



## WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

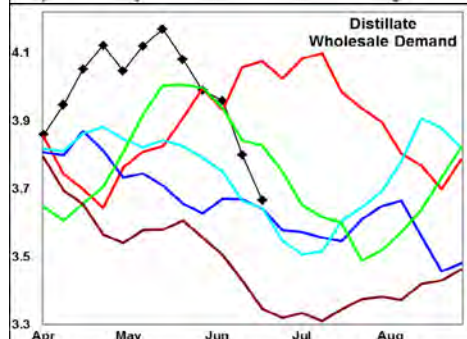
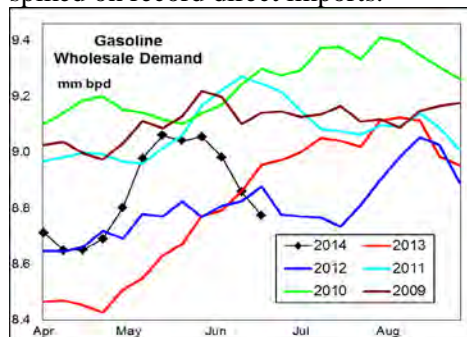
### A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Wednesday, June 25, 2014

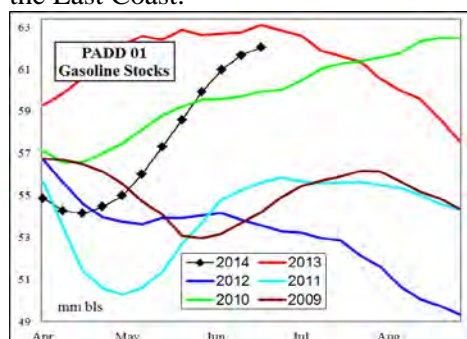


#### Major Fundamental Trends<sup>1</sup>

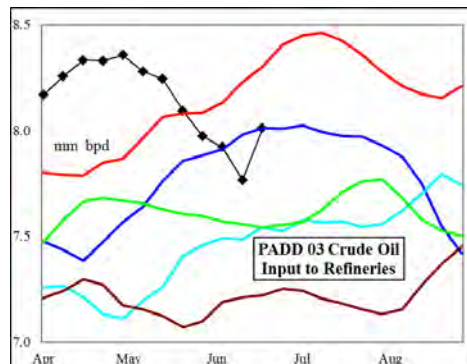
Gasoline and distillate wholesale demand each extended the recent downtrend last week, while jet fuel spiked on record direct imports.



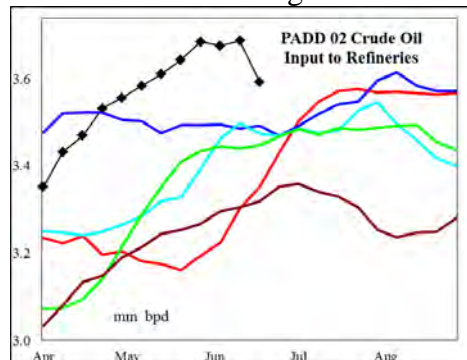
Stocks increased for both gasoline and distillate, with significant builds in the Gulf for both products and on the East Coast for distillate. Stock levels of gasoline remain near record highs on the East Coast.



Gulf refiners began to return from unplanned maintenance last week, leading to a +0.4 million bpd increase in crude oil runs for the region. Nearly 600,000 bpd of capacity remains offline, although these plants should return to full operation by month end.



Runs in the midwest remain well above the historic range.



**Wholesale Demand** for gasoline fell -0.4 million bpd last week, to a level below the last 2-yr, Wholesale demand, measured over the last four weeks compared to a year ago: gasoline increased +1.7%; distillate was -1.5% lower; jet fuel increased +4.2%, and residual fuel decreased -31%.

**Stocks forward coverage:** Gasoline demand coverage increased on a +0.7 million barrel stock build, and sharply lower wholesale demand. Coverage ended the week at a level near the 3-yr mid range.

Distillate coverage increased on a +1.2 million barrel stock build and lower wholesale demand. Coverage ended the week at a level below the 5-yr range.

Jet fuel coverage fell to a record low on a -0.9 million barrel stock draw and higher wholesale demand.

Residual fuel oil coverage decreased on a -0.2 million barrel stock draw. Coverage remains well above the historic range.

**Refinery utilization** rates increased on +275,000 bpd rise in thru put as Gulf

refiners returned from unplanned maintenance. During the latest 4-wk period crude oil input was +0.2 million bpd above a year ago.

Gasoline yield % on crude oil runs fell last week on a -0.8 million bpd decline in output compared to the +275,000 bpd rise in crude oil runs. Yield % on crude oil runs fell to a level below the 5-yr range.

Distillate yield % on crude oil runs was nearly unchanged last week, on a +145,000 bpd rise in output compared to the increase in crude oil runs. The yield % on crude oil runs ended the week above the 5-yr range.

Jet fuel yield % on crude oil runs fell on a -101,000 bpd drop in output, compared to the increase in crude oil runs. The yield % on crude oil runs ended the week near historic lows.

**Petroleum Imports/Exports:** Imports of jet fuel and crude oil were each higher last week.

During the latest 4-wk period crude oil imports were -0.8 million bpd below last year; distillate imports were +26,000 bpd higher; finished gasoline imports were -22,000 bpd lower; gasoline blend stock imports were +16,000 bpd higher; jet fuel imports decreased -10,000 bpd, while residual fuel oil imports were -47,000 bpd lower.

*Exports of distillate for the week ending 20Jun14 were +252,000 bpd above a year ago, gasoline +25,000 bpd, jet fuel +27,000 bpd and propane was +187,000 bpd higher.*

**Crude Oil** imports increased +107,000 bpd last week, including a +0.5 million bpd jump in the Gulf. The result was a stock build of +1.7 million barrels, concentrated in the Gulf region. Gulf crude oil runs climbed +0.4 million bpd last week as refiners return from unplanned maintenance.

Cushing stocks increased +0.4 million barrels last week, the 3<sup>rd</sup> consecutive week of limited change – indicating that stock levels have stabilized at working minimums.

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



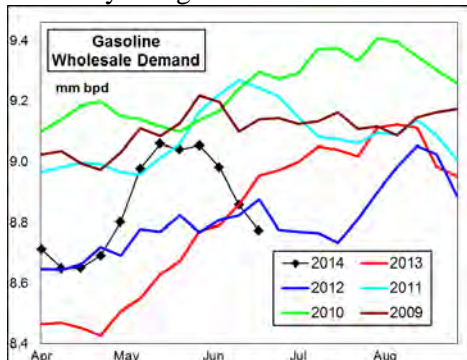
## WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

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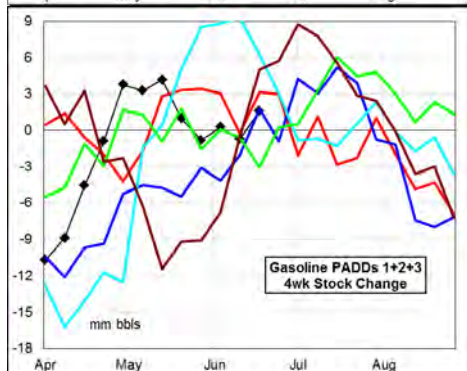
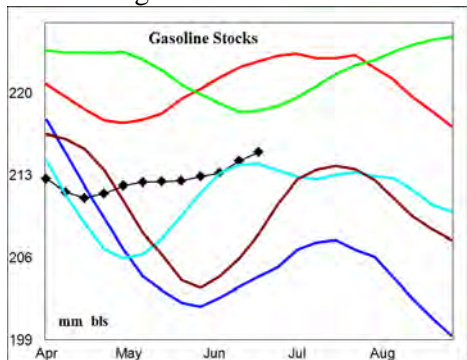
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#### Product Supply-Demand Trends

**Gasoline** wholesale demand declined - 445,000 bpd last week. The latest 4-wk average demand was +149,000 bpd above a year ago.

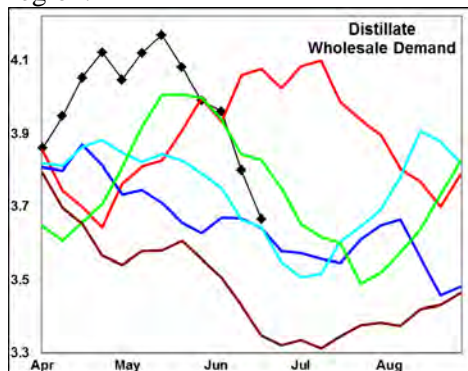


Supply plunged -1 million bpd last week on declines in production and imports. Supply for the latest 4-wk period was +90,000 bpd above a year ago. Stocks increased +0.7 million barrels on the week, concentrated in the Gulf region.

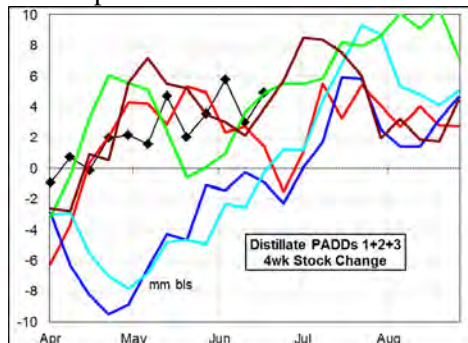


The latest 4-wk stock change East of the Rockies was a +1.8 million barrel build, a level below the 5-yr mid range. Stocks have not experienced a meaningful seasonal draw this year. Stock levels remain relatively low on the West Coast and Midwest; although very high production rates should avoid supply squeezes in the regions.

**Distillate** wholesale demand declined - 165,000 bpd last week, to a level near the 3-yr mid range. The latest 4-wk average demand was -60,000 bpd below last year. Supply decreased +122,000 bpd on the week, with the latest 4-wk average +176,000 bpd above a year ago. The sharp drop in production was driven by unplanned refinery maintenance in the Gulf region.



The latest 4-wk stock change in markets East of the Rockies was a +4.9 million barrel build, equal to 5-yr high for the period.

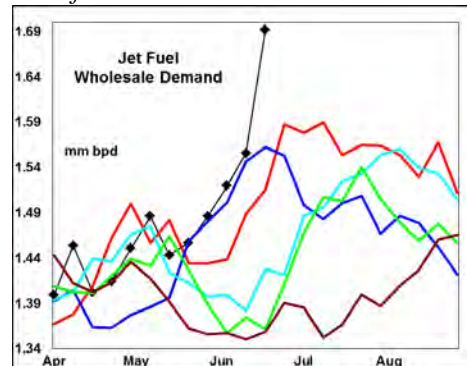


*The seasonal decline in wholesale demand is underway, leading to near record stock building even with refiners still off line for unplanned maintenance. Look for above average stock building during the 3<sup>rd</sup> quarter.*

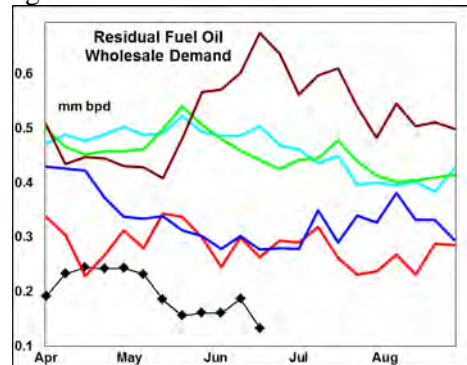
**Jet Fuel** wholesale demand increased +117,000 bpd on the week. The latest 4-wk average demand was +62,000 bpd above a year ago. Supply increased +67,000 bpd on the week, driven by record imports. Output for the most recent 4-wk period decreased -5,000 bpd compared to last year. Imports were -10,000 bpd below a year

ago. Stocks fell -0.9 million barrels on the week, to a new record low level.

*Look for production to rebound in the near term as plants complete unplanned maintenance. A pull back in imports and wholesale demand should limit further stock draws.*



**Residual fuel oil** demand declined - 16,000 bpd last week to a record low level. Demand for the latest 4-wk period was -88,000 bpd below a year ago.



Supply (production + imports) fell - 221,000 bpd on lower production and imports. Production was -43,000 bpd below a year ago for the latest 4-wk period, while imports decreased - 47,000 bpd. Stock levels ended the week above each of the last 3-yrs.

*Production has dropped -31% in the Gulf region, at a new record low. Stocks levels remain at all time highs of 24 million barrels in the region.*





## WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

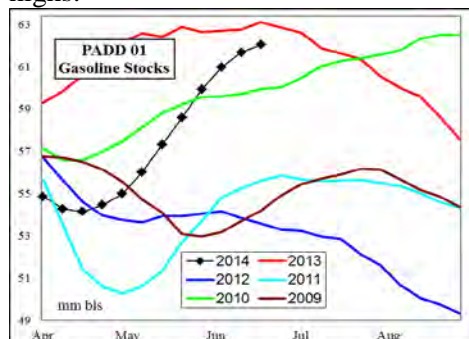
### A Fundamental Petroleum Trends Weekly Report

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#### PADD Supply Trends

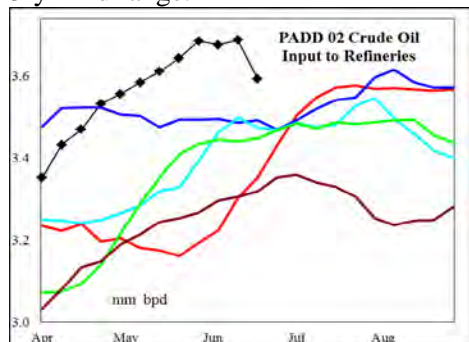
**PADD 1** refinery crude oil runs decreased -6,000 bpd on the week, with the level above the last 3-yrs.

Gasoline supply fell -234,000 bpd on lower imports and production. Stocks decreased -0.1 million barrels last week, ending at a level near 5-yr highs.



Distillate supply declined -25,000 bpd on lower imports; with the 4-wk average +36,000 bpd above last year. Stock levels were -5% below last year, following a +1.5 million stock build.

Jet fuel supply increased +54,000 bpd last week, on a sharp jump in imports. Stock levels were above the 3-yr mid range.



**PADD 2** crude oil refinery runs fell -160,000 bpd last week, with the latest 4-wk average +422,000 bpd above last year. Crude oil stocks increased +1.5 million barrels, but remain -21% below a year ago. Cushing saw a +0.4 million barrel stock build on the week; the 3<sup>rd</sup> consecutive week of limited change.

Gasoline supply decreased -156,000 bpd last week. Production for the most recent 4-wk period was +0.5 million bpd above a year ago – driven by the EIA recording sub octane product shipped into the Midwest as

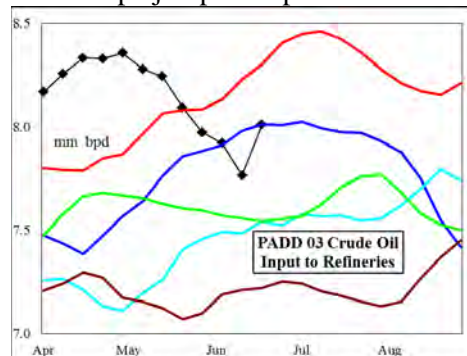
finished product production when blended with ethanol. Stocks were nearly unchanged on the week, although the level ended the week below the 5-yr range.

Distillate supply declined -53,000 bpd last week, with the 4-wk average +25% above a year ago. Stocks decreased -0.4 million barrels to a level above four of the last 5-yrs..

Jet fuel production fell -50,000 bpd on the week, to a level below the historic range. Stock levels ended the week near historic lows.

**PADD 3** refinery runs climbed +0.4 million bpd as refiners returned from unplanned maintenance. During the latest 4-wk period, average runs were -284,000 bpd below last year.

Crude oil stocks increased +2 million barrels, driven by a +0.5 million bpd jump in imports..



Gasoline supply decreased -90,000 bpd last week, with the latest 4-wk average +164,000 bpd above a year ago. Stocks increased +1.3 million barrels to a level below the 3-yr mid range.

Distillate supply increased +200,000 bpd on the week, with the latest 4-wk average supply -65,000 bpd below last year. Stocks increased +0.5 million barrels on the week, with the level comparable to the last 2-yrs.

Jet fuel production increased +8,000 bpd to a level below the last 2-yrs. Stock levels ended the week below the 5-yr range.

Residual fuel supply fell -138,000 bpd on lower imports and production. Stocks climbed at a level well above the 5-yr range.

**PADD 4** refinery crude runs decreased

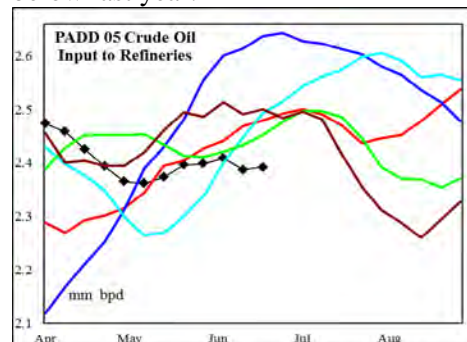
-18,000 bpd last week to a level near historic lows, although the 4-wk average was +44,000 bpd above last year.

Gasoline production decreased -21,000 bpd on the week, with the latest 4-wk average +104,000 bpd above a year ago. Stocks ended the week +6% above a year ago and above the historic mid range.

Distillate supply increased +5,000 bpd last week, with the latest 4-wk output +24,000 bpd above last year. Stock levels ended the week near the 3-yr mid range.

Jet fuel production remains above the historic range for the week, with the 4-wk average +26% above last year. Stock levels remain below each of the last 3-yrs.


**PADD 5** crude oil refinery runs increased +53,000 bpd last week, ending at a level below the 5-yr range. The 4-wk run rate was -57,000 bpd below last year.



Gasoline supply increased +18,000 bpd on the week, with the 4-wk average +22,000 bpd above a year ago. Stocks decreased -0.6 million barrels to a level comparable with the last 2-yrs.

Distillate supply was nearly unchanged on the week, at a level below the last 2-yrs. The 4-wk average supply was -28,000 bpd below a year ago. Stocks decreased -0.2 million barrels on the week, with the level below the 3-yr mid range.

Jet fuel supply increased +59,000 bpd on a spike in imports. The latest 4-wk average supply was -67,000 bpd below last year. Stocks ended the week at a record low level.



FUNDAMENTAL

PETROLEUM TRENDS

PETROLEUM: Graph Link and Weekly Summary

A Fundamental Petroleum Trends Weekly Report

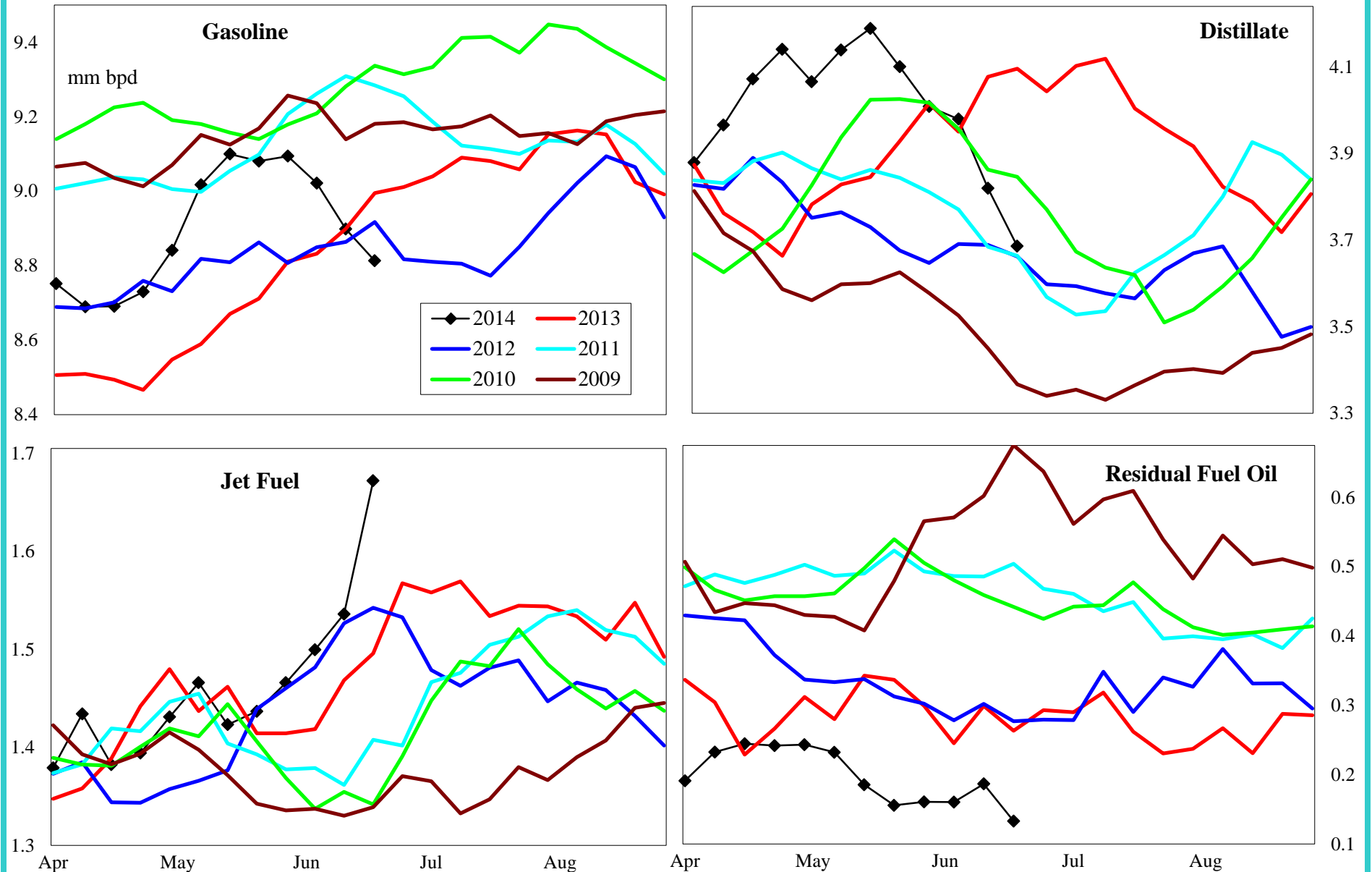
June 25, 2014

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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	20-Jun-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	1,742	-860	1,470	2,016	-31	-852
	Imports	107	-451	77	506	-93	68
	Input	275	-6	-160	406	-18	53
	% Utilization	1.40					
<a href="#">Gasoline</a>	Stocks	710	-140	124	1,340	-10	-605
	Production	-786	-57	-158	-33	-21	45
	Imports	-259	-177	2	-57	0	-27
	Supplied	-445					
<a href="#">Distillate</a>	Stocks	1,177	1,529	-438	528	-246	-195
	Production	145	-9	-59	191	4	17
	Imports	-23	-16	6	9	1	-22
	Supplied	-165					
<a href="#">Jet Fuel</a>	Stocks	-929	165	-687	-434	59	-32
	Production	-101	-5	-50	8	-3	-50
	Imports	168	59	0	0	0	109
	Supplied	117					
<a href="#">Residual Fuel Oil</a>	Stocks	-221	-46	-116	-116	-5	61
	Production	-59	-3	24	-42	0	-38
	Imports	-162	-99	-1	-96	0	34
	Supplied	-16					

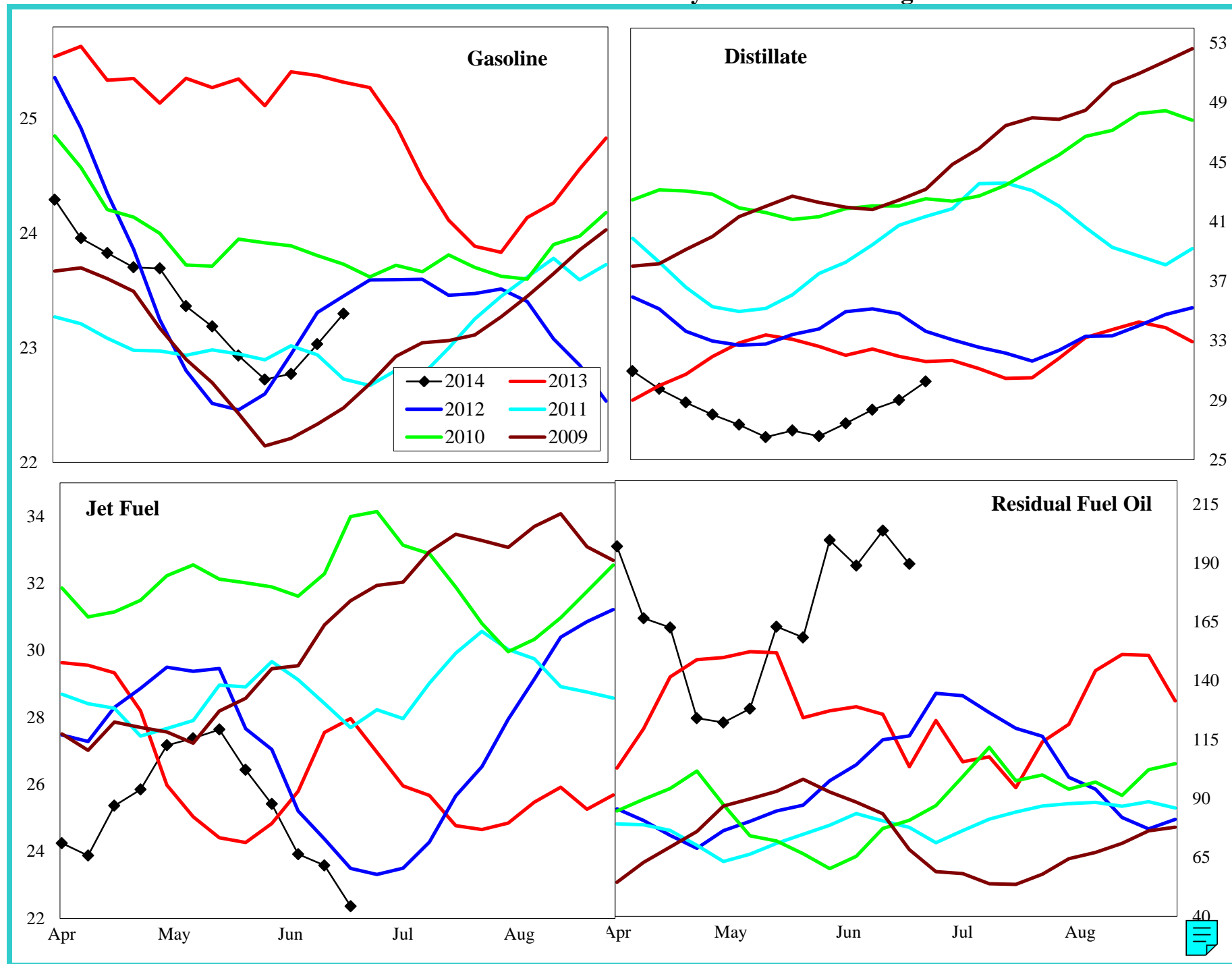
# United States Wholesale Petroleum Demand



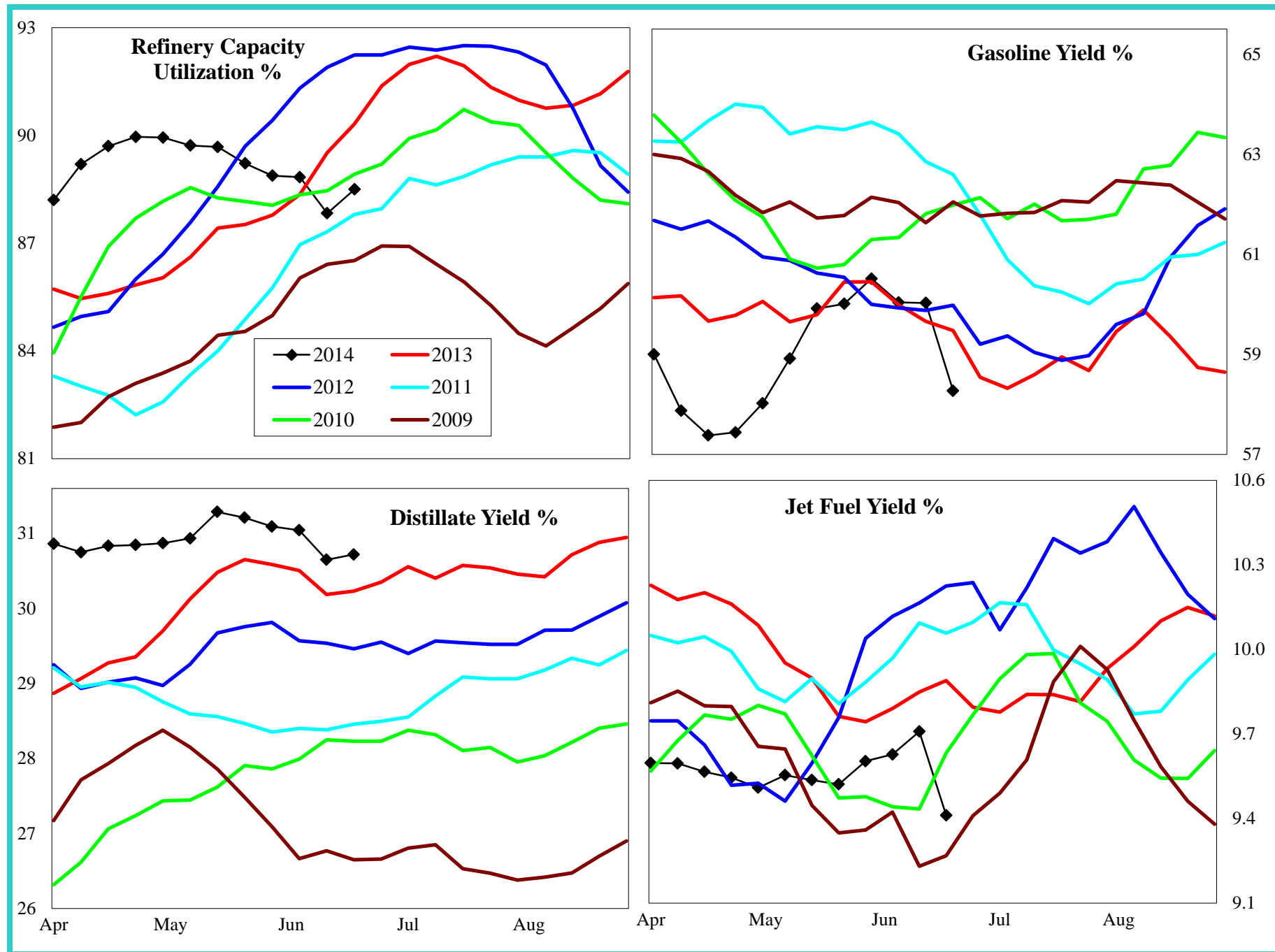
	000 bpd change from prior year				% change from prior year			
	4wk avg	May	Apr	Mar	4wk avg	May	Apr	Mar
Gasoline	149	212	-151	178	1.7	2.4	-1.7	2.1
Distillate	-60	333	187	10	-1.5	8.8	4.8	0.3
Jet Fuel	62	55	-3	80	4.2	3.9	-0.2	5.8
Resid	-88	-65	13	-179	-31.1	-30.2	4.6	-41.5



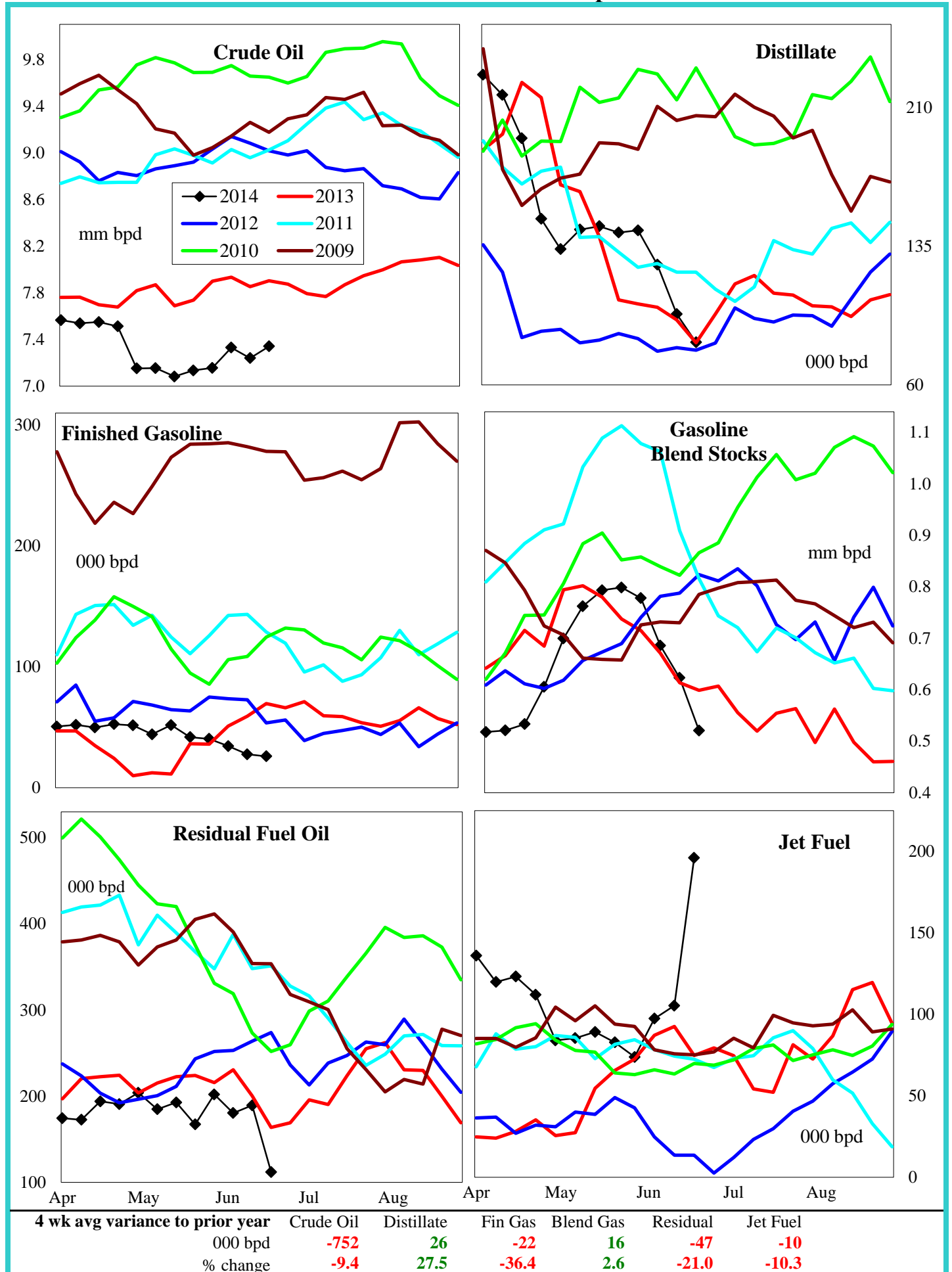
# United States Product Stocks: Days Forward Coverage



## United States Refinery Percent Utilization Rate and Product Yields

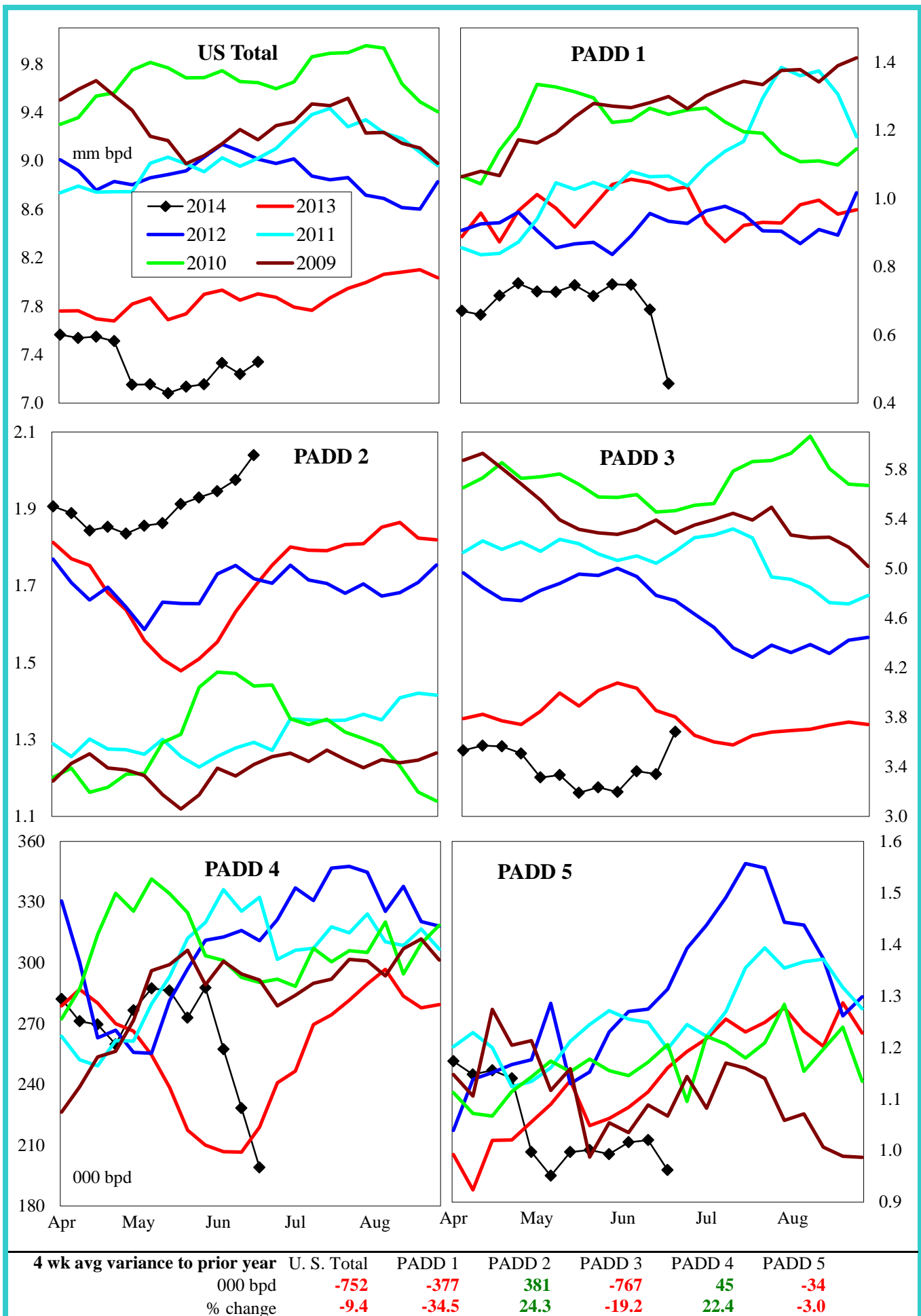


# United States Petroleum Imports

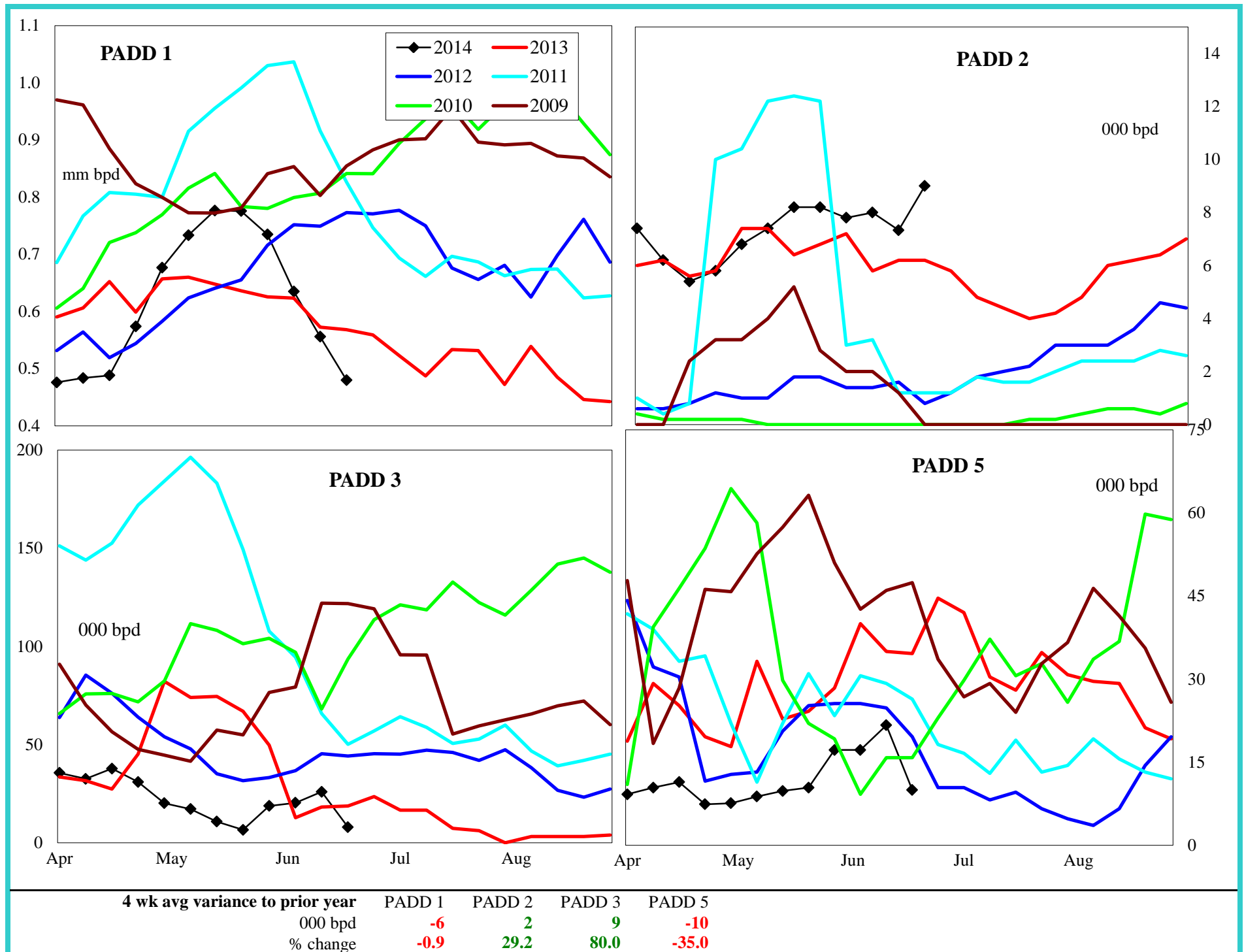




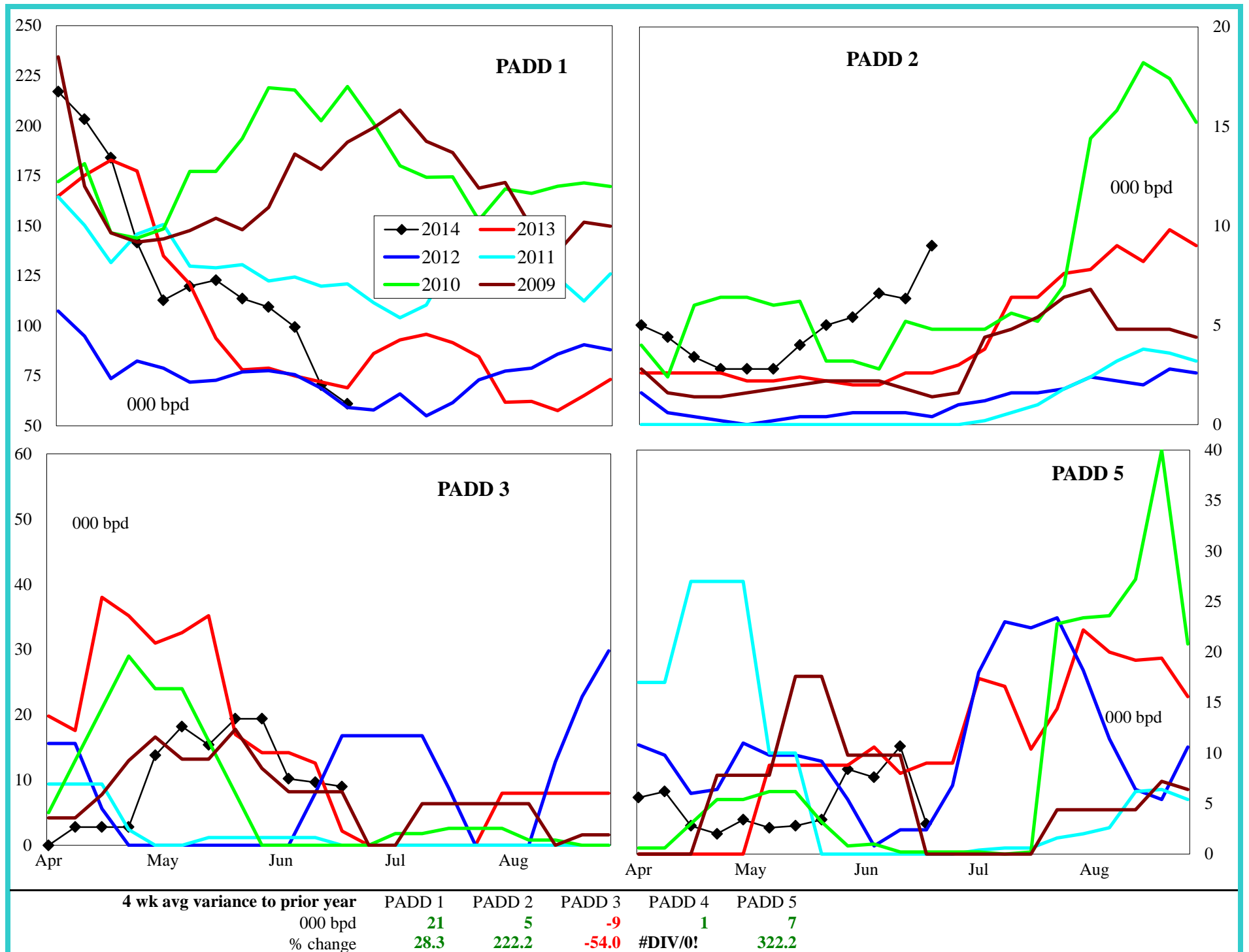
## Crude Oil Imports by PADD



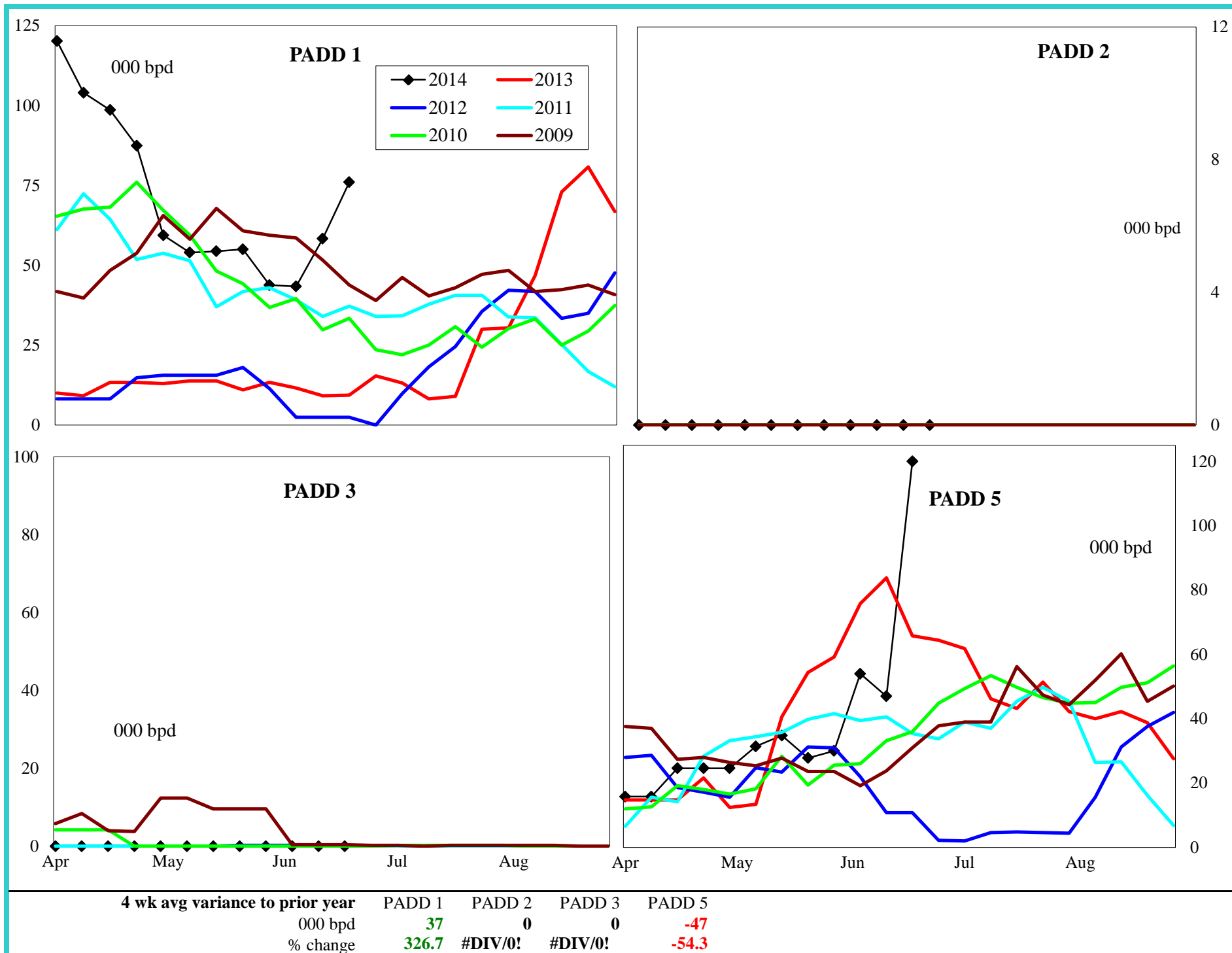
# Gasoline Imports by PADD (Finished + Blend Stocks)



# Distillate Imports by PADD

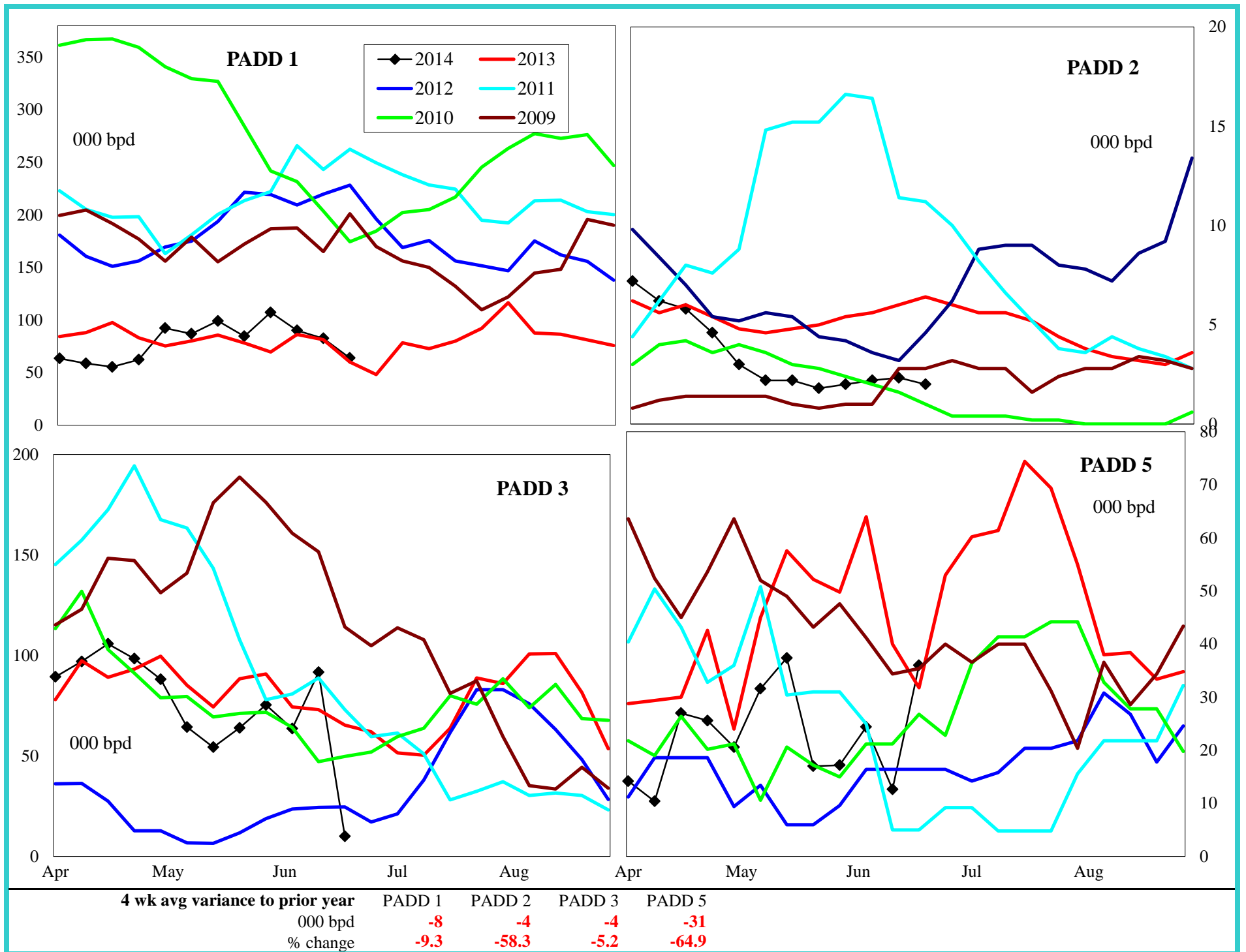


# Jet Fuel Imports by PADD

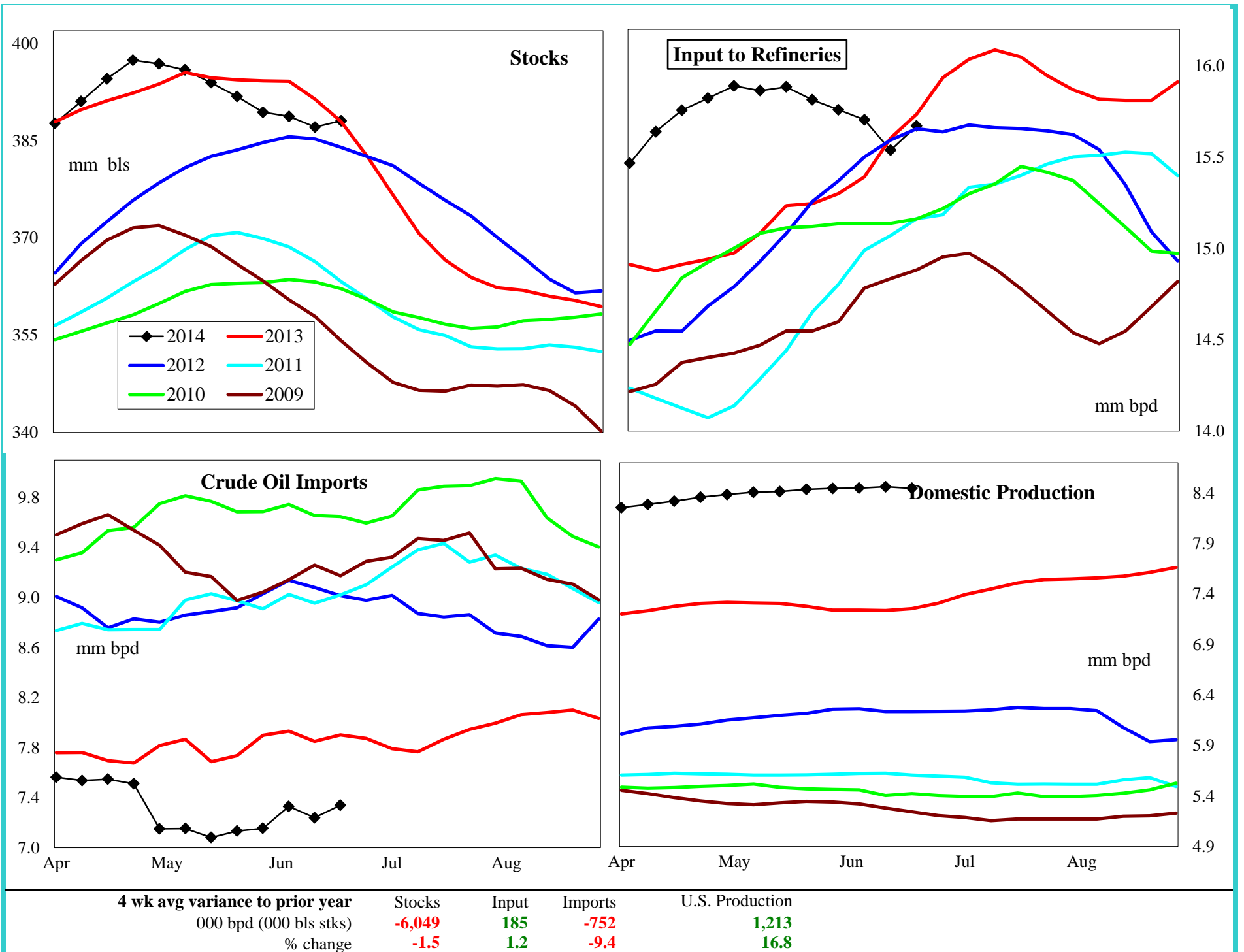




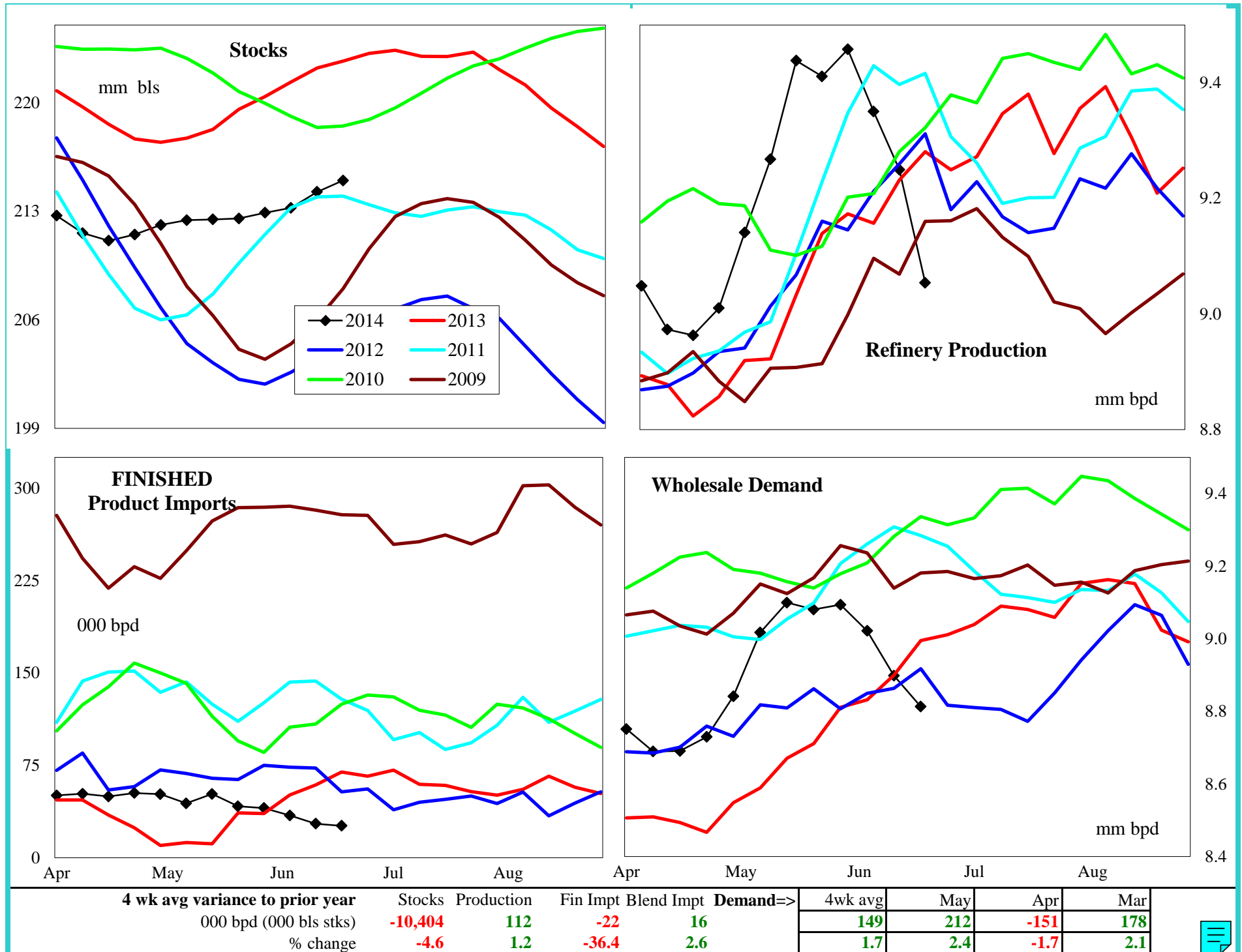
## Residual Fuel Oil Imports by PADD



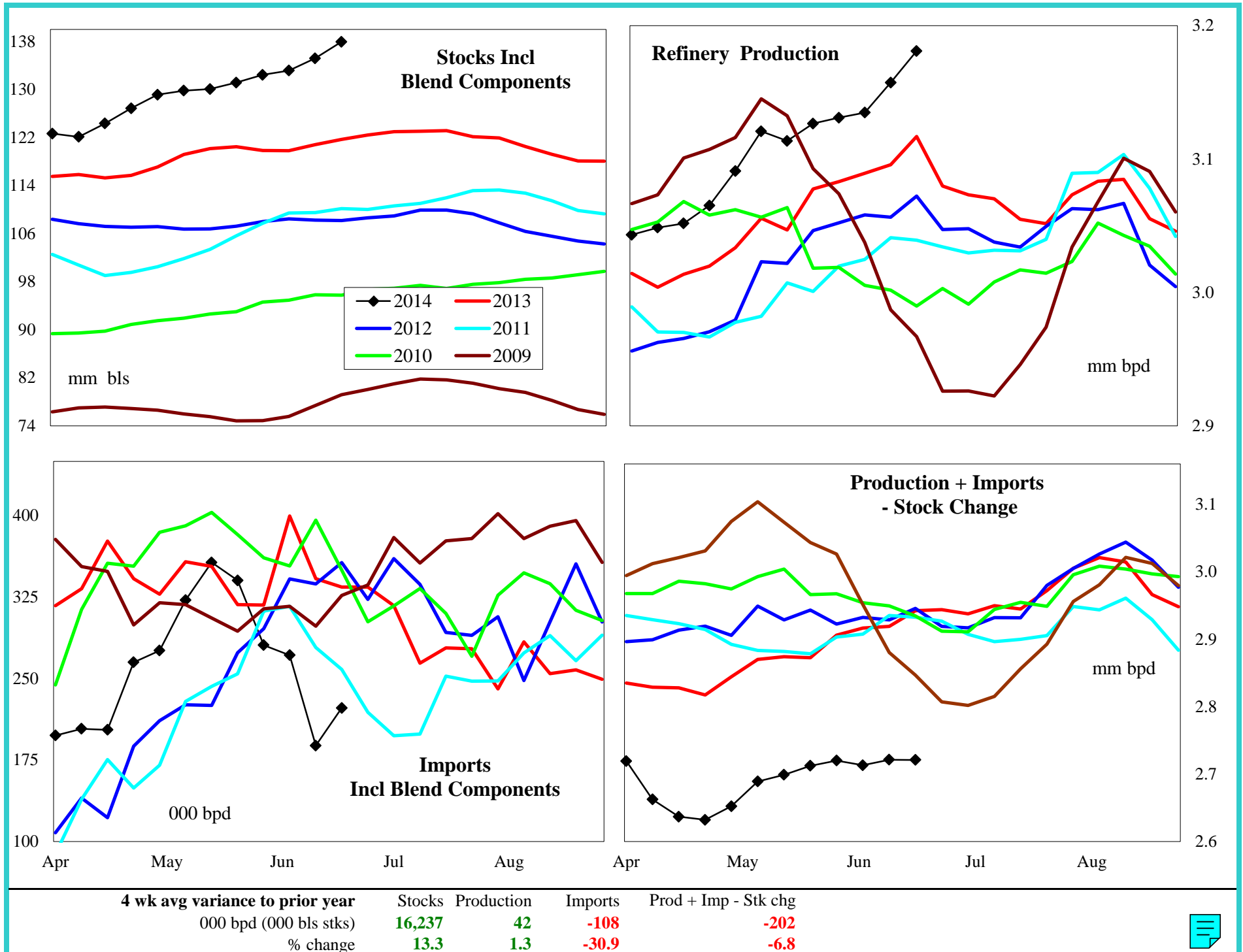
# United States Crude Oil Supply and Demand Balance



# United States Gasoline Supply and Demand Balance

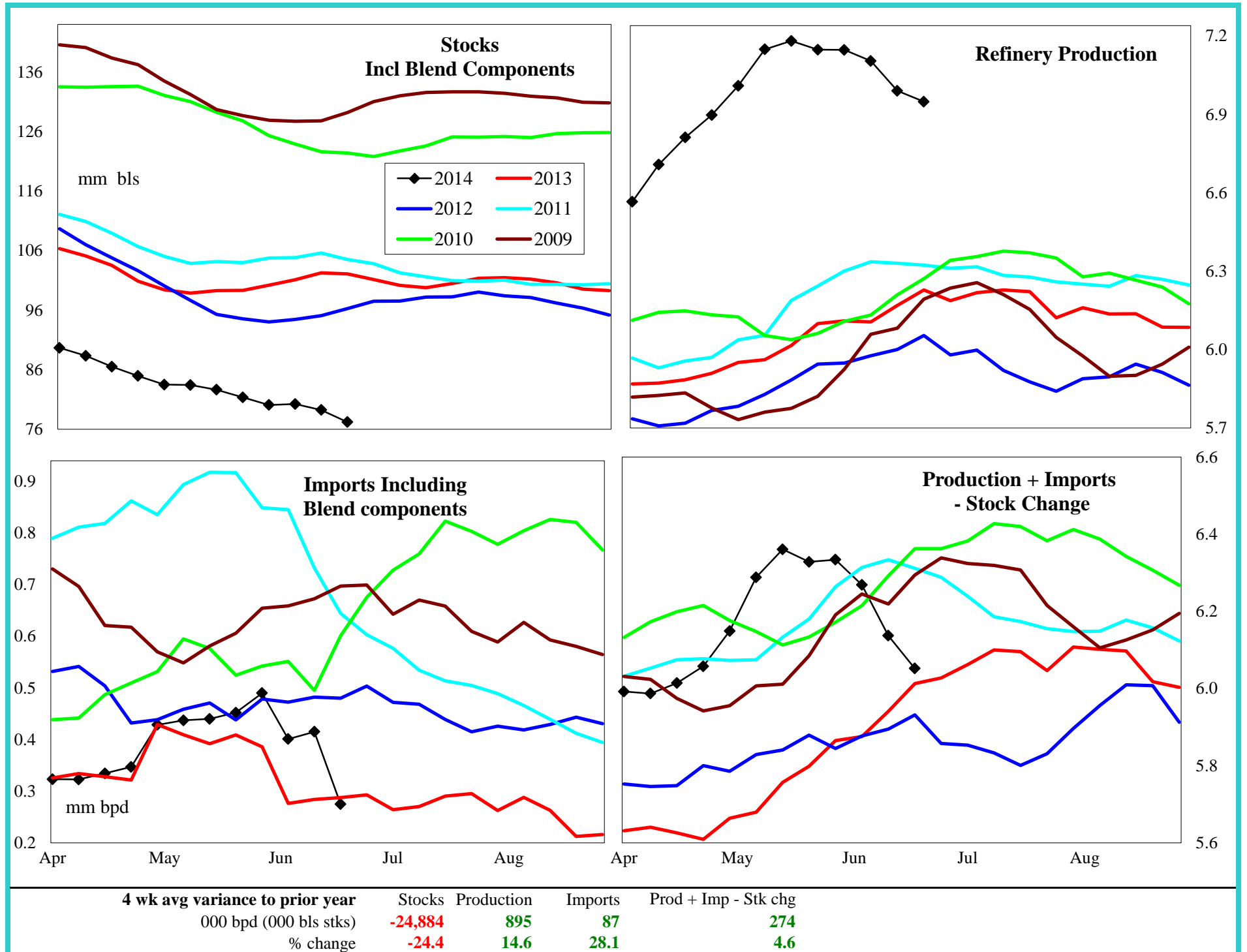


# United States Reformulated Gasoline Supply

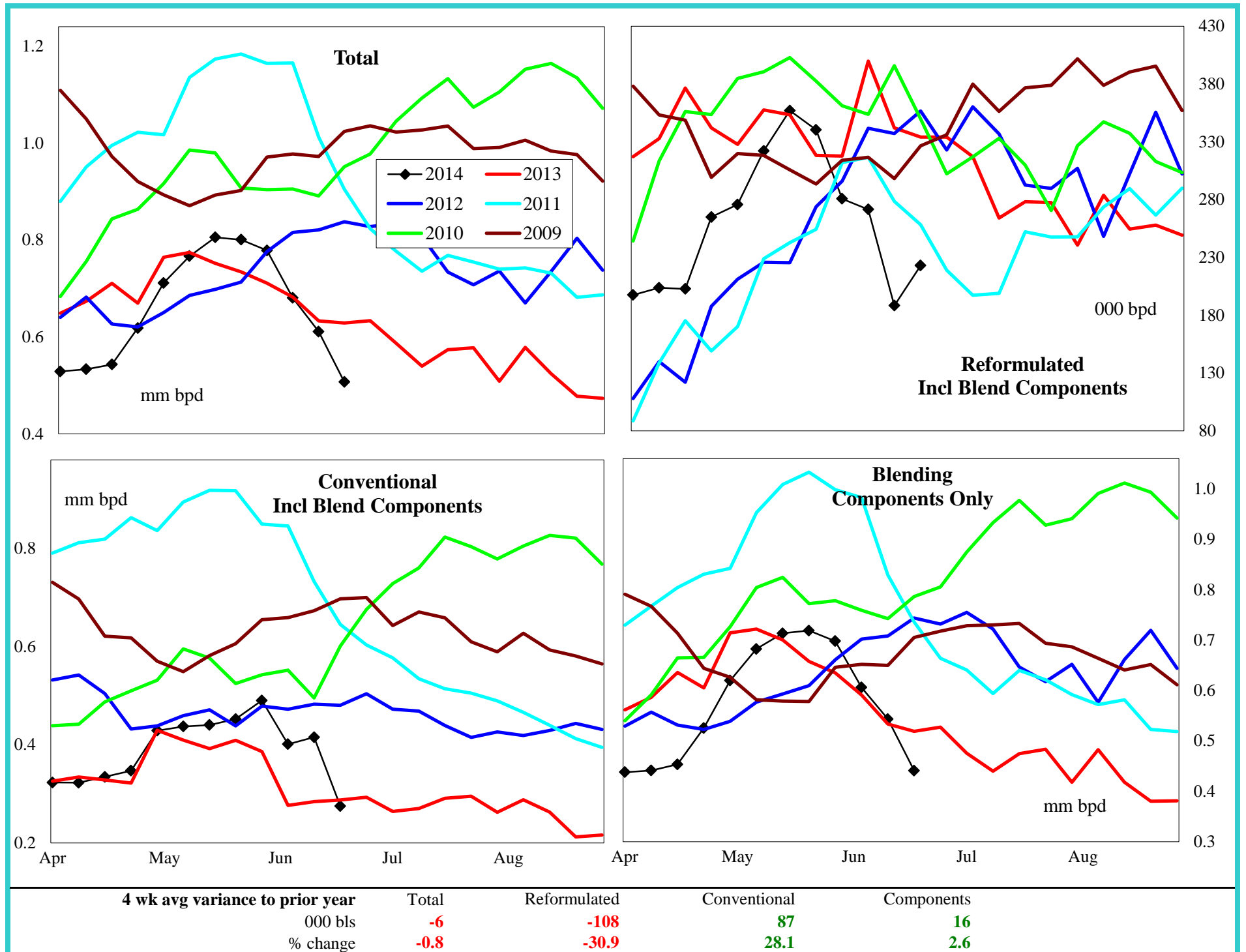




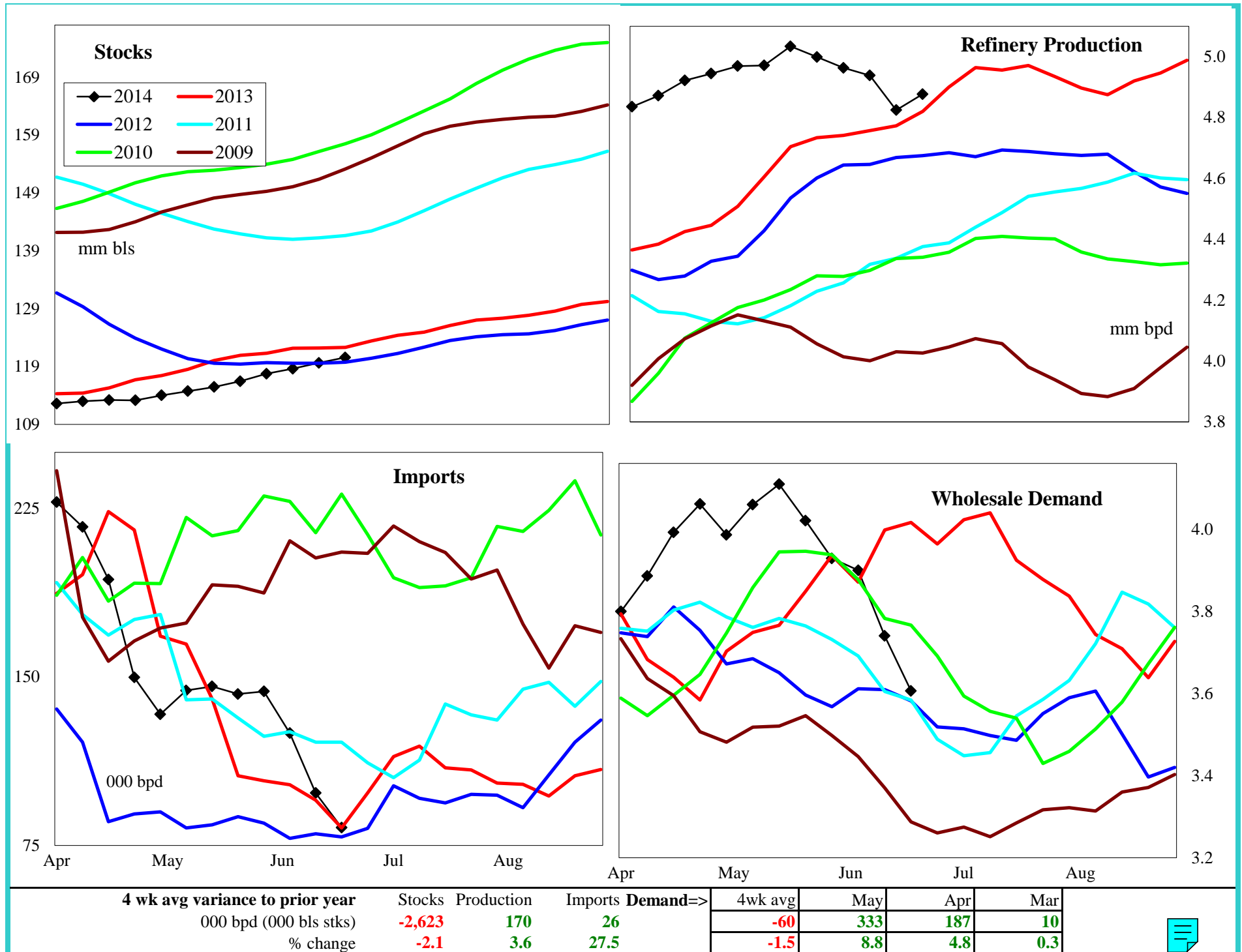
# United States Conventional Gasoline Supply



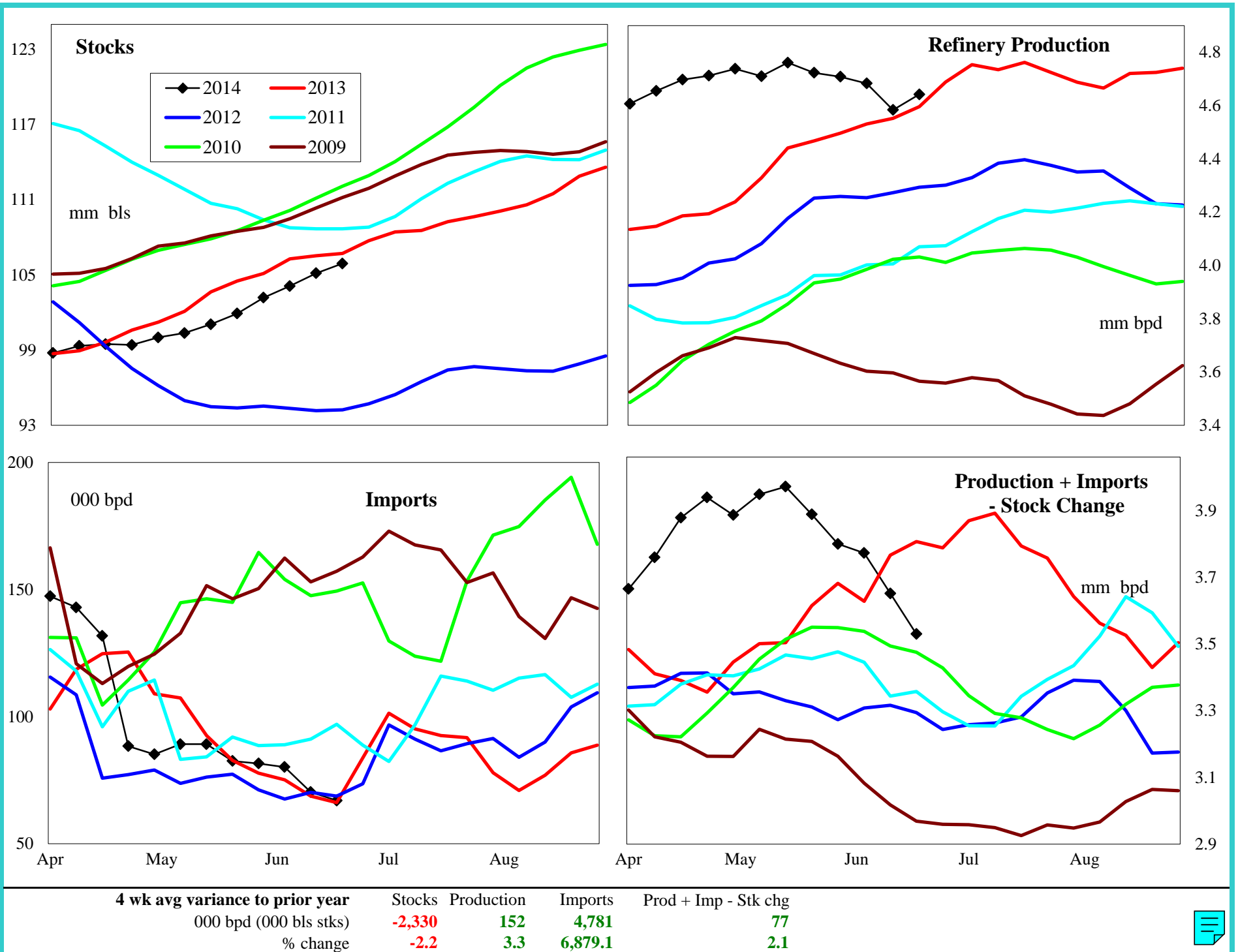
# United States Gasoline Imports by Type



# United States Distillate Supply and Demand Balance

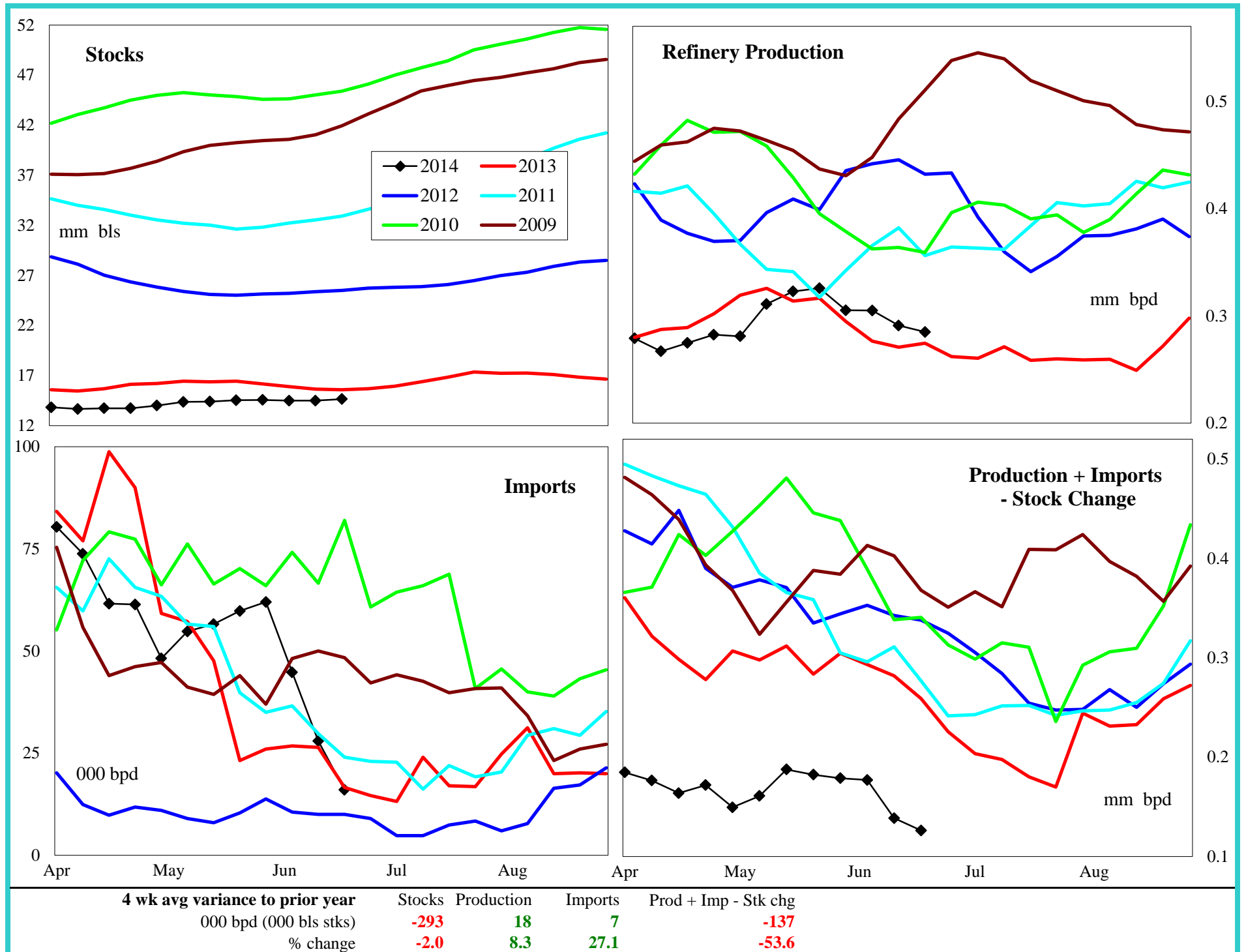


# United States Low Sulfur Distillate Supply

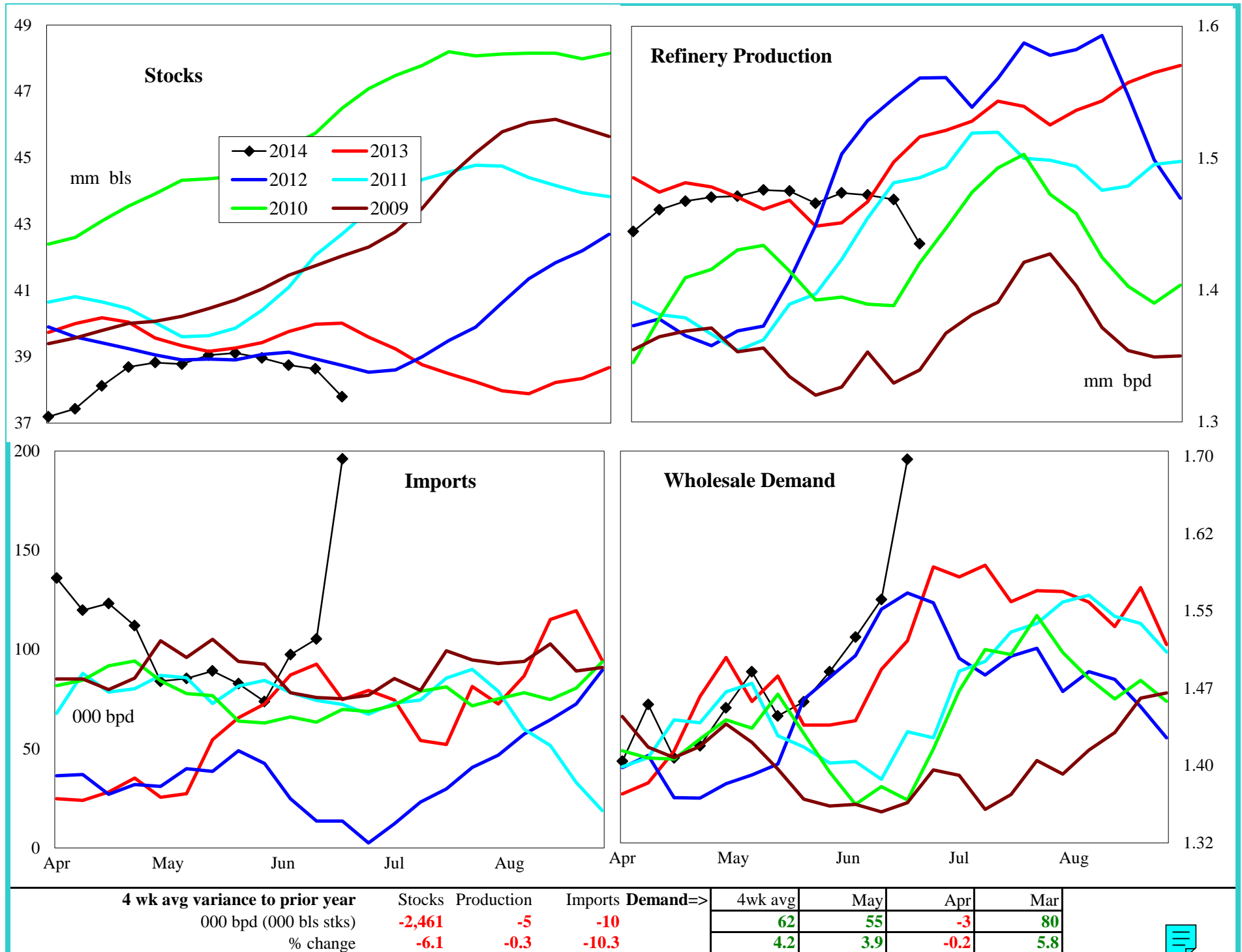




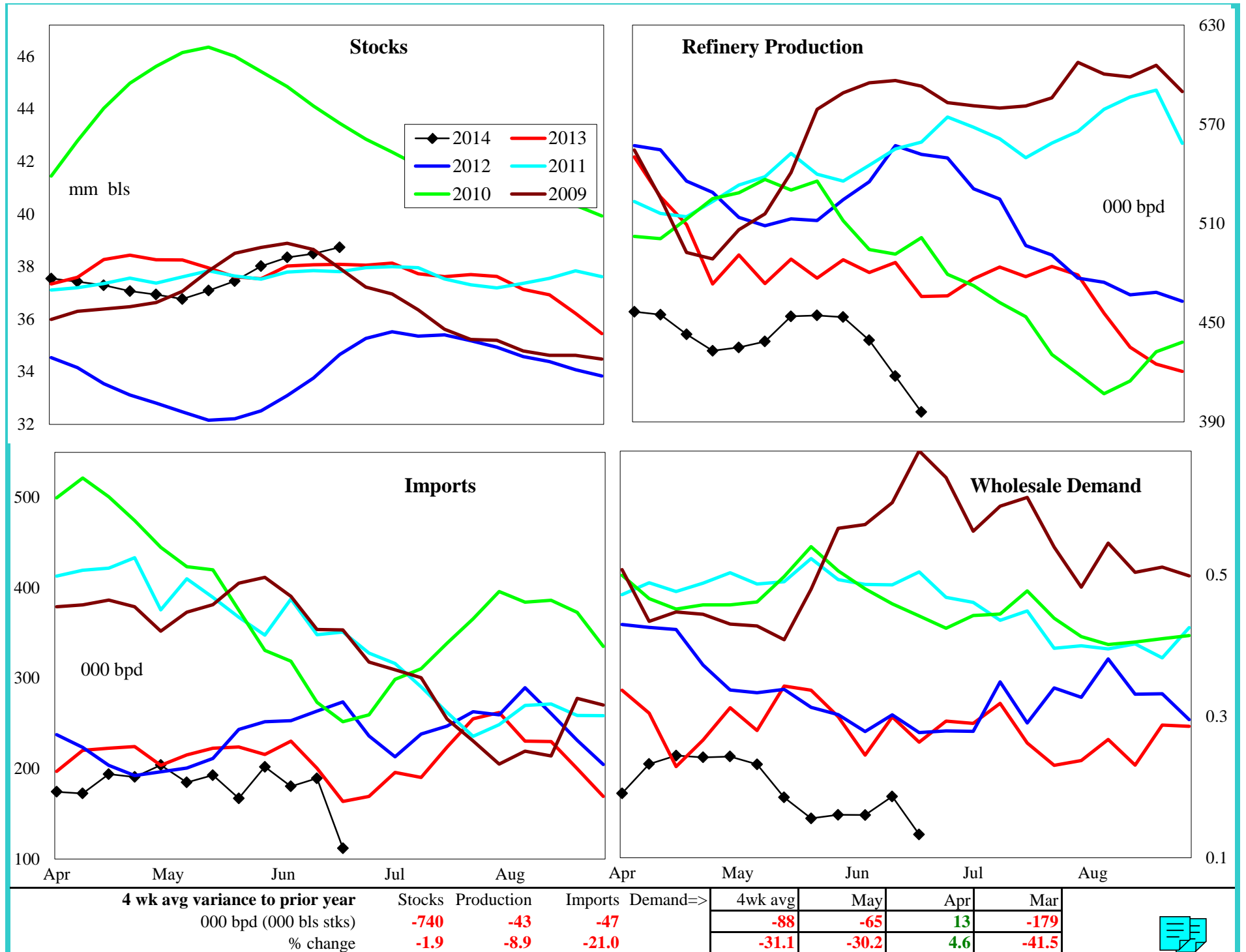
# United States High Sulfur Distillate Supply



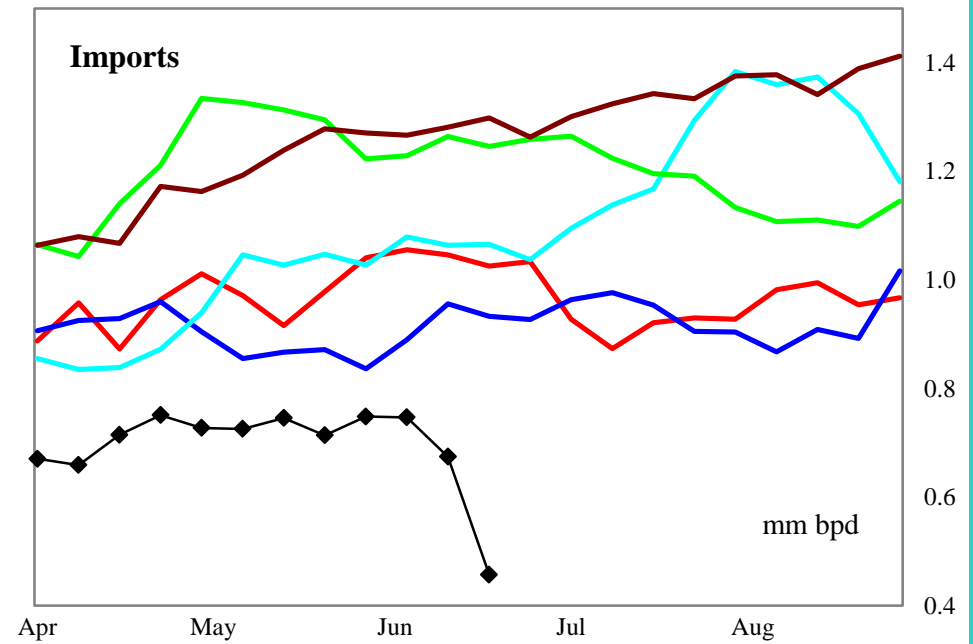
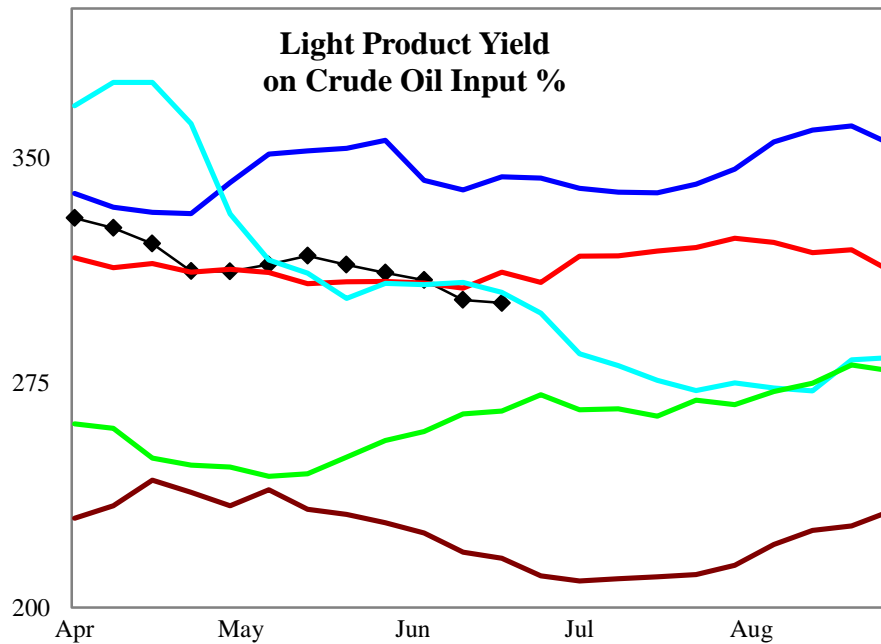
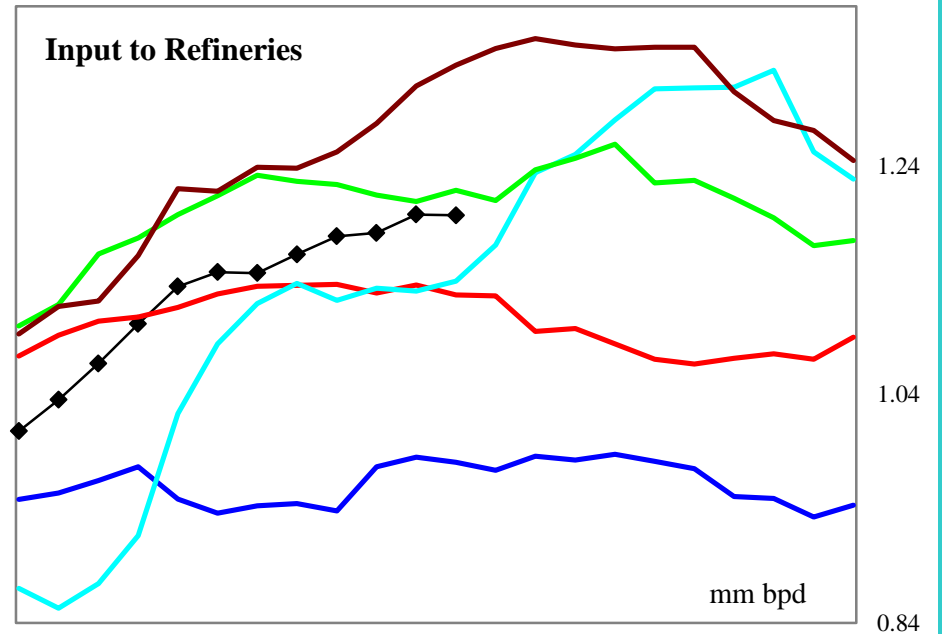
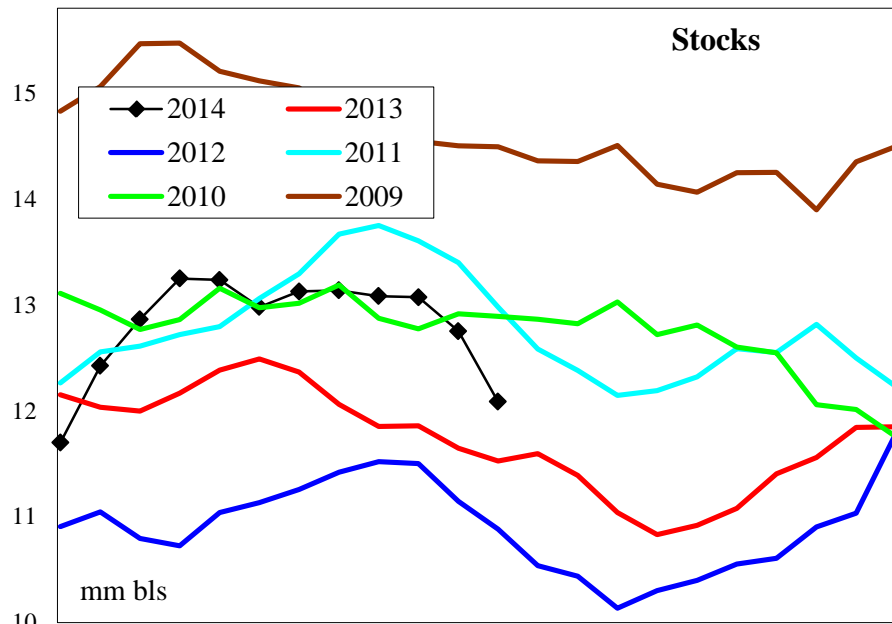
# United States Jet Fuel Supply and Demand Balance



# United States Residual Fuel Oil Supply and Demand Balance



# PADD 1 Crude Oil Supply and Refining



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

558

5.0

Input

60

5.3

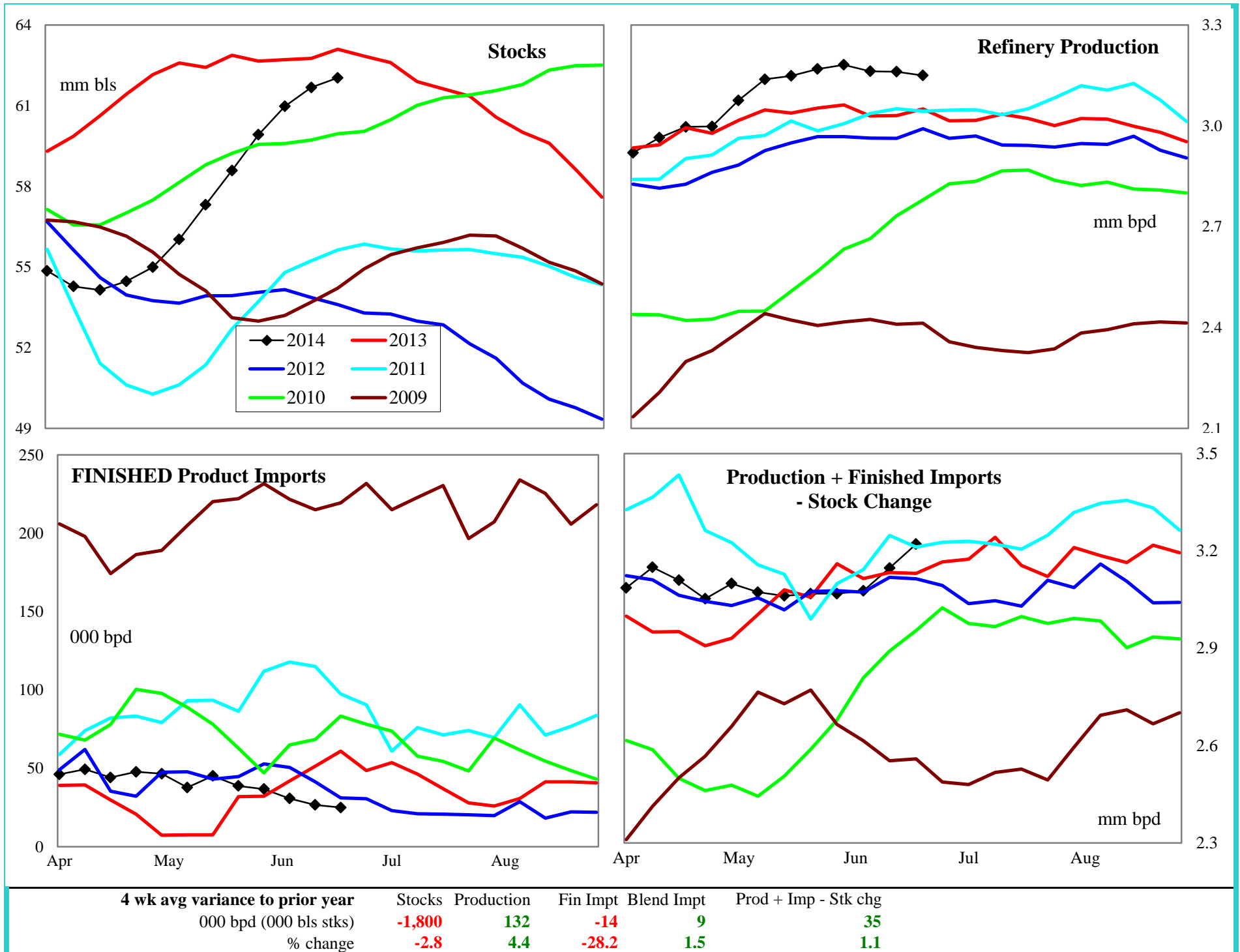
Imports

-377

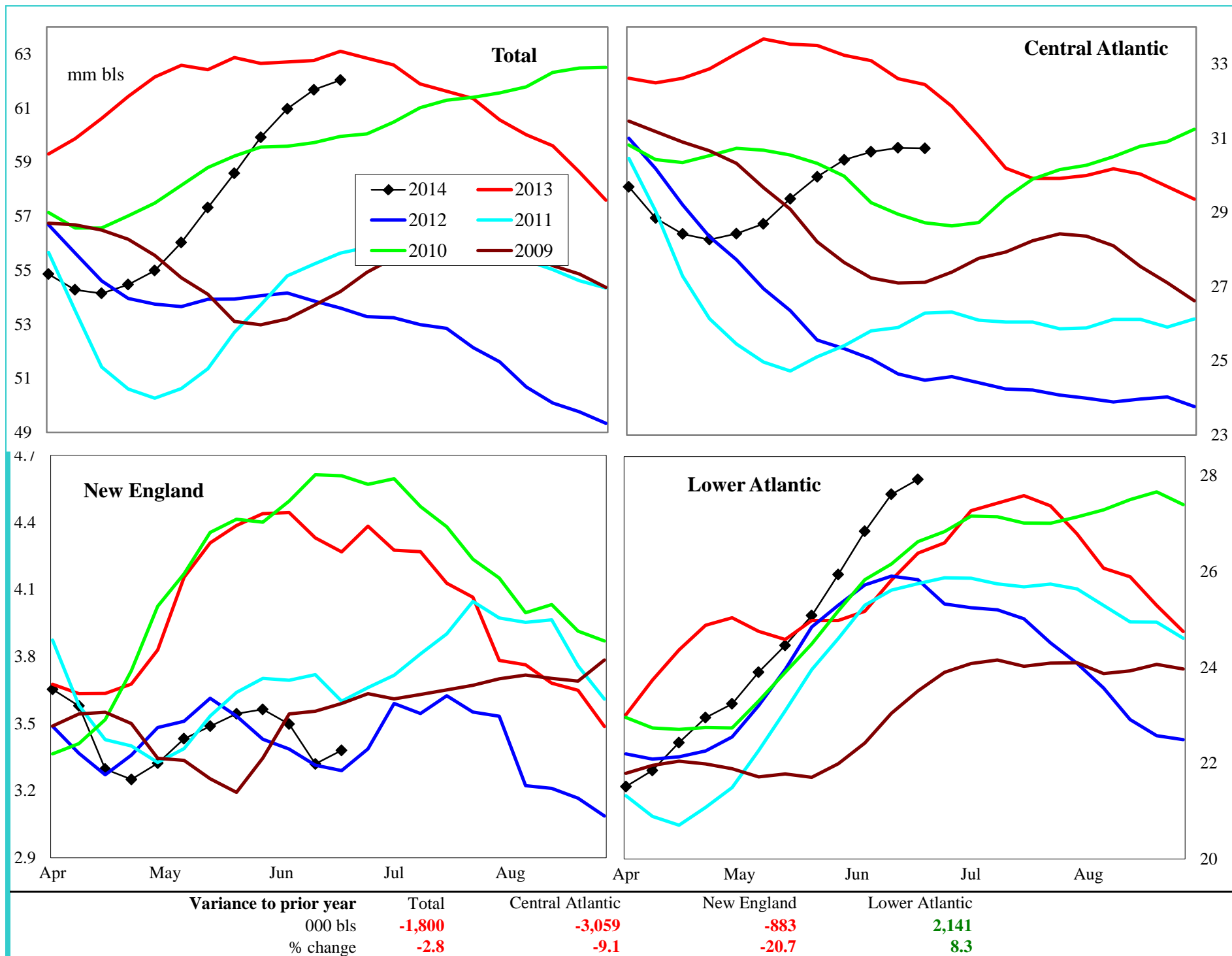
-34.5



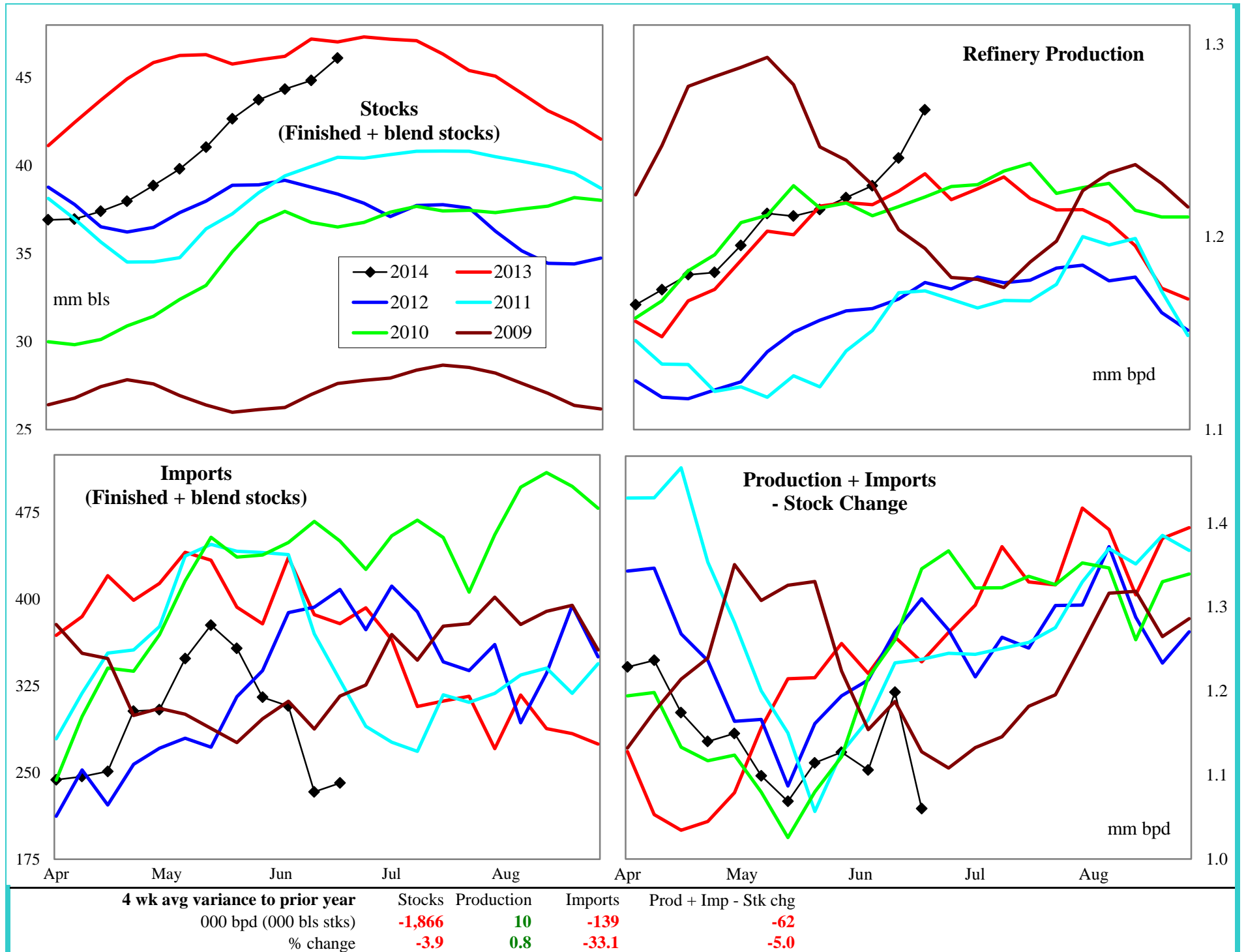
# PADD 1 Gasoline Supply



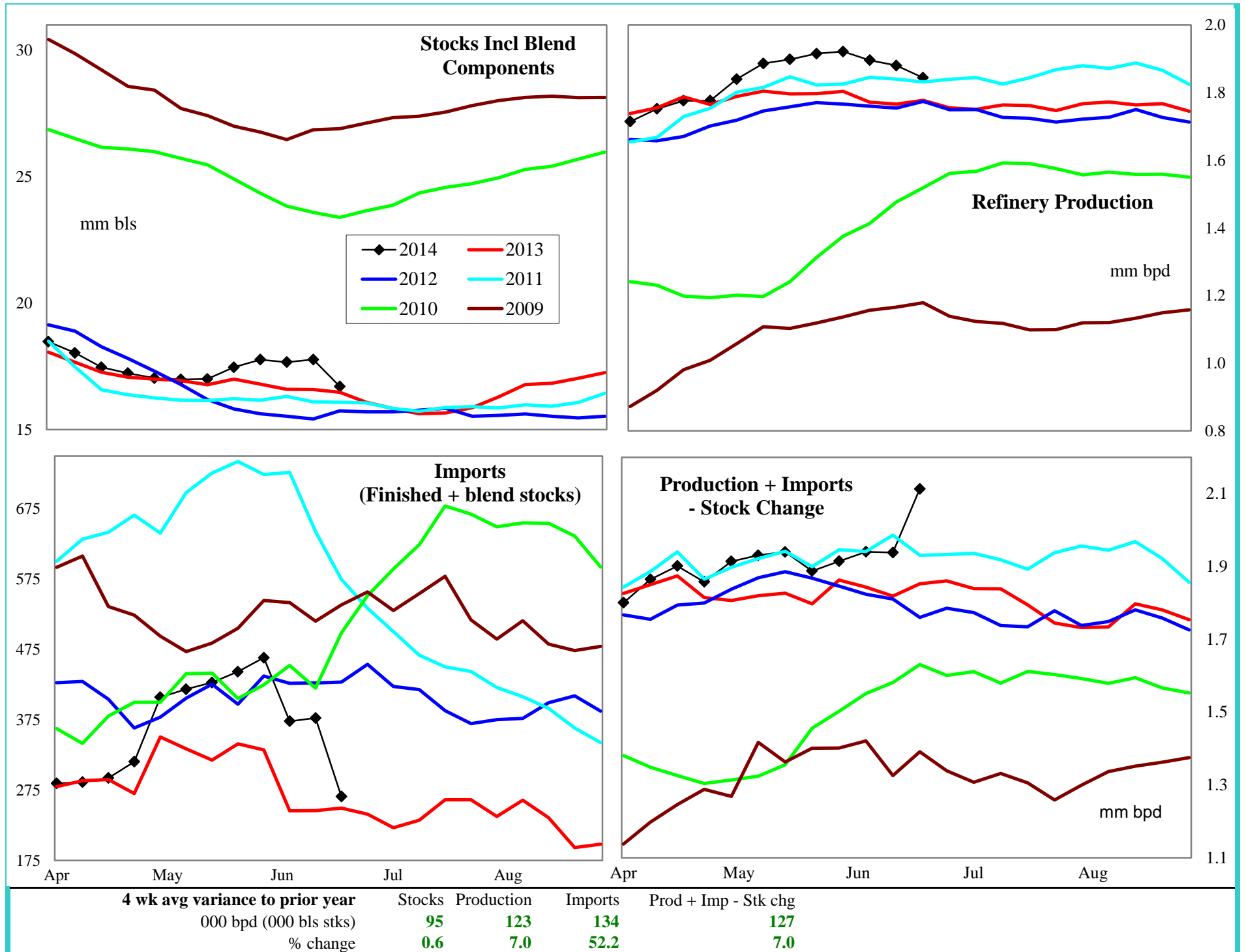
# PADD 1 Gasoline Stocks by Region



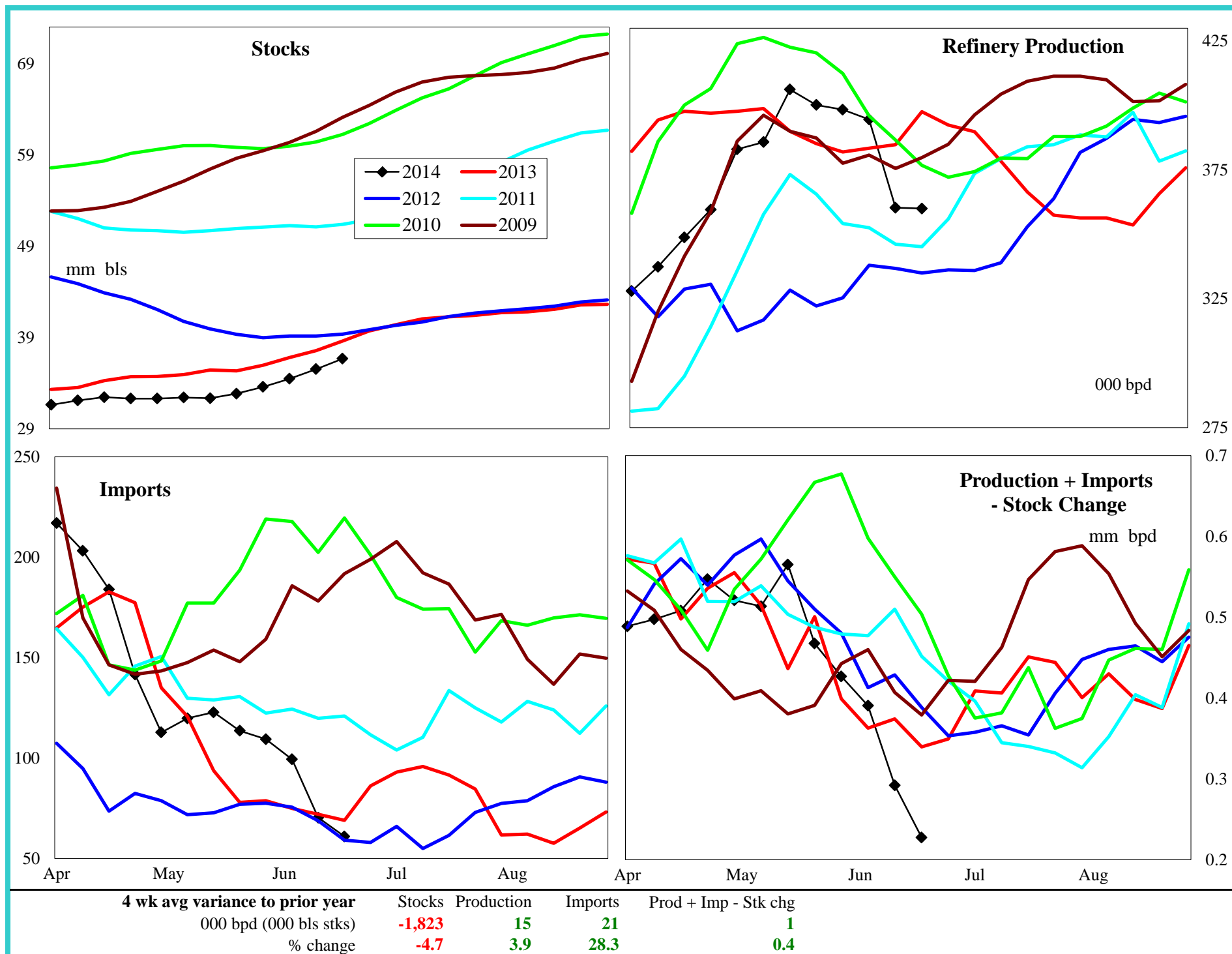
# PADD 1 Reformulated Gasoline Supply



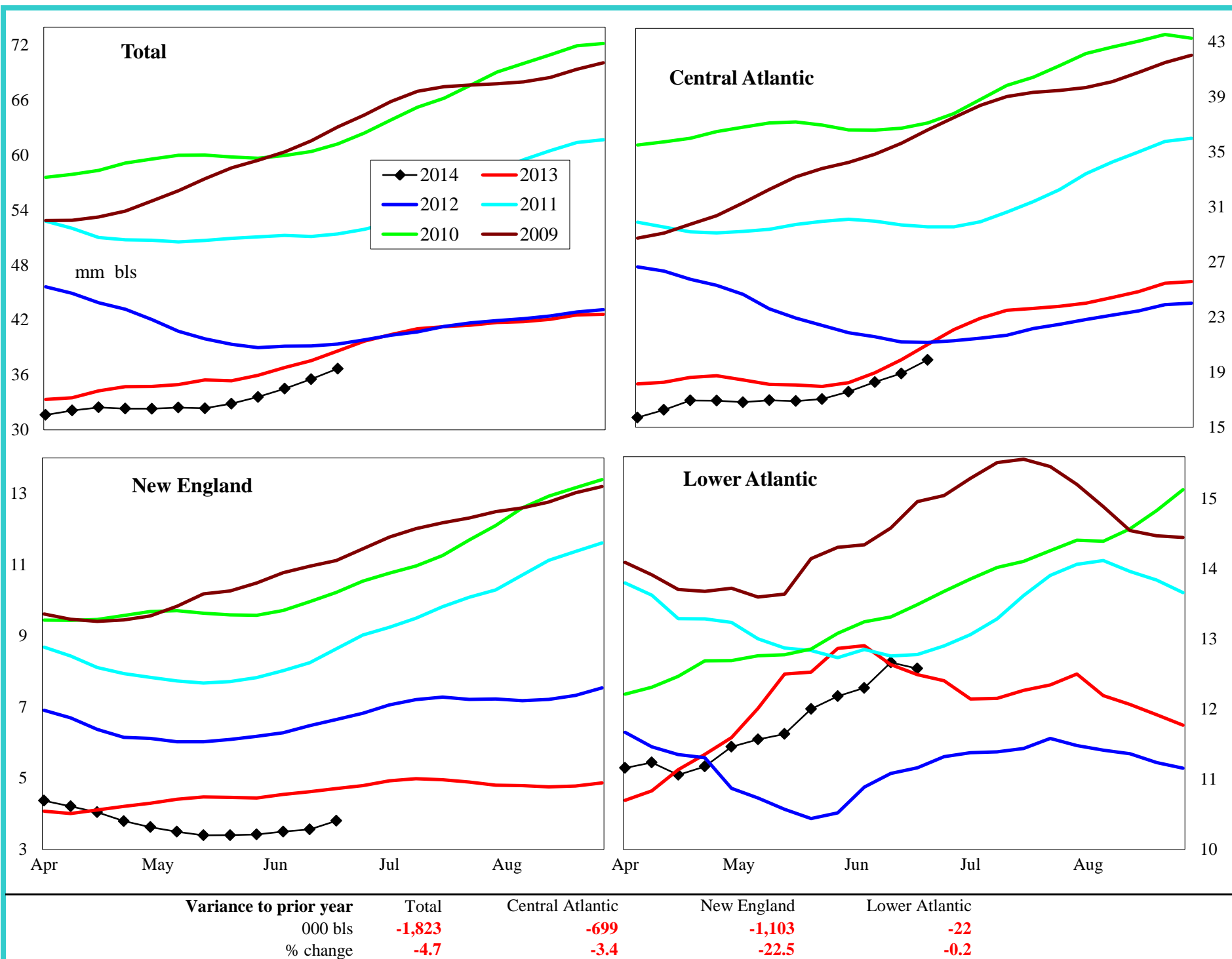
# PADD 1 Conventional Gasoline Supply



## PADD 1 Distillate Supply

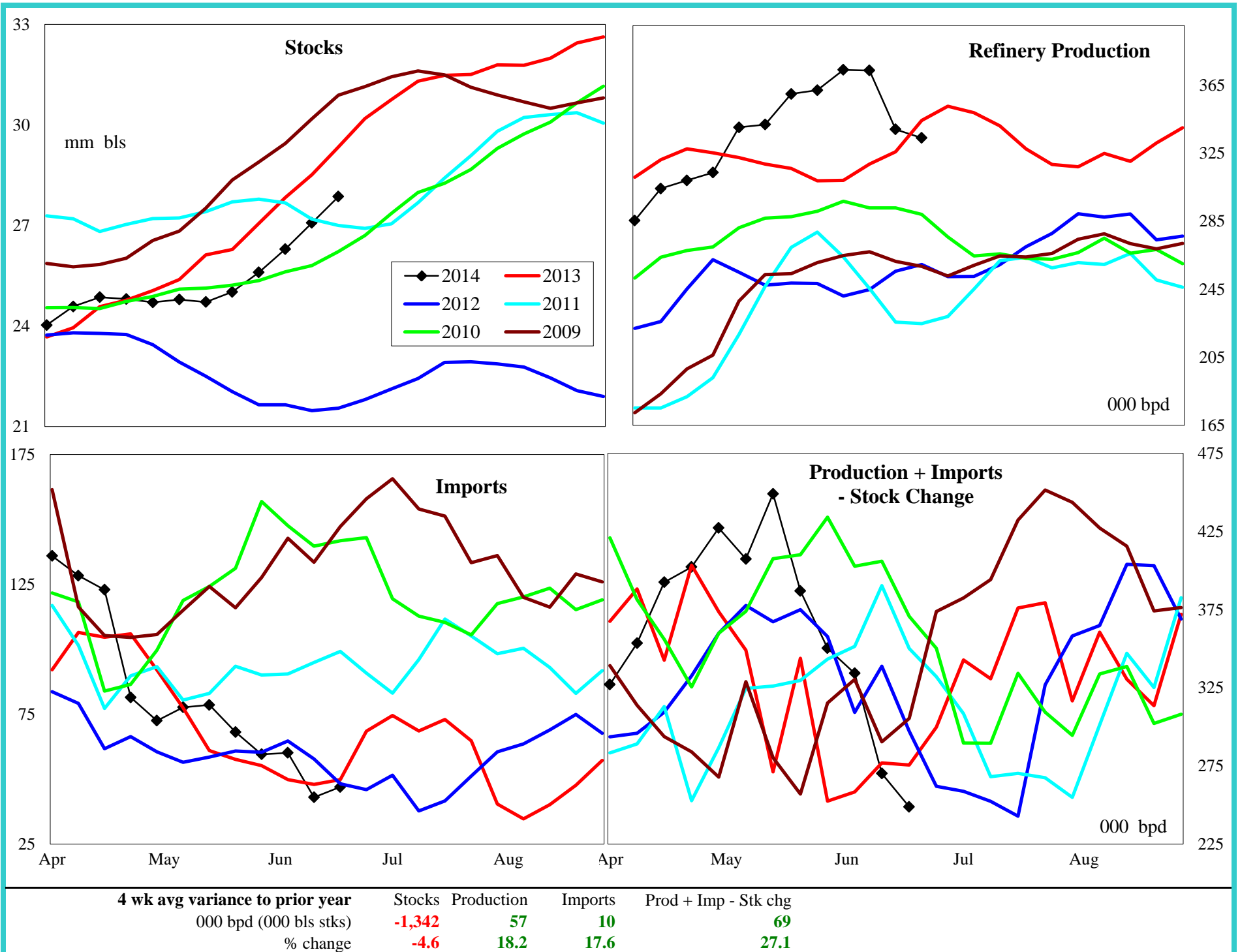


# PADD 1 Distillate Stocks by Region

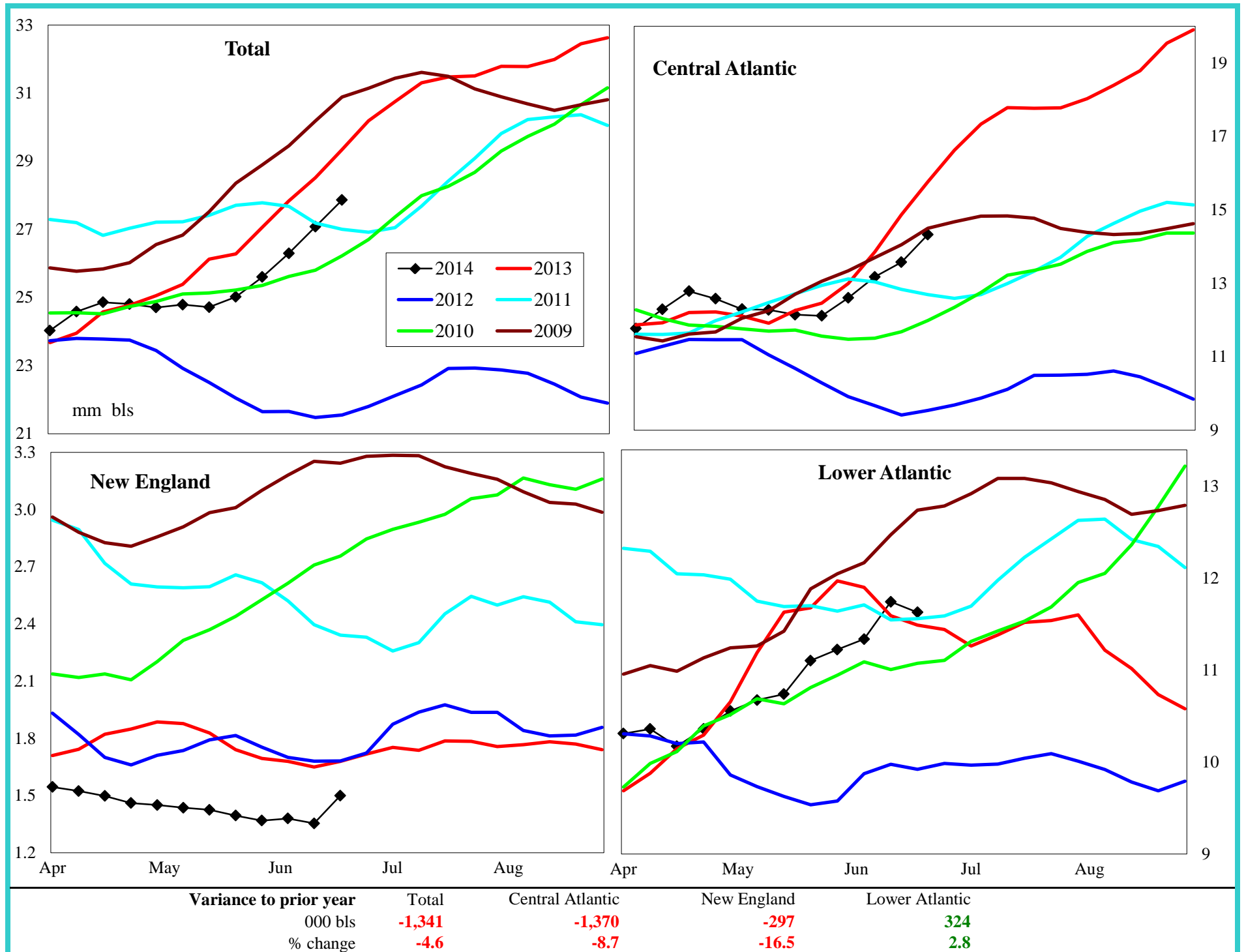




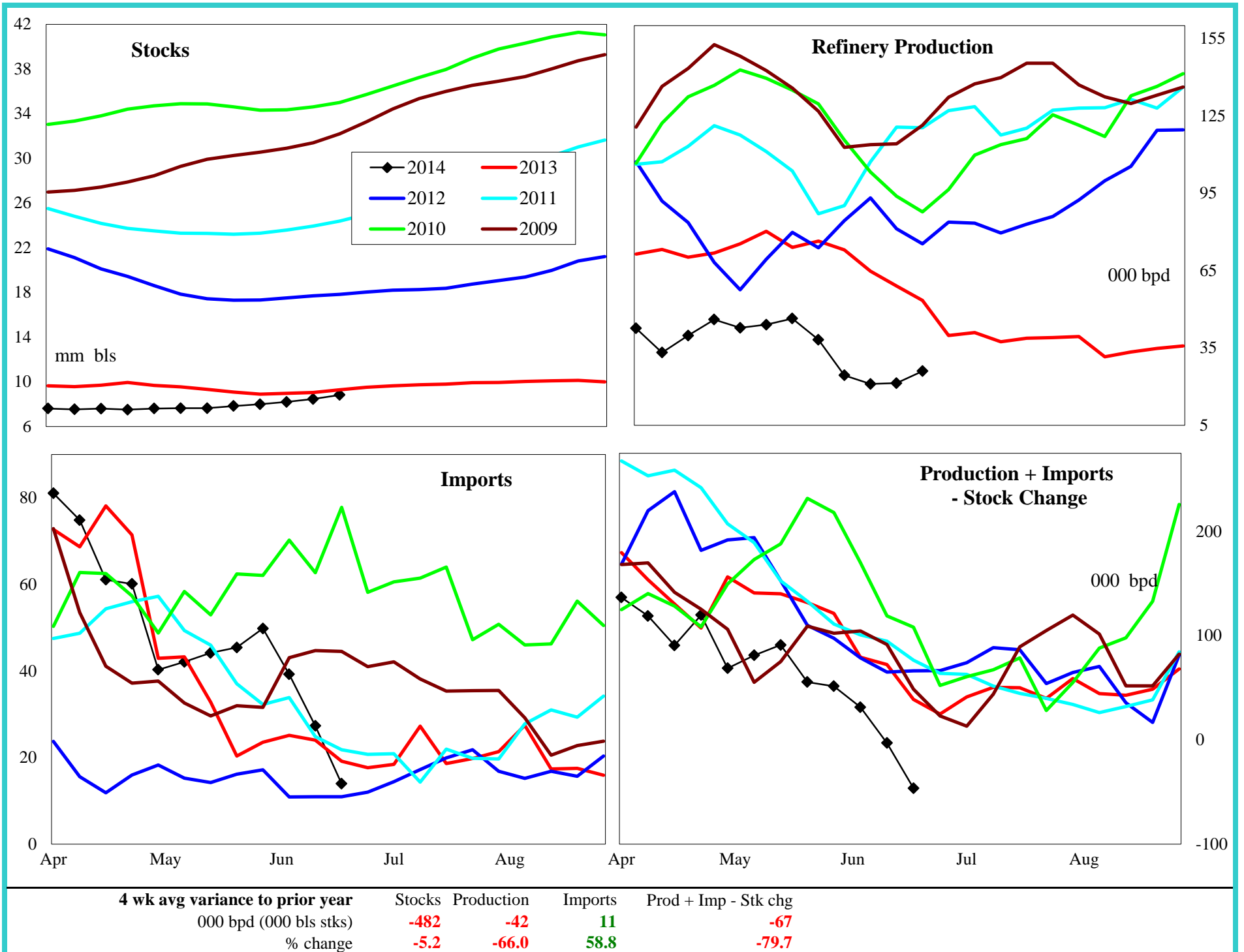
# PADD 1 Low Sulfur Distillate Supply



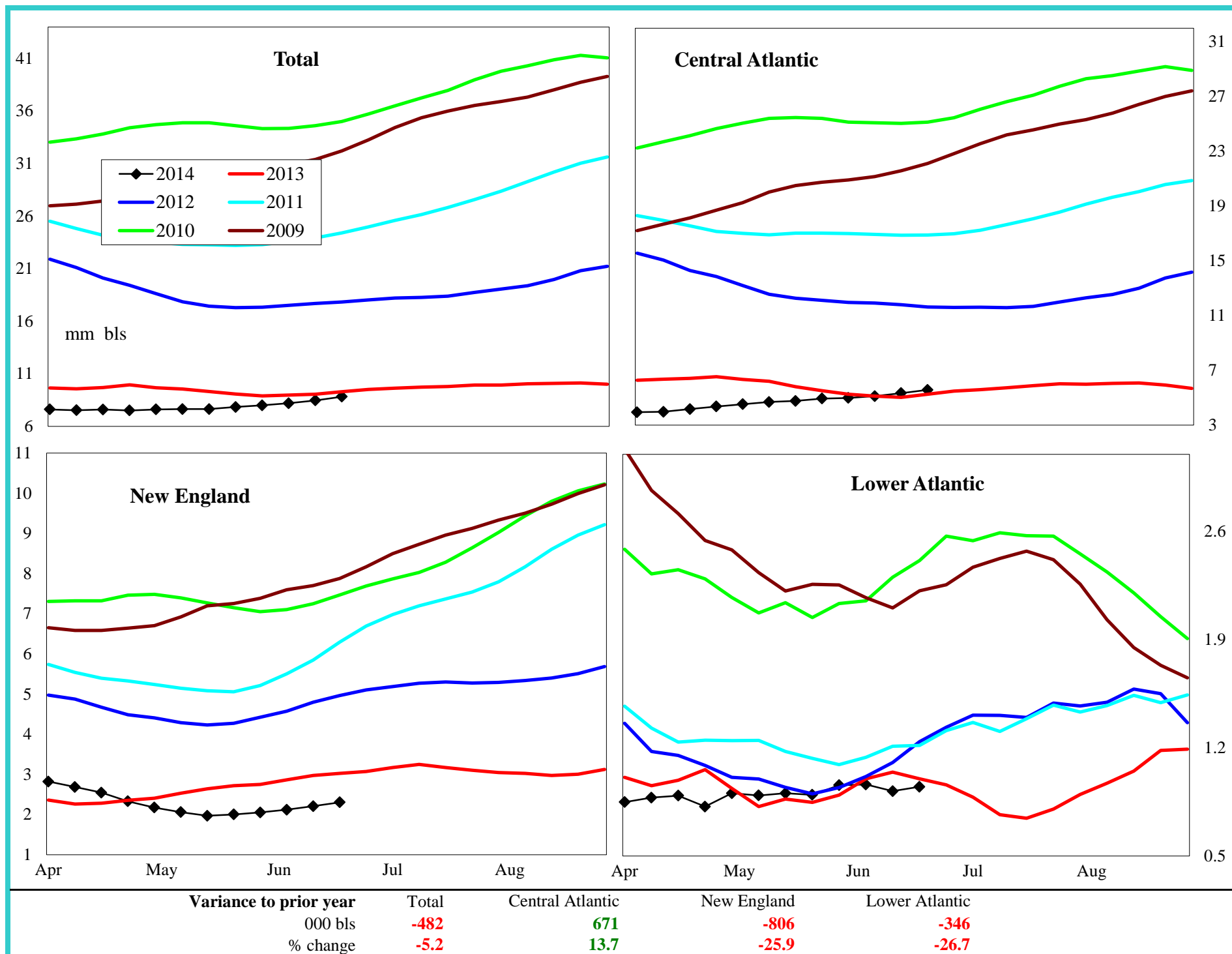
# PADD 1 Low Sulfur Distillate Stocks by Region



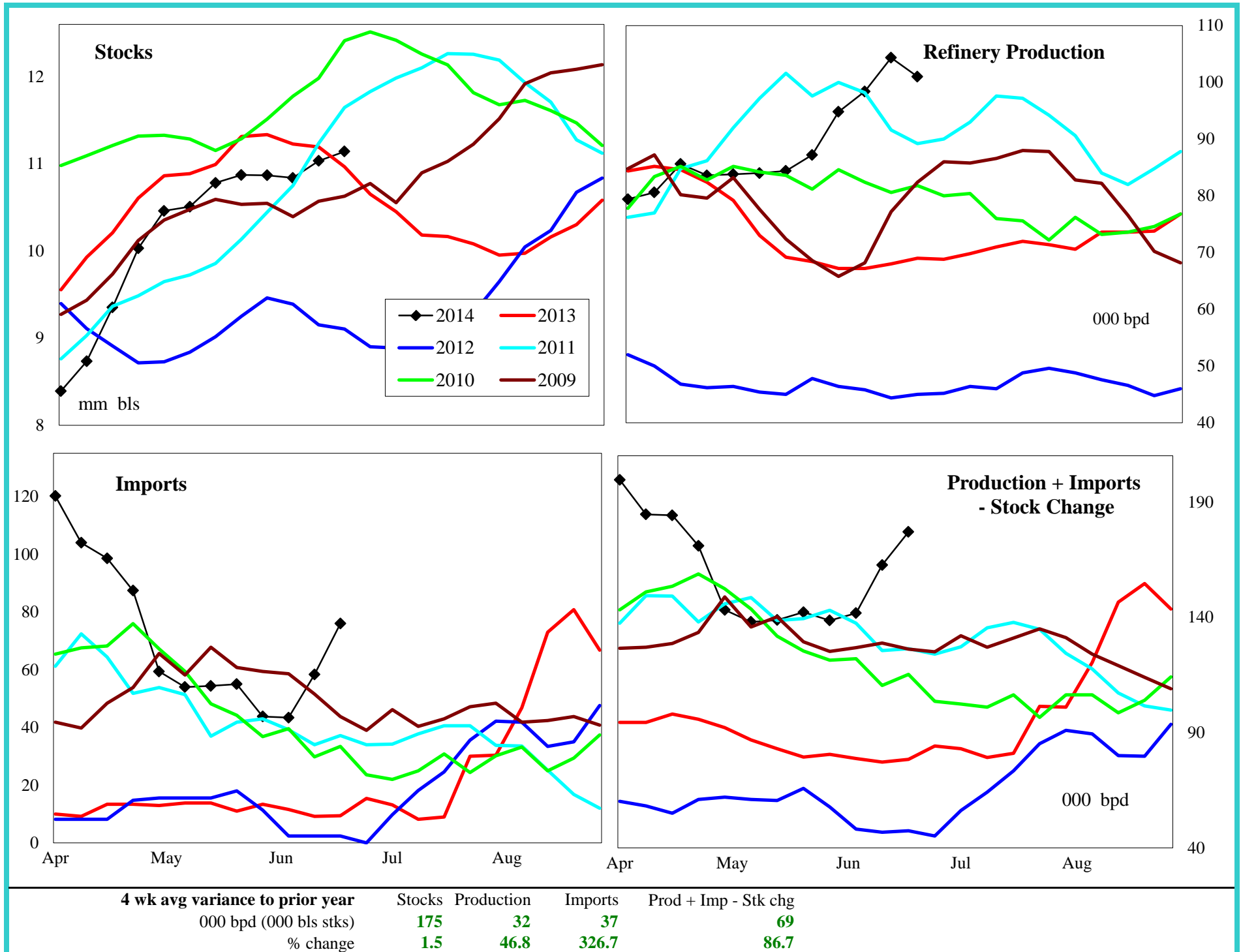
# PADD 1 High Sulfur Distillate Supply



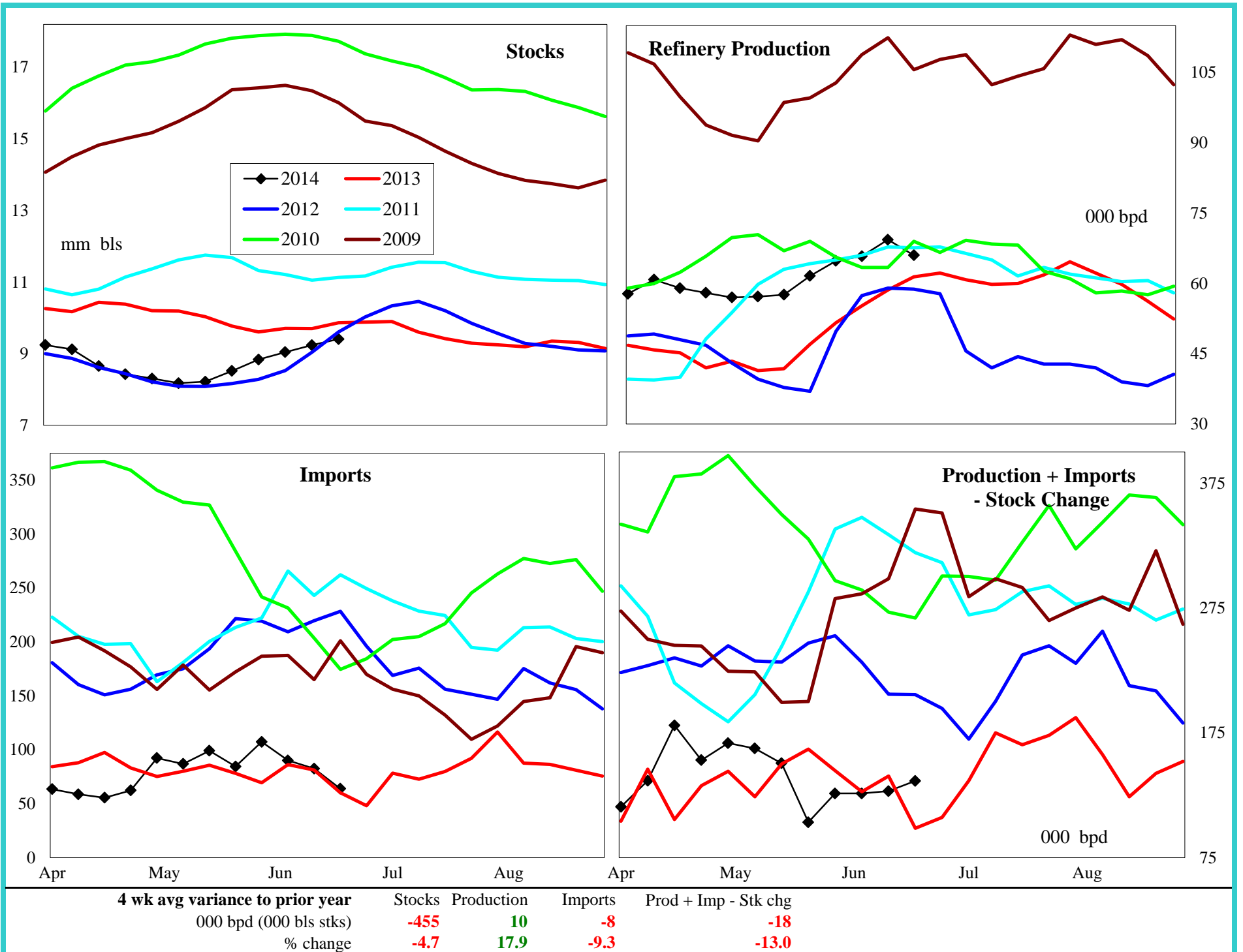
# PADD 1 High Sulfur Distillate Stocks by Region



# PADD 1 Jet Fuel Supply

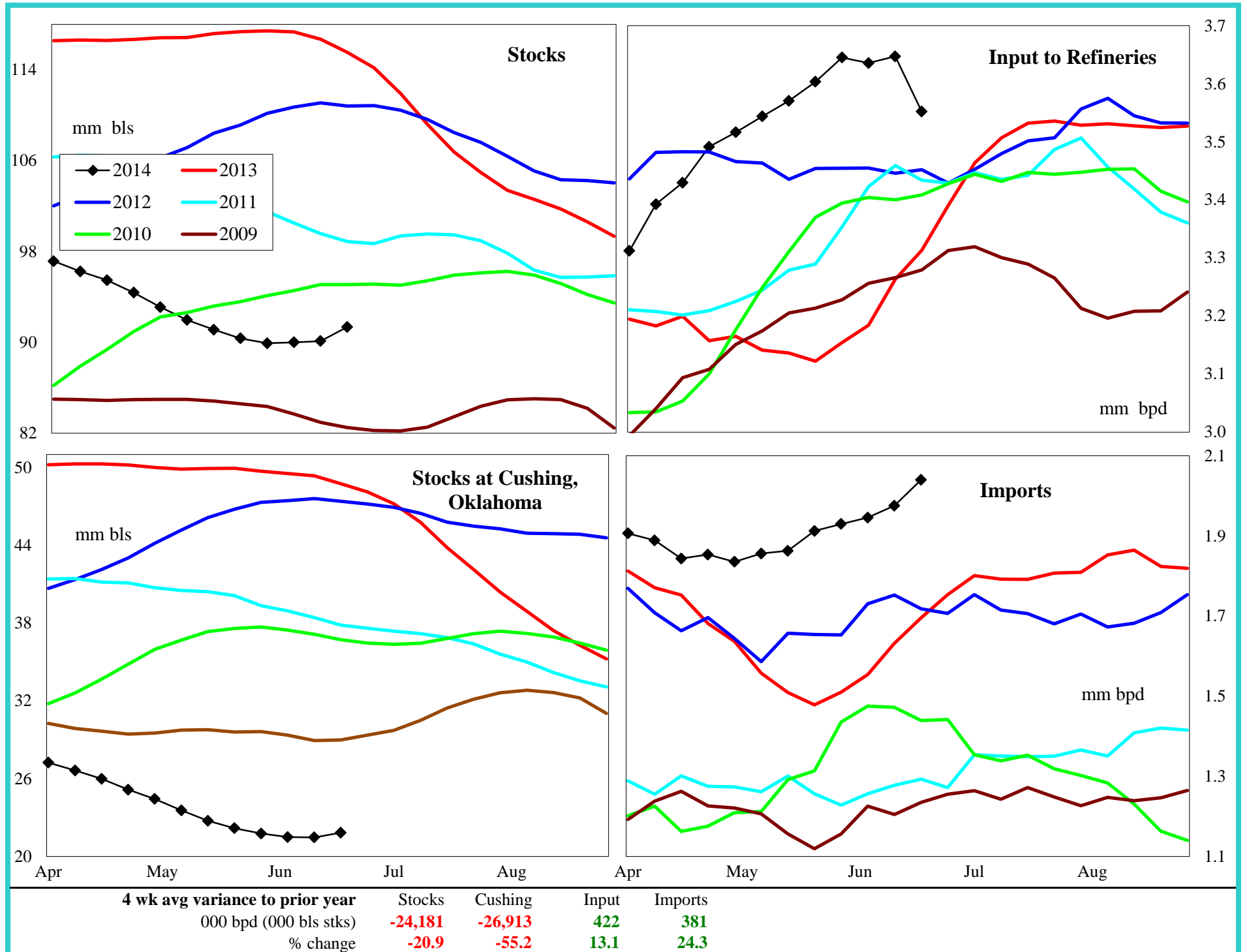


# PADD 1 Residual Fuel Oil Supply

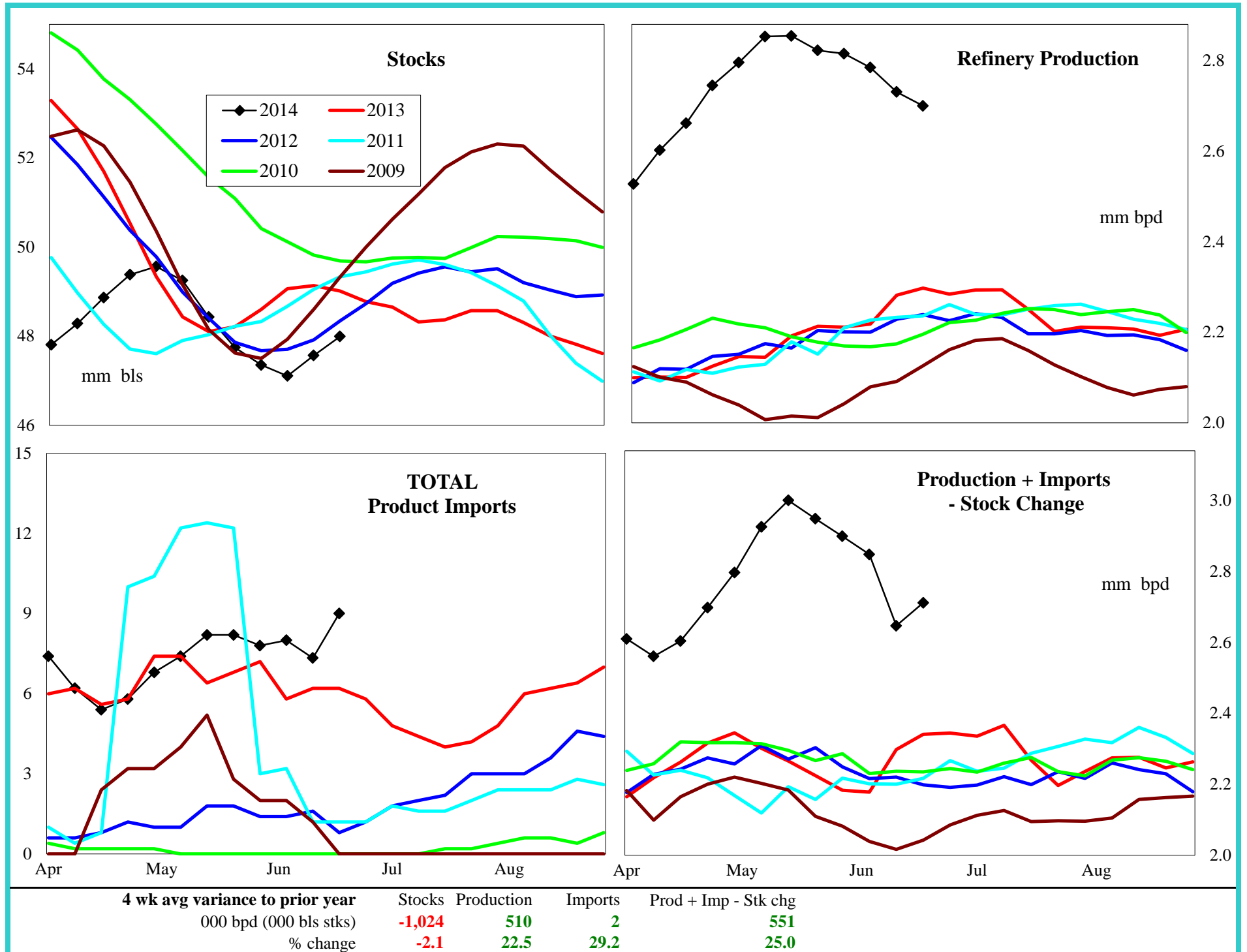




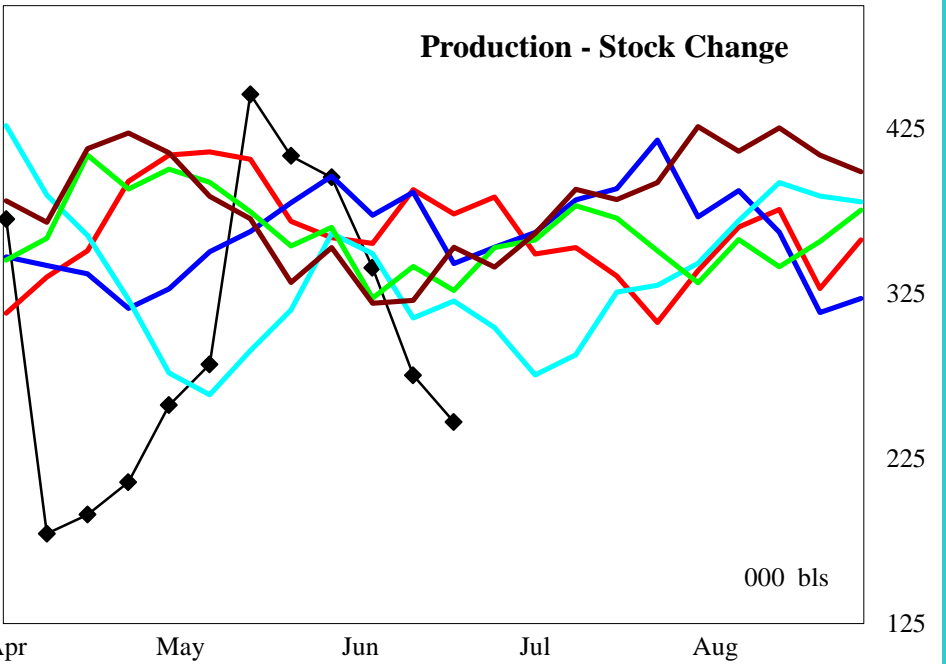
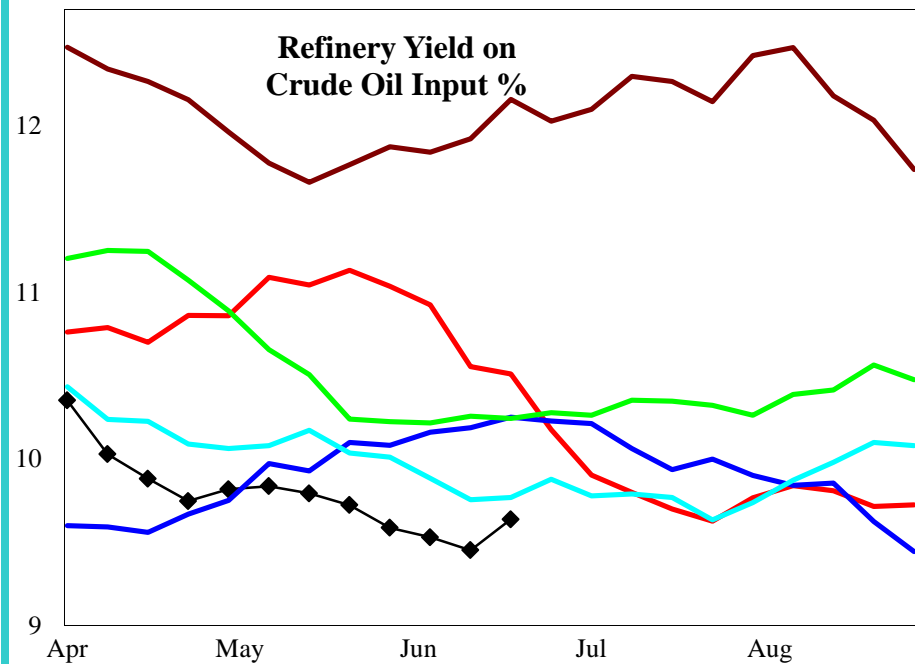
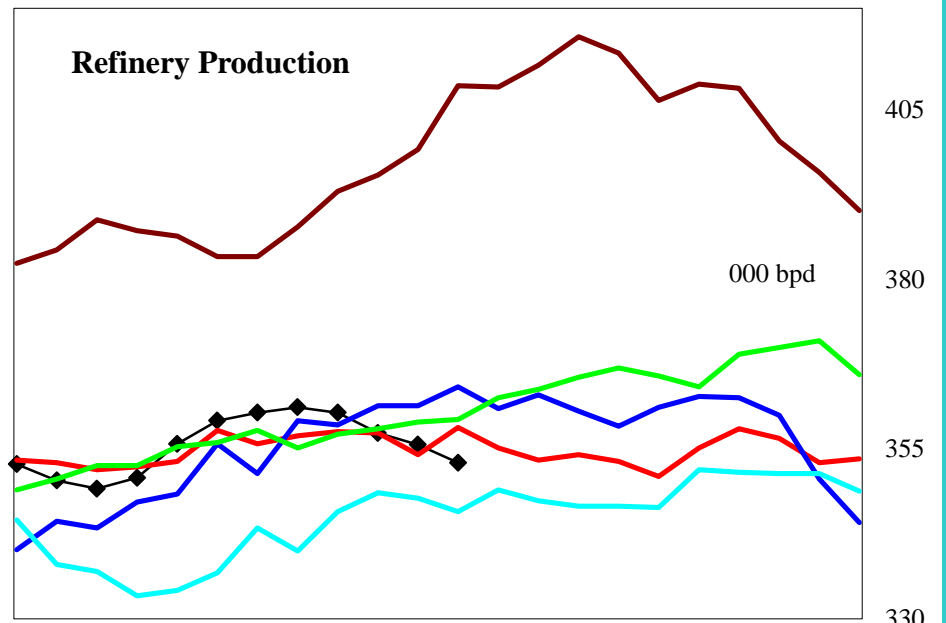
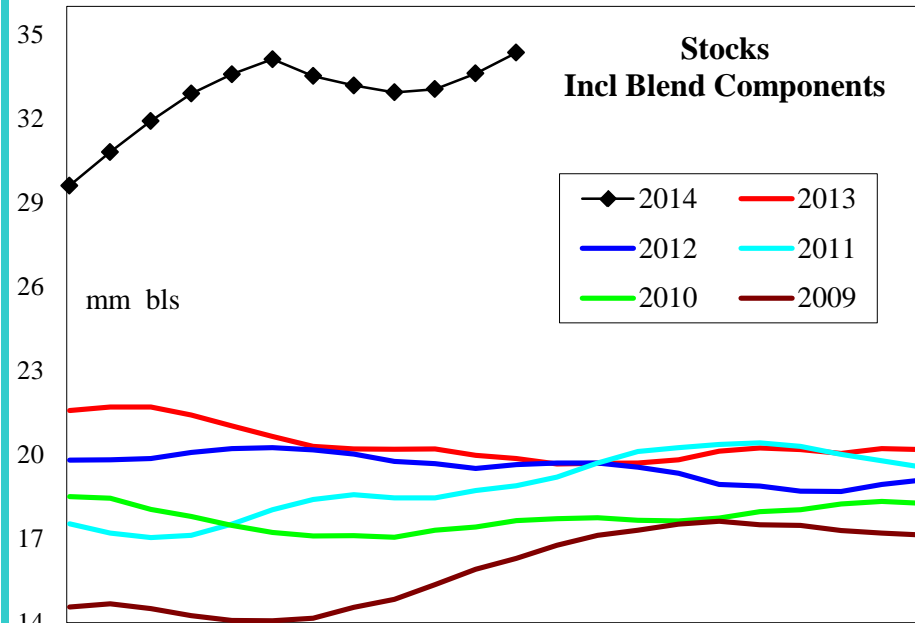
# PADD 2 Crude Oil Supply and Refining



## PADD 2 Gasoline Supply



# PADD 2 Reformulated Gasoline Supply



**4 wk avg variance to prior year**

000 bpd (000 bls stks)

% change

Stocks Production

14,483 0

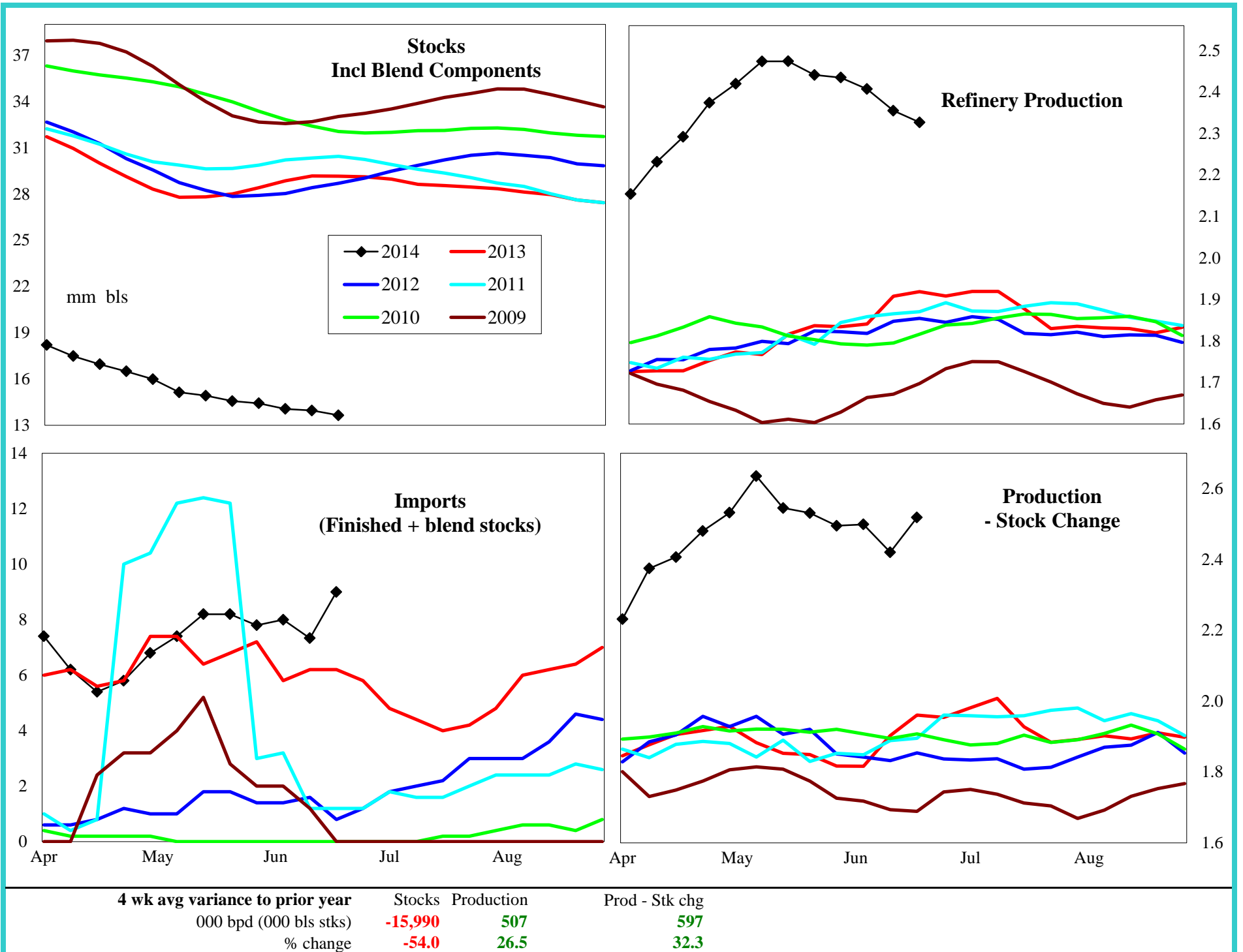
72.9 -0.1

Prod - Stk chg

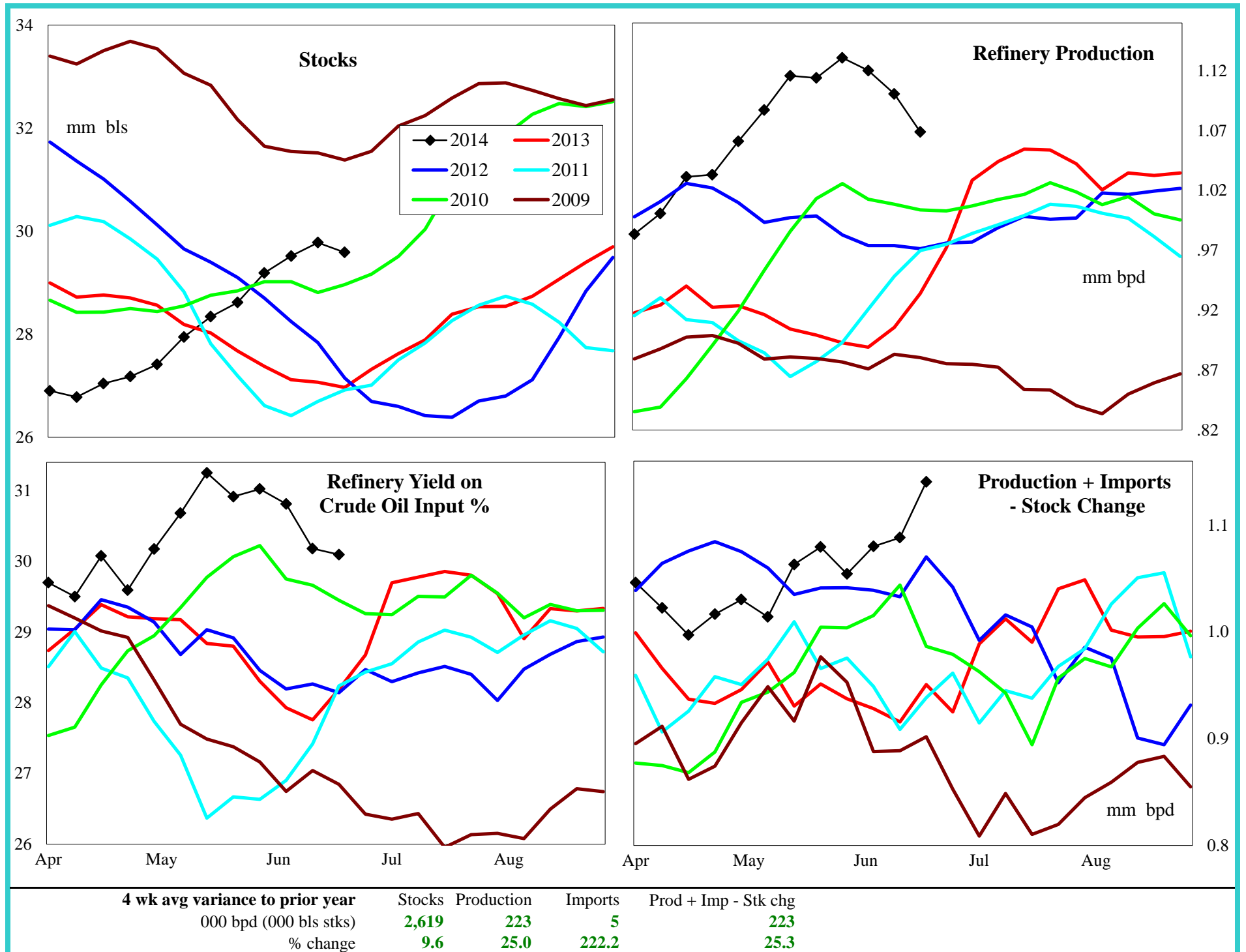
-54

-14.7

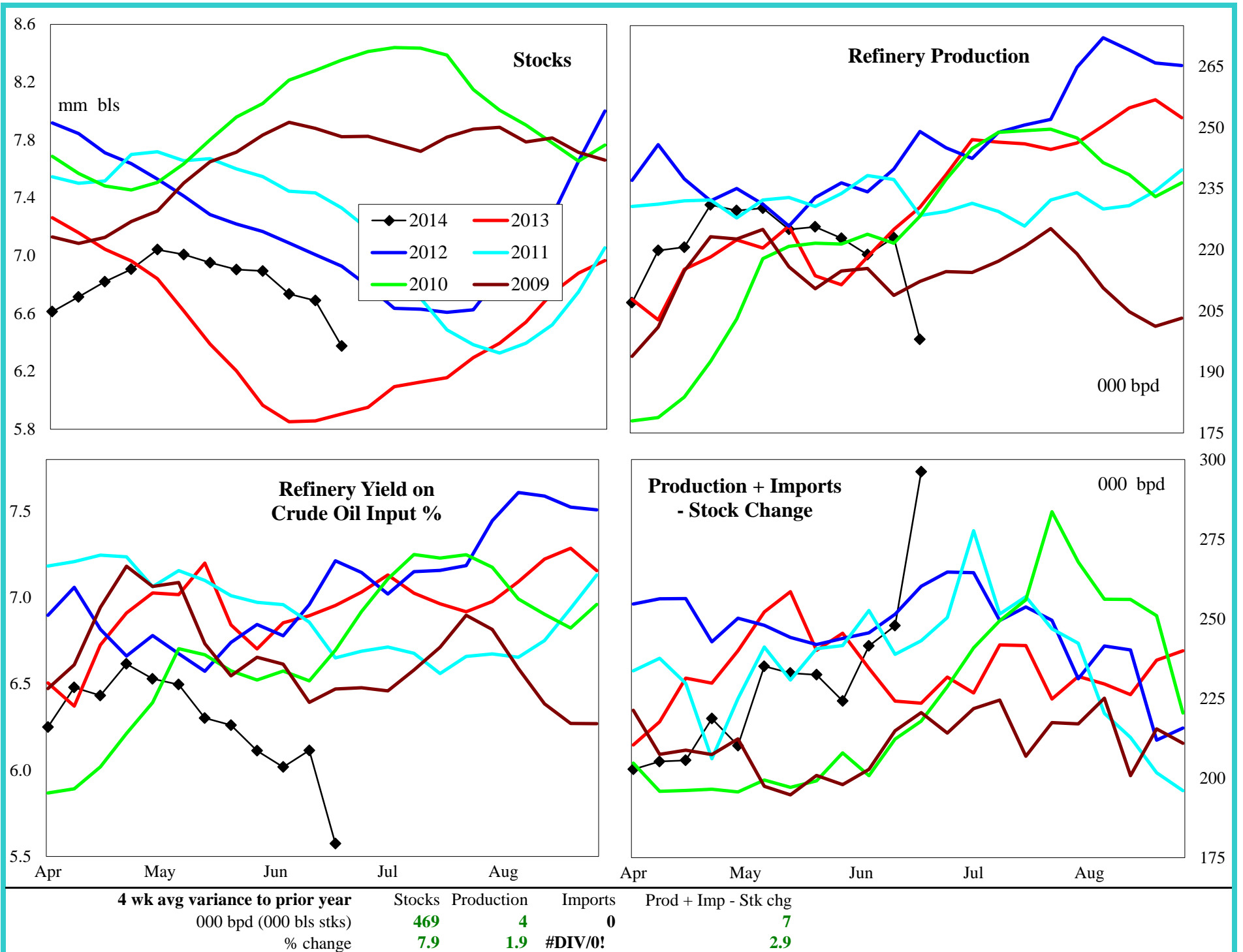
# PADD 2 Conventional Gasoline Supply



## PADD 2 Distillate Supply

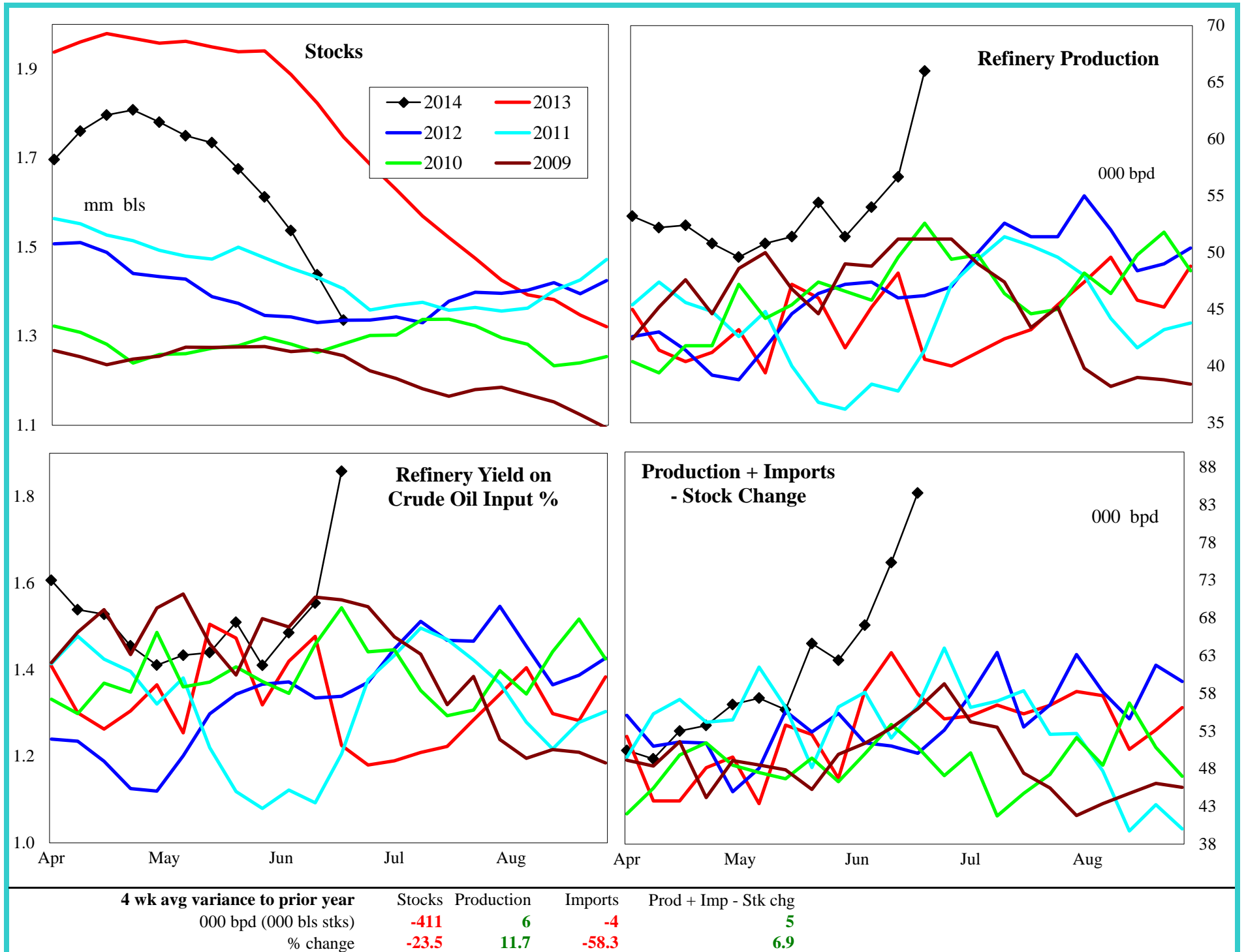


# PADD 2 Jet Fuel Supply

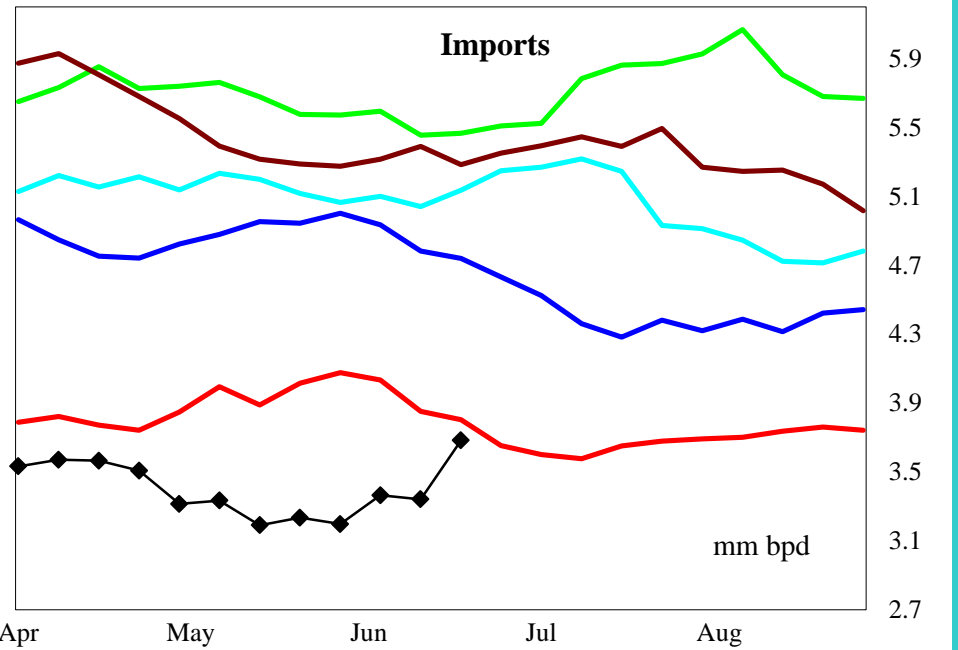
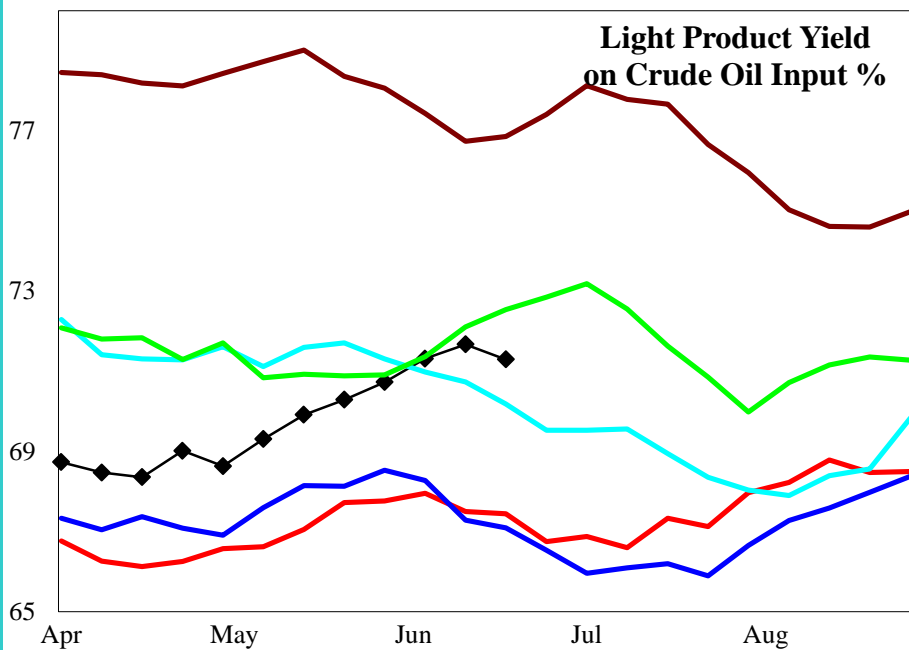
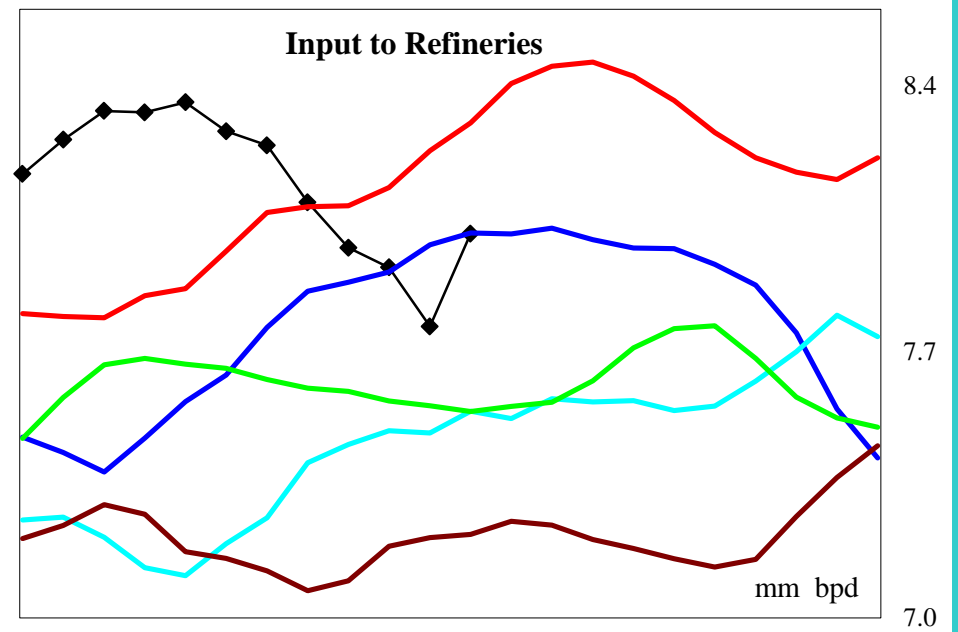
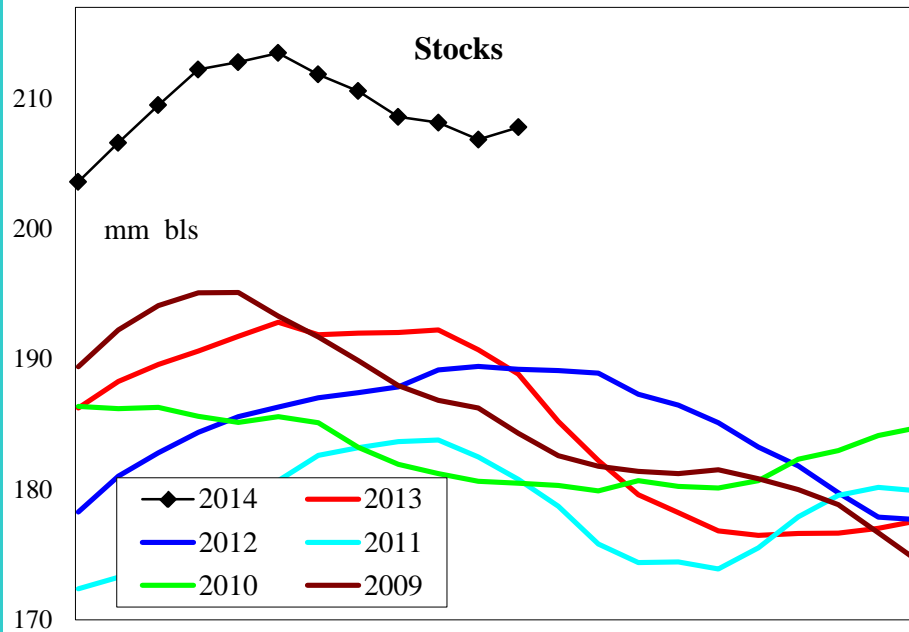




# PADD 2 Residual Fuel Oil Supply



# PADD 3 Crude Oil Supply and Refining



**4 wk avg variance to prior year**

000 bpd (000 bbls stks)

% change

Stocks

**18,944**

**10.0**

Input

**-284**

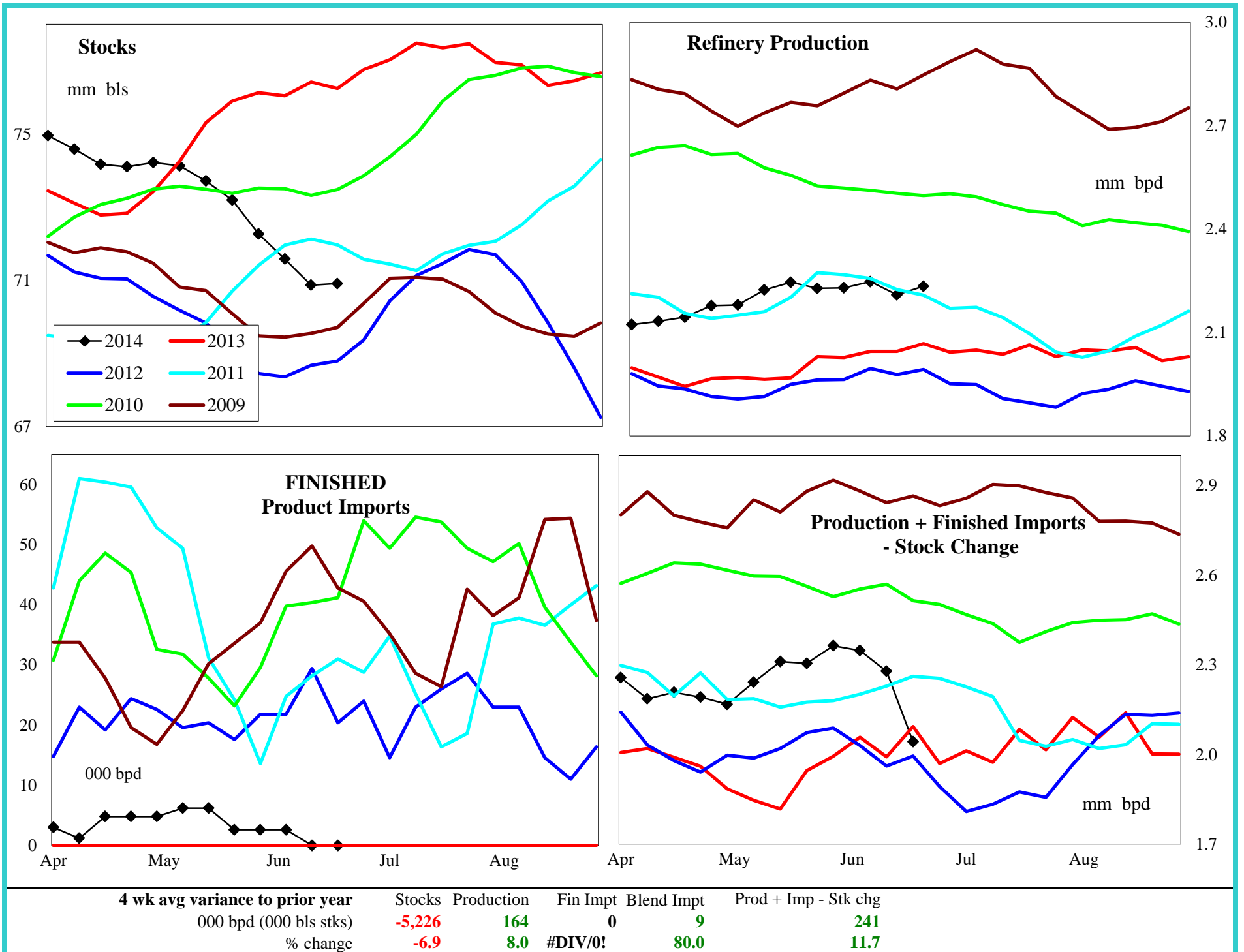
**-3.5**

Imports

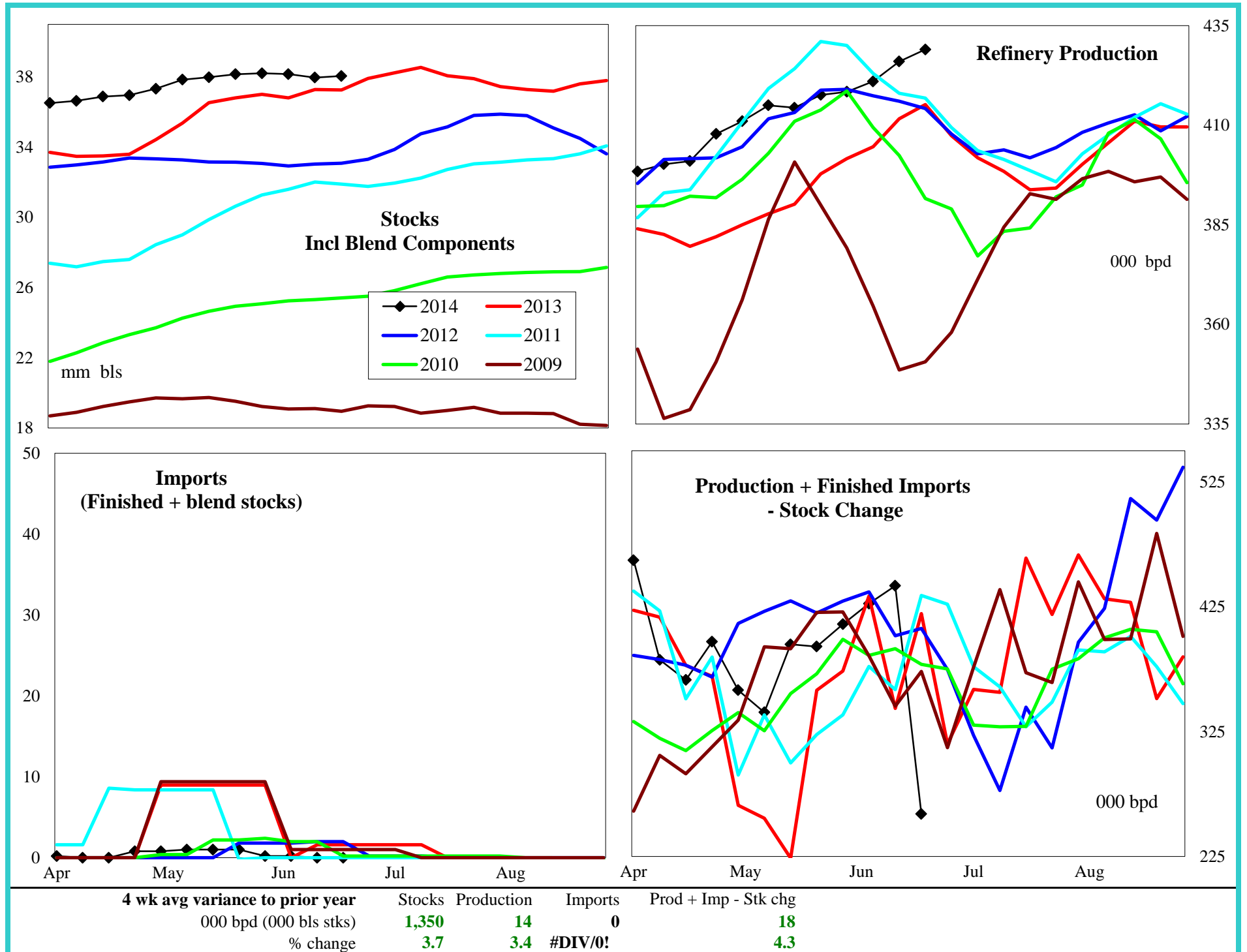
**-767**

**-19.2**

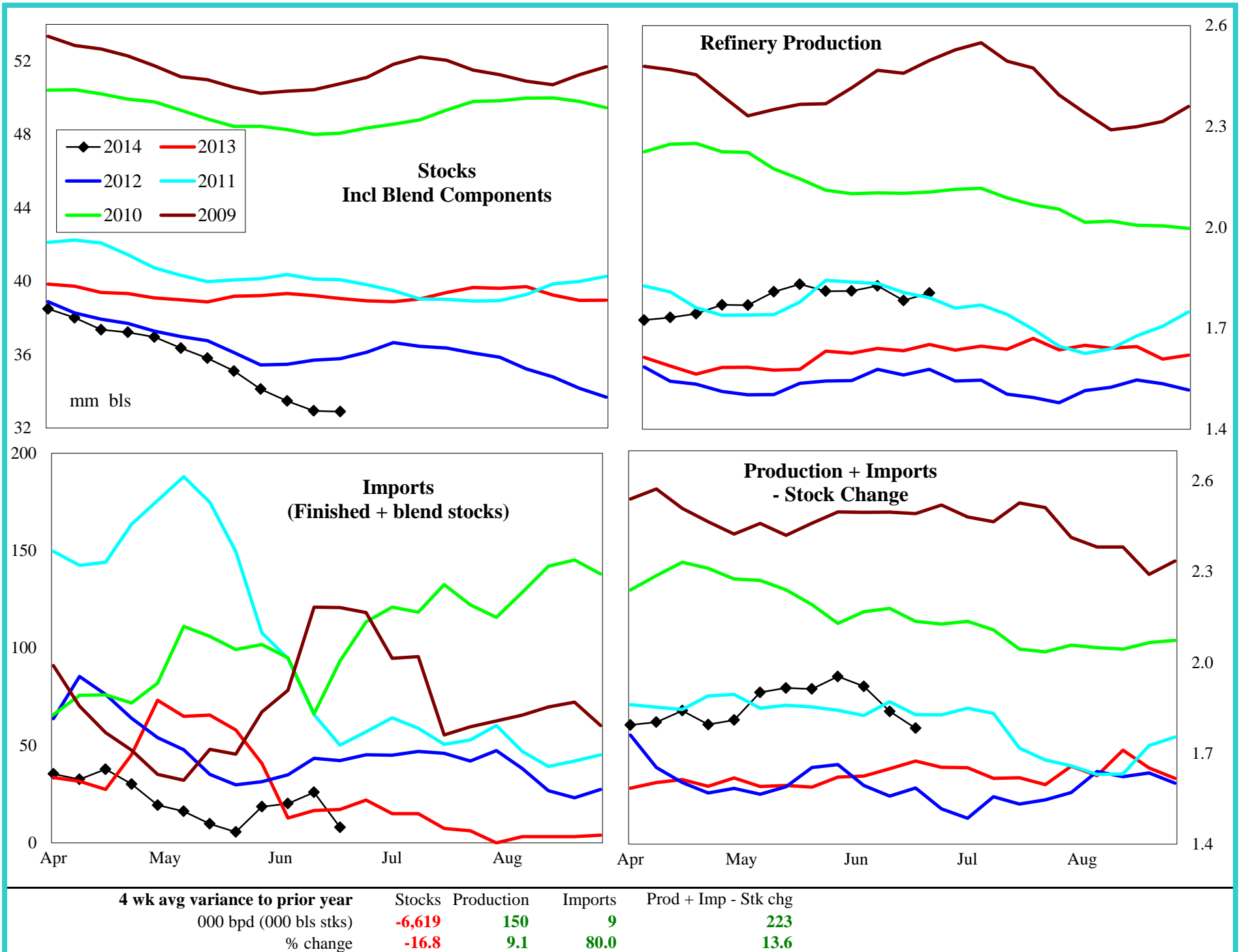
## PADD 3 Gasoline Supply



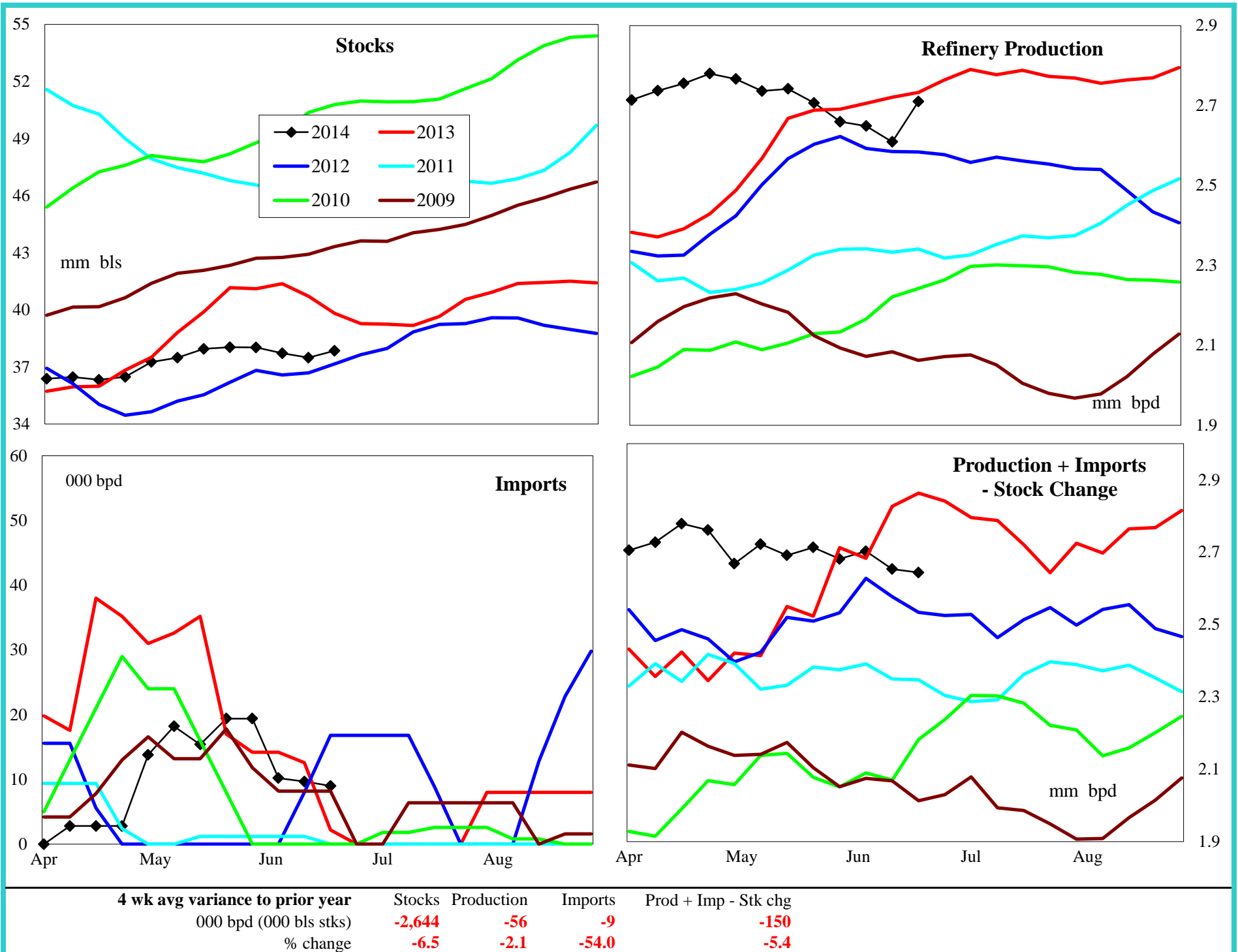
# PADD 3 Reformulated Gasoline Supply



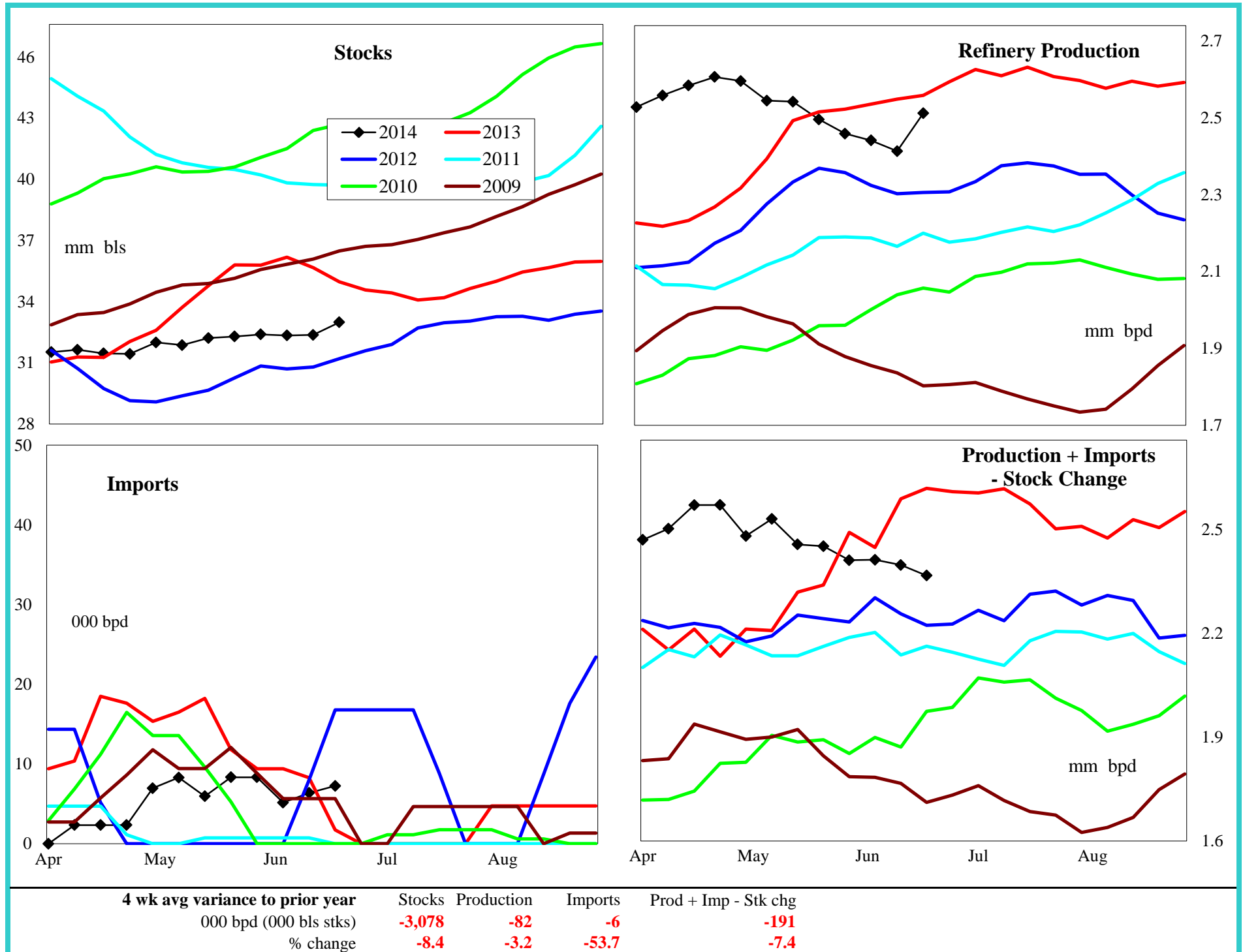
# PADD 3 Conventional Gasoline Supply



# PADD 3 Distillate Supply

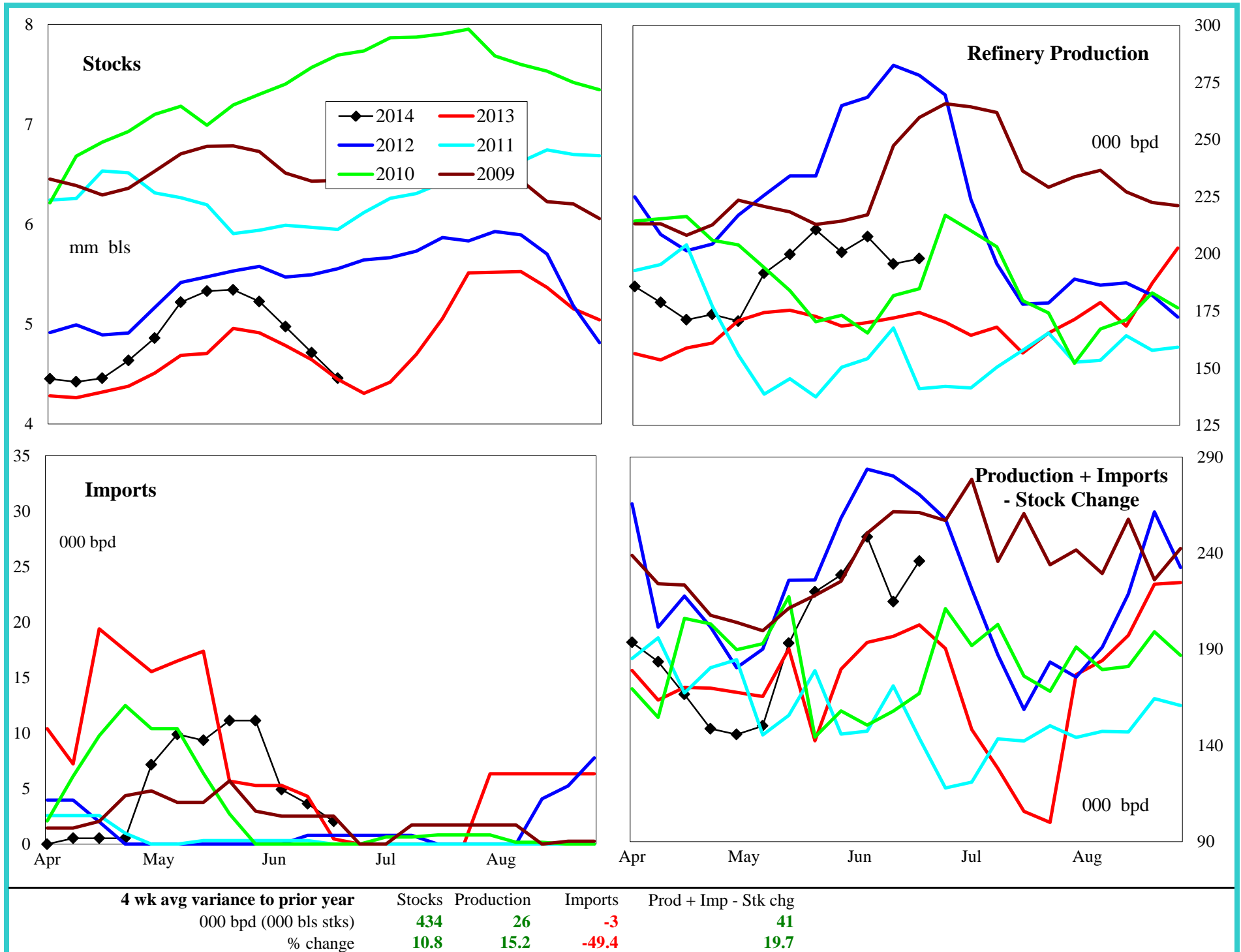


# PADD 3 Low Sulfur Distillate Supply

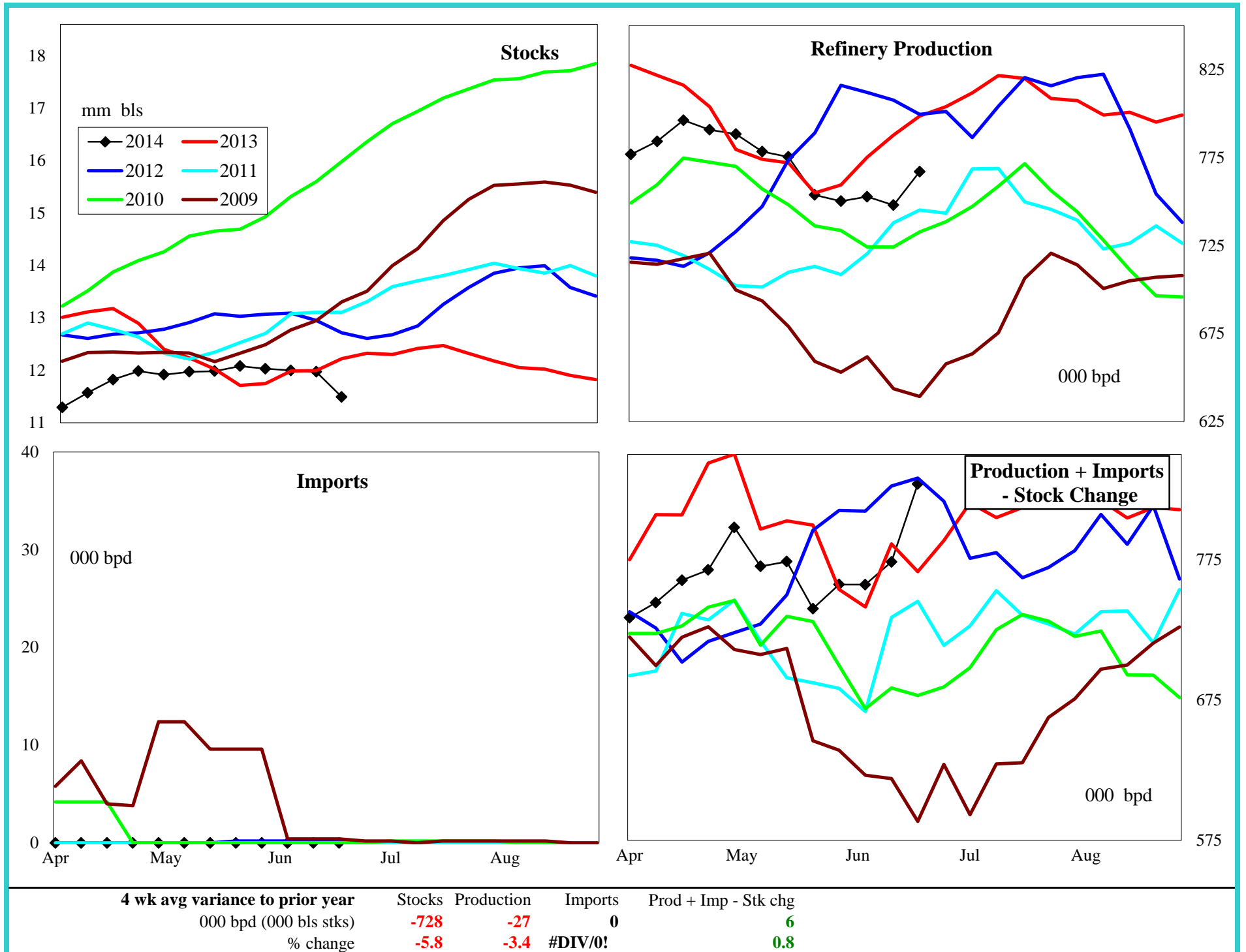




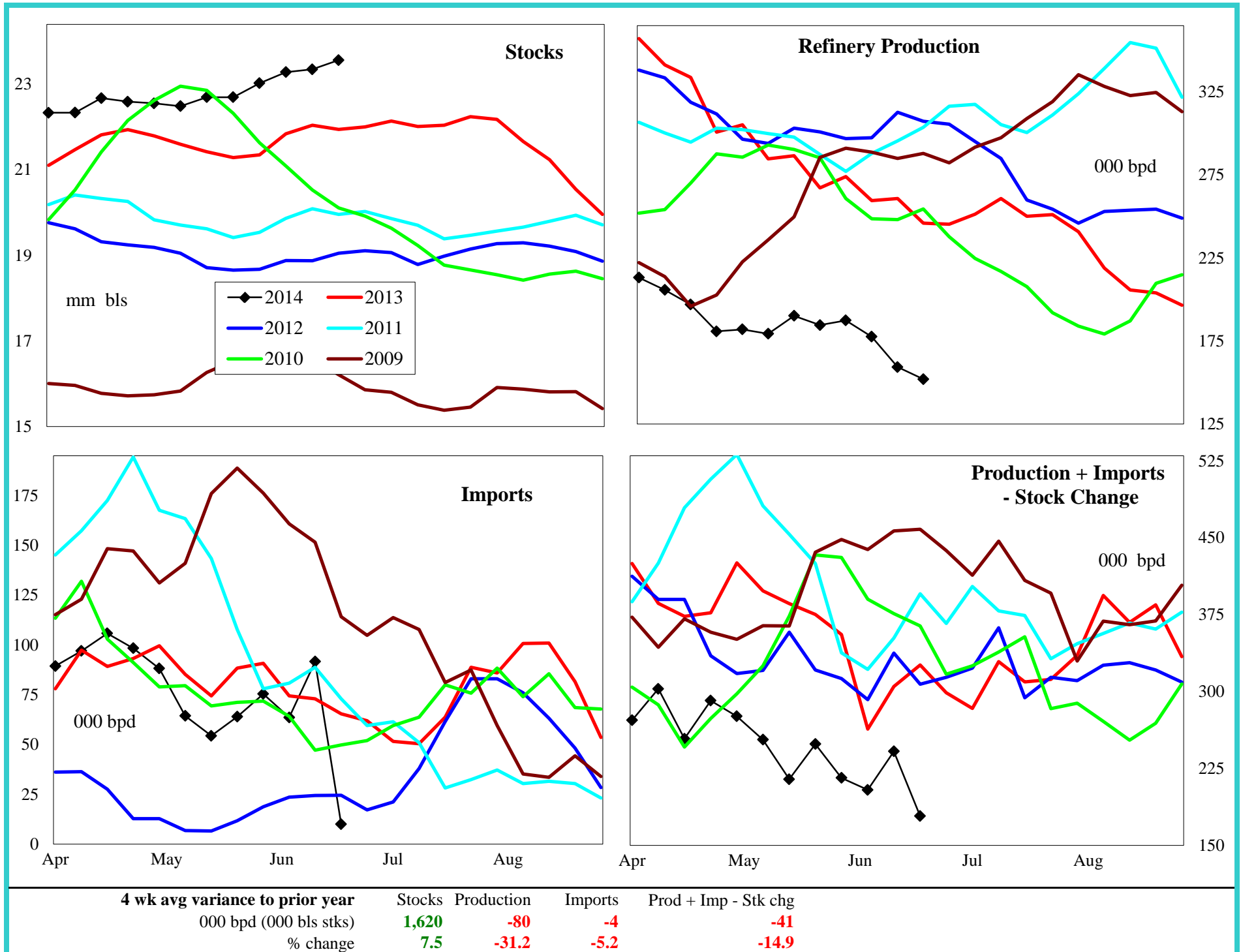
# PADD 3 High Sulfur Distillate Supply



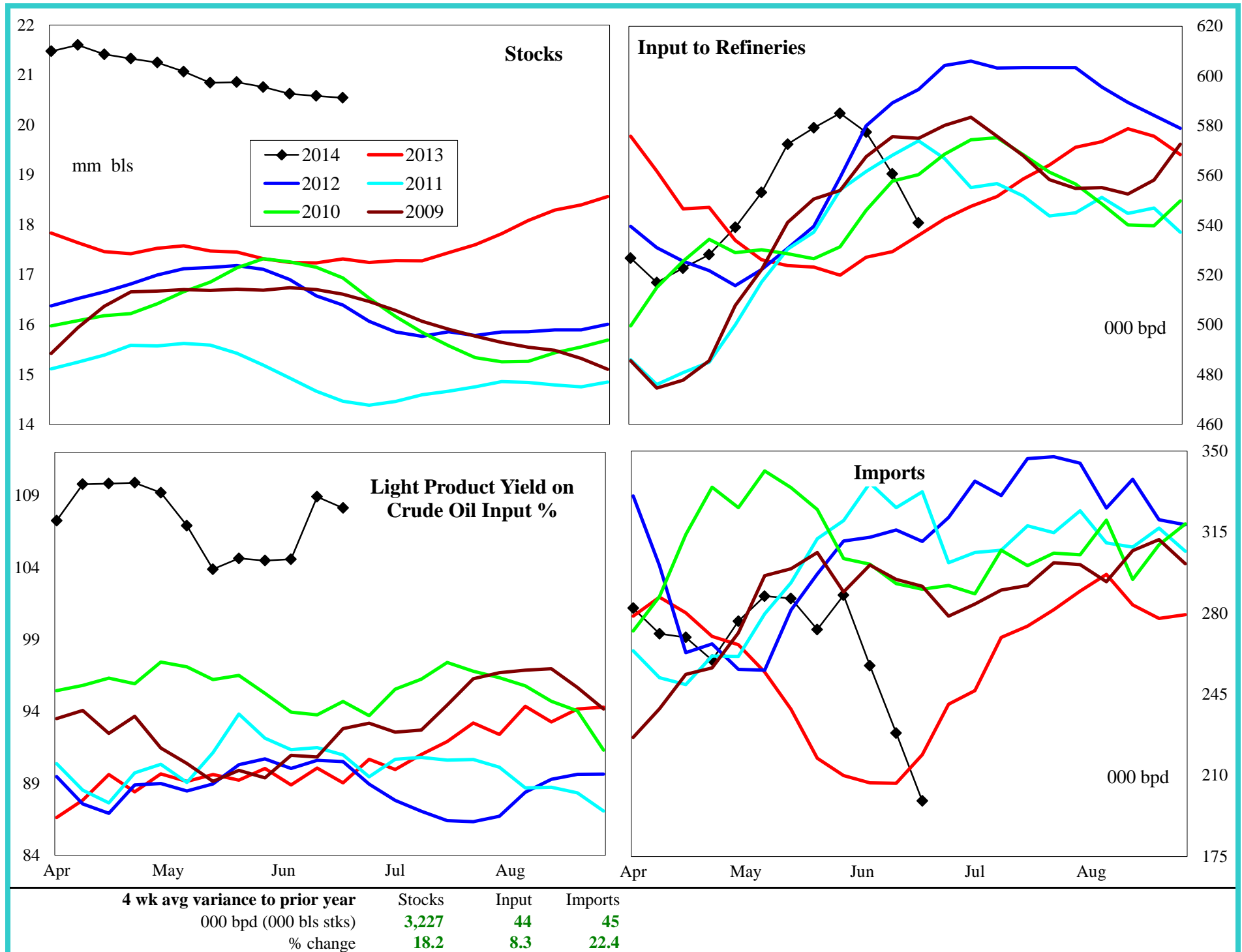
## PADD 3 Jet Fuel Supply



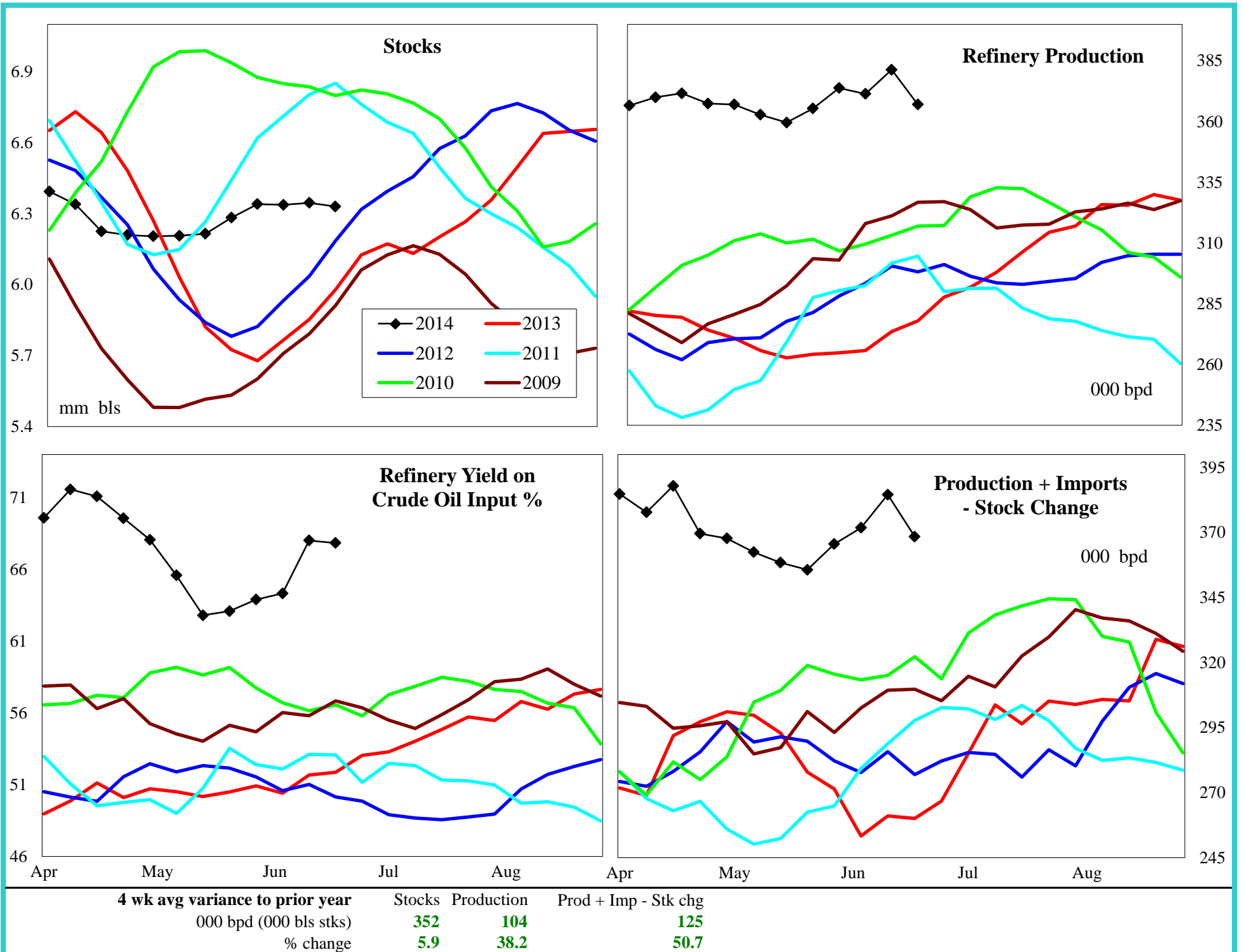
# PADD 3 Residual Fuel Oil Supply



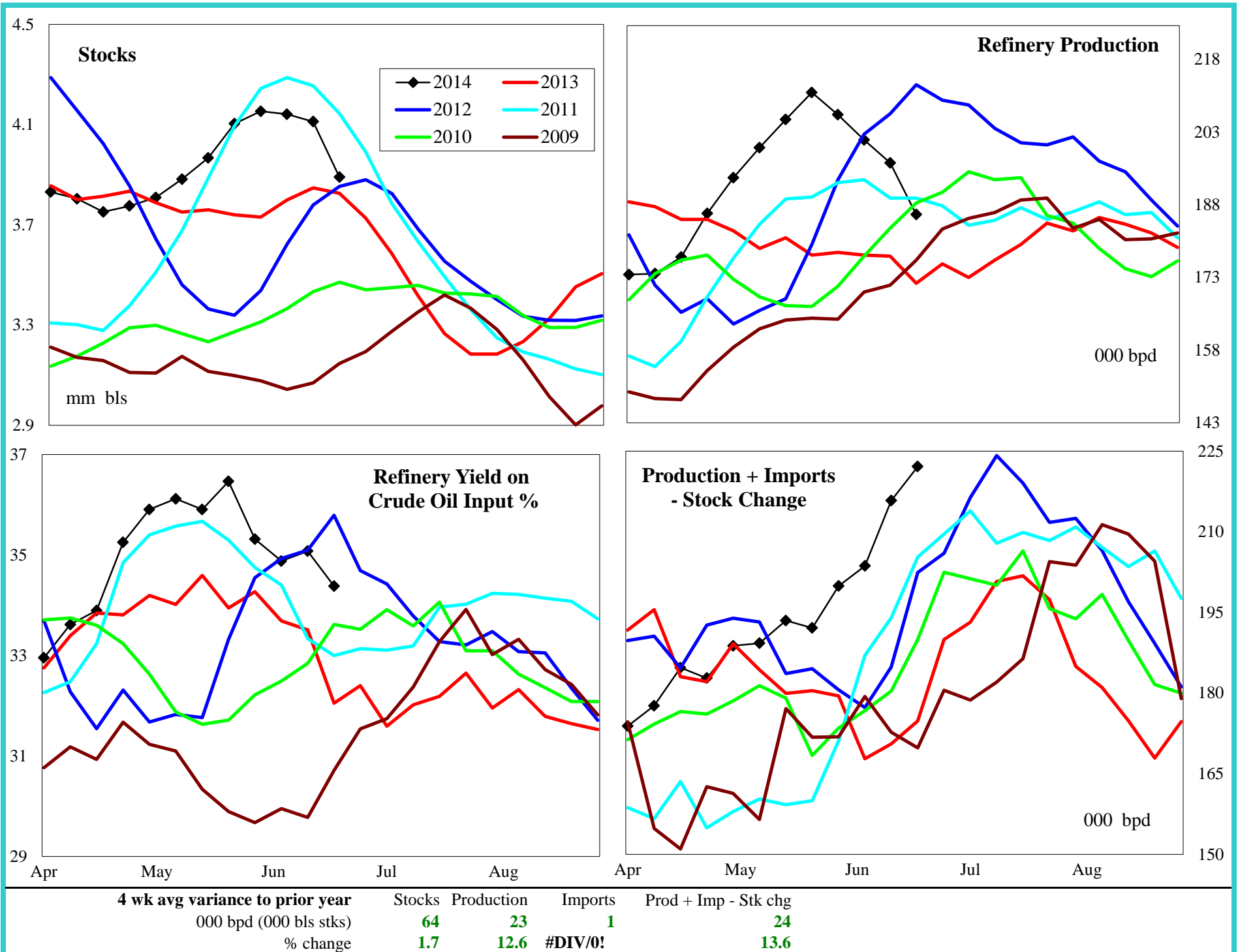
# PADD 4 Crude Oil Supply and Refining



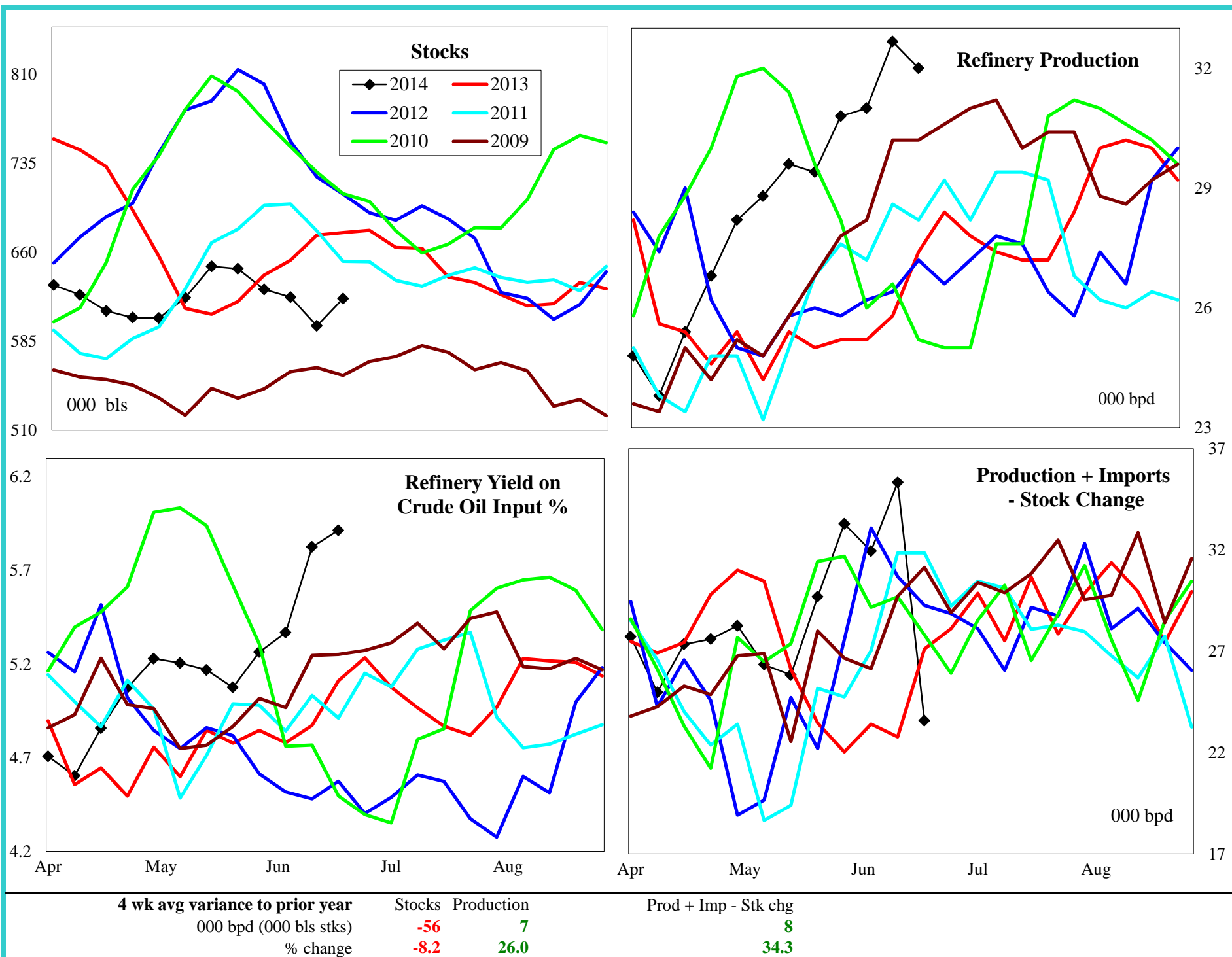
## PADD 4 Gasoline Supply



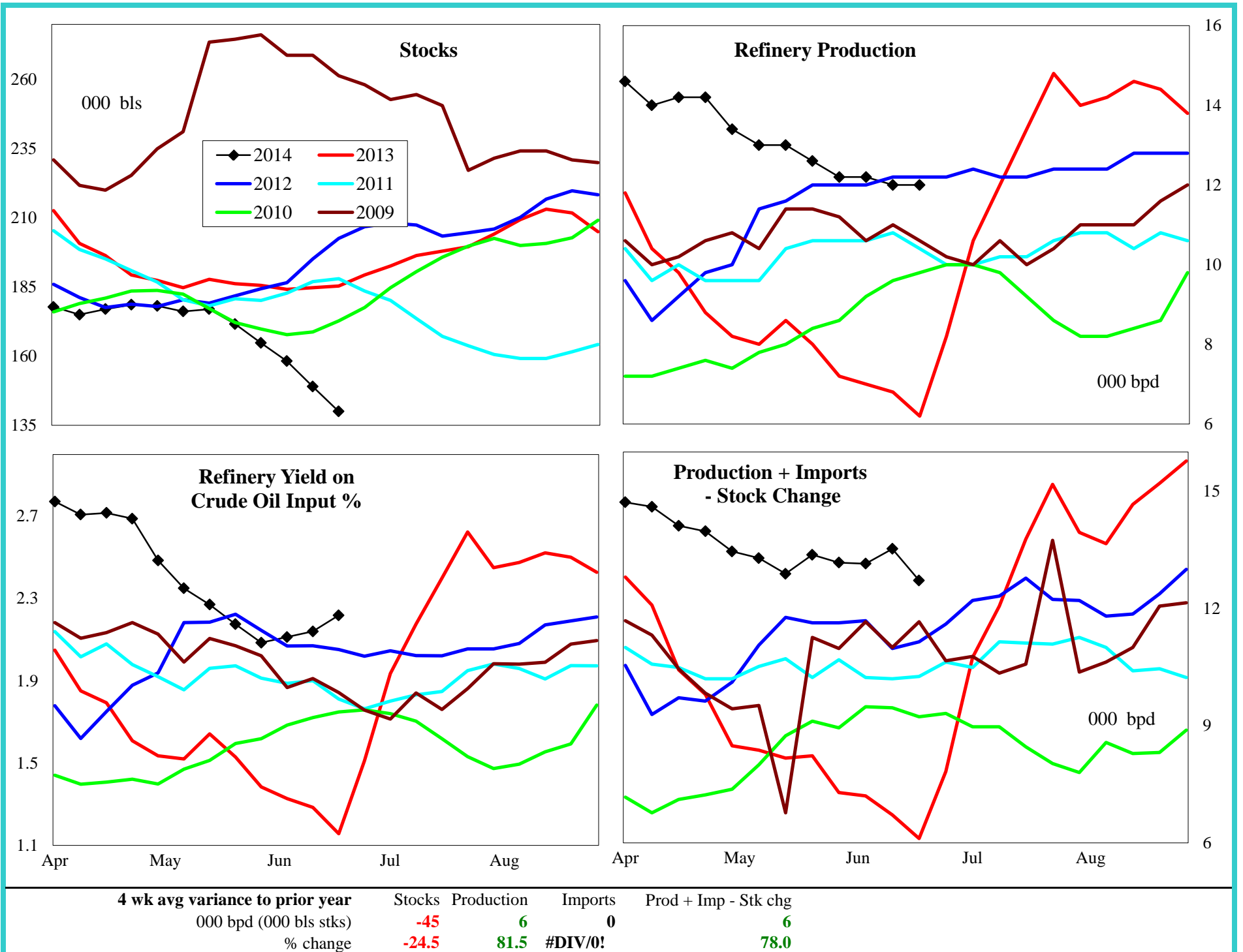
# PADD 4 Distillate Supply



# PADD 4 Jet Fuel Supply

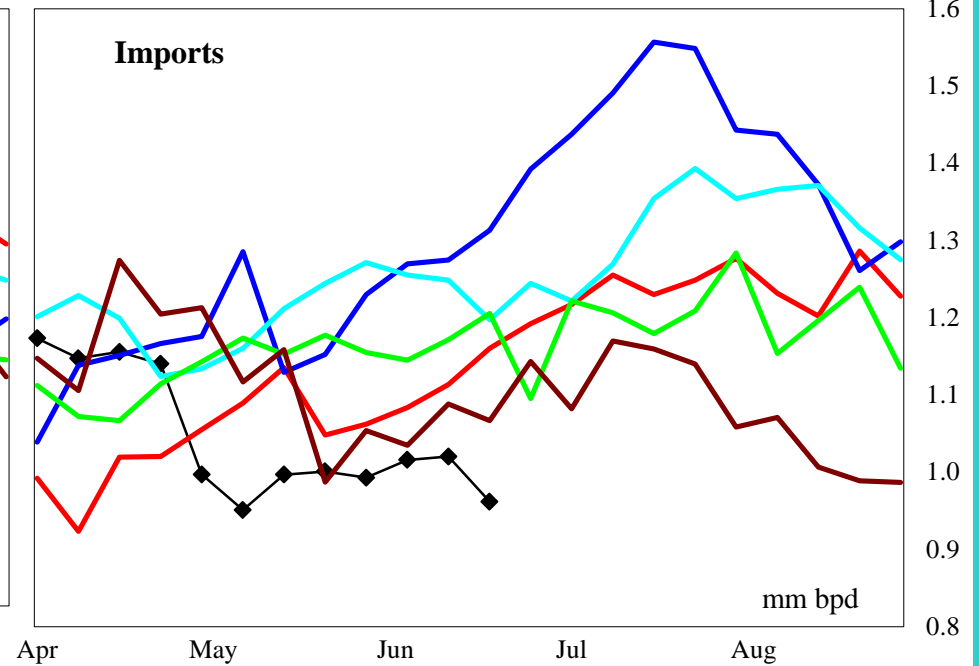
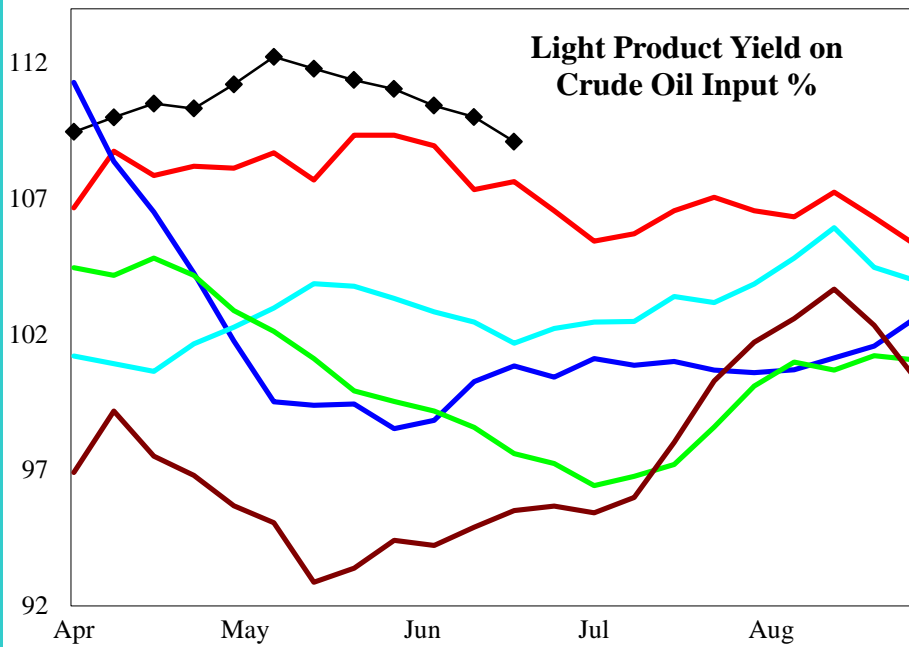
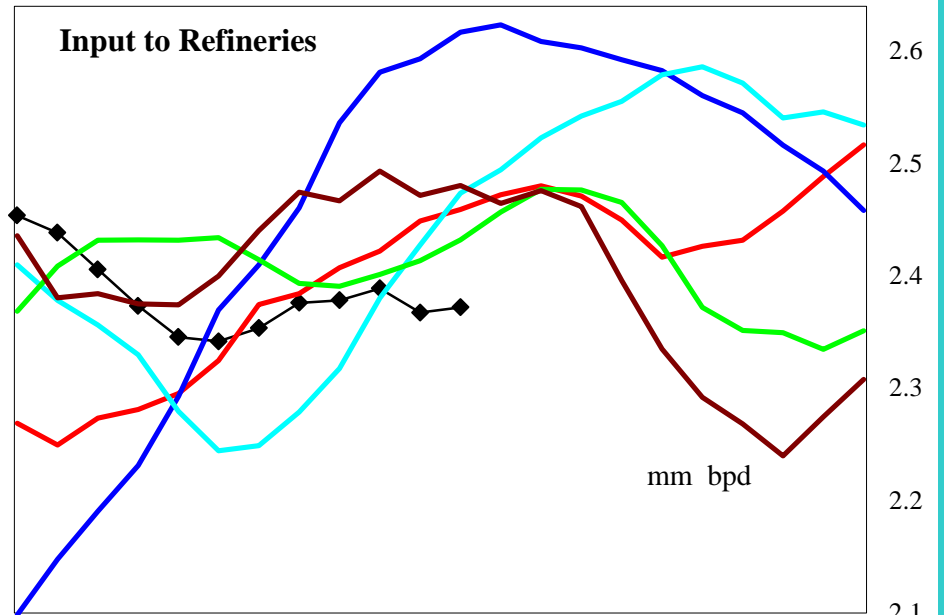
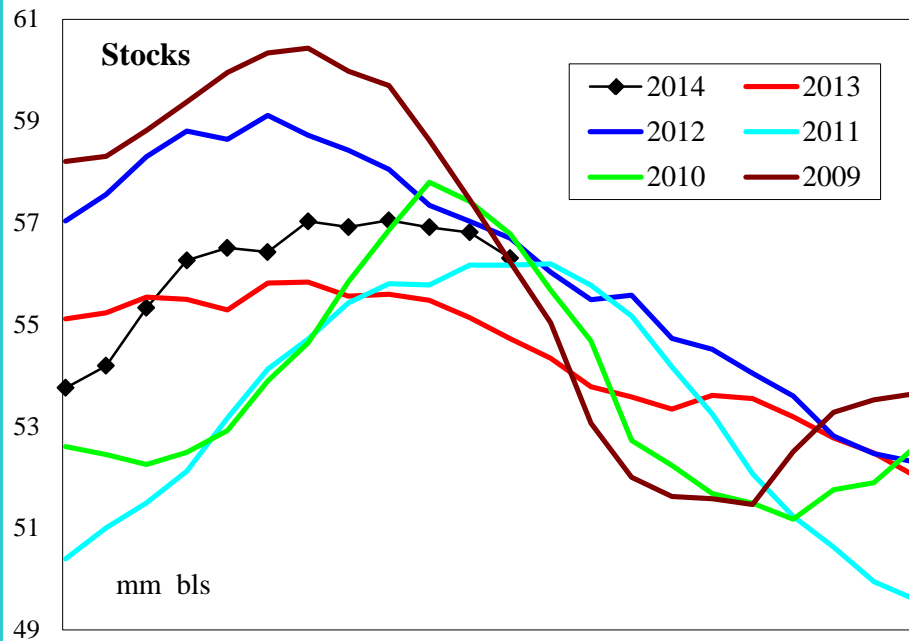


# PADD 4 Residual Fuel Oil Supply





# PADD 5 Crude Oil Supply and Refining



**4 wk avg variance to prior year**

000 bpd (000 bbls stks)

% change

Stocks

**1,588**

**2.9**

Input

**-57**

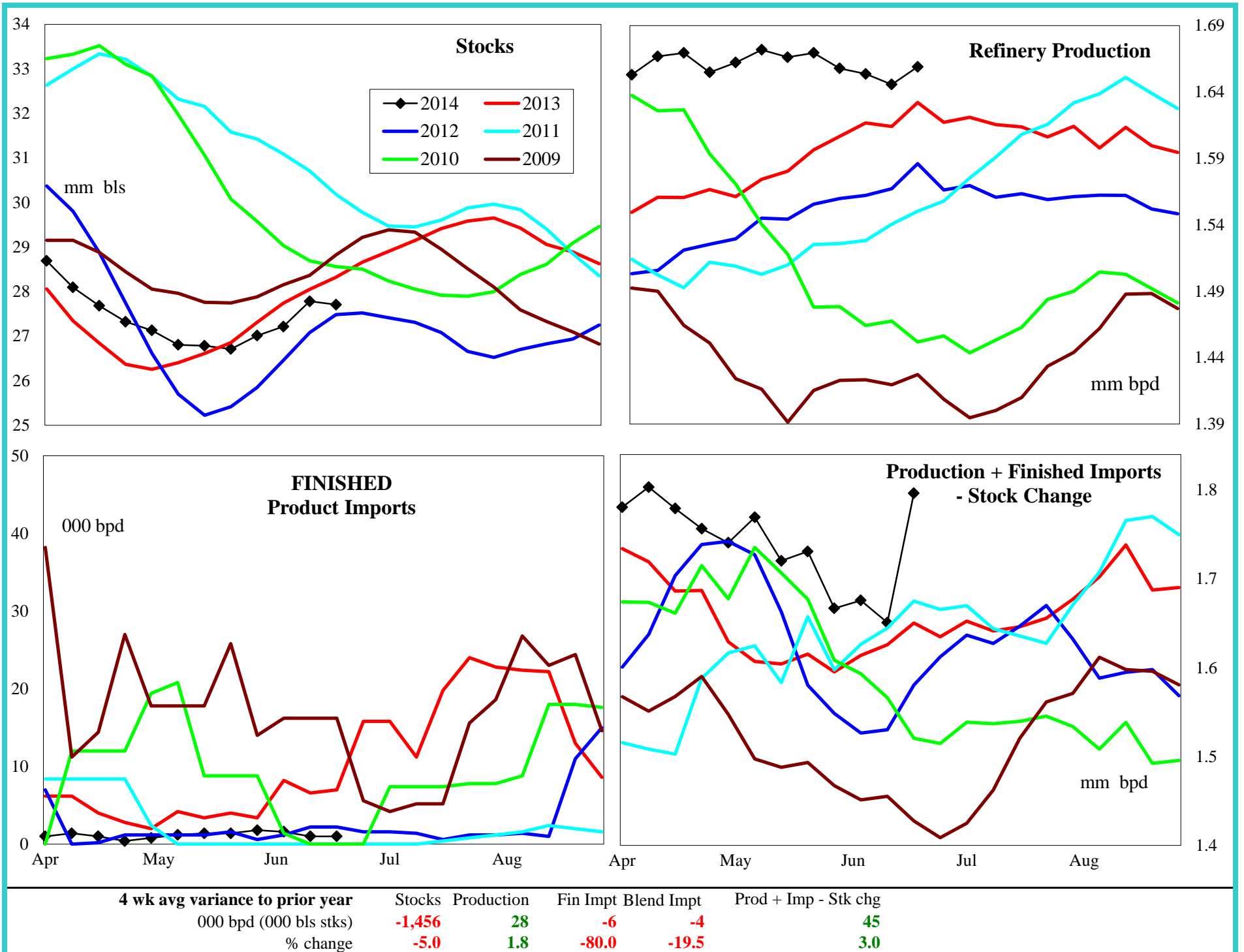
**-2.3**

Imports

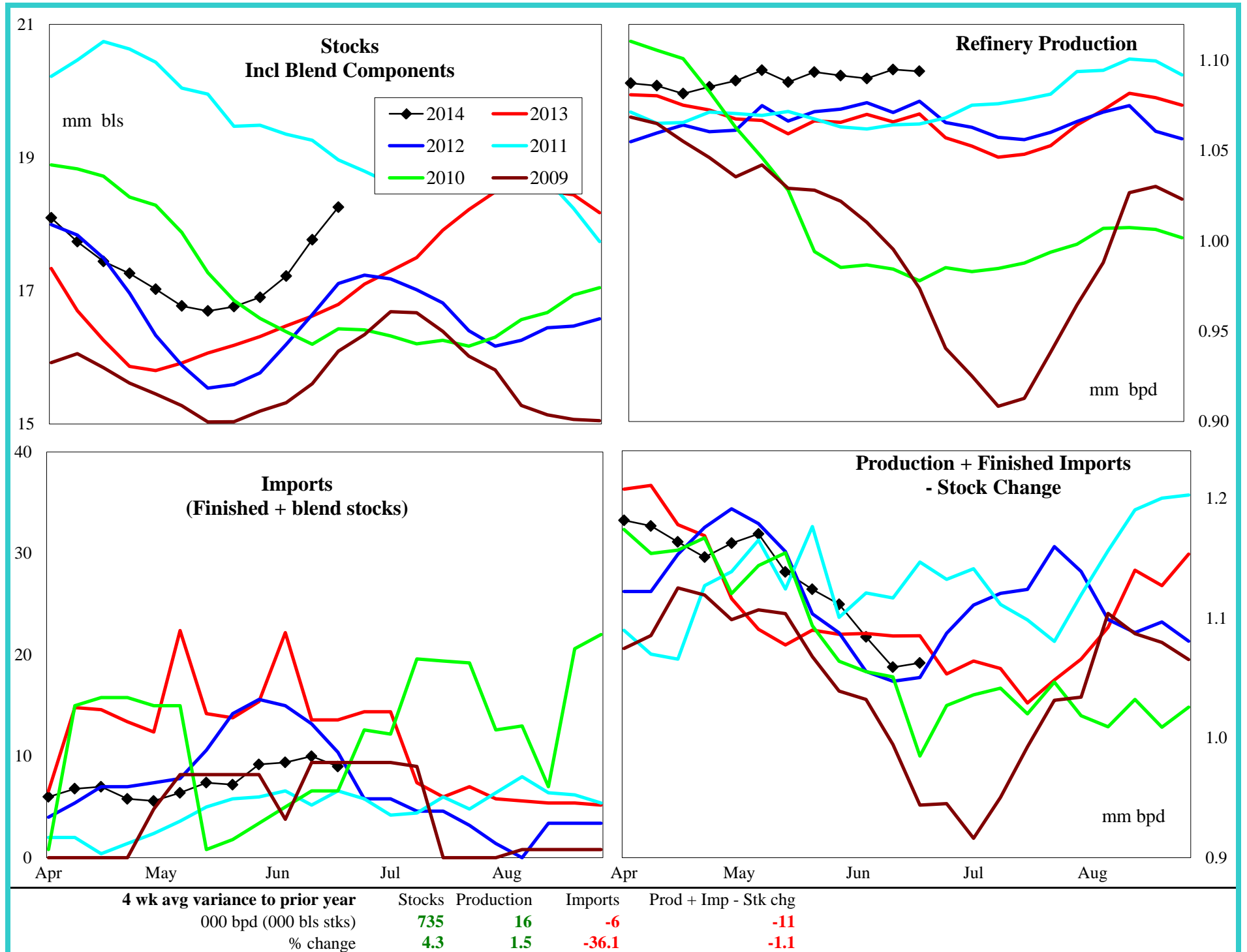
**-34**

**-3.0**

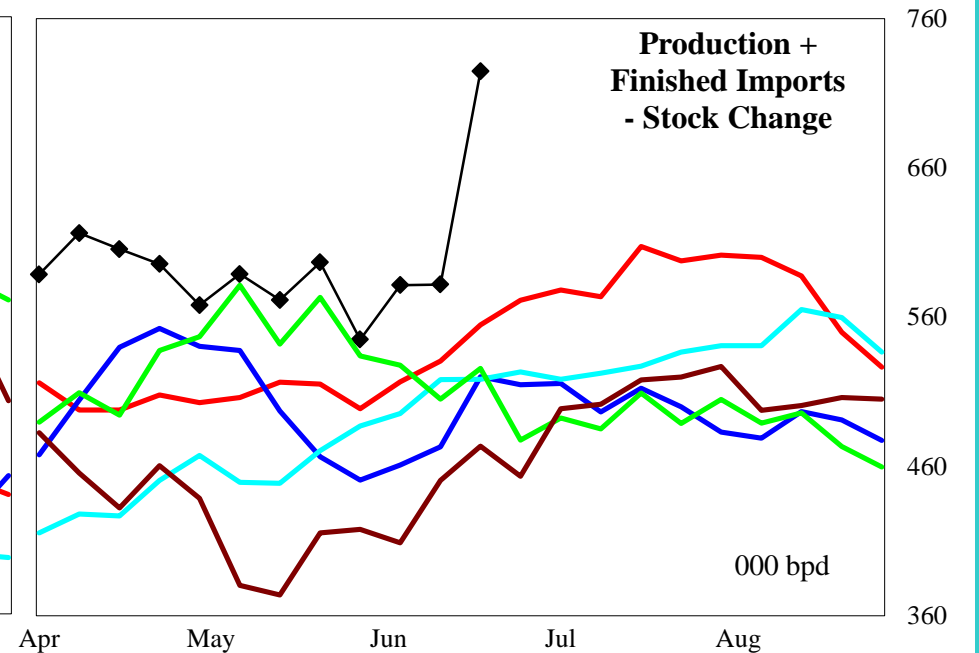
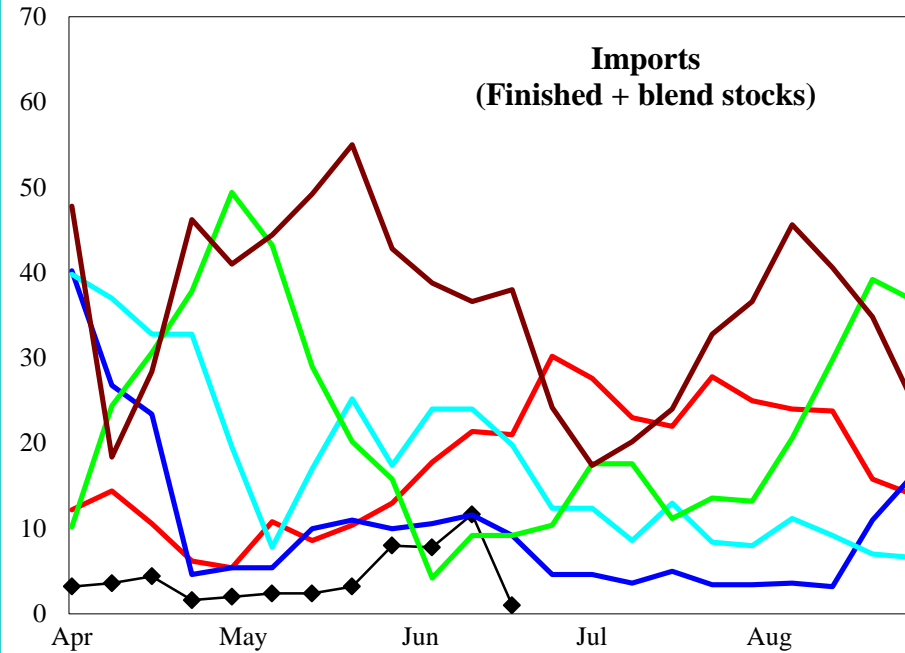
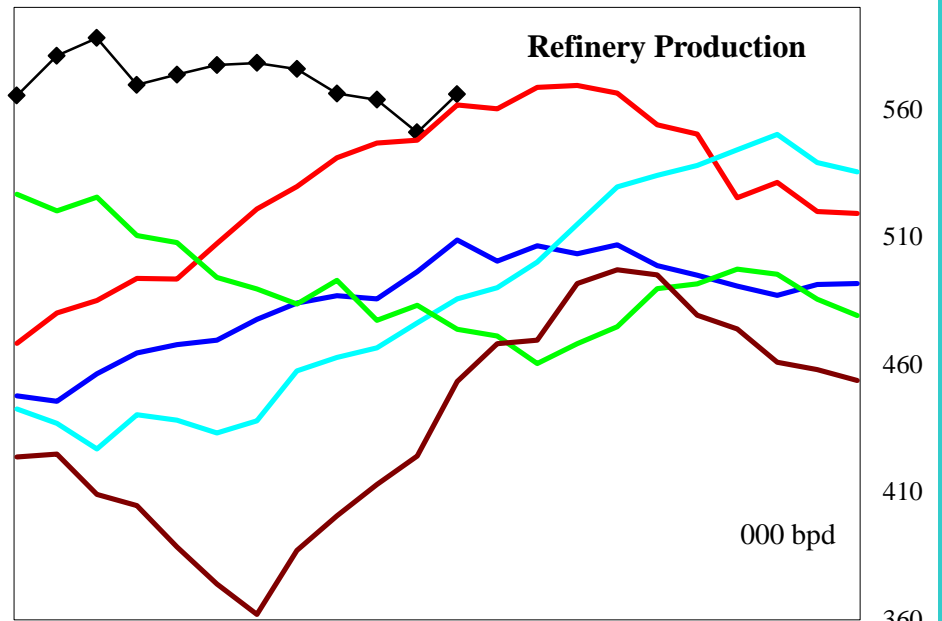
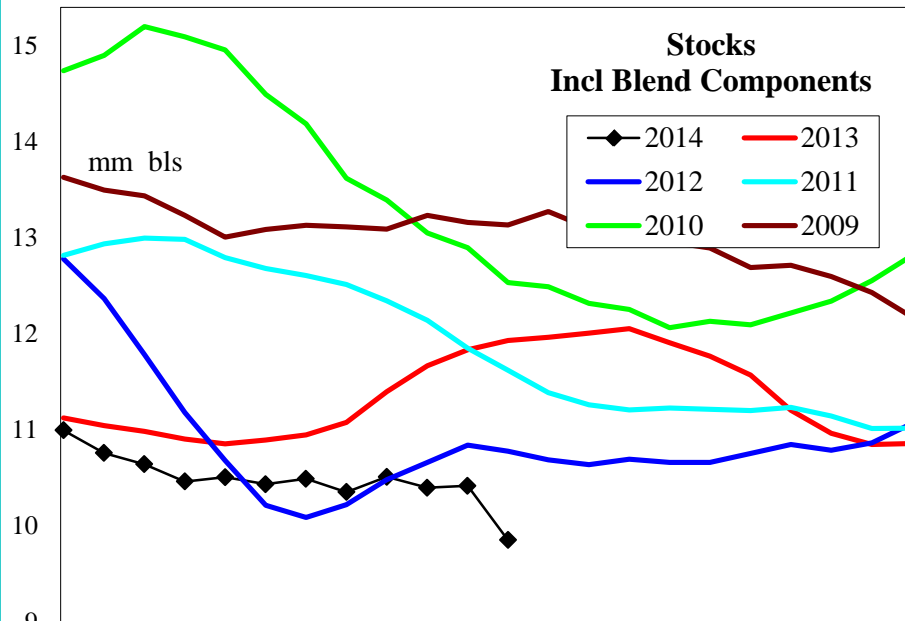
## PADD 5 Gasoline Supply



# 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

-2,191

12

-5

56

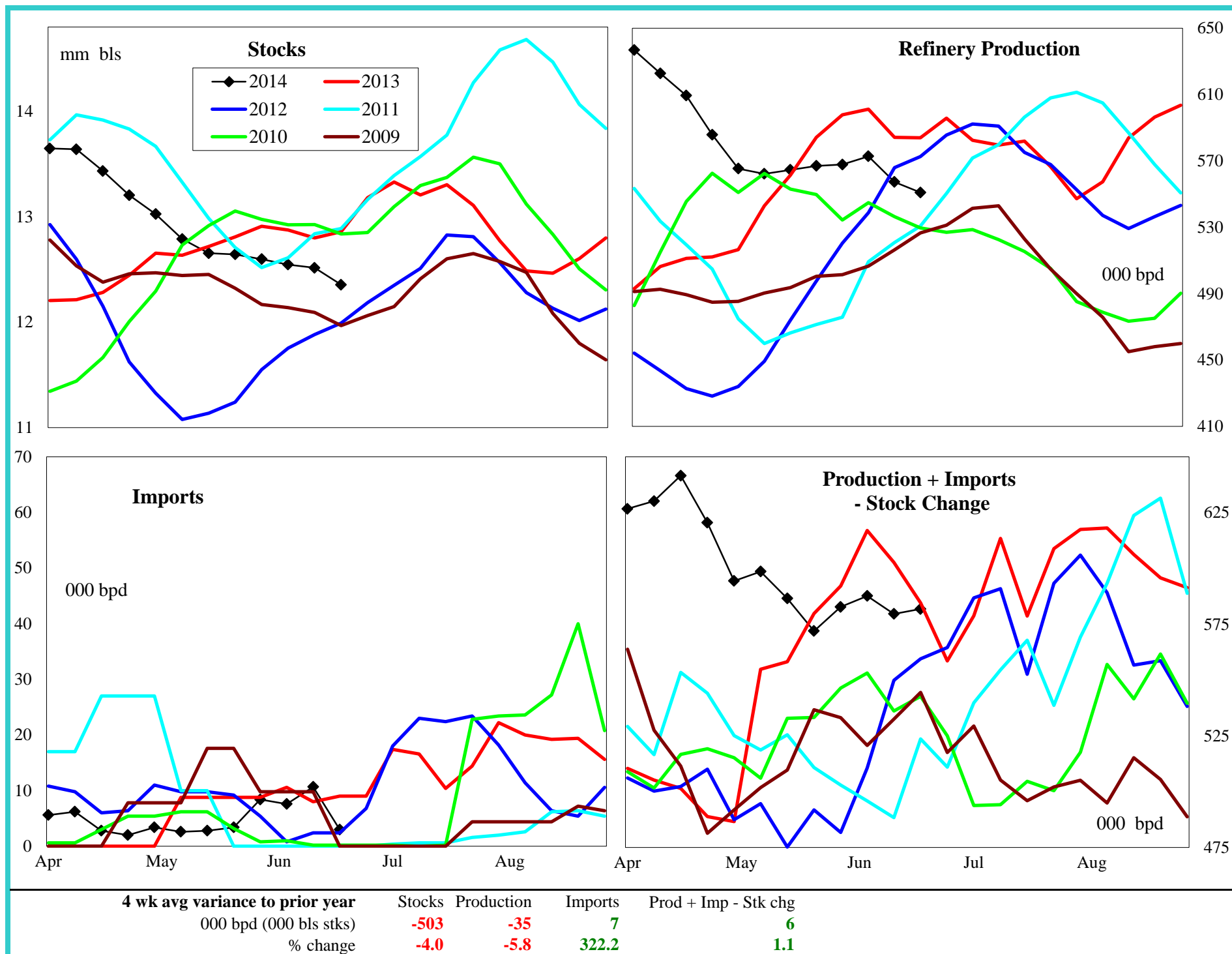
-18.2

2.3

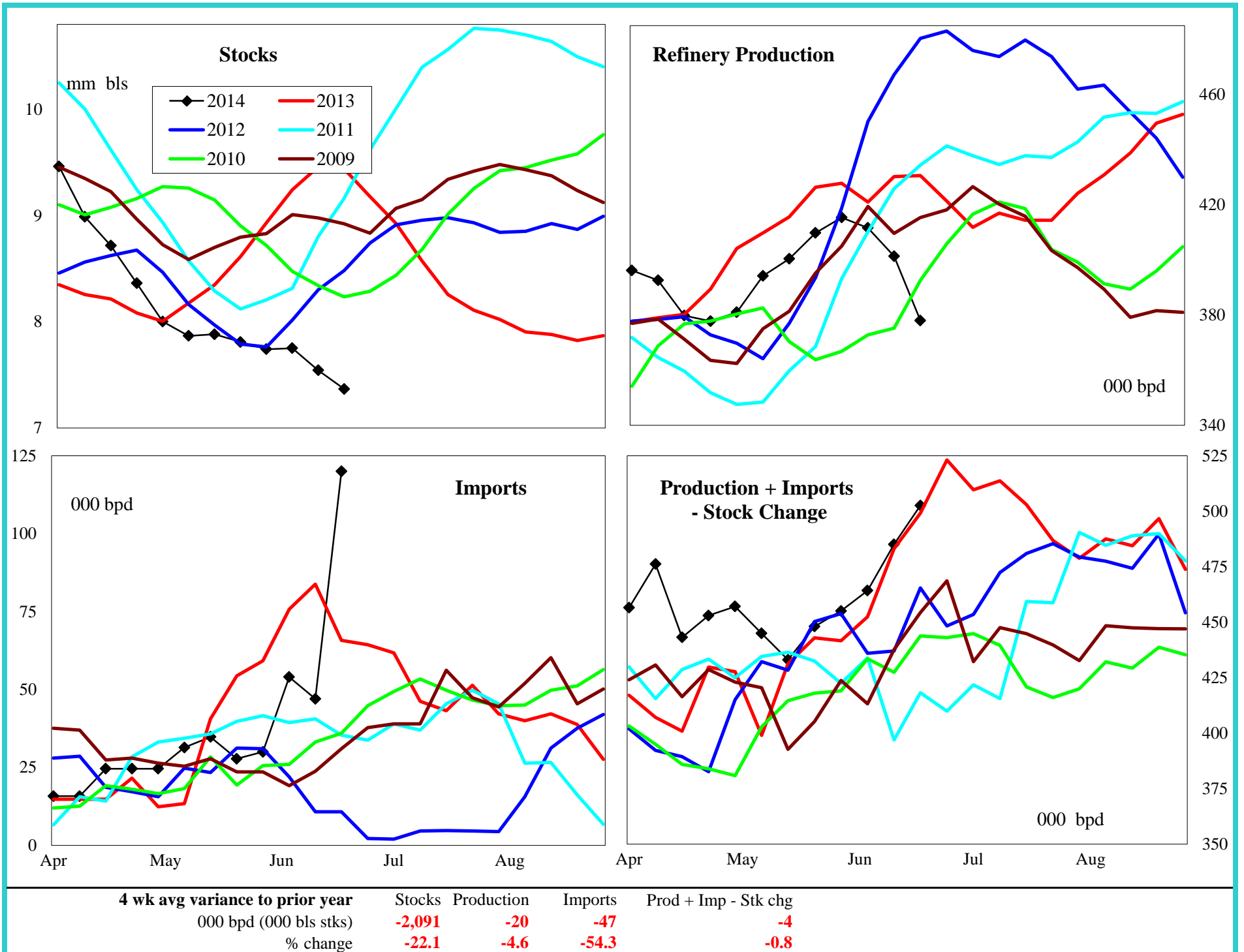
-33.9

10.9

# PADD 5 Distillate Supply



# PADD 5 Jet Fuel Supply



# PADD 5 Residual Fuel Oil Supply

