



WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

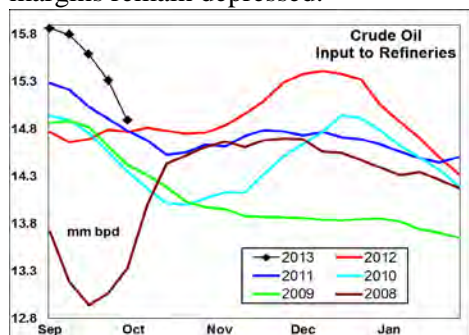
A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Wednesday, October 09, 2013



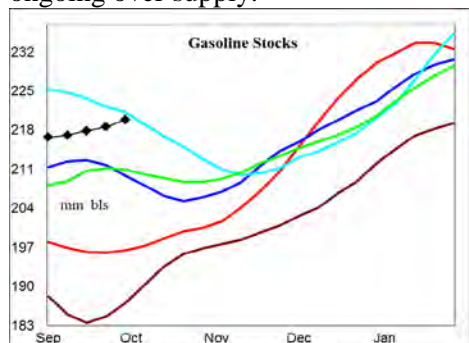
Major Fundamental Trends¹

Refinery crude oil runs continued to trend lower, declining -0.6 million bpd last week. The latest 4-wk average was +0.7 million bpd above a year ago. Runs in all regions except the Gulf have dropped below last year as maintenance increased and refinery margins remain depressed.



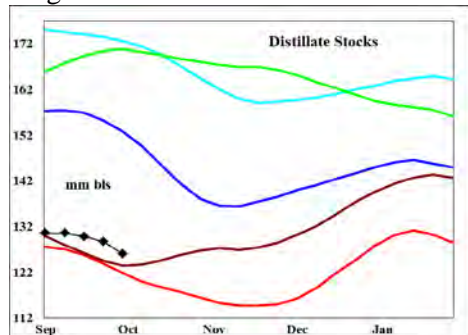
Crude oil stocks jumped +6.9 million barrels last week, as refiners expanded maintenance and imports continued at a higher level than the last several months. The Gulf region risk a significant over supply during the fall maintenance quarter.

Gasoline stock levels ended the week at a level that matched 5-yr highs; driven by extremely high stocks in the Gulf and East Coast regions. With stock levels in other regions ample, the gasoline market faces ongoing over supply.



Distillate exports have been extremely high during the summer quarter, limiting stock builds even with record high production. Strong demand in the Atlantic basin region, lower European distillate production and lack of the

need to purchase RINS credits undelies the surge in exports. Distillate stock levels ended the week +4% above last year and at the low end of the historic range.



Jet fuel stocks jumped +1.1 million barrels last week on a collapse in wholesale demand. Stocks remain unevenly distributed with record low levels in the Midwest and record highs on the East Coast.

Demand for jet fuel fell sharply last week, while gasoline rebounded from the prior week decline. Wholesale demand, measured over the last four weeks compared to a year ago: gasoline increased +1.8%; distillate was -0.1% lower; jet fuel was -1.4% lower, and residual decreased -52%.

Stocks forward coverage: Gasoline demand coverage was nearly unchanged on a +0.1 million barrel stock build and +0.3 million bpd increase in demand last week. Coverage ended the week at a level above the 5-yr range.

Distillate coverage decreased on a -3.1 million barrel stock draw. Coverage levels were slightly above last years' record low.

Jet fuel coverage surged on a +1.1 million barrel stock build and -0.3 million bpd drop in demand. Coverage levels were year ago levels.

Residual fuel oil coverage increased to a new record high on extremely low demand.

Refinery utilization rates fell last week on a -0.5 million bpd decrease in crude oil runs. During the latest 4-wk period crude oil input was +0.7 million bpd above a year ago.

Gasoline yield % on crude oil runs

surged +320,000 bpd increase in output compared to the -555,000 bpd decline in crude oil runs. Yield % on crude oil runs ended the week at a level near the 3-yr mid range.

Distillate yield % on crude oil runs declined last week, on a -268,000 bpd drop in output compared to the decrease in crude oil thru put. The yield % on crude oil runs remains above the 5-yr range.

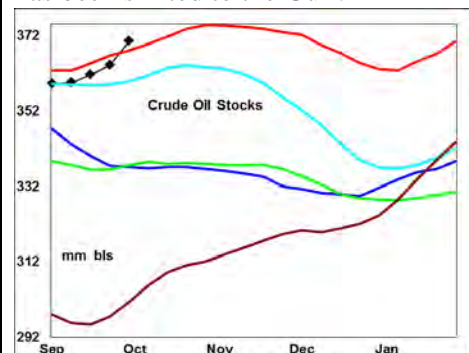
Jet fuel yield % on crude oil runs was increased on a -39,000 bpd decline in output, compared to the larger decrease in crude oil runs. The yield % level was below the last 2-yrs.

Petroleum Imports/Exports: Imports of crude oil declined -0.3 million bpd last week, while transport fuel imports were nearly unchanged.

During the latest 4-wk period crude oil *imports* were -0.5 million bpd below last year; distillate imports were +3,000 bpd higher; finished gasoline imports decreased -10,000 bpd, gasoline blend stock imports were +25,000 bpd higher; jet fuel imports decreased -6,000 bpd, while residual fuel oil imports were -83,000 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 +6.8 million barrels last week, with Gulf Region stocks now at 5-yr highs. The high level of stocks in the Cushing area has been shifted to the Gulf.



¹ Source is latest EIA Weekly Statistics



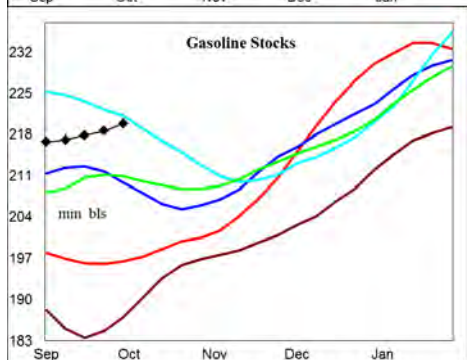
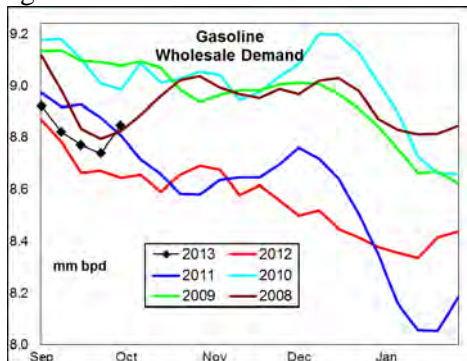
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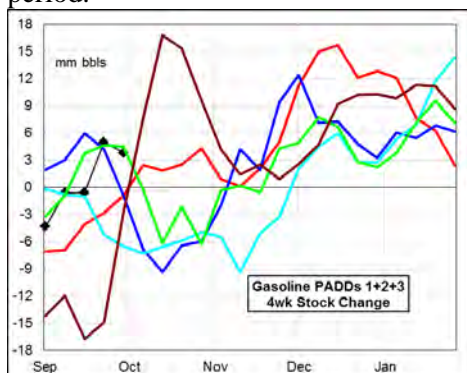
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Product Supply-Demand Trends

Gasoline wholesale demand jumped +319,000 bpd last week. The latest 4-wk average demand was +156,000 bpd above a year ago. Supply jumped +337,000 bpd on sharply higher production. Supply for the latest 4-wk period was +166,000 bpd above a year ago.



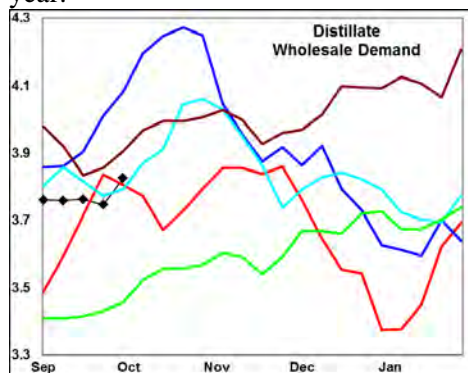
Stocks increased +0.1 million barrels last week, ending at a level that matched 5-yr highs. The latest 4-wk stock change in markets East of the Rockies was a +4.5 million barrel build, matching historic highs for the period.



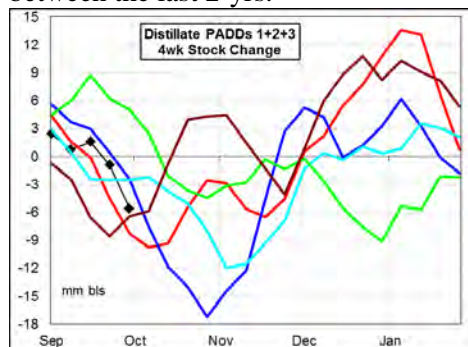
Stock levels are at 5-yr highs in the East and Gulf Coast regions with average levels in all other regions. A recent collapse in ethanol prices, switch to winter RVP grades, and

lower RINS values should drive maximum use of gas liquids and ethanol in blending for the fall quarter; extending the current over supplied market conditions.

Distillate wholesale demand was nearly unchanged last week, at a level comparable with the 3-yr mid range. The latest 4-wk average demand was -4,000 bpd below last year. Supply fell -214,000 bpd last week on lower production. The latest 4-wk average supply was +321,000 bpd above last year. Stocks fell -3.1 million barrels on the week, to a level +4% above last year.



The latest 4-wk stock change in markets East of the Rockies was a -5.6 million barrel draw, mid range between the last 2-yrs.



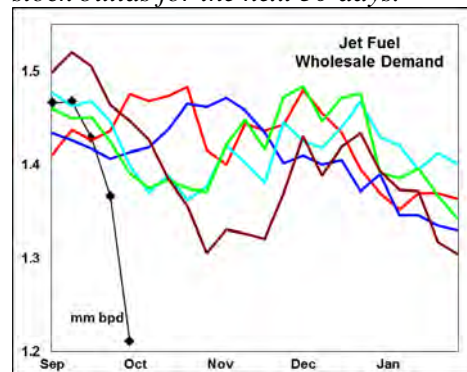
Look for lower production as refiners continue fall plant maintenance. Combined with a seasonal uptrend in demand and very robust exports, look for significant stock draws during the next 60-days.

Jet Fuel wholesale demand plunged -320,000 bpd on the week, to an exceptionally low level. The latest 4-wk average demand was -19,000 bpd

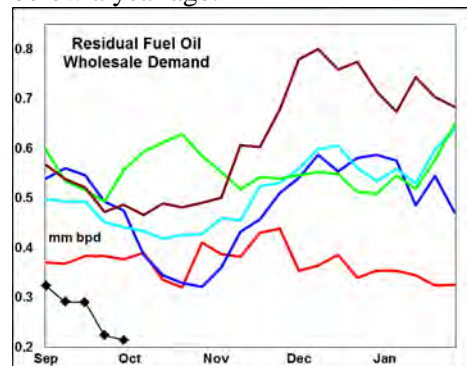
below last year.

Supplies declined -67,000 bpd on the week, driven by lower production and imports. Production was comparable to the last 2-yrs. Supply for the latest 4-wk period was +16,000 bpd above a year ago. Stocks increased +1.1 million barrels last week, with the level -3.3 million barrels below last year.

Look for a rebound in demand from the collapse last week, and an upturn in imports to drive continued stock builds for the next 30-days.



Residual fuel oil demand decreased -10,000 bpd last week. Demand for the latest 4-wk period was -188,000 bpd below a year ago.



Supply (production + imports) decreased -46,000 bpd on lower production. Production fell to a new record low level. Stock levels ended the week at a level that matched the last 2-yrs.

Stock levels in the Gulf region remain above the historic range, while the midwest and West Coast saw levels above the 3-yr average. Production and imports were each well below the 5-yr range.



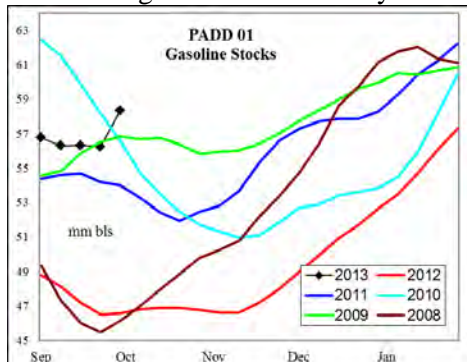
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PADD Supply Trends

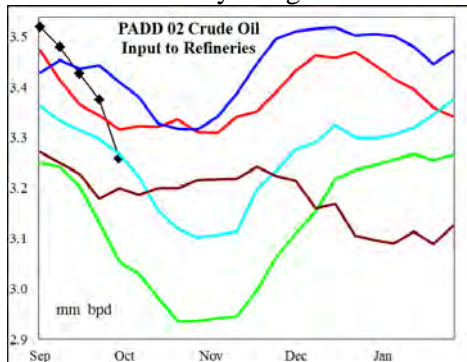
PADD 1 refinery crude oil runs fell -156,000 bpd last week; with the latest 4-wk average +10% above last year.



Gasoline supply was nearly unchanged on the week. Stocks climbed +2.4 million barrels on the week, to a level above the 5-yr range.

Distillate supply was nearly unchanged last week, with the 4-wk average +20,000 bpd above a year ago. Stocks fell -1.5 million barrels on the week, to a level that matched last year.

Jet fuel stocks decreased -0.2 million barrels last week, ending at a level above the 5-yr range.



PADD 2 crude oil refinery runs fell -122,000 bpd last week, with the latest 4-wk average +70,000 bpd above last year. Crude oil stocks increased +0.7 million barrels last week, including a -0.2 million barrel draw in Cushing. Stocks ended the week -26% below a year ago in Cushing.

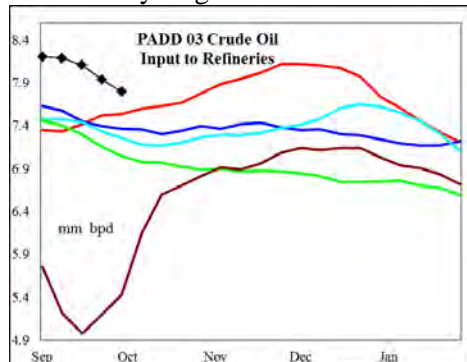
Gasoline production increased +75,000 bpd last week to a level below the 5-yr range. Stocks declined -0.8 million barrels on the week, to a level above the last 2-yr.

Distillate supply increased +29,000

bpd last week, to a level slightly above the 5-yr range. Stocks decreased -1 million barrels to a level above the last 2-yr.

Jet fuel production increased +33,000 bpd with the level near the 3-yr mid range. Stock levels ended the week -29% below a year ago and a record low level.

PADD 3 refinery runs decreased -168,000 bpd last week as fall maintenance increased. During the latest 4-wk period, average runs were +0.5 million bpd above a year ago. Crude oil stocks increased +4.9 million barrels last week, to a level that matched 5-yr highs.



Gasoline supply increased +55,000 bpd on the week, with the latest 4-wk average +139,000 bpd above a year ago. Stocks ended the week +13% above last year and a record high for this time of year.

Distillate supply fell -127,000 bpd on the week, with the latest 4-wk average supply +237,000 bpd above last year. Stocks decreased -0.5 million barrels last week, to a level +7% above a year ago.

Jet fuel production declined -57,000 bpd on the week, to a level below the last 2-yr. Stocks increased +0.7 million barrels, to a level -14% below last year, near 5-yr lows.

Residual fuel supply fell -149,000 bpd, while stocks were nearly unchanged at a record high level for the period.

PADD 4 refinery crude runs decreased -44,000 bpd on the week, to a level below the 5-yr range. Crude oil stock levels were +9% above the previous

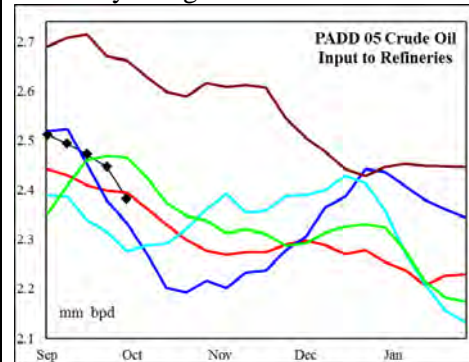
record high.

Gasoline production decreased -20,000 bpd on the week, with the level below the historic mid range. Stocks increased +0.2 million barrels on the week, to a level above that matched the 5-yr mid range.

Distillate production decreased -7,000 bpd on the week, to a level below the historic range. Stock levels were +11% above the previous record high.

Jet fuel production and stock levels last week were each comparable to the the prior 3-yr.

PADD 5 crude oil refinery runs decreased -64,000 bpd on the week to a level above the 3-yr mid range. The latest 4-wk run rate was +57,000 bpd above a year ago.




Gasoline supply decreased -51,000 bpd on the week with production still above the 5-yr range. The latest 4-wk average supply was +44,000 bpd above a year ago. Stocks fell -0.7 million barrels on the week, to a level below the 3-yr mid range.

Distillate supply fell -117,000 bpd, to a level above the last 3-yr. The latest 4-wk average supply was +38,000 bpd above last year. Stocks declined -0.3 million barrels to a level matching lows of the last 3-yr.

Jet fuel supply declined -21,000 bpd last week, to a level above the last 3-yr. Stocks increased +0.5 million barrels on the week to a level -3% below a year ago, and a 6-month high.

Residual fuel oil production fell to a record low for the week. Stock levels remain near the 3-yr mid range.



FUNDAMENTAL

PETROLEUM TRENDS

PETROLEUM: Graph Link and Weekly Summary

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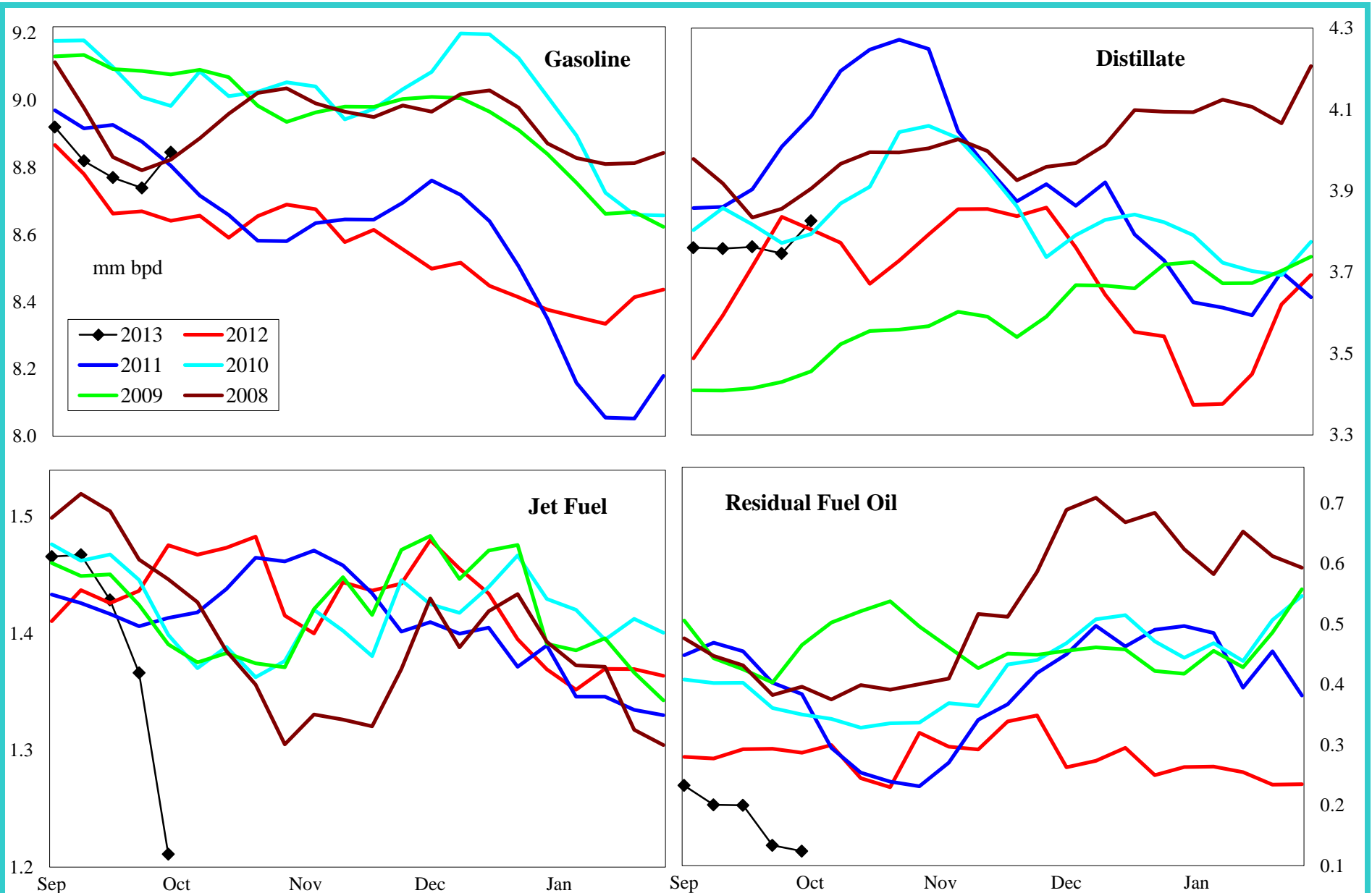
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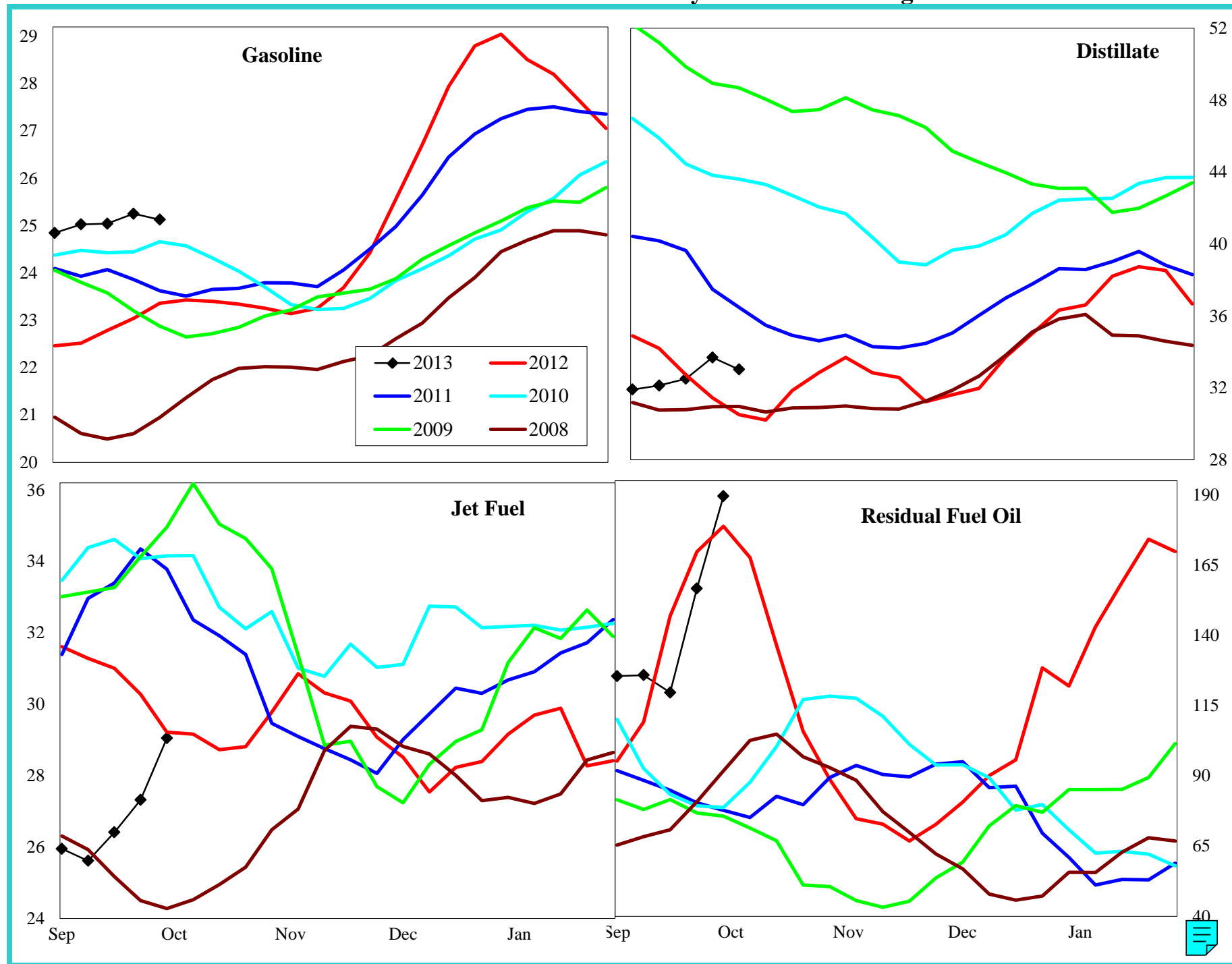
Fundamental Trends	Wholesale Demand	Stocks Days Fwd Coverage	Refinery Utilization		Product Yield %		Imports
Supply/Demand Trends	4-Oct-13	EIA-DOE CHANGE FROM PRIOR WEEK					
	000 bpd stocks 000 bls	U. S. Total	PADD				
			1	2	3	4	5
Crude Oil	Stocks	6,807	456	703	4,886	-411	1,174
	Imports	-320	-396	-31	159	11	-63
	Input	-555	-156	-122	-168	-44	-64
	% Utilization	-3.00					
Gasoline	Stocks	149	2,396	-835	-939	209	-682
	Production	320	-34	75	80	-20	-57
	Imports	17	37	-2	-25	-1	6
	Supplied	319					
Distillate	Stocks	-3,141	-1,513	-1,030	-468	149	-281
	Production	-268	-70	32	-127	-7	-97
	Imports	54	77	-3	0	0	-20
	Supplied	-5					
Jet Fuel	Stocks	1,067	-176	18	725	-30	530
	Production	-39	-9	33	-57	-5	-1
	Imports	-28	-8	0	0	0	-20
	Supplied	-320					
Residual Fuel Oil	Stocks	136	144	102	-119	-4	13
	Production	-98	-12	10	-81	-2	-13
	Imports	52	75	4	-68	1	40
	Supplied	-10					

United States Wholesale Petroleum Demand

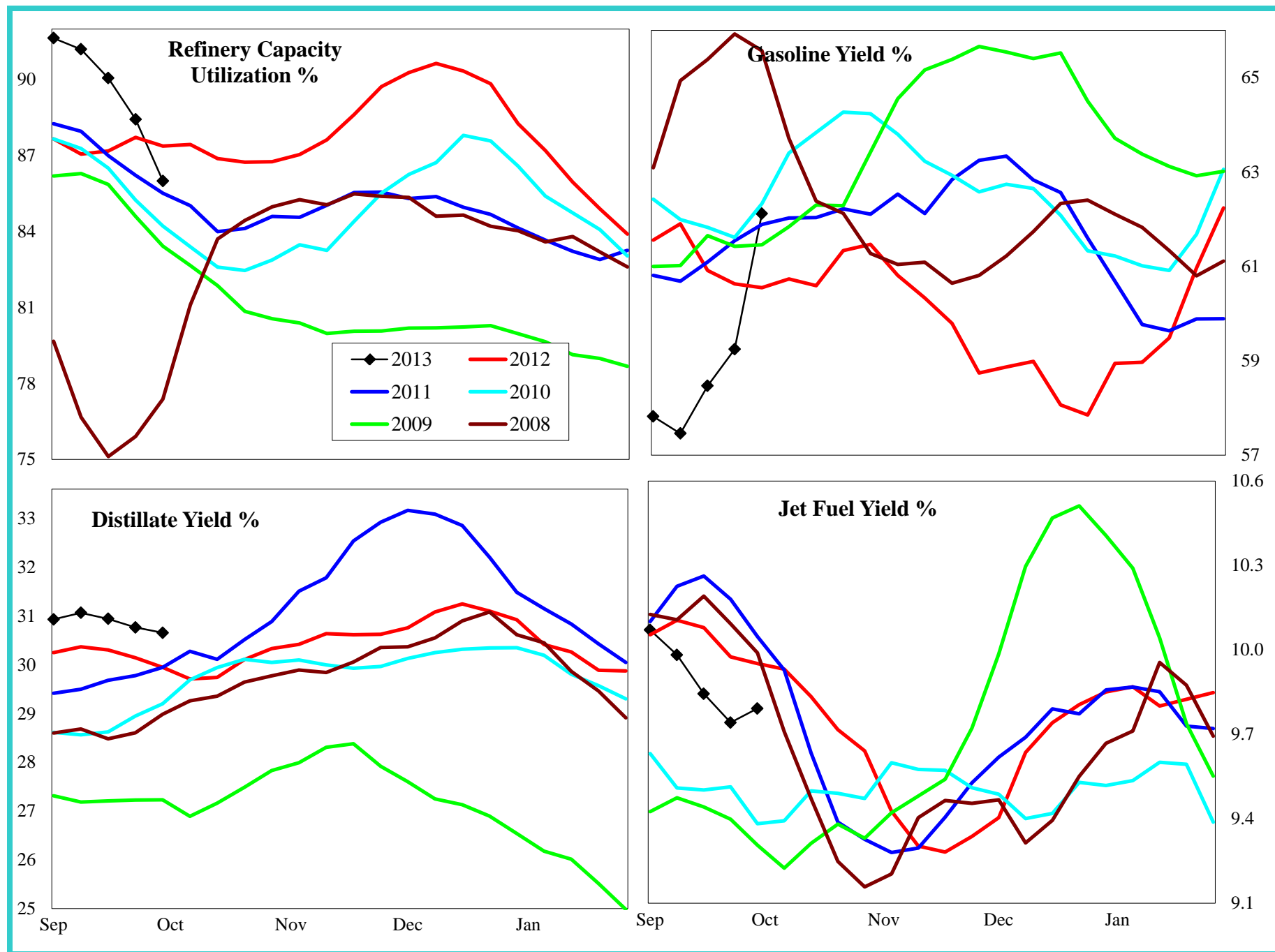


	000 bpd change from prior year				% change from prior year			
	4wk avg	Aug	Jul	Jun	4wk avg	Aug	Jul	Jun
Gasoline	156	-6	207	-70	1.8	-0.1	2.3	-0.8
Distillate	-4	-23	442	-62	-0.1	-0.6	12.4	-1.7
Jet Fuel	-19	80	68	-114	-1.4	5.4	4.6	-7.4
Resid	-188	-85	-147	-69	-51.5	-24.1	-35.2	-18.5

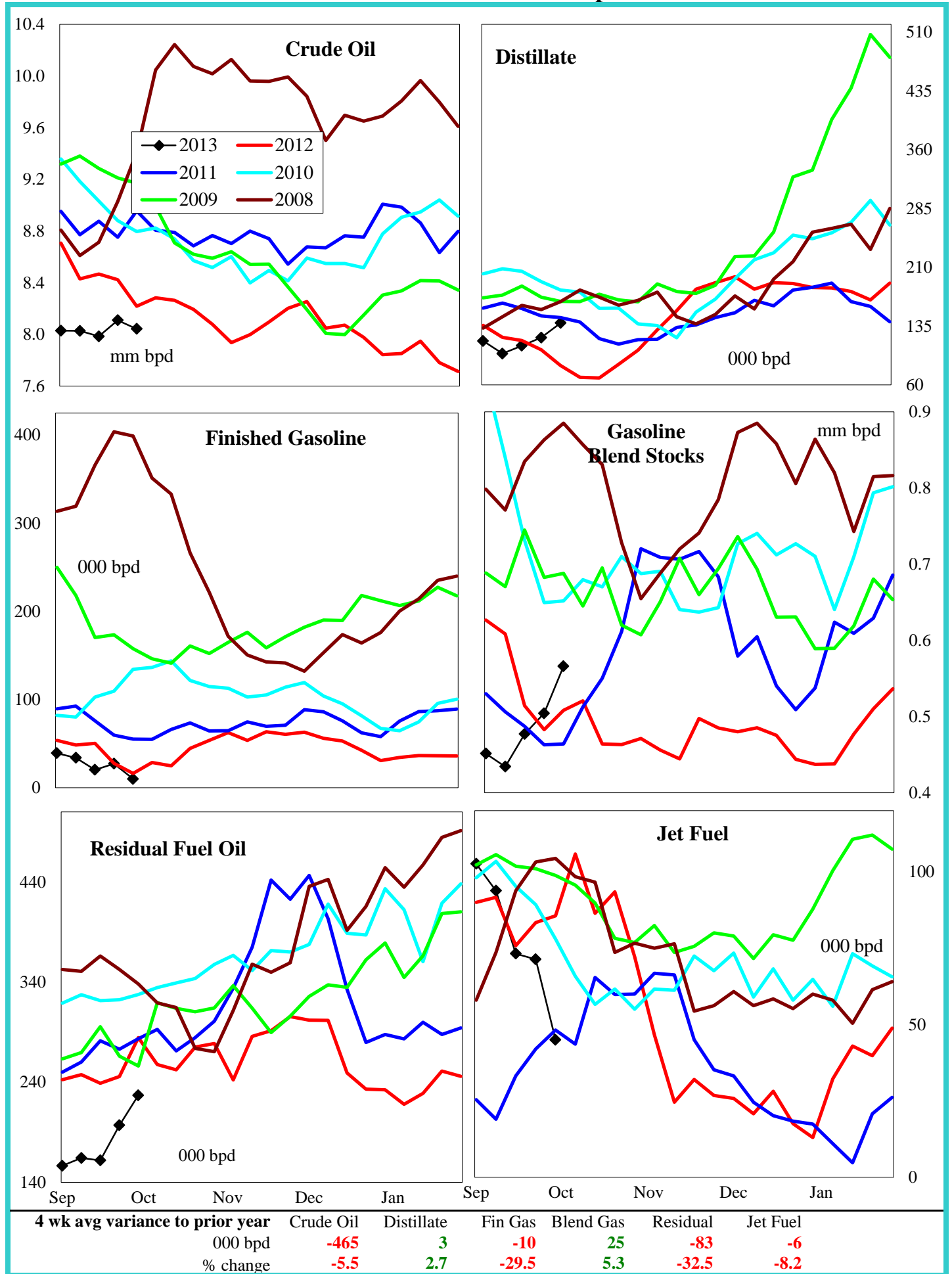


United States Product Stocks: Days Forward Coverage

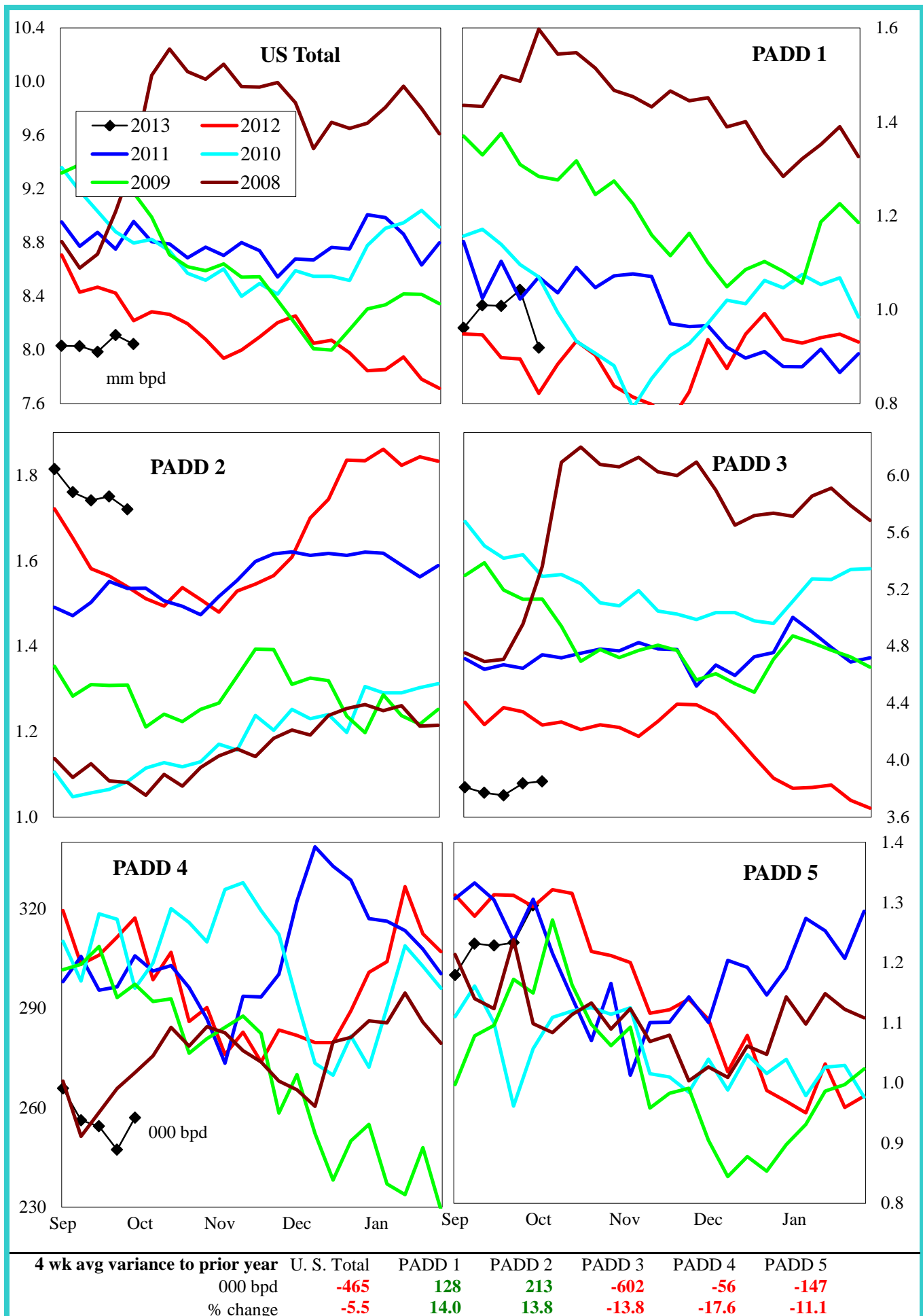
United States Refinery Percent Utilization Rate and Product Yields



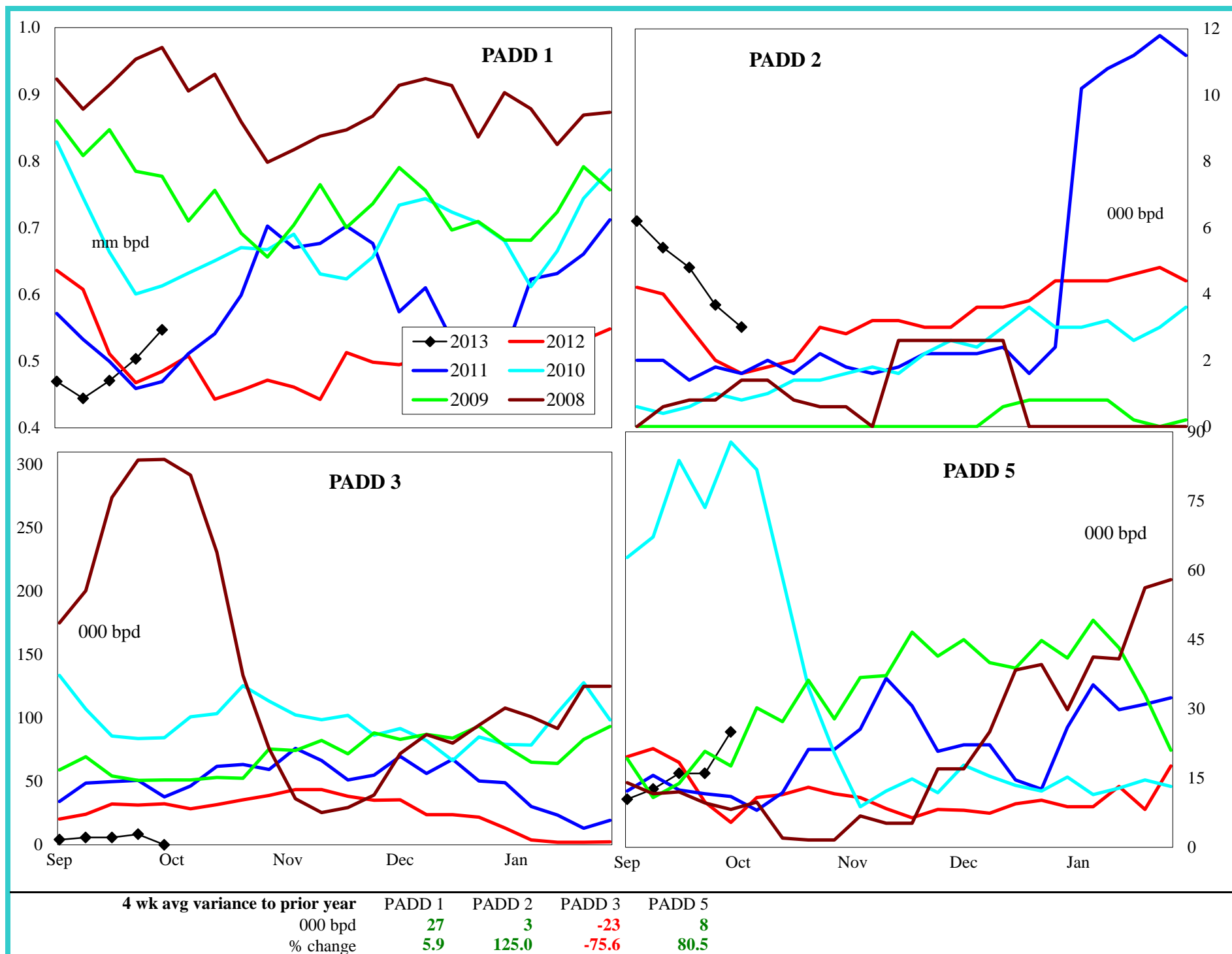
United States Petroleum Imports



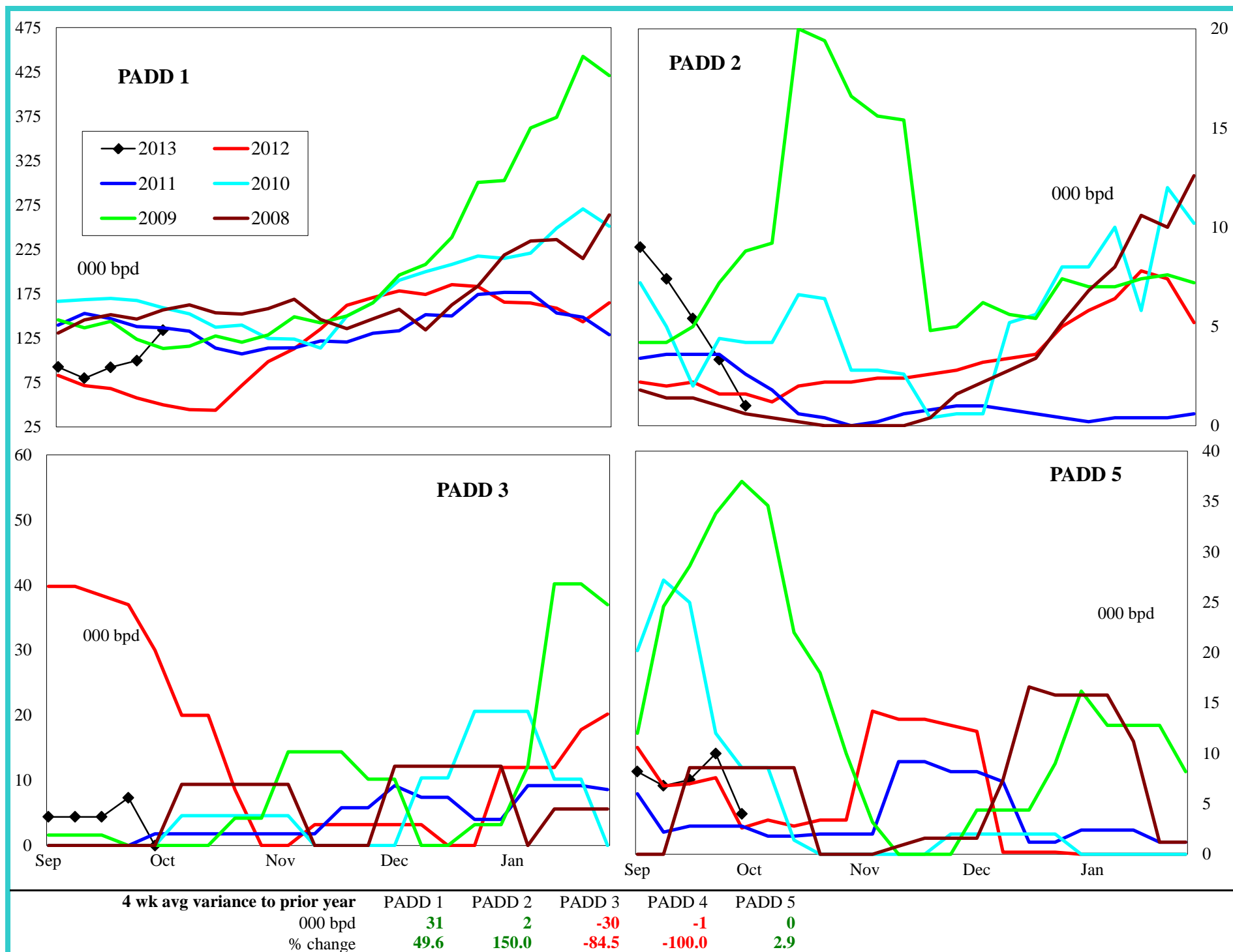
Crude Oil Imports by PADD



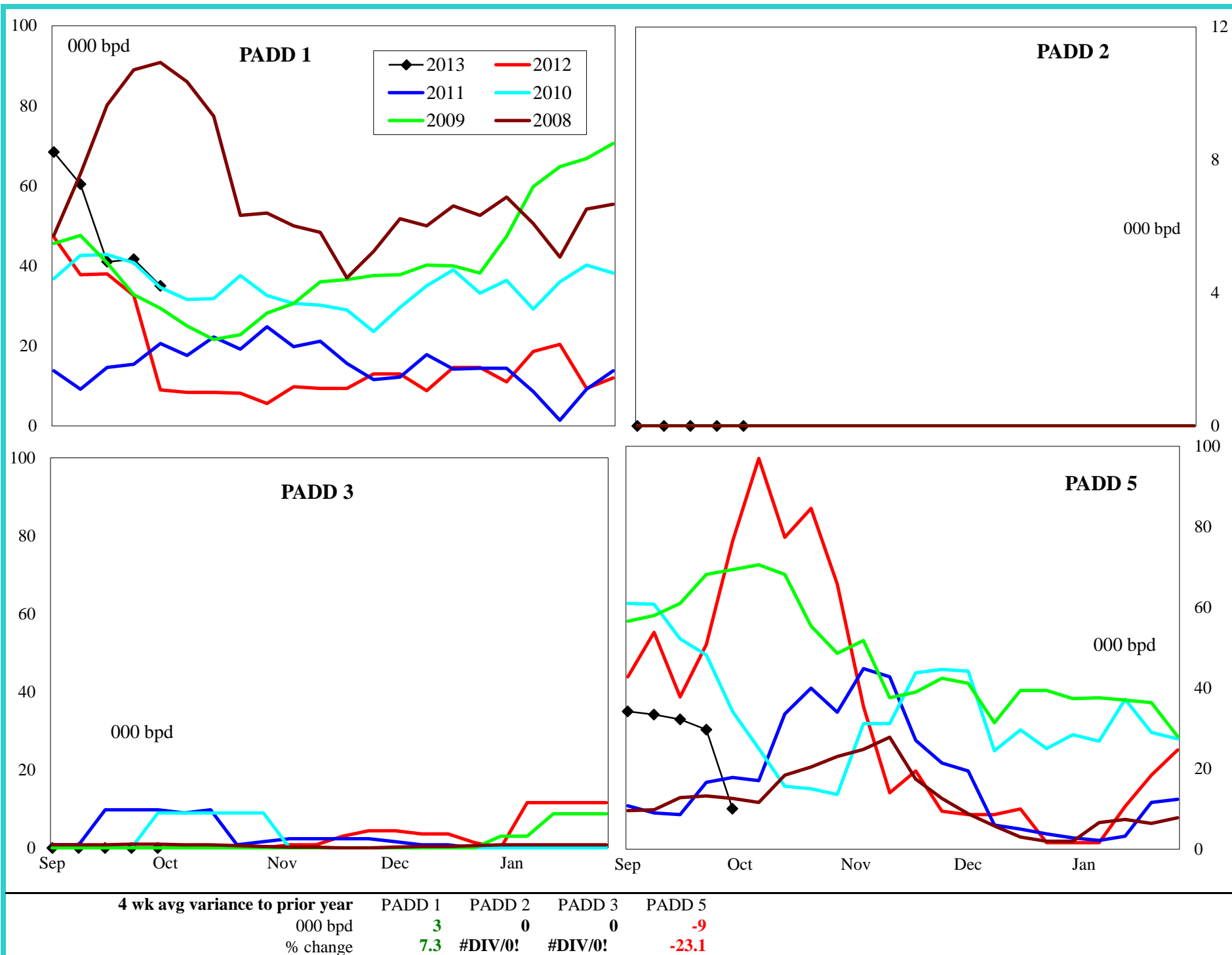
Gasoline Imports by PADD (Finished + Blend Stocks)



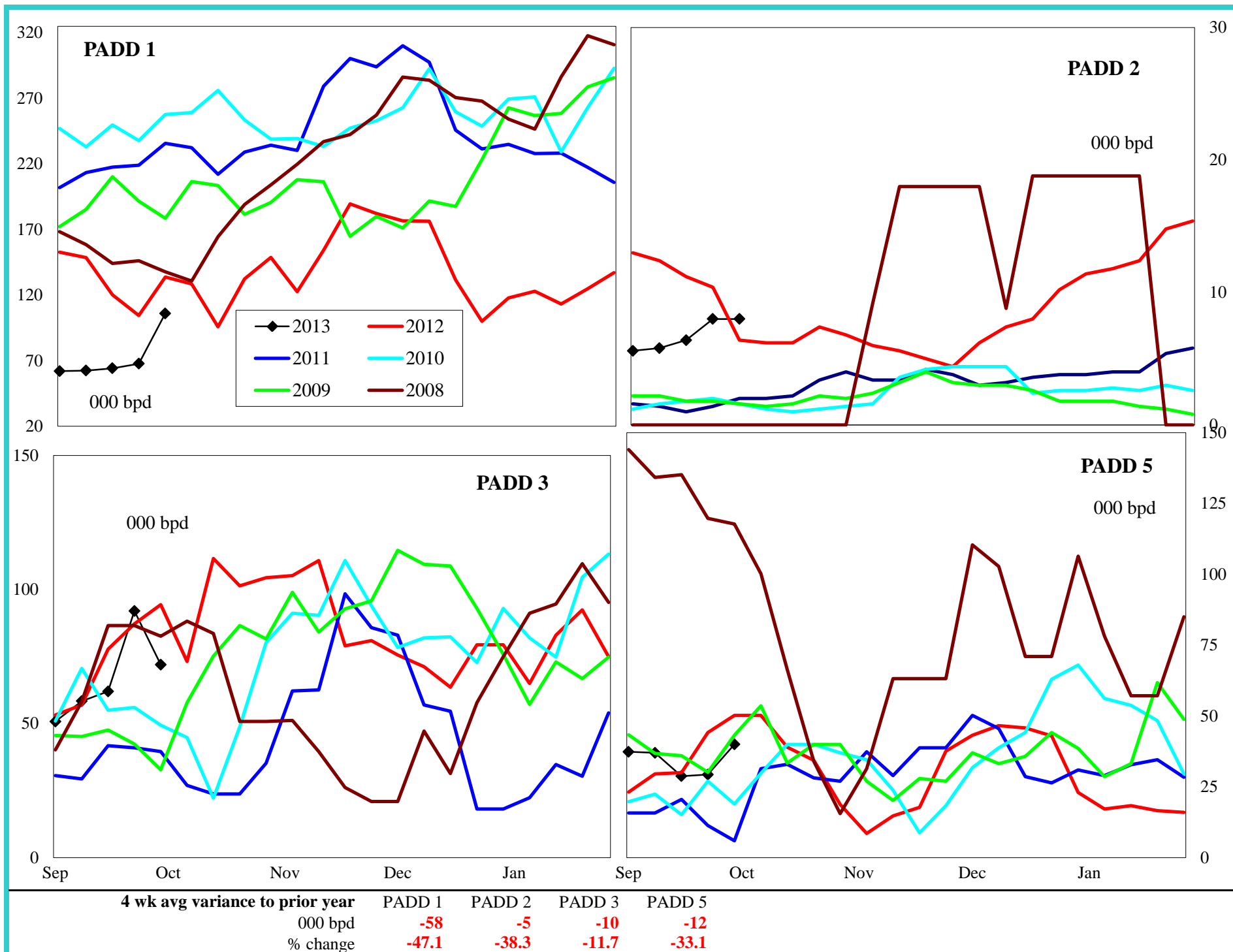
Distillate Imports by PADD



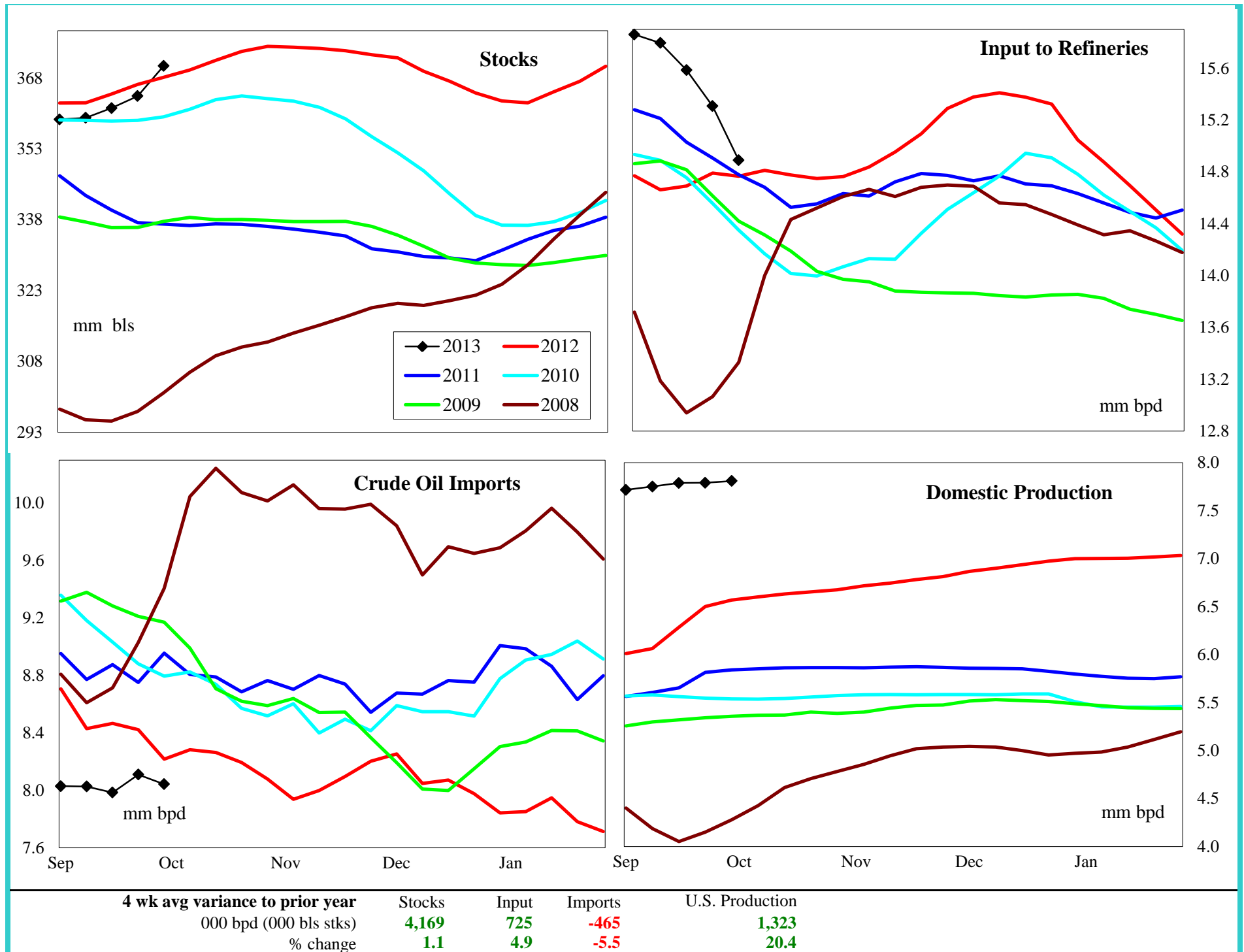
Jet Fuel Imports by PADD



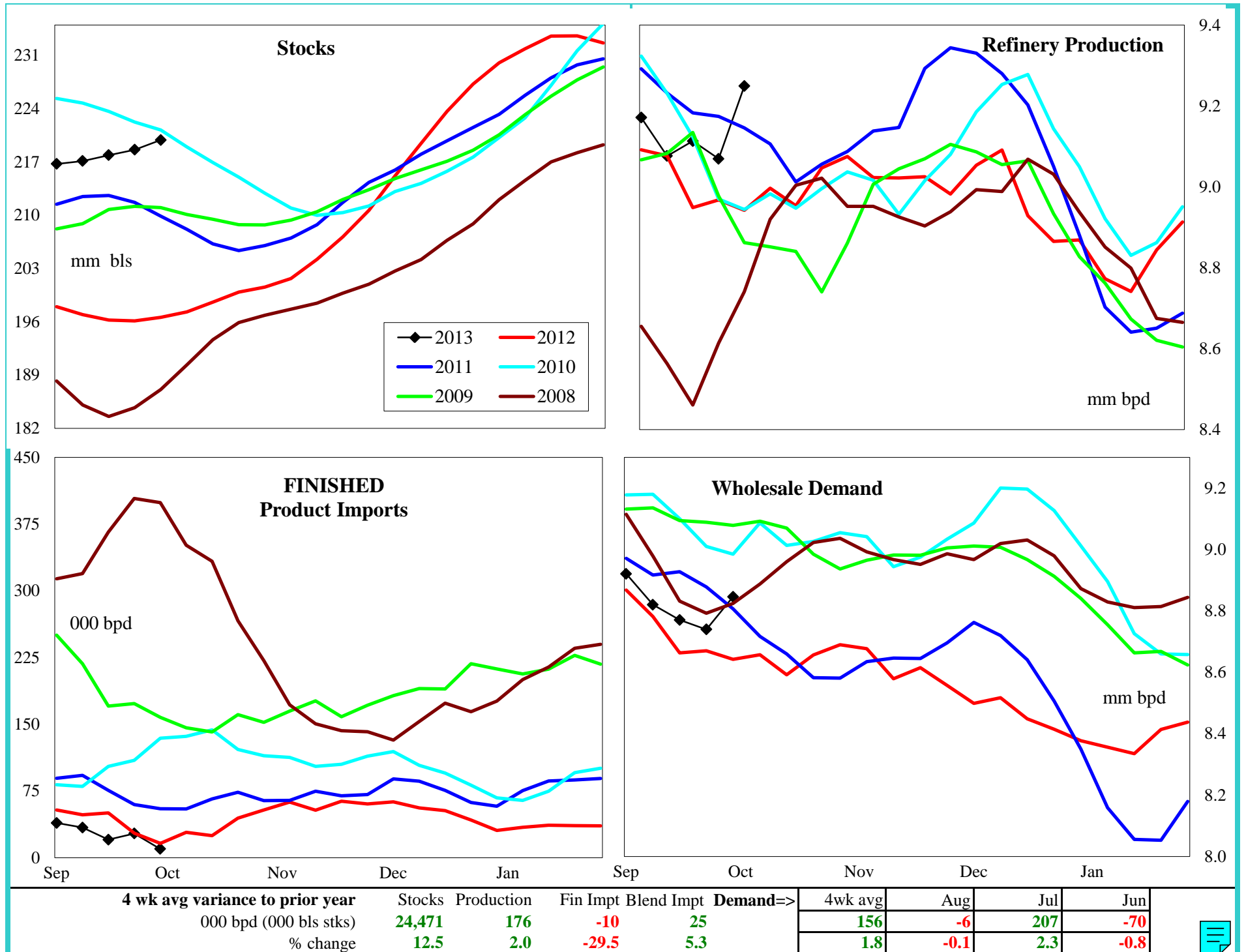
Residual Fuel Oil Imports by PADD



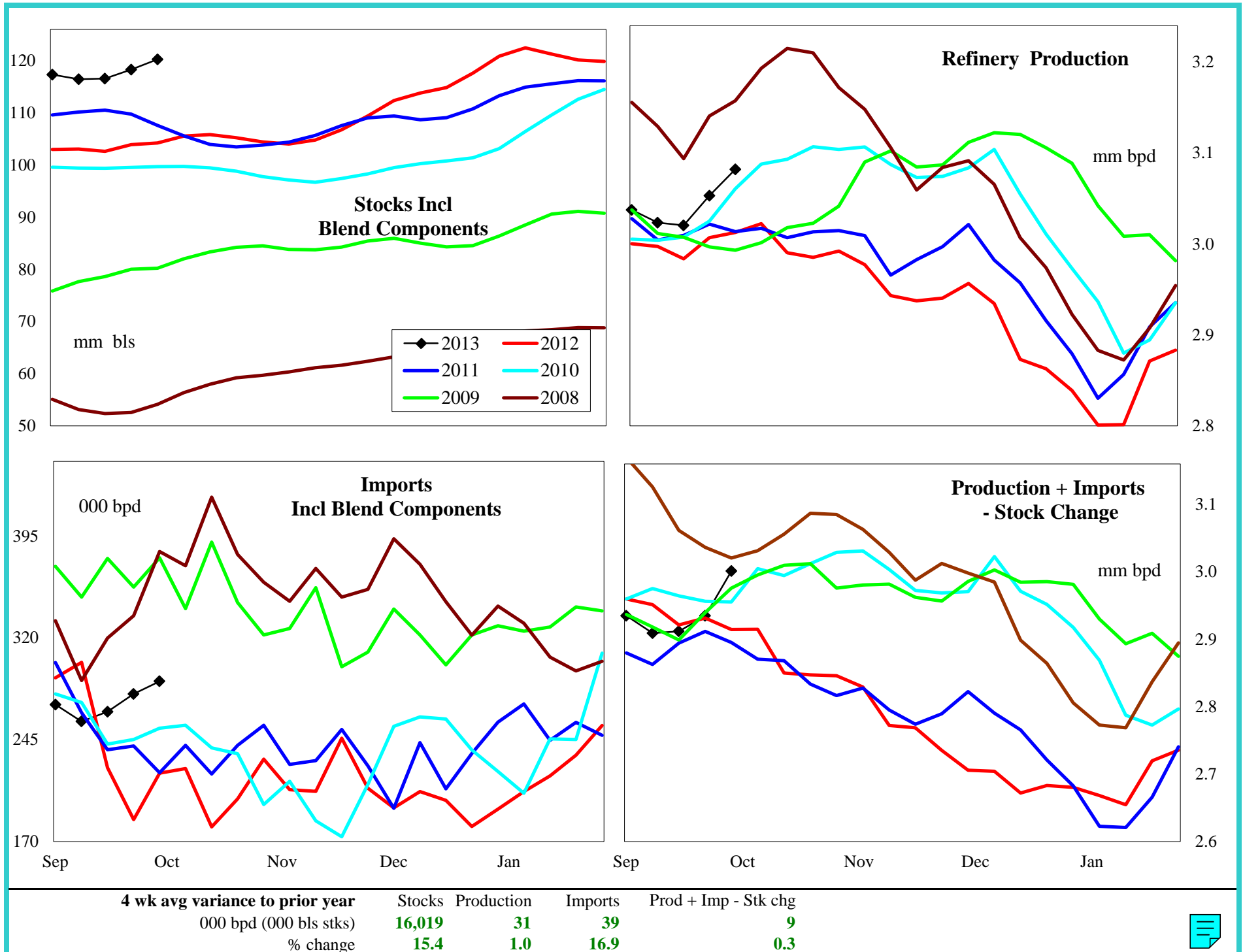
United States Crude Oil Supply and Demand Balance



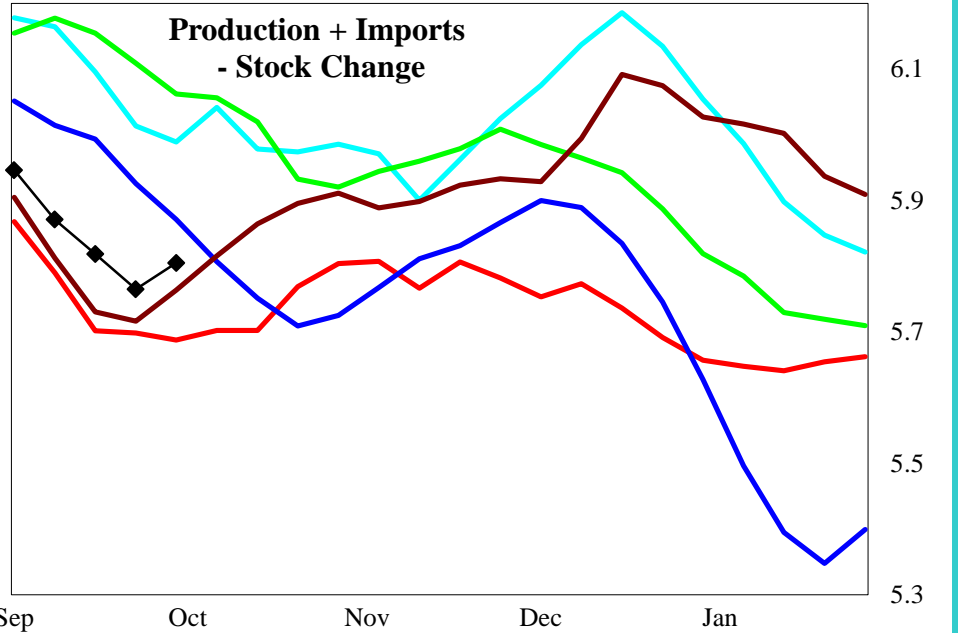
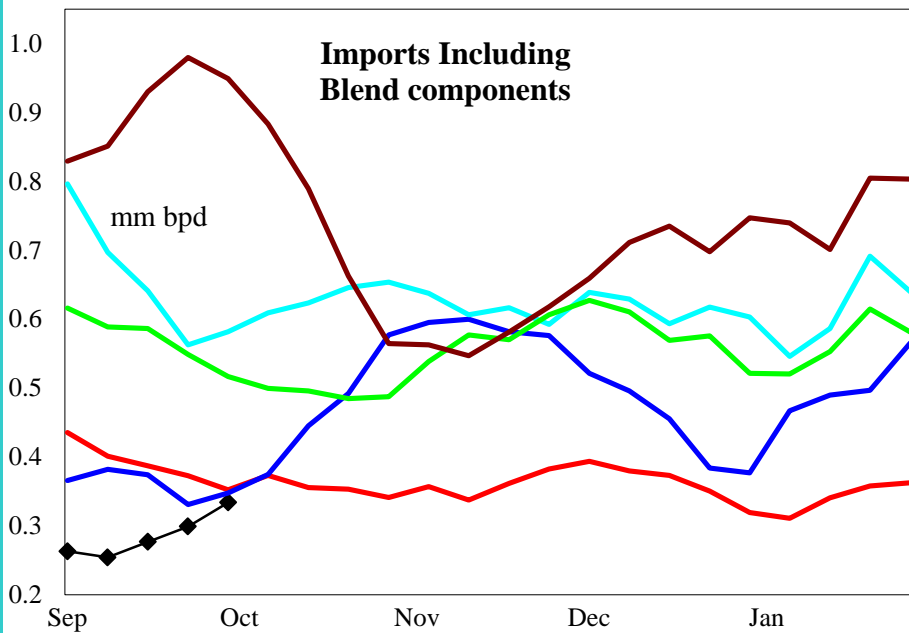
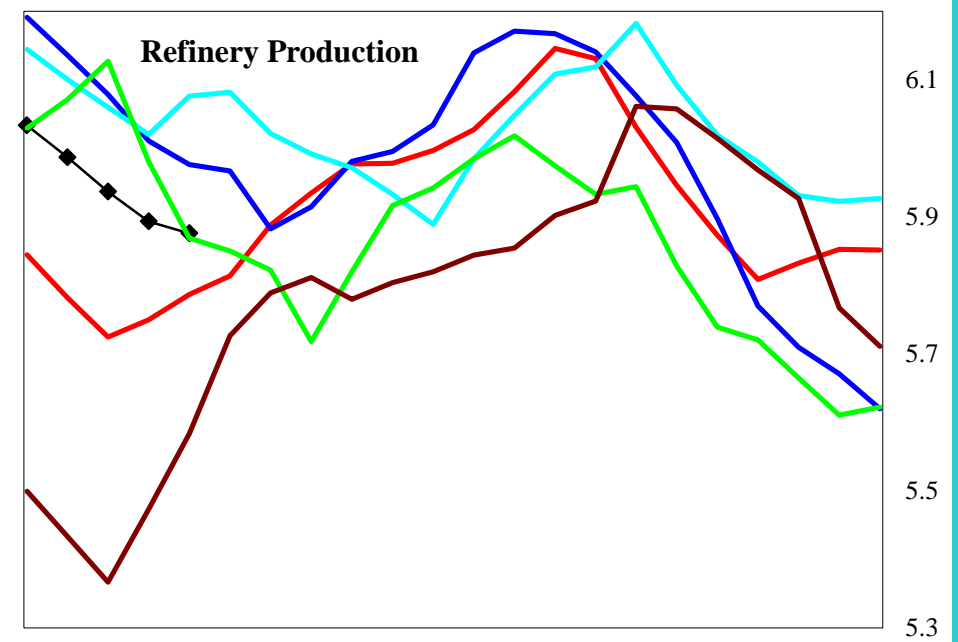
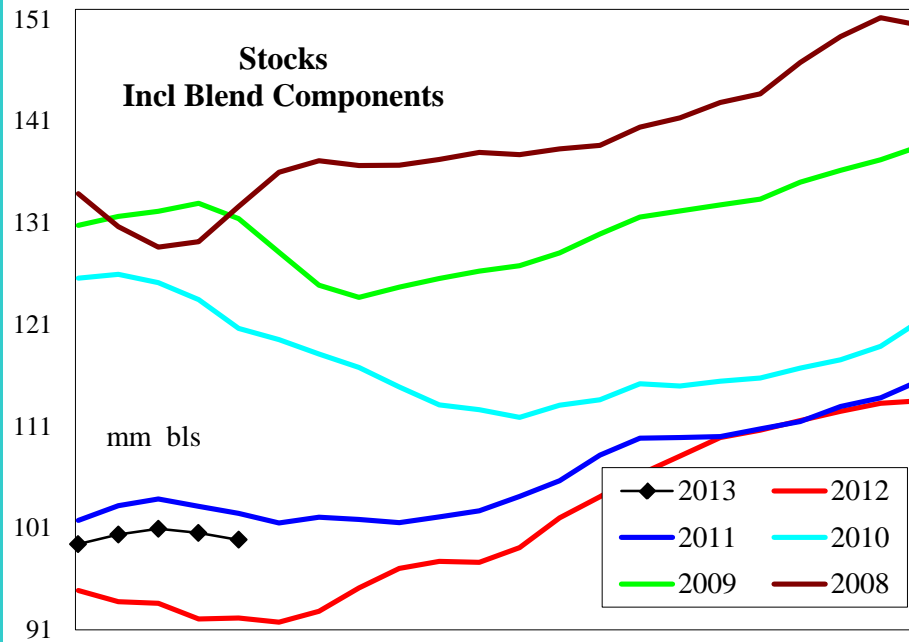
United States Gasoline Supply and Demand Balance



United States Reformulated Gasoline Supply



United States Conventional Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

7,674

8.3

Production

179

3.1

Imports

-87

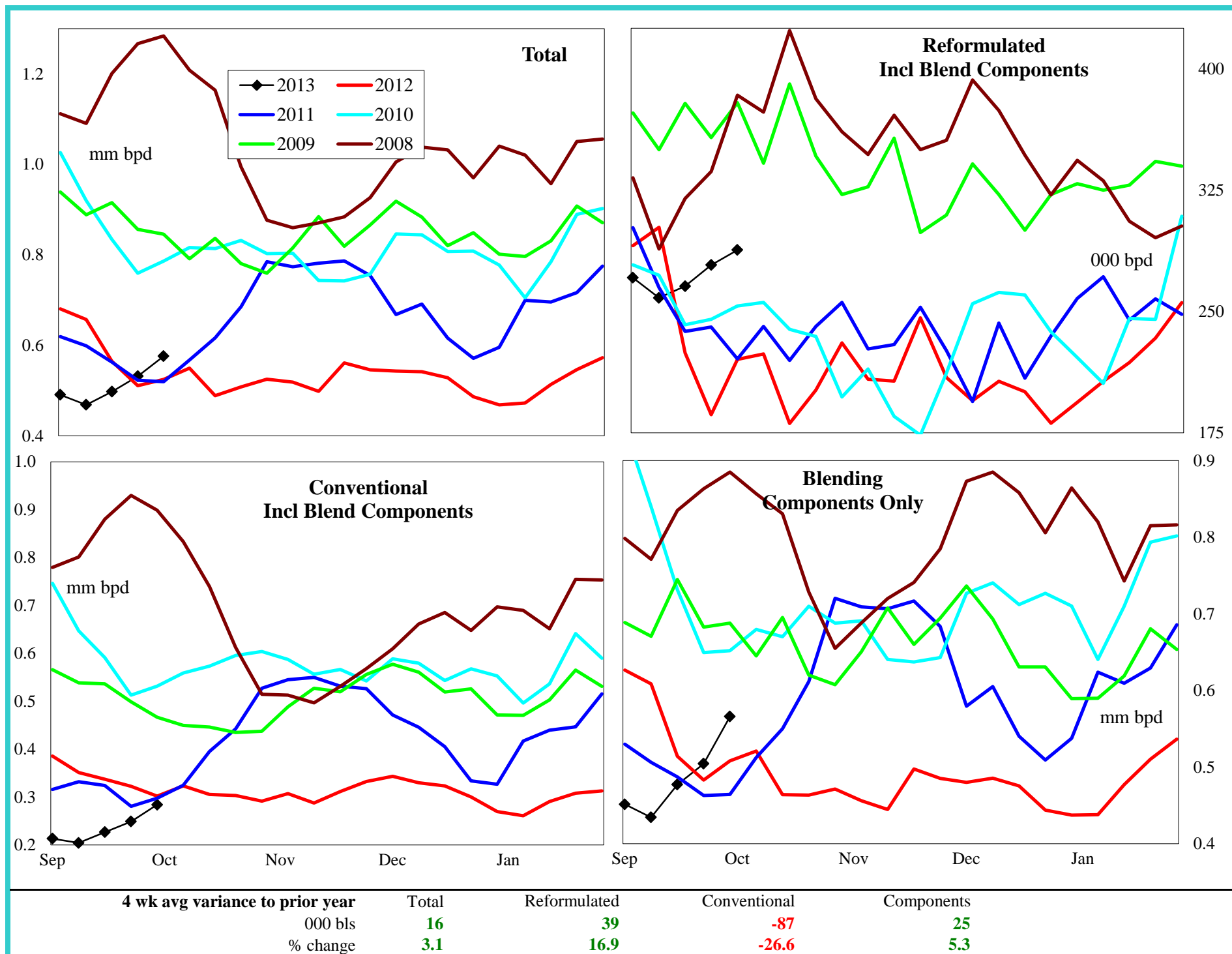
-26.6

Prod + Imp - Stk chg

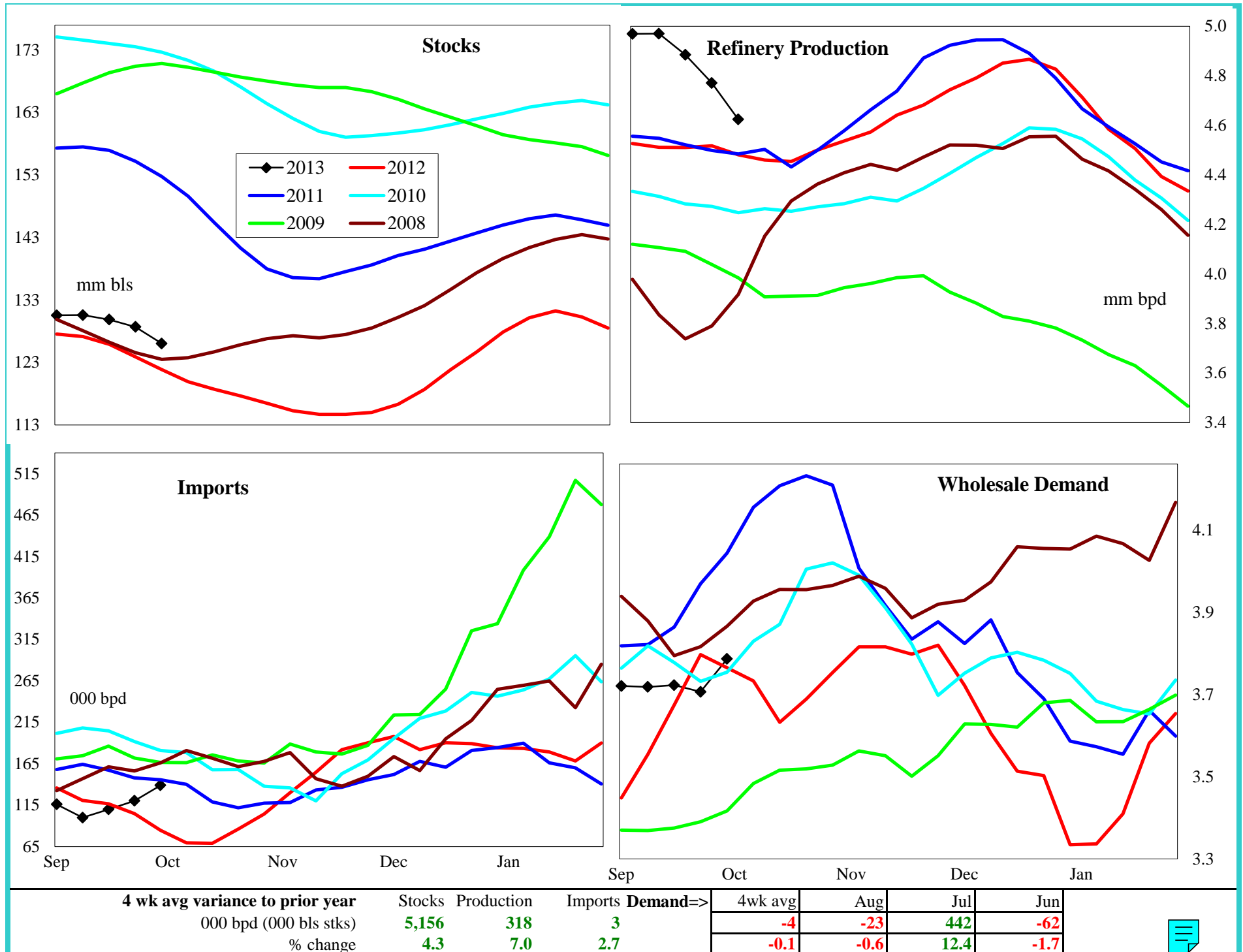
95

1.7

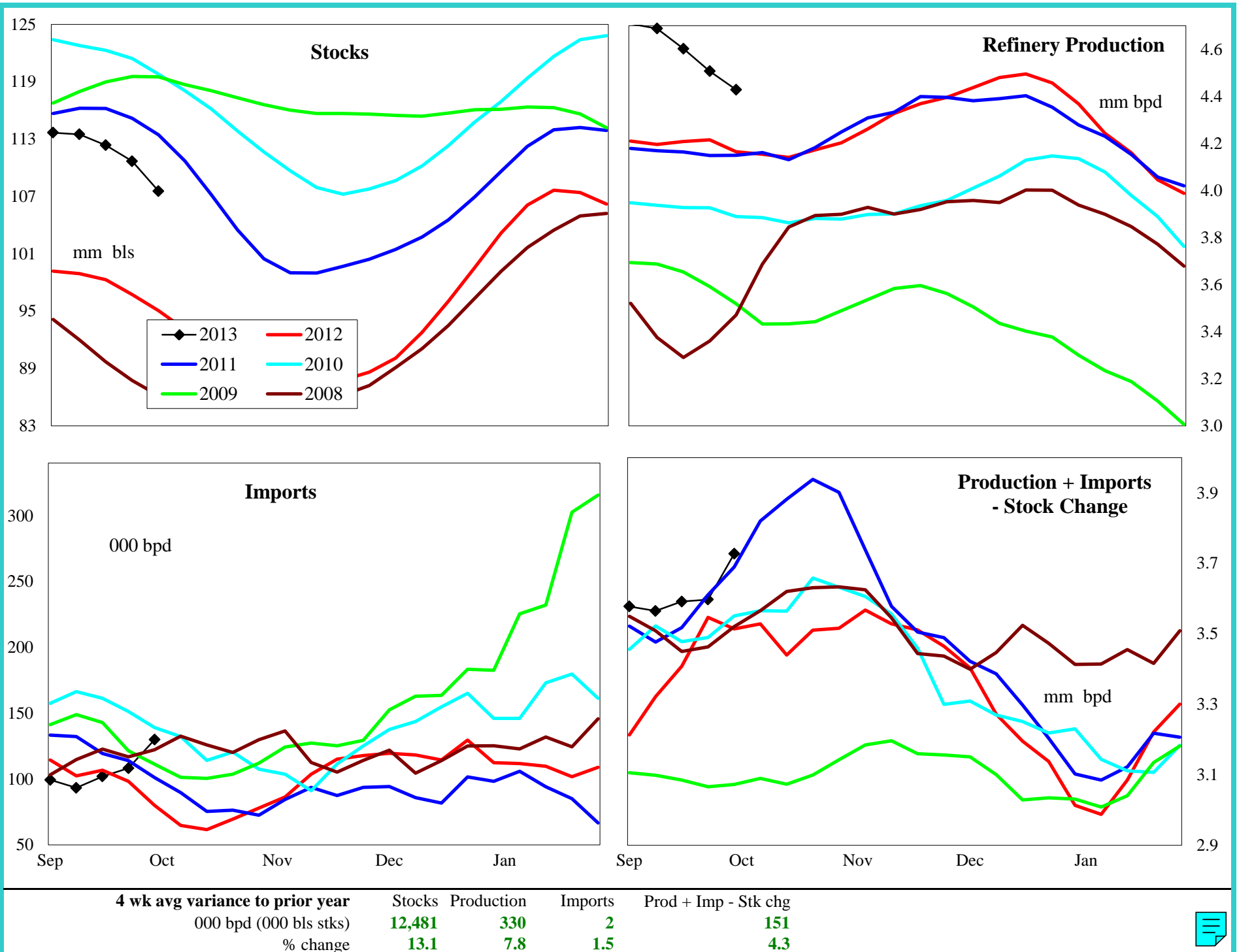
United States Gasoline Imports by Type



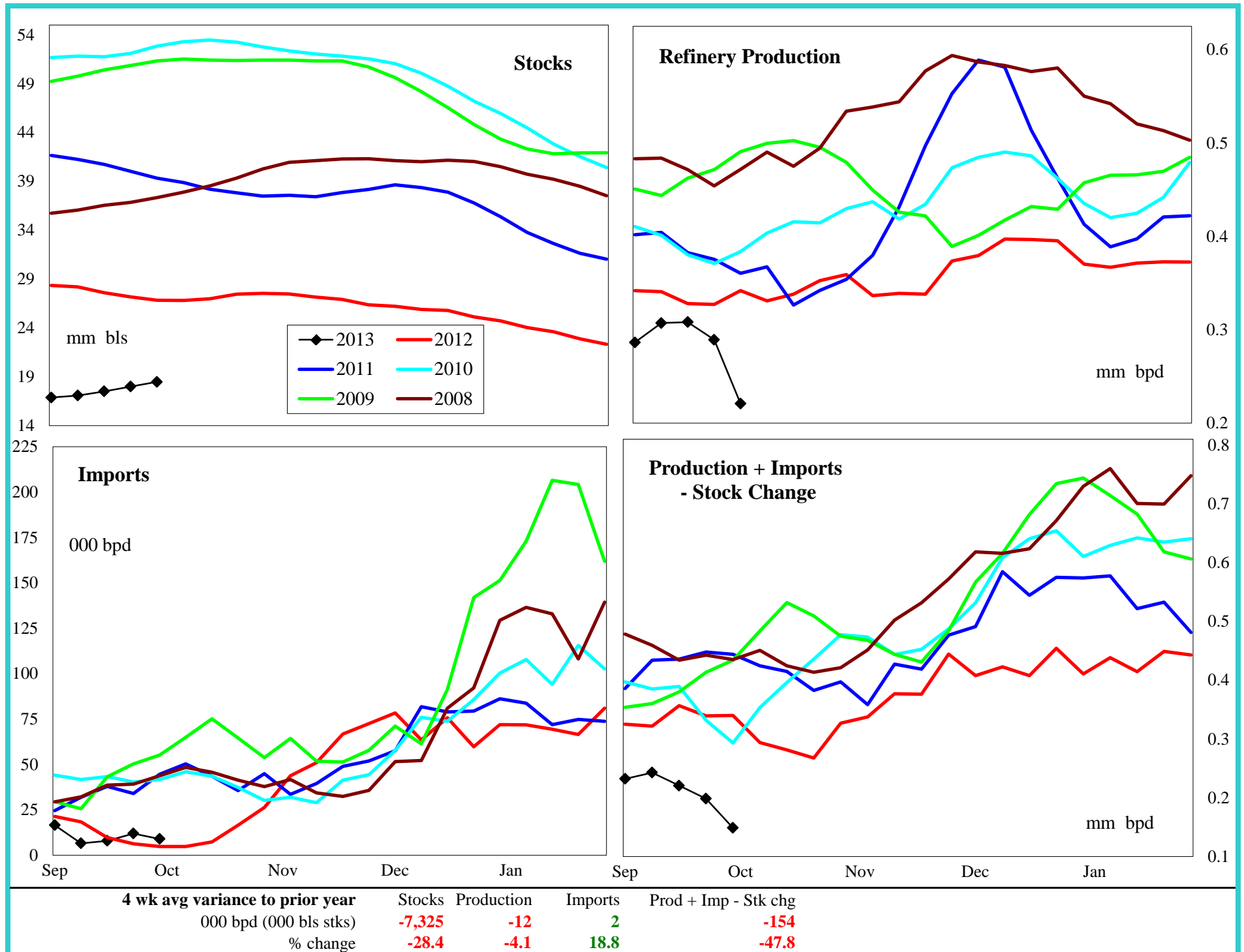
United States Distillate Supply and Demand Balance



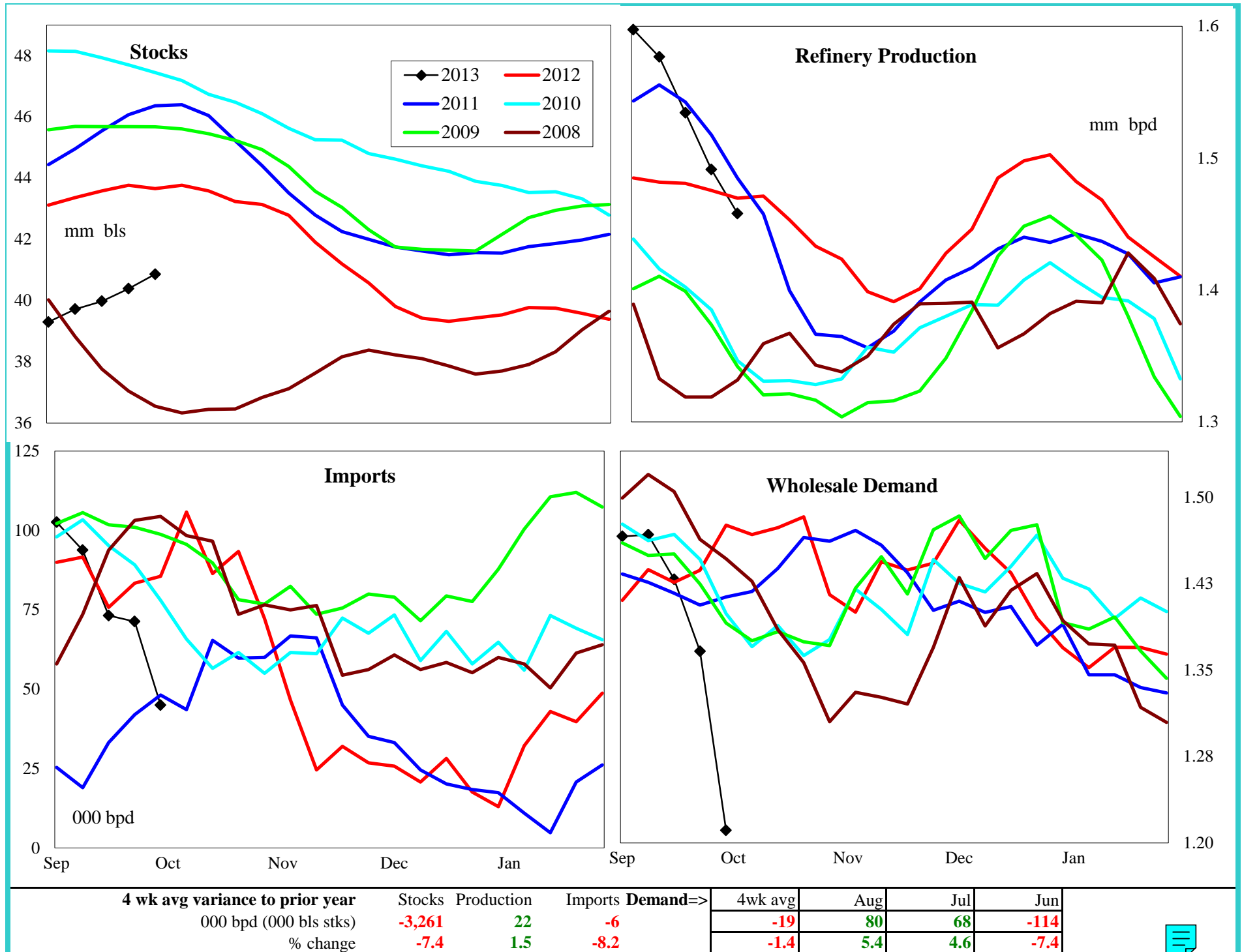
United States Low Sulfur Distillate Supply



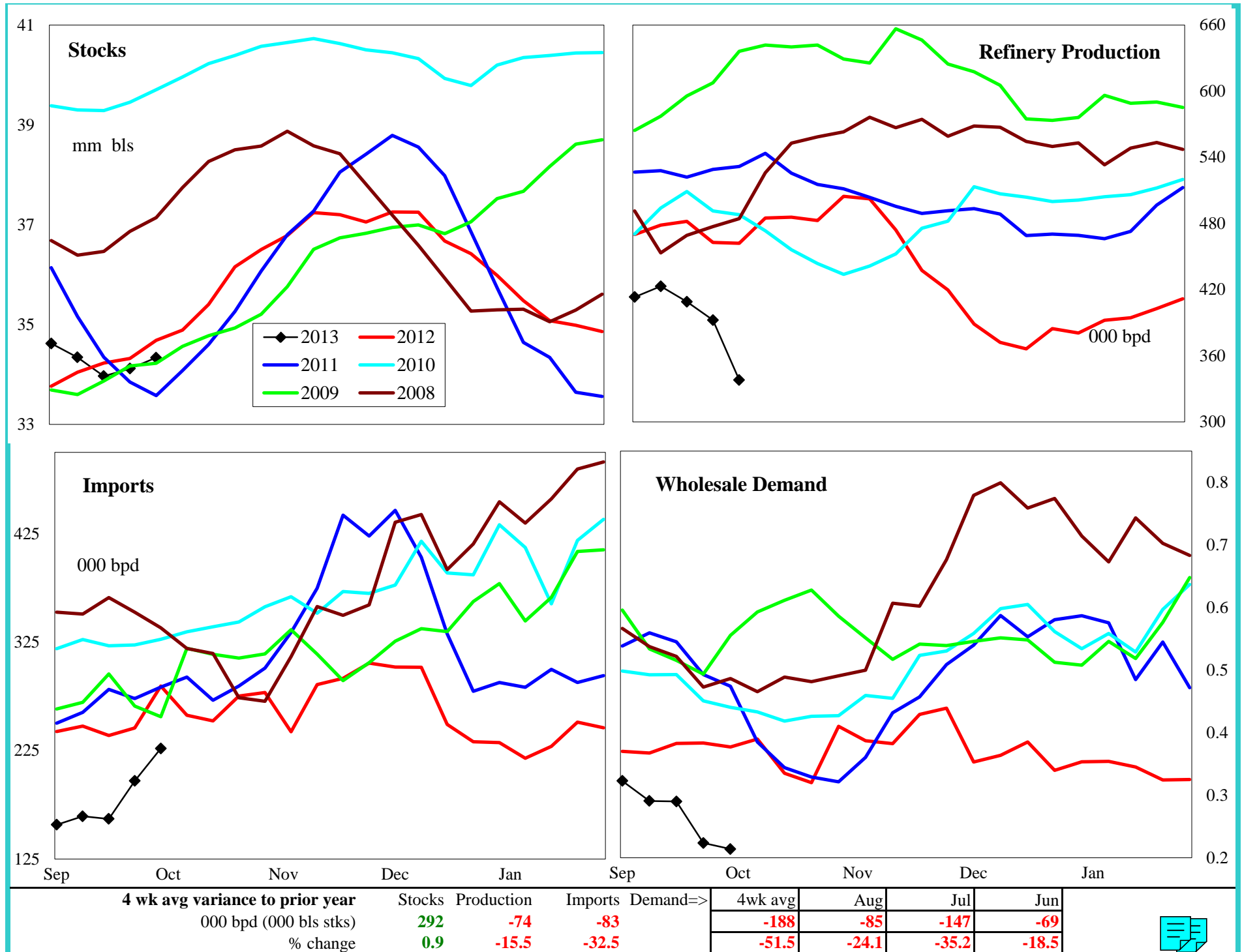
United States High Sulfur Distillate Supply



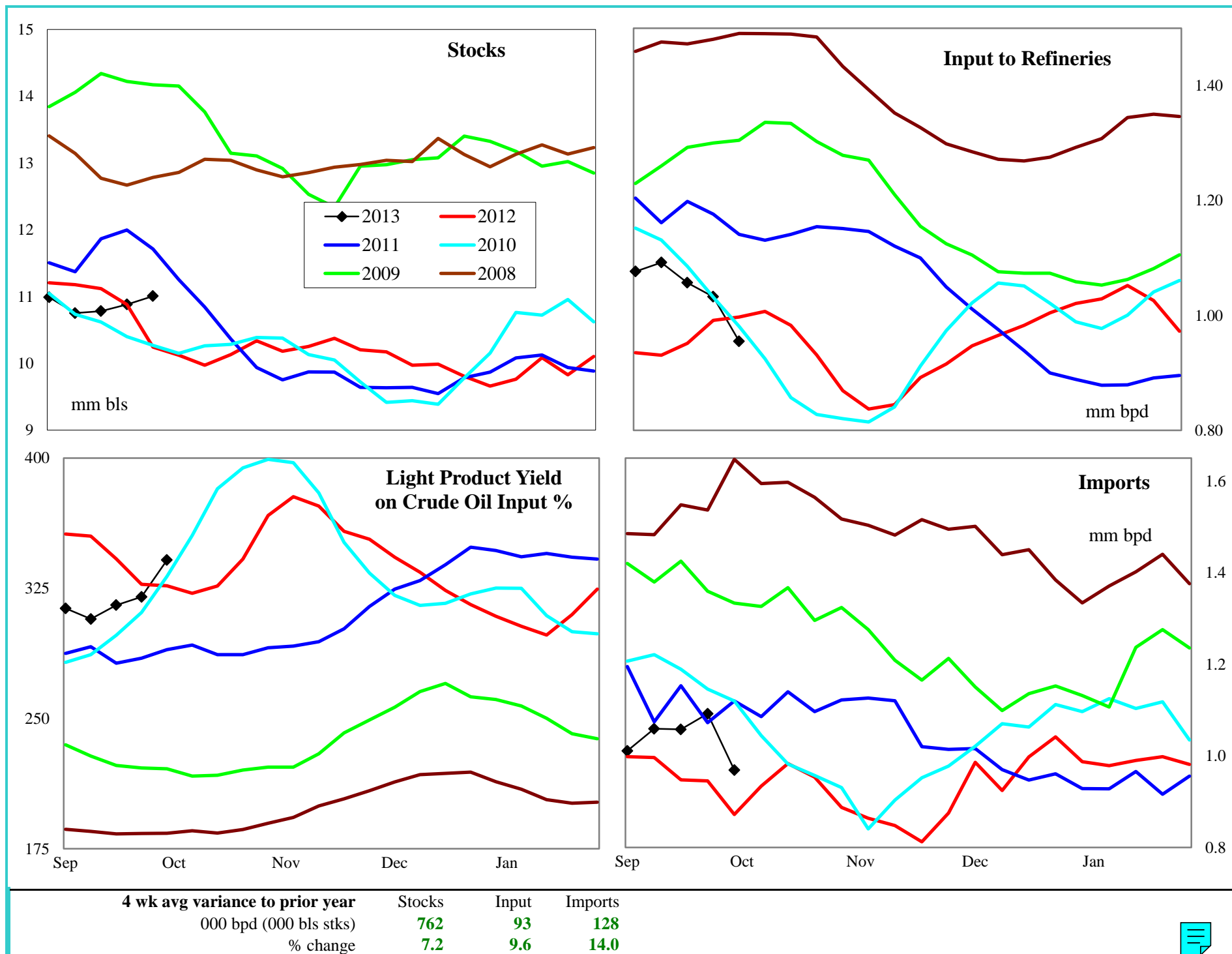
United States Jet Fuel Supply and Demand Balance



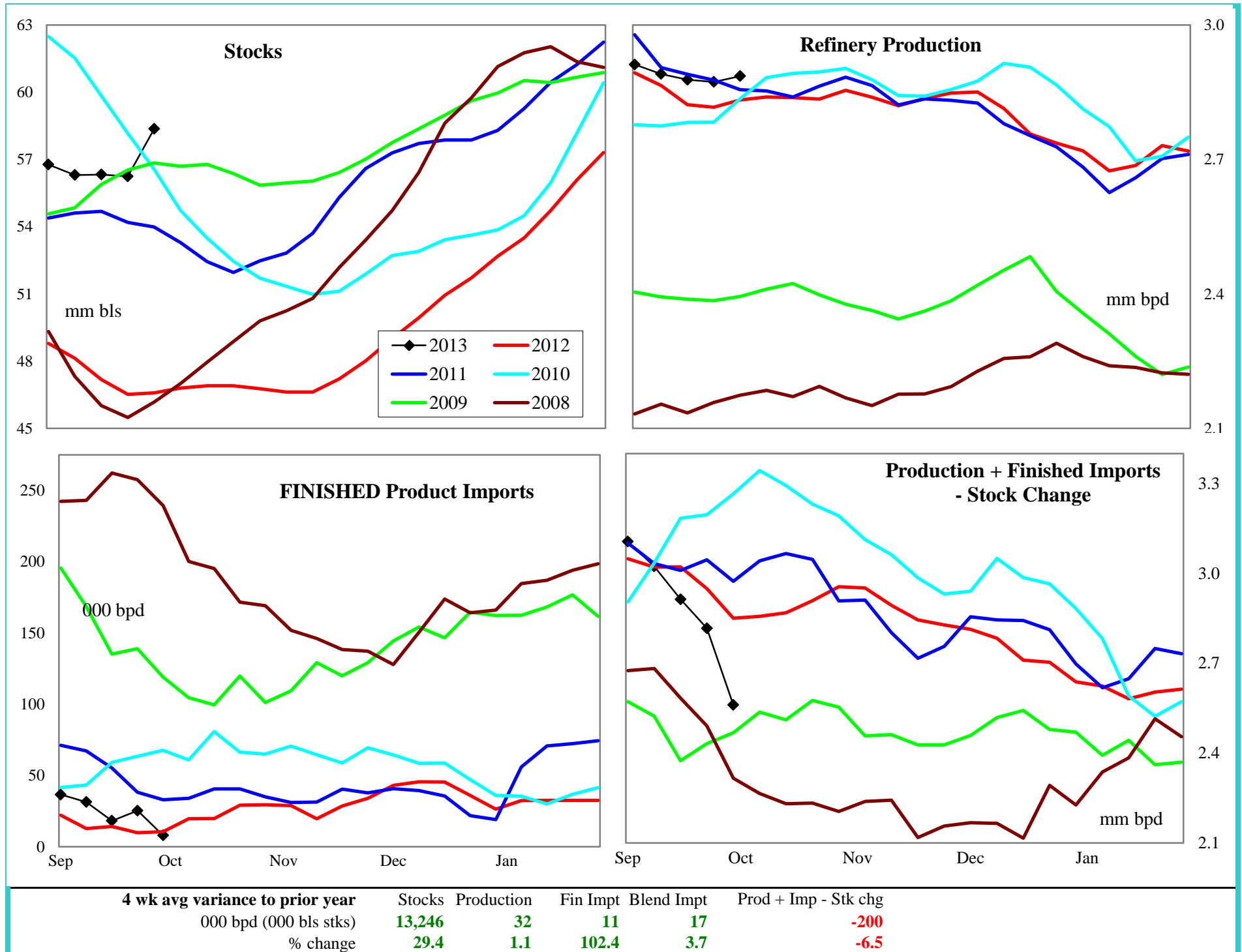
United States Residual Fuel Oil Supply and Demand Balance



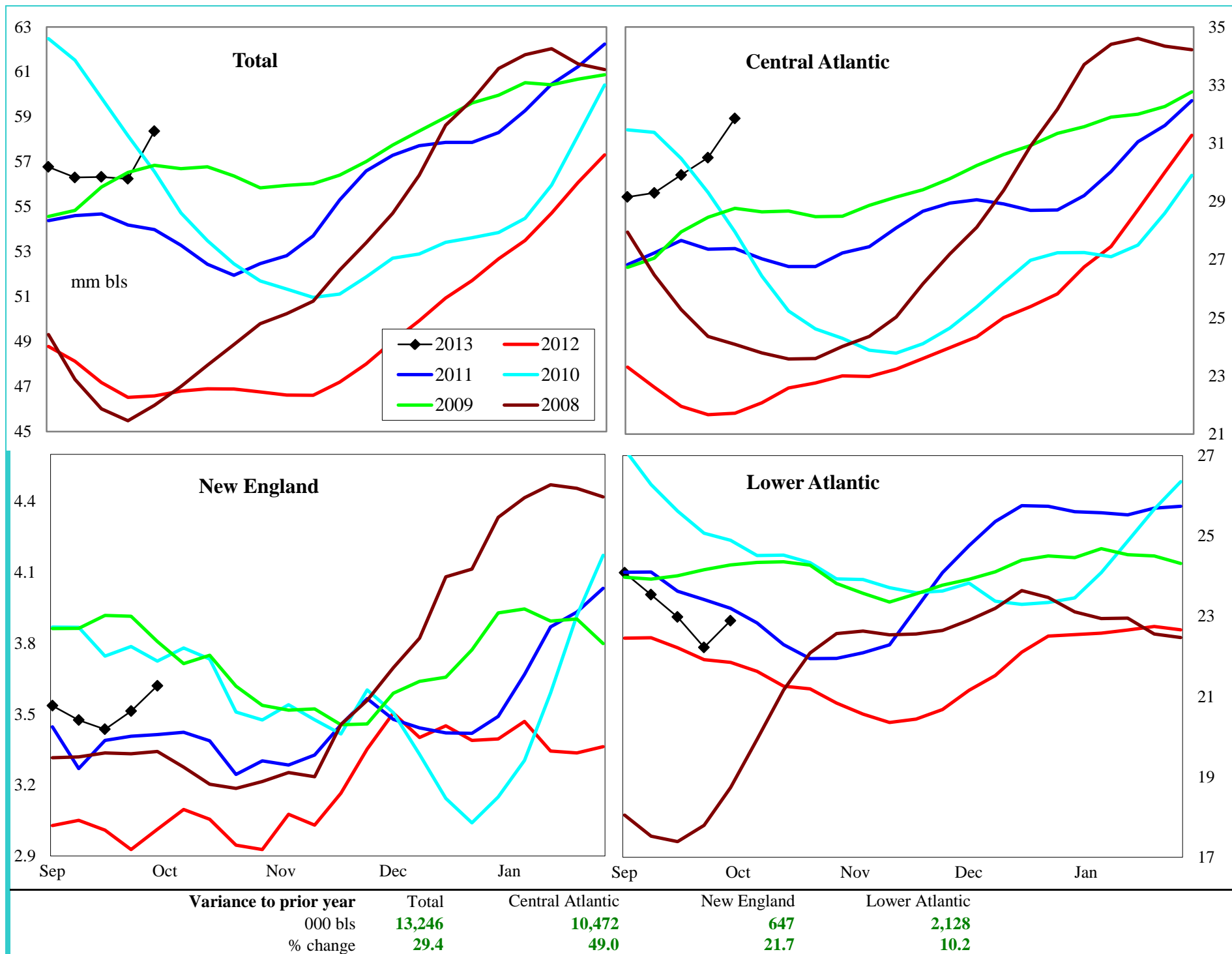
PADD 1 Crude Oil Supply and Refining



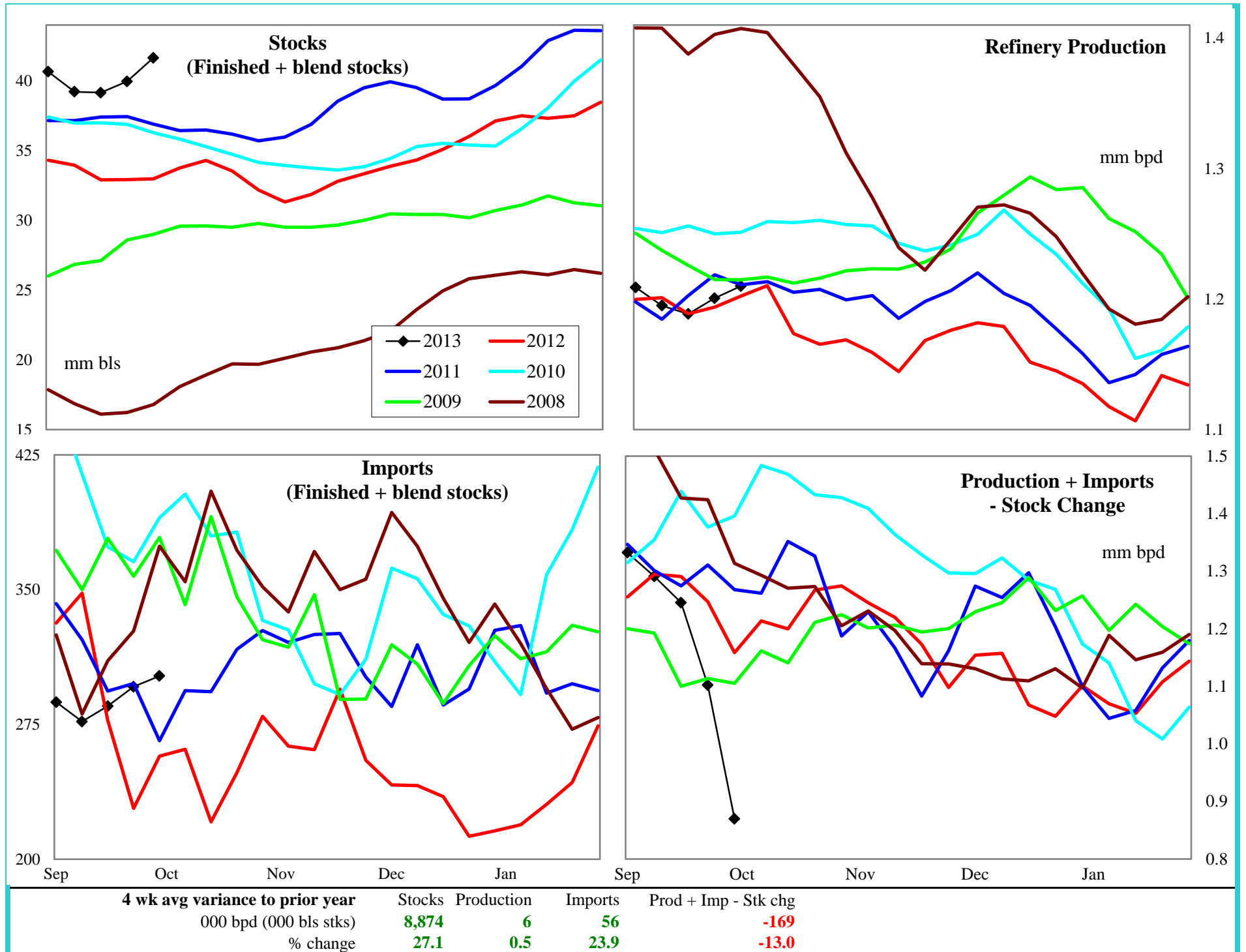
PADD 1 Gasoline Supply



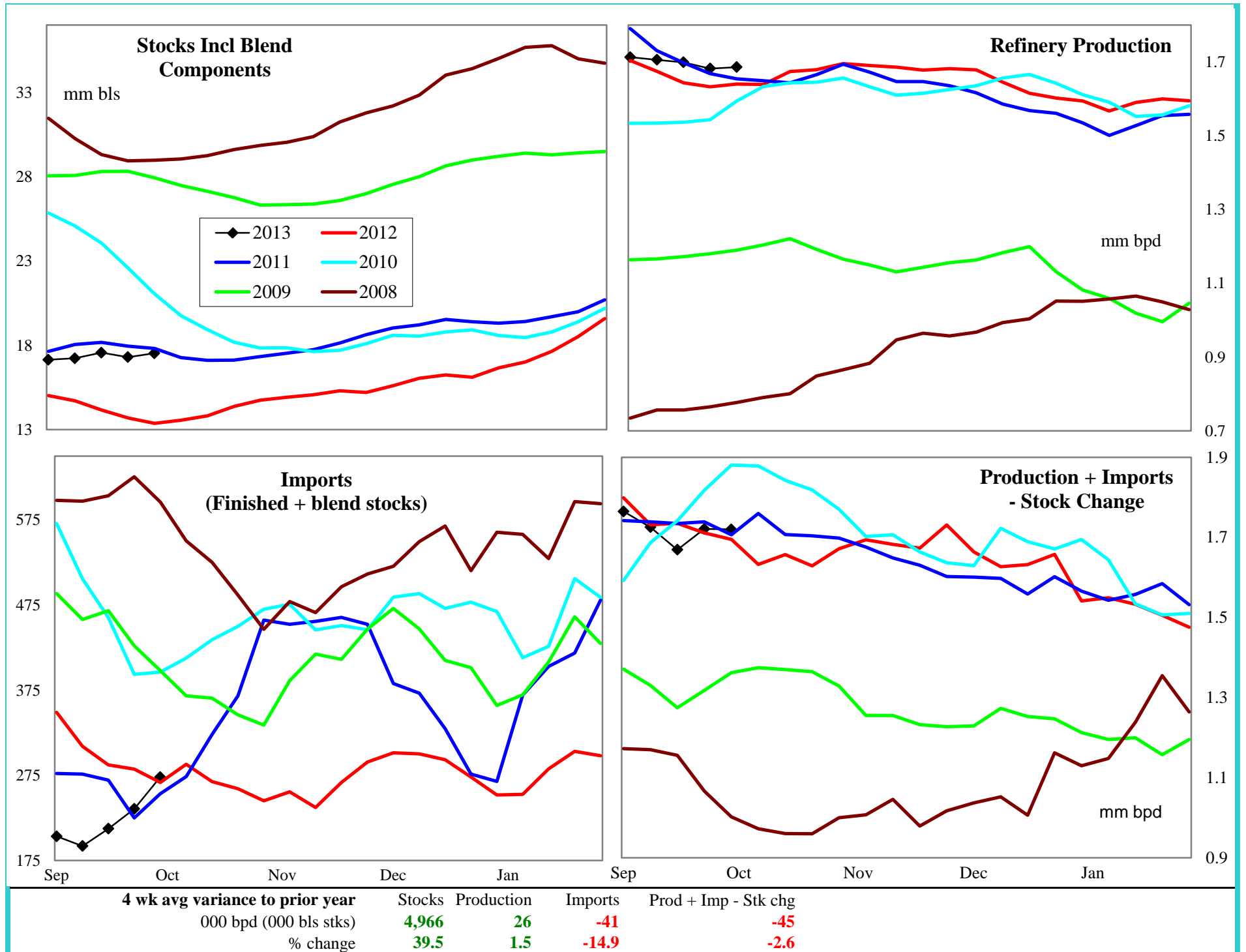
PADD 1 Gasoline Stocks by Region



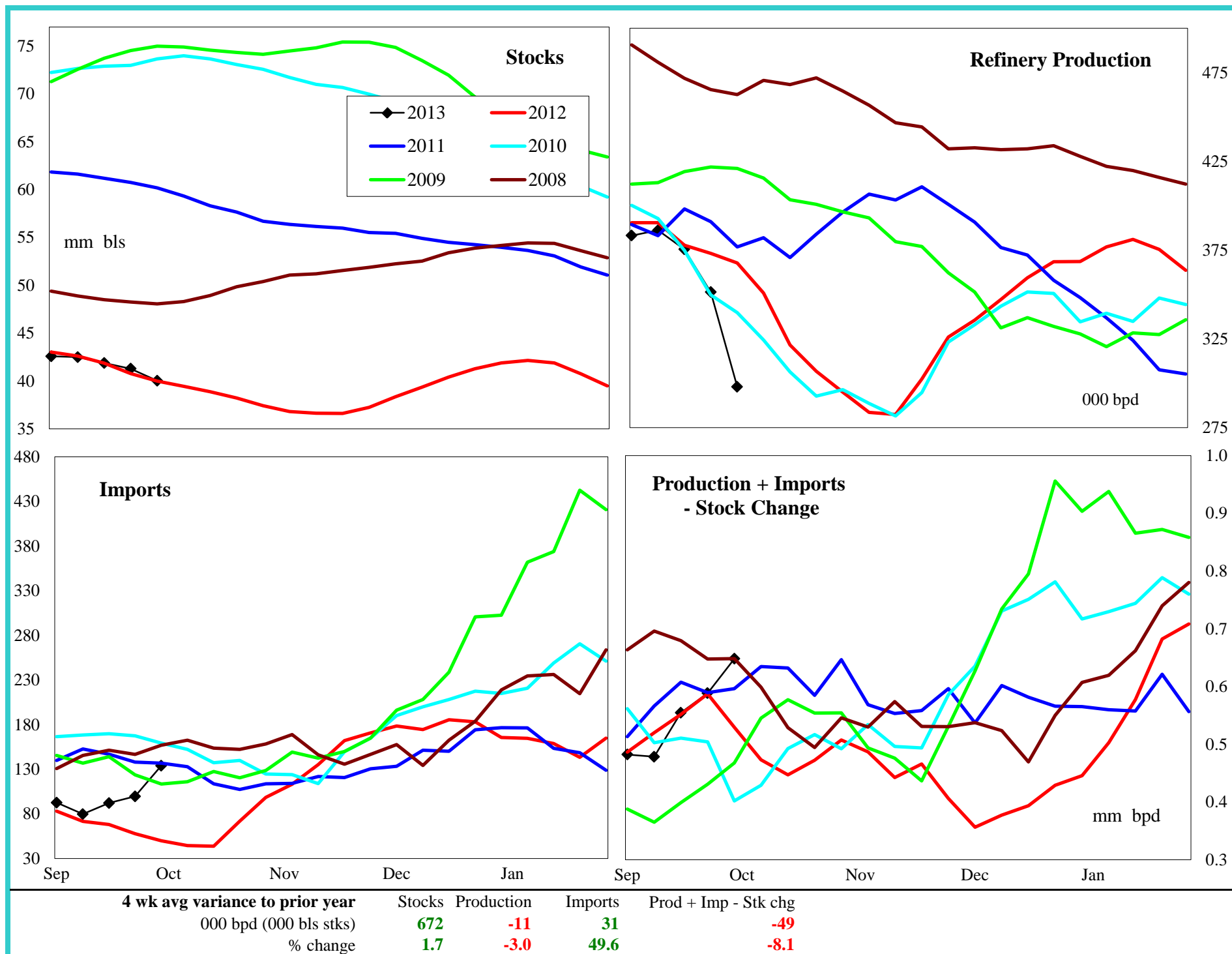
PADD 1 Reformulated Gasoline Supply



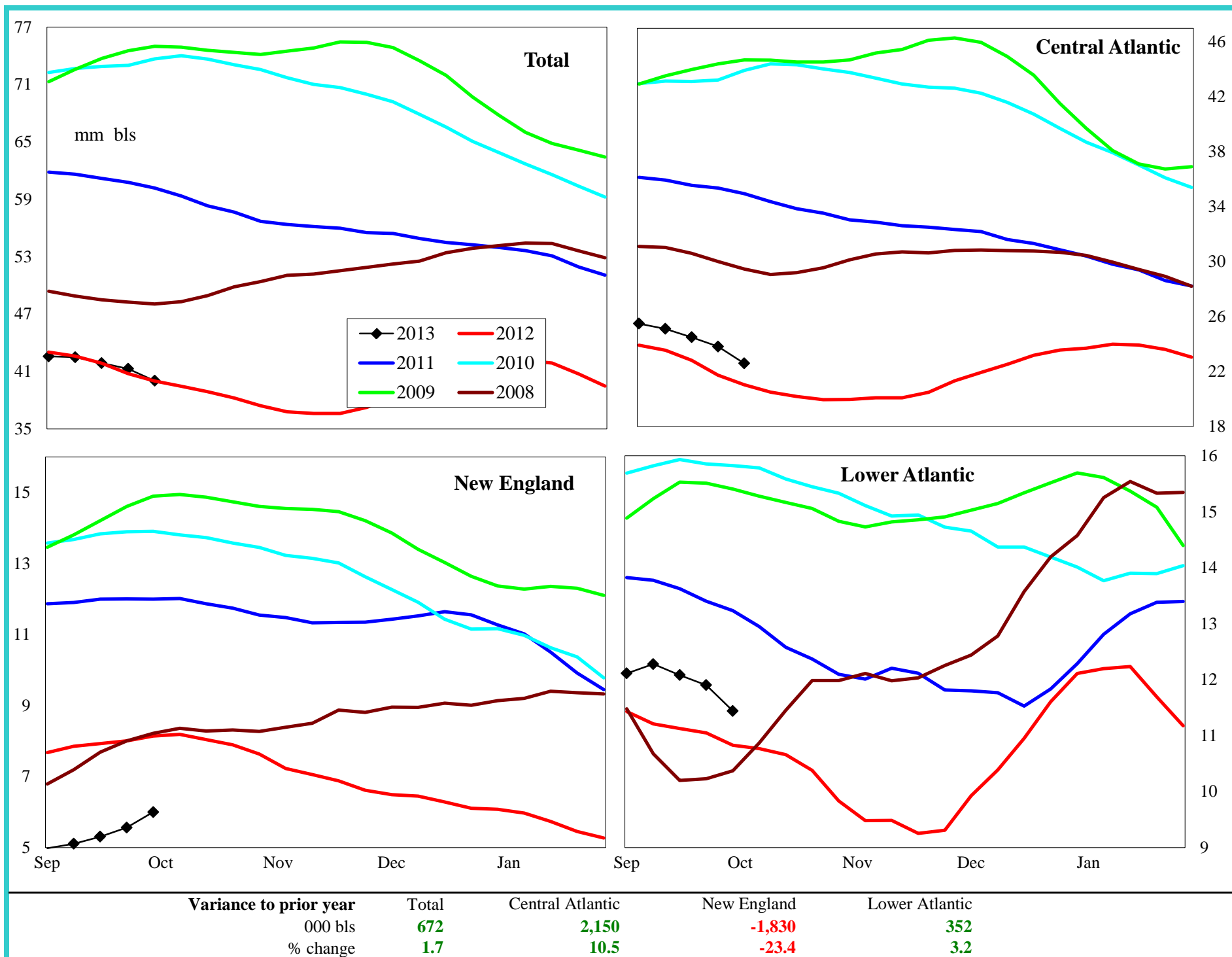
PADD 1 Conventional Gasoline Supply



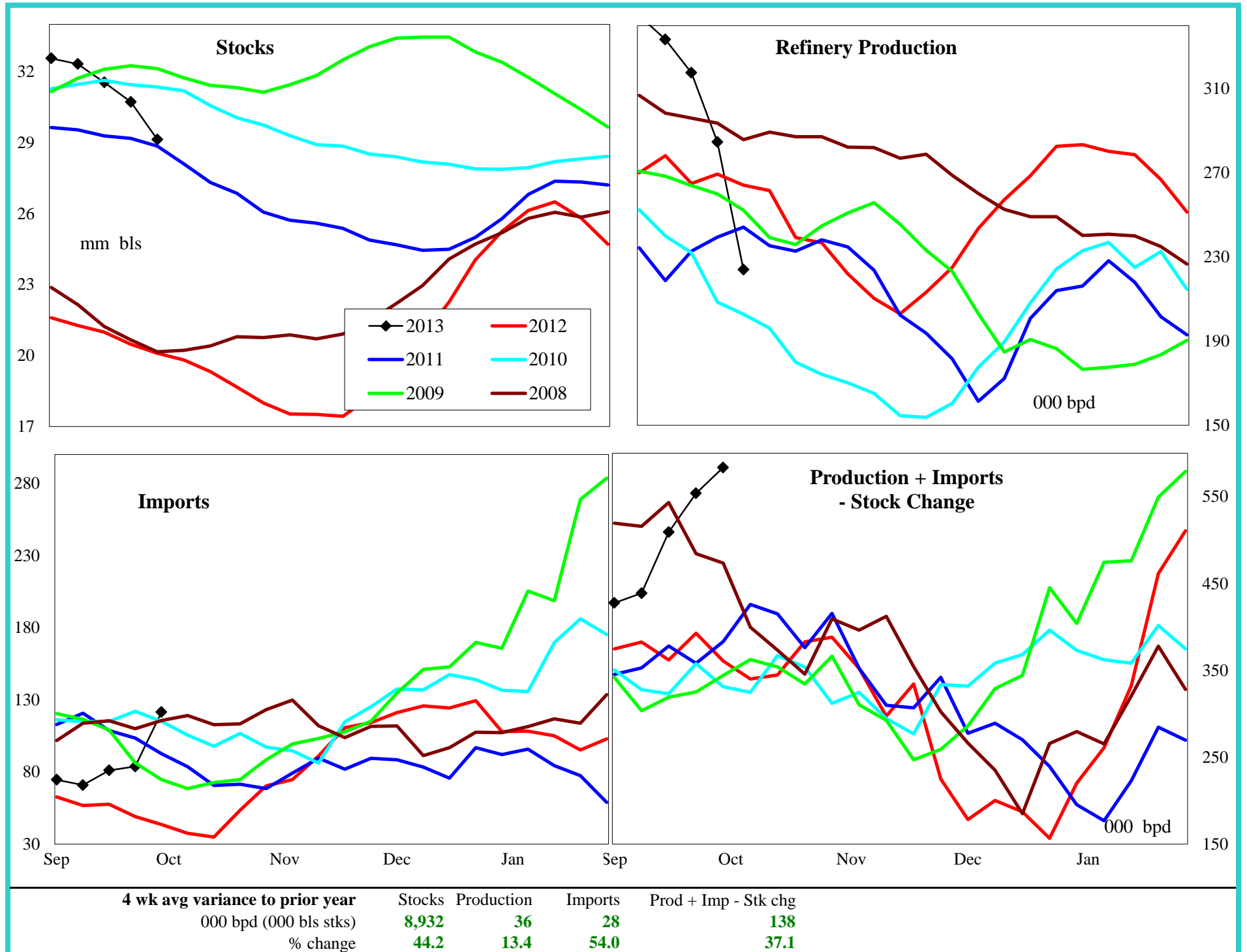
PADD 1 Distillate Supply



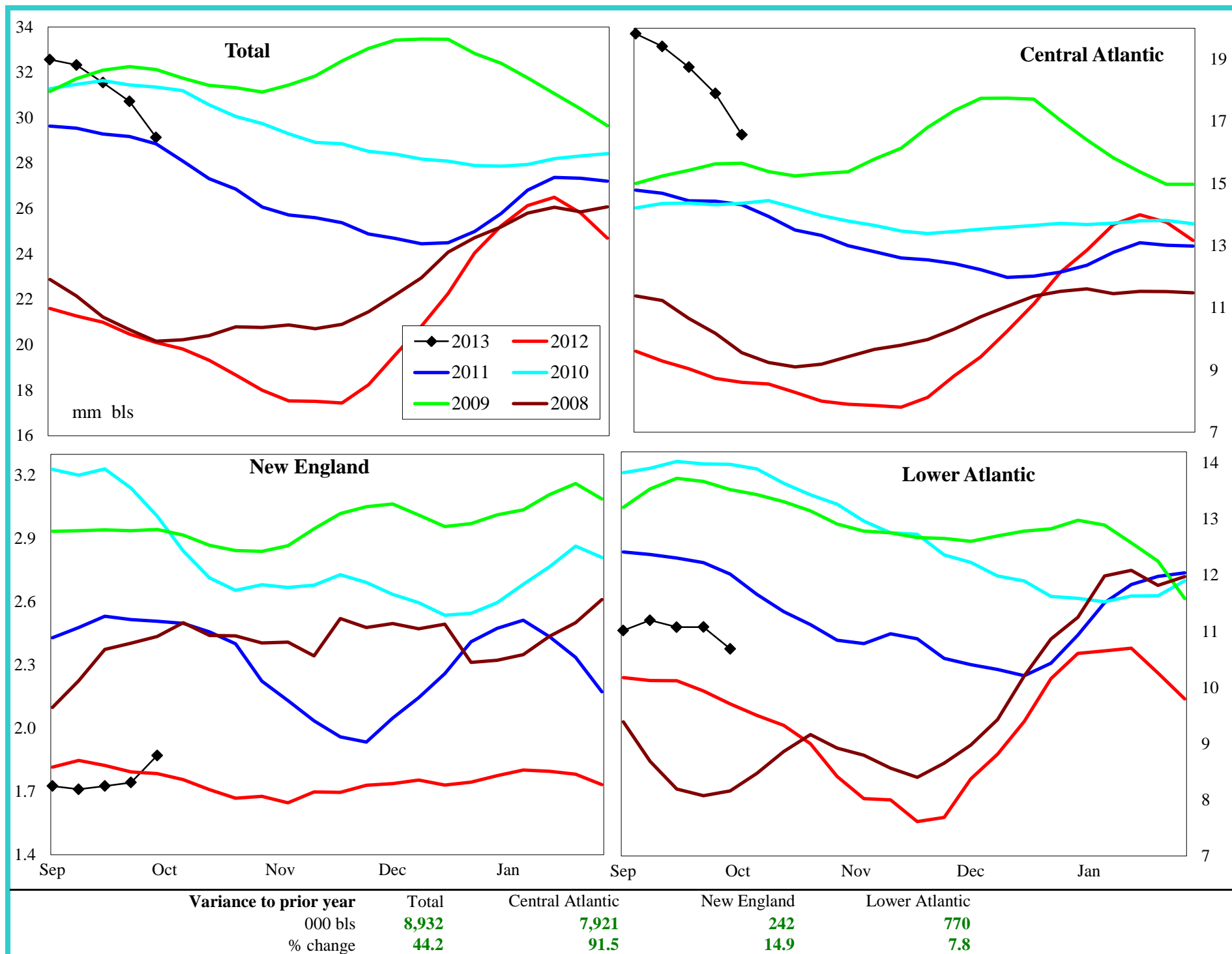
PADD 1 Distillate Stocks by Region



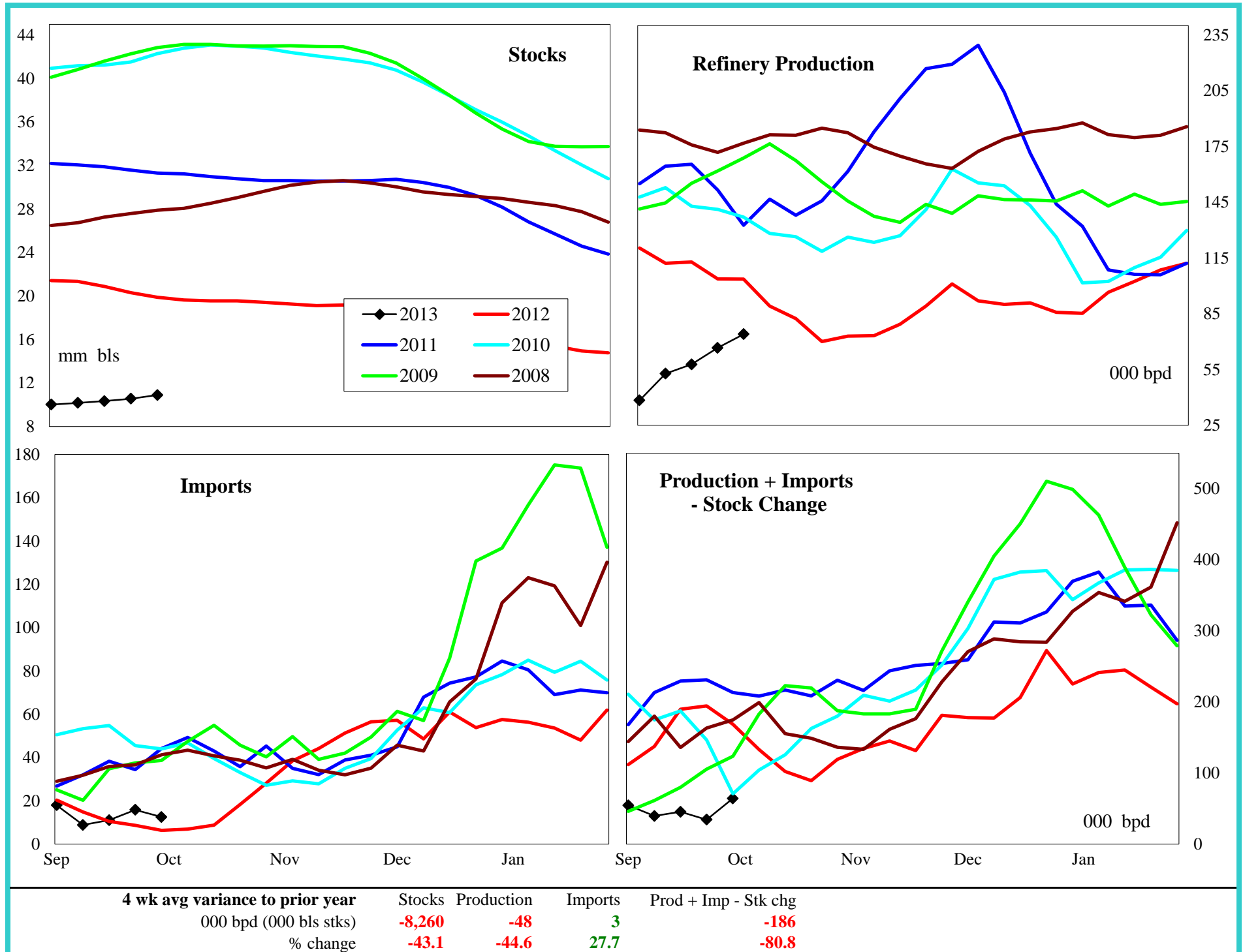
PADD 1 Low Sulfur Distillate Supply



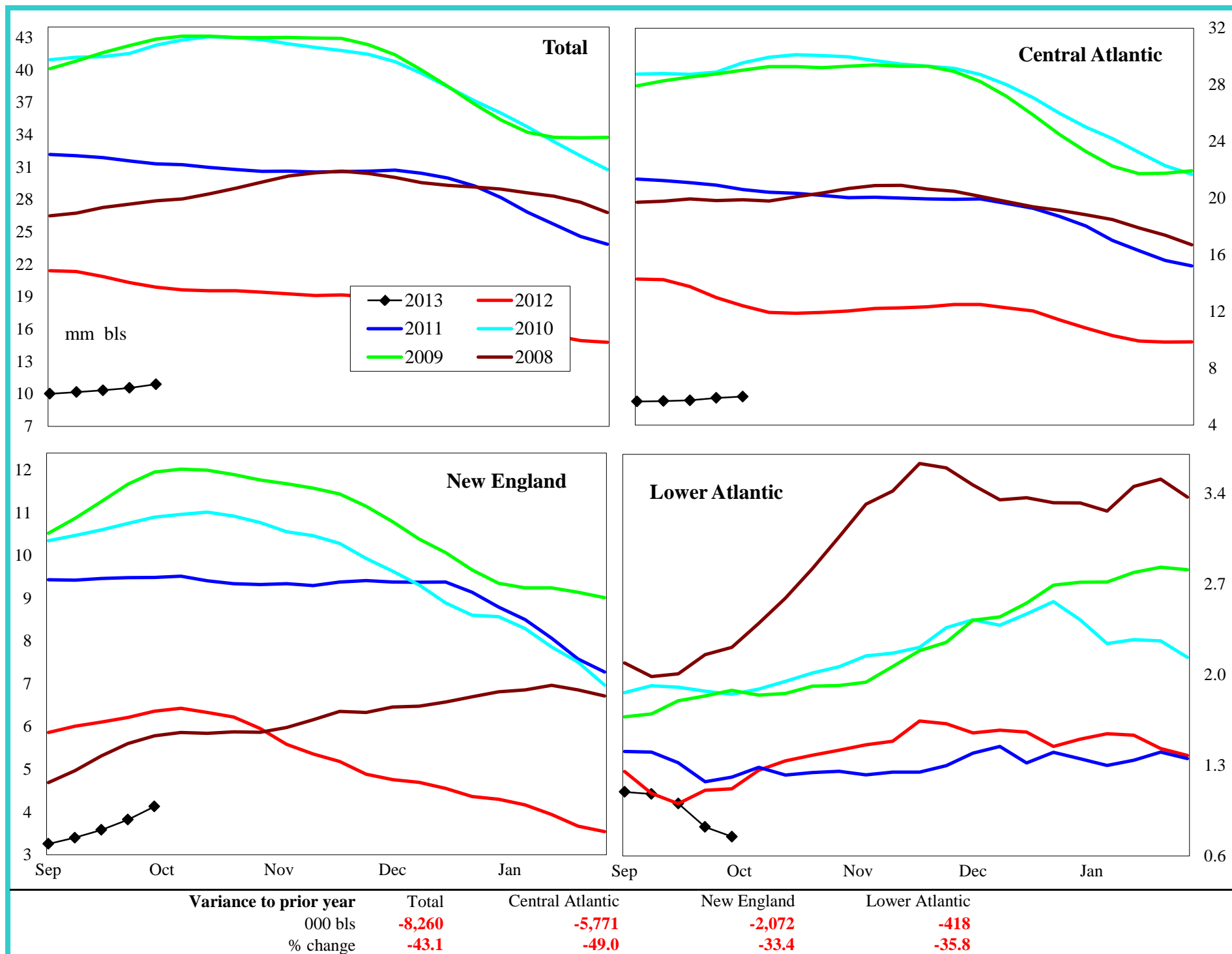
PADD 1 Low Sulfur Distillate Stocks by Region



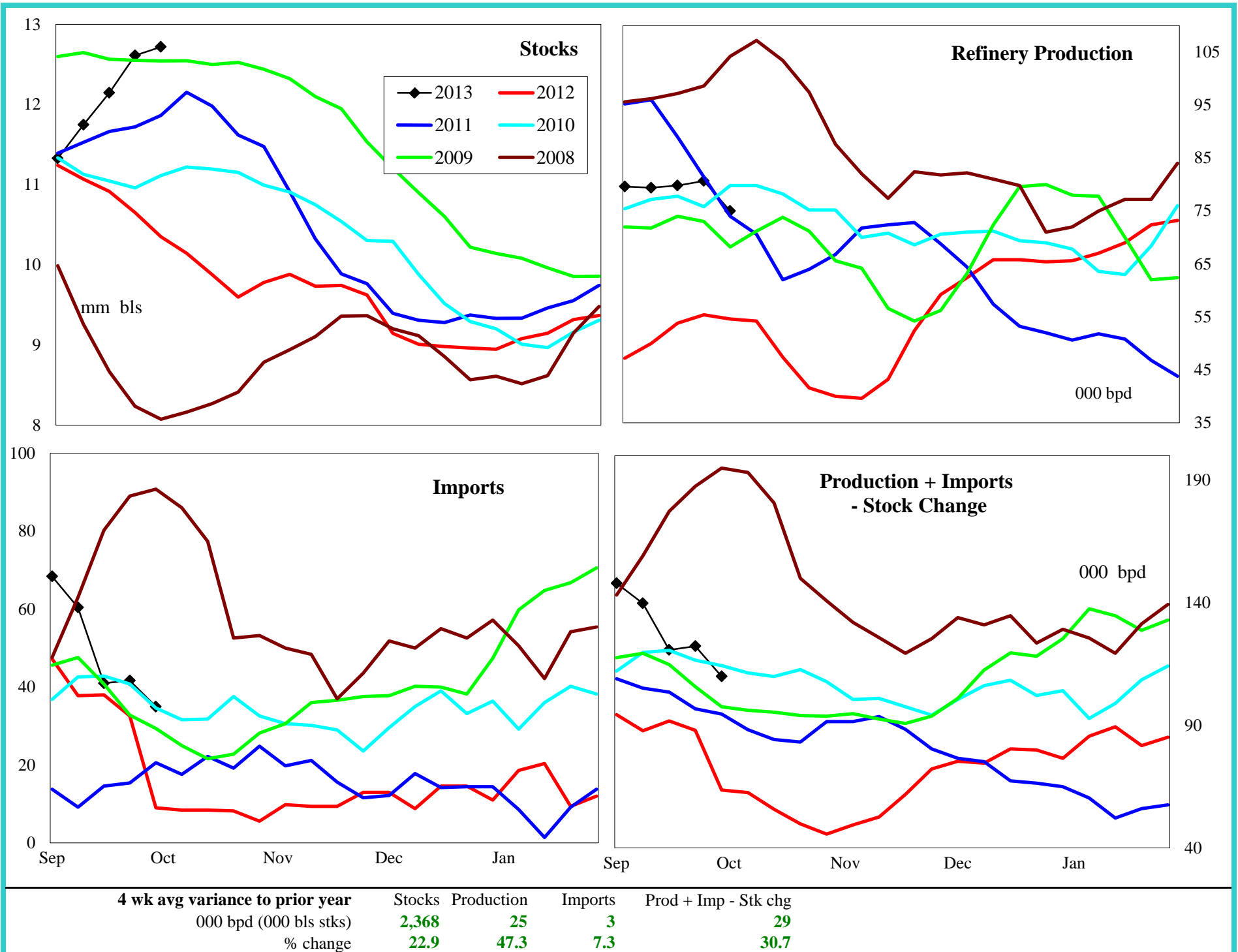
PADD 1 High Sulfur Distillate Supply



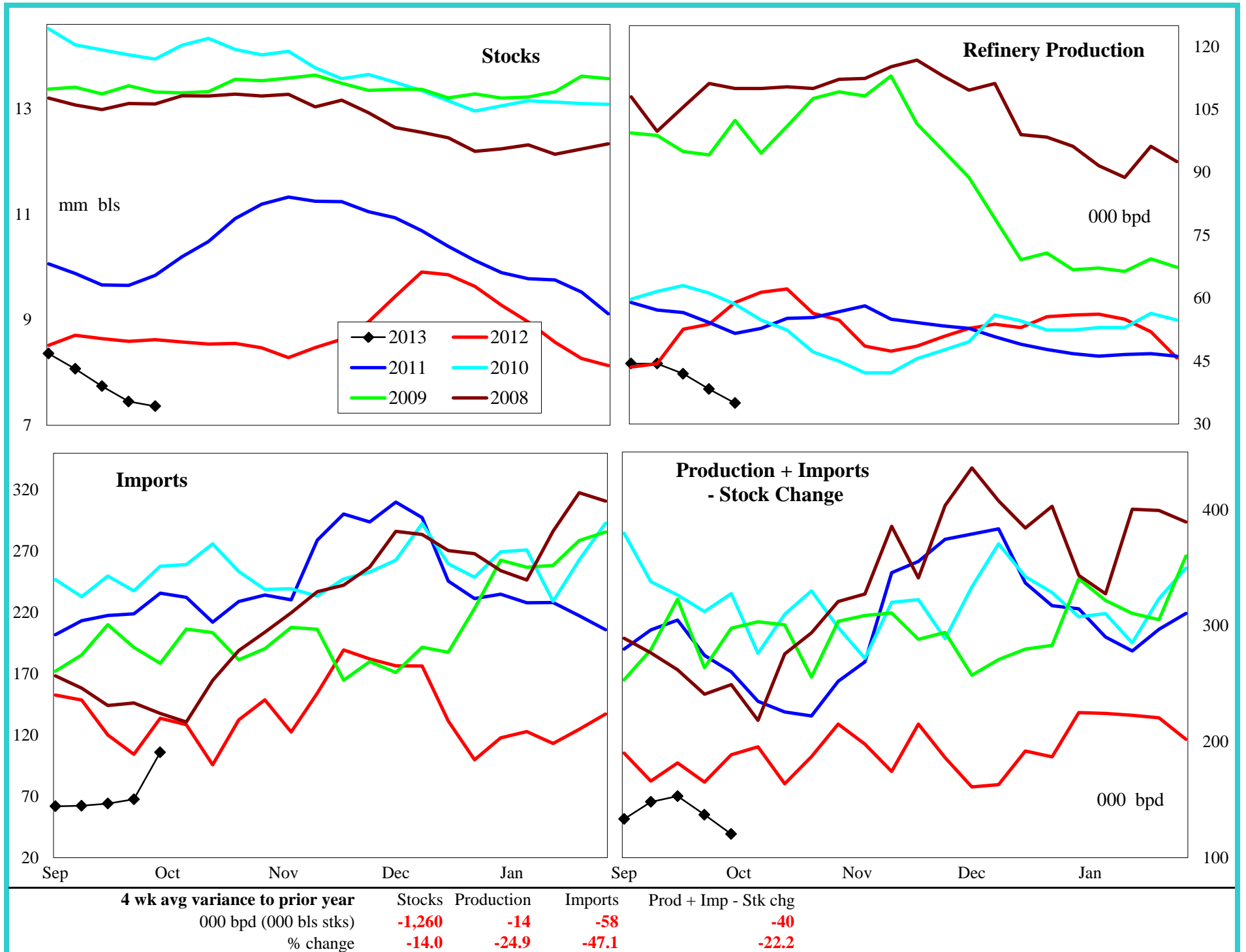
PADD 1 High Sulfur Distillate Stocks by Region



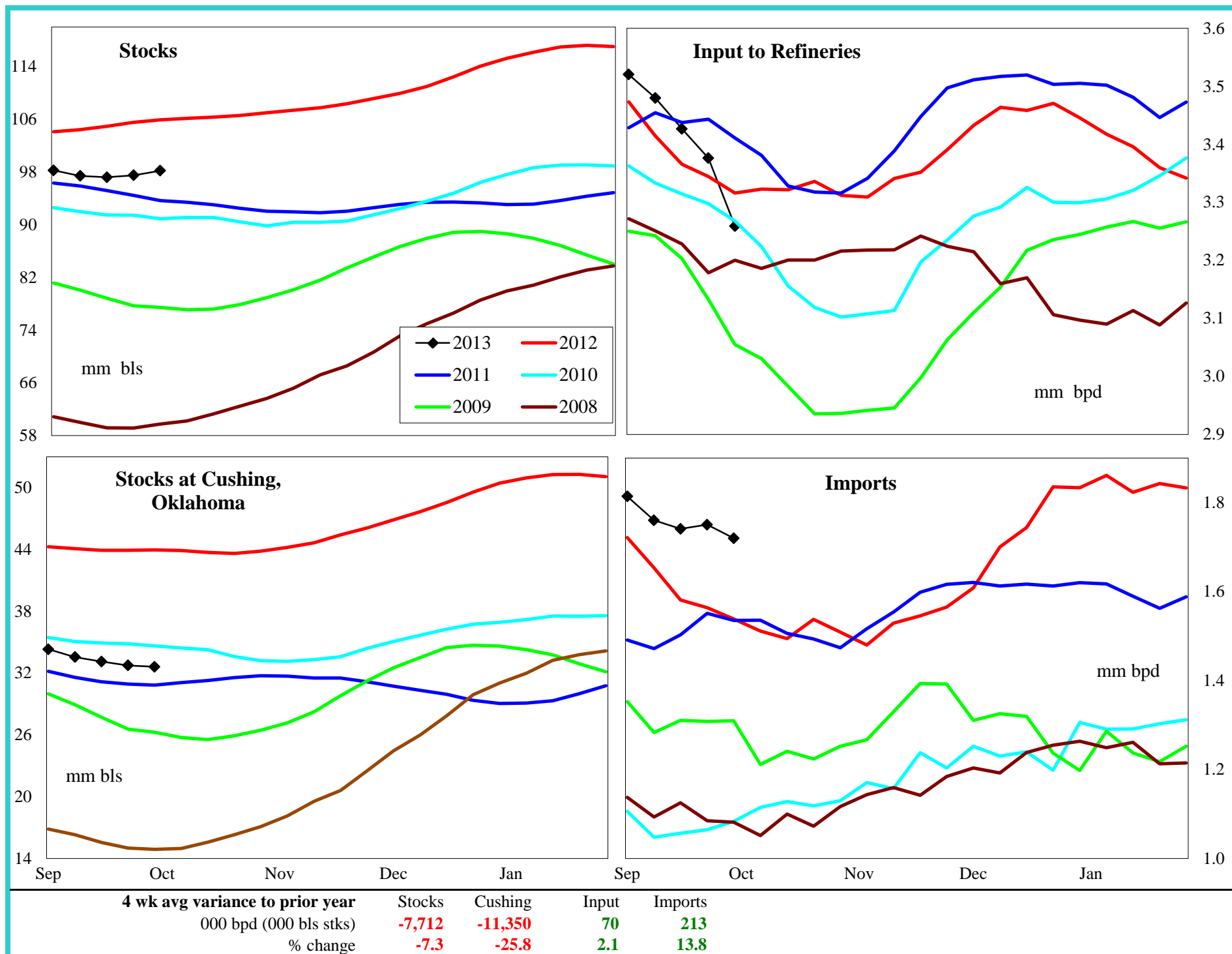
PADD 1 Jet Fuel Supply



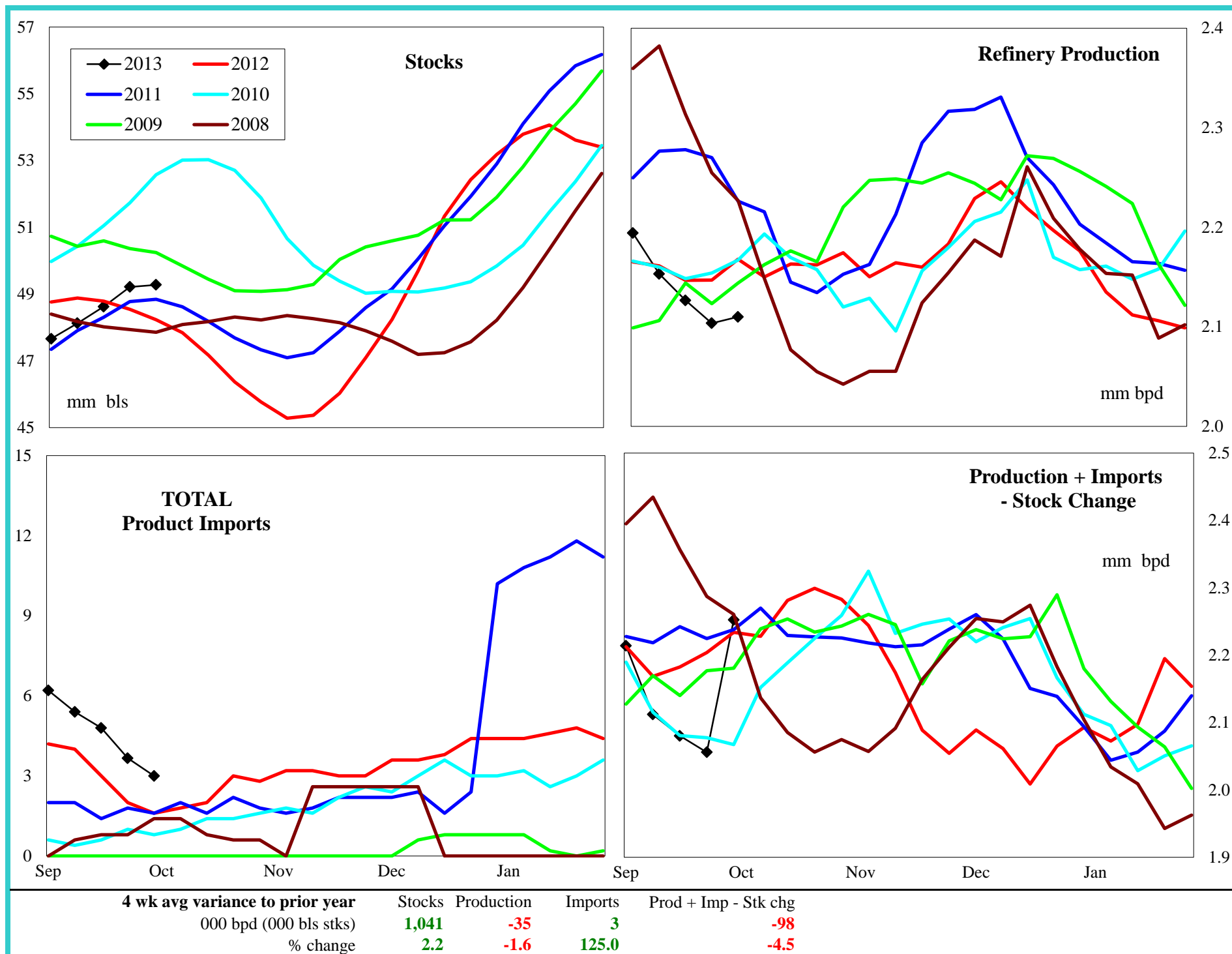
PADD 1 Residual Fuel Oil Supply



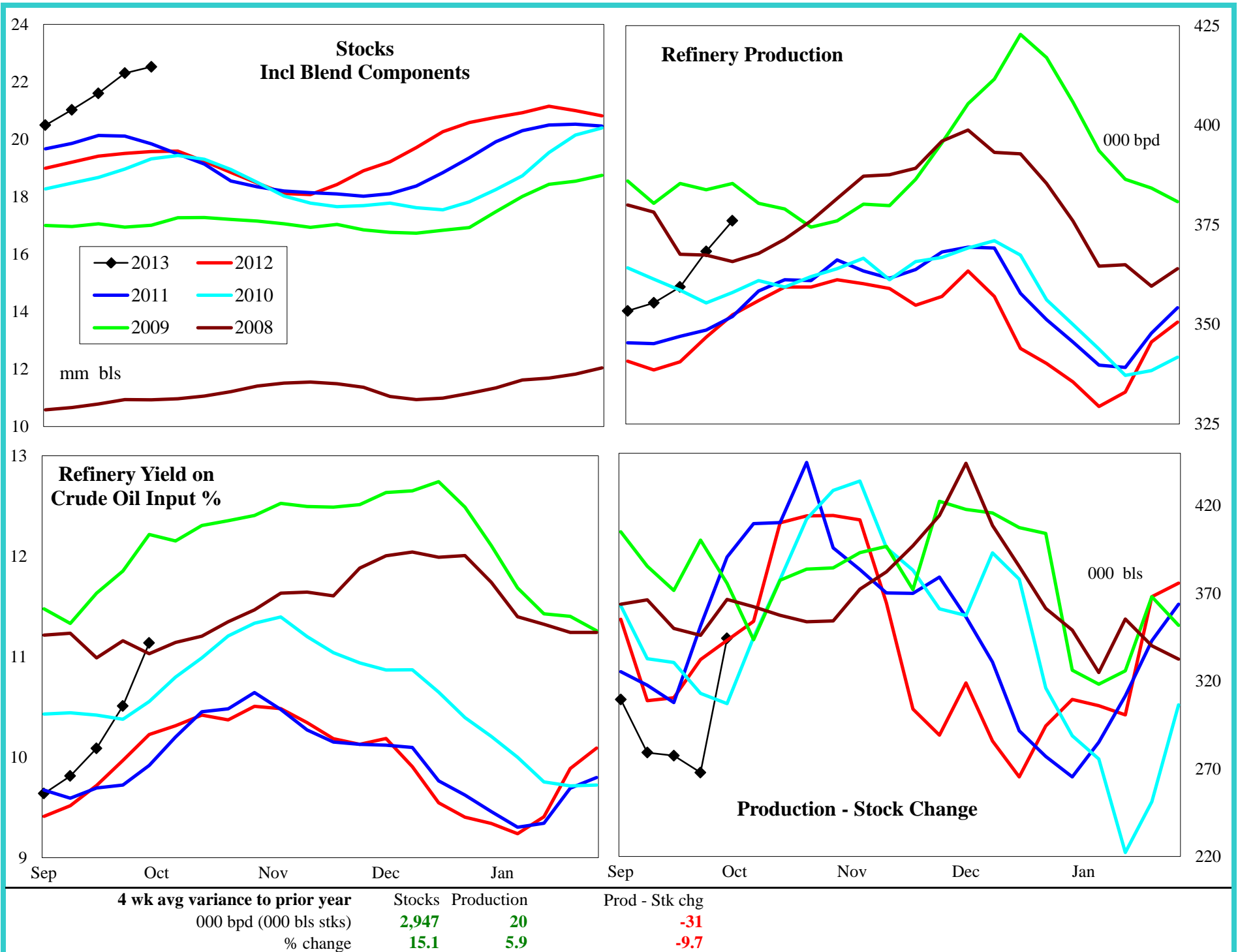
PADD 2 Crude Oil Supply and Refining



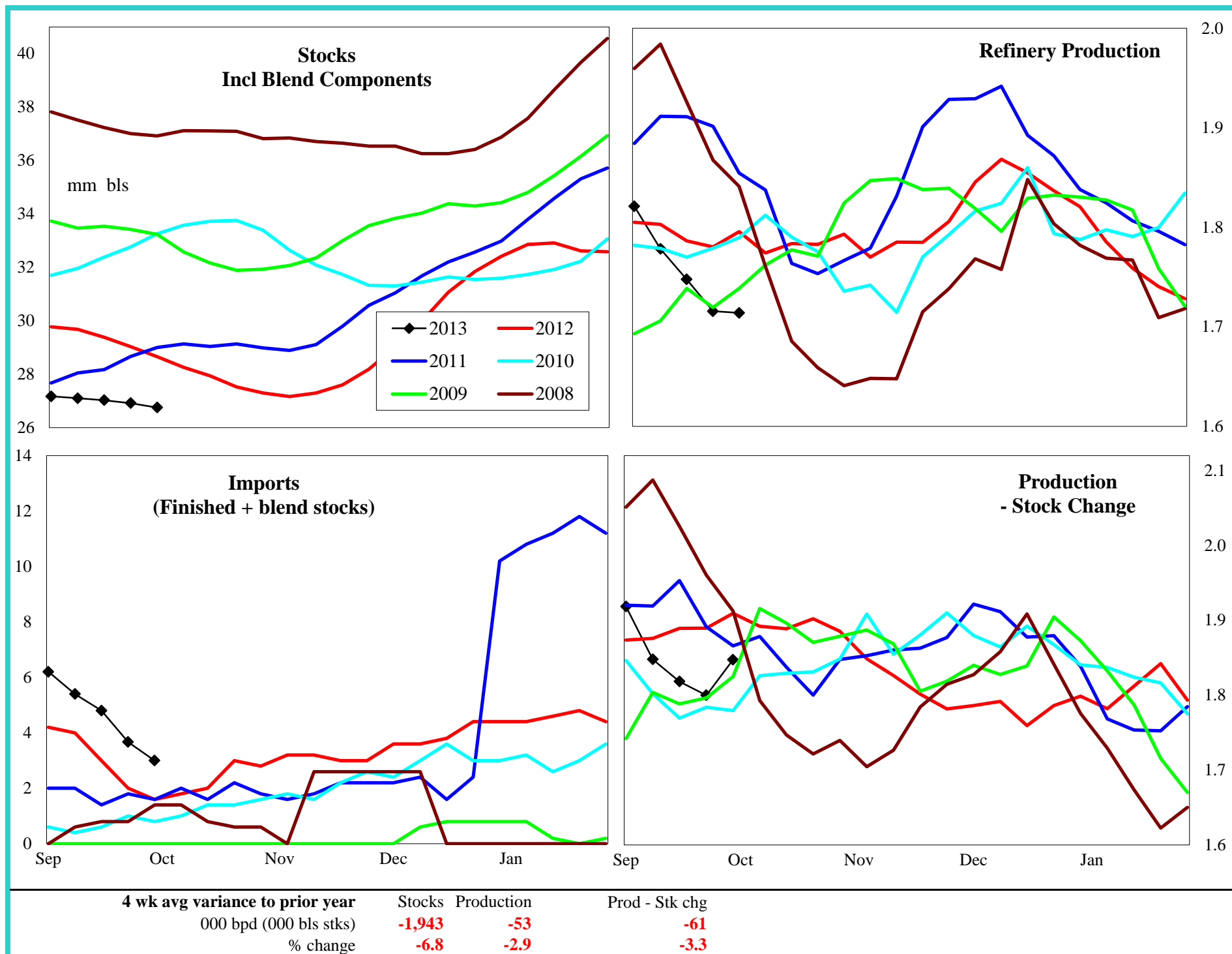
PADD 2 Gasoline Supply



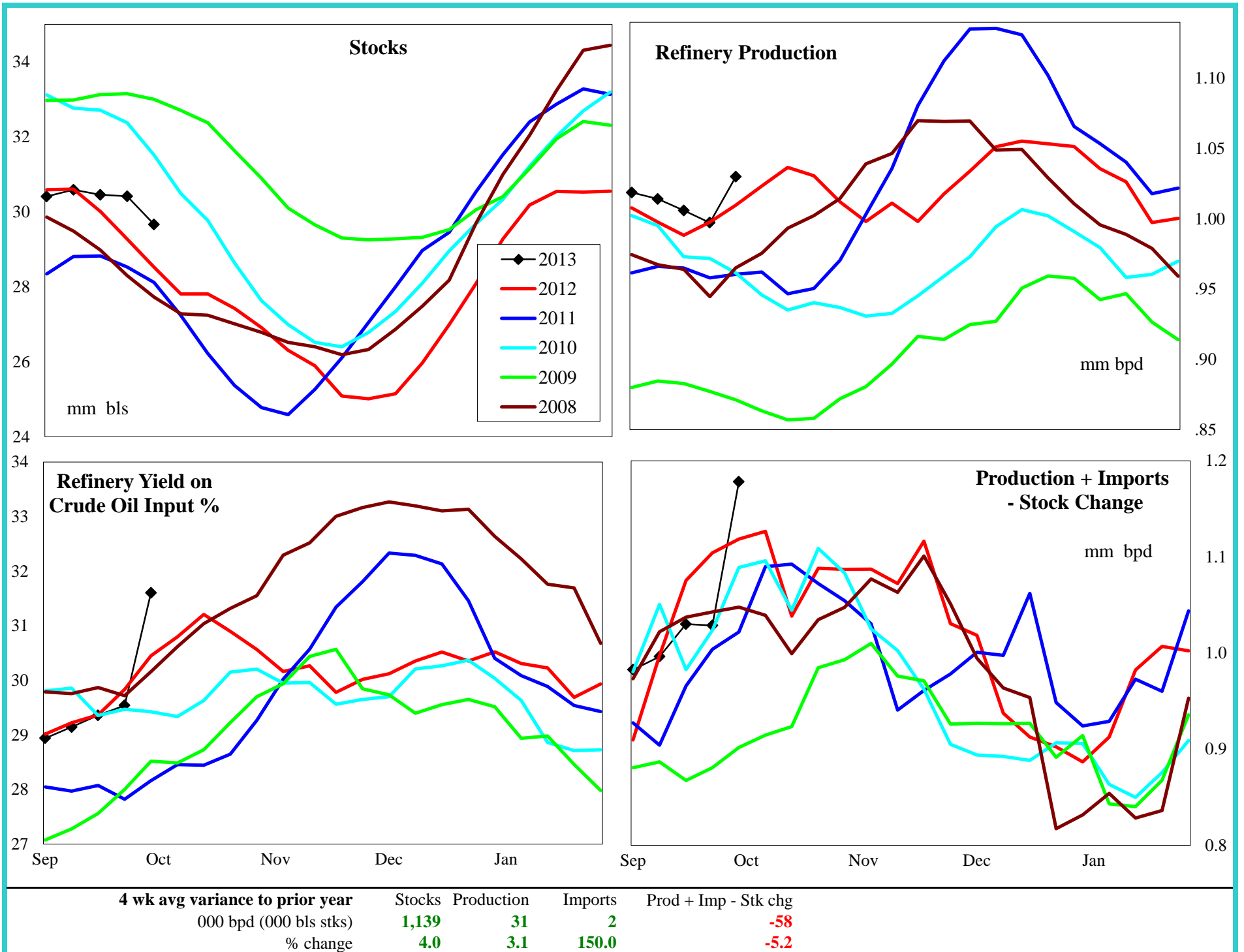
PADD 2 Reformulated Gasoline Supply



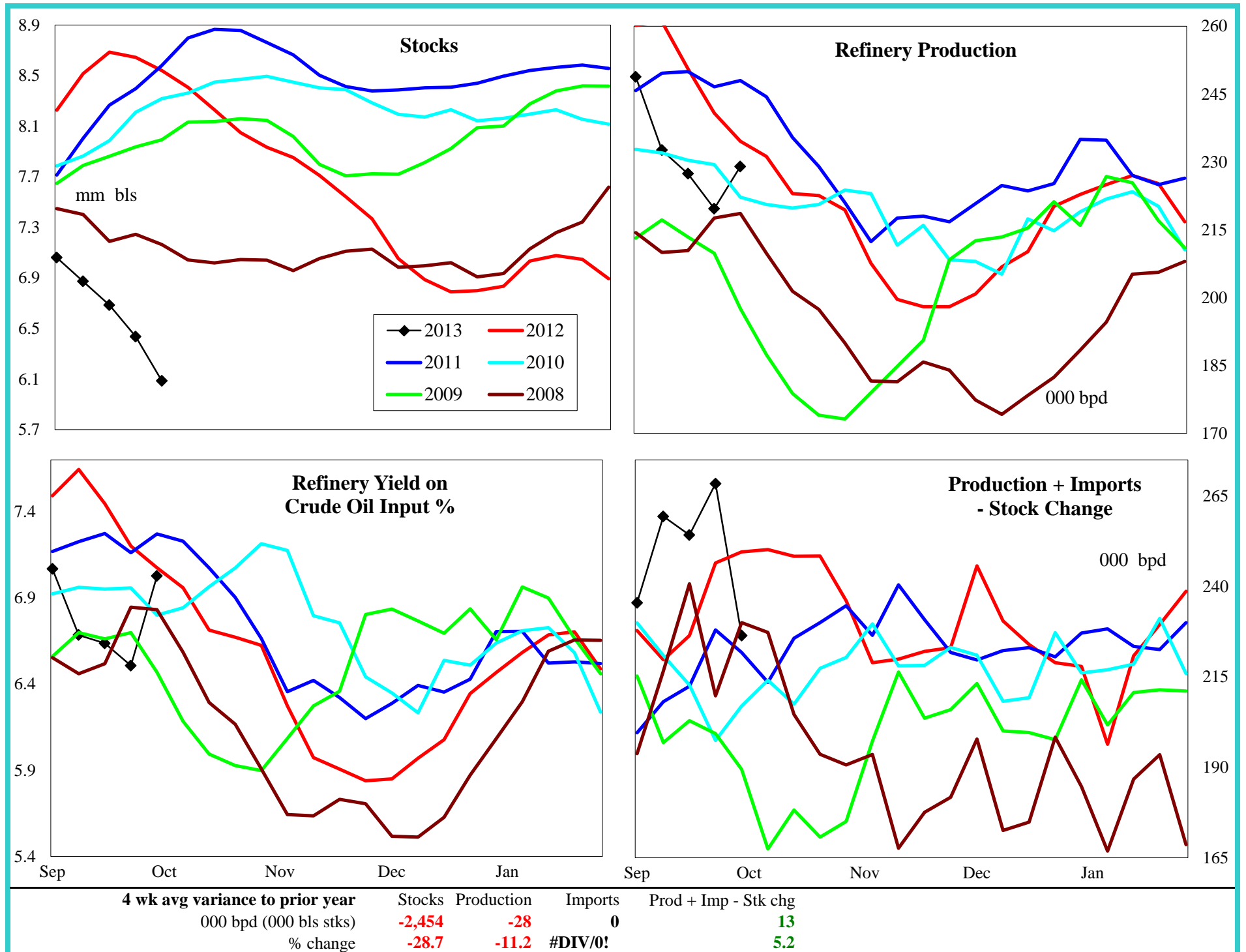
PADD 2 Conventional Gasoline Supply



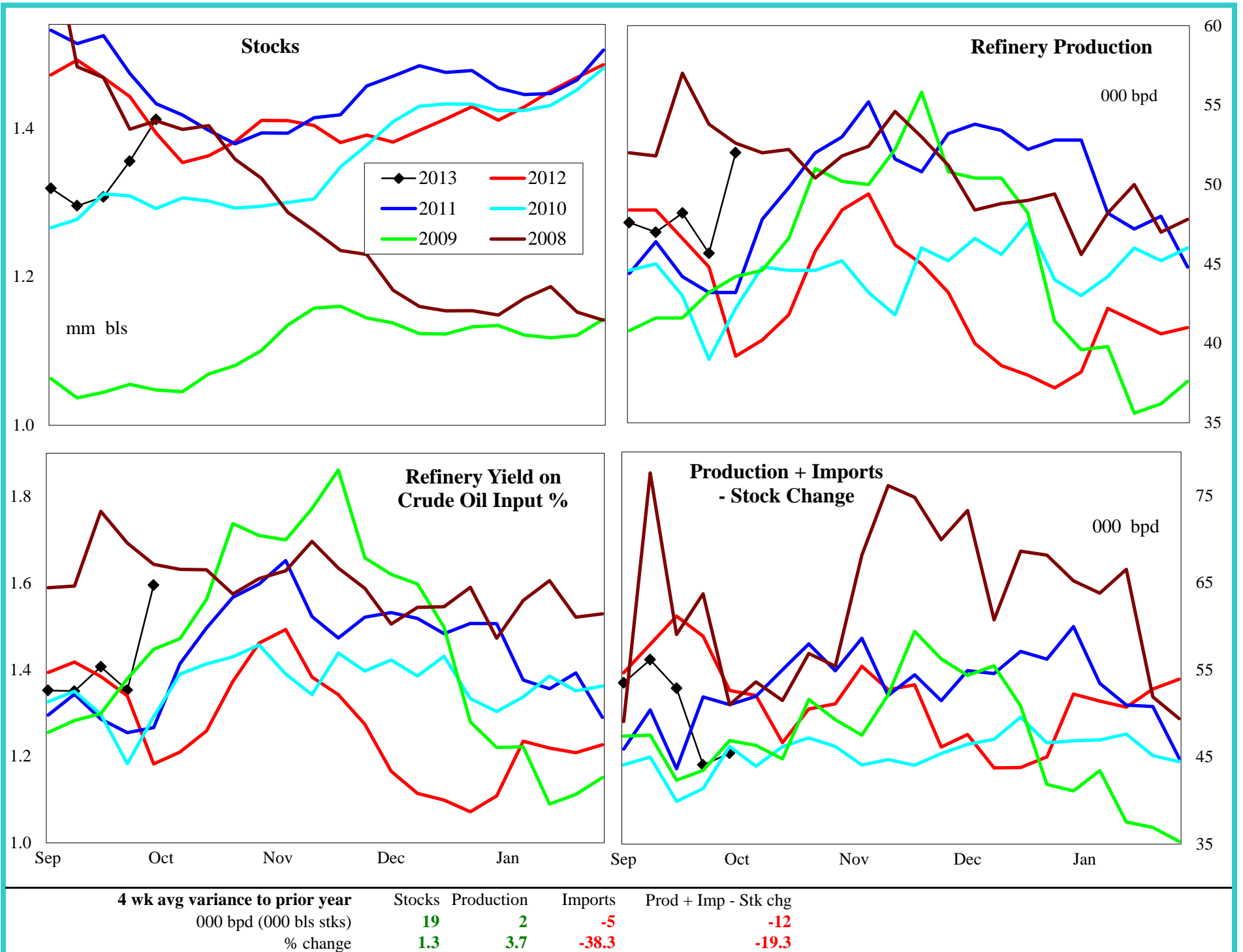
PADD 2 Distillate Supply



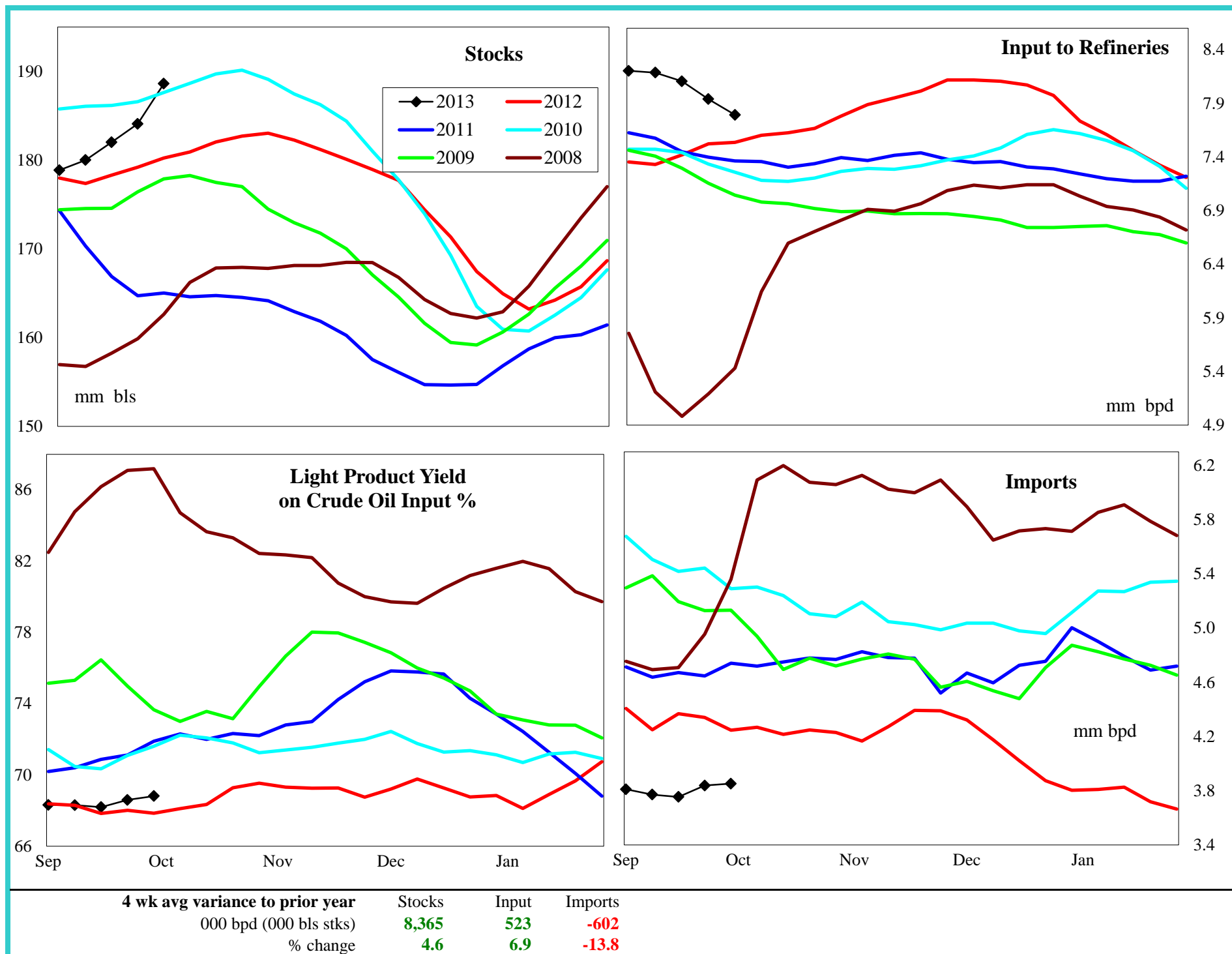
PADD 2 Jet Fuel Supply



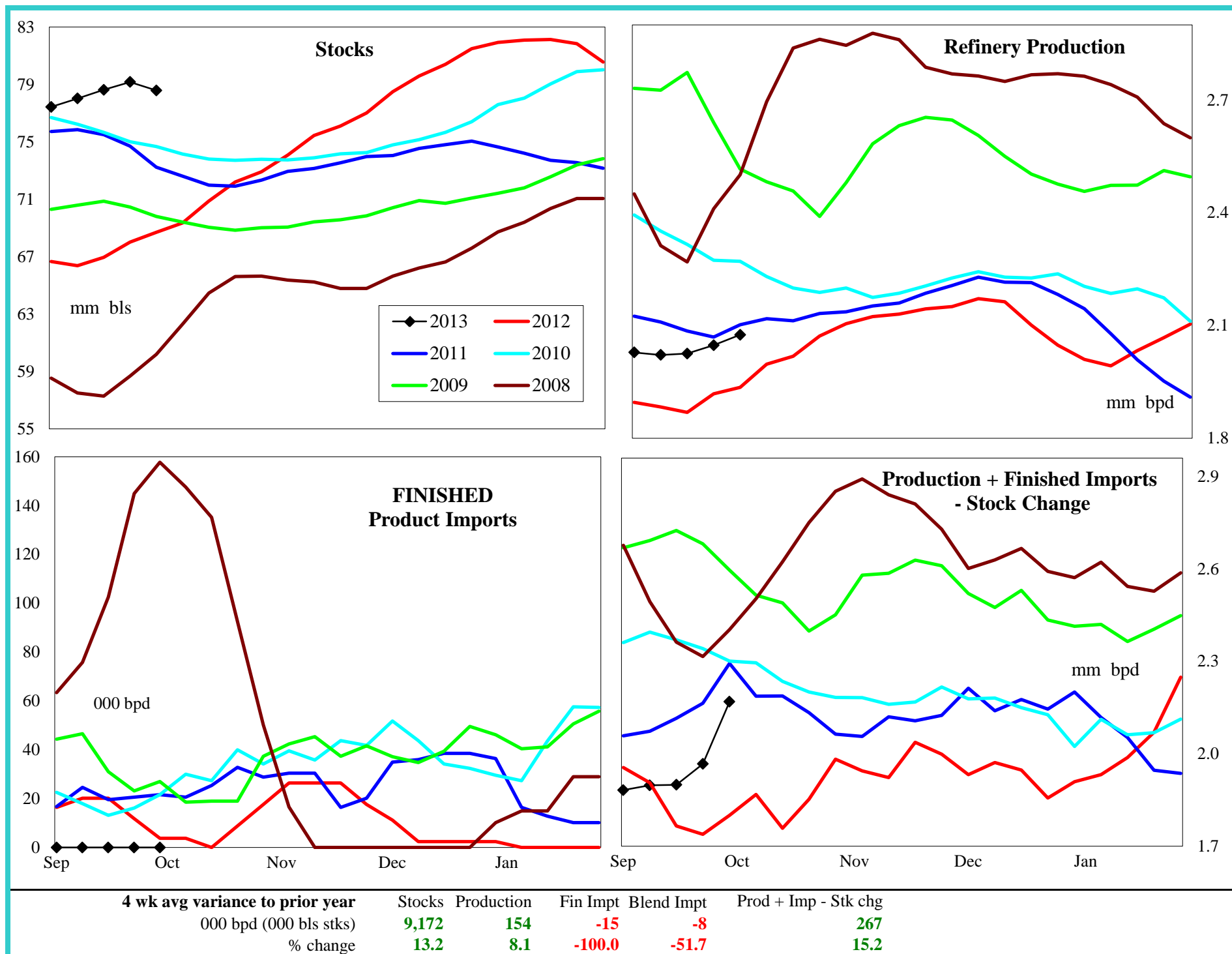
PADD 2 Residual Fuel Oil Supply



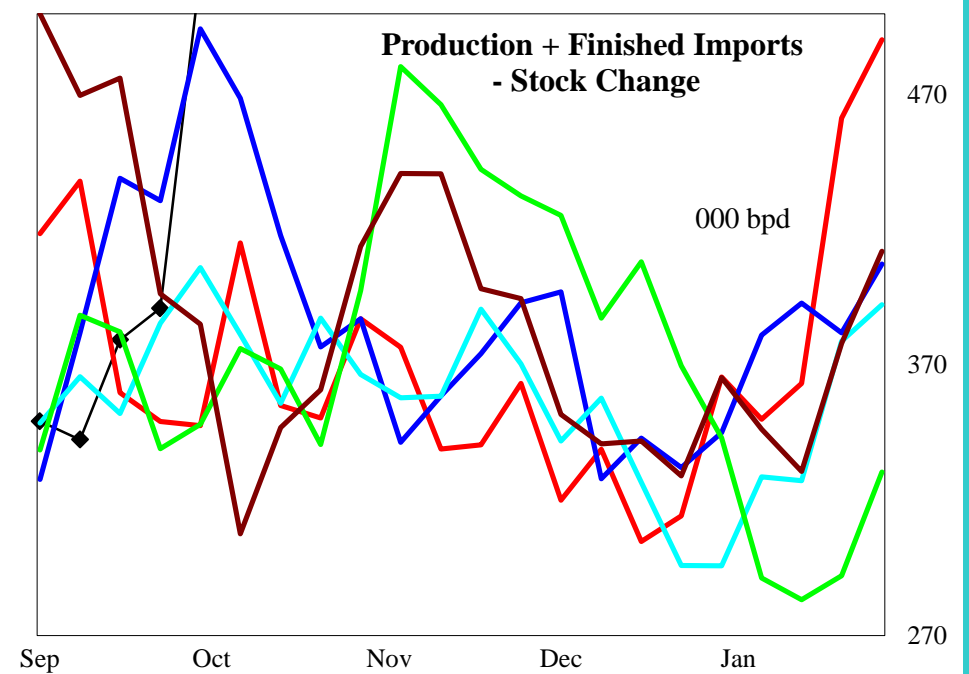
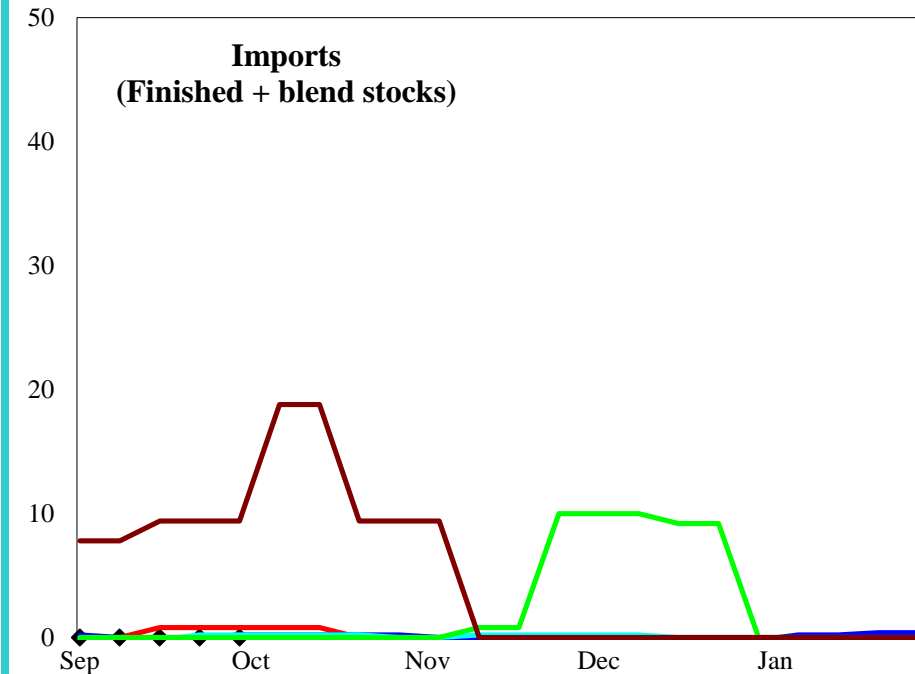
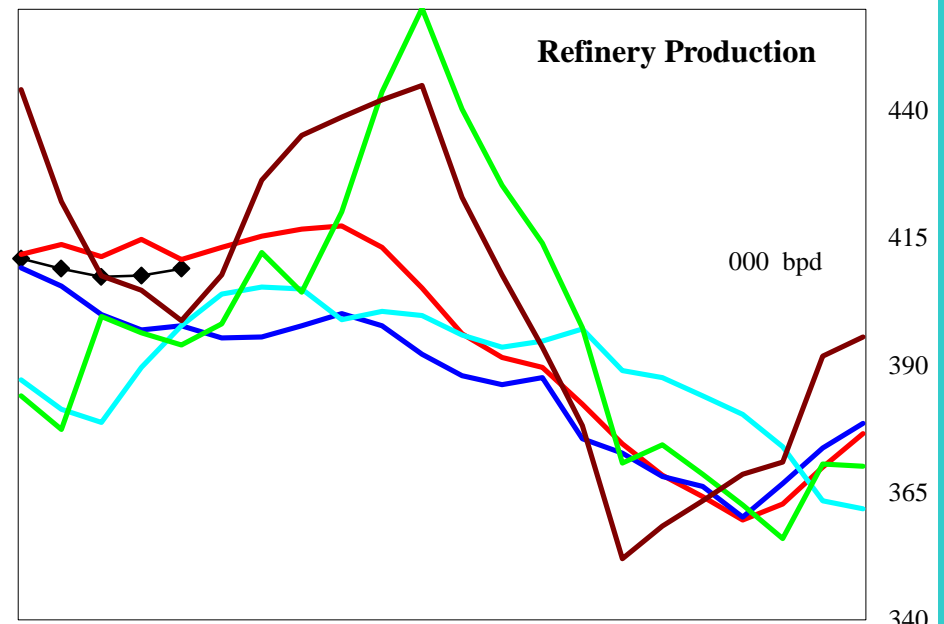
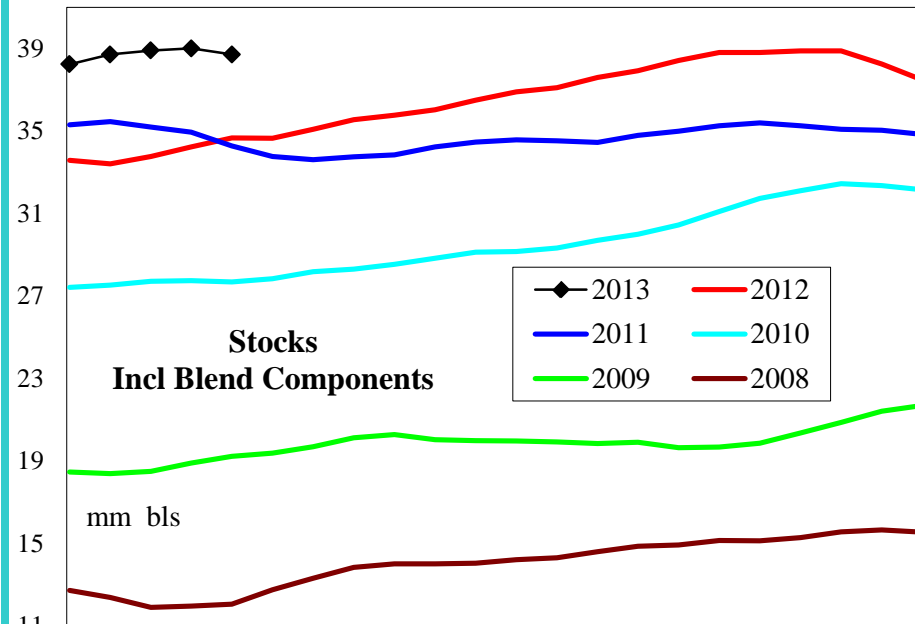
PADD 3 Crude Oil Supply and Refining



PADD 3 Gasoline Supply



PADD 3 Reformulated Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

3,721

10.6

Production

-9

-2.1

Imports

-1

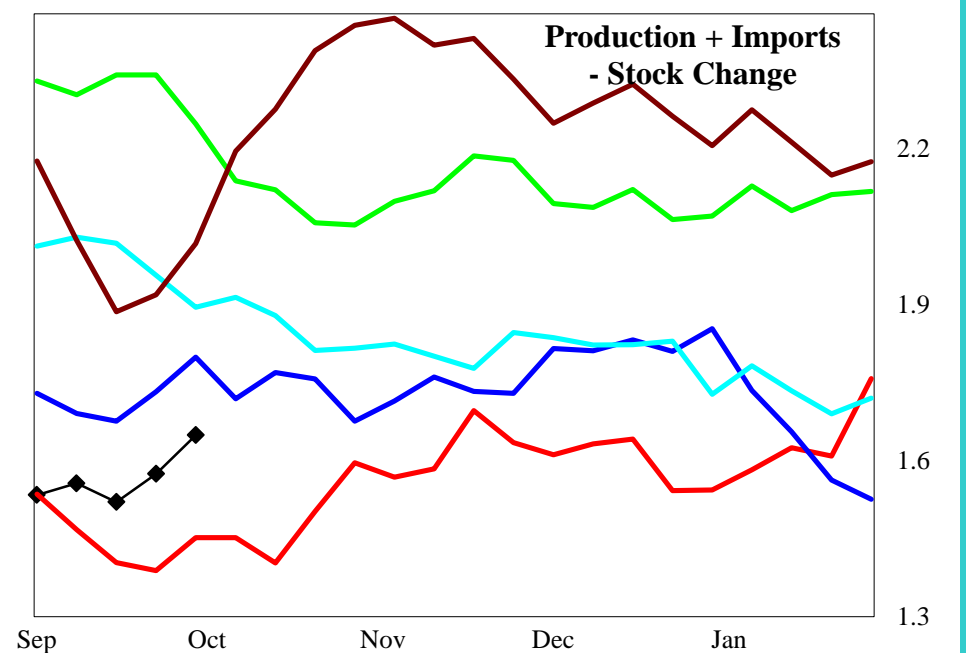
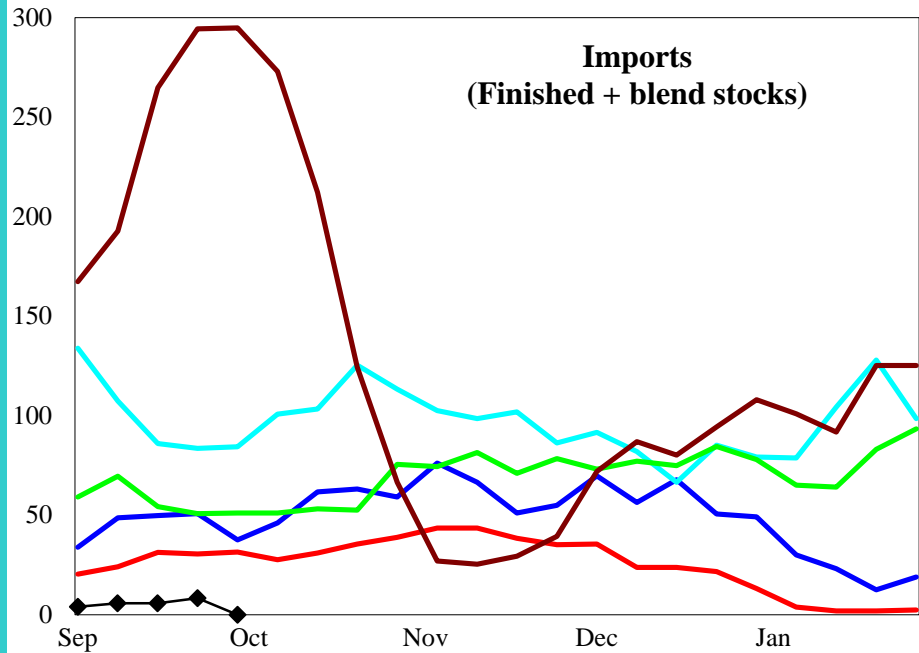
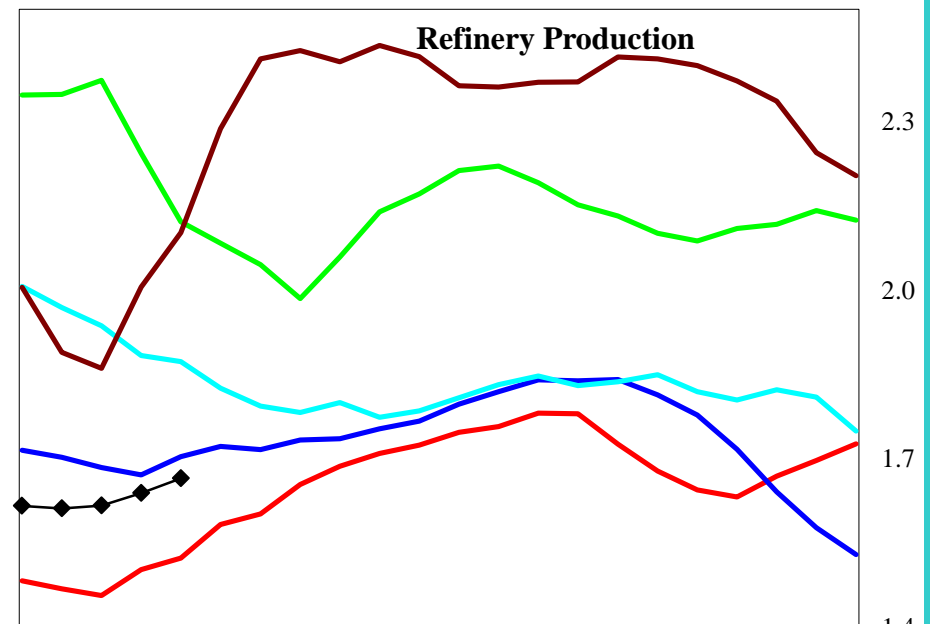
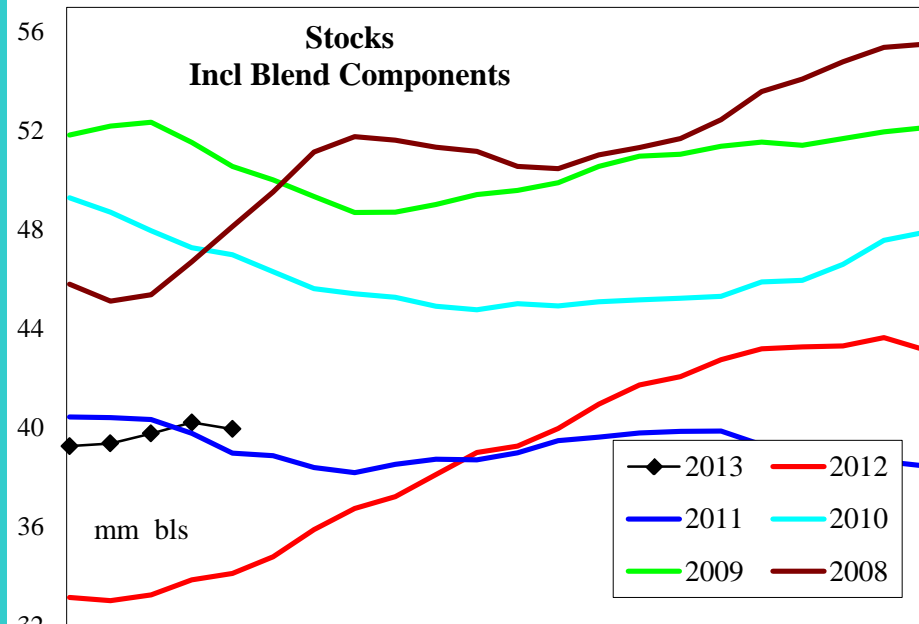
-100.0

Prod + Imp - Stk chg

99

30.3

PADD 3 Conventional Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bbls stks)

% change

Stocks

5,431

15.7

Production

162

11.0

Imports

-22

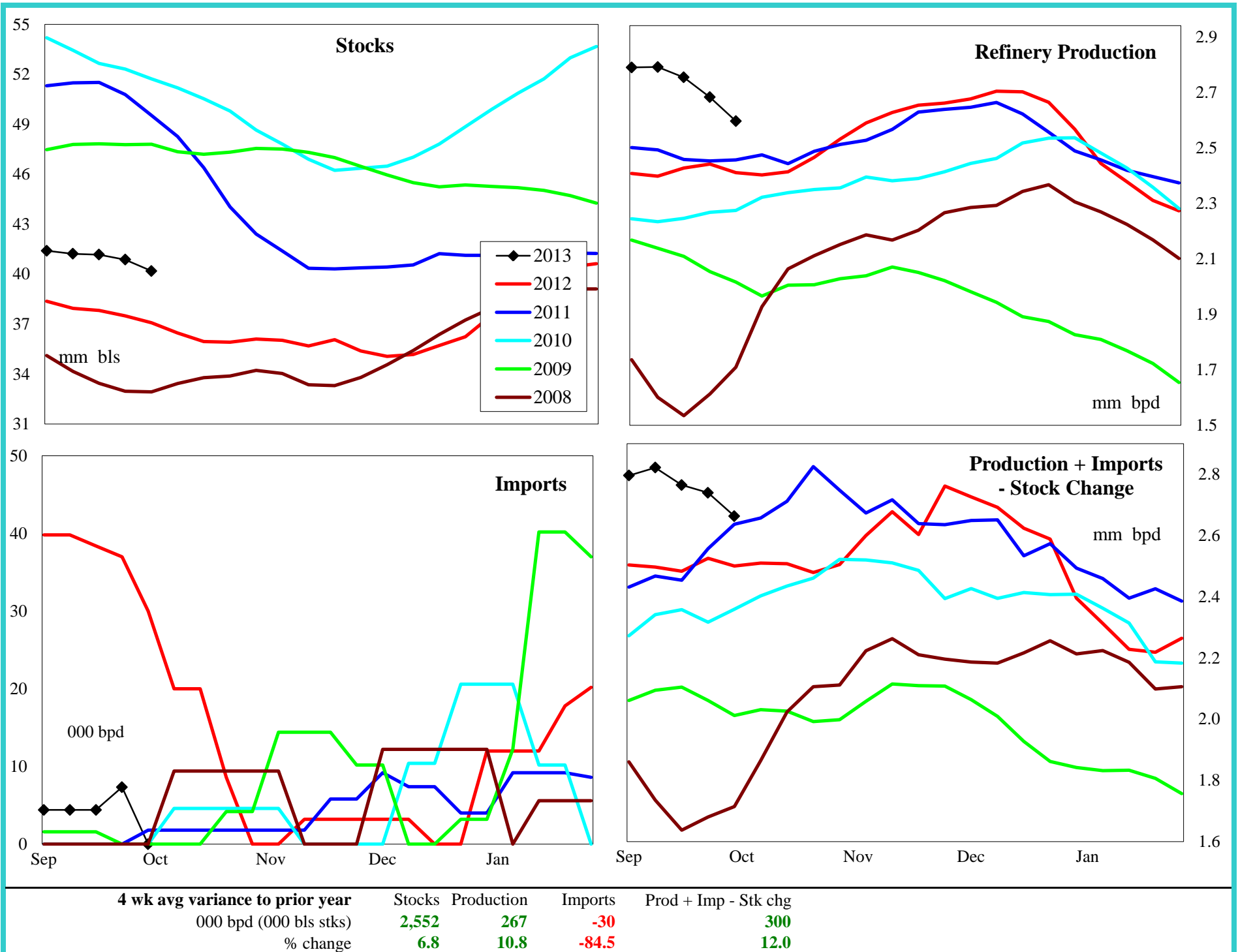
-74.8

Prod + Imp - Stk chg

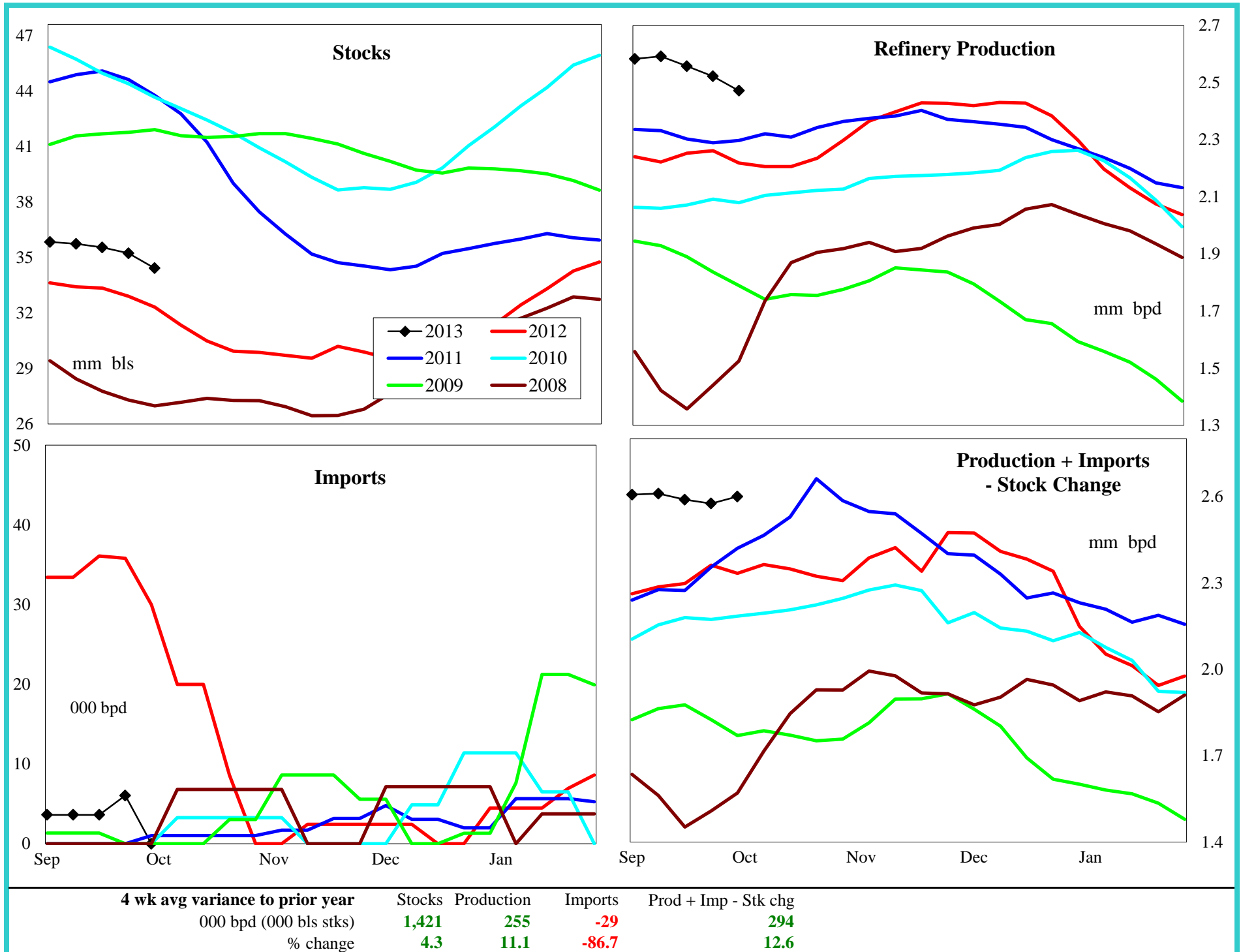
168

11.8

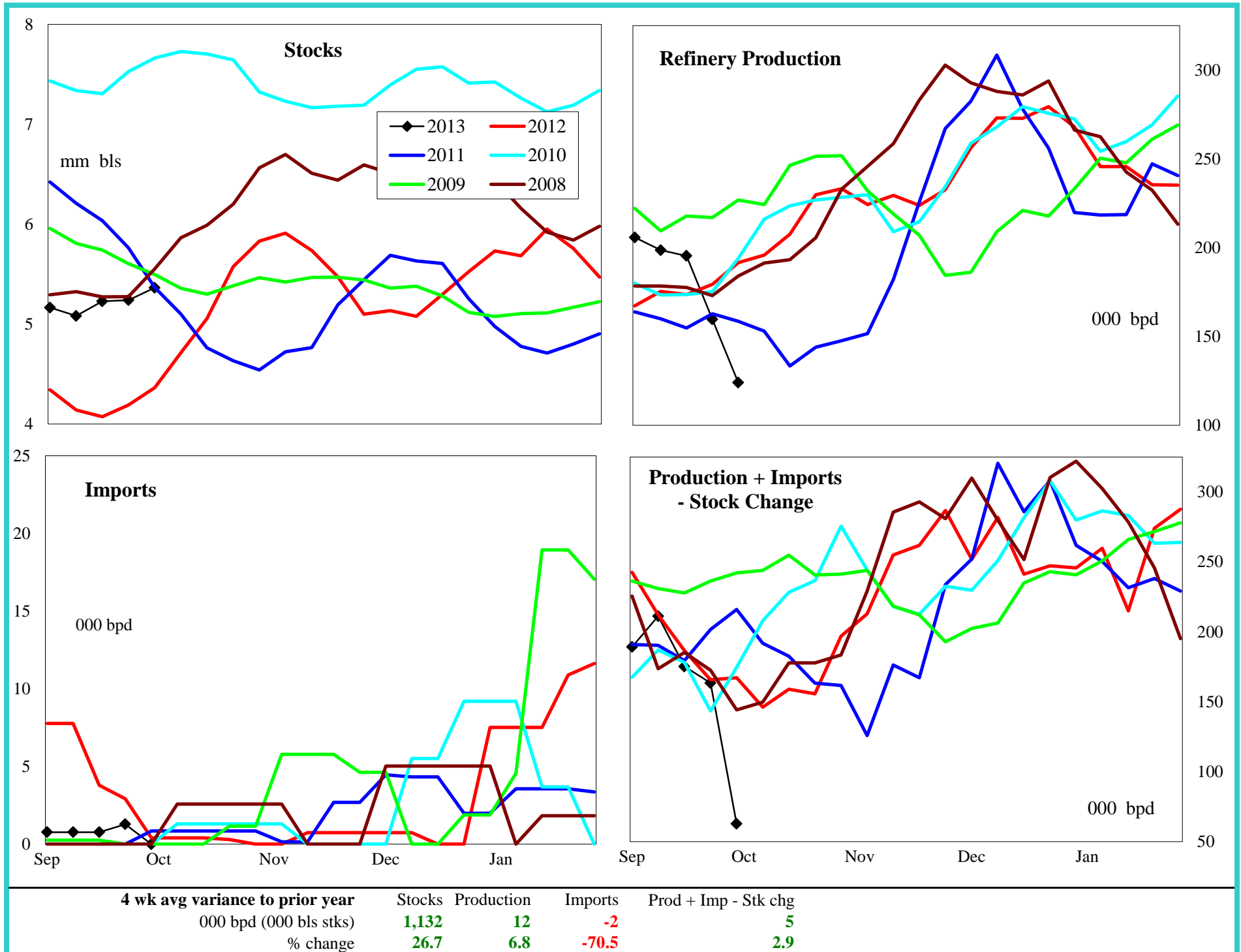
PADD 3 Distillate Supply



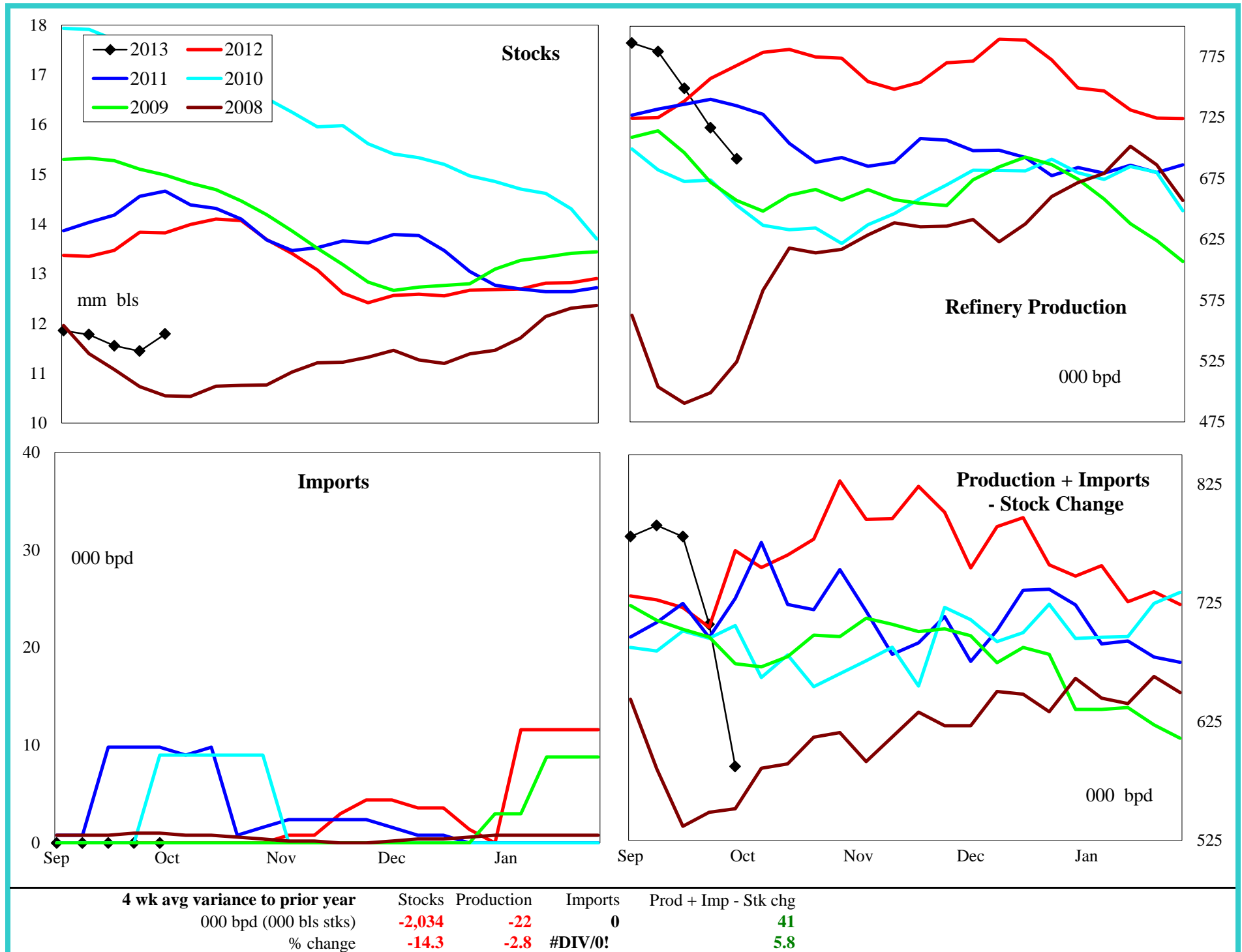
PADD 3 Low Sulfur Distillate Supply



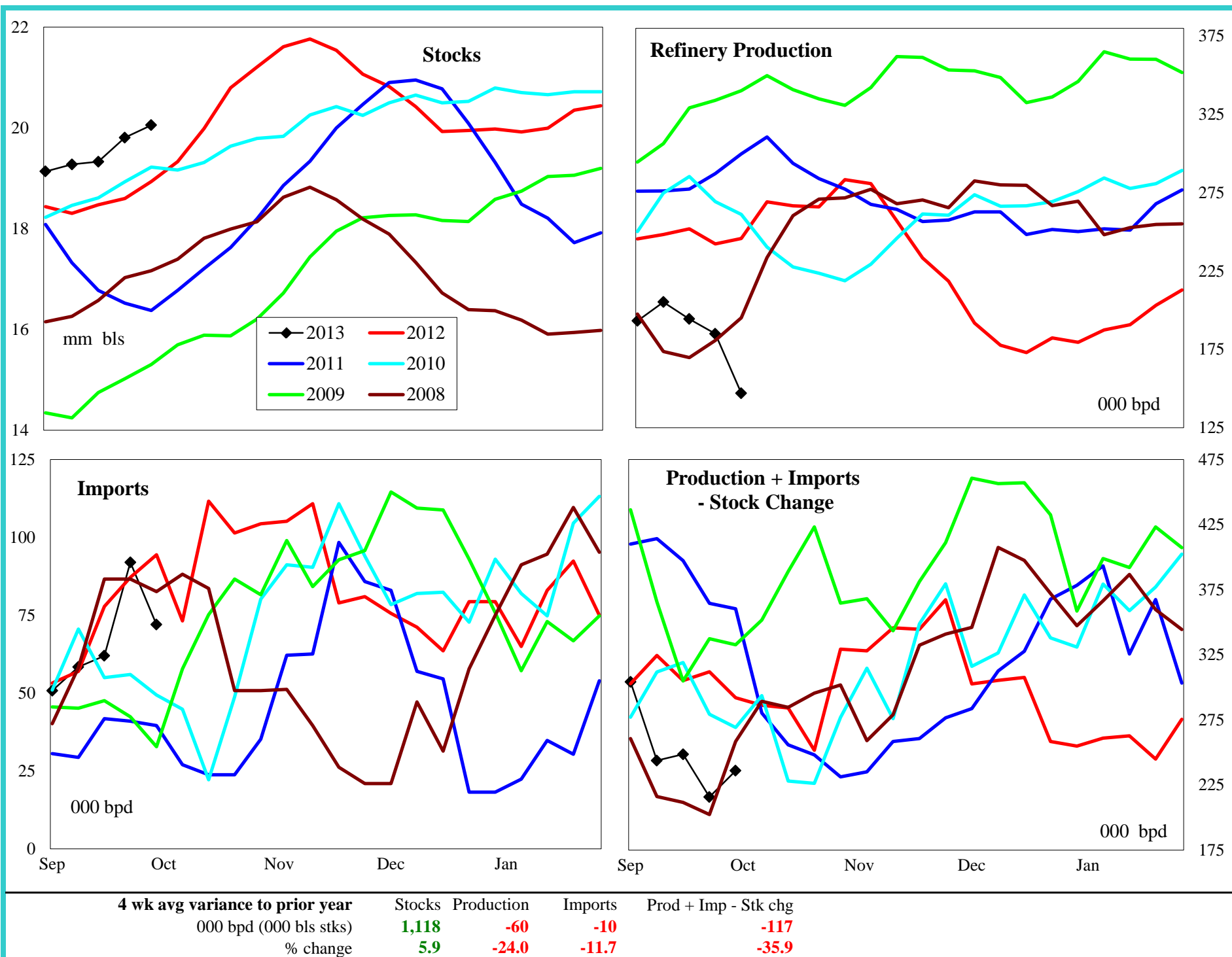
PADD 3 High Sulfur Distillate Supply



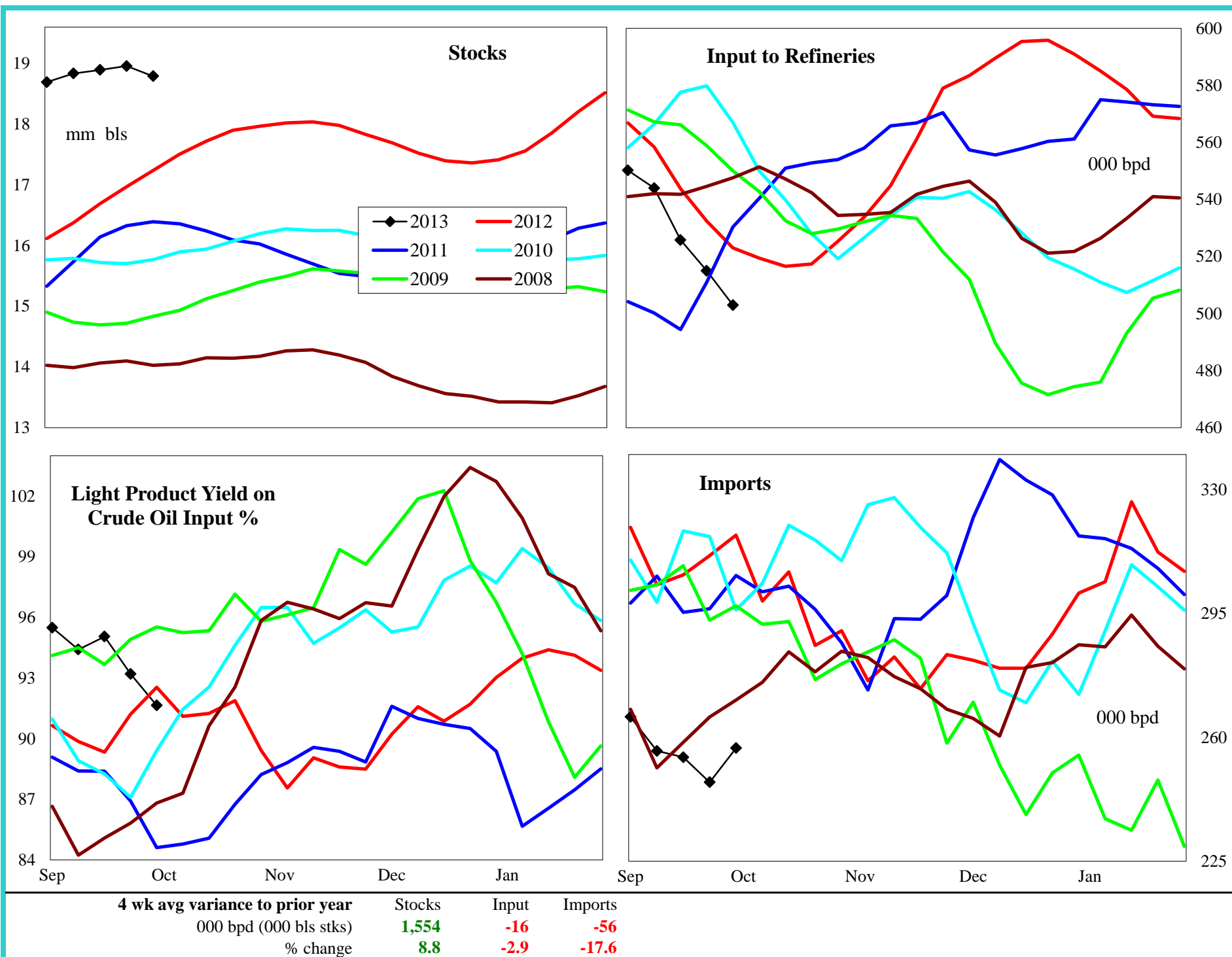
PADD 3 Jet Fuel Supply



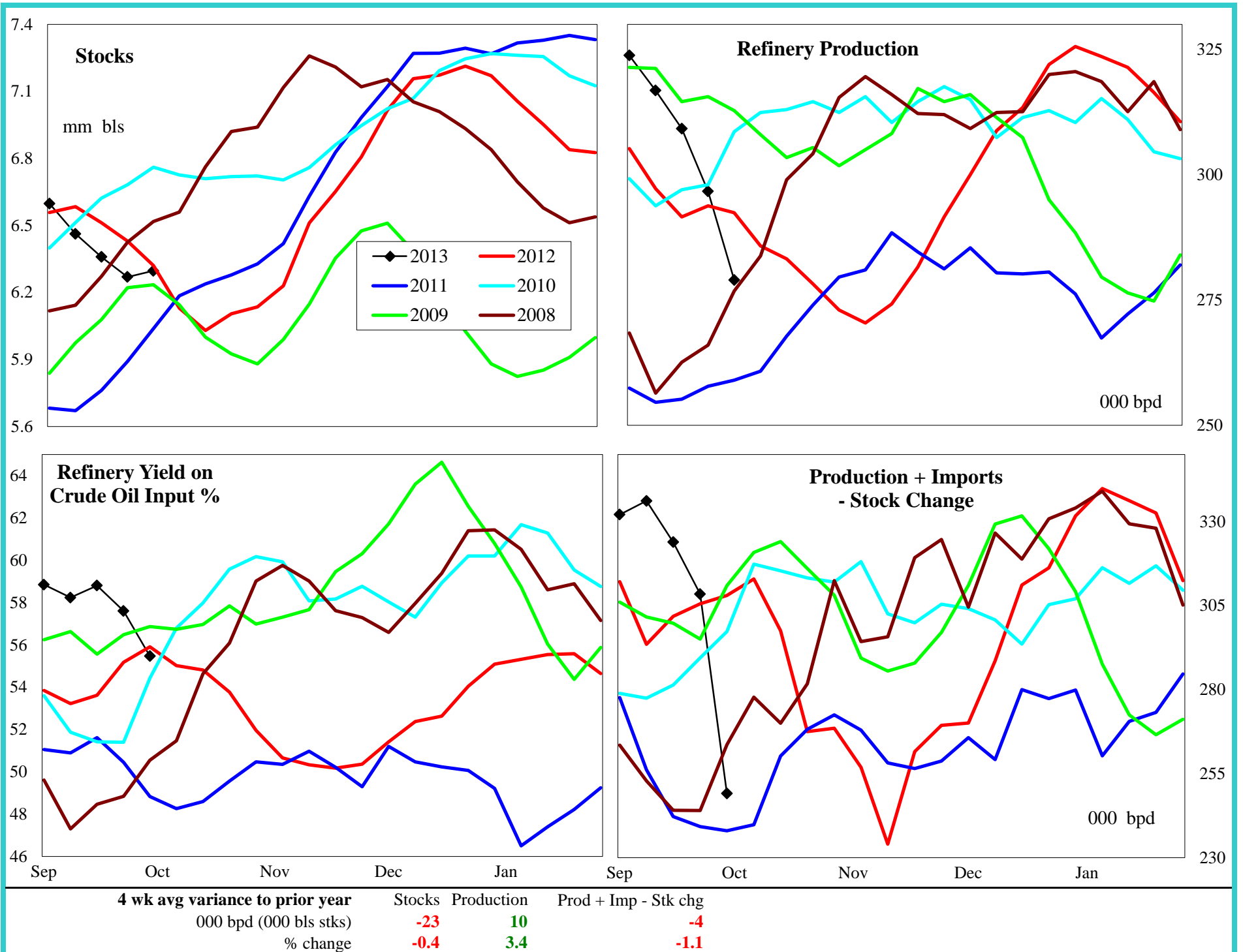
PADD 3 Residual Fuel Oil Supply



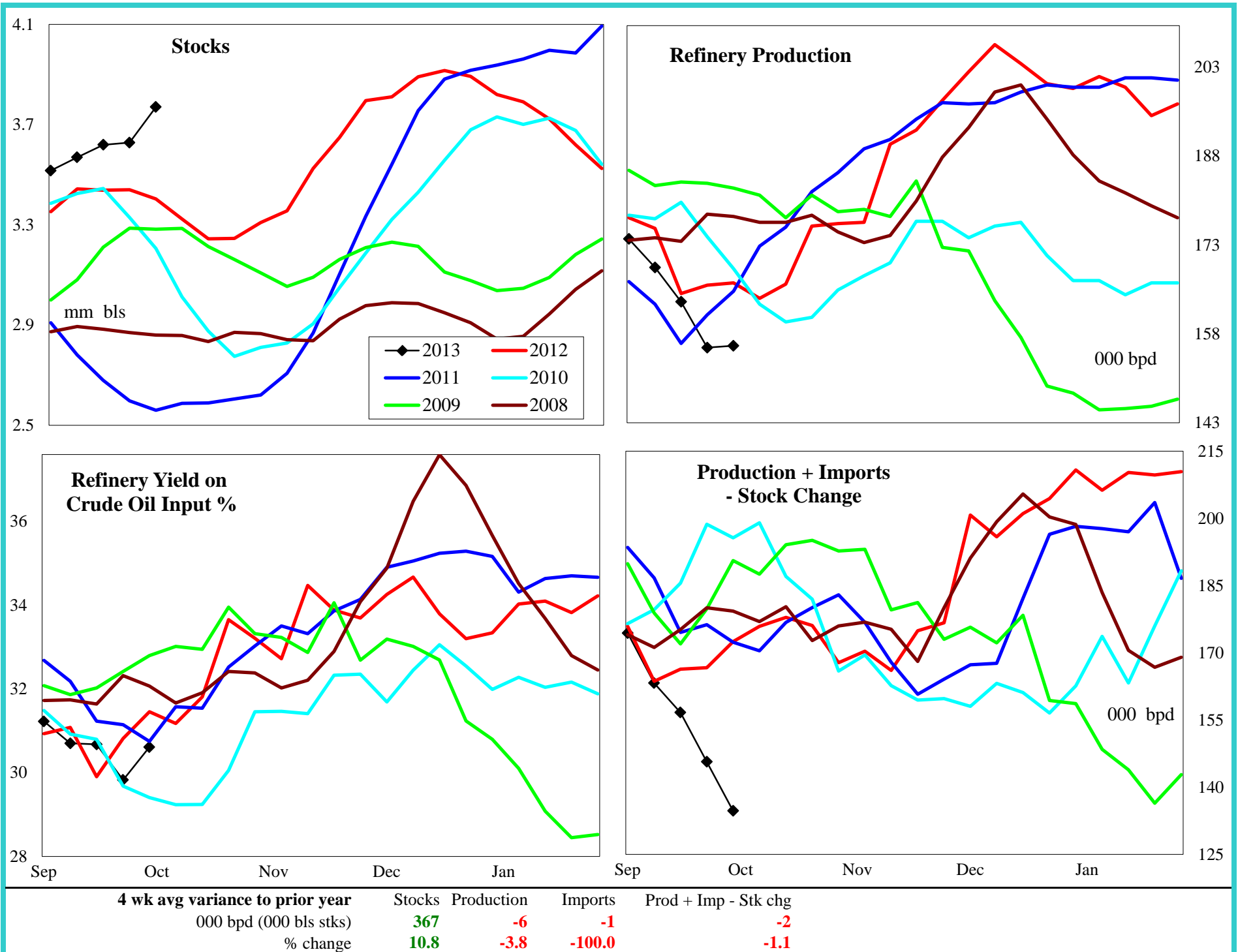
PADD 4 Crude Oil Supply and Refining



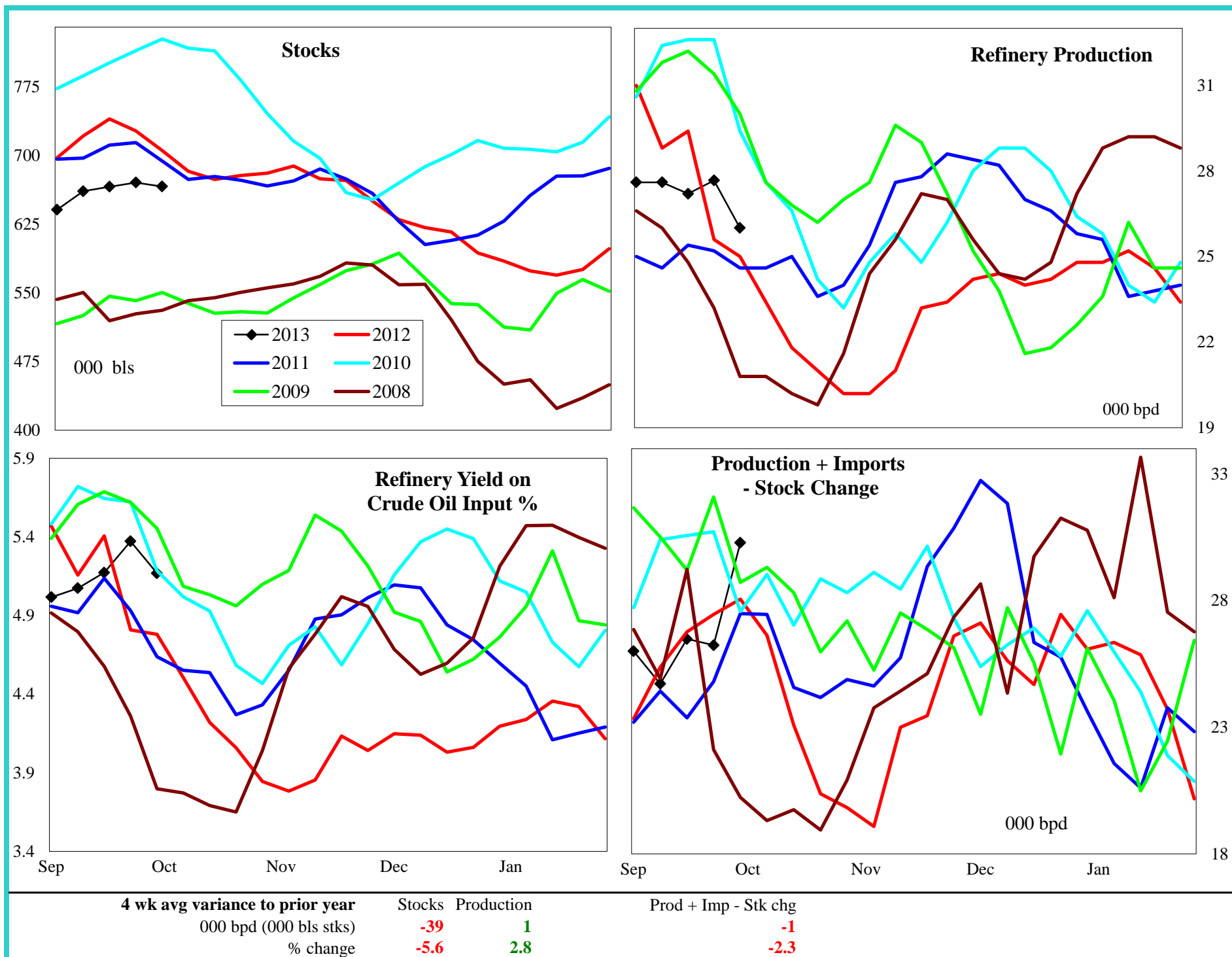
PADD 4 Gasoline Supply



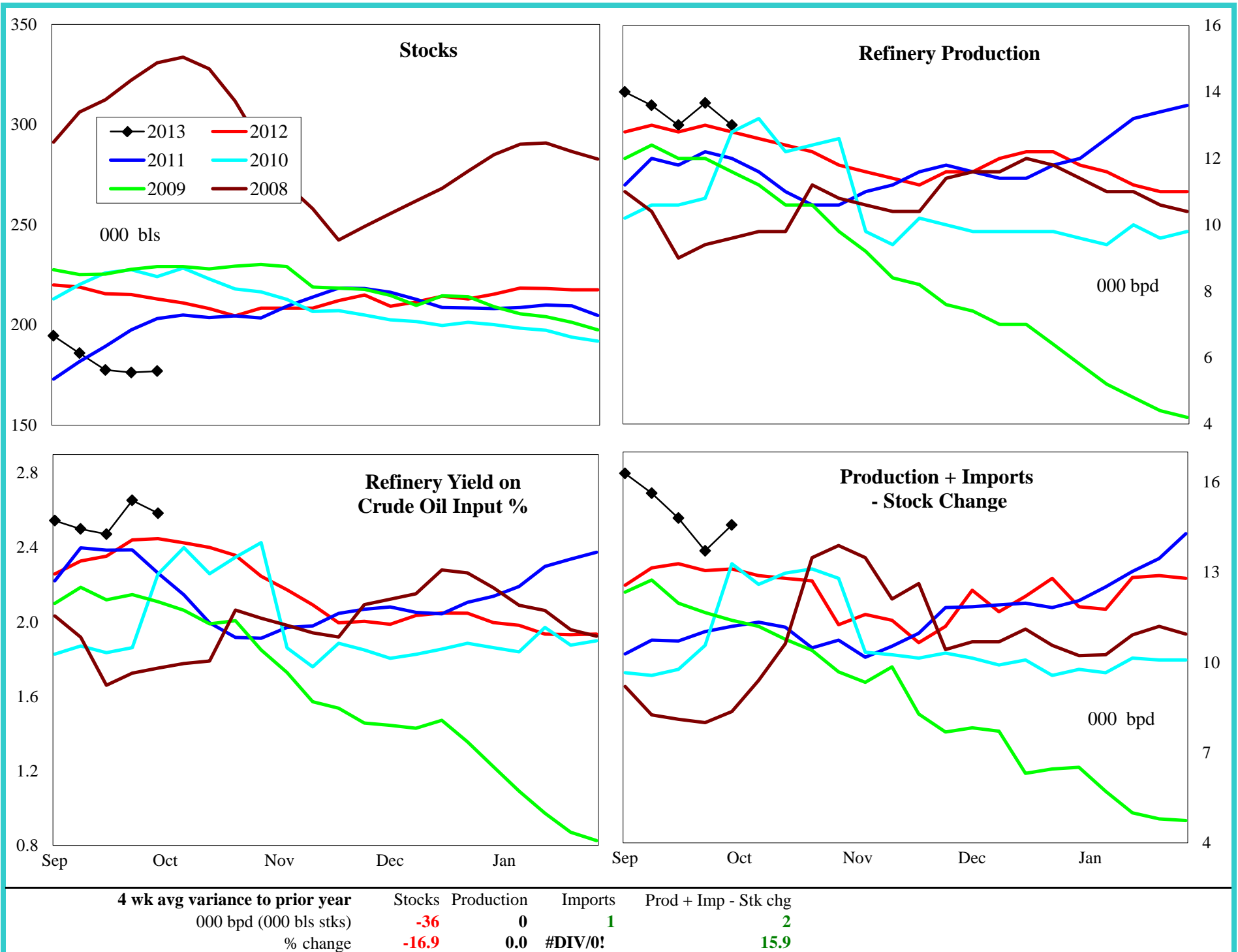
PADD 4 Distillate Supply



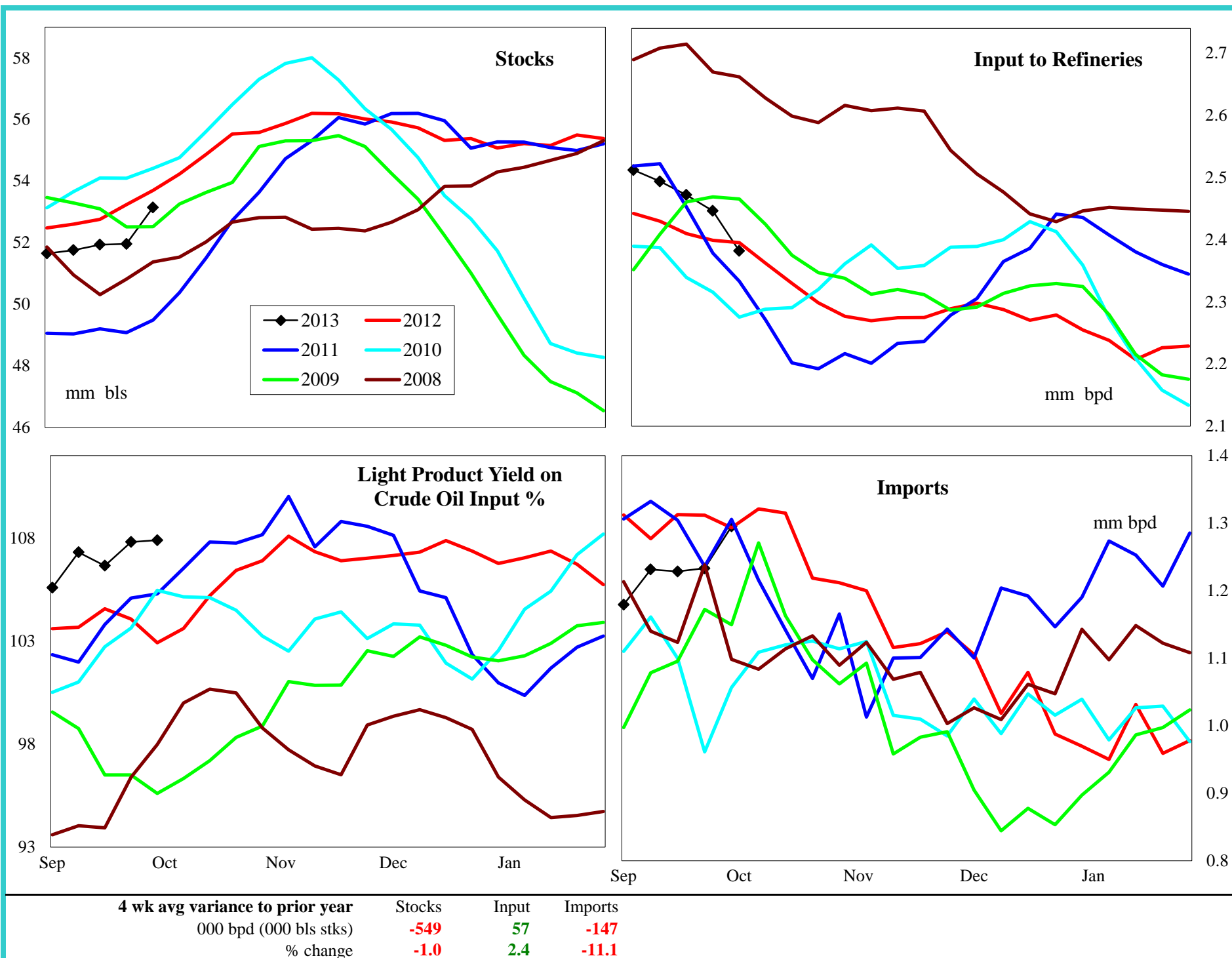
PADD 4 Jet Fuel Supply



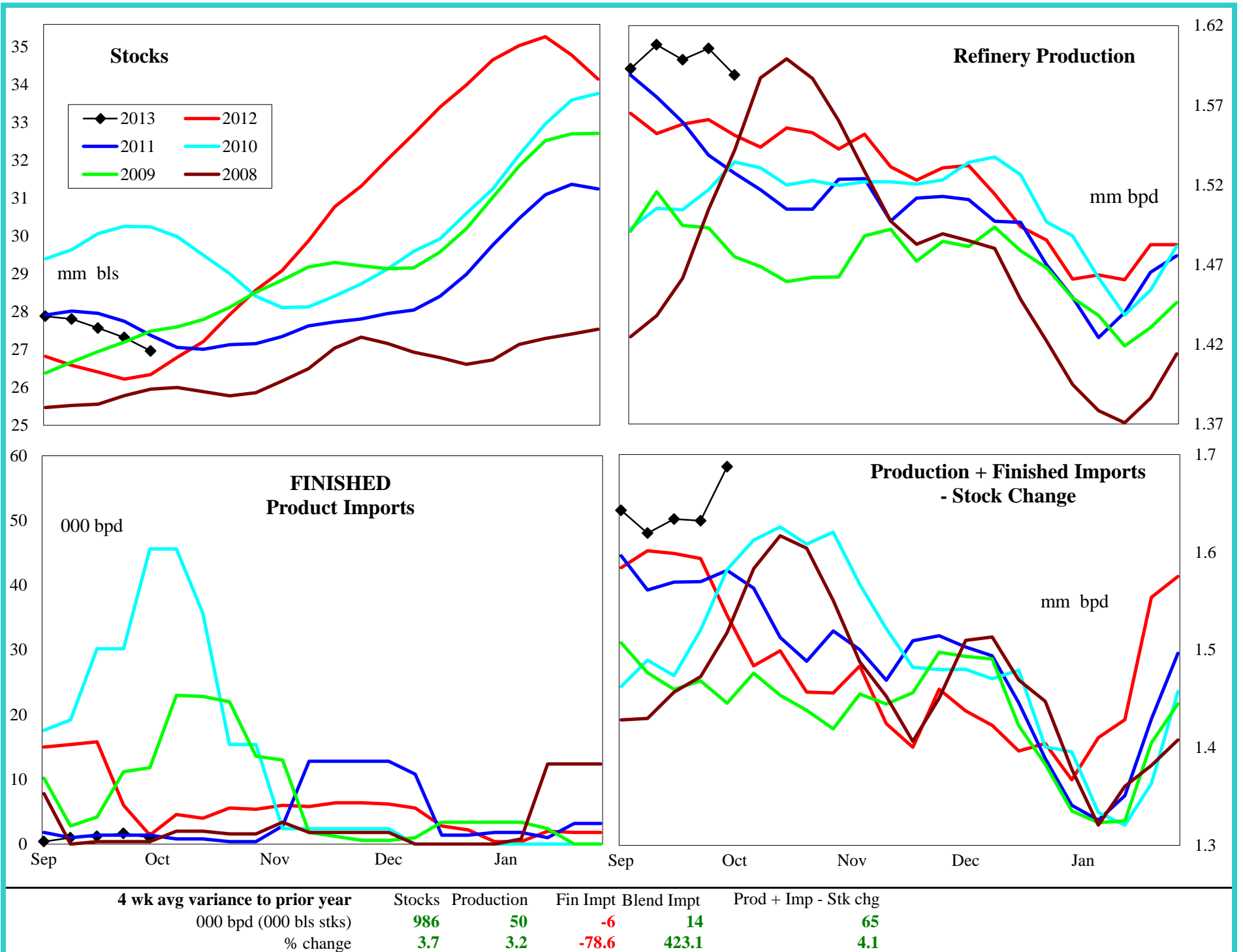
PADD 4 Residual Fuel Oil Supply



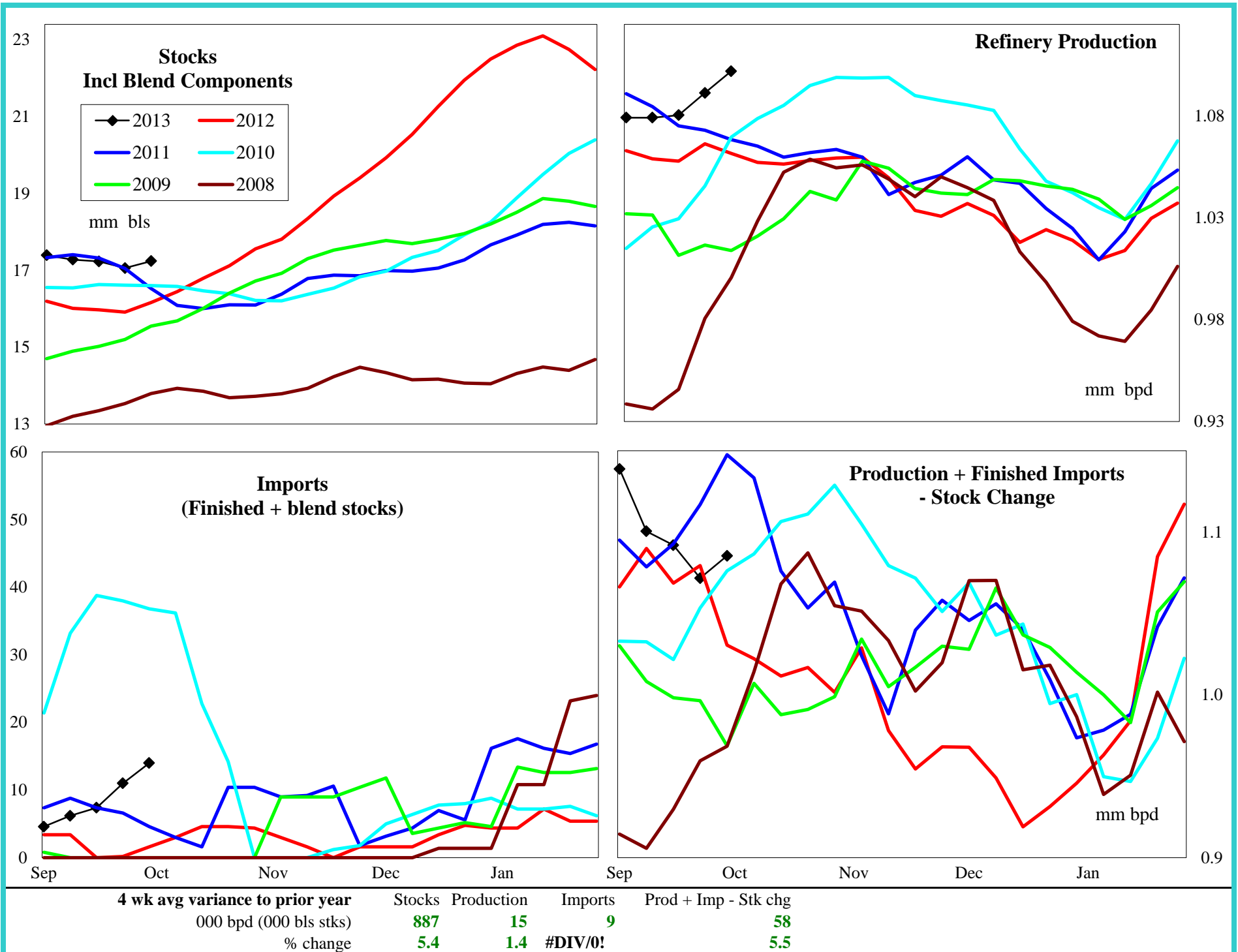
PADD 5 Crude Oil Supply and Refining



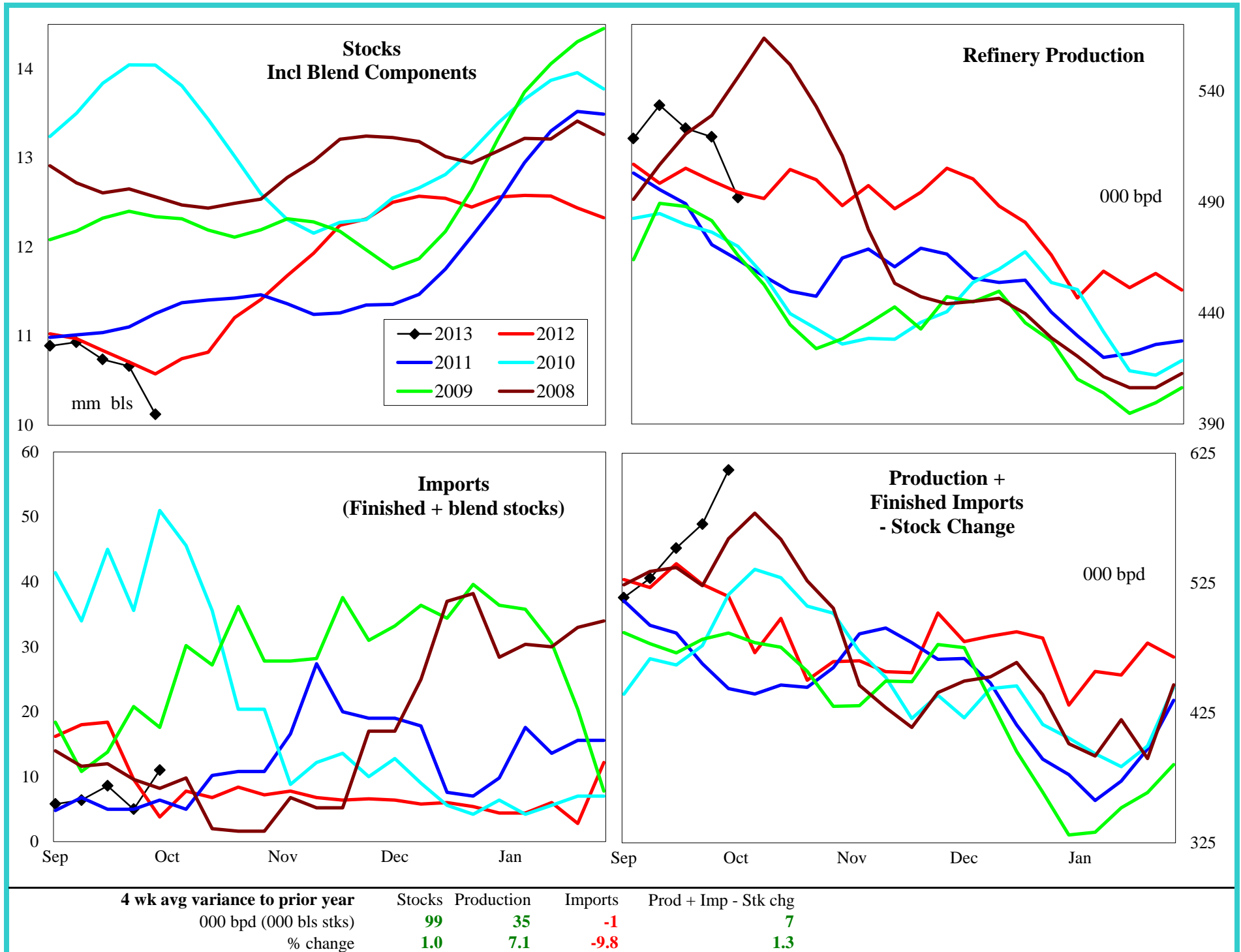
PADD 5 Gasoline Supply



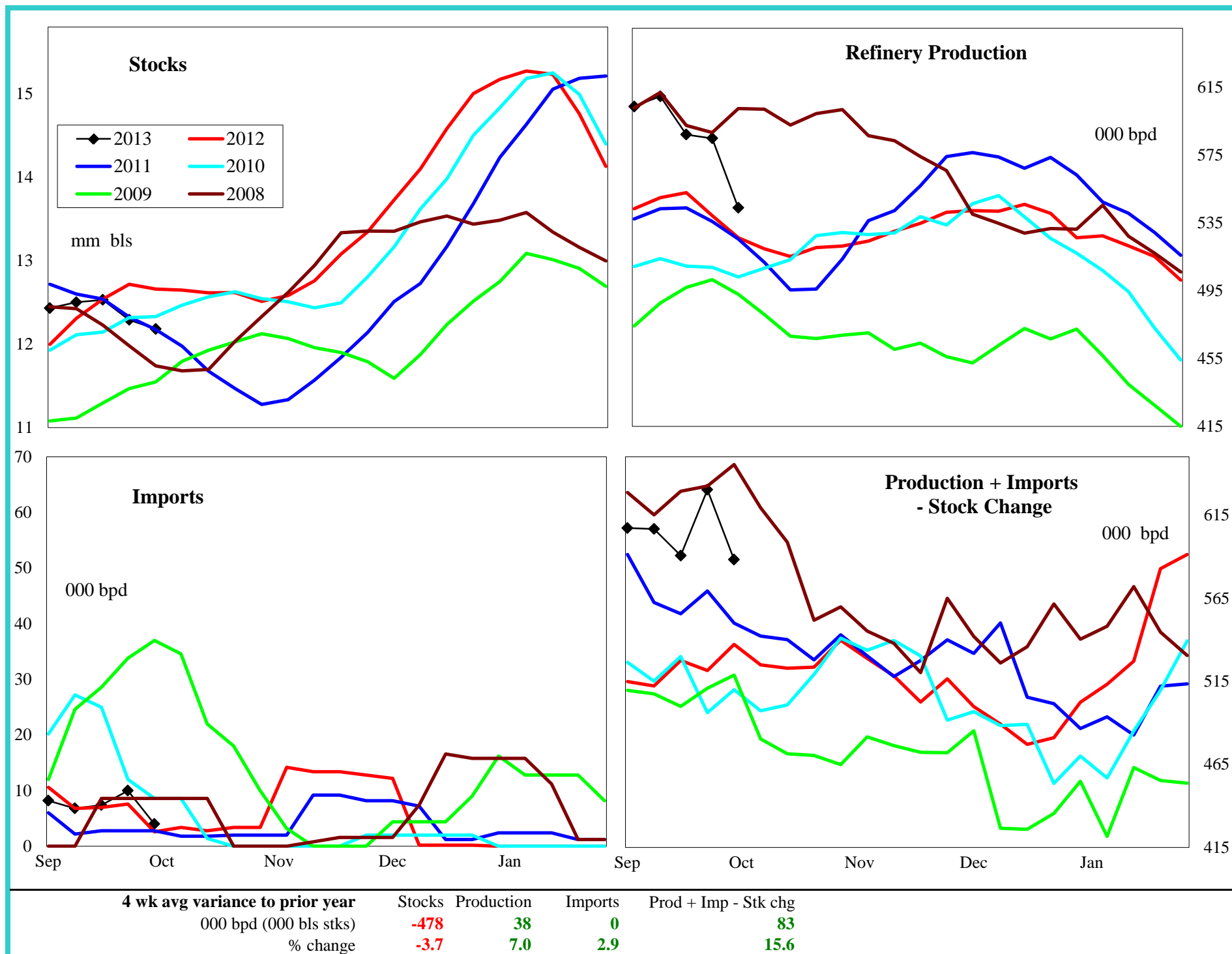
PADD 5 Reformulated Gasoline Supply



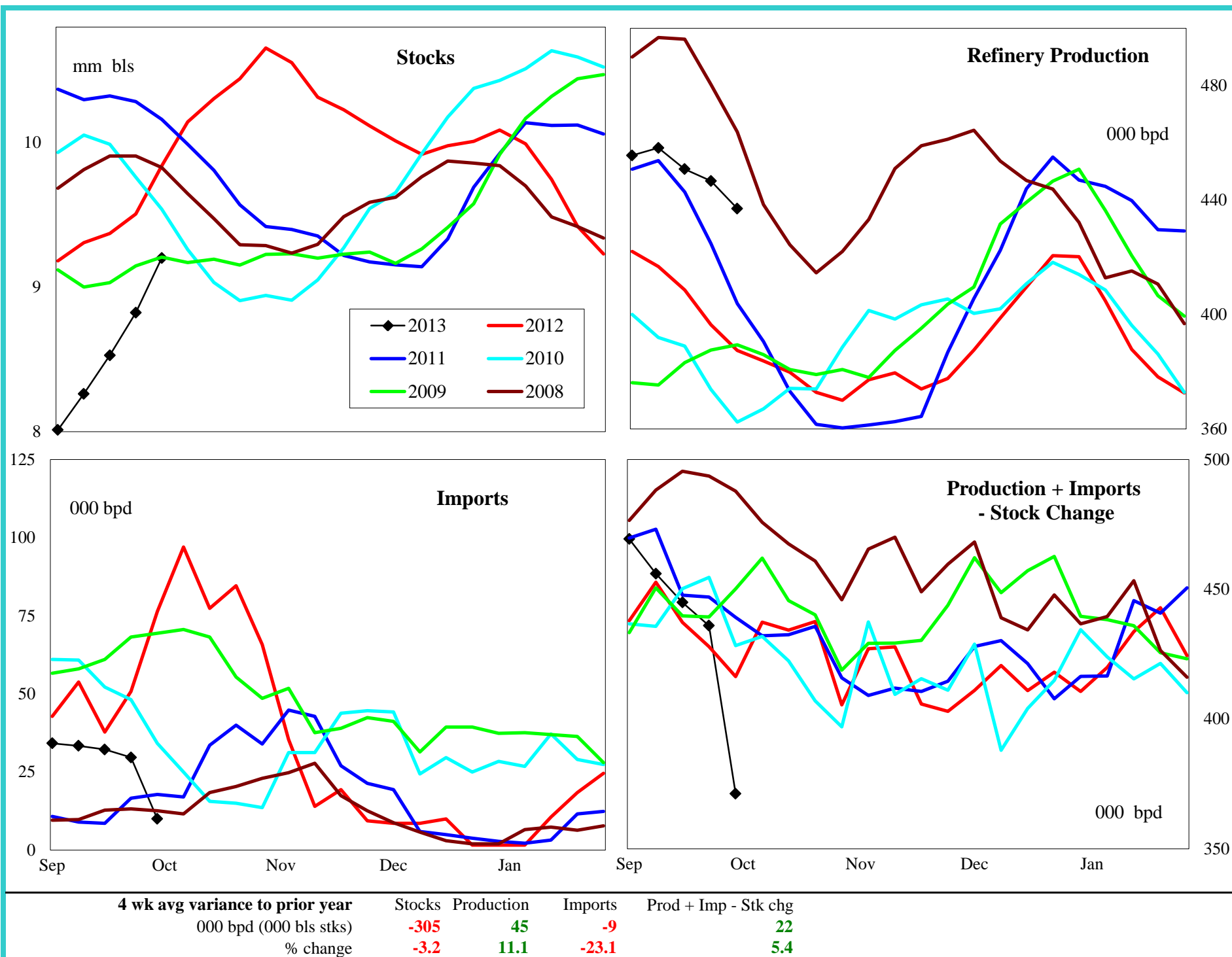
PADD 5 Conventional Gasoline Supply



PADD 5 Distillate Supply



PADD 5 Jet Fuel Supply



PADD 5 Residual Fuel Oil Supply

