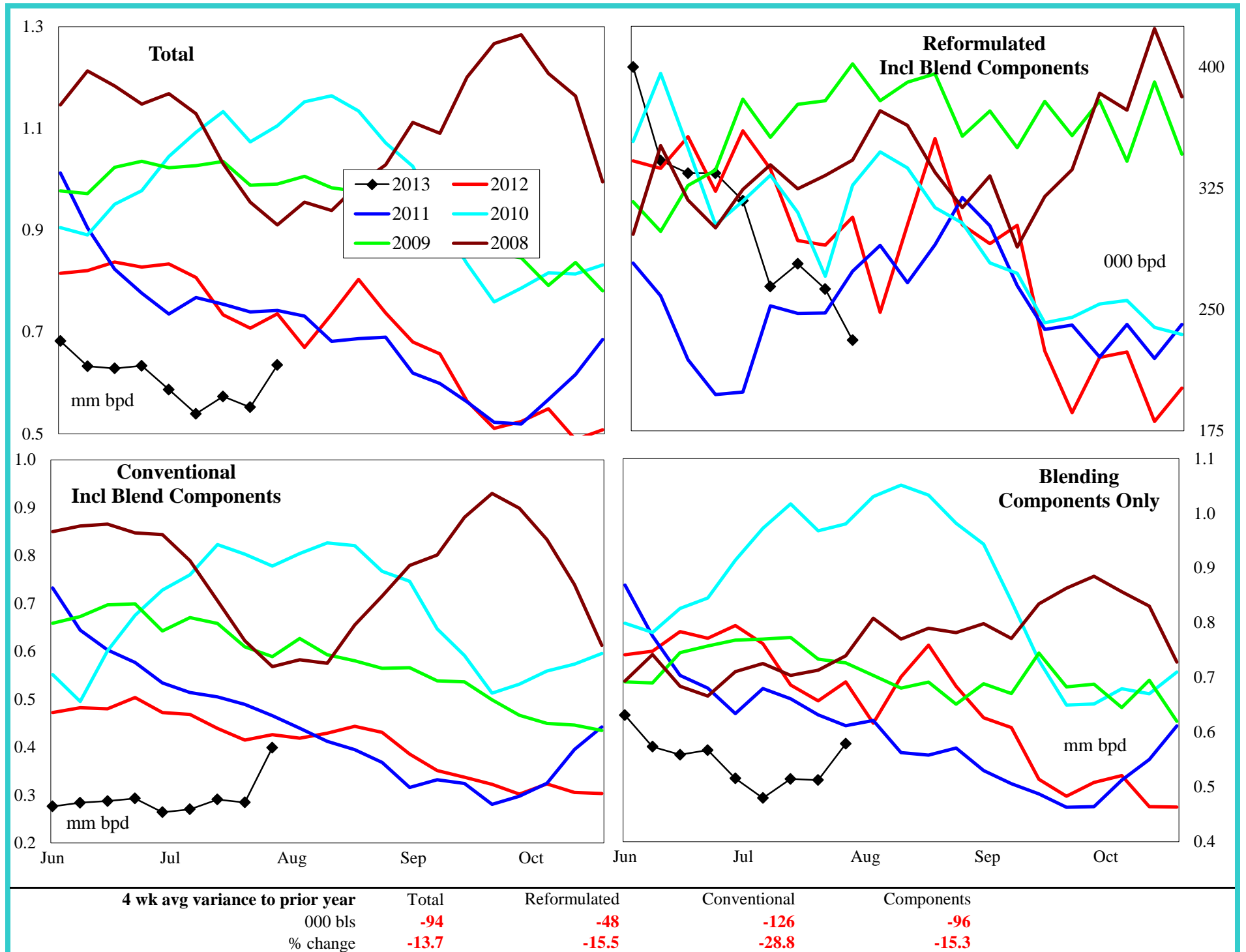




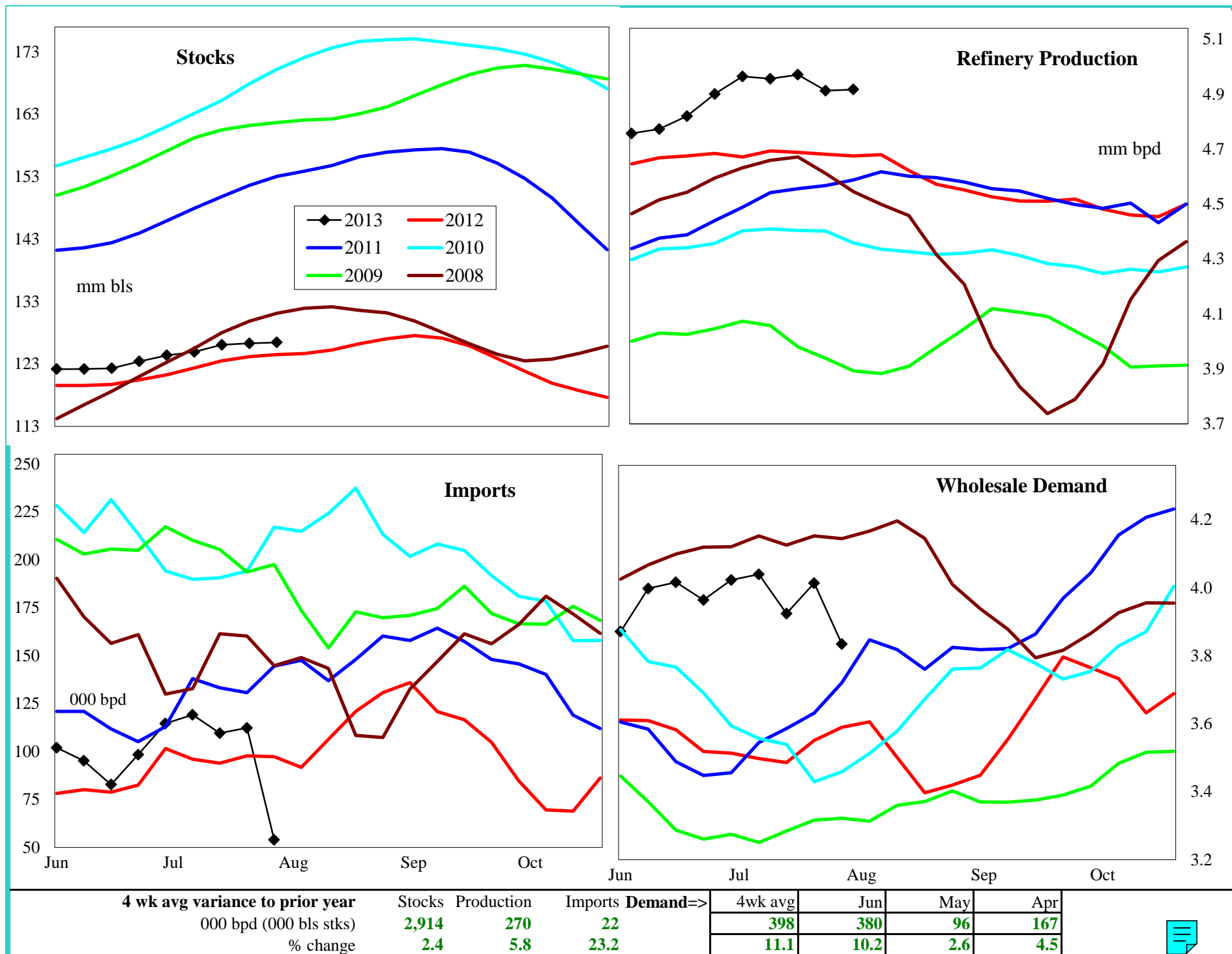
# United States Conventional Gasoline Supply



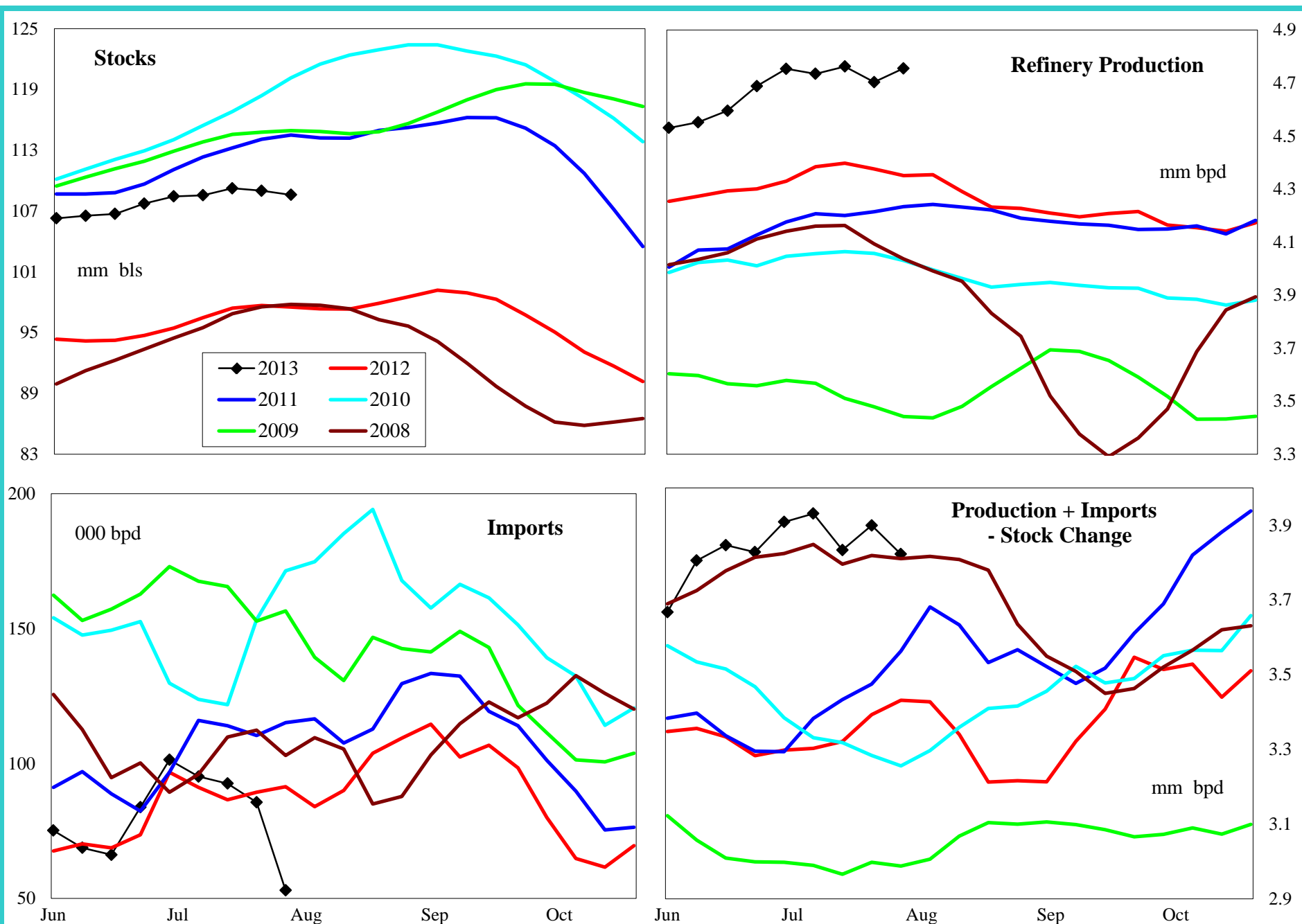
# United States Gasoline Imports by Type



# United States Distillate Supply and Demand Balance



## United States Low Sulfur Distillate Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

11,758

12.1

Production

354

8.0

Imports

11

12.9

Prod + Imp - Stk chg

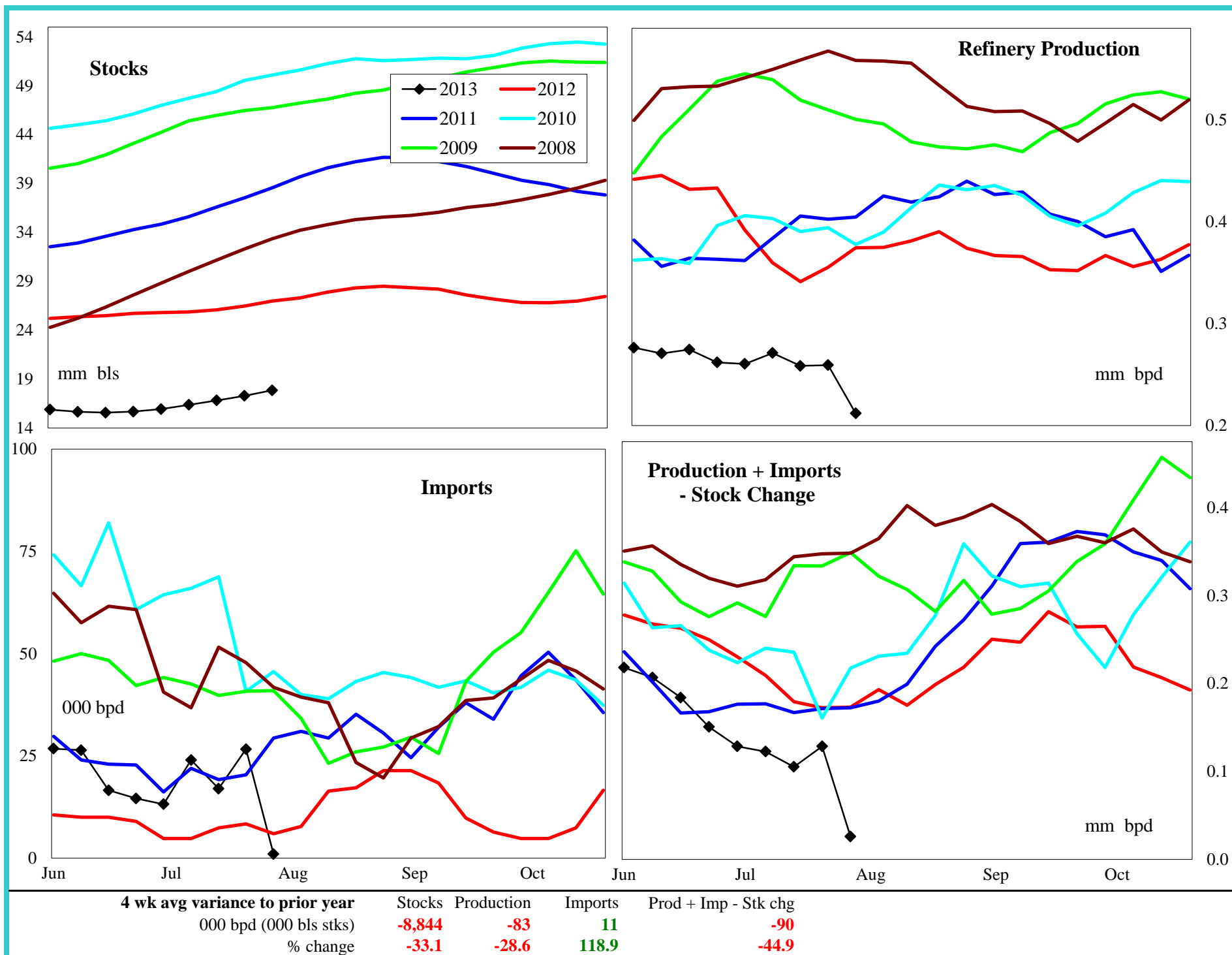
488

14.4

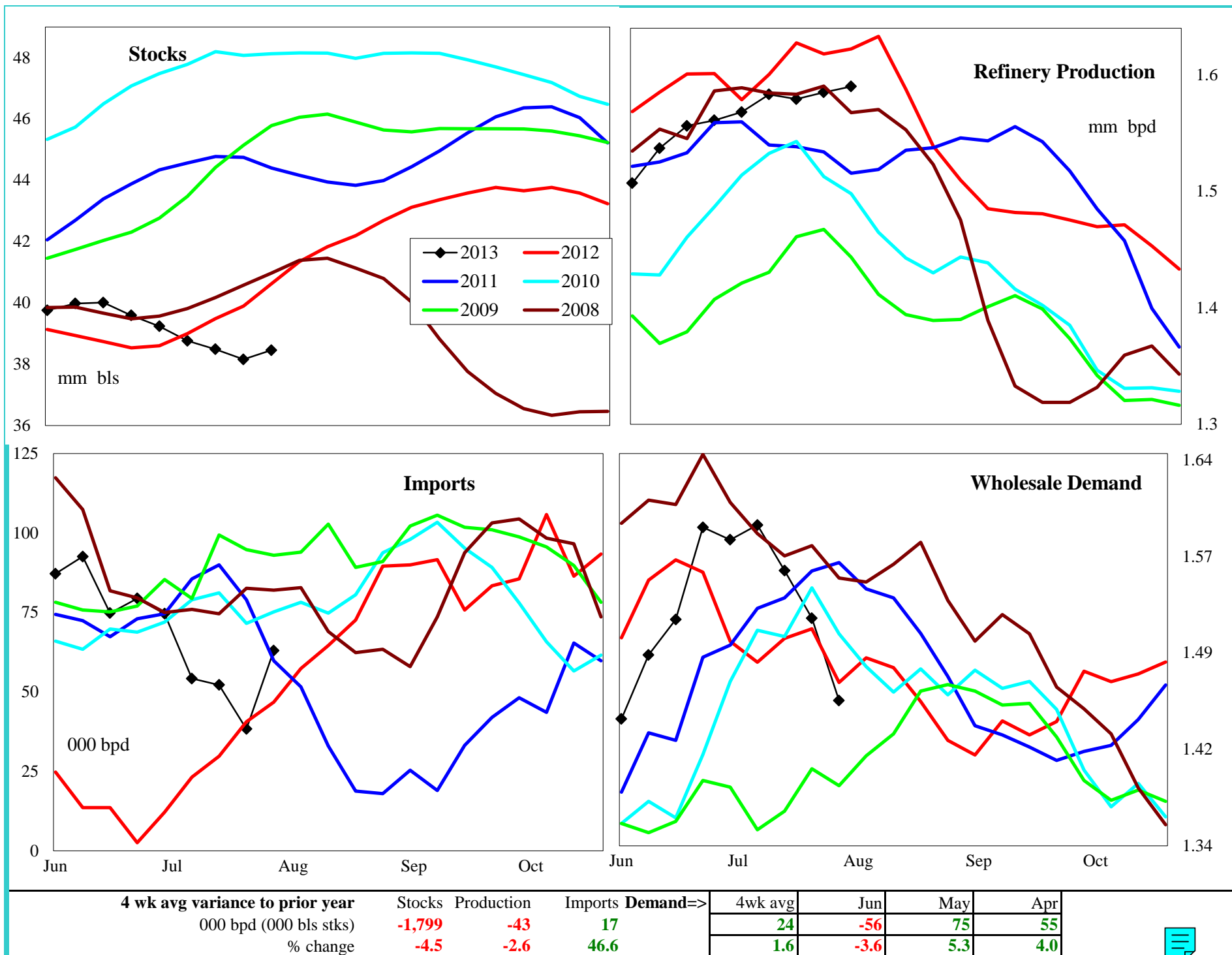




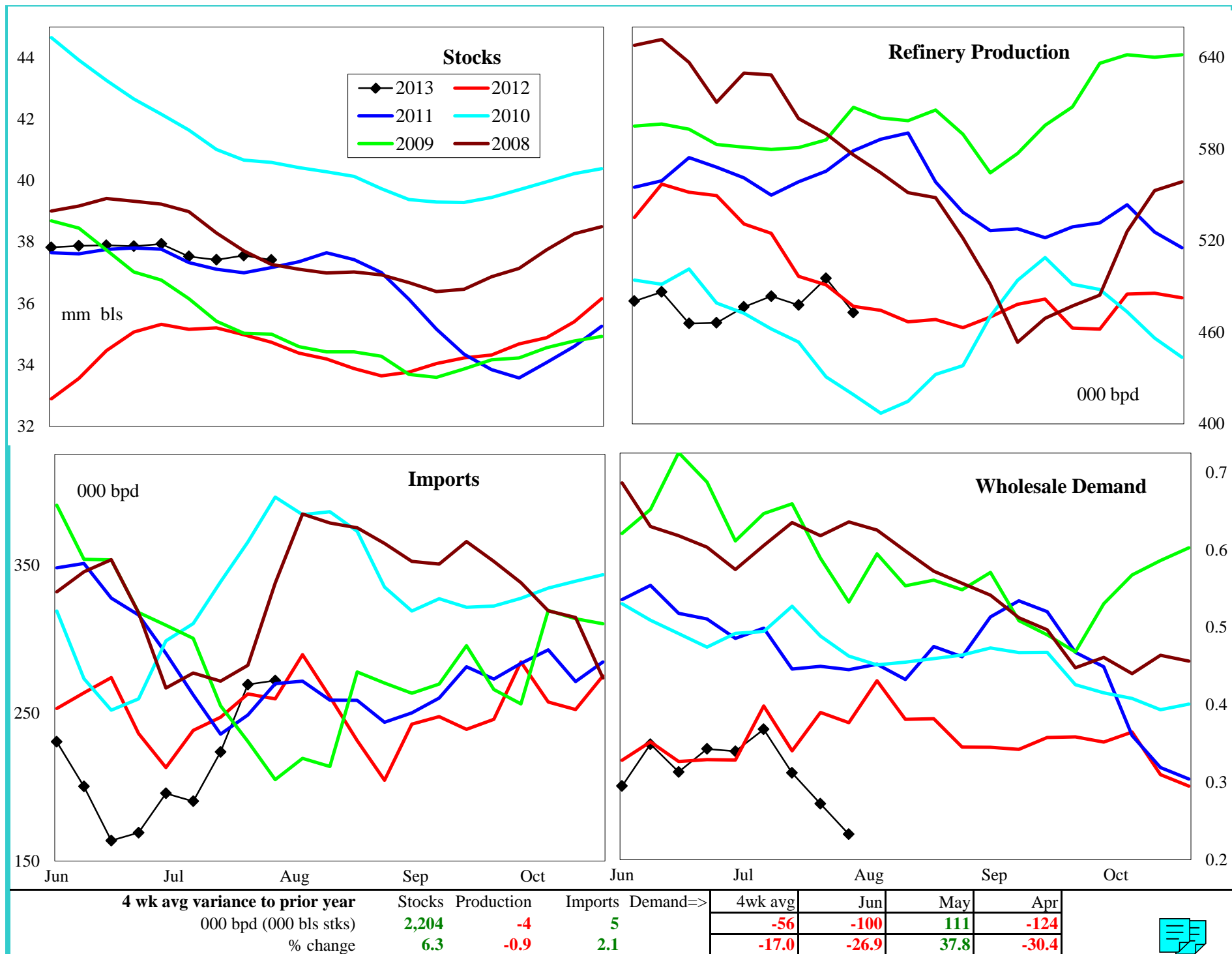
# United States High Sulfur Distillate Supply



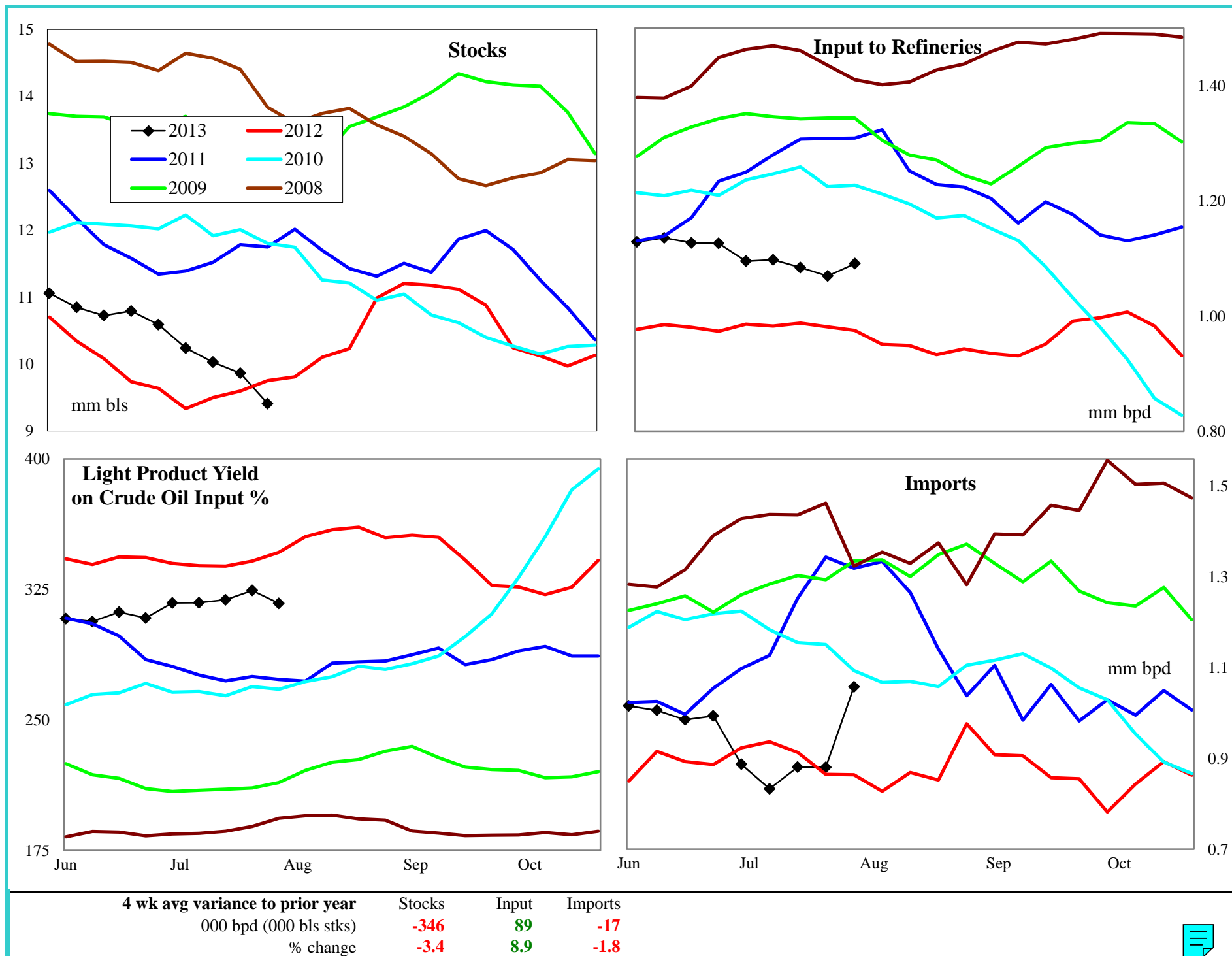
# United States Jet Fuel Supply and Demand Balance



# United States Residual Fuel Oil Supply and Demand Balance

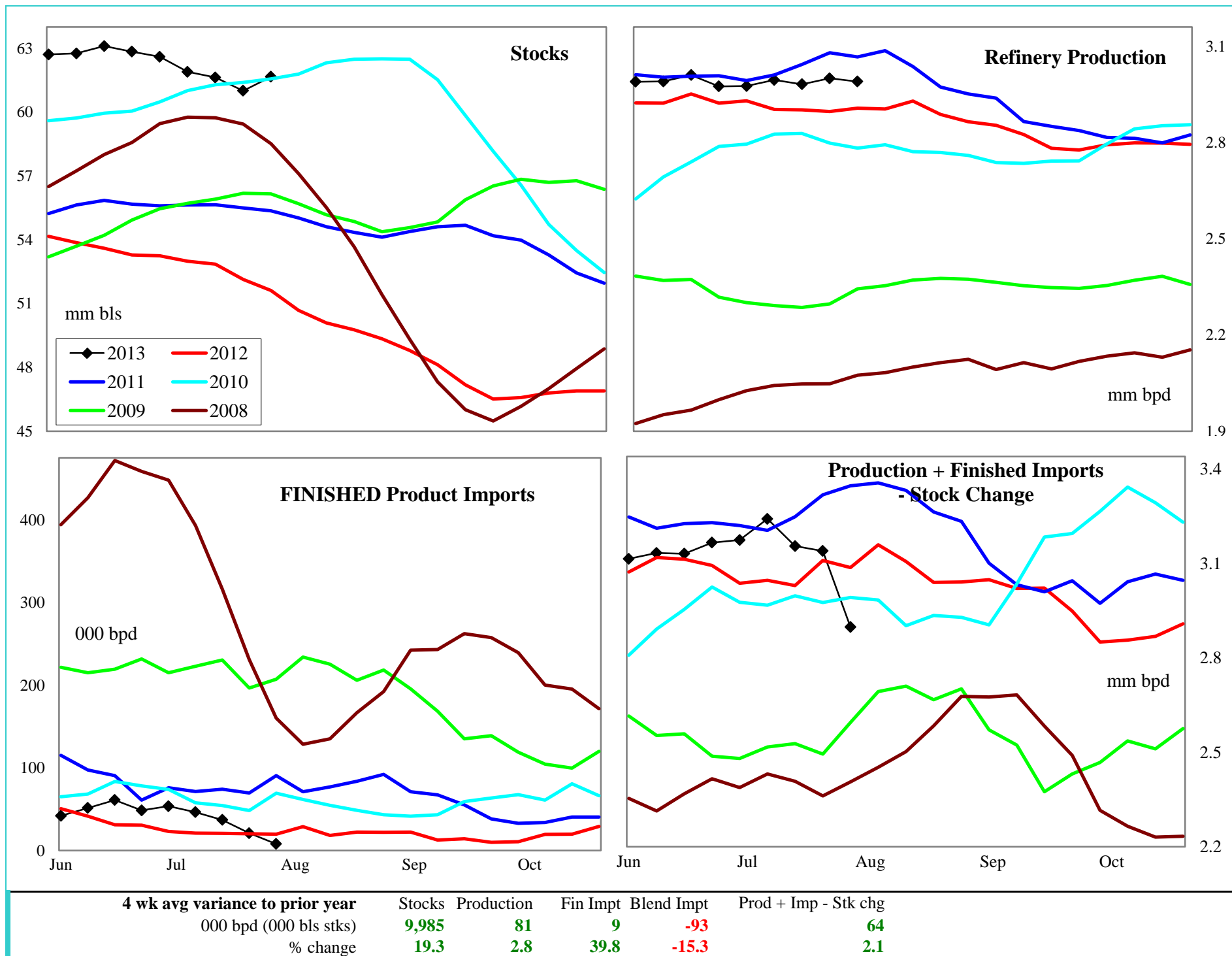


# PADD 1 Crude Oil Supply and Refining

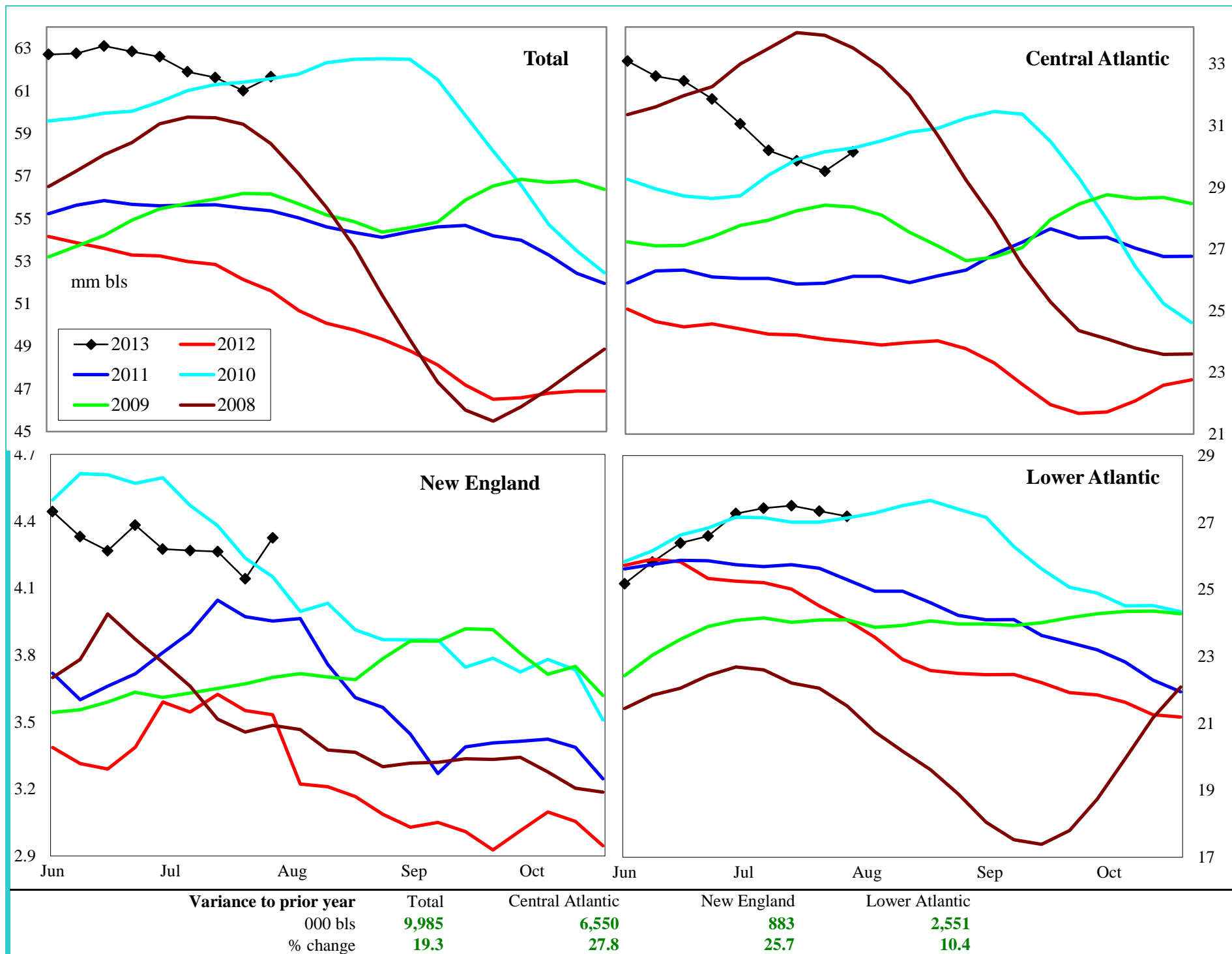




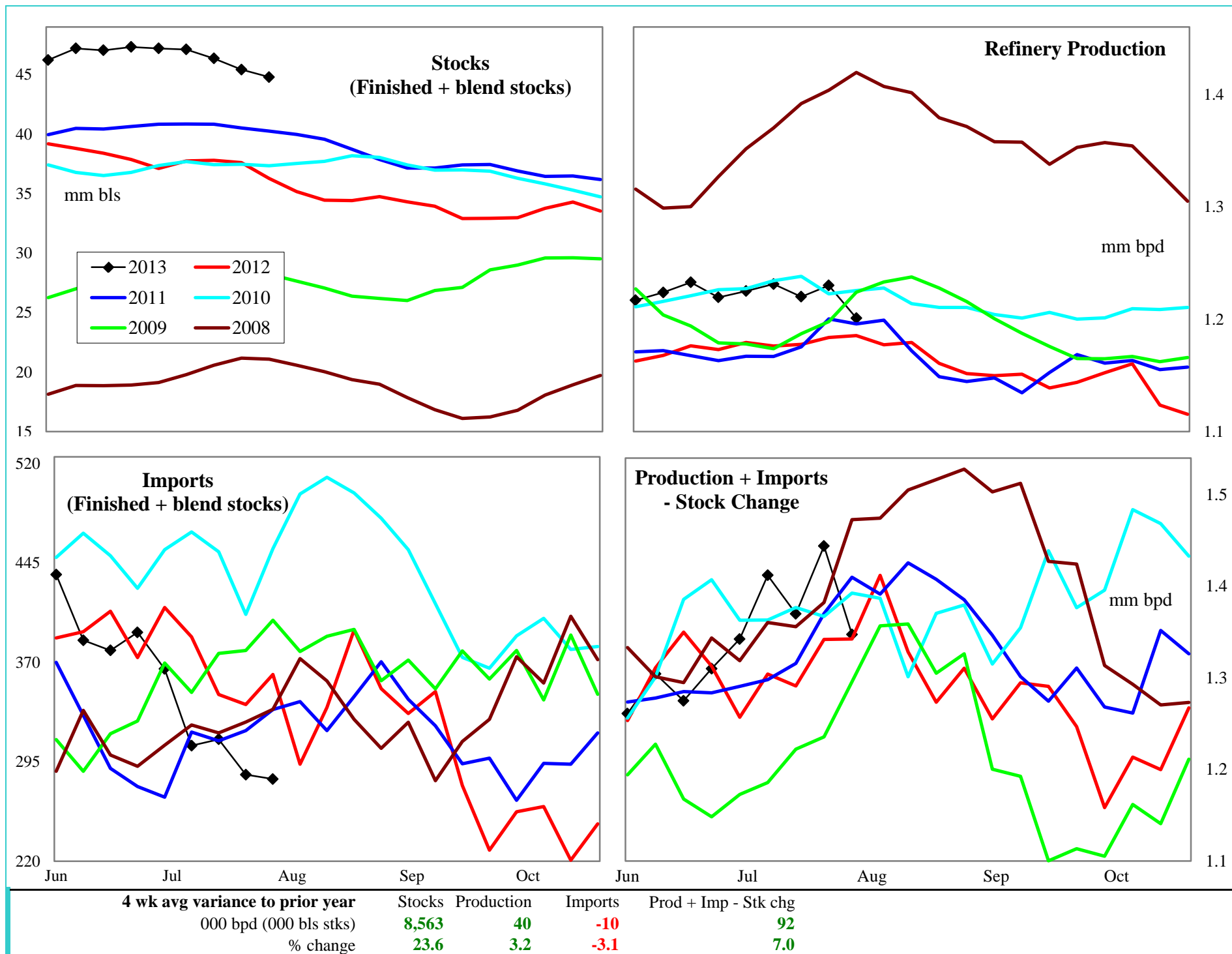
## PADD 1 Gasoline Supply



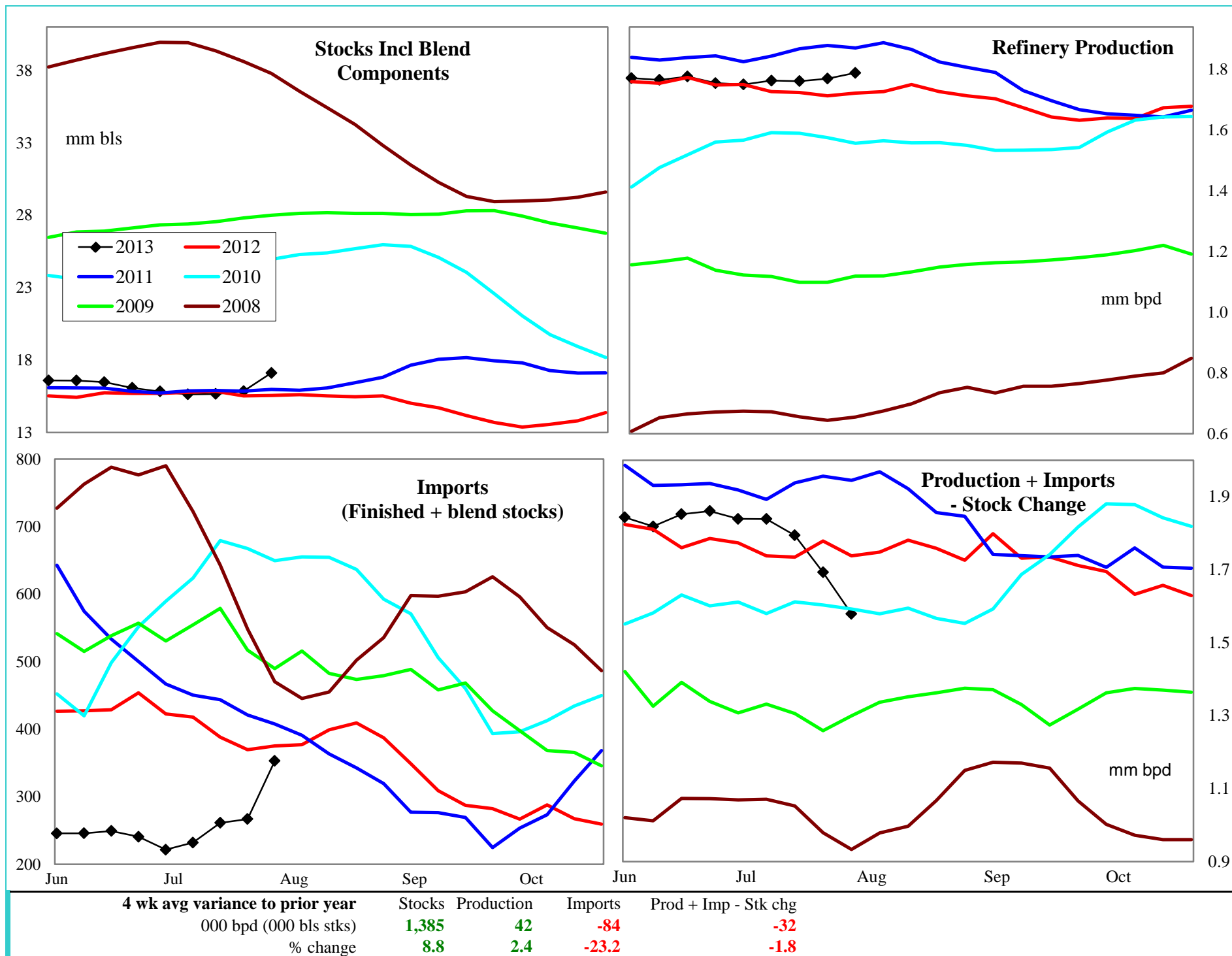
# PADD 1 Gasoline Stocks by Region



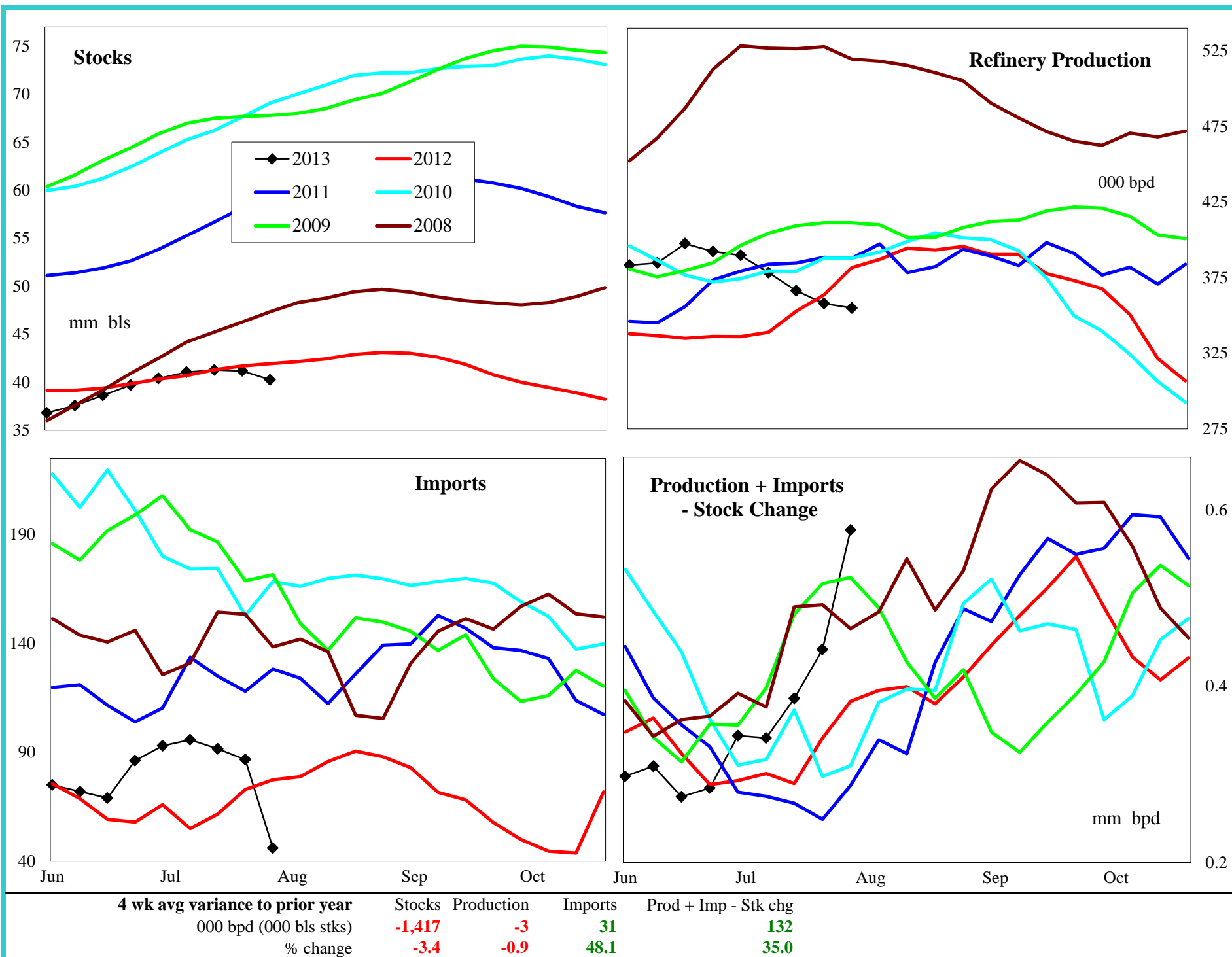
# PADD 1 Reformulated Gasoline Supply



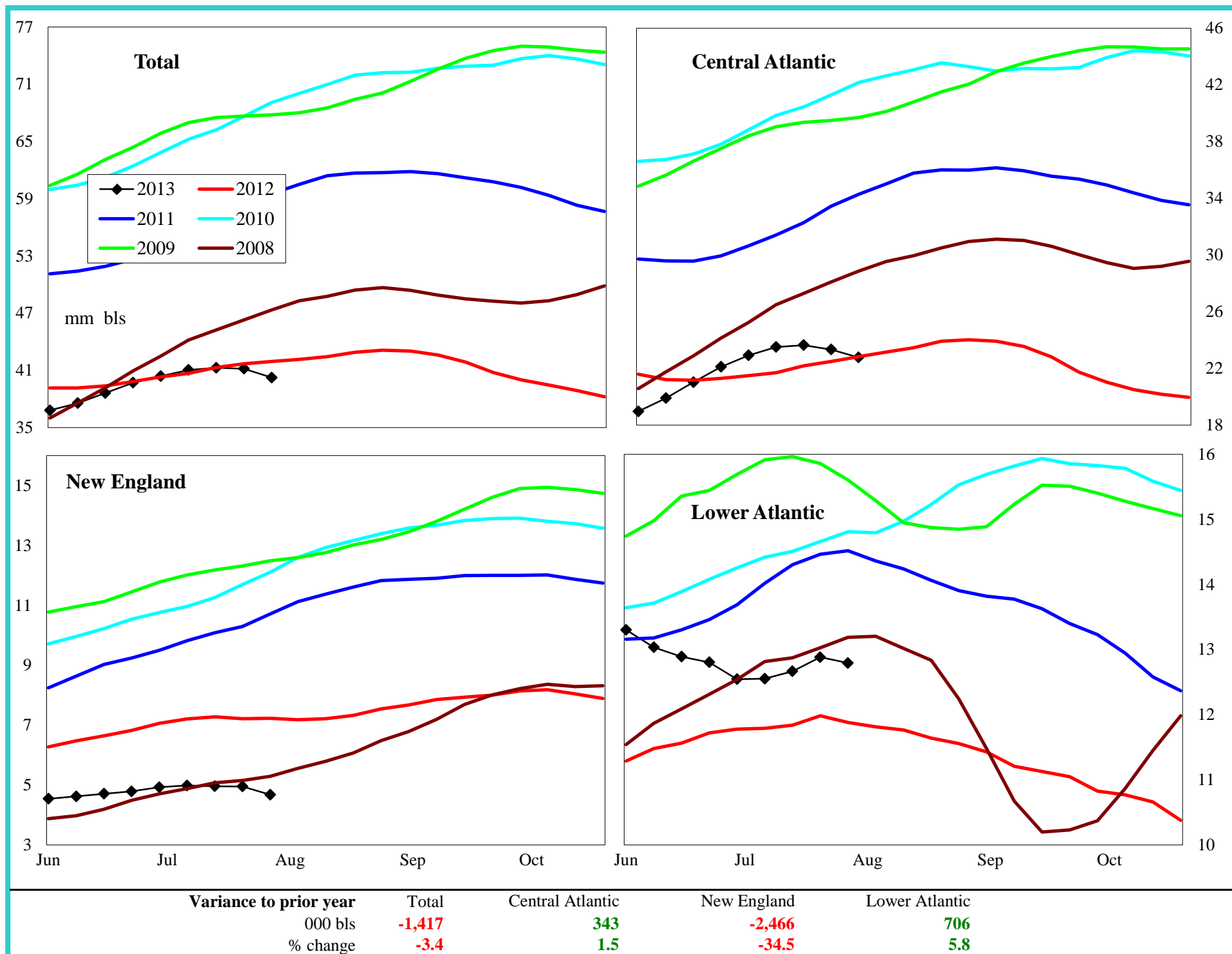
# PADD 1 Conventional Gasoline Supply



## PADD 1 Distillate Supply

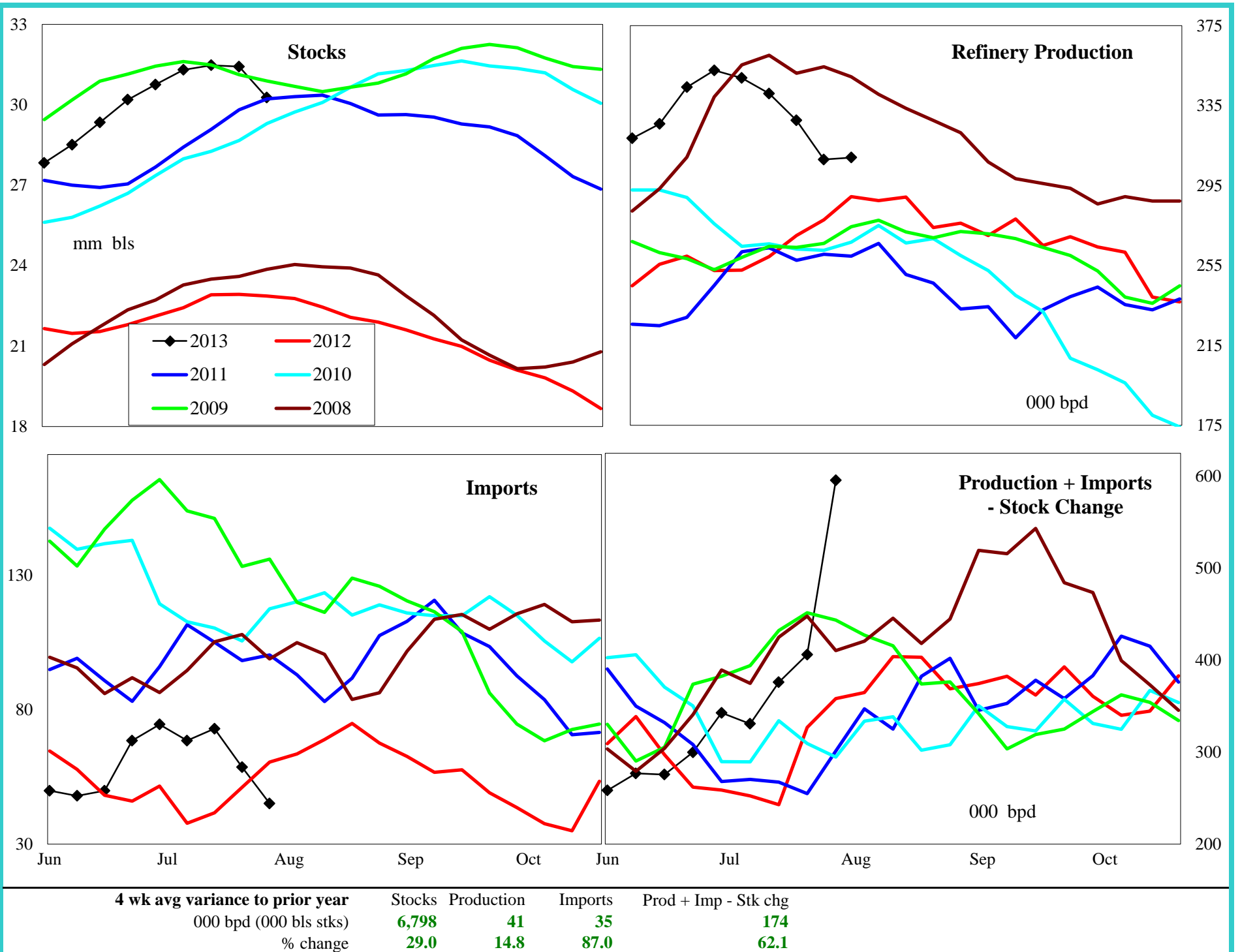


# PADD 1 Distillate Stocks by Region

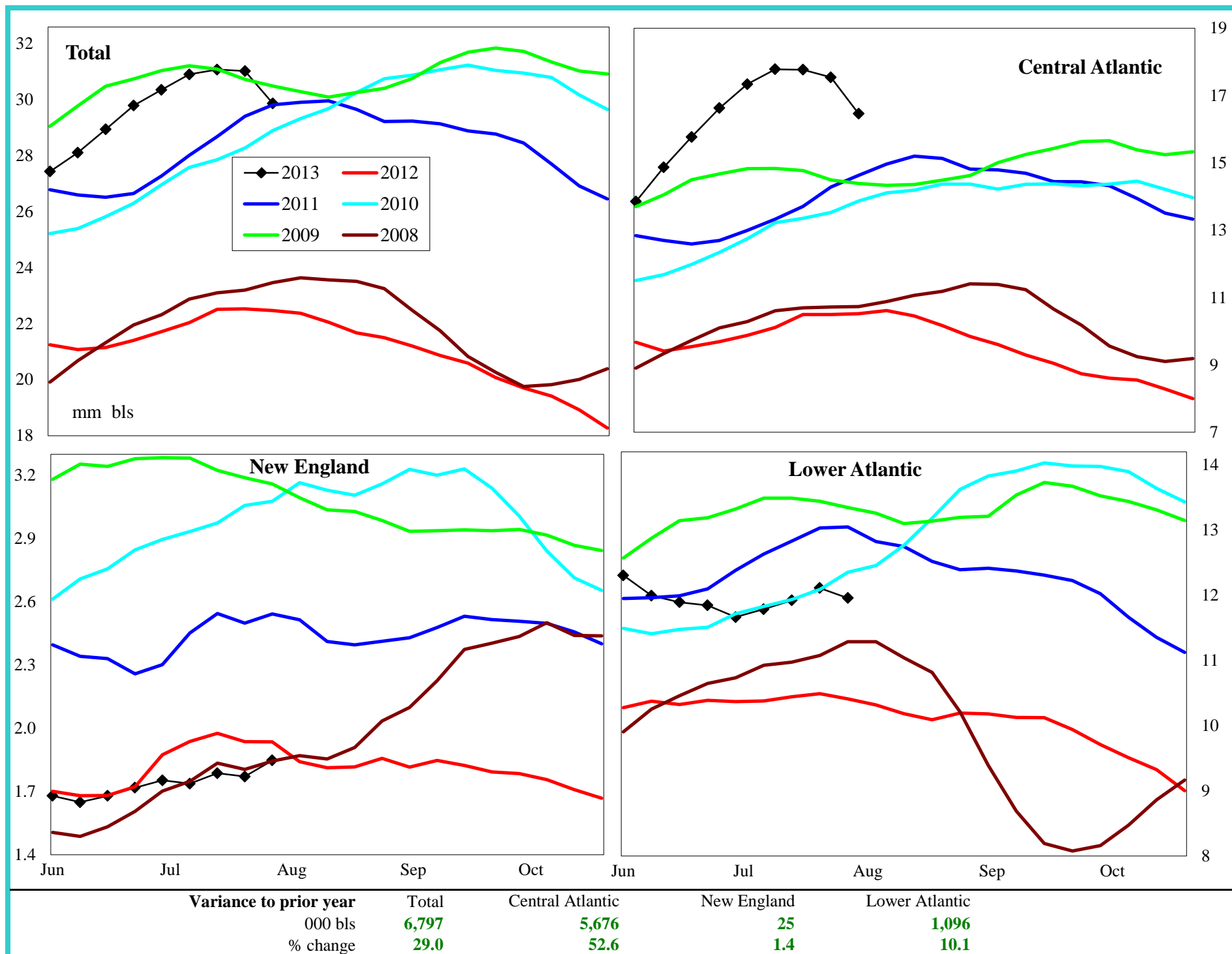




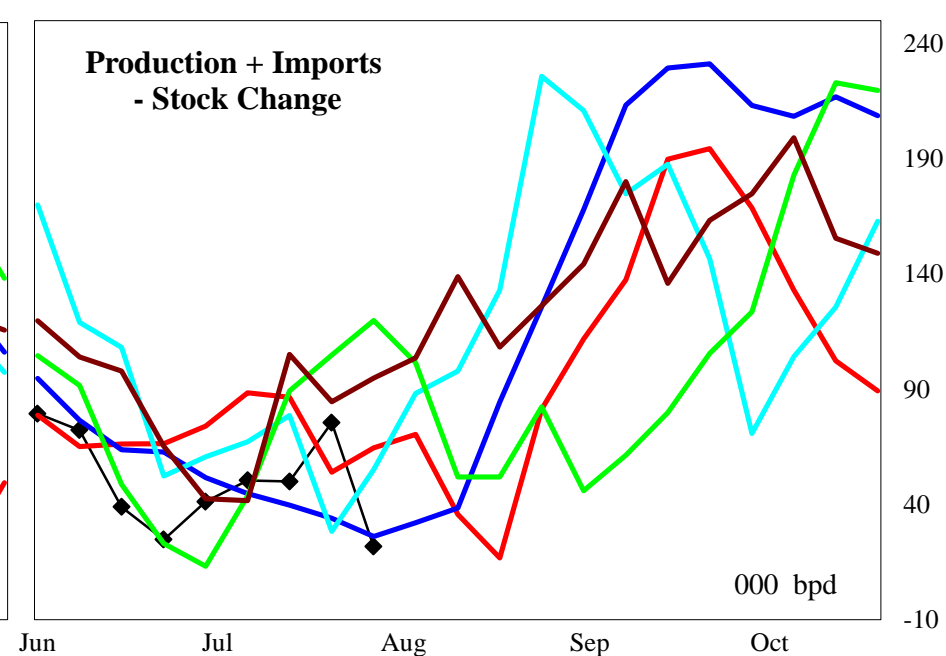
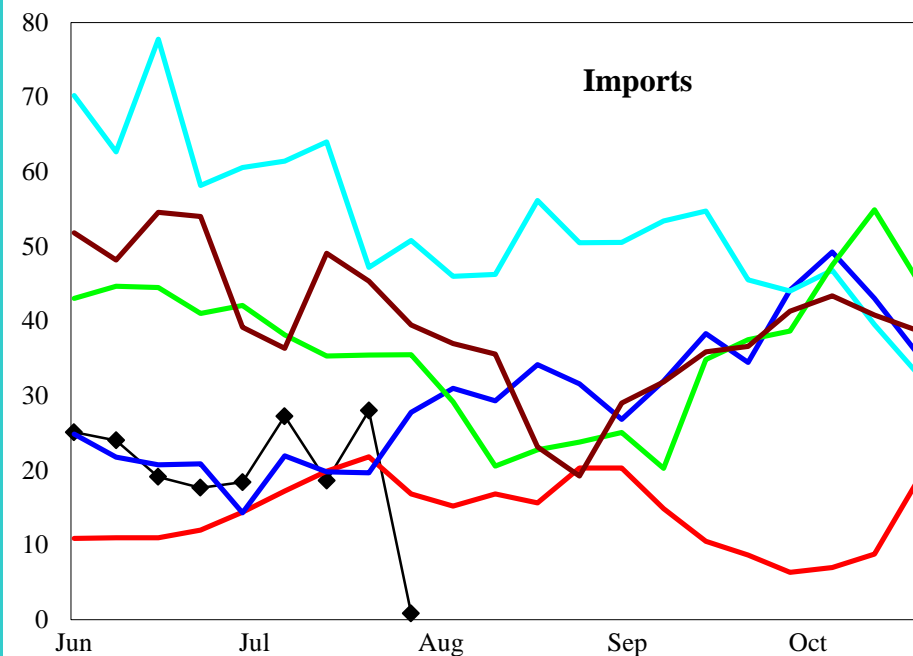
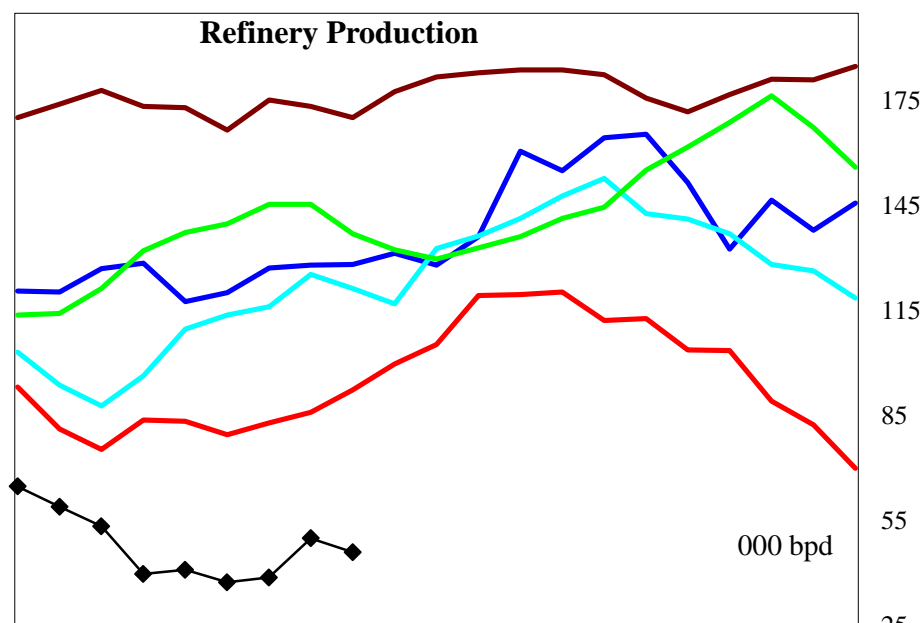
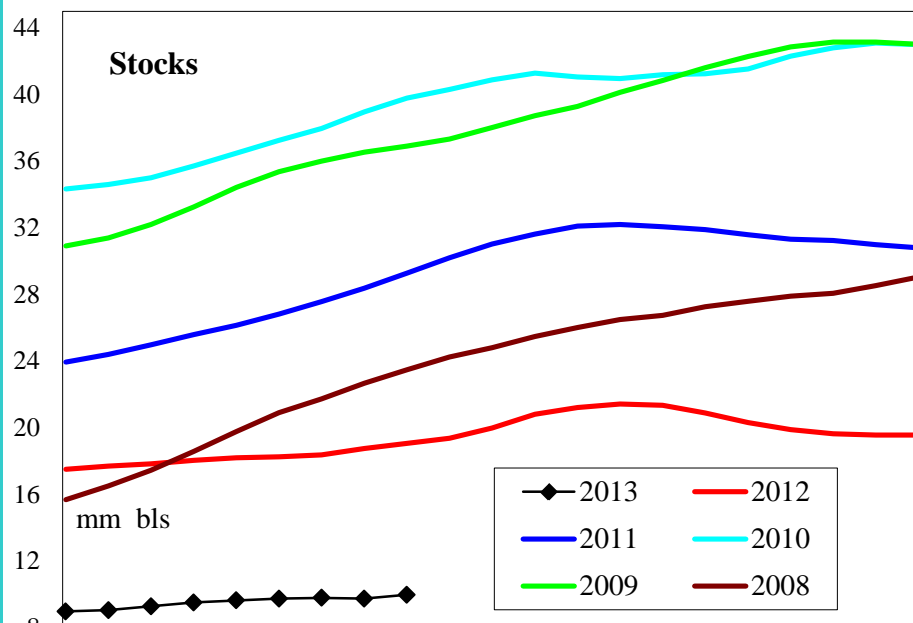
# PADD 1 Low Sulfur Distillate Supply



# PADD 1 Low Sulfur Distillate Stocks by Region



# PADD 1 High Sulfur Distillate Supply



4 wk avg variance to prior year

000 bpd (000 bbls stks)

% change

Stocks

Production

Imports

Prod + Imp - Stk chg

-8,214

-44

-4

-42

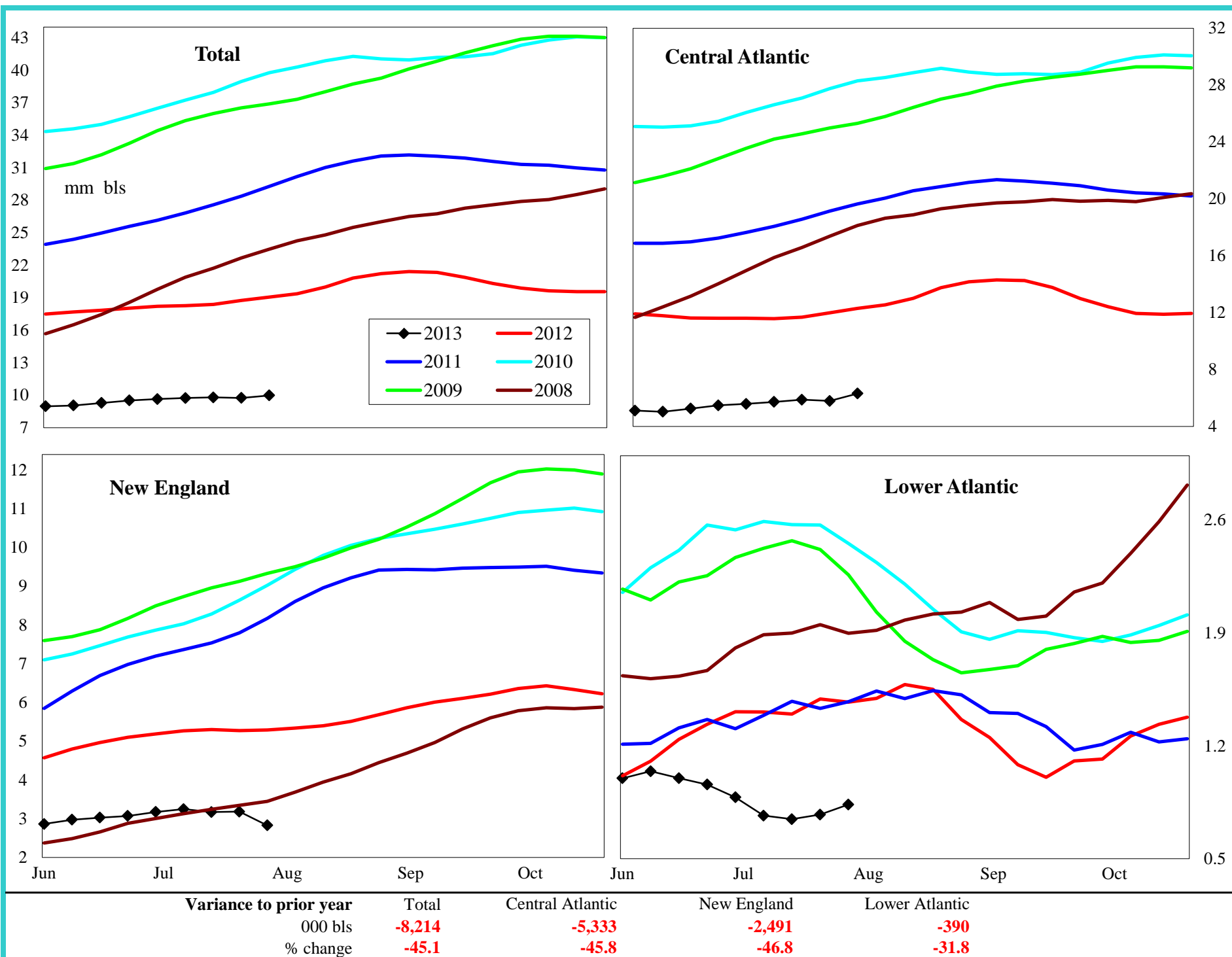
-45.1

-51.8

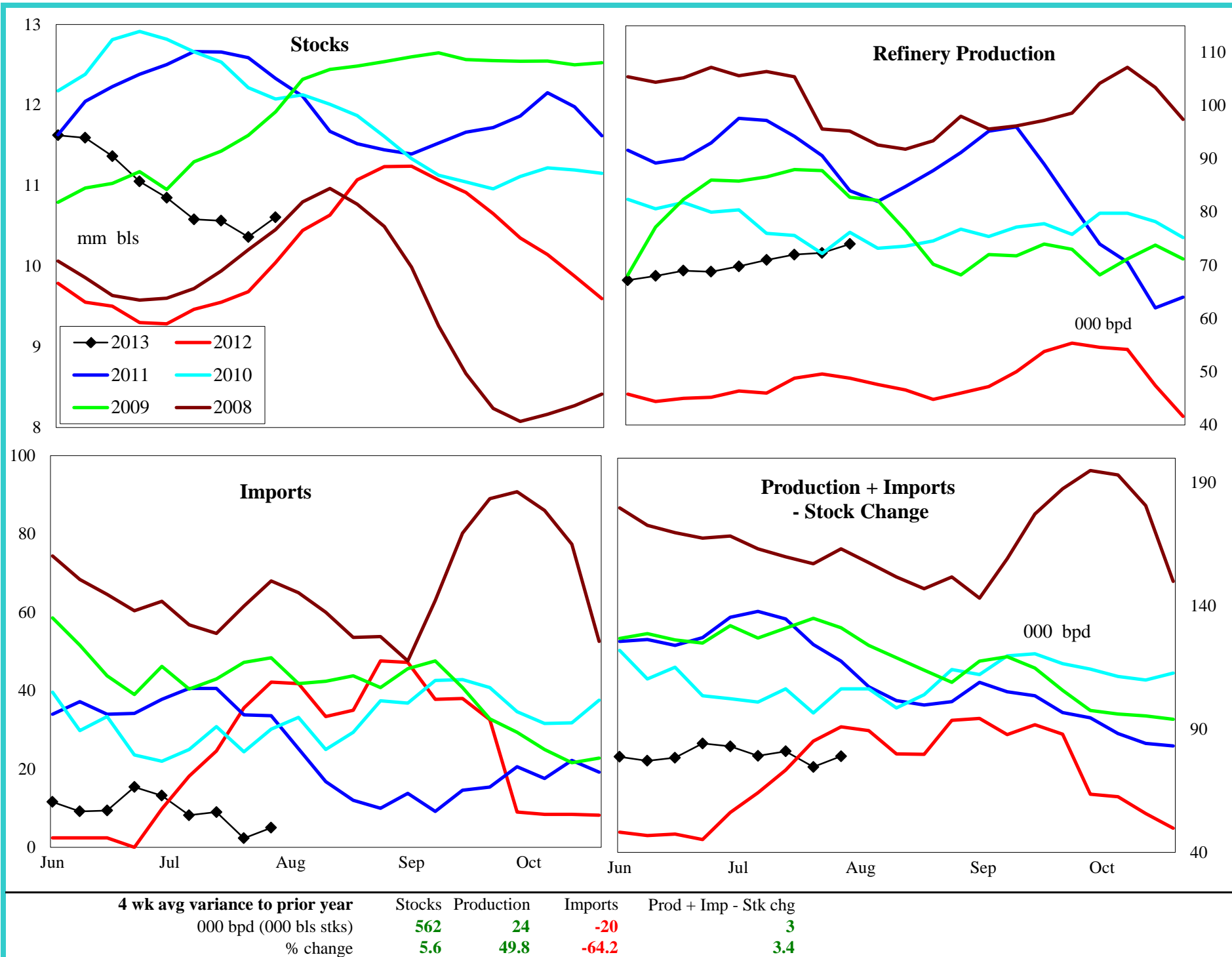
-14.6

-42.7

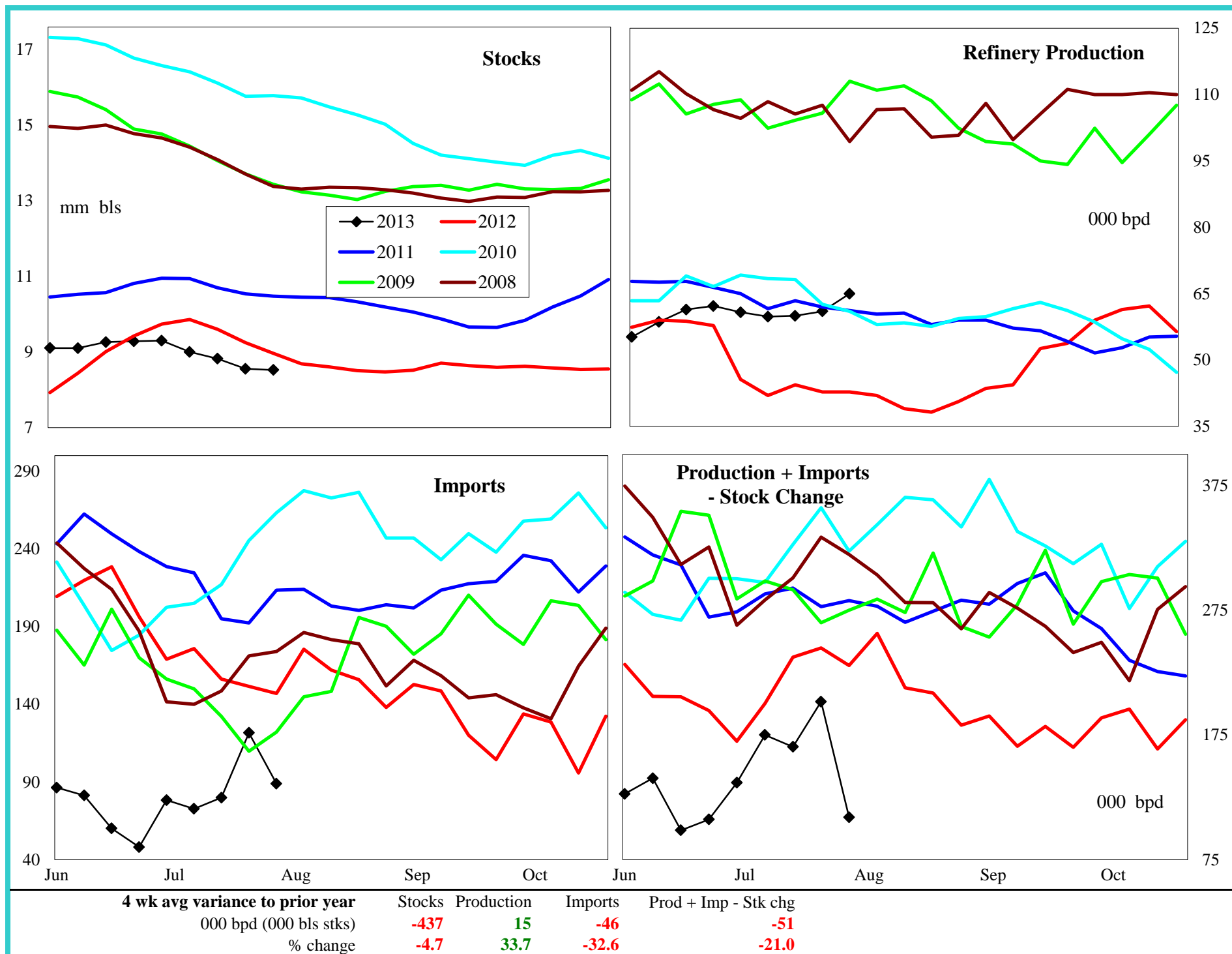
# PADD 1 High Sulfur Distillate Stocks by Region



# PADD 1 Jet Fuel Supply

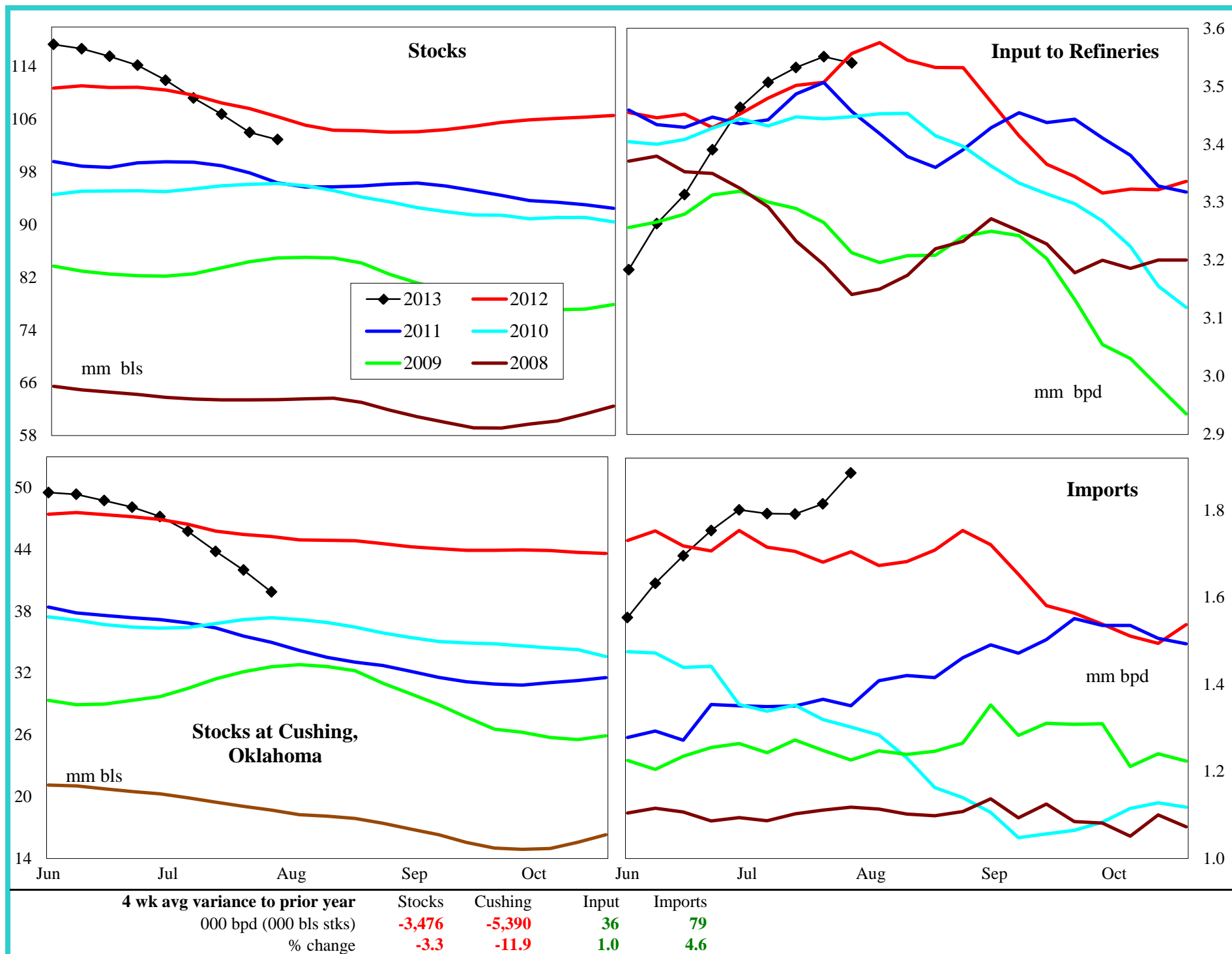


## PADD 1 Residual Fuel Oil Supply

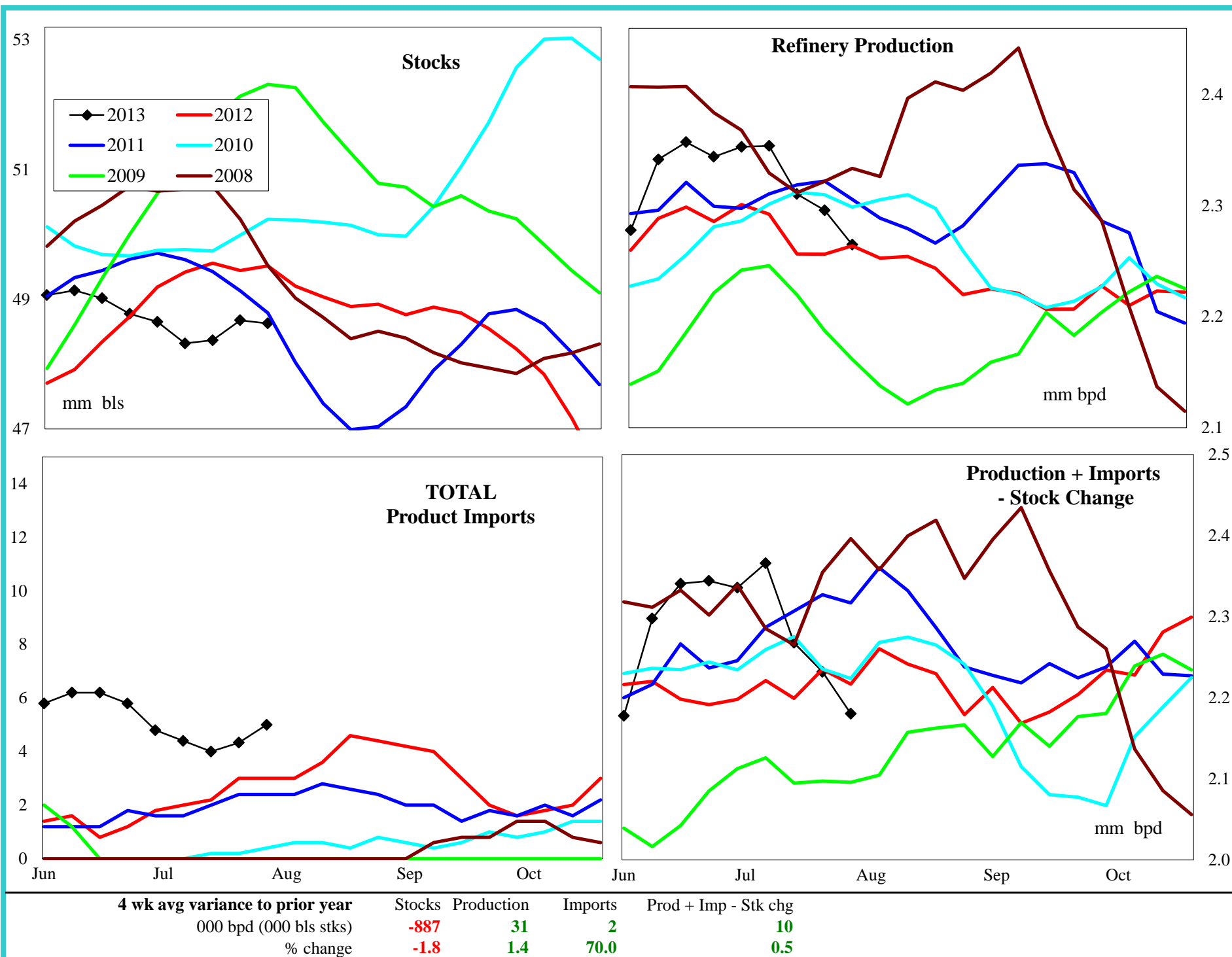




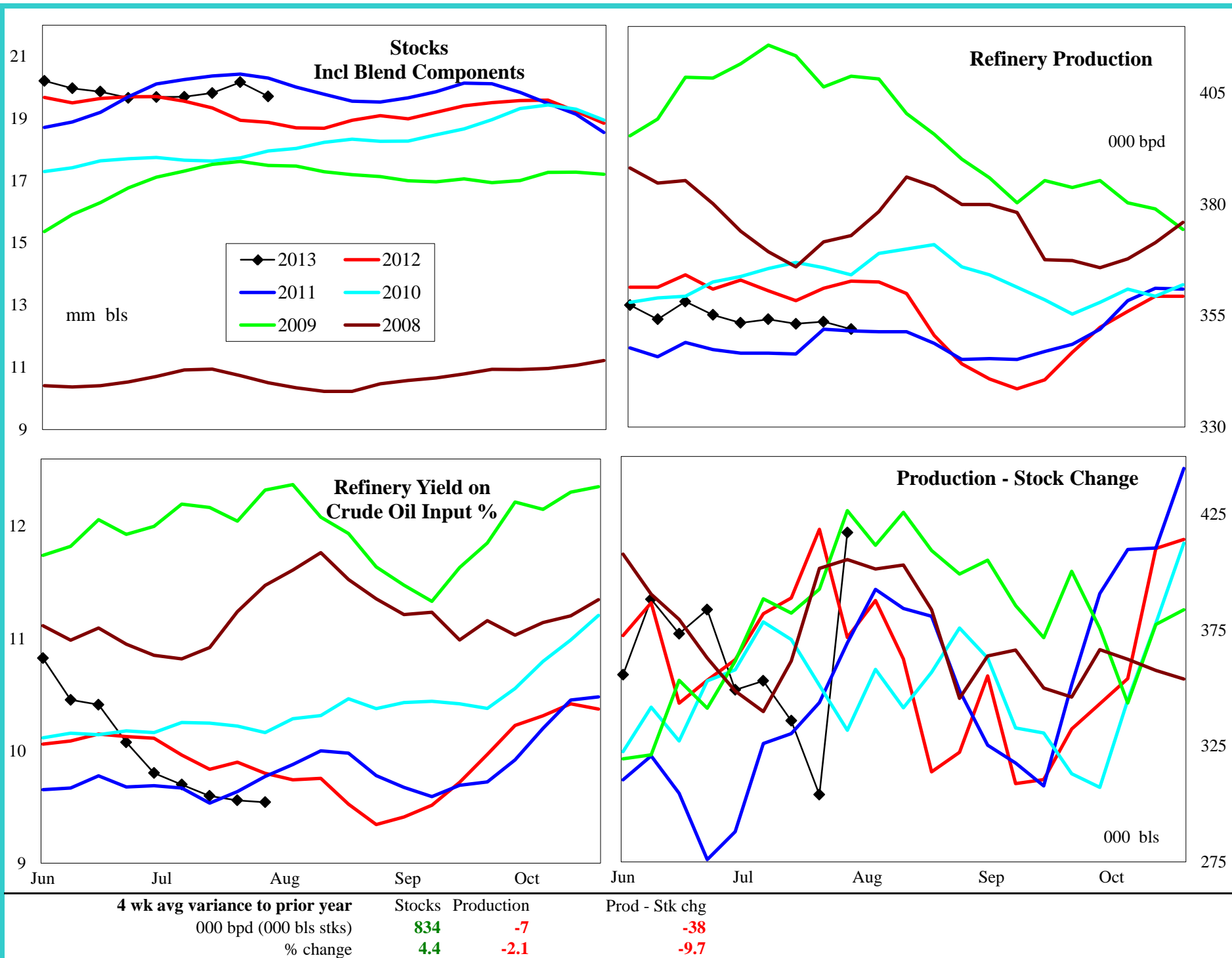
# PADD 2 Crude Oil Supply and Refining



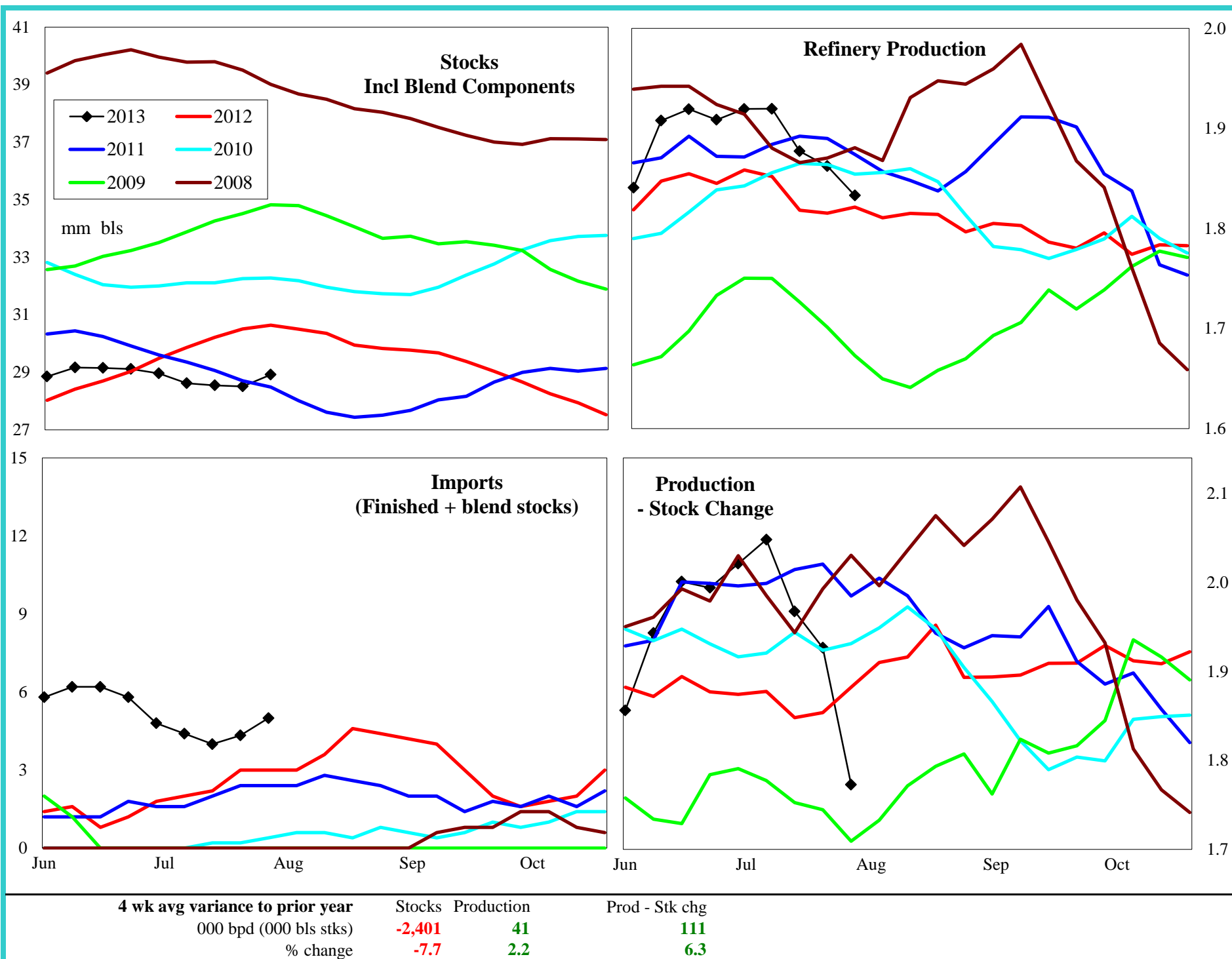
## PADD 2 Gasoline Supply



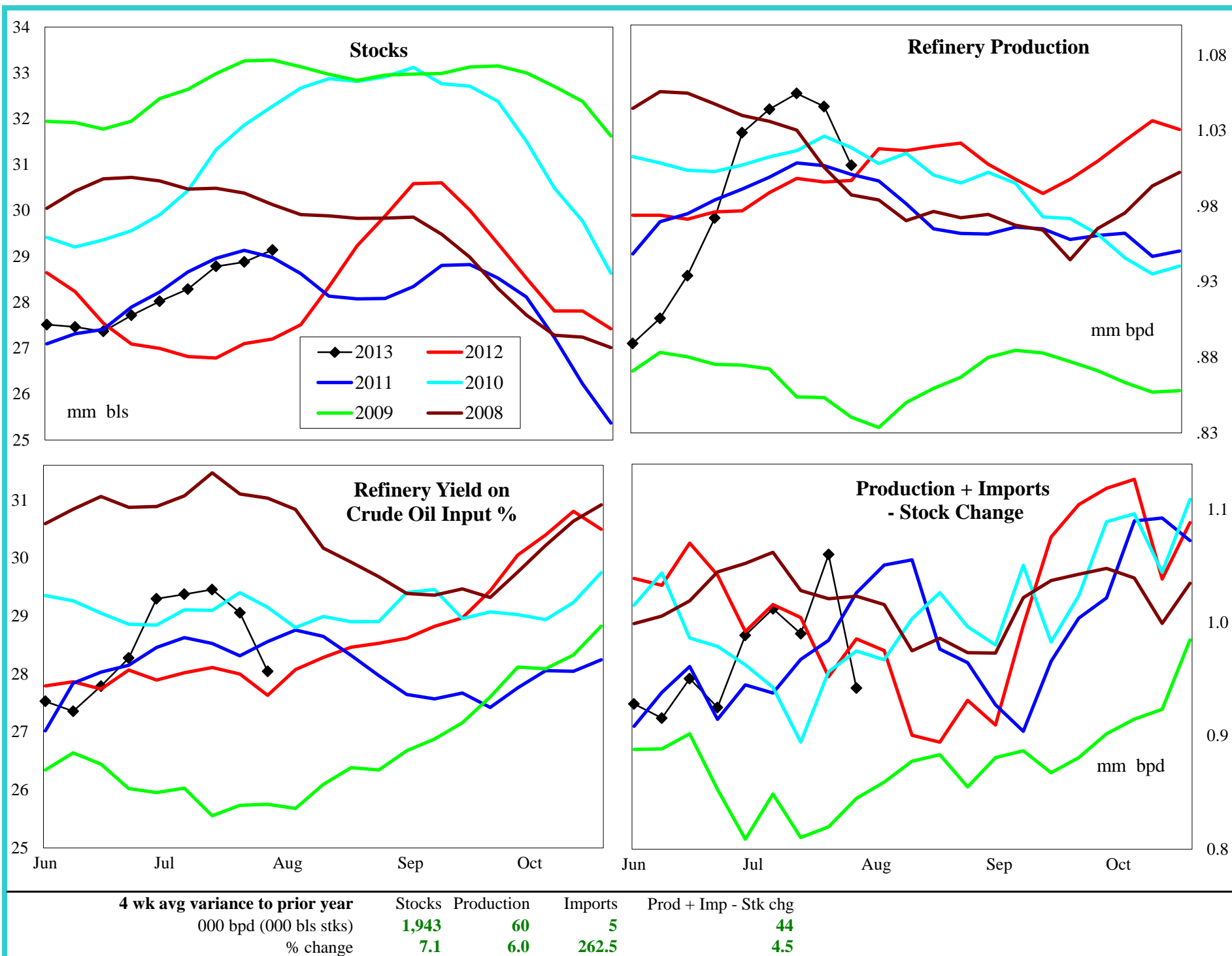
# PADD 2 Reformulated Gasoline Supply



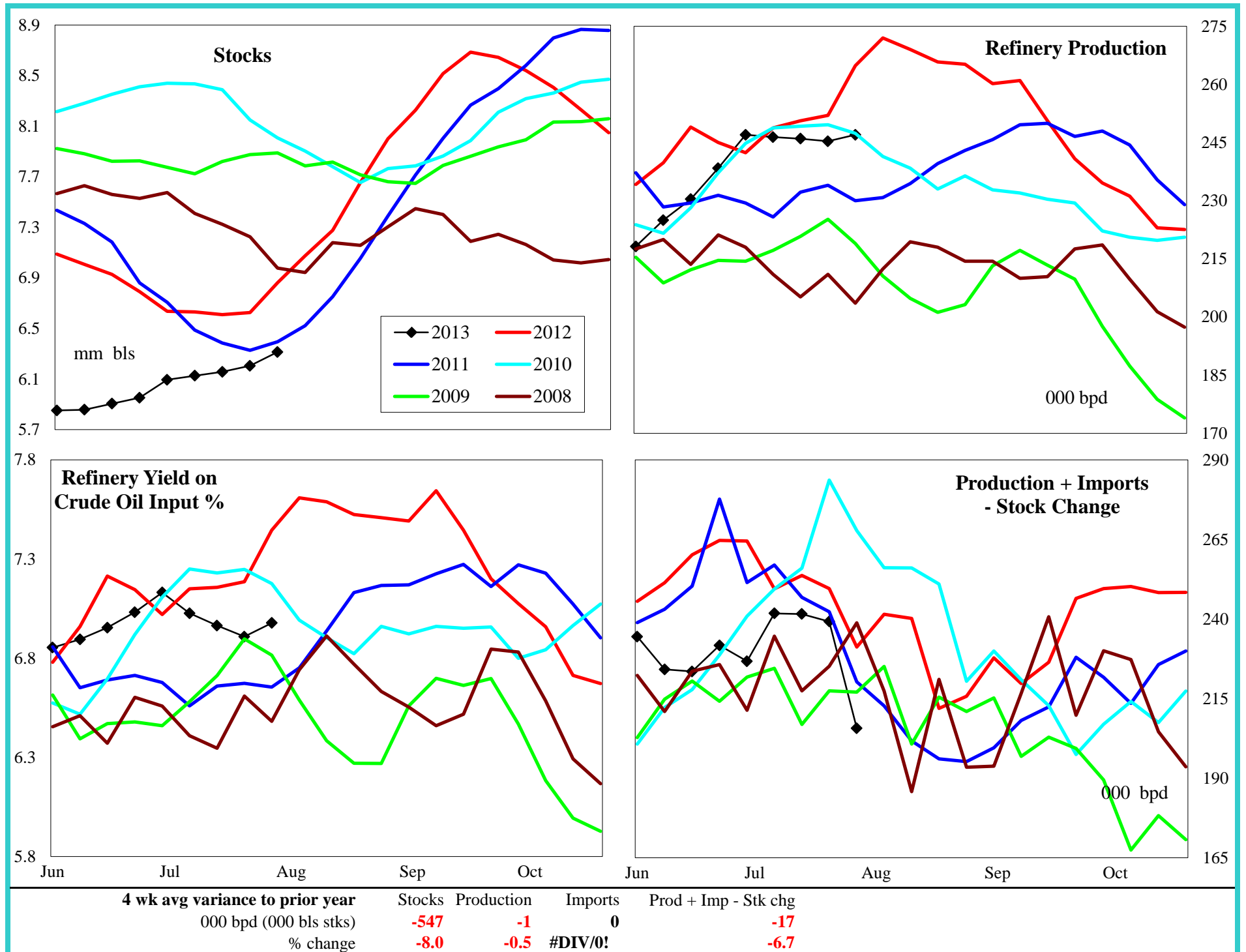
# PADD 2 Conventional Gasoline Supply



## PADD 2 Distillate Supply

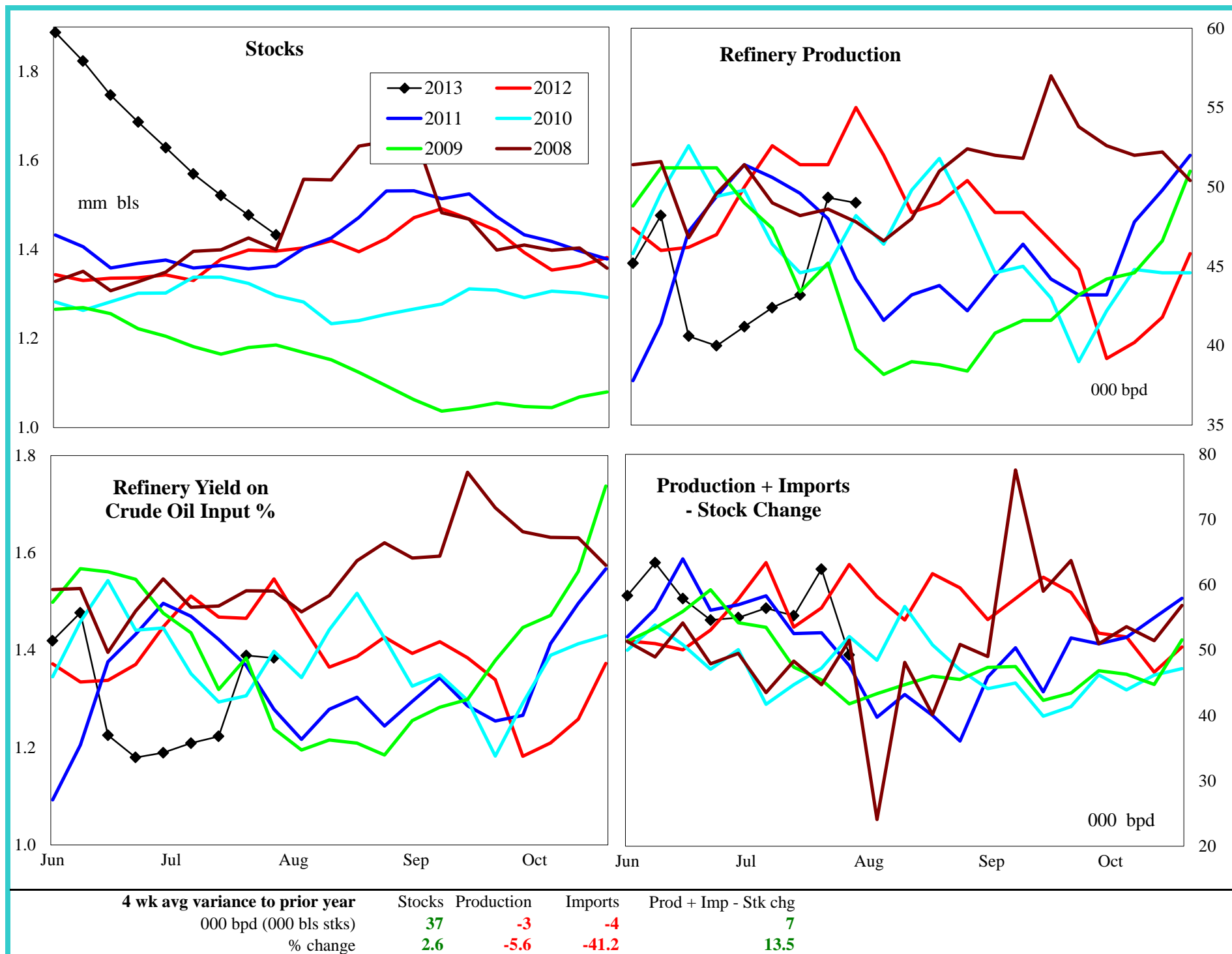


## PADD 2 Jet Fuel Supply

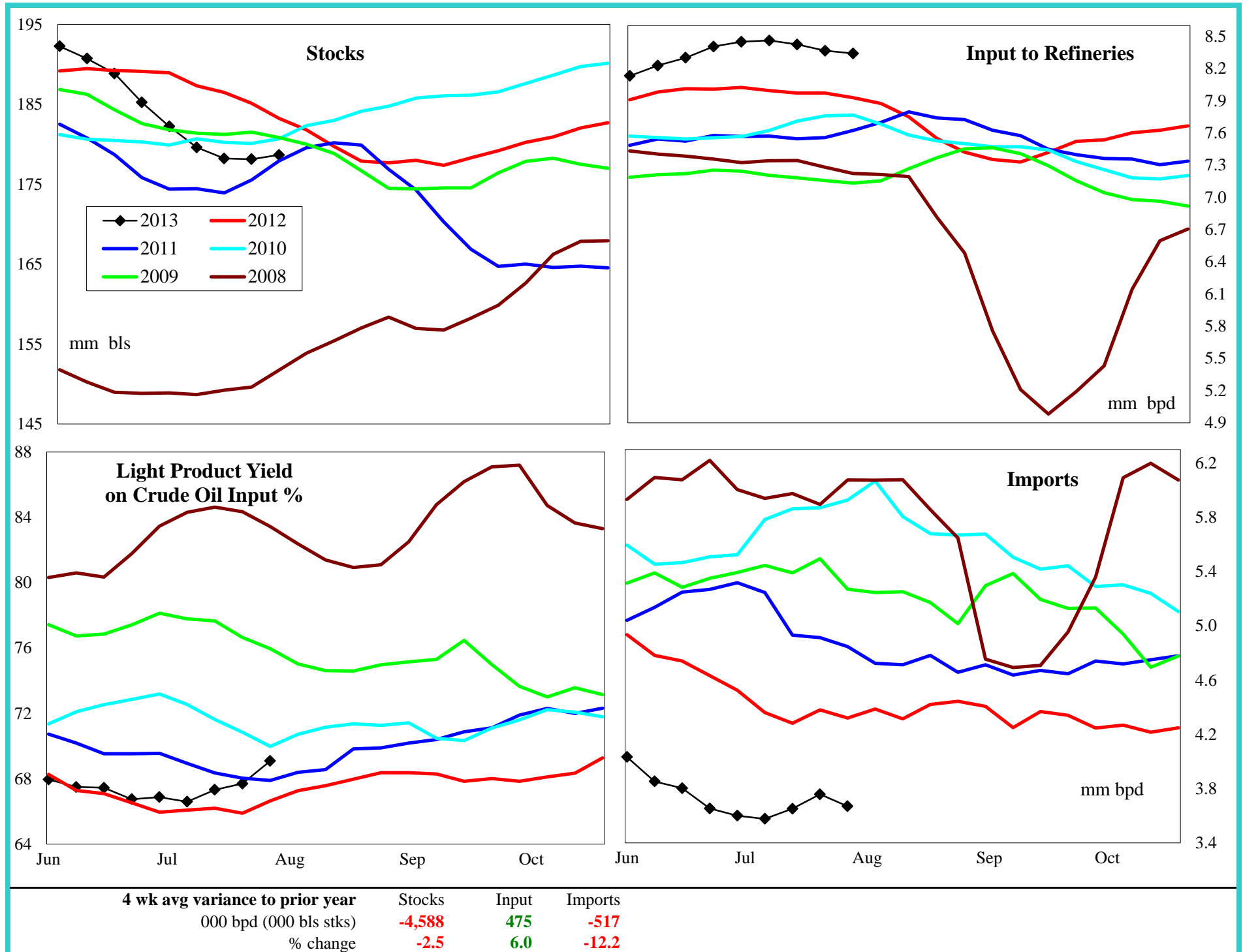




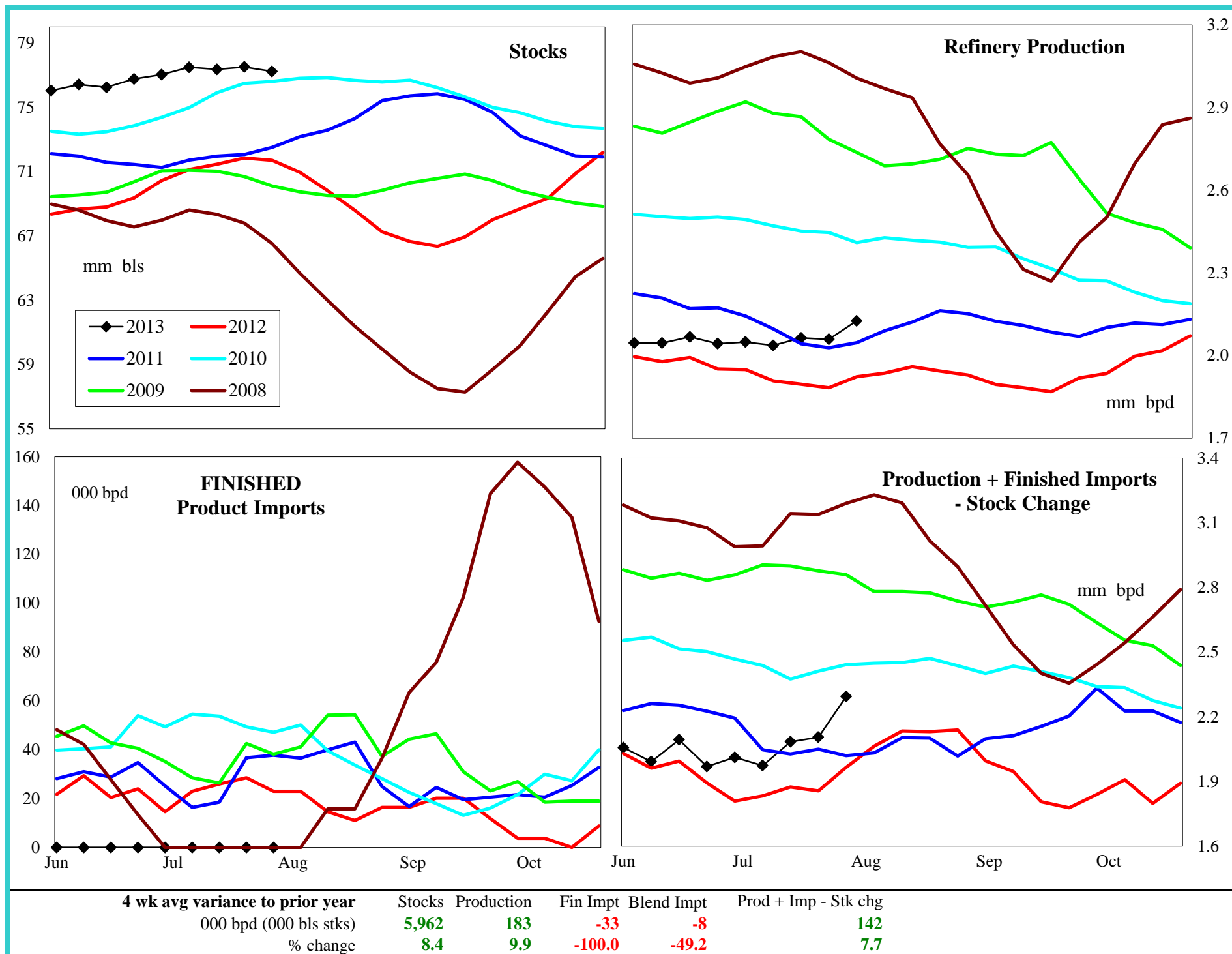
# PADD 2 Residual Fuel Oil Supply



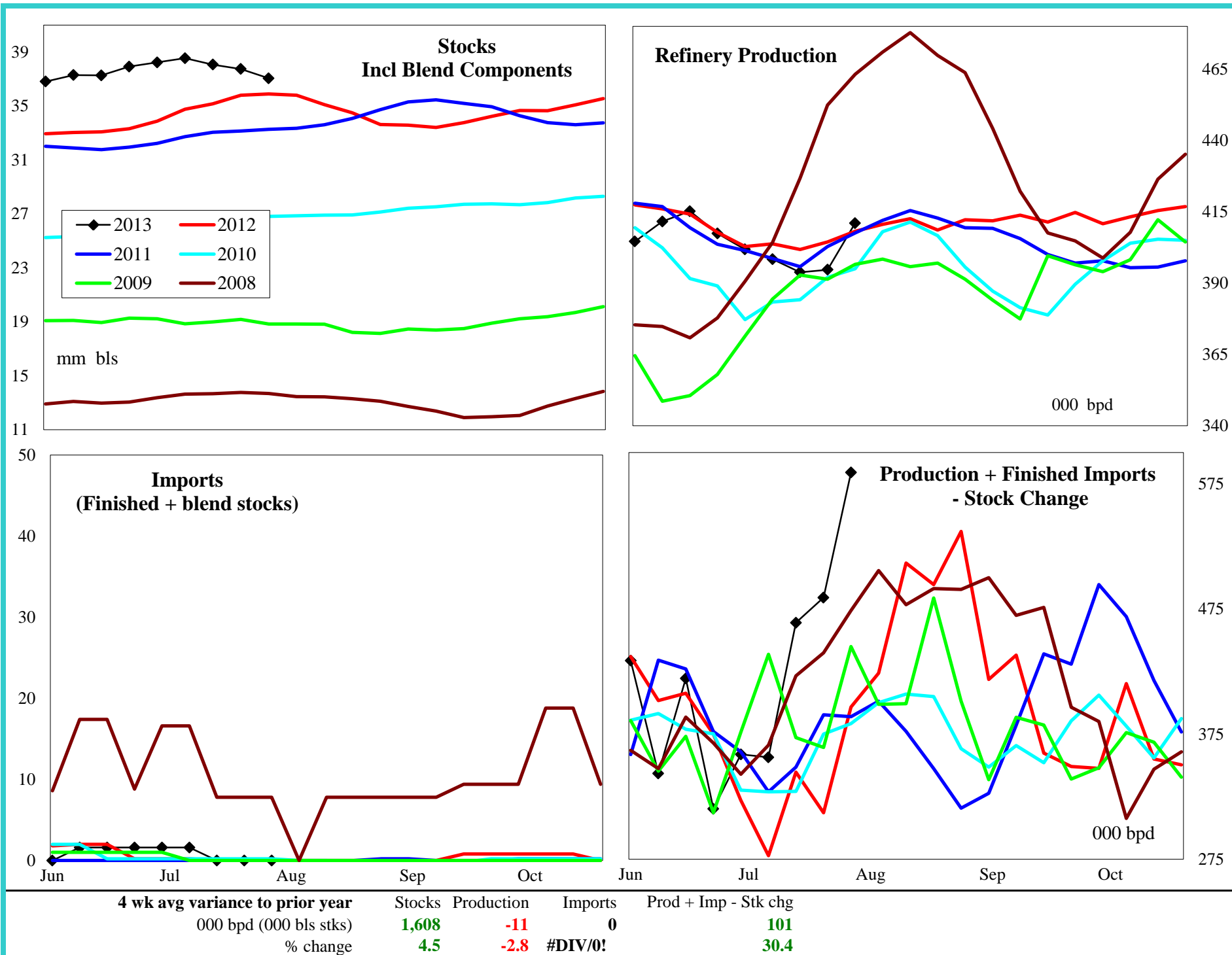
# PADD 3 Crude Oil Supply and Refining



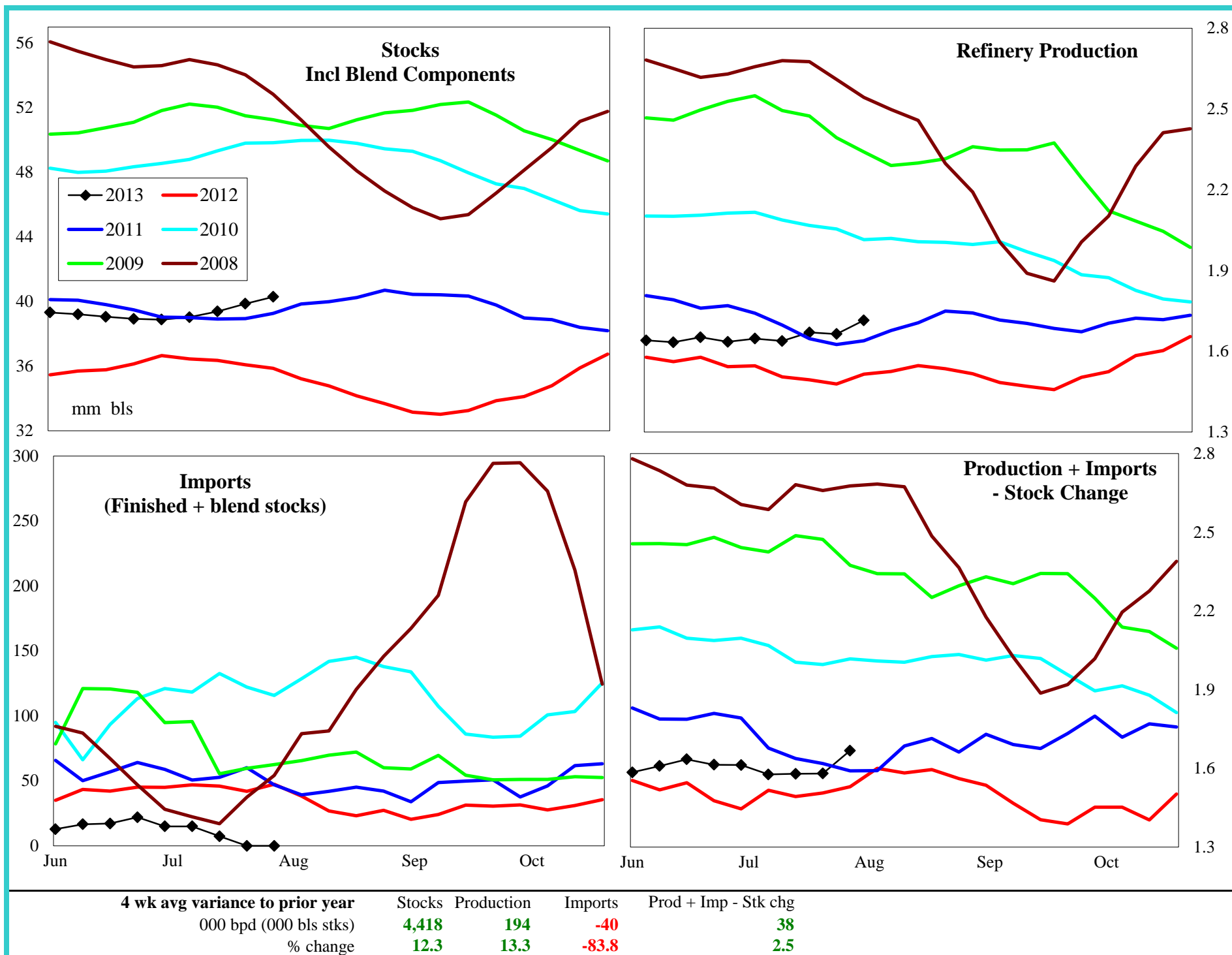
## PADD 3 Gasoline Supply



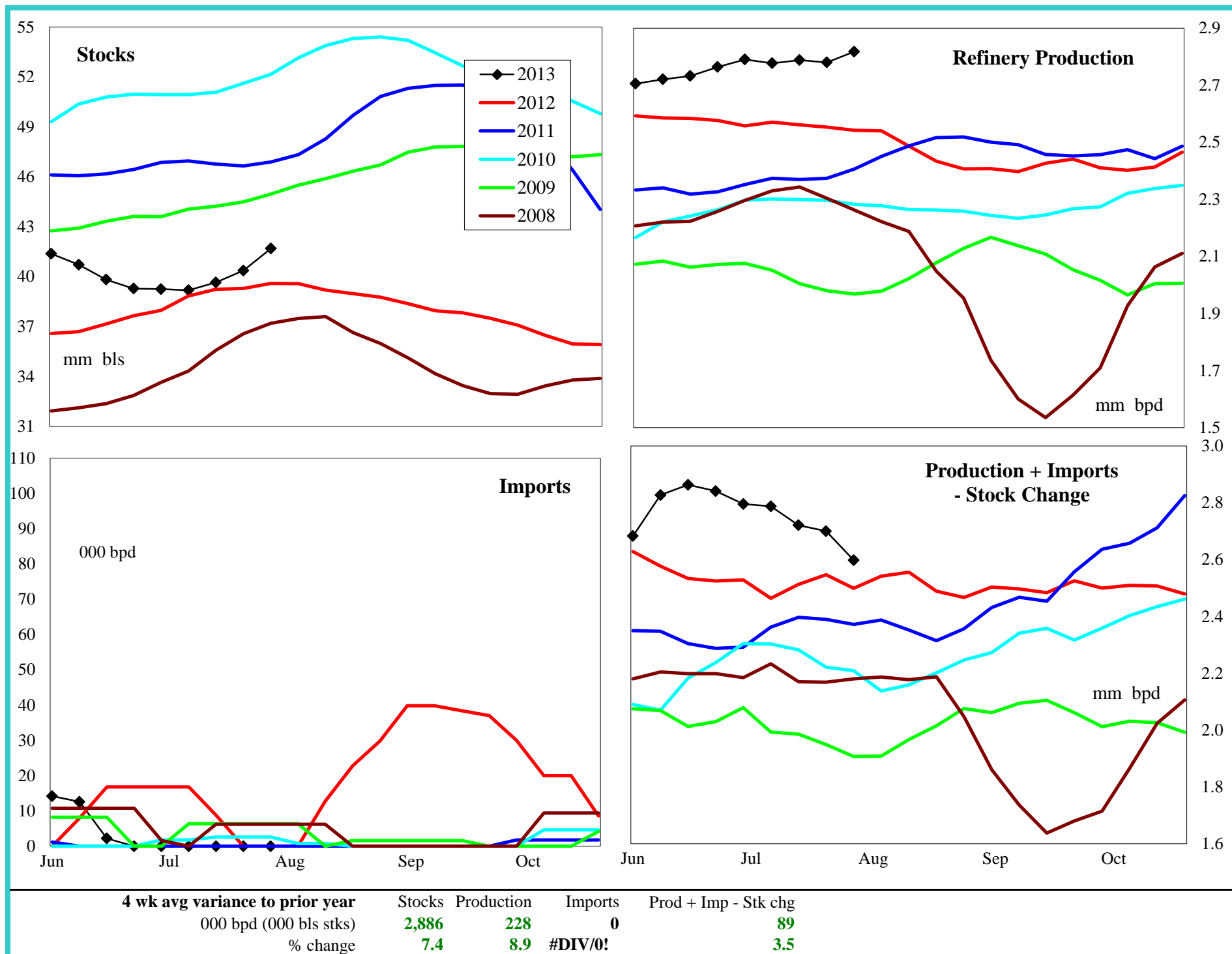
# PADD 3 Reformulated Gasoline Supply



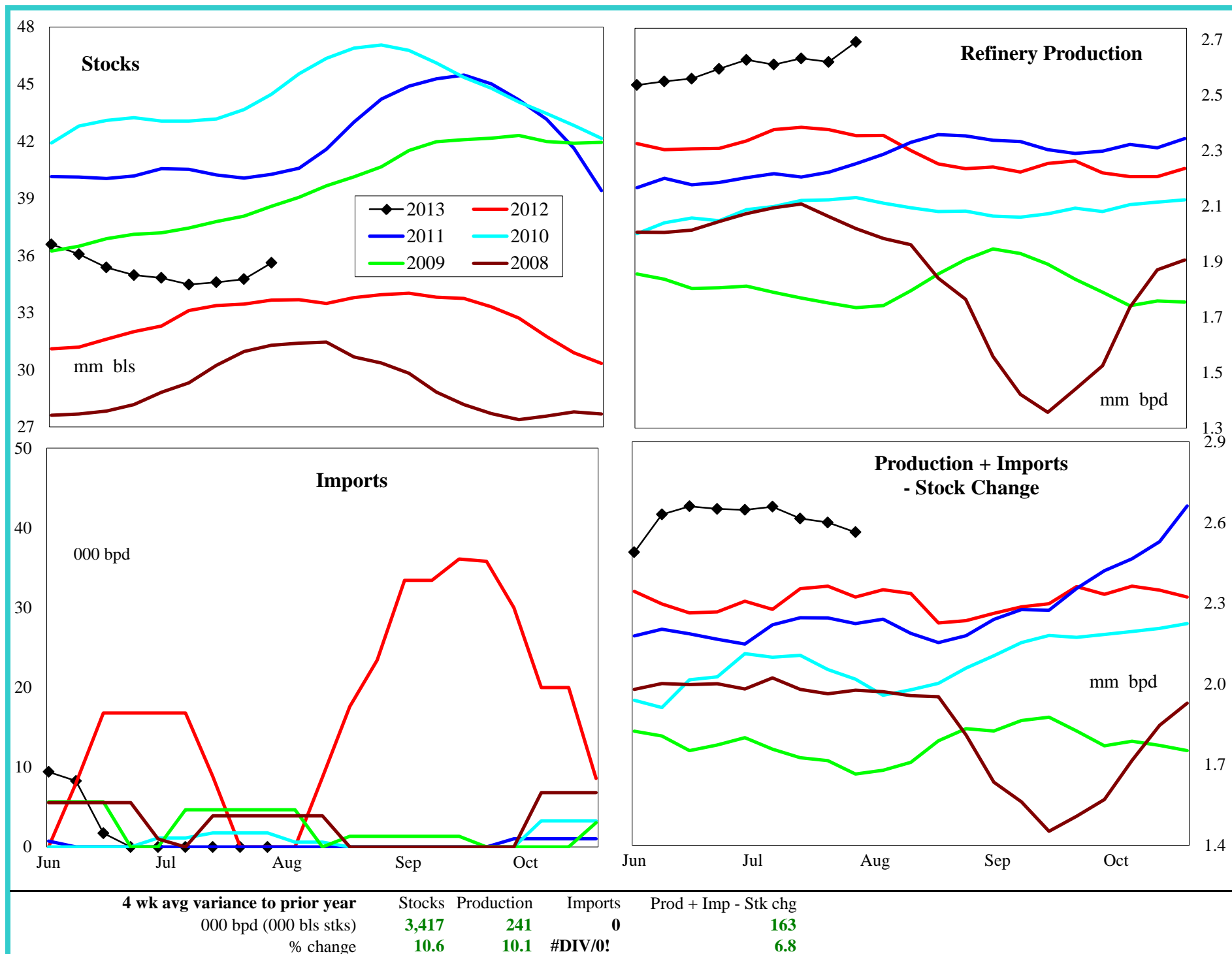
# PADD 3 Conventional Gasoline Supply



## PADD 3 Distillate Supply

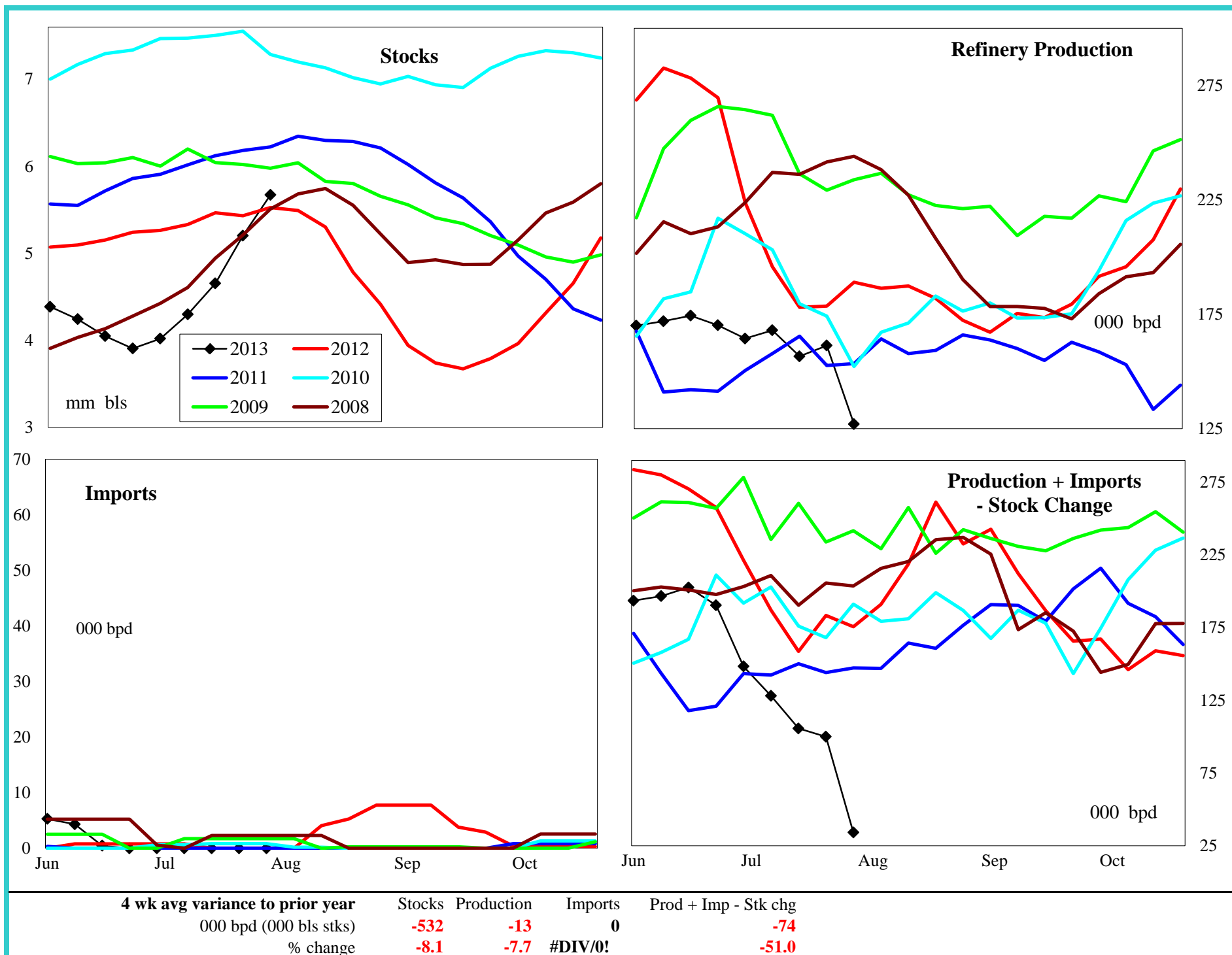


## PADD 3 Low Sulfur Distillate Supply

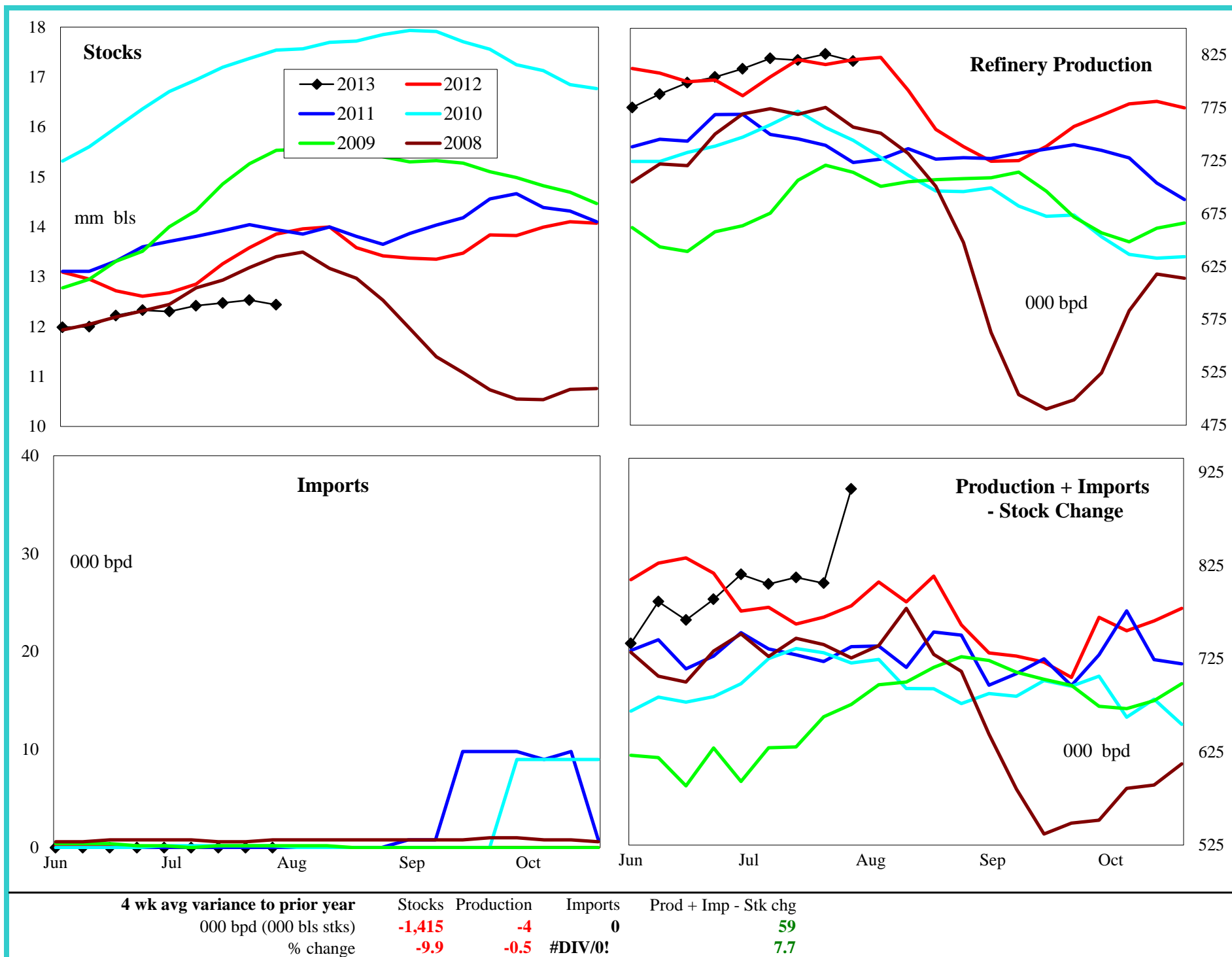




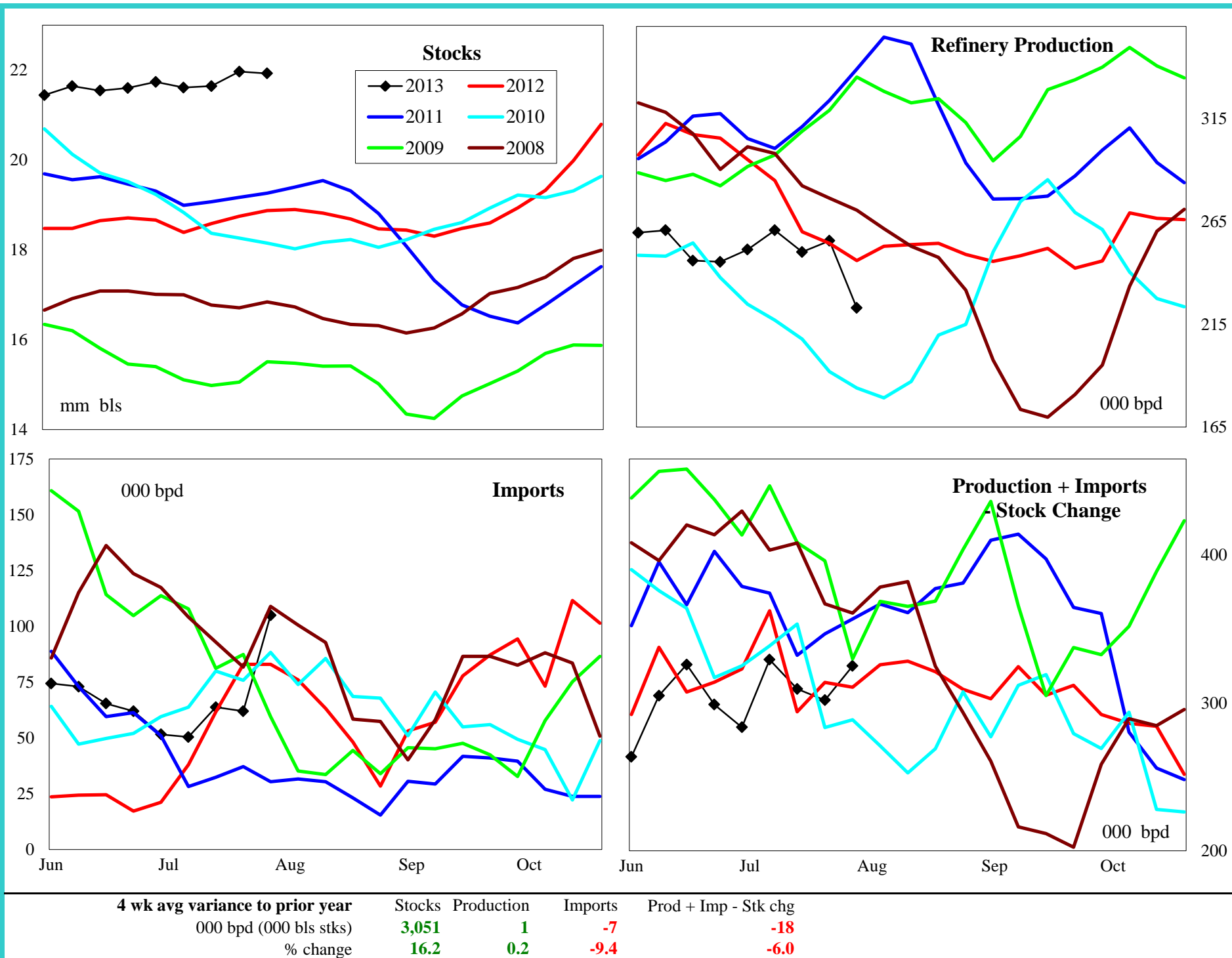
# PADD 3 High Sulfur Distillate Supply



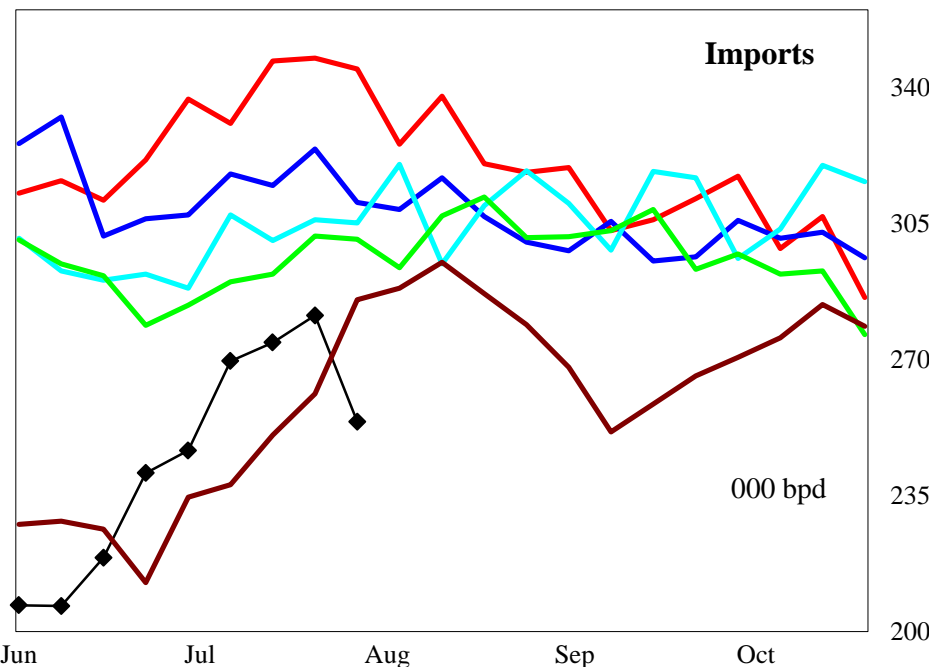
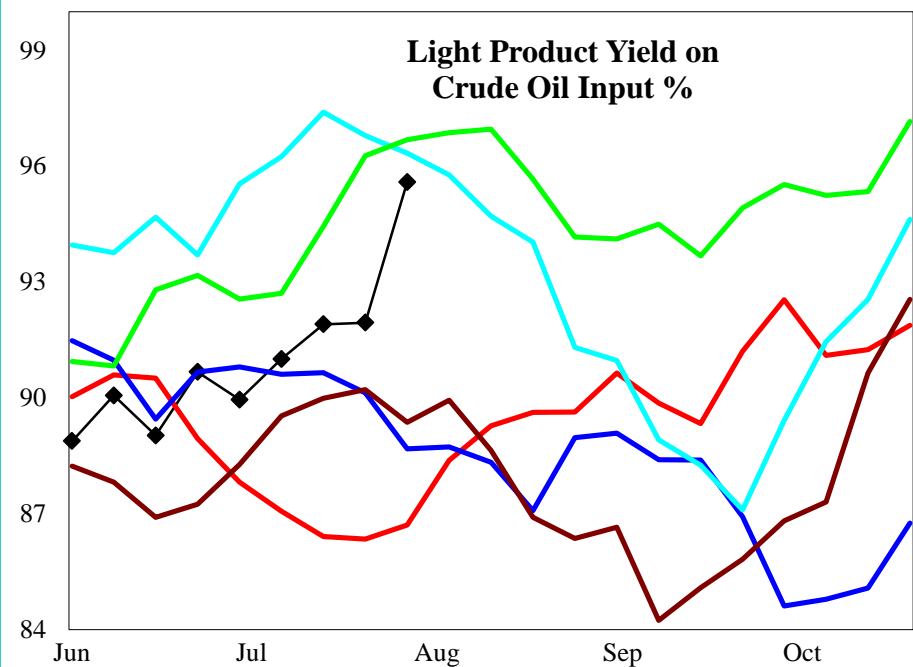
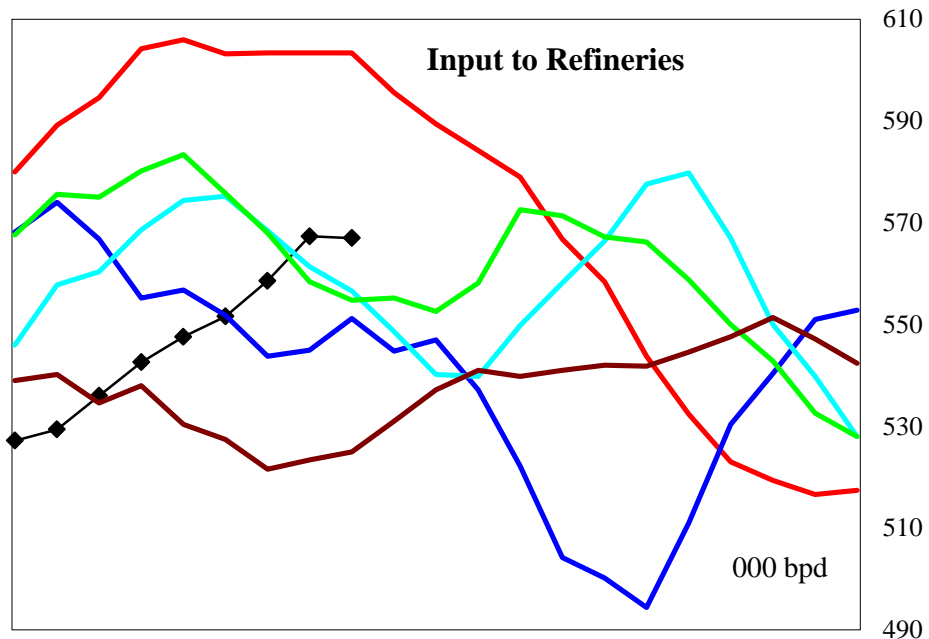
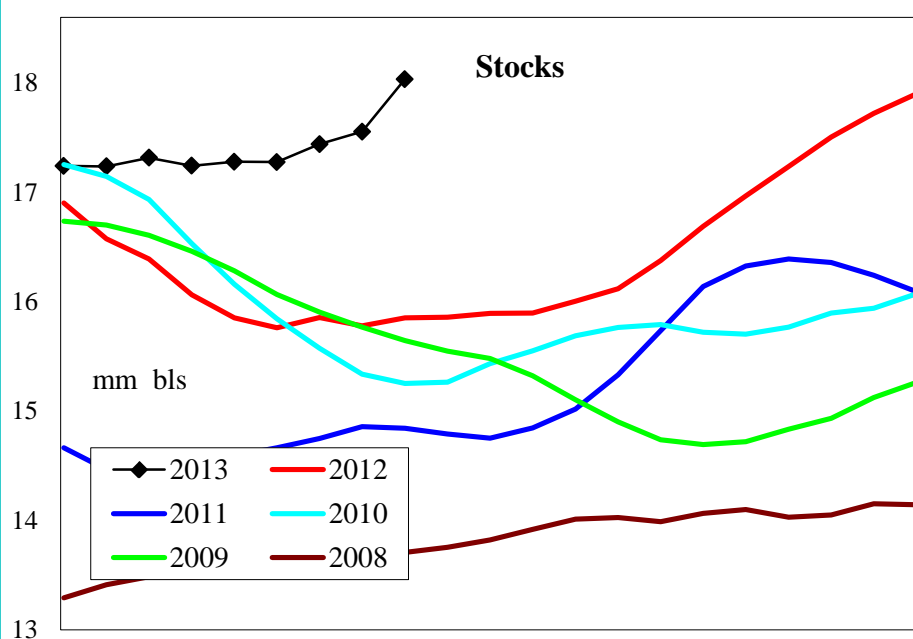
## PADD 3 Jet Fuel Supply



# PADD 3 Residual Fuel Oil Supply



## PADD 4 Crude Oil Supply and Refining



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

2,183

13.4

Input

-42

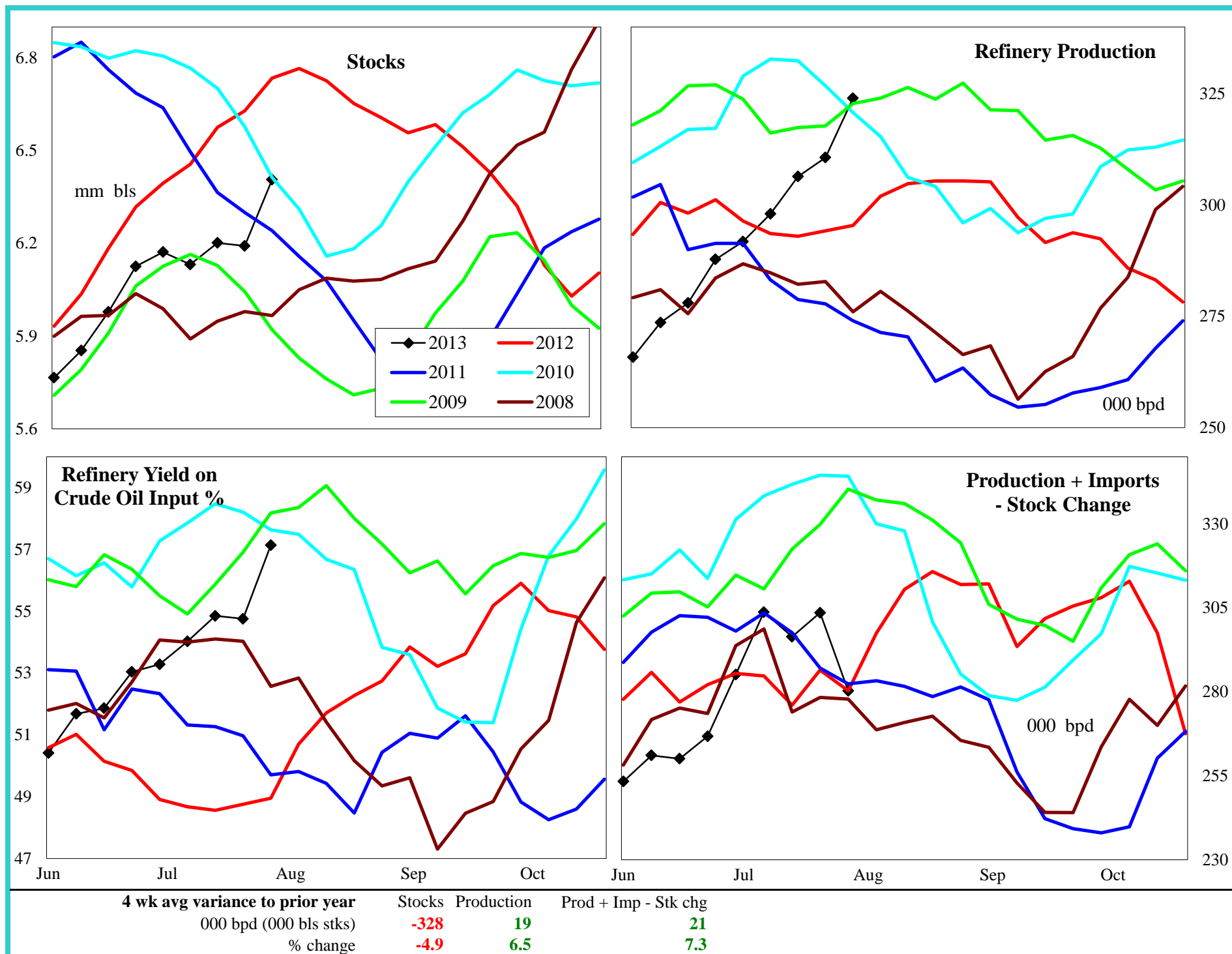
-6.9

Imports

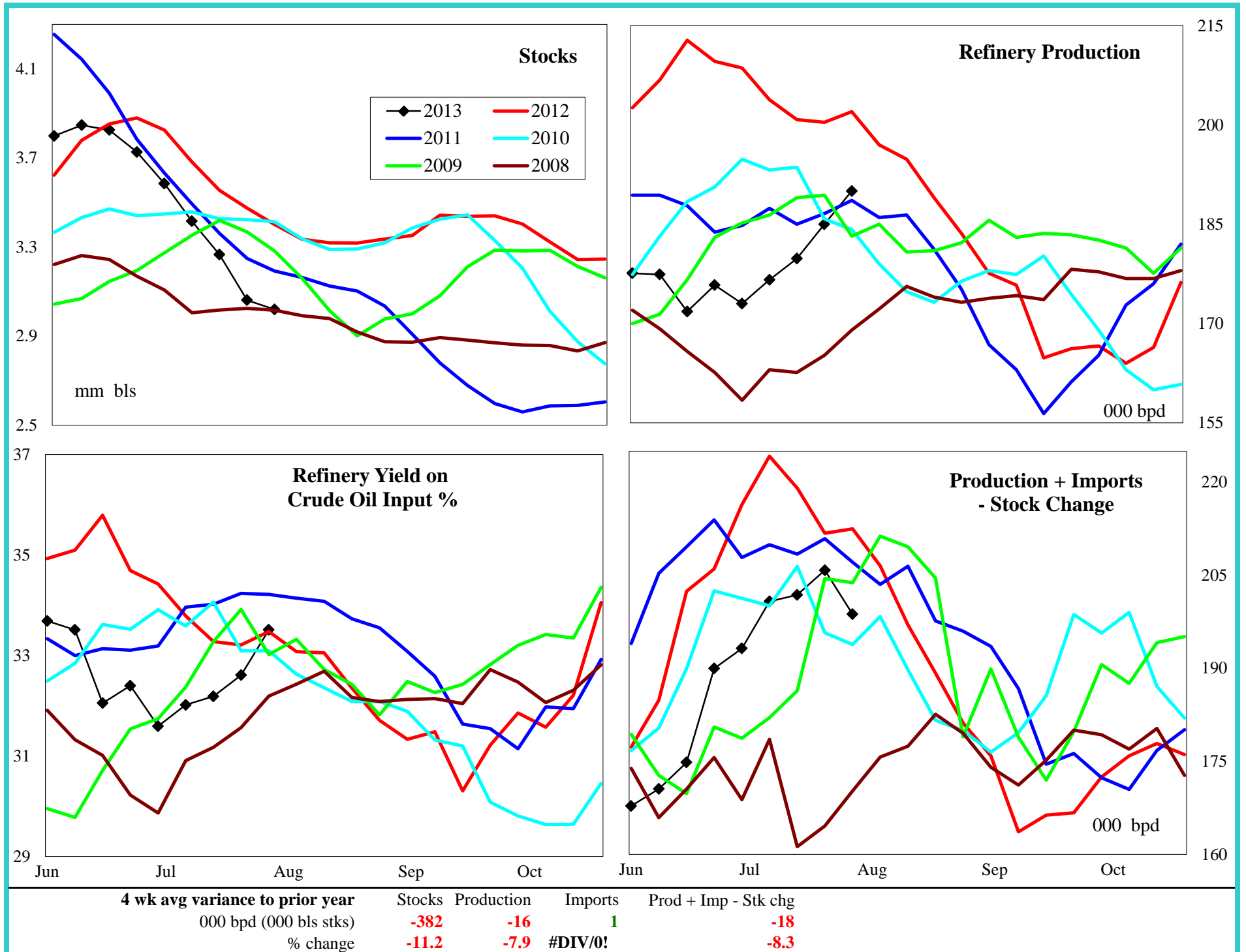
-80

-22.3

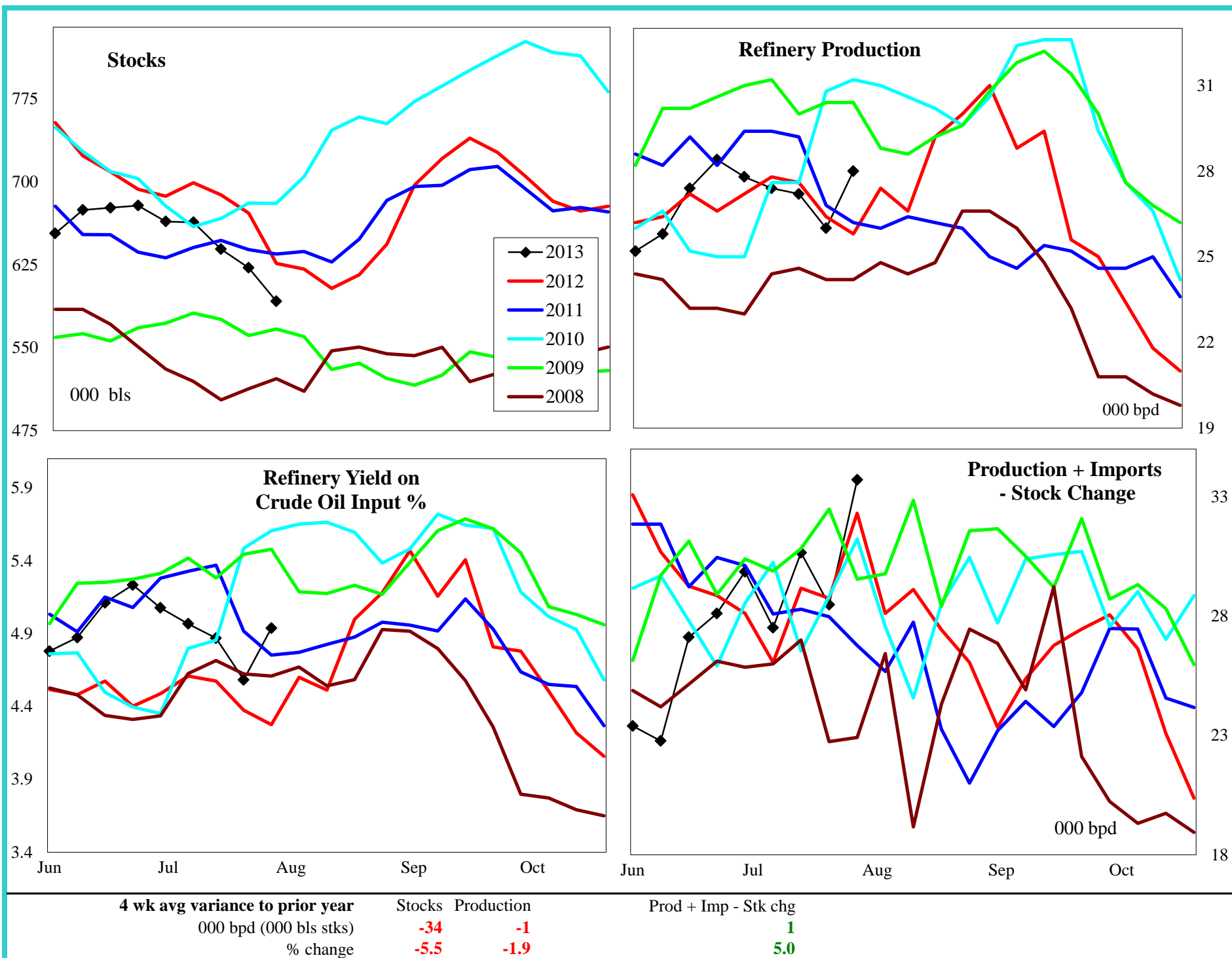
## PADD 4 Gasoline Supply



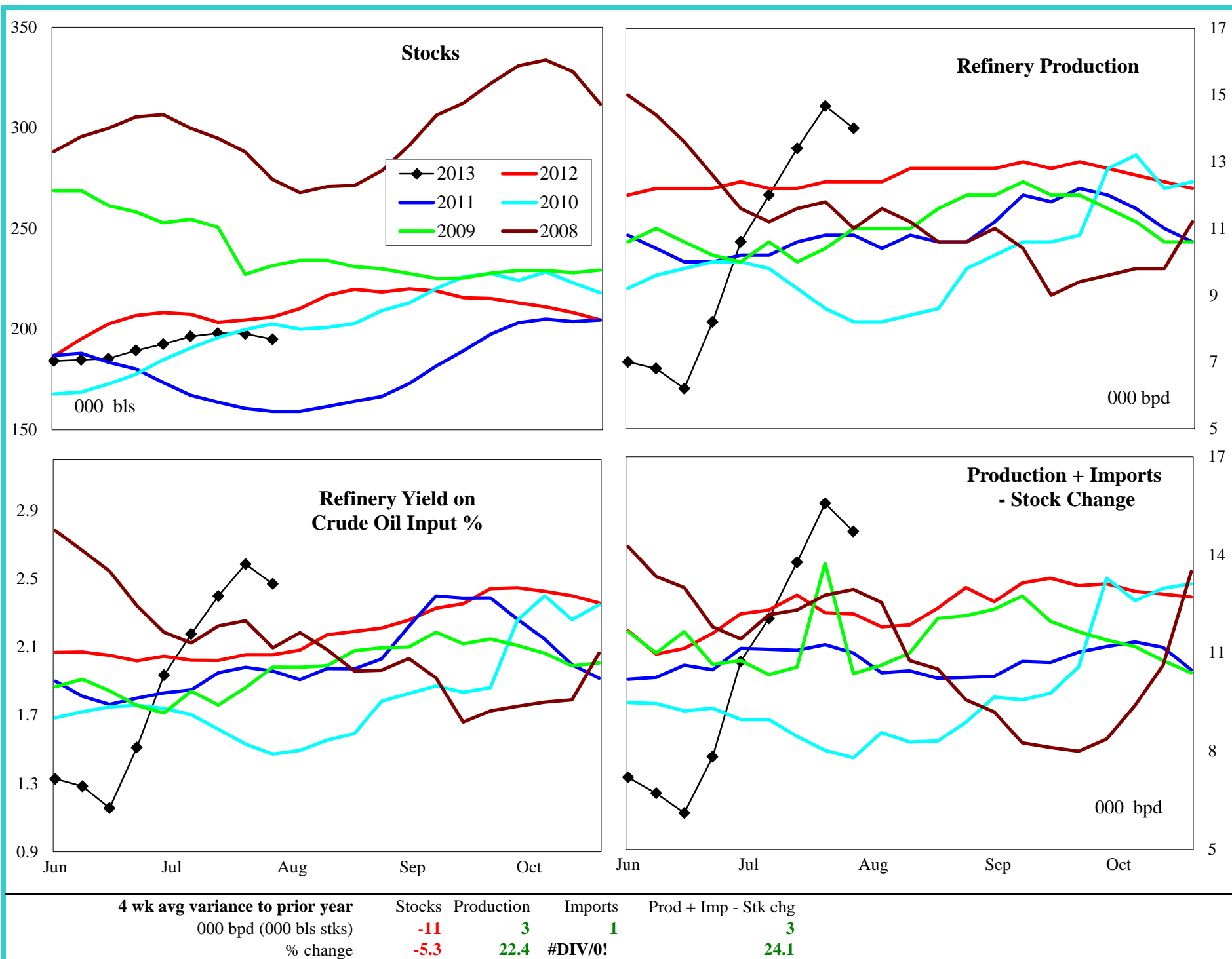
## PADD 4 Distillate Supply



## PADD 4 Jet Fuel Supply

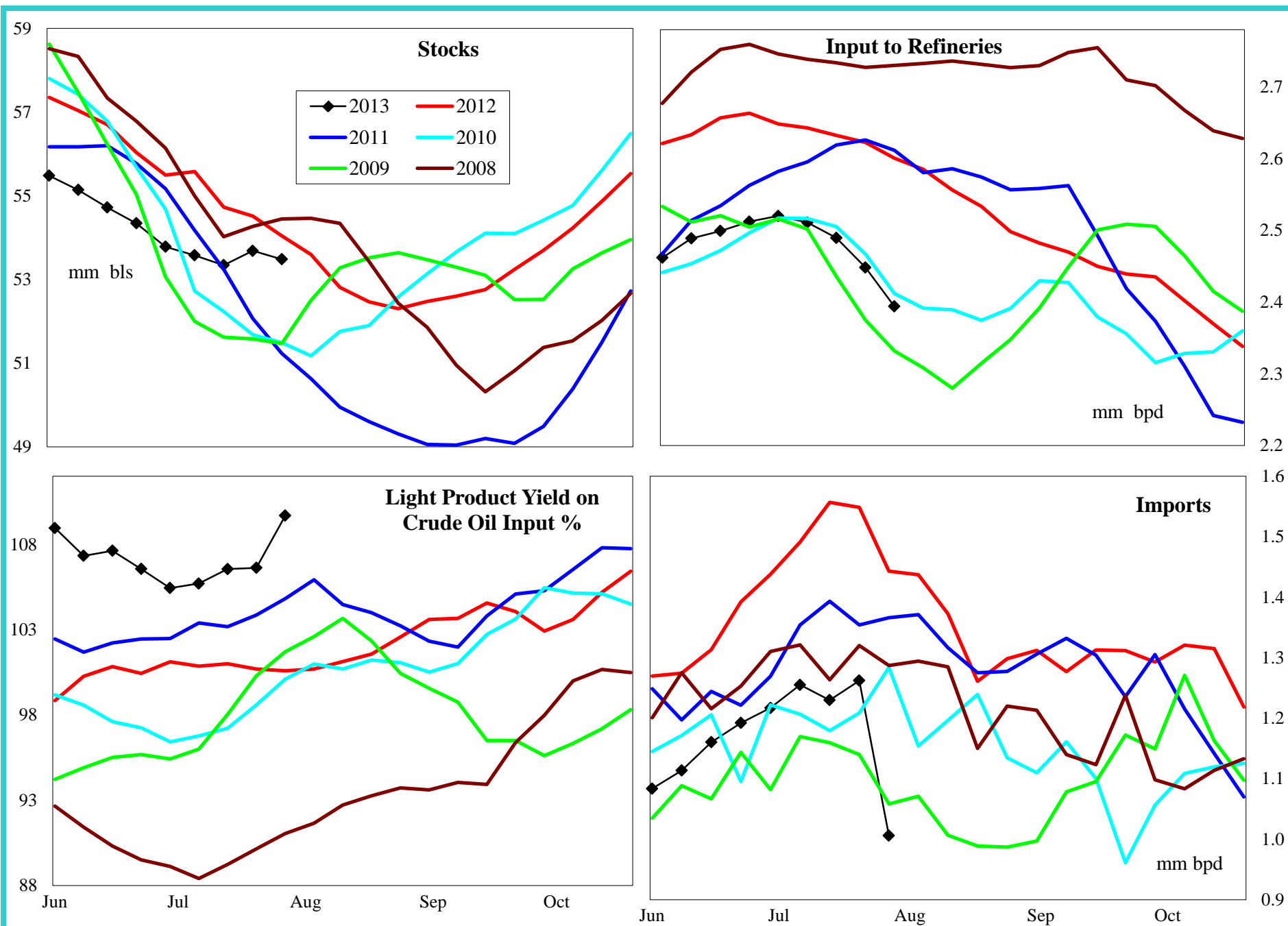


# PADD 4 Residual Fuel Oil Supply





# PADD 5 Crude Oil Supply and Refining



4 wk avg variance to prior year

000 bpd (000 bbls stks)

% change

Stocks

-561

-1.0

Input

-154

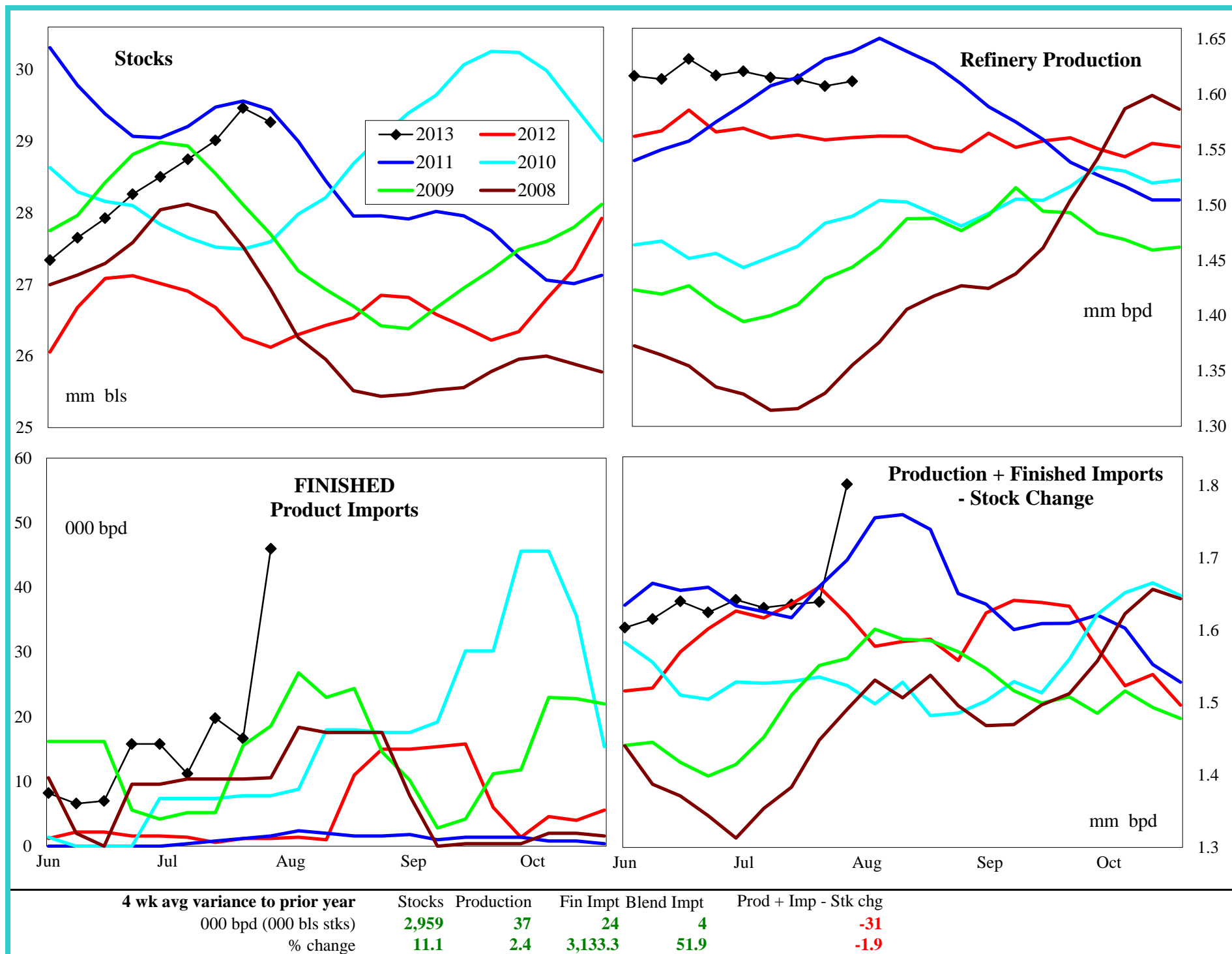
-5.9

Imports

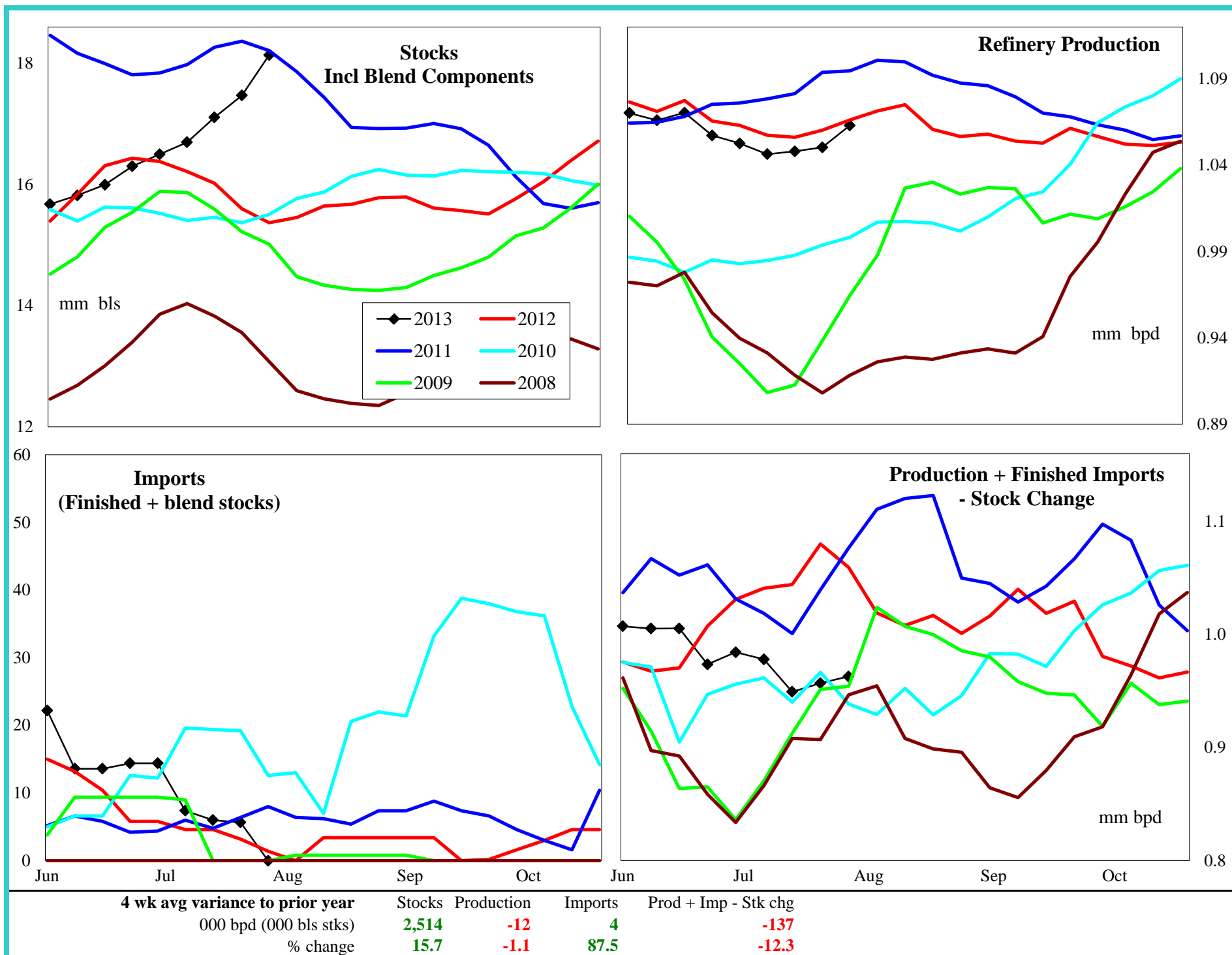
-411

-25.0

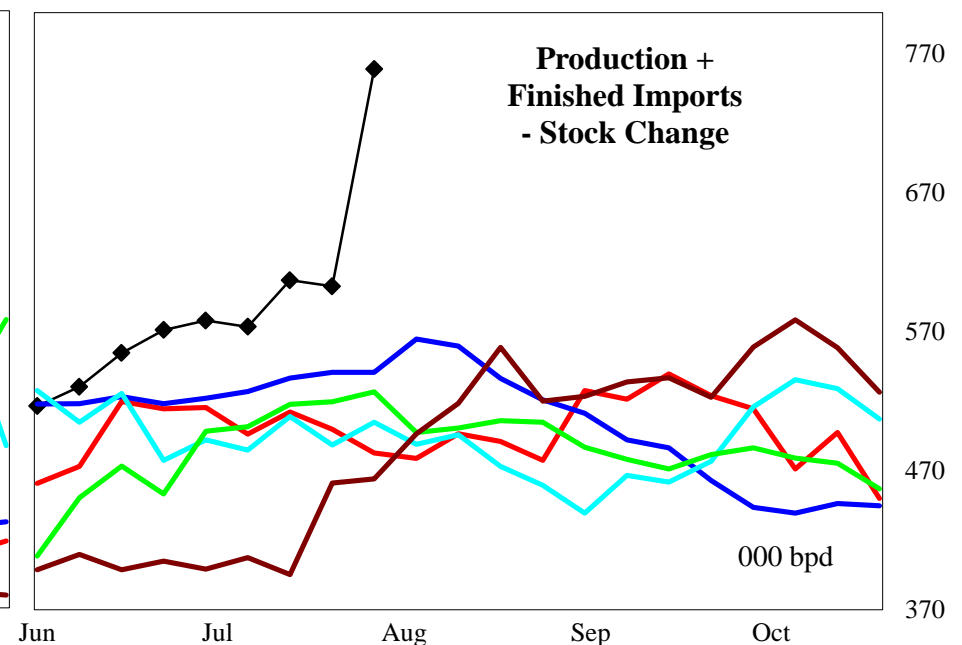
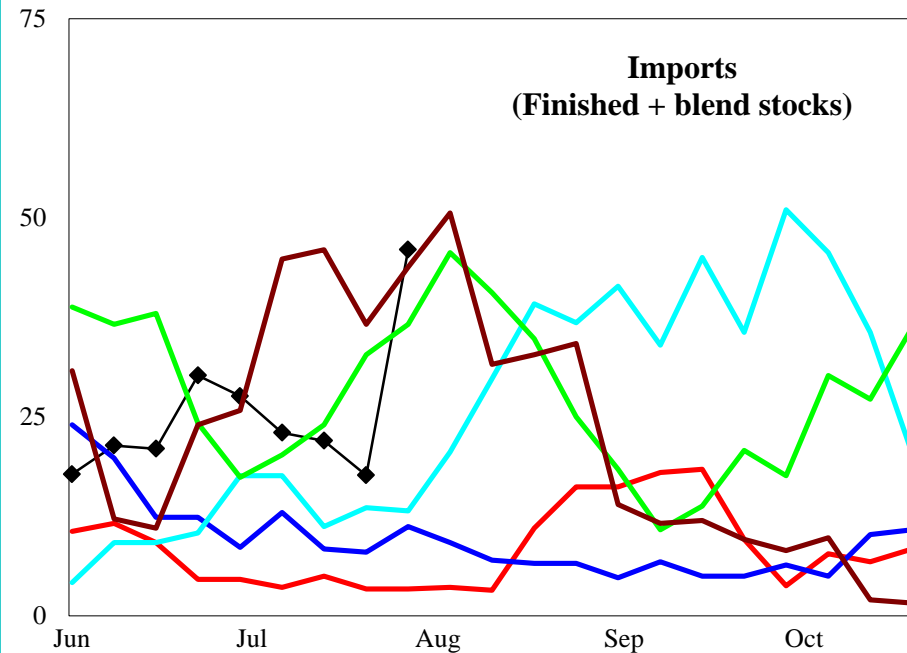
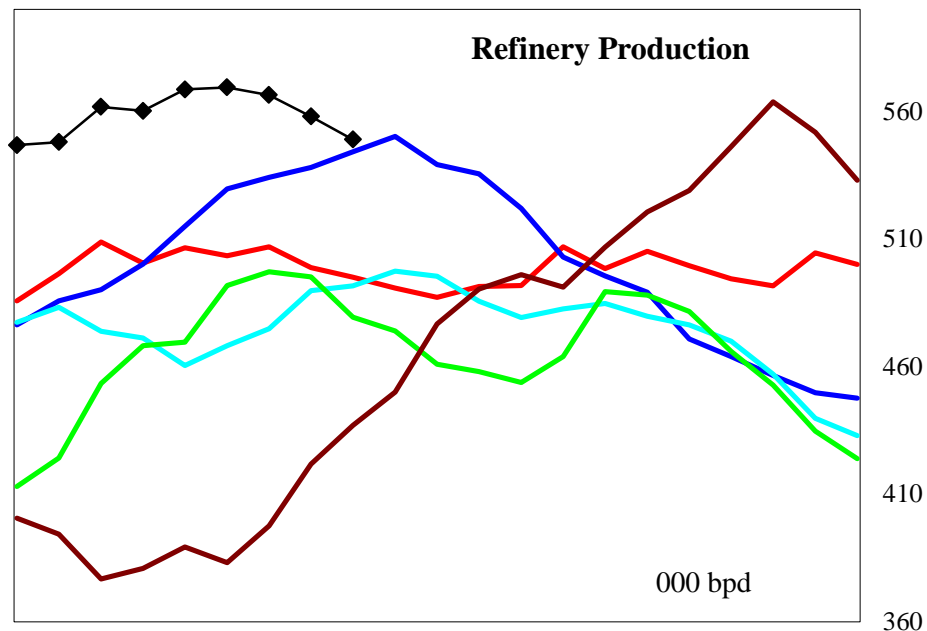
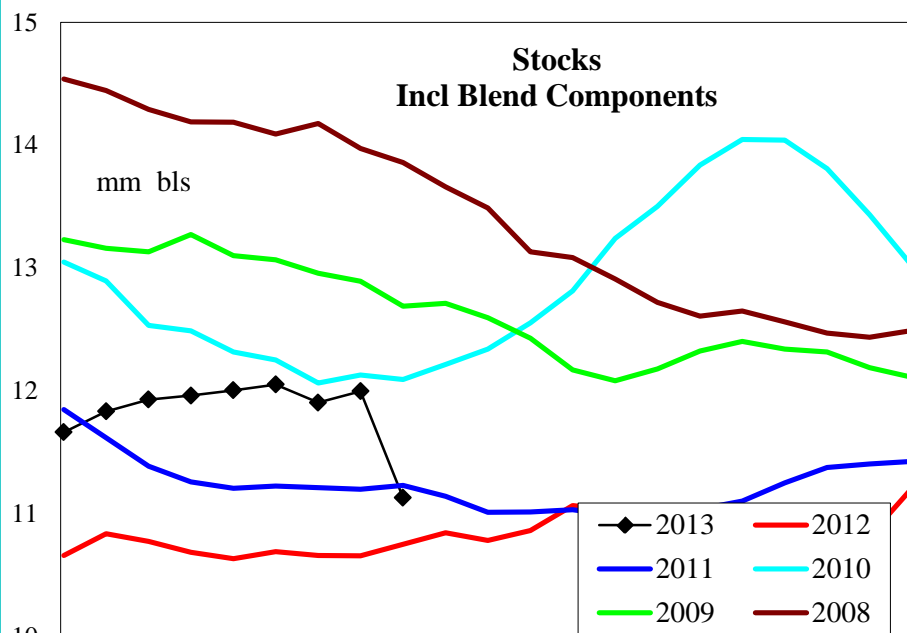
## PADD 5 Gasoline Supply



# 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

445

50

24

107

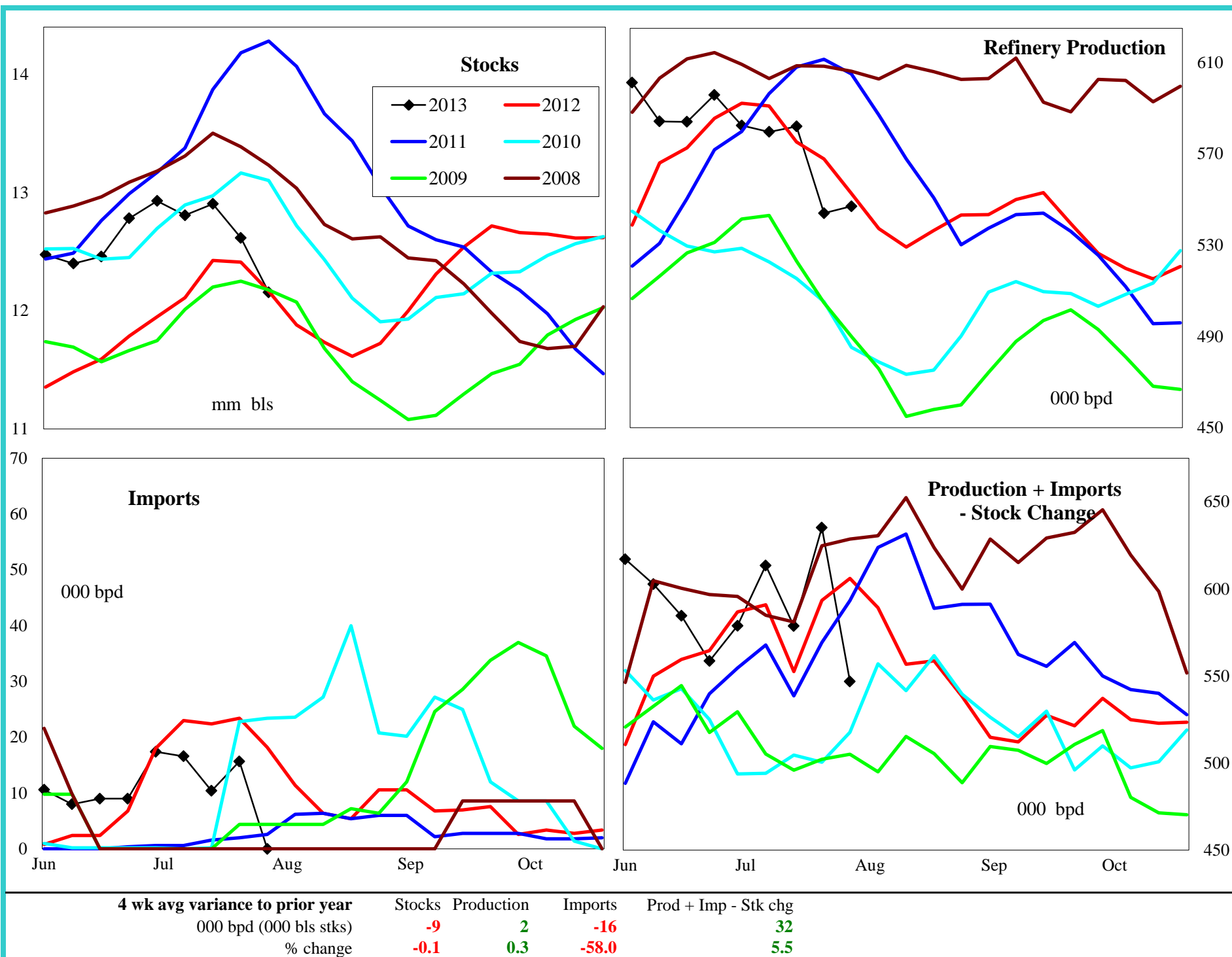
4.2

10.0

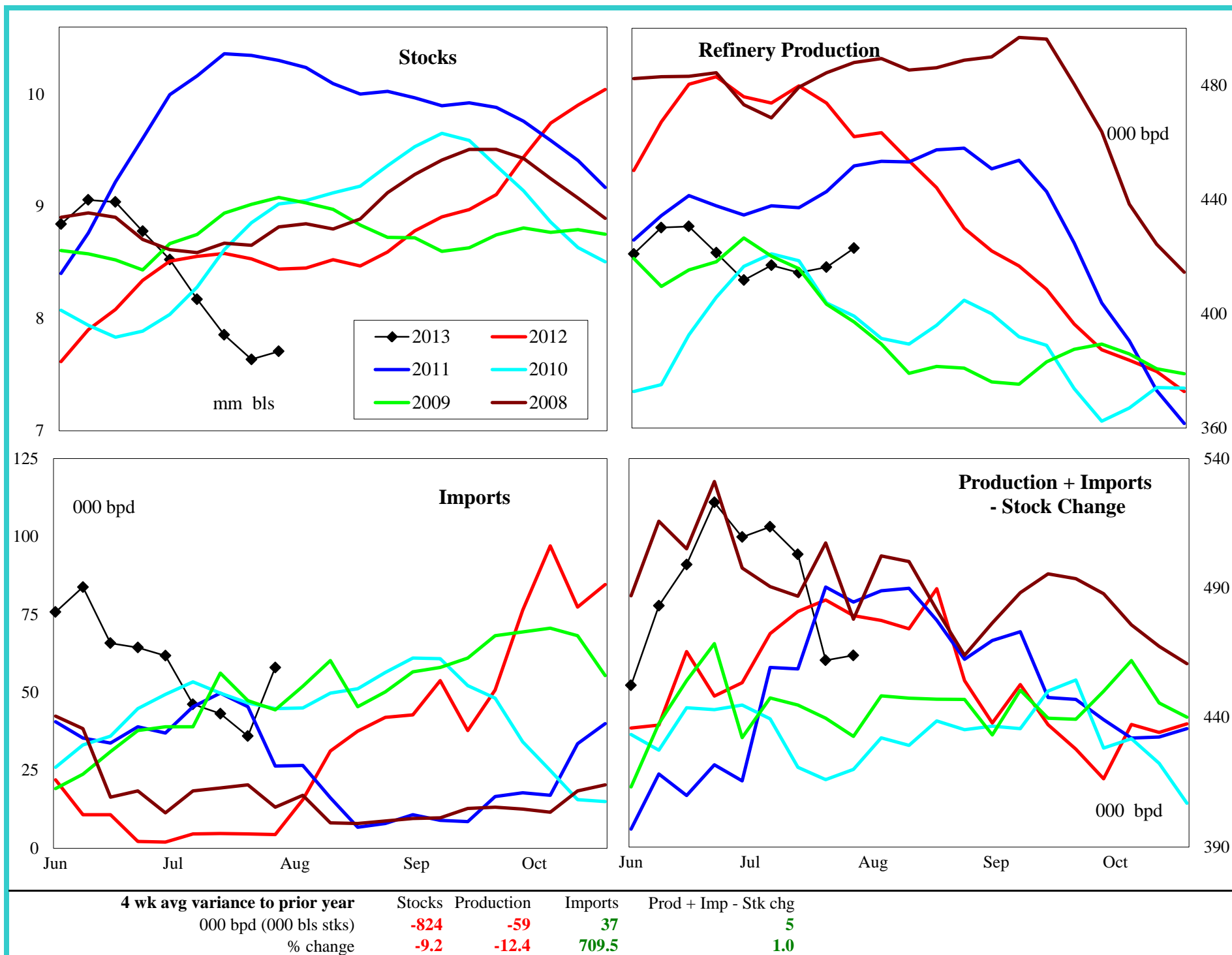
671.4

21.7

## PADD 5 Distillate Supply



## PADD 5 Jet Fuel Supply



# PADD 5 Residual Fuel Oil Supply

