



## WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

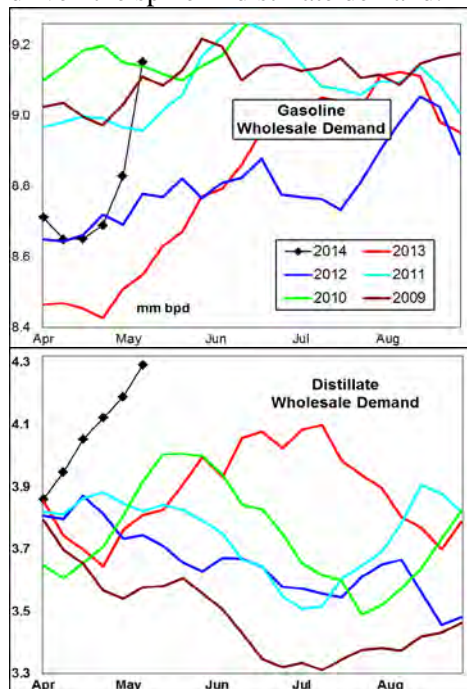
### A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Wednesday, May 14, 2014

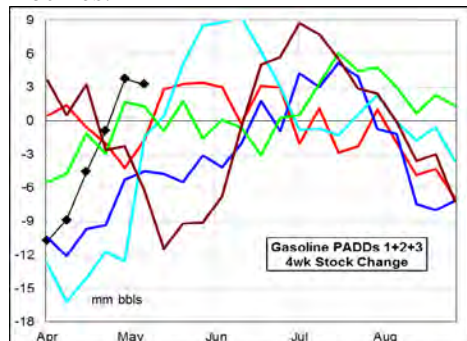


#### Major Fundamental Trends<sup>1</sup>

Distillate and gasoline wholesale demand increased a combined +0.7 million bpd during the most recent 4-wk period. Arrival of spring driving season underlies the rise in gasoline demand while a surge in exports has driven the spike in distillate demand.

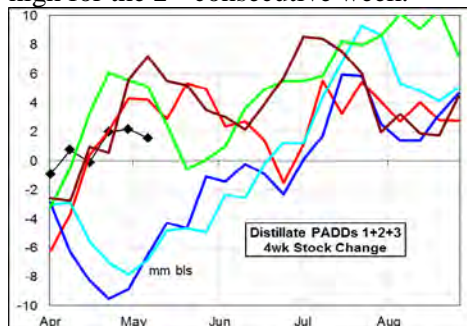


The increase has partially offset the +1 million bpd year-on-year rise in crude oil runs, slowing the rate of stock building in markets East of the Rockies.



Extremely low maintenance of refinery gasoline production units has led to record output, so that even with the spike in gasoline demand, the latest 4-

wk stock build of gasoline in markets East of the Rockies was at a record high for the 2<sup>nd</sup> consecutive week.



The spike in distillate wholesale demand (including growth in exports) has slowed stock building to a level -2 million barrels below last year.

The shift of crude oil stocks from Cushing to the Gulf region continued last week. Stocks are now +23 million barrels higher in the gulf, offset by a -26 million barrel decline in Cushing, compared to last year.

**Wholesale Demand** for gasoline spiked +0.5 million last week. Wholesale demand, measured over the last four weeks compared to a year ago: gasoline increased +3.2%; distillate was +13% higher; jet fuel declined -5.3%, and residual fuel decreased -2.2%.

**Stocks forward coverage:** Gasoline demand coverage decreased on a -0.8 million barrel stock build and +0.5 million bpd jump in wholesale demand. Coverage ended the week at a level near the 3-yr mid range.

Distillate coverage decreased on a -1.1 million barrel stock draw. Coverage ended the week at a level well below the 5-yr range.

Jet fuel coverage increased on a +0.4 million barrel stock build, to a level that matched the 3-yr mid range.

Residual fuel oil coverage increased on a small stock build and -0.3 million bpd drop in wholesale demand. Coverage remains at the upper end of the 5-yr range.

**Refinery utilization** rates decreased on

a -237,000 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 +614,000 bpd rise in output compared to the -237,000 bpd decline in crude oil runs. Yield % on crude oil runs spiked to a level above the 5-yr mid range.

Distillate yield % on crude oil runs was nearly unchanged last week, on a -128,000 bpd decrease in output compared to the decline 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 +16,000 bpd rise in output, compared to the decrease in crude oil runs. The yield % on crude oil runs ended the week at the 5-yr mid range.

**Petroleum Imports/Exports:** Imports of crude oil increased +0.2 million bpd last week, while gasoline jumped +0.3 million bpd.

During the latest 4-wk period crude oil imports were -417,000 bpd below last year; distillate imports were -62,000 bpd lower; finished gasoline imports were +40,000 bpd higher; jet fuel imports increased +62,000 bpd, while residual fuel oil imports were -6,000 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 increased +0.9 million barrels last week, driven by a +0.4 million bpd increase in imports to the Gulf region. Stock levels in the gulf region are +23 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 -0.6 million barrel draw, leaving stocks -26 million barrels below a year ago.

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



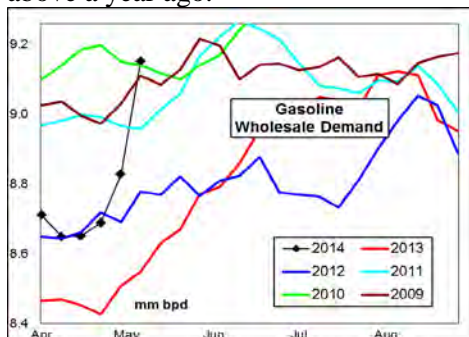
## WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

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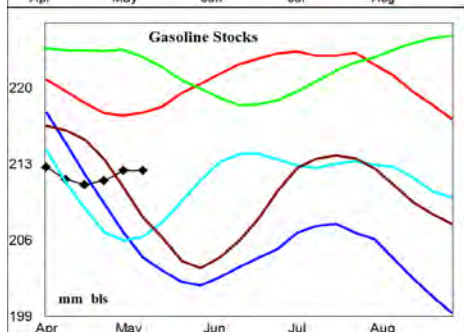
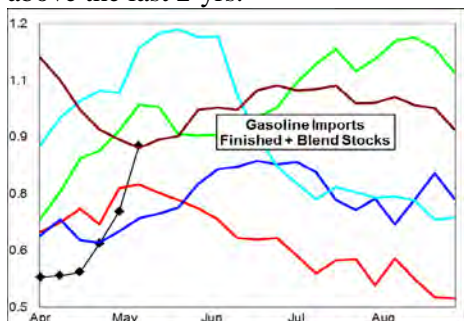
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#### Product Supply-Demand Trends

**Gasoline** wholesale demand surged +472,000 bpd last week, to a level matching 5-yr highs. The latest 4-wk average demand was +271,000 bpd above a year ago.



Supply increased +908,000 bpd on the week, driven by higher production and imports. Supply for the latest 4-wk period was +222,000 bpd above a year ago. Imports of finished + blend stocks surged last week to a level well above the last 2-yrs.

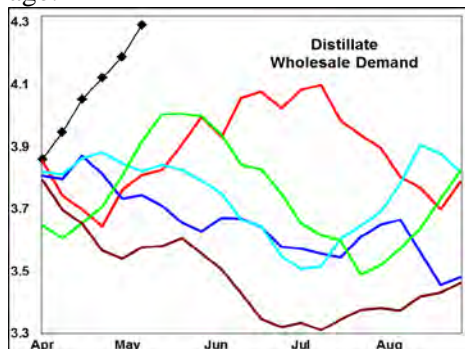


Stocks declined -0.8 million barrels last week, to a level well above the 3-yr mid range.

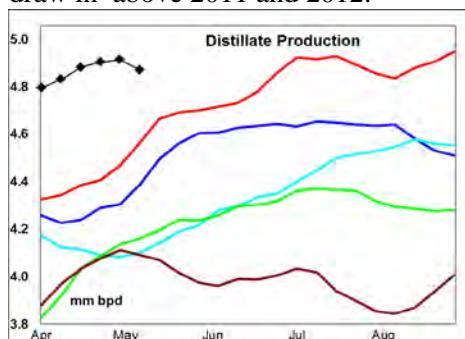
The latest 4-wk stock build East of the Rockies of +3.3 million barrels was a record build for this time of year. Record crude oil runs and increased throughput of domestic shale crude oil should drive continued year-on-year growth in production.

**Distillate** wholesale demand decreased

-54,000 bpd last week, although the level remains extremely high on increased exports. The latest 4-wk average demand was +461,000 bpd above last year. Supply fell -151,000 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 +1.6 million barrel build, below last year's +4.2 million barrel build, but well above the -6 million barrel average draw in above 2011 and 2012.

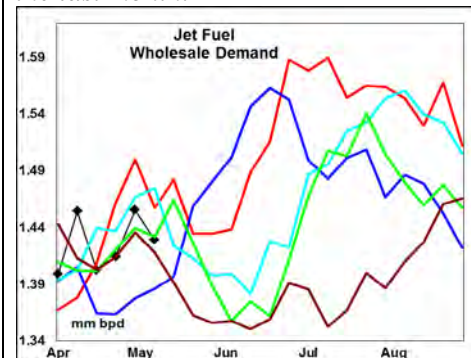


Year-on-year production increase should slow over the next quarter as a result of much higher output last year following an end to refinery maintenance and expansions completed in the summer of 2013. The run up in exports (reflected in the jump in wholesale demand) has slowed the rate of stock building, keeping supplies relatively tight in markets East of the Rockies.

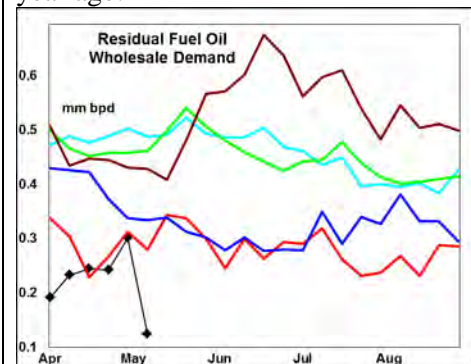
**Jet Fuel** wholesale demand increased +96,000 bpd last week. The latest 4-wk average demand was -81,000 bpd below a year ago. Supply fell -35,000 bpd on sharply lower imports. Output

for the most recent 4-wk period declined -9,000 bpd compared to last year. Imports were +62,000 bpd higher. Stocks increased +0.4 million barrels last week, to a level above the 3-yr mid range.

Imports continue at a level more than double last year, leading to the a +2.5 million barrel stock build during the last month.



**Residual fuel oil** demand fell -302,000 bpd last week. Demand for the latest 4-wk period was -7,000 bpd below a year ago.



Supply (production + imports) fell -149,000 bpd on sharply lower imports. Production was -58,000 bpd below a year ago for the latest 4-wk period, while imports also decreased -6,000 bpd. Stock levels ended the week below the 3-yr mid range.

Stock levels remain near historic highs in the Midwest and Gulf regions, while at 5-yr lows on the East Coast. Gulf region production has dropped -43% during the latest 4-wk period from last year on increased processing of domestic light shale oil.





## WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

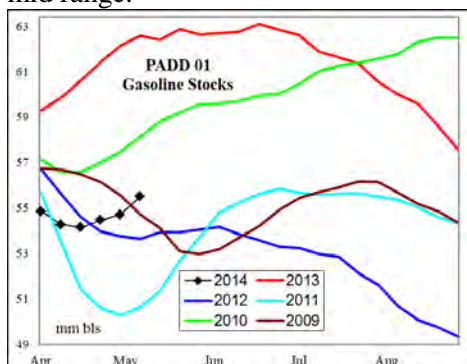
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#### PADD Supply Trends

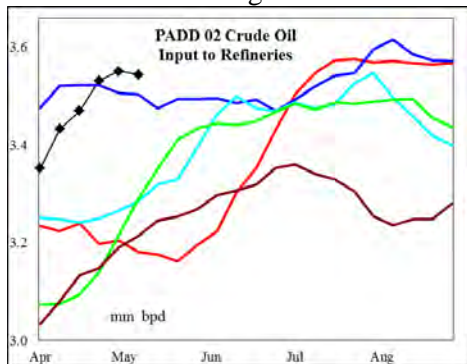
**PADD 1** refinery crude oil runs increased +13,000 bpd on the week, to a level at the 5-yr mid range. Stocks were unchanged on the week, at a level above the last 3-yrs.

Gasoline supply jumped +446,000 bpd on a sharp increase in imports. Stocks climbed +1 million barrels last week, ending at a level above the 3-yr mid range.



Distillate supply declined -25,000 bpd on lower imports; with the 4-wk average -40,000 bpd below last year. Stocks fell -0.8 million barrels to a level -10% below a year ago.

Jet fuel supply declined -30,000 bpd on lower production. Stocks increased +0.5 million barrels to a level near historic highs.



**PADD 2** crude oil refinery runs were nearly unchanged last week, with the latest 4-wk average +334,000 bpd above last year. Crude oil stocks declined -0.9 million barrels last week, including a -0.6 million barrel draw in Cushing.

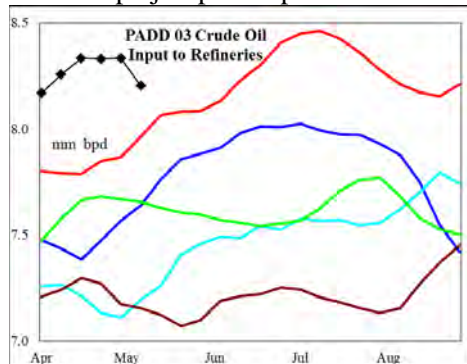
Gasoline supply increased +102,000 bpd last week, to a new record high. Production for the most recent 4-wk period was +654,000 bpd

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 decreased -0.4 million barrels, with the level above each of the last 3-yrs.

Distillate supply fell -71,000 bpd last week, with the 4-wk average +127,000 bpd above a year ago. Stocks fell -1.2 million barrels on the week, to a level below the 5-yr range.

Jet fuel production increased +42,000 bpd on the week to a record high. Stocks increased +0.2 million barrels to a level near the 3-yr mid range.

**PADD 3** refinery runs decreased -231,000 bpd last week, a level above the historic range. During the latest 4-wk period, average runs were +567,000 bpd above last year. Crude oil stocks increased +2.3 million barrels last week, driven by a +0.4 million bpd jump in imports.



Gasoline supply increased +23,000 bpd last week, with the latest 4-wk average +228,000 bpd above a year ago. Stocks decreased -0.5 million barrels last week, with the level matching 5-yr highs' for the period.

Distillate supply decreased -20,000 bpd on the week, with the latest 4-wk average supply 306,000 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 declined -49,000 bpd to a level that matched historic highs for the week. Stock levels ended the week comparable to the 3-yr mid range.

Residual fuel supply decreased -42,000 bpd on the week, driven by lower imports. Stocks fell -0.8 million barrels, with the level still near historic highs.

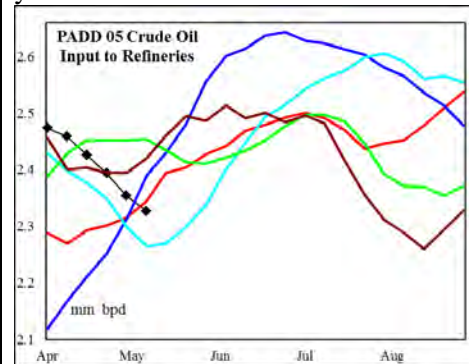
**PADD 4** refinery crude runs decreased -19,000 bpd last week, with the 4-wk average -10,000 bpd below last year.

Gasoline production was +36% above last year for the most recent 4-wk period. Stock levels matched the 3-yr mid range.

Distillate production increased +11,000 bpd to a new record high, with the latest 4-wk output +5,000 bpd above last year. Stock levels ended the week above the last 3-yrs.

Jet fuel production was nearly unchanged for the week, with stocks near the 3-yr mid range.


**PADD 5** crude oil refinery runs were nearly unchanged last week, at a level below the 3-yr mid range. The 4-wk run rate was +66,000 bpd above last year.



Gasoline supply continues to set new records, with the 4-wk average +90,000 bpd above a year ago. Stocks ended the week above the last 2-yrs.

Distillate production fell -45,000 bpd on lower crude oil runs, at a level below a year ago. The 4-wk average output was +60,000 bpd above a year ago. Stocks were nearly unchanged at a level above the 3-yr mid range.

Jet fuel supply was unchanged on the week with higher production offset by lower imports. The latest 4-wk average supply was -3,000 bpd below last year. Stocks fell -0.5 million barrels on the week, to a level below the 5-yr range.



FUNDAMENTAL

PETROLEUM TRENDS

PETROLEUM: Graph Link and Weekly Summary

A Fundamental Petroleum Trends Weekly Report

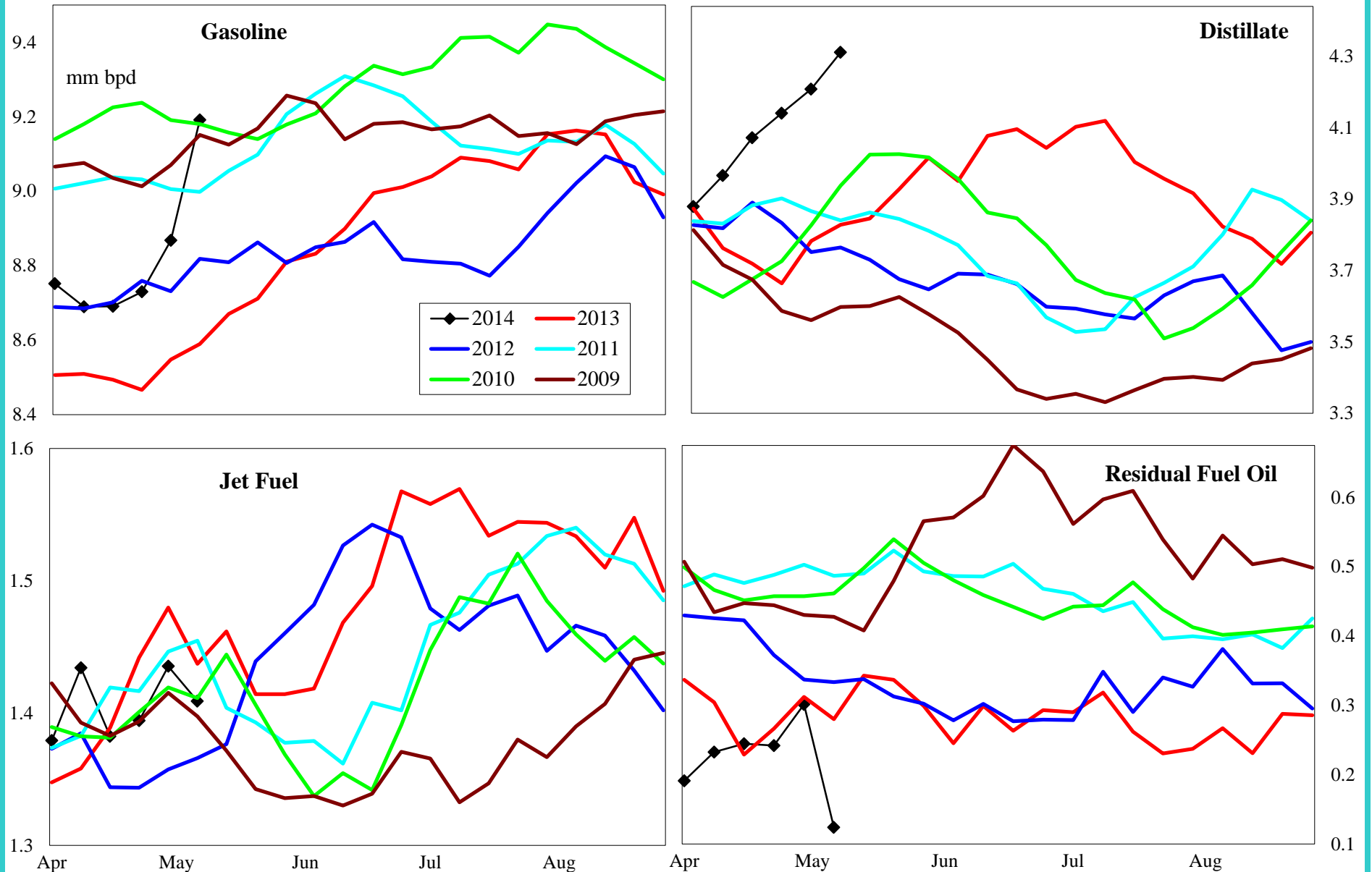
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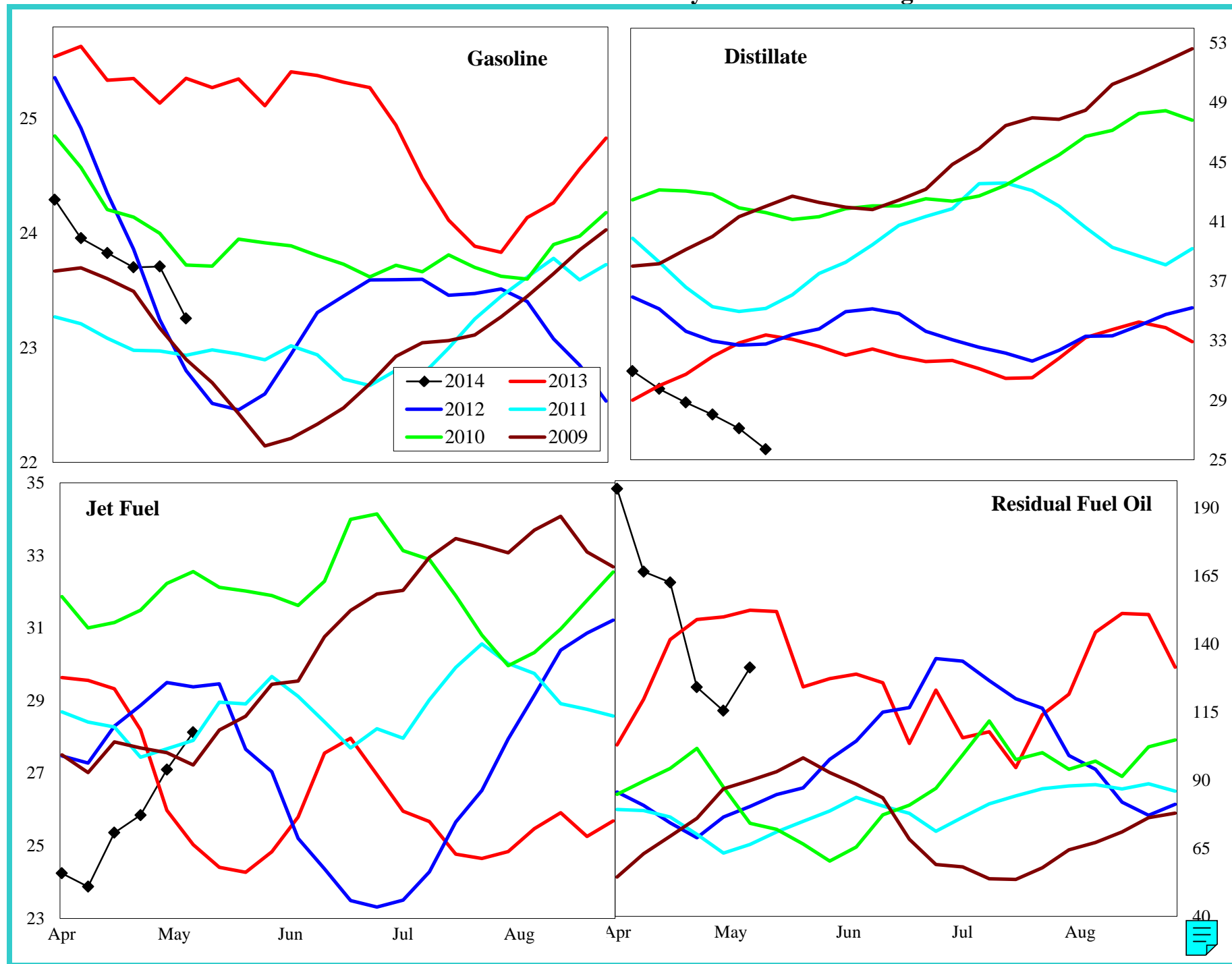
Fundamental Trends	<a href="#">Wholesale Demand</a>	<a href="#">Stocks Days Fwd Coverage</a>	<a href="#">Refinery Utilization</a> Product Yield %				<a href="#">Imports</a>
Supply/Demand Trends	9-May-14 000 bpd stocks 000 bls	EIA-DOE CHANGE FROM PRIOR WEEK					
		U. S. Total	PADD				
			1	2	3	4	5
<a href="#">Crude Oil</a>	Stocks	947	41	-878	2,326	511	-1,053
	Imports	242	-81	201	416	-43	-251
	Input	-237	13	-8	-231	-19	8
	% Utilization	-1.40					
<a href="#">Gasoline</a>	Stocks	-772	1,047	-438	-538	25	-868
	Production	614	121	99	46	-14	24
	Imports	294	325	3	-22	0	-12
	Supplied	472					
<a href="#">Distillate</a>	Stocks	-1,124	-845	-1,184	561	261	82
	Production	-128	-4	-70	-20	11	-45
	Imports	-23	-21	-1	0	0	-1
	Supplied	-54					
<a href="#">Jet Fuel</a>	Stocks	411	475	239	160	28	-492
	Production	16	-24	42	-49	-4	49
	Imports	-51	-6	0	0	0	-45
	Supplied	96					
<a href="#">Residual Fuel Oil</a>	Stocks	137	496	-53	-781	-10	485
	Production	61	0	10	20	0	30
	Imports	-210	-45	-2	-62	0	-101
	Supplied	-302					

# United States Wholesale Petroleum Demand

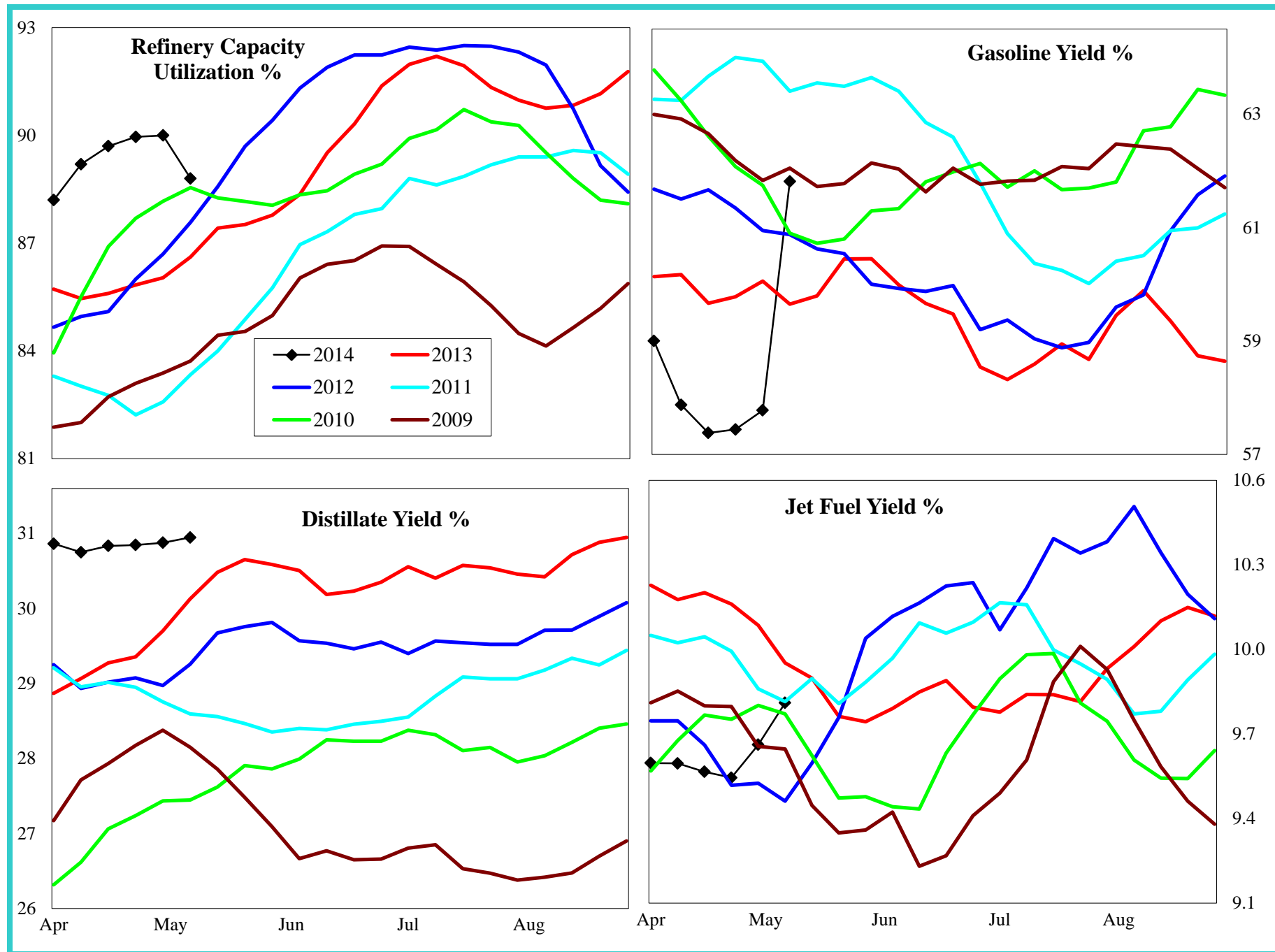


	000 bpd change from prior year				% change from prior year				
	4wk avg	Apr	Mar	Feb	4wk avg	Apr	Mar	Feb	
Gasoline	271	-151	178	287	3.2	-1.7	2.1	3.4	
Distillate	461	187	10	207	12.7	4.8	0.3	5.2	
Jet Fuel	-81	-3	80	53	-5.3	-0.2	5.8	4.0	
Resid	-7	13	-179	-97	-2.2	4.6	-41.5	-31.9	

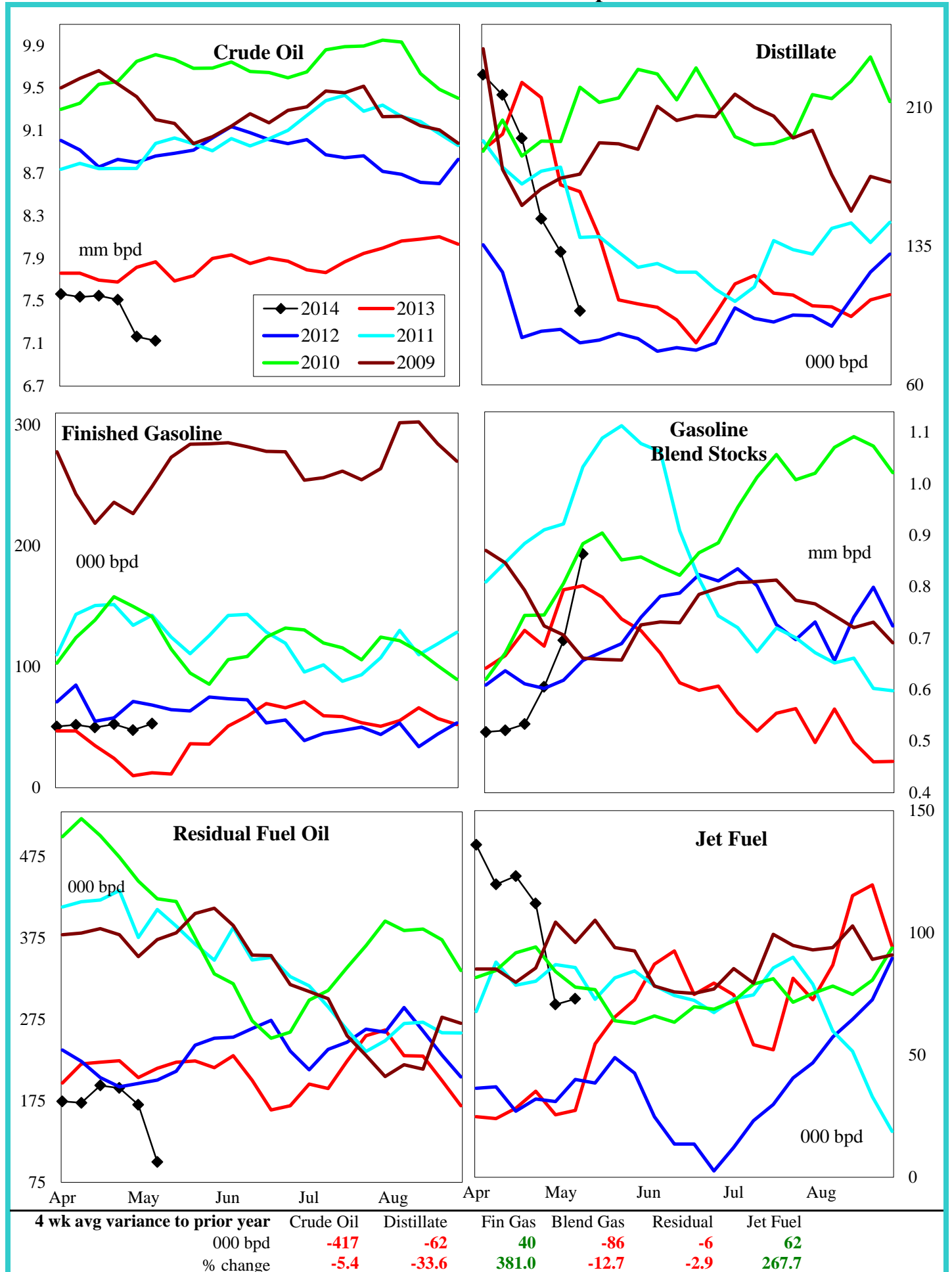


**United States Product Stocks: Days Forward Coverage**

## United States Refinery Percent Utilization Rate and Product Yields

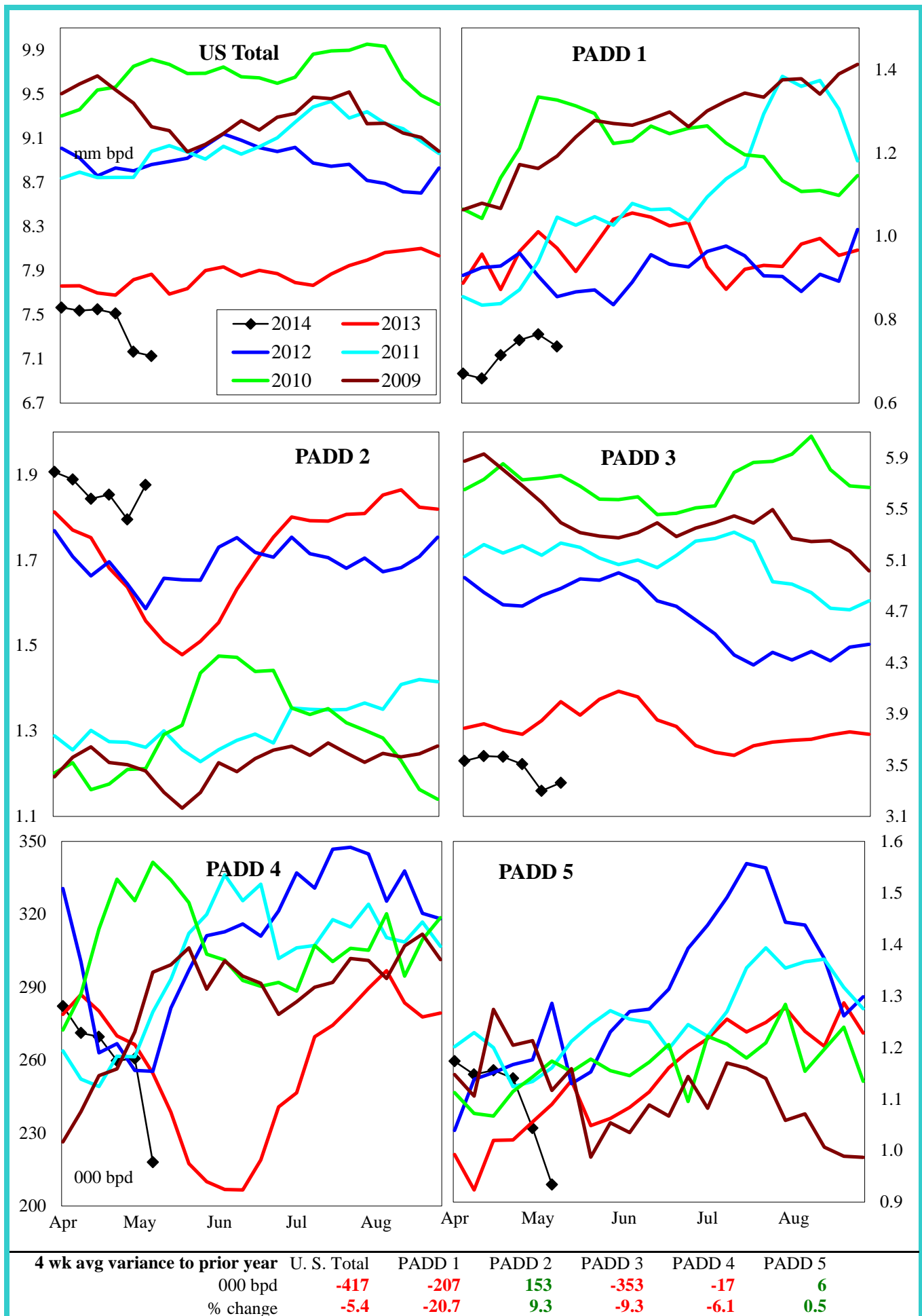


# United States Petroleum Imports

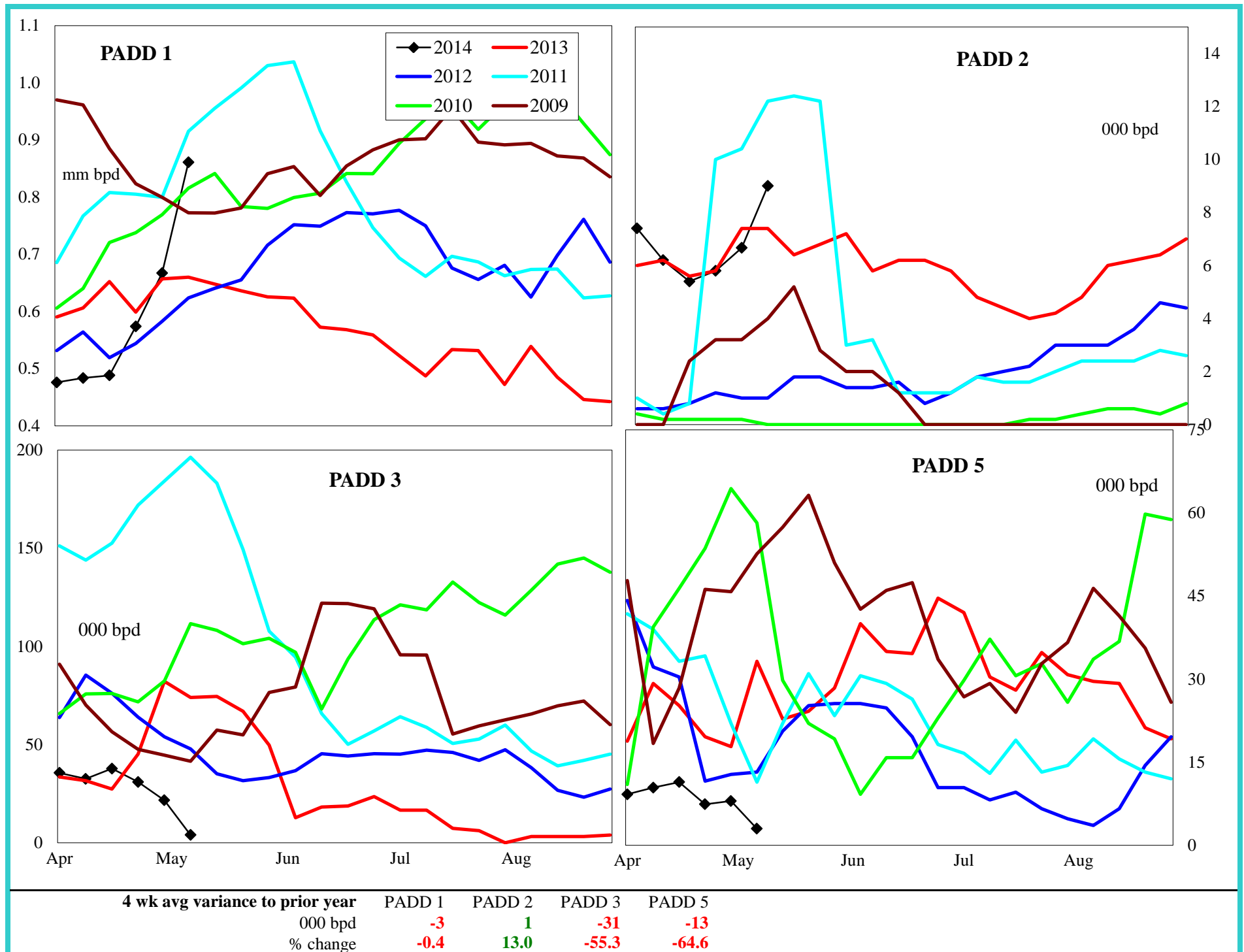




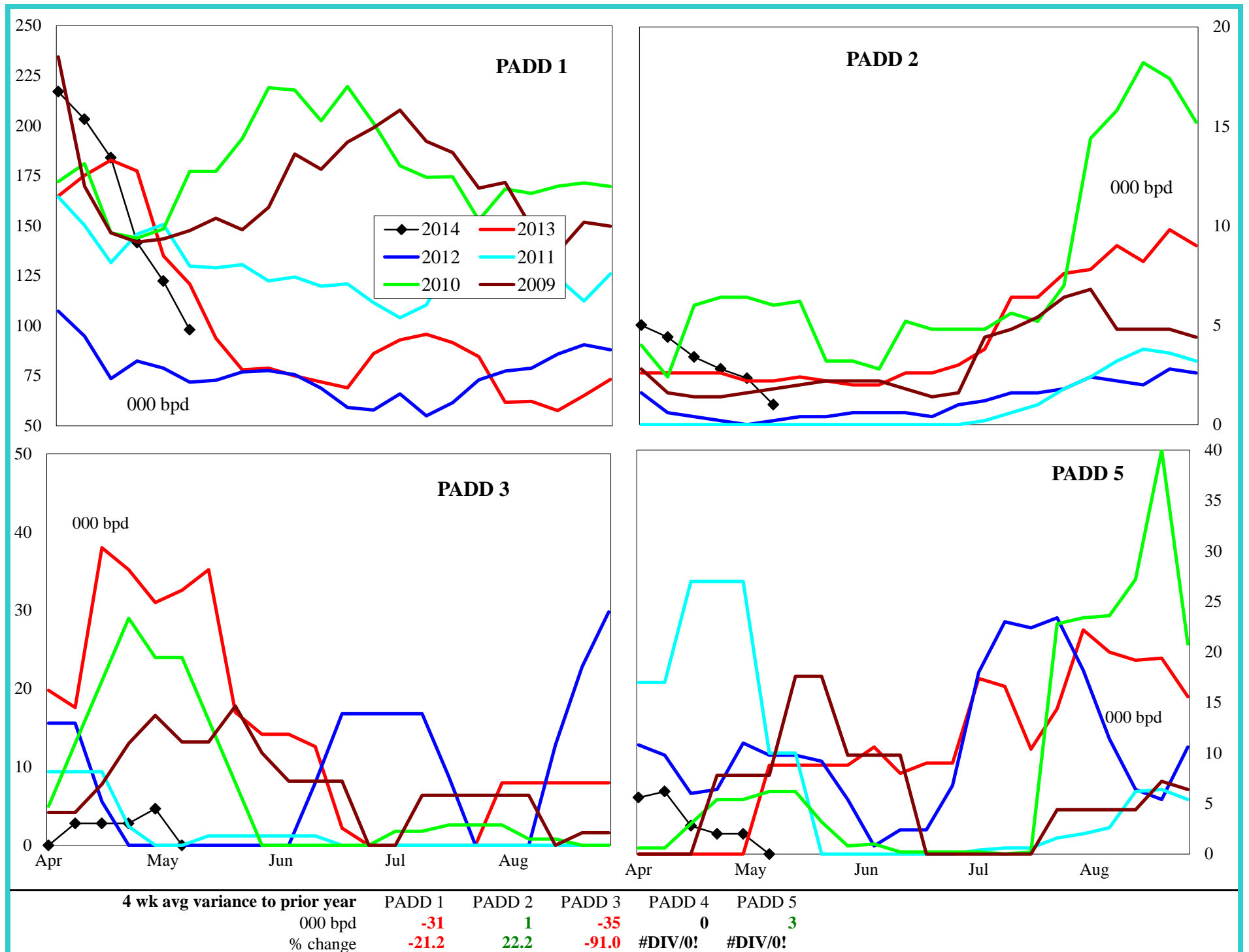
## Crude Oil Imports by PADD



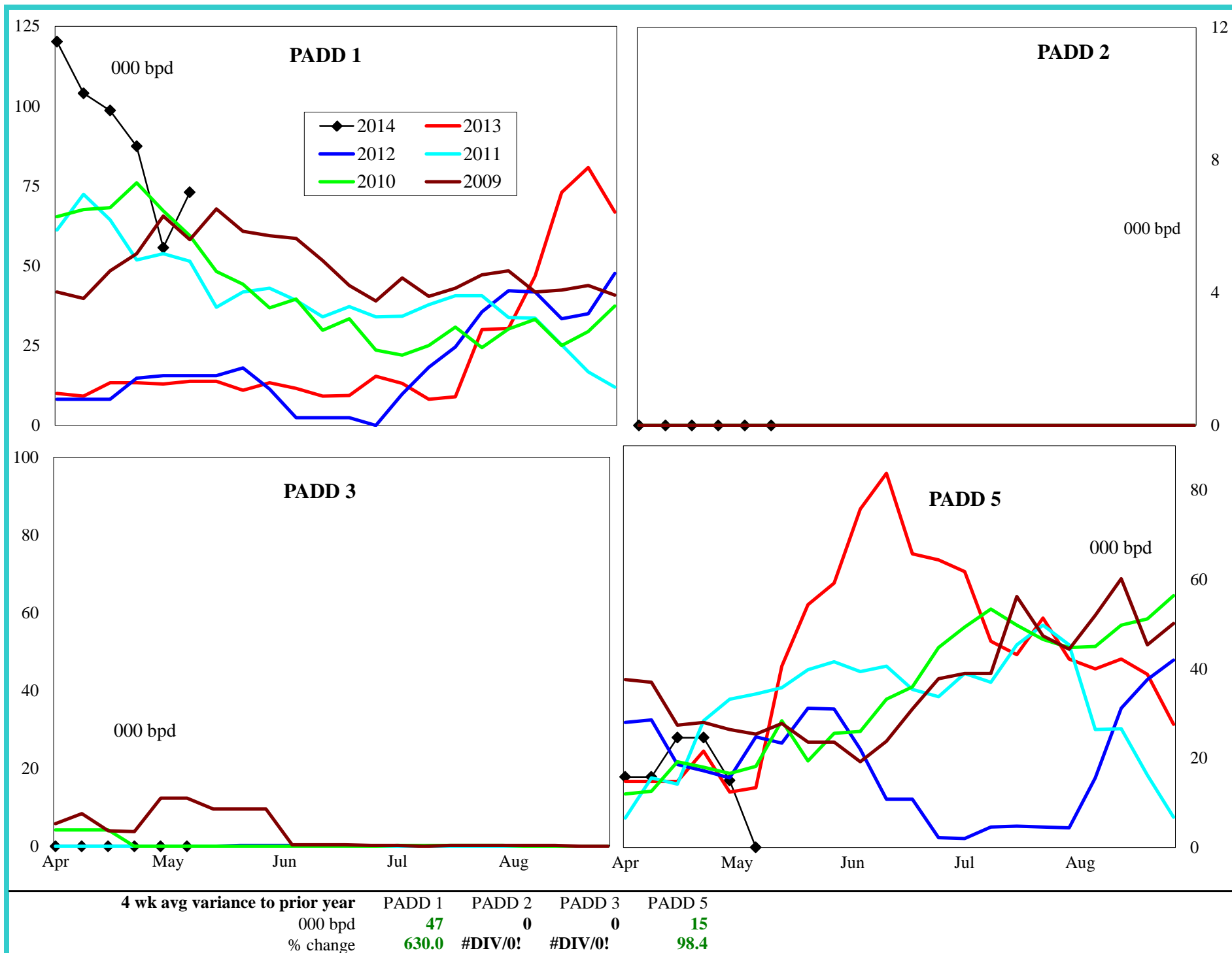
# Gasoline Imports by PADD (Finished + Blend Stocks)



## Distillate Imports by PADD

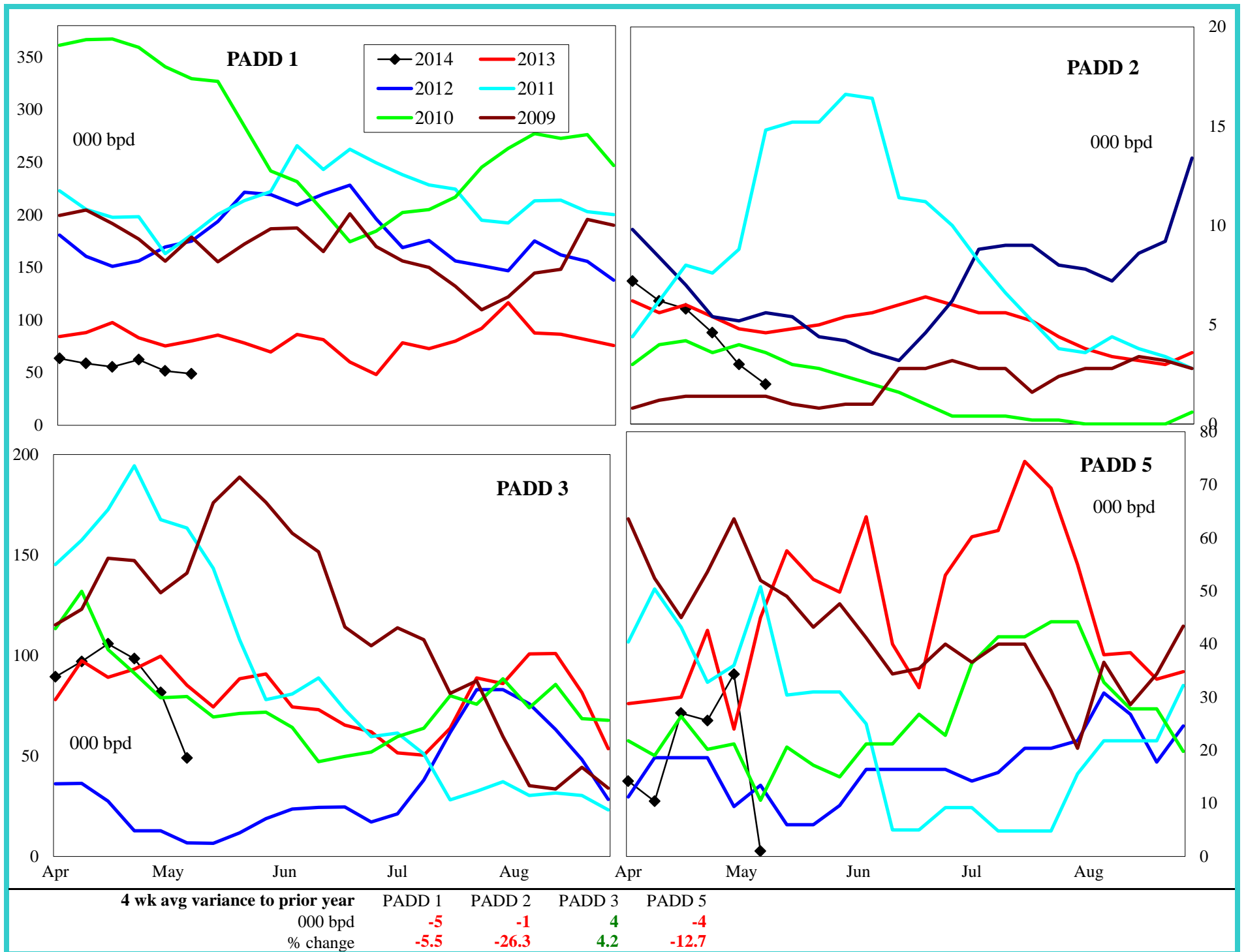


# Jet Fuel Imports by PADD

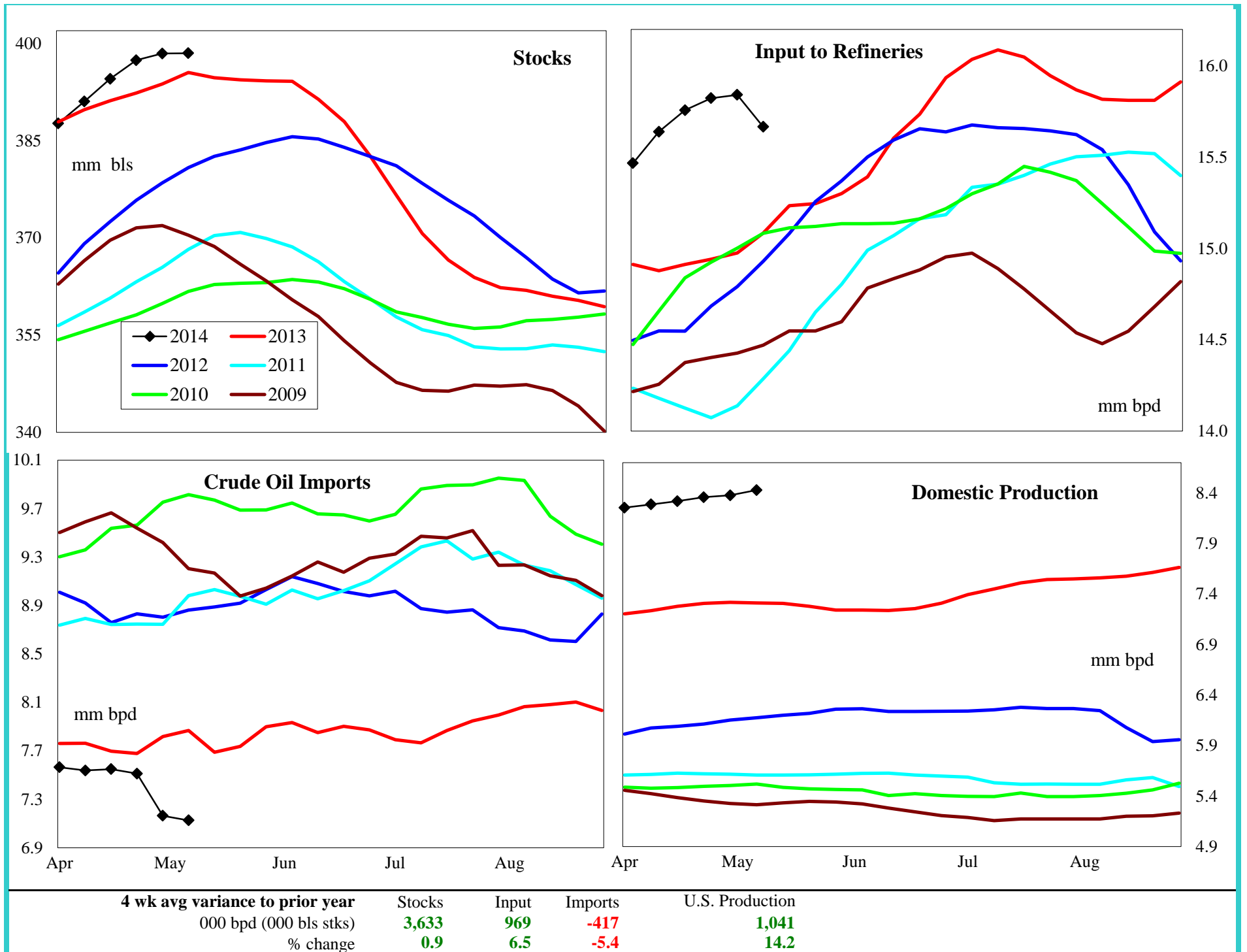




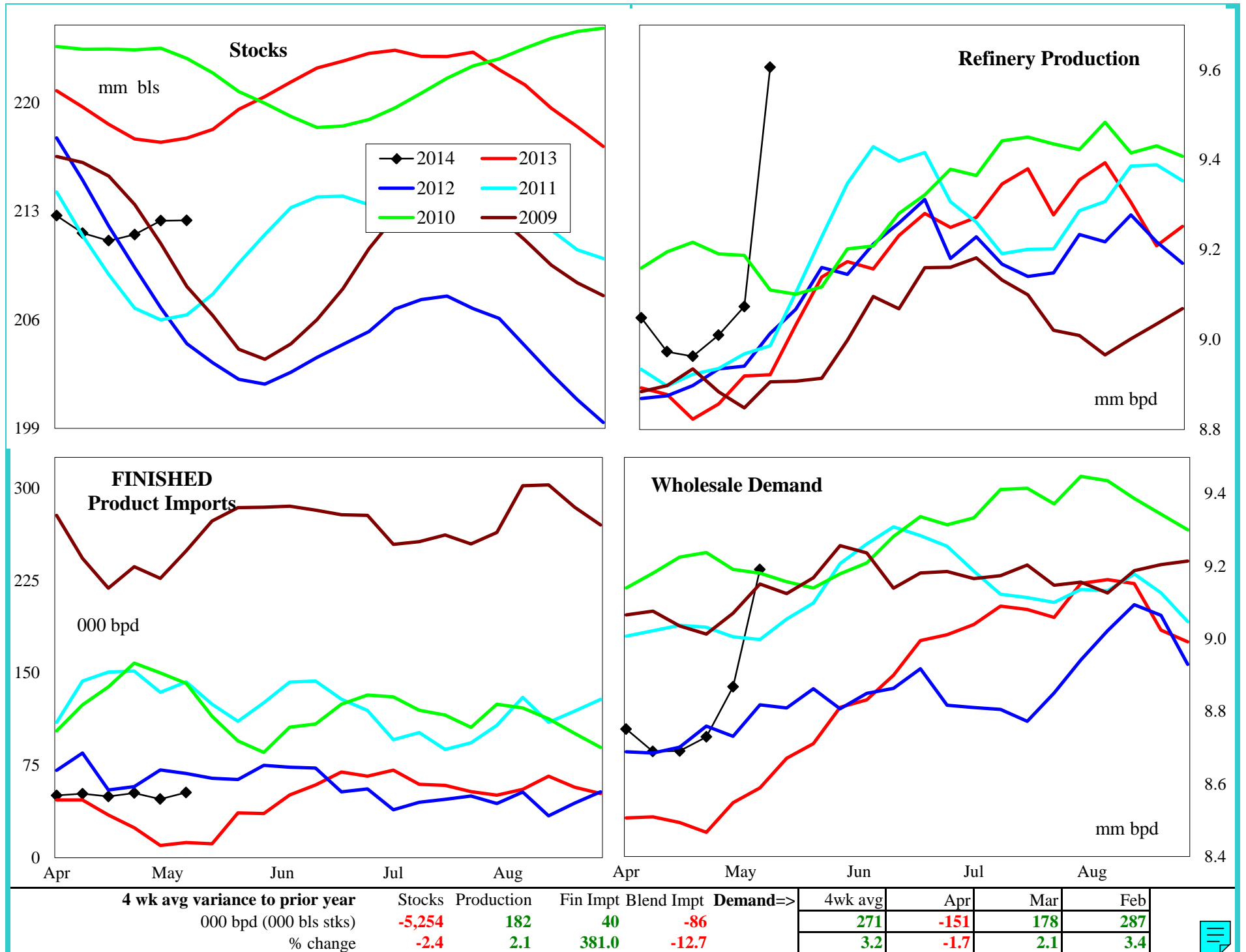
## Residual Fuel Oil Imports by PADD



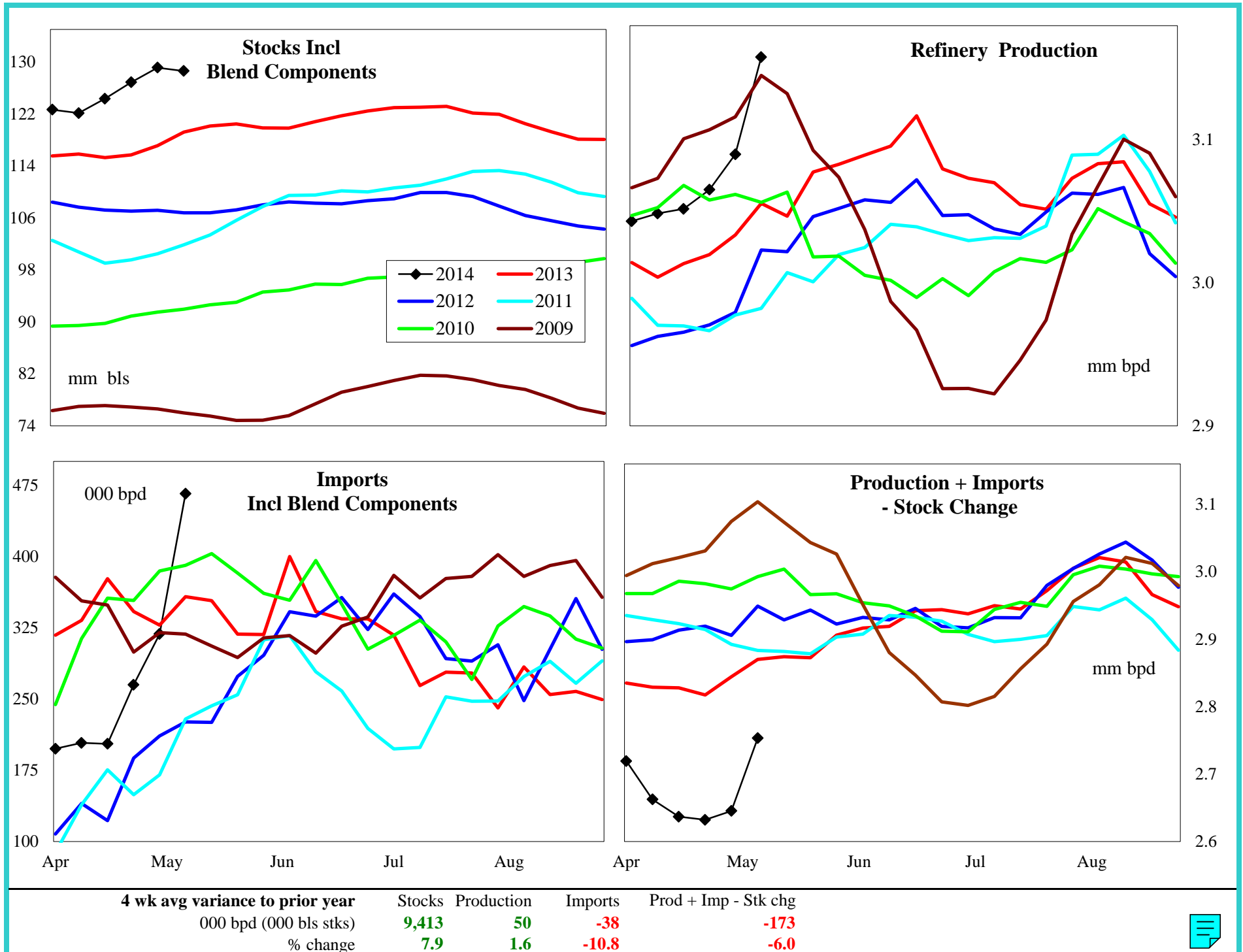
# United States Crude Oil Supply and Demand Balance



# United States Gasoline Supply and Demand Balance

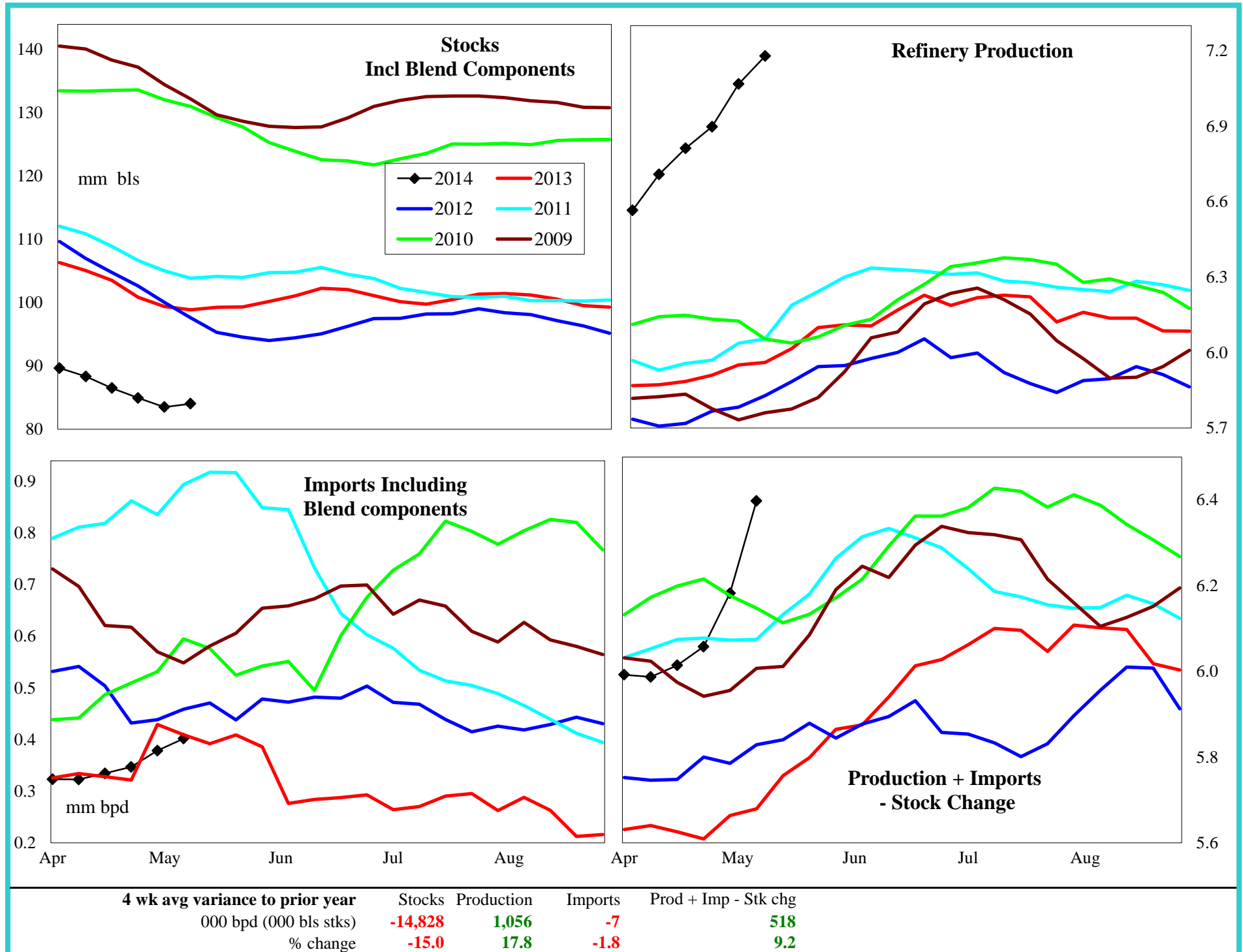


# United States Reformulated Gasoline Supply

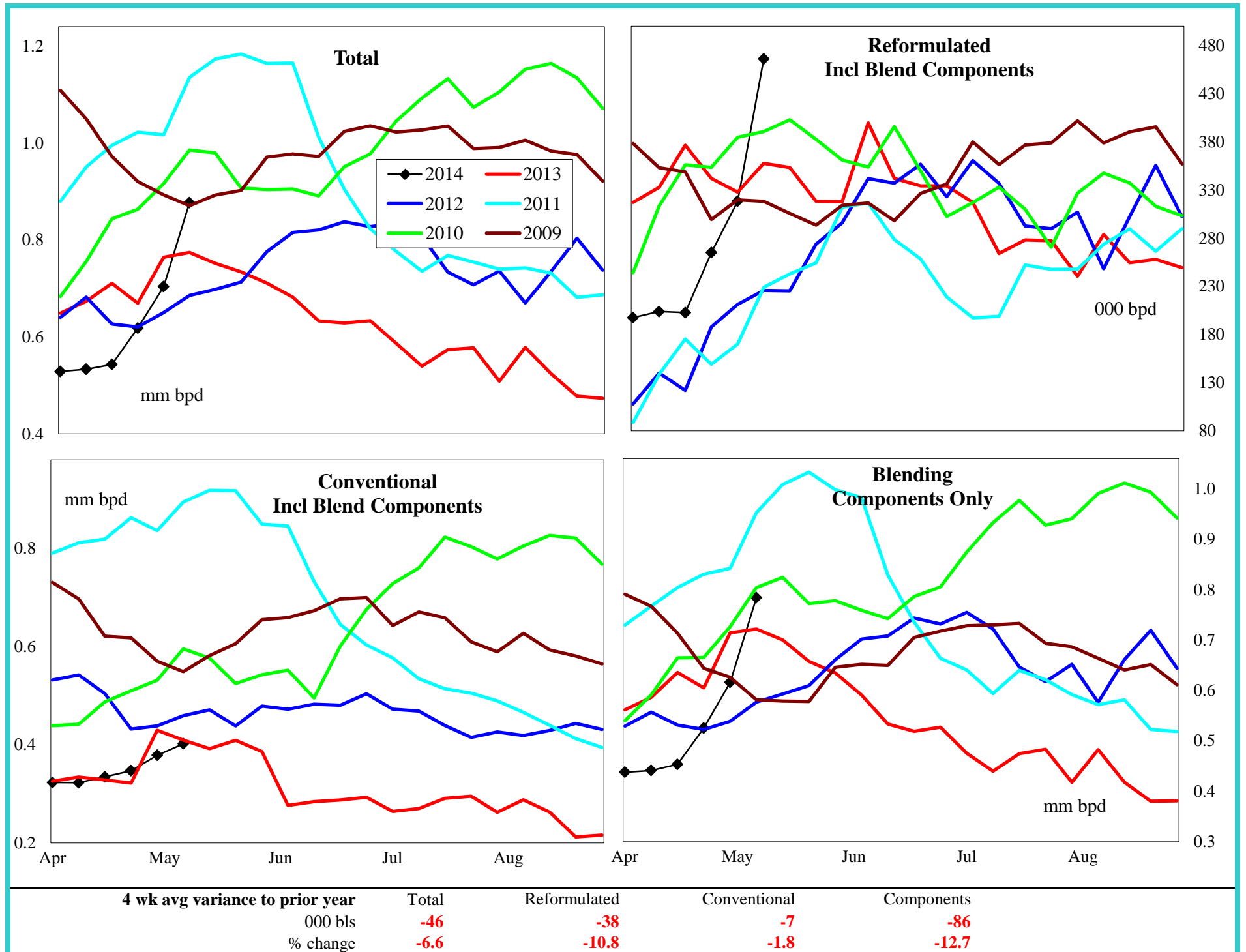




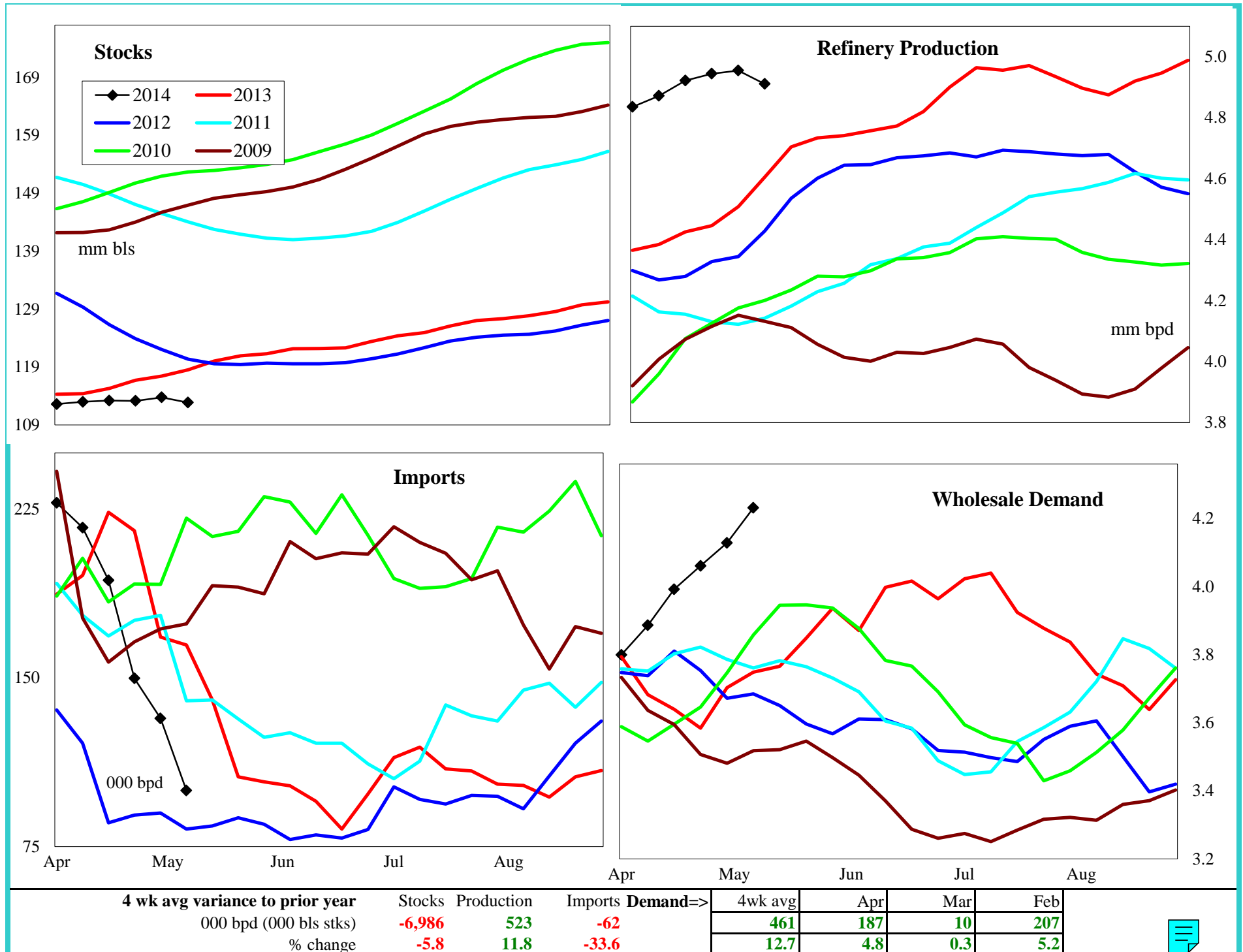
# United States Conventional Gasoline Supply



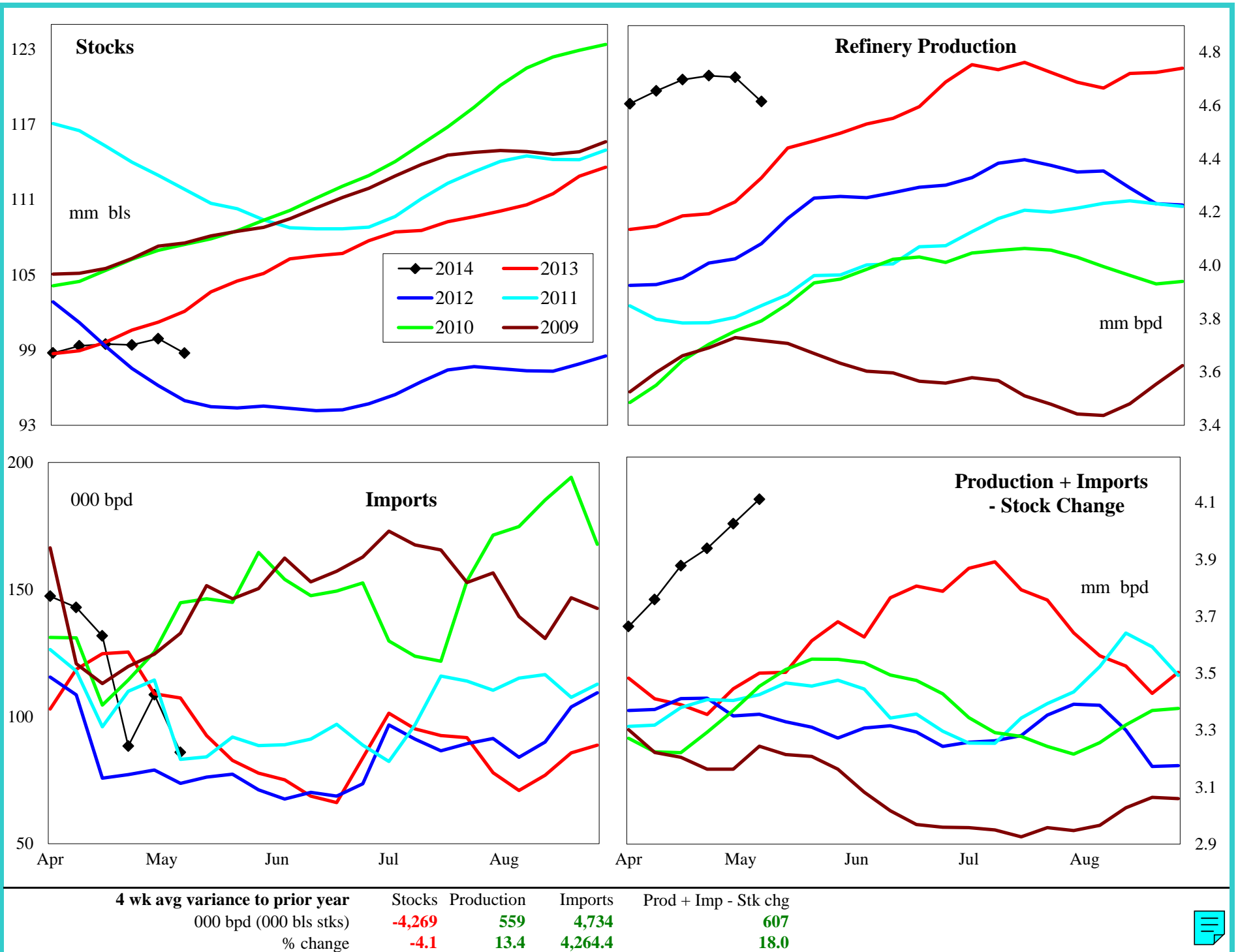
# United States Gasoline Imports by Type



# United States Distillate Supply and Demand Balance

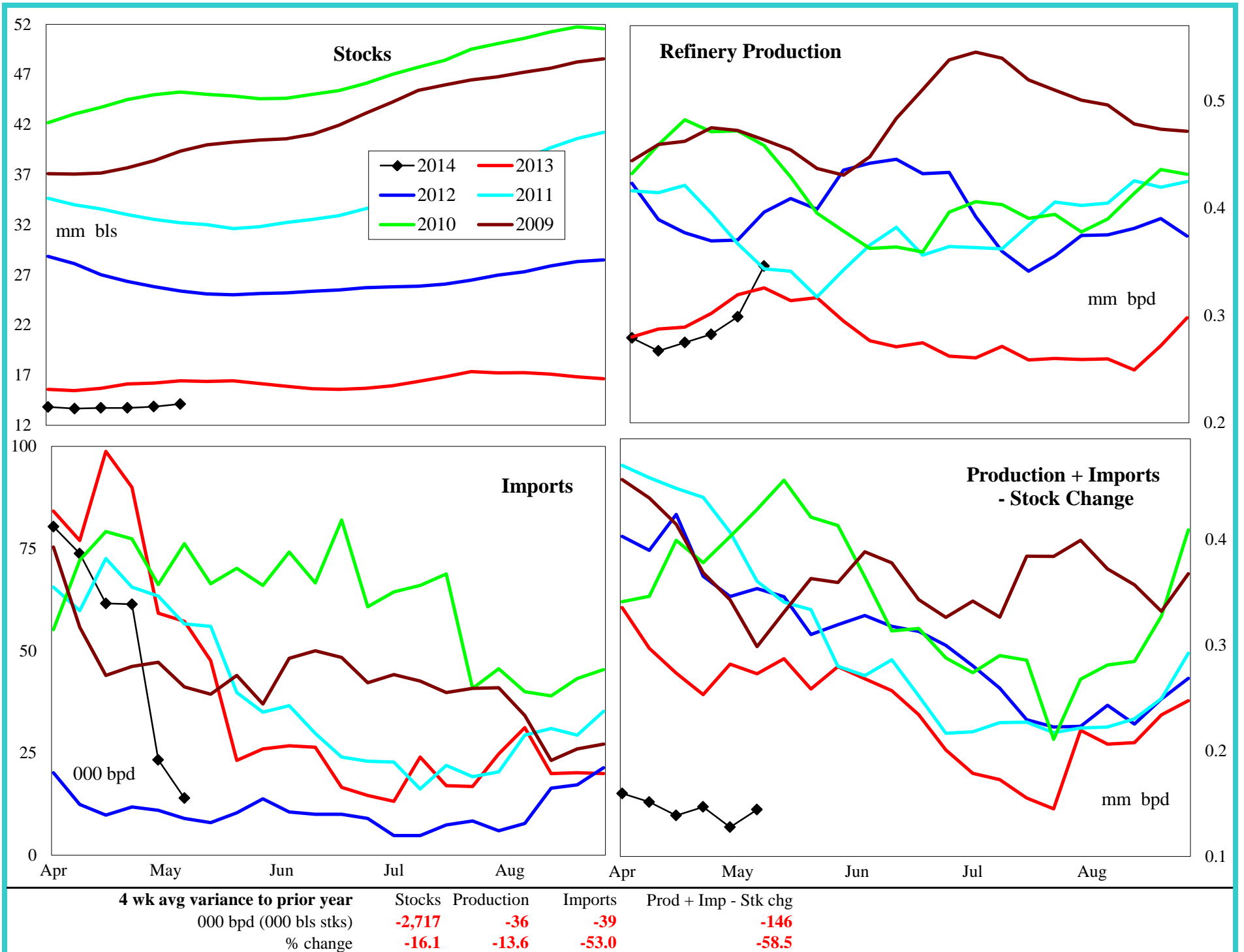


# United States Low Sulfur Distillate Supply

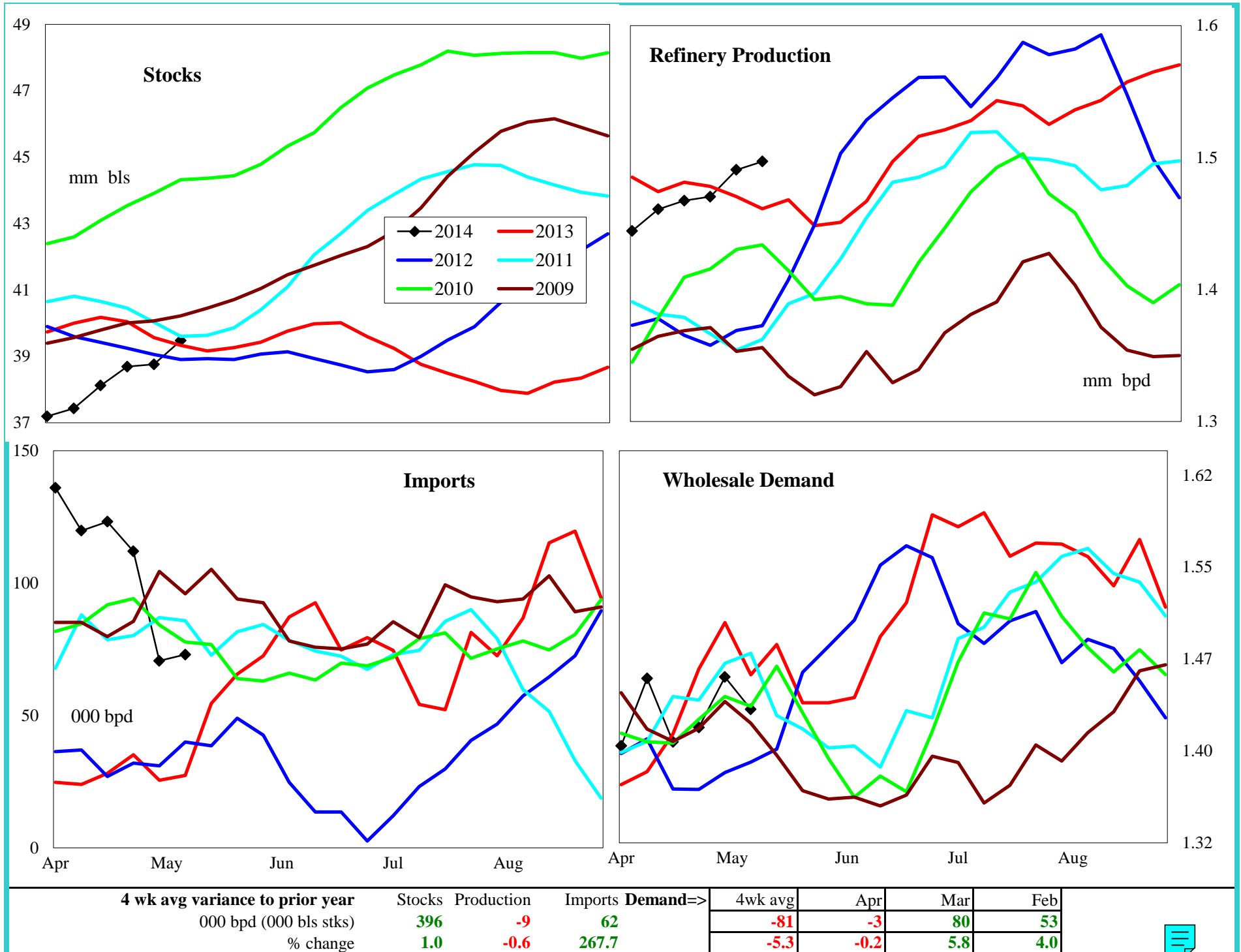




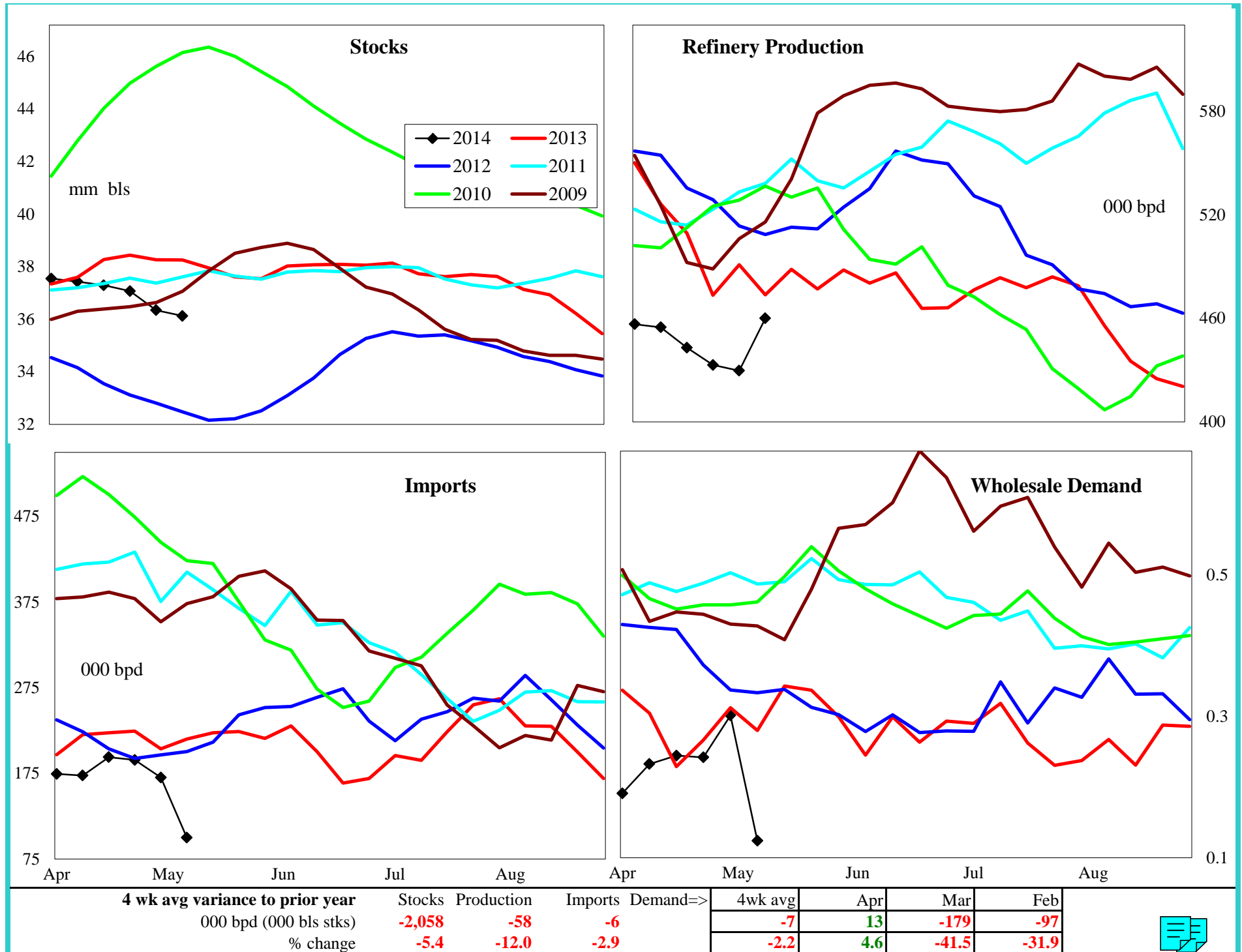
# United States High Sulfur Distillate Supply



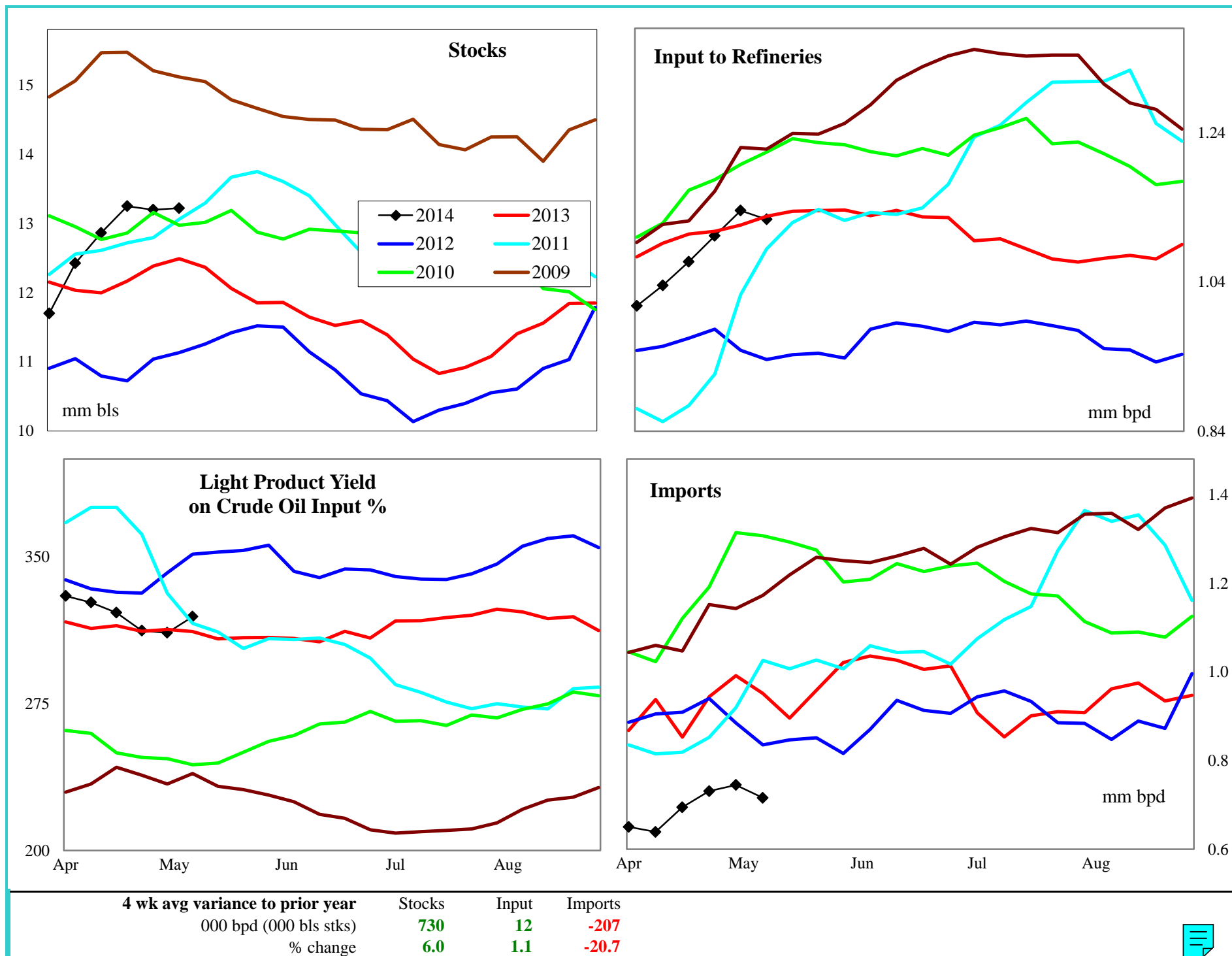
# United States Jet Fuel Supply and Demand Balance



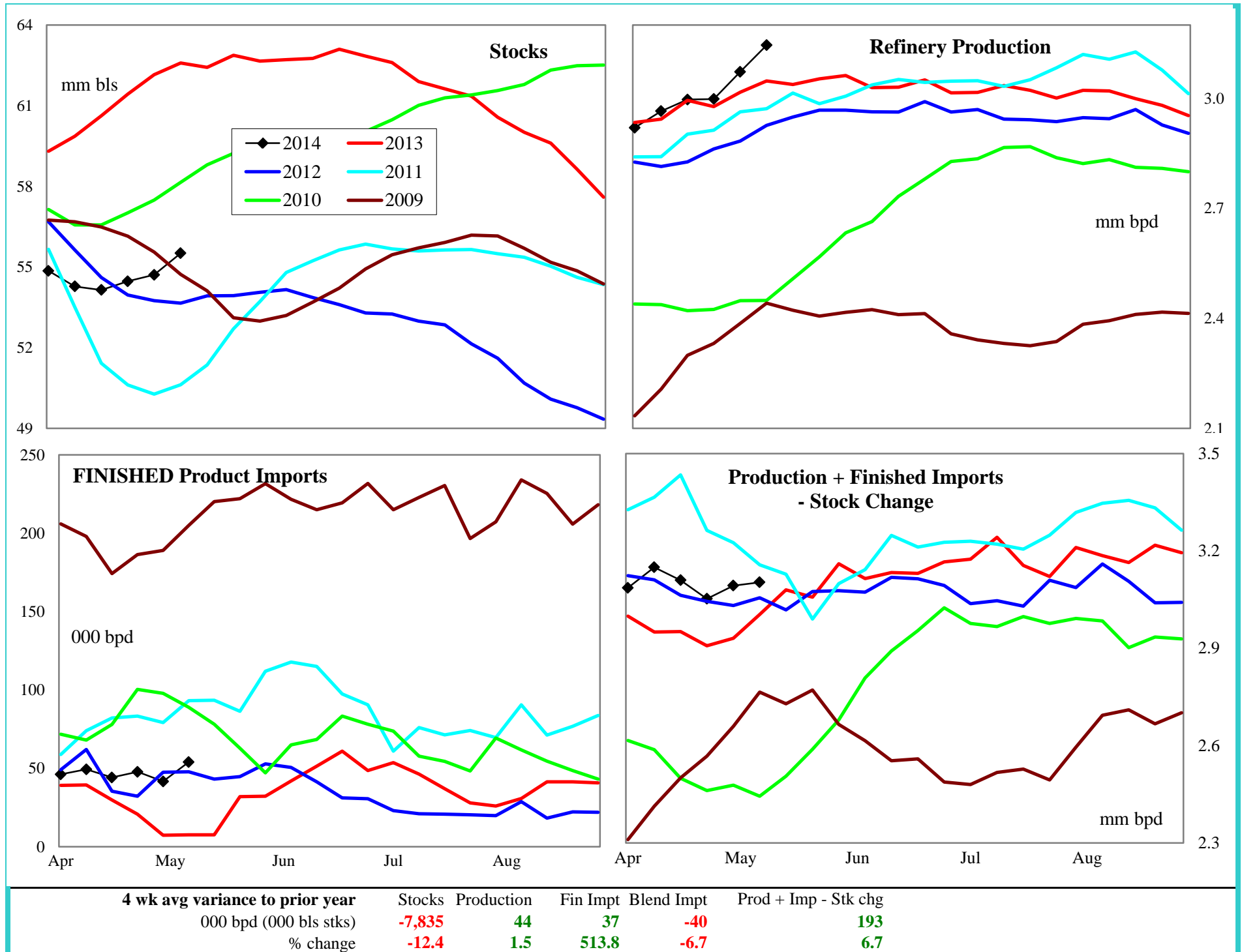
# United States Residual Fuel Oil Supply and Demand Balance



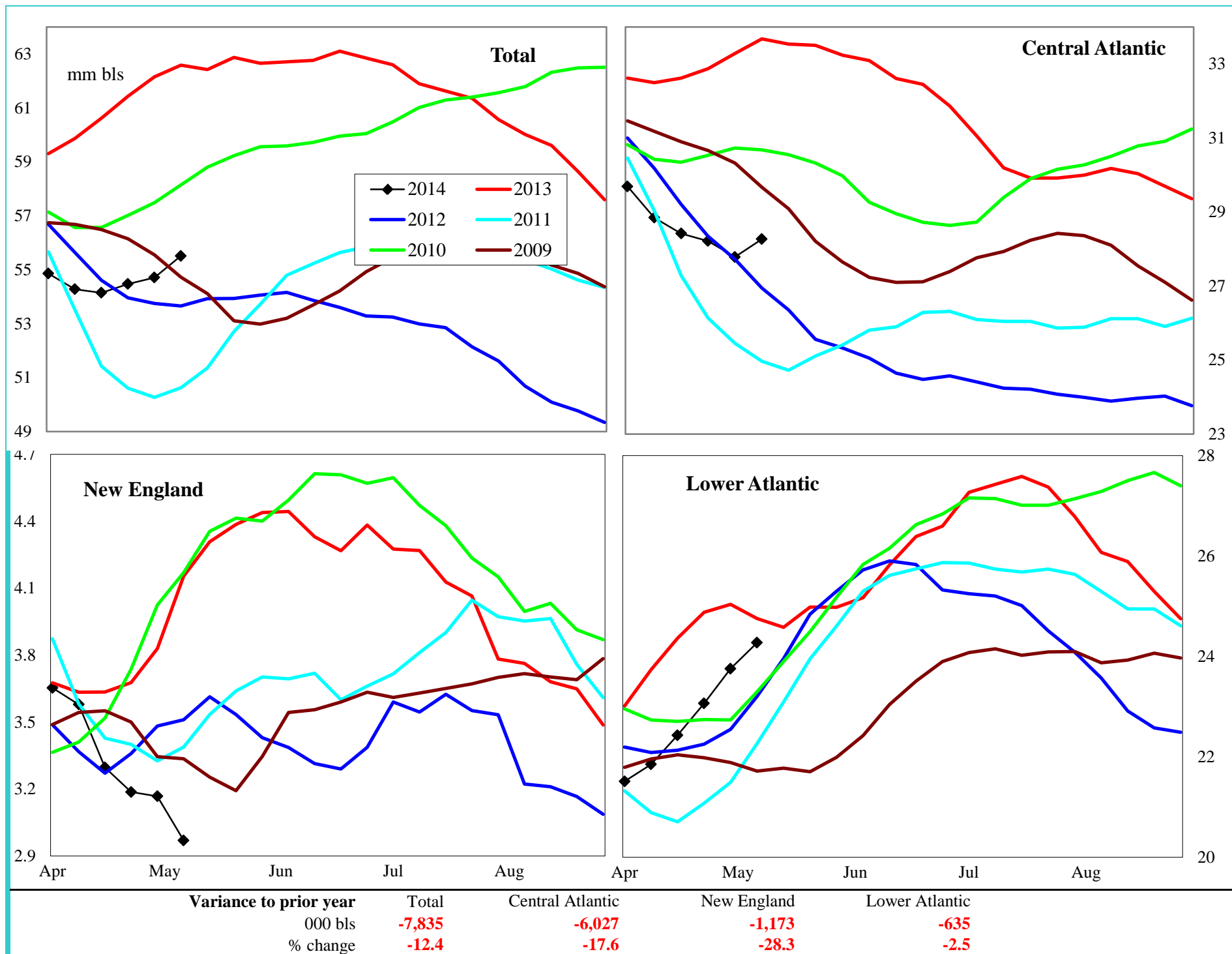
# PADD 1 Crude Oil Supply and Refining



## PADD 1 Gasoline Supply

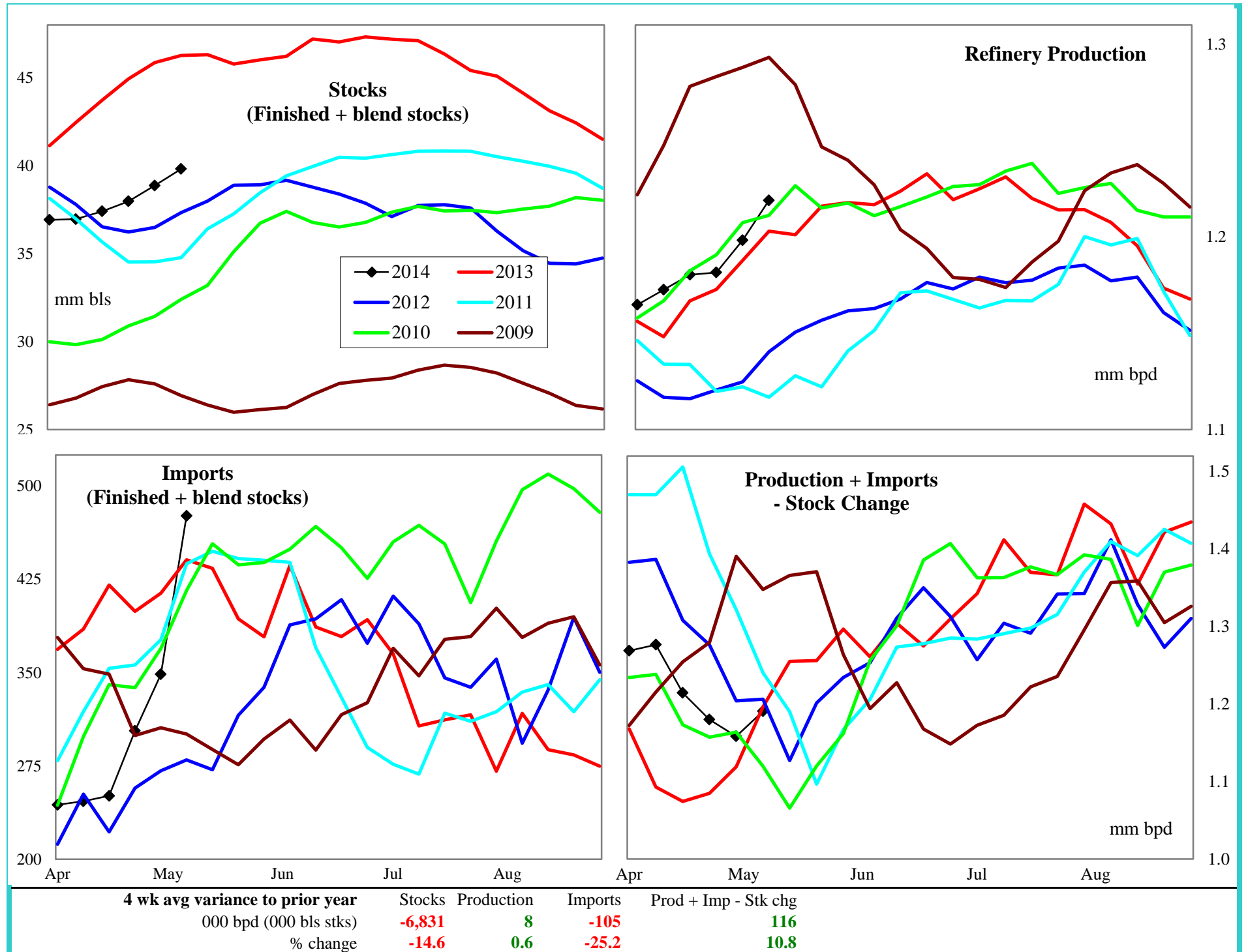


# PADD 1 Gasoline Stocks by Region

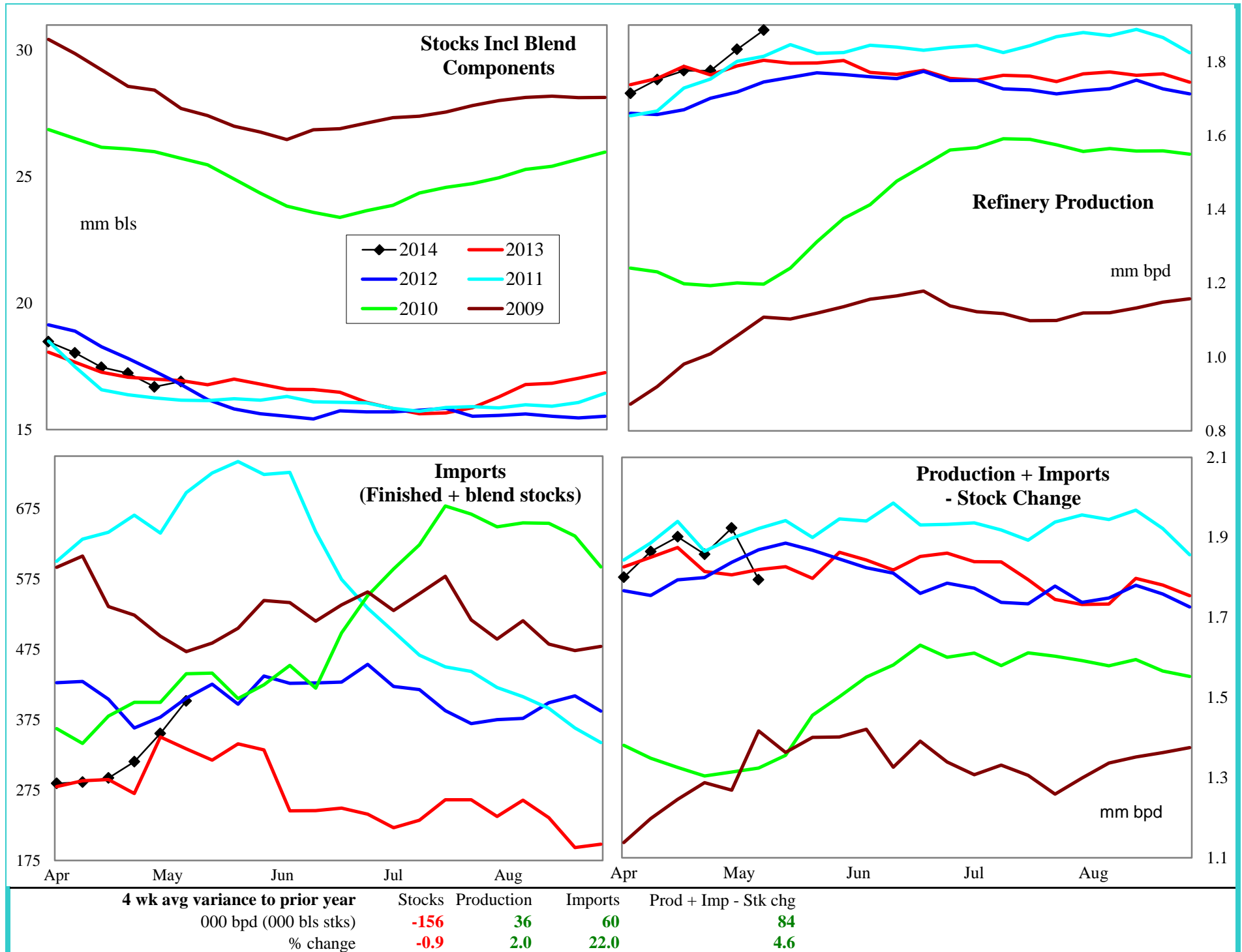




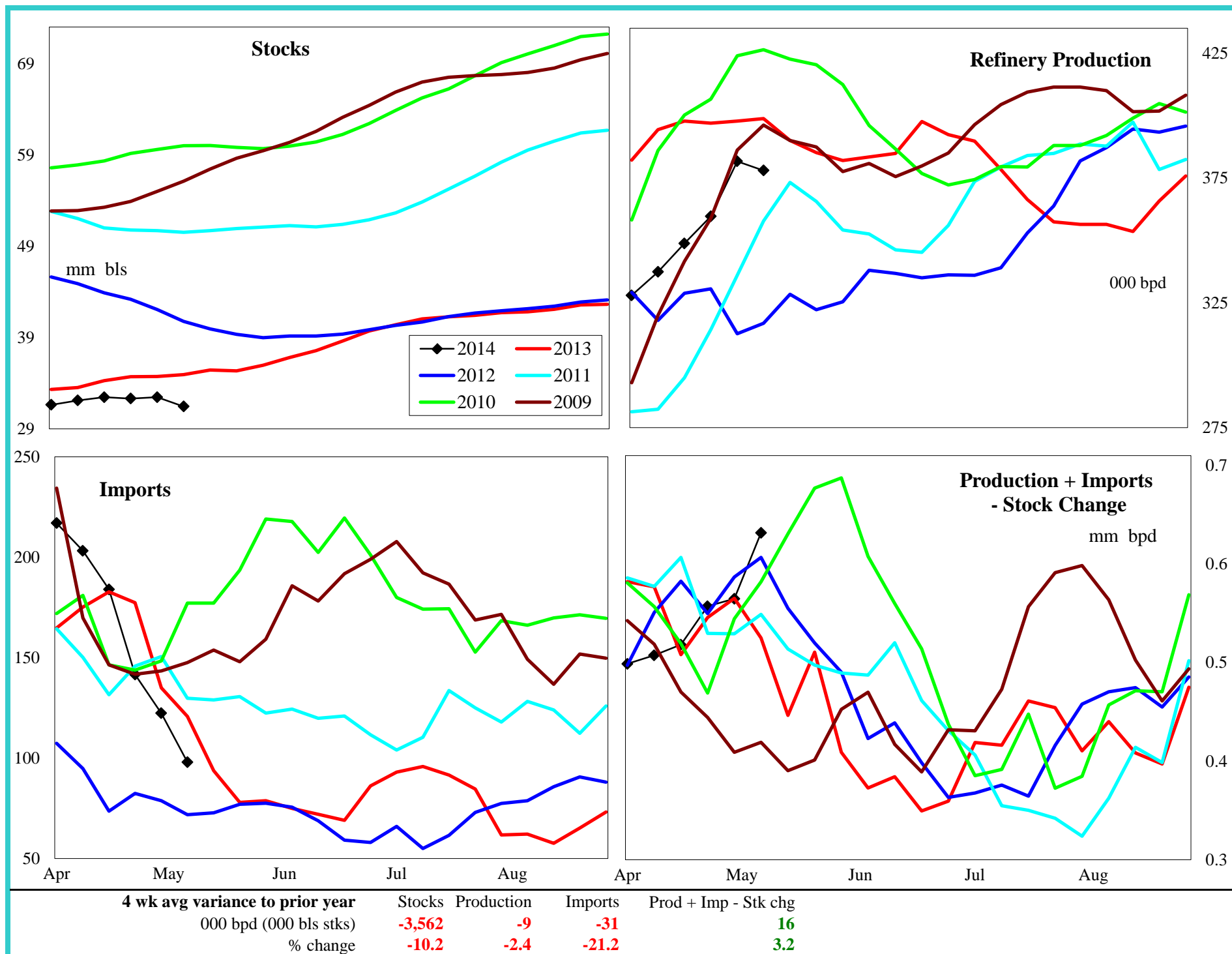
# PADD 1 Reformulated Gasoline Supply



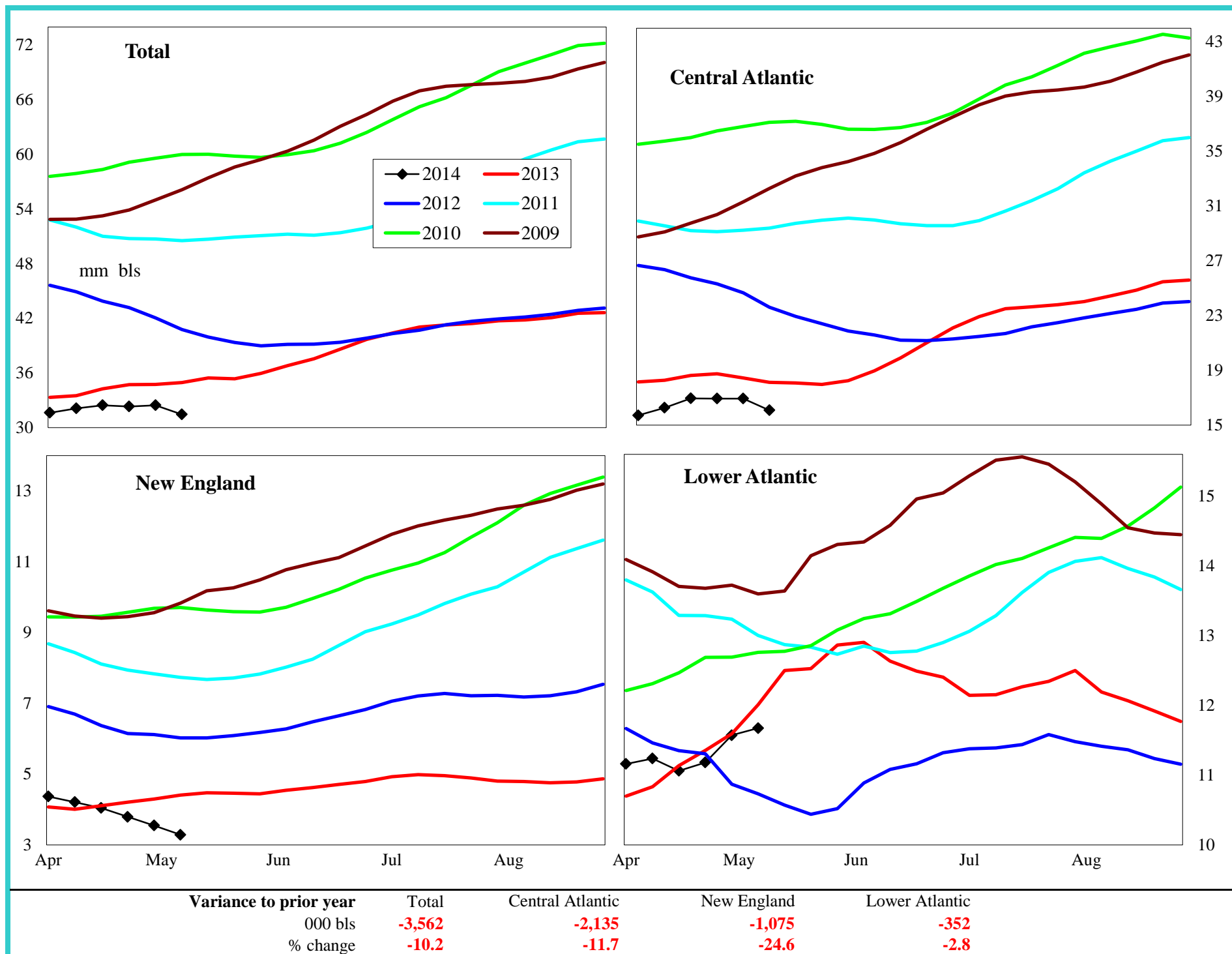
# PADD 1 Conventional Gasoline Supply



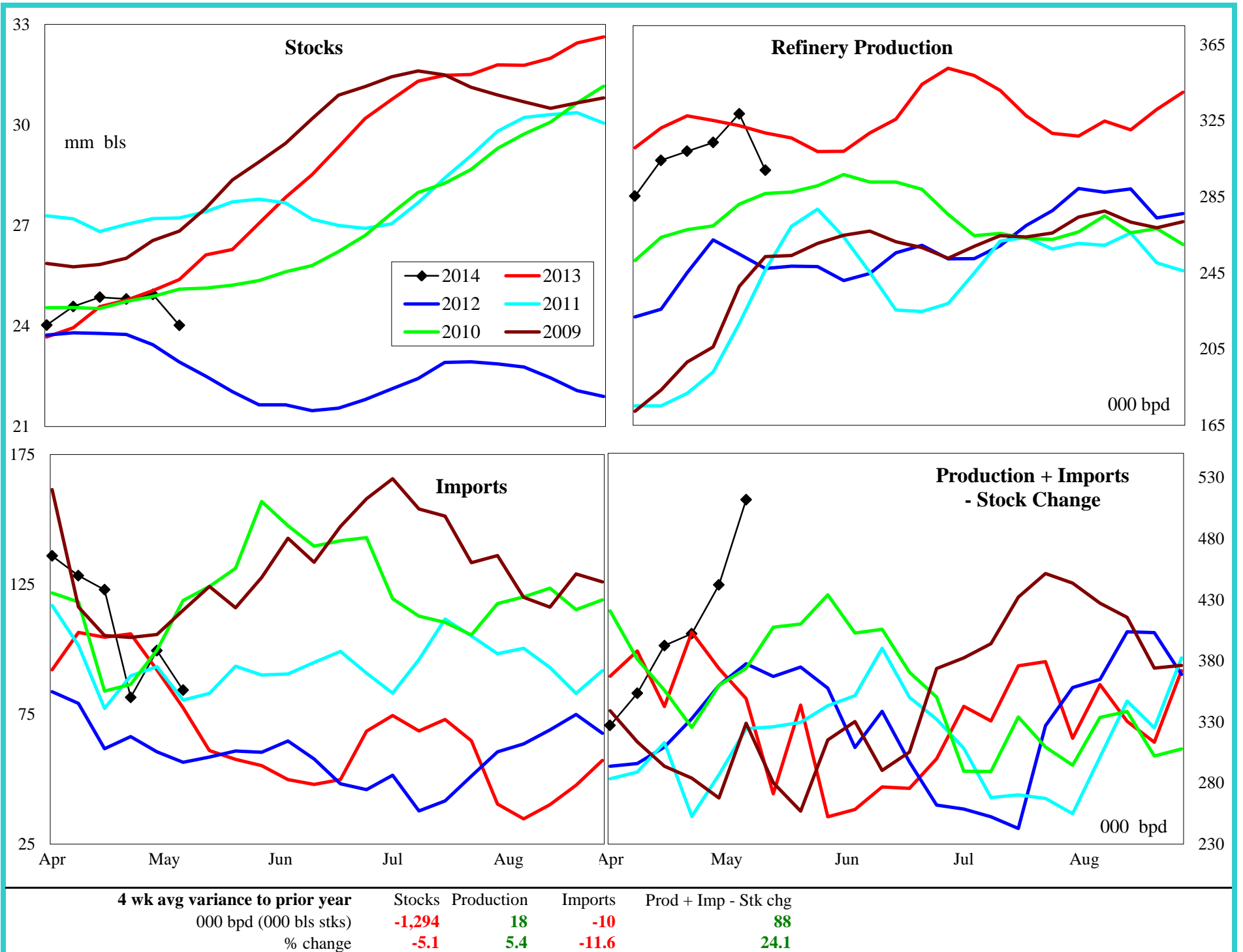
## PADD 1 Distillate Supply



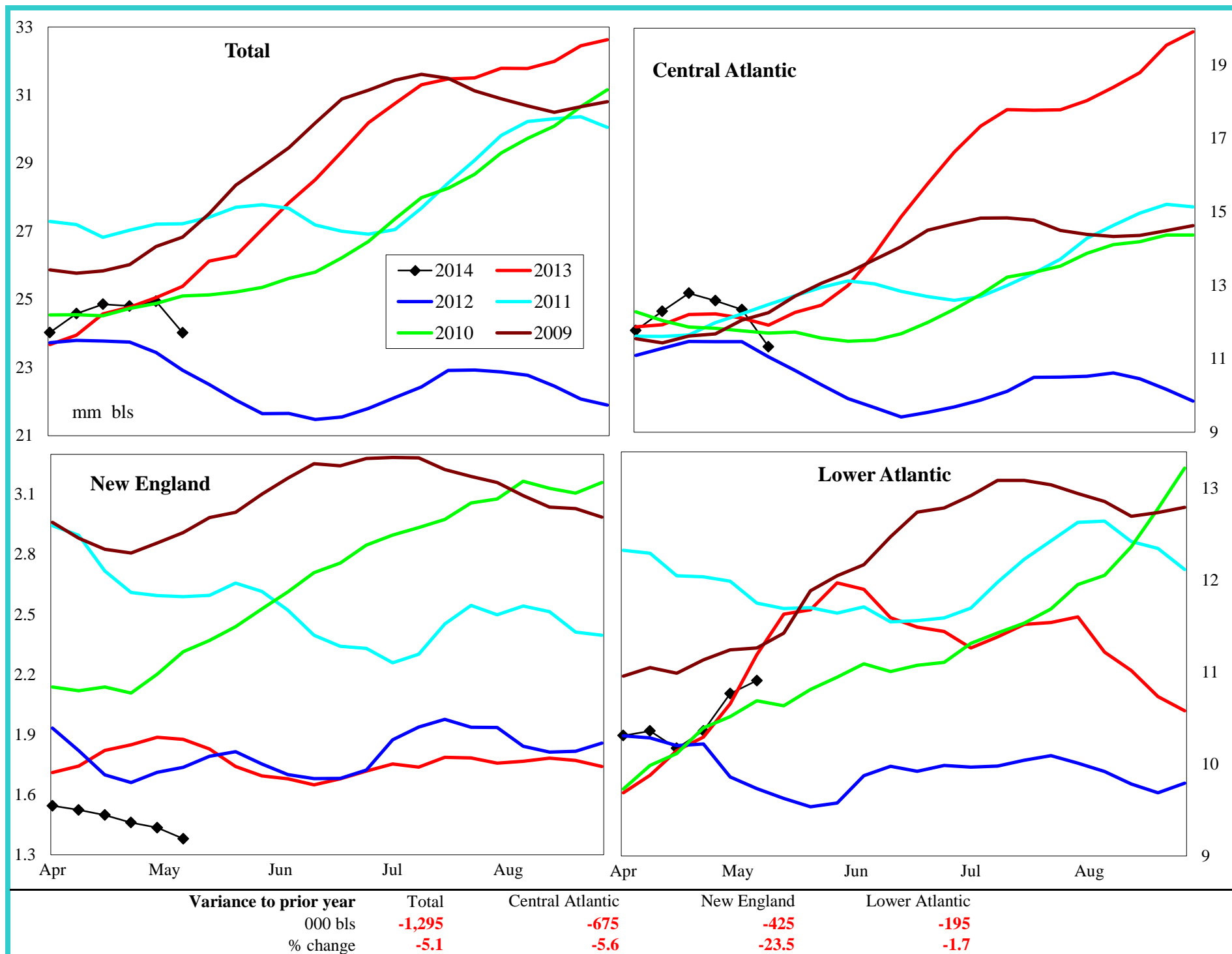
## PADD 1 Distillate Stocks by Region



# PADD 1 Low Sulfur Distillate Supply

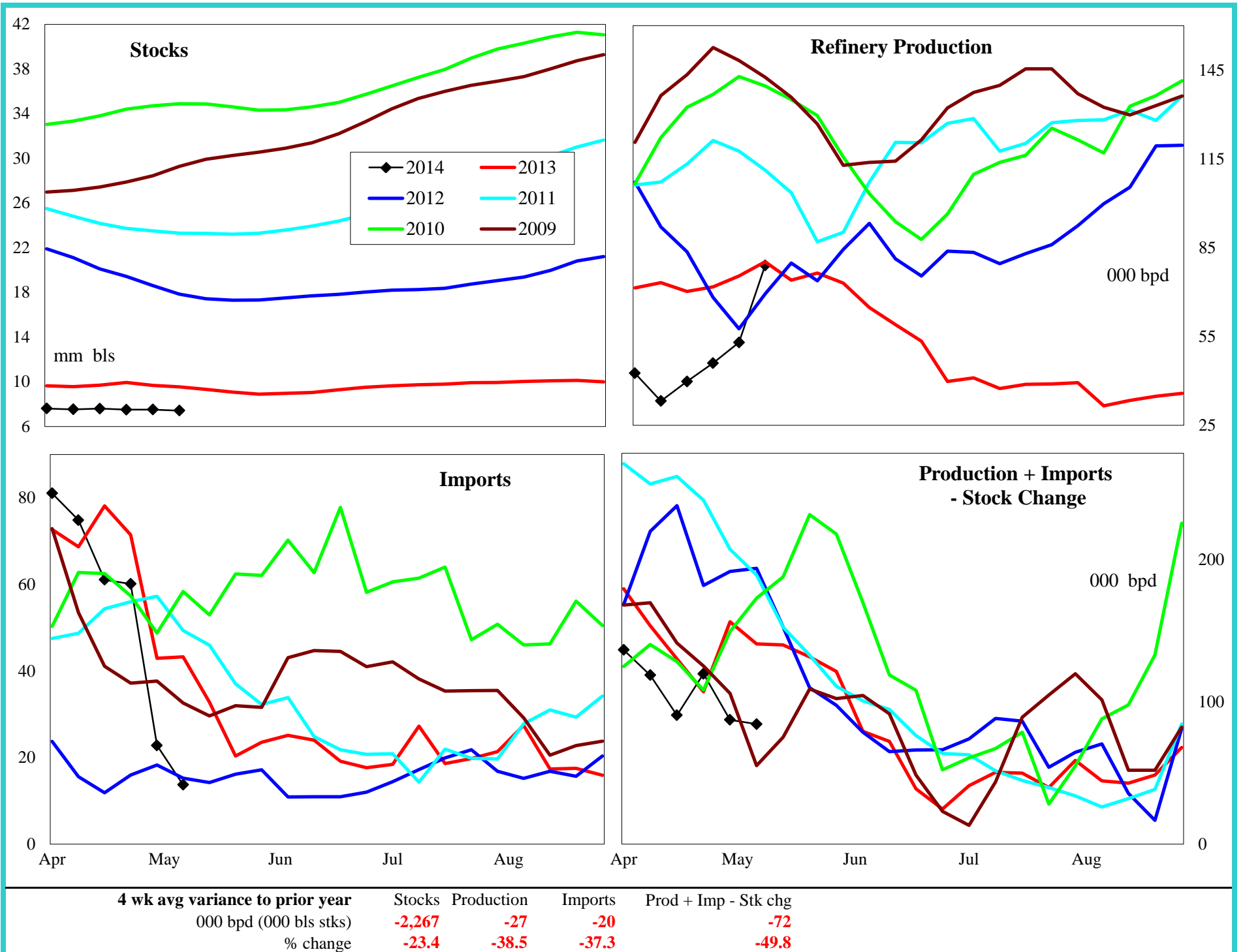


# PADD 1 Low Sulfur Distillate Stocks by Region

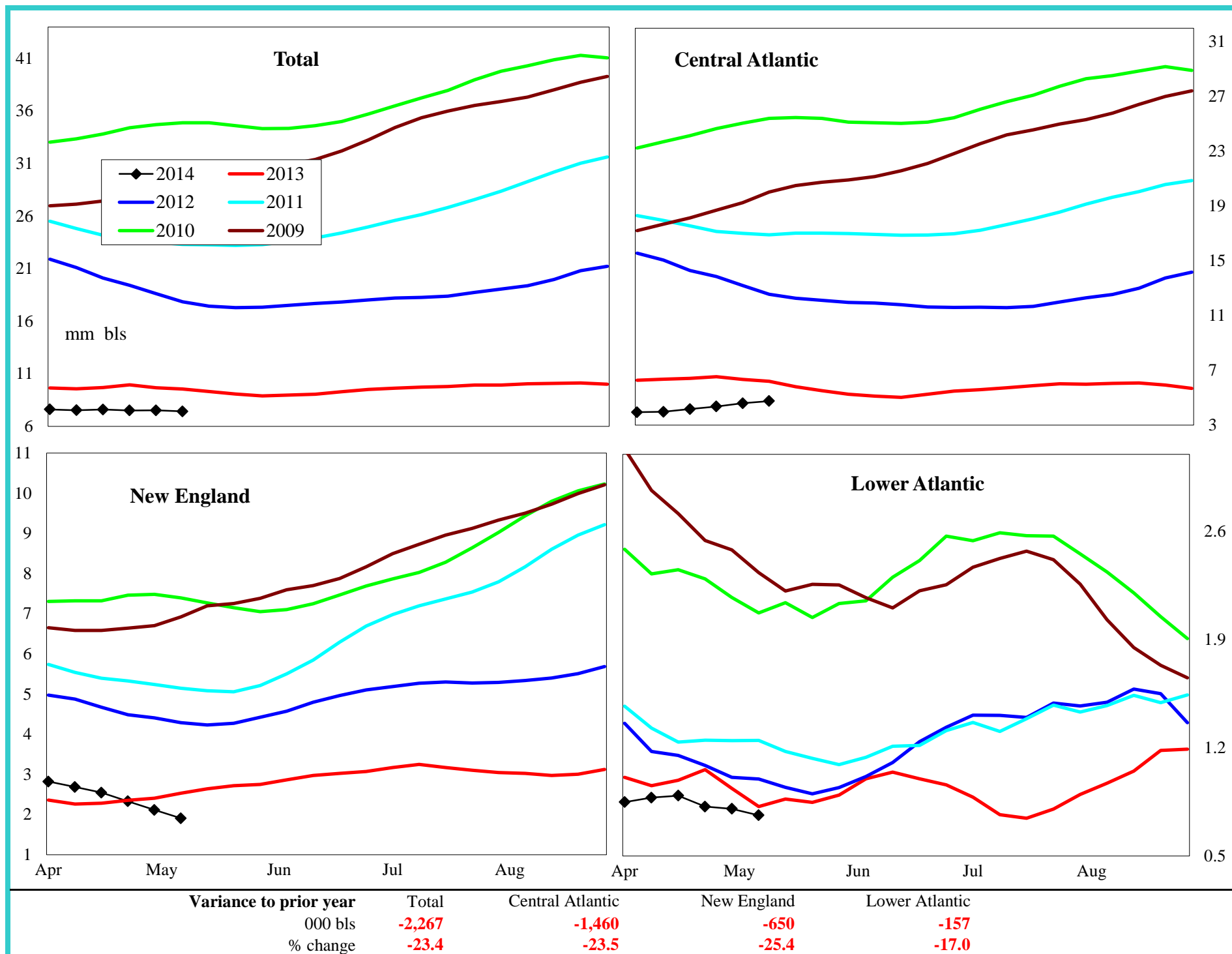




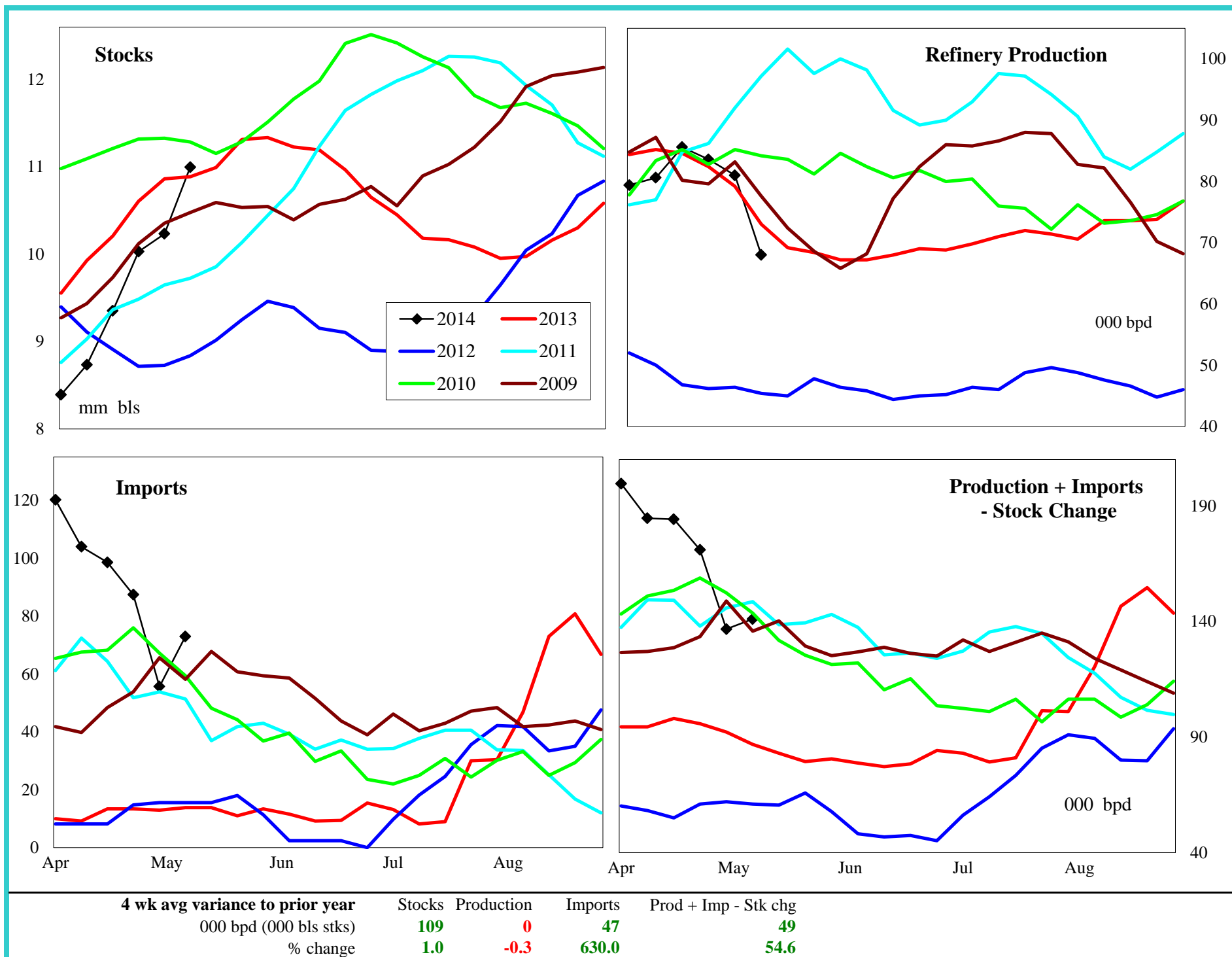
# PADD 1 High Sulfur Distillate Supply



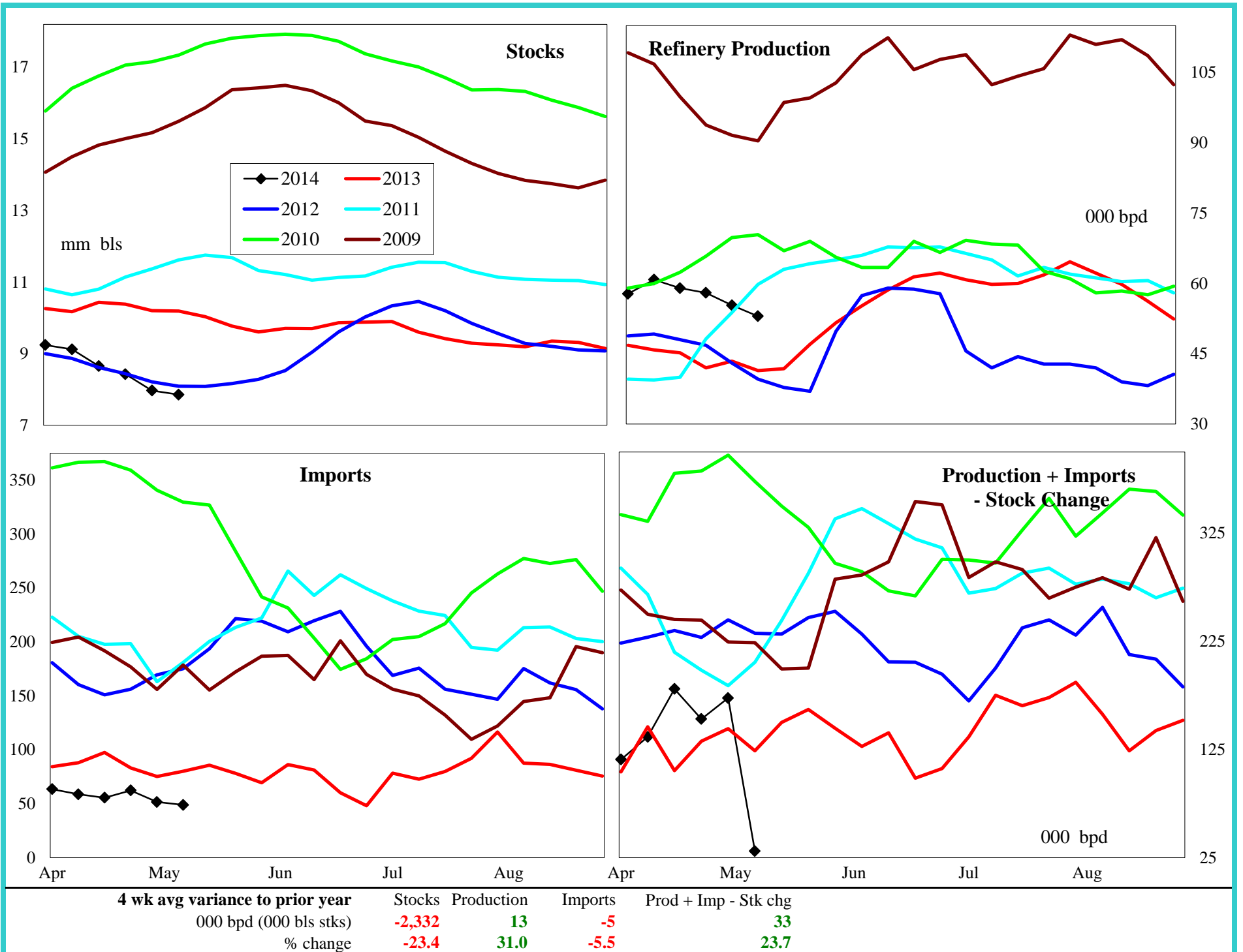
# PADD 1 High Sulfur Distillate Stocks by Region



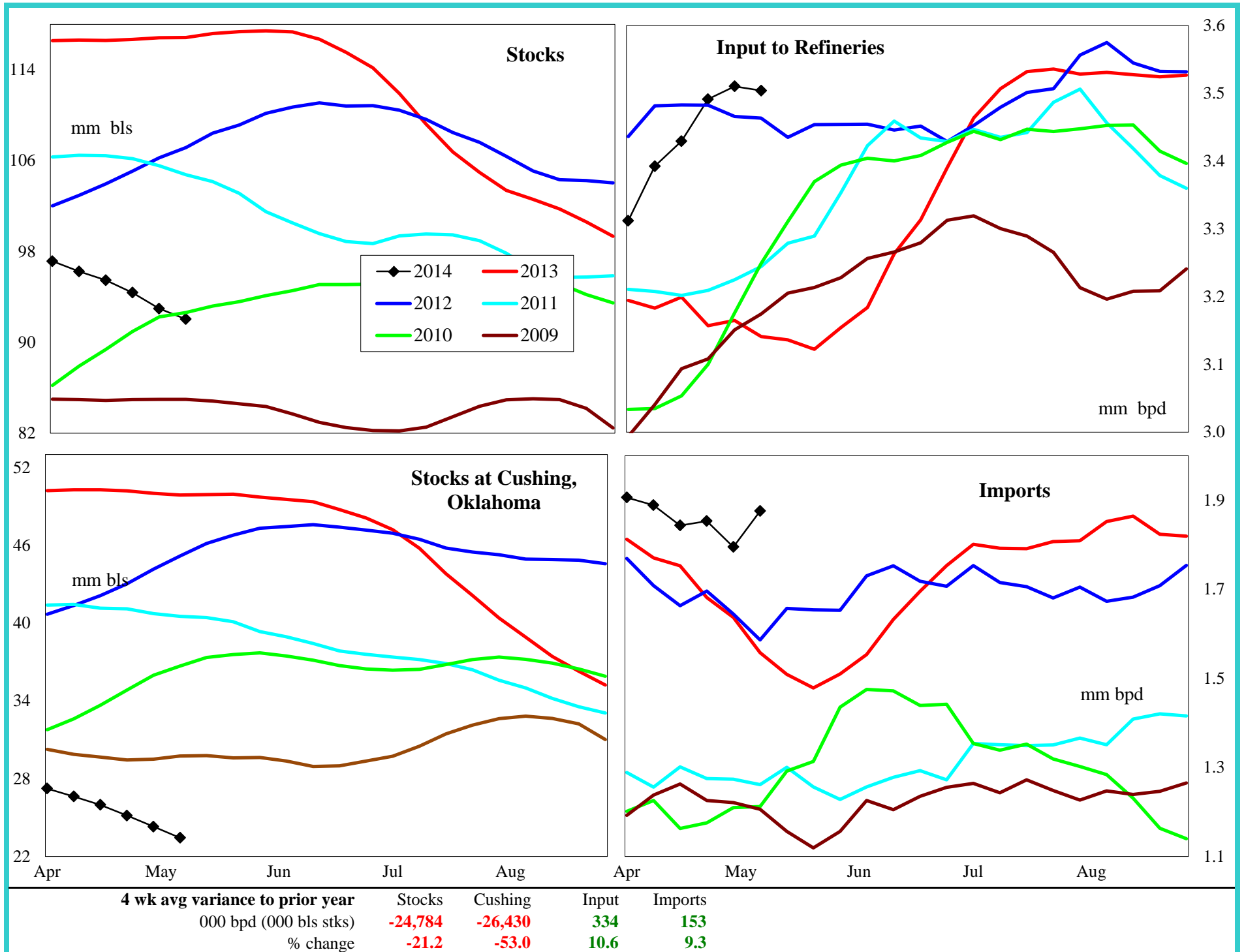
# PADD 1 Jet Fuel Supply



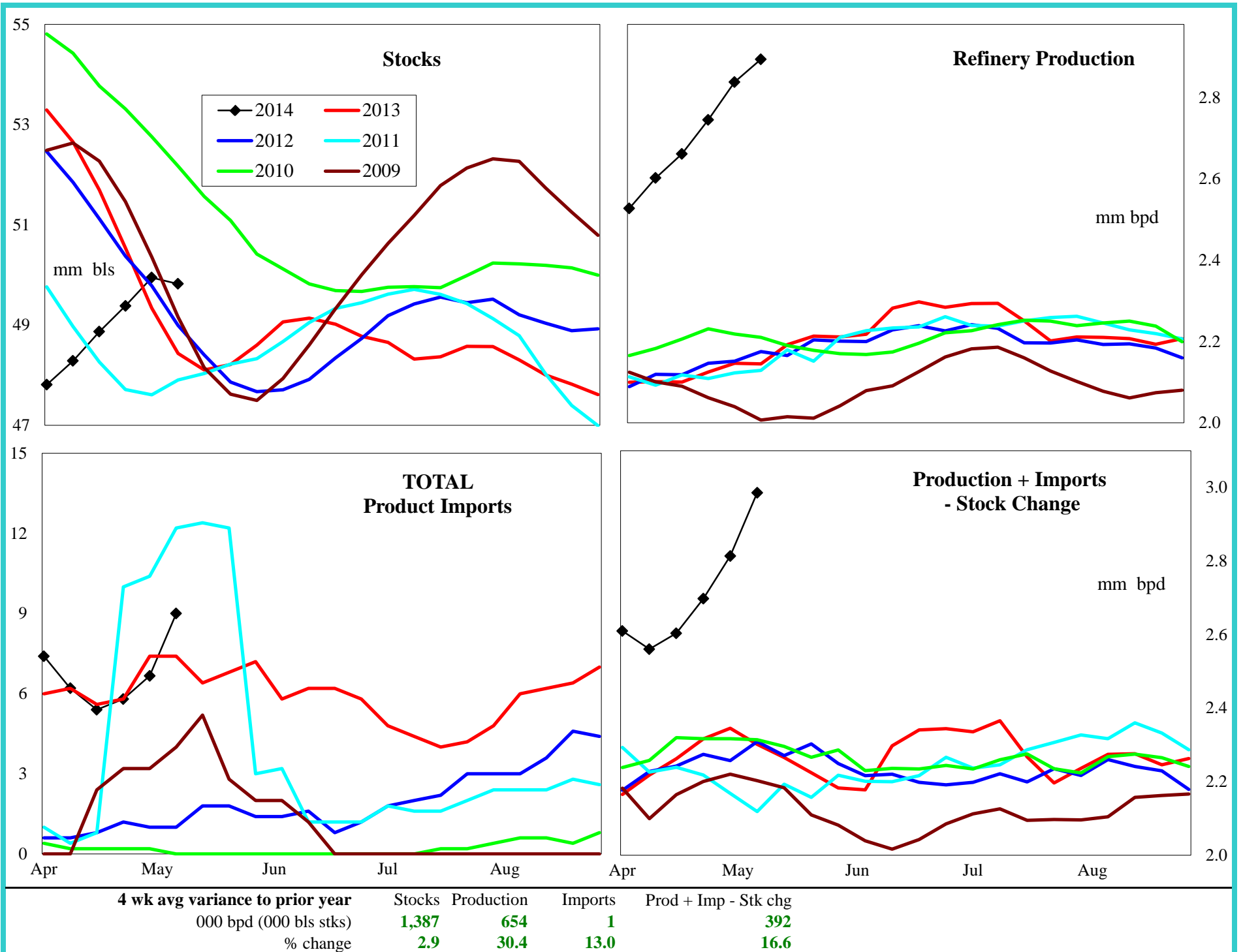
# PADD 1 Residual Fuel Oil Supply



# PADD 2 Crude Oil Supply and Refining

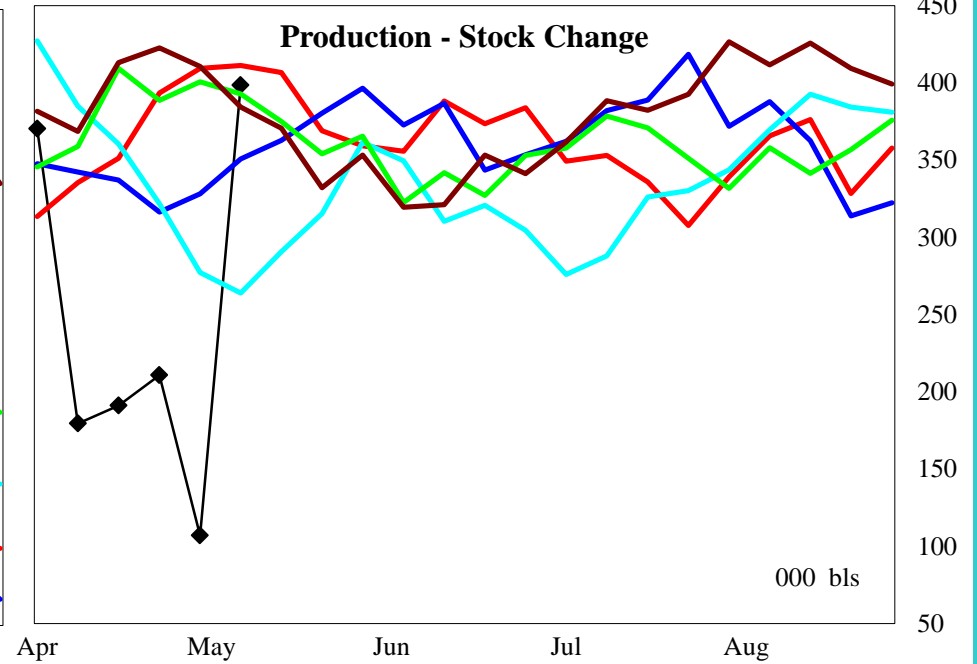
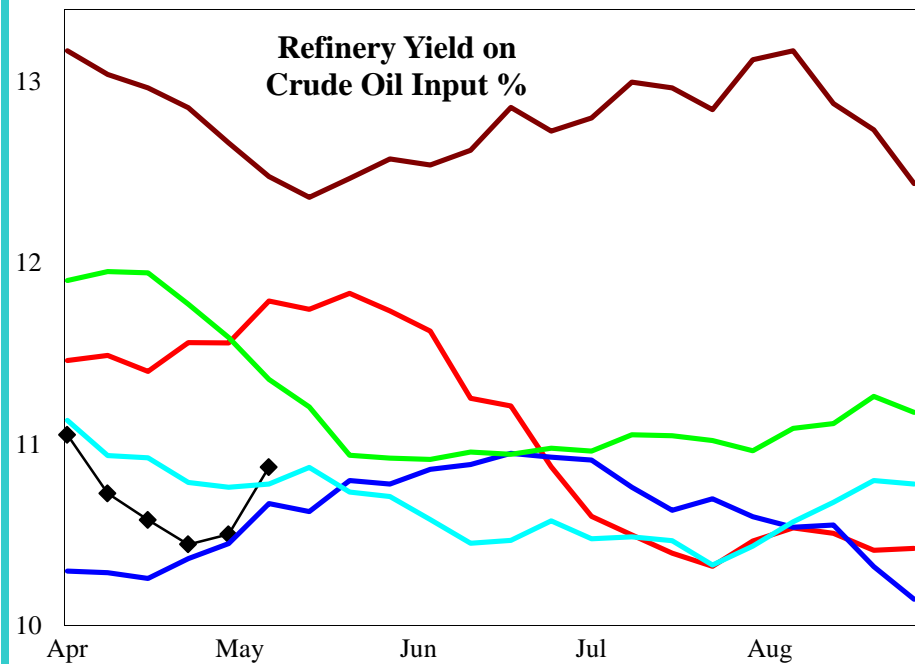
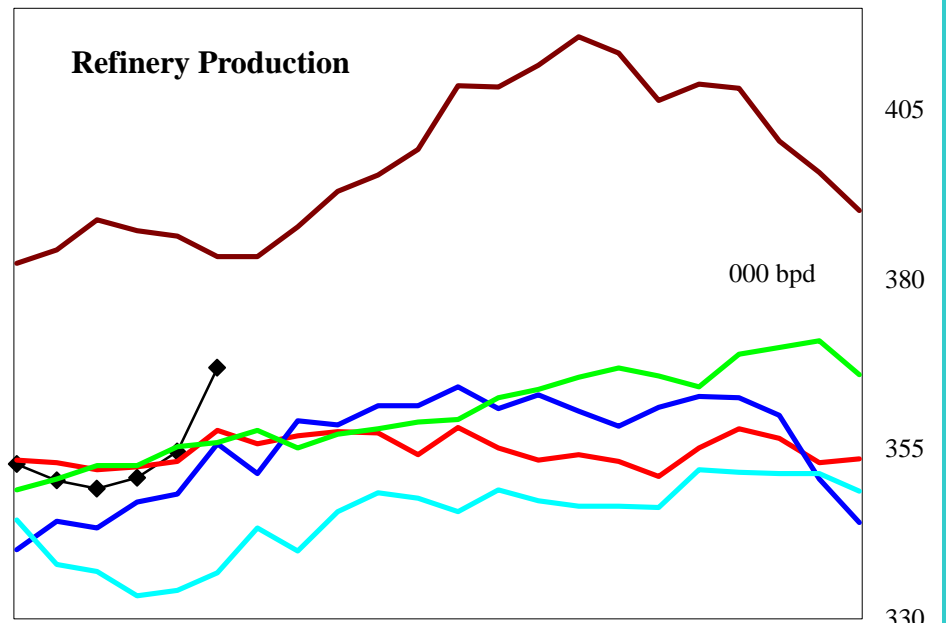
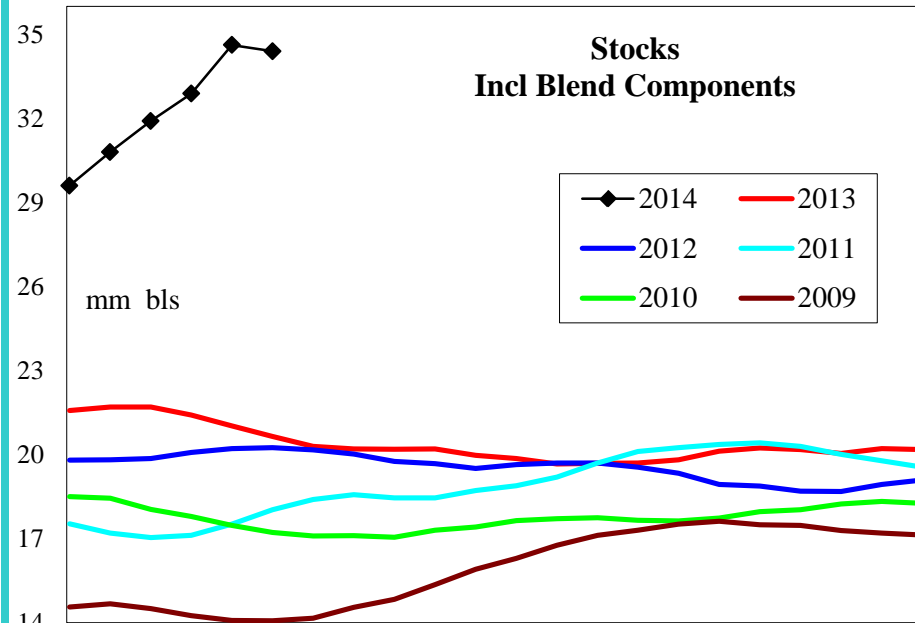


# PADD 2 Gasoline Supply





# PADD 2 Reformulated Gasoline Supply



**4 wk avg variance to prior year**

000 bpd (000 bls stks)

% change

Stocks

Production

13,747

2

66.6

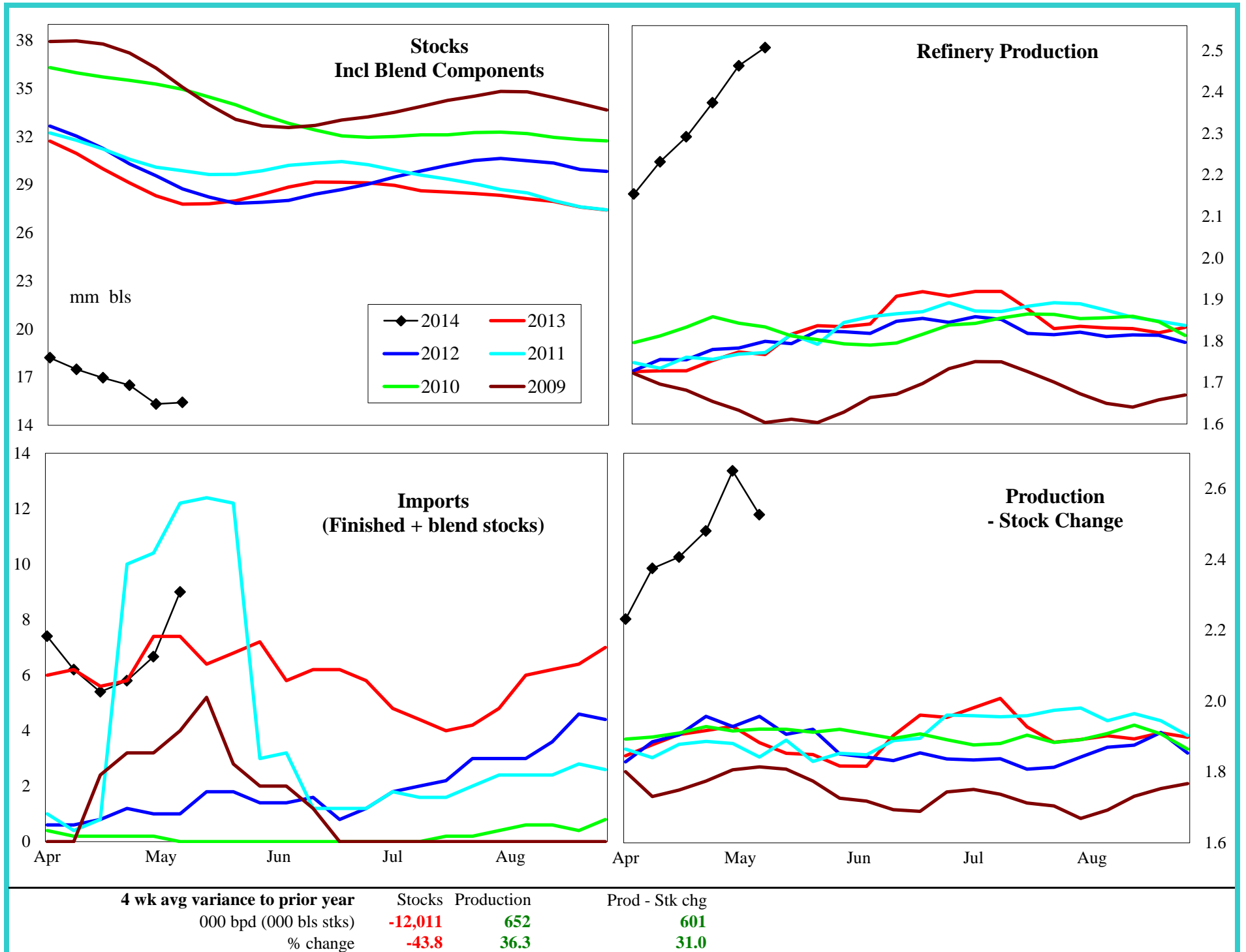
0.4

Prod - Stk chg

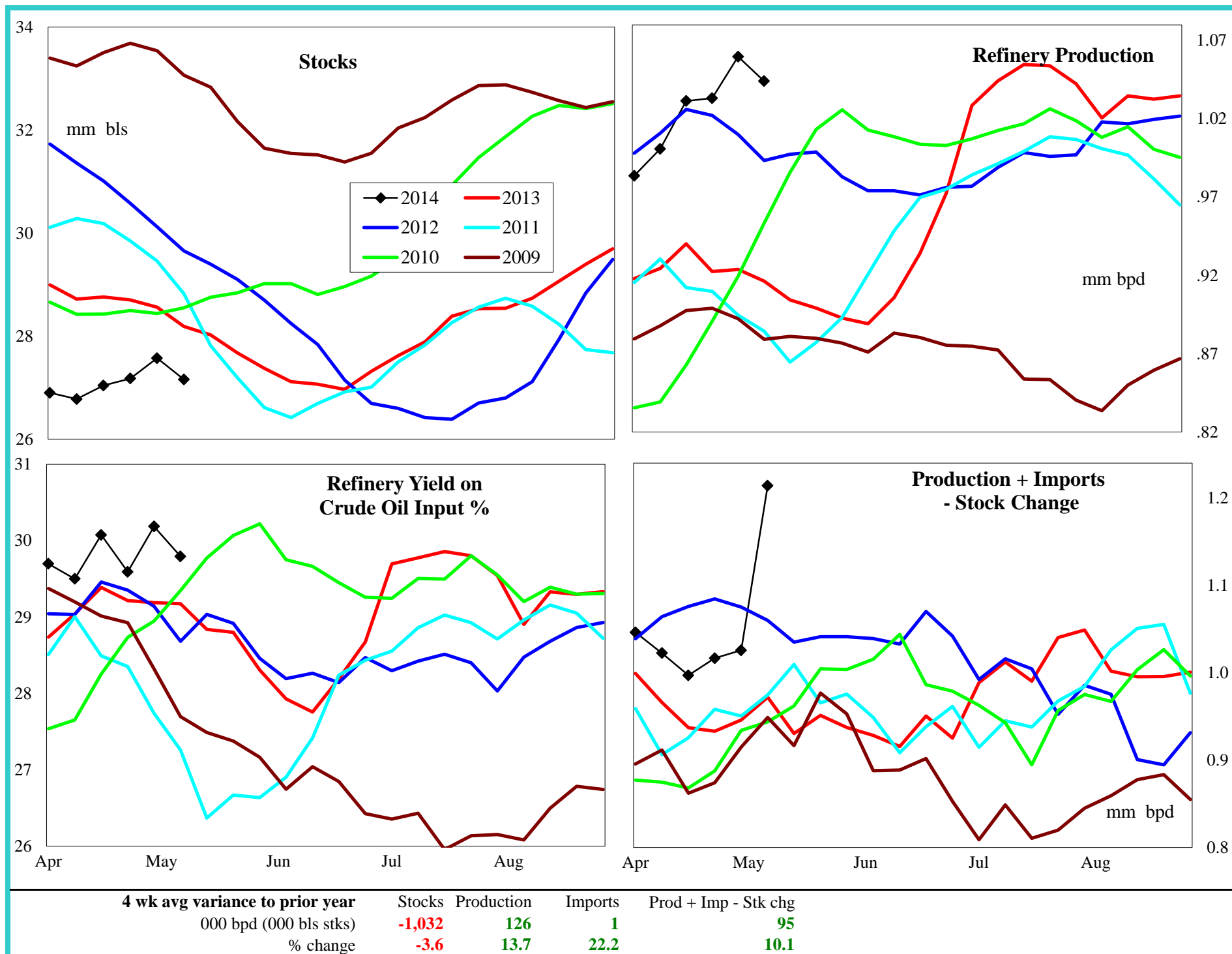
-164

-42.0

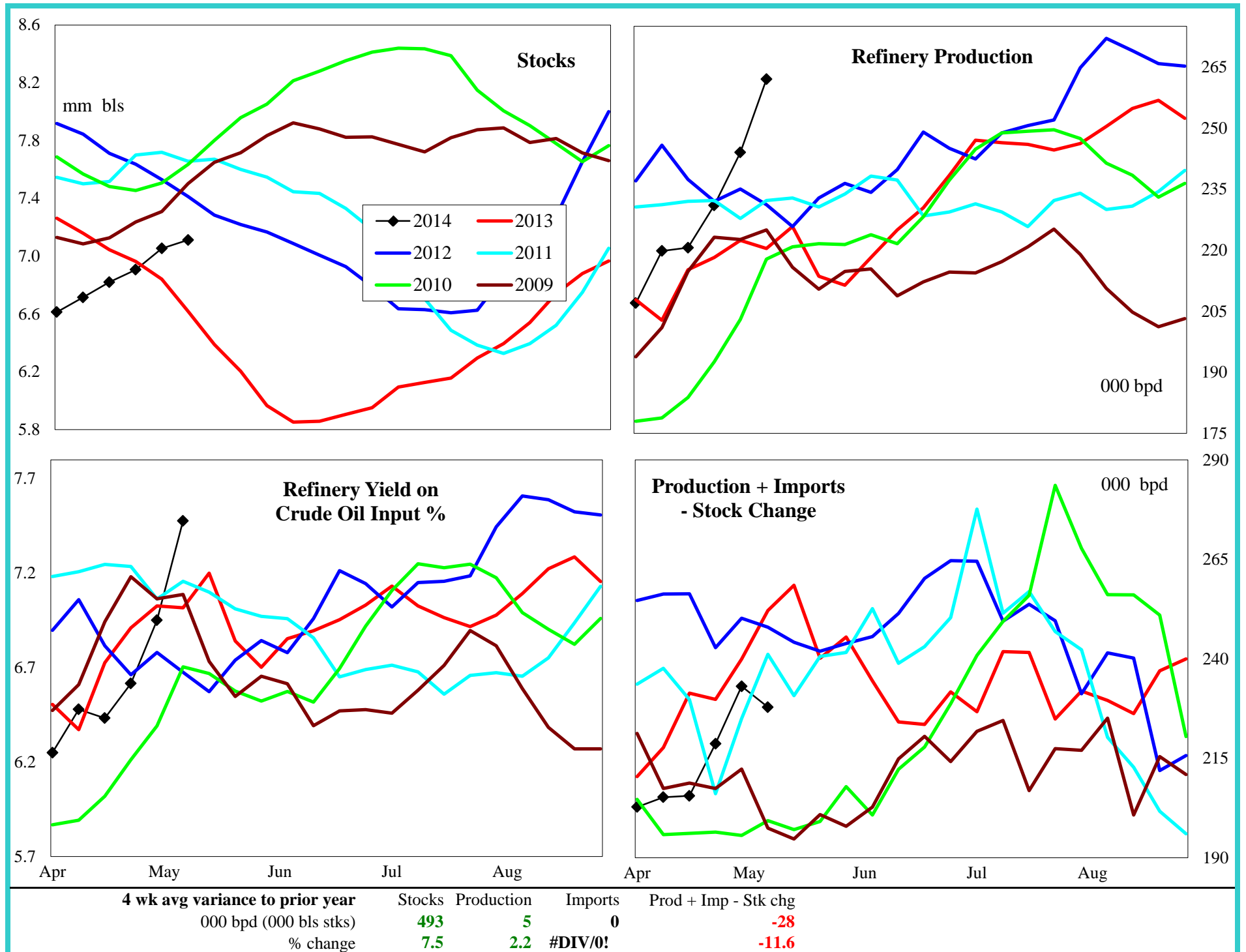
# PADD 2 Conventional Gasoline Supply



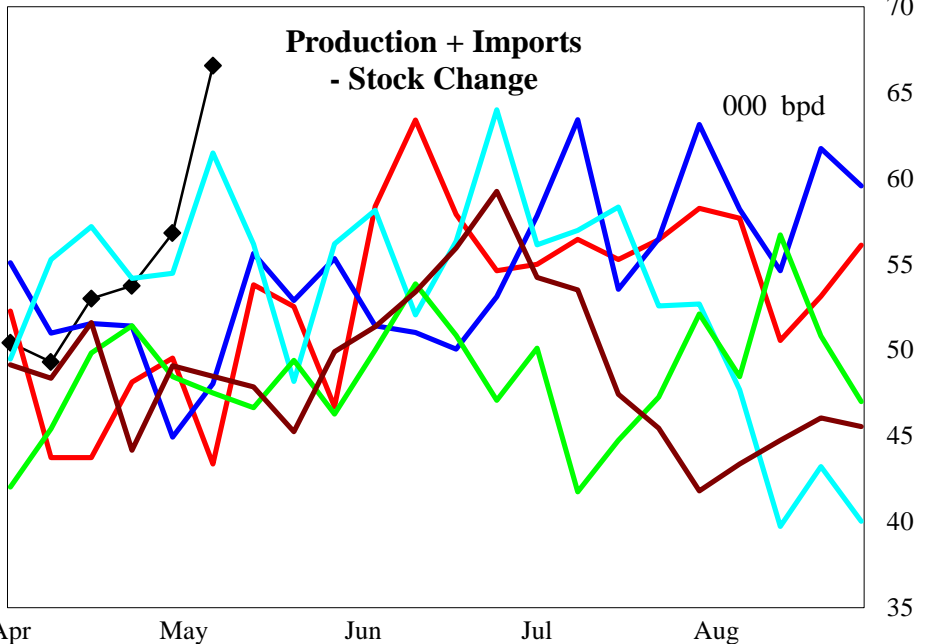
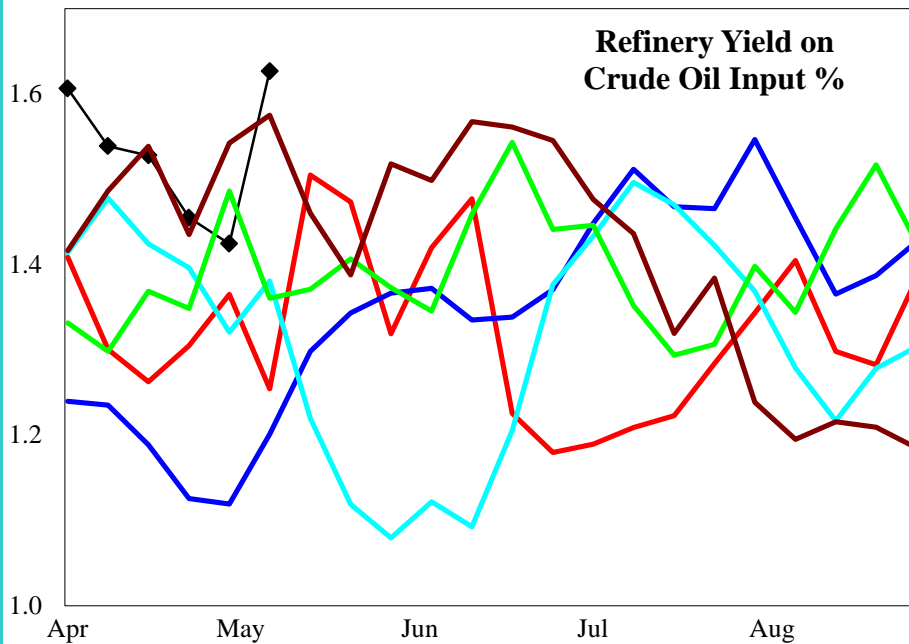
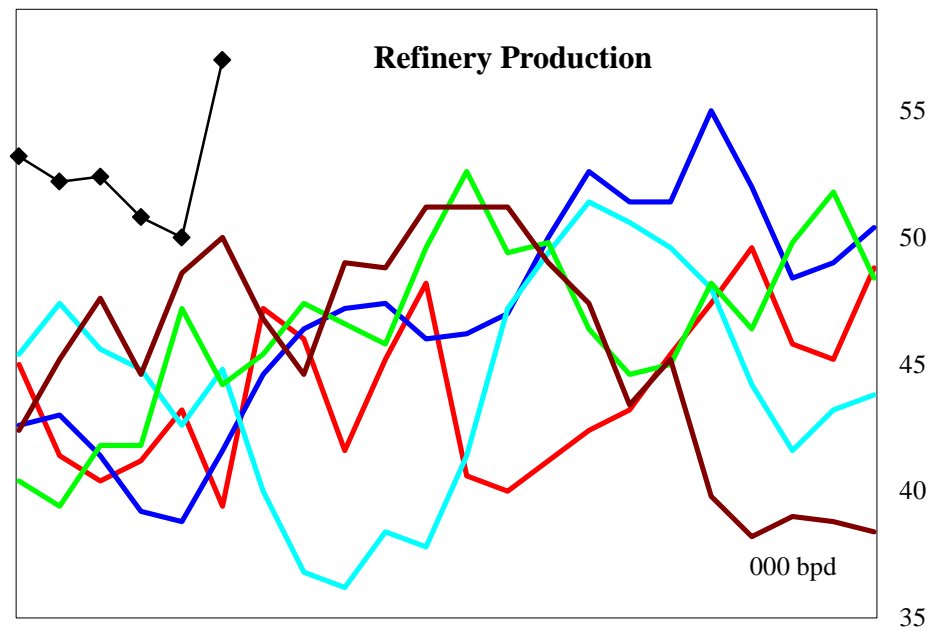
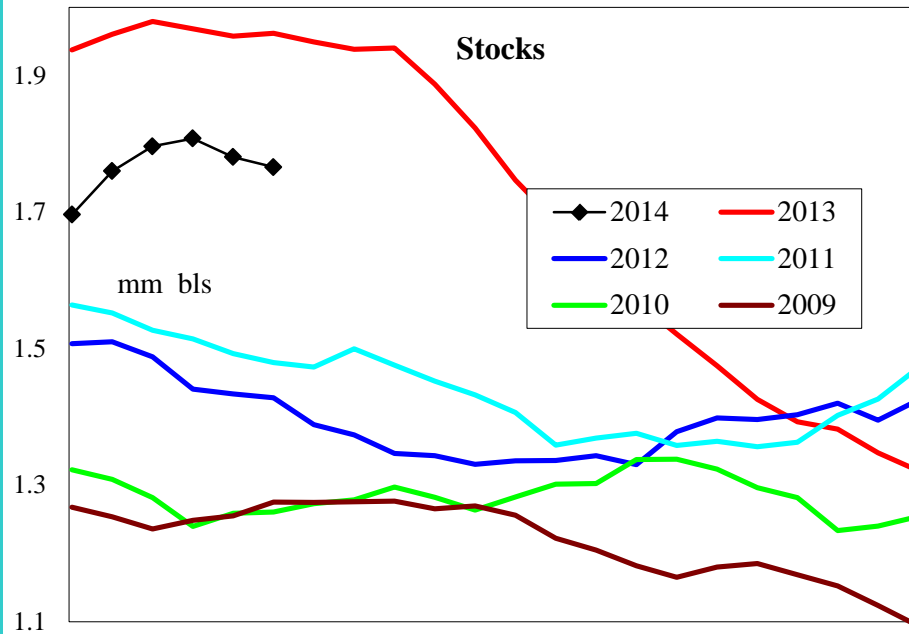
## PADD 2 Distillate Supply



# PADD 2 Jet Fuel Supply



# PADD 2 Residual Fuel Oil Supply



**4 wk avg variance to prior year**

000 bpd (000 bbls stks)

% change

Stocks

-196

-10.0

Production

5

11.4

Imports

-1

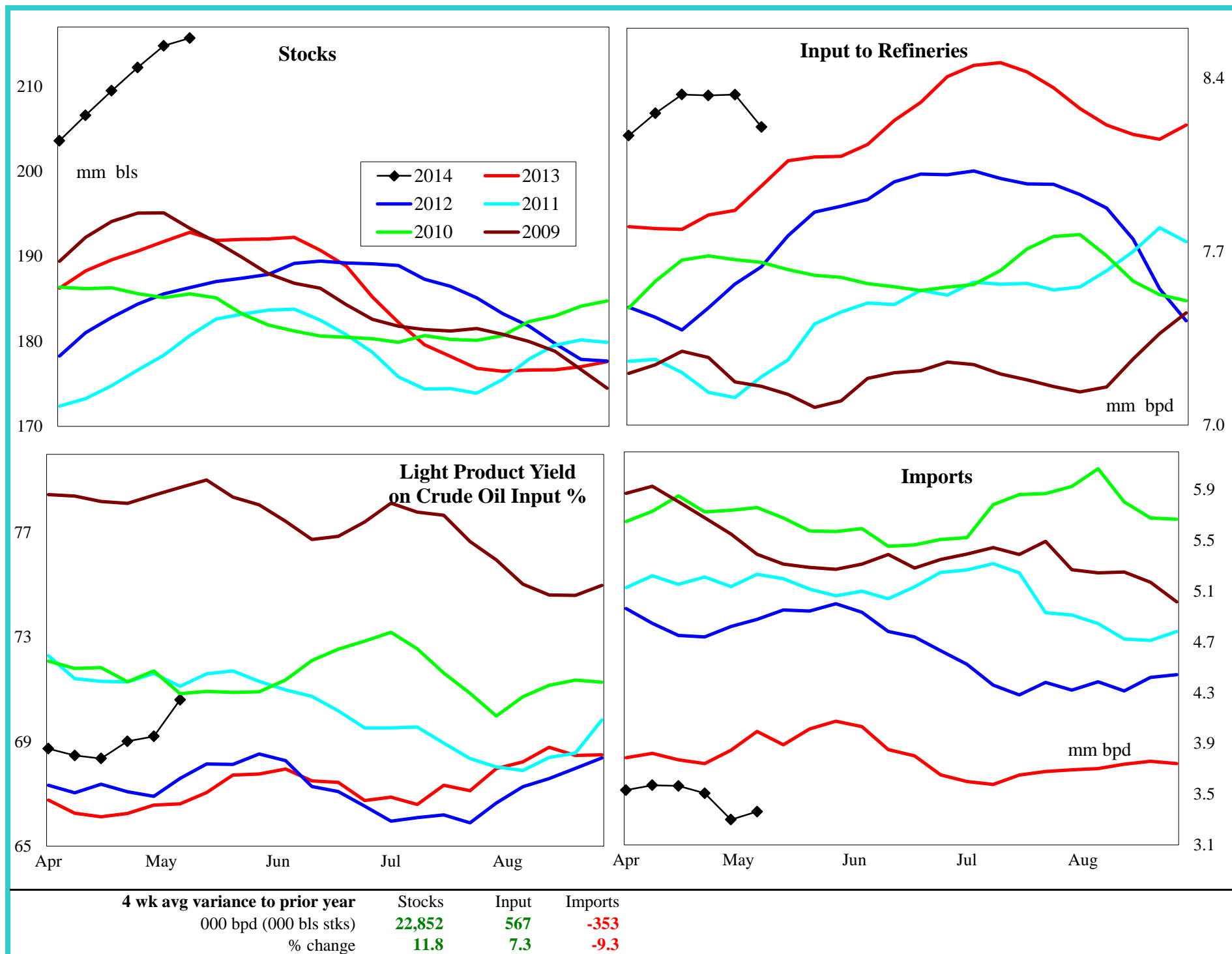
-26.3

Prod + Imp - Stk chg

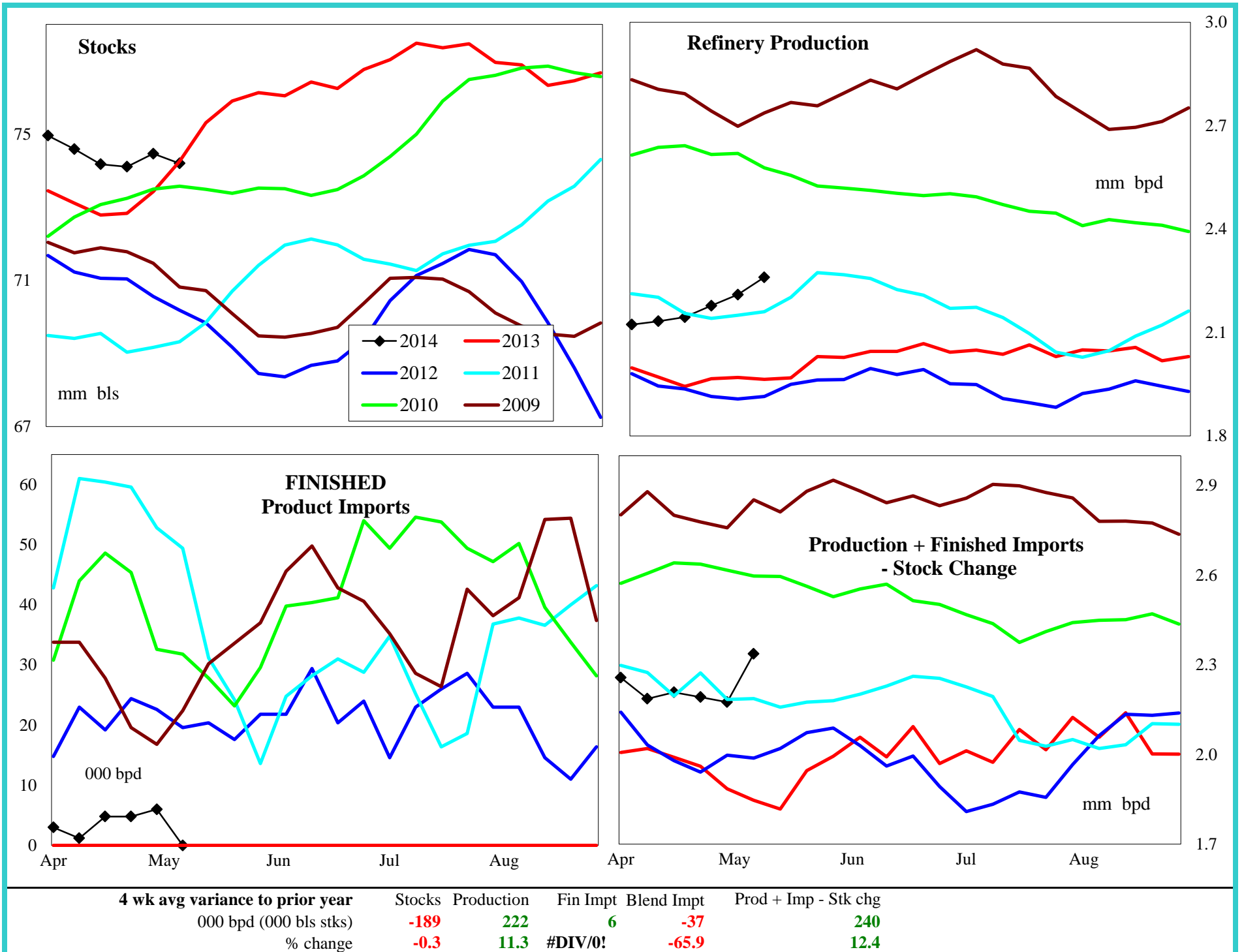
1

2.5

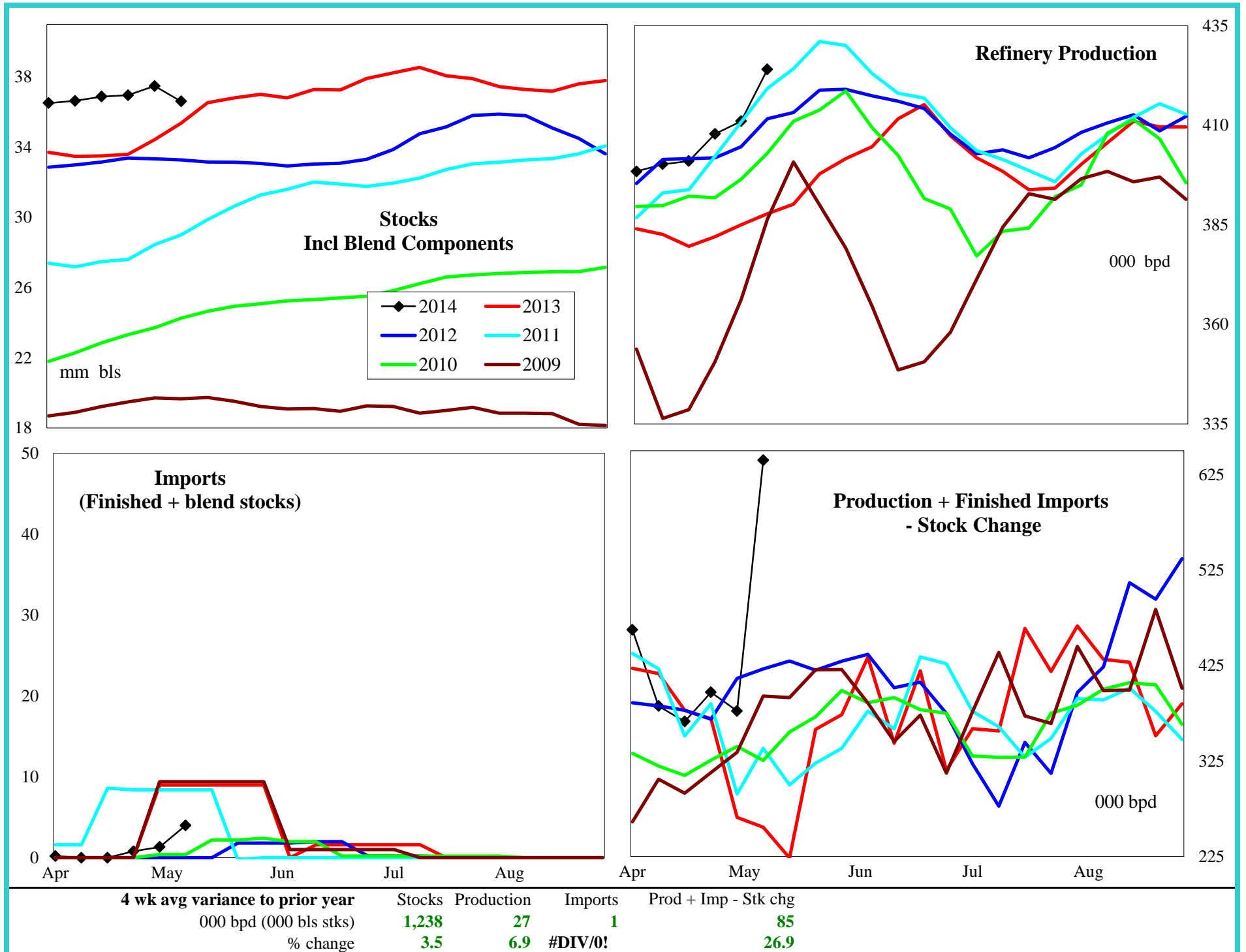
# PADD 3 Crude Oil Supply and Refining



## PADD 3 Gasoline Supply

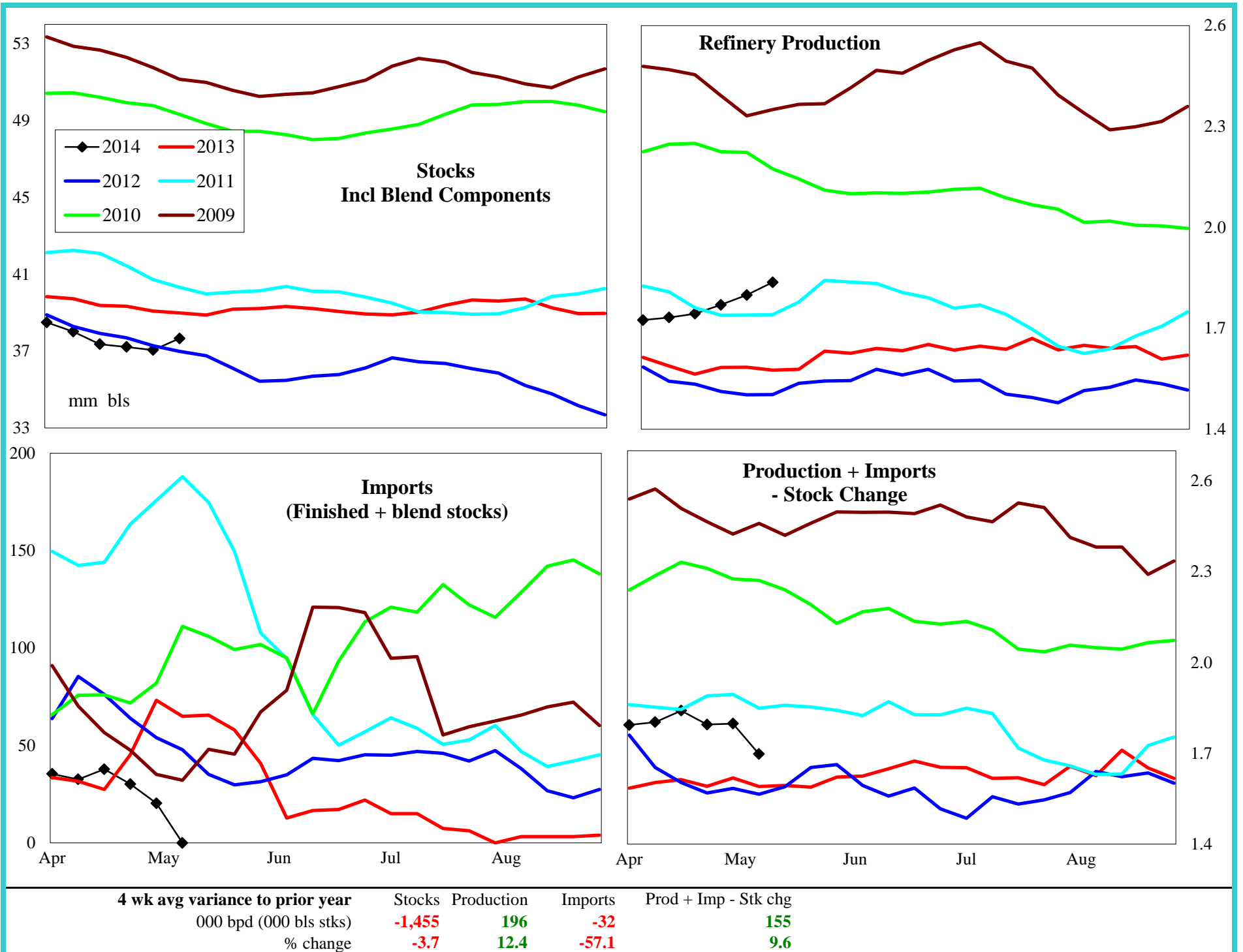


# PADD 3 Reformulated Gasoline Supply

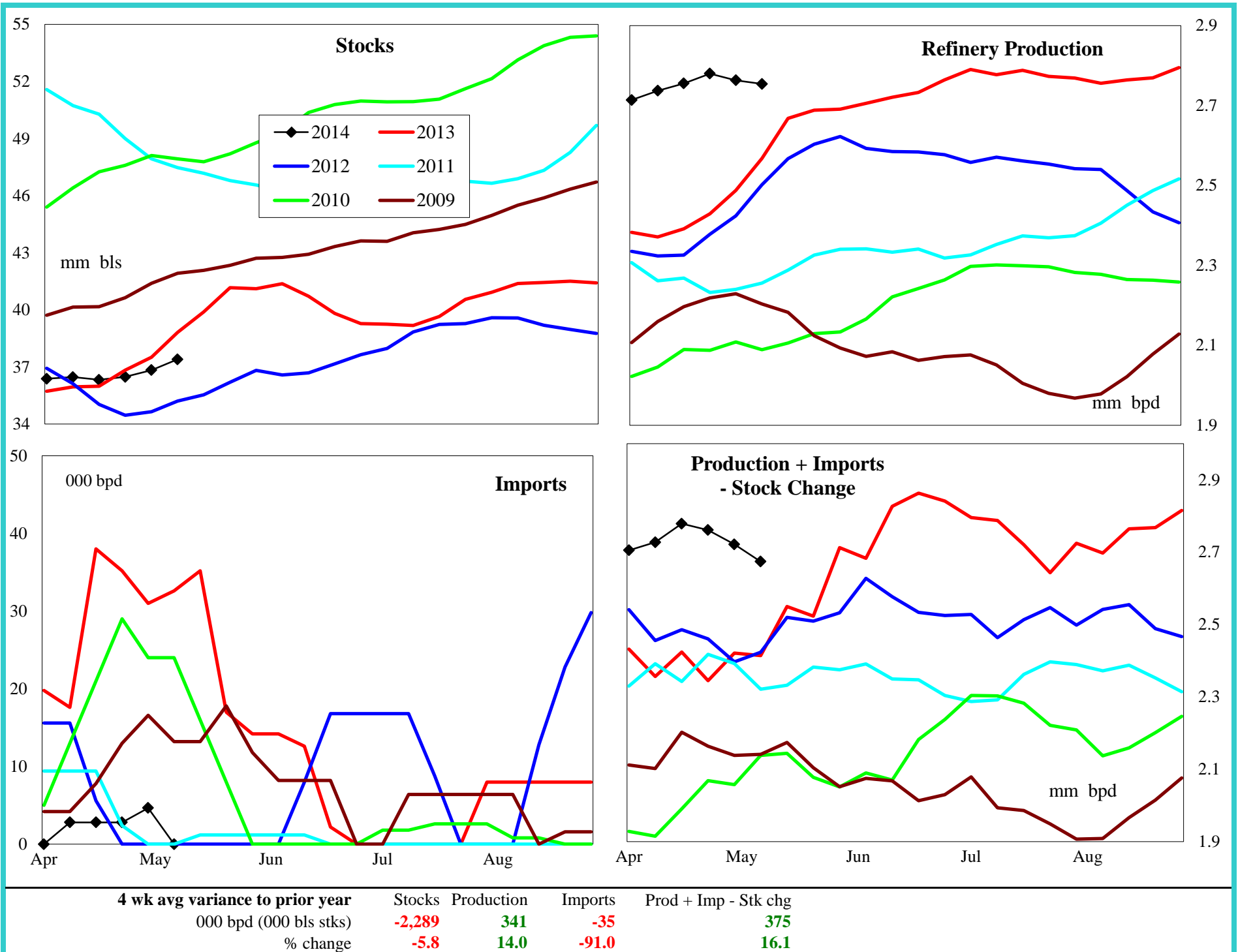




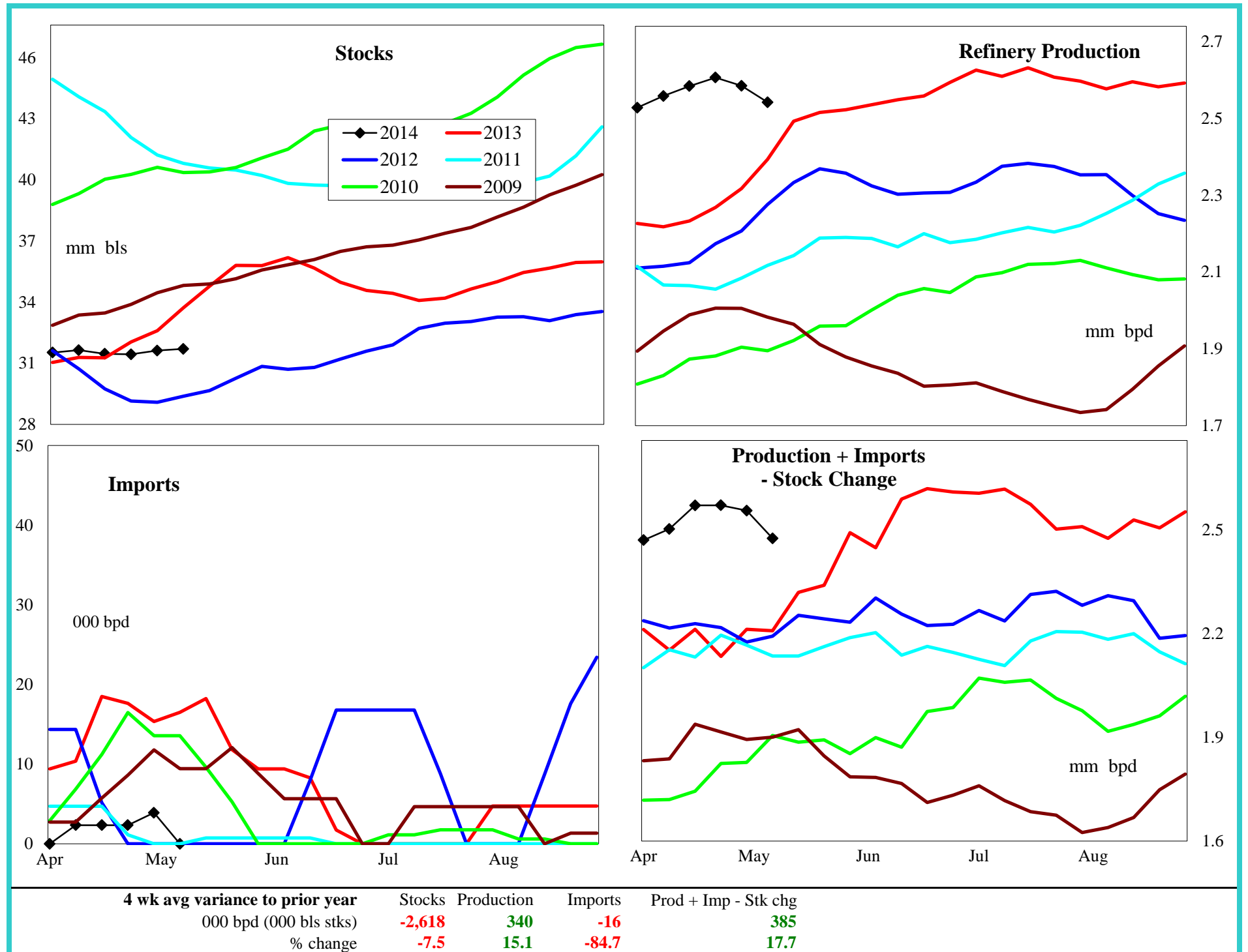
# PADD 3 Conventional Gasoline Supply



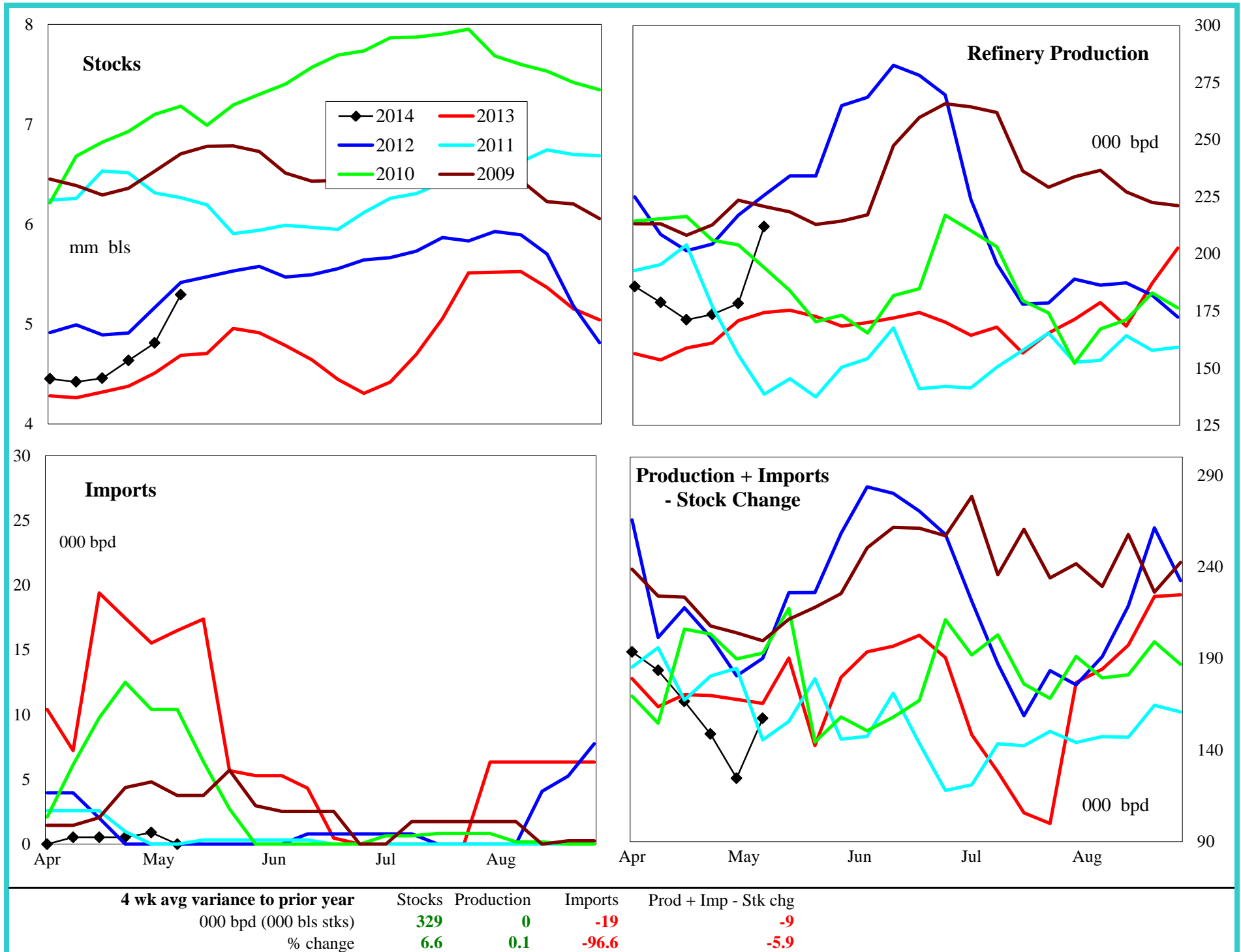
# PADD 3 Distillate Supply



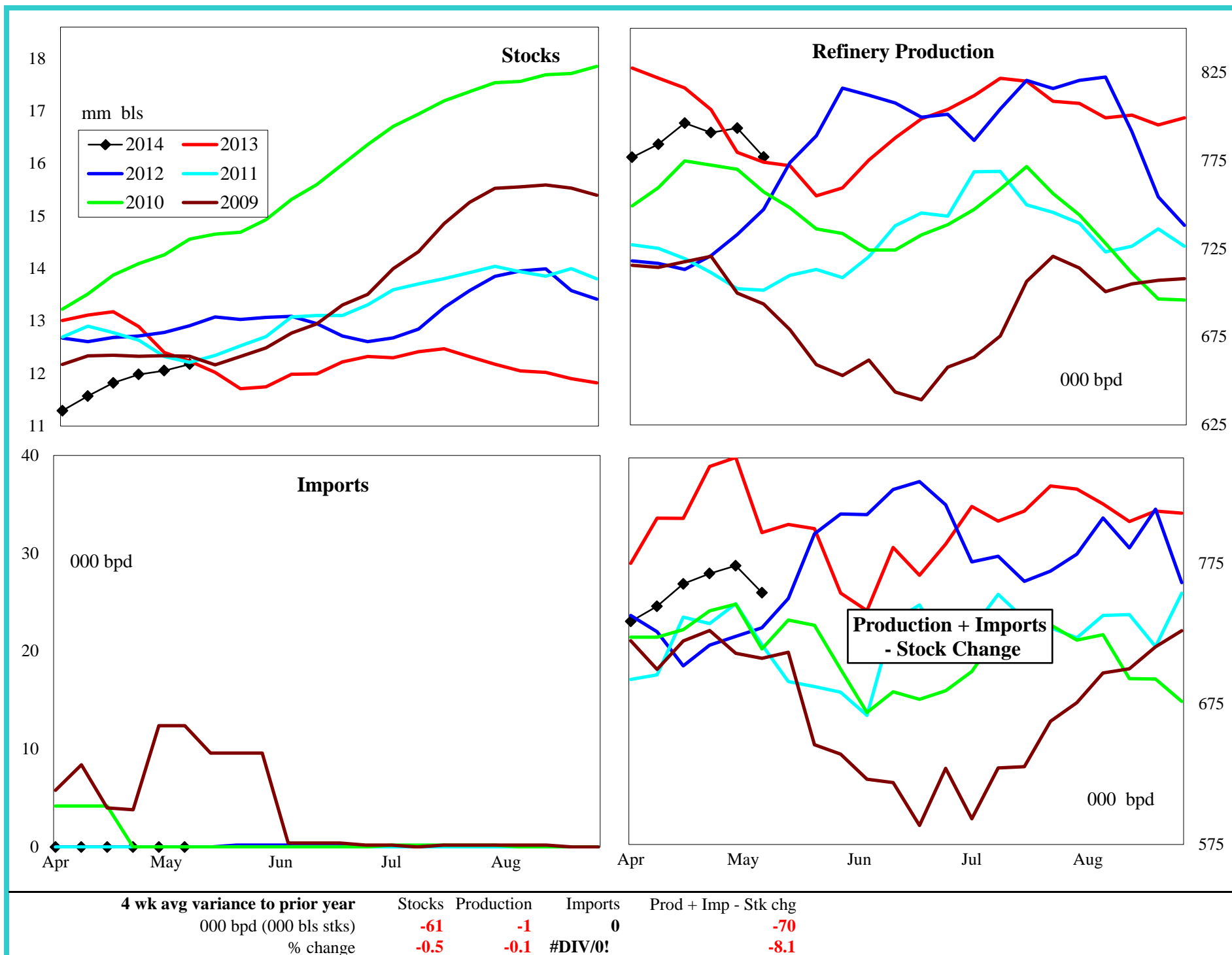
# PADD 3 Low Sulfur Distillate Supply



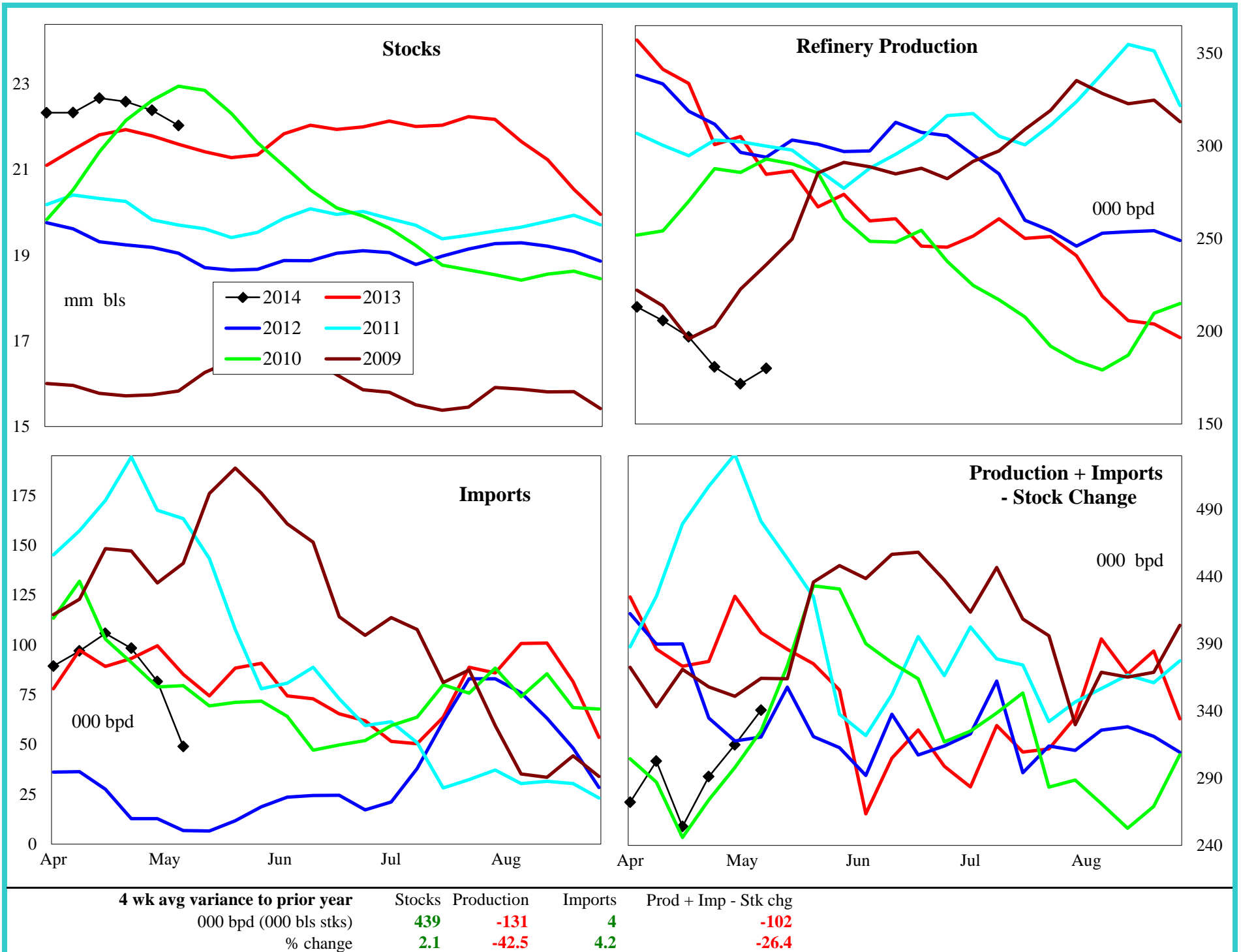
# PADD 3 High Sulfur Distillate Supply



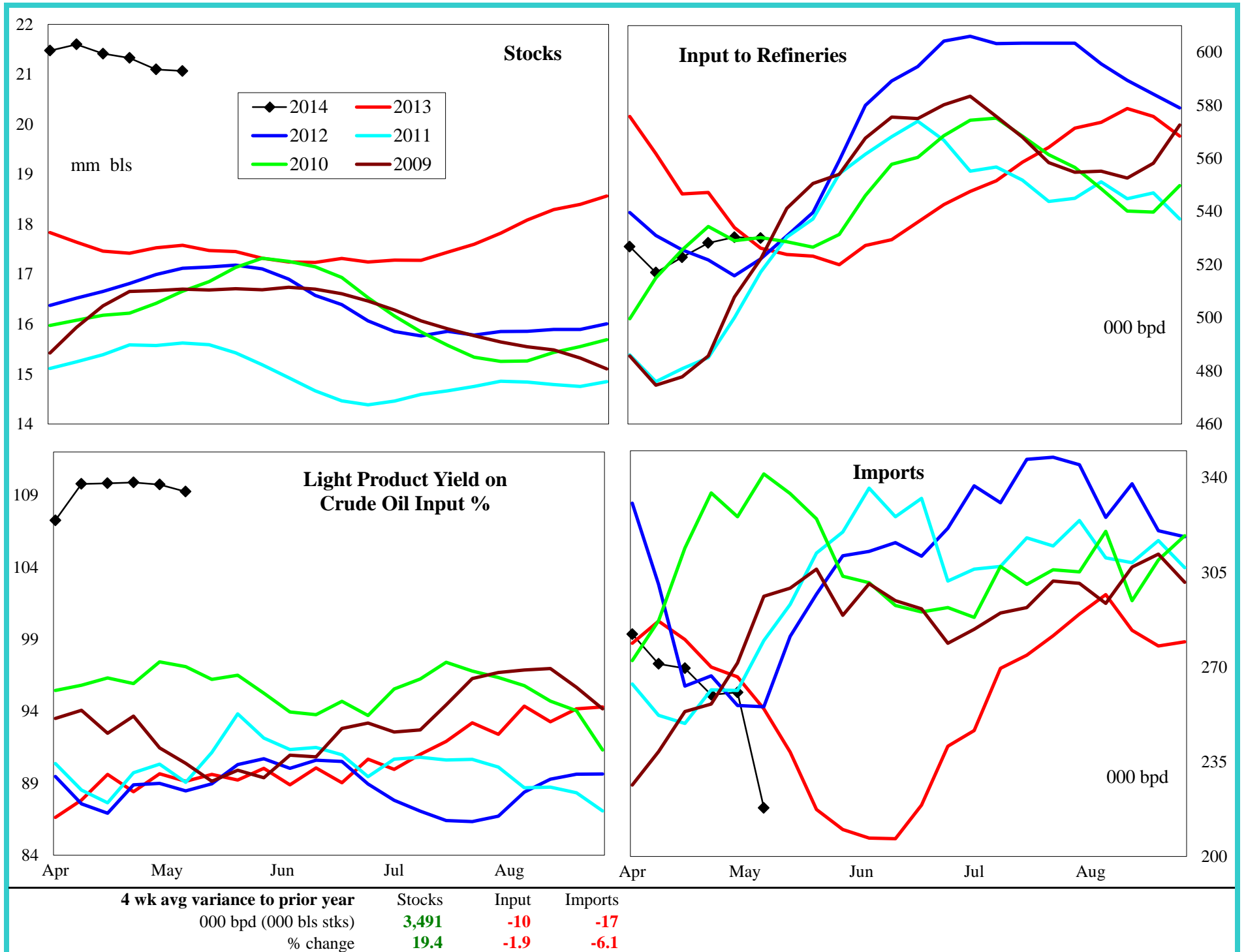
## PADD 3 Jet Fuel Supply



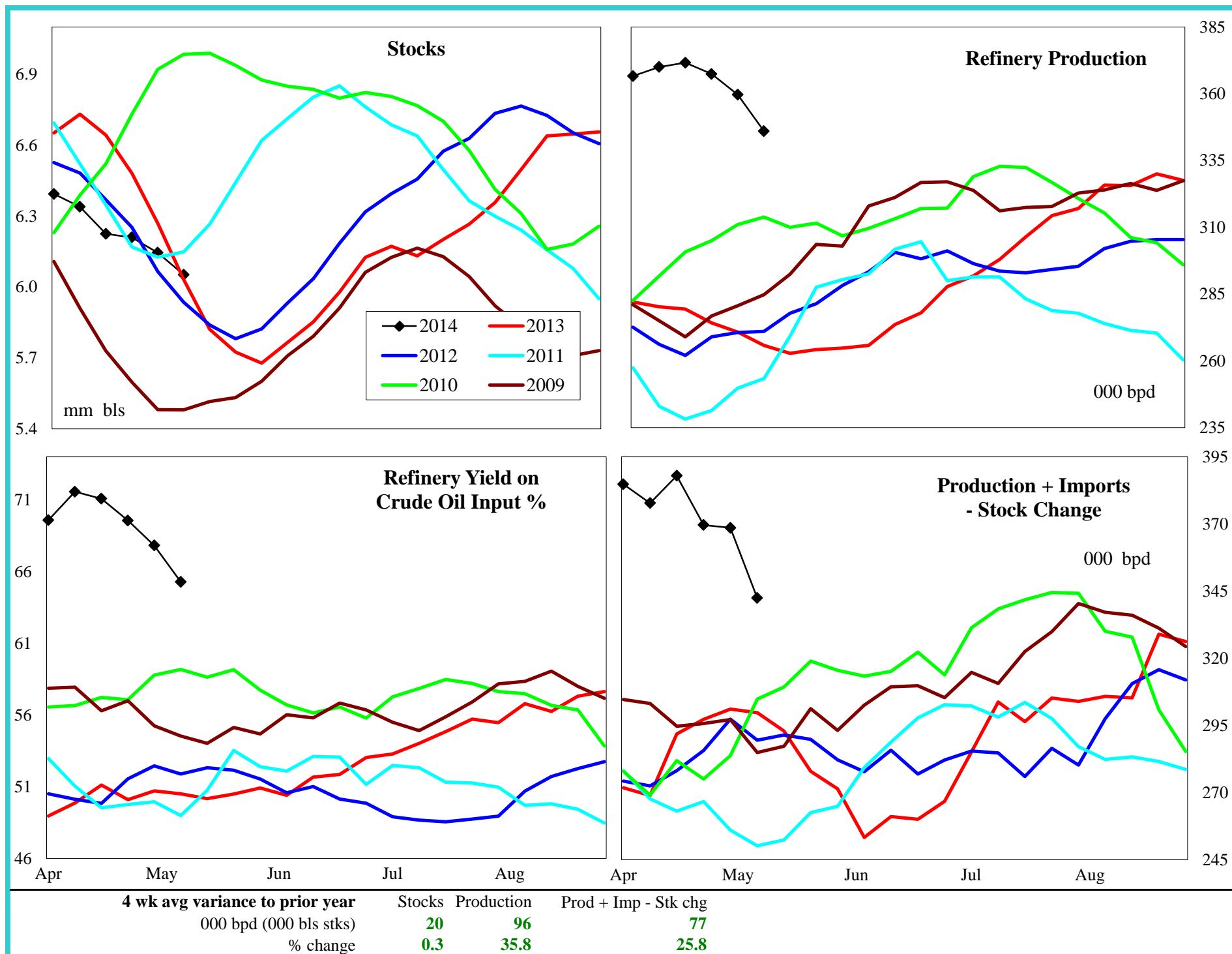
# PADD 3 Residual Fuel Oil Supply



# PADD 4 Crude Oil Supply and Refining

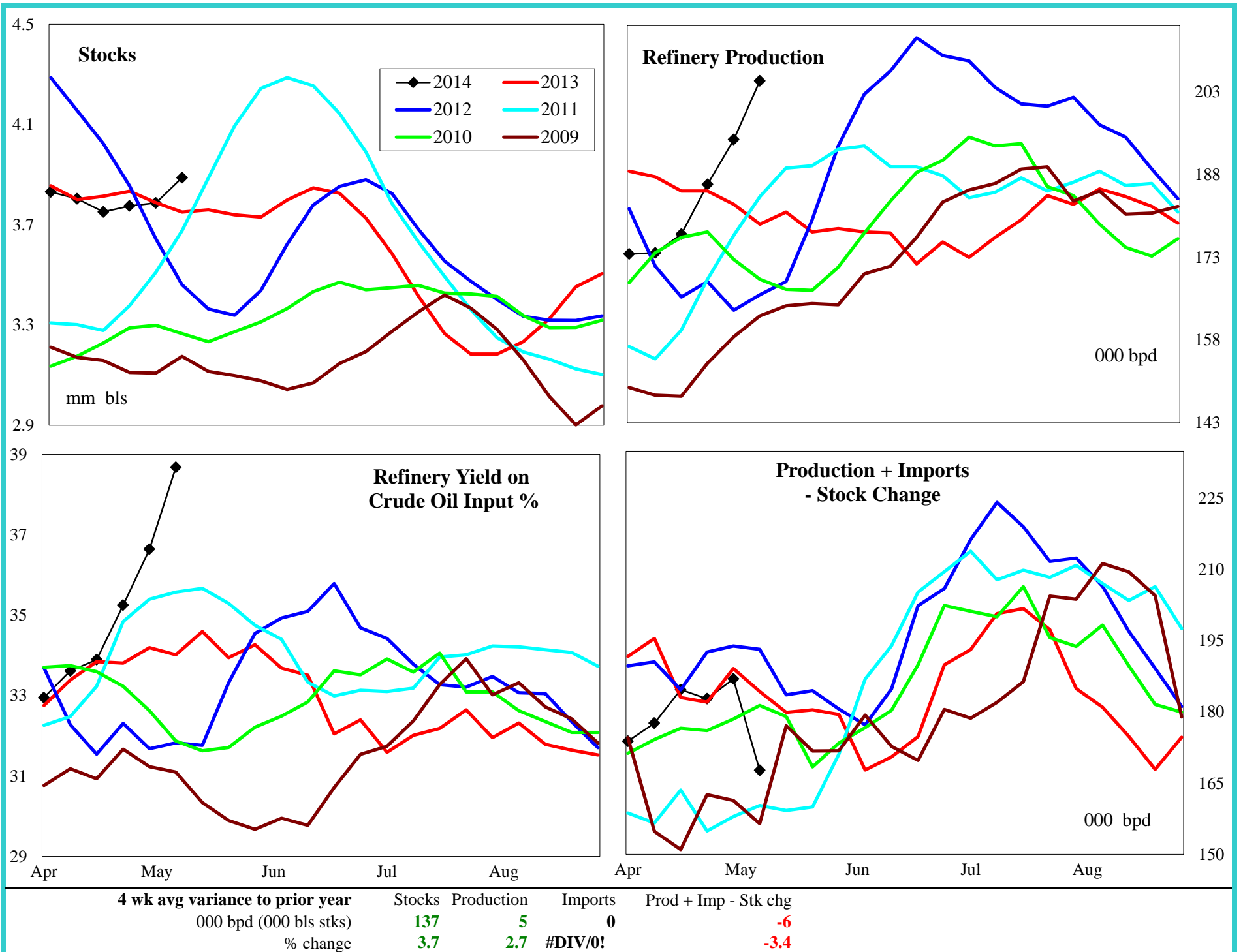


## PADD 4 Gasoline Supply

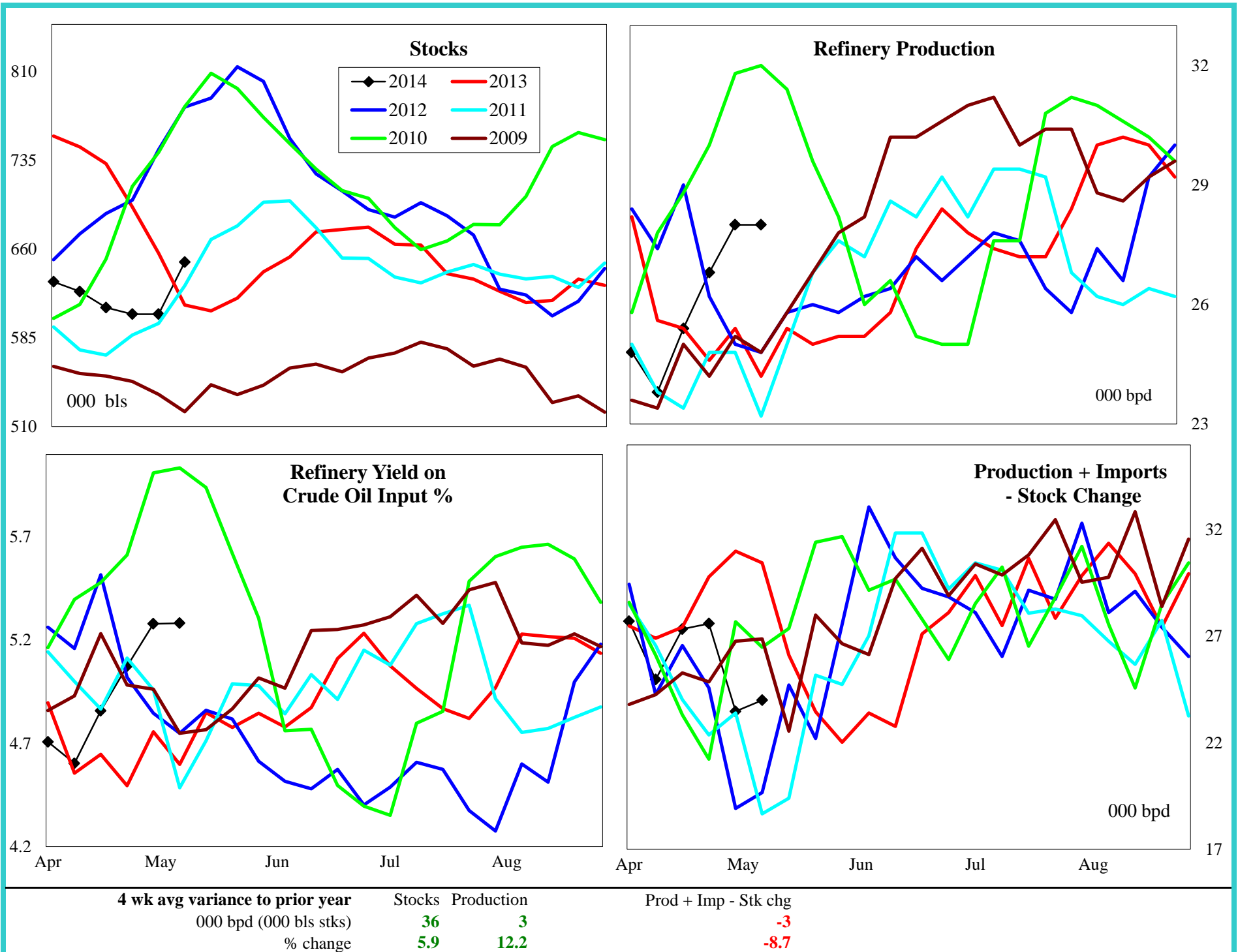




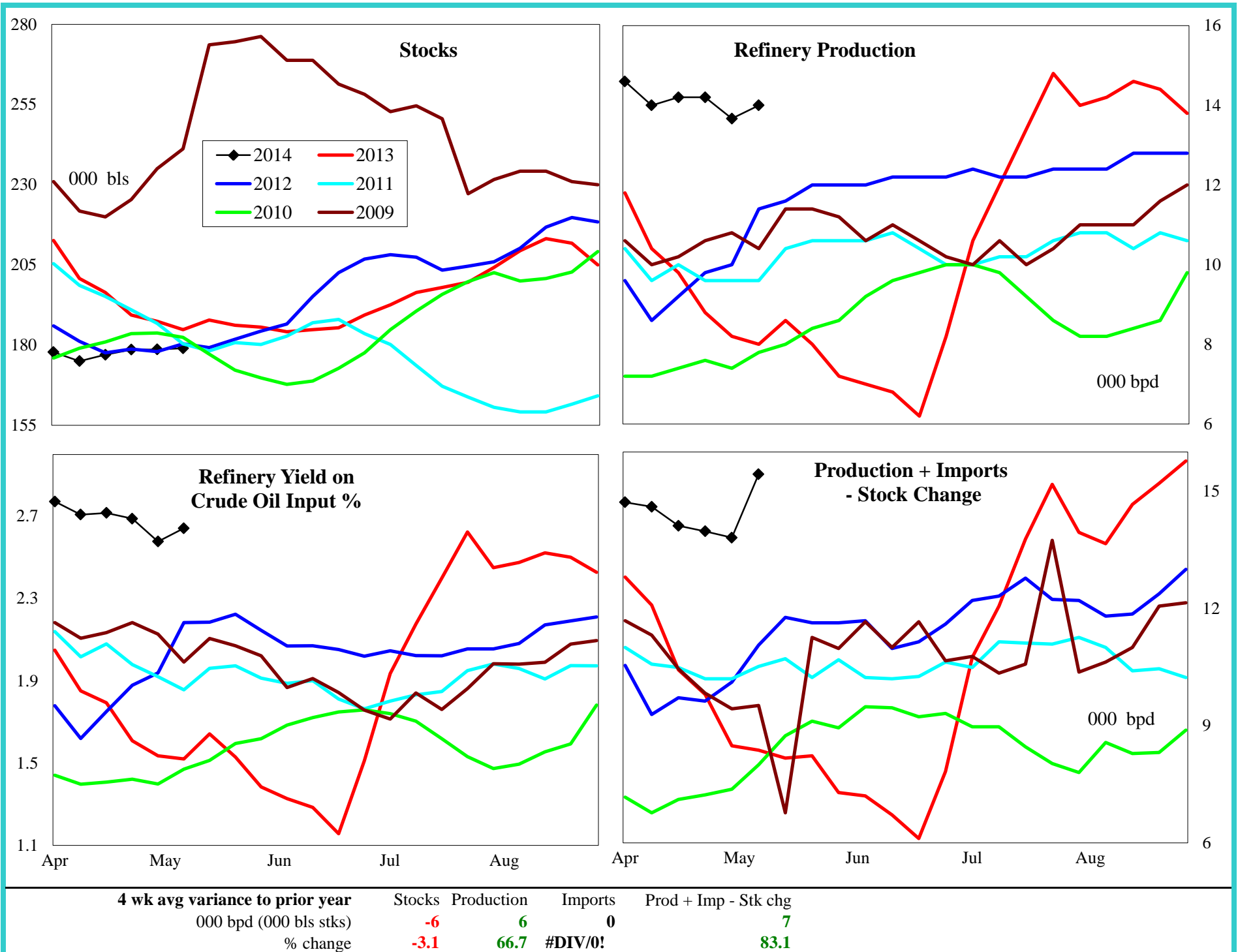
# PADD 4 Distillate Supply



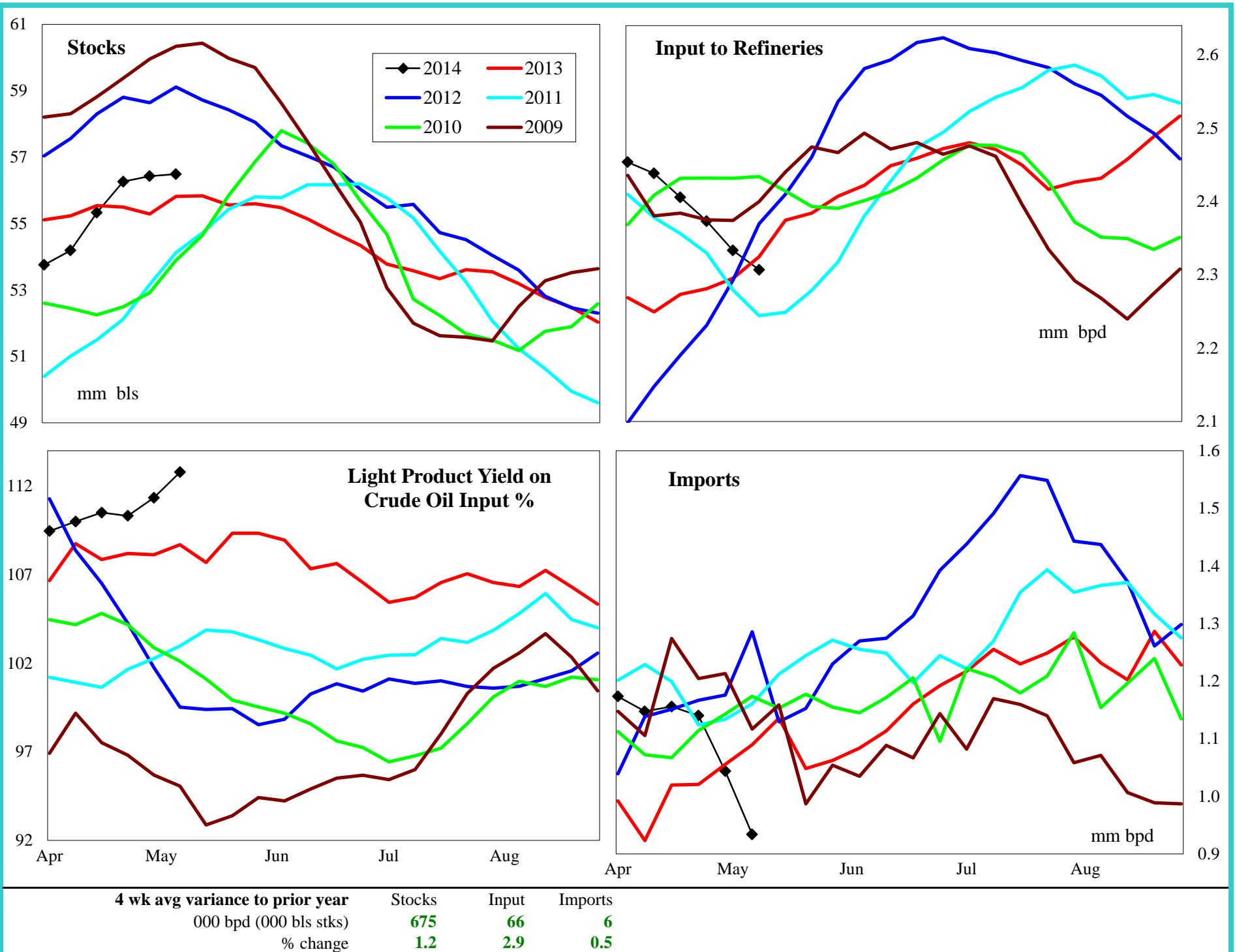
# PADD 4 Jet Fuel Supply



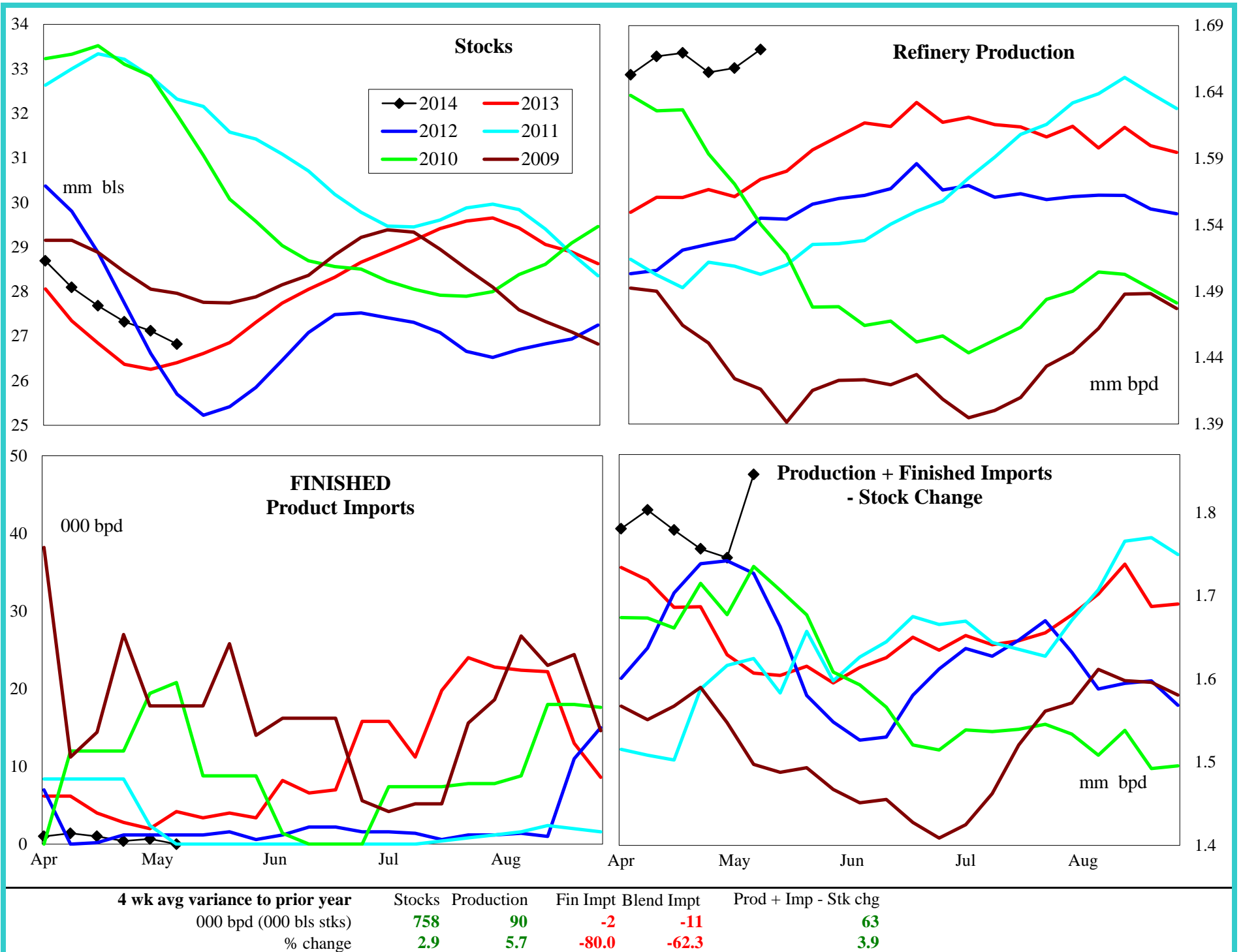
# PADD 4 Residual Fuel Oil Supply



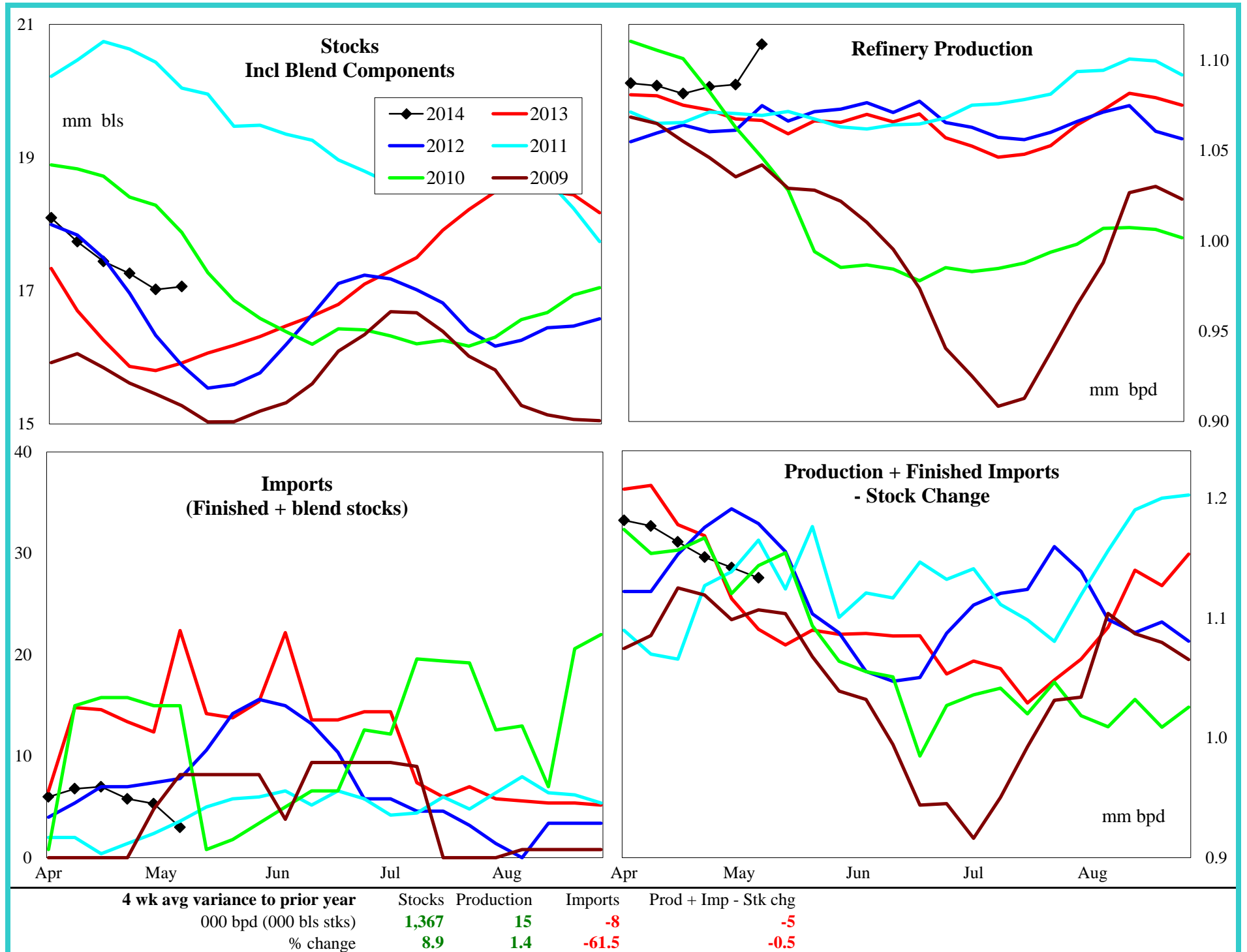
# PADD 5 Crude Oil Supply and Refining



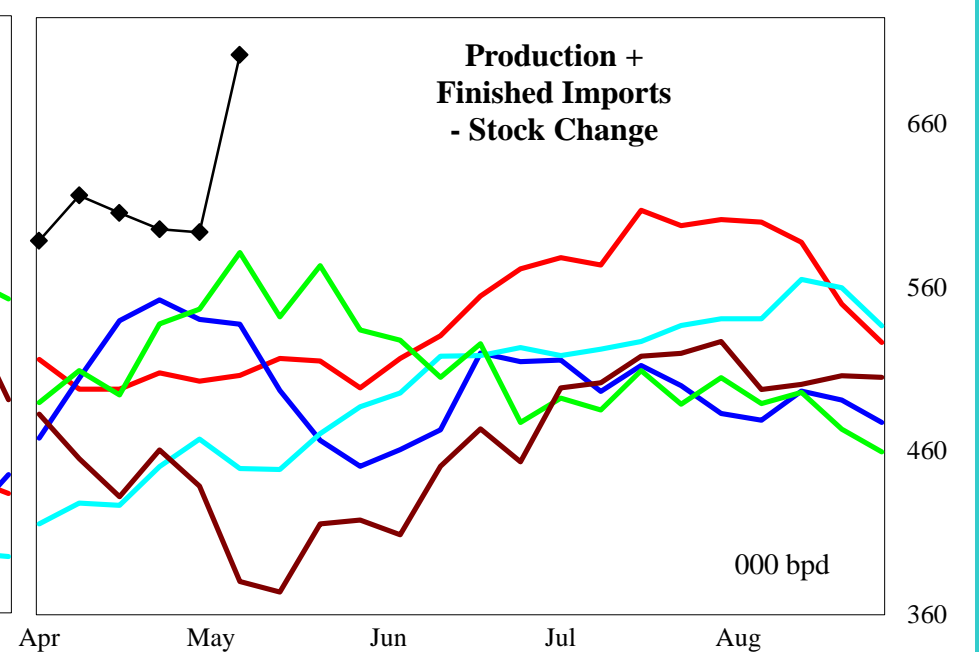
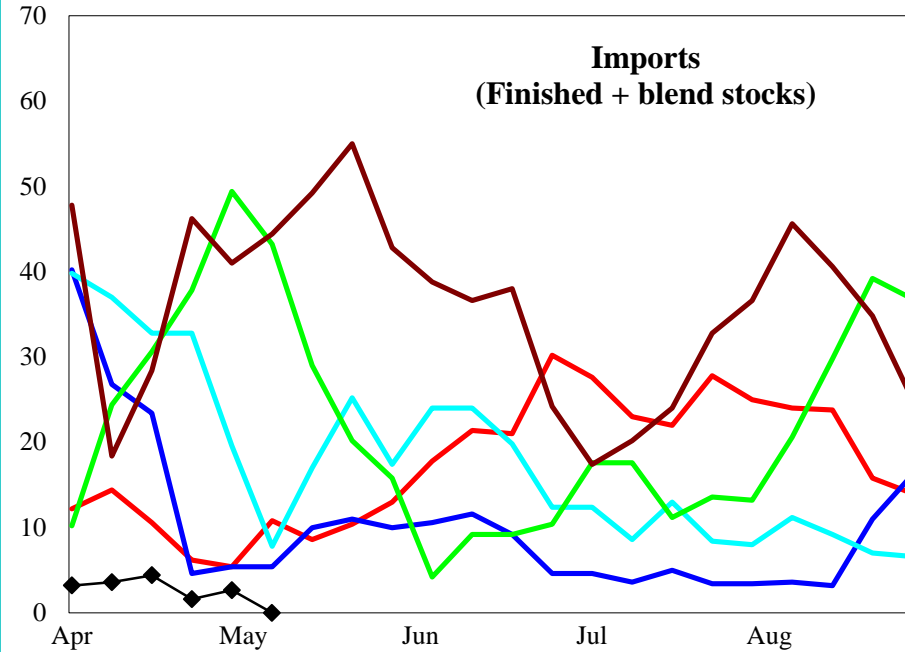
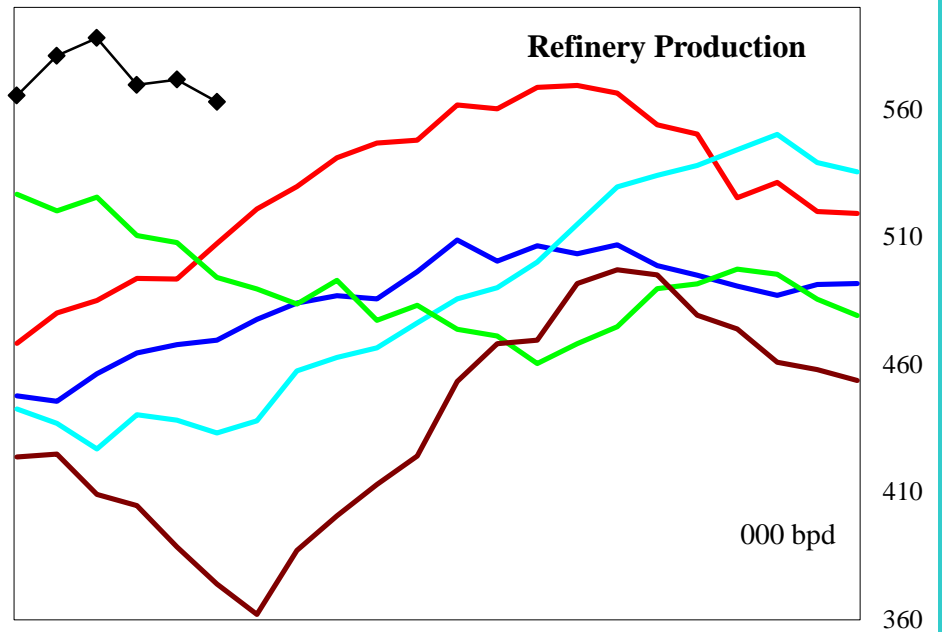
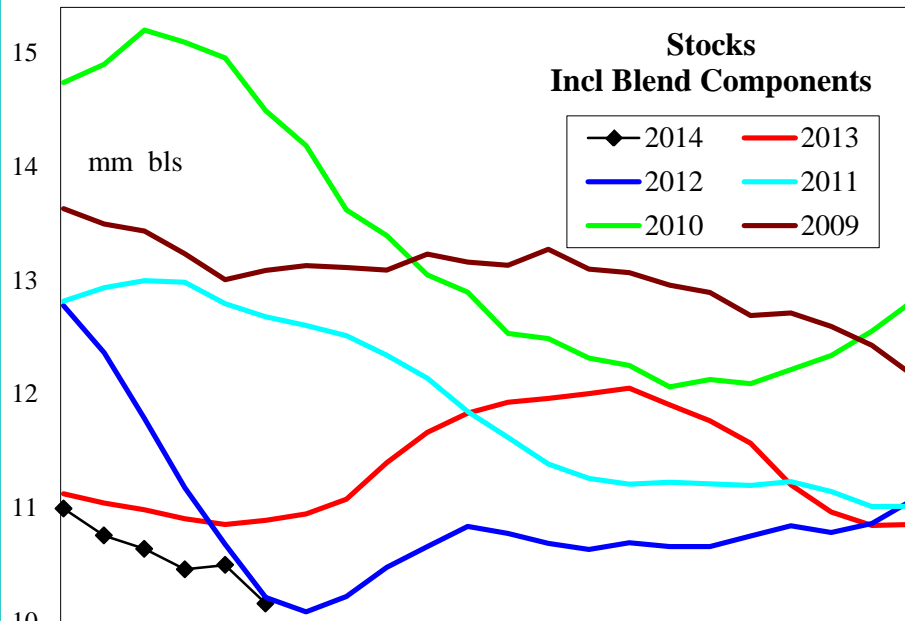
# PADD 5 Gasoline Supply



# PADD 5 Reformulated Gasoline Supply



# PADD 5 Conventional Gasoline Supply



**4 wk avg variance to prior year**

000 bpd (000 bls stks)

% change

Stocks

-609

-5.7

Production

76

15.2

Imports

-5

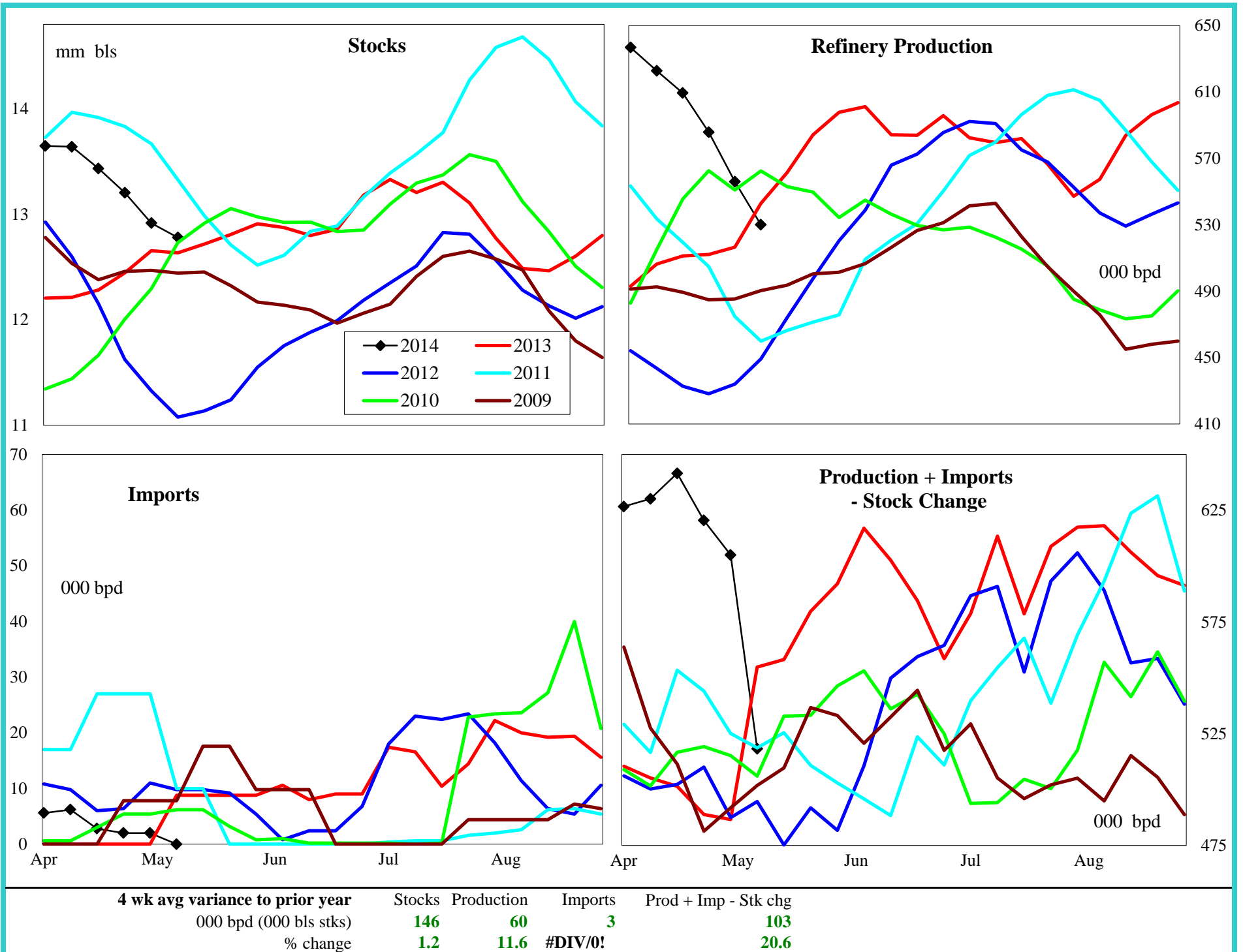
-70.4

Prod + Imp - Stk chg

69

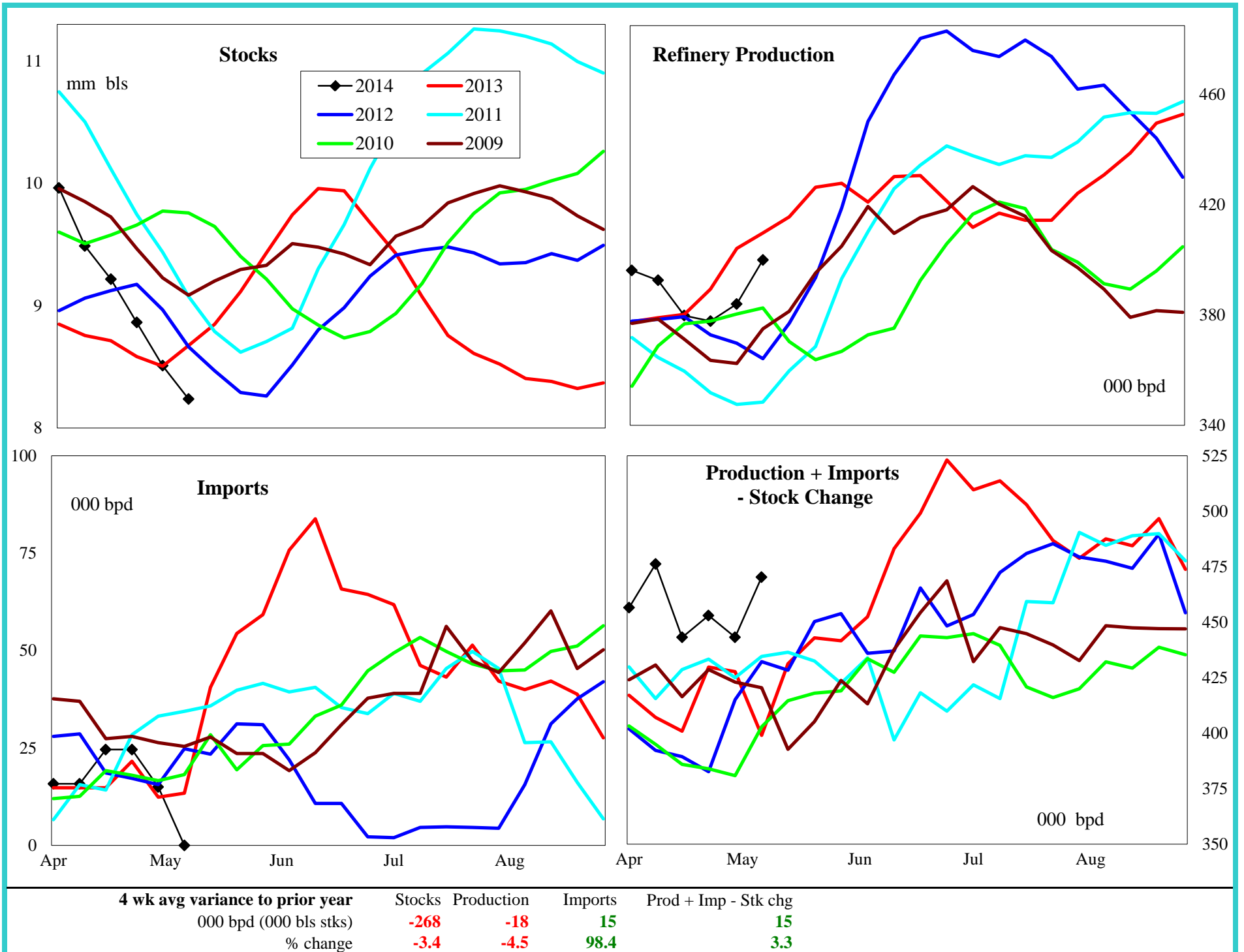
13.6

# PADD 5 Distillate Supply





# PADD 5 Jet Fuel Supply



# PADD 5 Residual Fuel Oil Supply

