



WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

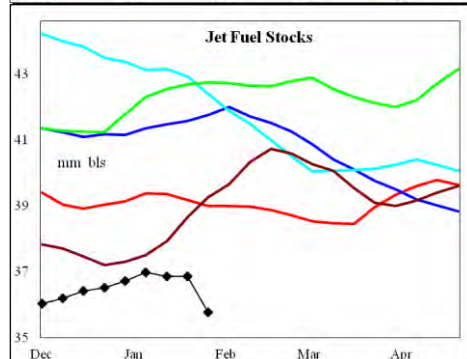
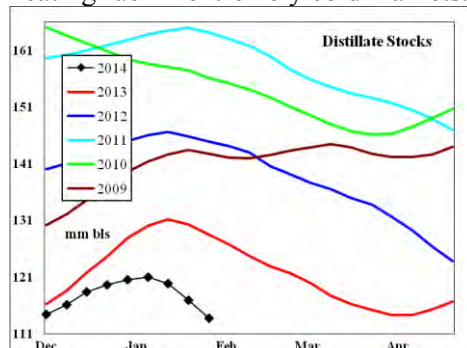
A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalphetroleumtrends.com Wednesday, February 05,



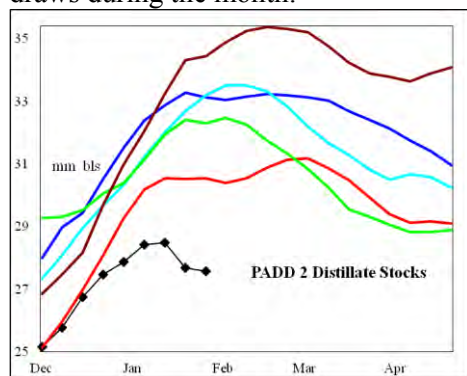
Major Fundamental Trends¹

Stock levels of distillate and jet fuel are each extremely low. The draw down in jet fuel stocks is due in part to blending for a lower cloud point heating fuel in extremely cold markets.



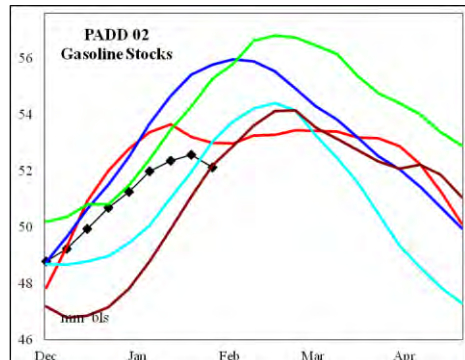
Although sharply higher gas oil imports are expected this month, the -20 million barrel deficit in combined stock levels versus last year risk continued tight supplies during the spring refinery maintenance season.

Continued extremely high heating degree days the eastern 1/2 of the country points to continued record draws during the month.



Weather disruptions and Gulf refiners redirecting deliveries to the East Coast has constrained seasonal stock building Midwest, risking a spring supply squeeze in the region.

Look for the start of higher seasonal gasoline demand to be delayed on inclement weather East of the Rockies. However, expect a significant surge by month end, with the level likely to extend the year-on-year growth trend seen in the 4th quarter. All regional gasoline markets show above average stock levels except for the Midwest where weather disruptions to refiners has cut during the last month.



Demand for transport fuels declined a combined -0.6 million bpd last week. Wholesale demand, measured over the last four weeks compared to a year ago: gasoline decreased -1.6%; distillate was +12.7% higher; jet fuel was +5.5% higher, and residual increased +4%.

Stocks forward coverage: Gasoline demand coverage increased on a +0.5 million barrel stock build and lower wholesale demand. Coverage ended the week at a level above the average of the last 2-yr.

Distillate coverage fell on a -3.4 million barrel stock draw and above average wholesale demand. Coverage ended the week at a level sharply below the 5-yr range.

Jet fuel coverage fell on a -1.4 million barrel stock draw for the week. Coverage levels remain well below the 5-yr range.

Residual fuel oil coverage fell last week increased demand.

Refinery utilization rates fell on a -368,000 bpd decrease in crude oil runs last week. During the latest 4-wk period crude oil input was +0.8 million bpd above a year ago.

Gasoline yield % on crude oil runs was little changed last week on a -391,000 bpd decline in output compared to the -368,000 bpd decrease in crude oil runs. Yield % on crude oil runs remained below the historic range.

Distillate yield % on crude oil runs fell last week, on a -262,000 bpd decline in output compared to the decrease in crude oil runs. The yield % on crude oil runs ended the week at a level above the 5-yr range.

Jet fuel yield % on crude oil runs decreased on a -45,000 bpd decline in output, compared the decline in crude oil runs. The yield % level match historic lows.

Petroleum Imports/Exports: Imports of crude oil plunged -1.2 million bpd last week, with the decrease concentrated in the Gulf and West Coast.

During the latest 4-wk period crude oil imports were -0.5 million bpd below last year; distillate imports were +83,000 bpd higher; finished gasoline imports were +5,000 bpd higher, gasoline blend stock imports were -30,000 bpd lower; jet fuel imports increased +12,000 bpd, while residual fuel oil imports were -89,000 bpd lower.

Exports during the latest week for distillate were +217,000 bpd above a year ago, gasoline +106,000 bpd, jet fuel +37,000 bpd and propane was +222,000 bpd higher.

Crude Oil stocks increased +0.4 million barrels last week, including a +3.4 million barrel build in the Gulf. A -1.2 million bpd drop in imports contributed to the stock draw.

¹ Source is latest EIA Weekly Statistics



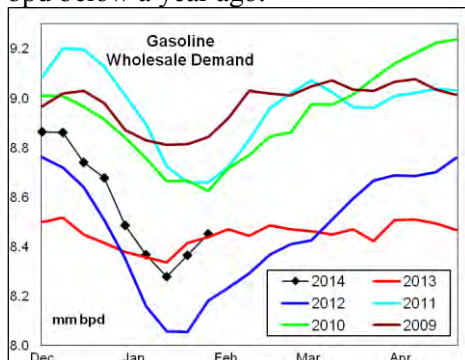
WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

A Fundamental Petroleum Trends Weekly Report

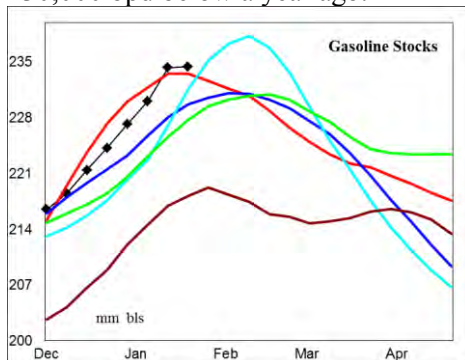
Lehi German Tel: 816.505.0980 www.fundamentalphetroleumtrends.com Wednesday, February 05,

Product Supply-Demand Trends

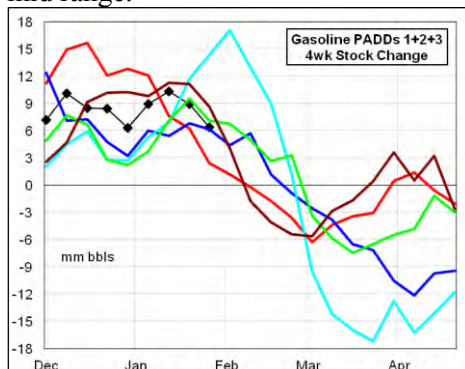
Gasoline wholesale demand decreased -132,000 bpd last week, to a level comparable with last year. The latest 4-wk average demand was -138,000 bpd below a year ago.



Supply decreased -237,000 bpd as refiners continued winter maintenance. Supply for the latest 4-wk period was -130,000 bpd below a year ago.



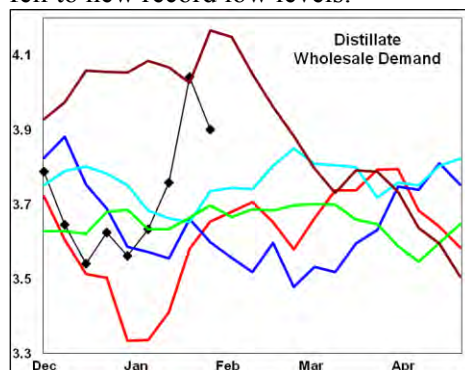
Stocks increased +0.5 million barrels last week, a level that matched 5-yr highs. The latest 4-wk stock change in markets East of the Rockies was a +7 million barrel build, a level at the 3-yr mid range.



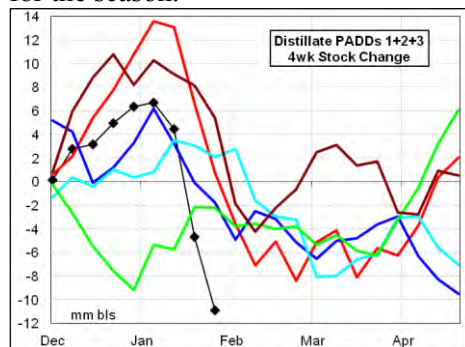
Look for the seasonal uptrend in wholesale demand to be delayed by inclement weather, leading to a later than normal start to the seasonal draw down. A return to year-on-year

demand growth and seasonal maintenance on the Gulf should drive significant stock draws in the 2nd half of the quarter.

Distillate wholesale demand fell -0.6 million bpd last week. The latest 4-wk average demand was +451,000 bpd above last year – driven in part by mandated fuel switching from natural gas in the Northeast. Supply fell -266,000 bpd last week, while stocks fell to new record low levels.



The latest 4-wk stock change in markets East of the Rockies was a -10.9 million barrel draw, a record draw for the season.

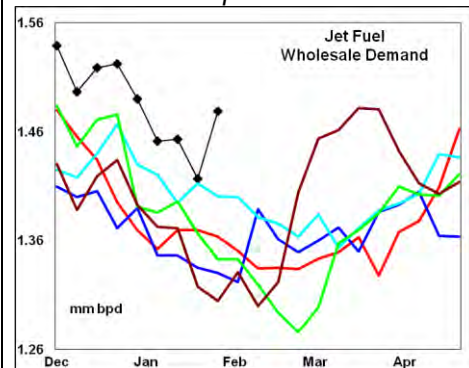


Stocks are -42% below last year and at crisis low levels in the Central Atlantic Region. Continued high heating degree days will partially offset the expected surge in gasoil imports during the month. Stocks are also exceptionally low in the Midwest; risking a supply squeeze in this region during the 2nd quarter.

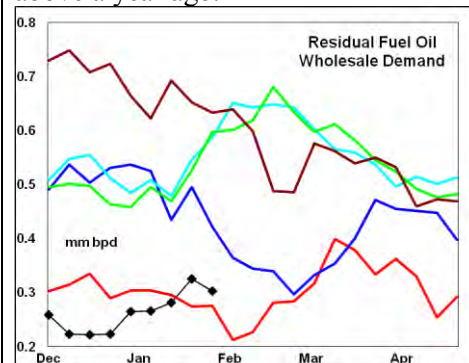
Jet Fuel wholesale demand increased +15,000 bpd last week, to a level above the 5-yr range. The latest 4-wk average demand was +76,000 bpd above a year ago.

Supplies decreased -106,000 bpd with production equal to 5-yr highs and imports at historic lows. Output for the most recent 4-wk period was +59,000 bpd above a year ago. Imports were also +12,000 bpd above last year. Stocks fell -1.4 million barrels last week, to a level -2.9 million barrels below a year ago, a record low.

Robust demand is driven in part by blending with heating oil for cold weather pour point enhancement. Stock levels are exceptionally low in all markets east of the Rockies.



Residual fuel oil demand increased +98,000 bpd last week. Demand for the latest 4-wk period was +13,000 bpd above a year ago.



Supply (production + imports) decreased -76,000 bpd on lower production. Production was +133,000 bpd above a year ago for the latest 4-wk period, while imports decreased -89,000 bpd. Stock levels ended the week +3.4 million barrels above last year.

Production fell sharply last week, to near last year's record lows. Stock levels in the Gulf remain +17% above the prior record high.



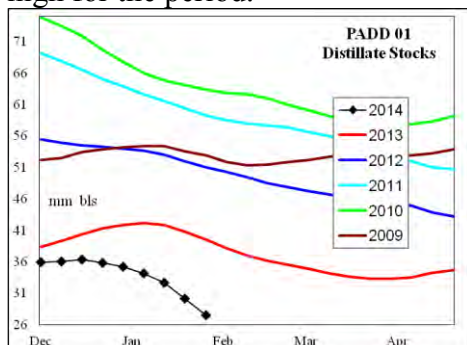
WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalphetroleumtrends.com Wednesday, February 05,

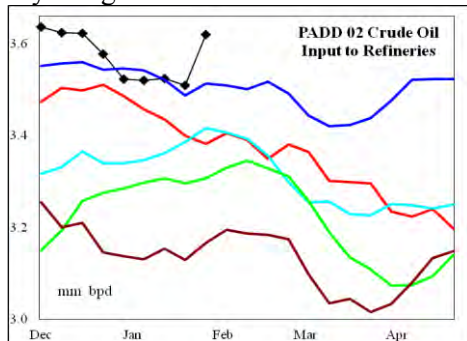
PADD Supply Trends

PADD 1 refinery crude oil runs increased +10,000 bpd last week; with the latest 4-wk average -84,000 bpd below last year. Gasoline supply increased +172,000 bpd on the week, to a level comparable to the last 3-yr. Stocks increased +0.9 million barrels, to a new record high for the period.



Distillate supply decreased -8,000 bpd last week on lower imports. Stocks fell -2 million barrels on the week, to a level -13 million barrels below the 5-yr range.

Jet fuel supply was -20,000 bpd below last year with stocks below the 5-yr range.



PADD 2 crude oil refinery runs increased +39,000 bpd last week, with the latest 4-wk average +93,000 bpd above last year. Crude oil stocks declined -1.5 million barrels last week, including a -1.6 million barrel draw in Cushing.

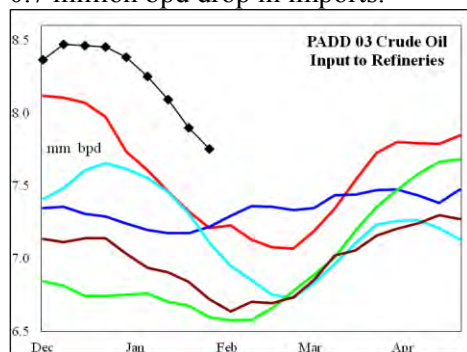
Gasoline supply decreased -34,000 bpd last week, but remains above the 5-yr range. Production for the most recent 4-wk period was +210,000 bpd above a year ago – driven by the EIA

recording sub octane product shipped into the Midwest as finished product production when blended with ethanol. Stocks fell -0.9 million barrels on the week, ending at a level equal to 5-yr lows for the period.

Distillate supply decreased -49,000 bpd last week, with the 4-wk average unchanged from a year ago. Stock levels ended the week -10% below last year, at a record low level.

Jet fuel production decreased -15,000 bpd last week, but the level remains at historic highs. Stock levels remain extremely low.

PADD 3 refinery runs decreased -178,000 bpd last week, although the level remains above the 5-yr range. During the latest 4-wk period, average runs were +642,000 bpd above last year. Crude oil stocks increased +3.4 million barrels last week, even with a -0.7 million bpd drop in imports.



Gasoline supply fell -123,000 bpd last week, with the latest 4-wk average -8,000 bpd below a year ago. Stocks increased +1.5 million barrels last week, to a level above the 5-yr mid range.

Distillate supply fell -131,000 bpd on the week, with the latest 4-wk average supply +278,000 bpd above last year. Stocks increased +0.4 million barrels last week, to a level equal to the last 2-yr average.

Jet fuel production decreased -21,000 bpd on the week, a level comparable to the 5-yr high. Stocks fell -0.7 million barrels on the week, -23% below last year; driven by the surge in demand for heating oil.

Residual fuel supply fell -163,000 bpd on lower imports. Stocks declined

-0.5 million barrels, ending the week +17% above the prior record high.

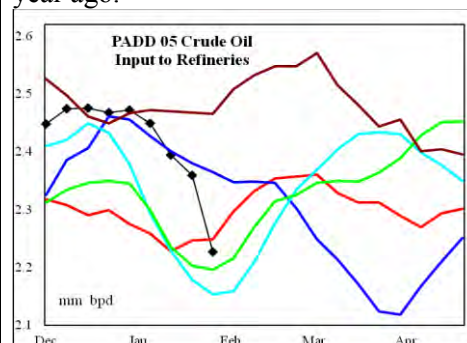
PADD 4 refinery crude runs fell -72,000 bpd last week, to a level near historic lows.

Gasoline production increased +6,000 bpd on the week, to a level above the 5-yr range. Stock levels ended the week at a record high for the period.

Distillate production decreased -20,000 bpd on the week, with the level -15,000 bpd below last year for the latest 4-wk period. Stock levels ended the week at the average of the last 2-yr.

Jet fuel production matched 5-yr highs for the last week, while stock levels fell sharply below the last 3-yr.

PADD 5 crude oil refinery runs decreased -166,000 bpd last week a level below the last 2-yr. The latest 4-wk run rate was +153,000 bpd above a year ago.



Gasoline supply increased +72,000 bpd on the week to a level above the 5-yr range. The latest 4-wk average supply was +44,000 bpd above a year ago. Stocks decreased -1 million barrels on the week to a level just below historic highs.

Distillate supply decreased -60,000 bpd, falling to a level below the last 2-yr. The latest 4-wk average supply was +50,000 bpd above a year ago. Stocks ended the week below each of the last 3-yr.

Jet fuel supply fell -53,000 bpd on the week while stocks fell -0.6 million barrels. The supply balance remains significantly higher than all other regional markets.


FUNDAMENTAL PETROLEUM TRENDS

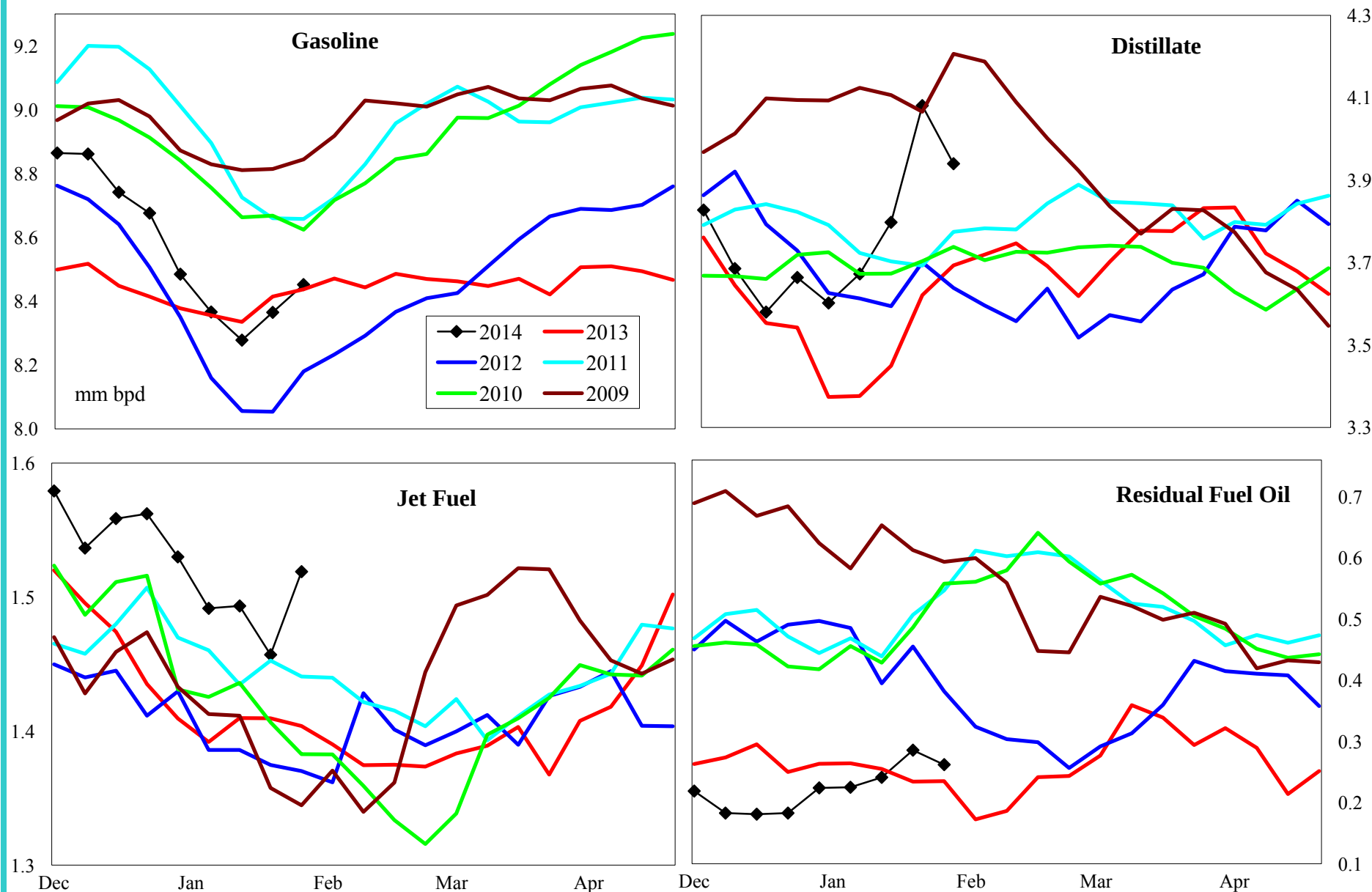
PETROLEUM: Graph Link and Weekly Summary

A Fundamental Petroleum Trends Weekly Report February 5, 2014

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com

Fundamental Trends	Wholesale Demand	Stocks Days Fwd Coverage	Refinery Utilization			Imports	
Supply/Demand Trends	31-Jan-14	EIA-DOE CHANGE FROM PRIOR WEEK					
	000 bpd stocks 000 bls	U. S. Total	PADD				
			1	2	3	4	5
Crude Oil	Stocks	440	-564	-1,541	3,437	22	-914
	Imports	-1,161	-66	164	-694	-4	-562
	Input	-368	10	39	-178	-72	-166
	% Utilization	-2.10					
Gasoline	Stocks	505	874	-853	1,462	-18	-961
	Production	-391	-30	-38	-64	6	66
	Imports	154	202	4	-59	0	6
	Supplied	-132					
Distillate	Stocks	-2,360	-2,045	-18	409	-285	-421
	Production	-262	7	-53	-134	-20	-64
	Imports	-4	-15	4	3	0	4
	Supplied	-584					
Jet Fuel	Stocks	-1,364	-219	186	-678	-55	-598
	Production	-45	-4	-15	-21	4	-6
	Imports	-61	-16	0	0	0	-45
	Supplied	15					
Residual Fuel Oil	Stocks	-152	136	106	-541	0	146
	Production	-65	6	-8	-51	1	-14
	Imports	-11	36	2	-112	-1	64
	Supplied	98					

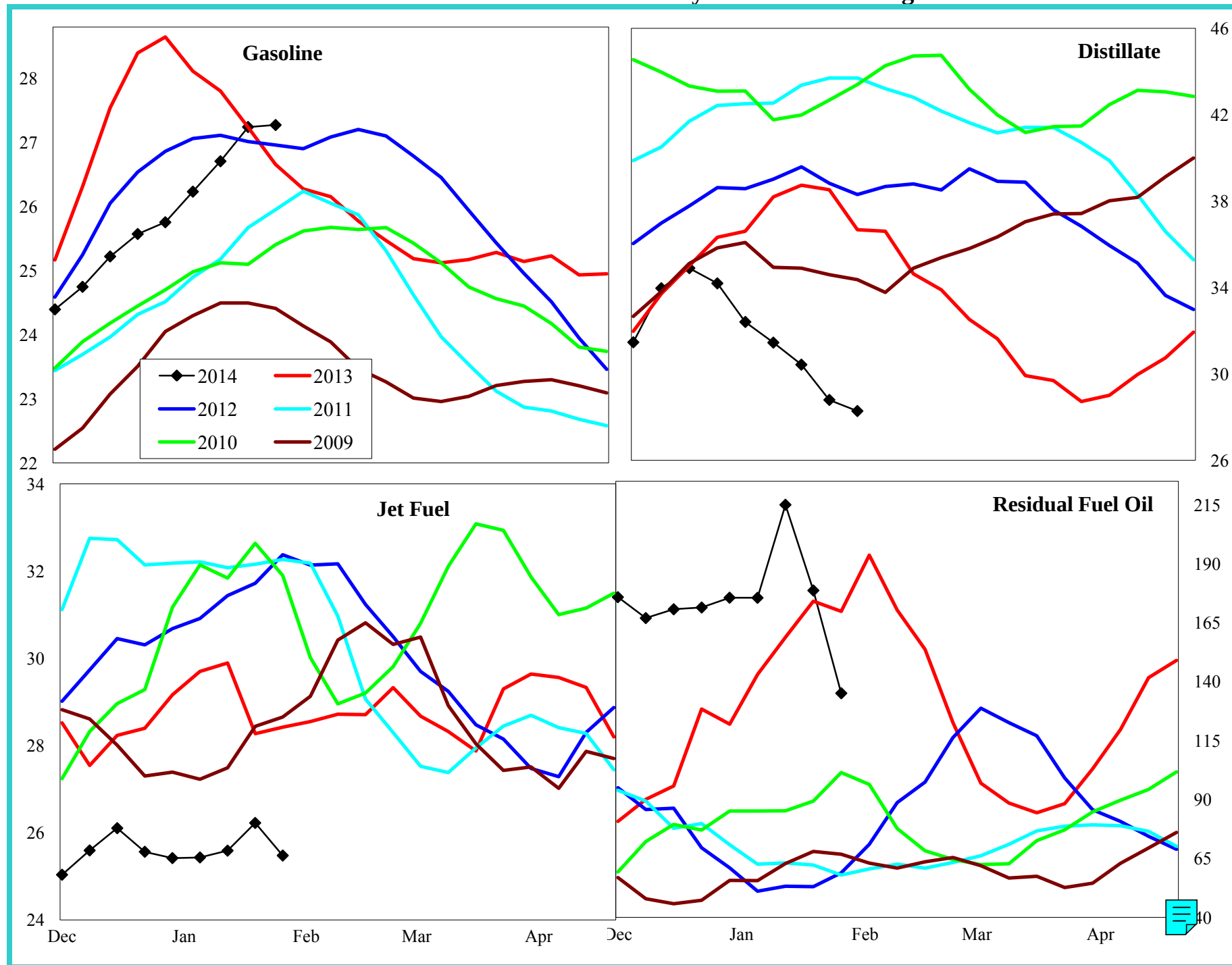
United States Wholesale Petroleum Demand



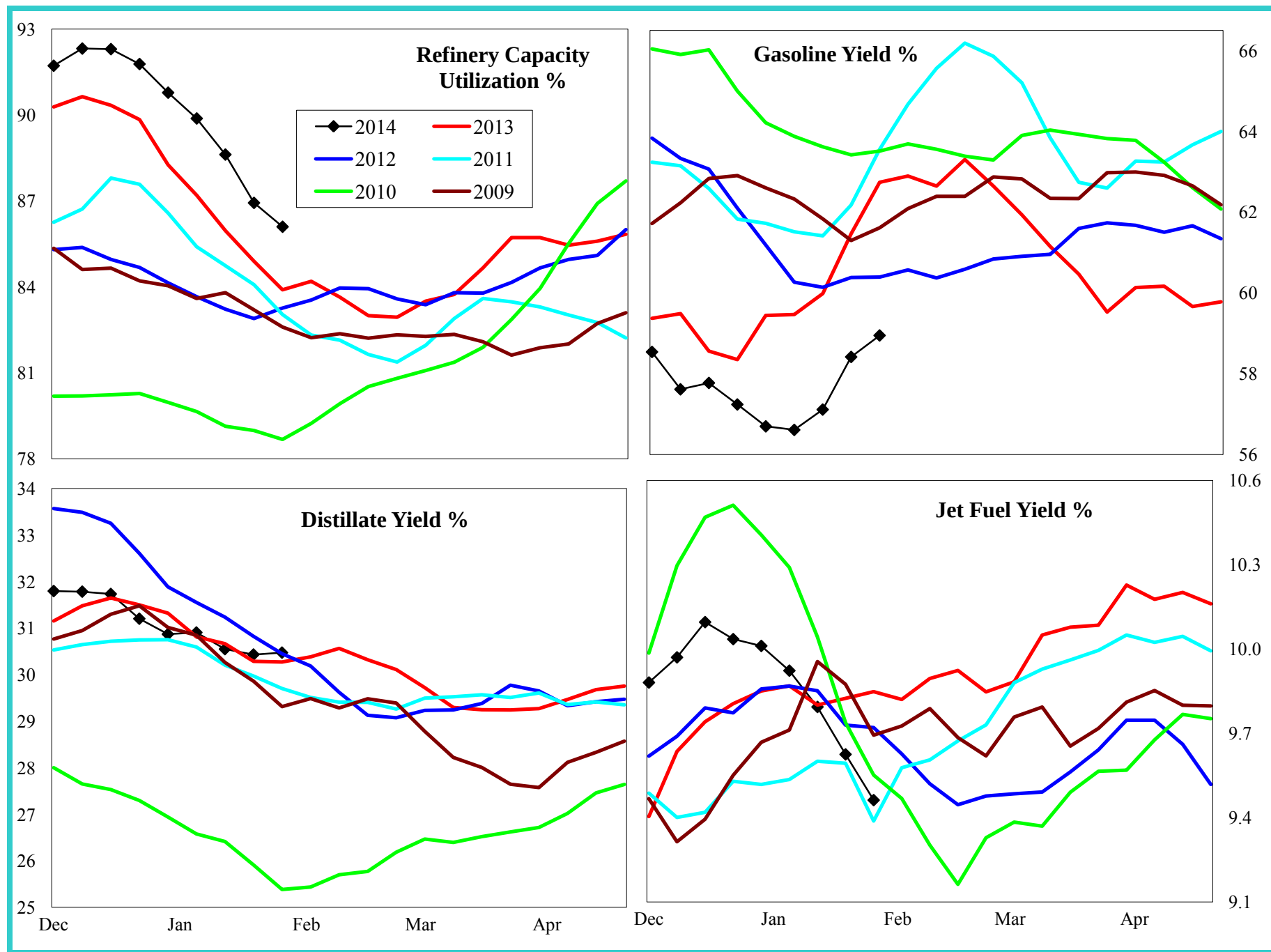
	000 bpd change from prior year				% change from prior year			
	4wk avg	Dec	Nov	Oct	4wk avg	Dec	Nov	Oct
Gasoline	-138	480	396	121	-1.6	5.7	4.6	1.4
Distillate	451	191	22	257	12.7	5.4	0.6	6.7
Jet Fuel	76	146	132	111	5.5	10.6	9.4	8.3
Resid	13	33	-53	26	4.4	17.4	-18.0	9.3



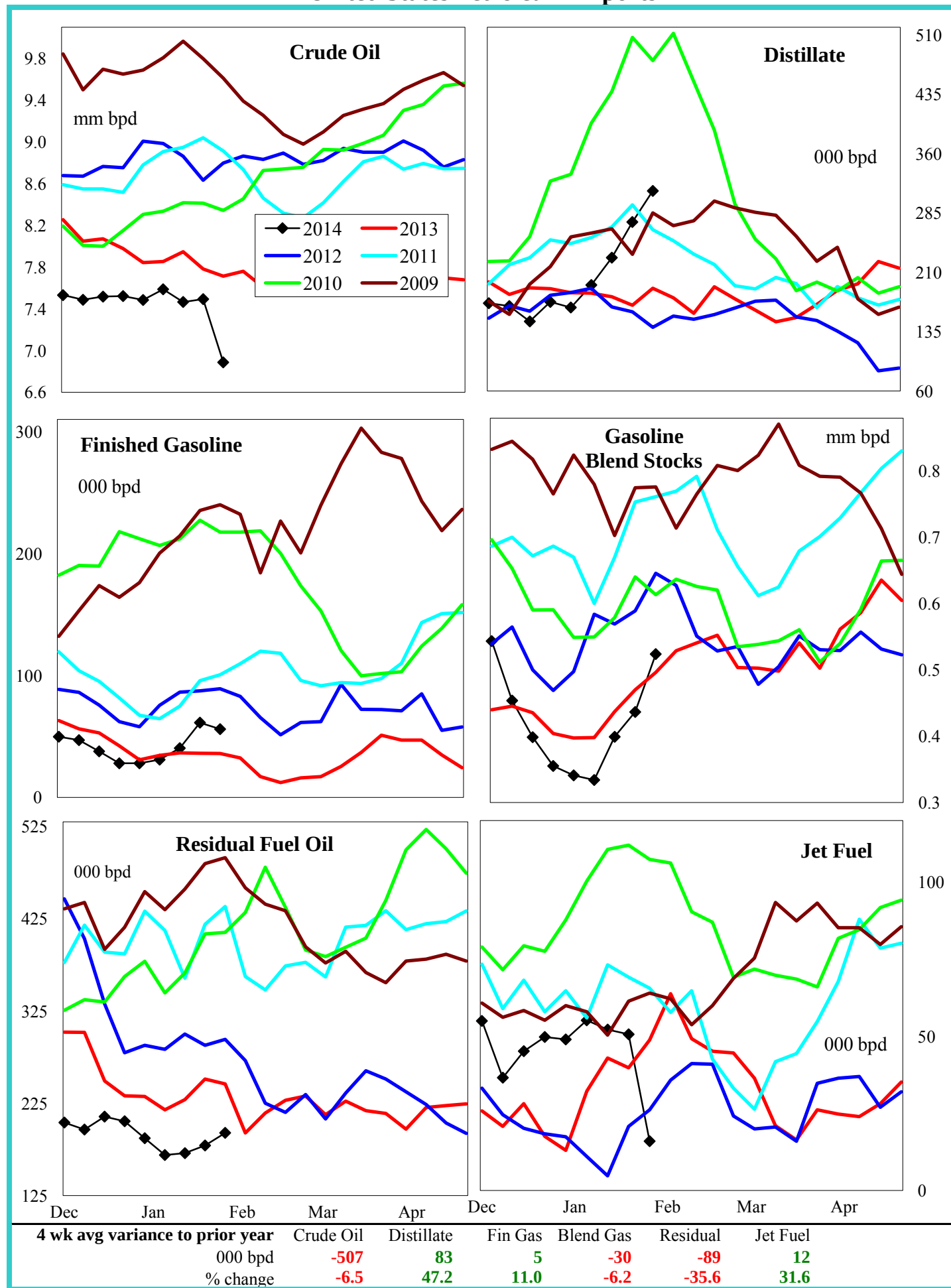
United States Product Stocks: Days Forward Coverage



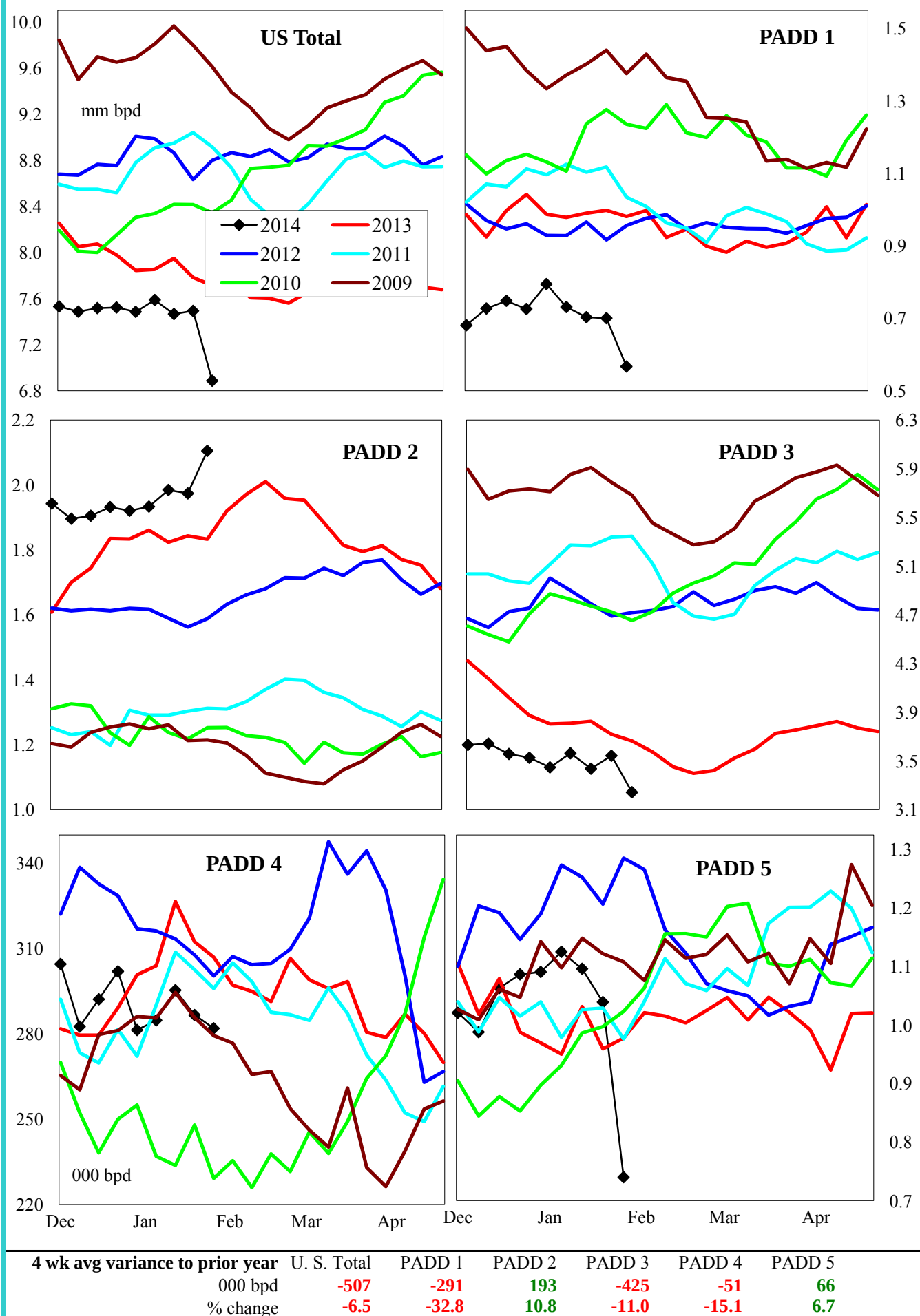
United States Refinery Percent Utilization Rate and Product Yields



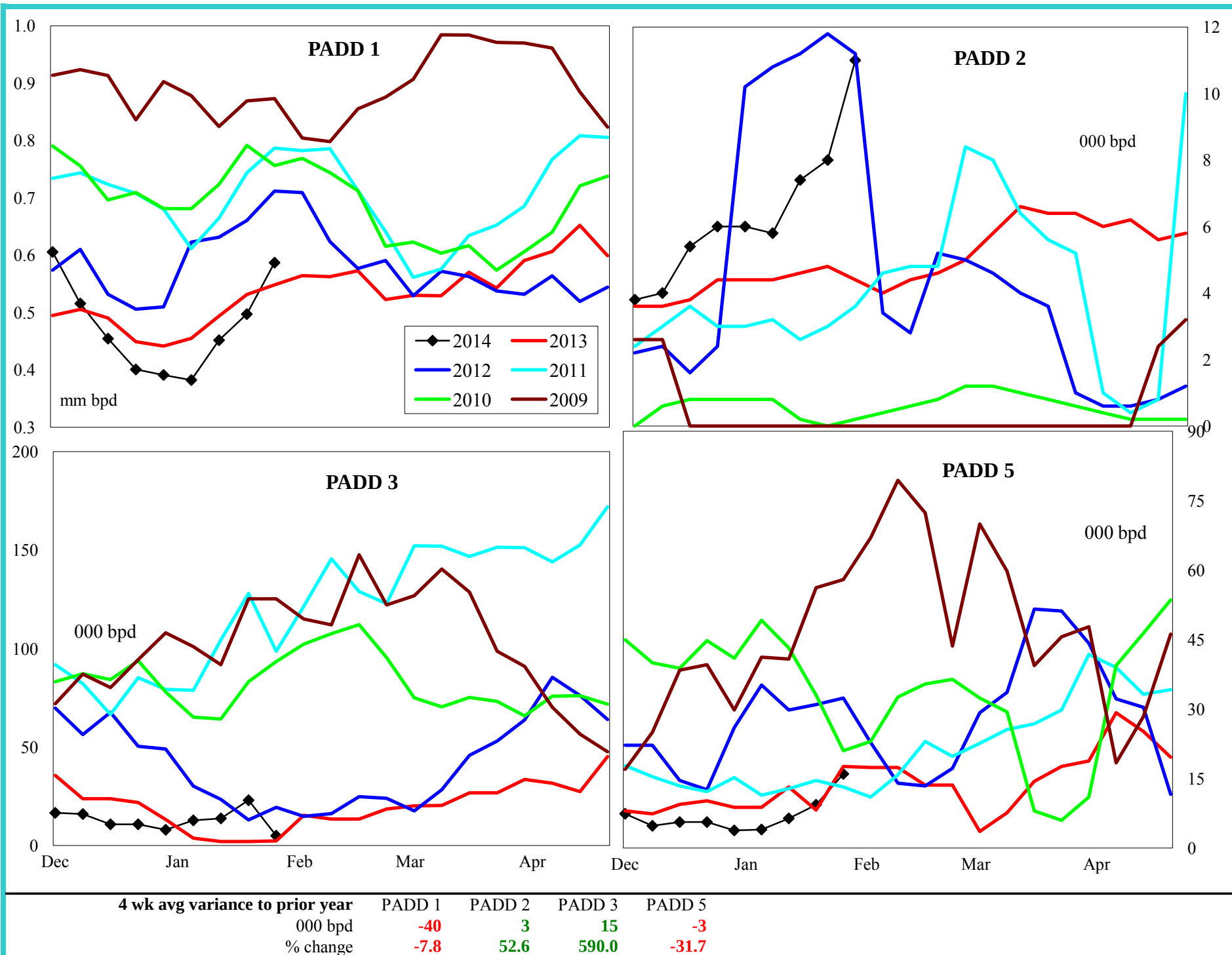
United States Petroleum Imports



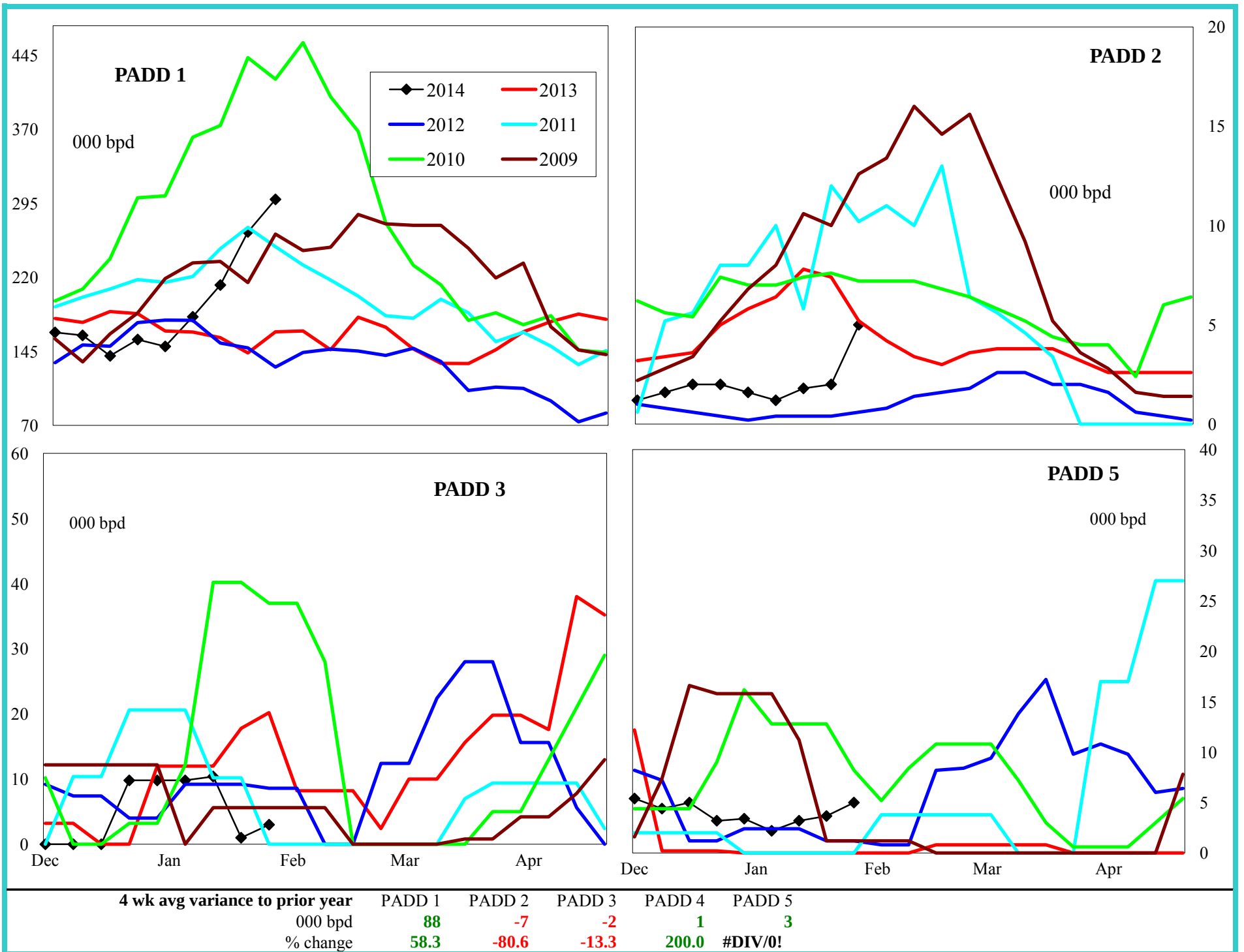
Crude Oil Imports by PADD



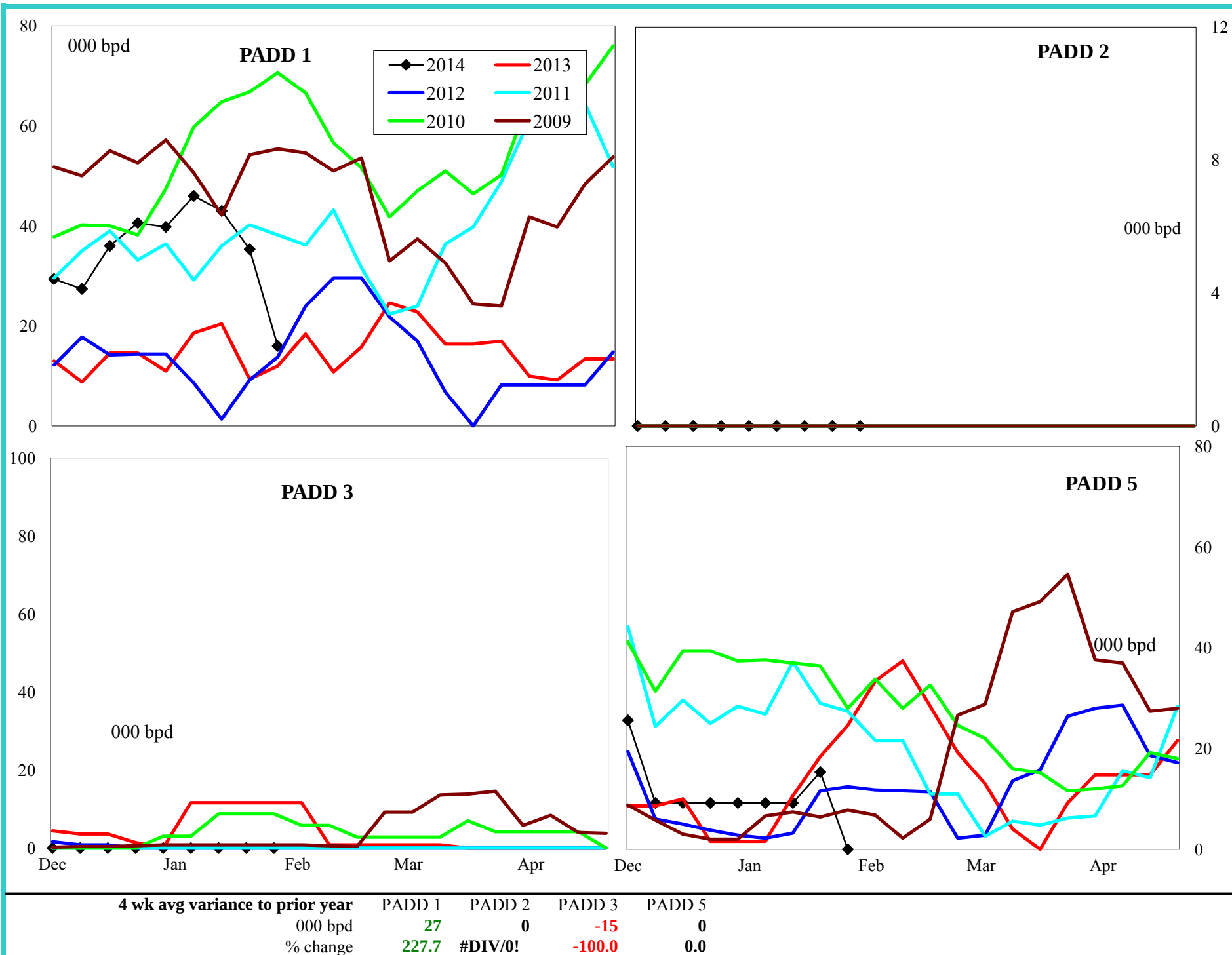
Gasoline Imports by PADD (Finished + Blend Stocks)



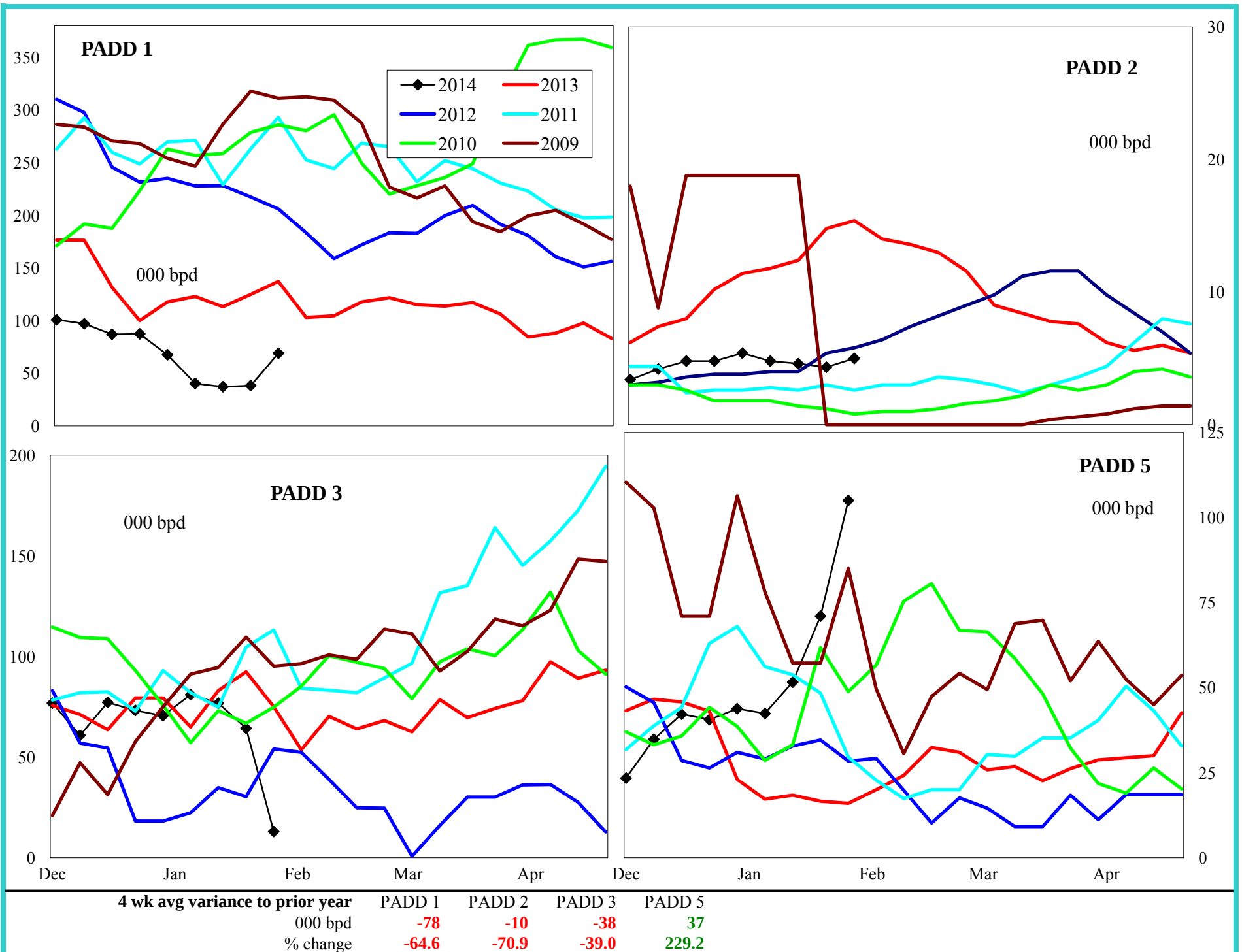
Distillate Imports by PADD



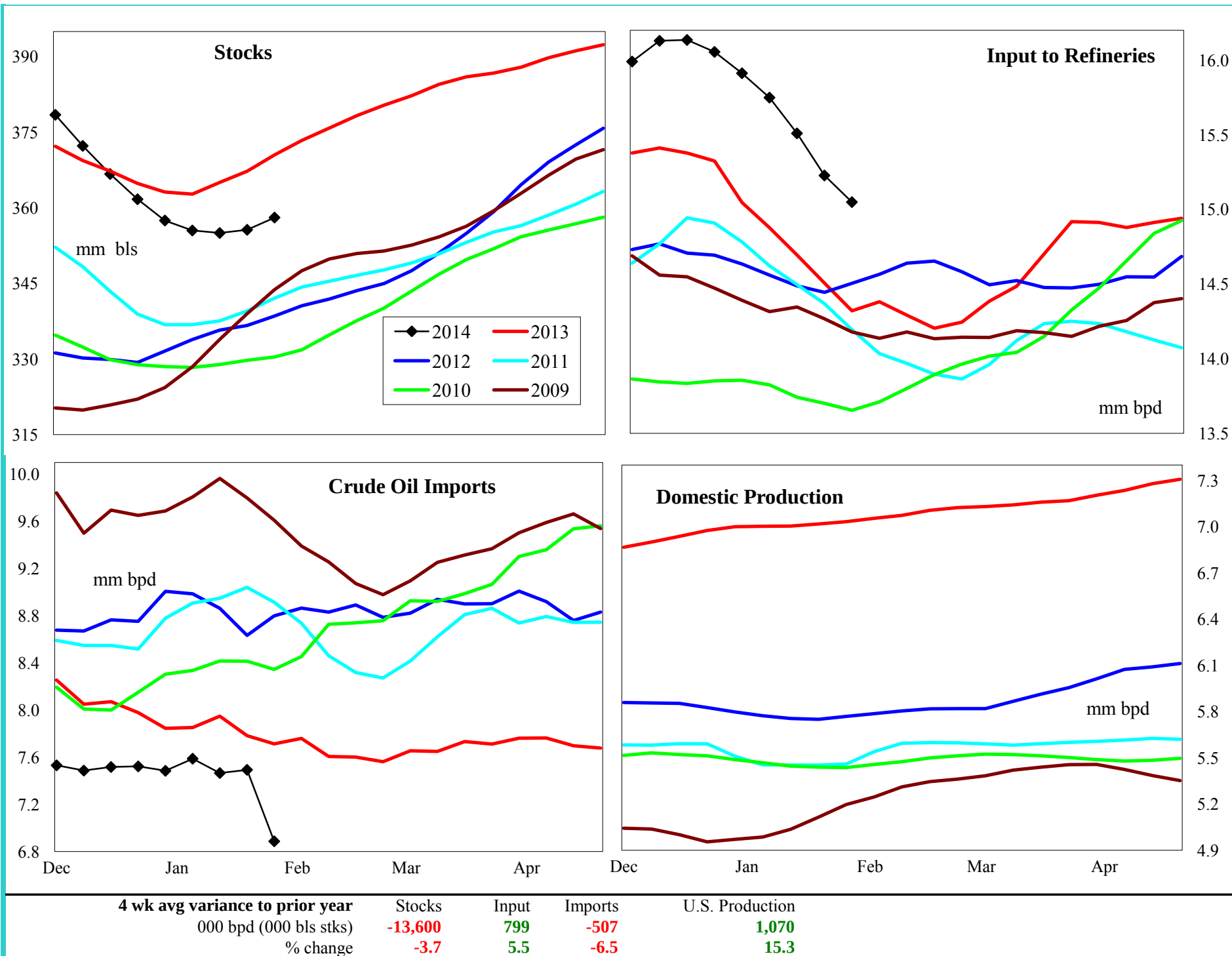
Jet Fuel Imports by PADD



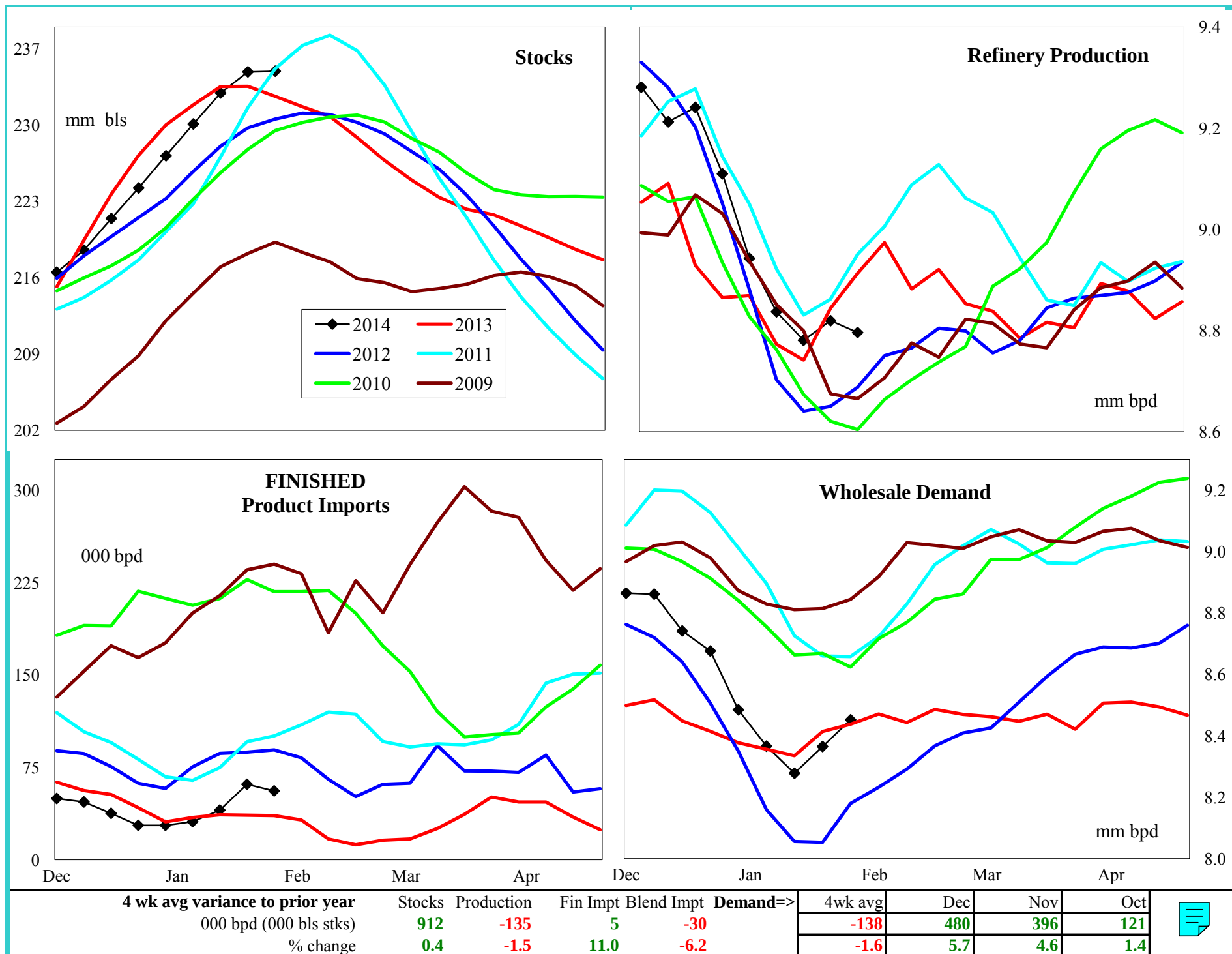
Residual Fuel Oil Imports by PADD



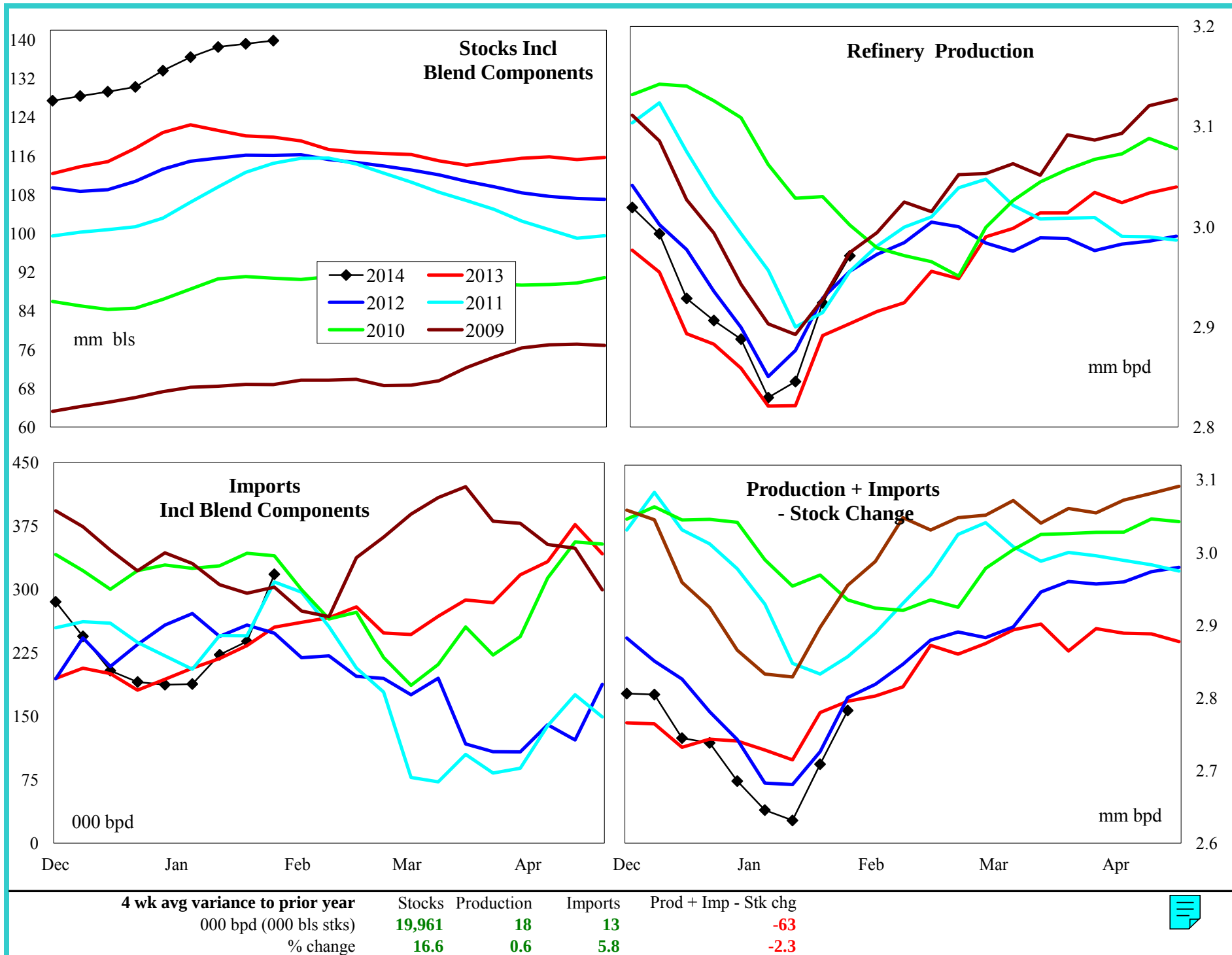
United States Crude Oil Supply and Demand Balance



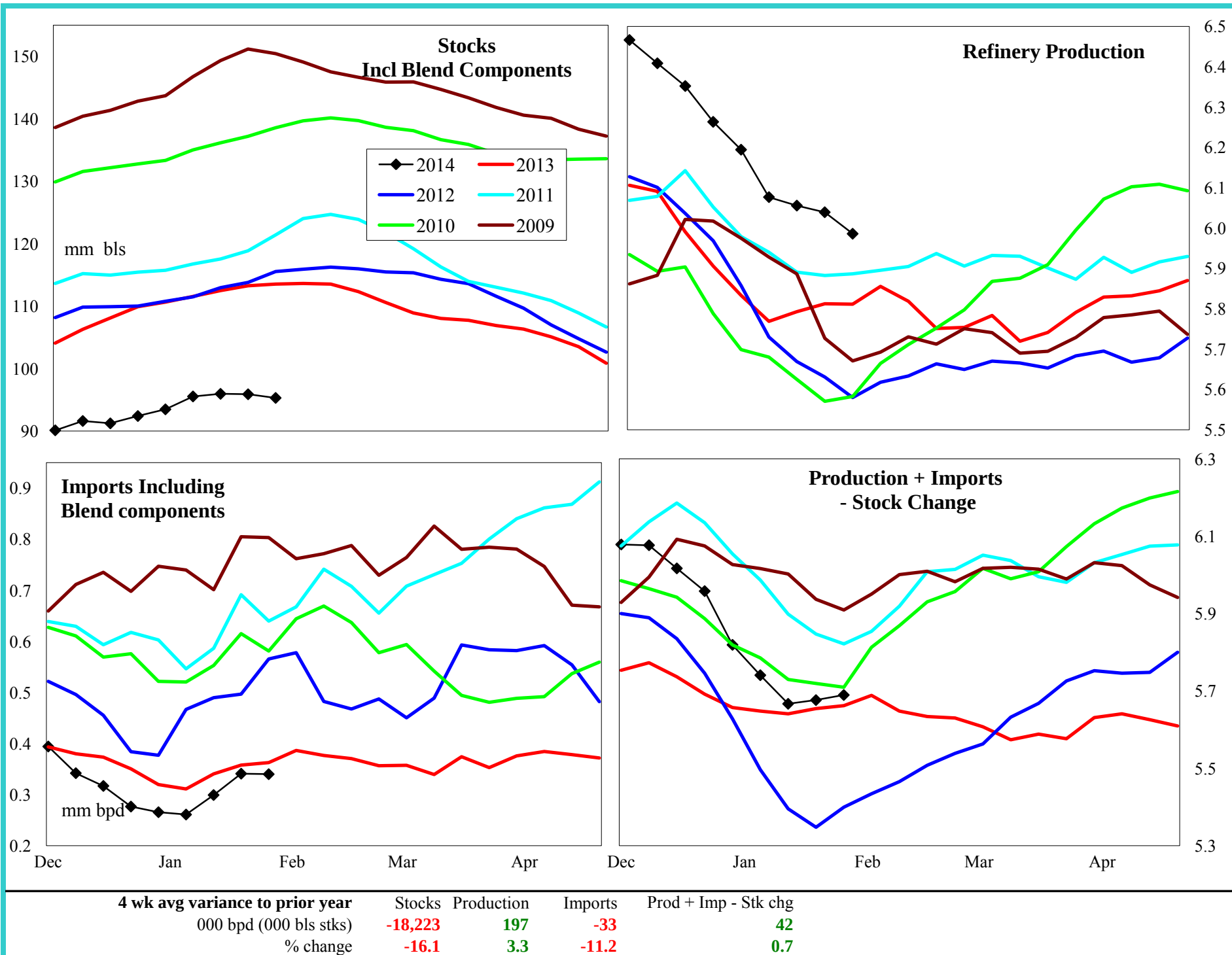
United States Gasoline Supply and Demand Balance



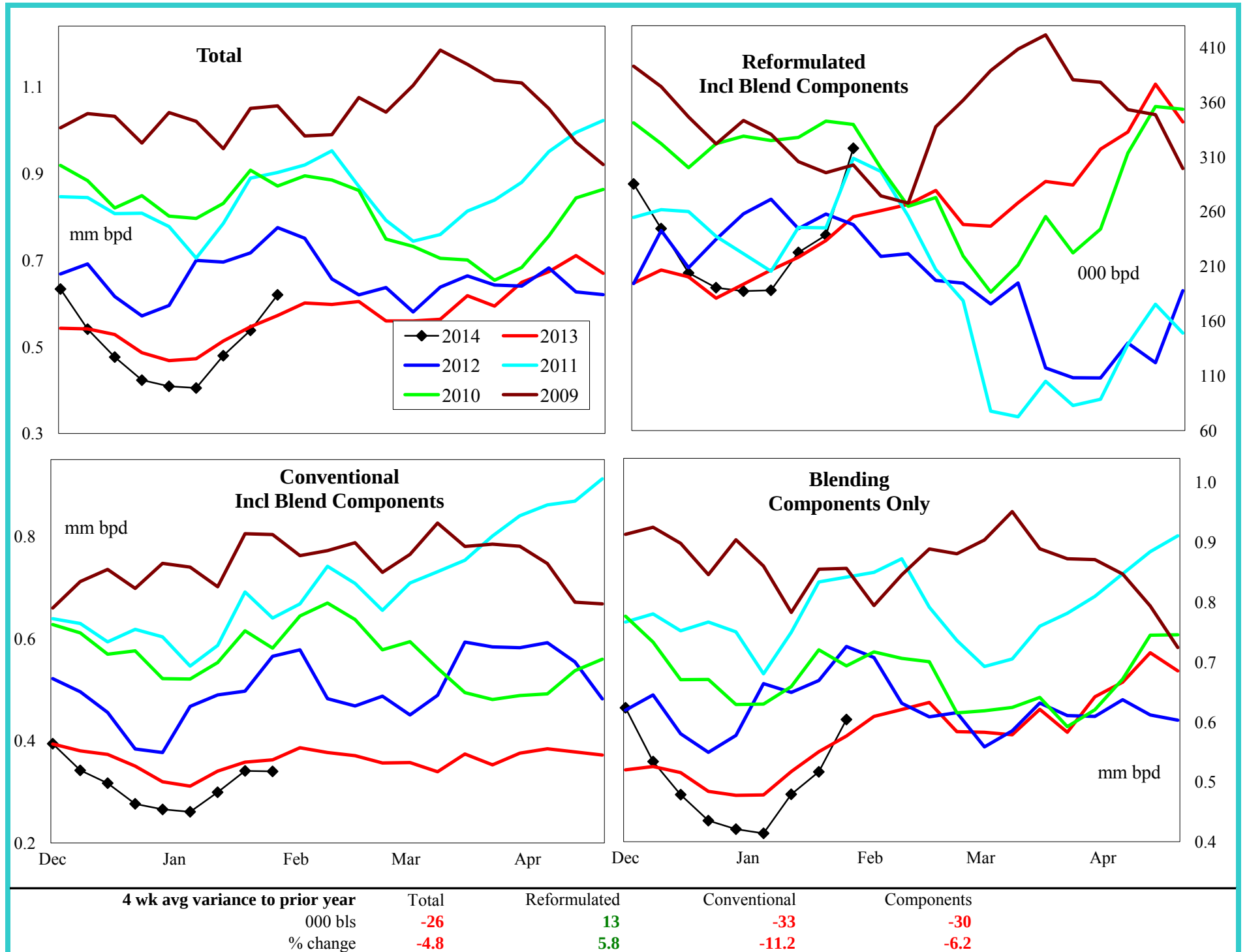
United States Reformulated Gasoline Supply



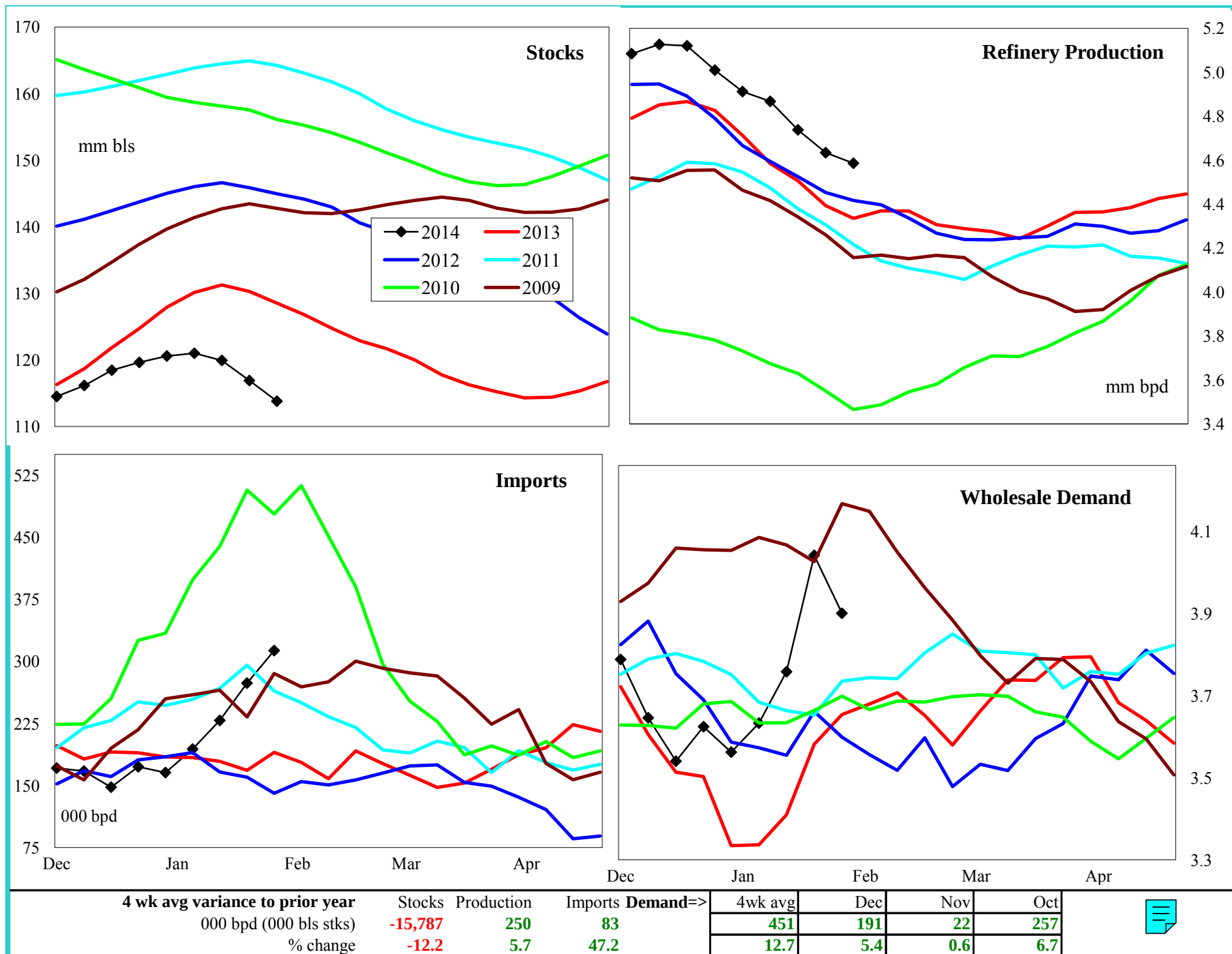
United States Conventional Gasoline Supply



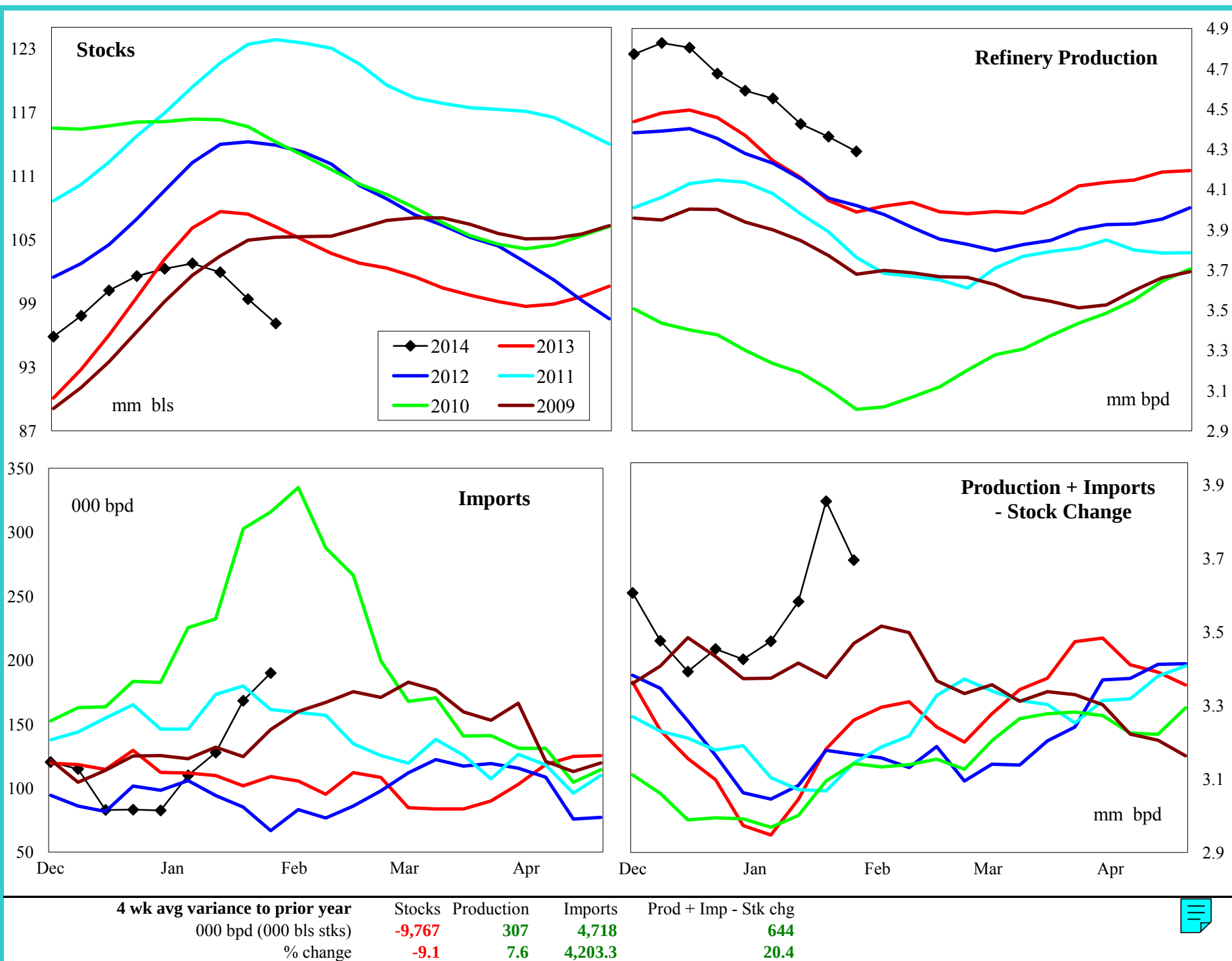
United States Gasoline Imports by Type



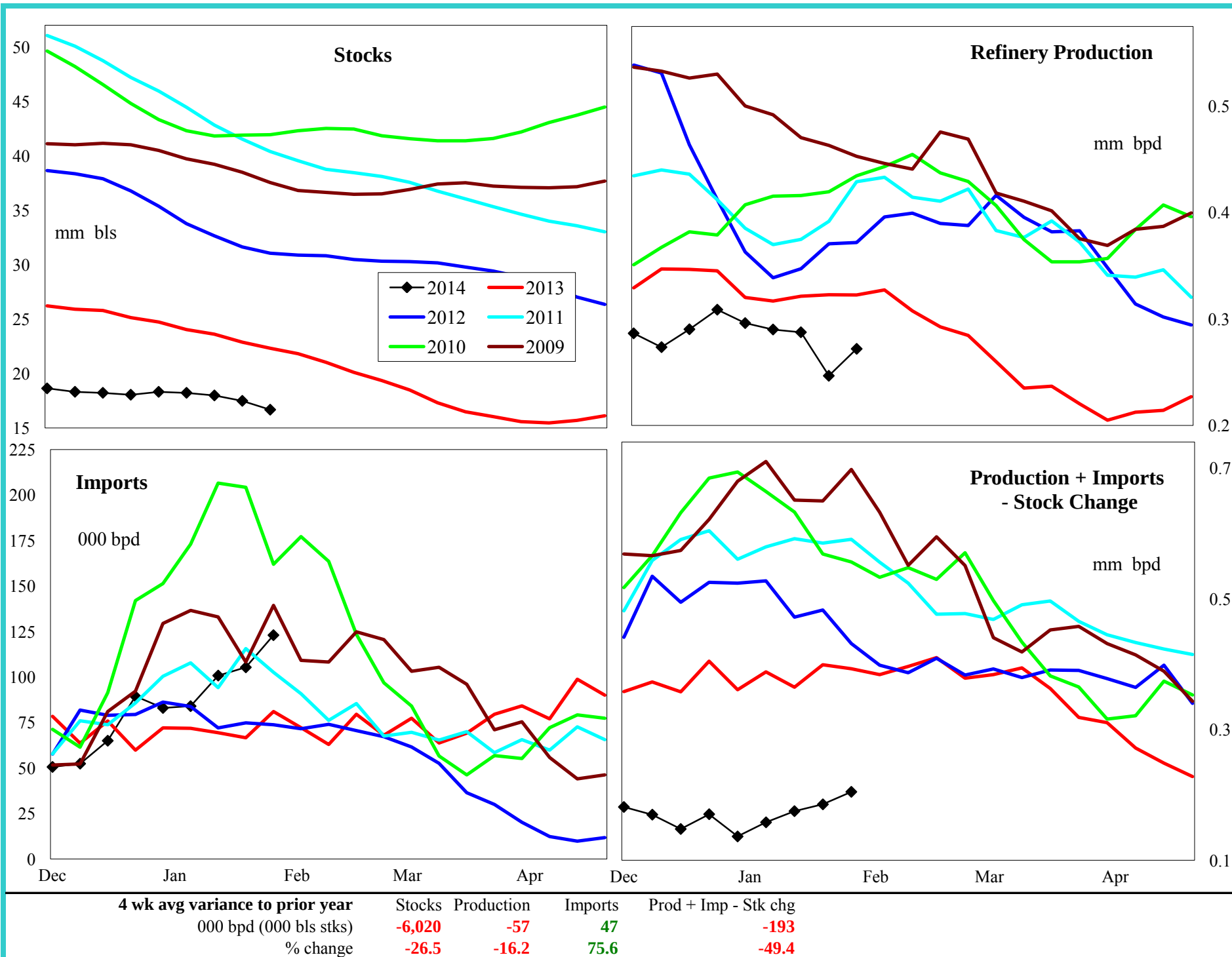
United States Distillate Supply and Demand Balance



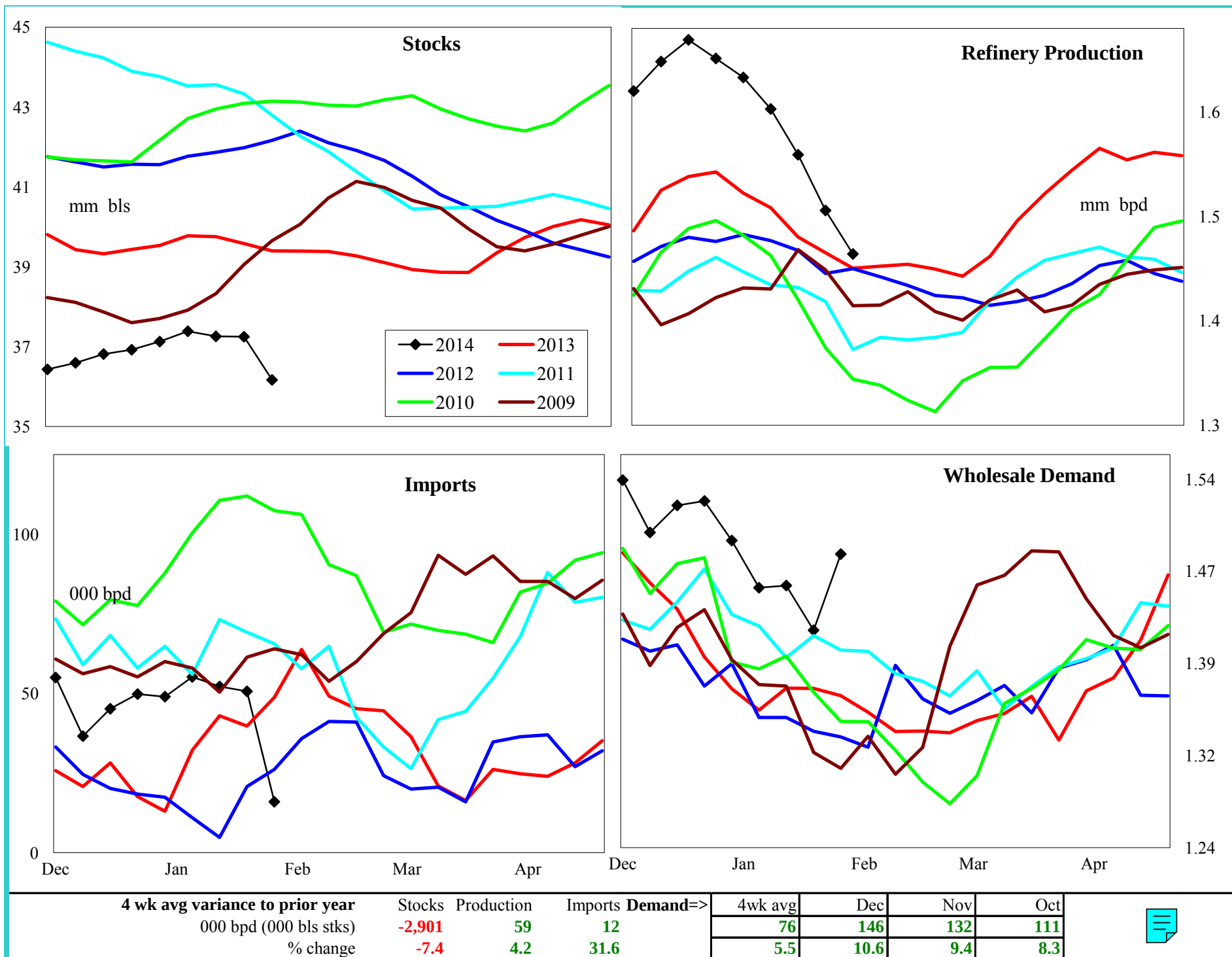
United States Low Sulfur Distillate Supply



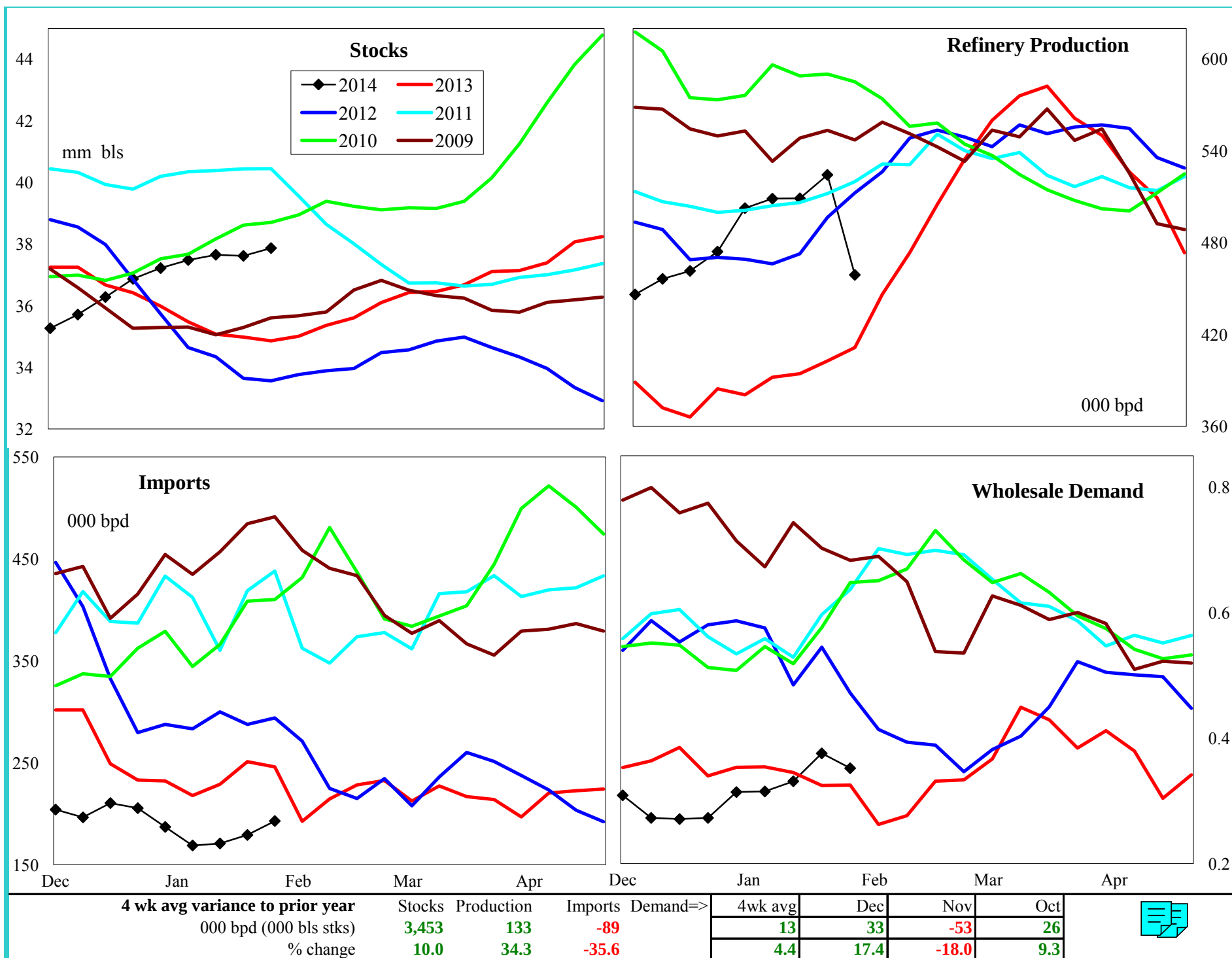
United States High Sulfur Distillate Supply



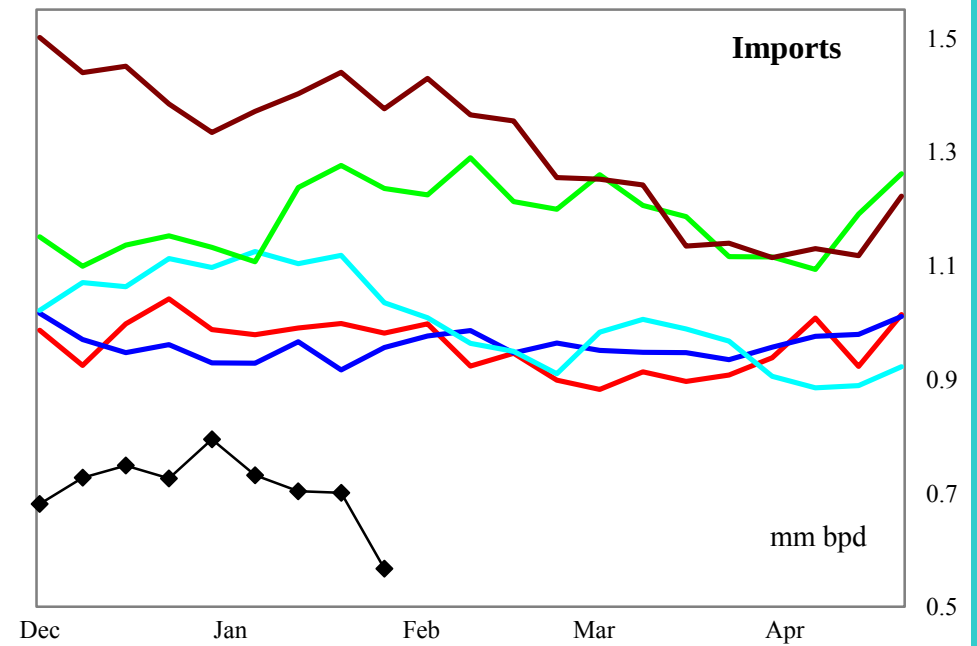
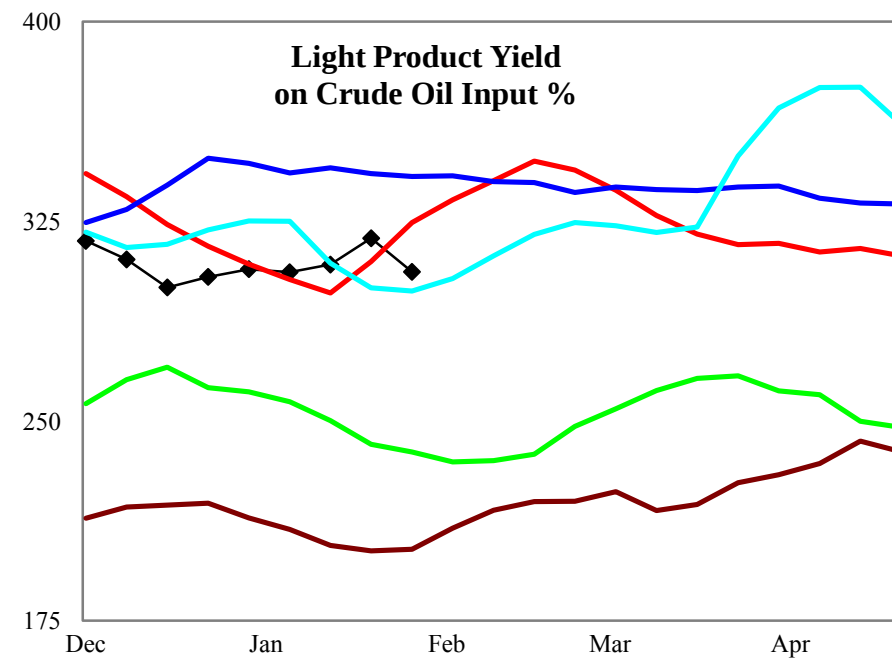
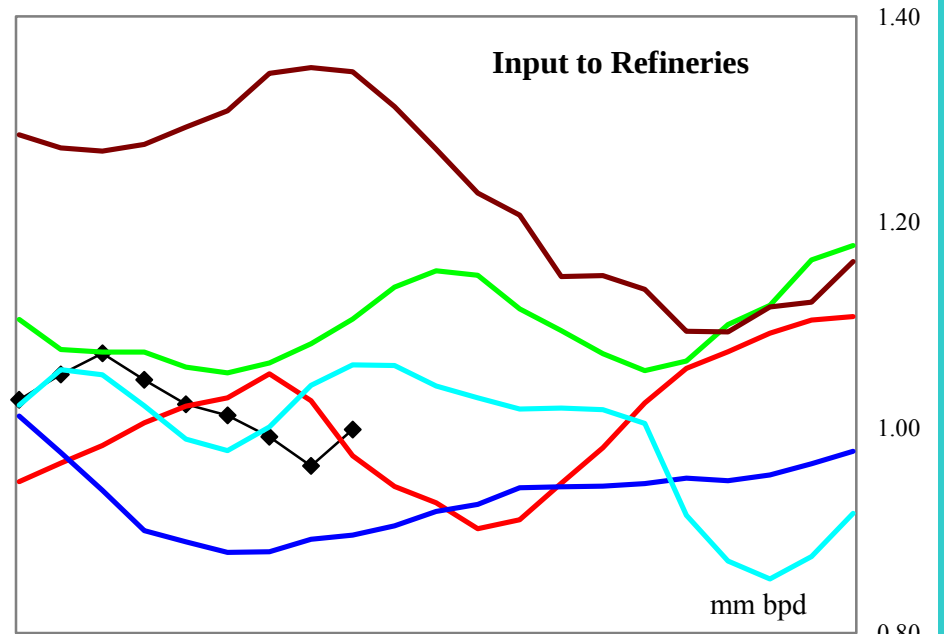
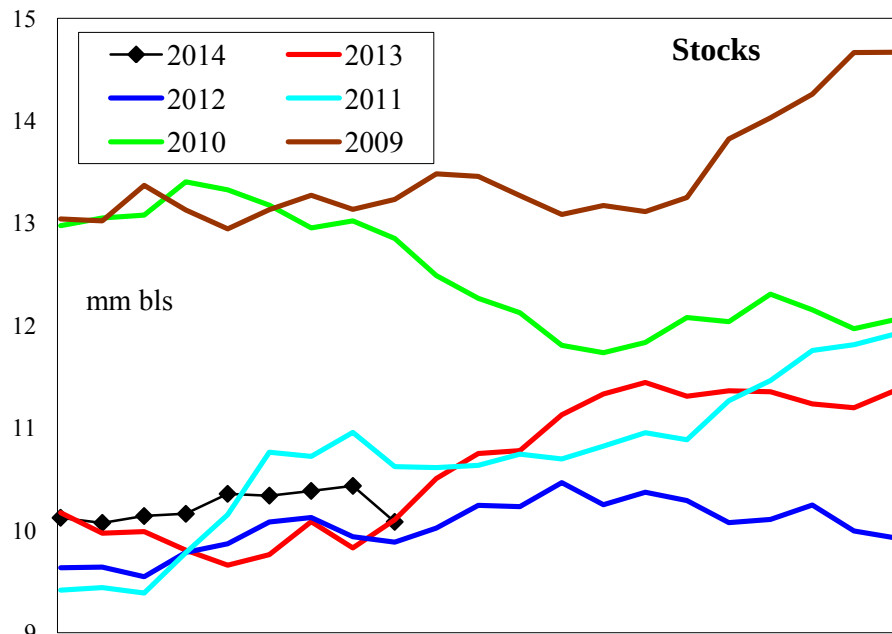
United States Jet Fuel Supply and Demand Balance



United States Residual Fuel Oil Supply and Demand Balance



PADD 1 Crude Oil Supply and Refining

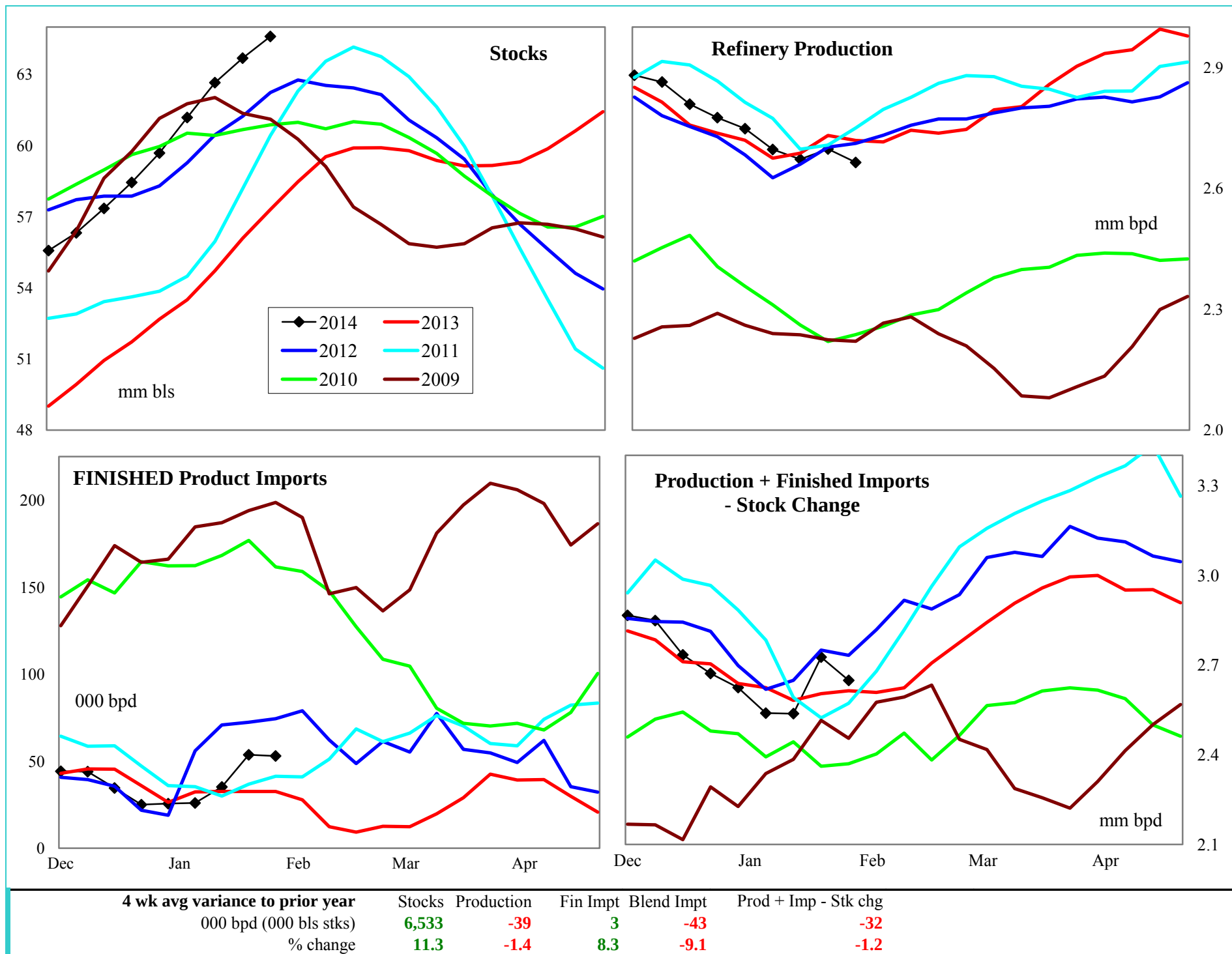


4 wk avg variance to prior year
 000 bpd (000 bls stks)
 % change

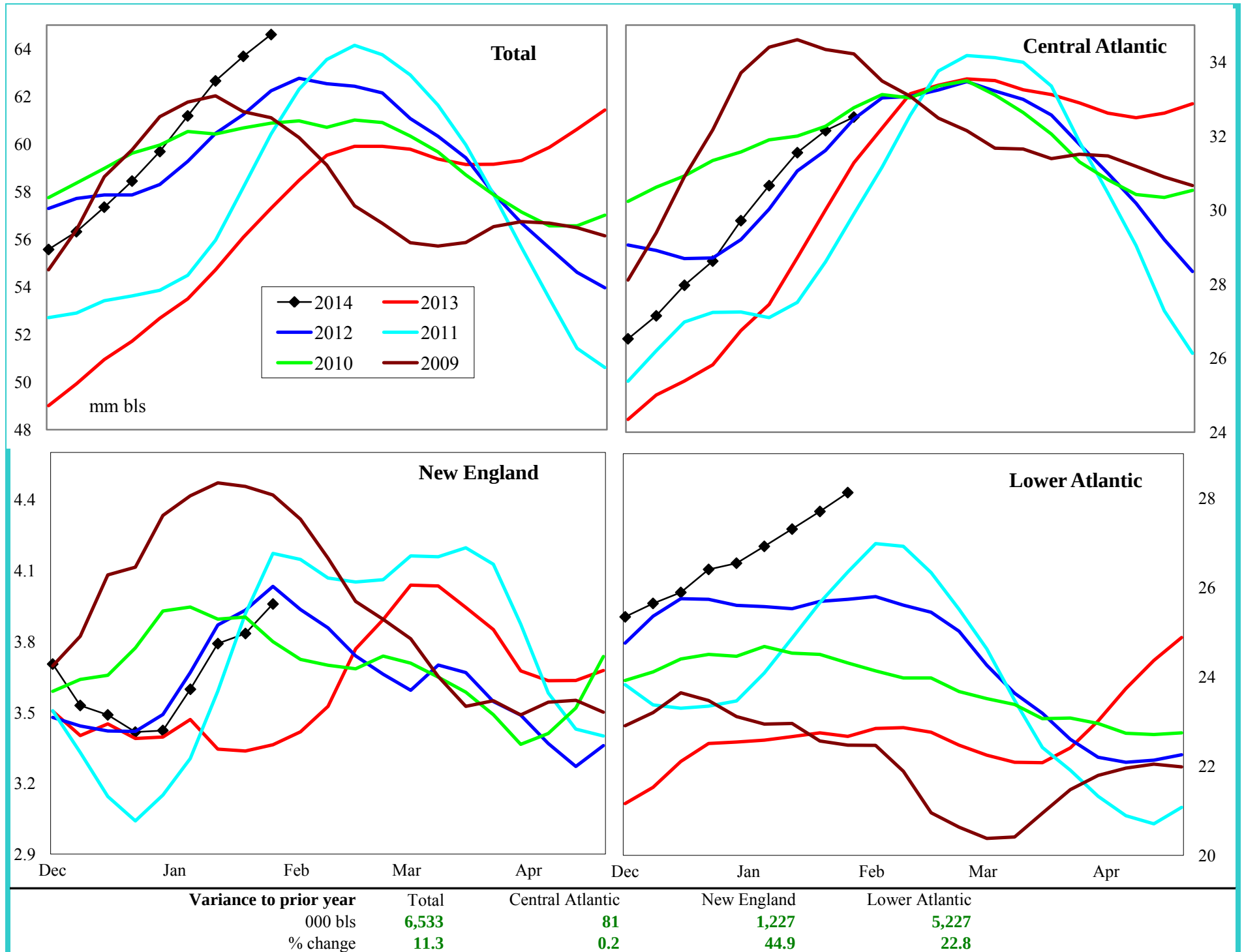
	Stocks	Input	Imports
000 bpd (000 bls stks)	-20	-84	-291
% change	-0.2	-8.0	-32.8



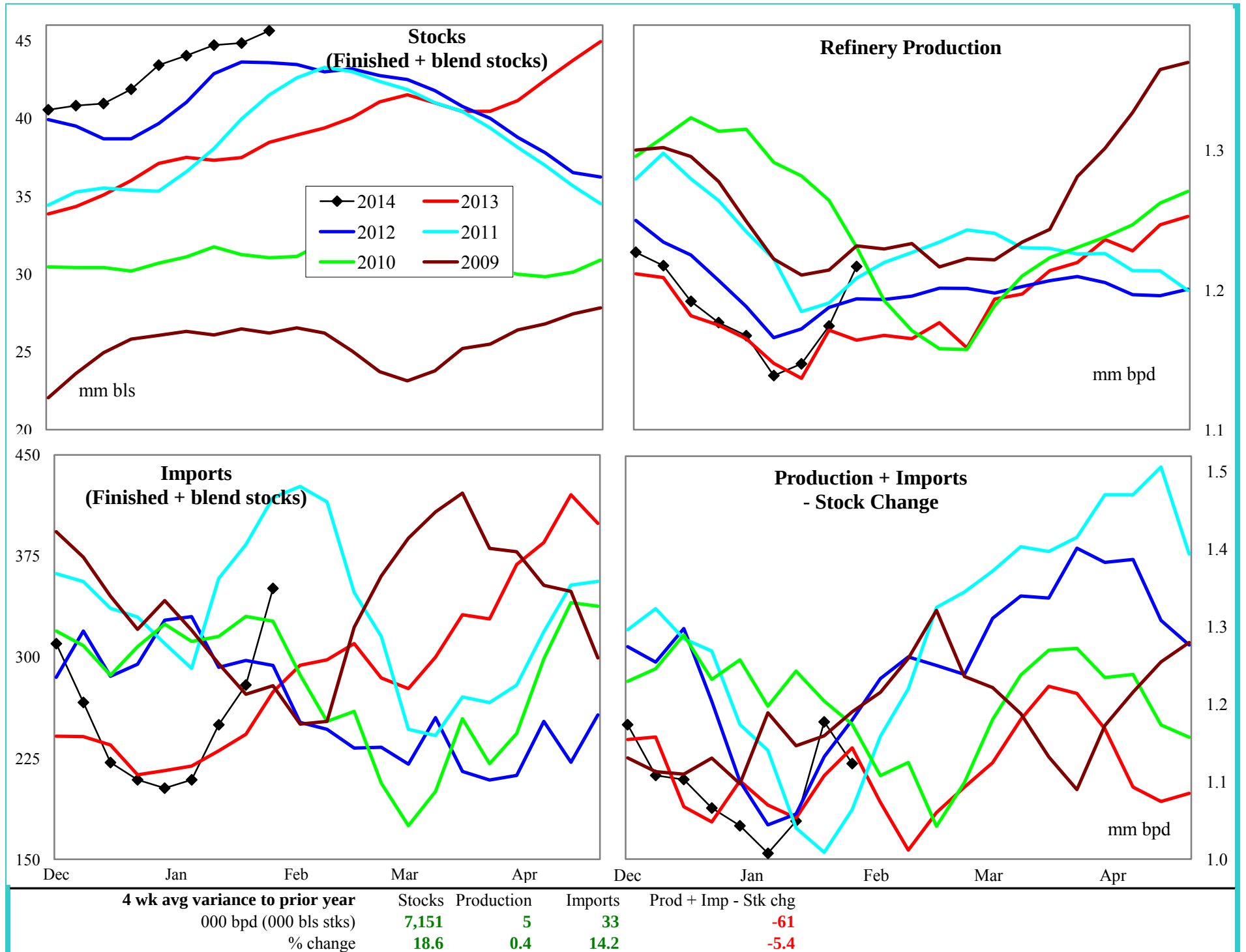
PADD 1 Gasoline Supply



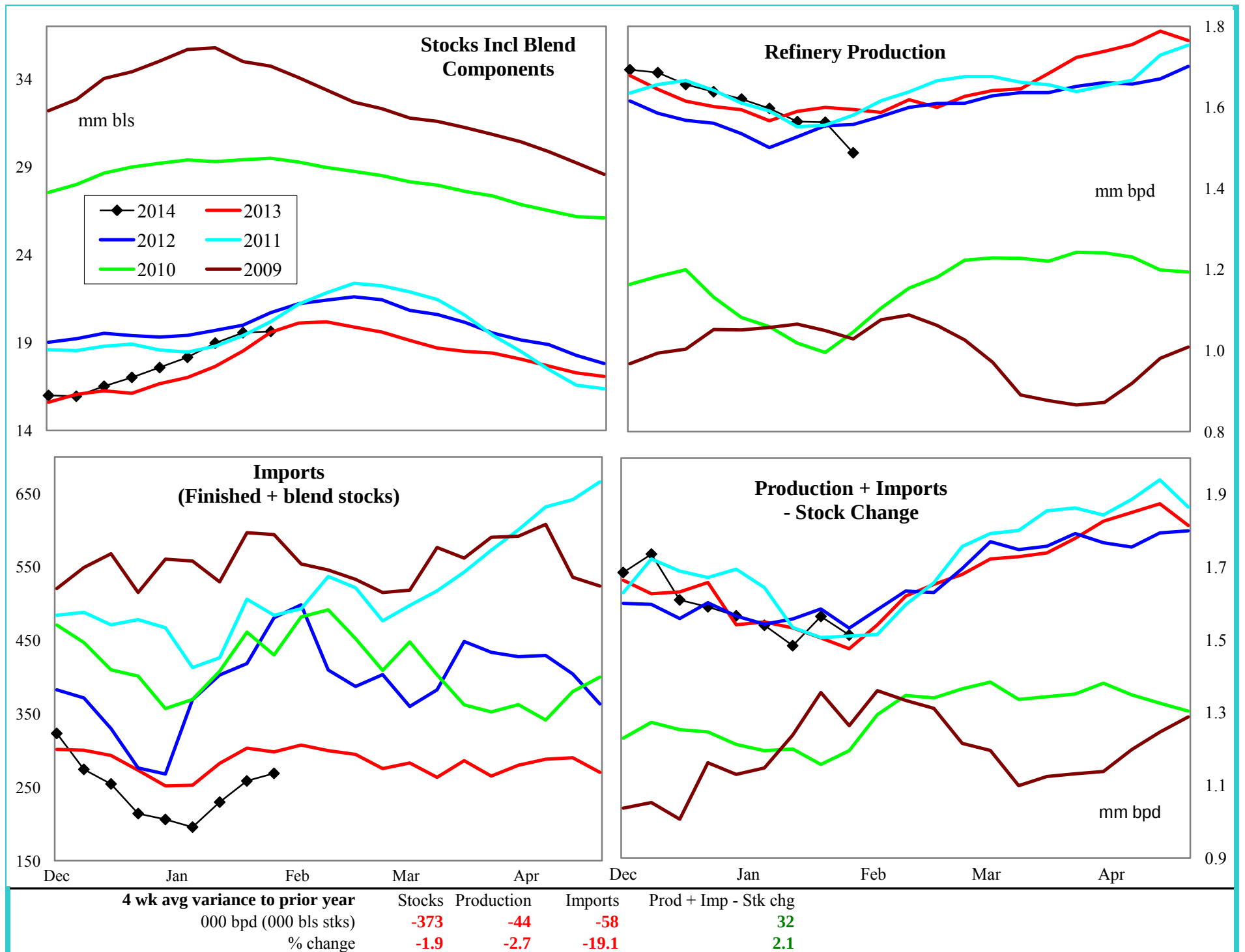
PADD 1 Gasoline Stocks by Region



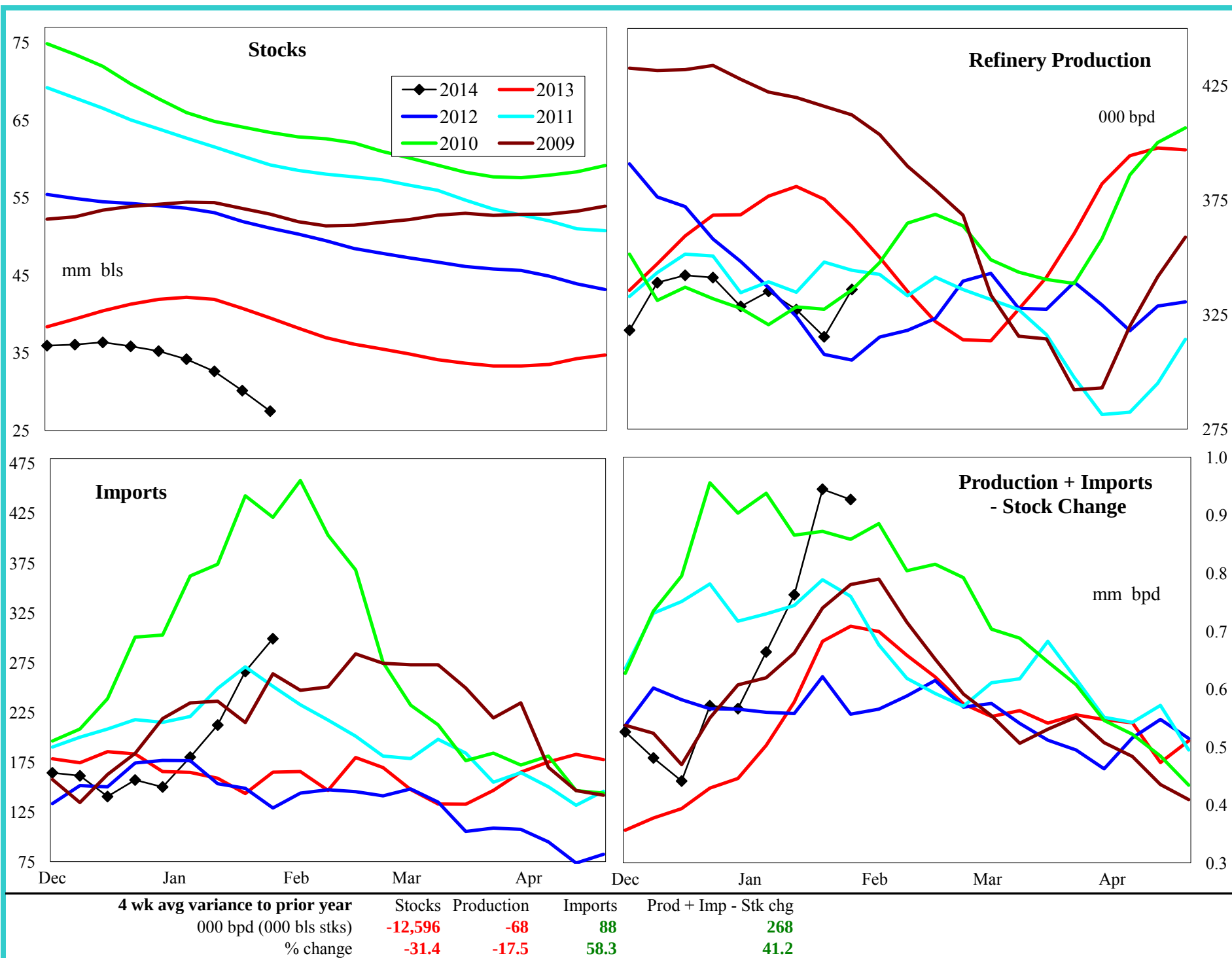
PADD 1 Reformulated Gasoline Supply



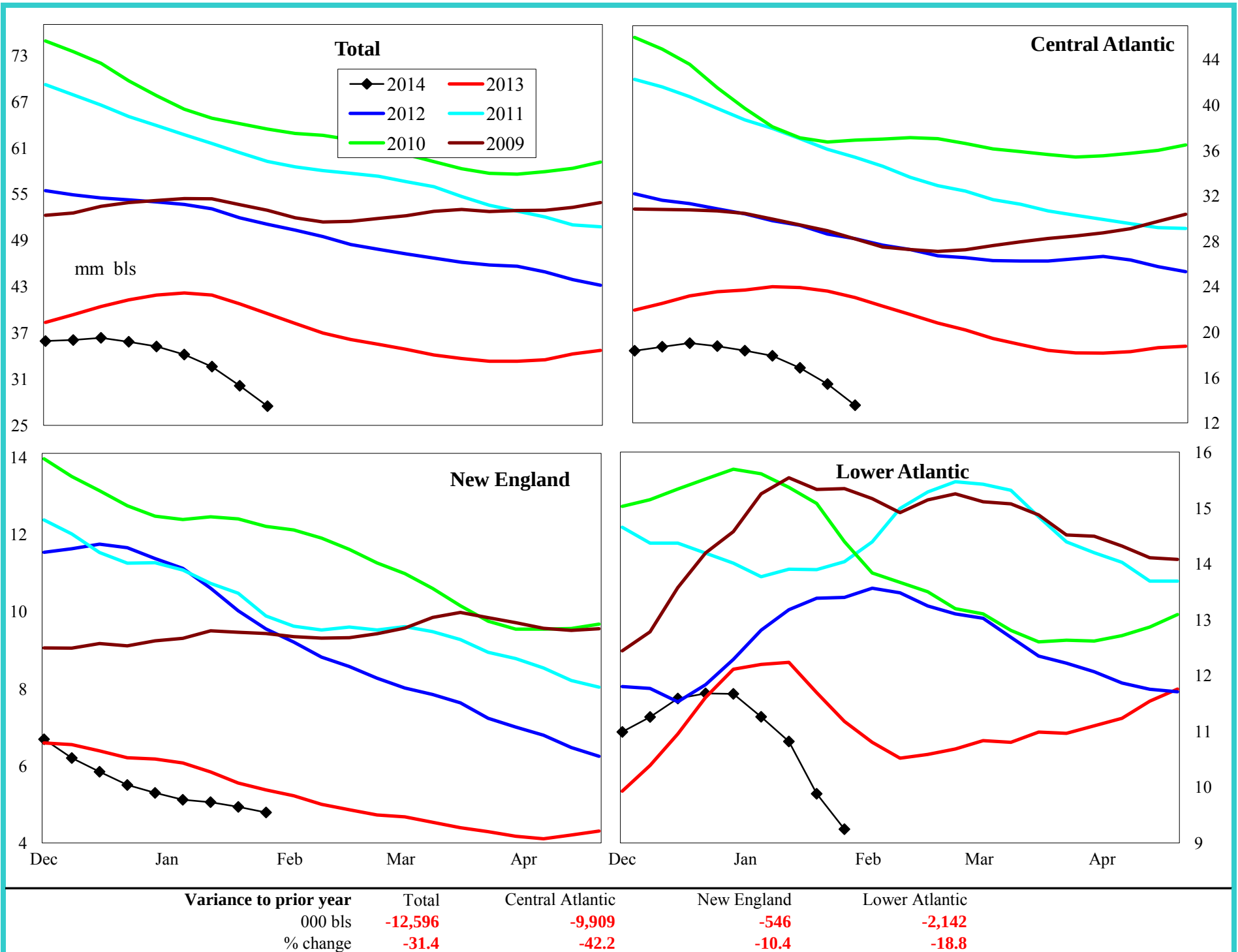
PADD 1 Conventional Gasoline Supply



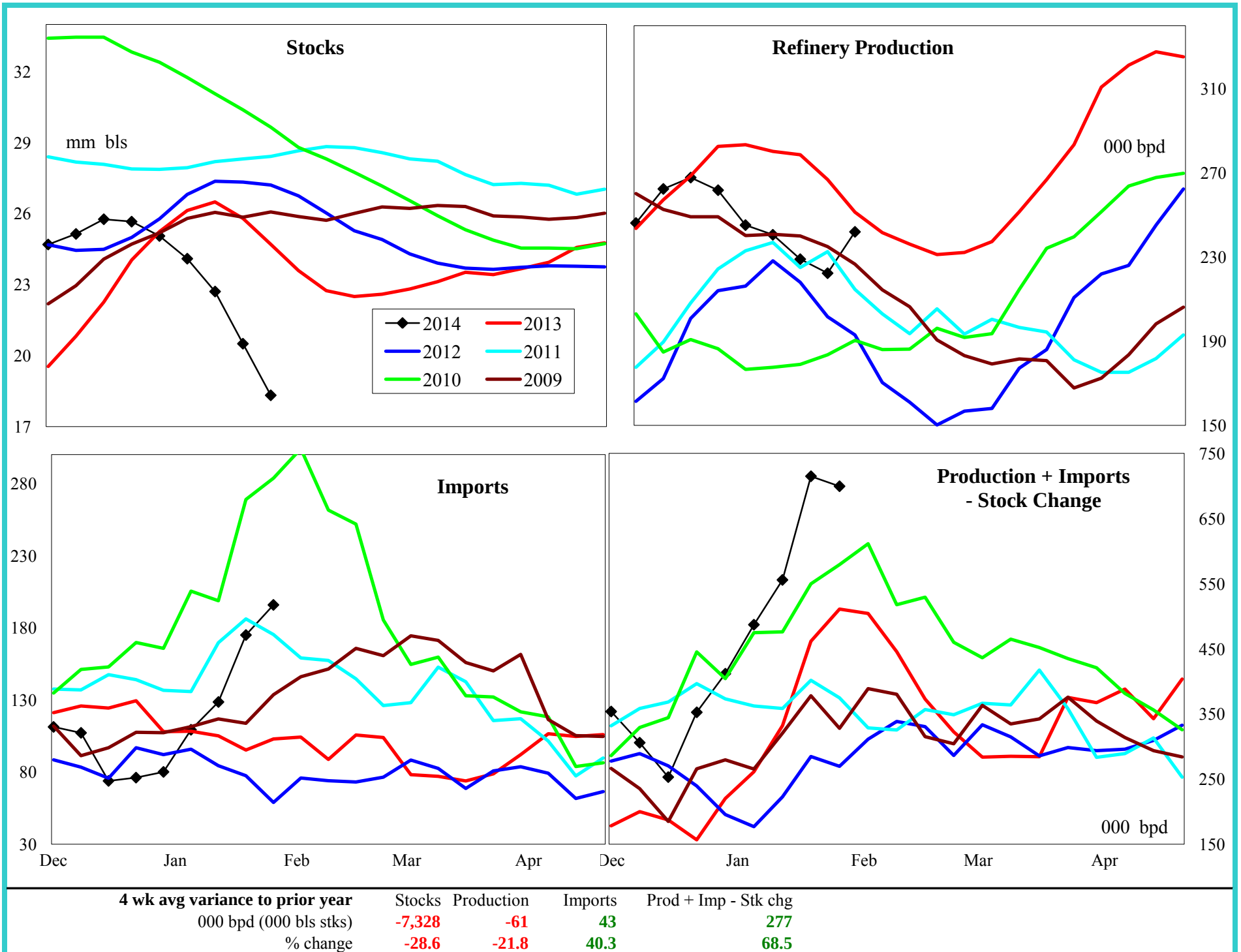
PADD 1 Distillate Supply



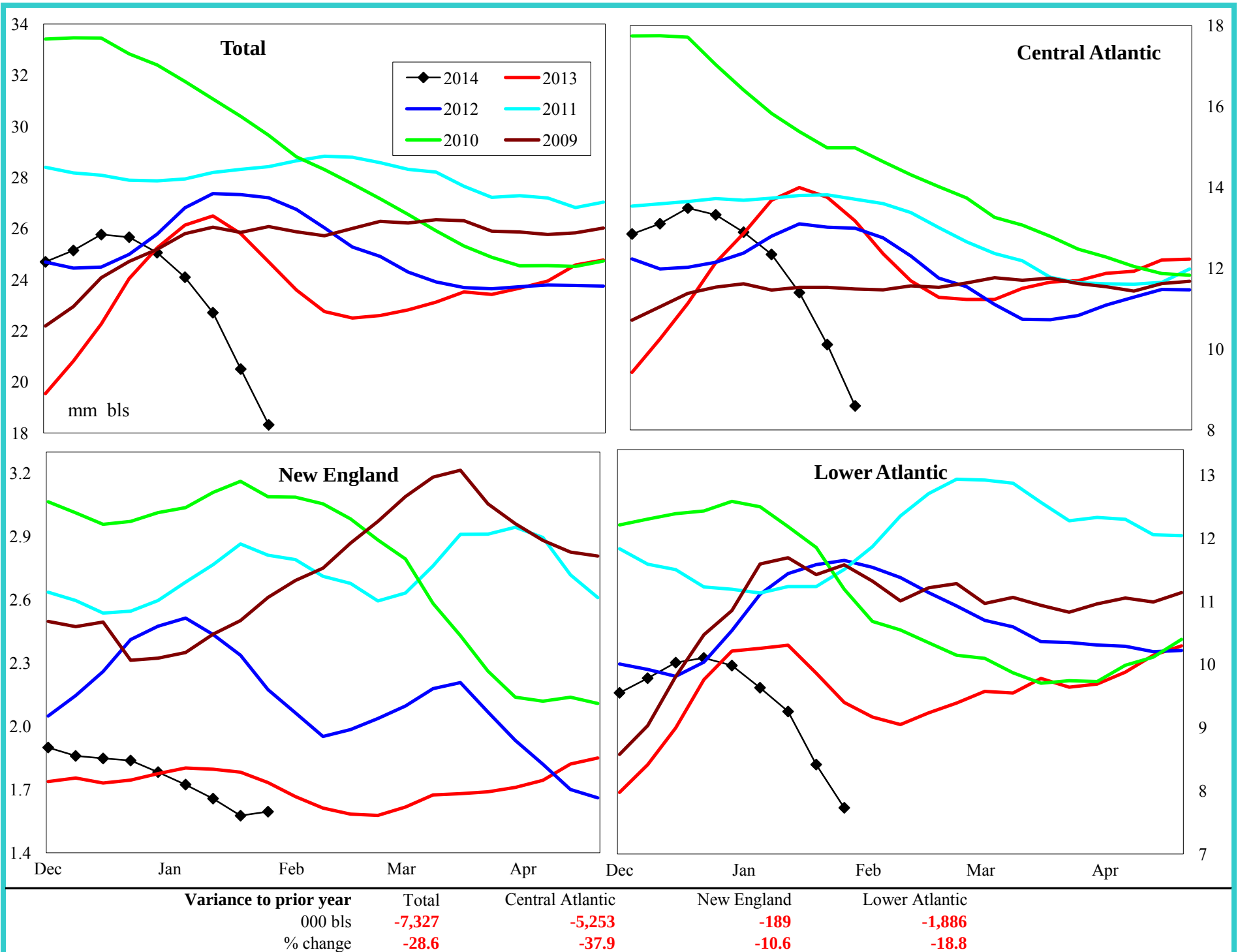
PADD 1 Distillate Stocks by Region



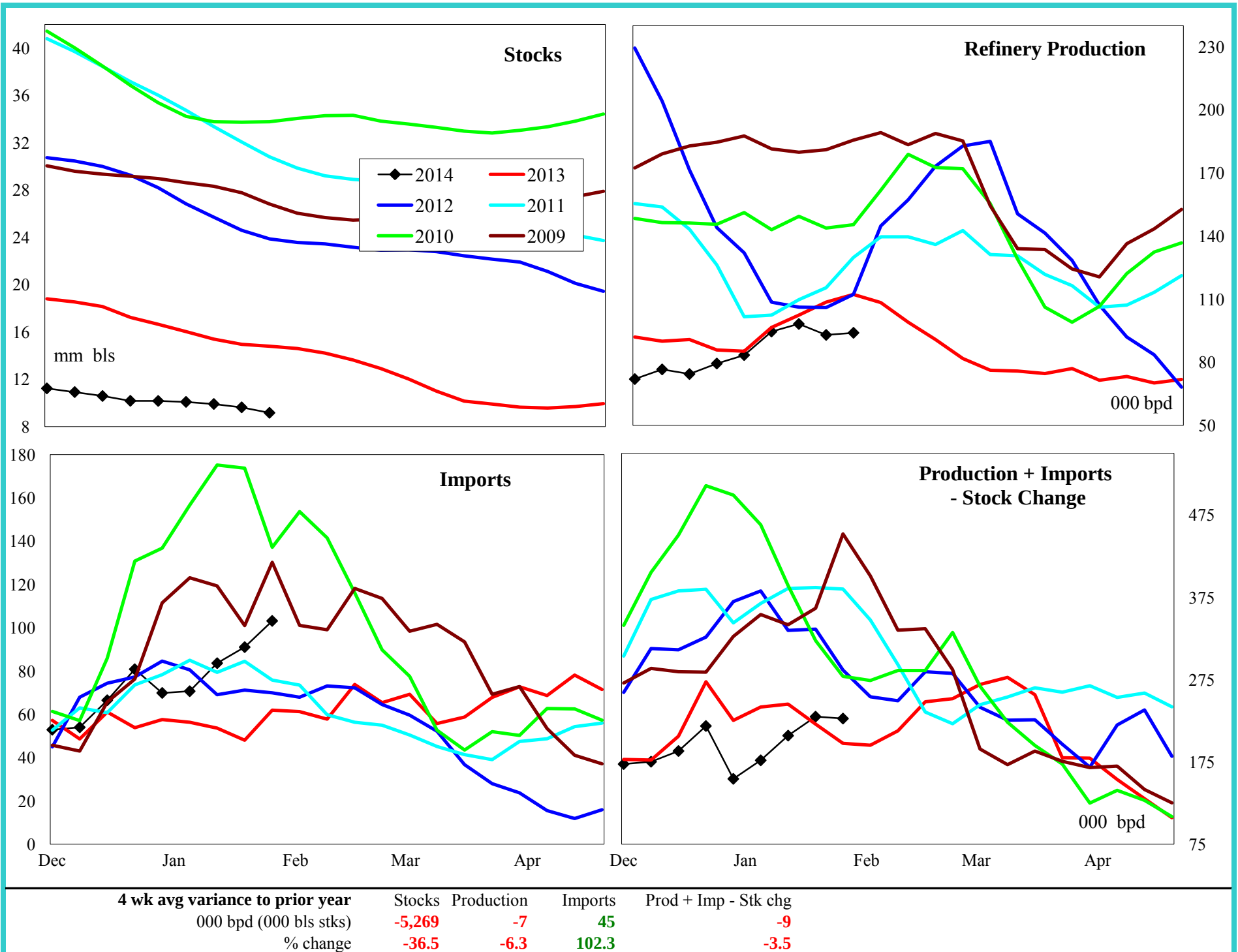
PADD 1 Low Sulfur Distillate Supply



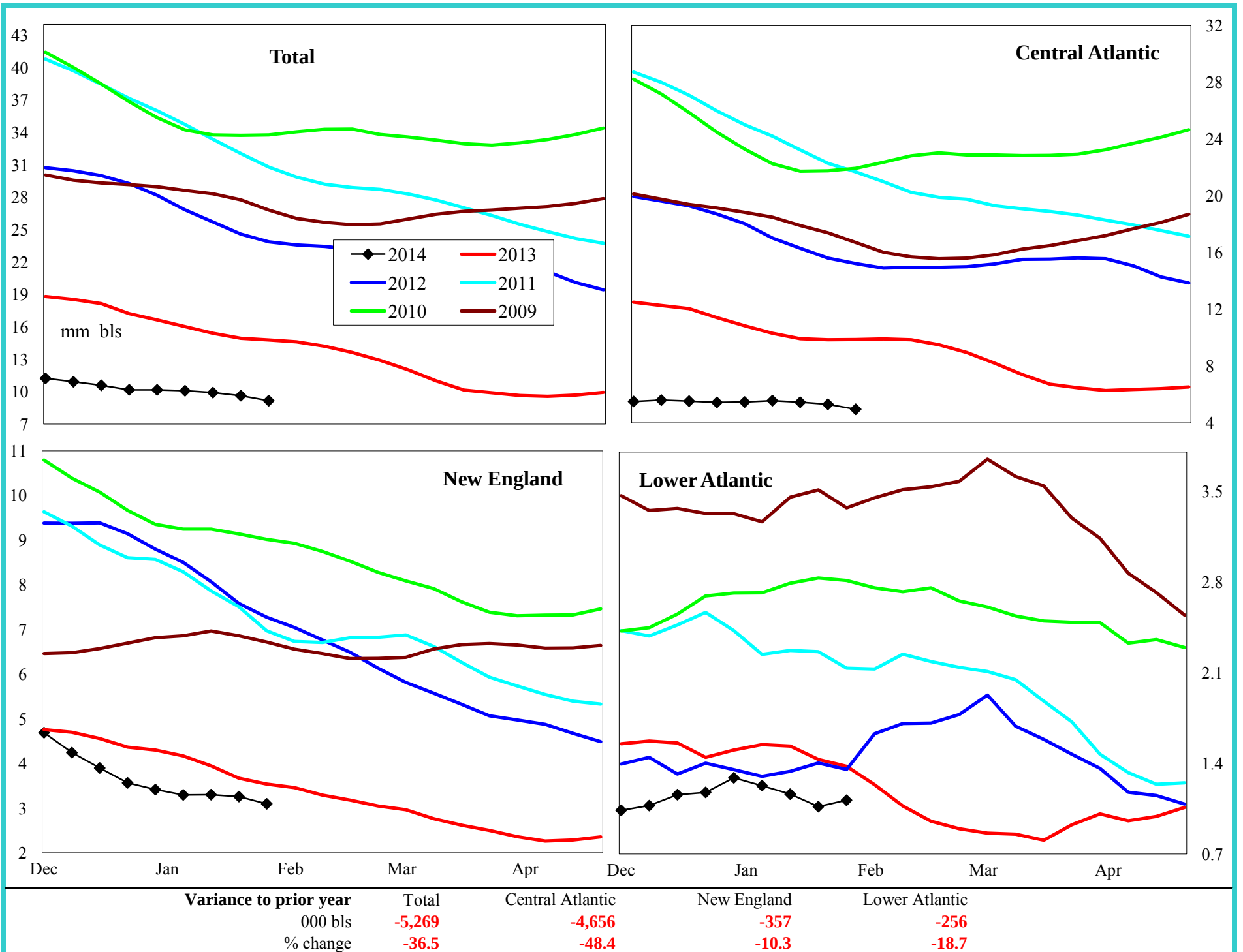
PADD 1 Low Sulfur Distillate Stocks by Region



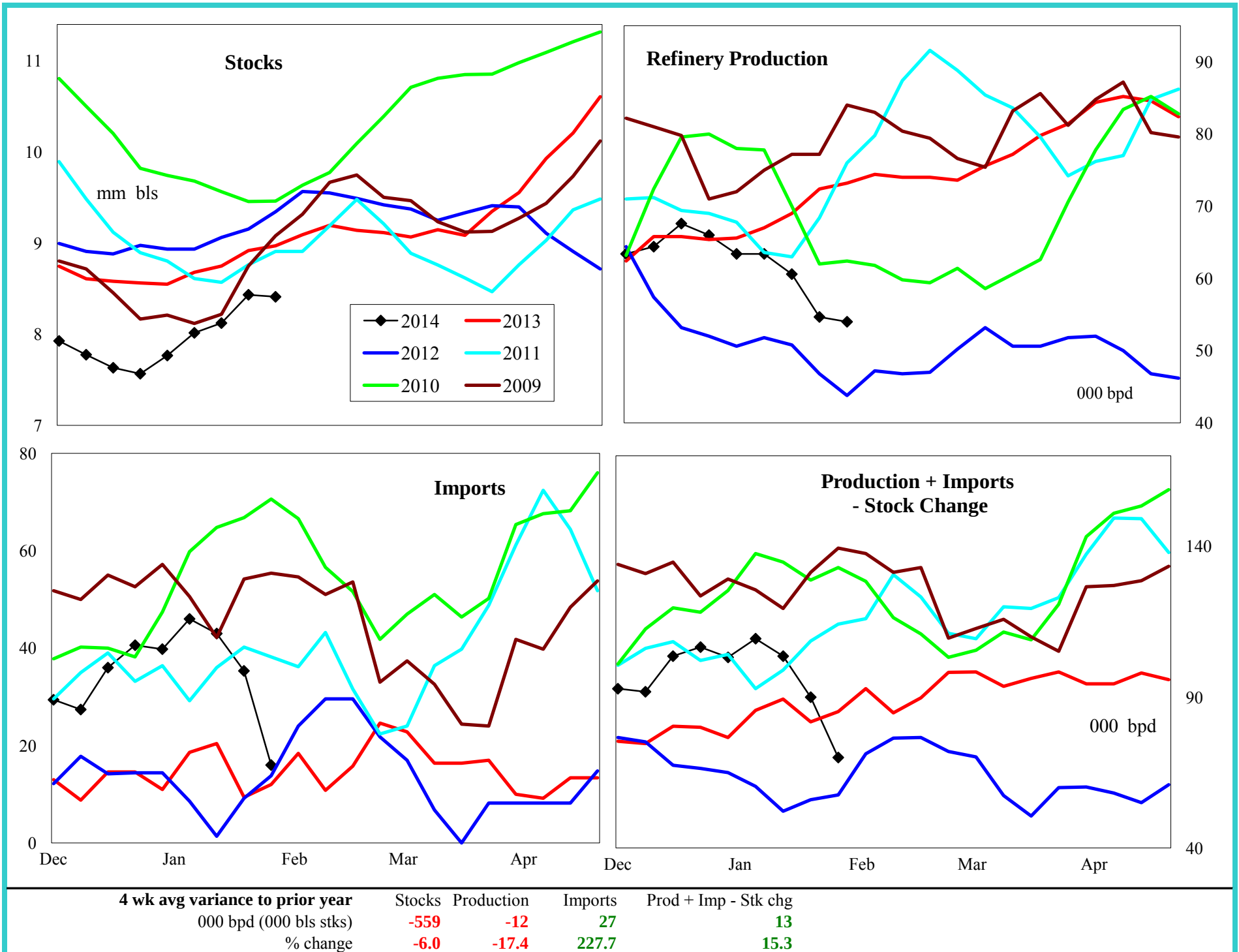
PADD 1 High Sulfur Distillate Supply



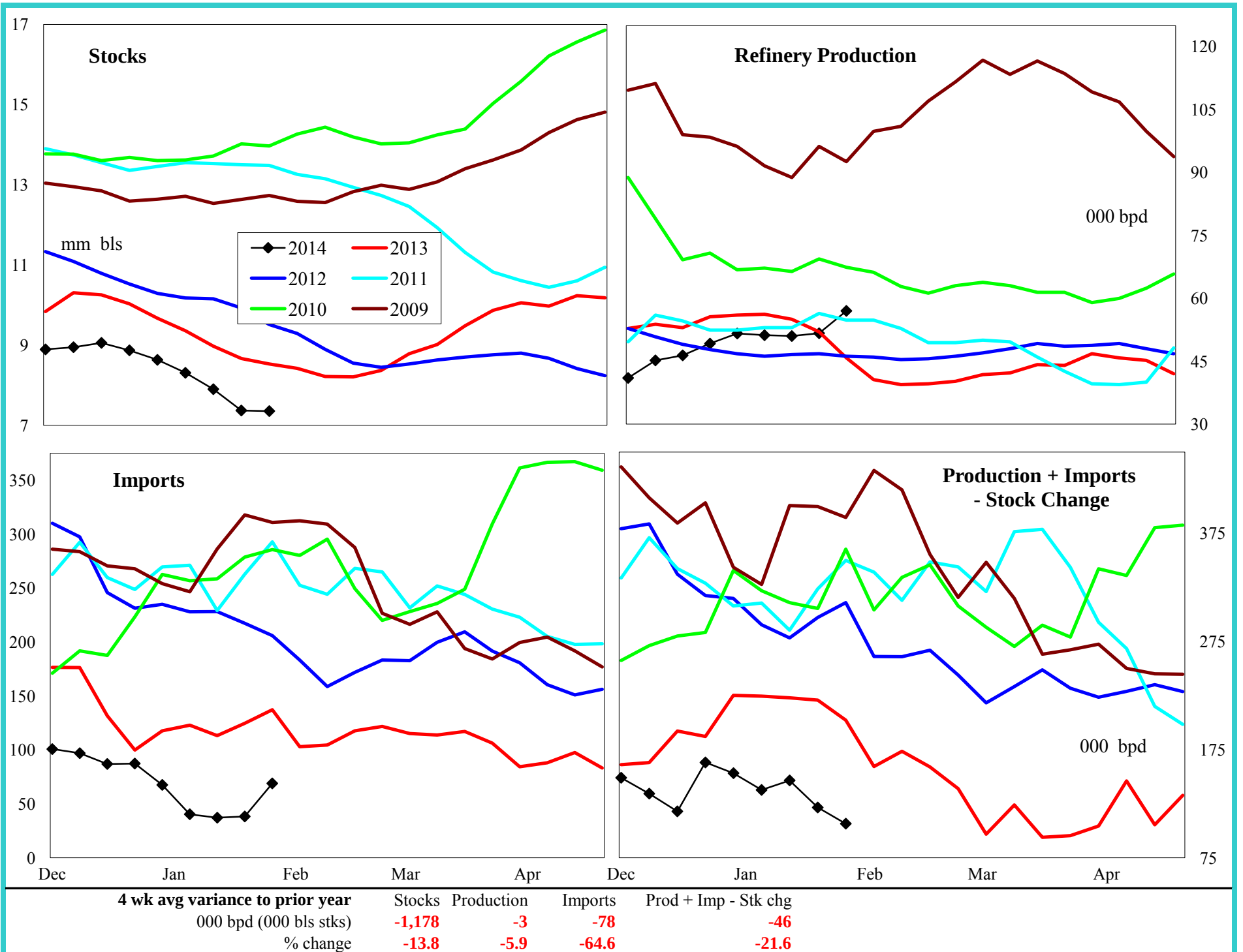
PADD 1 High Sulfur Distillate Stocks by Region



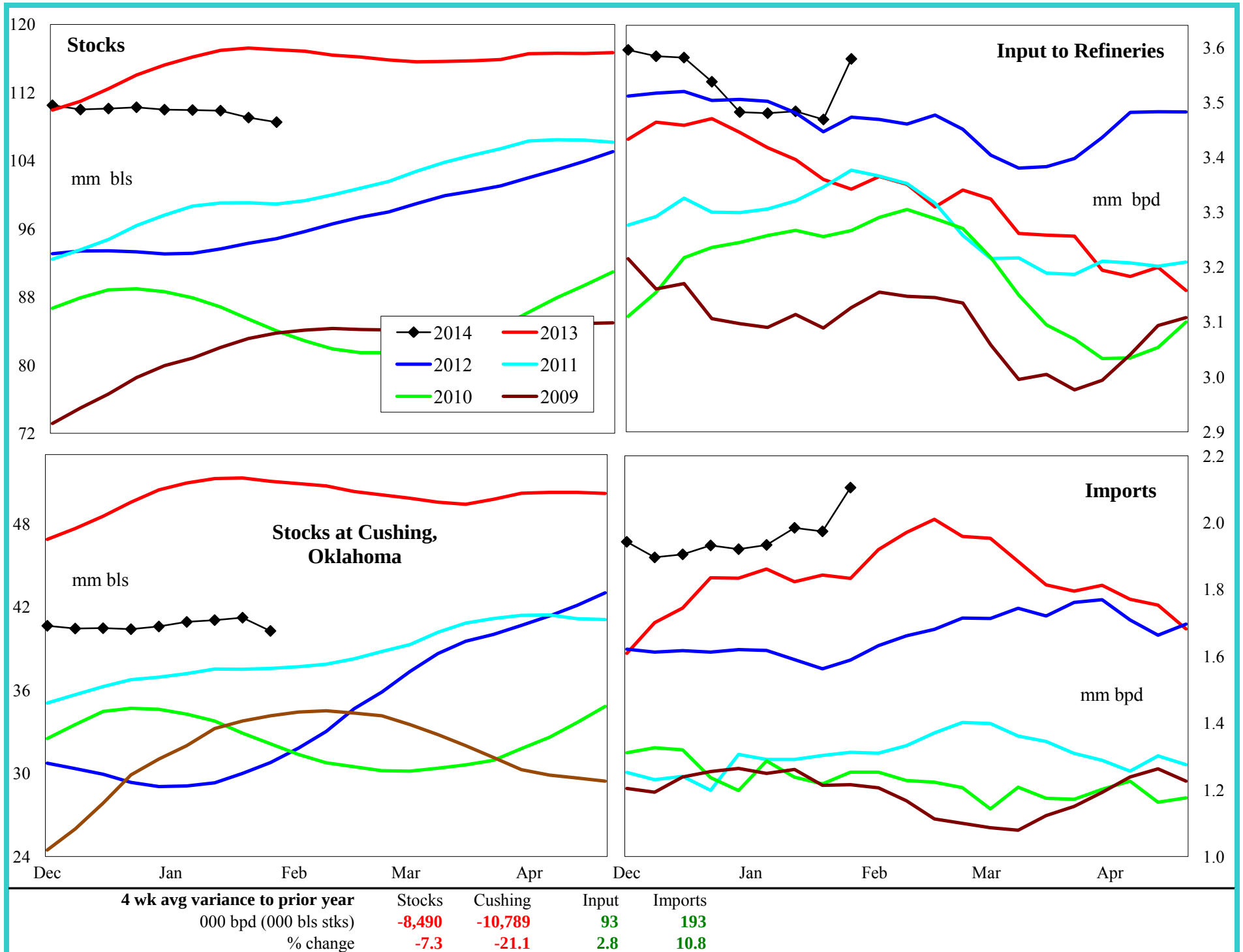
PADD 1 Jet Fuel Supply



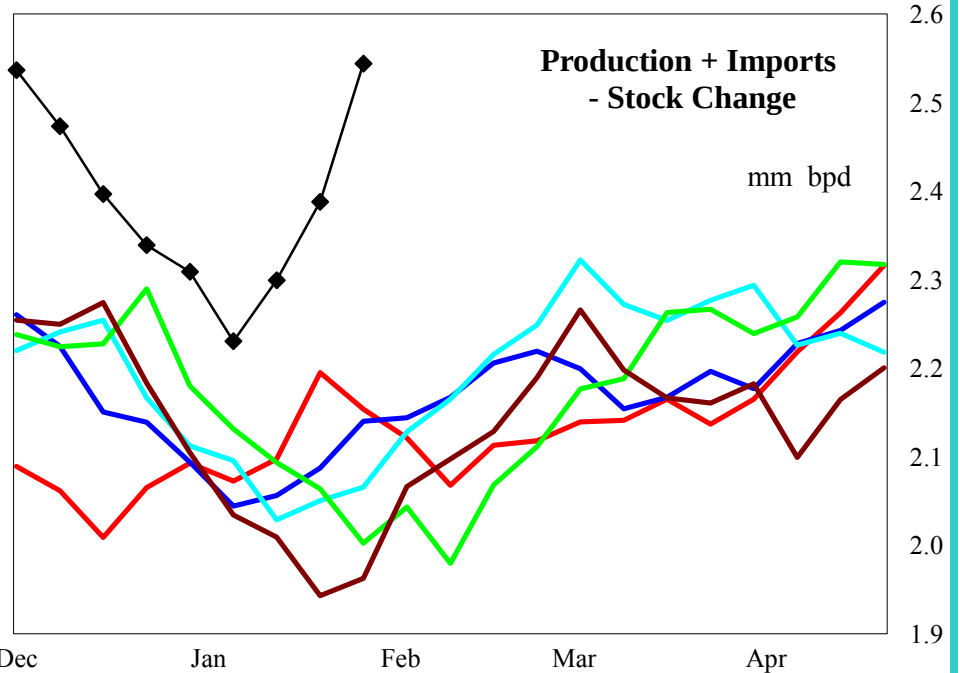
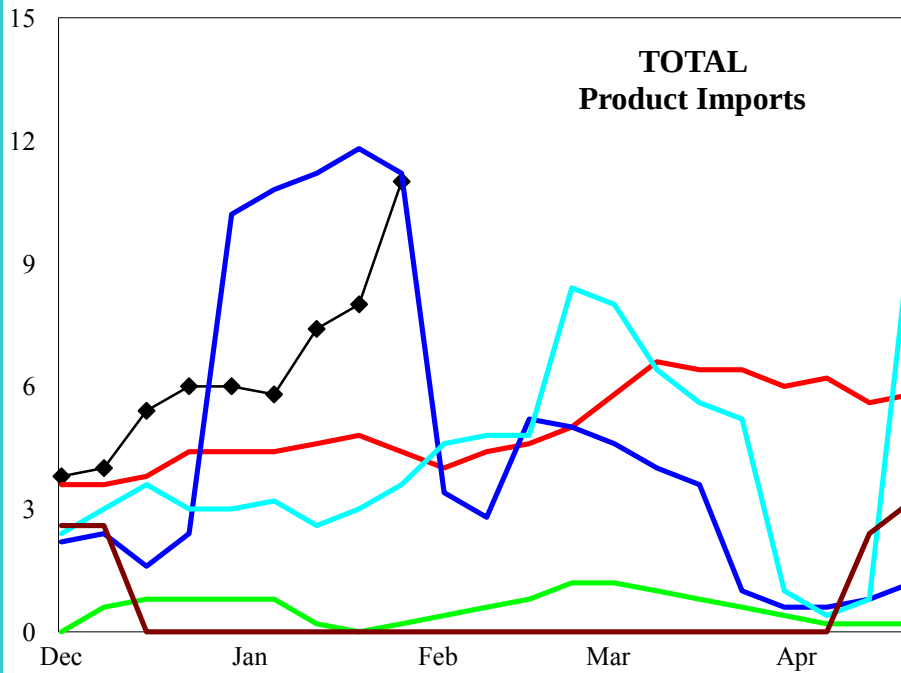
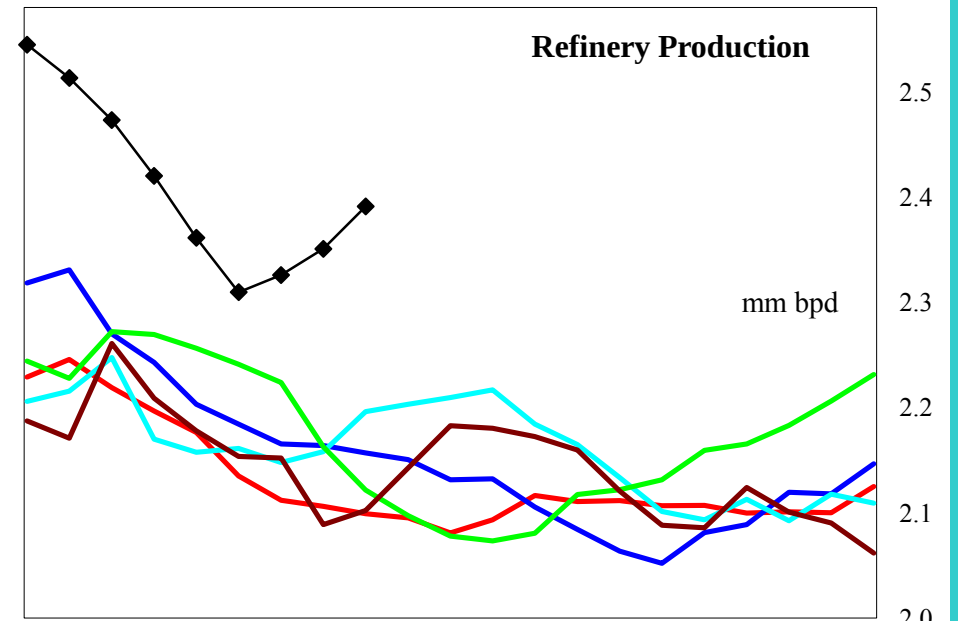
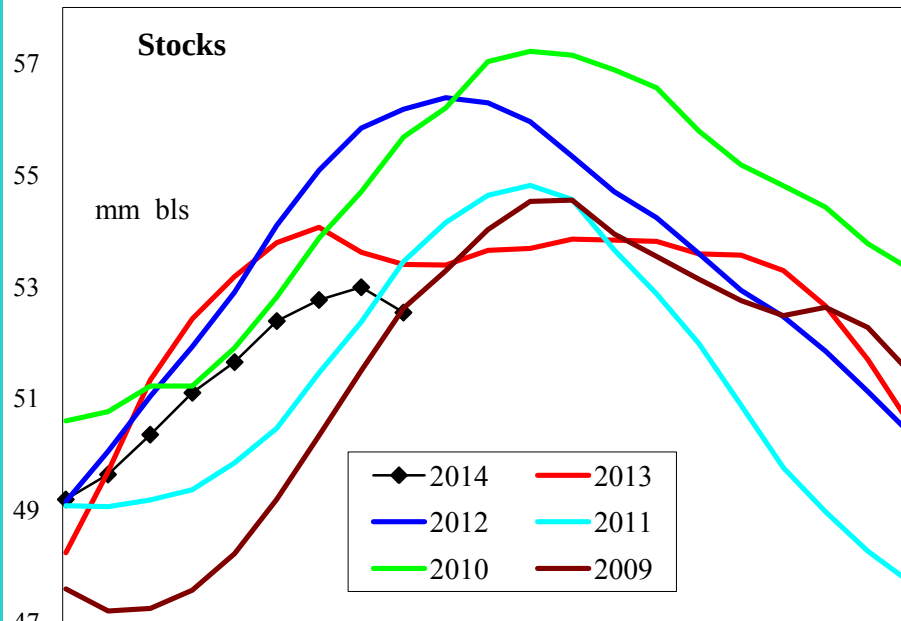
PADD 1 Residual Fuel Oil Supply



PADD 2 Crude Oil Supply and Refining



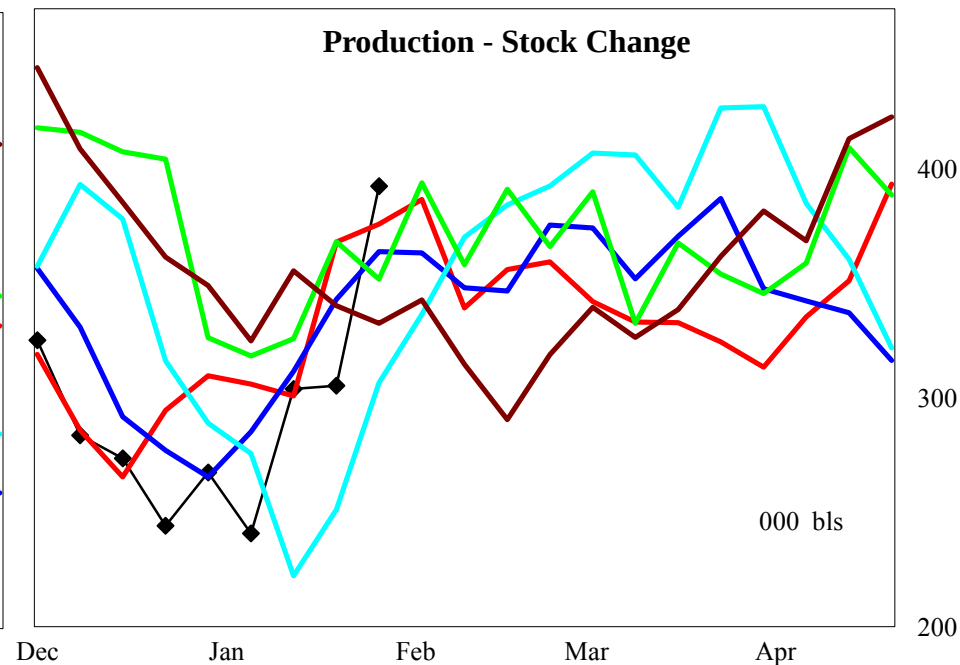
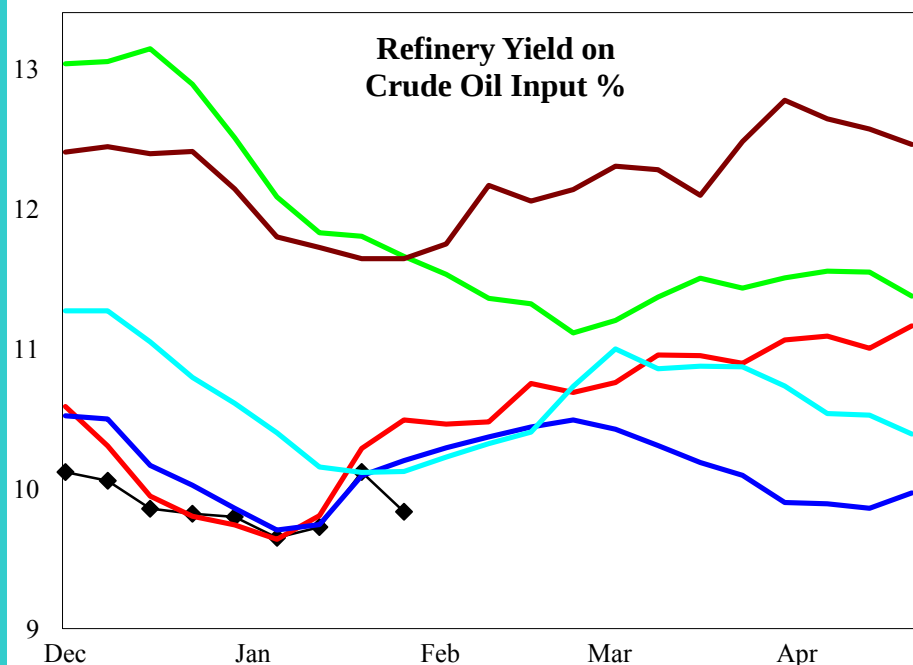
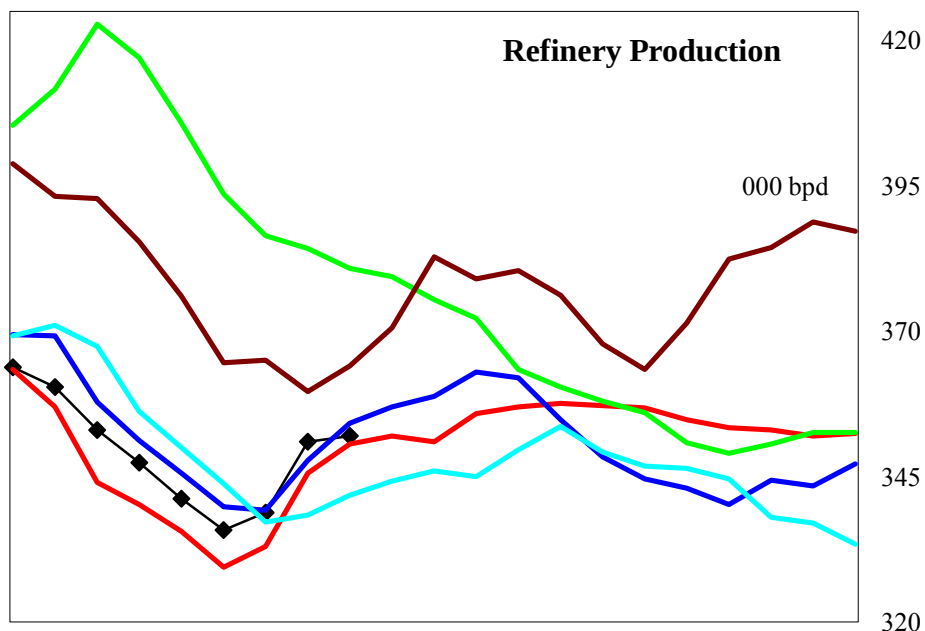
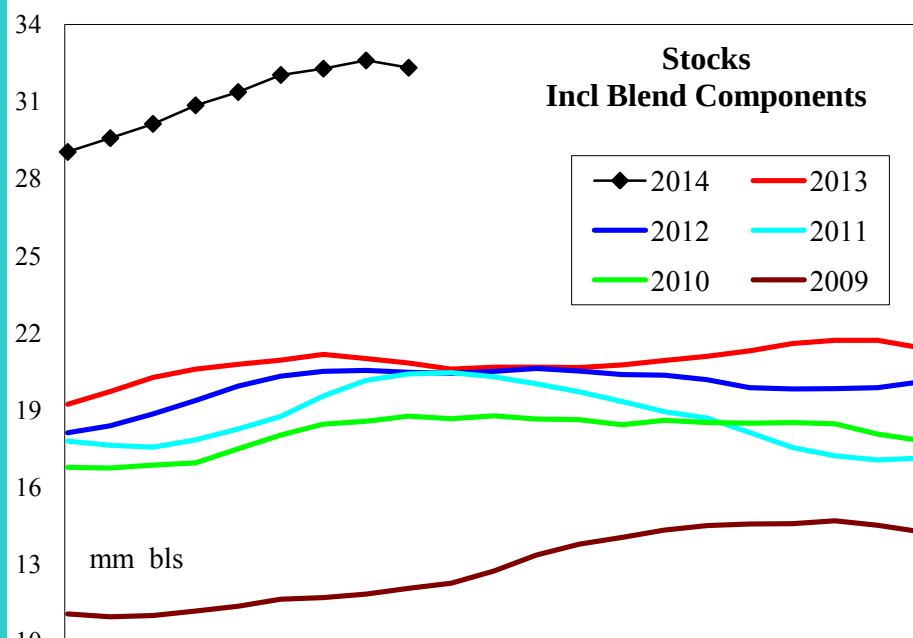
PADD 2 Gasoline Supply



4 wk avg variance to prior year
 000 bpd (000 bls stks)
 % change

Stocks	Production	Imports	Prod + Imp - Stk chg
-864	210	3	135
-1.6	9.8	52.6	6.1

PADD 2 Reformulated Gasoline Supply



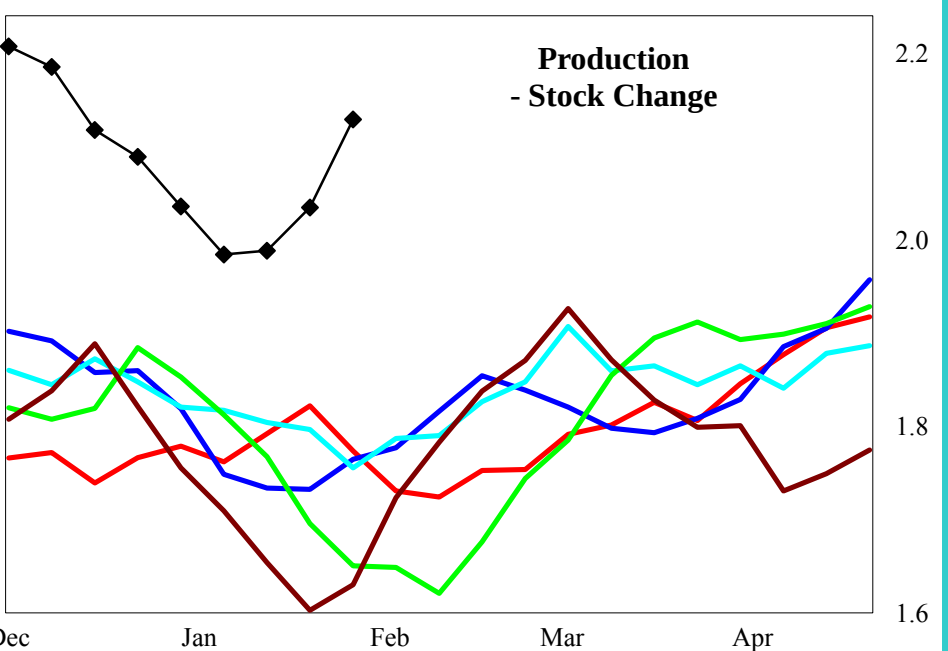
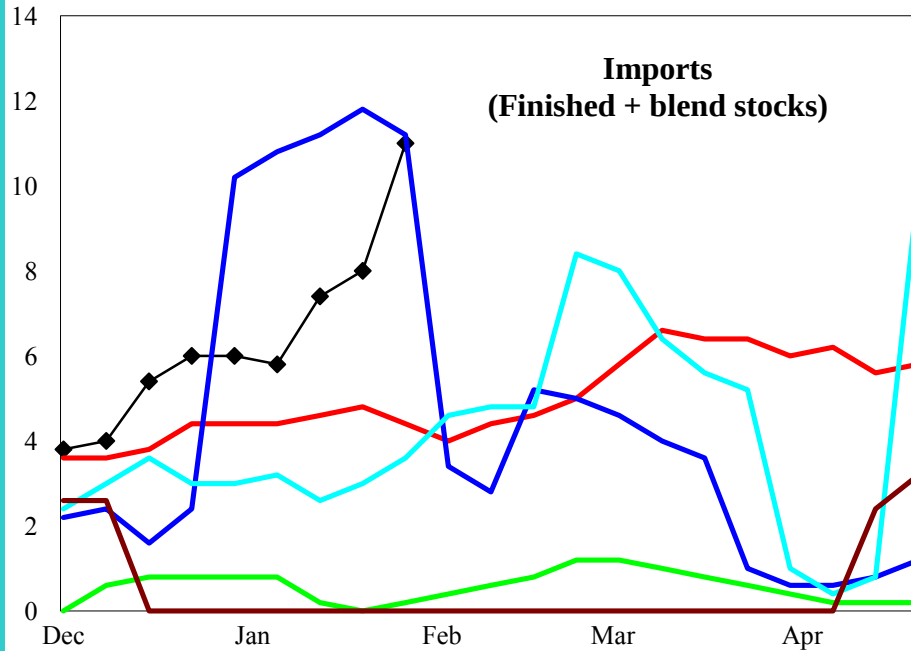
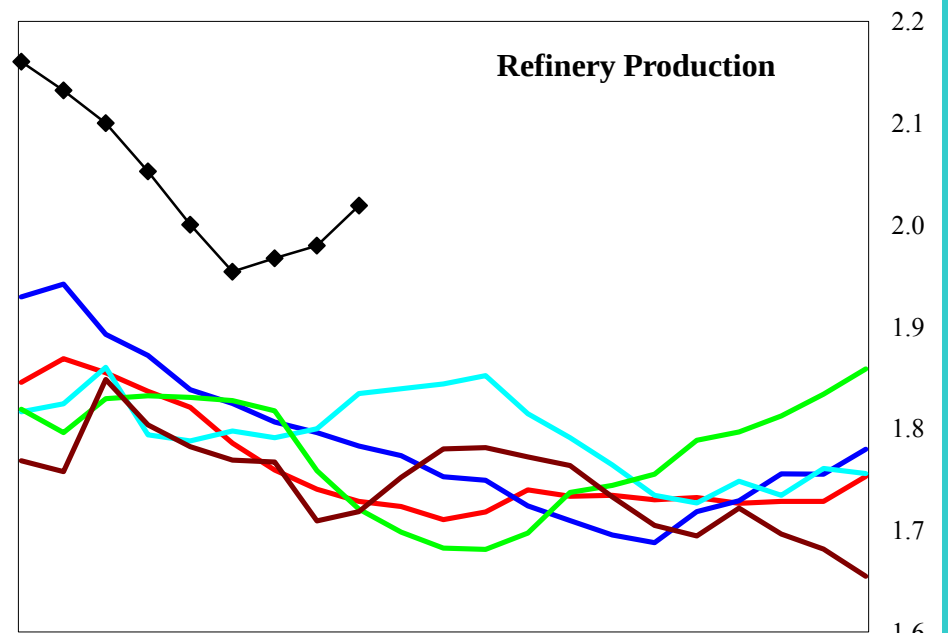
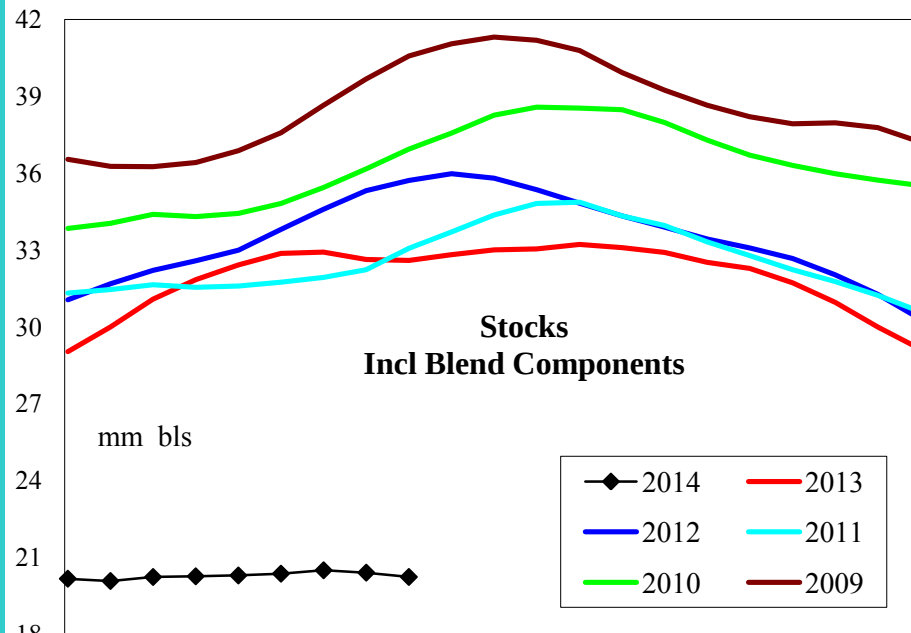
4 wk avg variance to prior year
 000 bpd (000 bls stks)
 % change

Stocks
11,496
55.2

Production
5
1.4

Prod - Stk chg
-27
-8.0

PADD 2 Conventional Gasoline Supply

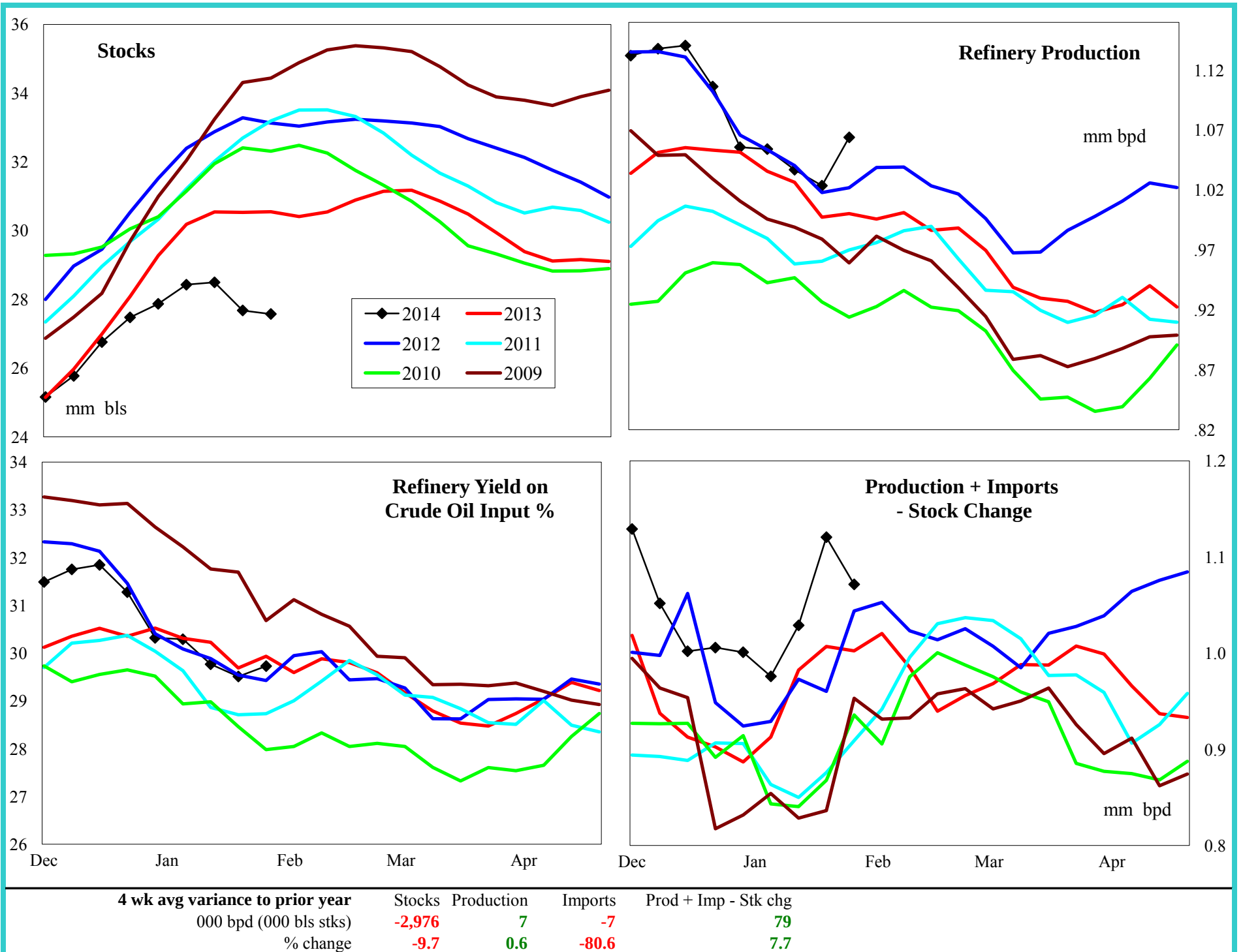


4 wk avg variance to prior year
 000 bpd (000 bls stks)
 % change

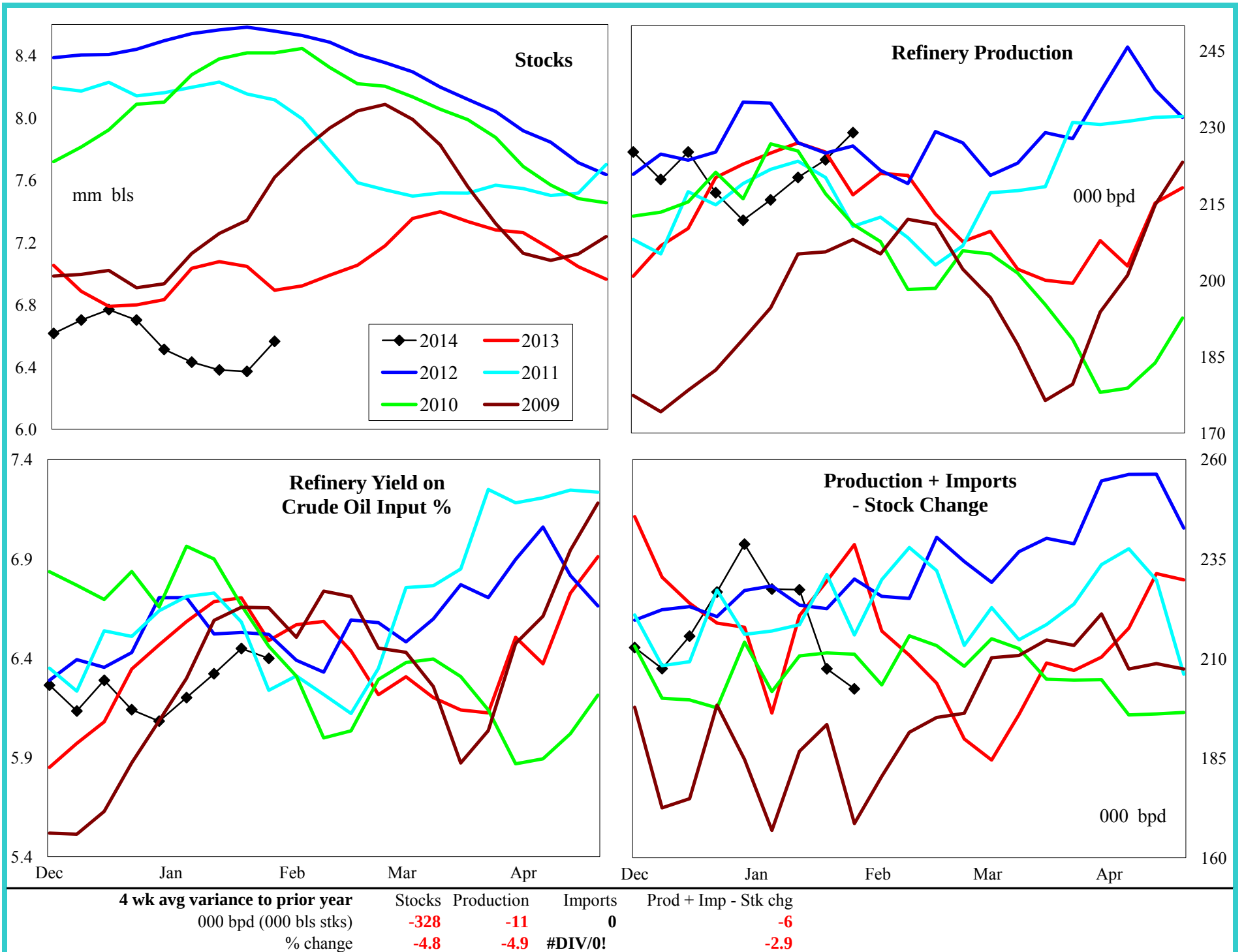
Stocks Production
-12,197 **210**
-37.6 **11.6**

Prod - Stk chg
181
9.8

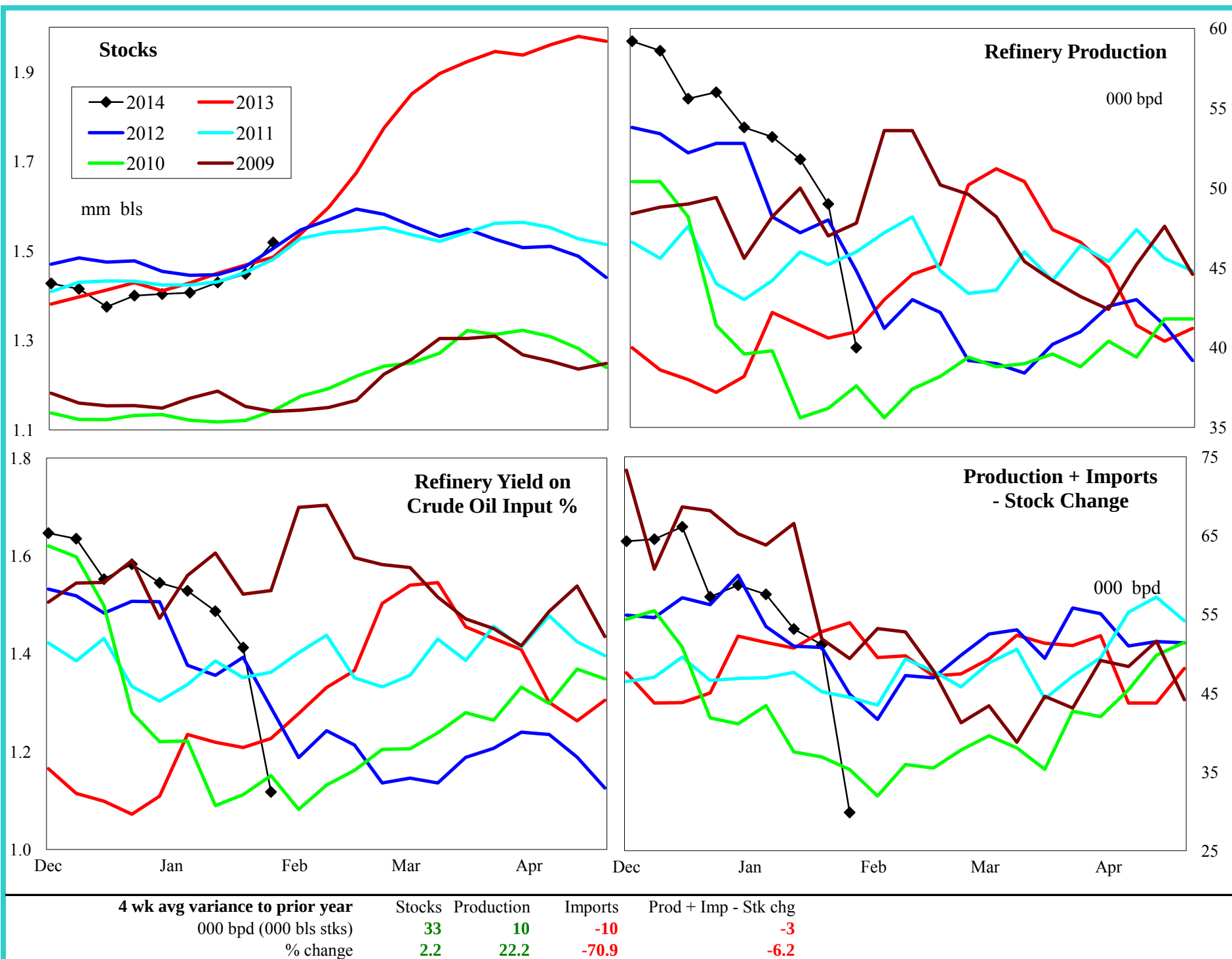
PADD 2 Distillate Supply



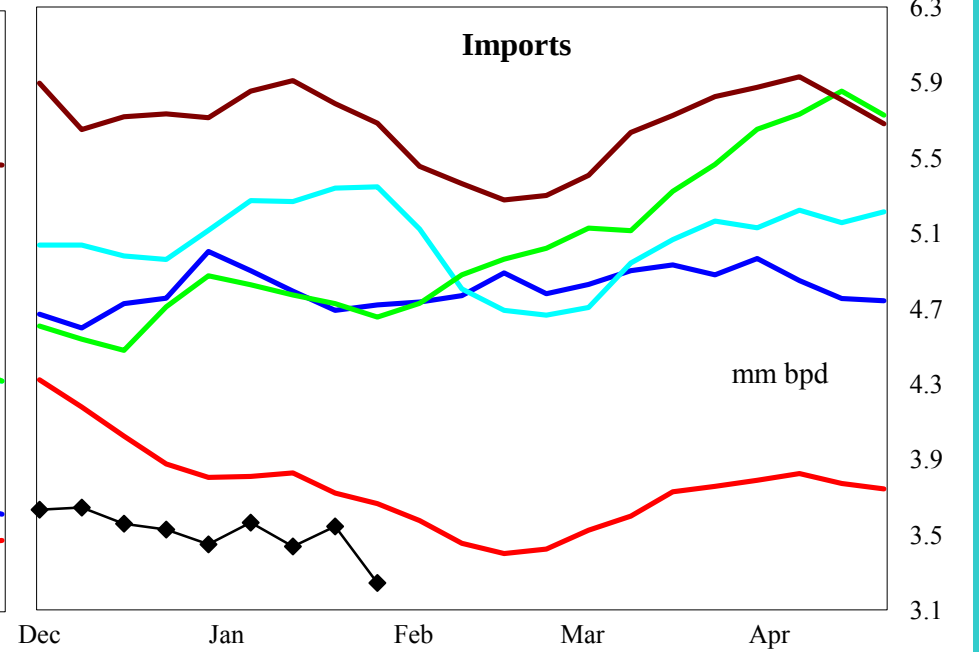
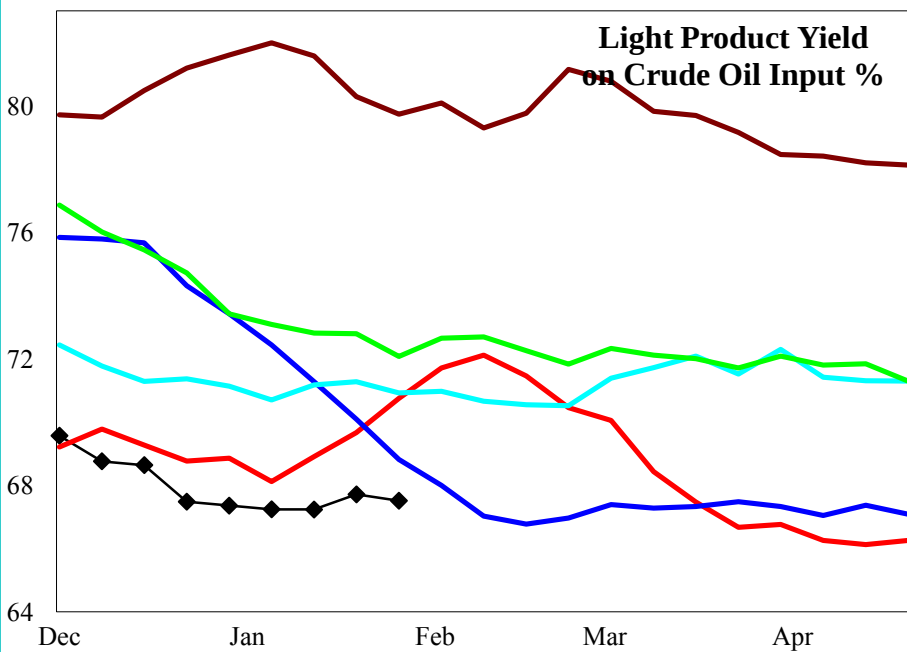
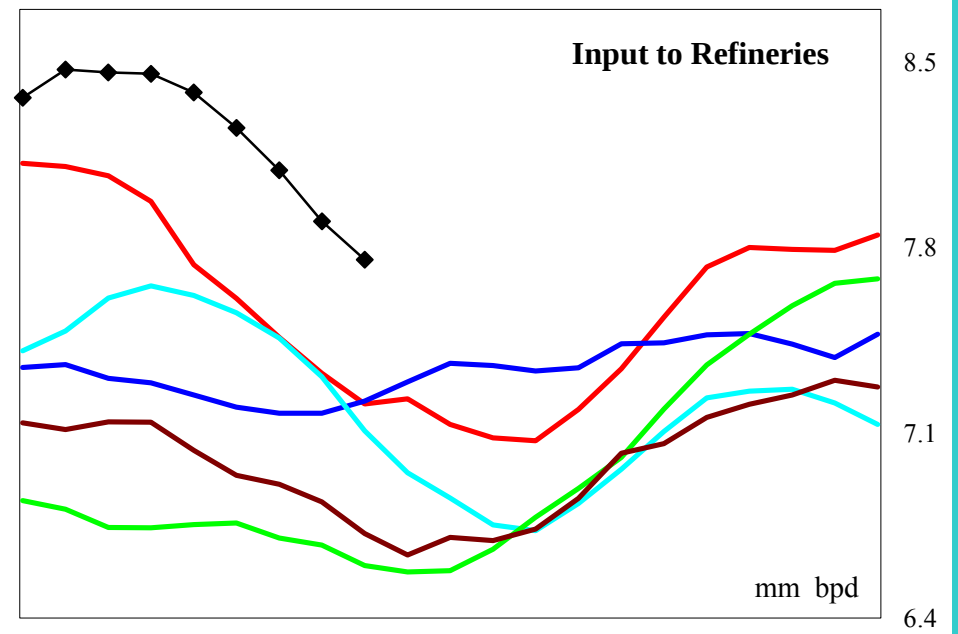
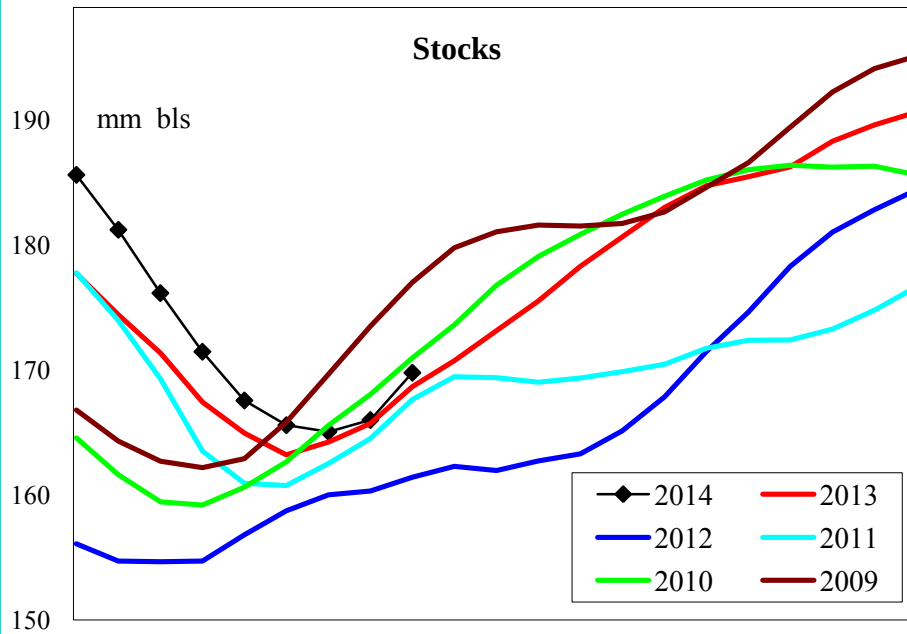
PADD 2 Jet Fuel Supply



PADD 2 Residual Fuel Oil Supply



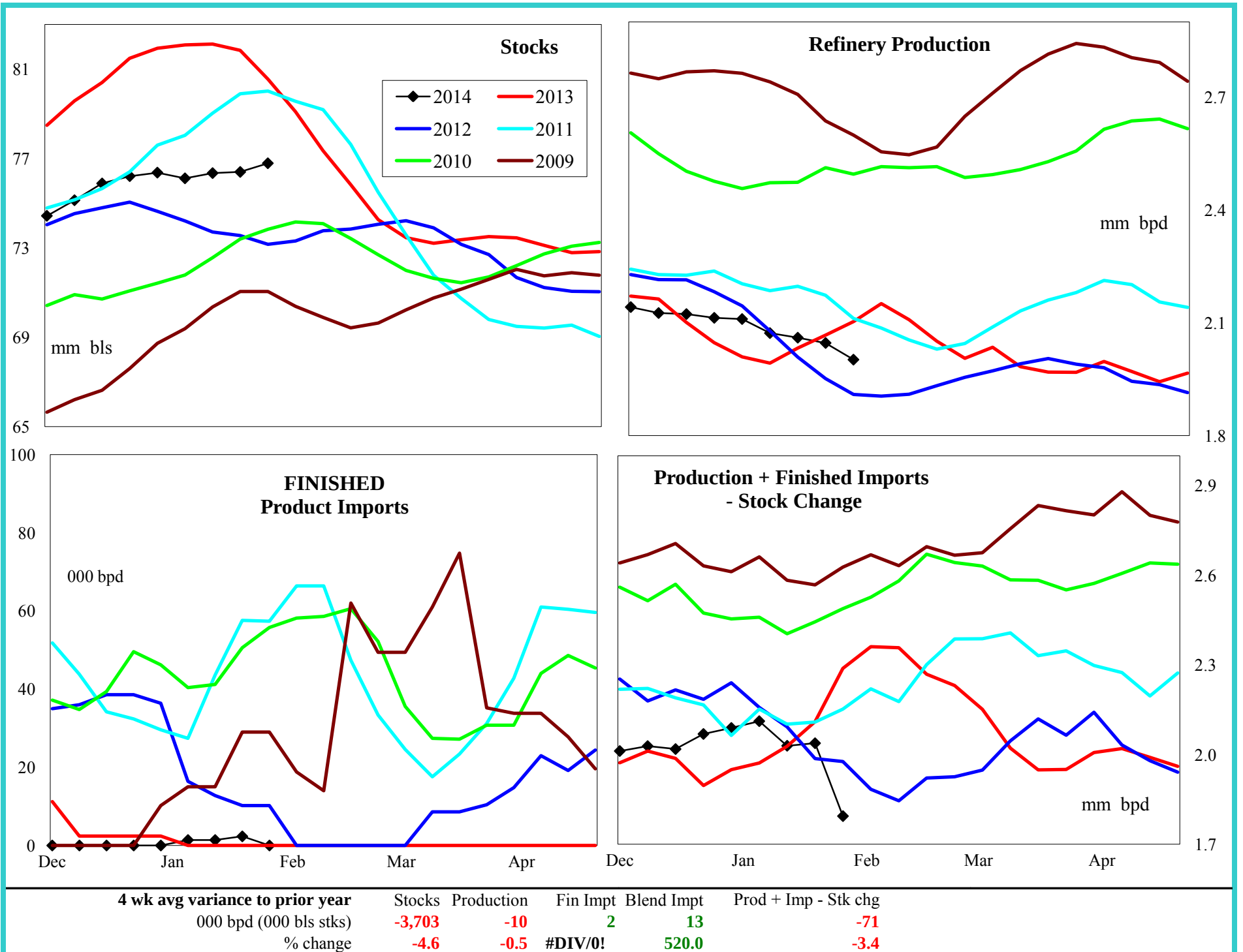
PADD 3 Crude Oil Supply and Refining



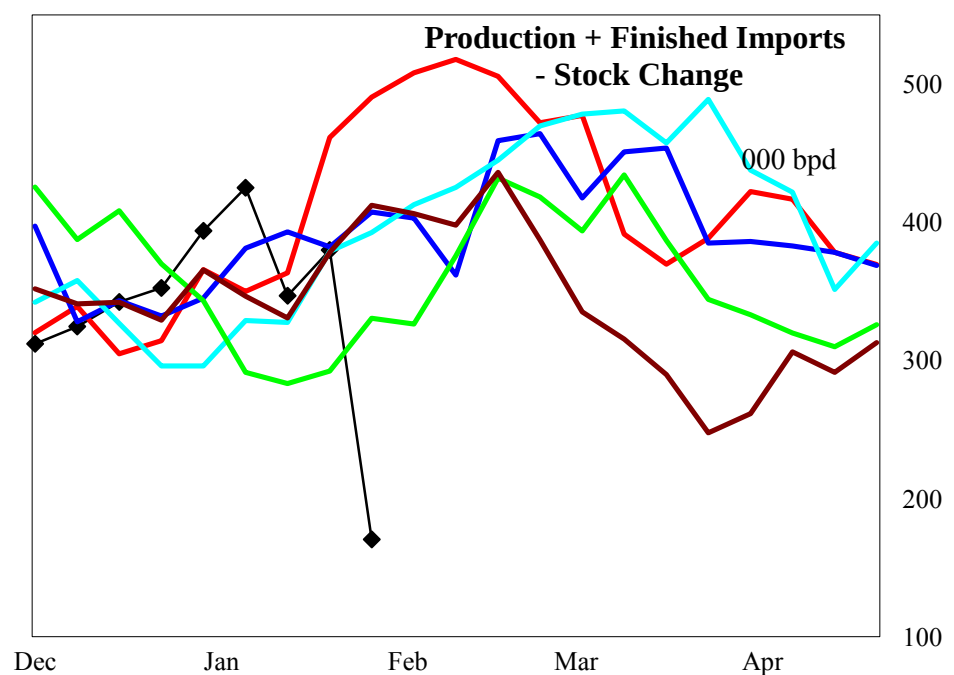
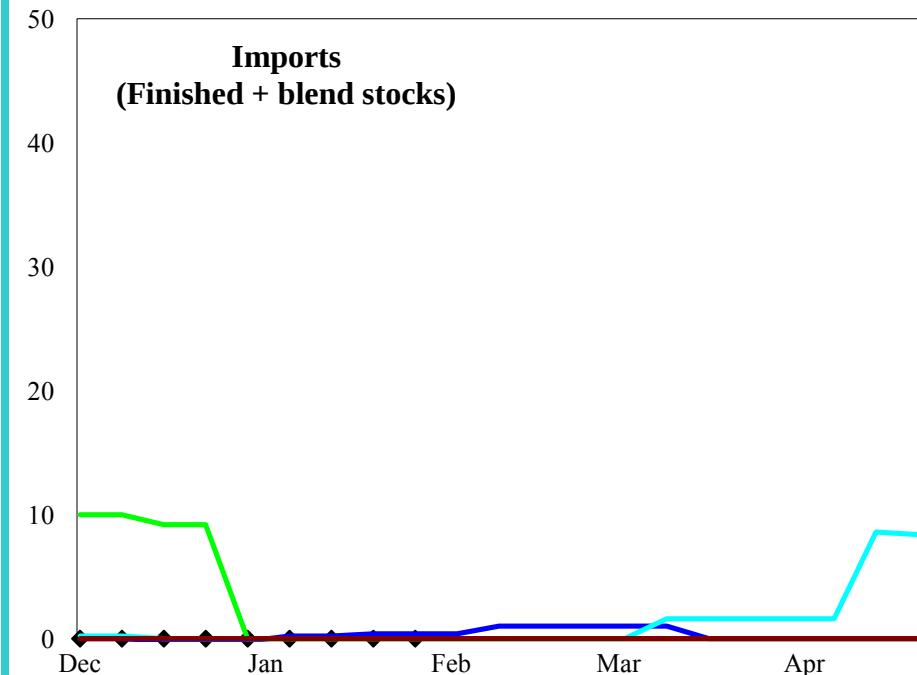
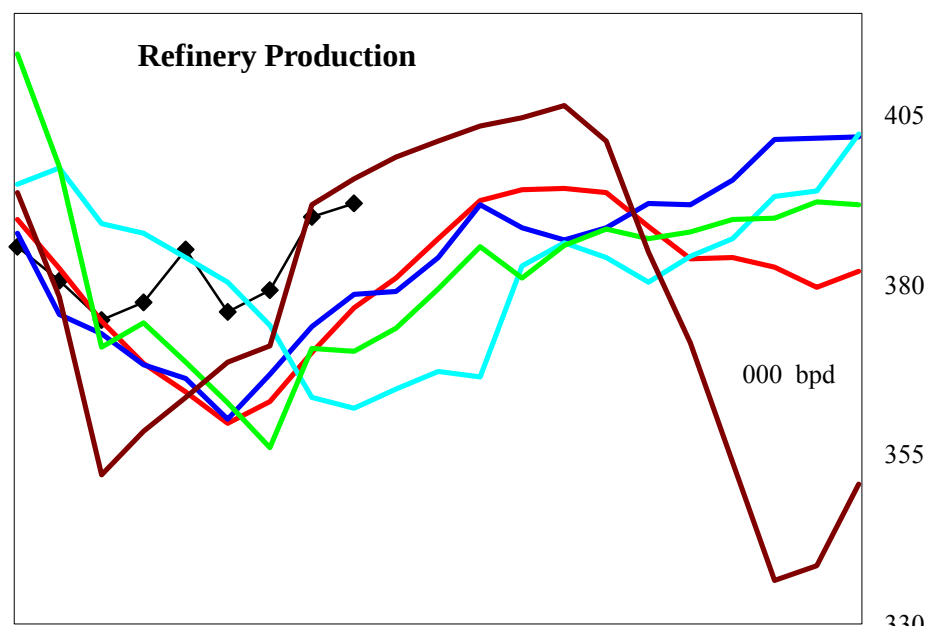
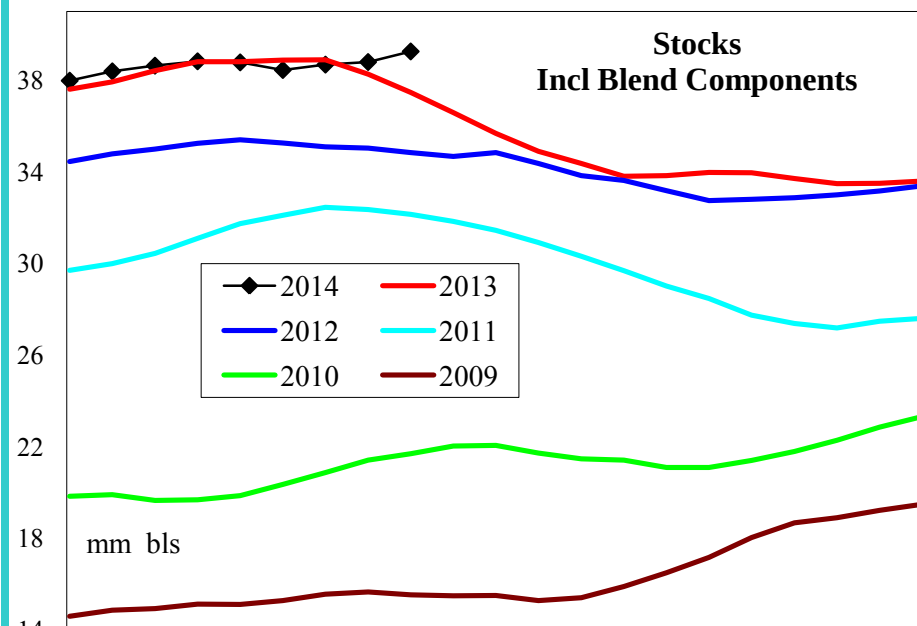
4 wk avg variance to prior year
 000 bpd (000 bls stks)
 % change

	Stocks	Input	Imports
000 bpd (000 bls stks)	1,107	642	-425
% change	0.7	8.7	-11.0

PADD 3 Gasoline Supply



PADD 3 Reformulated Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

1,735

4.6

Production

20

5.3

Imports

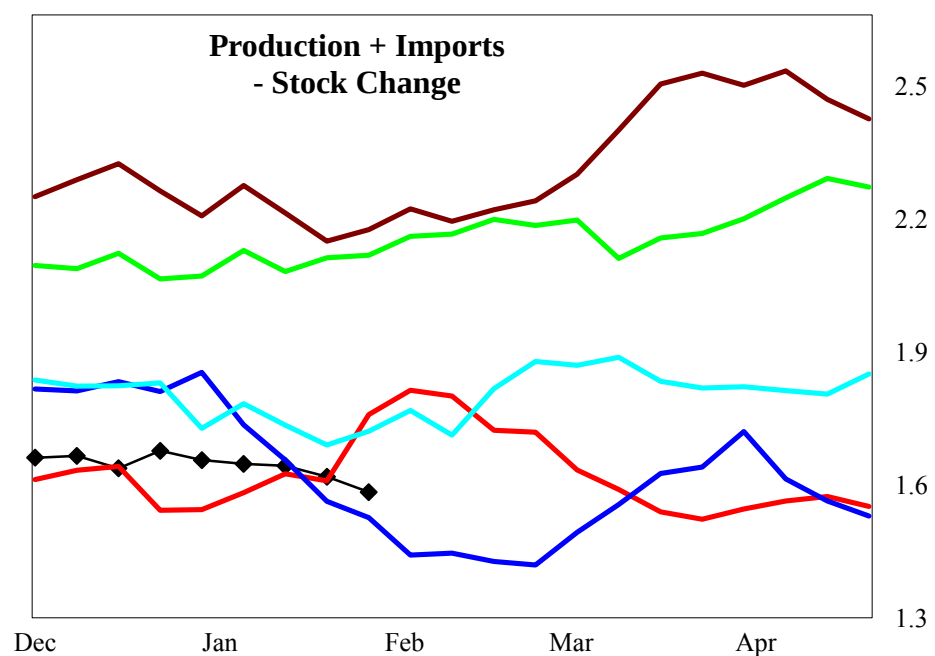
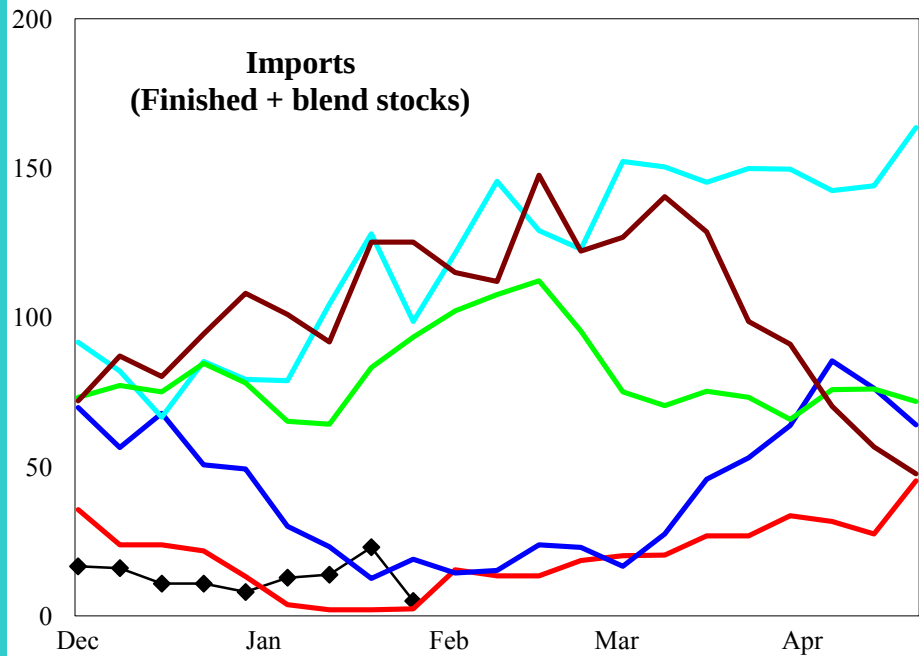
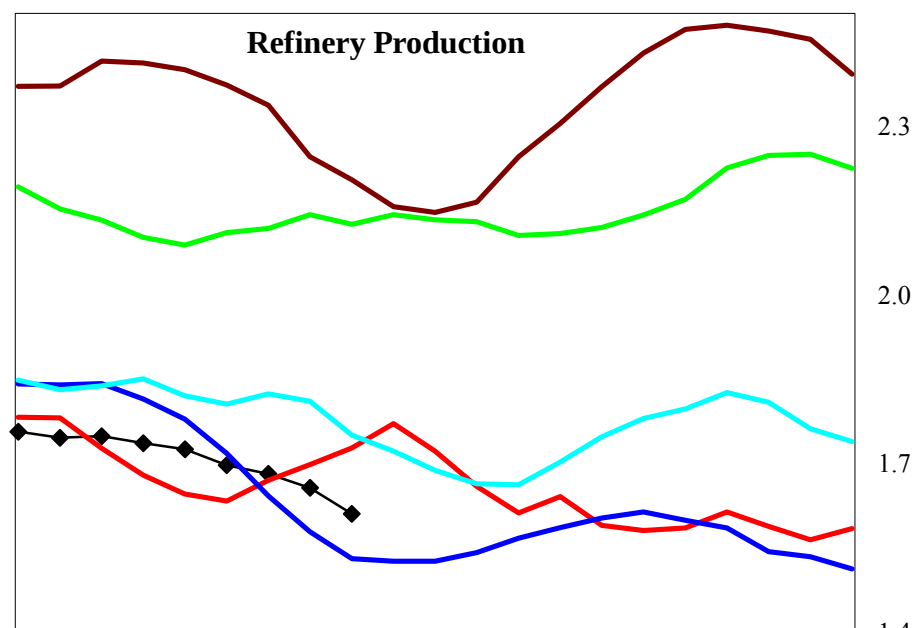
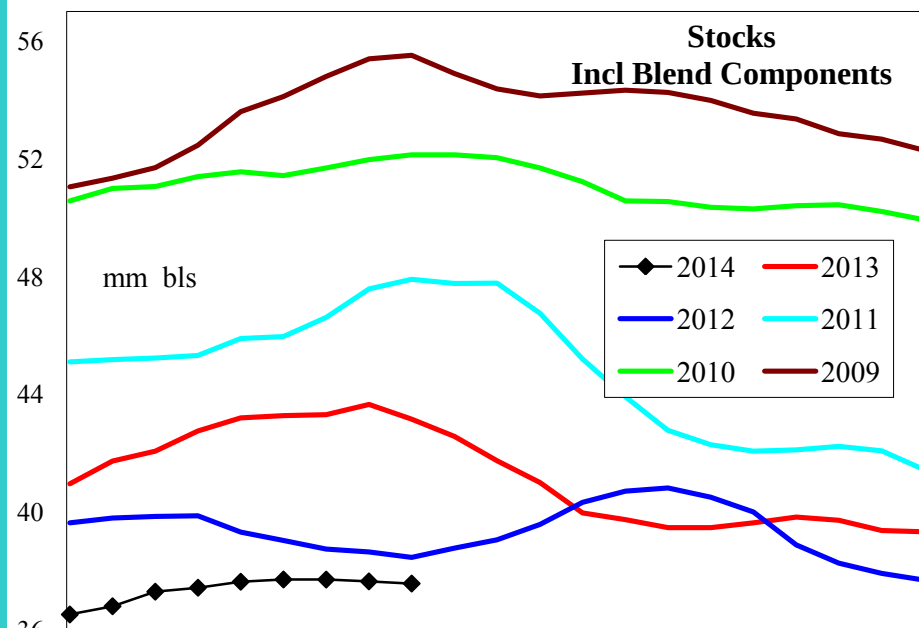
0

#DIV/0!

Prod + Imp - Stk chg

-96

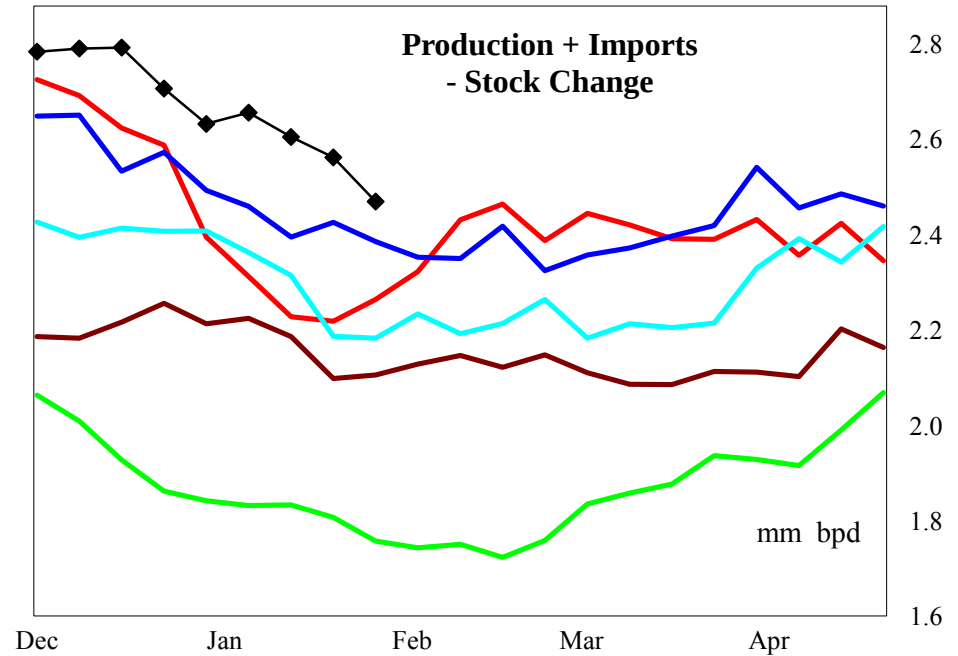
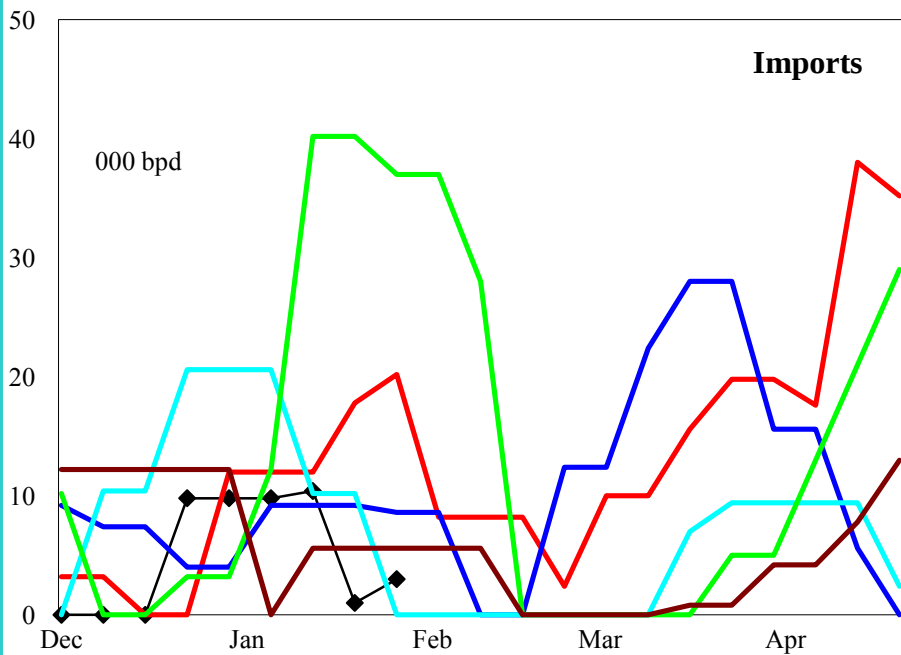
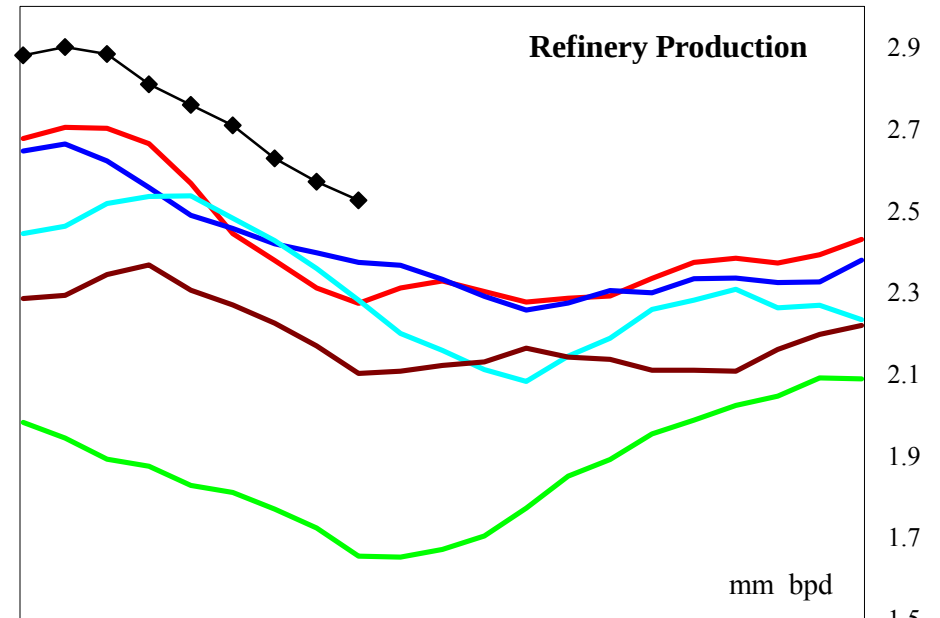
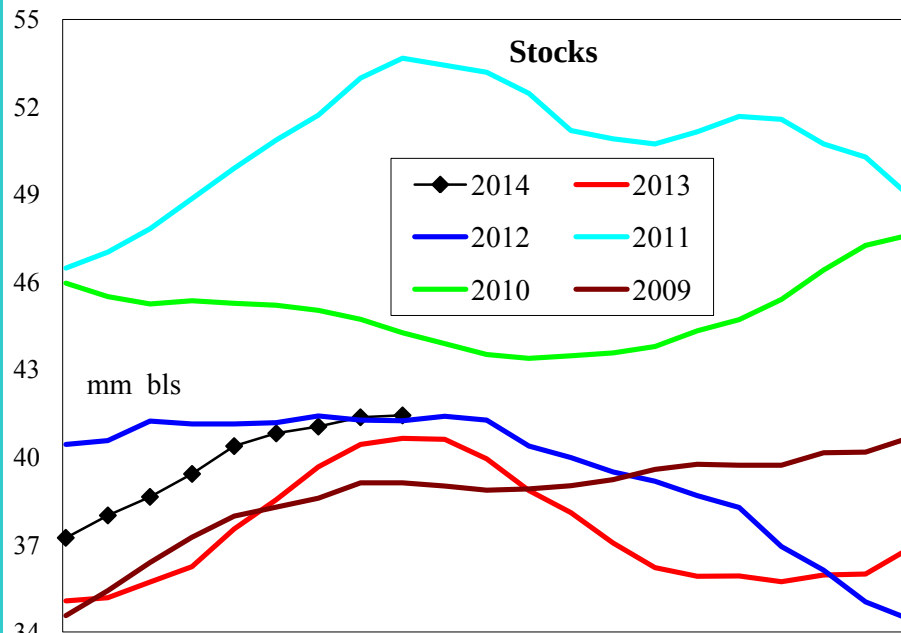
-21.8



4 wk avg variance to prior year
000 bpd (000 bbls stks)
% change

Stocks	Production	Imports	Prod + Imp - Stk chg
-5,469	-30	15	25
-12.7	-1.7	590.0	1.5

PADD 3 Distillate Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

Production

Imports

Prod + Imp - Stk chg

339

280

-2

367

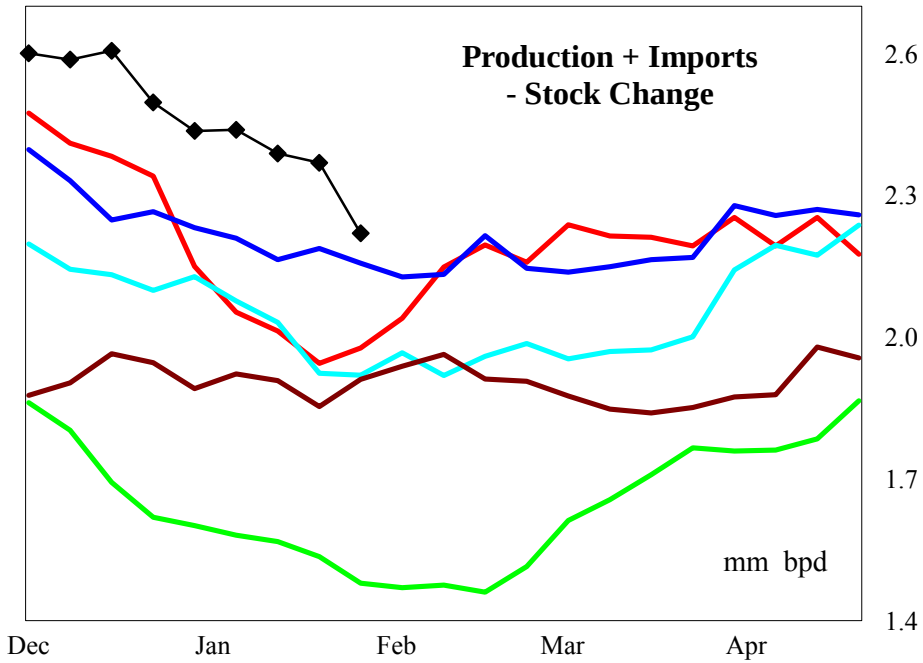
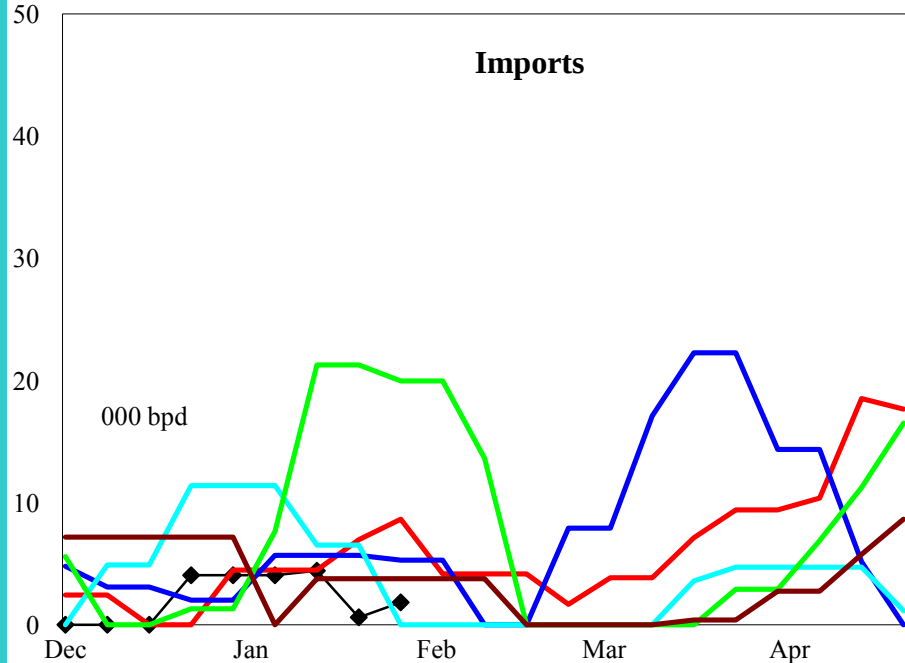
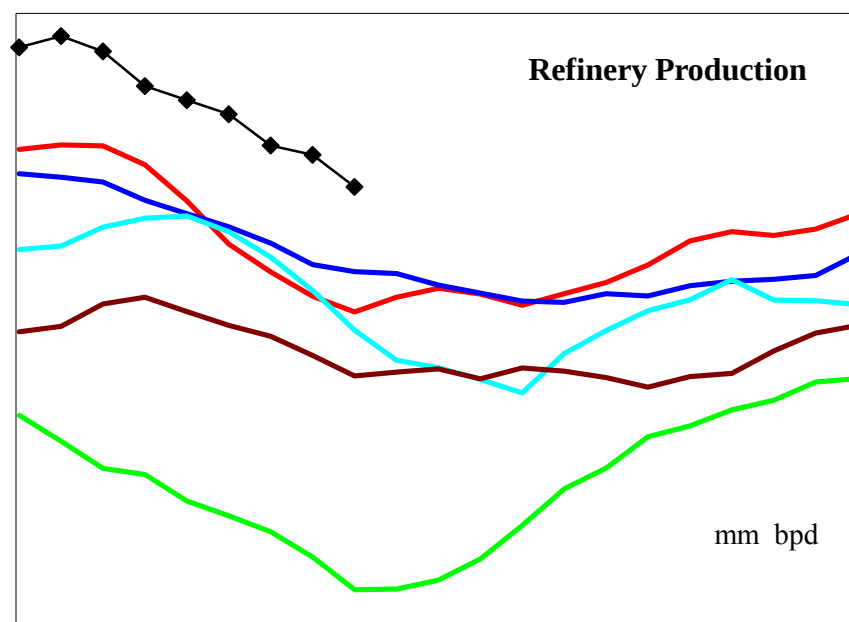
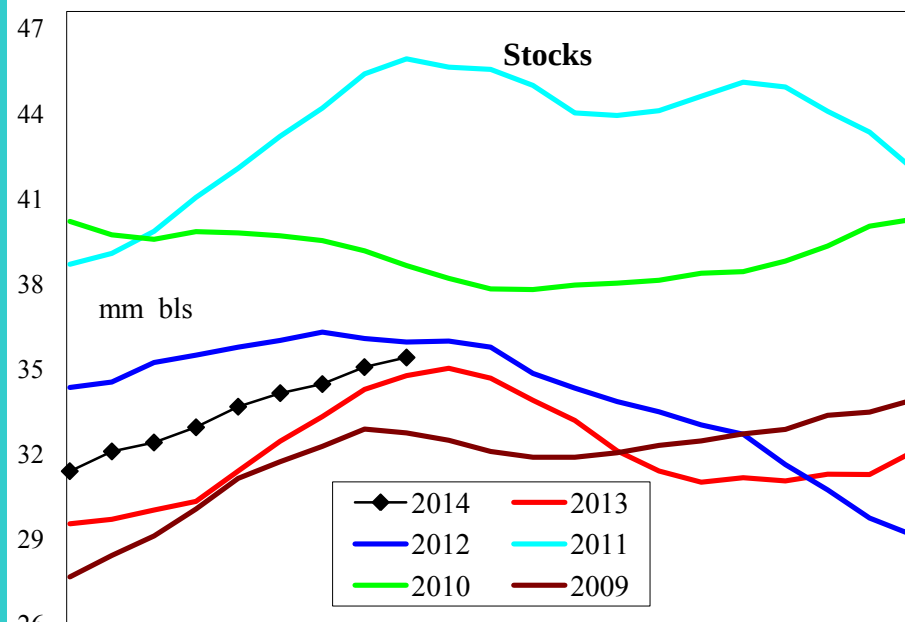
0.8

12.2

-13.3

16.9

PADD 3 Low Sulfur Distillate Supply



4 wk avg variance to prior year

000 bpd (000 bbls stks)

% change

Stocks

Production

Imports

Prod + Imp - Stk chg

951

346

0

370

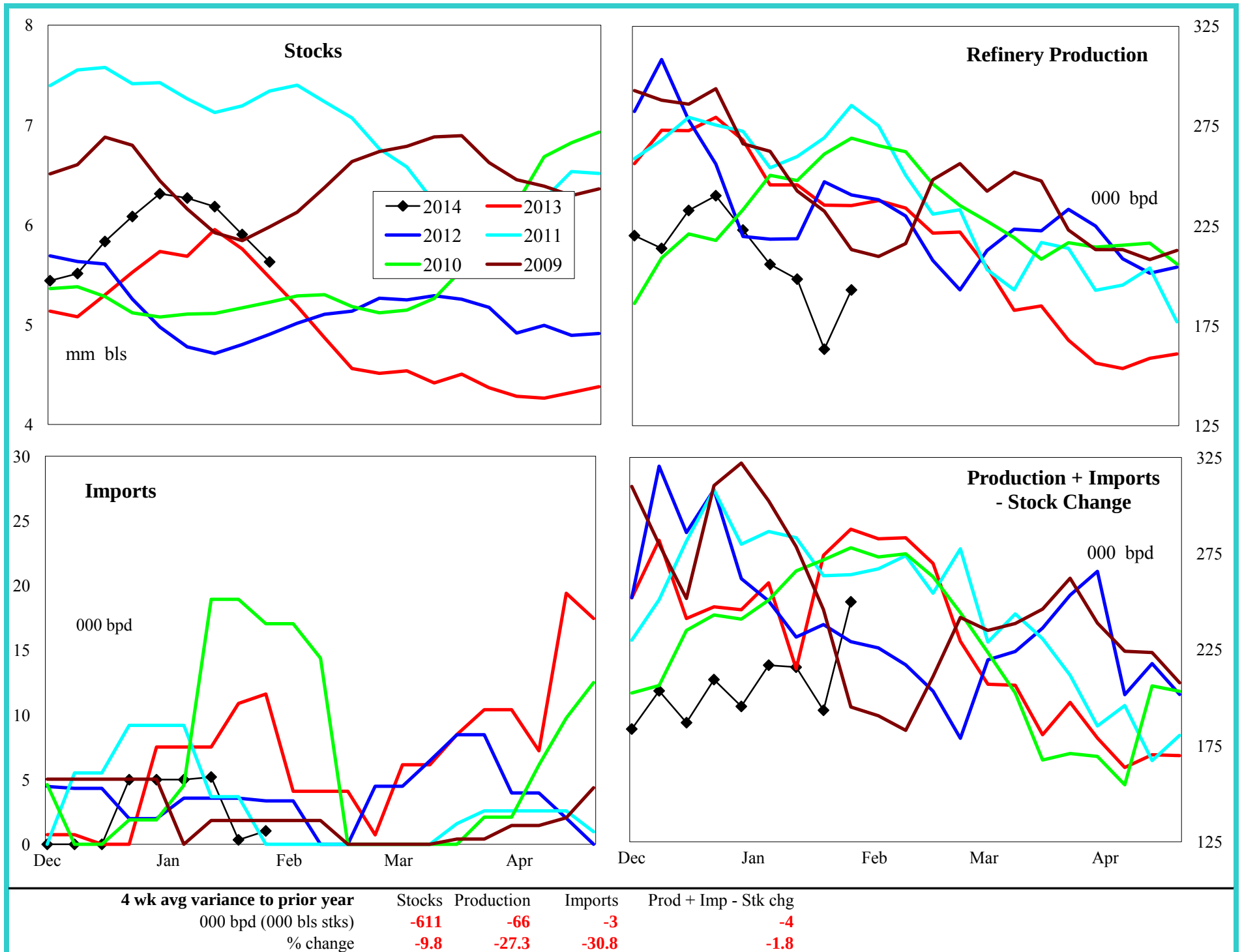
2.7

16.8

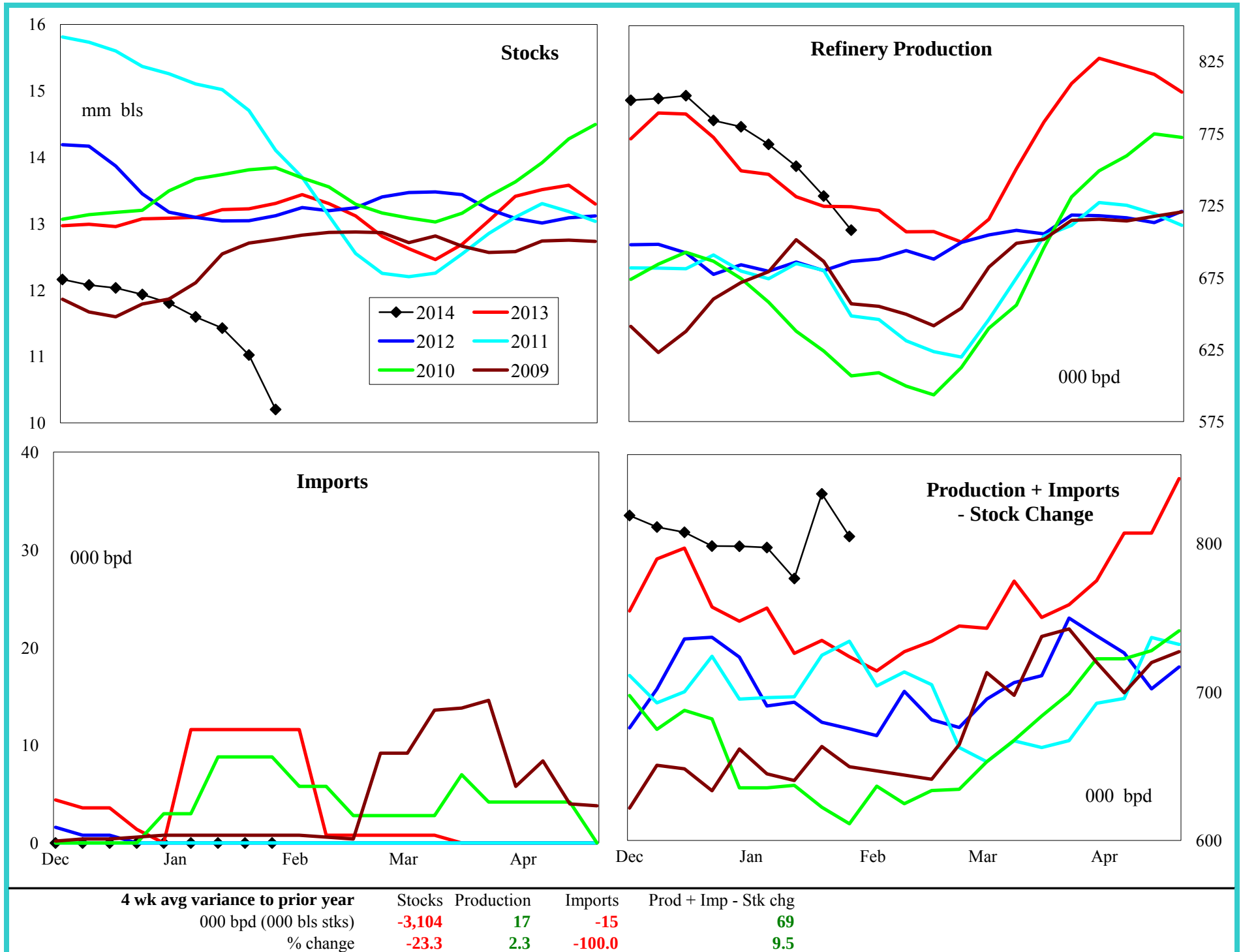
-1.4

19.1

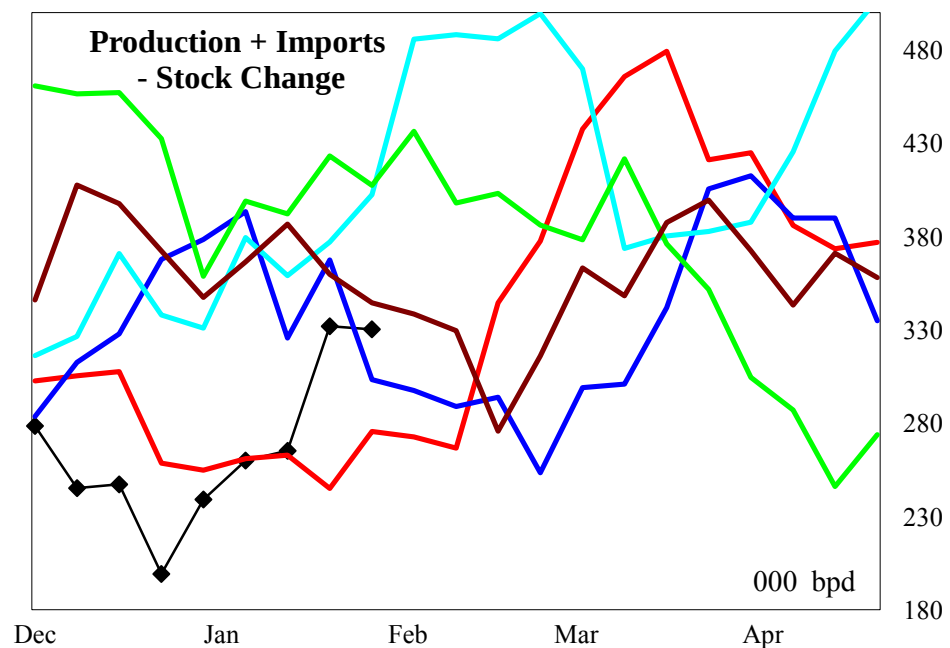
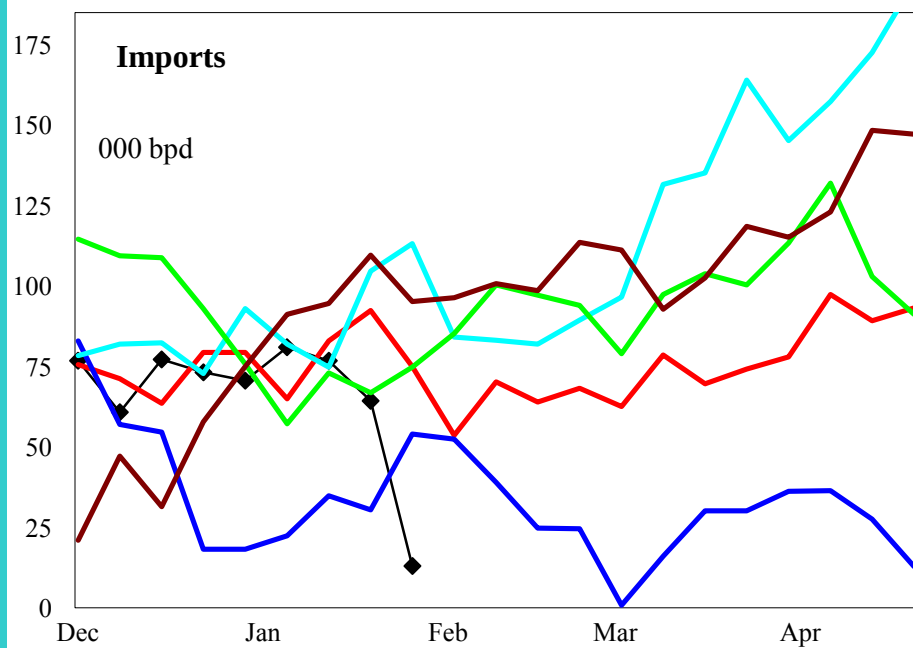
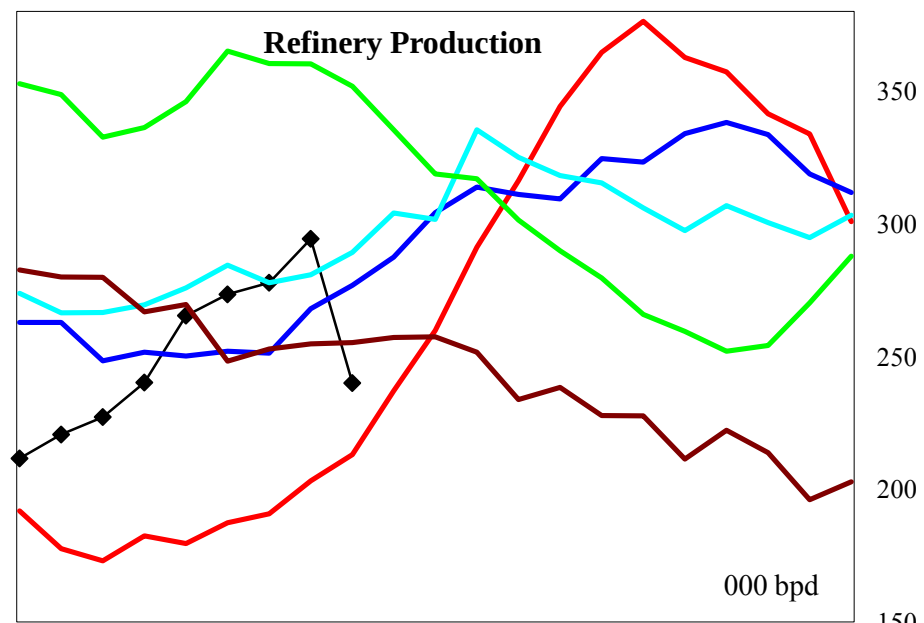
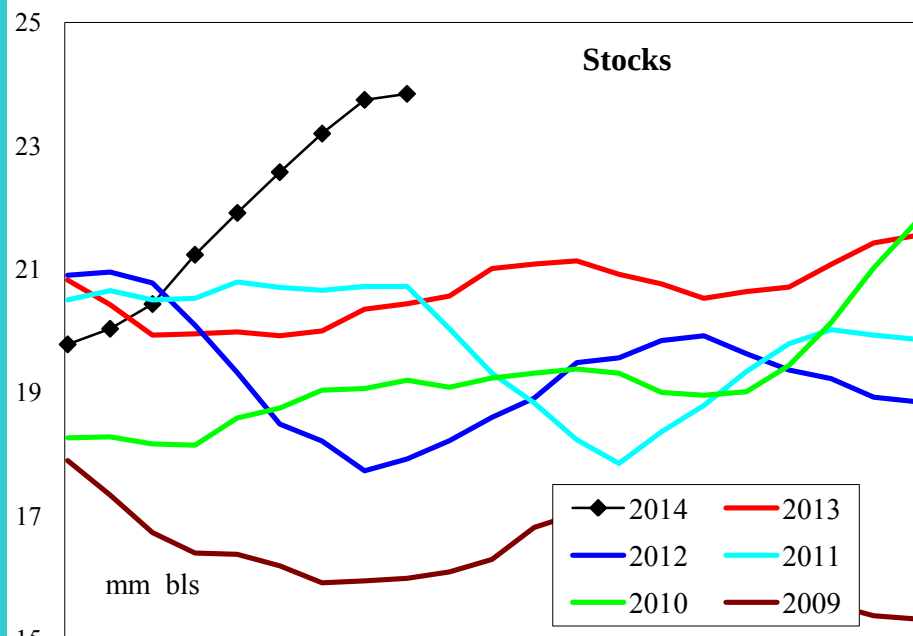
PADD 3 High Sulfur Distillate Supply



PADD 3 Jet Fuel Supply



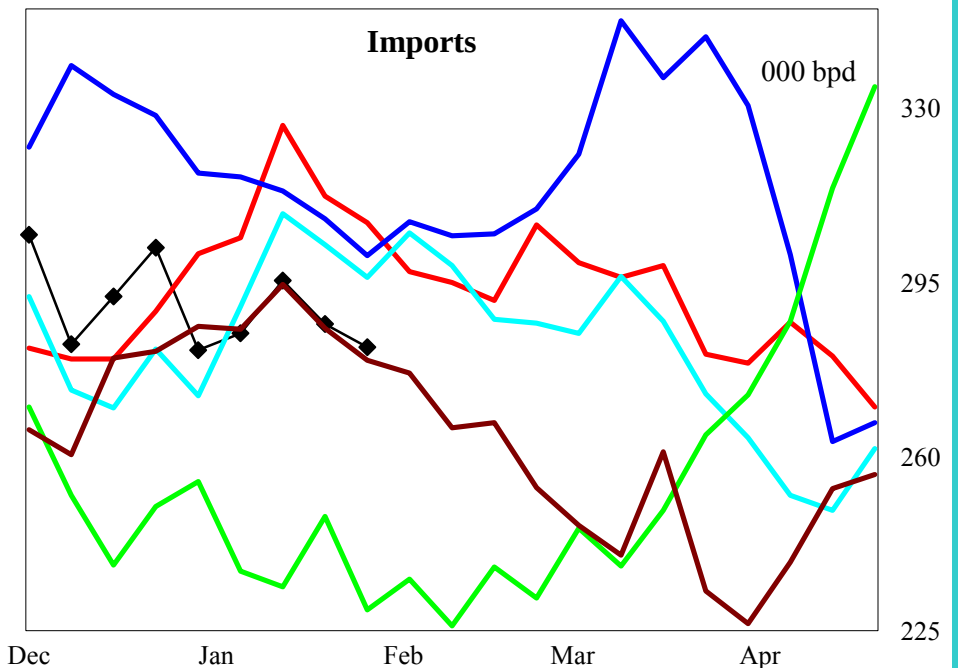
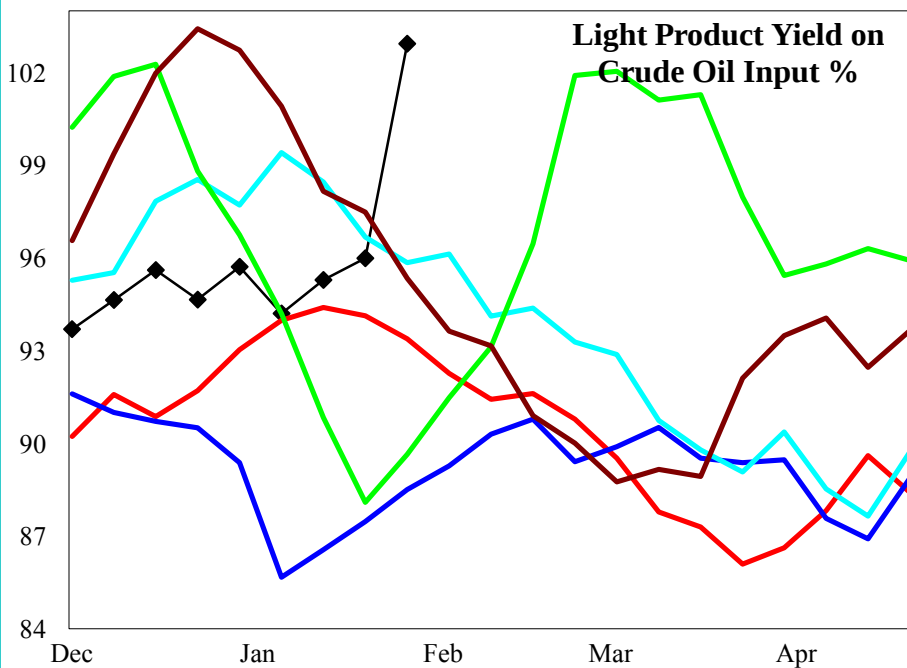
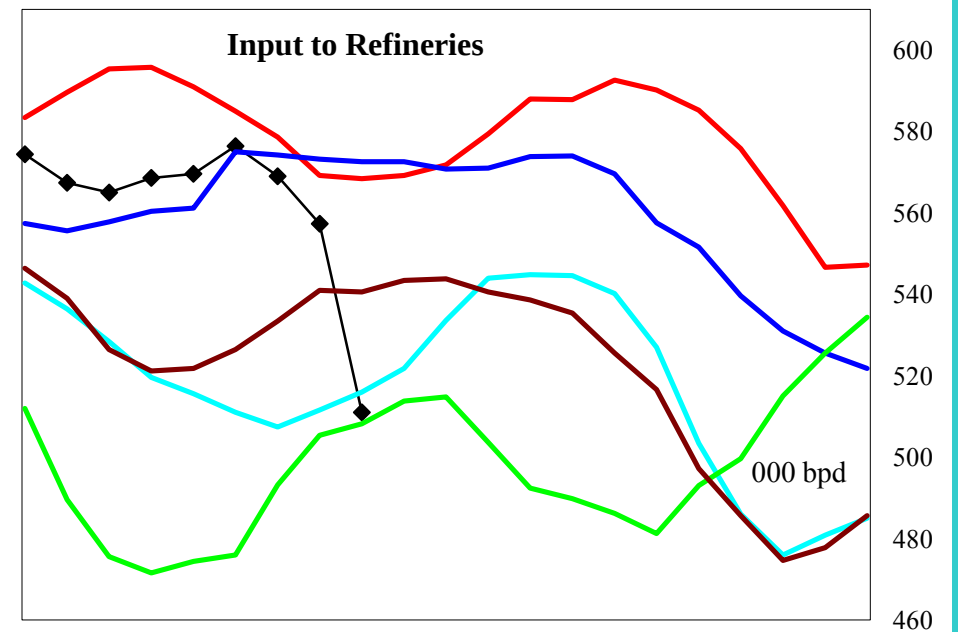
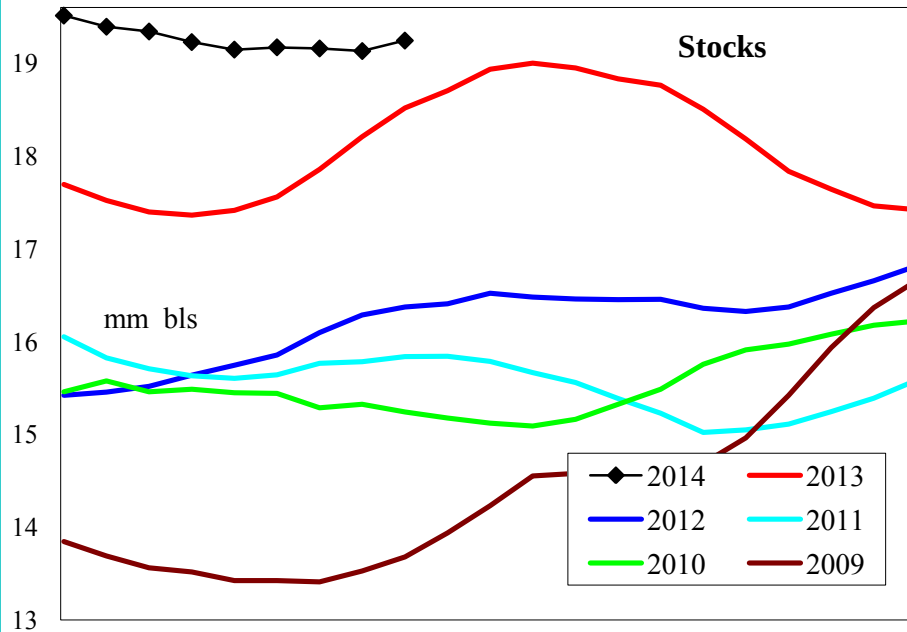
PADD 3 Residual Fuel Oil Supply



4 wk avg variance to prior year
 000 bpd (000 bls stks)
 % change

Stocks	Production	Imports	Prod + Imp - Stk chg
3,406	106	-38	2
16.7	57.3	-39.0	0.7

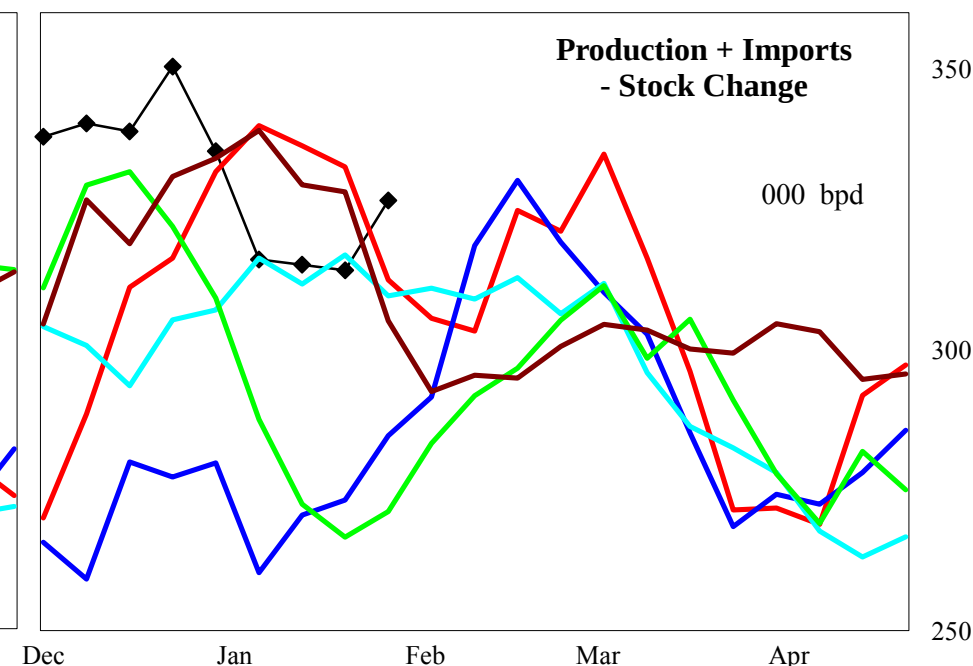
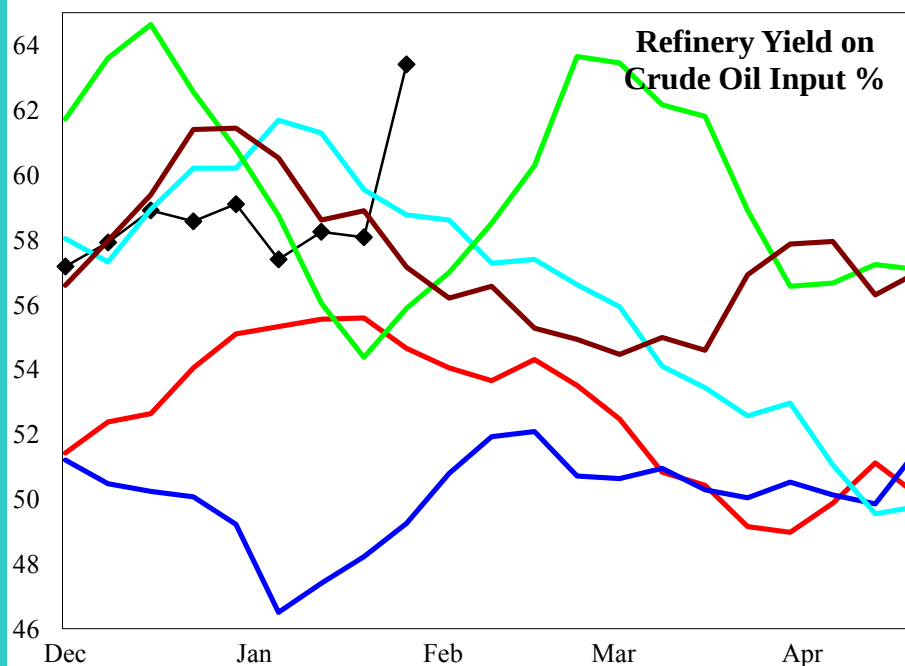
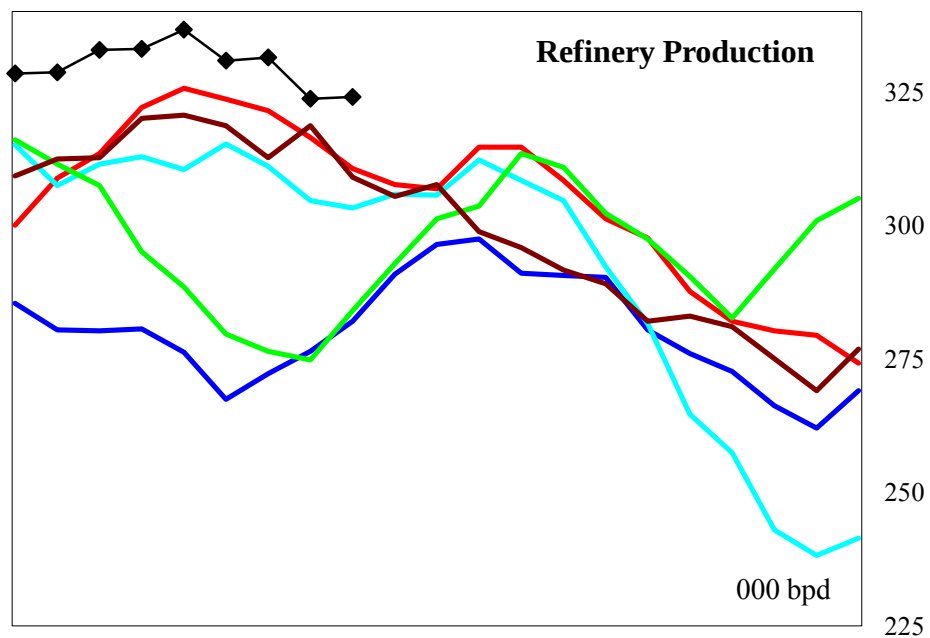
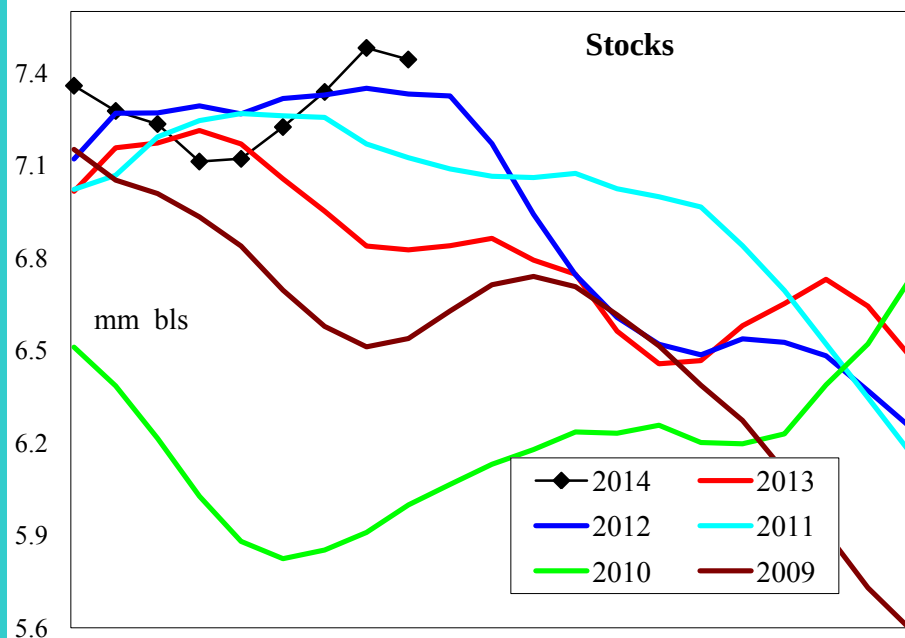
PADD 4 Crude Oil Supply and Refining



4 wk avg variance to prior year
 000 bpd (000 bls stks)
 % change

	Stocks	Input	Imports
000 bpd (000 bls stks)	726	-6	-51
% change	3.8	-1.0	-15.1

PADD 4 Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

Production

Prod + Imp - Stk chg

618

11

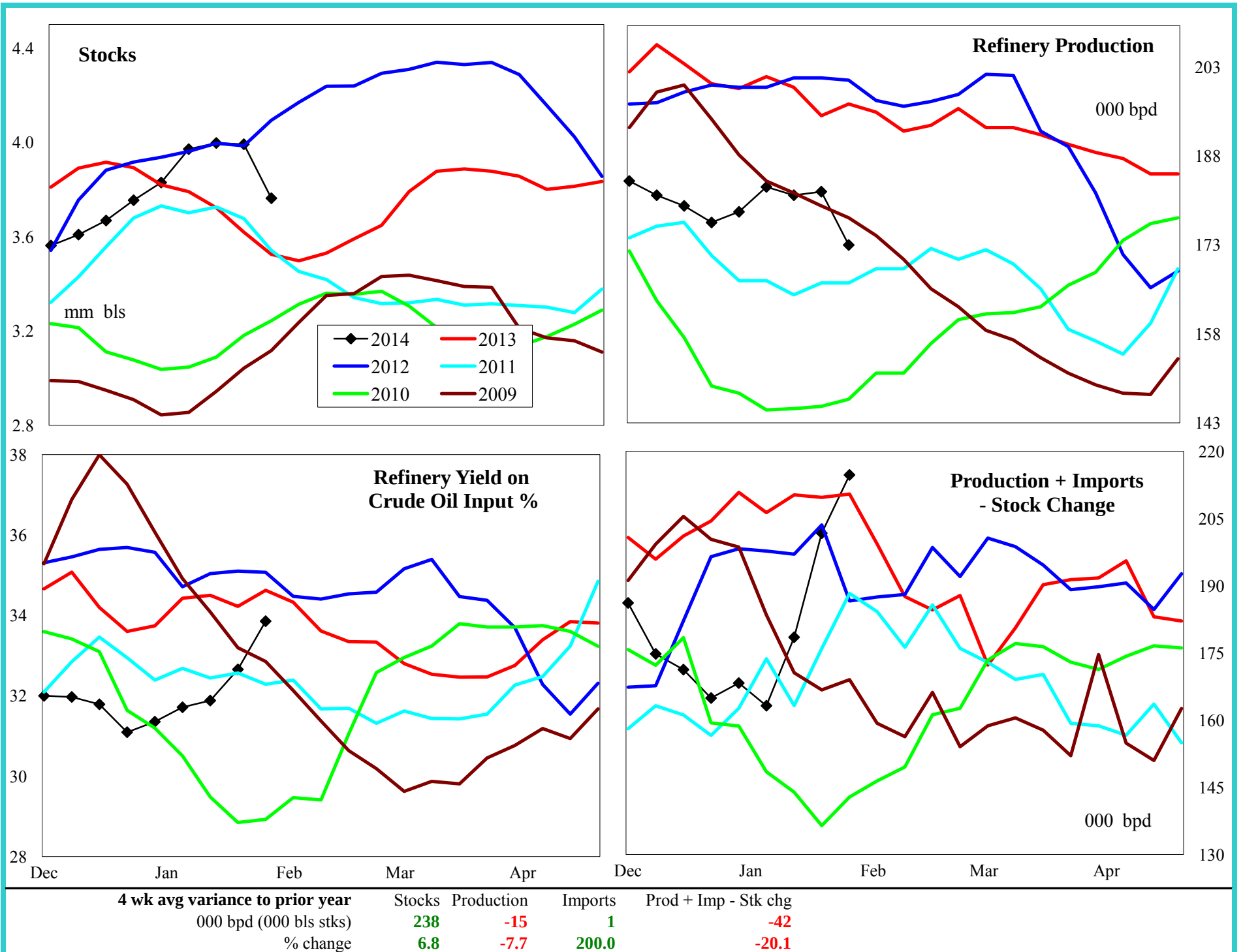
-24

9.1

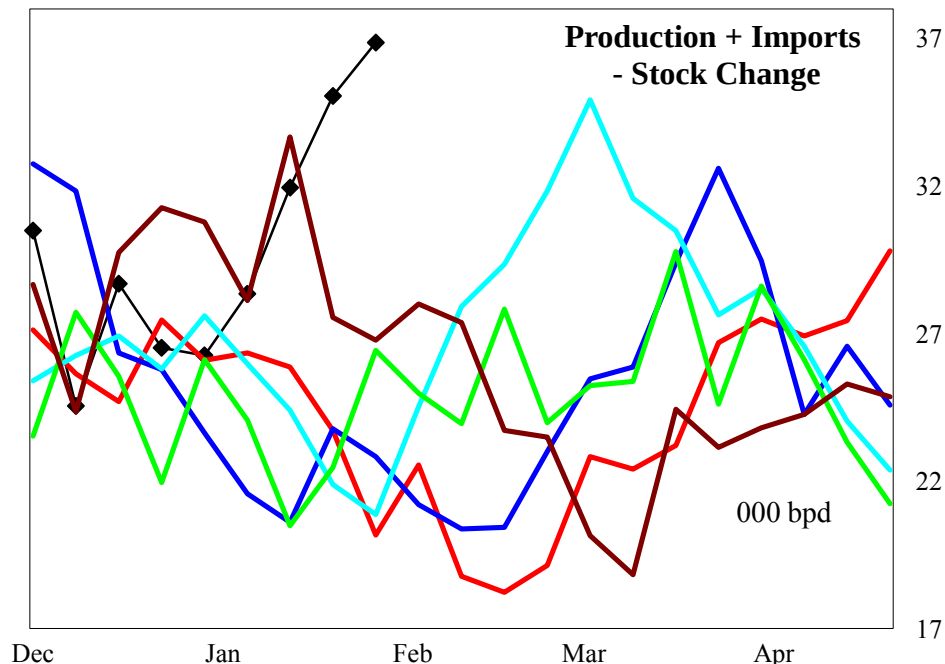
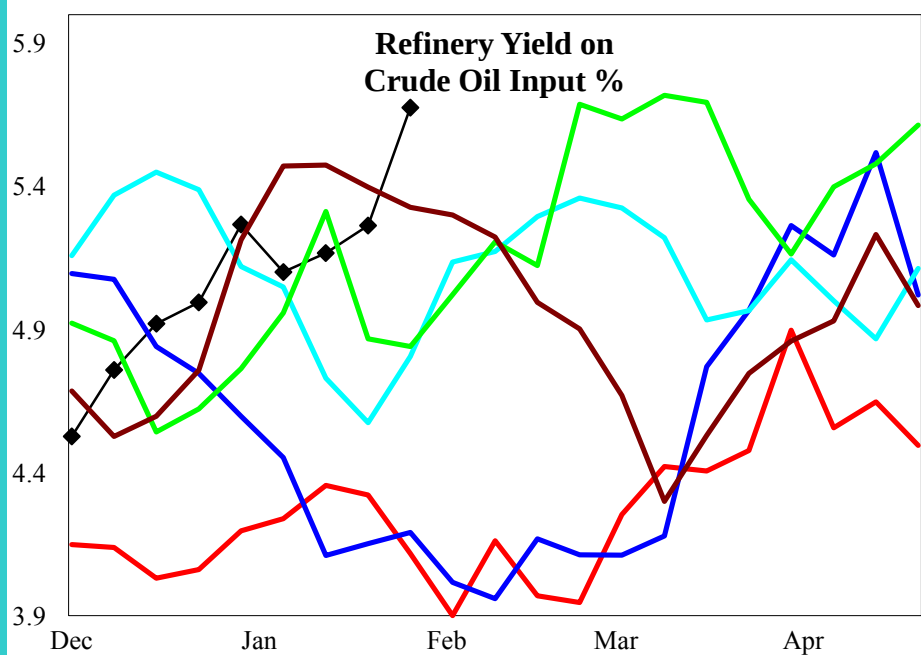
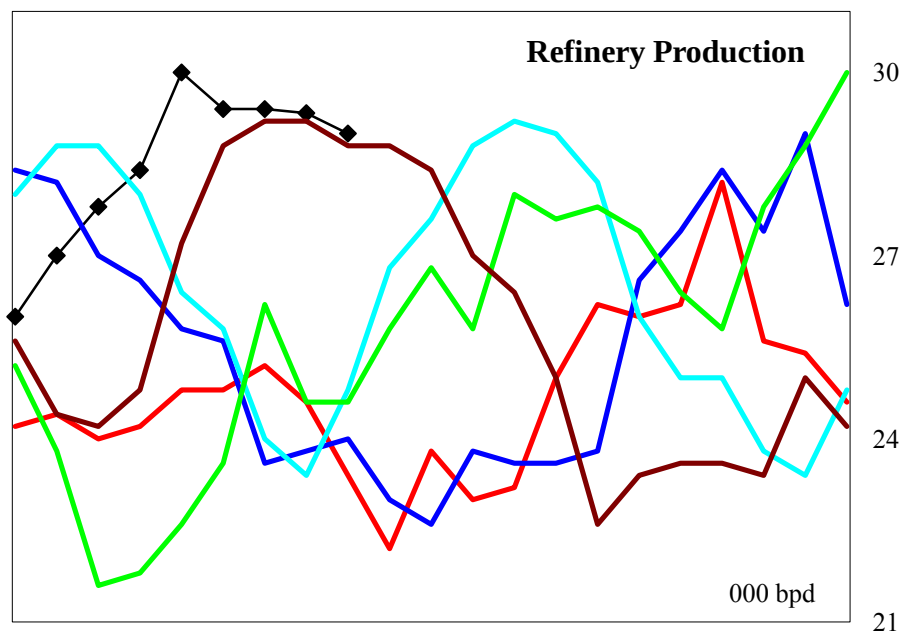
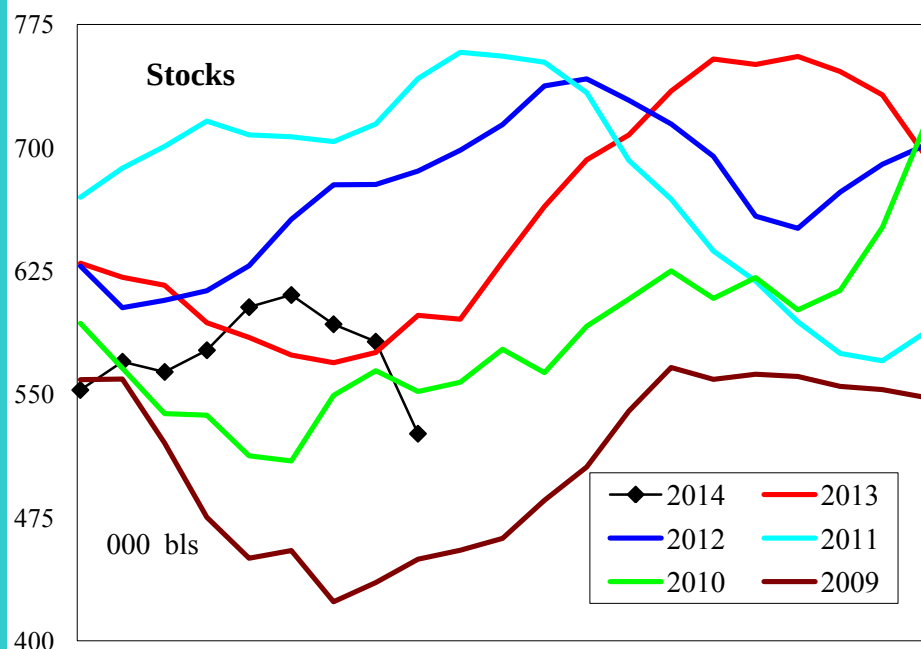
3.3

-7.0

PADD 4 Distillate Supply



PADD 4 Jet Fuel Supply

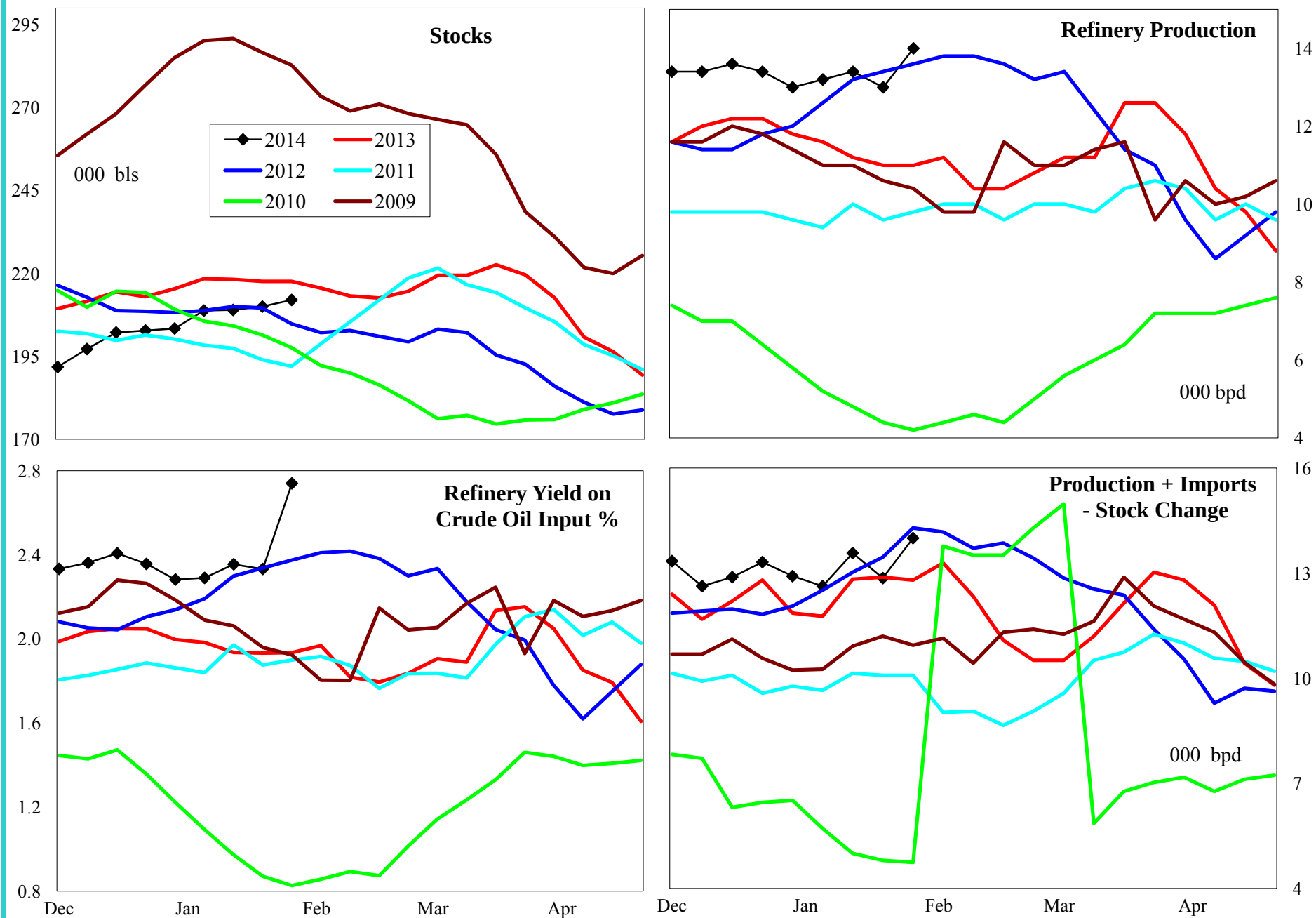


4 wk avg variance to prior year
 000 bpd (000 bls stks)
 % change

Stocks Production
 -72 4
 -12.0 15.7

Prod + Imp - Stk chg
 5
 20.5

PADD 4 Residual Fuel Oil Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

Production

Imports

Prod + Imp - Stk chg

-6

2

-1

-2

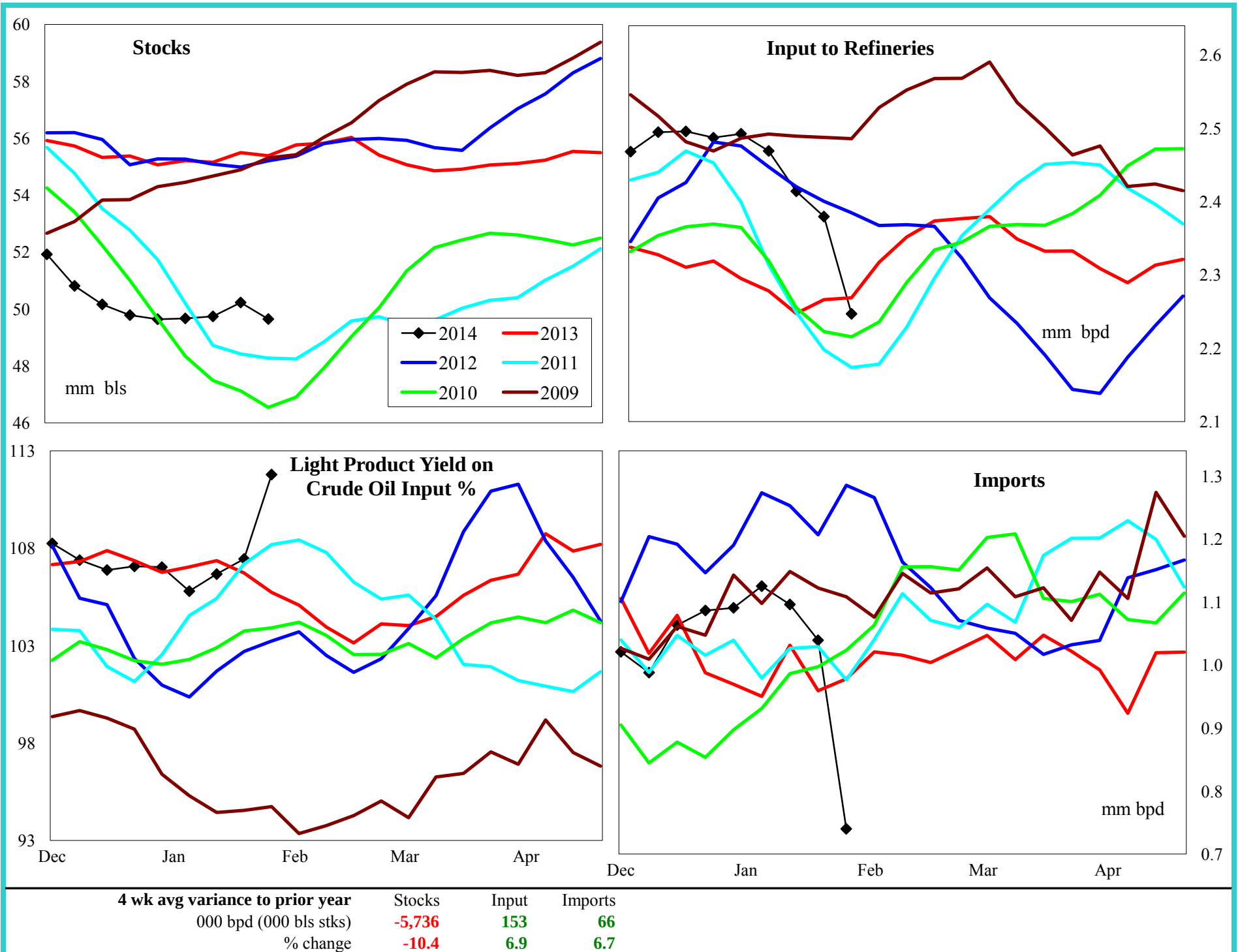
-2.6

20.5

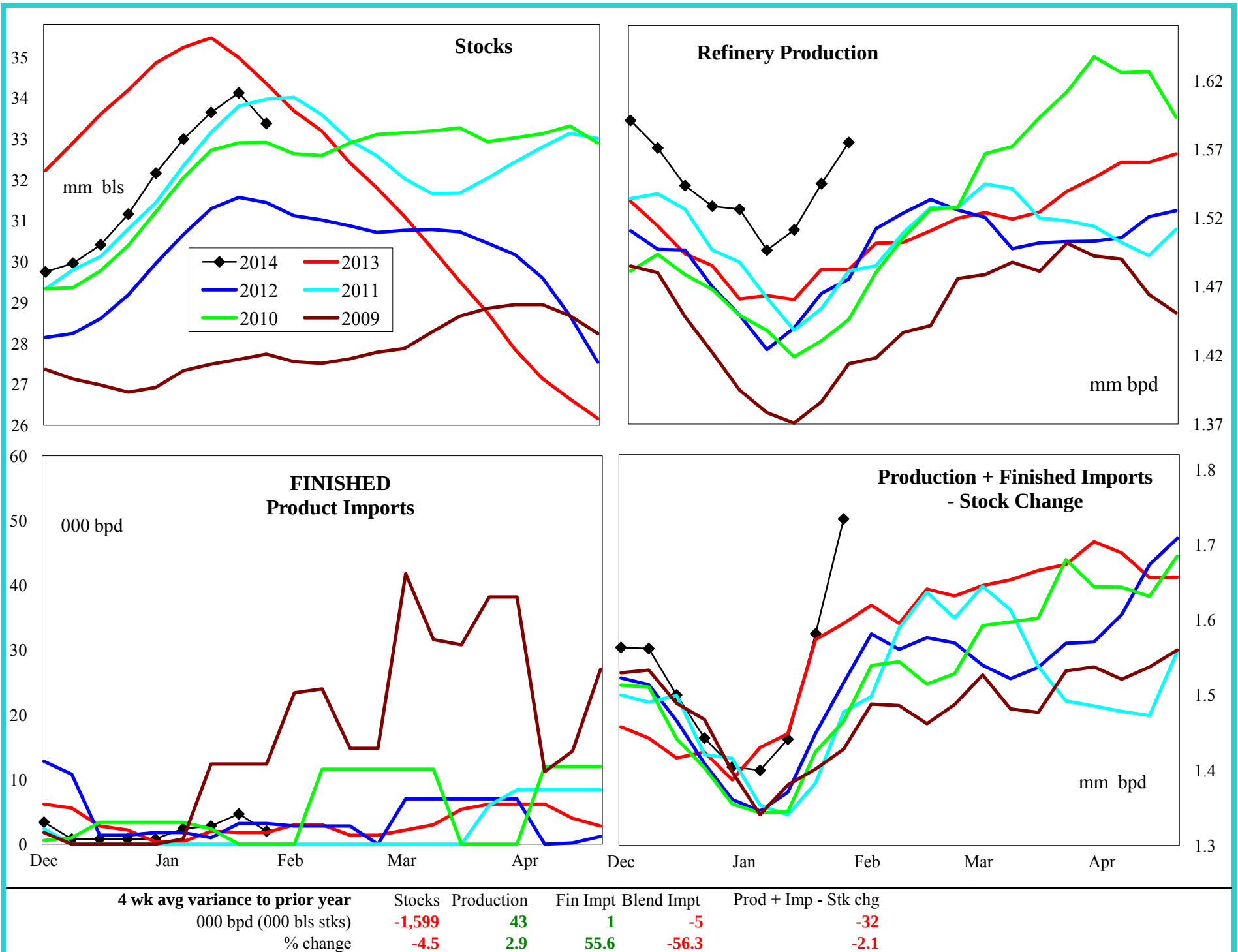
-83.3

-12.5

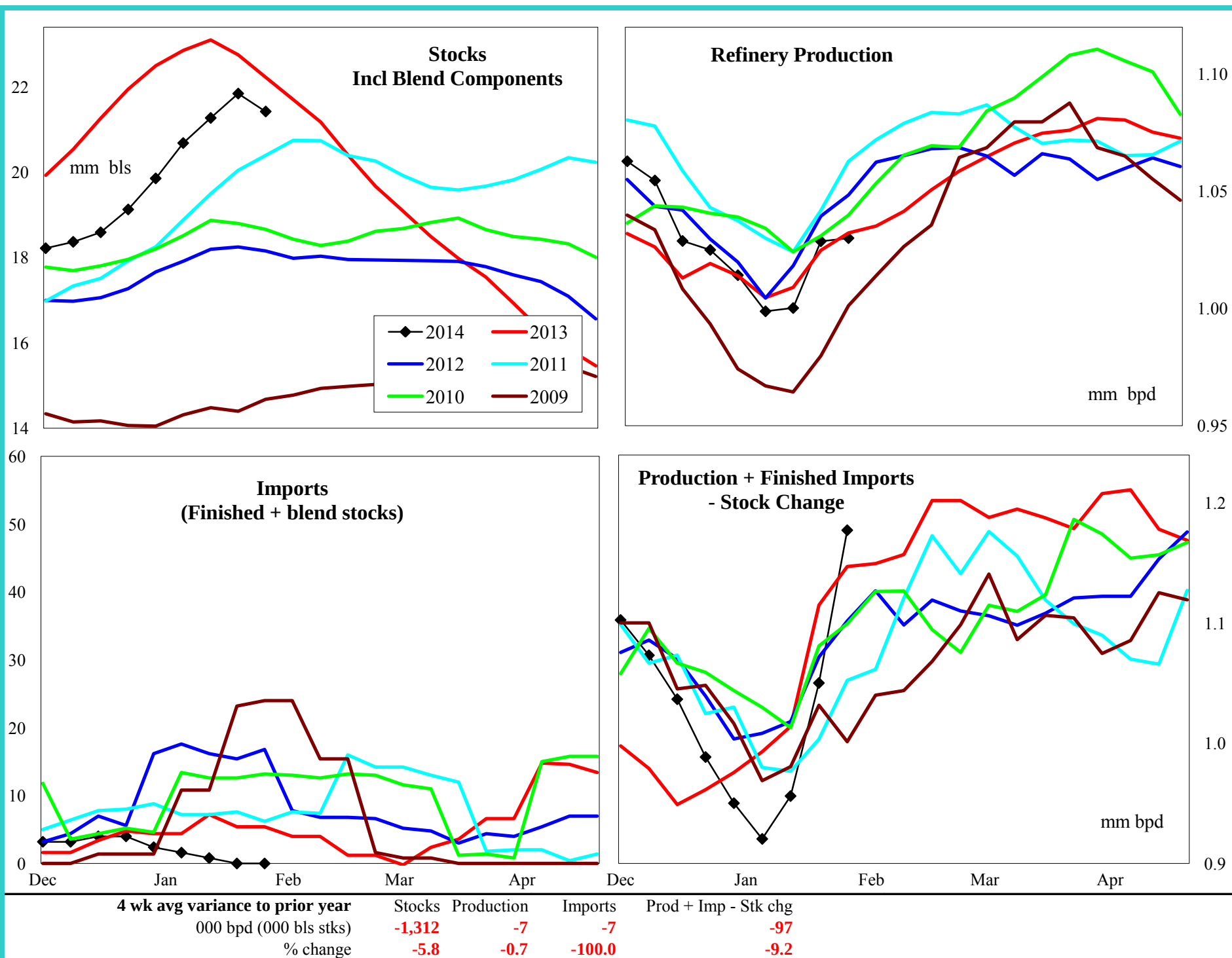
PADD 5 Crude Oil Supply and Refining



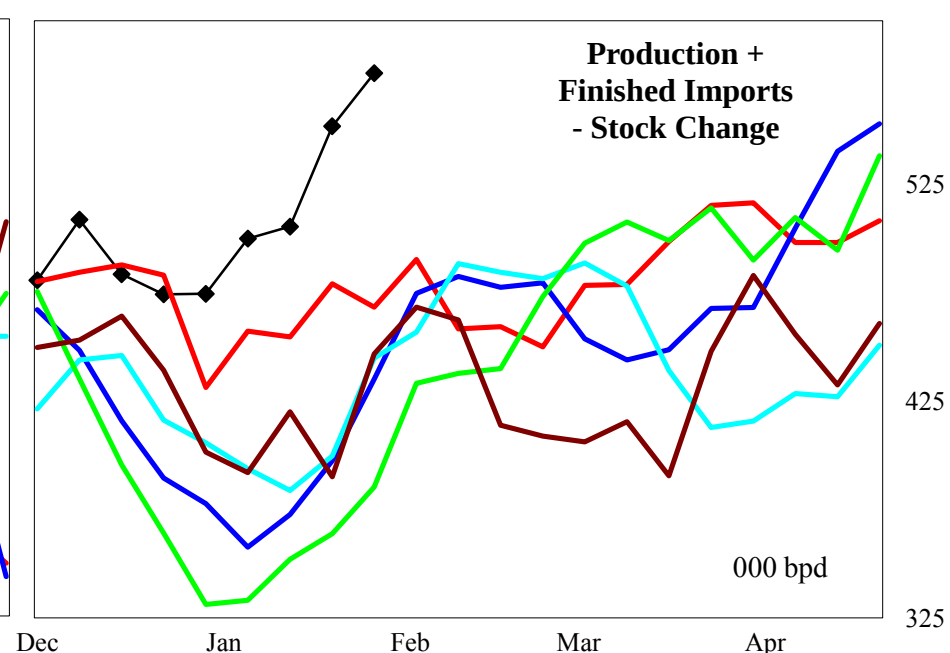
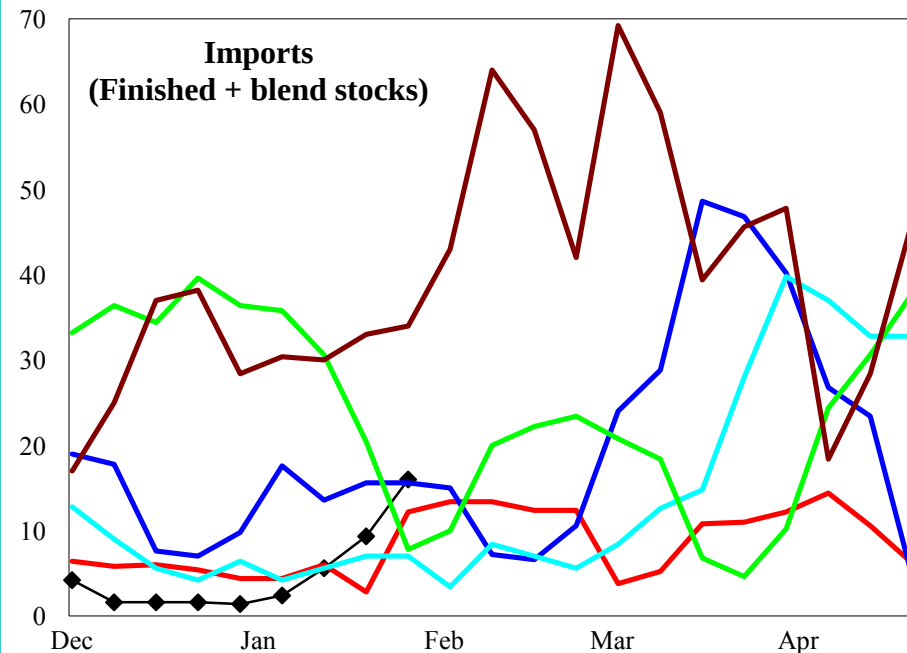
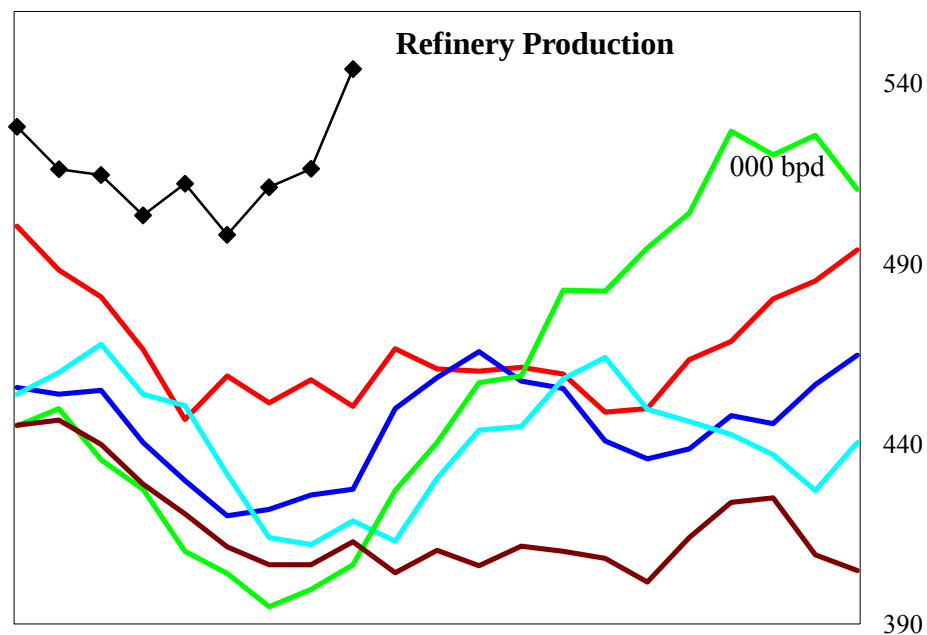
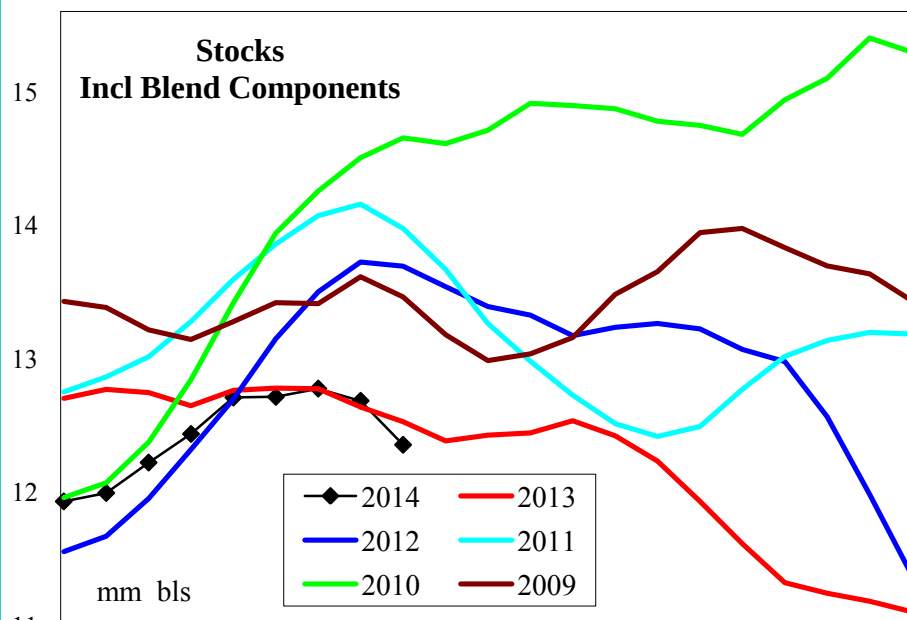
PADD 5 Gasoline Supply



PADD 5 Reformulated Gasoline Supply



PADD 5 Conventional Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bbls stks)

% change

Stocks

-287

-2.3

Production

50

10.9

Imports

4

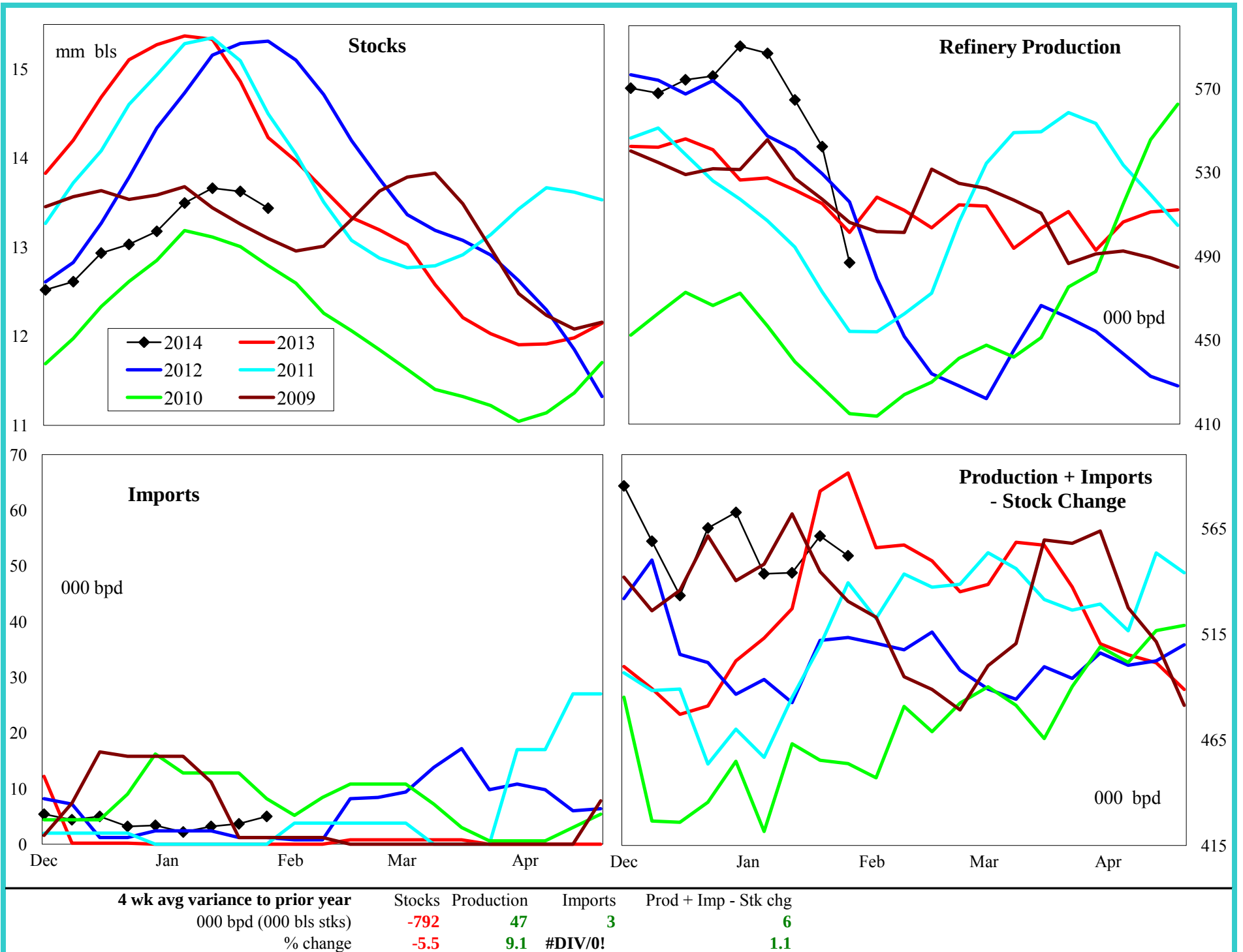
100.0

Prod + Imp - Stk chg

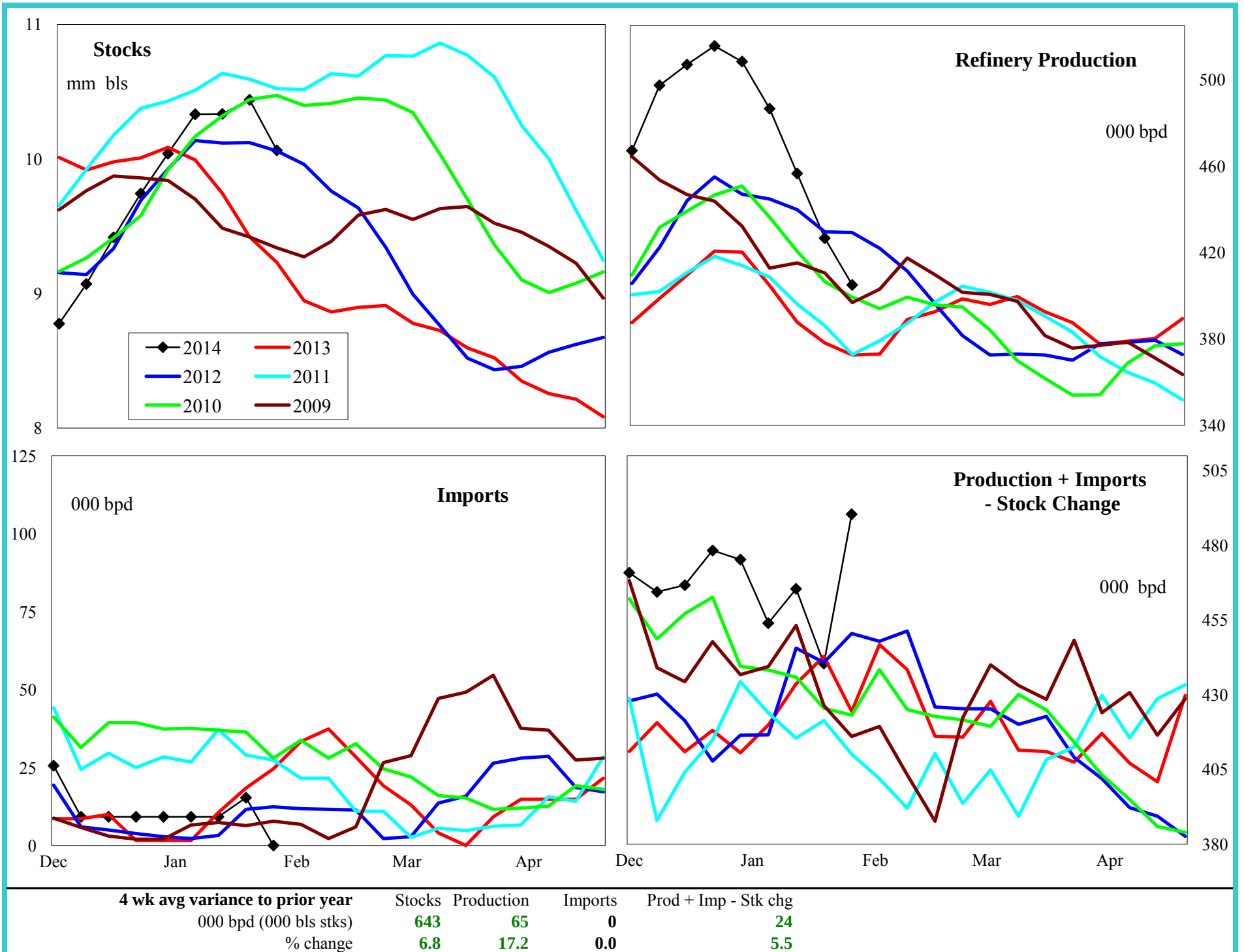
66

14.2

PADD 5 Distillate Supply



PADD 5 Jet Fuel Supply



PADD 5 Residual Fuel Oil Supply

