



## WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

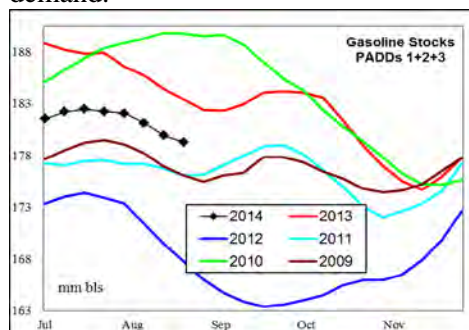
### A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Wednesday, August 27, 2014

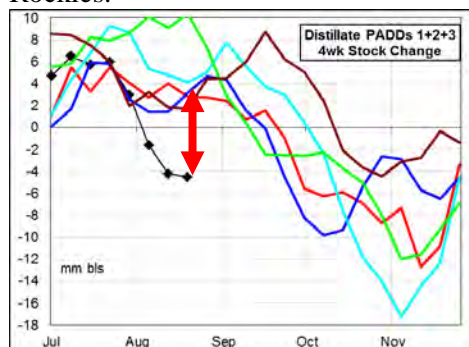


#### Major Fundamental Trends<sup>1</sup>

Gasoline supplies in the East and Gulf Coast regions point to high carryout stocks at the end of peak summer travel. While stock levels are low in the Midwest and West Coast markets, production is very high in these regions, which should lead to improving supplies on lower seasonal demand.



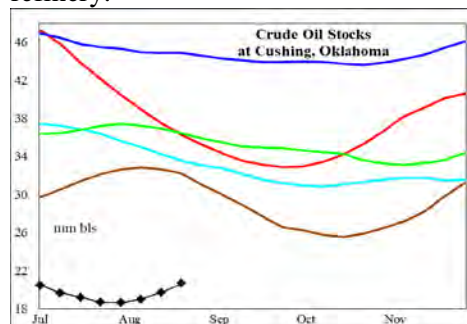
Distillate stocks are -6 million barrels below last year, and below the 5-yr range. Supplies are nearly unchanged from a year ago. With wholesale demand +193,000 bpd above last year, the result has been a -9 million barrel drop in the stock change during the last month compared to the average of the last 3-yrs in markets East of the Rockies.



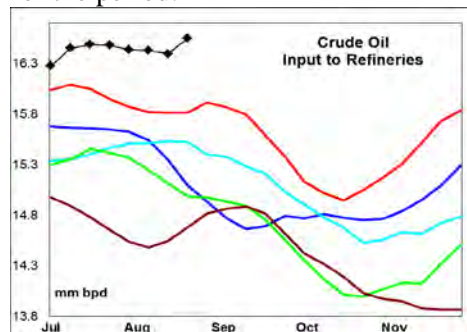
With the start of fall refinery maintenance to begin next month, there is increased risk of a meaningful tightening in the distillate supply balance during the next quarter.

Crude oil stocks have increased +2.3 million barrels during the last 2-wks in Cushing, due in part to

unplanned maintenance at the CVR refinery.



Refinery crude oil runs for the most recent 4-wk period were +0.6 million bpd above a year ago, concentrated in the Gulf region. Runs in all other regions were slightly above last year for the period.



**Wholesale Demand** for gasoline and jet fuel were each sharply higher, while distillate fell on the week. Wholesale demand, measured over the last four weeks compared to a year ago: gasoline decreased -1.4%; distillate was +5.2% higher; jet fuel increased +2.1%, and residual fuel decreased -28%.

**Stocks forward coverage:** Gasoline demand coverage decreased on a -1 million barrel stock draw, and higher weekly wholesale demand. Coverage ended the week at a level near historic highs.

Distillate coverage increased on a +1.3 million barrel stock build, driven by sharply lower wholesale demand. Coverage ended the week at a level below the last 2-yrs.

Jet fuel coverage fell on a -0.8 million barrel stock draw, driven by a spike in wholesale demand. Coverage levels remain below the 5-yr range.

Residual fuel oil coverage ended

the week at record highs on a +0.8 million barrel stock build.

**Refinery utilization** rates increased on a +124,000 bpd increase in thru put on higher runs in the Midwest region. During the latest 4-wk period crude oil input was +611,000 bpd above a year ago.

Gasoline yield % on crude oil runs increased last week on a +362,000 bpd increase in output compared to the +124,000 bpd increase in crude oil runs. Yield % on crude oil runs remain below the 5-yr range.

Distillate yield % on crude oil runs saw little change last week, on a +34,000 bpd rise in output compared to the increase in crude oil runs. The yield % on crude oil runs ended the week below the last 2-yrs.

Jet fuel yield % on crude oil runs decreased on a +3,000 bpd increase in output, compared to the rise in crude oil runs. The yield % on crude oil runs ended the week equal to the latest 2-yr average.

**Petroleum Imports/Exports:** Imports of gasoline fell -293,000 bpd last week, with distillates also lower. Crude oil imports increased +0.2 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 +28,000 bpd higher; finished gasoline imports were -41,000 bpd lower; gasoline blend stock imports were +17,000 bpd higher; while jet fuel imports decreased -70,000 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 declined -2.1 million barrels last week, concentrated in the Gulf Region, driven by record high refinery runs. Stocks in Cushing increased +0.5 million barrels on the week, for a +2.3 million barrel build during the last 2-wks, due in part to unplanned maintenance at the CVR refinery.

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



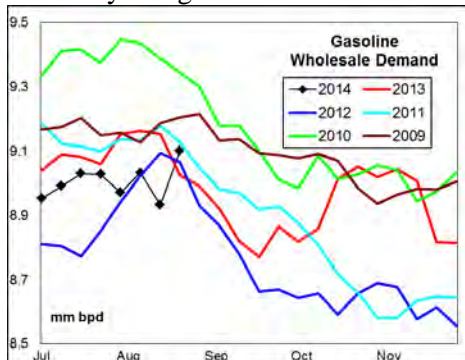
## WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

### A Fundamental Petroleum Trends Weekly Report

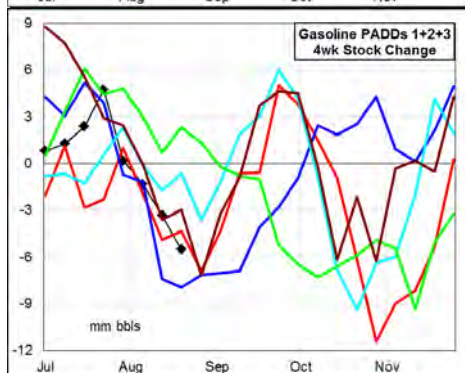
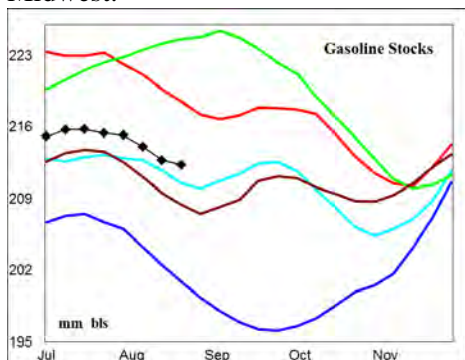
Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Wednesday, August 27, 2014

#### Product Supply-Demand Trends

**Gasoline** wholesale demand climbed +325,000 bpd last week. The latest 4-wk average demand was -128,000 bpd below a year ago.



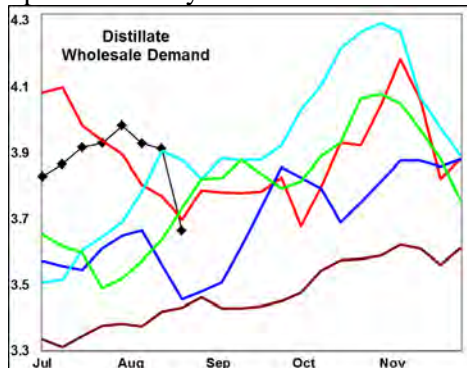
Supply increased +69,000 bpd last week on higher production. Supply for the latest 4-wk period was +79,000 bpd above a year ago. Stocks declined -1 million barrels on the week, concentrated on the East coast and Midwest.



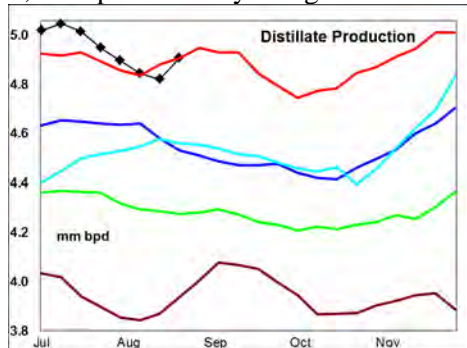
Look for a sharp seasonal decline in demand over the next 30-days, with an accompanying stock build. High stock levels on the East and Gulf Coast regions point to over supply even before the end of peak summer travel.

**Distillate** wholesale demand decreased -357,000 bpd on the week, a level below the 3-yr mid range. The latest

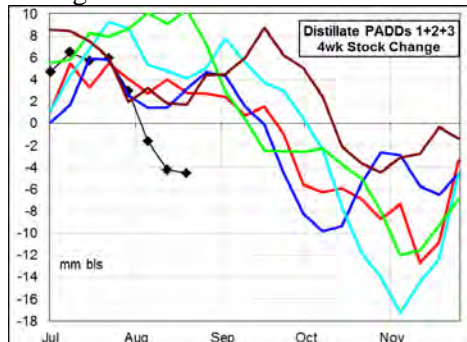
4-wk average demand was +193,000 bpd above last year.



Supply decreased -31,000 bpd on the week, with the latest 4-wk average -7,000 bpd below a year ago.



The latest 4-wk stock change in markets East of the Rockies was a -4.5 million barrel draw, compared to an average build of +4.6 million barrels.

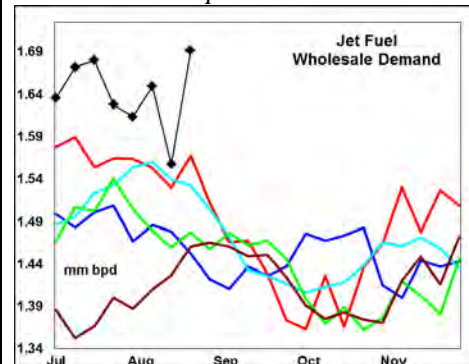


Record wholesale demand (includes export volumes that exceed EIA monthly estimates) and lower year-on-year growth in production has led to the large counter seasonal stock draw. With start of fall refinery maintenance, there is increased risk of tightness in the supply balance during the next quarter.

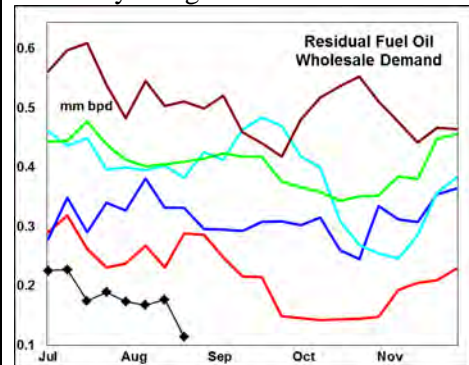
**Jet Fuel** wholesale demand jumped +250,000 bpd last week to a level

above the 5-yr range. Supply increased +8,000 bpd on the week. Output for the most recent 4-wk period increased +91,000 bpd compared to last year. Imports were -70,000 bpd below a year ago. Stocks fell -0.8 million barrels on the week, to a level -3 million barrels below the 5-yr range.

Continued record demand has driven stocks to a level below the 5-yr range in all major regions. Look for a sharp seasonal drop in demand to allow modest improvement in stocks.



**Residual fuel oil** demand was unchanged last week. Demand for the latest 4-wk period was -80,000 bpd below a year ago.



Supply (production + imports) decreased -23,000 bpd on lower imports. Production was -55,000 bpd below a year ago for the latest 4-wk period, while imports were -30,000 bpd lower. Stock levels ended the week at the 3-yr mid range for the period.

Supplies have increased from recent lows, but still remain -13% below last year. The switch to increased use of light shale crude oil in place of heavier gravity imports has limited production of residual fuel oil.





## WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

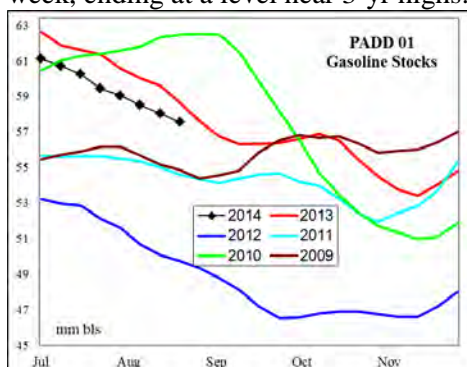
### A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Wednesday, August 27, 2014

#### PADD Supply Trends

**PADD 1** refinery crude oil runs averaged +63,000 bpd above last year for the most recent 4-wk period.

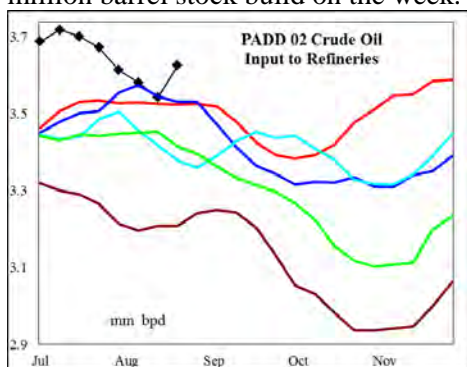
Gasoline supply fell -136,000 bpd on a -208,000 bpd drop in imports. Stocks fell -1.1 million barrels last week, ending at a level near 3-yr highs.



Distillate supply decreased -63,000 bpd last week, with the 4-wk average +13,000 bpd above last year. Stock levels were -2.2 million barrels below the 5-yr range. *Ultra low sulfur stock levels remain near 5-yr highs.*

Jet fuel supply increased +19,000 bpd on higher imports. Stocks decreased -0.4 million barrels, with the level -1.9 million barrels below the 5-yr range.

**PADD 2** crude oil refinery runs increased +101,000 bpd last week, with the latest 4-wk average +22,000 bpd above last year. Crude oil stocks were nearly unchanged, at a level -14% below last year. Cushing saw a +0.5 million barrel stock build on the week.



Gasoline supply increased +119,000 bpd last week. Production for the most recent 4-wk period was +0.4 million bpd above a year ago – *driven by the EIA recording sub octane product*

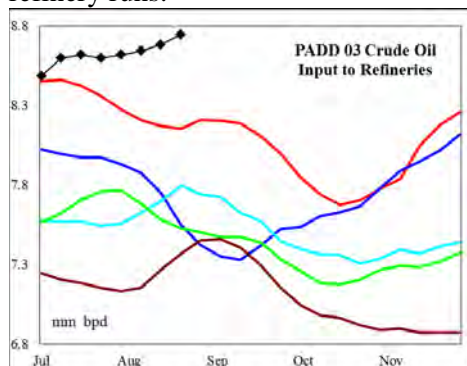
*shipped into the Midwest as finished product production when blended with ethanol.* Stocks fell -1 million barrels on the week, to a level -4% below a year ago.

Distillate supply increased +55,000 bpd on the week, with the 4-wk average -11,000 bpd below a year ago. Stocks fell -0.4 million barrels to a level below the last 2-yrs.

Jet fuel production increased +15,000 bpd on the week, to a level above the 5-yr range. Stocks ended the week -8% below a year ago.

**PADD 3** refinery runs increased +8,000 bpd last week, with the level well above the historic range. During the latest 4-wk period, average runs were +489,000 bpd above last year.

Crude oil stocks fell -2.1 million barrels, driven by record high crude oil refinery runs.



Gasoline supply increased +17,000 bpd last week, with the latest 4-wk average +70,000 bpd above a year ago. Stocks increased +0.9 million barrels on the week, to a level above the 3-yr mid range.

Distillate supply decreased -14,000 bpd on the week, with the latest 4-wk average supply +5,000 bpd above last year. Stocks jumped +2.9 million barrels on the week, to a level that matched historic lows.

Jet fuel production declined -20,000 bpd last week, although the level remains above the 5-yr range. Stocks fell -0.7 million barrels on the week to a level -1.1 million barrels below the historic range.

Residual fuel supply declined -54,000 bpd on the week, with the level

-340% below last year for the latest 4-wk period.

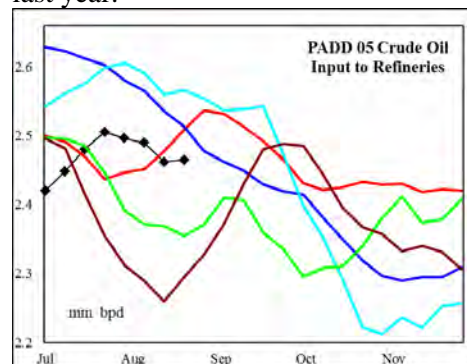
**PADD 4** refinery crude runs increased +9,000 bpd last week, to a new record high level.

Gasoline production climbed +17,000 bpd, also a record high level, with the latest 4-wk average +30,000 bpd above a year ago. Stocks ended the week near the 3-yr mid range.

Distillate supply increased +28,000 bpd last week, with the latest 4-wk supply +11,000 bpd above last year. Stock levels ended the week above the 5-yr range..

Jet fuel production increased +3,000 bpd to a new all time record high level. Stock levels remain below each of the last 3-yrs.


**PADD 5** crude oil refinery runs decreased -7,000 bpd last week, ending at a level below the last 3-yrs. The 4-wk run rate was +10,000 bpd above last year.



Gasoline supply fell -92,000 bpd on the week, with the 4-wk average +32,000 bpd above a year ago. Stocks were unchanged on the week, at a level near 5-yr lows.

Distillate supply fell -35,000 bpd on the week, to a level below the last 3-yrs. The 4-wk average supply was -27,000 bpd below a year ago. Stocks declined -0.6 million barrels on the week, to a level near historic lows.

Jet fuel supply decreased 10,000 bpd on lower imports. The latest 4-wk average supply was -27,000 bpd below last year. Stock levels matched last year, which was a record low for the period.



FUNDAMENTAL

PETROLEUM TRENDS

PETROLEUM: Graph Link and Weekly Summary

A Fundamental Petroleum Trends Weekly Report

August 27, 2014

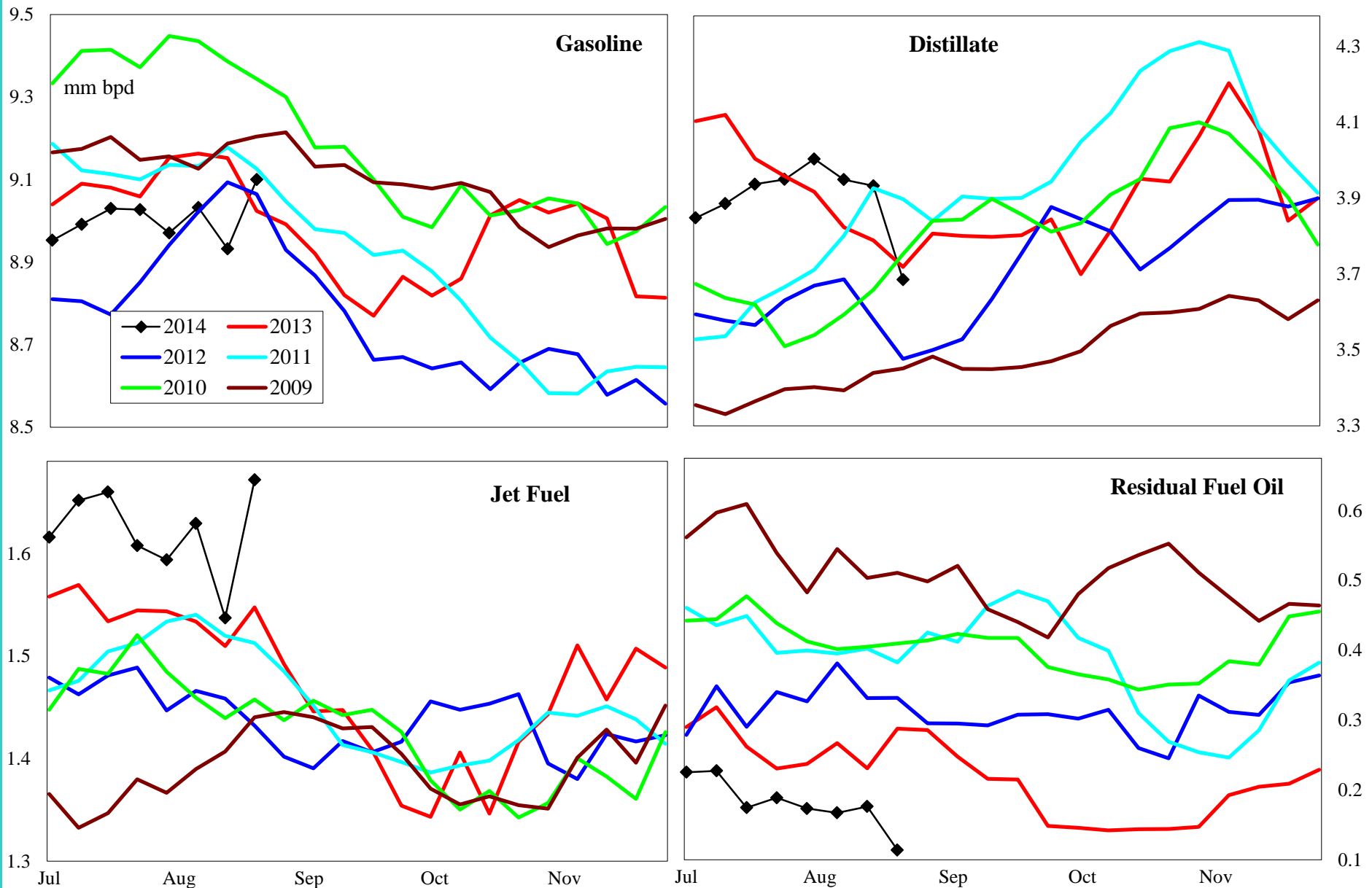
?

Lehi German Tel: 816.505.0980

[www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com)

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	22-Aug-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	-2,070	20	-87	-2,123	135	-14
	Imports	174	24	73	150	-55	-19
	Input	124	13	101	8	9	-7
	% Utilization	0.10					
<a href="#">Gasoline</a>	Stocks	-960	-1,091	-1,009	945	191	4
	Production	362	72	124	53	17	-48
	Imports	-293	-208	-5	-36	0	-44
	Supplied	325					
<a href="#">Distillate</a>	Stocks	1,252	-989	-433	2,863	419	-608
	Production	34	-16	73	-14	28	-35
	Imports	-65	-47	-18	0	0	0
	Supplied	-357					
<a href="#">Jet Fuel</a>	Stocks	-842	-410	-55	-744	72	293
	Production	3	-8	15	-20	3	13
	Imports	5	27	0	0	0	-23
	Supplied	250					
<a href="#">Residual Fuel Oil</a>	Stocks	762	331	89	303	3	36
	Production	-6	-1	1	1	1	-9
	Imports	-17	-45	0	-55	0	84
	Supplied	-2					

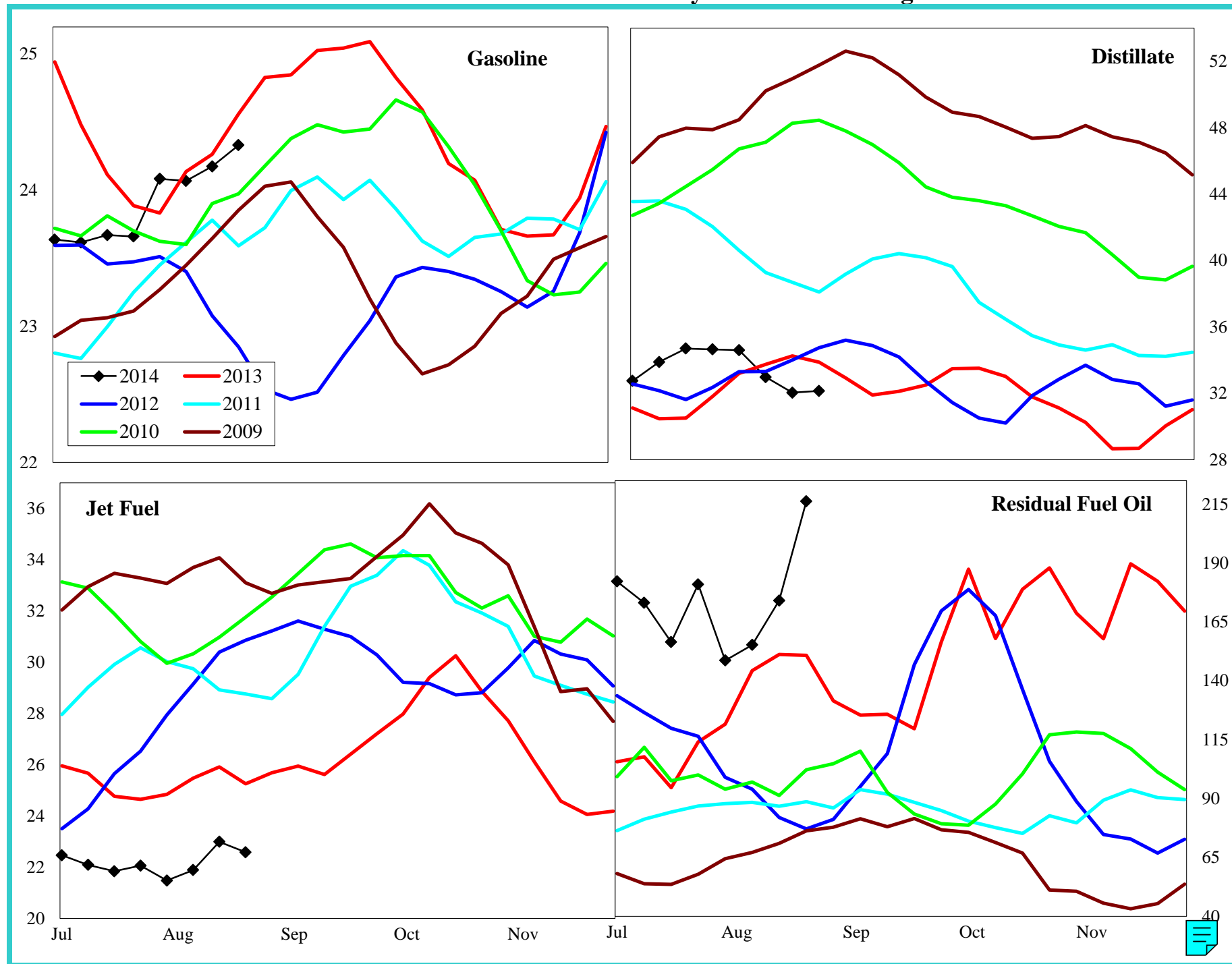
# United States Wholesale Petroleum Demand



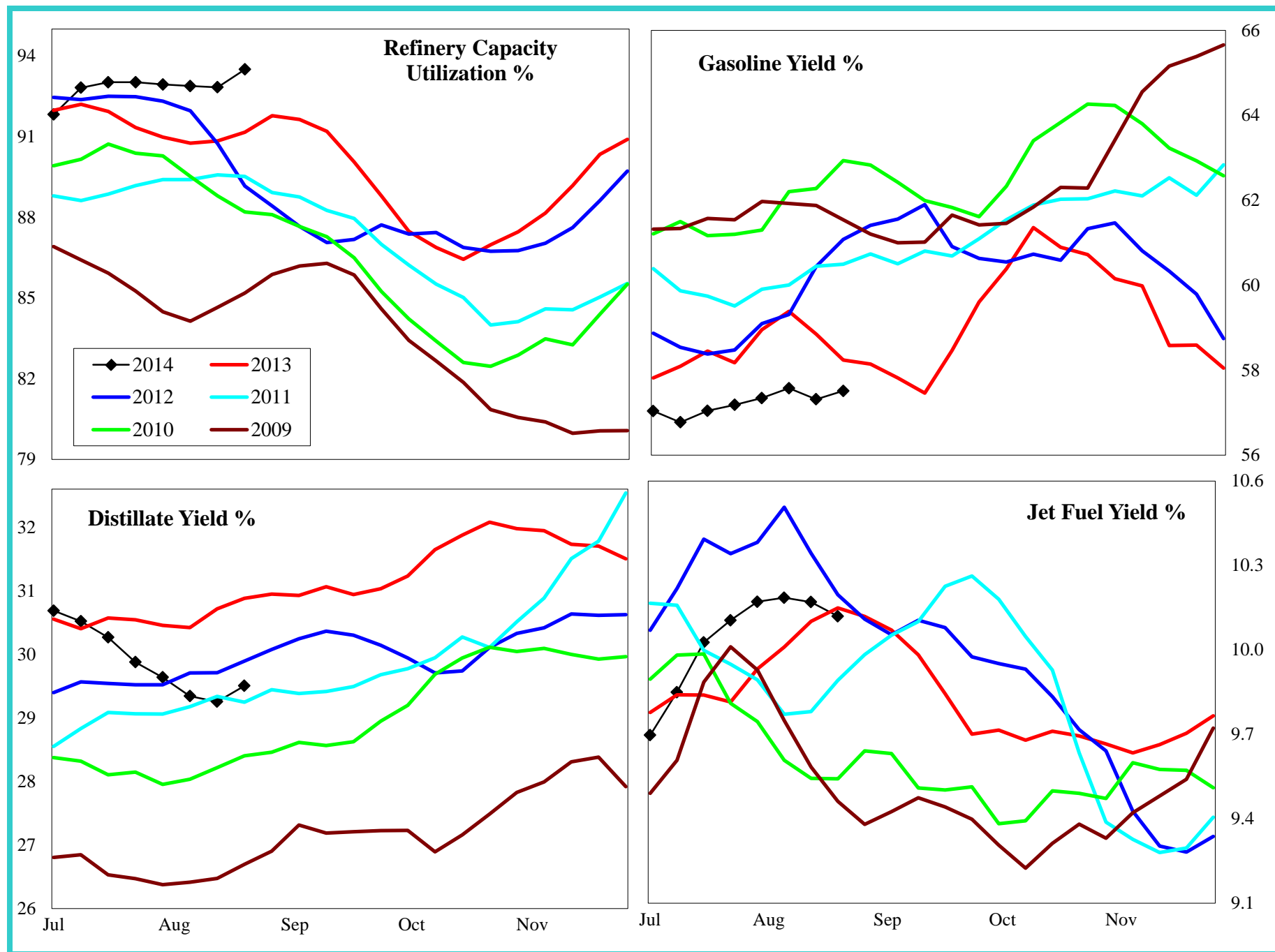
	000 bpd change from prior year				% change from prior year			
	4wk avg	Jul	Jun	May	4wk avg	Jul	Jun	May
<b>Gasoline</b>	-128	303	-30	33	-1.4	3.3	-0.3	0.4
<b>Distillate</b>	193	466	299	165	5.2	13.1	8.2	4.4
<b>Jet Fuel</b>	33	185	368	-12	2.1	12.2	25.7	-0.8
<b>Resid</b>	-80	-173	-50	20	-28.7	-47.8	-16.5	9.3



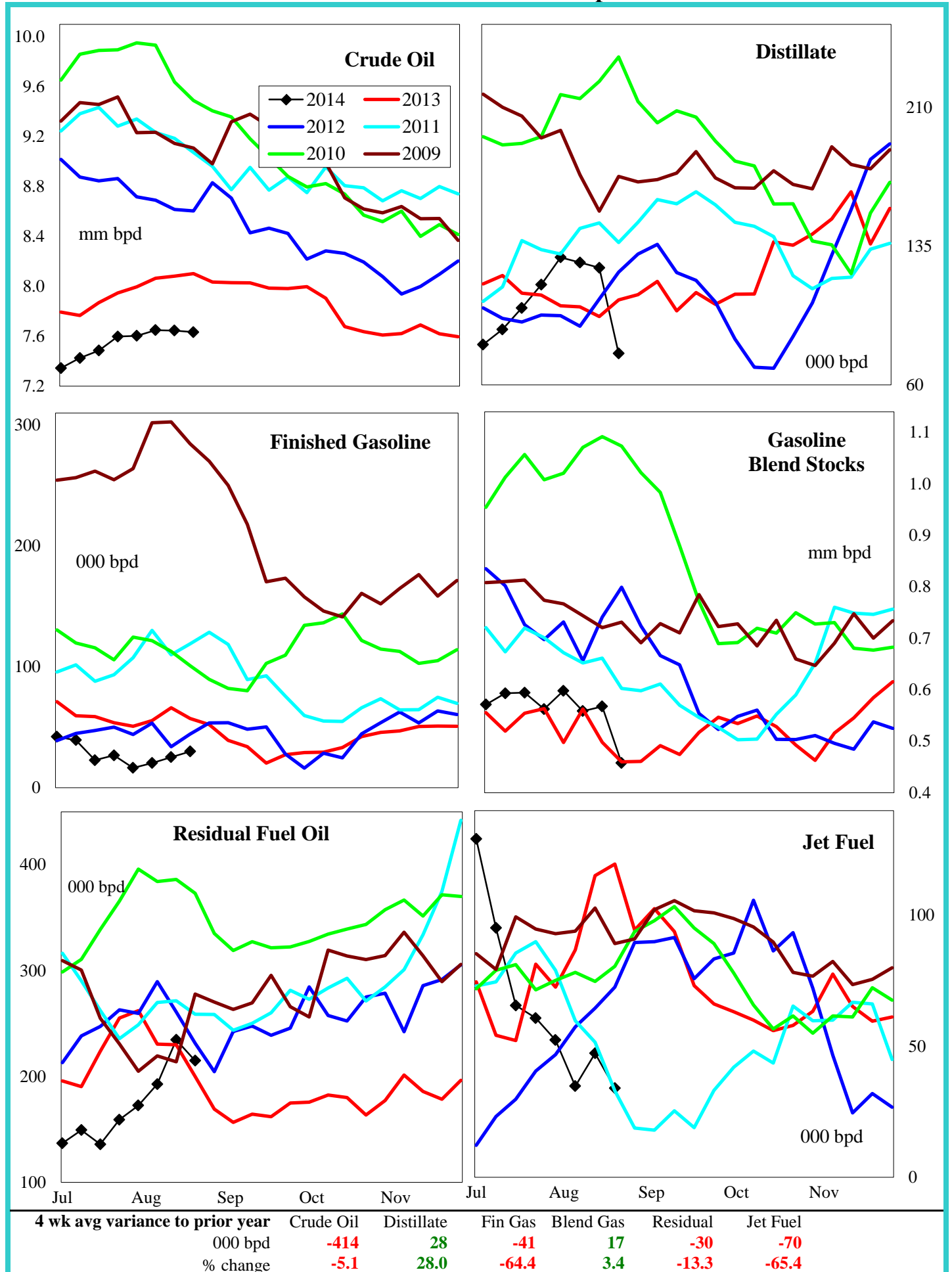
# United States Product Stocks: Days Forward Coverage



## United States Refinery Percent Utilization Rate and Product Yields

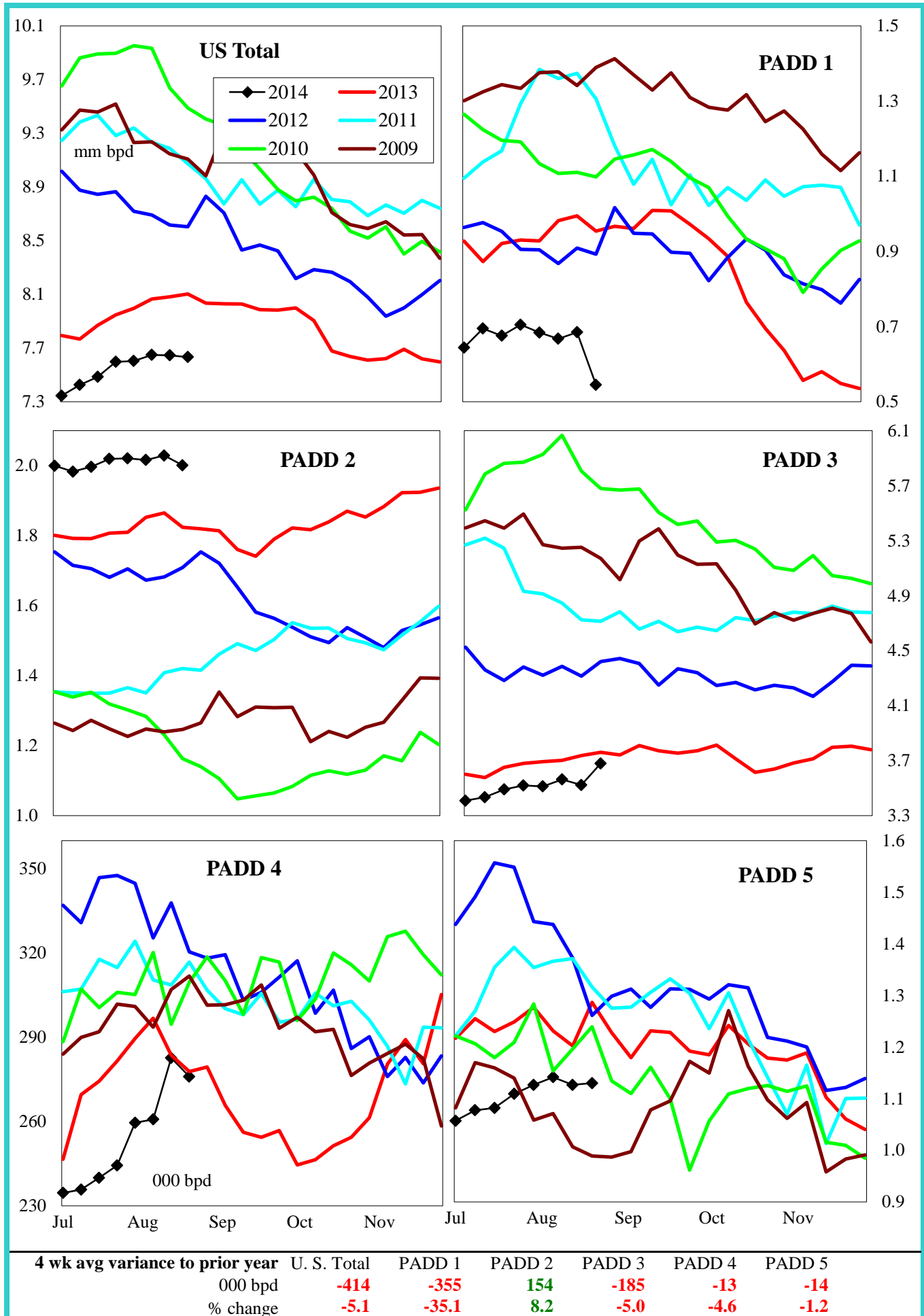


# United States Petroleum Imports

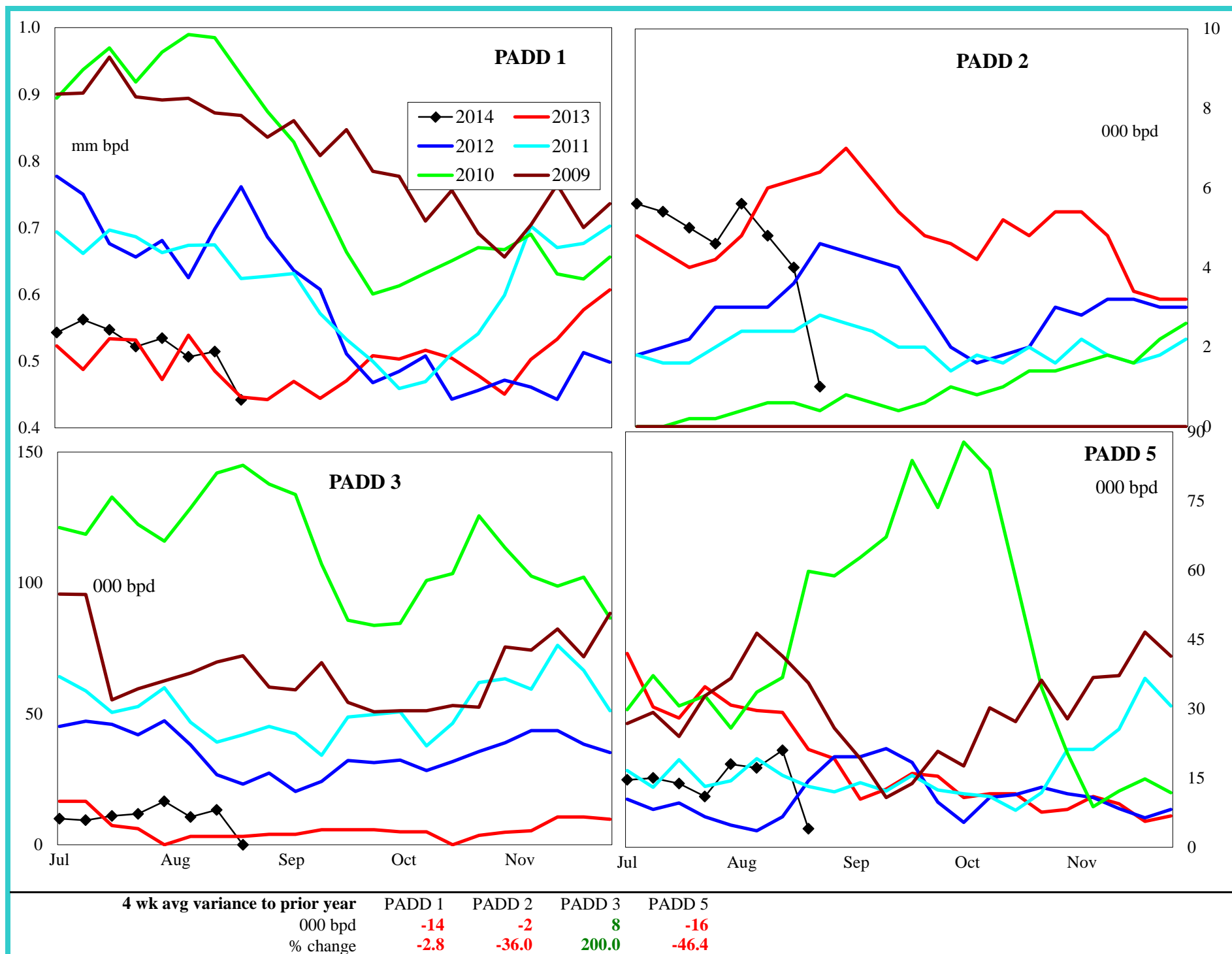




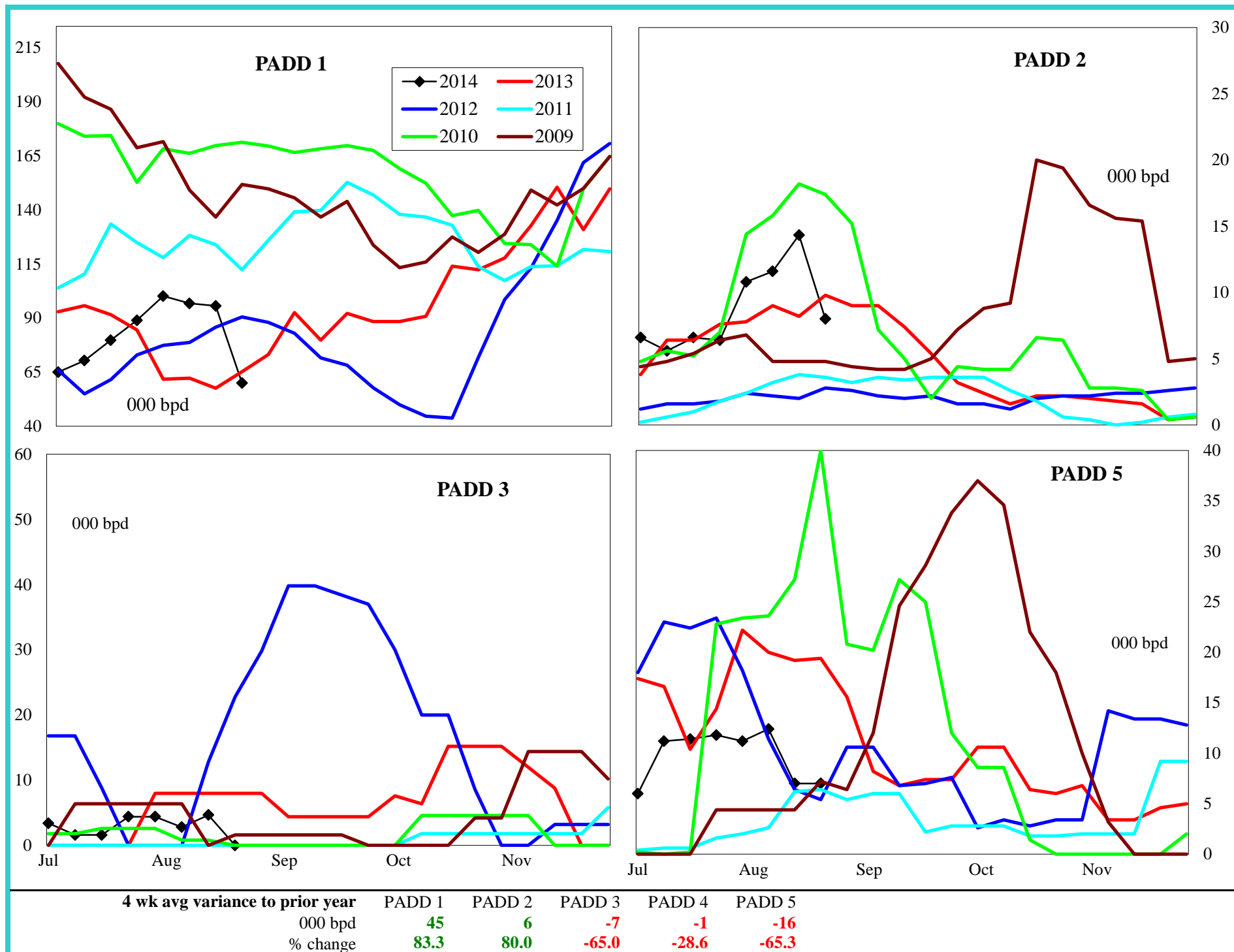
## Crude Oil Imports by PADD



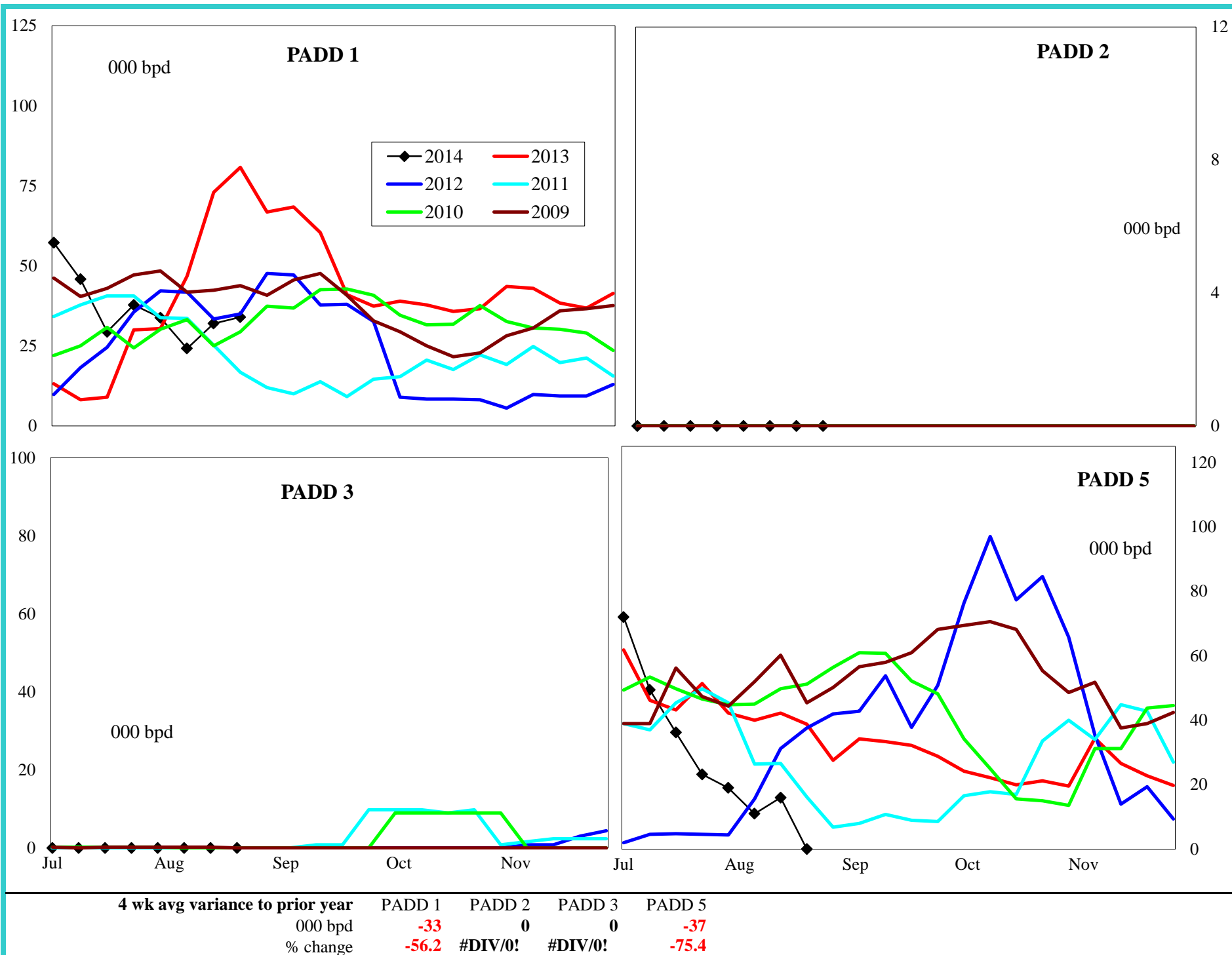
# Gasoline Imports by PADD (Finished + Blend Stocks)



# Distillate Imports by PADD

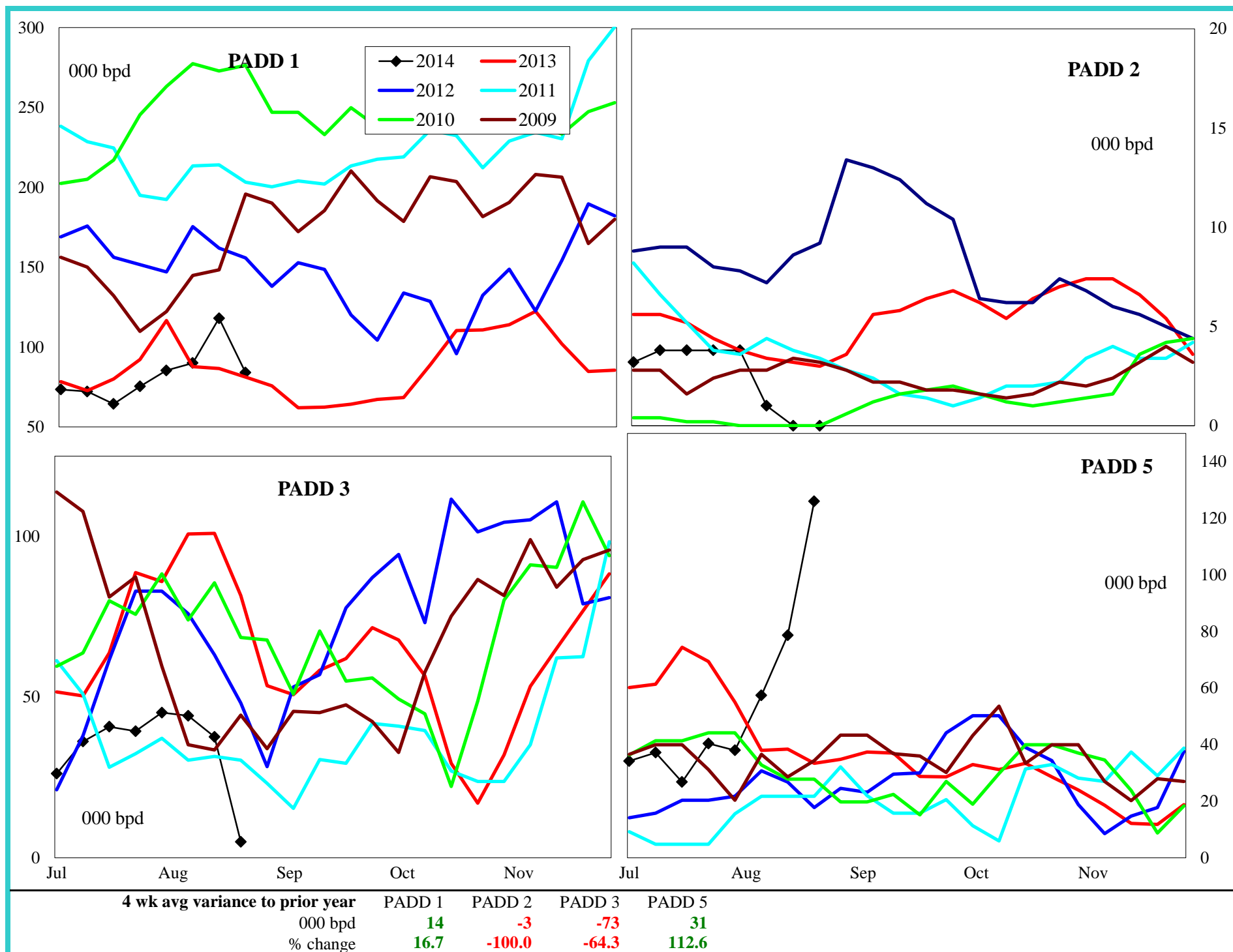


# Jet Fuel Imports by PADD

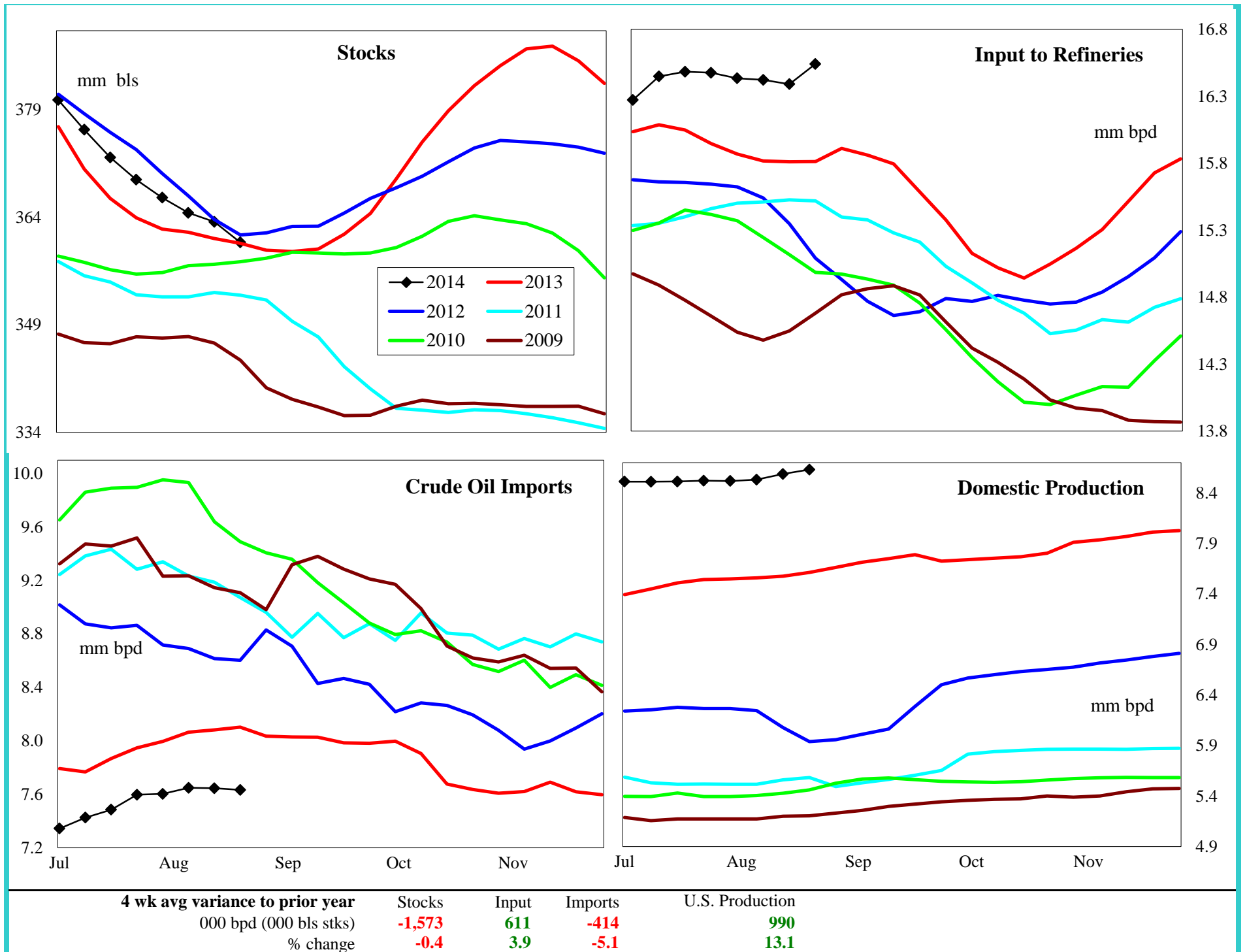




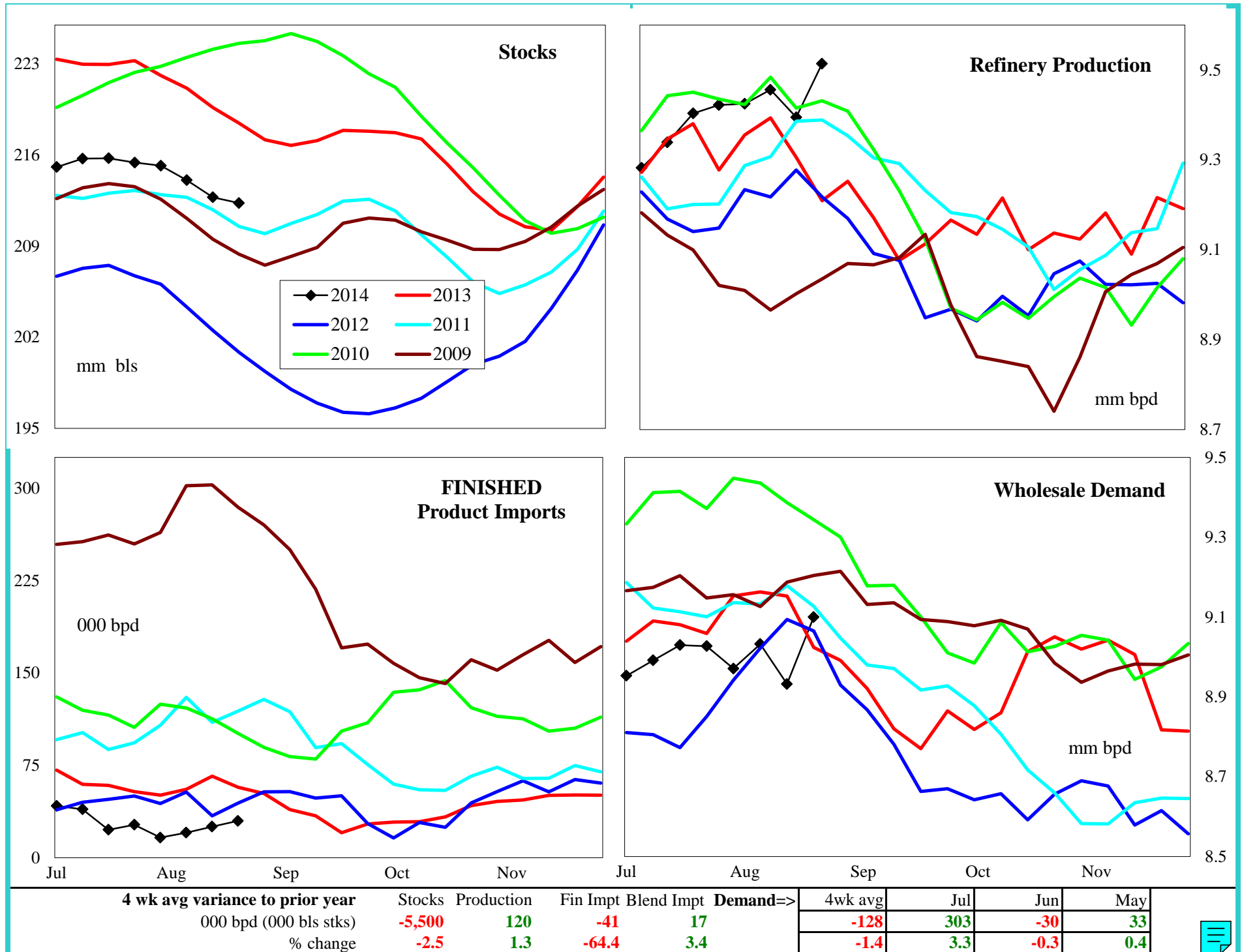
## Residual Fuel Oil Imports by PADD



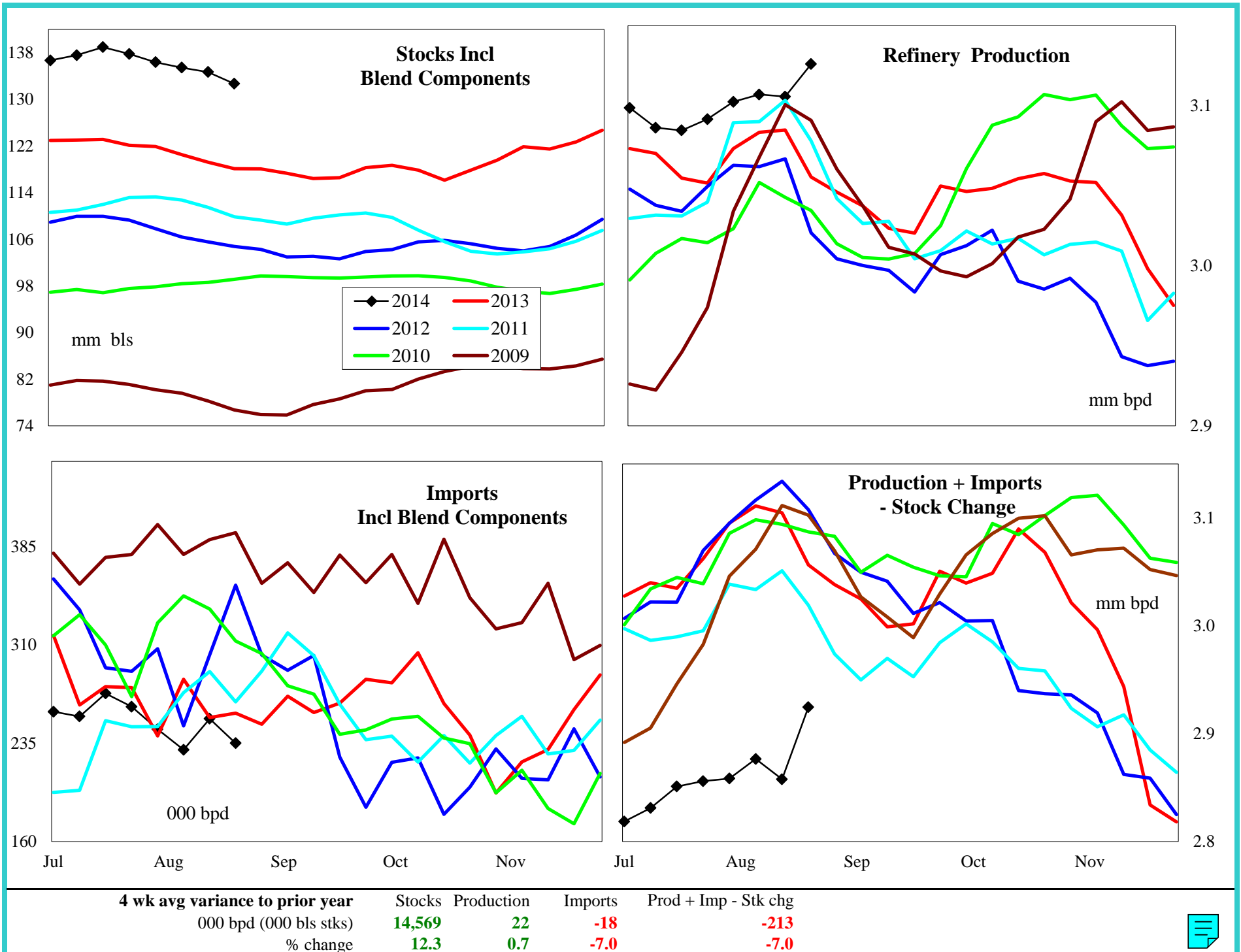
# United States Crude Oil Supply and Demand Balance



# United States Gasoline Supply and Demand Balance

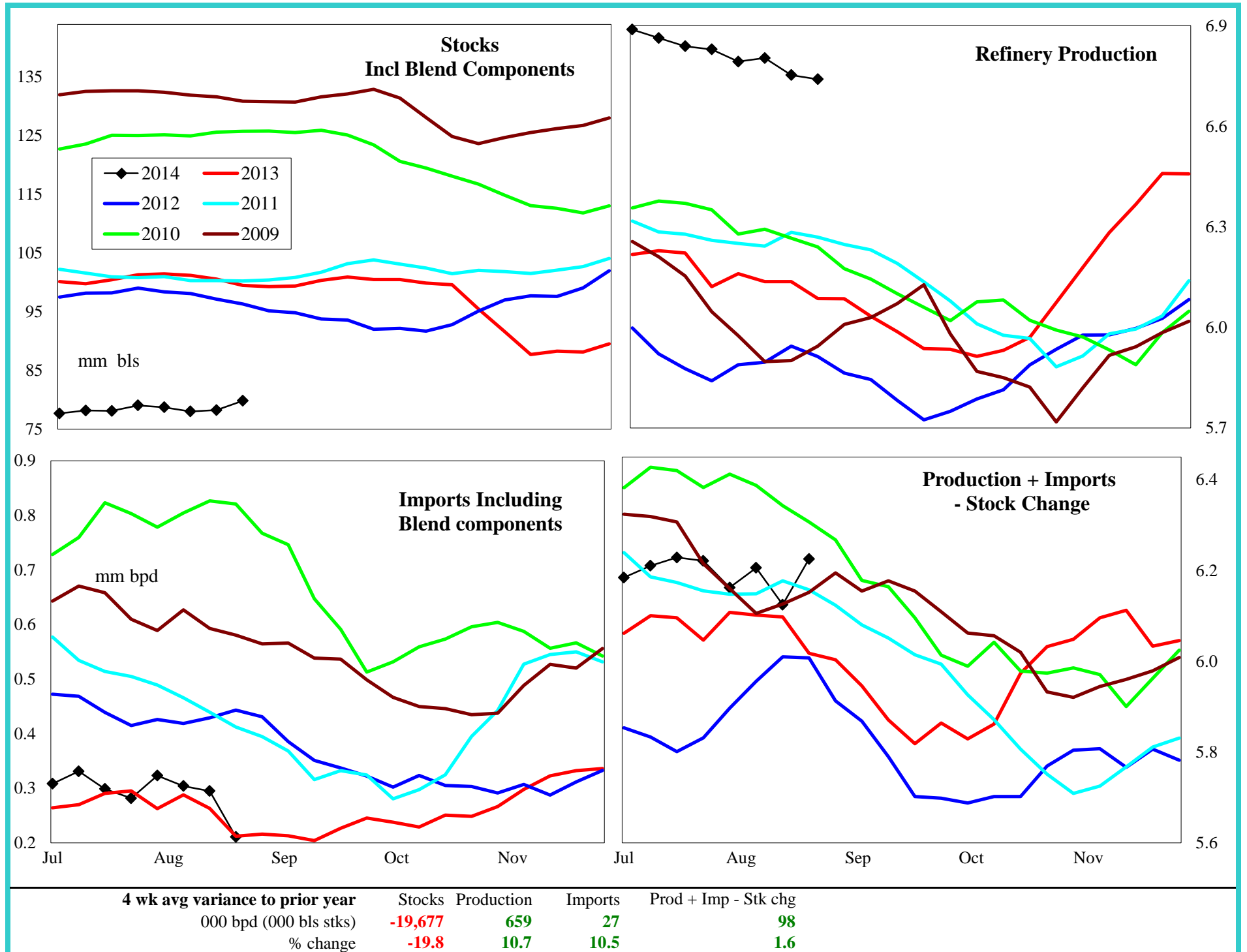


# United States Reformulated Gasoline Supply

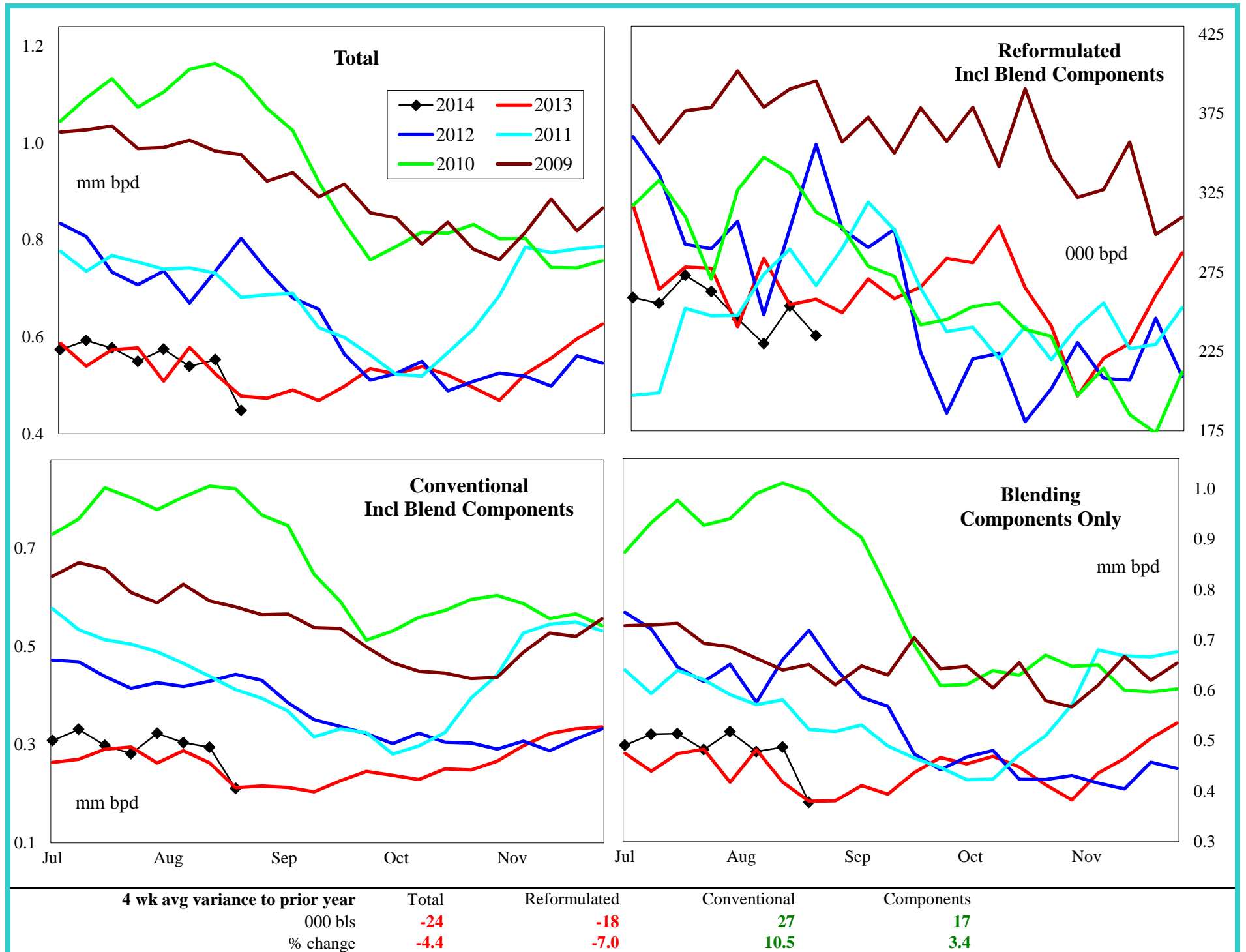




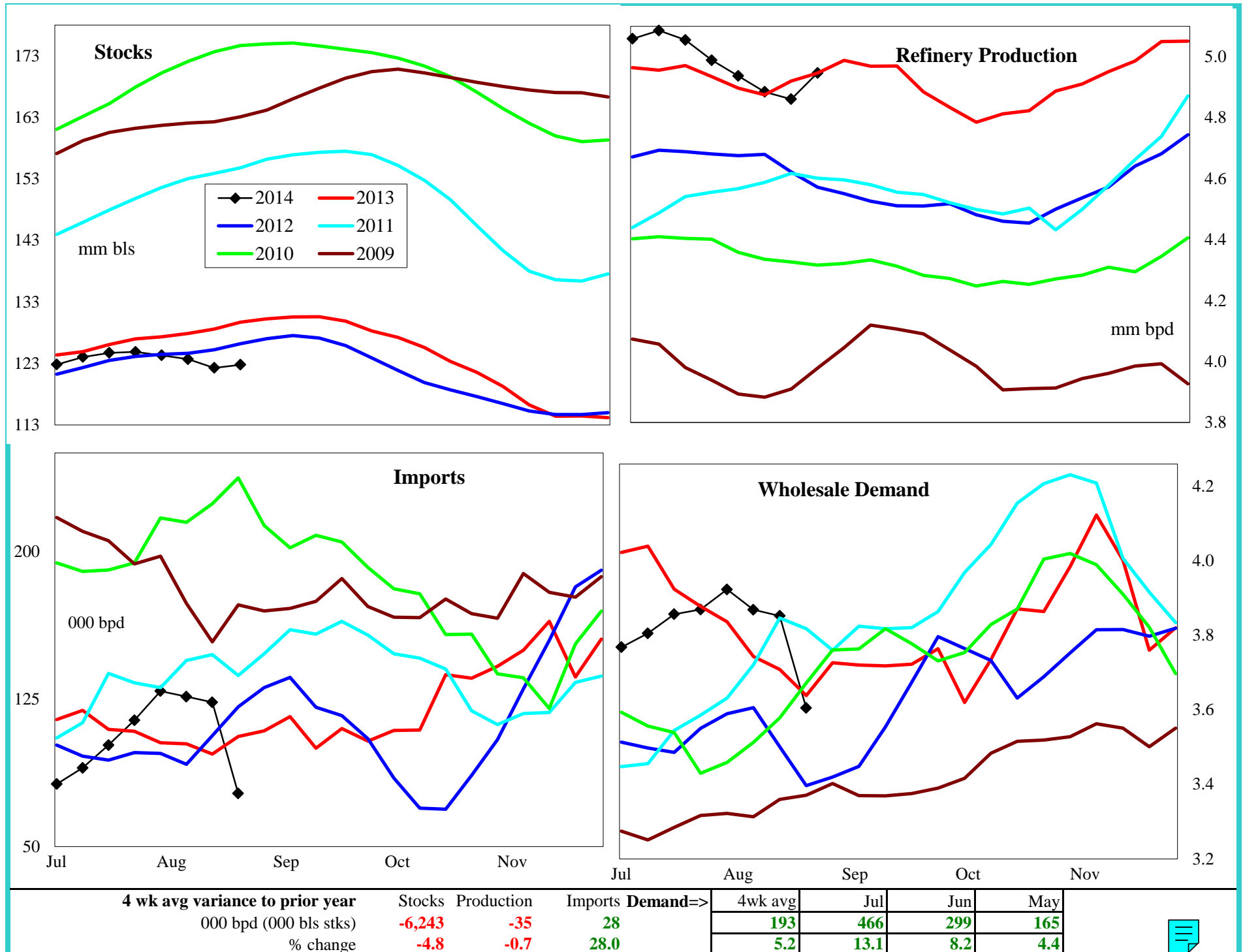
# United States Conventional Gasoline Supply



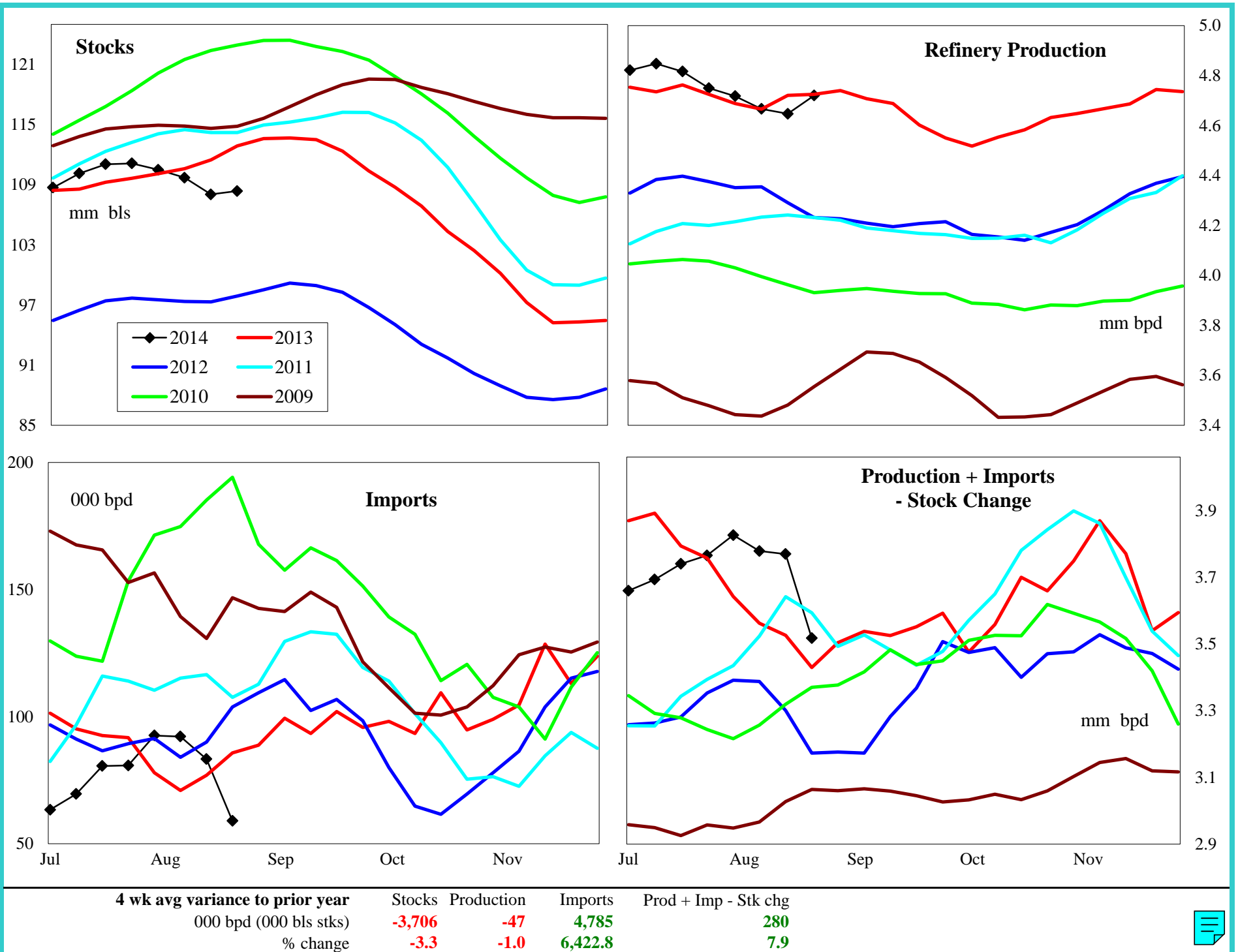
# United States Gasoline Imports by Type



# United States Distillate Supply and Demand Balance

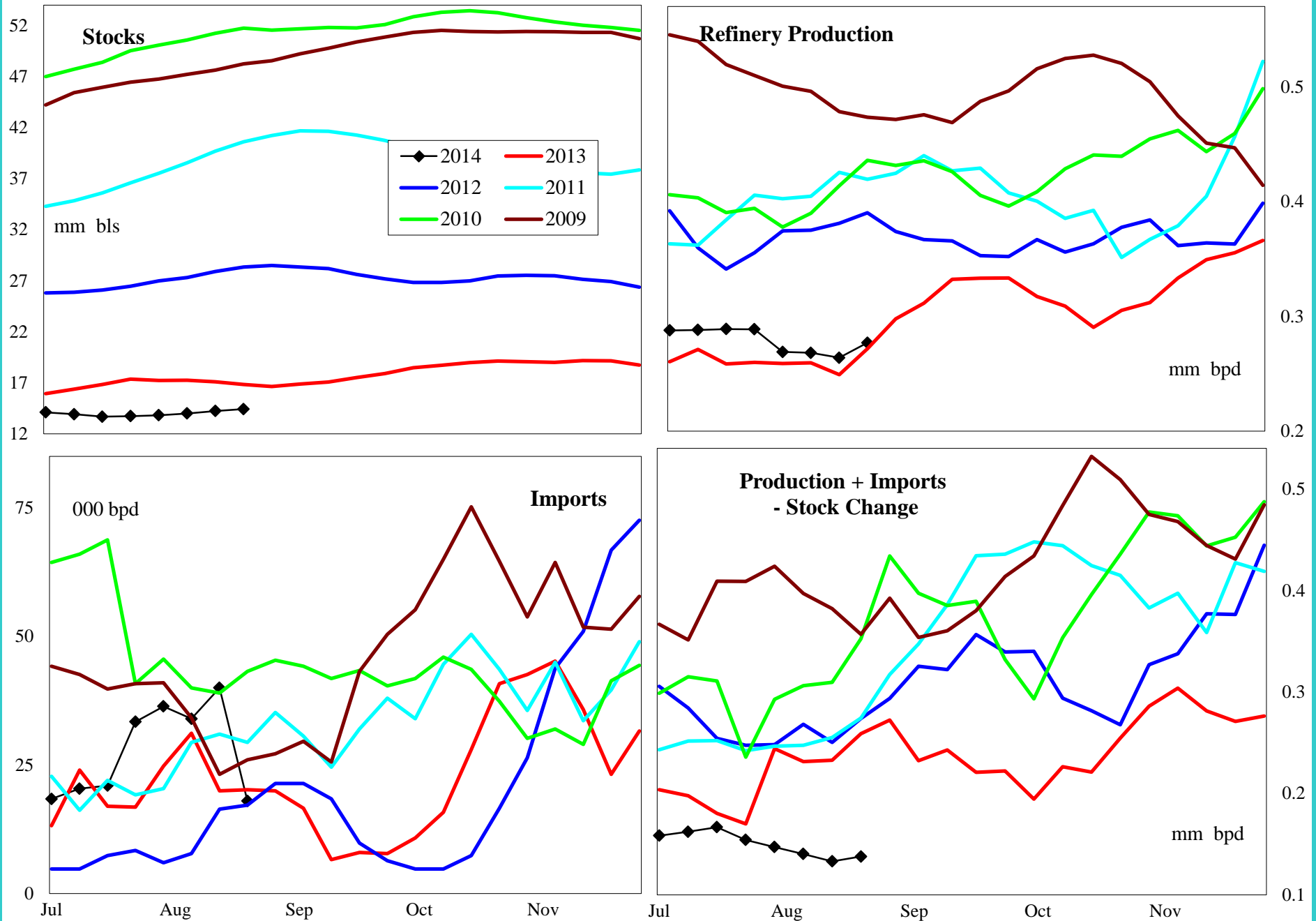


# United States Low Sulfur Distillate Supply





# United States High Sulfur Distillate Supply



**4 wk avg variance to prior year**

000 bpd (000 bls stks)

% change

**Stocks**

**Production**

**Imports**

**Prod + Imp - Stk chg**

-2,537

12

12

-87

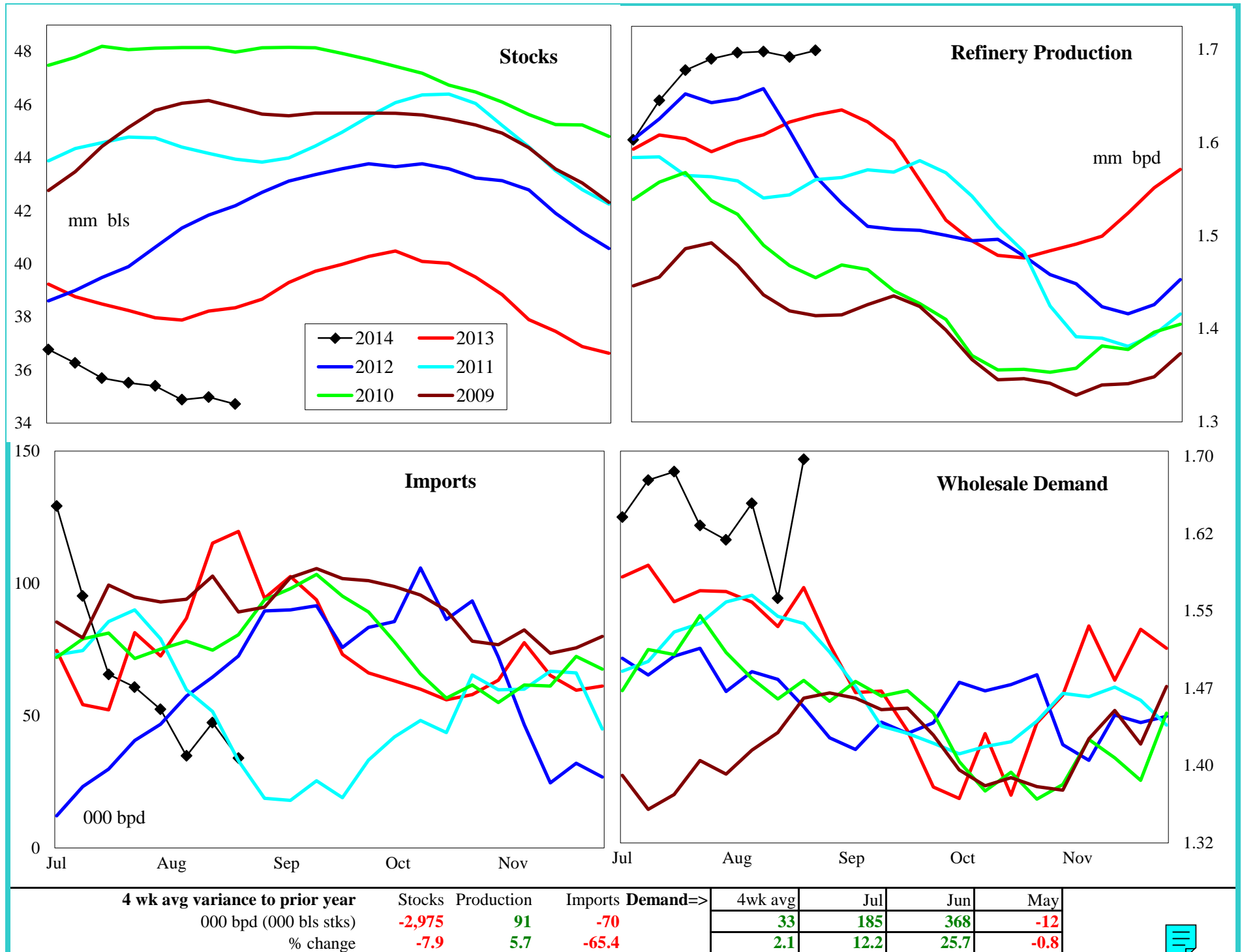
-15.0

6.1

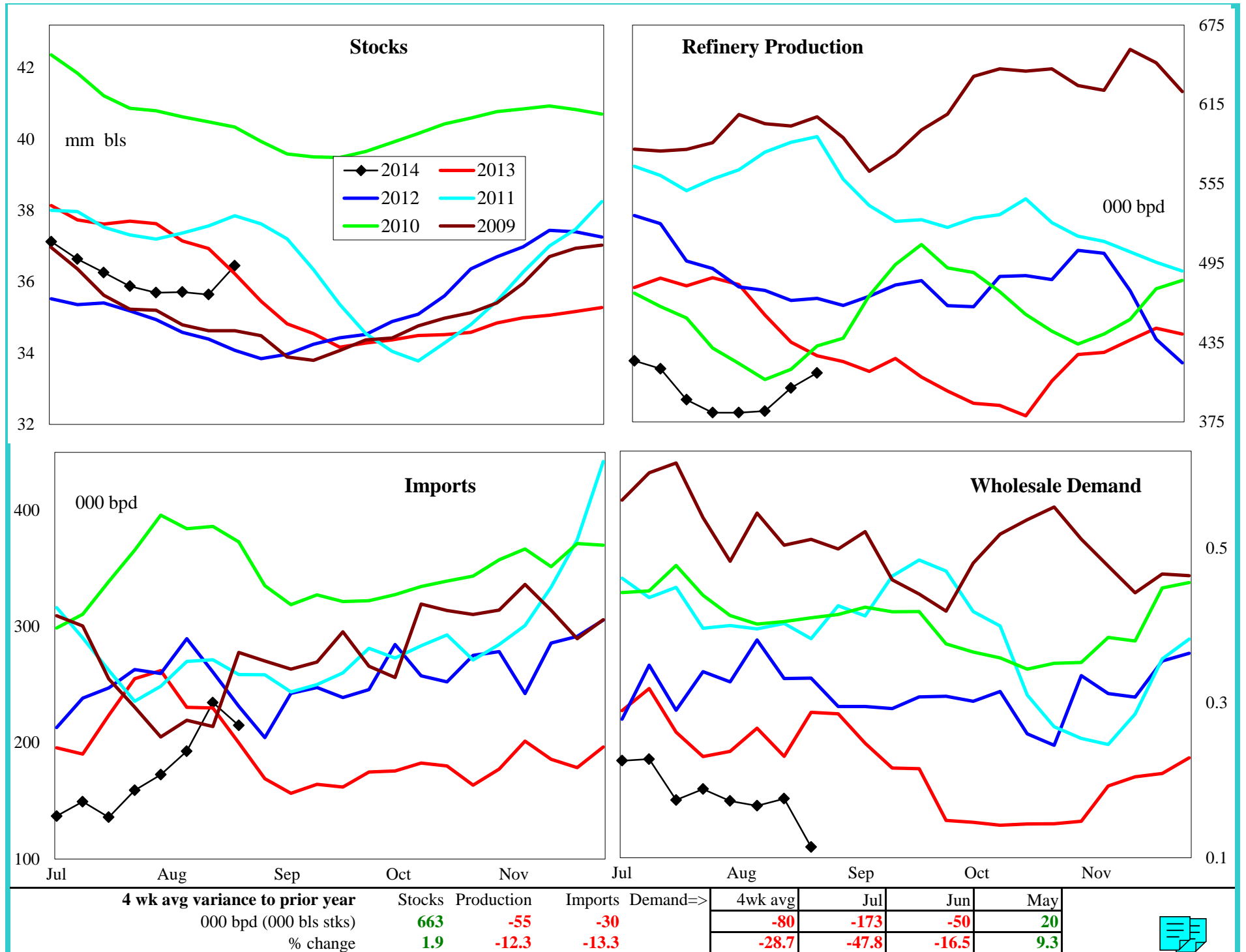
46.9

-49.4

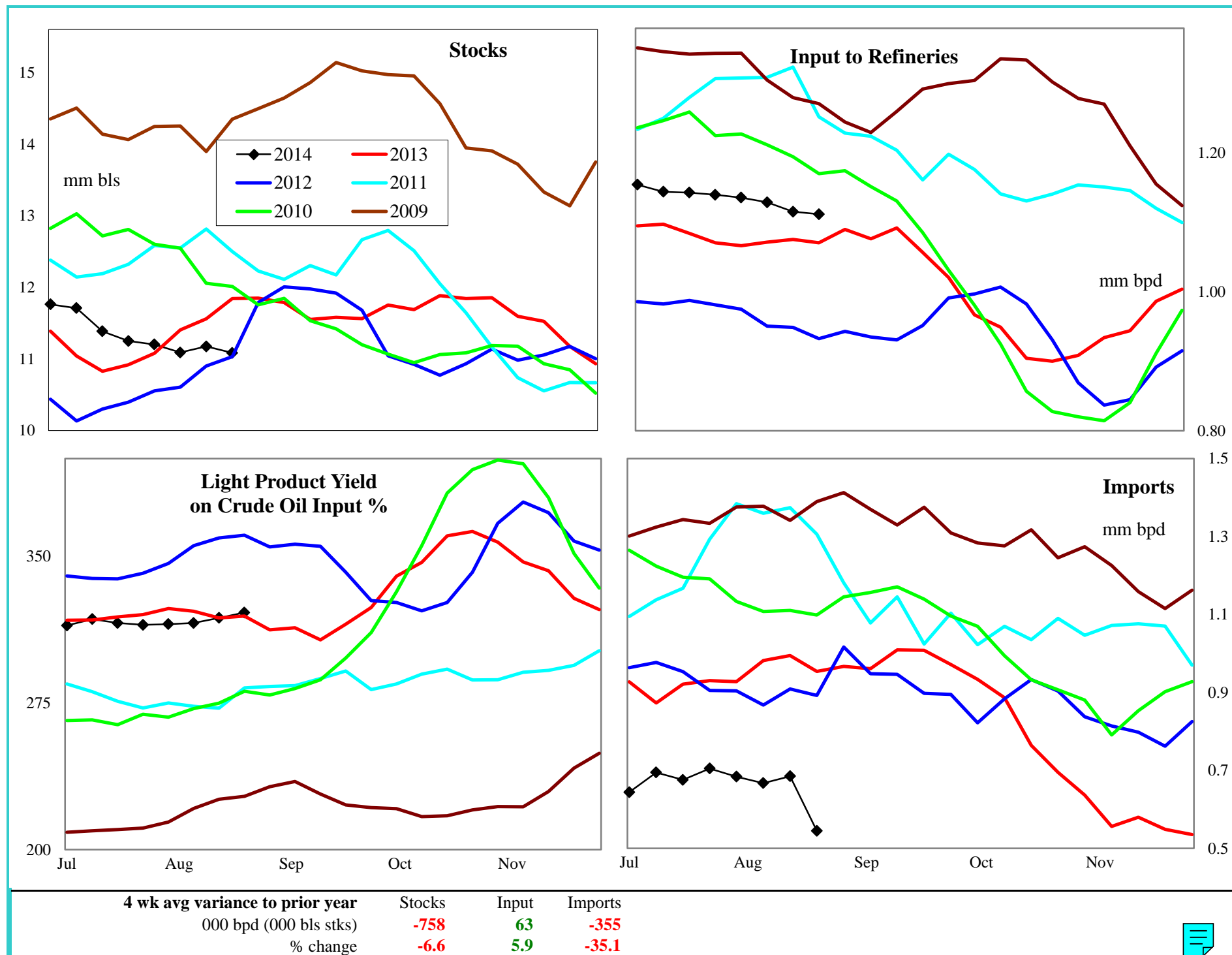
# United States Jet Fuel Supply and Demand Balance



# United States Residual Fuel Oil Supply and Demand Balance

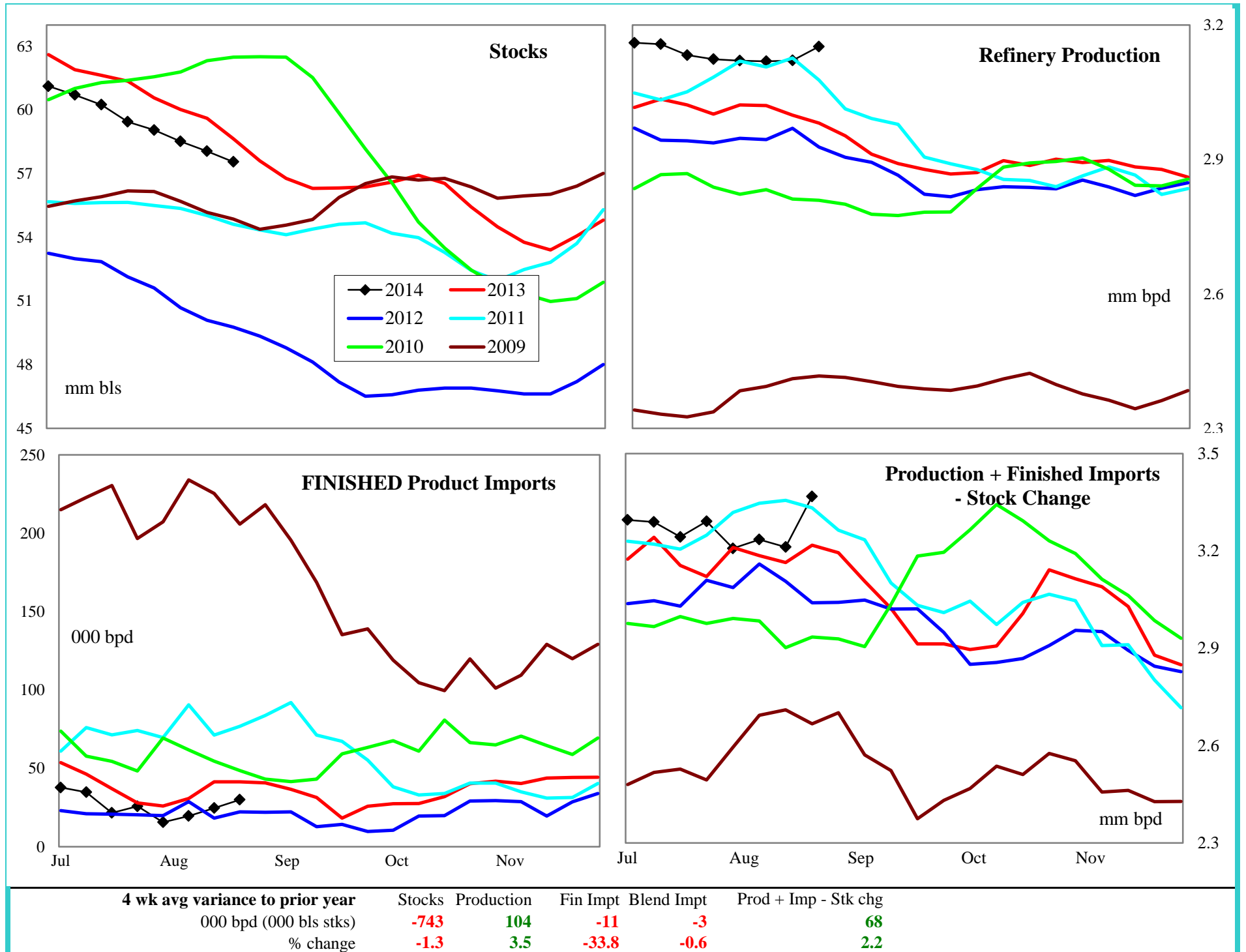


# PADD 1 Crude Oil Supply and Refining

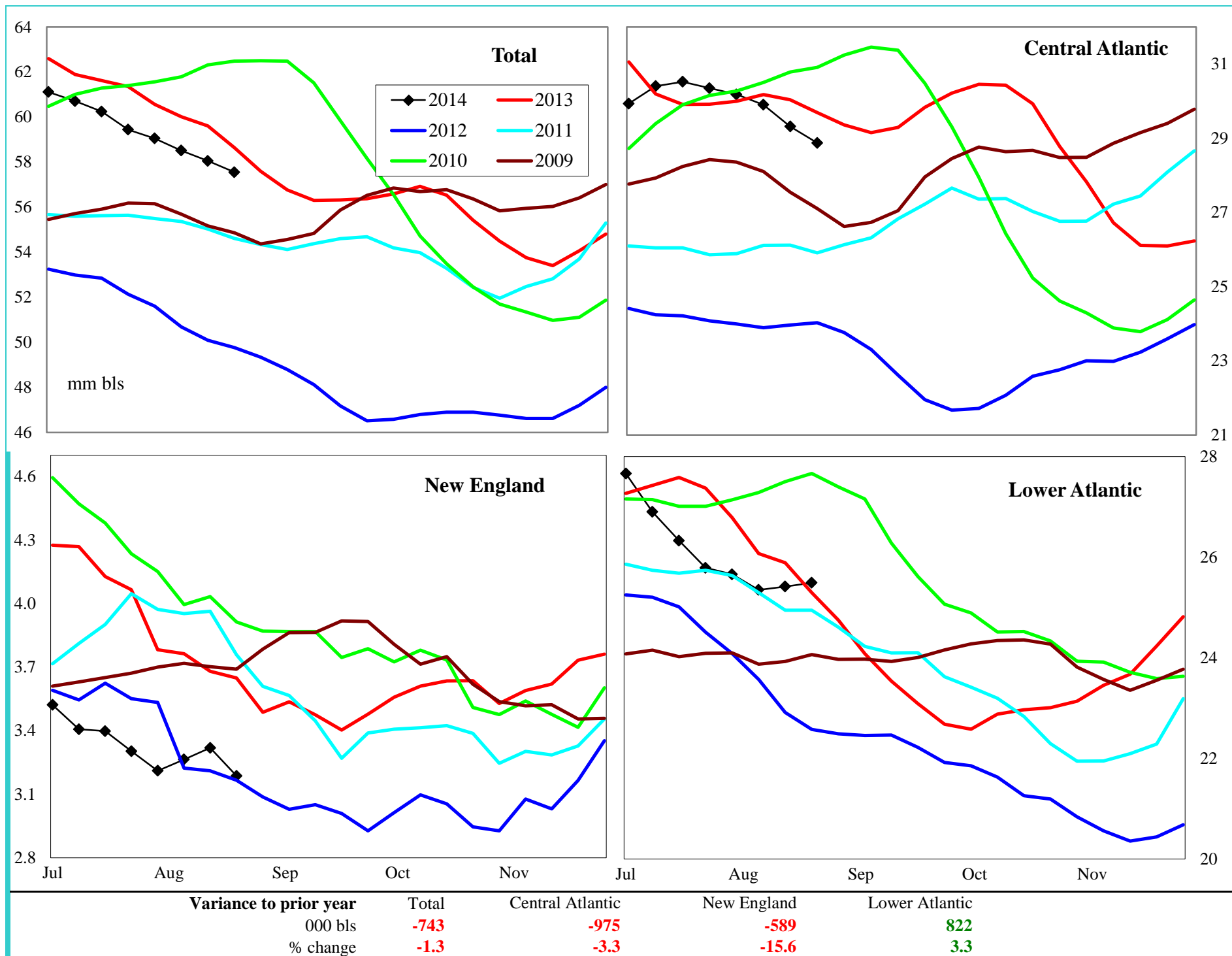




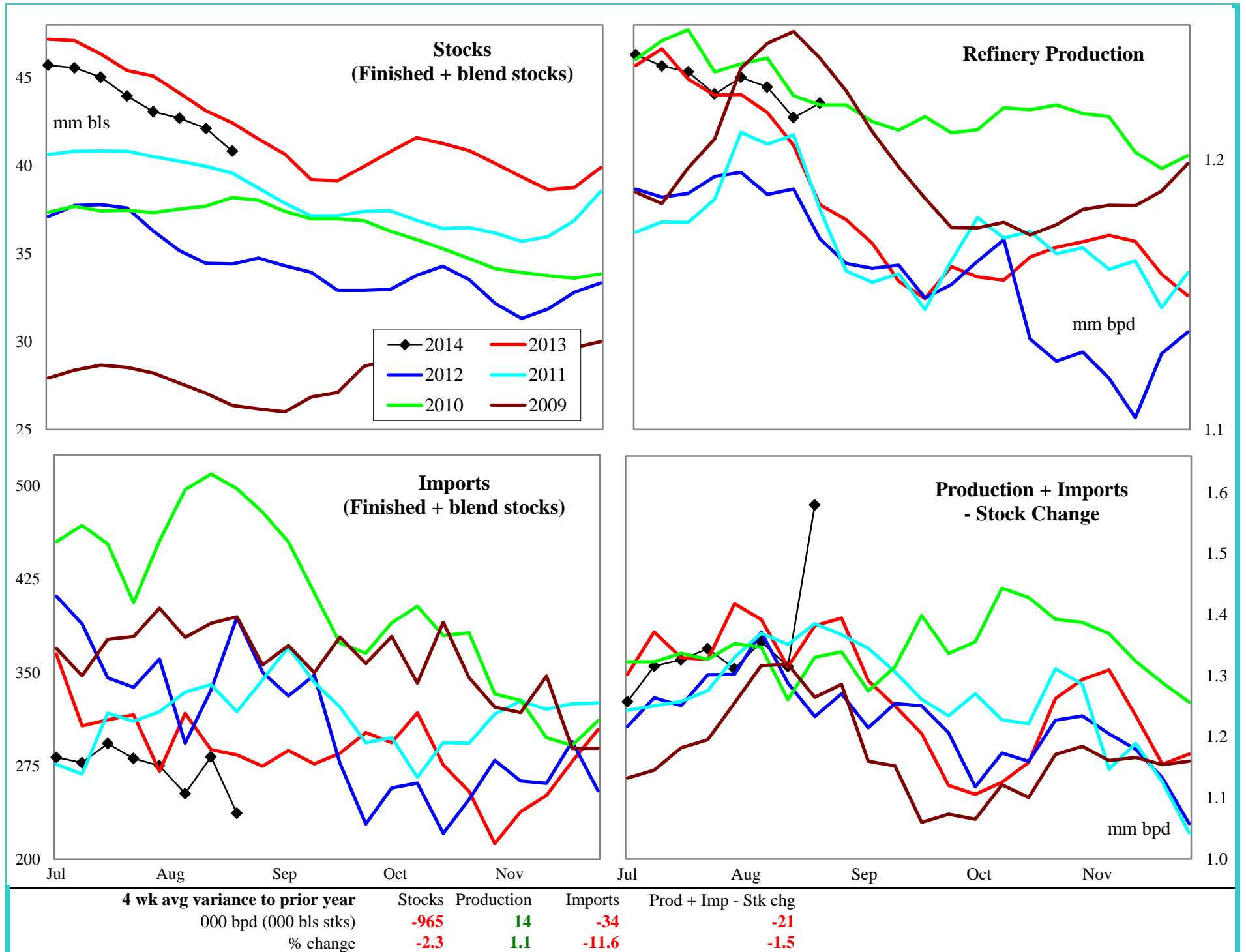
## PADD 1 Gasoline Supply



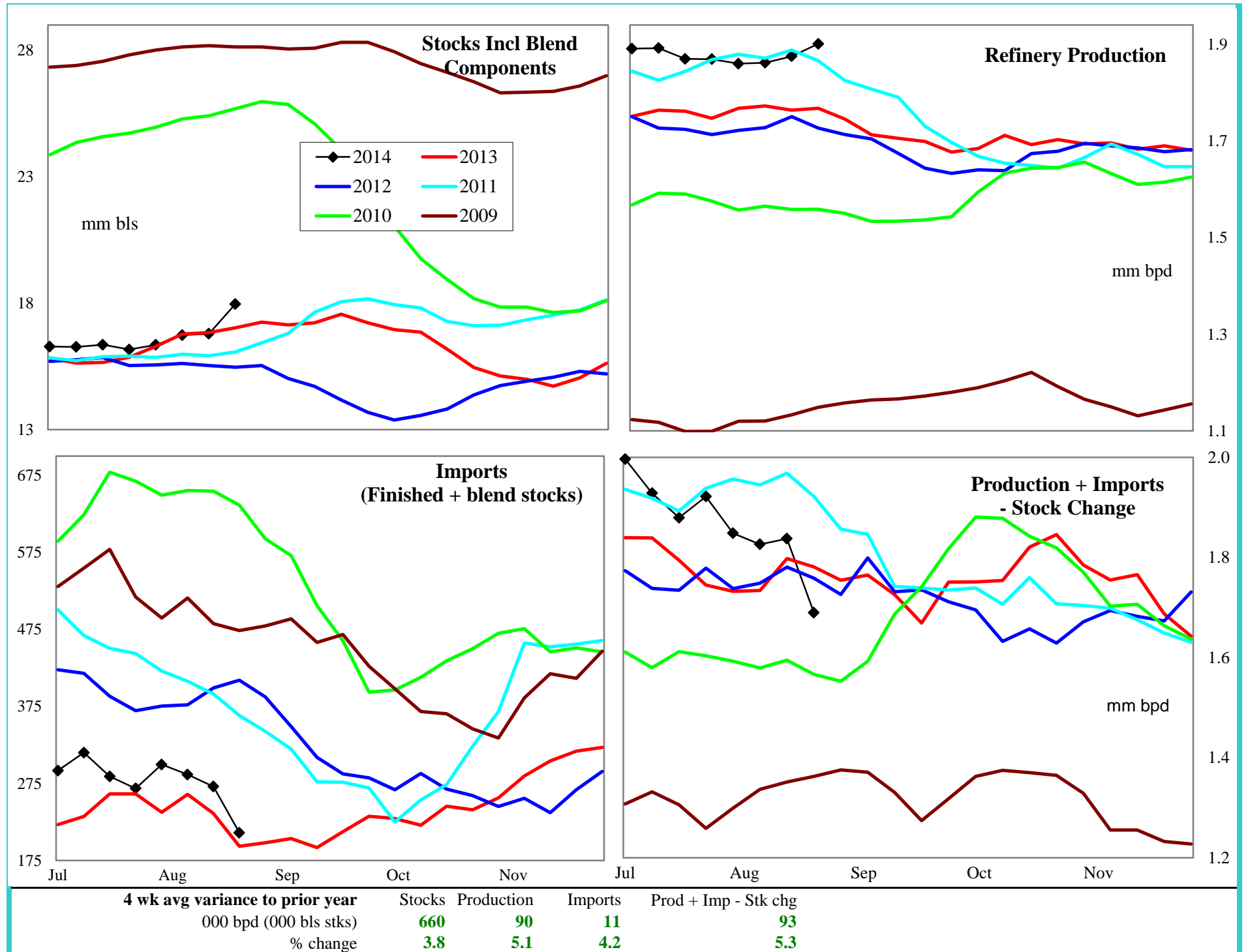
# PADD 1 Gasoline Stocks by Region



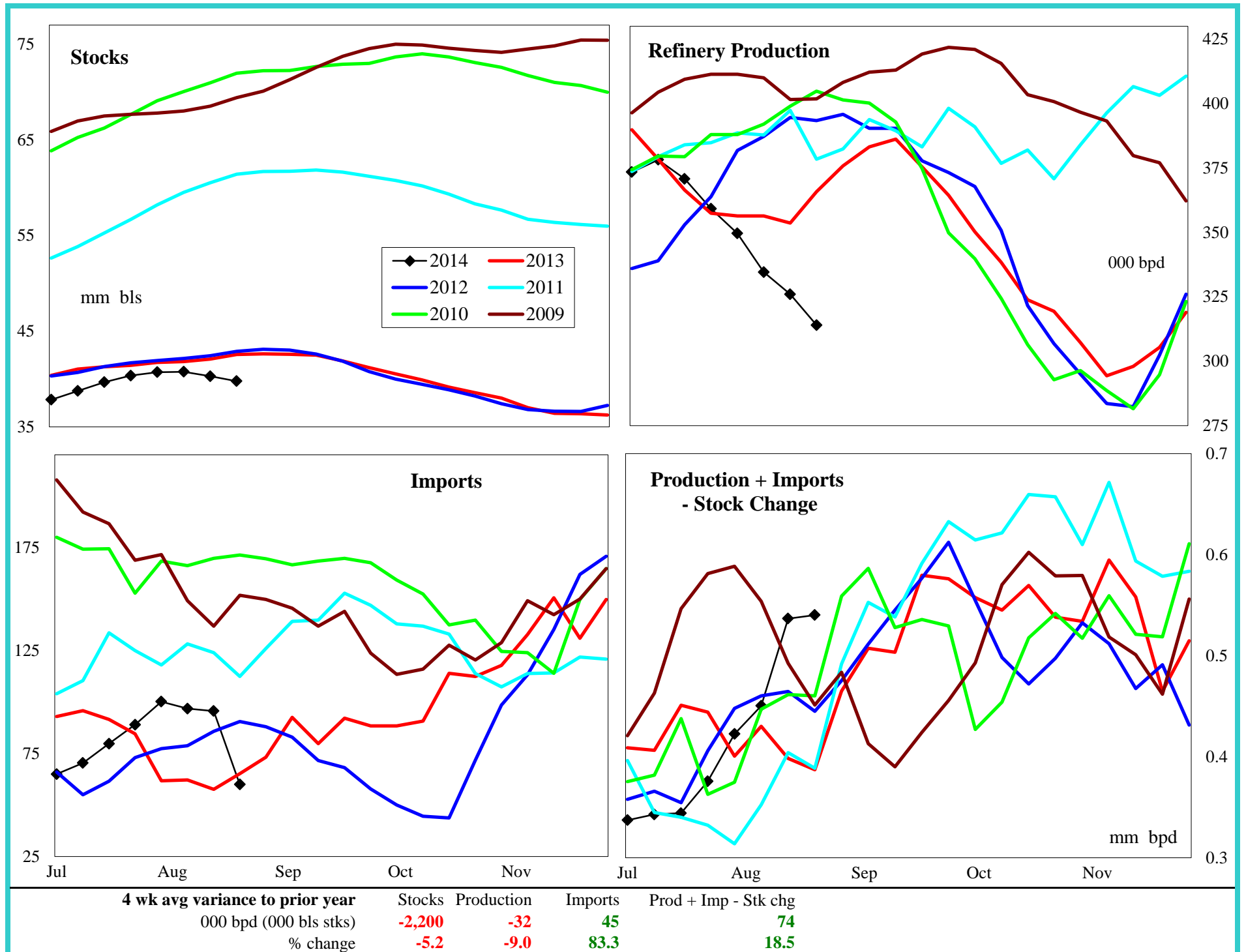
# PADD 1 Reformulated Gasoline Supply



# PADD 1 Conventional Gasoline Supply

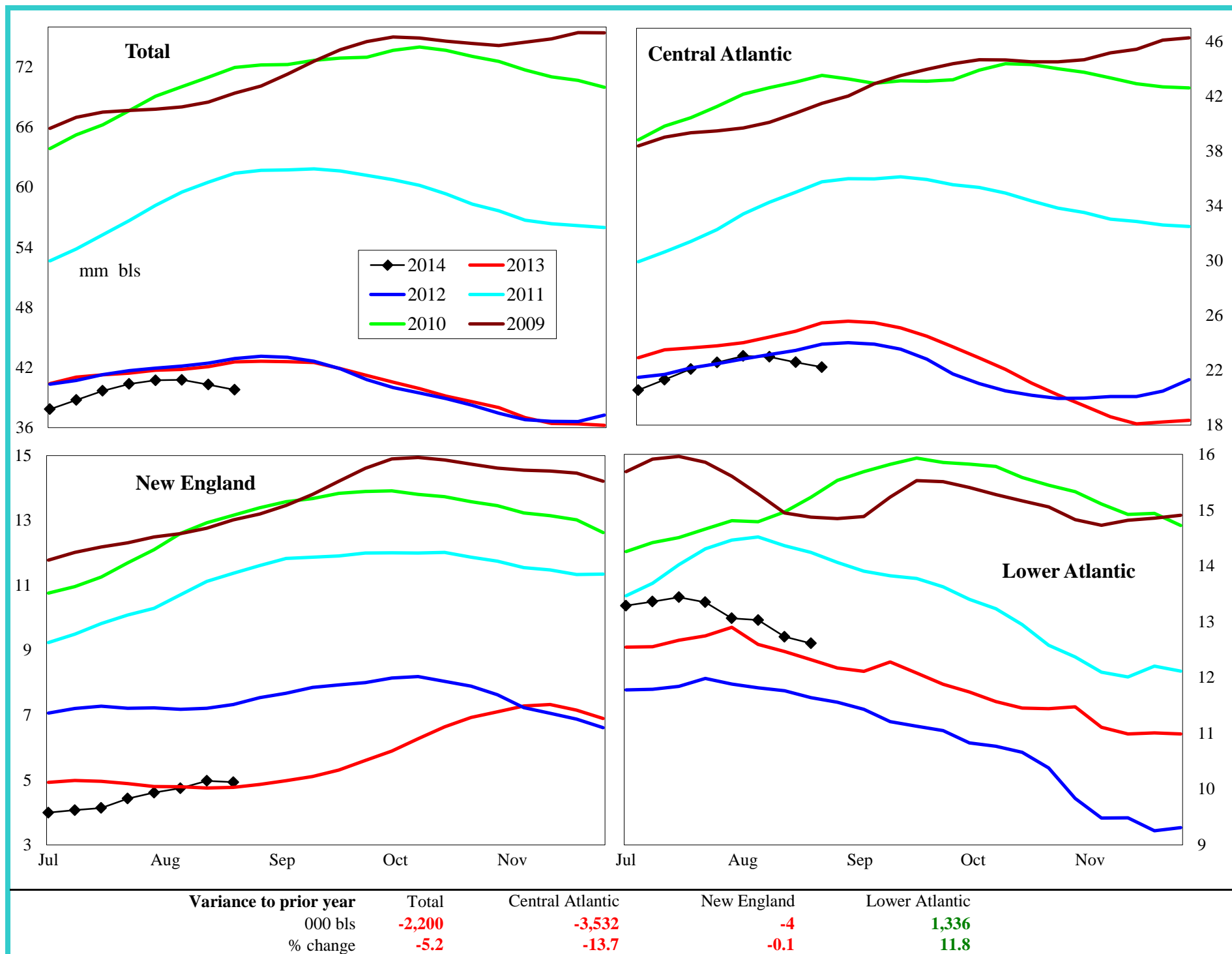


# PADD 1 Distillate Supply

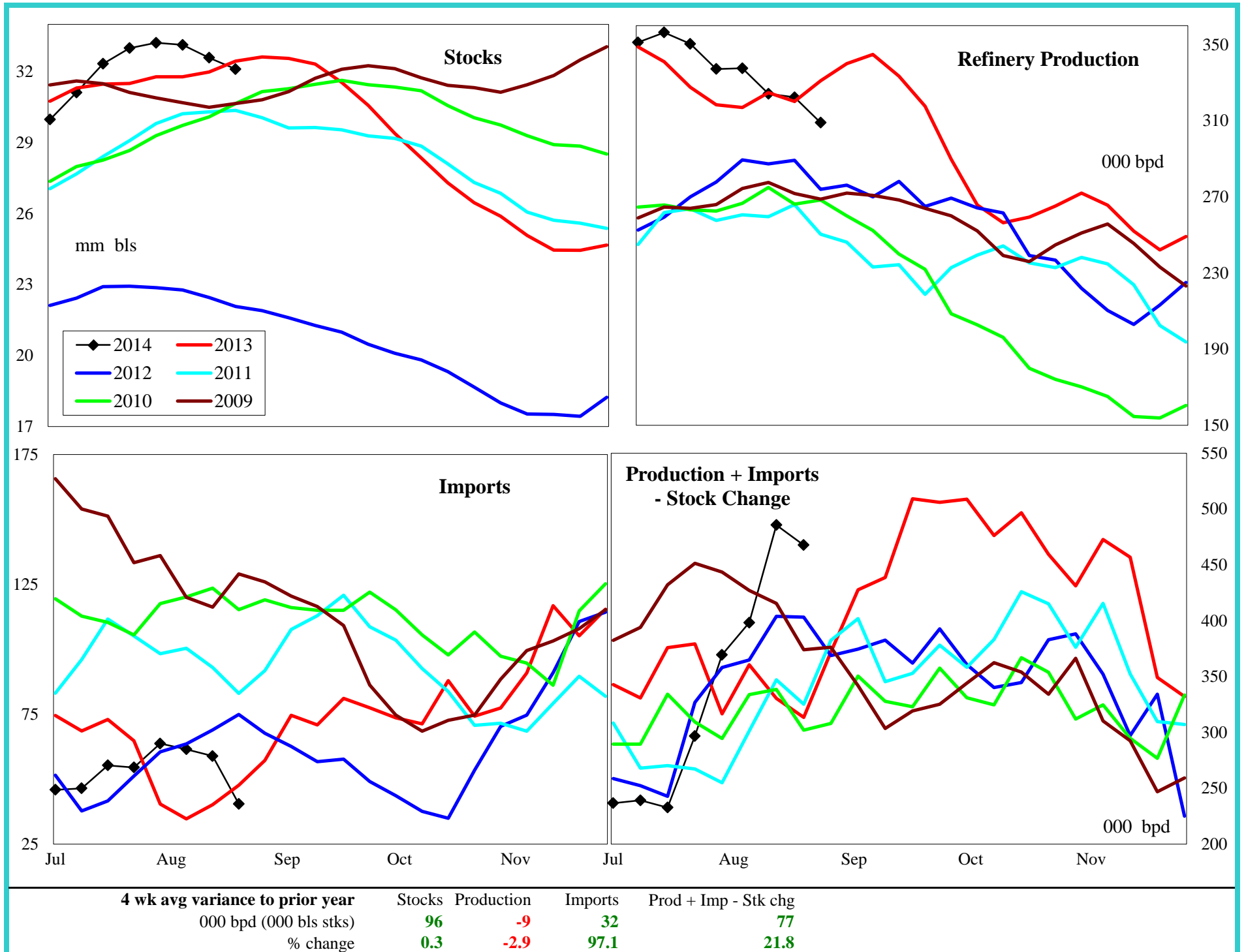




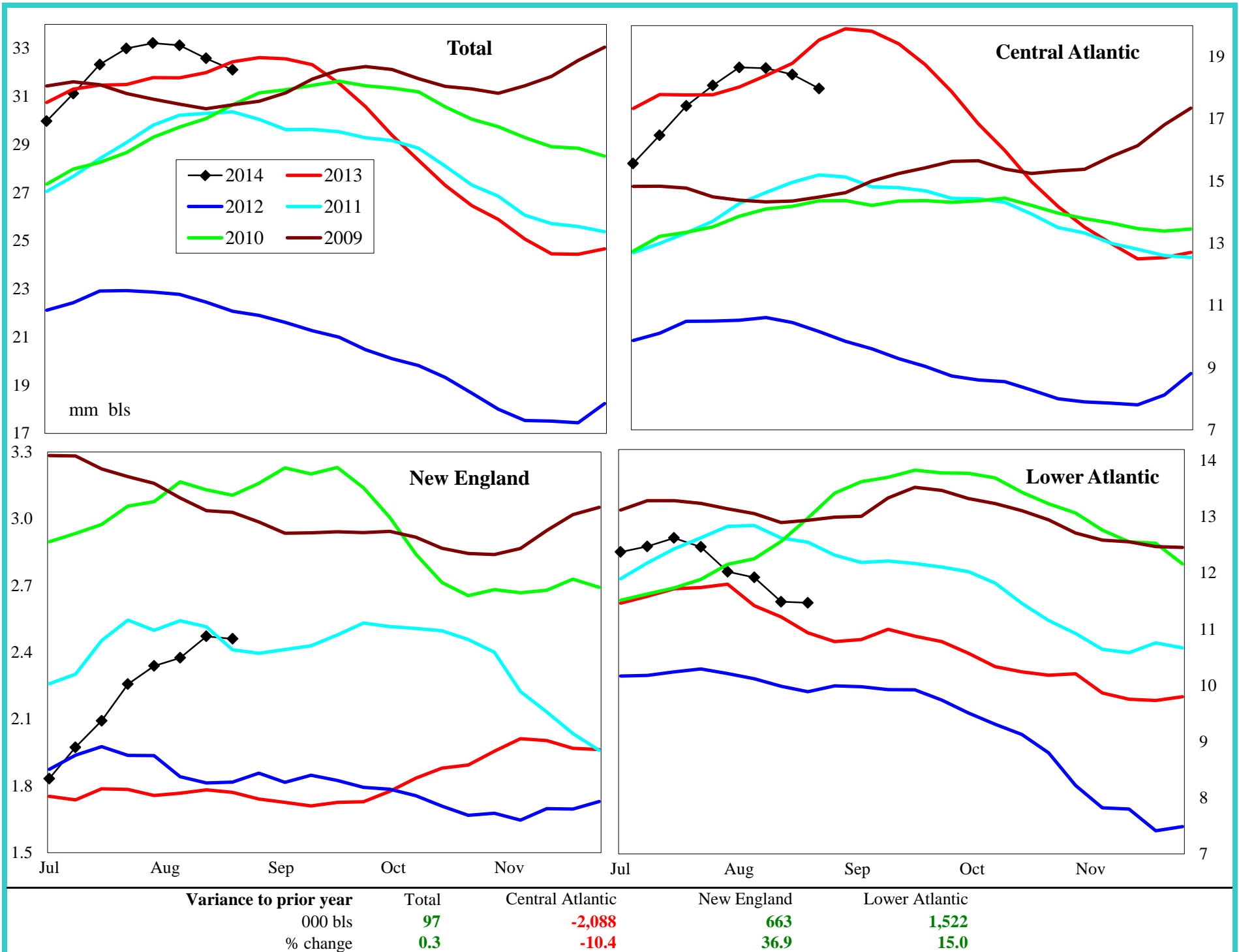
# PADD 1 Distillate Stocks by Region



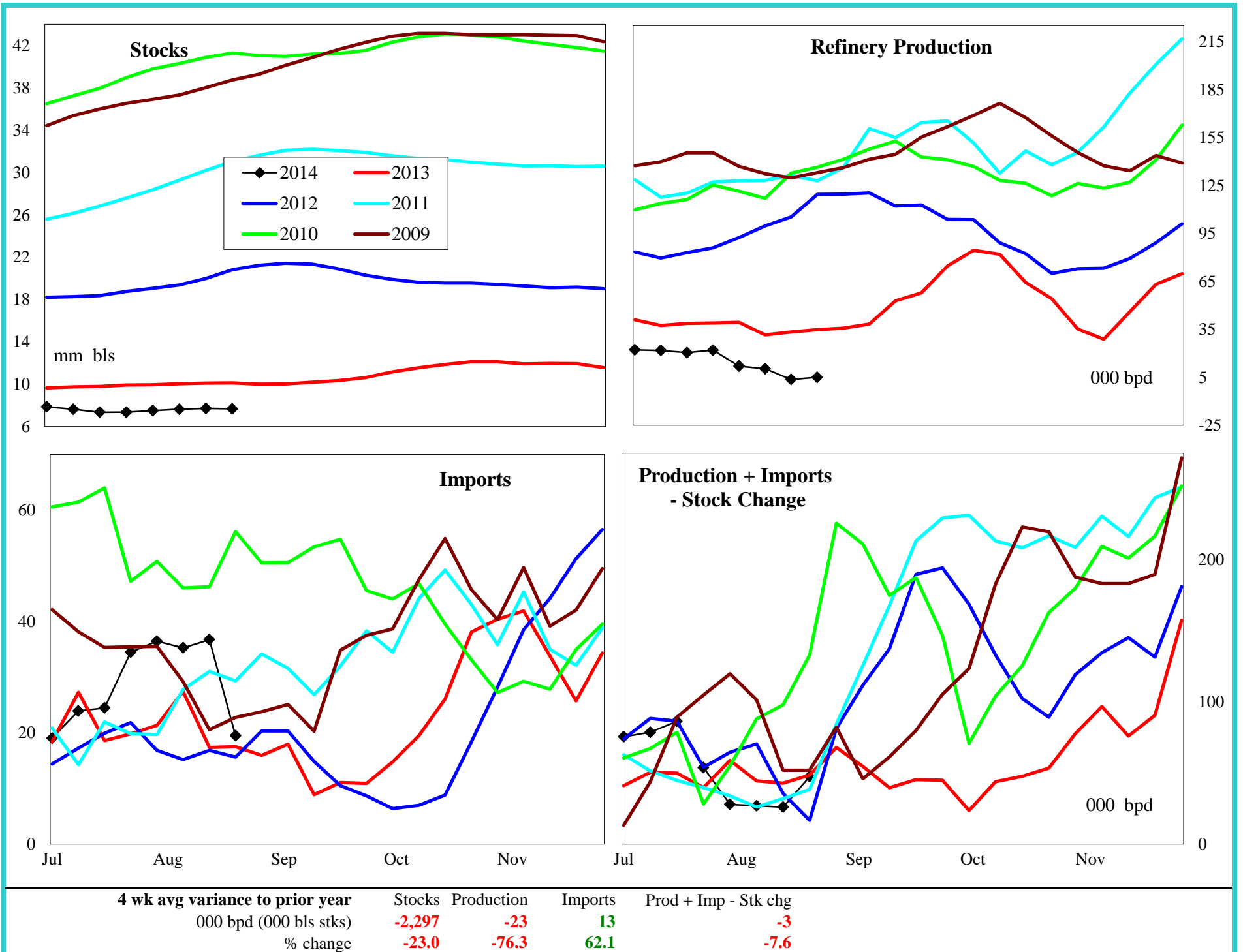
# PADD 1 Low Sulfur Distillate Supply



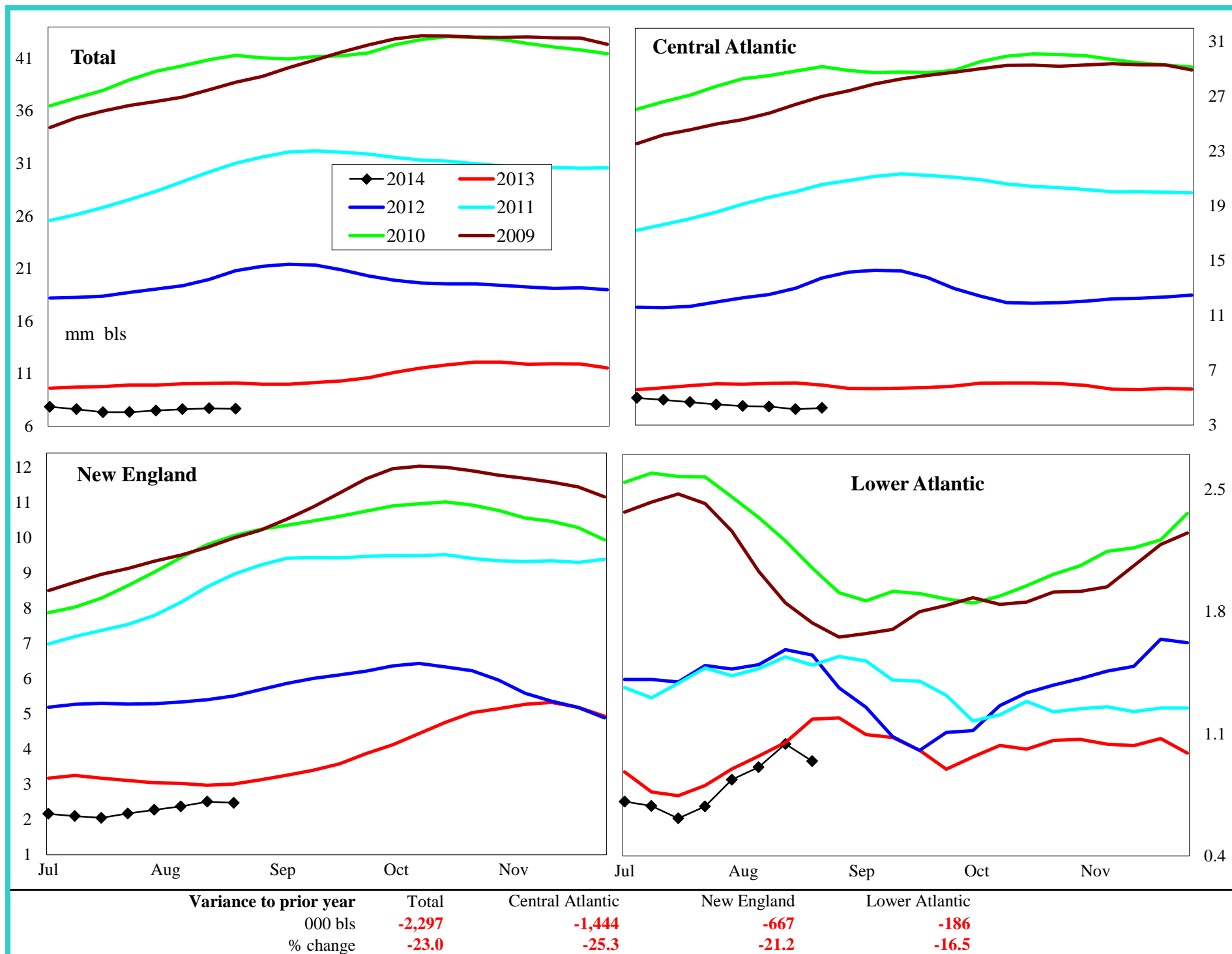
# PADD 1 Low Sulfur Distillate Stocks by Region



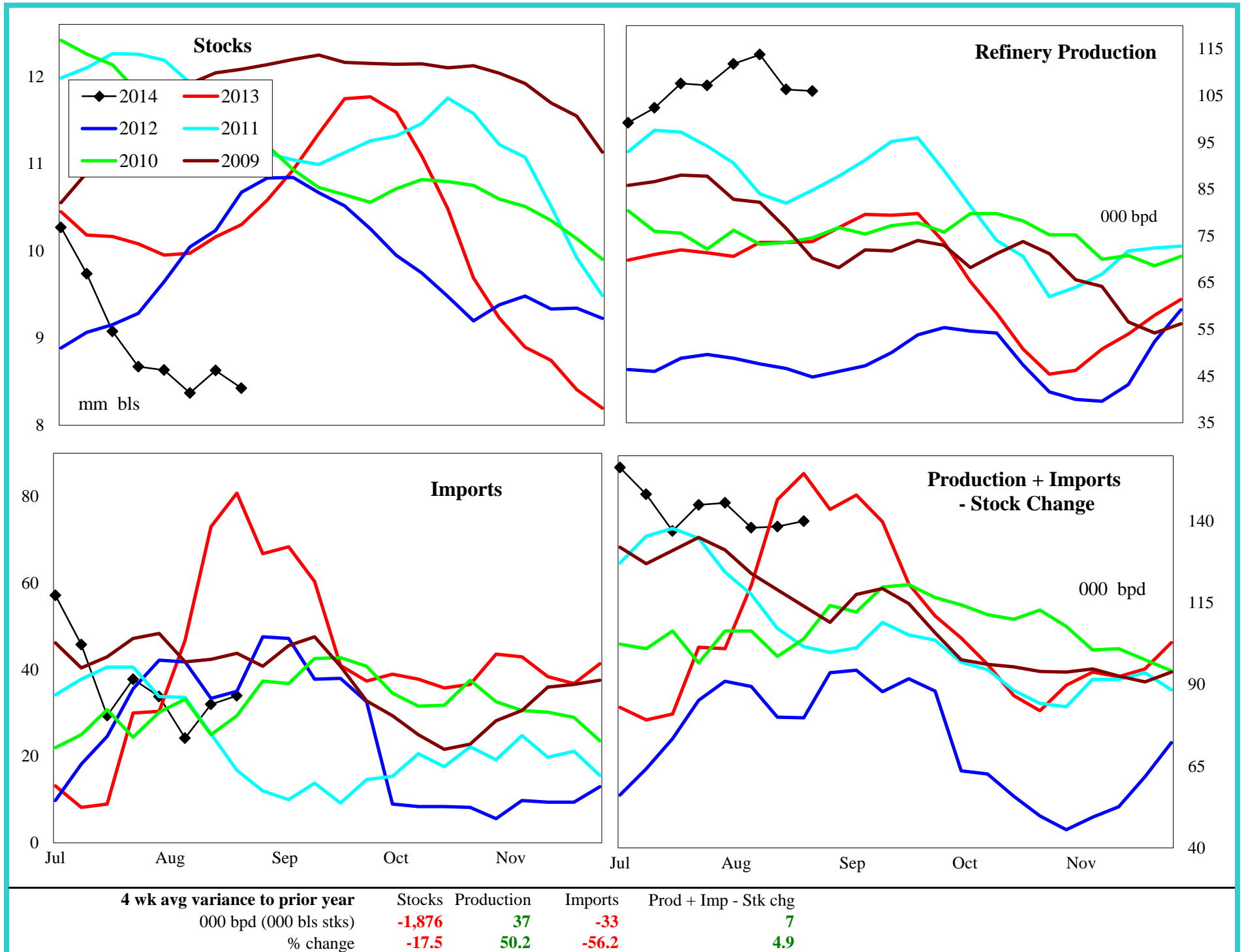
# PADD 1 High Sulfur Distillate Supply



# PADD 1 High Sulfur Distillate Stocks by Region

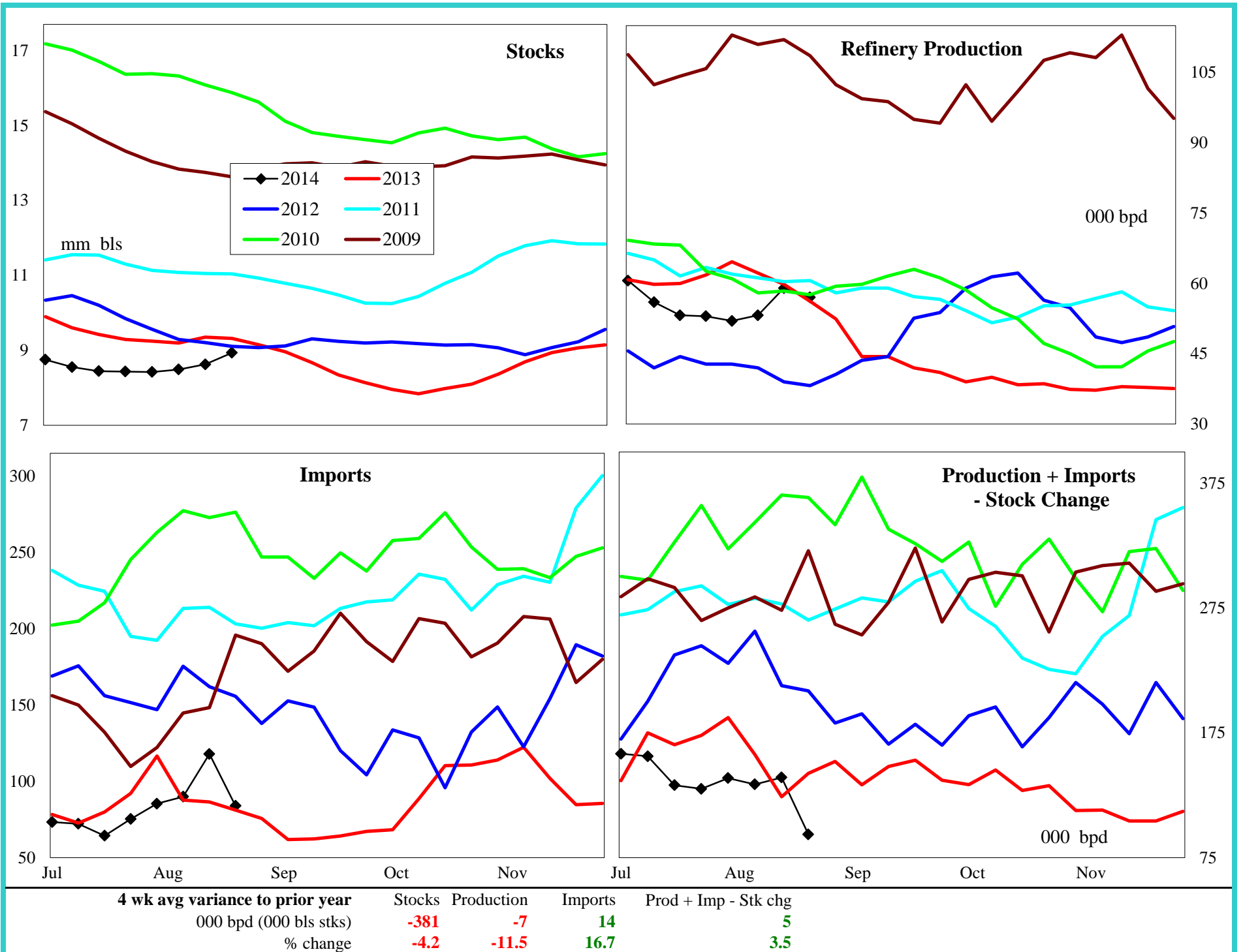


# PADD 1 Jet Fuel Supply

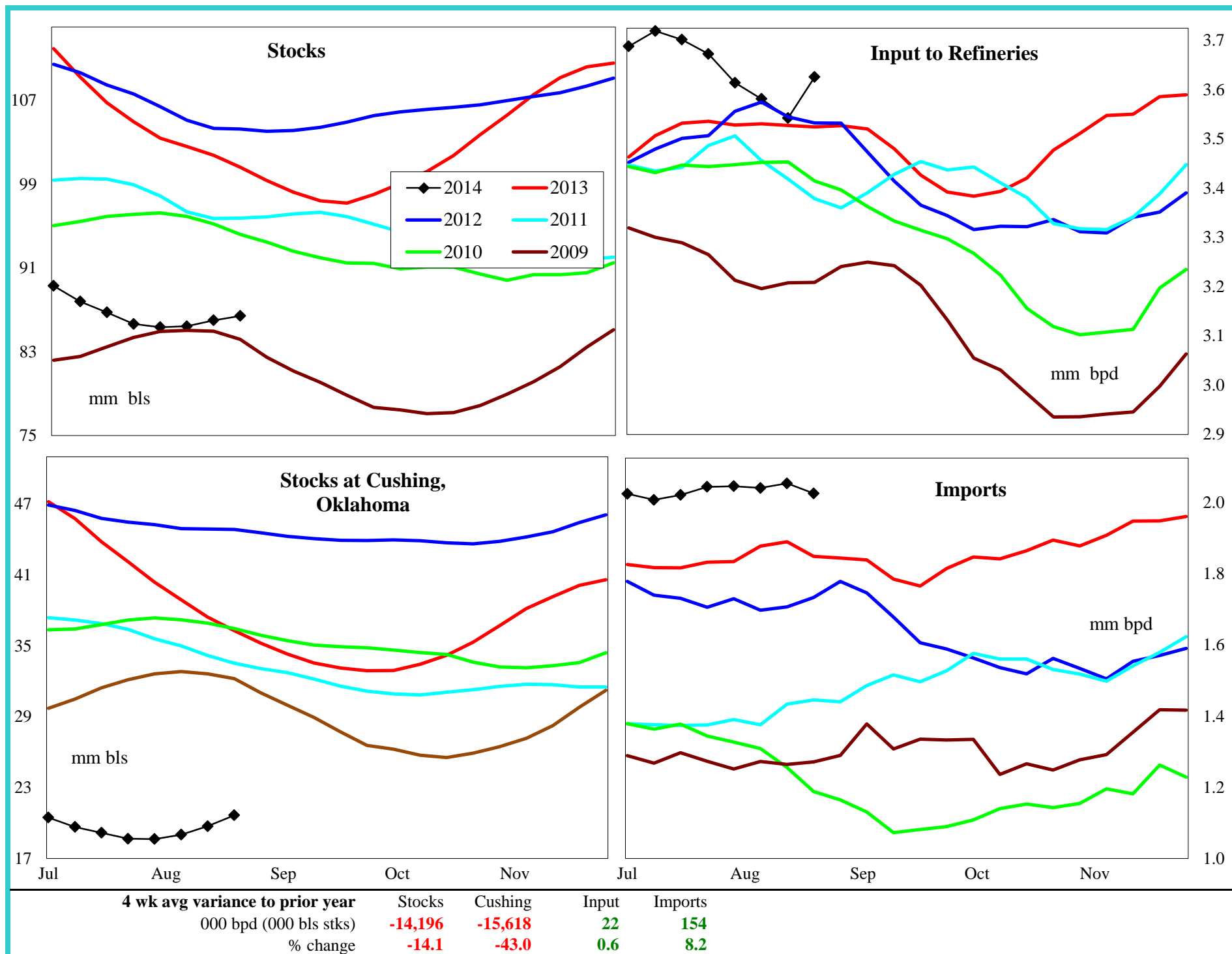




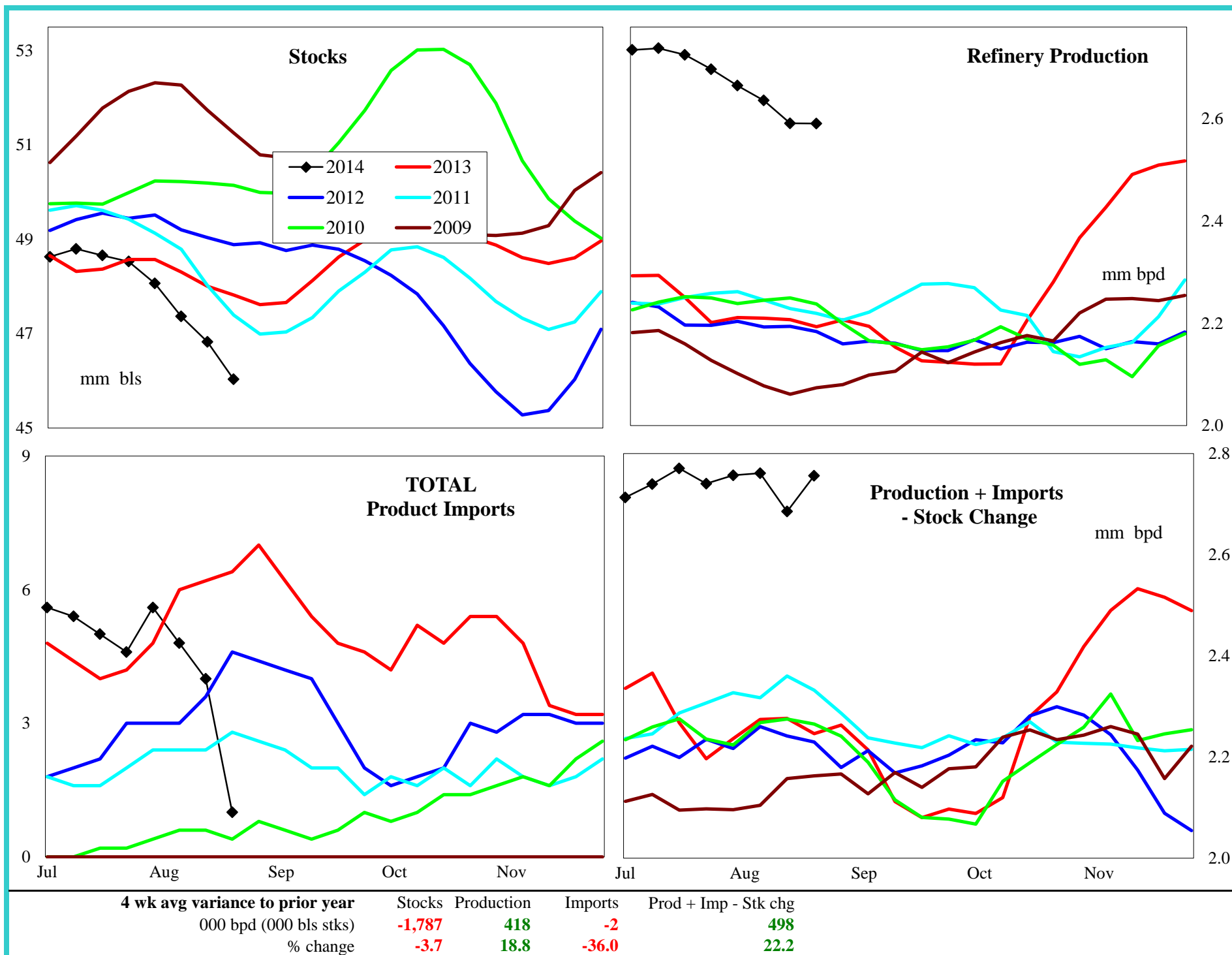
# PADD 1 Residual Fuel Oil Supply



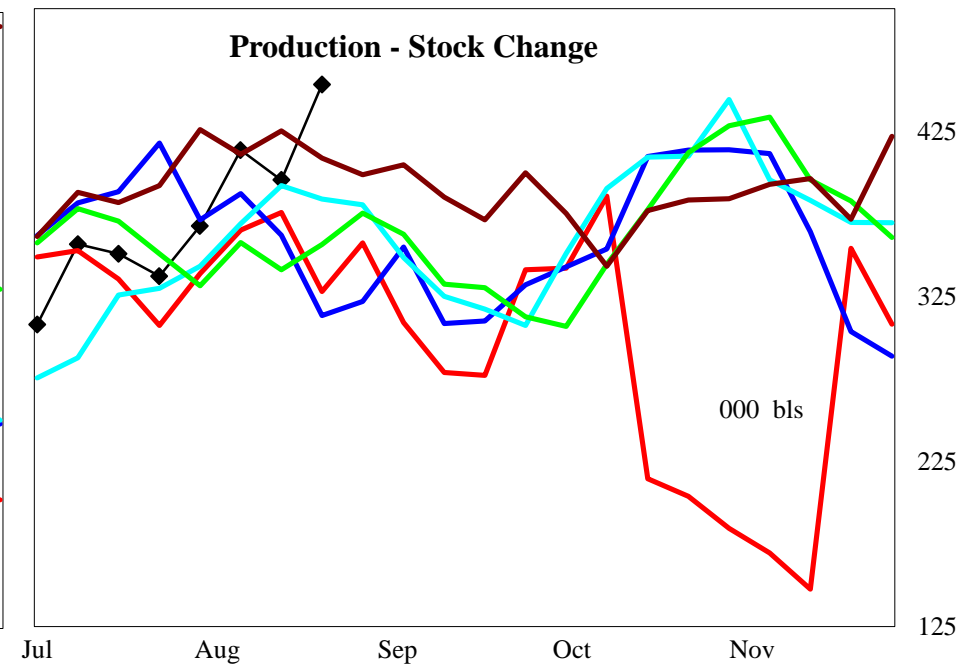
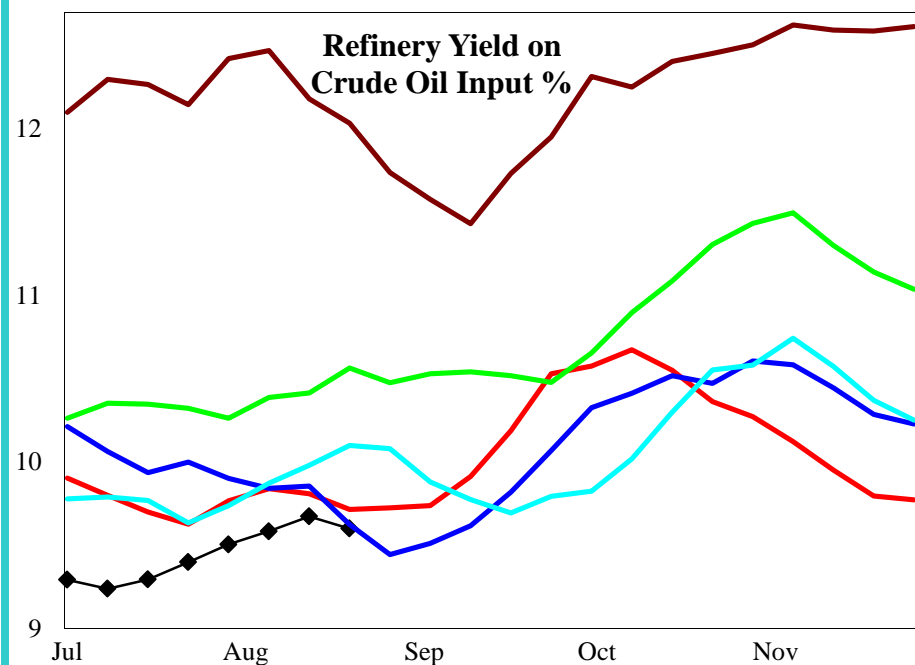
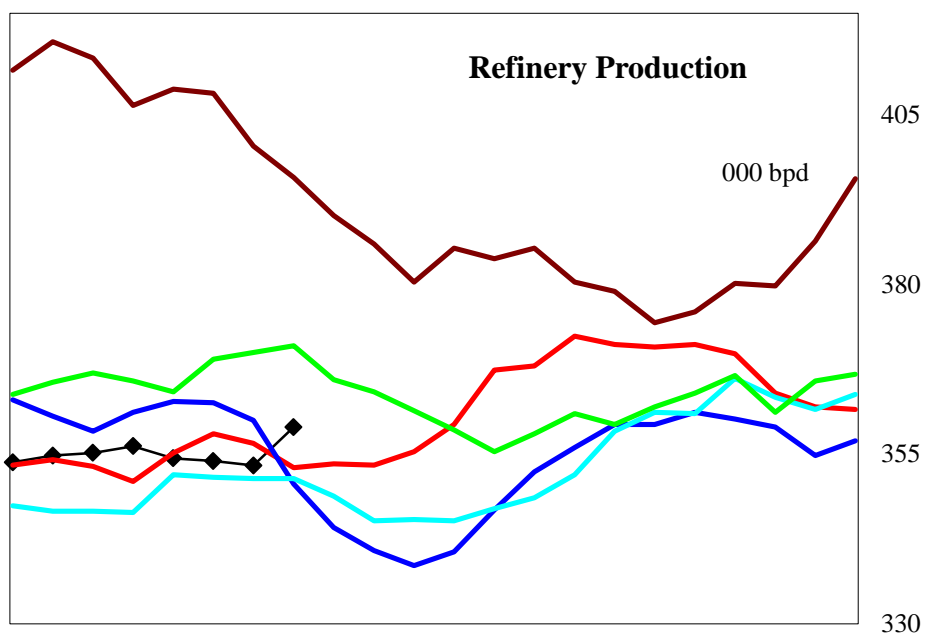
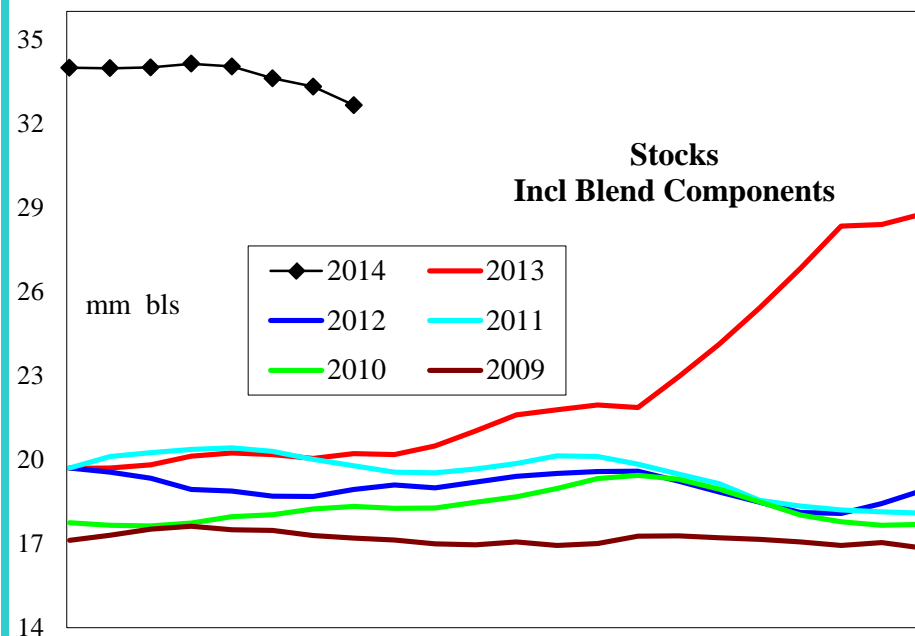
# PADD 2 Crude Oil Supply and Refining



## PADD 2 Gasoline Supply



# PADD 2 Reformulated Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks Production

12,434 -1

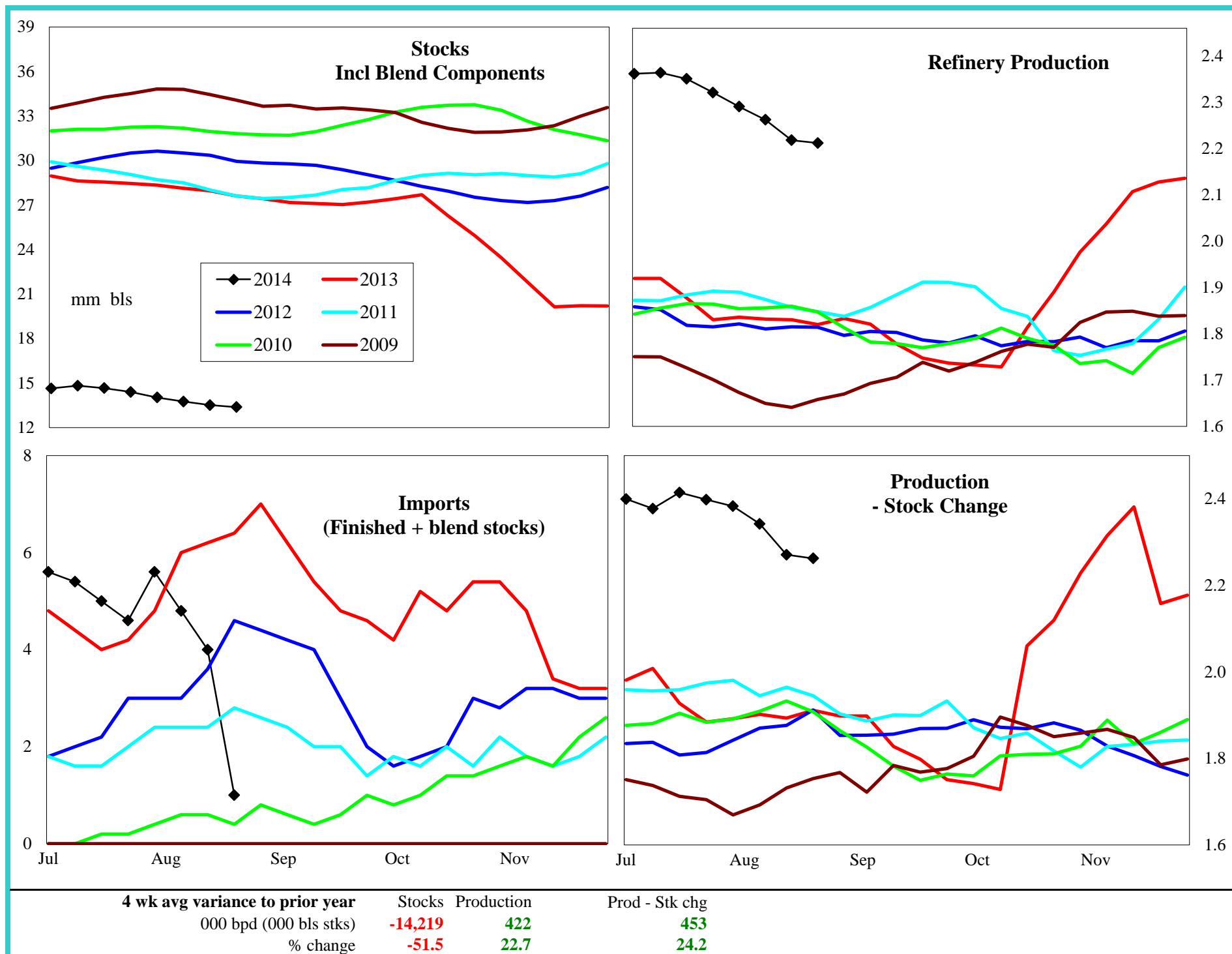
61.5 -0.1

Prod - Stk chg

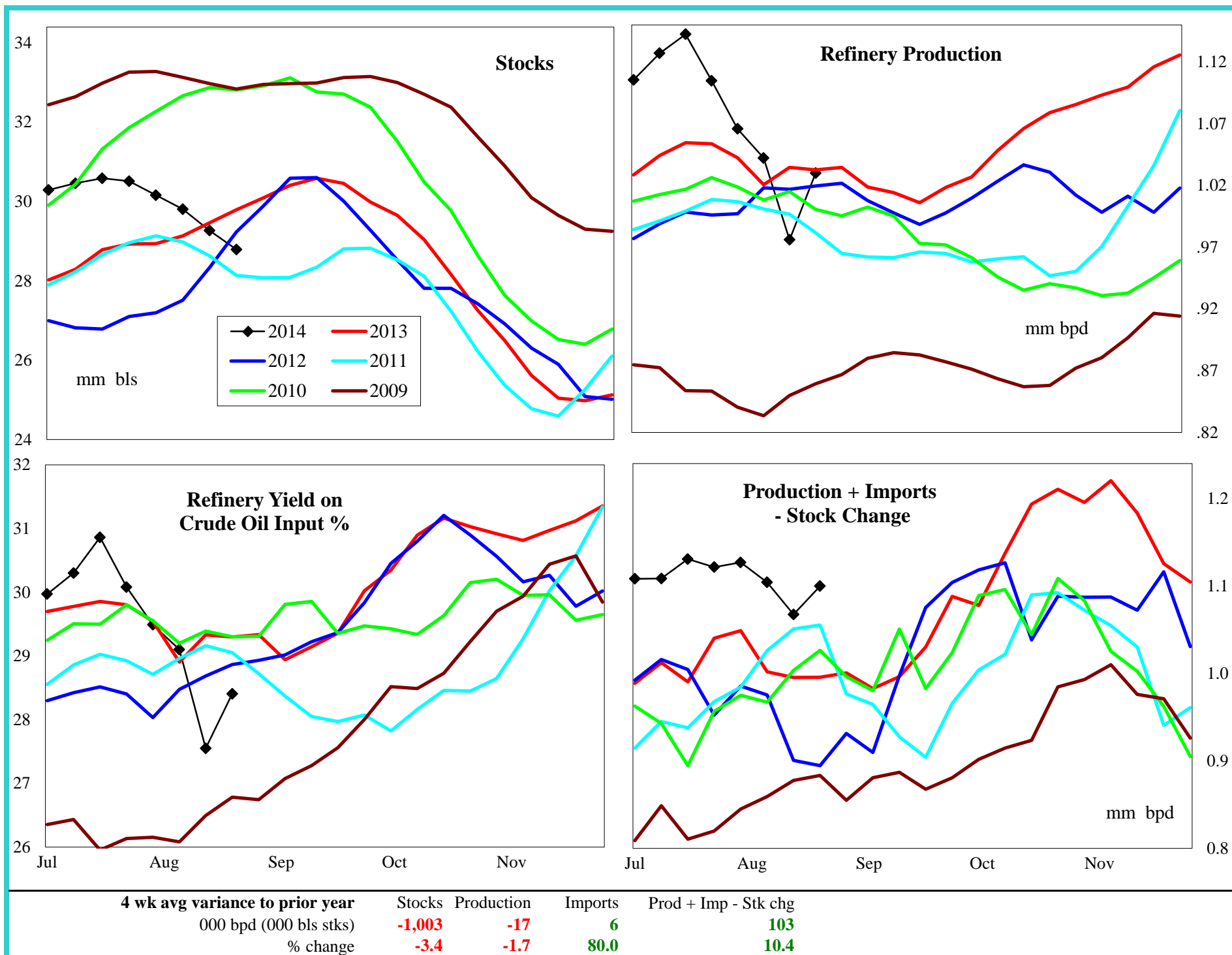
56

15.8

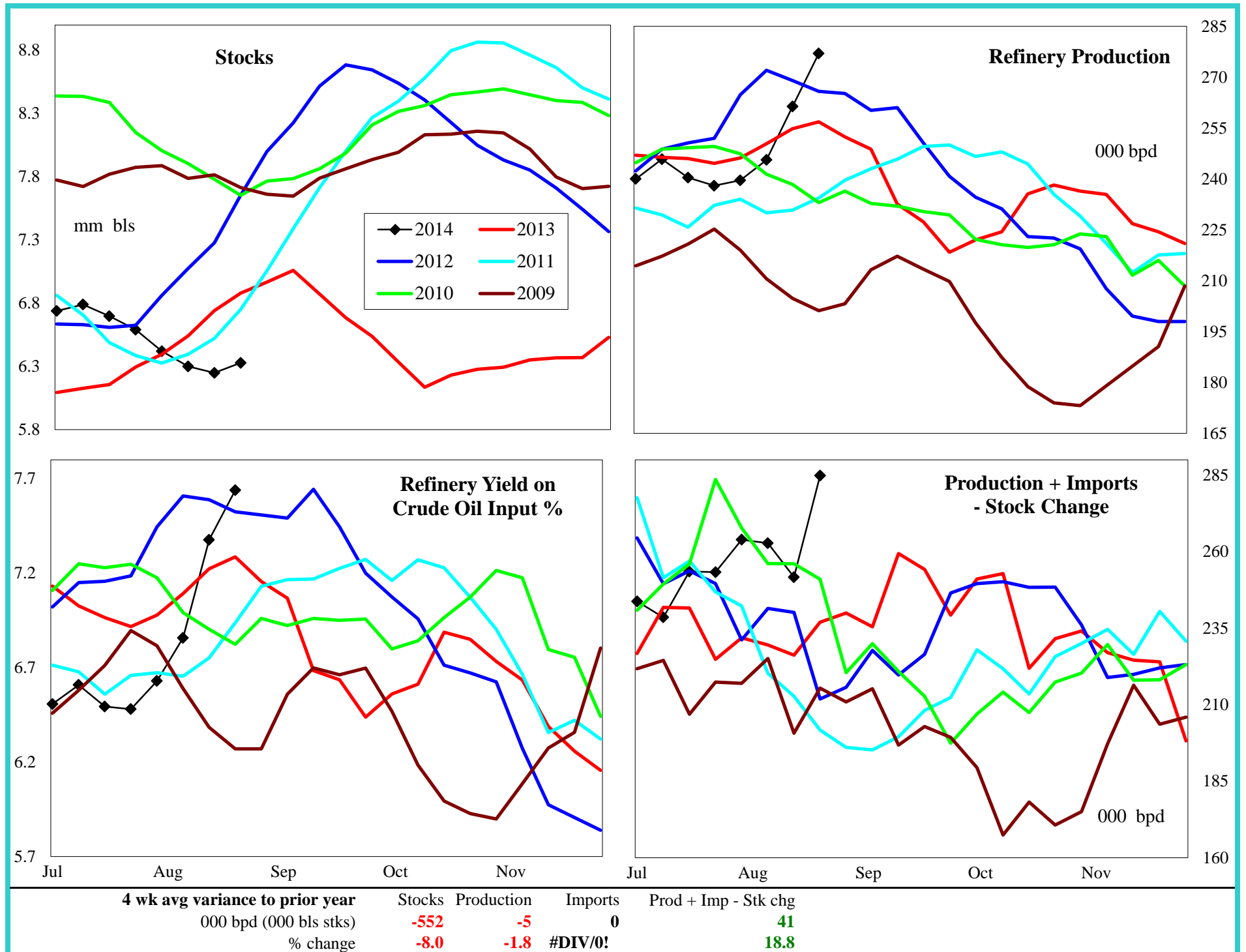
# PADD 2 Conventional Gasoline Supply



## PADD 2 Distillate Supply

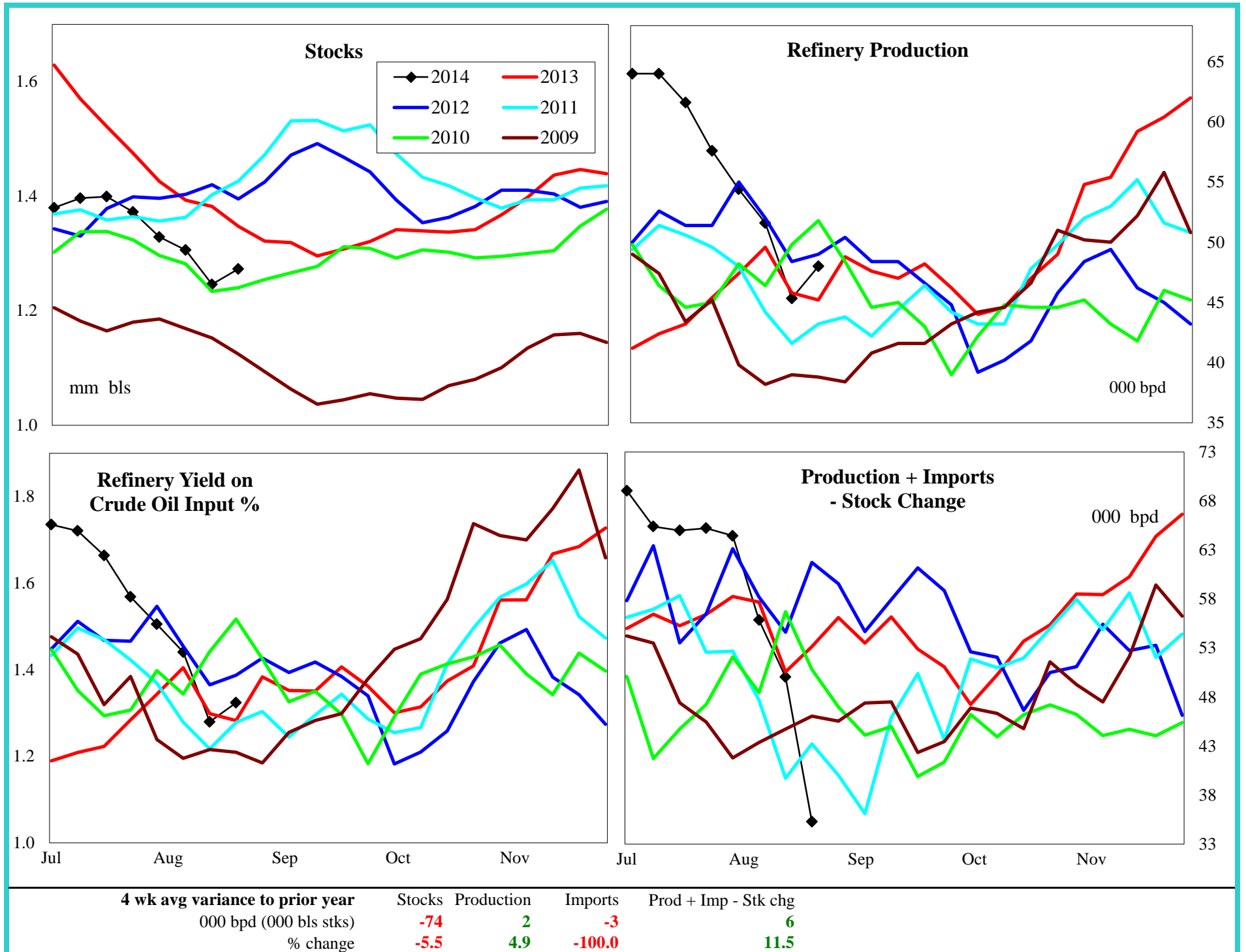


# PADD 2 Jet Fuel Supply

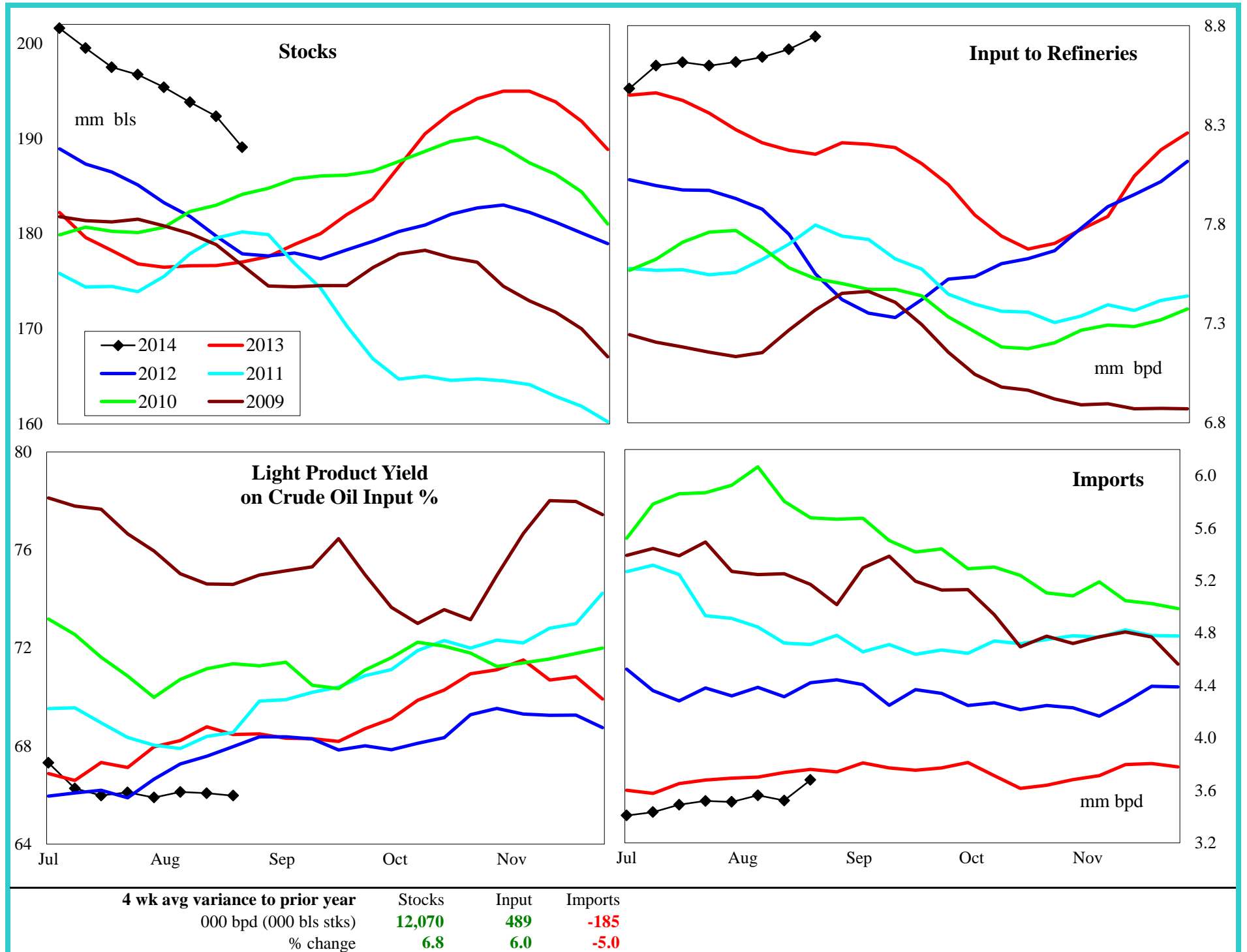




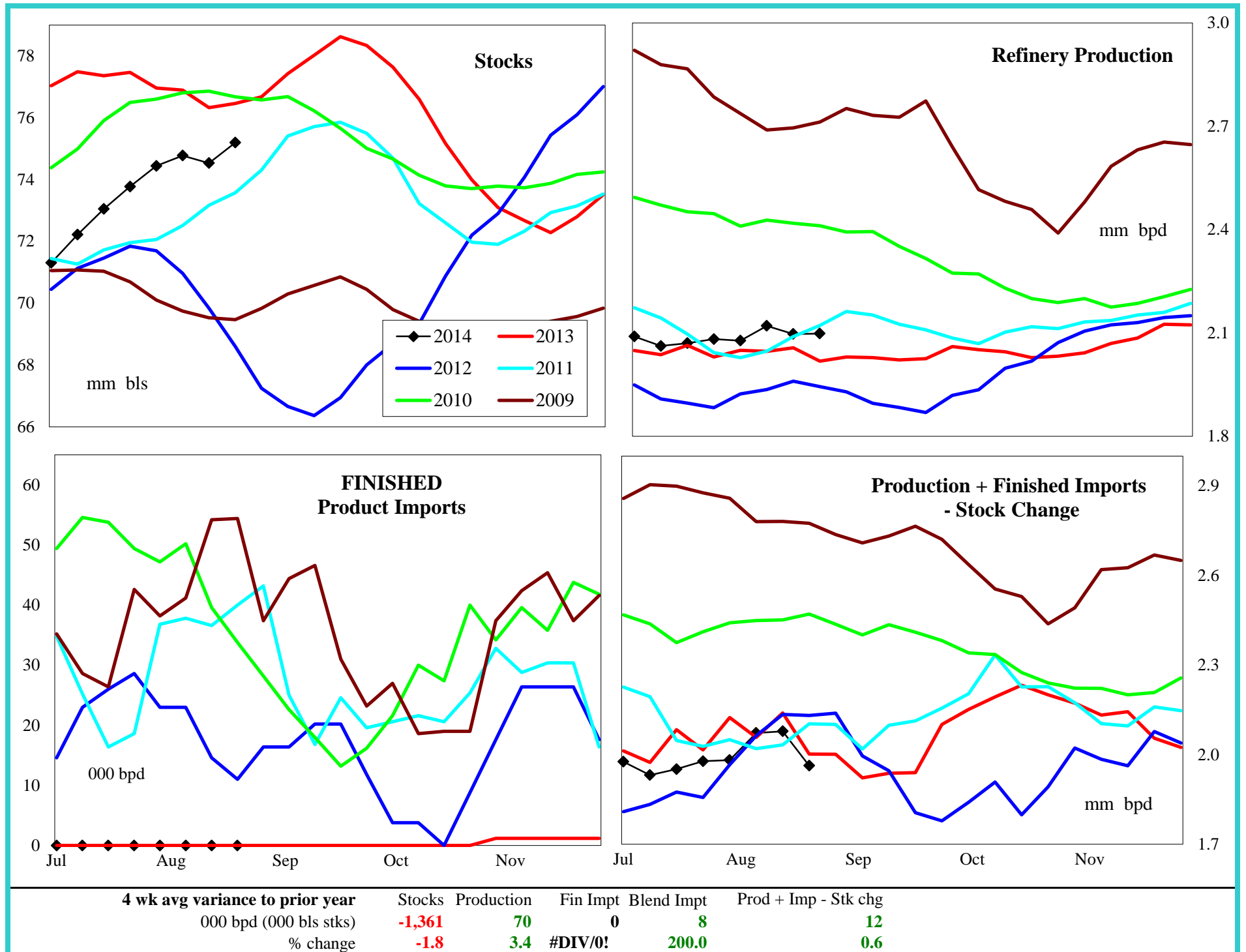
# PADD 2 Residual Fuel Oil Supply



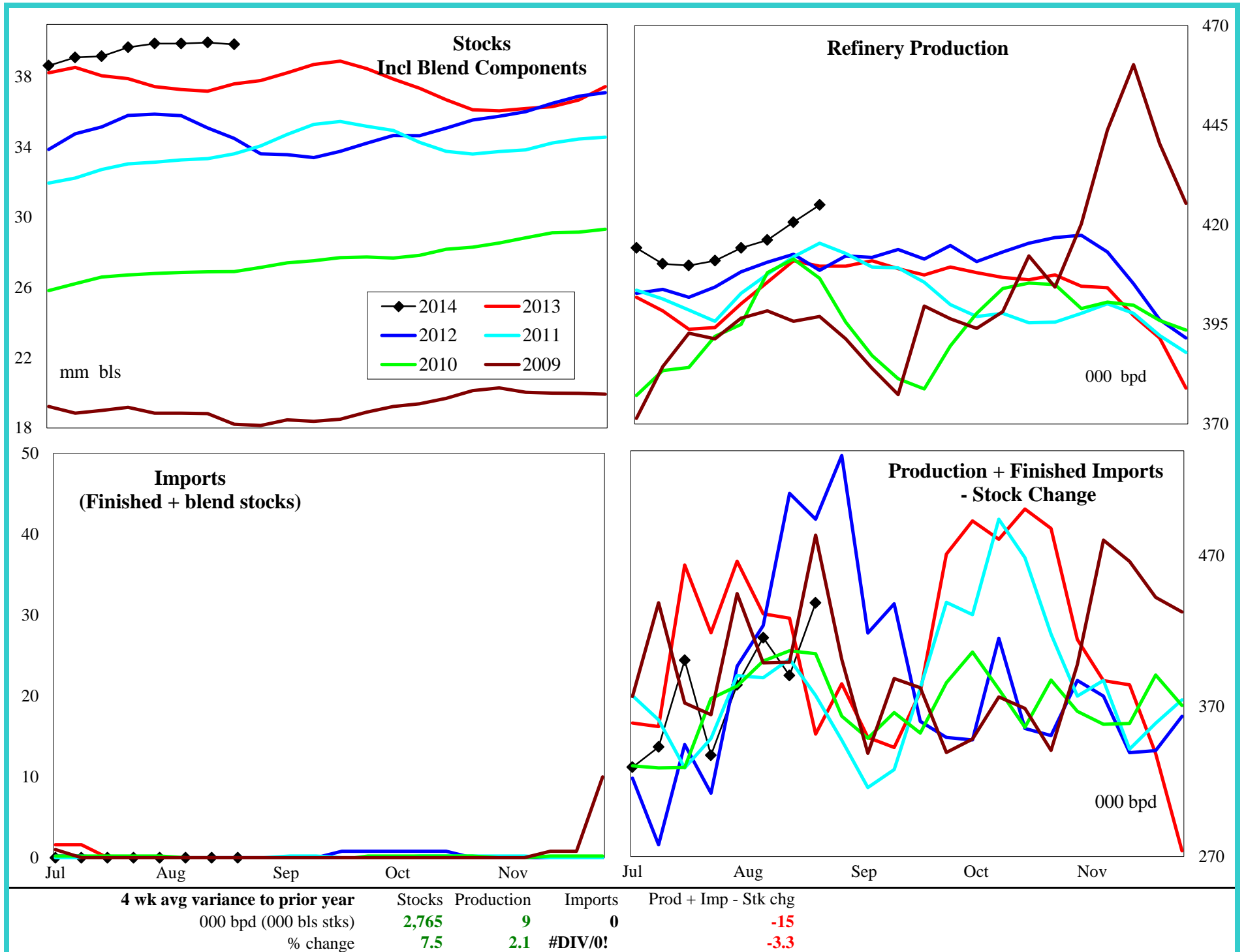
# PADD 3 Crude Oil Supply and Refining



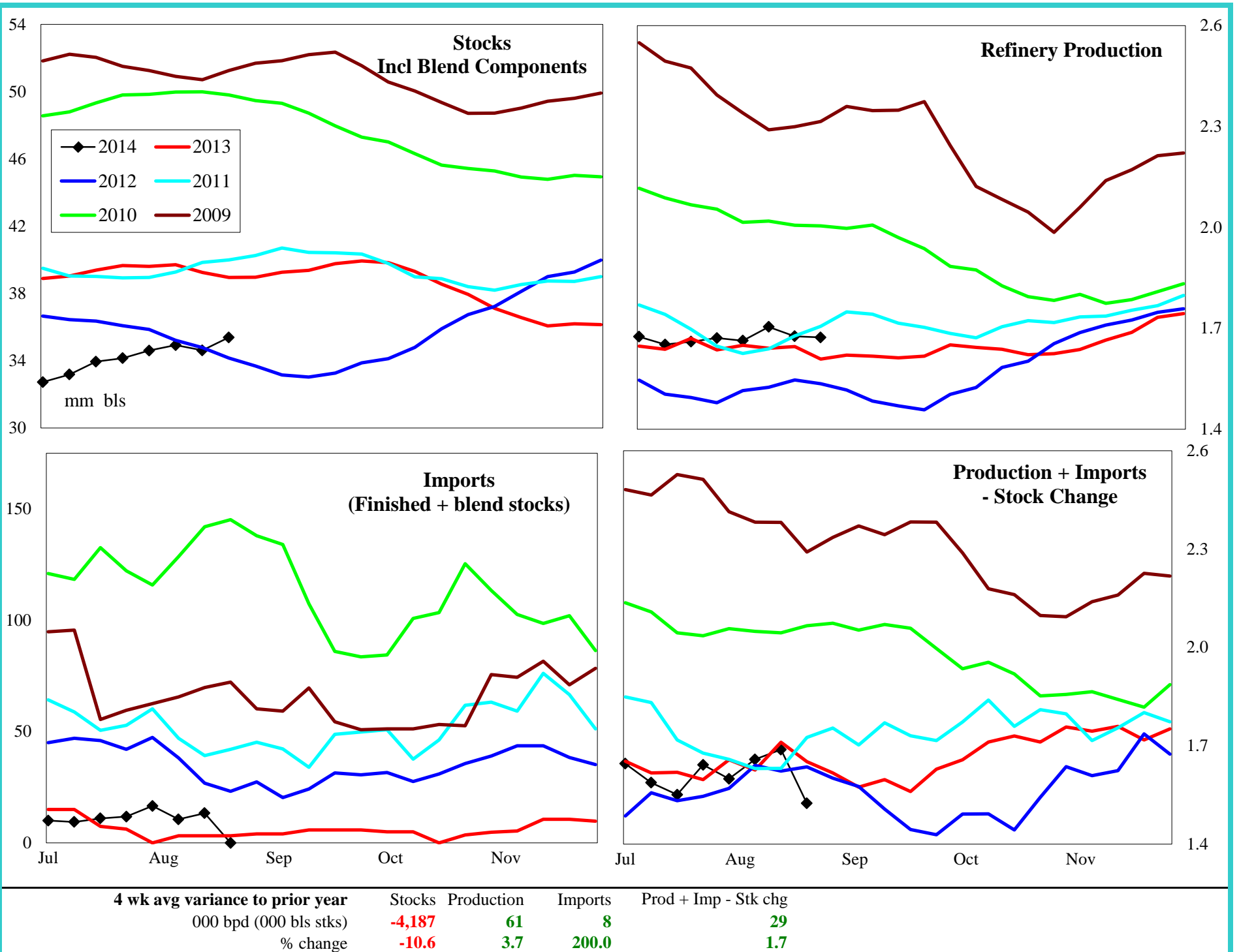
## PADD 3 Gasoline Supply



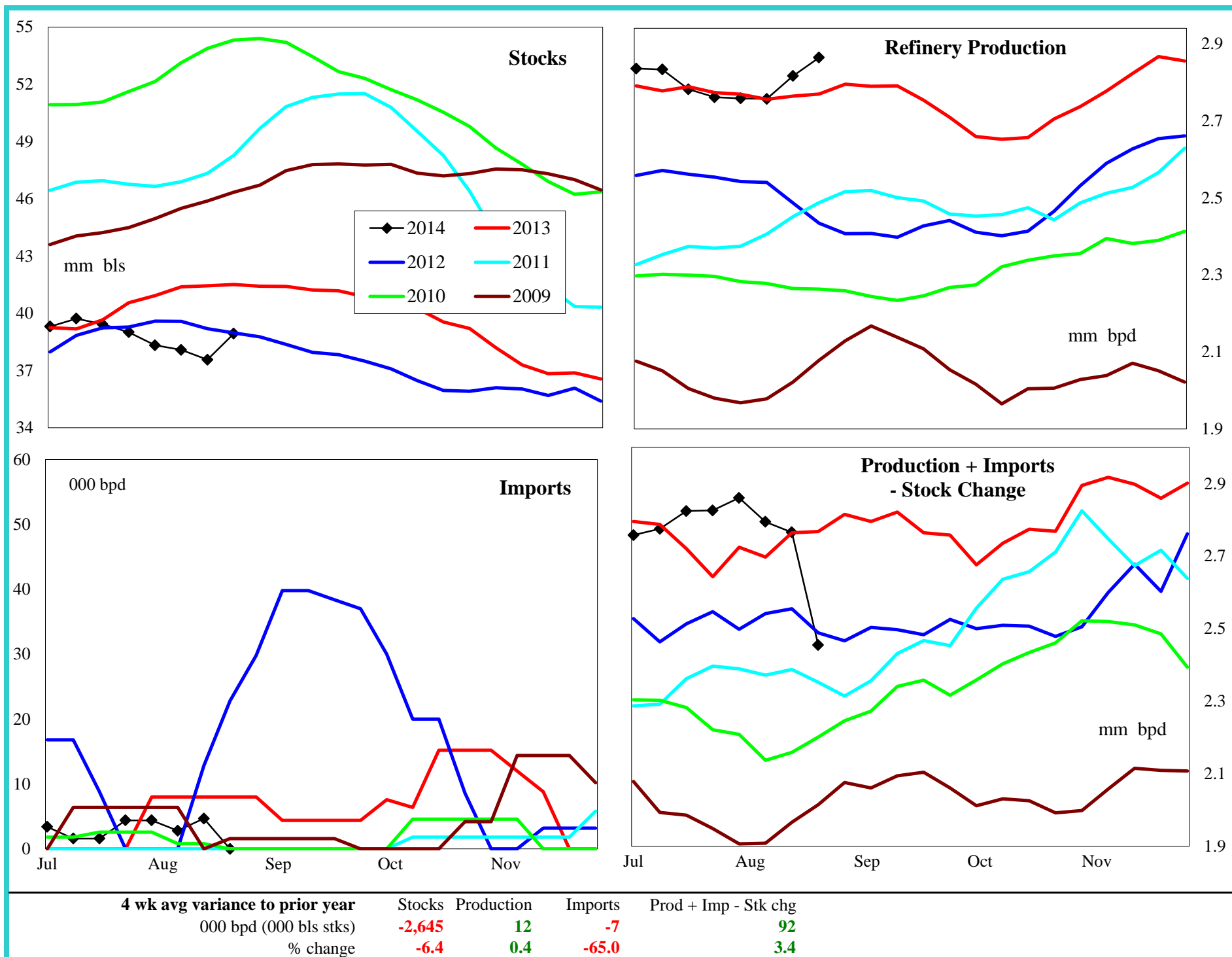
# PADD 3 Reformulated Gasoline Supply



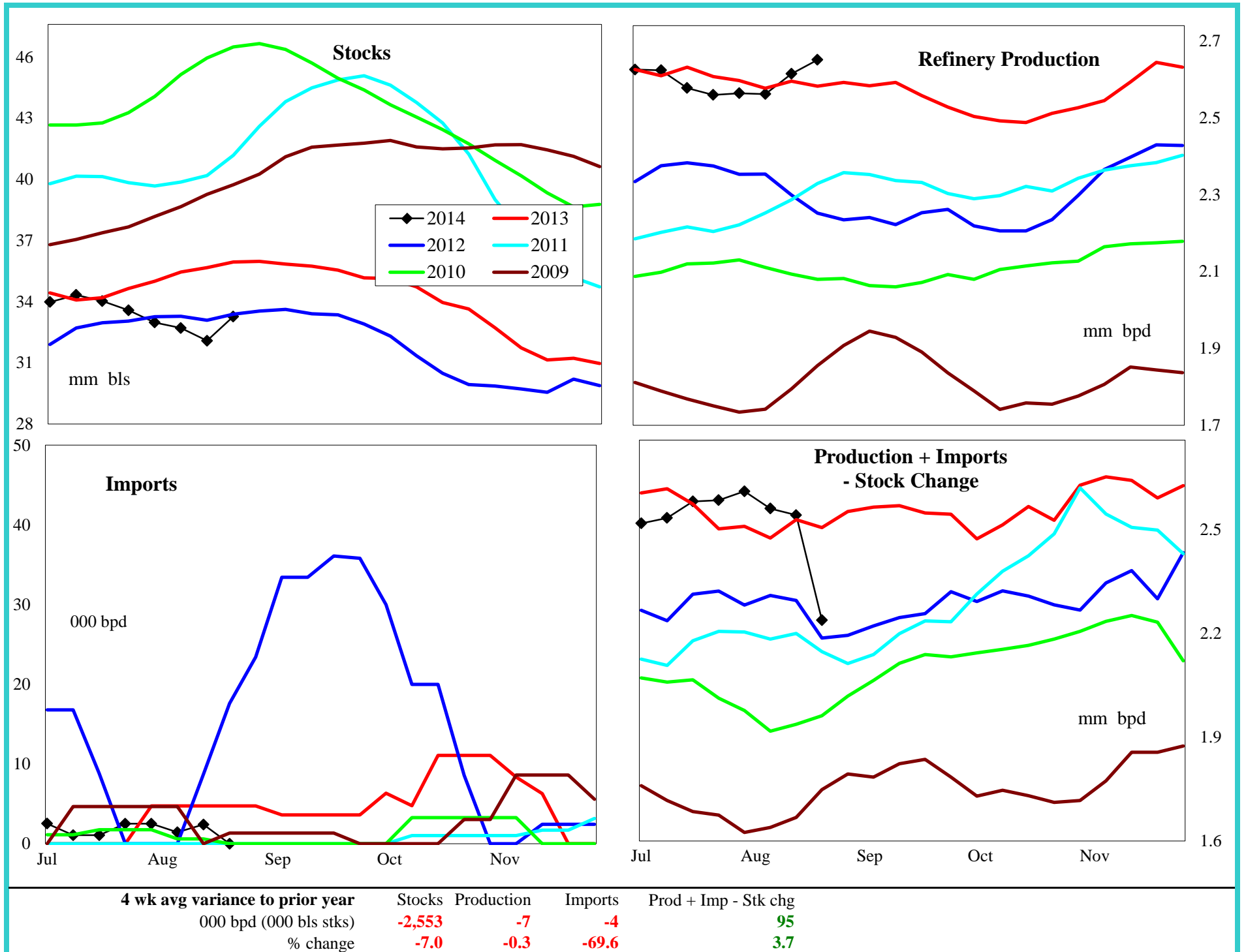
# PADD 3 Conventional Gasoline Supply



# PADD 3 Distillate Supply

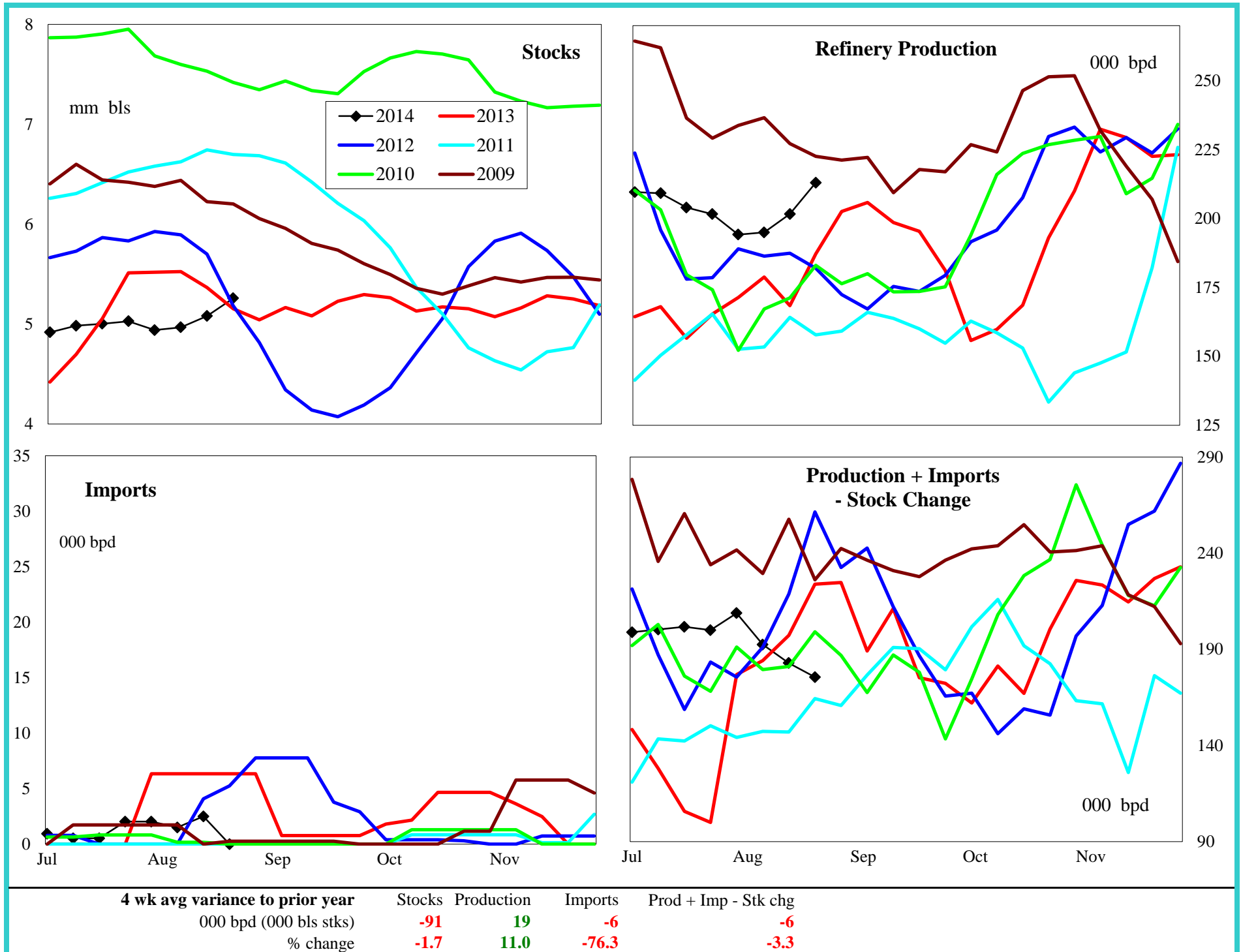


# PADD 3 Low Sulfur Distillate Supply

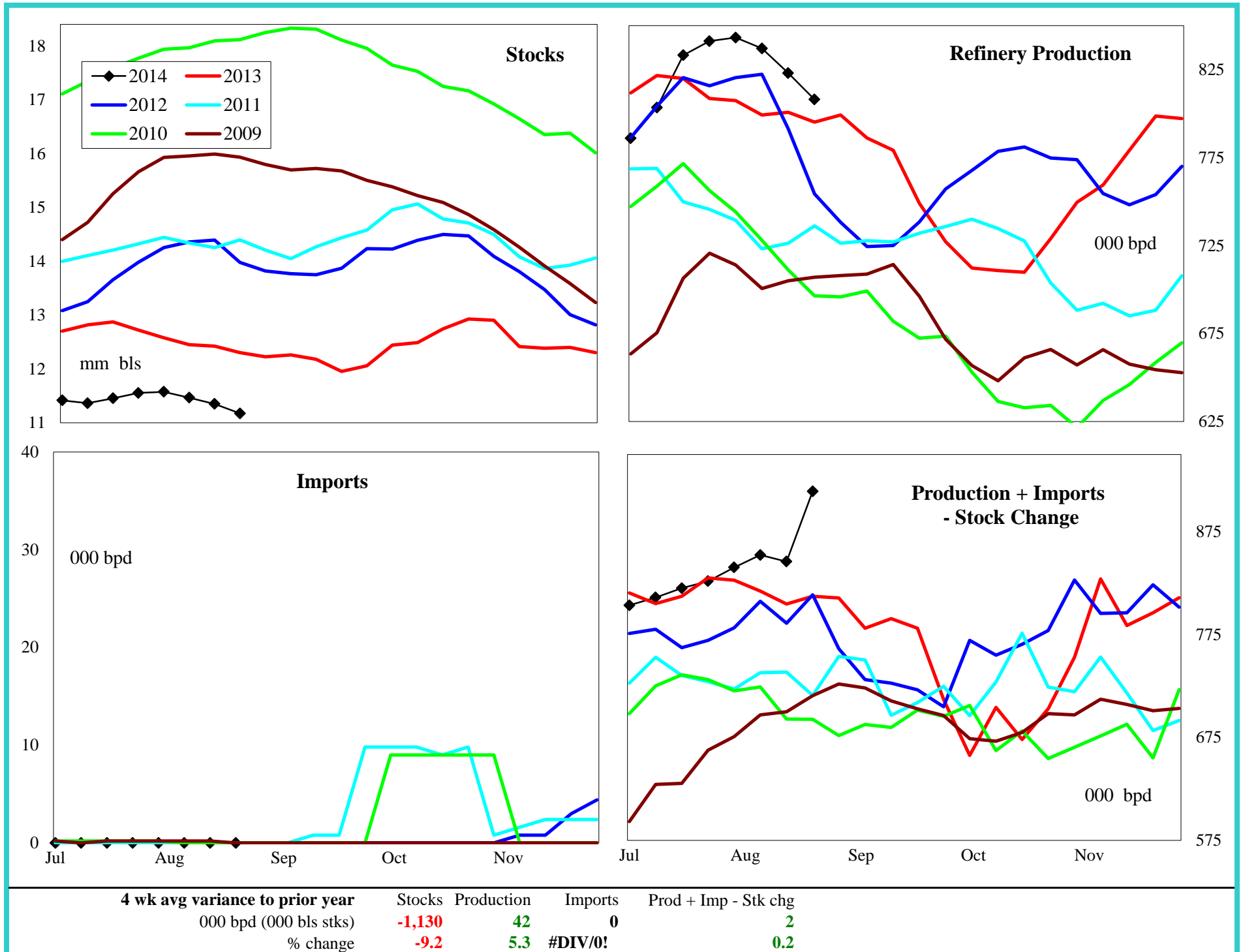




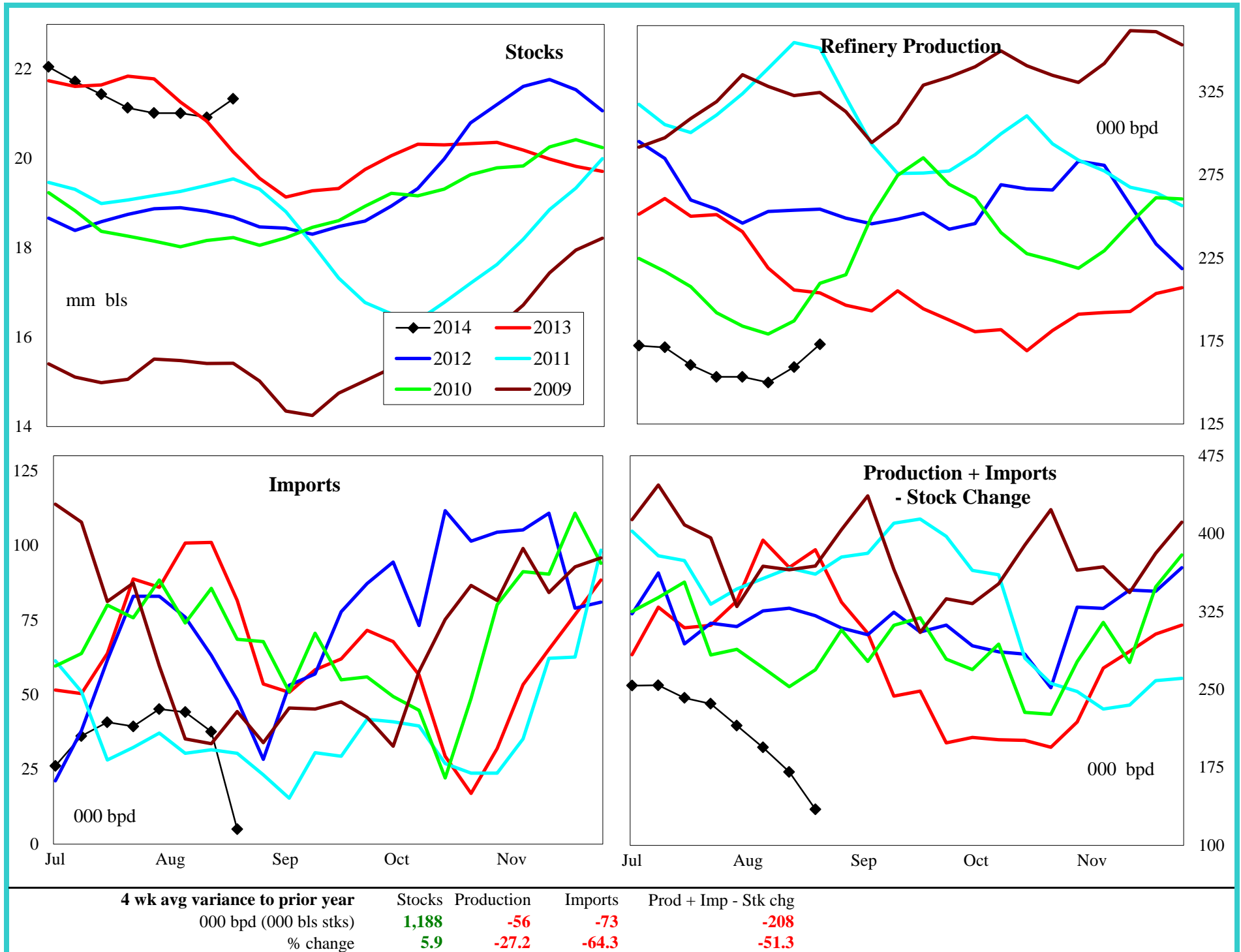
# PADD 3 High Sulfur Distillate Supply



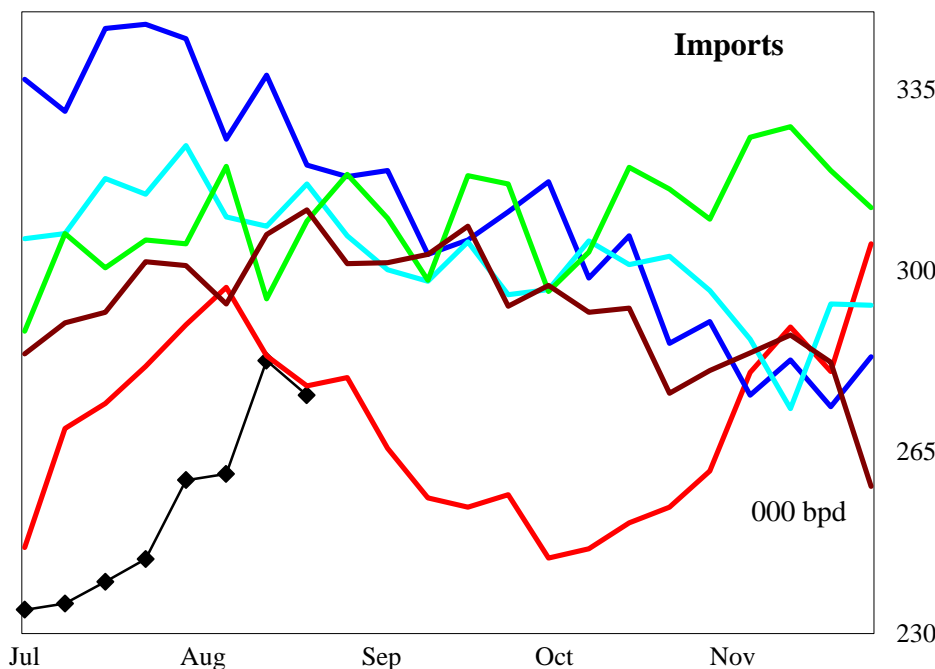
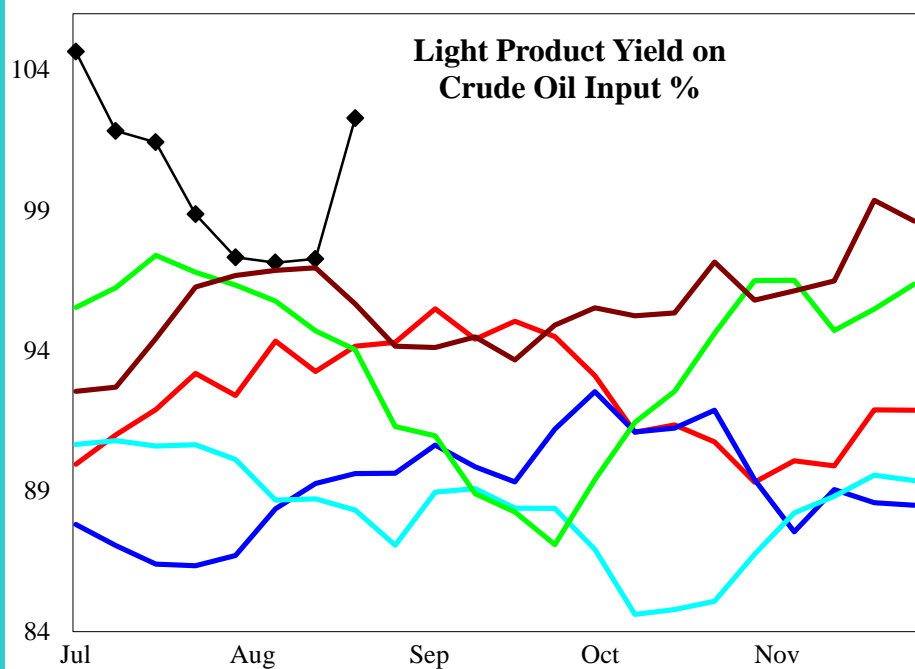
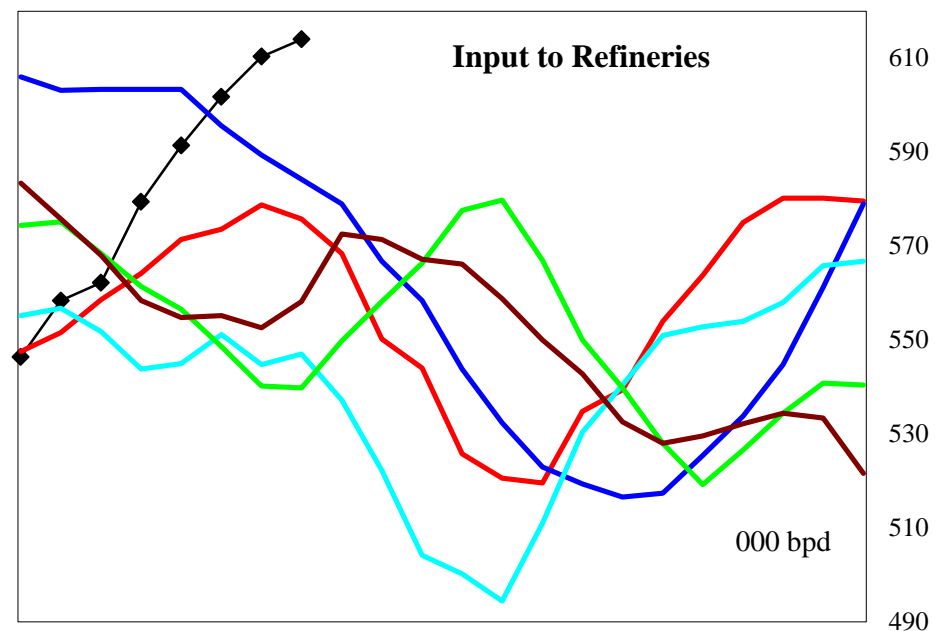
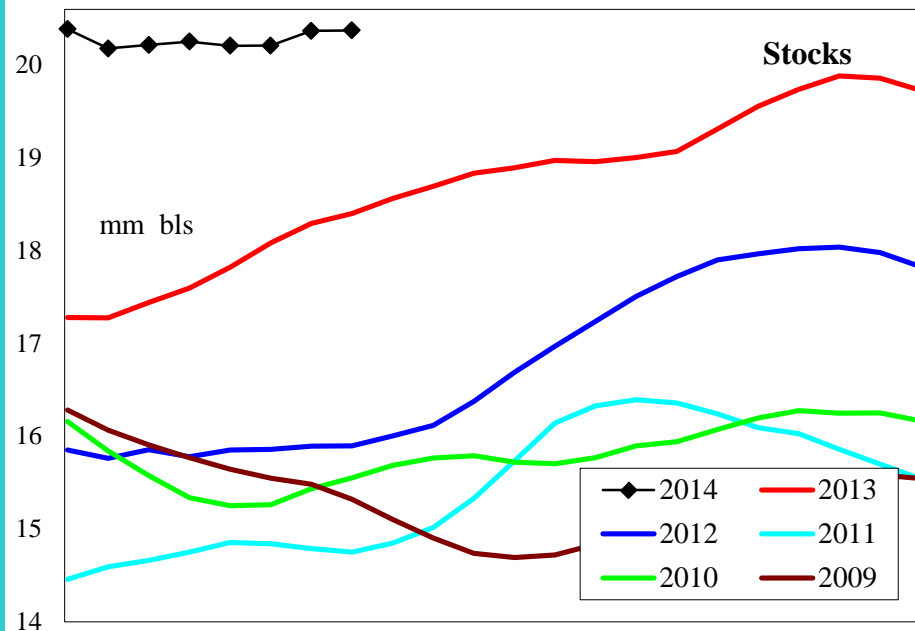
## PADD 3 Jet Fuel Supply



# PADD 3 Residual Fuel Oil Supply



# PADD 4 Crude Oil Supply and Refining



4 wk avg variance to prior year

000 bpd (000 bbls stks)

% change

Stocks

1,974

10.5

Input

27

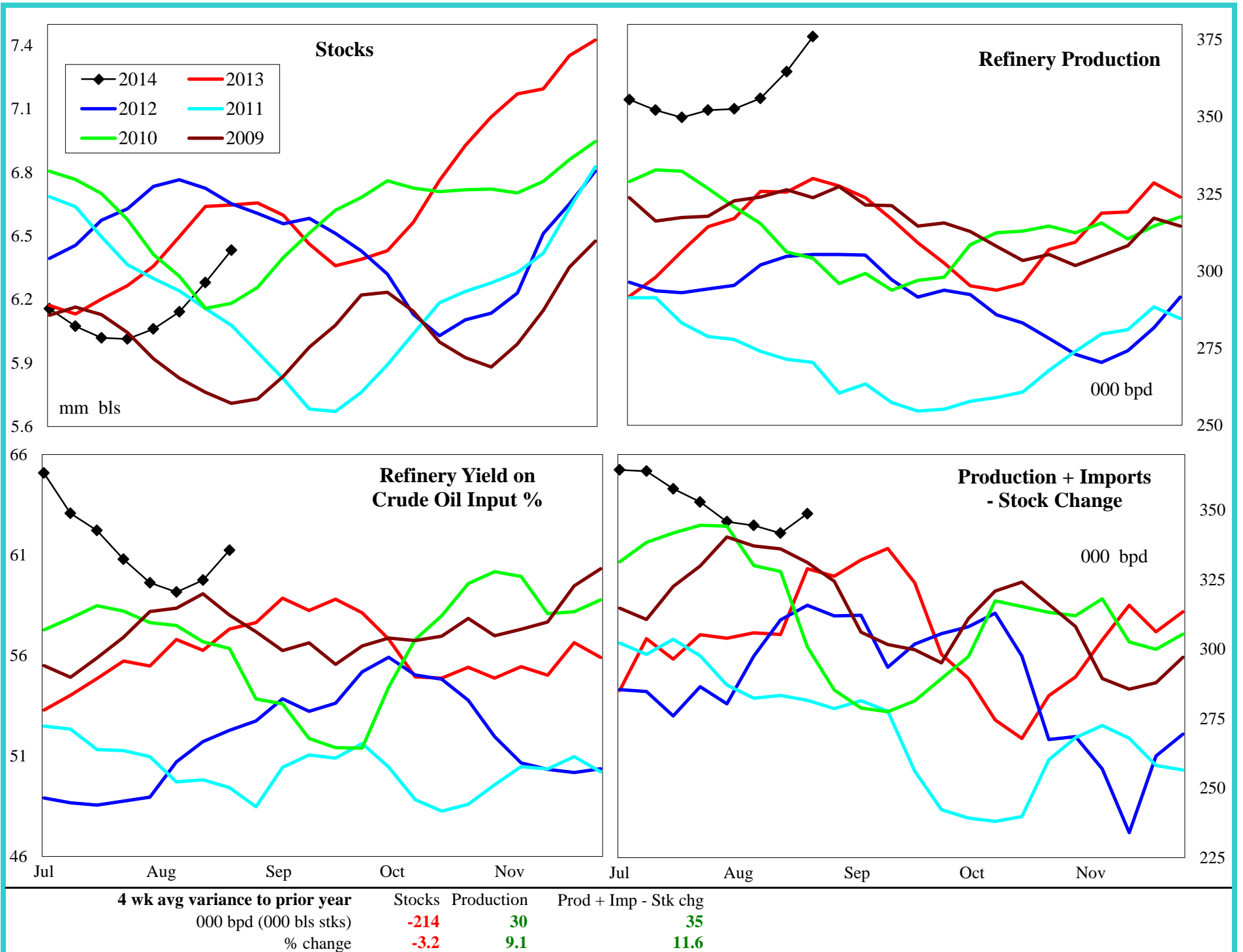
4.7

Imports

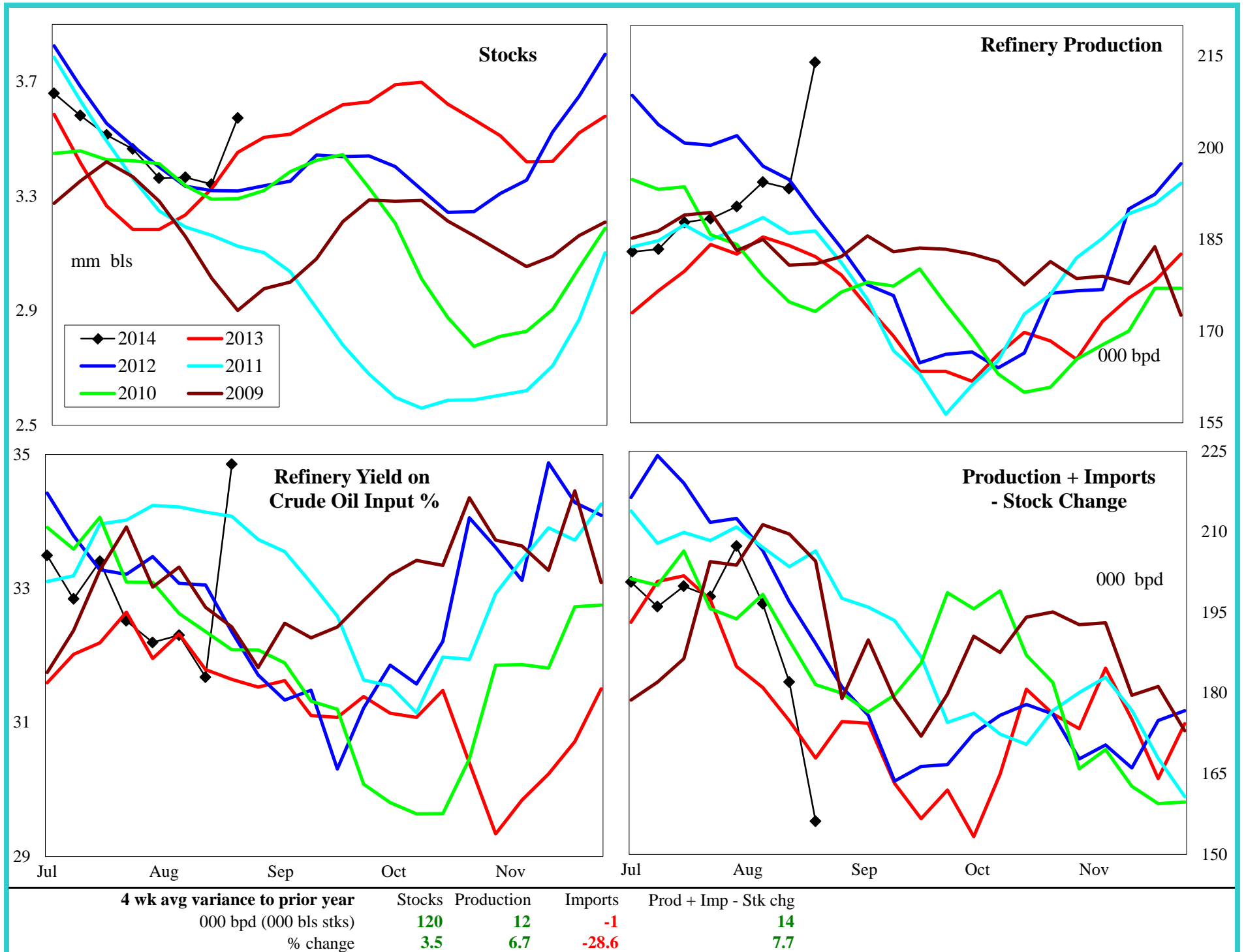
-13

-4.6

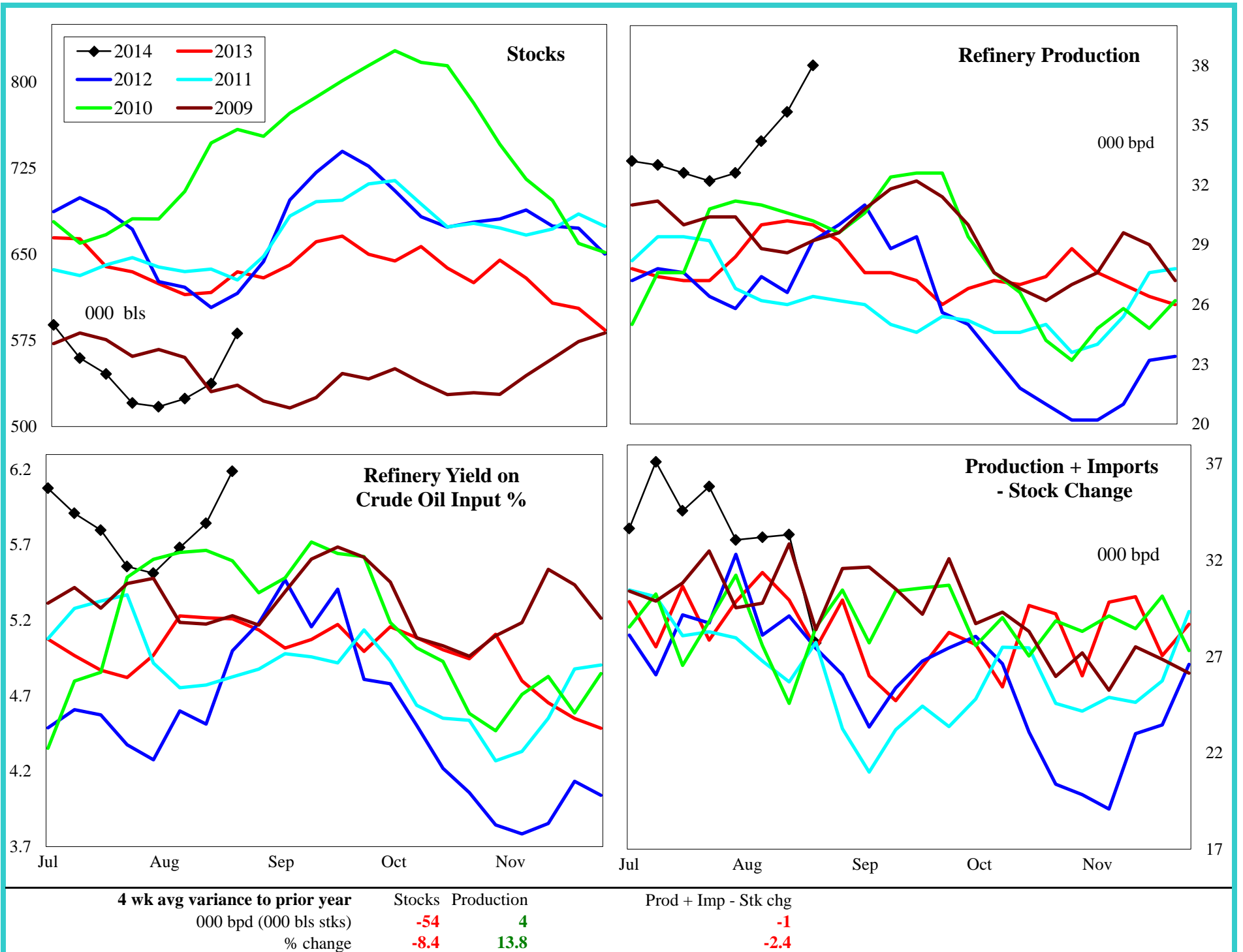
# PADD 4 Gasoline Supply



## PADD 4 Distillate Supply

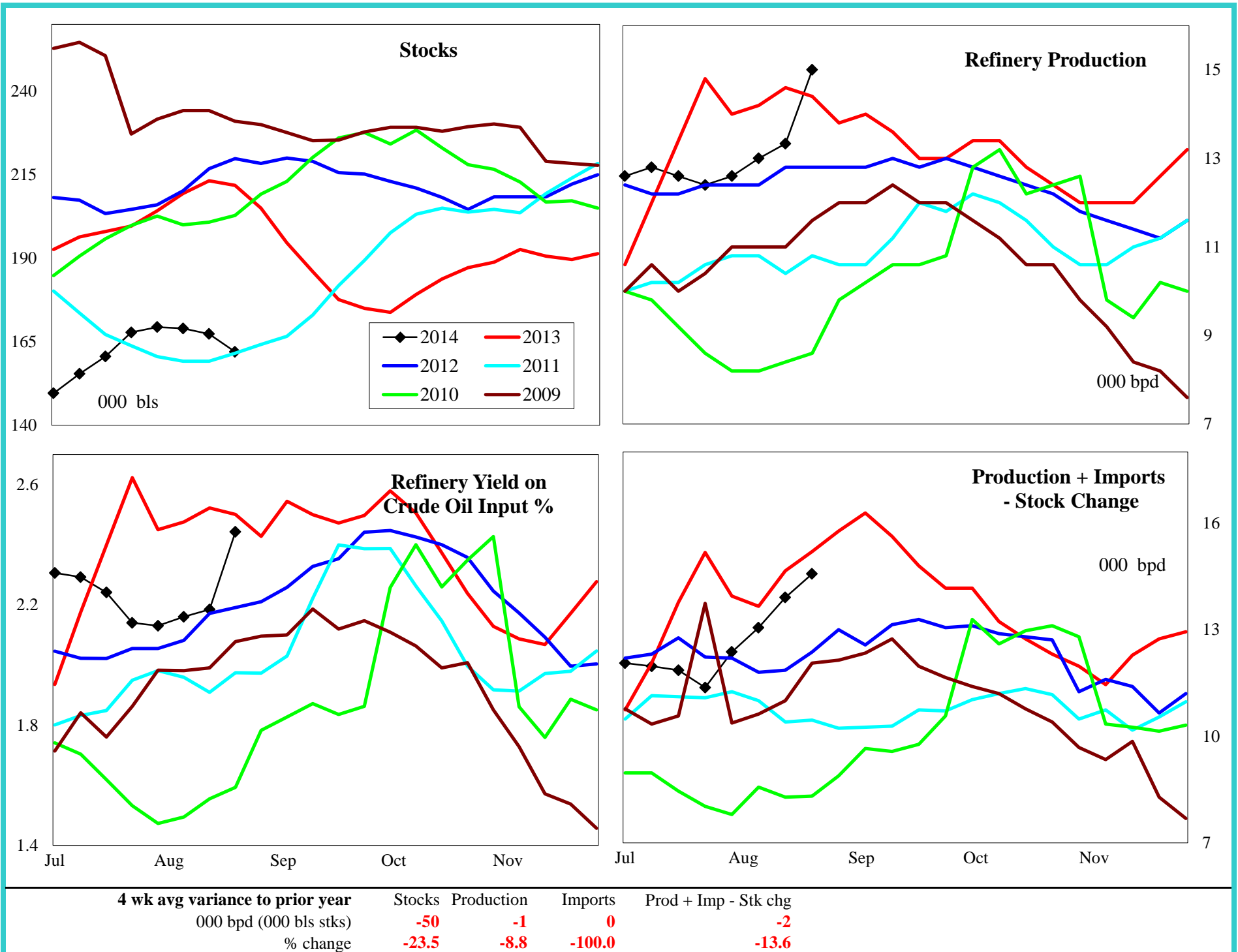


# PADD 4 Jet Fuel Supply

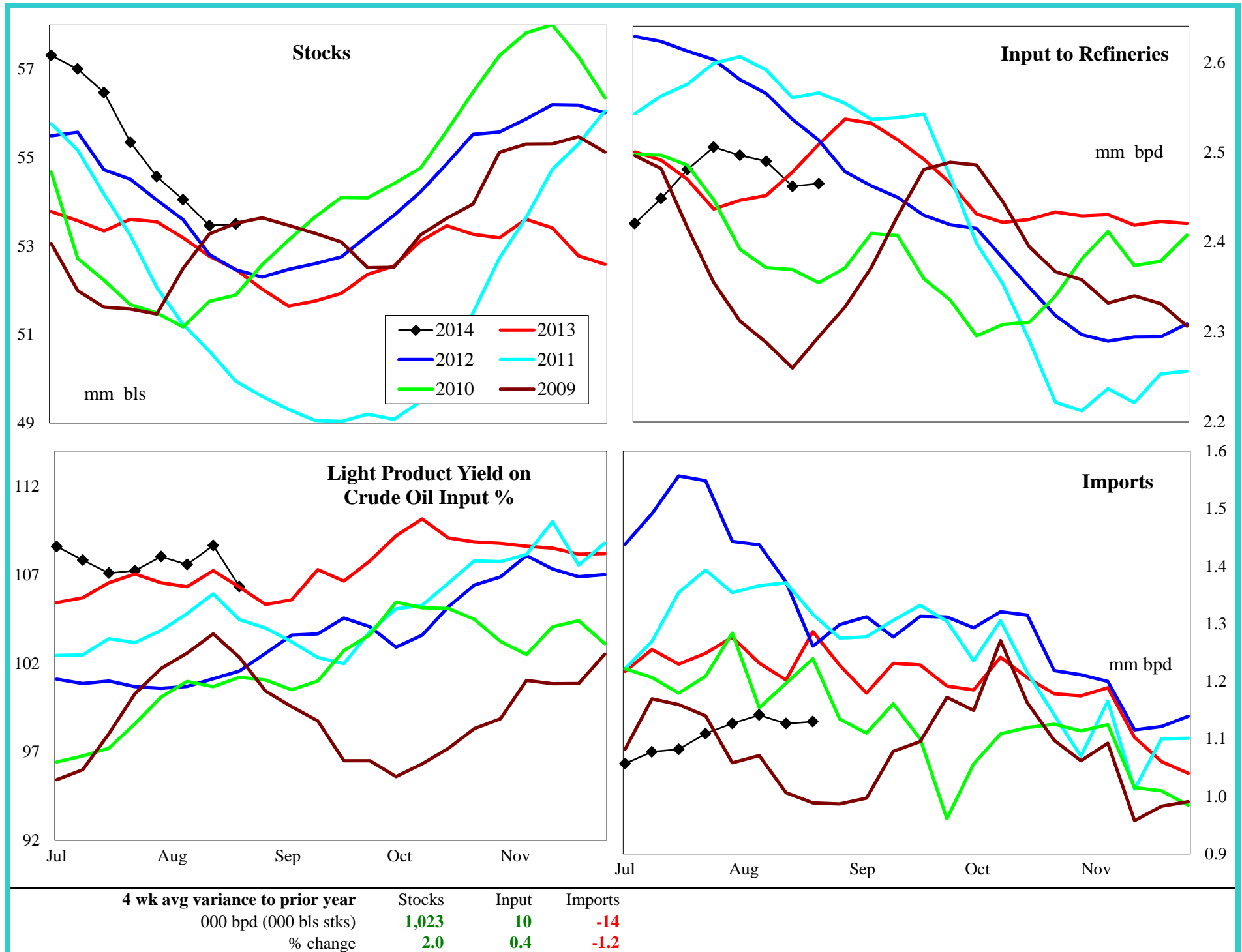




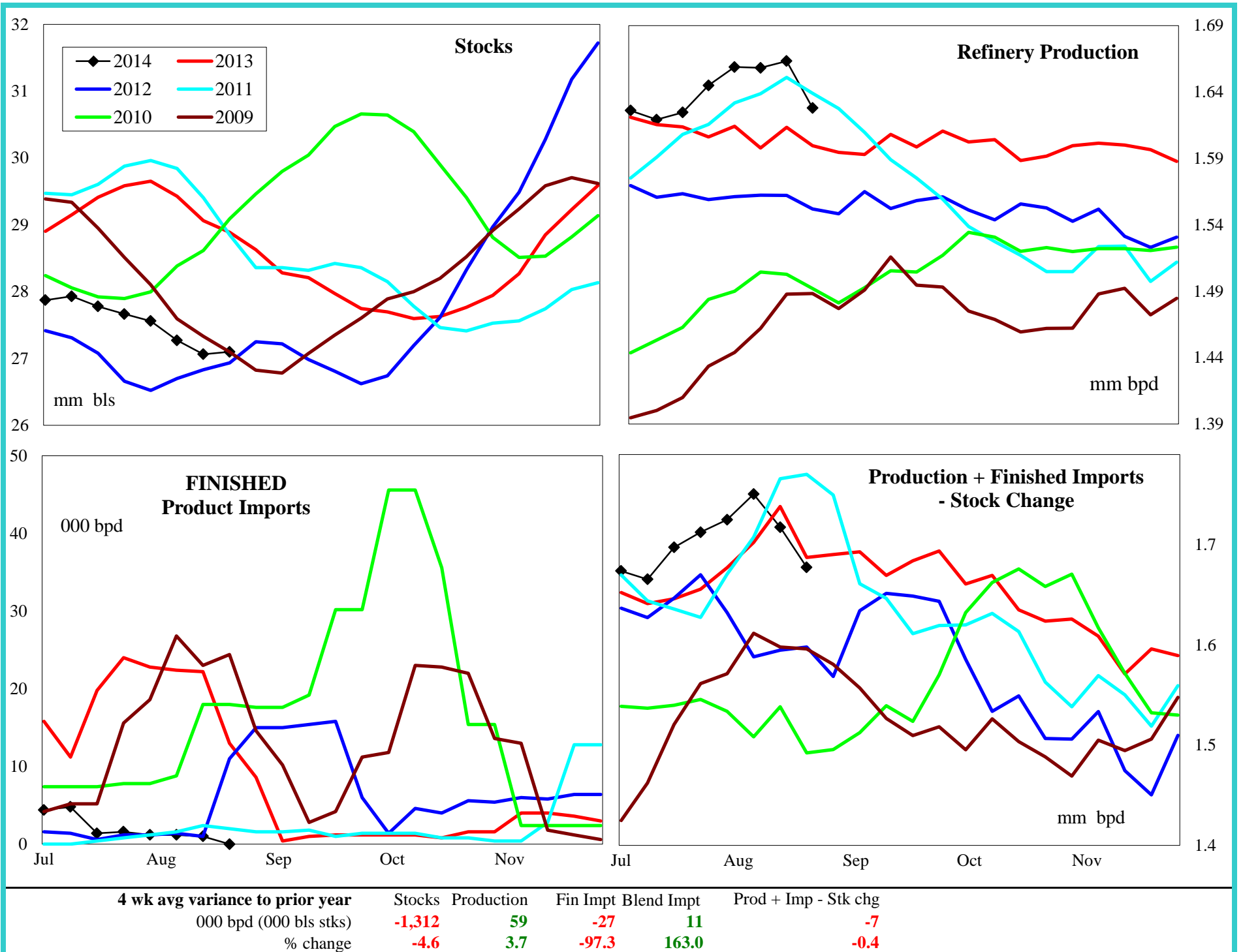
# PADD 4 Residual Fuel Oil Supply



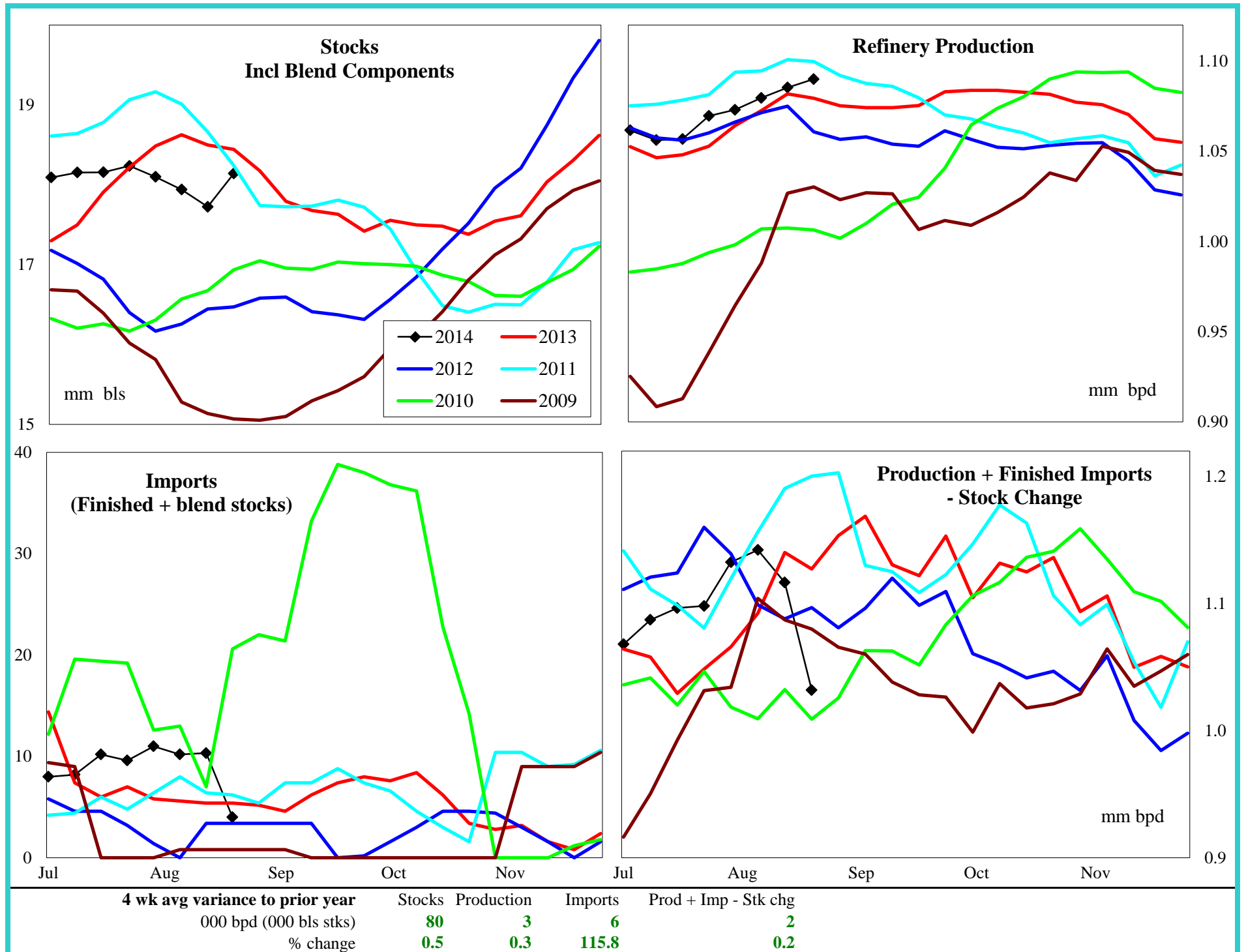
# PADD 5 Crude Oil Supply and Refining



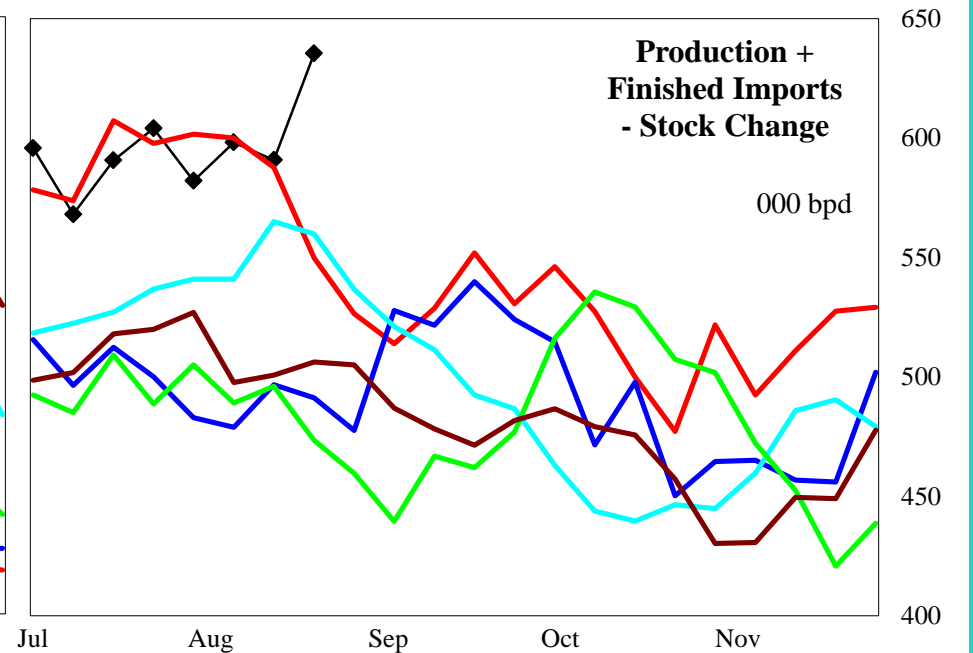
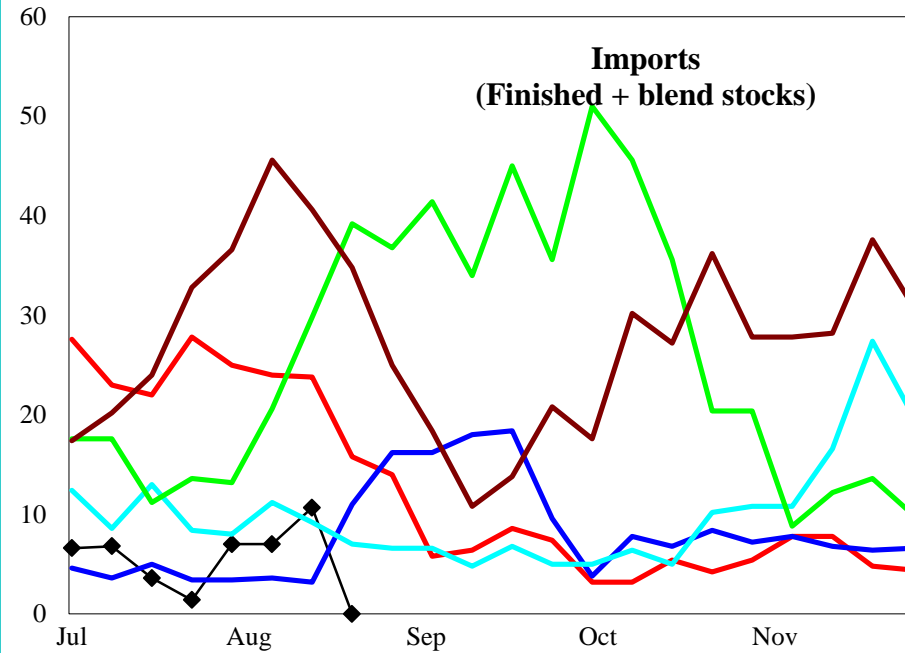
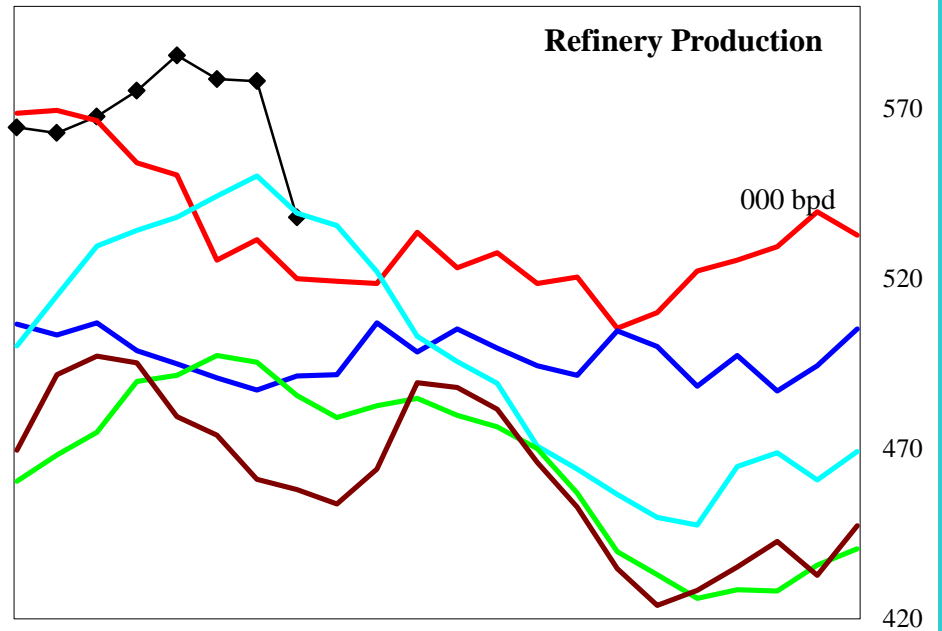
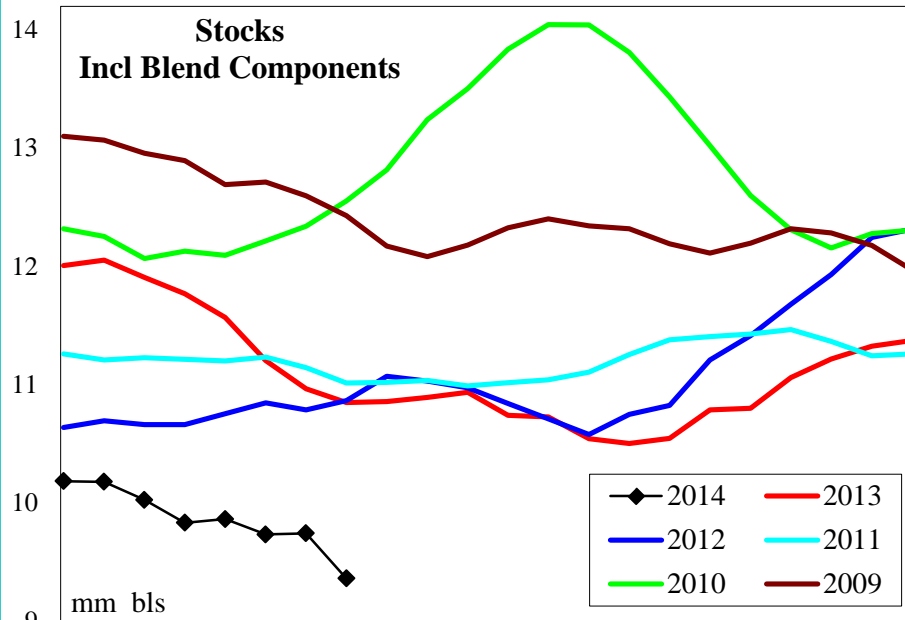
## PADD 5 Gasoline Supply



# PADD 5 Reformulated Gasoline Supply



# PADD 5 Conventional Gasoline Supply



**4 wk avg variance to prior year**

000 bpd (000 bbls stks)

% change

Stocks

Production

Imports

Prod + Imp - Stk chg

-1,392

56

-22

-9

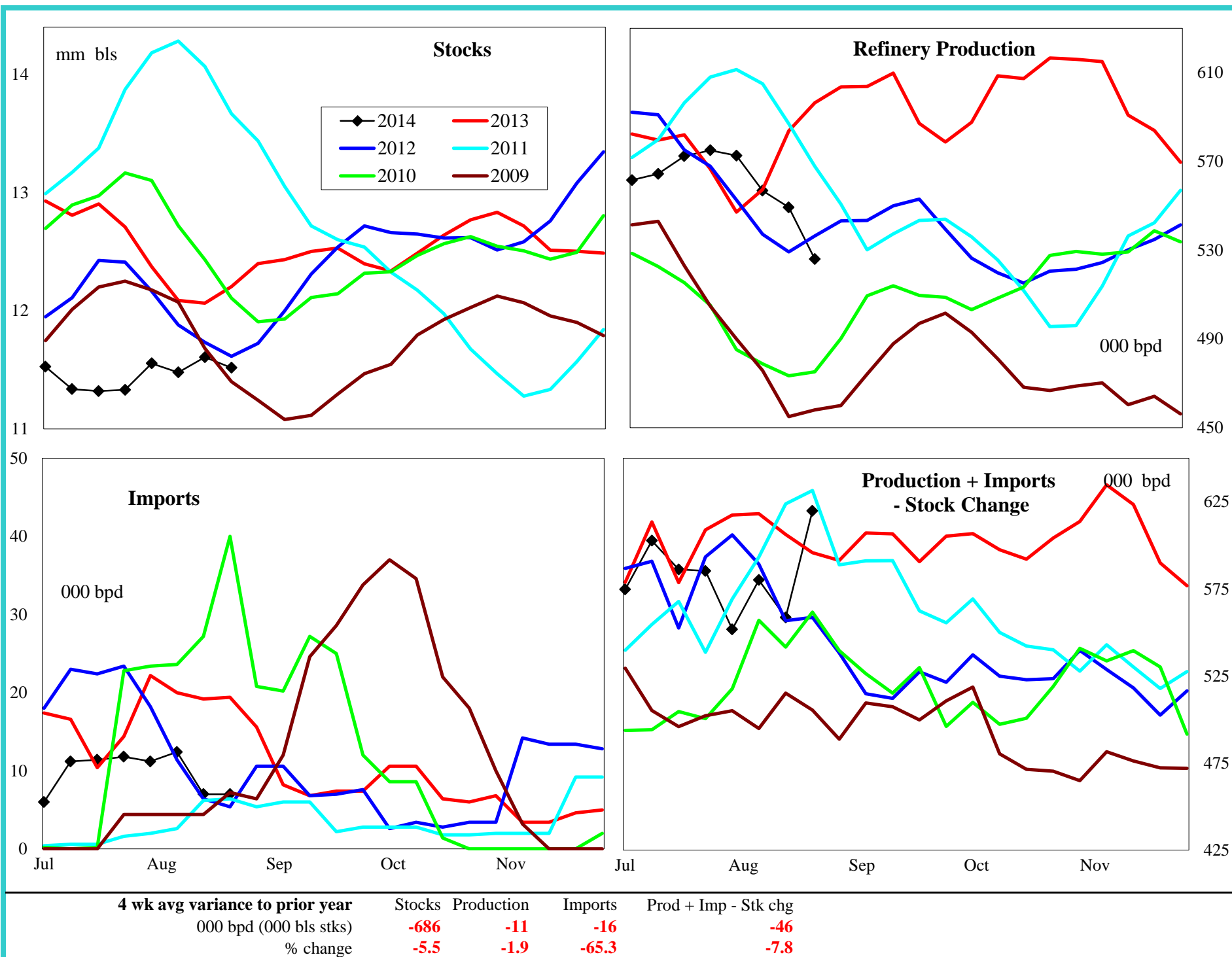
-12.9

10.5

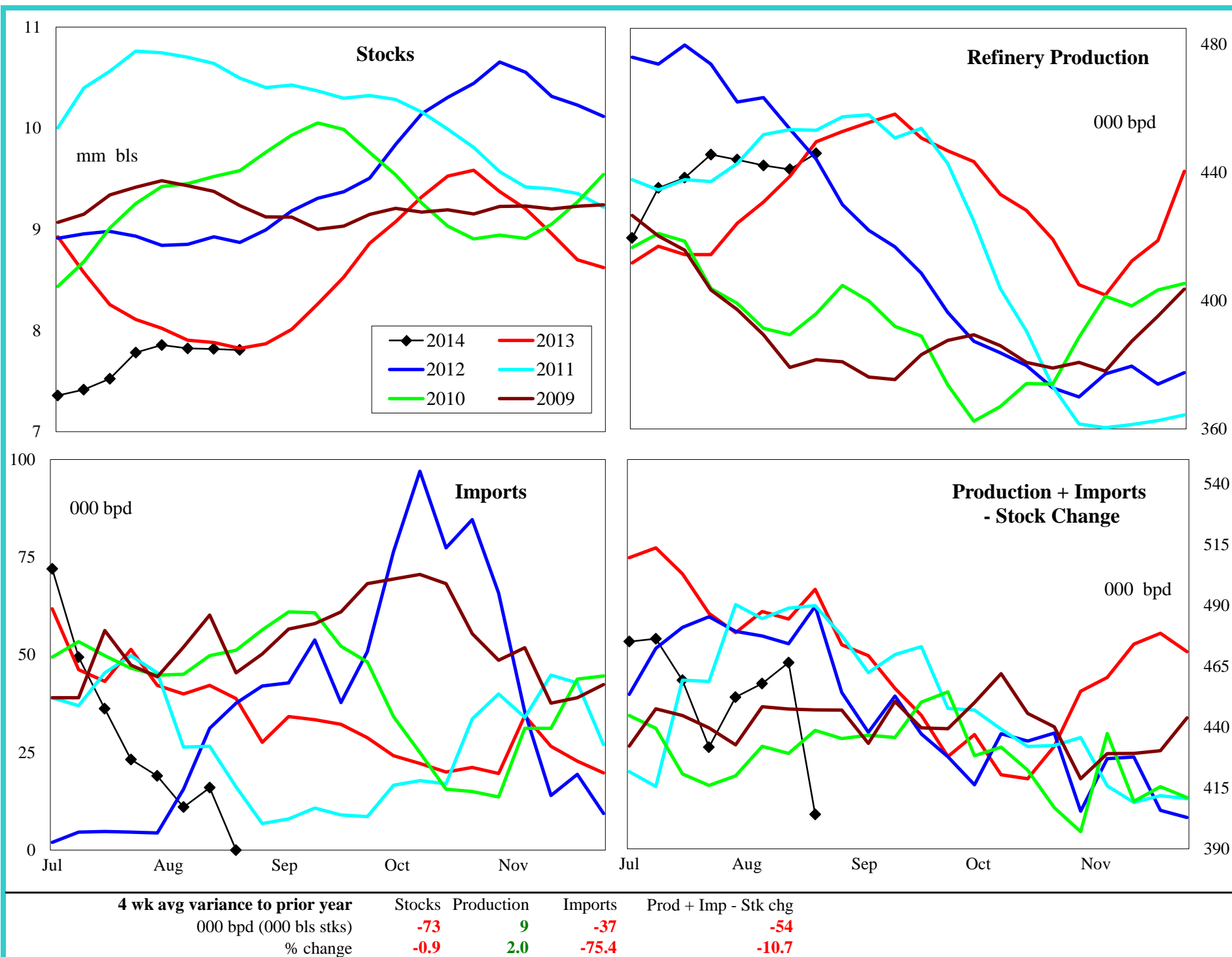
-72.3

-1.5

# PADD 5 Distillate Supply



# PADD 5 Jet Fuel Supply





# PADD 5 Residual Fuel Oil Supply

