



## WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

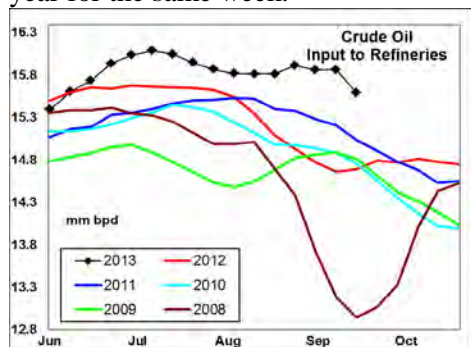
### A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Wednesday, September 25,



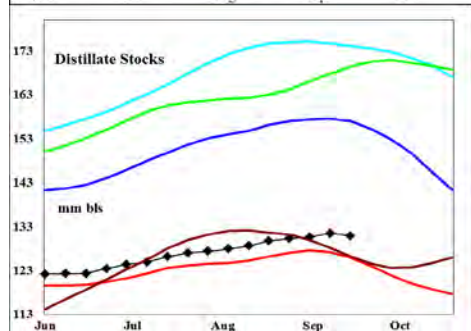
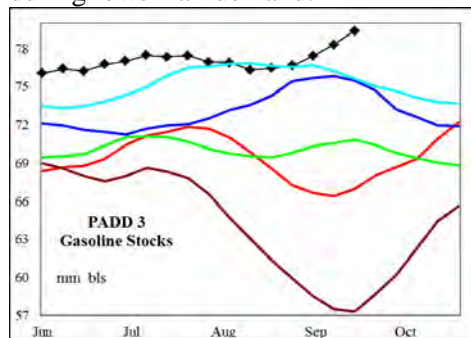
#### Major Fundamental Trends<sup>1</sup>

Refinery crude oil runs fell -0.5 million bpd last week as refiners began fall maintenance. Even with the decline, runs were +0.8 million bpd above last year for the same week.



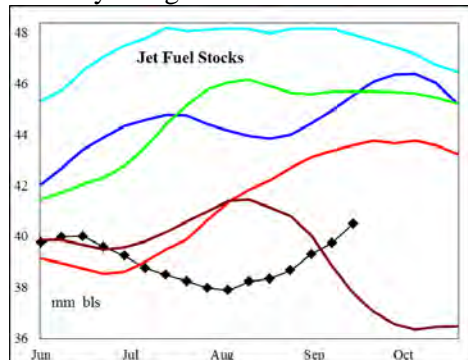
Lower crude oil throughput led to a -0.6 million bpd drop in transport fuel production last week, with declines for each fuel. Reduced demand was offset by the drop in production, leaving stock levels nearly unchanged for gasoline and distillate.

Gasoline stocks increased to a new record high in the Gulf Region, assuring ample supplies for the Midwest and East Coast markets during lower fall demand.



Distillate exports were 1.4 million bpd

for the latest week, up +0.3 million bpd from a year ago. This jump in exports has offset increased production, leaving stock levels nearly unchanged from a year ago.



Jet fuel stocks saw a 2<sup>nd</sup> consecutive weekly build, on sharply lower demand. The stock level remains below the last 4-yrs.

**Demand** for each transport fuel fell last week. Wholesale demand, measured over the last four weeks compared to a year ago: gasoline increased +0.8%; distillate was +7.8% higher; jet fuel was +2% higher, and residual decreased -7%.

**Stocks forward coverage:** Gasoline demand coverage was nearly unchanged on a +0.2 million barrel stock build for the week and decrease in demand. Coverage ended the week above the 5-year range.

Distillate coverage increased on a -0.2 million barrel stock draw offset by a sharp drop in demand. Coverage levels matched last year's near record lows.

Jet fuel coverage was higher on a +0.8 million barrel stock build and very low wholesale demand. Coverage levels were near 5-yr lows.

Residual fuel oil coverage was nearly unchanged on the week, with the level near last years' record.

**Refinery utilization** rates fell last week on a -519,000 bpd decrease in crude oil runs. During the latest 4-wk period crude oil input was +1.3 million bpd above a year ago.

Gasoline yield % on crude oil runs was nearly unchanged on a -258,000 bpd drop in output compared to the -

519,000 bpd decline in crude oil runs. Yield % on crude oil runs ended the week at a near record low for the summer season.

Distillate yield % on crude oil runs declined last week, on a -266,000 bpd drop in output compared to the decrease in crude oil thru put. The yield % on crude oil runs matched year ago levels.

Jet fuel yield % on crude oil runs decreased on a -51,000 bpd decline in output, compared to the drop in crude oil runs. The yield % level was well below the last 2-yrs.

**Petroleum Imports/Exports:** Imports of crude oil increased +0.3 million bpd last week, while refined products were nearly unchanged.

During the latest 4-wk period crude oil *imports* were -0.6 million bpd below last year; distillate imports were -33,000 bpd lower; finished gasoline imports decreased -20,000 bpd, gasoline blend stock imports were -213,000 bpd lower; jet fuel imports increased +13,000 bpd, while residual fuel oil imports were -66,000 bpd lower.

The latest weekly *export* estimate saw a -1,000 bpd decrease in gasoline, a +302,000 bpd jump in distillate and +43,000 bpd rise in jet fuel compared to a year ago.

**Crude Oil** stocks increased +2.6 million barrels last week, with the increase concentrated in the Gulf region. Stocks were -2% below last year, even with crude oil refinery runs +1.3 million barrels above last year for the most recent 4-wk period.

U.S. crude oil production was +1.8 million bpd above a year ago, partially offset by a -0.6 million bpd drop in imports. Stock levels ended the week -25% below last year in Cushing.

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



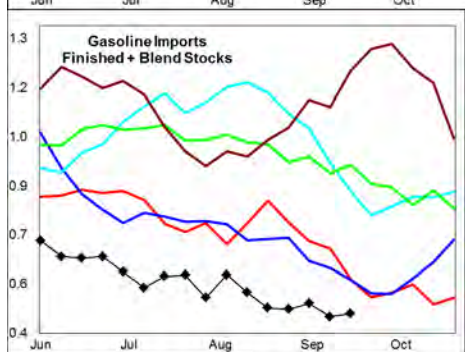
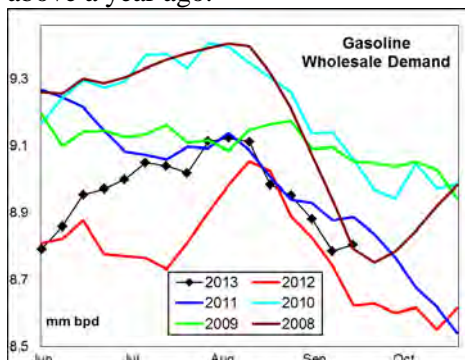
## WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

### A Fundamental Petroleum Trends Weekly Report

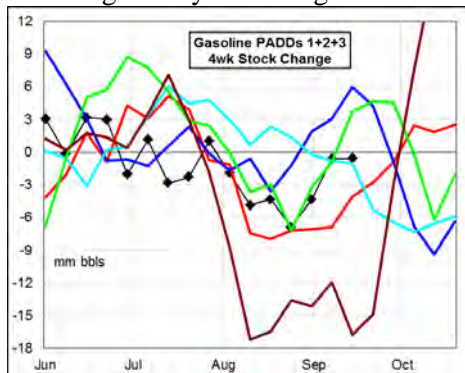
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#### Product Supply-Demand Trends

**Gasoline** wholesale demand decreased -0.2 million bpd last week. The latest 4-wk average demand was +75,000 bpd above a year ago. Supply fell -290,000 bpd last week on lower production and imports. Supply for the latest 4-wk period was +24,000 bpd above a year ago.

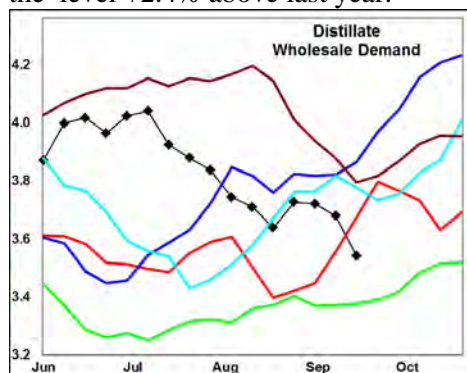


Stocks increased +0.2 million barrels last week, with the level above four of the last 5-yrs. The latest 4-wk stock change in markets East of the Rockies was a -0.6 million barrel draw, matching the 3-yr mid range.

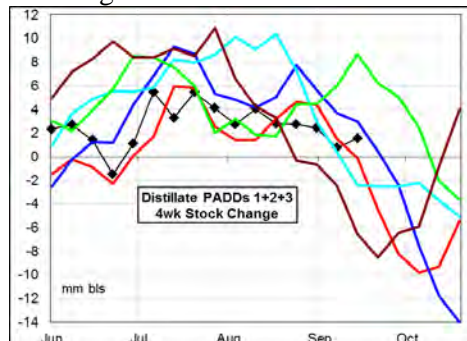


Stock levels remain at record high levels in the key Gulf region, providing ample supply to the Midwest and East coast regions. West Coast and Rocky Mountain supplies remain adequate on very high production rates.

**Distillate** wholesale demand fell -0.5 million bpd last week, reversing the prior week surge. The latest 4-wk average demand was +270,000 bpd above a year ago, a +8% increase. Supply fell -219,000 bpd last week on a sharp drop in production. The latest 4-wk average supply was +465,000 bpd above last year. Stocks decreased -0.2 million barrels on the week, with the level +2.4% above last year.



The latest 4-wk stock change in markets East of the Rockies was a +1.6 million barrel build, above the 3-yr mid range.



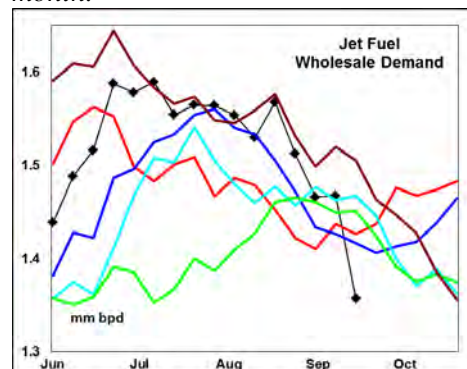
Production began a seasonal downtrend last week as refiners start fall maintenance. Look for a seasonal stock draw over the next 45-days on increased refinery maintenance.

**Jet Fuel** wholesale demand declined -46,000 bpd on the week, falling to a level below the 5-yr range. The latest 4-wk average demand was +28,000 bpd above last year, a +2% increase.

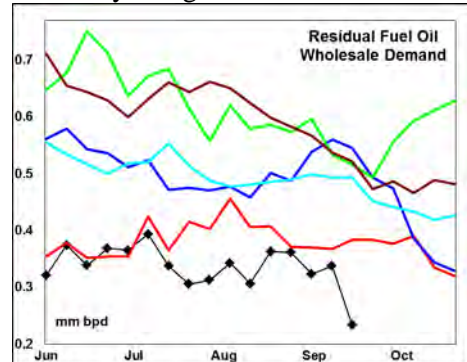
Supplies declined -22,000 bpd on the week, driven by lower production. Production remains near 5-yr highs for the period. Supply for the latest 4-wk period was +141,000 bpd above a year ago. Stocks increased +0.8 million barrels last week, with the level -3.5

million barrels below last year.

The seasonal low in wholesale demand, combined with high production and imports should drive continued stock building over the next month.



**Residual fuel oil** demand decreased -4,000 bpd last week. Demand for the latest 4-wk period was -20,000 bpd below a year ago.



Supply (production + imports) increased +49,000 bpd on higher imports. Production levels remain below the 5-yr range. Stock levels ended the week at a level that matched 5-yr lows; driven by record low imports.

Record low imports and production have led to a -4 million barrel stock drawdown during the last quarter. The switch from residual fuel to natural gas by utility and industrial users underlies the low level of imports while refinery upgrades has reduced production to record lows.





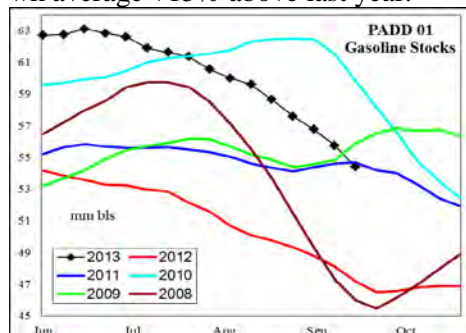
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#### PADD Supply Trends

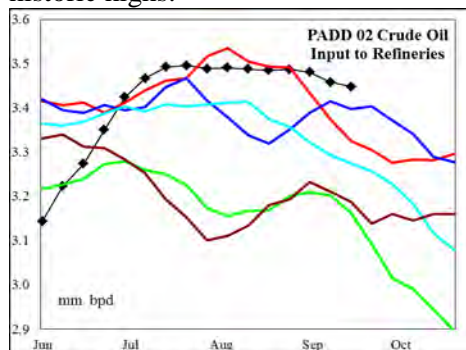
**PADD 1** refinery crude oil runs fell -89,000 bpd last week; with the latest 4-wk average +15% above last year.



Gasoline supply decreased -19,000 bpd last week. Stocks fell -1.7 million barrels on the week, with the level equal to the 3-yr mid range.

Distillate supply increased +11,000 bpd on the week, with the 4-wk average +8,000 bpd below a year ago. Stocks fell -0.6 million barrels on the week, to a level that matched last year.

Jet fuel supply increased +12,000 bpd last week, with the 4-wk average +49,000 bpd above last year. Stocks increased last week to a level near historic highs.



**PADD 2** crude oil refinery runs increased +8,000 bpd last week, with the latest 4-wk average +72,000 bpd above last year. Crude oil stocks increased +0.6 million barrels last week, including a -0.4 million barrel draw in Cushing. Stocks ended the week -25% below a year ago in Cushing.

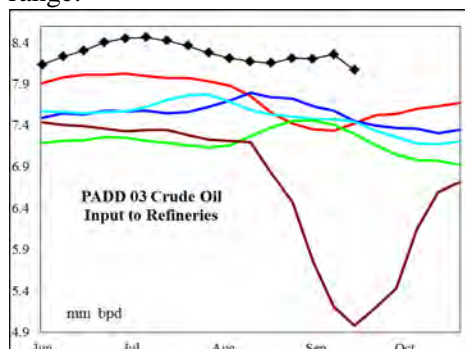
Gasoline production decreased -

21,000 bpd last week to a level near the 3-yr mid range. Stocks increased +0.5 million barrels on the week, to a level at the low end of the historic range.

Distillate supply fell -77,000 bpd last week, with the level below the 3-yr mid range. Stocks increased +0.6 million barrels on the week, to a level above the historic mid range.

Jet fuel production increased +13,000 bpd last week, to a level below the last 2-yrs. Stock levels matched 5-yr lows for the period.

**PADD 3** refinery runs fell -400,000 bpd last week as fall maintenance began. During the latest 4-wk period, average runs were +1 million bpd above a year ago. Crude oil stocks increased +2.6 million barrels last week, to a level above the 3-yr mid range.



Gasoline supply increased +17,000 bpd on the week, with the latest 4-wk average +135,000 bpd above a year ago. Stocks increased +1.7 million barrels to a new record high.

Distillate supply fell -126,000 bpd on the week, with the latest 4-wk average supply +383,000 bpd above last year. Stocks increased +0.5 million barrels last week, to a level +7% above a year ago.

Jet fuel production fell -93,000 bpd on the week, to a level below the last 2-yrs. Stocks decreased -0.1 million barrels, to a level -14% below the last year, near 5-yr lows.

Residual fuel supply increased +15,000 bpd, on higher imports. Stock levels ended the week above the 5-yr range.

**PADD 4** refinery crude runs decreased

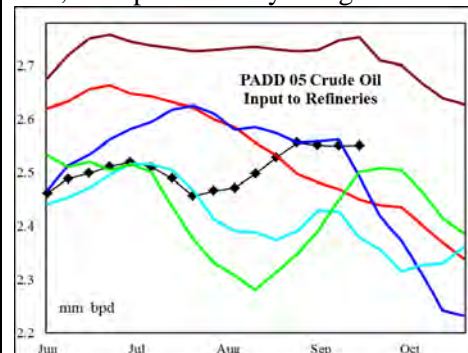
-37,000 bpd on the week, to a level that matched 5-yr lows. Light product yields were a record high for this time of year.

Gasoline production increased +2,000 bpd on the week, with the level above four of the last 5-yrs. Stock levels were near the 3-yr mid range.

Distillate production declined -21,000 bpd on the week, falling to a record low for the period. Stock levels remain above the historic range.

Jet fuel production and stock levels last week were each below the mid range for the prior 3-yrs.

**PADD 5** crude oil refinery runs decreased -2,000 bpd on the week to a level with the level above the last 3-yrs. The latest 4-wk run rate was +74,000 bpd above a year ago.




Gasoline supply declined -73,000 bpd on the week with production still above the 5-yr range. The latest 4-wk average supply was +20,000 bpd above a year ago. Stocks declined -0.1 million barrels on the week, to a level near the 5-yr mid range.

Distillate supply declined -5,000 bpd, with the level still above four of the last 5-yrs. The latest 4-wk average supply was +47,000 bpd above last year. Stocks fell -0.7 million barrels to a level near the historic mid range.

Jet fuel supply increased +46,000 bpd last week to a level above the last 3-yrs. Stocks climbed +0.2 million barrels on the week to a level -8% below a year ago.

Residual fuel oil production and imports were each at the upper end of the historic range for the week.



FUNDAMENTAL

PETROLEUM TRENDS

PETROLEUM: Graph Link and Weekly Summary

A Fundamental Petroleum Trends Weekly Report

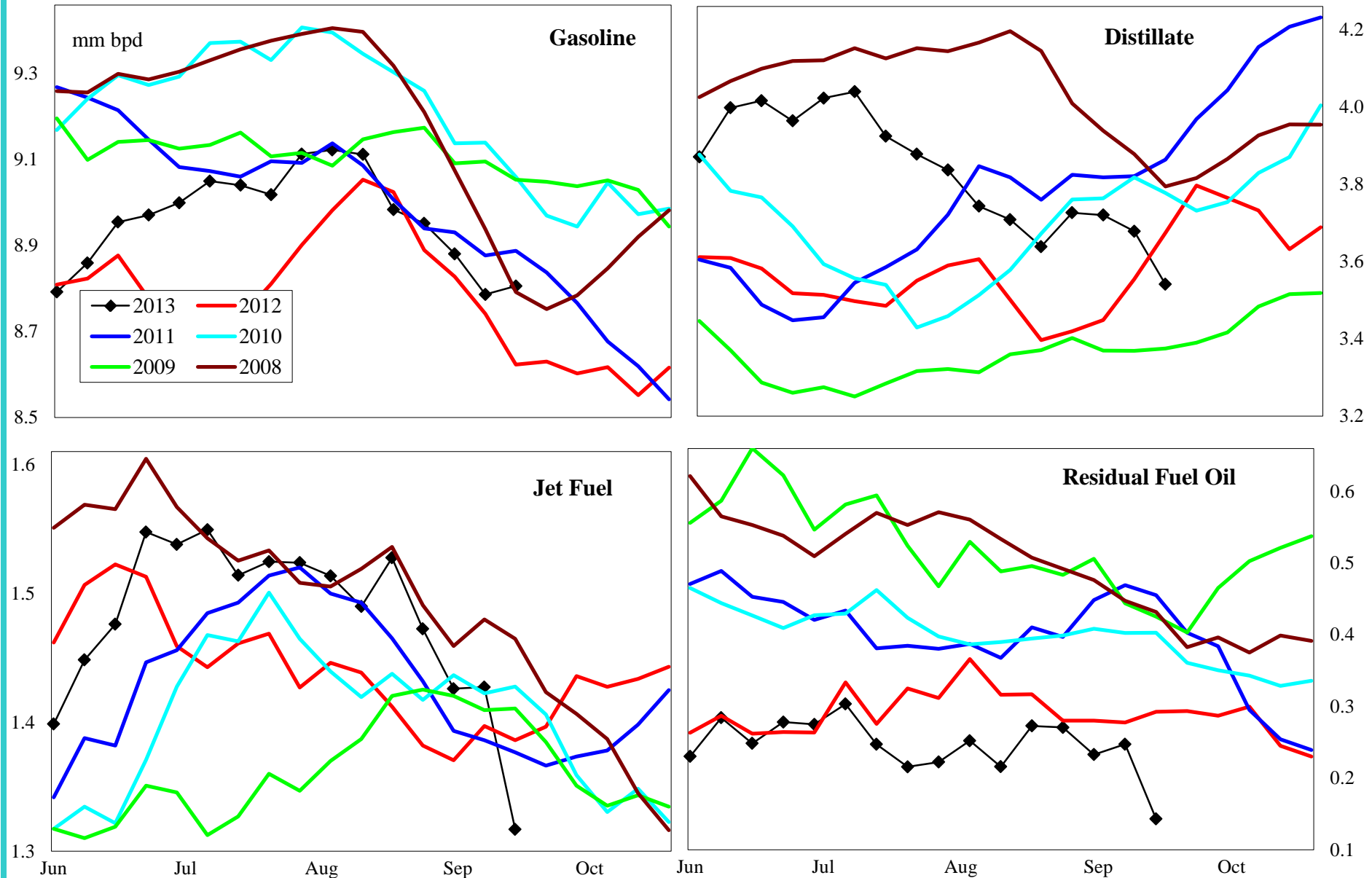
September 25, 2013

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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	20-Sep-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	2,635	651	578	2,595	-150	-1,038
	Imports	347	-126	8	502	-66	31
	Input	-519	-89	8	-400	-37	-2
	% Utilization	-2.20					
<a href="#">Gasoline</a>	Stocks	217	-1,668	485	1,653	-122	-132
	Production	-258	-17	-21	21	2	-51
	Imports	-32	-2	-4	-4	0	-22
	Supplied	-182					
<a href="#">Distillate</a>	Stocks	-234	-637	632	533	-67	-694
	Production	-266	-19	-77	-148	-21	-1
	Imports	47	30	0	22	0	-4
	Supplied	-470					
<a href="#">Jet Fuel</a>	Stocks	827	641	43	-111	13	241
	Production	-51	1	13	-93	0	28
	Imports	29	11	0	0	0	18
	Supplied	-46					
<a href="#">Residual Fuel Oil</a>	Stocks	189	-243	134	423	0	-124
	Production	-43	-15	-15	-23	2	8
	Imports	92	10	7	38	-2	41
	Supplied	-4					

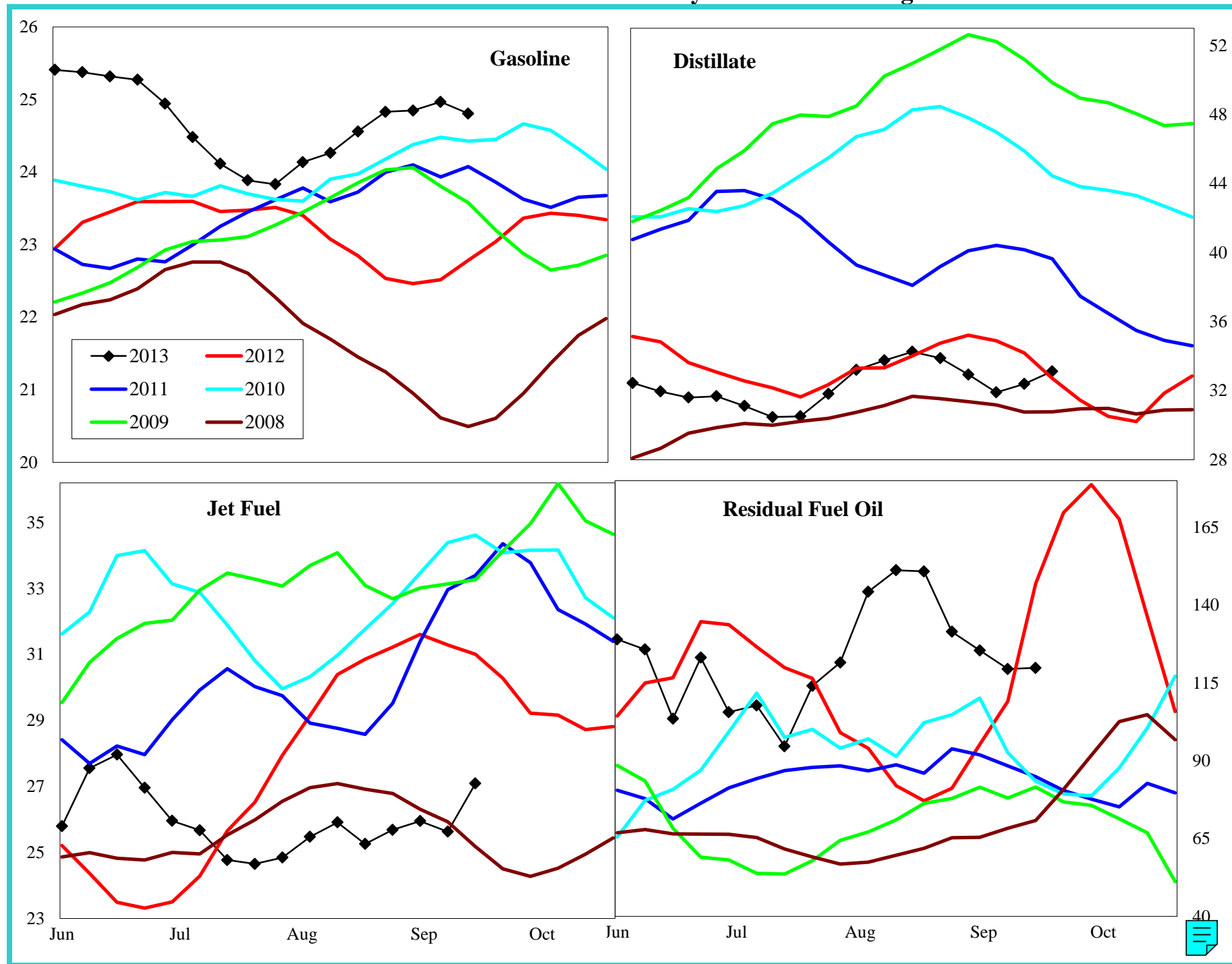
# United States Wholesale Petroleum Demand



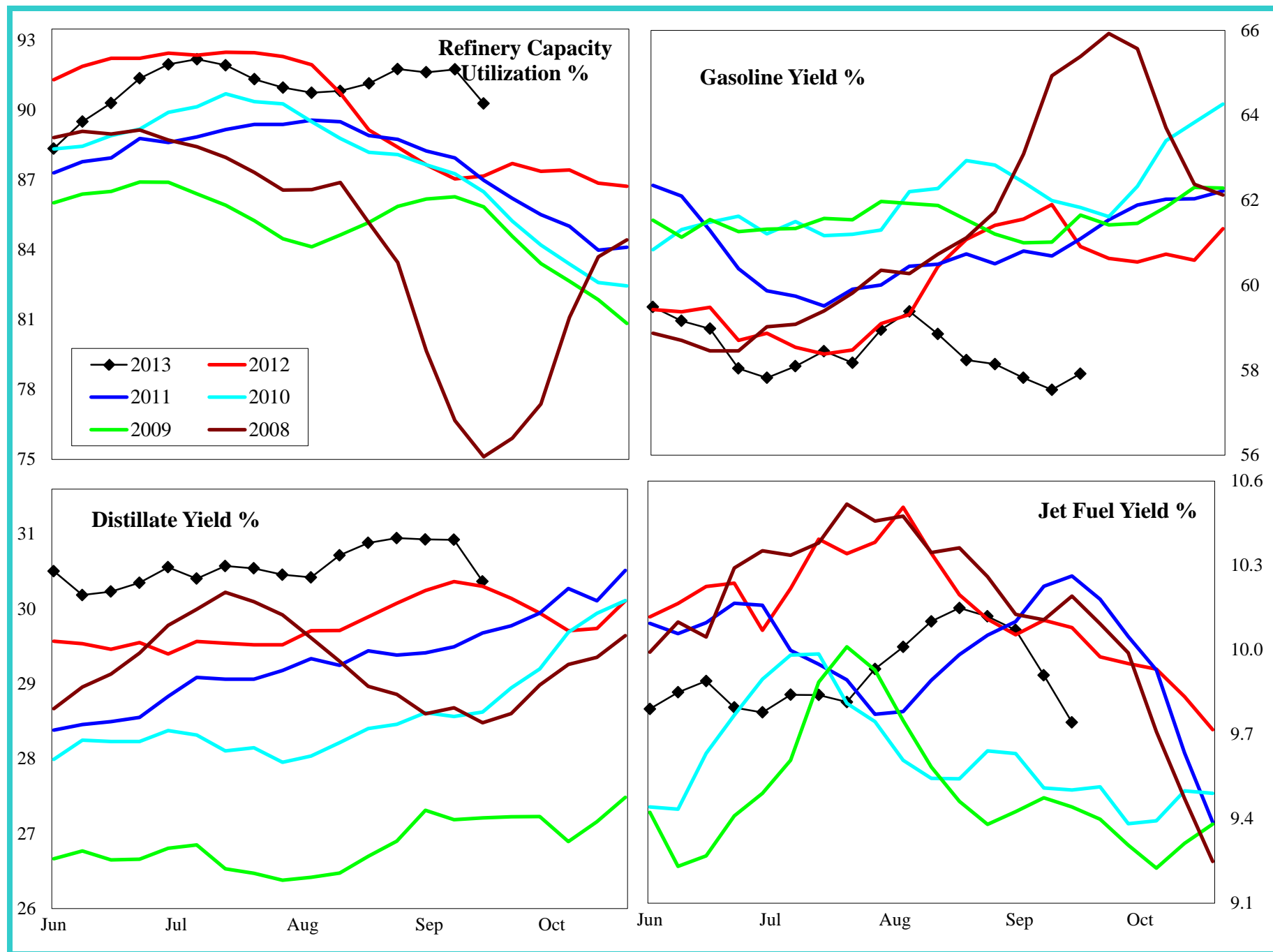
	000 bpd change from prior year				% change from prior year			
	4wk avg	Aug	Jul	Jun	4wk avg	Aug	Jul	Jun
<b>Gasoline</b>	75	-6	207	-70	0.8	-0.1	2.3	-0.8
<b>Distillate</b>	270	-23	442	-62	7.8	-0.6	12.4	-1.7
<b>Jet Fuel</b>	28	80	68	-114	2.0	5.4	4.6	-7.4
<b>Resid</b>	-20	-85	-147	-69	-7.2	-24.1	-35.2	-18.5



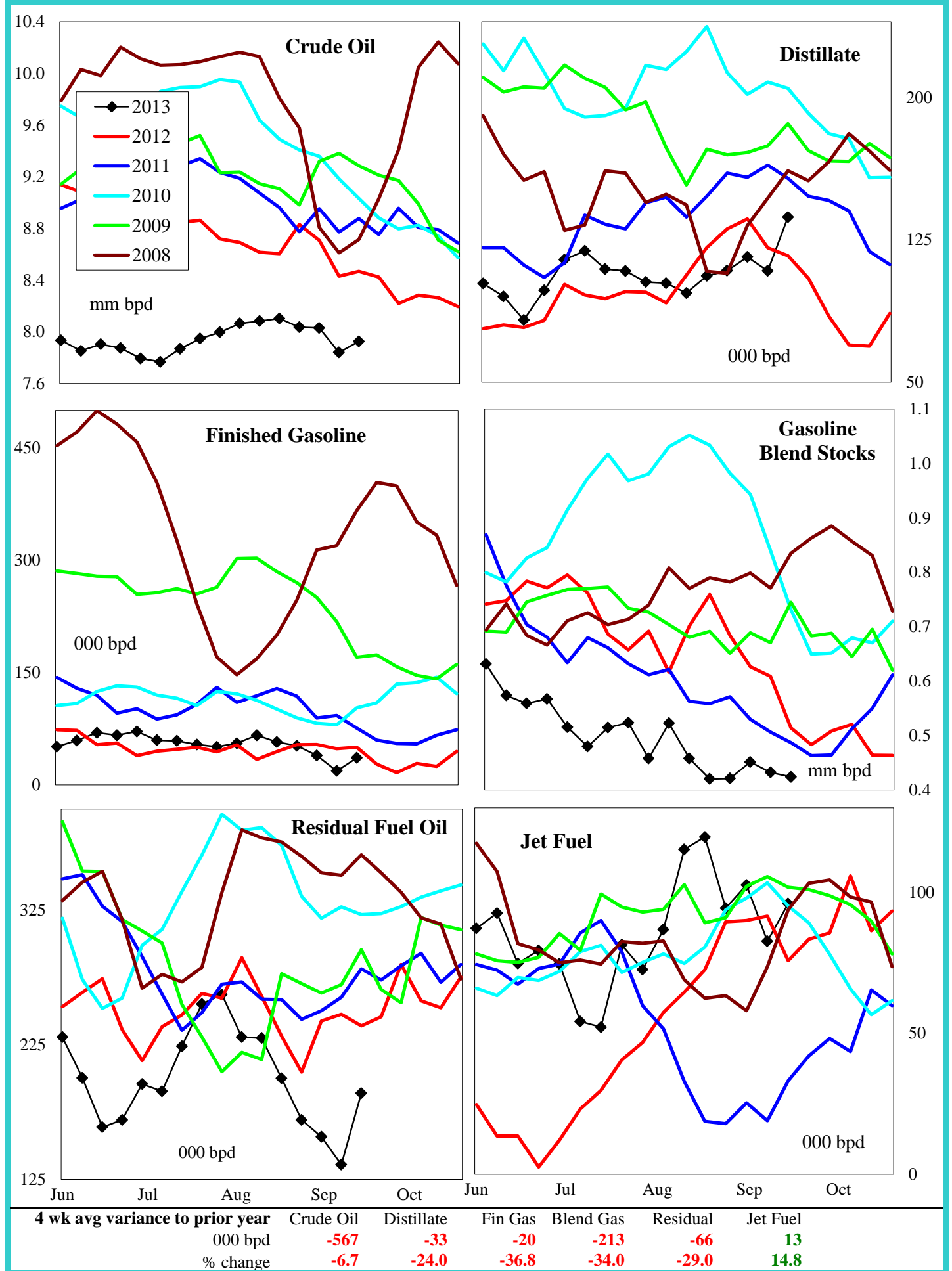
# United States Product Stocks: Days Forward Coverage



## United States Refinery Percent Utilization Rate and Product Yields

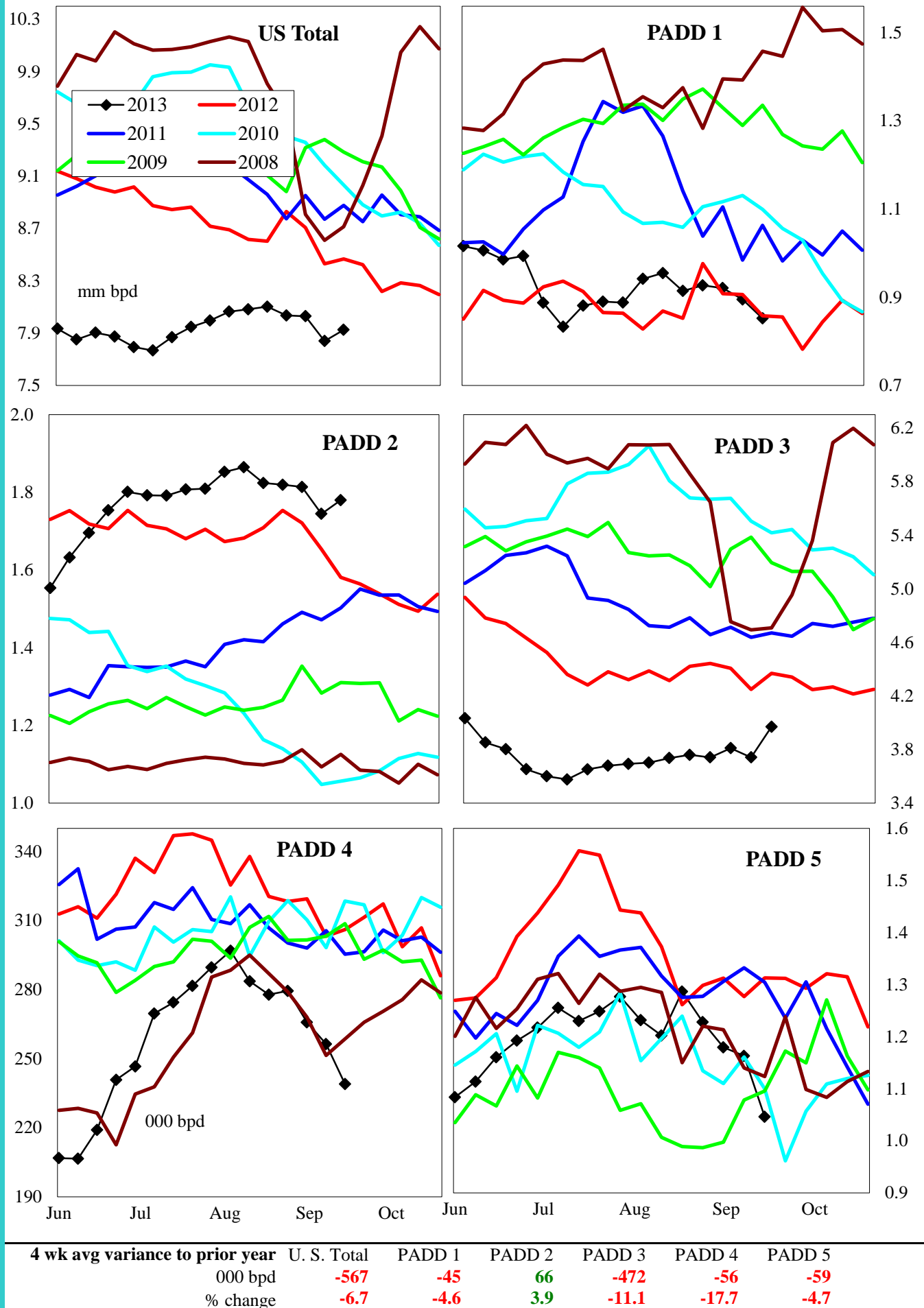


# United States Petroleum Imports

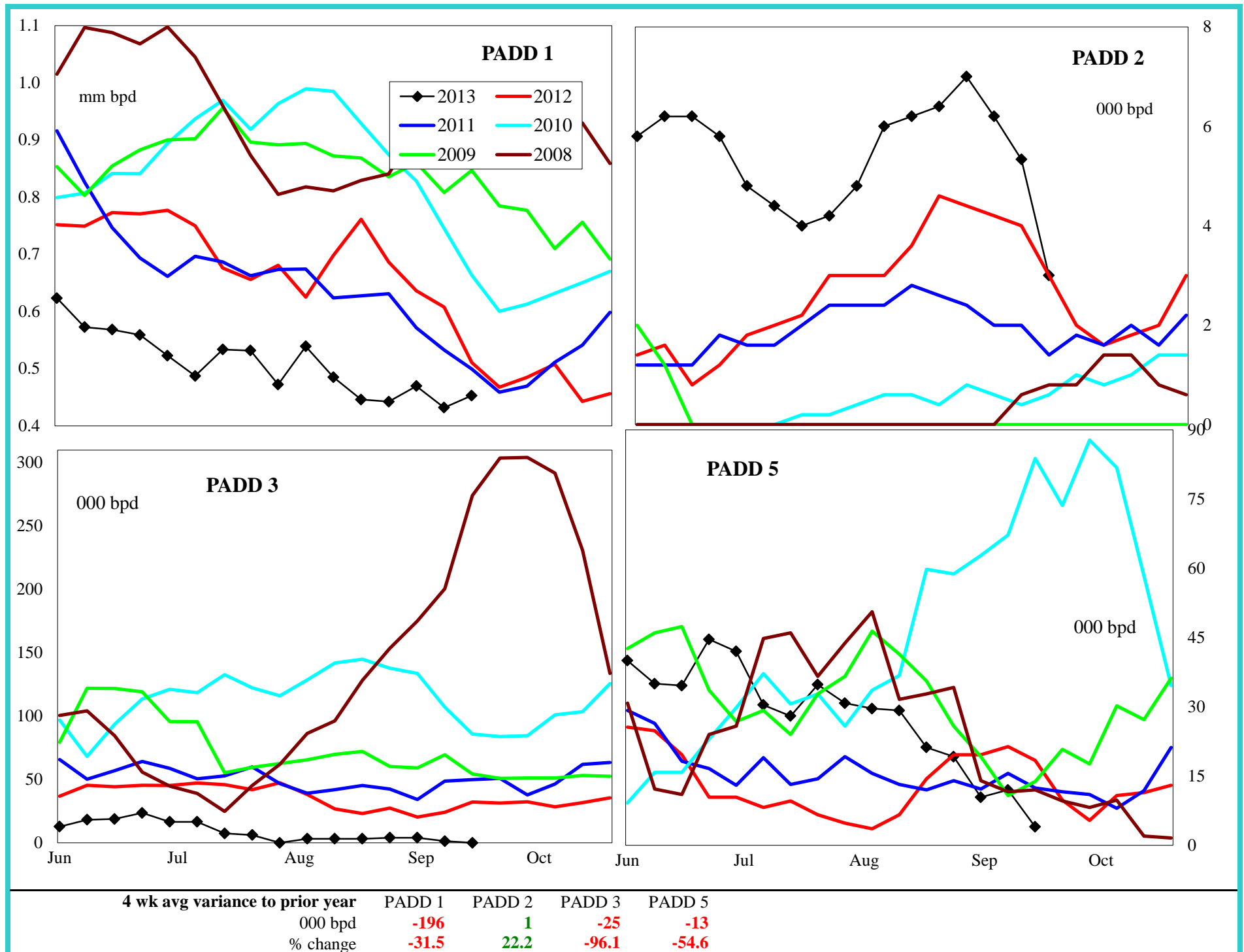




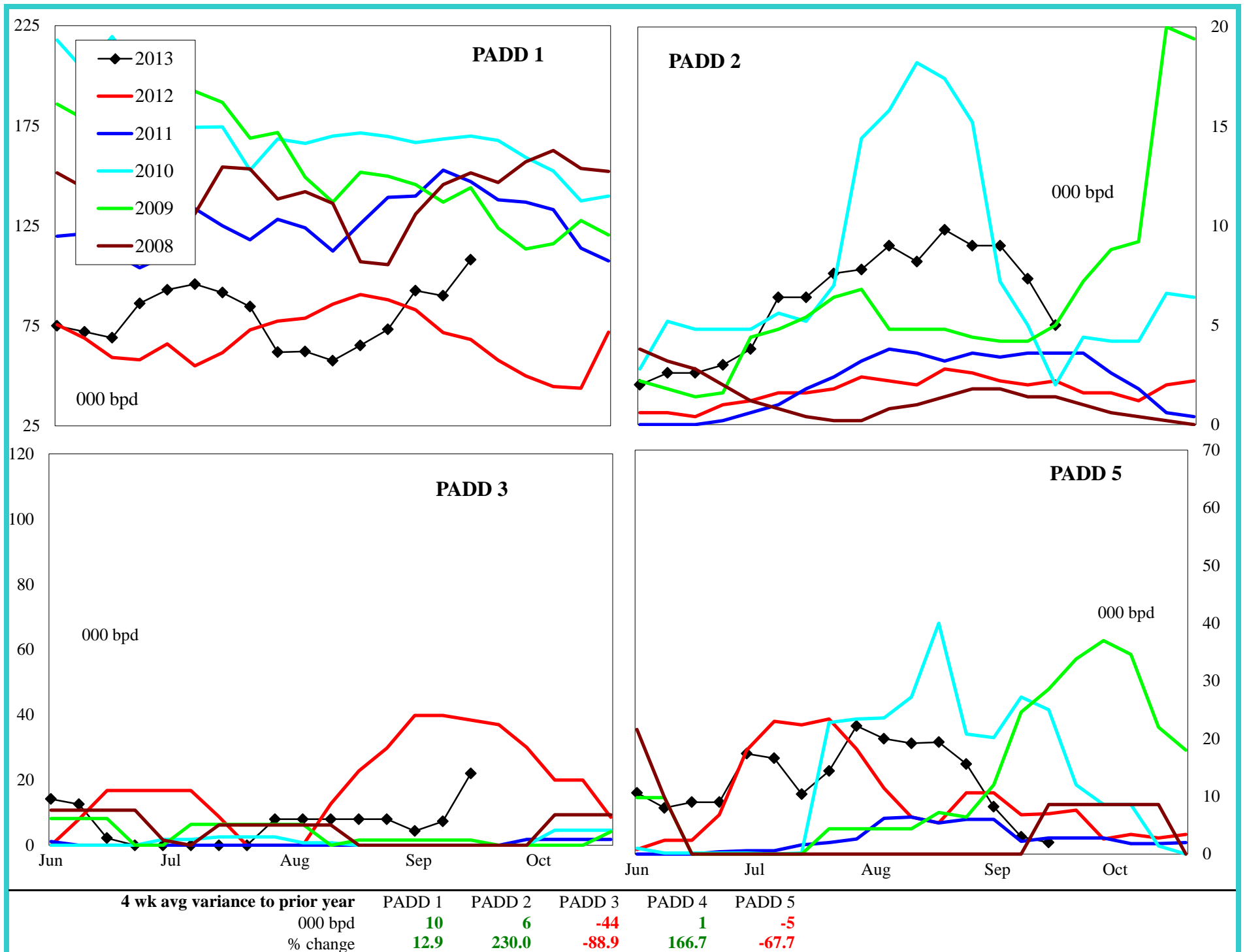
## Crude Oil Imports by PADD



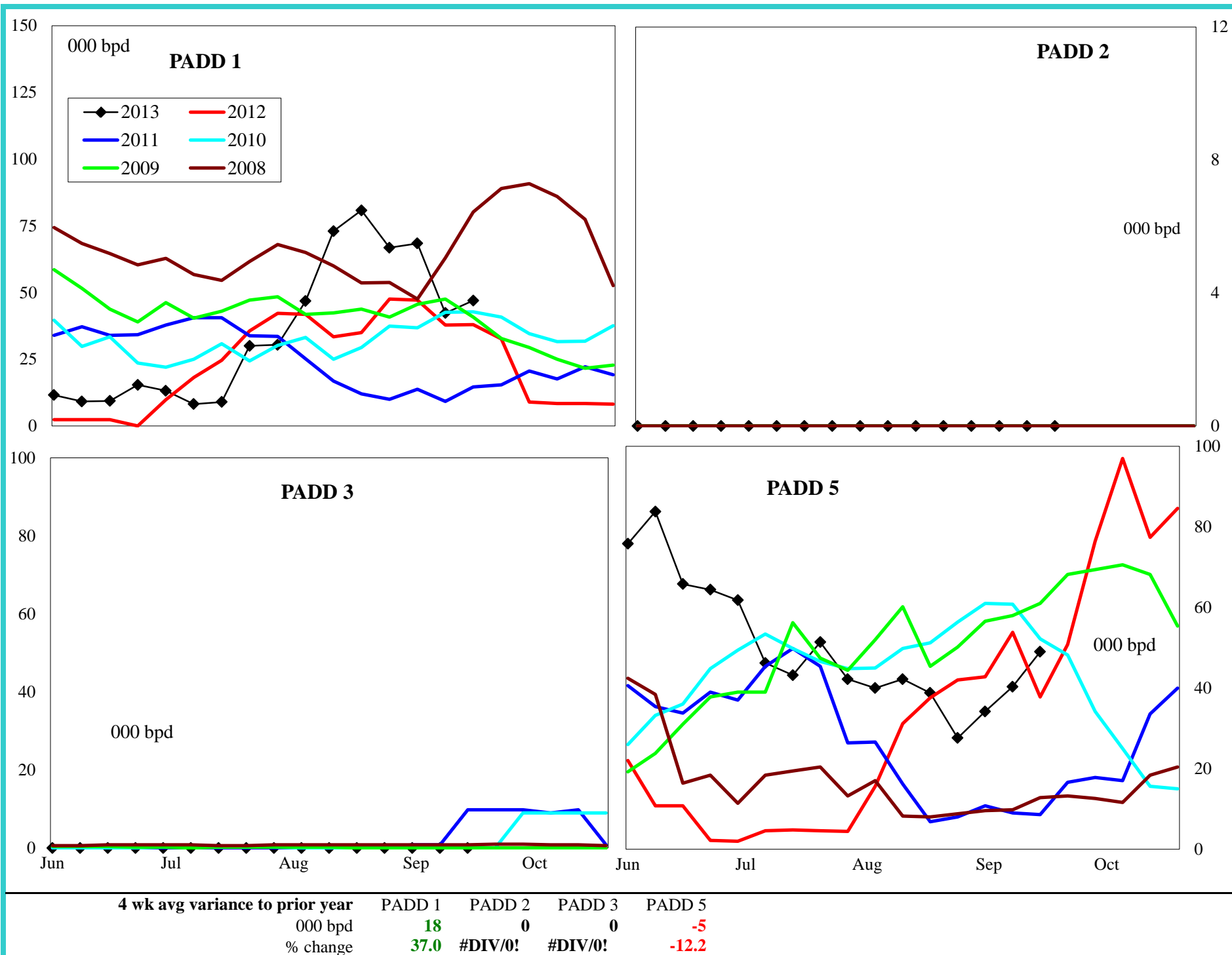
# Gasoline Imports by PADD (Finished + Blend Stocks)



# Distillate Imports by PADD

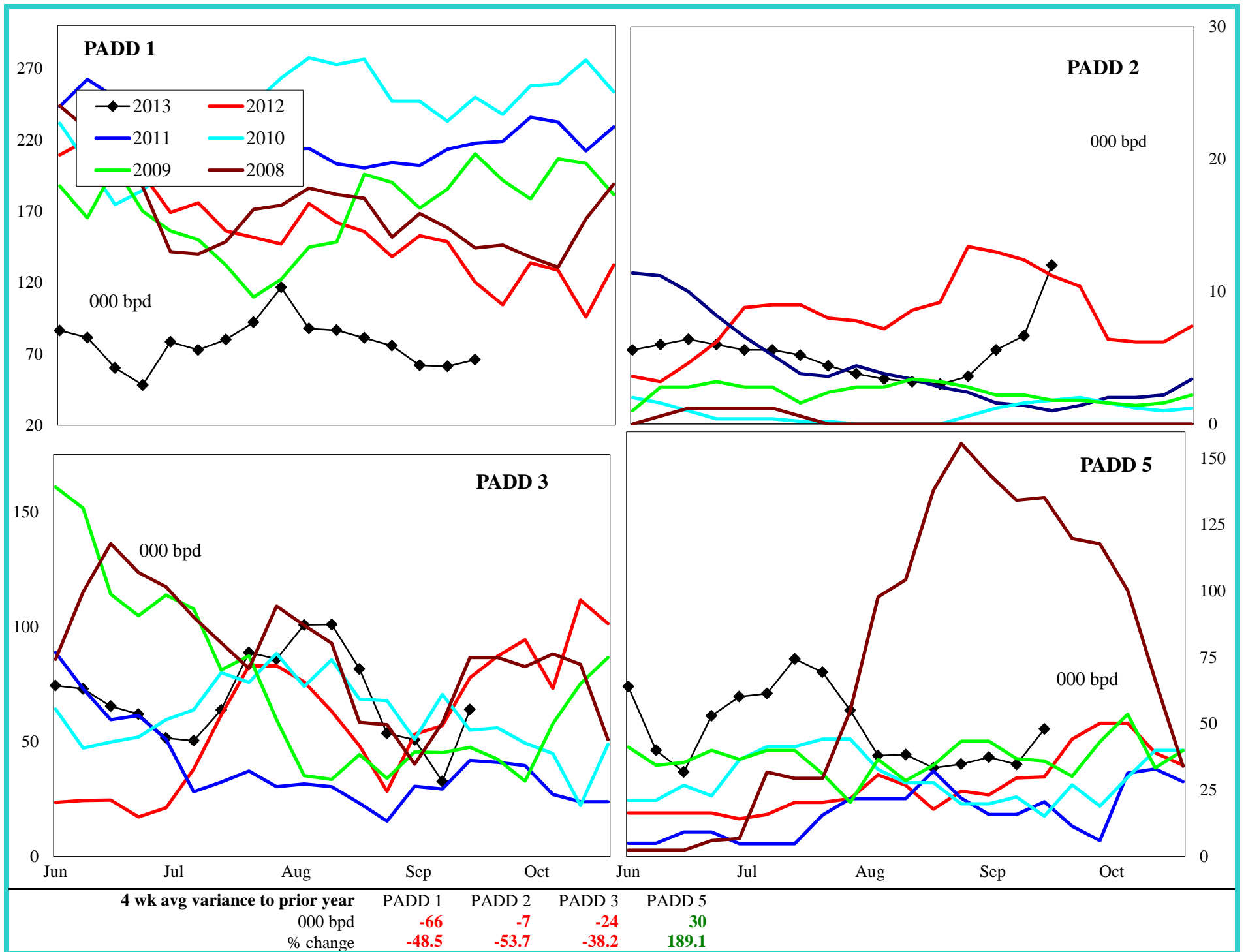


# Jet Fuel Imports by PADD

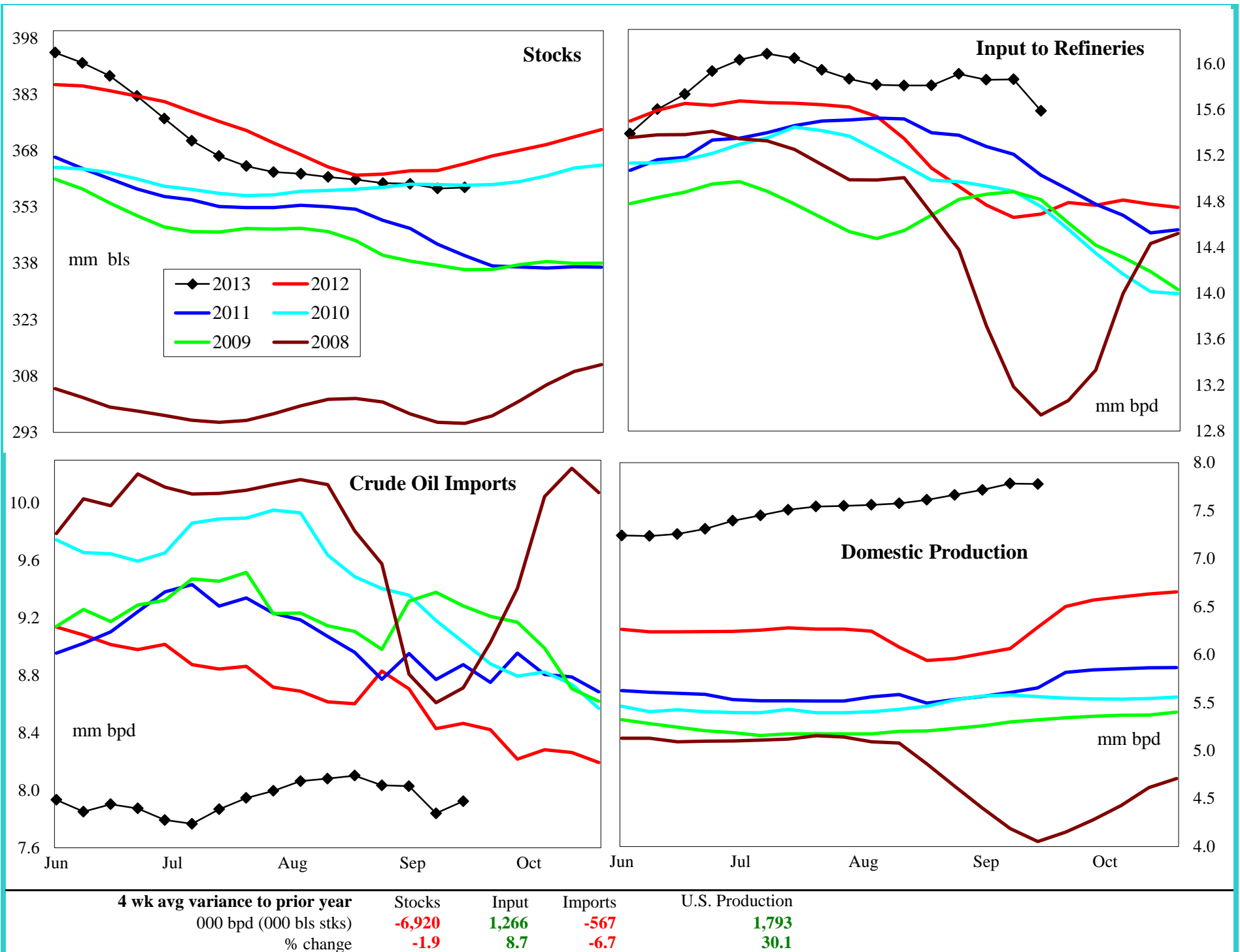




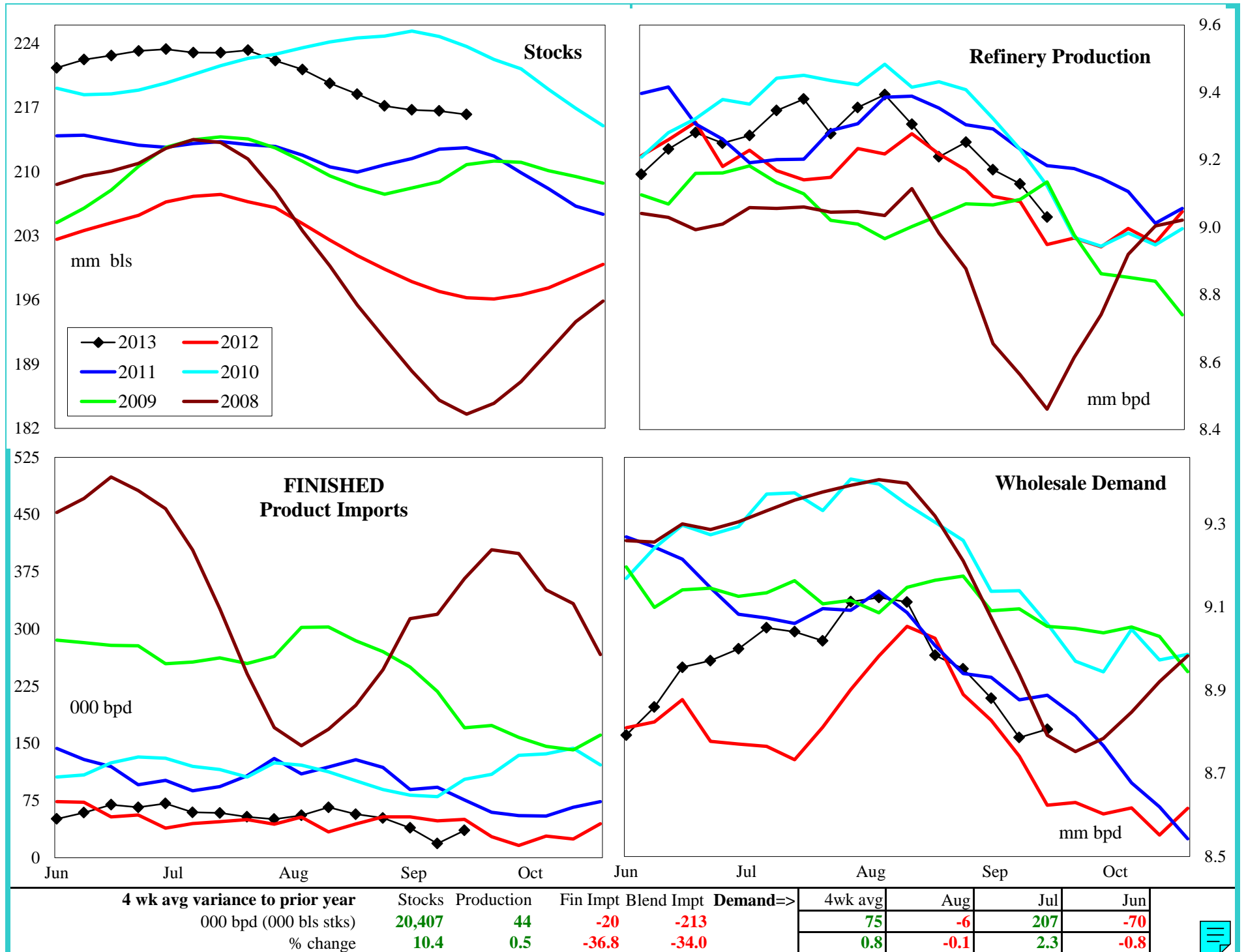
## Residual Fuel Oil Imports by PADD



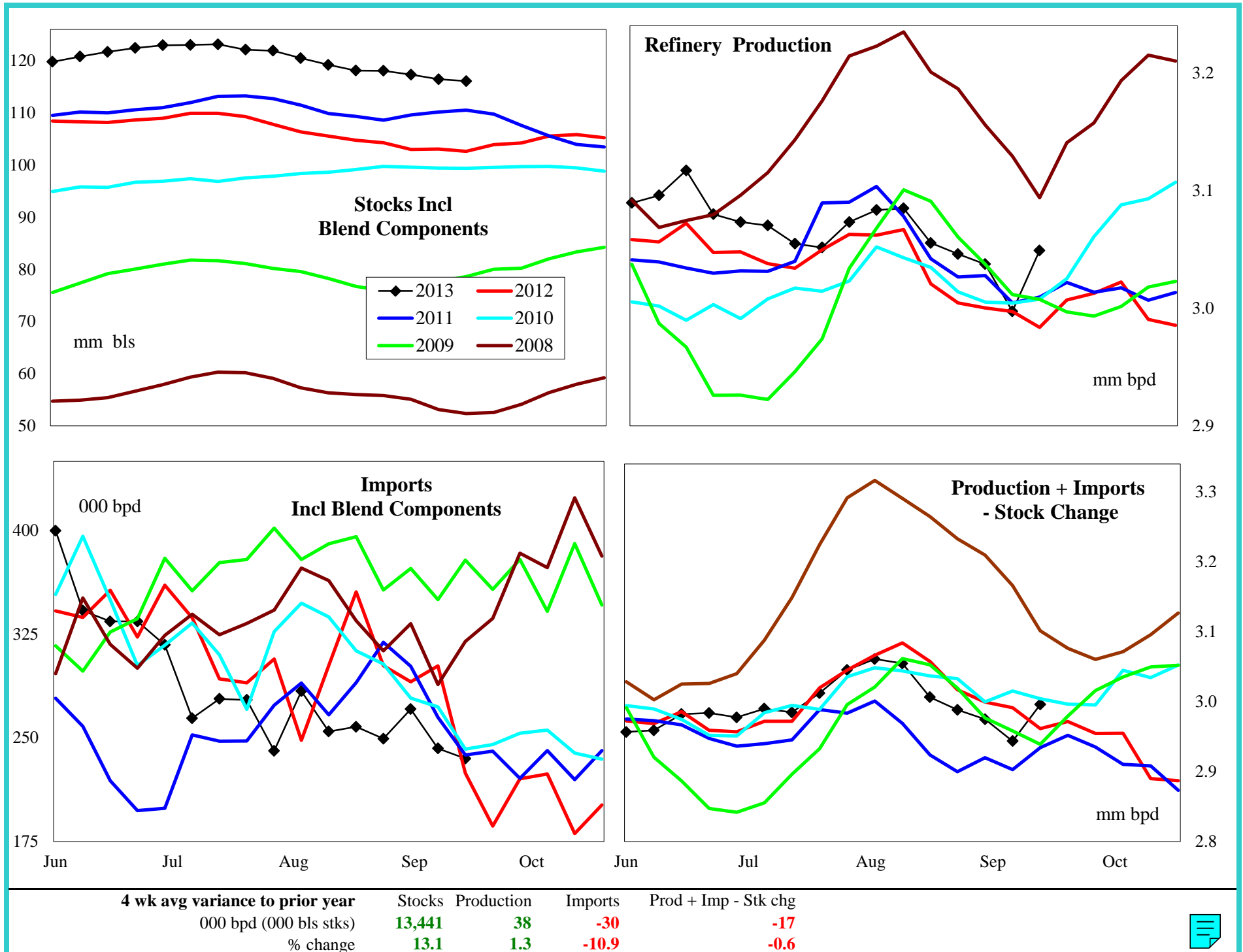
# United States Crude Oil Supply and Demand Balance



# United States Gasoline Supply and Demand Balance

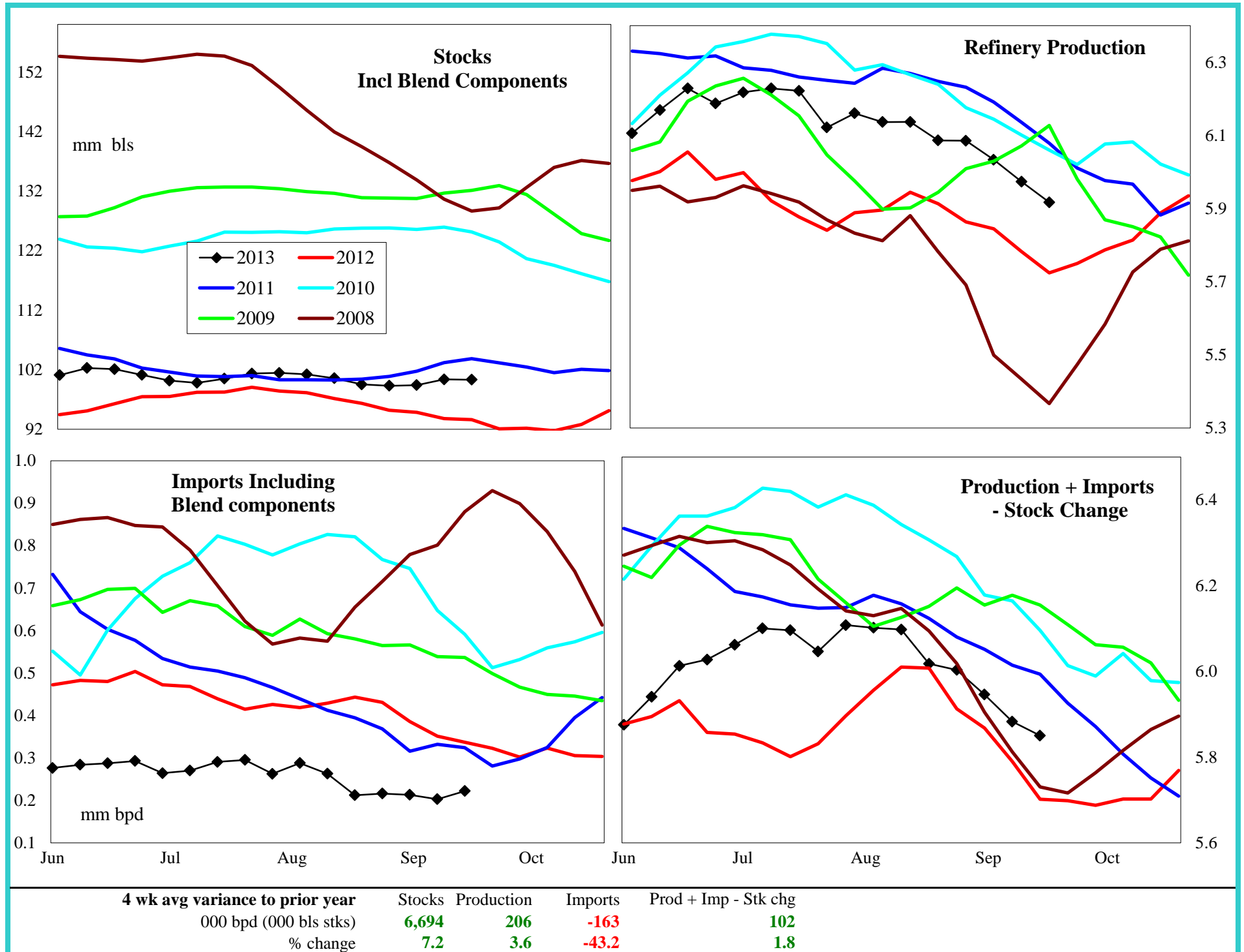


# United States Reformulated Gasoline Supply

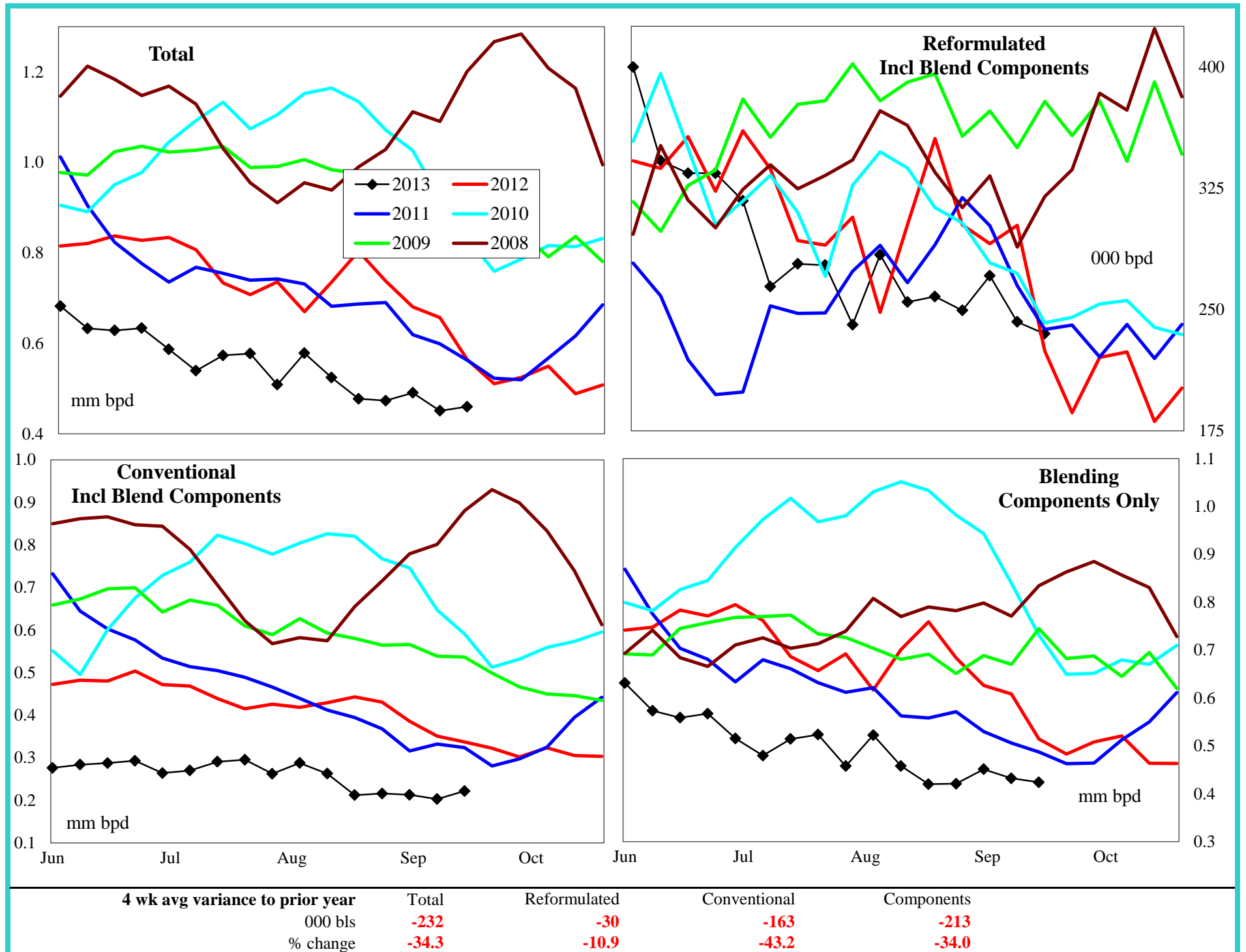




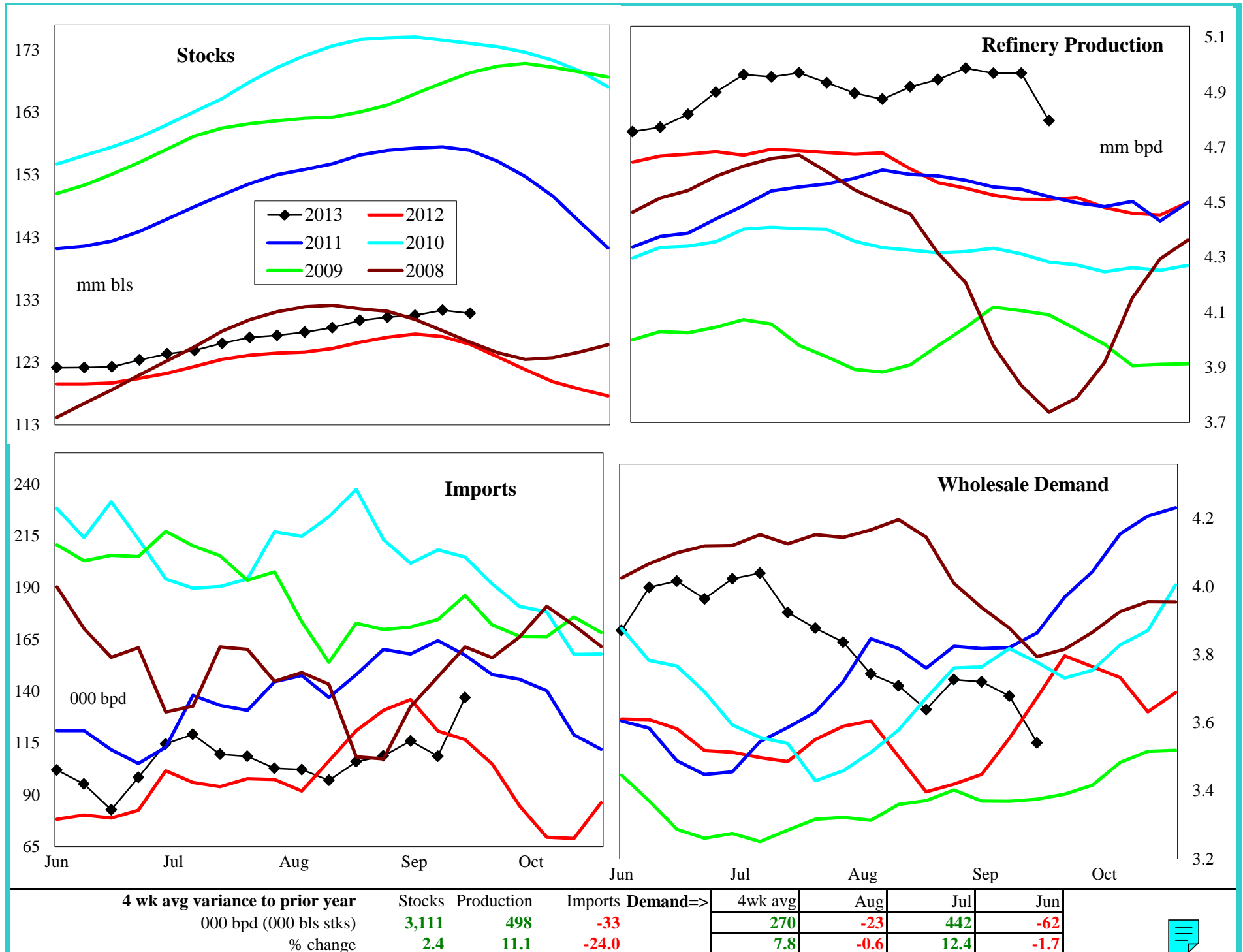
# United States Conventional Gasoline Supply



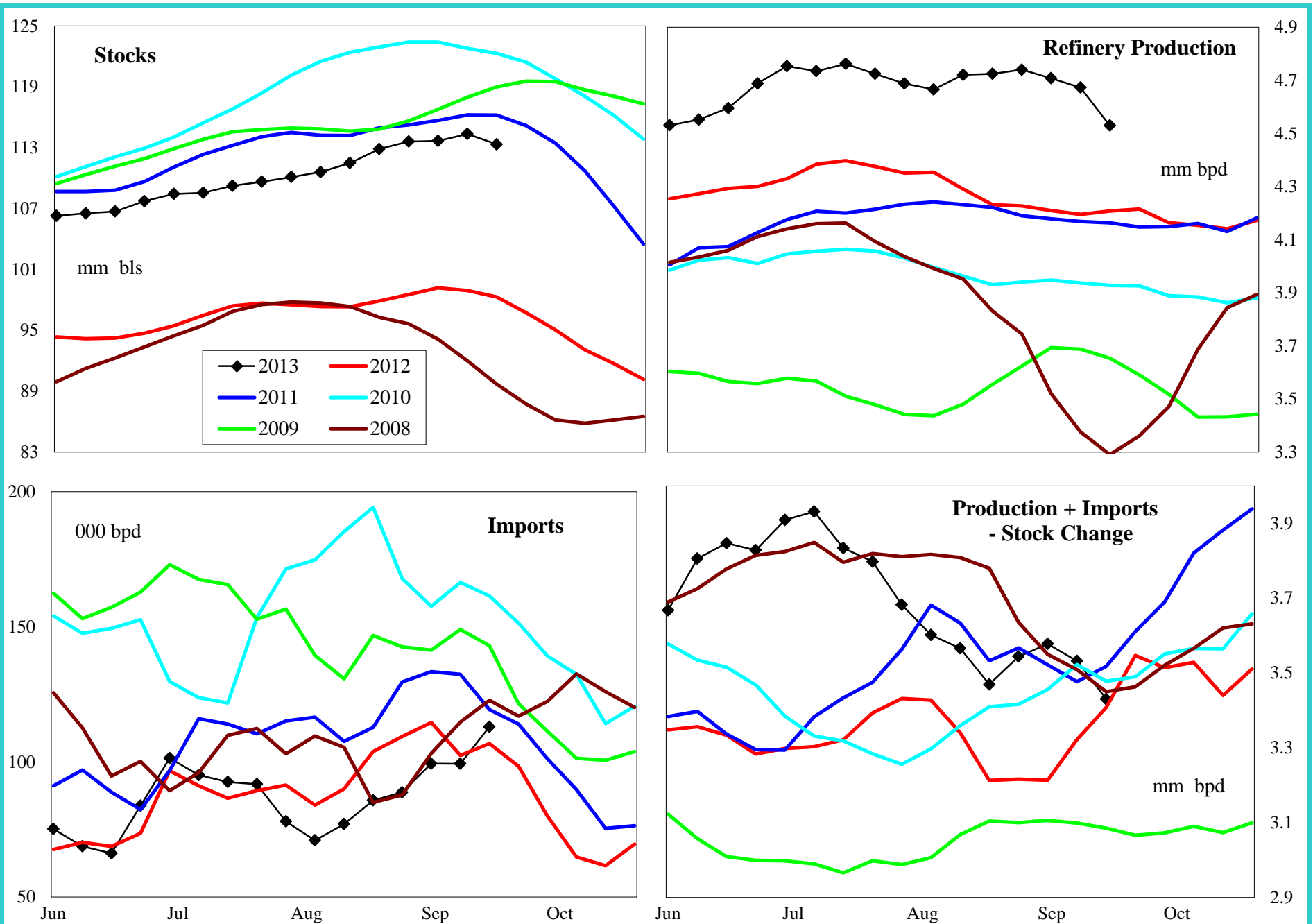
# United States Gasoline Imports by Type



# 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**

**13,217**

**13.2**

**Production**

**545**

**13.0**

**Imports**

**-19**

**-16.3**

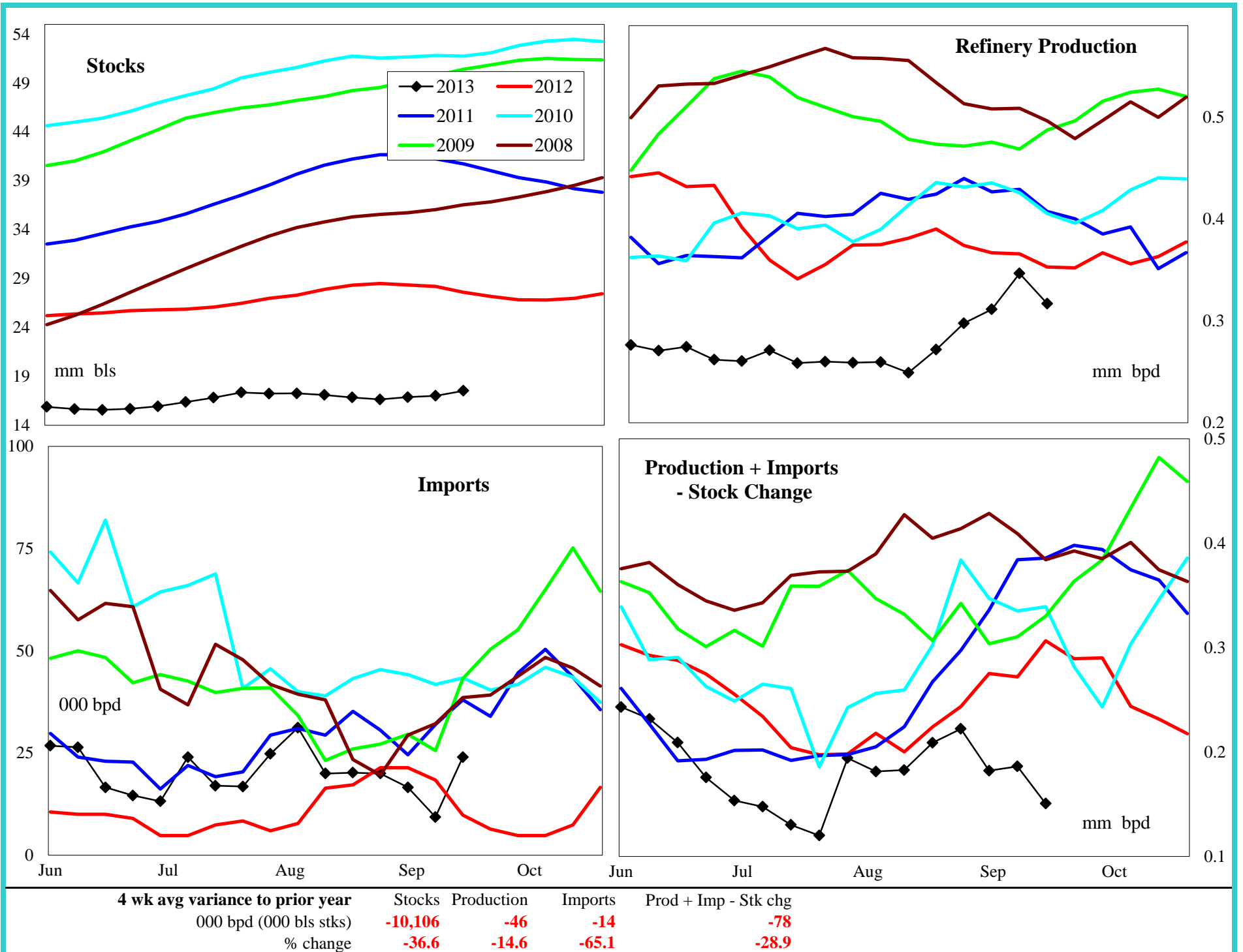
**Prod + Imp - Stk chg**

**348**

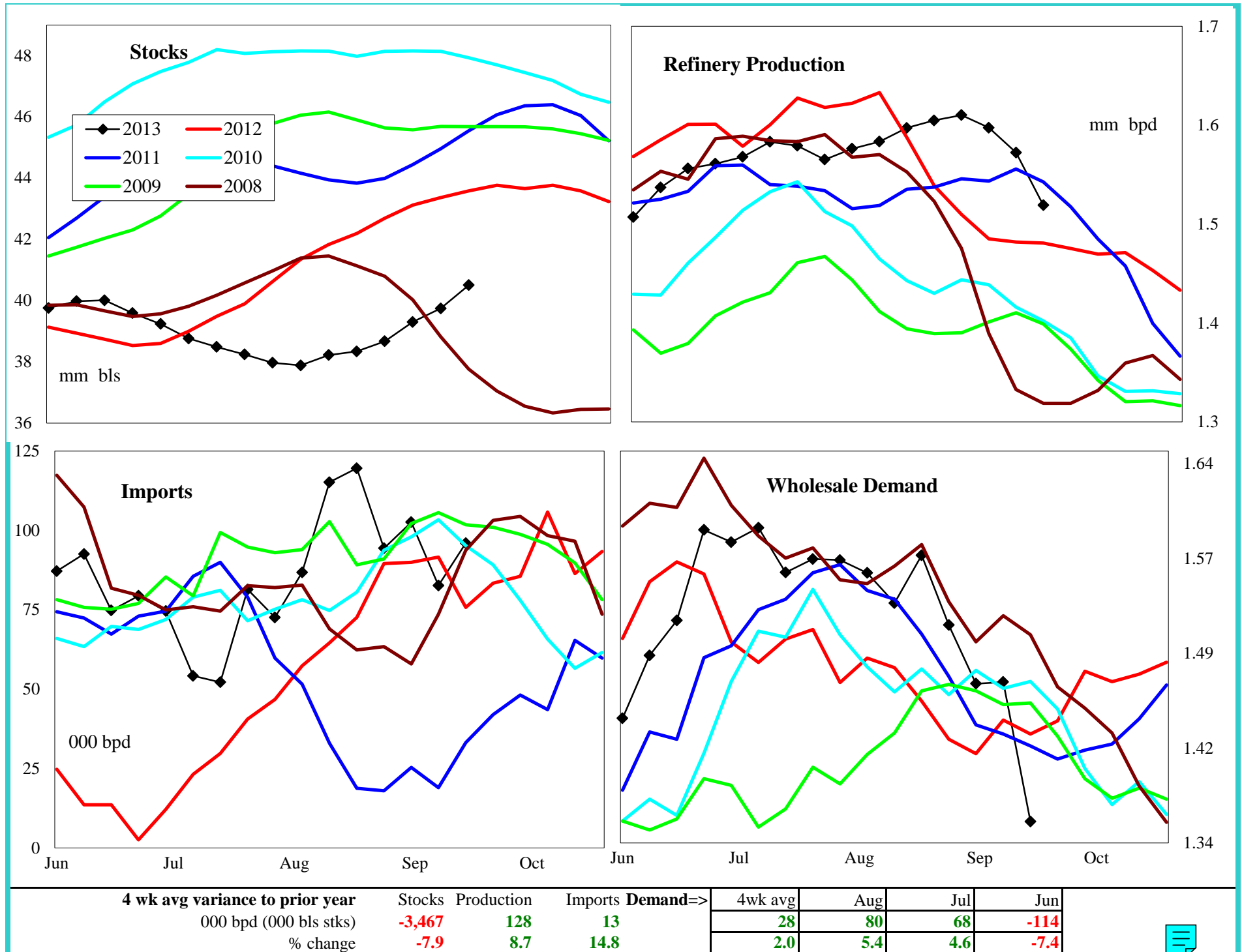
**10.9**



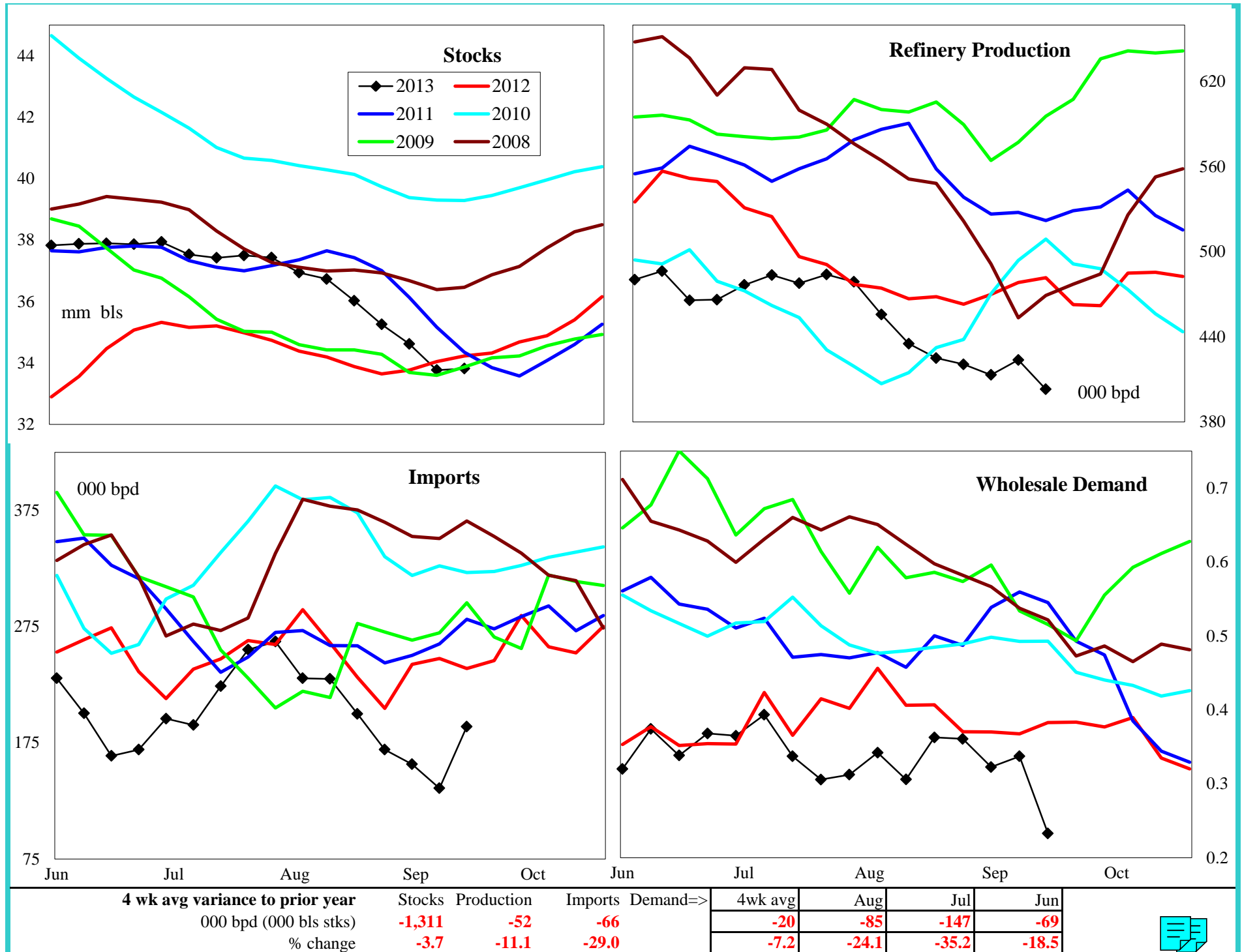
# United States High Sulfur Distillate Supply



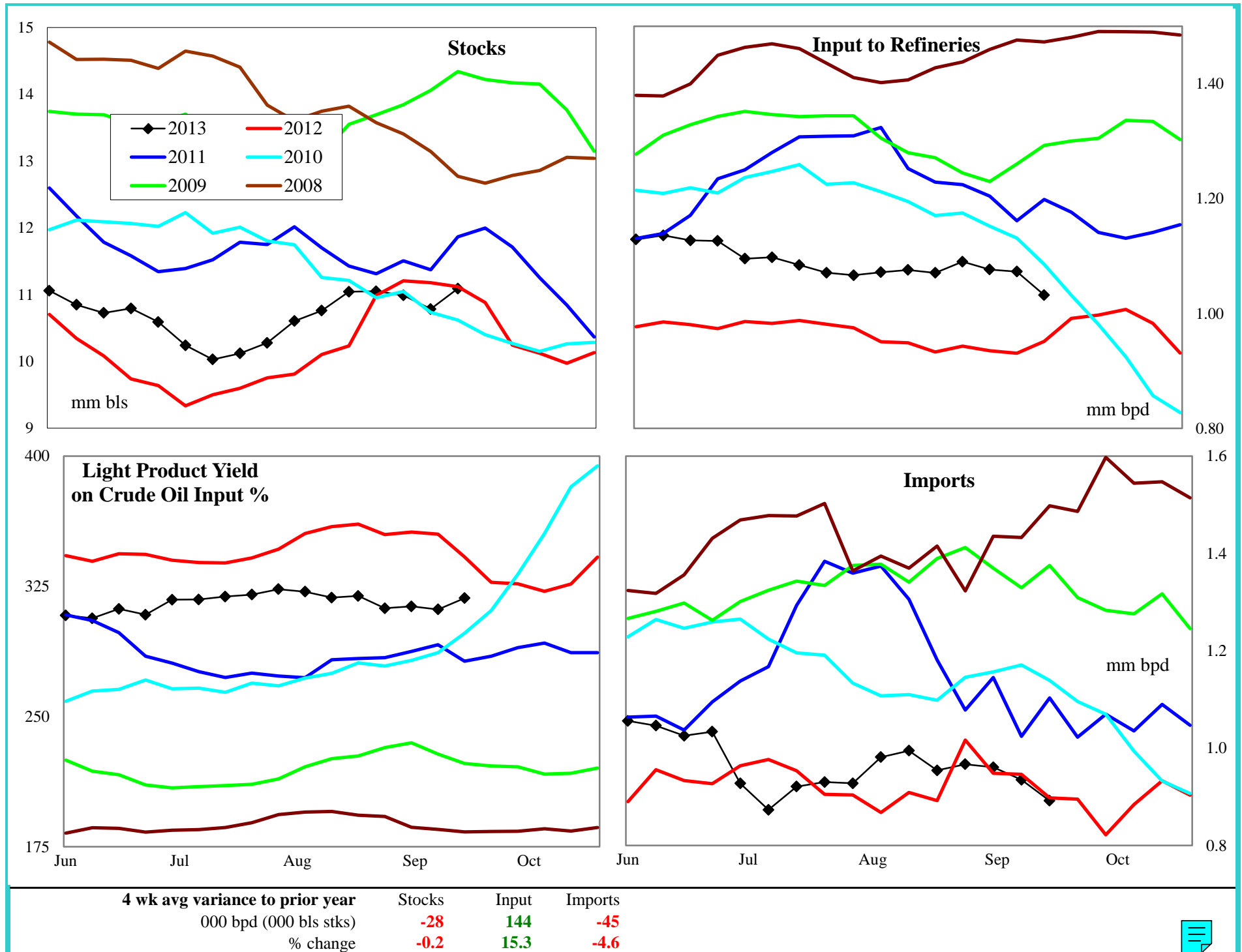
# United States Jet Fuel Supply and Demand Balance



# United States Residual Fuel Oil Supply and Demand Balance

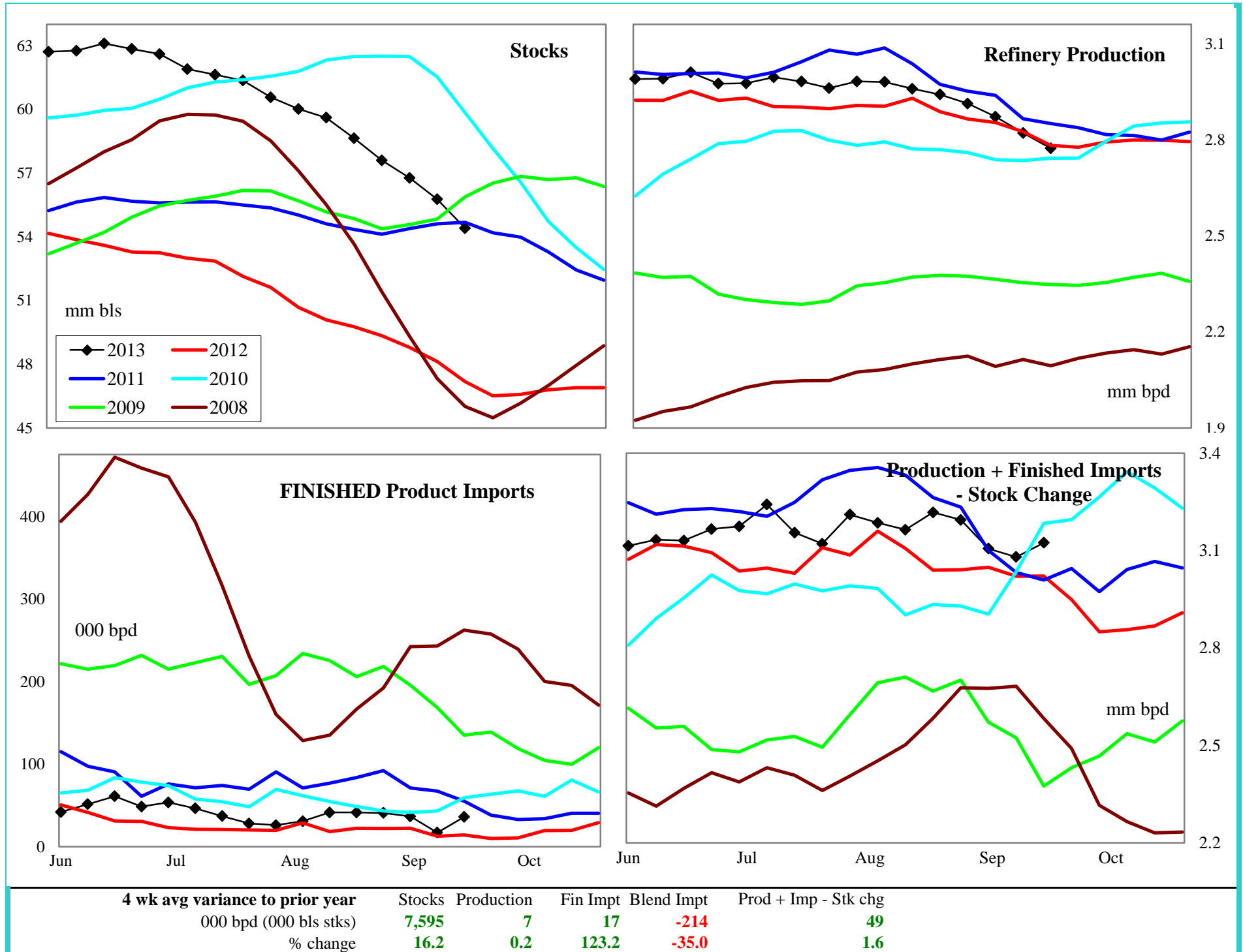


# PADD 1 Crude Oil Supply and Refining

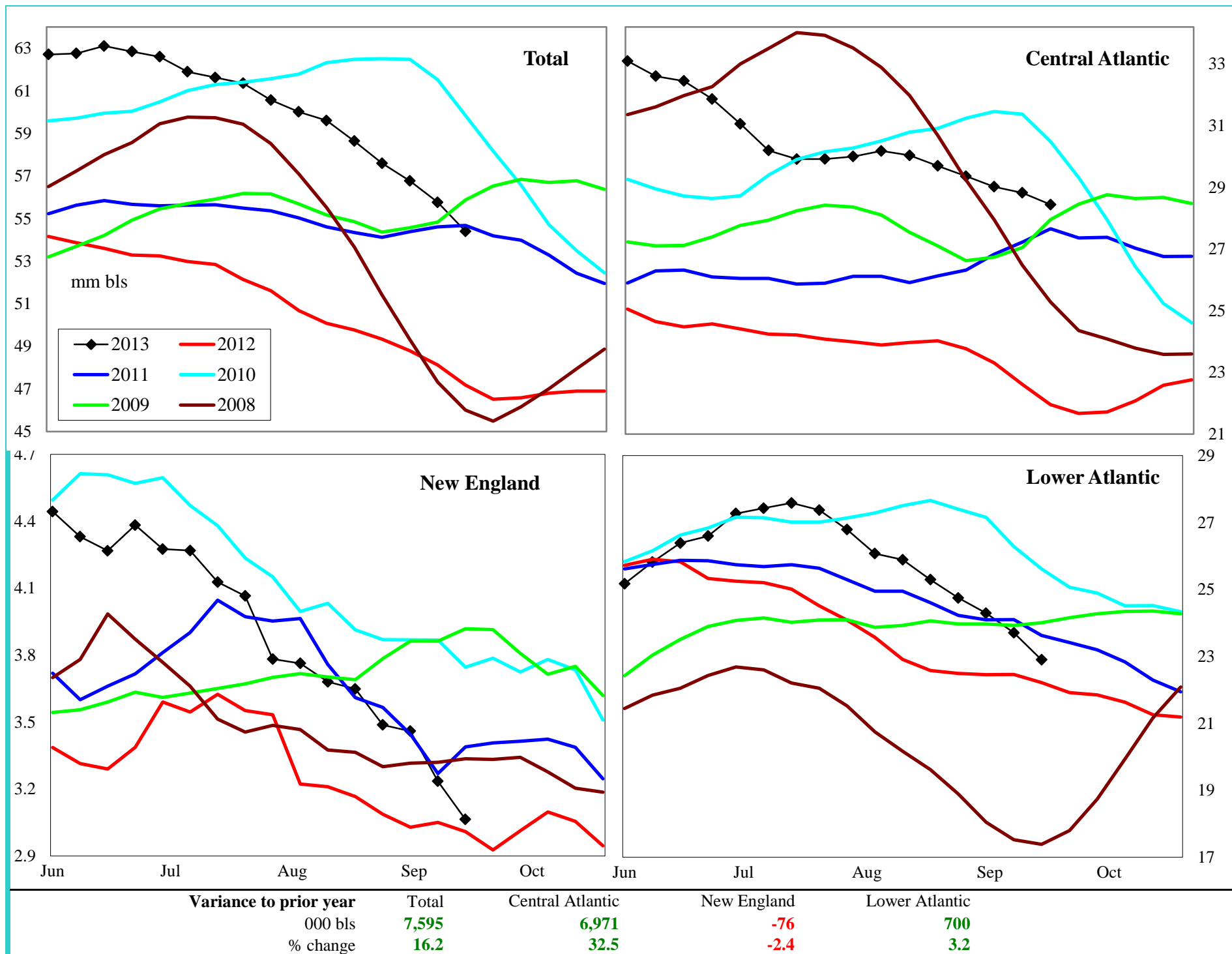




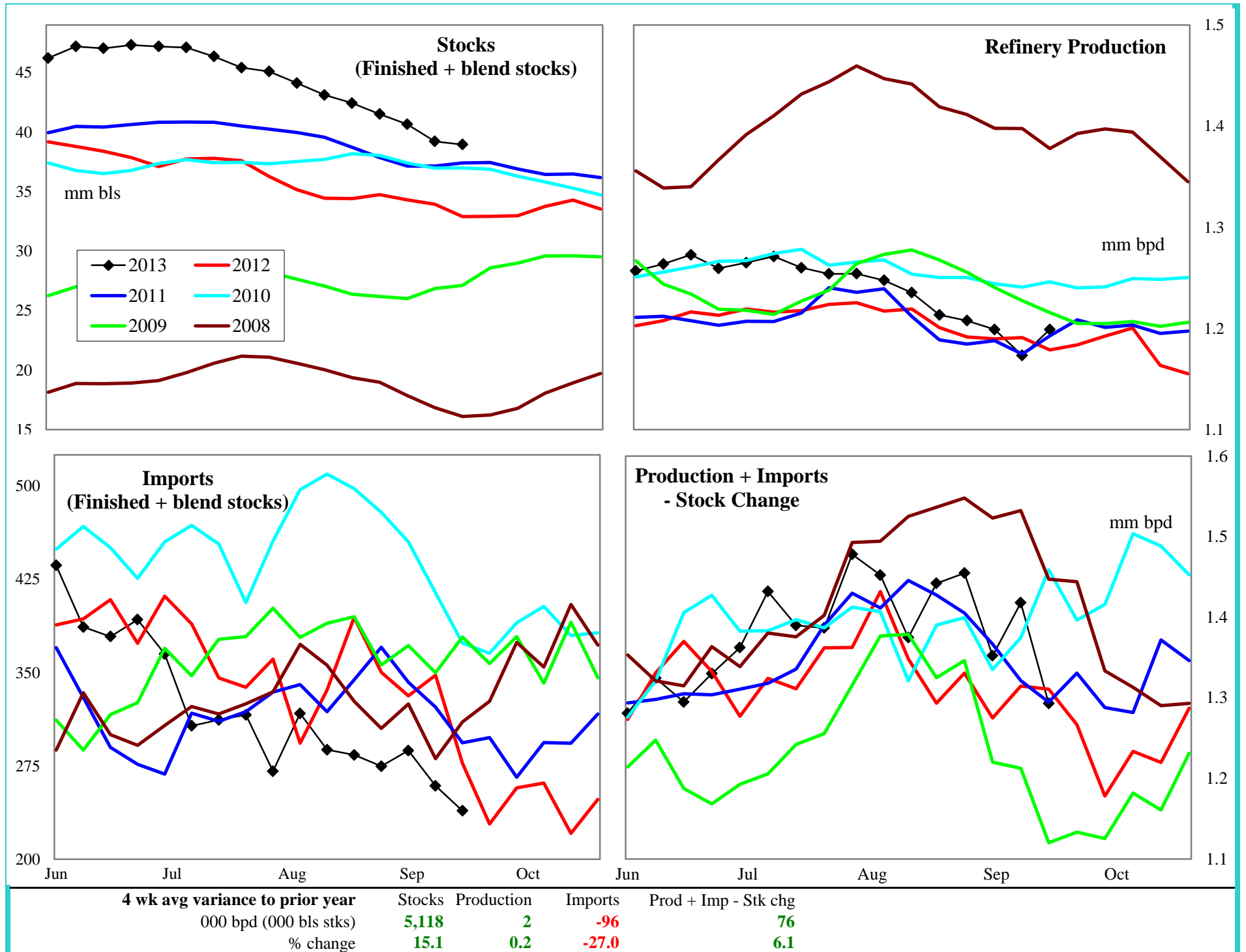
# PADD 1 Gasoline Supply



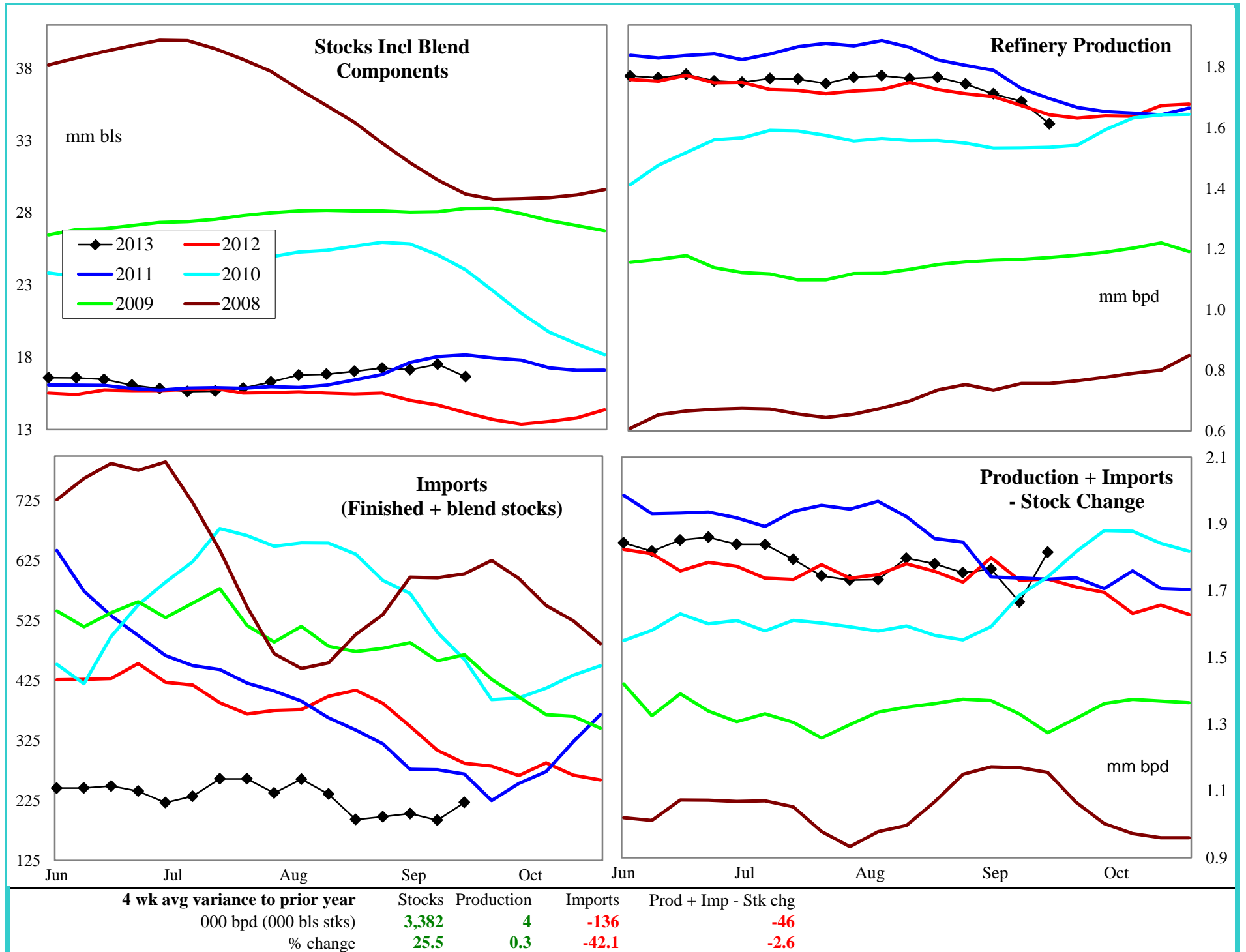
# PADD 1 Gasoline Stocks by Region



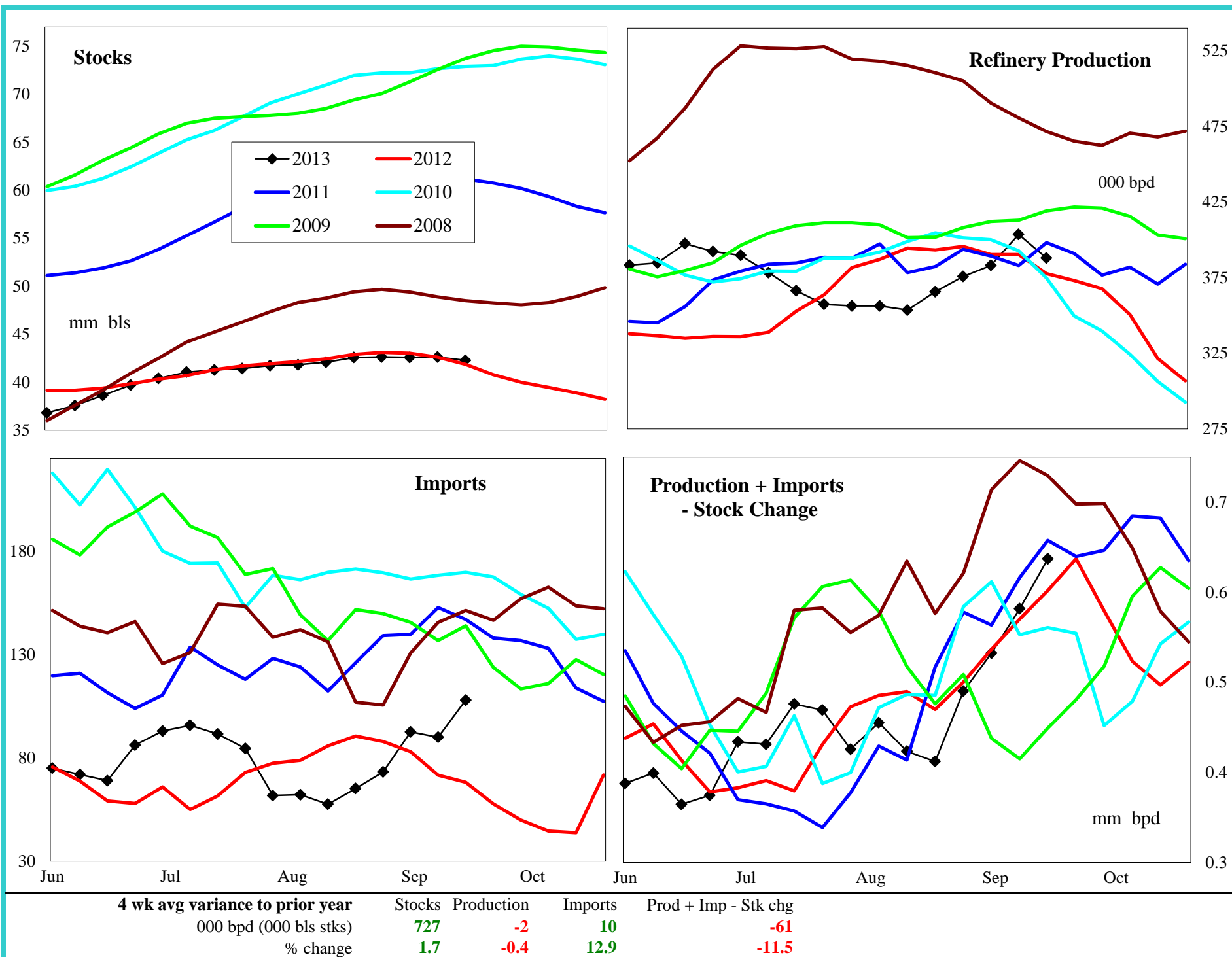
# PADD 1 Reformulated Gasoline Supply



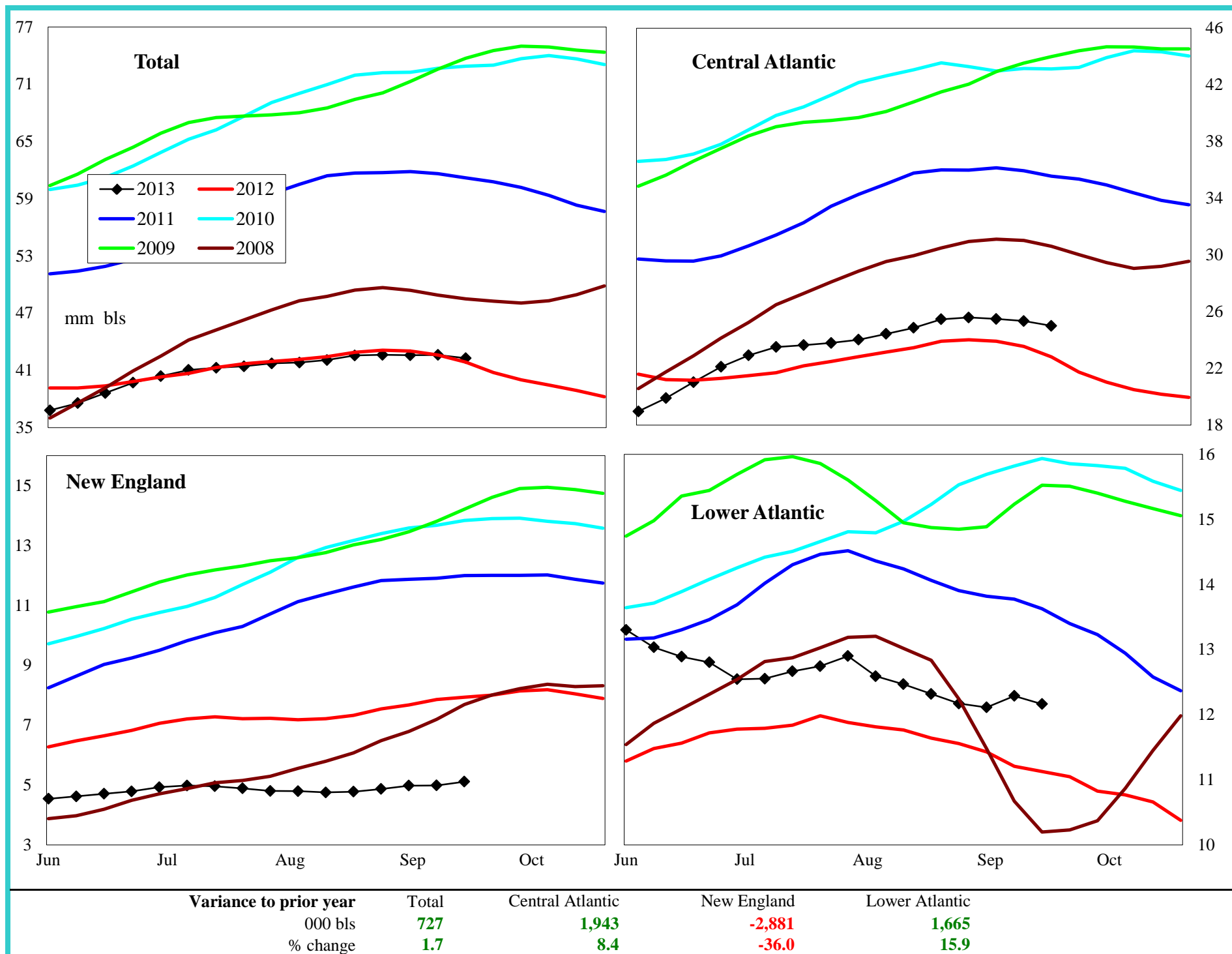
# PADD 1 Conventional Gasoline Supply



# PADD 1 Distillate Supply

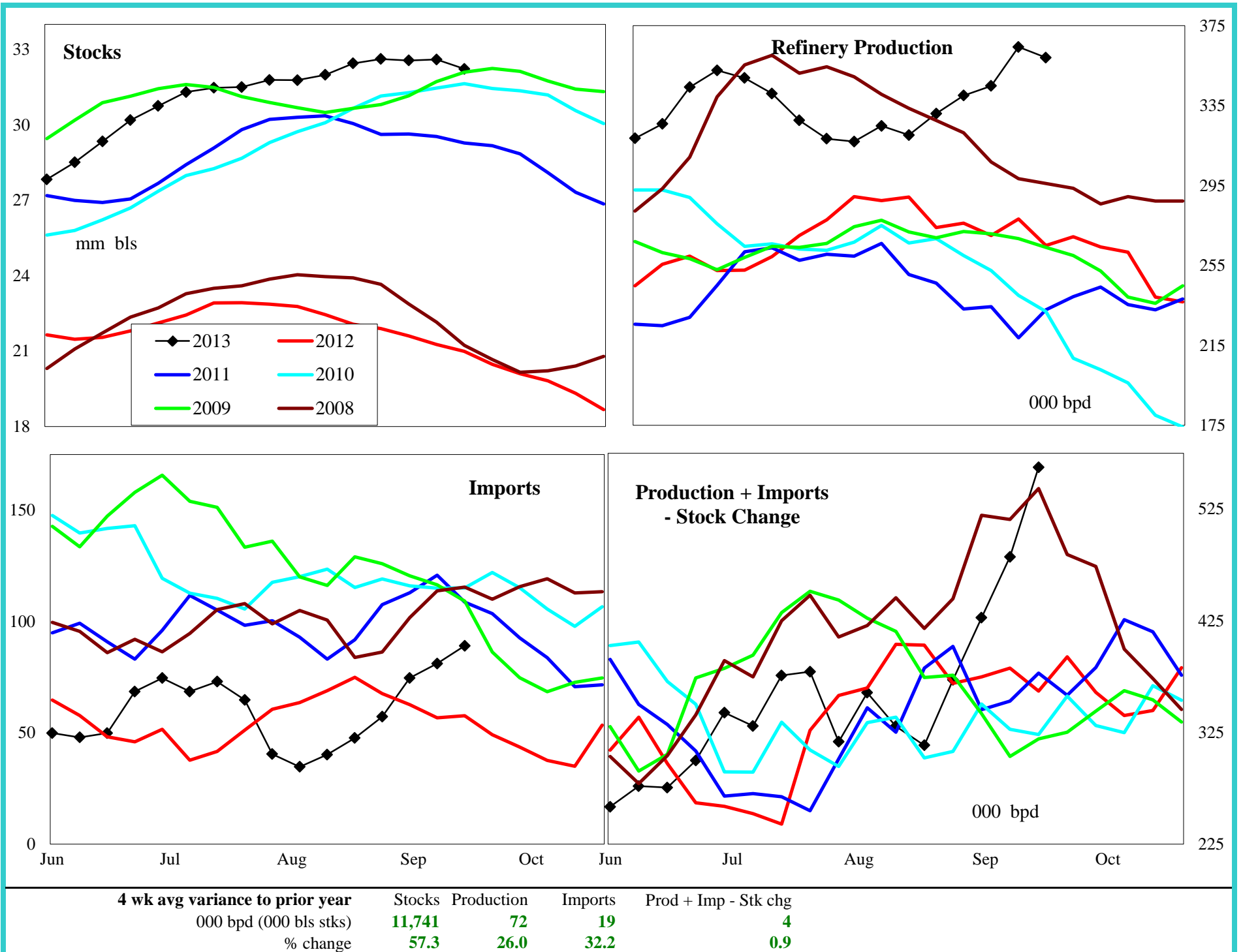


# PADD 1 Distillate Stocks by Region

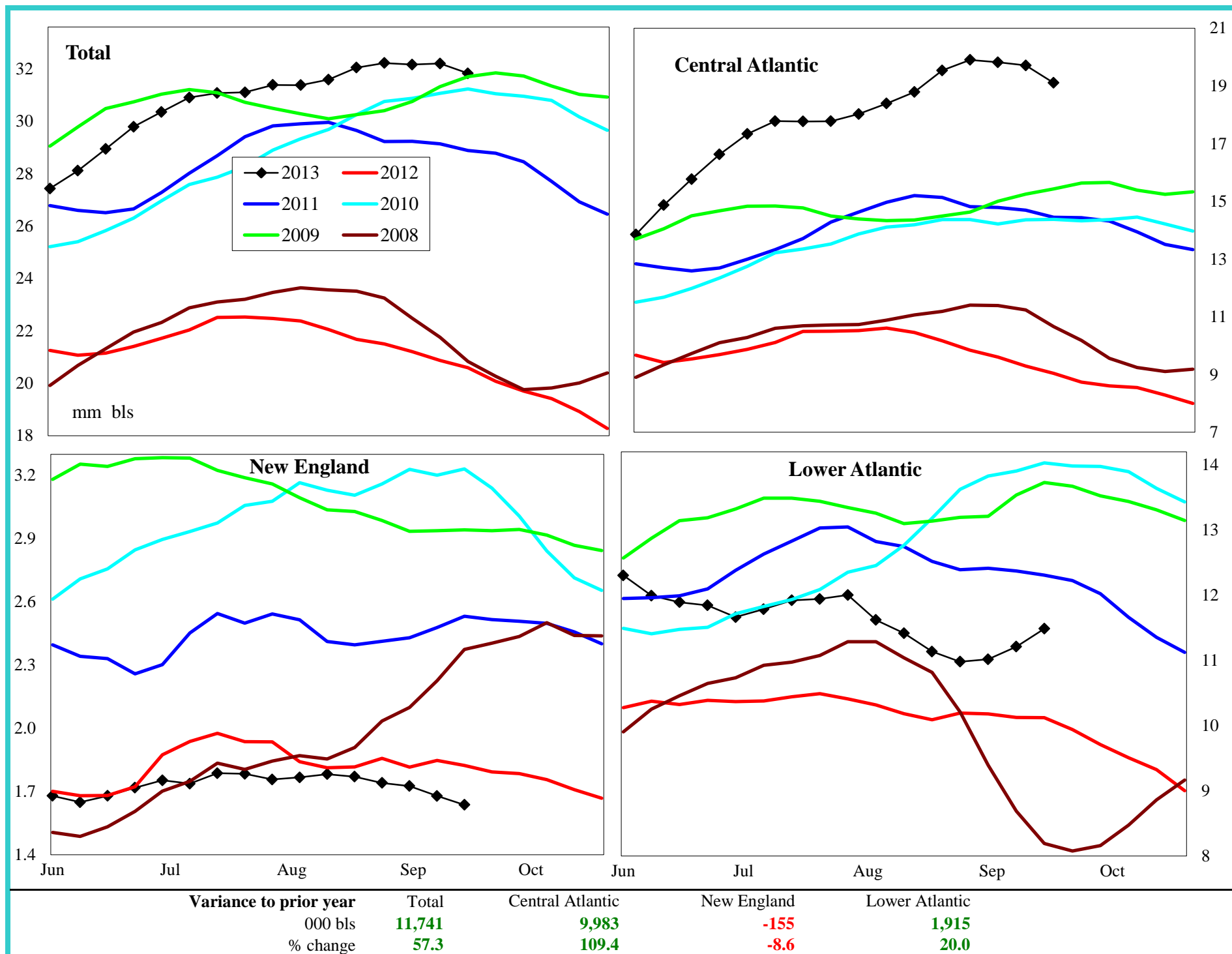




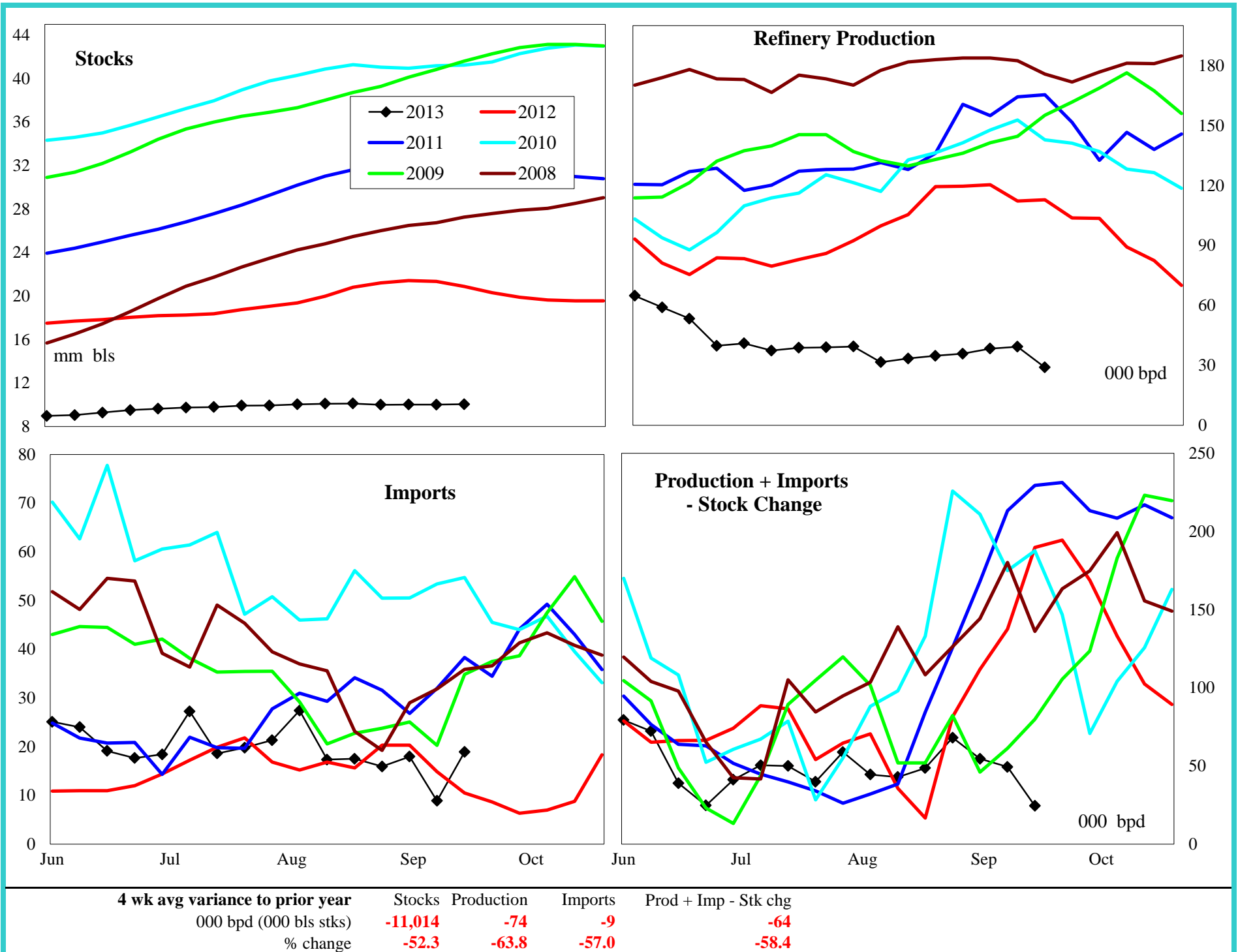
# PADD 1 Low Sulfur Distillate Supply



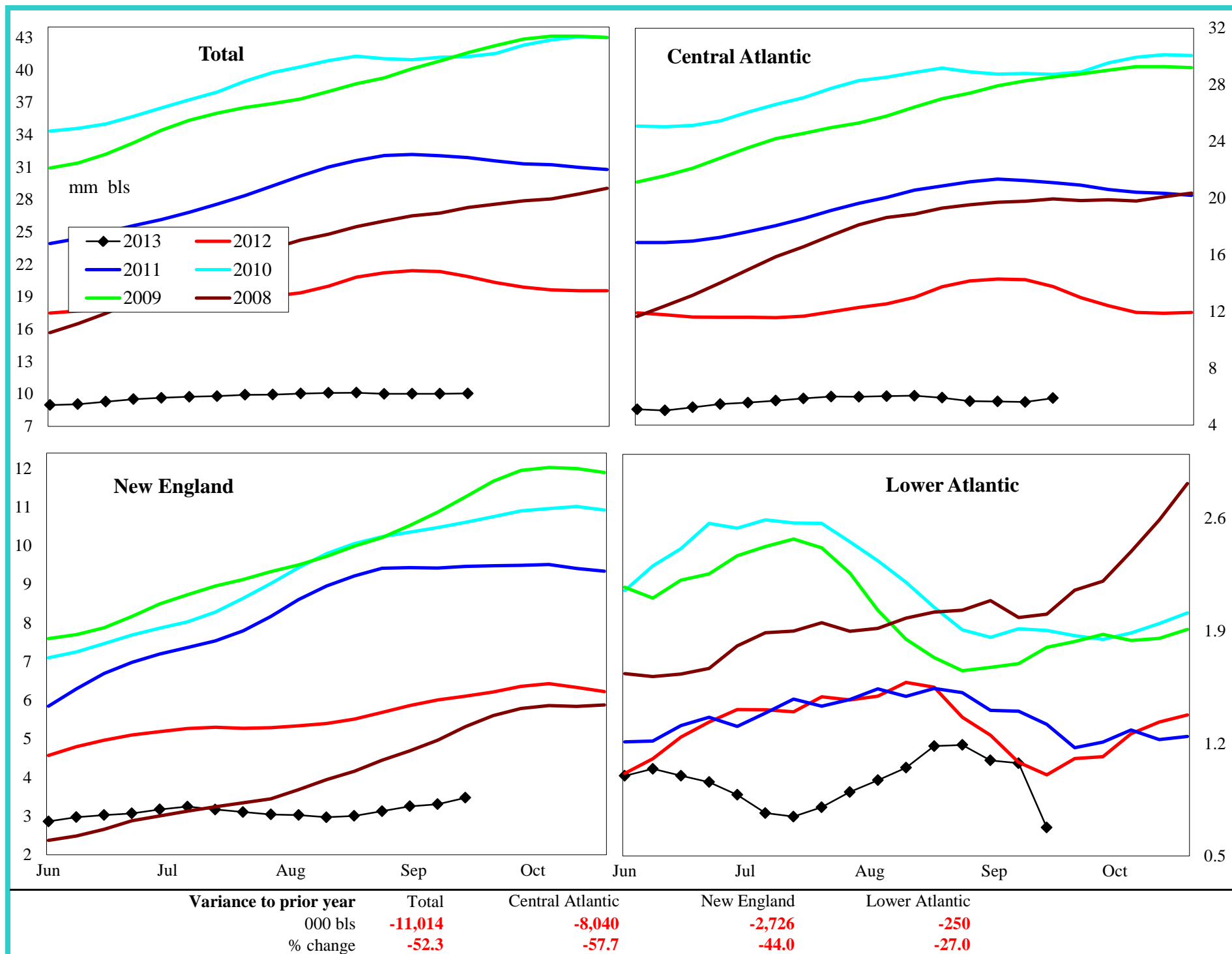
# PADD 1 Low Sulfur Distillate Stocks by Region



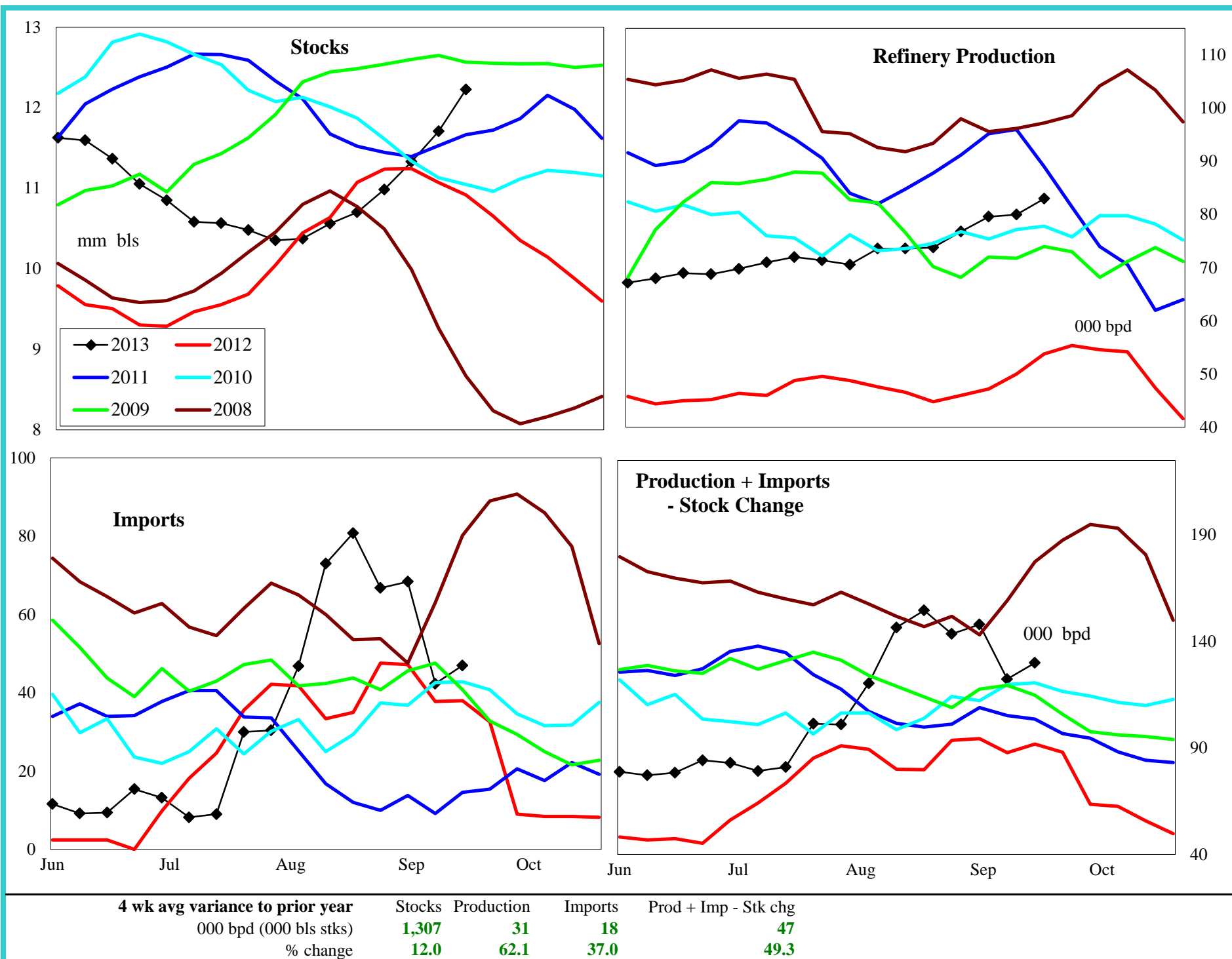
# PADD 1 High Sulfur Distillate Supply



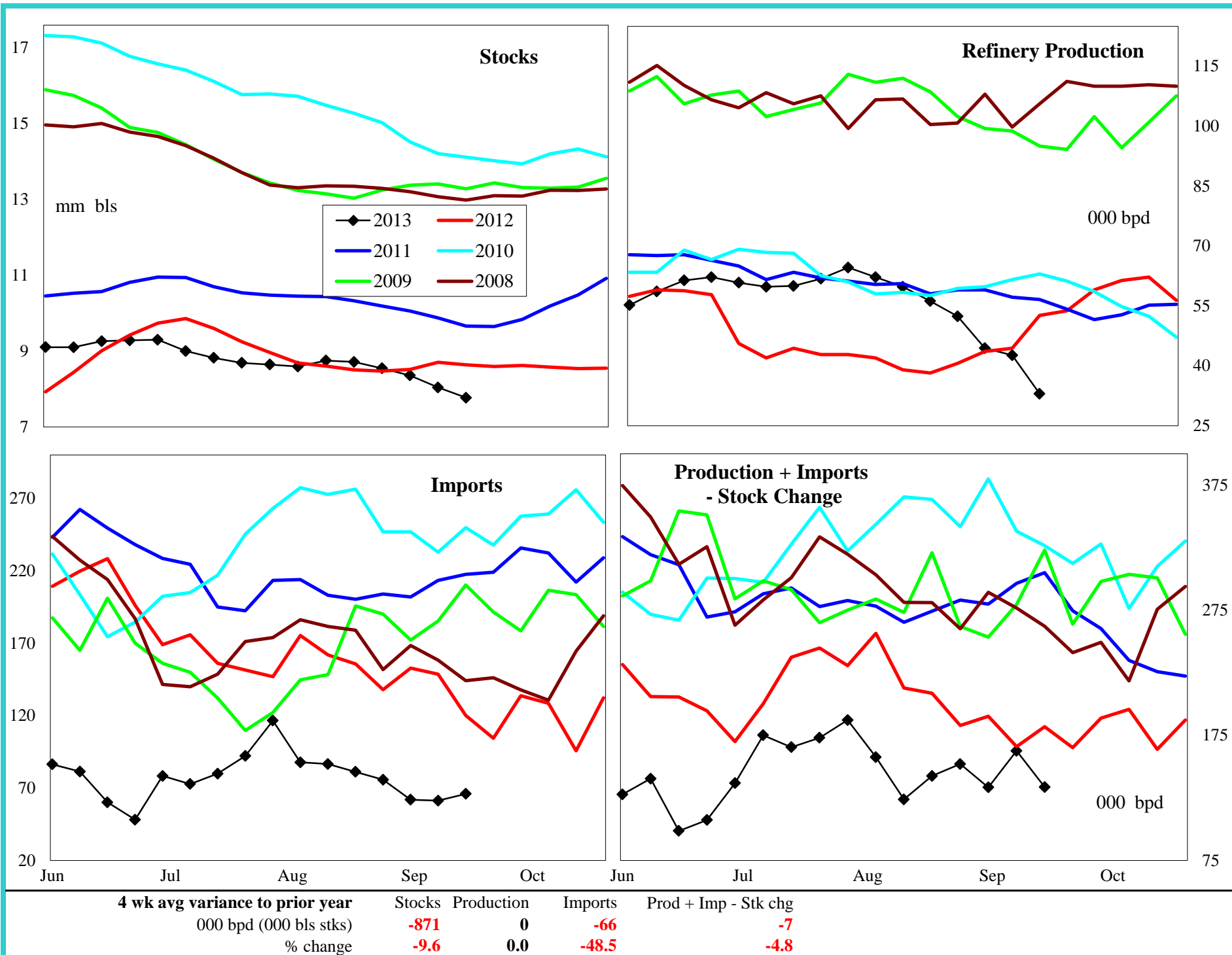
# PADD 1 High Sulfur Distillate Stocks by Region



# PADD 1 Jet Fuel Supply

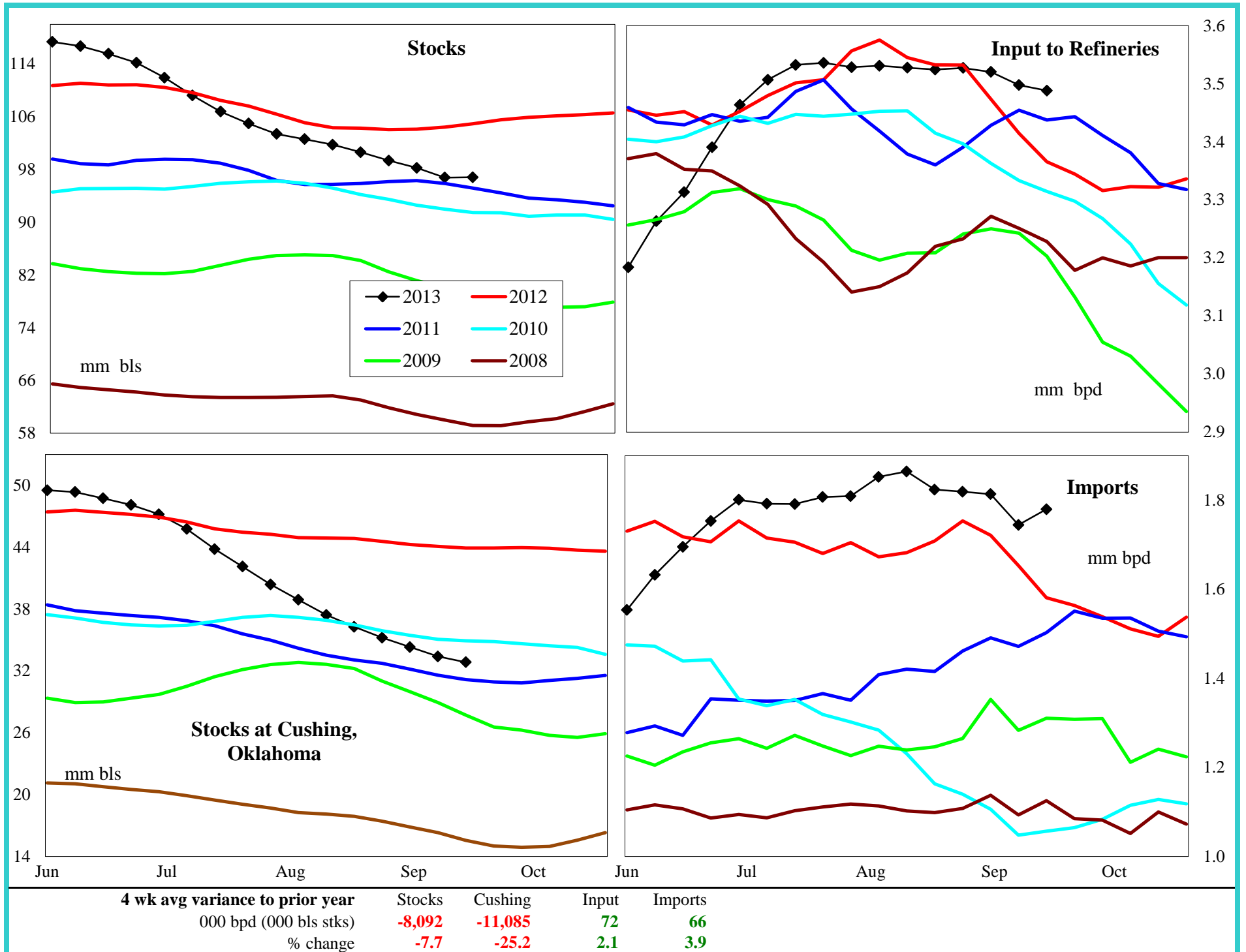


# PADD 1 Residual Fuel Oil Supply

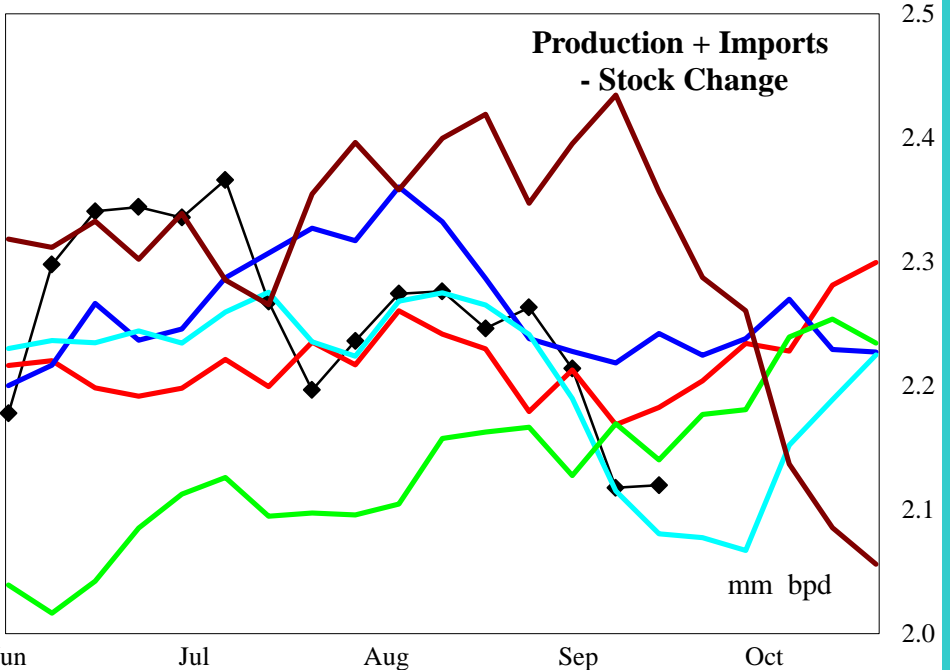
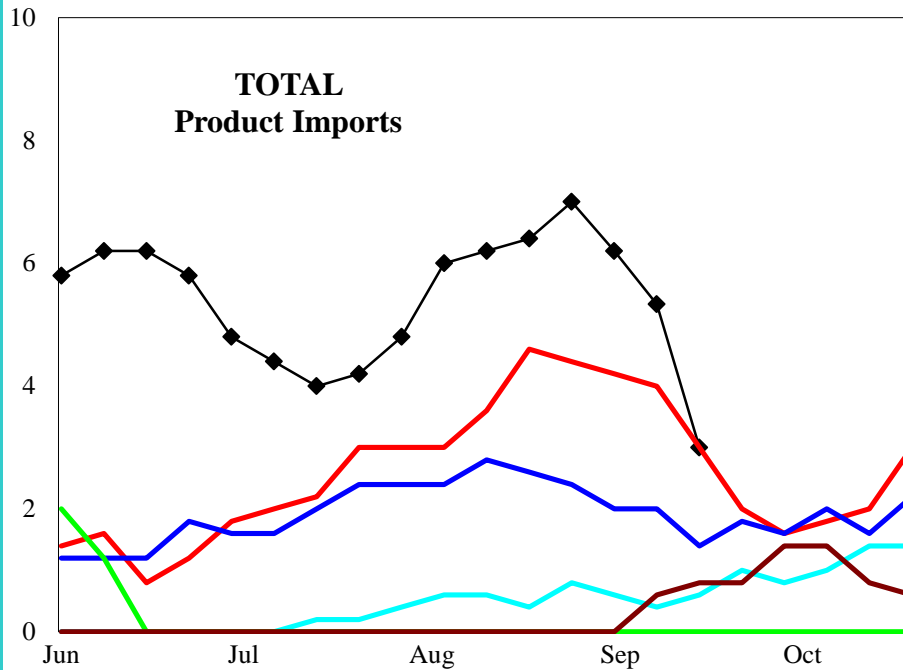
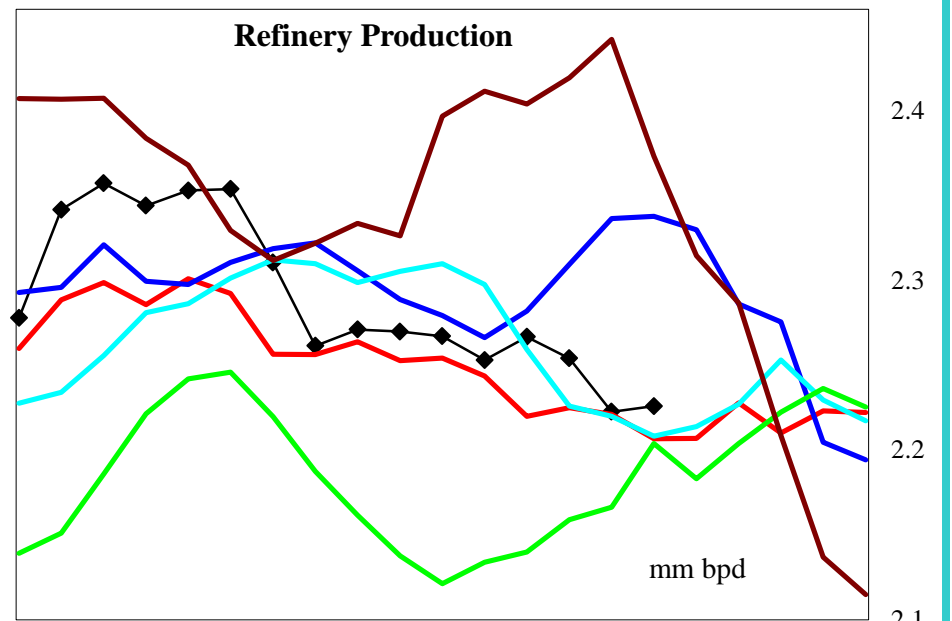
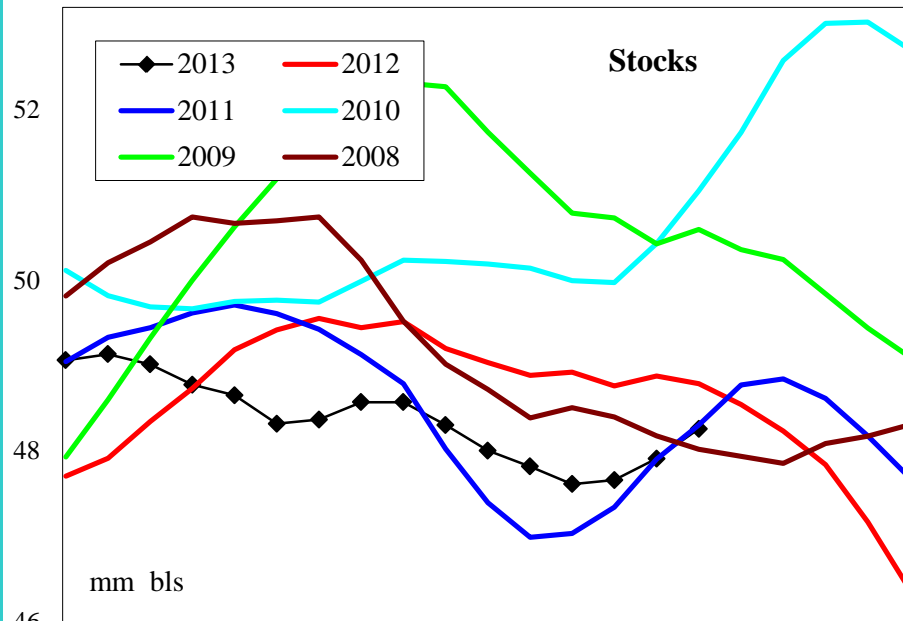




# PADD 2 Crude Oil Supply and Refining



# PADD 2 Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

Production

Imports

Prod + Imp - Stk chg

-529

25

1

18

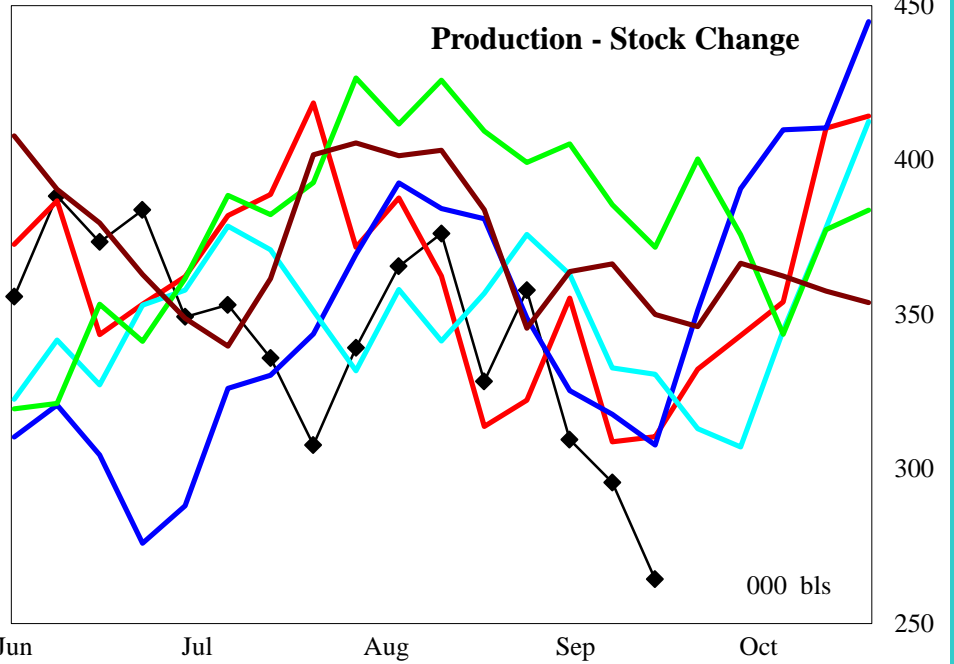
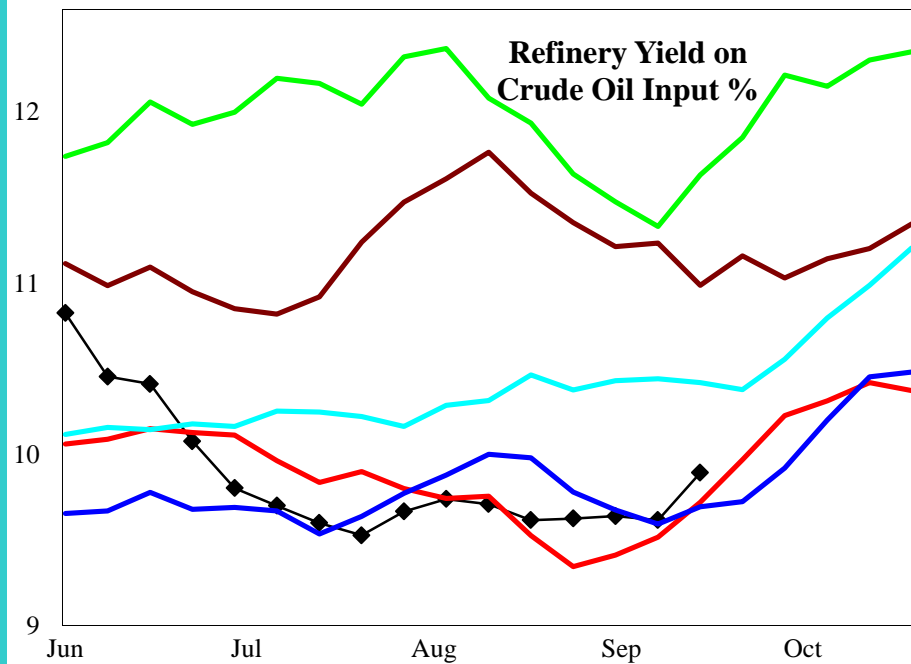
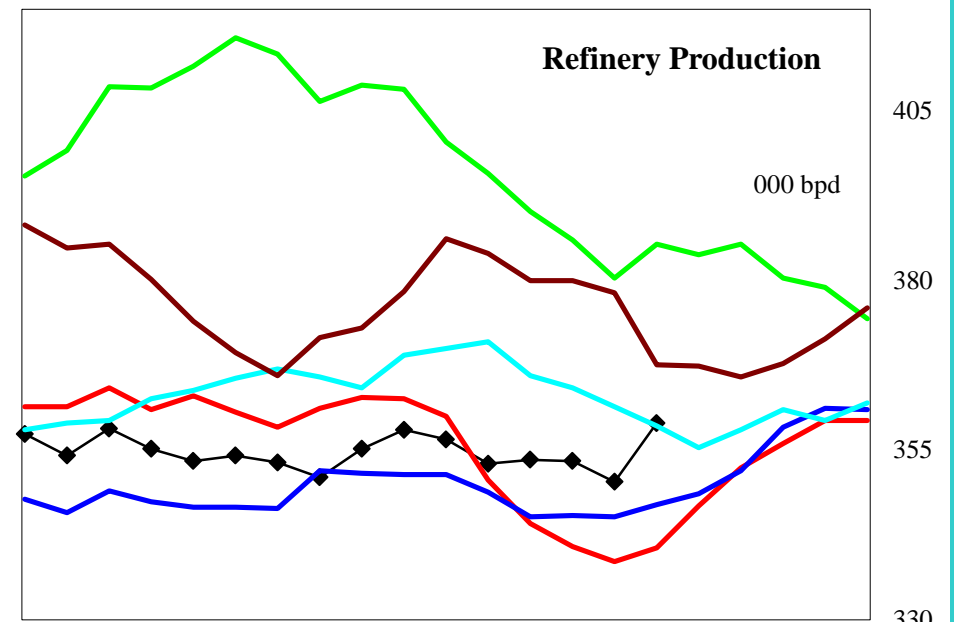
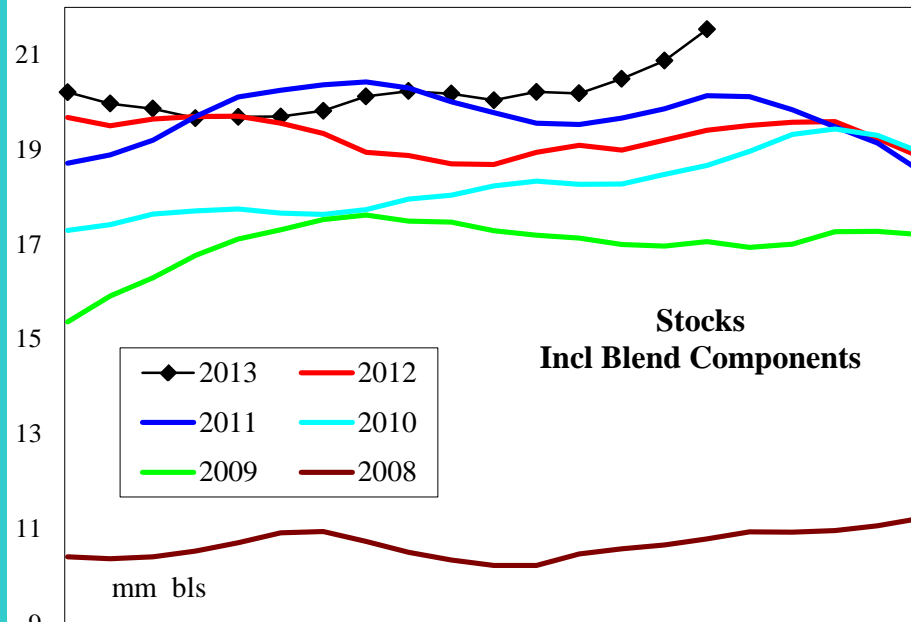
-1.1

1.2

22.2

0.8

# PADD 2 Reformulated Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

Production

2,127

13

11.0

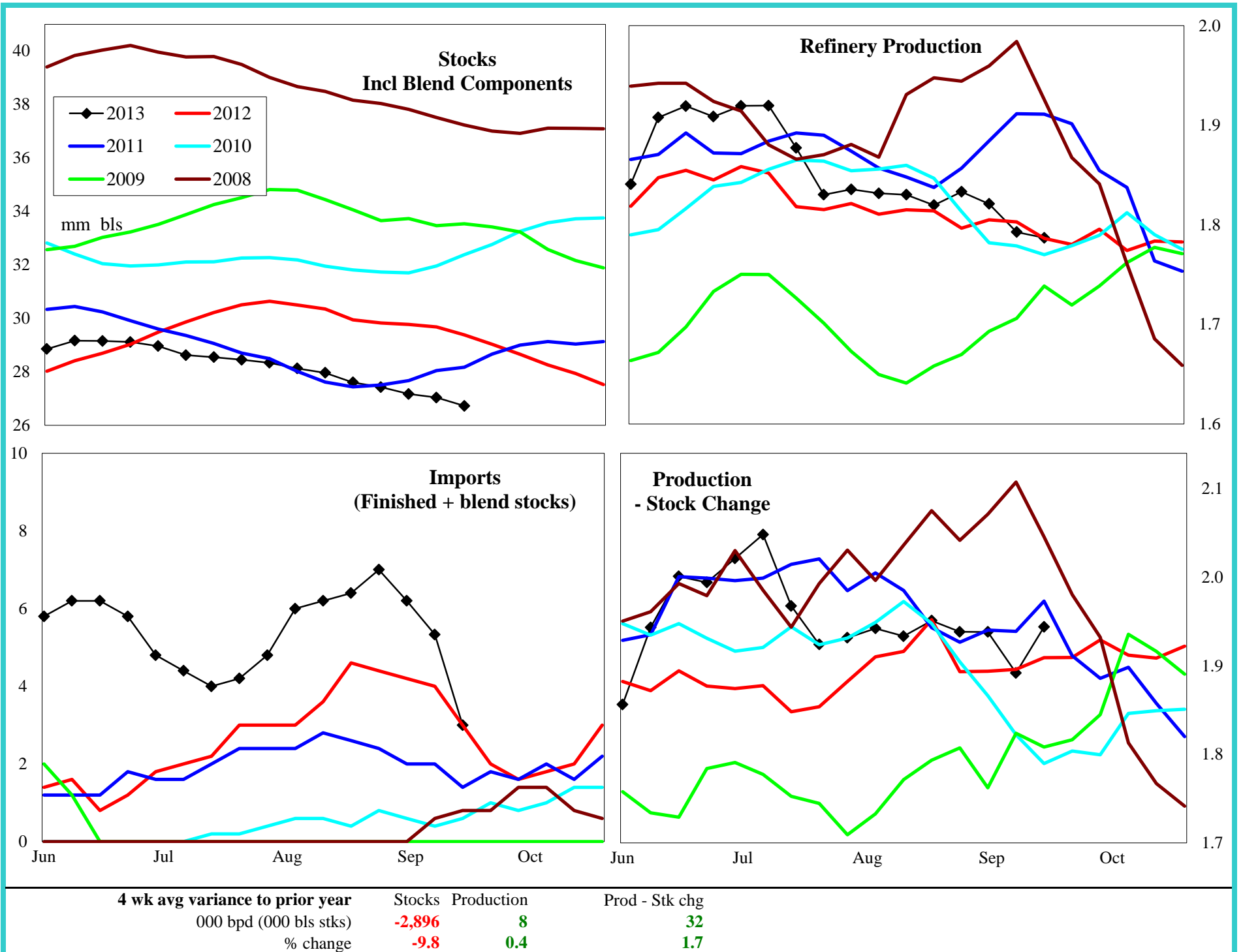
3.8

Prod - Stk chg

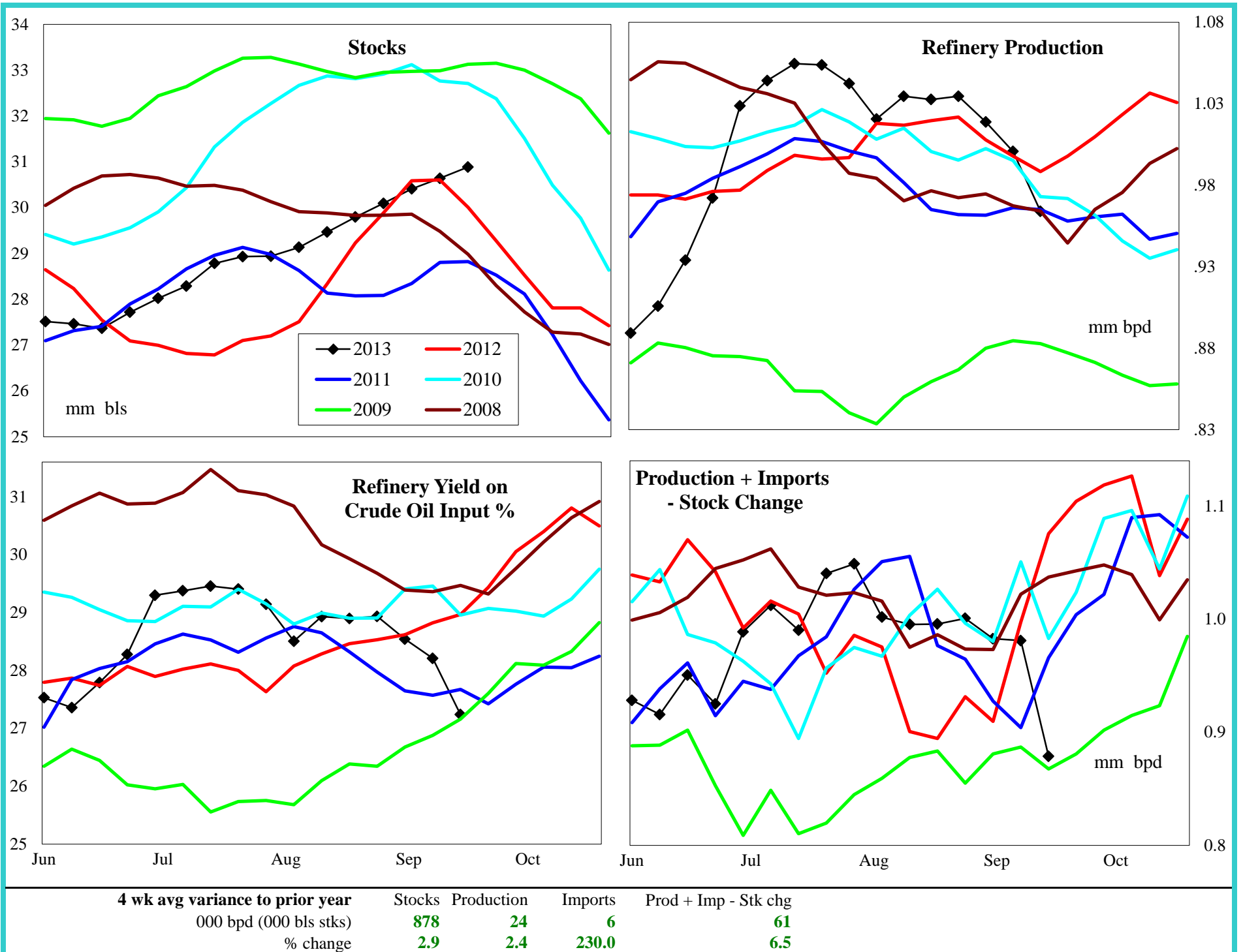
-17

-5.4

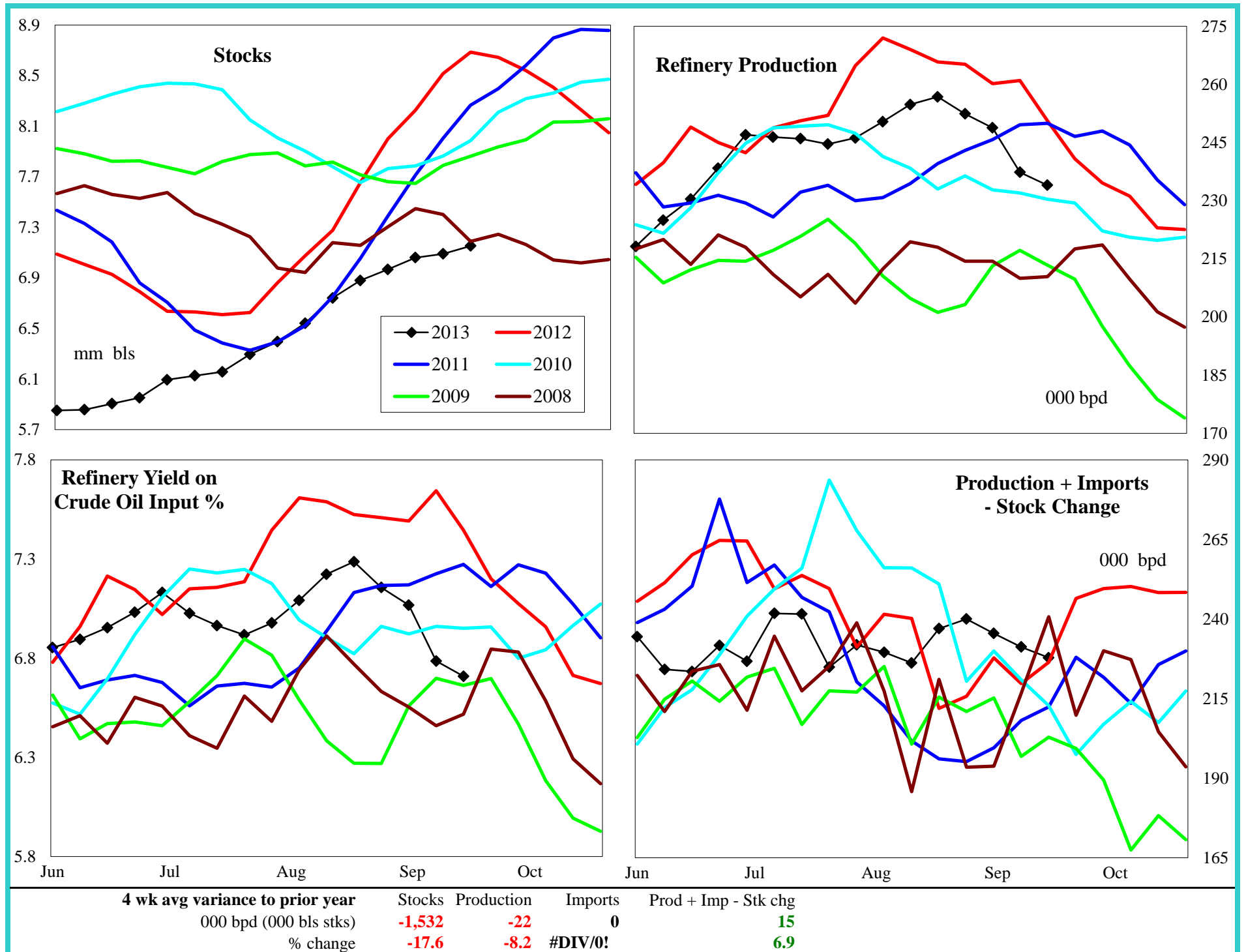
# PADD 2 Conventional Gasoline Supply



# PADD 2 Distillate Supply

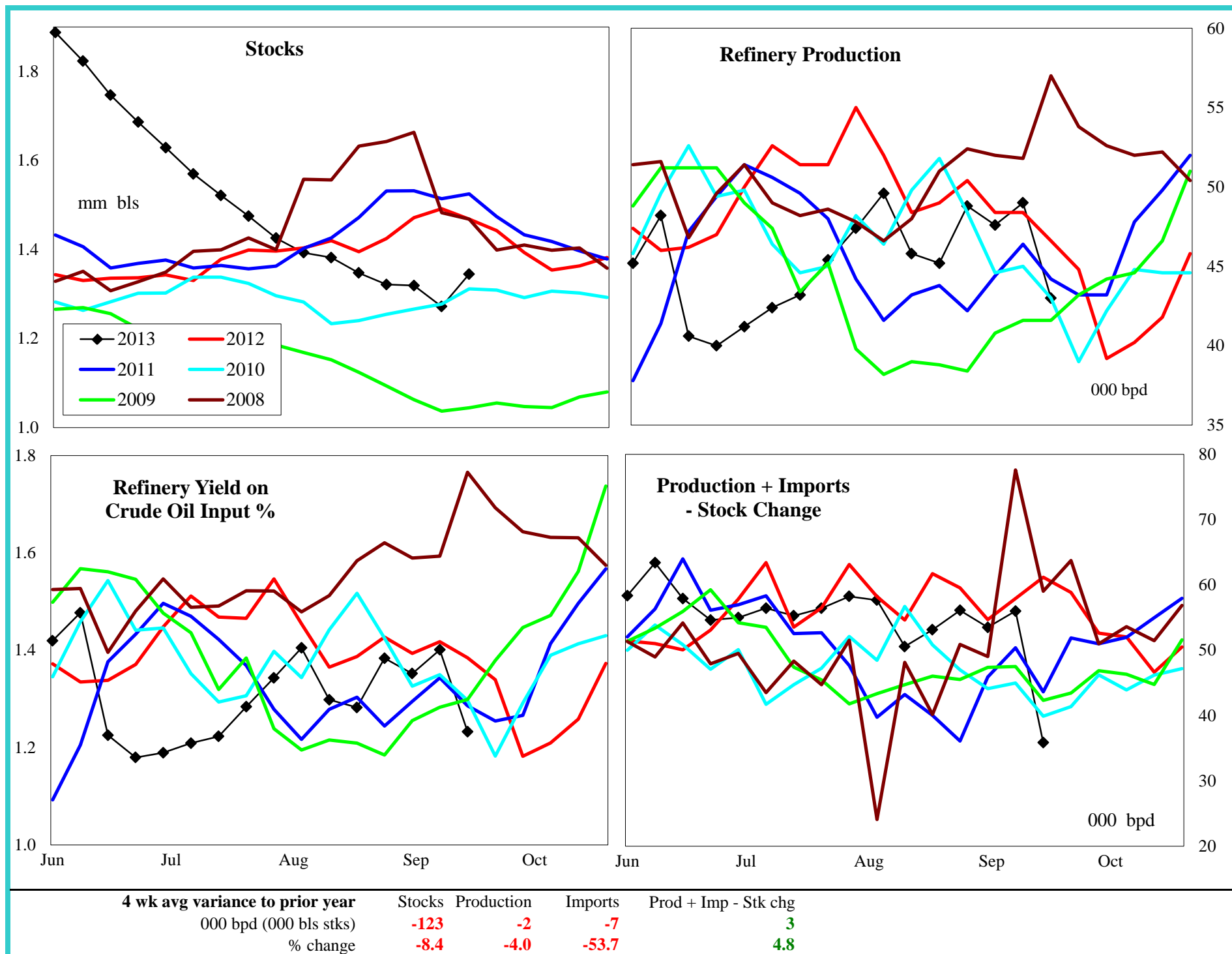


## PADD 2 Jet Fuel Supply

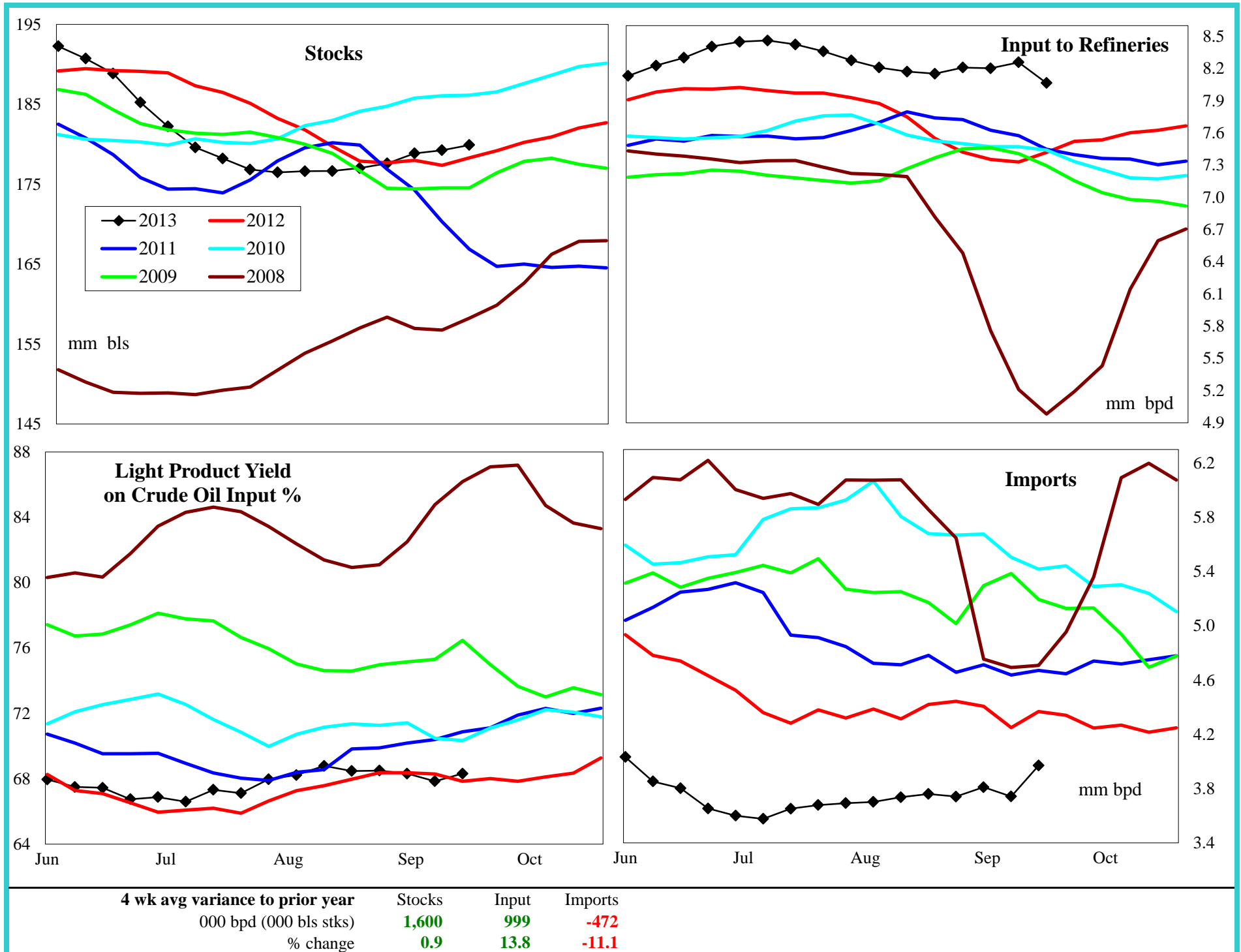




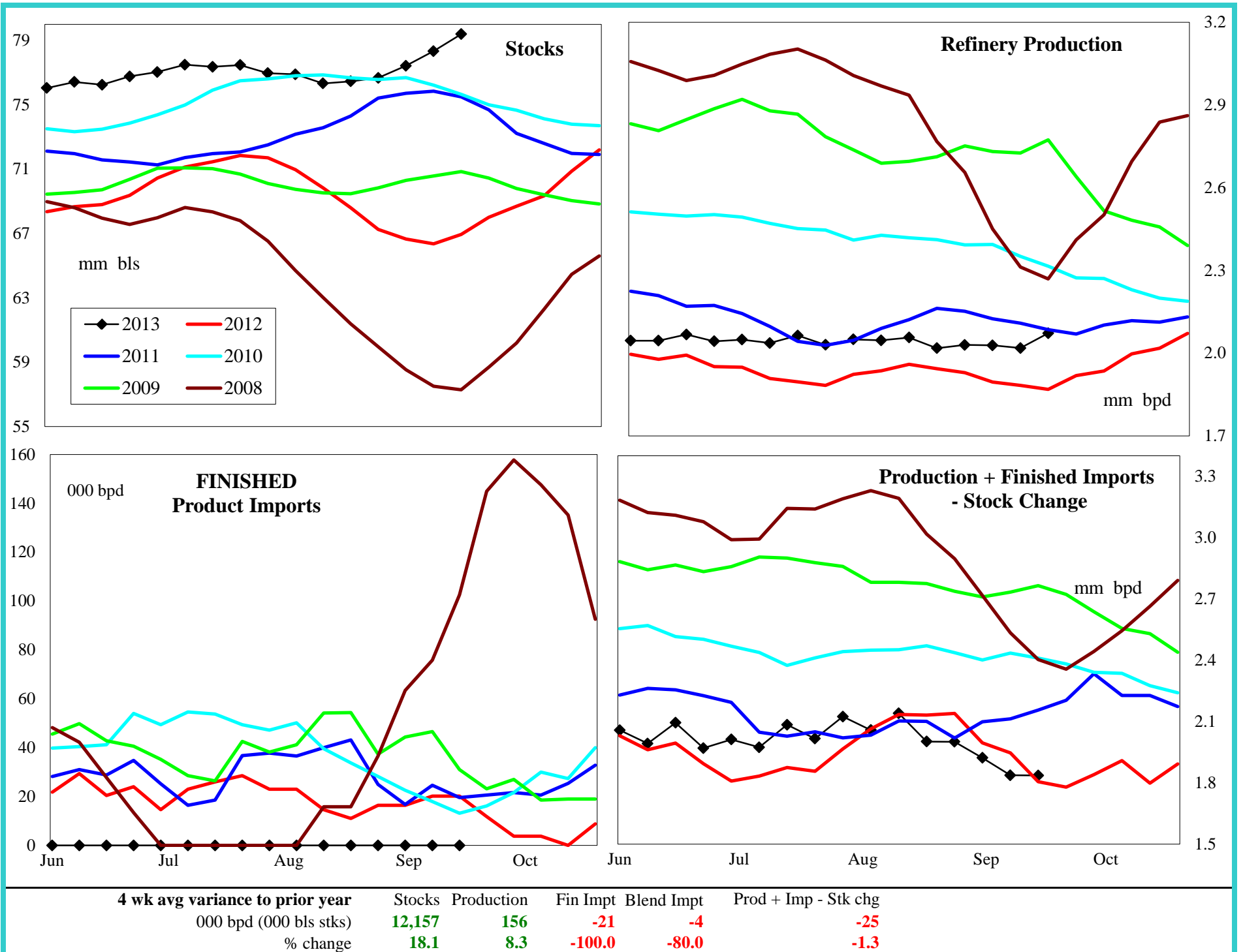
# PADD 2 Residual Fuel Oil Supply



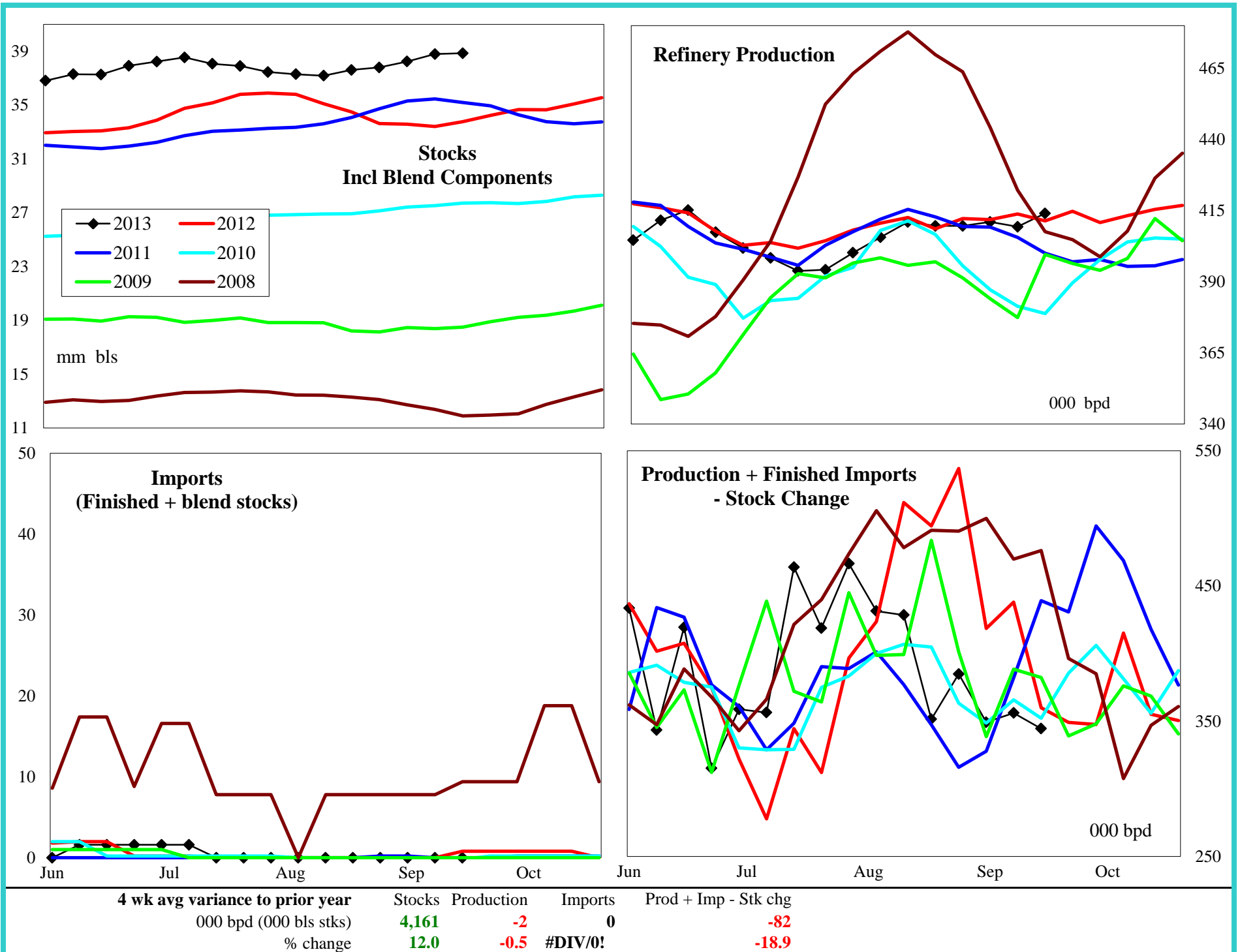
# PADD 3 Crude Oil Supply and Refining



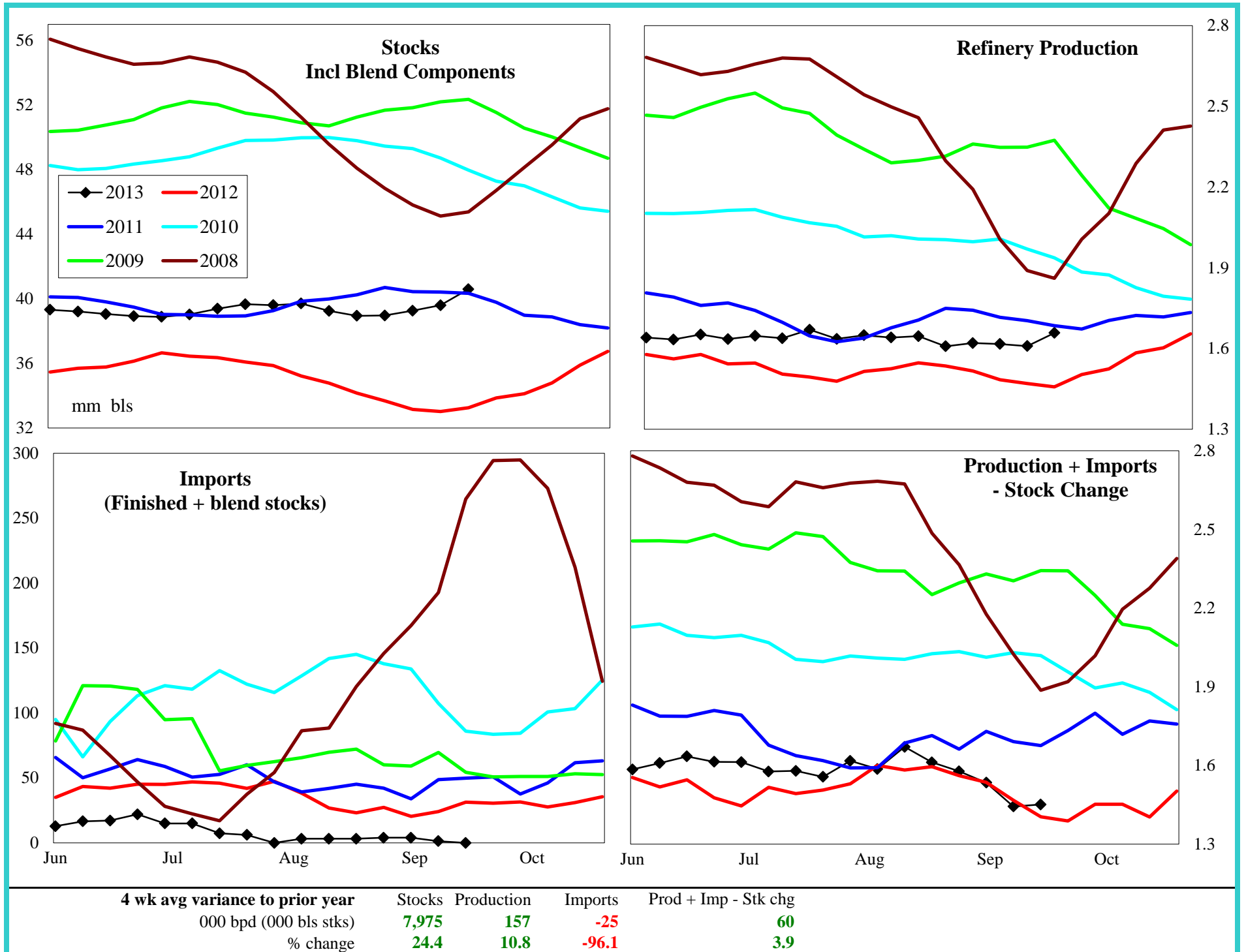
# PADD 3 Gasoline Supply



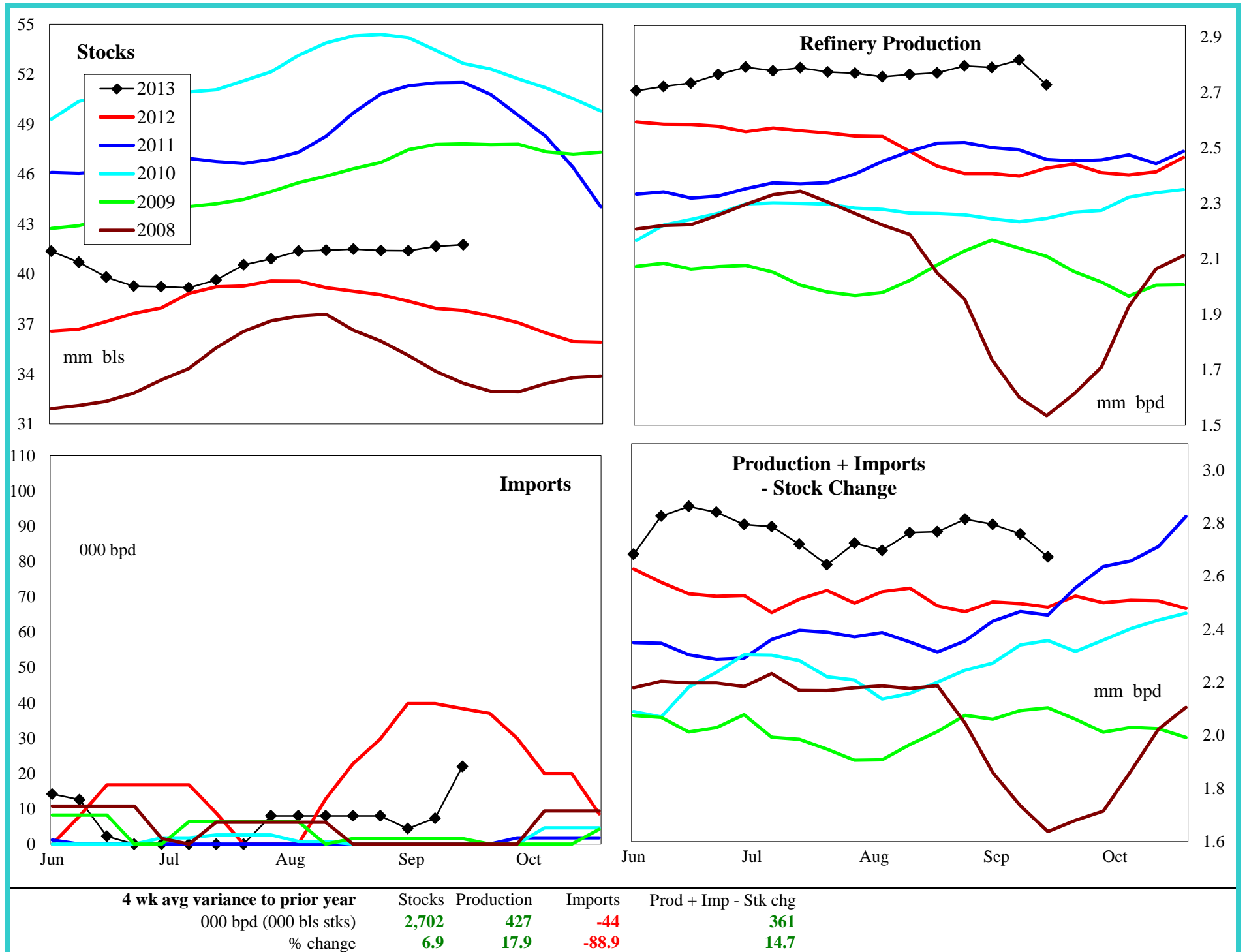
# PADD 3 Reformulated Gasoline Supply



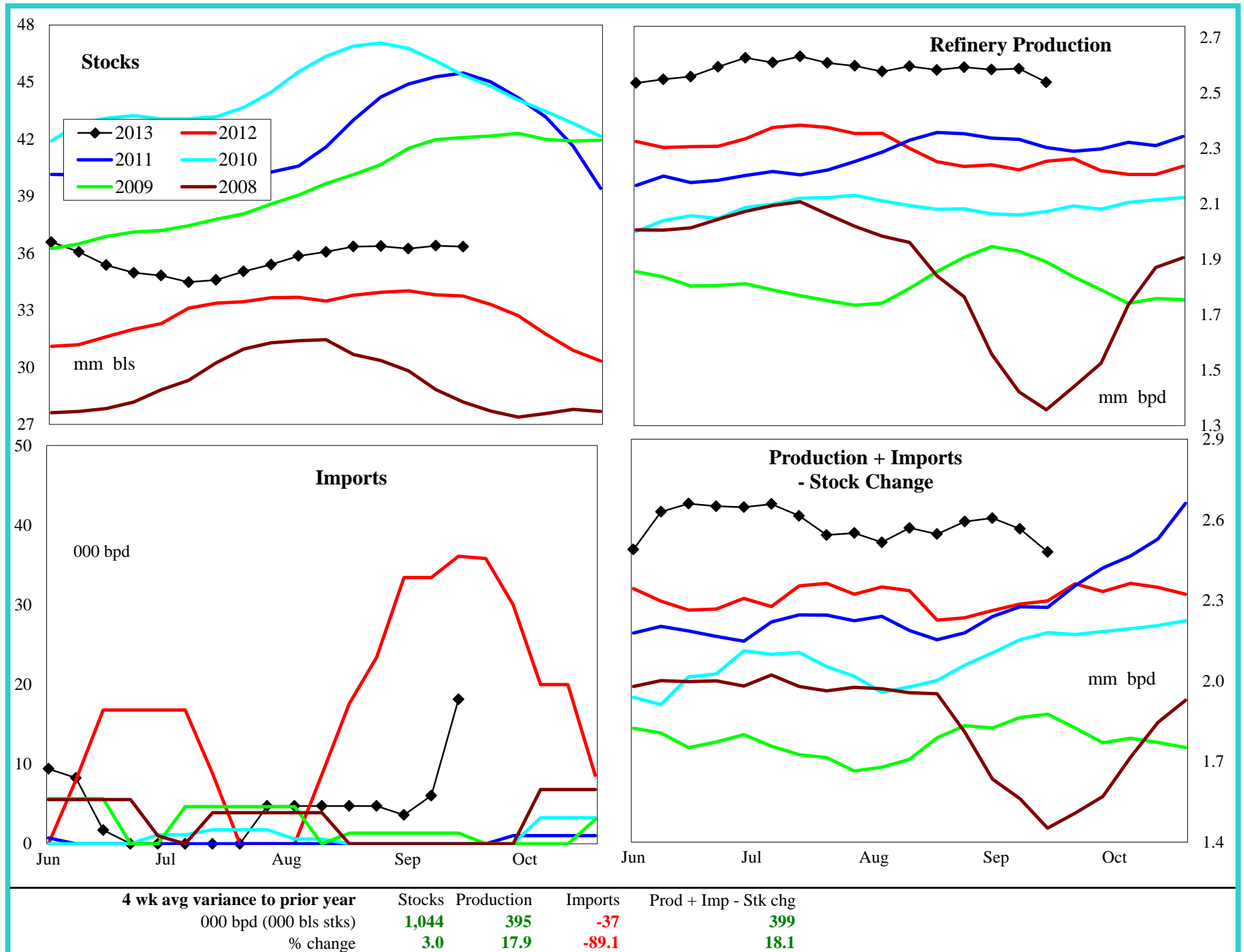
# PADD 3 Conventional Gasoline Supply



# PADD 3 Distillate Supply

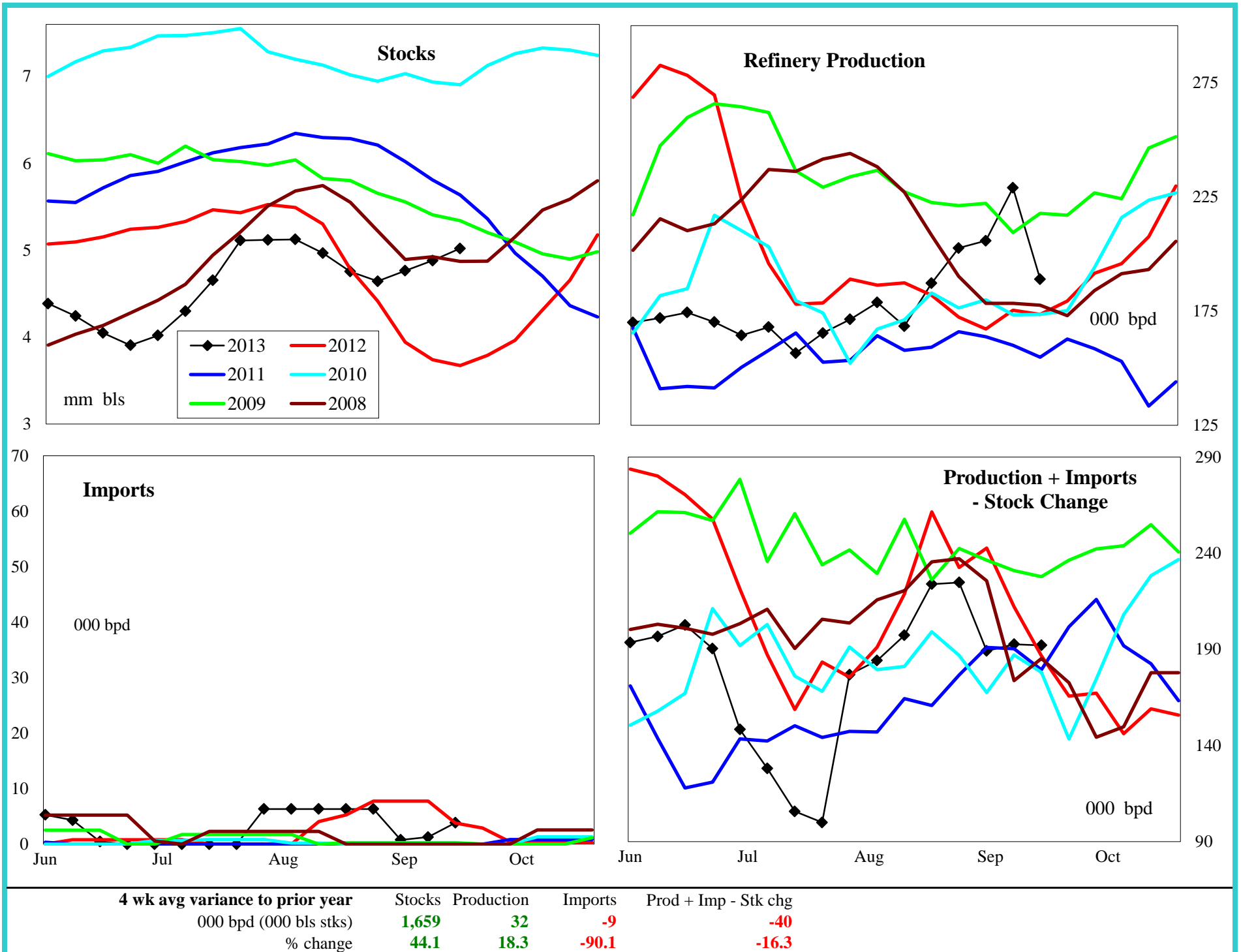


# PADD 3 Low Sulfur Distillate Supply

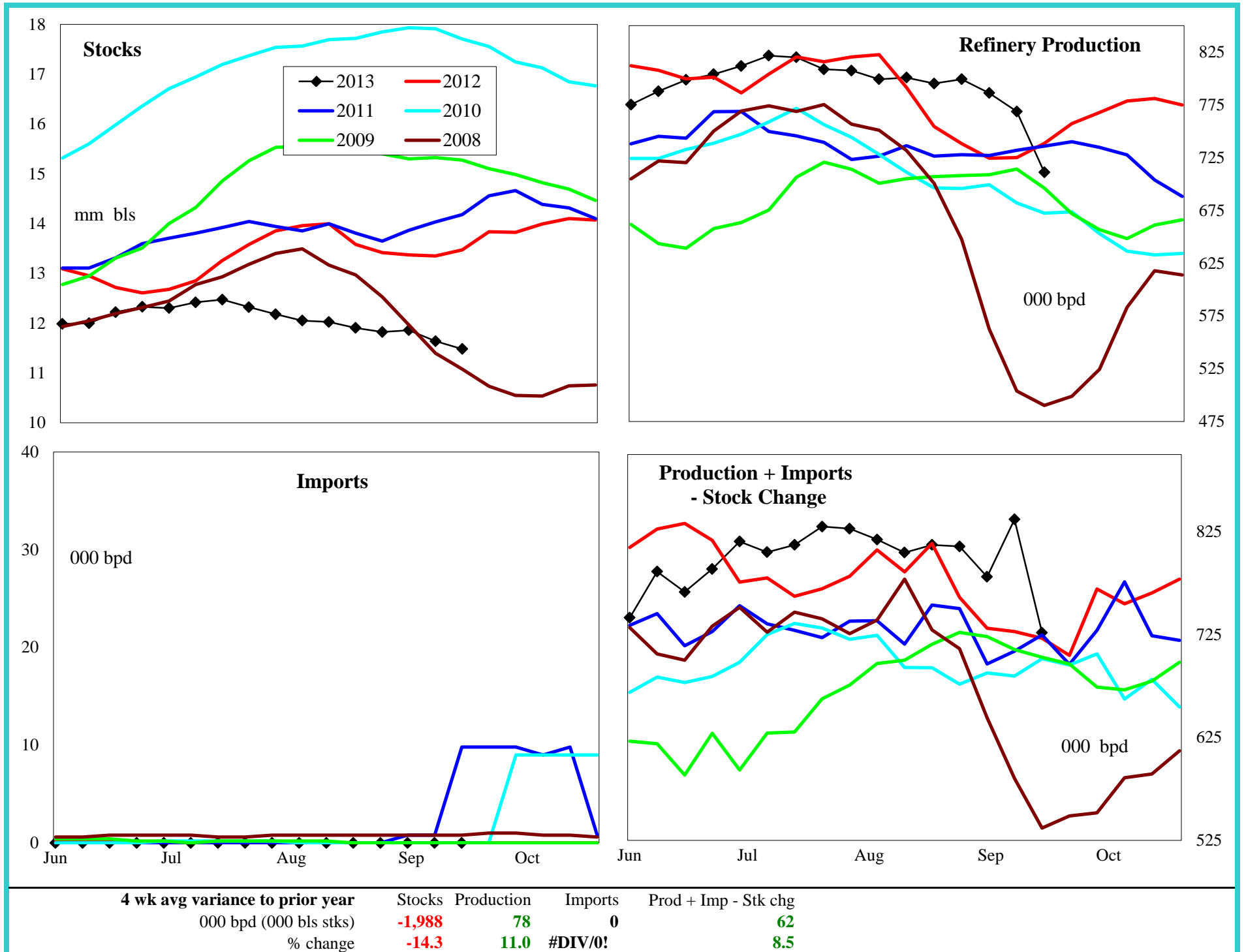




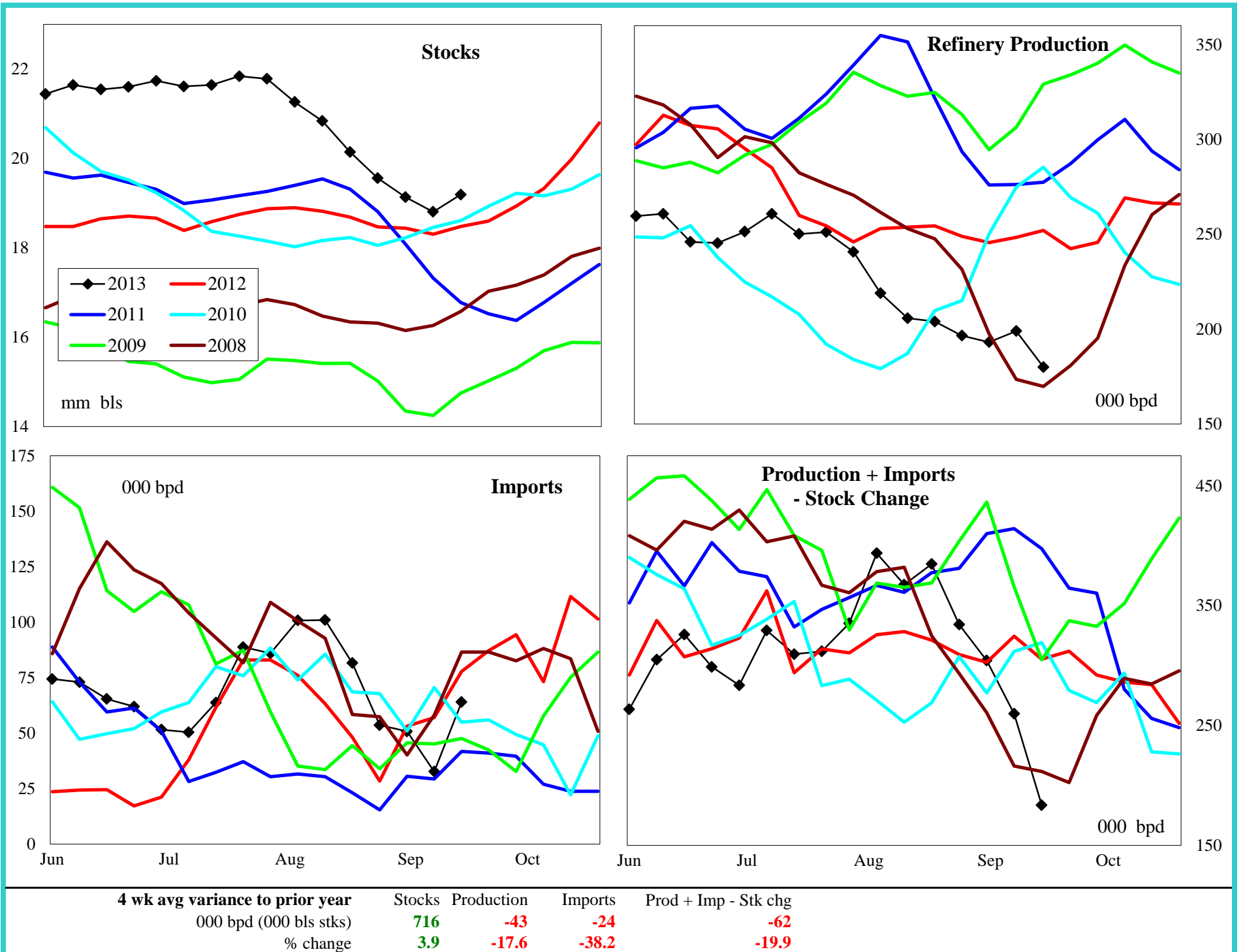
# PADD 3 High Sulfur Distillate Supply



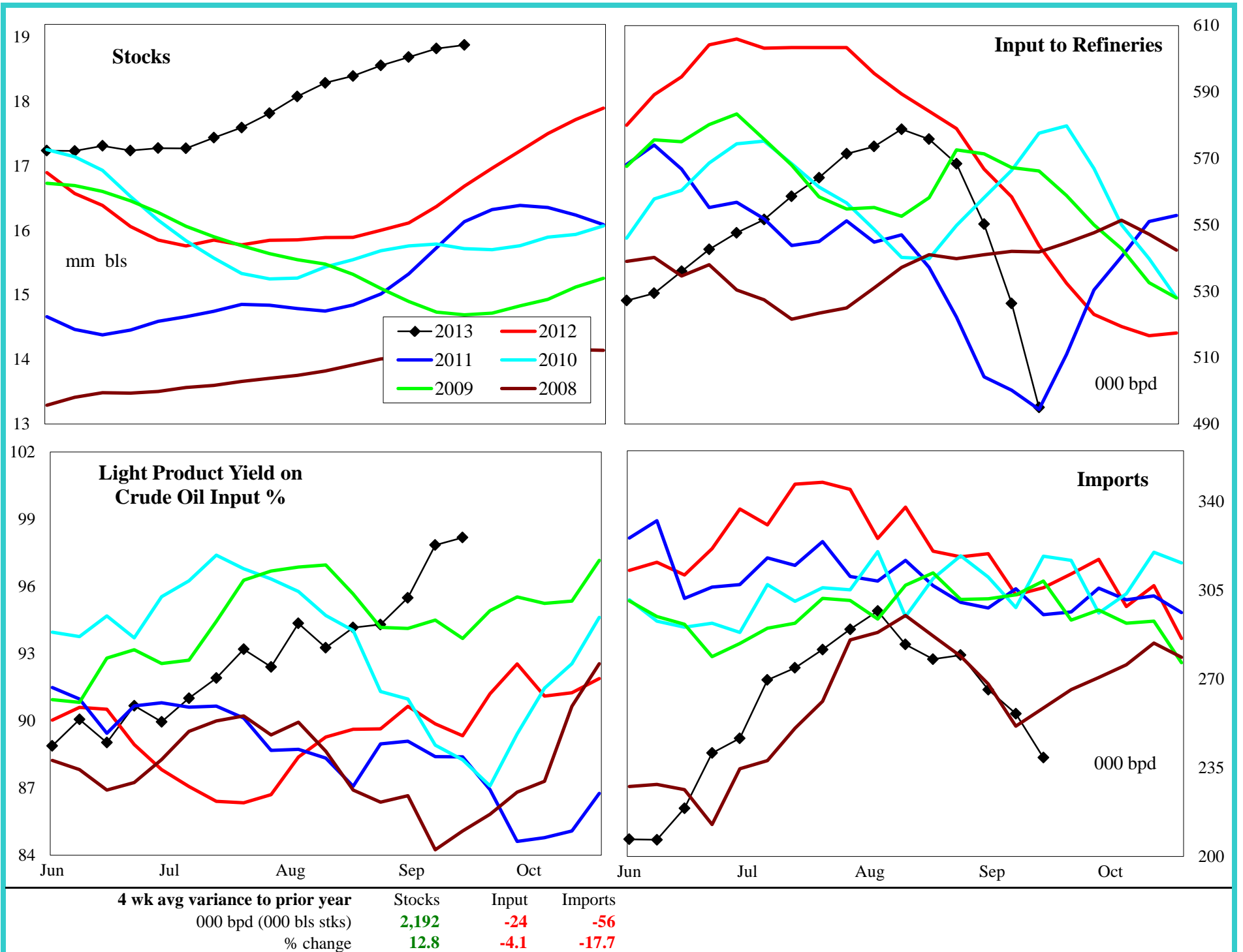
## PADD 3 Jet Fuel Supply



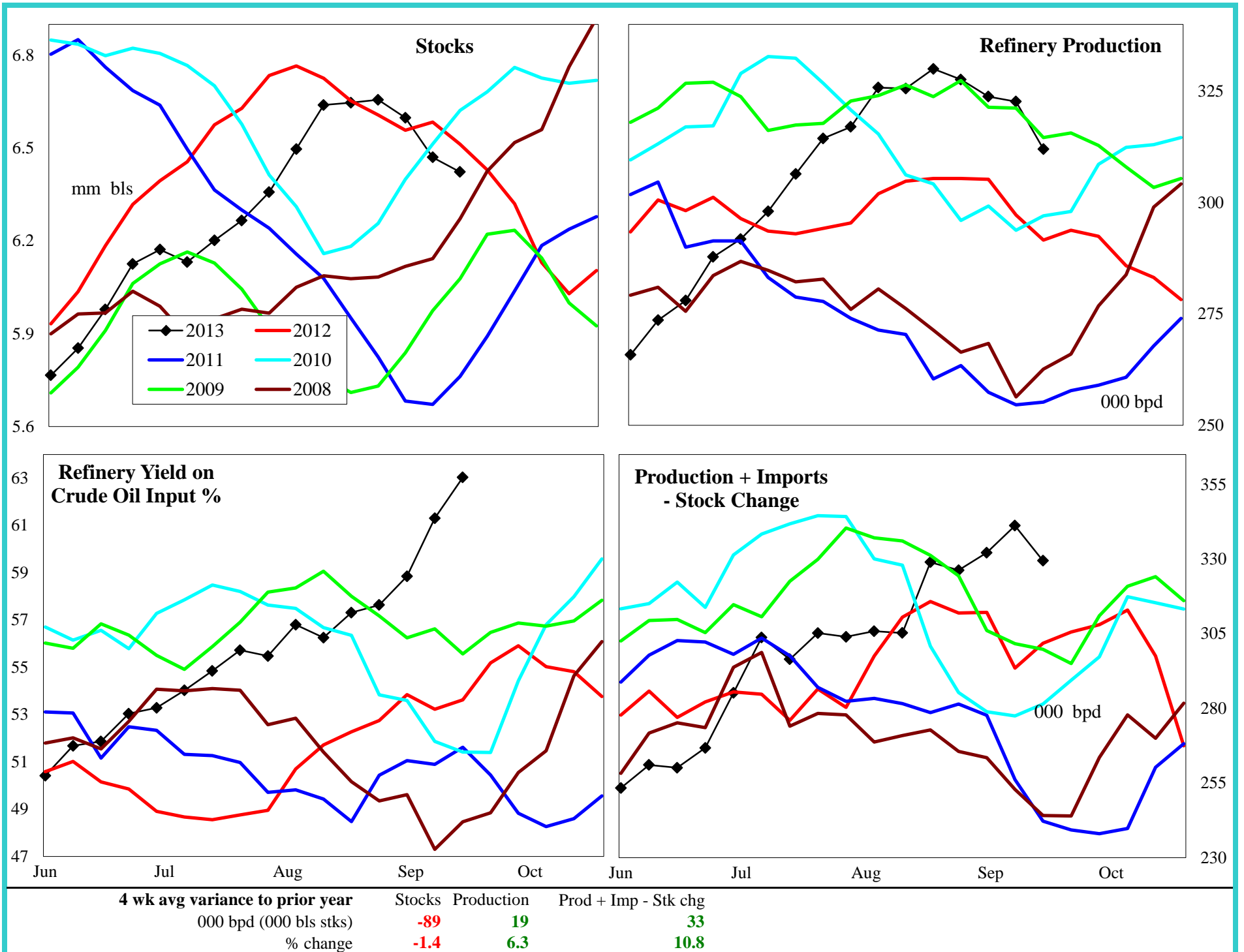
# PADD 3 Residual Fuel Oil Supply



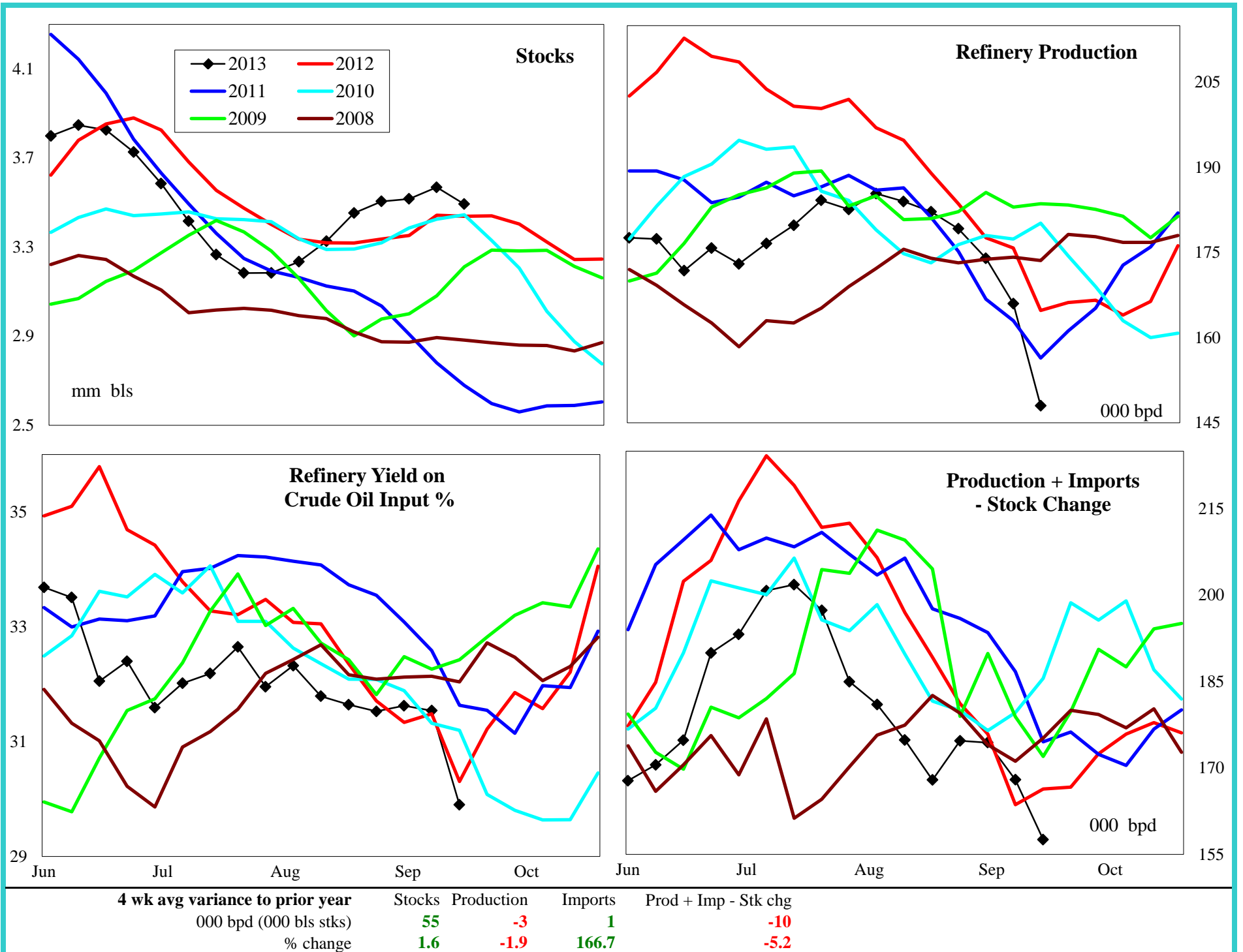
# PADD 4 Crude Oil Supply and Refining



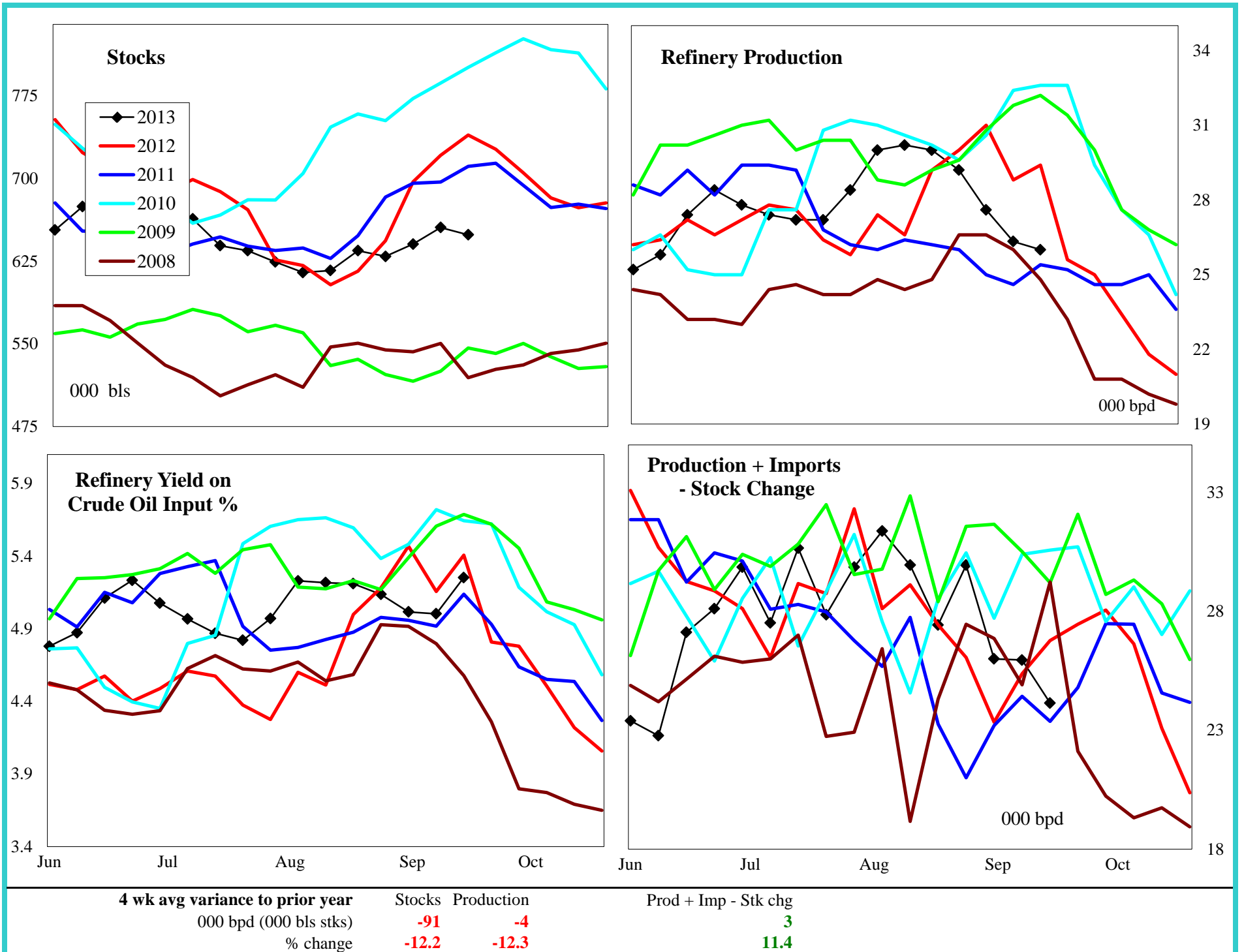
# PADD 4 Gasoline Supply



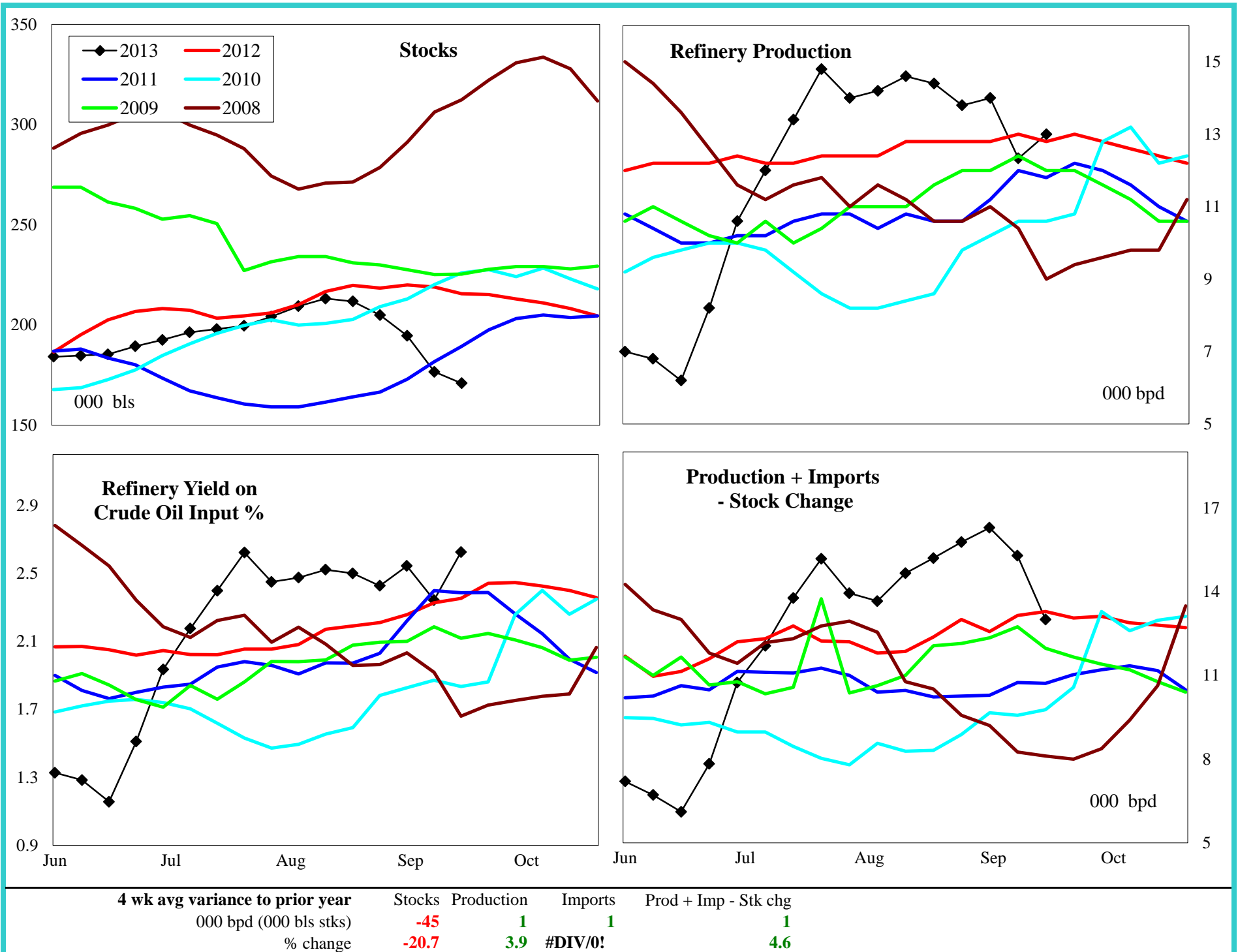
# PADD 4 Distillate Supply



# PADD 4 Jet Fuel Supply

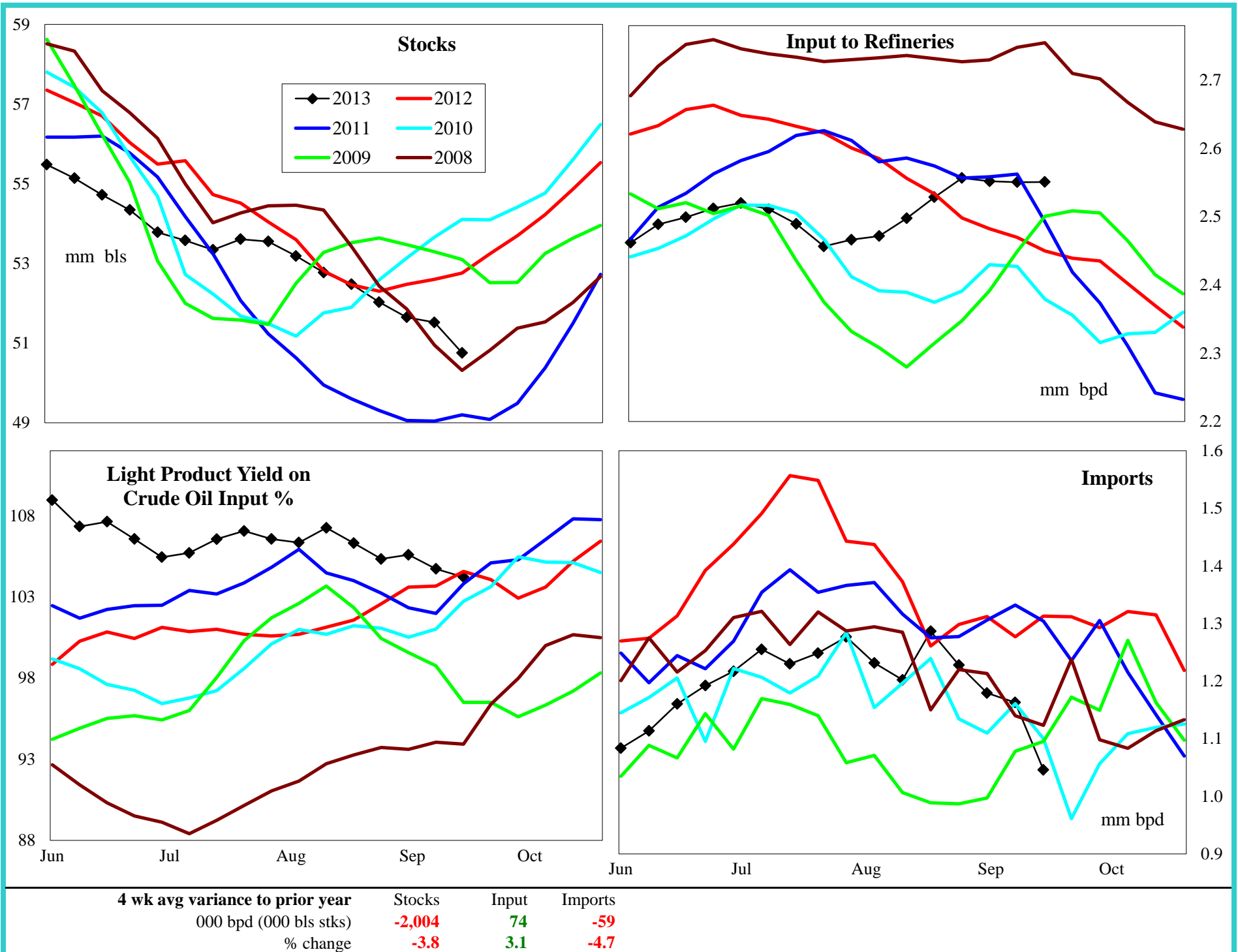


# PADD 4 Residual Fuel Oil Supply

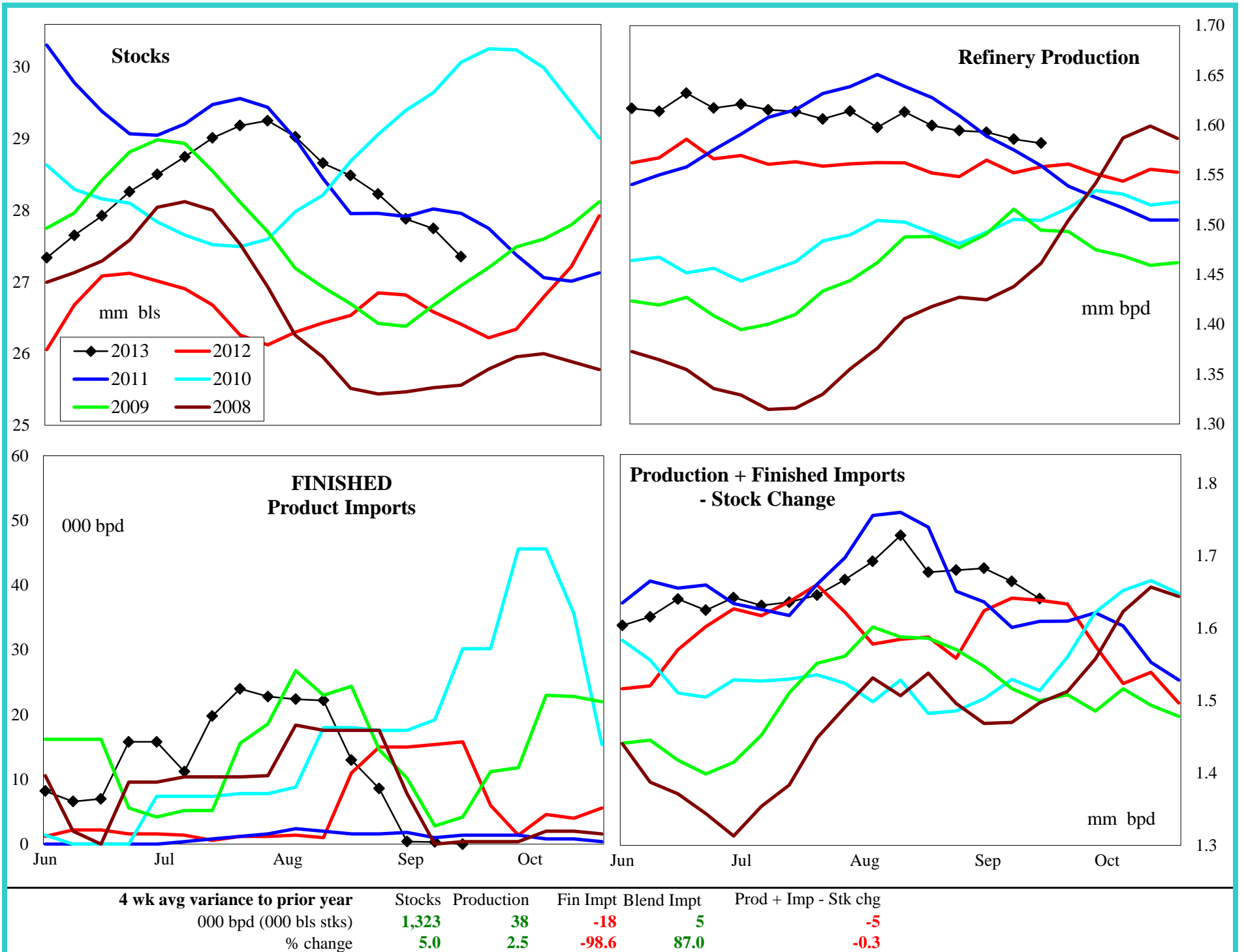




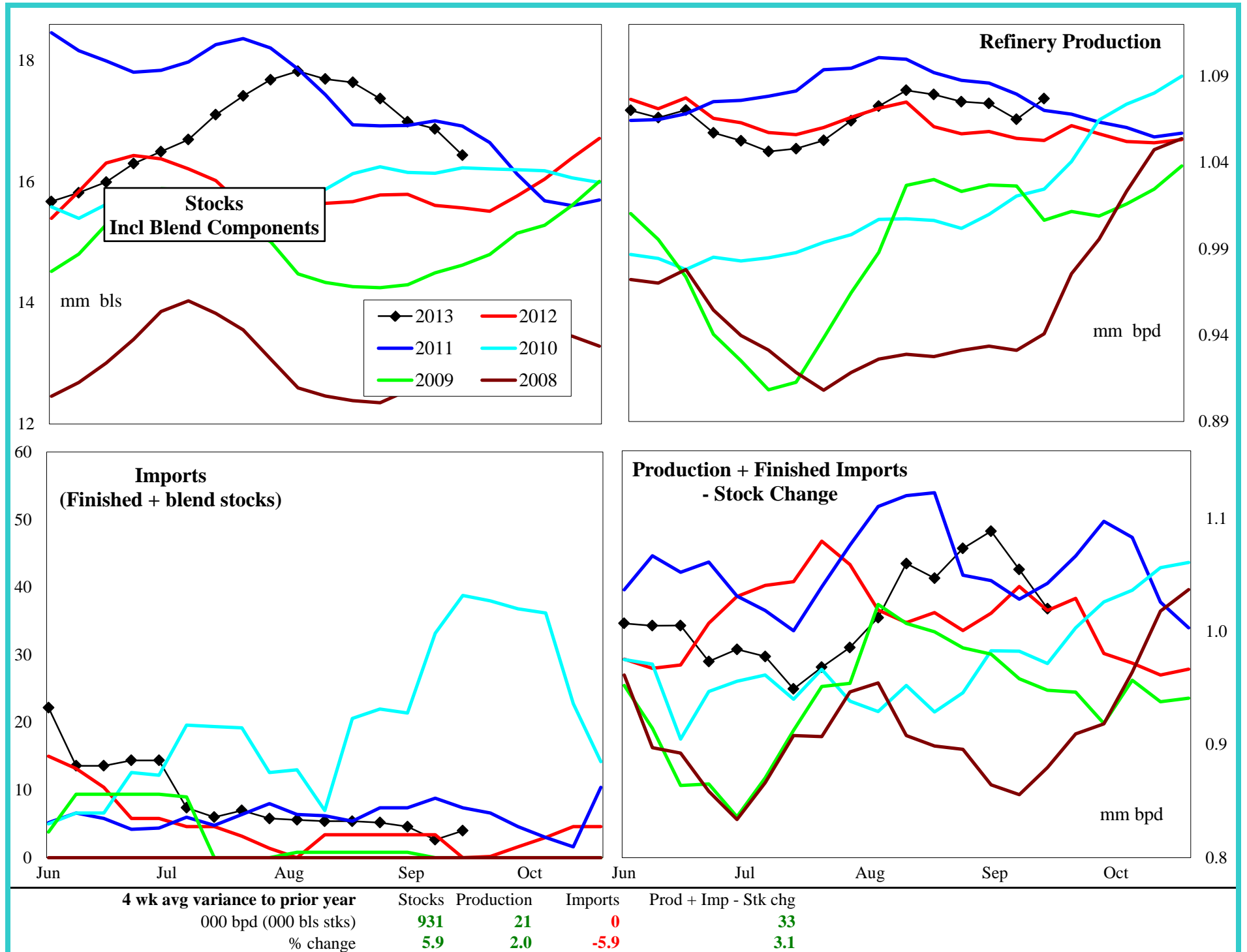
# PADD 5 Crude Oil Supply and Refining



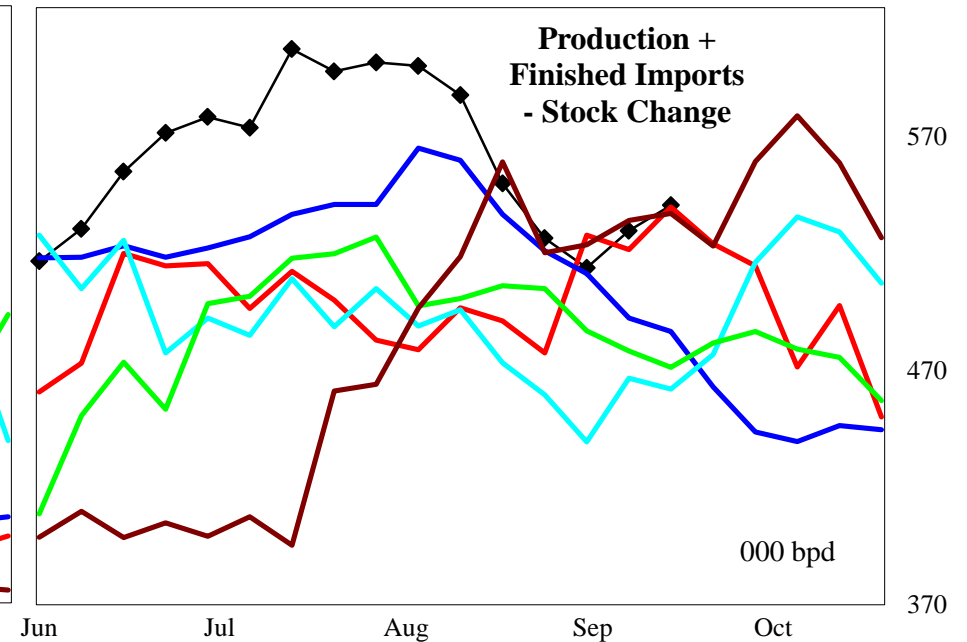
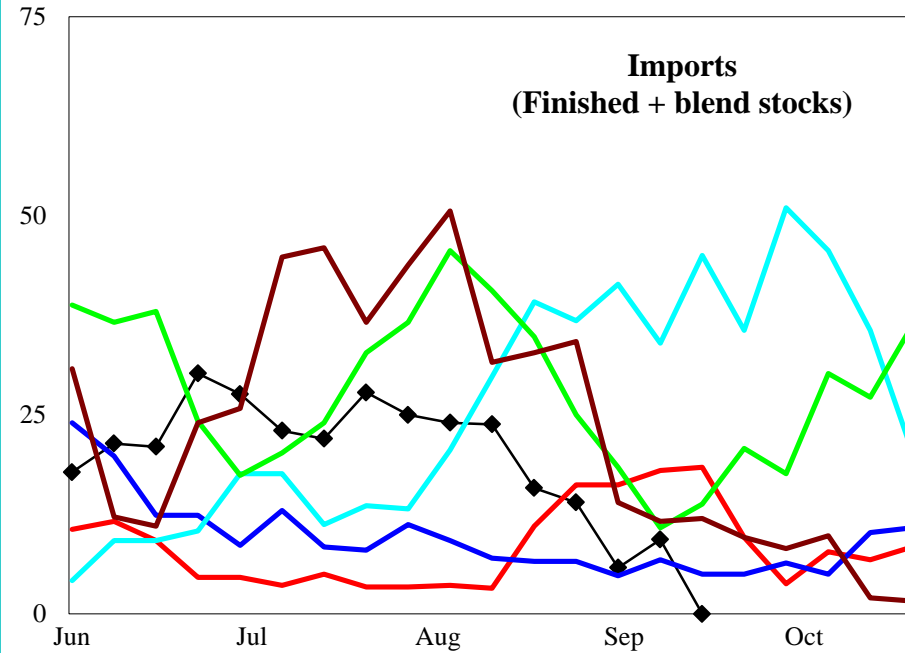
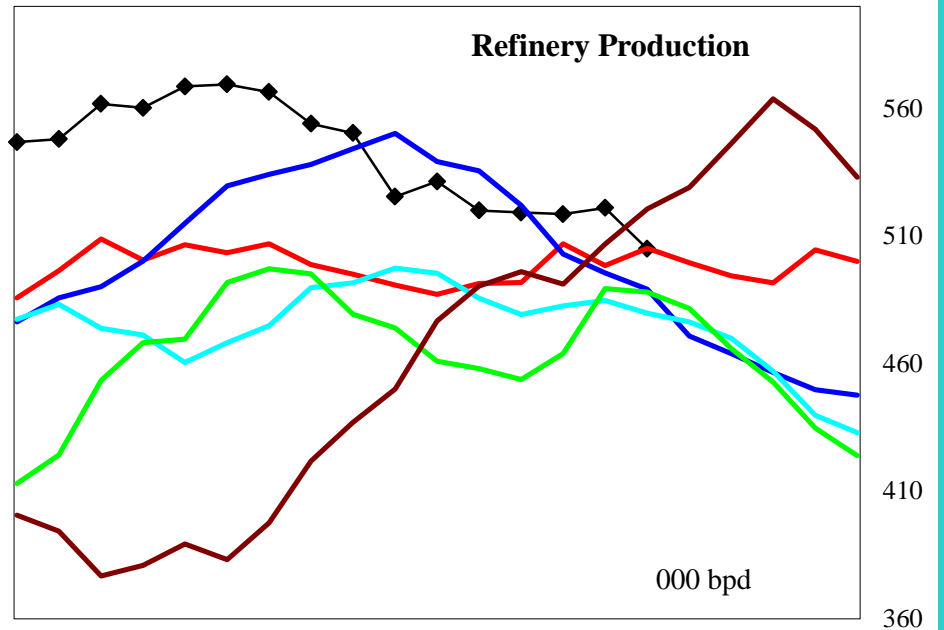
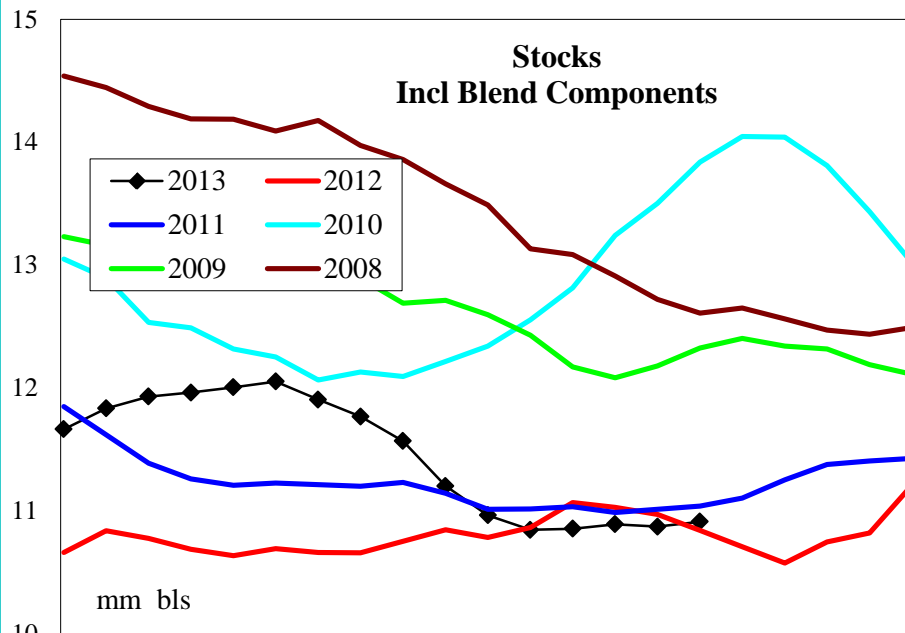
# PADD 5 Gasoline Supply



# PADD 5 Reformulated Gasoline Supply



# PADD 5 Conventional Gasoline Supply



**4 wk avg variance to prior year**

000 bpd (000 bls stks)

% change

Stocks

Production

Imports

Prod + Imp - Stk chg

392

17

-13

-38

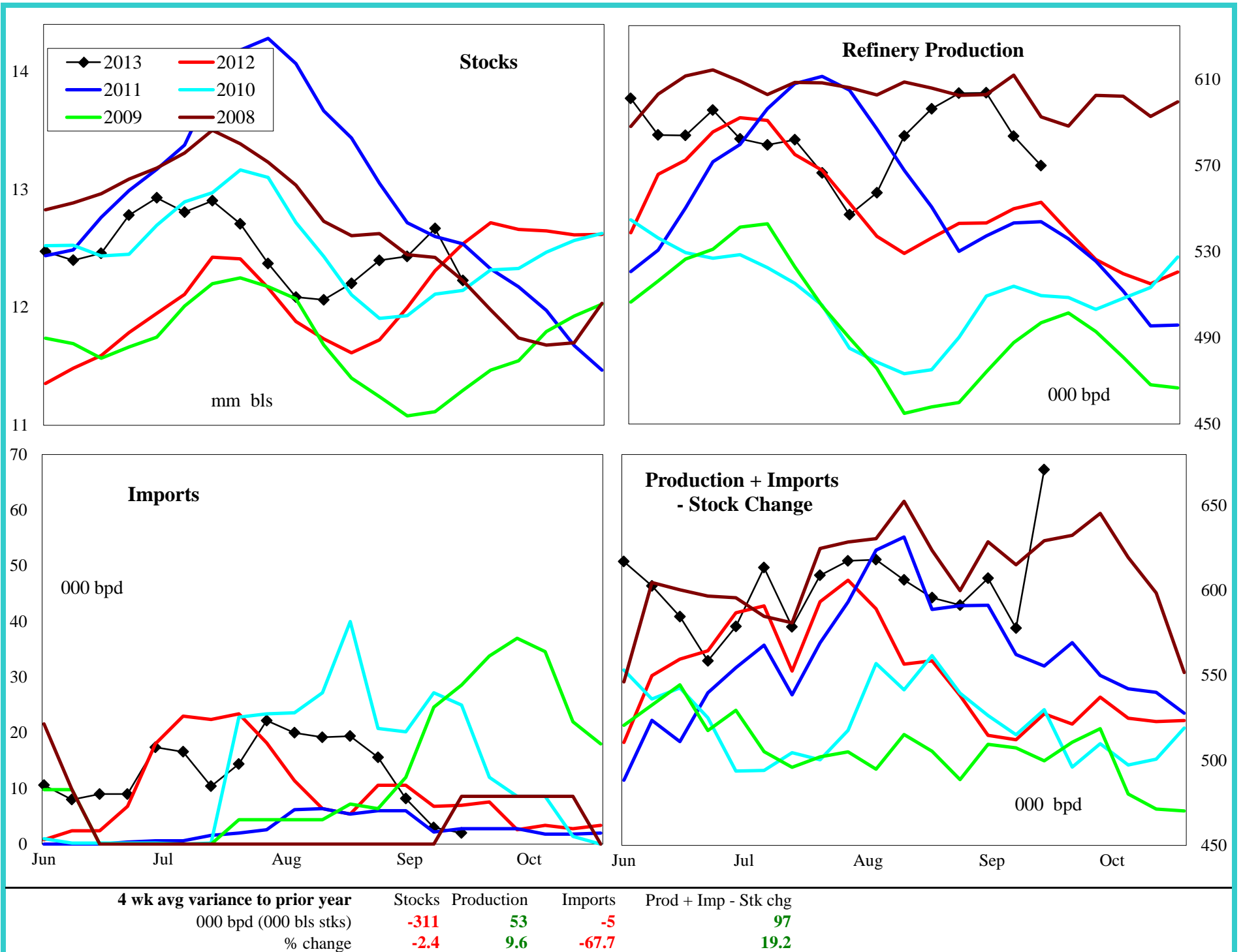
3.7

3.3

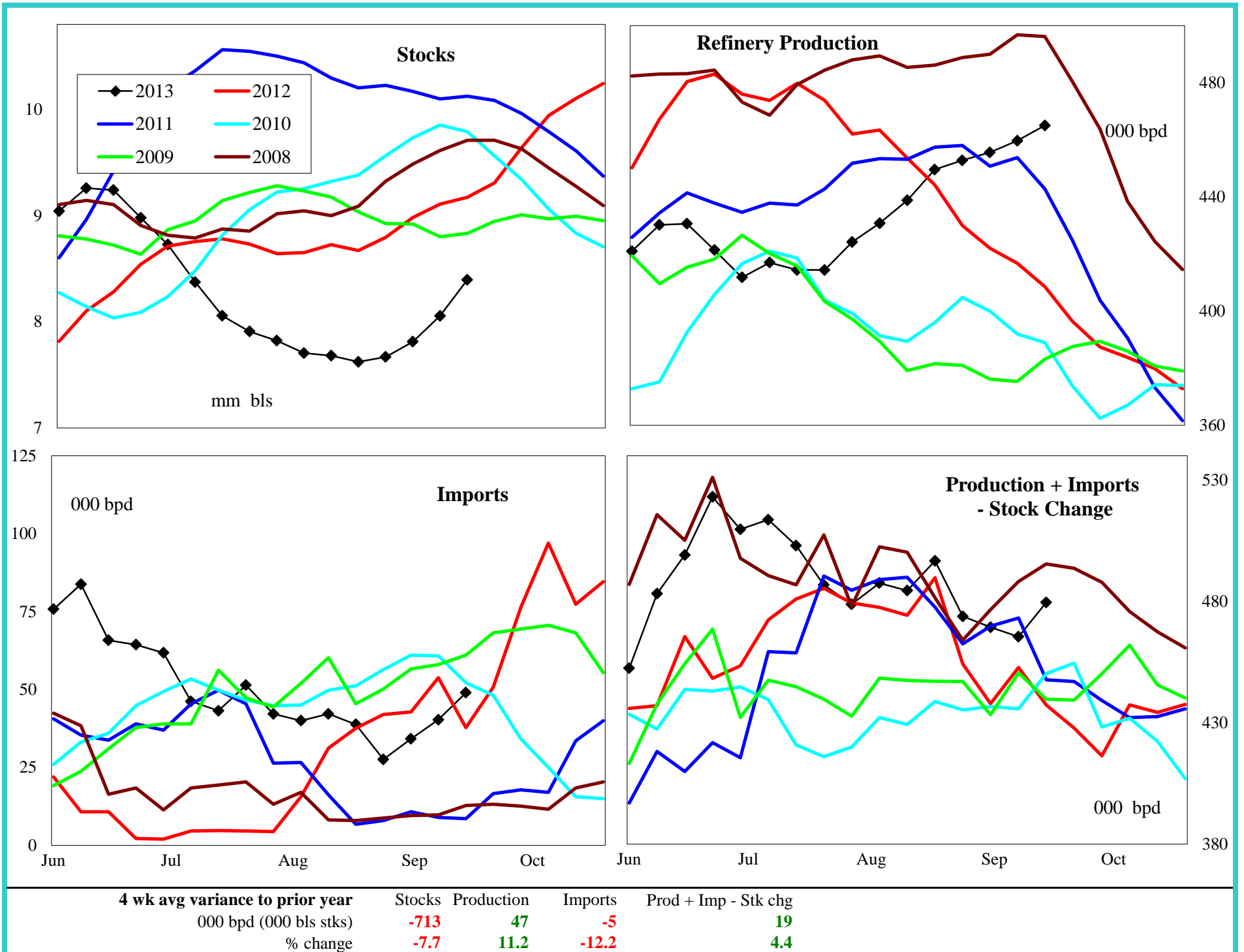
-65.0

-6.9

# PADD 5 Distillate Supply



# PADD 5 Jet Fuel Supply



# PADD 5 Residual Fuel Oil Supply

