



WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

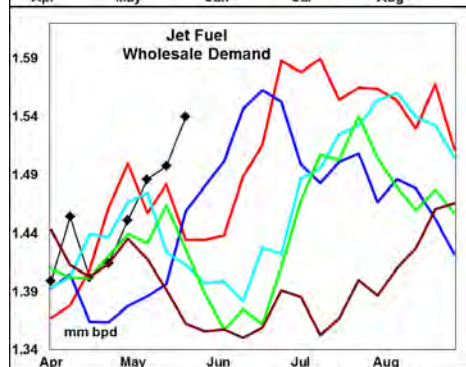
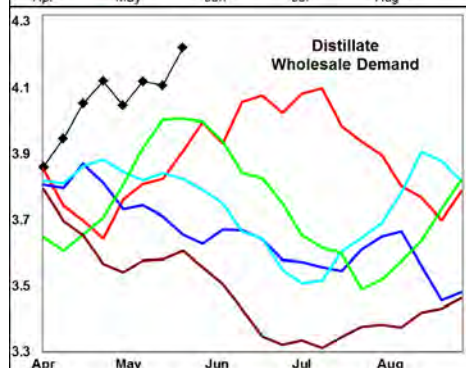
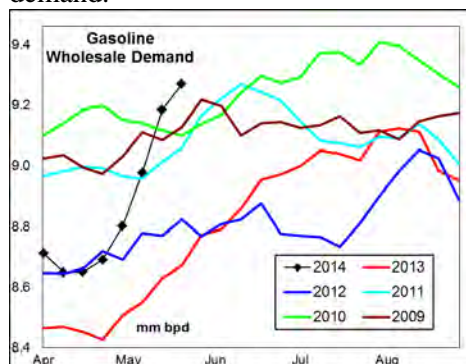
A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Thursday, May 29, 2014



Major Fundamental Trends¹

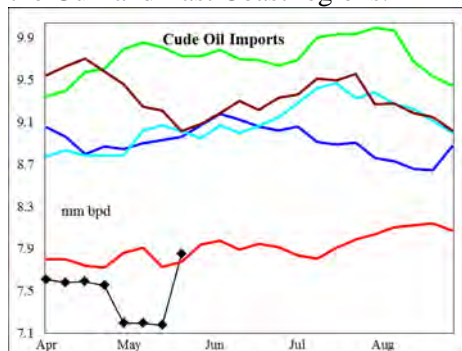
Wholesale demand for transport fuels climbed above the historic range for each fuel type last week. The weekly wholesale demand estimates include increases in exports that exceed IEA monthly estimates, so that robust exports have contributed to the high levels of transport fuel wholesale demand.



For the most recent 4-wk period, combined wholesale demand for transport fuels increased +0.8 million bpd over a year ago. As a result, the rate of stock builds has slowed in

markets East of the Rockies. Record output of gasoline and distillate has been largely offset by increased wholesale demand (including higher exports).

Crude oil imports surged +1.3 million bpd last week, concentrated in the Gulf and East Coast regions.



The increase offset extremely high crude oil refinery runs, and led to a +1.8 million barrel stock build.

Wholesale Demand for distillate surged +0.4 million bpd on higher exports last week.

Wholesale demand, measured over the last four weeks compared to a year ago: gasoline increased +5.4%; distillate was +8.6% higher; jet fuel declined -1.6%, and residual fuel decreased -31%.

Stocks forward coverage: Gasoline demand coverage decreased on a -1.8 million barrel stock draw and higher wholesale demand. Coverage ended the week at a level near 3-yr lows.

Distillate coverage decreased on a -0.2 million barrel stock build and +0.4 million jump in wholesale demand. Coverage ended the week at a level well below the 5-yr range.

Jet fuel coverage decreased on a -0.2 million barrel stock draw, to a level near historic lows.

Residual fuel oil coverage increased on a +0.7 million barrel stock build. Coverage was above the 5-yr range.

Refinery utilization rates decreased on a -98,000 bpd decline in crude oil runs last week. During the latest 4-wk period crude oil input was +0.7 million bpd above a year ago.

Gasoline yield % on crude oil runs were nearly unchanged last week on a -66,000 bpd decline in output compared to the -98,000 bpd drop in crude oil runs. Yield % on crude oil runs matched the last 2-yrs.

Distillate yield % on crude oil runs was nearly unchanged last week, on a -12,000 bpd decline in output compared to the decrease in crude oil runs. The yield % on crude oil runs ended the week at a level above the historic range.

Jet fuel yield % on crude oil runs increased on a +21,000 bpd rise in output, compared to the decline in crude oil runs. The yield % on crude oil runs ended the week well below each of the last 3-yrs.

Petroleum Imports/Exports: Imports of crude oil surged +1.34 million bpd last week, to a level that matched a year ago.

During the latest 4-wk period crude oil imports were -0.7million bpd below last year; distillate imports were -3,000 bpd lower; finished gasoline imports were +36,000 bpd higher; gasoline blend stock imports were -51,000 bpd lower; jet fuel imports increased +69,000 bpd, while residual fuel oil imports were -3,000 bpd lower.

Exports of distillate for the week ending 23May14 were +146,000 bpd above a year ago, gasoline +78,000 bpd, jet fuel +17,000 bpd and propane was +95,000 bpd higher.

Crude Oil imports jumped +1.3 million bpd last week, to match year ago levels. As a result, stocks increased +1.7 million barrels even with extremely high crude oil run rates.

Last week's stock draw in Cushing was a -1.5 million barrels, more than offset by a +3.1 million barrel build in the Gulf region.

¹ Source is latest EIA Weekly Statistics



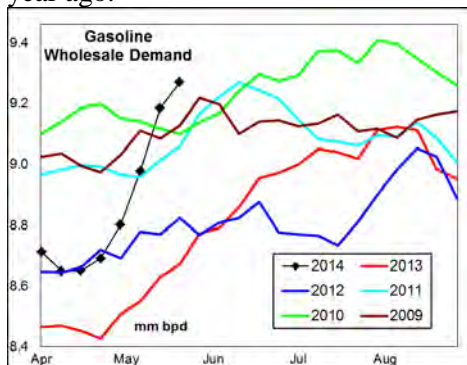
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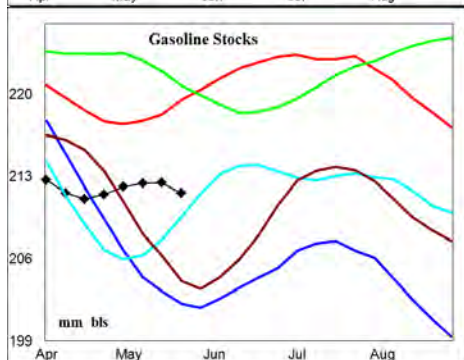
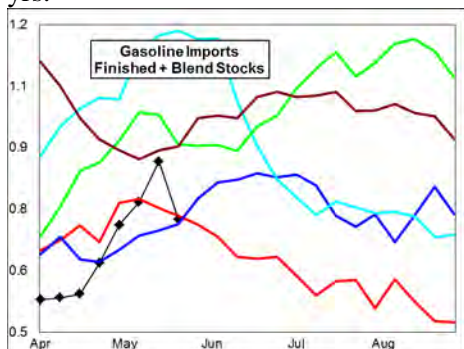
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Product Supply-Demand Trends

Gasoline wholesale demand increased +136,000 bpd, to a new record high for the week, with the latest 4-wk average demand was +466,000 bpd above a year ago.



Supply fell -338,000 bpd on the week, driven by lower imports. Supply for the latest 4-wk period was +509,000 bpd above a year ago. Imports of finished + blend stocks fell -272,000 bpd on the week to match the last 2-yrs.

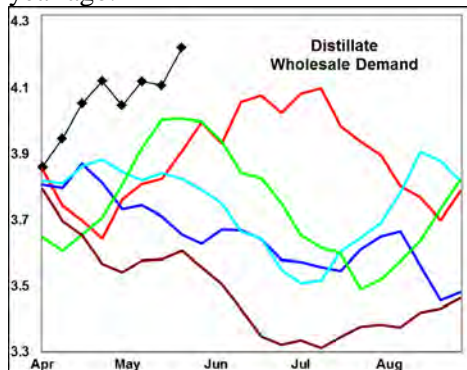


Stocks declined -1.8 million barrels last week, to a level near the 3-yr mid range.

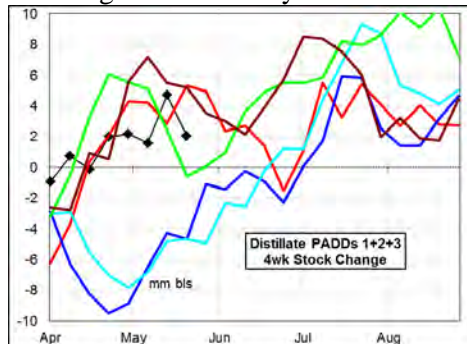
The latest 4-wk stock build East of the Rockies of +1.8 million barrels less than the 3-yr mid range. Record crude oil runs and increased thru put of domestic shale crude oil has increased

supplies, offsetting the surge in wholesale demand.

Distillate wholesale demand jumped +0.4 million bpd last week, on a rebound in exports. The latest 4-wk average demand was +328,000 bpd above last year. Supply declined -40,000 bpd on the week, with the latest 4-wk average +0.3 million bpd above a year ago.



The latest 4-wk stock change in markets East of the Rockies was a +2.1 million barrel build, well above the mid range of the last 3-yrs.

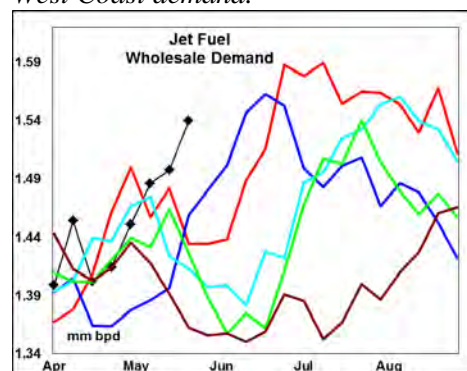


Year-on-year production increase continues to slow as a result of much higher output last year following an end to refinery maintenance and expansions completed in the summer of 2013. A rebound in exports last week contributed to the -1.8 million barrel draw in the Gulf region.

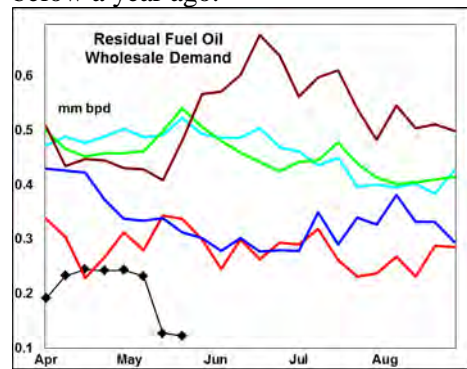
Jet Fuel wholesale demand increased +16,000 bpd last week. The latest 4-wk average demand was -24,000 bpd below a year ago. Supply increased +80,000 bpd on higher imports. Output for the most recent 4-wk period increased +6,000 bpd compared to last year. Imports were +69,000 bpd

higher. Stocks decreased -0.2 million barrels last week, to a level that matched historic lows.

Stock levels are nearly unchanged from the average of the last 2-yrs for this time of year; with an increased reliance on imports to satisfy East and West Coast demand.



Residual fuel oil demand decreased -13,000 bpd last week. Demand for the latest 4-wk period was -100,000 bpd below a year ago.



Supply (production + imports) decreased -55,000 bpd on lower production and imports. Production was -35,000 bpd below a year ago for the latest 4-wk period, while imports decreased -3,000 bpd. Stock levels ended the week equal to the 3-yr mid range.

Stock levels remain near historic highs in the Midwest and Gulf regions, near 5-yr lows on the East Coast. Gulf region production has dropped -36% during the latest 4-wk period from last year on increased processing of domestic light shale oil.



WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

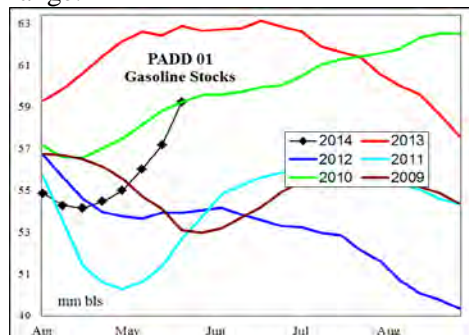
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PADD Supply Trends

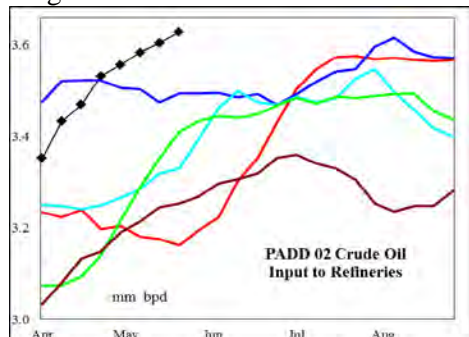
PADD 1 refinery crude oil runs declined -35,000 bpd on the week, with the level above the last 3-yrs. Stocks climbed +1 million barrels on the week, to a level above the 3-yr mid range.

Gasoline supply fell -312,000 bpd on lower imports. Stocks climbed +2.5 million barrels last week, ending at a level well above the 5-yr mid range.



Distillate supply increased +36,000 bpd on higher production; with the 4-wk average unchanged from last year. Stocks increased +0.4 million barrels to a level -8% below a year ago.

Jet fuel supply fell -42,000 bpd on lower imports. Stocks fell -0.7 million barrels to a level near the 3-yr mid range.



PADD 2 crude oil refinery runs decreased -11,000 bpd last week, with the latest 4-wk average +431,000 bpd above last year. Crude oil stocks fell -1 million barrels last week, including a -1.5 million barrel draw in Cushing.

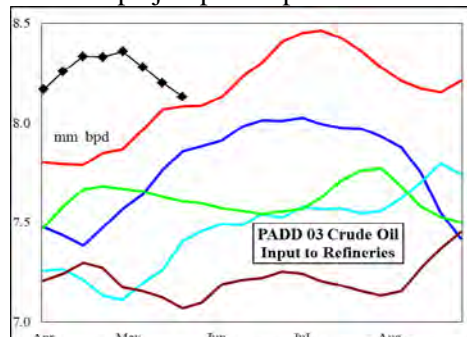
Gasoline supply increased +46,000 bpd last week. Production for the most recent 4-wk period was +692,000 bpd above a year ago – driven by the EIA recording sub octane product shipped into the Midwest as finished product

production when blended with ethanol. Stocks fell -2 million barrels, to a level below the historic range.

Distillate supply increased +14,000 bpd last week, with the 4-wk average +197,000 bpd above a year ago. Stocks increased +1.1 million barrels on the week, to a level near the 3-yr high.

Jet fuel production declined -17,000 bpd on the week to a level below the historic range. Stocks fell -0.5 million barrels to a level below the 3-yr mid range.

PADD 3 refinery runs fell -138,000 bpd last week, a level marginally above the historic range. During the latest 4-wk period, average runs were +211,000 bpd above last year. Crude oil stocks increased +3.1 million barrels last week, driven by a +1.1 million bpd jump in imports.



Gasoline supply increased +221,000 bpd last week, with the latest 4-wk average +300,000 bpd above a year ago. Stocks fell -1.4 million barrels last week, with the level above the 5-yr mid range.

Distillate supply fell -169,000 bpd on the week, with the latest 4-wk average supply +74,000 bpd above last year. Stocks fell -1.8 million barrels on a surge in exports.

Jet fuel production increased +4,000 bpd to a level near the 3-yr mid range. Stock levels ended the week at the low end of the historic range.

Residual fuel supply fell -81,000 bpd on the week. Stocks jumped +0.7 million barrels, to a level above the 5-yr range.

PADD 4 refinery crude runs climbed +17,000 bpd last week to a new record

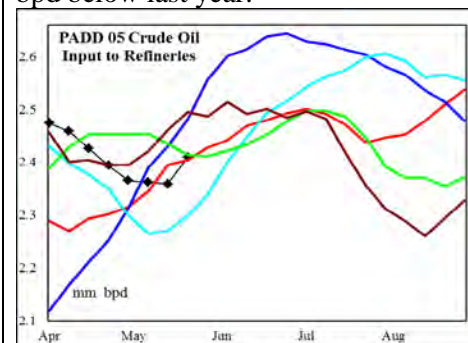
high for the period, with the 4-wk average +36,000 bpd above last year.

Gasoline production declined -23,000 bpd but remains +37% above a year ago for the most recent 4-wk period. Stocks ended the week +9% above a year ago and above the historic mid range.

Distillate production decreased -8,000 bpd last week, with the latest 4-wk output +25,000 bpd above last year. Stock levels ended the week at 5-yr highs for the period.

Jet fuel production matched historic highs with stock levels slightly below the 3-yr mid range.


PADD 5 crude oil refinery runs increased +69,000 bpd last week, ending at a level equal to the 3-yr mid range. The 4-wk run rate was -18,000 bpd below last year.



Gasoline supply increased +25,000 bpd on the week, with the 4-wk average +99,000 bpd above a year ago. Stocks declined -0.7 million barrels to a level near historic lows.

Distillate supply increased +84,000 bpd on higher production, to a level above the historic range. The 4-wk average output was +14,000 bpd above a year ago. Stocks were nearly unchanged on the week, with the level near the 3-yr mid range.

Jet fuel supply jumped +137,000 bpd on a spike in imports and higher production. Imports of nearly 125,000 bpd was a record, while production was near last year's record high. The latest 4-wk average supply was +1,000 bpd above last year. Stocks increased +0.7 million barrels on the week, to a level at the low end of the historic range.



FUNDAMENTAL

PETROLEUM TRENDS

PETROLEUM: Graph Link and Weekly Summary

A Fundamental Petroleum Trends Weekly Report

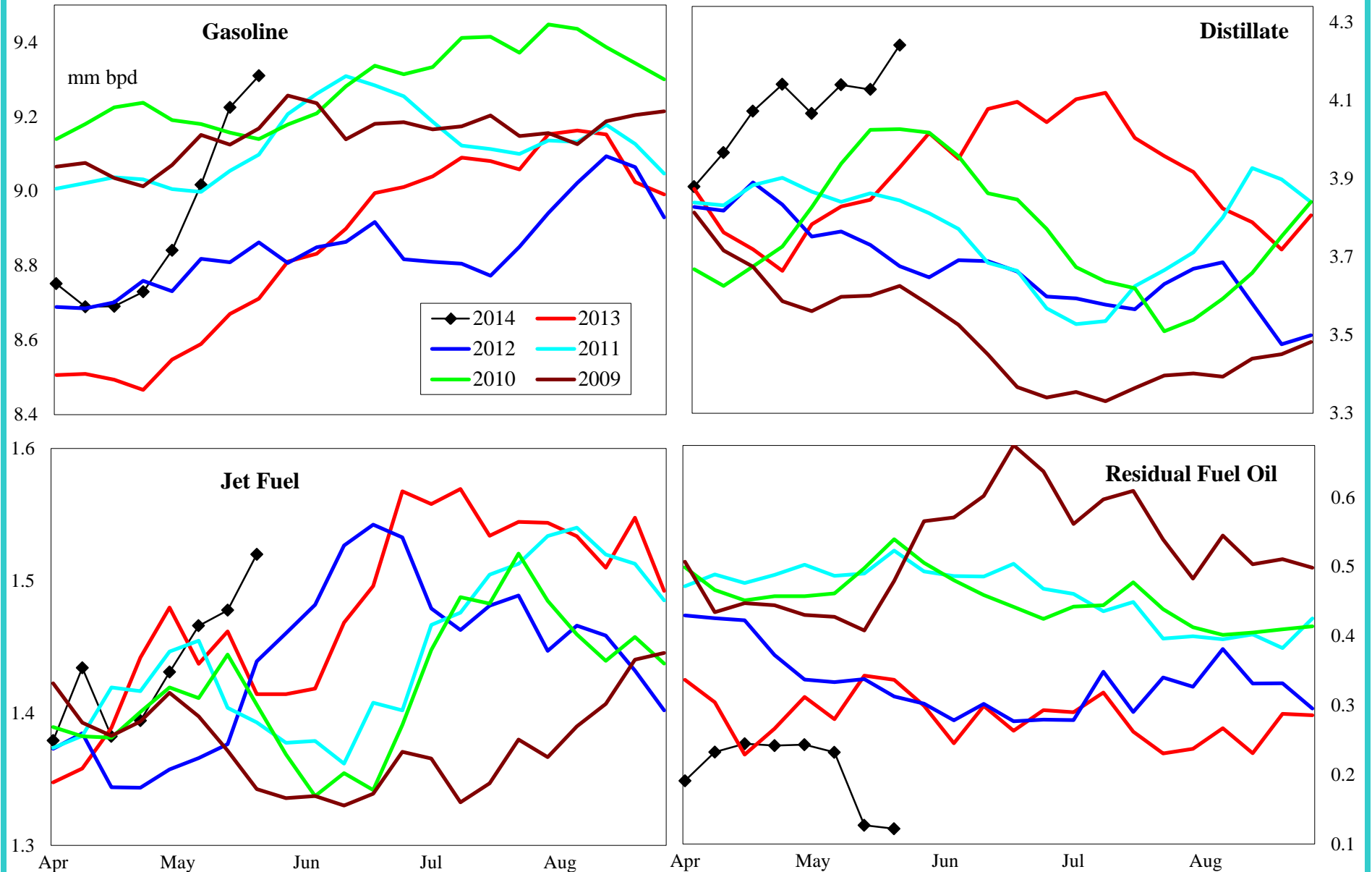
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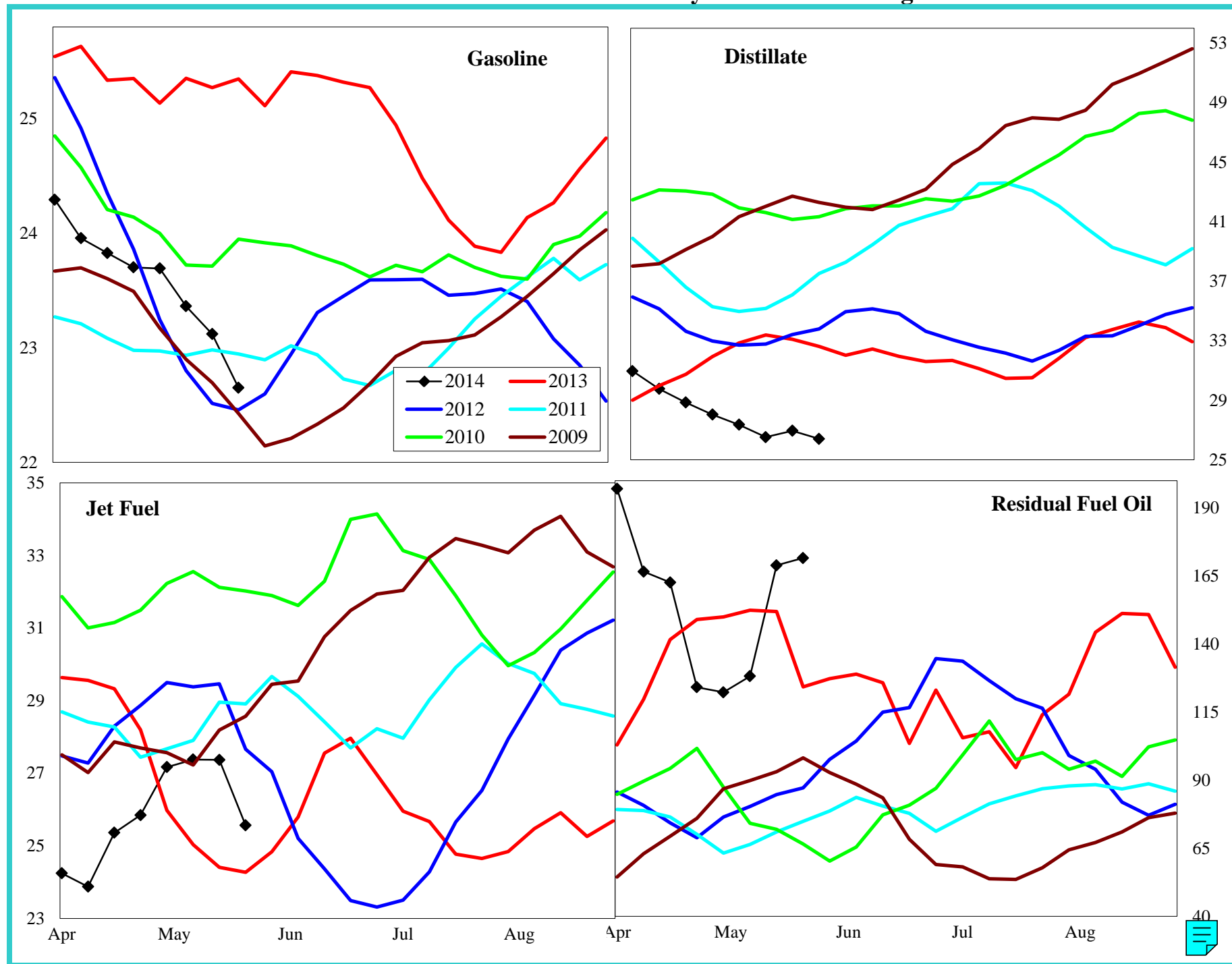
Fundamental Trends	Wholesale Demand	Stocks Days Fwd Coverage	Refinery Utilization		Product Yield %		Imports
Supply/Demand Trends	23-May-14	EIA-DOE CHANGE FROM PRIOR WEEK					
	000 bpd stocks 000 bls	U. S. Total	PADD				
			1	2	3	4	5
Crude Oil	Stocks	1,657	1,036	-971	3,137	-406	-1,138
	Imports	1,340	405	-25	1,076	-47	-69
	Input	-98	-35	-11	-138	17	69
	% Utilization	1.20					
Gasoline	Stocks	-1,803	2,469	-2,047	-1,432	-95	-699
	Production	-66	-19	45	200	-23	25
	Imports	-272	-293	1	21	0	0
	Supplied	136					
Distillate	Stocks	-196	392	1,100	-1,813	154	-27
	Production	-12	26	13	-136	-8	91
	Imports	-28	10	1	-33	0	-7
	Supplied	410					
Jet Fuel	Stocks	-152	-740	-458	391	-14	669
	Production	21	11	-17	4	-2	25
	Imports	59	-53	0	0	0	112
	Supplied	16					
Residual Fuel Oil	Stocks	675	215	-22	736	-1	-253
	Production	-28	-2	-2	-20	0	-5
	Imports	-27	-20	0	-61	0	55
	Supplied	-13					

United States Wholesale Petroleum Demand

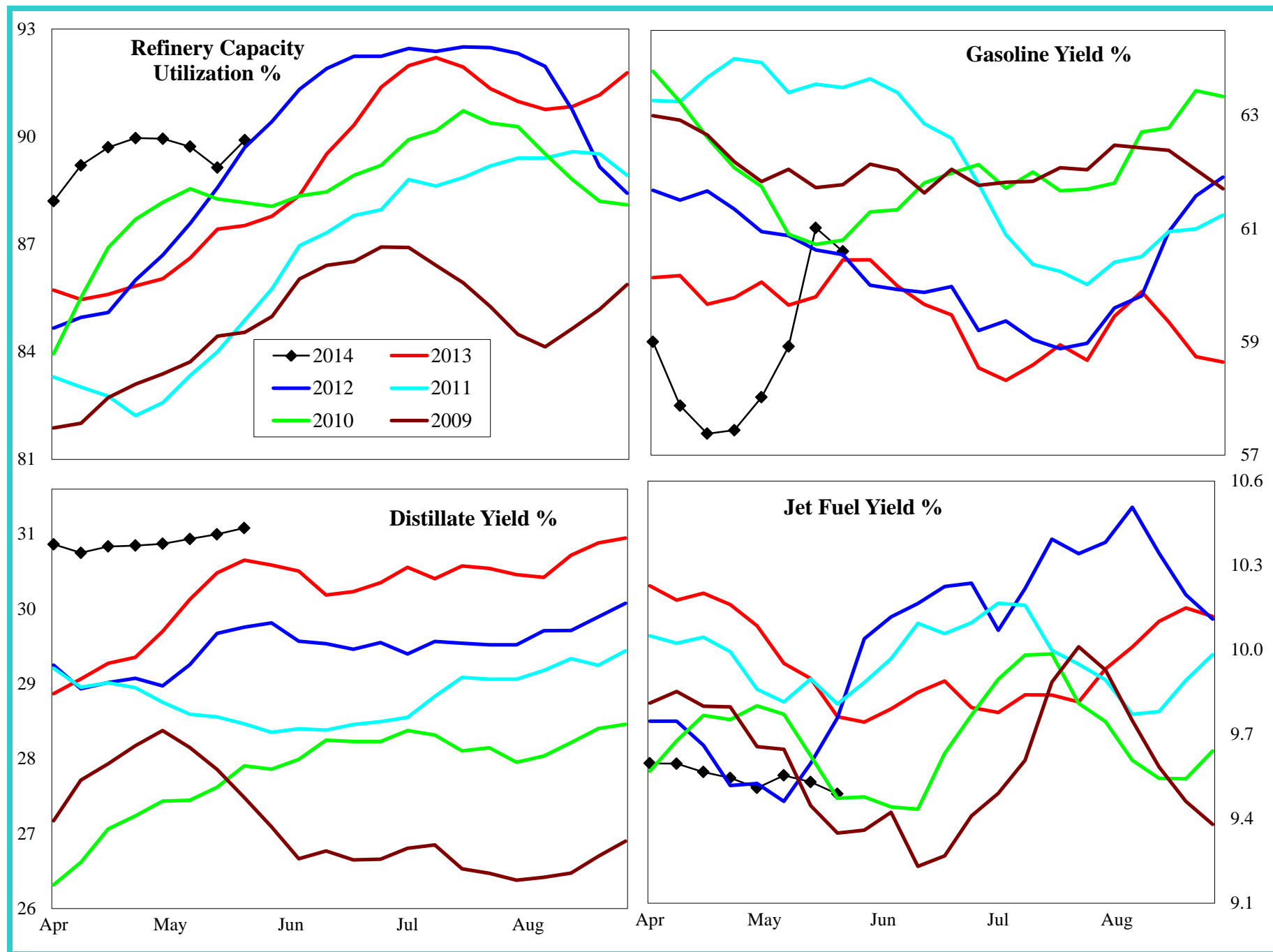


	000 bpd change from prior year				% change from prior year			
	4wk avg	Apr	Mar	Feb	4wk avg	Apr	Mar	Feb
Gasoline	466	-151	178	287	5.4	-1.7	2.1	3.4
Distillate	328	187	10	207	8.6	4.8	0.3	5.2
Jet Fuel	-24	-3	80	53	-1.6	-0.2	5.8	4.0
Resid	-100	13	-179	-97	-30.6	4.6	-41.5	-31.9

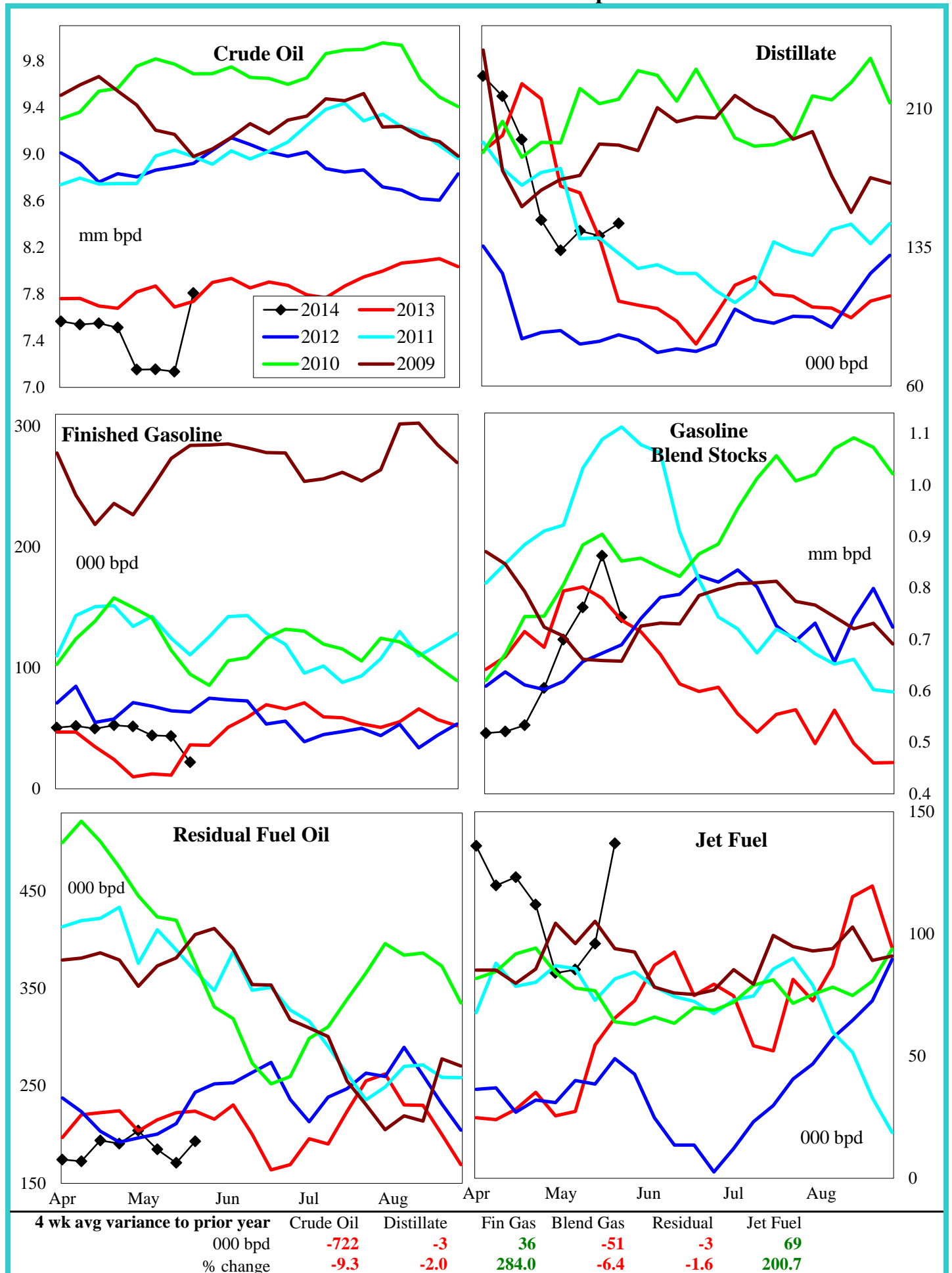


United States Product Stocks: Days Forward Coverage

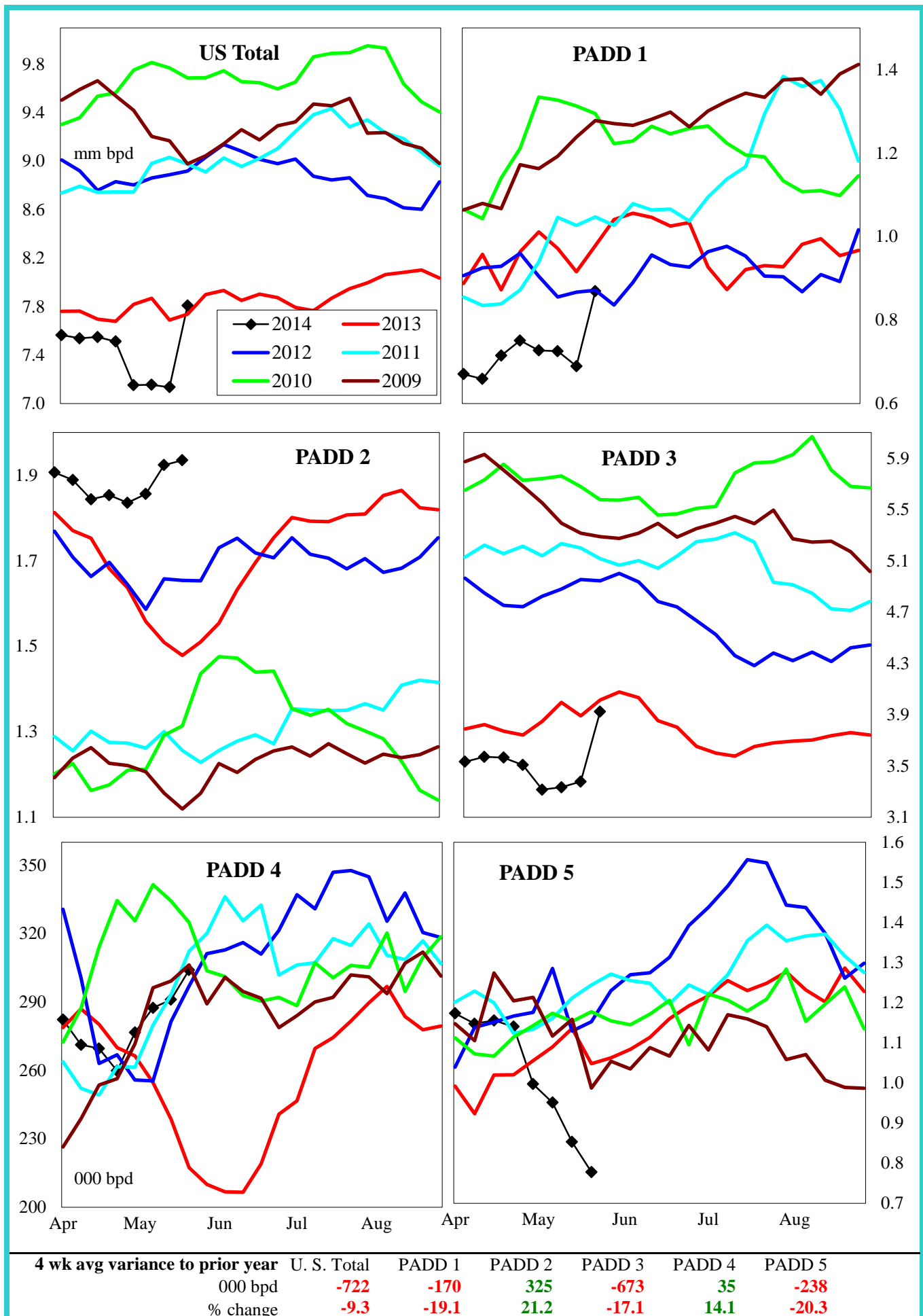
United States Refinery Percent Utilization Rate and Product Yields



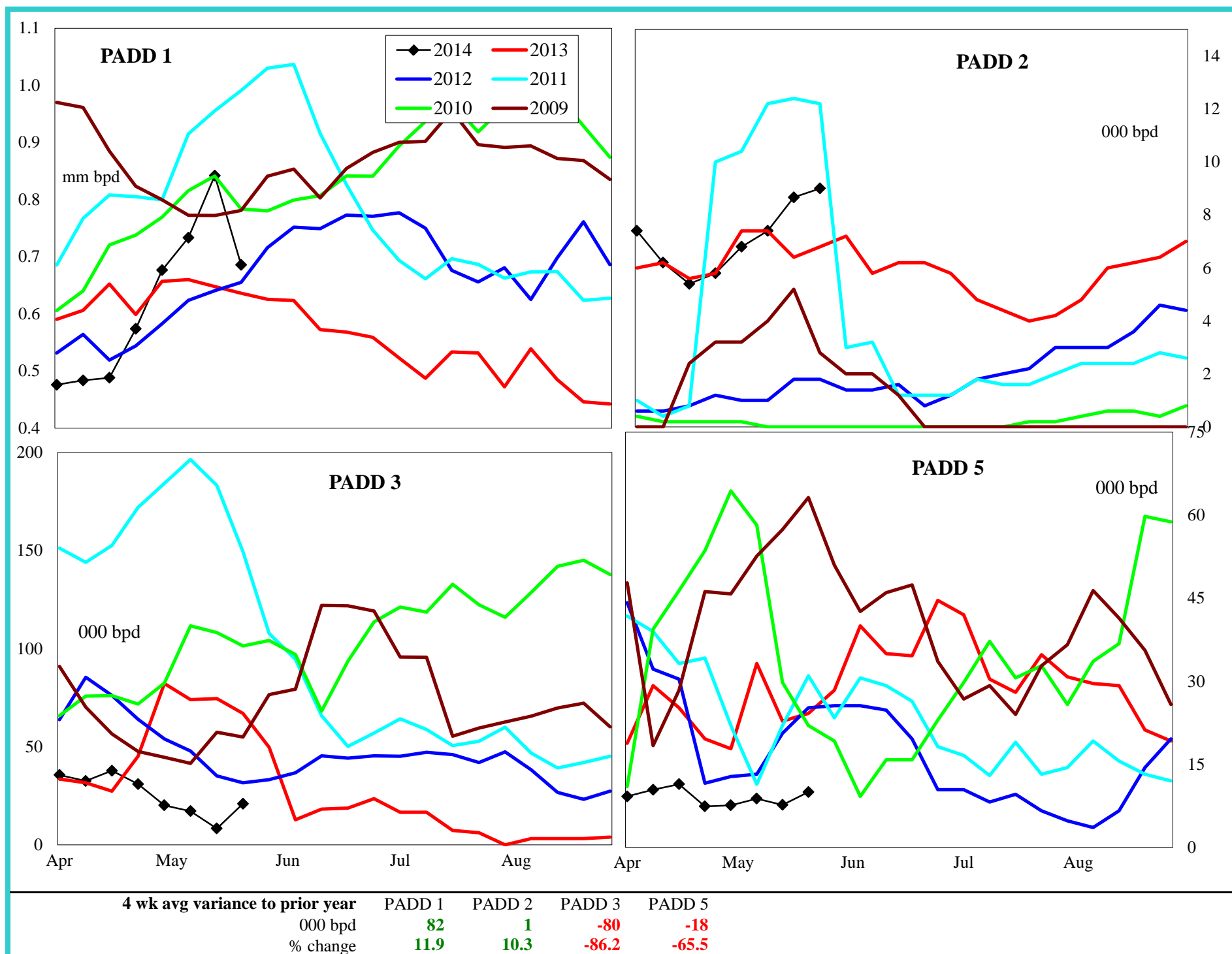
United States Petroleum Imports



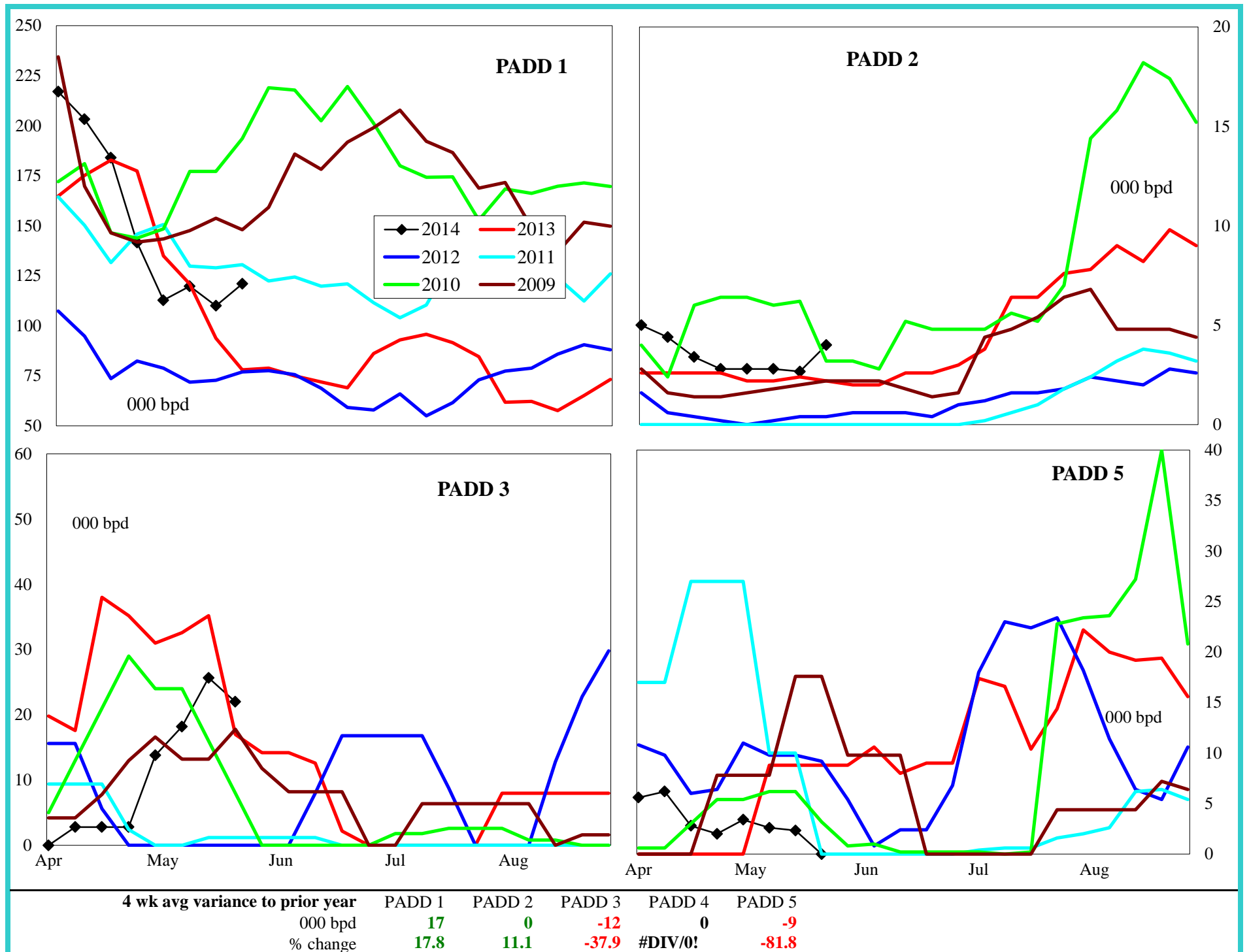
Crude Oil Imports by PADD



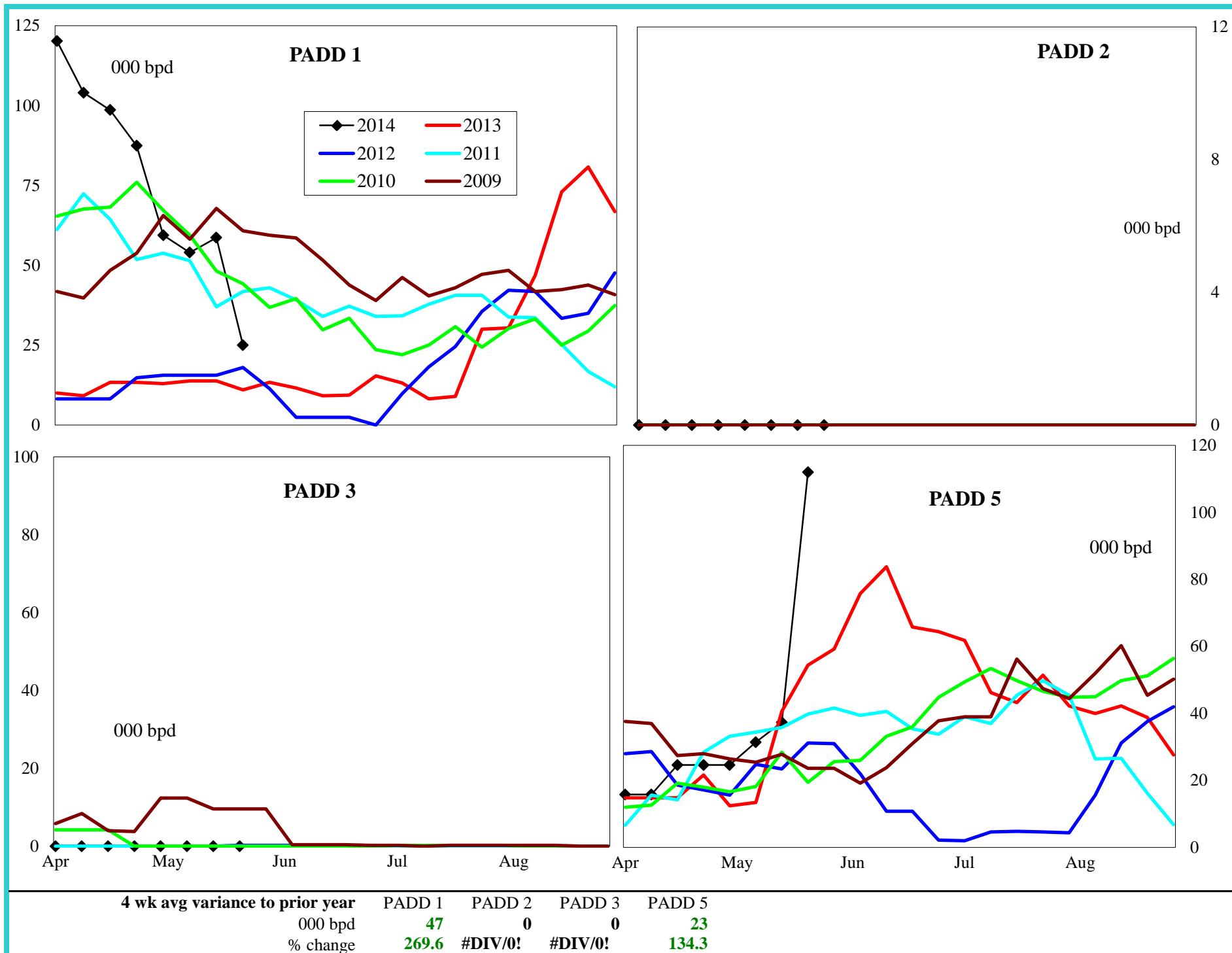
Gasoline Imports by PADD (Finished + Blend Stocks)



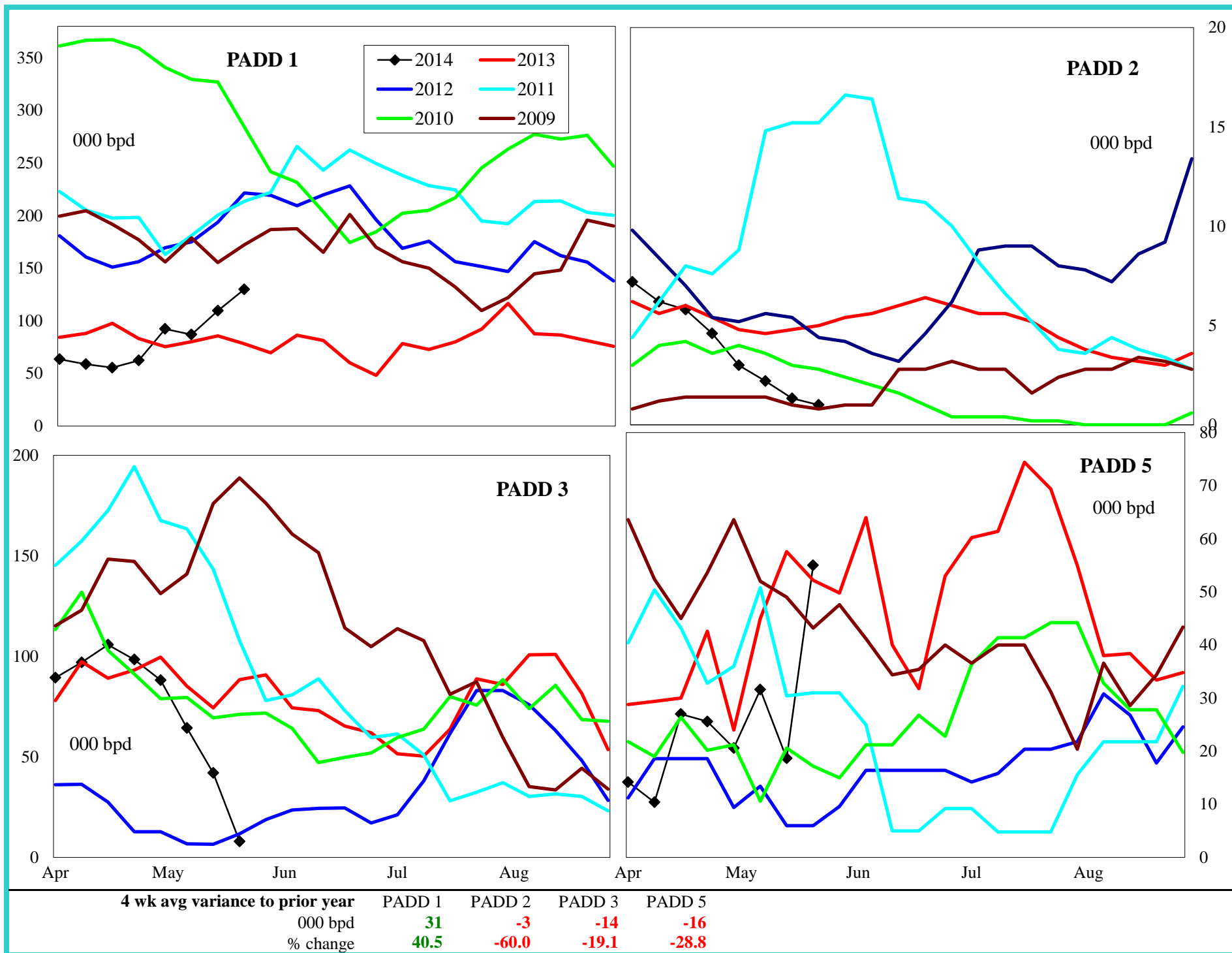
Distillate Imports by PADD



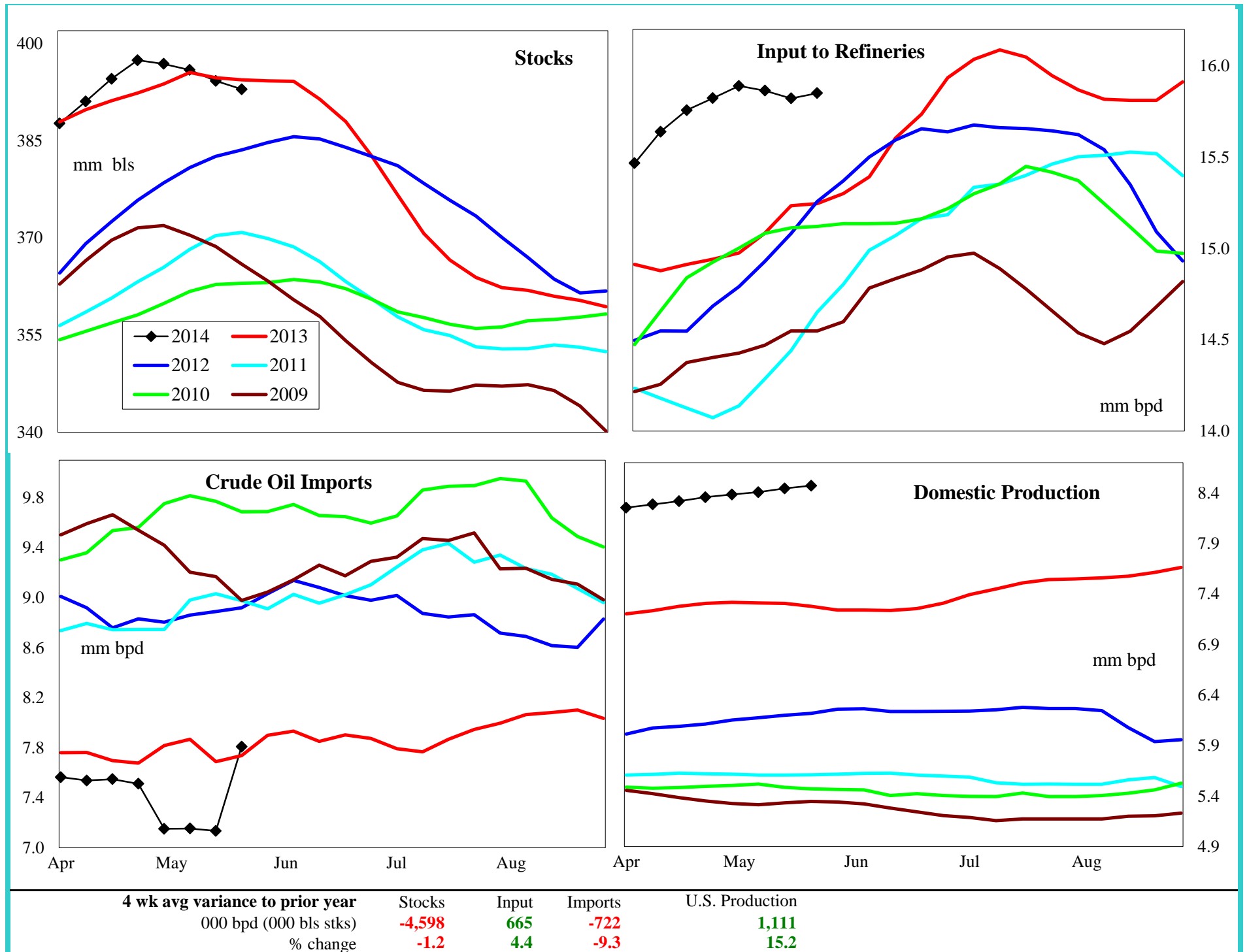
Jet Fuel Imports by PADD



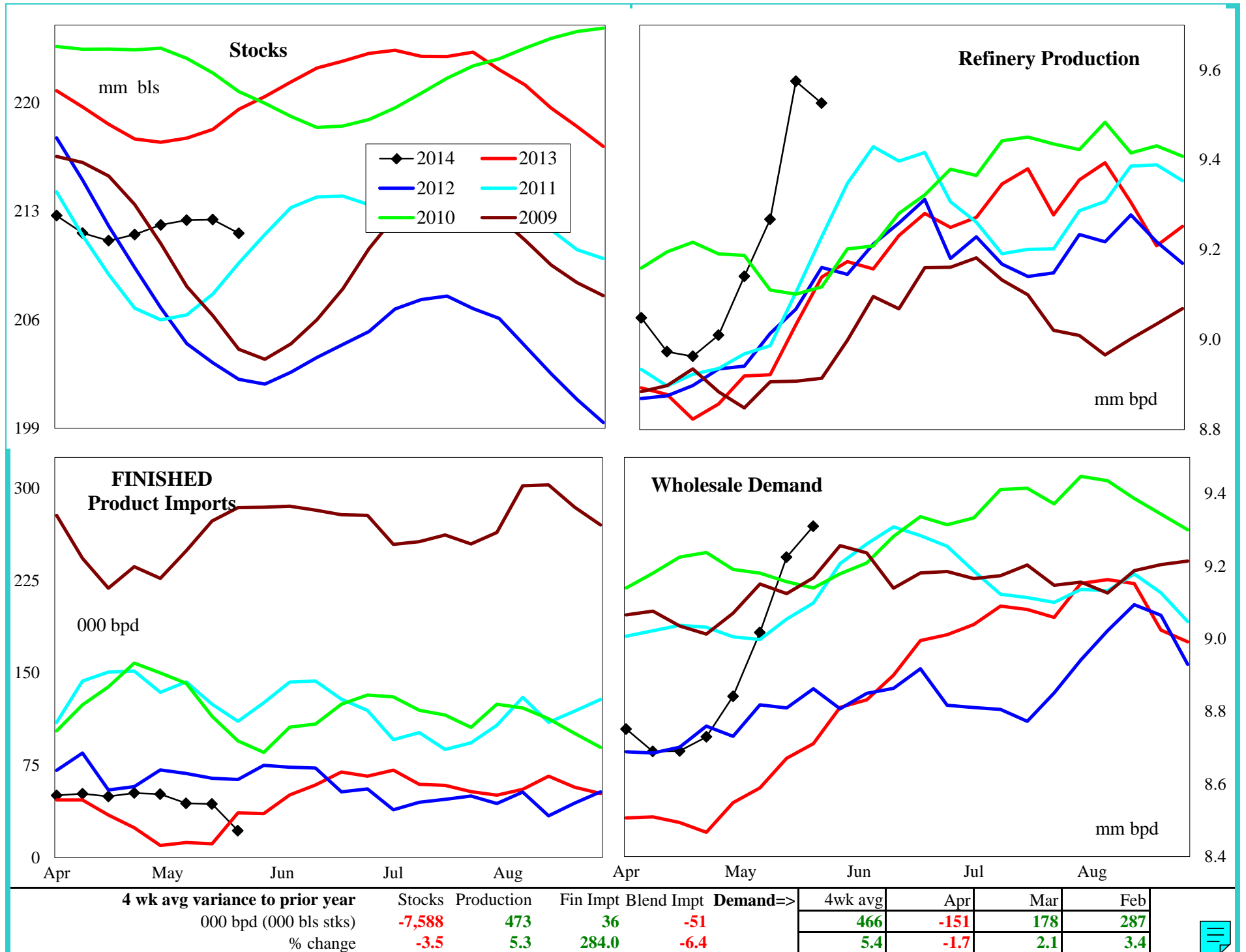
Residual Fuel Oil Imports by PADD



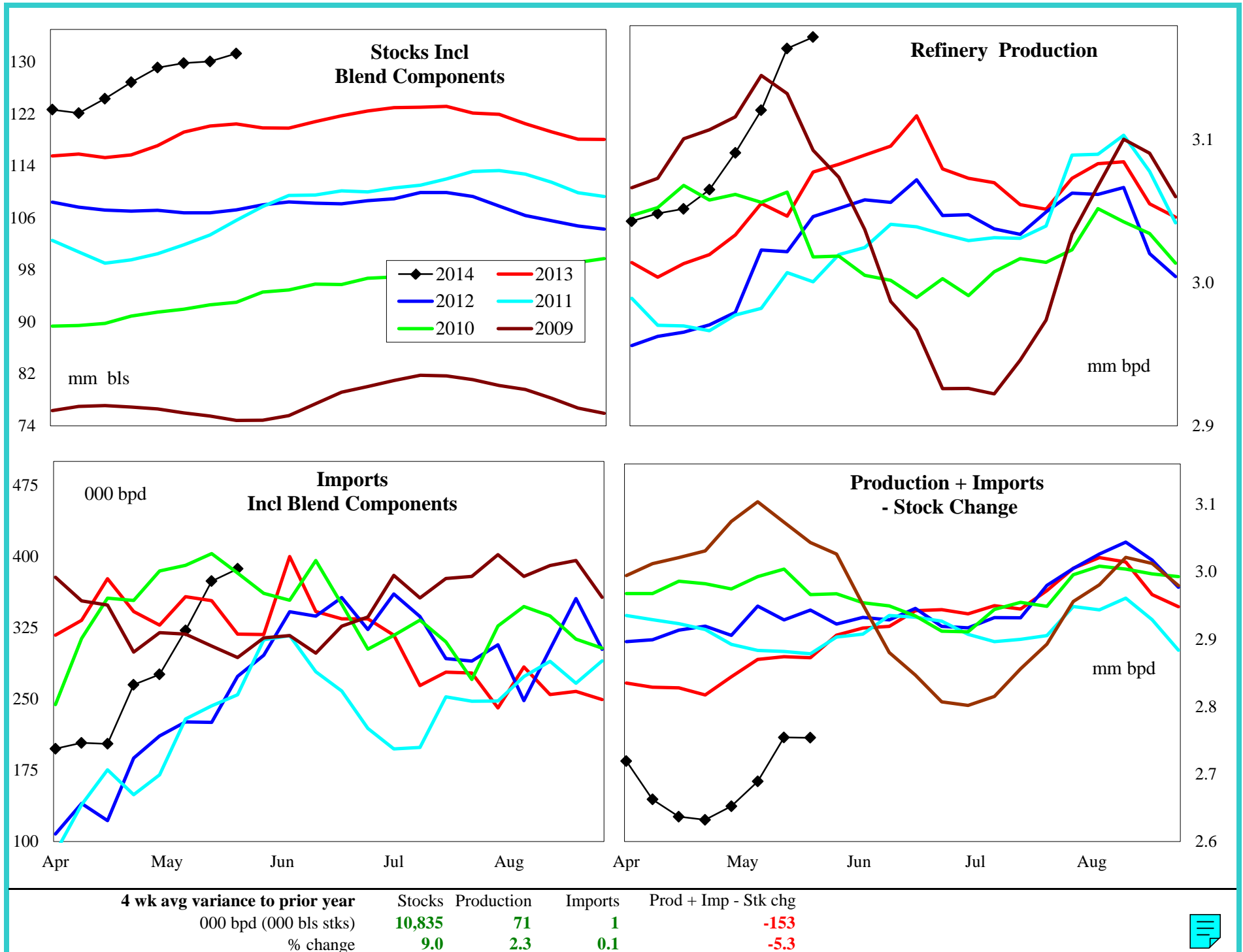
United States Crude Oil Supply and Demand Balance



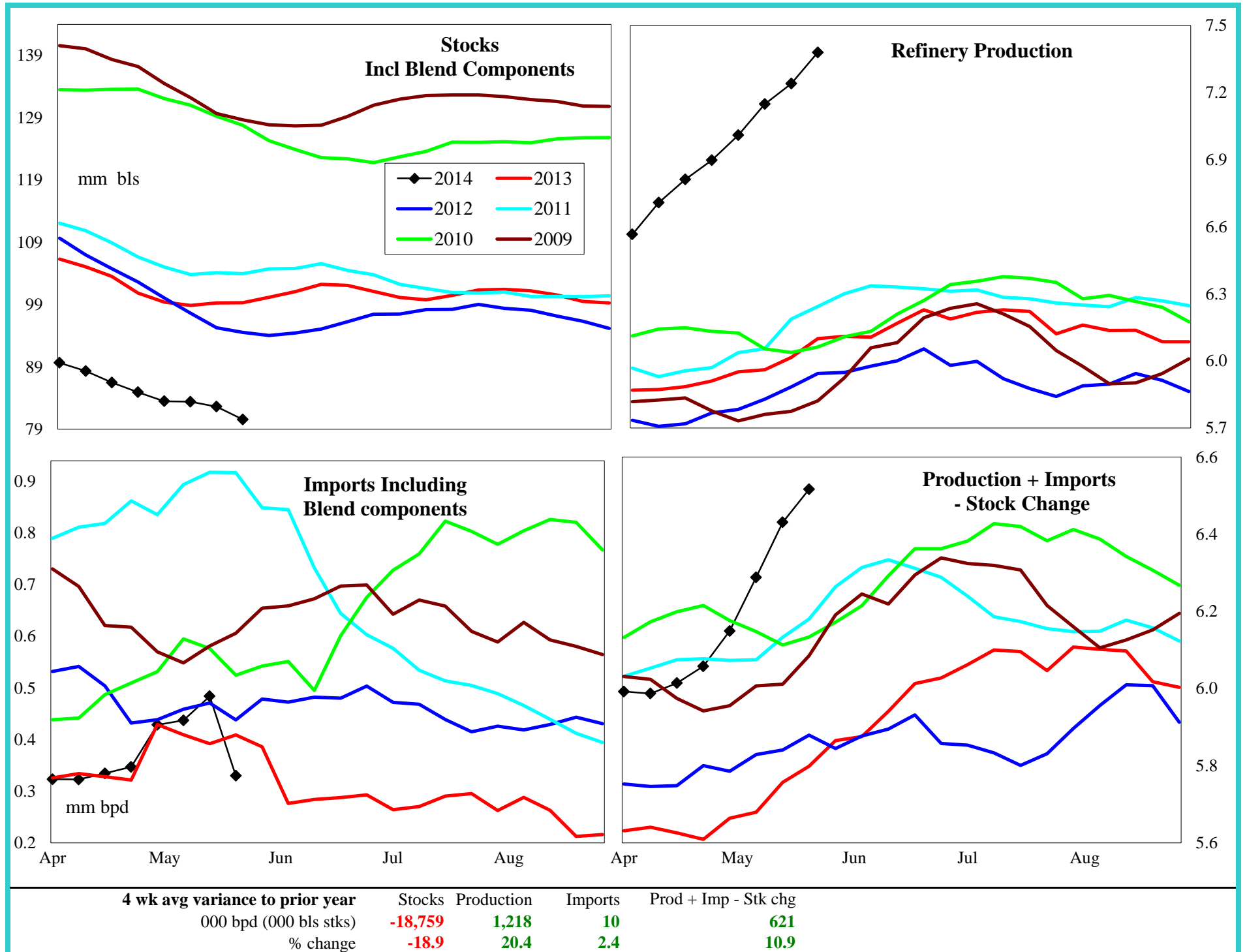
United States Gasoline Supply and Demand Balance



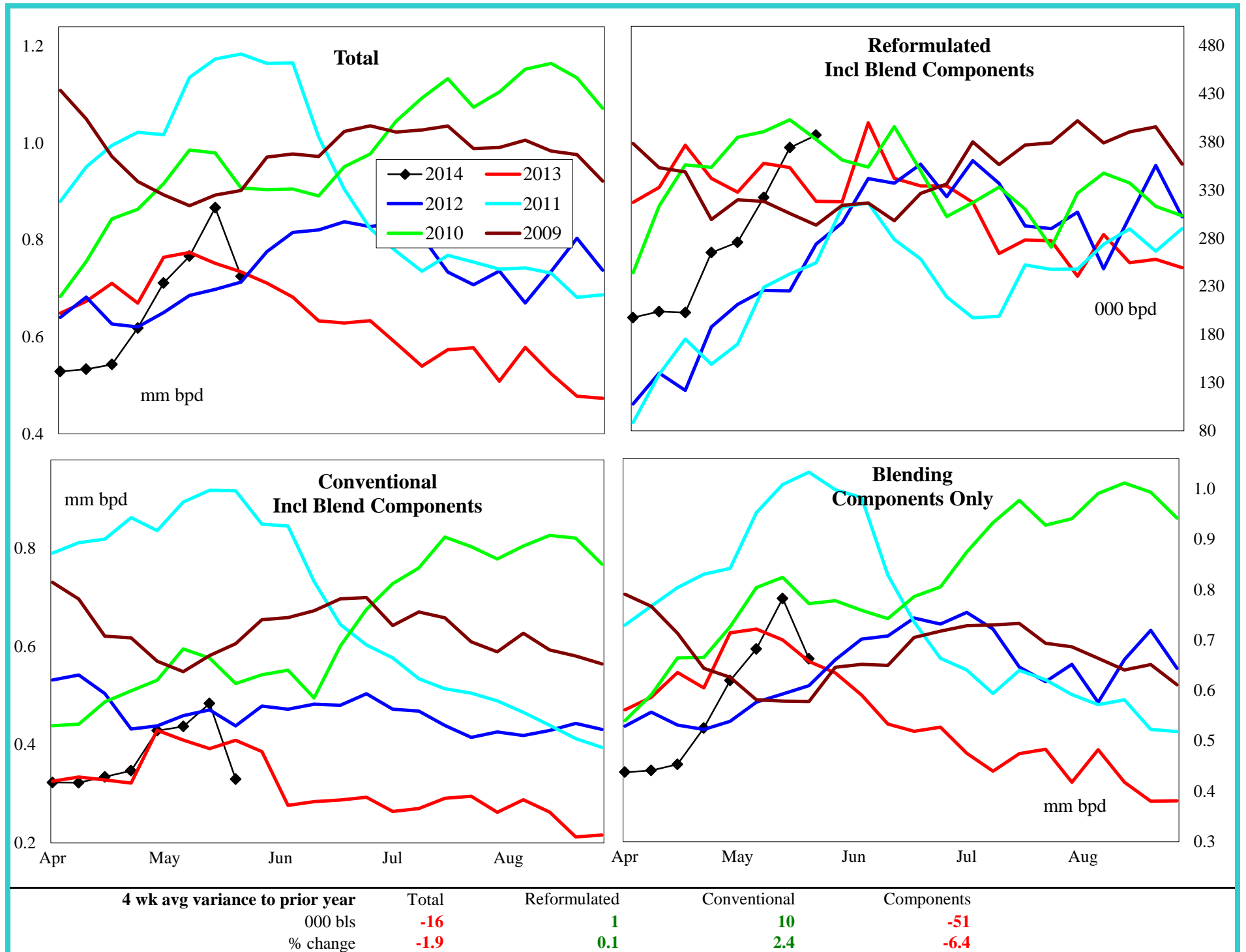
United States Reformulated Gasoline Supply



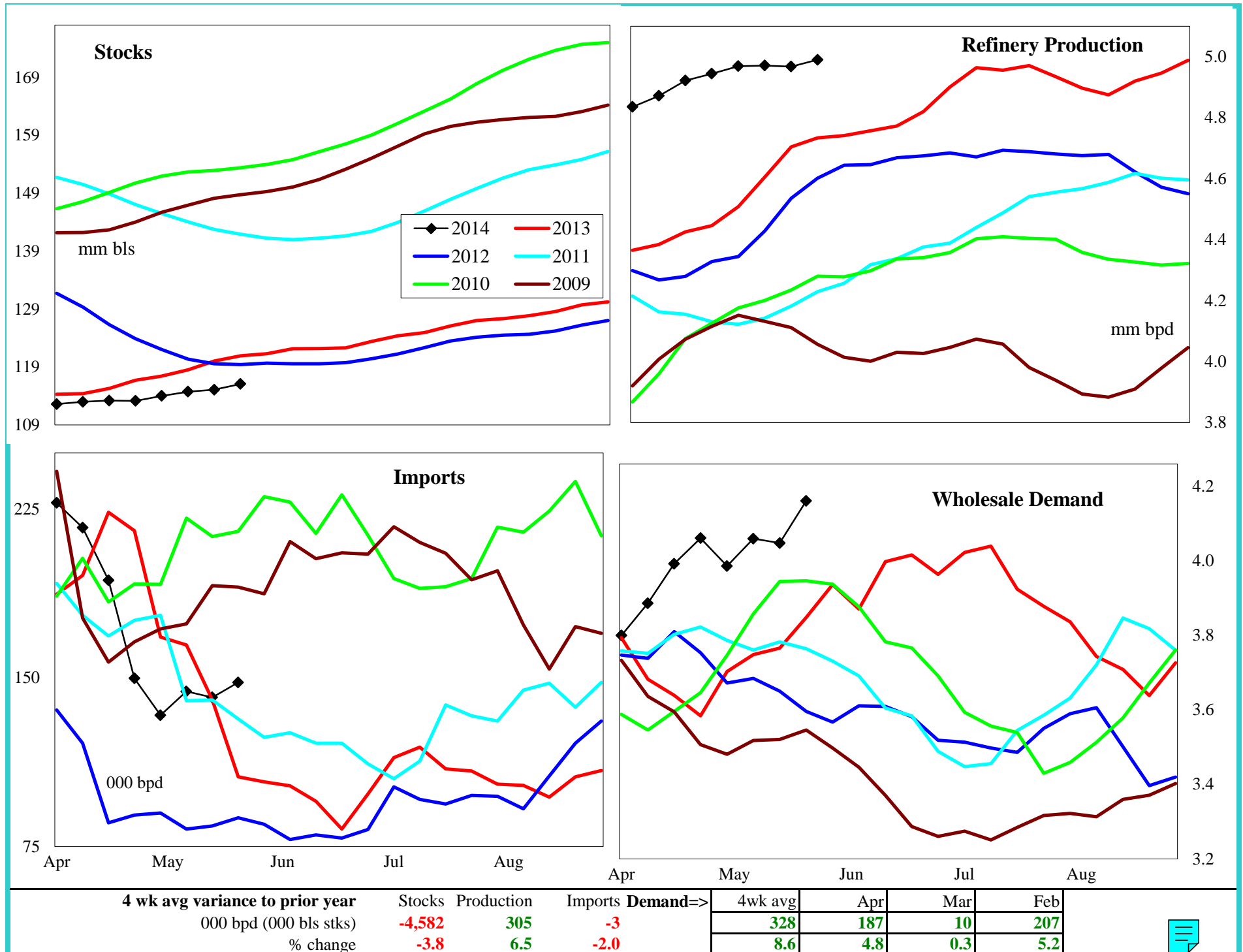
United States Conventional Gasoline Supply



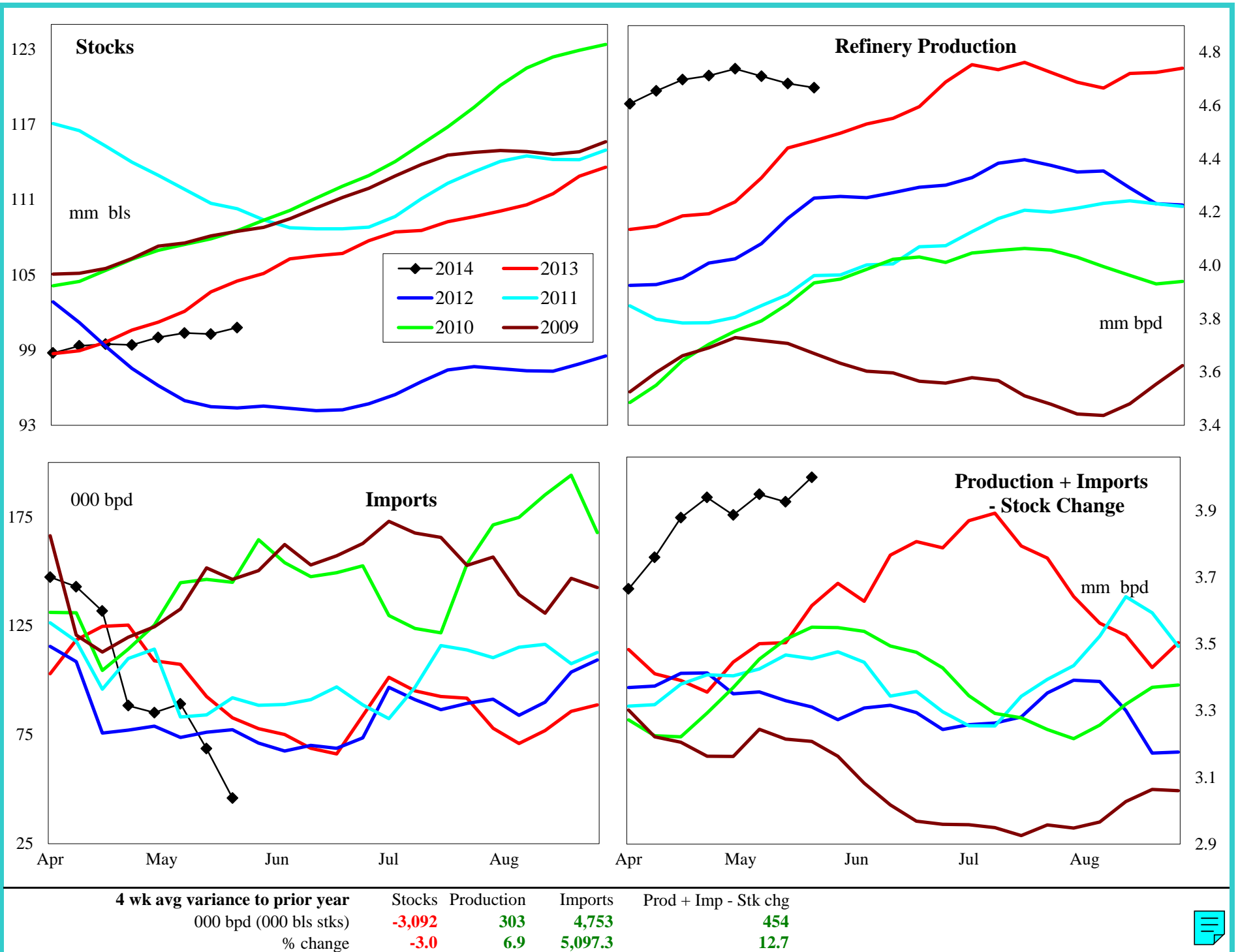
United States Gasoline Imports by Type



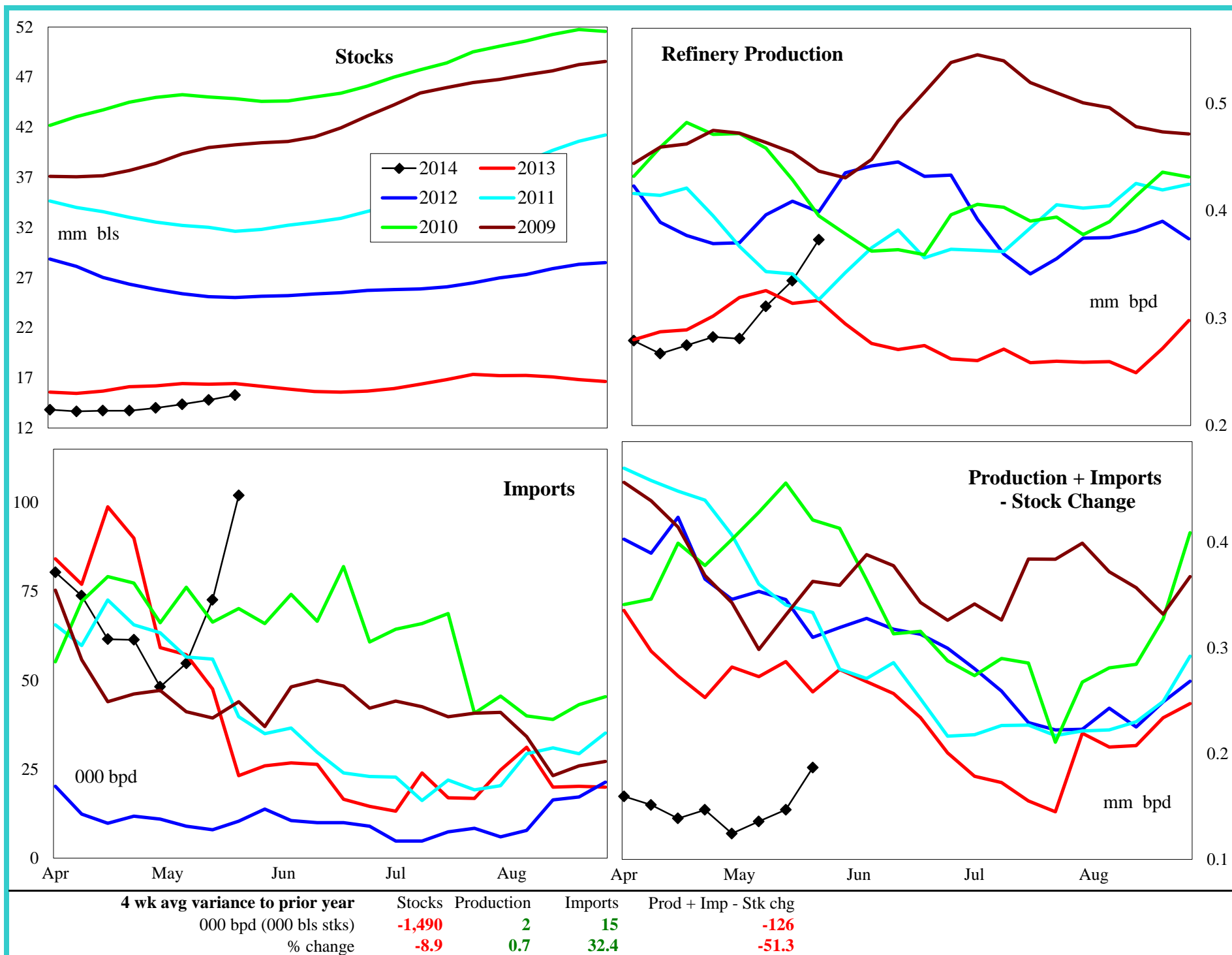
United States Distillate Supply and Demand Balance



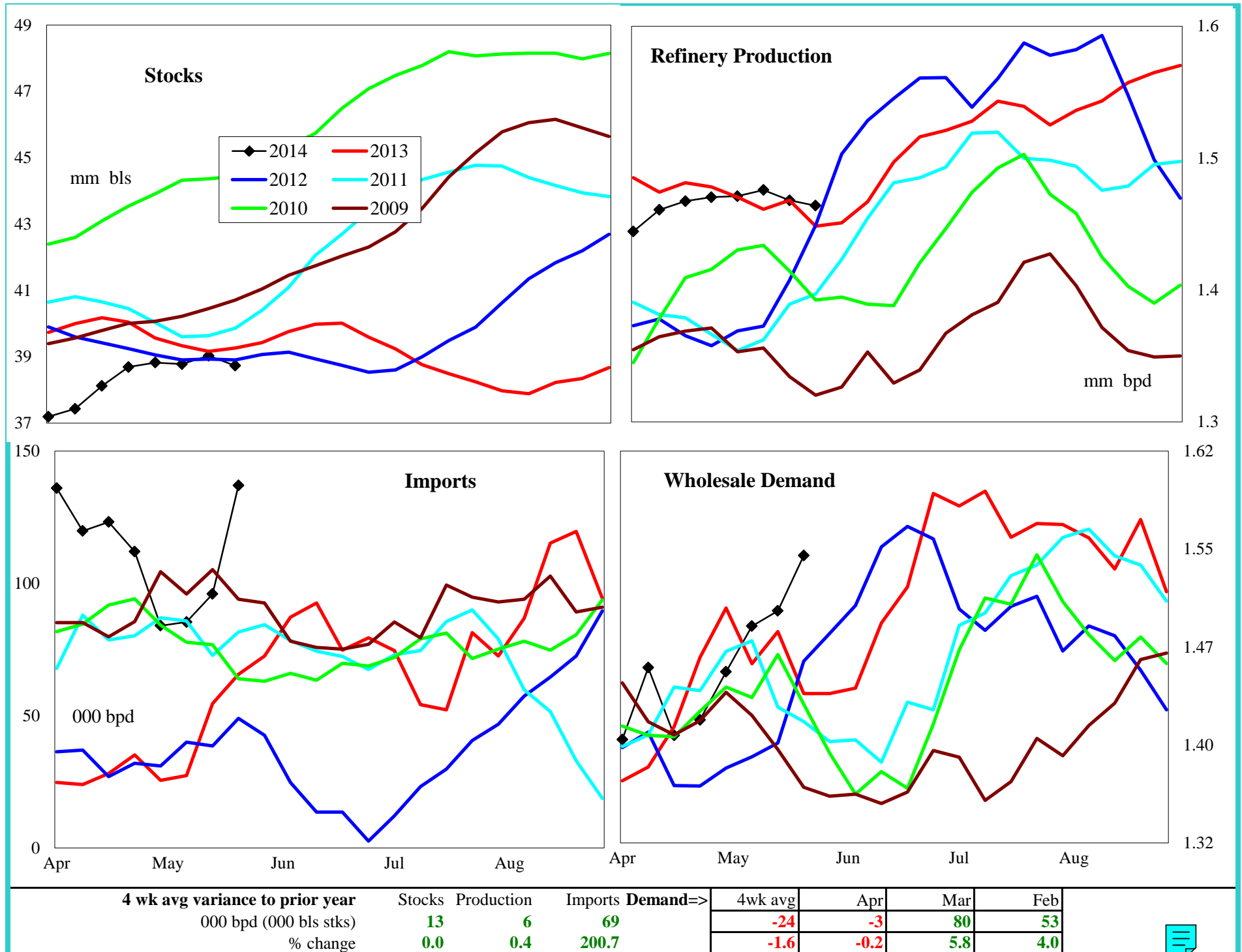
United States Low Sulfur Distillate Supply



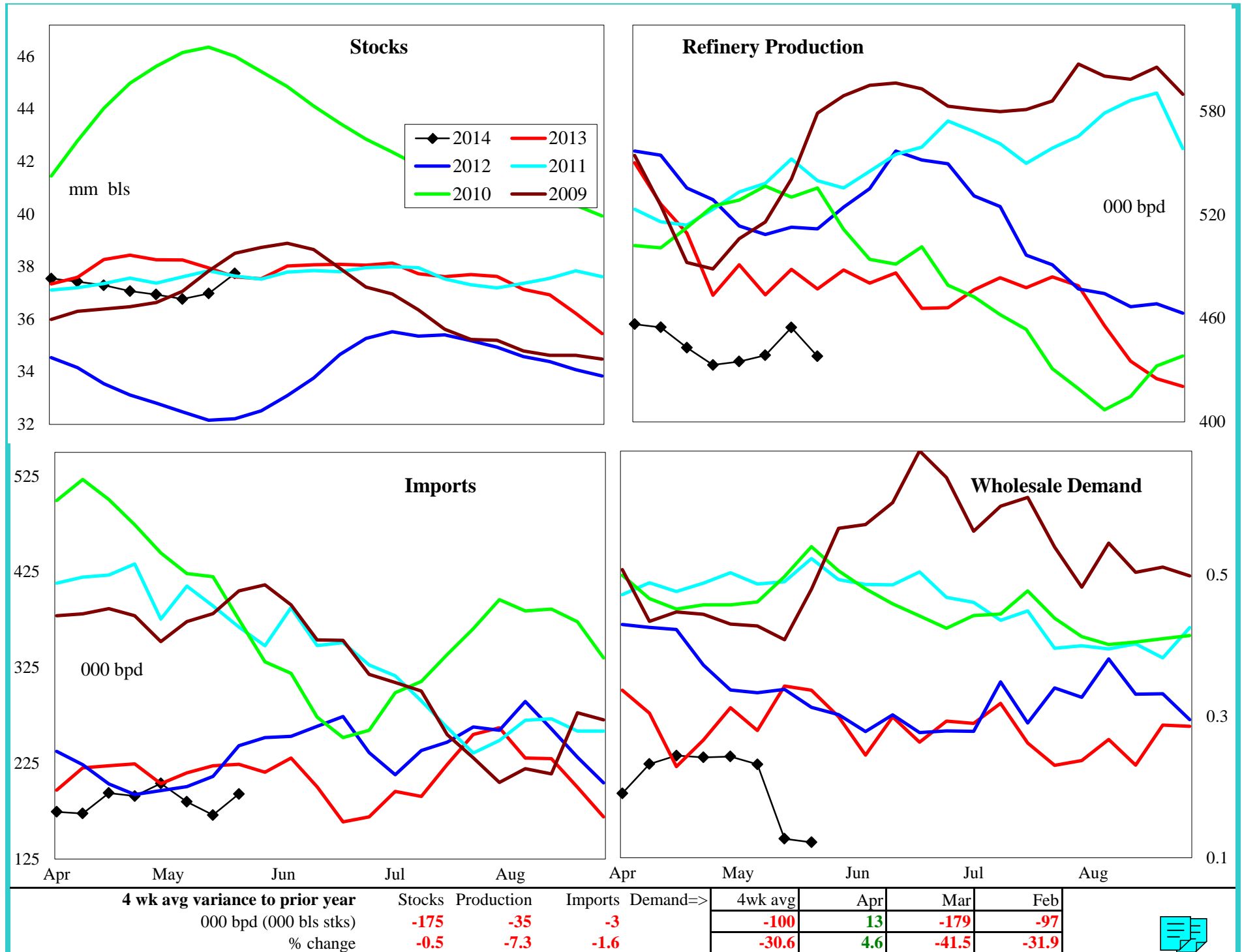
United States High Sulfur Distillate Supply



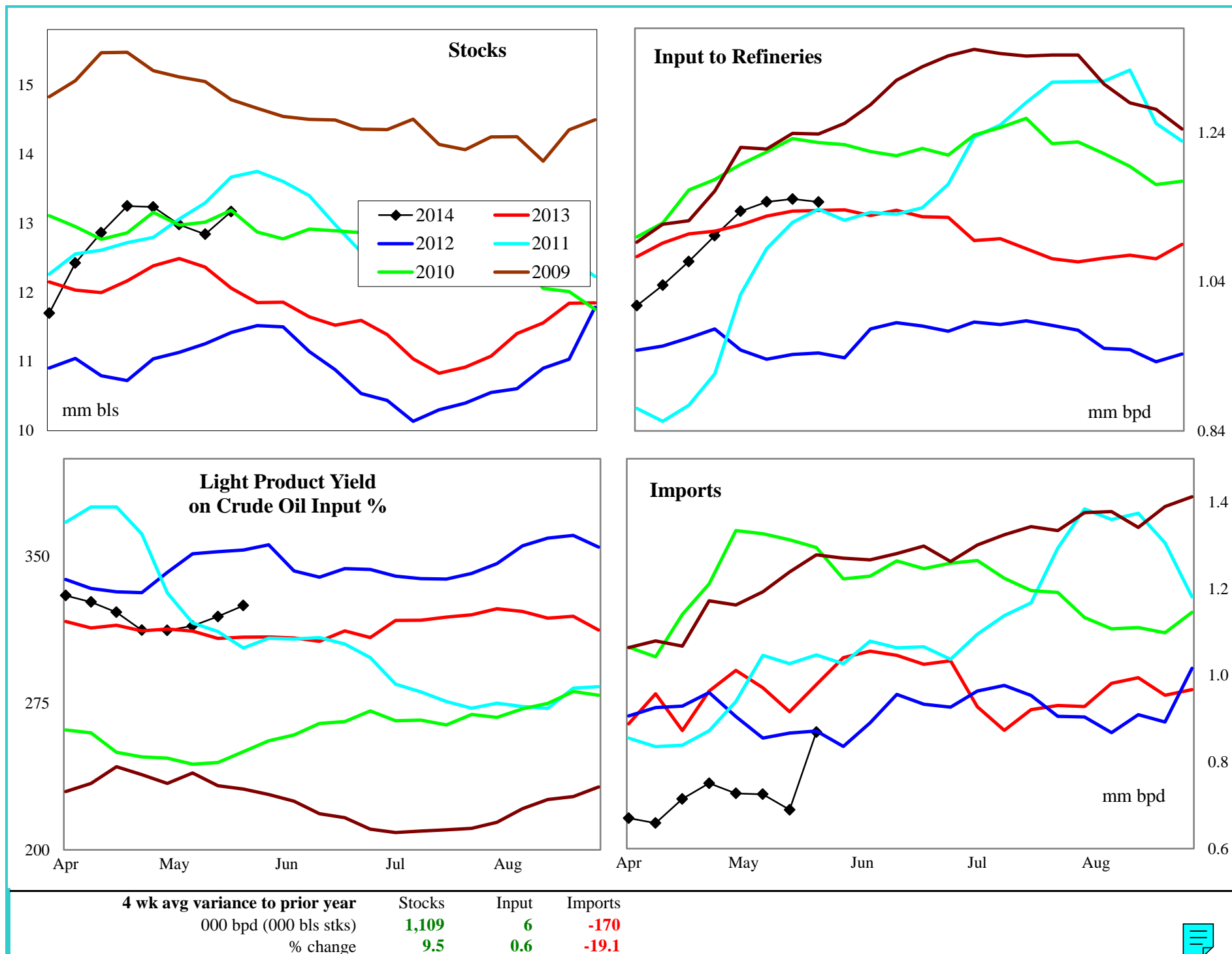
United States Jet Fuel Supply and Demand Balance



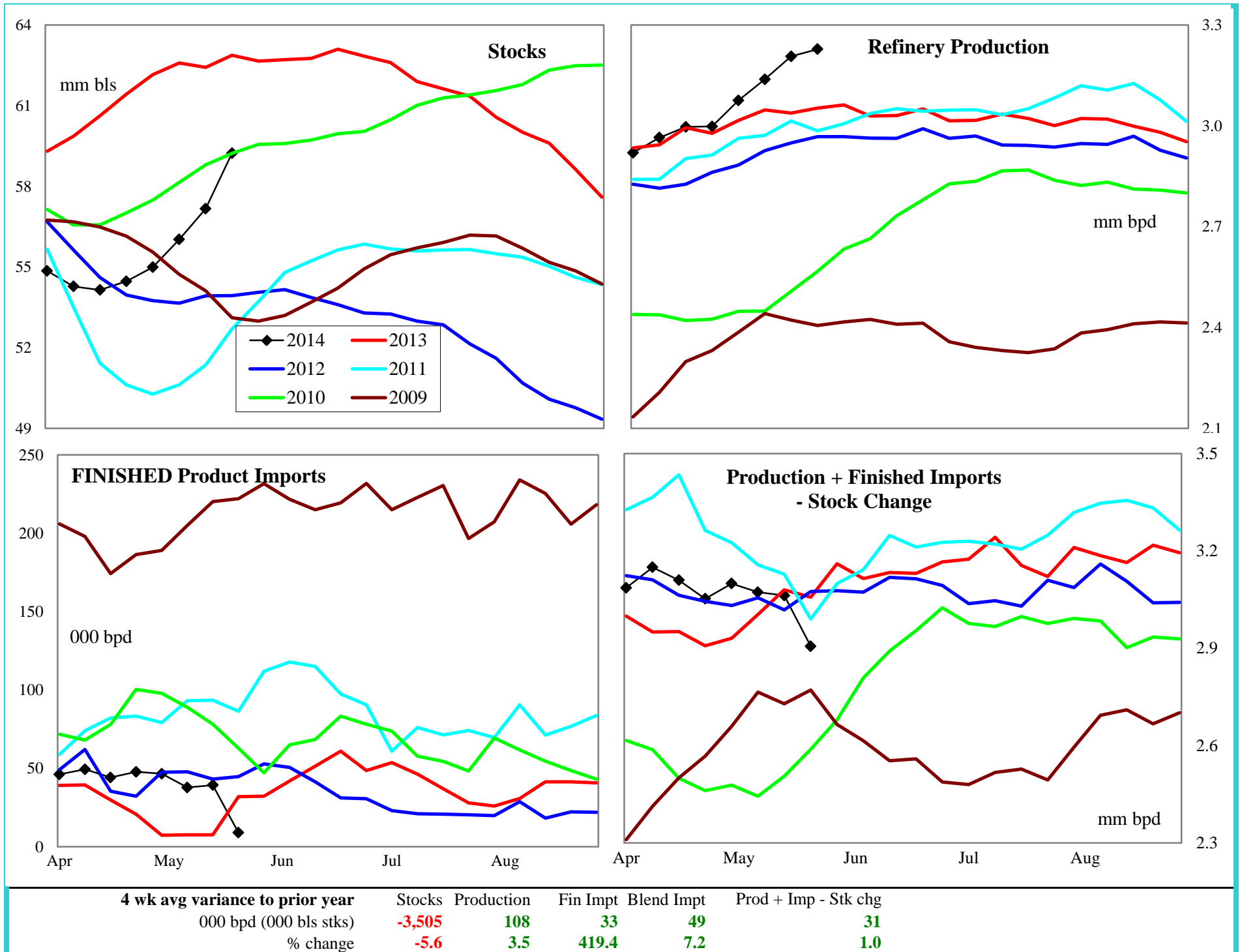
United States Residual Fuel Oil Supply and Demand Balance



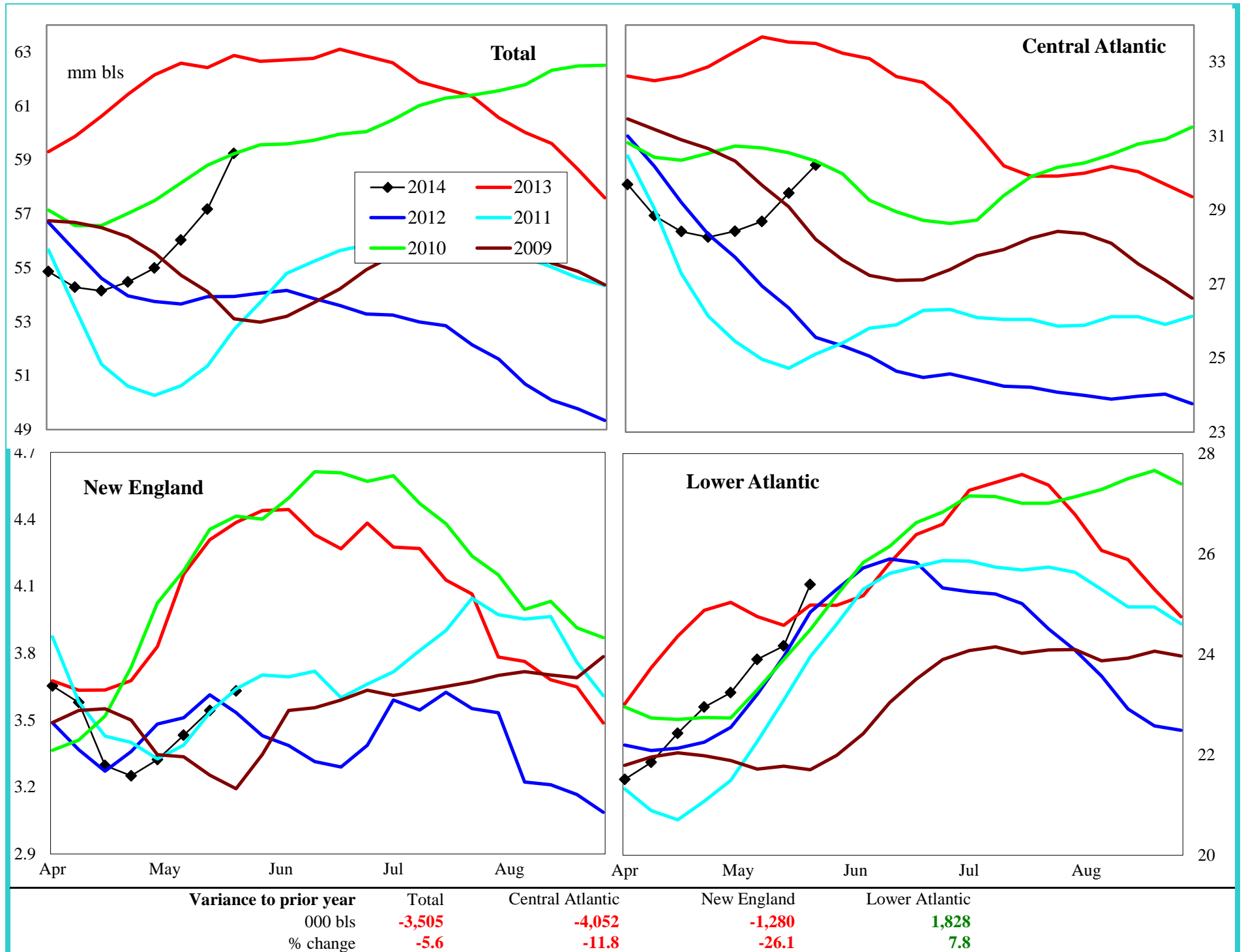
PADD 1 Crude Oil Supply and Refining



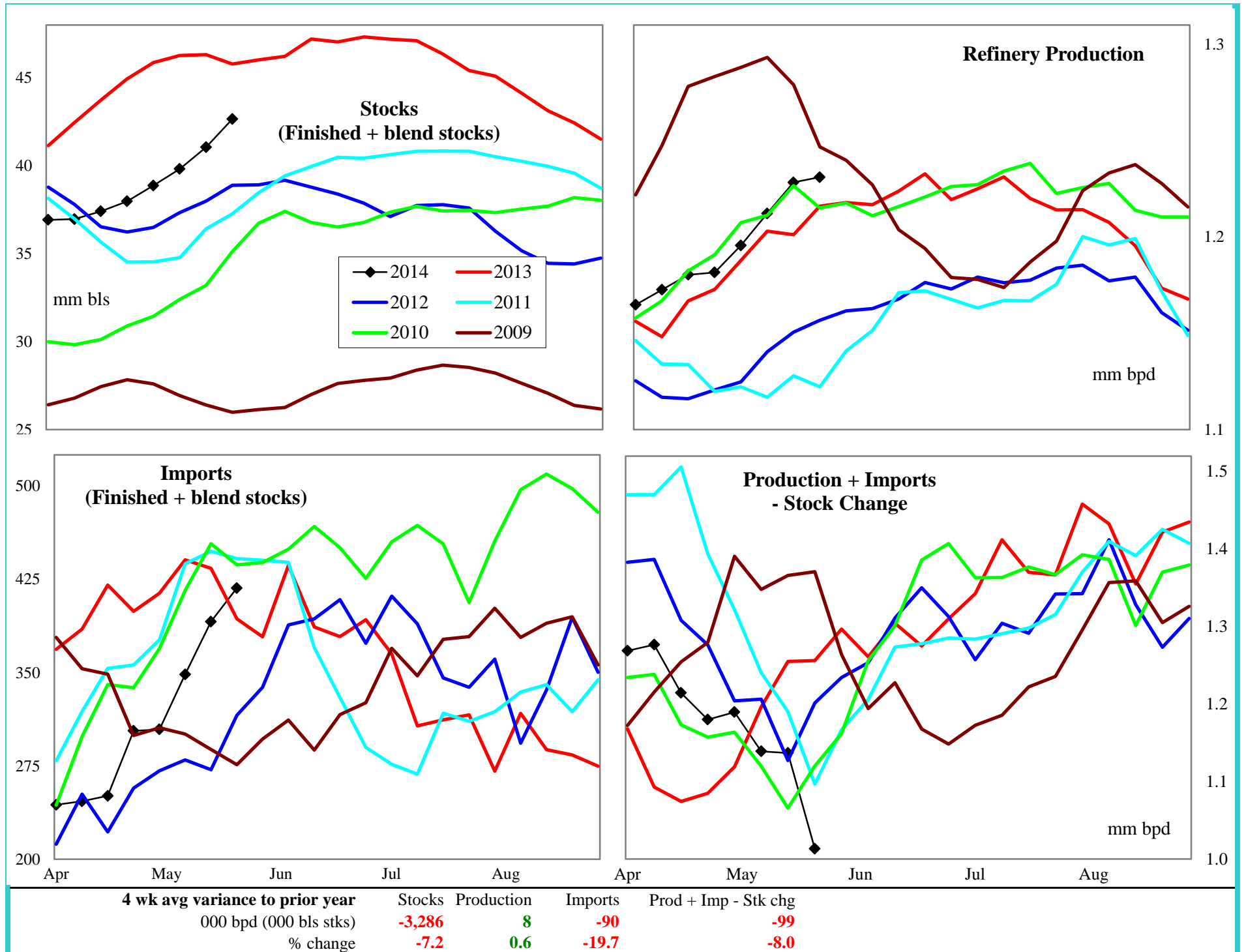
PADD 1 Gasoline Supply



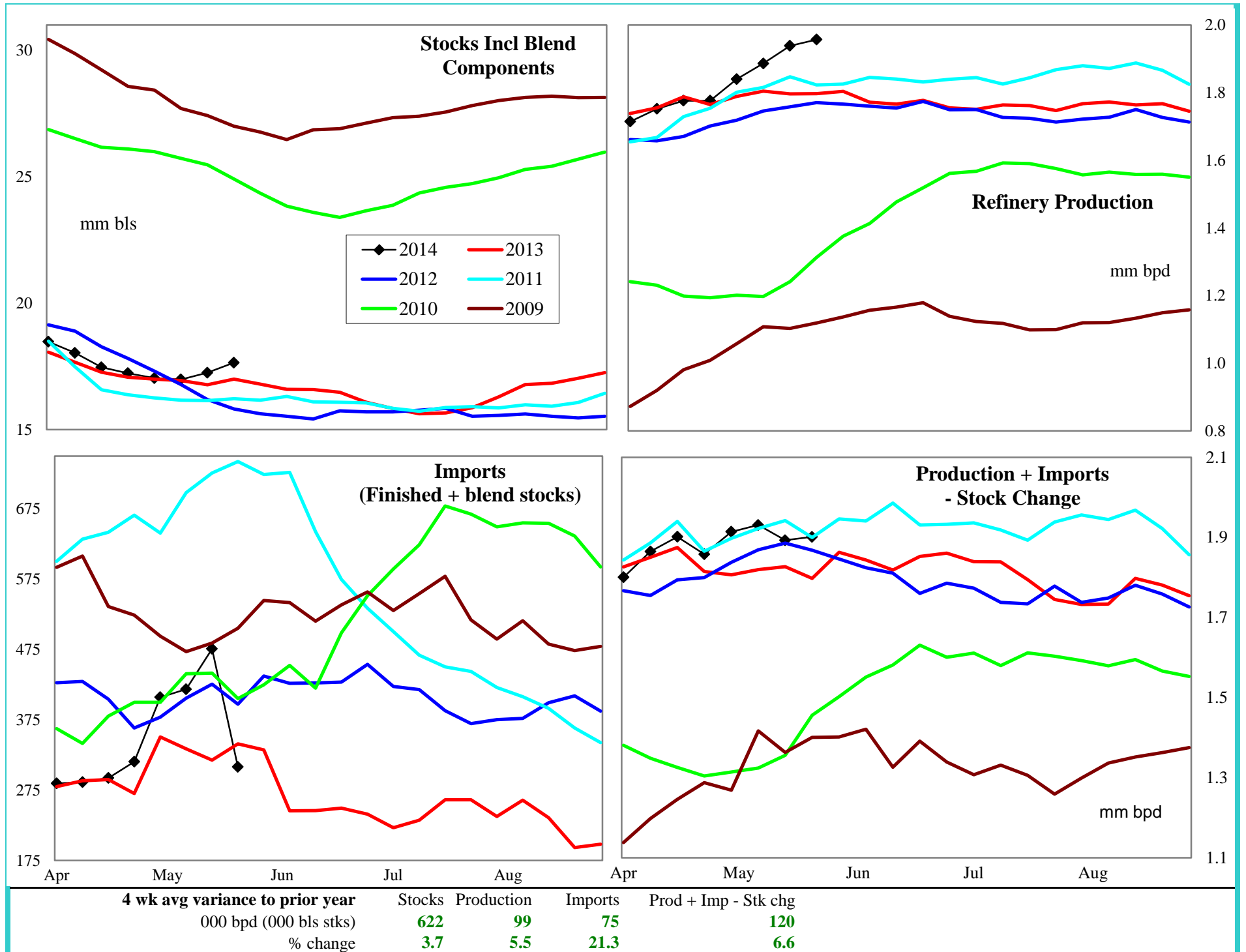
PADD 1 Gasoline Stocks by Region



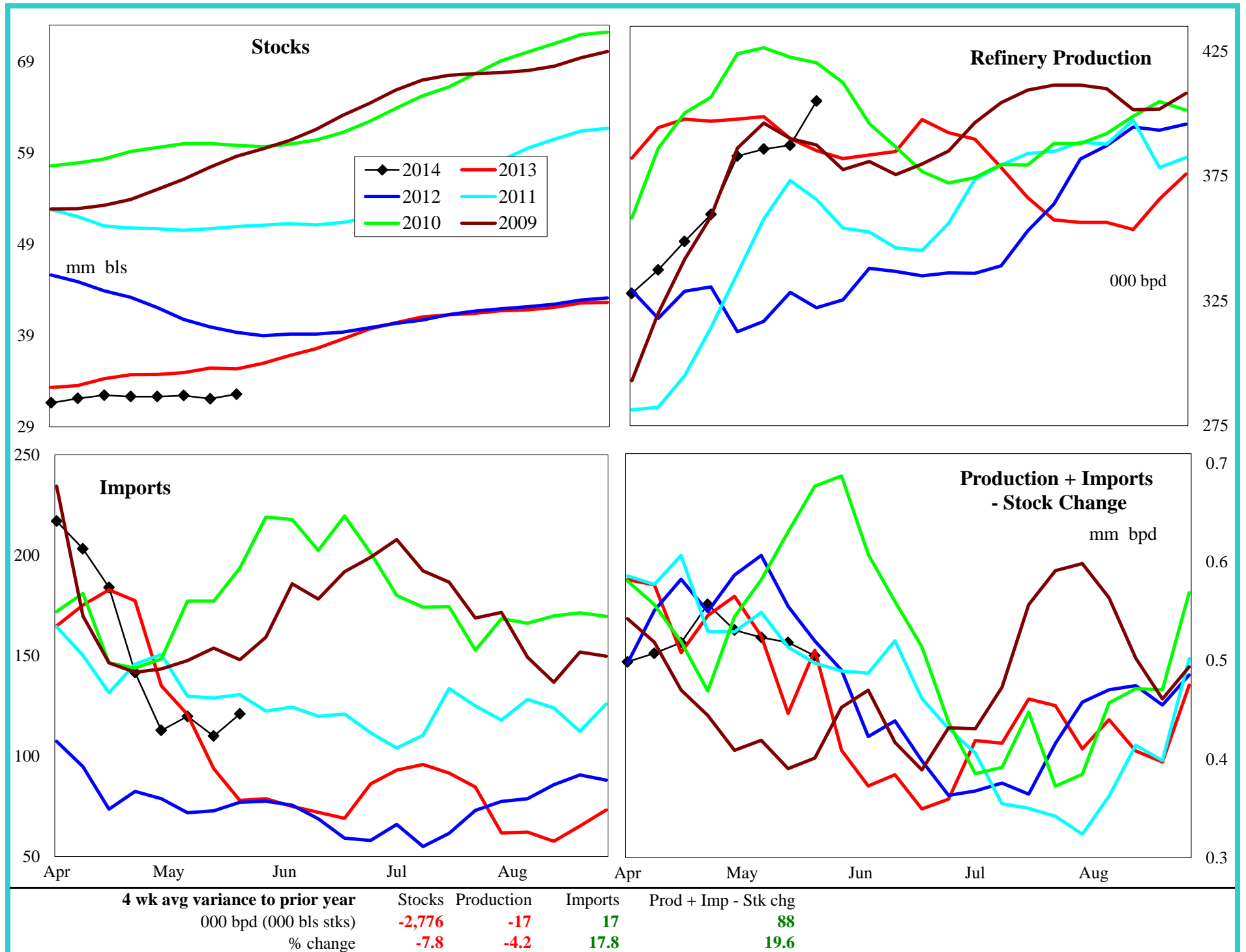
PADD 1 Reformulated Gasoline Supply



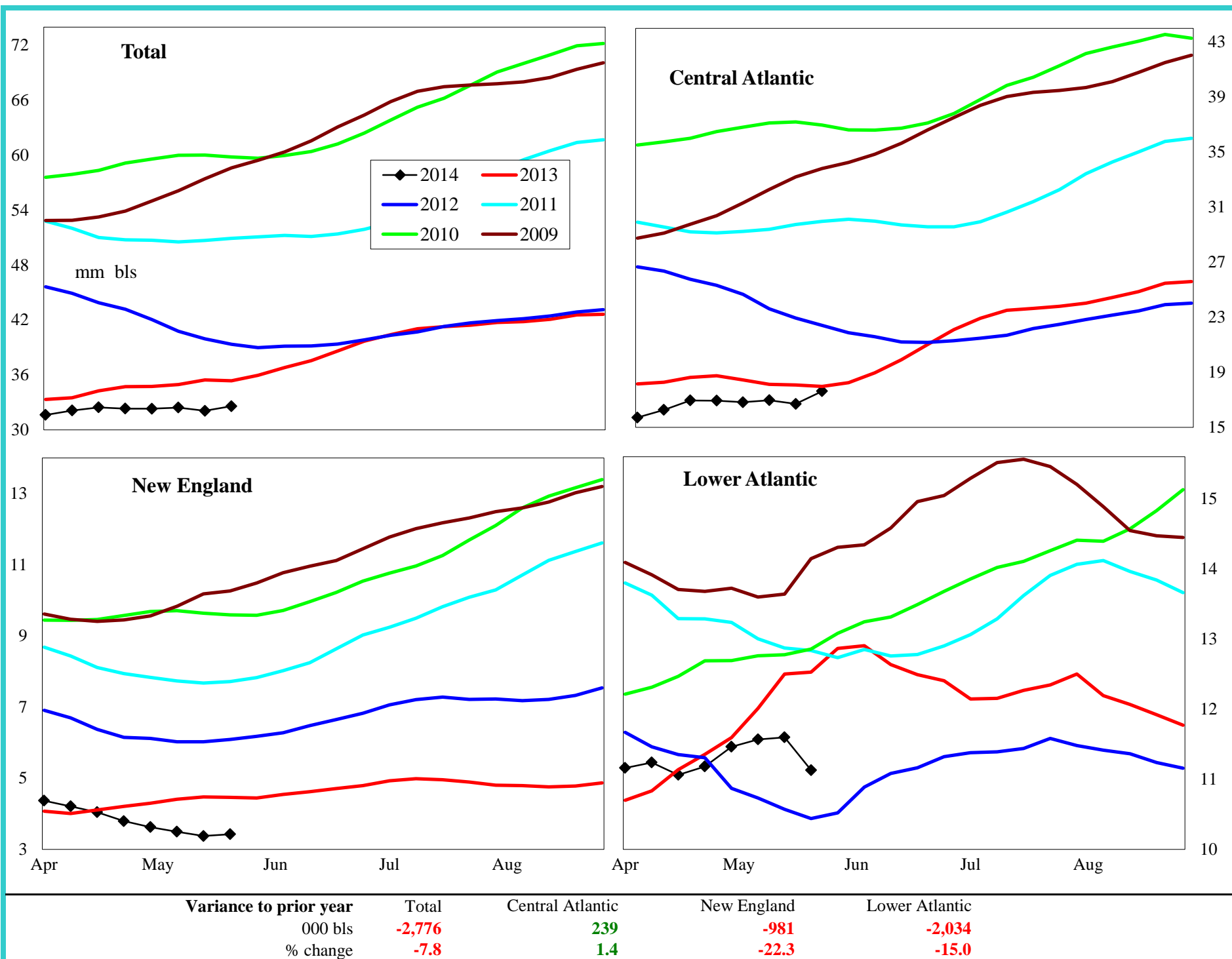
PADD 1 Conventional Gasoline Supply



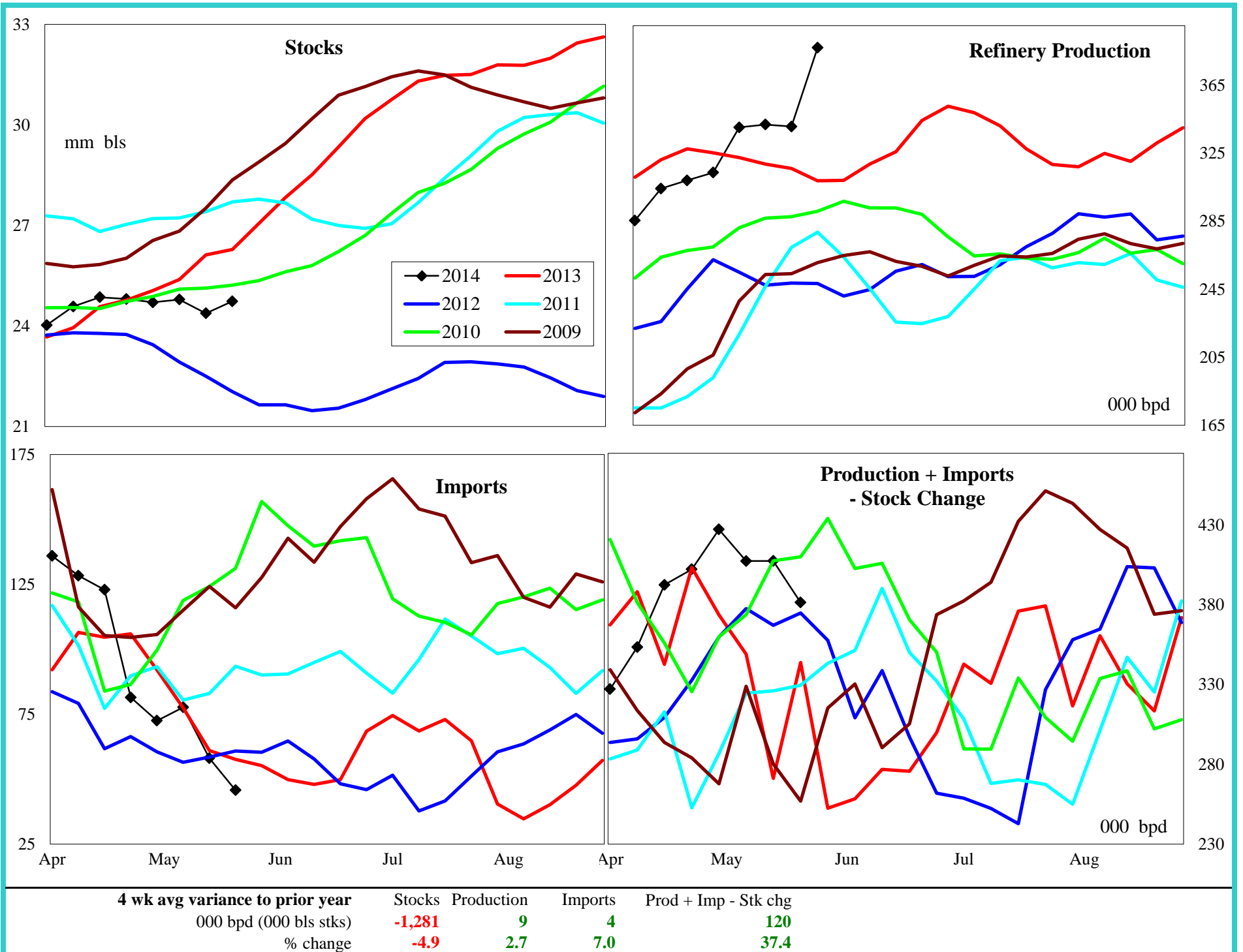
PADD 1 Distillate Supply



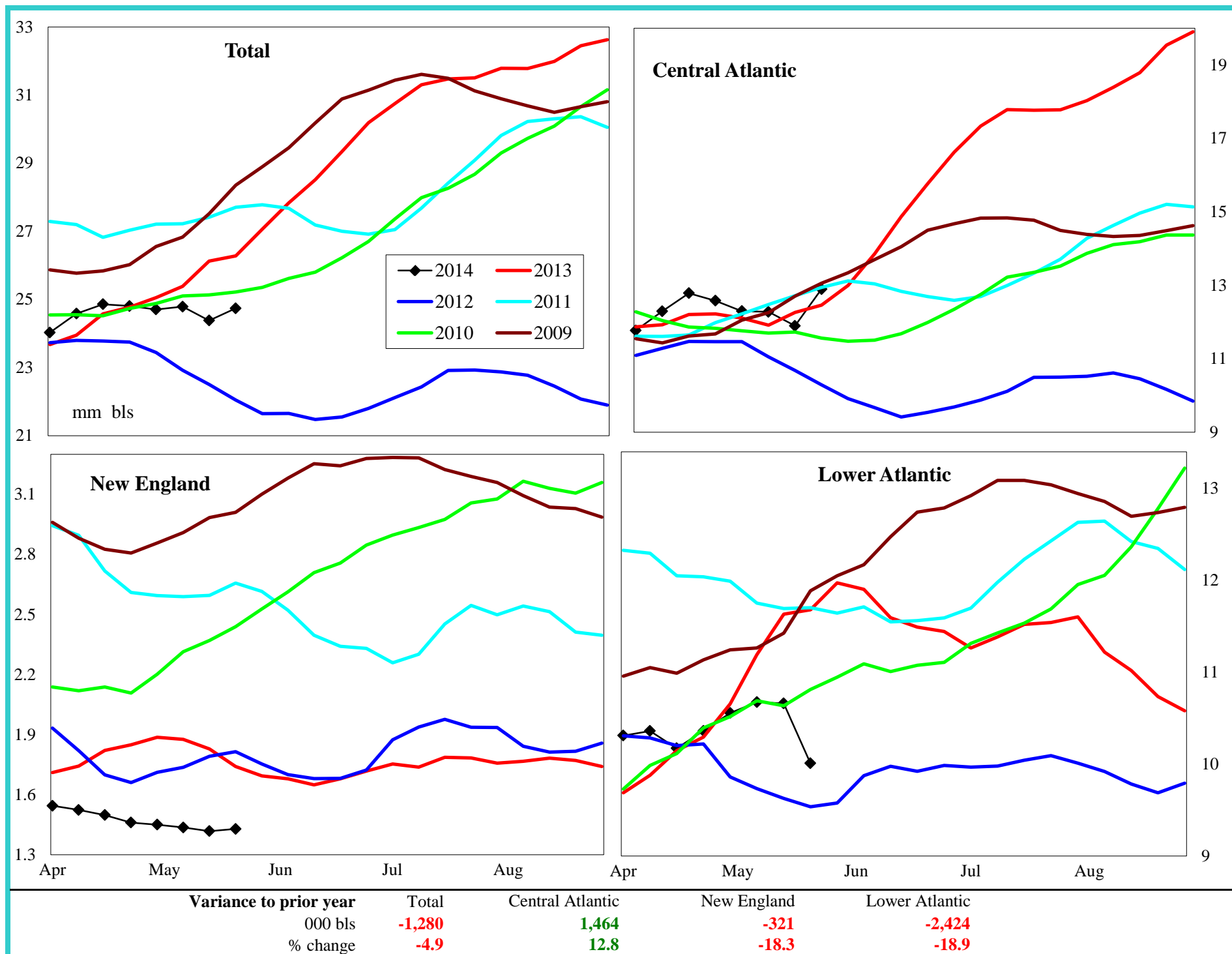
PADD 1 Distillate Stocks by Region



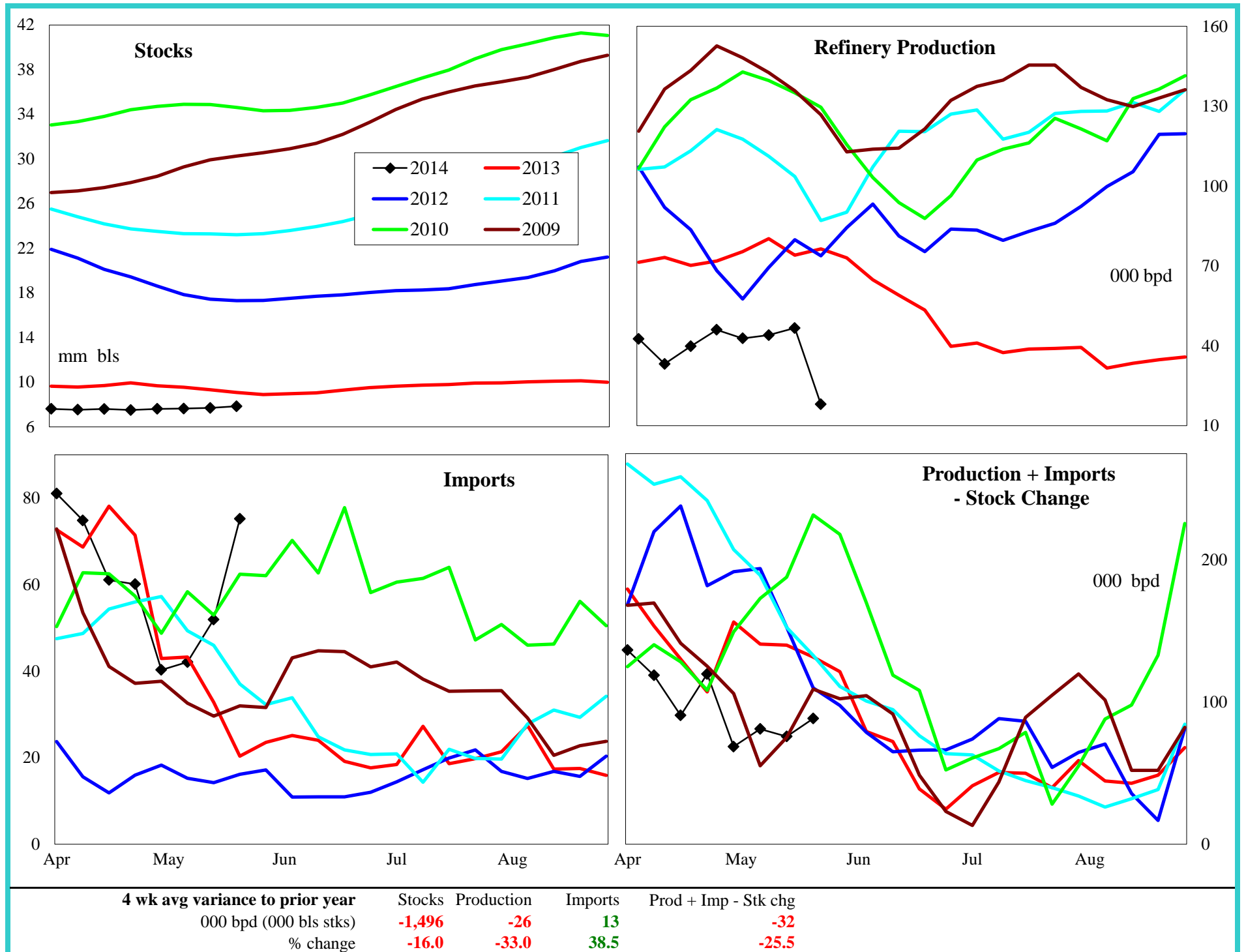
PADD 1 Low Sulfur Distillate Supply



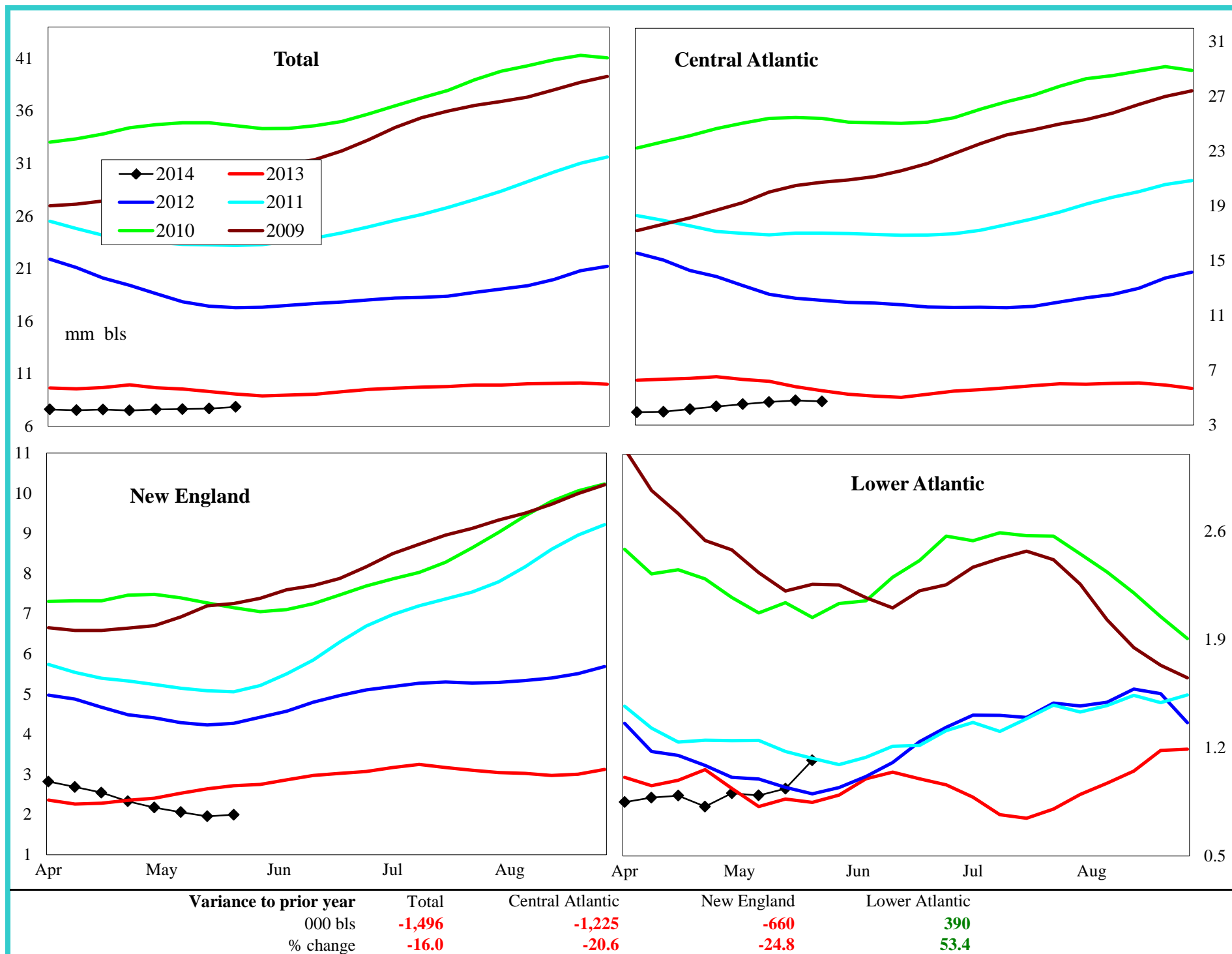
PADD 1 Low Sulfur Distillate Stocks by Region



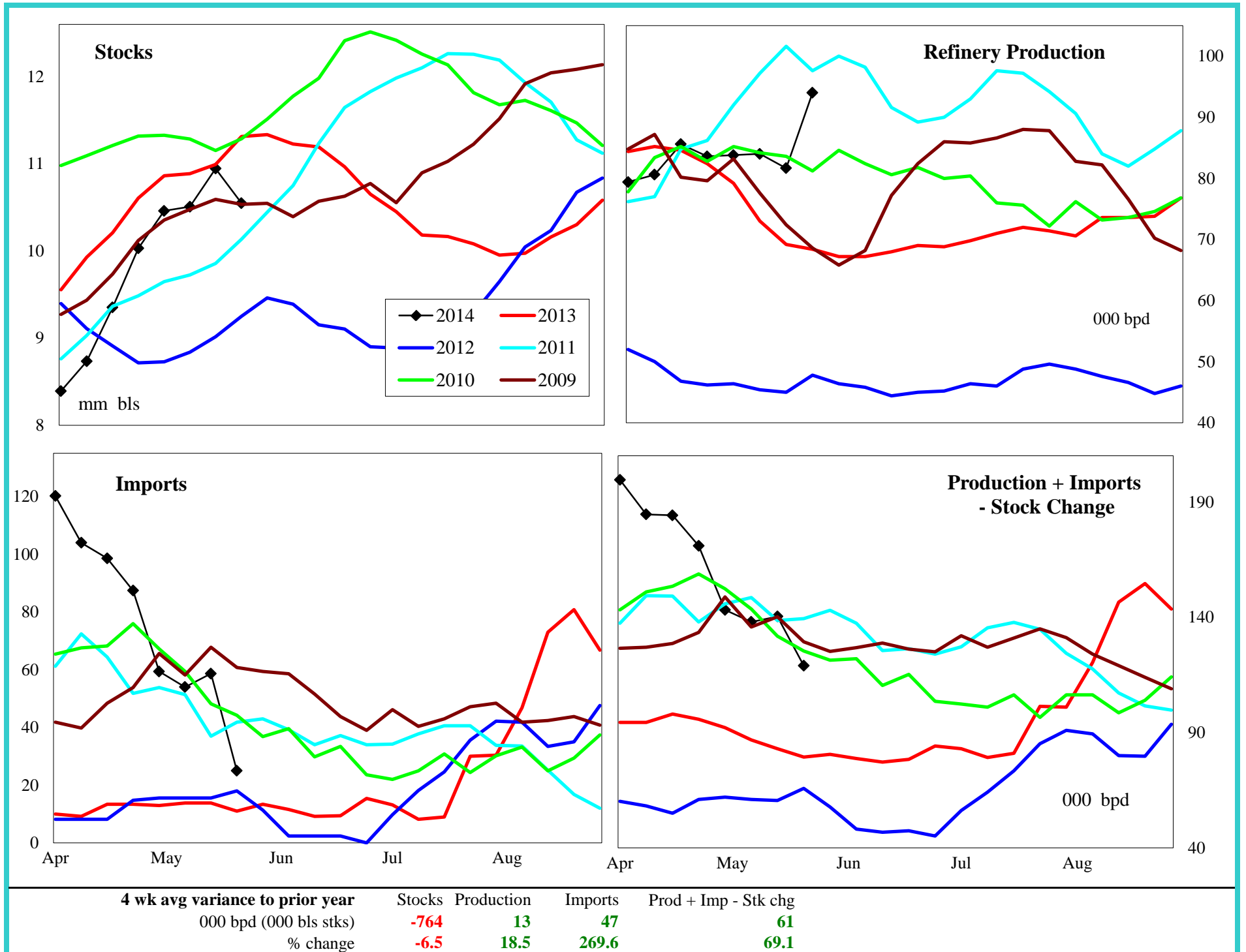
PADD 1 High Sulfur Distillate Supply



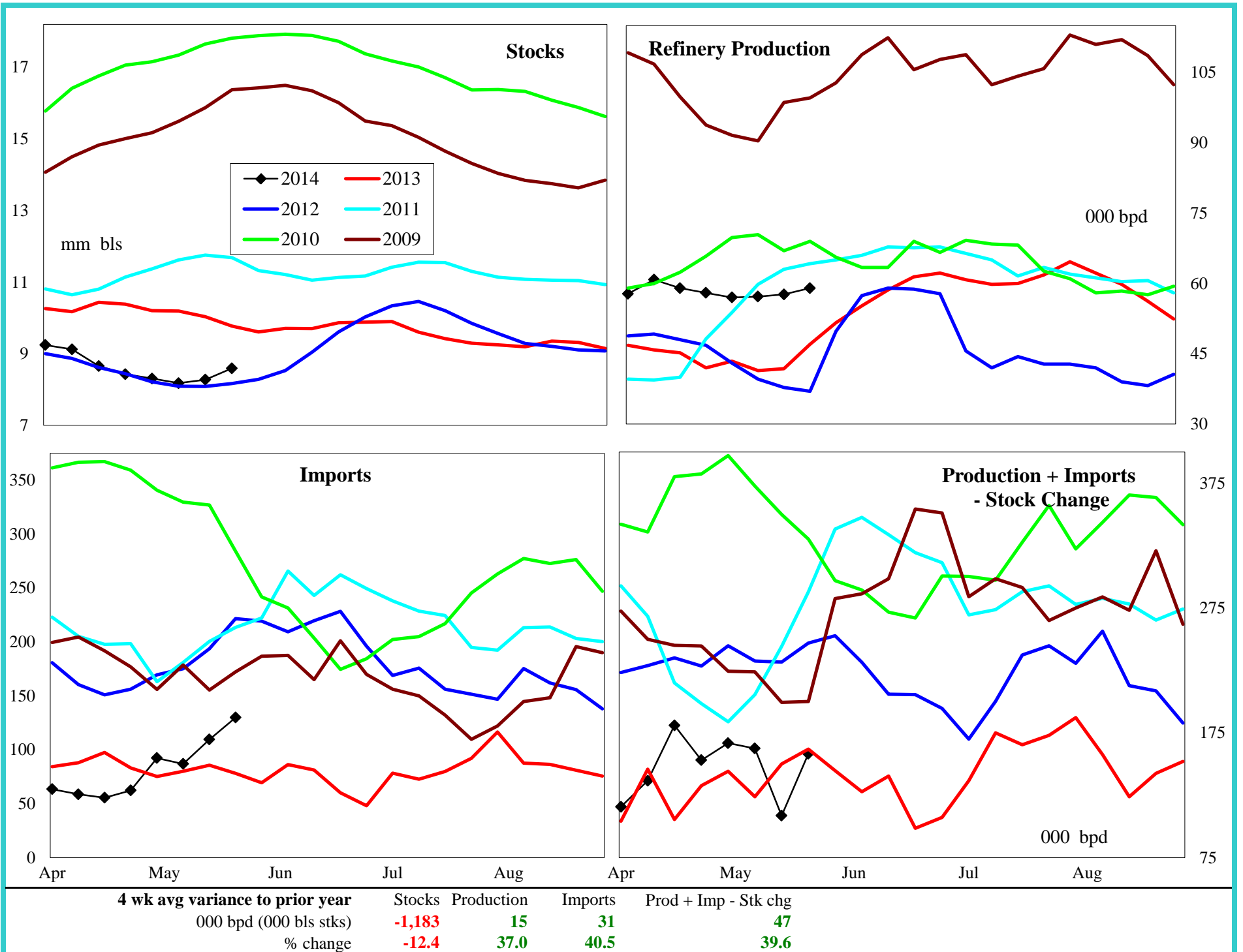
PADD 1 High Sulfur Distillate Stocks by Region



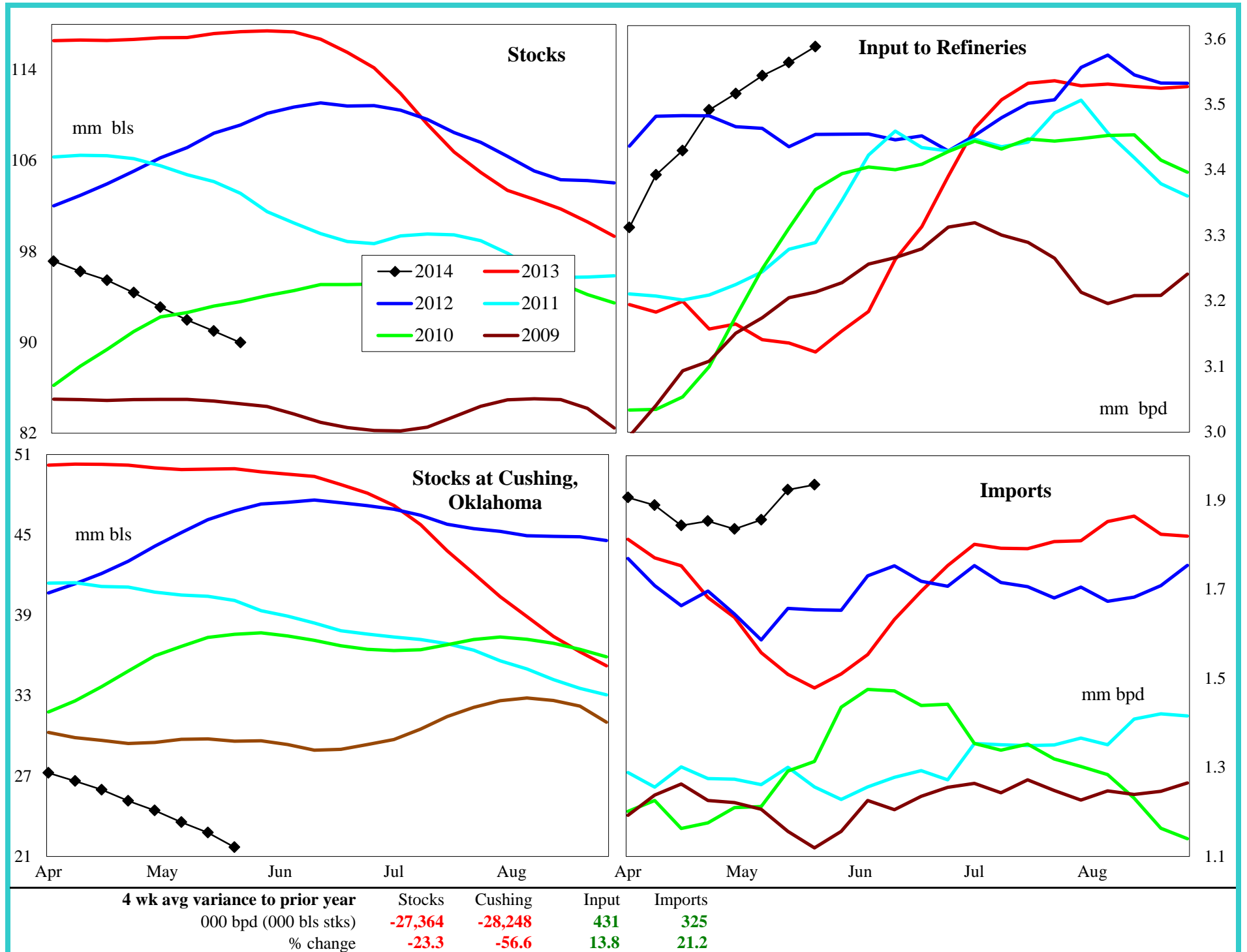
PADD 1 Jet Fuel Supply



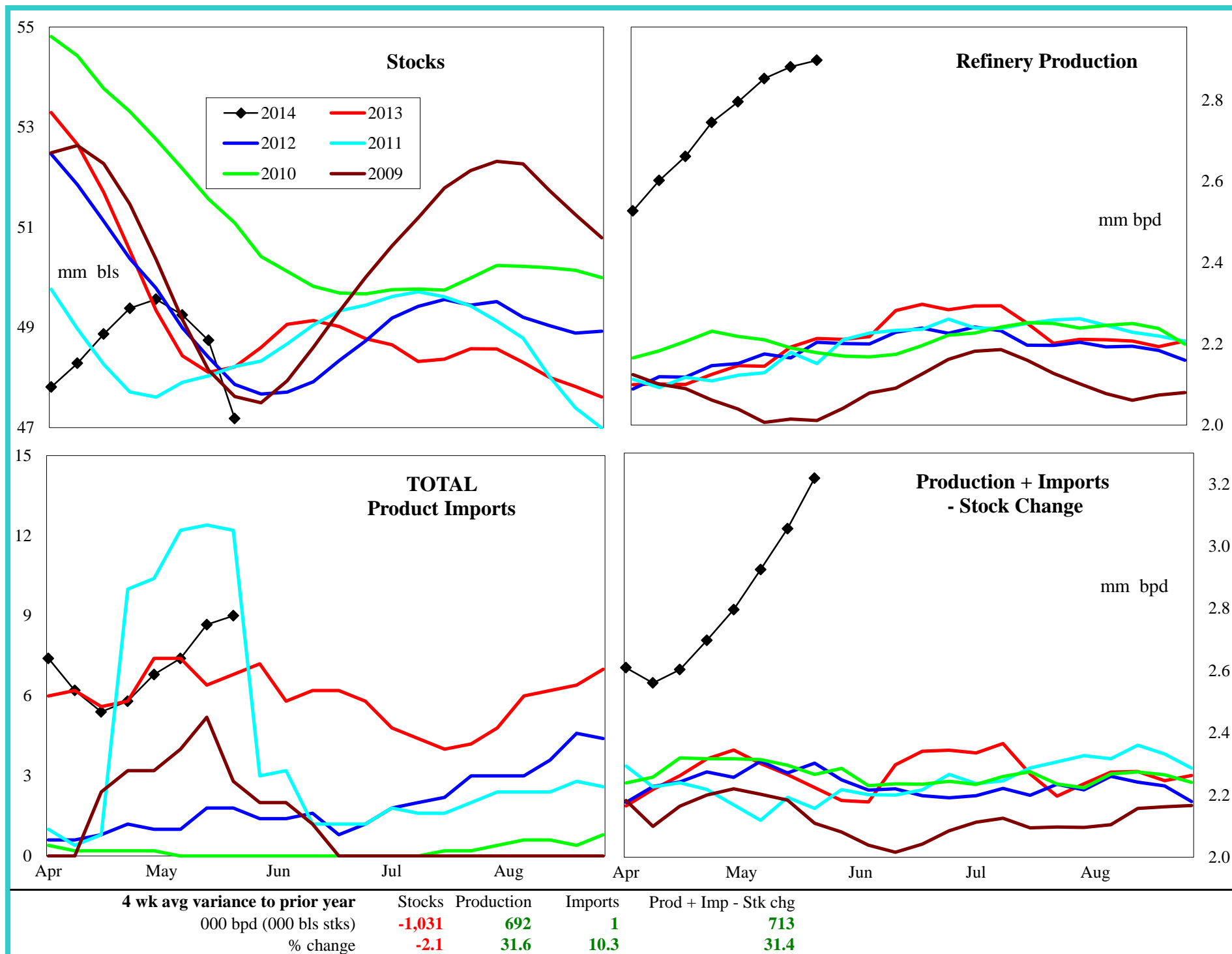
PADD 1 Residual Fuel Oil Supply



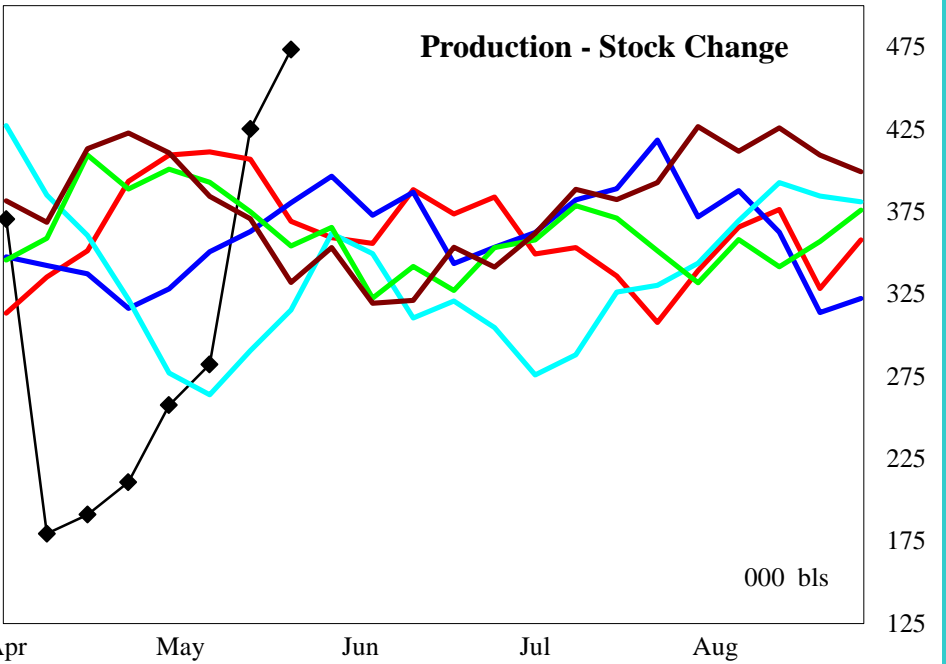
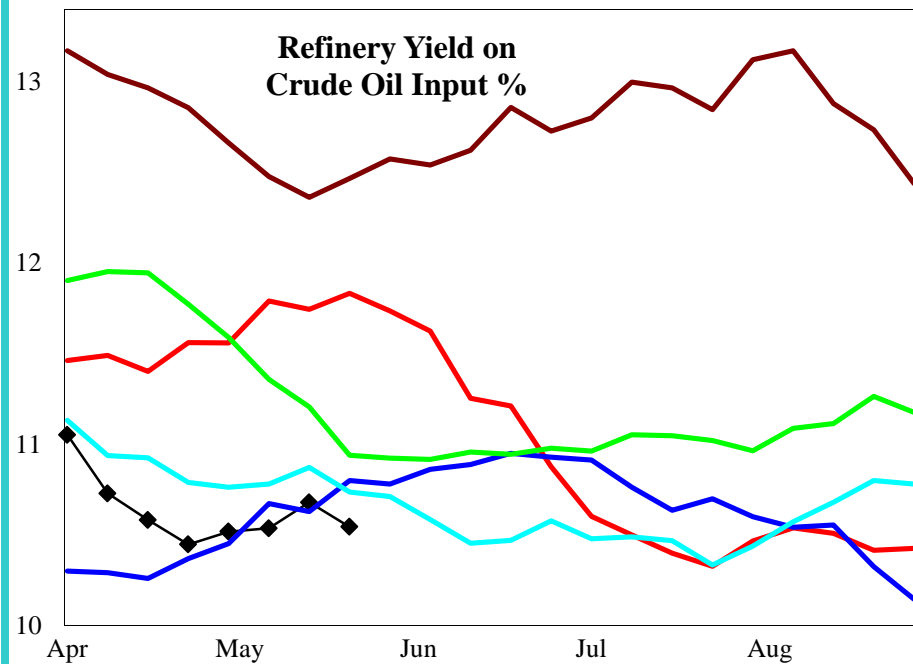
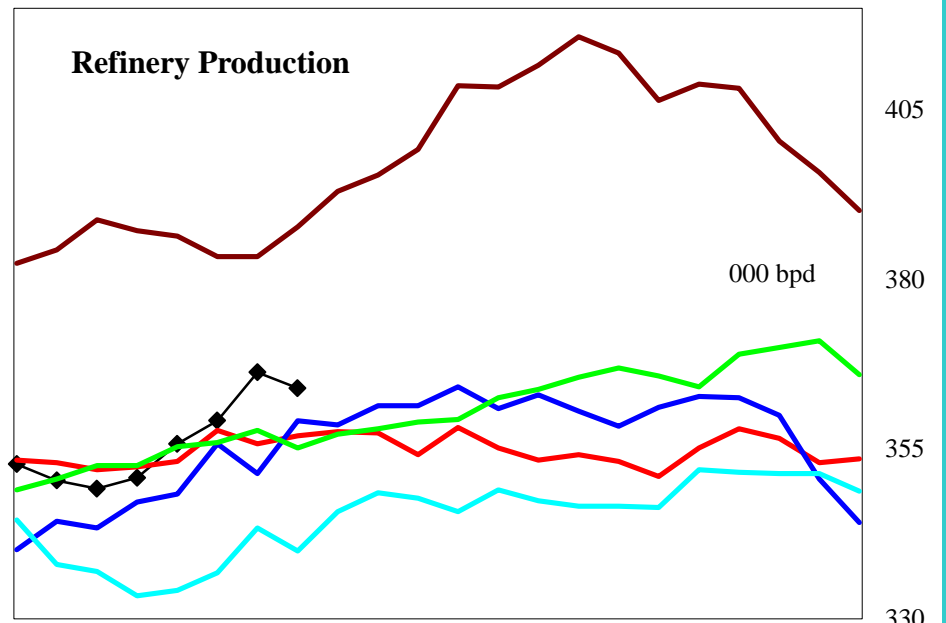
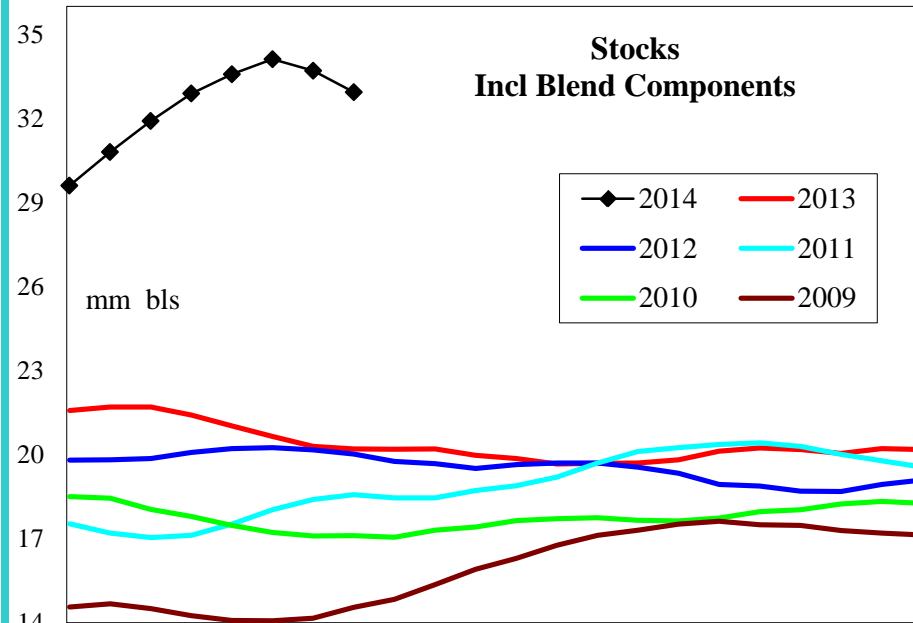
PADD 2 Crude Oil Supply and Refining



PADD 2 Gasoline Supply



PADD 2 Reformulated Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

Production

12,727

5

63.0

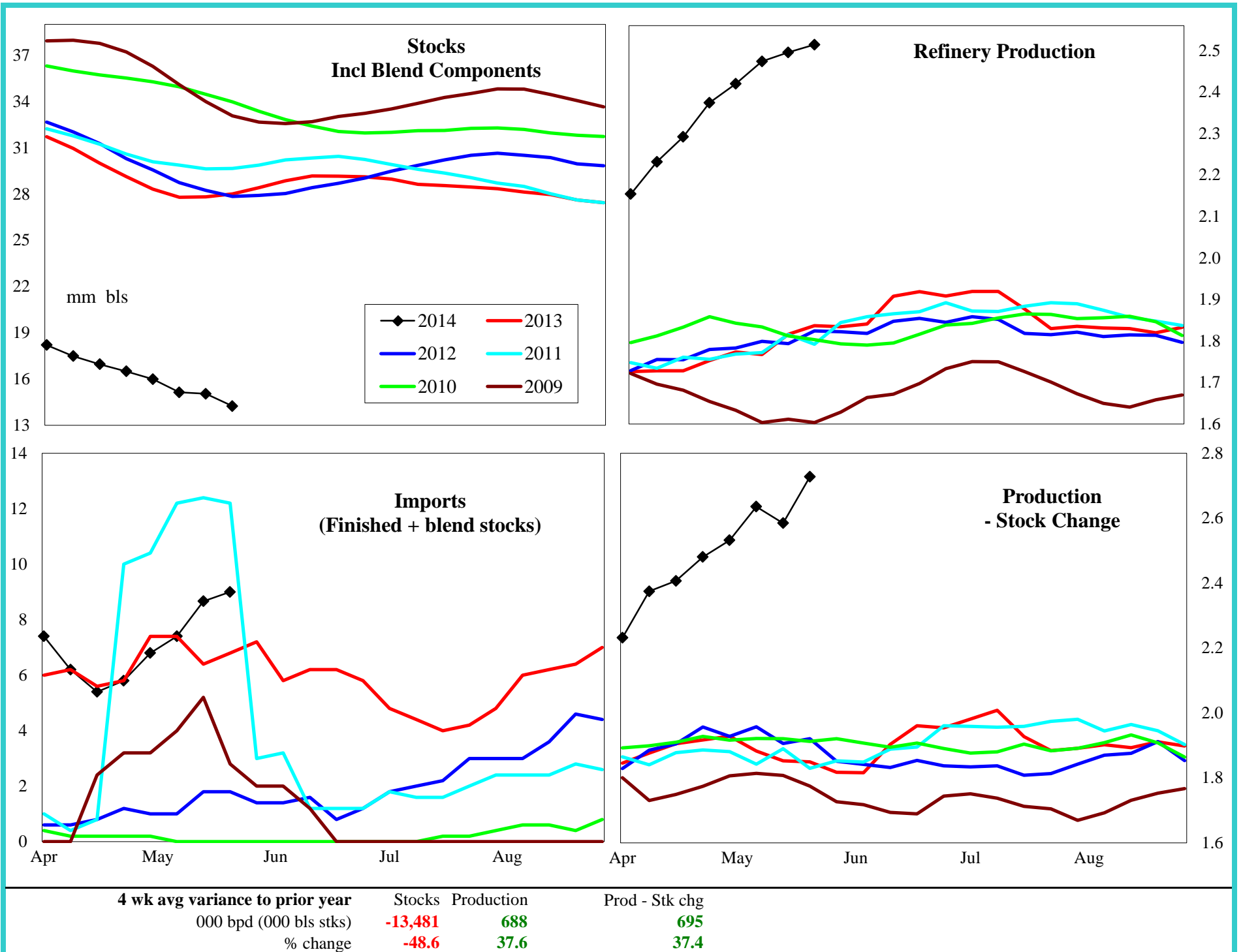
1.5

Prod - Stk chg

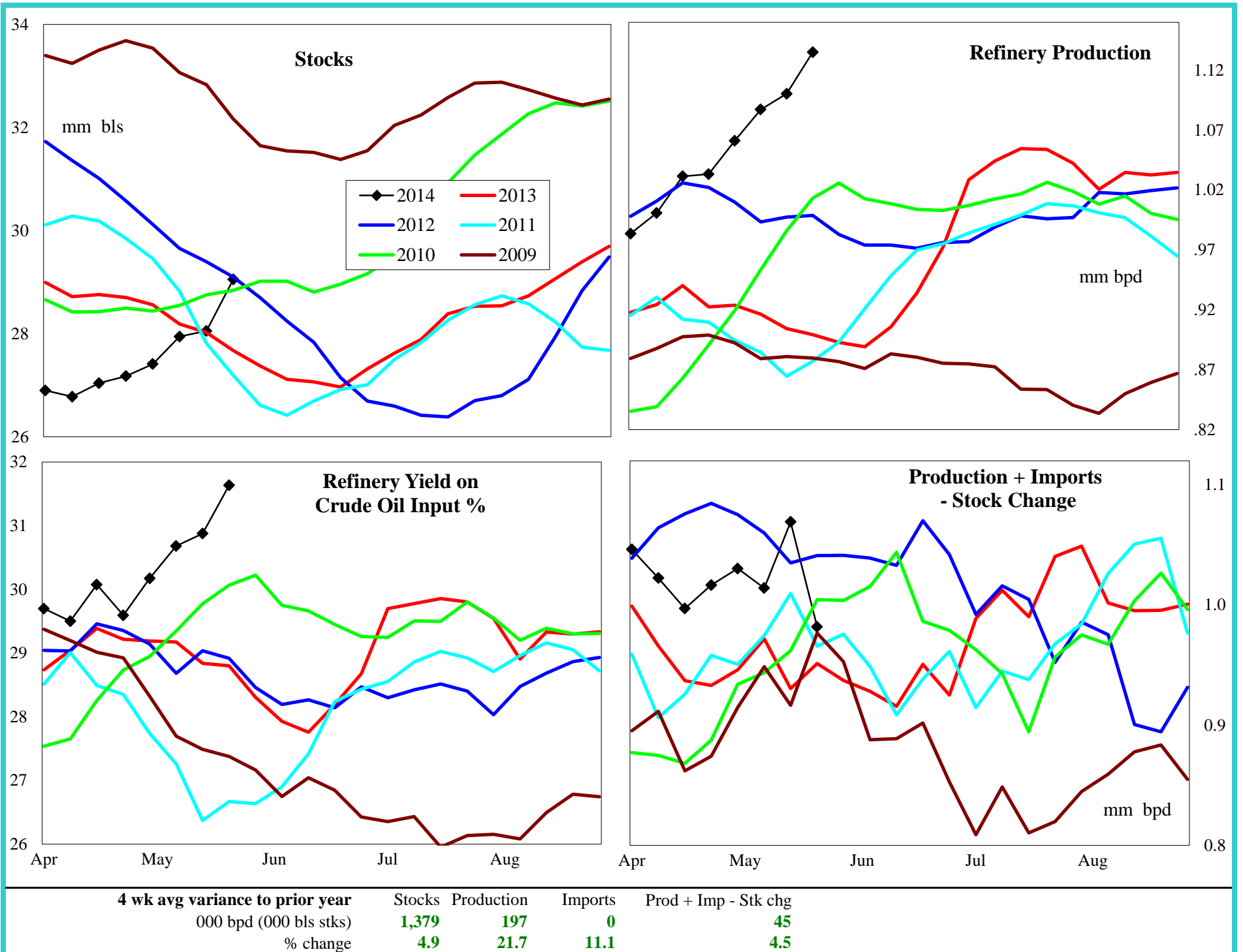
-40

-9.9

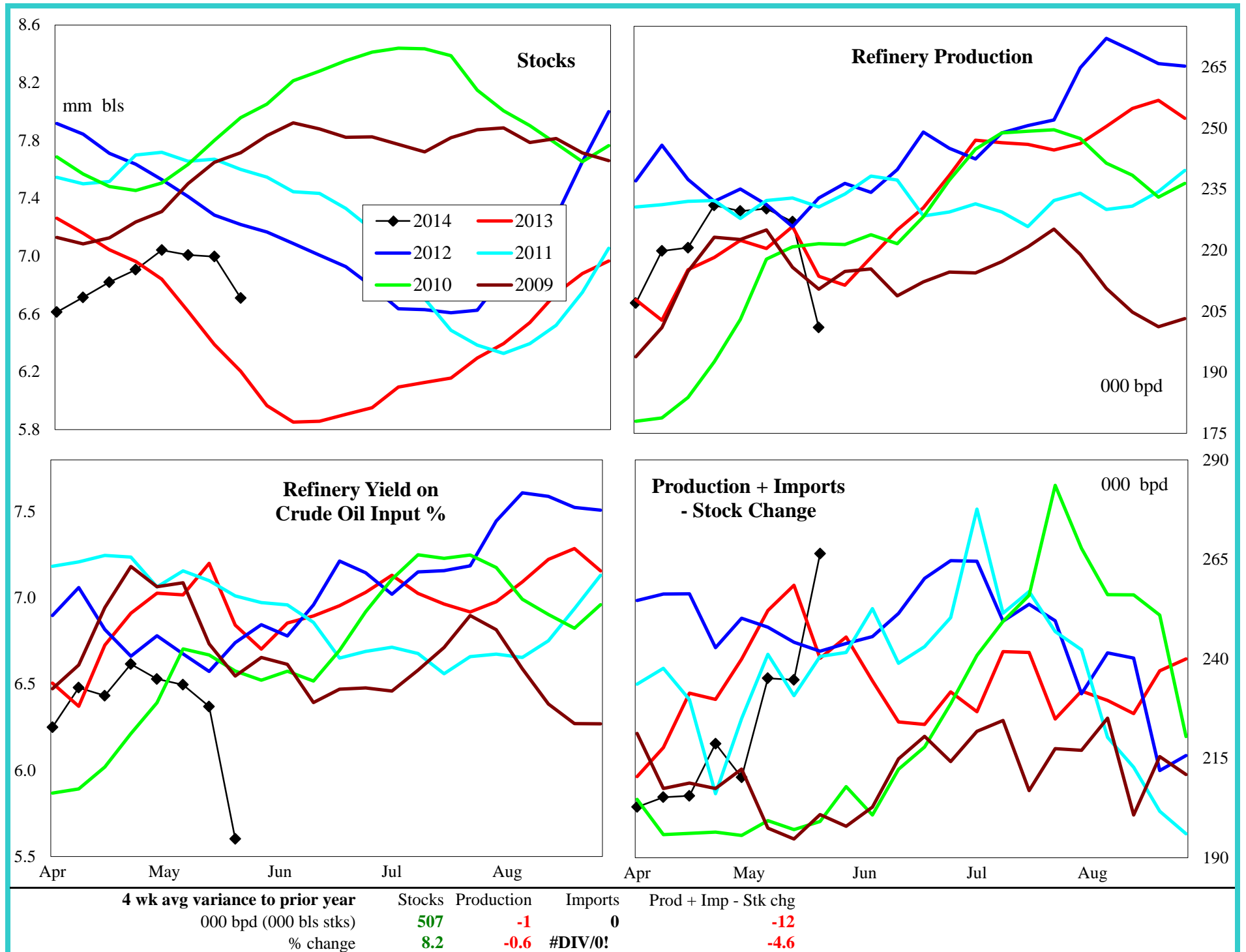
PADD 2 Conventional Gasoline Supply



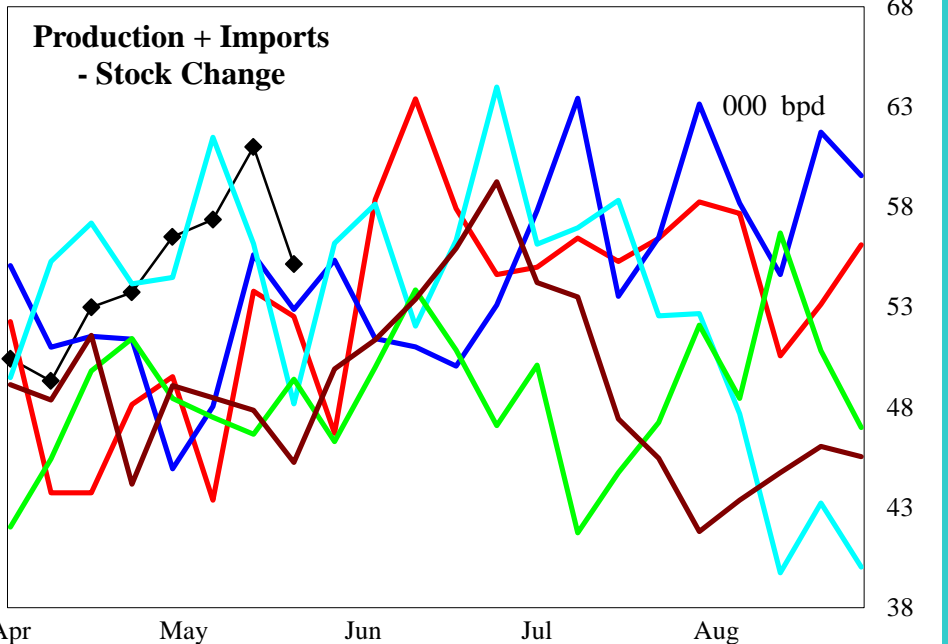
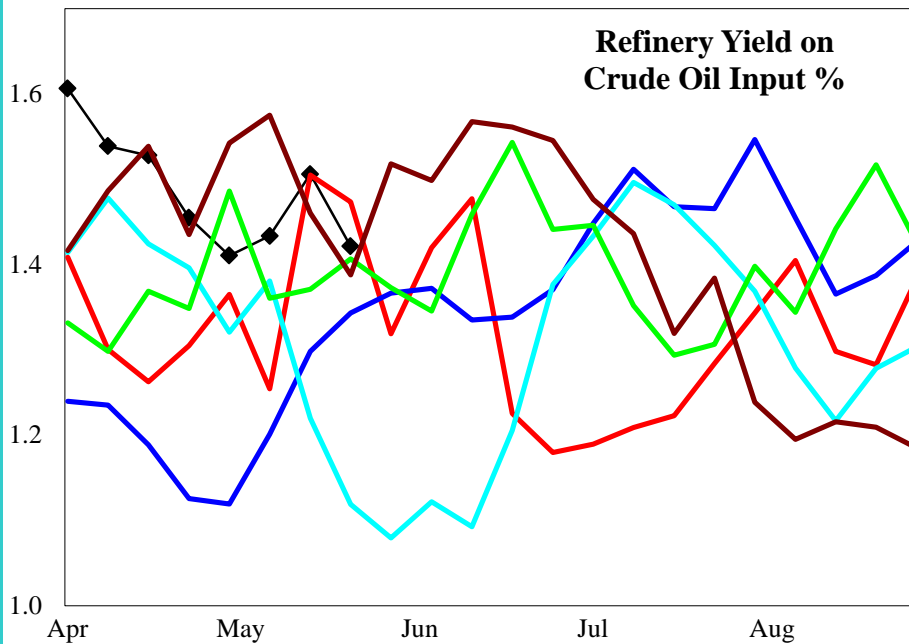
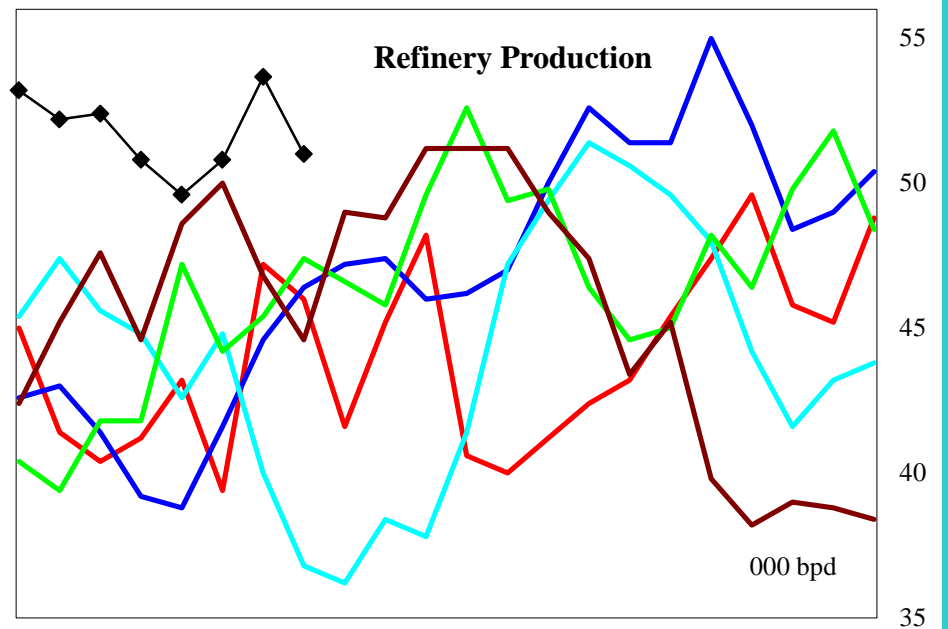
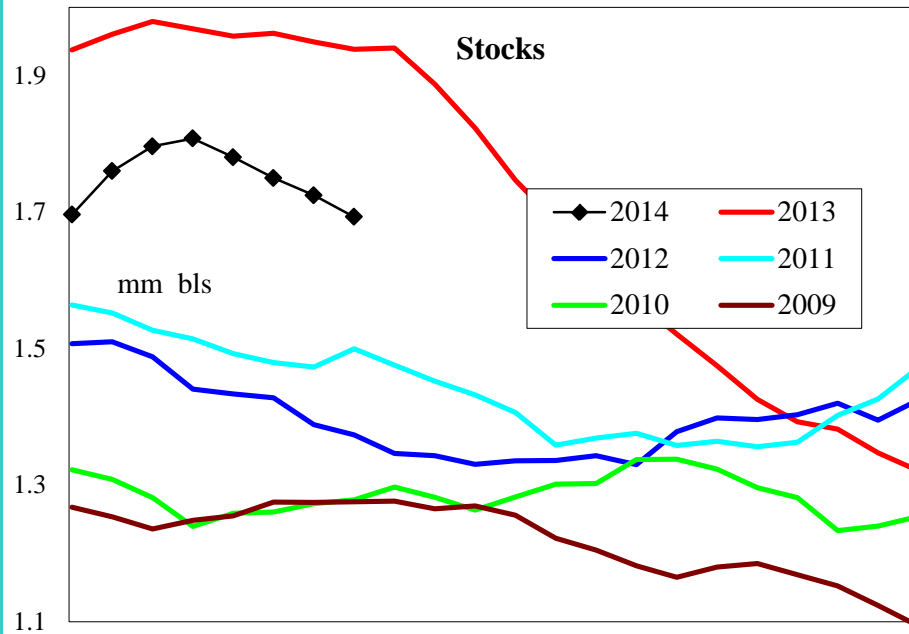
PADD 2 Distillate Supply



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

Production

Imports

Prod + Imp - Stk chg

-246

10

-3

8

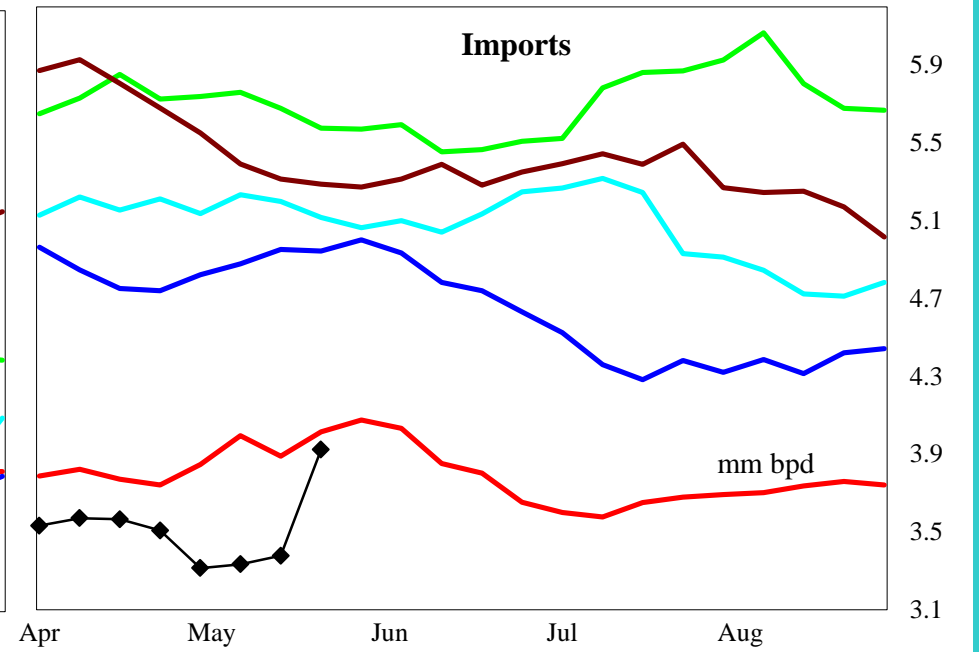
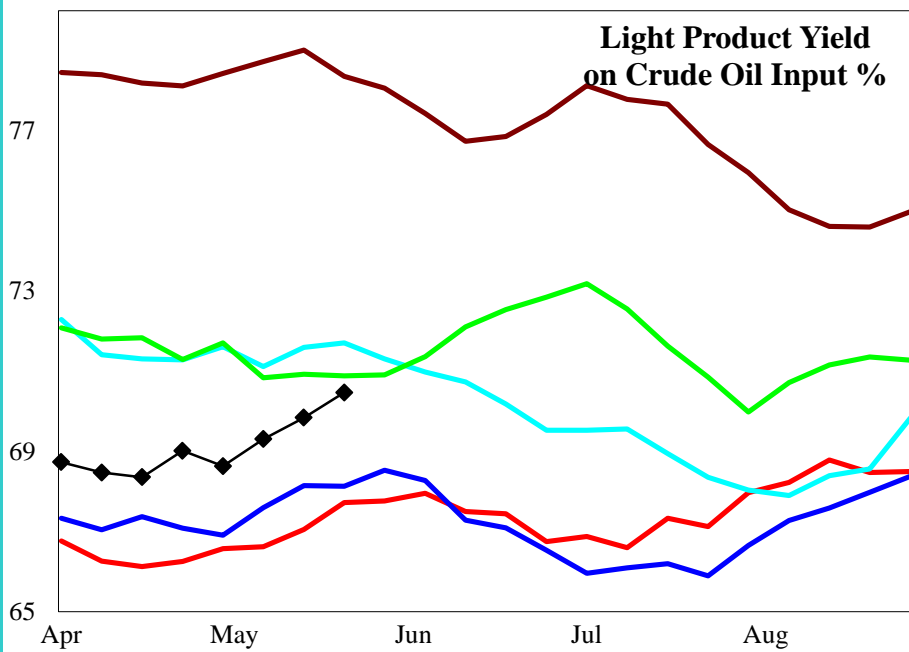
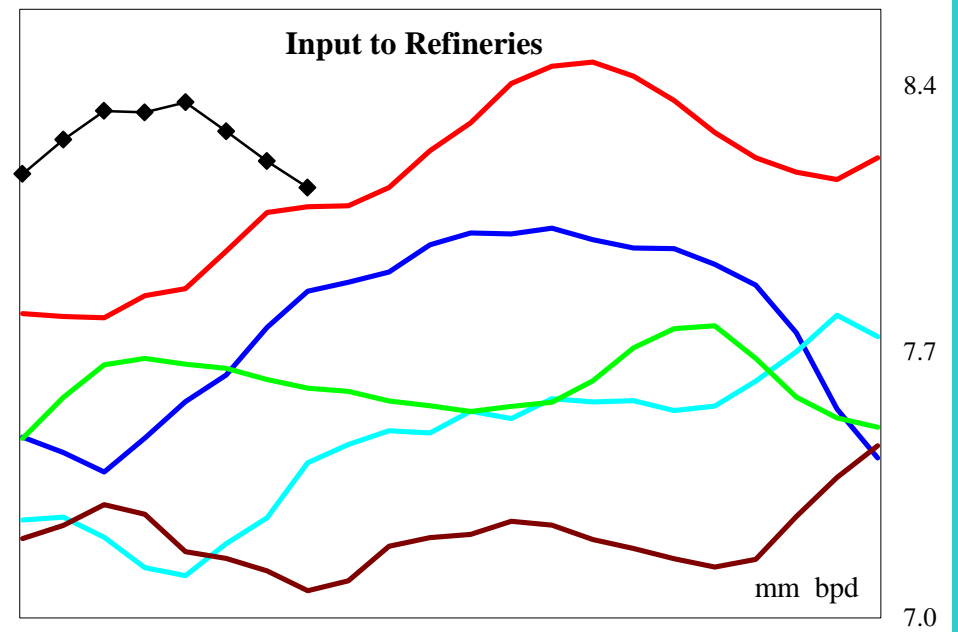
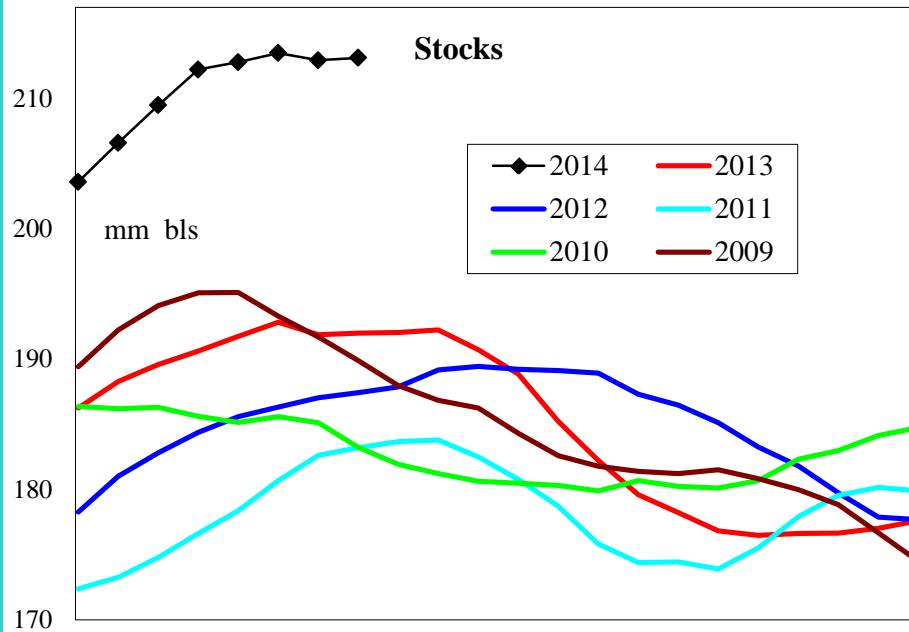
-12.7

23.1

-60.0

17.2

PADD 3 Crude Oil Supply and Refining



4 wk avg variance to prior year

000 bpd (000 bbls stks)

% change

Stocks

21,132

11.0

Input

211

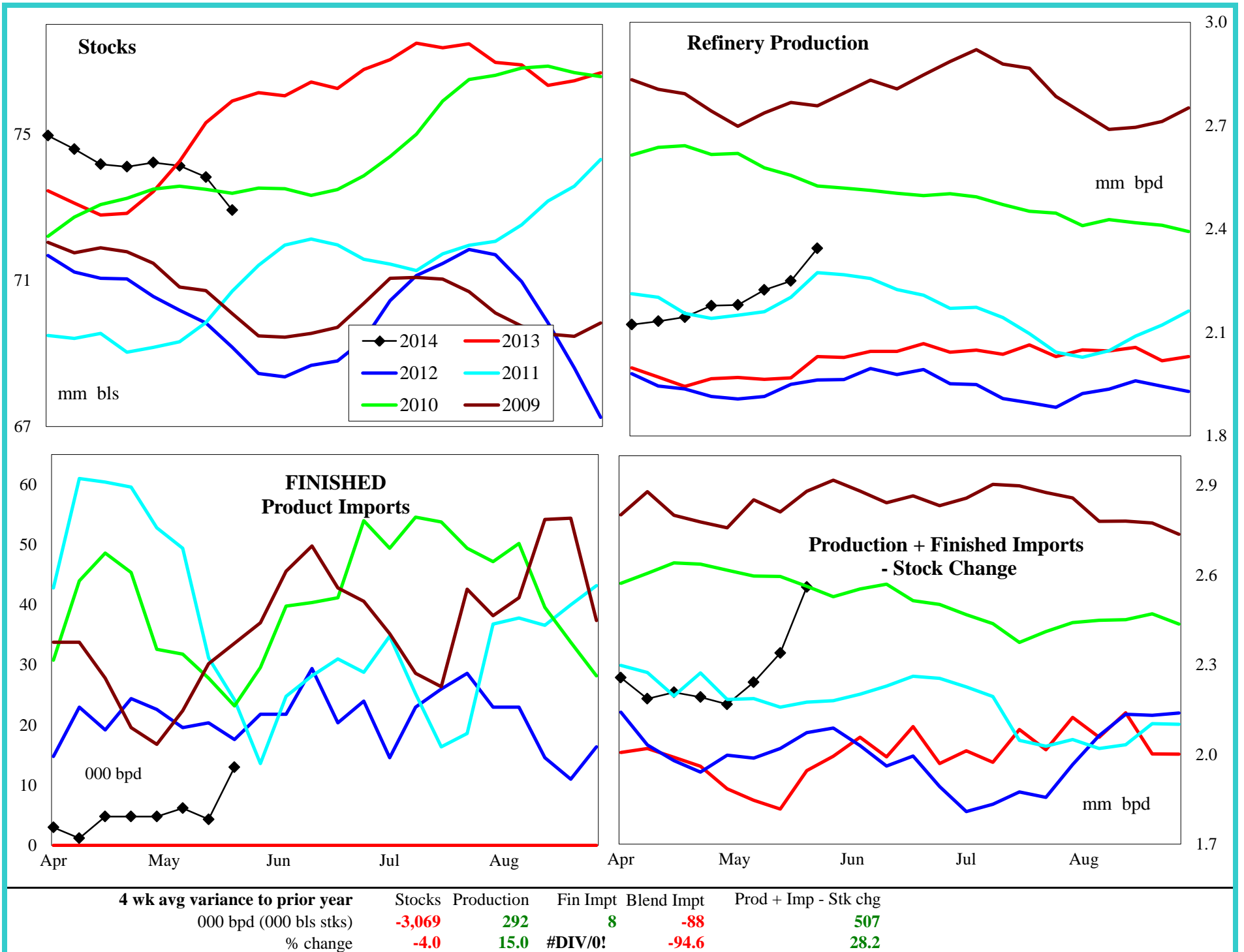
2.6

Imports

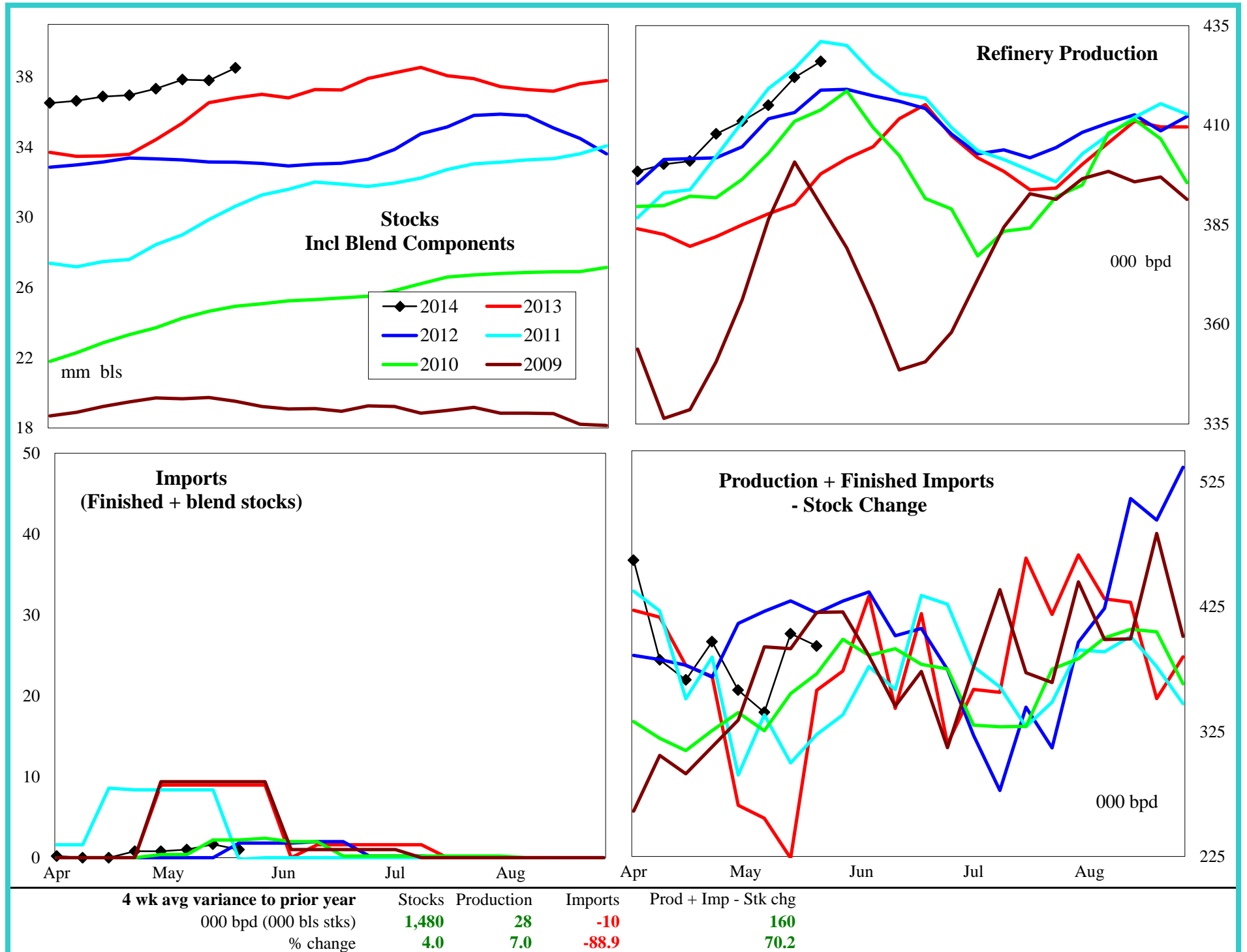
-673

-17.1

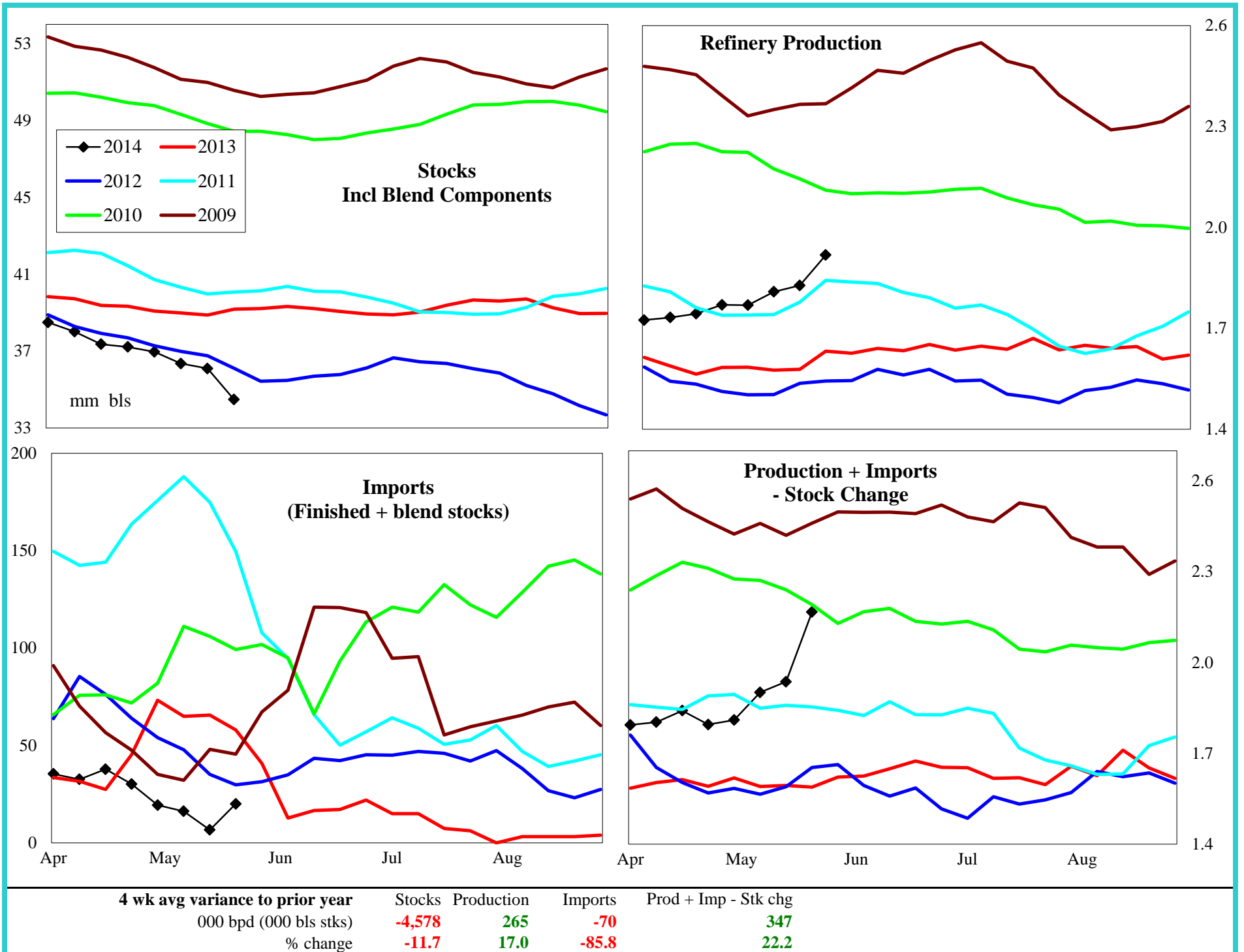
PADD 3 Gasoline Supply



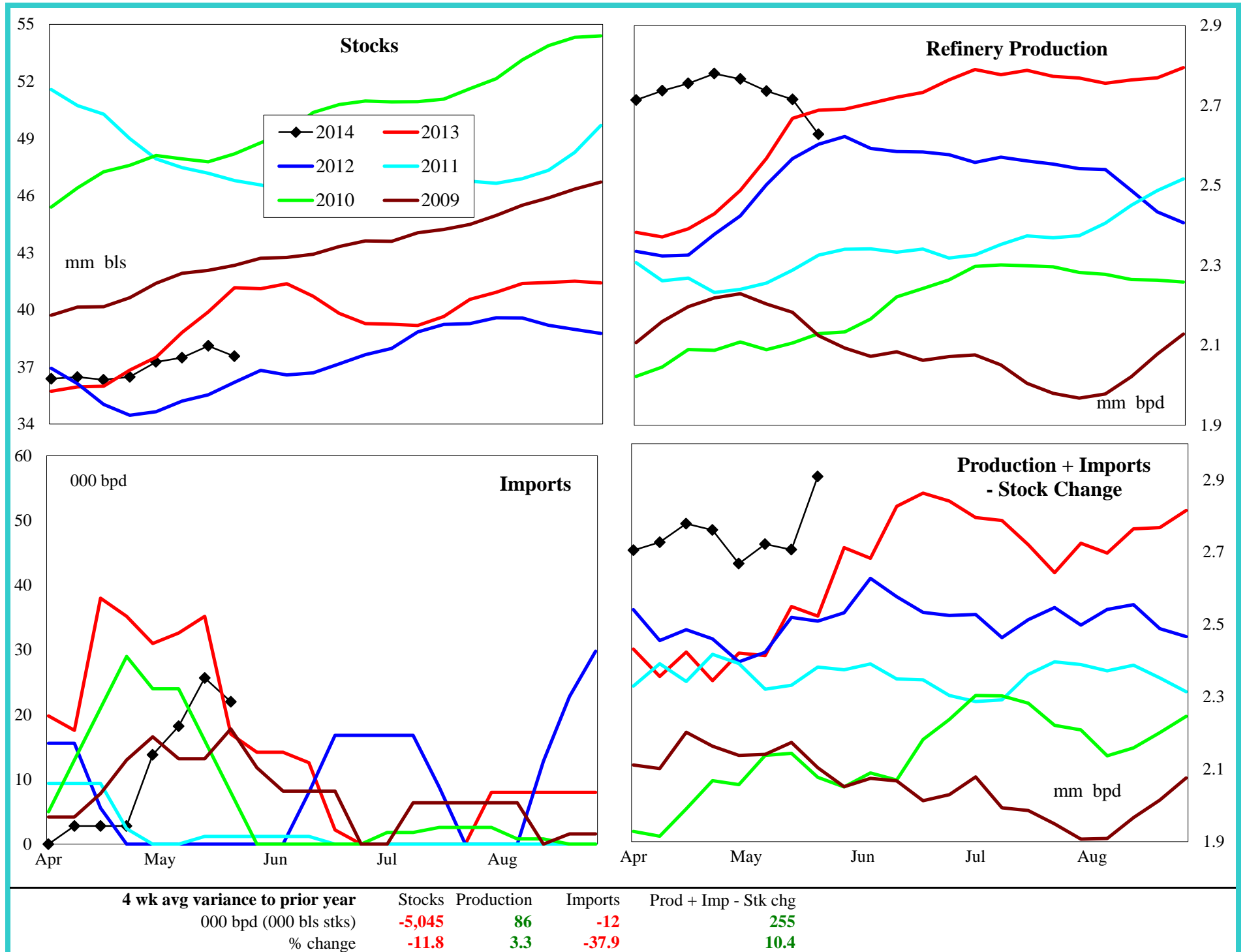
PADD 3 Reformulated Gasoline Supply



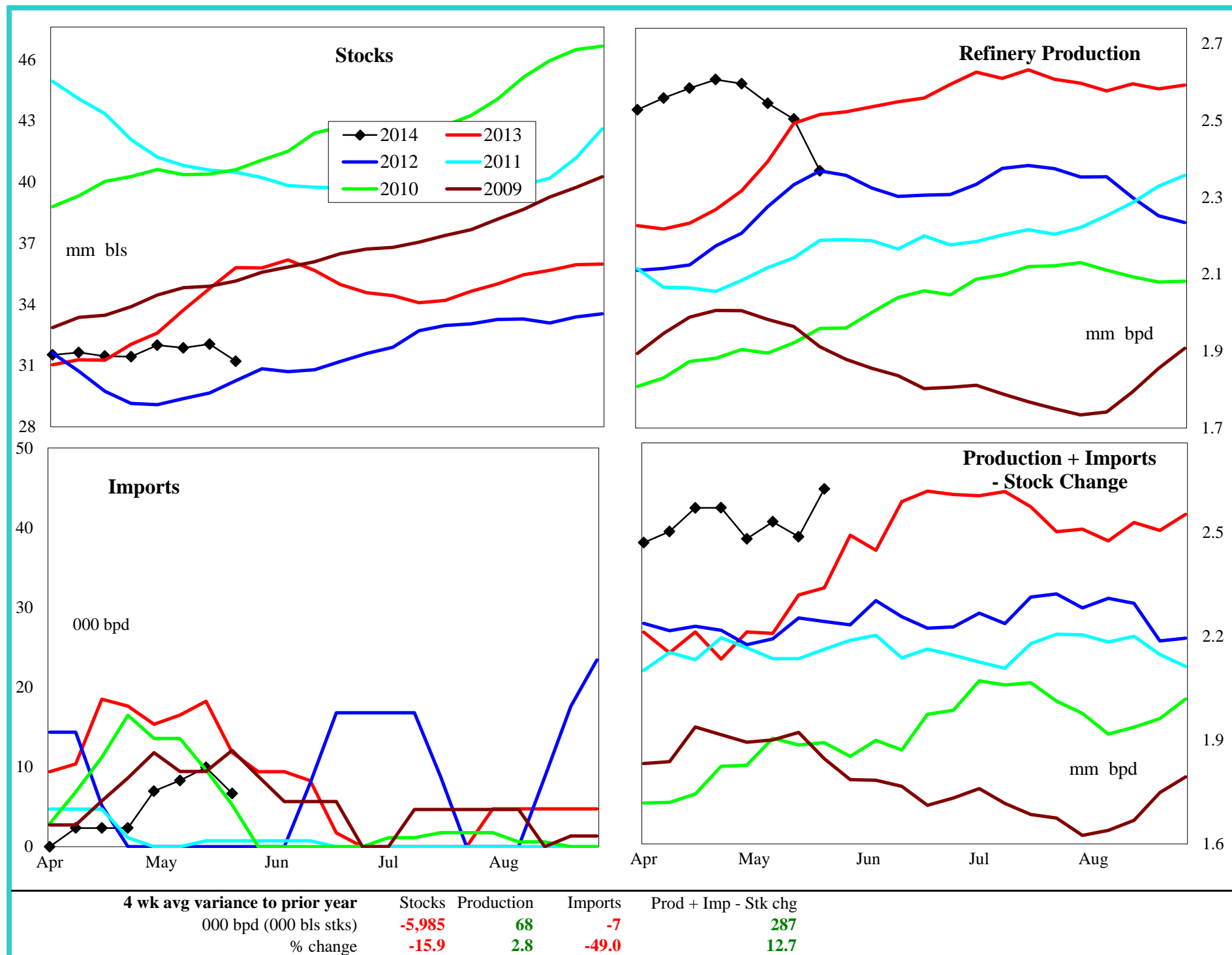
PADD 3 Conventional Gasoline Supply



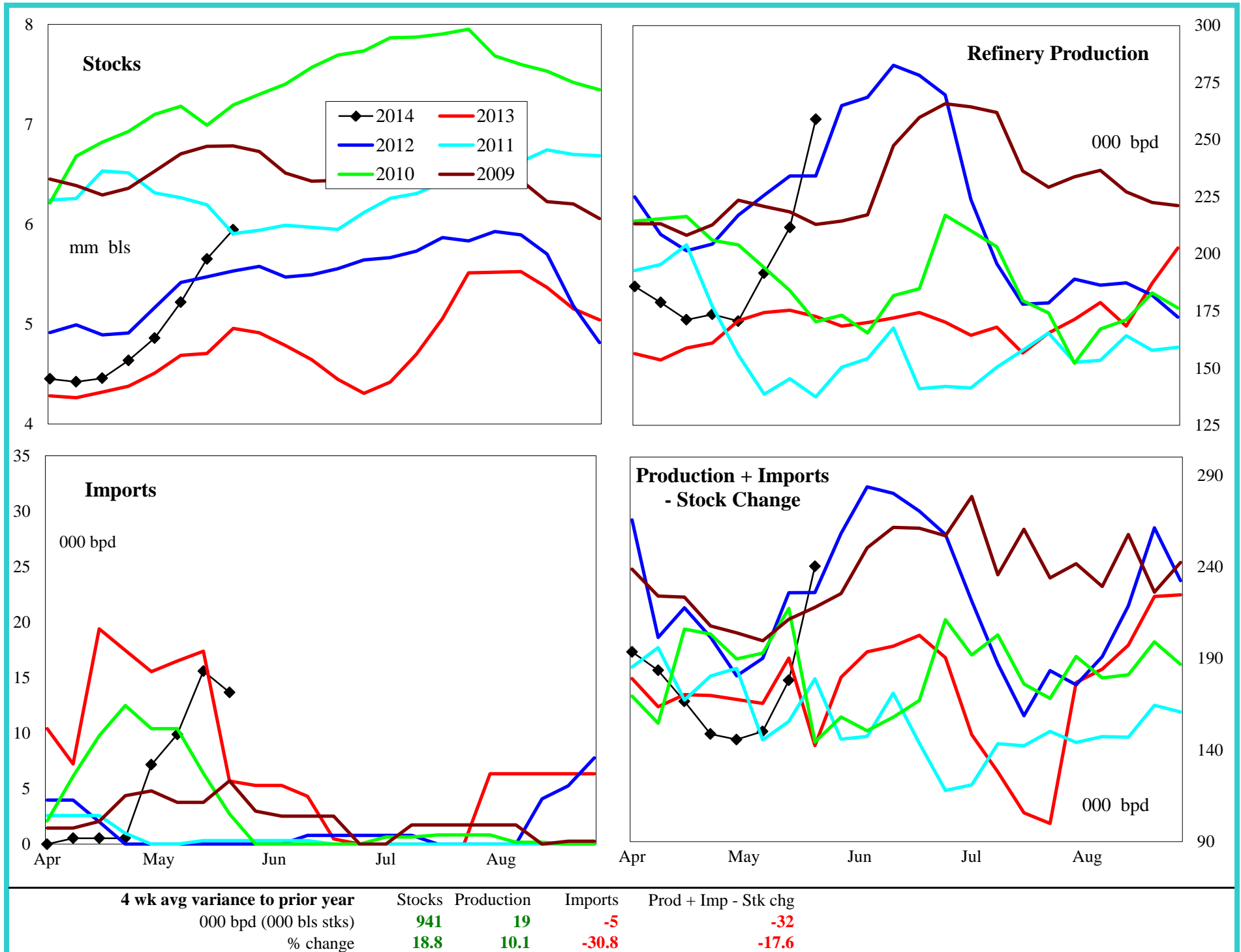
PADD 3 Distillate Supply



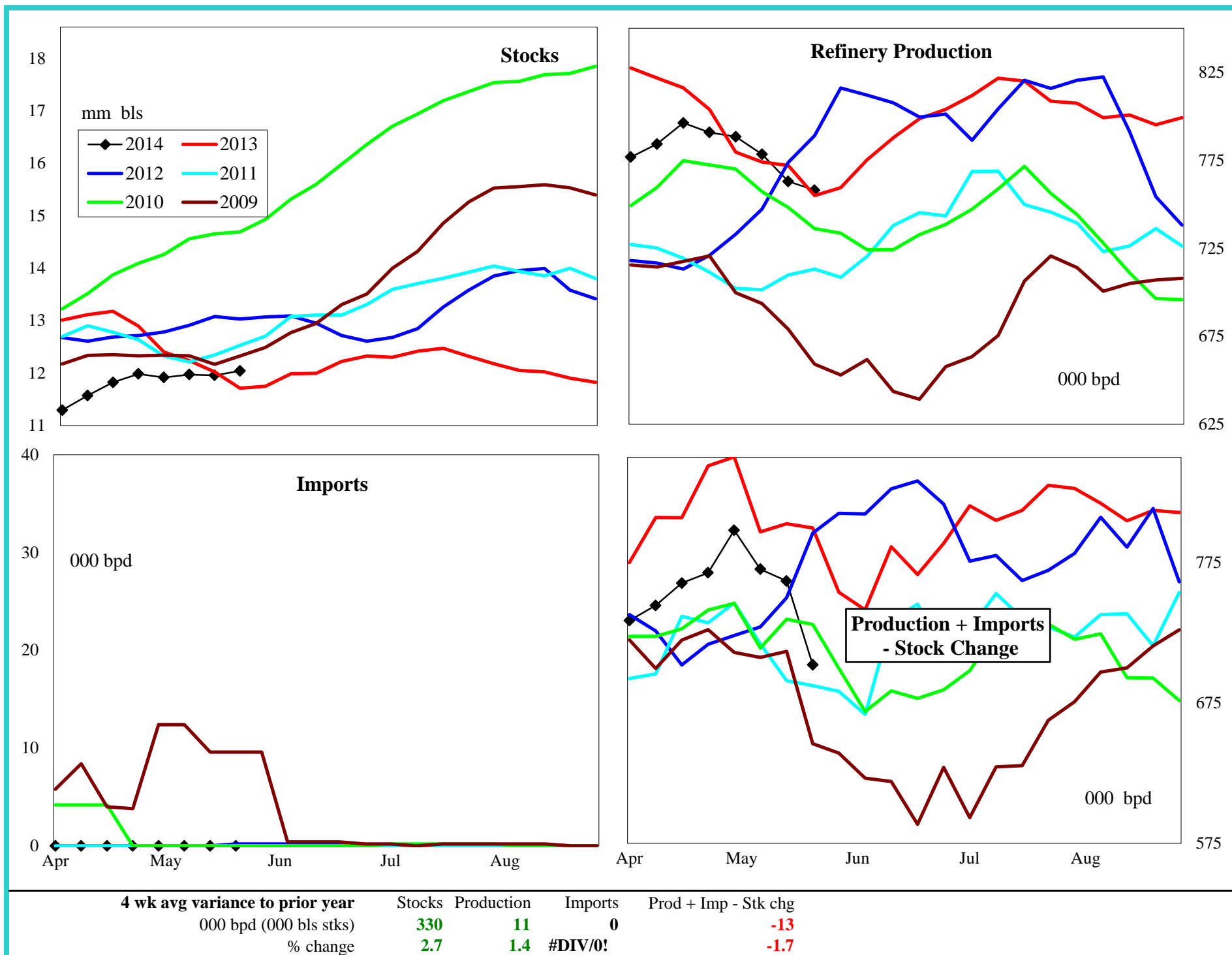
PADD 3 Low Sulfur Distillate Supply



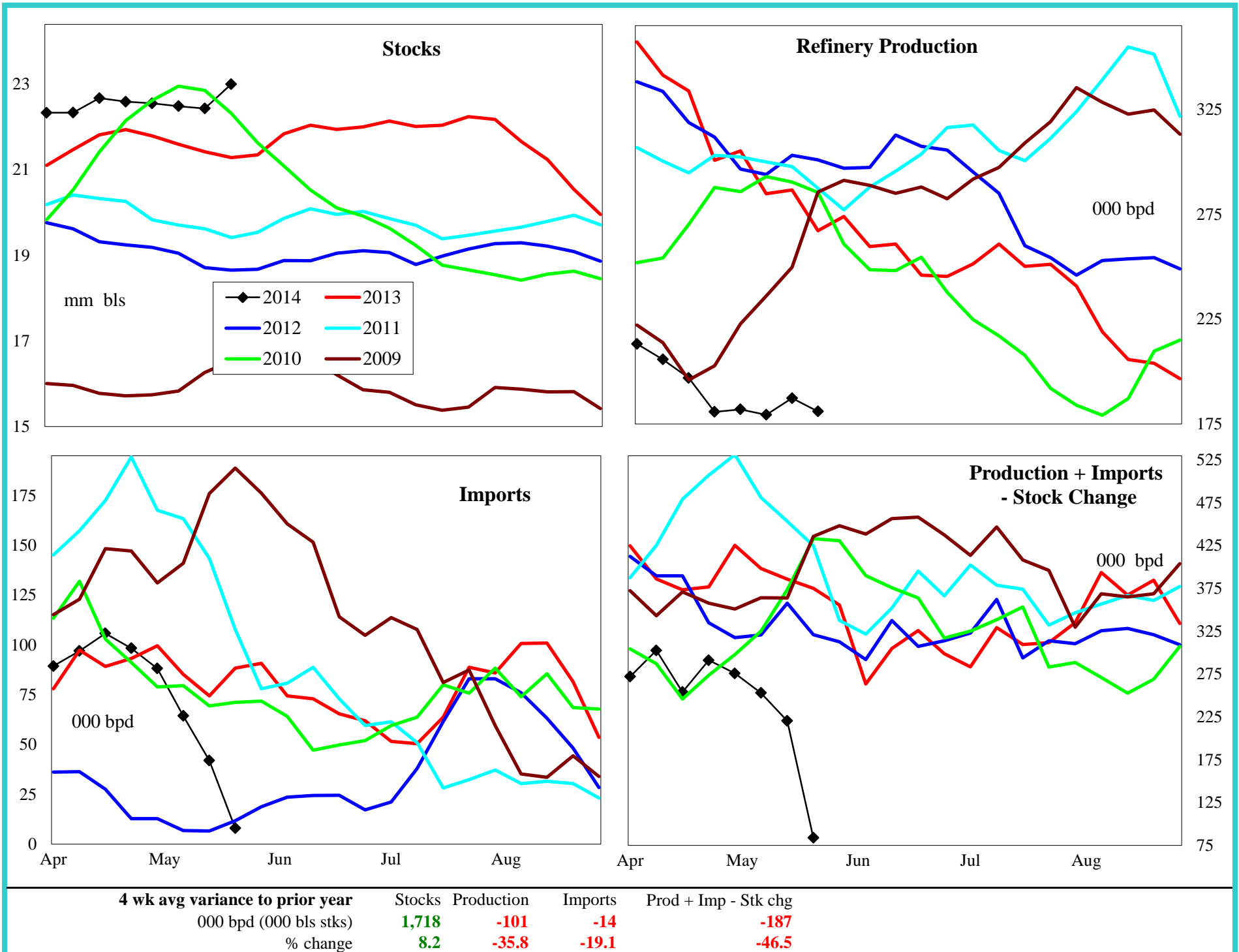
PADD 3 High Sulfur Distillate Supply



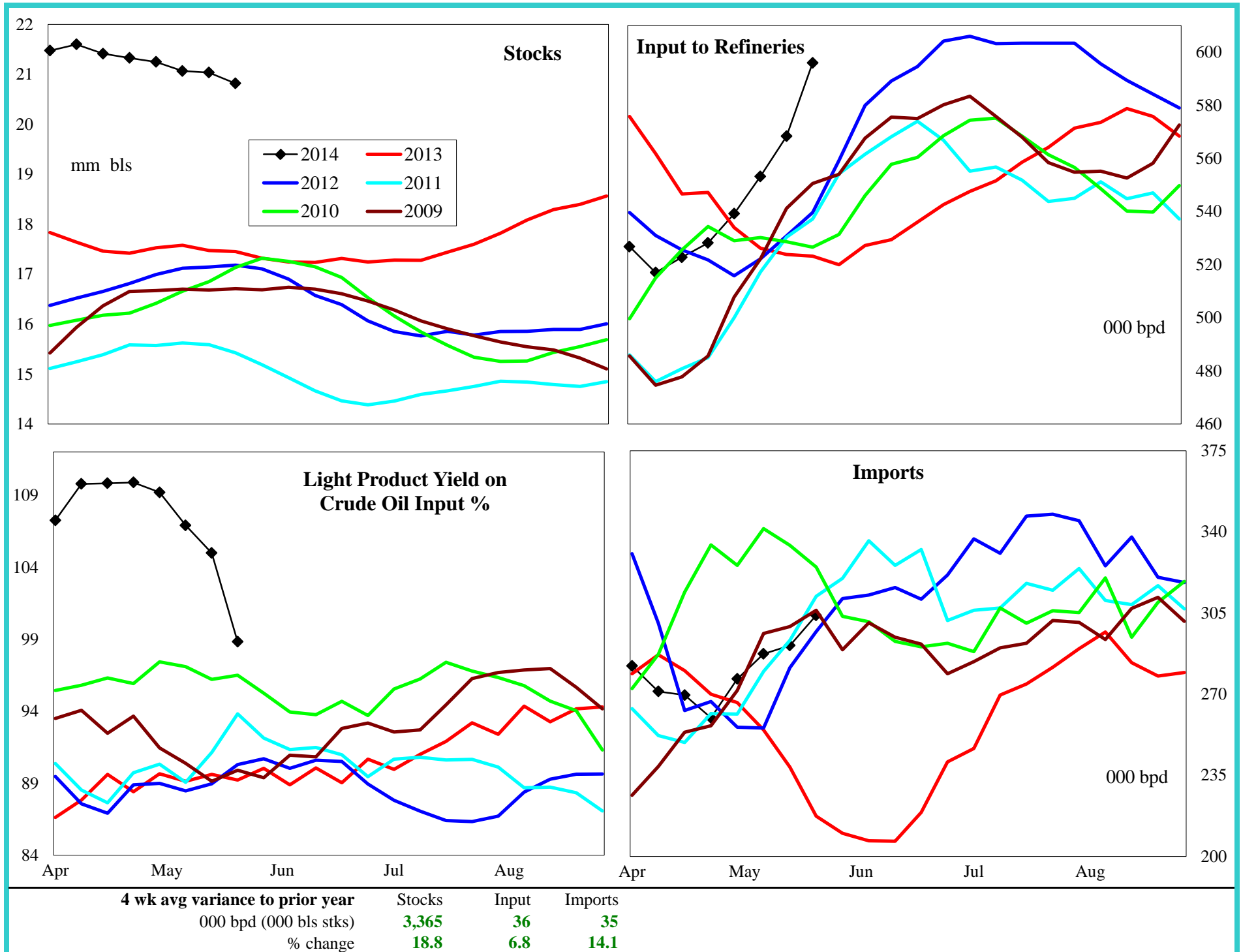
PADD 3 Jet Fuel Supply



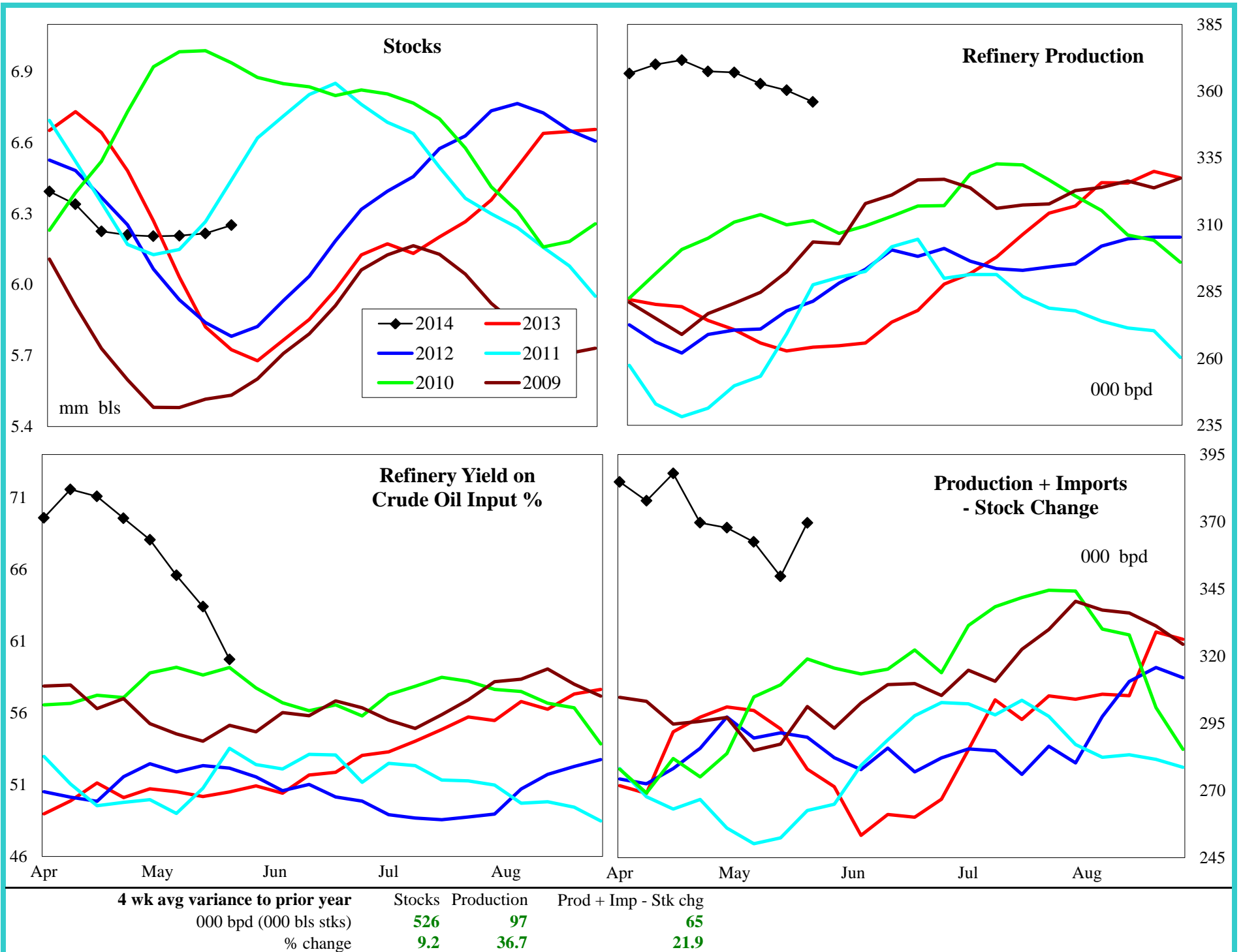
PADD 3 Residual Fuel Oil Supply



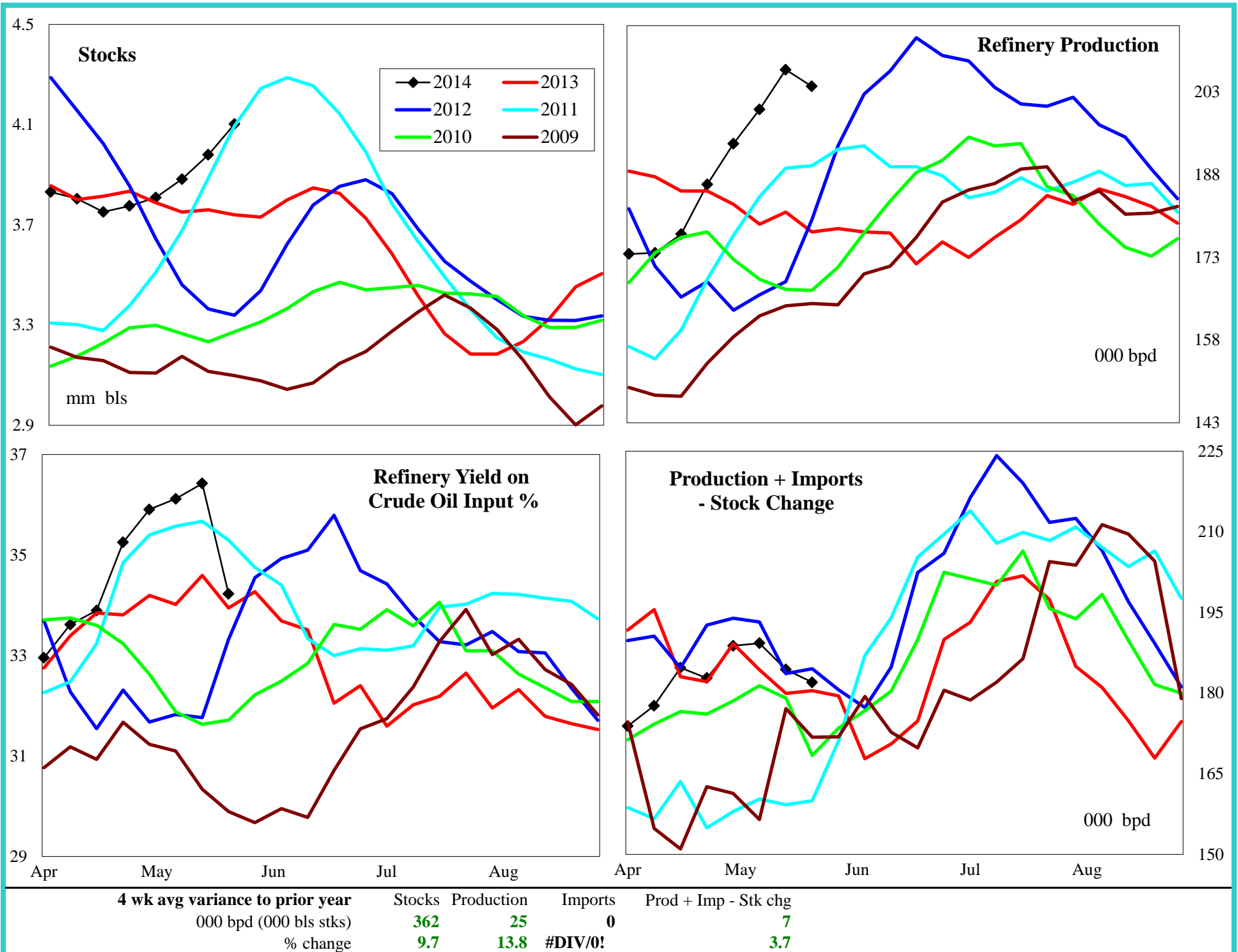
PADD 4 Crude Oil Supply and Refining



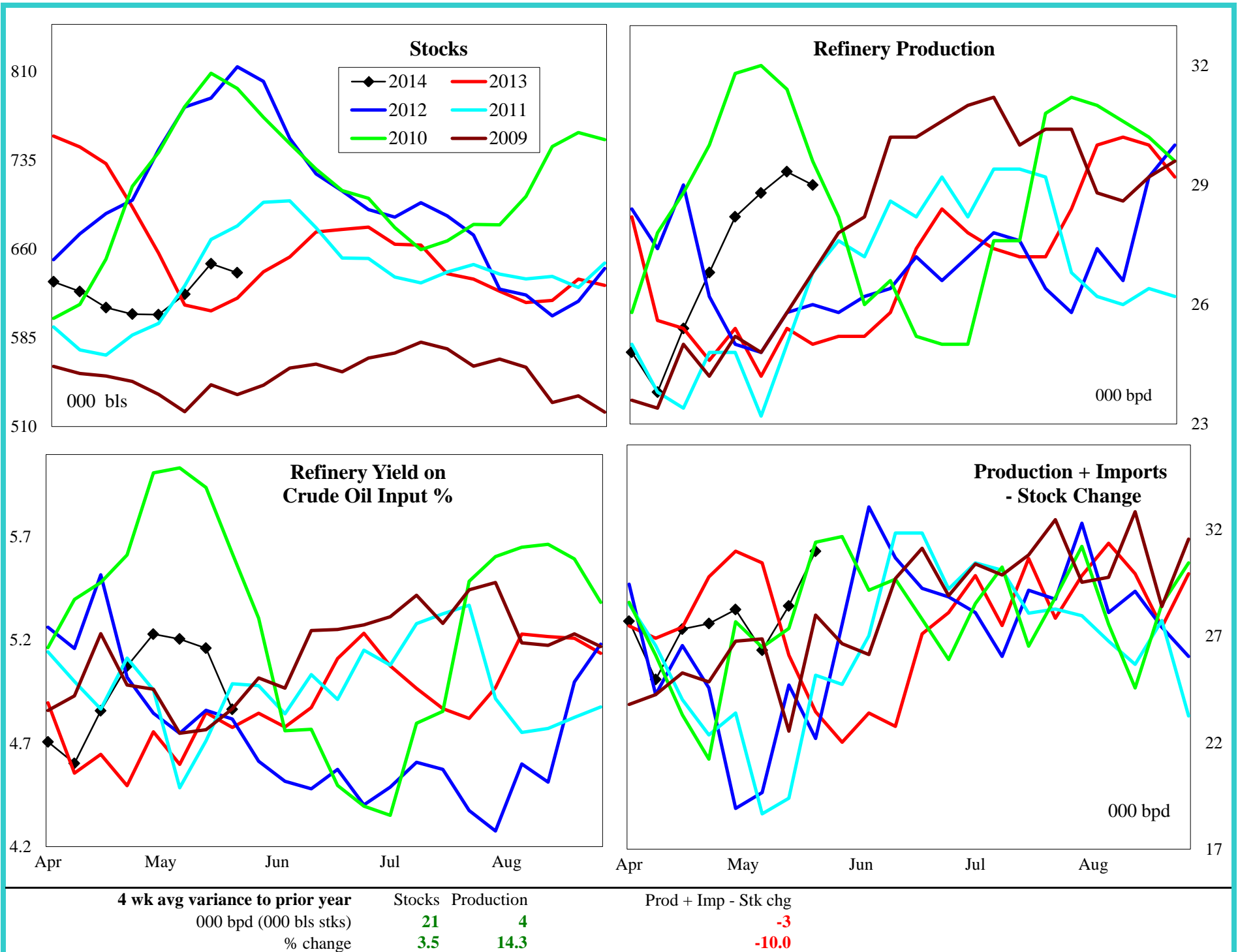
PADD 4 Gasoline Supply



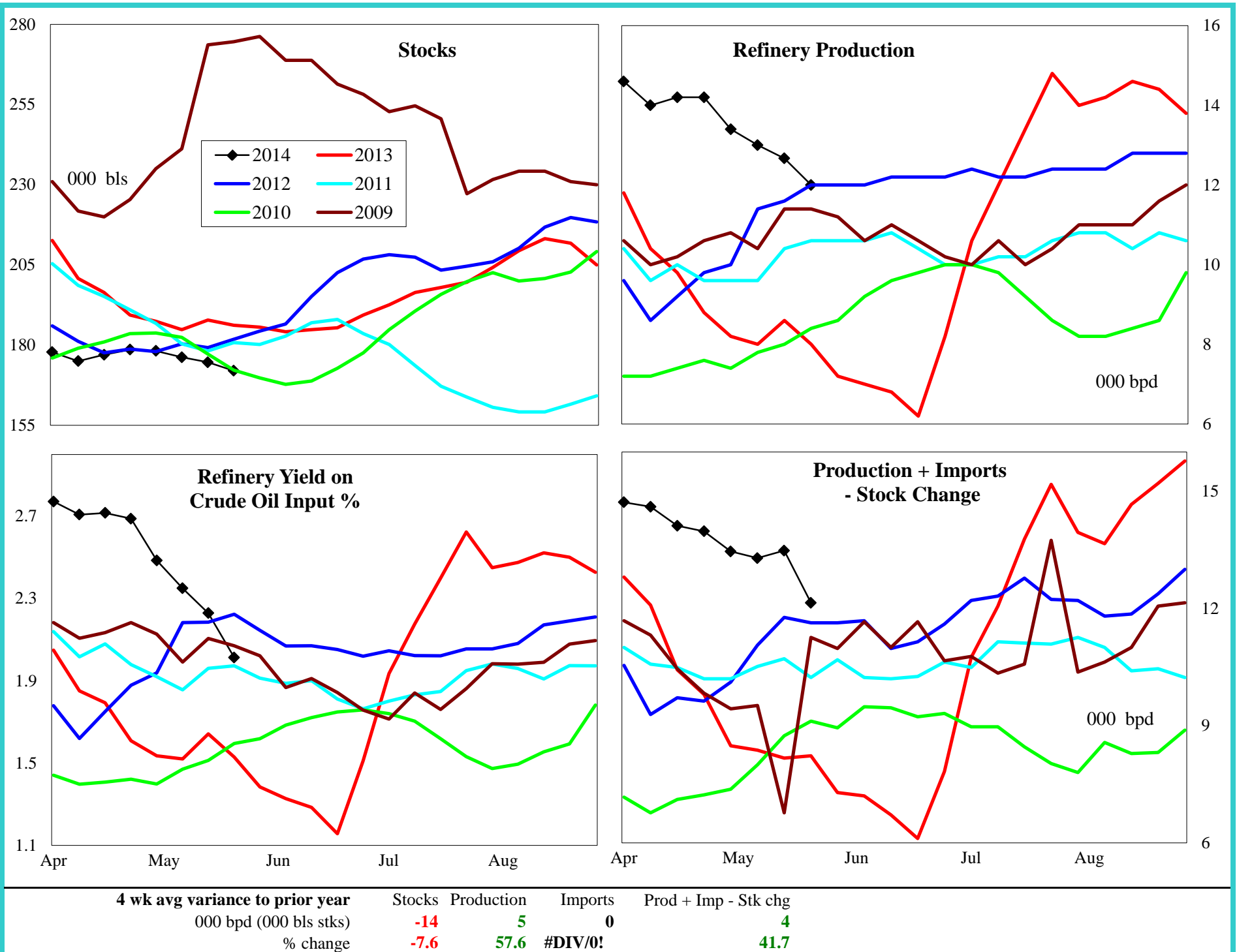
PADD 4 Distillate Supply



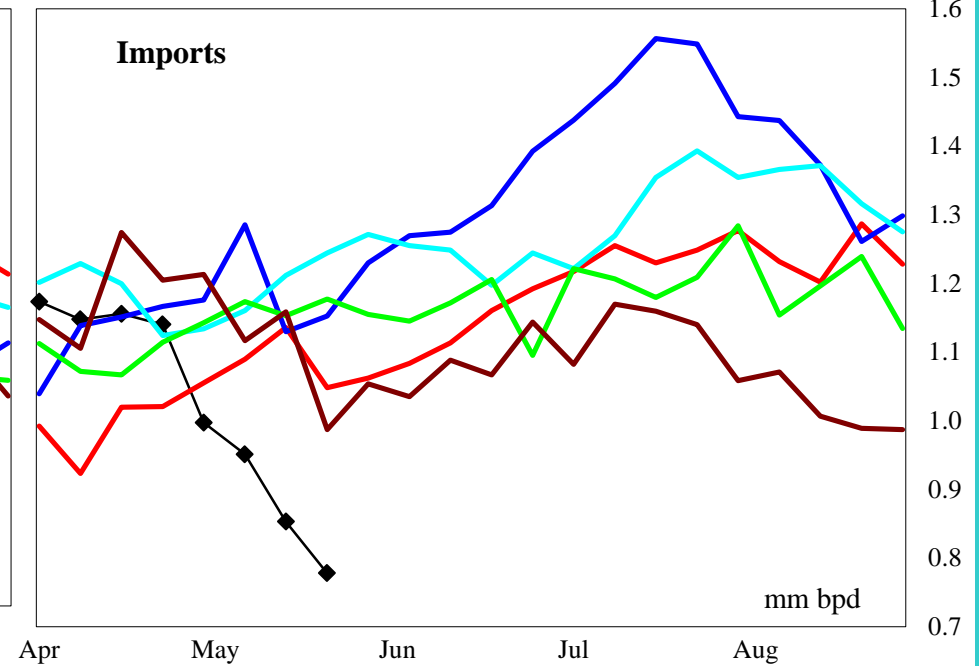
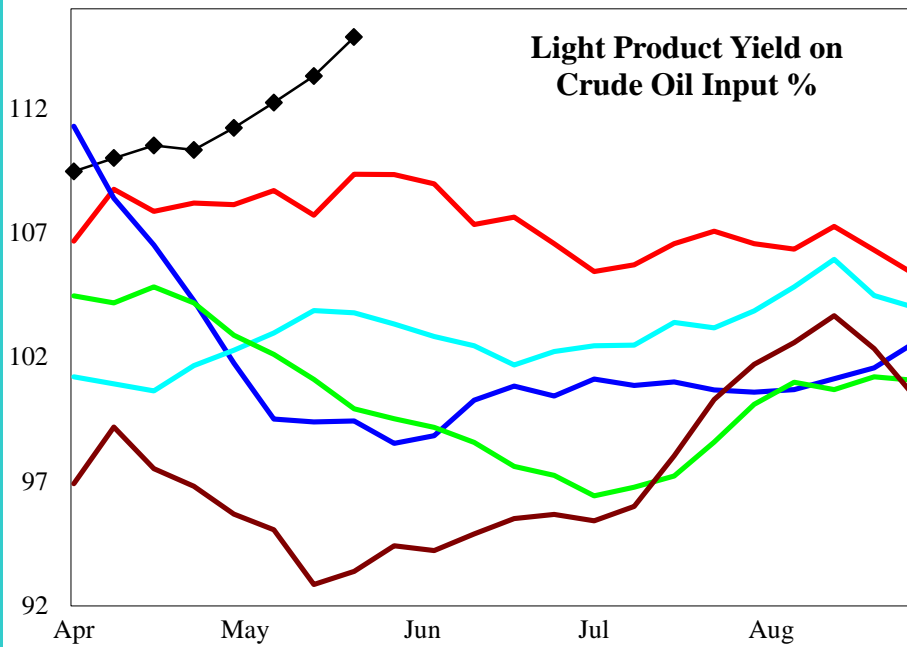
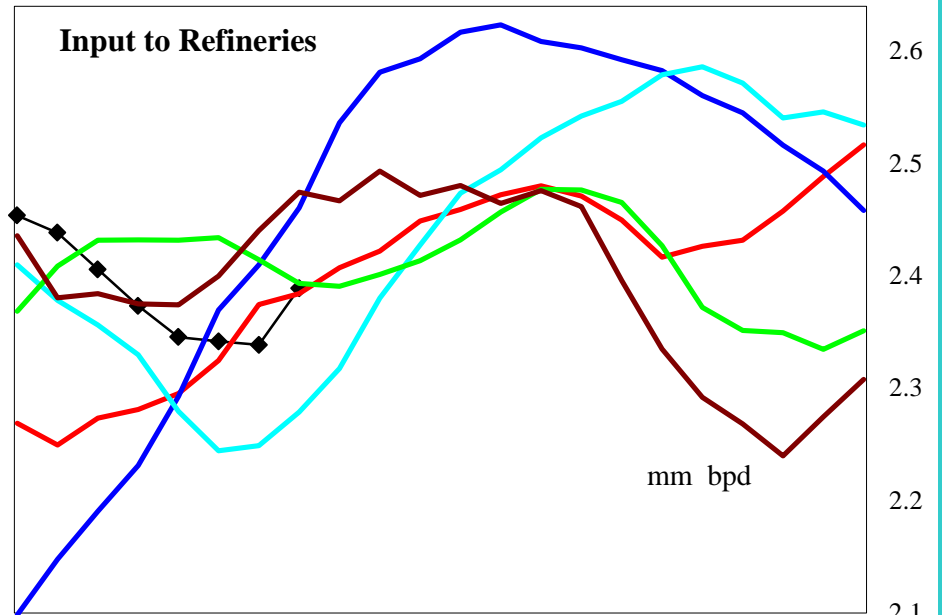
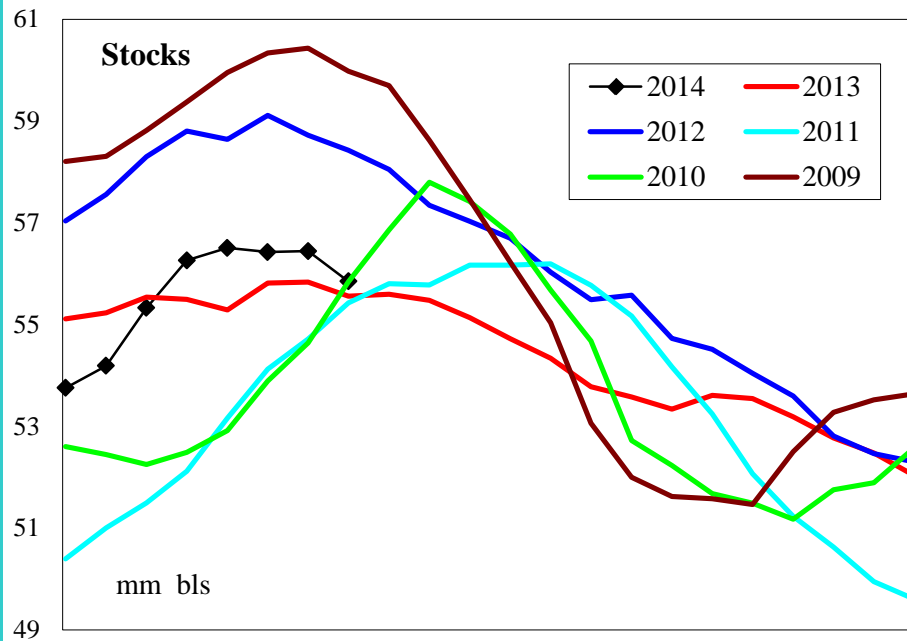
PADD 4 Jet Fuel Supply



PADD 4 Residual Fuel Oil Supply



PADD 5 Crude Oil Supply and Refining



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

295

0.5

Input

-18

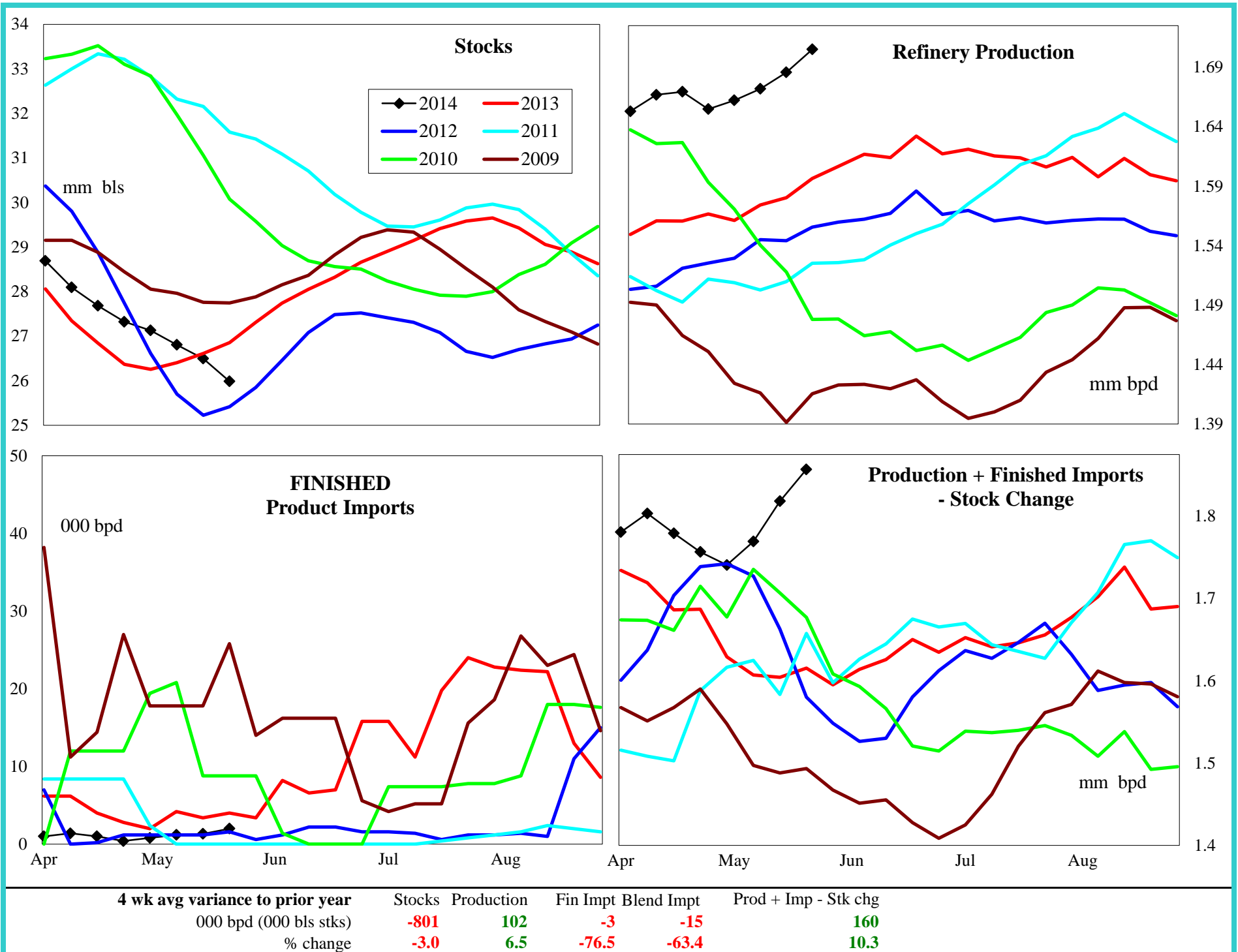
-0.8

Imports

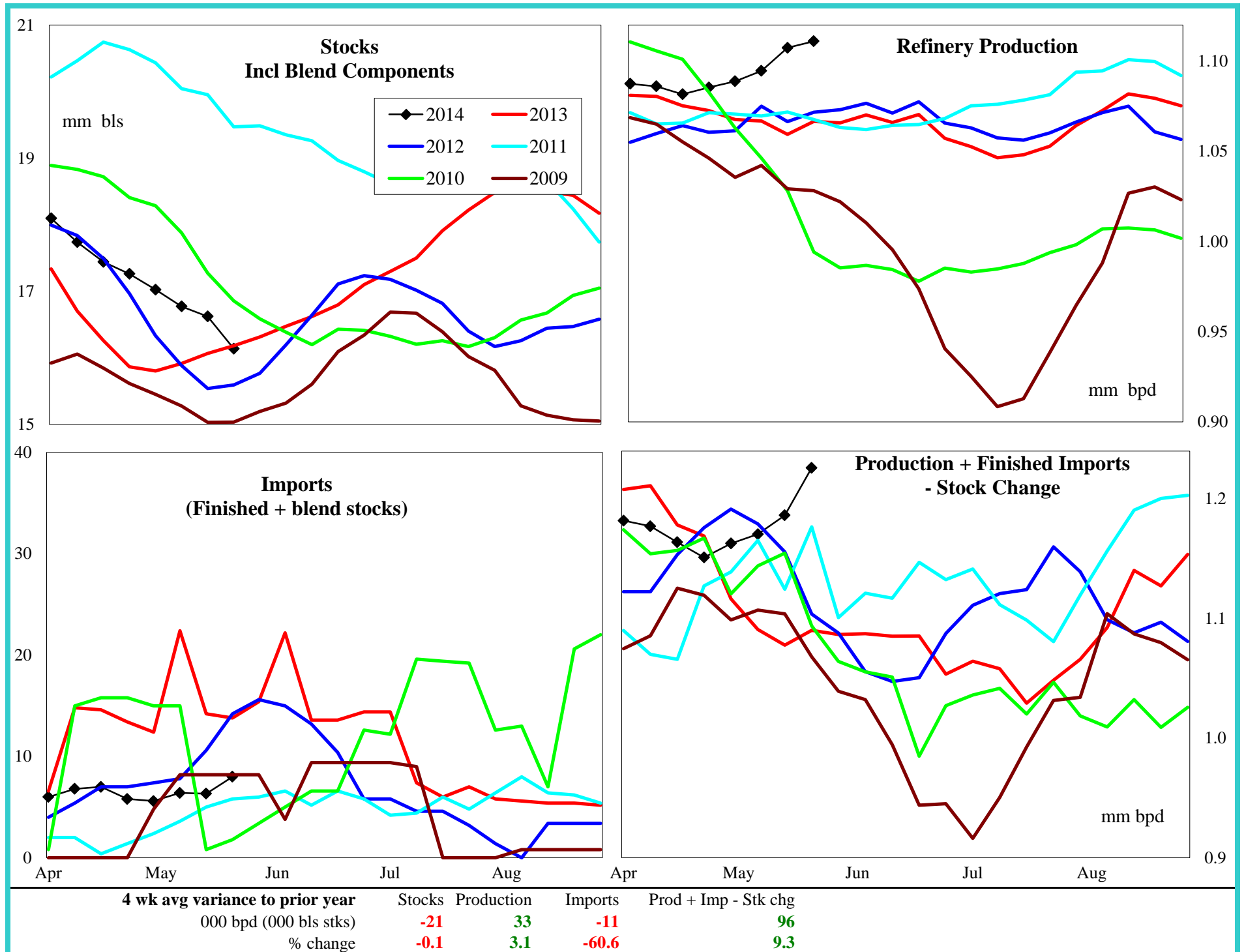
-238

-20.3

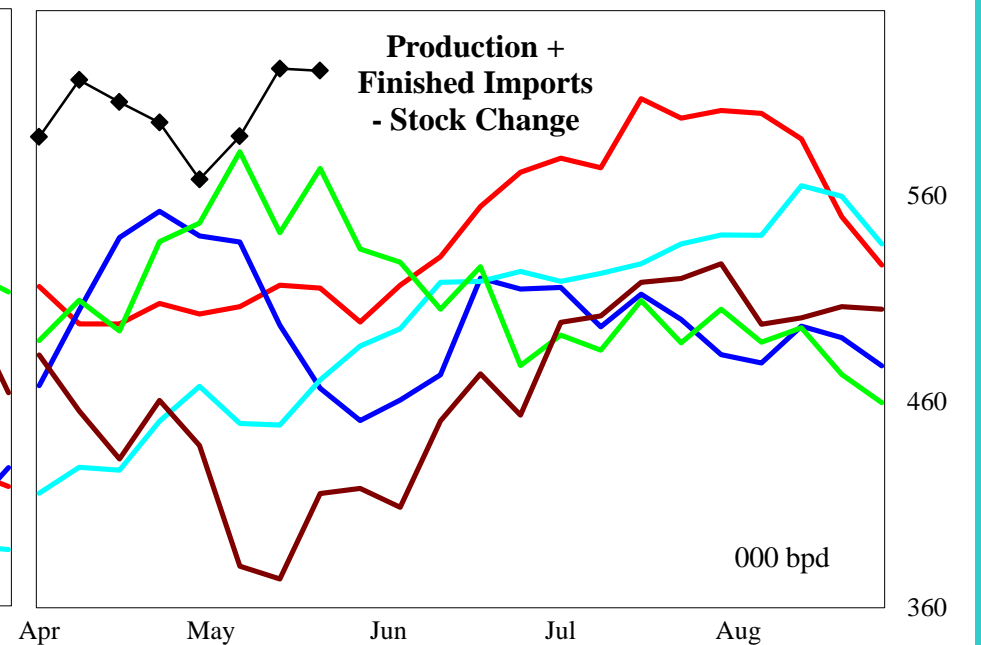
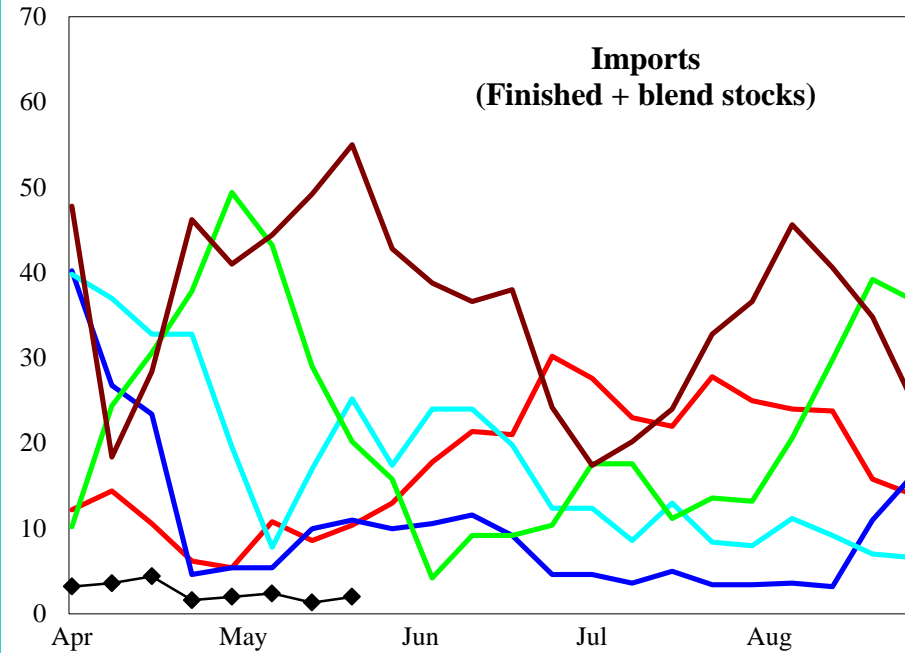
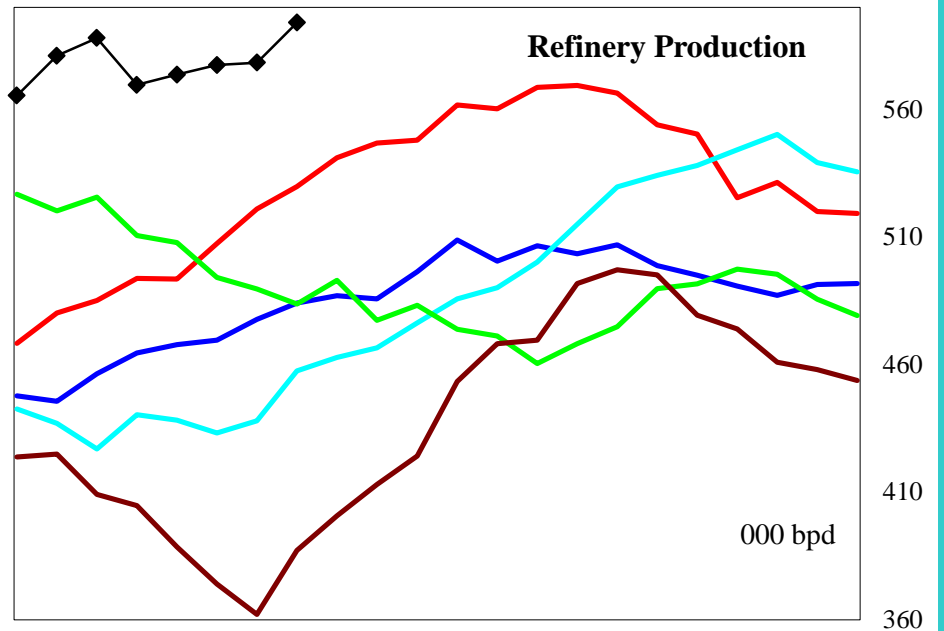
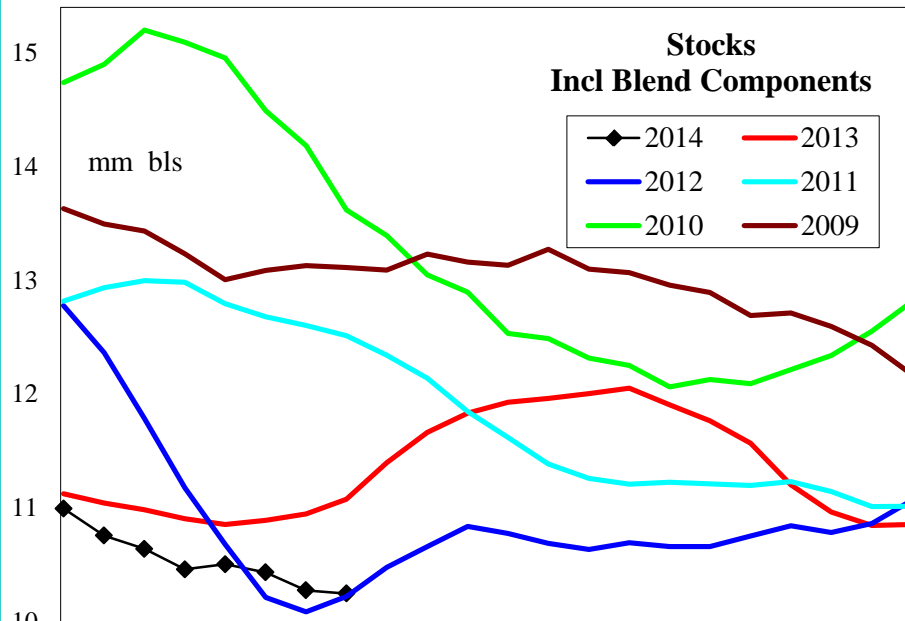
PADD 5 Gasoline Supply



PADD 5 Reformulated Gasoline Supply



PADD 5 Conventional Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

-780

-7.1

Production

69

13.6

Imports

-7

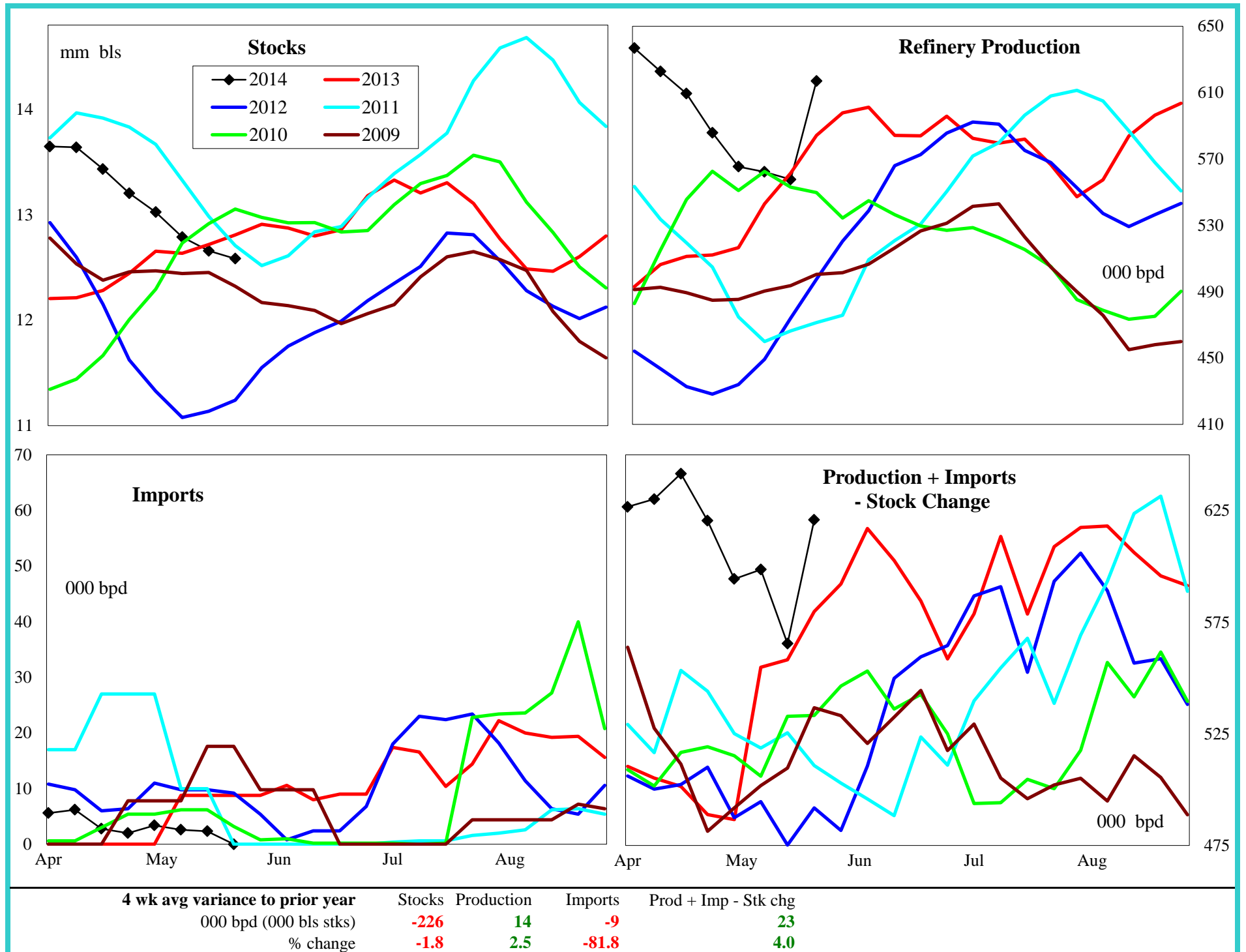
-74.4

Prod + Imp - Stk chg

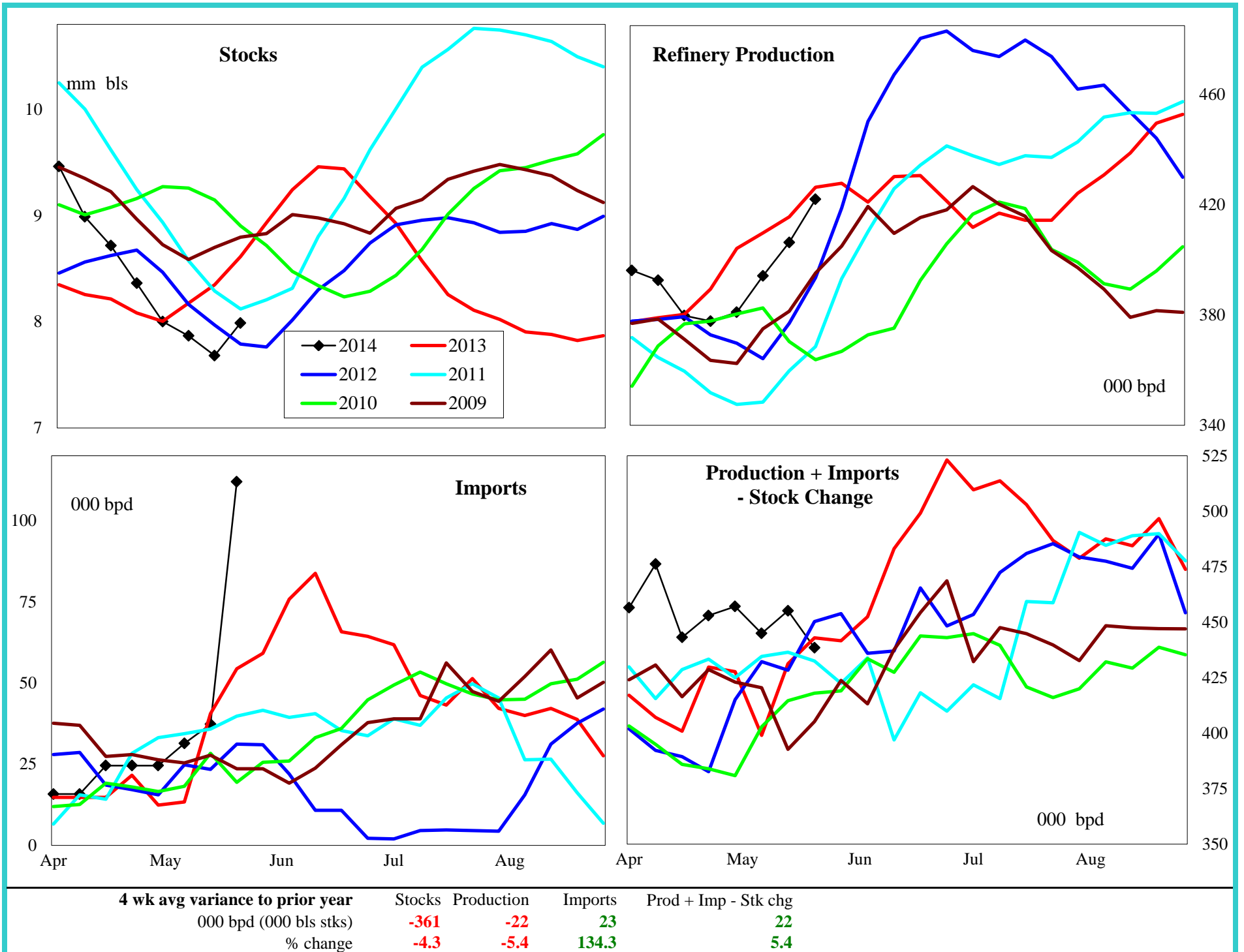
64

12.4

PADD 5 Distillate Supply



PADD 5 Jet Fuel Supply



PADD 5 Residual Fuel Oil Supply

