



WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

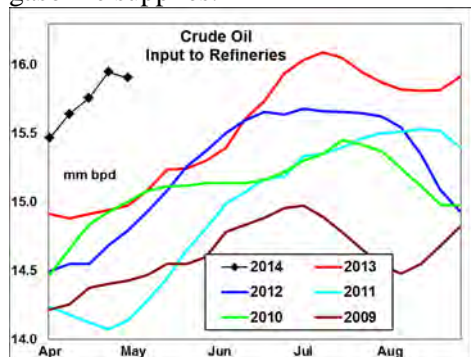
A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Thursday, May 08, 2014

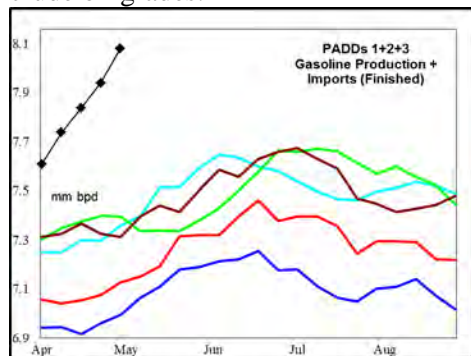


Major Fundamental Trends¹

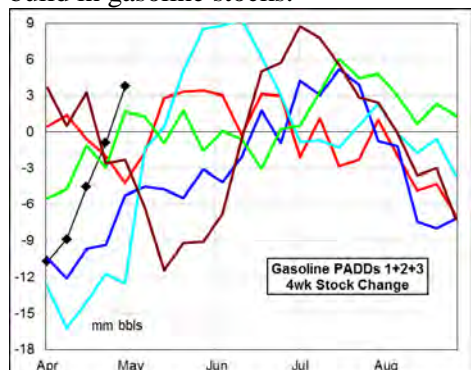
Refinery crude oil runs continue at a +1 million bpd increase compared to a year ago on below average refinery maintenance and capacity increases. Higher throughput of domestic shale crude oil grades has also led to increased gasoline supplies.



Gasoline supplies are at record levels East of the Rockies, driven by the high crude oil runs and yields from shale crude oil grades.

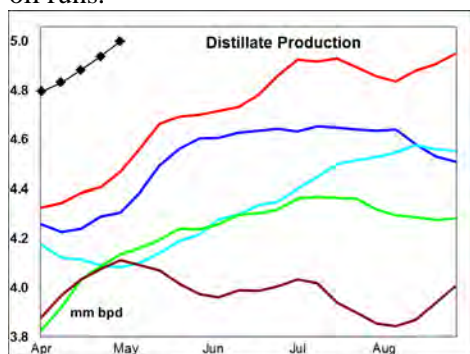


The result has been a counter seasonal build in gasoline stocks.

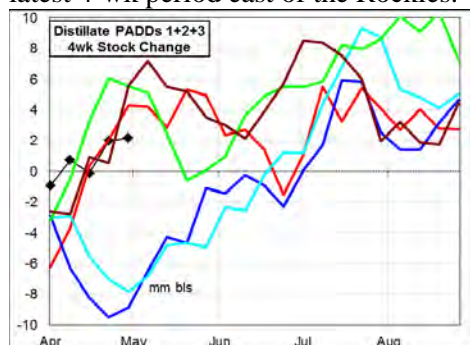


Distillate production has also been at a record high, driven by the high crude

oil runs.



A sharp increase in exports has limited stock builds for distillate during the latest 4-wk period east of the Rockies.



Wholesale Demand for distillate increased +0.4 million bpd last week, while jet fuel fell -0.3 million bpd. Wholesale demand, measured over the last four weeks compared to a year ago: gasoline increased +1.4%; distillate was +12% higher; jet fuel declined -0.8%, and residual fuel increased +11%.

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 decreased on a -0.4 million barrel stock draw. Coverage ended the week at a level well below the 5-yr range.

Jet fuel coverage increased on a +1.3 million barrel stock build, to a level near the 3-yr mid range.

Residual fuel oil coverage extended the longer term downtrend on a -0.9 million barrel stock draw and higher demand. Coverage remains at the upper end of the 5-yr range.

Refinery utilization rates decreased on a -50,000 bpd decline in crude oil runs

last week. During the latest 4-wk period crude oil input was +1 million bpd above a year ago.

Gasoline yield % on crude oil runs jumped last week on a +369,000 bpd rise in output compared to the -50,000 bpd decline in crude oil runs. Yield % on crude oil runs remain below the 5-yr range.

Distillate yield % on crude oil runs increased last week, on a +125,000 bpd rise 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 -13,000 bpd decline in output, compared to the 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 -0.6 million bpd last week; residual fuel oil and jet fuel imports jumped +209,000 and +109,000 bpd last week.

During the latest 4-wk period crude oil imports were -83,000 bpd below last year; distillate imports were -83,000 bpd lower; finished gasoline imports were +26,000 bpd higher; jet fuel imports increased +87,000 bpd, while residual fuel oil imports were -17,000 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 declined -1.8 million barrels last week, driven by a -0.6 million bpd drop in imports. Stock levels in the gulf region are +22 million barrels above last year; driving depressed differentials between domestic crude grades supplying the region and WTI futures.

Last week's stock draw in Cushing was a -1.4 million barrel draw, leaving stocks -52% below last year.

¹ Source is latest EIA Weekly Statistics



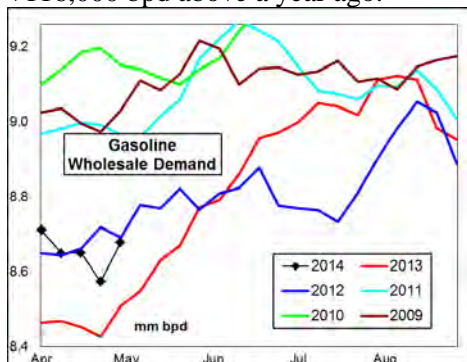
WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

A Fundamental Petroleum Trends Weekly Report

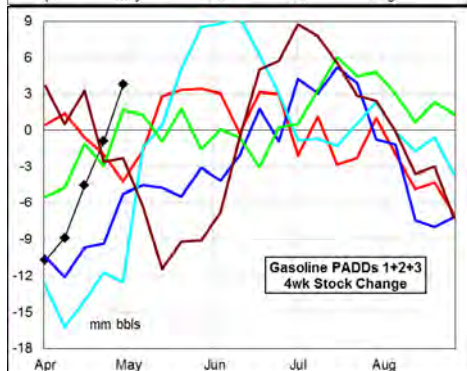
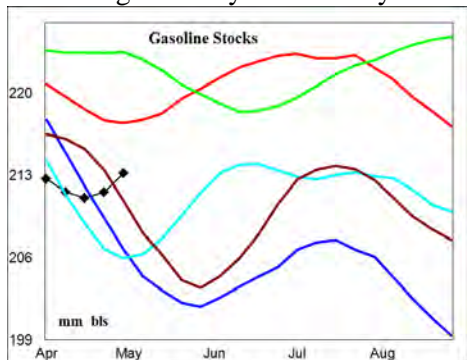
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Thursday, May 08, 2014

Product Supply-Demand Trends

Gasoline wholesale demand increased +26,000 bpd last week, to a level above the average of the last 2-yrs. The latest 4-wk average demand was +116,000 bpd above a year ago.



Supply increased +300,000 bpd on the week, due to higher production. Supply for the latest 4-wk period was +48,000 bpd above a year ago. Imports of finished + blend stocks remain significantly below last year.

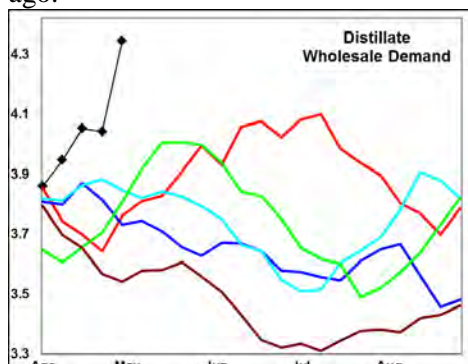


Stocks increased +1.6 million barrels last week, to a level above the 3-yr mid range.

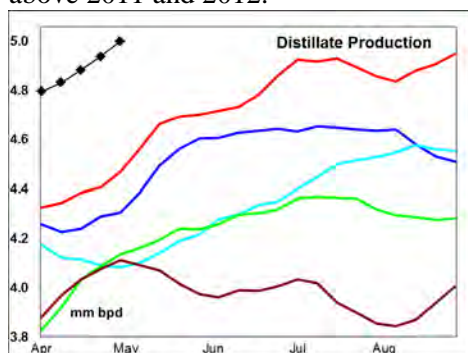
The latest 4-wk stock build East of the Rockies of +3.8 million barrels was a record build for this time of year. Stock levels in regions east of the Rockies are each above the 3-yr mid range. Record crude oil runs and

increased thruput of domestic shale crude oil may result in ongoing ample gasoline supplies.

Distillate wholesale demand surged +416,000 bpd last week, to record level – driven by higher weekly exports. The latest 4-wk average demand was +423,000 bpd above last year. Supply increased +75,000 bpd 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 +2.2 million barrel build, below last year's +4 million barrel build, but well above the -8 million barrel average draw in above 2011 and 2012.

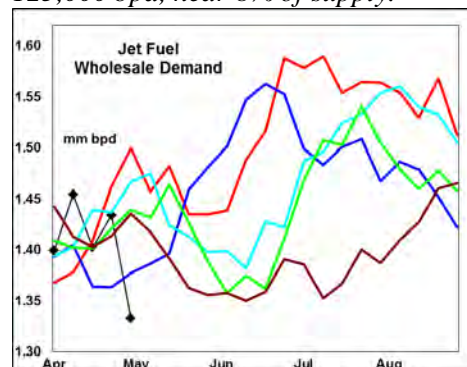


Production continues at a record level on high crude oil runs, and light refinery maintenance. An above average rate of stock building is likely for the next 2-quarters. Any slowdown in exports would driven extraordinary stock building.

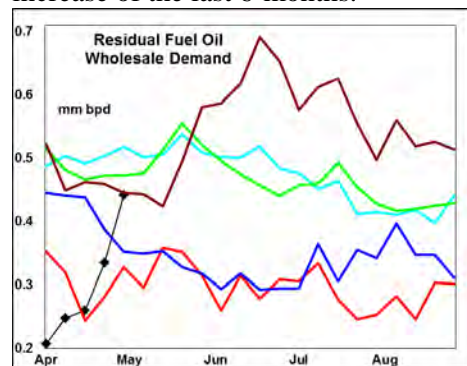
Jet Fuel wholesale demand plunged -271,000 bpd last week. The latest 4-wk average demand was -11,000 bpd below a year ago. Supply increased +96,000 bpd on sharply higher

imports. Output for the most recent 4-wk period declined -15,000 bpd compared to last year. Imports were +87,000 bpd higher. Stocks climbed +1.3 million barrels last week, to a level -1.2 million barrels below last year.

Imports continue to average over 125,000 bpd, near 8% of supply.



Residual fuel oil demand increased +72,000 bpd last week. Demand for the latest 4-wk period was +29,000 bpd above a year ago; the first year-on-year increase of the last 6-months.



Supply (production + imports) jumped +178,000 bpd on higher imports last week. Production was -67,000 bpd below a year ago for the latest 4-wk period, while imports also decreased -17,000 bpd. Stock levels ended the week slightly below the 3-yr mid range.

Stocks fell -1.3 million barrels on the East Coast, to a level below the 5-yr range. Stock levels remain at record highs in the Gulf with production falling -45% below last year on increased processing of domestic light shale oil.



WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

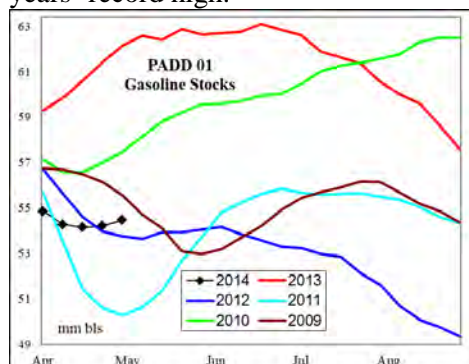
A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Thursday, May 08, 2014

PADD Supply Trends

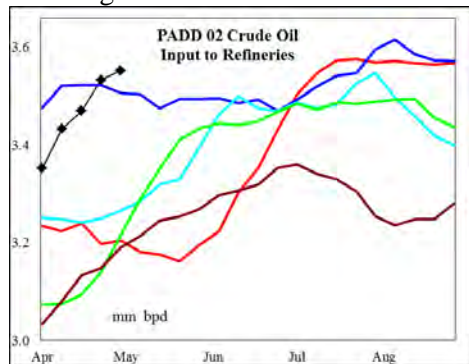
PADD 1 refinery crude oil runs declined -61,000 bpd on the week, to a level at the 5-yr mid range. Stocks were unchanged on the week, at a level above the last 3-yrs.

Gasoline supply declined -93,000 bpd on lower imports and production. Stock levels ended the week at the 3-yr mid range, although sharply below last years' record high.



Distillate supply declined -34,000 bpd on lower imports; with the 4-wk average -95,000 bpd below last year. Stocks fell -1.4 million barrels to a level below a year ago.

Jet fuel increased +75,000 bpd on higher imports. Stocks jumped +1.3 million barrels to a level above the 5-yr mid range.



PADD 2 crude oil refinery runs were unchanged last week, with the latest 4-wk average +303,000 bpd above last year. Crude oil stocks declined -1 million barrels last week, including a -1.4 million barrel draw in Cushing.

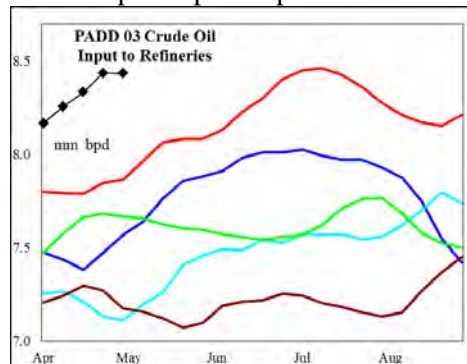
Gasoline supply declined -29,000 bpd last week, but remains extremely high. Production for the most recent 4-wk period was +604,000 bpd above a year ago – driven by the EIA recording

sub octane product shipped into the Midwest as finished product production when blended with ethanol. Stocks increased +0.5 million barrels, extending a large counter seasonal build during the last month.

Distillate supply increased +91,000 bpd last week, with the 4-wk average +99,000 bpd above a year ago. Stock levels ended even to a year ago.

Jet fuel production declined -30,000 bpd on the week to a record high. Stocks increased +0.3 million barrels to a level near the 5-yr mid range.

PADD 3 refinery runs increased +71,000 bpd last week, a level well above the historic range. During the latest 4-wk period, average runs were +587,000 bpd above last year. Crude oil stocks decreased -1.9 million barrels last week, driven by a -0.6 million bpd drop in imports.



Gasoline supply increased +50,000 bpd last week, with the latest 4-wk average +212,000 bpd above a year ago. Stocks increased +0.3 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 increased +0.6 million barrels last week, to a level comparable with the average of the last 2-yrs.

Jet fuel production increased +49,000 bpd to a level above the historic range. Stock levels ended the week -3% below last year and below the 5-yr range.

Residual fuel supply increased +11,000 bpd on the week. Stocks

increased +0.5 million barrels to a level that matched historic highs.

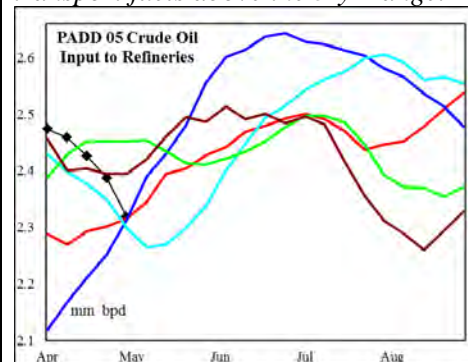
PADD 4 refinery crude runs increased +37,000 bpd last week, with the 4-wk average -17,000 bpd below last year.

Gasoline production was +35% above last year for the most recent 4-wk period, and at a record high. Stocks were slightly below the 3-yr mid range.

Distillate production matched was above the 5-yr range for the week, with the latest 4-wk output -4,000 bpd below last year. Stocks matched the 3-yr mid range.

Jet fuel production jumped to a record high for the week, with stocks near the 3-yr mid range.


PADD 5 crude oil refinery runs fell -95,000 bpd last week, with the 4-wk run rate +127,000 bpd above last year. *Refinery unit upgrades and low maintenance has lifted output of transport fuels above the 5-yr range.*



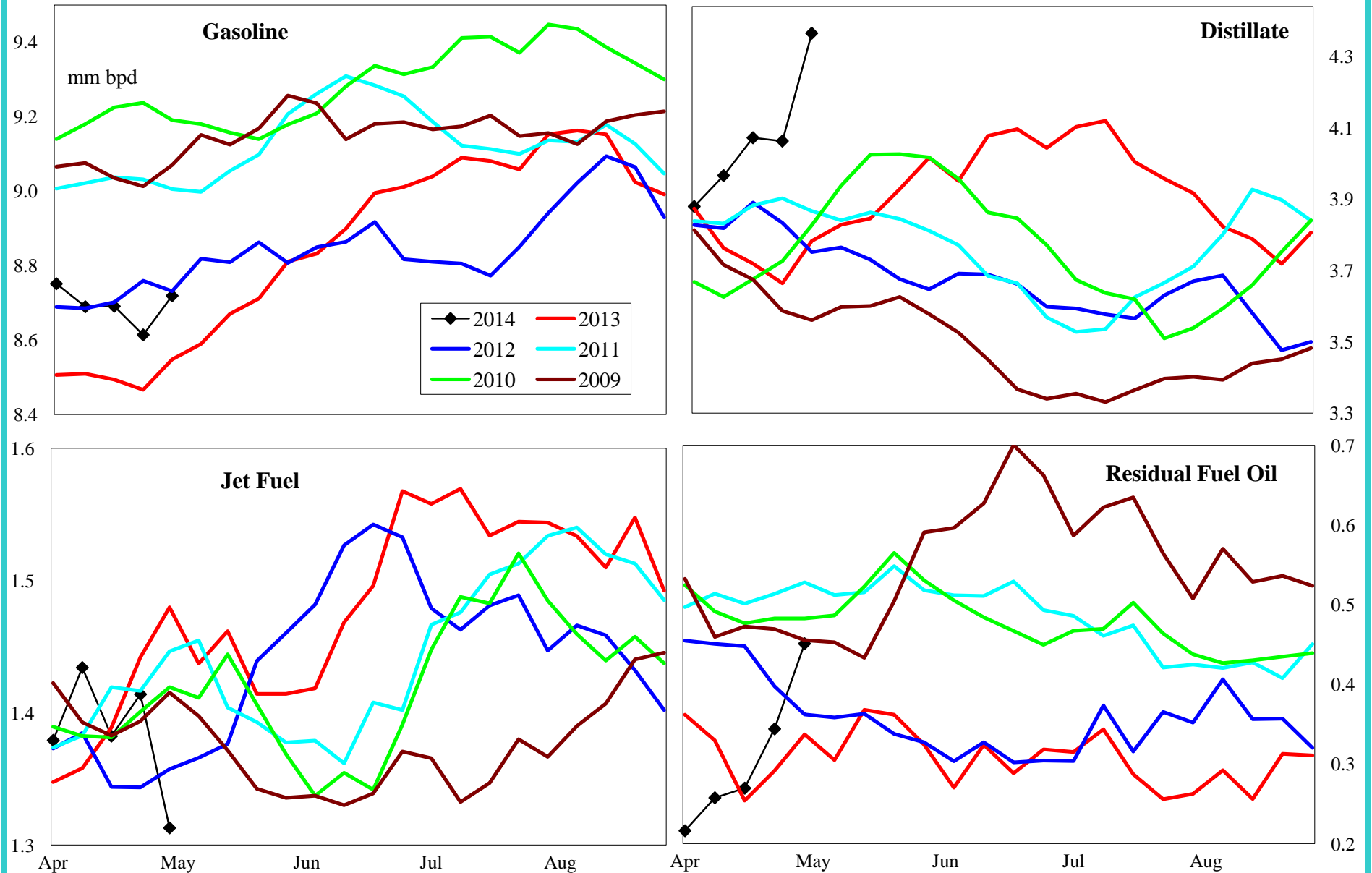
Gasoline supply continues to set new records, with the 4-wk average +88,000 bpd above a year ago. Stocks ended the week above the last 2-yrs.

Distillate production increased +8,000 bpd last week, at a level above the historic range, with the 4-wk average +99,000 bpd above a year ago. Stocks fell -0.6 million barrels last week to match the 3-yr mid range.

Jet fuel supply was unchanged on the week with lower production offset by higher imports. The latest 4-wk average supply was +6,000 bpd above last year. Stocks increased +0.2 million barrels on the week, to a level near the average of the last 2-yrs.

 FUNDAMENTAL PETROLEUM TRENDS		PETROLEUM: Graph Link and Weekly Summary					
		A Fundamental Petroleum Trends Weekly Report				May 7, 2014	
		Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com					
Fundamental Trends	Wholesale Demand	Stocks Days Fwd Coverage	Refinery Utilization			Imports	
Supply/Demand Trends	2-May-14	EIA-DOE CHANGE FROM PRIOR WEEK					
	000 bpd stocks 000 bls	U. S. Total	PADD				
			1	2	3	4	5
Crude Oil	Stocks	-1,781	-18	-1,021	-1,915	-1,118	2,291
	Imports	-598	75	-160	-643	-42	173
	Input	-50	-61	-3	71	37	-95
	% Utilization	-0.80					
Gasoline	Stocks	1,608	313	501	279	-330	846
	Production	369	-24	-30	59	-13	-6
	Imports	-68	-69	1	-9	-1	9
	Supplied	26					
Distillate	Stocks	-447	-1,352	1,129	569	-220	-573
	Production	125	-3	93	12	10	12
	Imports	-50	-31	-2	-14	0	-4
	Supplied	416					
Jet Fuel	Stocks	1,327	1,340	-303	49	76	166
	Production	-13	9	-30	49	8	-50
	Imports	109	64	0	0	0	45
	Supplied	-271					
Residual Fuel Oil	Stocks	-933	-1,338	62	502	21	-181
	Production	-31	-7	1	-15	1	-9
	Imports	209	82	1	26	0	102
	Supplied	72					

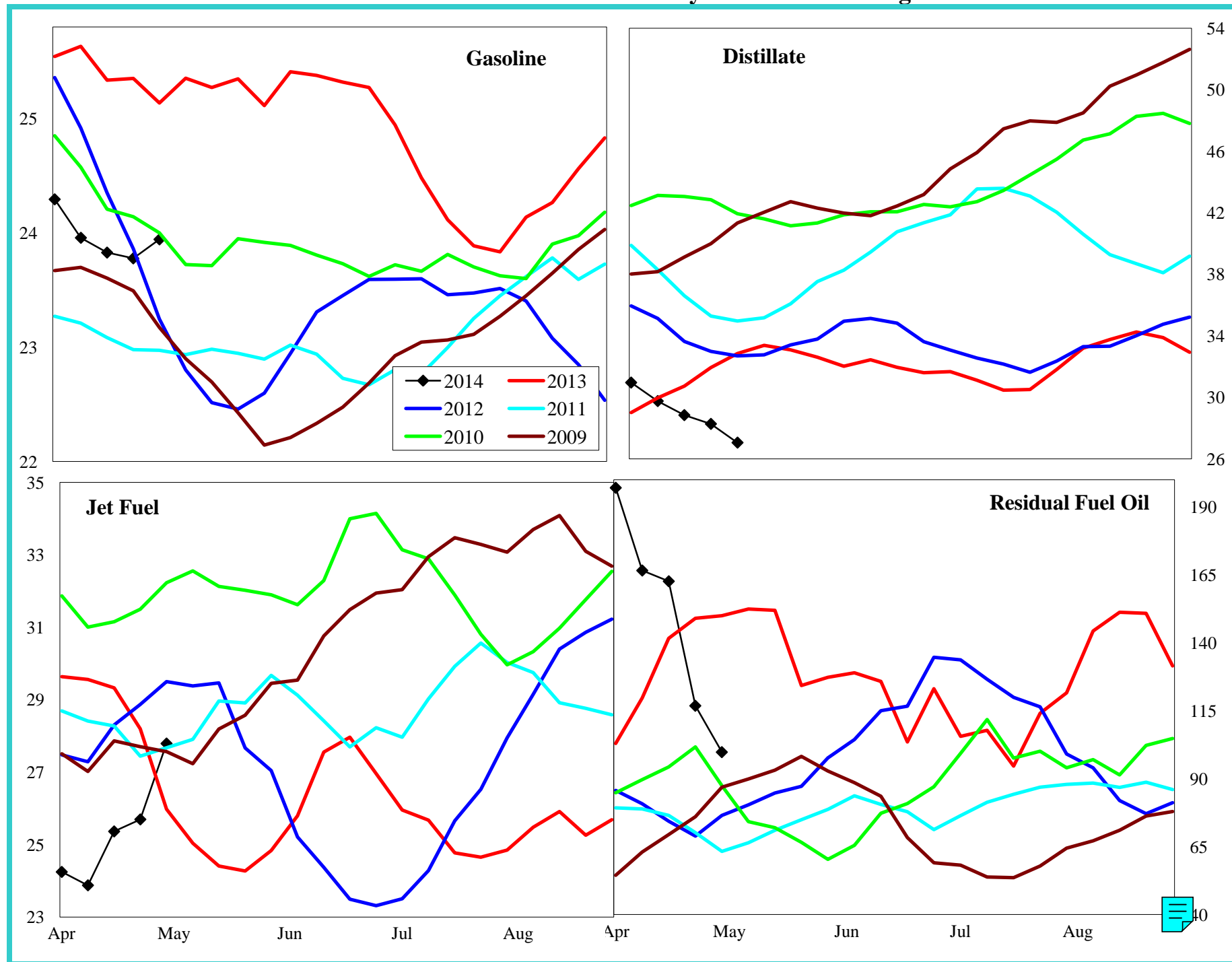
United States Wholesale Petroleum Demand



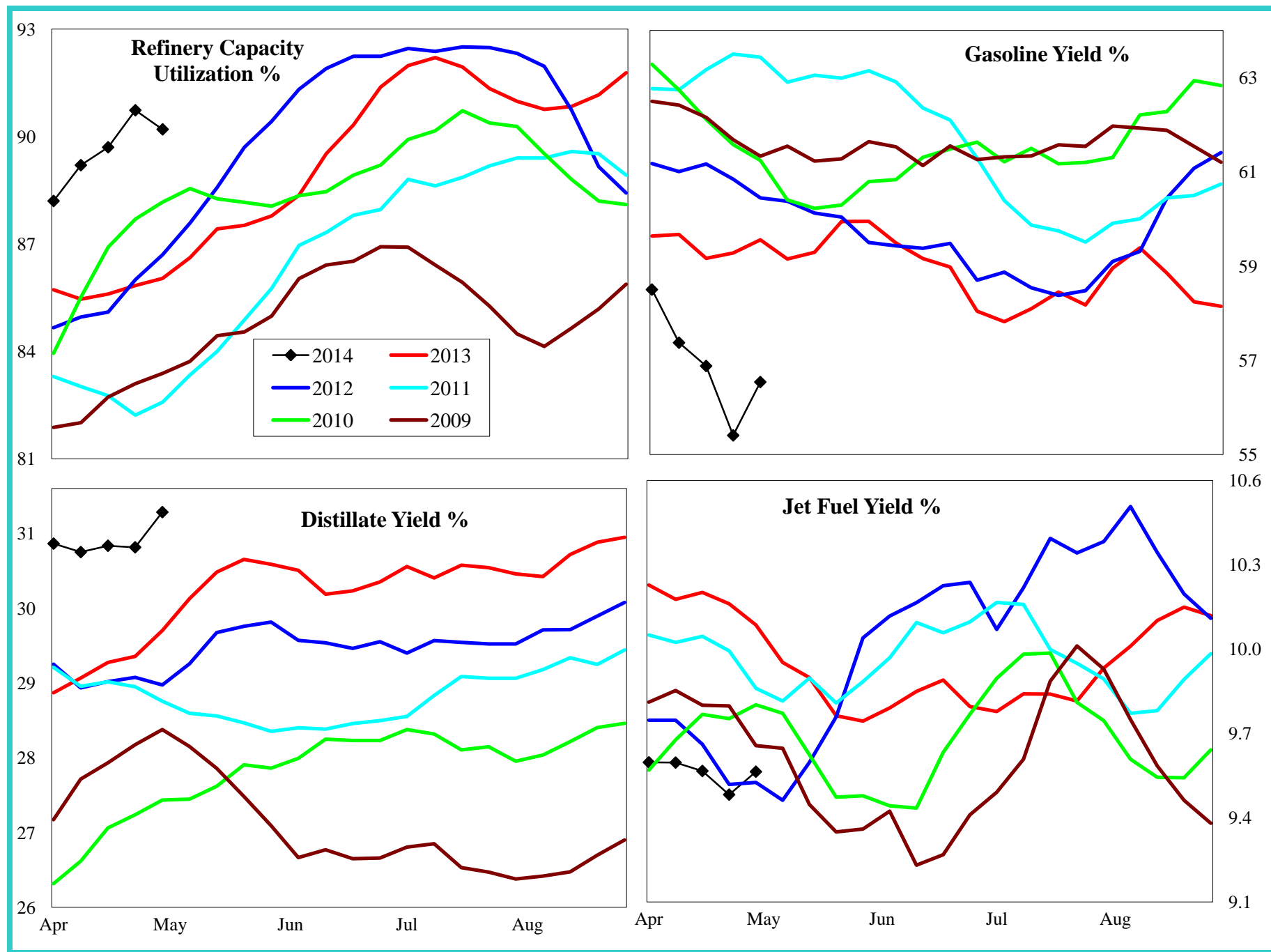
	000 bpd change from prior year				% change from prior year			
	4wk avg	Mar	Feb	Jan	4wk avg	Mar	Feb	Jan
Gasoline	116	178	-87	-12	1.4	2.1	-1.0	-0.1
Distillate	423	10	-360	217	11.6	0.3	-9.1	5.4
Jet Fuel	-11	80	-10	74	-0.8	5.8	-0.8	5.7
Resid	29	-179	-55	-81	10.9	-41.5	-18.1	-23.1



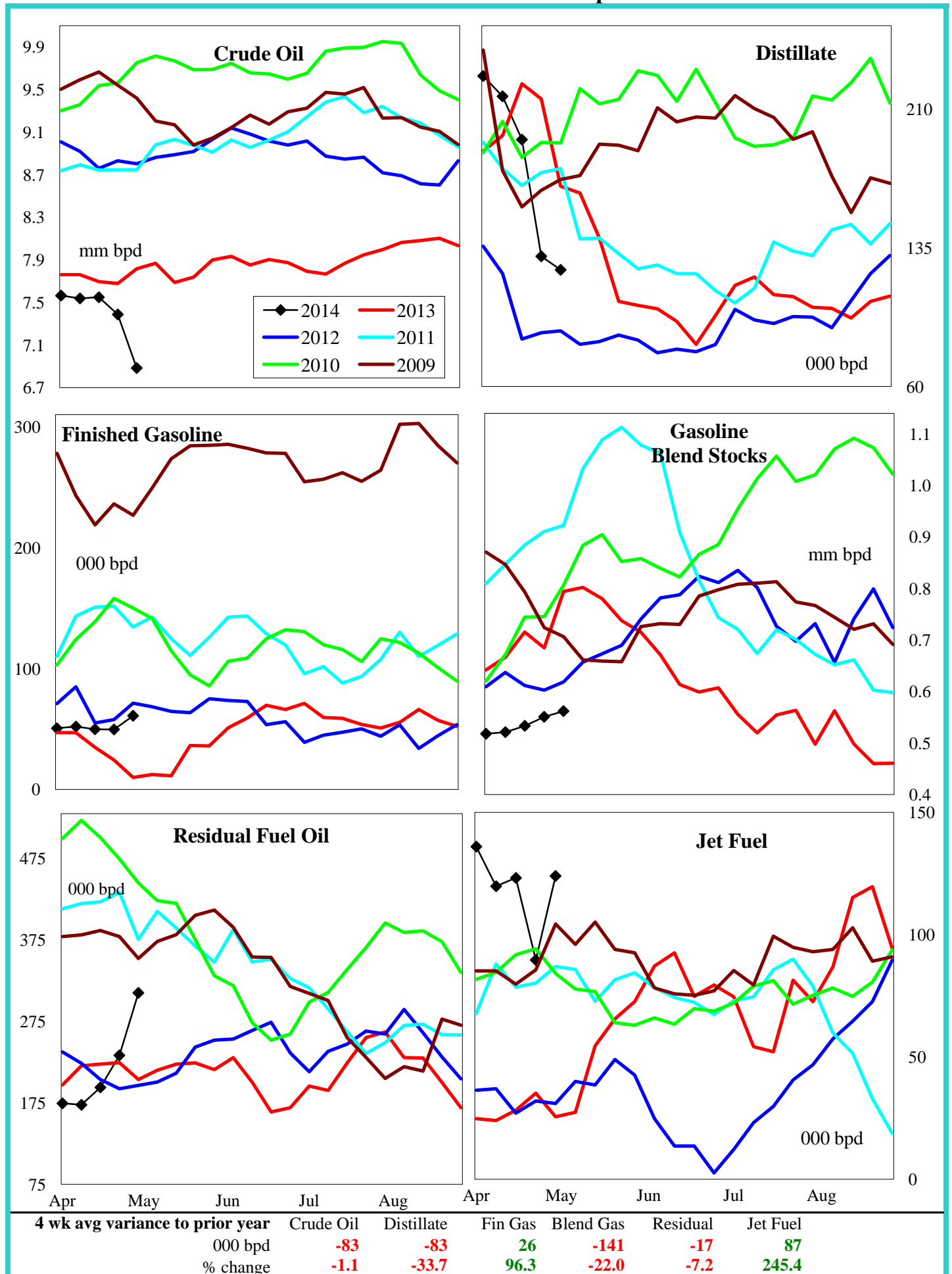
United States Product Stocks: Days Forward Coverage



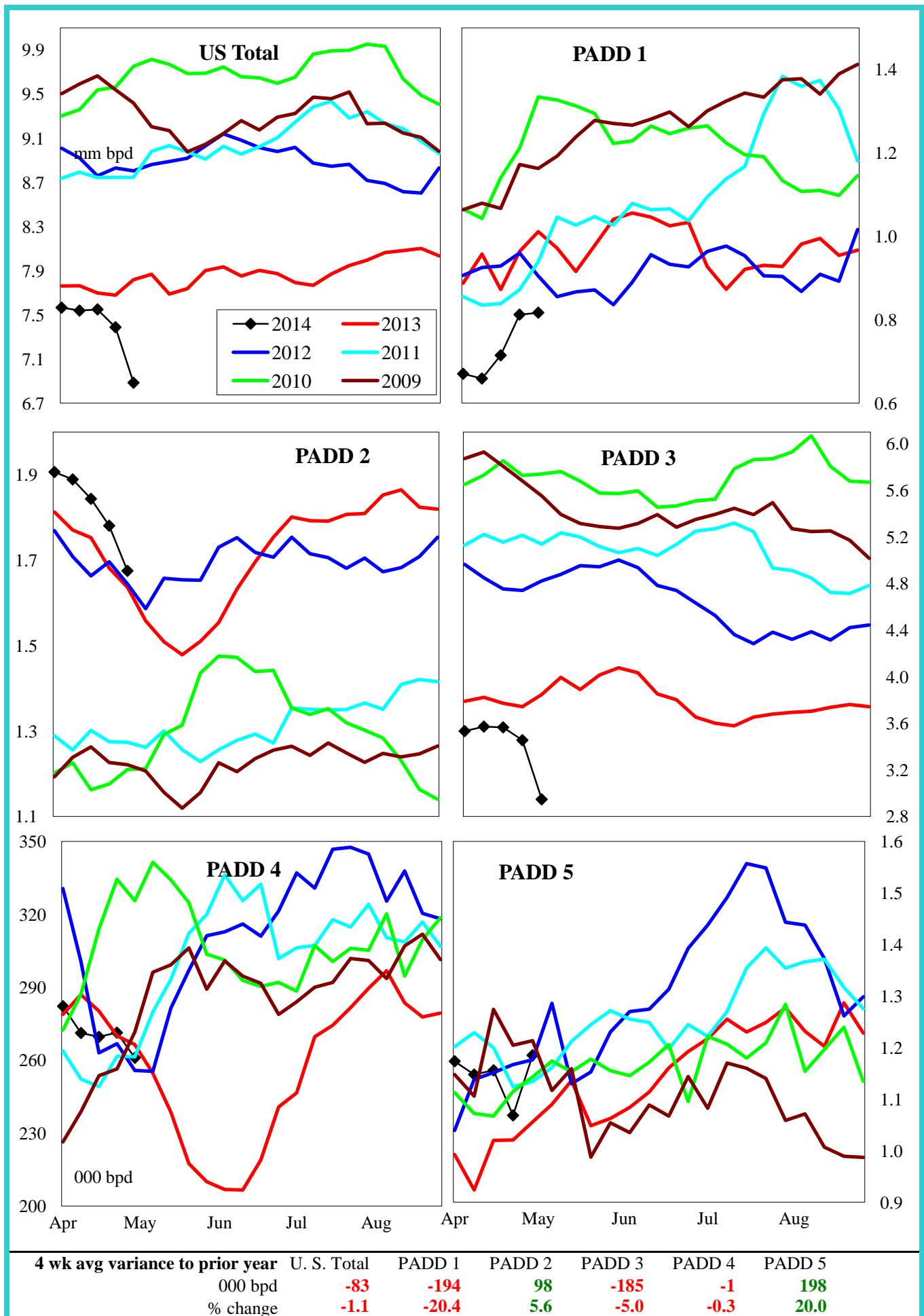
United States Refinery Percent Utilization Rate and Product Yields



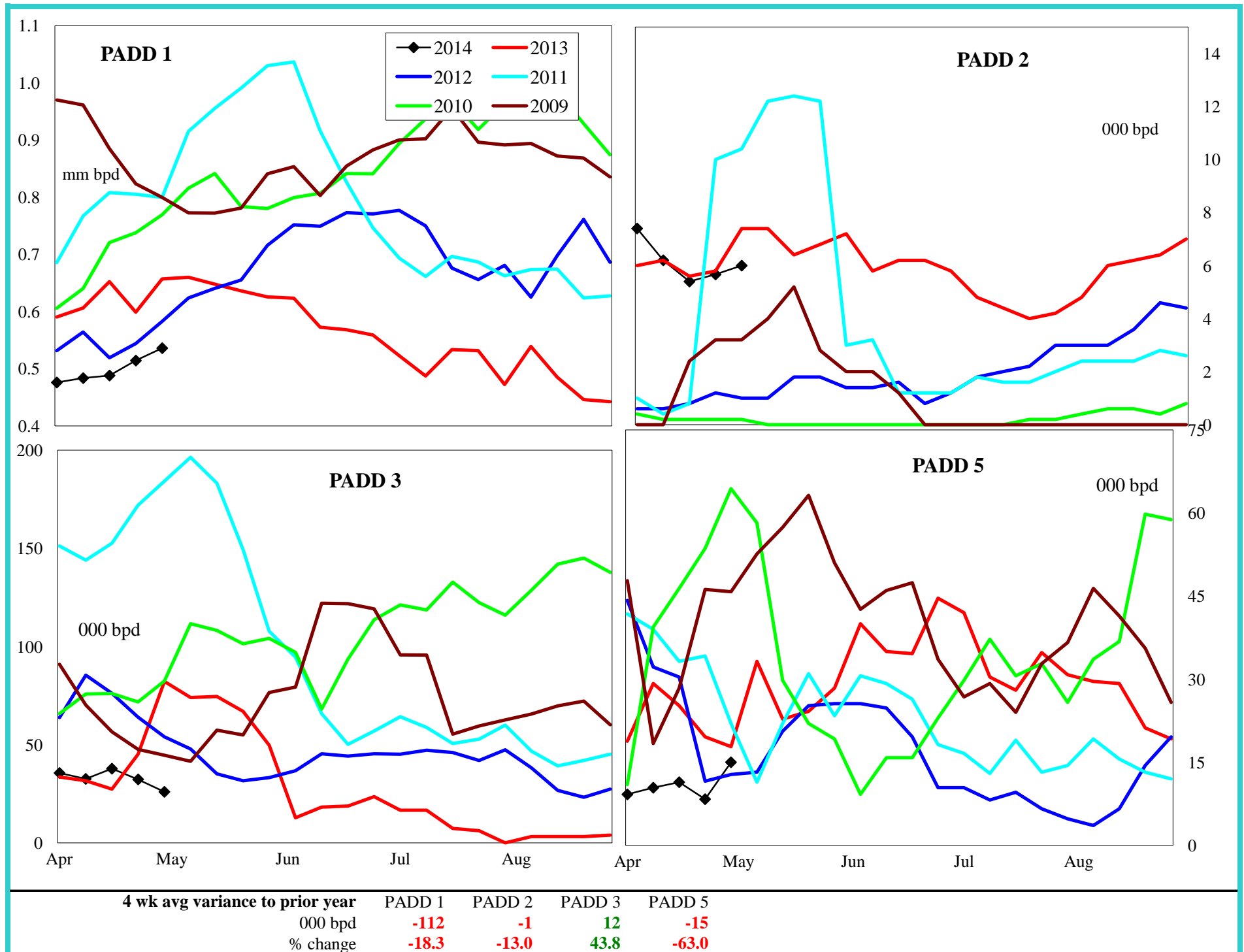
United States Petroleum Imports



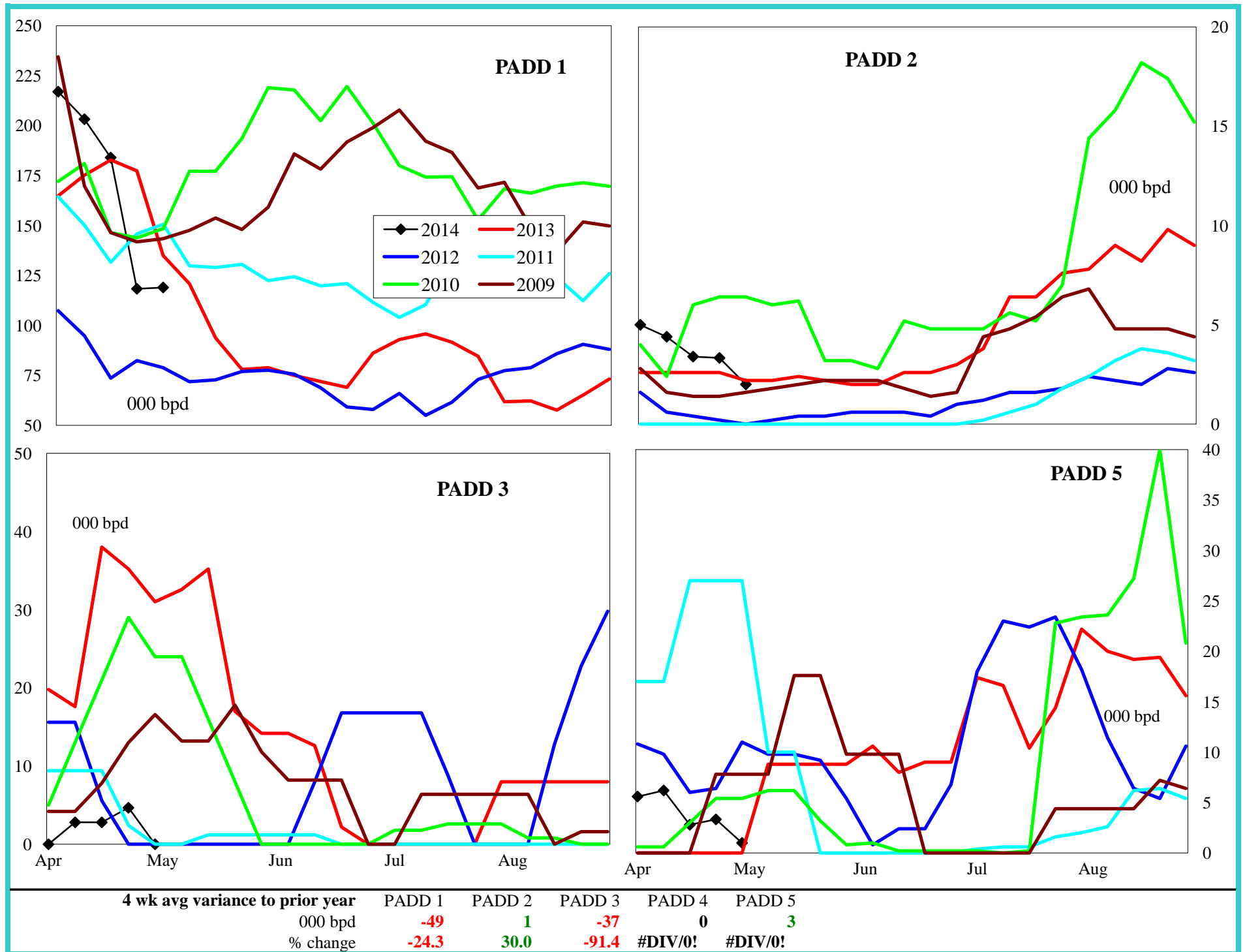
Crude Oil Imports by PADD



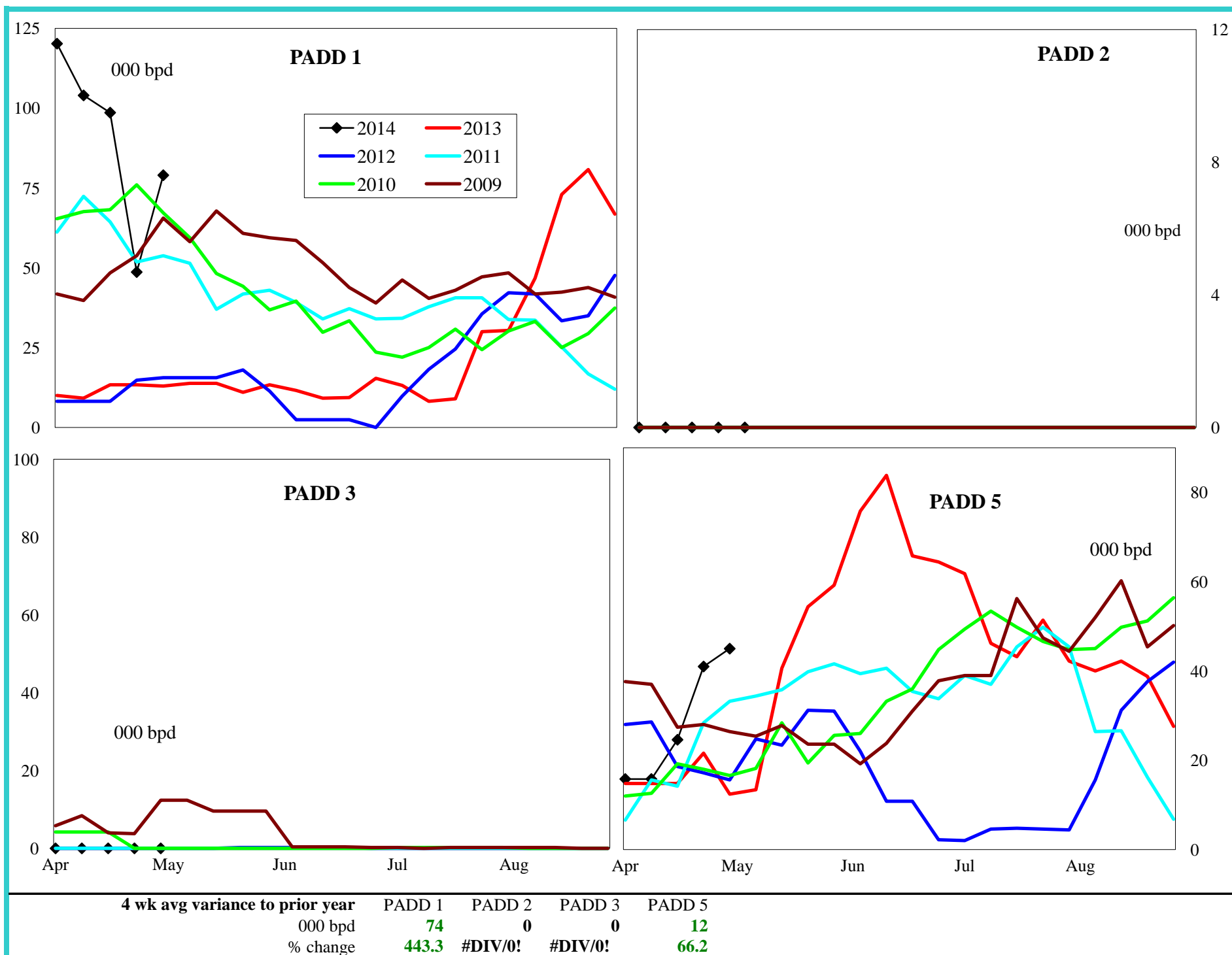
Gasoline Imports by PADD (Finished + Blend Stocks)



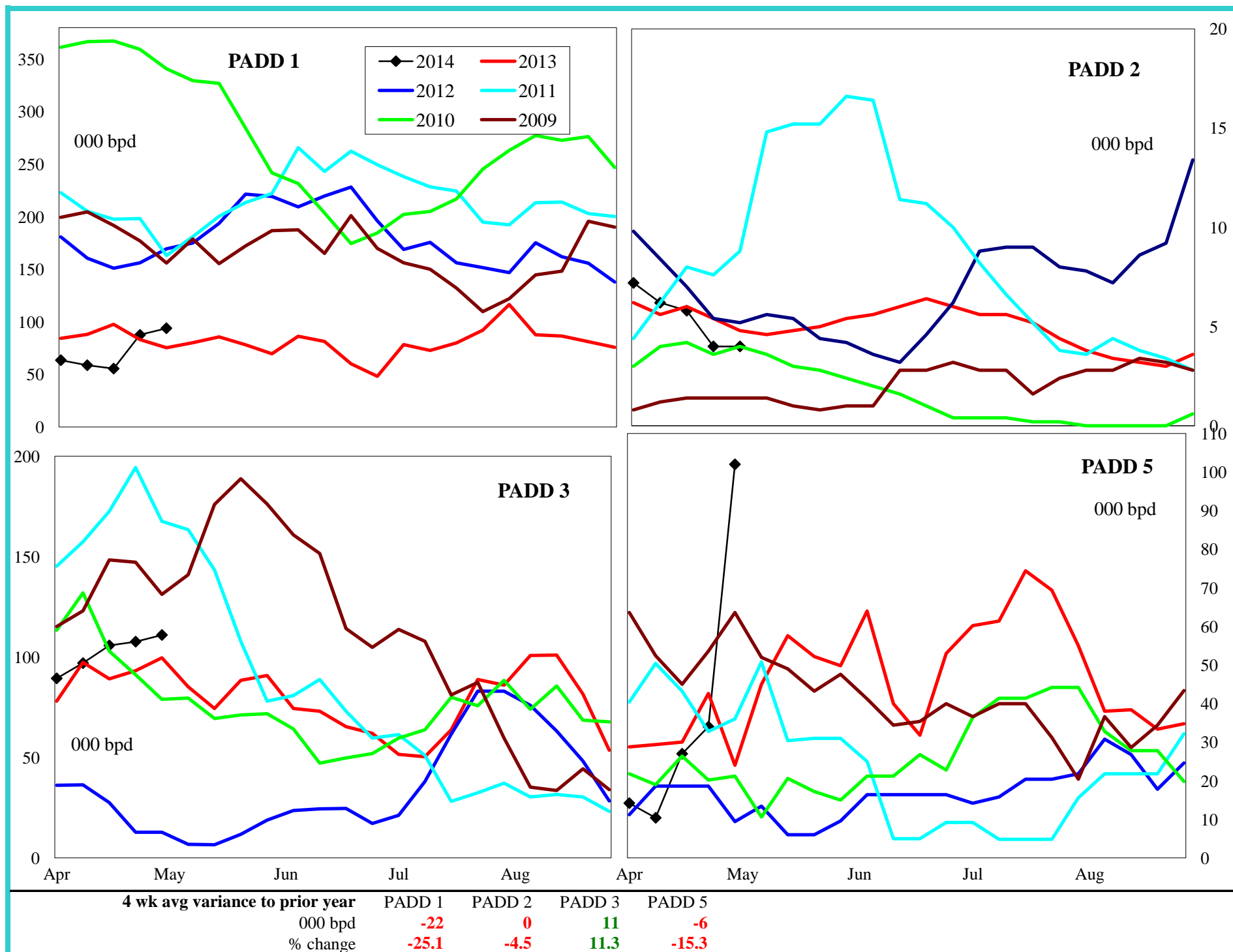
Distillate Imports by PADD



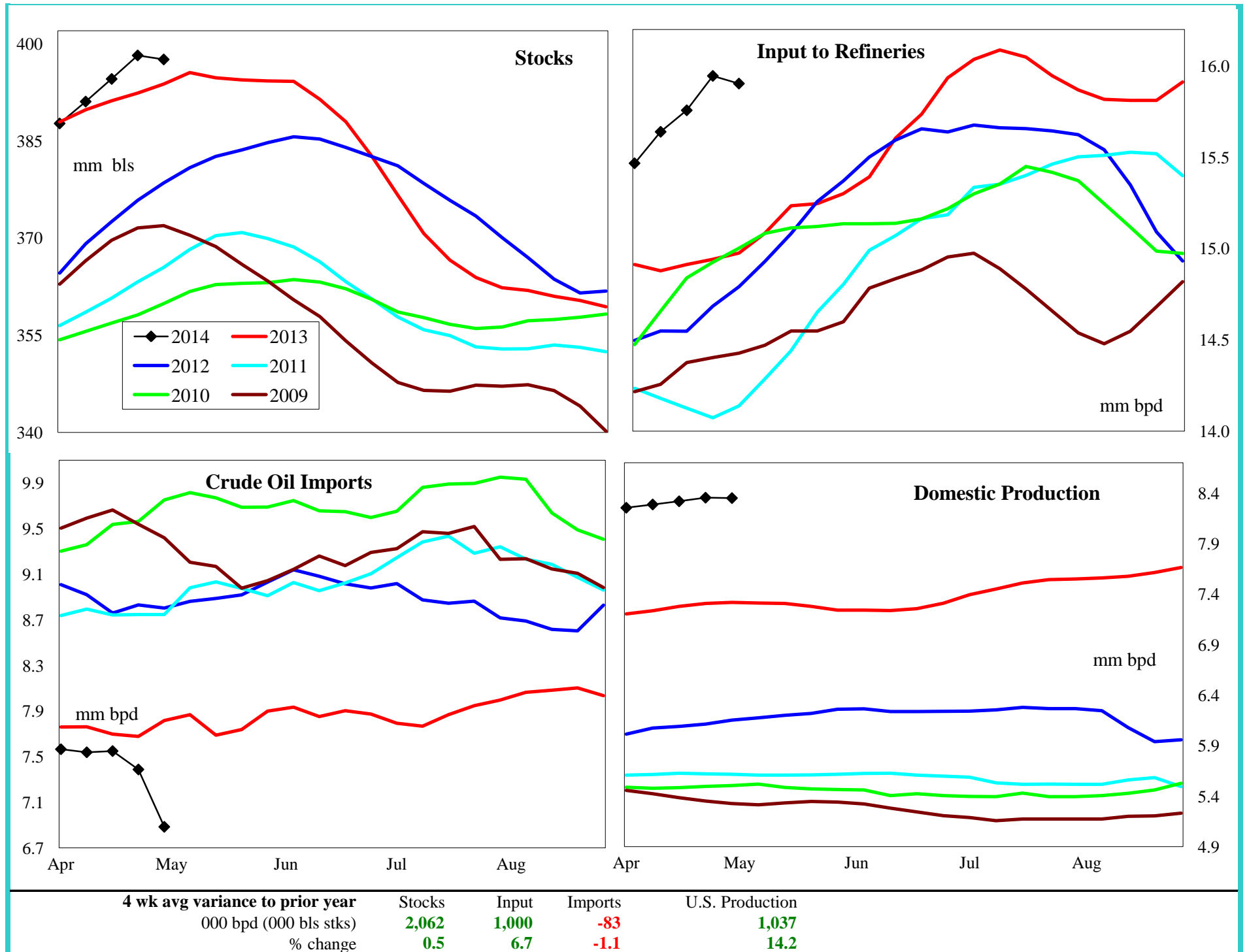
Jet Fuel Imports by PADD



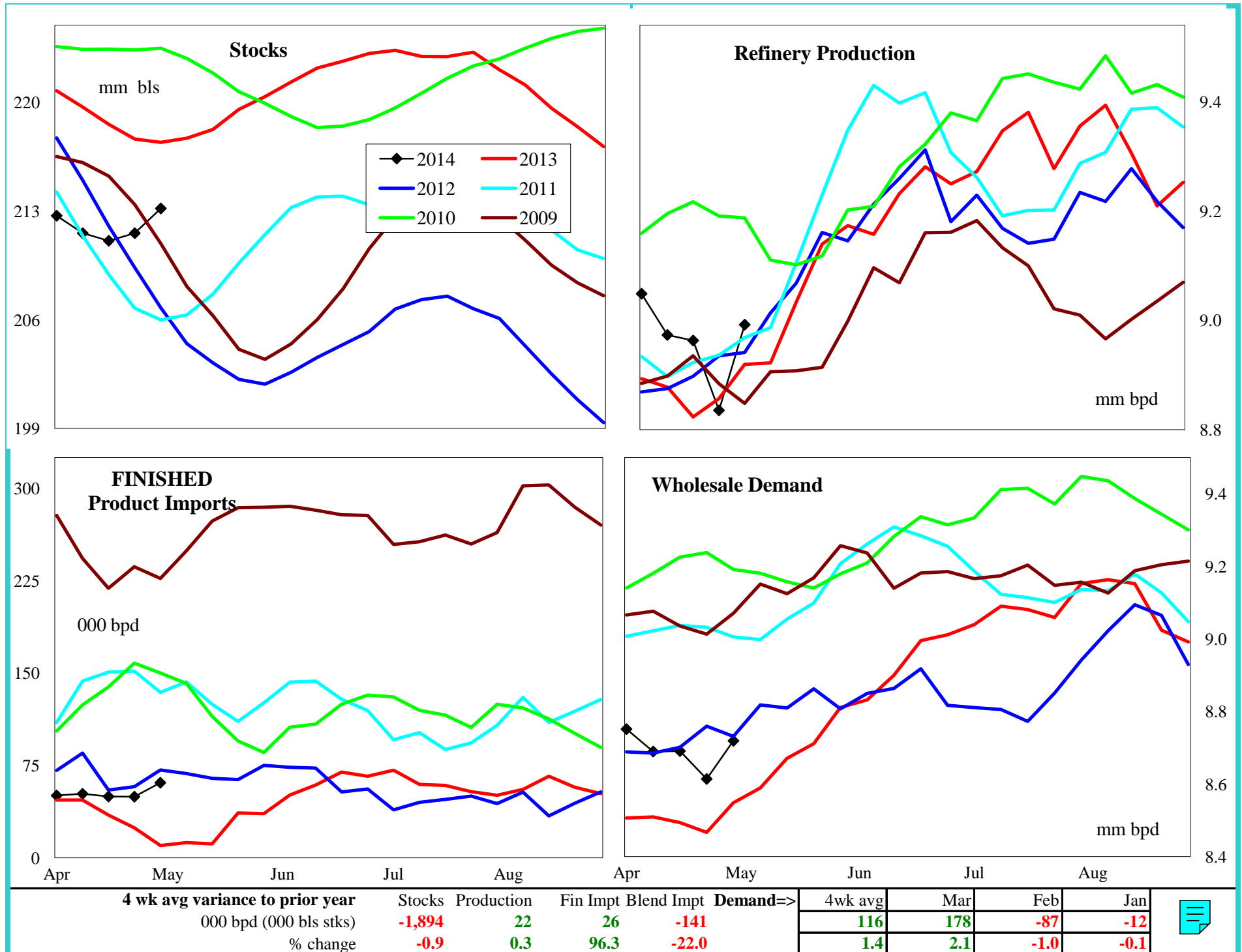
Residual Fuel Oil Imports by PADD



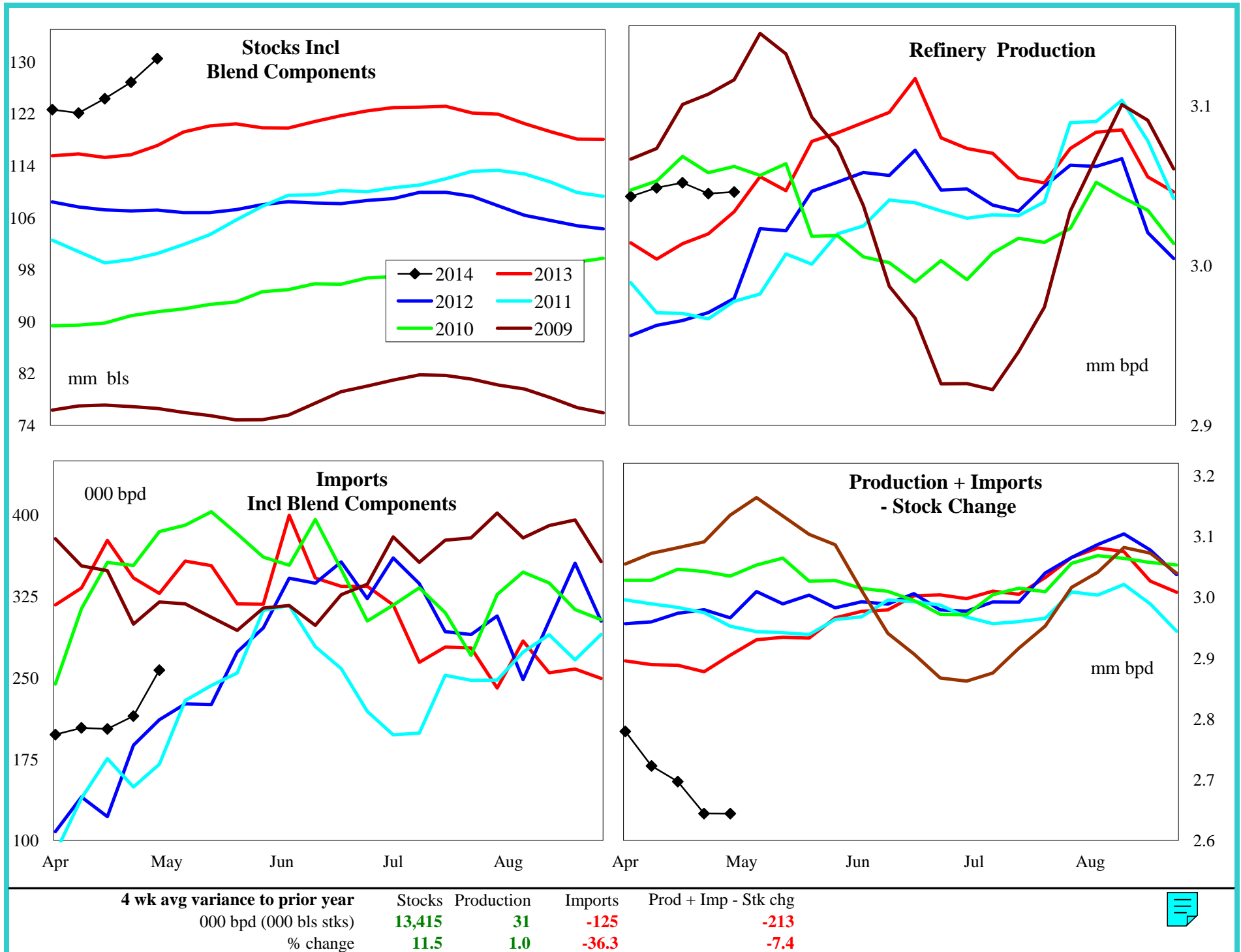
United States Crude Oil Supply and Demand Balance



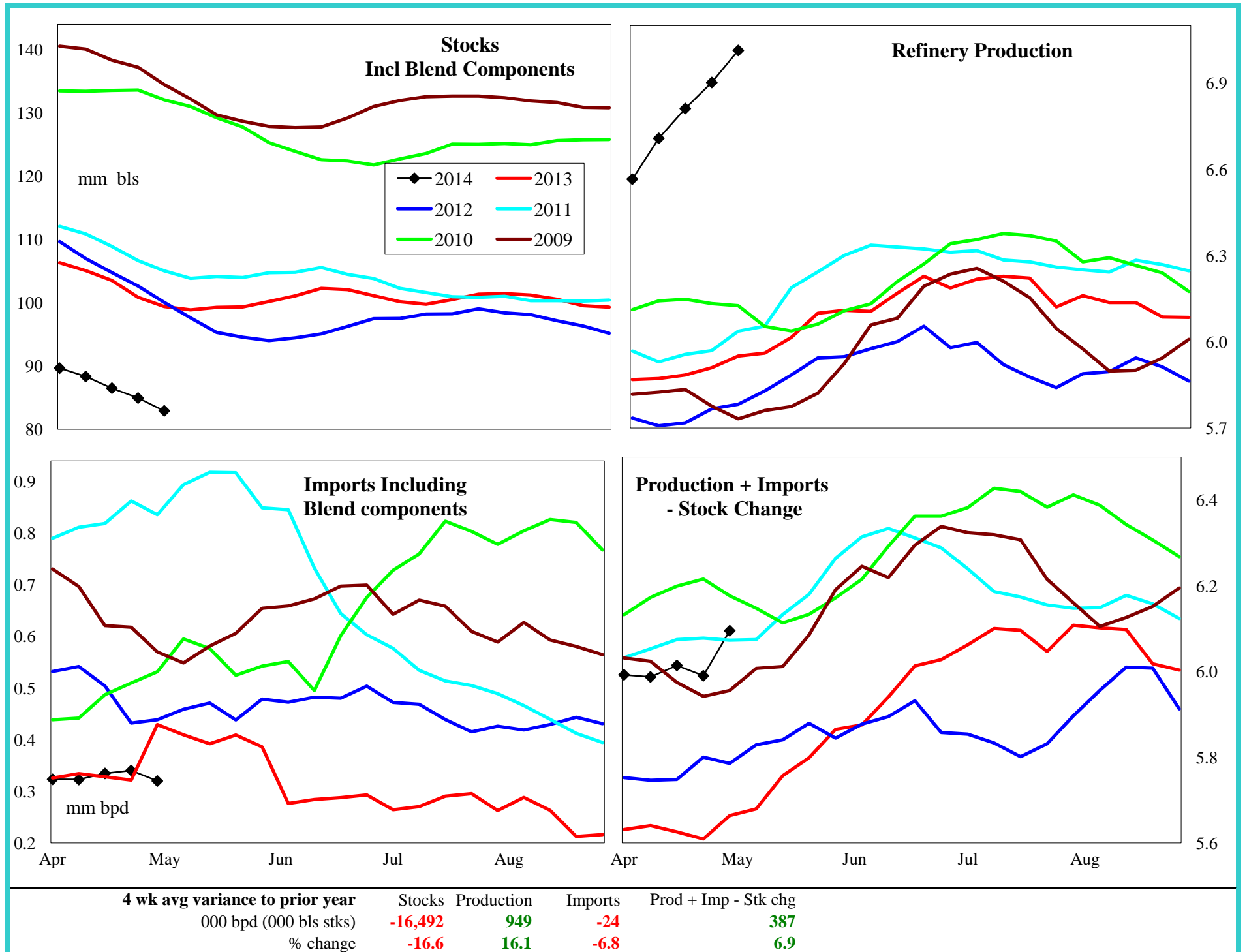
United States Gasoline Supply and Demand Balance



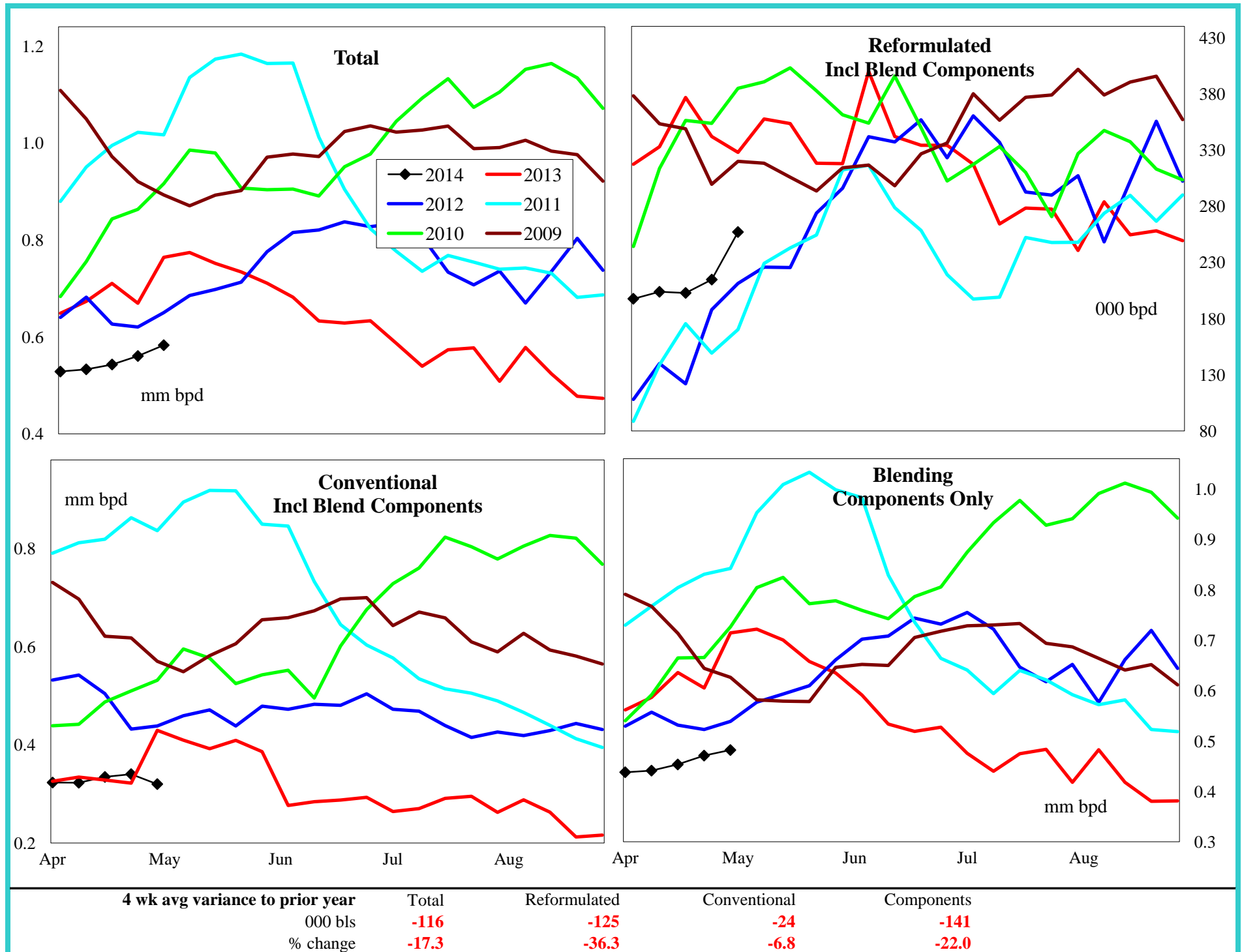
United States Reformulated Gasoline Supply



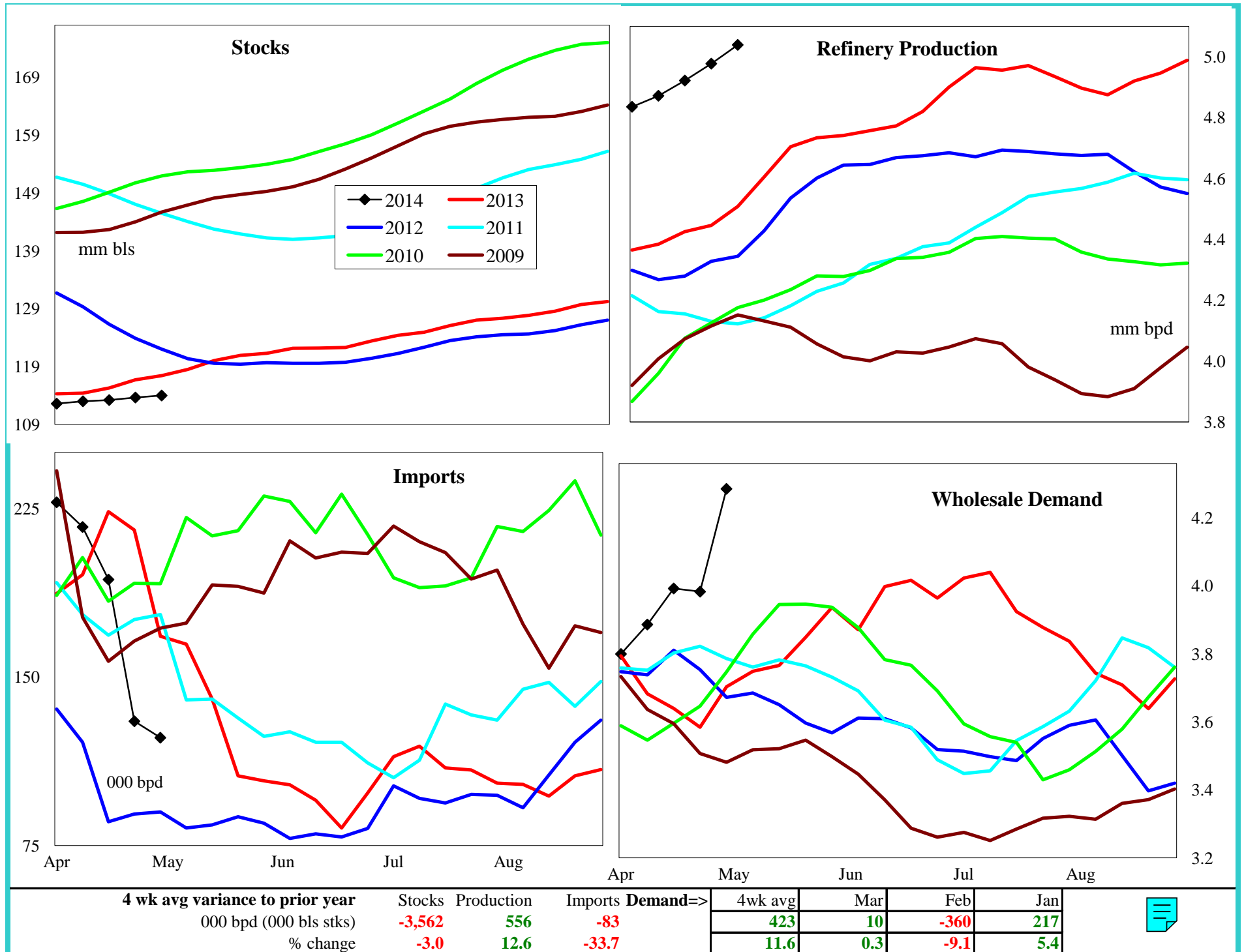
United States Conventional Gasoline Supply



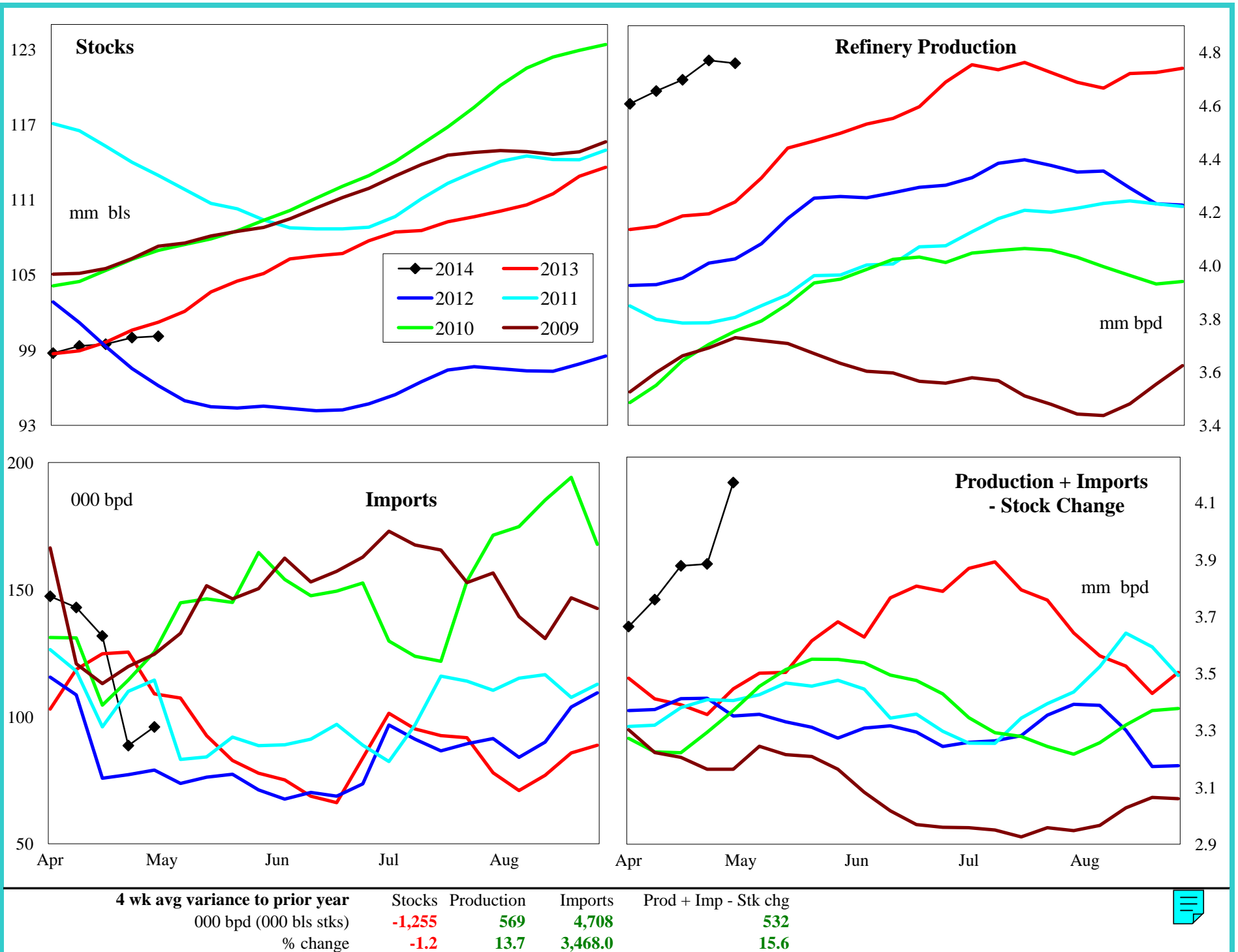
United States Gasoline Imports by Type



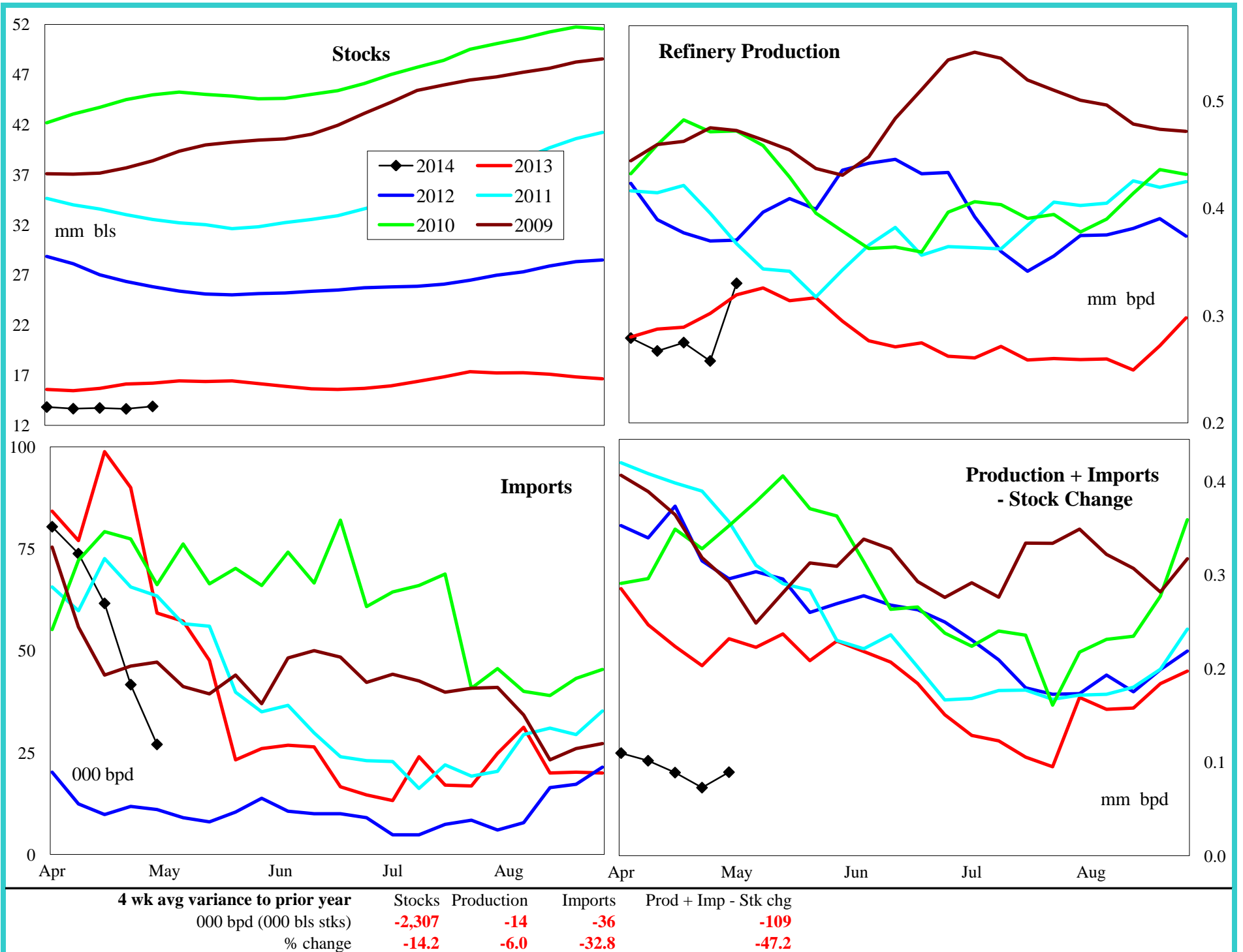
United States Distillate Supply and Demand Balance



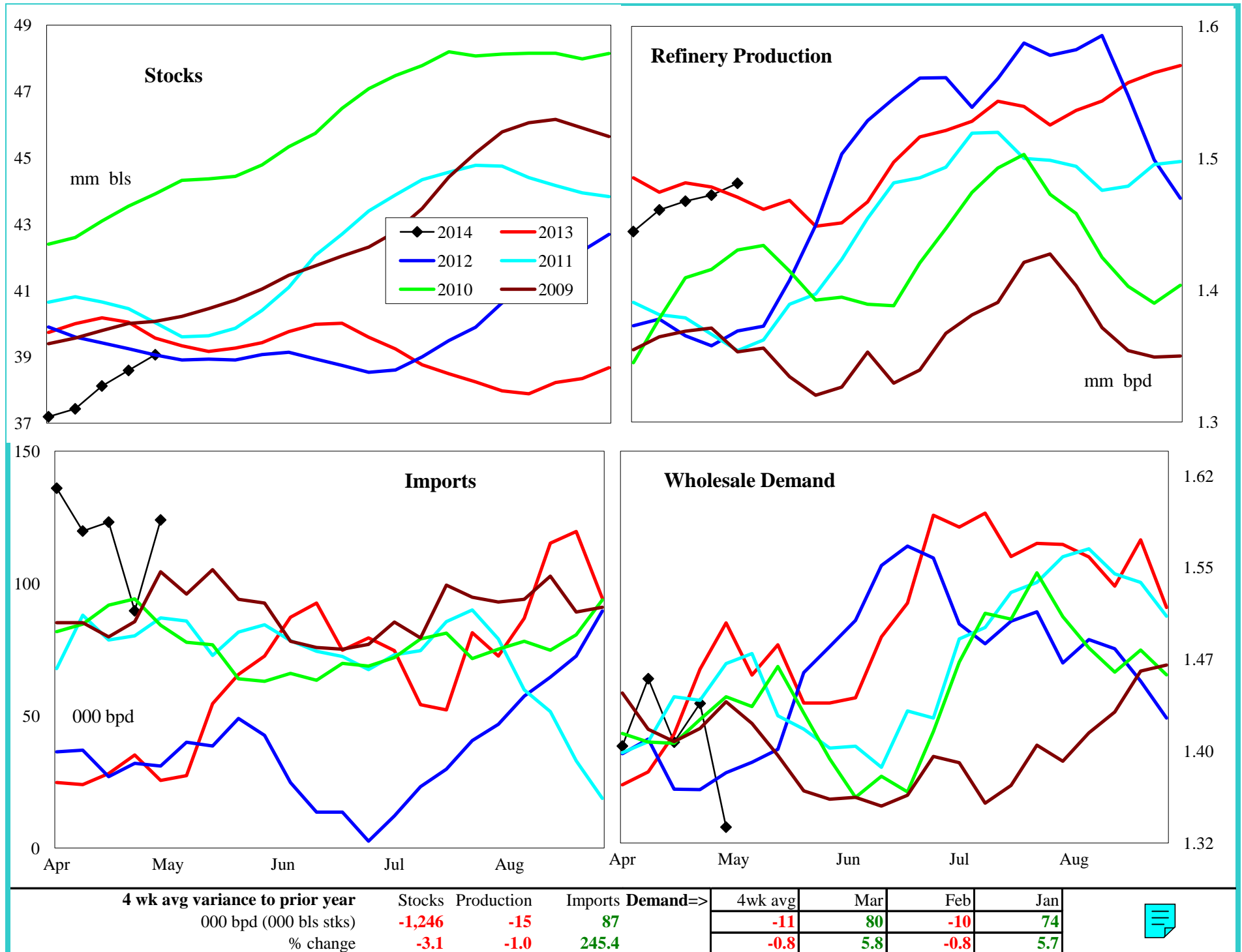
United States Low Sulfur Distillate Supply



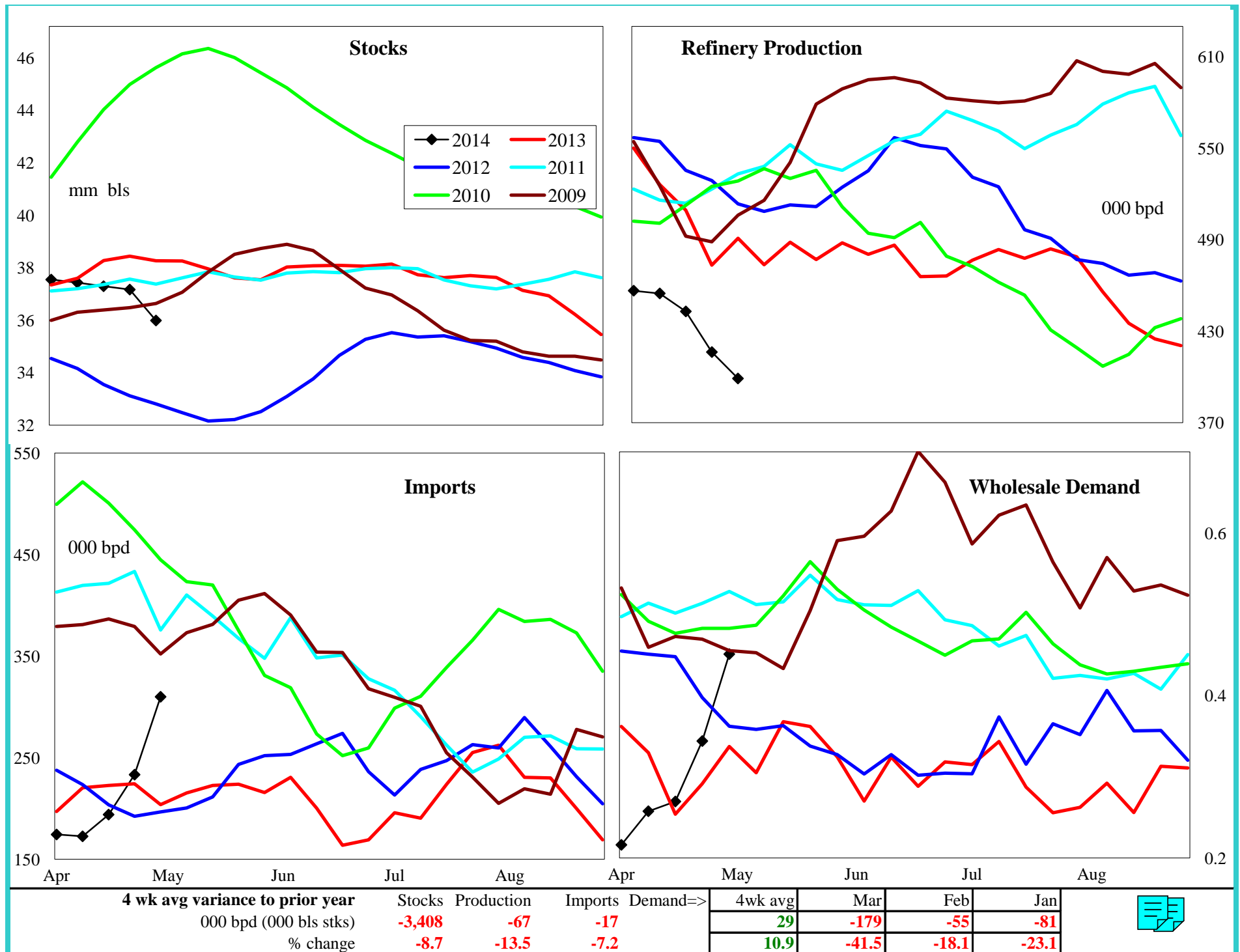
United States High Sulfur Distillate Supply



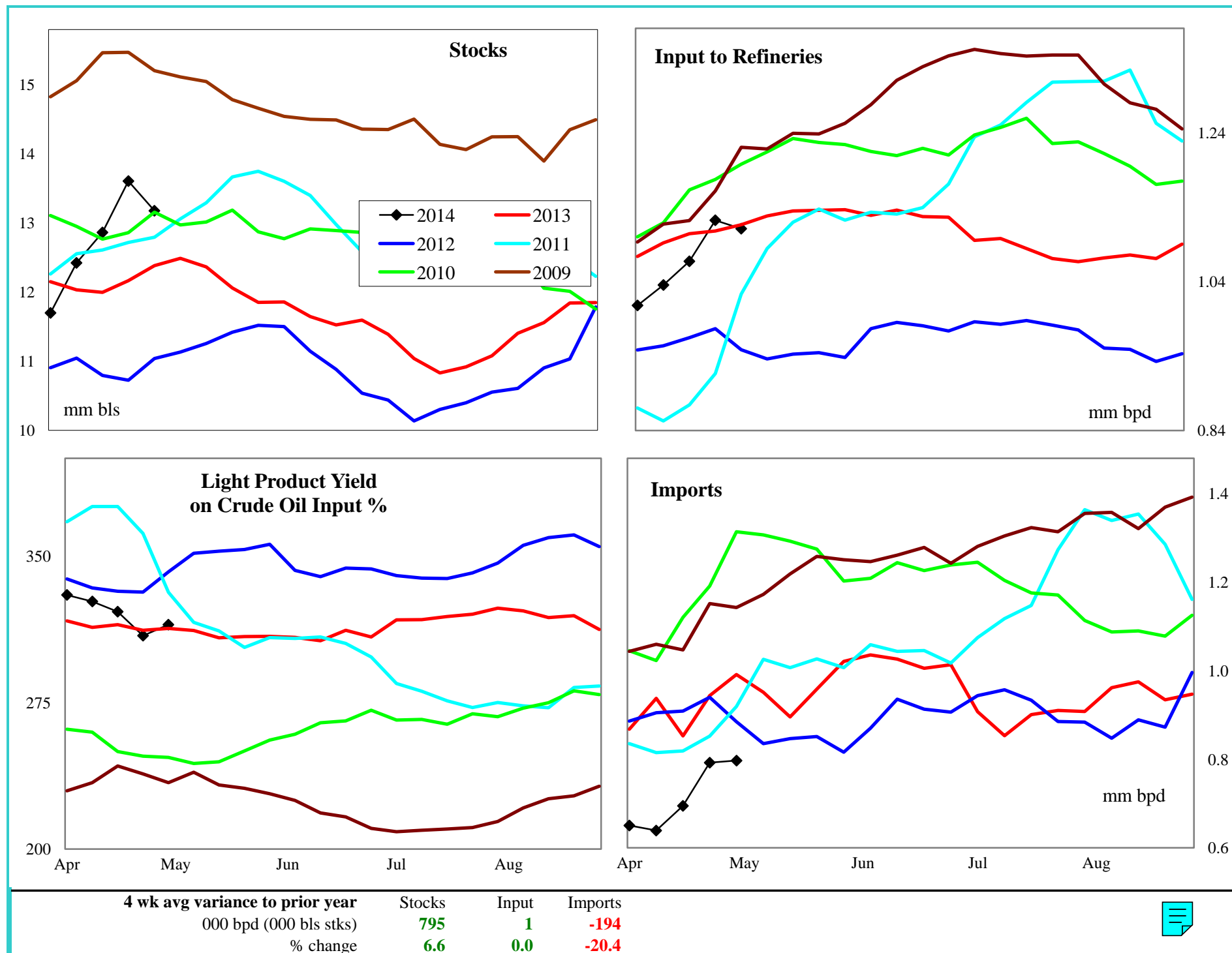
United States Jet Fuel Supply and Demand Balance



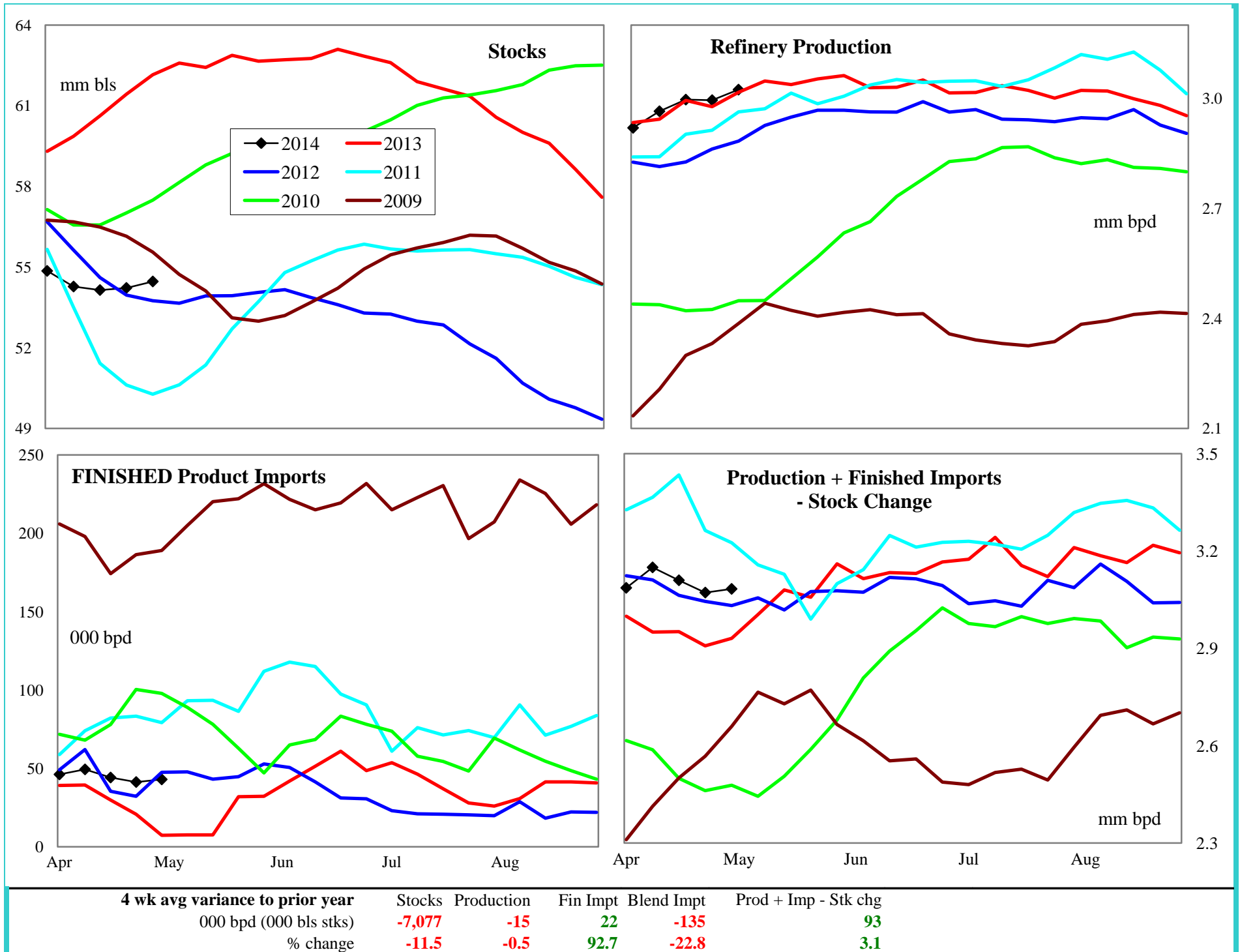
United States Residual Fuel Oil Supply and Demand Balance



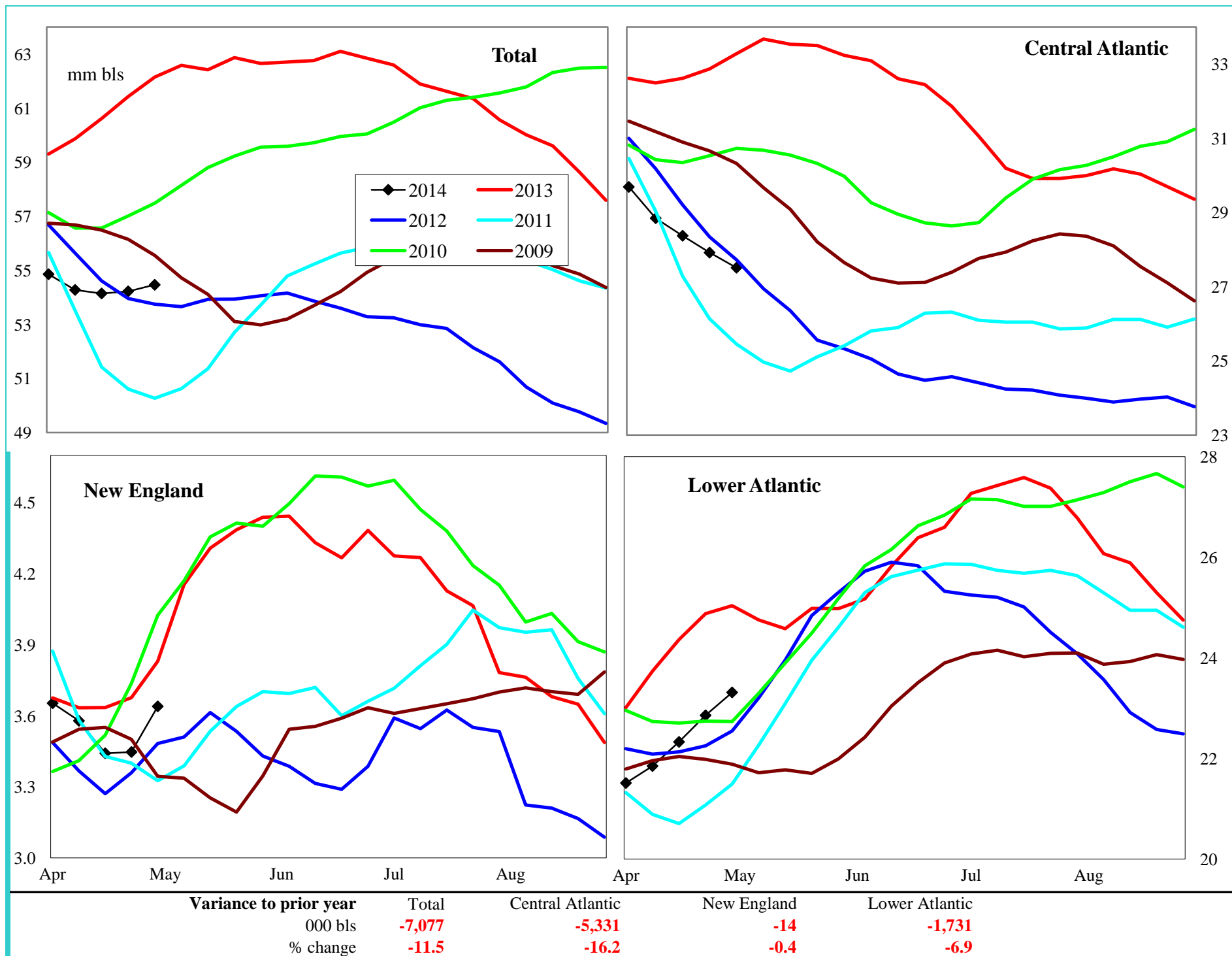
PADD 1 Crude Oil Supply and Refining



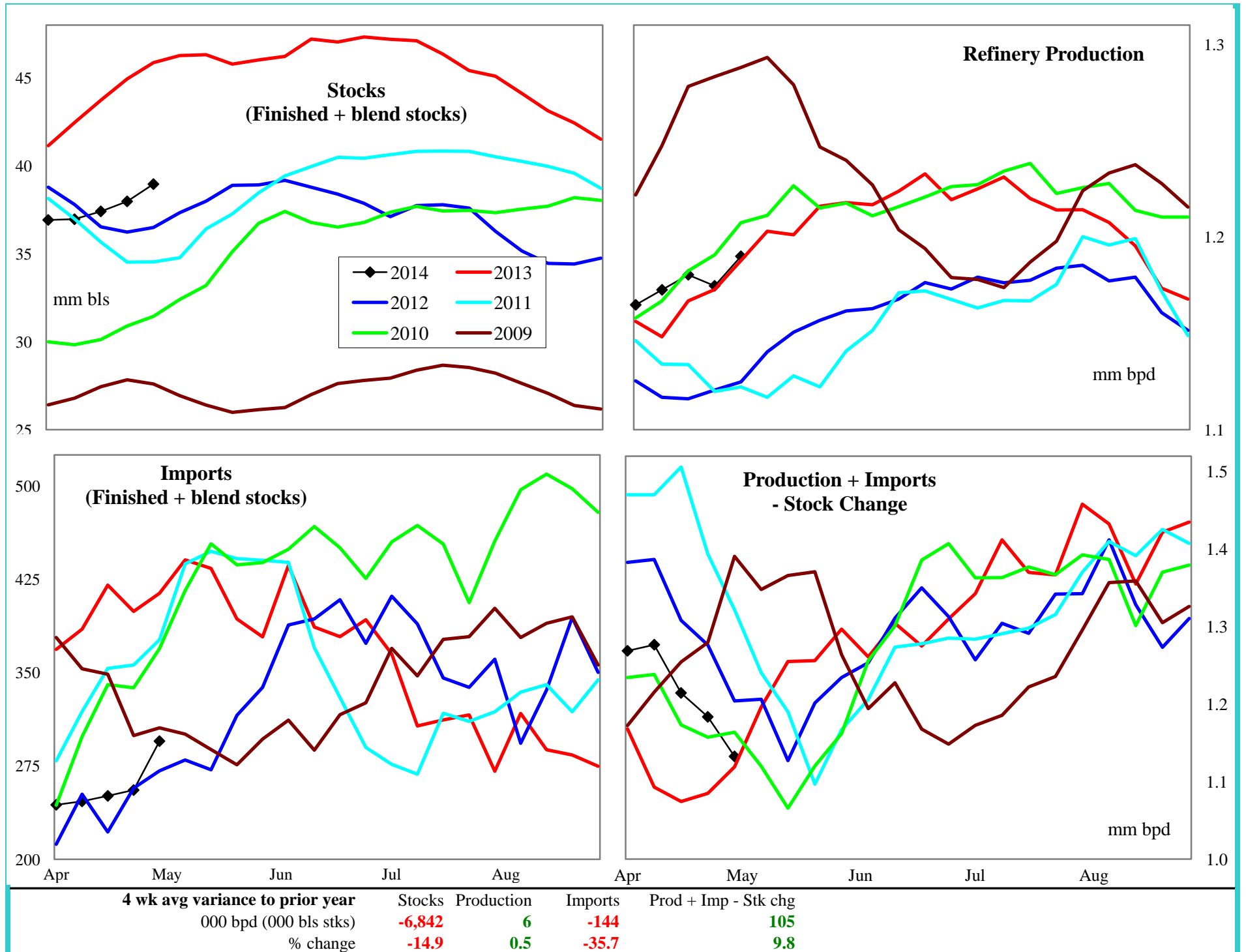
PADD 1 Gasoline Supply



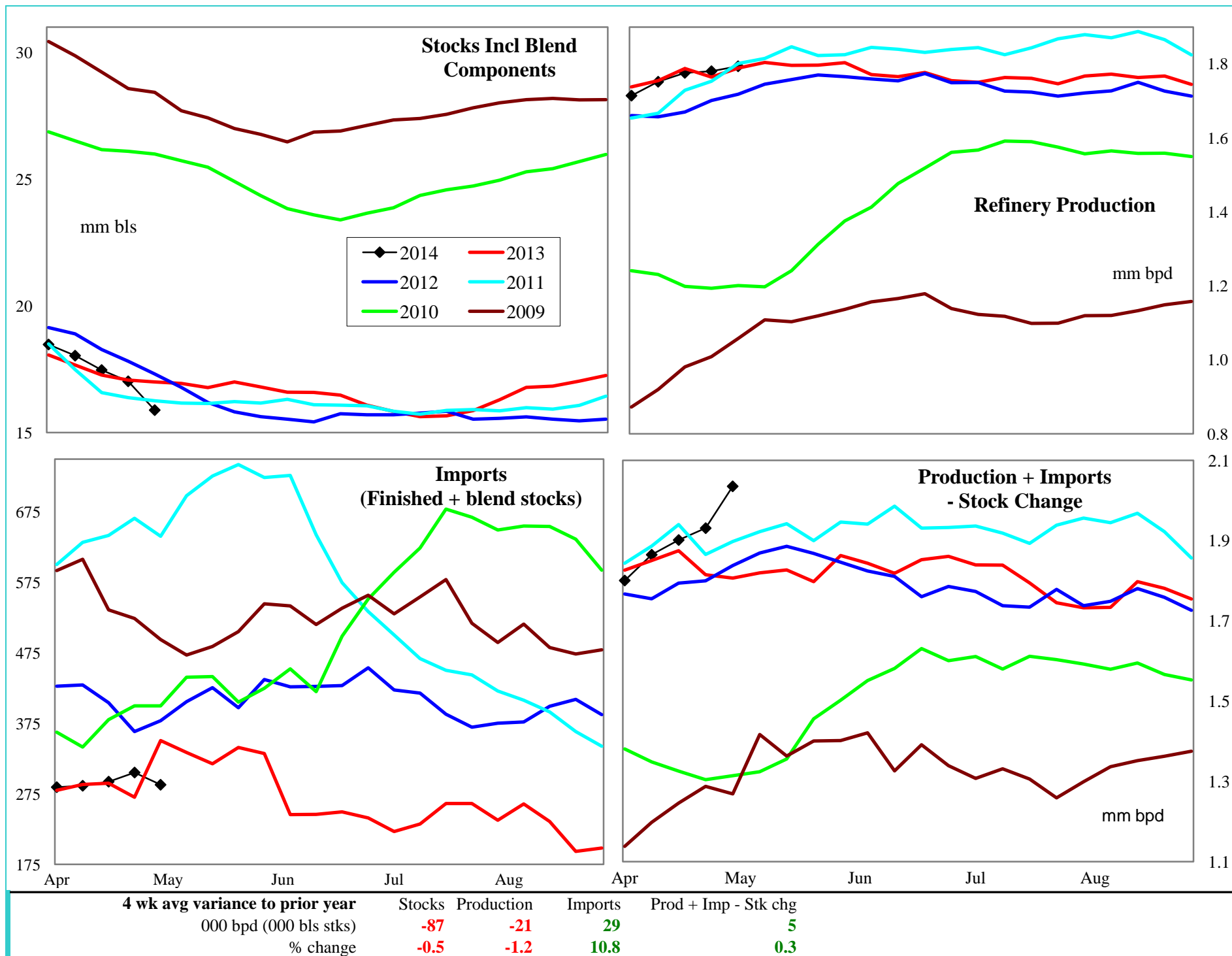
PADD 1 Gasoline Stocks by Region



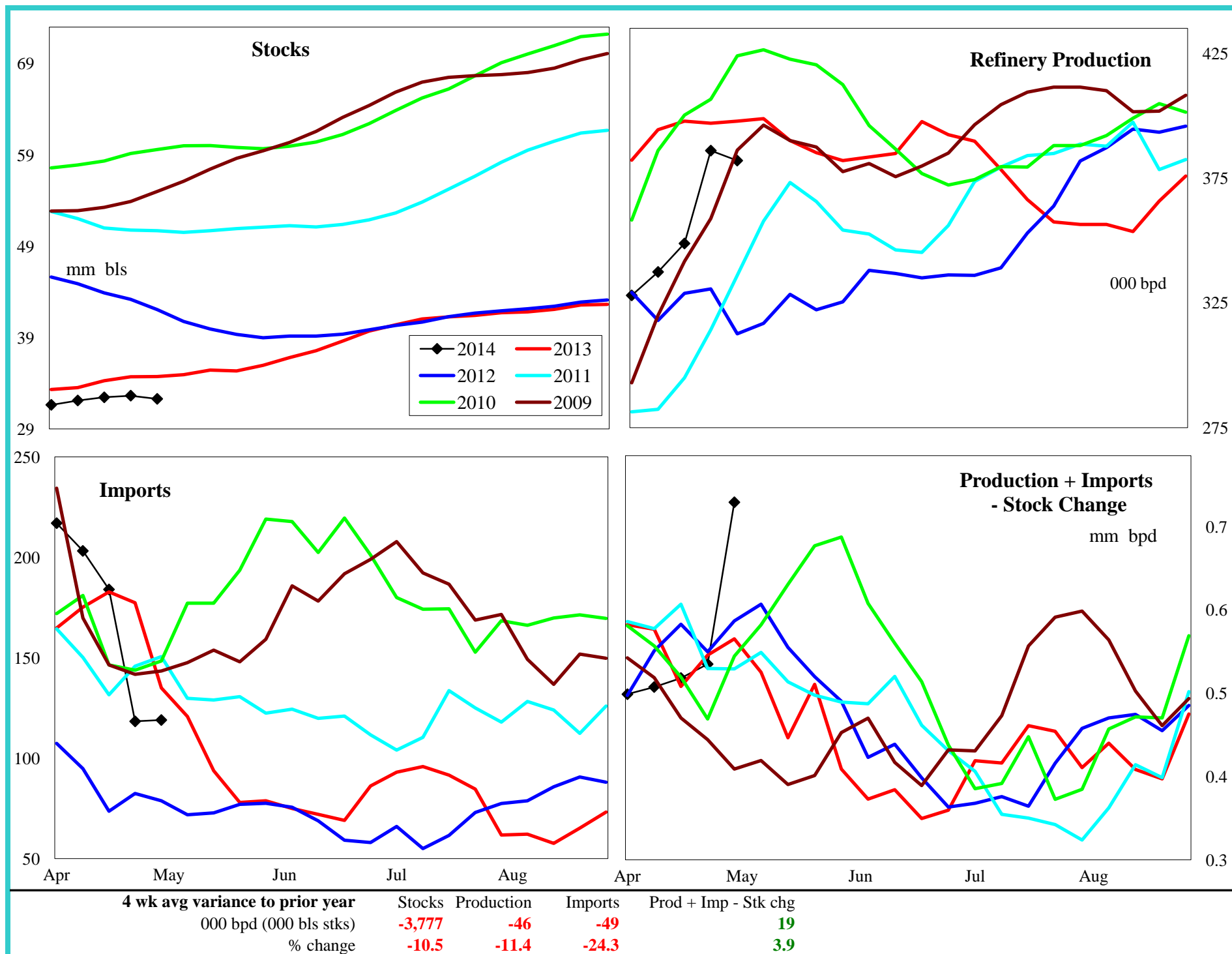
PADD 1 Reformulated Gasoline Supply



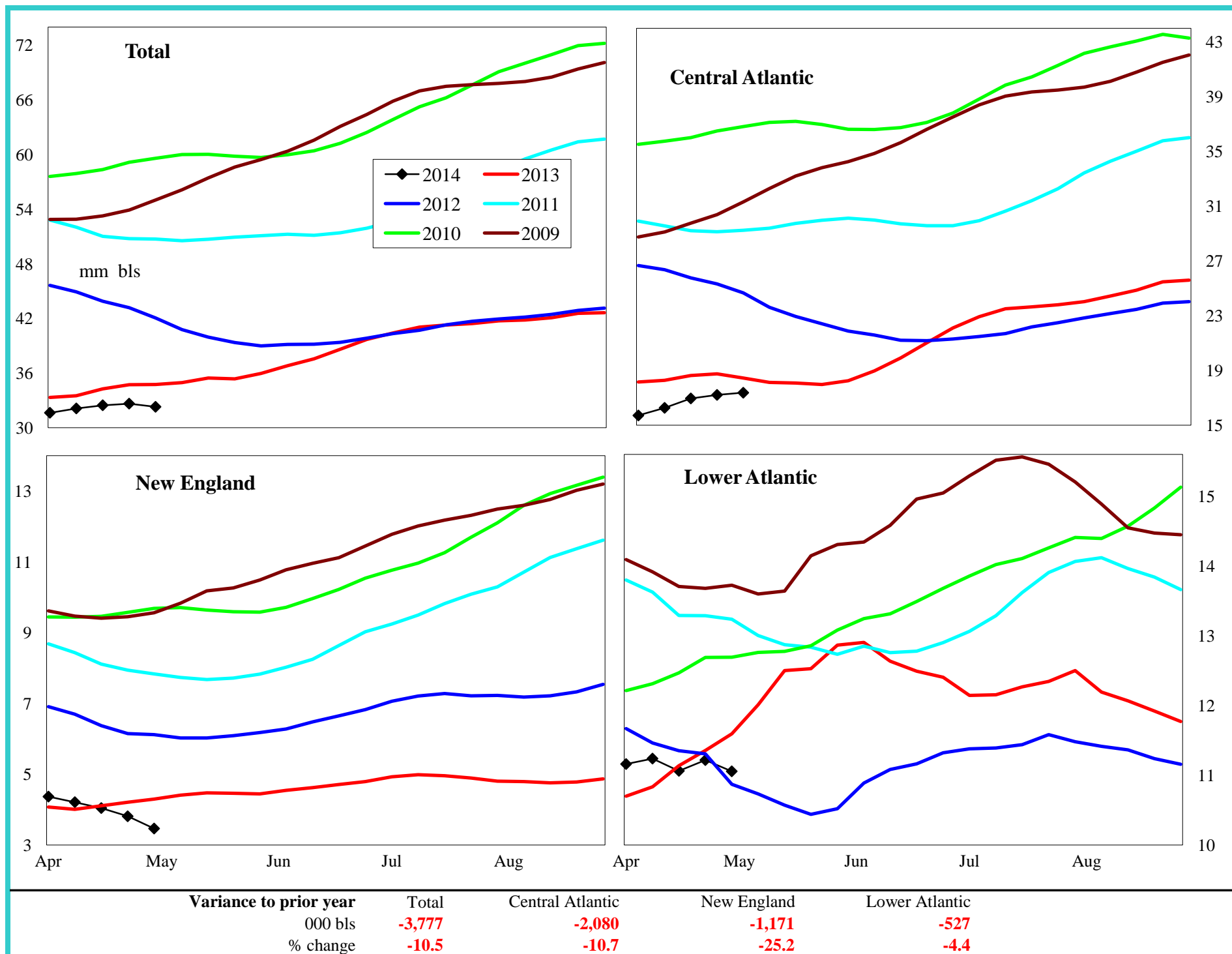
PADD 1 Conventional Gasoline Supply



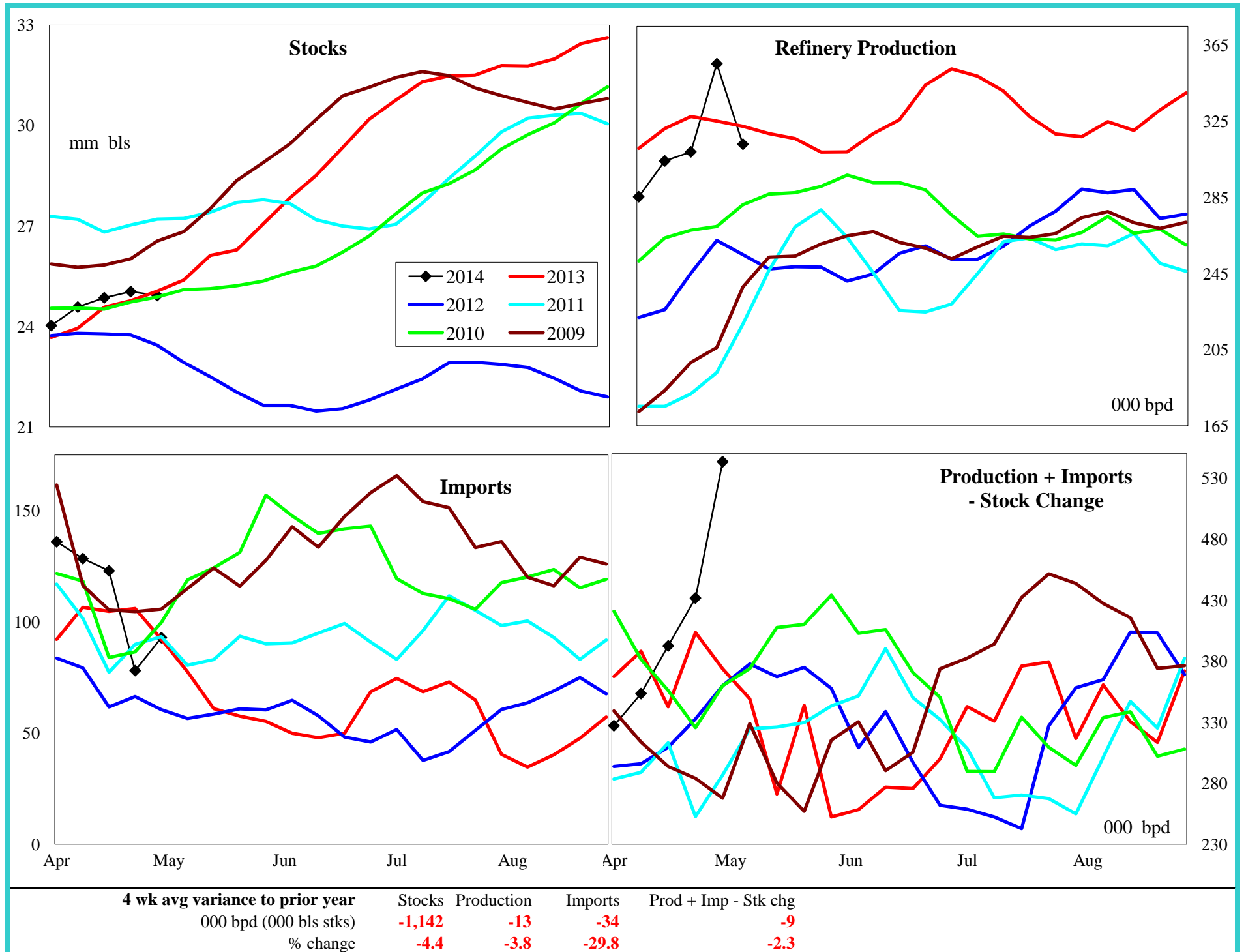
PADD 1 Distillate Supply



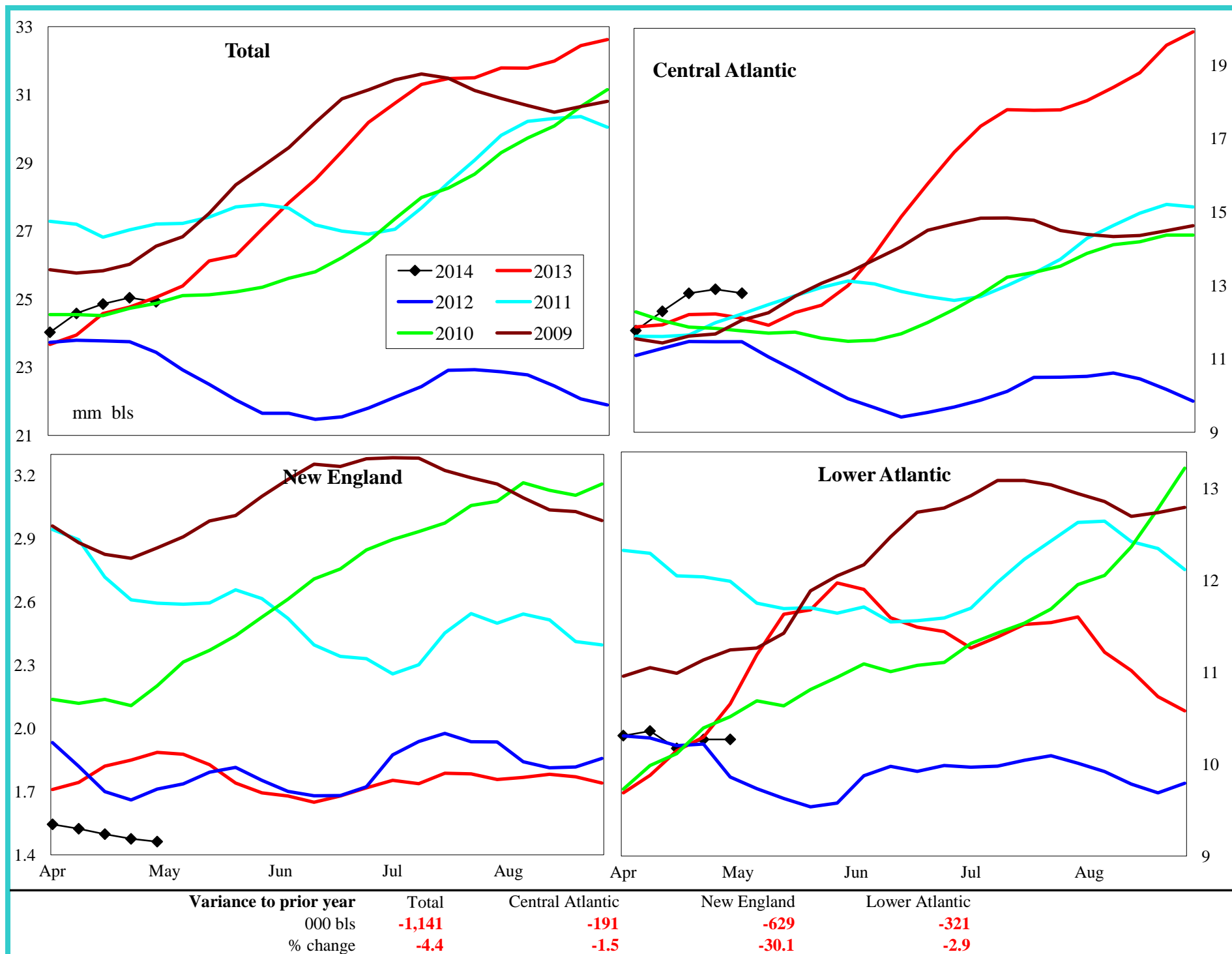
PADD 1 Distillate Stocks by Region

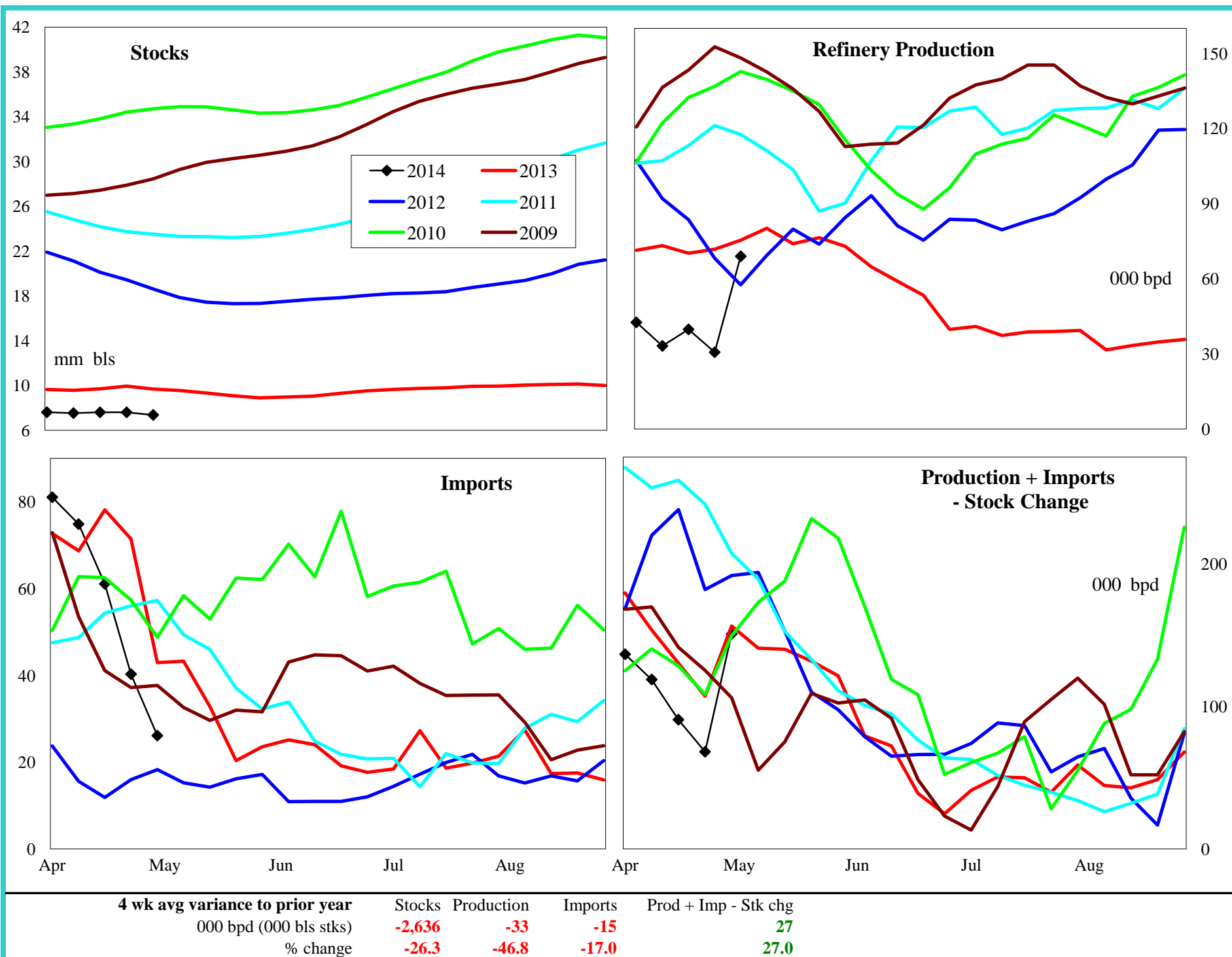


PADD 1 Low Sulfur Distillate Supply

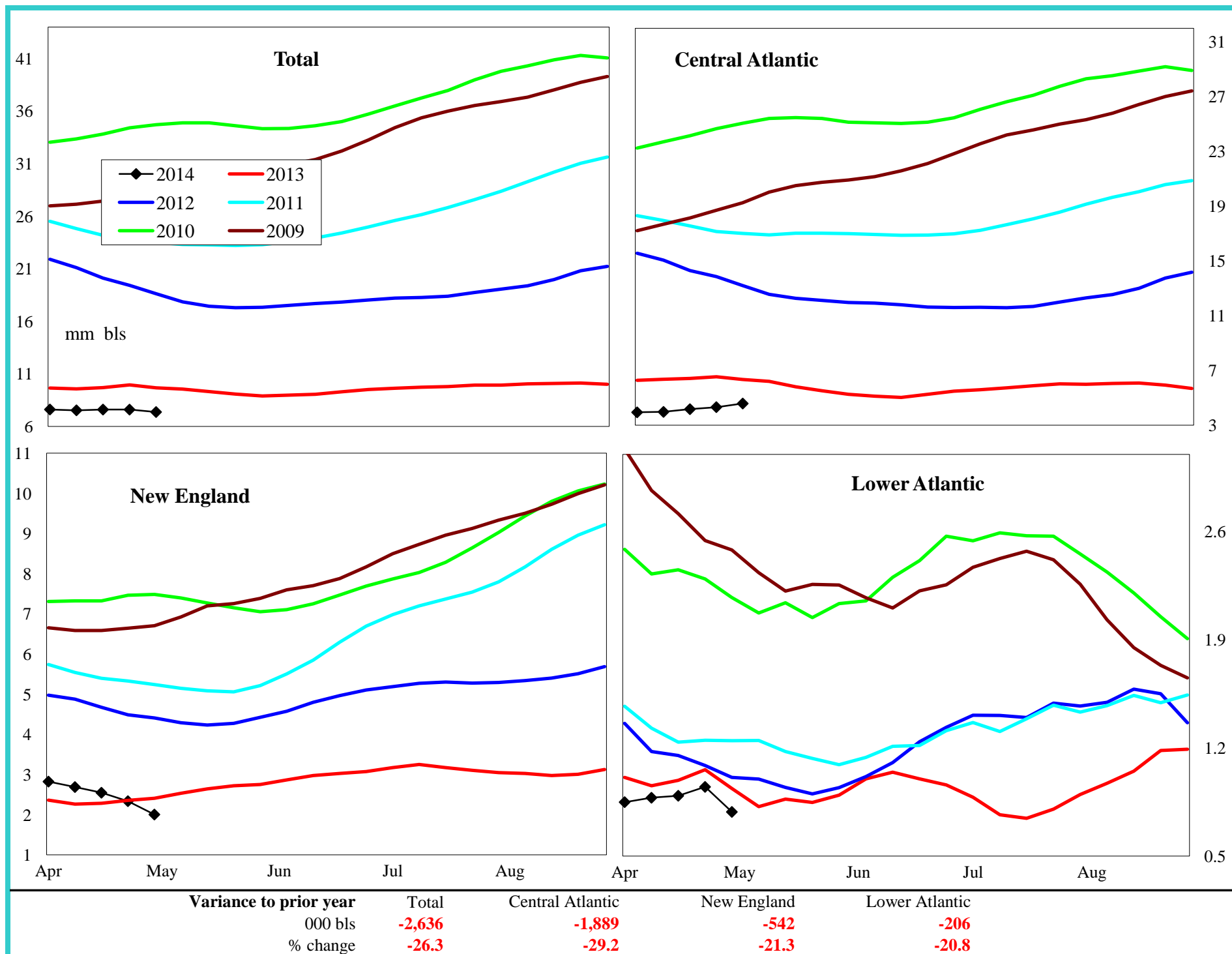


PADD 1 Low Sulfur Distillate Stocks by Region

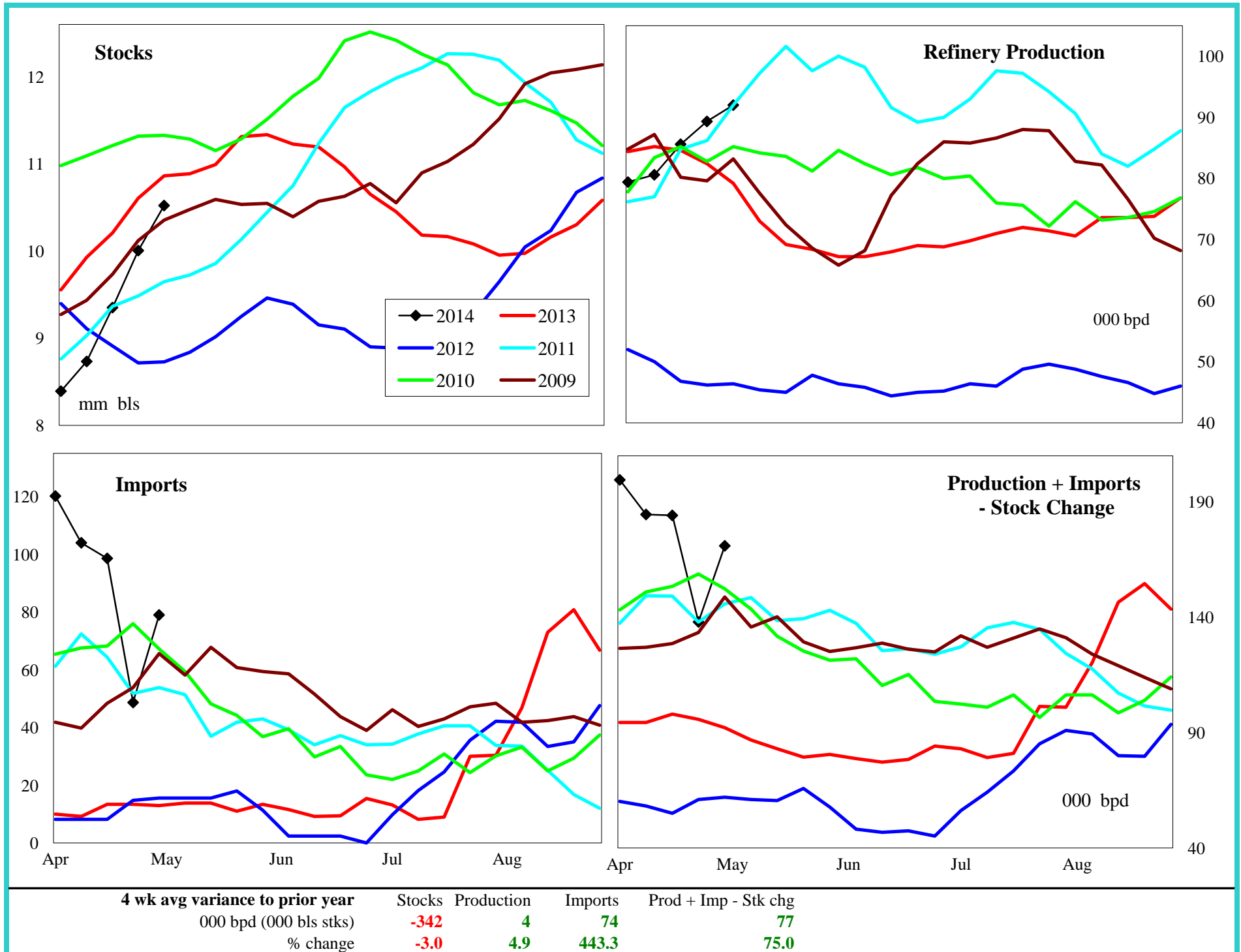




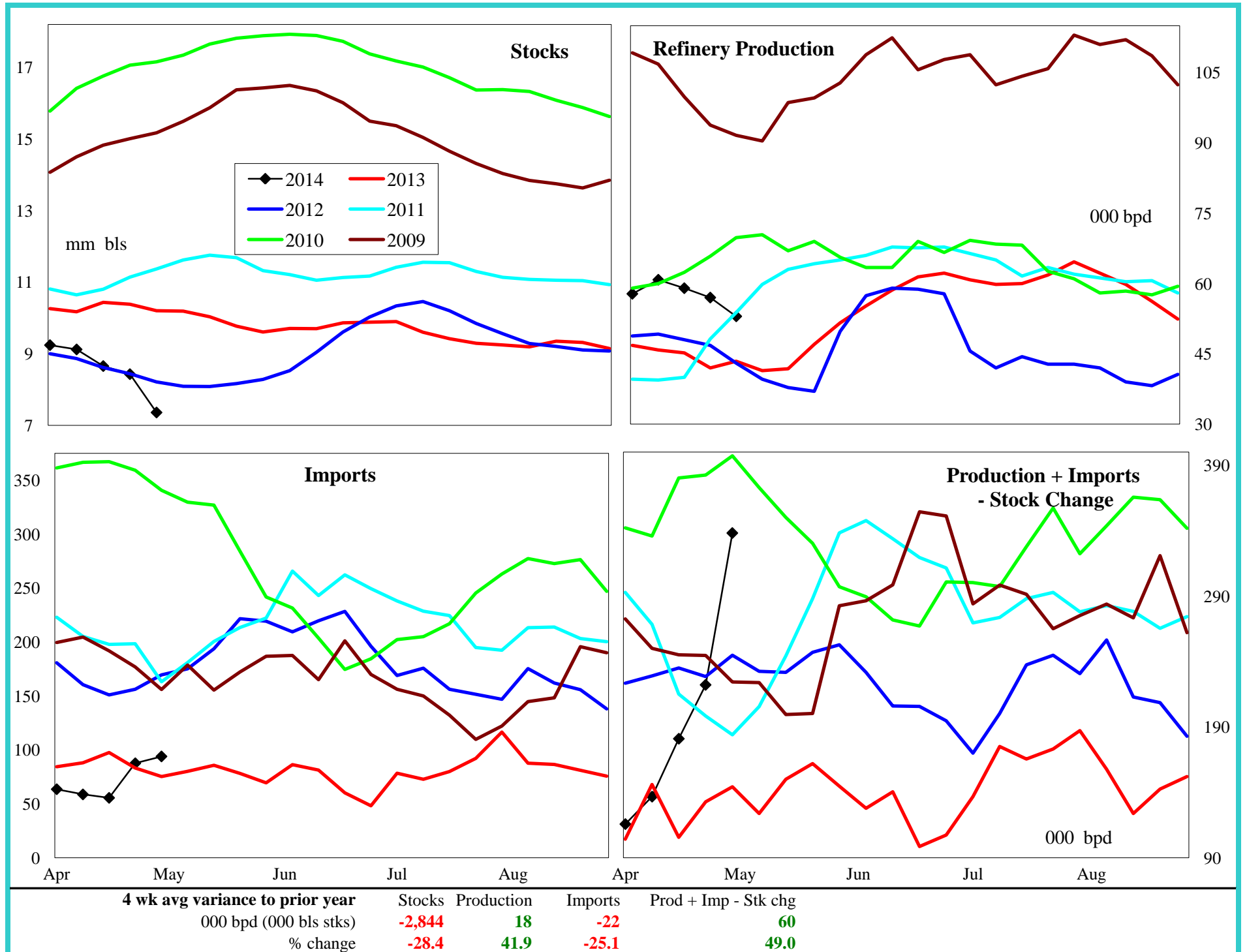
PADD 1 High Sulfur Distillate Stocks by Region



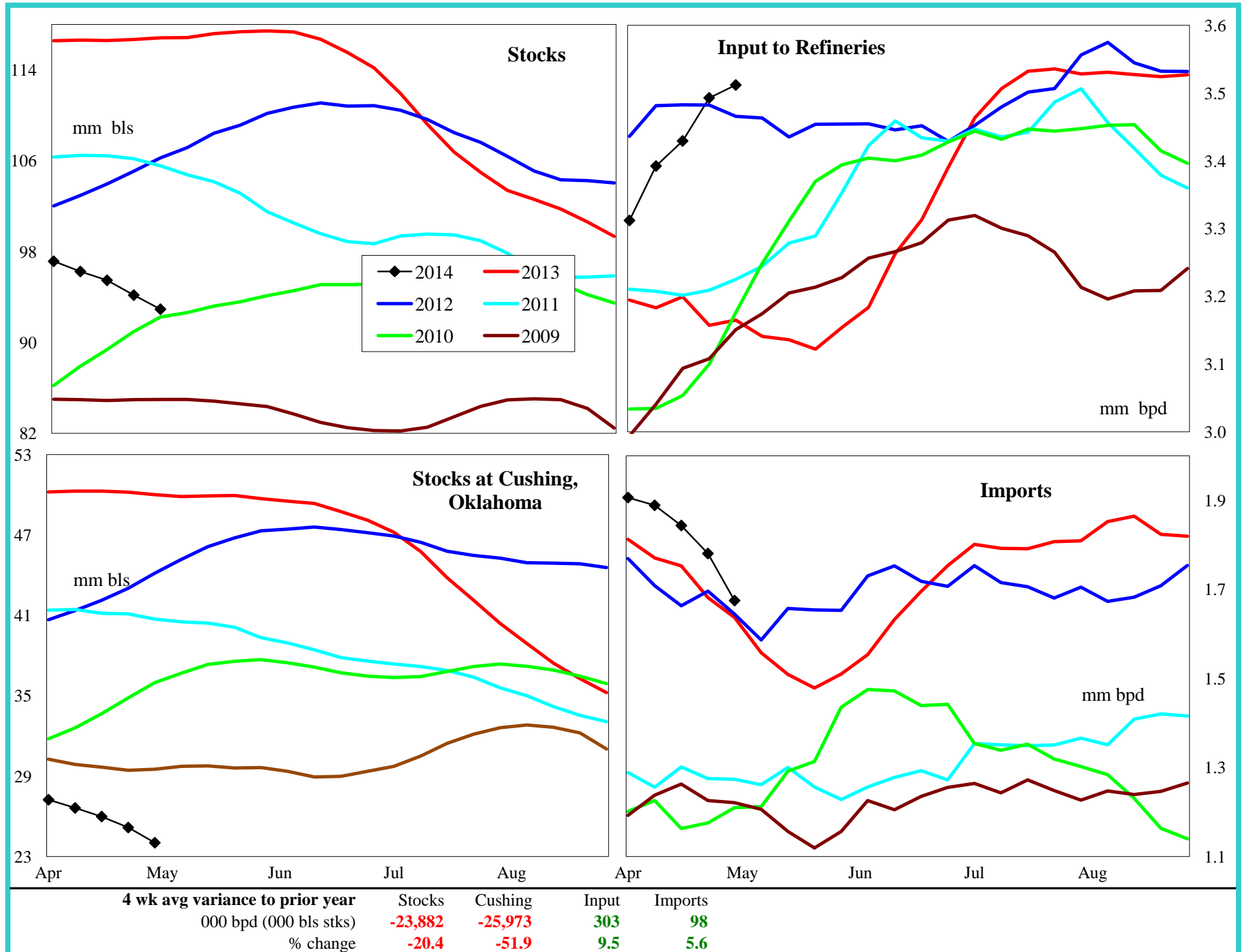
PADD 1 Jet Fuel Supply



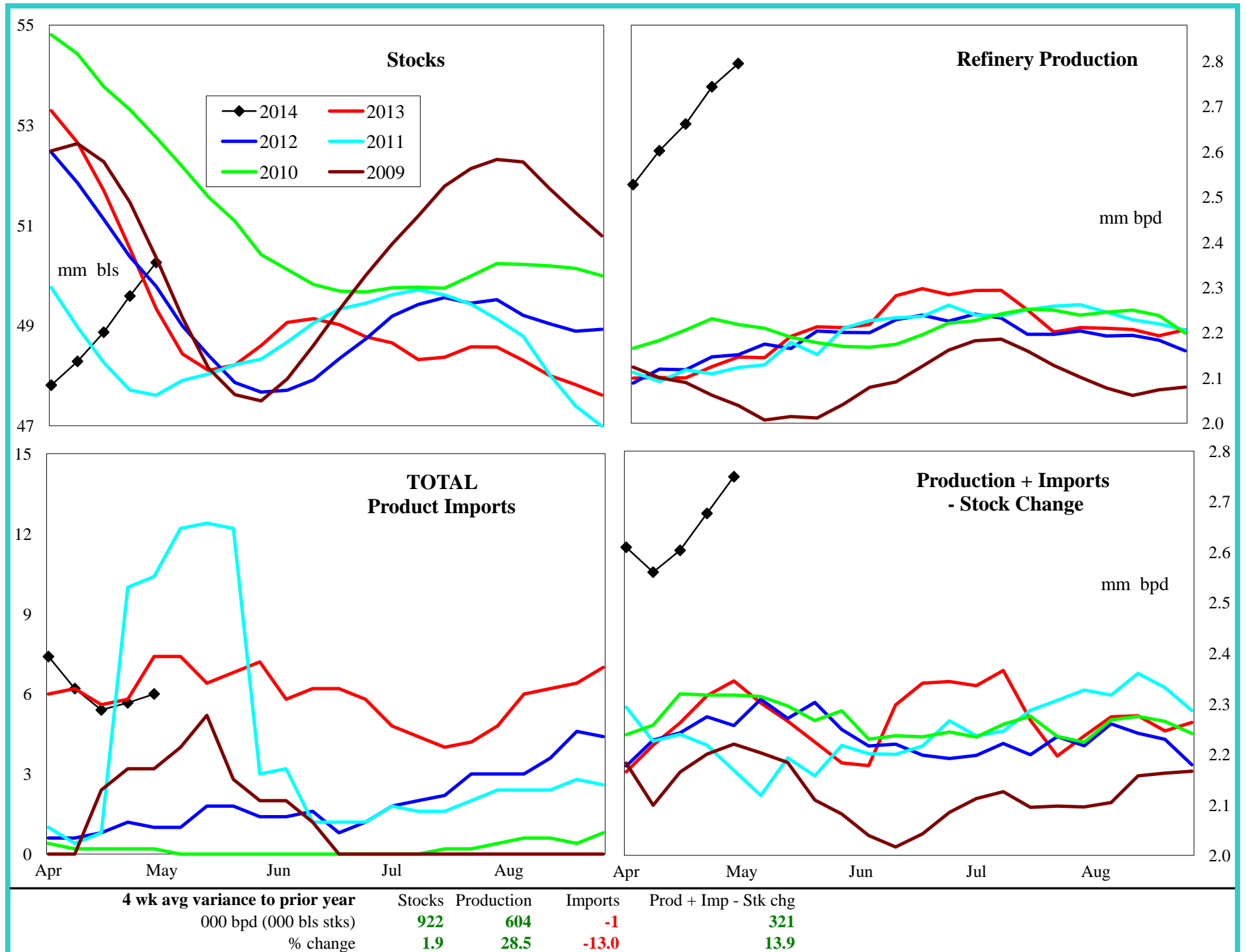
PADD 1 Residual Fuel Oil Supply



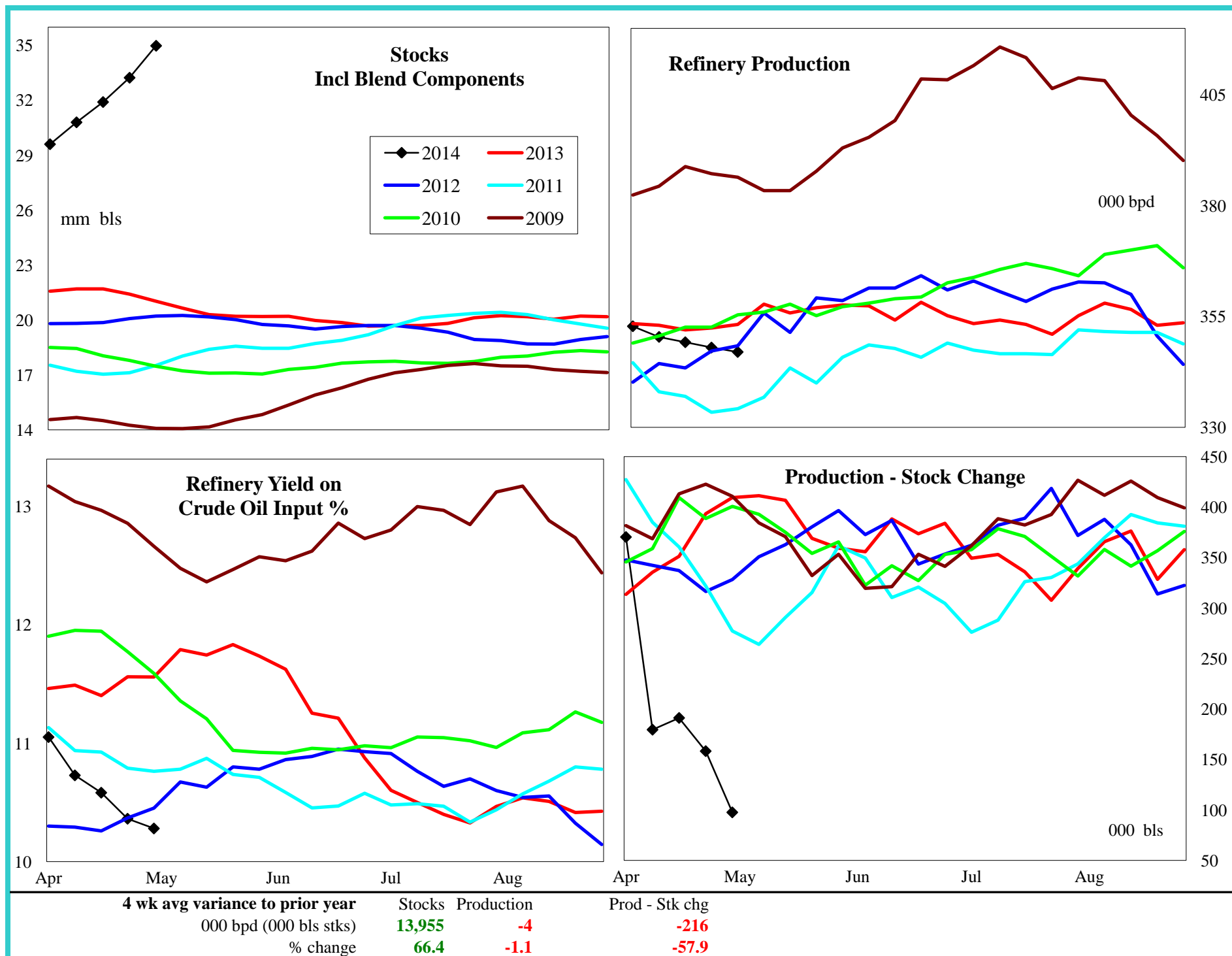
PADD 2 Crude Oil Supply and Refining

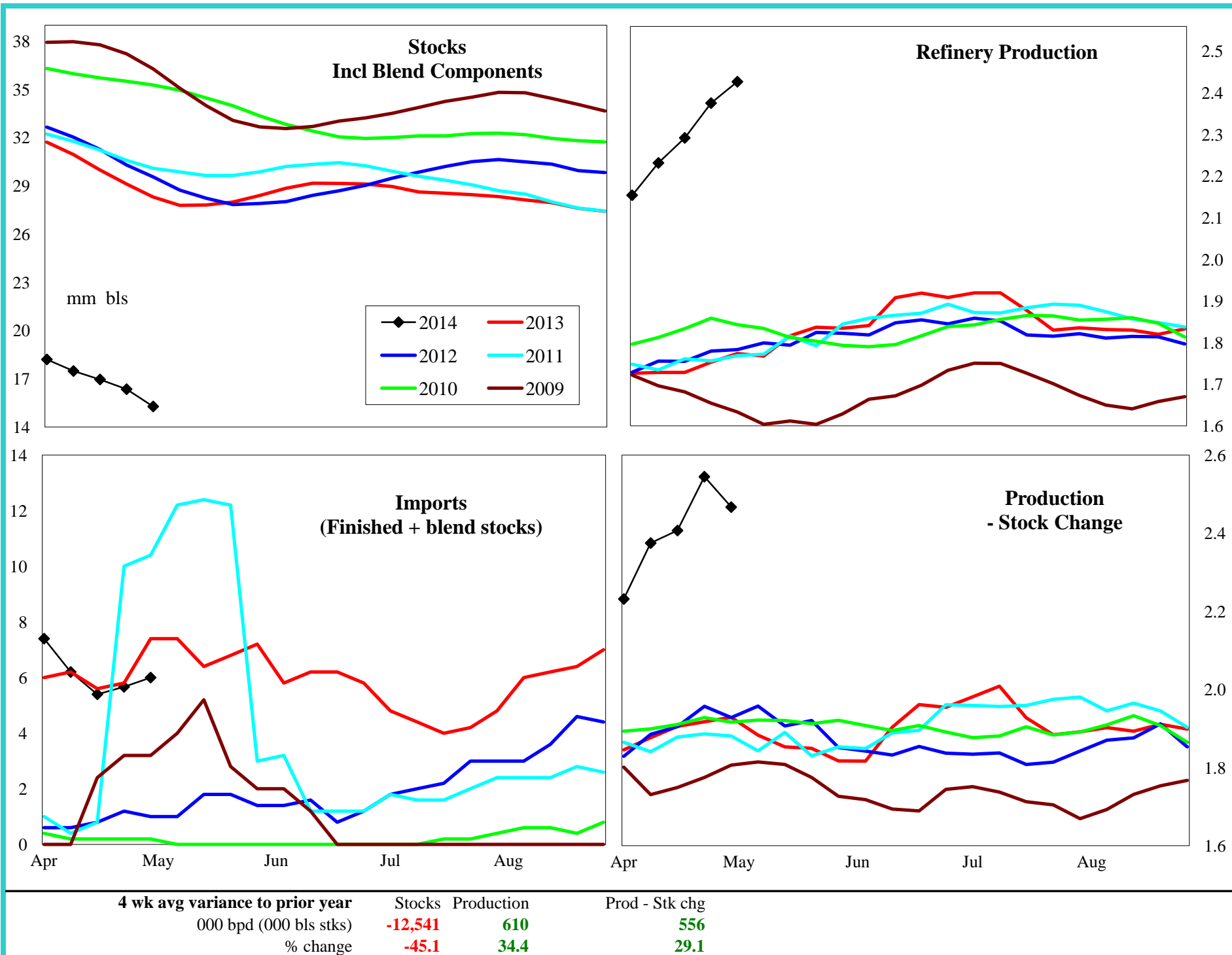


PADD 2 Gasoline Supply

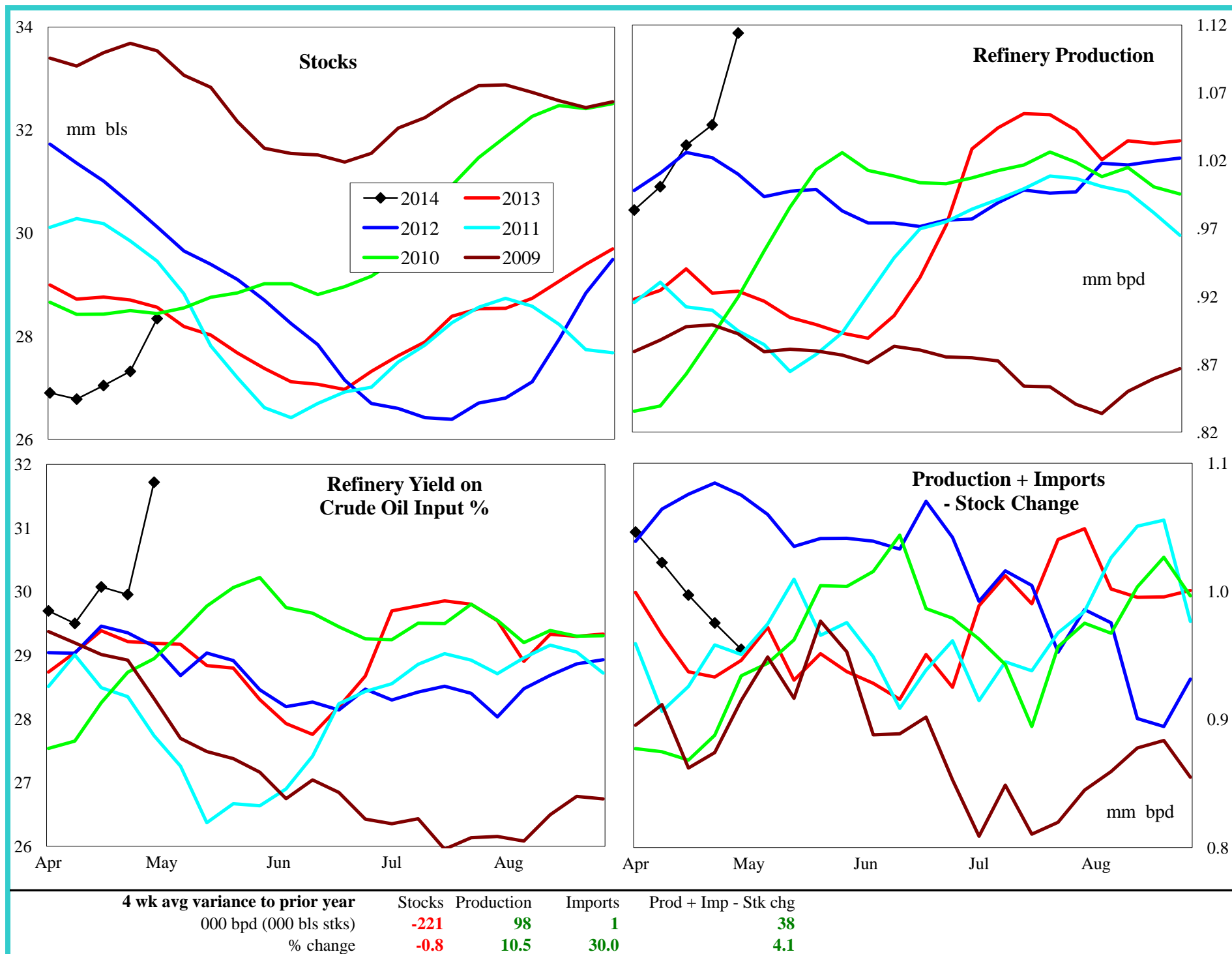


PADD 2 Reformulated Gasoline Supply

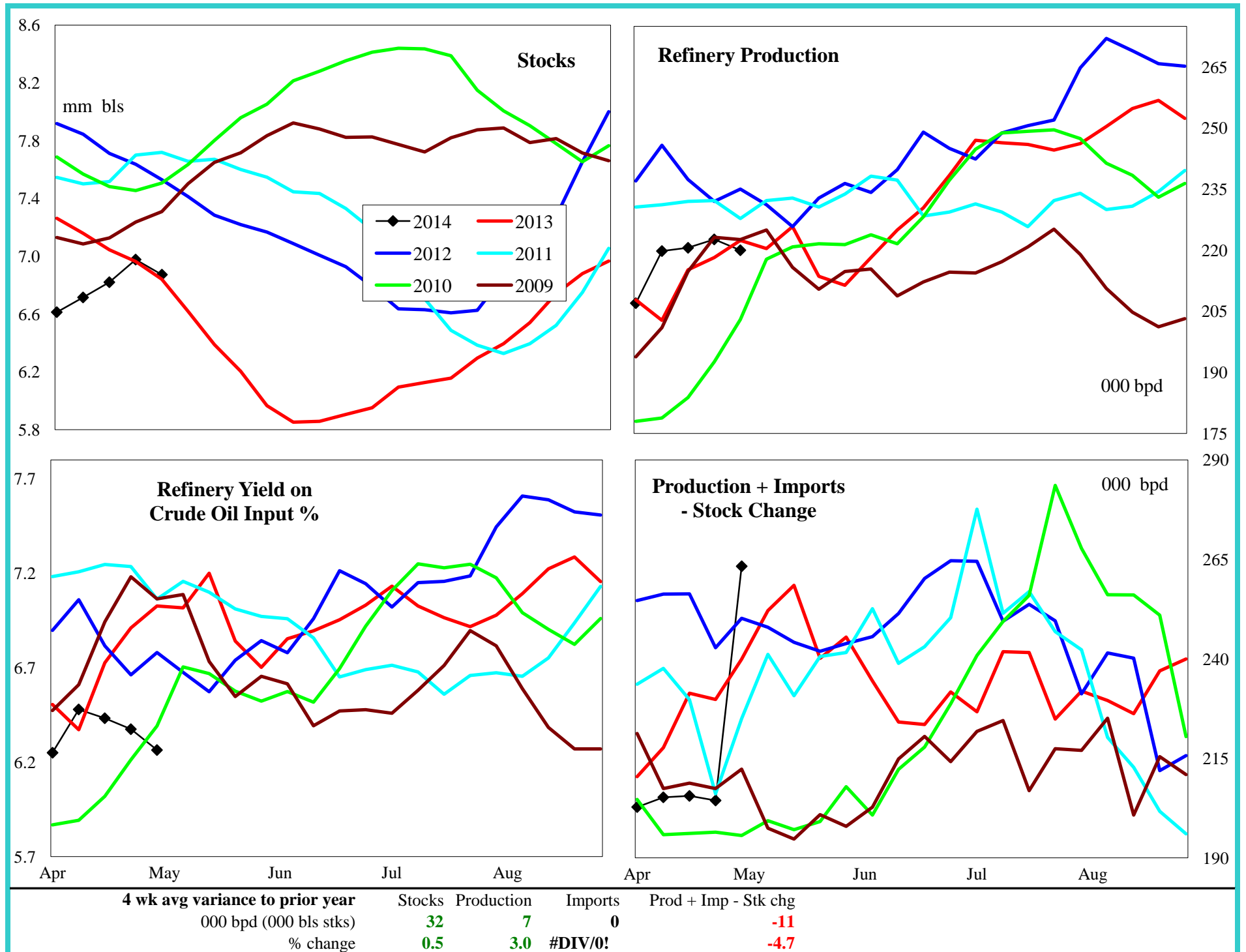




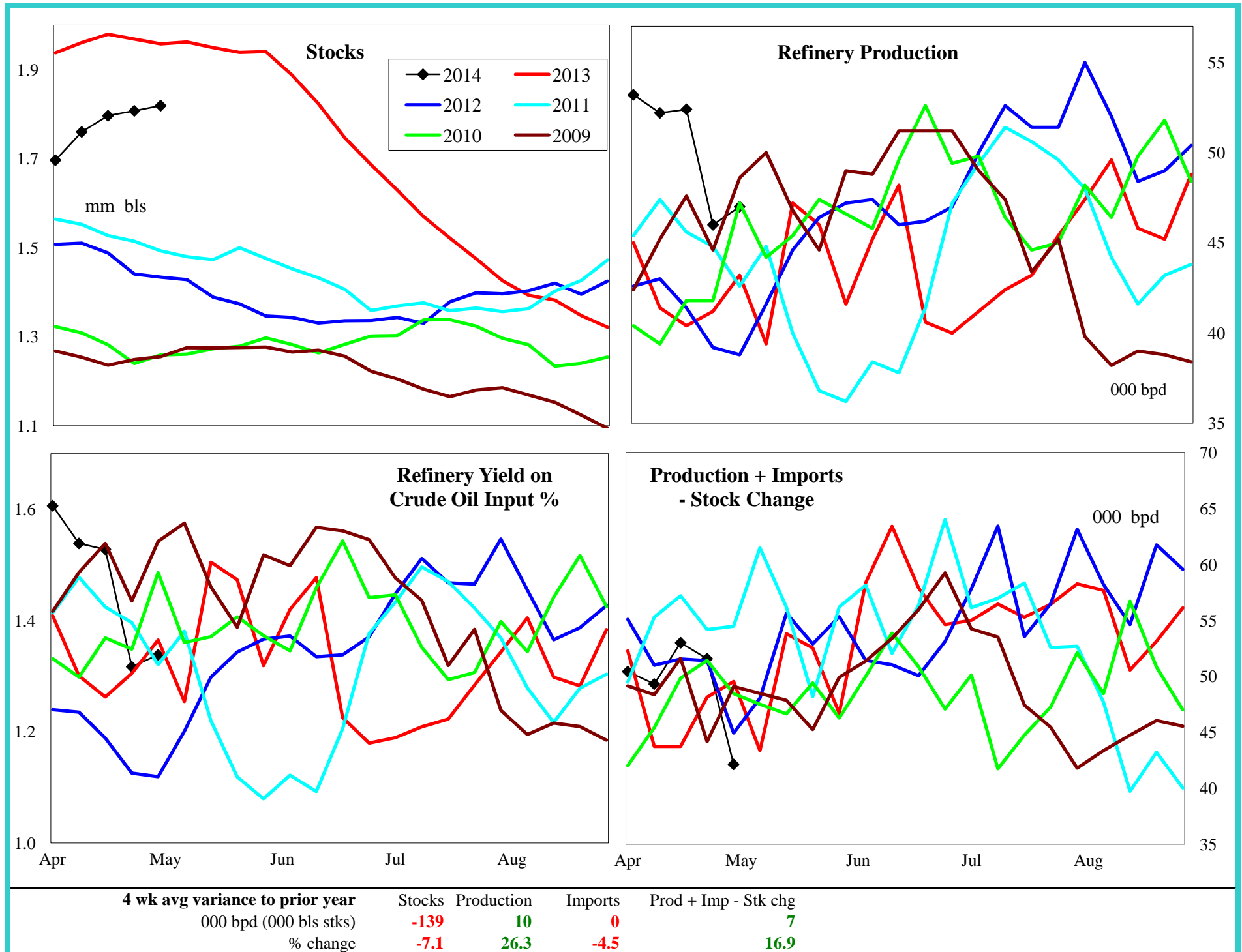
PADD 2 Distillate Supply



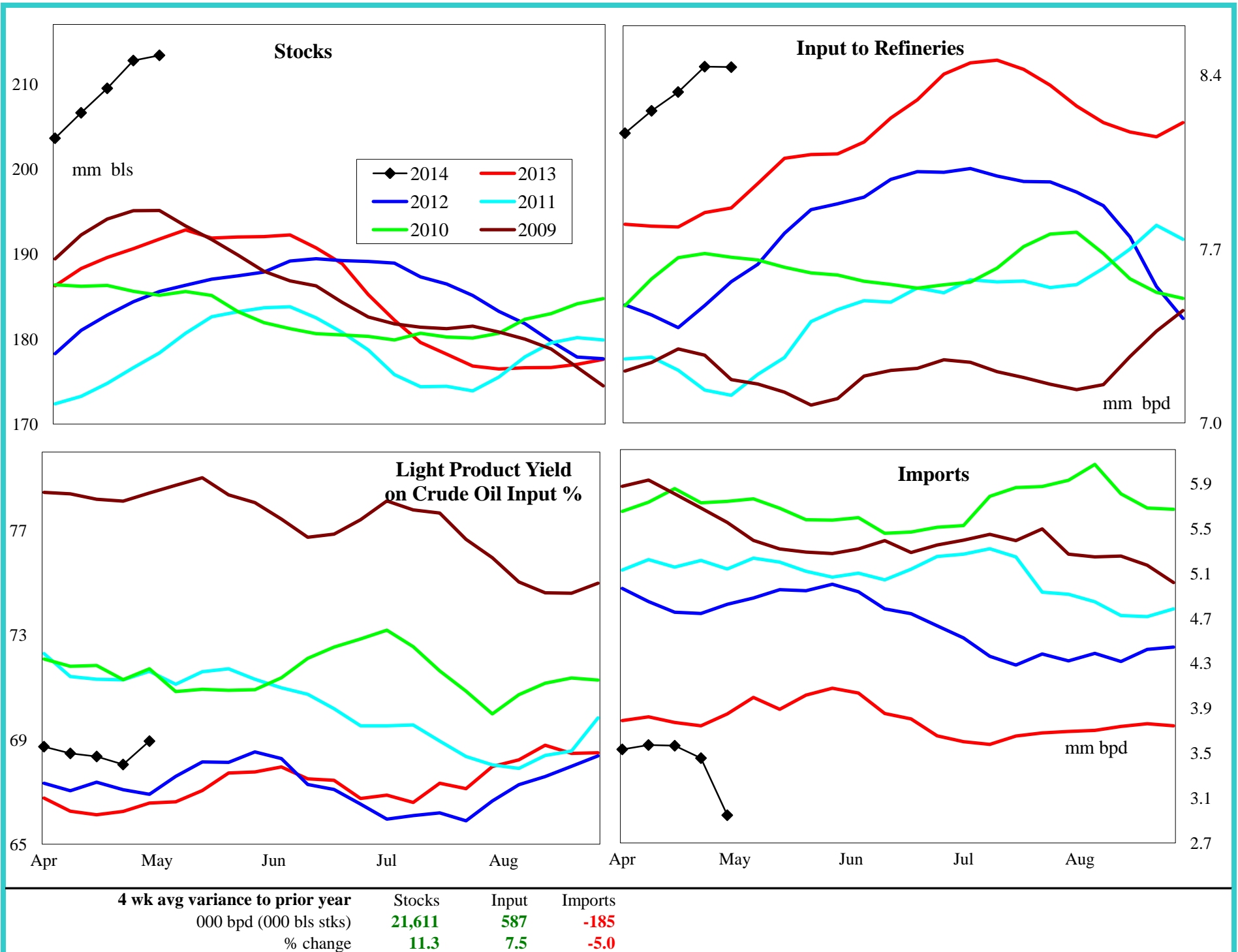
PADD 2 Jet Fuel Supply



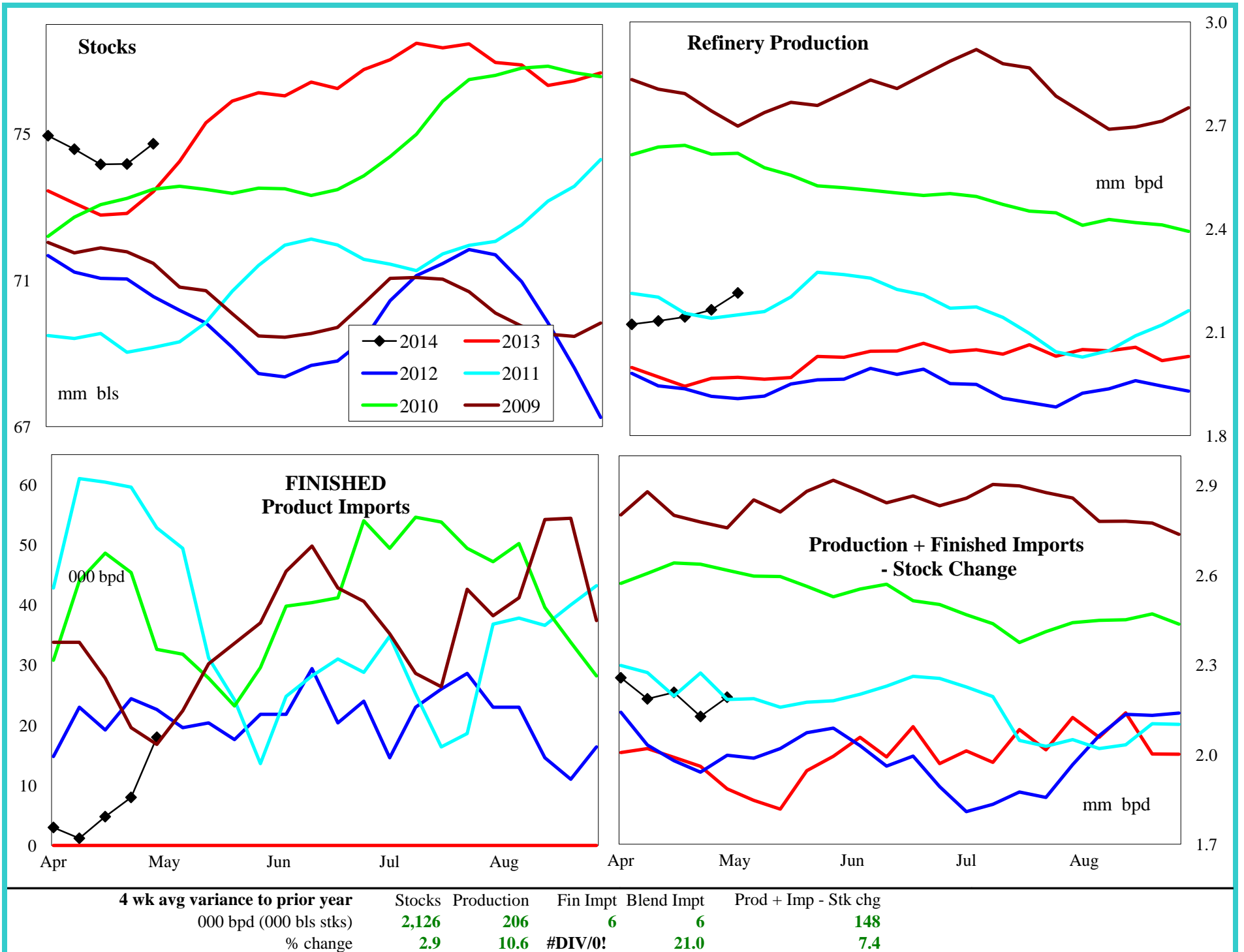
PADD 2 Residual Fuel Oil Supply



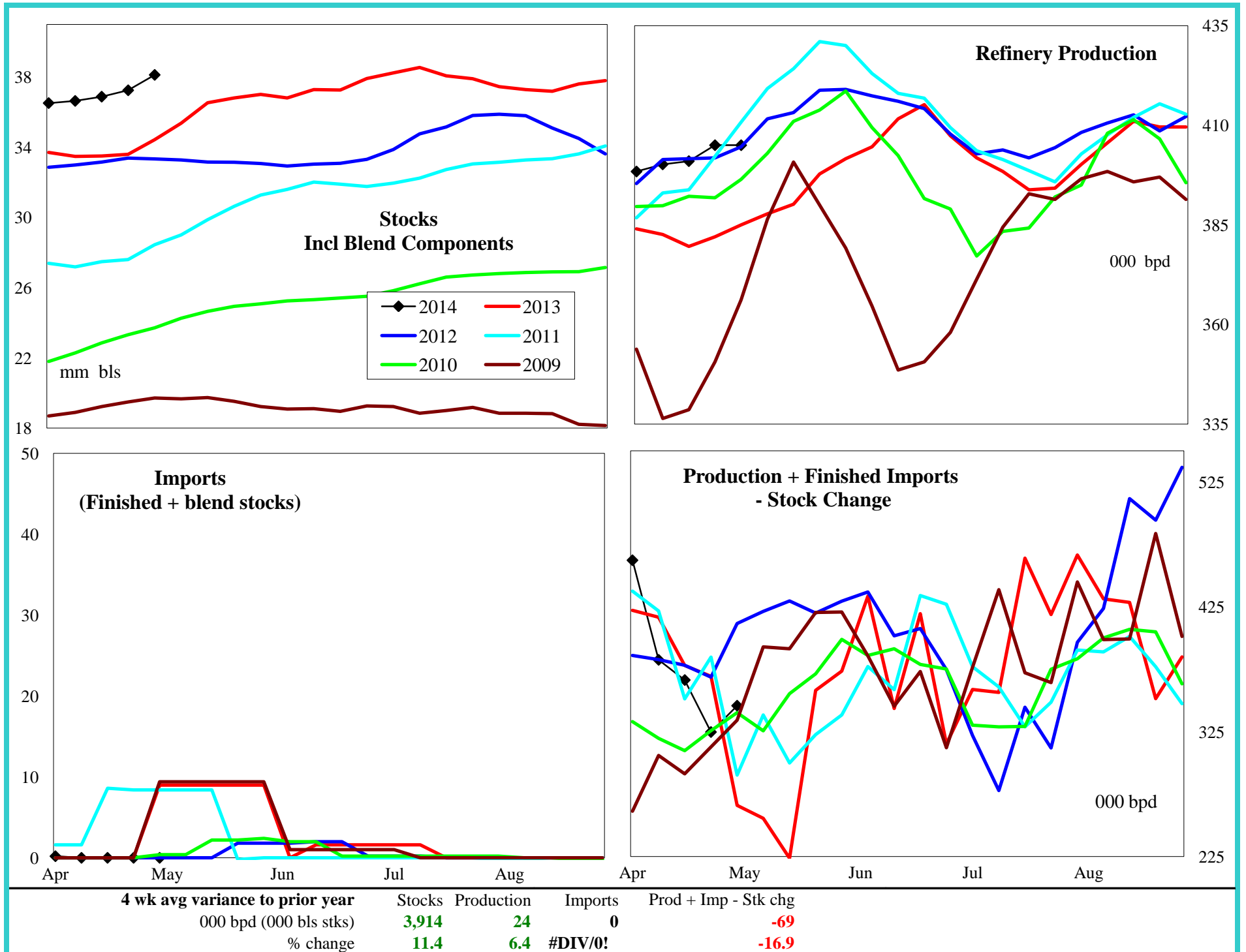
PADD 3 Crude Oil Supply and Refining



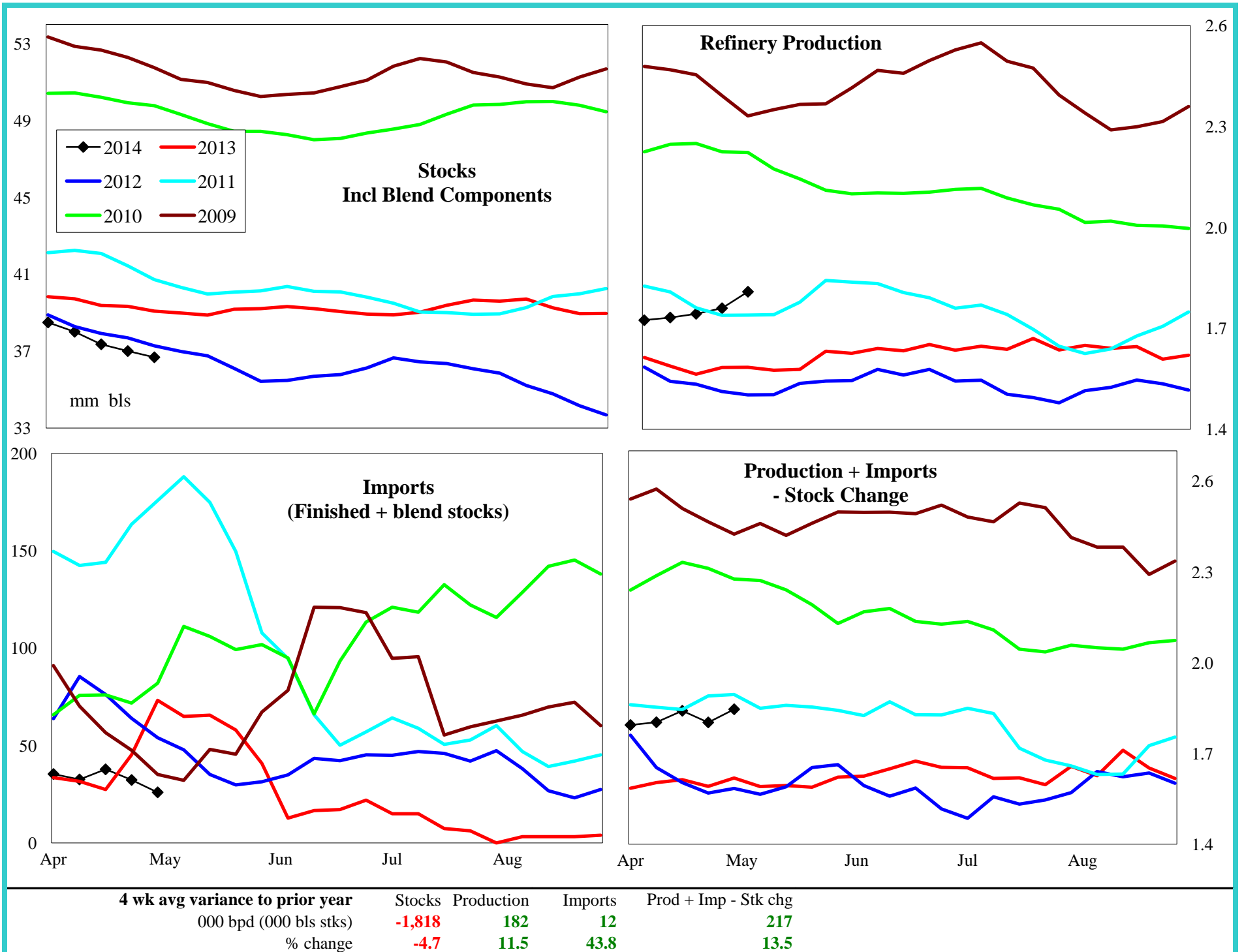
PADD 3 Gasoline Supply



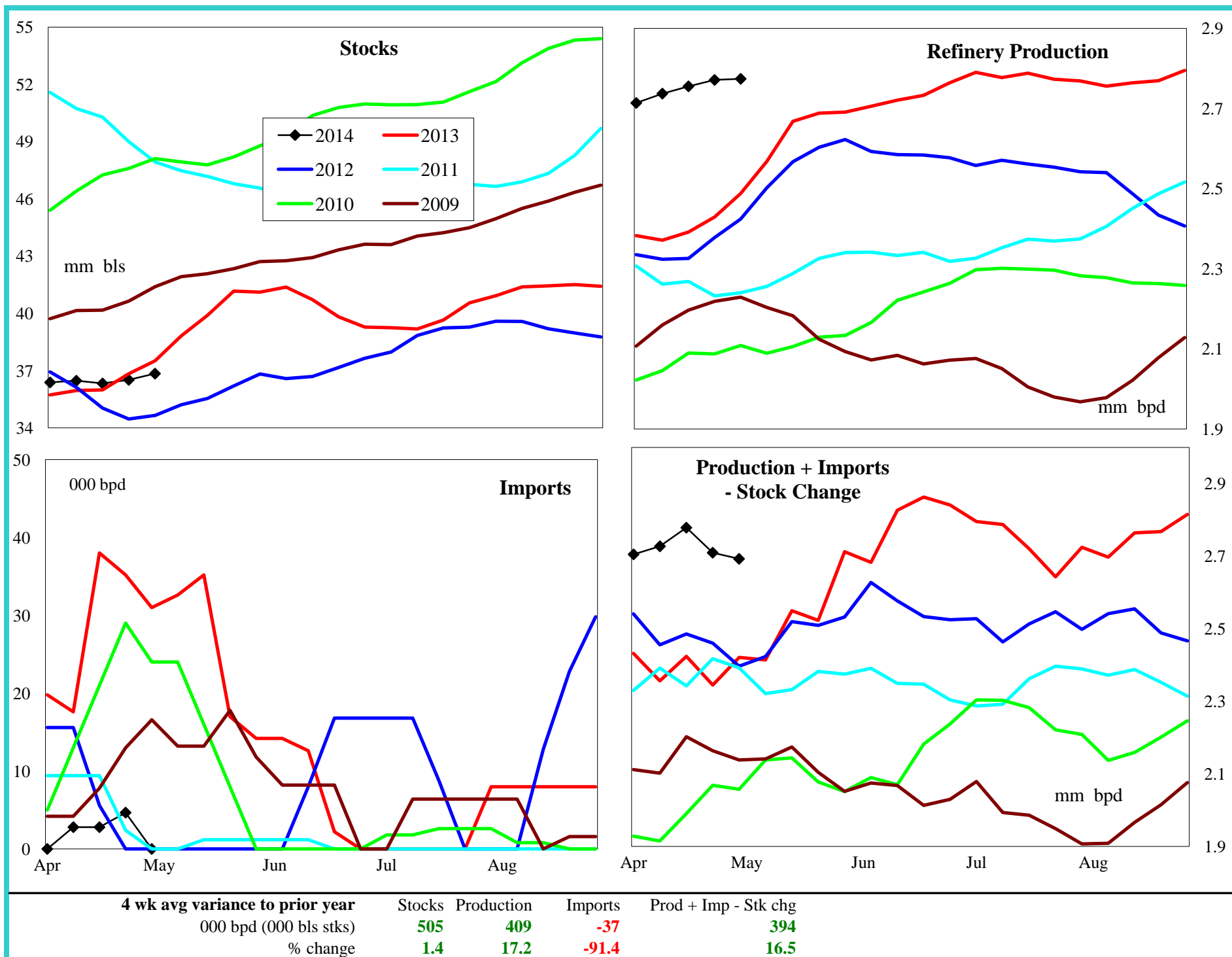
PADD 3 Reformulated Gasoline Supply



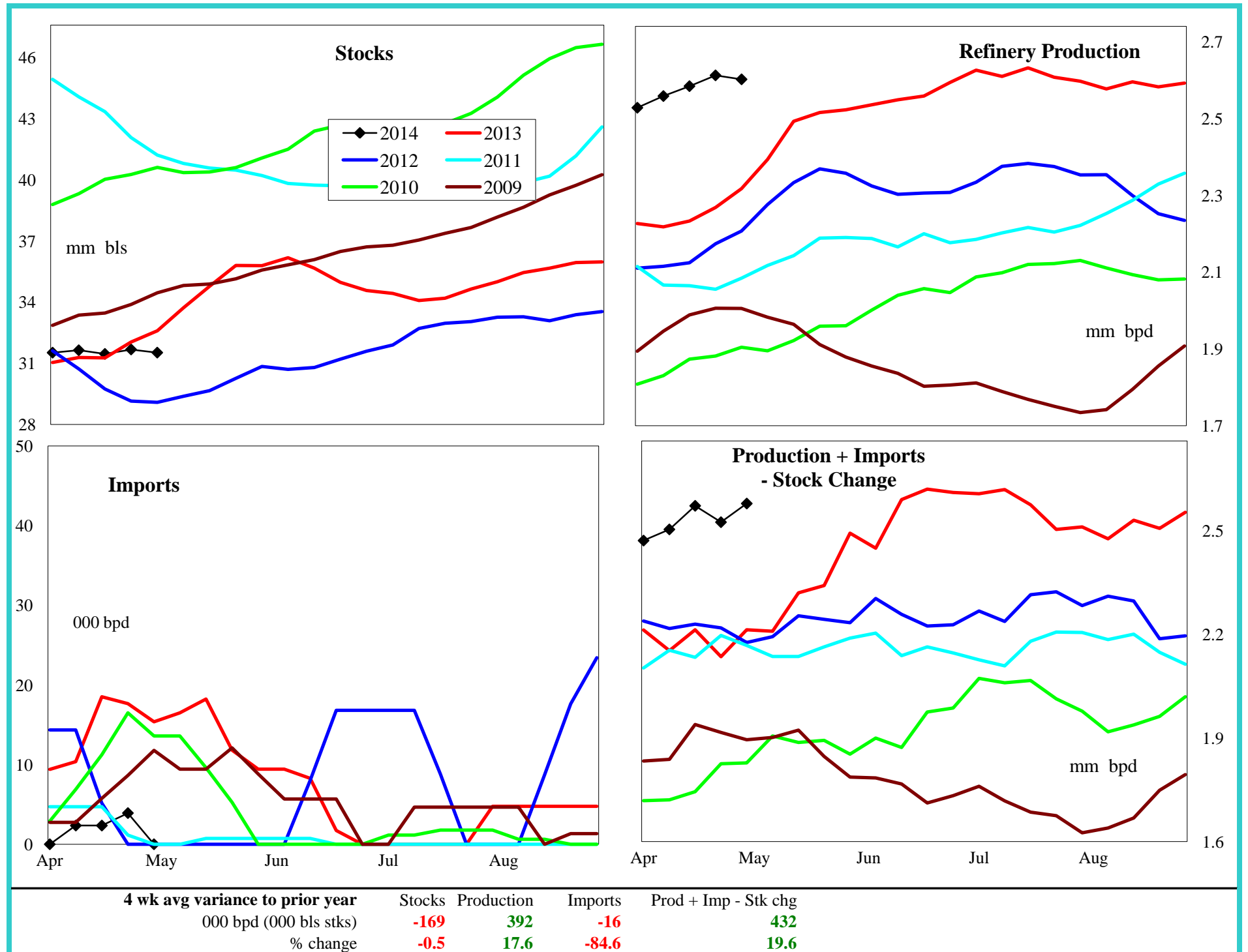
PADD 3 Conventional Gasoline Supply



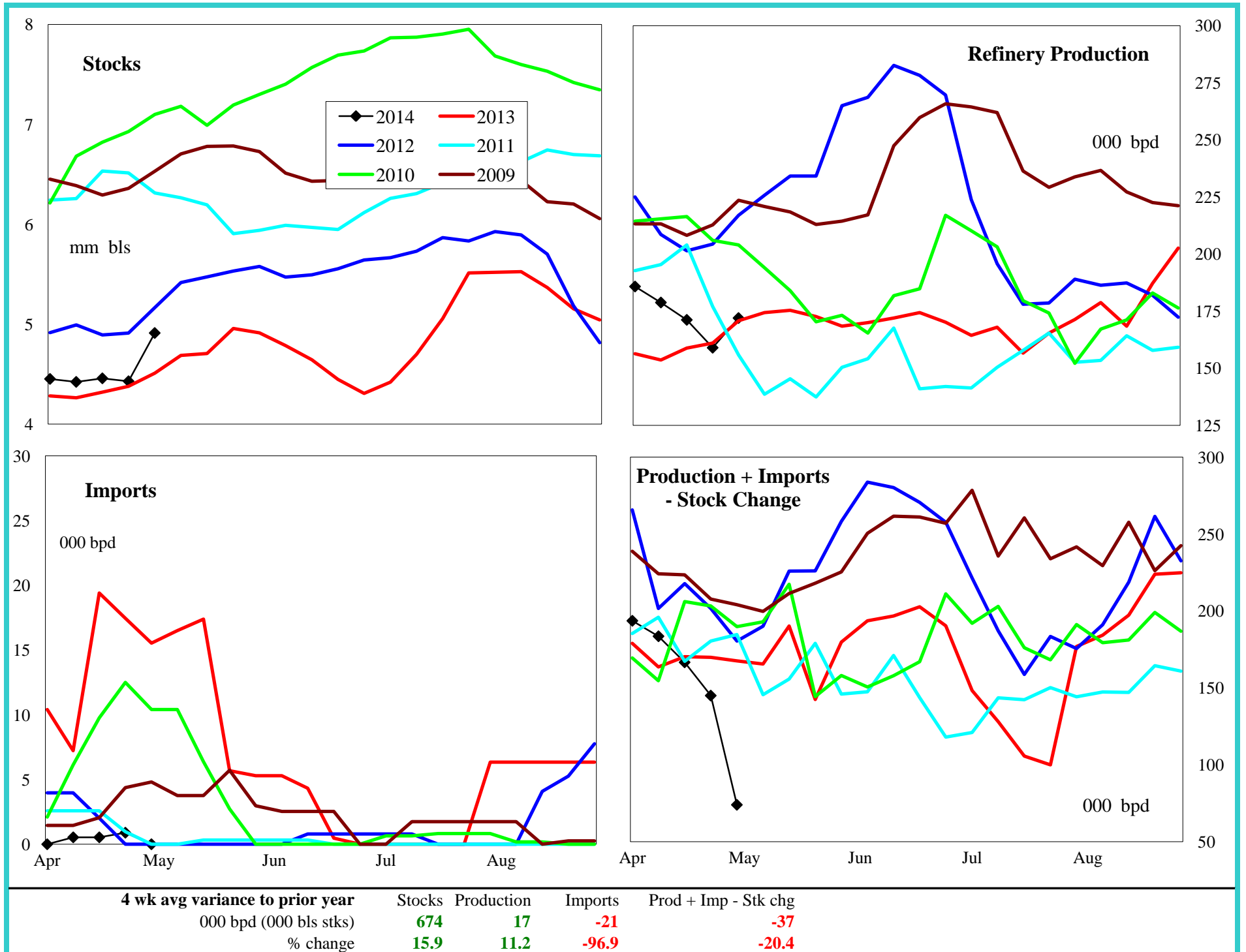
PADD 3 Distillate Supply



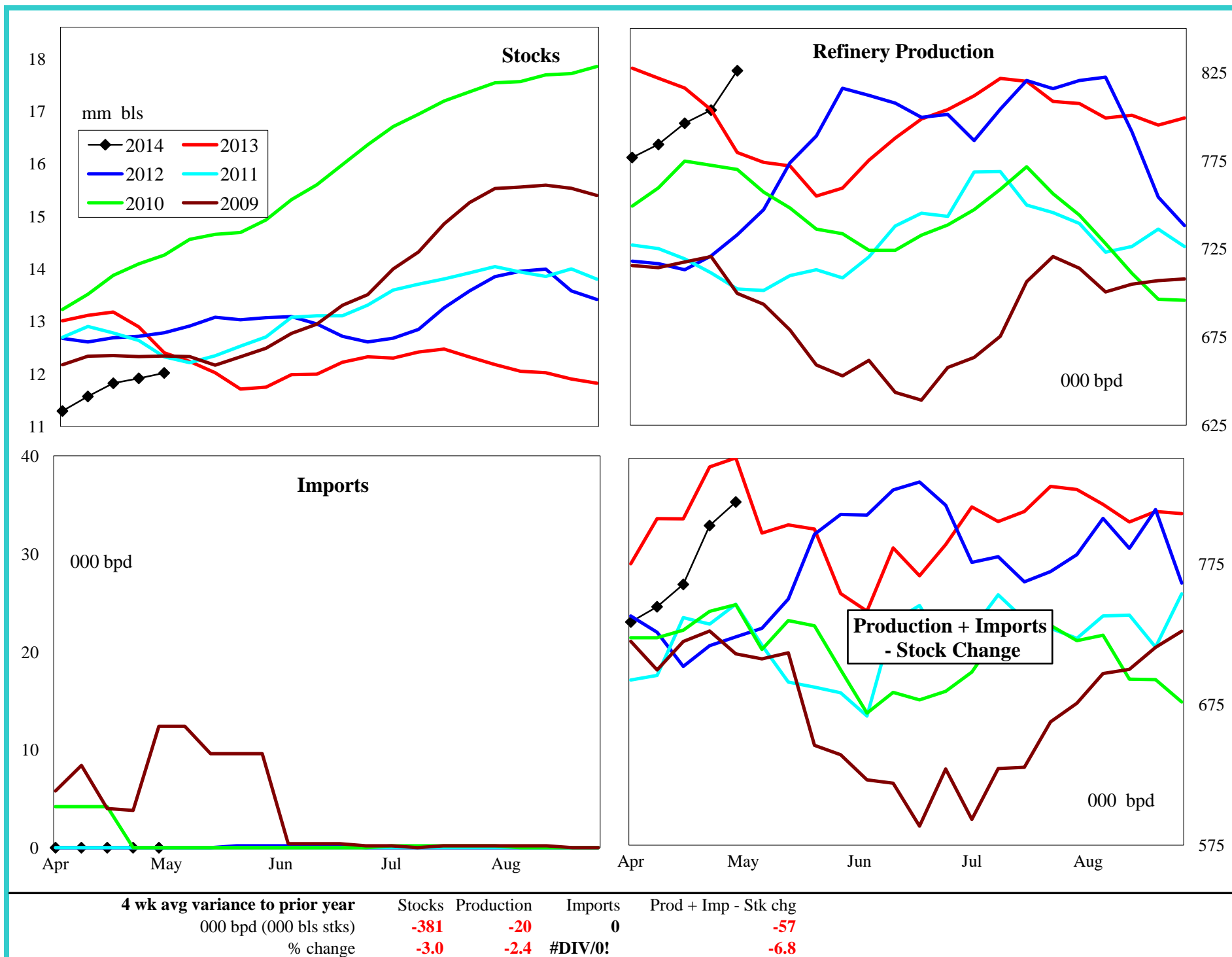
PADD 3 Low Sulfur Distillate Supply



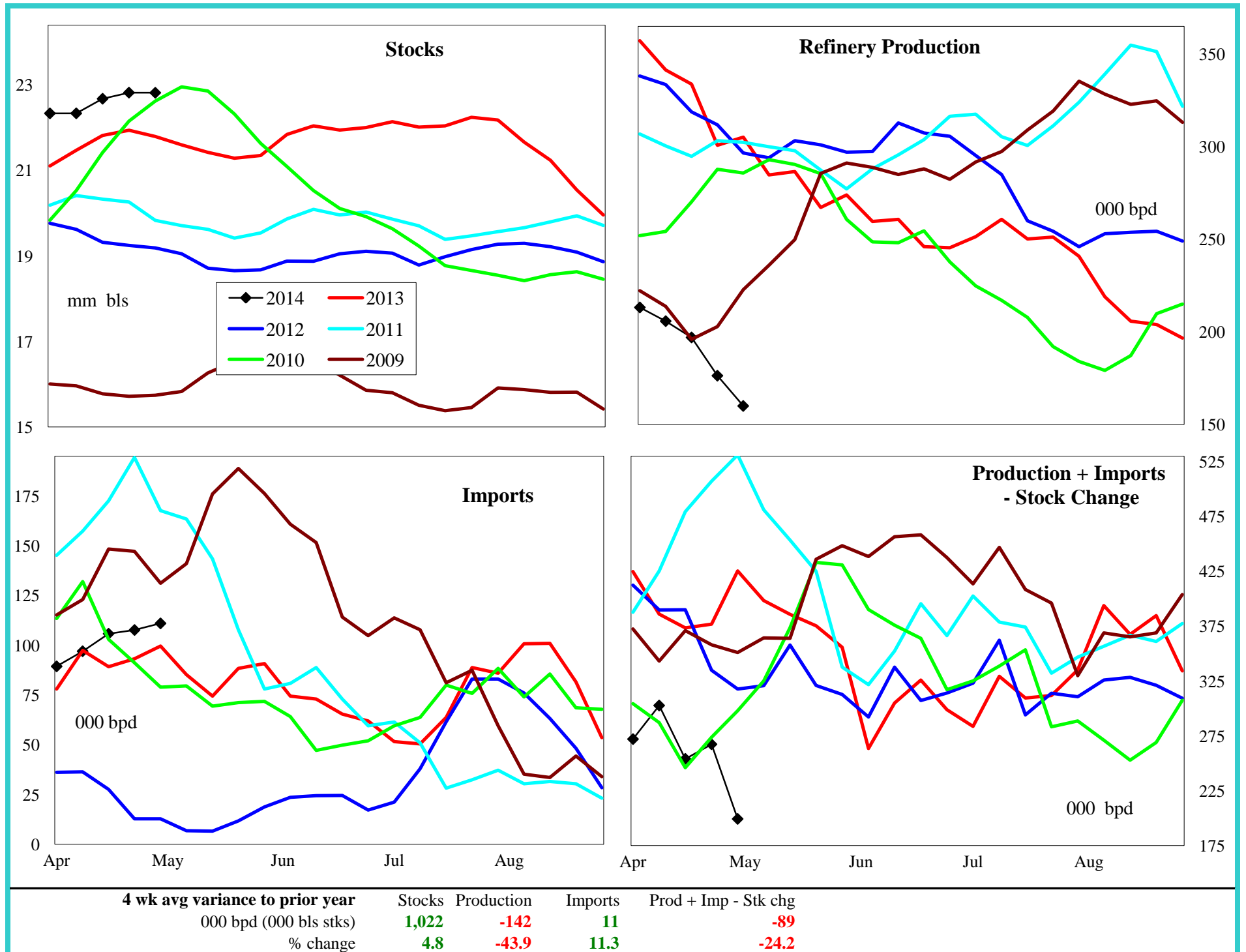
PADD 3 High Sulfur Distillate Supply



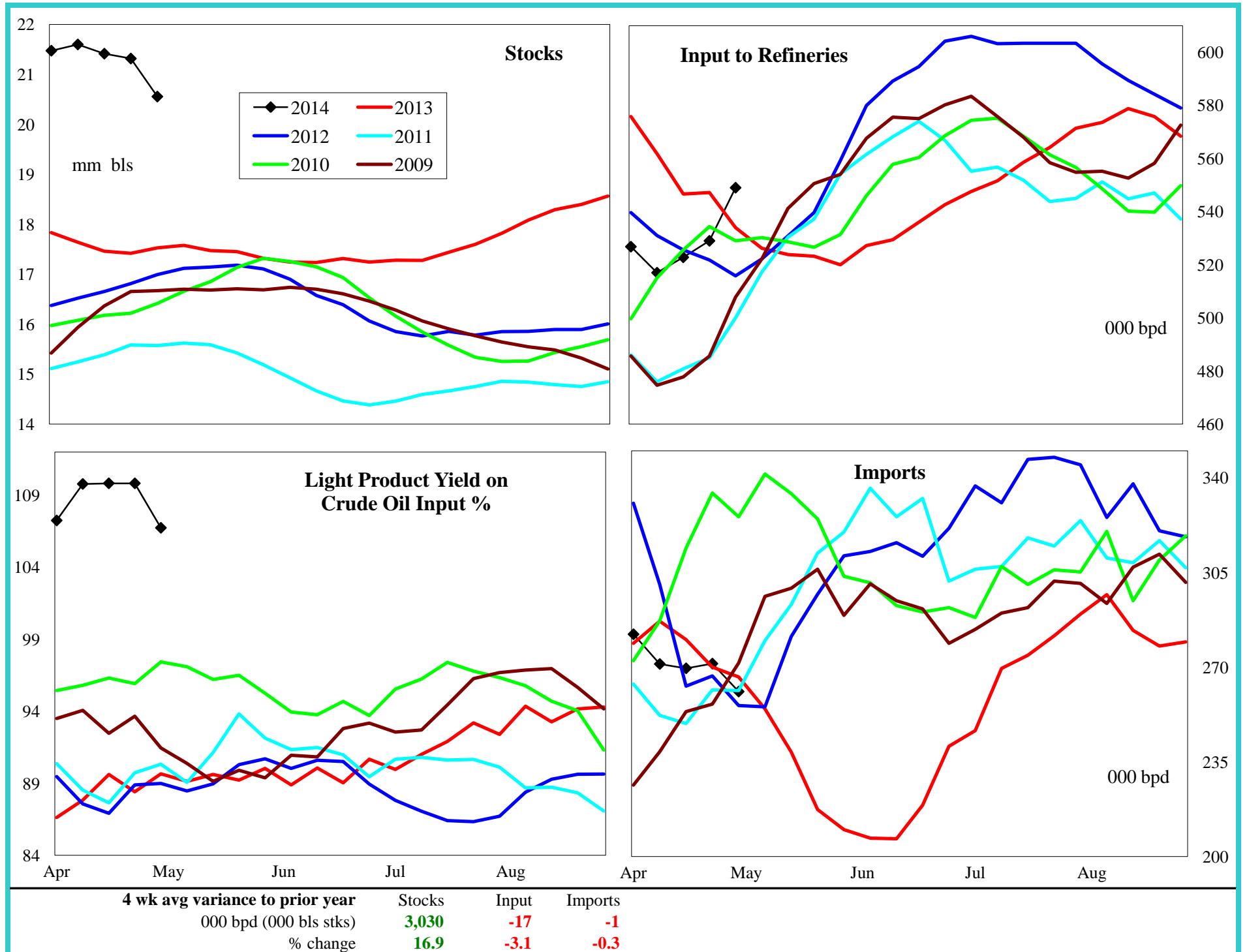
PADD 3 Jet Fuel Supply



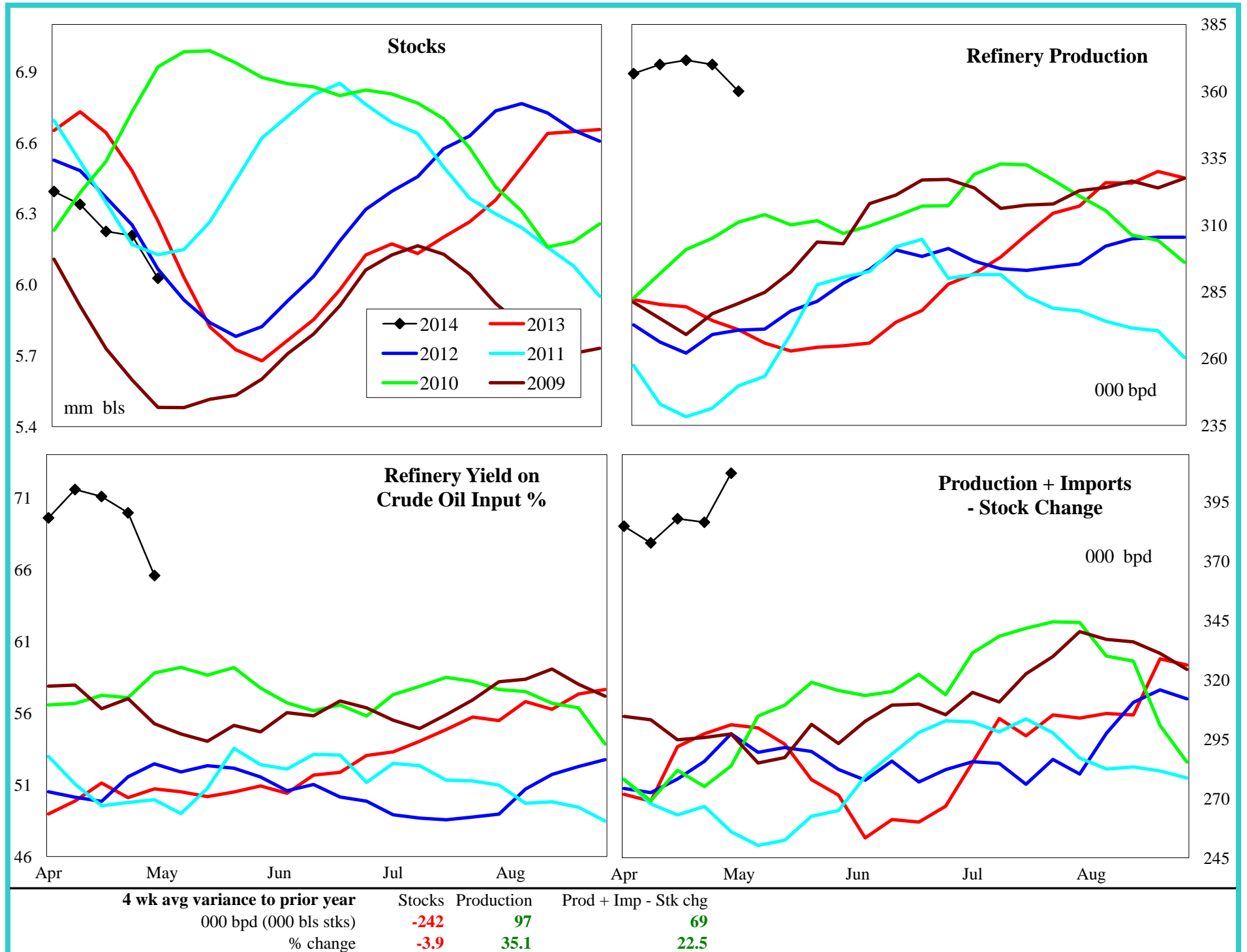
PADD 3 Residual Fuel Oil Supply



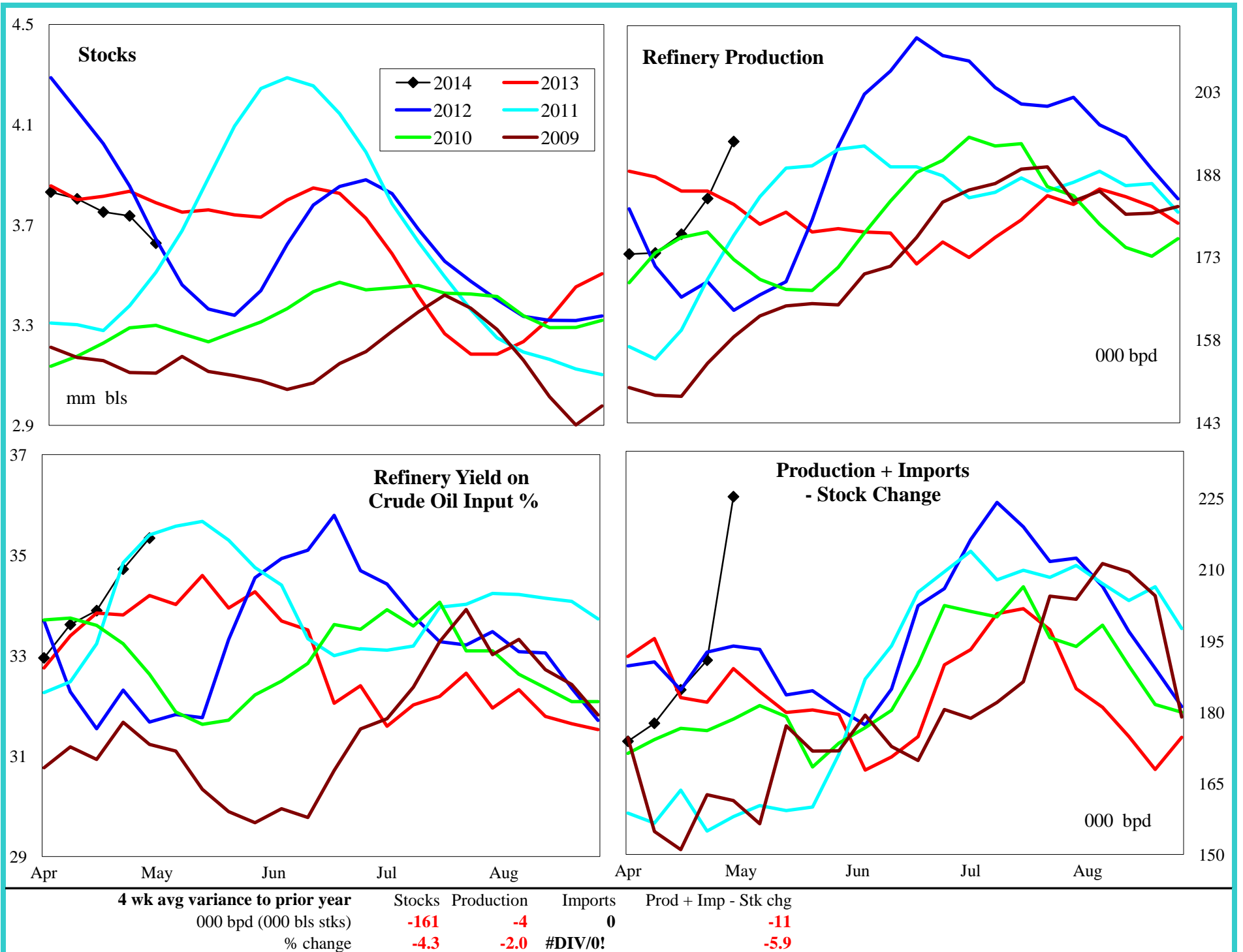
PADD 4 Crude Oil Supply and Refining



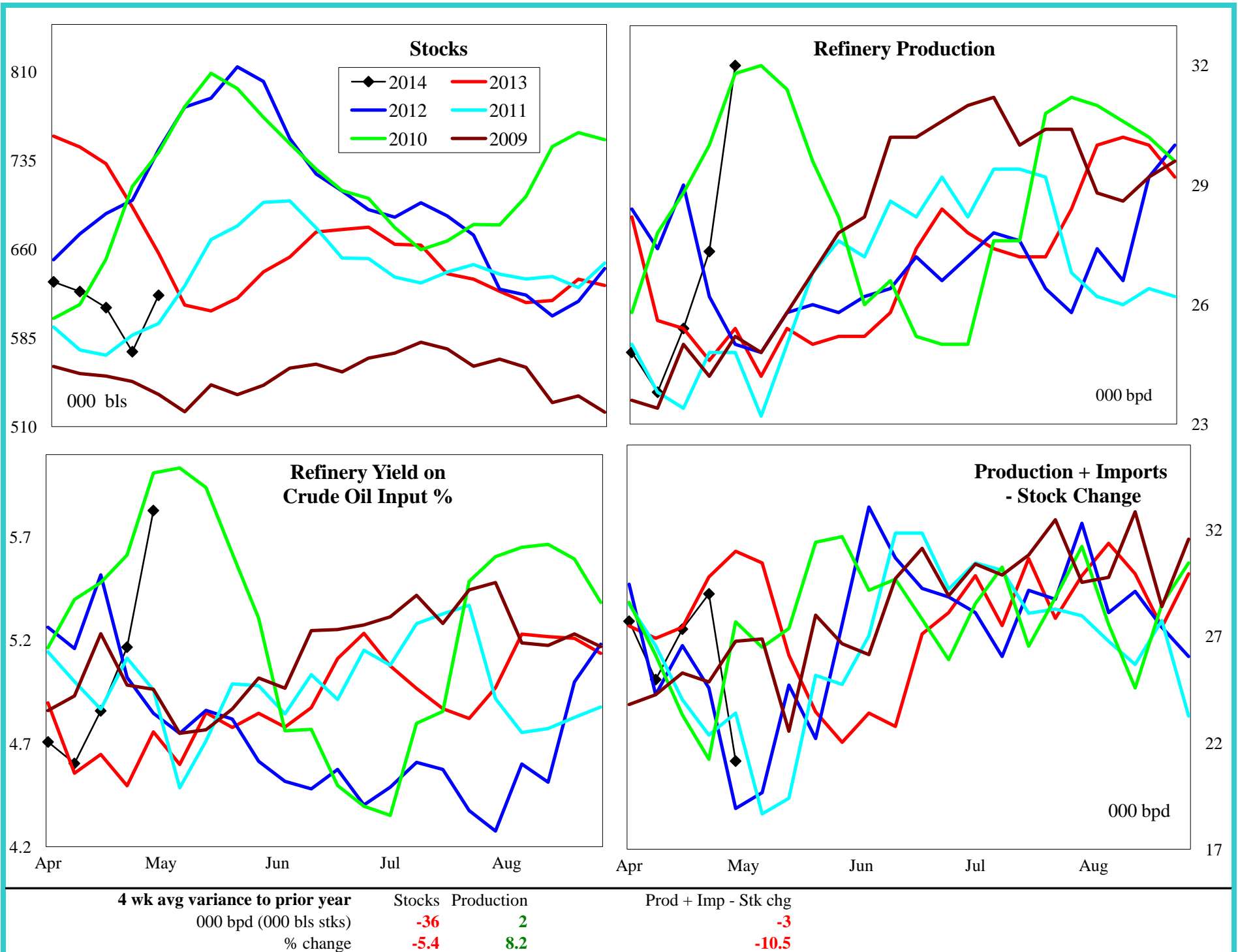
PADD 4 Gasoline Supply



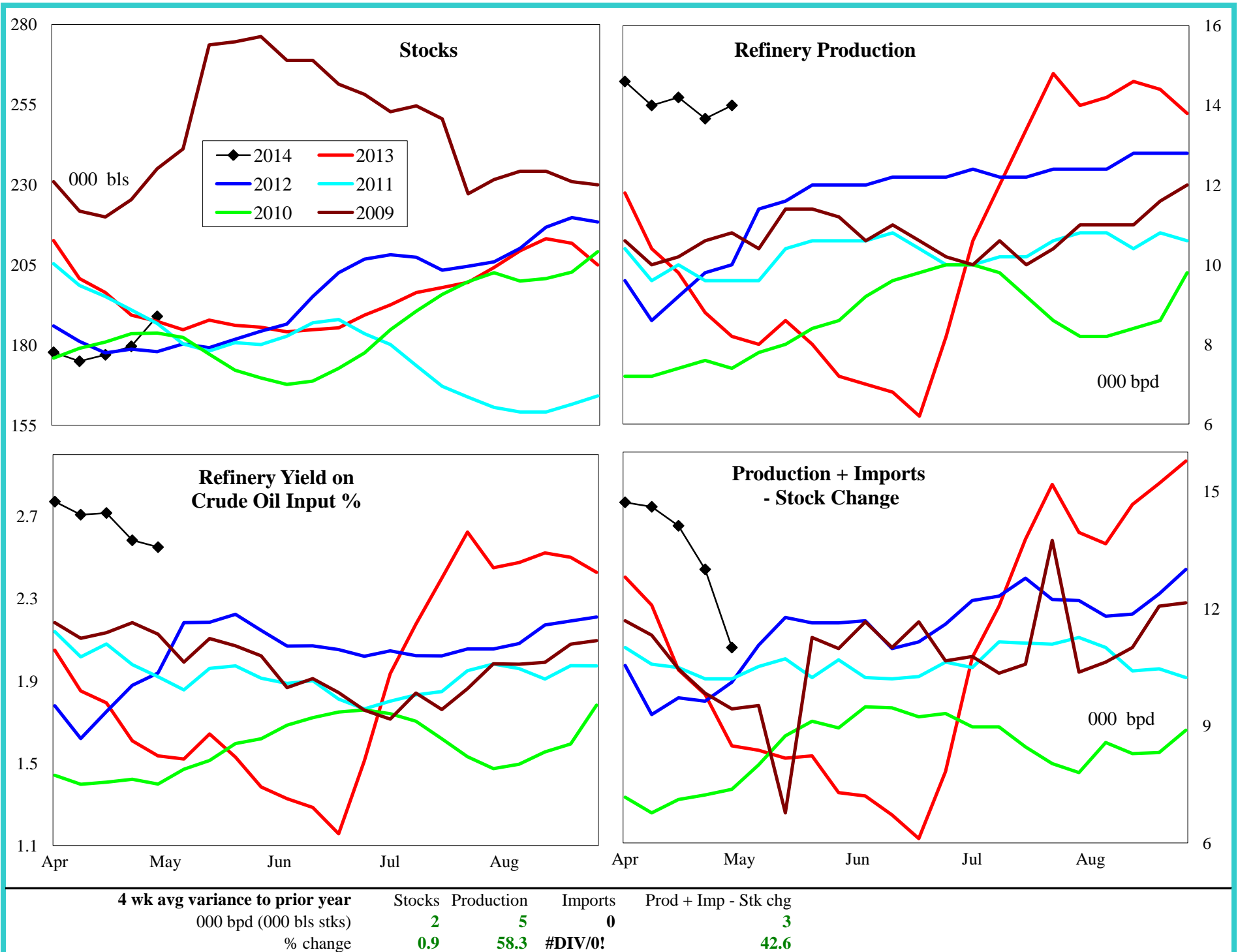
PADD 4 Distillate Supply



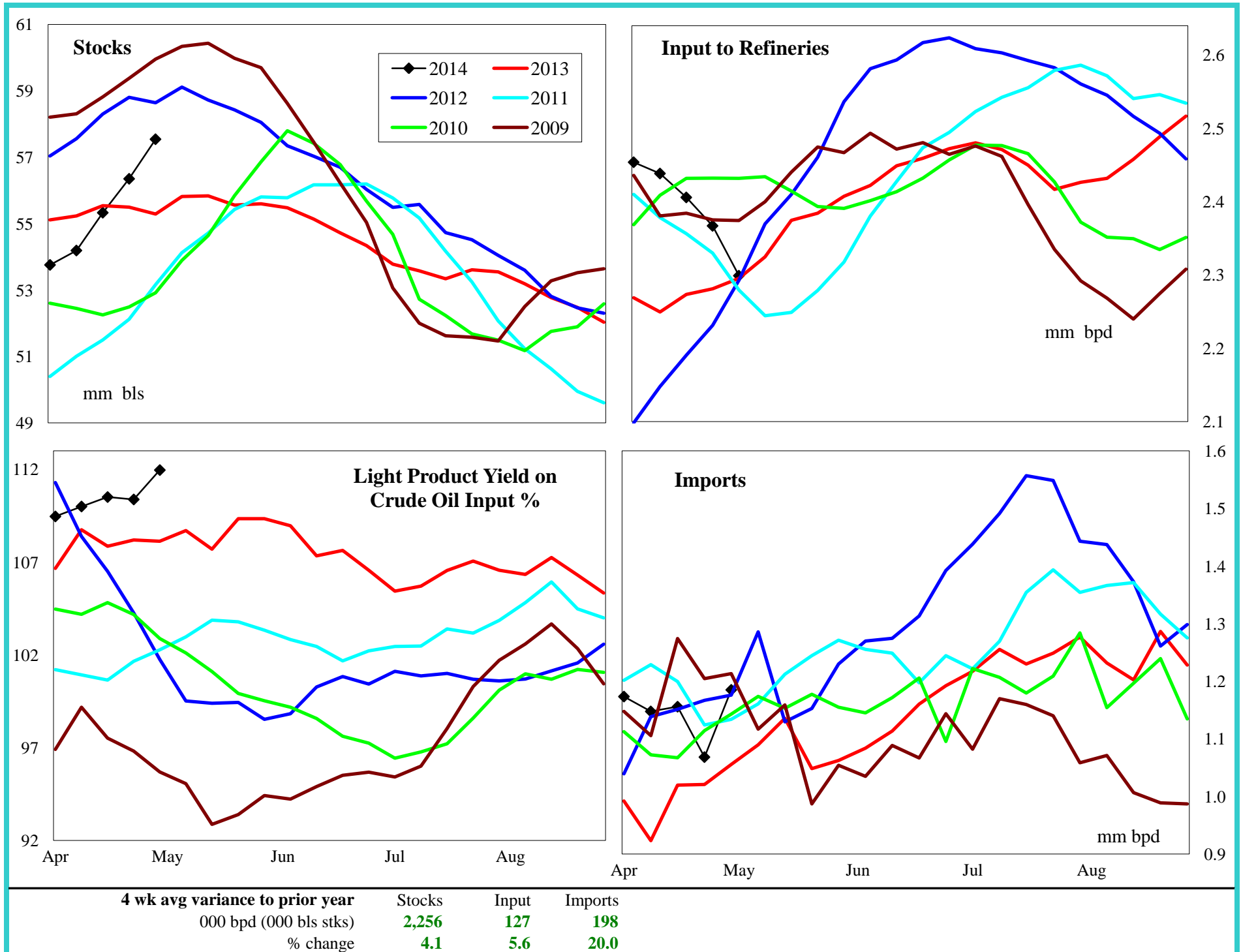
PADD 4 Jet Fuel Supply



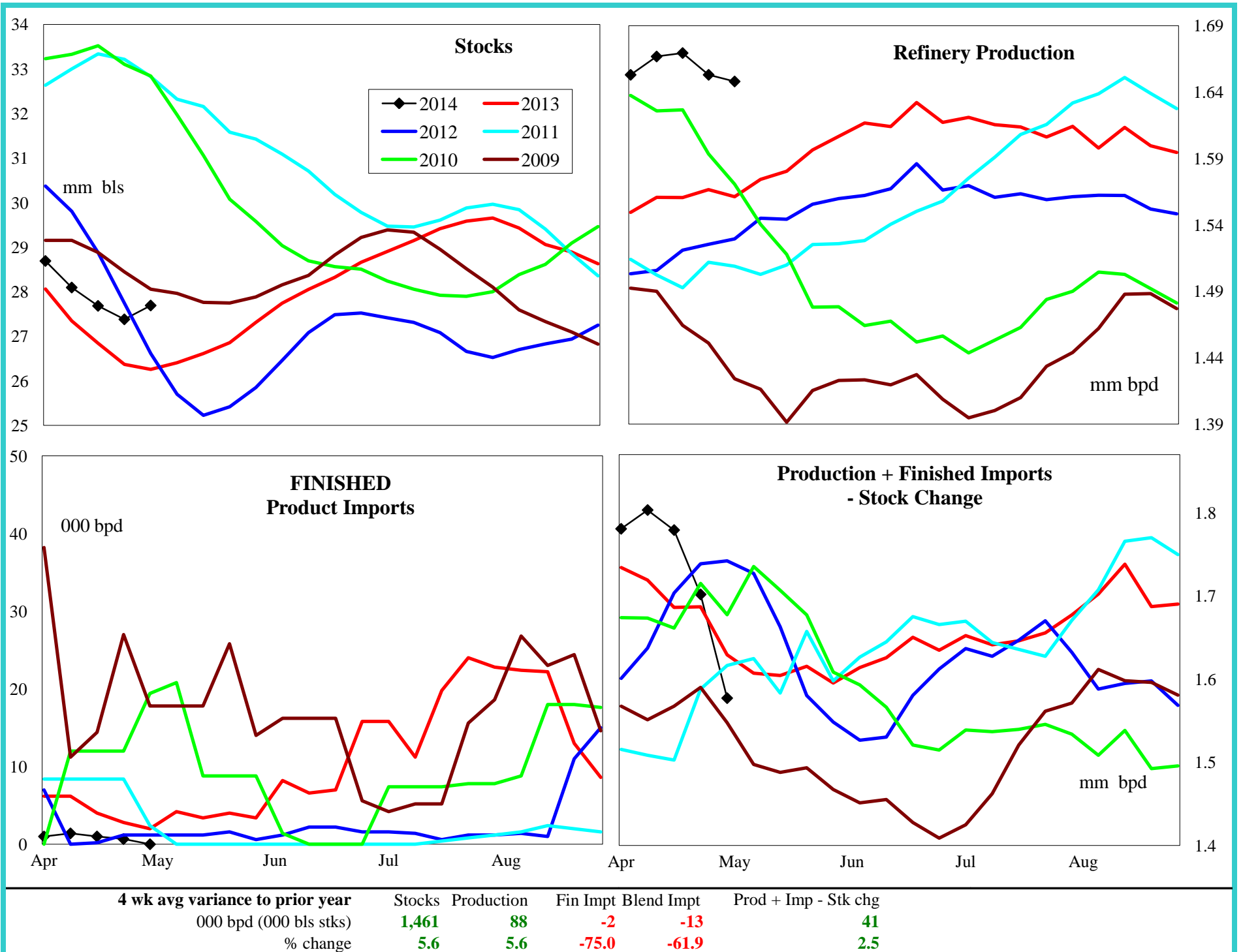
PADD 4 Residual Fuel Oil Supply



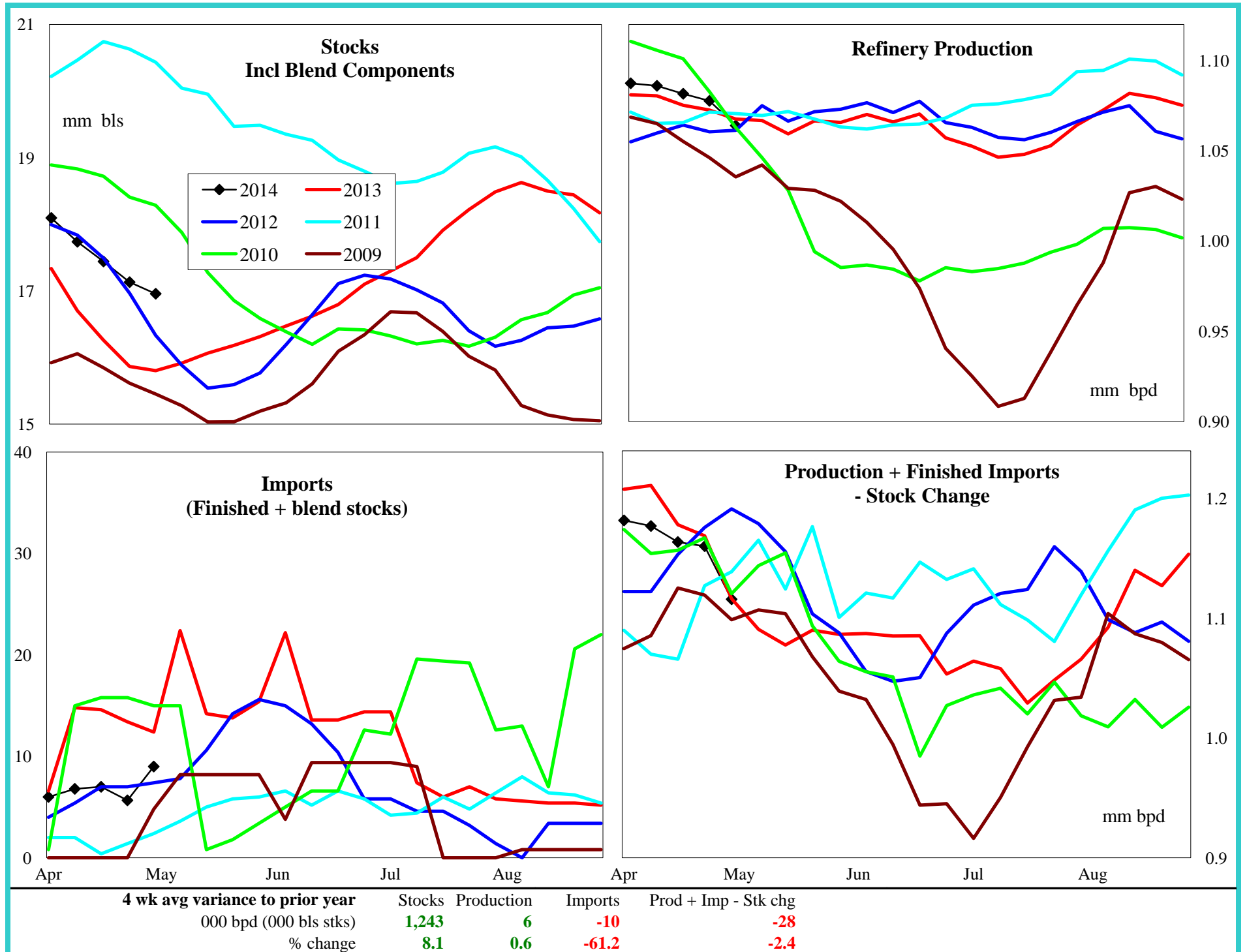
PADD 5 Crude Oil Supply and Refining



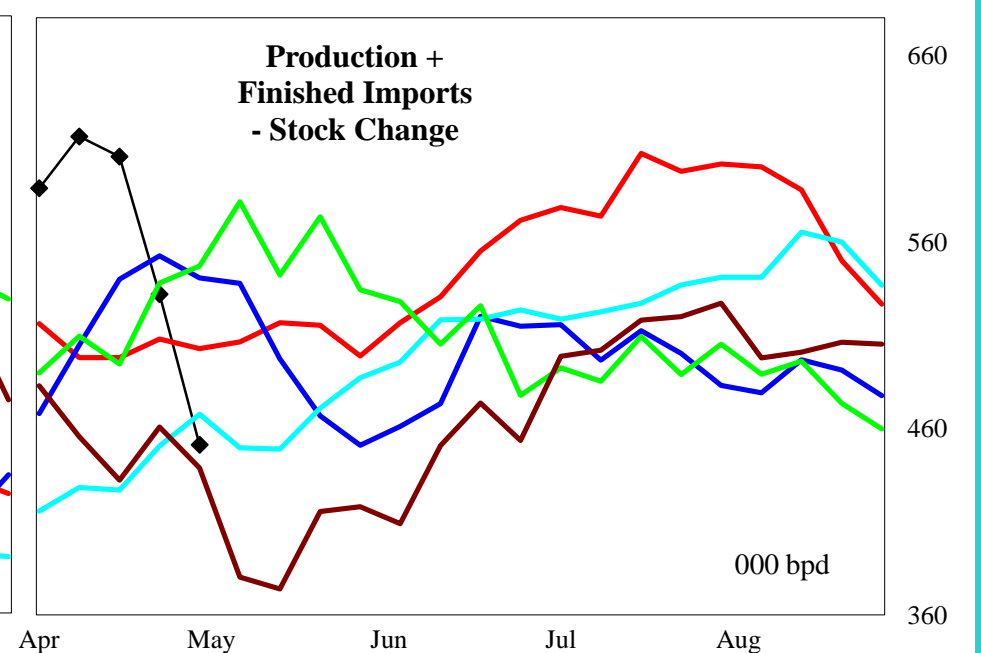
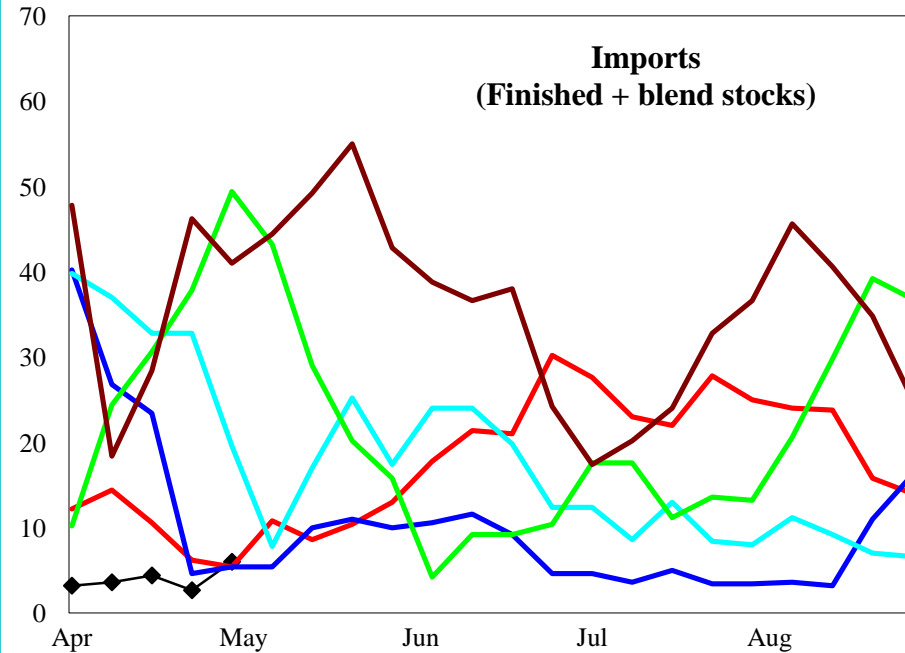
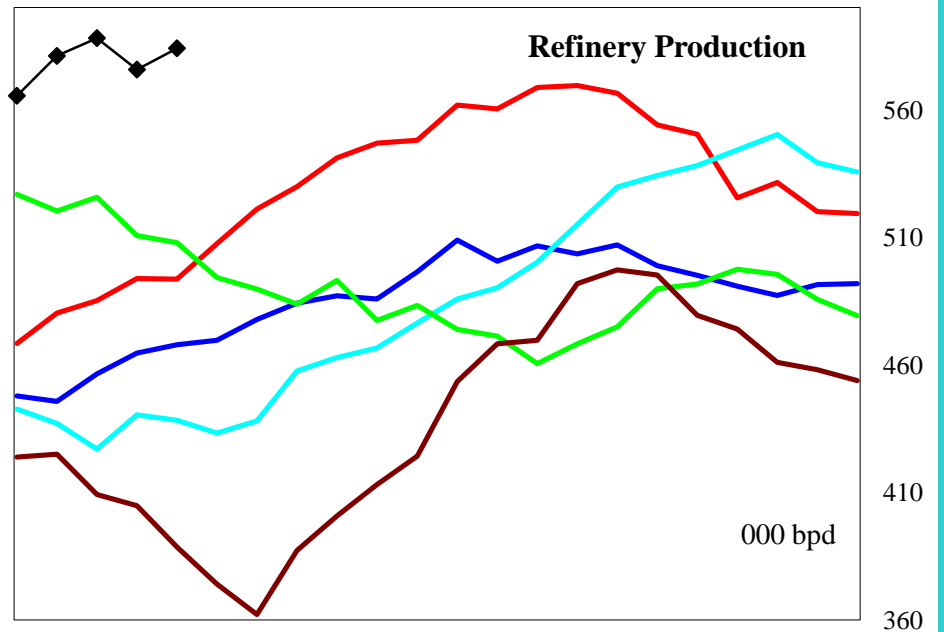
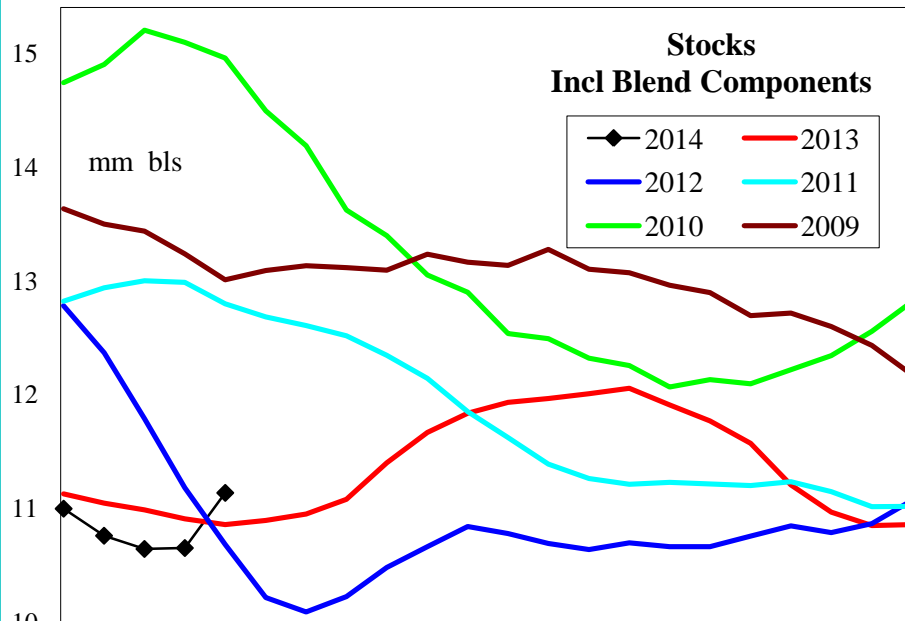
PADD 5 Gasoline Supply



PADD 5 Reformulated Gasoline Supply



PADD 5 Conventional Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

Production

Imports

Prod + Imp - Stk chg

218

82

-4

69

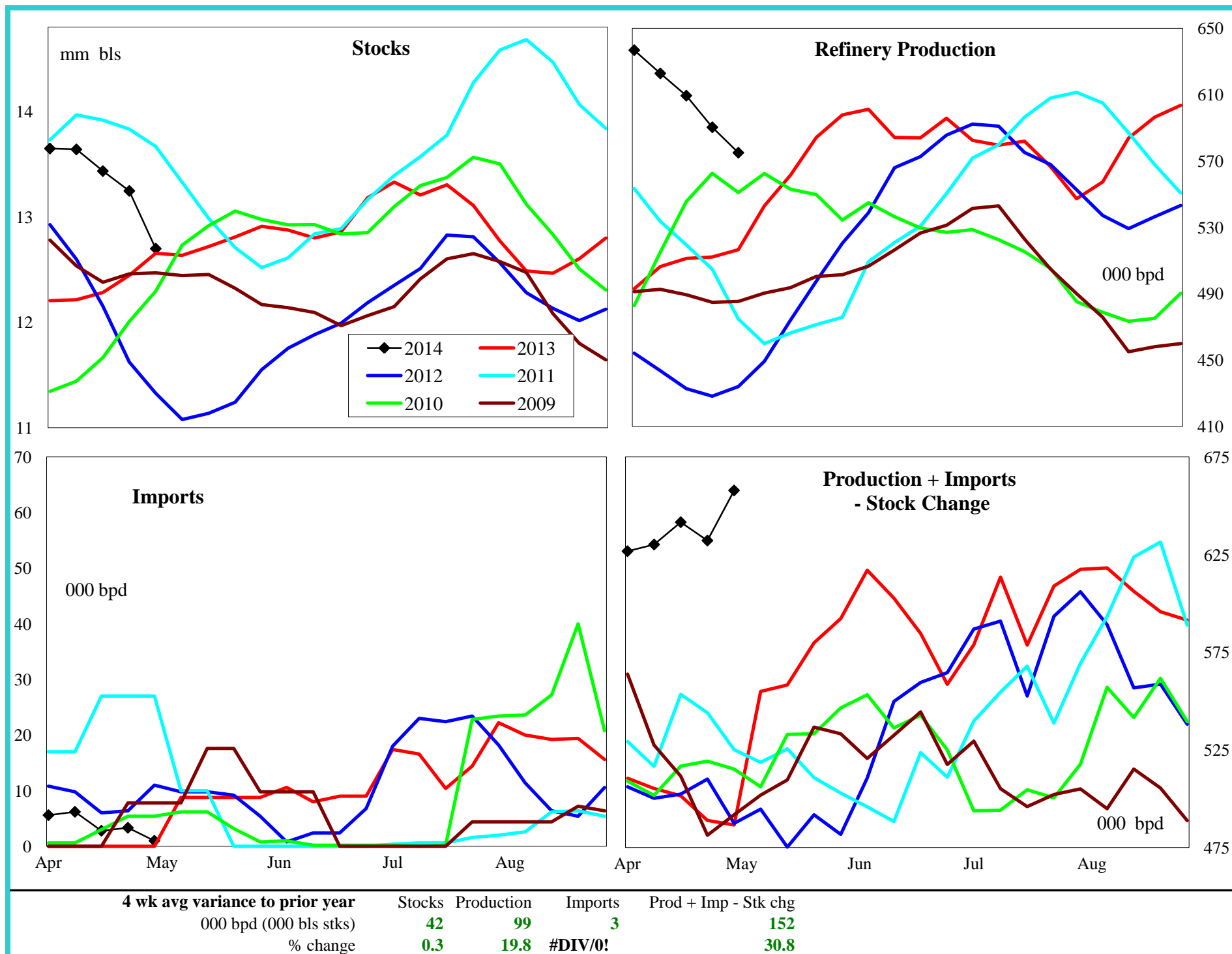
2.0

16.8

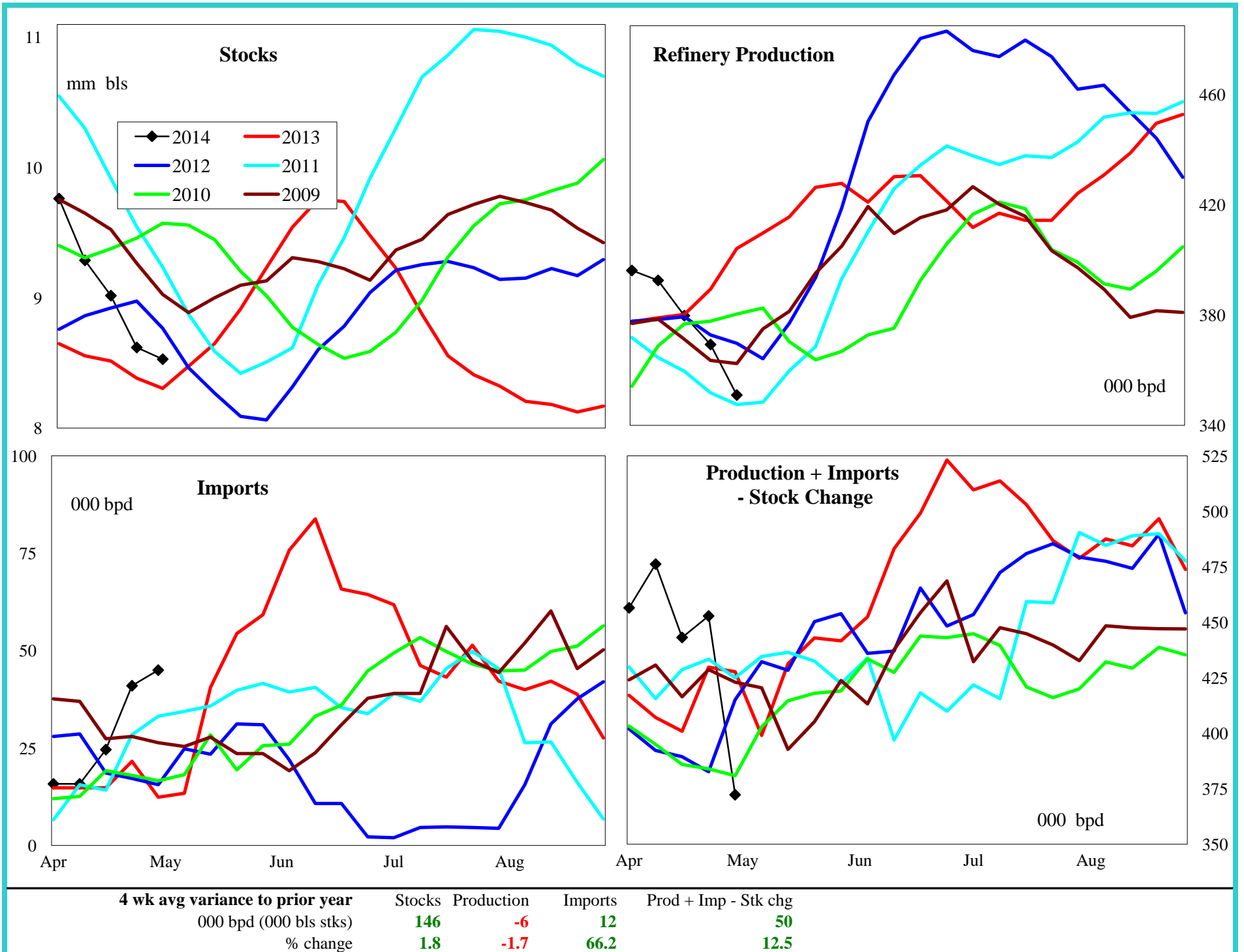
-68.0

13.8

PADD 5 Distillate Supply



PADD 5 Jet Fuel Supply



PADD 5 Residual Fuel Oil Supply

