



## WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

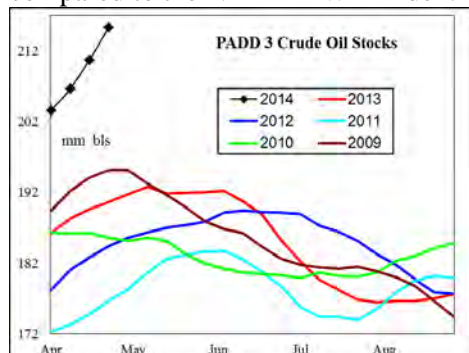
### A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Wednesday, April 30, 2014



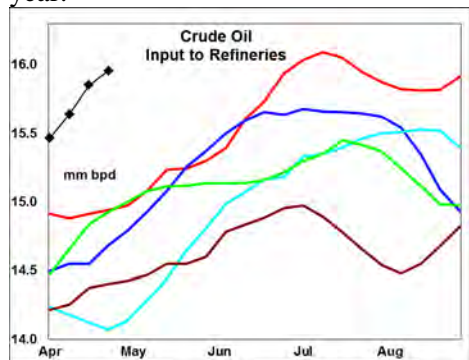
#### Major Fundamental Trends<sup>1</sup>

Crude oil stocks in the Gulf region increased +5.7 million barrels last week, to a level +25 million barrels above the prior 5-yr high. The extremely high stock level has depressed domestic crude oil prices compared to the NYMEX WTI index.

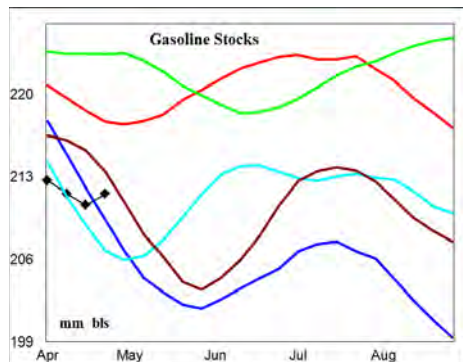


Risk is high that stocks will reach storage capacity limits in the region during the next quarter, driving sharp declines in cash prices for domestic markets supplying this refining center.

The record stock build has occurred even as crude oil refinery runs were +1 million bpd above last year.



Record refinery runs have led to unusually low gasoline stock draws in markets east of the Rockies during April and above average stock builds for distillate. The supply balance for both gasoline and distillate has significantly improved during April on modest growth in domestic use and exports.



Gasoline stock levels compared to prior years increased from a 5-yr low to a level above two of the last 3-yrs. Even with the record cold winter temperatures, distillate stocks are only -1 million barrels below a year ago.

In the absence of significant year-on-year growth in exports, the supply balance for gasoline and distillate will see further improvement during the 2<sup>nd</sup> quarter – driven by the increase in refinery runs.

**Wholesale Demand** increased for each transport fuel last week. Wholesale demand, measured over the last four weeks compared to a year ago: gasoline increased +2.1%; distillate was +7.5% higher; jet fuel increased +1.9%, and residual fuel decreased -15%.

**Stocks forward coverage:** Gasoline demand coverage increased on a +1.6 million barrel stock build. Coverage ended the week at a level near the 3-yr mid range.

Distillate coverage increased on a +1.9 million barrel stock build. Coverage ended the week at a level below the 5-yr range.

Jet fuel coverage decreased on a -1.2 million barrel stock draw, to a level below the historic range.

Residual fuel oil coverage fell on a -1.7 million barrel stock draw and higher wholesale demand. Coverage remains at the upper end of the 5-yr range.

**Refinery utilization** rates decreased on a -26,000 bpd decline in crude oil runs last week. During the latest 4-wk period crude oil input was +0.9 million bpd above a year ago.

Gasoline yield % on crude oil runs fell last week on a -268,000 bpd decrease in output compared to the -26,000 bpd decline in crude oil runs. Yield % on crude oil runs fell to a fresh record low level.

Distillate yield % on crude oil runs decreased last week, on a -65,000 bpd decline in output compared to the small decrease in crude oil runs. The yield % on crude oil runs ended the week at a level above the historic range.

Jet fuel yield % on crude oil runs increased on a +53,000 bpd rise in output, compared to the small decrease in crude oil runs. The yield % on crude oil runs ended the week at the low end of the 5-yr range.

**Petroleum Imports/Exports:** Imports of crude oil fell -0.3 million bpd last week.

During the latest 4-wk period crude oil imports were unchanged from last year; distillate imports were -13,000 bpd lower; finished gasoline imports were nearly unchanged, gasoline blend stock imports were -165,000 bpd lower; jet fuel imports increased +93,000 bpd, while residual fuel oil imports were -68,000 bpd lower.

*Exports during the most recent week for distillate were +66,000 bpd above a year ago, gasoline -87,000 bpd lower, jet fuel +12,000 bpd and propane was +167,000 bpd higher.*

**Crude Oil** stocks climbed +1.9 million barrels last week, including a +5.7 million barrel build in the Gulf region. Stock levels in the gulf region are +24.7 million barrels above last year and have led to depressed differentials between domestic crude grades supplying the region and WTI futures.

Last week's stock build in the Gulf occurred even with a -0.2 million bpd drop in imports.

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



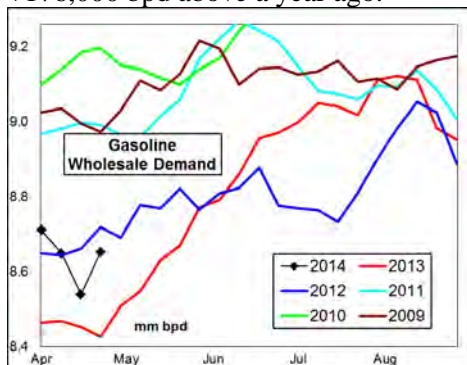
## WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

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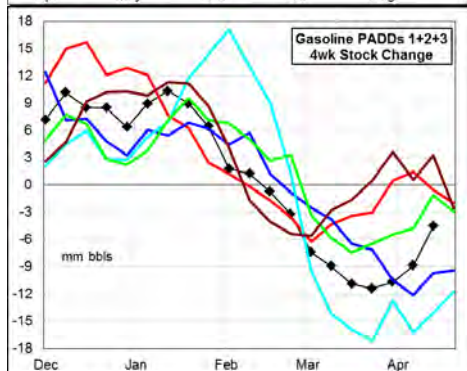
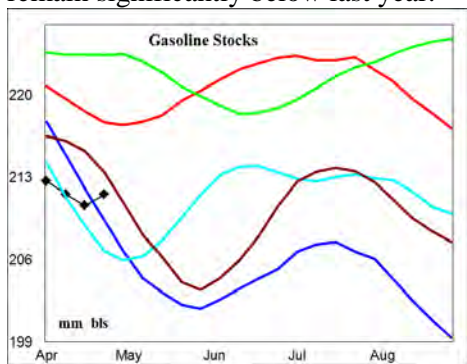
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#### Product Supply-Demand Trends

**Gasoline** wholesale demand increased +263,000 bpd last week, to a level near the average of the last 2-yr. The latest 4-wk average demand was +176,000 bpd above a year ago.



Supply declined -65,000 bpd on the week, due to lower production. Supply for the latest 4-wk period was +101,000 bpd above a year ago. Imports of finished + blend stocks remain significantly below last year.

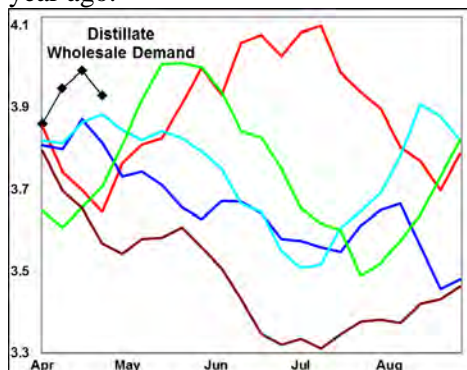


Stocks increased +1.6 million barrels last week, to a level near the 3-yr mid range.

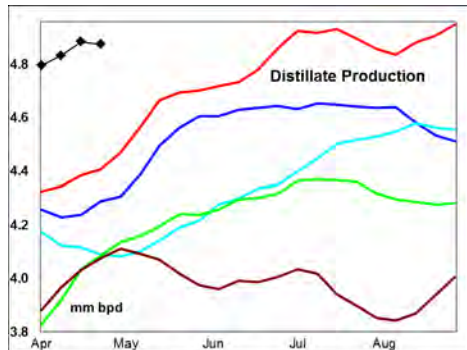
*The latest 4-wk stock draw East of the Rockies of -2.6 million barrels was a smaller draw than each of the last 5-yr. Stock levels in the gulf region remain above the 5-yr range, while other regions are below the historic*

*average, but not at record lows.*

**Distillate** wholesale demand increased +75,000 bpd last week, to a level above the historic range. The latest 4-wk average demand was +276,000 bpd above last year. Supply was nearly unchanged on the week, with the latest 4-wk average +0.5 million bpd above a year ago.



The latest 4-wk stock change in markets East of the Rockies was a +2.3 million barrel build, comparable to last year, but +10 million barrels above 2011 and 2012.



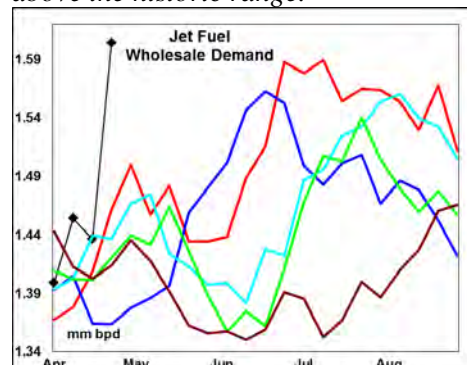
*Production continues at a record level on high crude oil runs, and light refinery maintenance. An above average rate of stock building is likely for the next 2-quarters. Any slowdown in exports would driven extraordinary stock building.*

**Jet Fuel** wholesale demand jumped +239,000 bpd last week. The latest 4-wk average demand was +27,000 bpd above a year ago year.

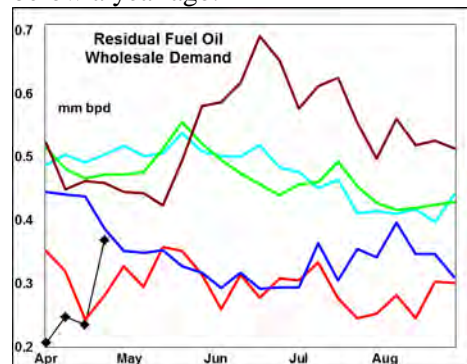
Supply fell -62,000 bpd on sharply lower imports. Output for the most recent 4-wk period was nearly unchanged from last year. Imports were +93,000 bpd higher. Stocks fell -

1.2 million barrels last week, to a level -2.2 million barrels below last year.

*The collapse in imports has left stock levels below the 5-yr range, although production has climbed above the historic range.*



**Residual fuel oil** demand increased +177,000 bpd last week. Demand for the latest 4-wk period was -38,000 bpd below a year ago.



Supply (production + imports) fell -178,000 bpd on lower imports. Production was -53,000 bpd below a year ago for the latest 4-wk period, while imports also decreased -68,000 bpd. Stock levels ended the week slightly below the 3-yr mid range.

*Stocks in the key gulf region fell -1 million barrels last week with the level still above the 5-yr range. Production remains -38% below a year ago for the most recent 4-wk period, offset by a extremely low demand.*





## WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

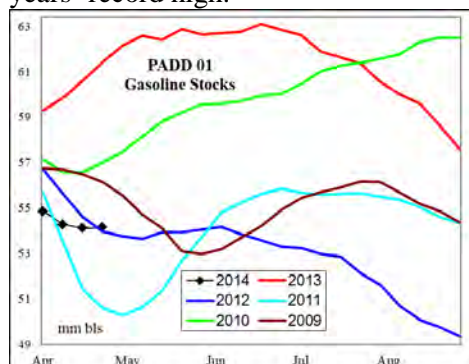
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#### PADD Supply Trends

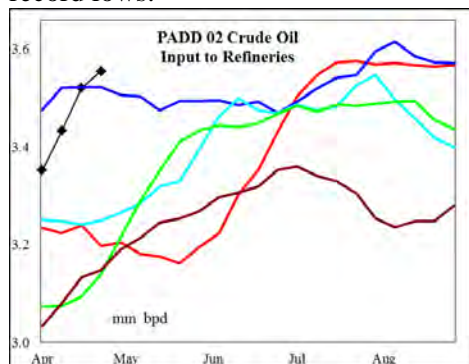
**PADD 1** refinery crude oil runs increased +88,000 bpd on the week, to a level above the last 3-yrs. Stocks declined -1.3 million barrels, also a level above the last 3-yrs.

Gasoline supply jumped +337,000 bpd on higher imports and production. Stock levels ended the week at the 3-yr mid range, although sharply below last years' record high.



Distillate supply increased +58,000 bpd on higher imports; with the 4-wk average -54,000 bpd below last year. Stocks increased +1.7 million barrels to a level near last year.

Jet fuel supply fell -47,000 bpd on extremely low imports. Stocks fell -1.1 million barrels to a level near record lows.



**PADD 2** crude oil refinery runs increased +63,000 bpd last week, with the latest 4-wk average +220,000 bpd above last year. Crude oil stocks declined -1.7 million barrels last week, including a -0.6 million barrel draw in Cushing.

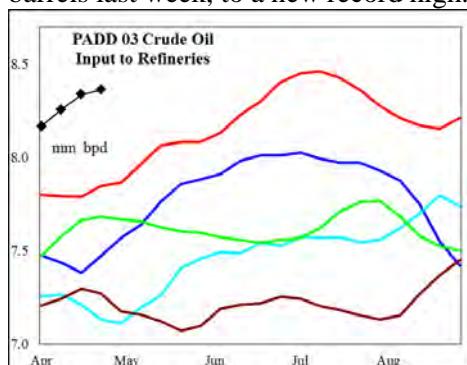
Gasoline supply jumped +213,000 bpd last week, to a new record high. Production for the most recent 4-wk period was +538,000 bpd above a year

ago – driven by the EIA recording sub octane product shipped into the Midwest as finished product production when blended with ethanol. Stocks increased +1 million barrels, to a level slightly below the last 2-yrs.

Distillate supply increased +17,000 bpd last week, with the 4-wk average +70,000 bpd above a year ago. Stock levels ended the week -5% below the 5-yr range.

Jet fuel production jumped +52,000 bpd on the week to a record high. Stocks increased +0.3 million barrels to a level near the average of the last 2-yrs.

**PADD 3** refinery runs declined -148,000 bpd last week, a level still well above the historic range. During the latest 4-wk period, average runs were +552,000 bpd above last year. Crude oil stocks increased +5.7 million barrels last week, to a new record high.



Gasoline supply increased +28,000 bpd last week, with the latest 4-wk average +150,000 bpd above a year ago. Stocks increased +1.1 million barrels last week, lifting the level to a new 5-yr high for this time of year.

Distillate supply was unchanged on the week. The latest 4-wk average supply was +372,000 bpd above last year. Stocks decreased -0.2 million barrels last week, to a level comparable to the average of the last 2-yrs.

Jet fuel production declined -31,000 bpd to a level near historic highs. Stock levels ended the week -7% below last year and below the 5-yr range.

Residual fuel supply declined -61,000 bpd on the week. Stocks fell -1

million barrels to a level that matched historic highs.

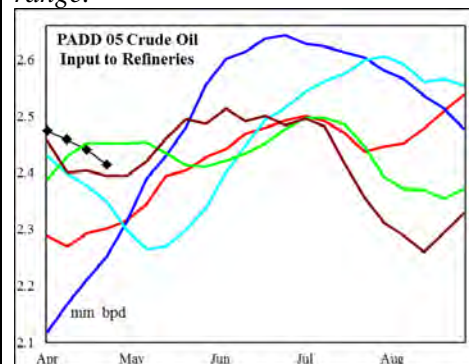
**PADD 4** refinery crude runs decreased -14,000 bpd last week, with the 4-wk average -37,000 bpd below last year.

Gasoline production was +32% above last year for the most recent 4-wk period, and at a record high. Stocks were slightly above the last 3-yr mid range.

Distillate production matched historic highs for the week, with the latest 4-wk output -13,000 bpd below last year. Stocks matched the last 2-yr level.

Jet fuel production and stocks each matched 5-yr lows for the week.


**PADD 5** crude oil refinery runs declined -14,000 bpd last week, with the 4-wk run rate +184,000 bpd above last year. Refinery unit upgrades and low maintenance has lifted output of transport fuels well above the 5-yr range.



Gasoline supply continues to set new records, with the 4-wk average +106,000 bpd above a year ago. Stocks were at the 2-yr mid range.

Distillate production fell -70,000 bpd last week, although the level still matched the 5-yr high for the period, with the 4-wk average +105,000 bpd above a year ago. Stock levels were near 5-yr highs for the week.

Jet fuel supply declined -33,000 bpd on a sharp drop in imports, with the latest 4-wk average +11,000 bpd above last year. Stocks fell -0.6 million barrels on the week, to a level that matched last years' record low.



FUNDAMENTAL

PETROLEUM TRENDS

PETROLEUM: Graph Link and Weekly Summary

A Fundamental Petroleum Trends Weekly Report

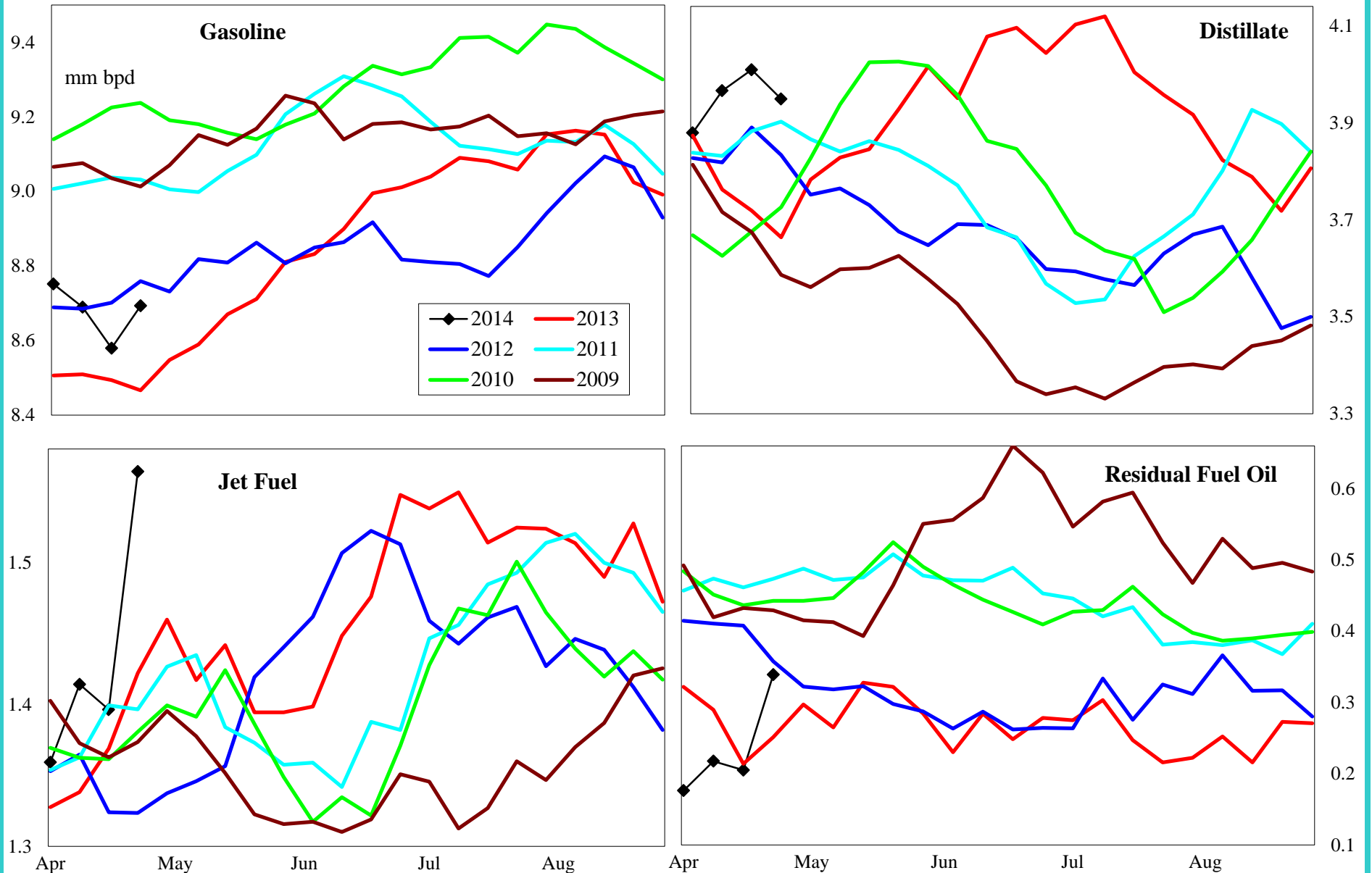
April 30, 2014

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Fundamental Trends	<a href="#">Wholesale Demand</a>	<a href="#">Stocks Days Fwd Coverage</a>	<a href="#">Refinery Utilization</a>		<a href="#">Product Yield %</a>		<a href="#">Imports</a>
Supply/Demand Trends	25-Apr-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	1,698	-1,252	-1,672	5,673	-48	-1,004
	Imports	-313	-136	3	-237	53	4
	Input	-26	88	63	-148	-14	-14
	% Utilization	0.00					
<a href="#">Gasoline</a>	Stocks	1,564	94	1,008	1,103	118	-760
	Production	-268	134	214	29	-4	-3
	Imports	203	203	-1	-1	0	2
	Supplied	263					
<a href="#">Distillate</a>	Stocks	1,936	1,656	817	-153	113	-497
	Production	-65	-6	17	-16	11	-70
	Imports	78	64	0	14	0	1
	Supplied	75					
<a href="#">Jet Fuel</a>	Stocks	-1,236	-1,129	293	210	-9	-602
	Production	53	-10	52	-31	-2	45
	Imports	-115	-37	0	0	0	-78
	Supplied	239					
<a href="#">Residual Fuel Oil</a>	Stocks	-1,670	-536	-89	-1,013	-14	-18
	Production	10	2	1	-19	-1	25
	Imports	-188	-145	-2	-42	0	0
	Supplied	177					

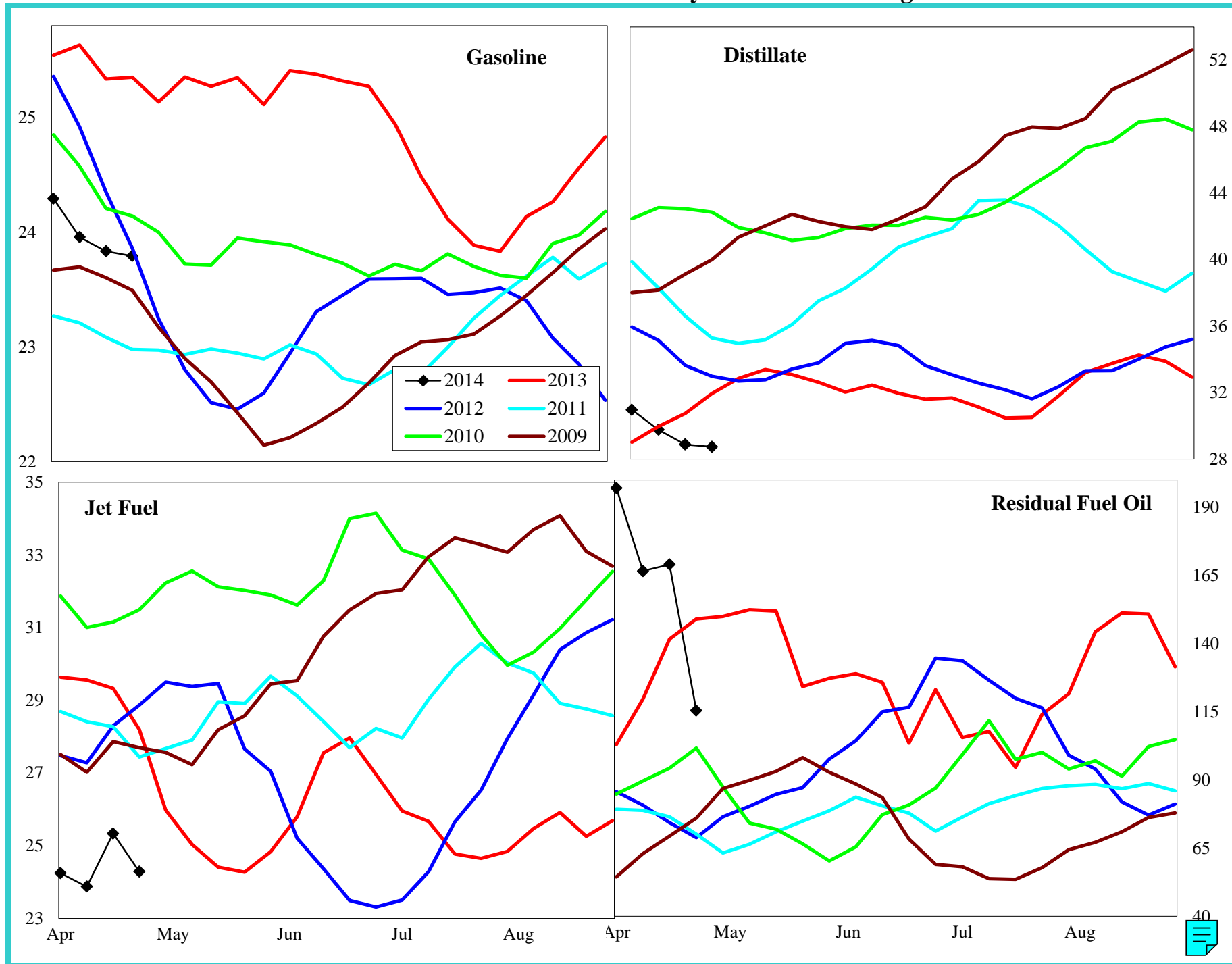
# United States Wholesale Petroleum Demand



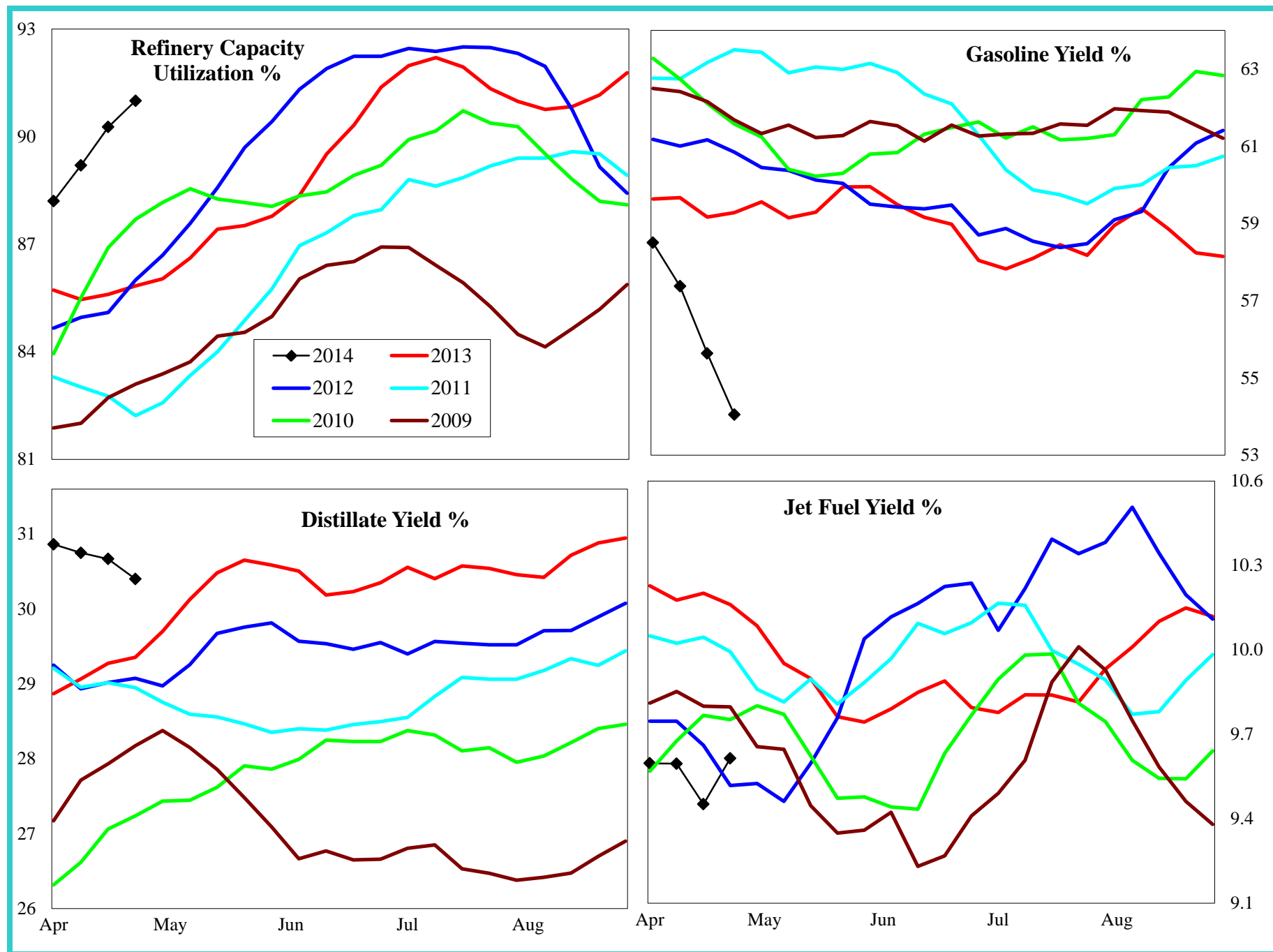
	000 bpd change from prior year				% change from prior year				
	4wk avg	Mar	Feb	Jan	4wk avg	Mar	Feb	Jan	
Gasoline	178	178	-87	-12	2.1	2.1	-1.0	-0.1	
Distillate	276	10	-360	217	7.5	0.3	-9.1	5.4	
Jet Fuel	27	80	-10	74	1.9	5.8	-0.8	5.7	
Resid	-38	-179	-55	-81	-14.5	-41.5	-18.1	-23.1	



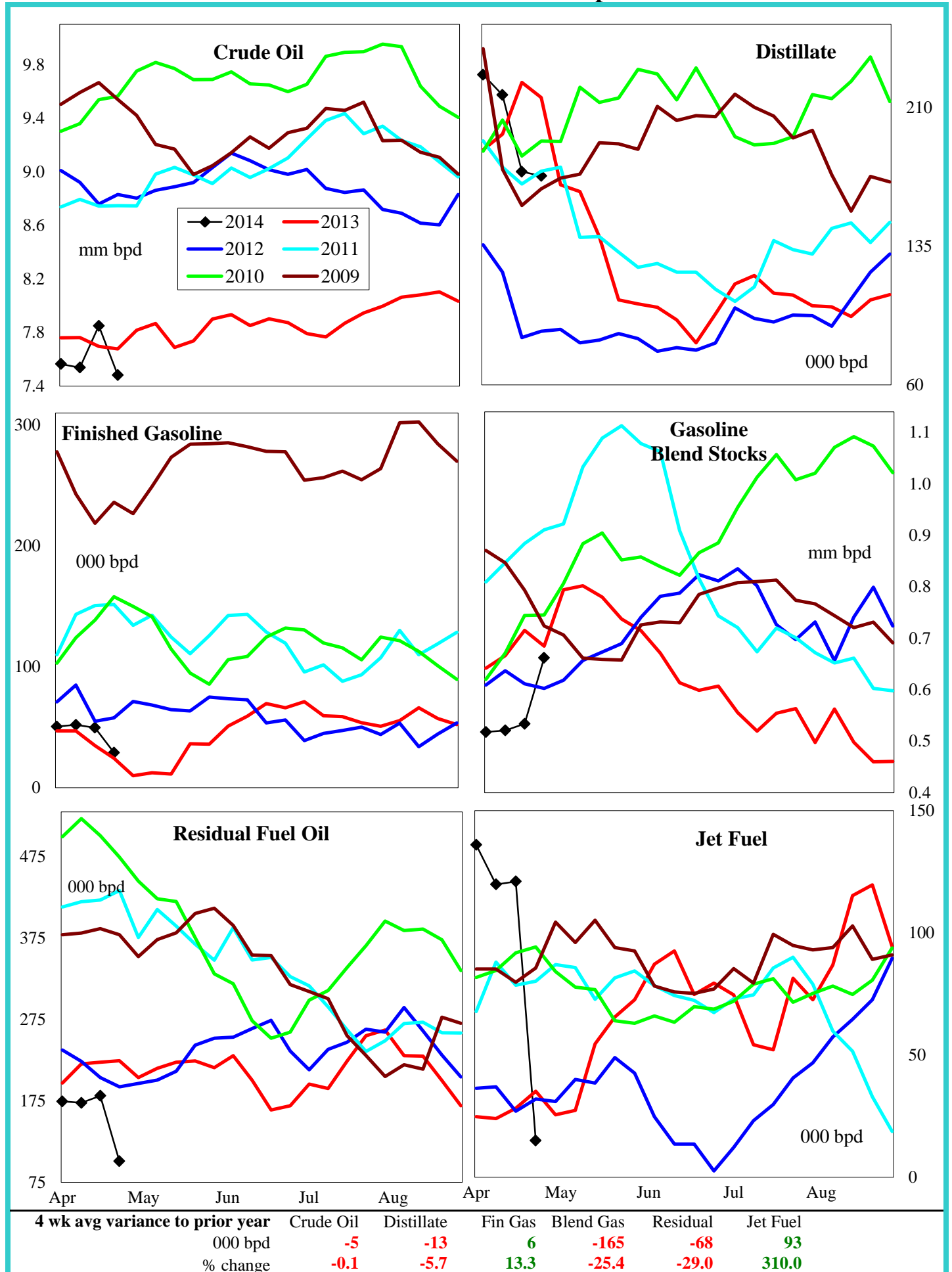
# United States Product Stocks: Days Forward Coverage



## United States Refinery Percent Utilization Rate and Product Yields

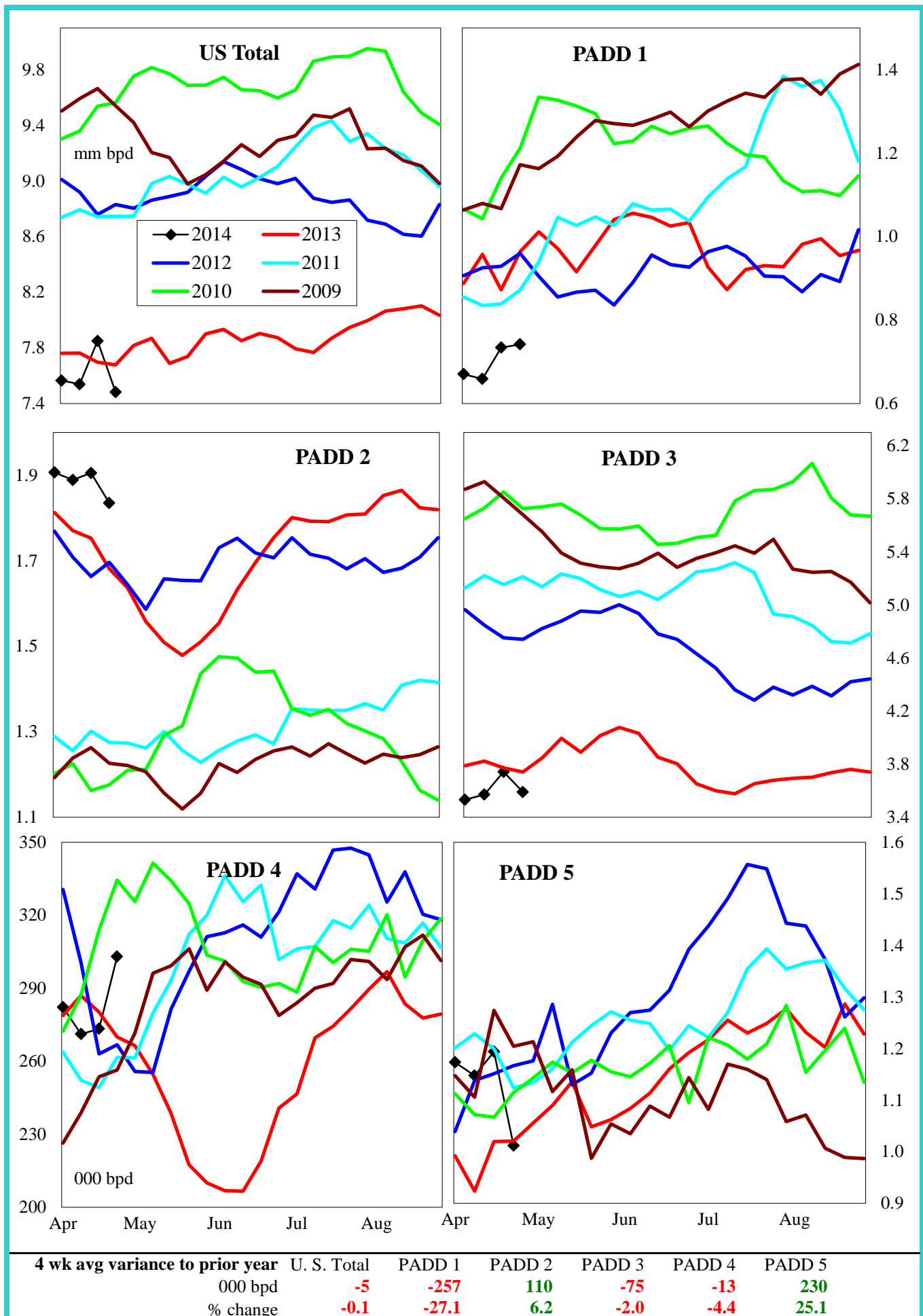


# United States Petroleum Imports

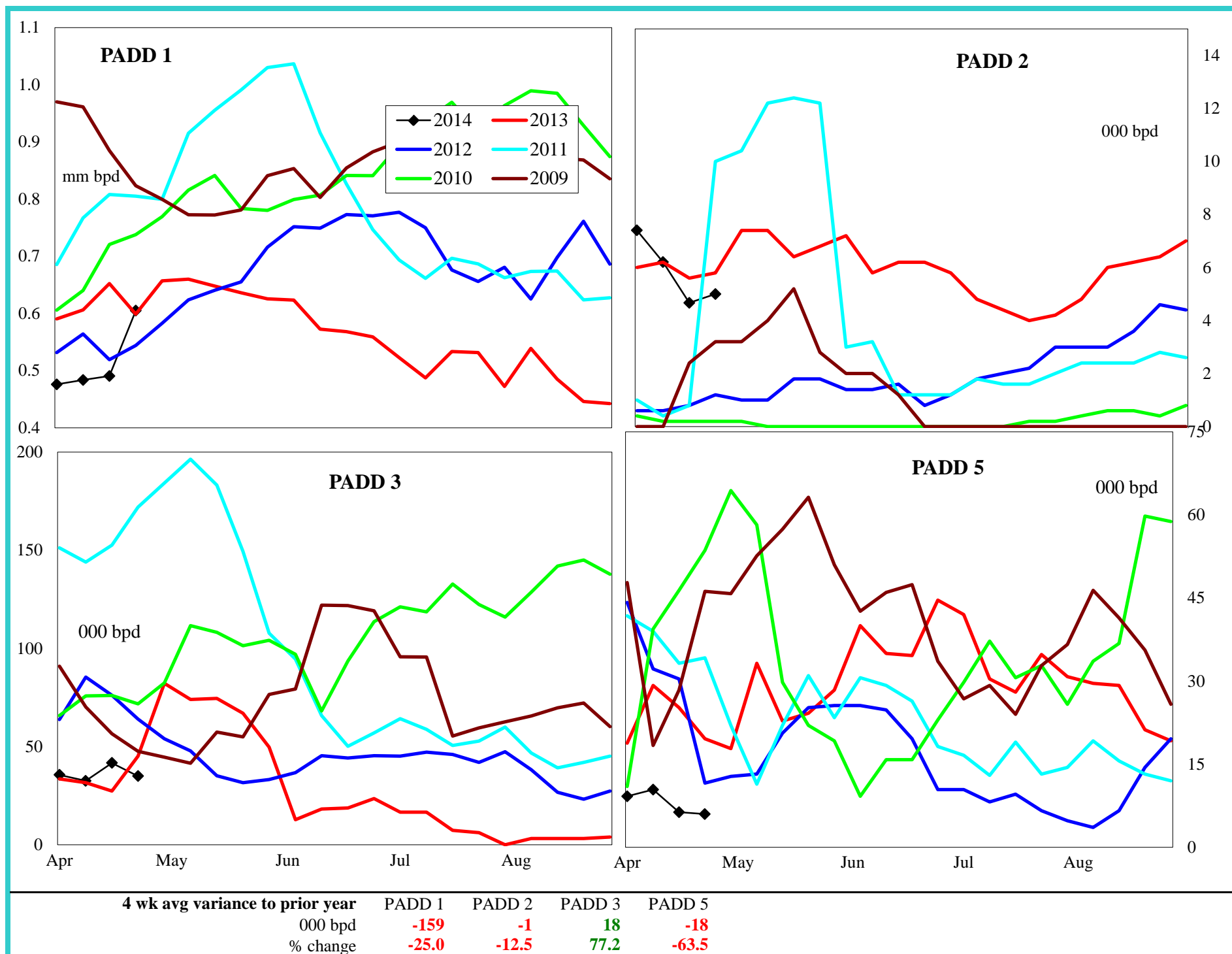




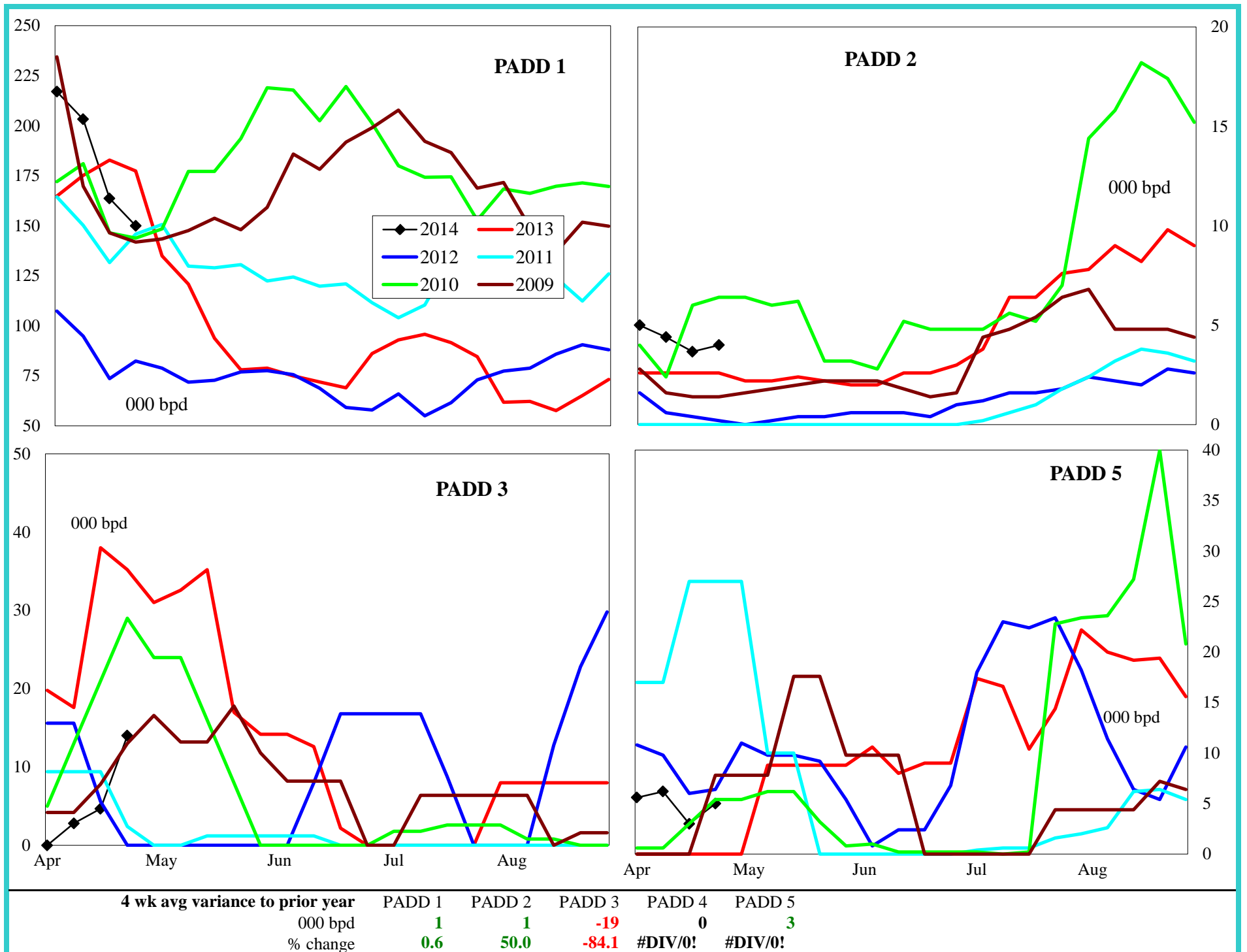
## Crude Oil Imports by PADD



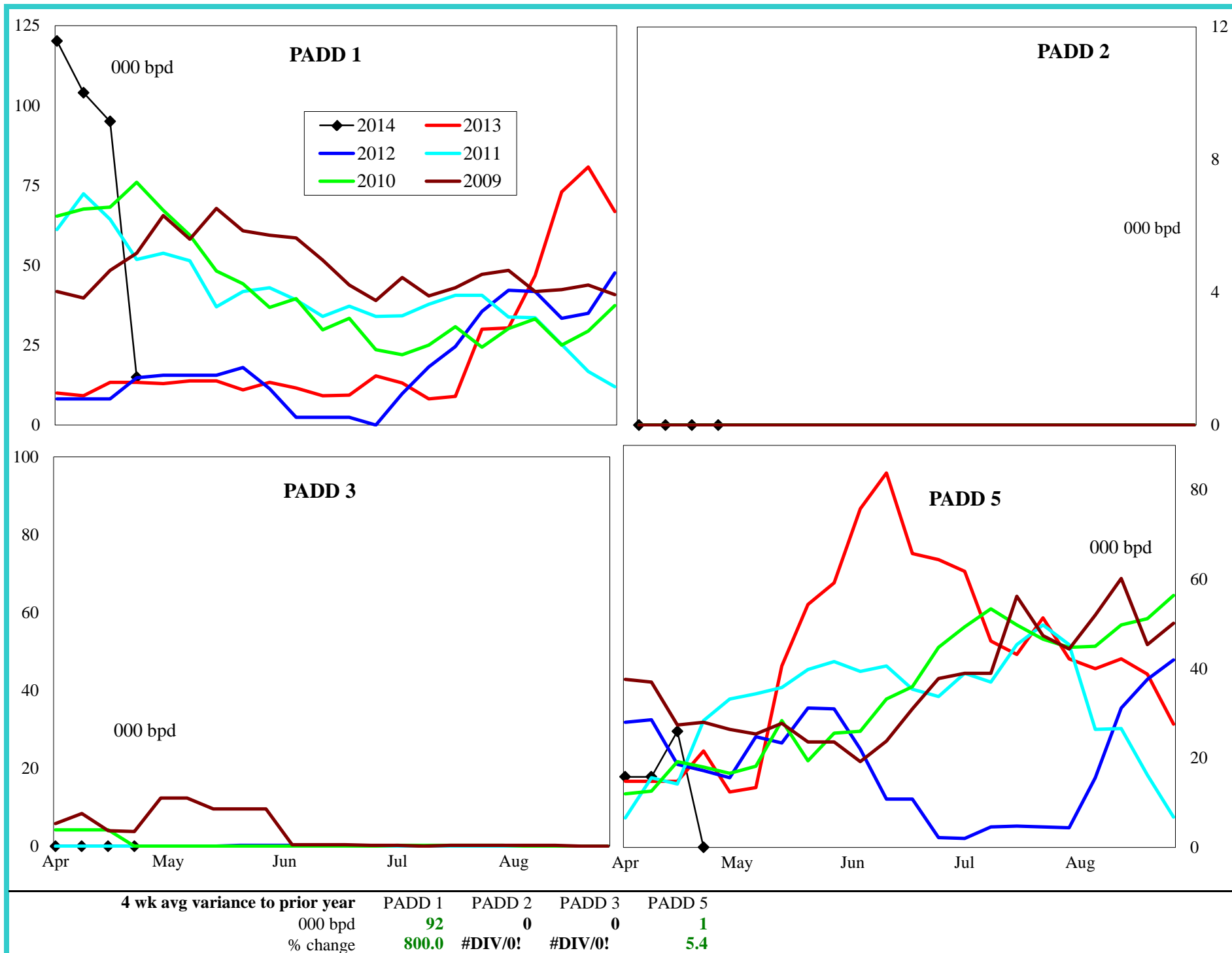
# Gasoline Imports by PADD (Finished + Blend Stocks)



# Distillate Imports by PADD

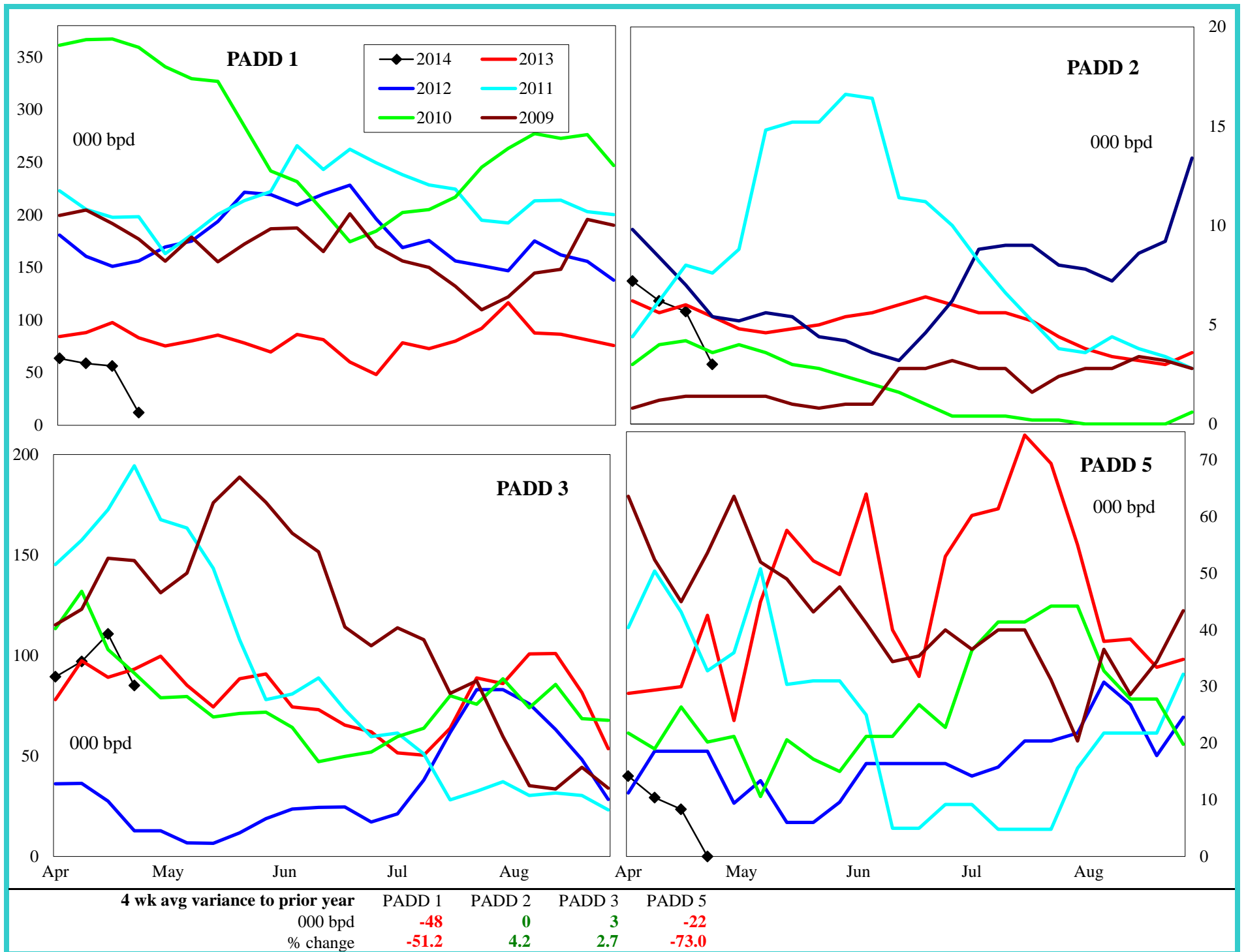


# Jet Fuel Imports by PADD

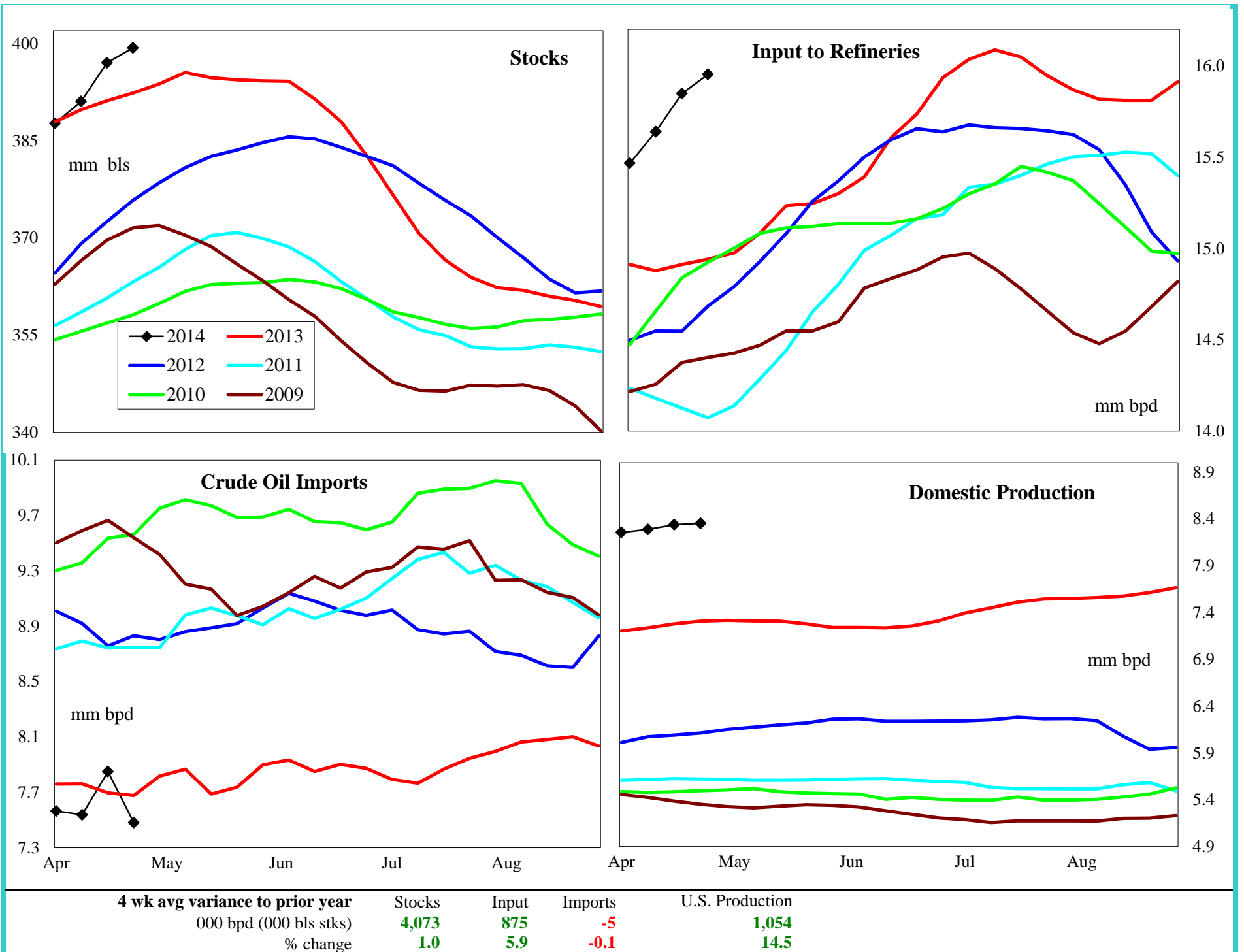




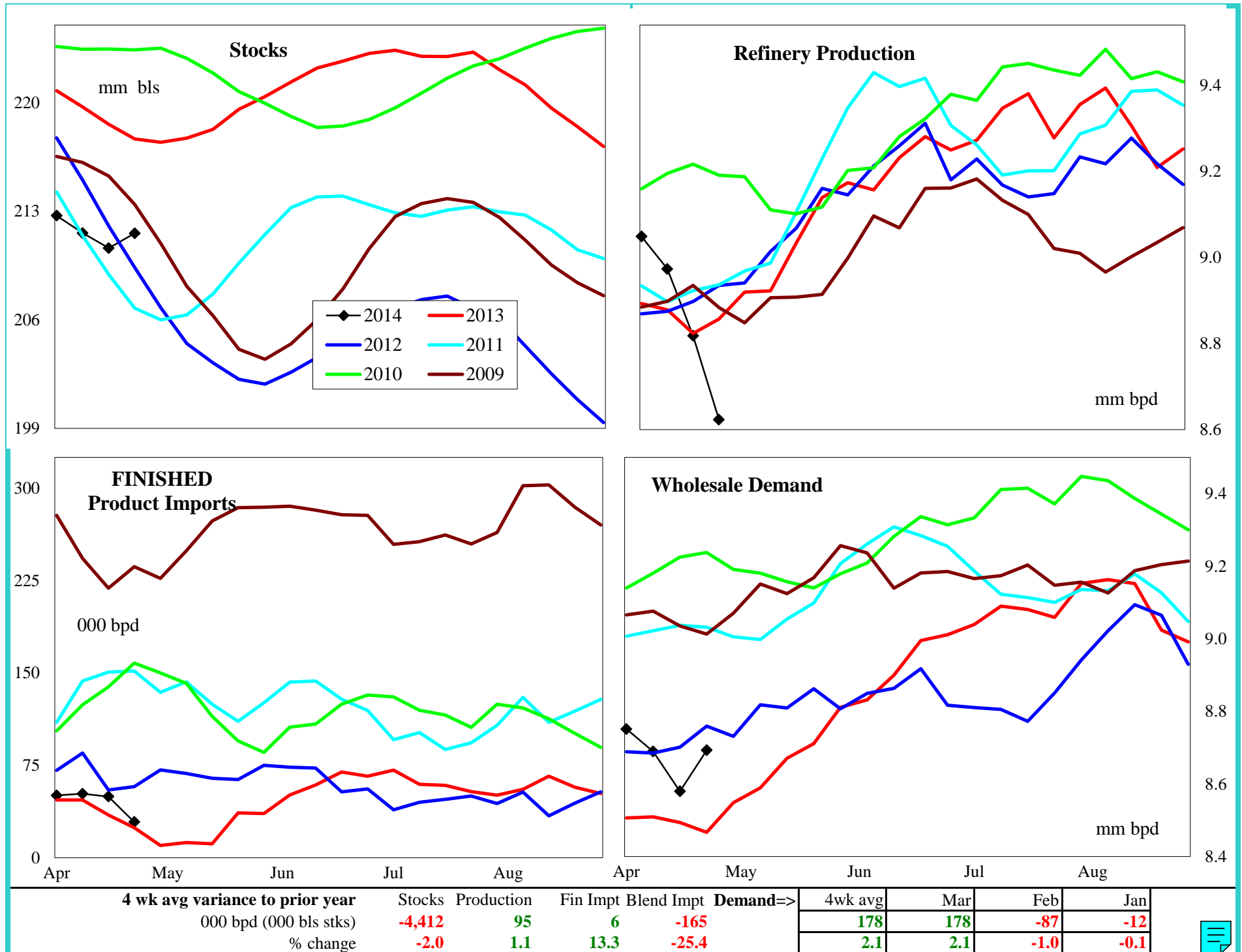
## Residual Fuel Oil Imports by PADD



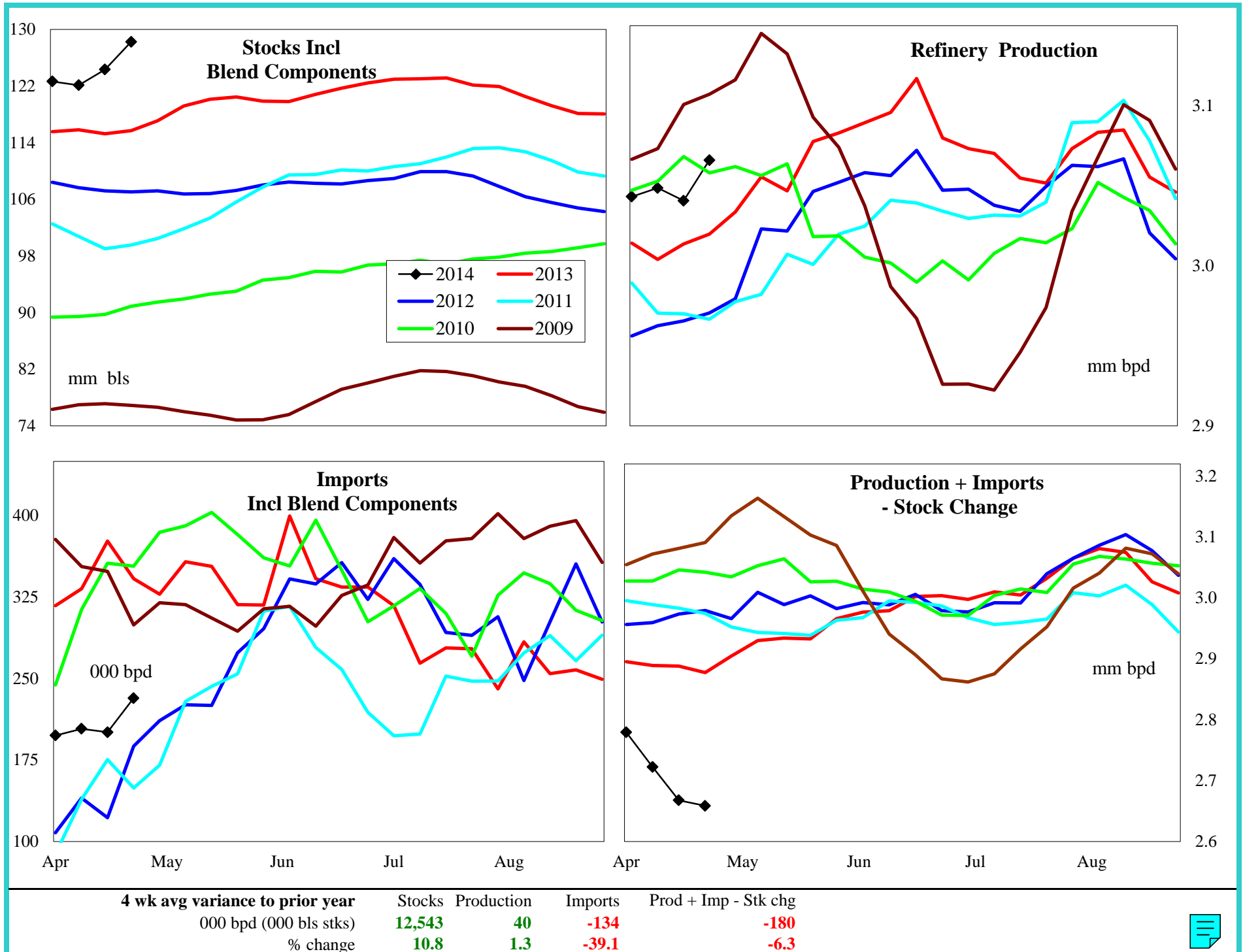
# United States Crude Oil Supply and Demand Balance



# United States Gasoline Supply and Demand Balance

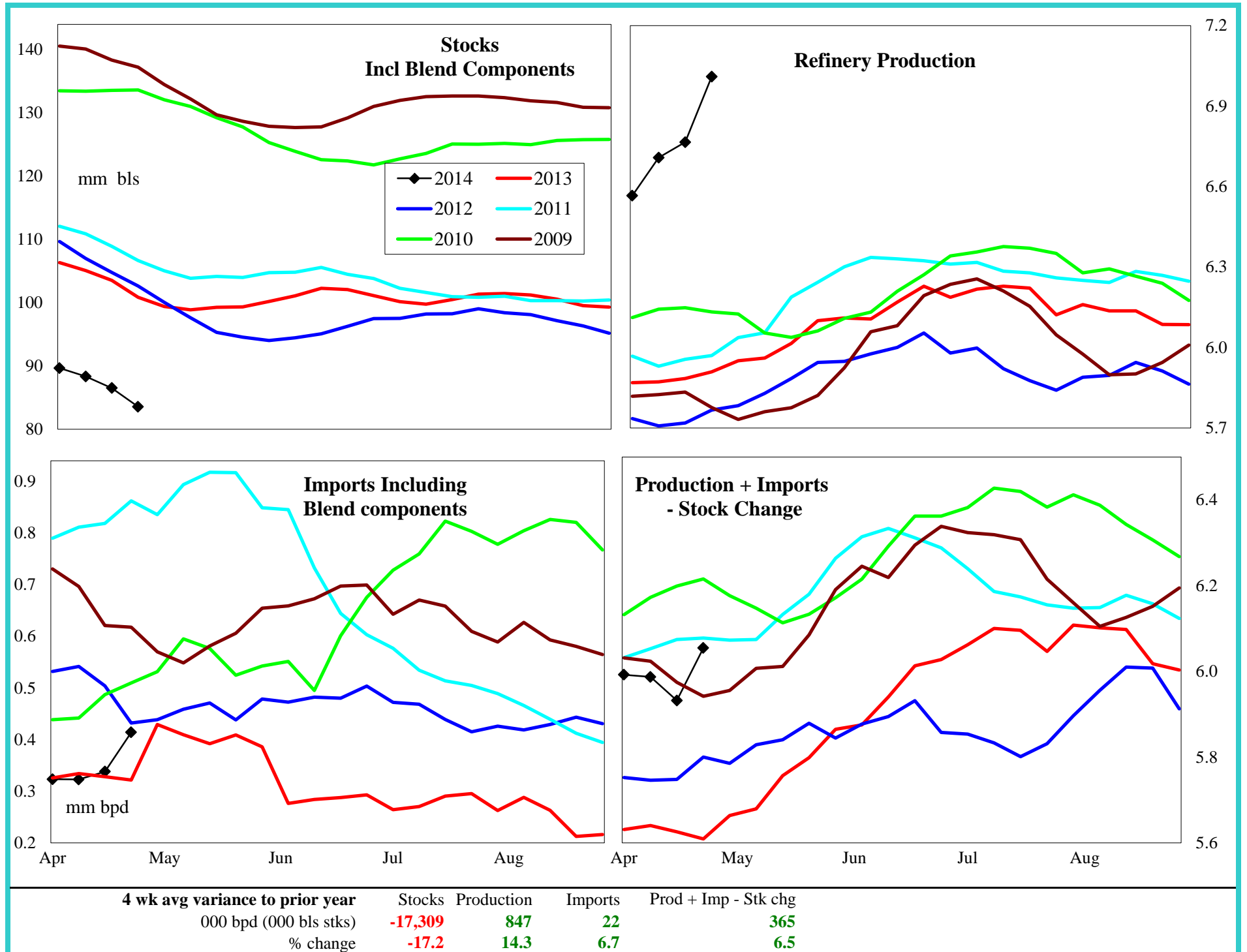


# United States Reformulated Gasoline Supply

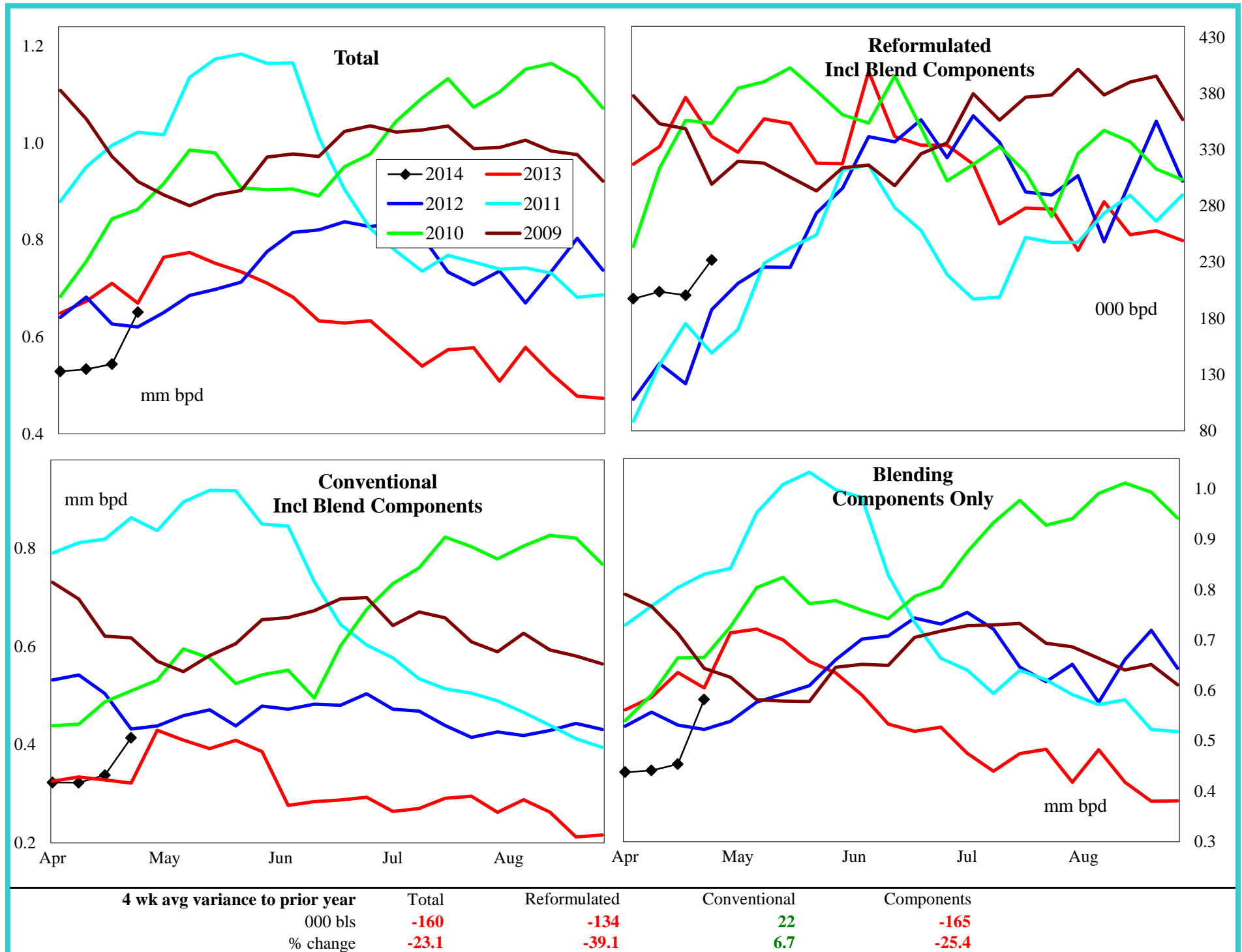




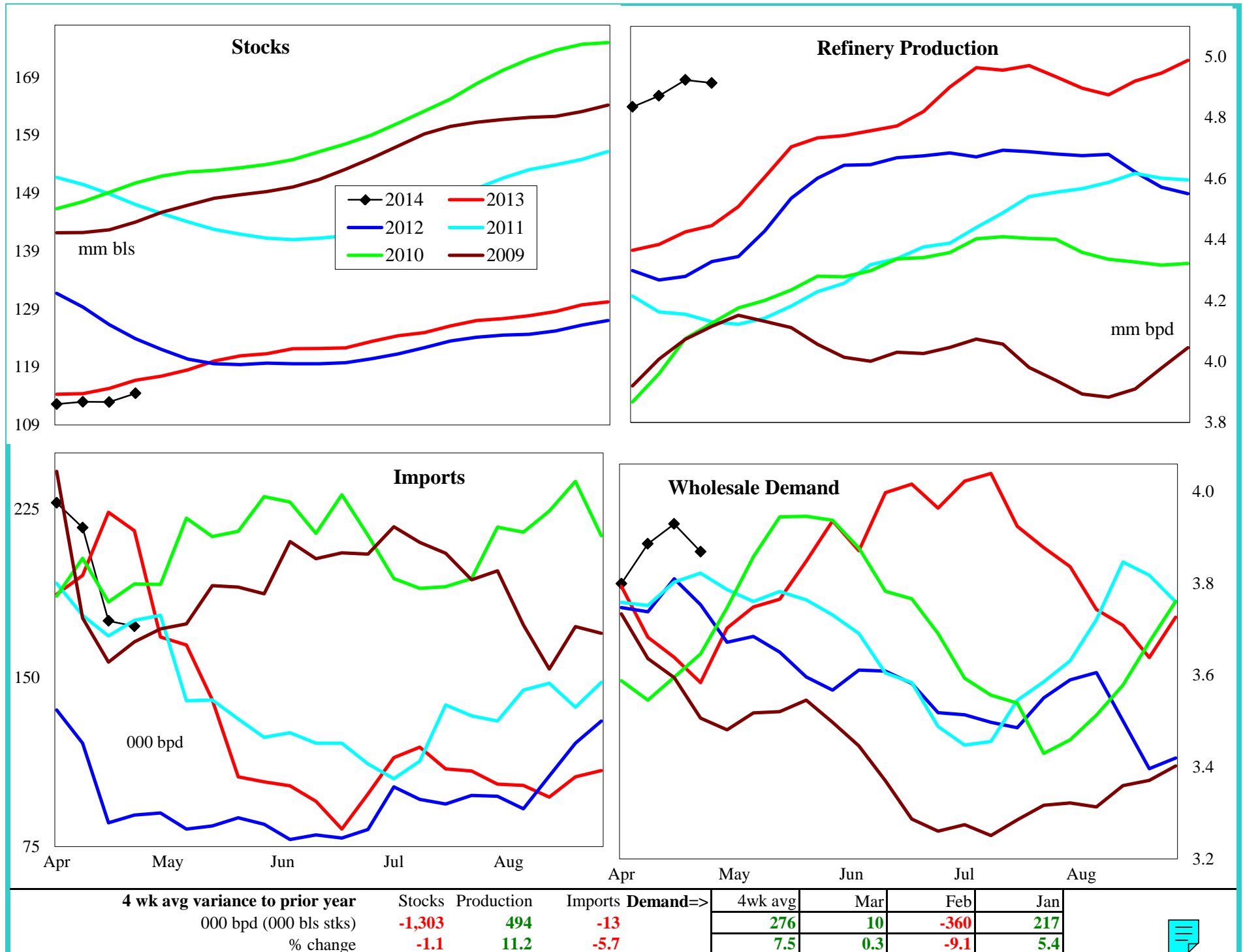
# United States Conventional Gasoline Supply



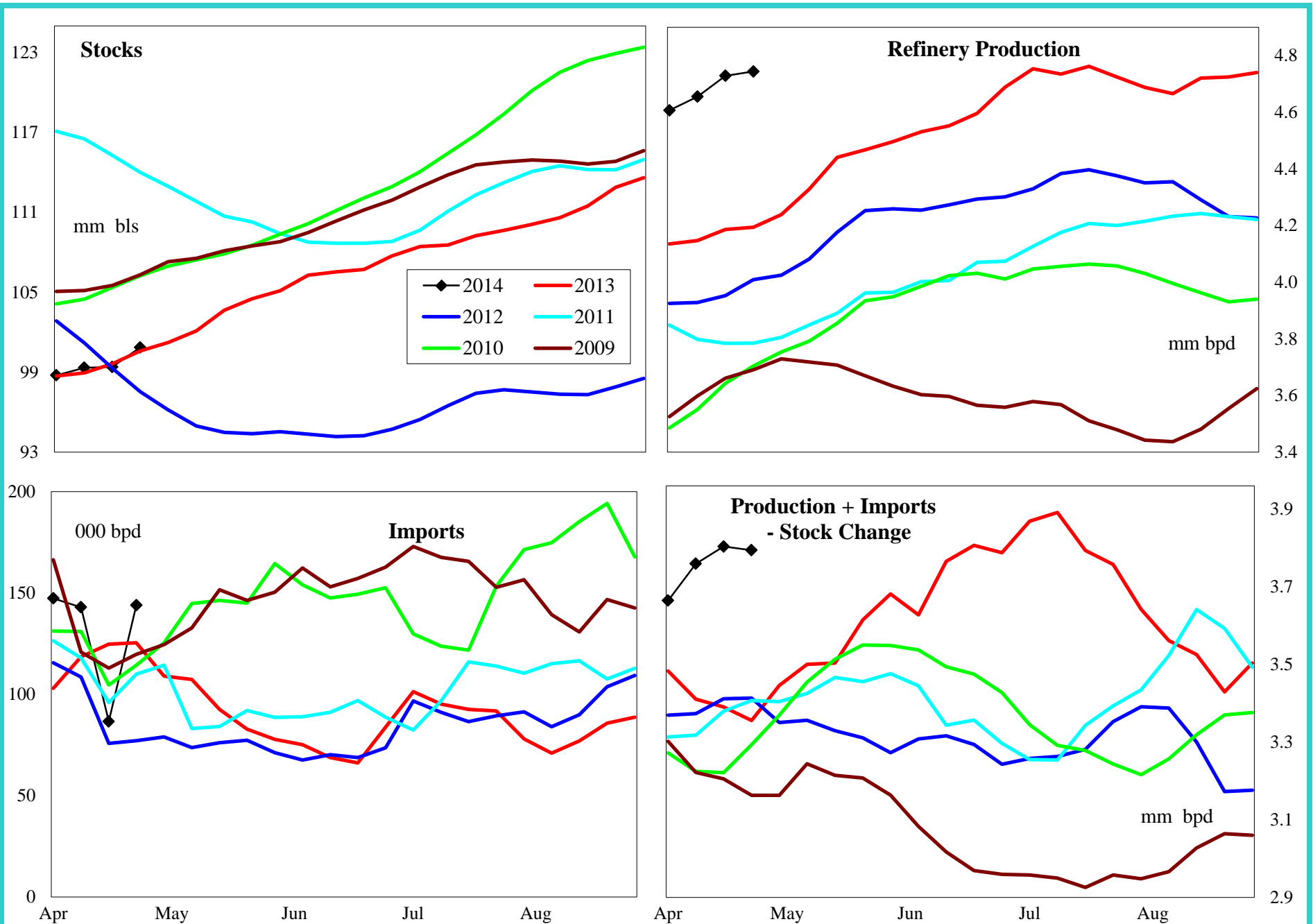
# United States Gasoline Imports by Type



# United States Distillate Supply and Demand Balance



# United States Low Sulfur Distillate Supply



**4 wk avg variance to prior year**

000 bpd (000 bls stks)

% change

Stocks

**1,093**

**1.1**

Production

**518**

**12.4**

Imports

**4,709**

**3,527.3**

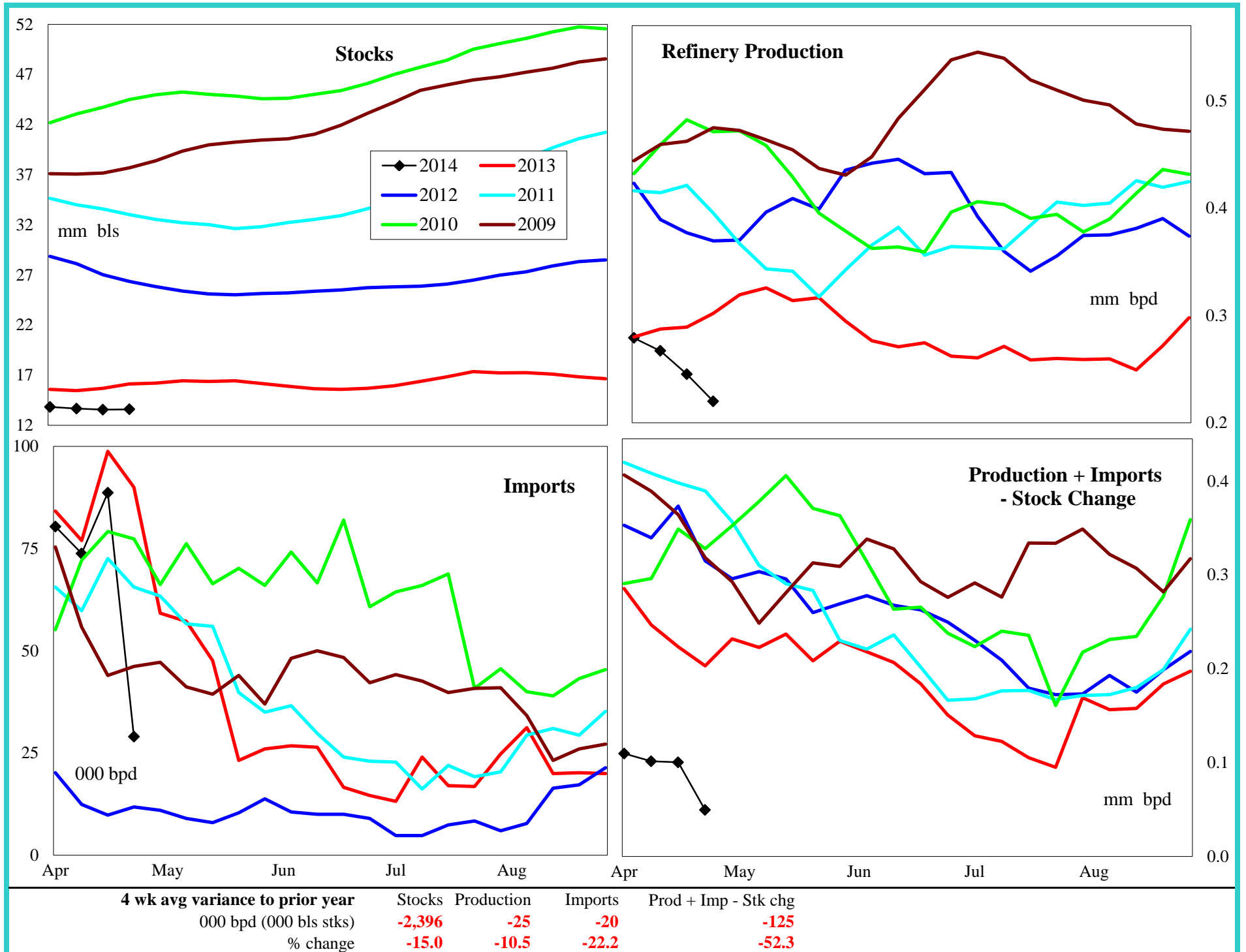
Prod + Imp - Stk chg

**401**

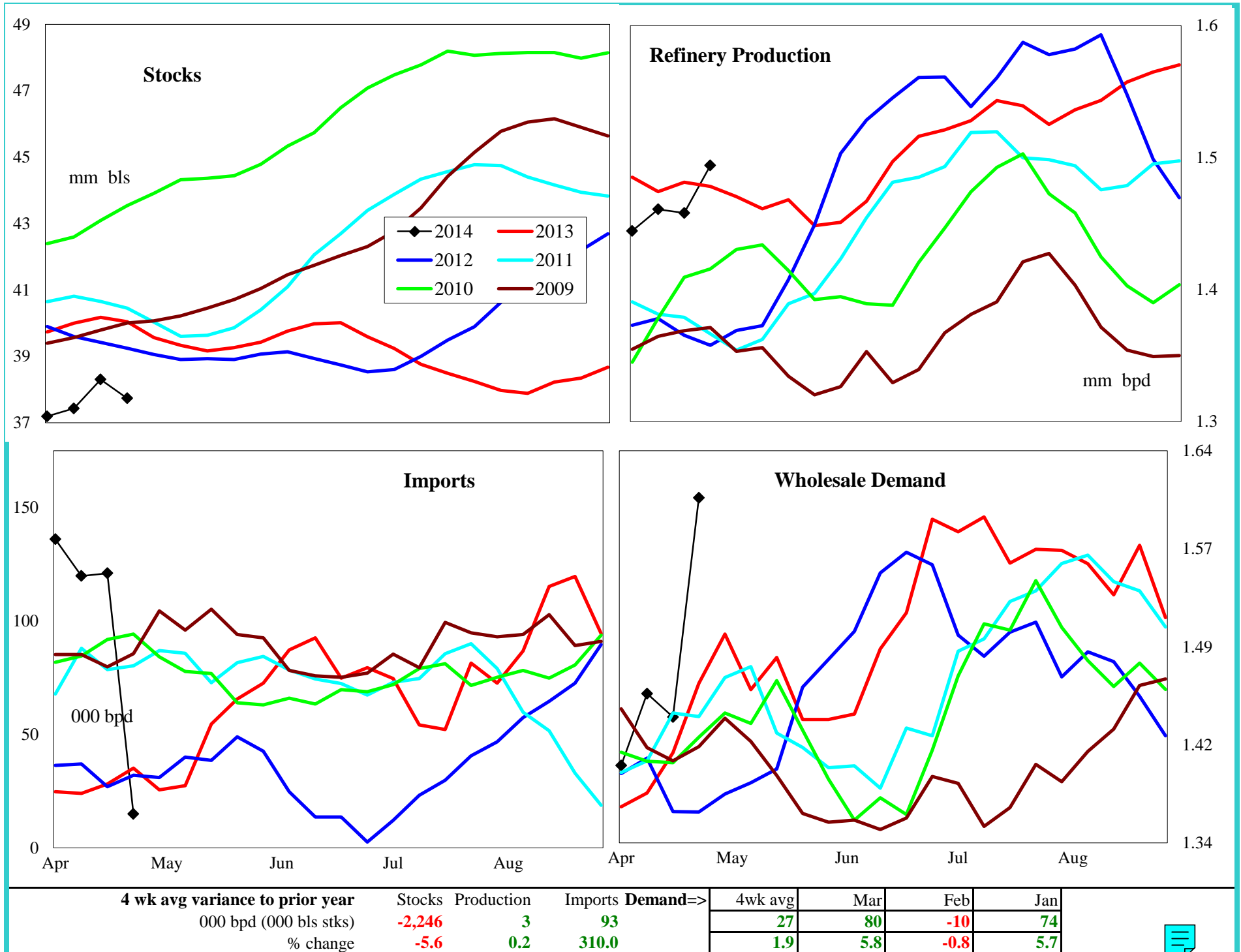
**11.6**



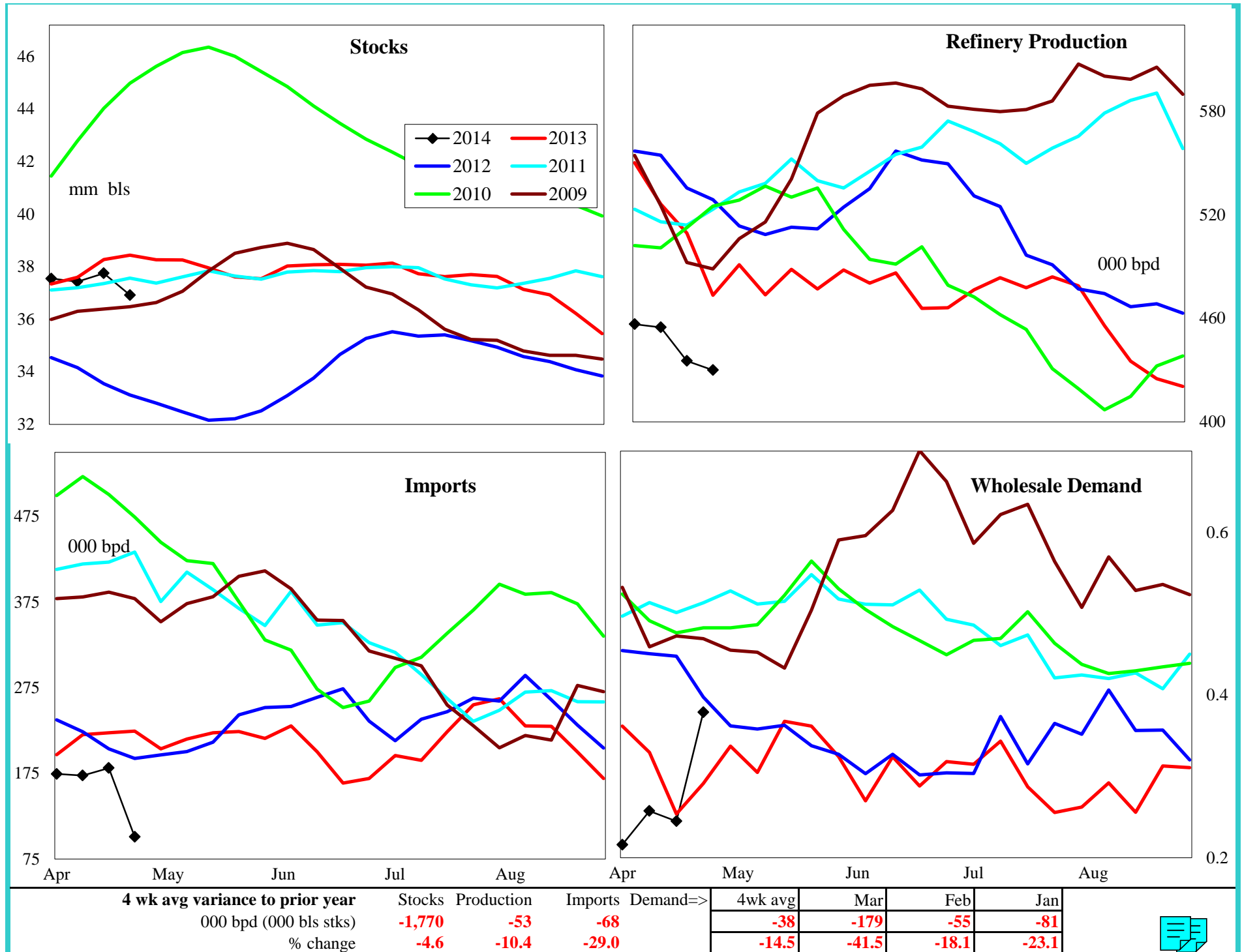
# United States High Sulfur Distillate Supply



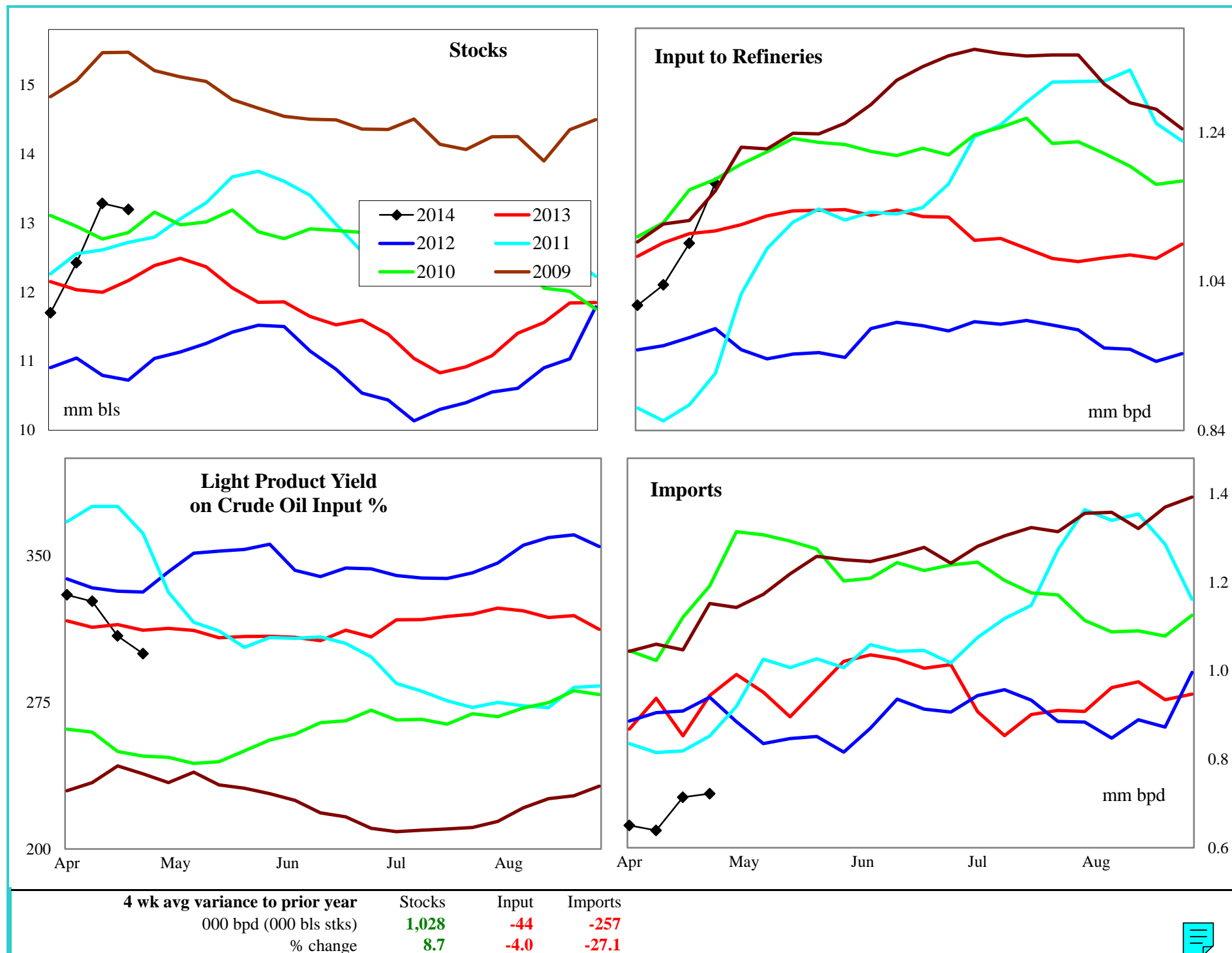
# United States Jet Fuel Supply and Demand Balance



# United States Residual Fuel Oil Supply and Demand Balance

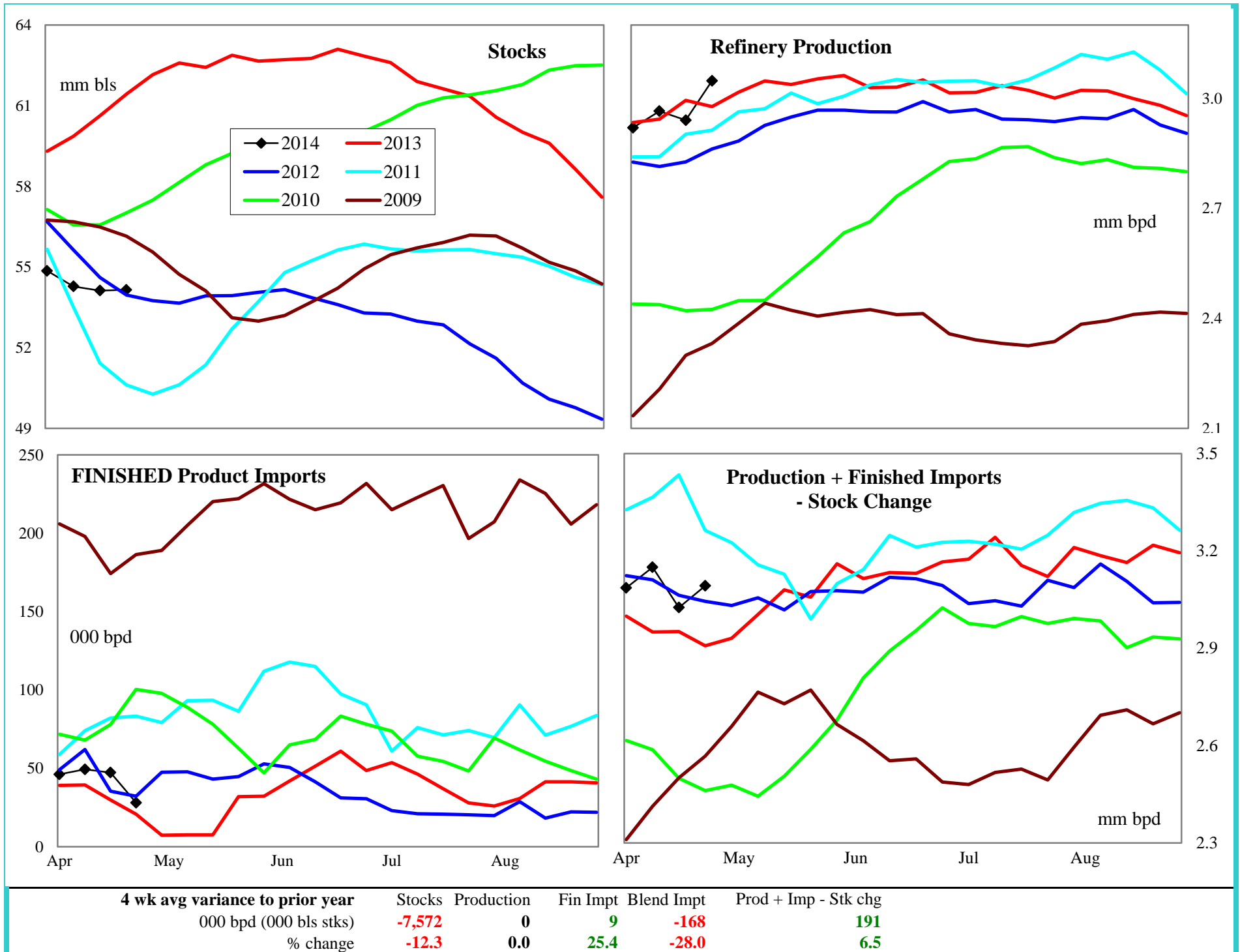


# PADD 1 Crude Oil Supply and Refining

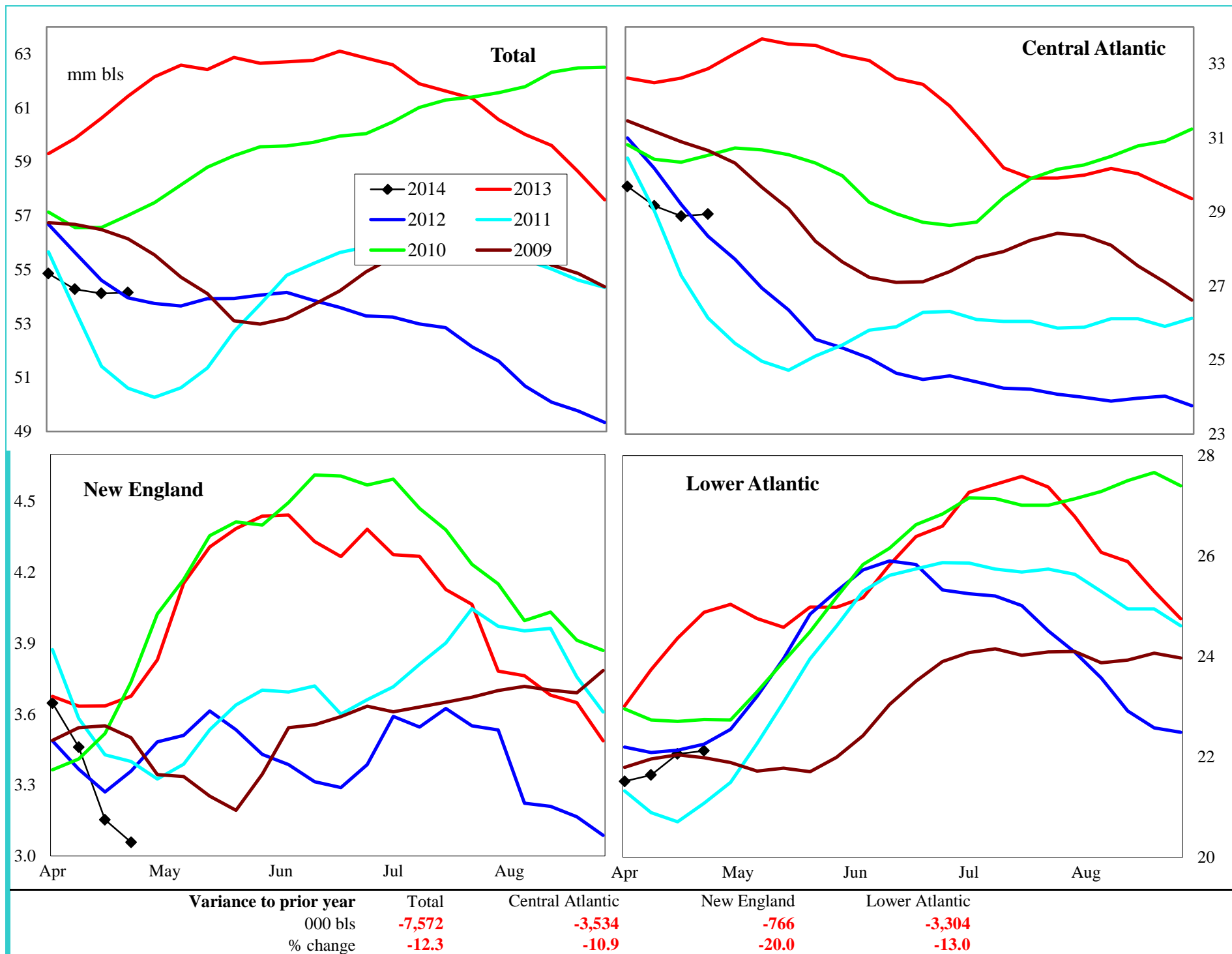




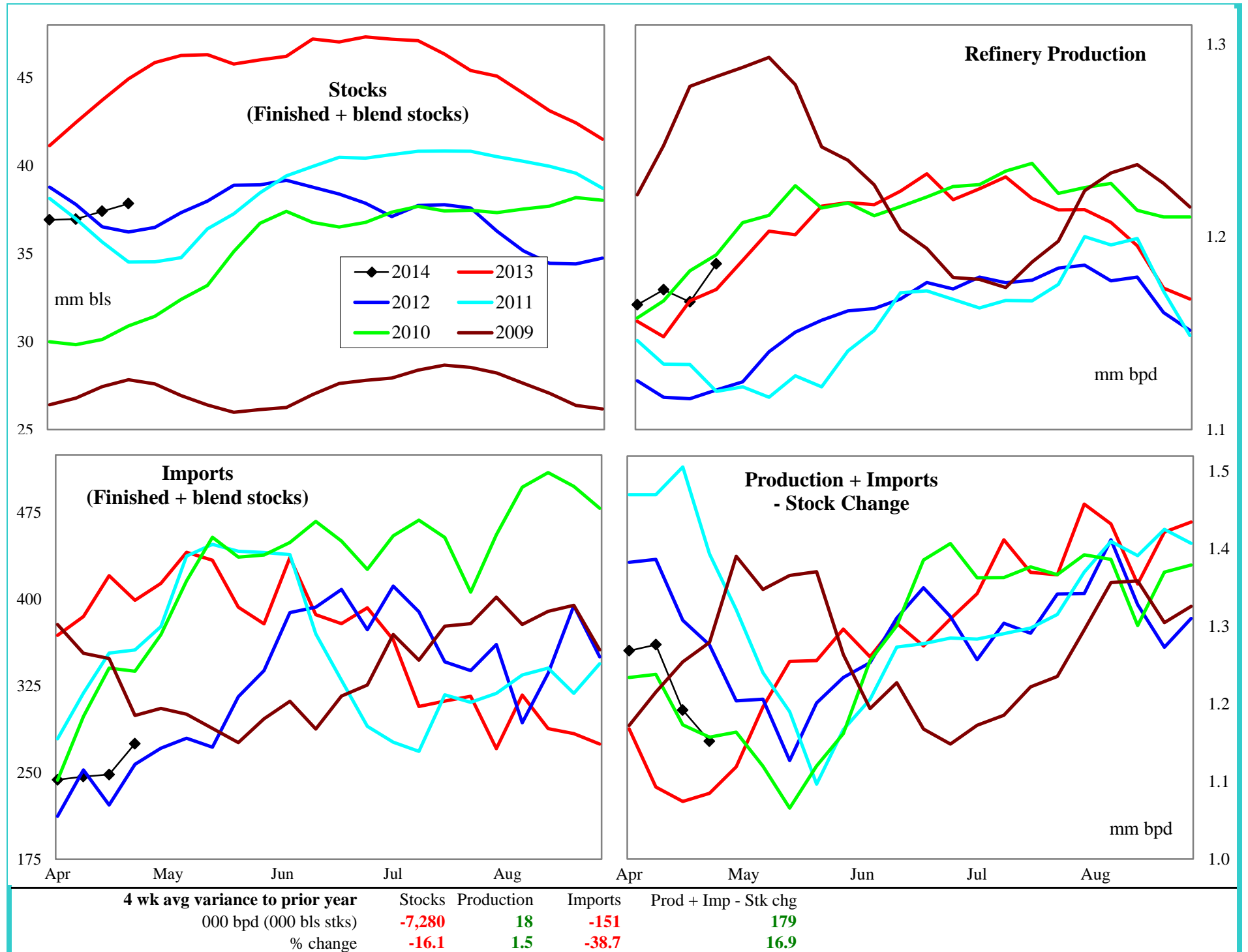
# PADD 1 Gasoline Supply



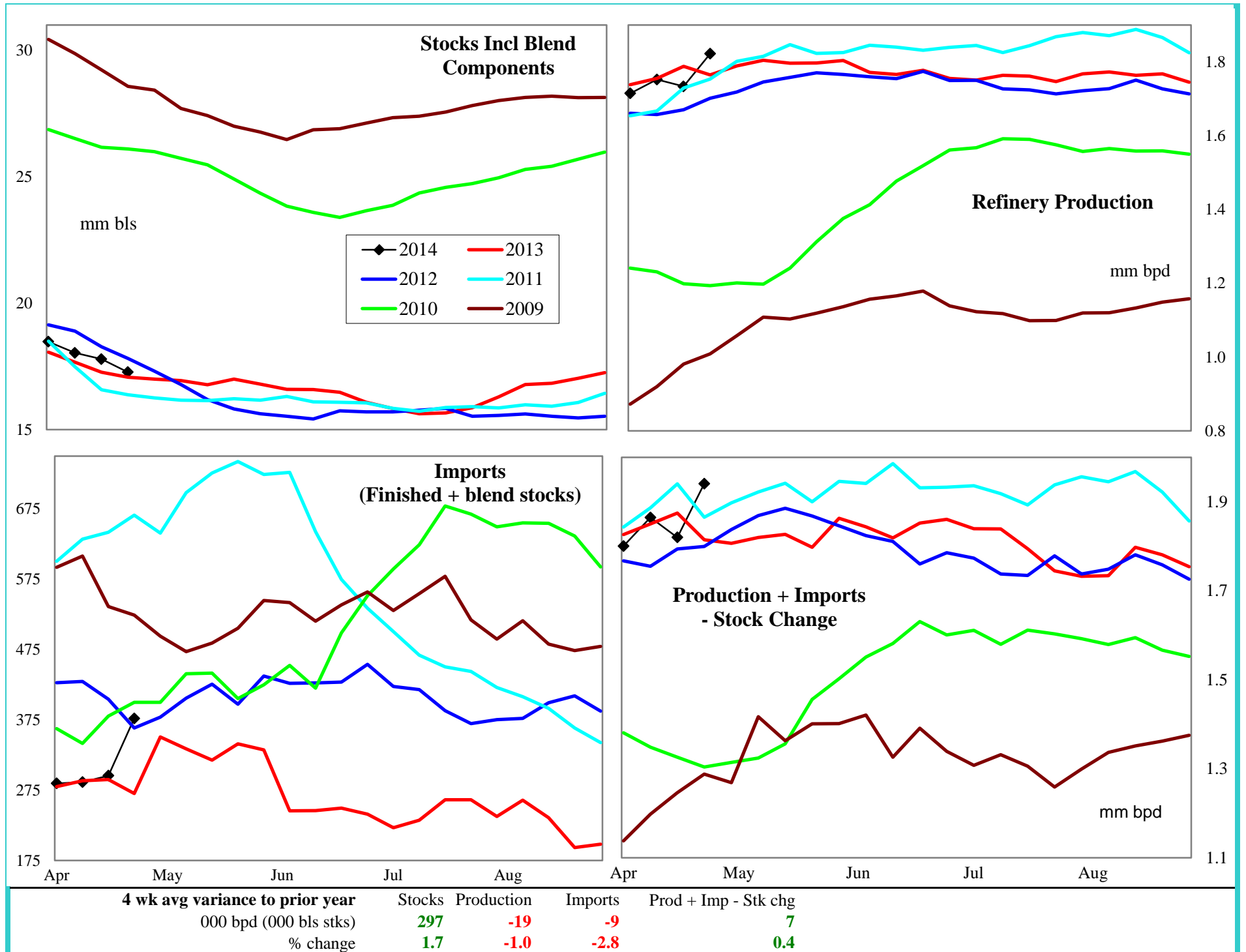
# PADD 1 Gasoline Stocks by Region



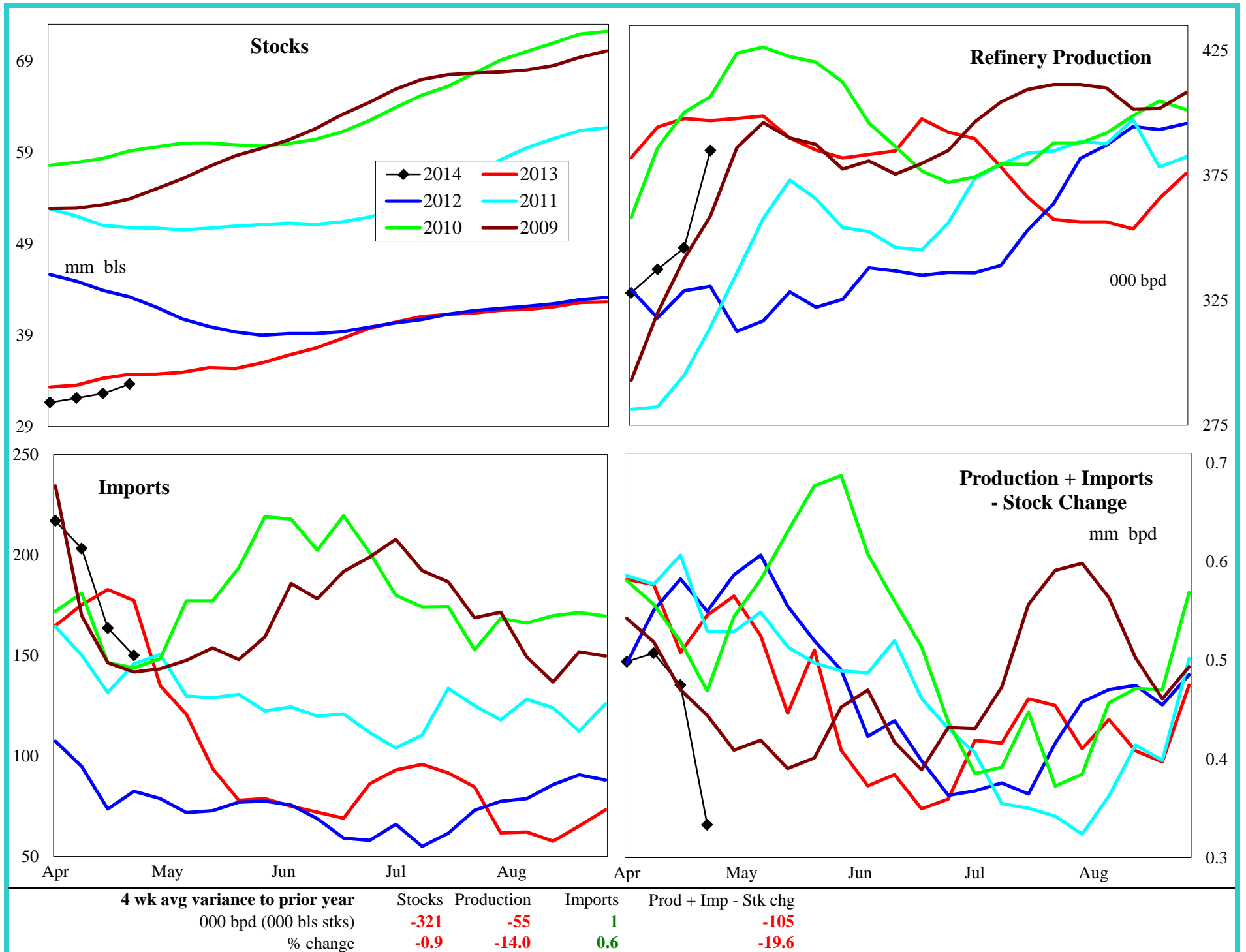
# PADD 1 Reformulated Gasoline Supply



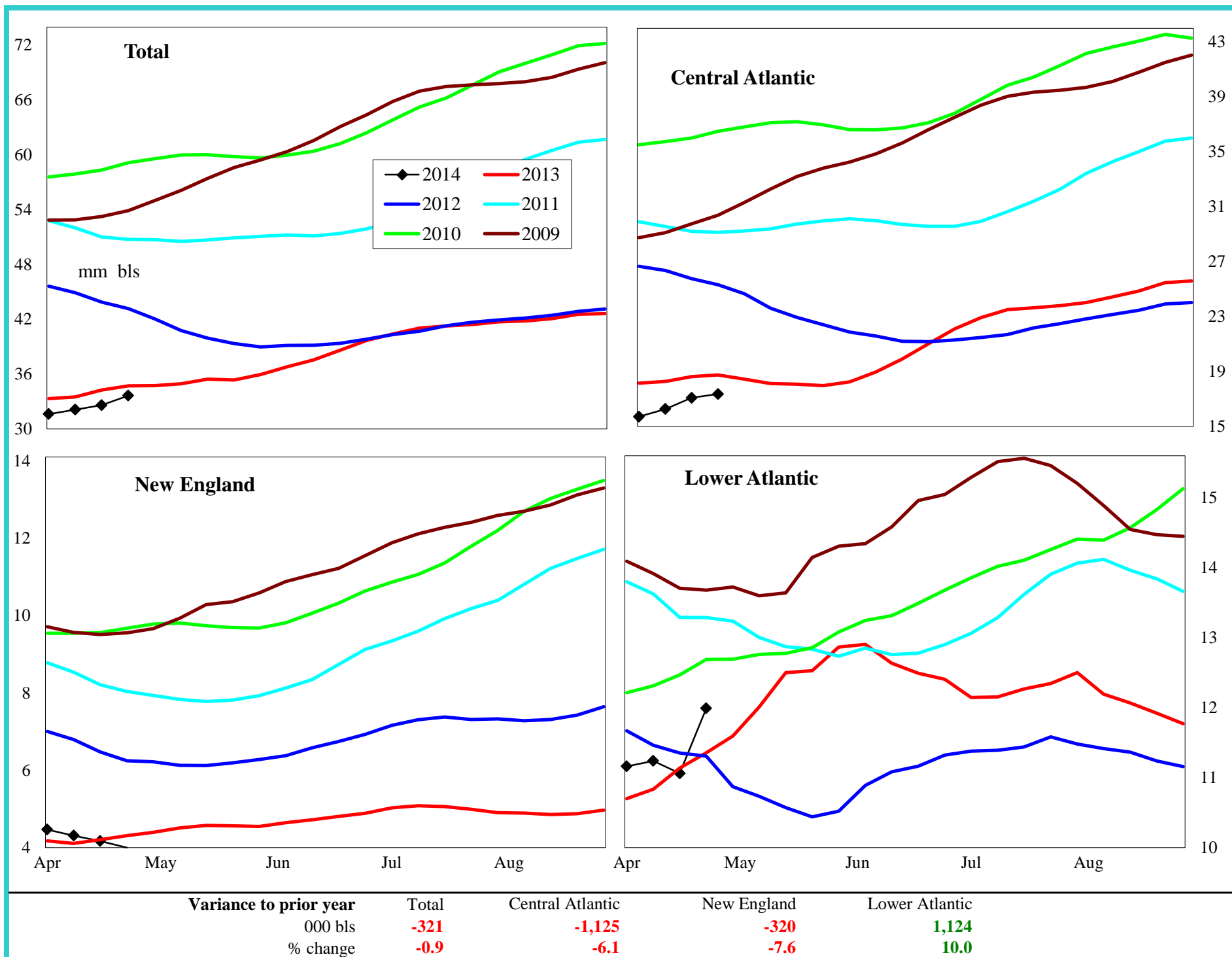
# PADD 1 Conventional Gasoline Supply



# PADD 1 Distillate Supply

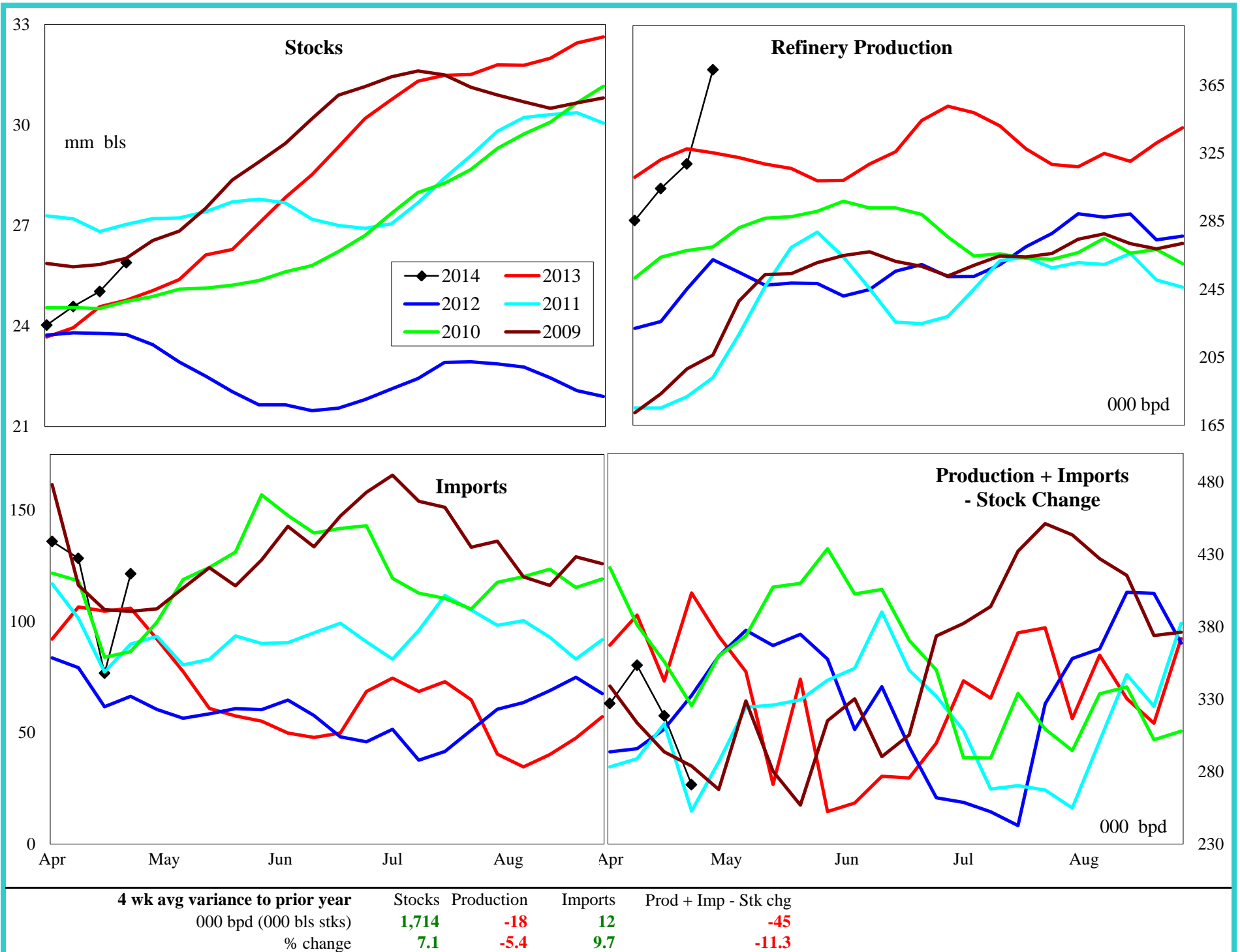


# PADD 1 Distillate Stocks by Region

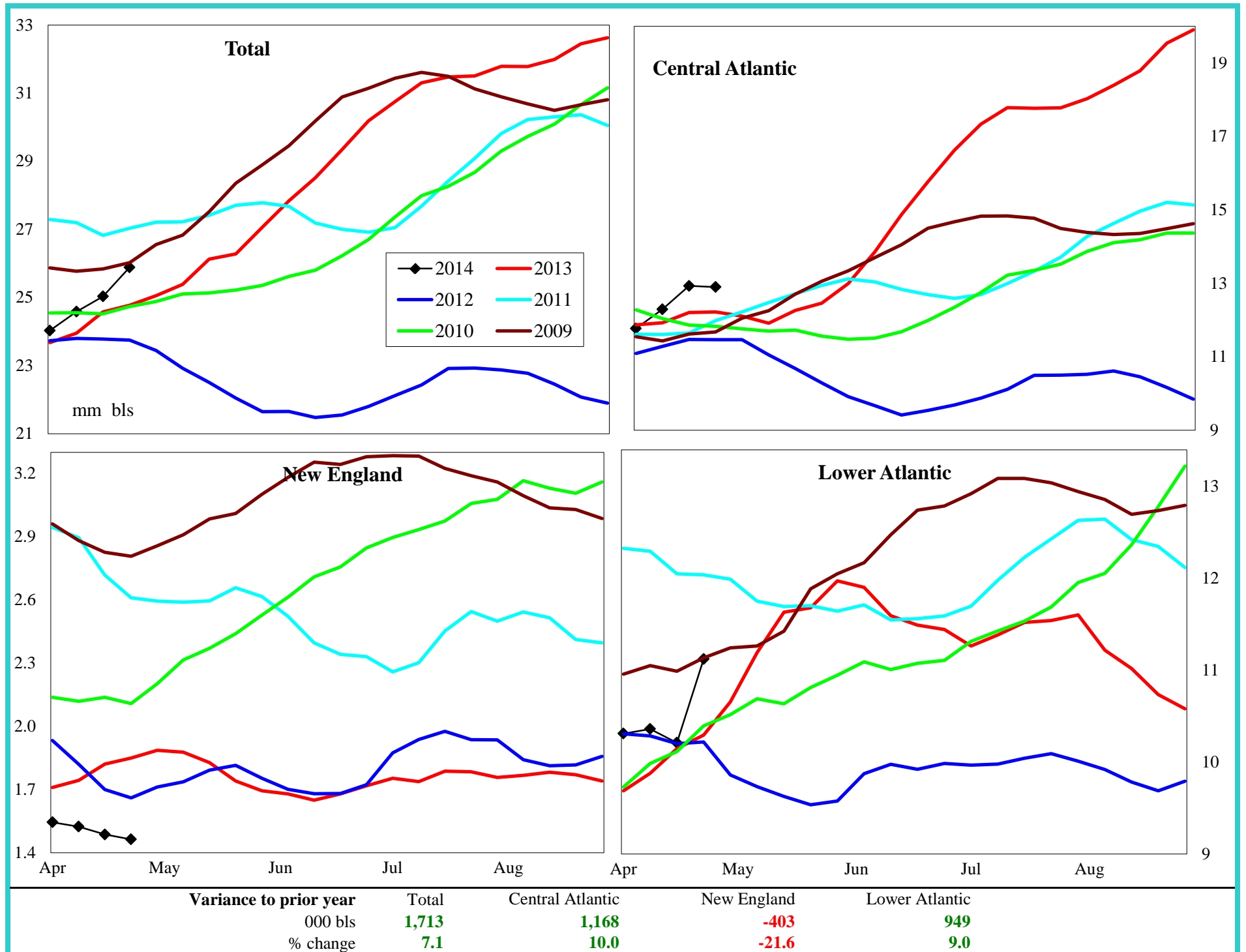




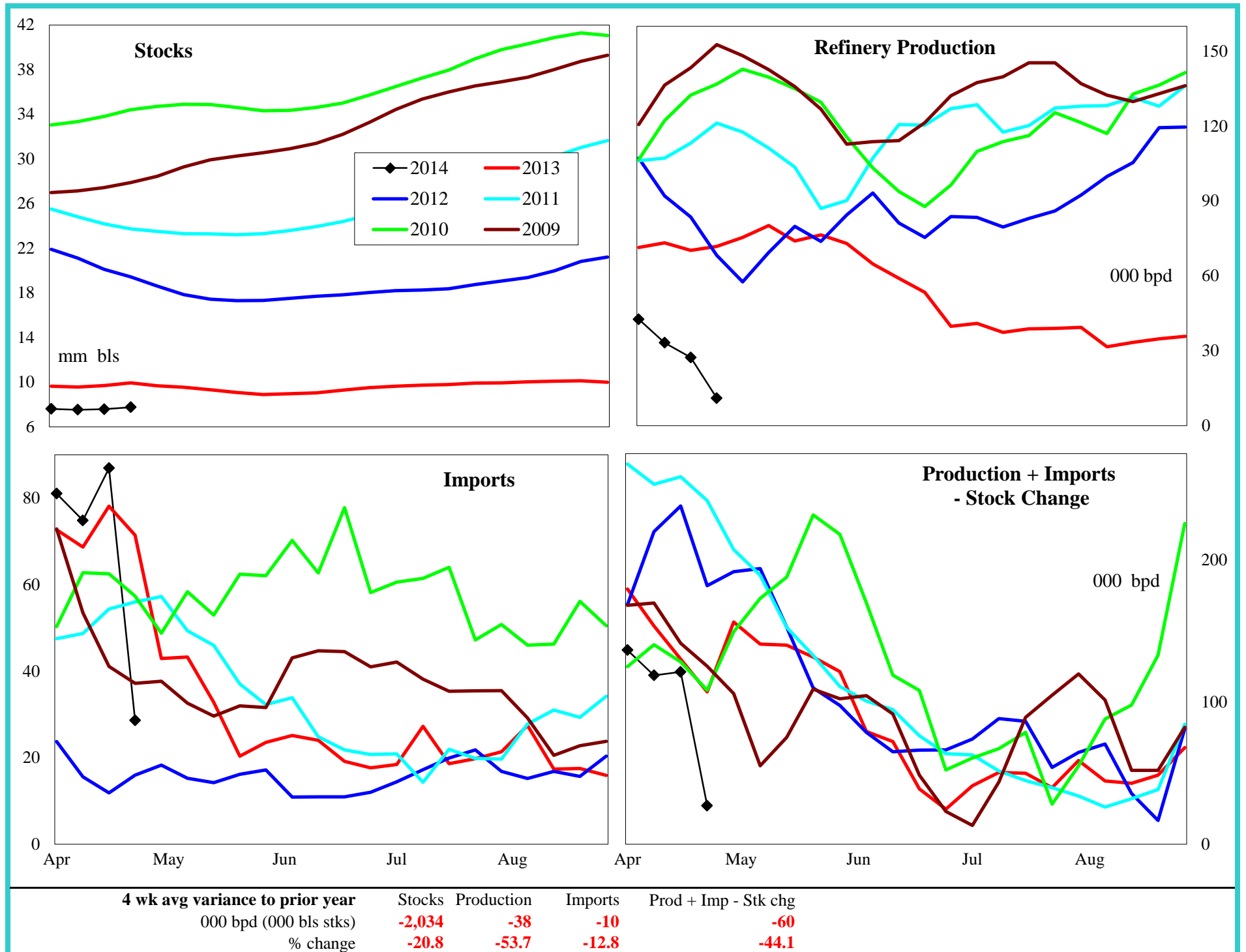
# PADD 1 Low Sulfur Distillate Supply



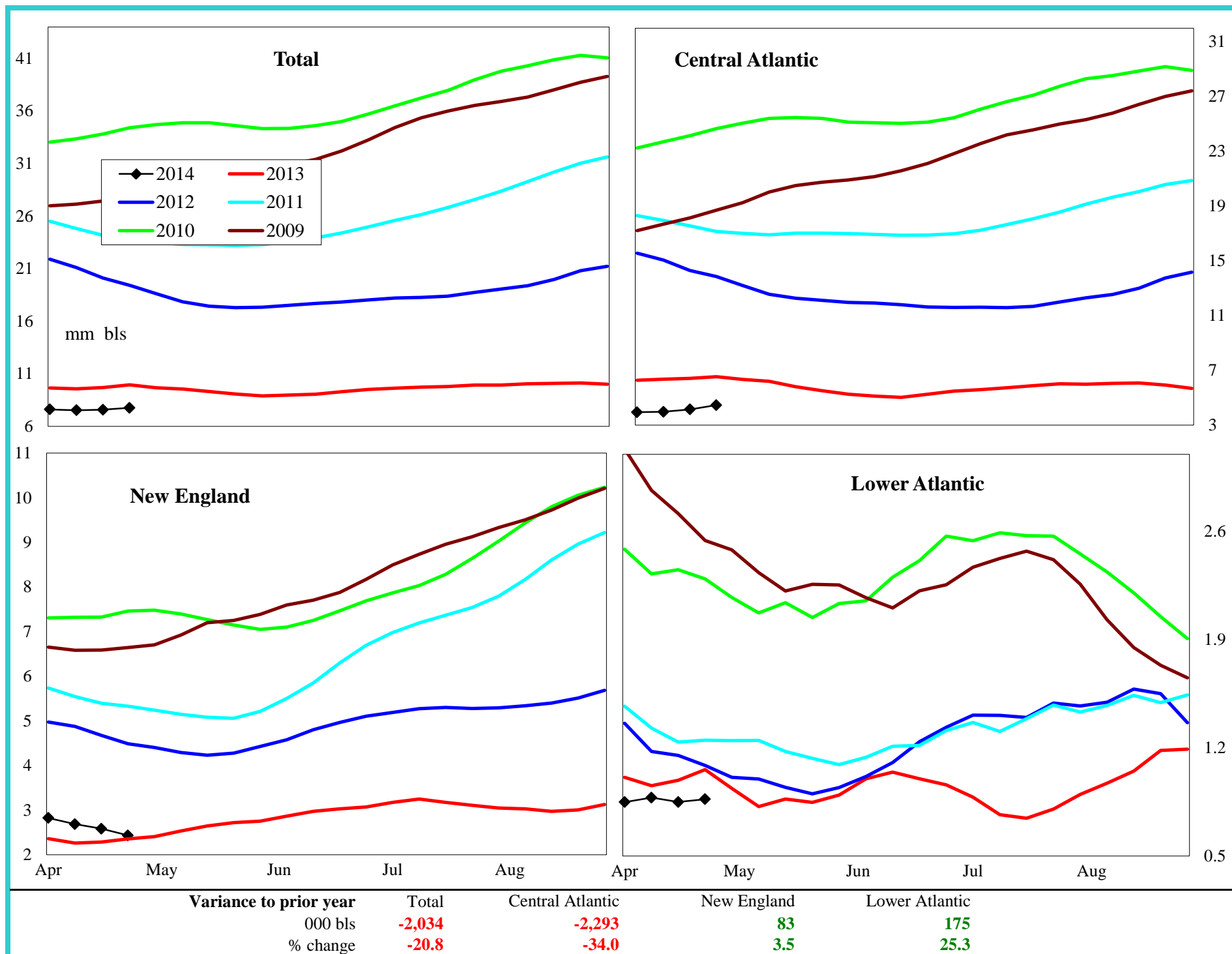
# PADD 1 Low Sulfur Distillate Stocks by Region



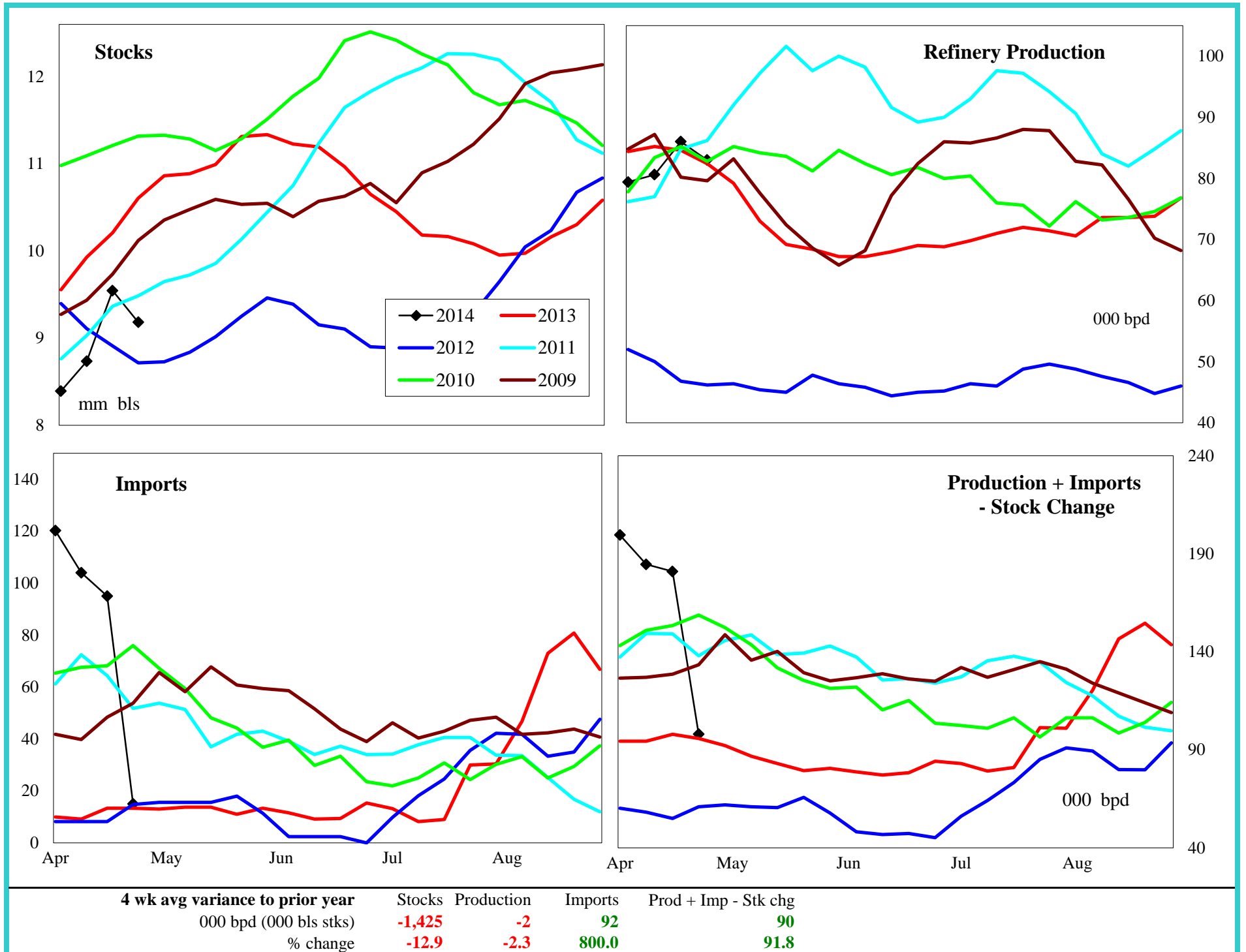
# PADD 1 High Sulfur Distillate Supply



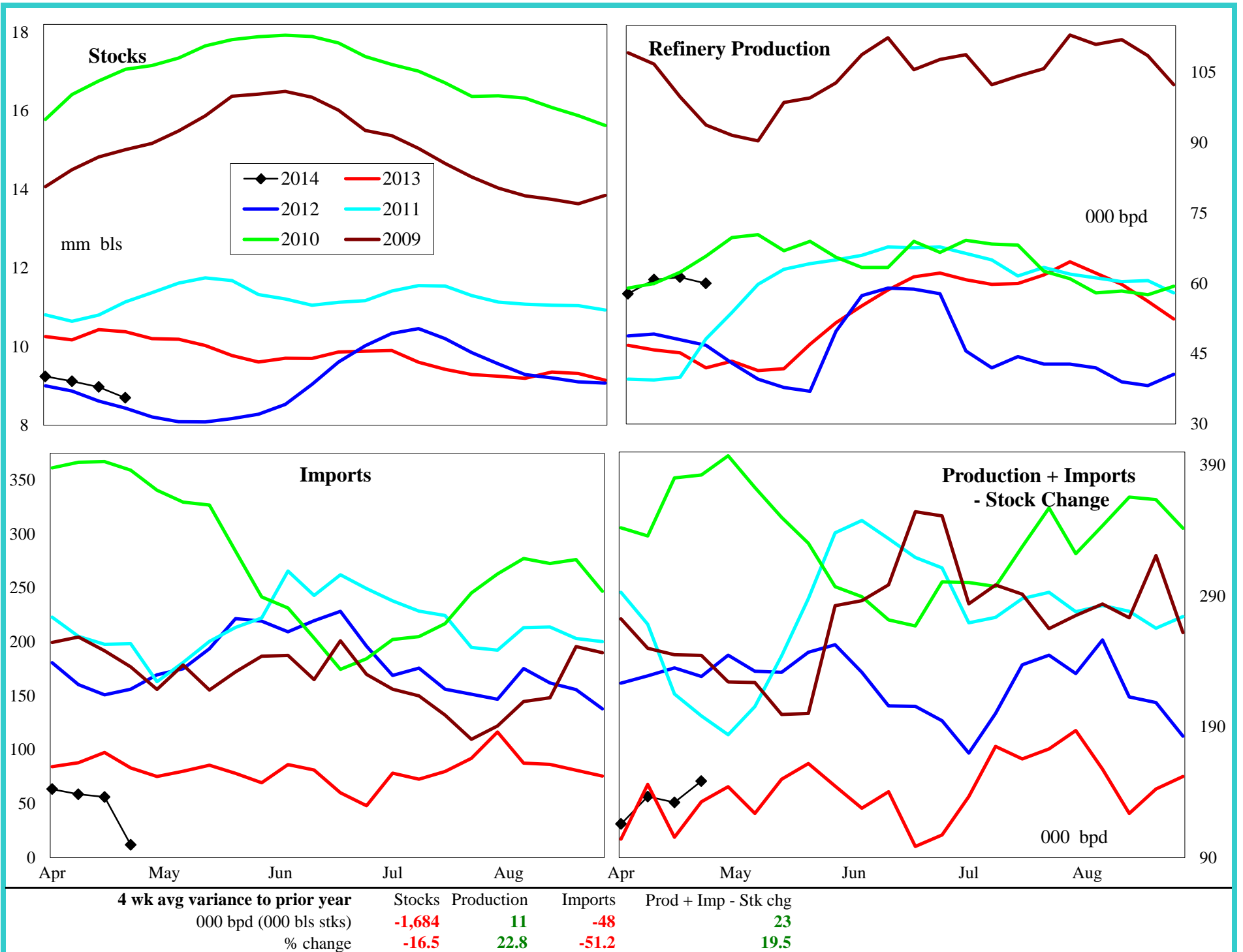
# PADD 1 High Sulfur Distillate Stocks by Region



# PADD 1 Jet Fuel Supply

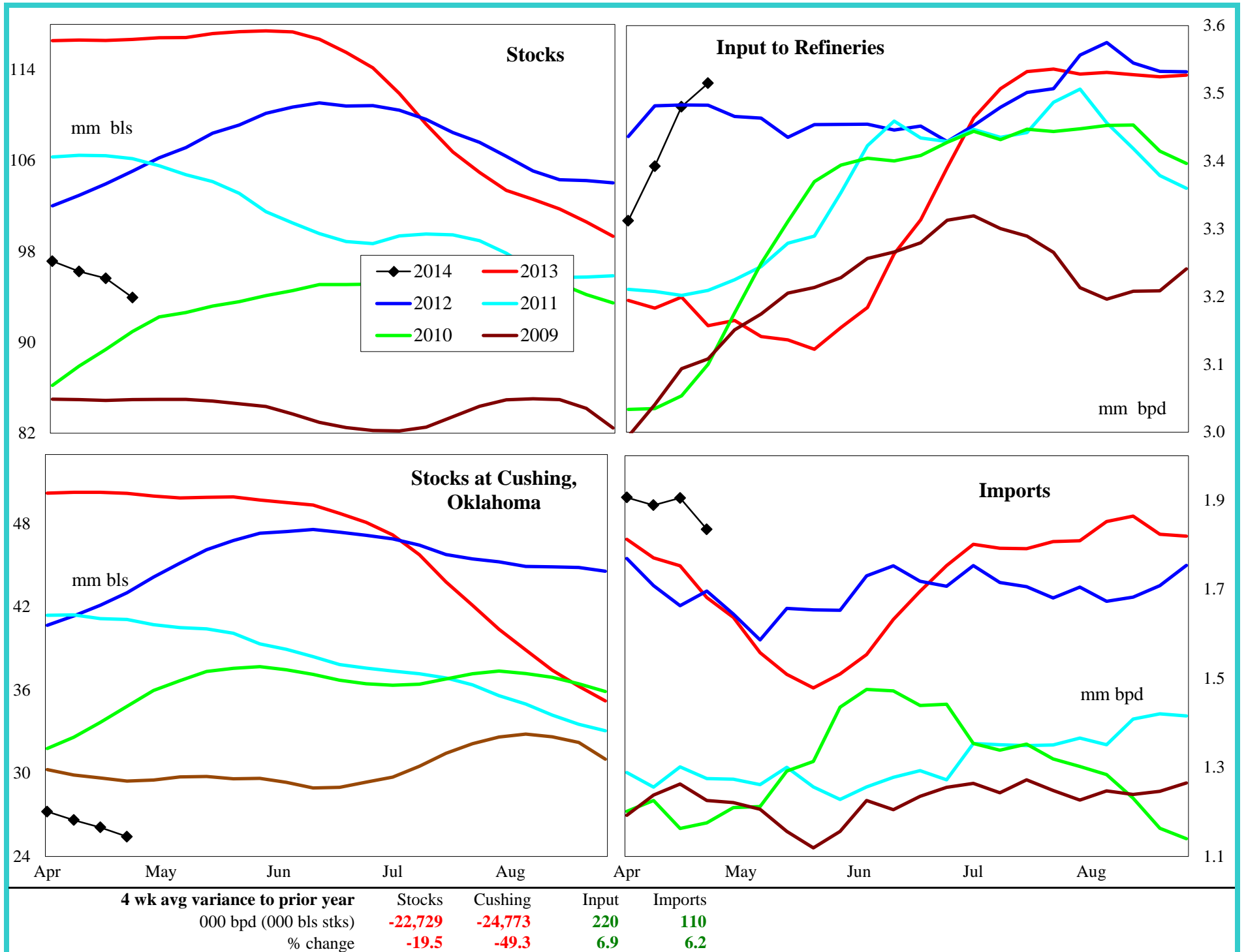


# PADD 1 Residual Fuel Oil Supply

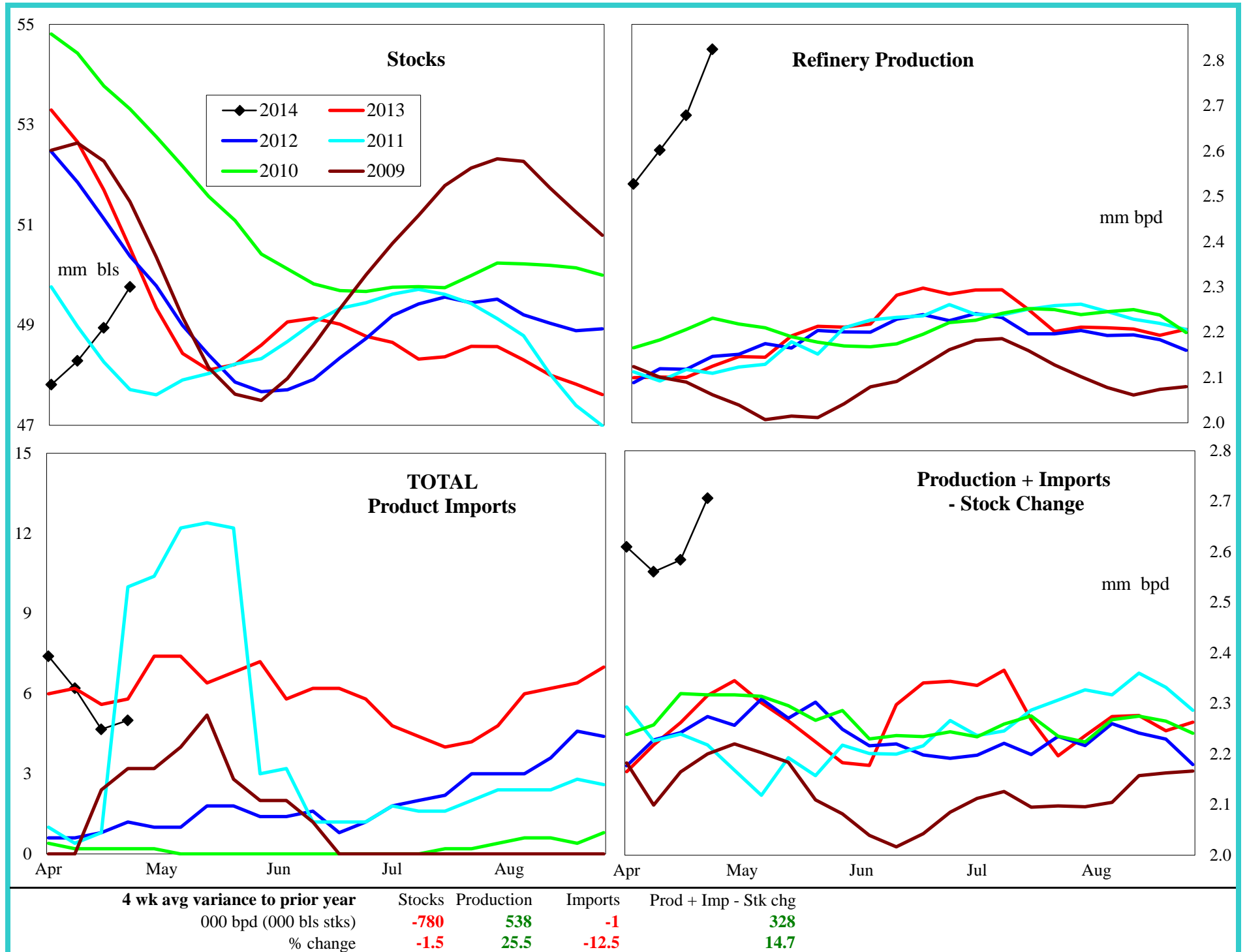




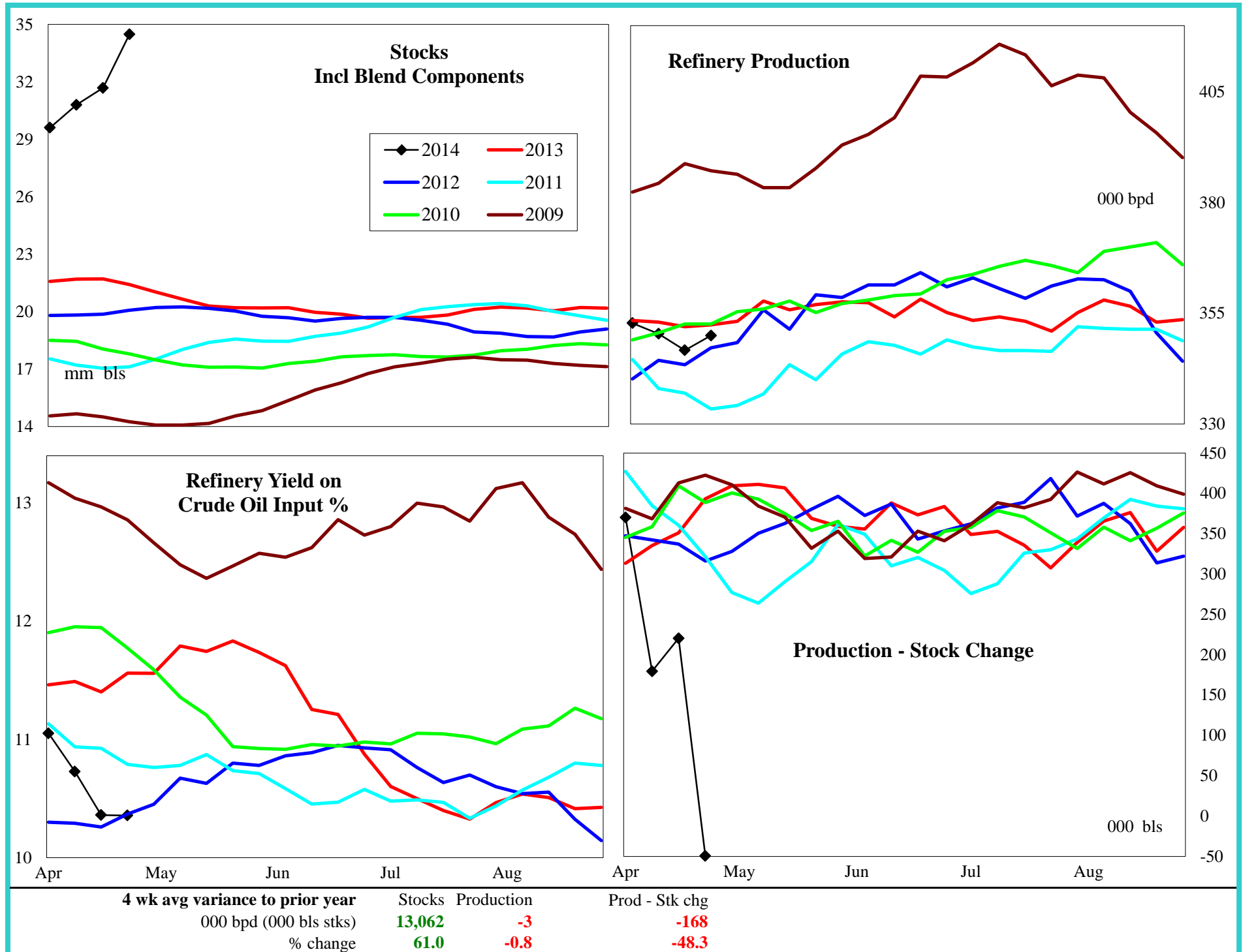
# PADD 2 Crude Oil Supply and Refining



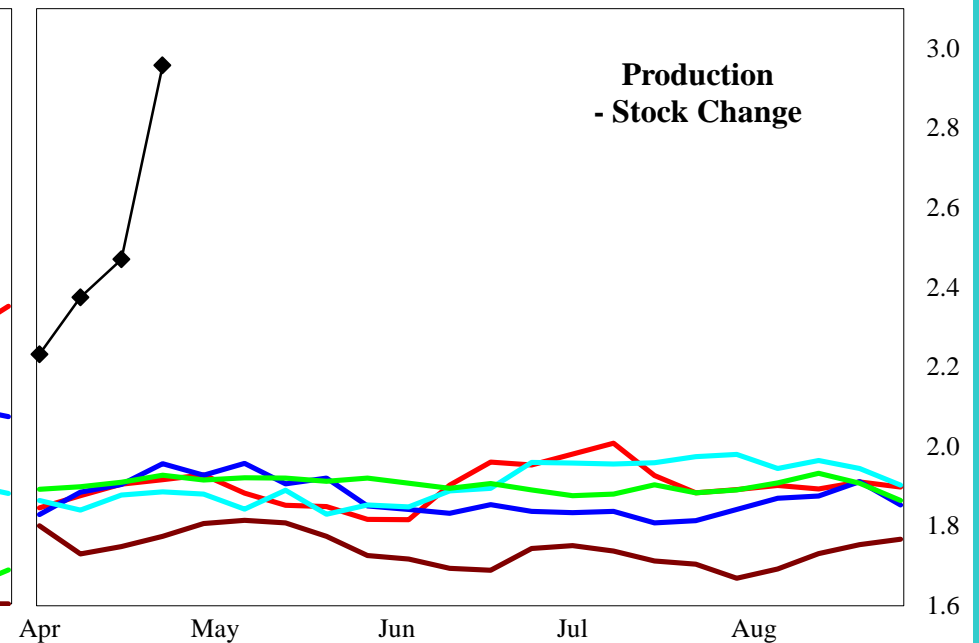
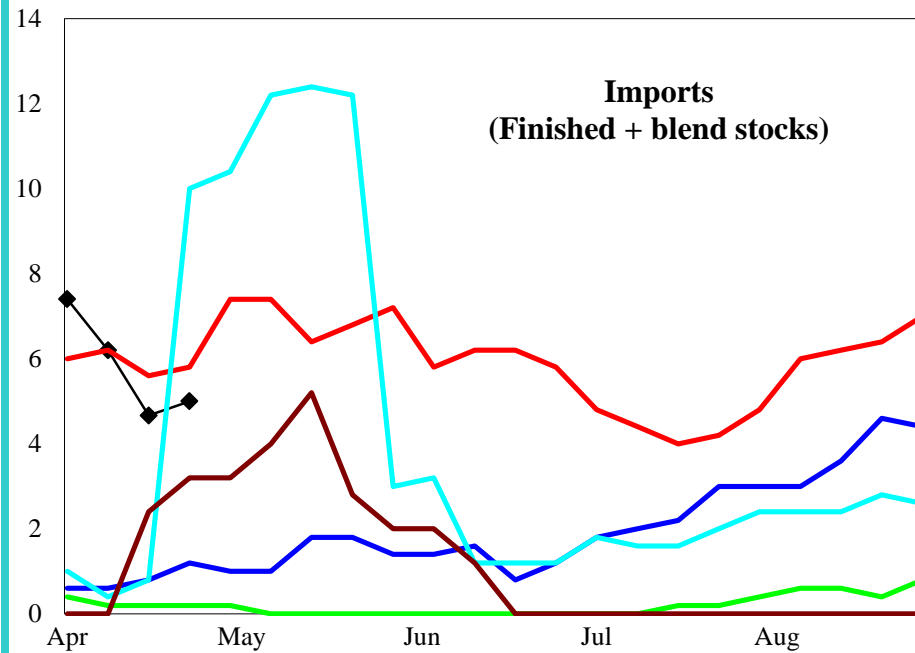
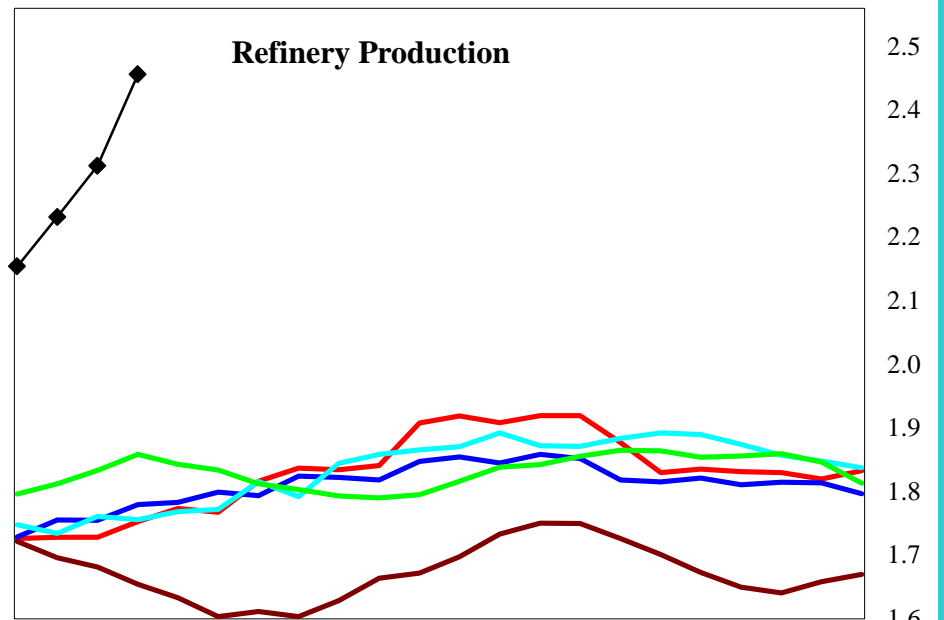
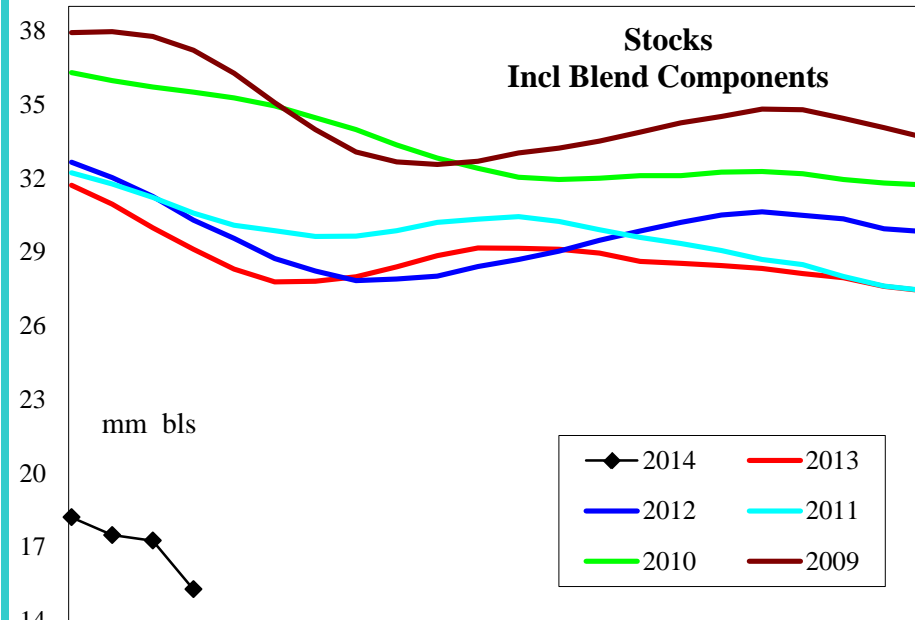
# PADD 2 Gasoline Supply



# PADD 2 Reformulated Gasoline Supply



# PADD 2 Conventional Gasoline Supply



**4 wk avg variance to prior year**

000 bpd (000 bbls stks)

% change

Stocks

-13,280

-46.5

Production

541

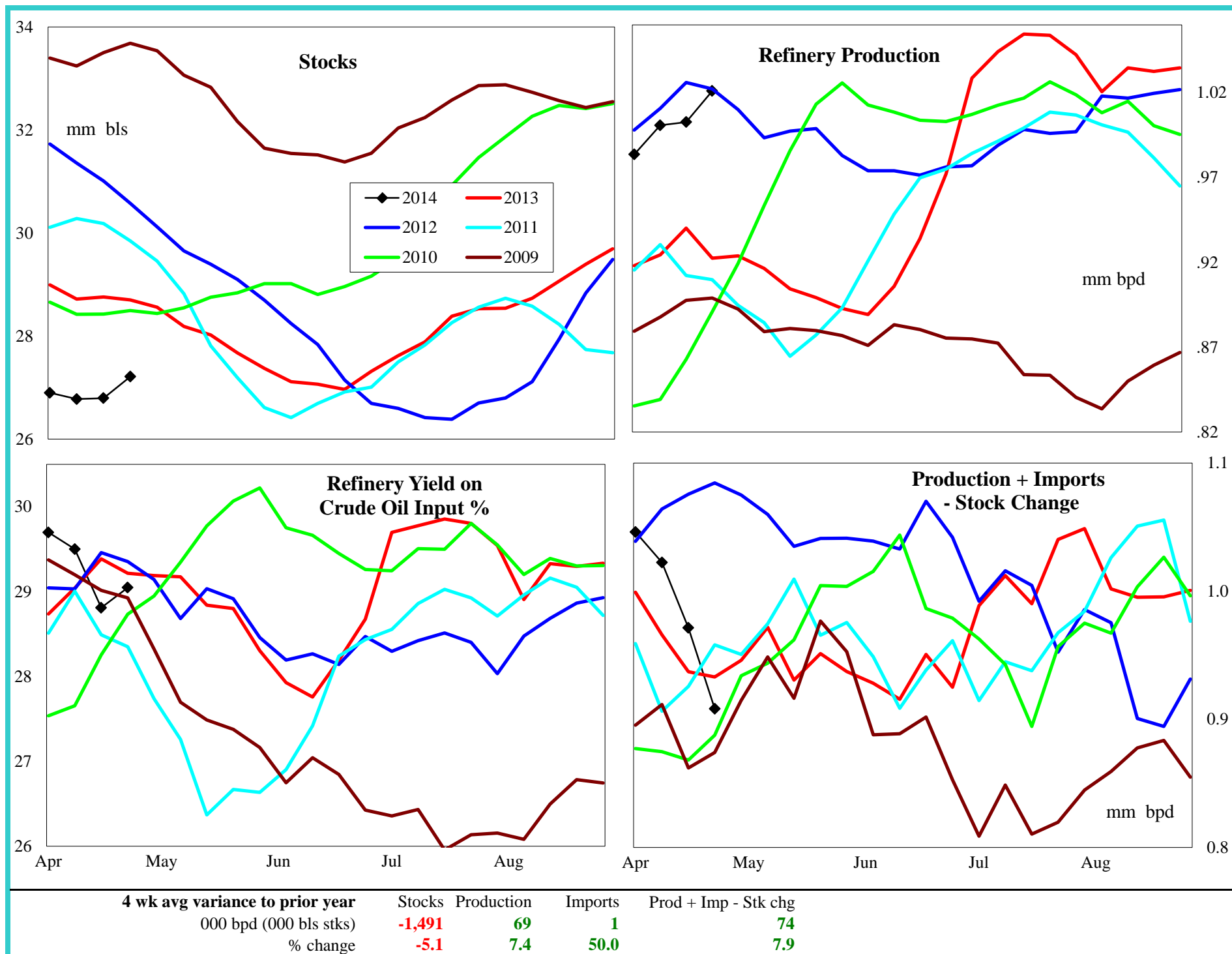
30.8

Prod - Stk chg

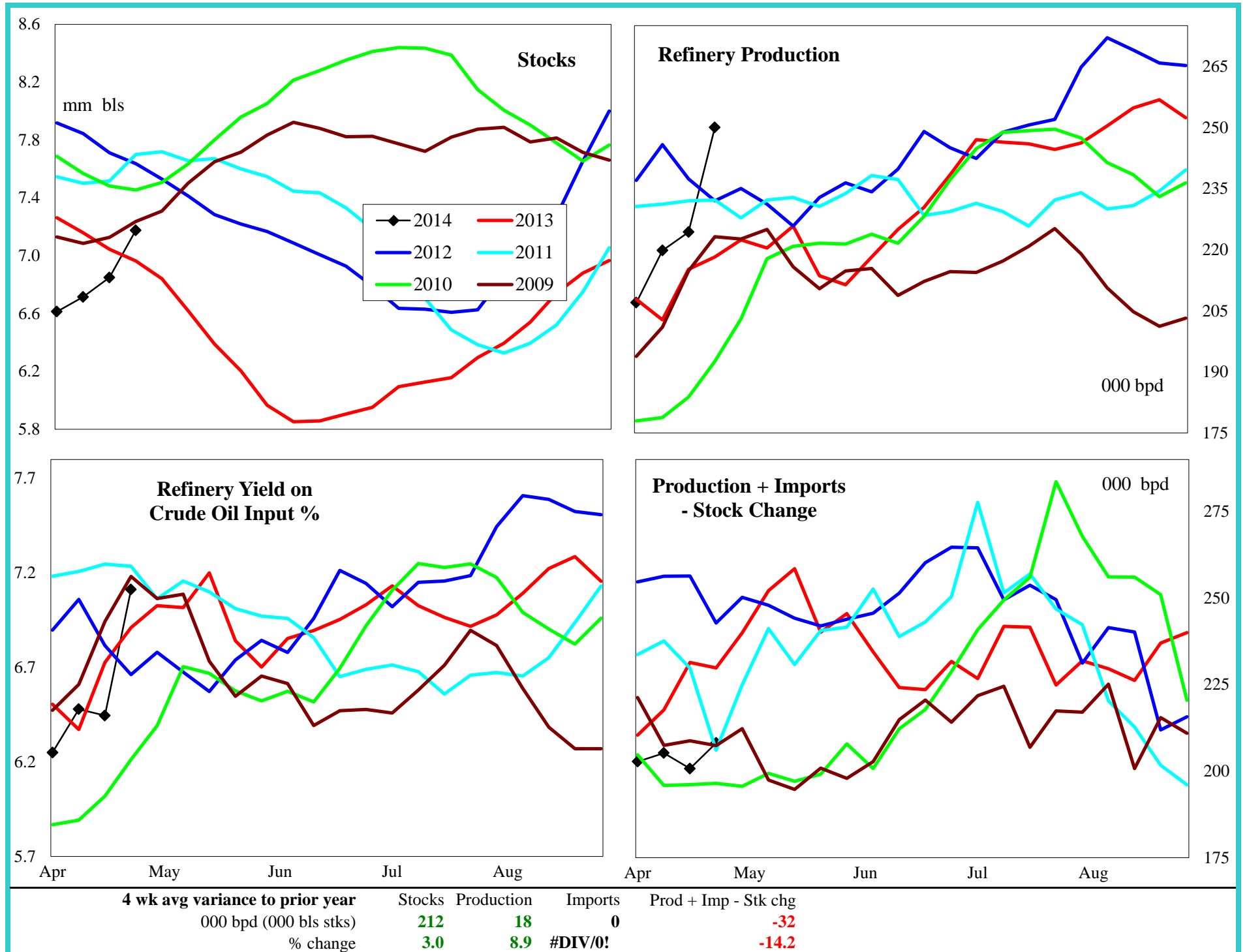
489

25.7

## PADD 2 Distillate Supply

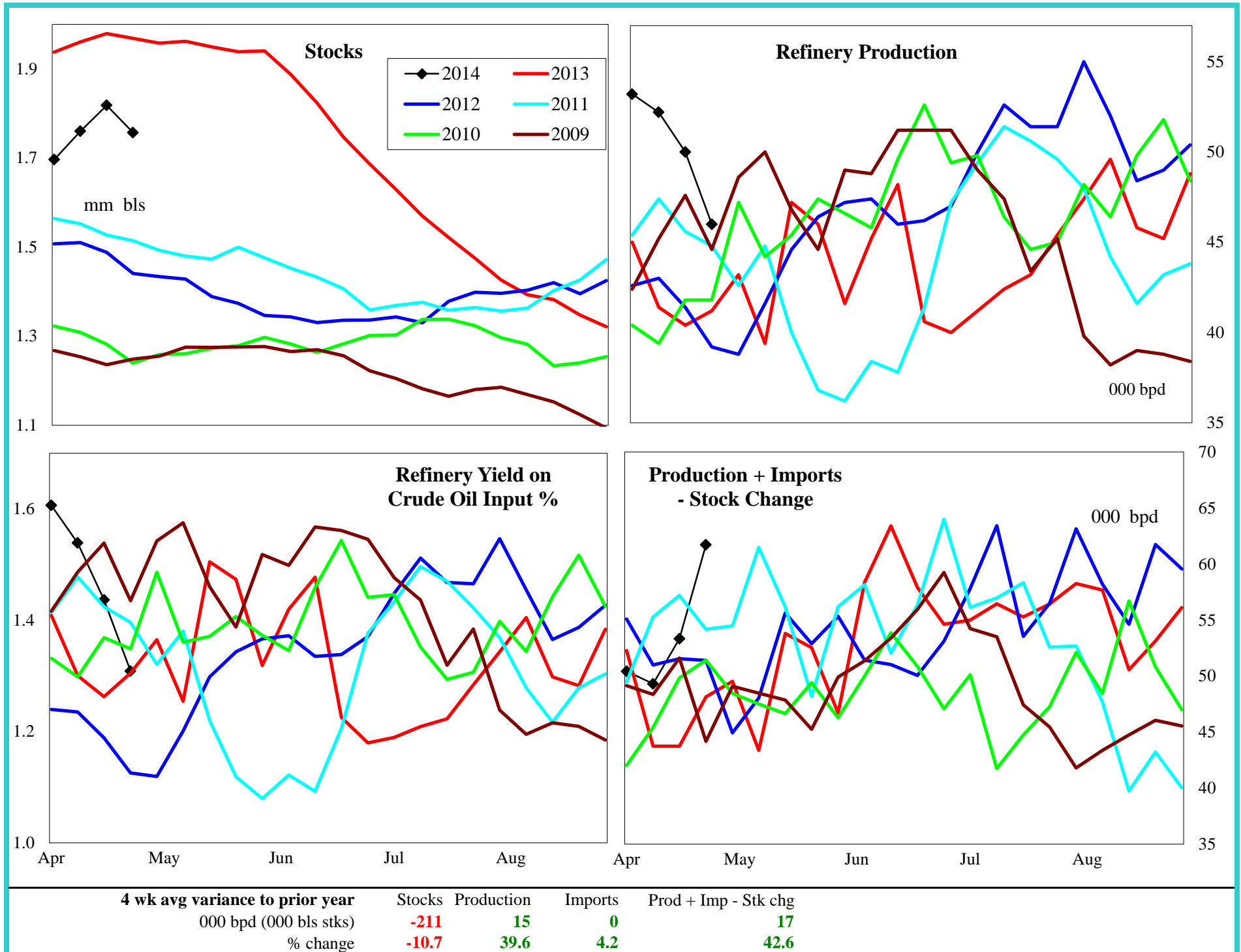


# PADD 2 Jet Fuel Supply

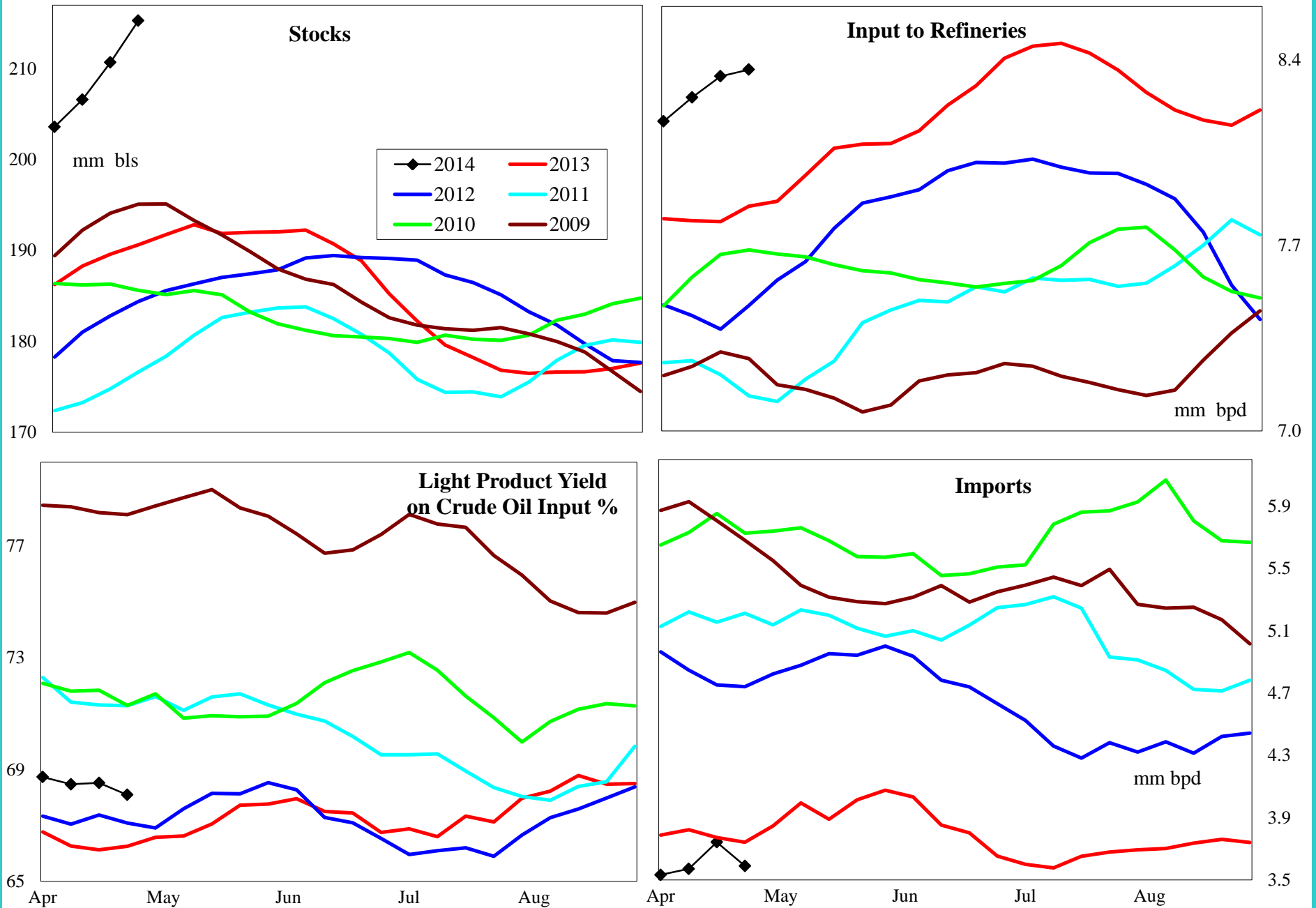




# PADD 2 Residual Fuel Oil Supply



# PADD 3 Crude Oil Supply and Refining



**4 wk avg variance to prior year**

000 bpd (000 bls stks)

% change

Stocks

**24,667**

**12.9**

Input

**552**

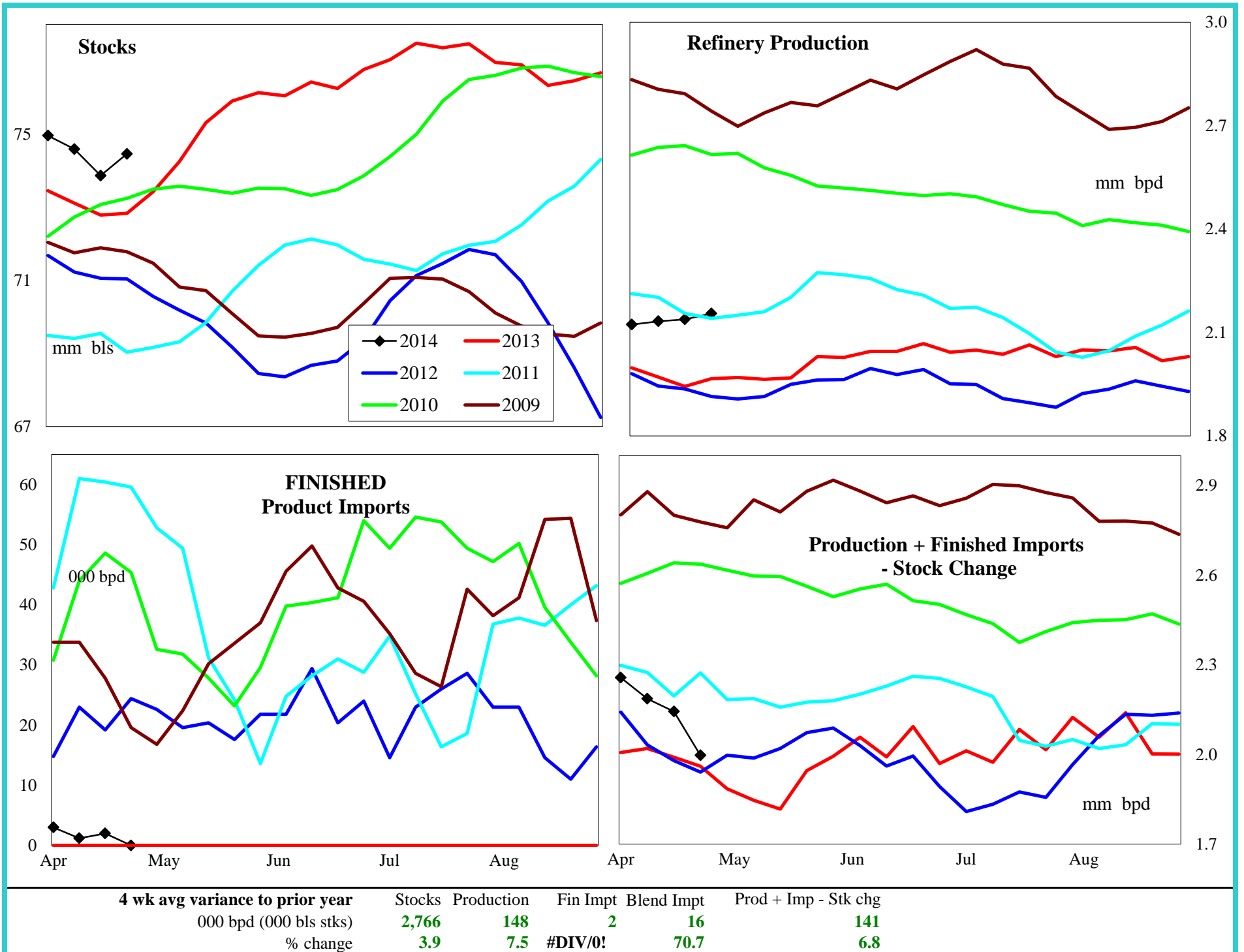
**7.1**

Imports

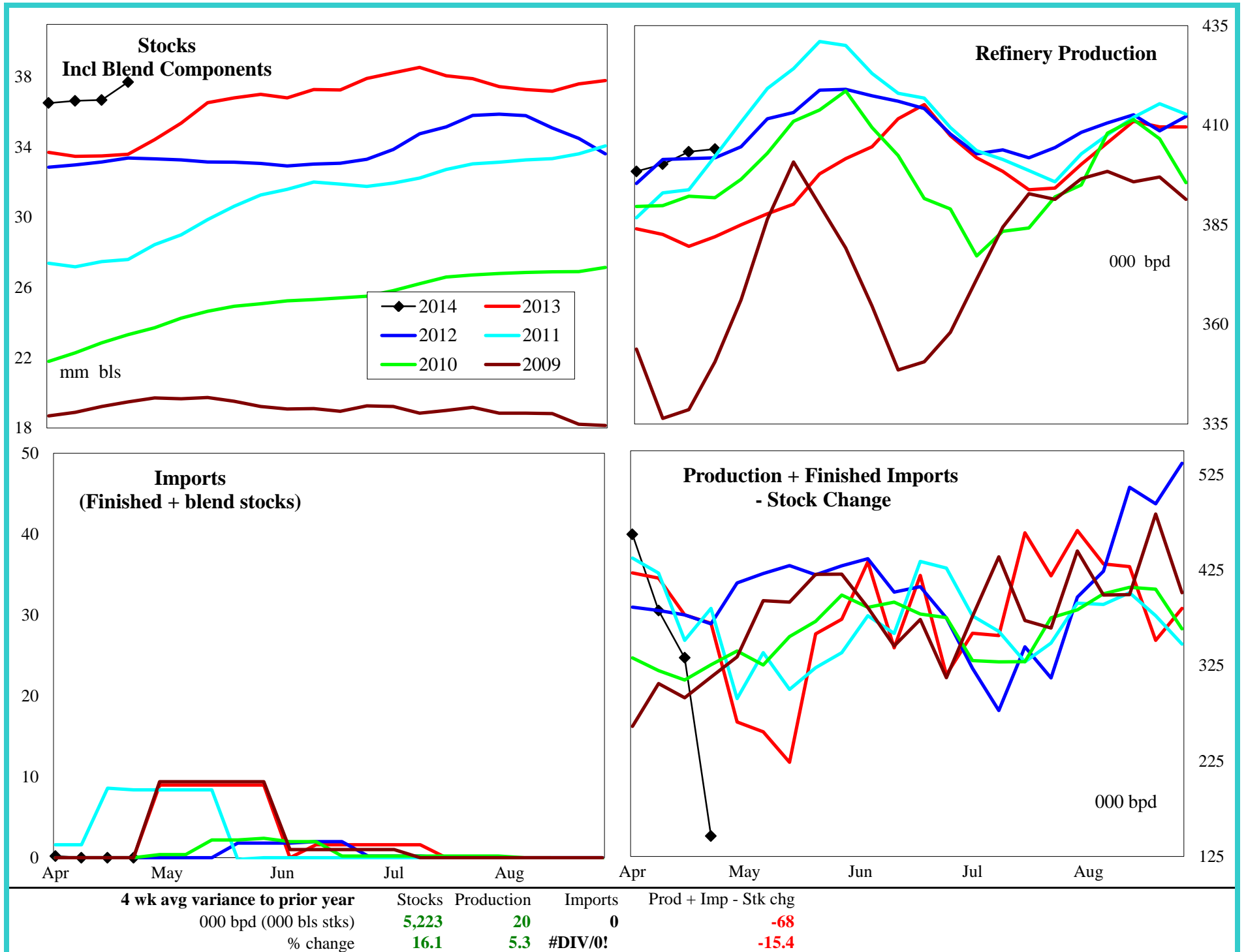
**-75**

**-2.0**

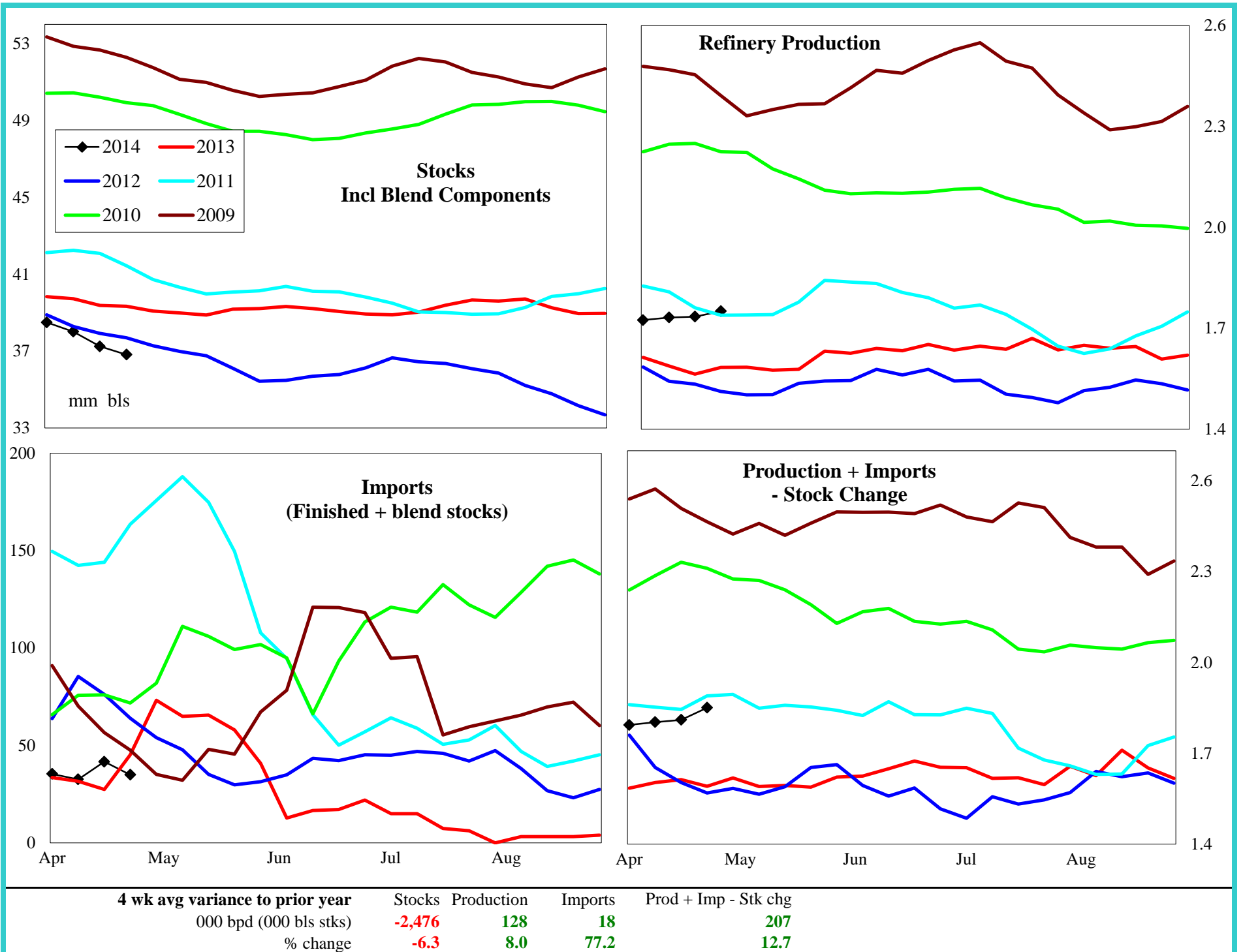
# PADD 3 Gasoline Supply



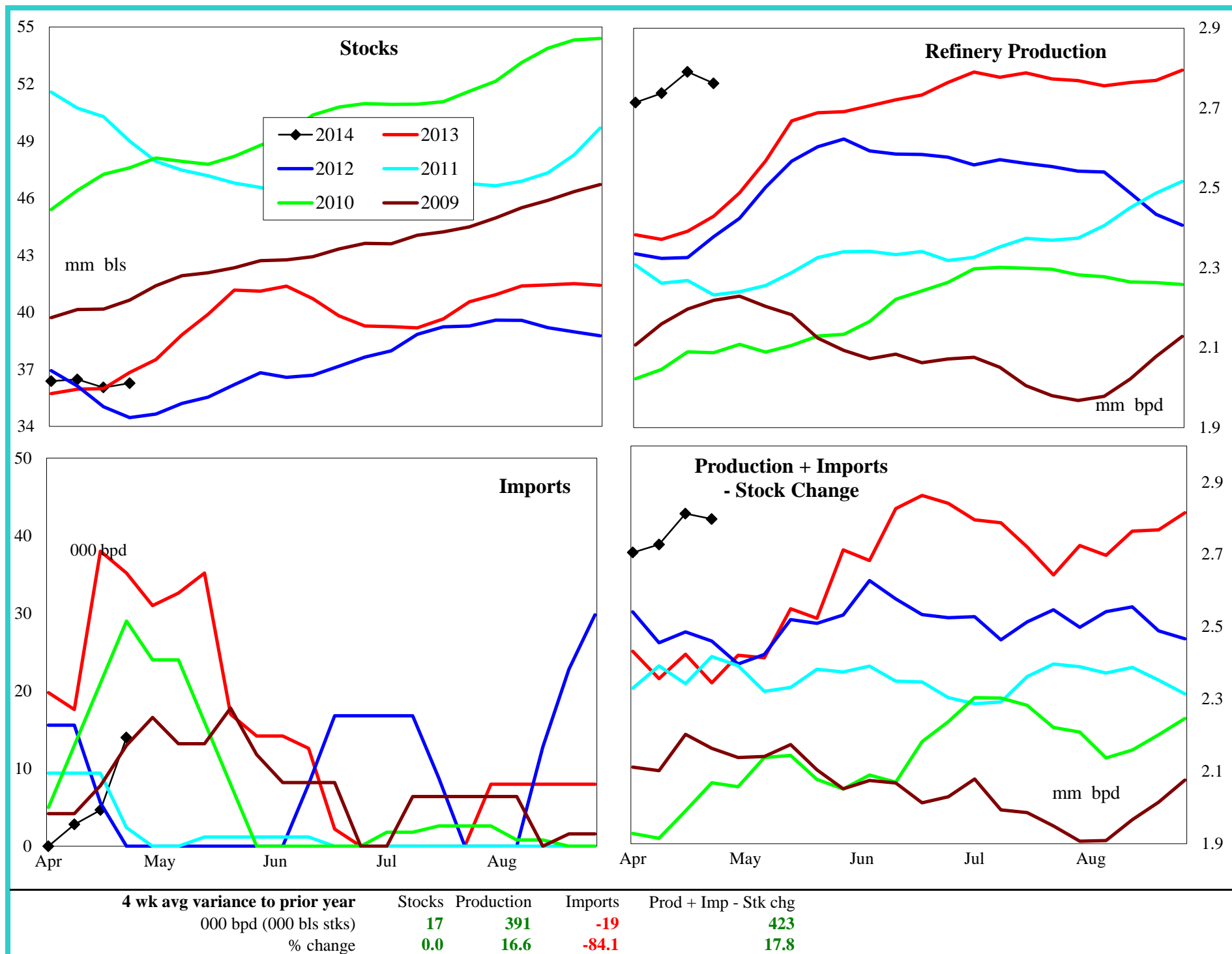
# PADD 3 Reformulated Gasoline Supply



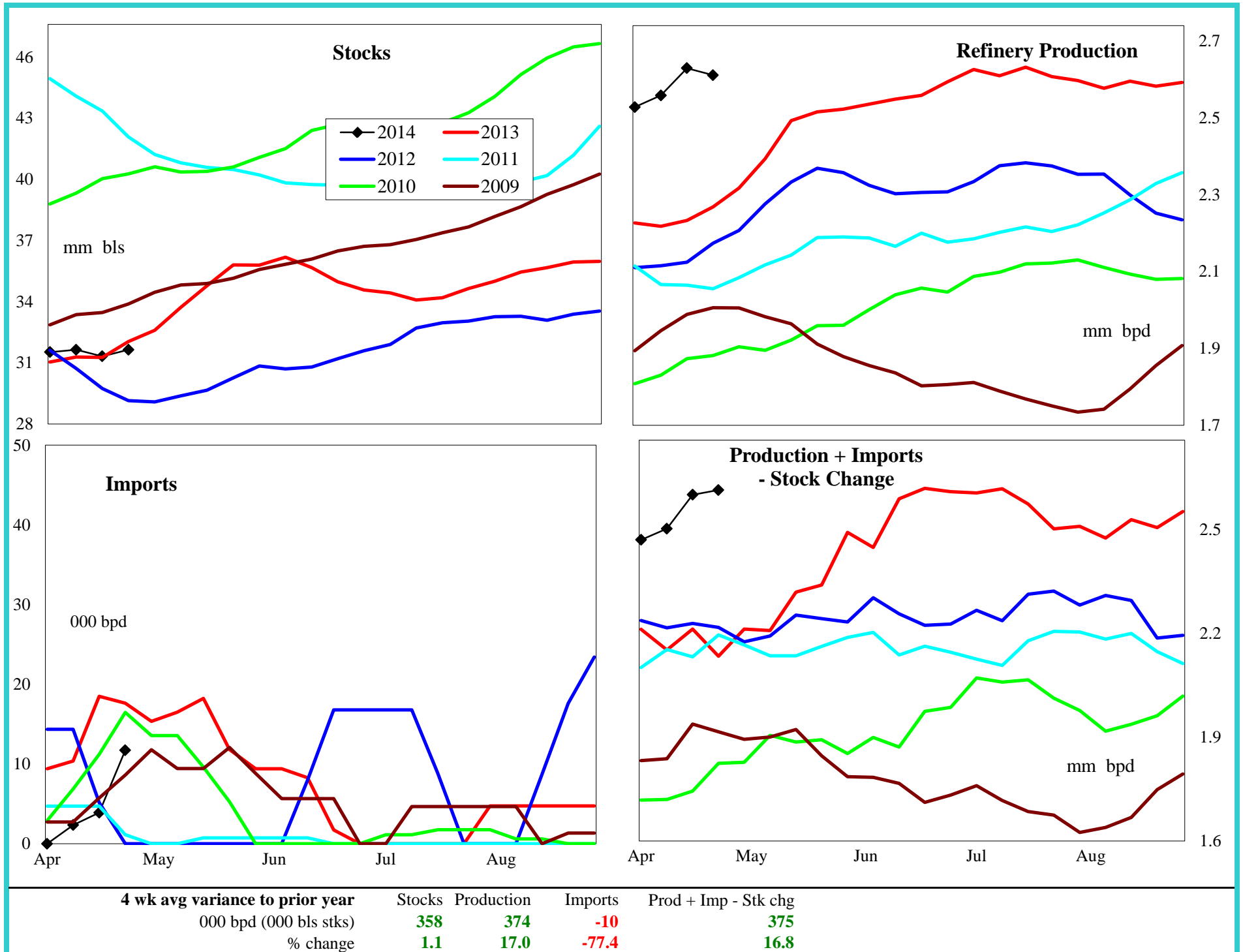
# PADD 3 Conventional Gasoline Supply



## PADD 3 Distillate Supply

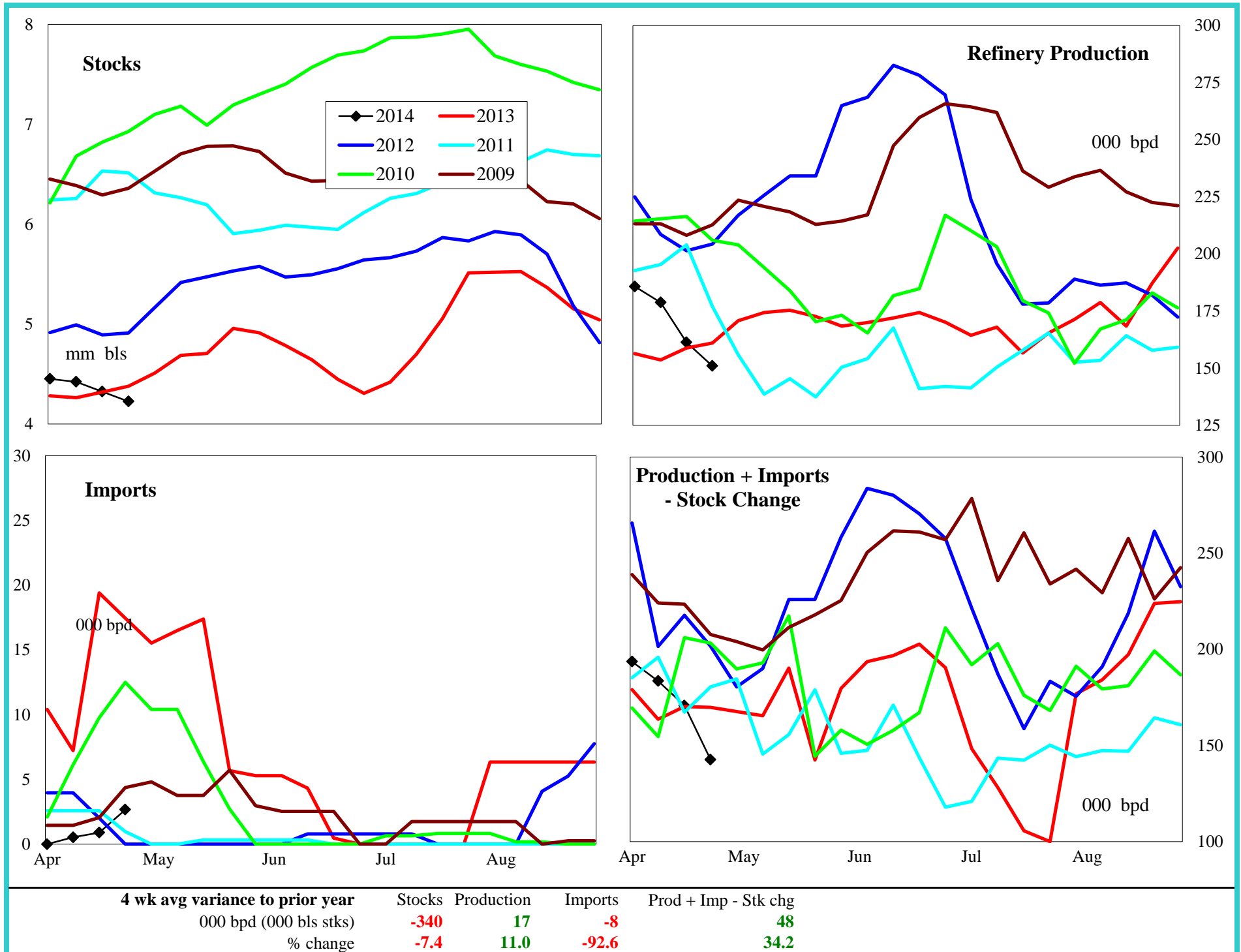


# PADD 3 Low Sulfur Distillate Supply

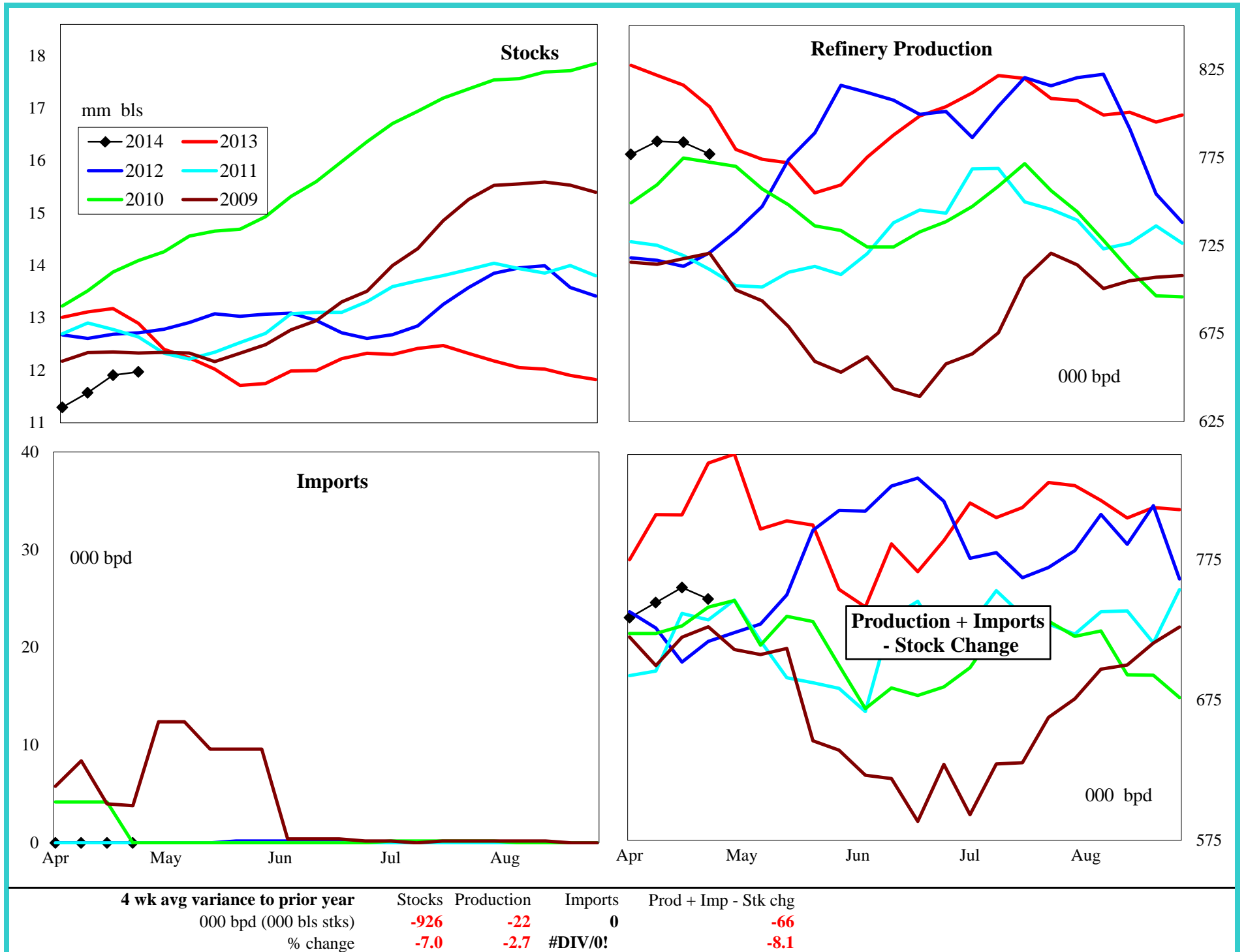




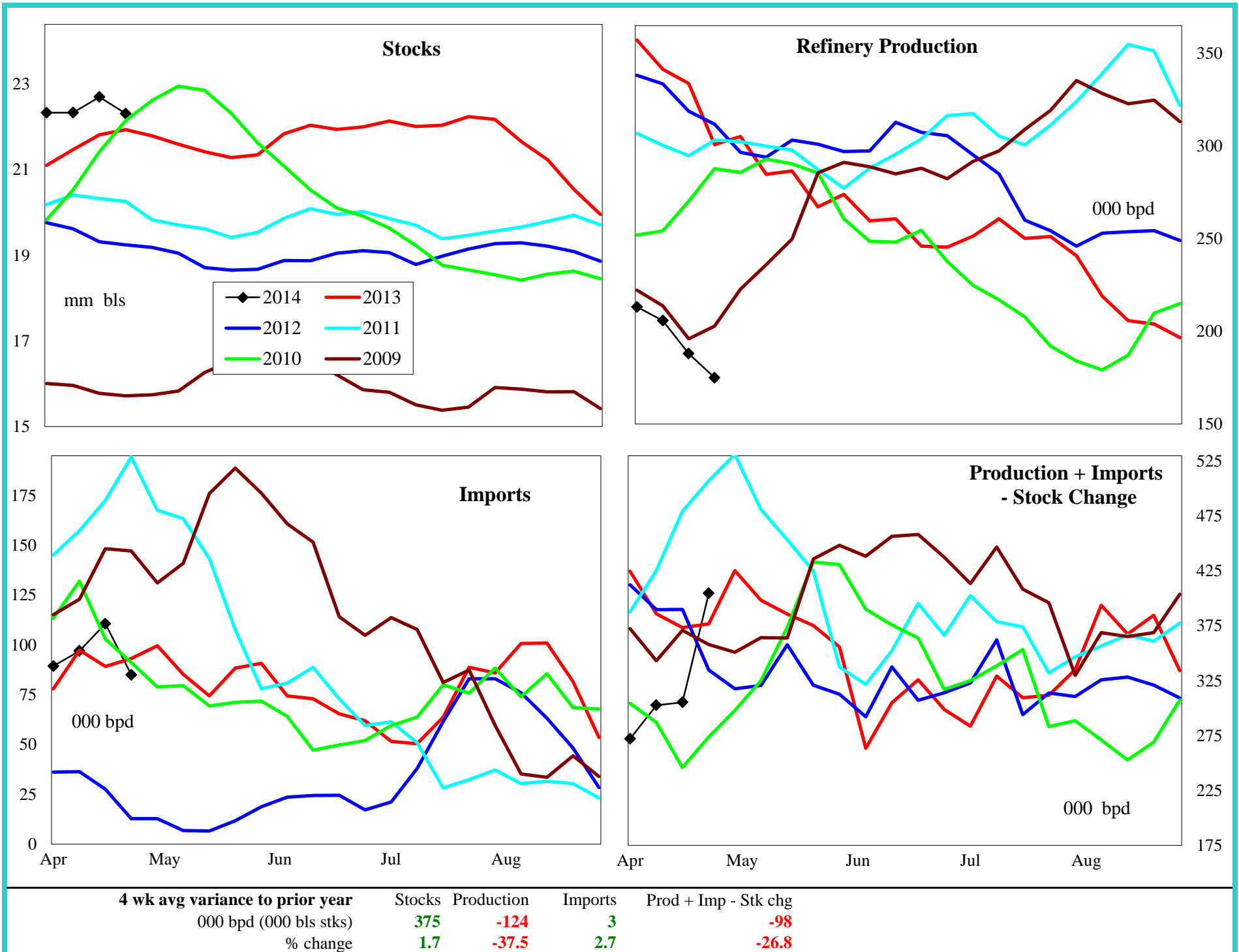
# PADD 3 High Sulfur Distillate Supply



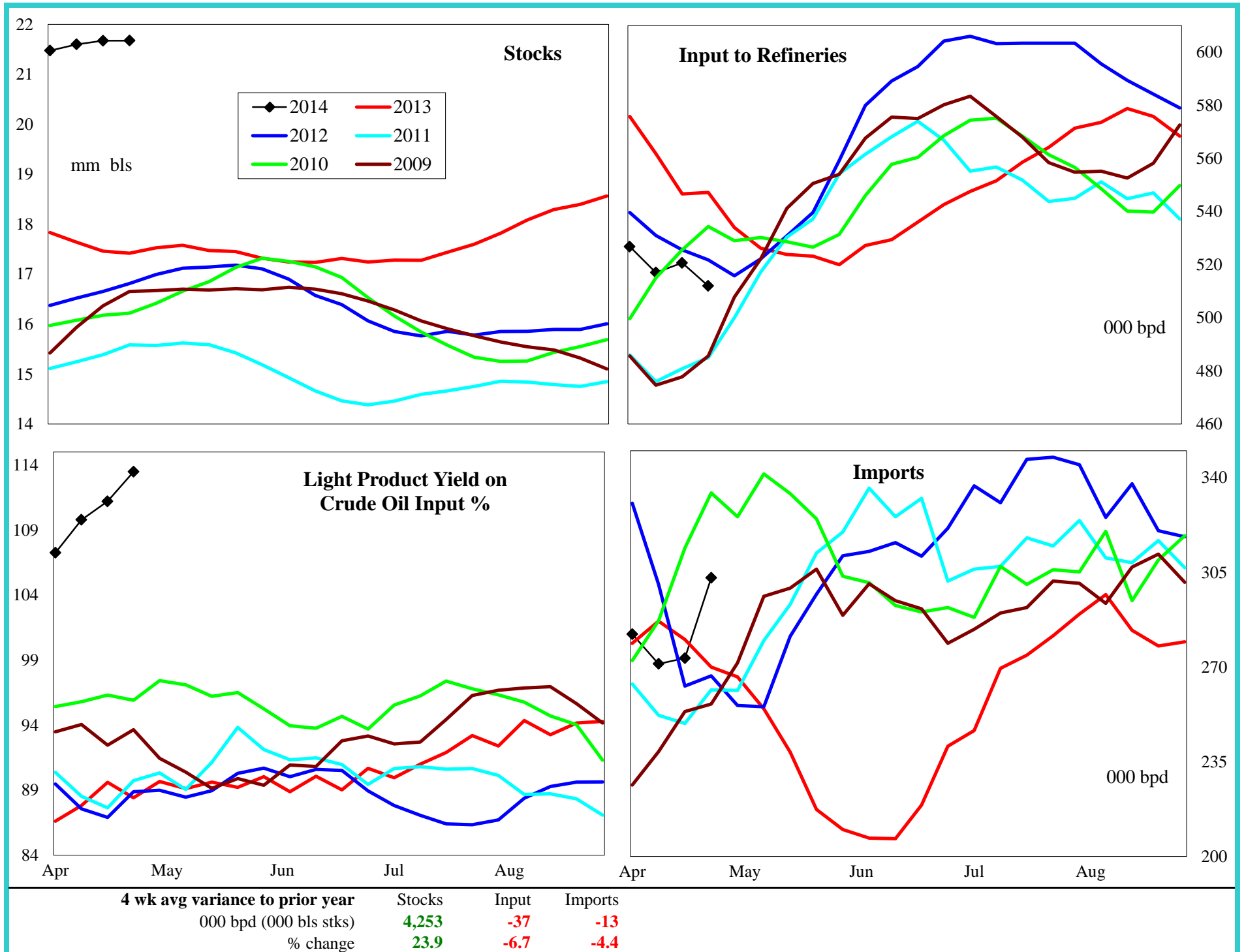
# PADD 3 Jet Fuel Supply



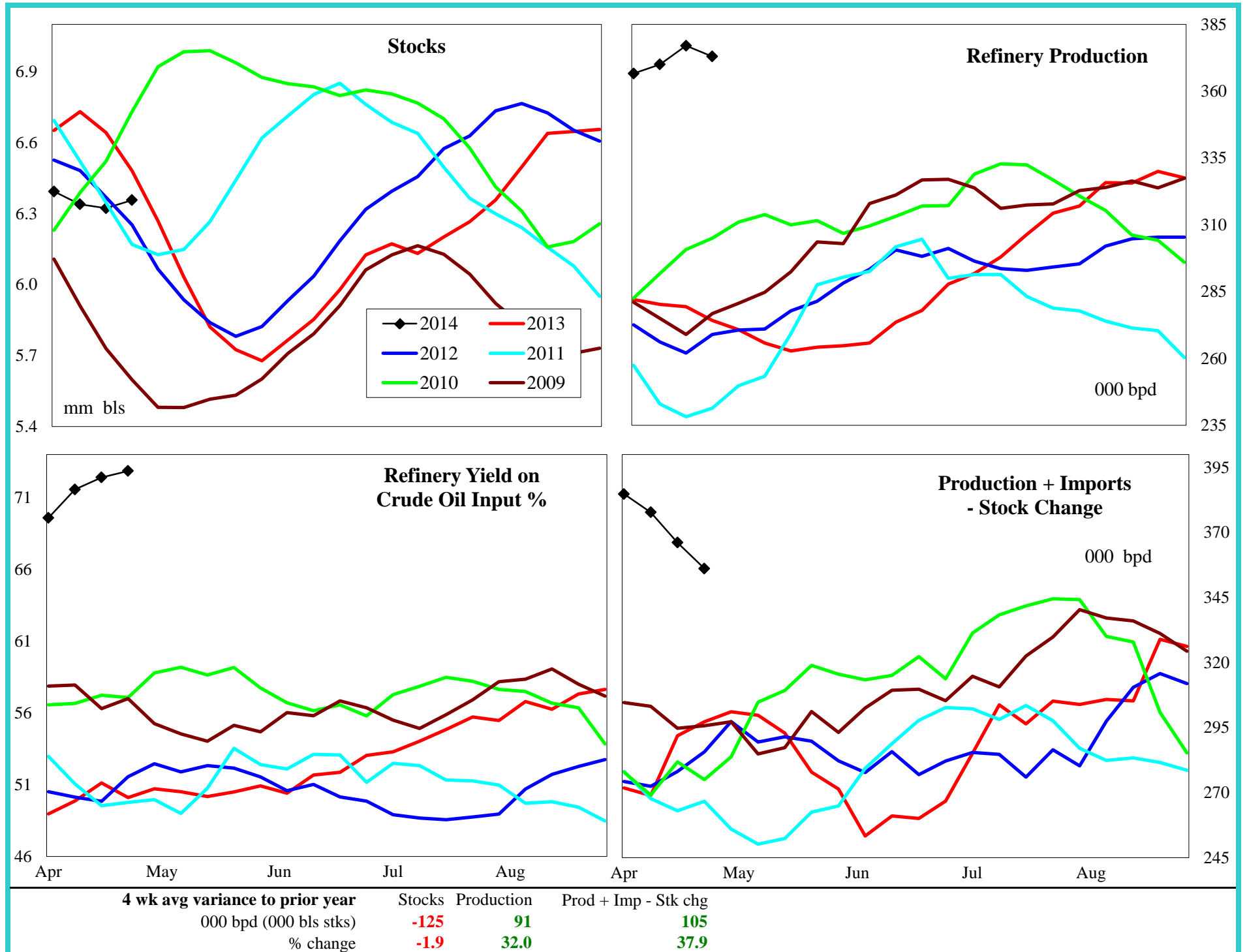
# PADD 3 Residual Fuel Oil Supply



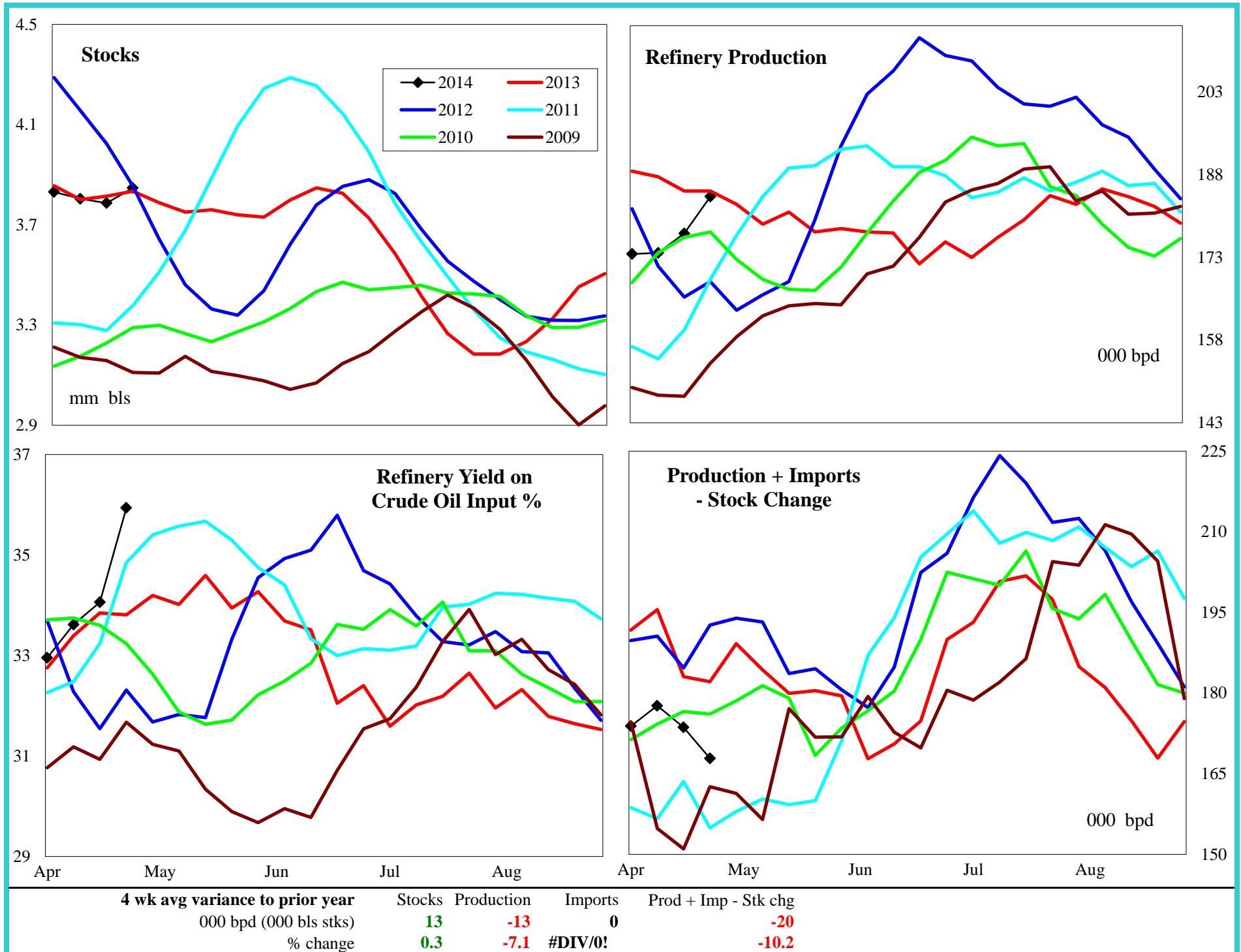
# PADD 4 Crude Oil Supply and Refining



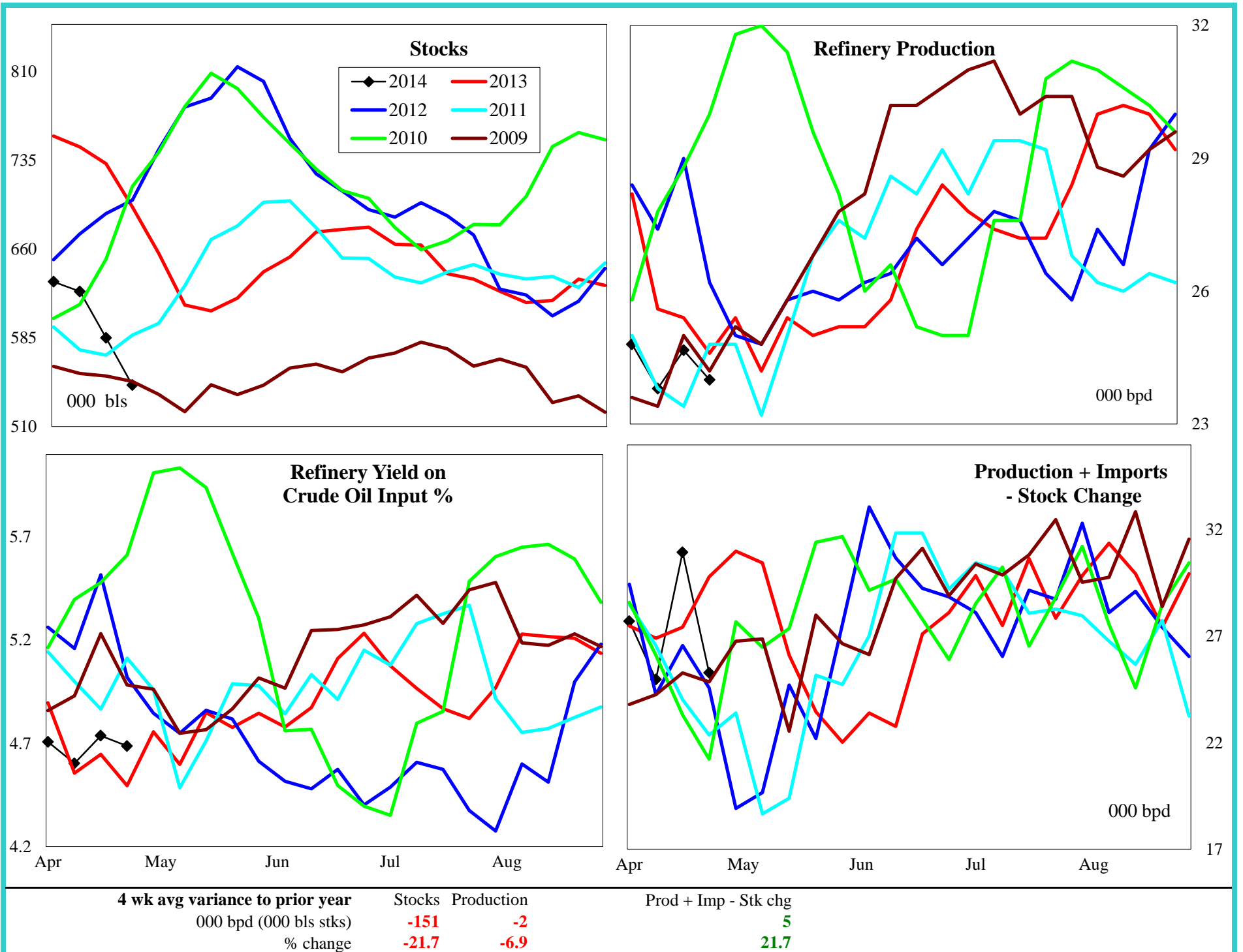
## PADD 4 Gasoline Supply



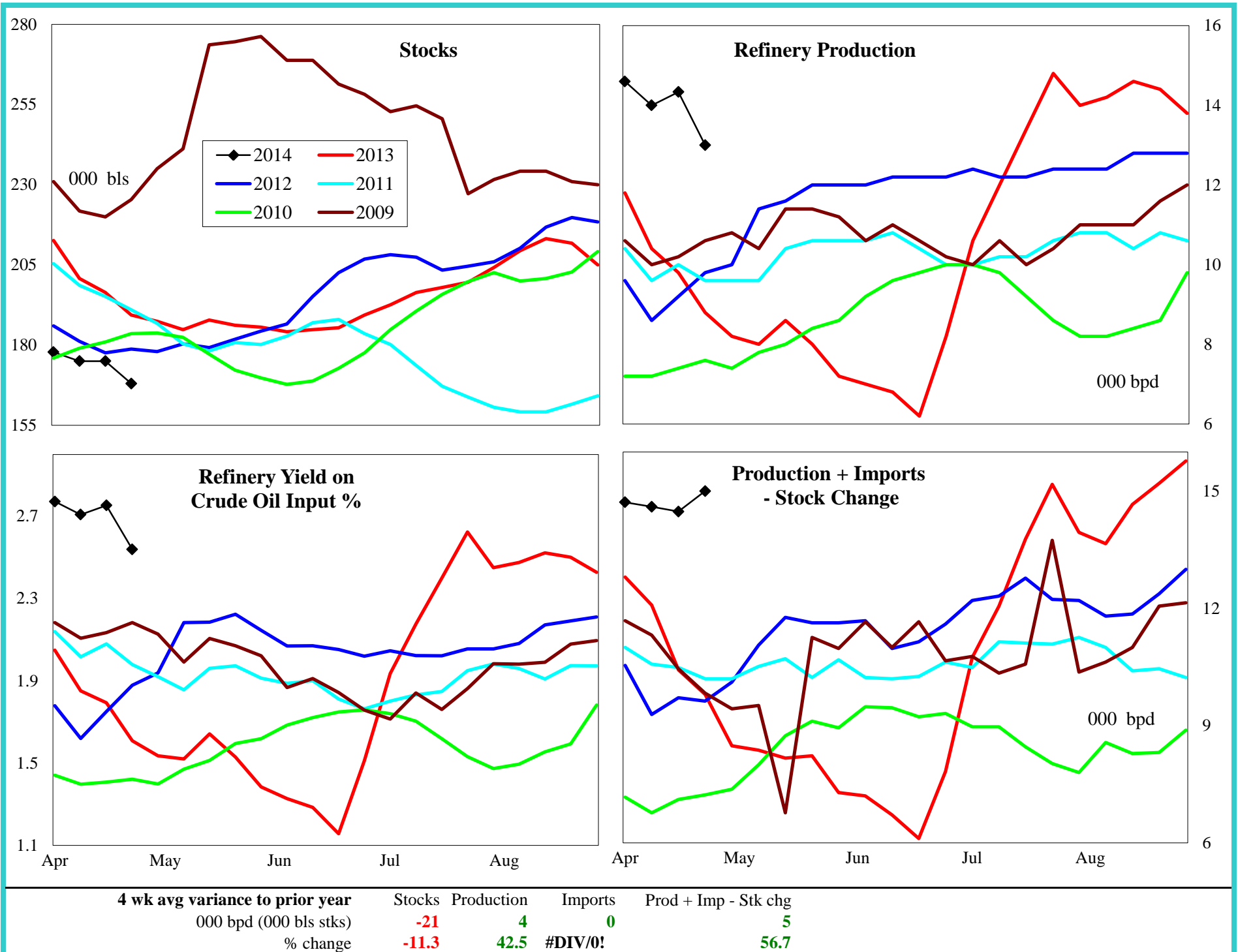
# PADD 4 Distillate Supply



# PADD 4 Jet Fuel Supply

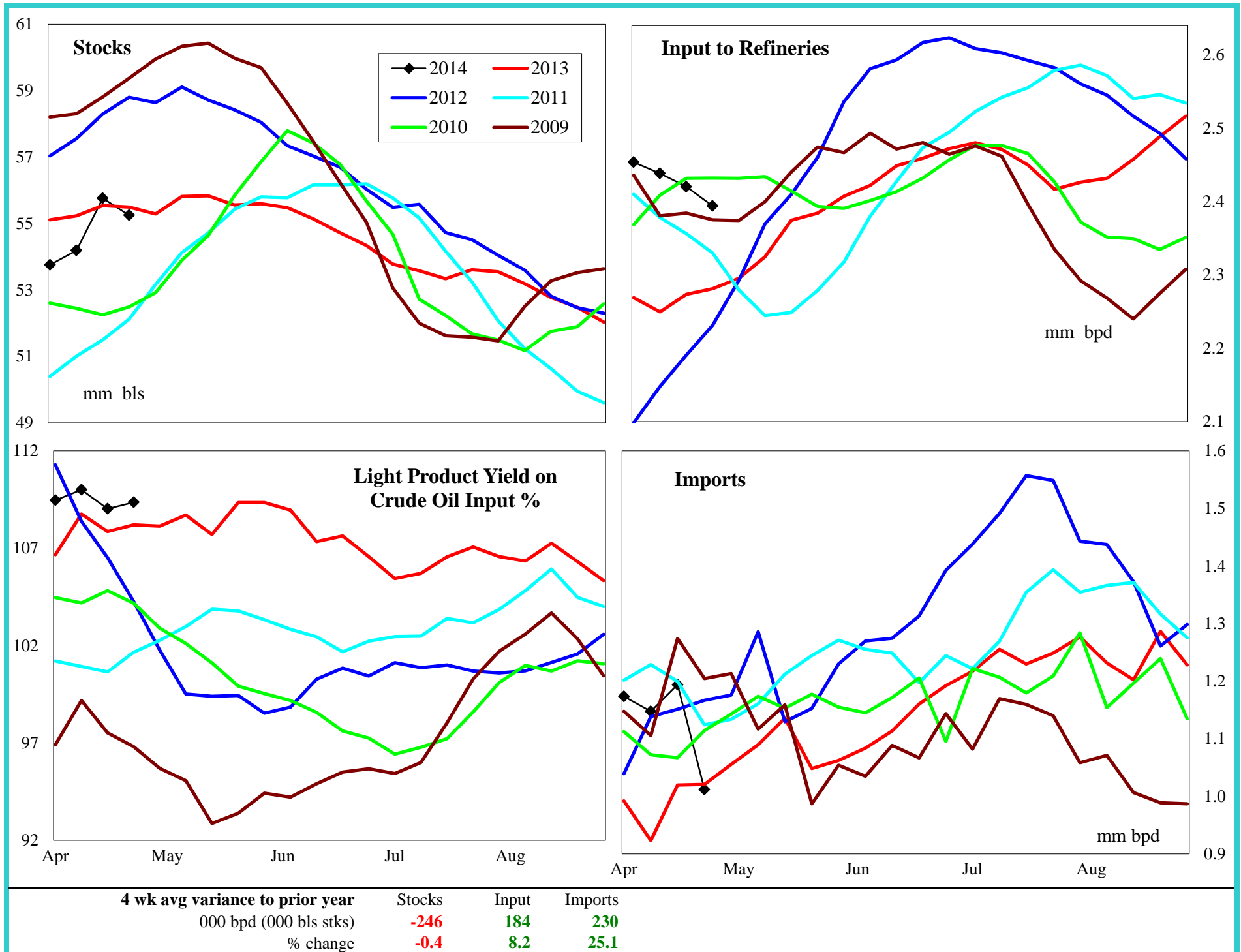


# PADD 4 Residual Fuel Oil Supply

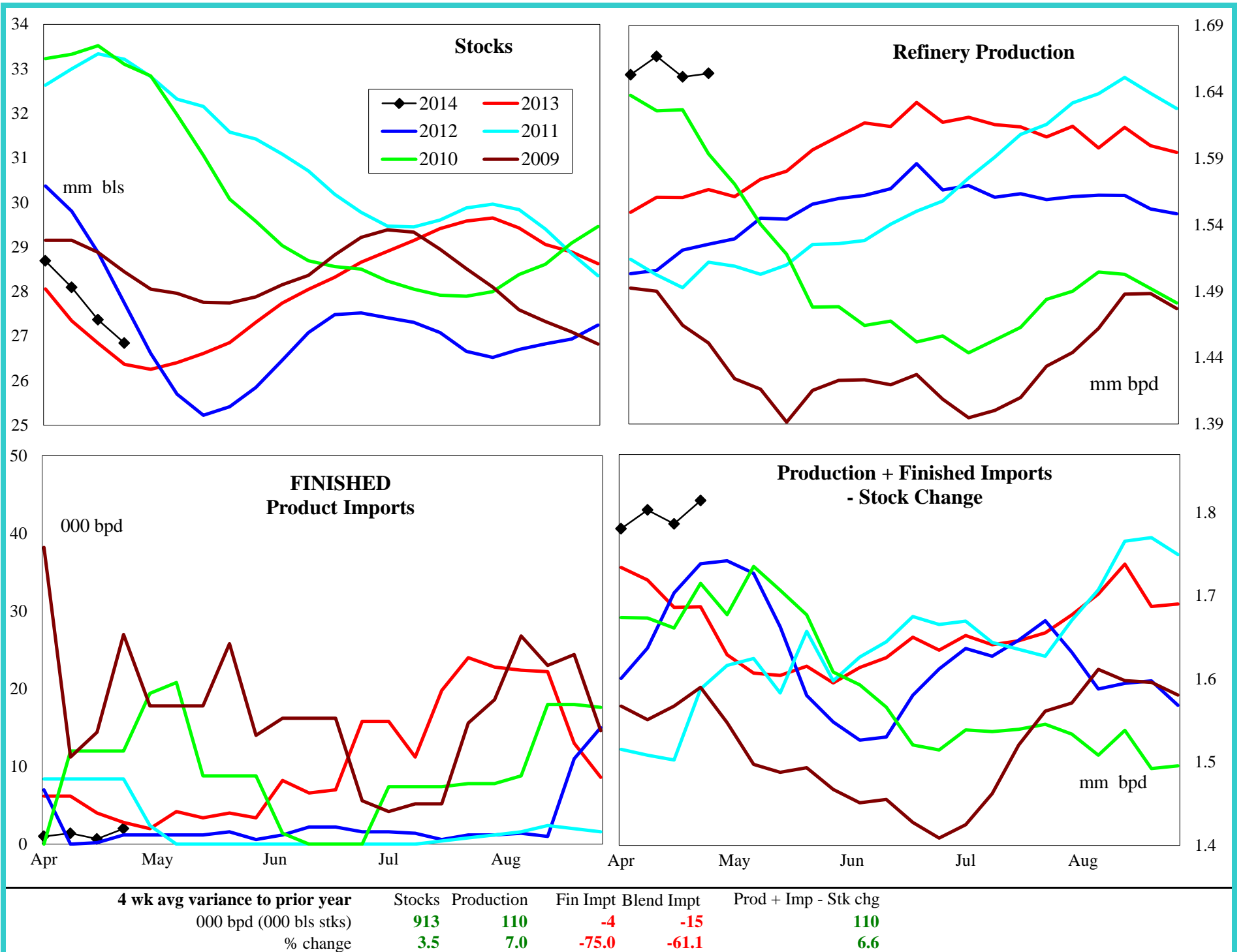




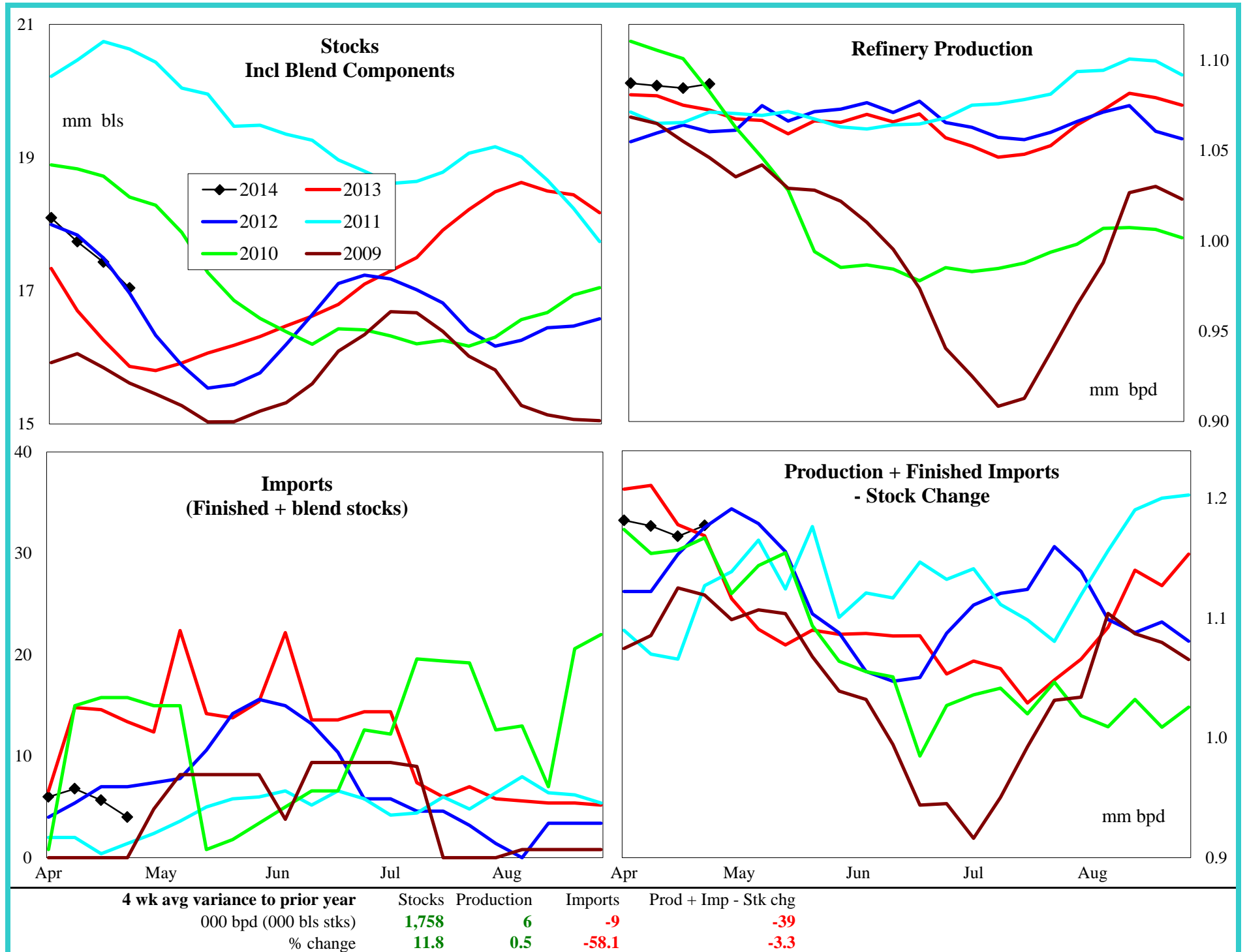
# PADD 5 Crude Oil Supply and Refining



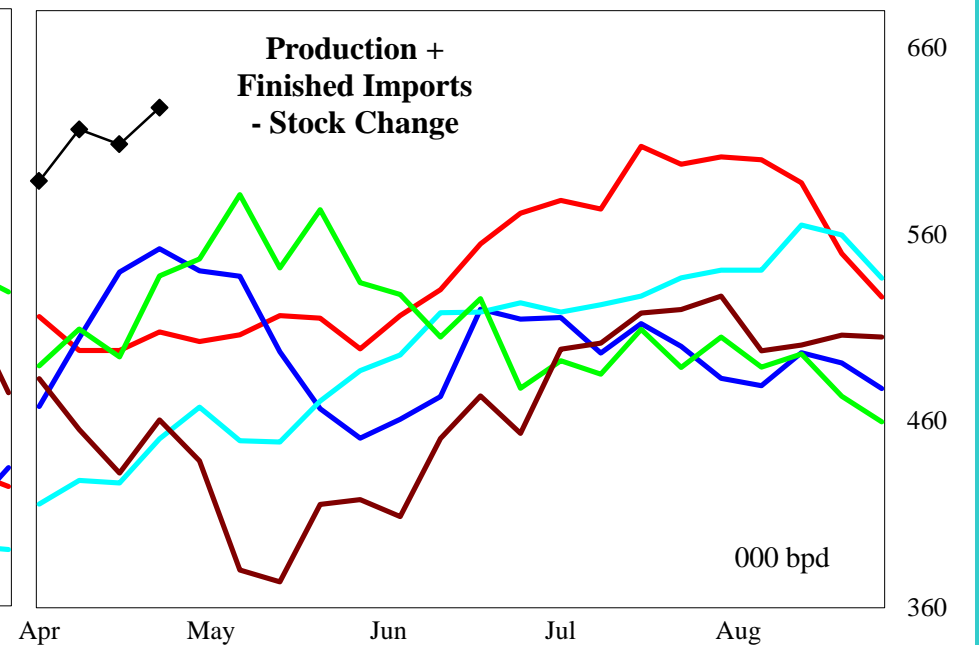
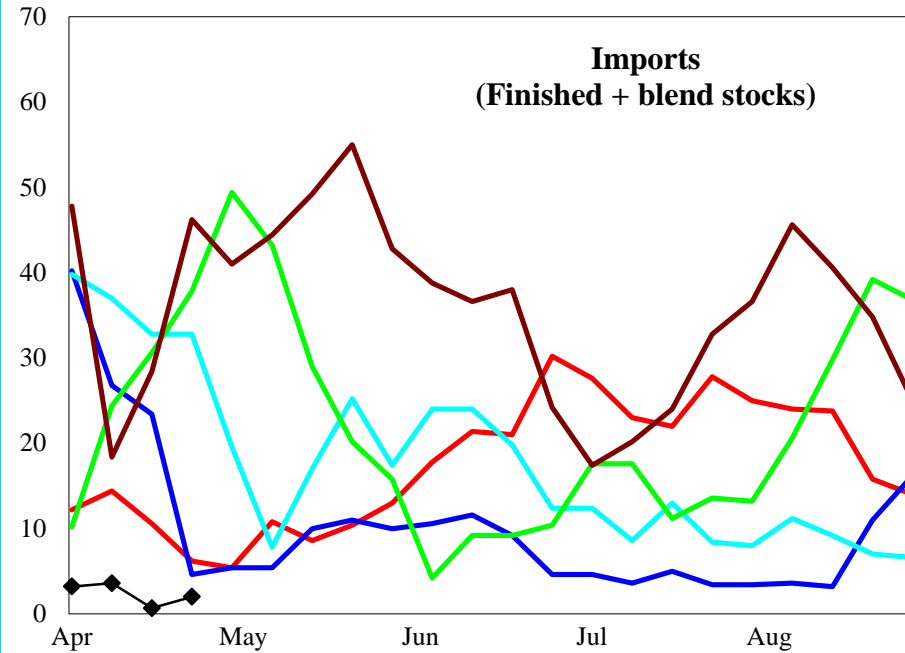
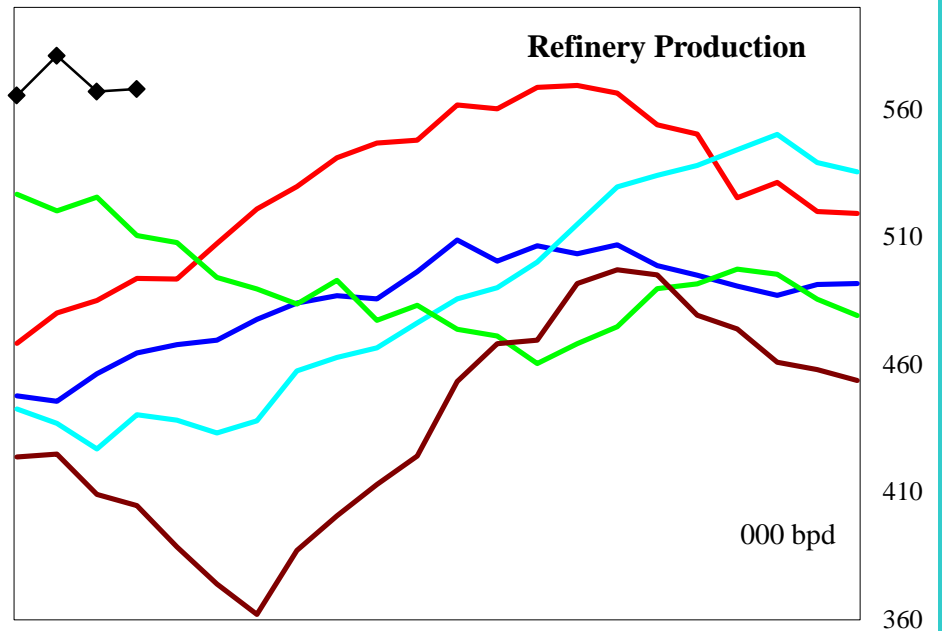
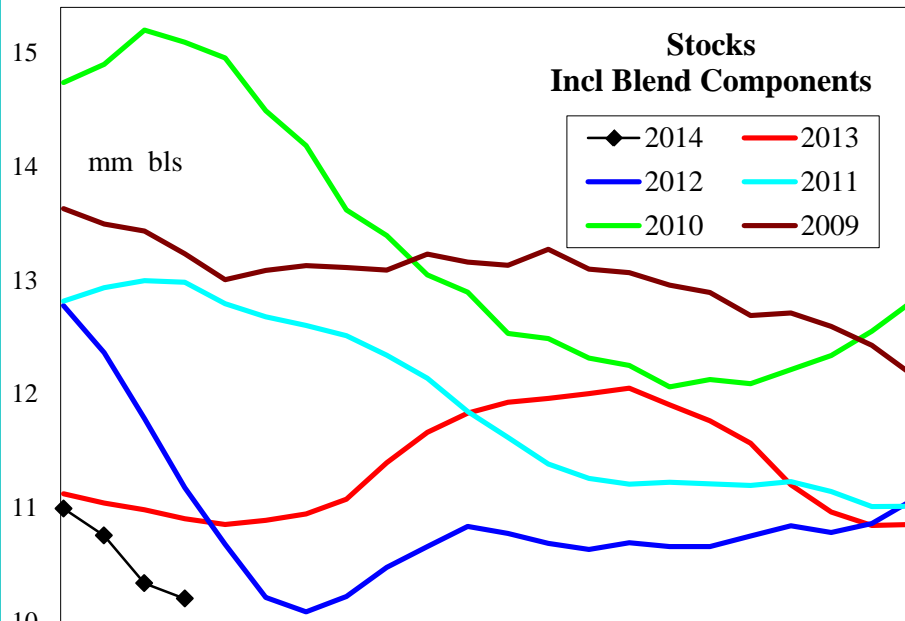
## PADD 5 Gasoline Supply



# PADD 5 Reformulated Gasoline Supply



# PADD 5 Conventional Gasoline Supply



**4 wk avg variance to prior year**

000 bpd (000 bls stks)

% change

Stocks

-845

-7.6

Production

105

21.7

Imports

-9

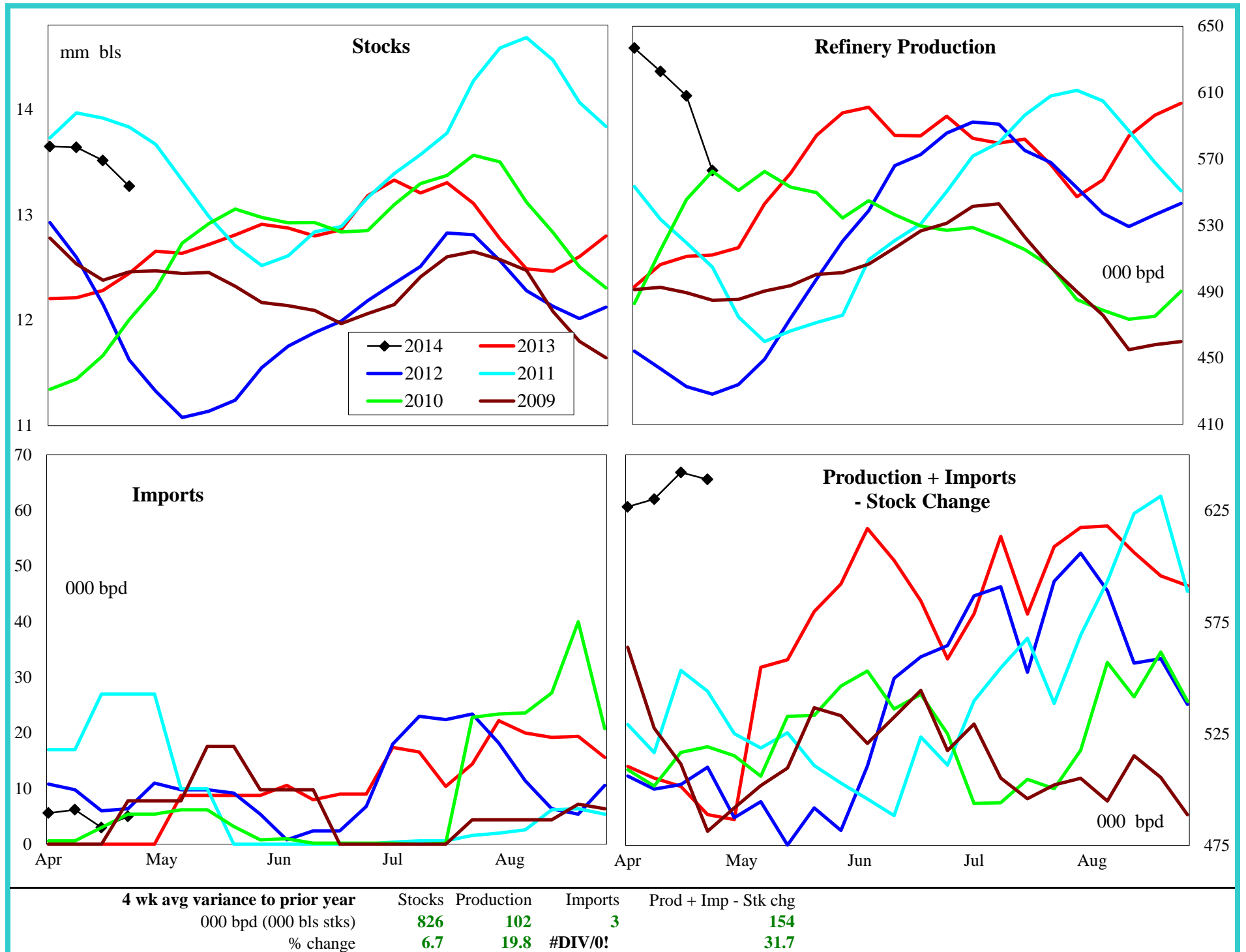
-69.8

Prod + Imp - Stk chg

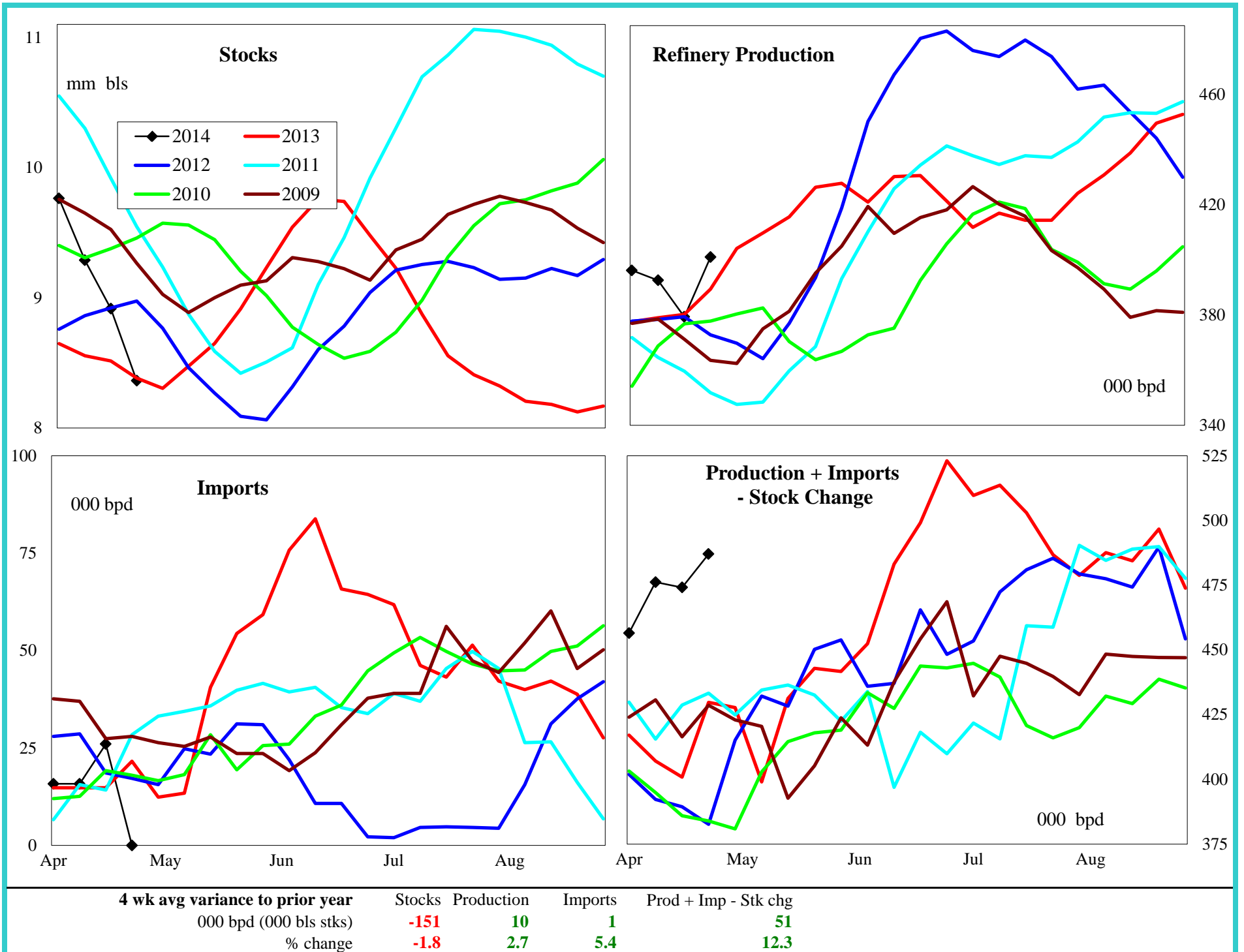
149

30.1

# PADD 5 Distillate Supply



# PADD 5 Jet Fuel Supply



# PADD 5 Residual Fuel Oil Supply

