



WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

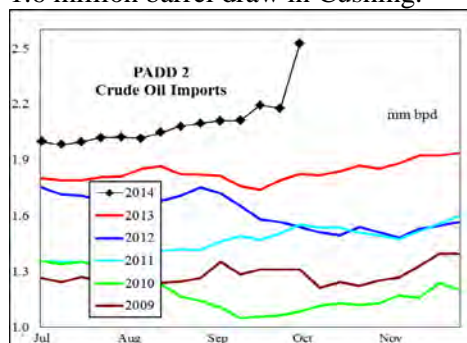
A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Wednesday, October 08, 2014

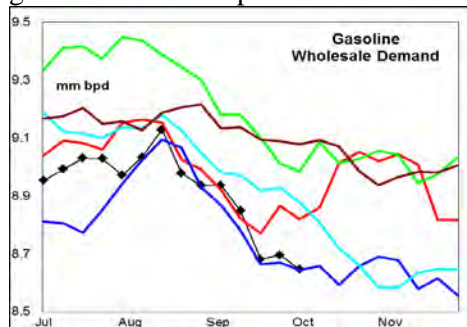


Major Fundamental Trends¹

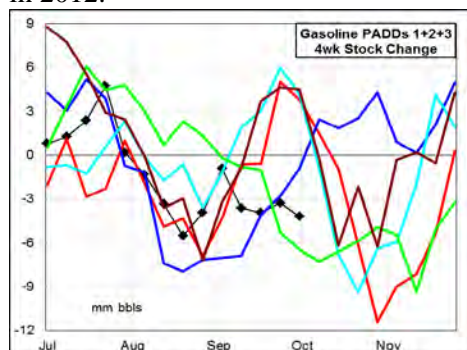
Crude oil imports from Canada jumped +0.5 million bpd last week, to a level +0.7 million bpd (+39%) above a year ago while PADD 2 stocks jumped +3.1 million barrels. This increase in supplies indicates that Enbridge has begun line fill of their new export line. The Midwest stock build was net of a -1.6 million barrel draw in Cushing.



This increase in Canadian imports will displace waterborne imports to the Gulf refining center, adding to the global crude oil surplus.

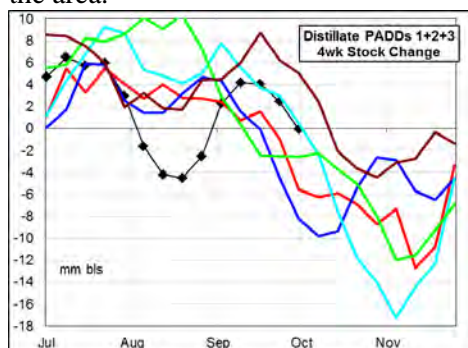


Wholesale gasoline demand remains below last year, tracking 5-yr lows set in 2012.



Gasoline stocks East of the Rockies

have decreased -4.2 million barrels during the last month, compared to builds of +3 million barrels or more in each of the last 3-yrs. With above average maintenance of FCCUs in the area during the current quarter, there is risk of further tightening of supplies in the area.



Distillate stocks East of the Rockies were unchanged during the last month, compared to draws of -6 to -8 million barrels during the last 2-yrs. This has occurred even though production and imports were nearly unchanged from a year ago. These trends point to weakness in exports and wholesale demand.

Wholesale Demand for distillate plunged -0.6 million bpd on the week, more than reversing the prior week surge.

Wholesale demand, measured over the last four weeks compared to a year ago: gasoline decreased -1.3%, distillate decreased -0.6%, Jet fuel increased +5.5% while residual fuel increased +51%.

Stocks forward coverage: Gasoline demand coverage increased on a +1.2 million barrel stock build. Coverage ended the week at a level near 3-yr lows.

Distillate coverage increased on a +0.4 million barrel stock build, driven by sharply lower demand. Coverage ended the week at a level comparable with the last 2-yrs.

Jet fuel coverage was comparable to the last year, on a small stock build and higher demand.

Residual fuel oil coverage increased on a +1.1 million barrel stock build with the level equal to

historic highs.

Refinery utilization rates decreased on a -135,000 bpd drop in crude oil runs last week. During the latest 4-wk period crude oil input was +431,000 bpd above a year ago.

Gasoline yield % on crude oil runs fell last week on a -171,000 bpd decline in output compared to the -135,000 bpd decrease in crude oil runs. Yield % on crude oil runs was well below the 5-yr range.

Distillate yield % on crude oil runs fell last week, on a -159,000 bpd decline in output compared to the smaller decrease in crude oil runs. The yield % on crude oil runs ended the week near the 3-yr mid range.

Jet fuel yield % on crude oil runs increased last week on a +19,000 bpd rise in output compared the decrease in crude oil runs. The yield % remains near historic highs for the week.

Petroleum Imports/Exports: Imports of crude oil climbed +0.4 million bpd last week. Imports of transport fuels were little changed on the week.

During the latest 4-wk period crude oil imports were -0.5 million bpd below last year; distillate imports were -5,000 bpd lower; finished gasoline imports were +24,000 bpd higher; gasoline blend stock imports were -106,000 bpd lower; while jet fuel imports increased +48,000 bpd.

Exports of distillate for the week ending 26Sep14 were -126,000 bpd below a year ago, gasoline +79,000 bpd, jet fuel +23,000 bpd and residual fuel oil was unchanged.

Crude Oil stocks increased +5 million barrels, due in part to a +0.5 million bpd surge in imports from Canada to the Midwest. A +1.5 million barrel build on the West Coast lifted stock levels to a record high in the region for this time of year. Stocks saw a -1.6 million barrel draw in Cushing.

¹ Source is latest EIA Weekly Statistics



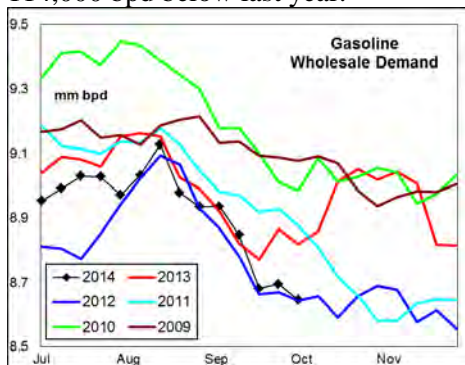
WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

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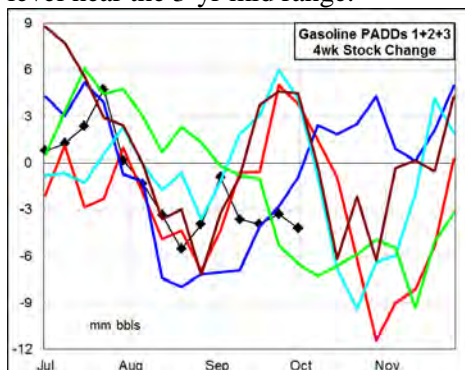
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Product Supply-Demand Trends

Gasoline wholesale demand decreased -15,000 bpd on the week, to a level that matched 5-yr lows set in 2012. The latest 4-wk average demand was -114,000 bpd below last year.



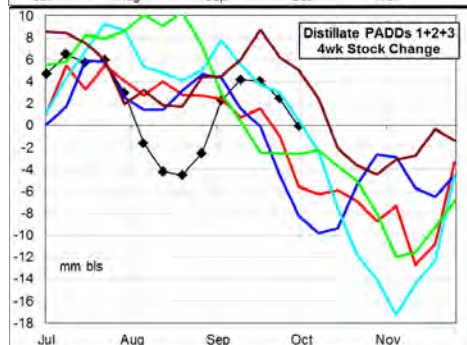
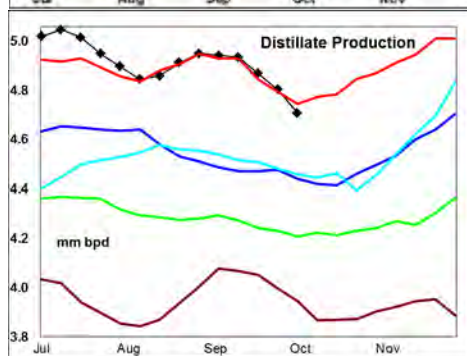
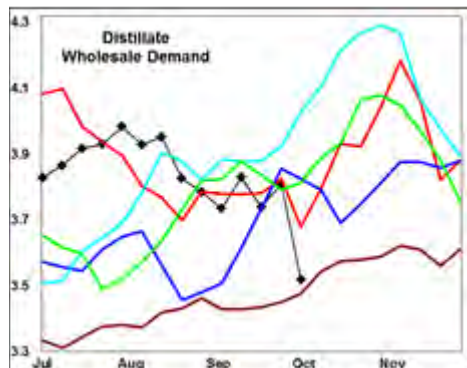
Supply decreased -258,000 bpd last week on lower production. Supply for the latest 4-wk period was -43,000 bpd below a year ago. Stocks increased +1.2 million barrels on the week, to a level near the 3-yr mid range.



Stocks have not experienced a build as has occurred in each of the last 3-yrs; due in part to reduced production. Higher than average FCCU maintenance in the Chicago and Gulf regional markets should lead to modest tightening of supplies in those areas.

Distillate wholesale demand plunged -0.6 million bpd last week to a level near record lows. The latest 4-wk average demand was -24,000 bpd below last year.

Supply fell -143,000 bpd on lower production as refiners began fall maintenance. Production remains at a level comparable to a year ago, while stock levels are nearly unchanged from last year.

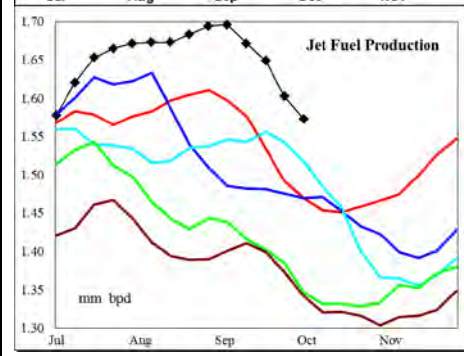
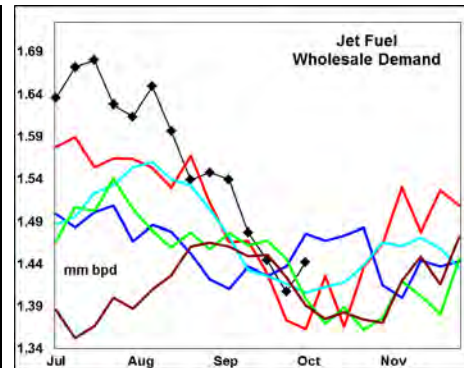


The latest 4-wk stock change in markets East of the Rockies was unchanged, compared to an average -7 million barrel draw the last 2-yrs.

A slowdown in distillate exports could lead to continued above average stock building during the fall quarter; driving an improvement in the supply balance.

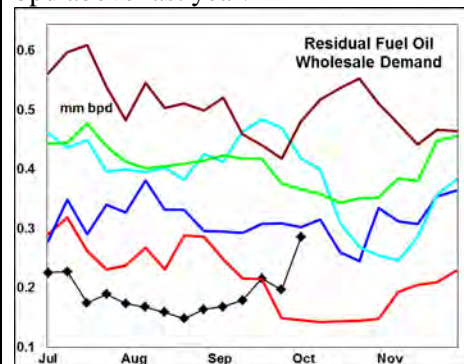
Jet Fuel wholesale demand increased +61,000 bpd last week, to a level above the 3-yr mid range. Production for the most recent 4-wk period increased +118,000 bpd compared to last year. Imports were at the low end of the historic range.

Stocks increased +0.2 million barrels to a level that matched last years' record low for the period.



Record production & imports, combined with a seasonal drop in demand has lifted stock levels to the low end of the historic range.

Residual fuel oil demand increased +118,000 bpd on the week. Demand for the latest 4-wk period was +90,000 bpd above last year.



Supply (production + imports) increased +56,000 bpd for the most recent 4-wk period. Stock levels ended the week +1.5 million barrels above the 3-yr range.

Production and imports are comparable with last years' record lows for the last month. Stock levels are +4% above a year ago, and should begin a seasonal build in the near term.



WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

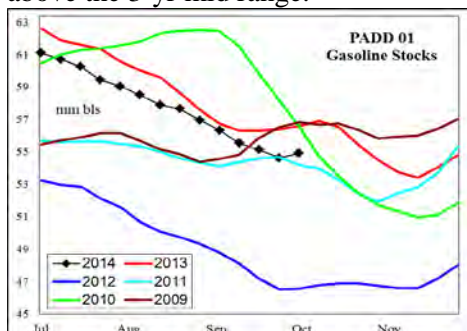
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PADD Supply Trends

PADD 1 refinery crude oil runs decreased -5,000 bpd on the week, to a level near 3-yr highs for the period.

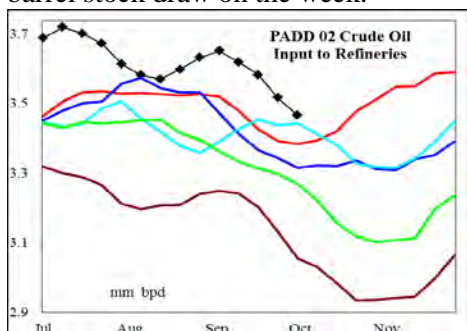
Gasoline supply fell -208,000 bpd on the week, due to lower production and imports. Stocks climbed +1.4 million barrels last week, to a level above the 3-yr mid range.



Distillate supply increased +9,000 bpd last week, with the 4-wk average -45,000 bpd below last year. Stocks increased +0.4 million barrels, to a level comparable to the last 2-yrs.

Jet fuel supply increased +81,000 bpd above last year for the most recent 4-wk period, driven by Delta Airlines owned and record imports.

PADD 2 crude oil refinery runs were unchanged last week, with the latest 4-wk average +148,000 bpd above last year. Crude oil stocks jumped +3.1 million barrels to a level -7.5% below last year. Cushing saw a -1.6 million barrel stock draw on the week.



Gasoline supply increased +50,000 bpd on the 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 decreased -0.2 million

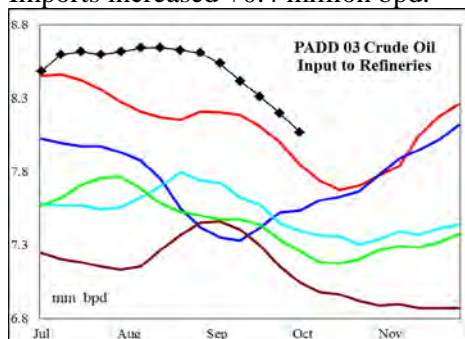
barrels on the week, with the level still below the 5-yr range.

Distillate supply decreased -65,000 bpd on the week, with the 4-wk average +46,000 bpd above a year ago. Stock levels ended the week above the 3-yr range for the period.

Jet fuel production ended at a level below the last 3-yrs. Stocks decreased -0.2 million barrels on the week, to a level +21% above last years' record low.

PADD 3 refinery runs decreased -73,000 bpd last week, with the level above the historic range. During the latest 4-wk period, average runs were +194,000 bpd above last year.

Crude oil stocks increased +0.6 million barrels, to a level slightly below 3-yr highs for the period. Imports increased +0.4 million bpd.



Gasoline supply increased +109,000 bpd last week, with the latest 4-wk average -127,000 bpd below a year ago. Stocks decreased -0.2 million barrels on the week, to a level below the 3-yr mid range.

Distillate supply fell -127,000 bpd on the week, with the latest 4-wk average supply -9,000 bpd below a year ago. Stocks fell -0.4 million barrels on the week, to a level that matched historic lows.

Jet fuel production increased +30,000 bpd last week, to a level that matched the 3-yr mid range. Stocks increased +0.9 million barrels on the week to a level +3% above historic lows.

Residual fuel supply was nearly unchanged on the week. Stocks ended the week +1.5 million barrels above the historic range.

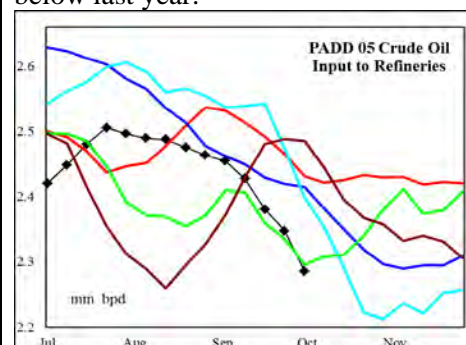
PADD 4 refinery crude runs decreased -15,000 bpd last week, although the latest 4-wk average was +103,000 bpd (+20%) above a year ago for the latest 4-wk period.

Gasoline production increased +23,000 bpd, with the latest 4-wk average +48,000 bpd above a year ago. Stocks were +19% above a year ago and a record high.

Distillate supply decreased -16,000 bpd last week, with the latest 4-wk supply +55,000 bpd above last year (+34%). Stocks were unchanged on the week, +11% above the prior 5-yr high.

Jet fuel production was at historic highs for the week, while stocks ended the week above the 3-yr range.


PADD 5 crude oil refinery runs fell -45,000 bpd last week, ending at a level below the 5-yr range for the period. The 4-wk run rate was -125,000 bpd below last year.



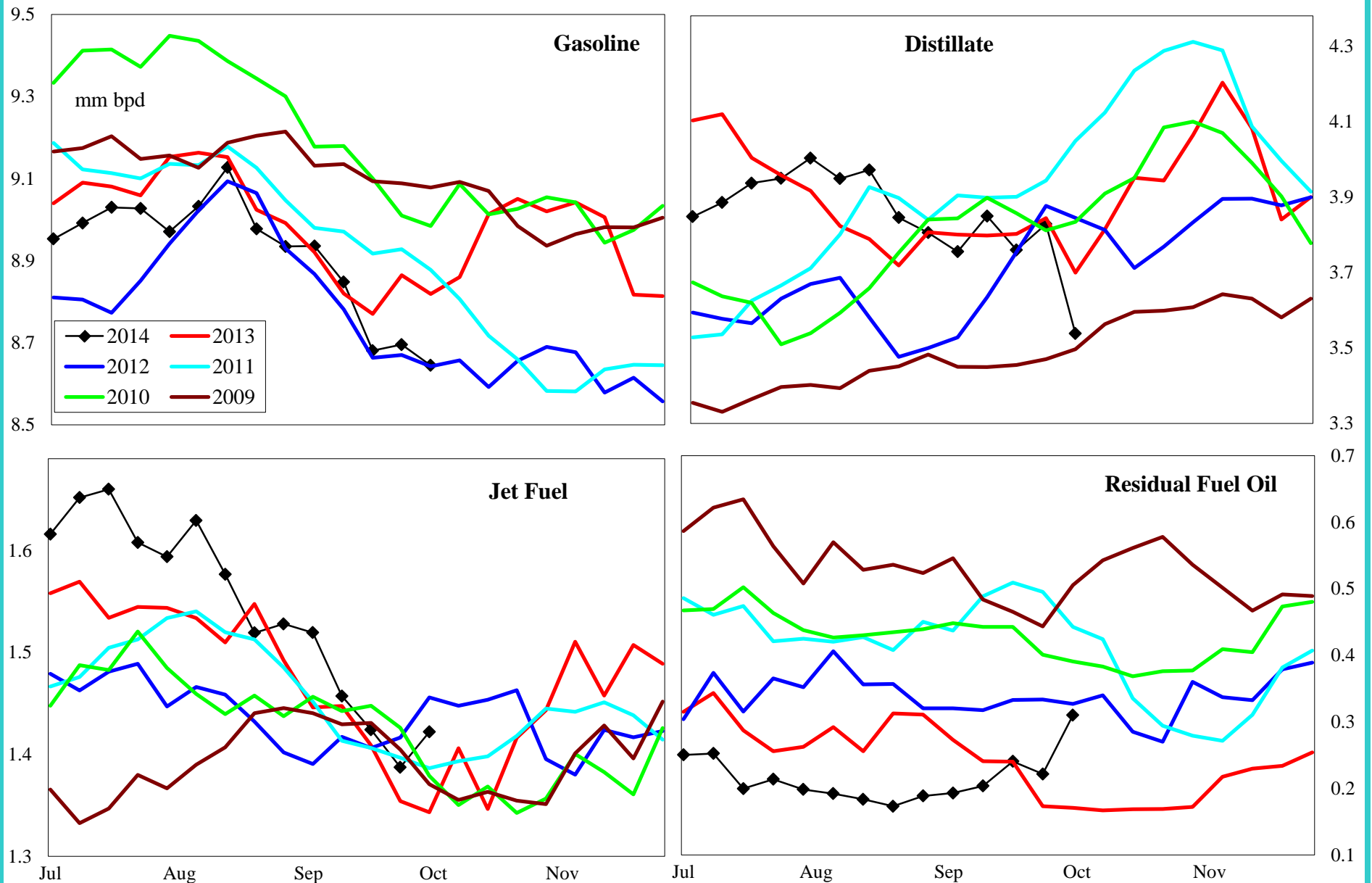
Gasoline supply declined -28,000 bpd on the week, with the 4-wk average -37,000 bpd below a year ago. Stocks declined -0.1 million barrels to a level that matched the 3-yr average.

Distillate supply climbed +52,000 bpd on the week, to a level near historic highs for this time of year. The 4-wk average supply was -39,000 bpd below a year ago. Stocks increased +0.2 million barrels on the week, although the level remains near historic lows.

Jet fuel production was +31,000 bpd above a year ago for the most recent 4-wk period with stock levels near last years' 5-yr low.

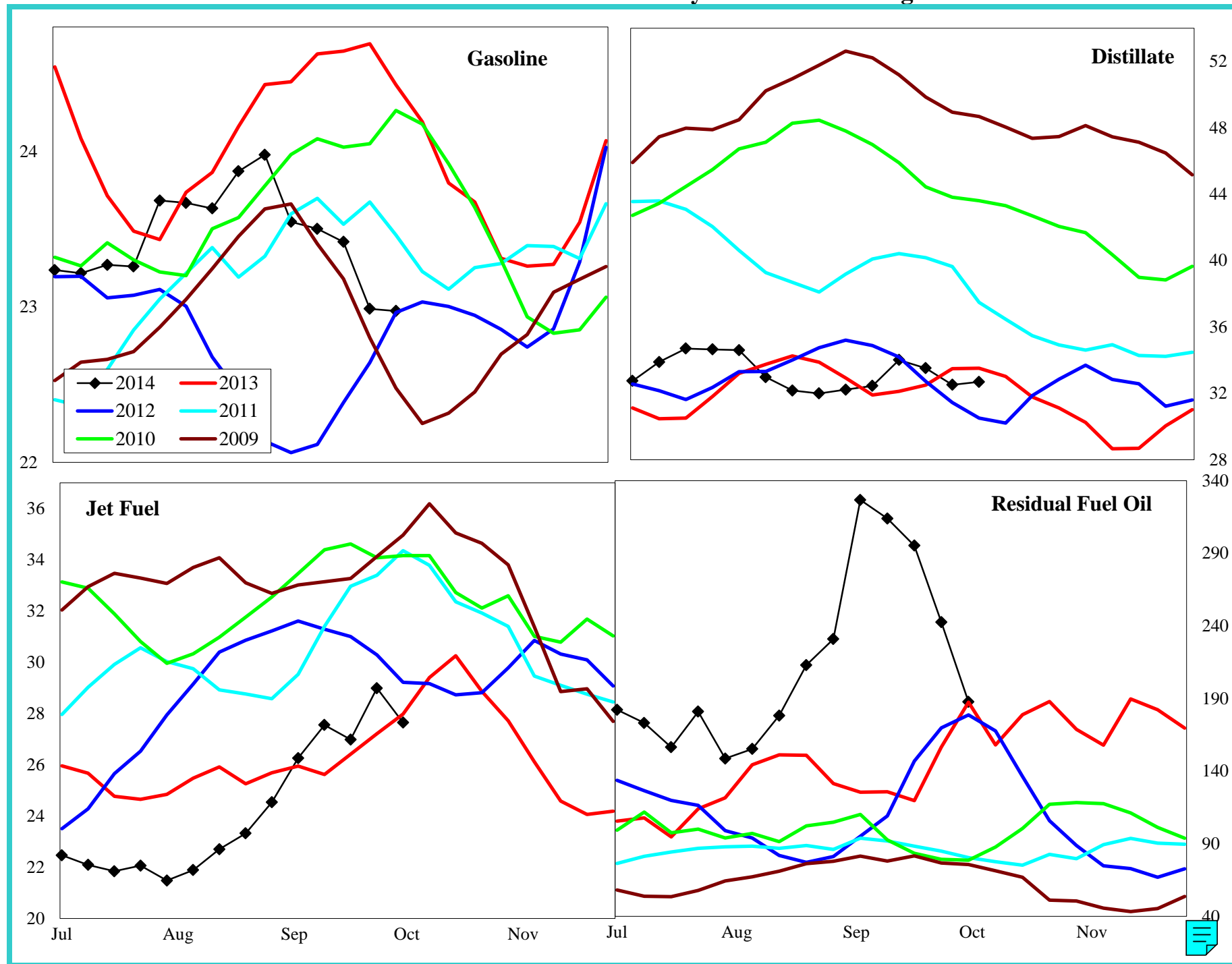
 FUNDAMENTAL PETROLEUM TRENDS		PETROLEUM: Graph Link and Weekly Summary						
		A Fundamental Petroleum Trends Weekly Report				October 8, 2014		
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Fundamental Trends	Wholesale Demand	Stocks Days Fwd Coverage	Refinery Utilization Product Yield %			Imports		
Supply/Demand Trends	3-Oct-14	EIA-DOE CHANGE FROM PRIOR WEEK						
	000 bpd stocks 000 bls	U. S. Total	PADD					
			1	2	3	4	5	
Crude Oil	Stocks	5,015	120	3,107	624	-355	1,519	
	Imports	428	-31	520	-248	-73	261	
	Input	-135	-5	3	-73	-15	-45	
	% Utilization	-0.50						
Gasoline	Stocks	1,180	1,359	-213	-228	318	-57	
	Production	-171	-121	47	112	23	-28	
	Imports	-87	-87	3	-3	0	0	
	Supplied	-15						
Distillate	Stocks	439	384	292	-406	-3	171	
	Production	-159	-7	-66	-127	-16	54	
	Imports	16	16	1	0	0	-2	
	Supplied	-619						
Jet Fuel	Stocks	168	142	-171	944	-26	-721	
	Production	19	-14	5	30	1	-3	
	Imports	38	34	0	0	0	4	
	Supplied	61						
Residual Fuel Oil	Stocks	-680	-151	117	-411	-25	-208	
	Production	-19	2	-6	-24	-2	11	
	Imports	75	-21	-1	42	0	54	
	Supplied	118						

United States Wholesale Petroleum Demand

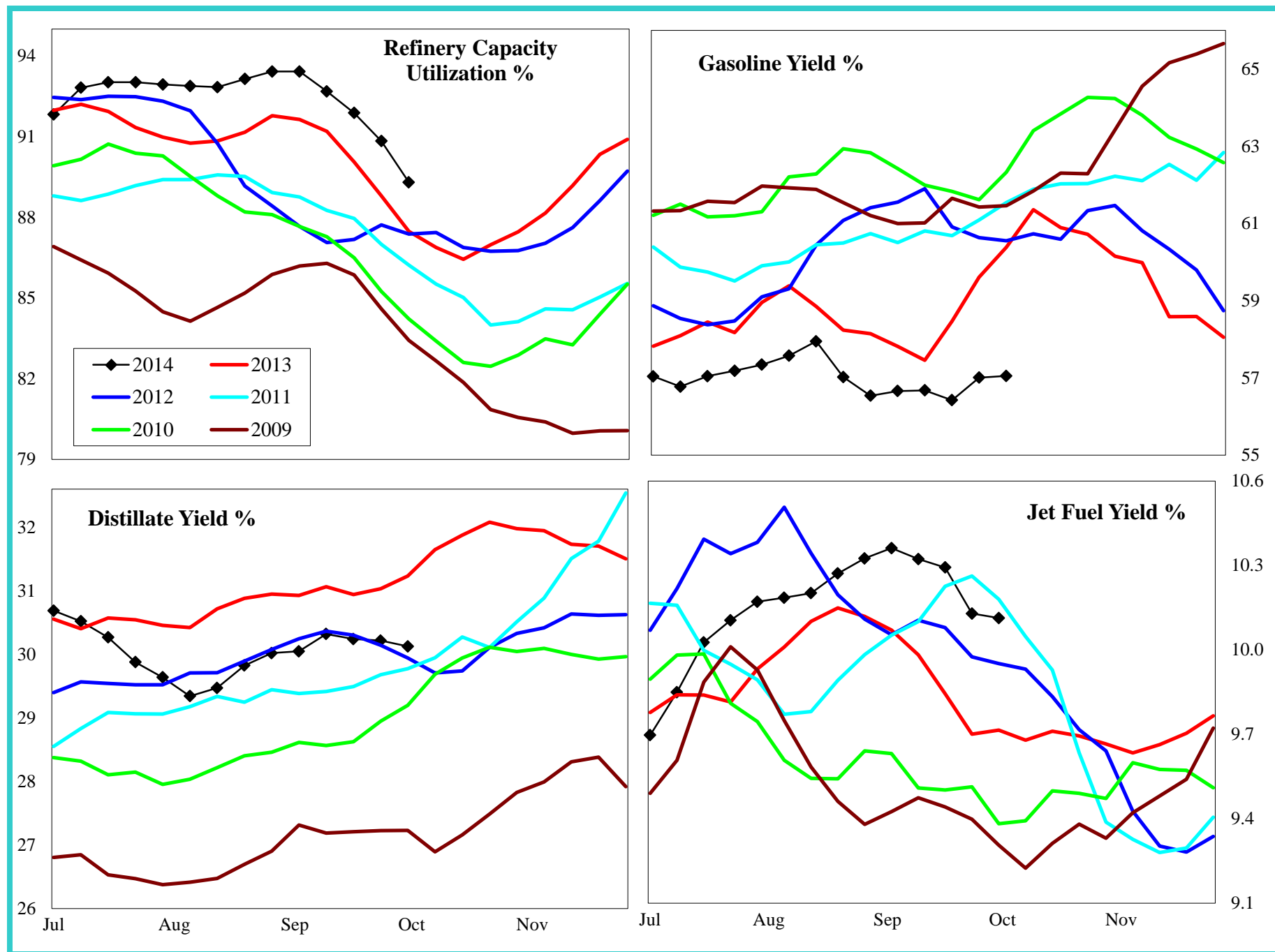


	000 bpd change from prior year				% change from prior year			
	4wk avg	Aug	Jul	Jun	4wk avg	Aug	Jul	Jun
Gasoline	-114	-19	-2	69	-1.3	-0.2	0.0	0.8
Distillate	-24	179	311	213	-0.6	4.8	8.7	5.8
Jet Fuel	76	45	131	129	5.5	3.0	8.6	9.0
Resid	90	-221	-176	-42	50.6	-54.8	-48.6	-13.9

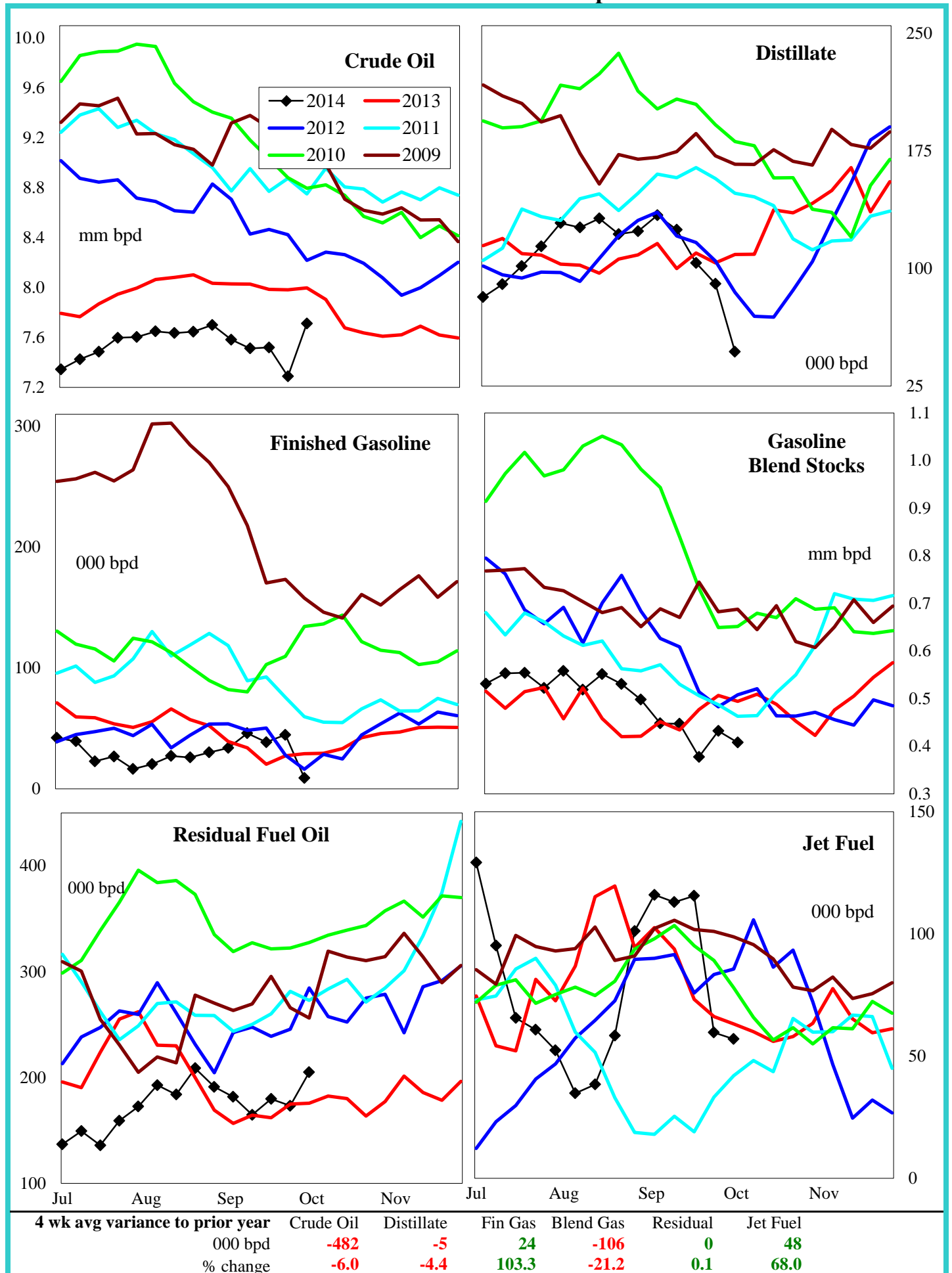


United States Product Stocks: Days Forward Coverage

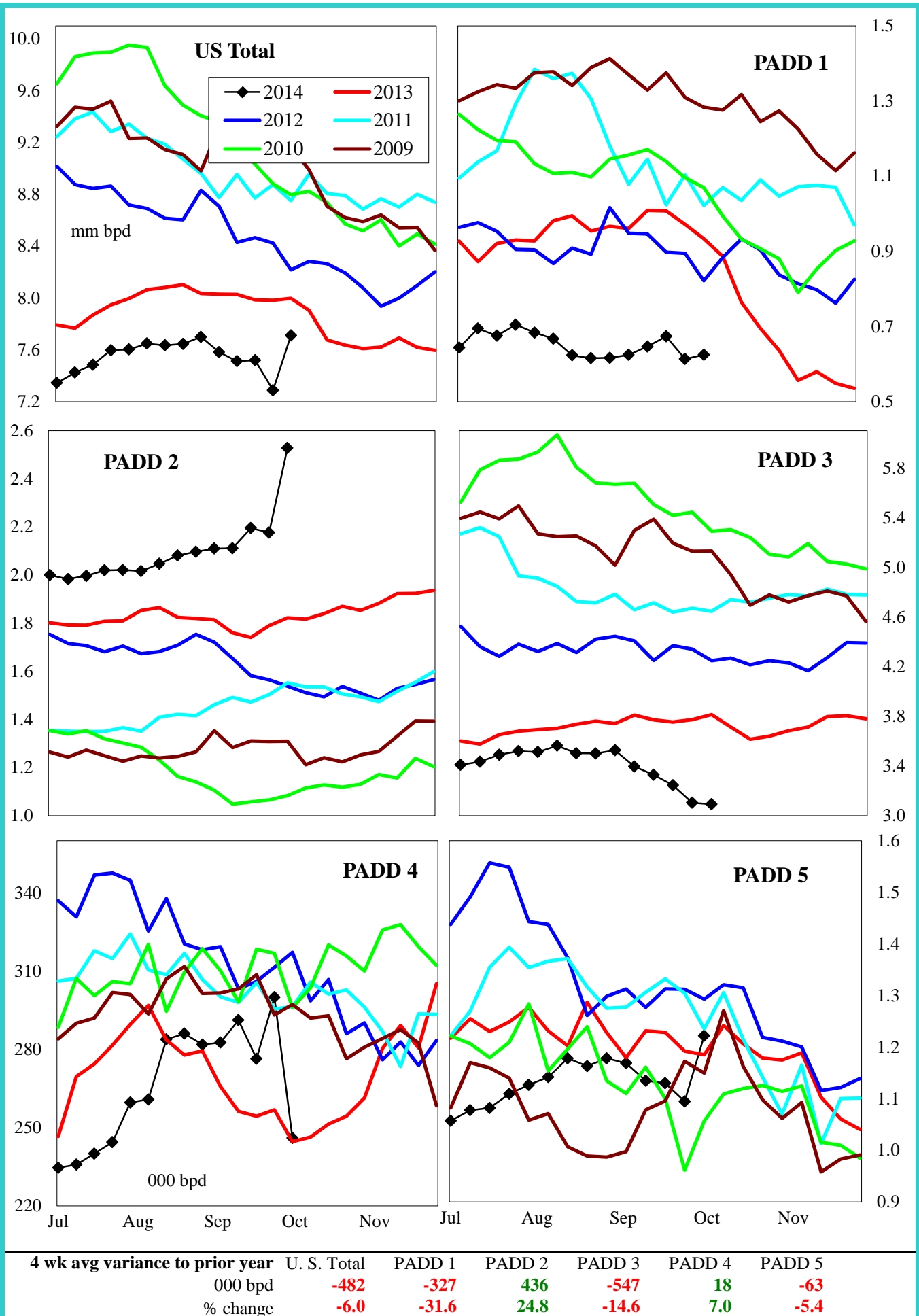
United States Refinery Percent Utilization Rate and Product Yields



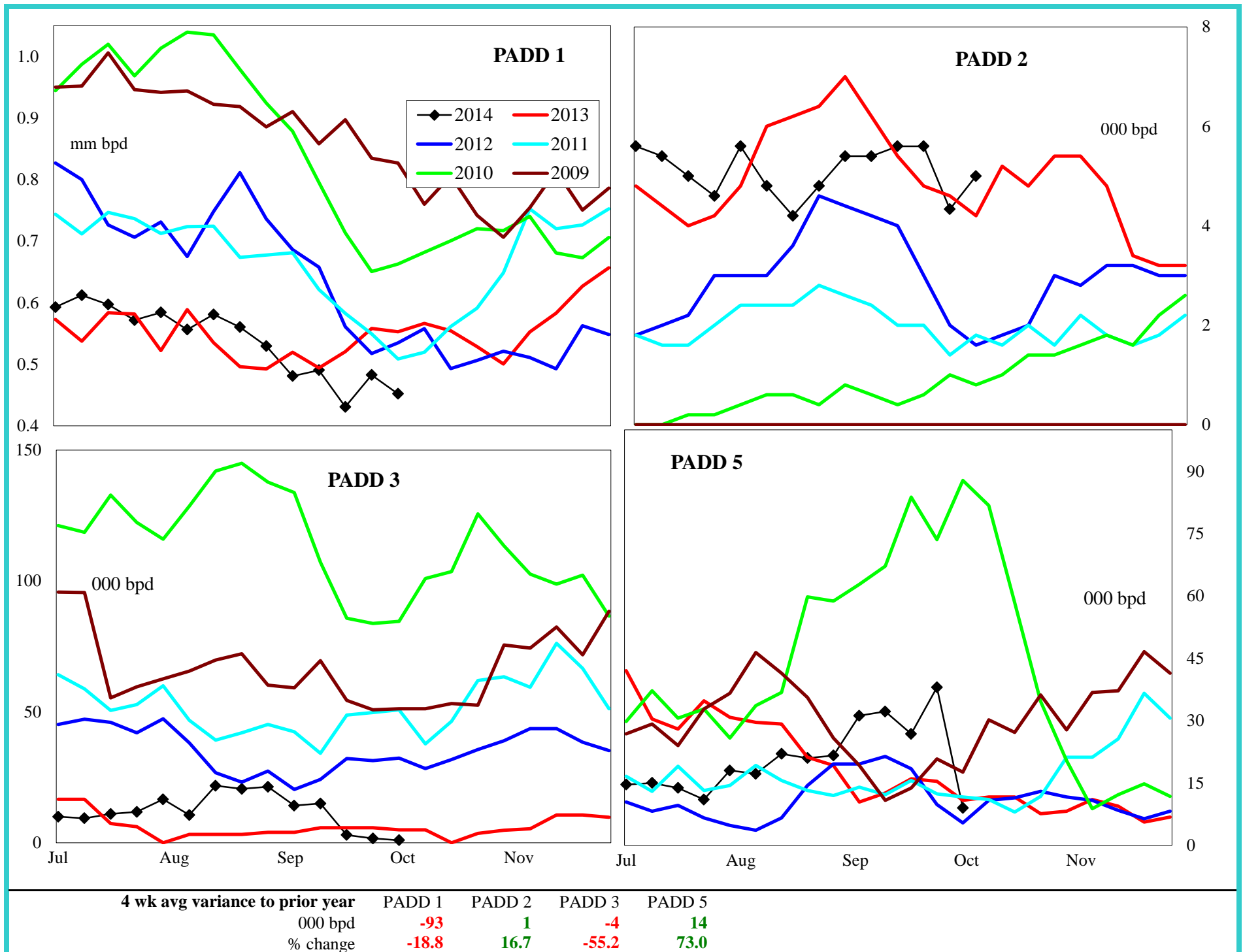
United States Petroleum Imports



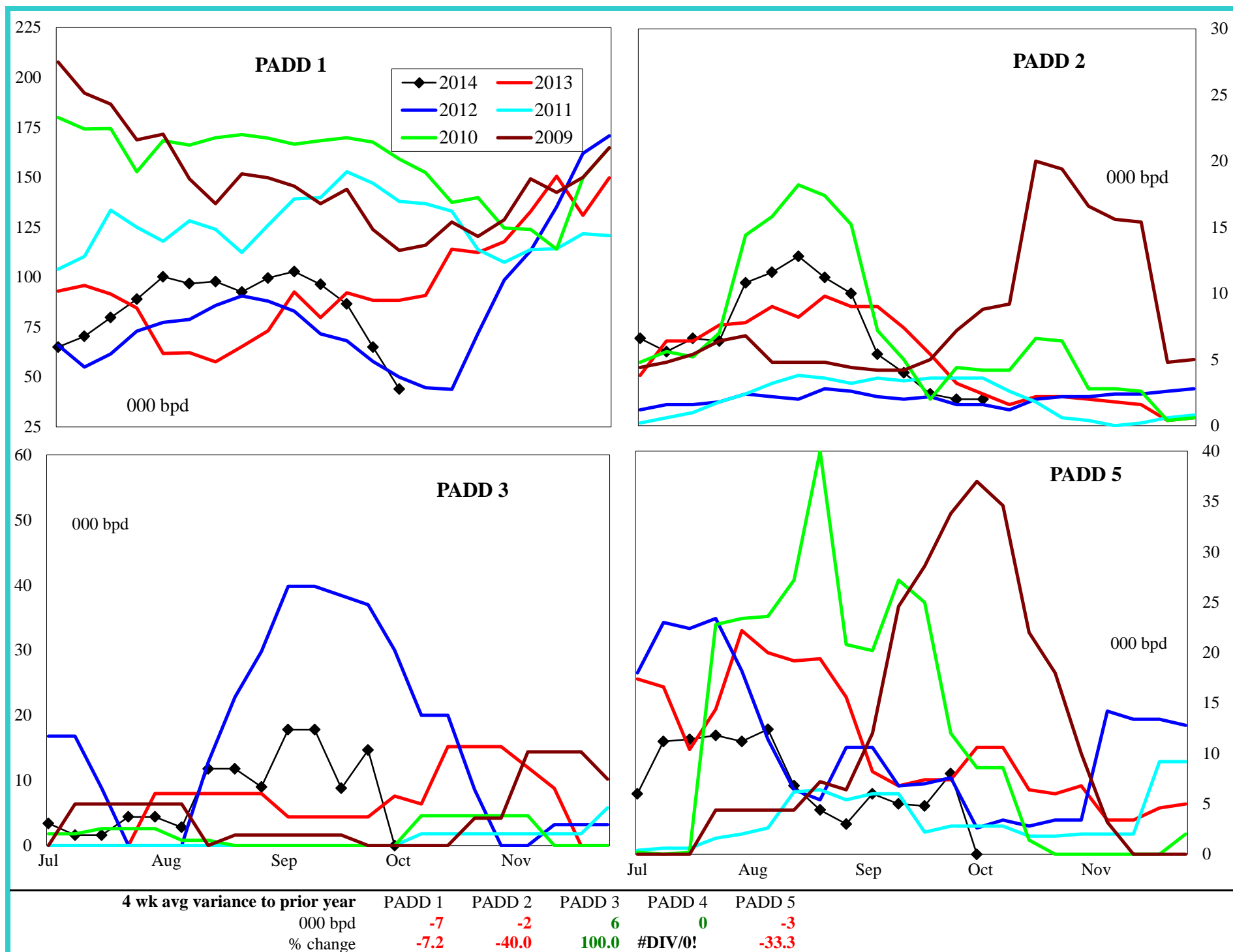
Crude Oil Imports by PADD



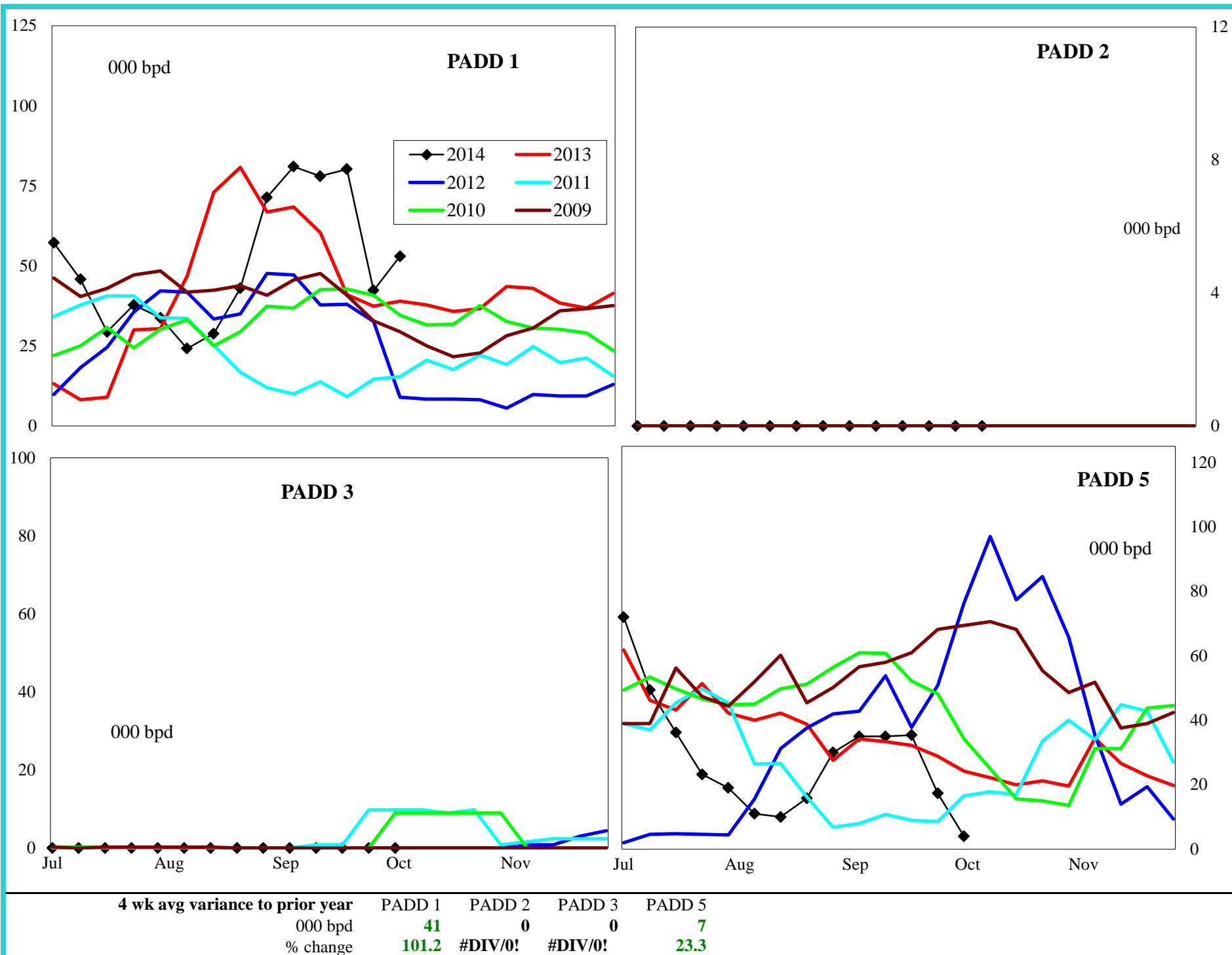
Gasoline Imports by PADD (Finished + Blend Stocks)



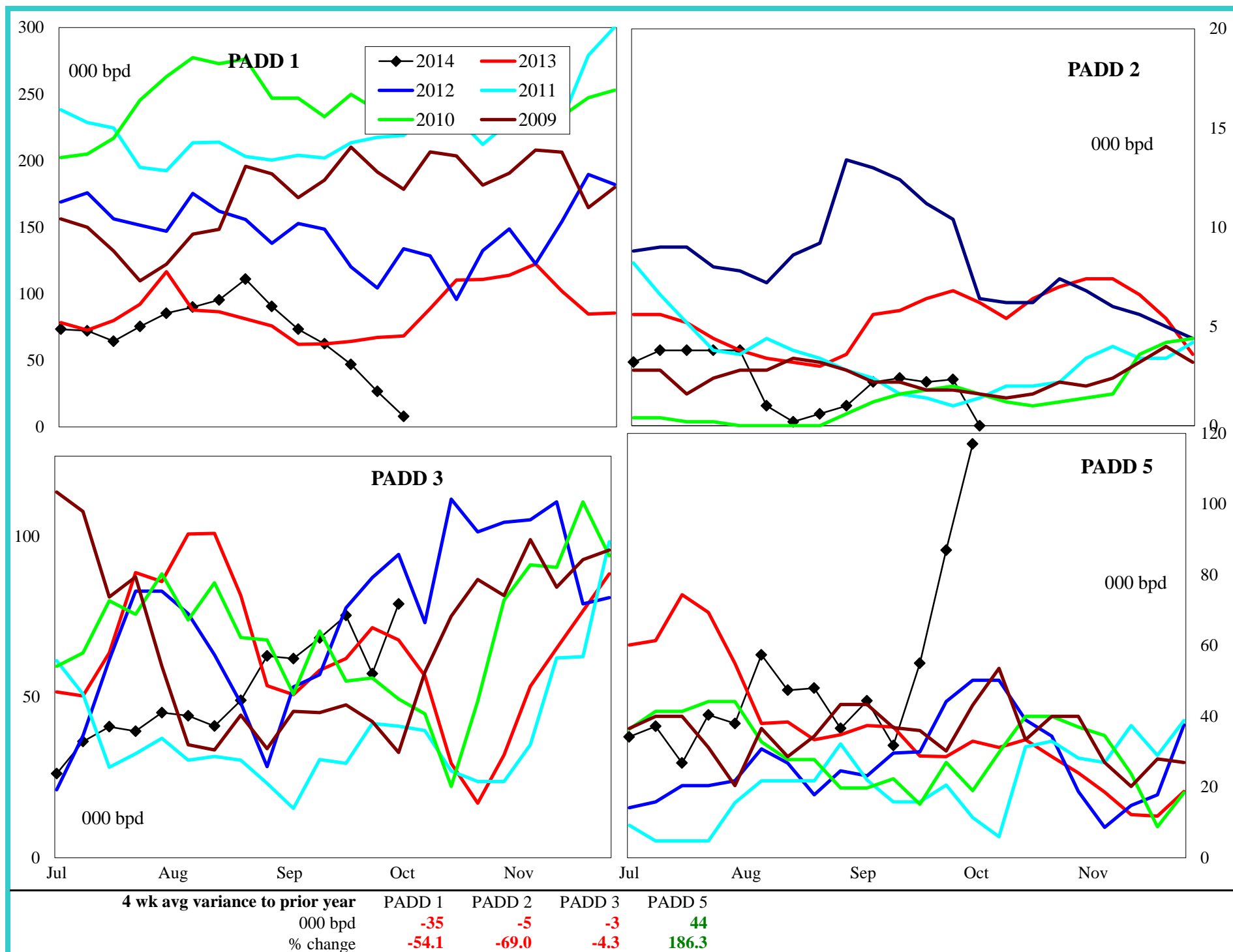
Distillate Imports by PADD



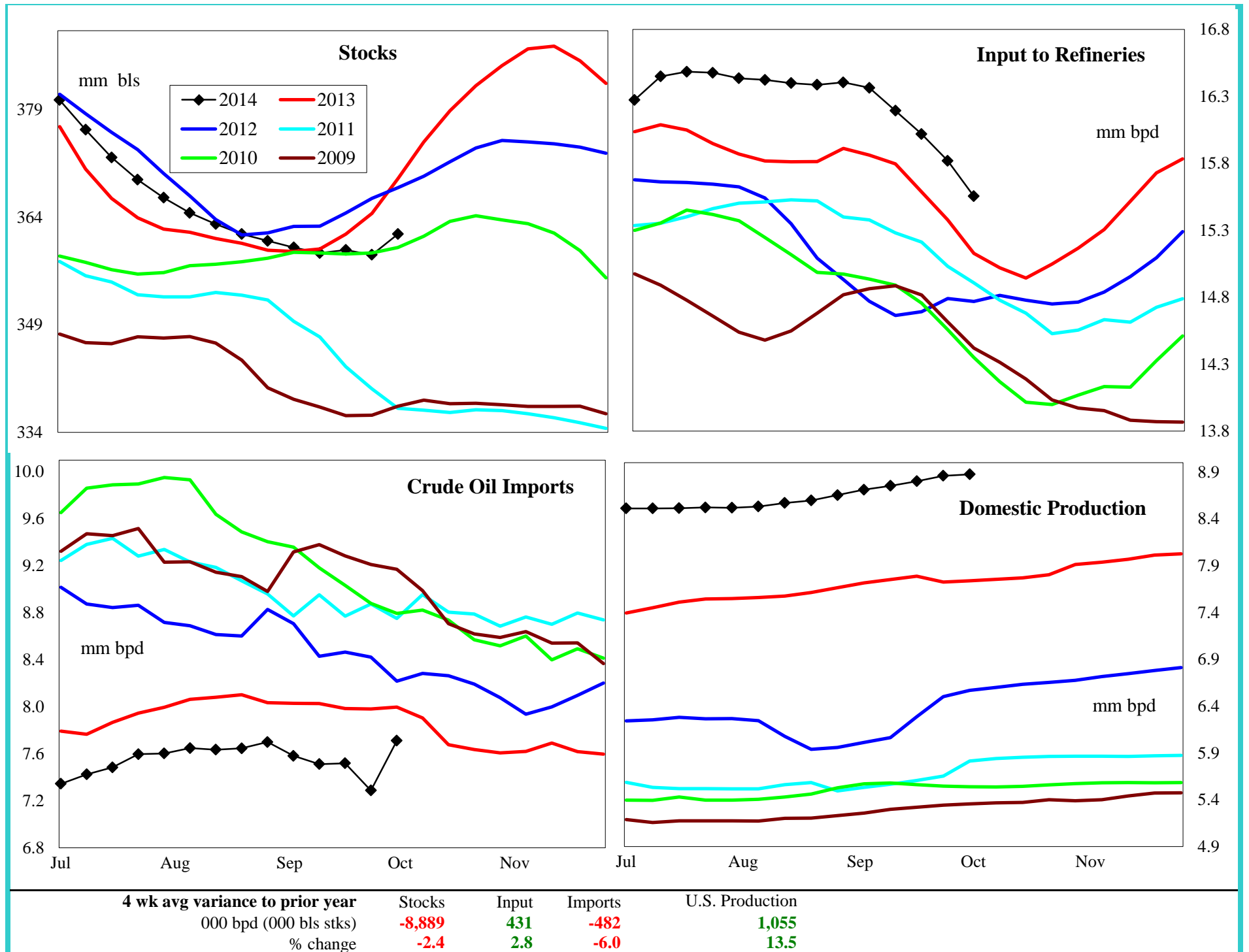
Jet Fuel Imports by PADD



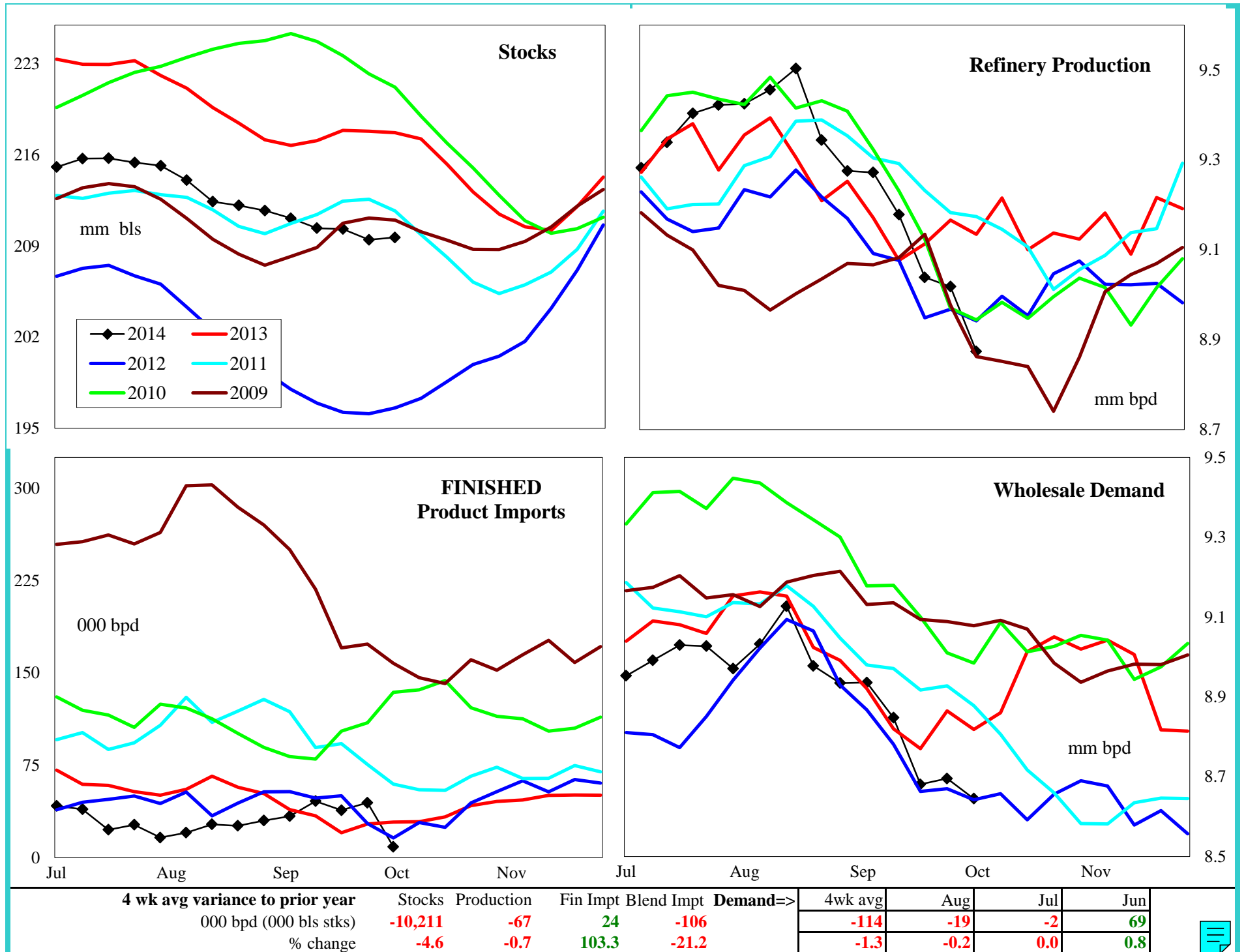
Residual Fuel Oil Imports by PADD



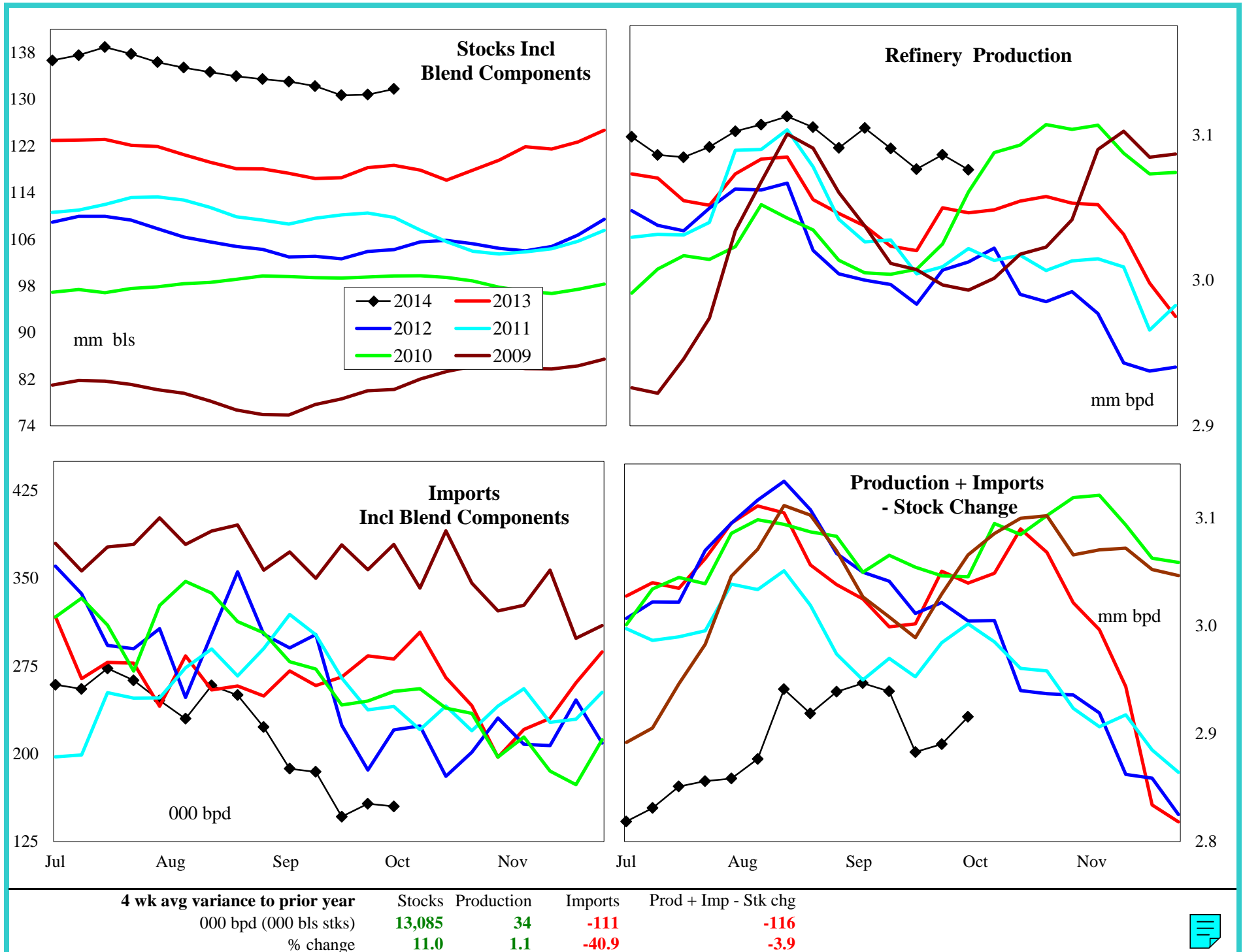
United States Crude Oil Supply and Demand Balance



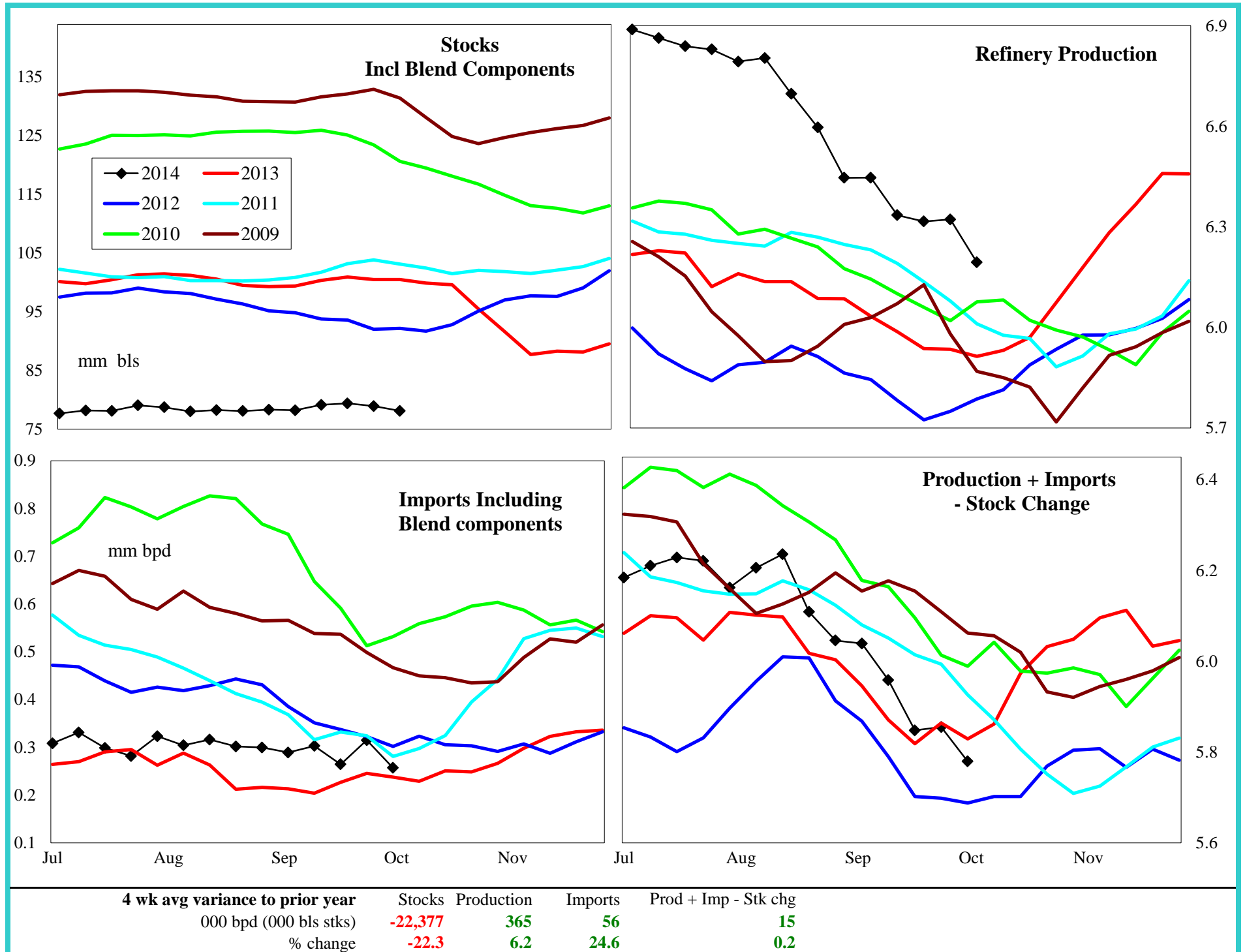
United States Gasoline Supply and Demand Balance



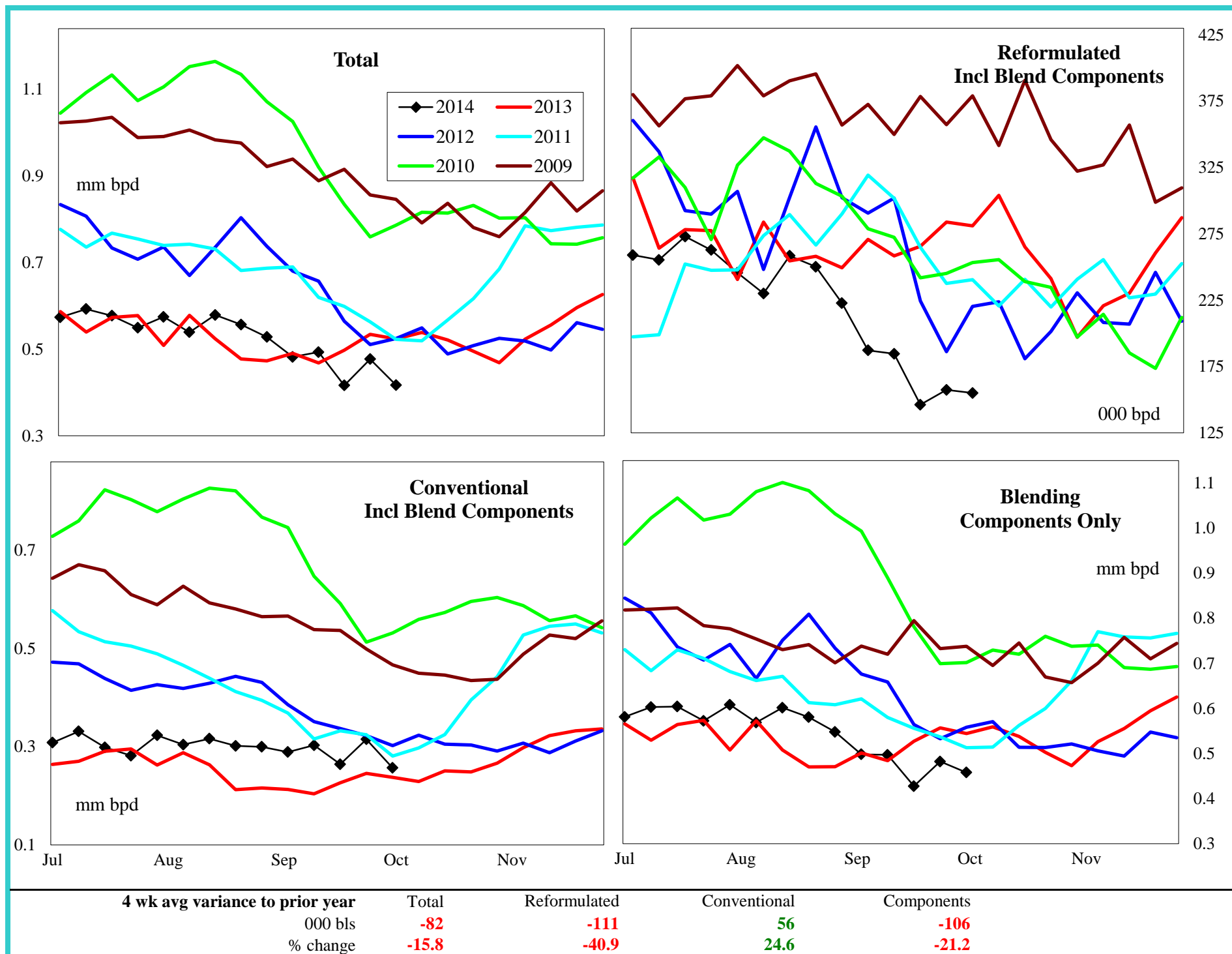
United States Reformulated Gasoline Supply



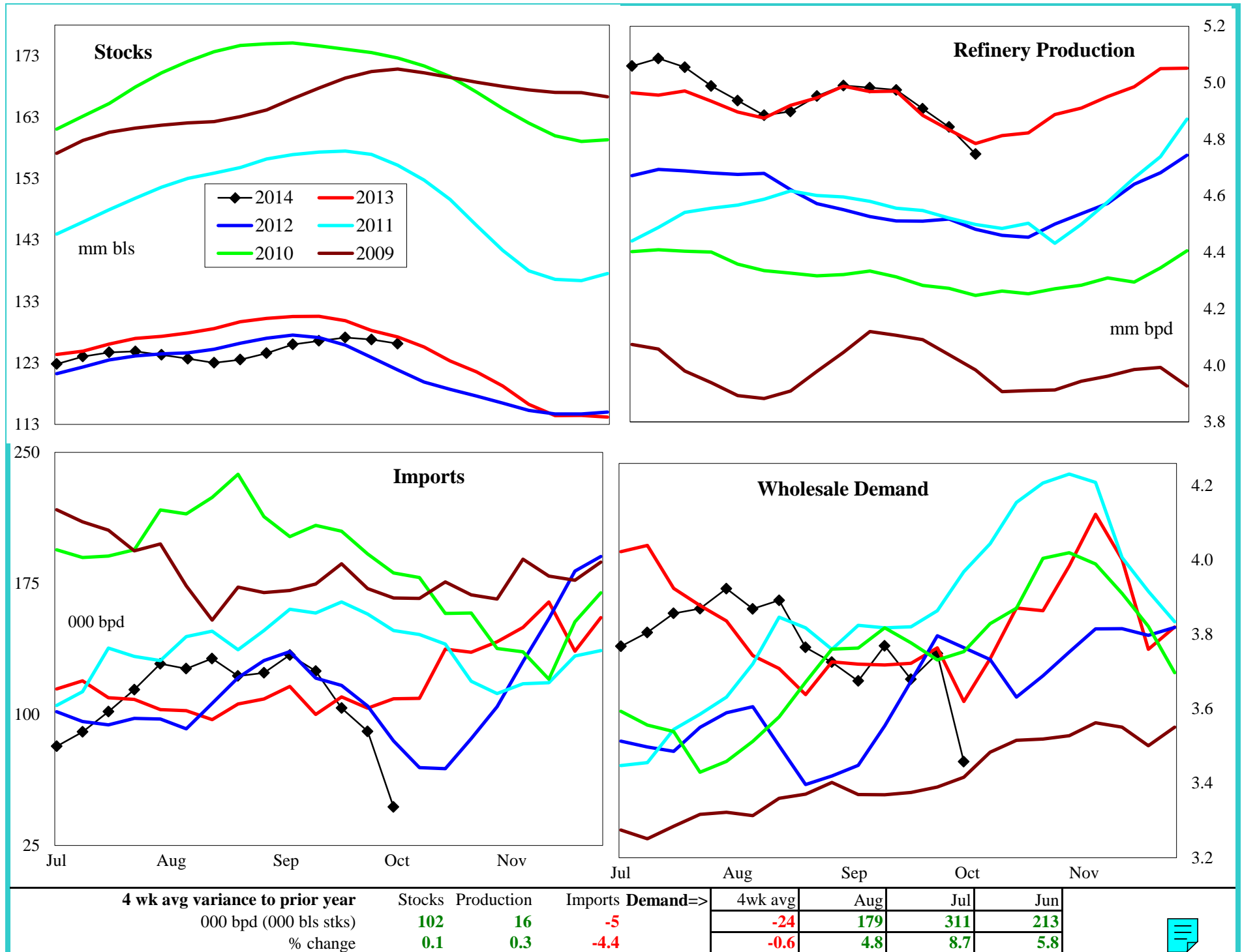
United States Conventional Gasoline Supply



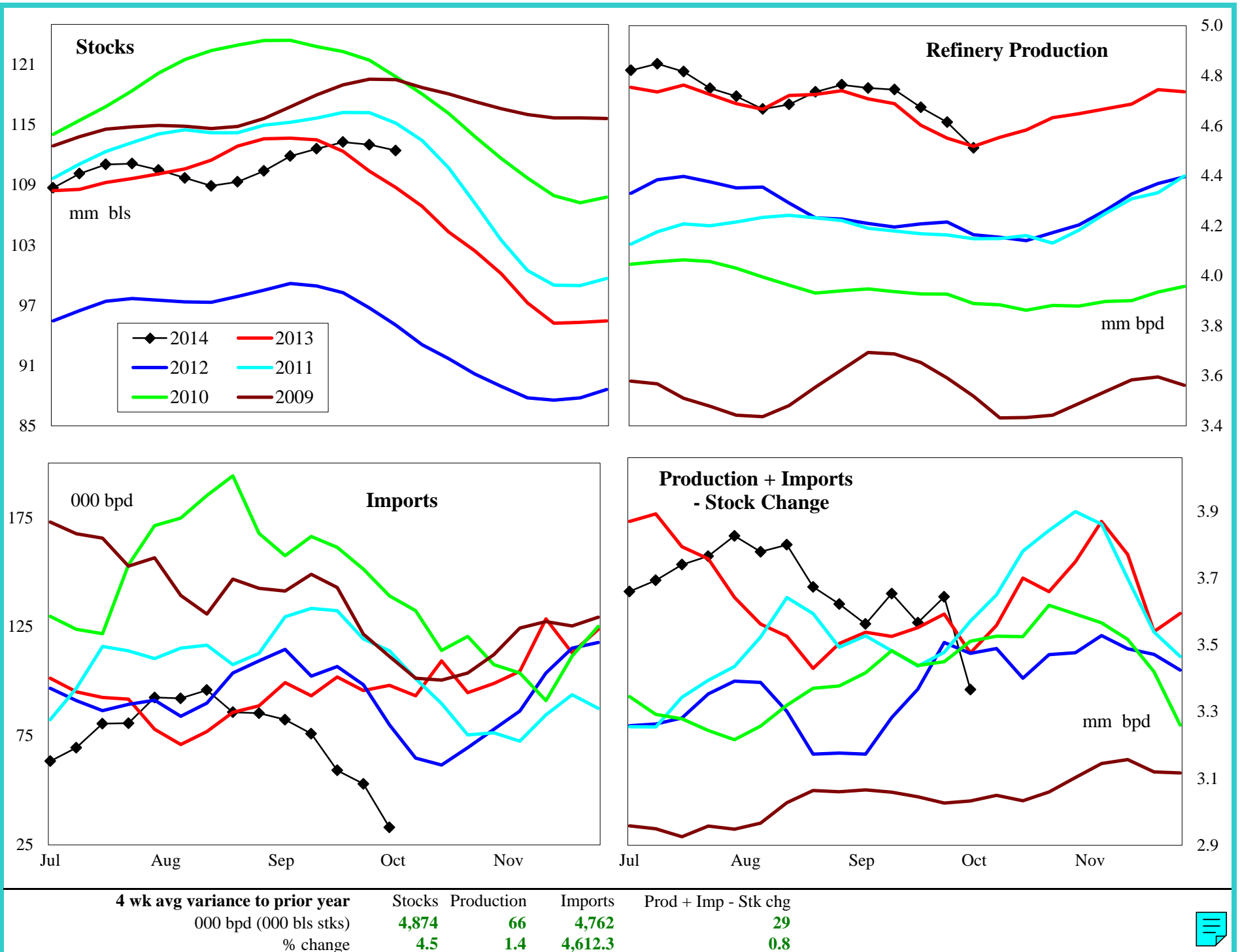
United States Gasoline Imports by Type



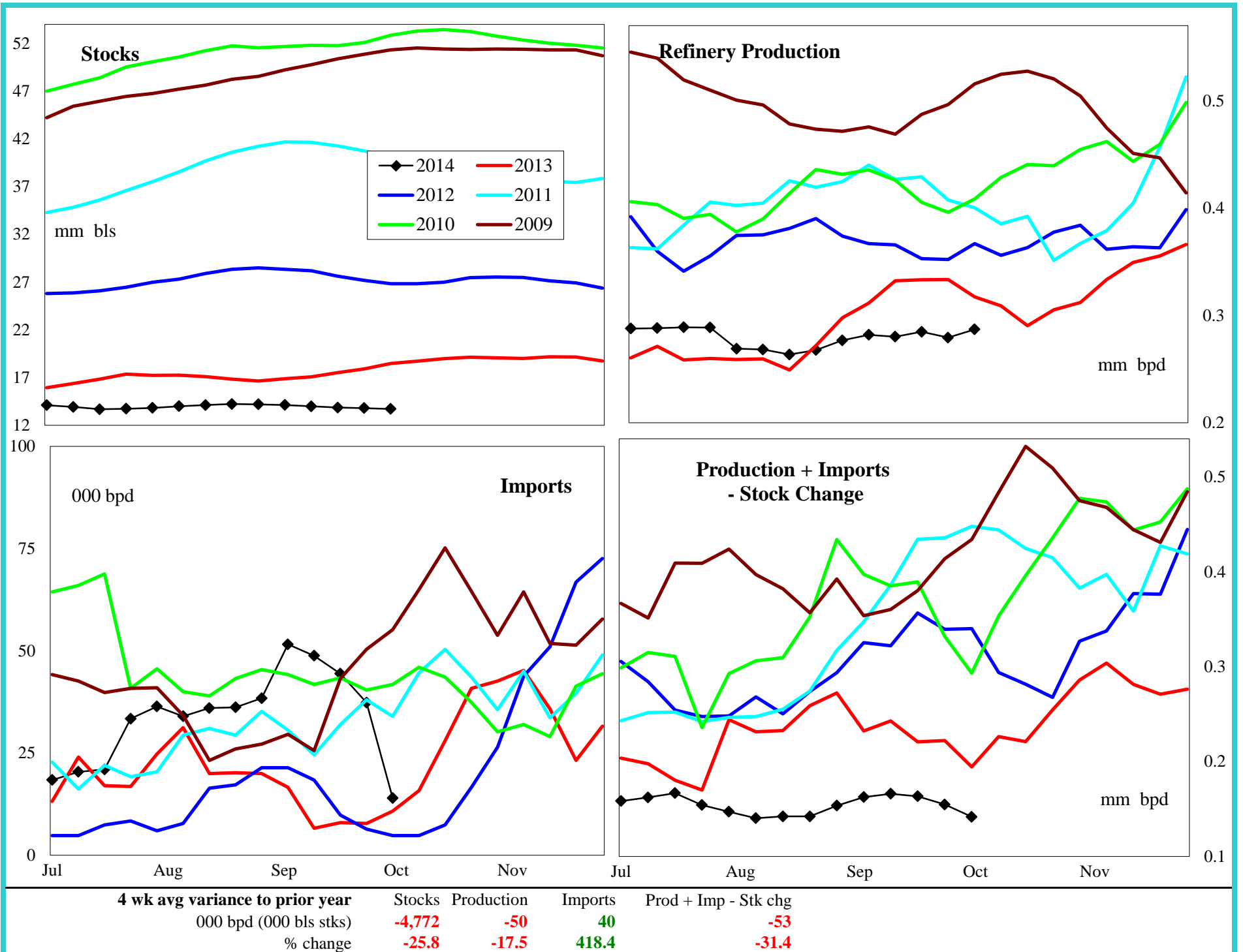
United States Distillate Supply and Demand Balance



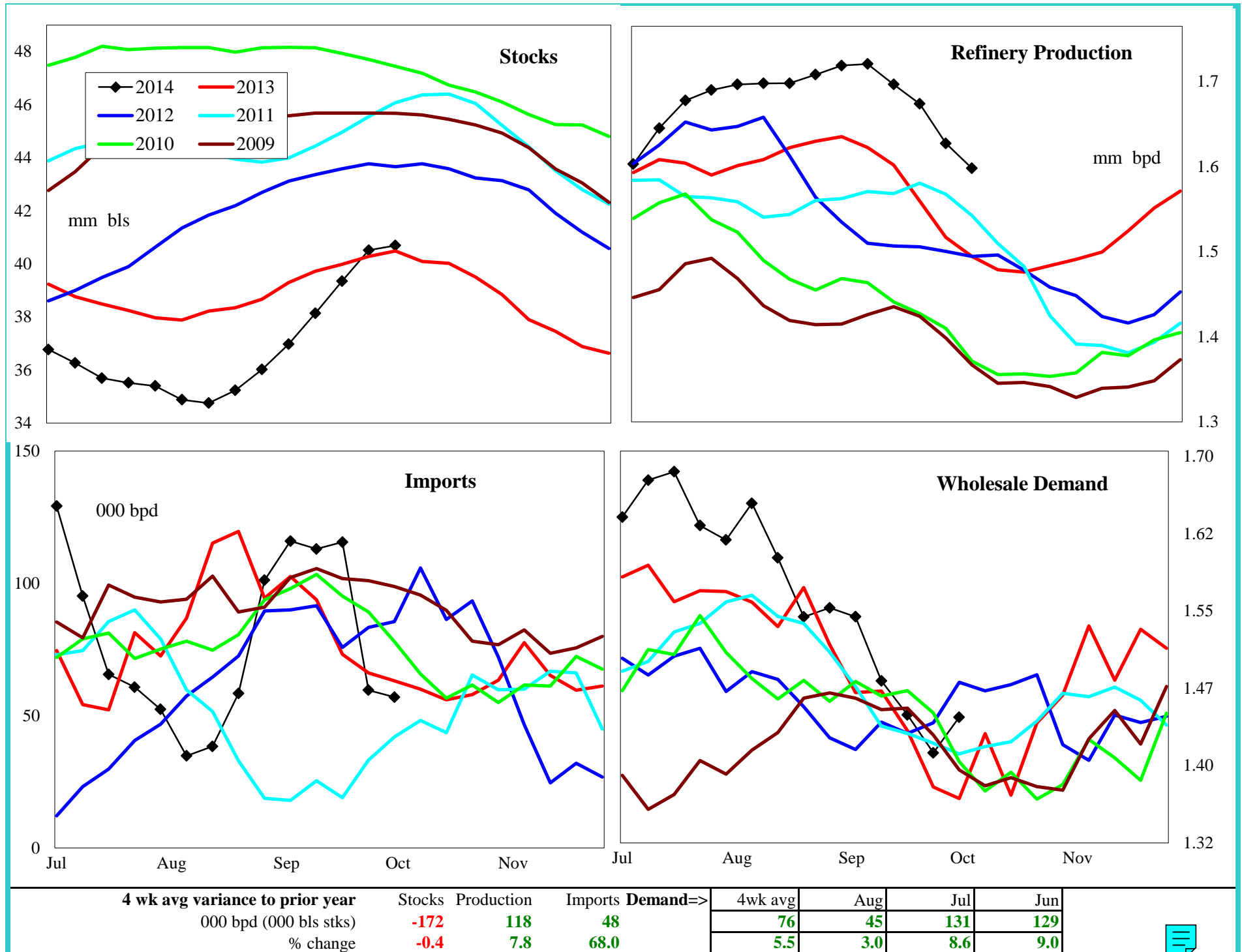
United States Low Sulfur Distillate Supply



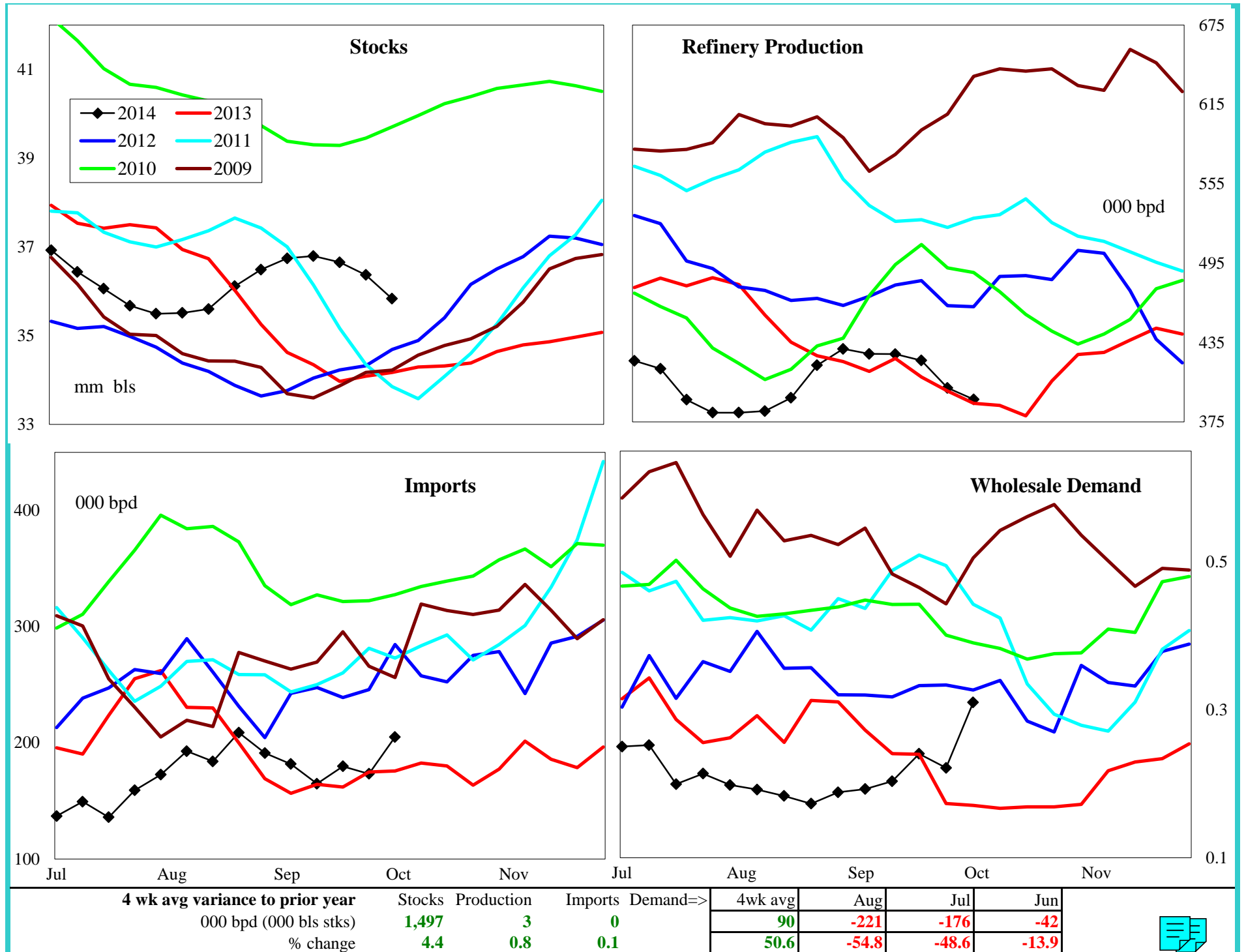
United States High Sulfur Distillate Supply



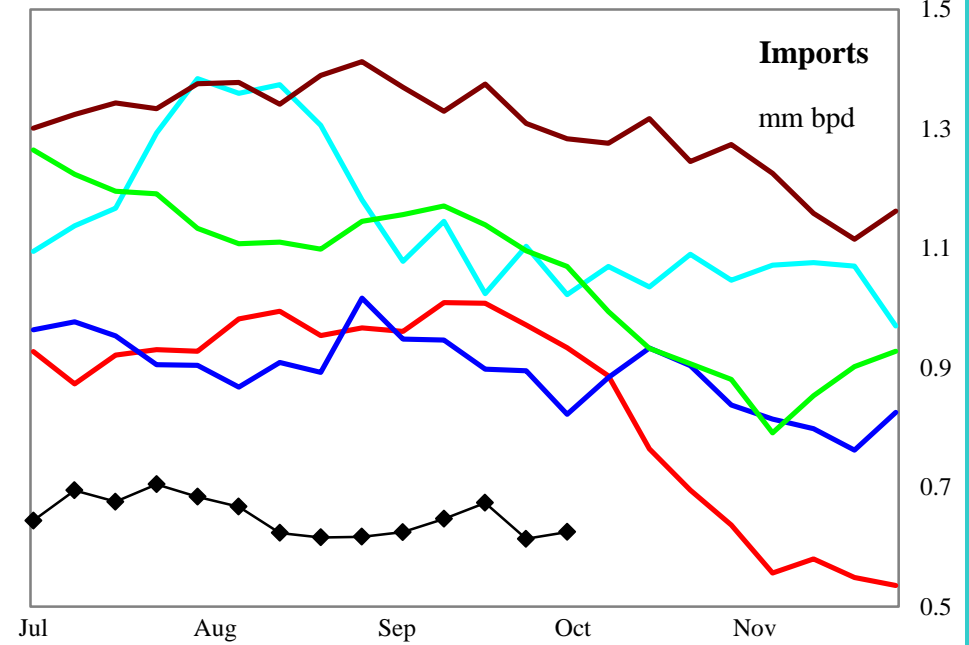
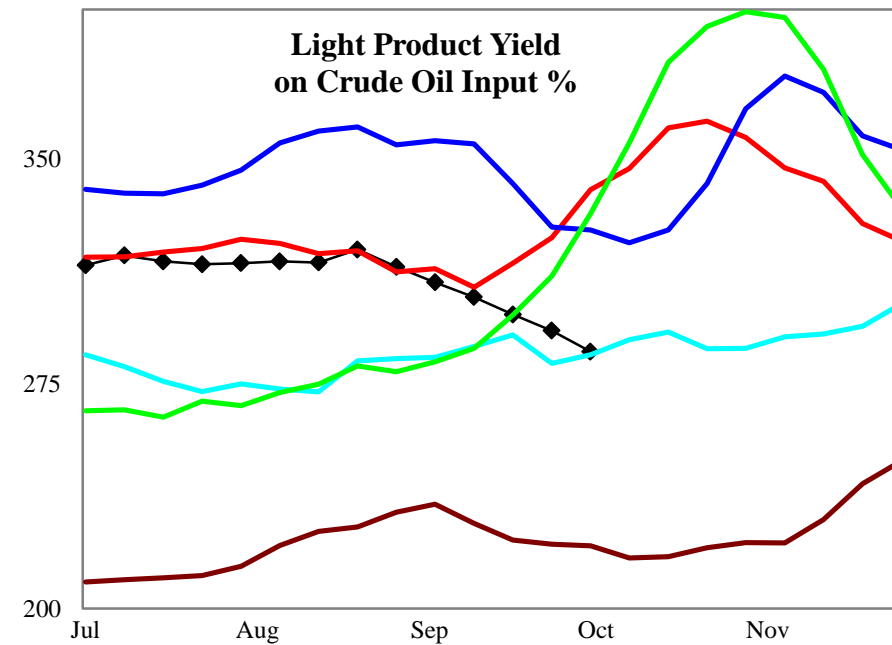
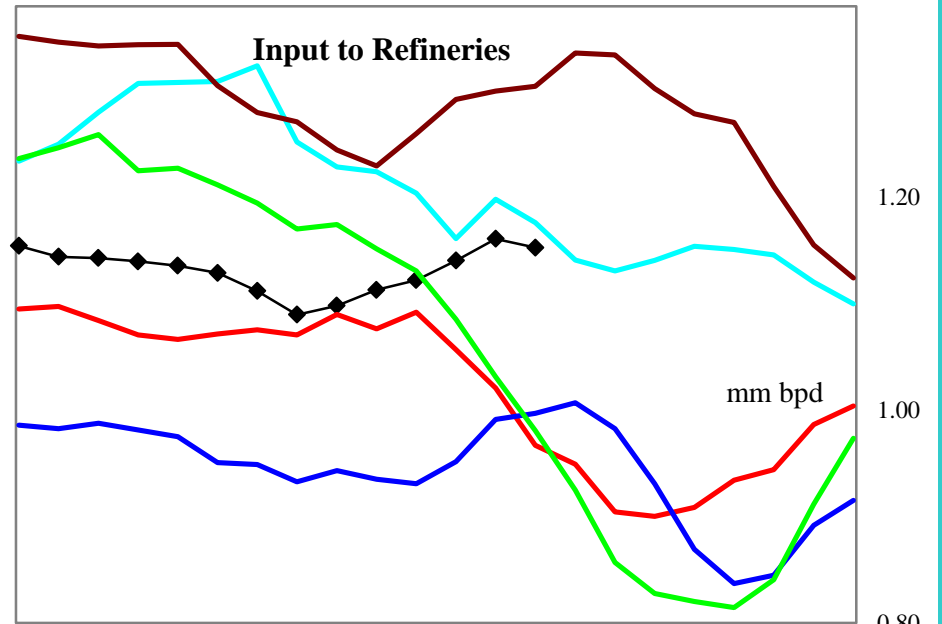
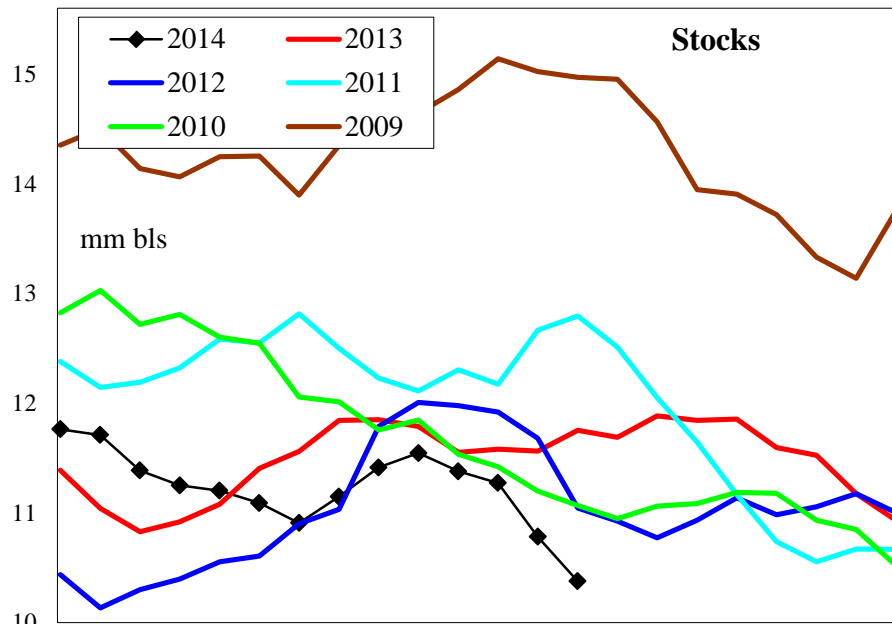
United States Jet Fuel Supply and Demand Balance



United States Residual Fuel Oil Supply and Demand Balance



PADD 1 Crude Oil Supply and Refining



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

-1,376

-12.1

Input

111

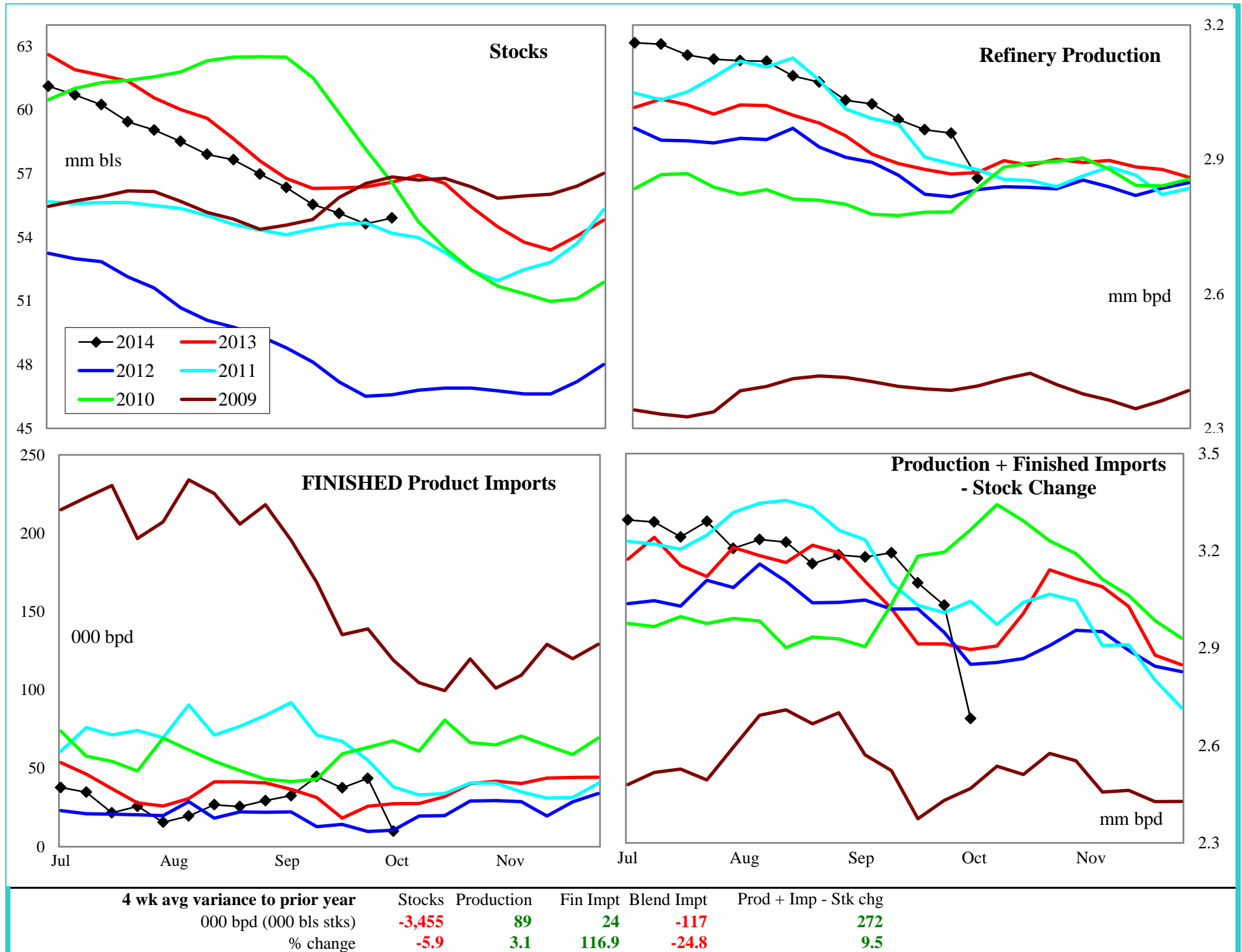
10.5

Imports

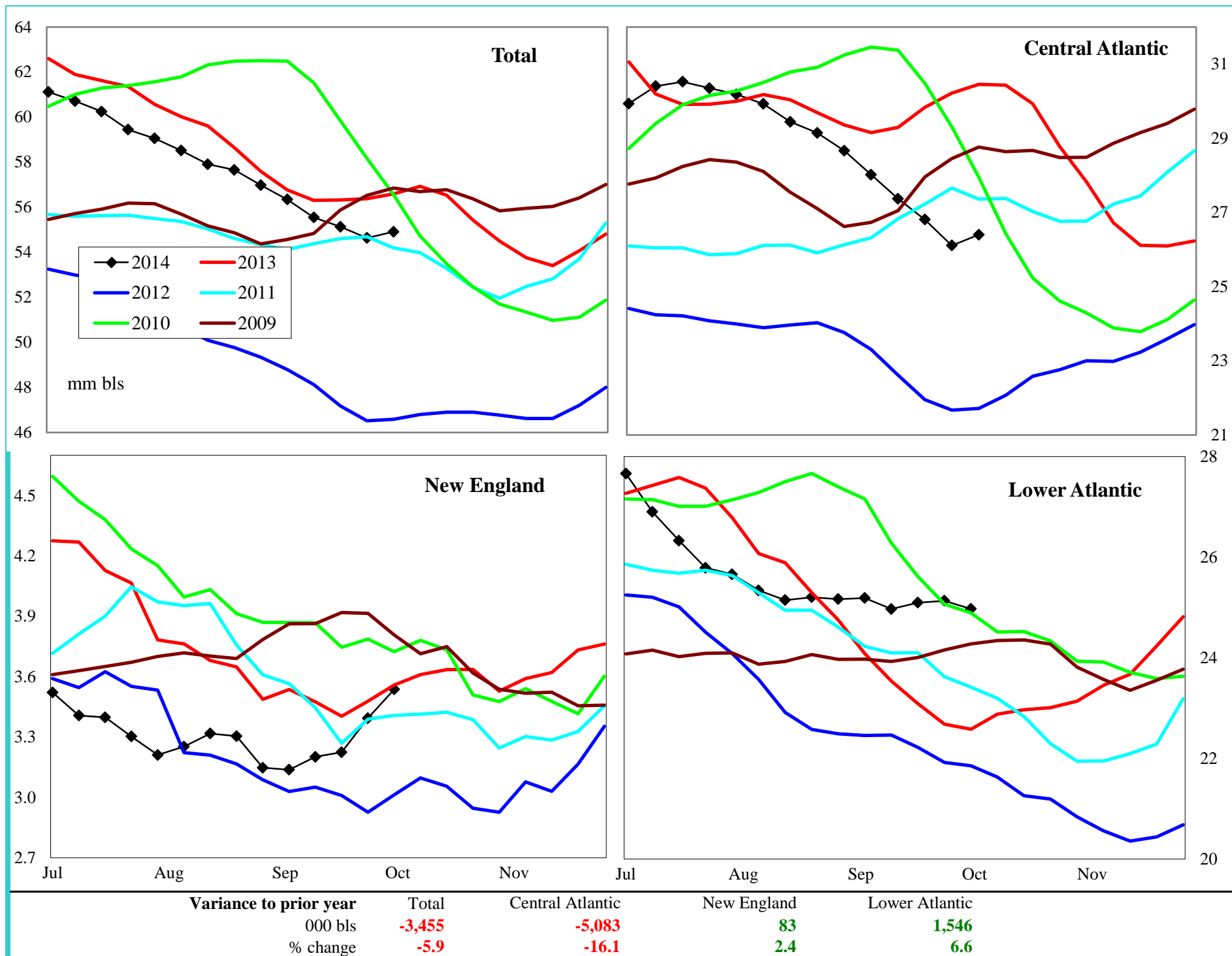
-327

-31.6

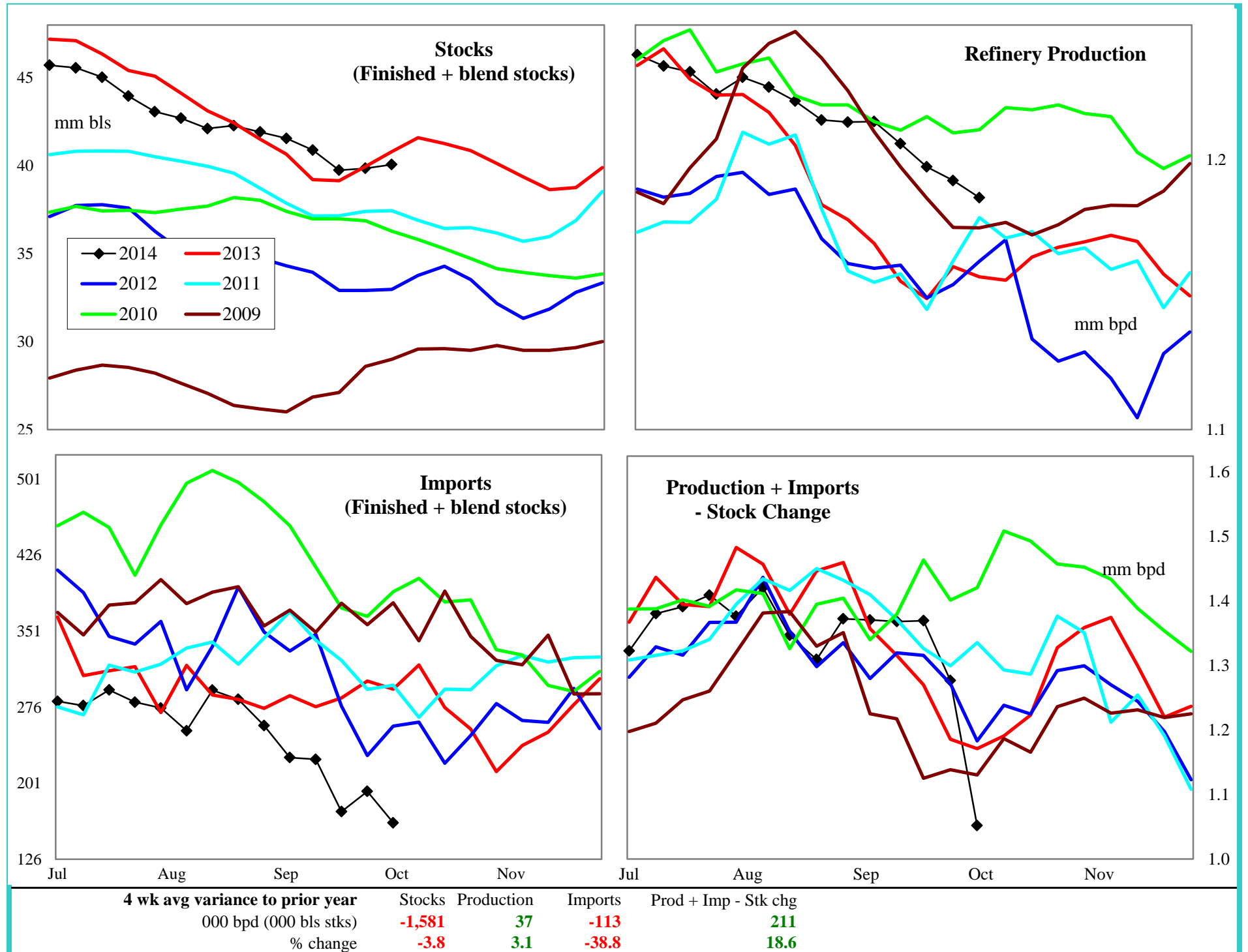
PADD 1 Gasoline Supply



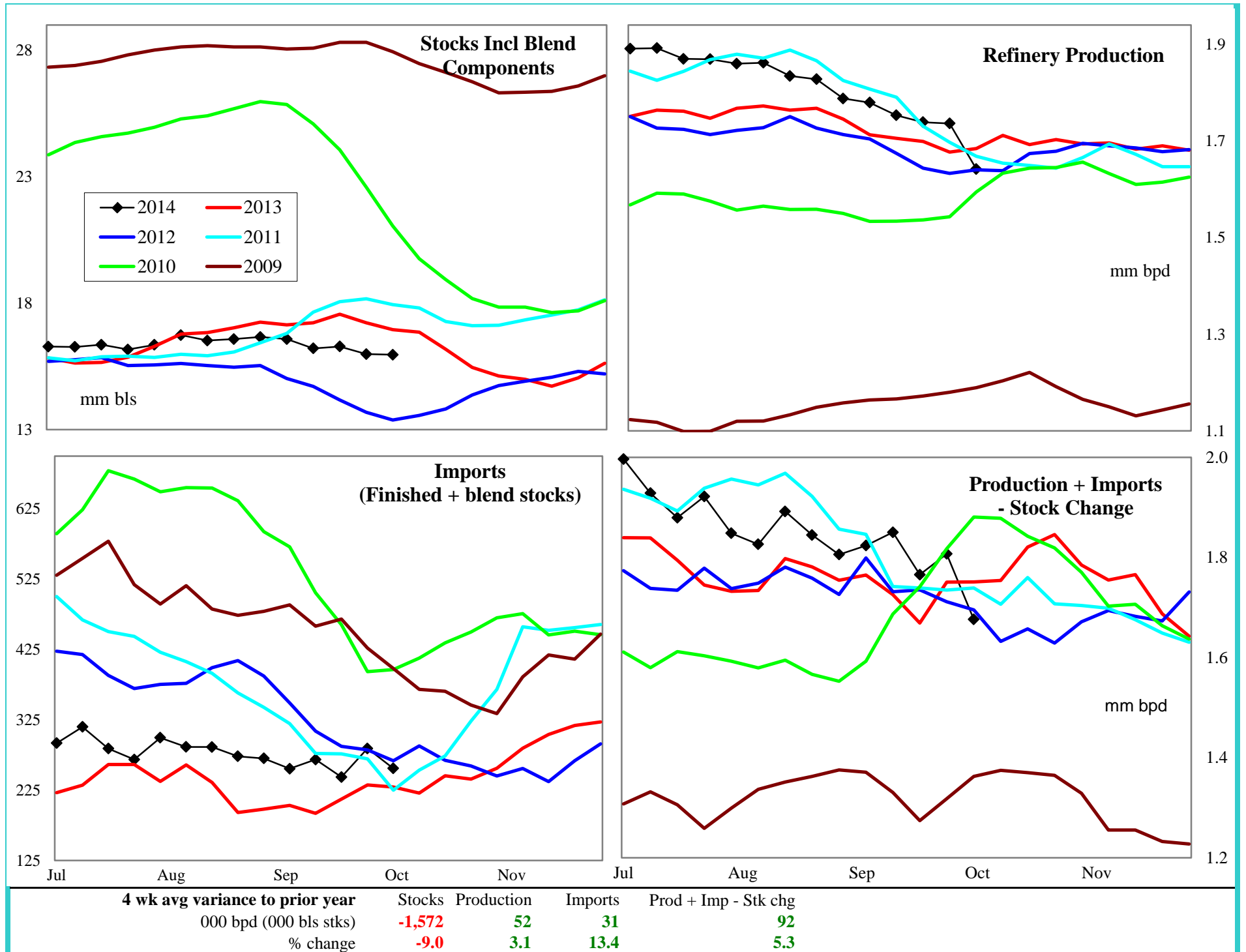
PADD 1 Gasoline Stocks by Region



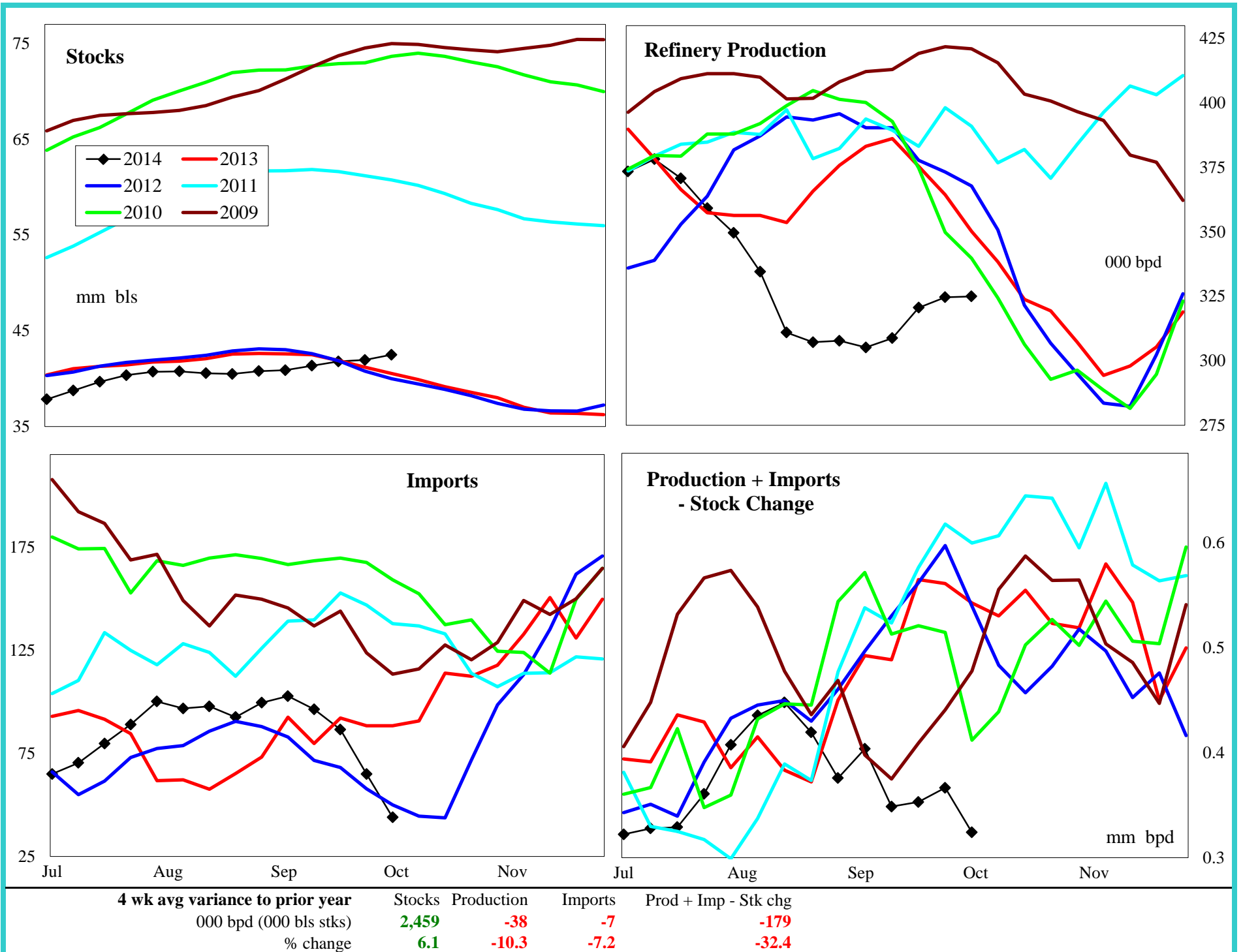
PADD 1 Reformulated Gasoline Supply



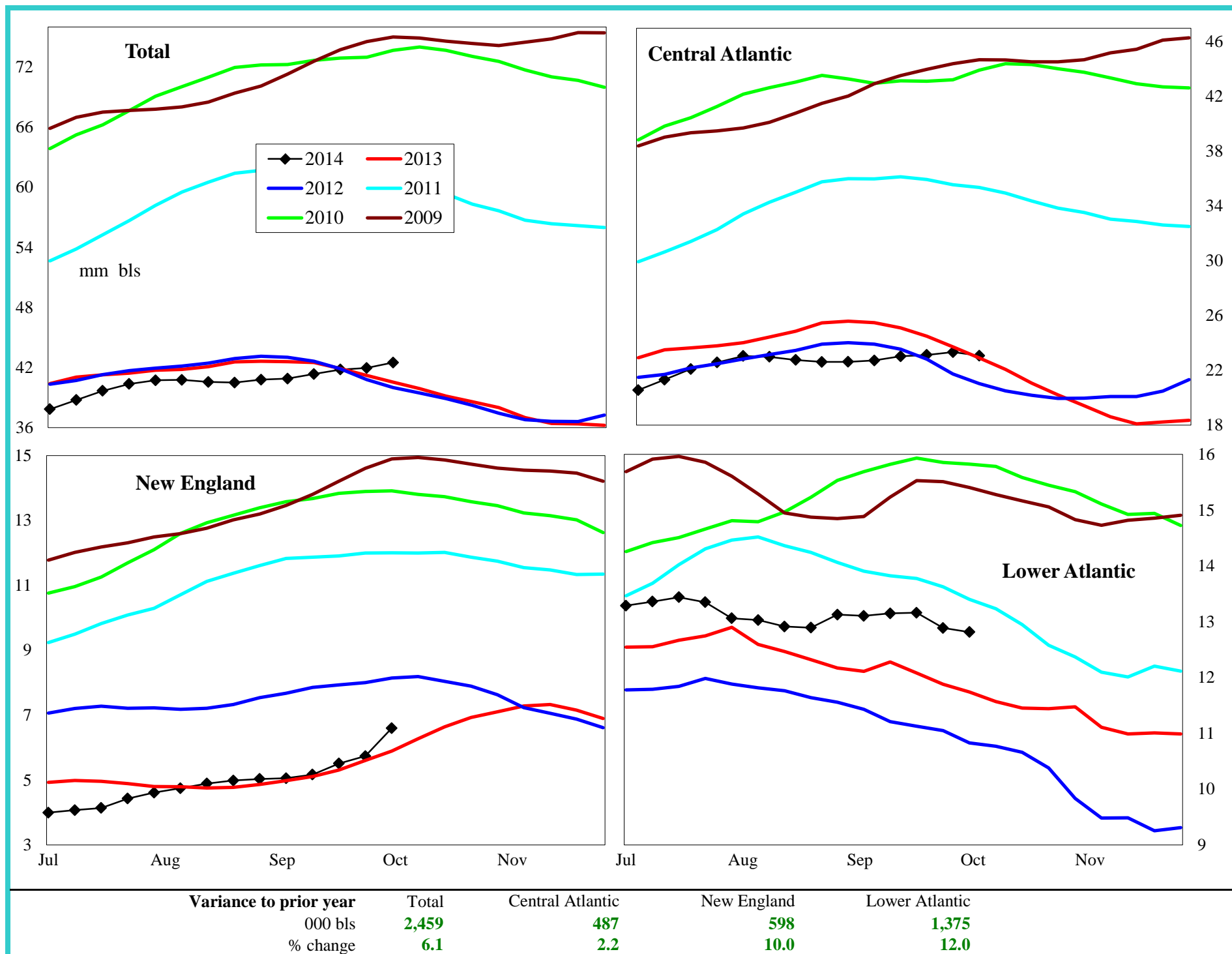
PADD 1 Conventional Gasoline Supply



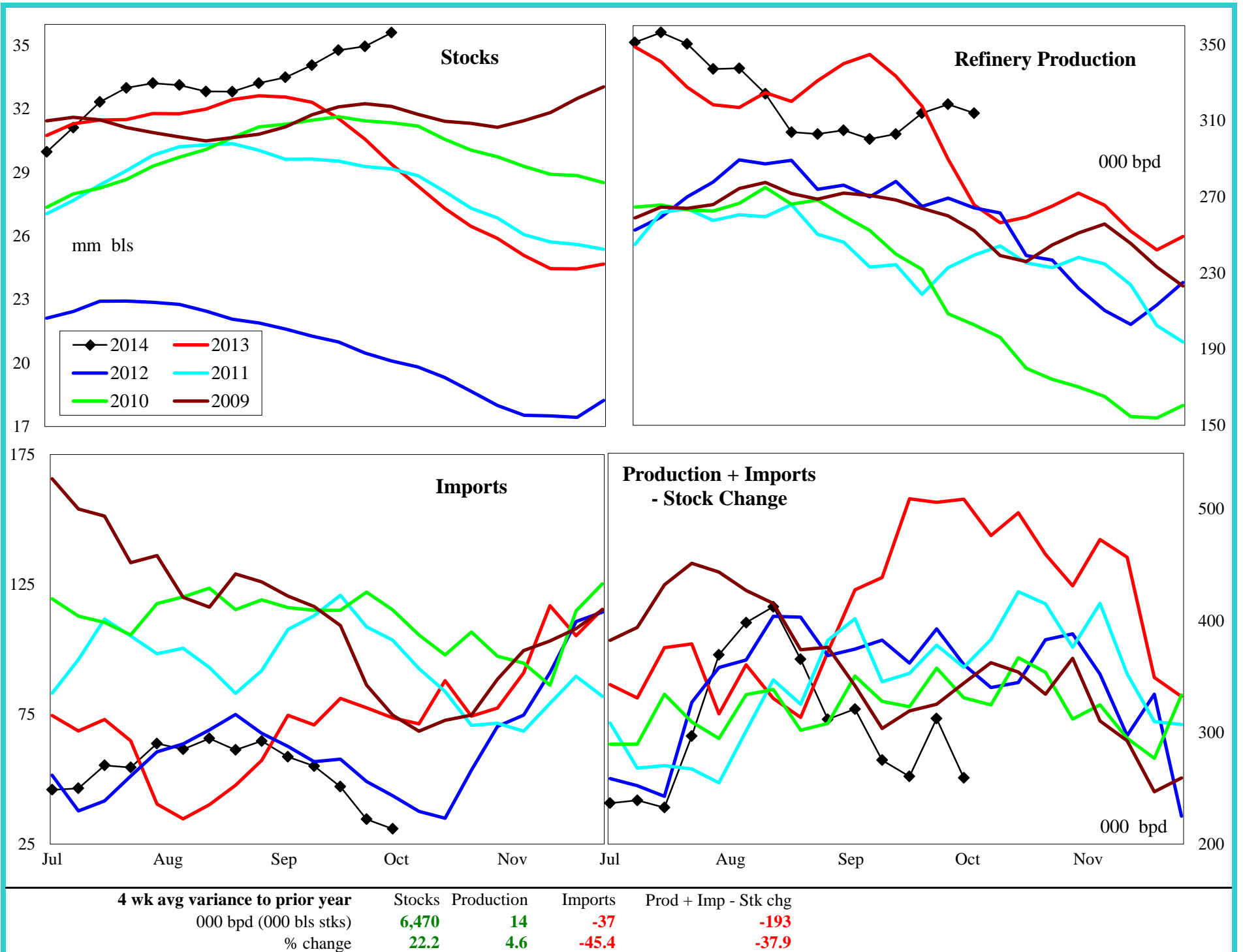
PADD 1 Distillate Supply



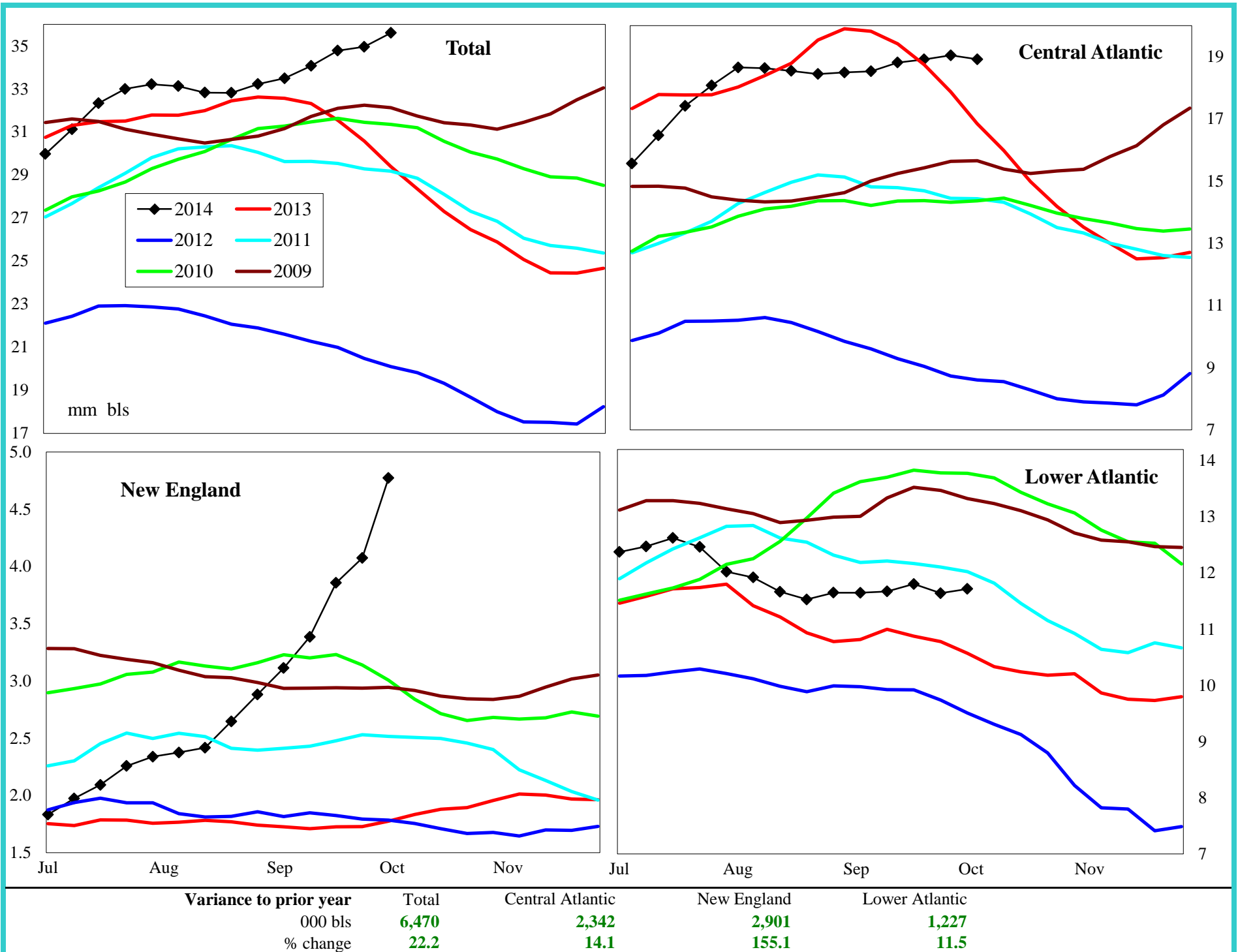
PADD 1 Distillate Stocks by Region



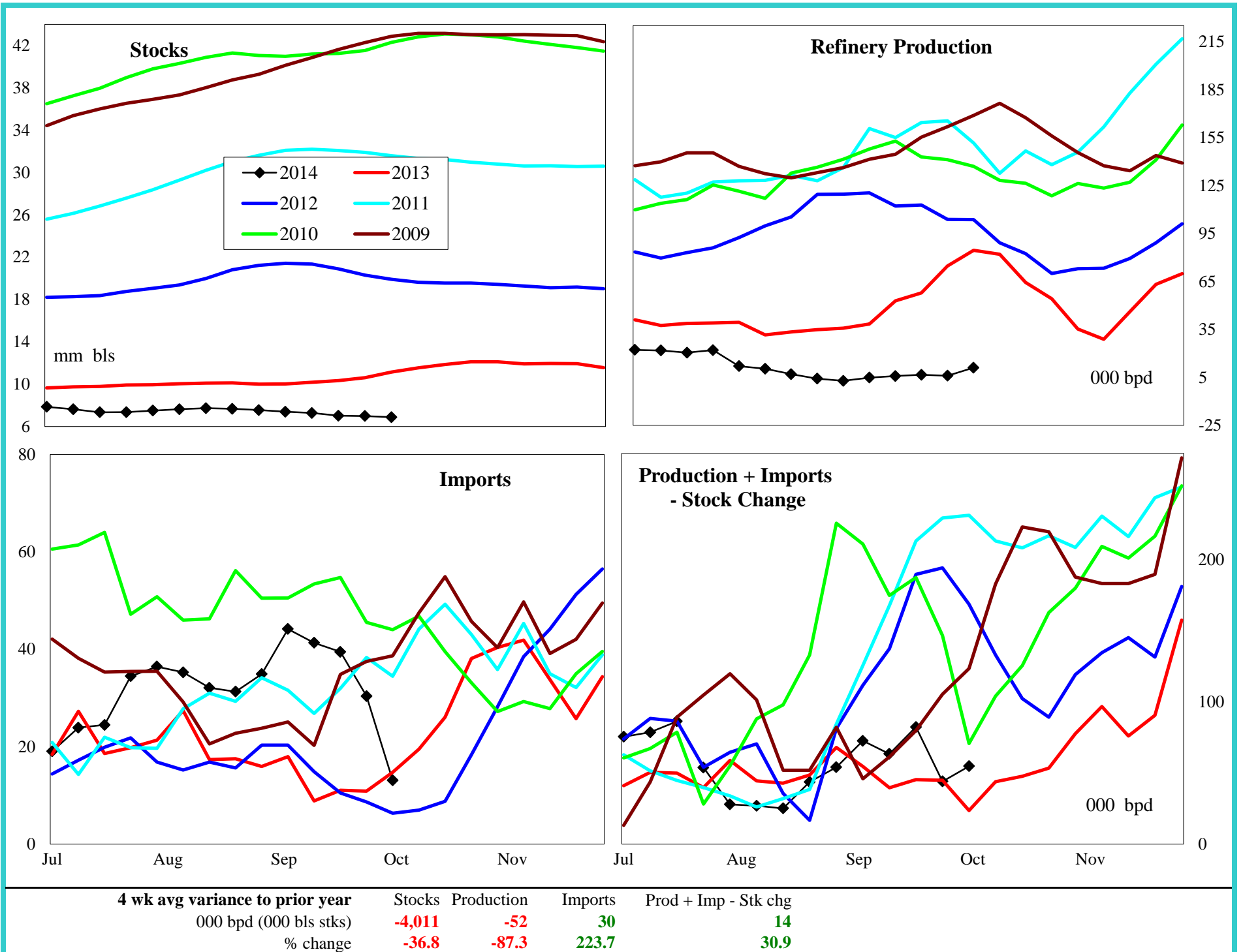
PADD 1 Low Sulfur Distillate Supply



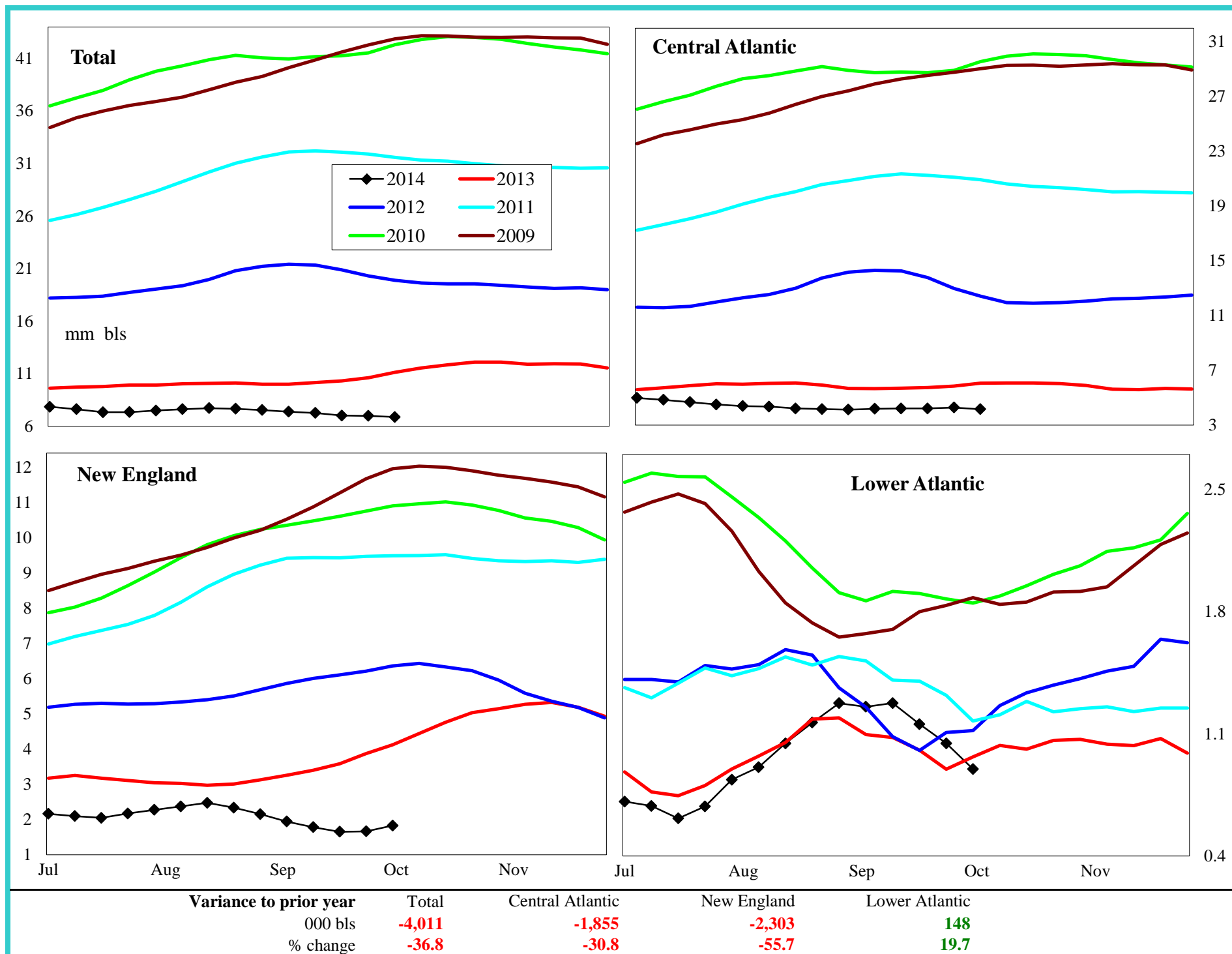
PADD 1 Low Sulfur Distillate Stocks by Region



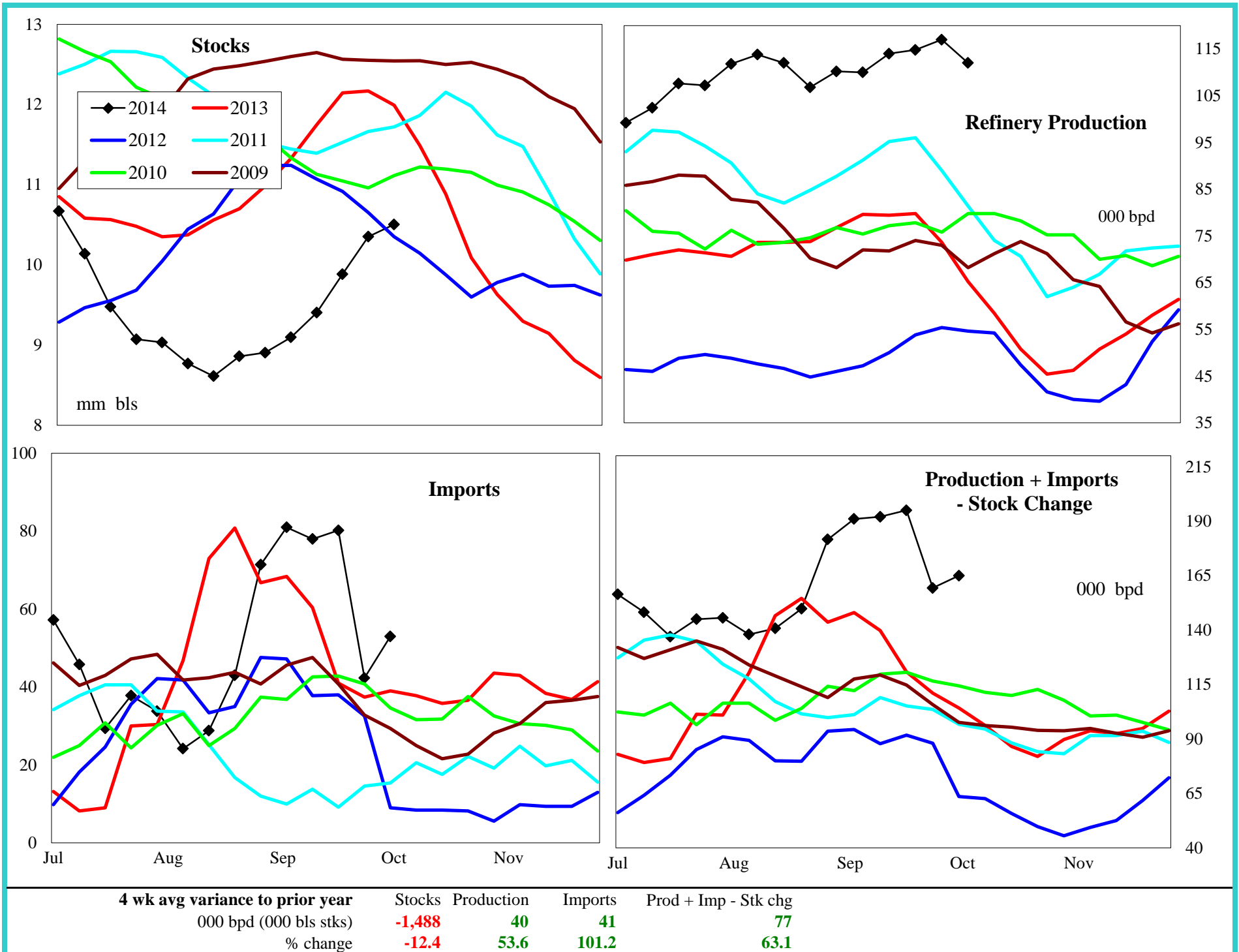
PADD 1 High Sulfur Distillate Supply



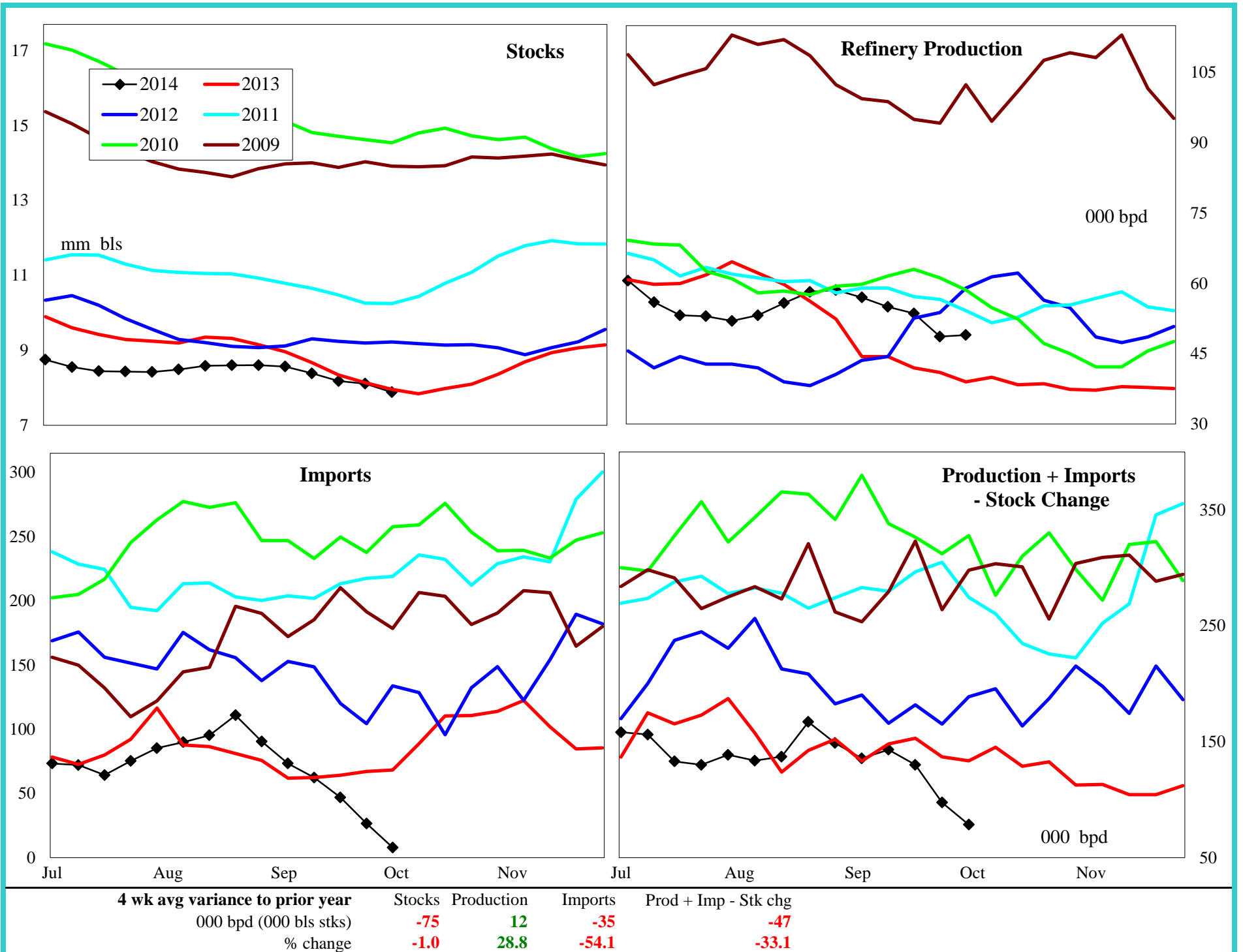
PADD 1 High Sulfur Distillate Stocks by Region



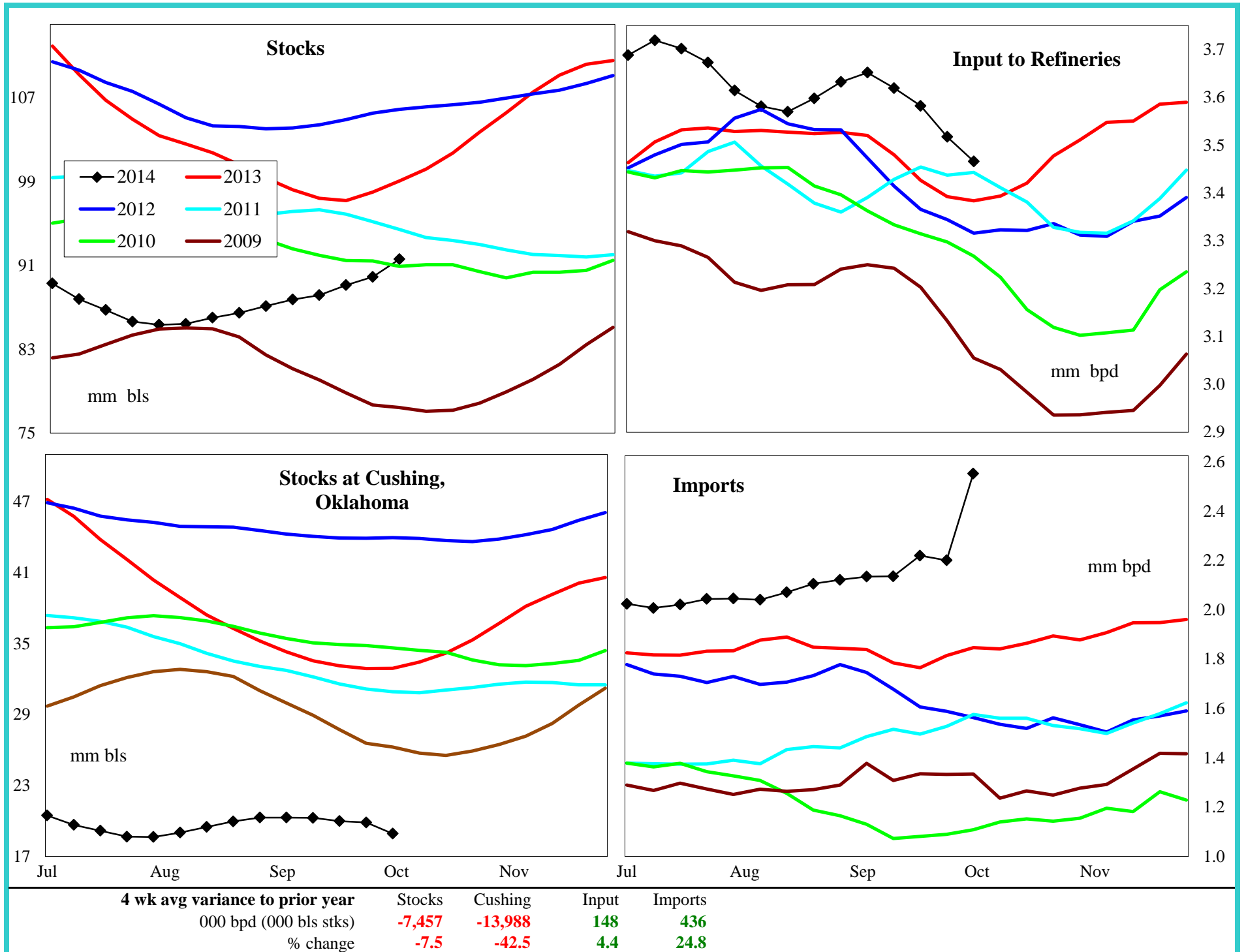
PADD 1 Jet Fuel Supply



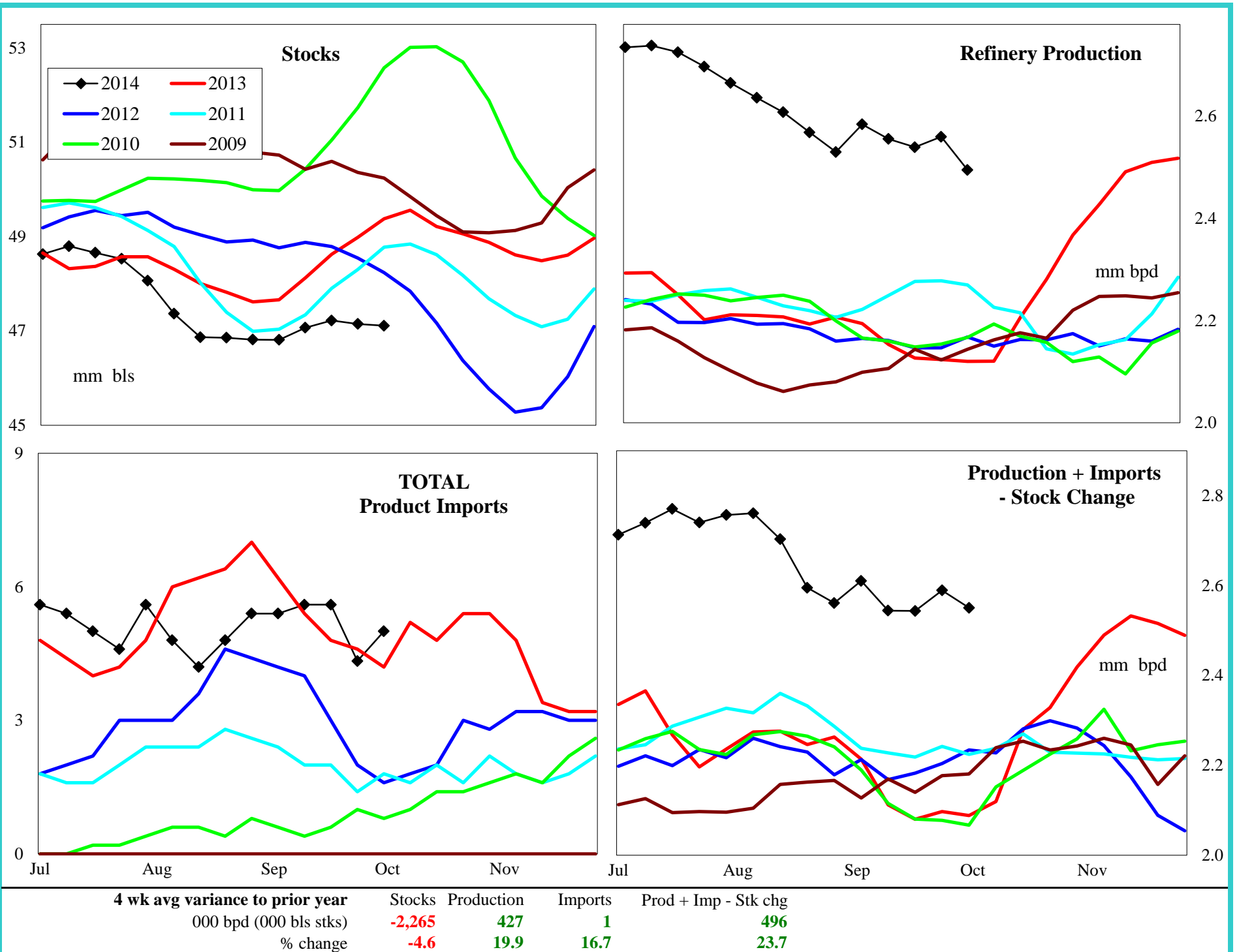
PADD 1 Residual Fuel Oil Supply



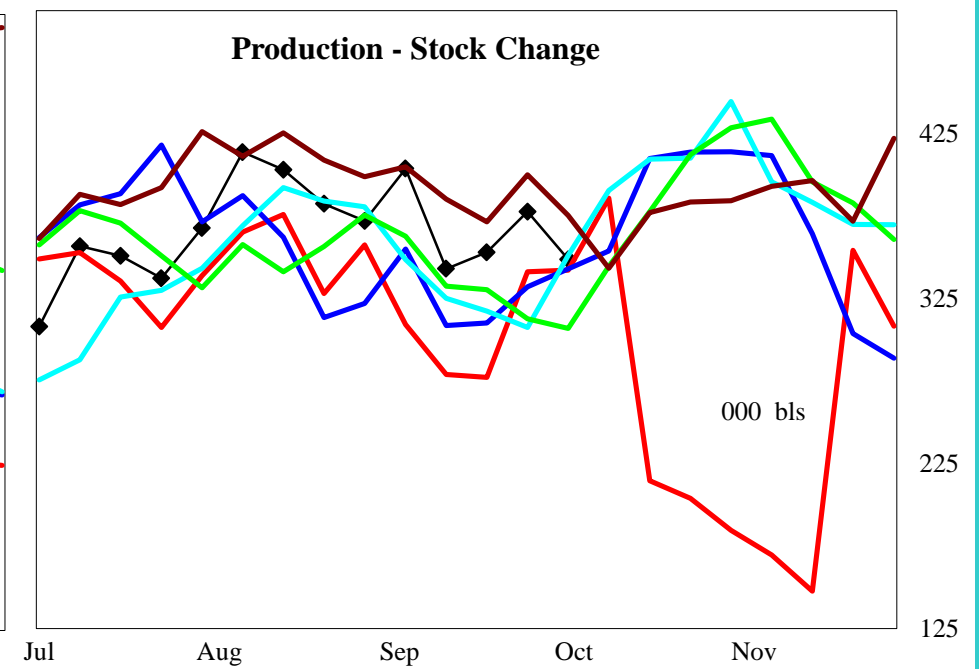
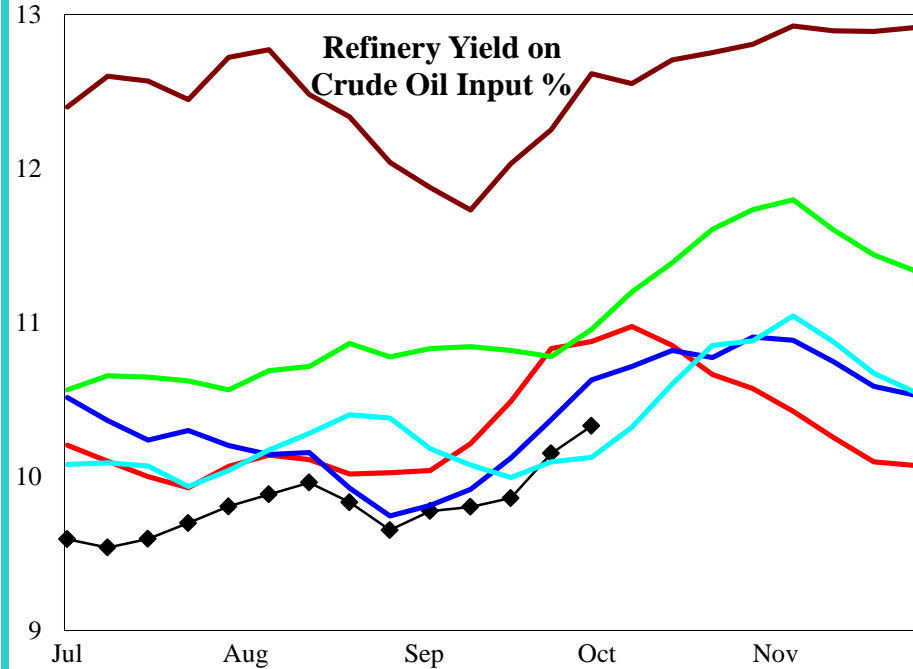
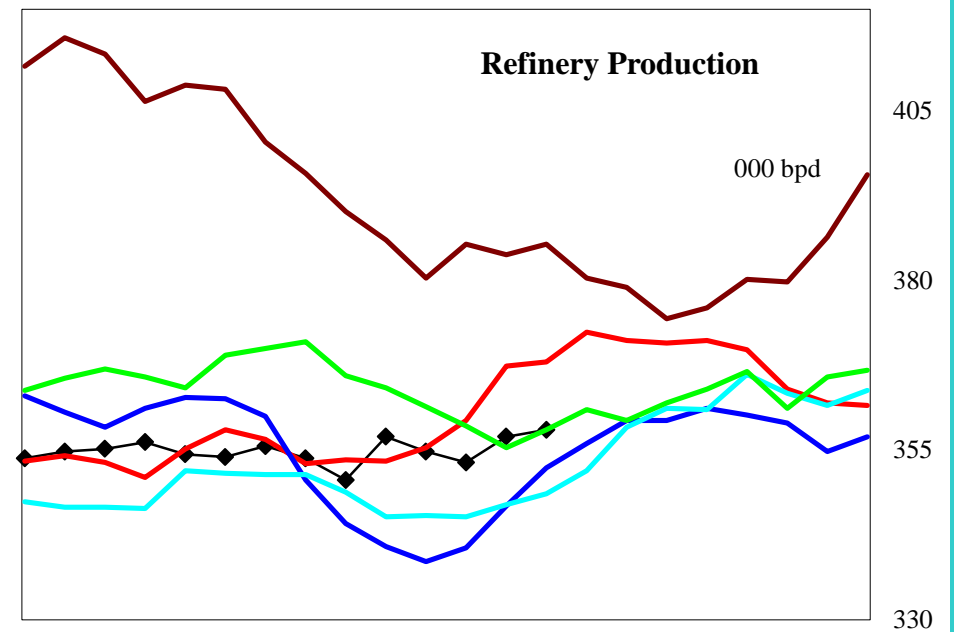
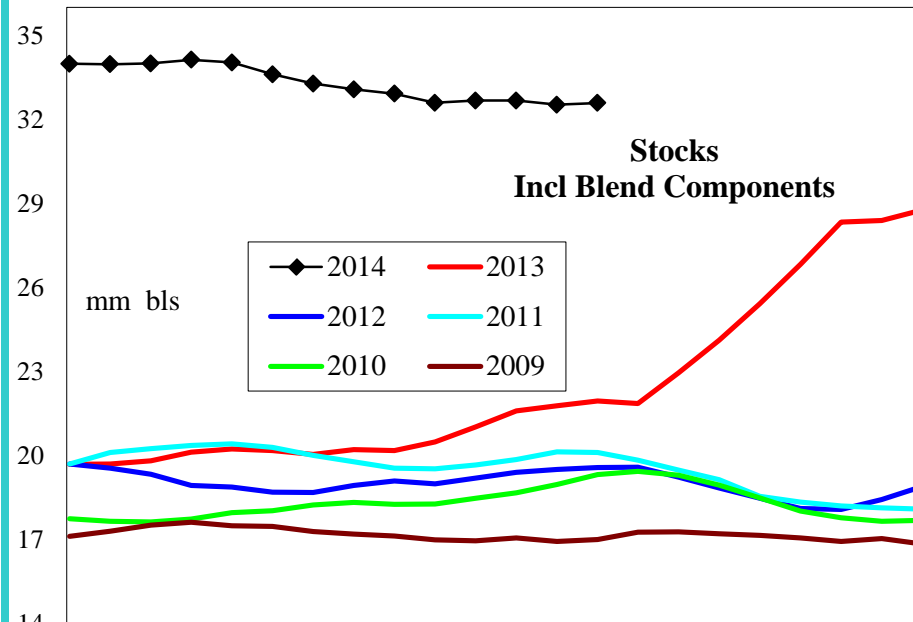
PADD 2 Crude Oil Supply and Refining



PADD 2 Gasoline Supply



PADD 2 Reformulated Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

Production

10,630

-7

48.4

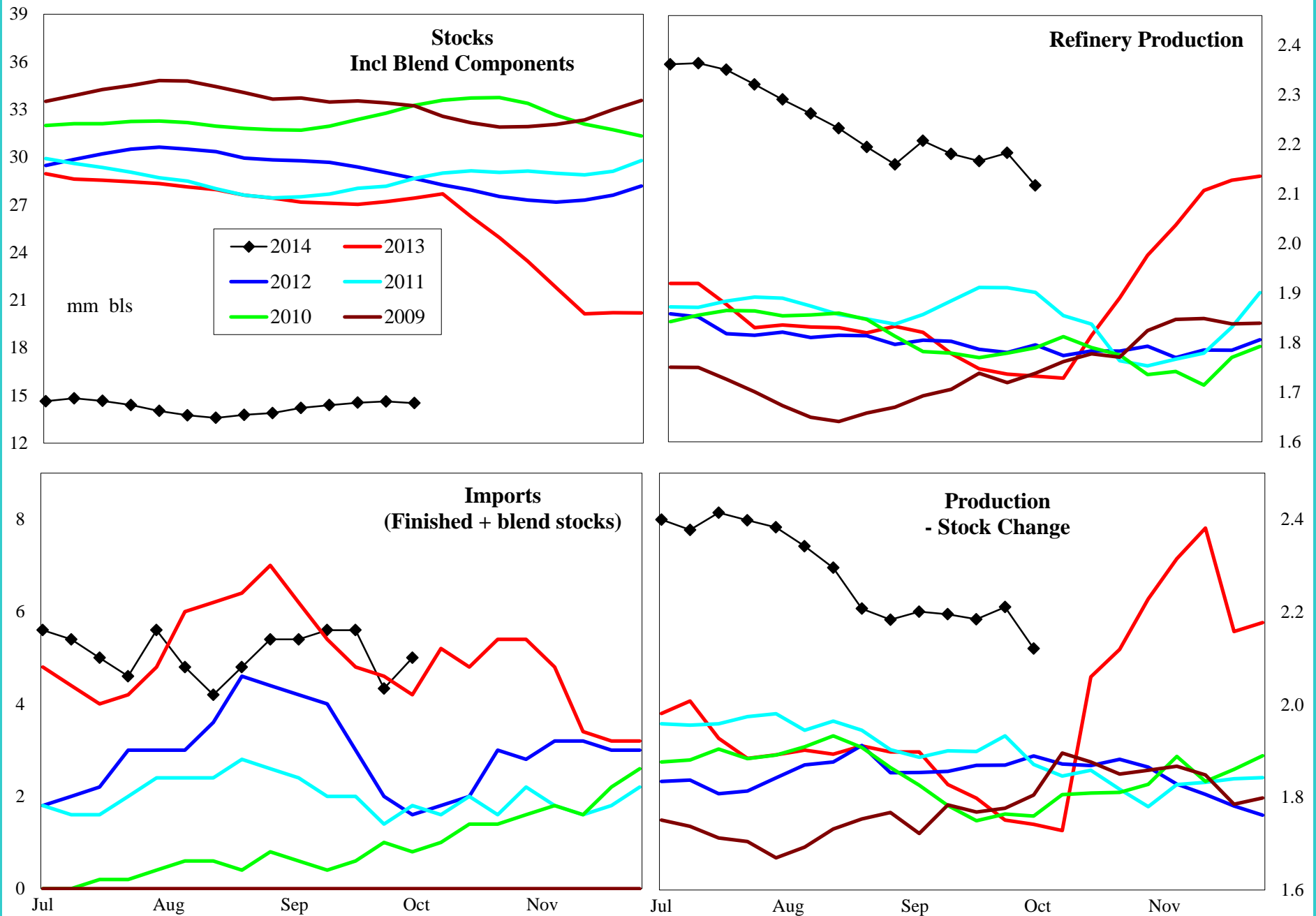
-1.9

Prod - Stk chg

46

14.7

PADD 2 Conventional Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bbls stks)

% change

Stocks

-12,229

-45.7

Production

436

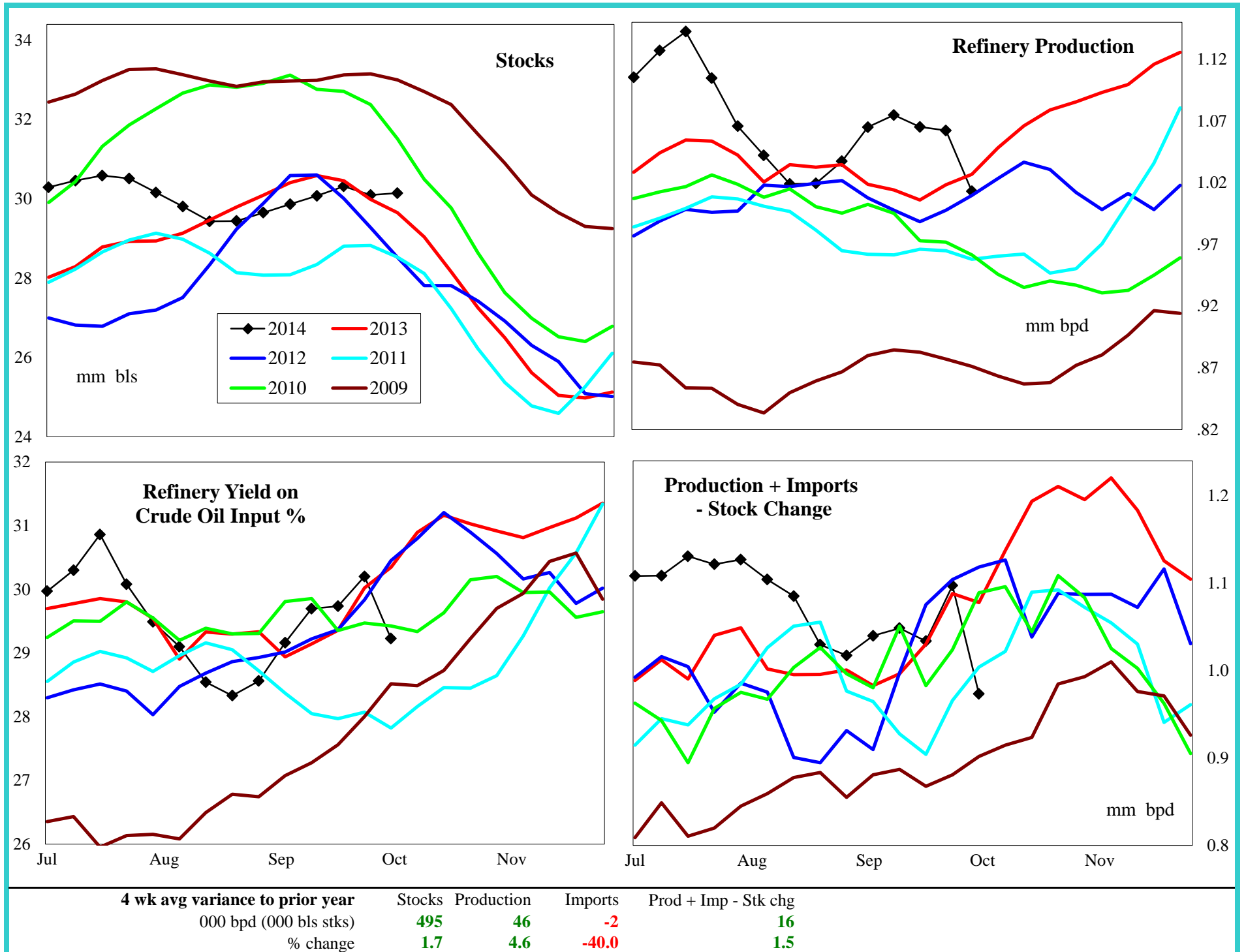
24.5

Prod - Stk chg

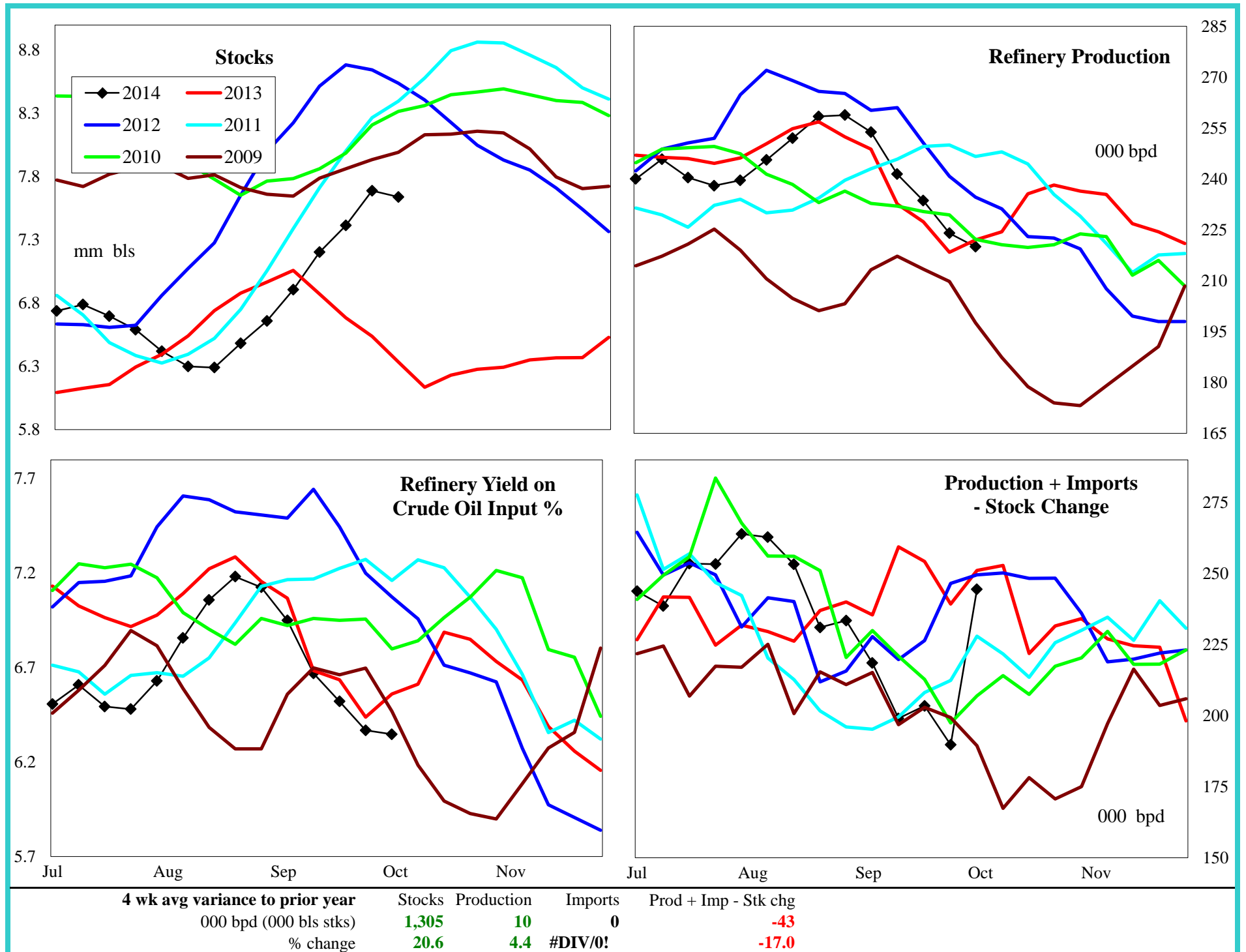
426

23.7

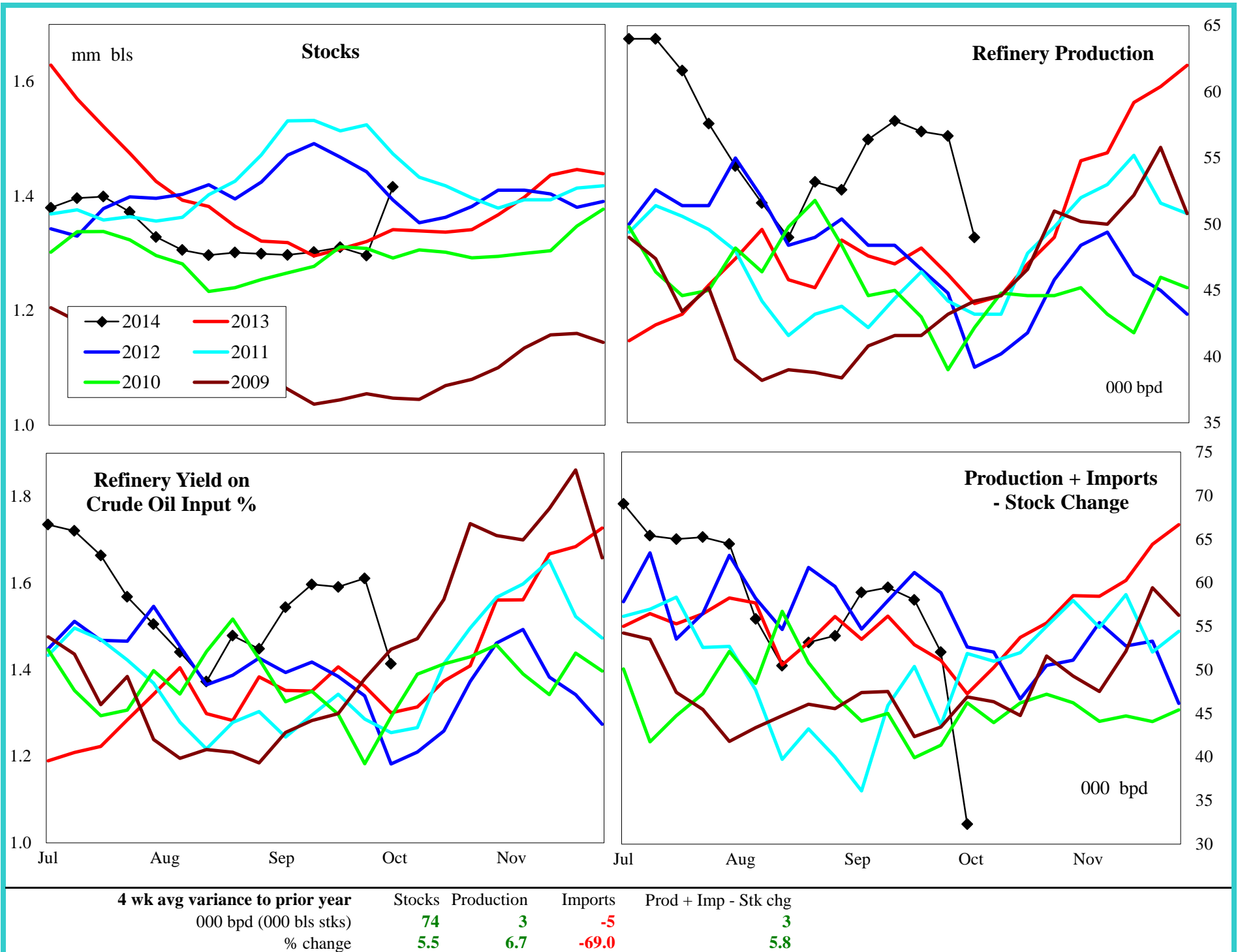
PADD 2 Distillate Supply



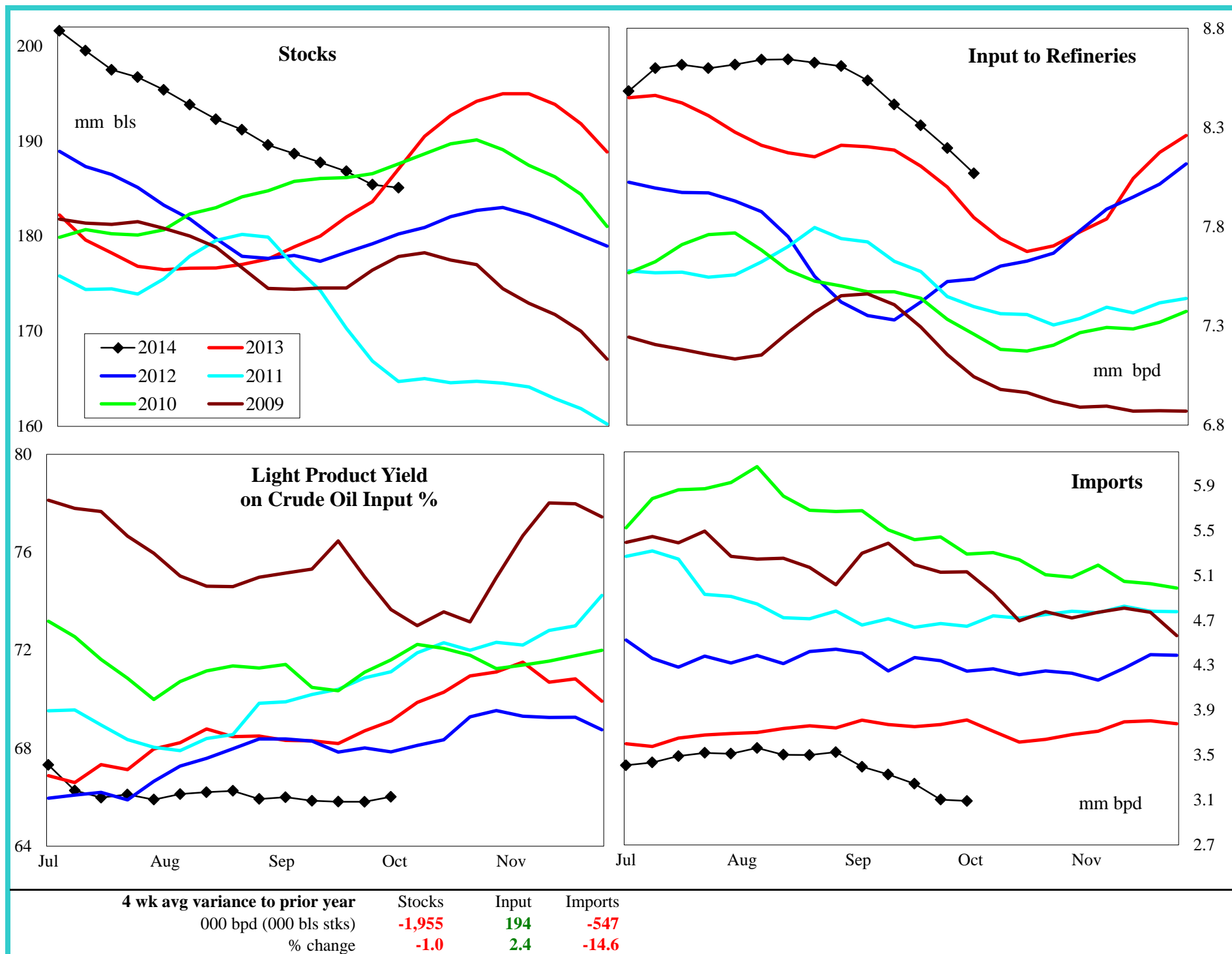
PADD 2 Jet Fuel Supply



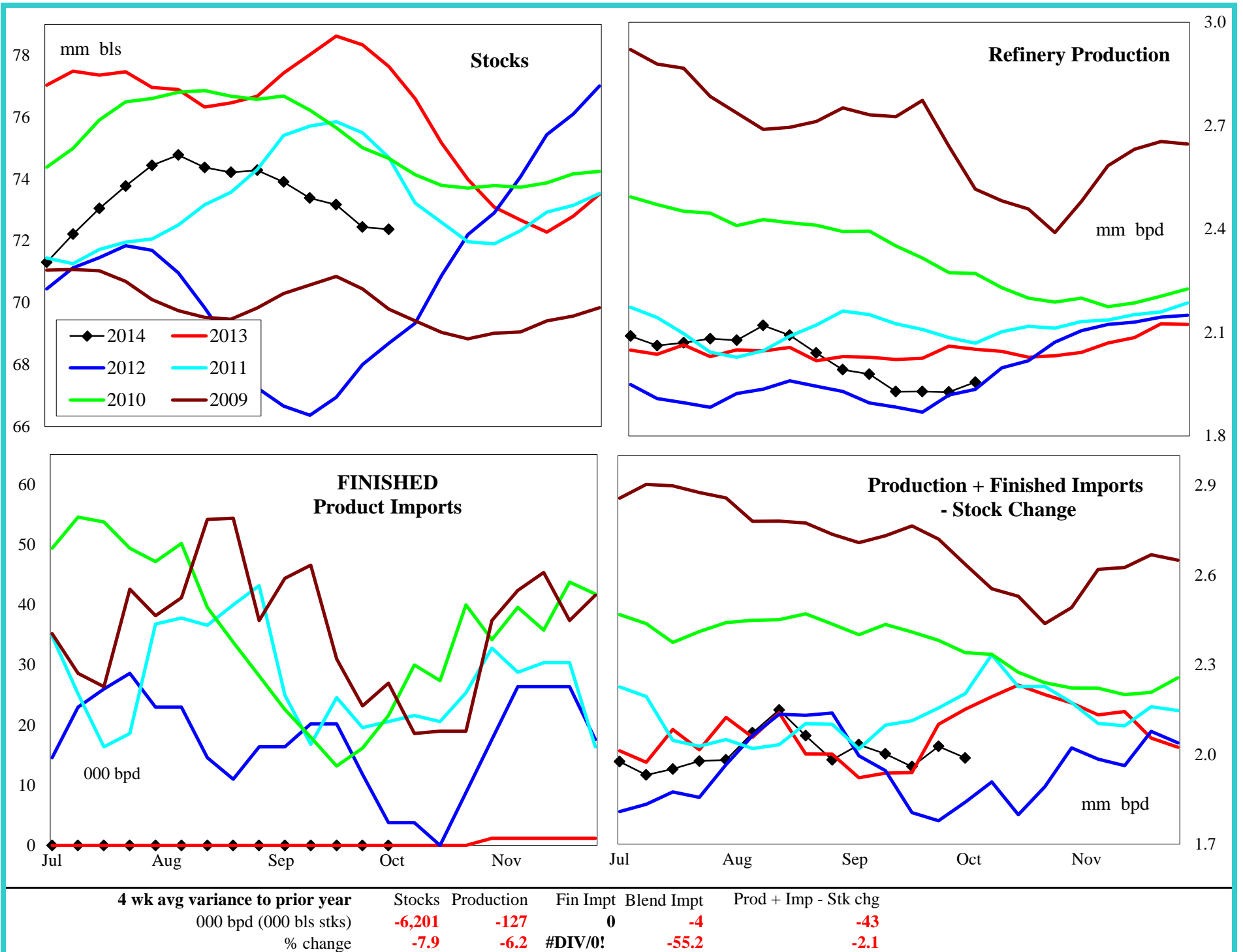
PADD 2 Residual Fuel Oil Supply



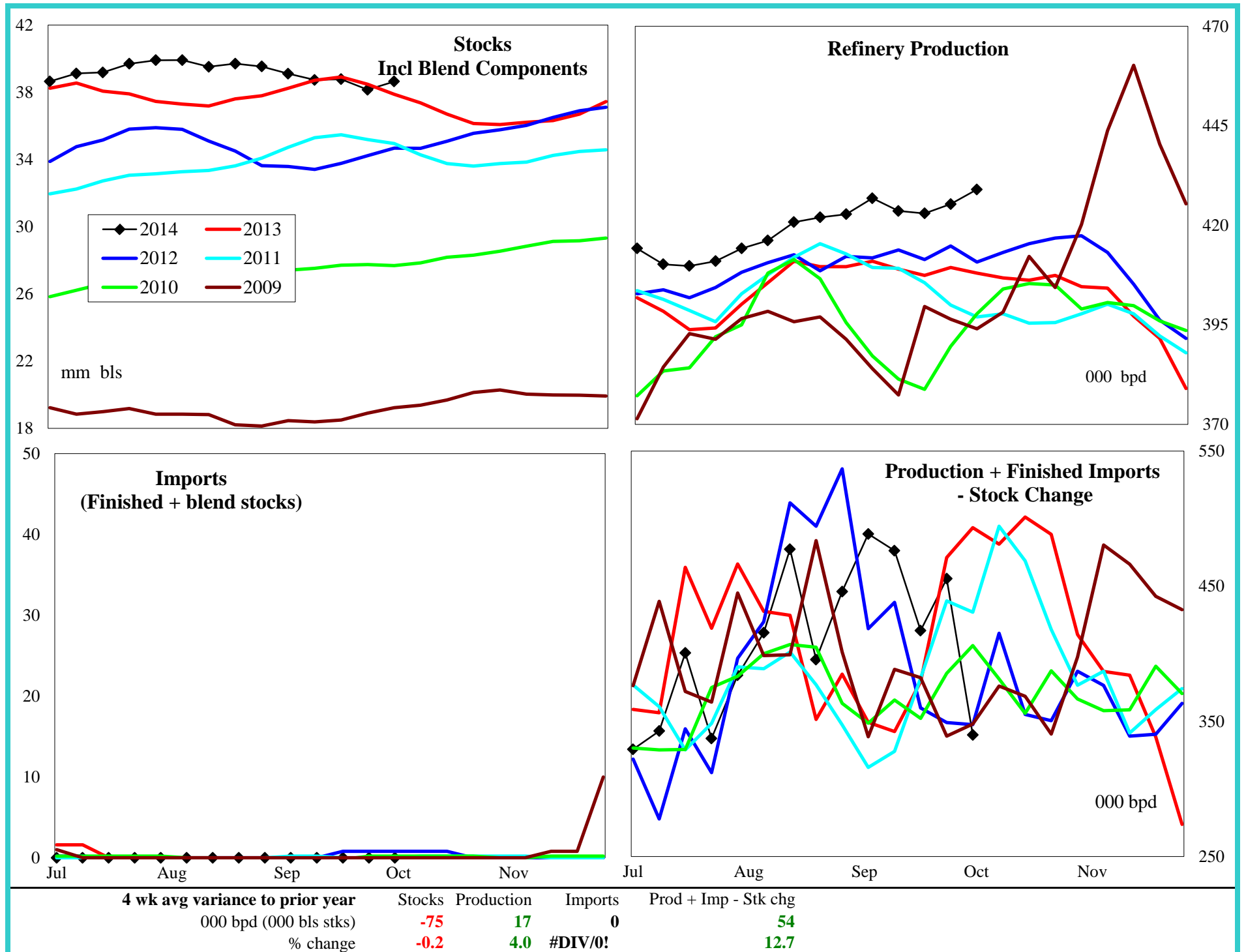
PADD 3 Crude Oil Supply and Refining



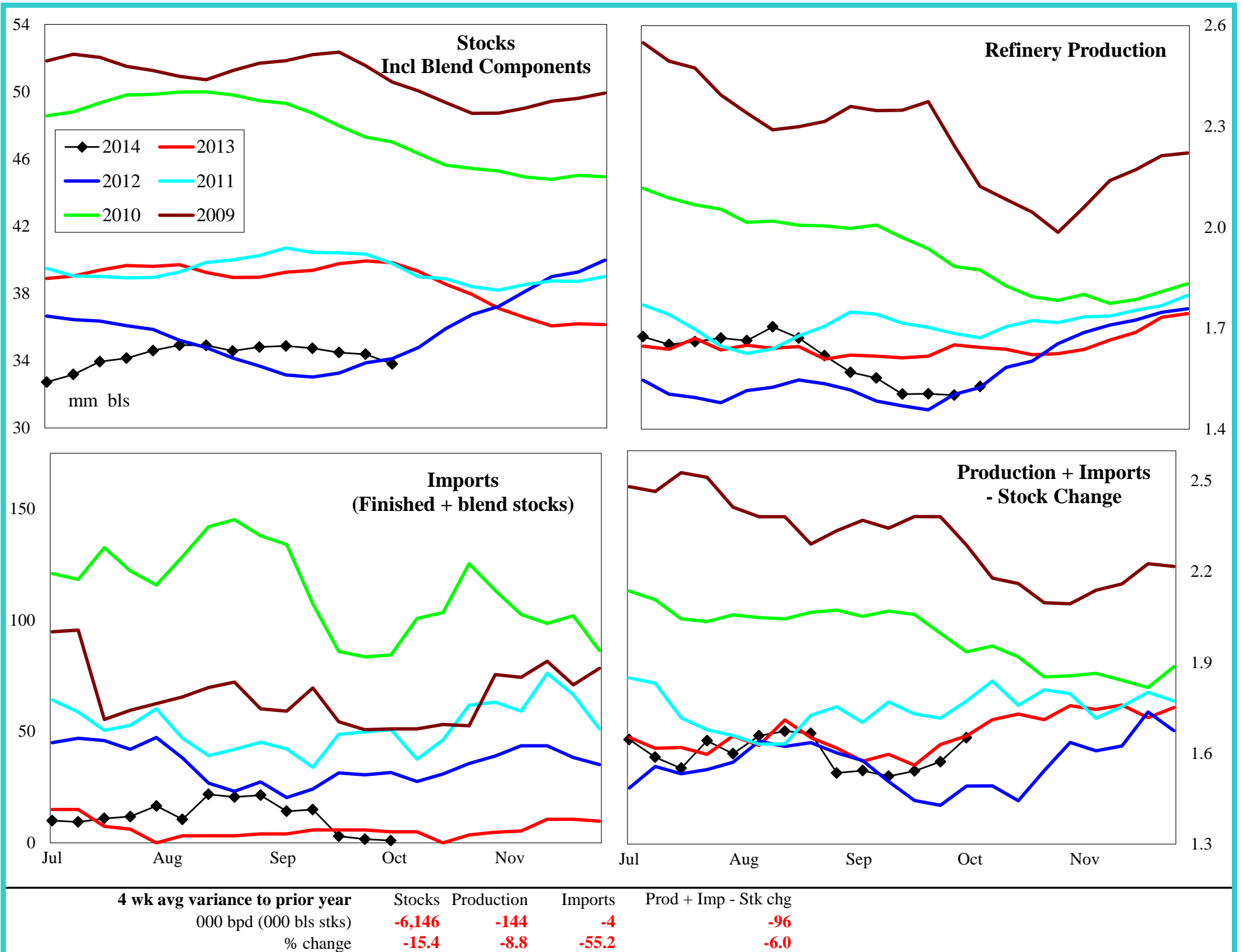
PADD 3 Gasoline Supply



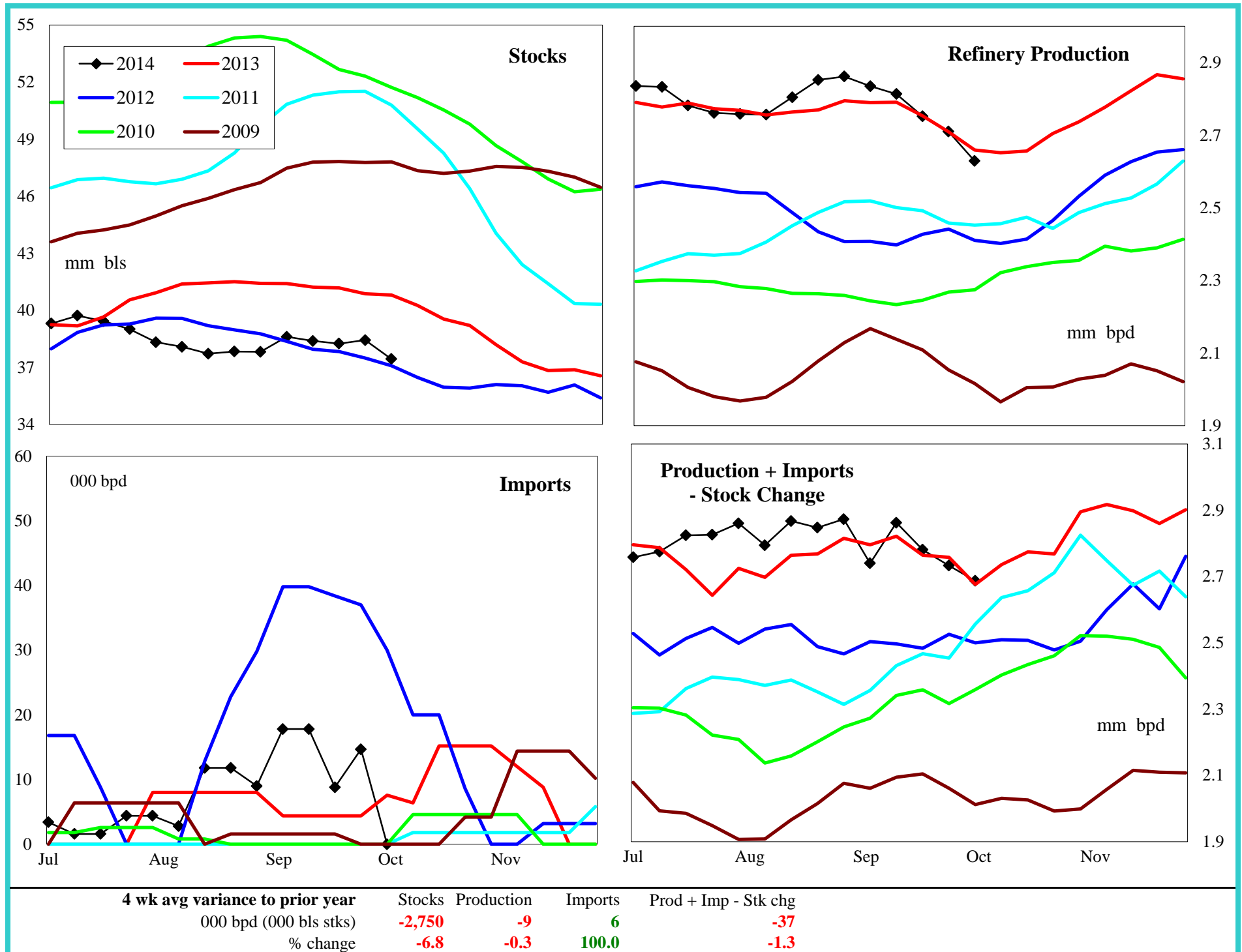
PADD 3 Reformulated Gasoline Supply



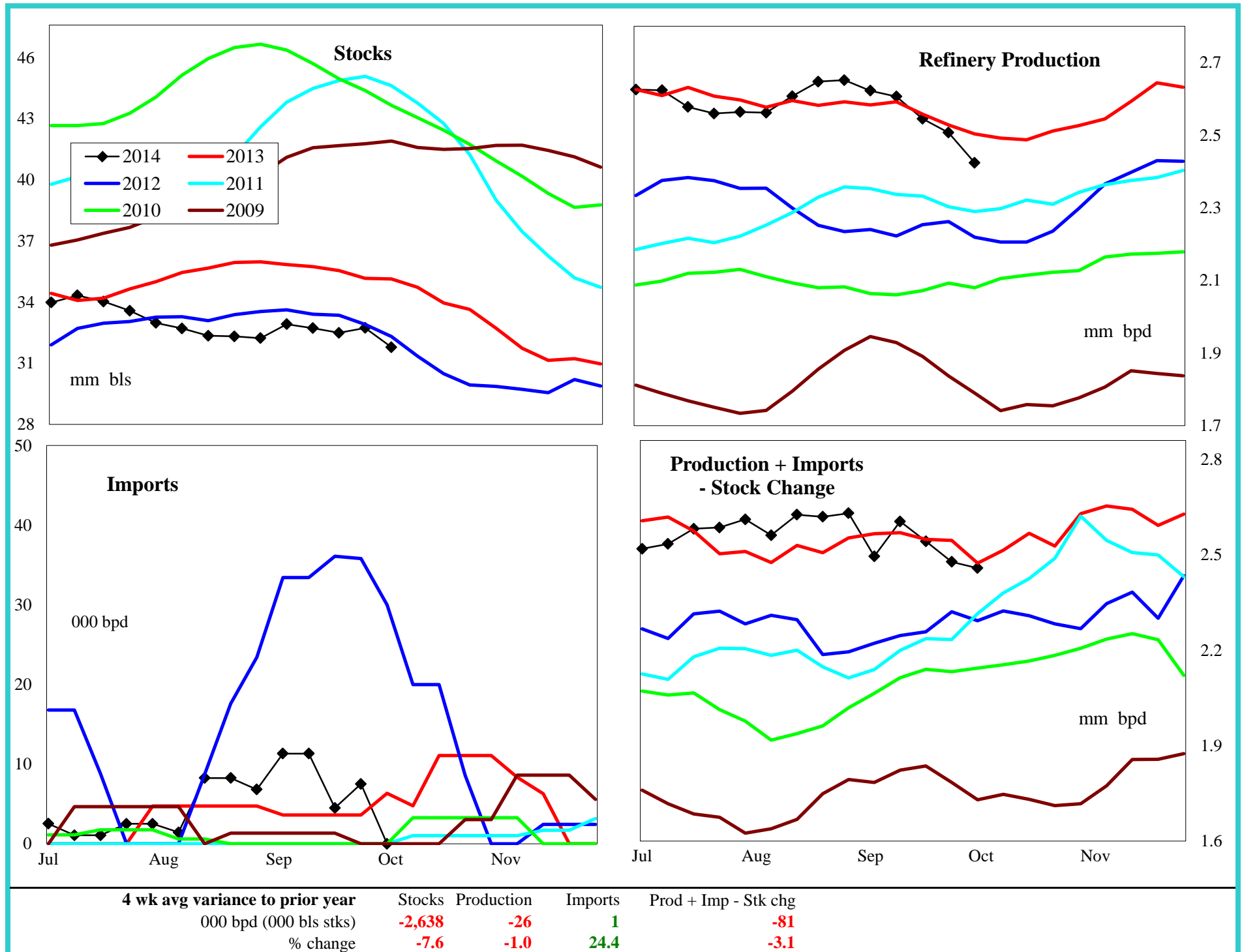
PADD 3 Conventional Gasoline Supply



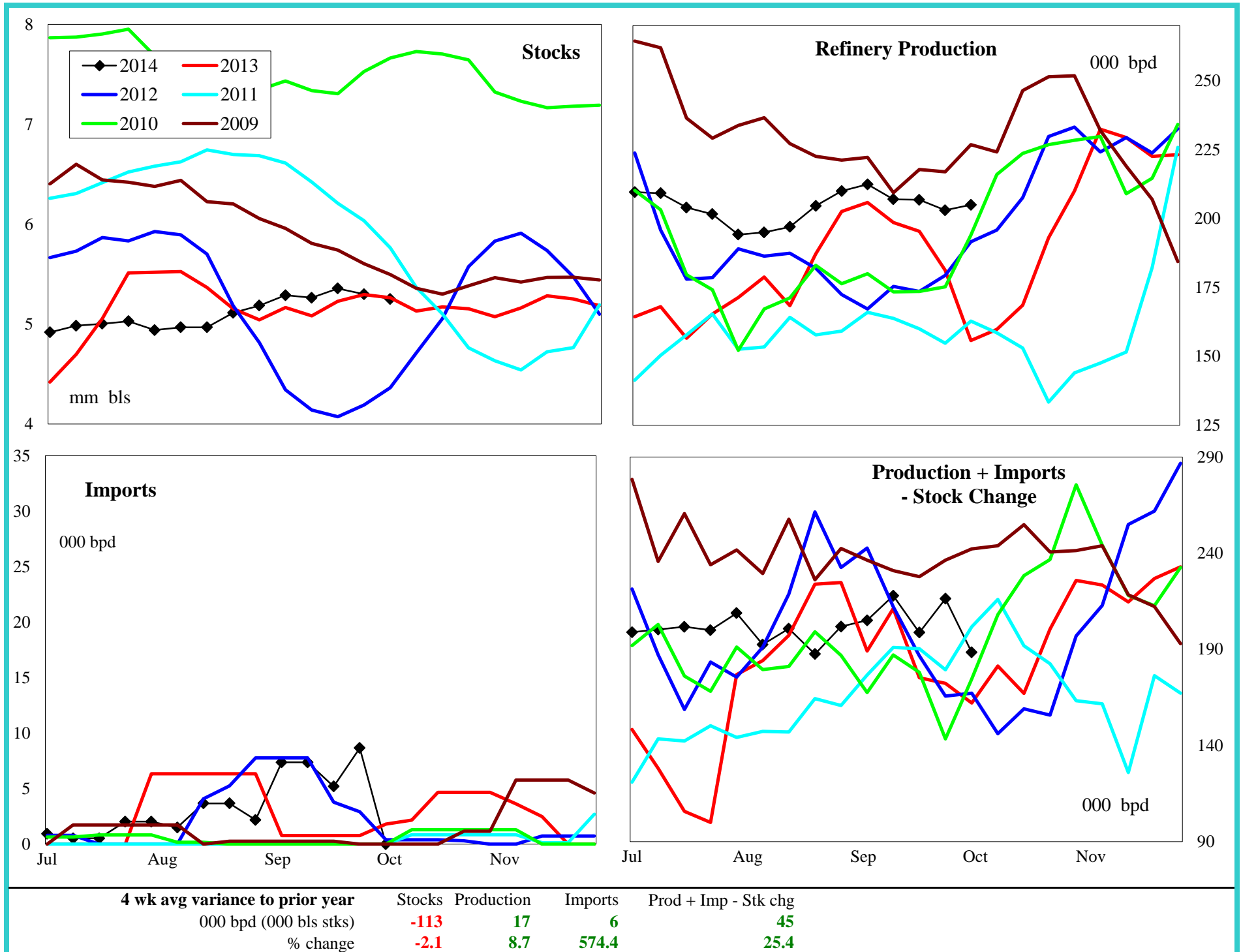
PADD 3 Distillate Supply



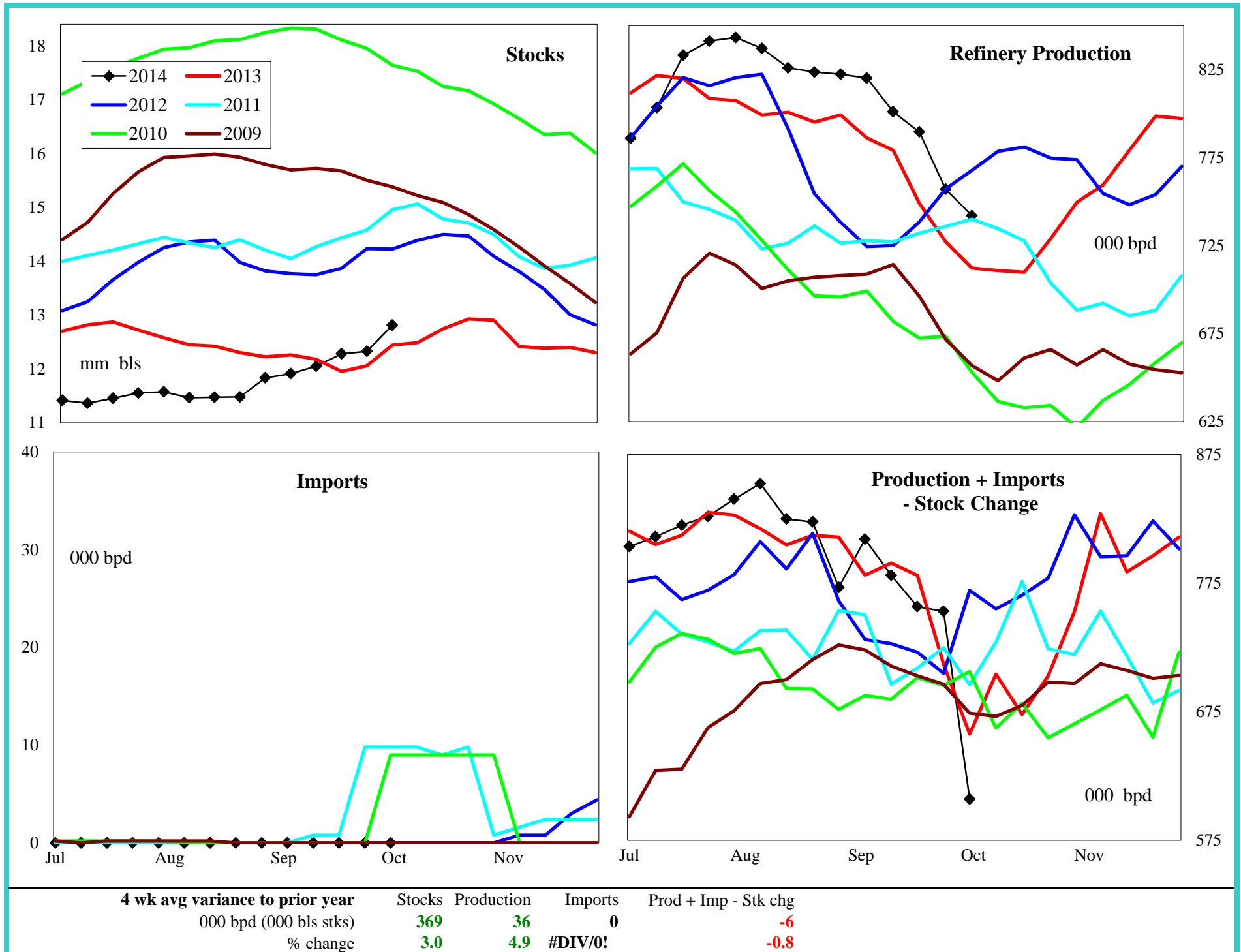
PADD 3 Low Sulfur Distillate Supply



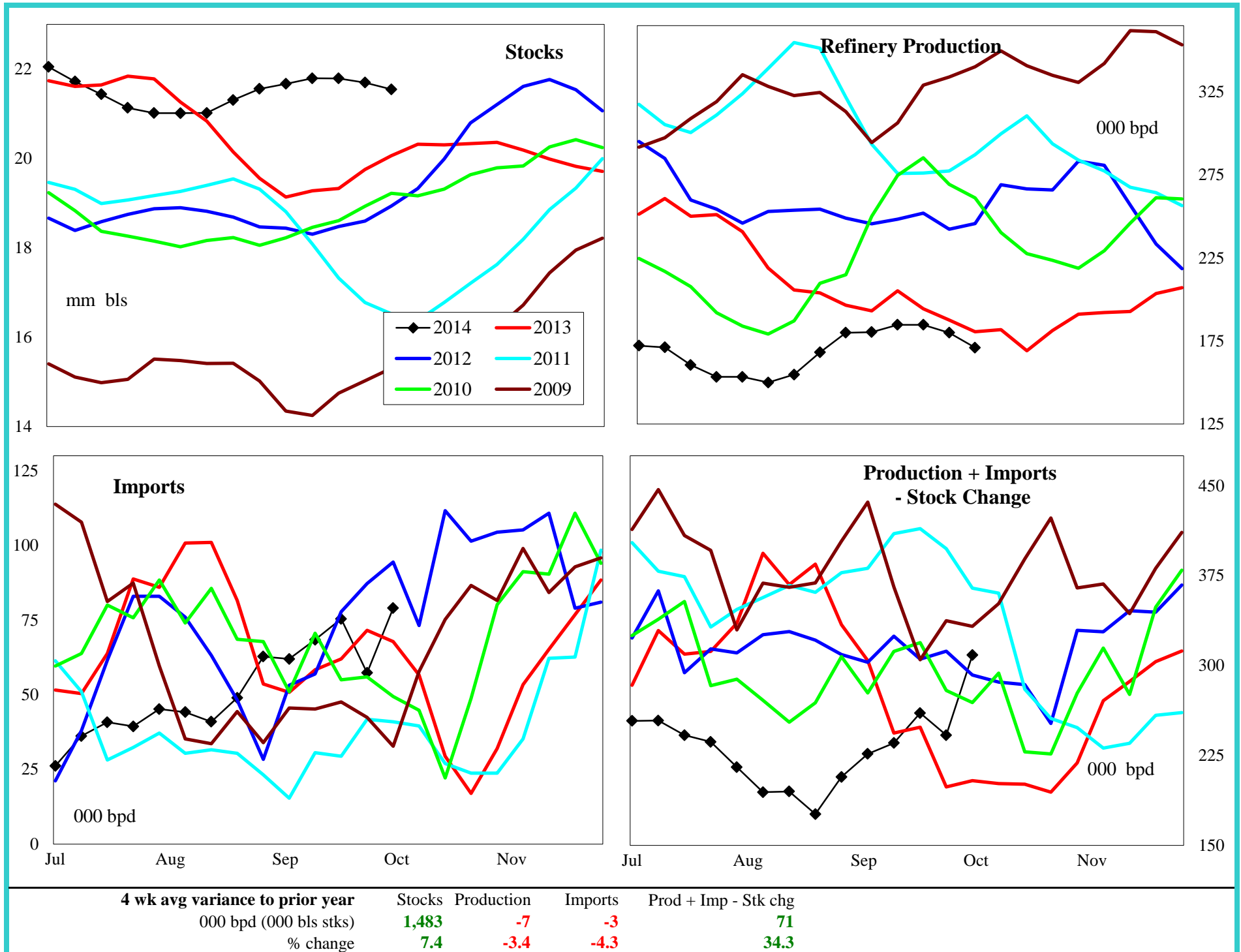
PADD 3 High Sulfur Distillate Supply



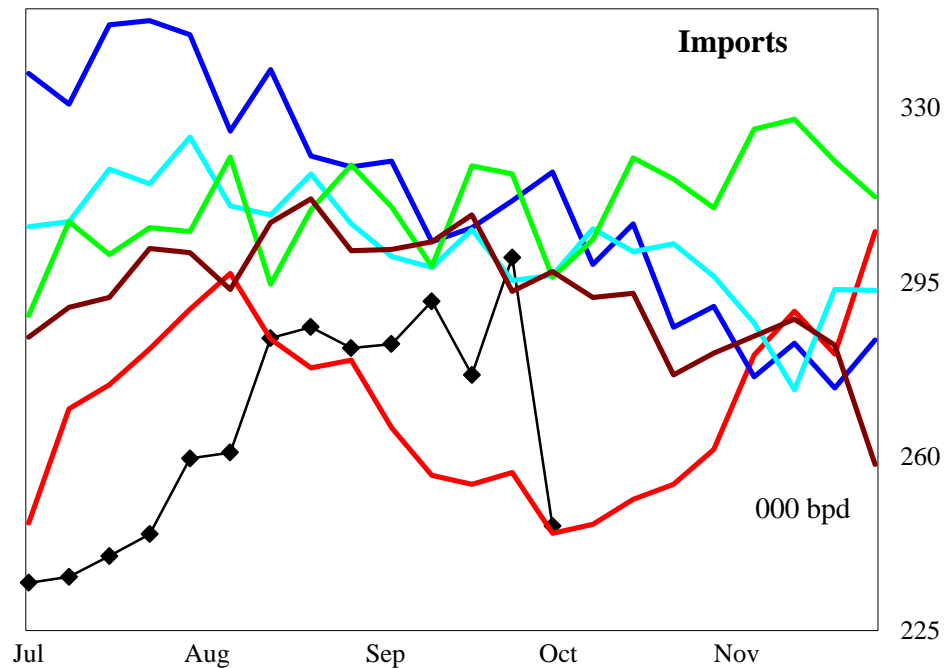
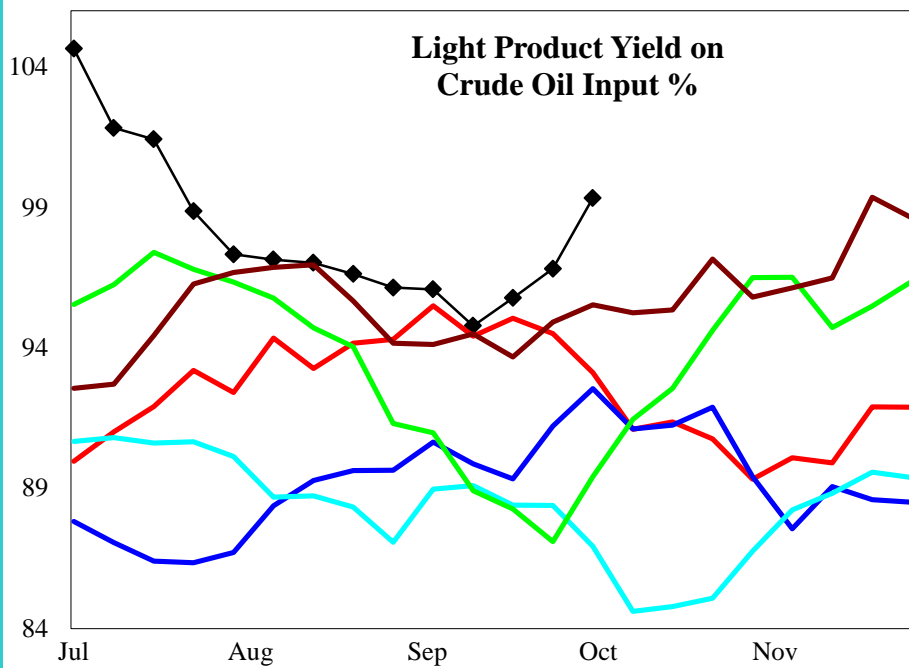
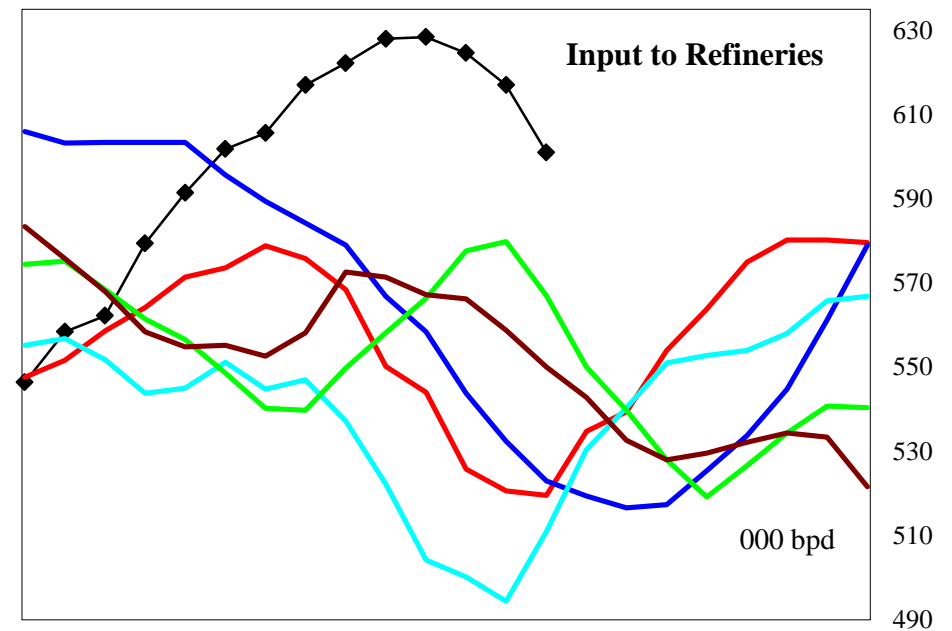
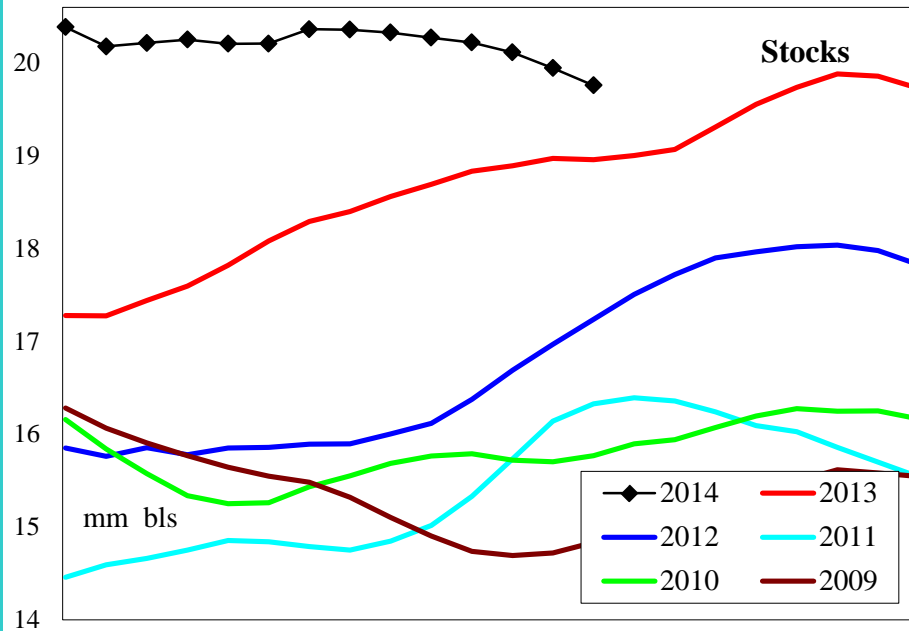
PADD 3 Jet Fuel Supply



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

800

4.1

Input

103

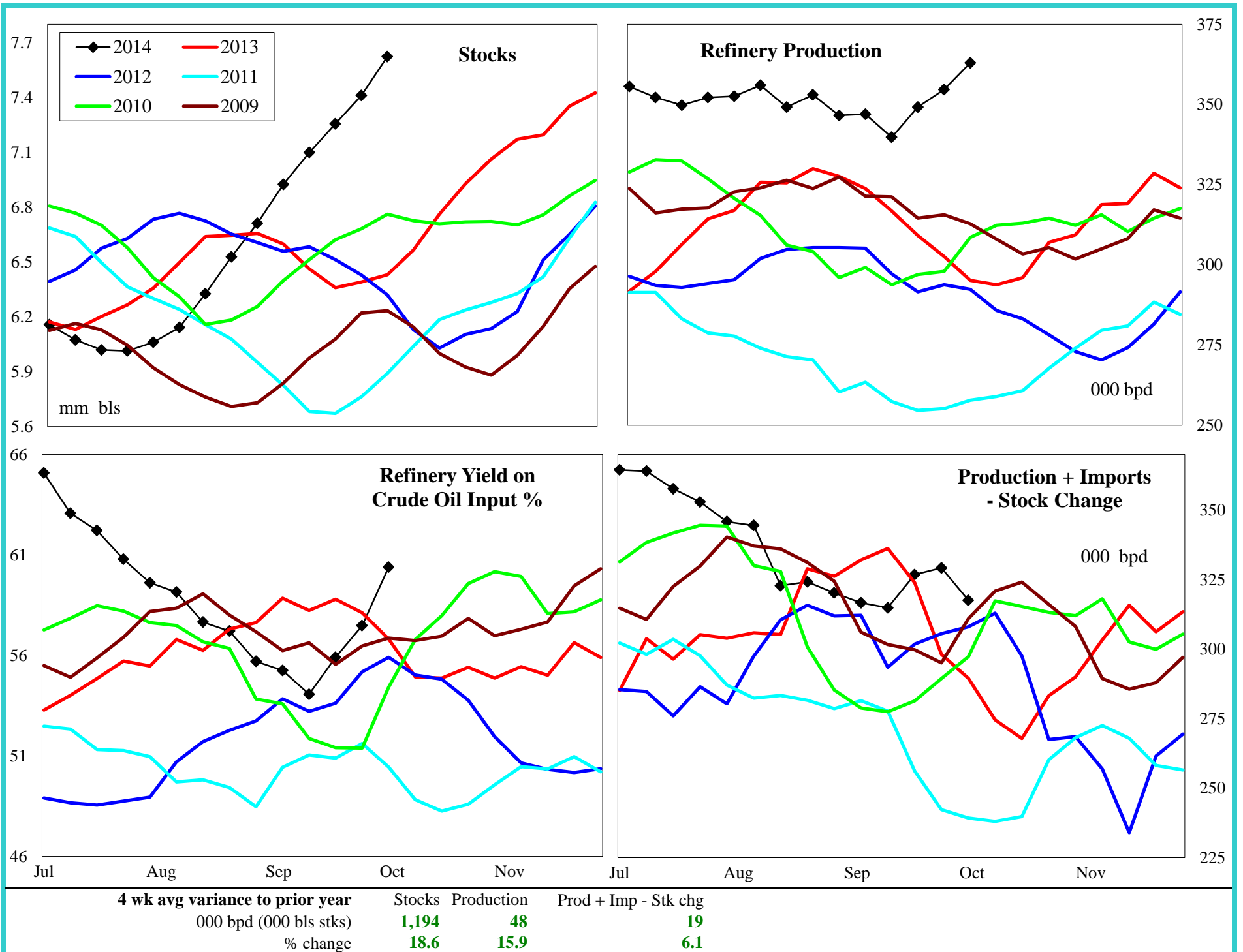
19.8

Imports

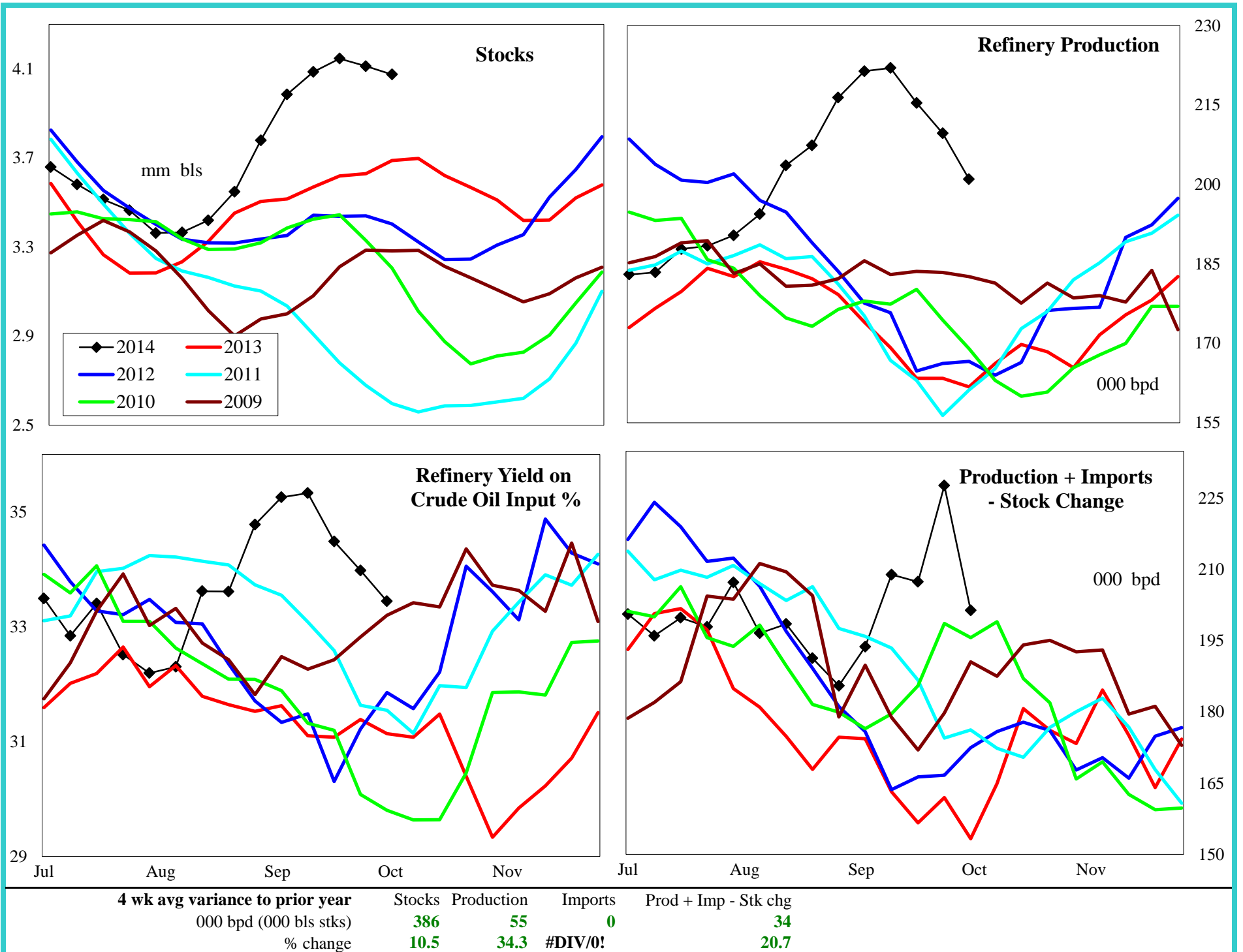
18

7.0

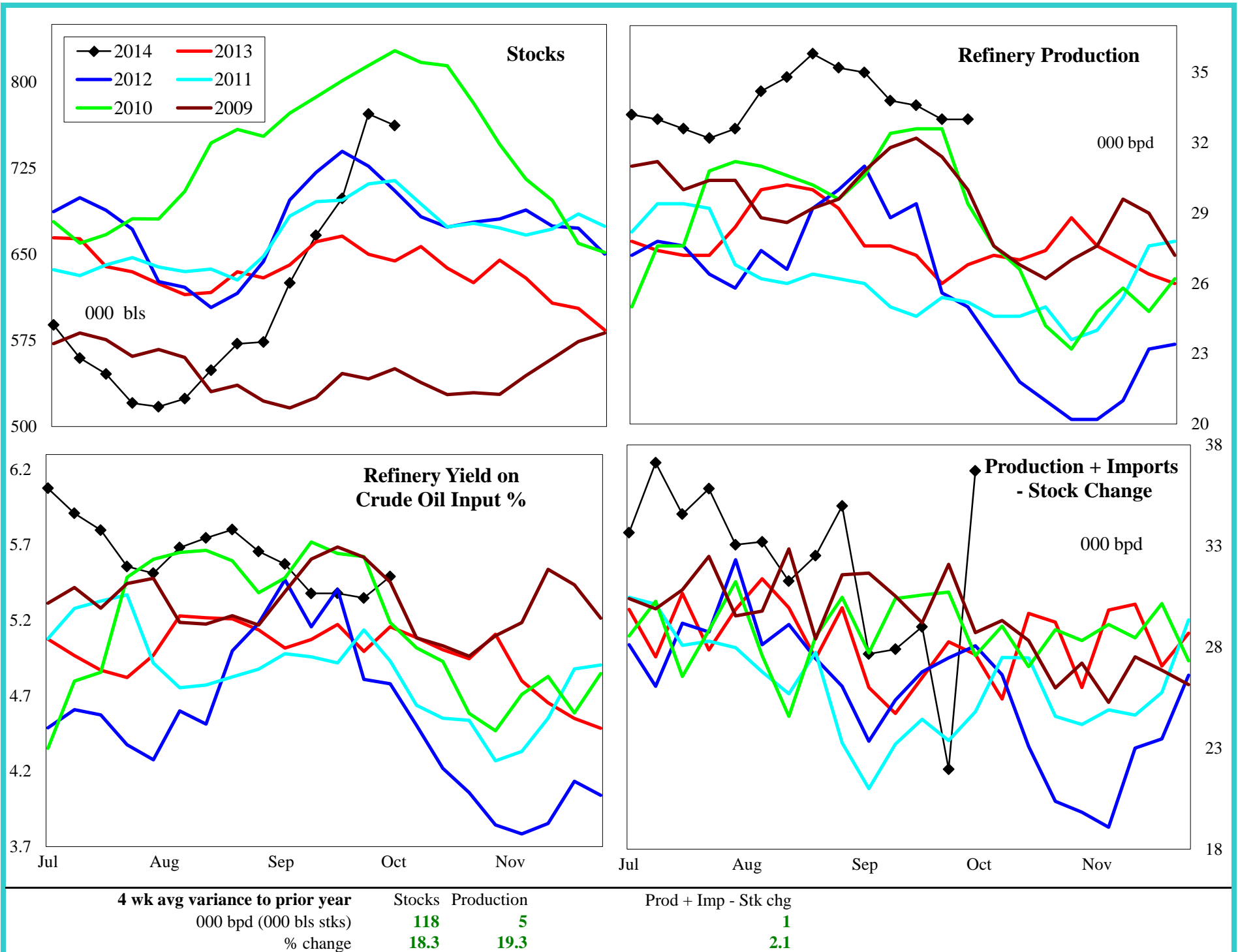
PADD 4 Gasoline Supply



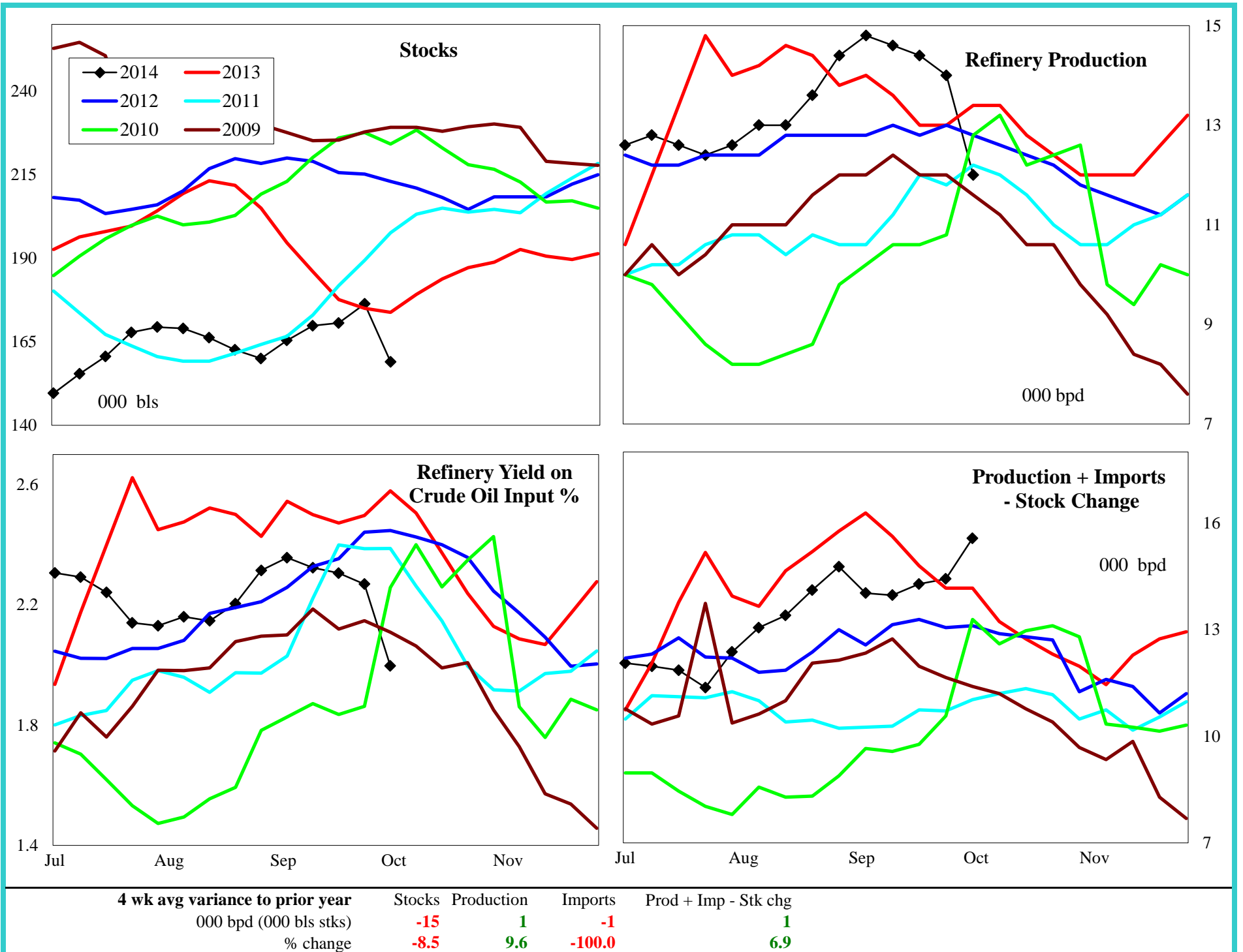
PADD 4 Distillate Supply



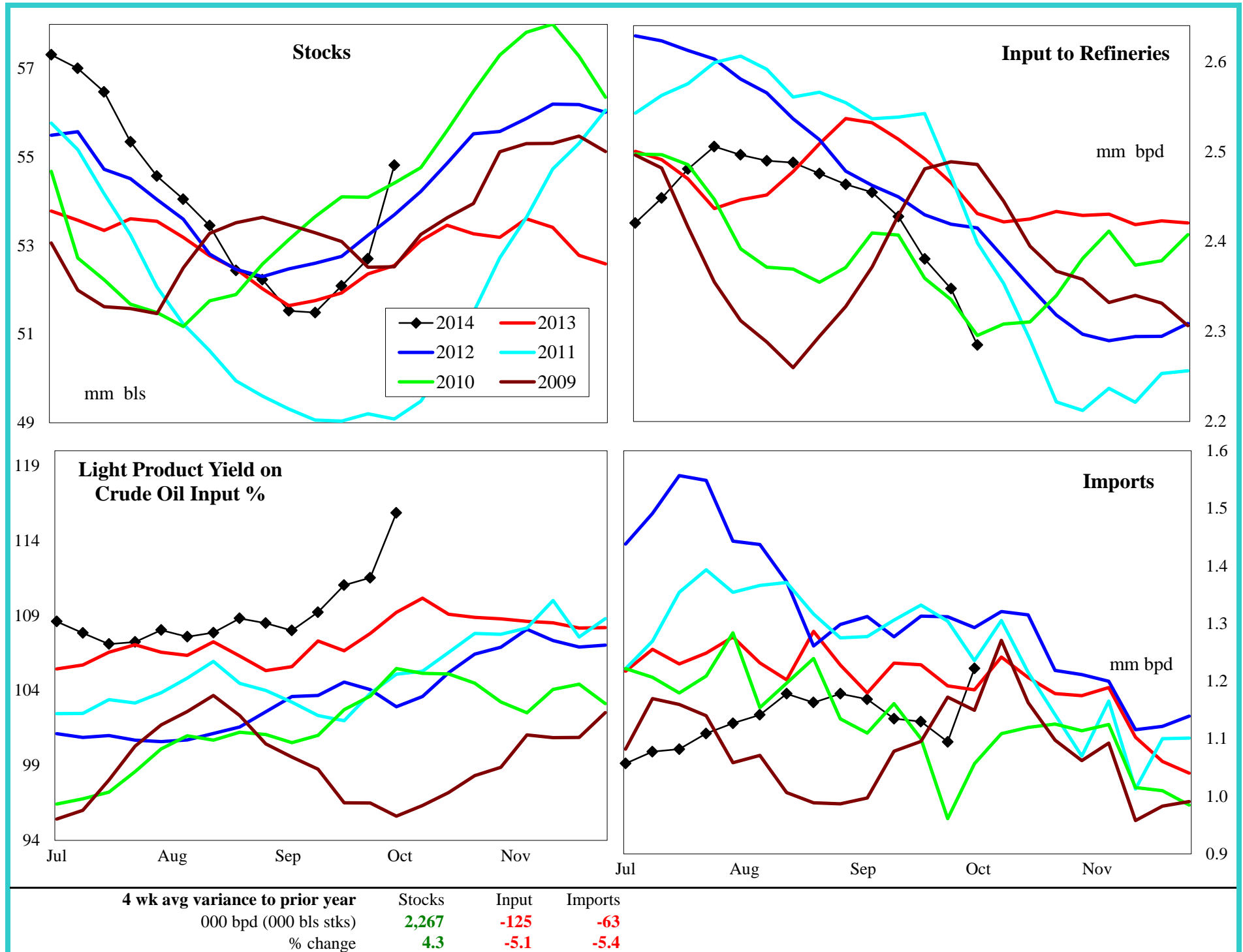
PADD 4 Jet Fuel Supply



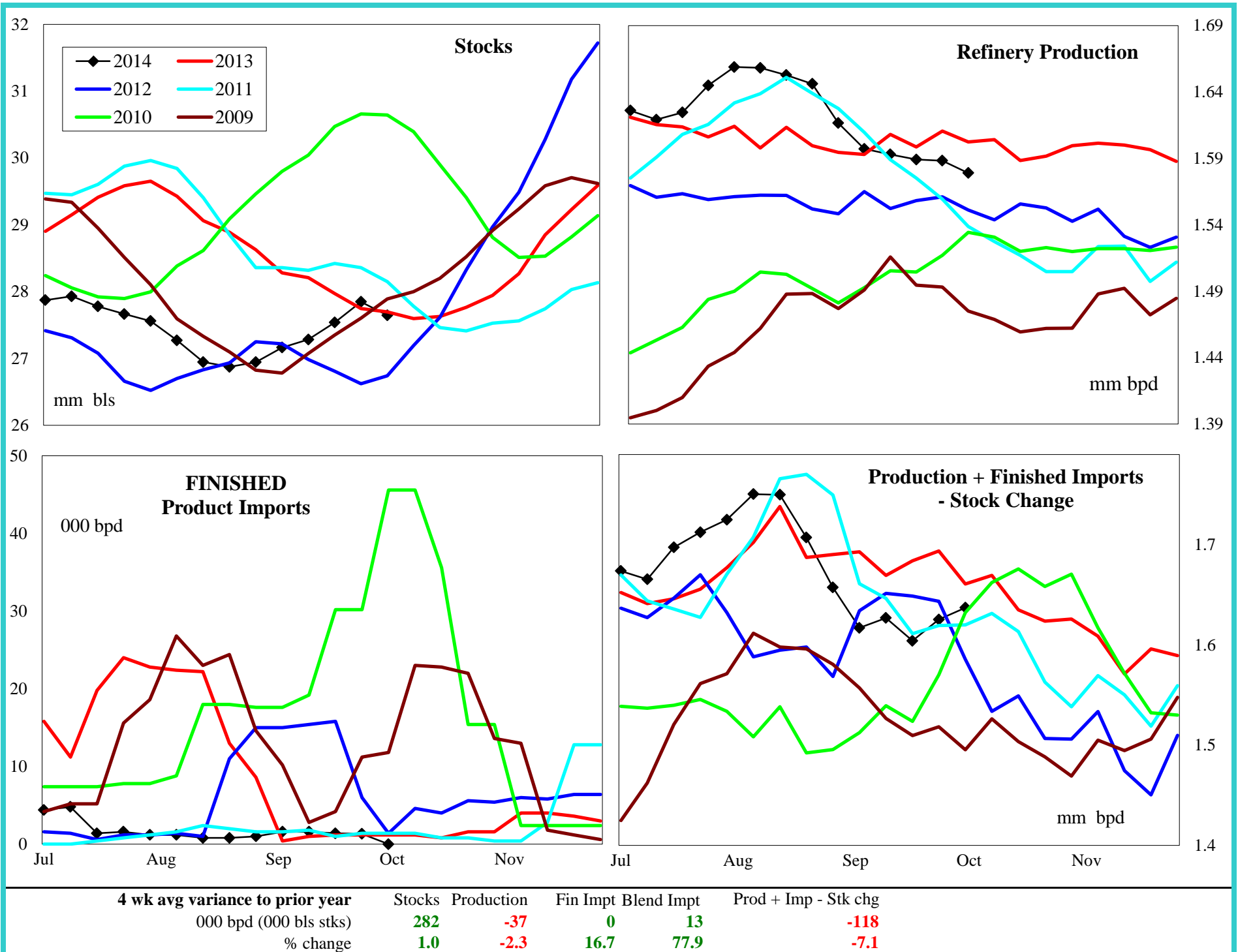
PADD 4 Residual Fuel Oil Supply



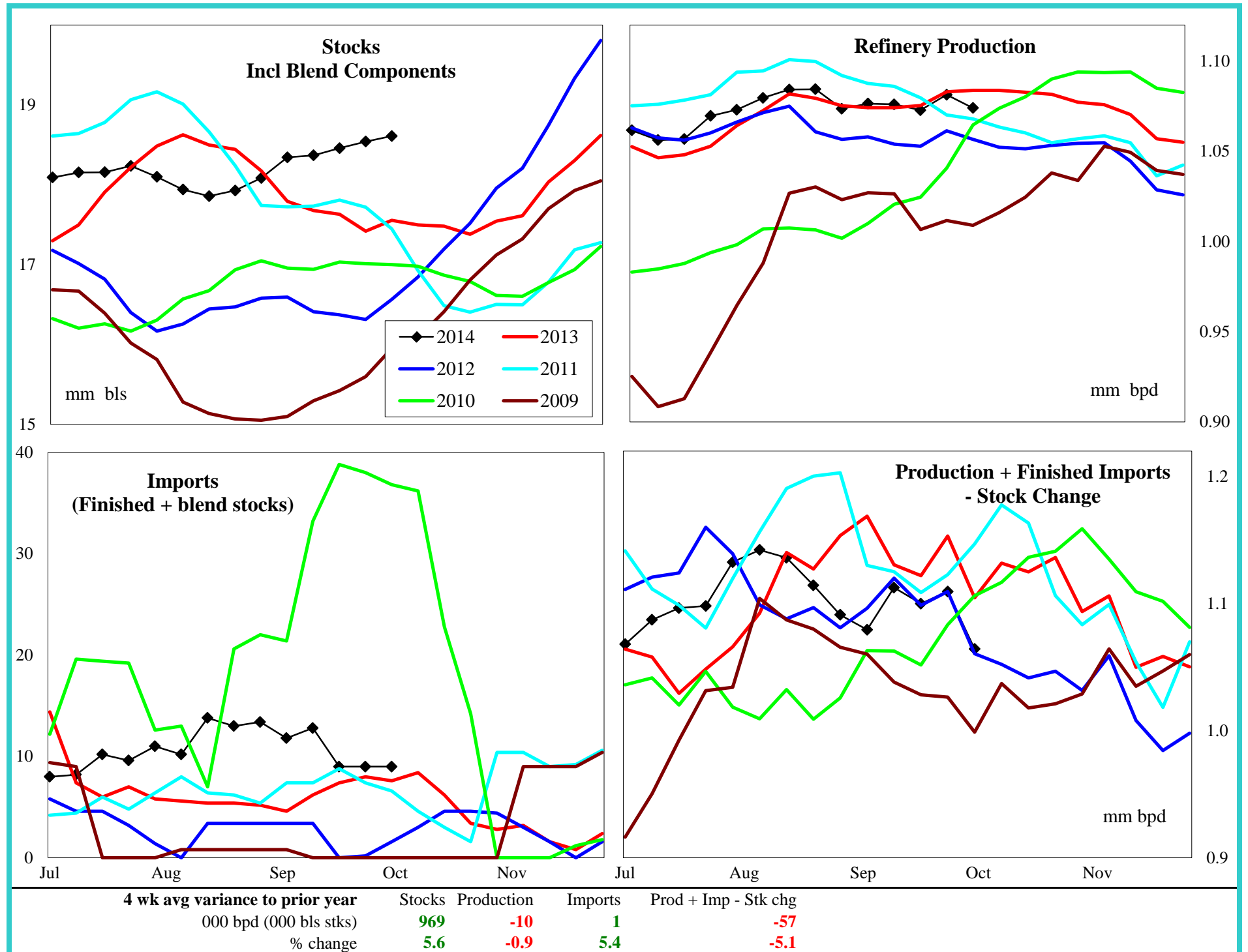
PADD 5 Crude Oil Supply and Refining



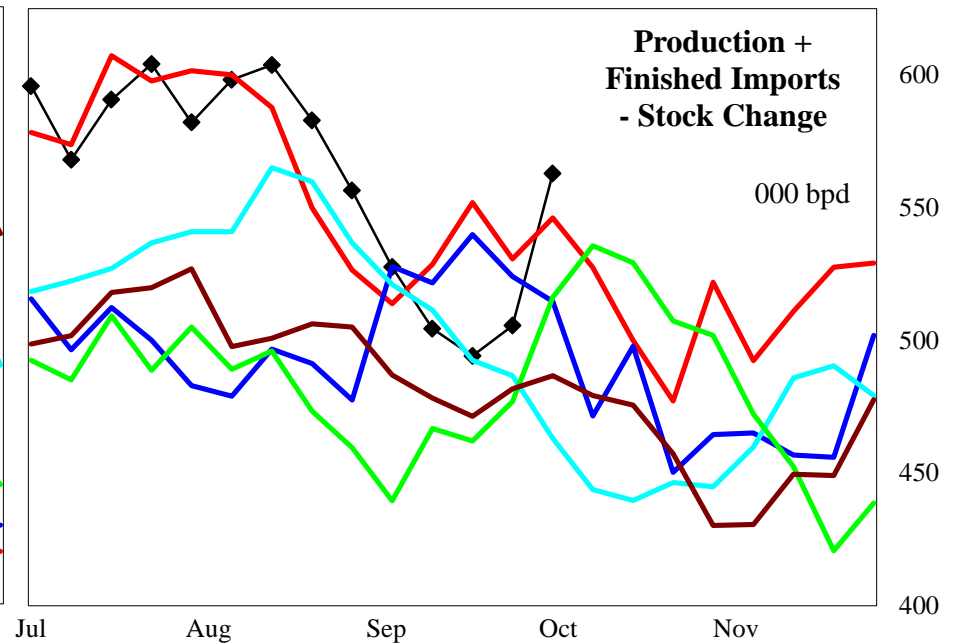
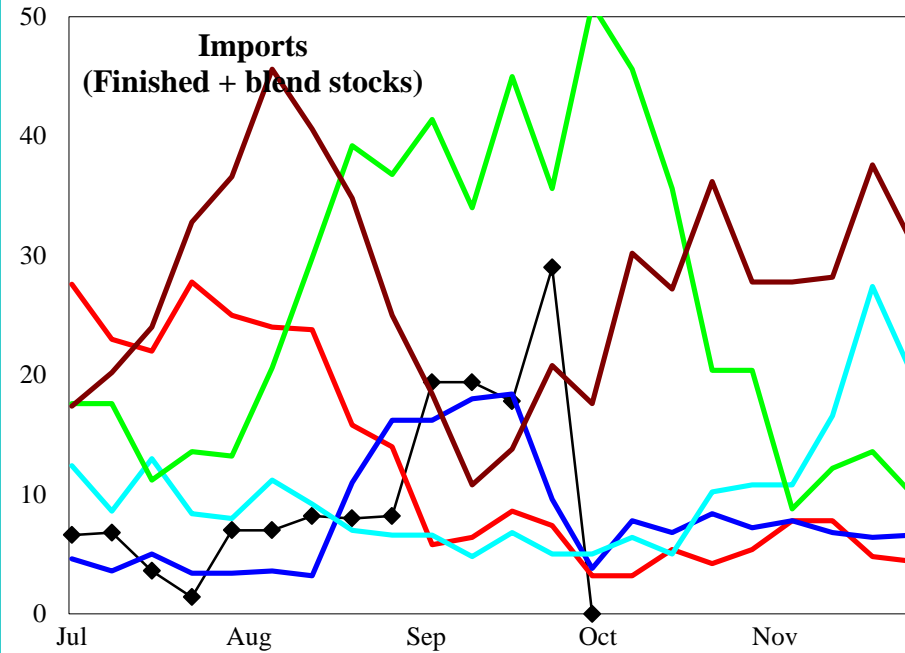
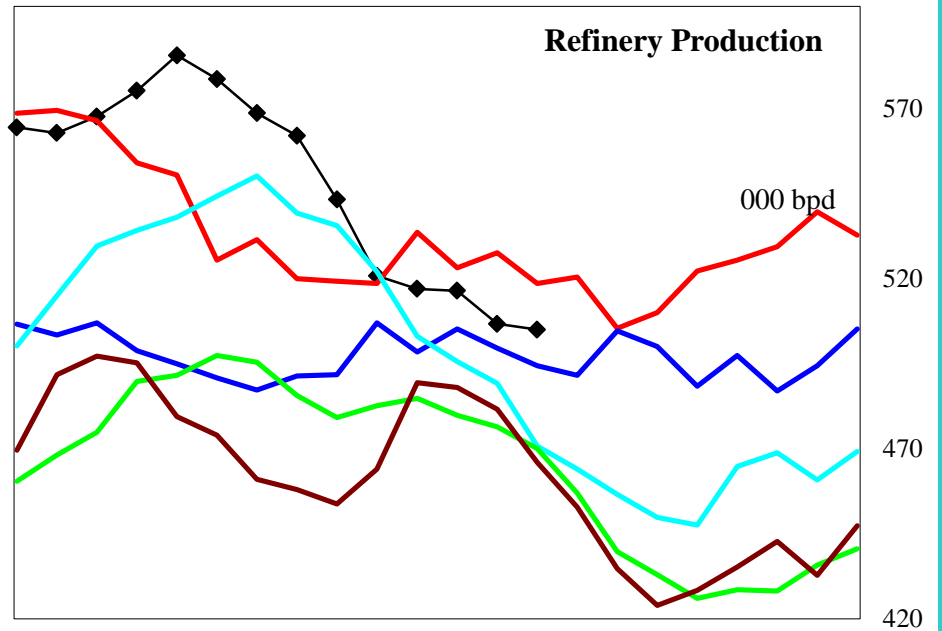
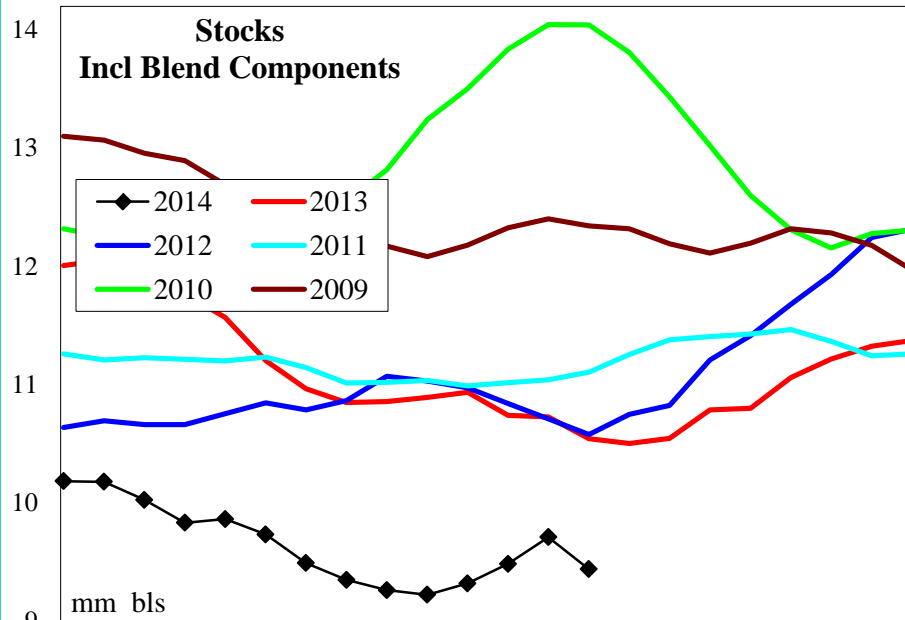
PADD 5 Gasoline Supply



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

-687

-28

13

-62

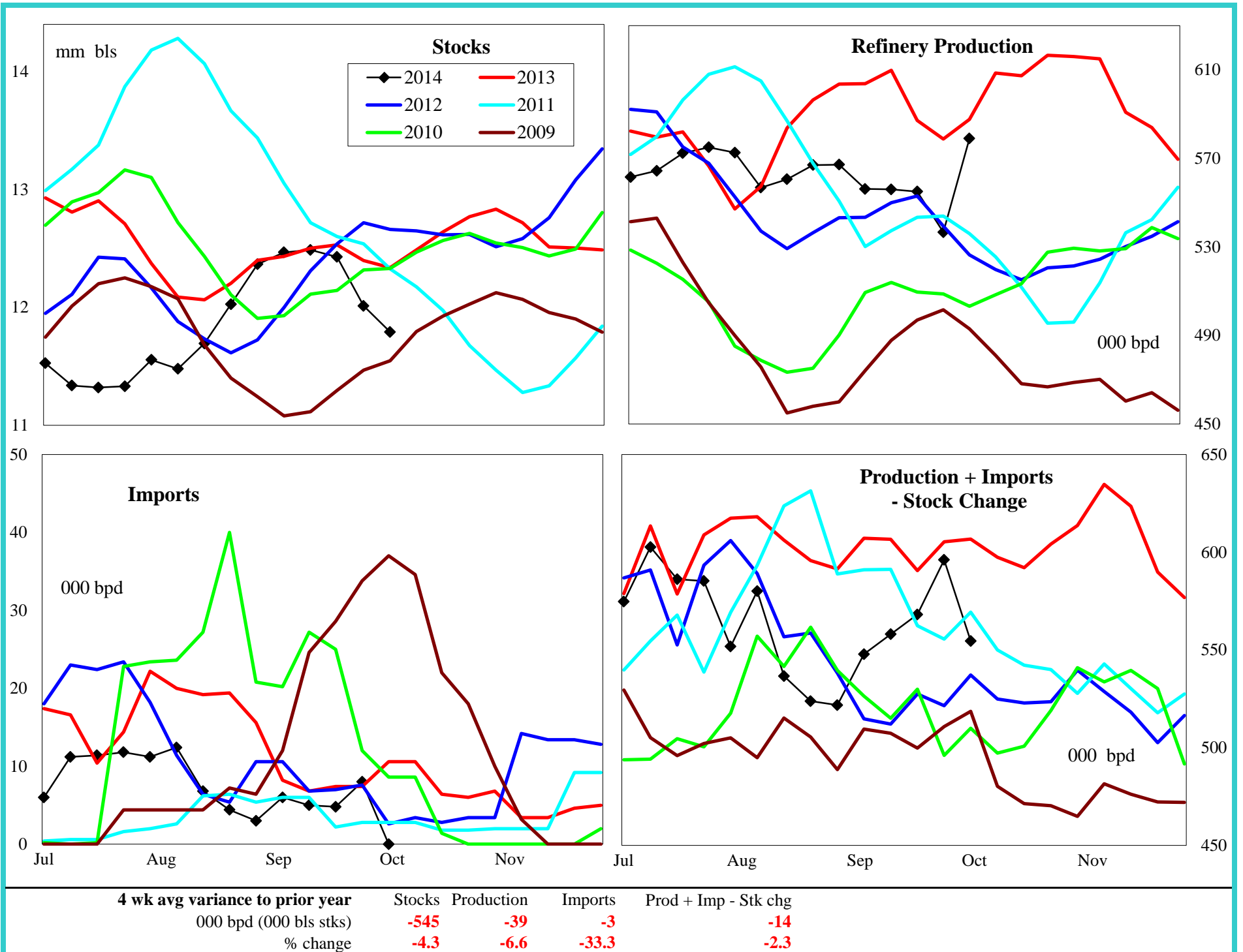
-6.8

-5.2

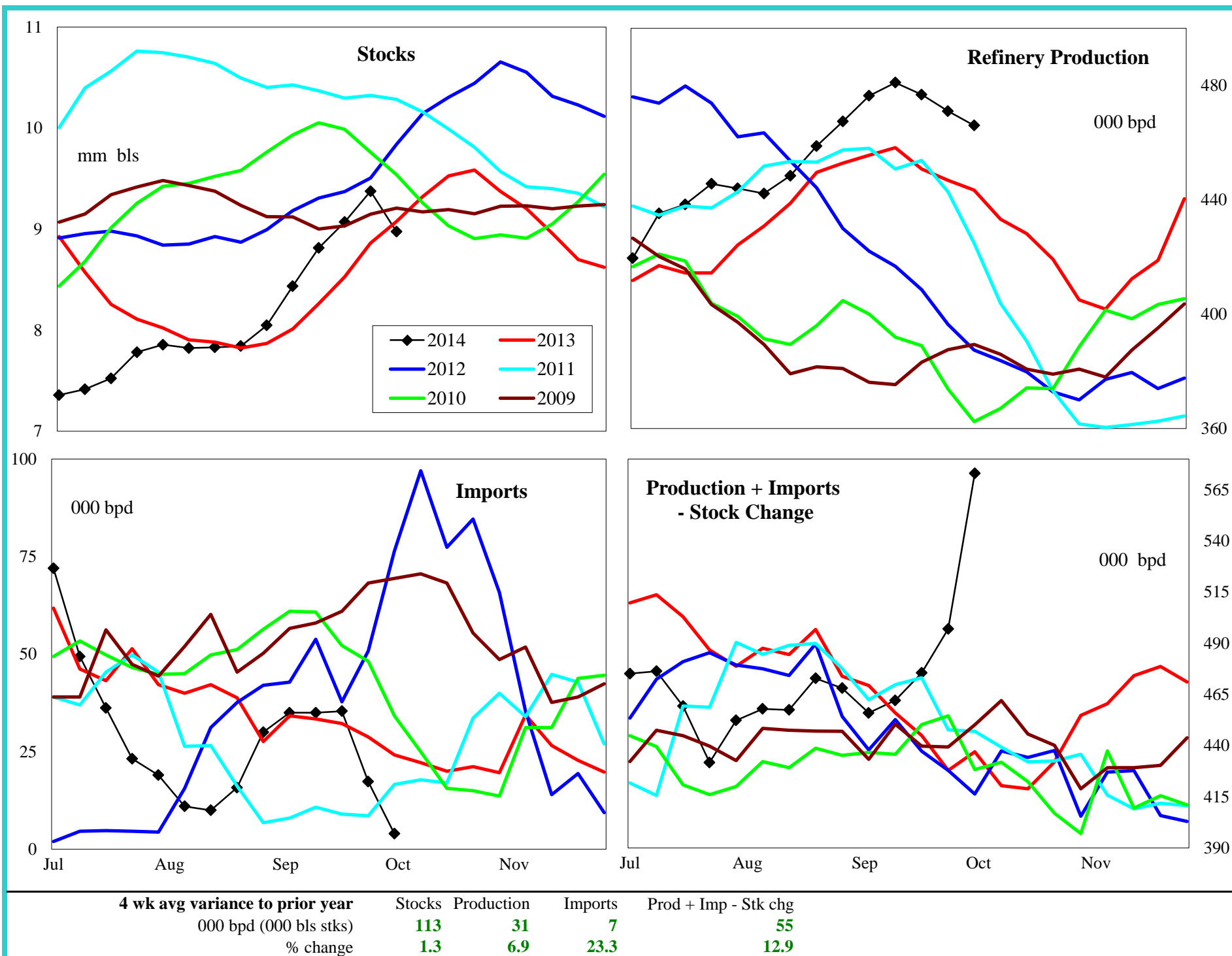
140.5

-11.3

PADD 5 Distillate Supply



PADD 5 Jet Fuel Supply



PADD 5 Residual Fuel Oil Supply

