



## WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

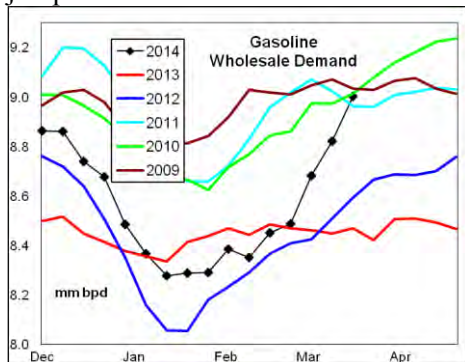
### A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Wednesday, March 26, 2014

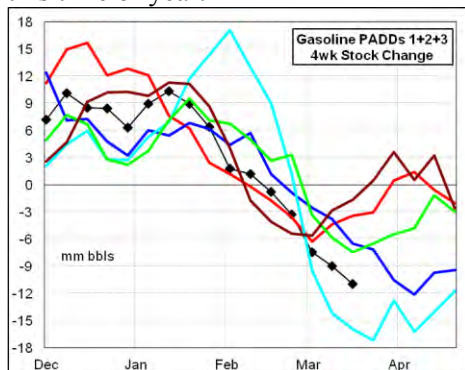


#### Major Fundamental Trends<sup>1</sup>

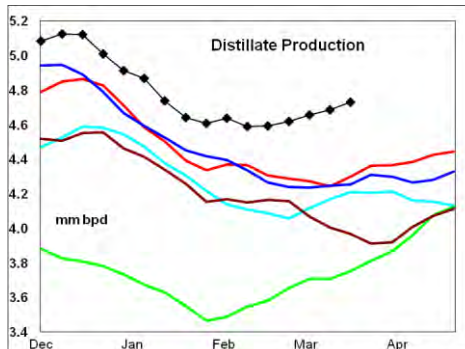
Gasoline stocks fell over -5 million barrels last week on a +0.5 million bpd jump in wholesale demand.



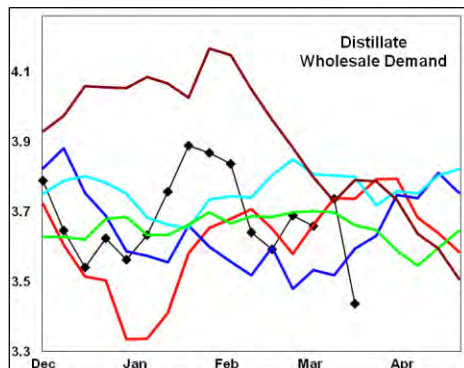
The latest 4-wk stock draw of gasoline East of the Rockies was over -10 million barrels, a near record level for this time of year.



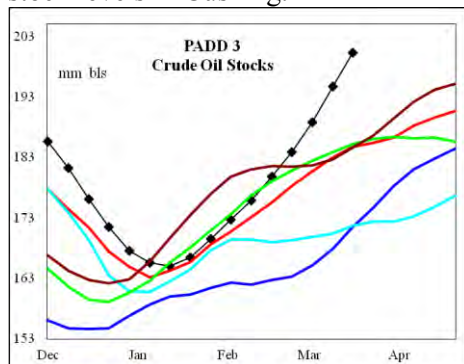
Distillate production continues at a record high rate on higher crude oil runs.



Distillate wholesale demand fell sharply last week, leading to a +1.6 million barrel counter seasonal stock build for the week.



Crude oil stocks increased +6.6 million barrels, of which +6.1 million barrels were in the Gulf Region. Gulf region stocks are now at record highs for the season; partially offsetting record low stock levels in Cushing.



**Wholesale Demand** was sharply lower for distillate last week, while gasoline surged. Wholesale demand, measured over the last four weeks compared to a year ago: gasoline increased +3.4%; distillate was -0.9% lower; jet fuel increased +3.8%, and residual fuel decreased -37%.

**Stocks forward coverage:** Gasoline demand coverage fell on a -5.1 million barrel stock draw, driven by higher weekly demand. Coverage ended the week at a level below the last 2-yrs.

Distillate coverage increased on a +1.6 million barrel stock build. Coverage ended the week at a level comparable to last years' record low.

Jet fuel coverage increased on a +0.3 million barrel stock build and lower demand. Coverage levels were well below the historic range.

Residual fuel oil coverage ended the week at a record high level on very weak demand.

**Refinery utilization** rates increased on

a +141,000 bpd rise in crude oil runs last week. During the latest 4-wk period crude oil input was +0.7 million bpd above a year ago.

Gasoline yield % on crude oil runs decreased last week on a -231,000 bpd drop in output compared to the +141,000 bpd rise in crude oil runs. Yield % on crude oil runs matched year ago levels.

Distillate yield % on crude oil runs increased last week, on a +18,000 bpd increase in output compared to the decline in crude oil runs. The yield % on crude oil runs ended the week at a level well above the historic range.

Jet fuel yield % on crude oil runs increased on a +45,000 bpd rise in output, compared to the decrease in crude oil runs. The yield % level remains at the low end of the historic range.

**Petroleum Imports/Exports:** Imports of crude oil, gasoline and jet fuel were each higher last week, while distillate imports were slightly lower.

During the latest 4-wk period crude oil *imports* were -0.2 million bpd below last year; distillate imports were +128,000 bpd higher; finished gasoline imports were nearly unchanged, gasoline blend stock imports were -111,000 bpd lower; jet fuel imports increased +23,000 bpd, while residual fuel oil imports were -79,000 bpd lower.

*Exports during the most recent week for distillate were +197,000 bpd above a year ago, gasoline +21,000 bpd, jet fuel +37,000 bpd and propane was +214,000 bpd higher.*

**Crude Oil** stocks climbed +6.6 million barrels last week, including a +6.1 million barrel build in the Gulf. The extremely high stock levels in the Gulf have occurred even as refinery crude oil runs averaged +0.5 million bpd above last years' record high. Cushing stocks are now -21 million barrels below a year ago, as stocks are shifted to the Gulf Region.

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



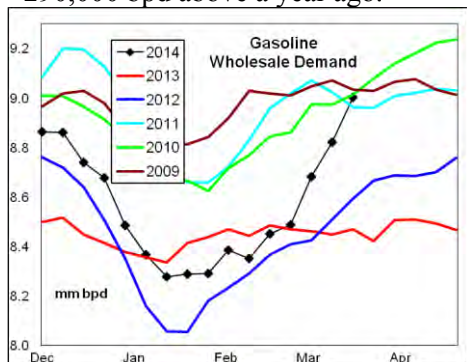
## WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

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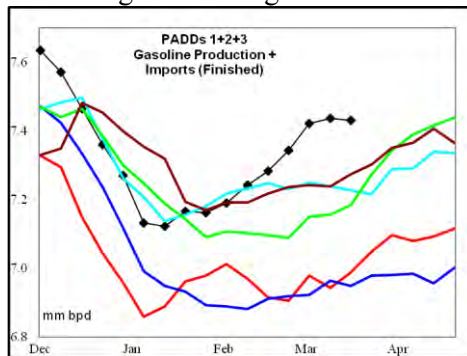
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#### Product Supply-Demand Trends

**Gasoline** wholesale demand jumped +0.5 million bpd last week, on improving weather east of the Rockies. The latest 4-wk average demand was +290,000 bpd above a year ago.



Supply was little changed from the prior week, with lower output offset by higher imports. Supply for the latest 4-wk period was +410,000 bpd above a year ago. Supplies were sharply higher in markets East of the Rockies, driven by a return of FCCU's to operation and high thru put of light sweet domestic crude oil grades during the last month.

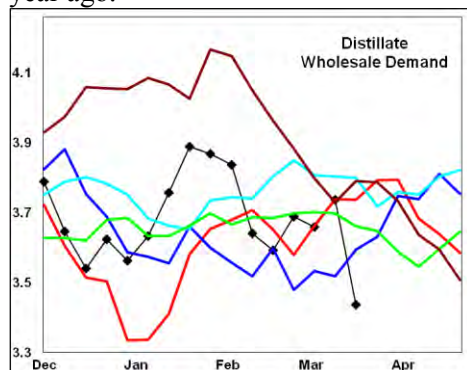


Stocks declined -5 million barrels last week, with stock levels below the last 4-yrs. Stocks are particularly low in the Midwest and Central Atlantic Region.

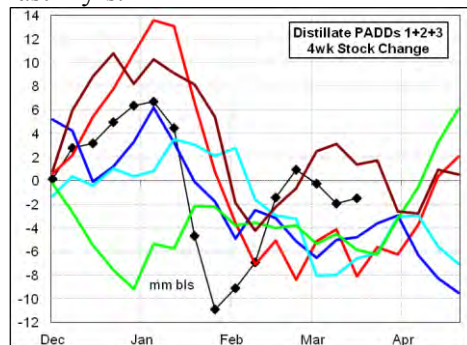
The latest 4-wk stock draw East of the Rockies of -10.9 million barrels was greater than four of the last 5-yrs. Look for higher seasonal demand, refinery maintenance and continued low imports to risk a supply squeeze in the Midwest and Northeast during the 2<sup>nd</sup> quarter.

**Distillate** wholesale demand fell -0.7 million bpd last week, reversing the prior week surge. The latest 4-wk average demand was -32,000 bpd

above last year. Supply was nearly unchanged on the week, with the latest 4-wk average +0.6 million bpd above a year ago.



The latest 4-wk stock change in markets East of the Rockies was a -14 million barrel draw, compared to an average -6 million barrel draw for the last 4-yrs.



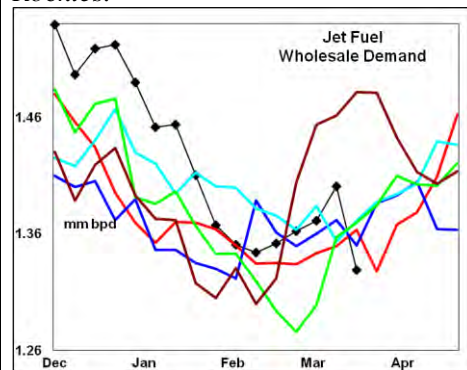
Supplies were +0.6 million bpd above last year for the latest 4-wk period; driven by record output and very high imports. This increase in supply has limited stock draws to well below the last several years. Look for a year-on-year increase in production to offset a seasonal uptrend in wholesale demand, leading below average stock draws, or even earlier than normal spring builds.

**Jet Fuel** wholesale demand declined -26,000 bpd last week, to a level near last year. The latest 4-wk average demand was +51,000 bpd above a year ago.

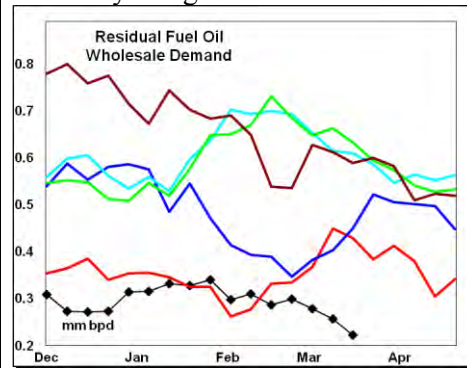
Supply increased +133,000 bpd on higher imports and production. Output for the most recent 4-wk period was +32,000 bpd above a year ago. Imports were +23,000 bpd higher.

Stocks increased +0.3 million barrels last week, a level -2.1 million barrels below last year, also a record low.

Look for a period of high imports to the East Coast, driven by extremely tight supplies in all markets East of the Rockies.



**Residual fuel oil** demand decreased -87,000 bpd last week. Demand for the latest 4-wk period was -130,000 bpd below a year ago.



Supply (production + imports) decreased -79,000 bpd on lower imports and production. Production was -123,000 bpd below a year ago for the latest 4-wk period, while imports also decreased -79,000 bpd. Stock levels ended the week nearly unchanged from a year ago.

Production and imports in the key gulf region are -44 and -27%; respectively below a year ago for the most recent 4-wk period. Even with the low supply, stock levels ended the week +1.4 million barrels above the historic range in this region.





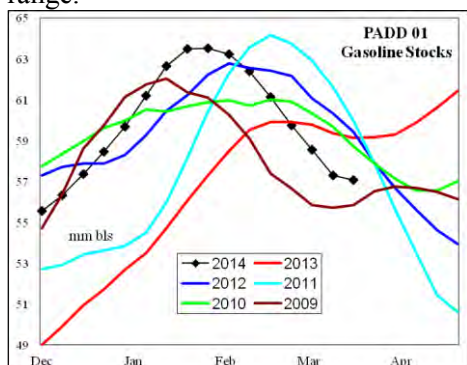
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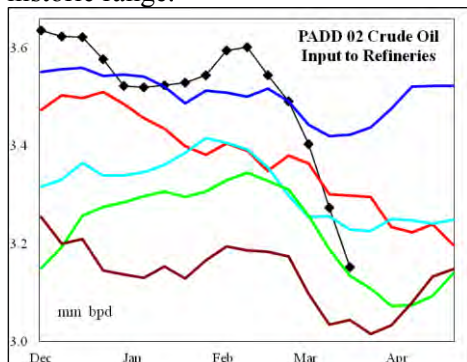
#### PADD Supply Trends

**PADD 1** refinery crude oil runs decreased -38,000 bpd last week; with the latest 4-wk average +51,000 bpd above last year. Gasoline supply increased +95,000 bpd on higher imports. Stocks increased +0.6 million barrels, but remain below the 5-yr range.



Distillate supply fell -63,000 bpd last week, with the 4-wk average +139,000 bpd above last year. Stocks increased +2.1 million barrels on the week, -5% below last year.

Jet fuel imports jumped +88,000 bpd on the week, a record high level. Stocks ended the week -17% below the historic range.



**PADD 2** crude oil refinery runs fell -189,000 bpd last week, to a level below the last 3-yrs. Crude oil stocks decreased -1 million barrels last week, including a -1.3 million barrel draw in Cushing.

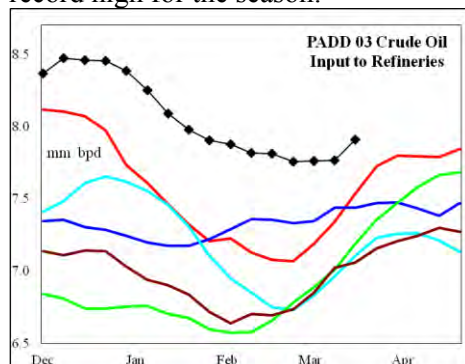
Gasoline supply increased +69,000 bpd last week, and remains above the 5-yr range. Production for the most recent 4-wk period was +306,000 bpd above a year ago – driven by the EIA recording sub octane product shipped into the Midwest as finished product production when blended with ethanol.

Stocks fell -3.3 million barrels on the week, ending at a level sharply below the 5-yr range. *Gasoline imports from Canada into PADD 2 were 12,000 bpd, an unusually high level.*

Distillate supply fell -64,000 bpd last week, with the 4-wk average +45,000 bpd above a year ago. Stock levels ended the week -7% below the 5-yr range.

Jet fuel production was near 5-yr lows last week, with stocks ending the week -9% below the 5-yr range.

**PADD 3** refinery runs climbed +251,000 bpd last week, a level slightly above the historic range. During the latest 4-wk period, average runs were +542,000 bpd above last year. Crude oil stocks climbed +6.1 million barrels last week, reaching a record high for the season.



Gasoline supply declined -64,000 bpd last week, with the latest 4-wk average +152,000 bpd above a year ago. Stocks fell -1.6 million barrels last week, but remain +3 million barrels above the 5-yr range.

Distillate supply increased +27,000 bpd on the week, to a new record high. The latest 4-wk average supply was +309,000 bpd above last year. Stocks extended the downtrend, falling to a level that matched 5-yr lows.

Jet fuel stock levels remain -10% below the 5-yr range, even with production near historic highs.

Residual fuel supply remain -179,000 bpd below a year ago, at 5-yr lows. However stock levels ended the week above the 5-yr range.

**PADD 4** refinery crude runs declined -29,000 bpd last week, a level that

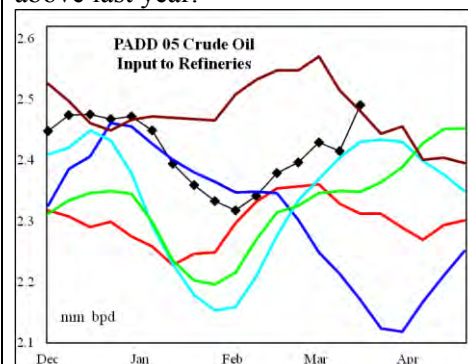
matched the 3-yr mid range.

Gasoline production increased +21,000 bpd on the week, to a record high level. Stocks decreased -0.2 million barrels on the week, with the level above the mid range.

Distillate production decreased -17,000 bpd on the week, to a level below the last 2-yrs. Stocks increased +0.2 million barrels to a level above the 3-yr mid range.

Jet fuel production increased to above the historic range while stocks fell to the low end of the 5-yr range.

**PADD 5** crude oil refinery runs jumped +146,000 bpd last week, a level that matched 5-yr highs. The latest 4-wk run rate was +98,000 bpd above last year.



Gasoline supply increased +60,000 bpd last week with production matching historic highs for the period. The latest 4-wk average supply was +45,000 bpd above a year ago. Stocks decreased -0.5 million barrels on the week, a level well below the 3-yr mid range.

Distillate supply jumped +100,000 bpd, to an all time record high. The latest 4-wk average supply was +91,000 bpd above a year ago. Stocks were unchanged on the week, at a level near the 3-yr mid range.

Jet fuel stocks and production were each near historic high levels, as compared to extremely low levels East of the Rockies.

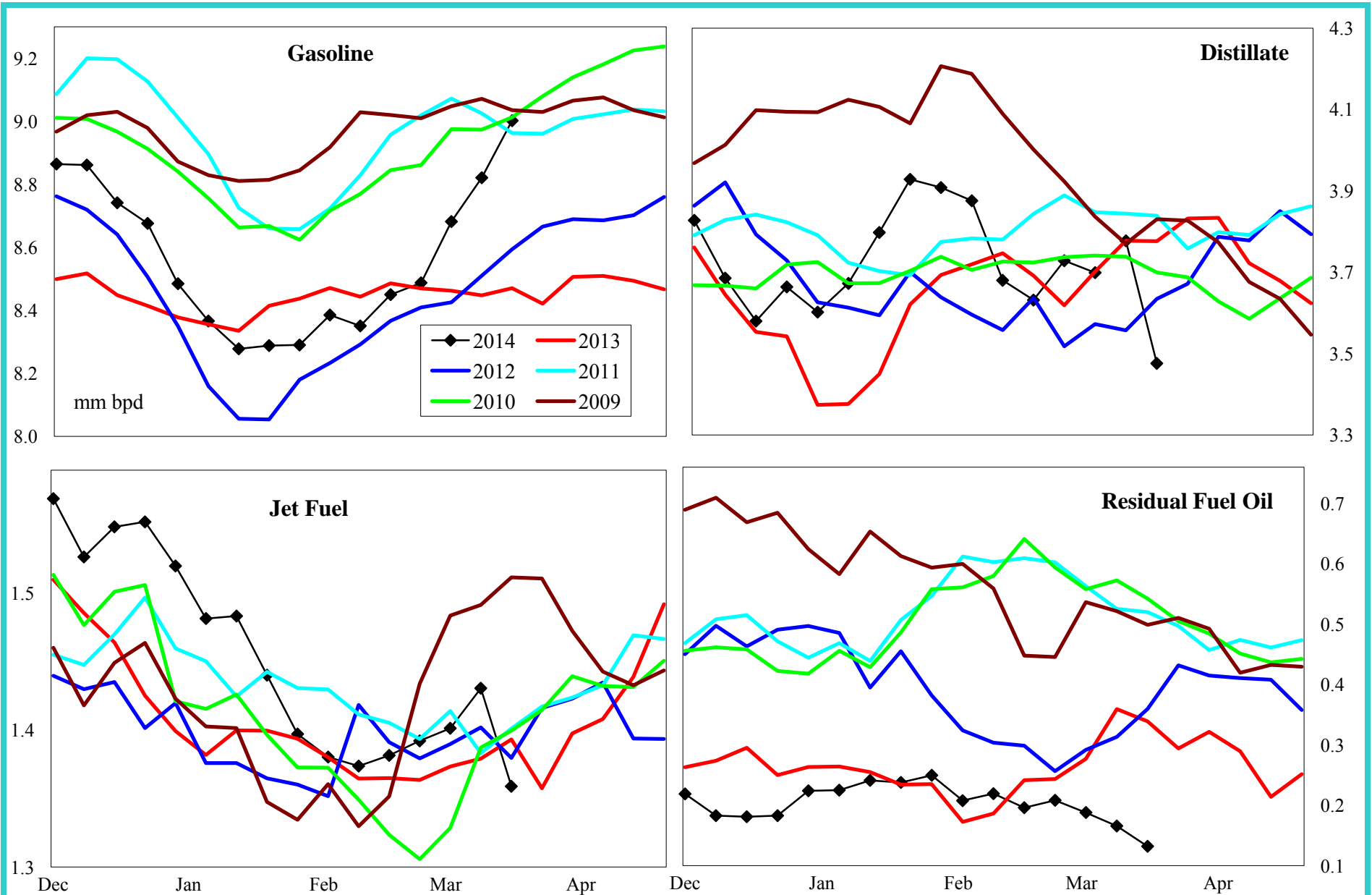


# PETROLEUM: Graph Link and Weekly Summary

A Fundamental Petroleum Trends Weekly Report March 26, 2014  
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Fundamental Trends	<a href="#">Wholesale Demand</a>	<a href="#">Stocks Days Fwd Coverage</a>	<a href="#">Refinery Utilization Product Yield %</a>				<a href="#">Imports</a>
Supply/Demand Trends	21-Mar-14	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	6,619	-748	-949	6,061	344	1,912
	Imports	308	255	-45	-56	89	65
	Input	141	-38	-189	251	-29	146
	% Utilization	0.40					
<a href="#">Gasoline</a>	Stocks	-5,101	553	-3,292	-1,648	-247	-467
	Production	-231	-113	72	-71	21	69
	Imports	207	208	-3	7	0	-6
	Supplied	490					
<a href="#">Distillate</a>	Stocks	1,555	2,113	-597	-293	239	92
	Production	18	-23	-68	27	-17	100
	Imports	-37	-40	4	0	-1	0
	Supplied	-683					
<a href="#">Jet Fuel</a>	Stocks	317	-88	-69	330	-70	213
	Production	45	1	4	-1	4	37
	Imports	88	88	0	0	0	0
	Supplied	-26					
<a href="#">Residual Fuel Oil</a>	Stocks	-36	261	-58	53	3	-296
	Production	-48	-16	-5	-26	0	-3
	Imports	-31	-20	1	-1	0	-10
	Supplied	-87					

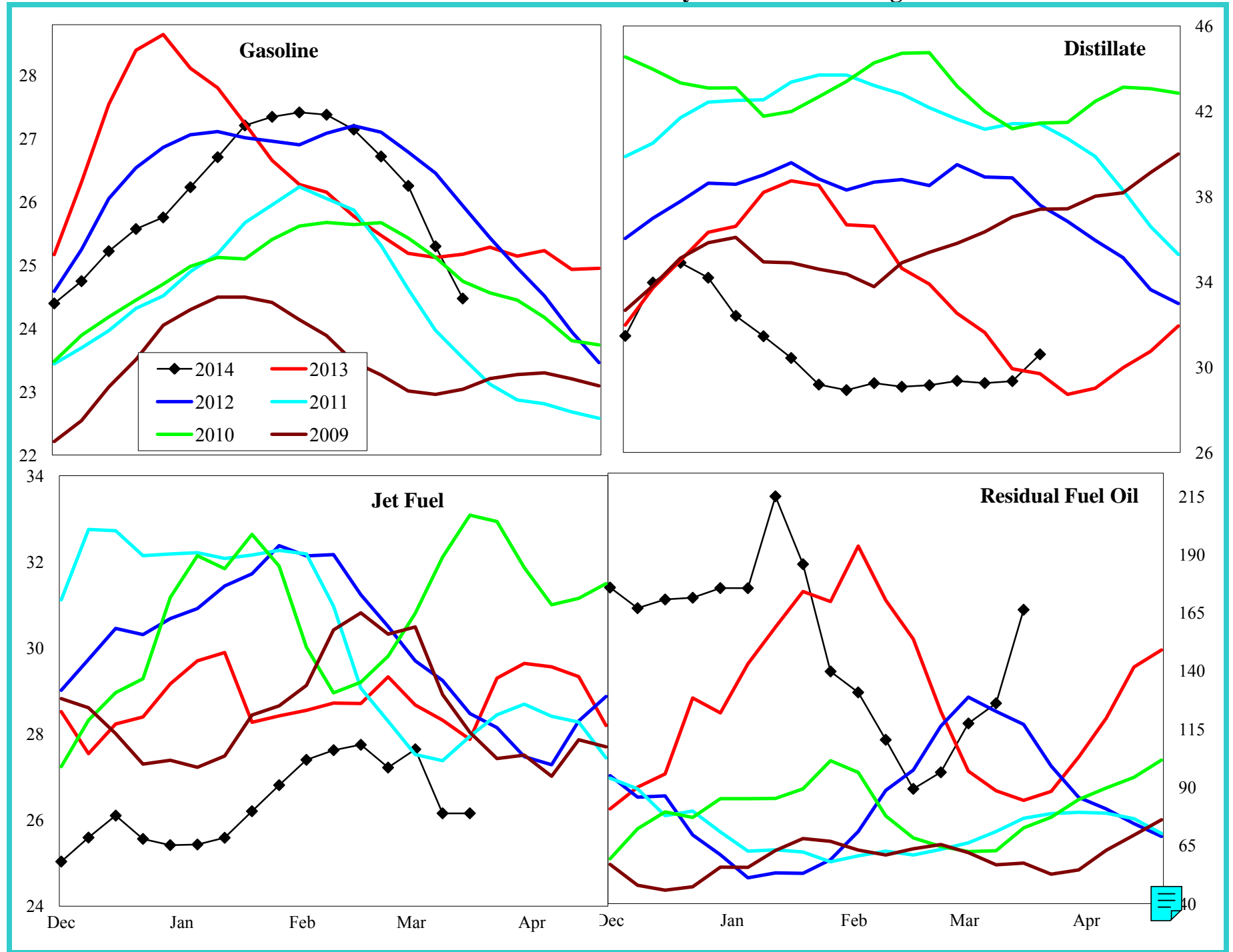
# United States Wholesale Petroleum Demand



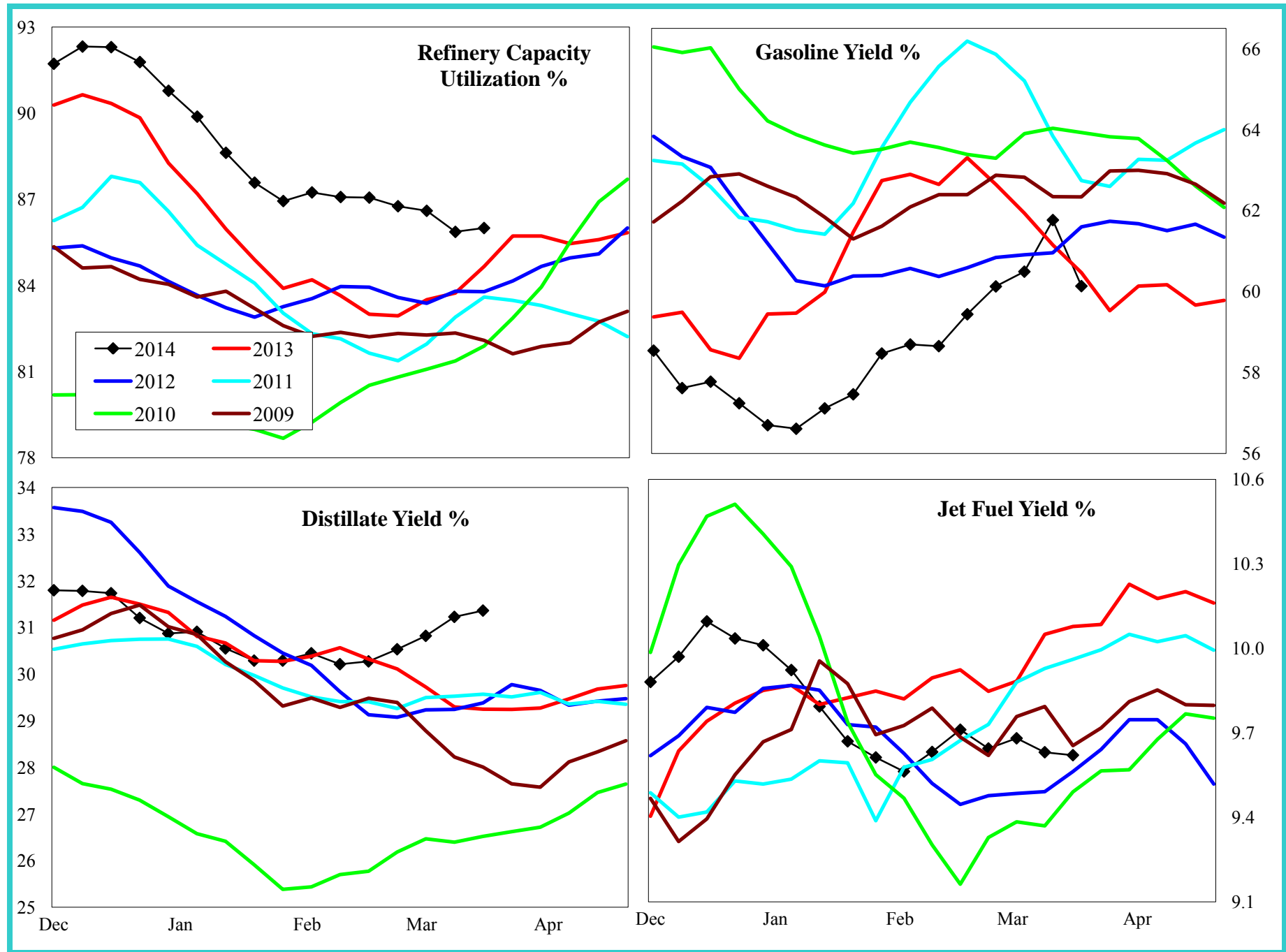
	000 bpd change from prior year				% change from prior year			
	4wk avg	Feb	Jan	Dec	4wk avg	Feb	Jan	Dec
Gasoline	290	-87	61	297	3.4	-1.0	0.7	3.5
Distillate	-32	-360	-63	422	-0.9	-9.1	-1.6	12.0
Jet Fuel	51	-10	140	66	3.8	-0.8	10.8	4.8
Resid	-130	-55	-52	28	-37.1	-18.1	-14.9	14.7



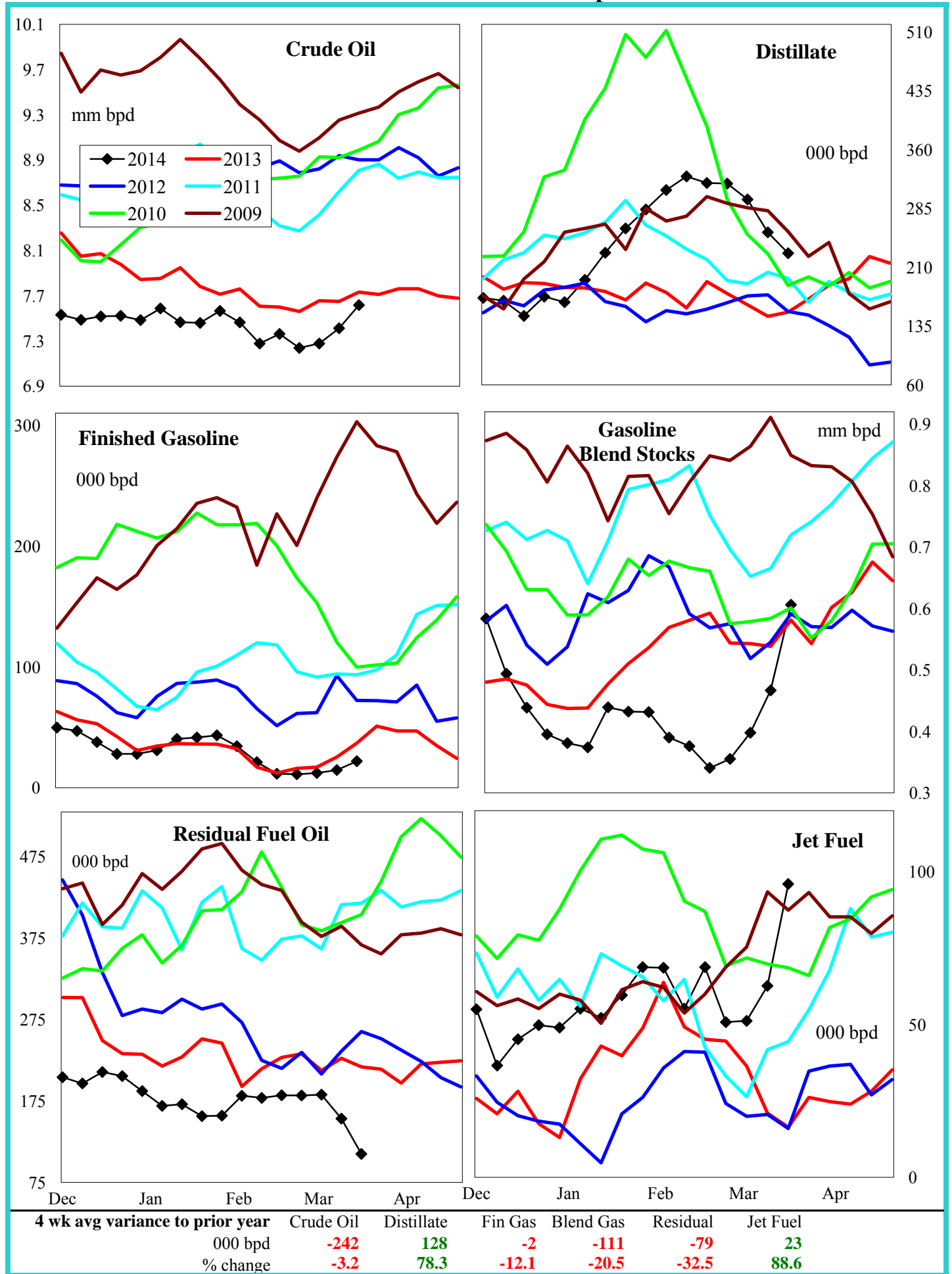
# United States Product Stocks: Days Forward Coverage



## United States Refinery Percent Utilization Rate and Product Yields

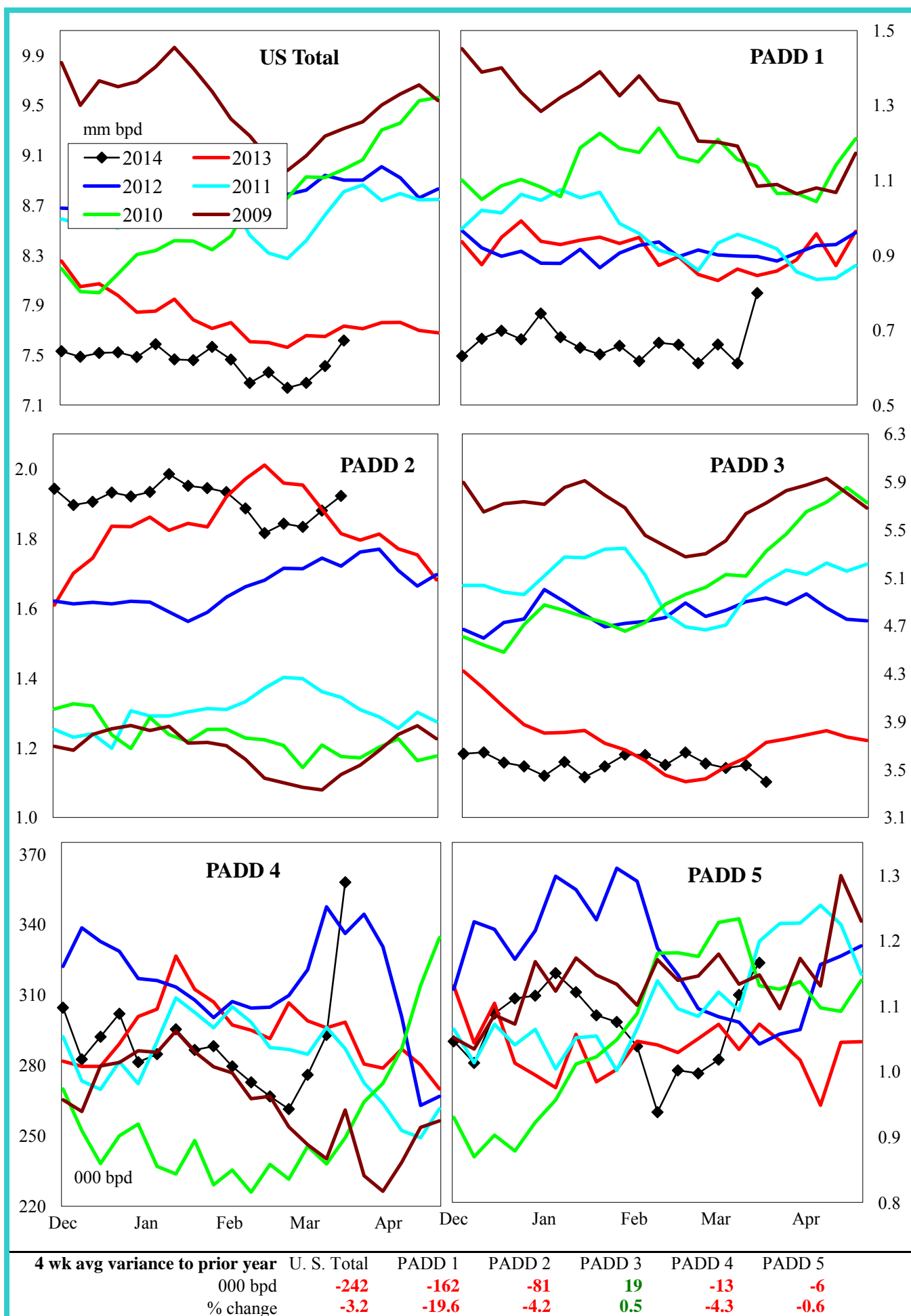


# United States Petroleum Imports

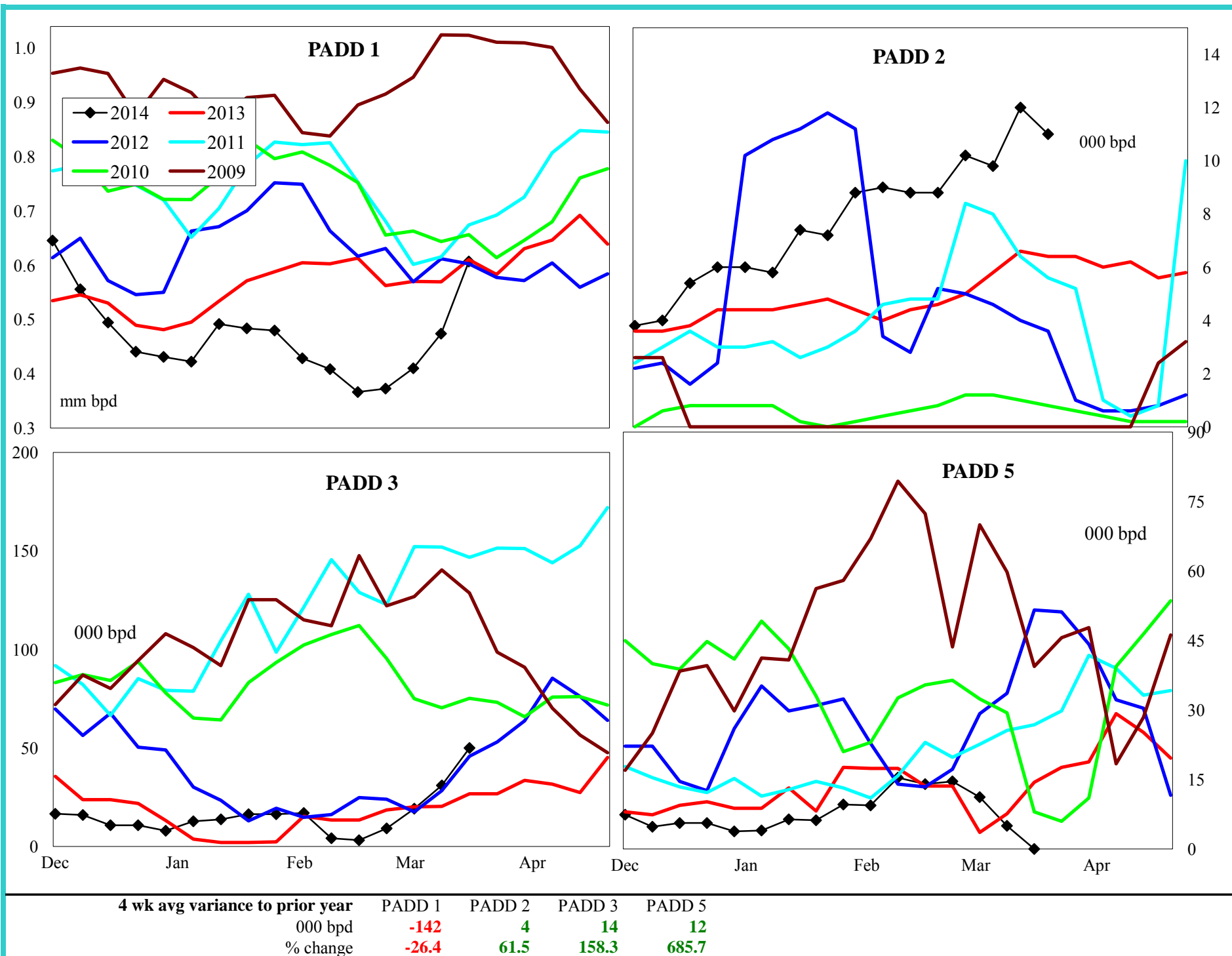




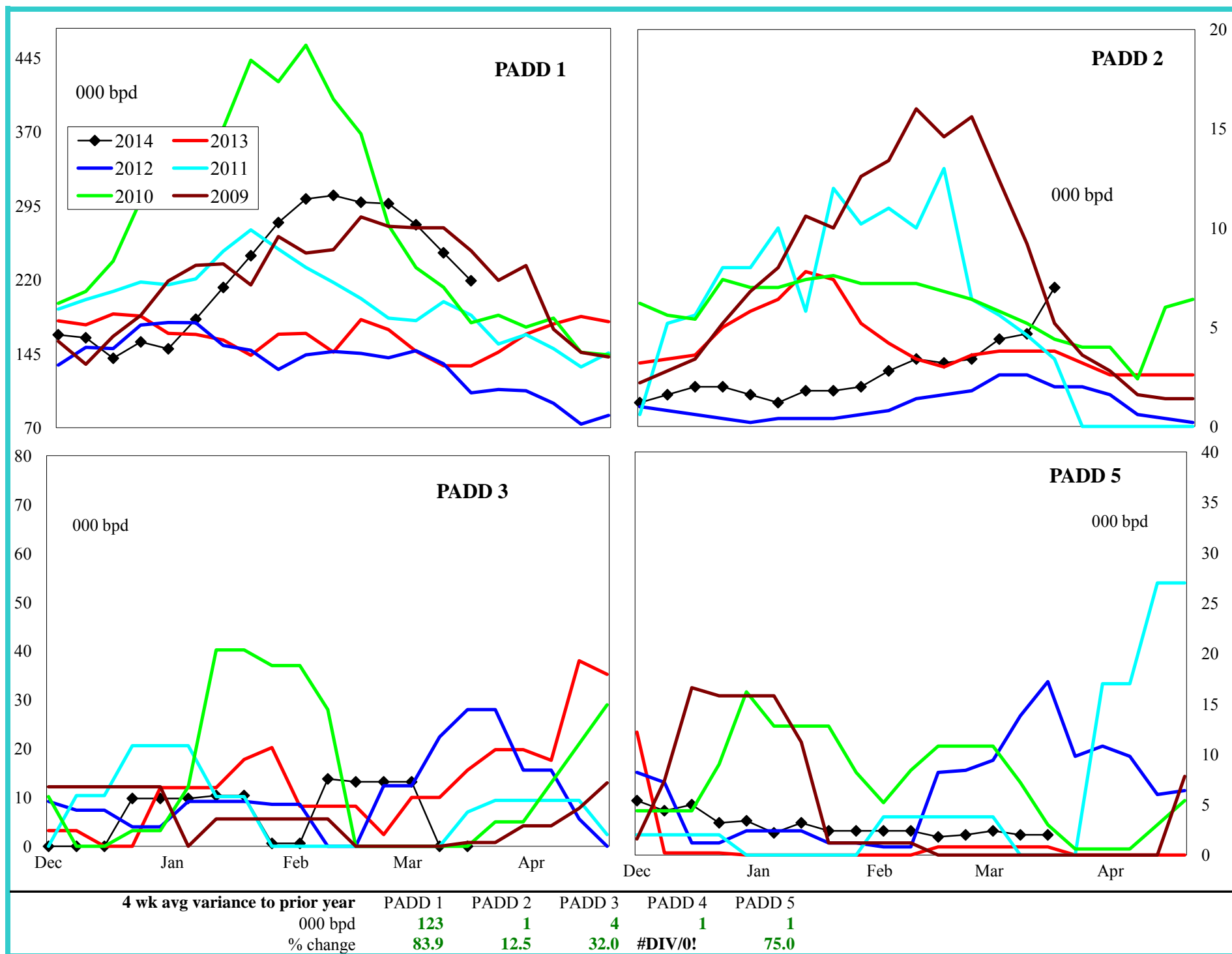
## Crude Oil Imports by PADD



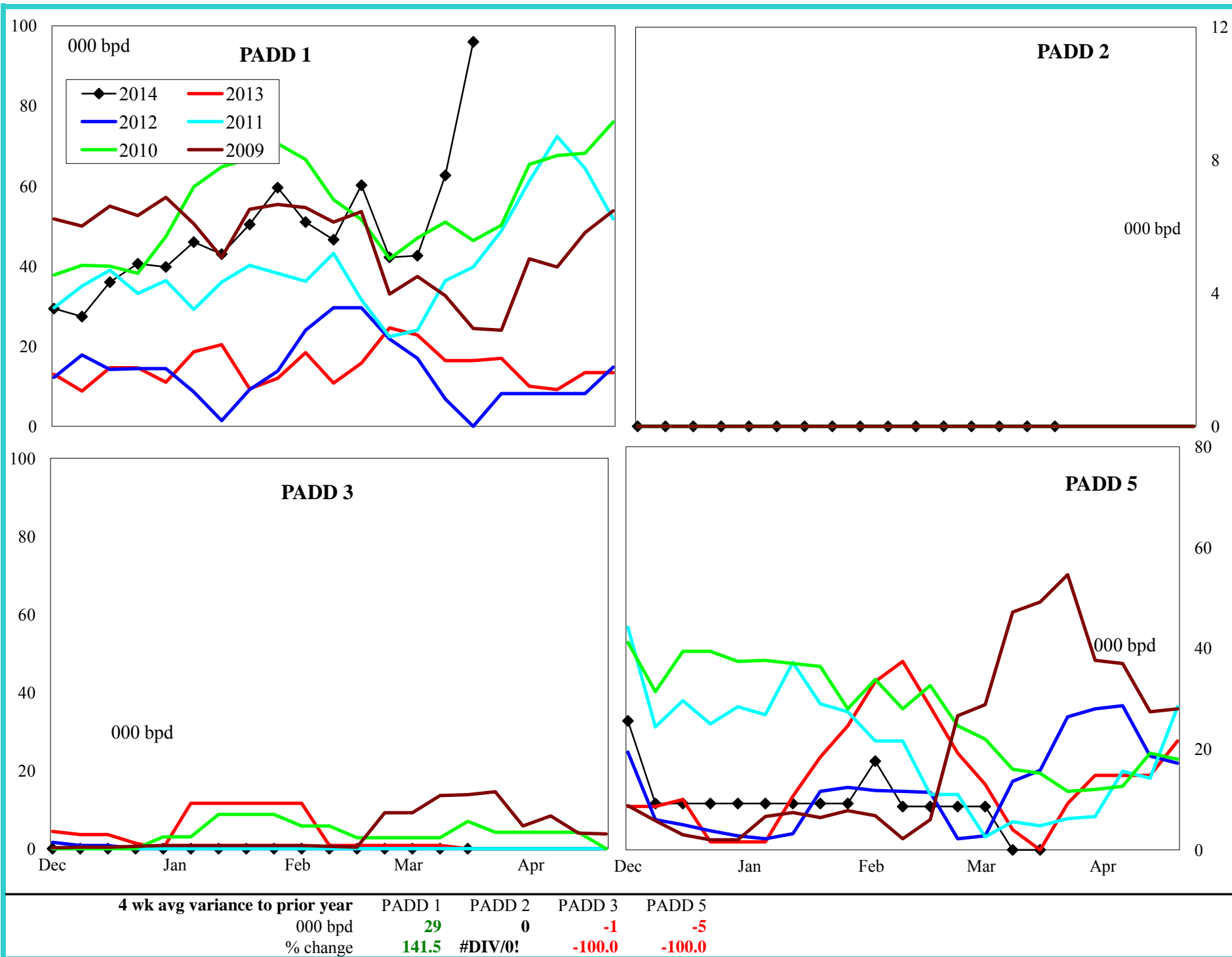
# Gasoline Imports by PADD (Finished + Blend Stocks)



# Distillate Imports by PADD

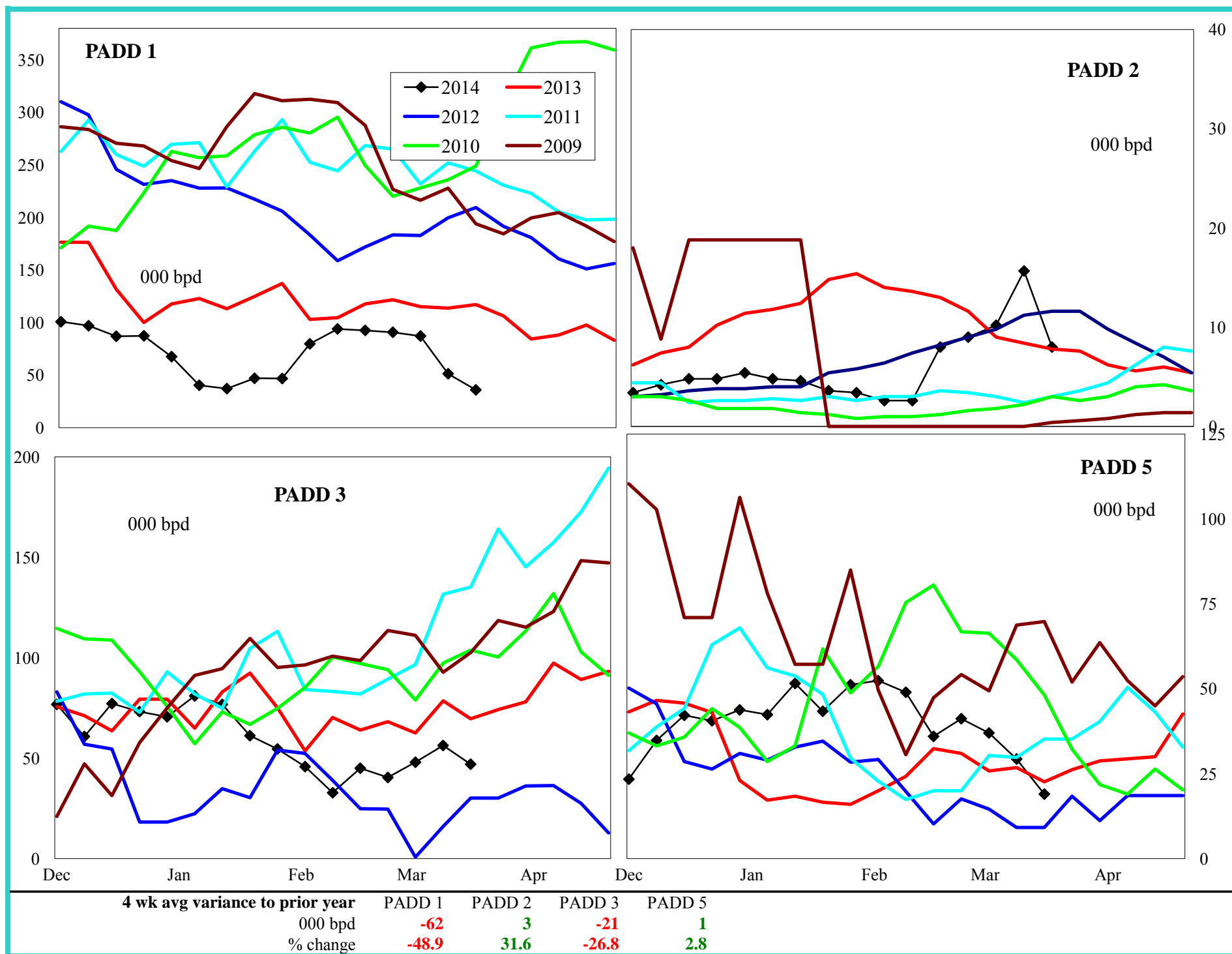


# Jet Fuel Imports by PADD

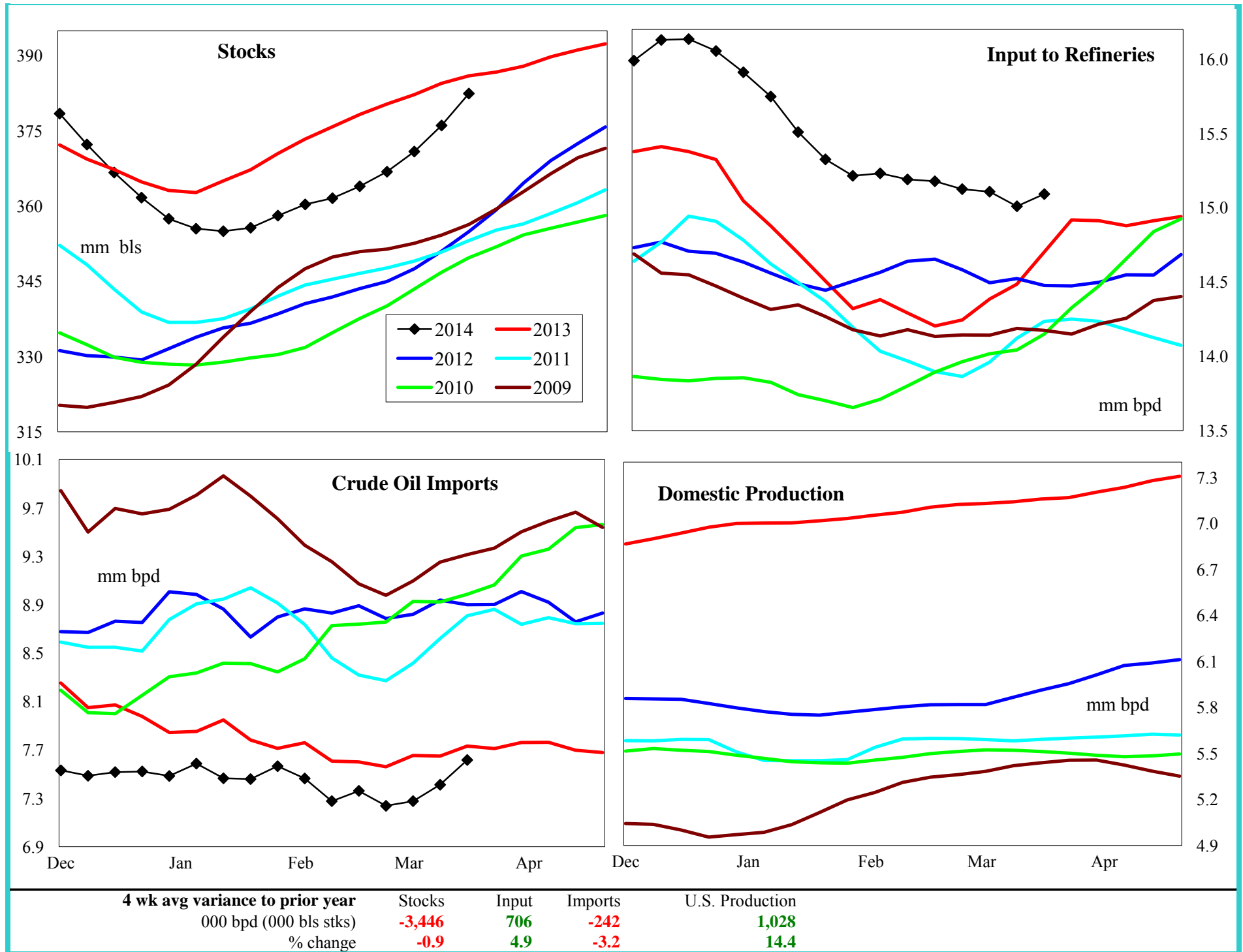




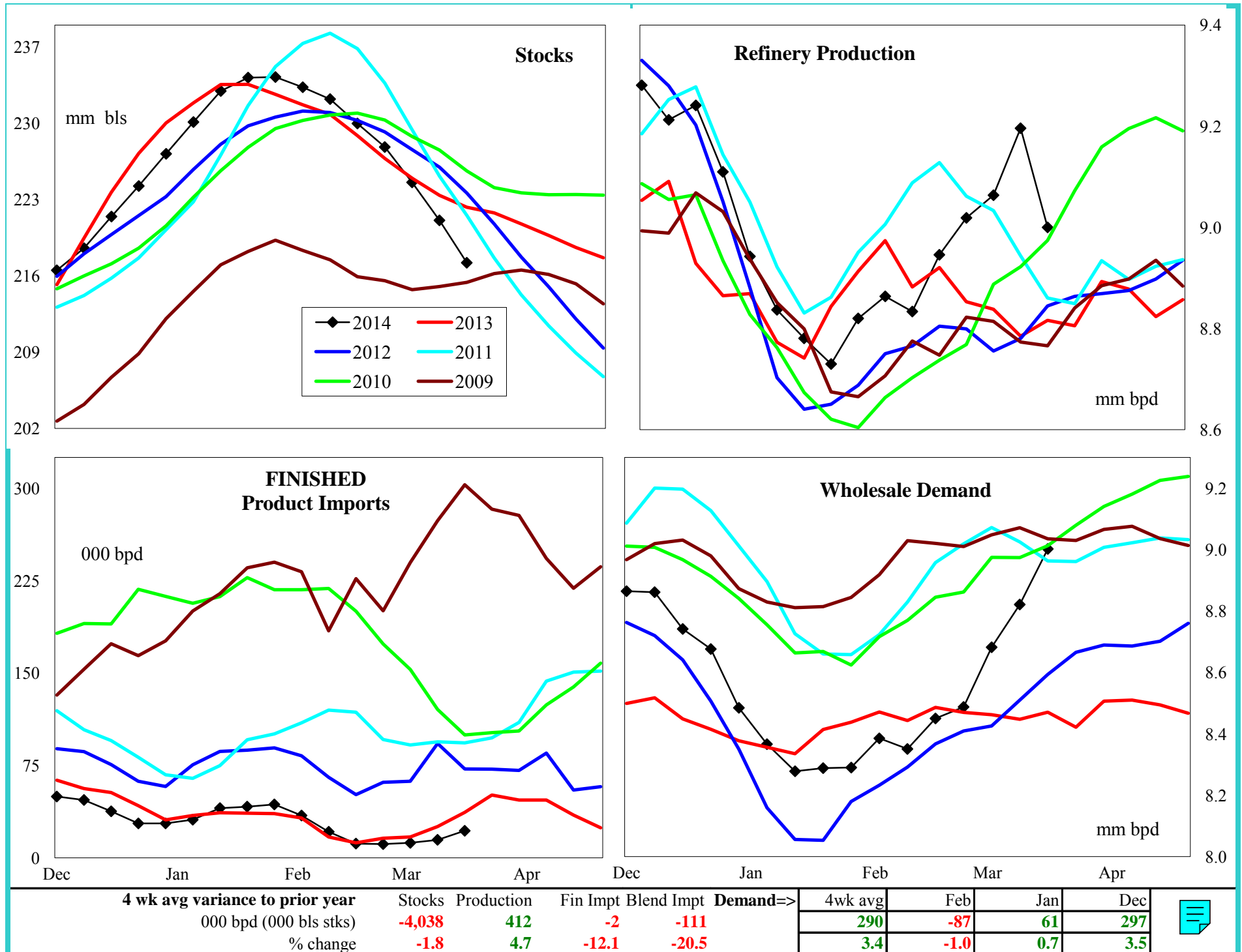
## Residual Fuel Oil Imports by PADD



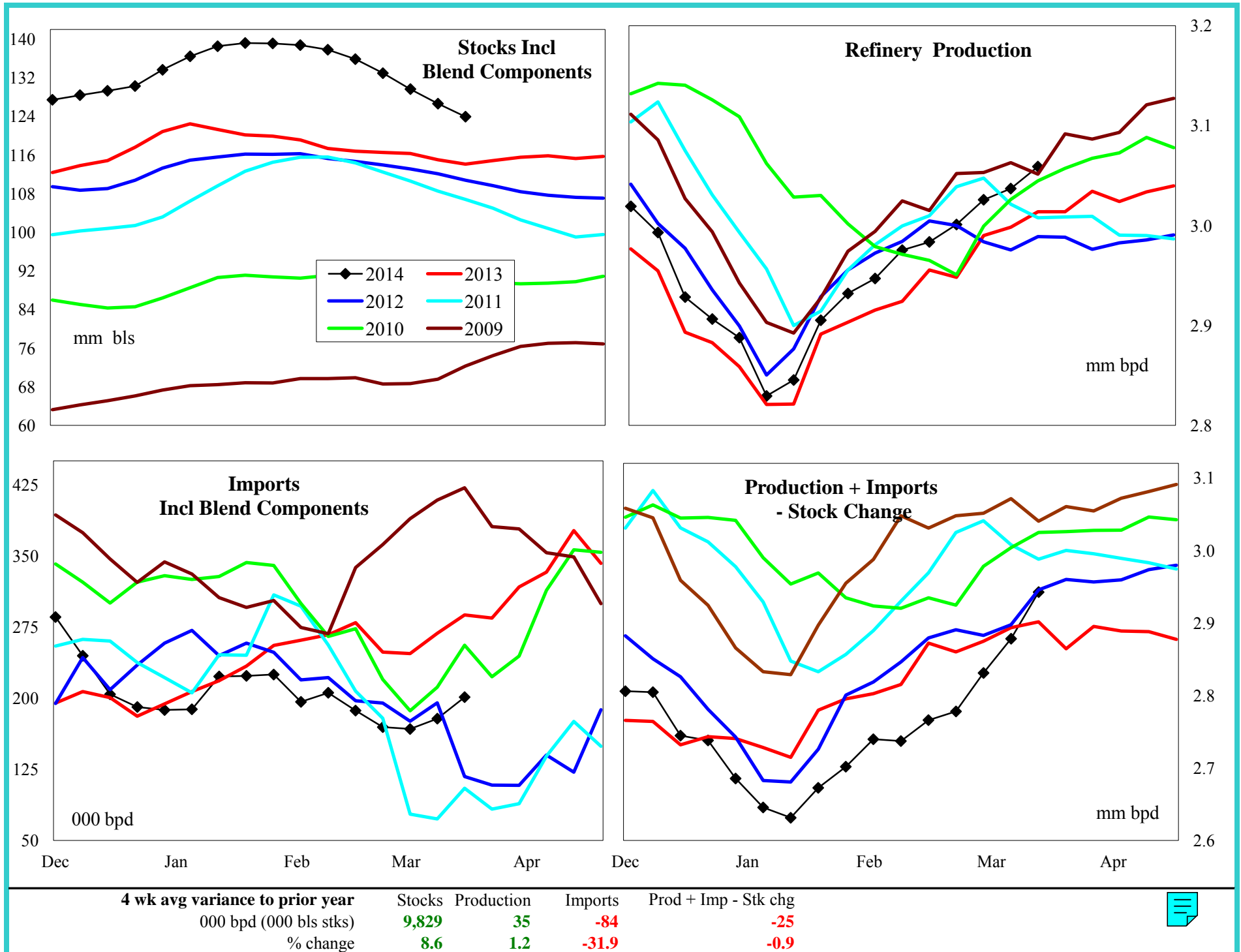
# United States Crude Oil Supply and Demand Balance



# United States Gasoline Supply and Demand Balance

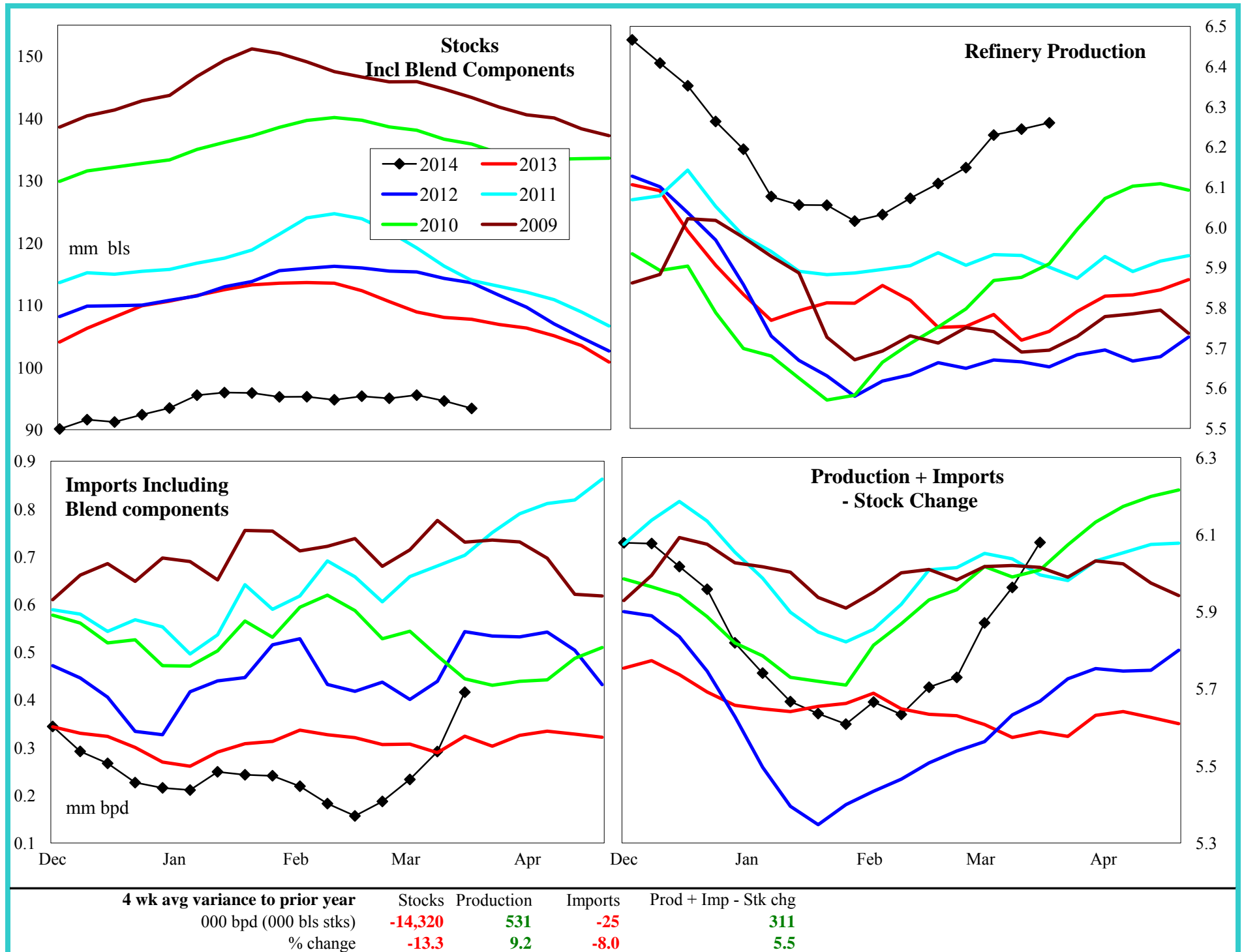


# United States Reformulated Gasoline Supply

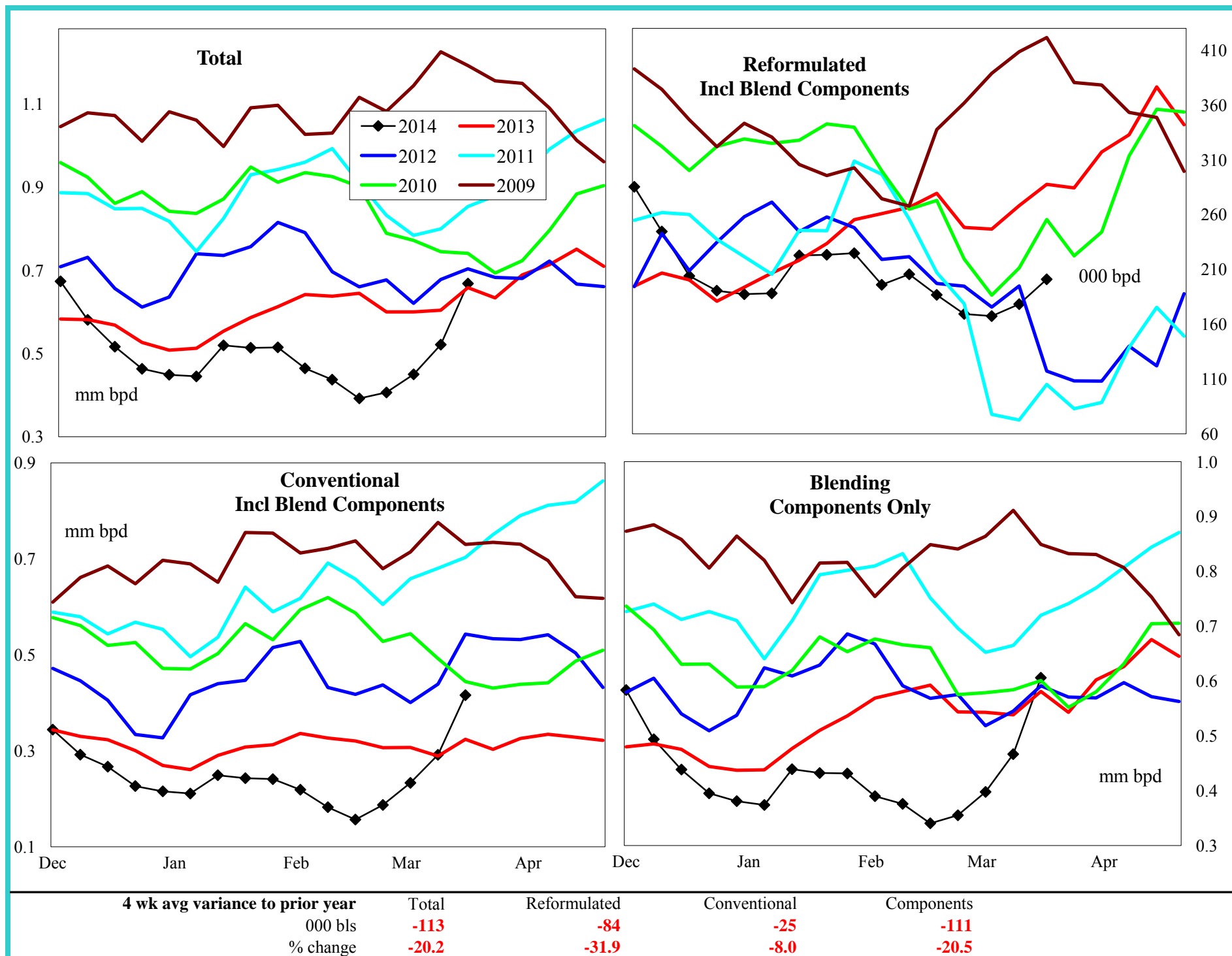




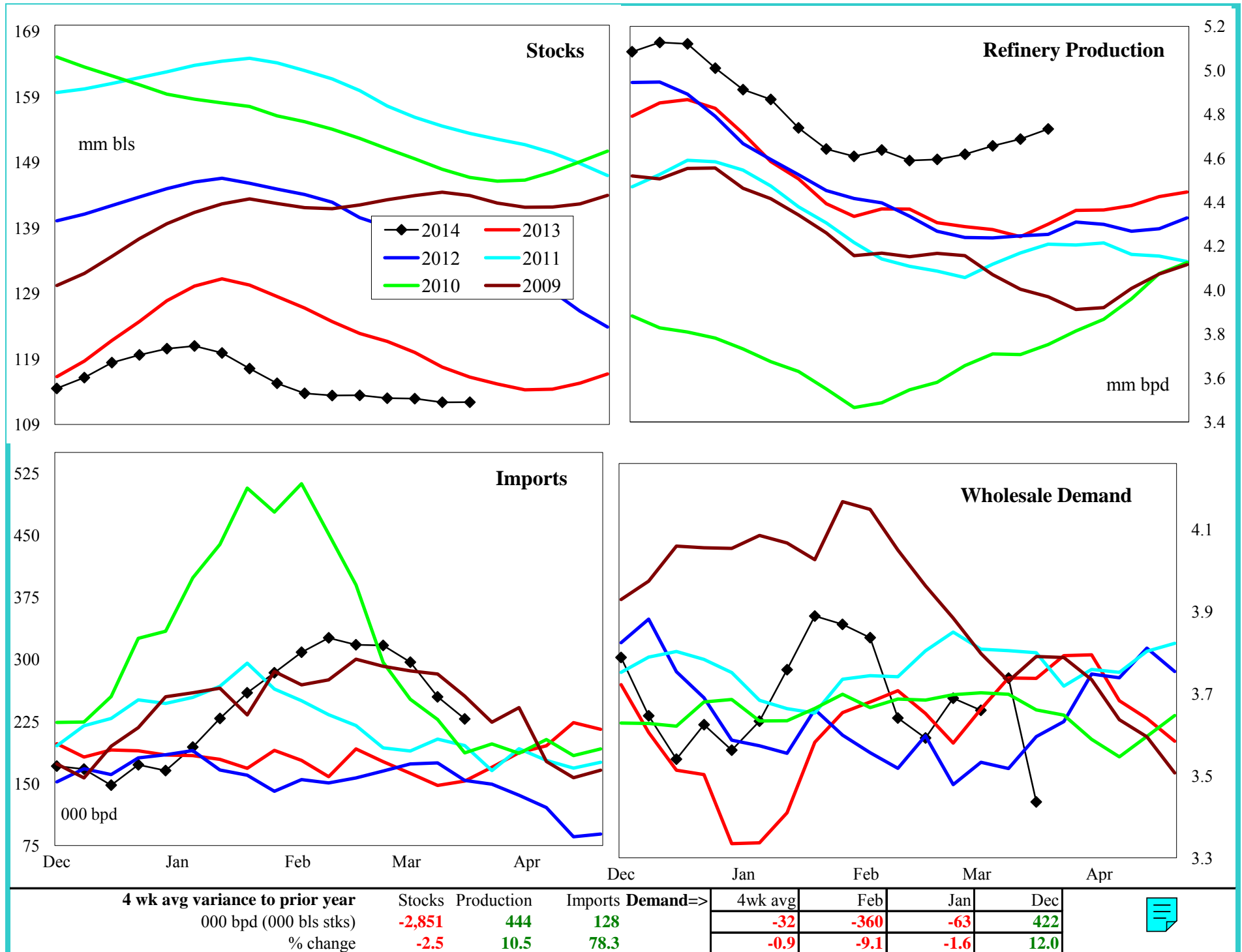
# United States Conventional Gasoline Supply



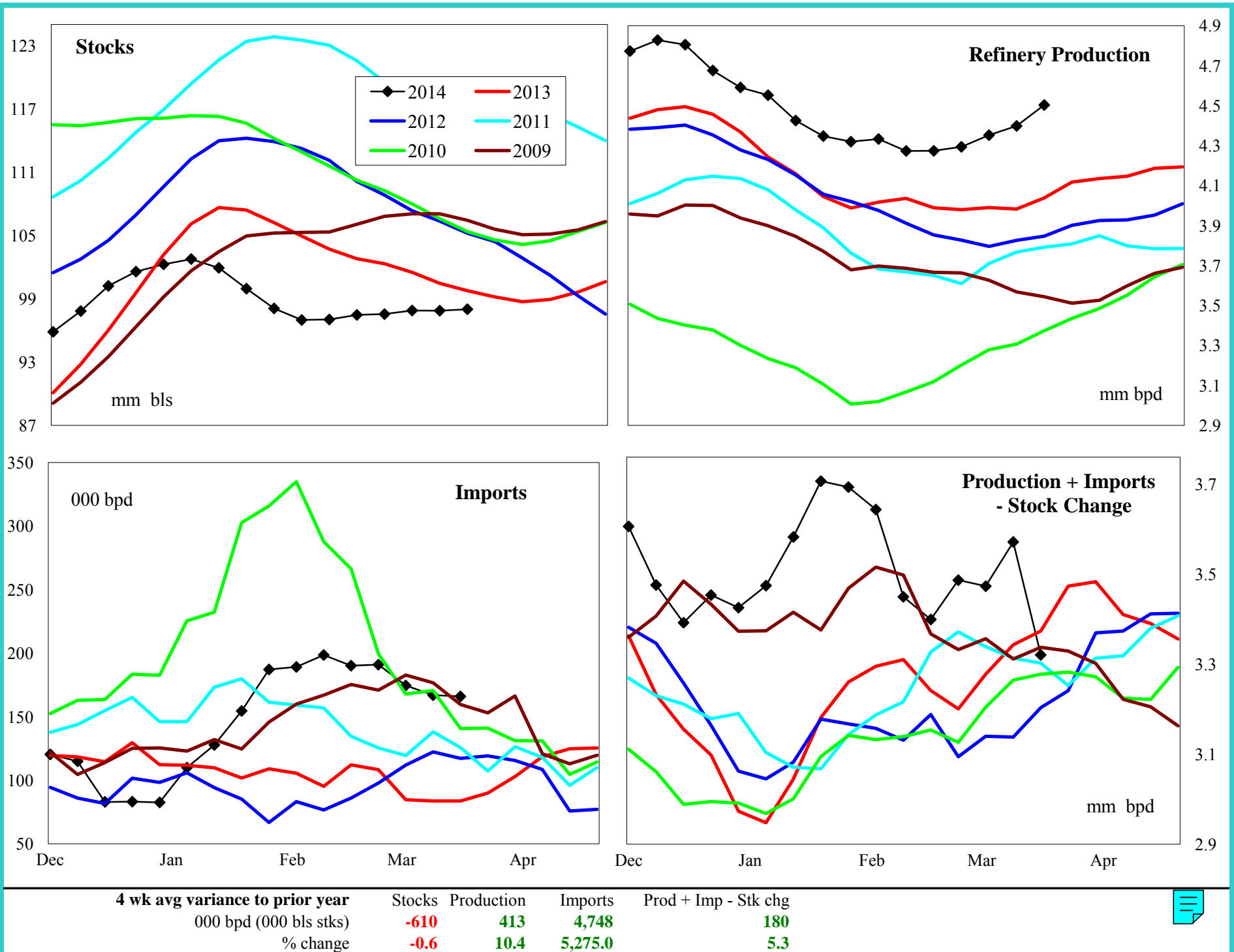
# United States Gasoline Imports by Type



# United States Distillate Supply and Demand Balance

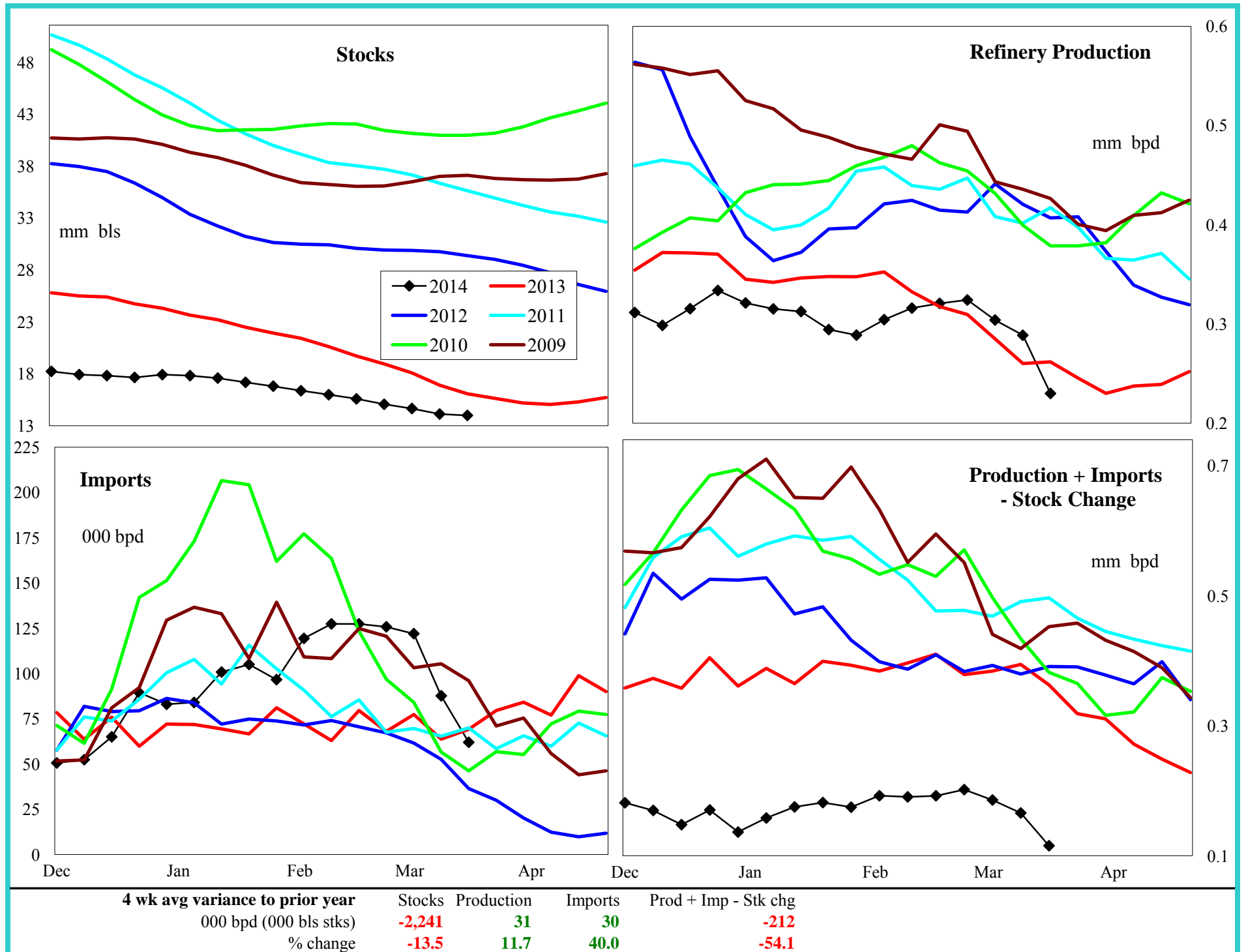


# United States Low Sulfur Distillate Supply

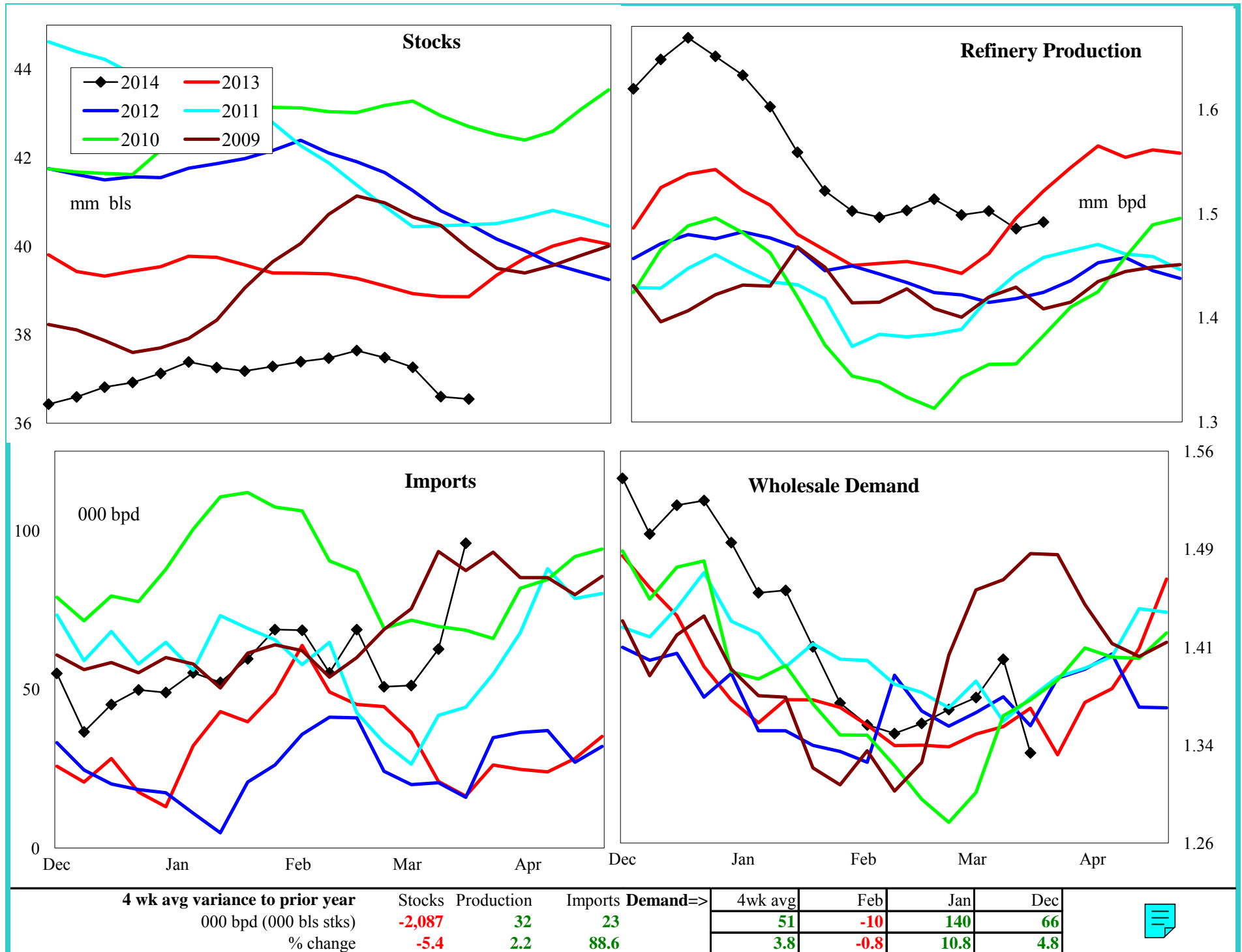




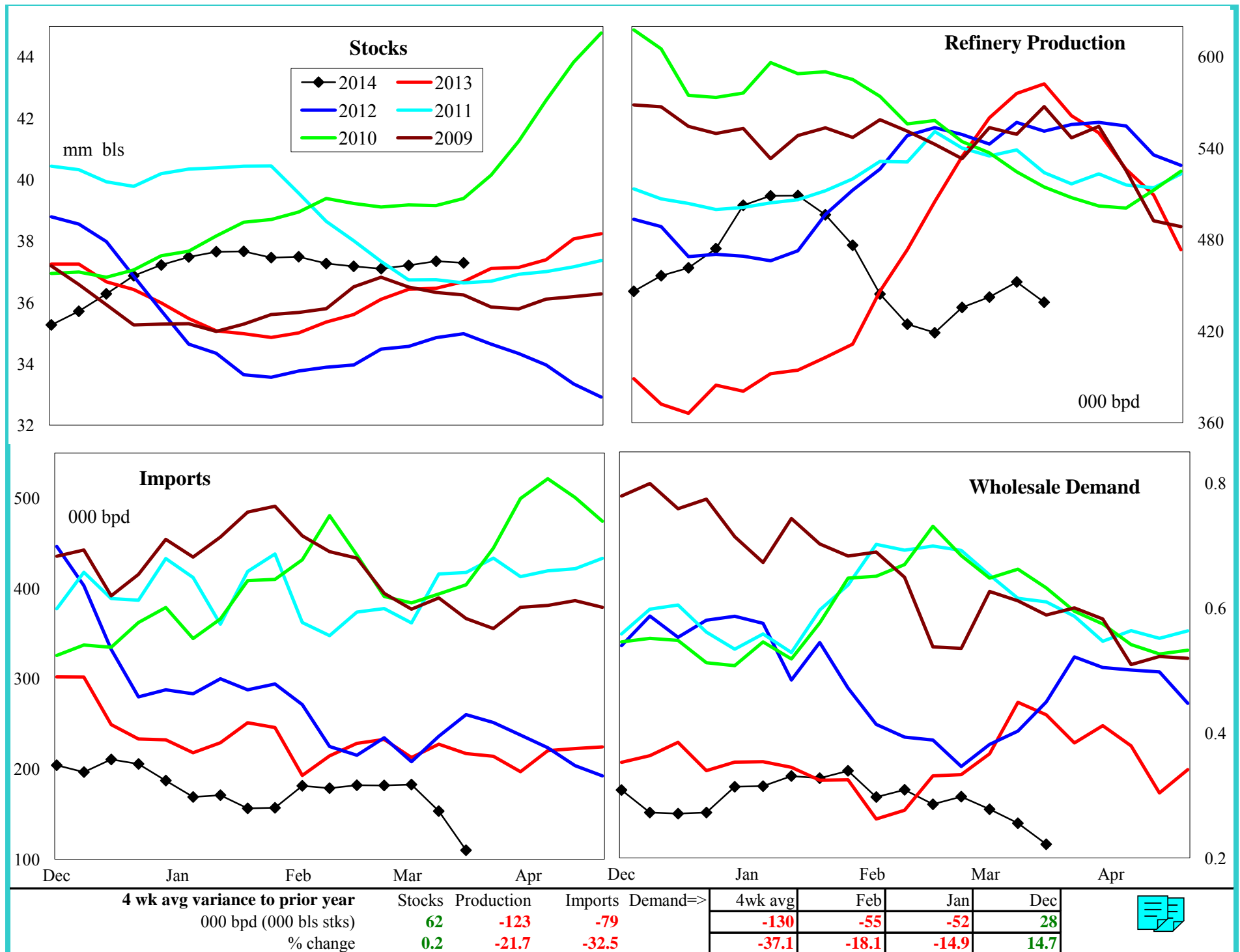
# United States High Sulfur Distillate Supply



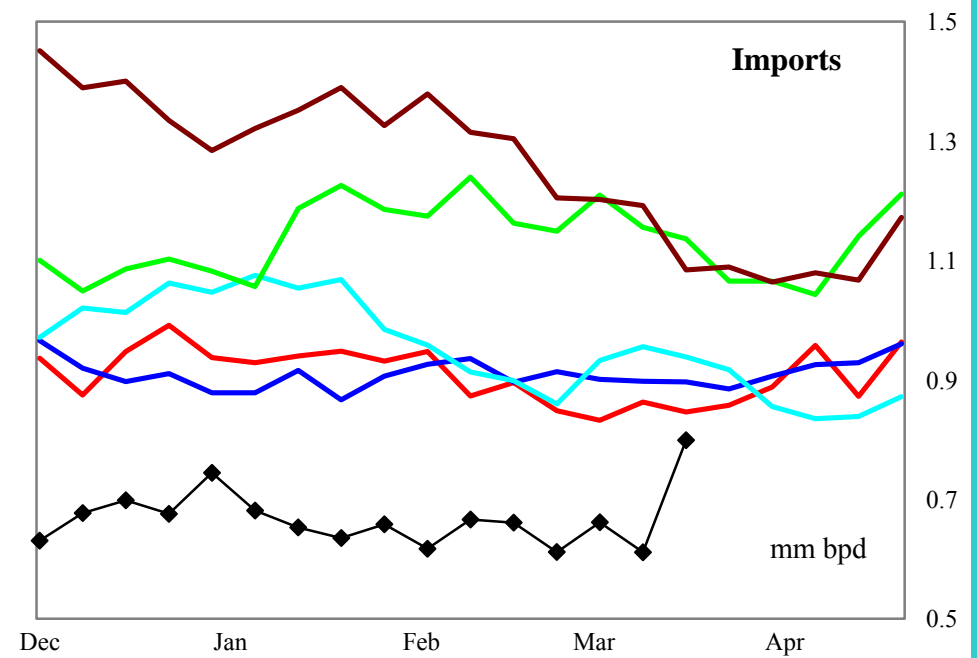
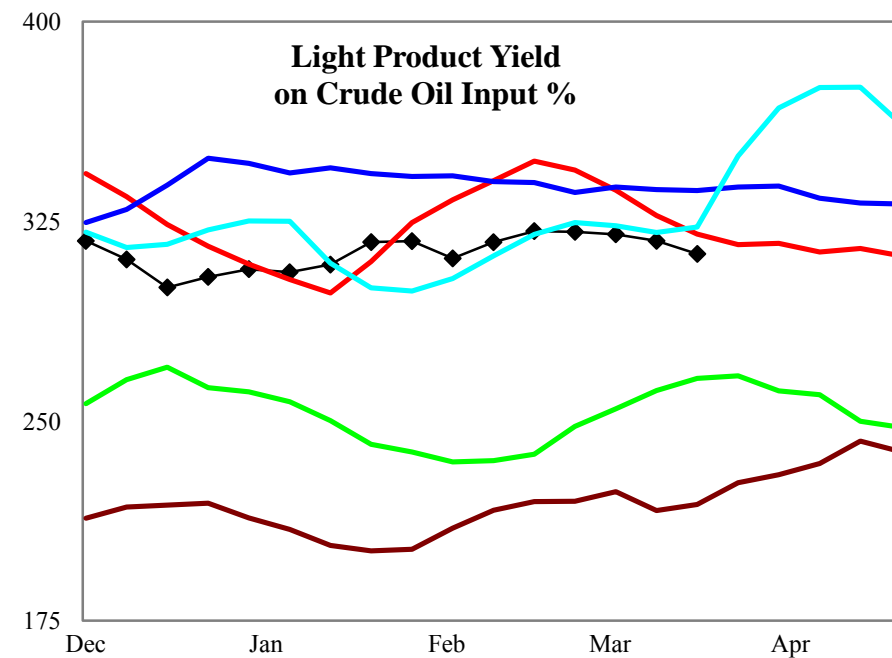
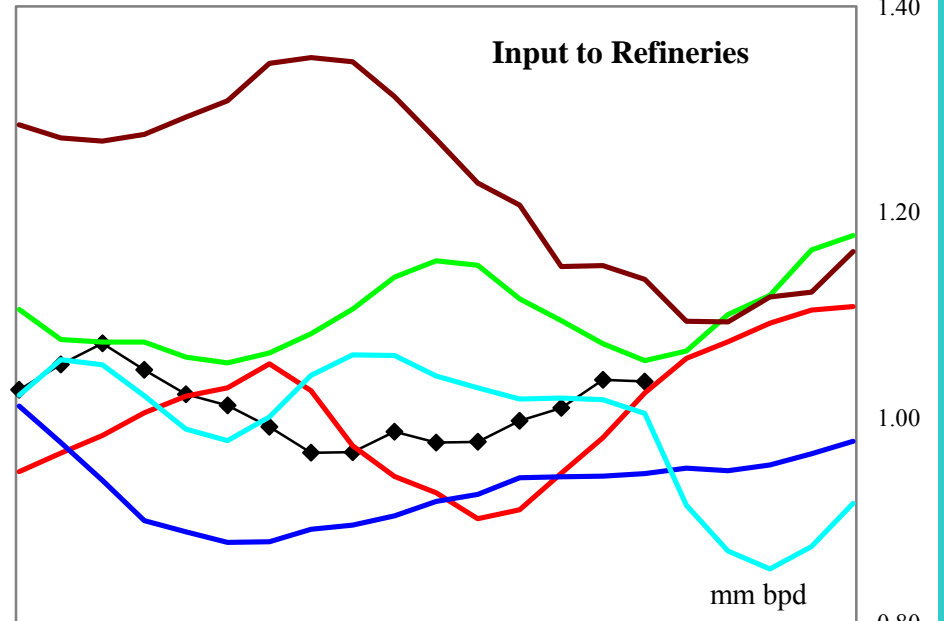
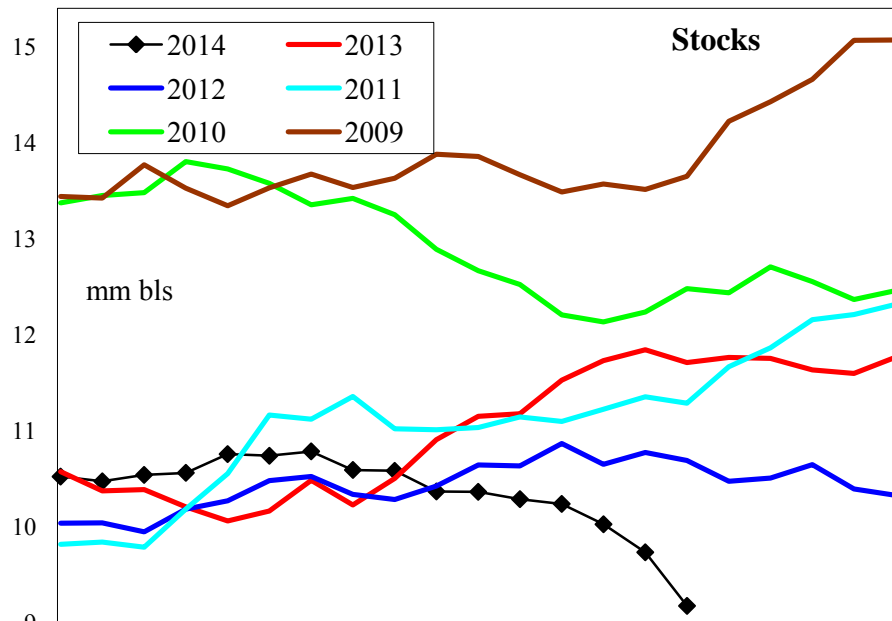
# United States Jet Fuel Supply and Demand Balance



# United States Residual Fuel Oil Supply and Demand Balance



# PADD 1 Crude Oil Supply and Refining



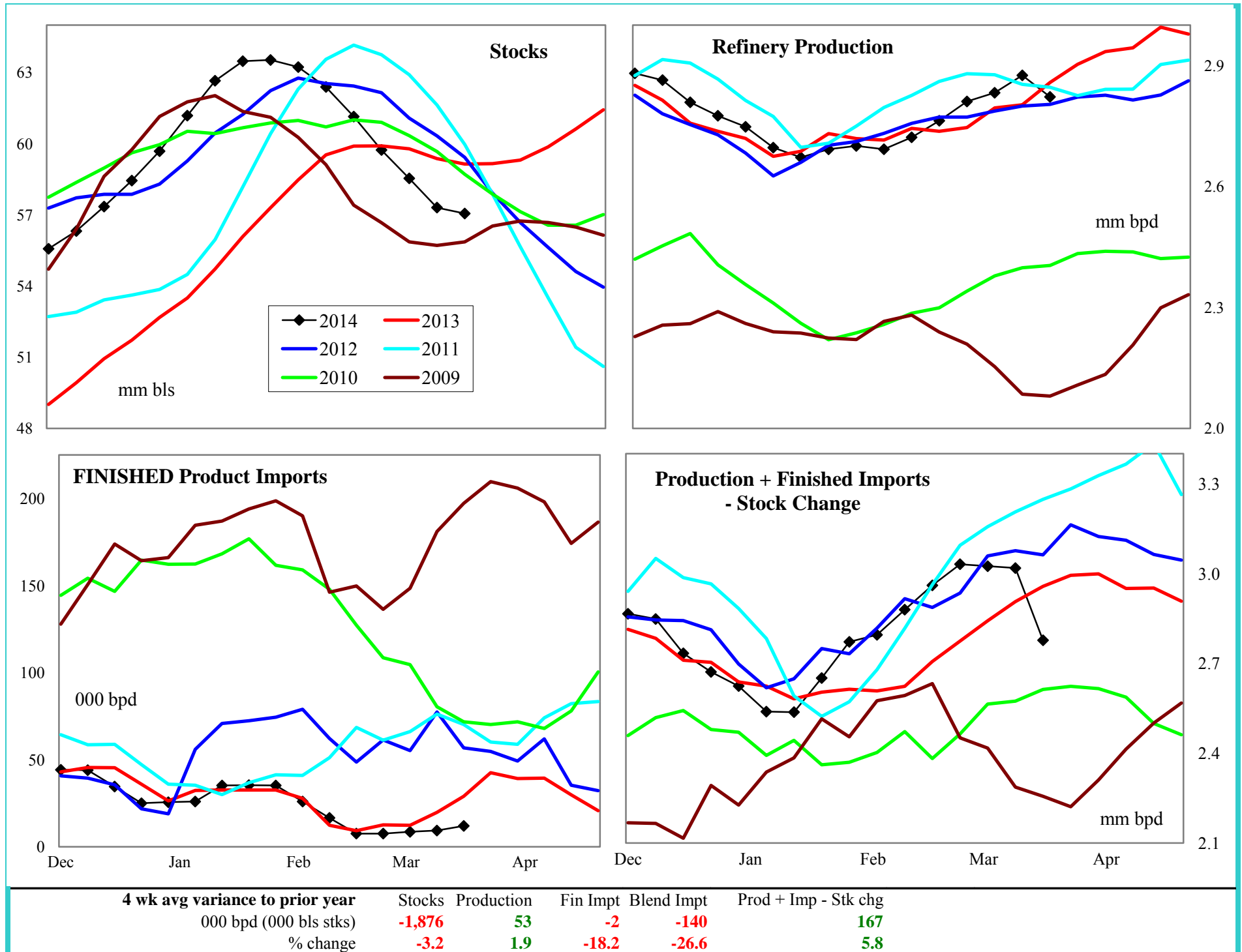
**4 wk avg variance to prior year**  
000 bpd (000 bls stks)  
% change

	Stocks	Input	Imports
000 bpd (000 bls stks)	-2,535	51	-162
% change	-21.6	5.3	-19.6

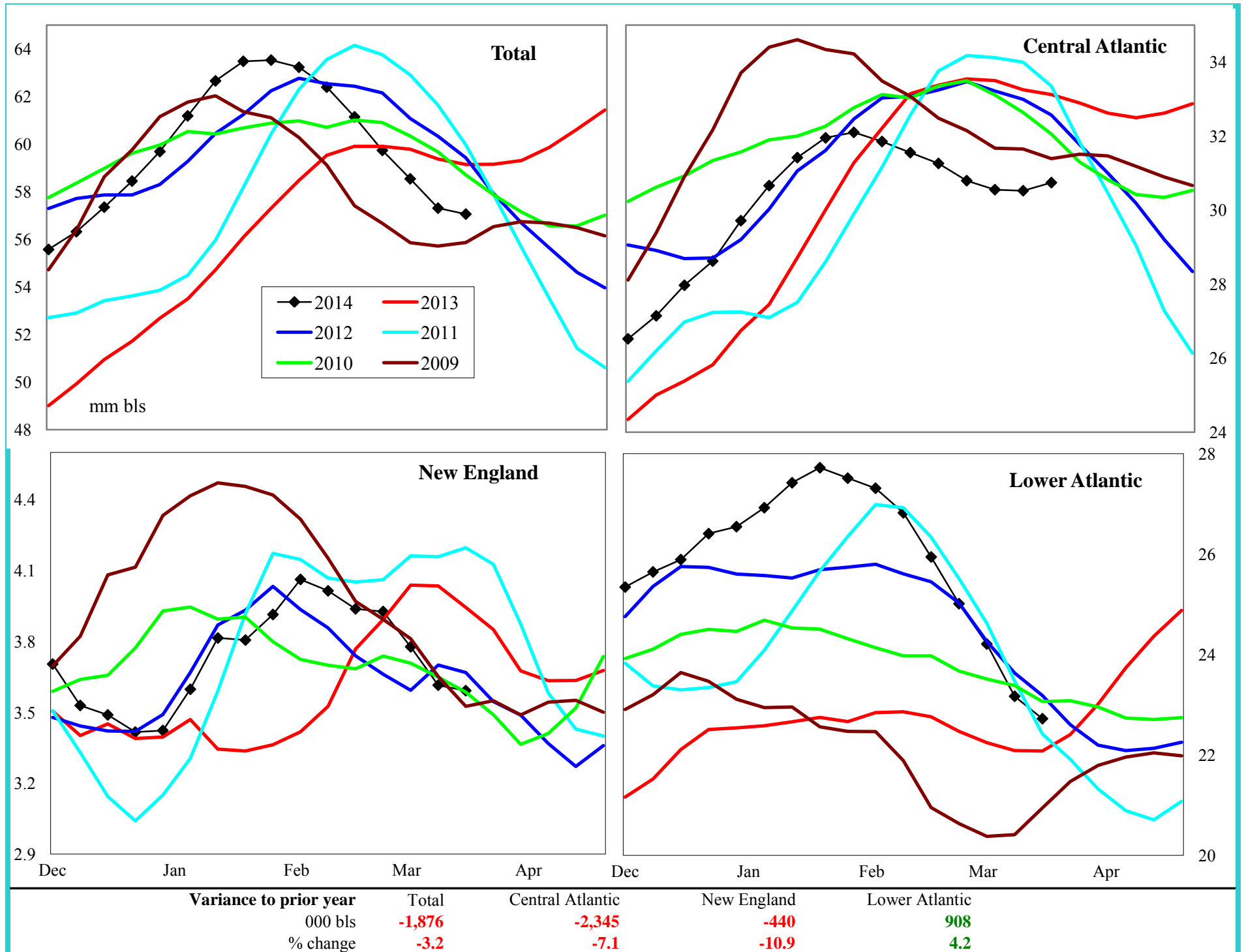




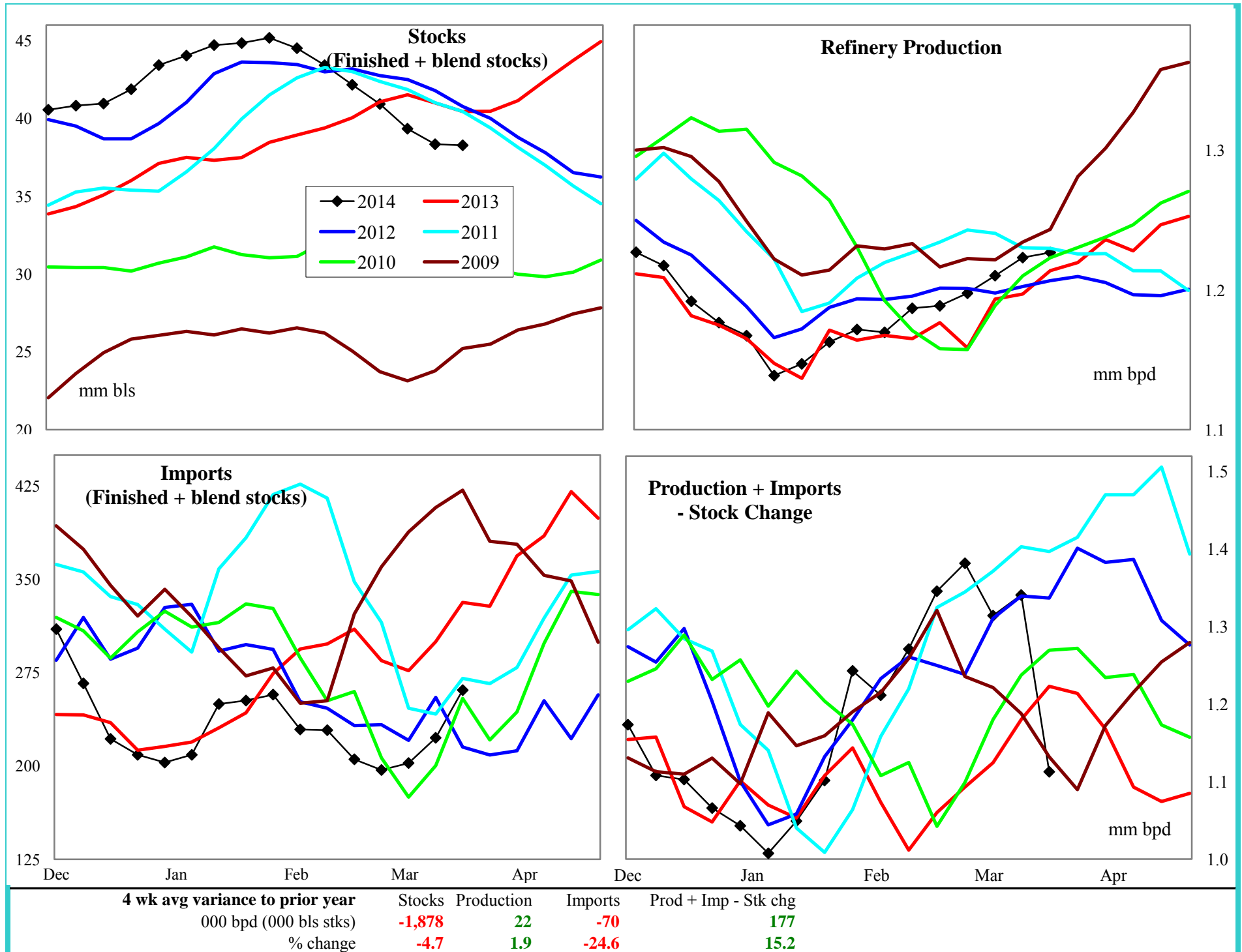
# PADD 1 Gasoline Supply



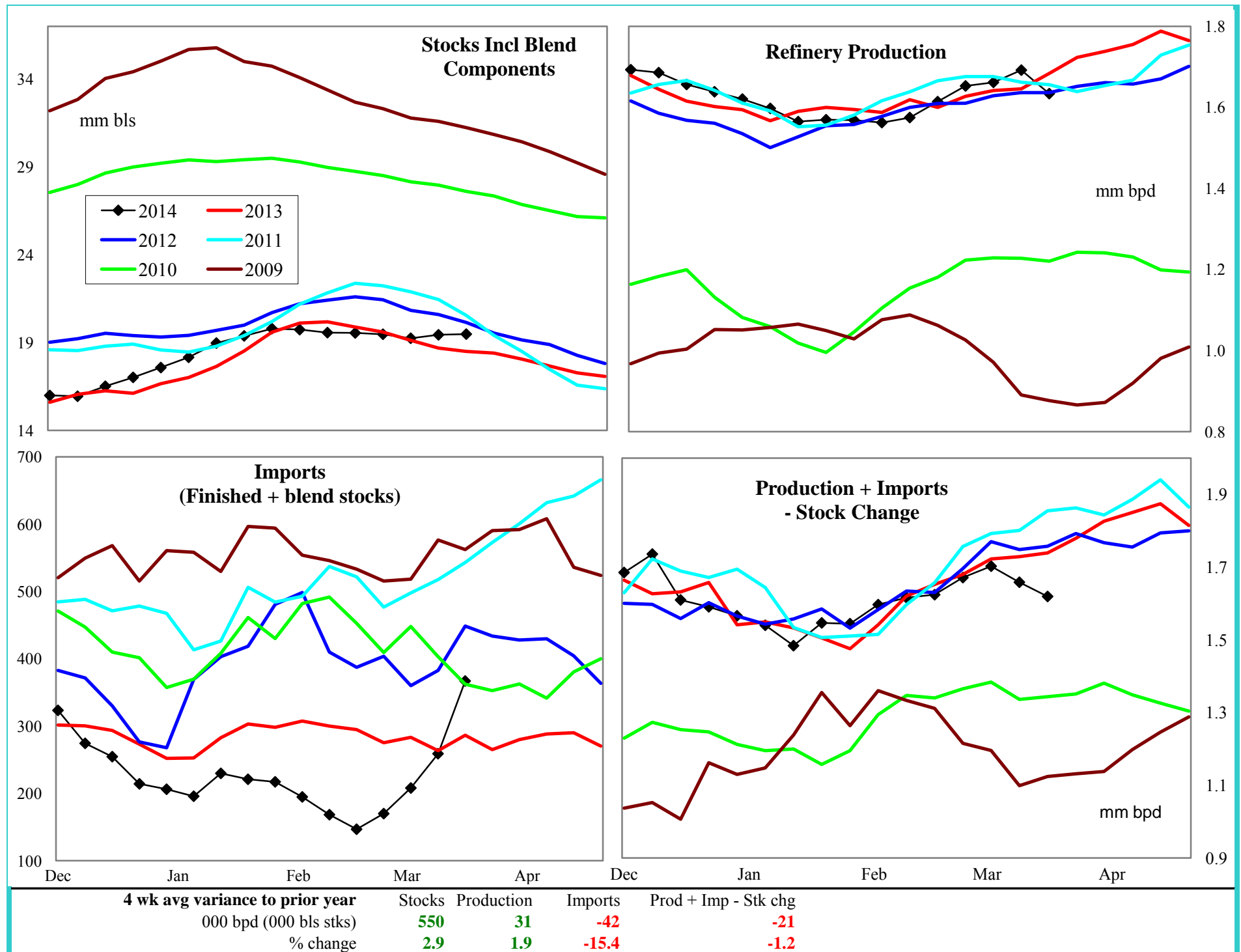
# PADD 1 Gasoline Stocks by Region



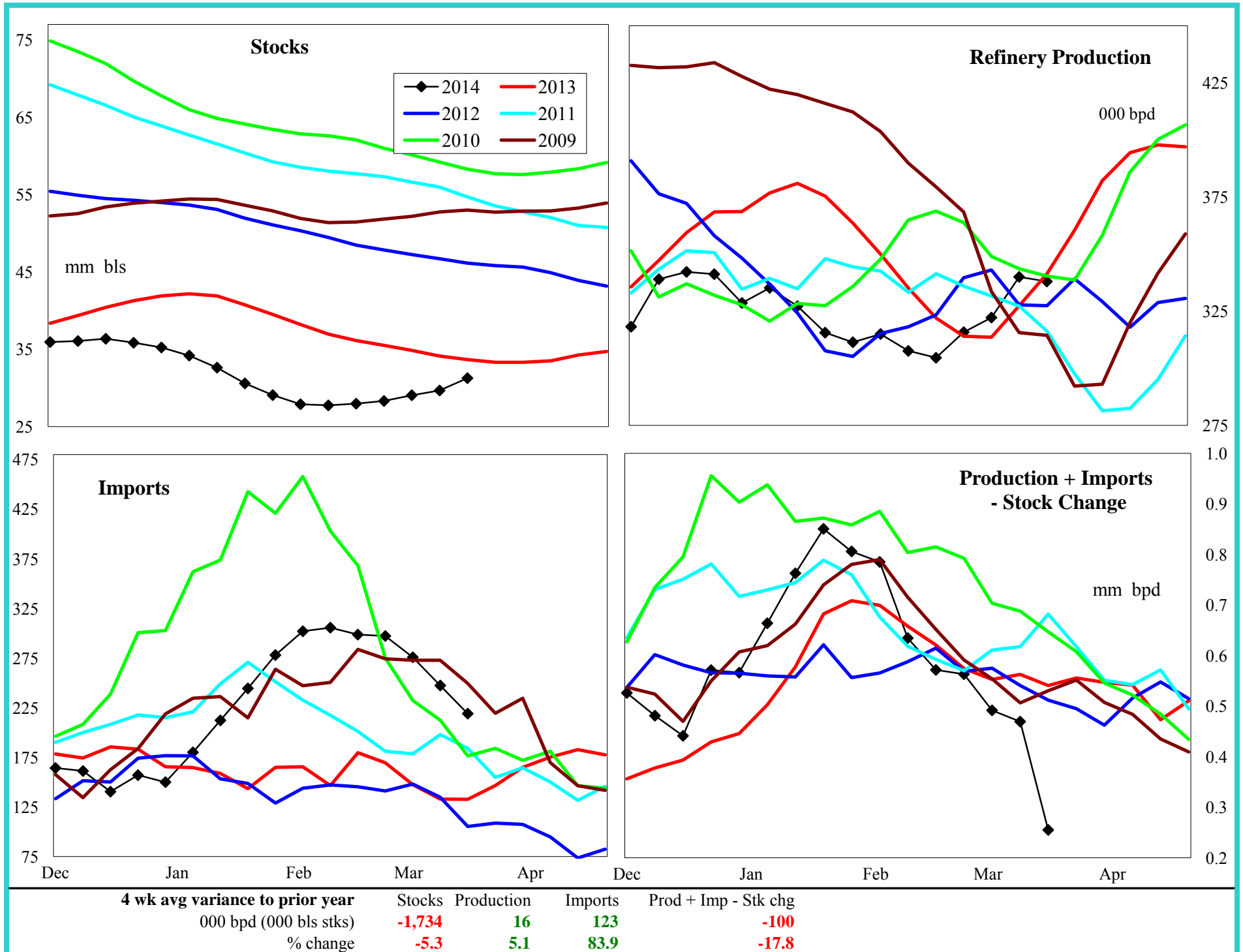
# PADD 1 Reformulated Gasoline Supply



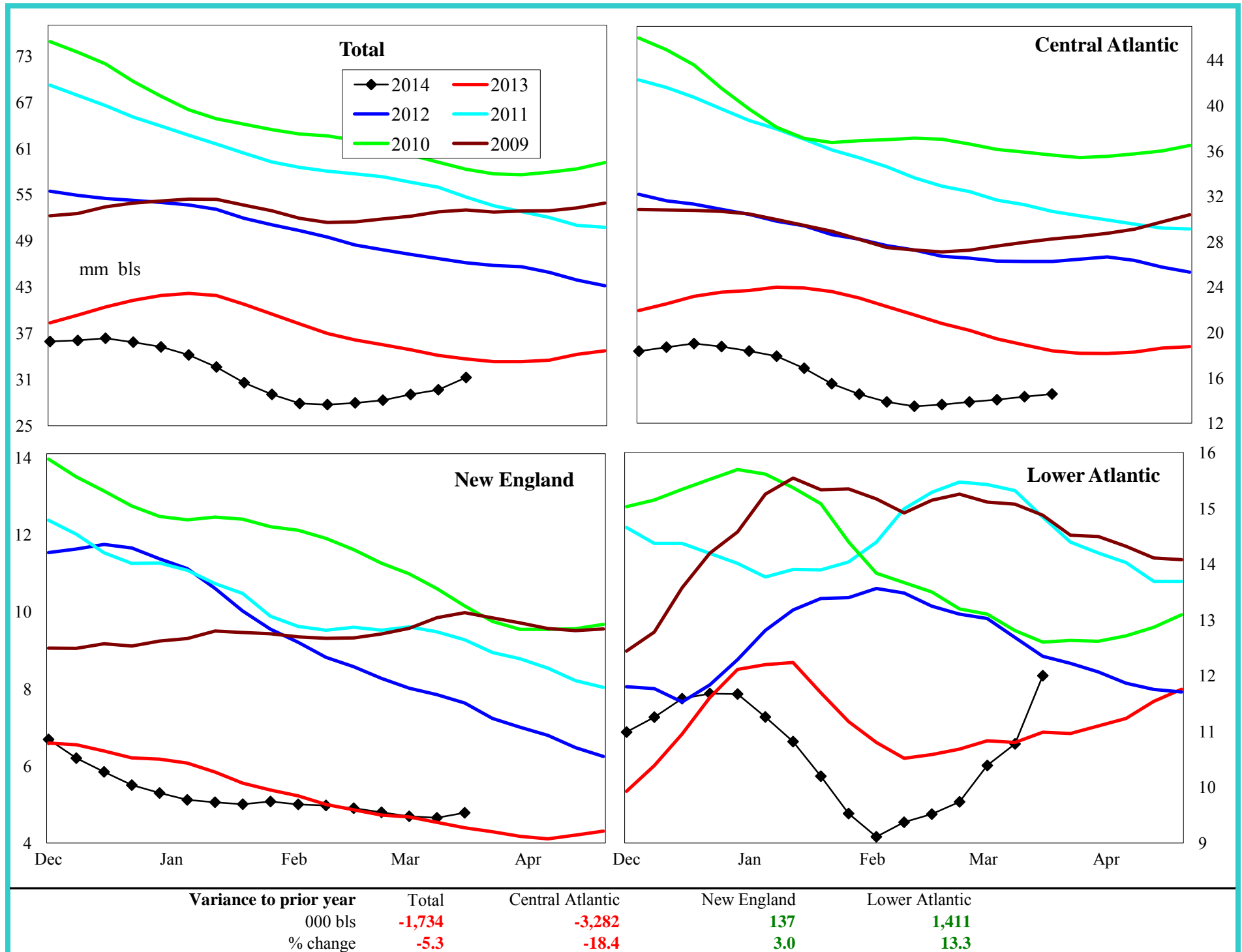
# PADD 1 Conventional Gasoline Supply



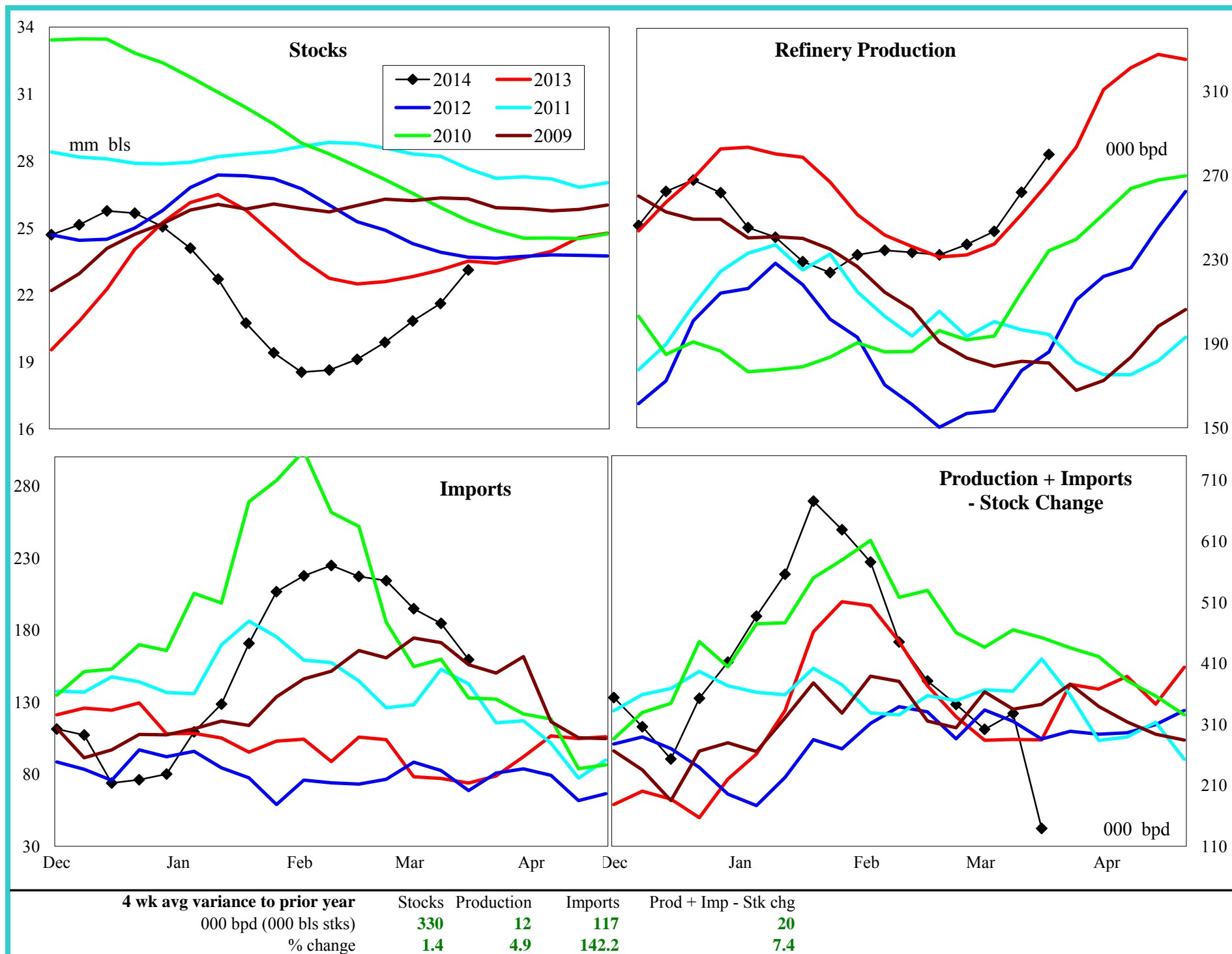
# PADD 1 Distillate Supply



# PADD 1 Distillate Stocks by Region

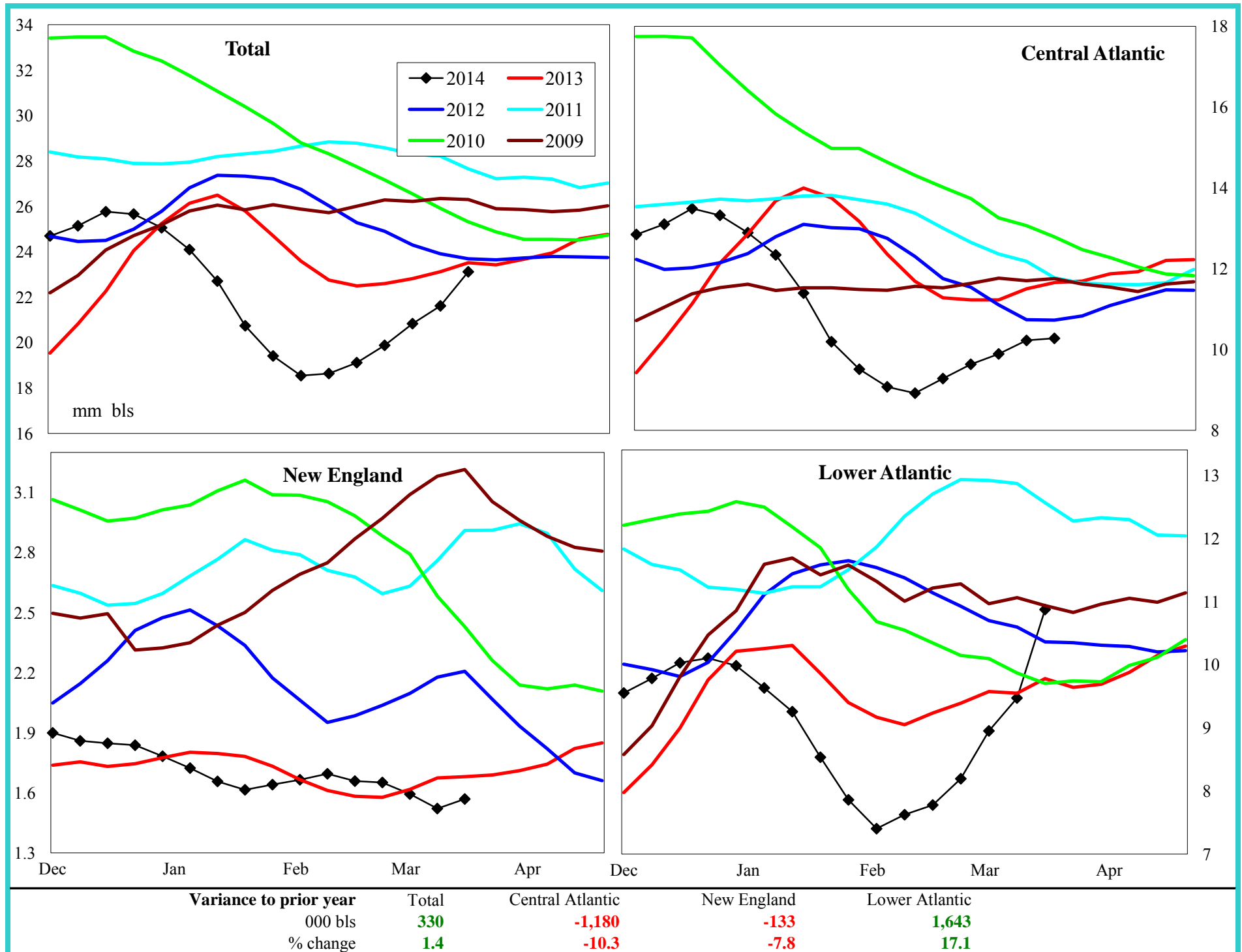


# PADD 1 Low Sulfur Distillate Supply

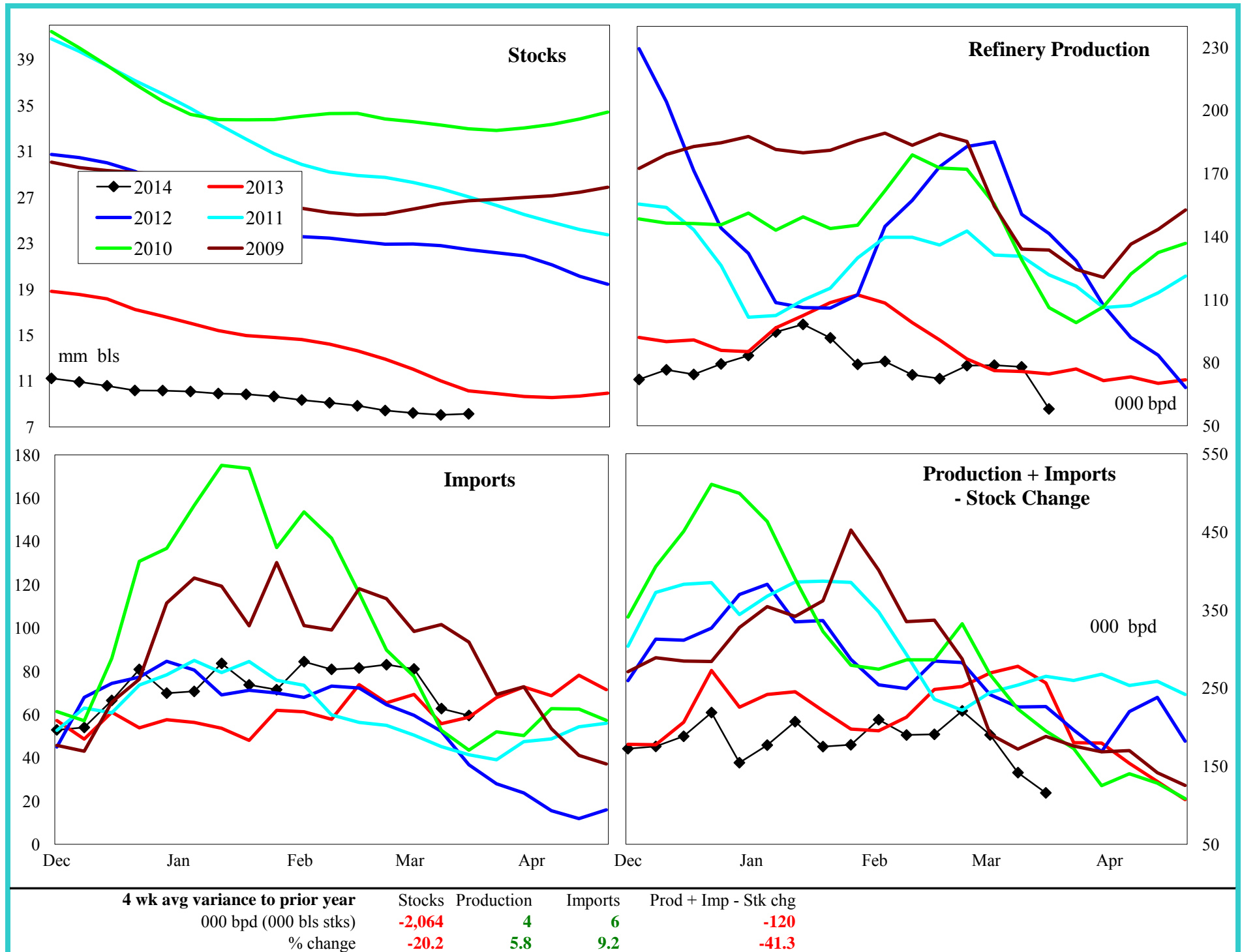




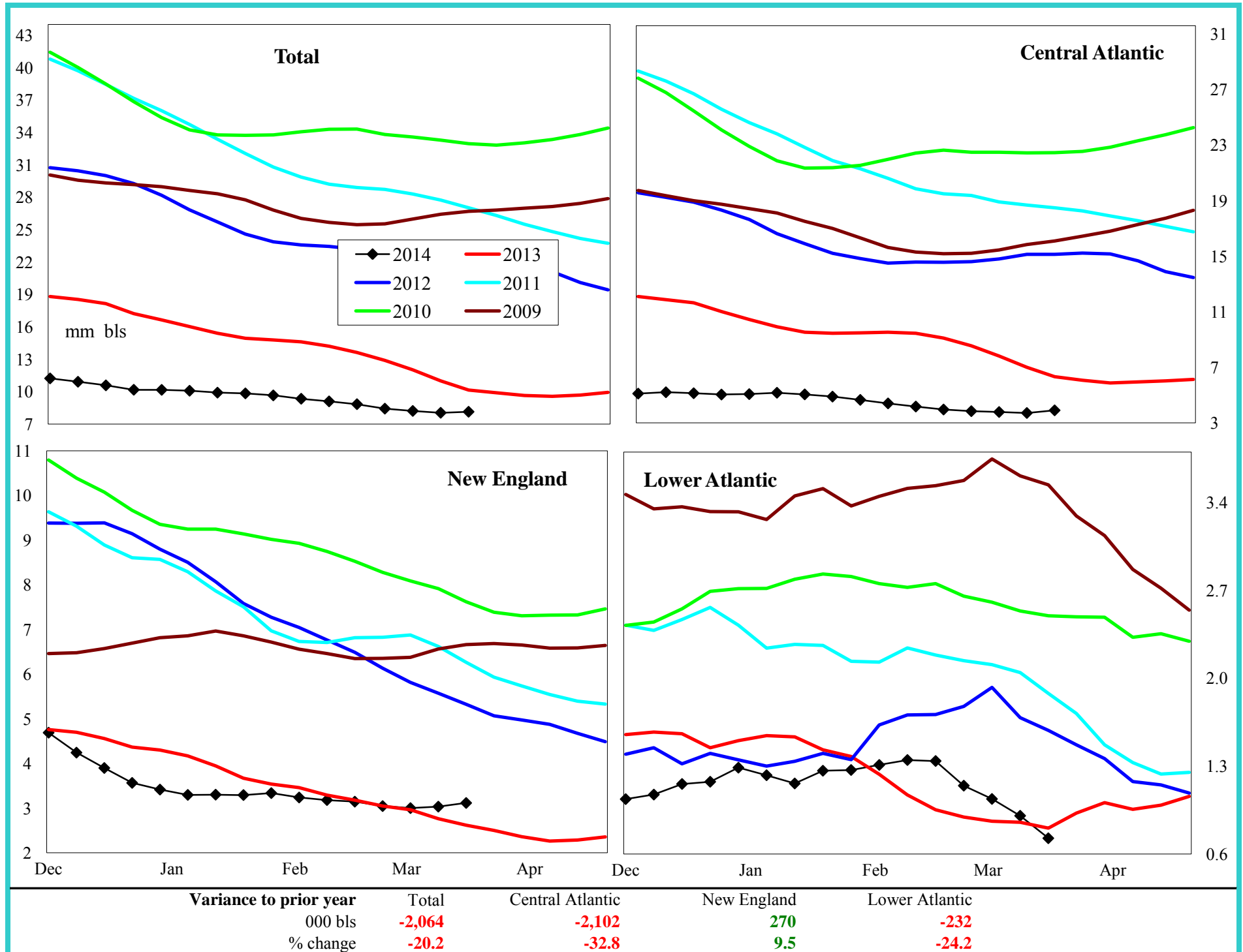
# PADD 1 Low Sulfur Distillate Stocks by Region



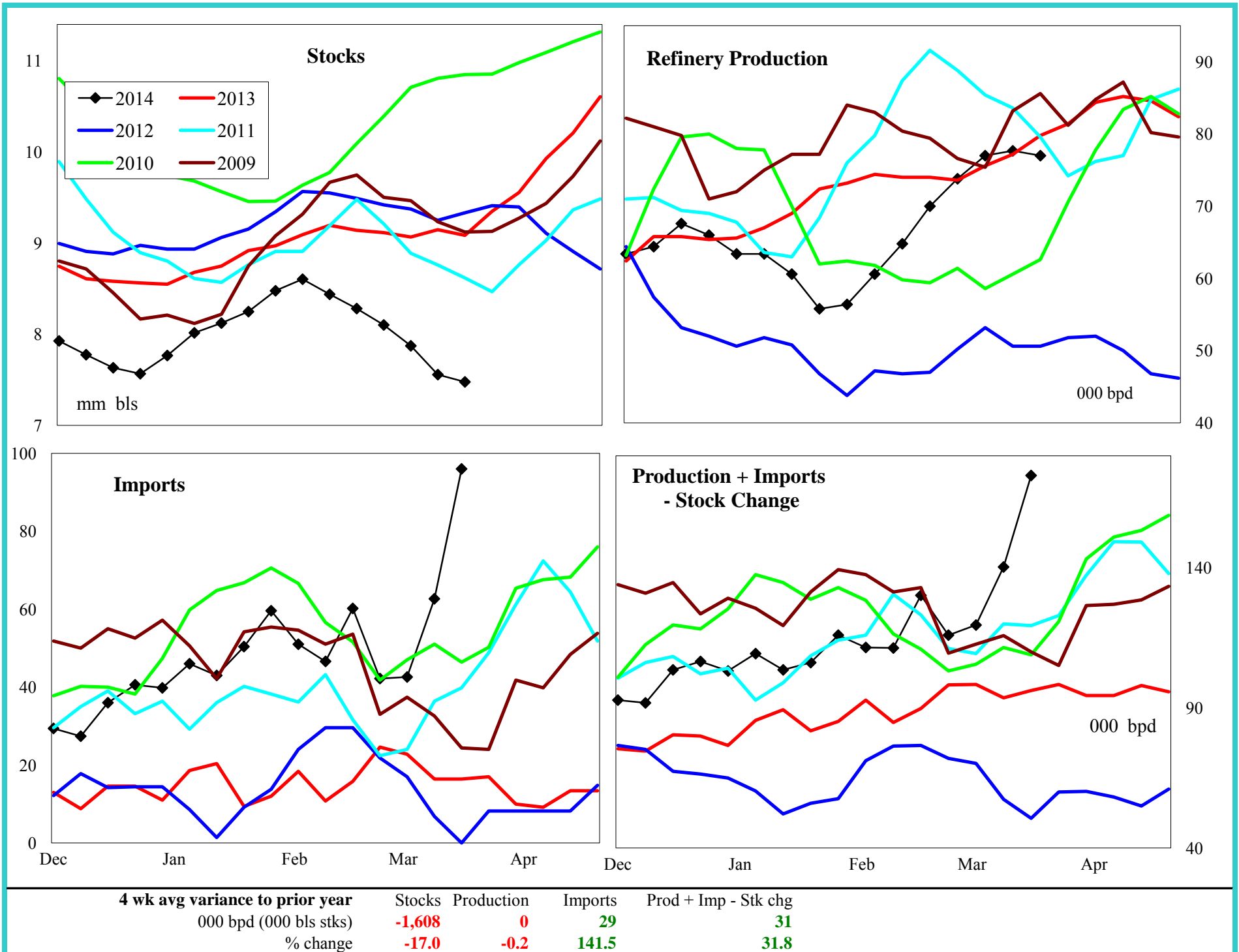
# PADD 1 High Sulfur Distillate Supply



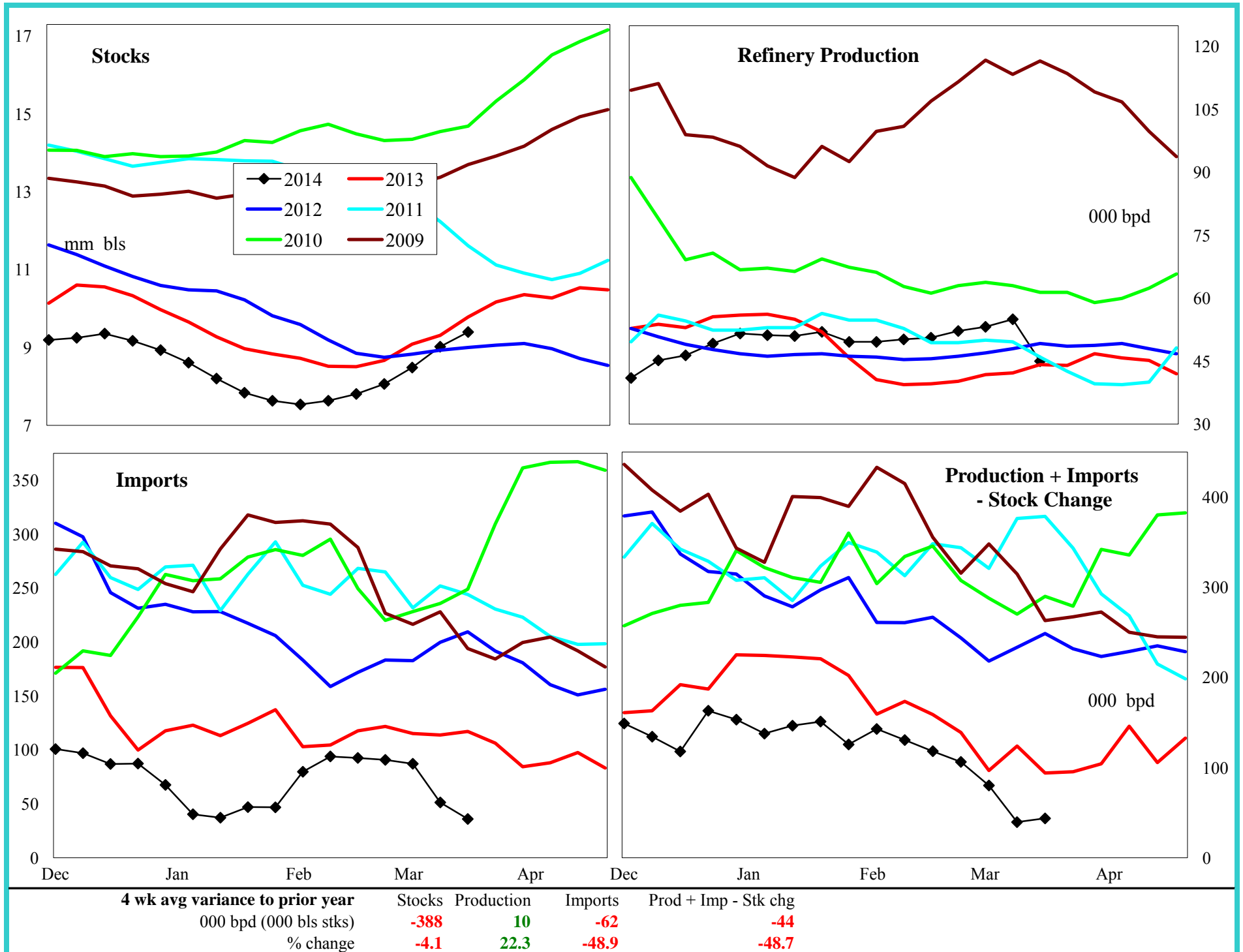
# PADD 1 High Sulfur Distillate Stocks by Region



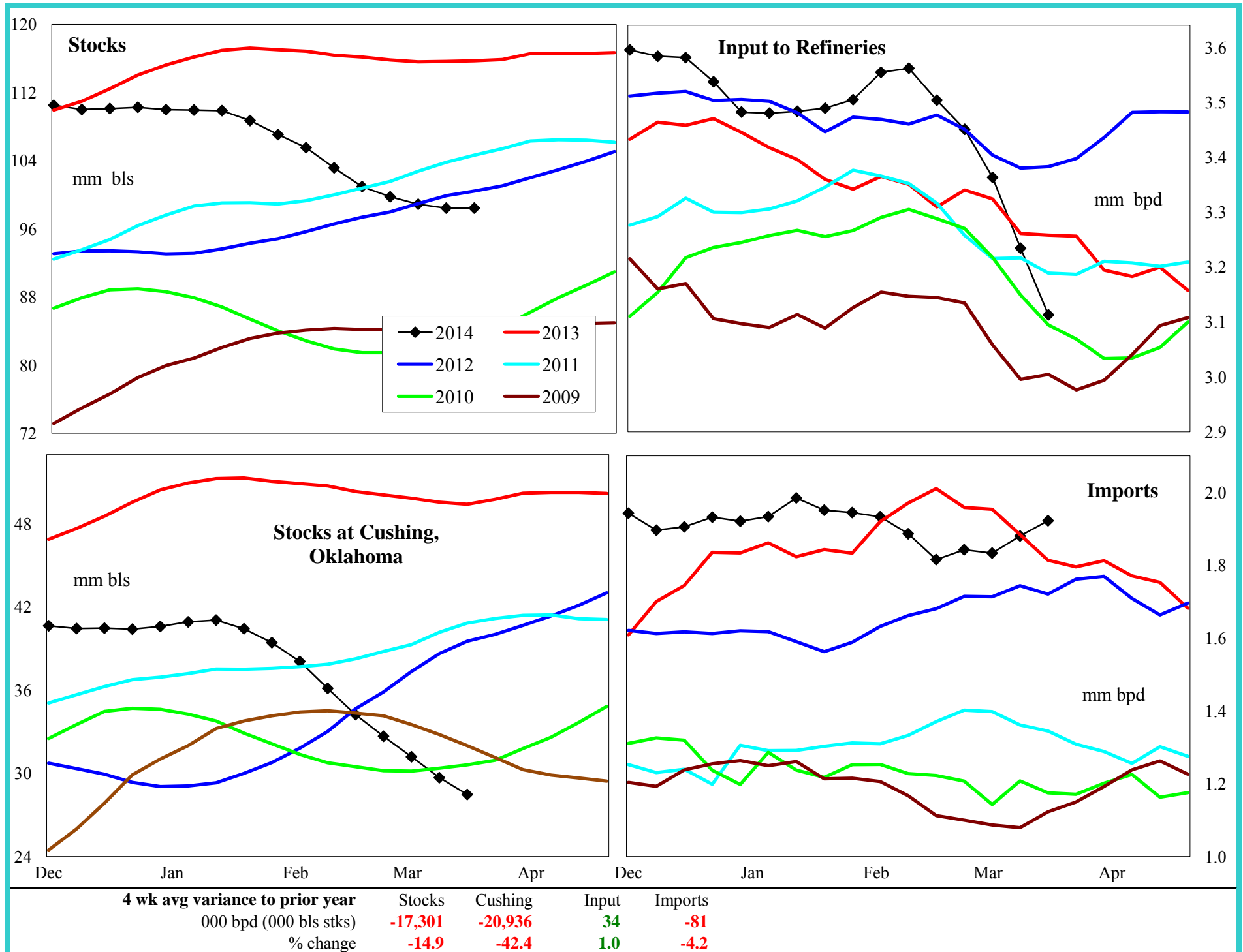
# PADD 1 Jet Fuel Supply



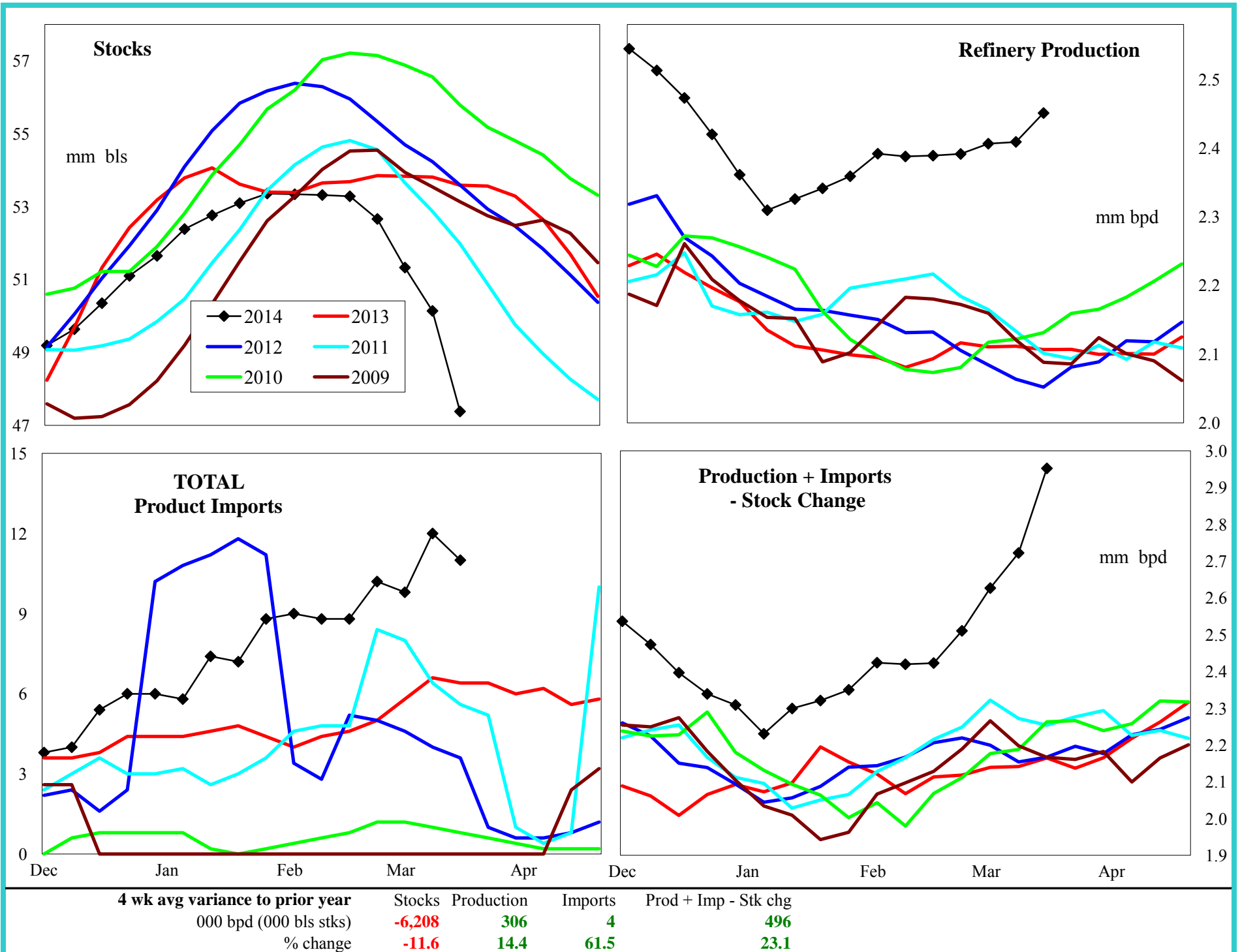
# PADD 1 Residual Fuel Oil Supply



# PADD 2 Crude Oil Supply and Refining

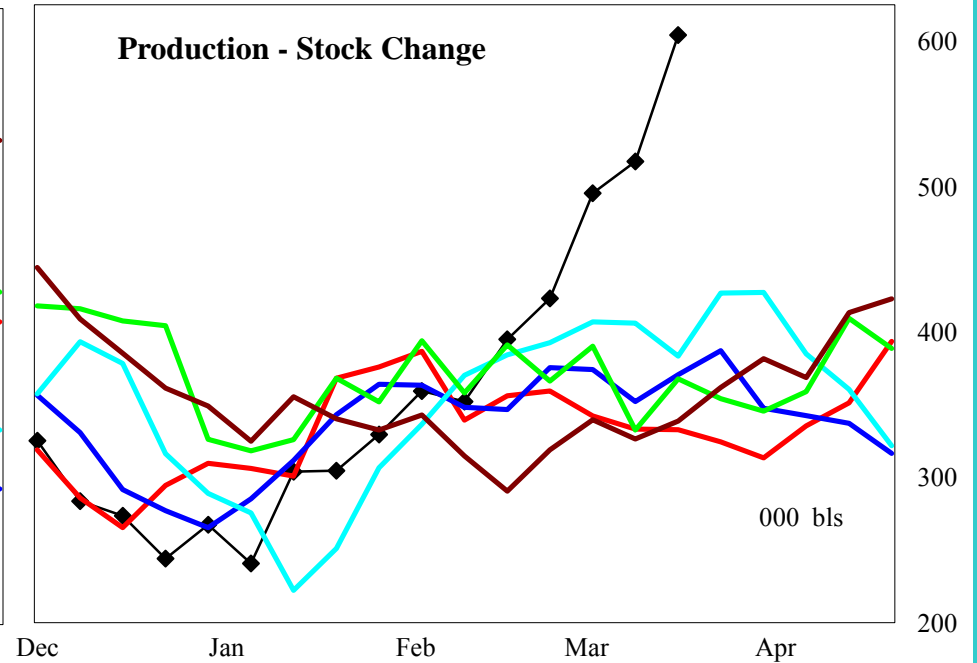
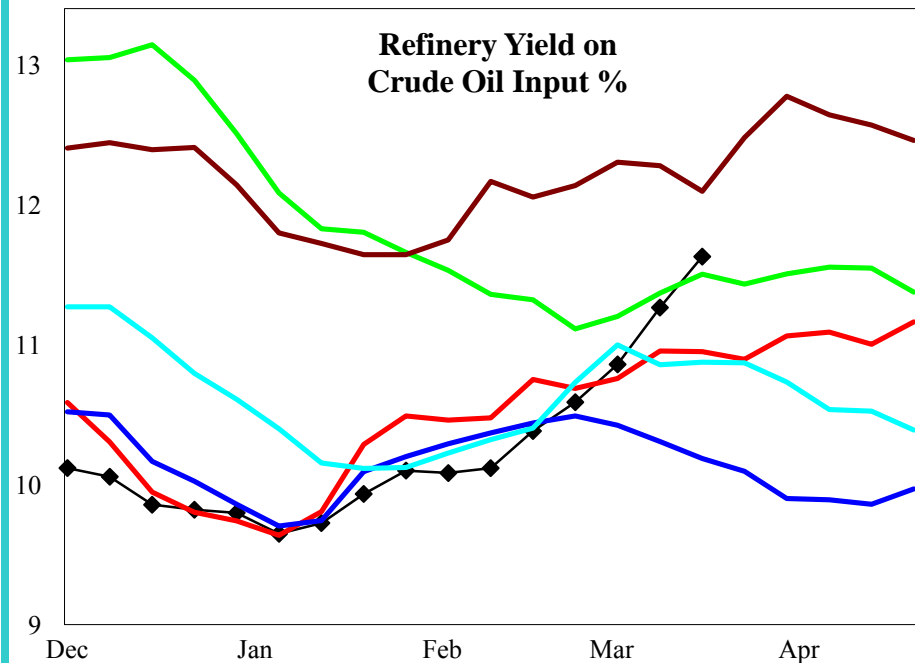
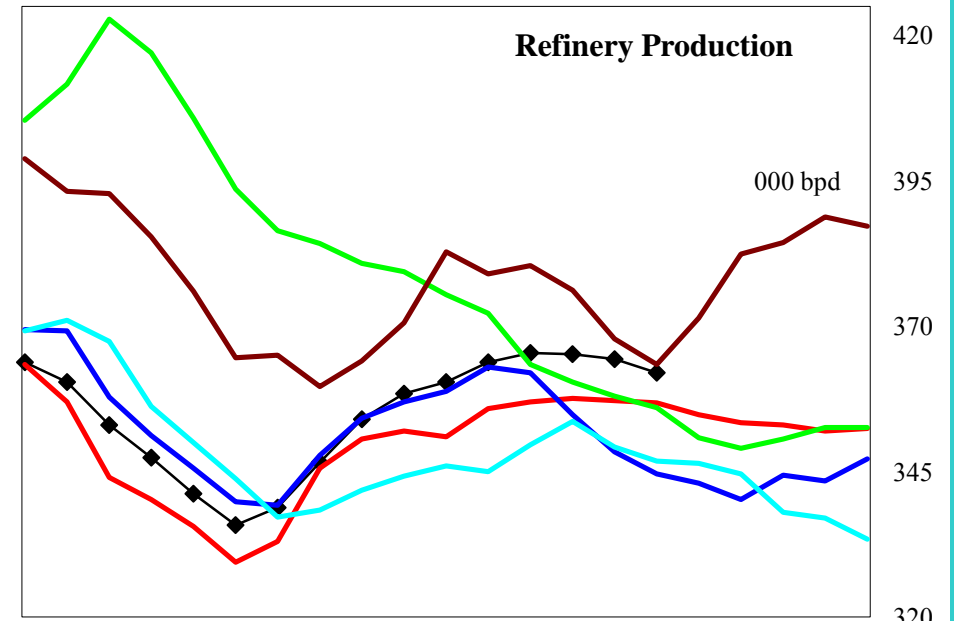
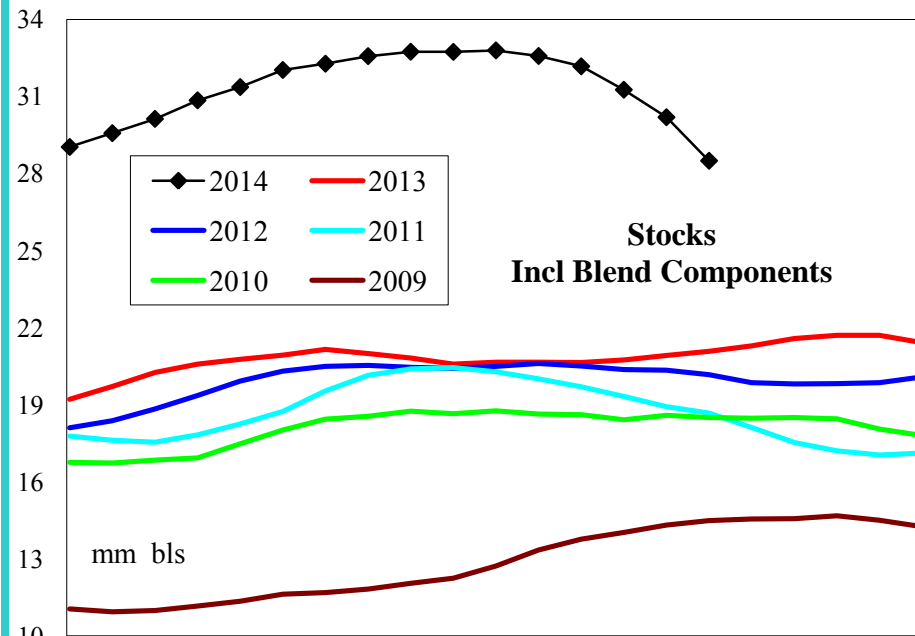


# PADD 2 Gasoline Supply





# PADD 2 Reformulated Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

Production

7,415

7

35.2

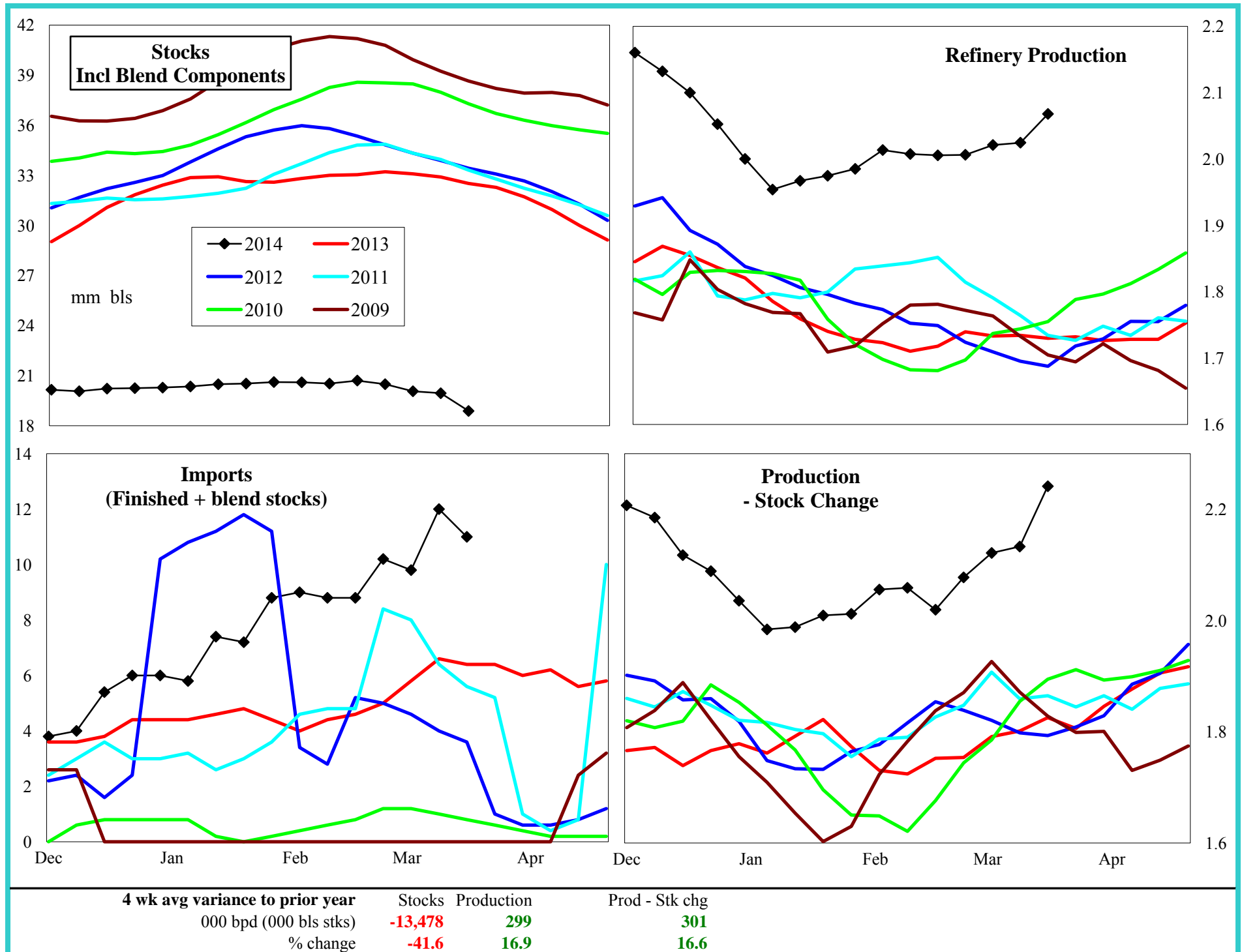
2.0

Prod - Stk chg

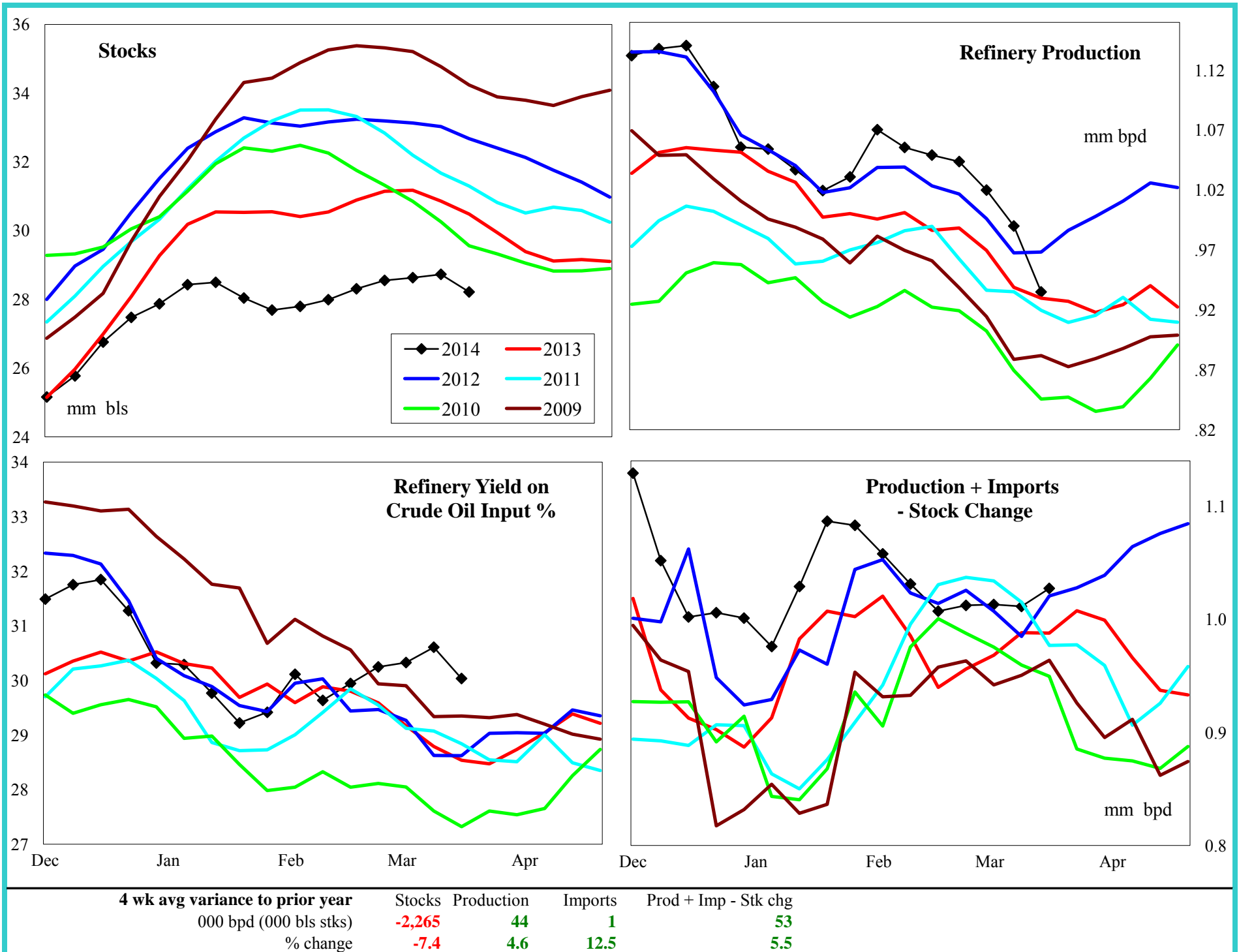
168

49.2

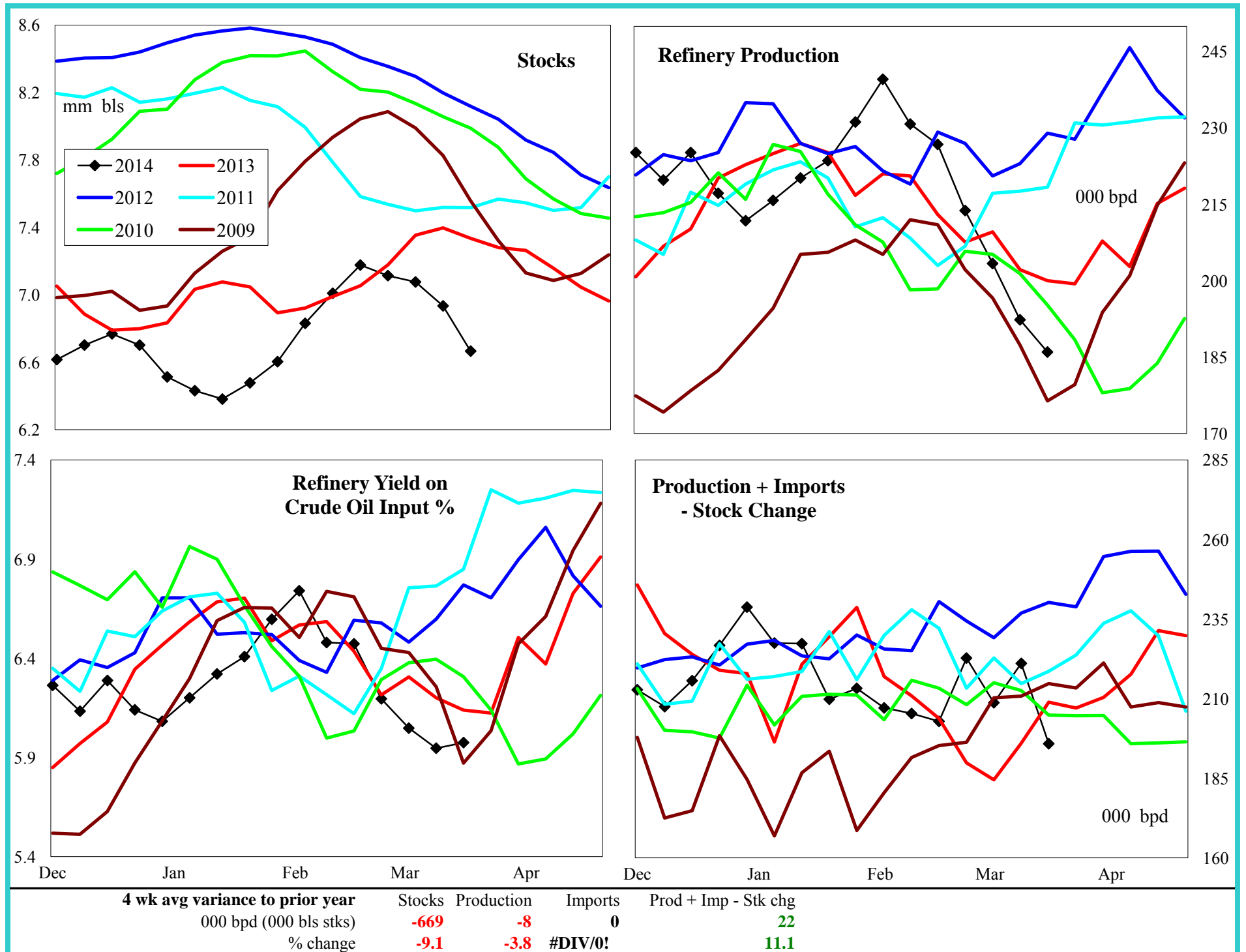
# PADD 2 Conventional Gasoline Supply



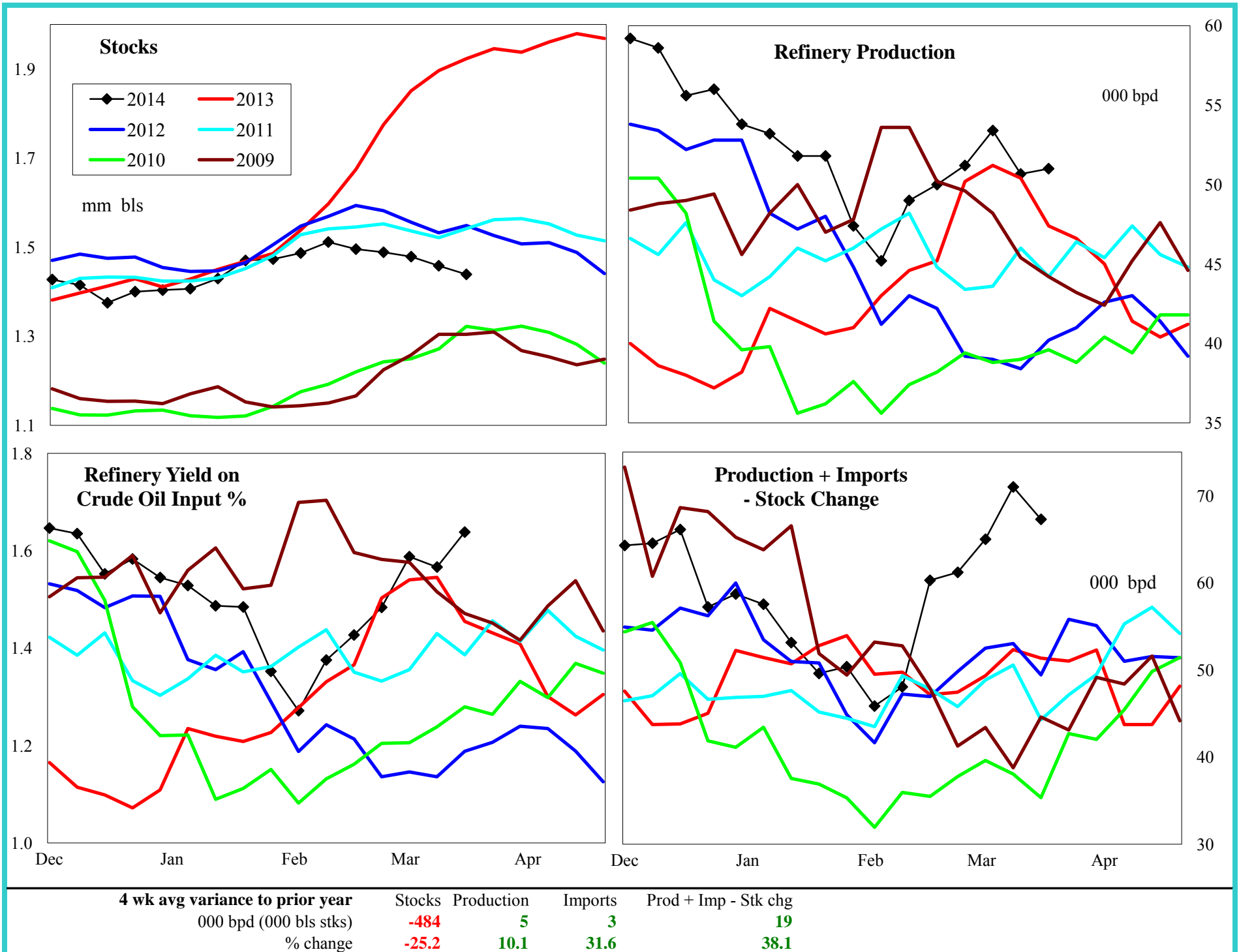
# PADD 2 Distillate Supply



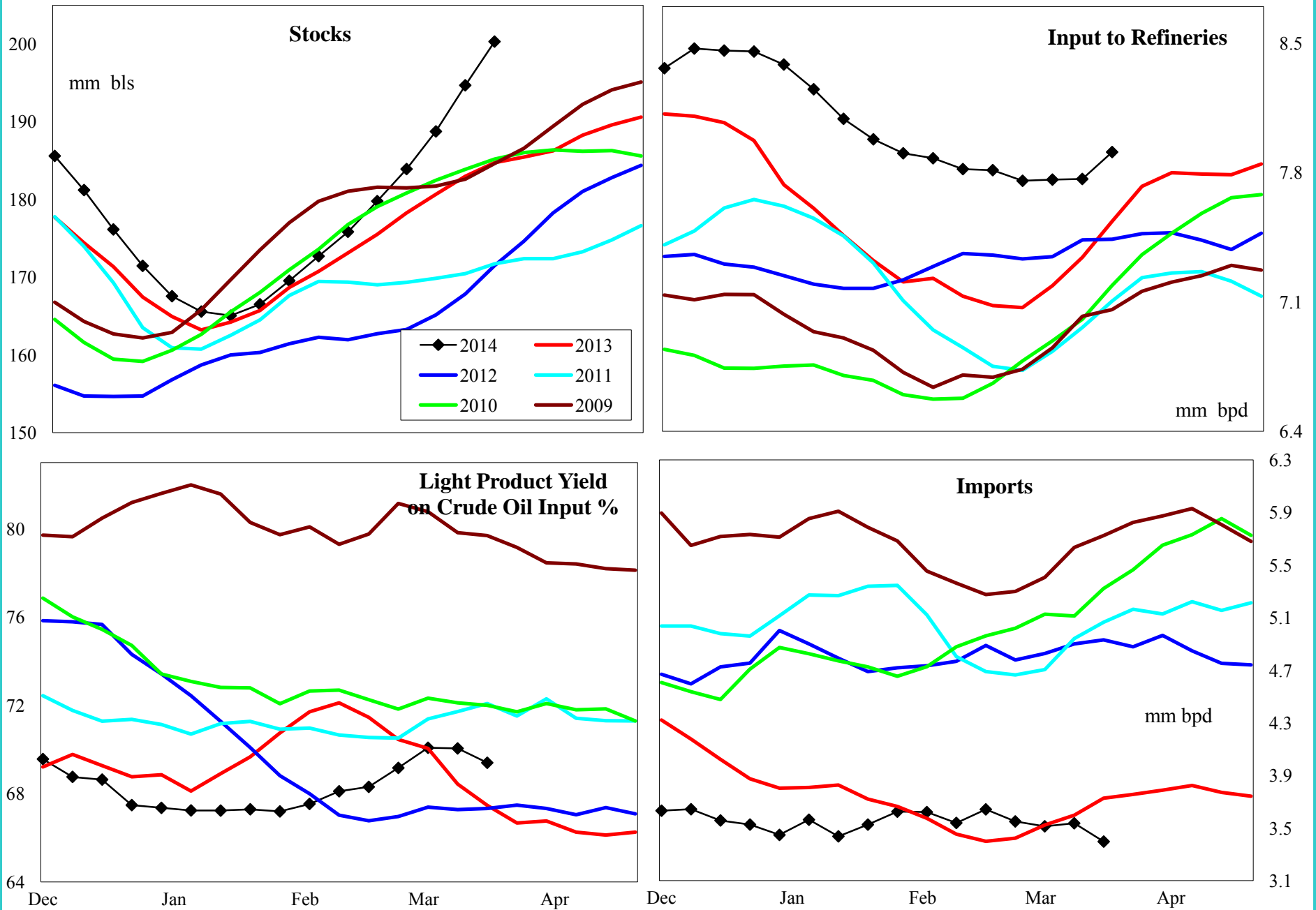
# PADD 2 Jet Fuel Supply



# PADD 2 Residual Fuel Oil Supply



# PADD 3 Crude Oil Supply and Refining



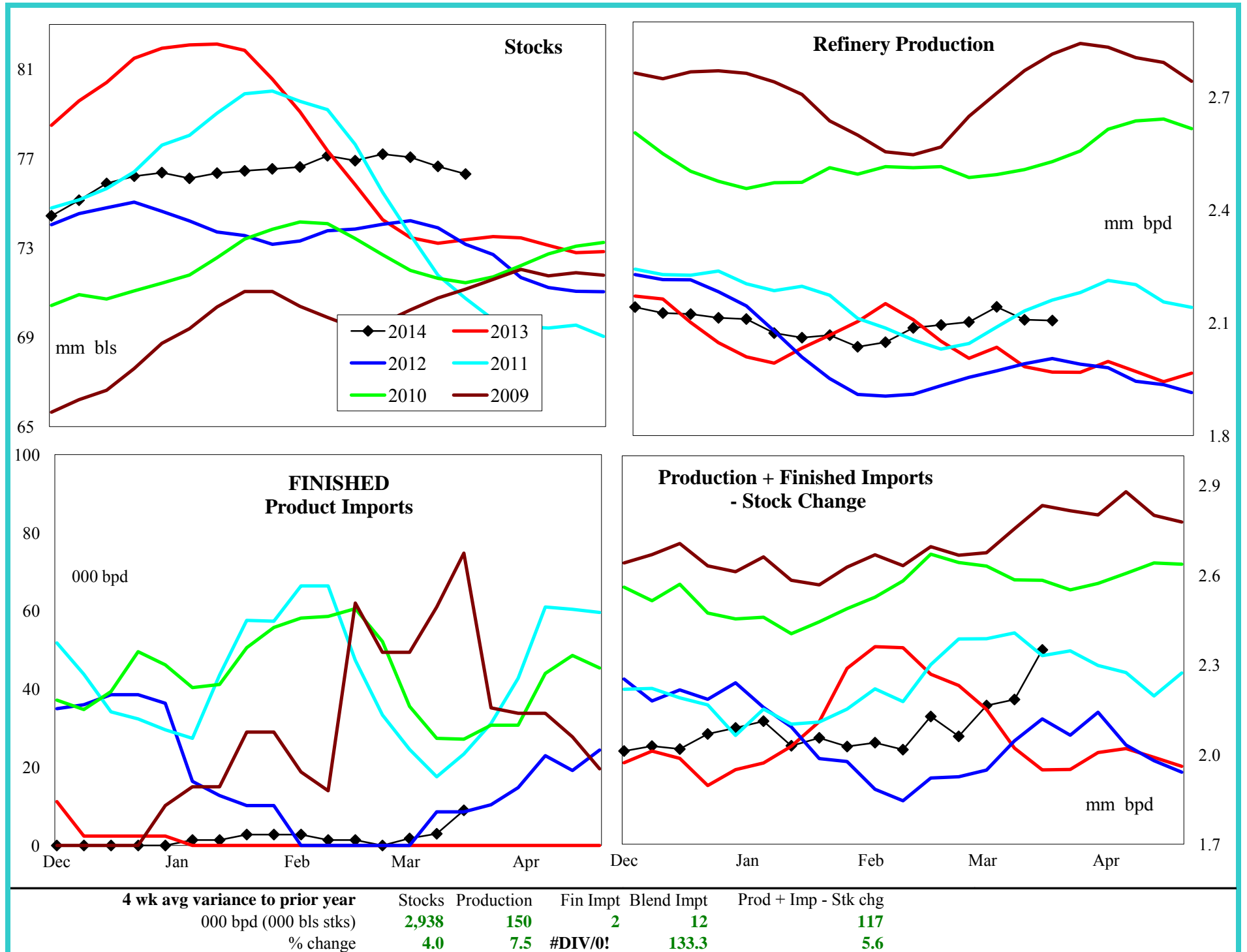
**4 wk avg variance to prior year**  
 000 bpd (000 bls stks)  
 % change

Stocks  
**15,577**  
**8.4**

Input  
**542**  
**7.5**

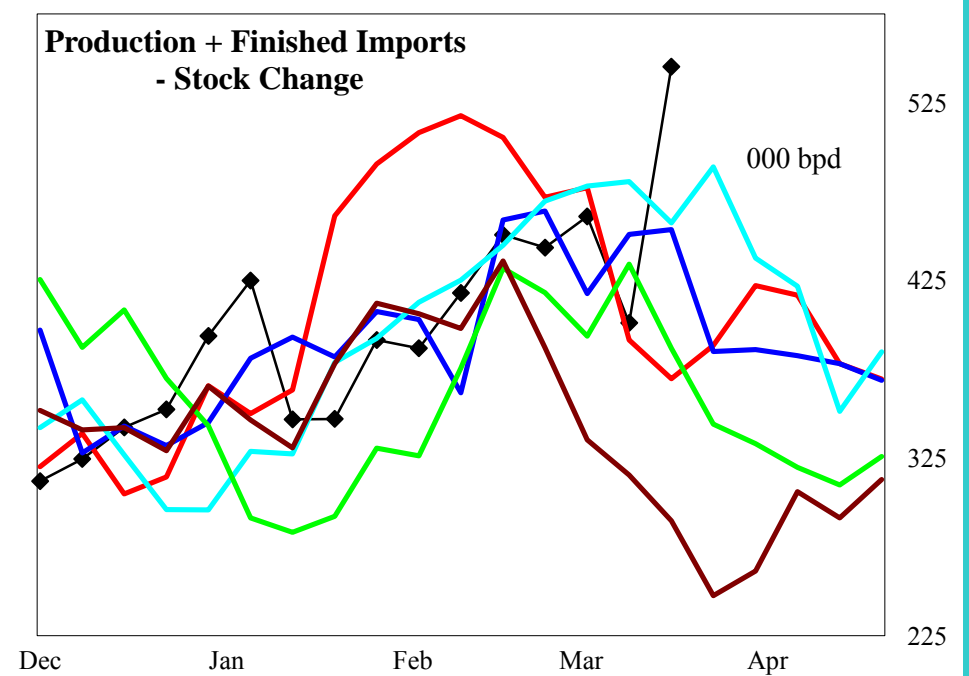
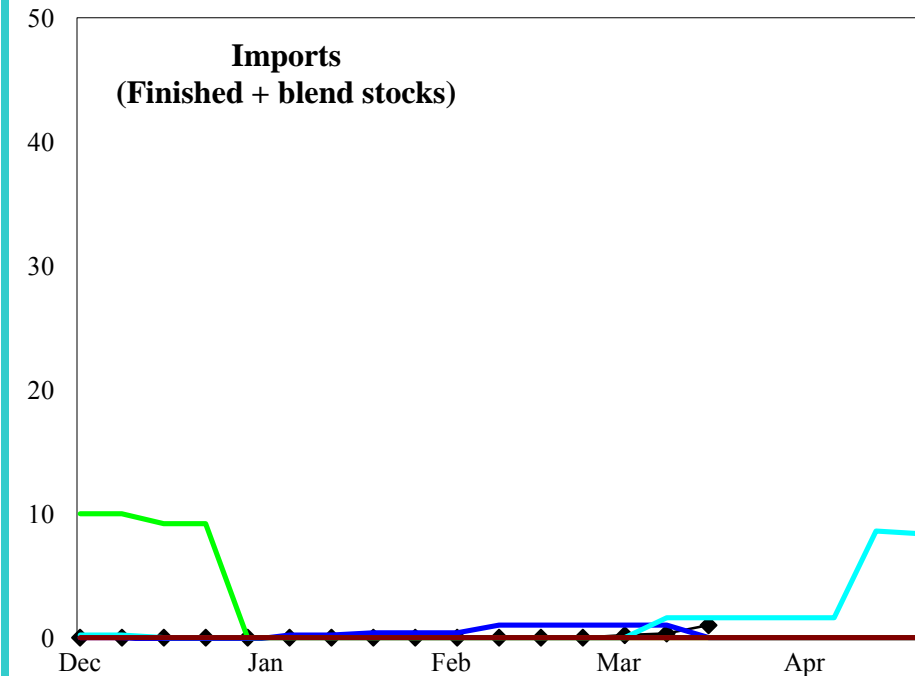
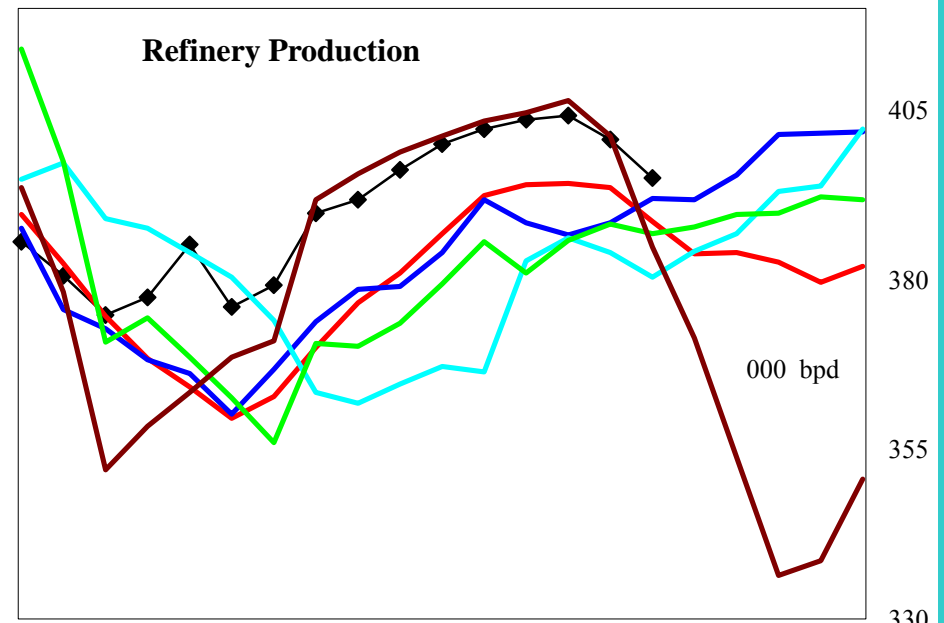
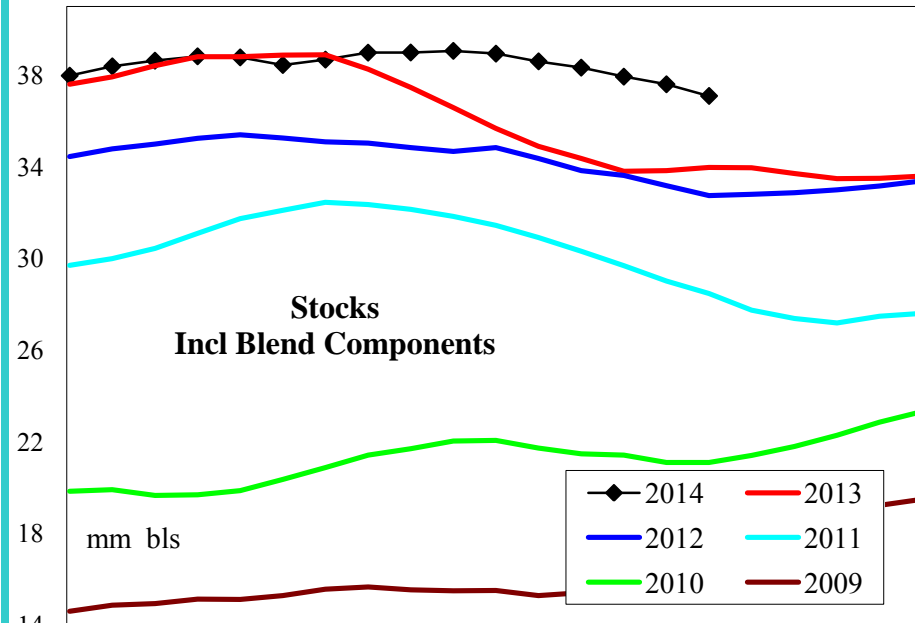
Imports  
**19**  
**0.5**

# PADD 3 Gasoline Supply





# PADD 3 Reformulated Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

3,470

Production

8

Imports

0

Prod + Imp - Stk chg

91

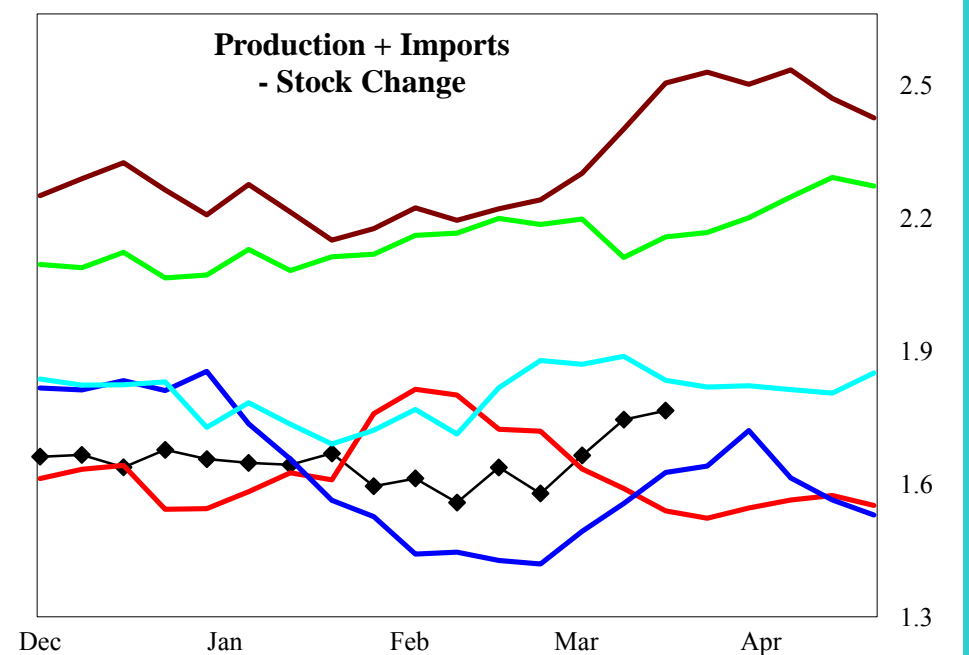
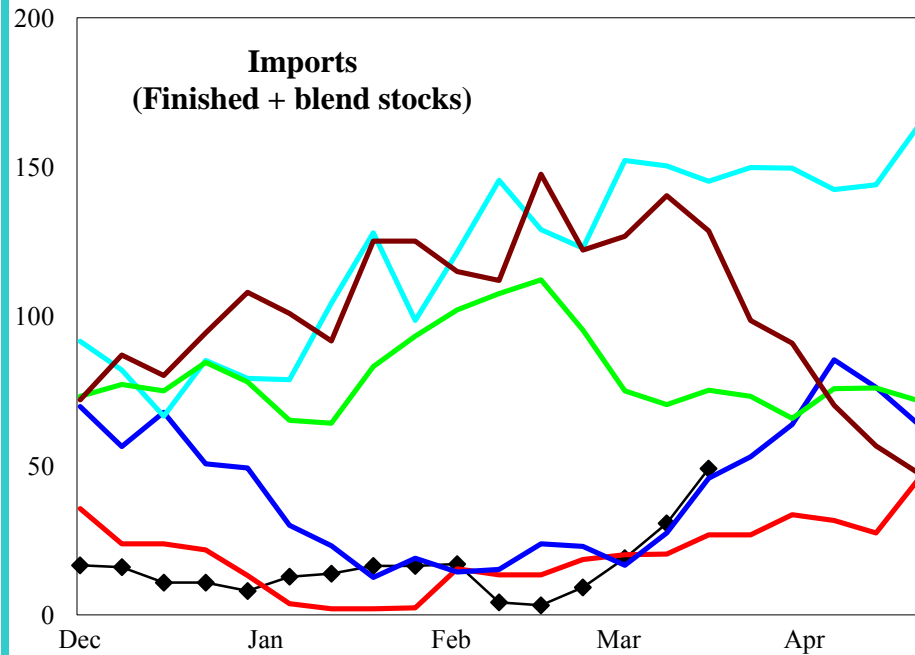
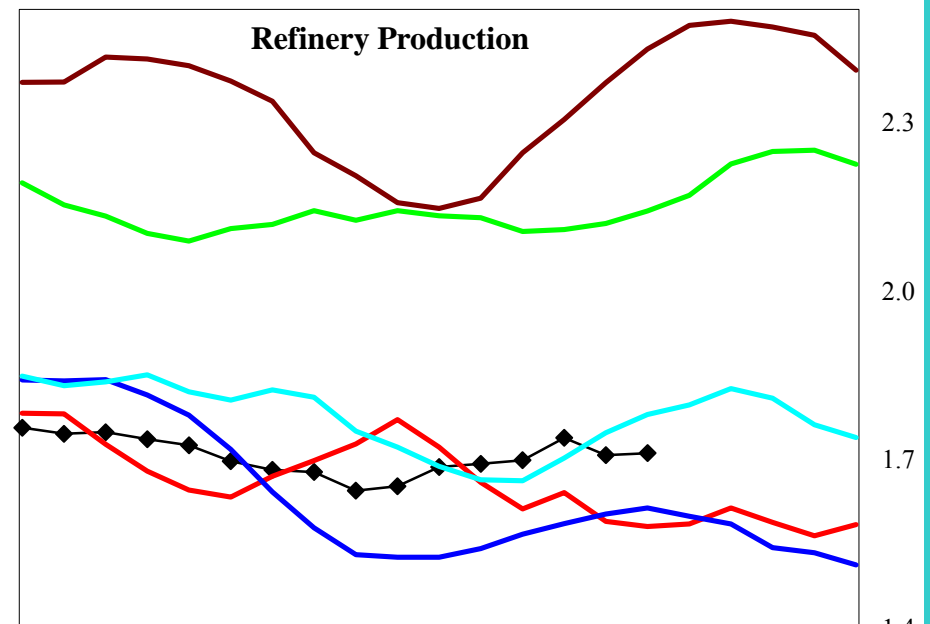
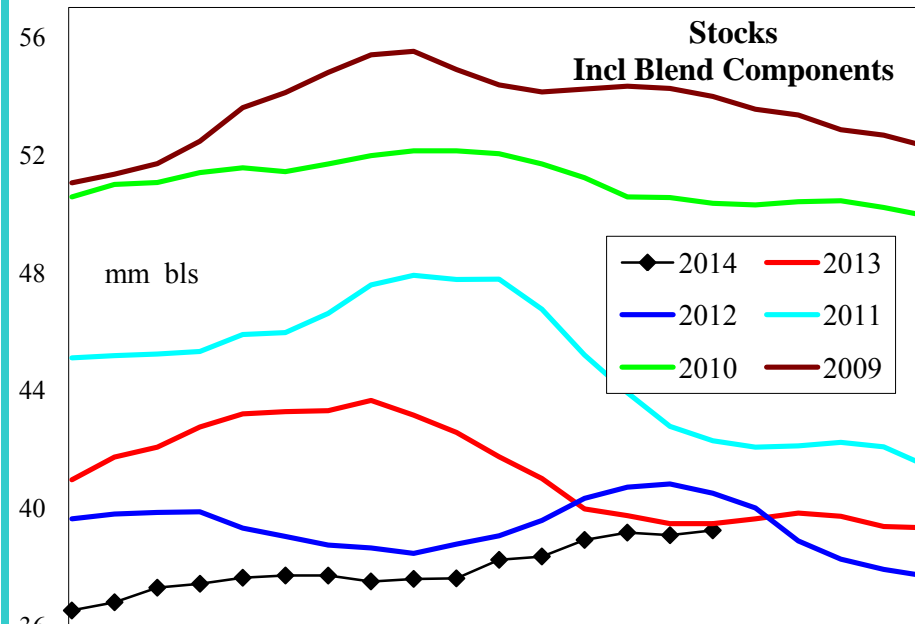
10.3

2.1

#DIV/0!

22.2

# PADD 3 Conventional Gasoline Supply



**4 wk avg variance to prior year**

000 bpd (000 bbls stks)

% change

Stocks

-595

-1.5

Production

142

8.9

Imports

14

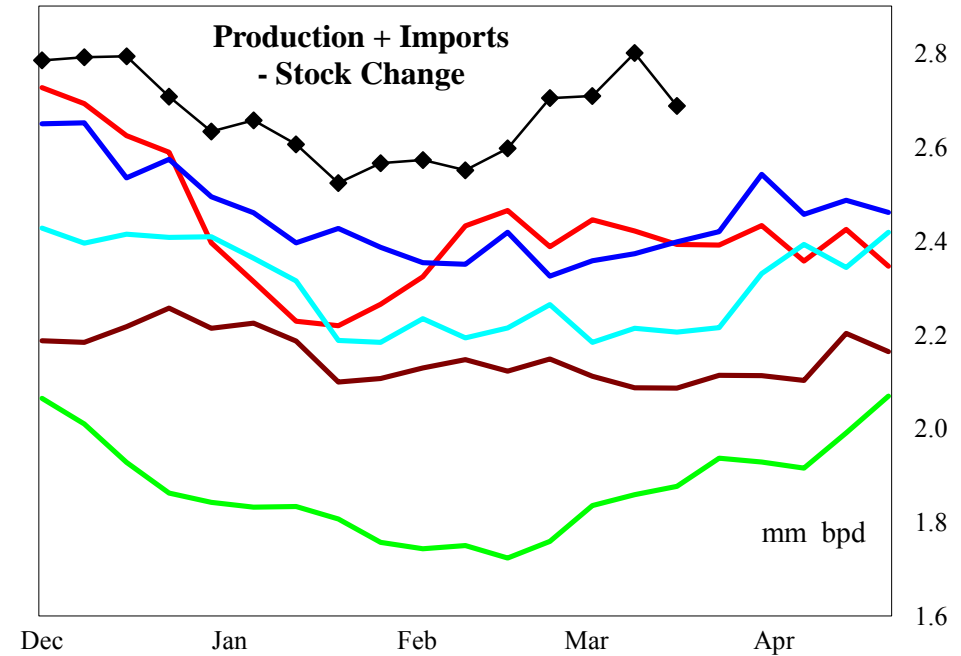
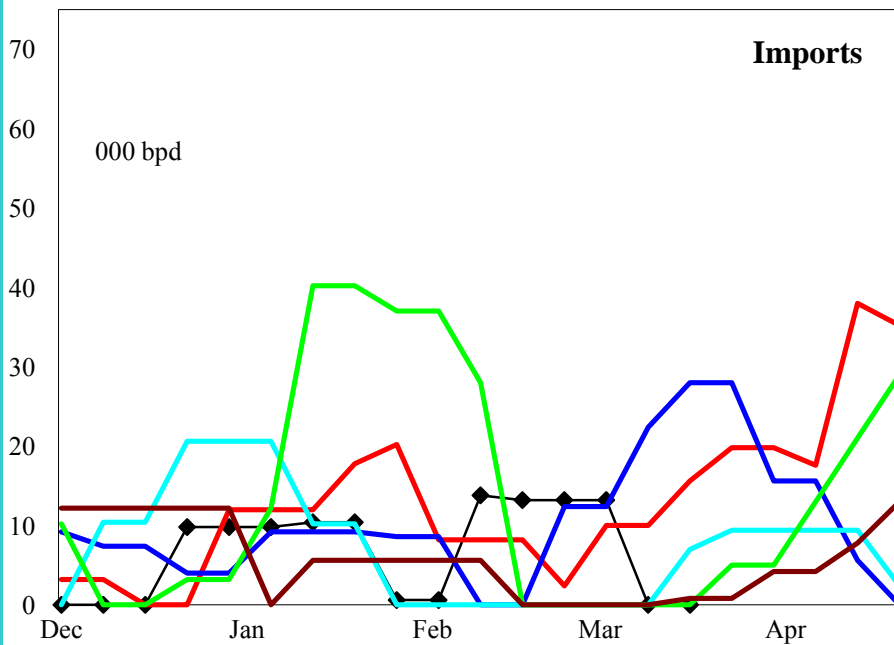
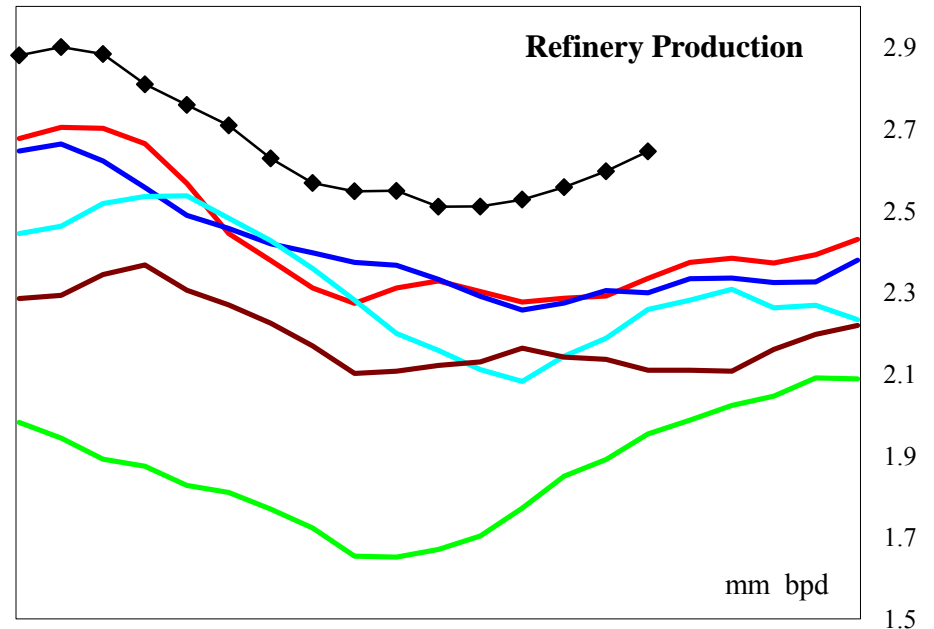
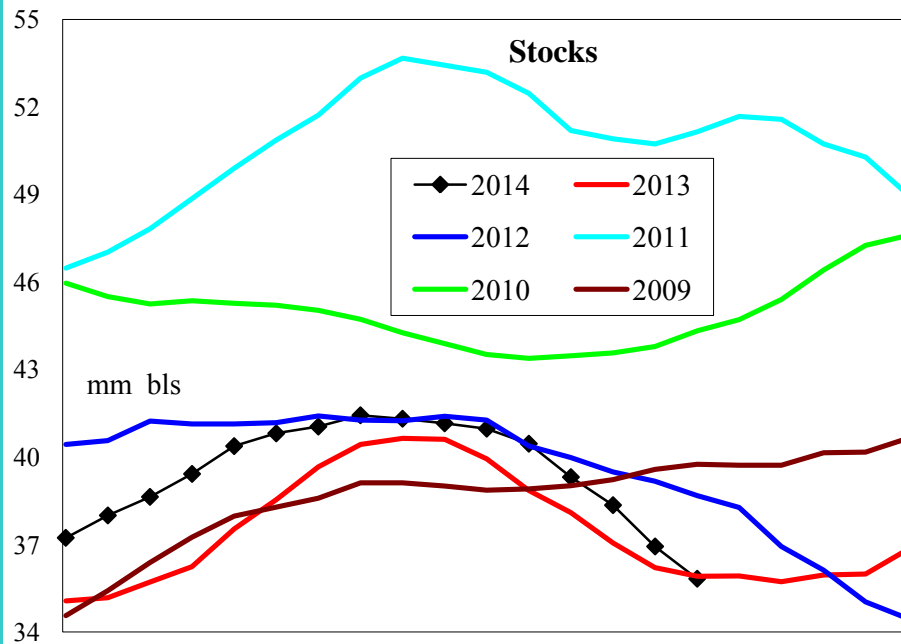
155.6

Prod + Imp - Stk chg

28

1.7

# PADD 3 Distillate Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

Production

Imports

Prod + Imp - Stk chg

703

305

4

302

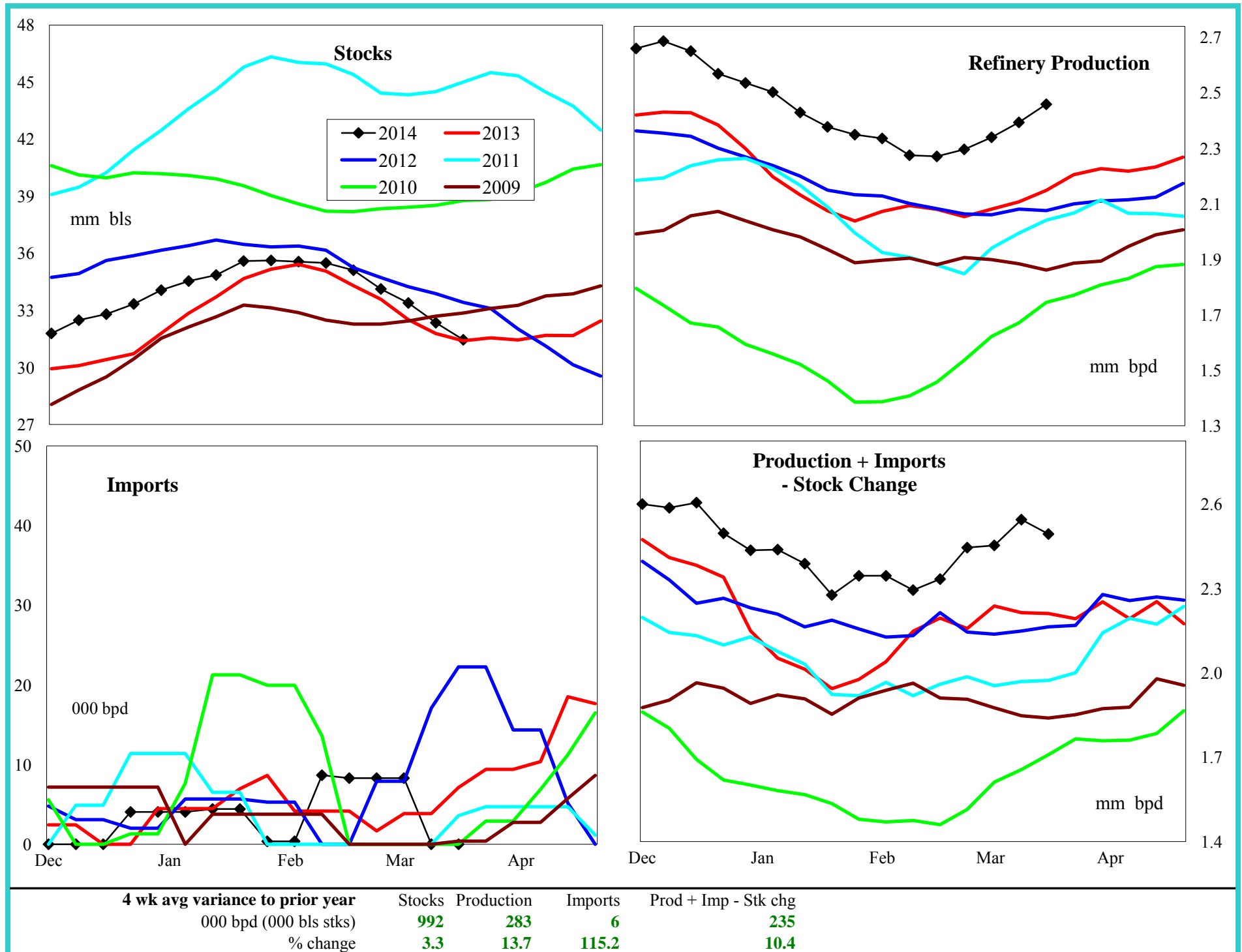
2.0

13.5

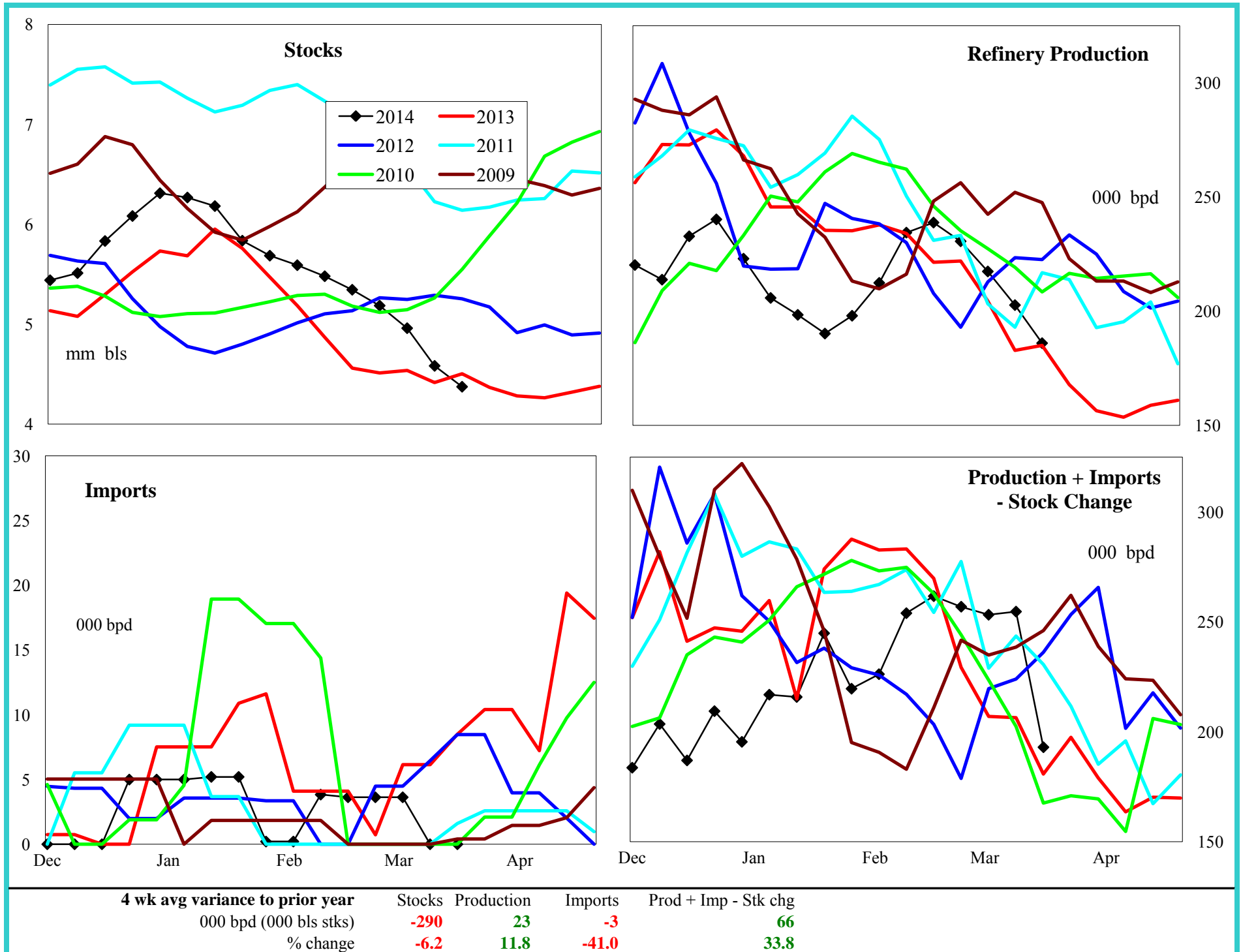
32.0

12.3

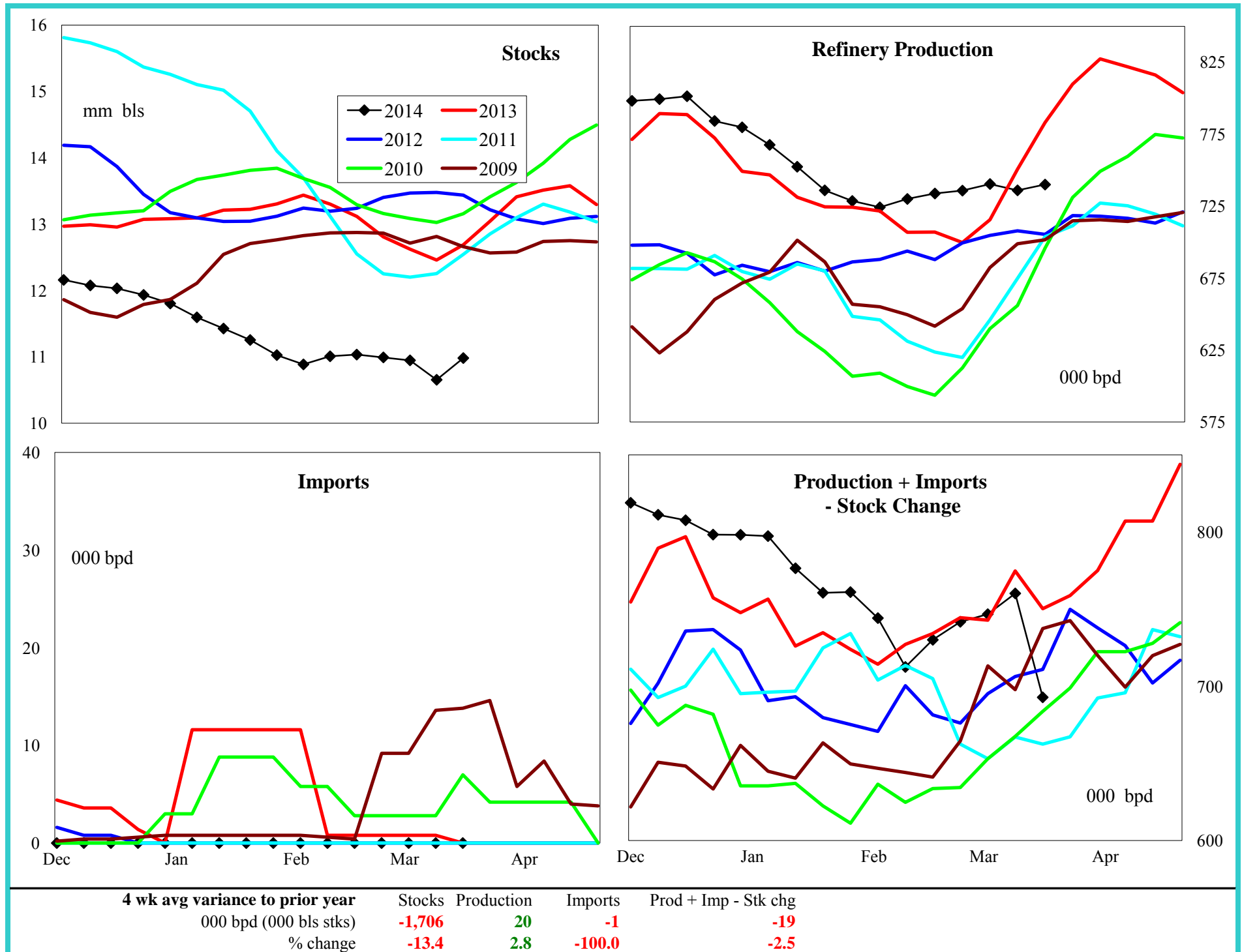
# PADD 3 Low Sulfur Distillate Supply



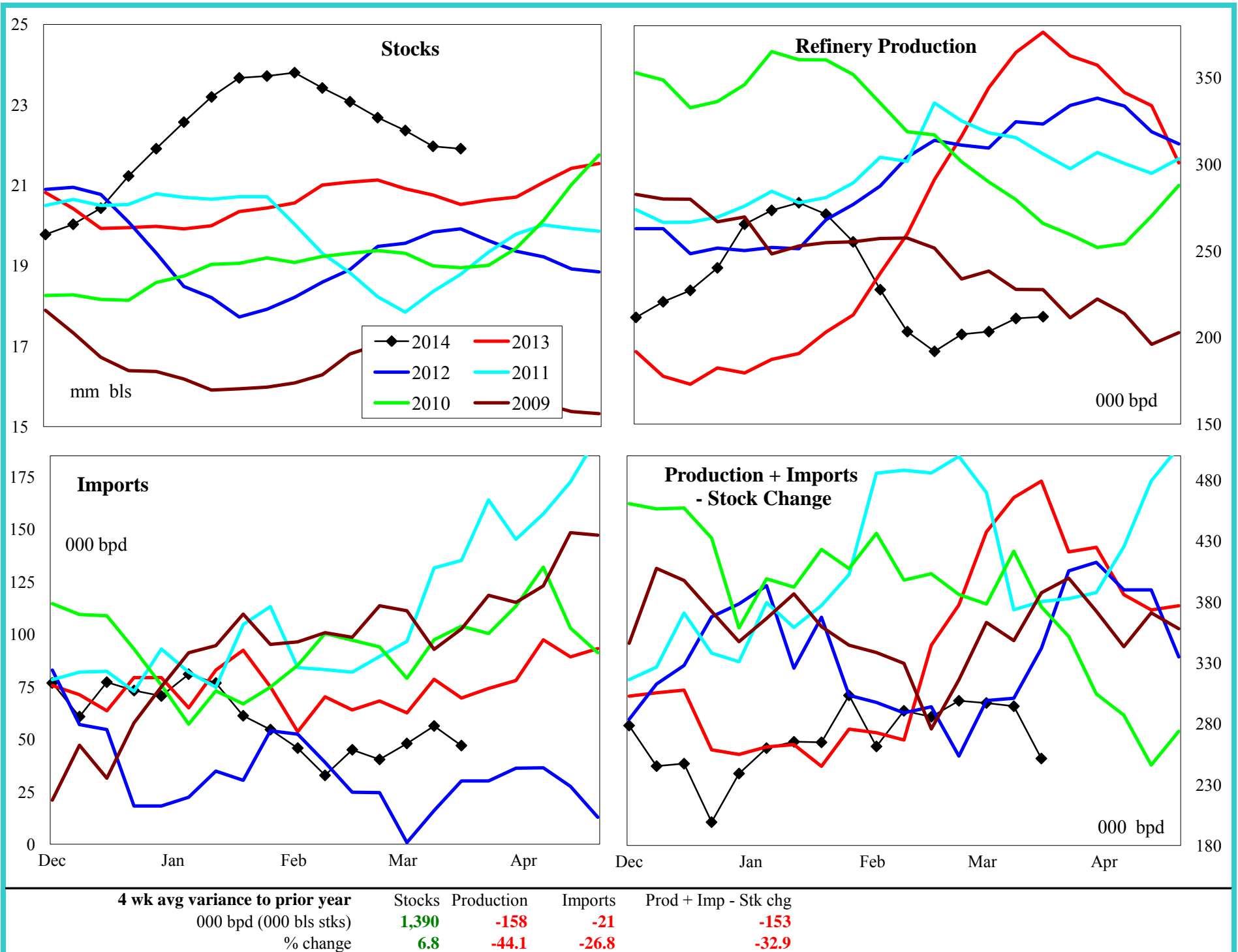
# PADD 3 High Sulfur Distillate Supply



# PADD 3 Jet Fuel Supply

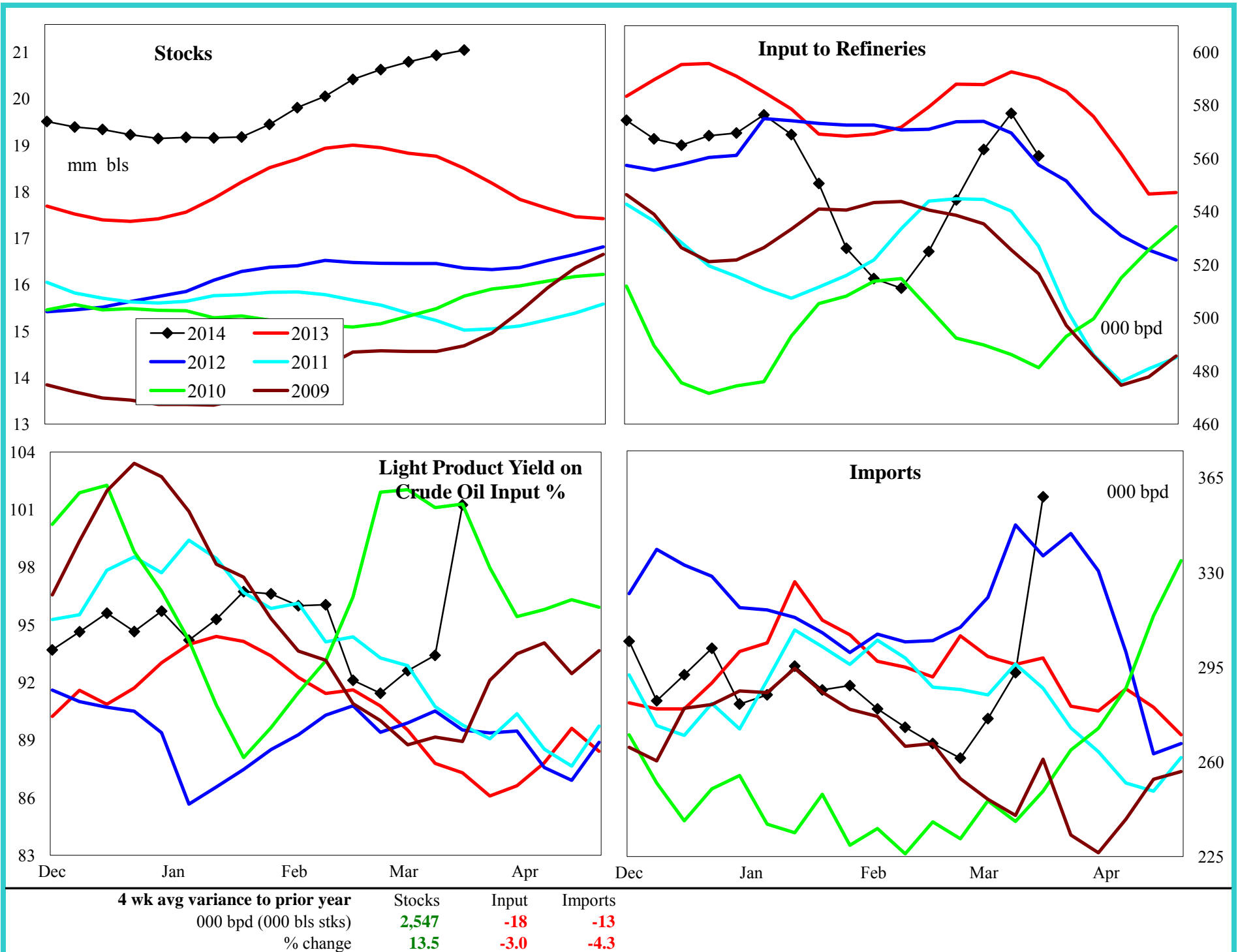


# PADD 3 Residual Fuel Oil Supply

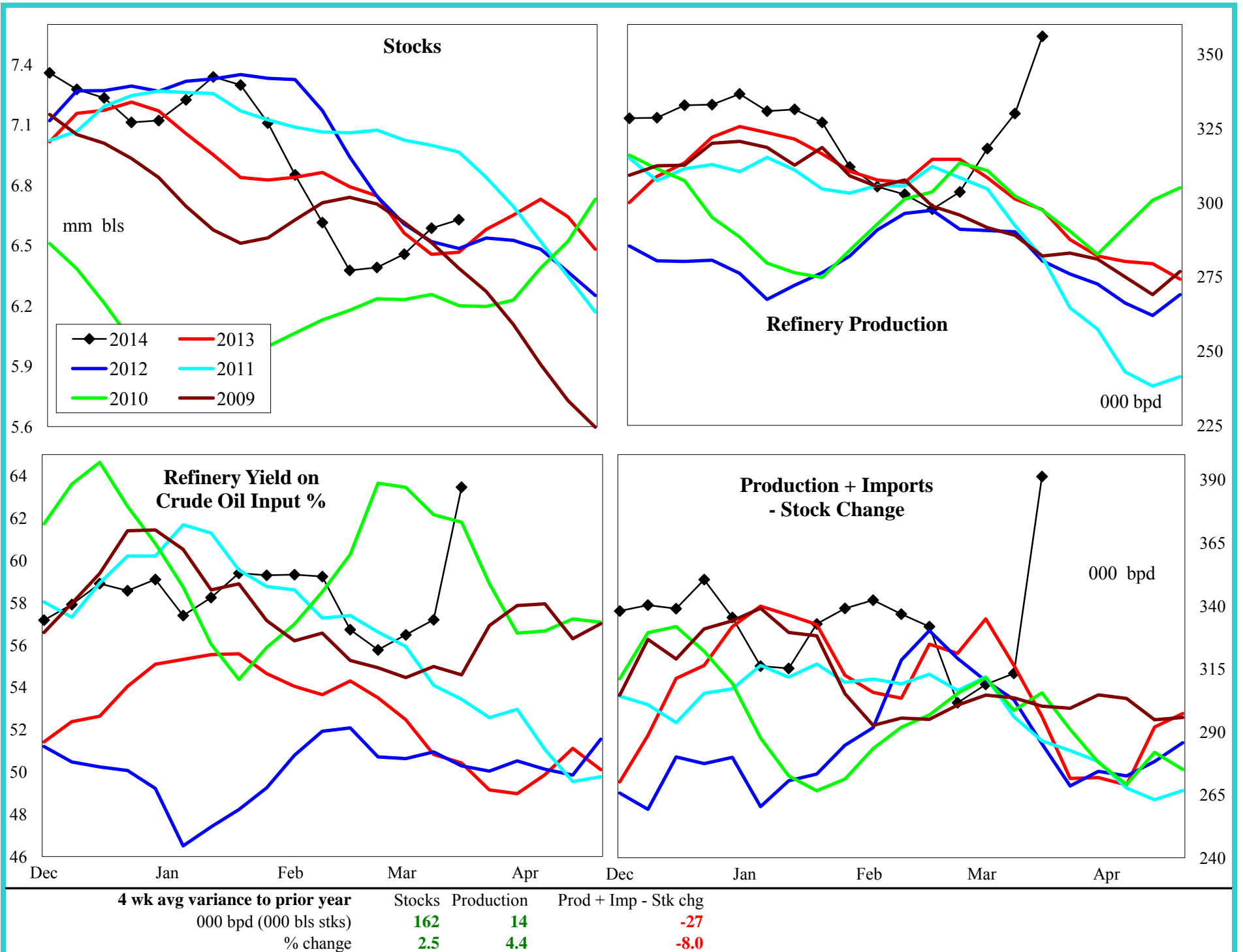




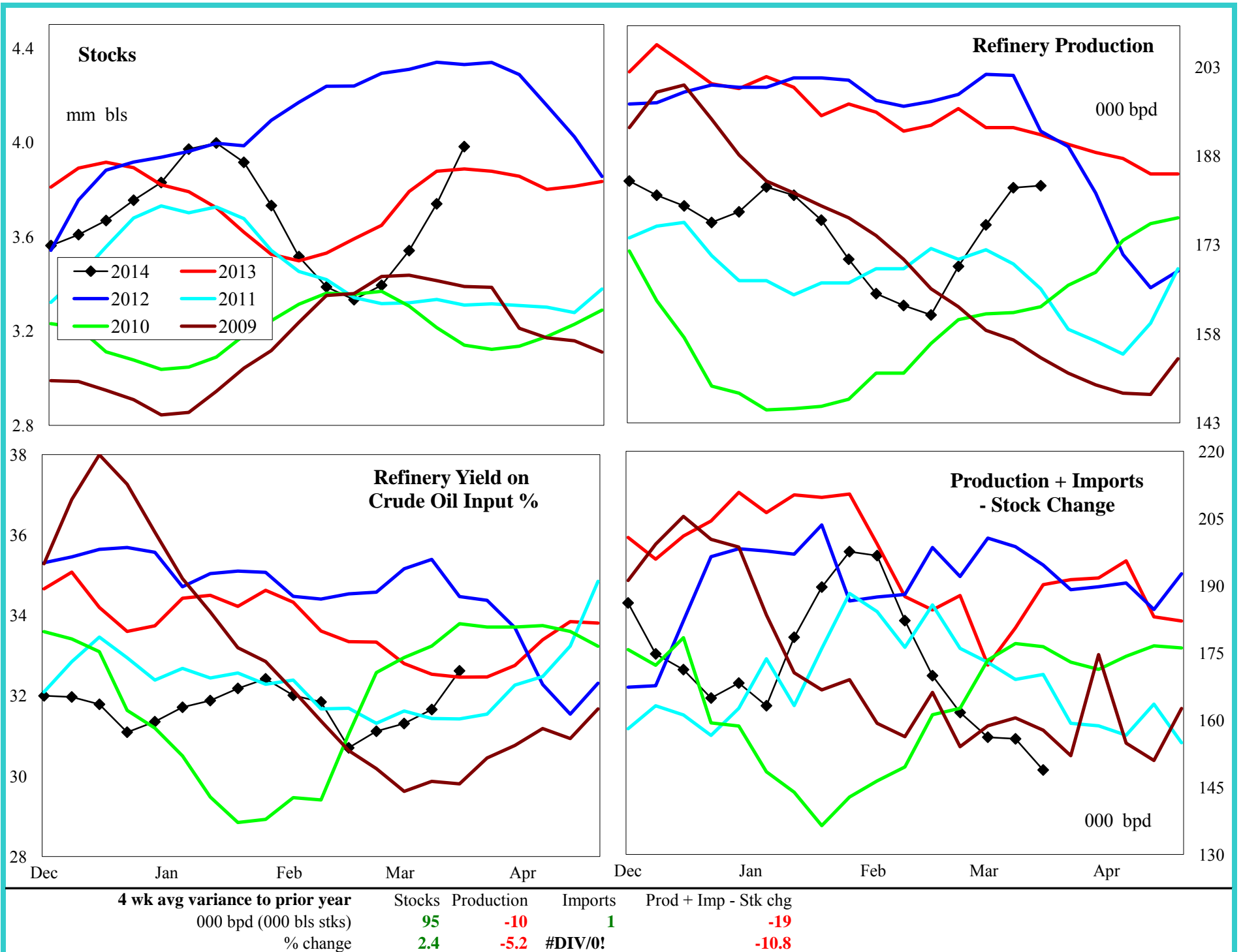
# PADD 4 Crude Oil Supply and Refining



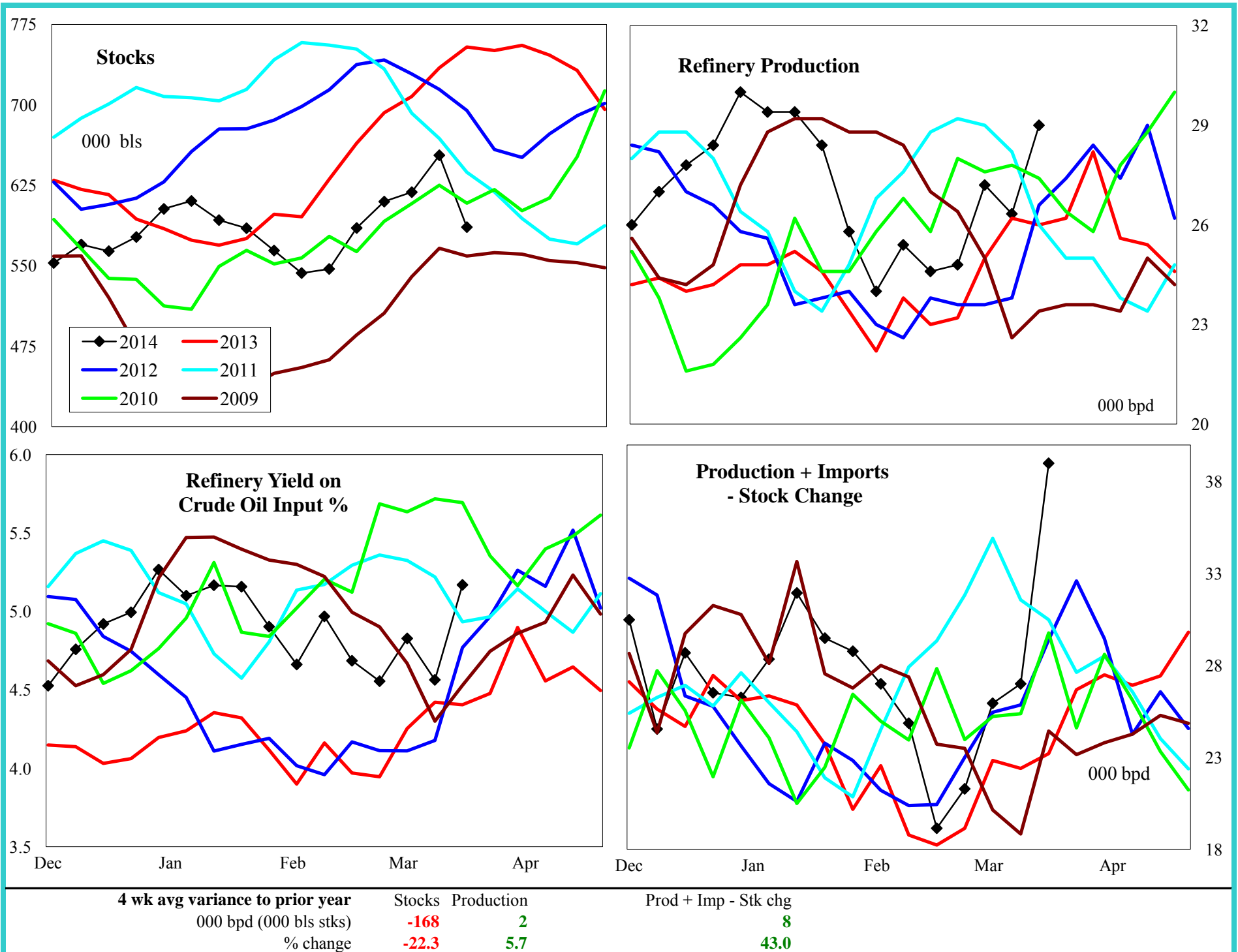
# PADD 4 Gasoline Supply



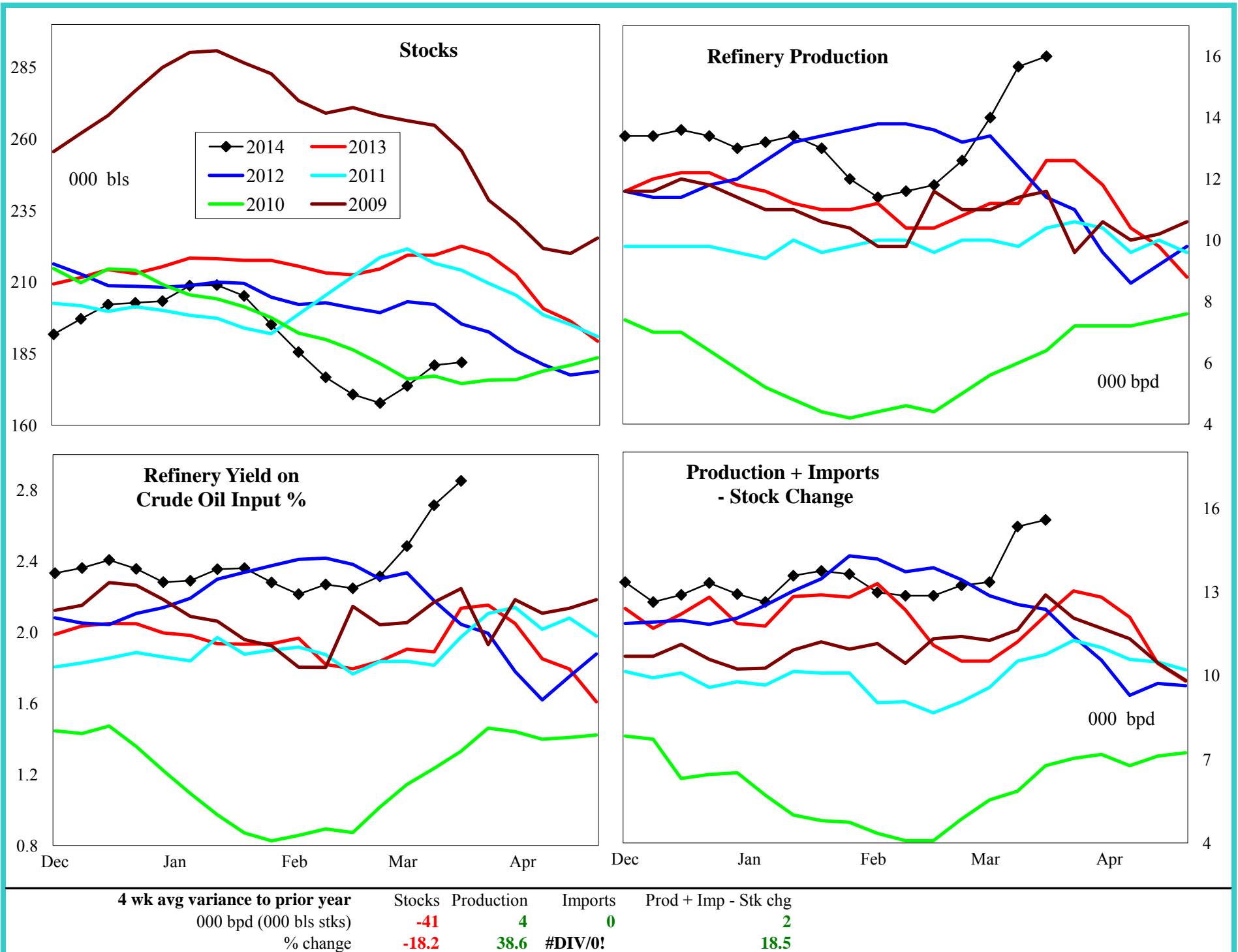
# PADD 4 Distillate Supply



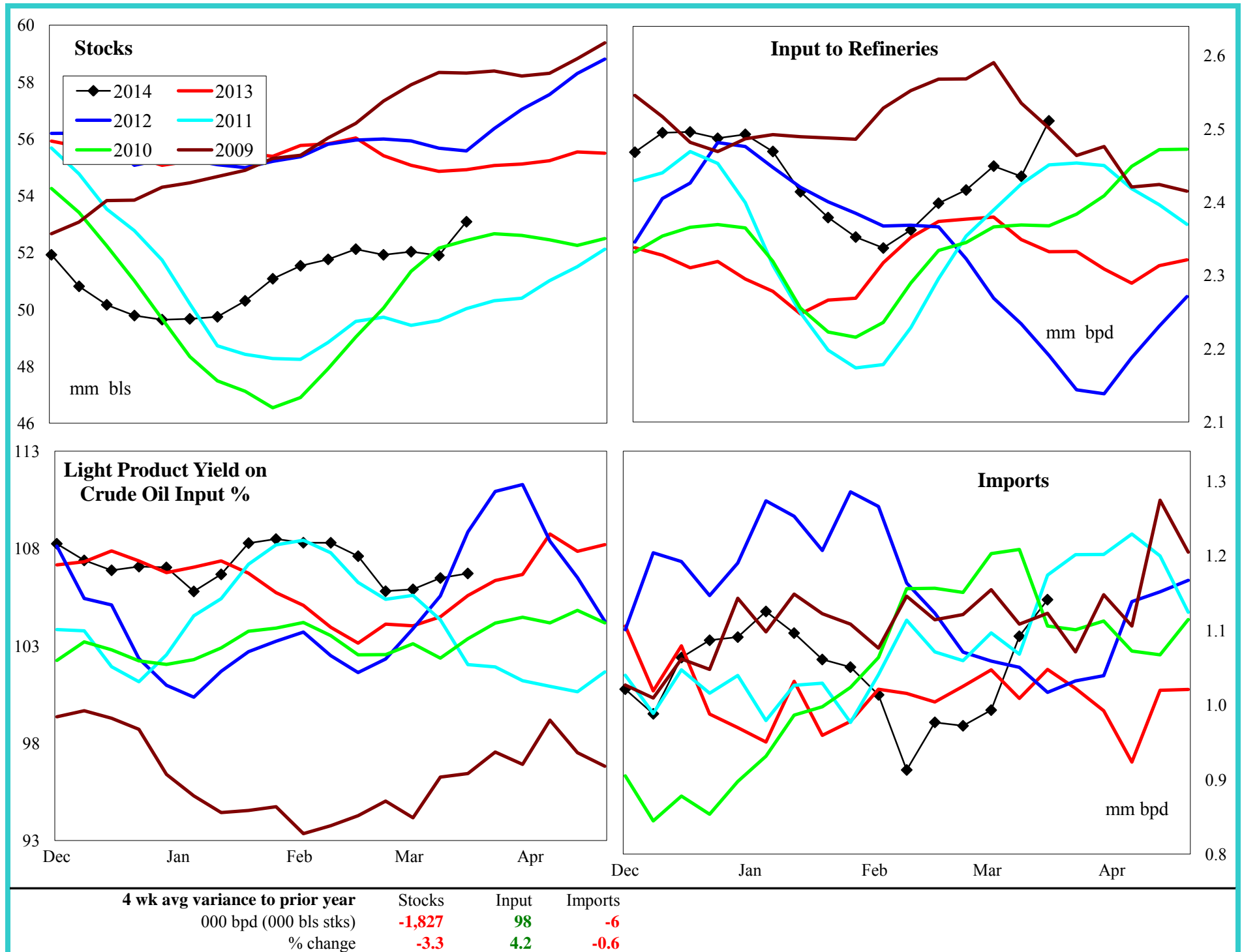
# PADD 4 Jet Fuel Supply



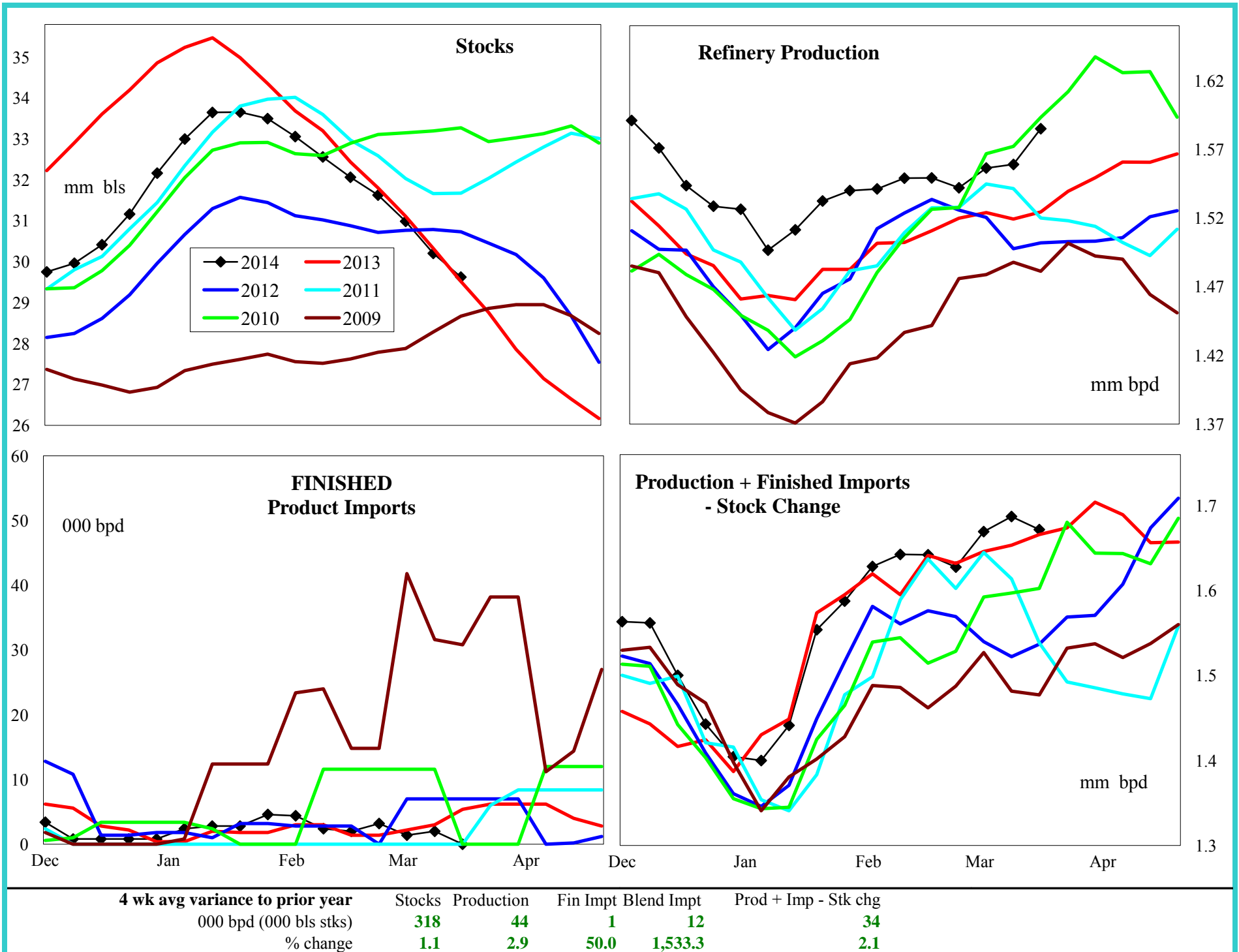
# PADD 4 Residual Fuel Oil Supply



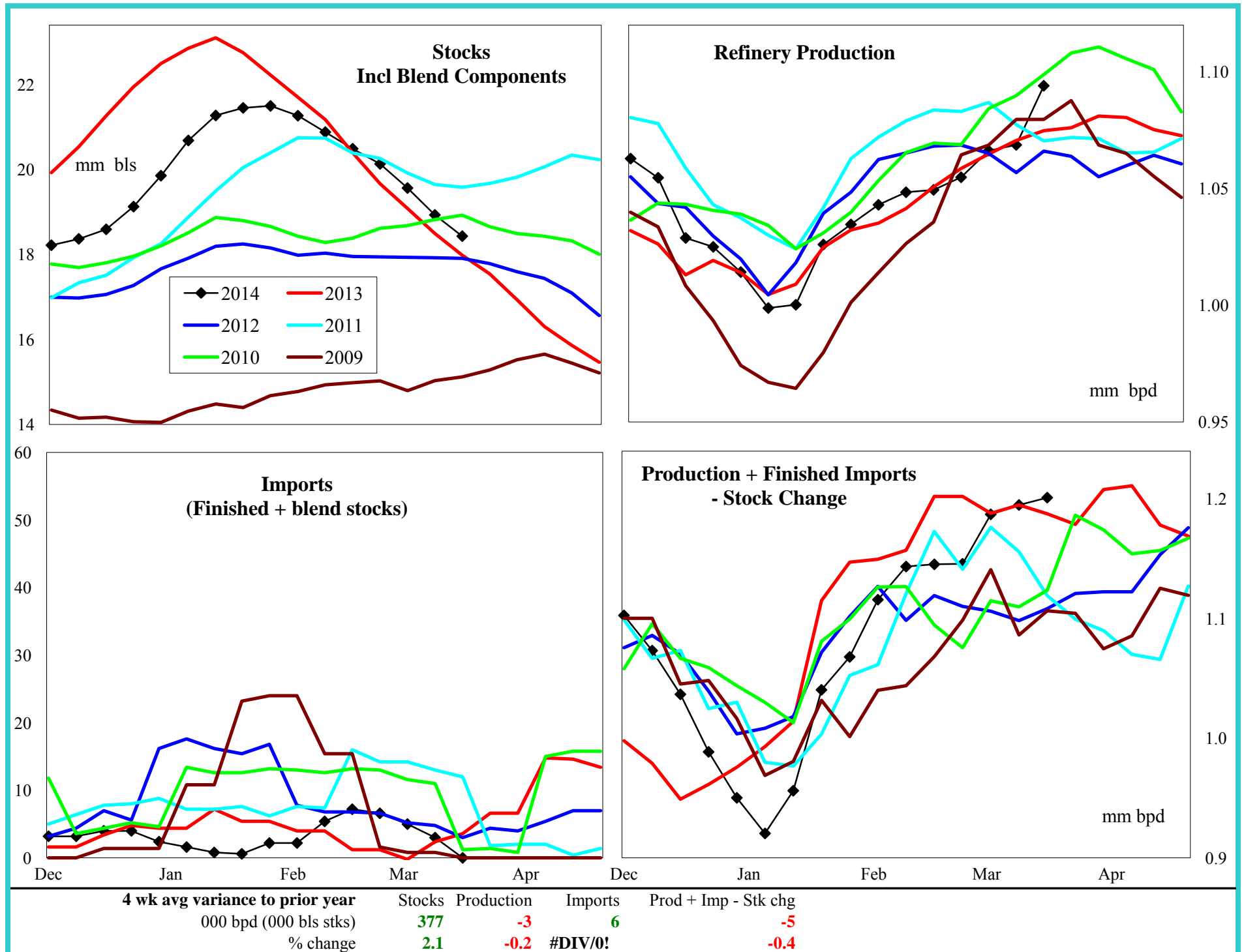
# PADD 5 Crude Oil Supply and Refining



# PADD 5 Gasoline Supply

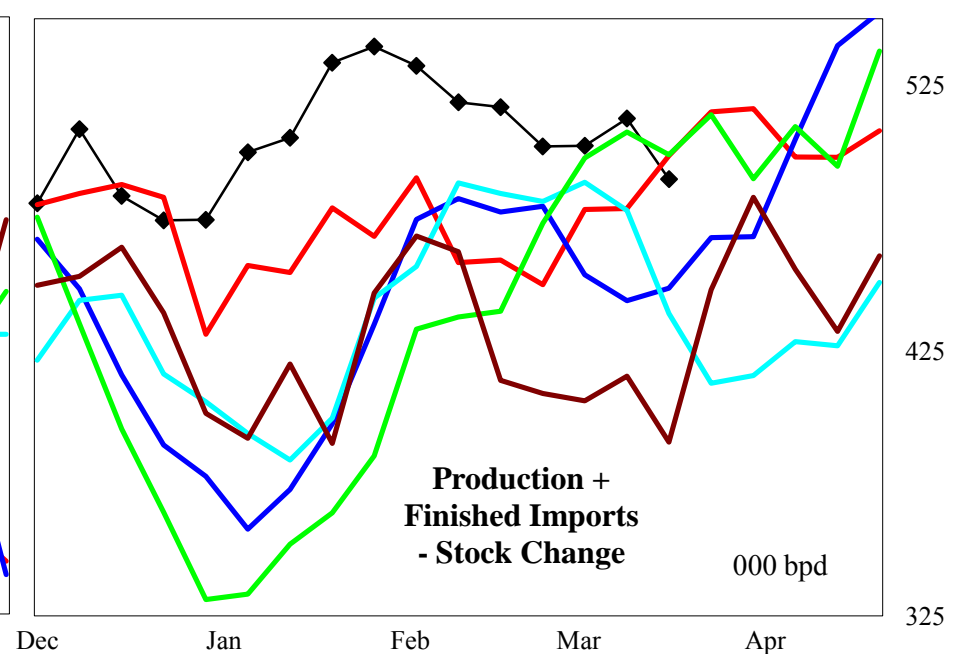
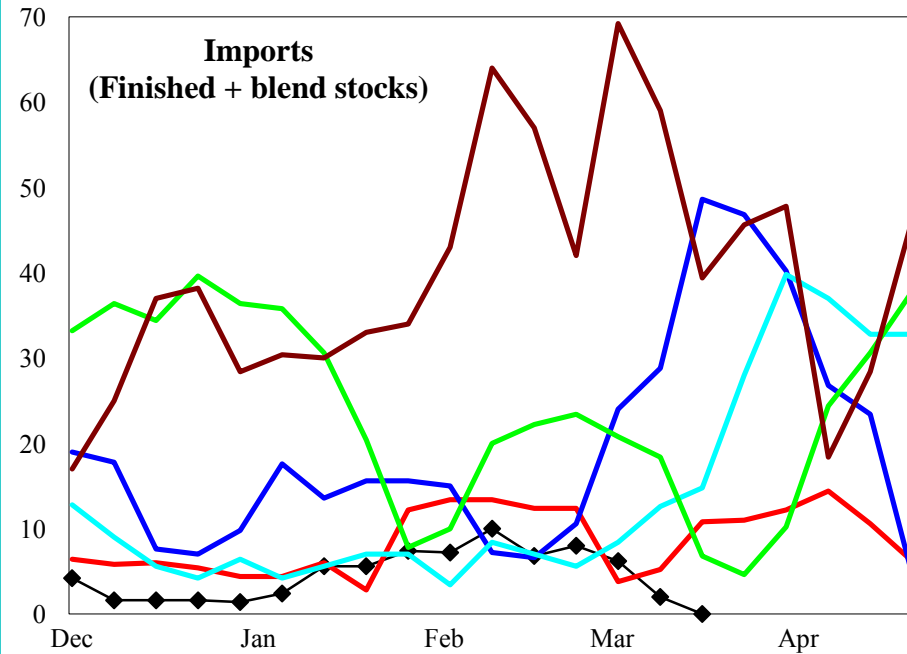
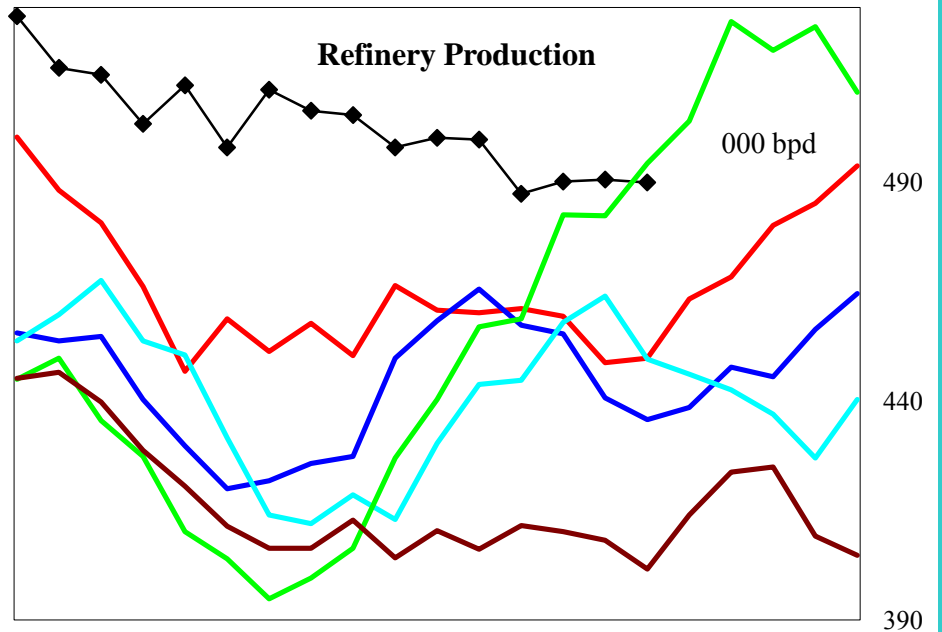
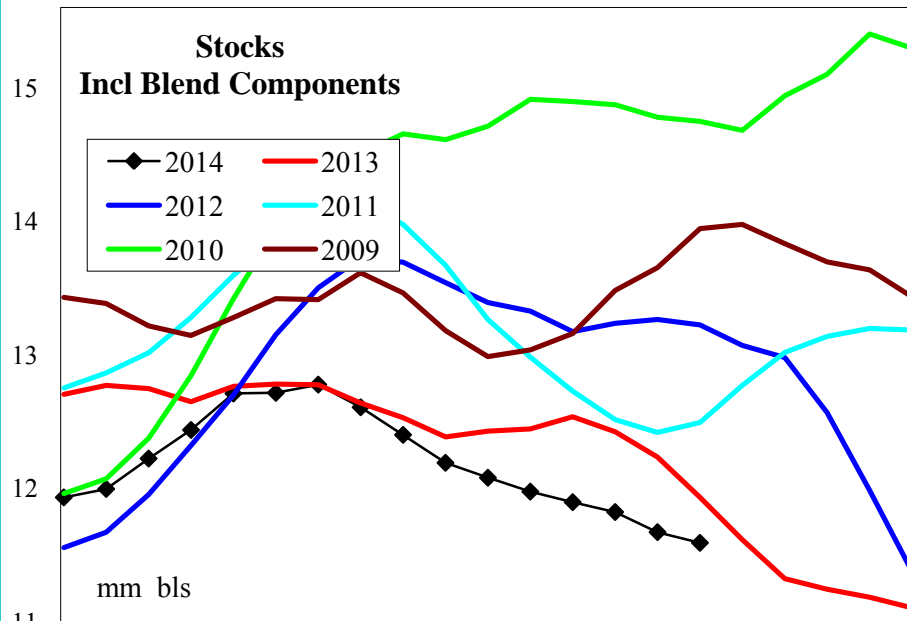


# PADD 5 Reformulated Gasoline Supply





# PADD 5 Conventional Gasoline Supply



**4 wk avg variance to prior year**

000 bpd (000 bbls stks)

% change

Stocks

-59

-0.5

Production

46

10.3

Imports

6

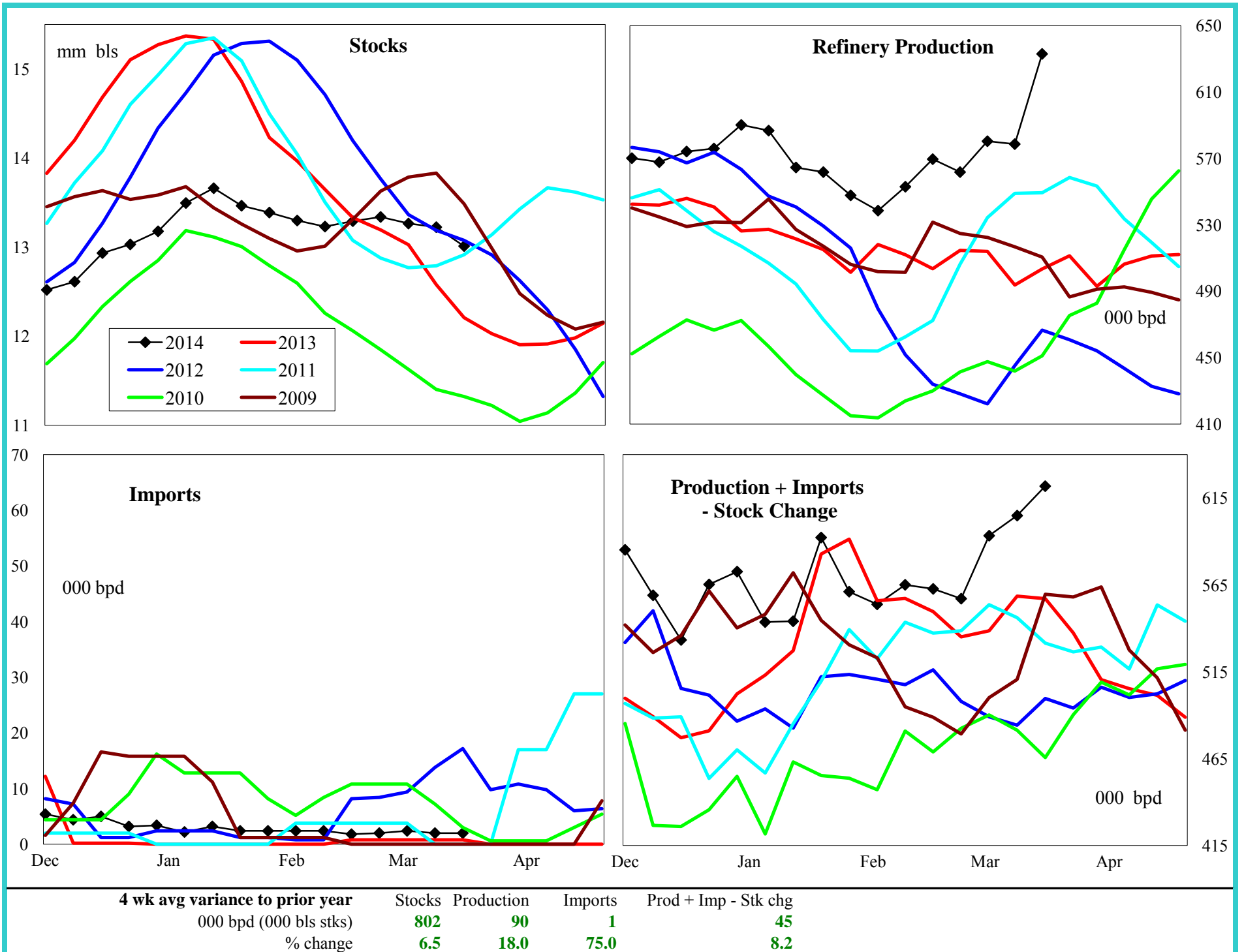
328.6

Prod + Imp - Stk chg

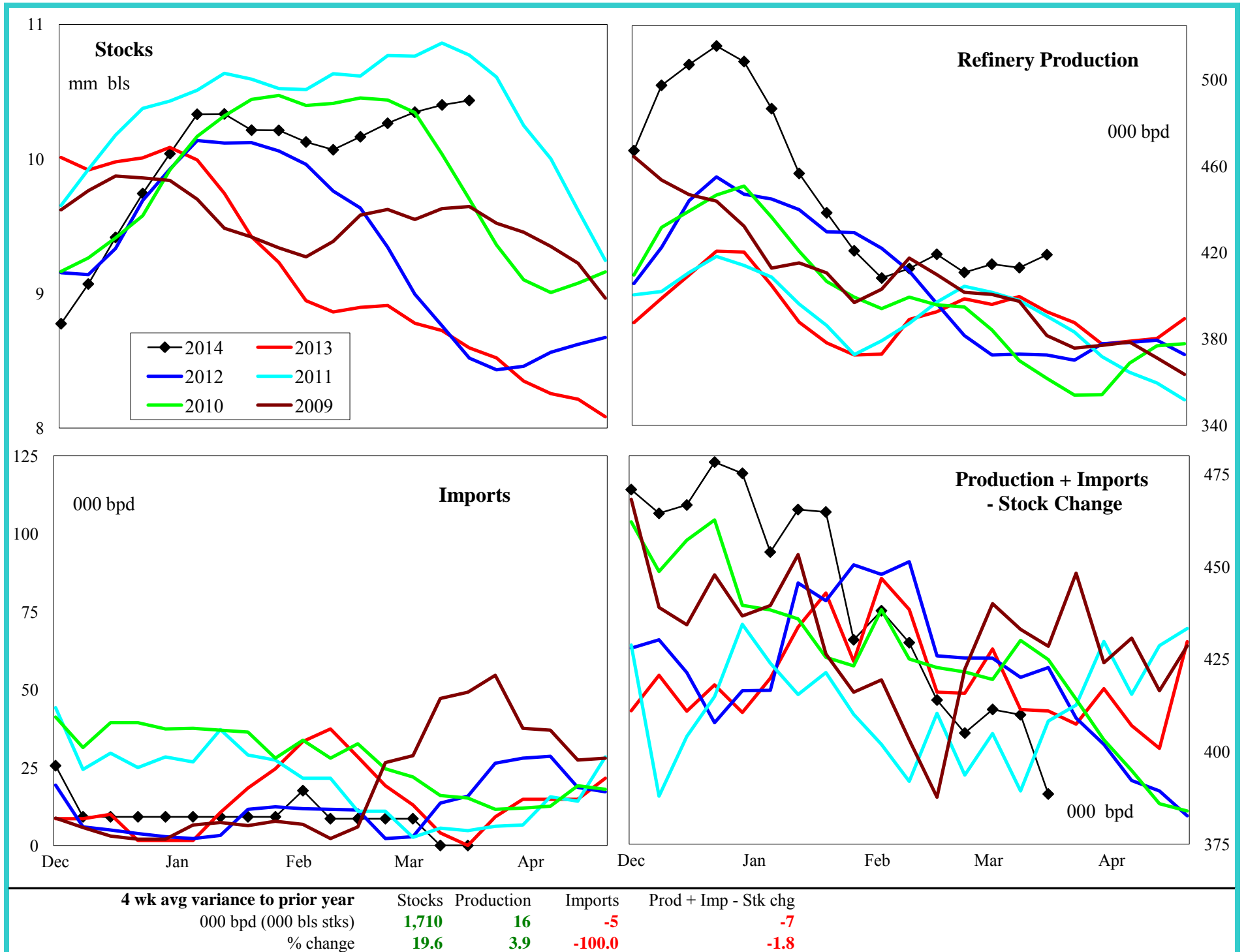
39

8.3

# PADD 5 Distillate Supply



# PADD 5 Jet Fuel Supply



# PADD 5 Residual Fuel Oil Supply

