



WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

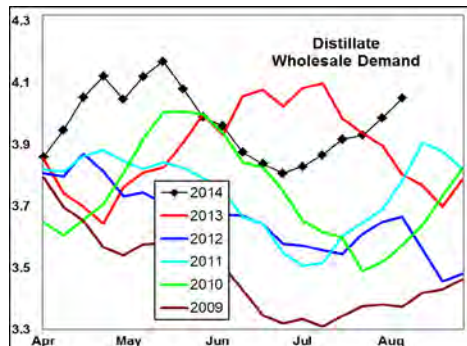
A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Friday, August 15, 2014

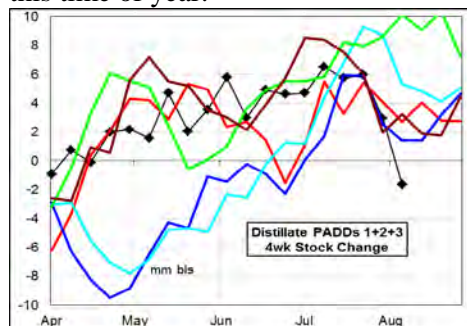


Major Fundamental Trends¹

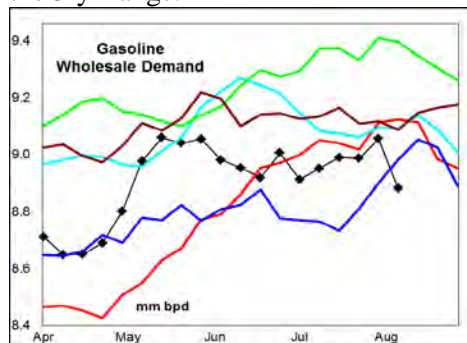
Very high wholesale distillate demand and a -0.5 million bpd drop in production during the last month led to a -2.4 million barrel stock draw on the week.



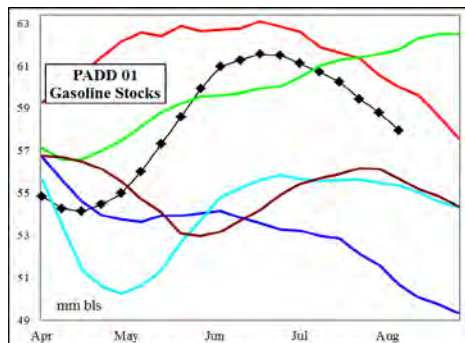
The large counter seasonal stock draw underlies a record 4-wk draw down of -1.6 million barrels compared to an average +4.5 million barrel build for this time of year.



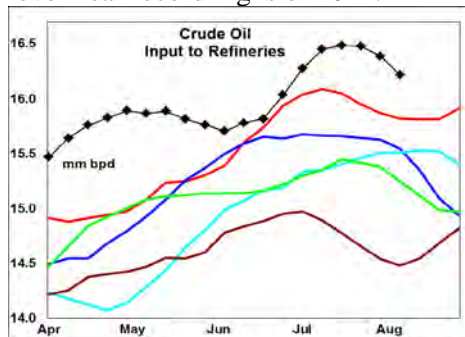
Gasoline wholesale demand fell -0.4 million bpd last week, to a level below the 5-yr range.



Gasoline stocks remain very ample in the Gulf and East Coast regions, while near record lows for this time of year on the West Coast and Midwest.



Refinery crude oil runs decreased -179,000 bpd last week, extending the recent downtrend on unplanned refinery maintenance. Imports climbed +0.3 million bpd last week, with the level near record highs of 2014.



Wholesale Demand for gasoline and jet fuel were sharply lower on the week. Wholesale demand, measured over the last four weeks compared to a year ago: gasoline decreased -1.3%; distillate was +0.3% higher; jet fuel increased +6.4%, and residual fuel decreased -9%.

Stocks forward coverage: Gasoline demand coverage decreased on a -1.2 million barrel stock build, and sharp drop in weekly wholesale demand. Coverage ended the week at a level near historic highs.

Distillate coverage fell on a -2.4 million barrel stock draw, driven by very high wholesale demand and lower production. Coverage ended the week at a level below the last 2-yrs.

Jet fuel coverage increased on a +0.5 million barrel stock build, driven by very high production. Coverage levels remain well below the 5-yr range.

Residual fuel oil coverage ended the week near last year's level on increased wholesale demand.

Refinery utilization rates decreased on a -179,000 bpd decline in thru put on lower runs in Midwest and West regions. During the latest 4-wk period crude oil input was +564,000 bpd above a year ago.

Gasoline yield % on crude oil runs decreased last week on a -241,000 bpd decrease in output compared to the -179,000 bpd decline in crude oil runs. Yield % on crude oil runs was below the 5-yr range.

Distillate yield % on crude oil runs fell last week, on a -107,000 bpd decrease in output compared to the decline in crude oil runs. The yield % on crude oil runs ended the week near the 2-yr average.

Jet fuel yield % on crude oil runs increased on a -21,000 bpd decrease in output, compared to the decline in crude oil runs. The yield % on crude oil runs ended the week above the 3-yr mid range.

Petroleum Imports/Exports: Imports of jet increased +73,000 bpd last week, while gasoline and distillate were nearly unchanged. Crude oil imports increased +0.3 million bpd on the week.

During the latest 4-wk period crude oil imports were -0.4 million bpd below last year; distillate imports were +23,000 bpd higher; finished gasoline imports were -22,000 bpd lower; gasoline blend stock imports were +12,000 bpd higher; while jet fuel imports decreased -19,000 bpd.

Exports of distillate for the week ending 25Jul14 were +160,000 bpd above a year ago, gasoline +229,000 bpd, jet fuel +13,000 bpd and residual fuel oil declined -132,000 bpd.

Crude Oil stocks increased +1.4 million barrels last week including a +0.4 million barrel build in Cushing. Stock levels match historic highs for this time of year. Very high stock levels in the Gulf region have offset record low levels in Cushing.

Cushing stocks ended the week -20.5 million barrels below a year ago; a -53% decrease.

¹ Source is latest EIA Weekly Statistics



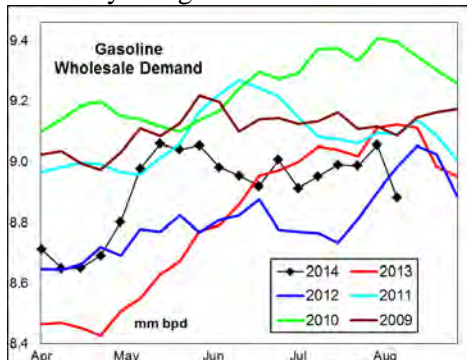
WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

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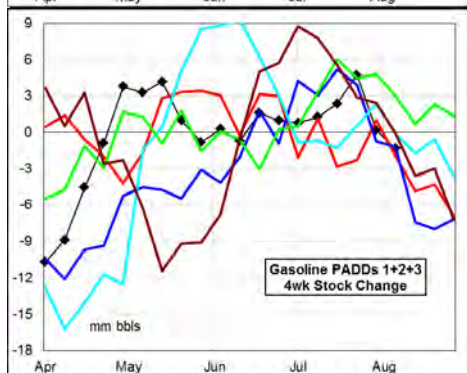
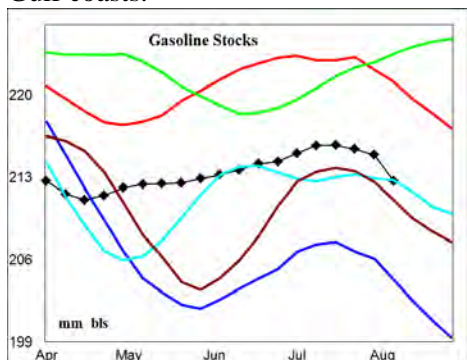
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Product Supply-Demand Trends

Gasoline wholesale demand fell -0.4 million bpd last week. The latest 4-wk average demand was -122,000 bpd below a year ago.



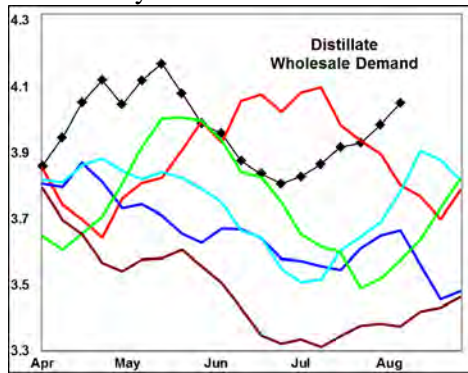
Supply decreased -206,000 bpd last week on lower production. Supply for the latest 4-wk period was -136,000 bpd below a year ago. Stocks declined -1.2 million barrels on the week, concentrated on the East and Gulf coasts.



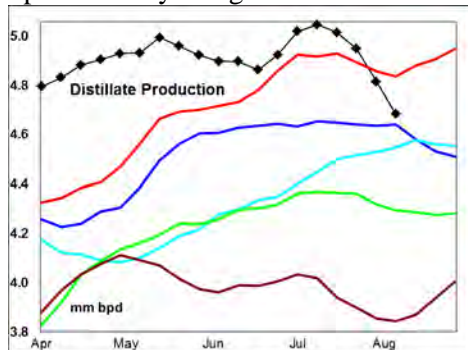
The latest 4-wk stock change East of the Rockies was a -3.6 million barrel draw, equal to each of the last 2-yrs. Stock levels on the East Coast and Gulf region are each at the upper end of the historic range. Stock levels in the Midwest and West coast regions are each near historic lows for the period.

Distillate wholesale demand was

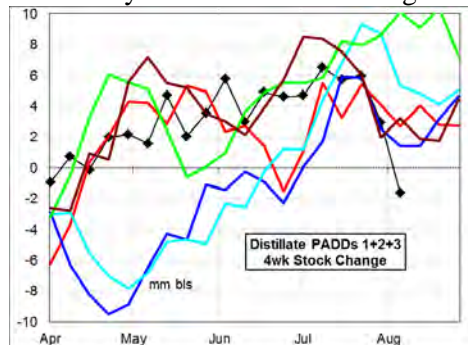
unchanged on the week, at a level above the 5-yr range. The latest 4-wk average demand was +11,000 bpd above last year.



Supply has declined nearly -0.5 million bpd from the earlier summer high, with the latest 4-wk average just +68,000 bpd above a year ago.



The latest 4-wk stock change in markets East of the Rockies was a -1.6 million barrel draw, the only draw of the last 5-yrs for the month of August.

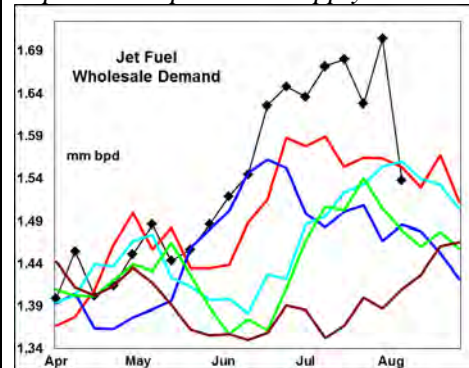


Unplanned refinery maintenance, robust exports and record domestic use led to the -2.4 million barrel stock draw last week, and 4-wk record draw.

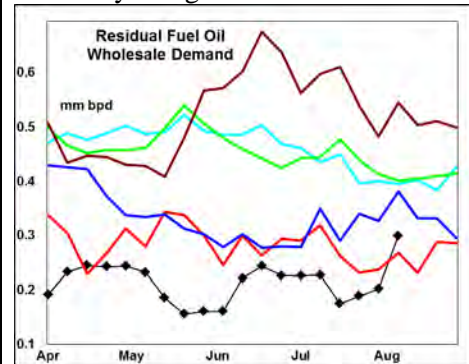
Jet Fuel wholesale demand fell -0.2 million bpd last week on a pull back from earlier record highs. Supply increased +52,000 bpd on the week,

driven by higher imports. Output for the most recent 4-wk period increased +97,000 bpd compared to last year. Imports were -19,000 bpd below a year ago. Stocks increased +0.5 million barrels on the week, to a level -3.4 million barrels below the 5-yr range.

Look for a seasonal decline in wholesale demand, and a high level of imports to improve the supply balance.



Residual fuel oil demand climbed +125,000 bpd last week. Demand for the latest 4-wk period was -22,000 bpd below a year ago.



Supply (production + imports) increased +195,000 bpd on higher imports. Production was -16,000 bpd below a year ago for the latest 4-wk period, while imports were -107,000 bpd lower. Stock levels ended the week near historic lows for the period.

Supplies have declined -223,000 bpd below a year ago, falling to a new record low. The switch to increased use of light shale crude oil in place of heavier gravity imports has limited production of residual fuel oil.



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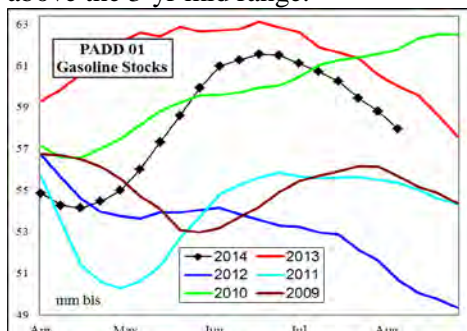
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PADD Supply Trends

PADD 1 refinery crude oil runs averaged +87,000 bpd above last year for the most recent 4-wk period.

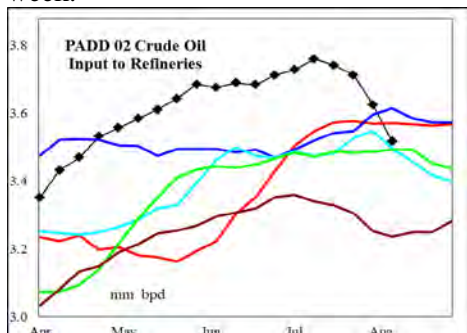
Gasoline supply increased +73,000 bpd on higher production and imports last week. Stocks declined -0.4 million barrels last week, ending at a level well above the 3-yr mid range.



Distillate supply increased +34,000 bpd last week, with the 4-wk average +21,000 bpd above last year. Stock levels slipped the last 2-yrs. *Ultra low sulfur stock levels remain above the 5-yr range.*

Jet fuel supply increased +15,000 bpd on higher imports. Stocks jumped +1.1 million barrels, but the level remains nearly -1.5 million barrels below the last 2-yrs.

PADD 2 crude oil refinery runs decreased -94,000 bpd last week, with the latest 4-wk average +107,000 bpd above last year. Crude oil stocks decreased -0.2 million barrels, a level -17% below last year. Cushing saw a +0.4 million barrel stock build on the week.



Gasoline supply increased +26,000 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*

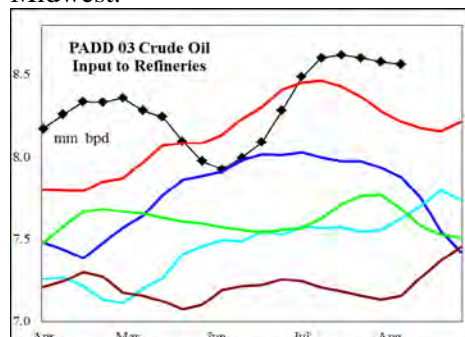
shipped into the Midwest as finished product production when blended with ethanol. Stocks decreased -0.1 million barrels on the week, to a level below the 5-yr range.

Distillate supply fell -167,000 bpd on the week, with the 4-wk average +49,000 bpd above a year ago. Stocks fell -0.6 million barrels to a level above the last 3-yrs.

Jet fuel production increased +28,000 bpd on the week, a level near the 3-yr mid range. Stocks decreased -0.1 million barrels, ending at a level below the historic range.

PADD 3 refinery runs declined -19,000 bpd last week, with the level still above the historic range. During the latest 4-wk period, average runs were +267,000 bpd above last year.

Crude oil stocks increased +2 million barrels, driven by increased receipts of domestic supplies from the Midwest.



Gasoline supply decreased -72,000 bpd last week, with the latest 4-wk average +444,000 bpd above a year ago. Stocks declined -0.7 million barrels on the week, to a level above the 3-yr mid range.

Distillate supply increased +84,000 bpd on the week, with the latest 4-wk average supply -38,000 bpd below last year. Stocks decreased -0.1 million barrels on the week, to a level below the last 2-yrs.

Jet fuel production declined -29,000 bpd last week, although the level remains above the 5-yr range. Stocks decreased -0.7 million barrels on the week to a level -1.5 million barrels below the historic range.

Residual fuel supply was nearly

unchanged on the week, with the level -48% below last year for the latest 4-wk period.

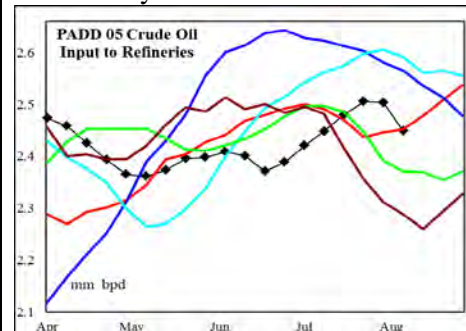
PADD 4 refinery crude runs increased +35,000 bpd last week, a level that exceeded the 5-yr range.

Gasoline production increased +23,000 bpd on the week, with the latest 4-wk average +38,000 bpd above a year ago. Stocks ended the week below the 3-yr range.

Distillate supply decreased -28,000 bpd last week, with the latest 4-wk supply +8,000 bpd above last year. Stock levels ended the week near the historic mid range.

Jet fuel production remained above the historic range for the entire quarter. Stocks levels remain below the historic range.


PADD 5 crude oil refinery runs declined -83,000 bpd last week, ending at a level near lows of the last 3-yrs. The 4-wk run rate was +83,000 bpd above last year.



Gasoline supply increased +10,000 bpd on the week, with the 4-wk average +17,000 bpd above a year ago. Stocks decreased -0.2 million barrels to a level near 5-yr lows.

Distillate supply decreased -15,000 bpd on the week, to a level comparable with the 3-yr mid range. The 4-wk average supply was +28,000 bpd above a year ago. Stocks fell -0.4 million barrels on the week, to a new record low level.

Jet fuel supply increased +37,000 bpd on higher imports. The latest 4-wk average supply was -2,000 bpd below last year. Stocks increased +0.1 million barrels, a level at the low end of the historic range.



FUNDAMENTAL

PETROLEUM TRENDS

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PETROLEUM: Graph Link and Weekly Summary

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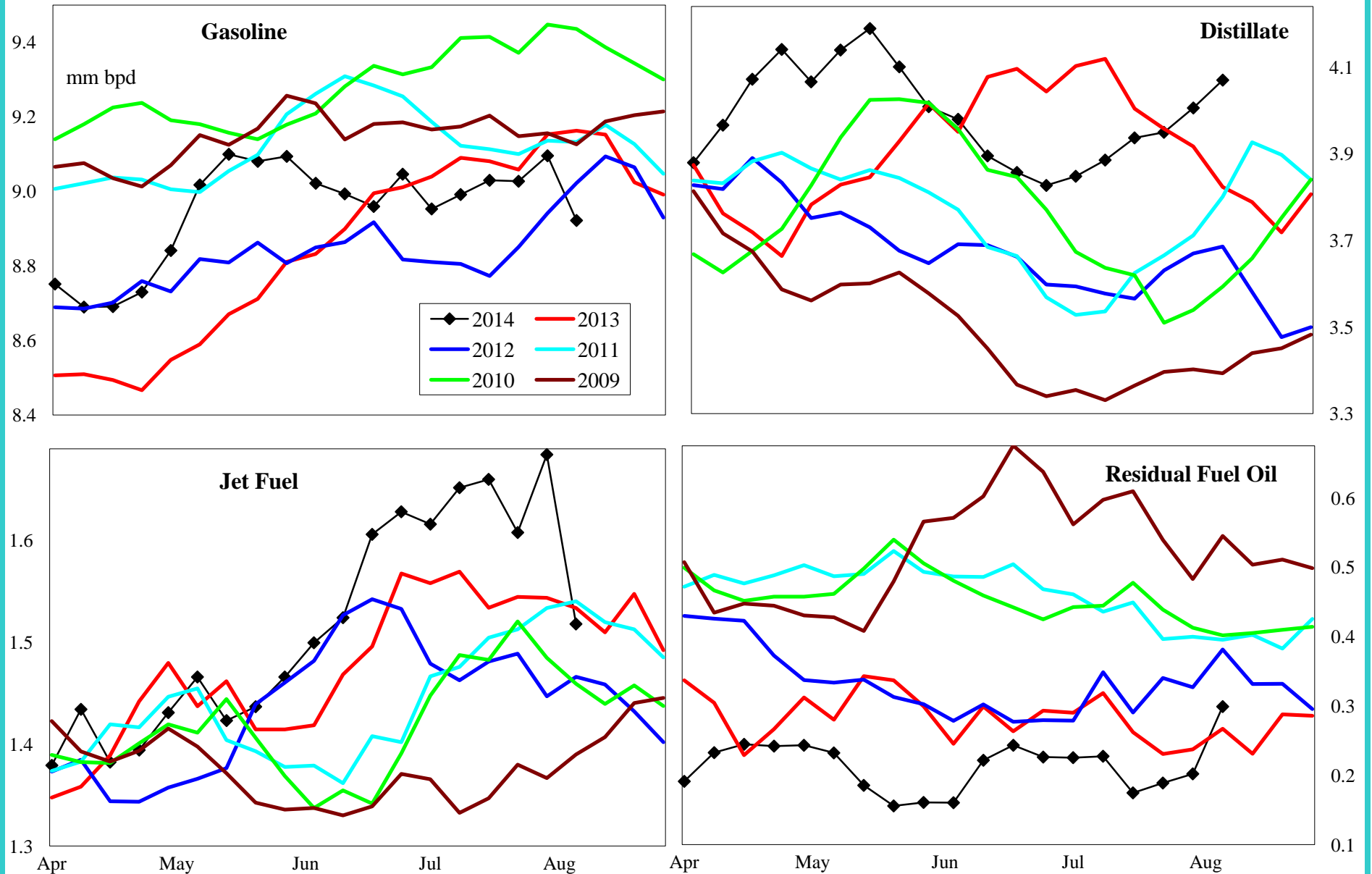
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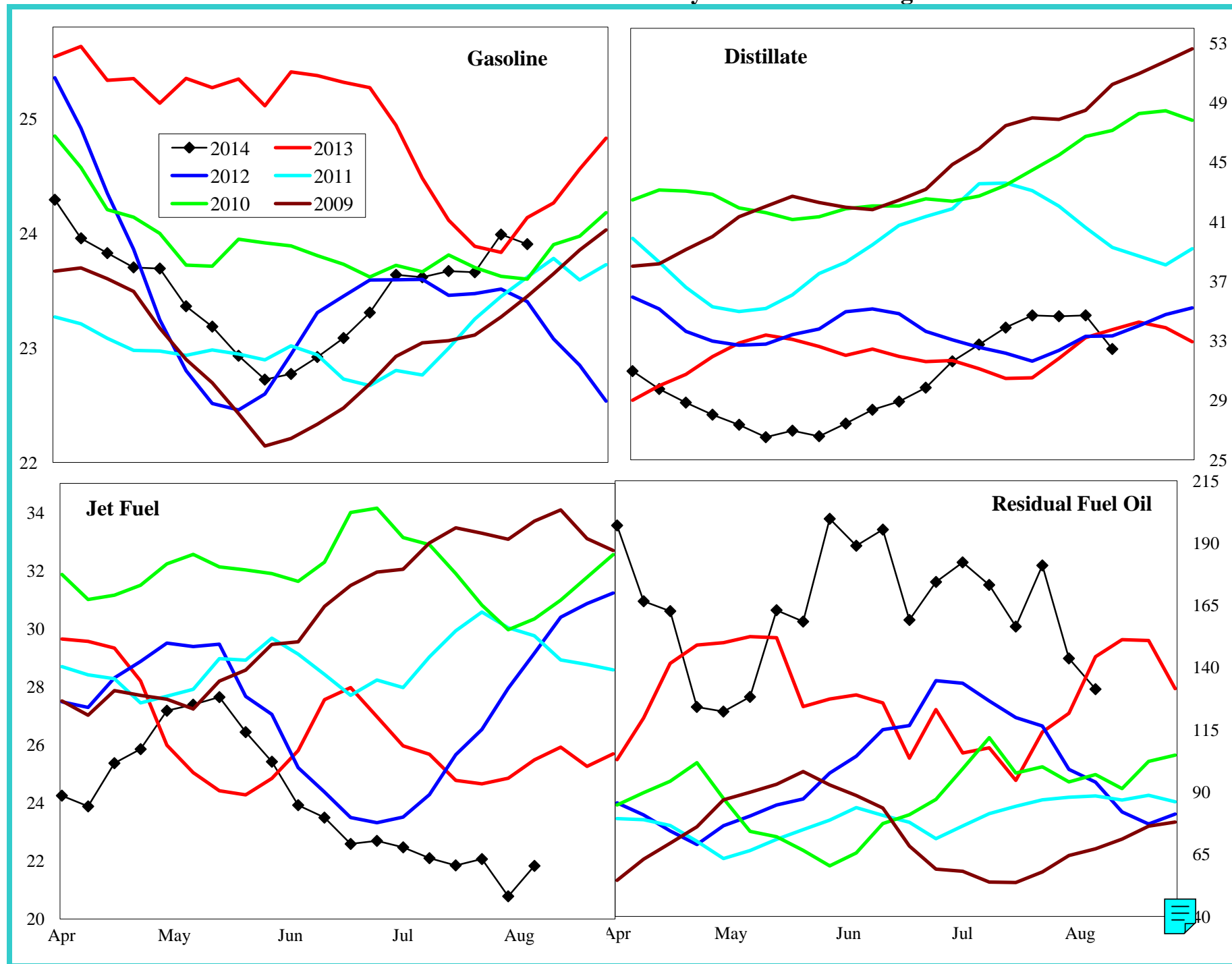
Fundamental Trends	Wholesale Demand	Stocks Days Fwd Coverage	Refinery Utilization		Product Yield %		Imports
Supply/Demand Trends	8-Aug-14	EIA-DOE CHANGE FROM PRIOR WEEK					
	000 bpd stocks 000 bls	U. S. Total	PADD				
			1	2	3	4	5
Crude Oil	Stocks	1,401	1,268	-190	1,952	57	-1,687
	Imports	283	417	120	-80	-10	-163
	Input	-179	-17	-94	-19	35	-83
	% Utilization	-0.80					
Gasoline	Stocks	-1,160	-448	-94	-666	215	-170
	Production	-241	34	25	-68	23	10
	Imports	35	39	1	-4	0	0
	Supplied	-437					
Distillate	Stocks	-2,421	-1,332	-628	-70	-2	-388
	Production	-107	23	-165	70	-24	-10
	Imports	14	11	-2	14	-4	-5
	Supplied	-4					
Jet Fuel	Stocks	465	1,143	-91	-699	-10	122
	Production	-21	-34	28	-29	1	12
	Imports	73	49	0	0	0	25
	Supplied	-166					
Residual Fuel Oil	Stocks	-538	199	-91	-387	7	-266
	Production	24	16	-15	8	-1	18
	Imports	171	103	0	0	0	68
	Supplied	135					

United States Wholesale Petroleum Demand

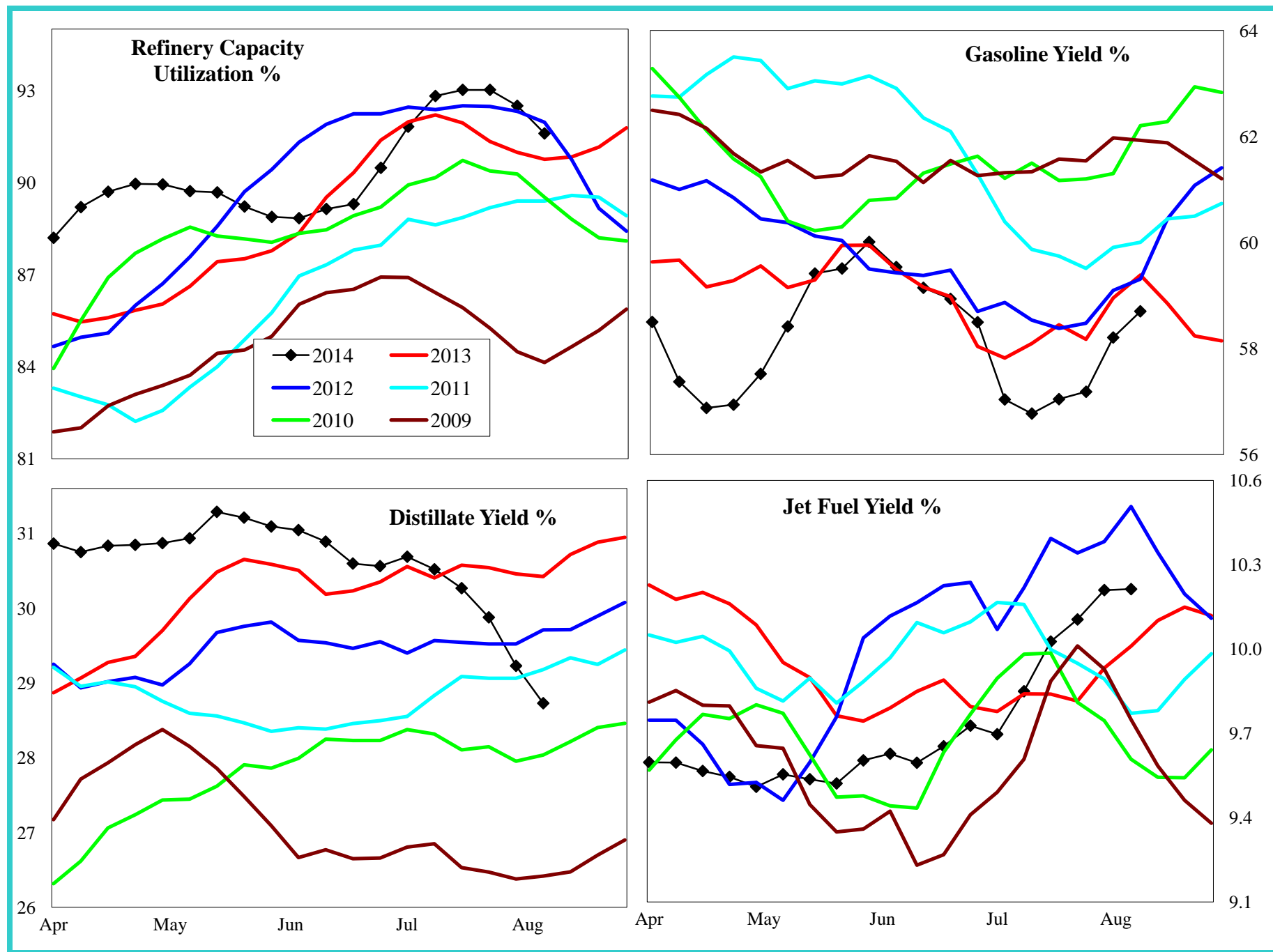


	000 bpd change from prior year				% change from prior year			
	4wk avg	Jul	Jun	May	4wk avg	Jul	Jun	May
Gasoline	-122	303	-30	33	-1.3	3.3	-0.3	0.4
Distillate	11	466	299	165	0.3	13.1	8.2	4.4
Jet Fuel	99	185	368	-12	6.4	12.2	25.7	-0.8
Resid	-22	-173	-50	20	-9.4	-47.8	-16.5	9.3

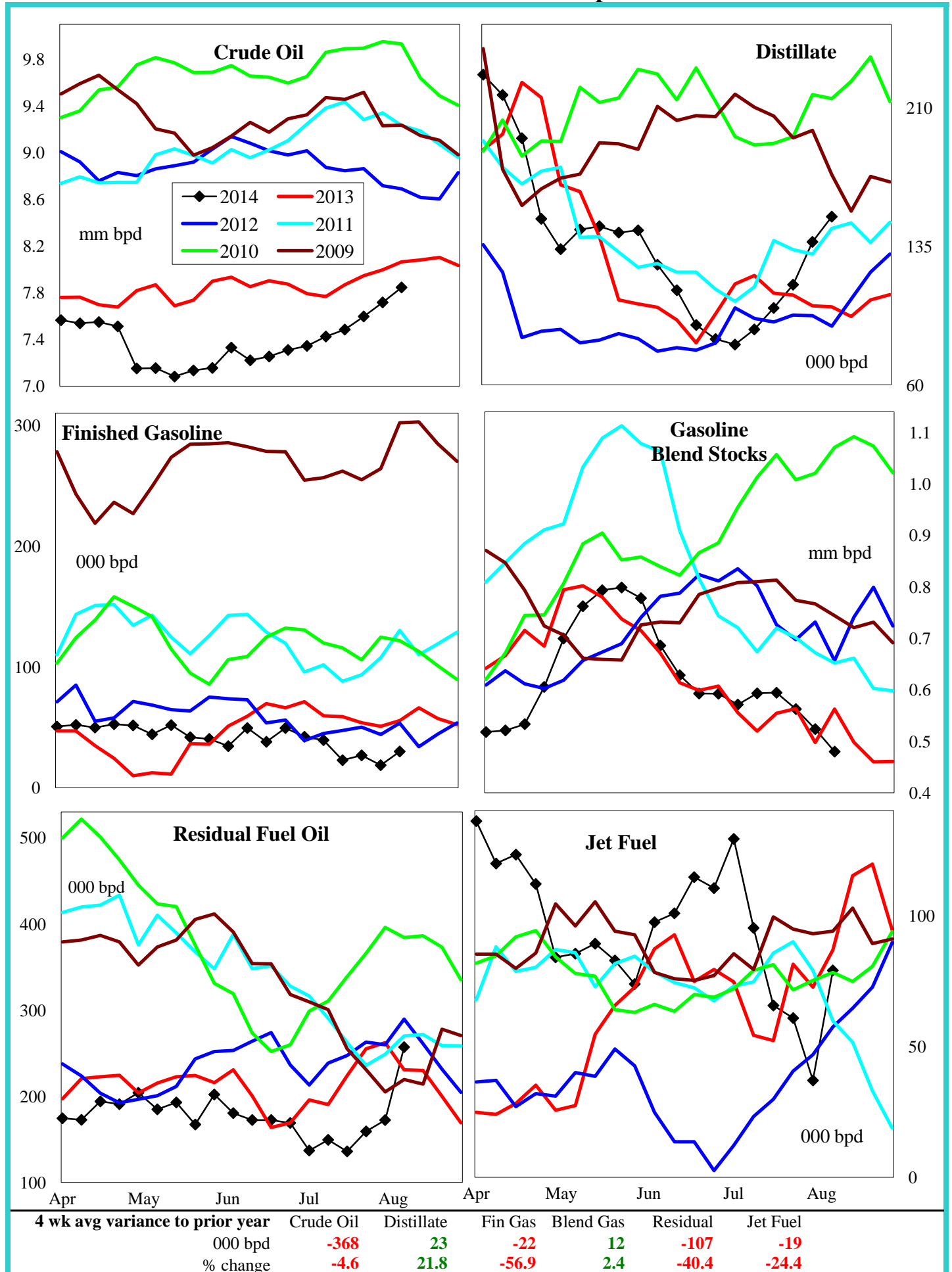


United States Product Stocks: Days Forward Coverage

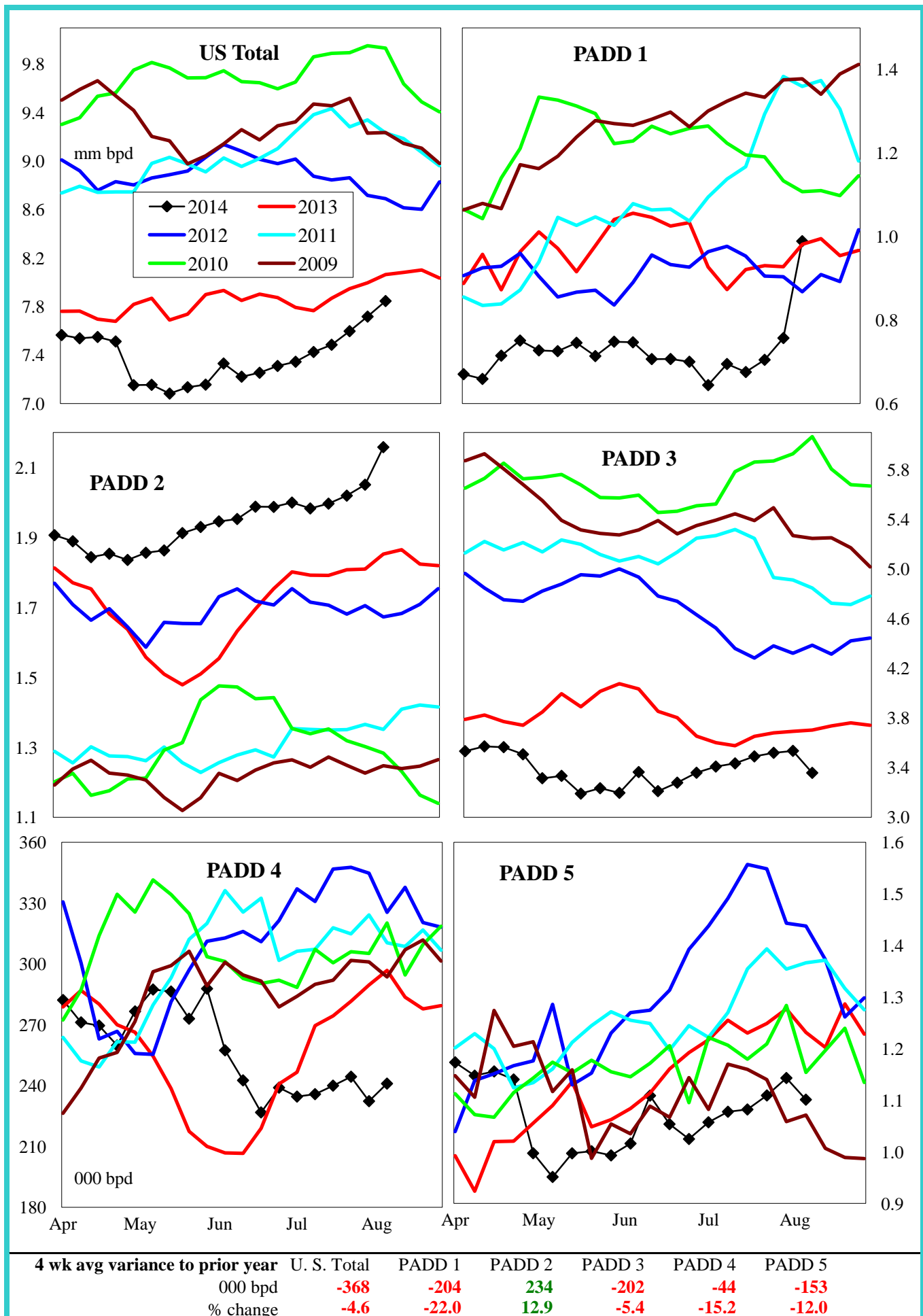
United States Refinery Percent Utilization Rate and Product Yields



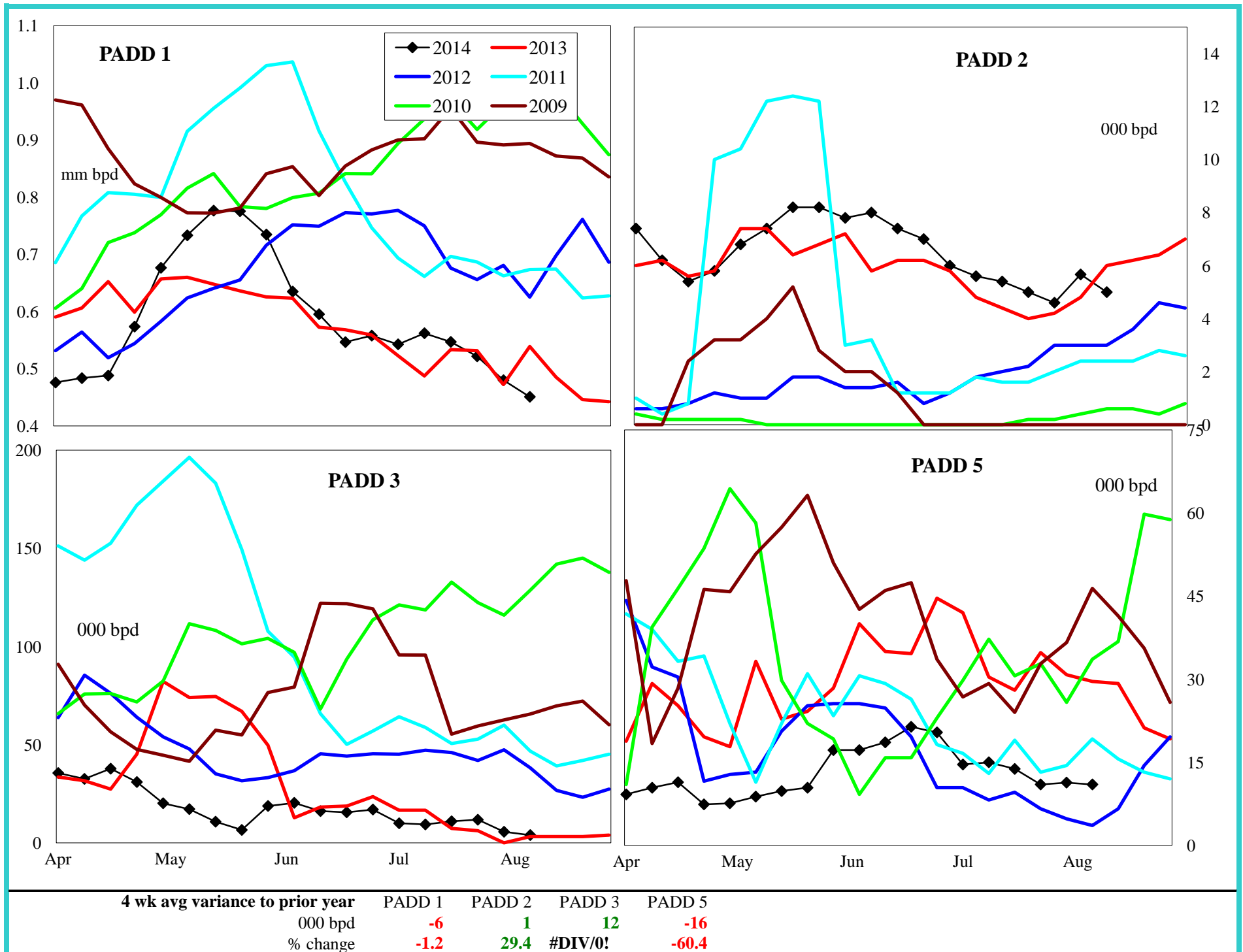
United States Petroleum Imports



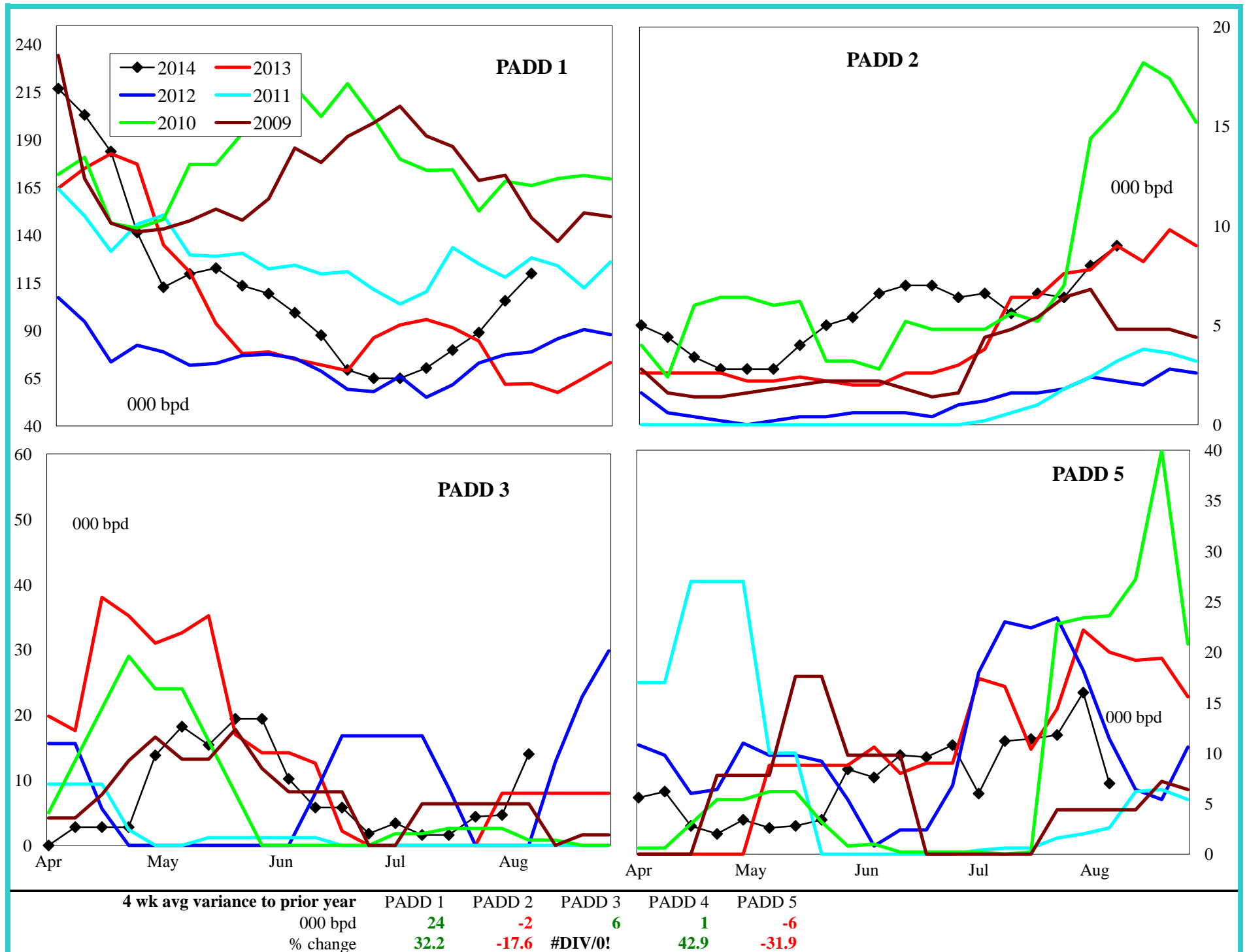
Crude Oil Imports by PADD



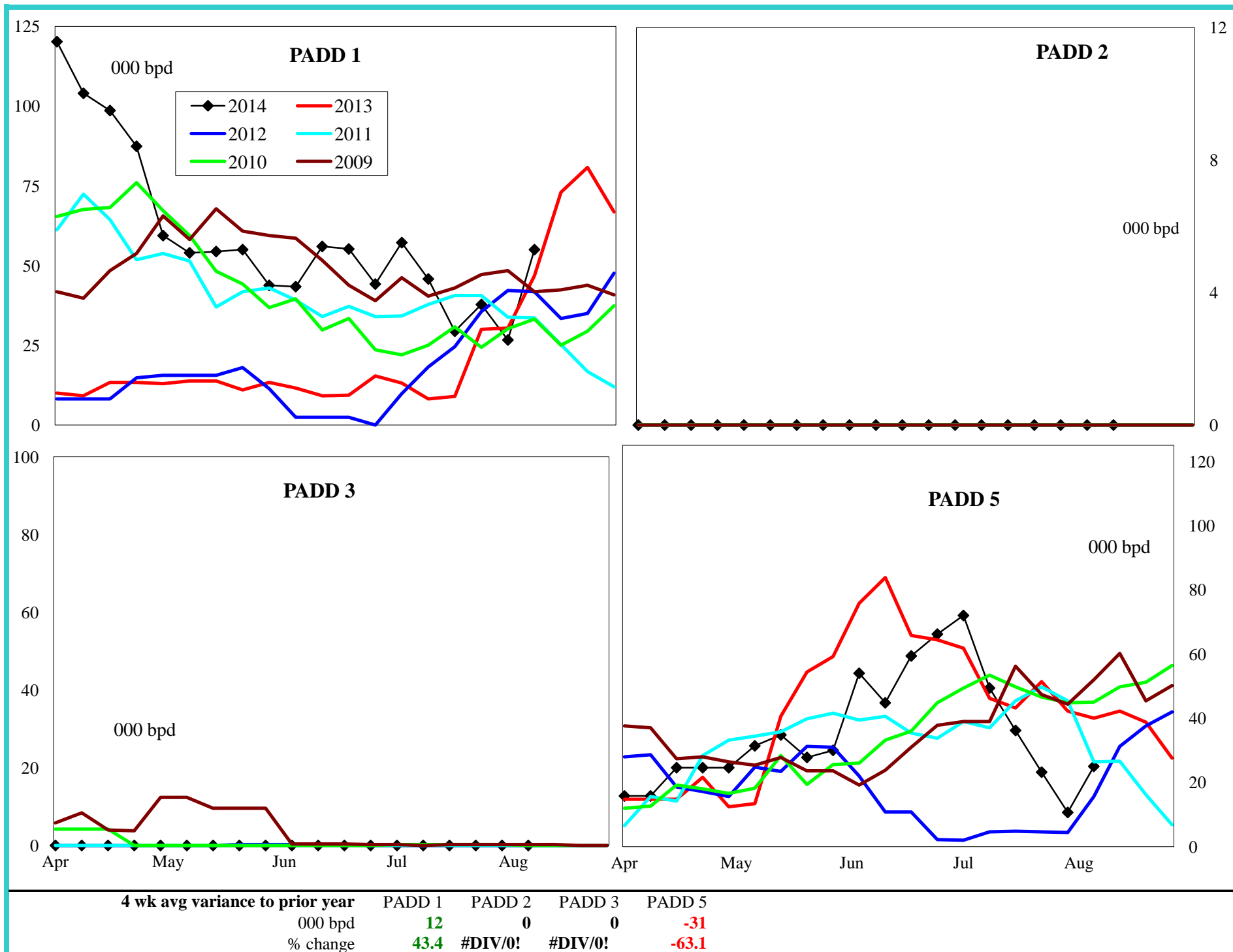
Gasoline Imports by PADD (Finished + Blend Stocks)



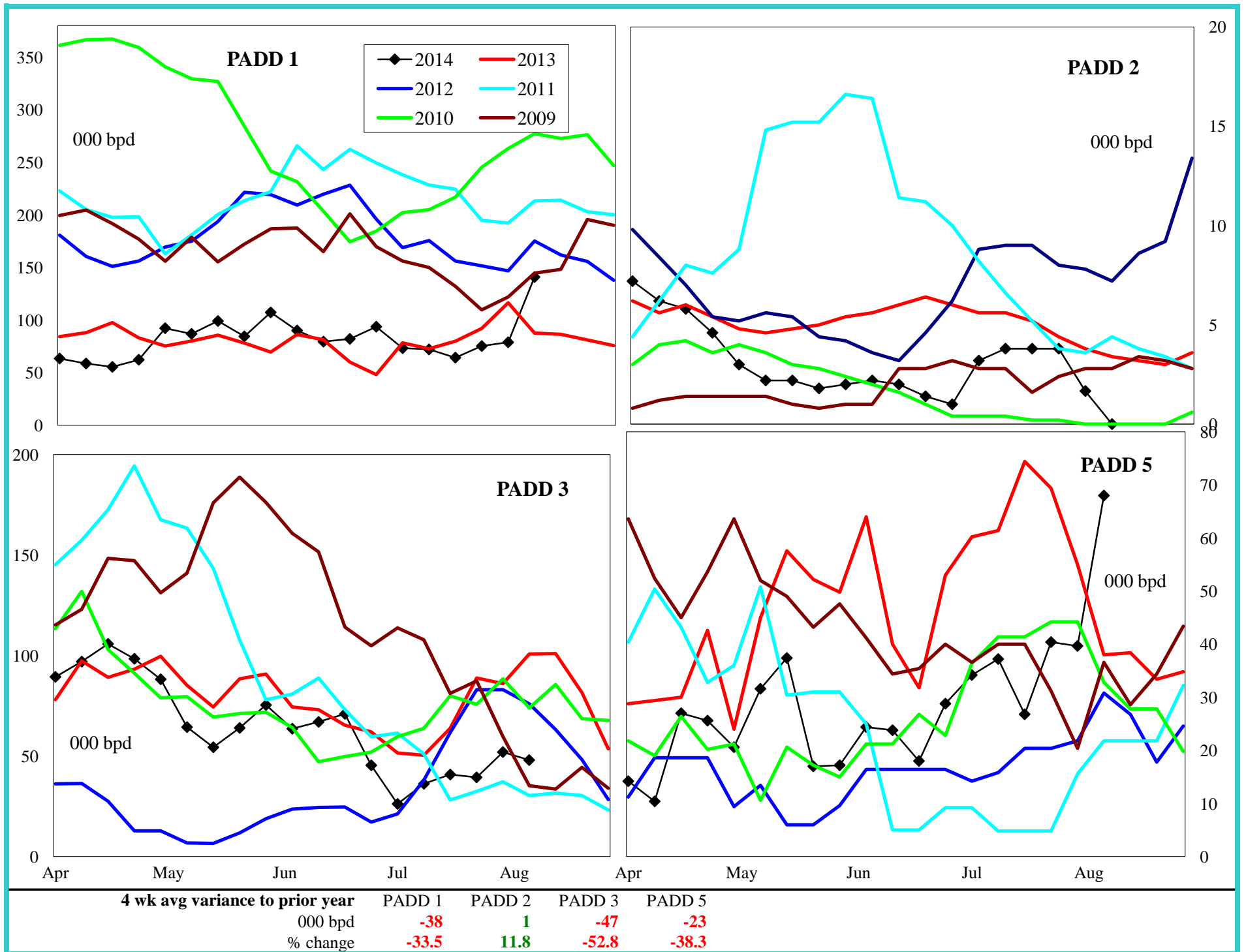
Distillate Imports by PADD



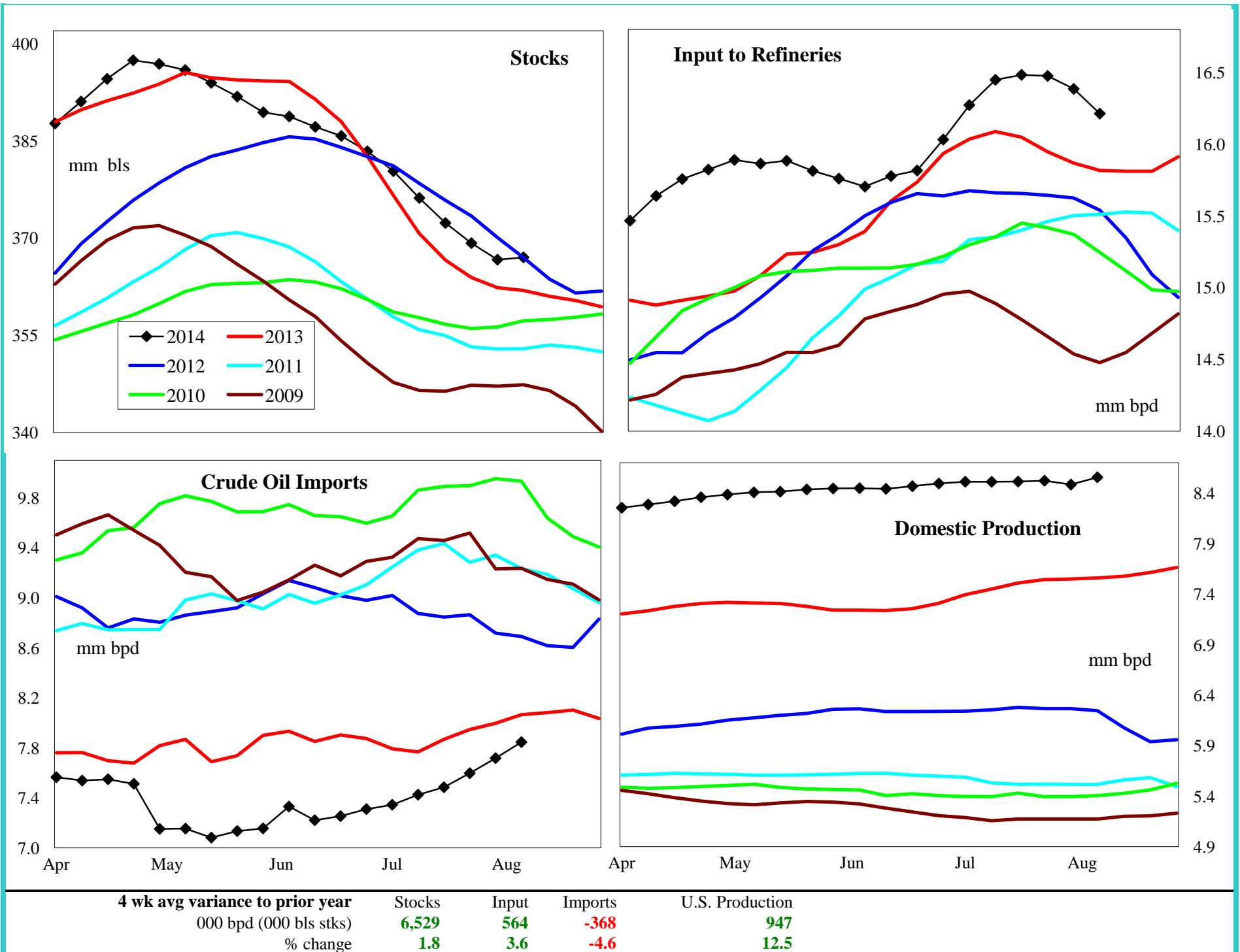
Jet Fuel Imports by PADD



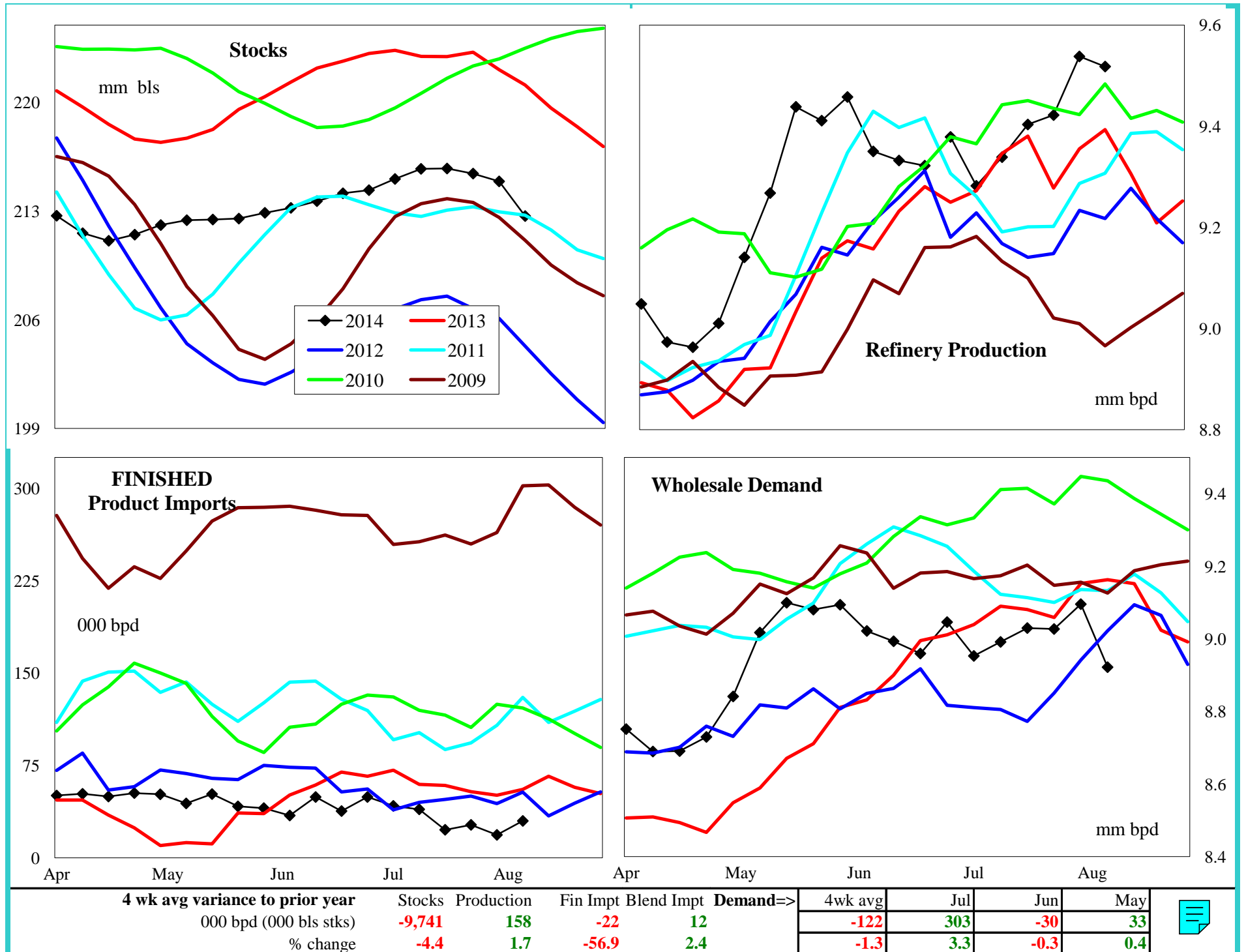
Residual Fuel Oil Imports by PADD



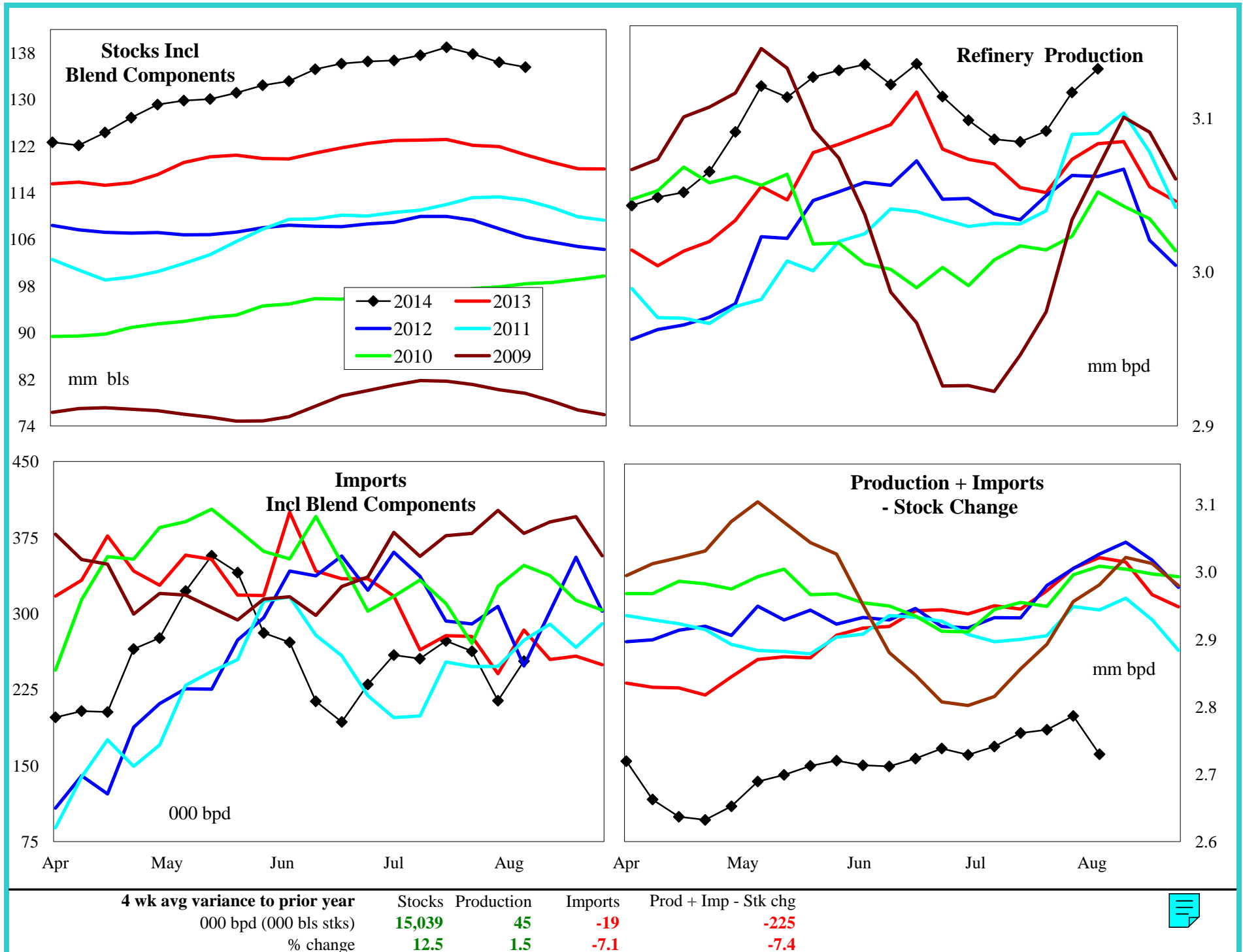
United States Crude Oil Supply and Demand Balance



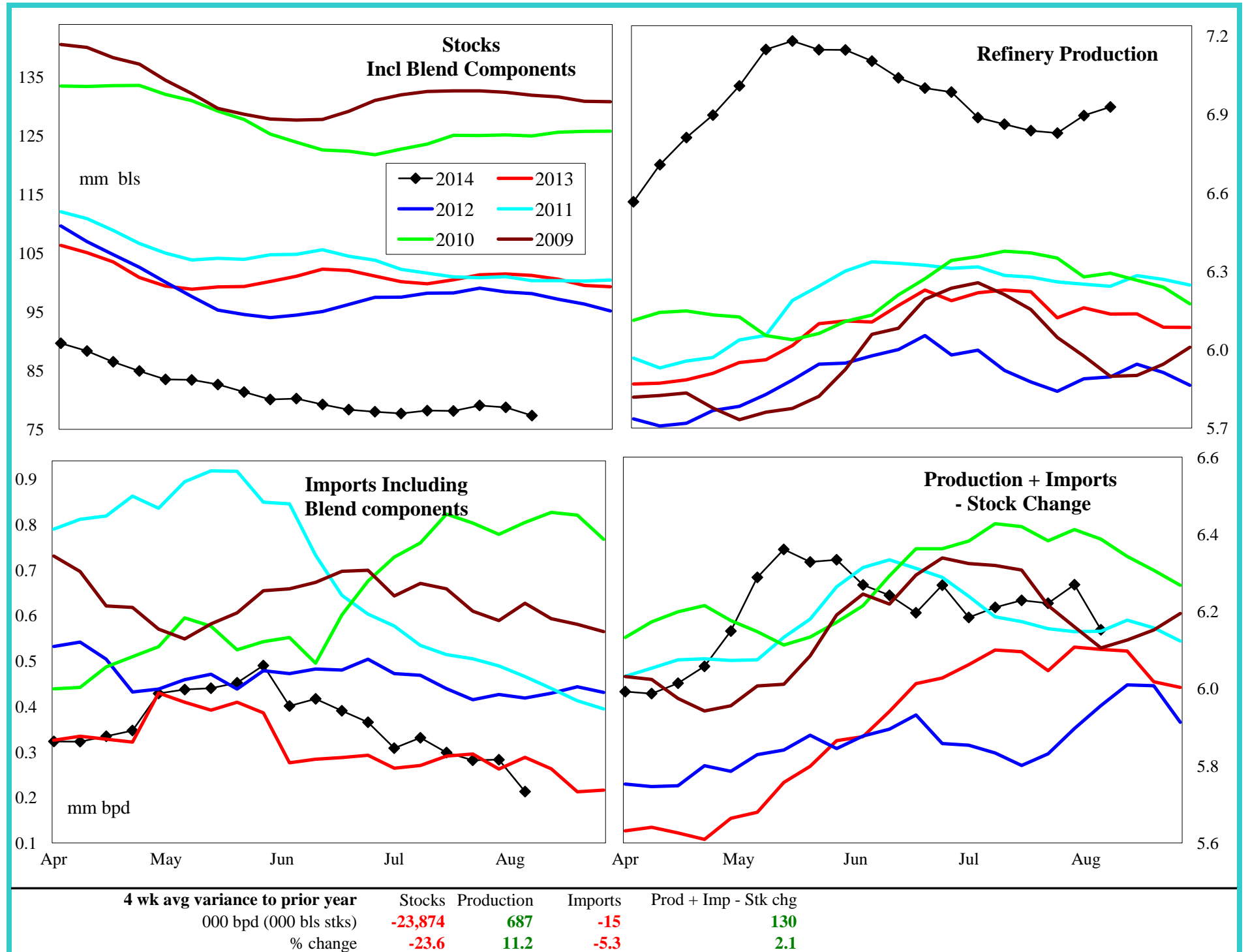
United States Gasoline Supply and Demand Balance



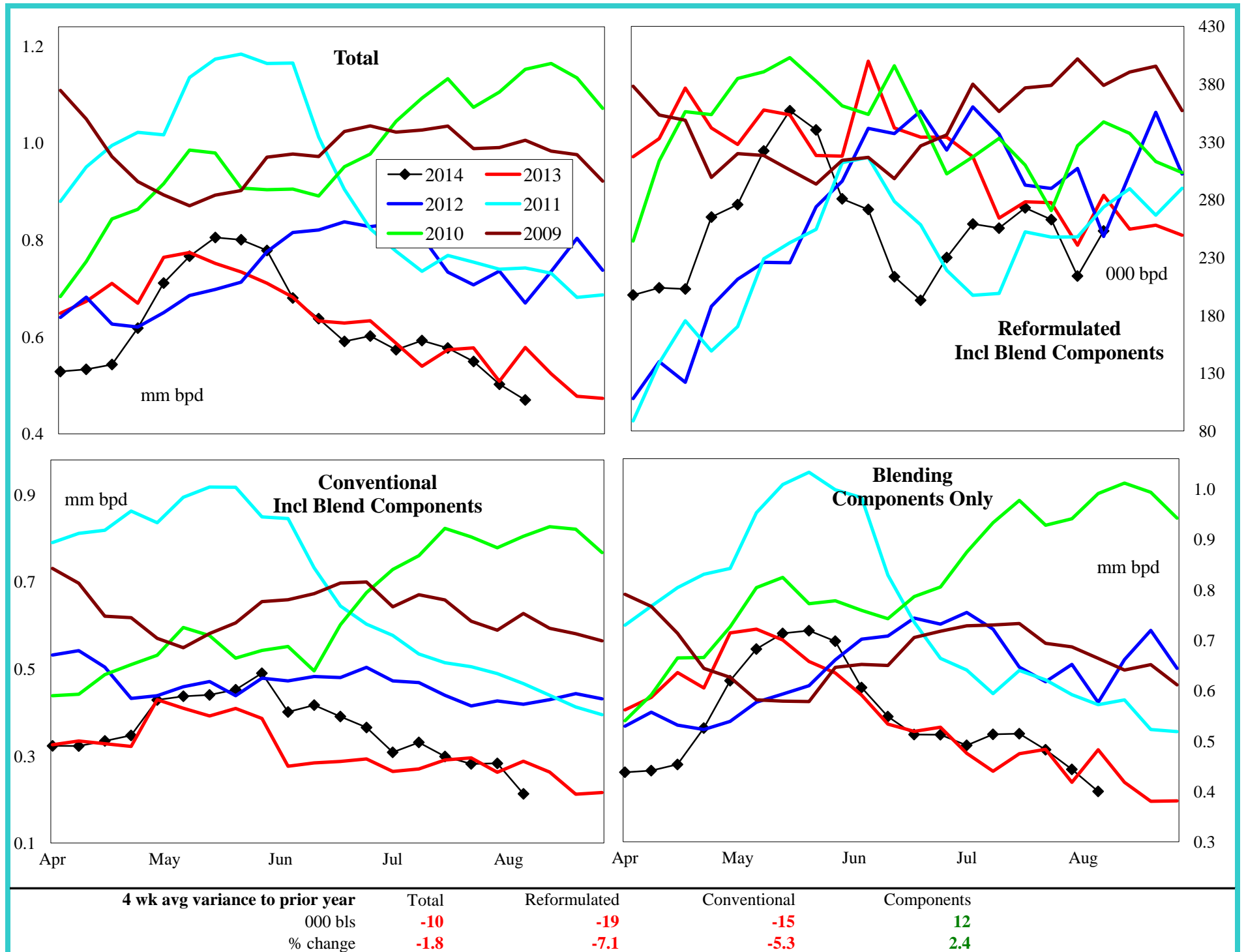
United States Reformulated Gasoline Supply



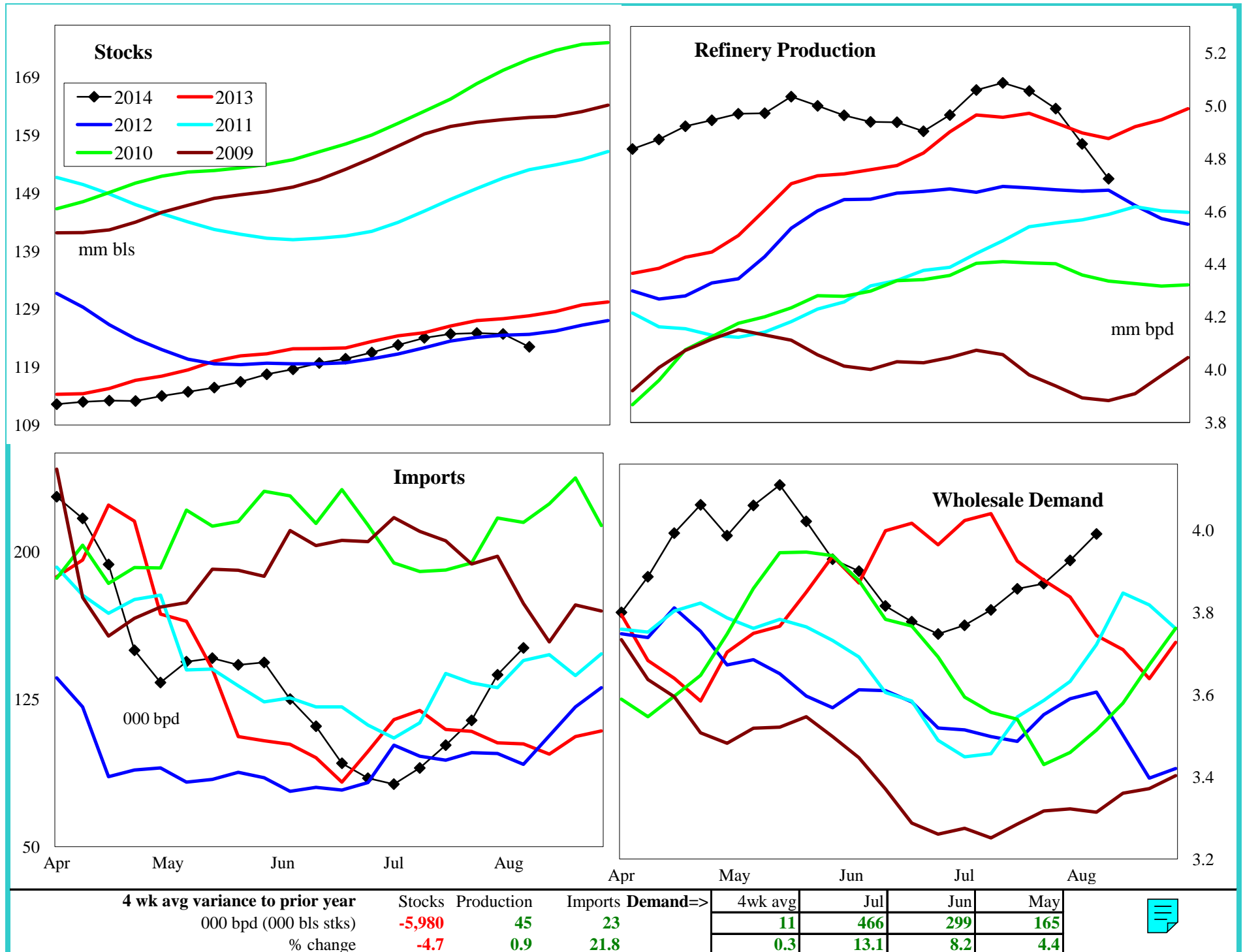
United States Conventional Gasoline Supply



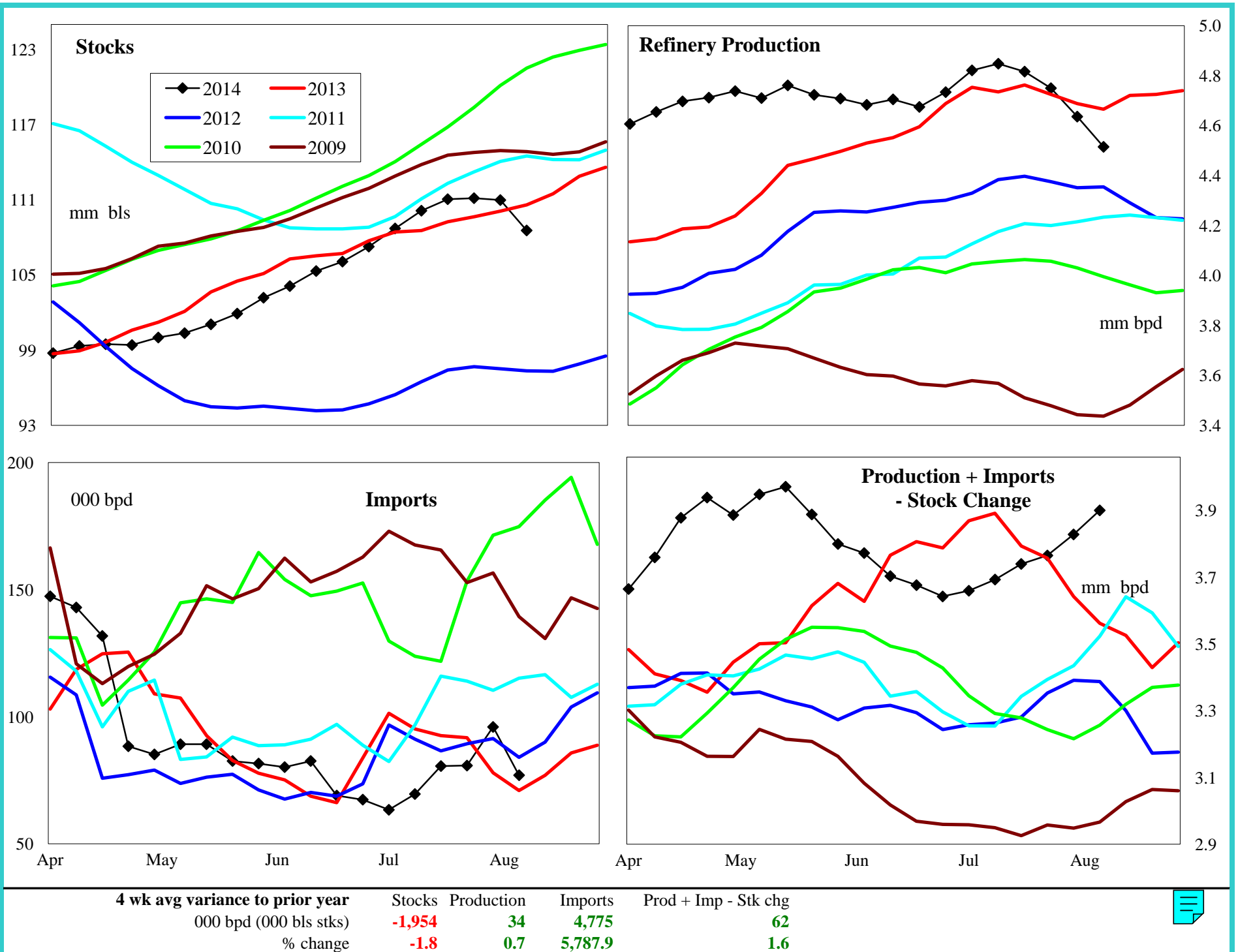
United States Gasoline Imports by Type



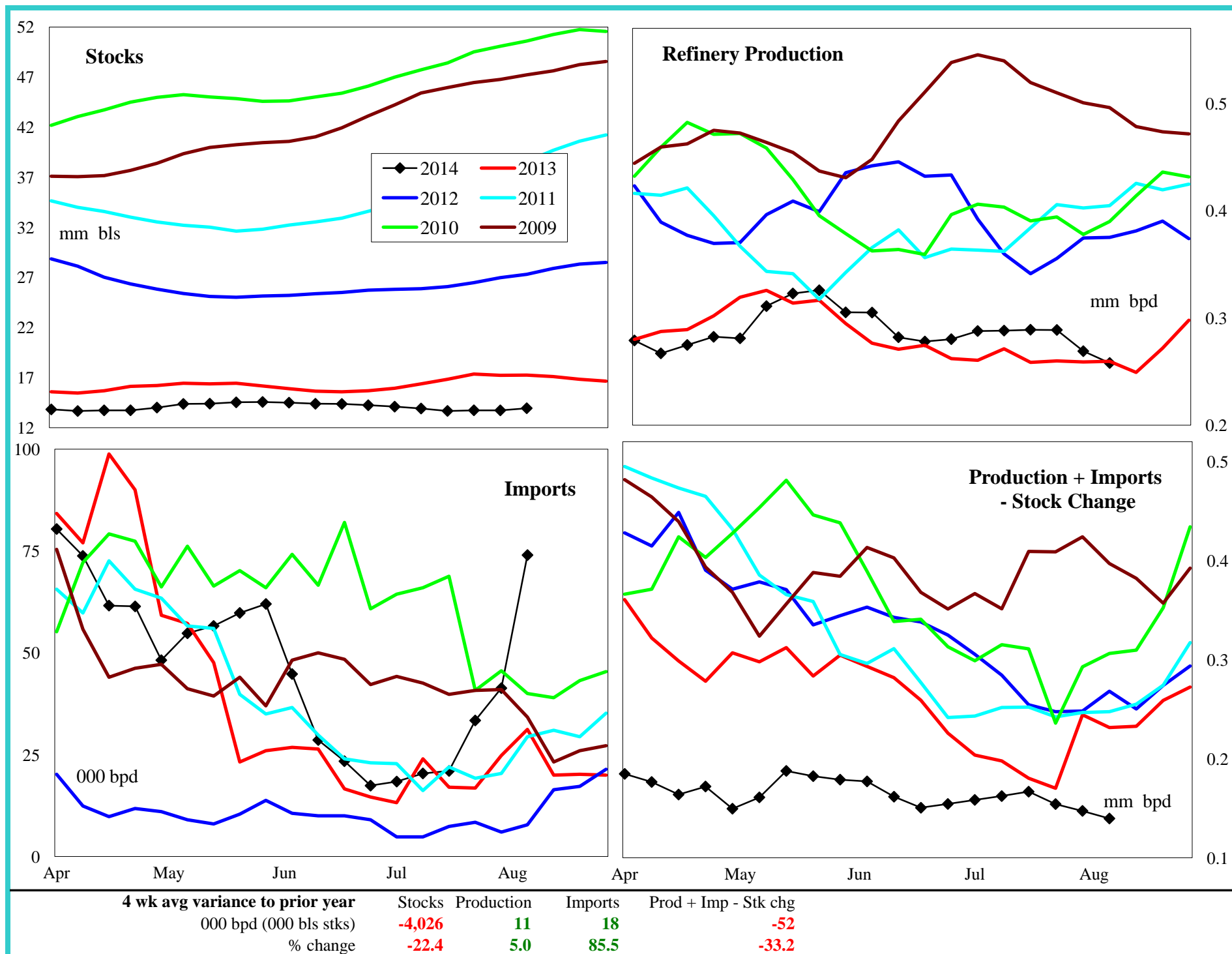
United States Distillate Supply and Demand Balance



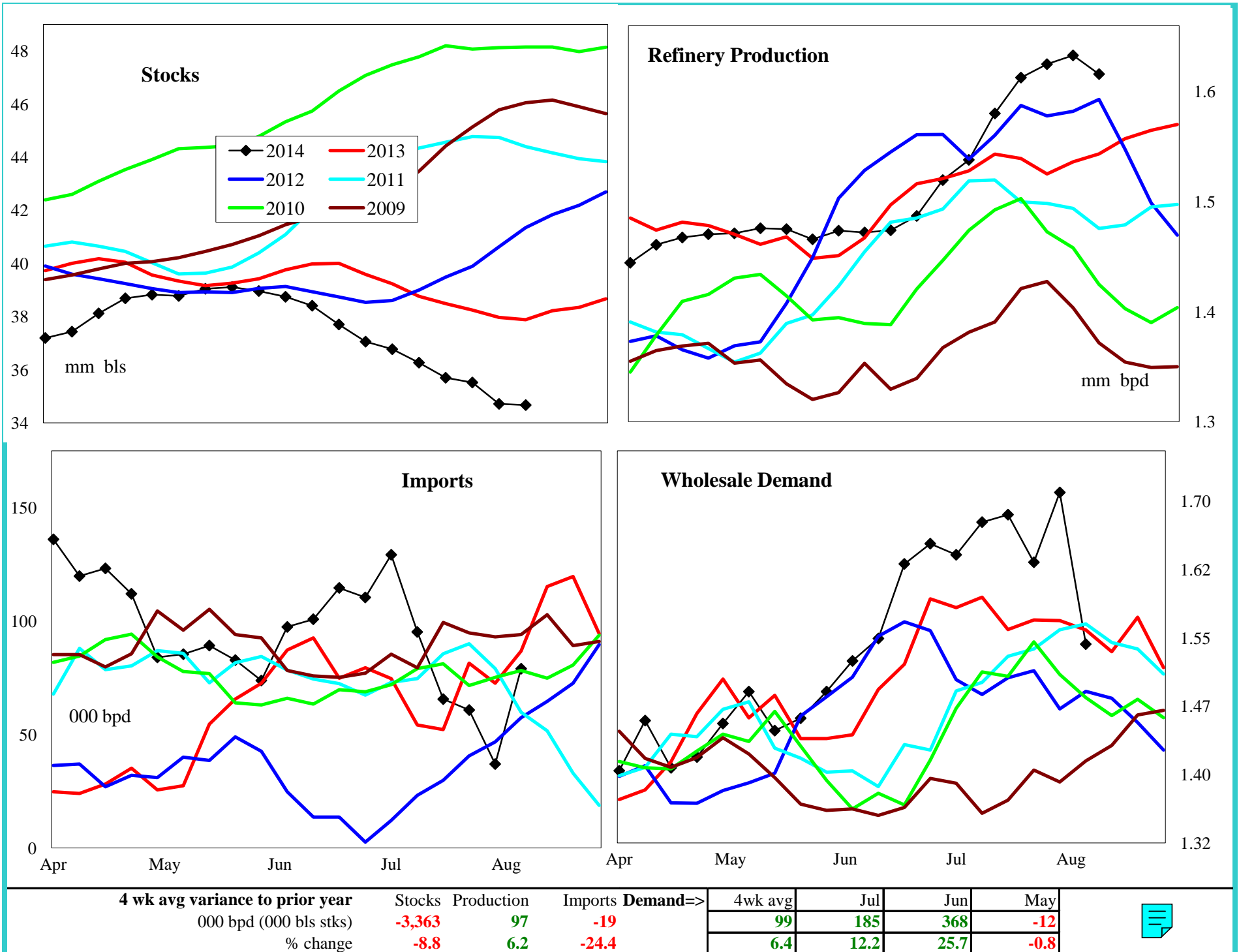
United States Low Sulfur Distillate Supply



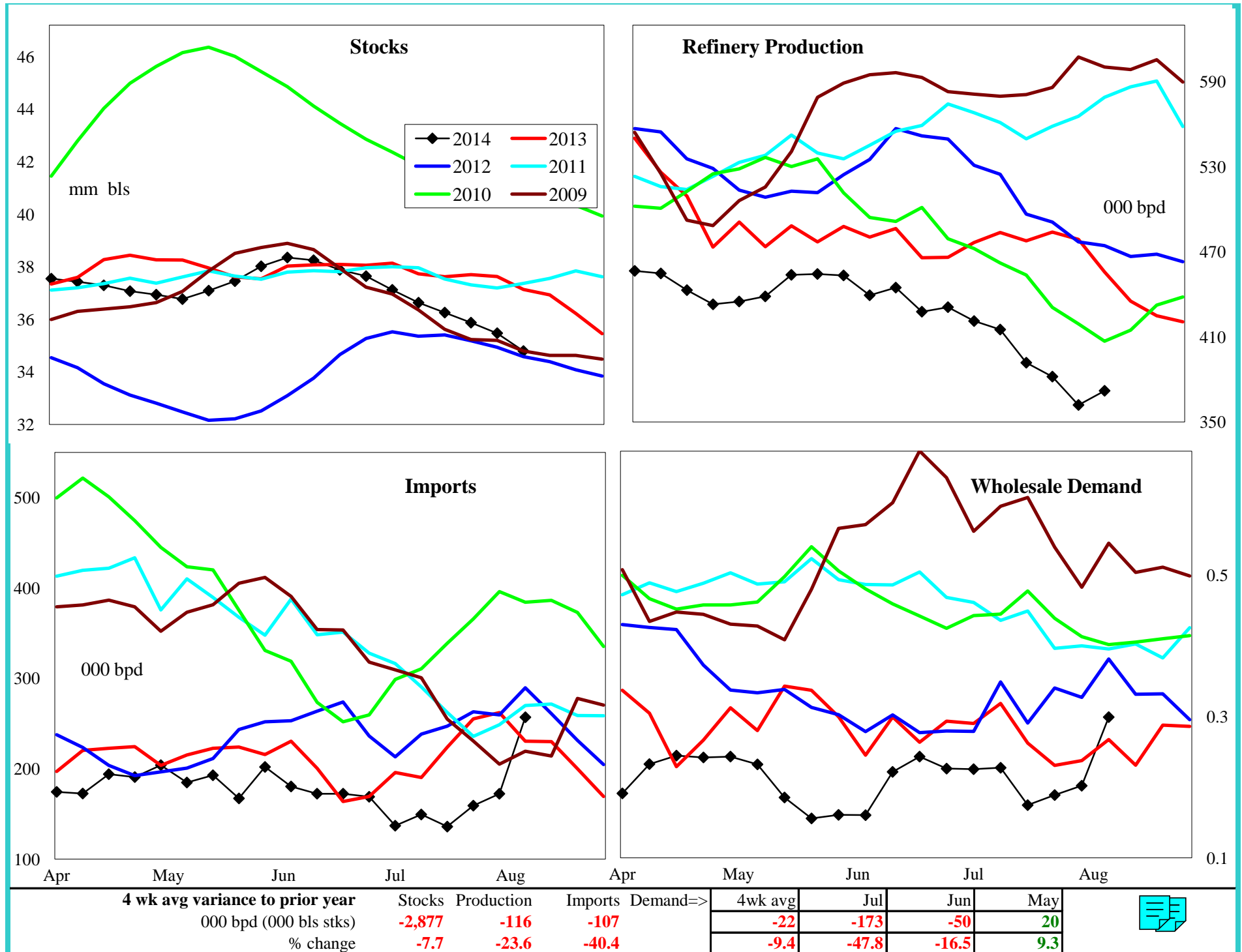
United States High Sulfur Distillate Supply



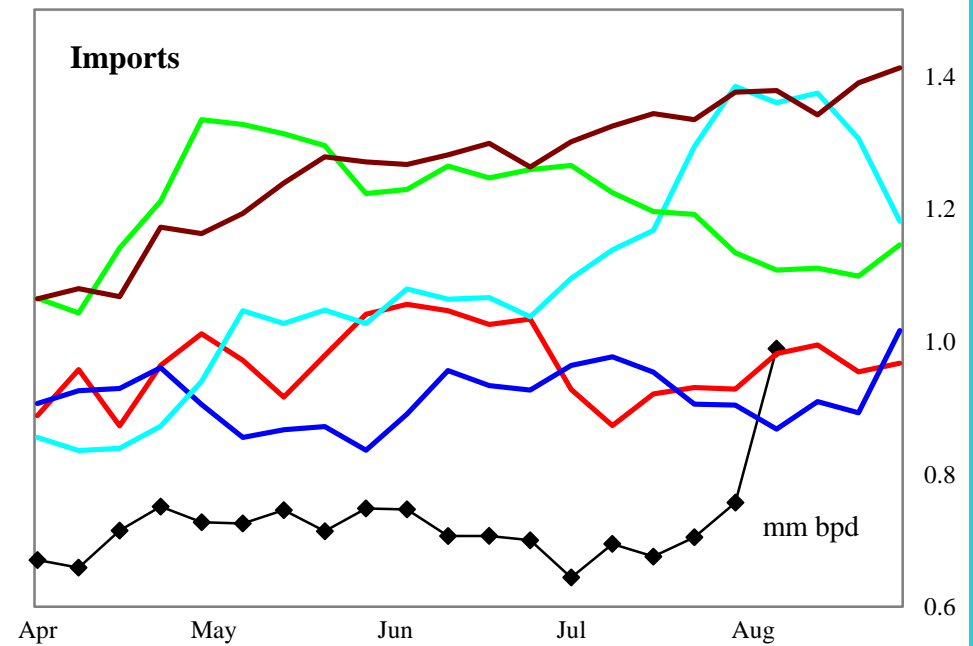
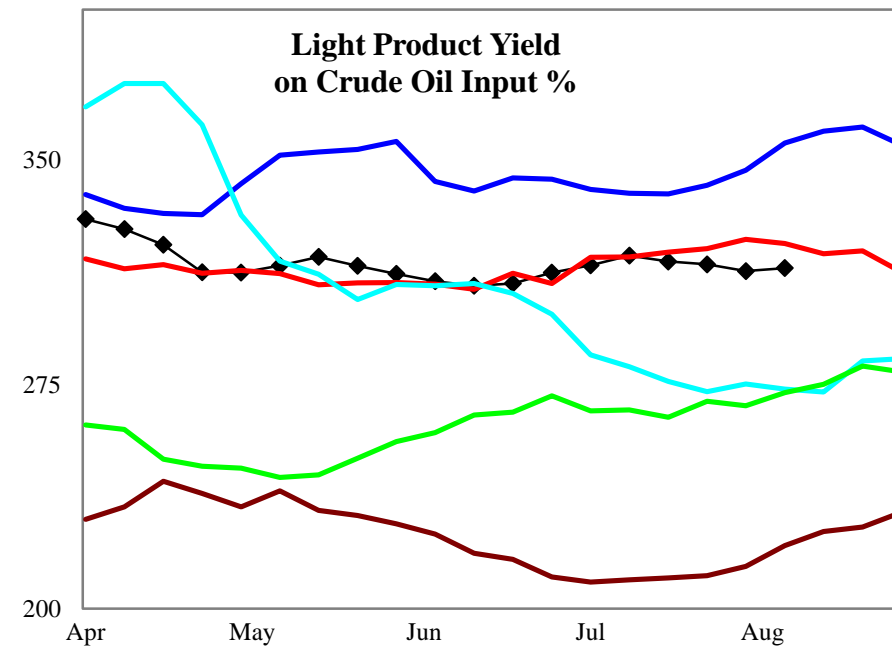
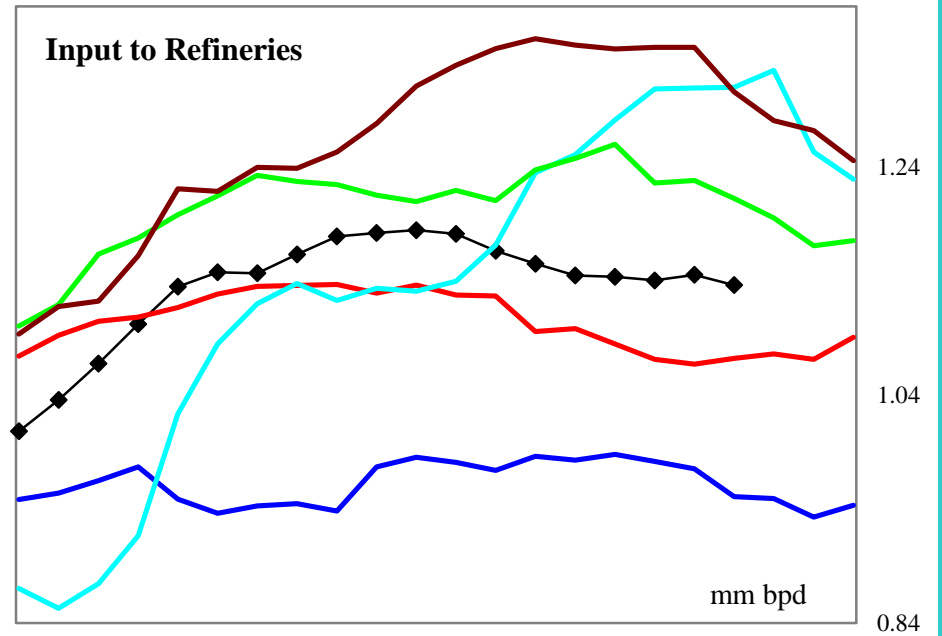
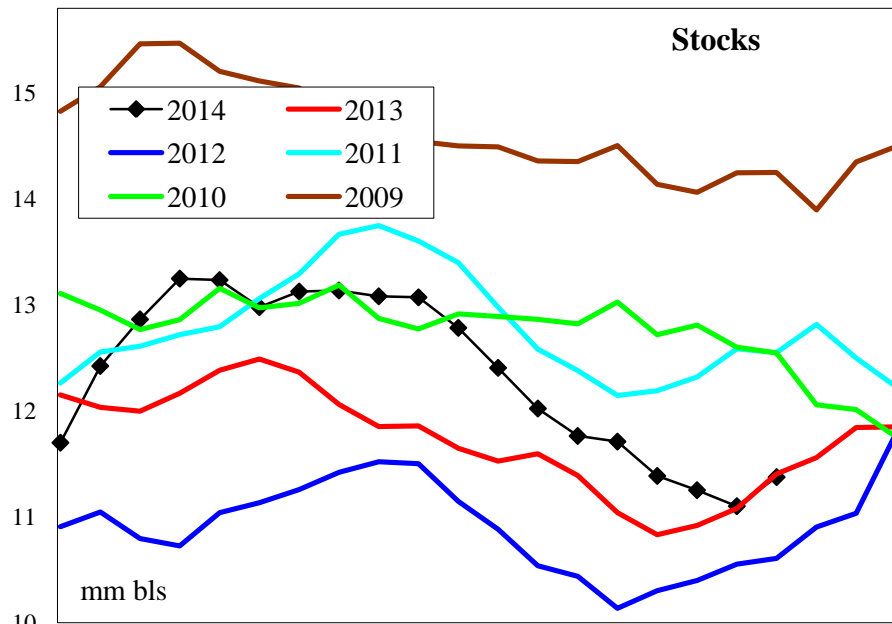
United States Jet Fuel Supply and Demand Balance



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

-30

-0.3

Input

87

8.2

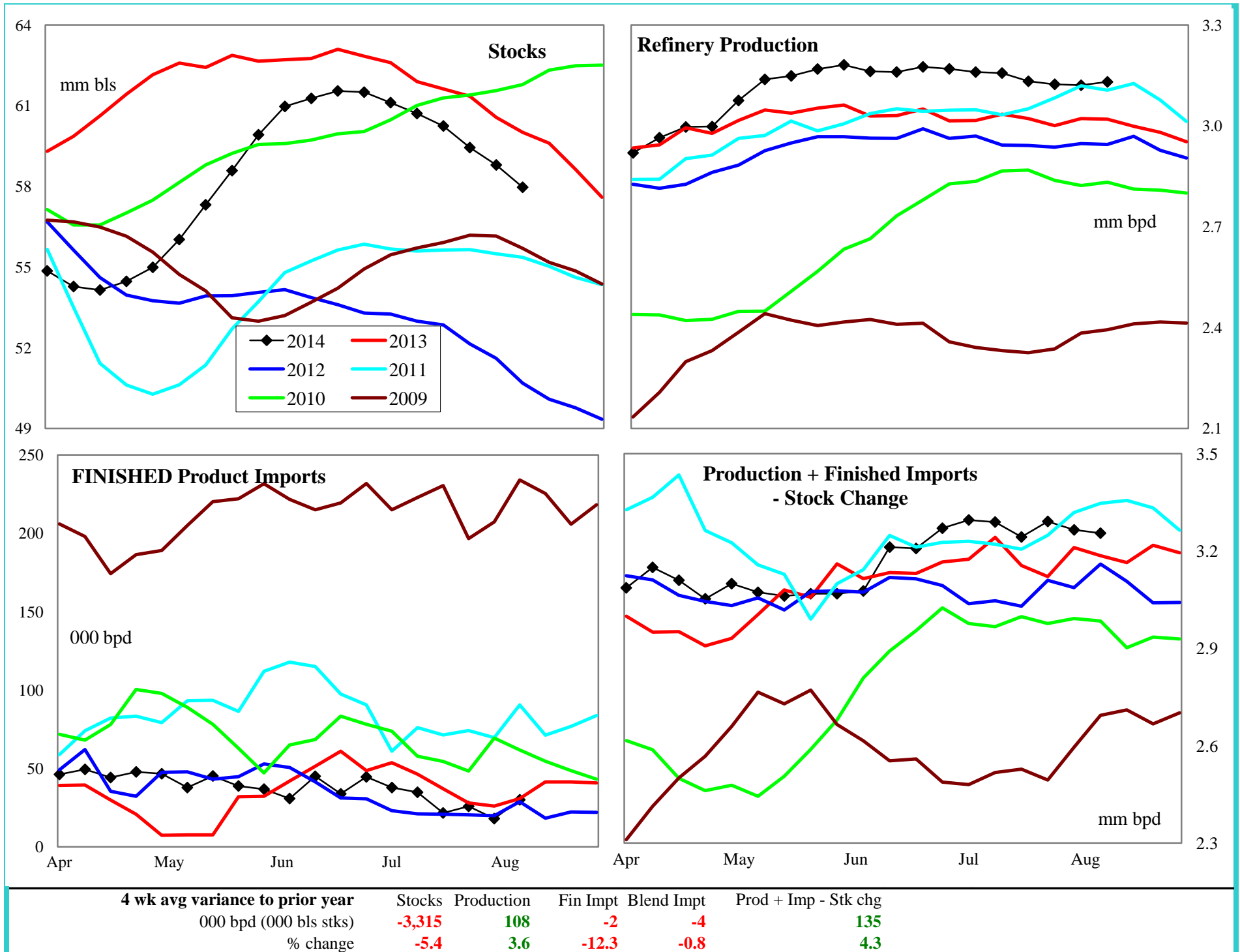
Imports

-204

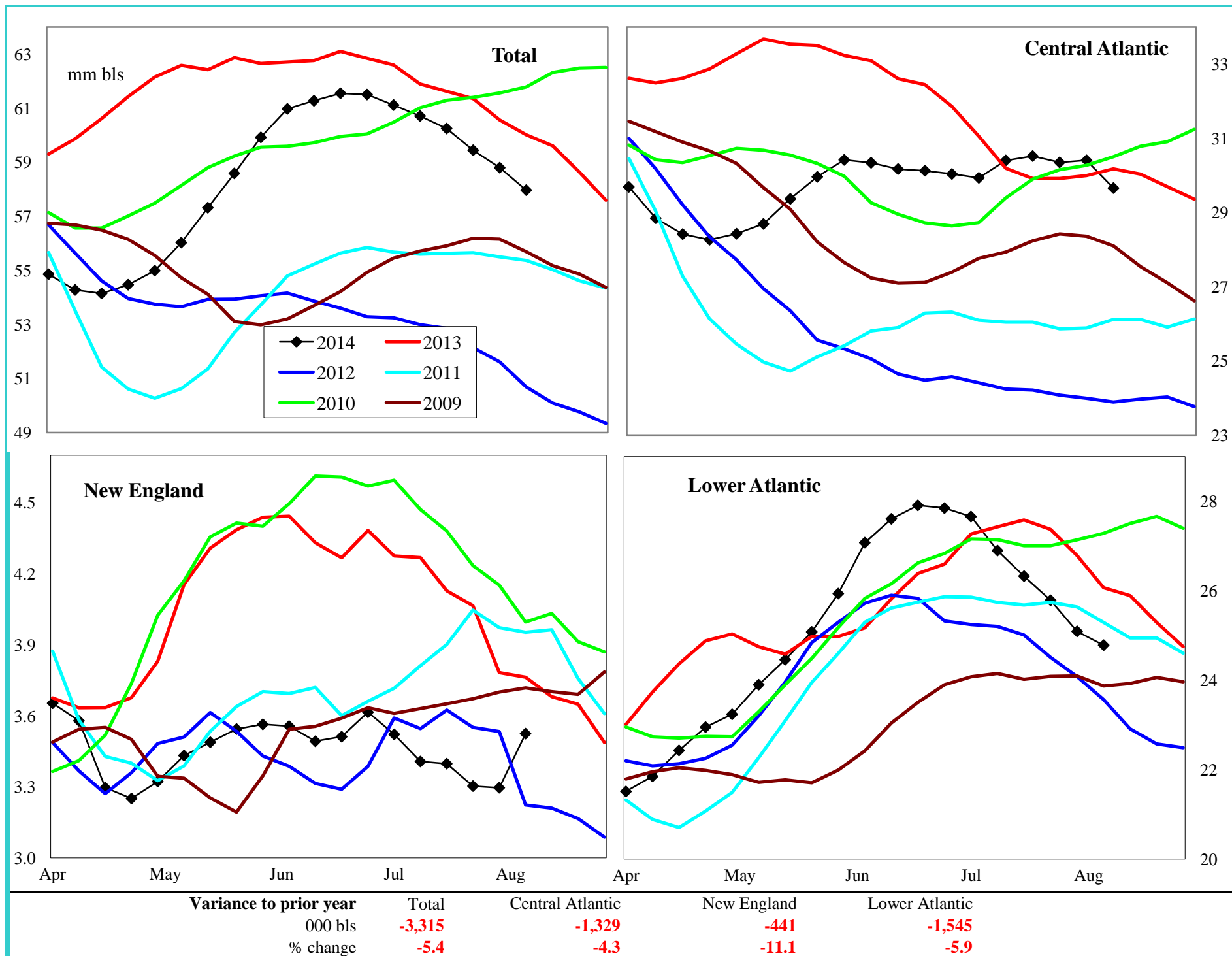
-22.0



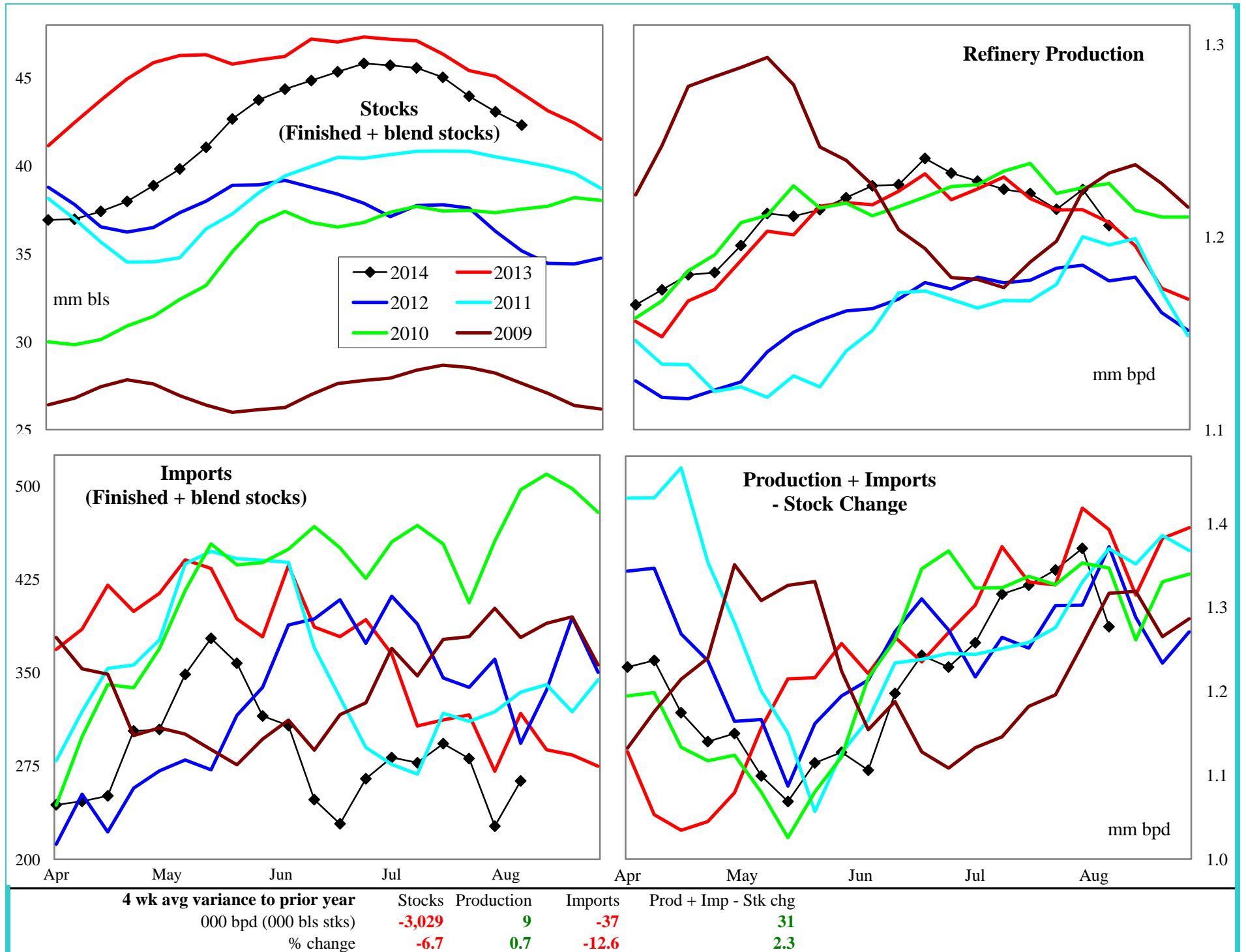
PADD 1 Gasoline Supply



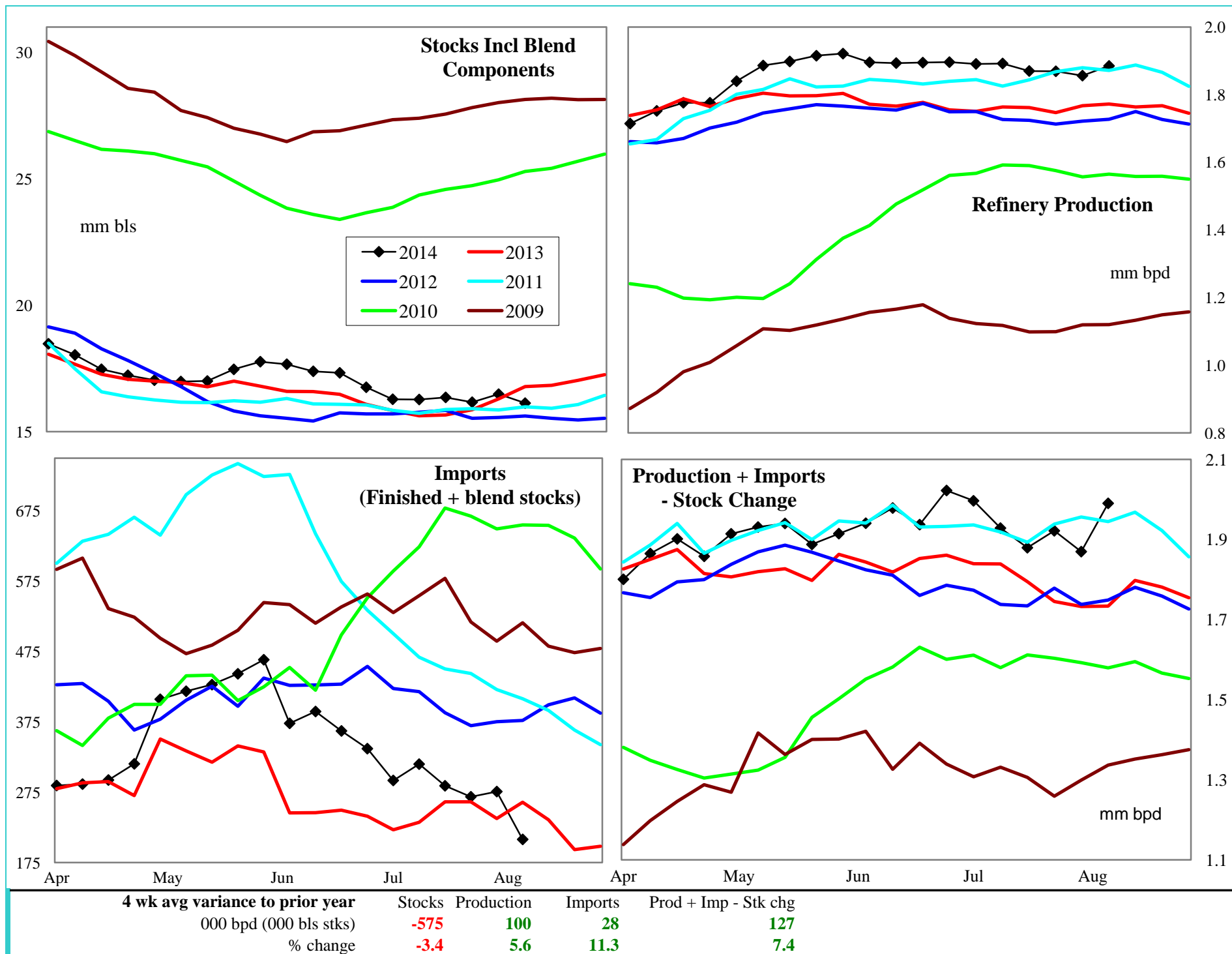
PADD 1 Gasoline Stocks by Region



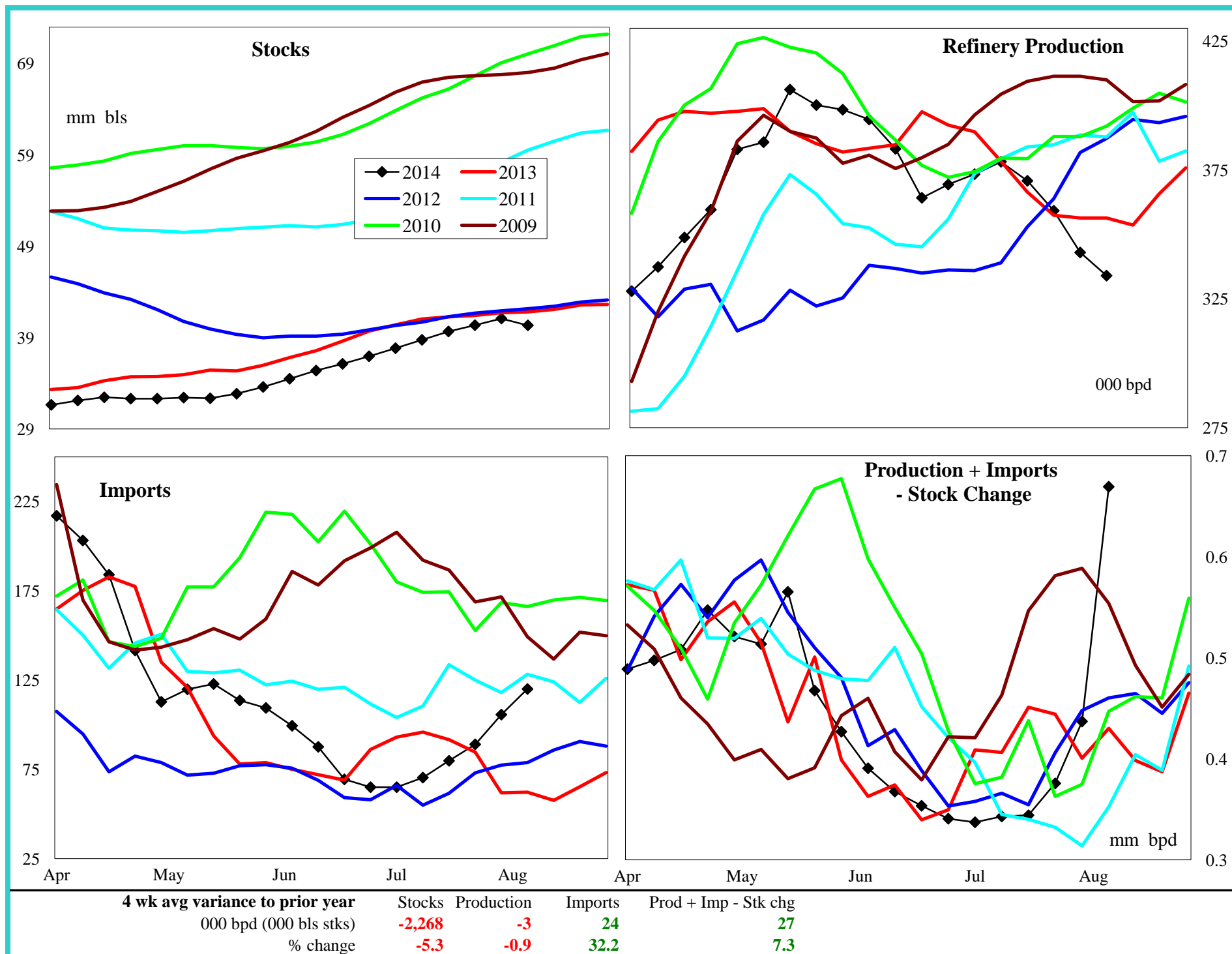
PADD 1 Reformulated Gasoline Supply



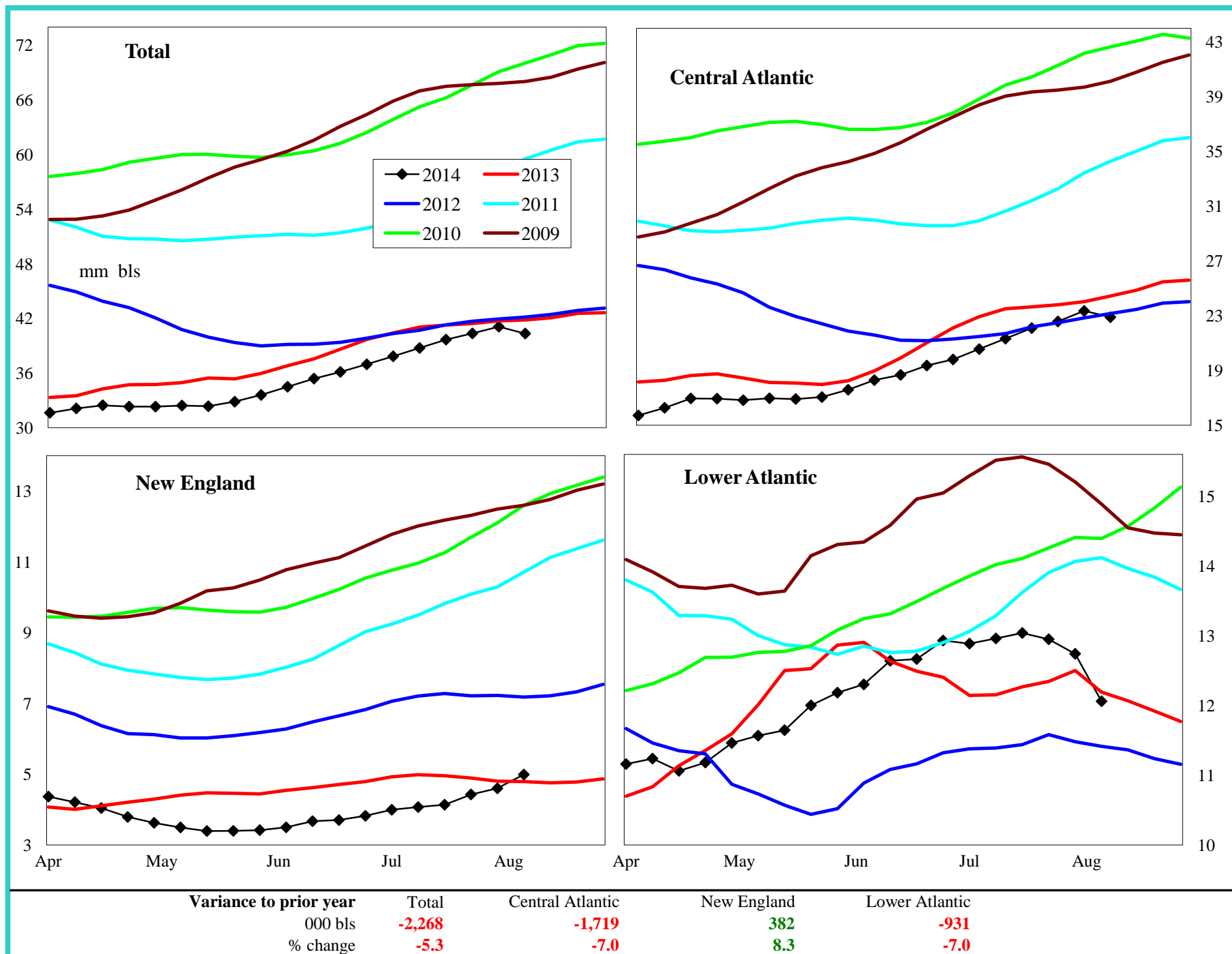
PADD 1 Conventional Gasoline Supply



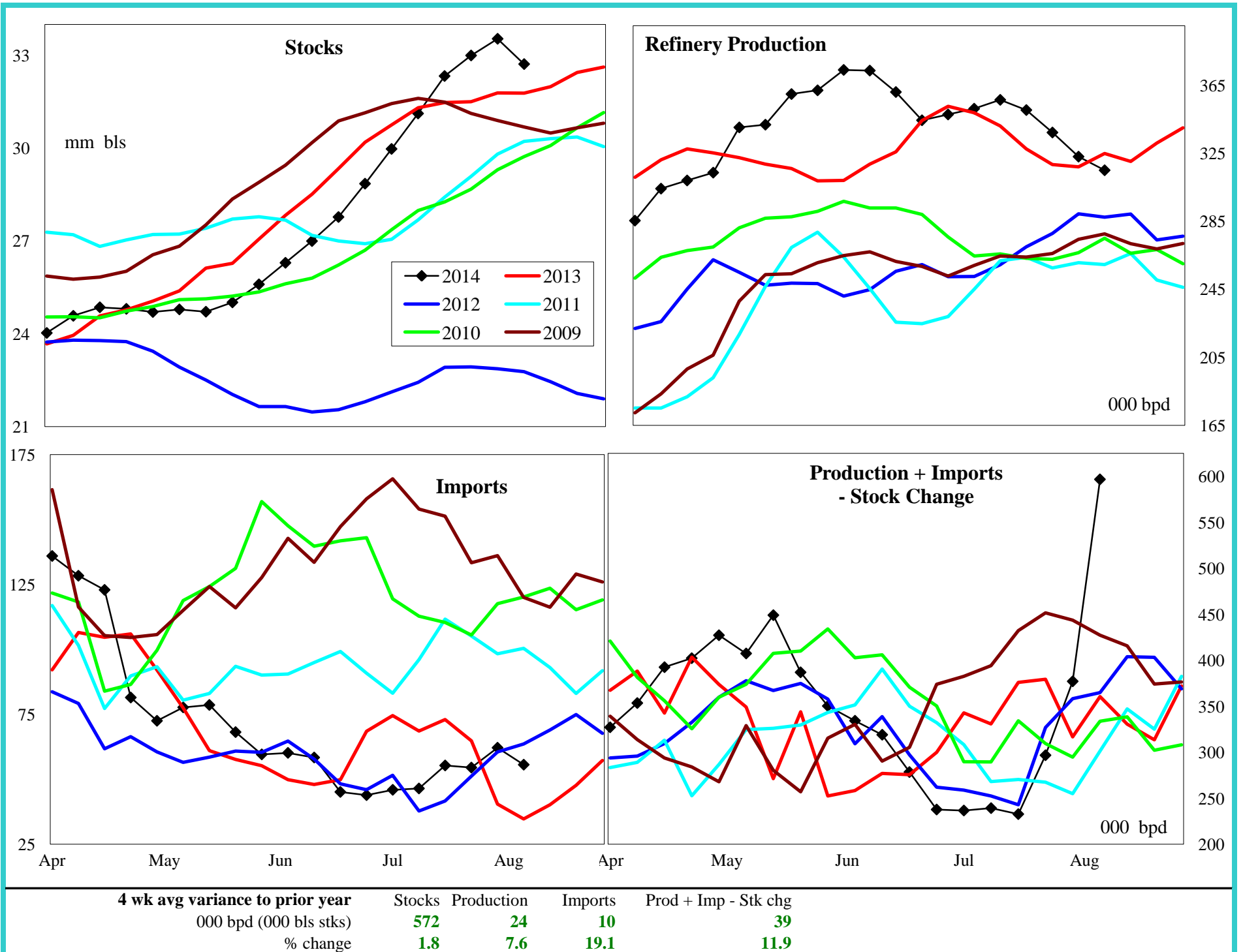
PADD 1 Distillate Supply



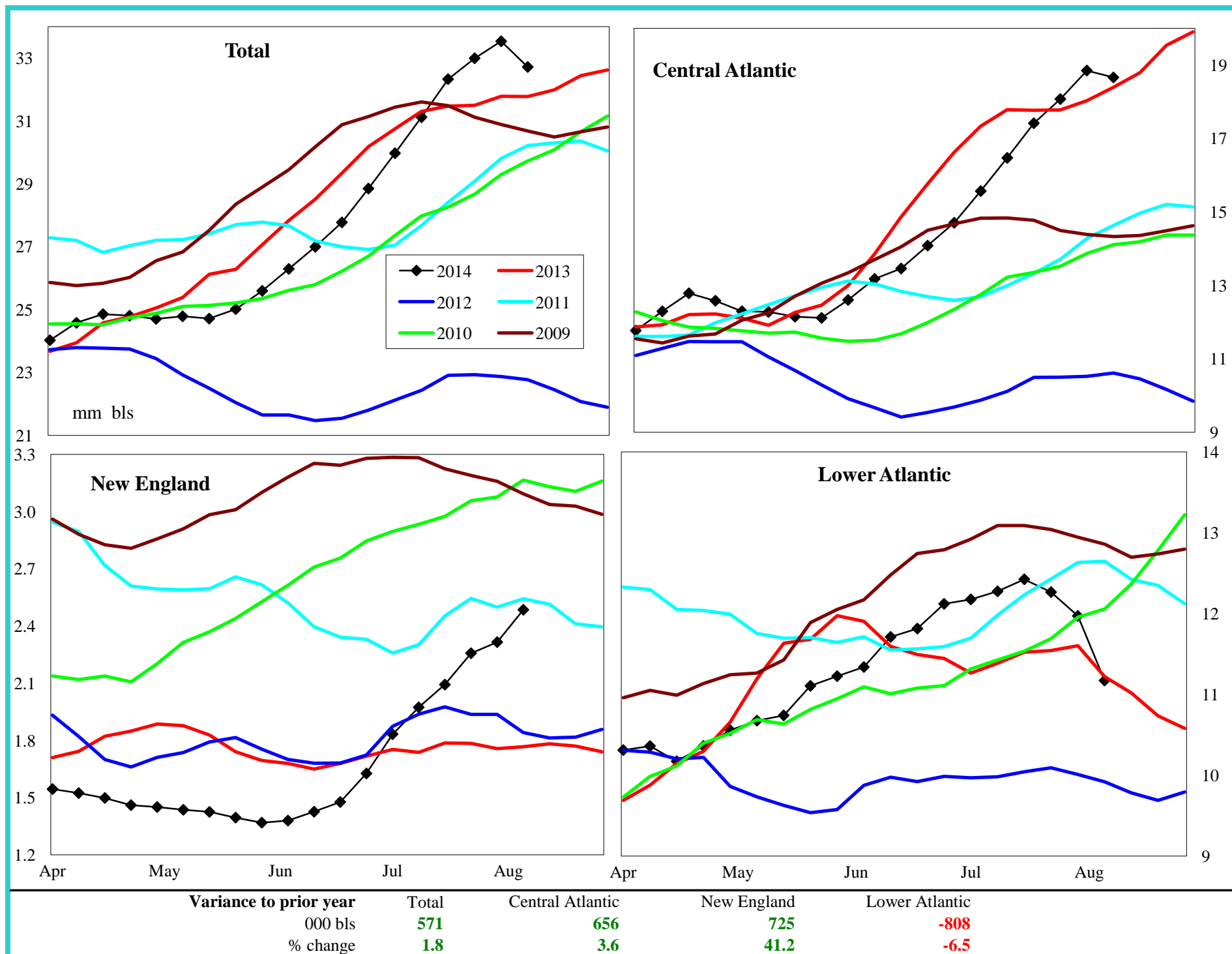
PADD 1 Distillate Stocks by Region



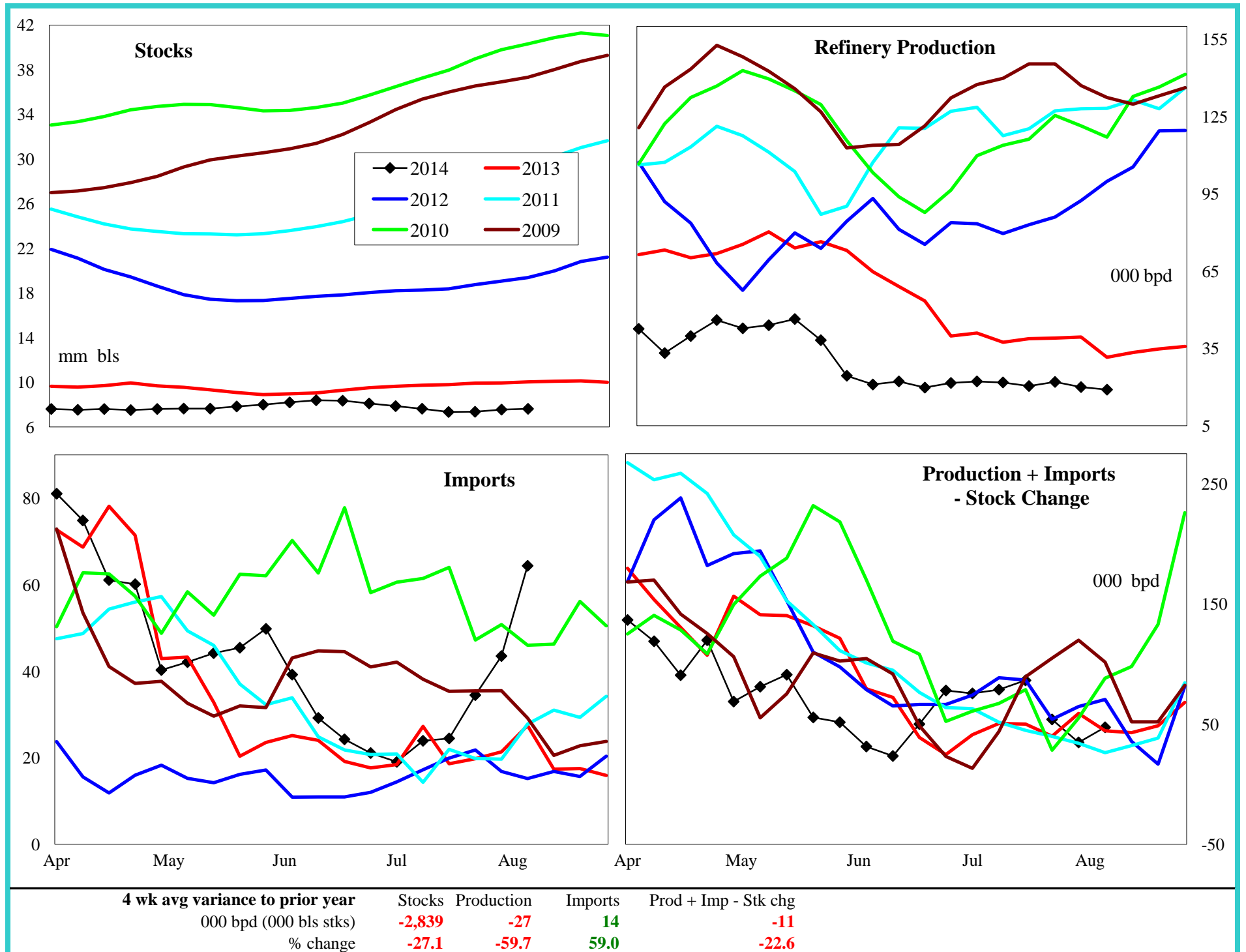
PADD 1 Low Sulfur Distillate Supply



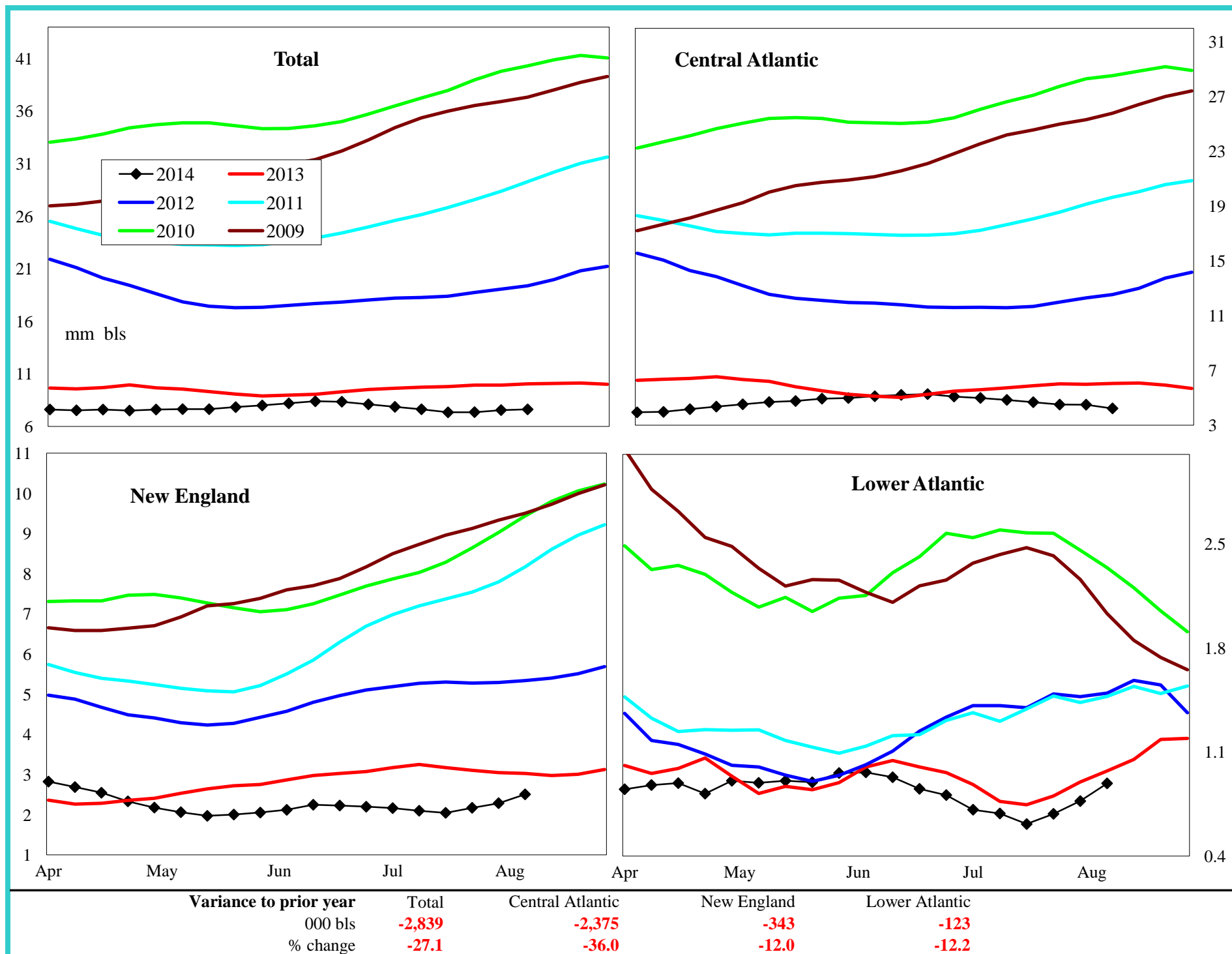
PADD 1 Low Sulfur Distillate Stocks by Region



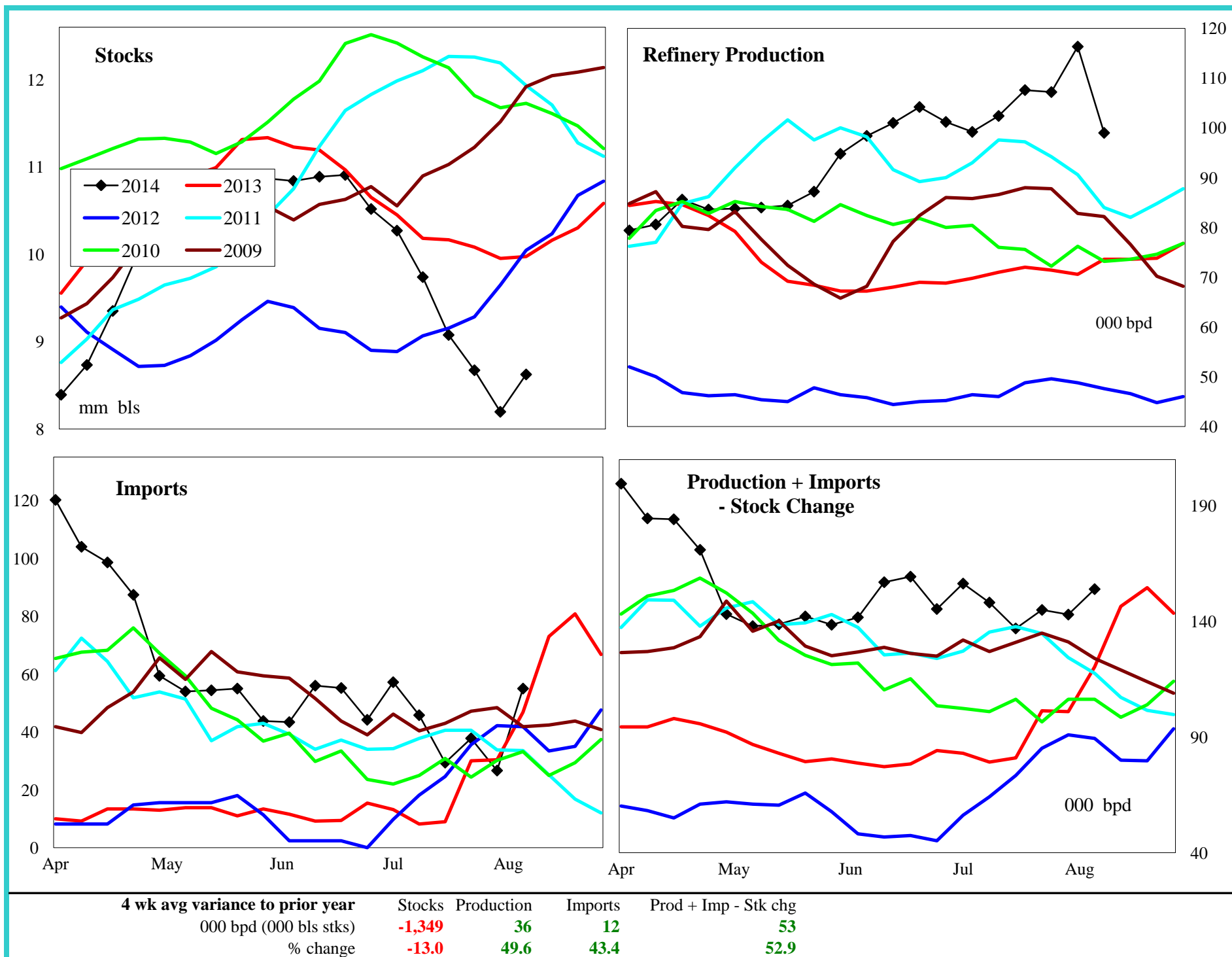
PADD 1 High Sulfur Distillate Supply



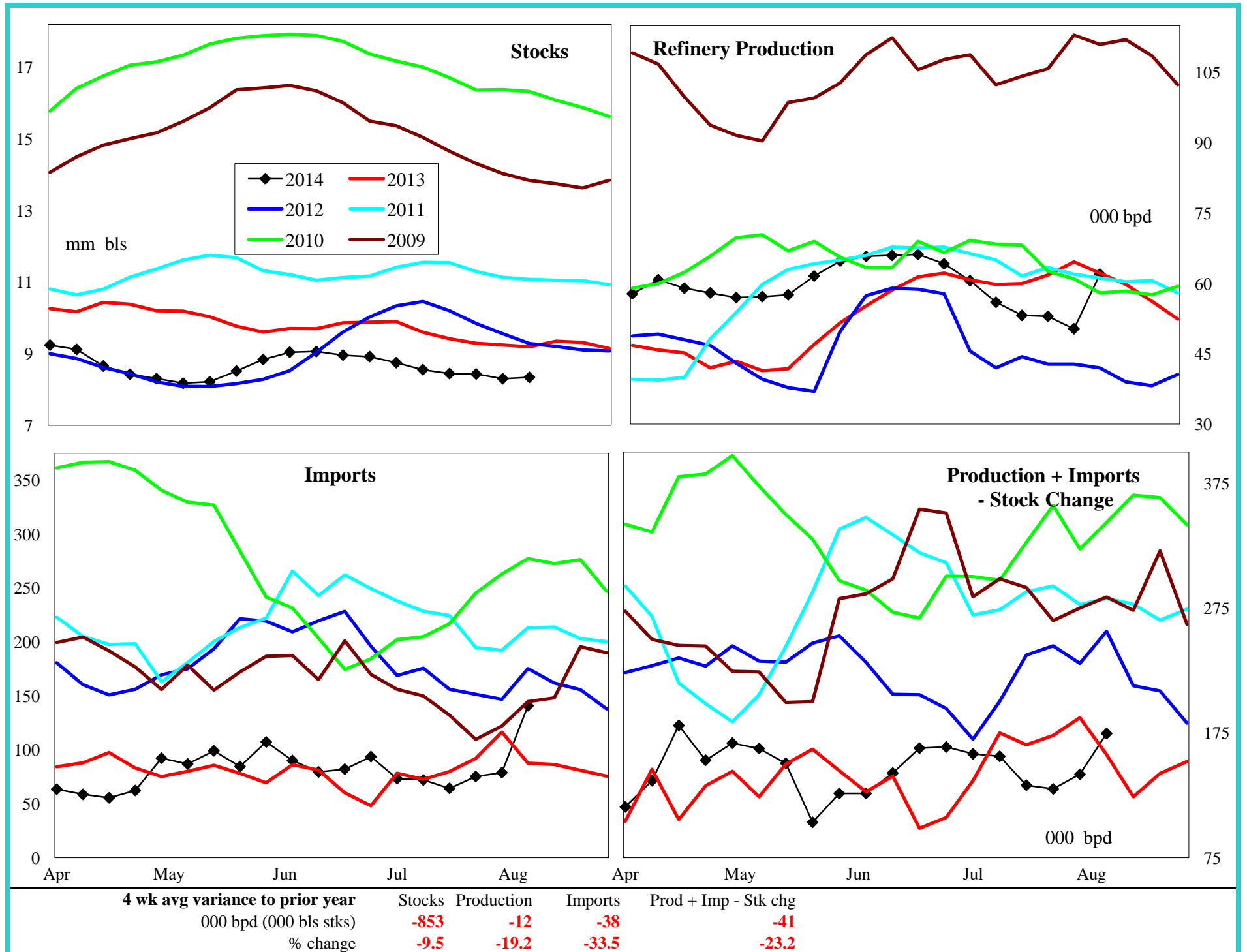
PADD 1 High Sulfur Distillate Stocks by Region



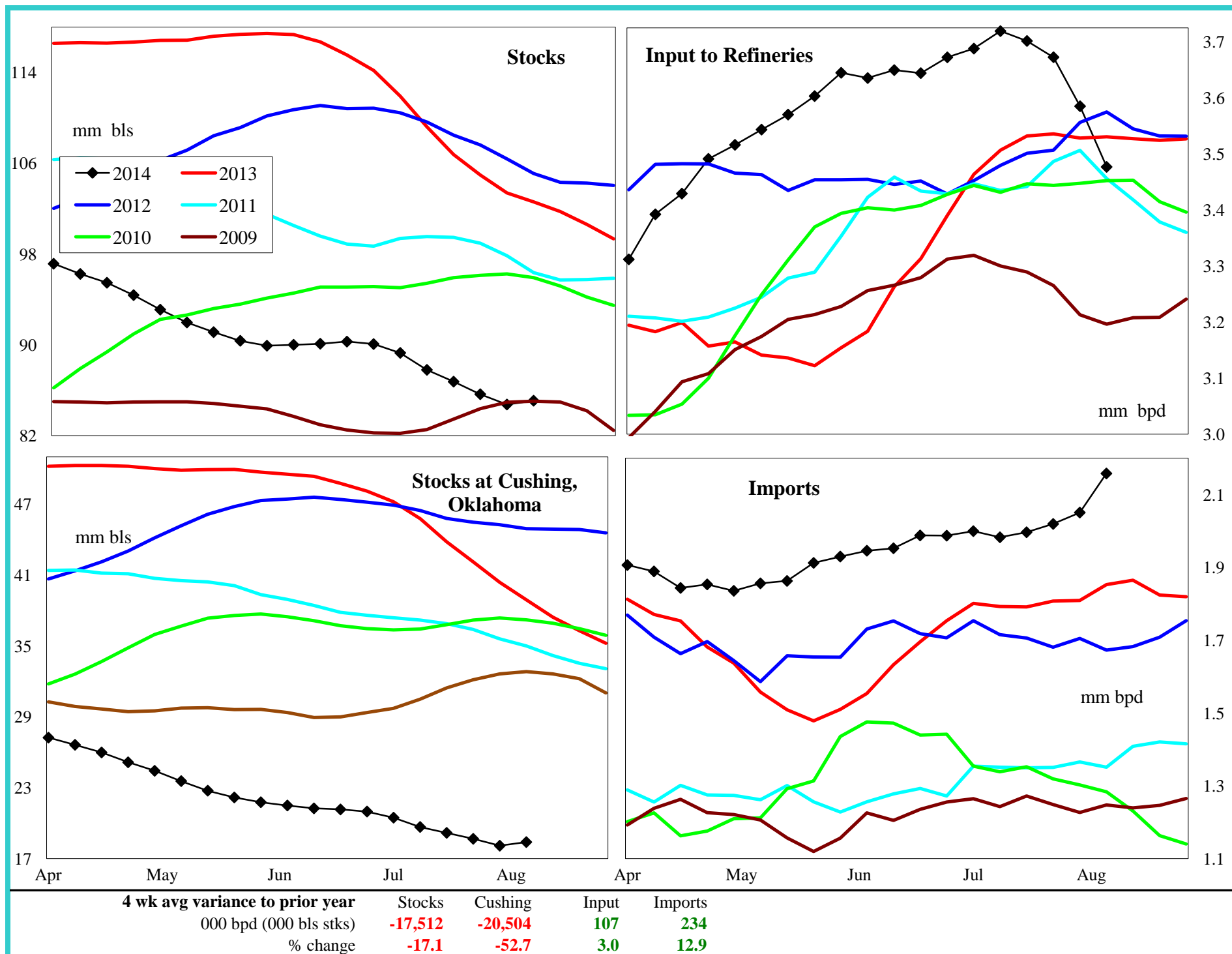
PADD 1 Jet Fuel Supply



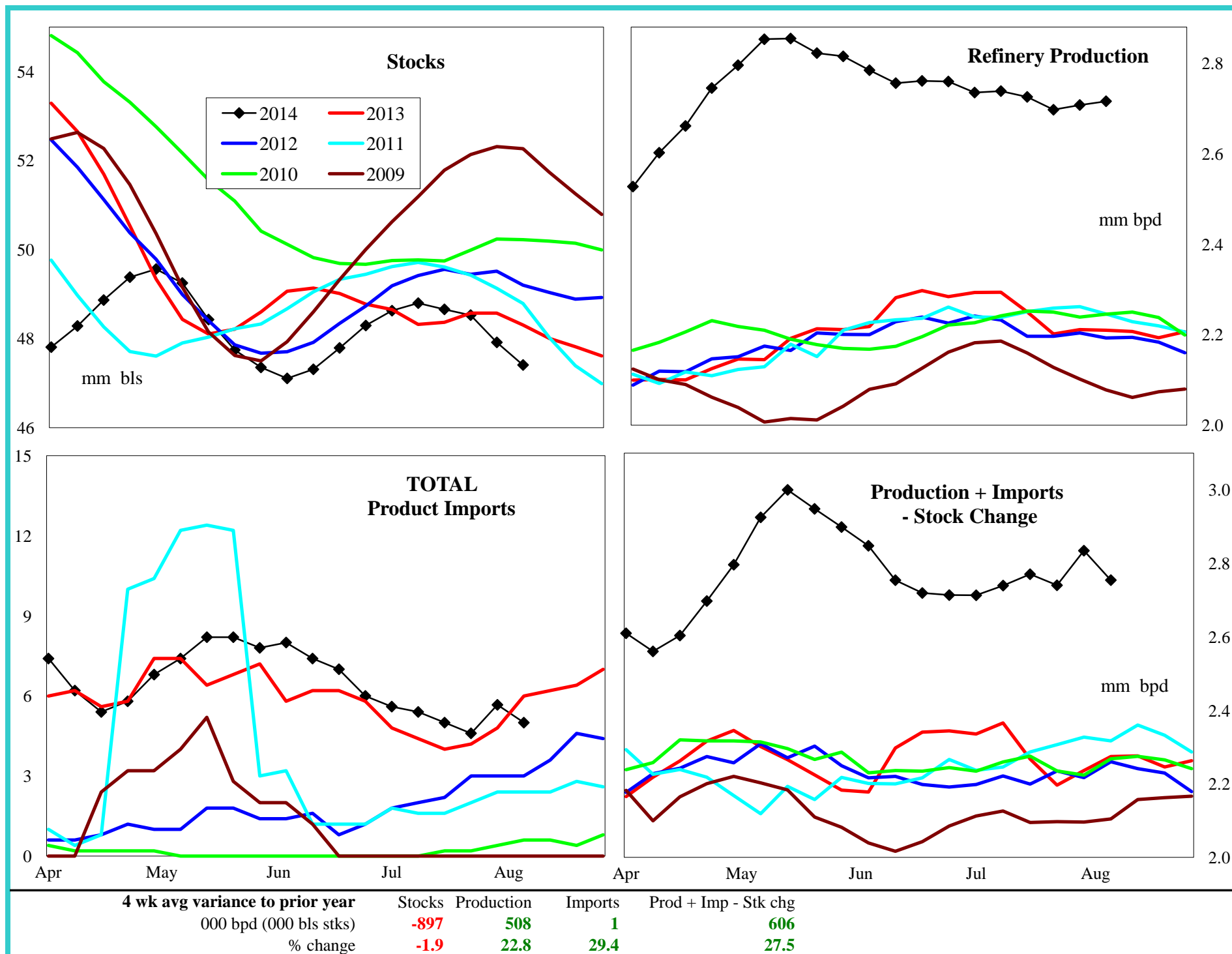
PADD 1 Residual Fuel Oil Supply



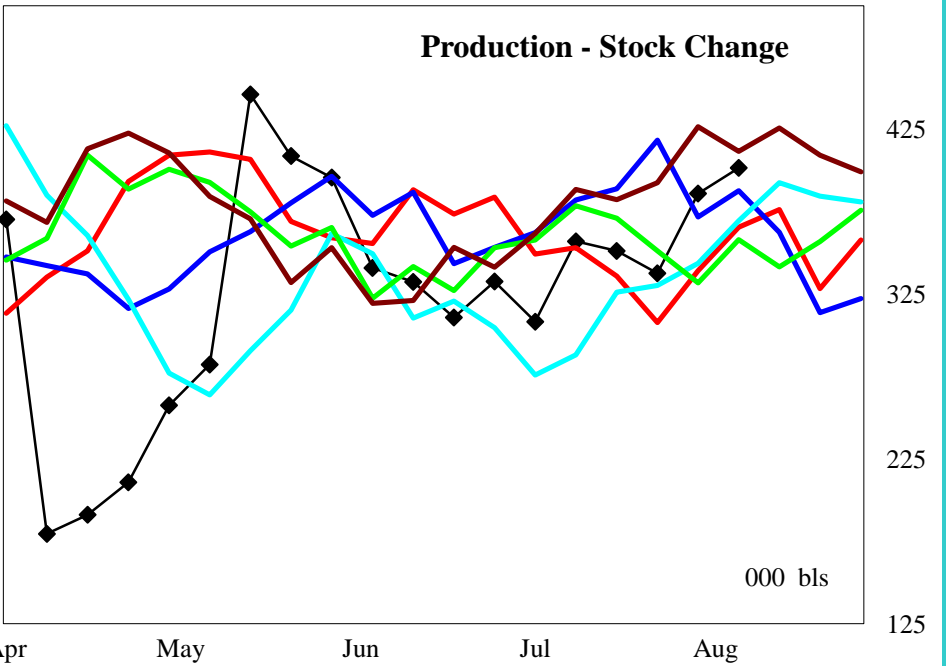
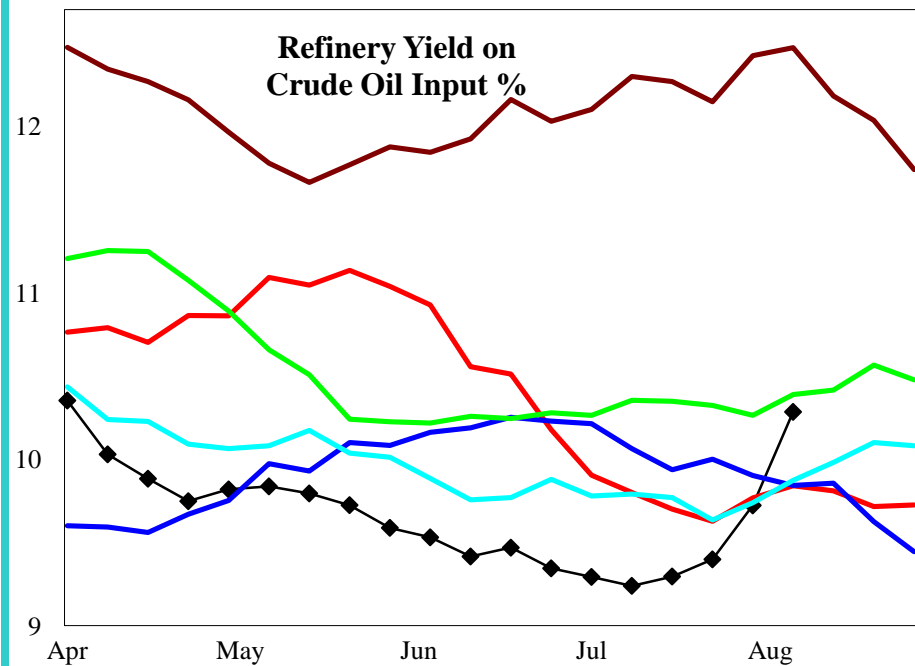
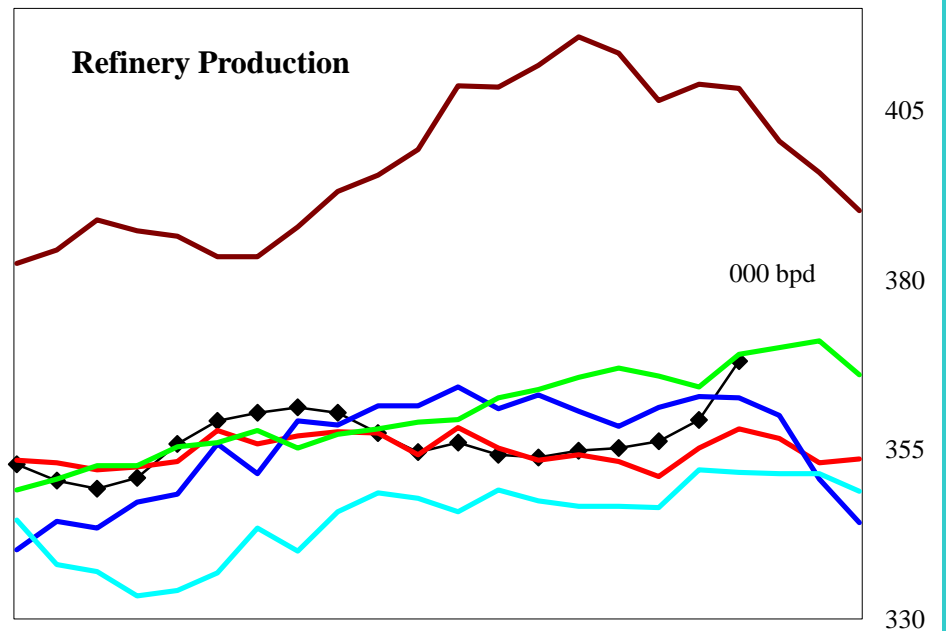
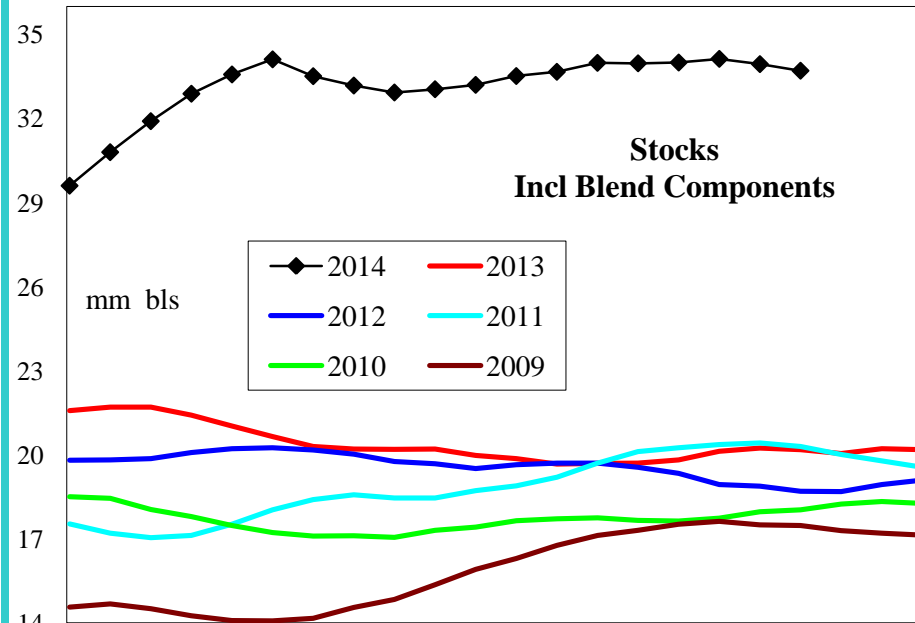
PADD 2 Crude Oil Supply and Refining



PADD 2 Gasoline Supply



PADD 2 Reformulated Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

Production

13,527

5

67.0

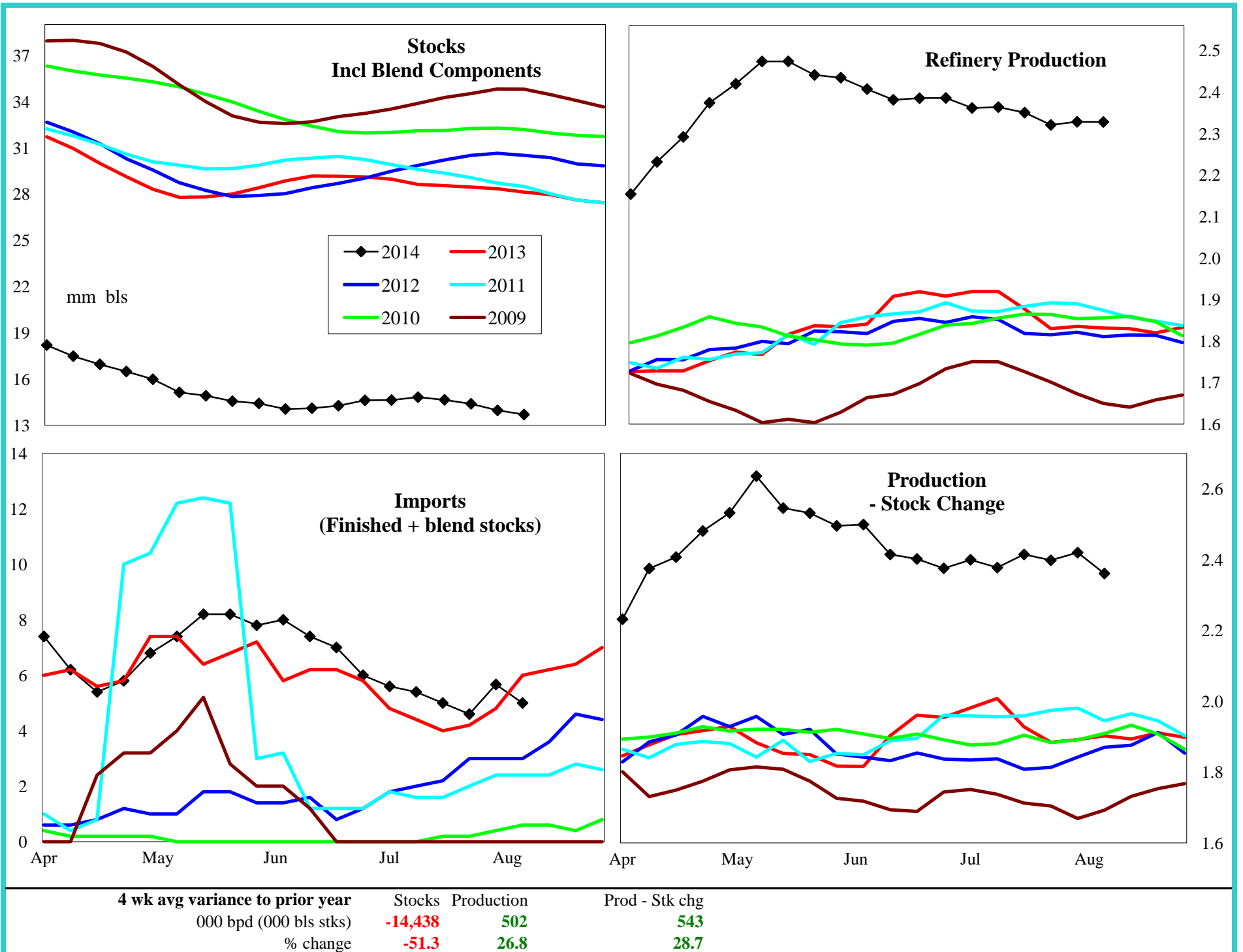
1.5

Prod - Stk chg

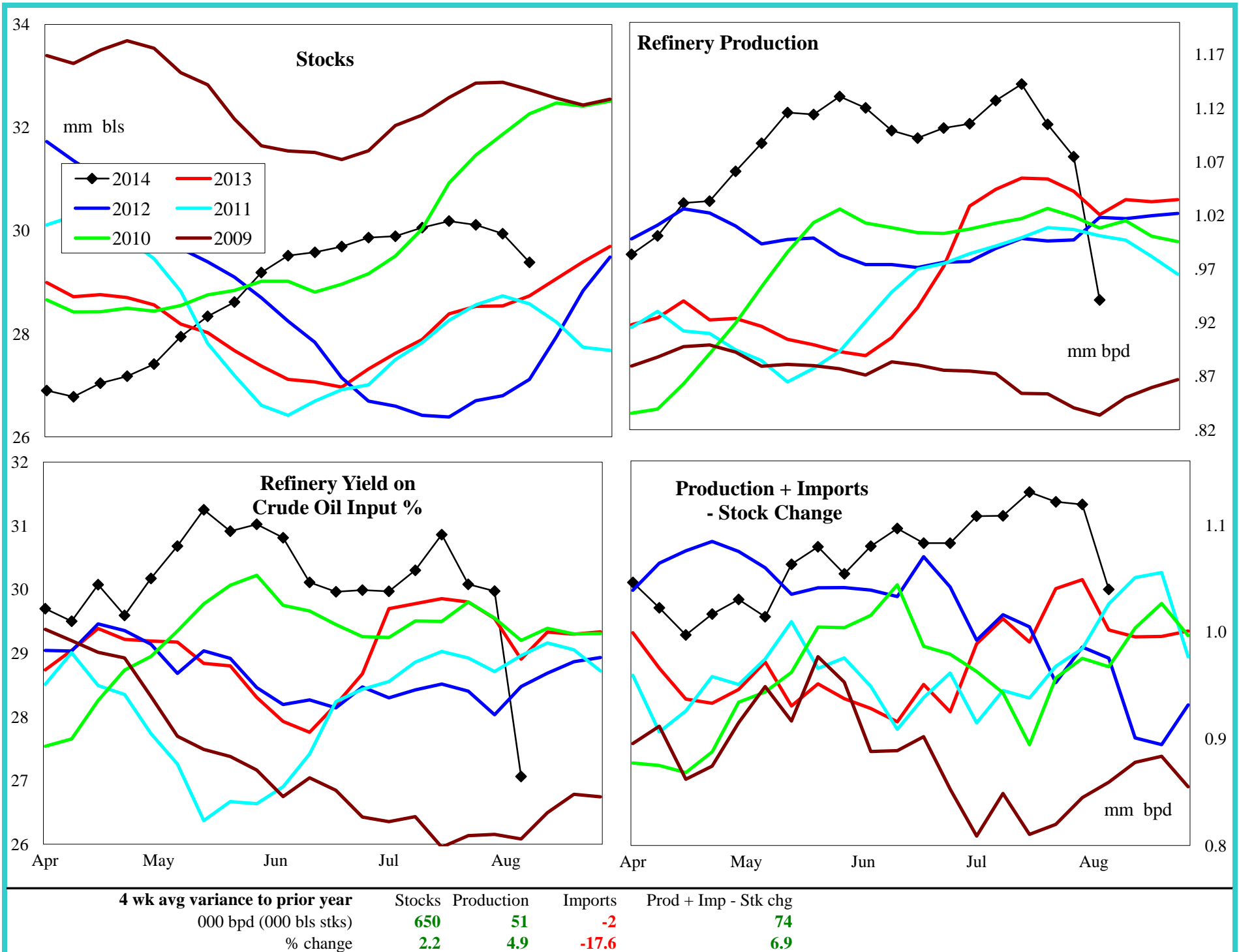
32

9.5

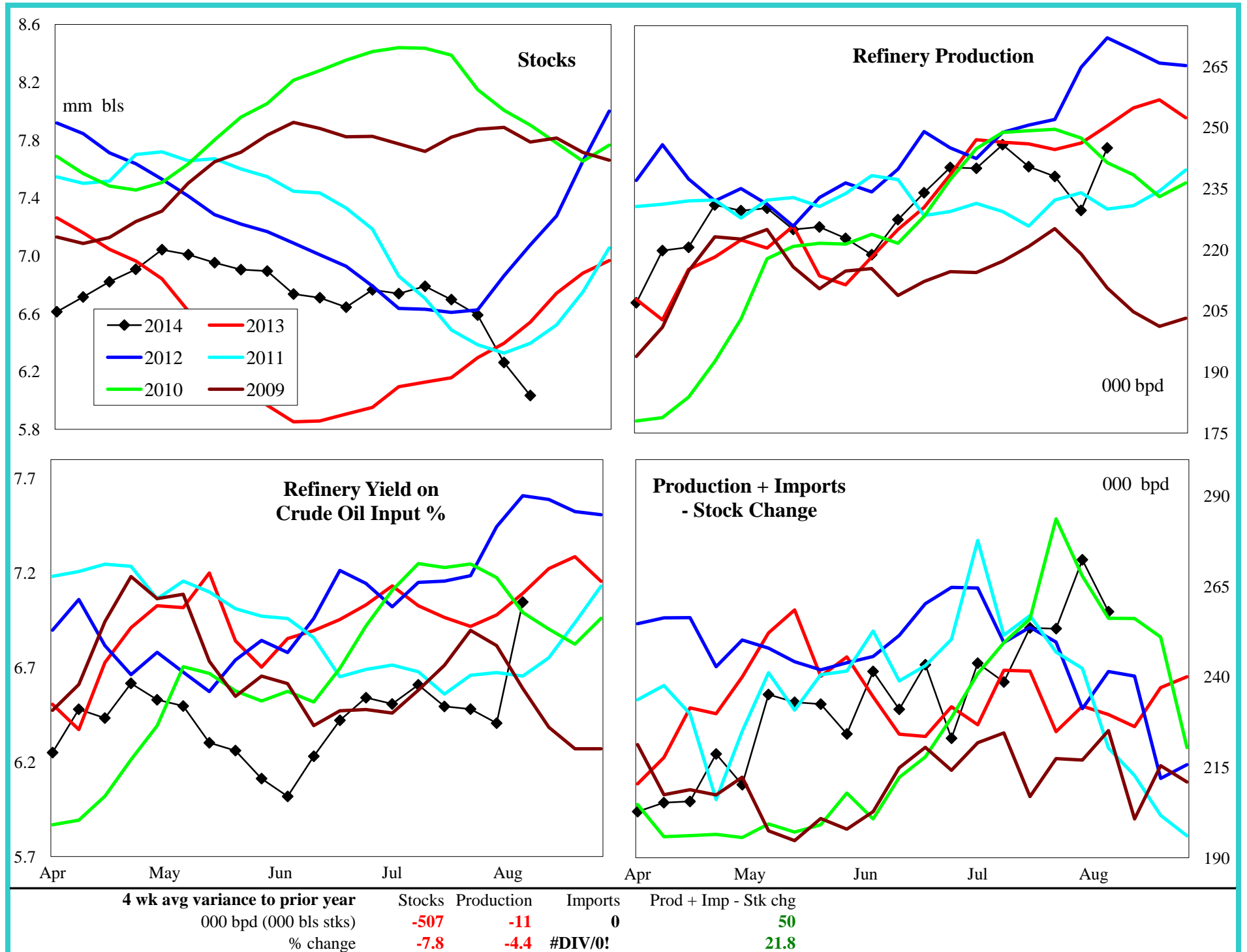
PADD 2 Conventional Gasoline Supply



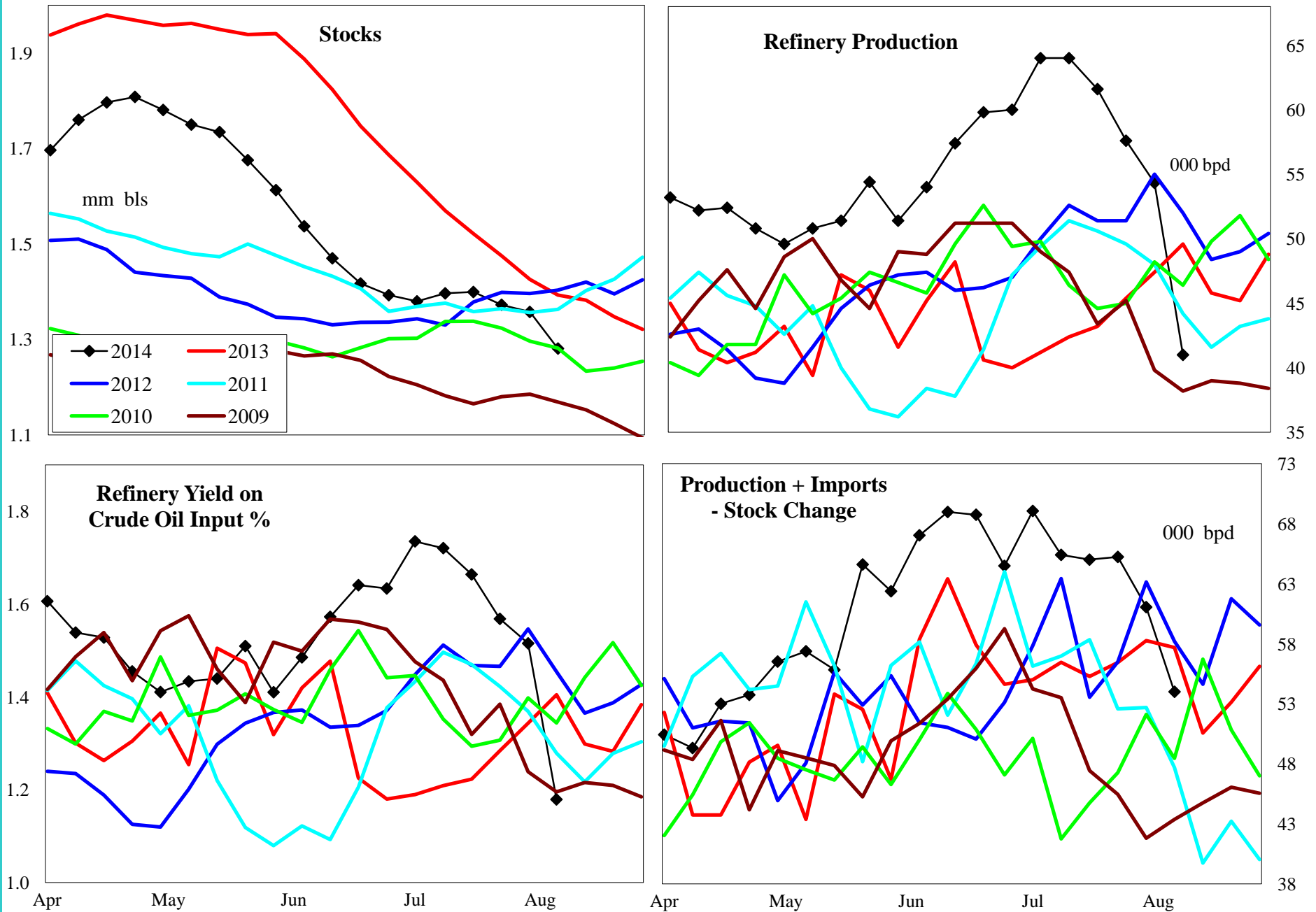
PADD 2 Distillate Supply



PADD 2 Jet Fuel Supply



PADD 2 Residual Fuel Oil Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

-112

-8.0

Production

9

19.7

Imports

1

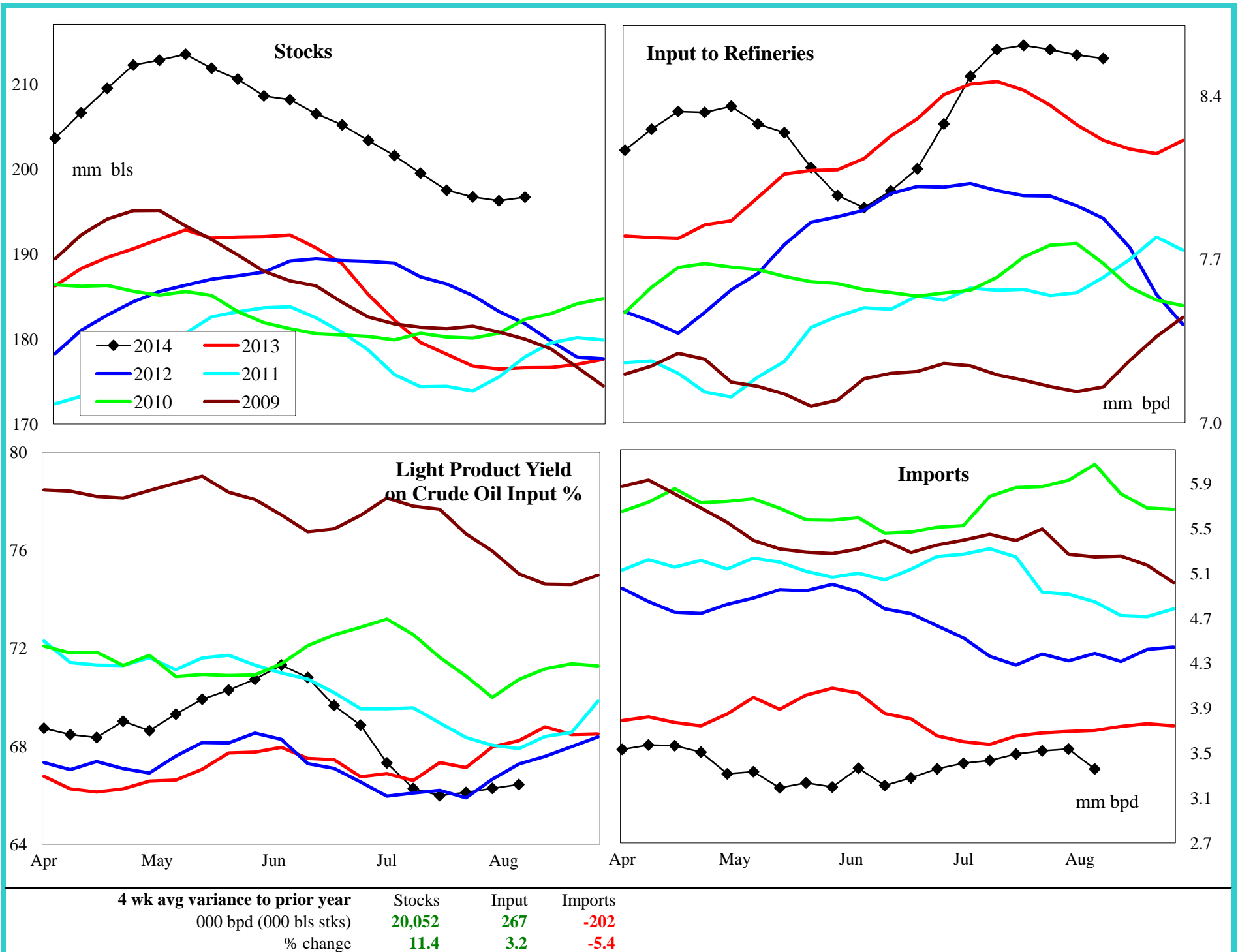
11.8

Prod + Imp - Stk chg

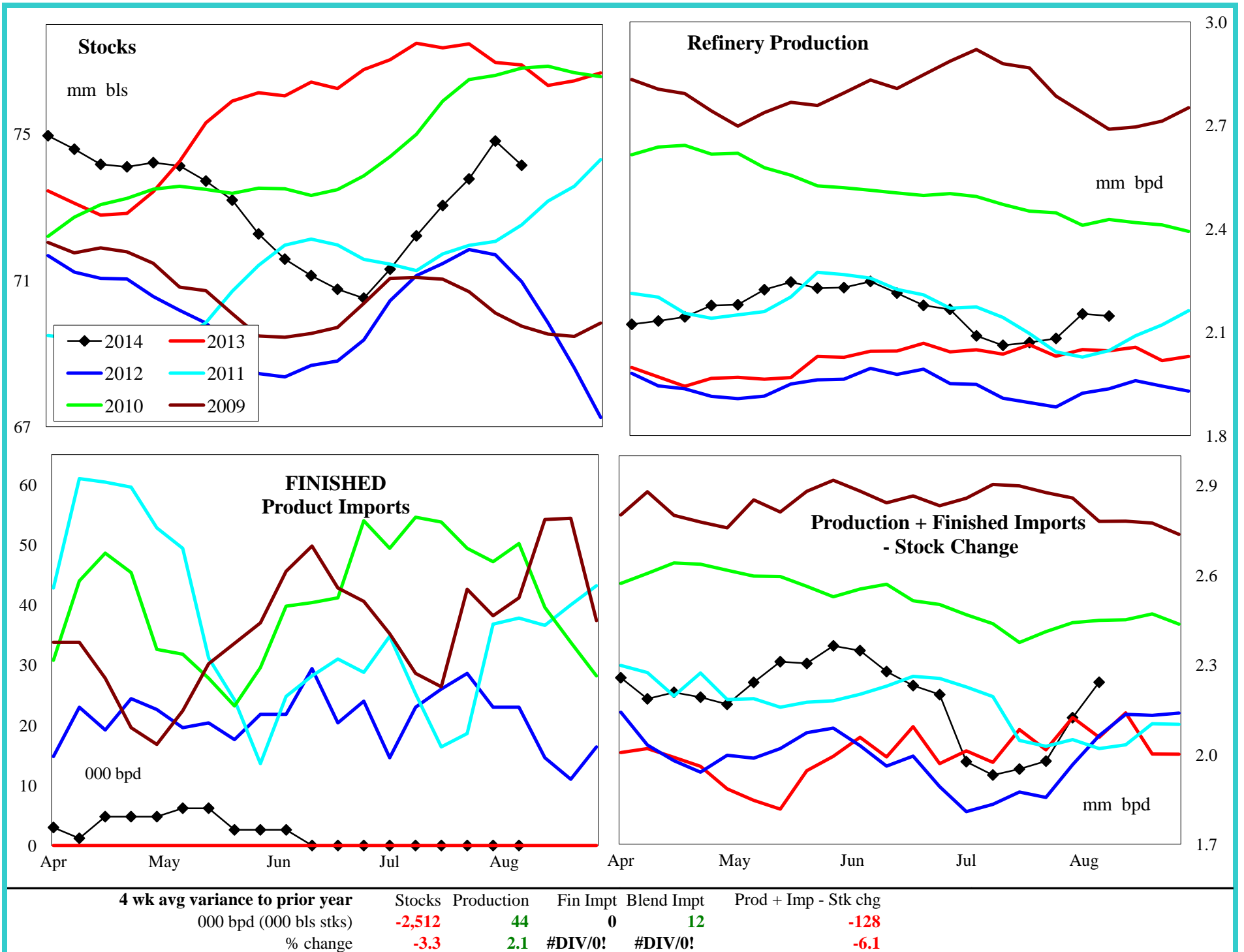
5

7.8

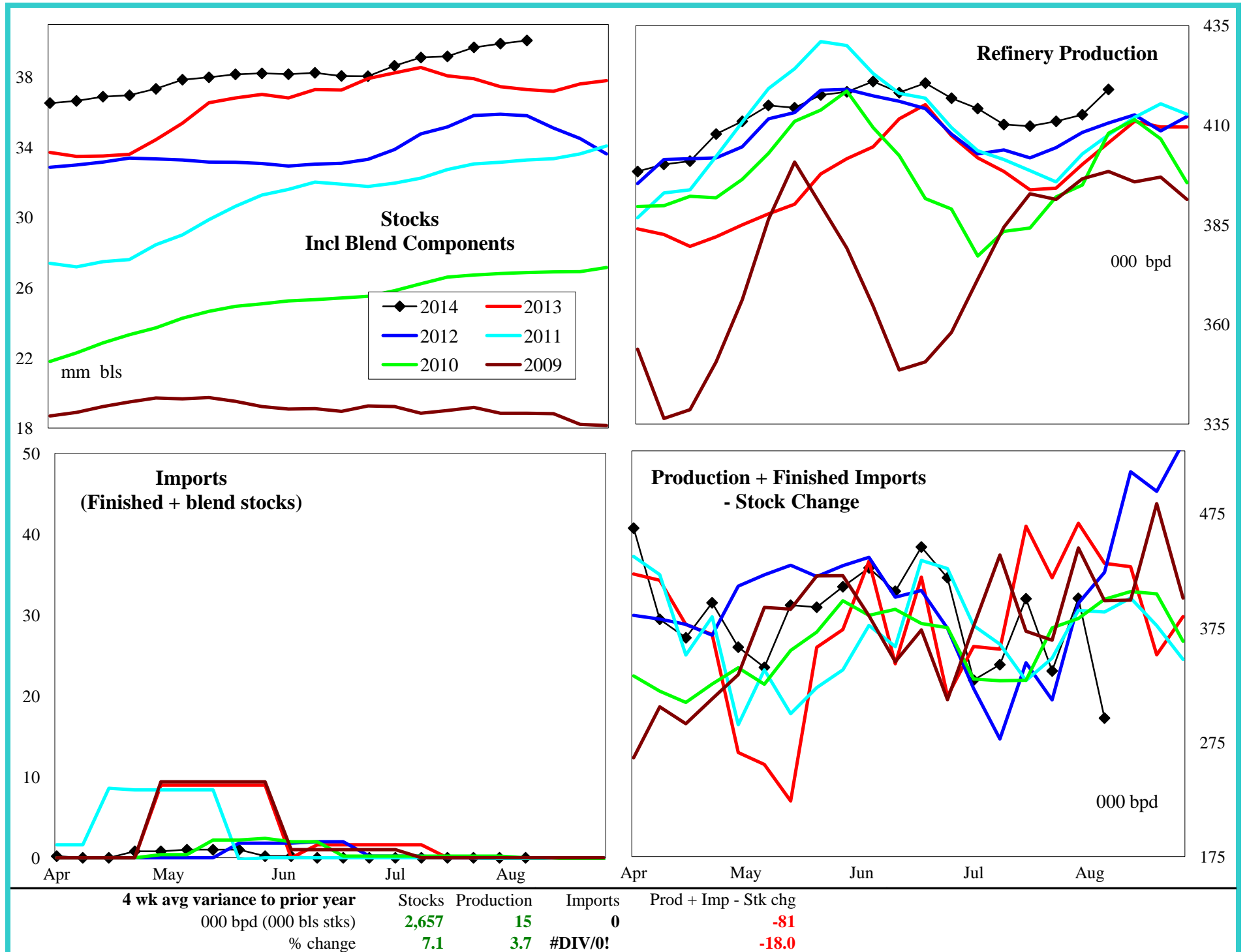
PADD 3 Crude Oil Supply and Refining



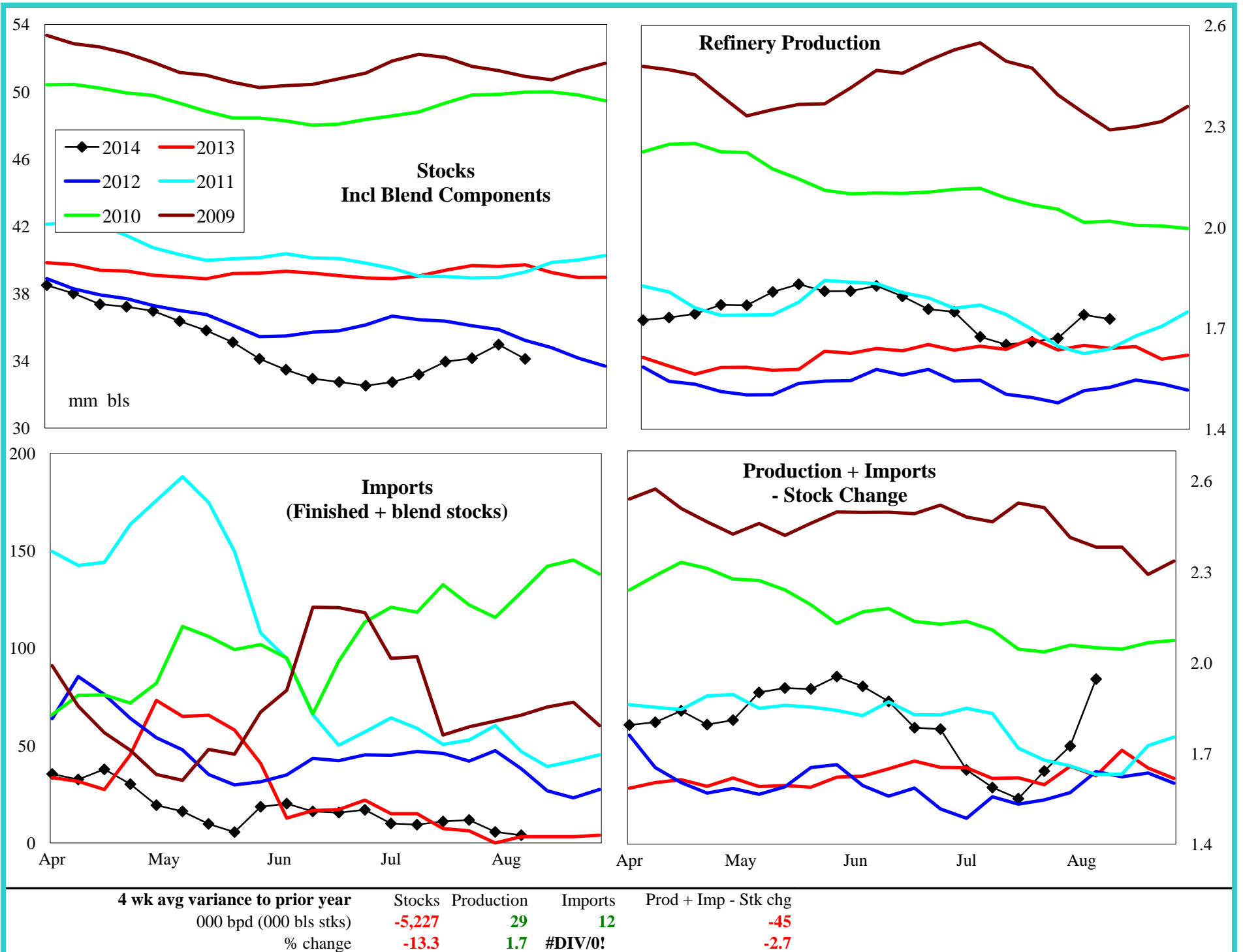
PADD 3 Gasoline Supply



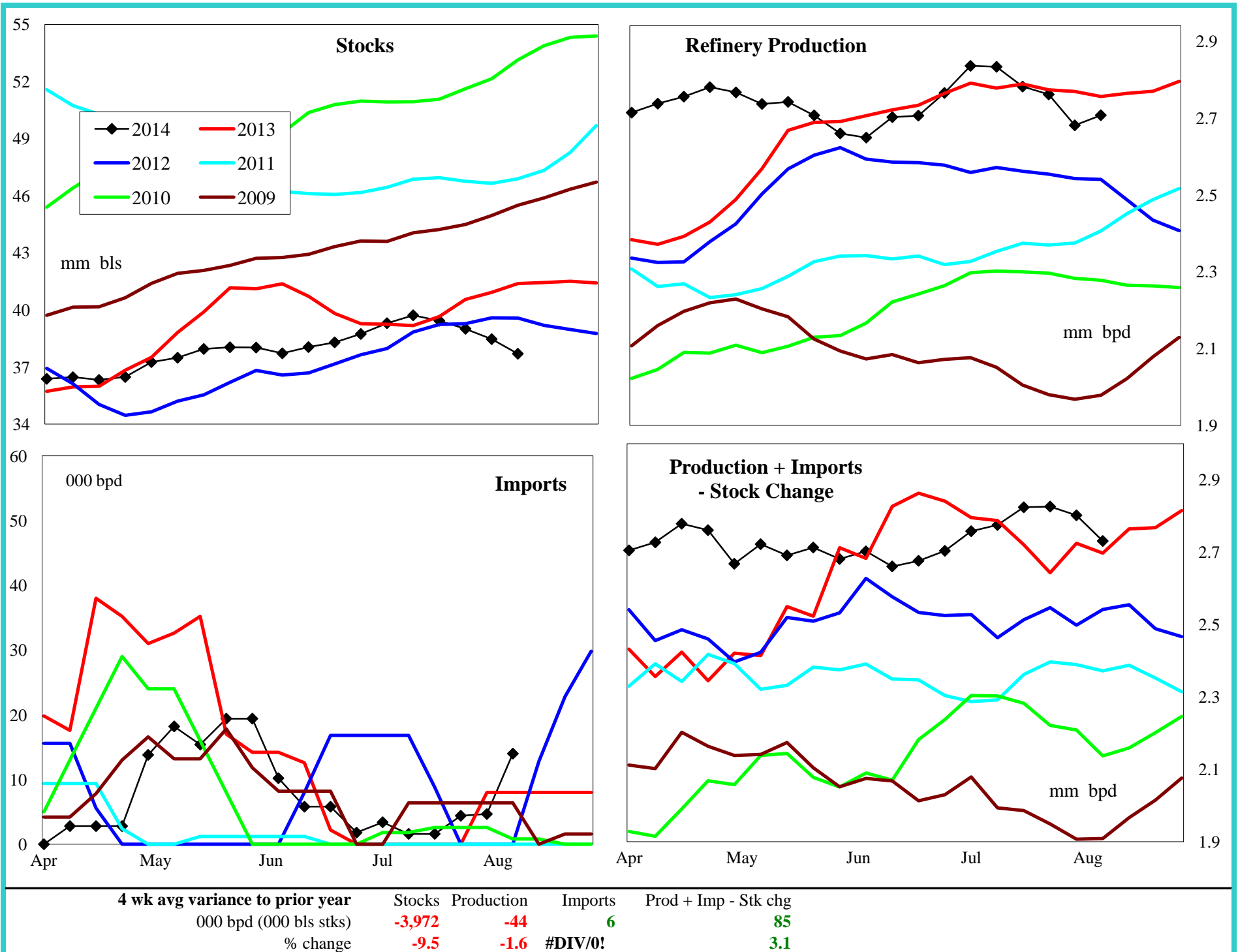
PADD 3 Reformulated Gasoline Supply



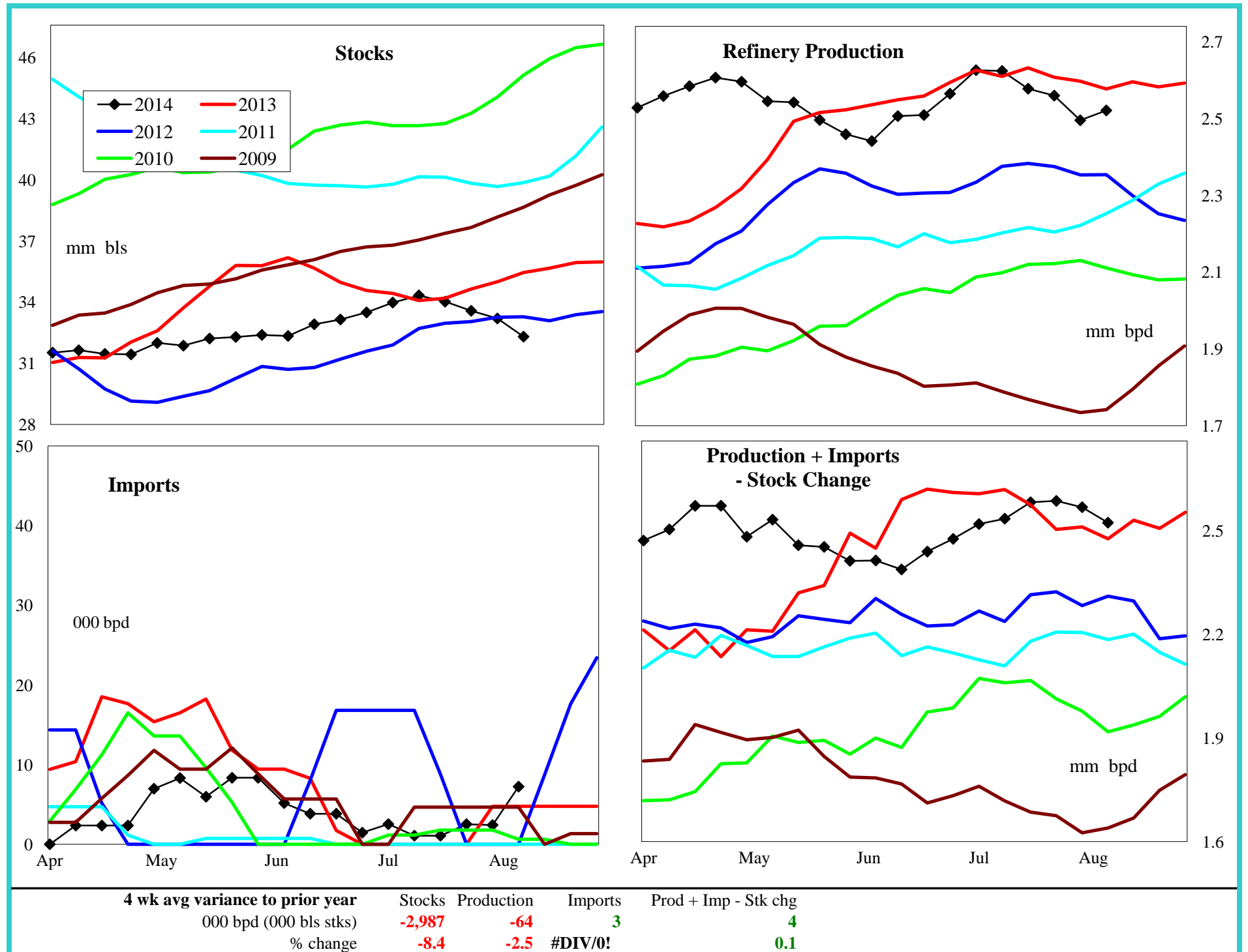
PADD 3 Conventional Gasoline Supply



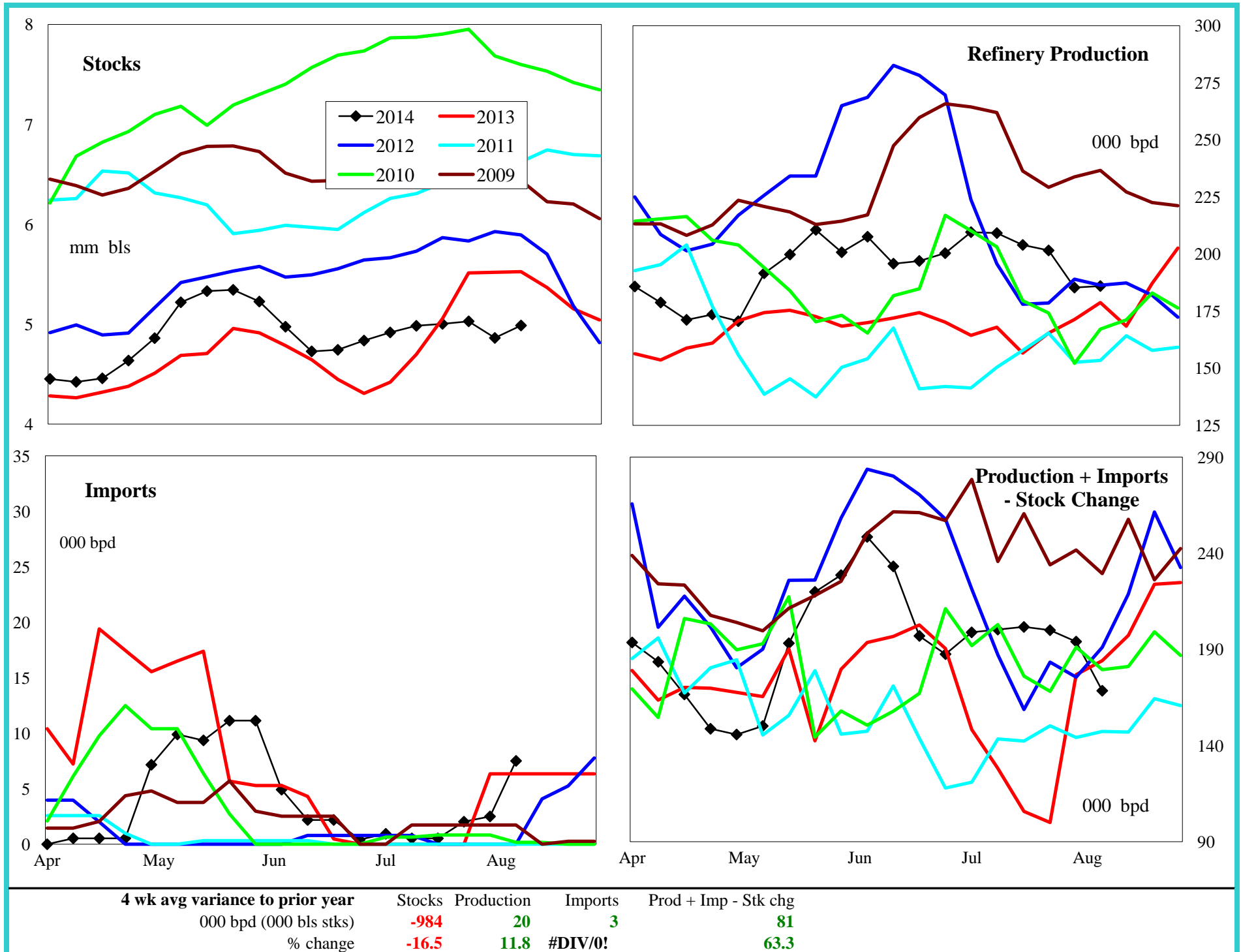
PADD 3 Distillate Supply



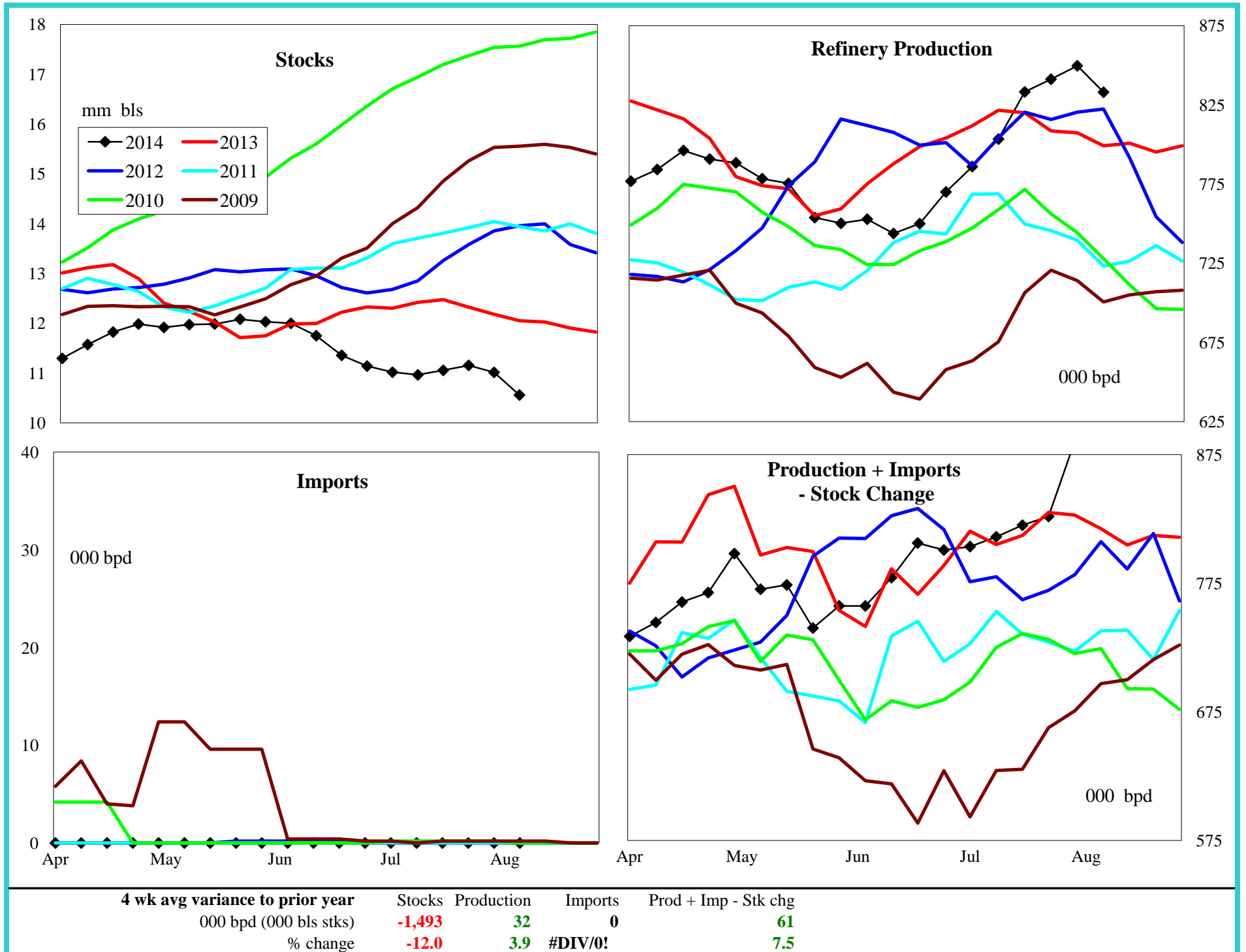
PADD 3 Low Sulfur Distillate Supply



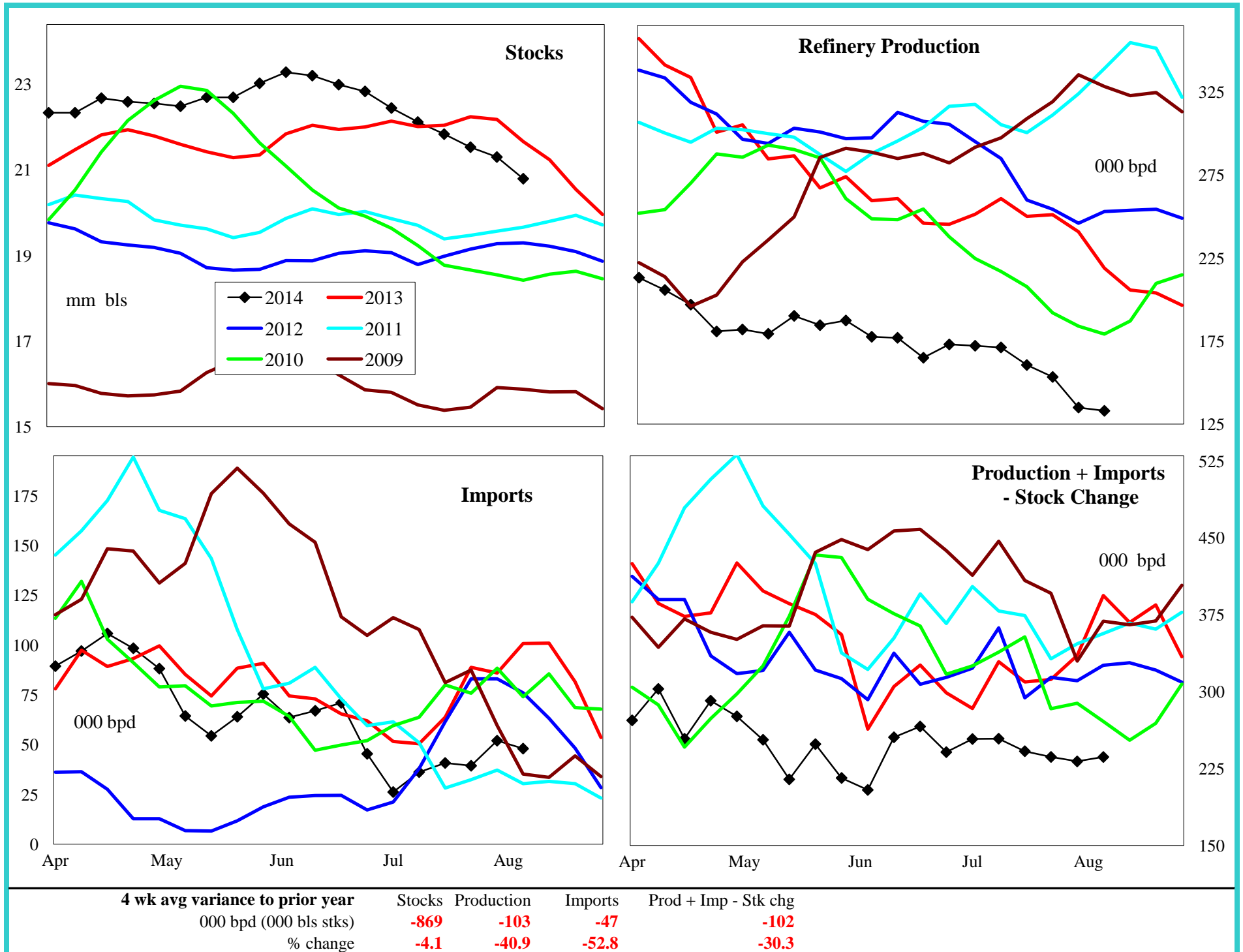
PADD 3 High Sulfur Distillate Supply



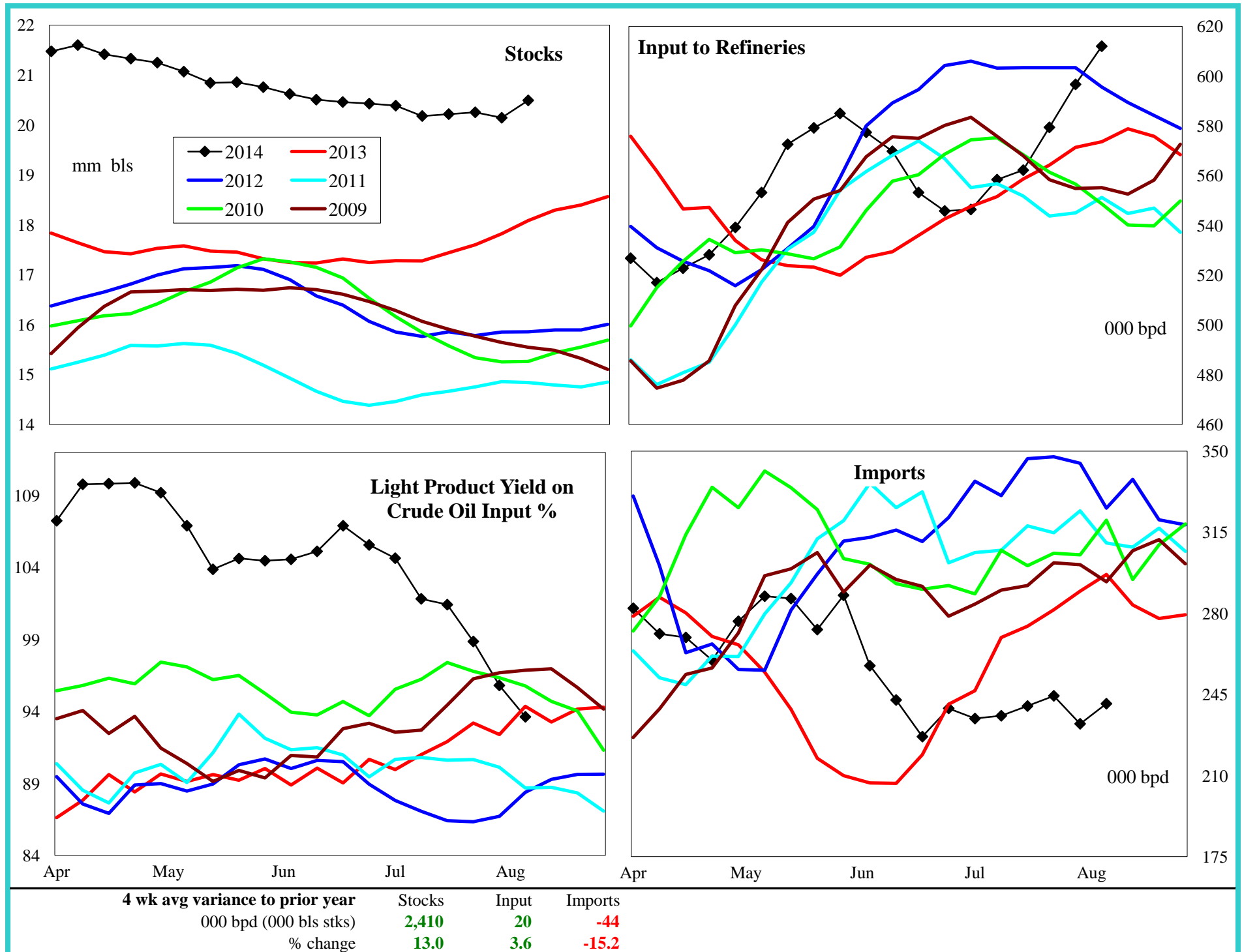
PADD 3 Jet Fuel Supply



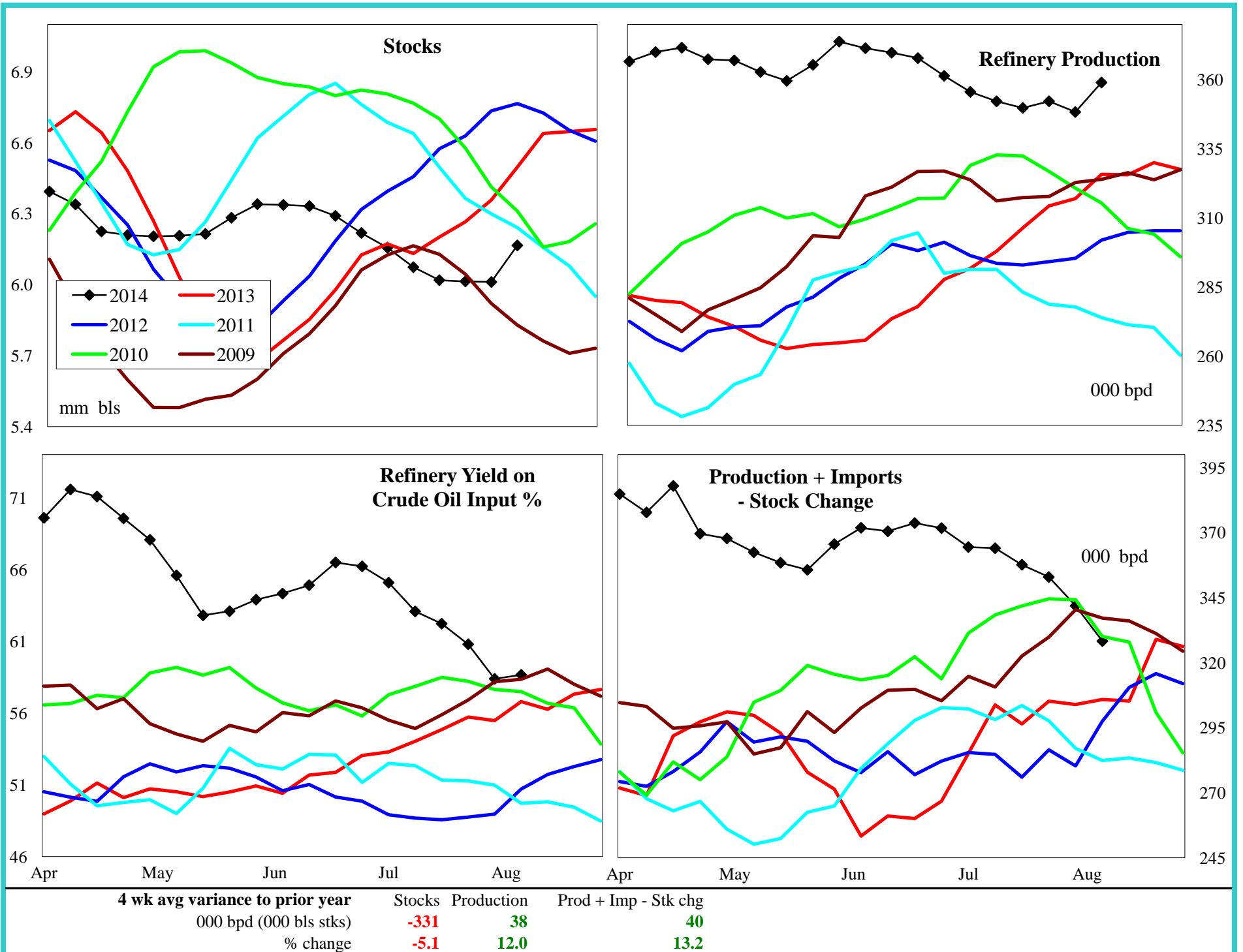
PADD 3 Residual Fuel Oil Supply



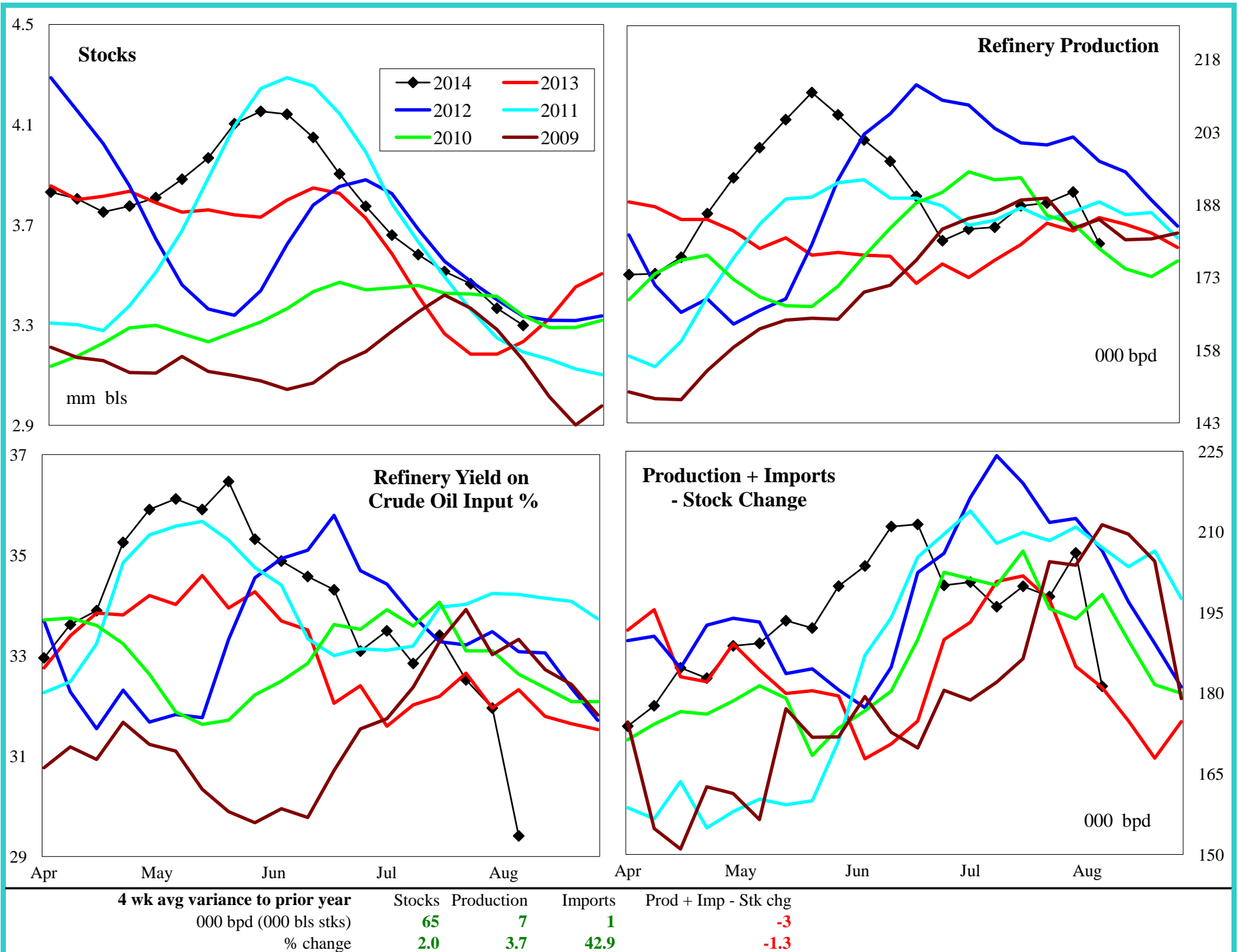
PADD 4 Crude Oil Supply and Refining



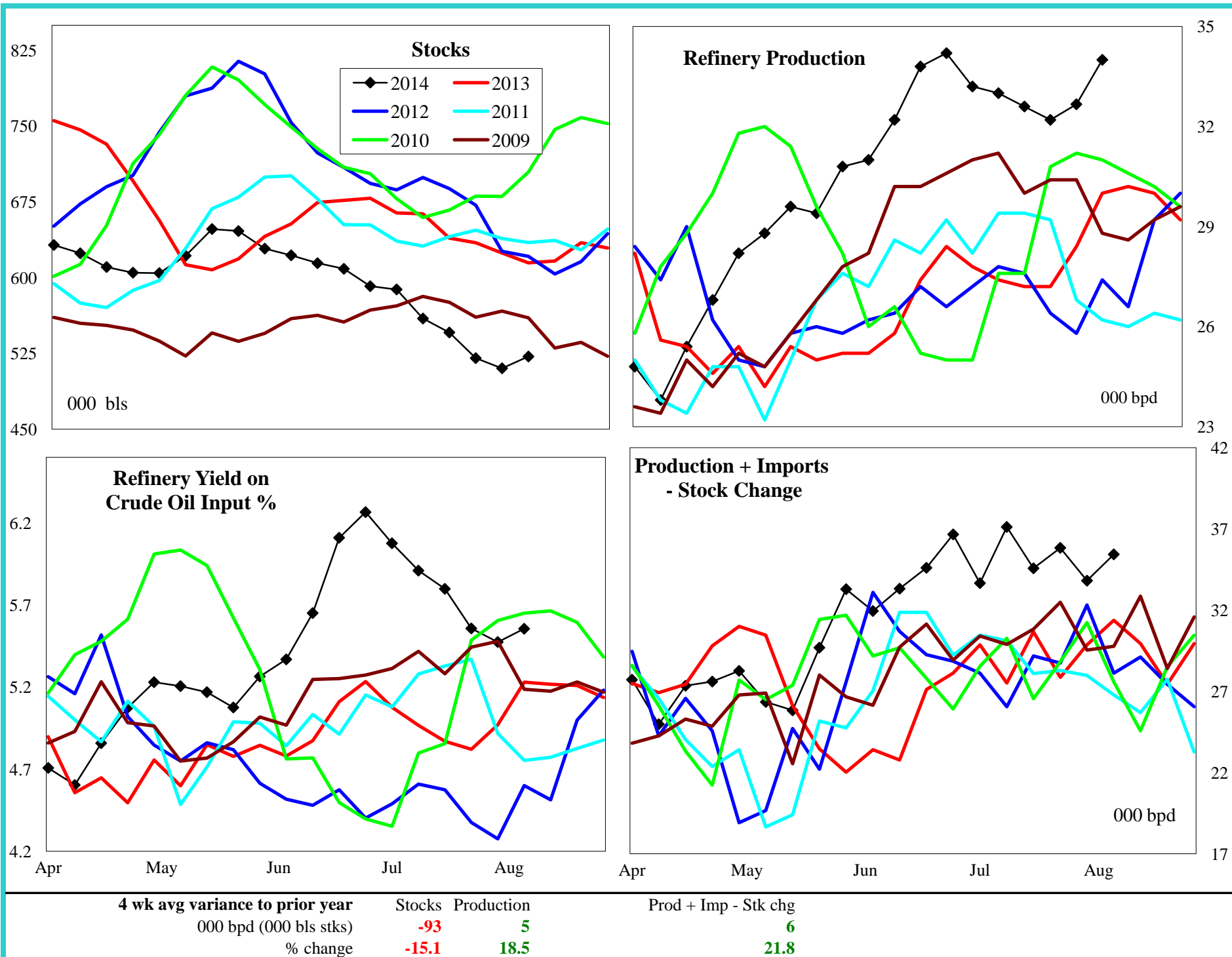
PADD 4 Gasoline Supply



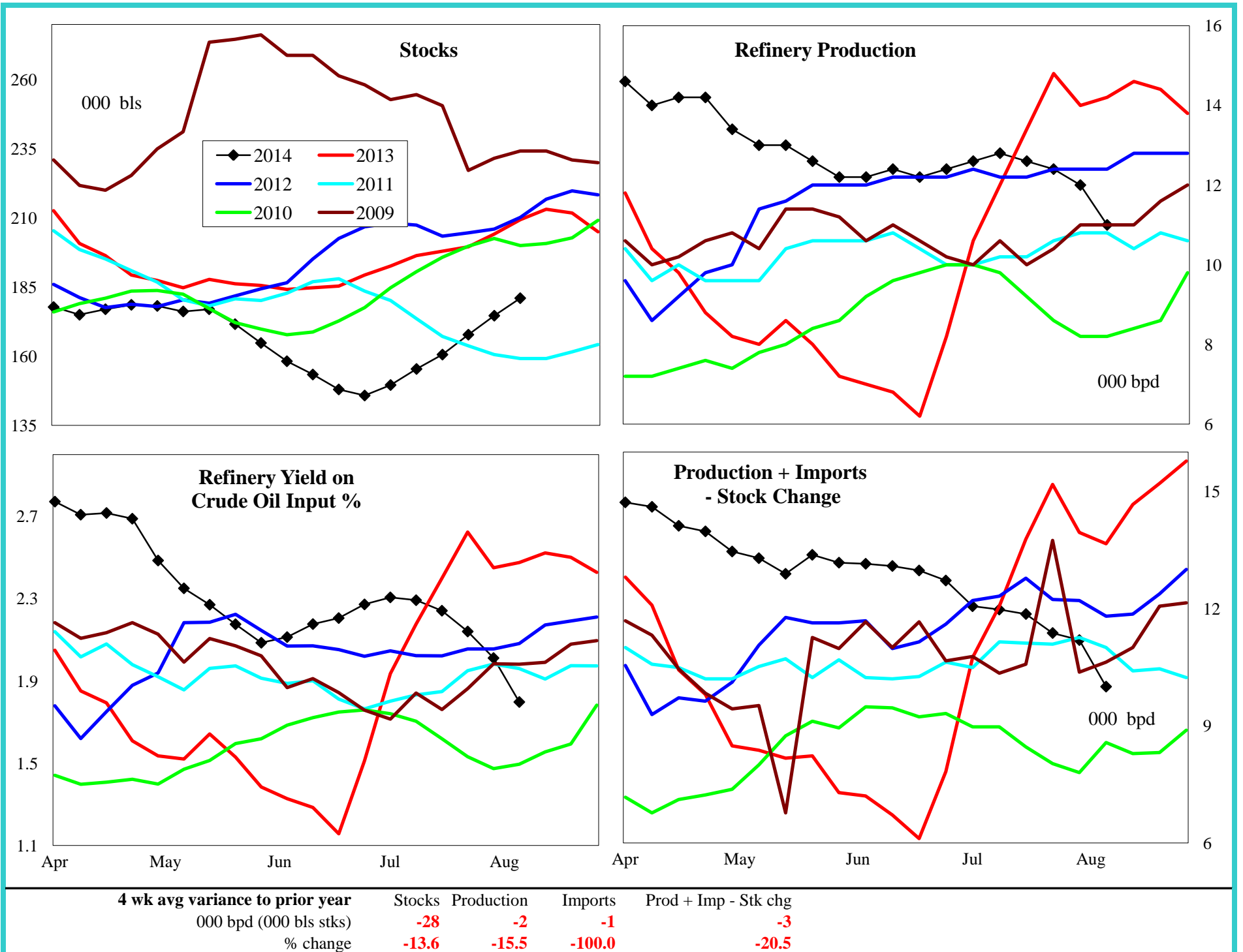
PADD 4 Distillate Supply



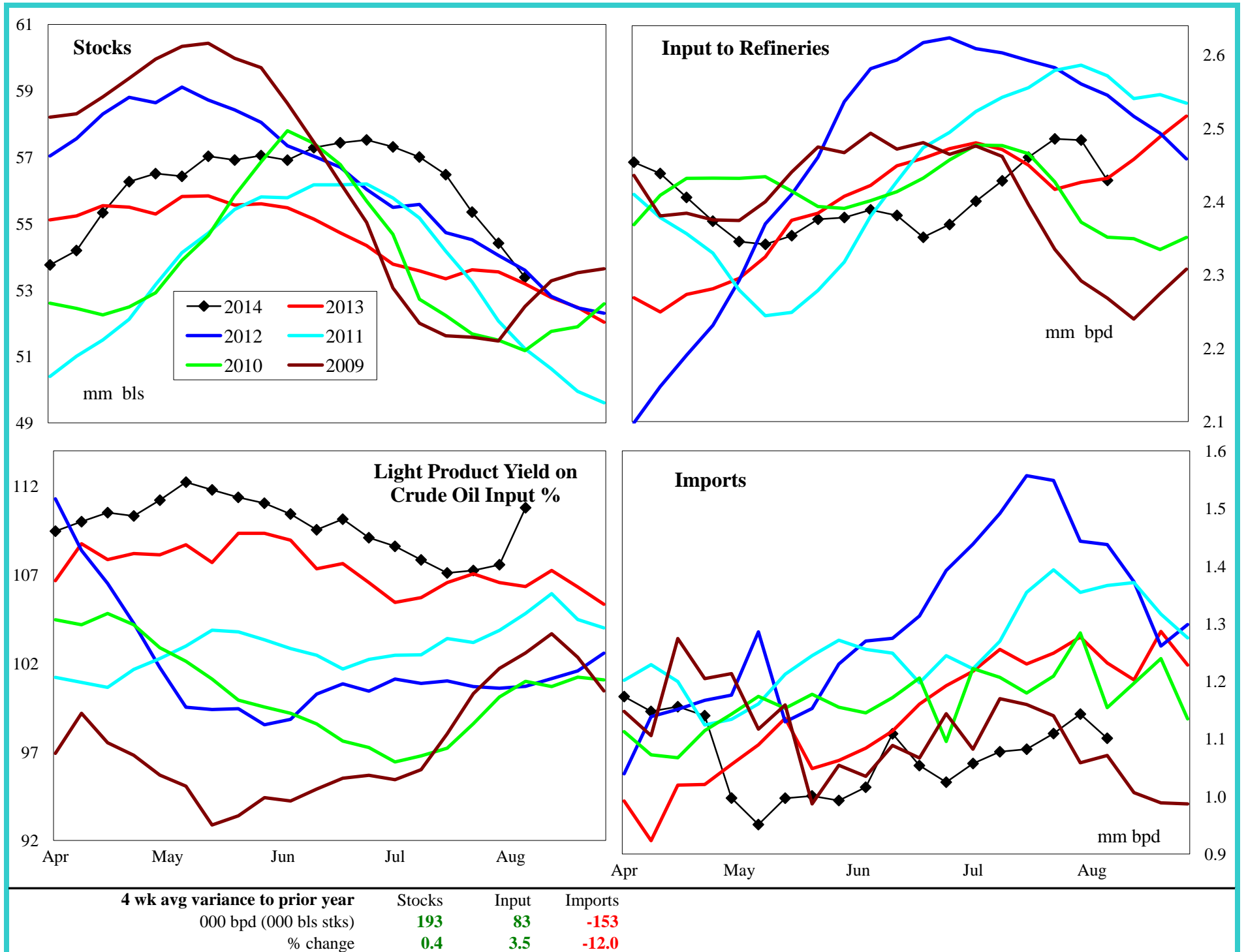
PADD 4 Jet Fuel Supply



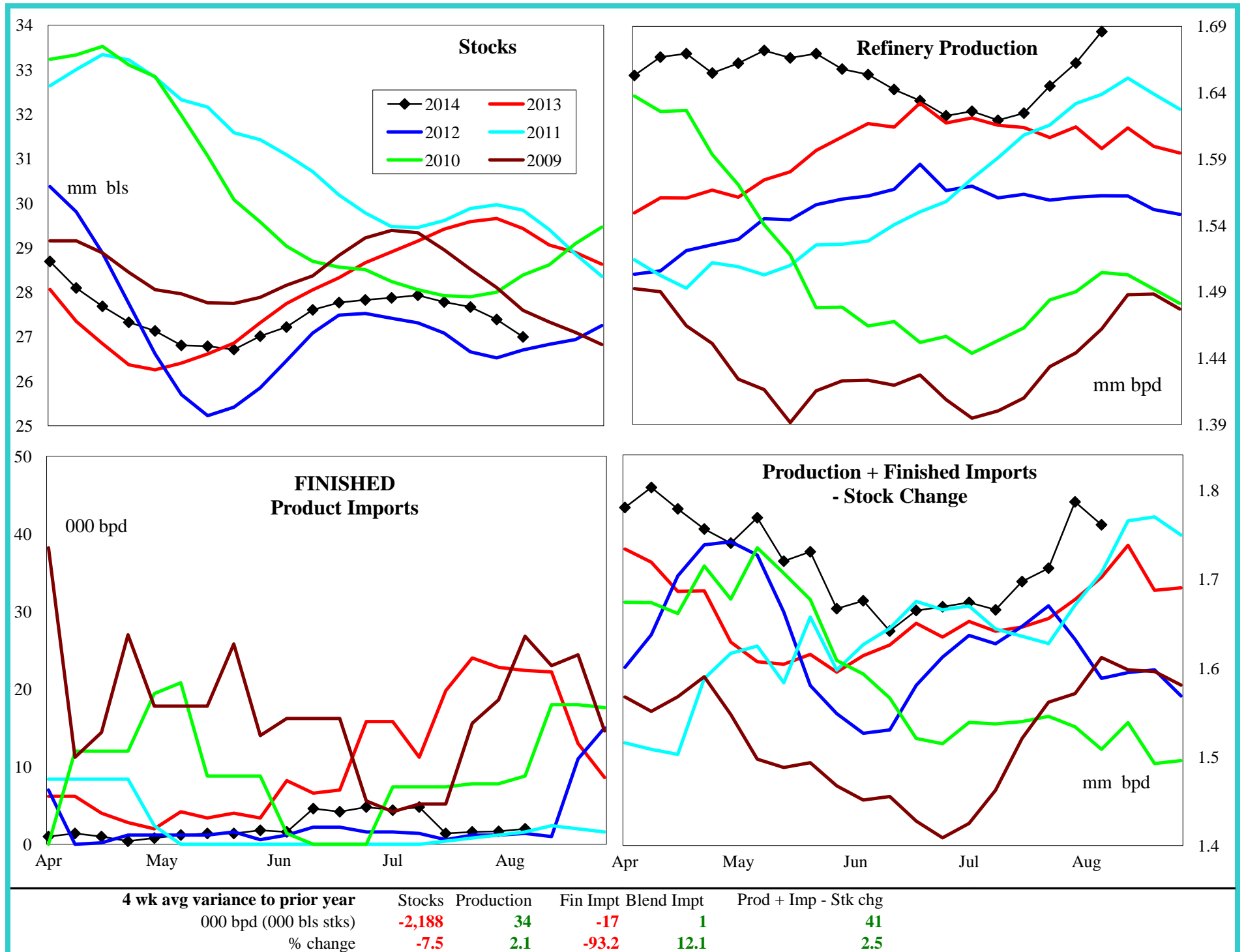
PADD 4 Residual Fuel Oil Supply



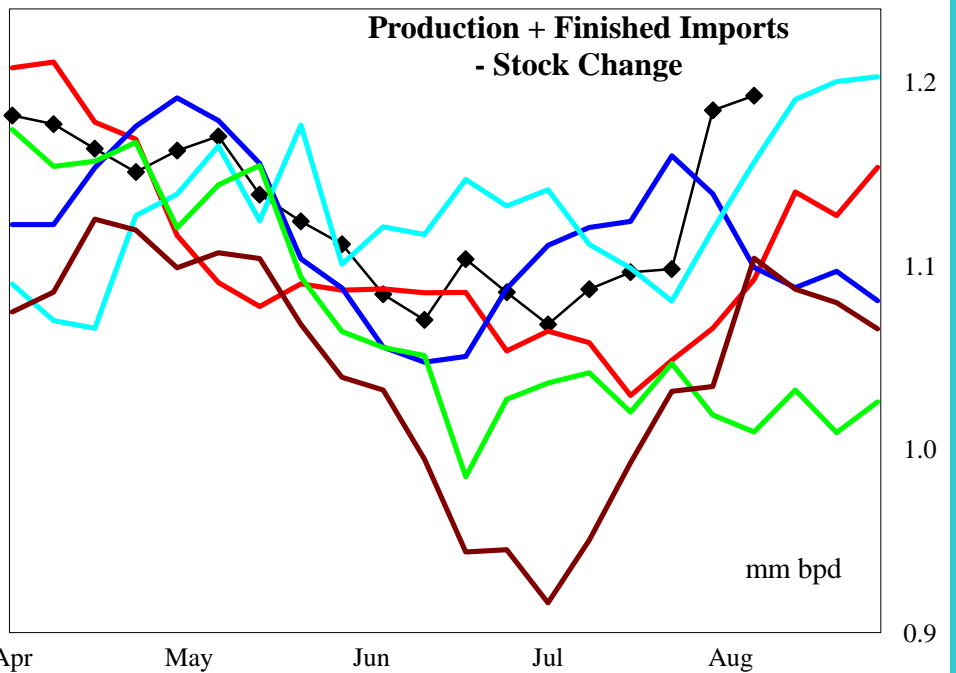
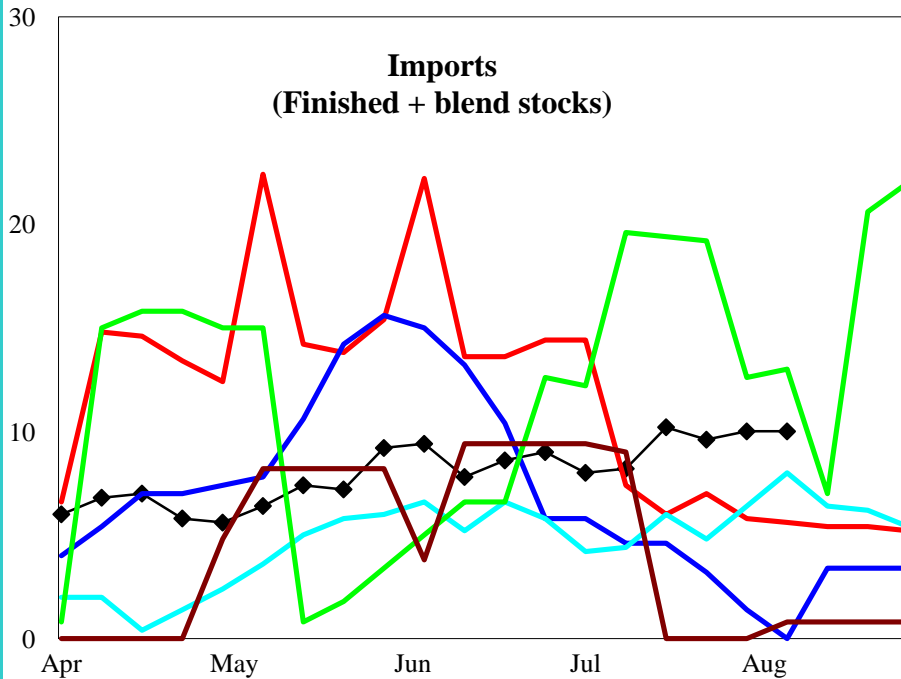
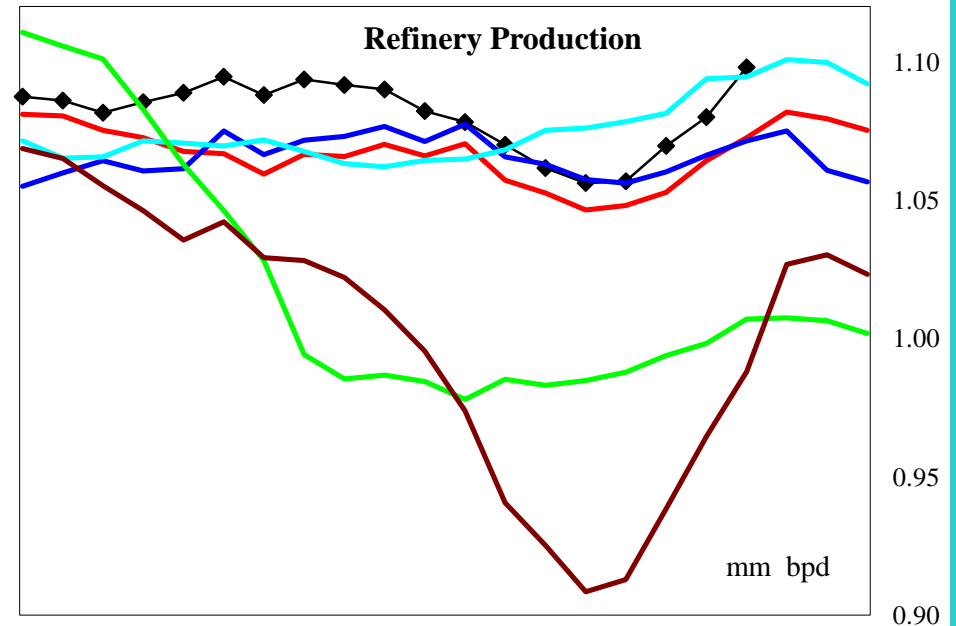
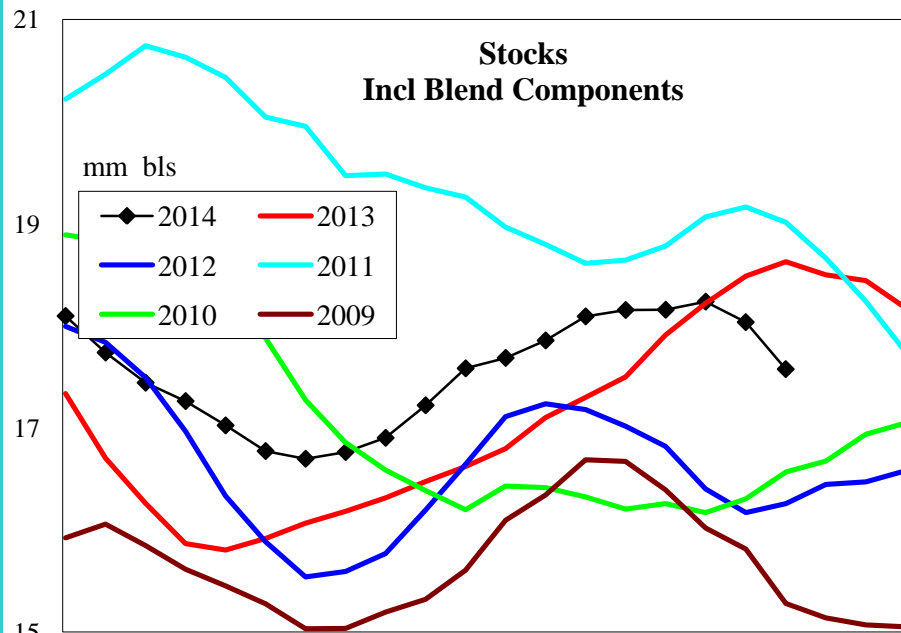
PADD 5 Crude Oil Supply and Refining



PADD 5 Gasoline Supply



PADD 5 Reformulated Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

-892

-4.9

Production

15

1.4

Imports

4

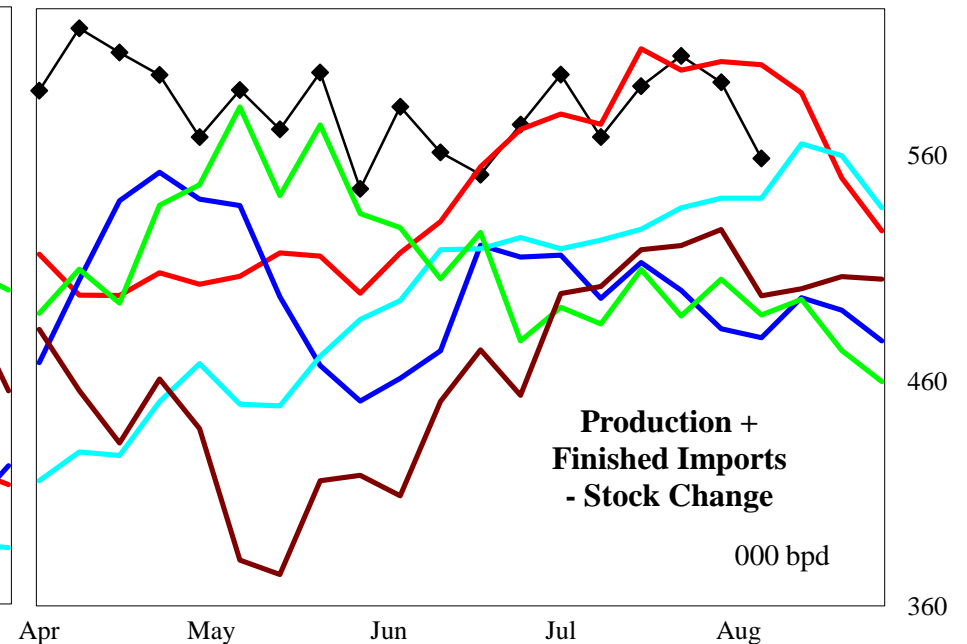
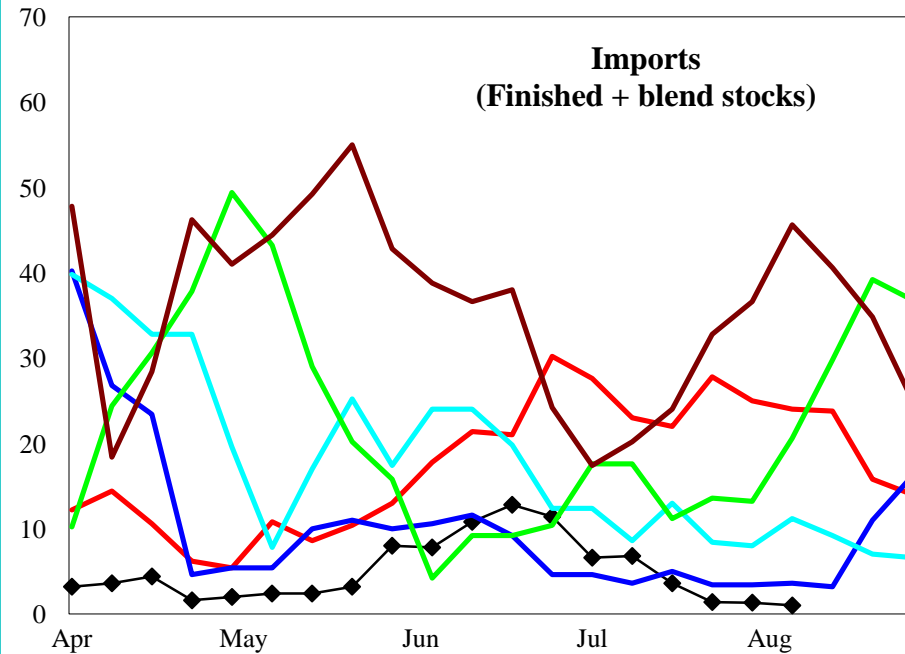
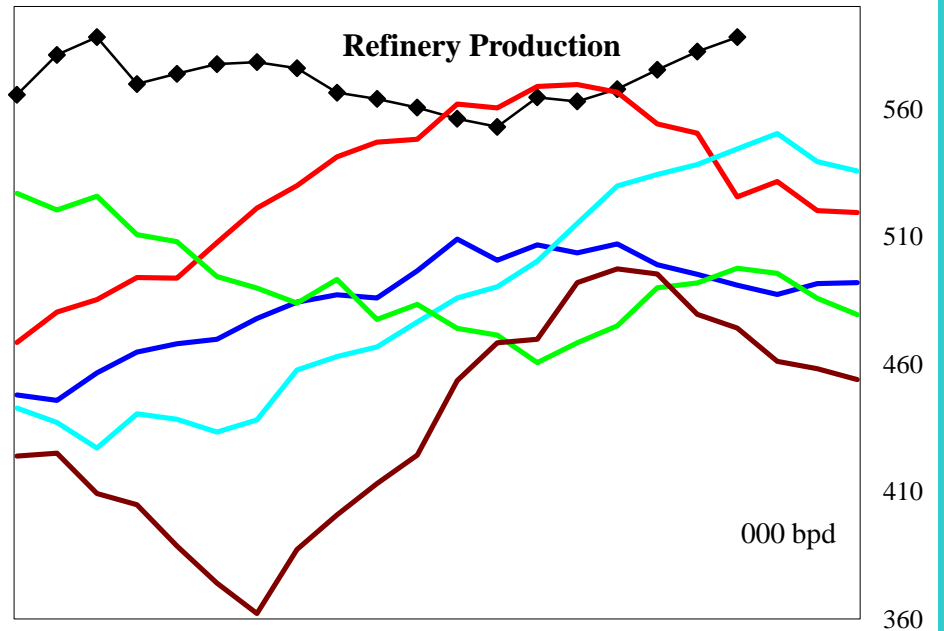
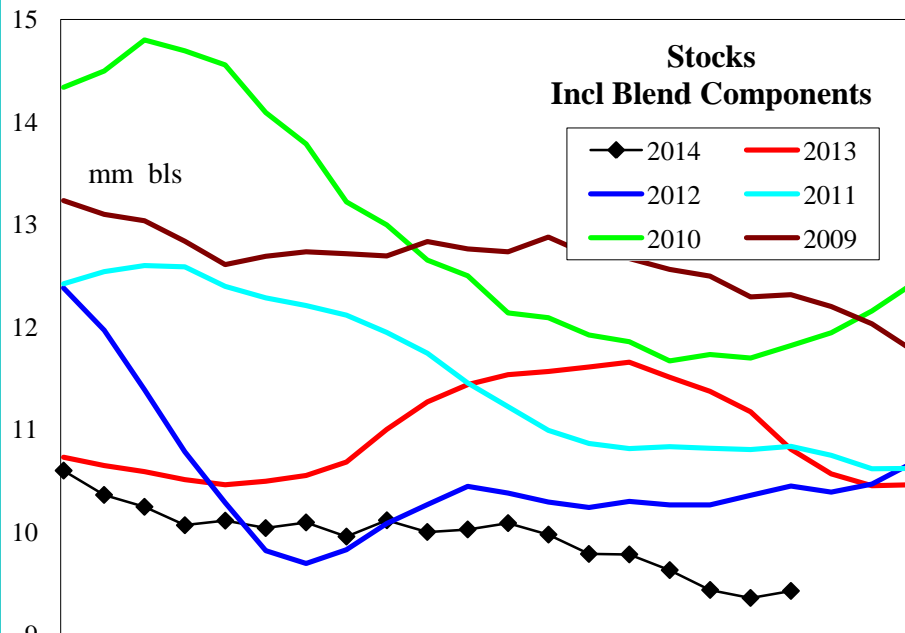
72.7

Prod + Imp - Stk chg

58

5.6

PADD 5 Conventional Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

-1,296

-11.7

Production

19

3.4

Imports

-20

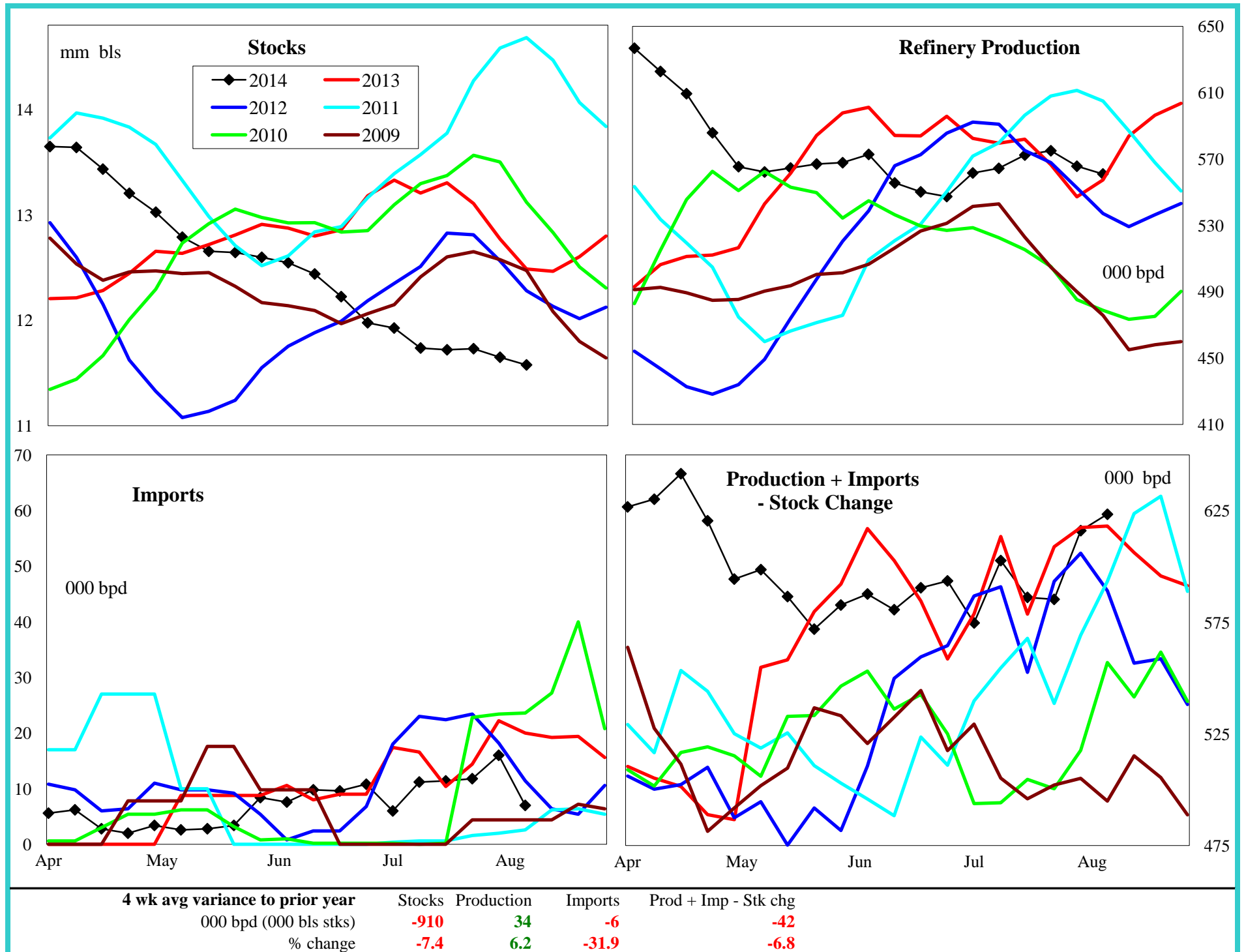
-95.2

Prod + Imp - Stk chg

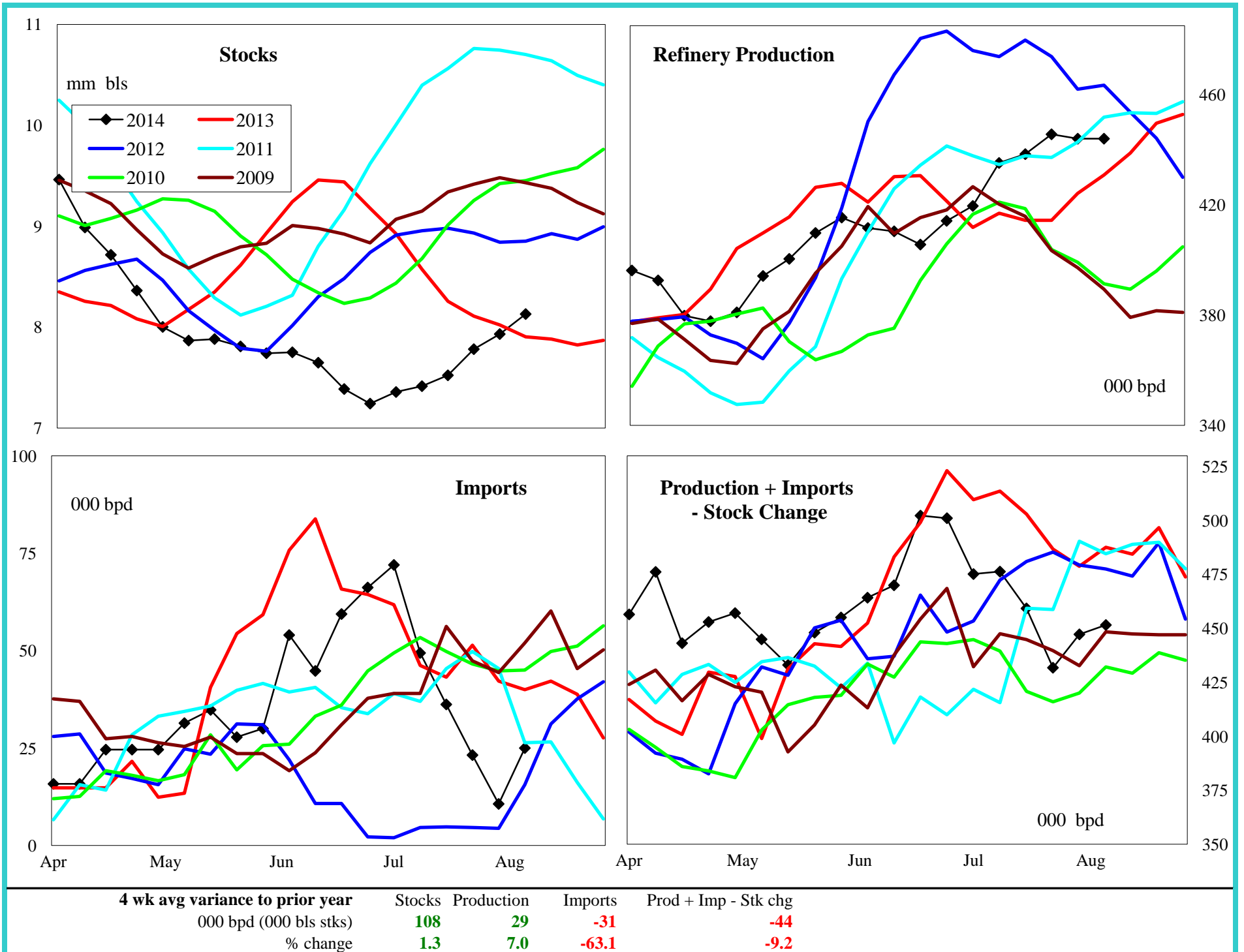
-18

-3.0

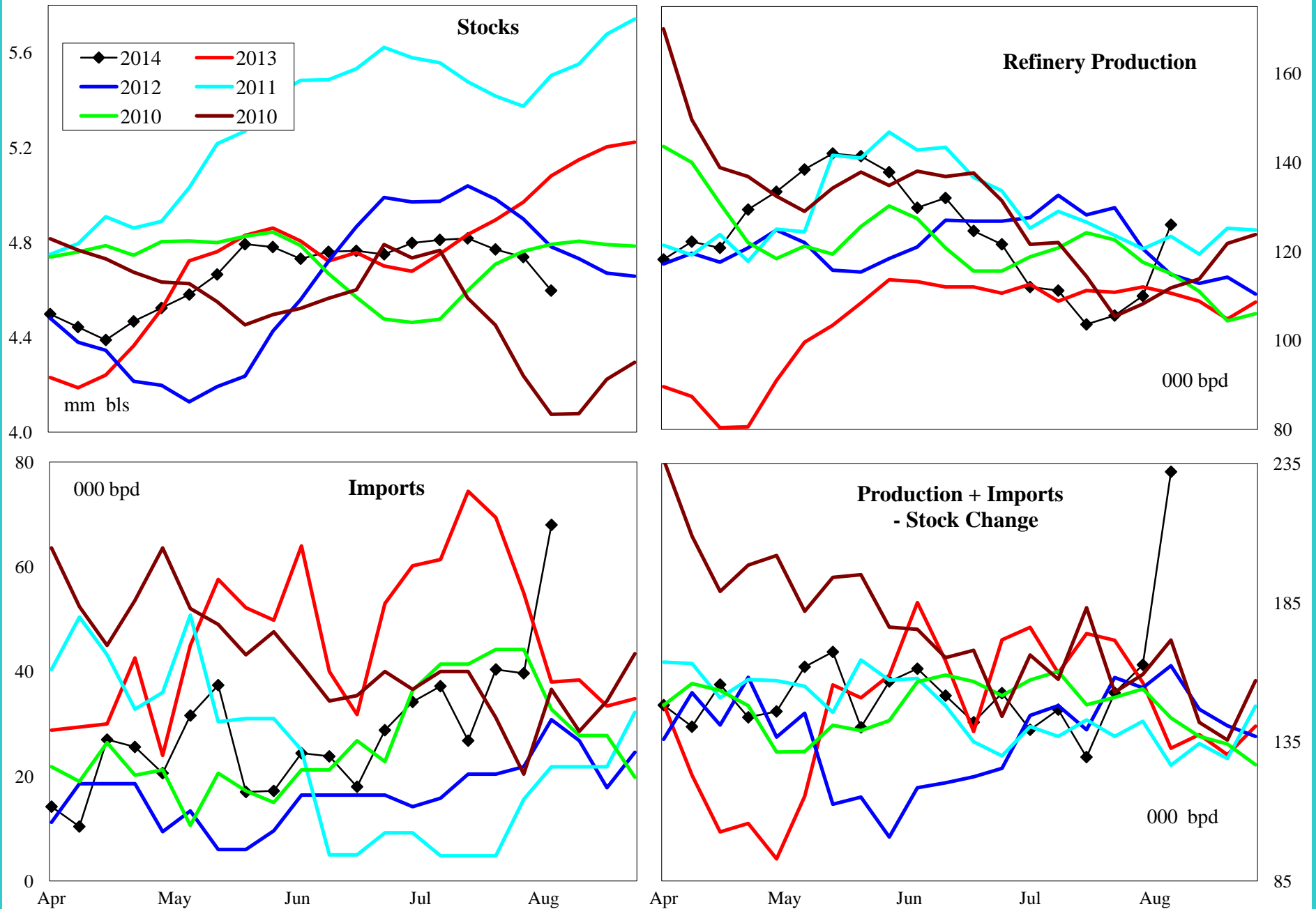
PADD 5 Distillate Supply



PADD 5 Jet Fuel Supply



PADD 5 Residual Fuel Oil Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

Production

Imports

Prod + Imp - Stk chg

-484

-8

-23

-12

-9.5

-6.9

-38.3

-7.5