



## WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

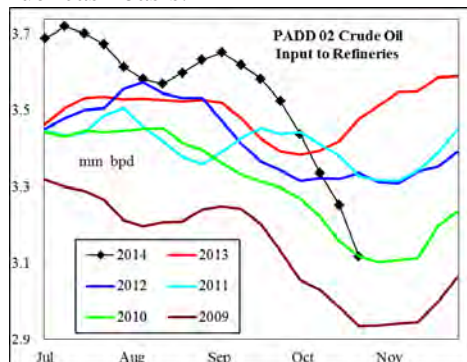
### A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Wednesday, October 29, 2014



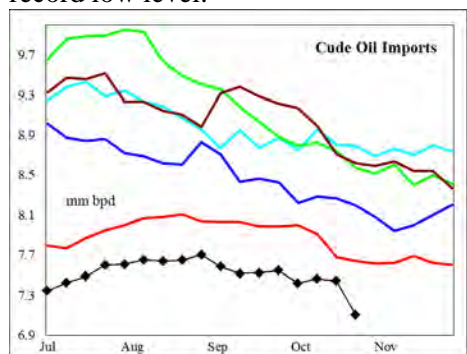
#### Major Fundamental Trends<sup>1</sup>

Refinery maintenance led to a 100,000 bpd decline in Midwest crude oil runs last week, driving thru put to a level sharply below the last 3-yr. Much larger than normal fall maintenance underlies the spike in Midwest refined fuel cash basis.



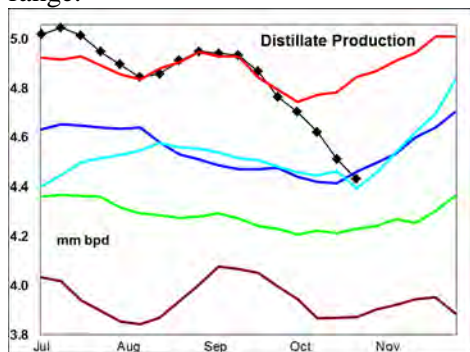
Look for runs to trend sharply higher in the Gulf region during the next 2-wks as refiners return from fall maintenance.

Crude oil stocks climbed +2 million barrels last week, even as imports fell -0.4 million bpd to a new record low level.



Middle distillate wholesale demand spike +0.9 million bpd last week as both diesel and jet fuel rebounded from earlier low levels. The result was a combined -7.6 million barrel stock draw. Stock levels of distillate ended the week -2.3 million barrels below last year, although slightly above 5-yr lows set in 2012. Jet fuel stocks fell to a 5-yr low for the period and nearly 1-million barrels below the prior 5-yr

range.



Above average maintenance of distillate hydro treaters and other distillate producing units has driven production to a level sharply below a year ago.

**Wholesale Demand** for middle distillates surged +0.9 million bpd last week.

Wholesale demand, measured over the last four weeks compared to a year ago: gasoline decreased -1.1%, distillate decreased -4%, jet fuel increased +8% while residual fuel increased +53%.

**Stocks forward coverage:** Gasoline demand coverage fell on a -1.2 million barrel stock draw. Coverage ended the week at a level that matched historic lows.

Distillate coverage fell on a -5.3 million barrel stock draw, and sharply higher demand. Coverage ended the week at a level below the 5-yr range.

Jet fuel coverage fell to a new record low on a -2.2 million barrel stock draw, and spike in demand. Coverage ended the week at a record low level.

Residual fuel oil coverage matched the 3-yr mid range on very low demand.

**Refinery utilization** rates decreased on a -79,000 bpd drop in crude oil runs last week, including a -100,000 bpd decrease in the Midwest. During the latest 4-wk period crude oil input was +391,000 bpd above a year ago.

Gasoline yield % on crude oil runs fell last week on a -235,000 bpd decrease in output compared to the -79,000 bpd decrease in crude oil runs.

Yield % on crude oil runs remains below the last 2-yr for the week.

Distillate yield % on crude oil runs fell last week, on a -133,000 bpd decrease in output compared to the decrease in crude oil runs. The yield % on crude oil runs fell below each of the last 3-yr for the week.

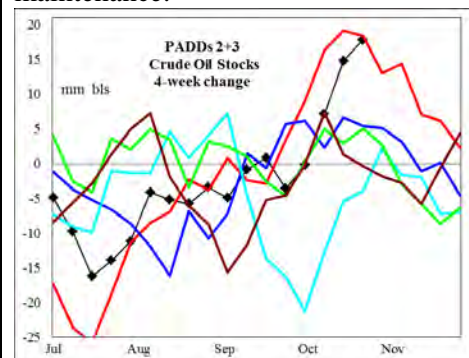
Jet fuel yield % on crude oil runs increased for the week on a +90,000 bpd rise in output compared the lower crude oil runs. The yield % was above the 5-yr range for the week.

**Petroleum Imports/Exports:** Imports of crude oil declined -0.4 million bpd last week, to a new record low level.

During the latest 4-wk period crude oil imports were -0.3 million bpd below last year; distillate imports were -35,000 bpd lower; finished gasoline imports were +35,000 bpd higher; gasoline blend stock imports were -124,000 bpd lower; while jet fuel imports increased +14,000 bpd.

*Exports of distillate for the week ending 24Oct14 were -25,000 bpd below a year ago, gasoline +44,000 bpd higher, jet fuel +20,000 bpd higher and residual fuel oil was unchanged.*

**Crude Oil** stocks increased +2.1 million barrels last week, due to refinery capacity offline for fall maintenance.



The latest 4-wk stock build in the combined Midwest and Gulf regions was +18 million barrels, equal to last year's record rate. Stocks saw a +0.8 million barrel build in Cushing for the week.

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



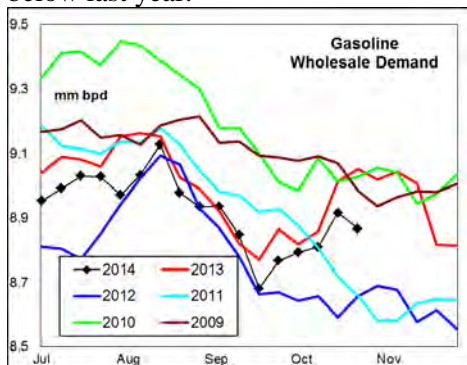
## WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

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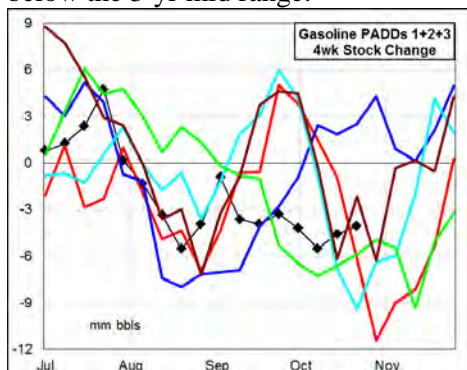
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#### Product Supply-Demand Trends

**Gasoline** wholesale demand increased +31,000 bpd on the week, to a level above the 3-yr mid range. The latest 4-wk average demand was -96,000 bpd below last year.



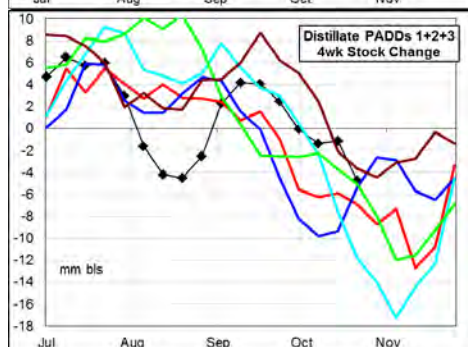
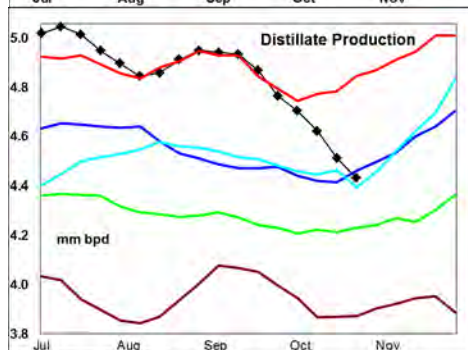
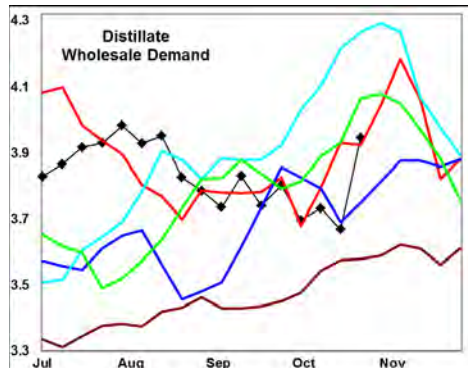
Supply fell -180,000 bpd last week on lower production. Supply for the latest 4-wk period declined -122,000 bpd on lower production. Stocks declined -1.2 million barrels on the week, to a level below the 3-yr mid range.



*Lack of the fall seasonal stock build to began by month end as refiners return from maintenance. Significant variance in the supply balance continues between regions, with the Northeast, Midwest and Rockies relatively tight compared to ample supplies in the Gulf region.*

**Distillate** wholesale demand surged +0.6 million bpd last week to a level comparable to last year. The latest 4-wk average demand was -150,000 bpd below last year.

Supply declined -182,000 bpd on lower production and imports. Production was -192,000 bpd below last year for latest 4-wk period. Stocks plunged -5.3 million barrels on the week, to a level below a year ago.

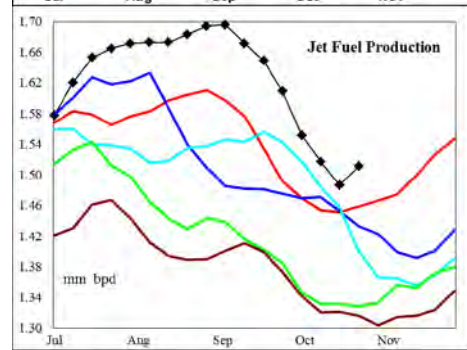
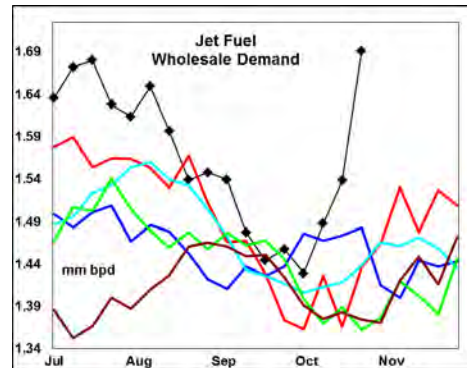


The latest 4-wk stock change in markets East of the Rockies was a -5 million barrel draw, compared to an average -7 million barrel draw the last 2-yrs.

*Look for a rise in production as refiners return from fall maintenance, partially offset by higher seasonal demand. Stocks should began a seasonal build by month end.*

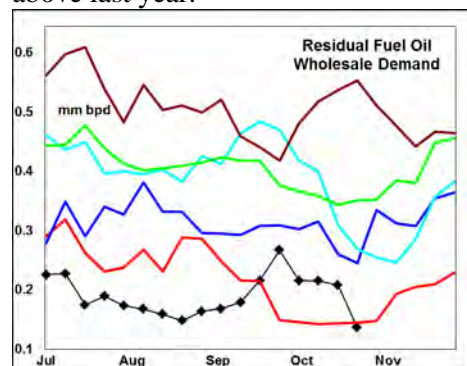
**Jet Fuel** wholesale demand jumped +251,000 bpd on the week, to a record high level. Production for the most recent 4-wk period was +65,000 bpd above last year. Imports were +14,000 bpd higher.

Stocks plunged -2.3 million barrels to a level below the 5-yr range.



*Look for higher seasonal demand to offset rising production as refiners return to operation, so that stock levels remain below the 5-yr range.*

**Residual fuel oil** demand increased +17,000 bpd on the week. Demand for the latest 4-wk period was +87,000 bpd above last year.



Supply (production + imports) increased +142,000 bpd on the week, driven by higher imports. Stocks climbed +0.7 million barrels to a level above the 3-yr mid range.

*Production and imports are +50,000 bpd above last years' record lows for the latest 4-wk period. A drop in wholesale demand should lead to seasonal stock building.*





## WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

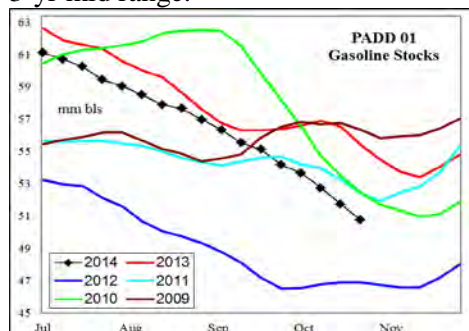
### A Fundamental Petroleum Trends Weekly Report

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#### PADD Supply Trends

**PADD 1** refinery crude oil runs decreased -22,000 bpd on the week, to a level near 3-yr highs for the period.

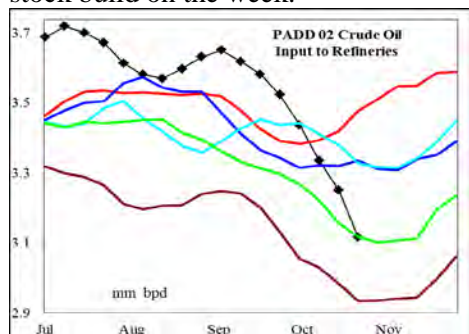
Gasoline supply climbed +47,000 bpd on the week, due to higher imports. Stocks decreased -1.4 million barrels last week, to a level below the 3-yr mid range.



Distillate supply decreased -58,000 bpd last week, with the 4-wk average -31,000 bpd below last year. Stocks fell -2.5 million barrels, to a level +6% above the last 2-yrs.

Jet fuel supply was +62,000 bpd above last year for the most recent 4-wk period, driven by Delta Airlines maximizing output at their refinery.

**PADD 2** crude oil refinery runs declined -100,000 bpd on the week, with the latest 4-wk average -92,000 bpd below last year. Crude oil stocks increased +0.6 million barrels to a level -7.7 million barrels below a year ago. Cushing saw a +0.8 million barrel stock build on the week.



Gasoline supply fell -72,000 bpd on the week. Production for the most recent 4-wk period was +0.3 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

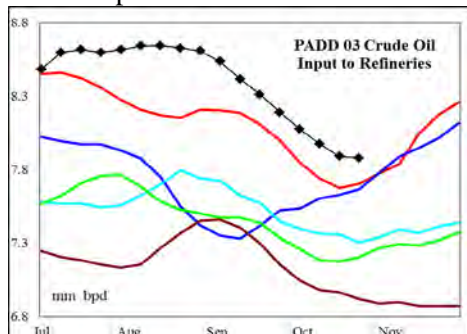
ethanol. Stocks decreased -0.4 million barrels on the week, to a record low level for this time of year.

Distillate supply decreased -40,000 bpd on the week, with the 4-wk average -80,000 bpd below a year ago. Stock levels ended the week below the 3-yr mid range for this time of year.

Jet fuel production declined -45,000 bpd on the week, to a level below the 5-yr range. Stocks fell -0.5 million barrels on the week, with the level +8% above prior record lows.

**PADD 3** refinery runs were nearly unchanged last week, with the level slightly above the historic range. During the latest 4-wk period, average runs were +249,000 bpd above last year.

Crude oil stocks decreased -1 million barrels, to that matched 5-yr highs for the season. Imports fell -0.5 million bpd to a new record low level.



Gasoline supply decreased -20,000 bpd last week, with the latest 4-wk average -39,000 bpd below a year ago. Stocks increased +0.9 million barrels on the week, to a level near historic highs for the period.

Distillate supply declined -137,000 bpd on the week, with the latest 4-wk average supply -84,000 bpd below a year ago. Stocks fell -1.9 million barrels on the week, to a level that matched the 2-yr average.

Jet fuel production climbed +121,000 bpd last week, to a level near historic highs for the period. Stocks fell -0.6 million barrels on the week to a level -14% below prior record lows.

Residual fuel supply increased +69,000 bpd on higher imports for the week. Stock levels remain above the

5-yr range while production is below the historic range.

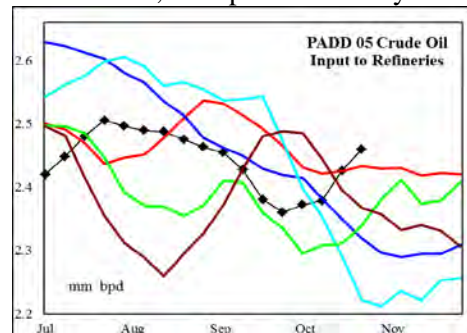
**PADD 4** refinery crude runs increased +50,000 bpd last week to a level above the historic range, with the latest 4-wk average was +25,000 bpd above a year ago.

Gasoline production increased +27,000 bpd, with the latest 4-wk average +24,000 bpd above a year ago. Stocks experienced a counter seasonal draw to a level above the 3-yr mid range.

Distillate supply increased +10,000 bpd last week, to a level only slightly above the last 3-yrs. Stocks fell -0.4 million barrels to a level near the latest 2-yr average.

Jet fuel production remains above the 5-yr range with stock levels at a record high.


**PADD 5** crude oil refinery runs increased +11,000 bpd last week, ending at a level just above the 5-yr range for the period. The 4-wk run rate was -20,000 bpd below last year.



Gasoline supply was nearly unchanged on the week, with the 4-wk average -19,000 bpd below a year ago. Stocks decreased -0.3 million barrels to a level below the historic range for the week.

Distillate supply increased +43,000 bpd on the week, to a level above the 3-yr mid range. The 4-wk average supply was -60,000 bpd below a year ago. Stocks increased +0.5 million barrels on the week, to a level that matched historic lows for the period.

Jet fuel supply decreased -24,000 bpd on a sharp drop in imports. Stocks fell -0.9 million barrels for the week to a level below the historic range.



FUNDAMENTAL

PETROLEUM TRENDS

PETROLEUM: Graph Link and Weekly Summary

A Fundamental Petroleum Trends Weekly Report

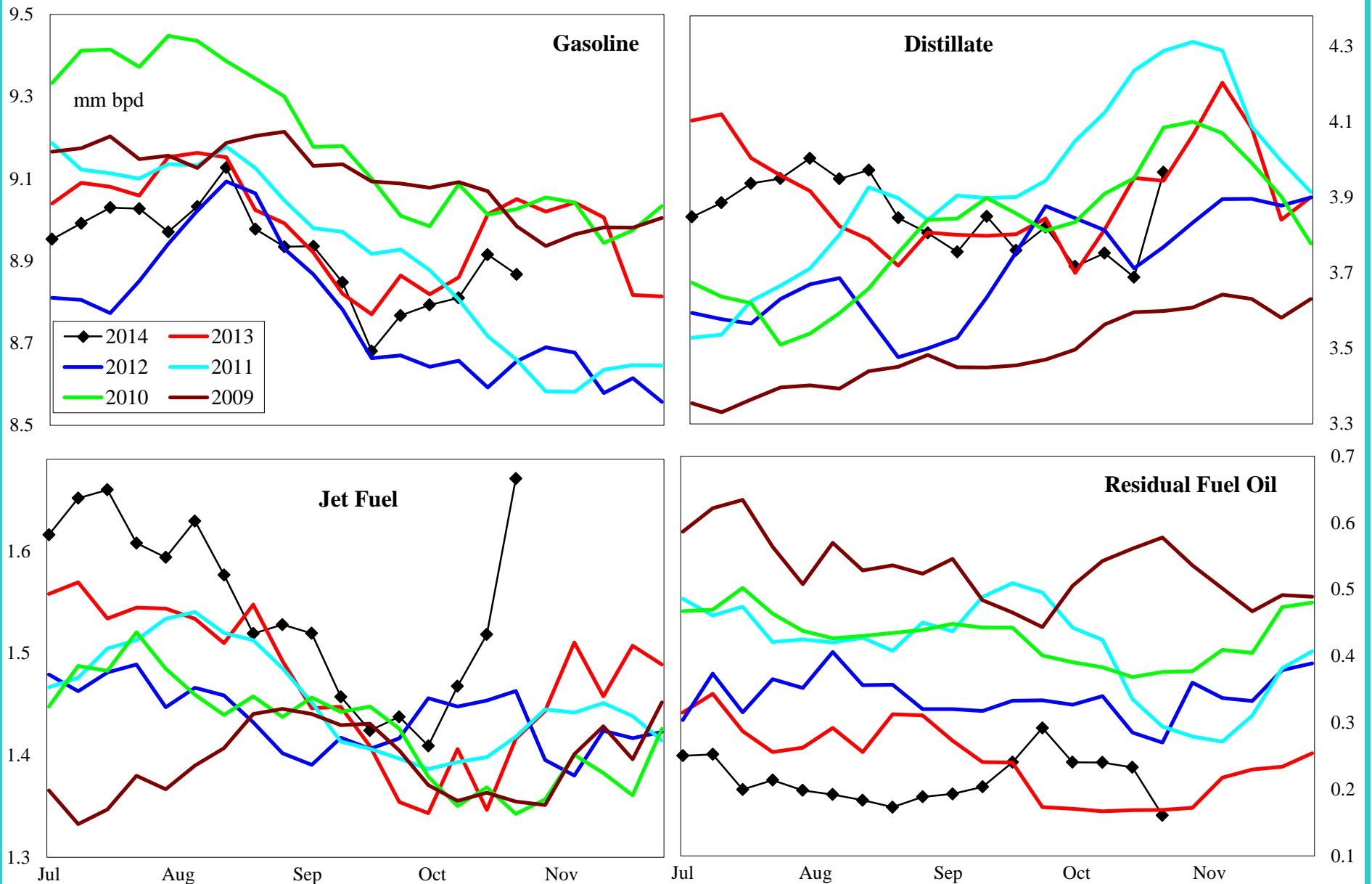
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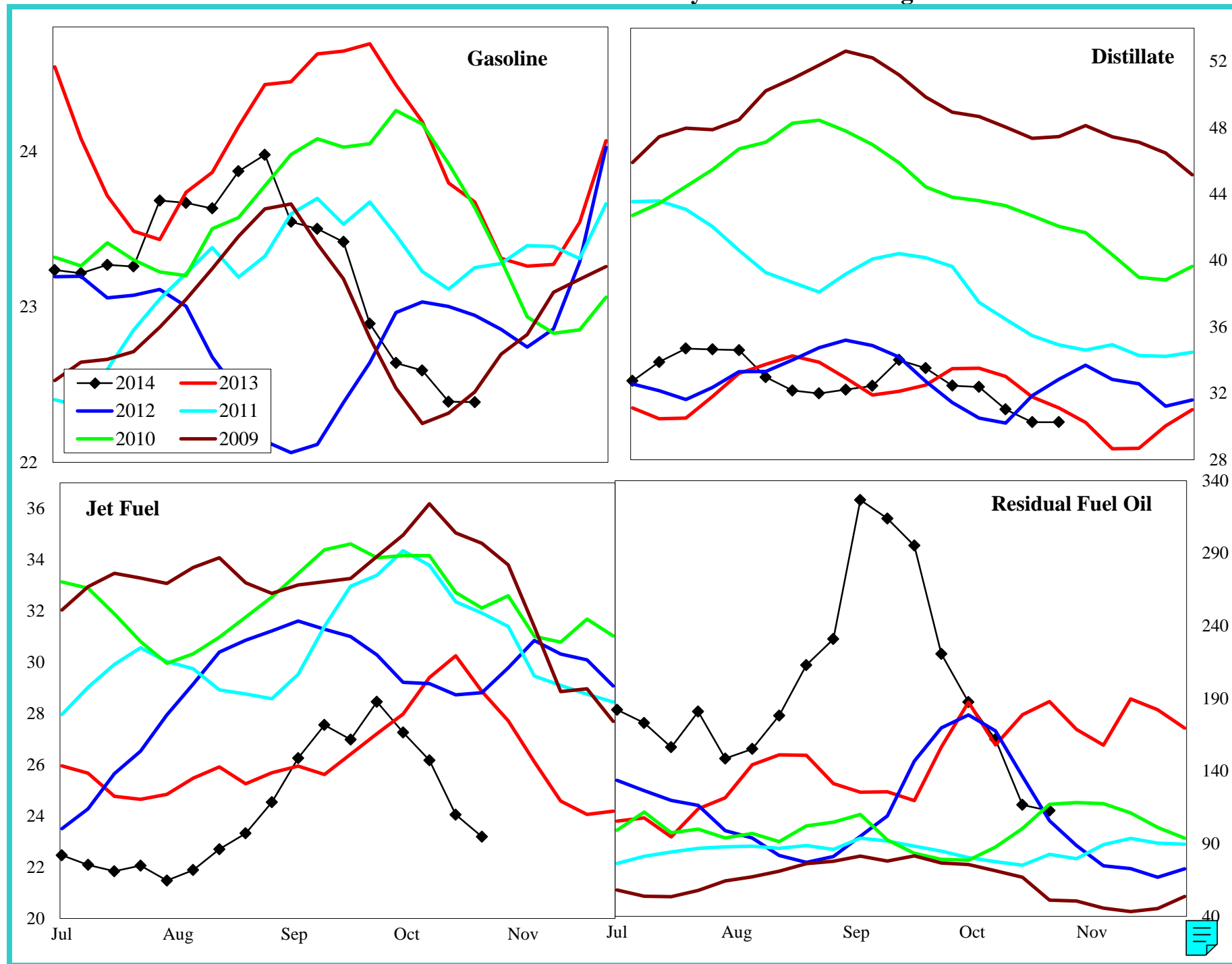
Fundamental Trends	<a href="#">Wholesale Demand</a>	<a href="#">Stocks Days Fwd Coverage</a>	<a href="#">Refinery Utilization</a>		<a href="#">Product Yield %</a>		<a href="#">Imports</a>
Supply/Demand Trends	24-Oct-14	EIA-DOE CHANGE FROM PRIOR WEEK					
	000 bpd stocks 000 bls	U. S. Total	PADD				
			1	2	3	4	5
<a href="#">Crude Oil</a>	Stocks	2,061	533	582	-956	134	1,768
	Imports	-376	-63	203	-513	48	-52
	Input	-79	-22	-100	-15	50	11
	% Utilization	-0.10					
<a href="#">Gasoline</a>	Stocks	-1,236	-1,385	-363	895	-112	-274
	Production	-235	-46	-68	13	27	-7
	Imports	55	93	-4	-33	0	0
	Supplied	31					
<a href="#">Distillate</a>	Stocks	-5,294	-2,479	-1,023	-1,904	-369	482
	Production	-133	-1	-42	-137	9	38
	Imports	-49	-57	2	0	1	5
	Supplied	617					
<a href="#">Jet Fuel</a>	Stocks	-2,283	-347	-537	-583	87	-903
	Production	90	-25	-45	121	2	37
	Imports	-71	-11	0	0	0	-61
	Supplied	251					
<a href="#">Residual Fuel Oil</a>	Stocks	658	224	31	394	-19	28
	Production	-26	-4	1	-12	2	-13
	Imports	168	84	1	81	0	2
	Supplied	17					

# United States Wholesale Petroleum Demand

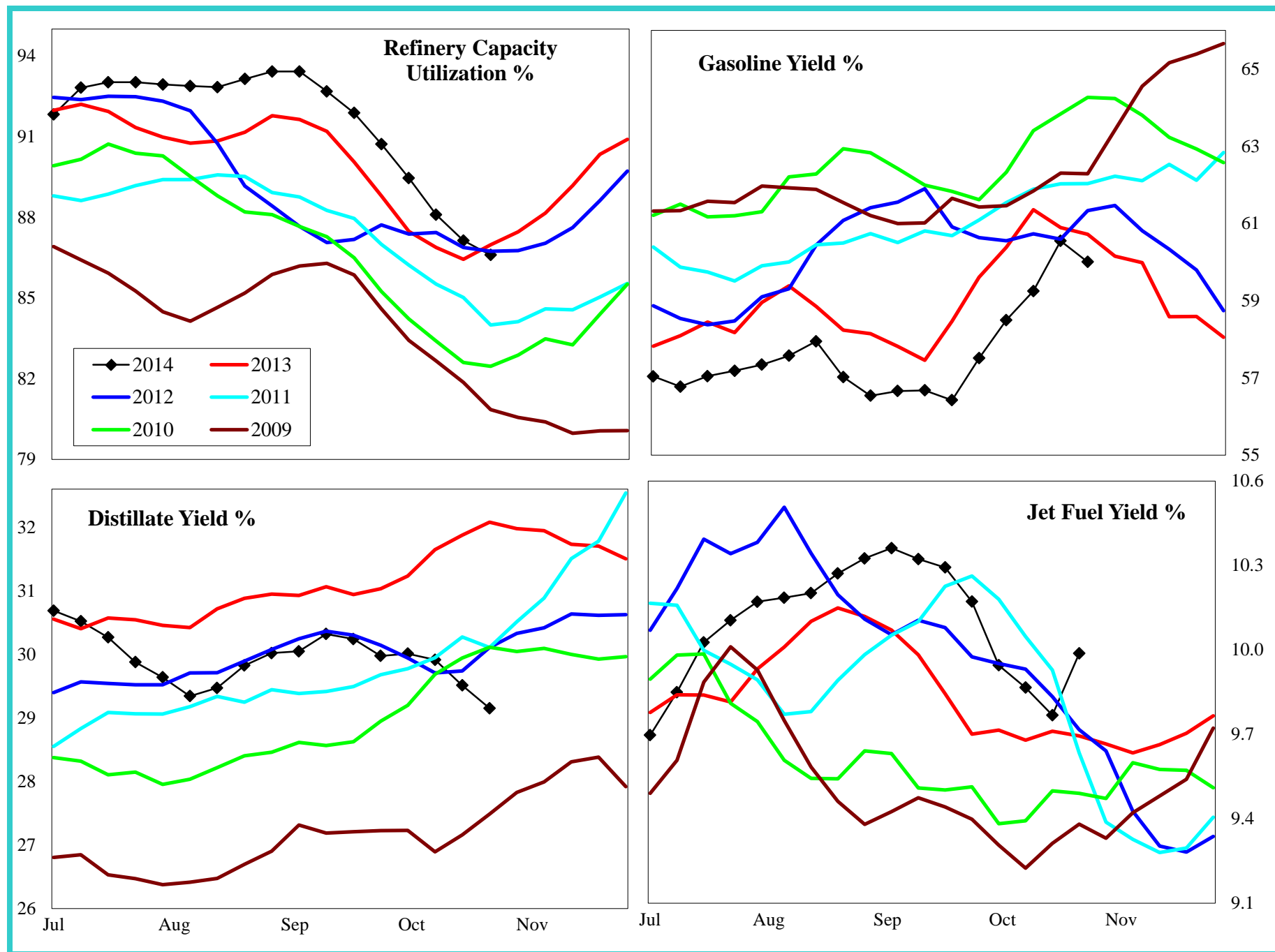


	000 bpd change from prior year				% change from prior year				
	4wk avg	Sep	Aug	Jul	4wk avg	Sep	Aug	Jul	
Gasoline	-96	-220	-19	164	-1.1	-2.5	-0.2	1.8	
Distillate	-150	86	179	292	-4.0	2.3	4.8	8.2	
Jet Fuel	115	32	45	24	8.2	2.3	3.0	1.6	
Resid	87	-82	-221	-123	52.6	-23.5	-54.8	-34.0	

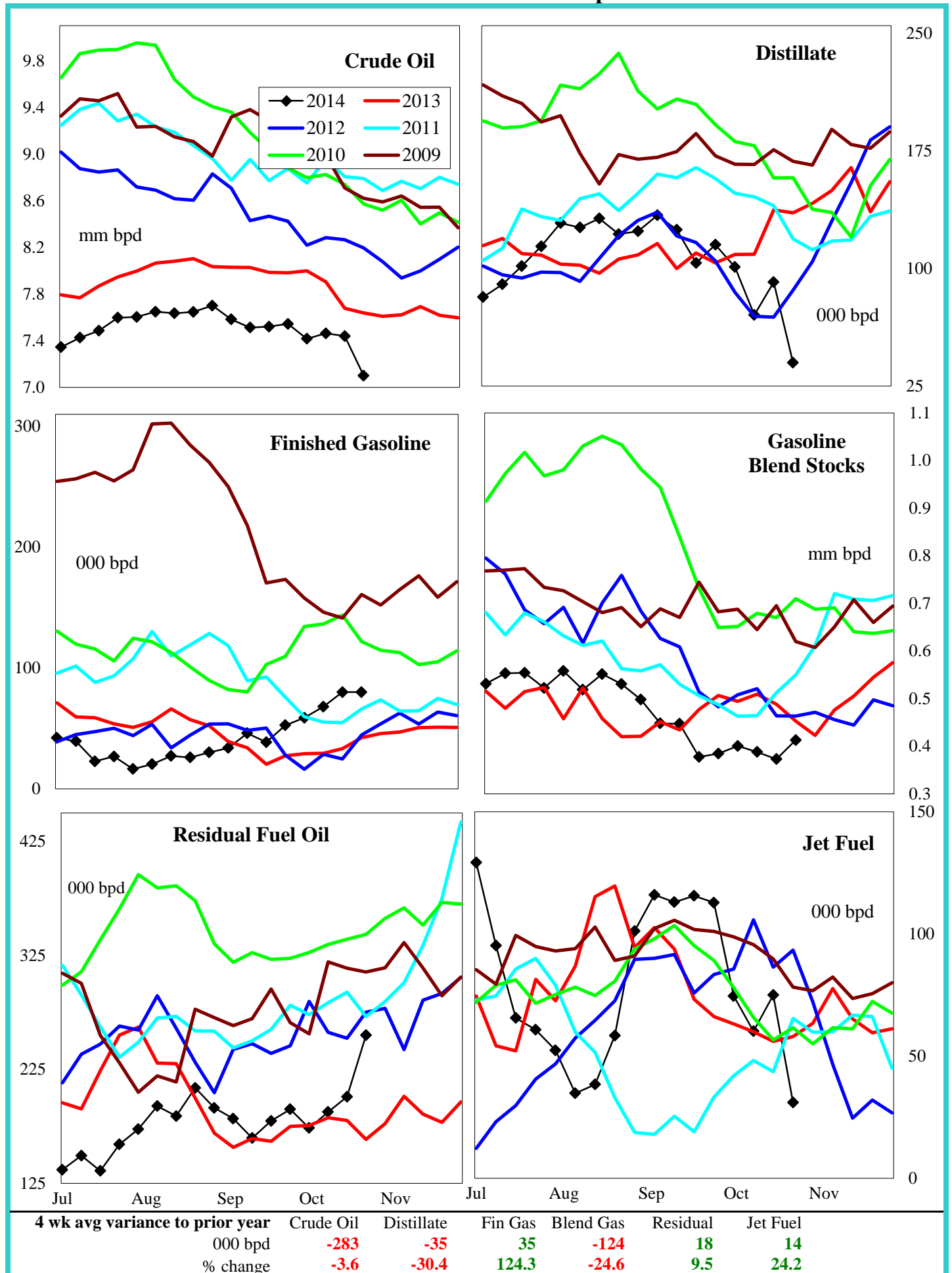


**United States Product Stocks: Days Forward Coverage**

## United States Refinery Percent Utilization Rate and Product Yields

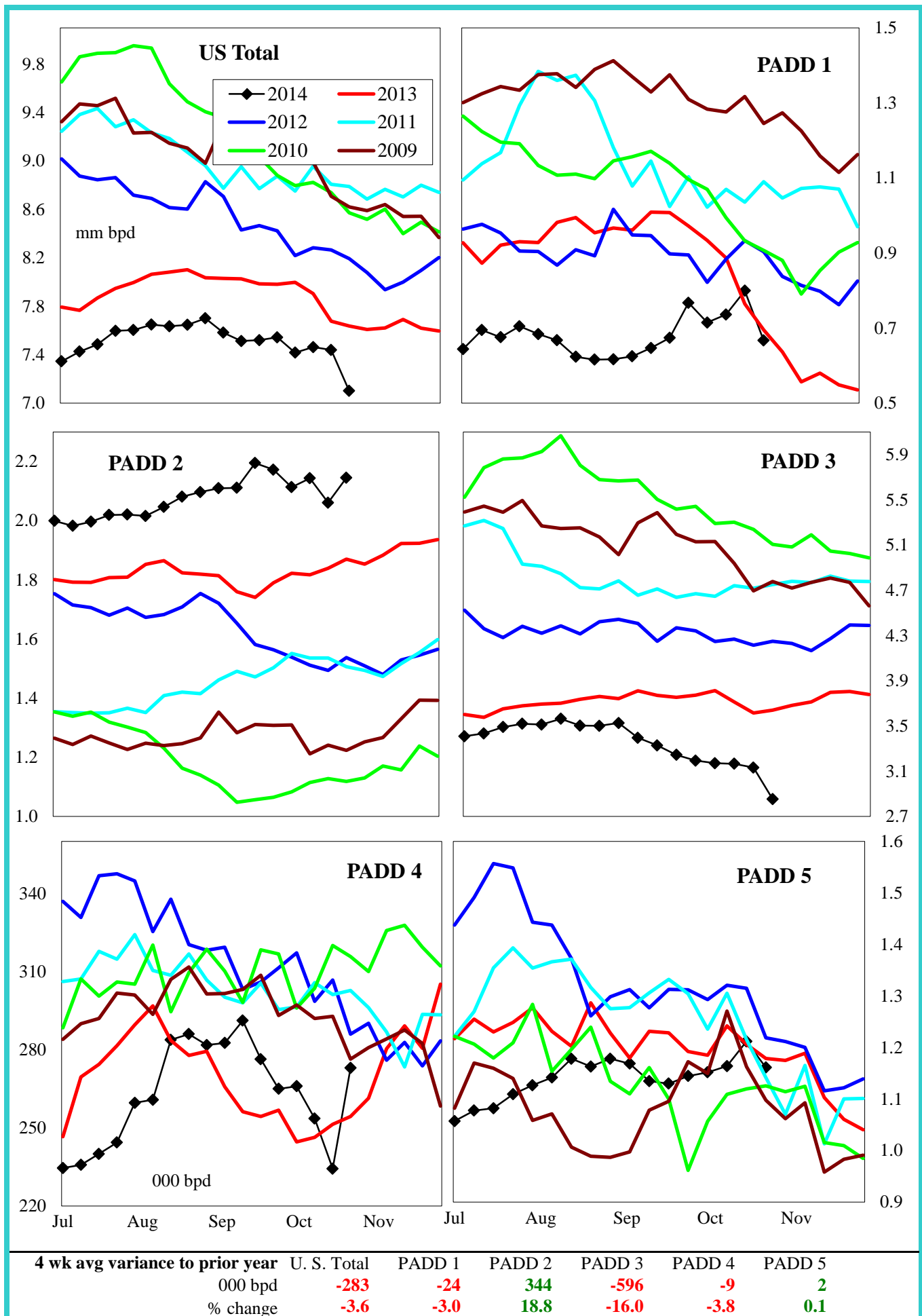


# United States Petroleum Imports

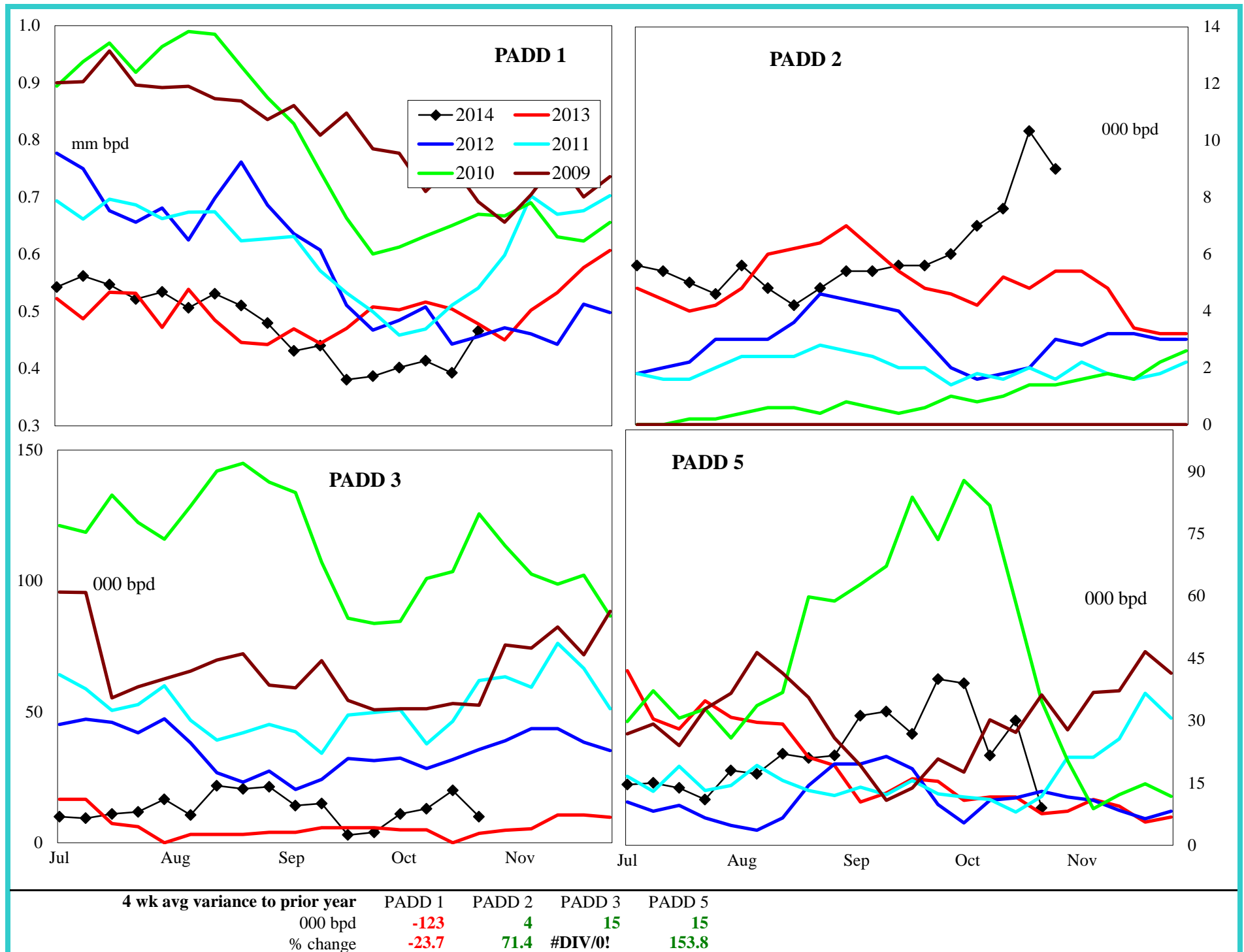




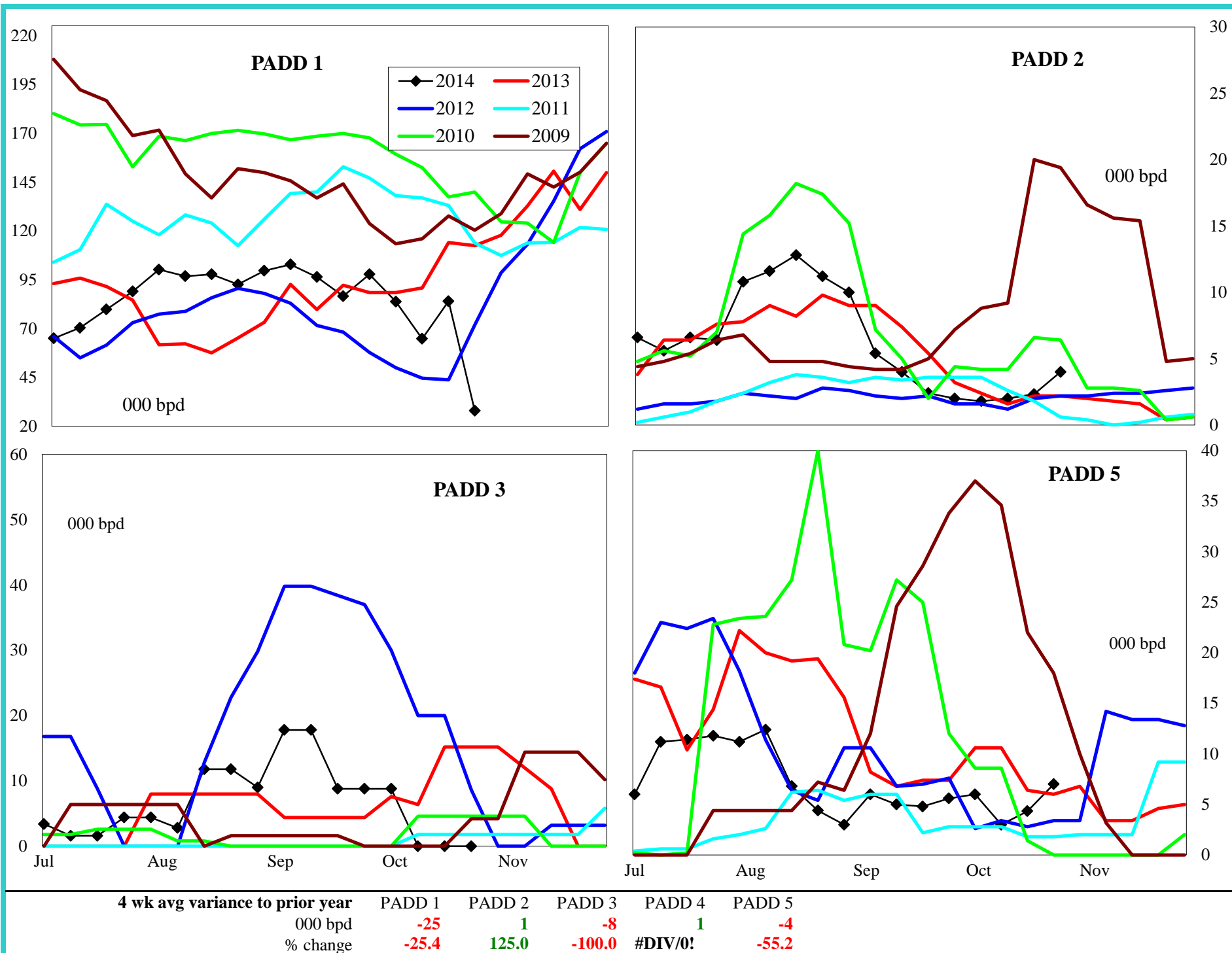
## Crude Oil Imports by PADD



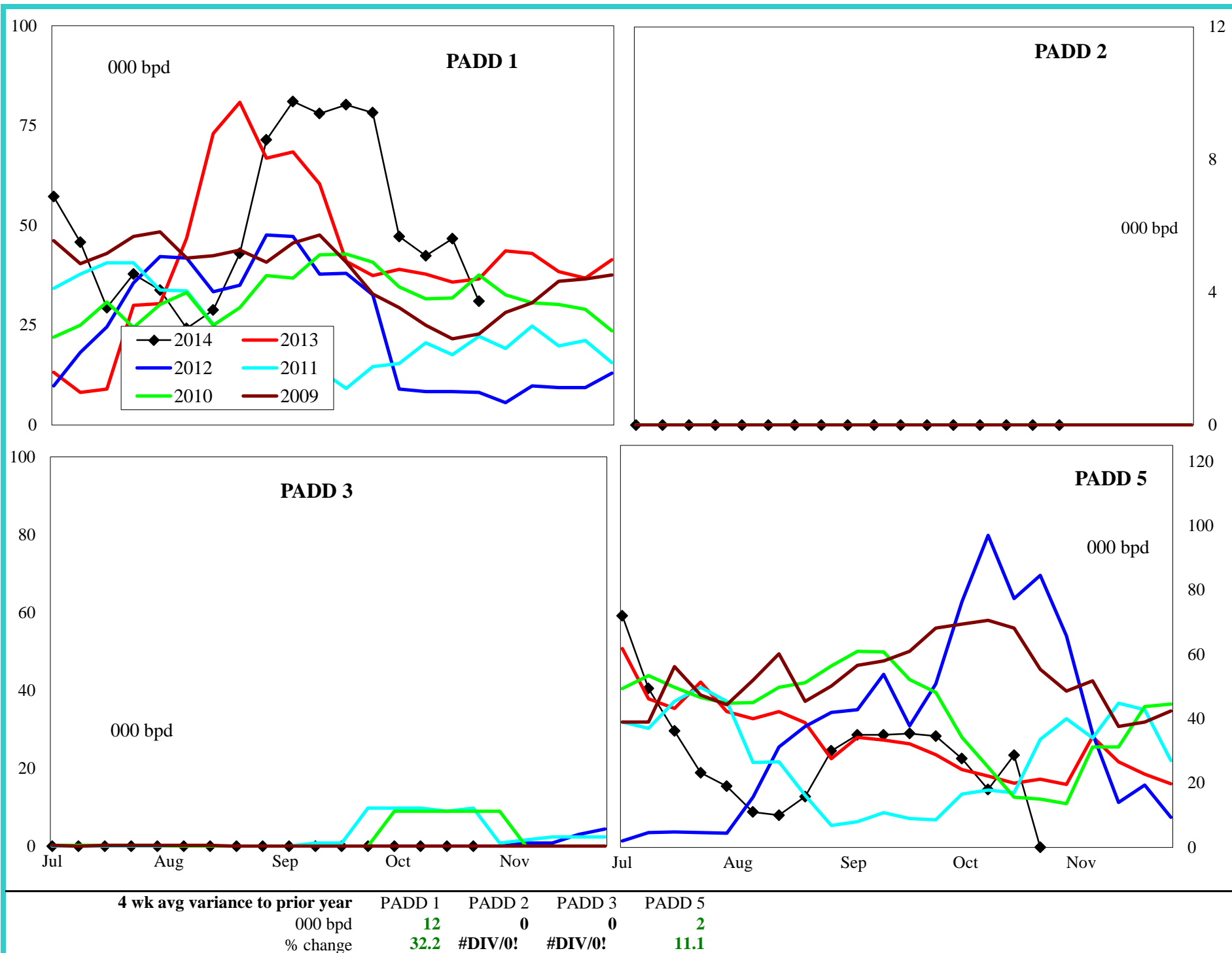
# Gasoline Imports by PADD (Finished + Blend Stocks)



# Distillate Imports by PADD

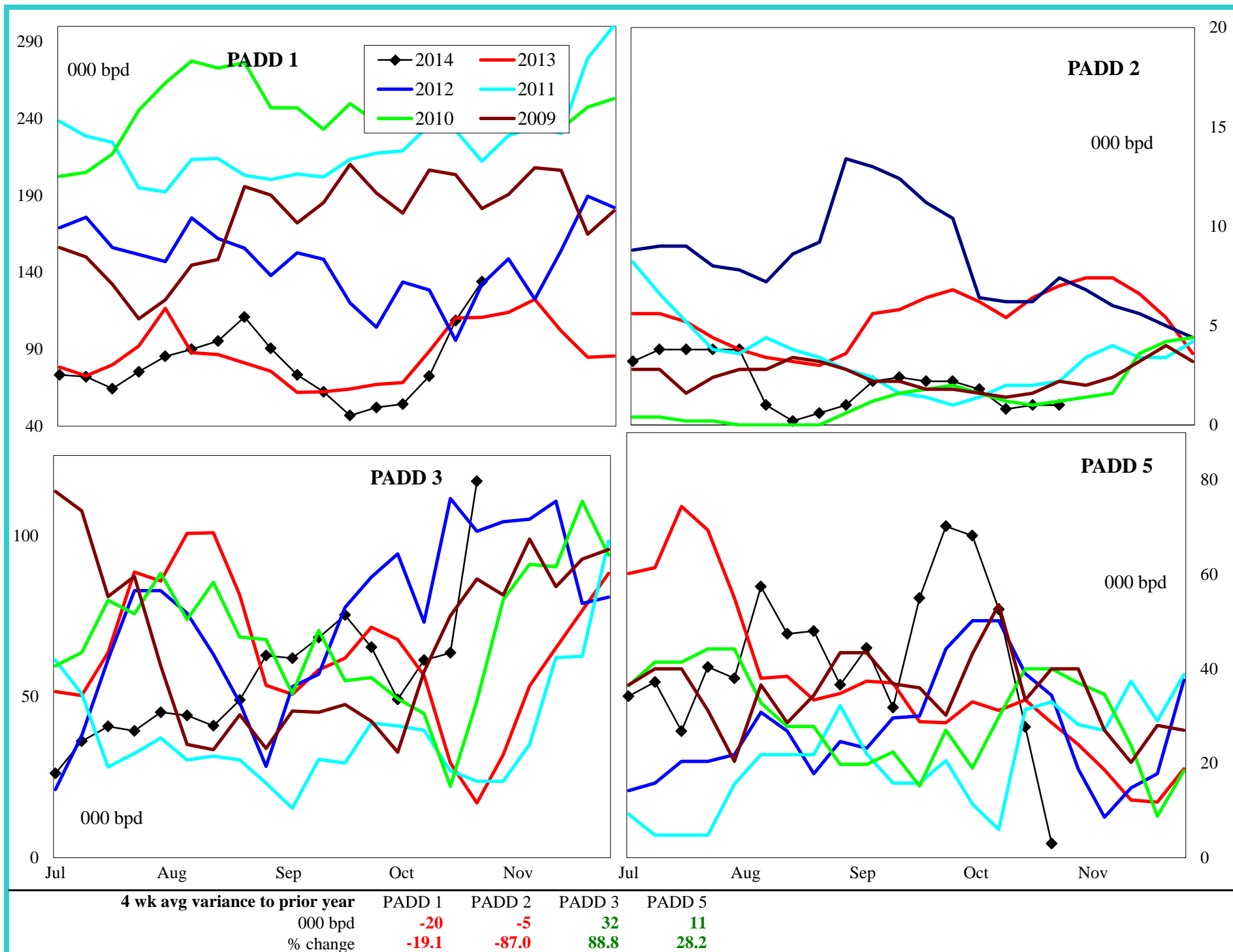


# Jet Fuel Imports by PADD

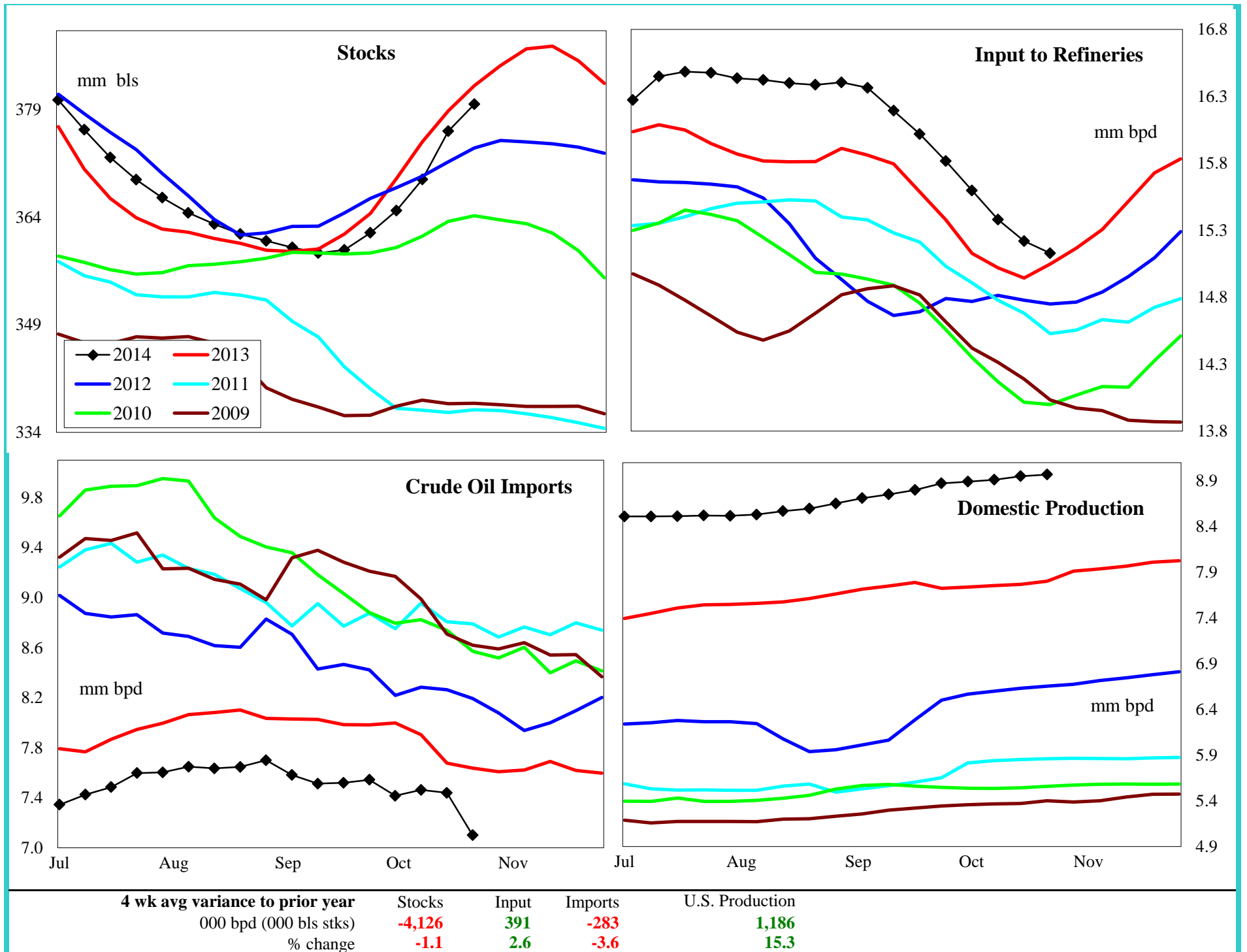




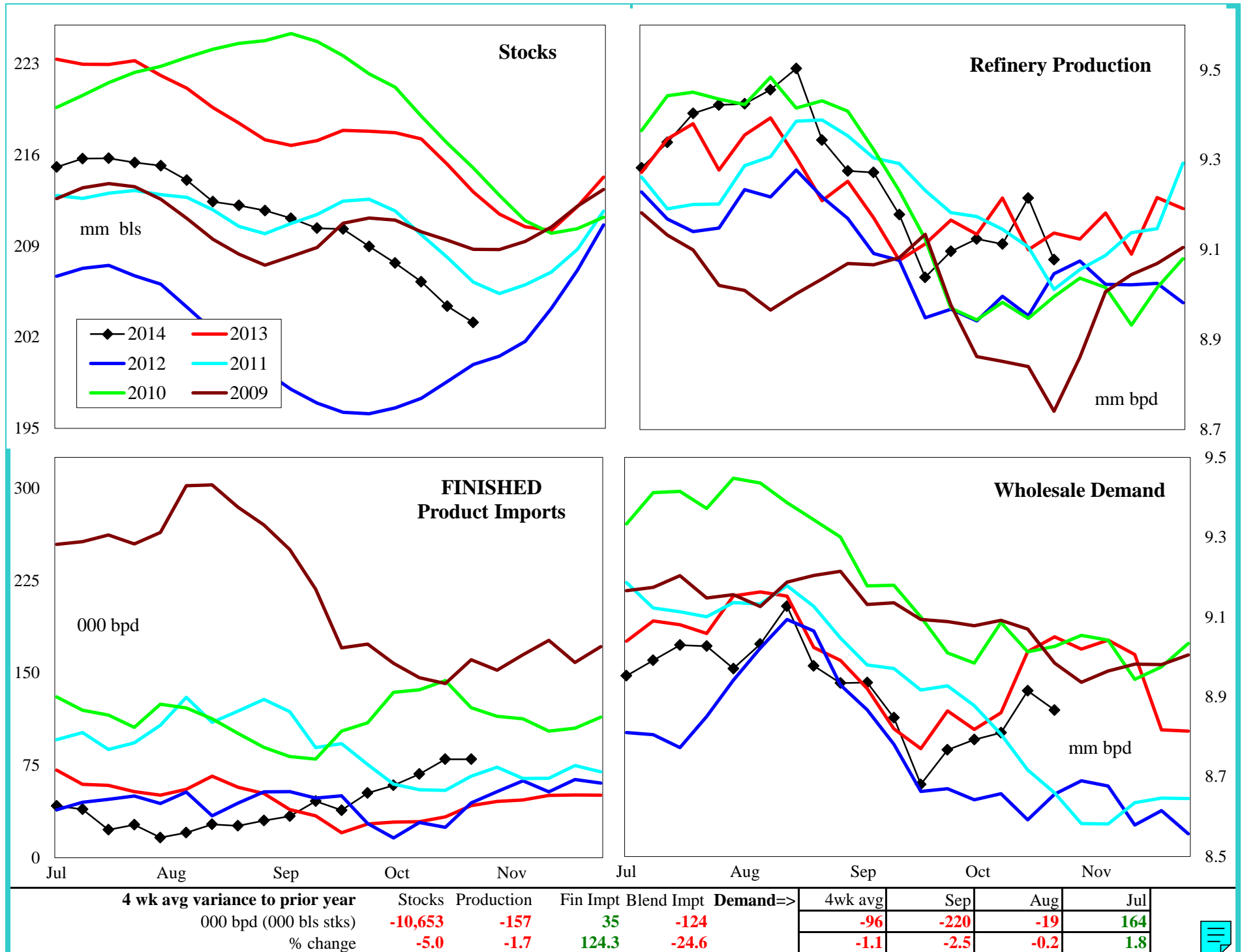
## Residual Fuel Oil Imports by PADD



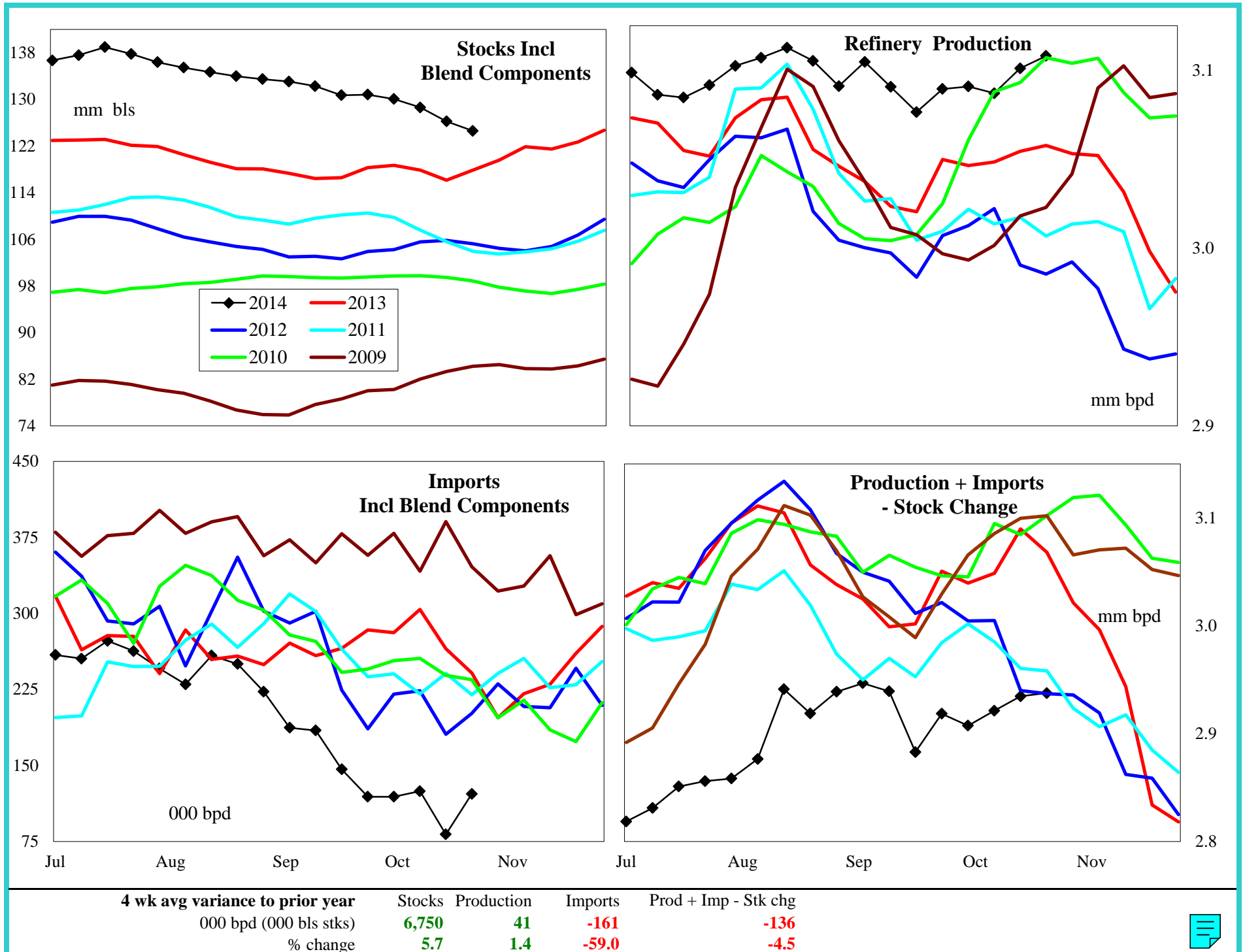
# United States Crude Oil Supply and Demand Balance



# United States Gasoline Supply and Demand Balance

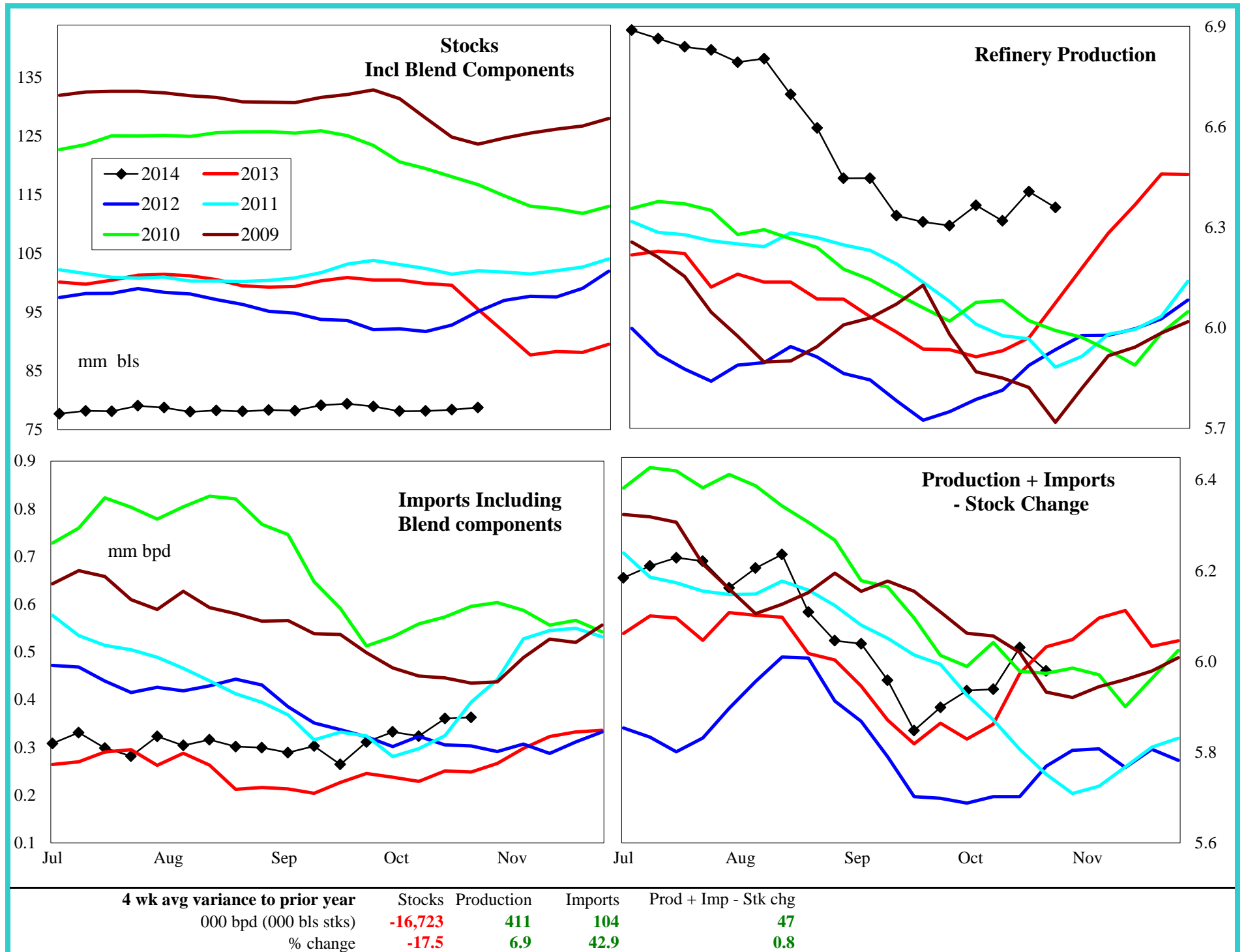


# United States Reformulated Gasoline Supply

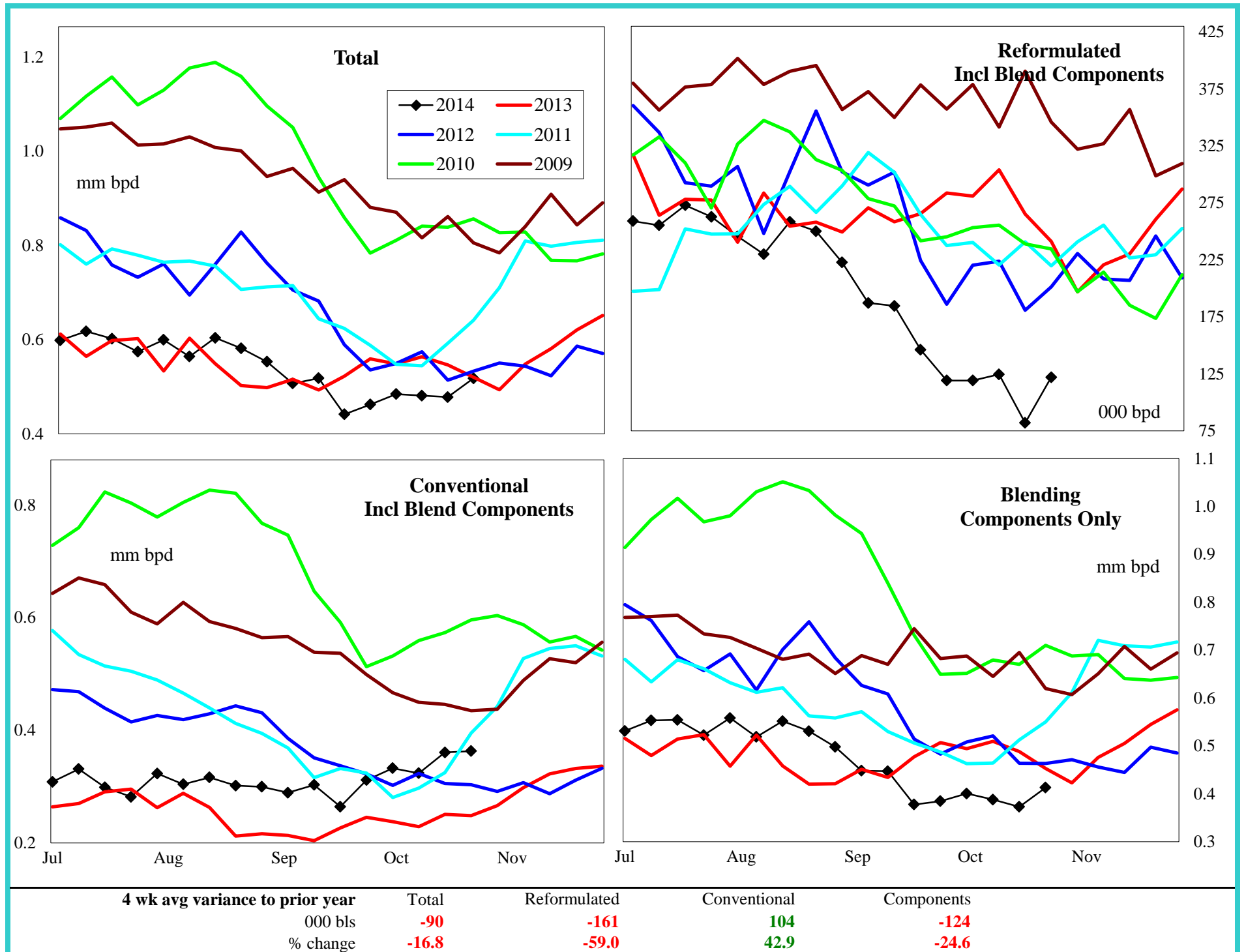




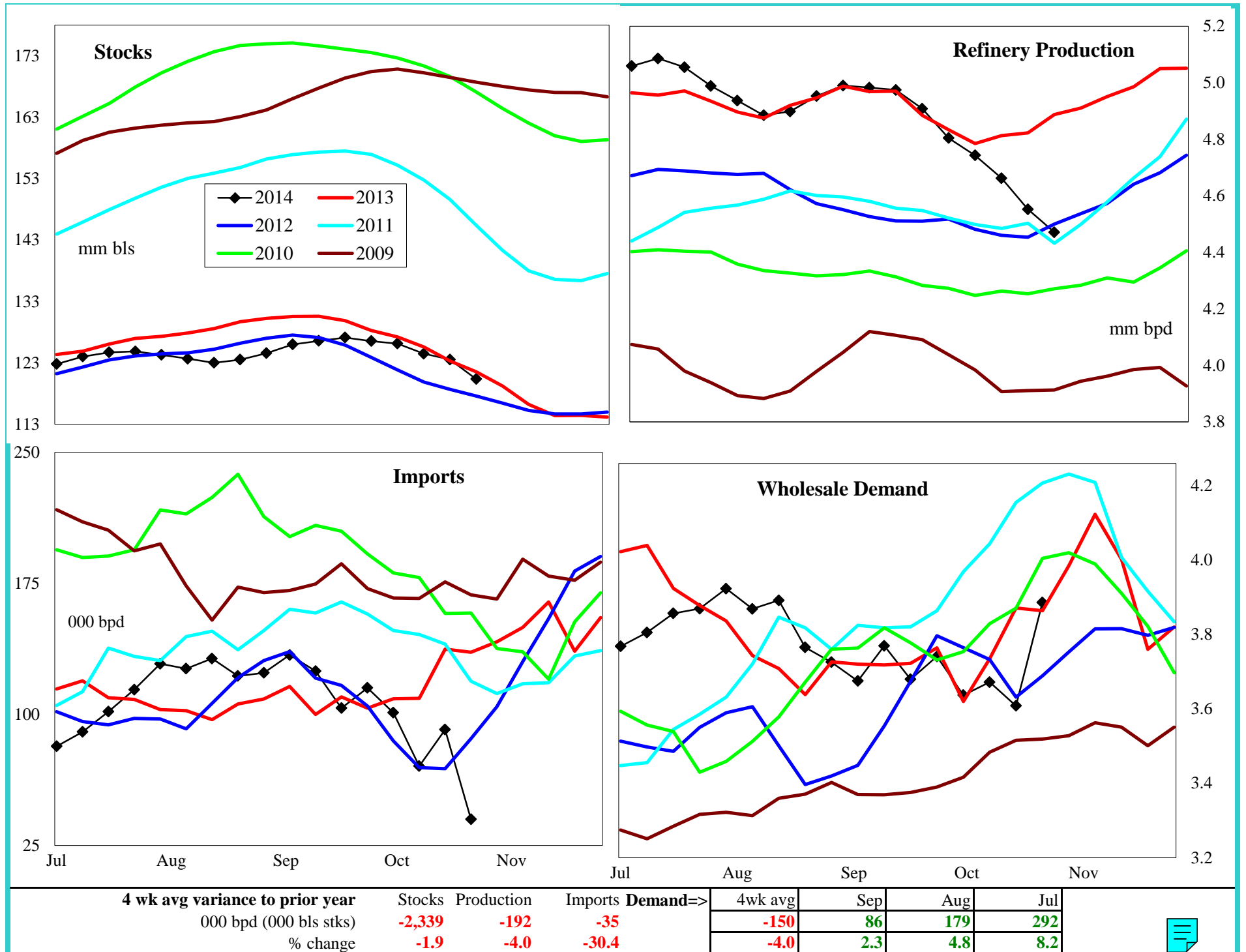
# United States Conventional Gasoline Supply



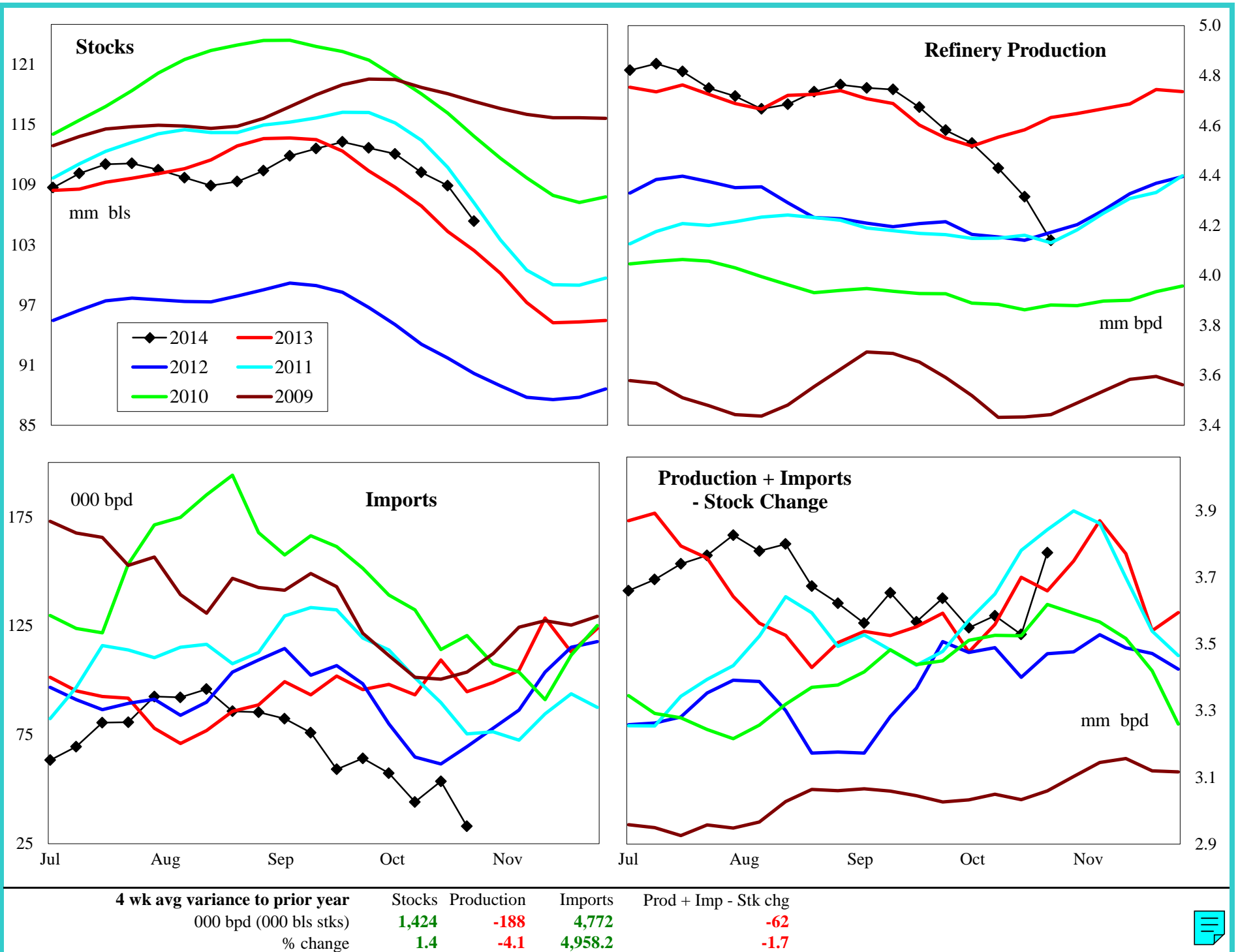
# United States Gasoline Imports by Type



# United States Distillate Supply and Demand Balance

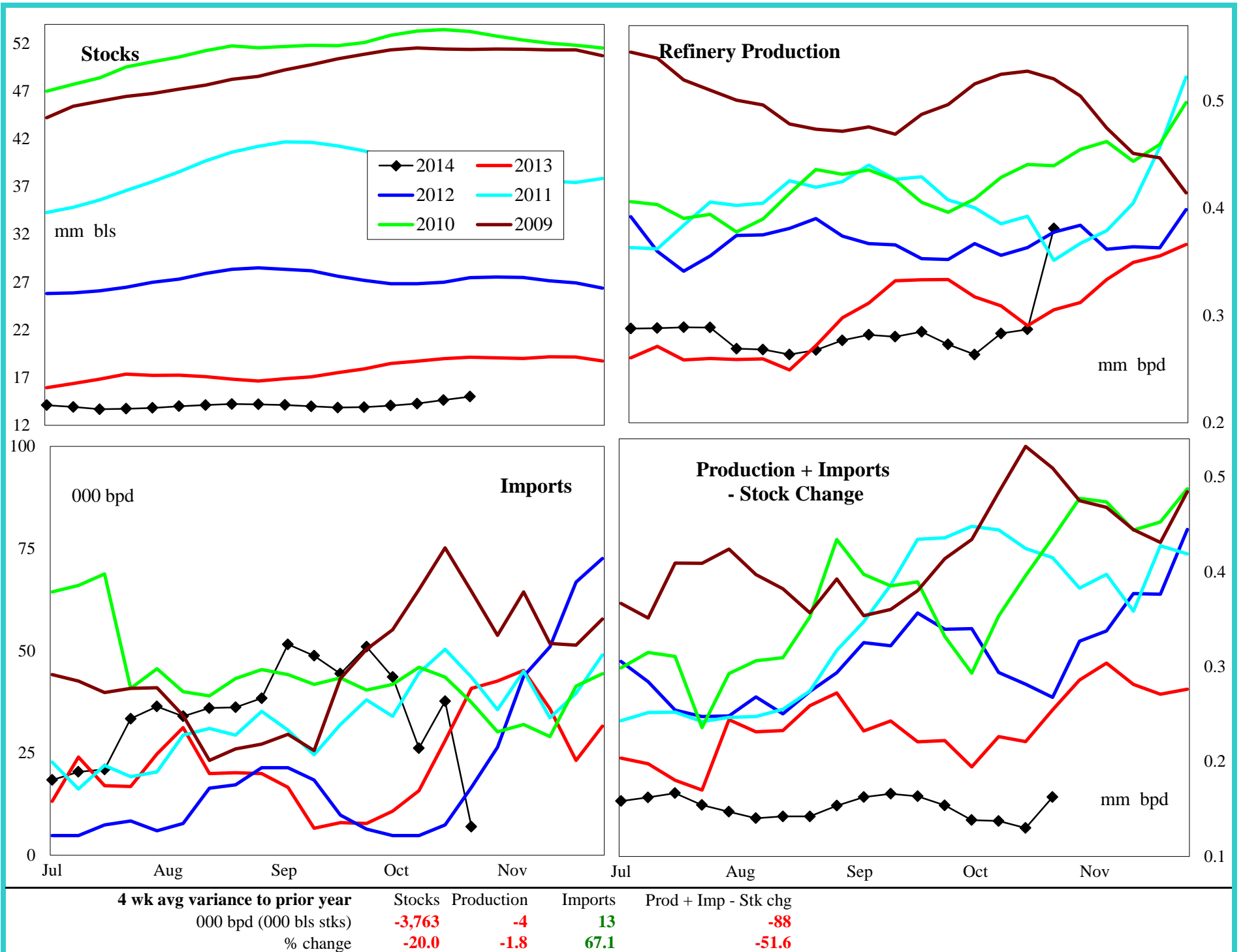


# United States Low Sulfur Distillate Supply

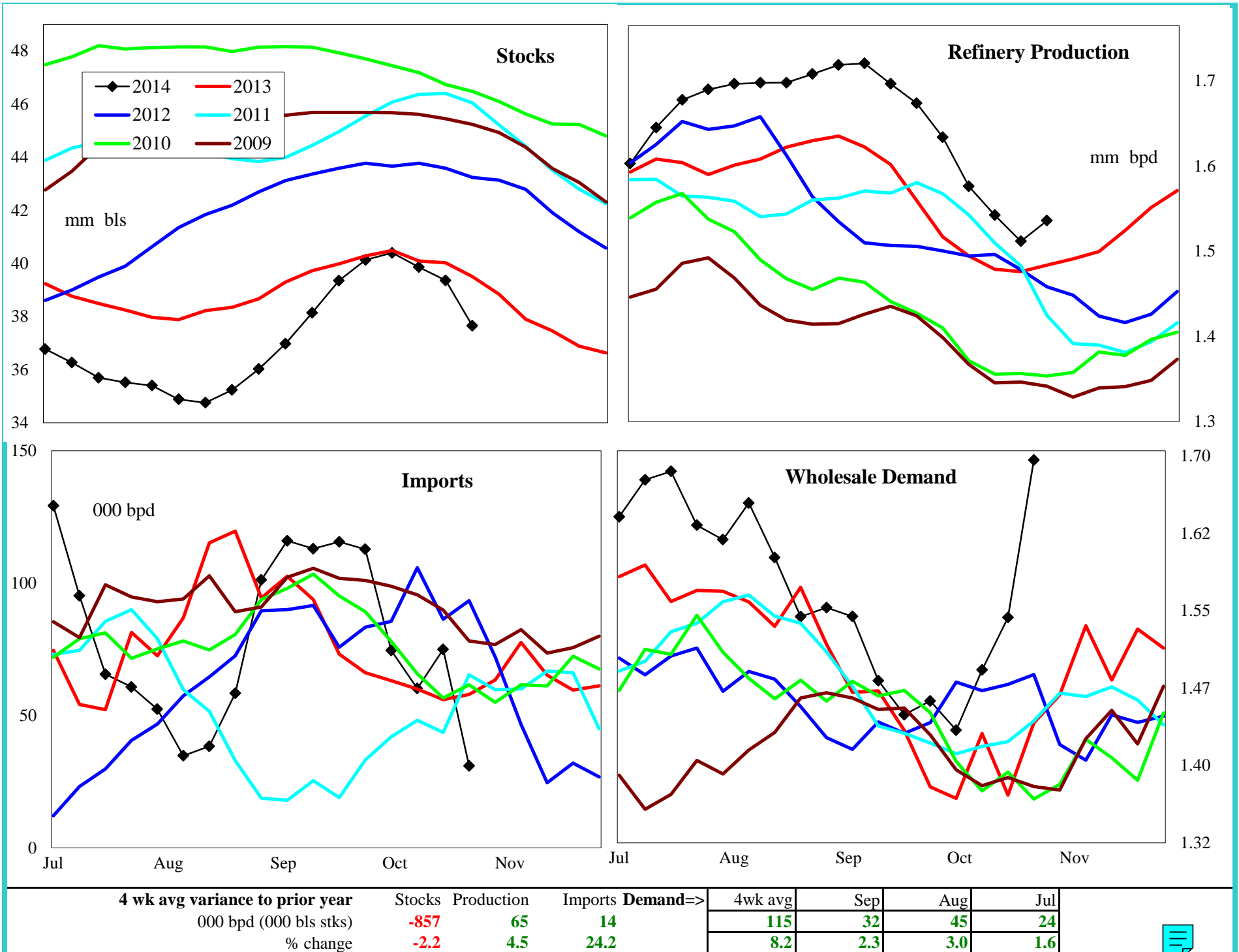




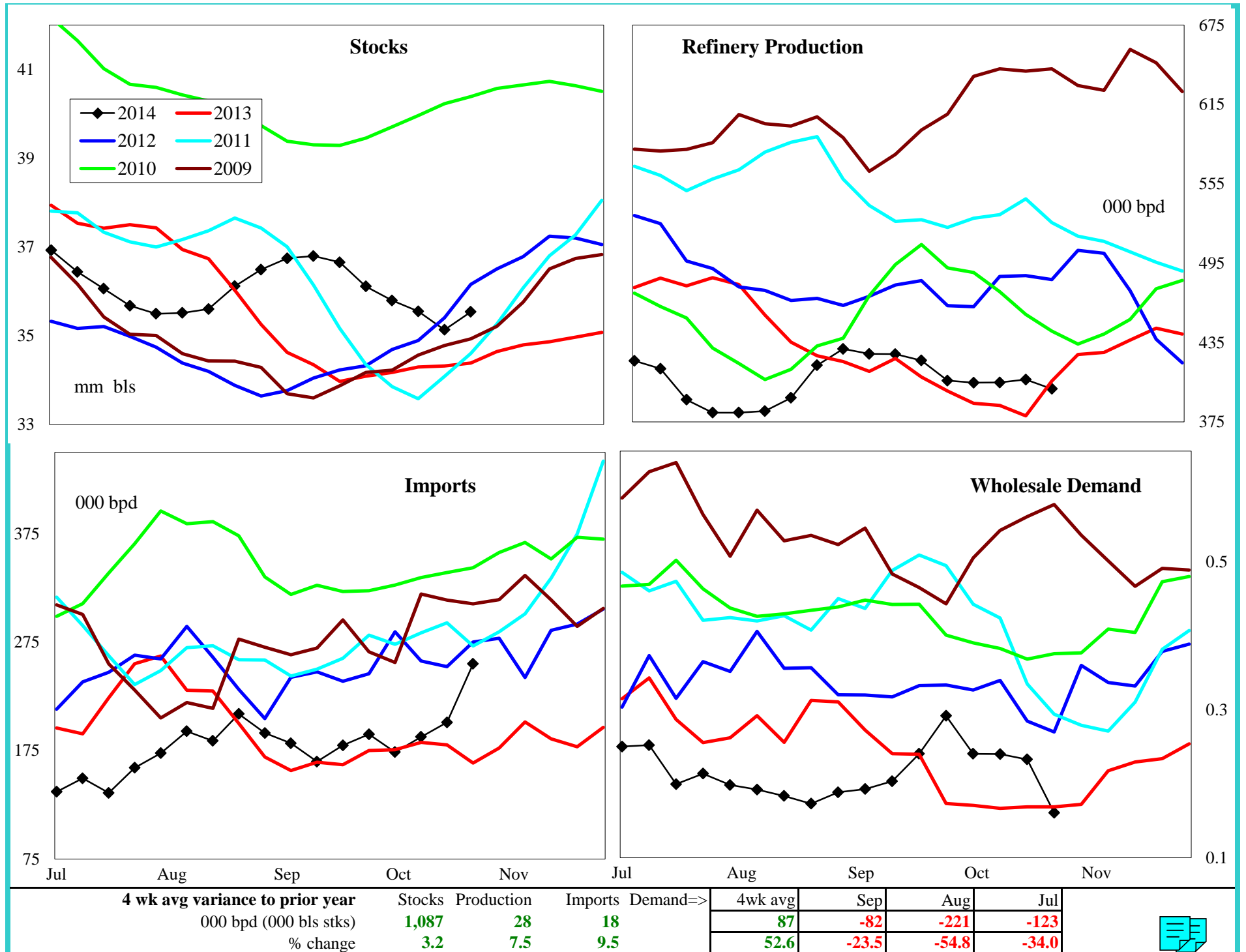
# United States High Sulfur Distillate Supply



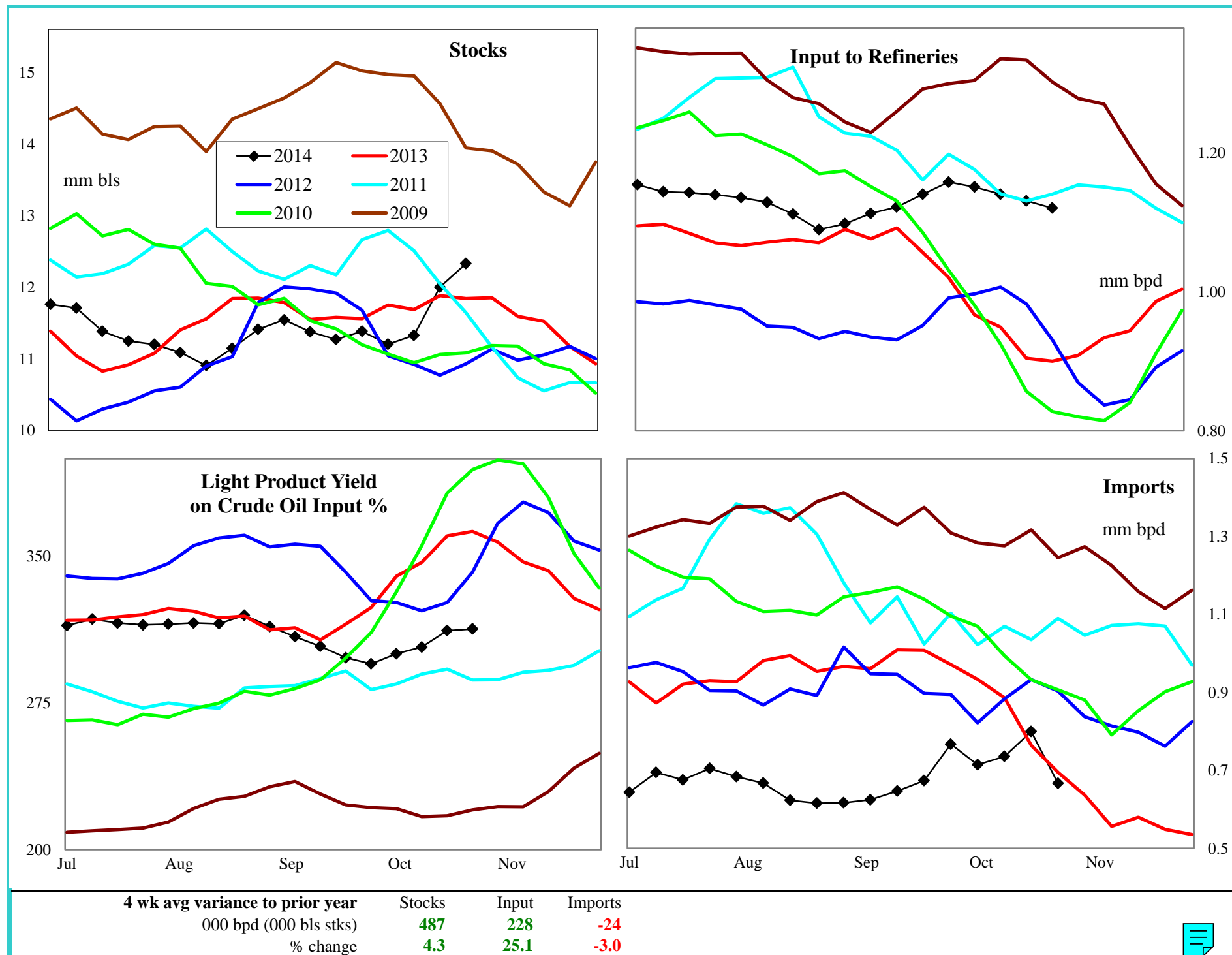
# United States Jet Fuel Supply and Demand Balance



# United States Residual Fuel Oil Supply and Demand Balance

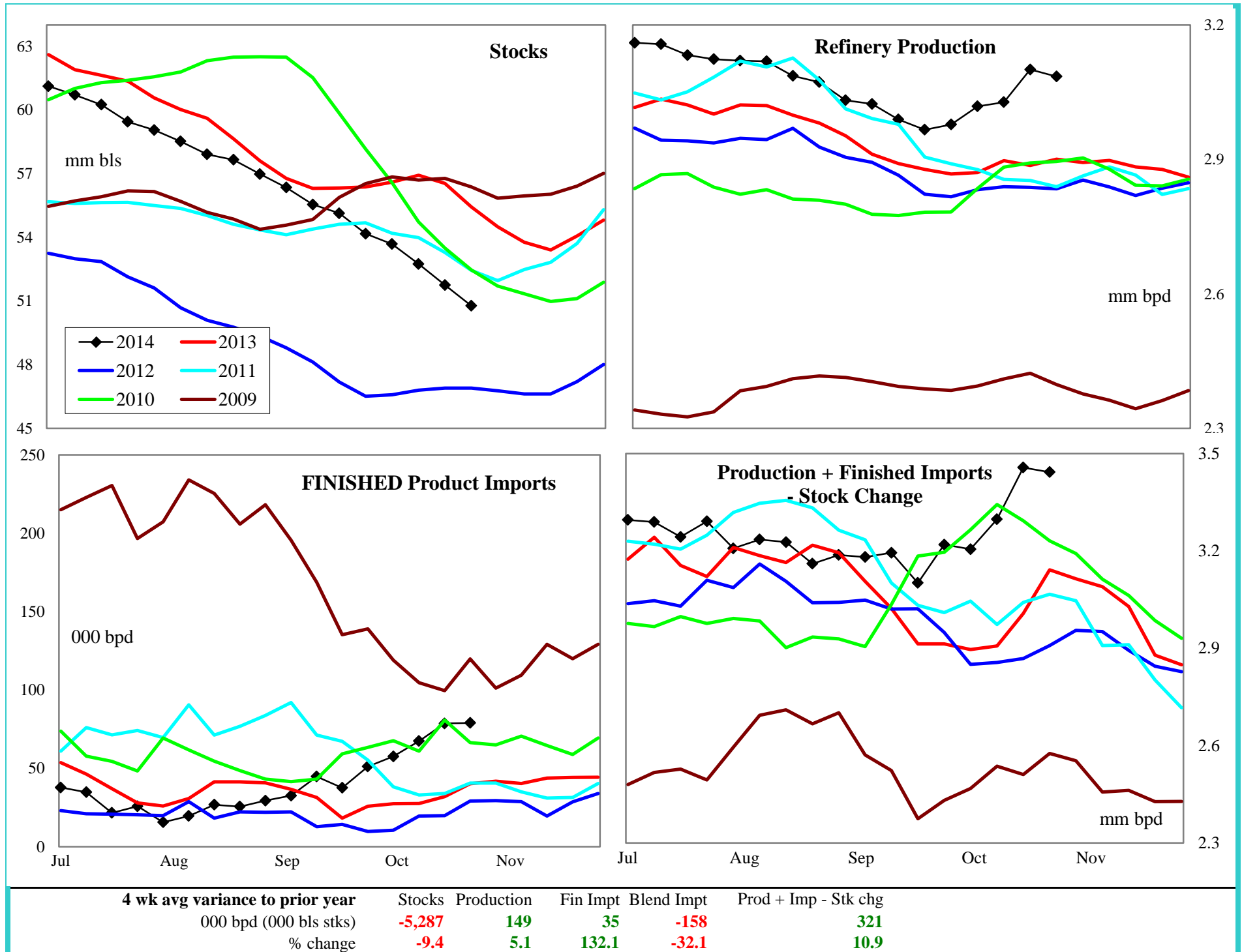


# PADD 1 Crude Oil Supply and Refining

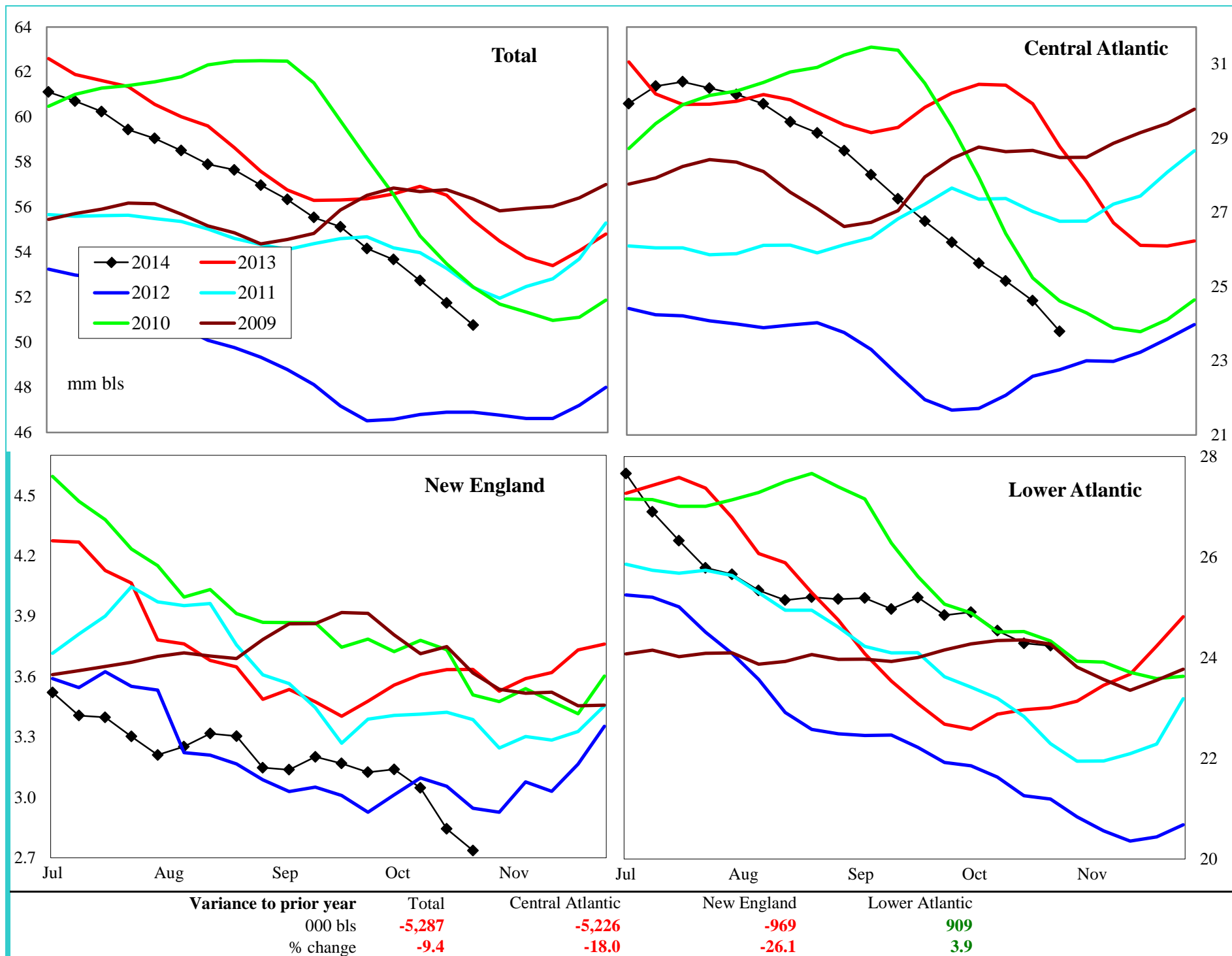




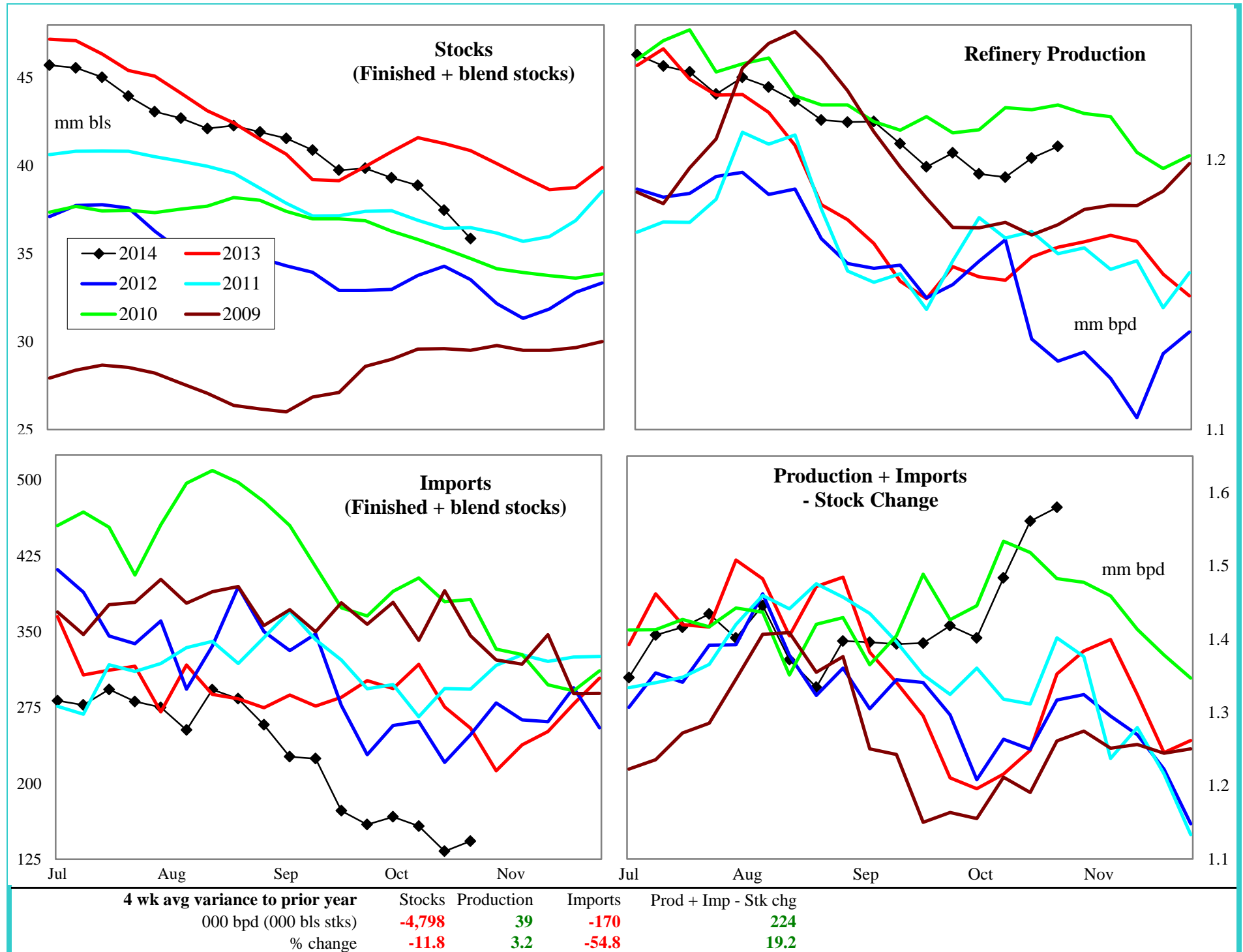
## PADD 1 Gasoline Supply



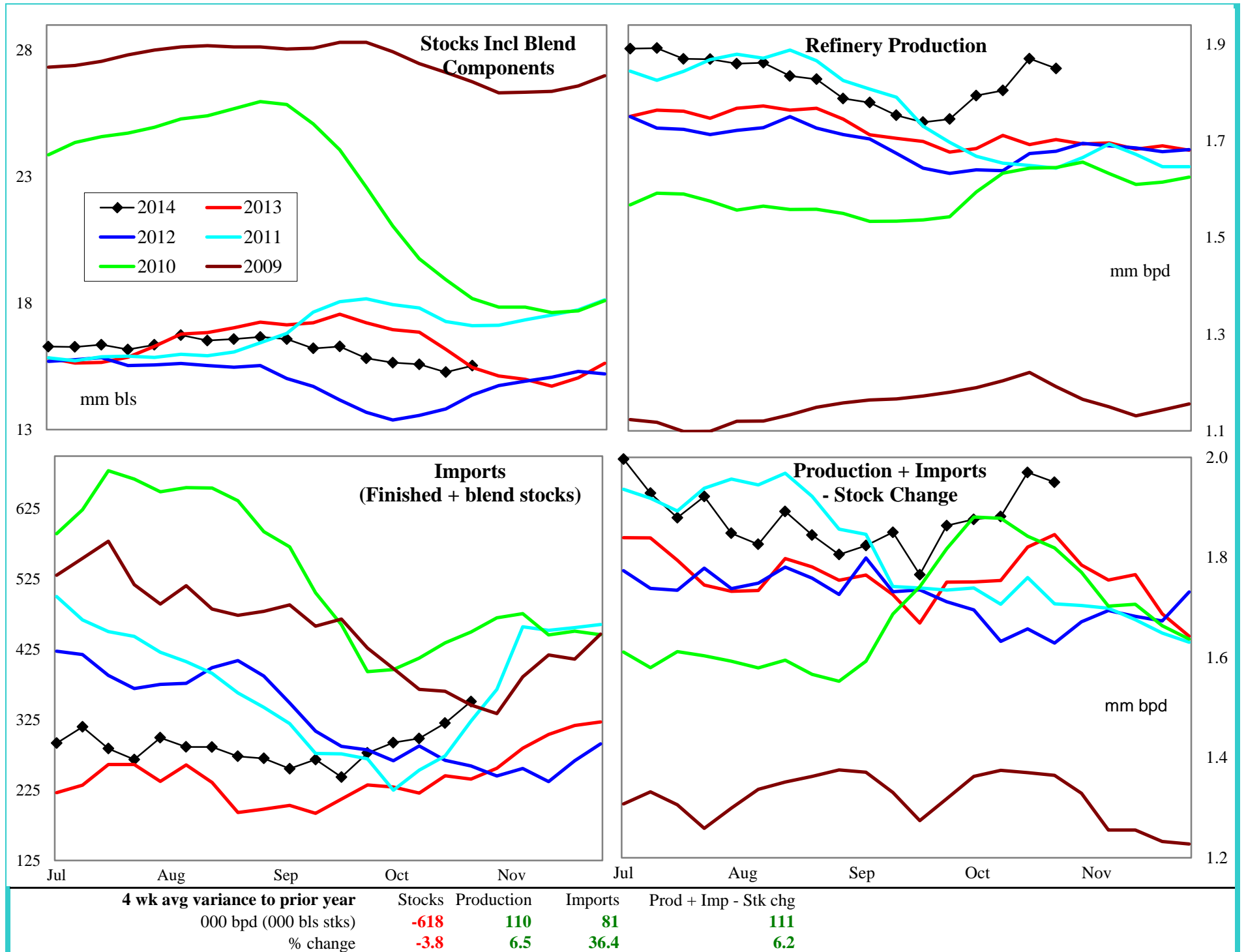
# PADD 1 Gasoline Stocks by Region



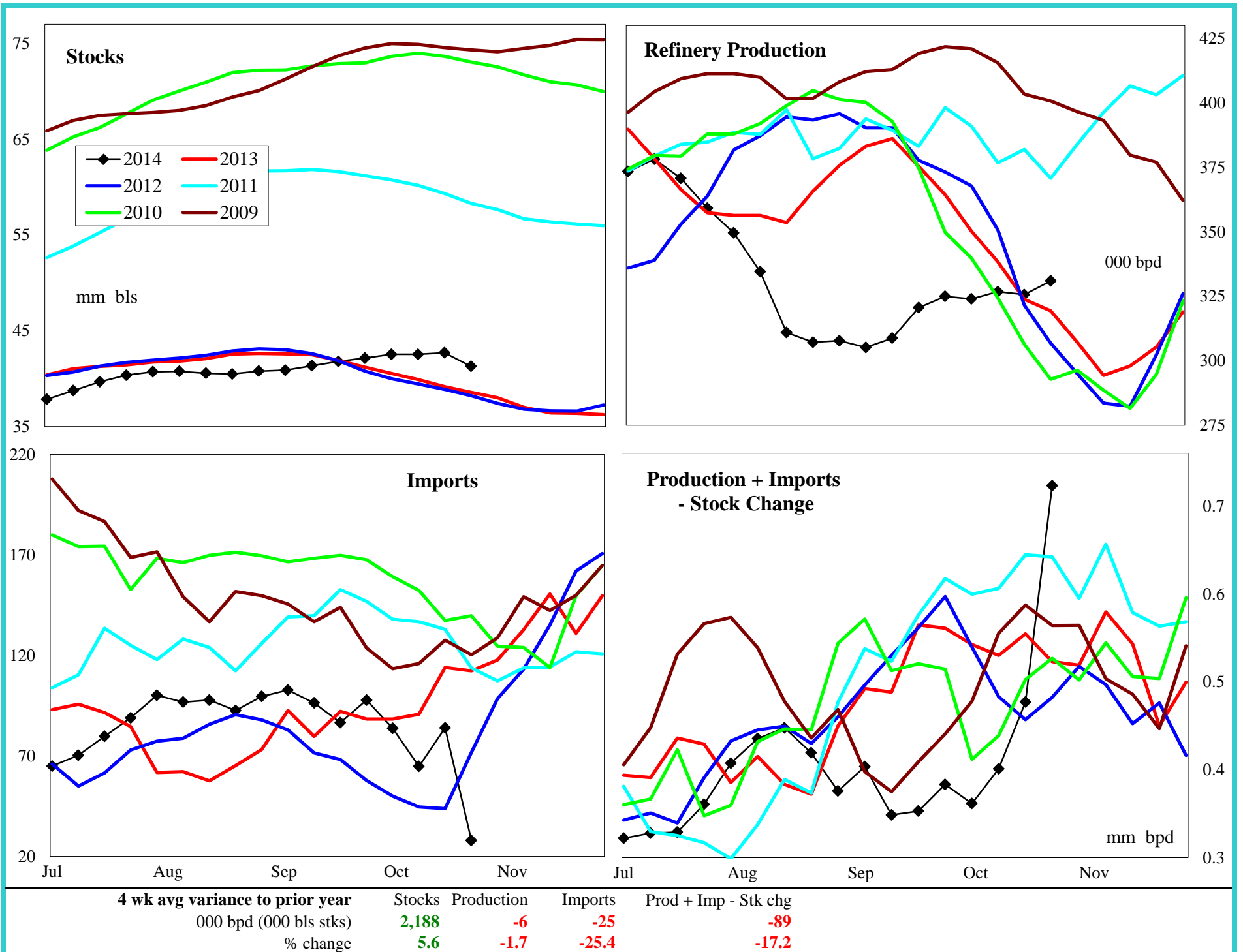
# PADD 1 Reformulated Gasoline Supply



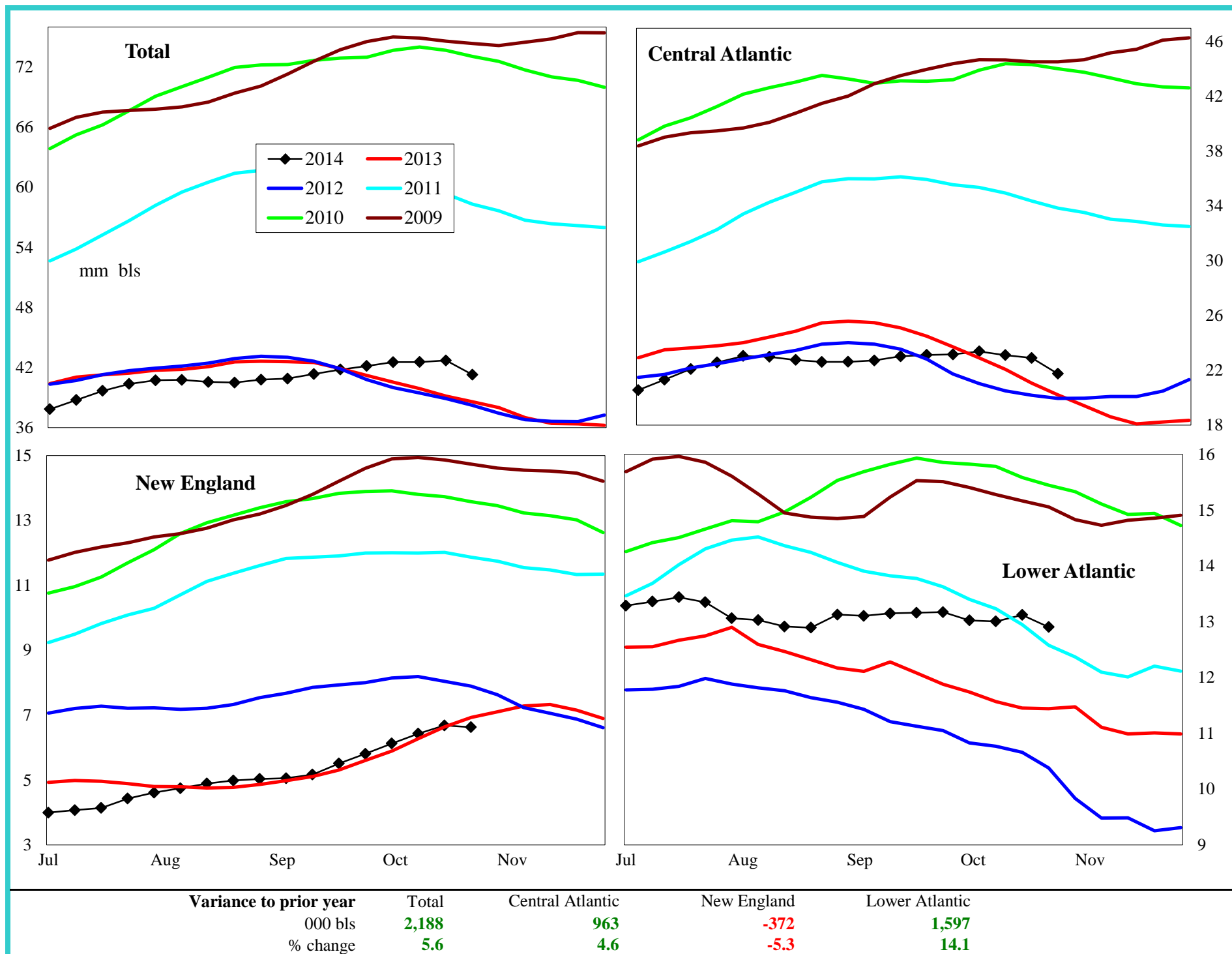
# PADD 1 Conventional Gasoline Supply



# PADD 1 Distillate Supply

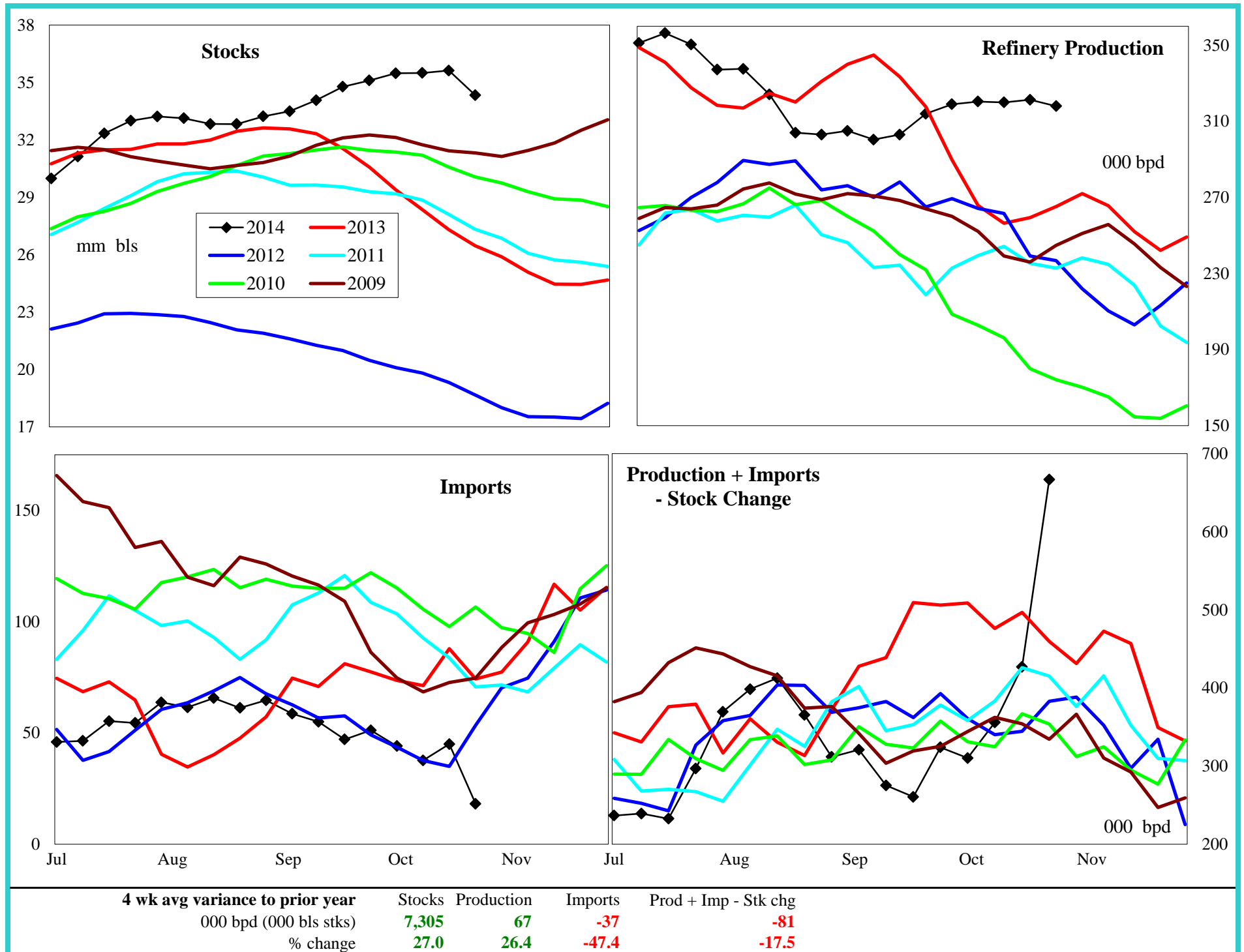


# PADD 1 Distillate Stocks by Region

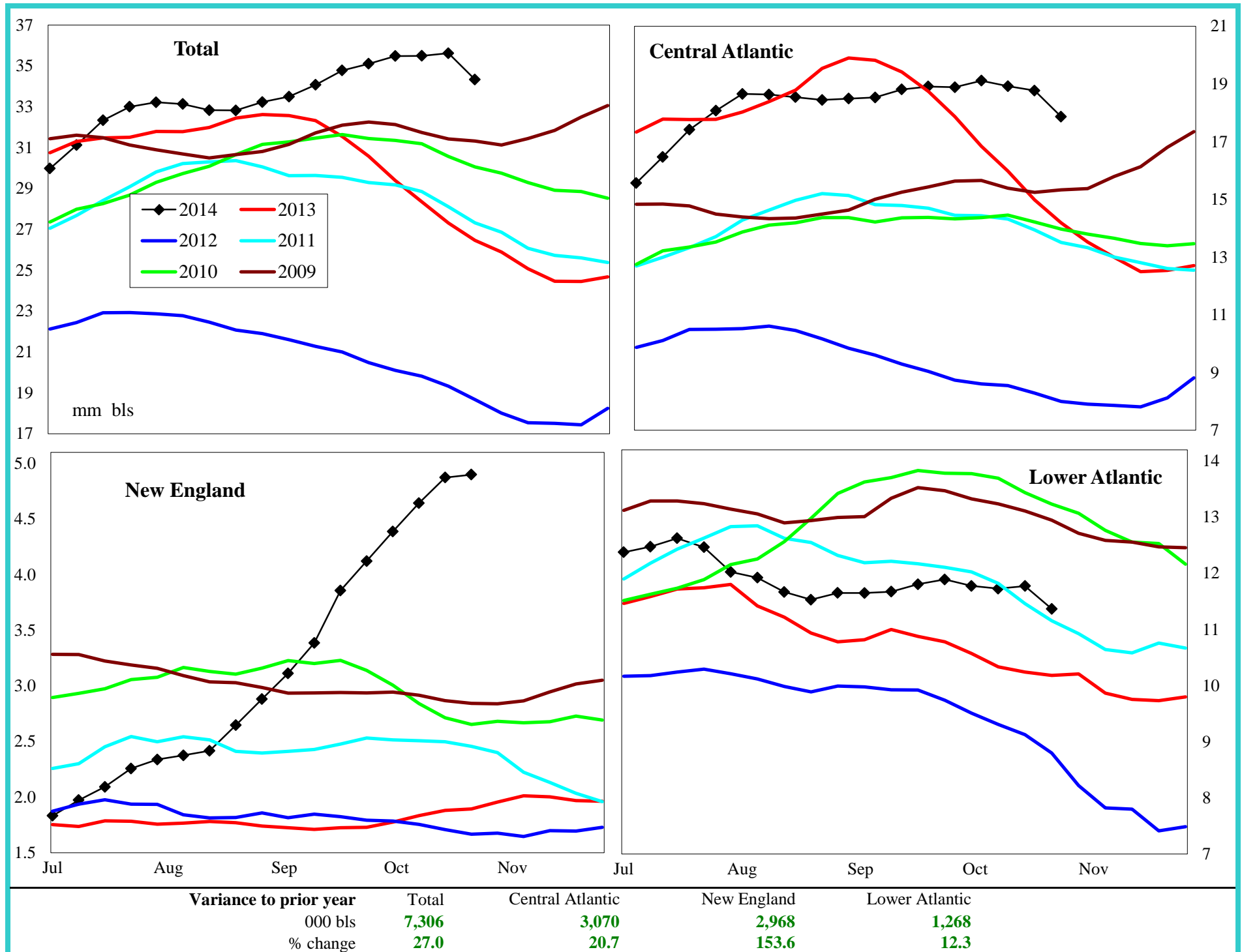




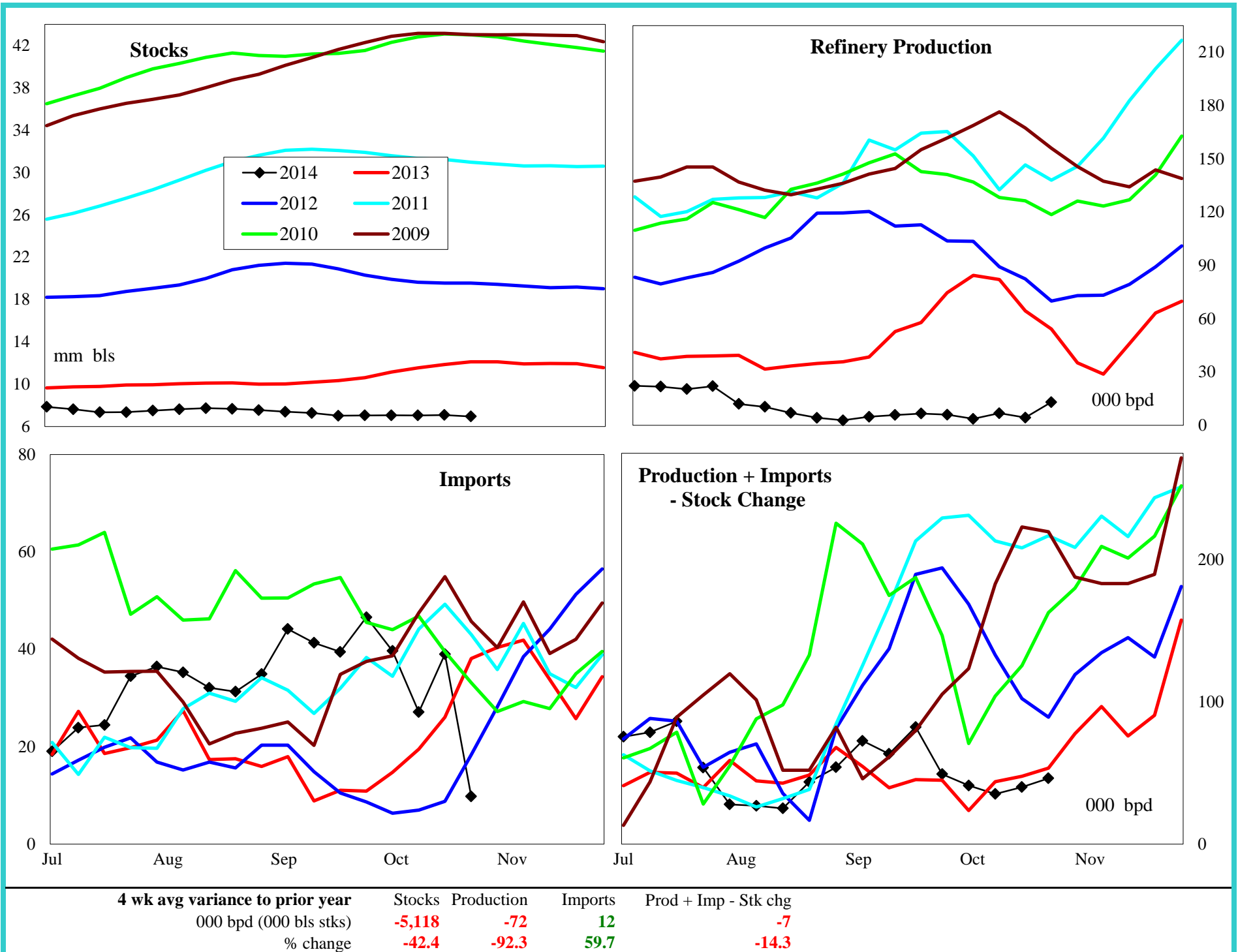
# PADD 1 Low Sulfur Distillate Supply



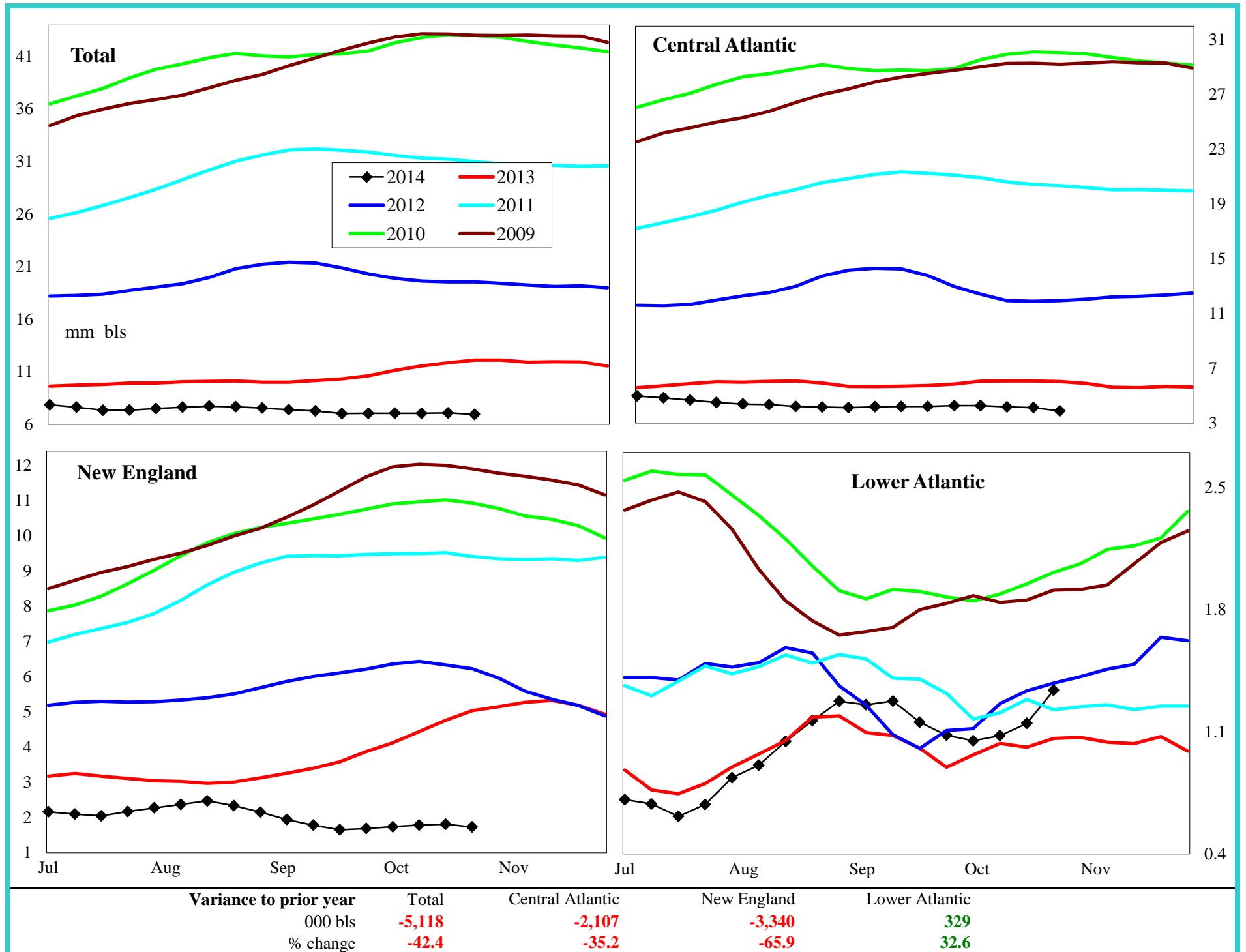
# PADD 1 Low Sulfur Distillate Stocks by Region



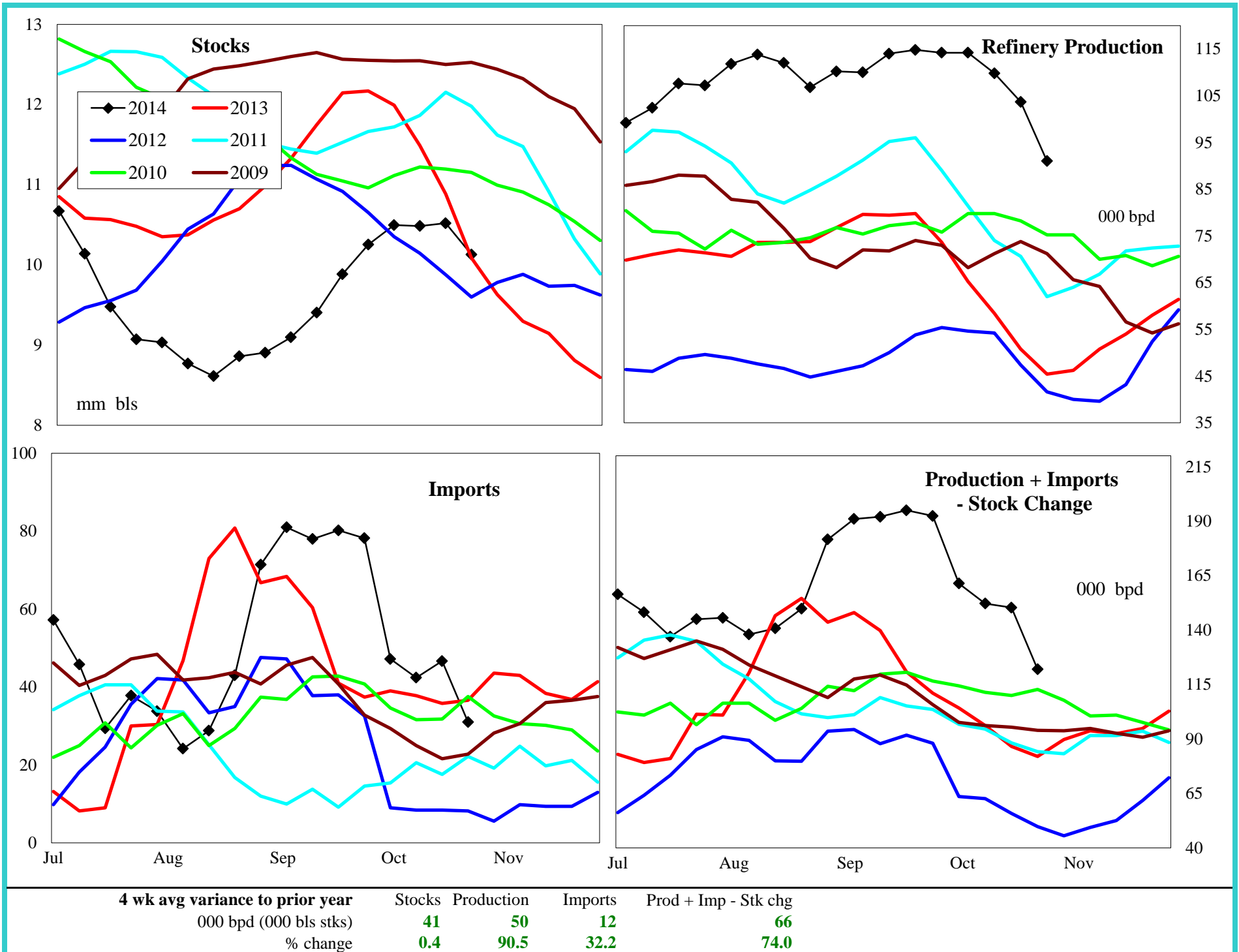
# PADD 1 High Sulfur Distillate Supply



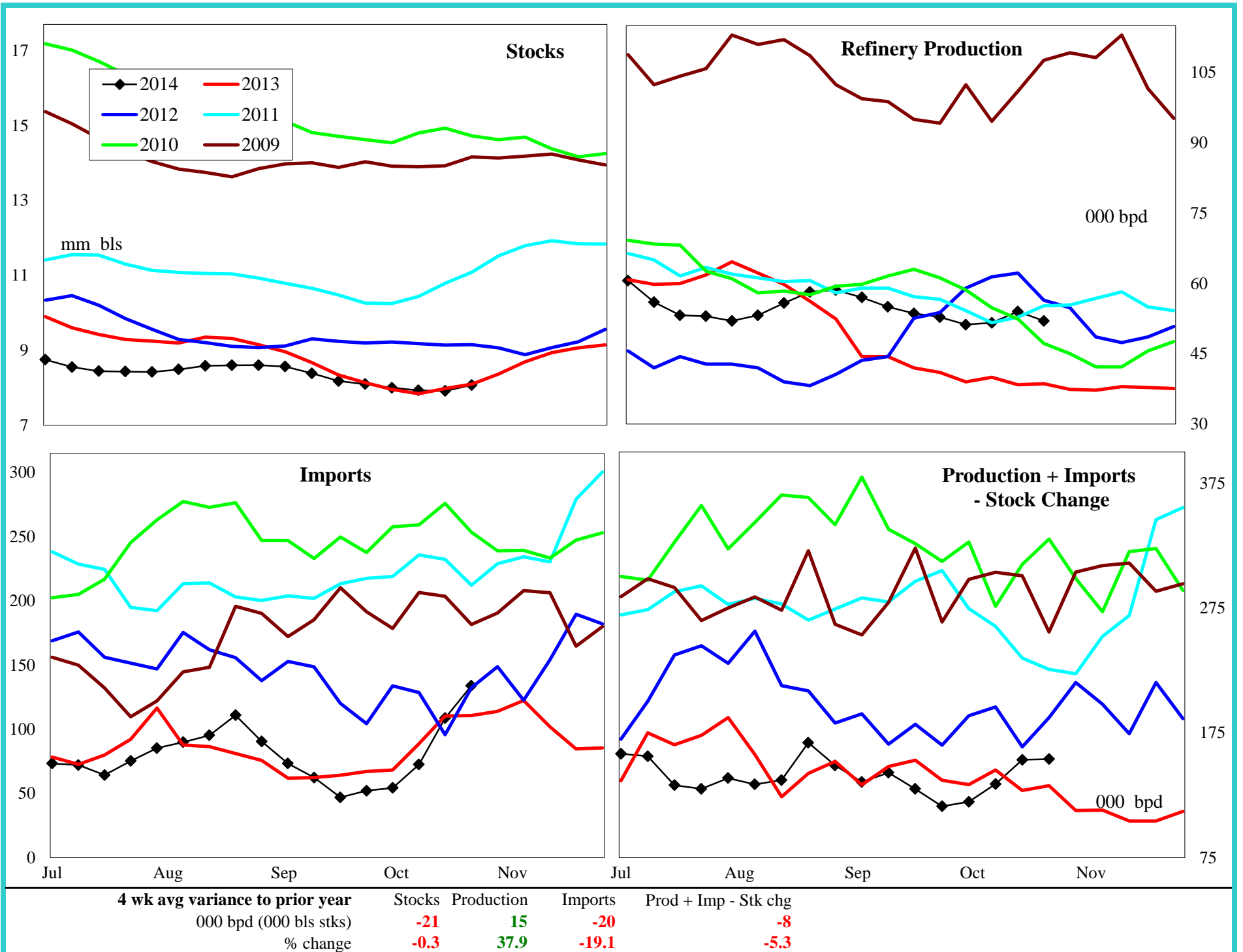
# PADD 1 High Sulfur Distillate Stocks by Region



# PADD 1 Jet Fuel Supply

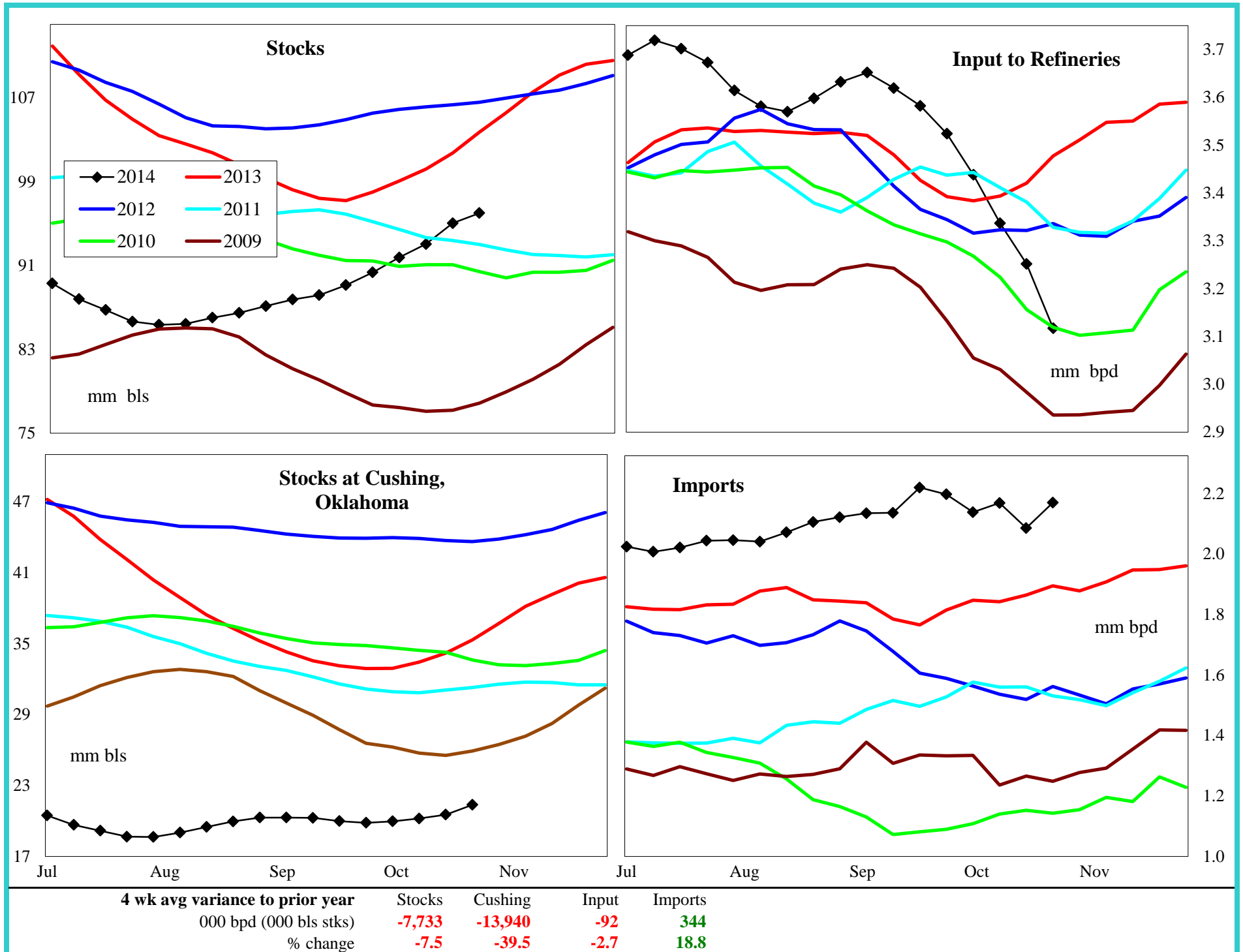


# PADD 1 Residual Fuel Oil Supply

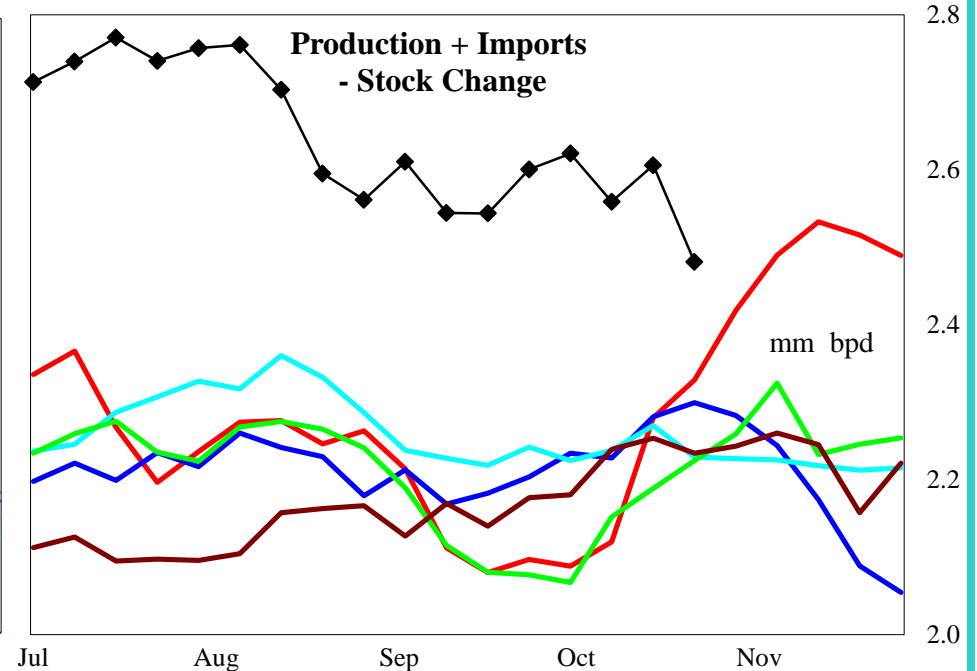
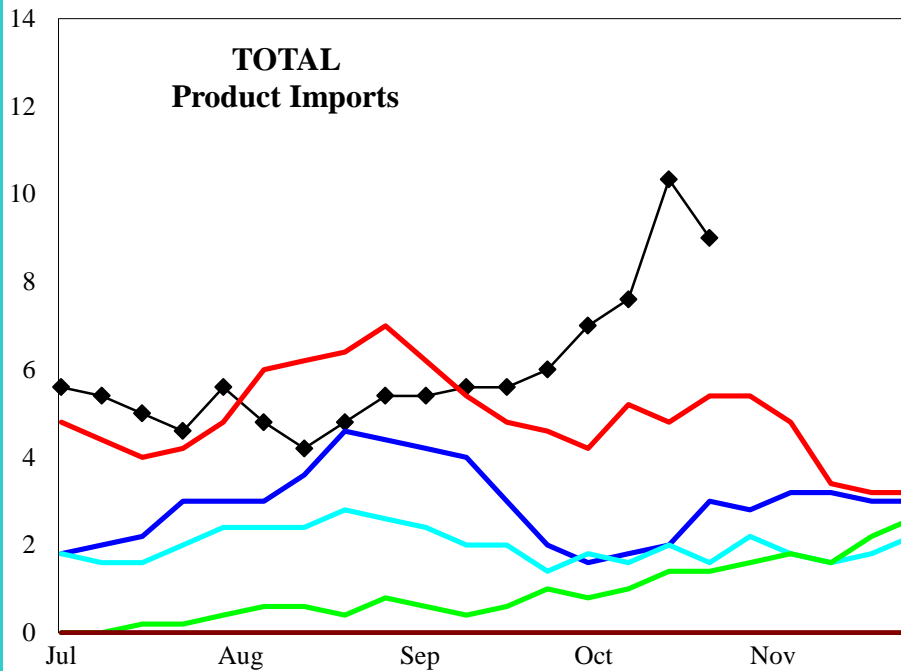
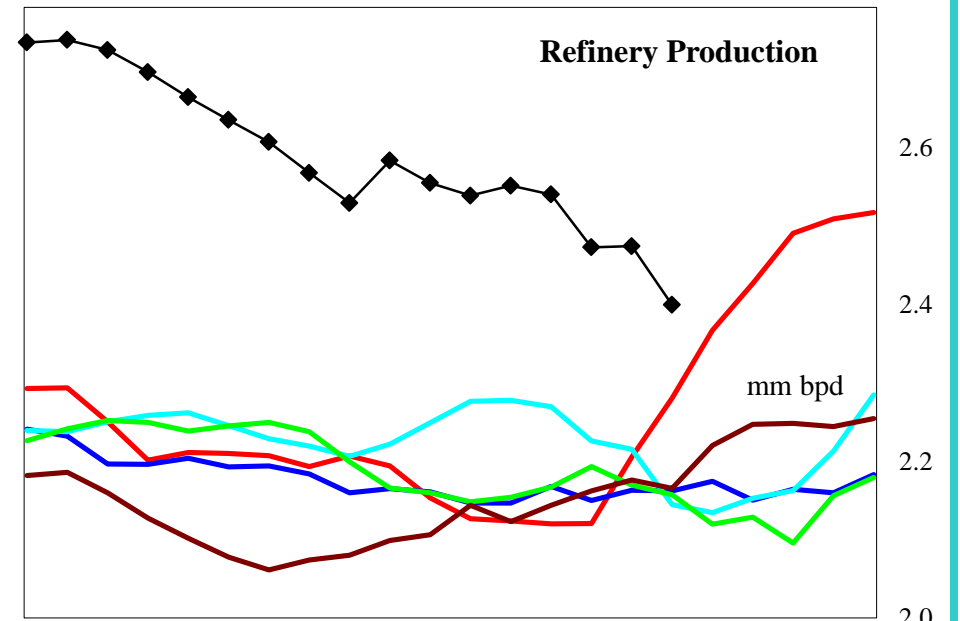
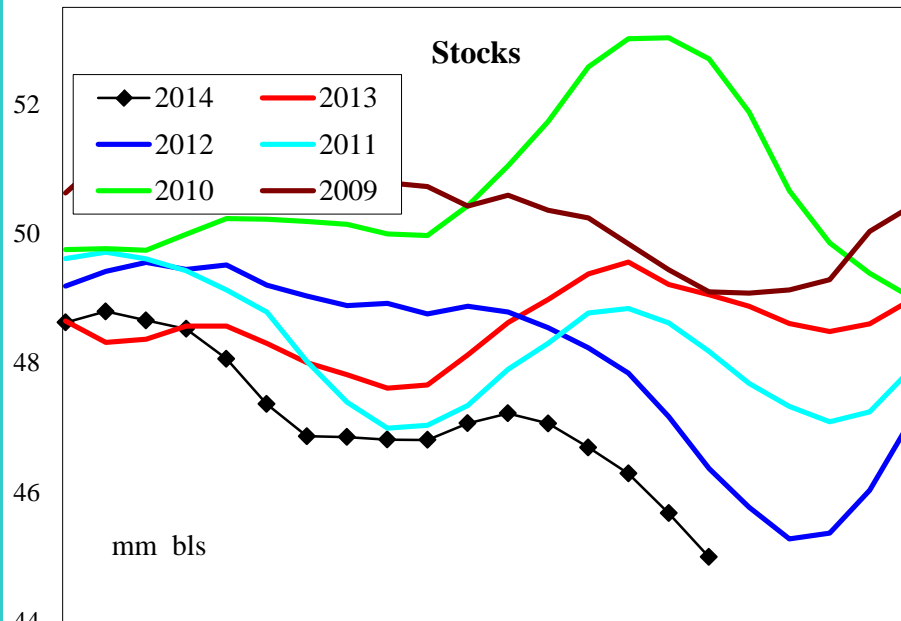




# PADD 2 Crude Oil Supply and Refining



# PADD 2 Gasoline Supply



**4 wk avg variance to prior year**

000 bpd (000 bls stks)

% change

Stocks

**-4,057**

**-8.3**

Production

**338**

**15.6**

Imports

**4**

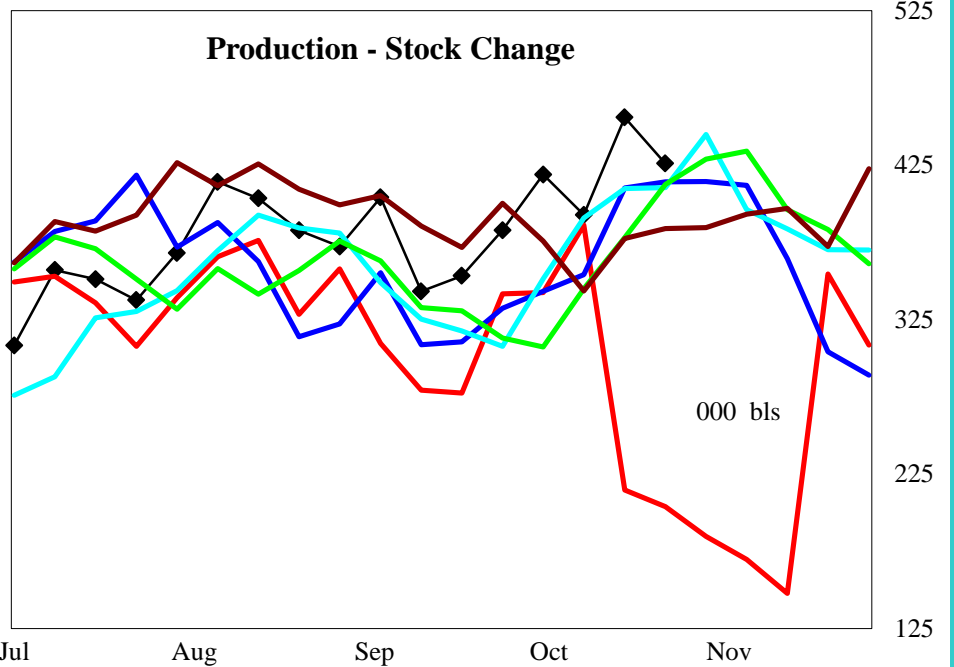
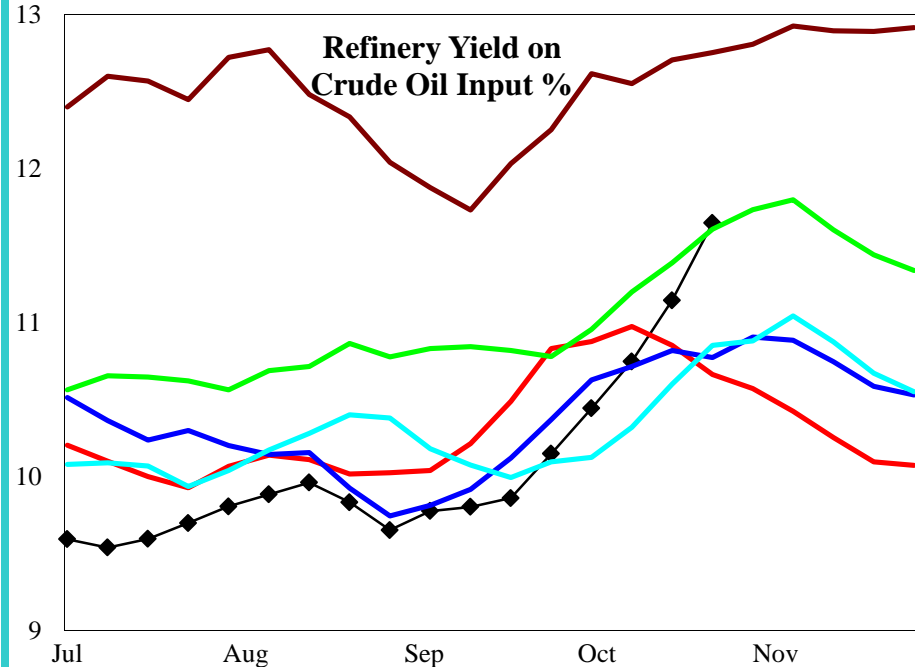
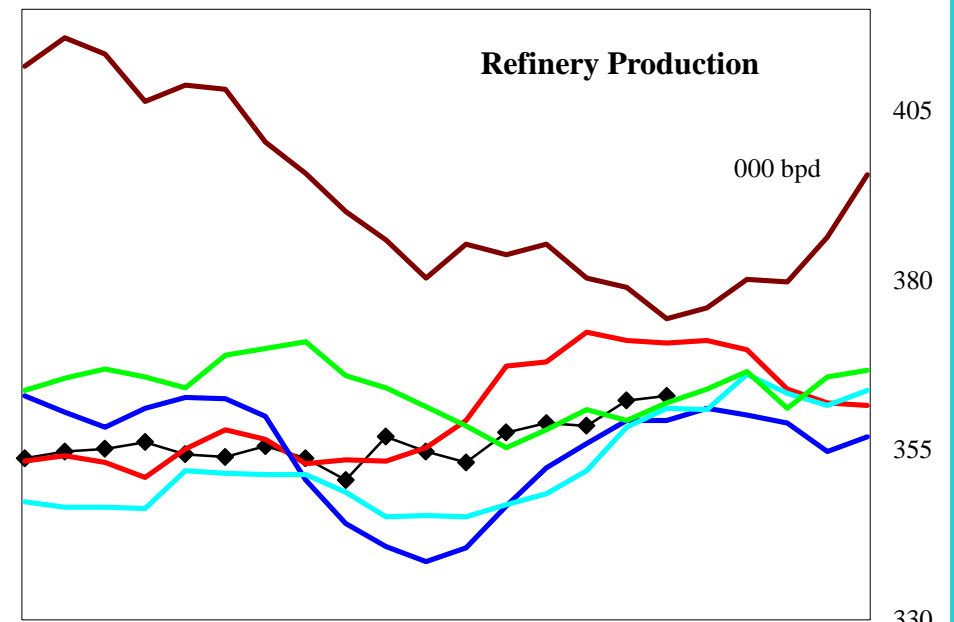
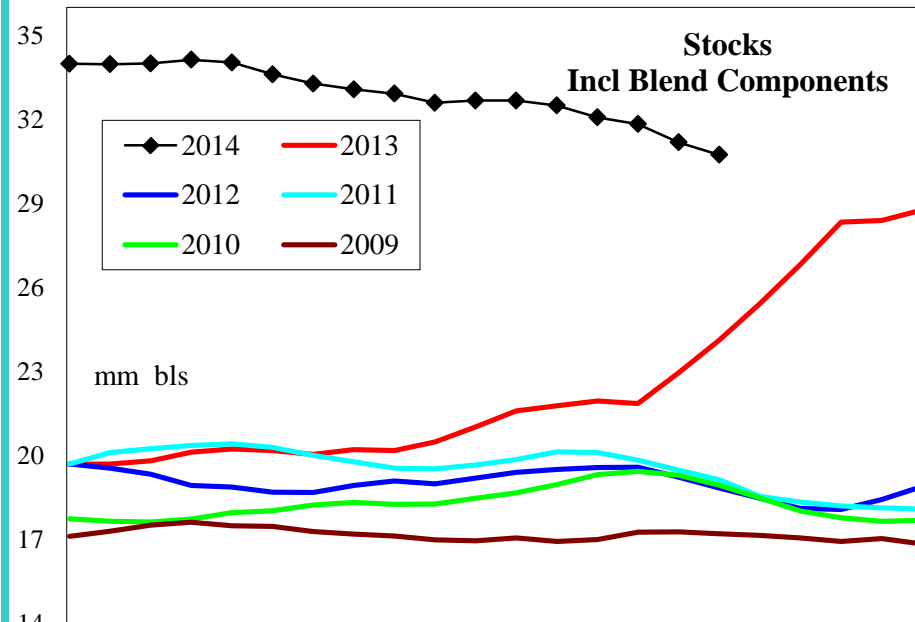
**71.4**

Prod + Imp - Stk chg

**391**

**17.8**

# PADD 2 Reformulated Gasoline Supply



**4 wk avg variance to prior year**

000 bpd (000 bbls stks)

% change

Stocks

Production

**6,618**

**-10**

**27.4**

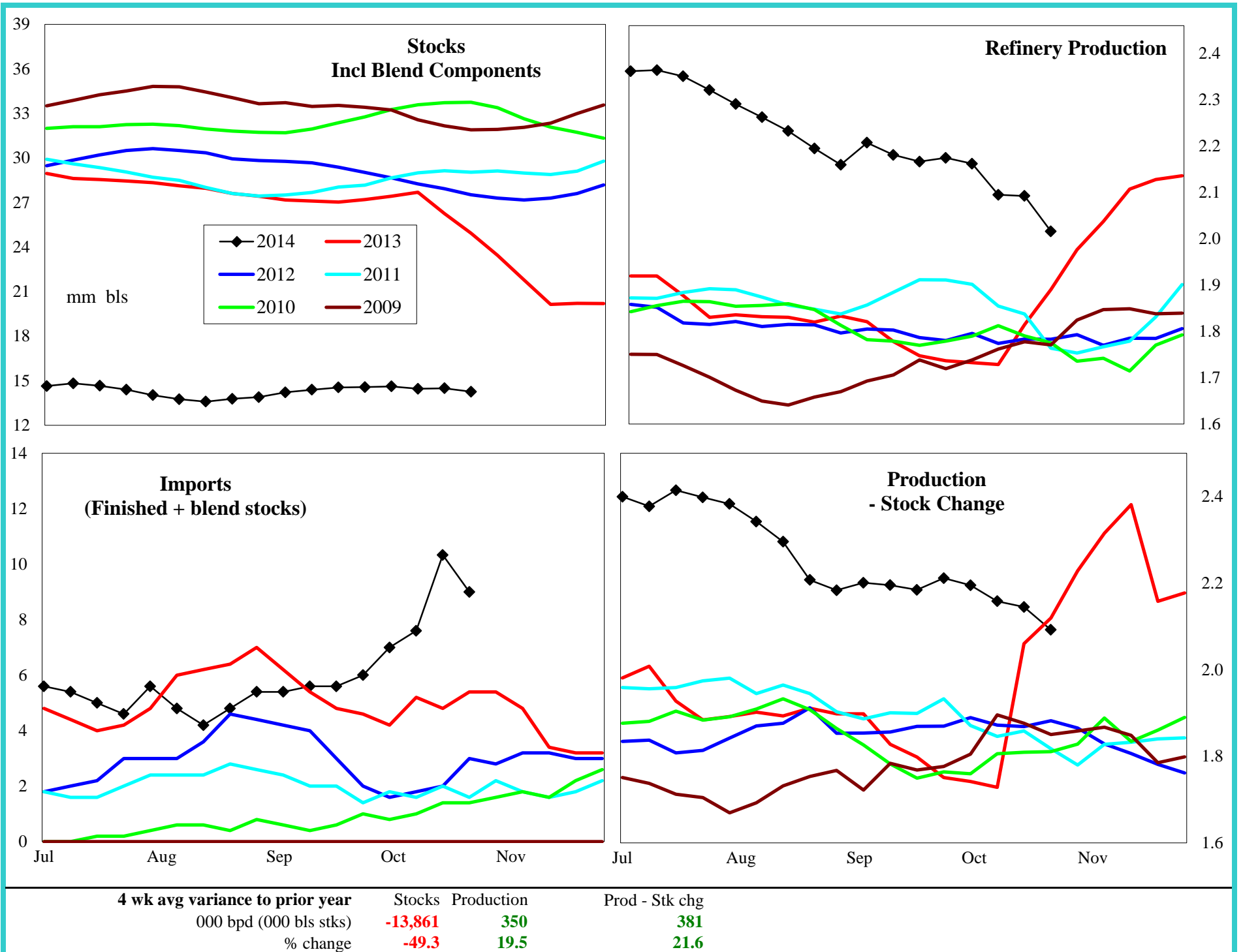
**-2.7**

Prod - Stk chg

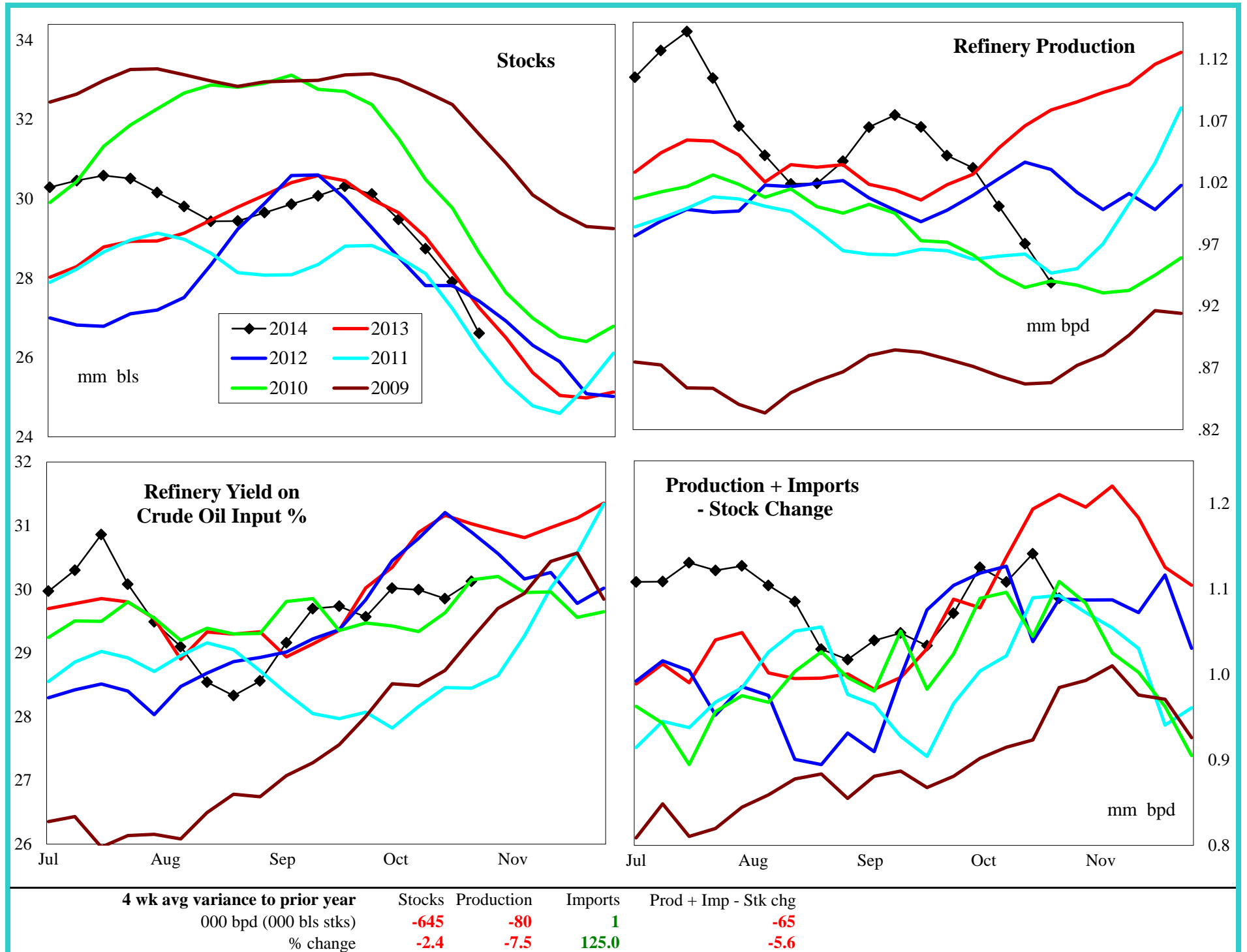
**136**

**47.6**

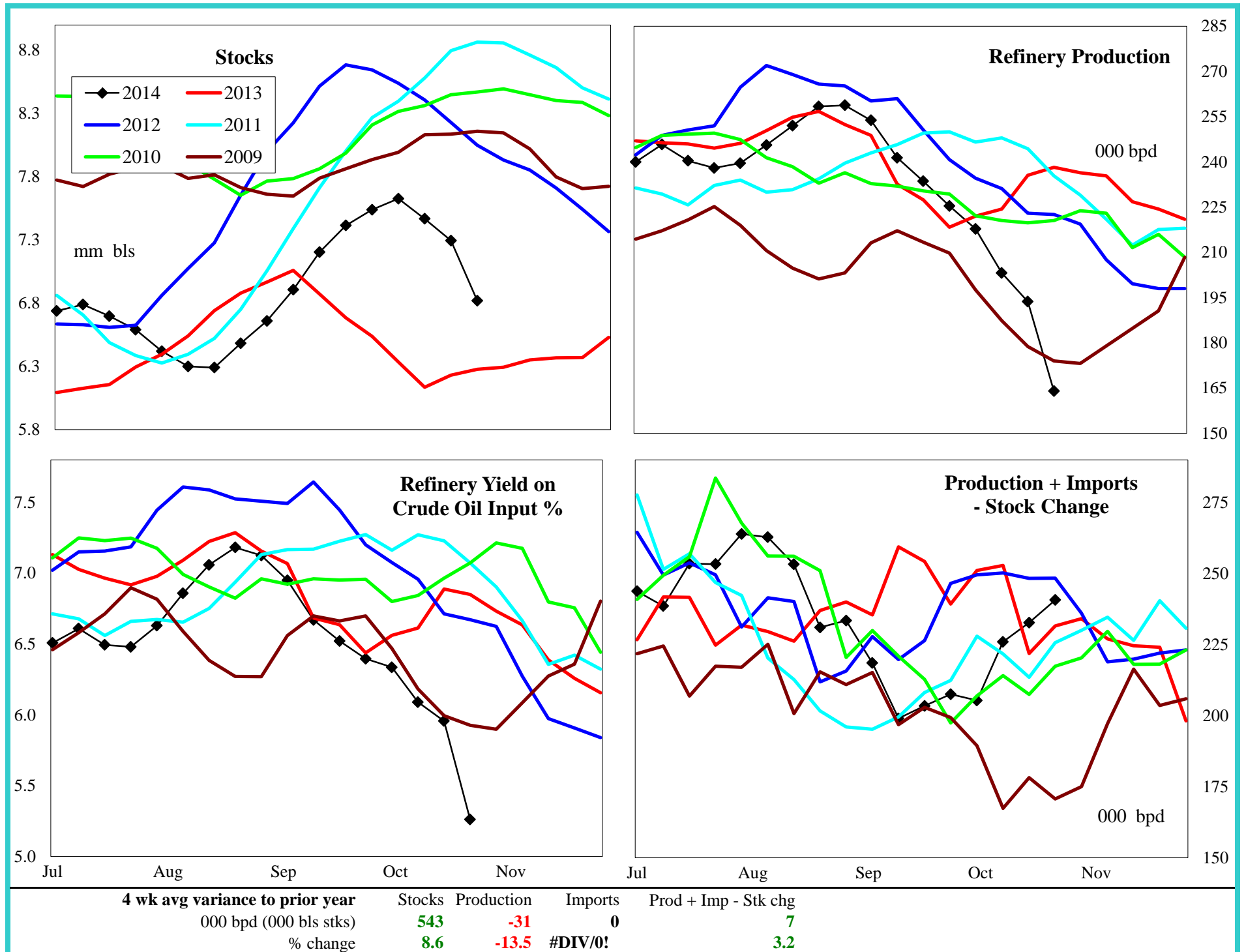
# PADD 2 Conventional Gasoline Supply



## PADD 2 Distillate Supply

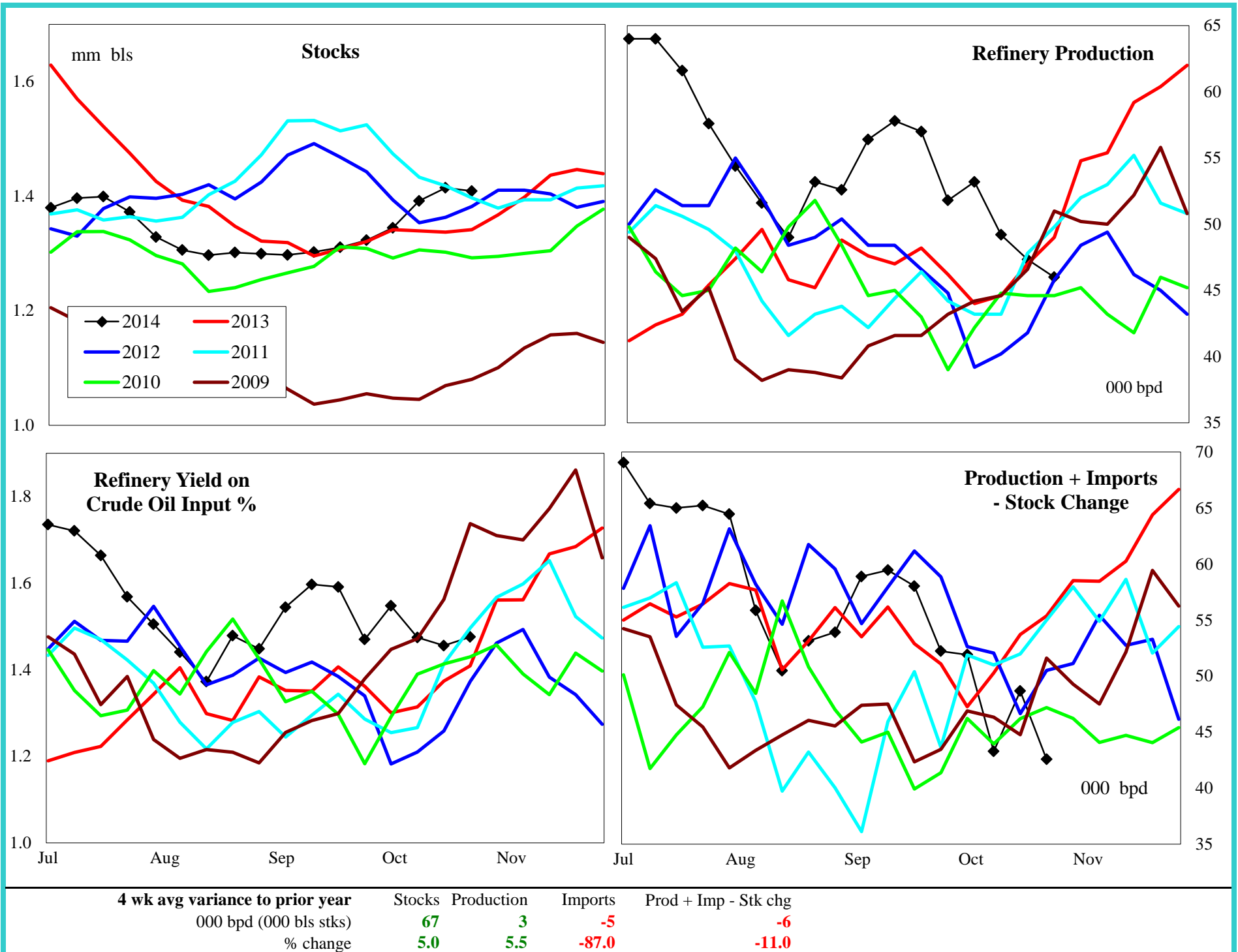


## PADD 2 Jet Fuel Supply

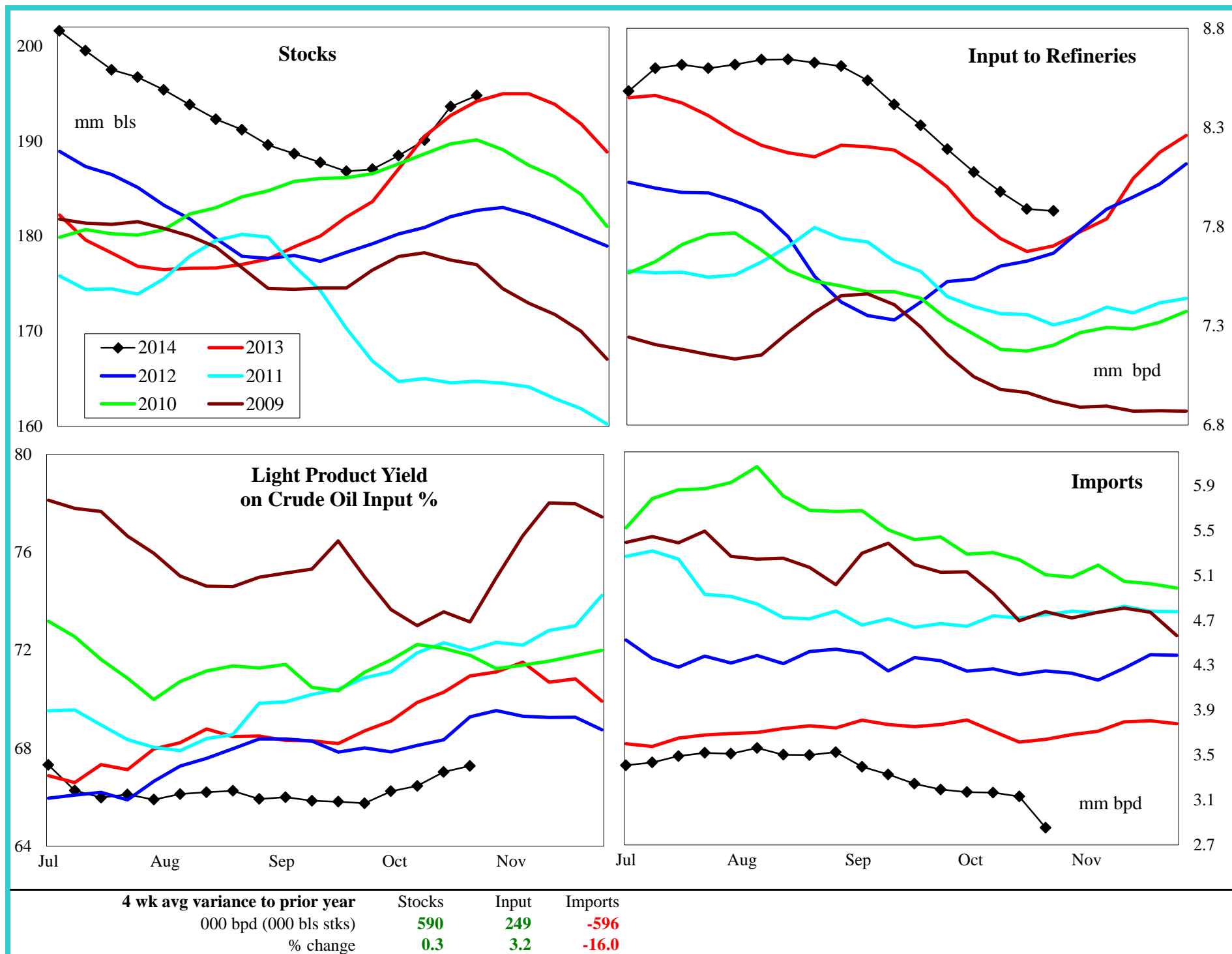




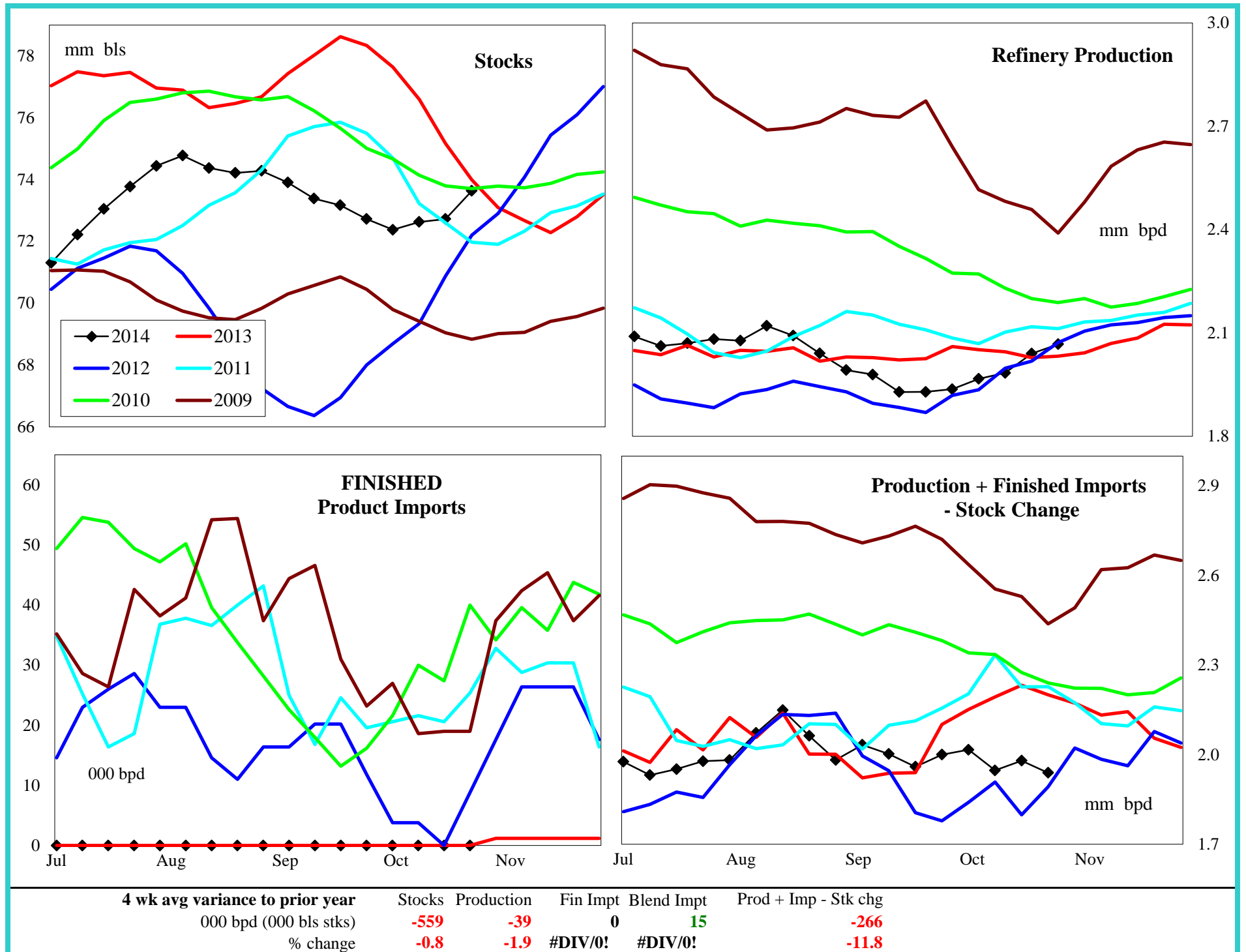
# PADD 2 Residual Fuel Oil Supply



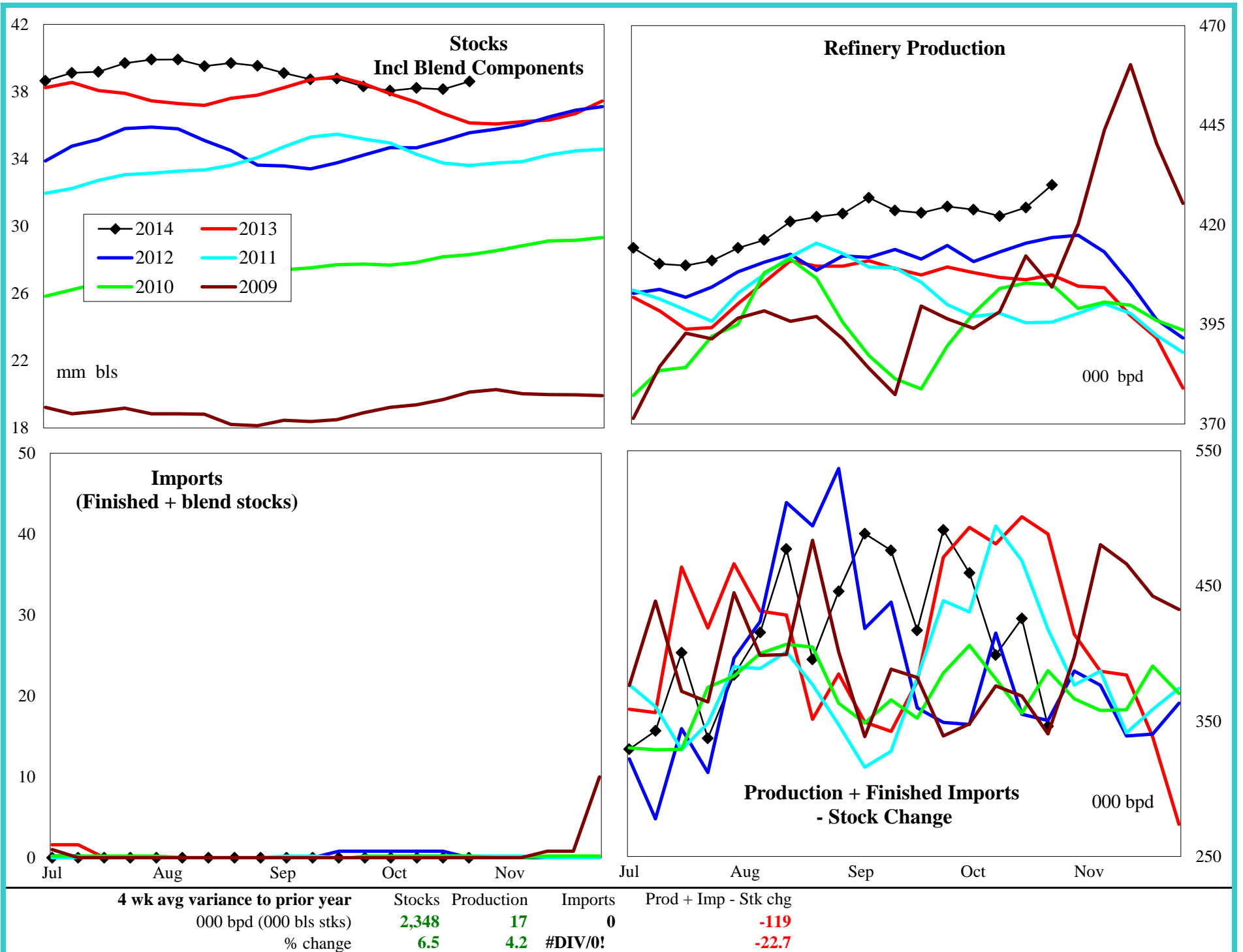
# PADD 3 Crude Oil Supply and Refining



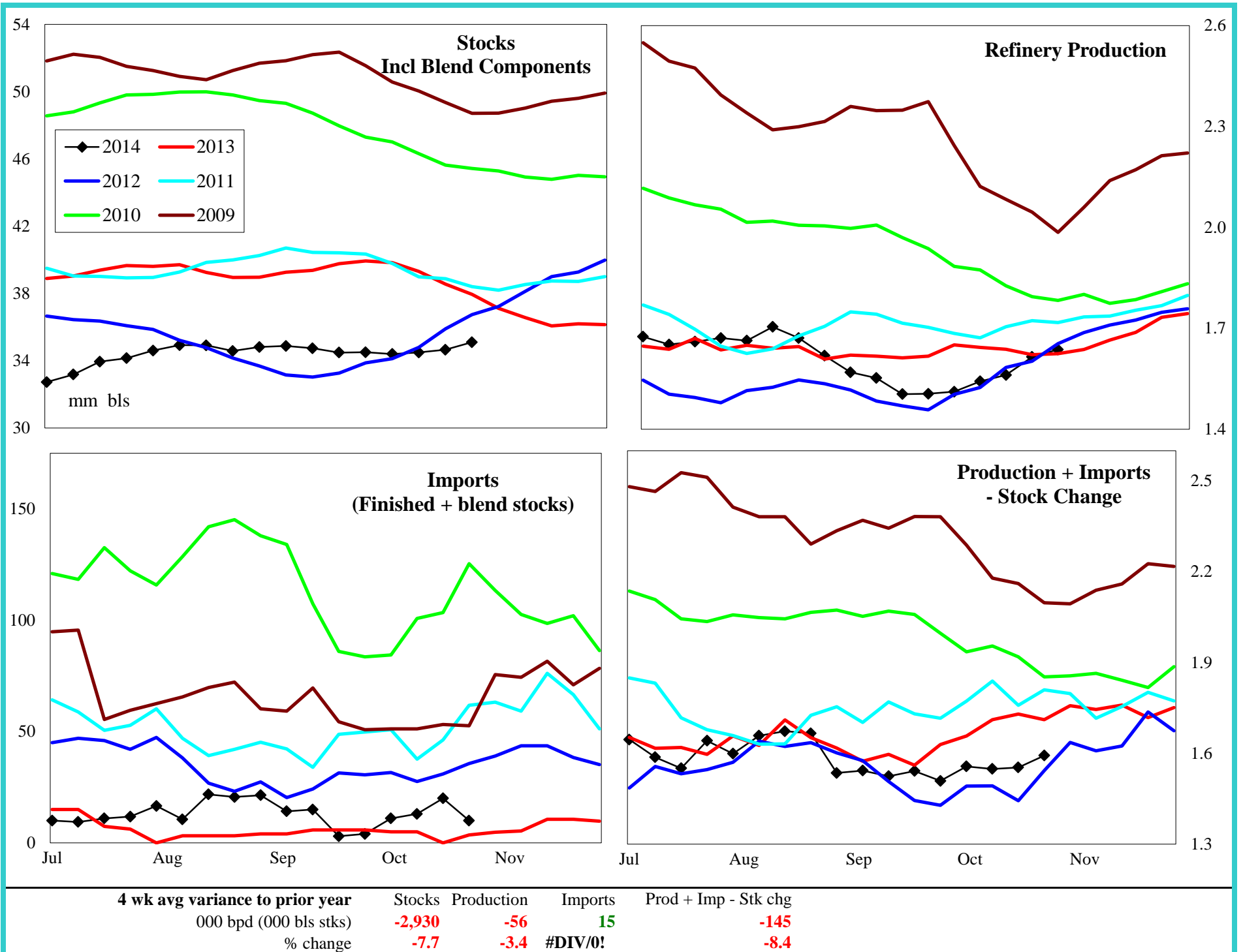
## PADD 3 Gasoline Supply



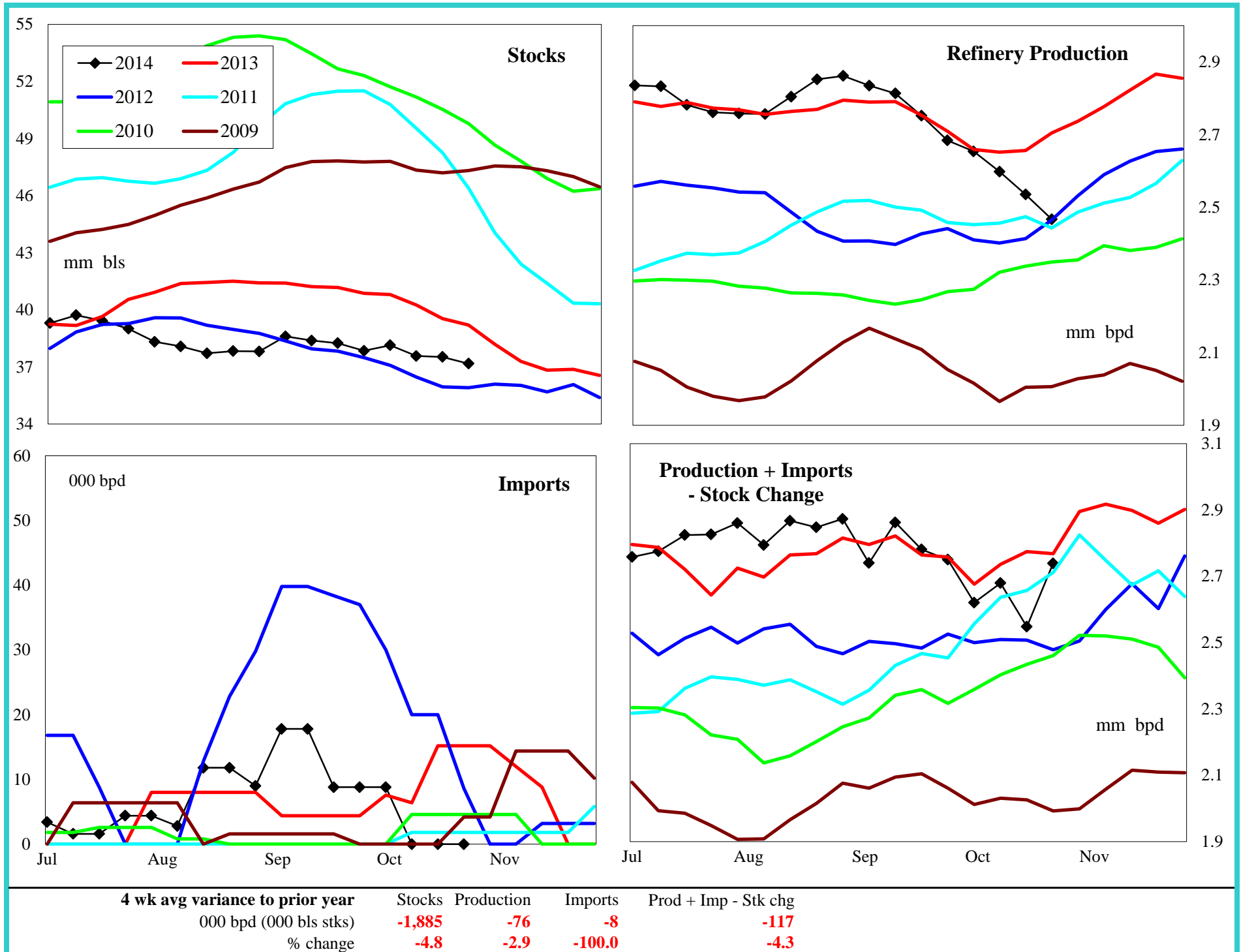
# PADD 3 Reformulated Gasoline Supply



# PADD 3 Conventional Gasoline Supply

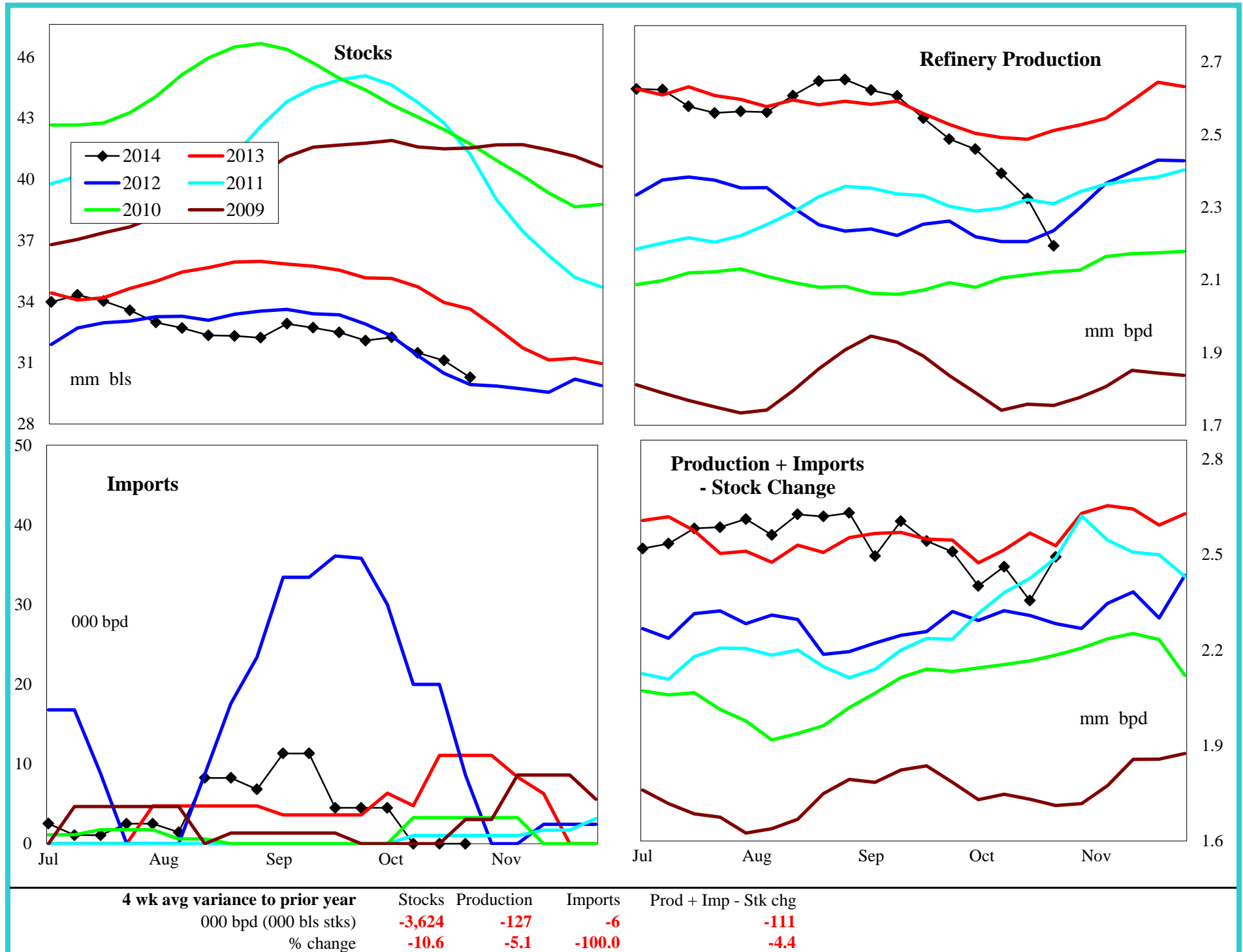


# PADD 3 Distillate Supply

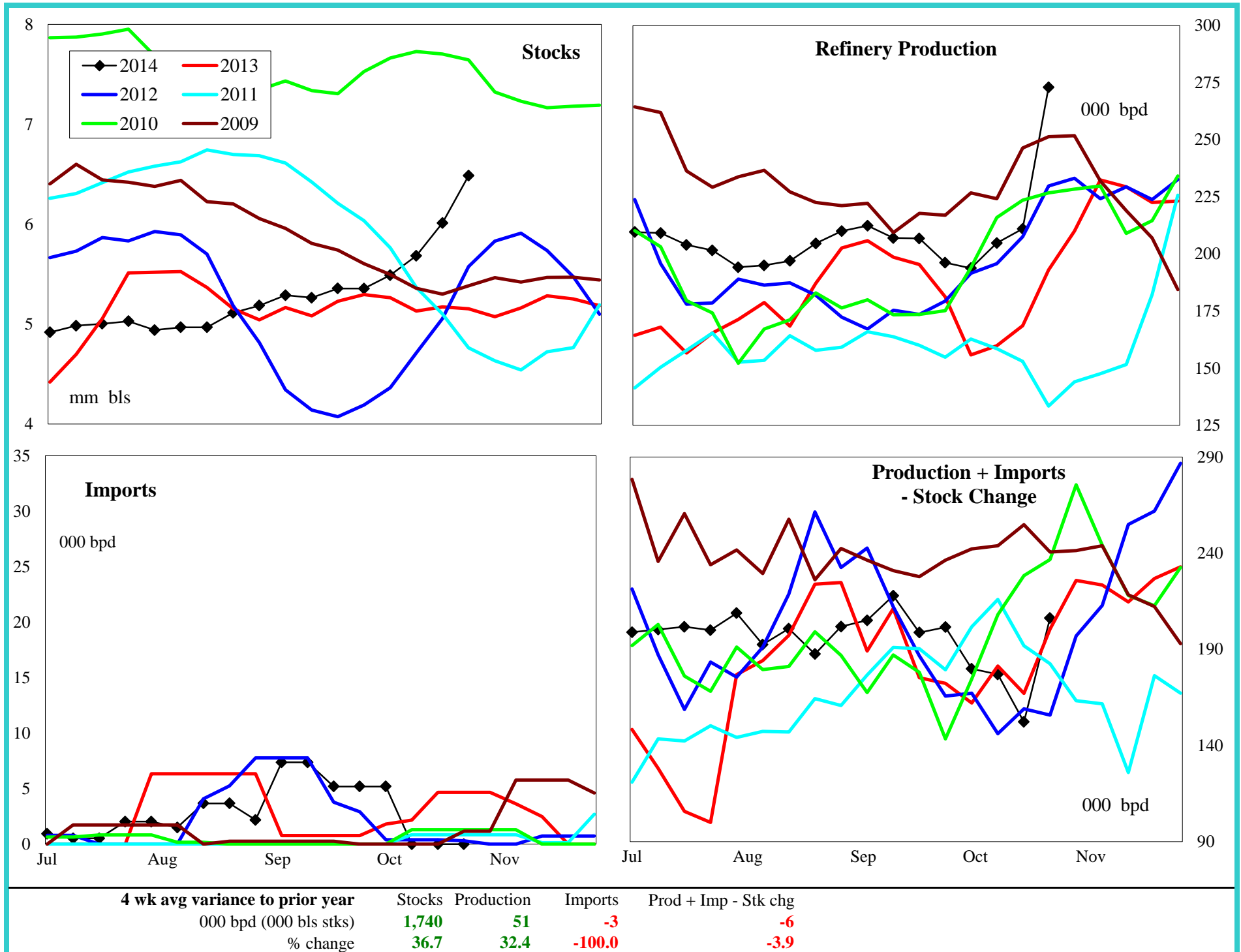




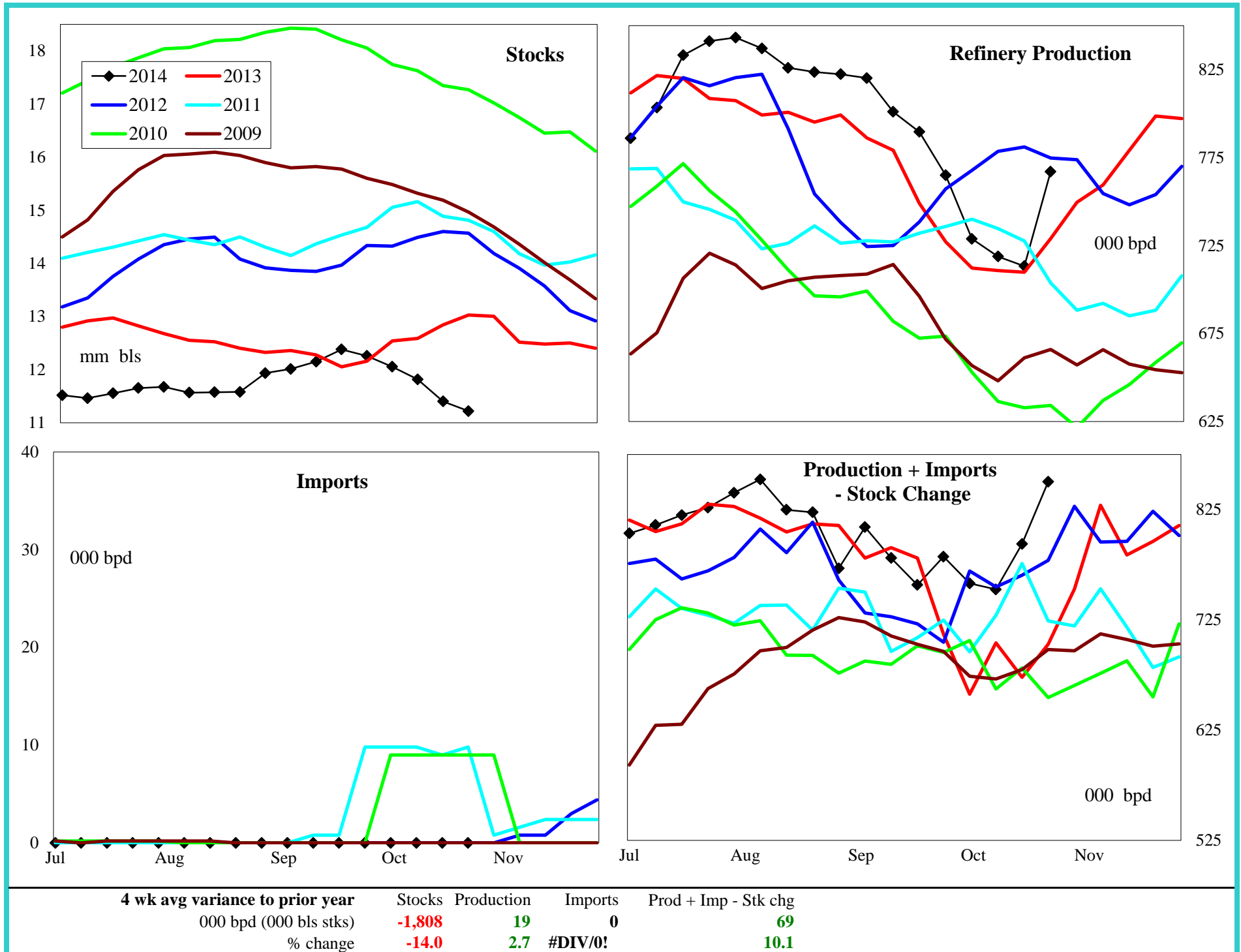
# PADD 3 Low Sulfur Distillate Supply



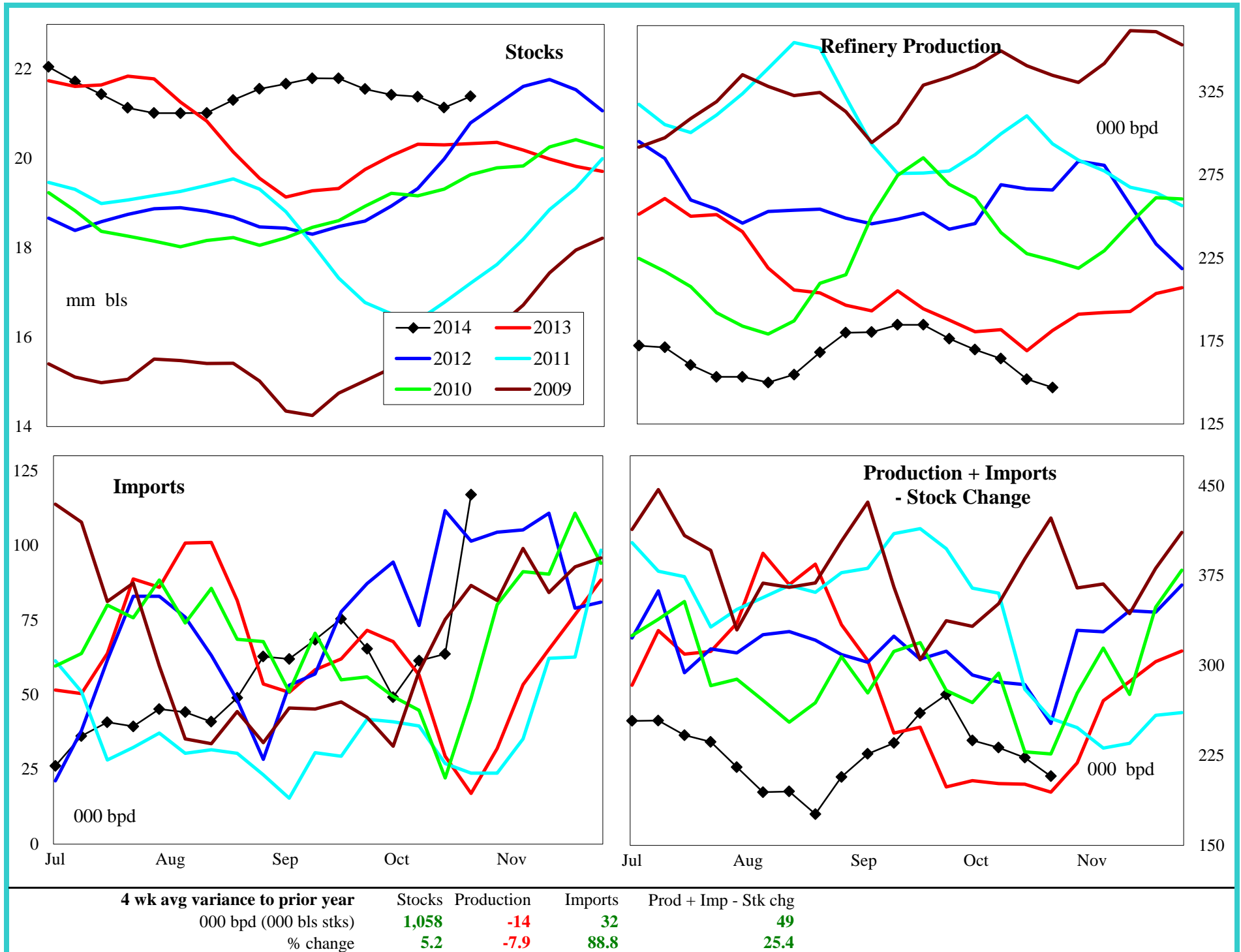
# PADD 3 High Sulfur Distillate Supply



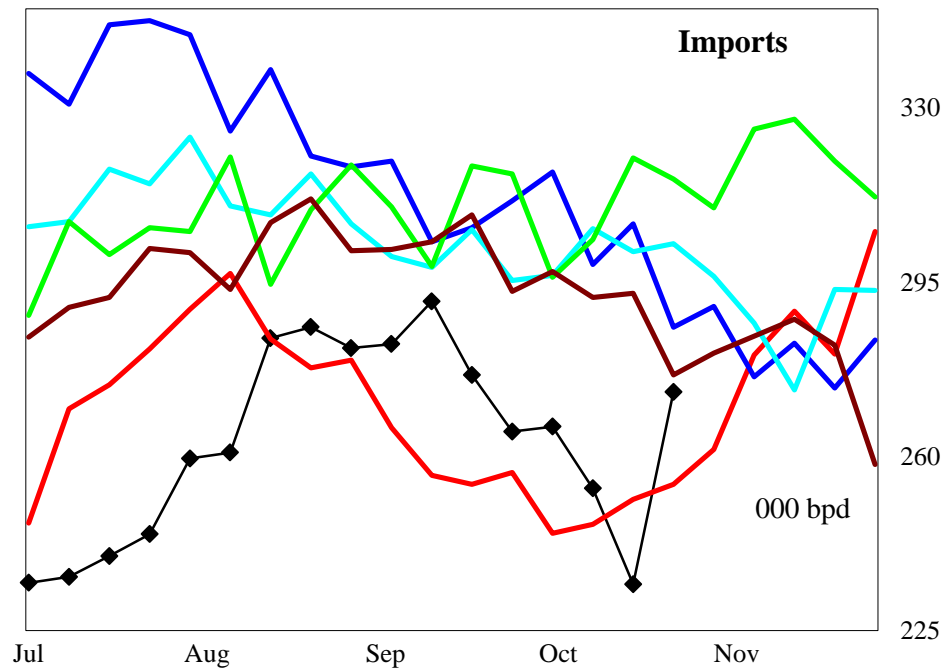
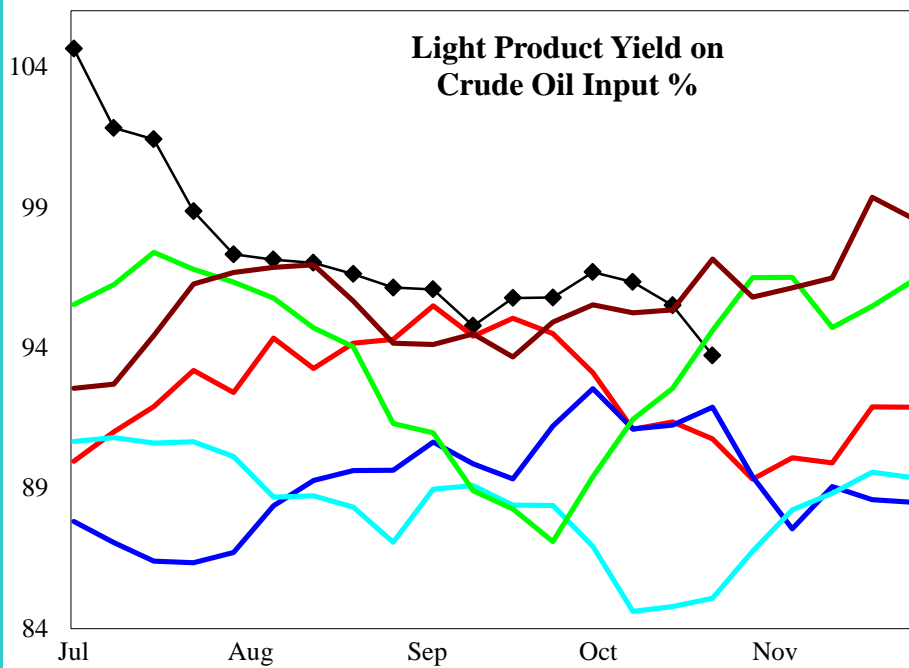
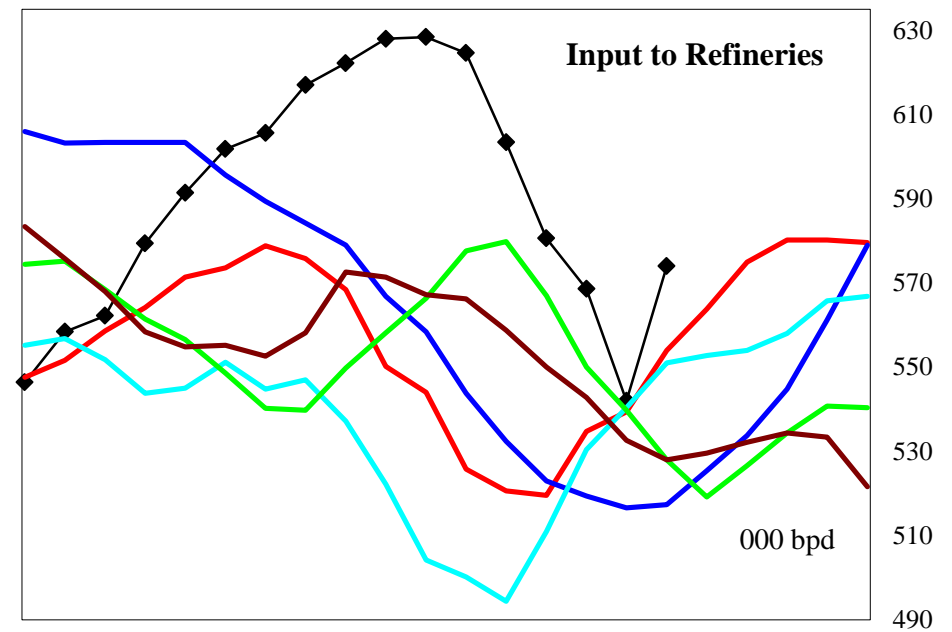
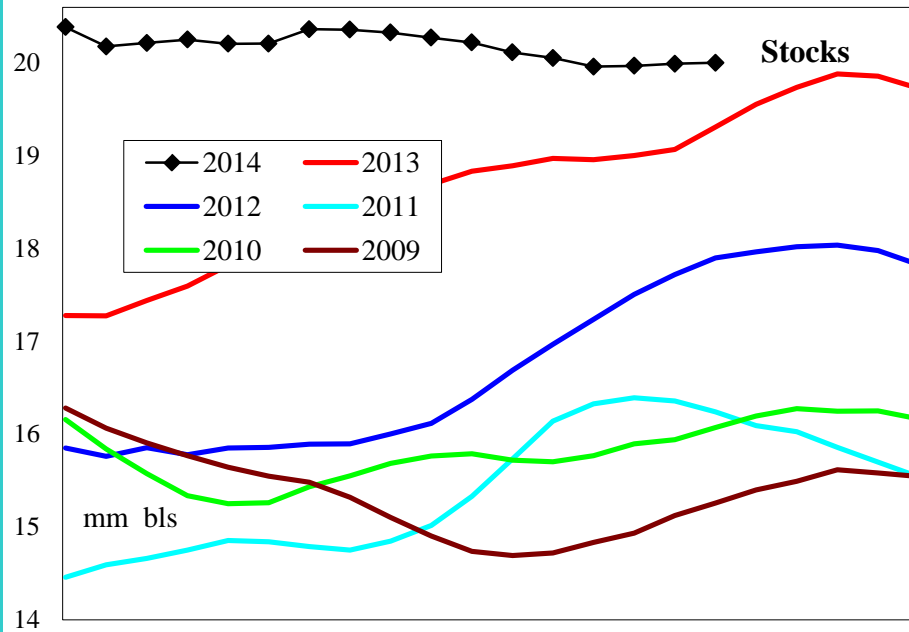
## PADD 3 Jet Fuel Supply



# PADD 3 Residual Fuel Oil Supply



# PADD 4 Crude Oil Supply and Refining



**4 wk avg variance to prior year**

000 bpd (000 bls stks)

% change

**Stocks**

**694**

**3.5**

**Input**

**25**

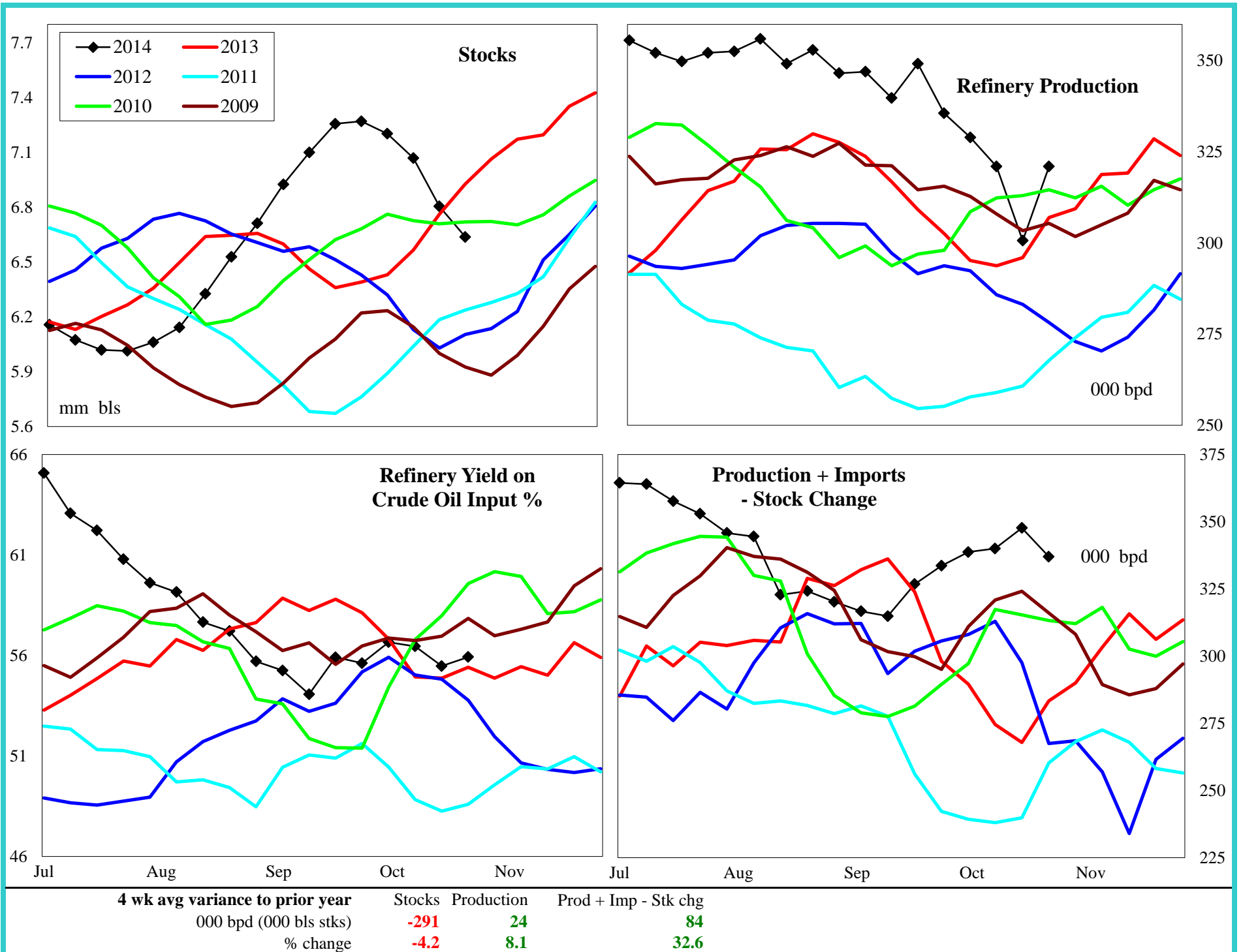
**4.7**

**Imports**

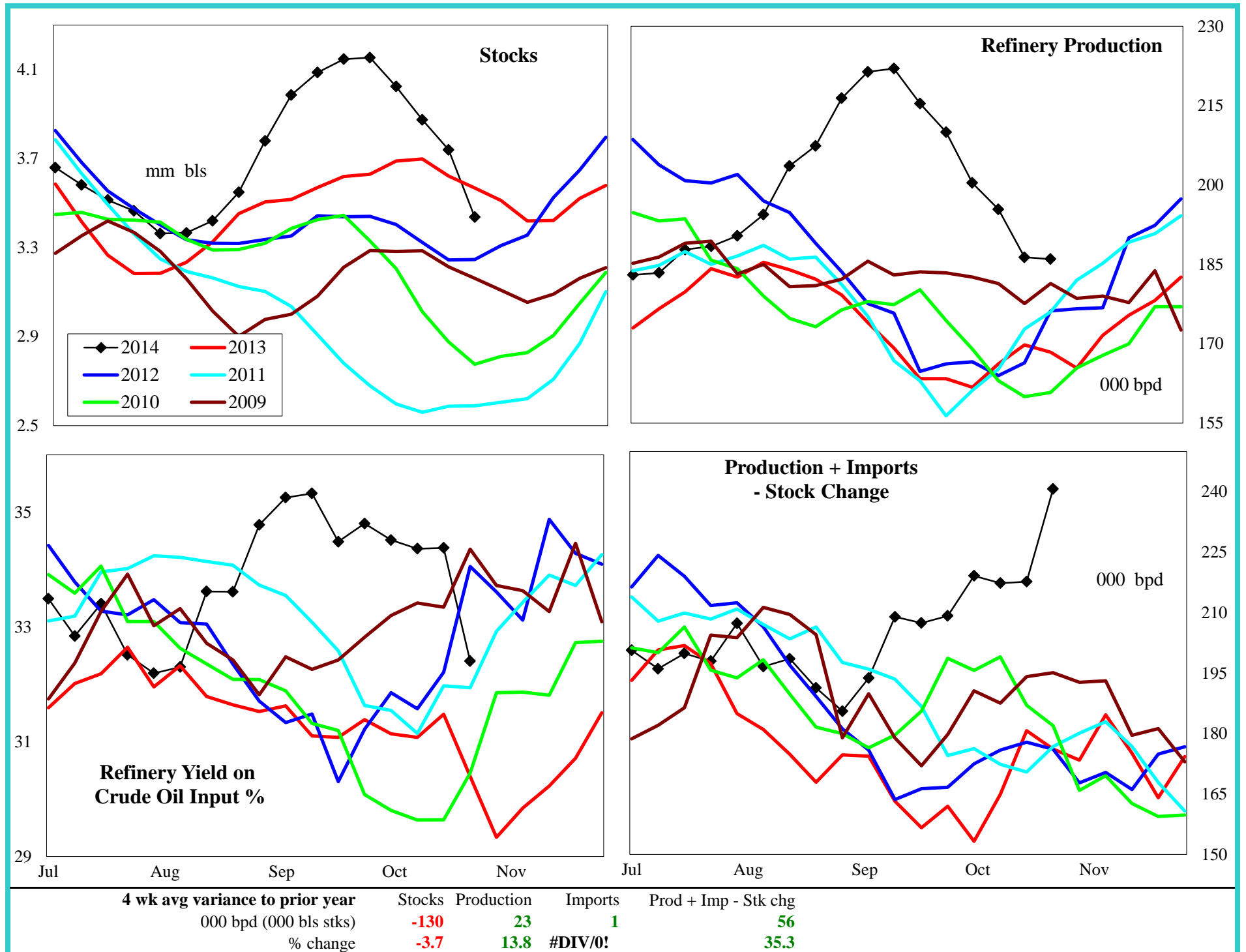
**-9**

**-3.8**

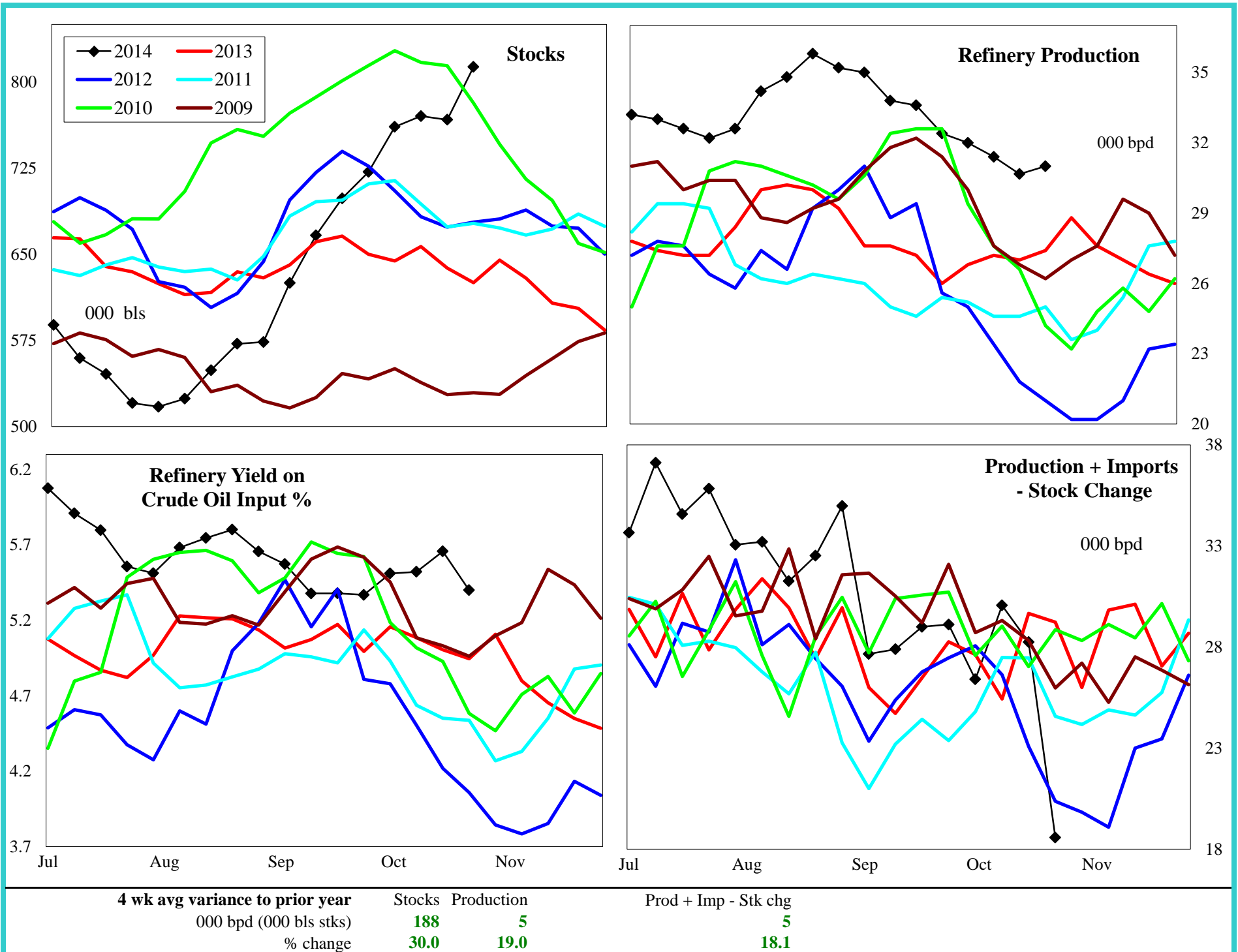
# PADD 4 Gasoline Supply



## PADD 4 Distillate Supply

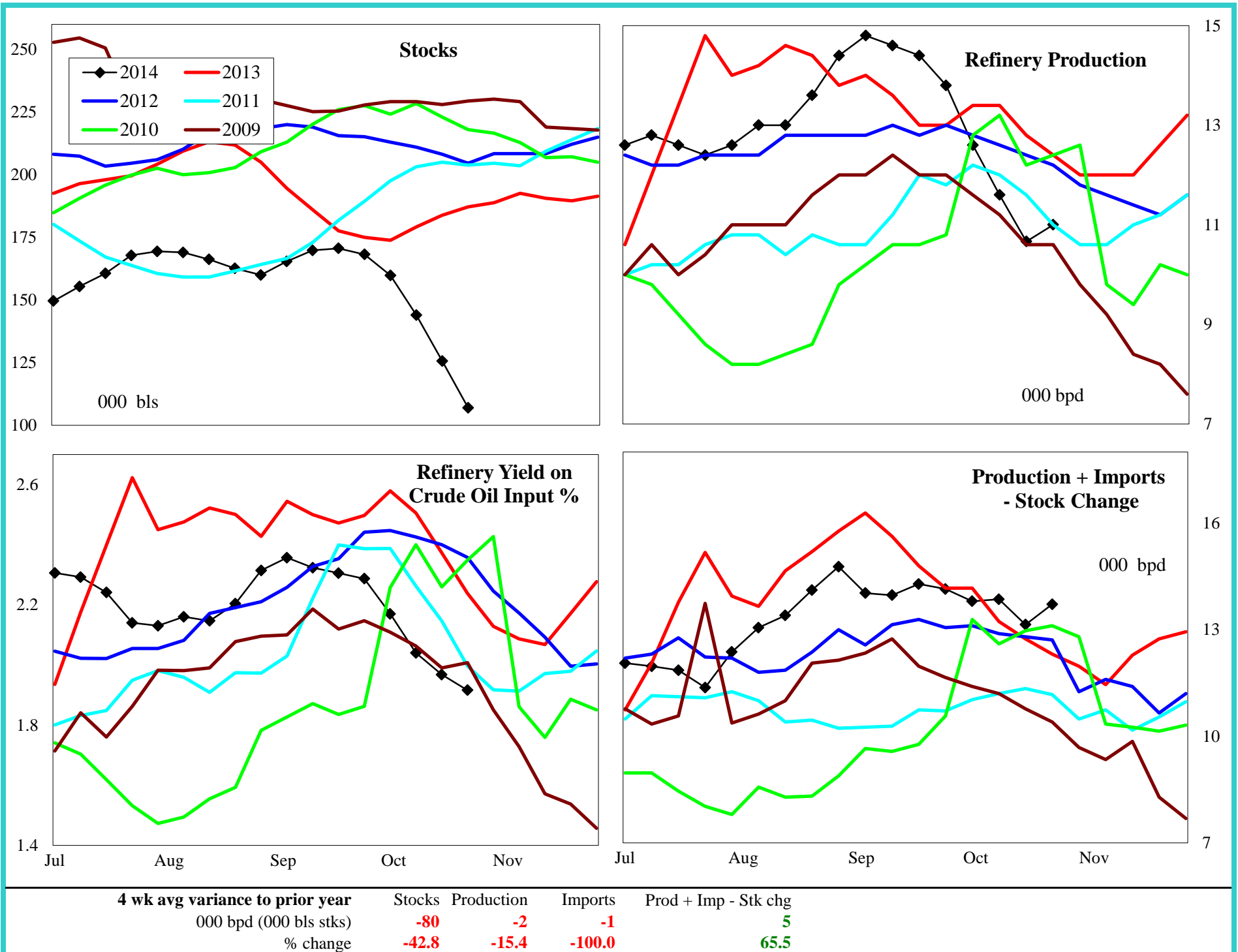


# PADD 4 Jet Fuel Supply

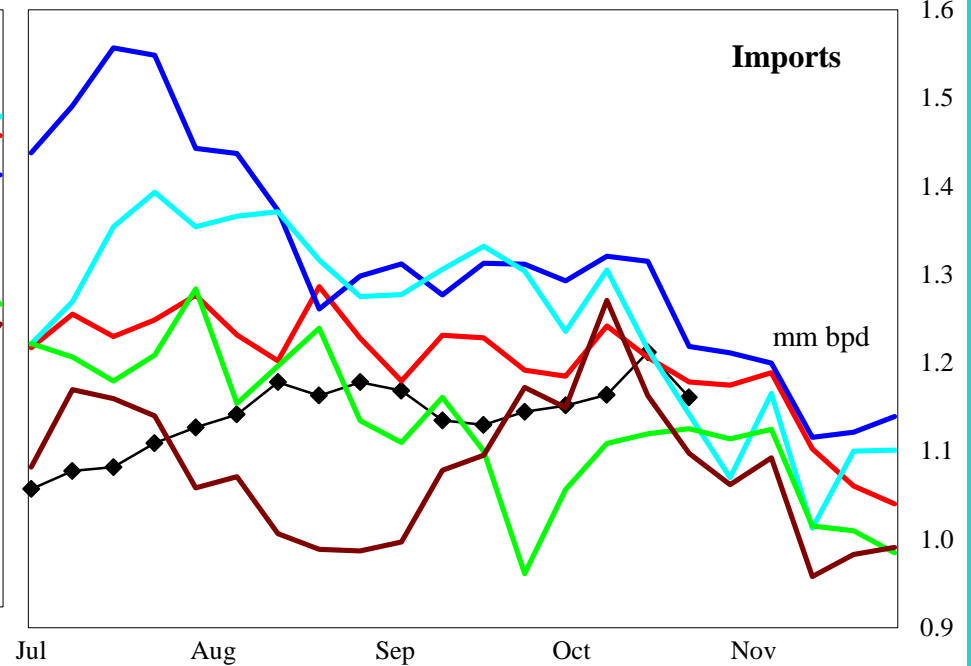
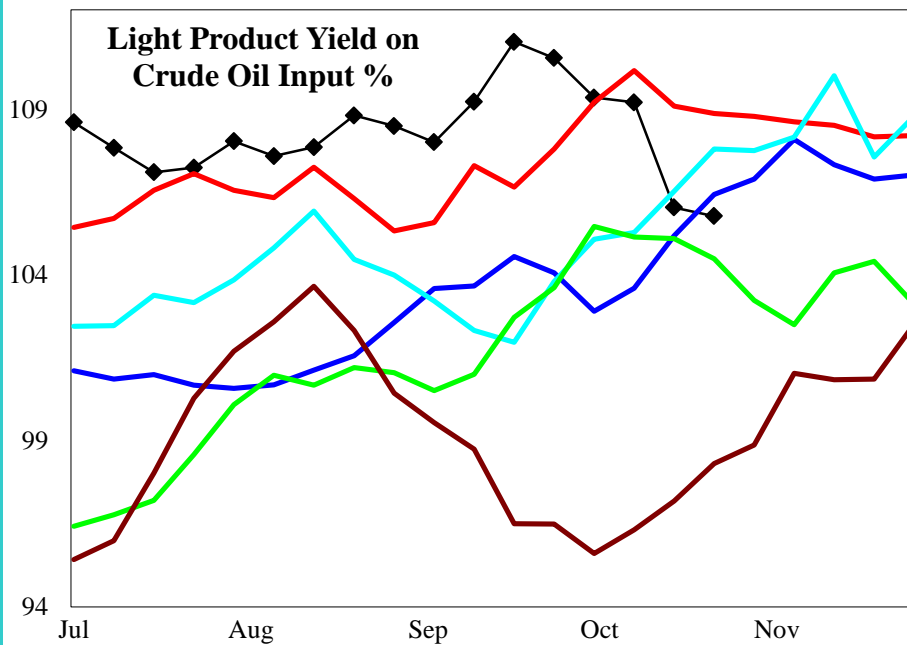
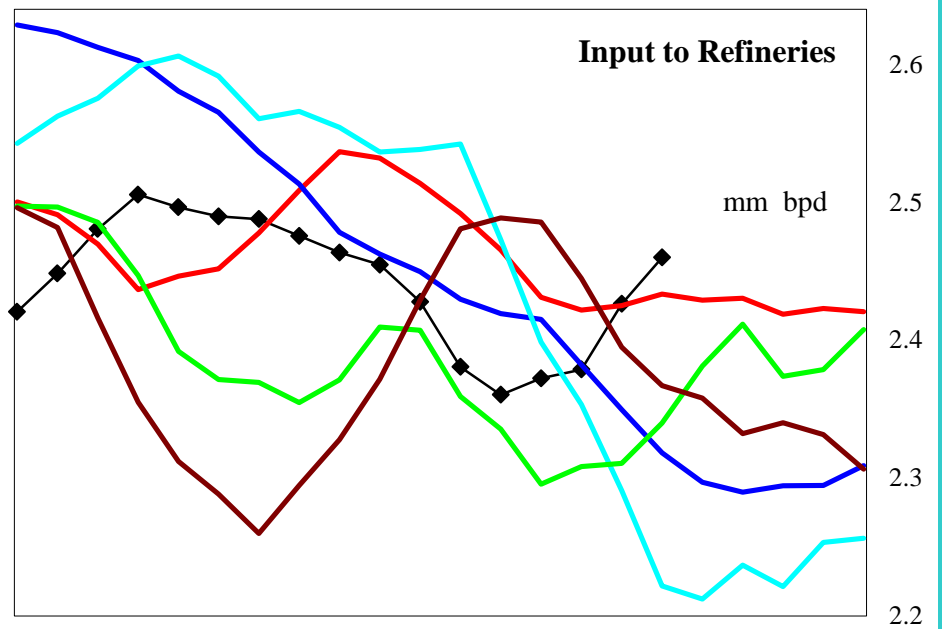
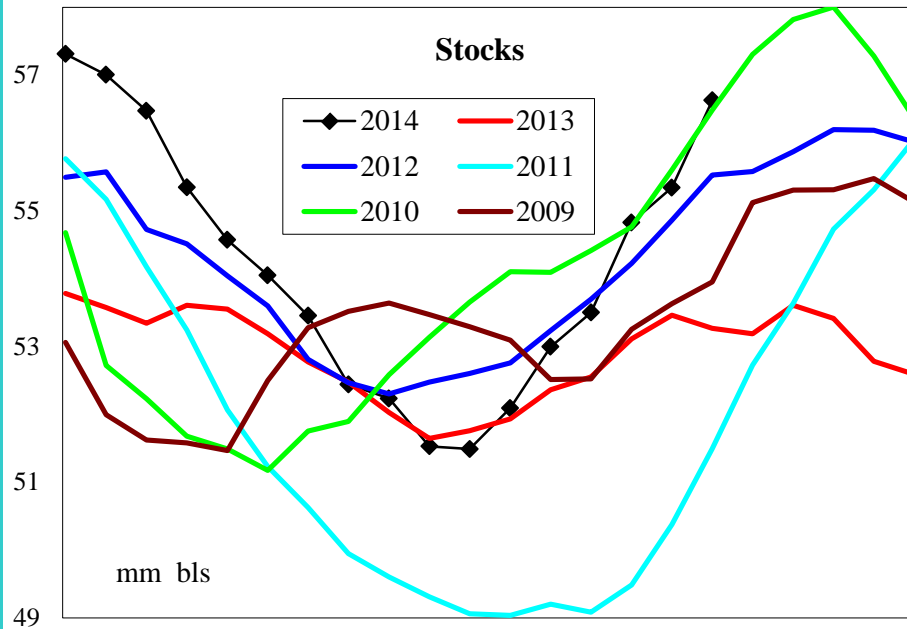




# PADD 4 Residual Fuel Oil Supply



# PADD 5 Crude Oil Supply and Refining



**4 wk avg variance to prior year**

000 bpd (000 bls stks)

% change

Stocks

**3,361**

**6.3**

Input

**-20**

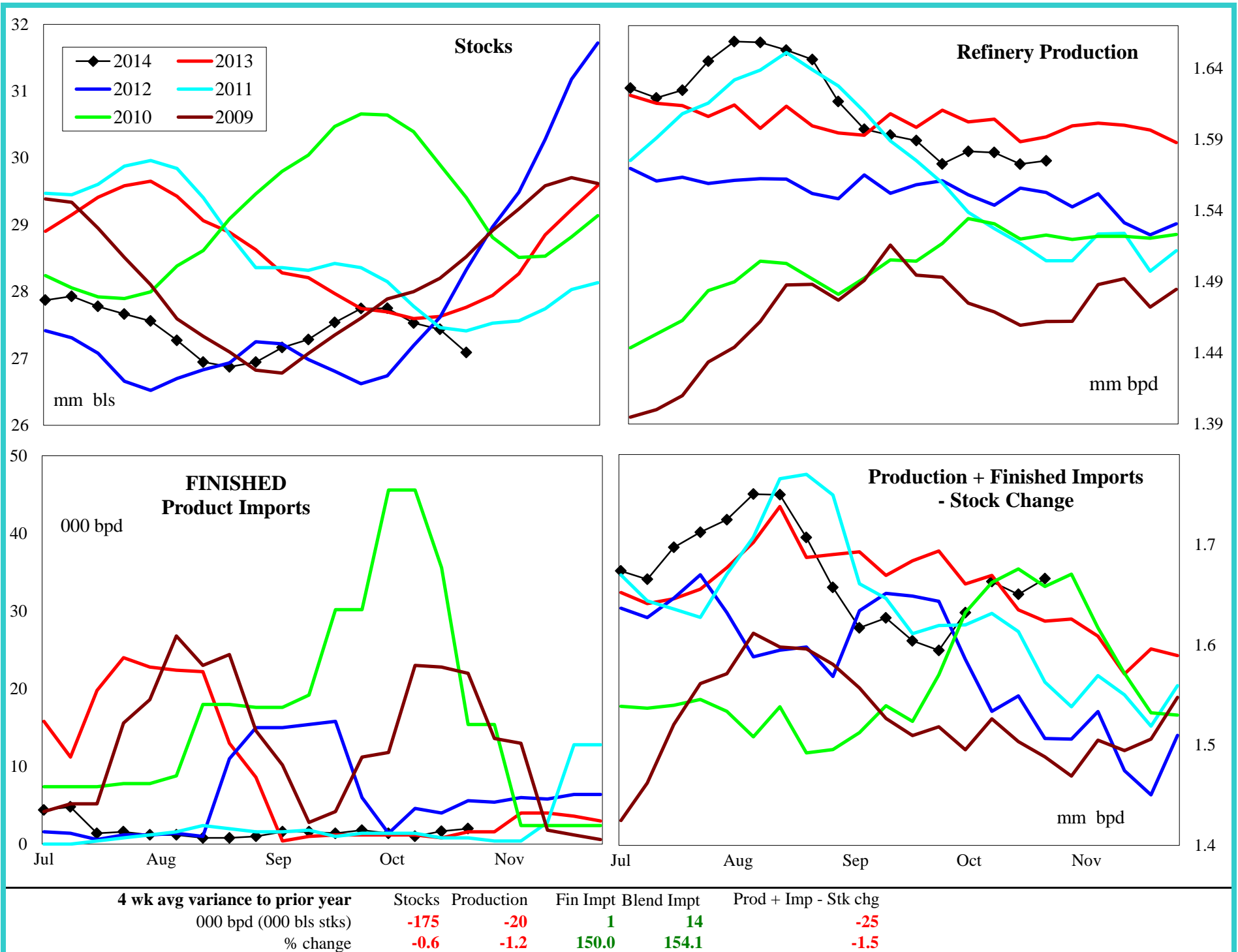
**-0.8**

Imports

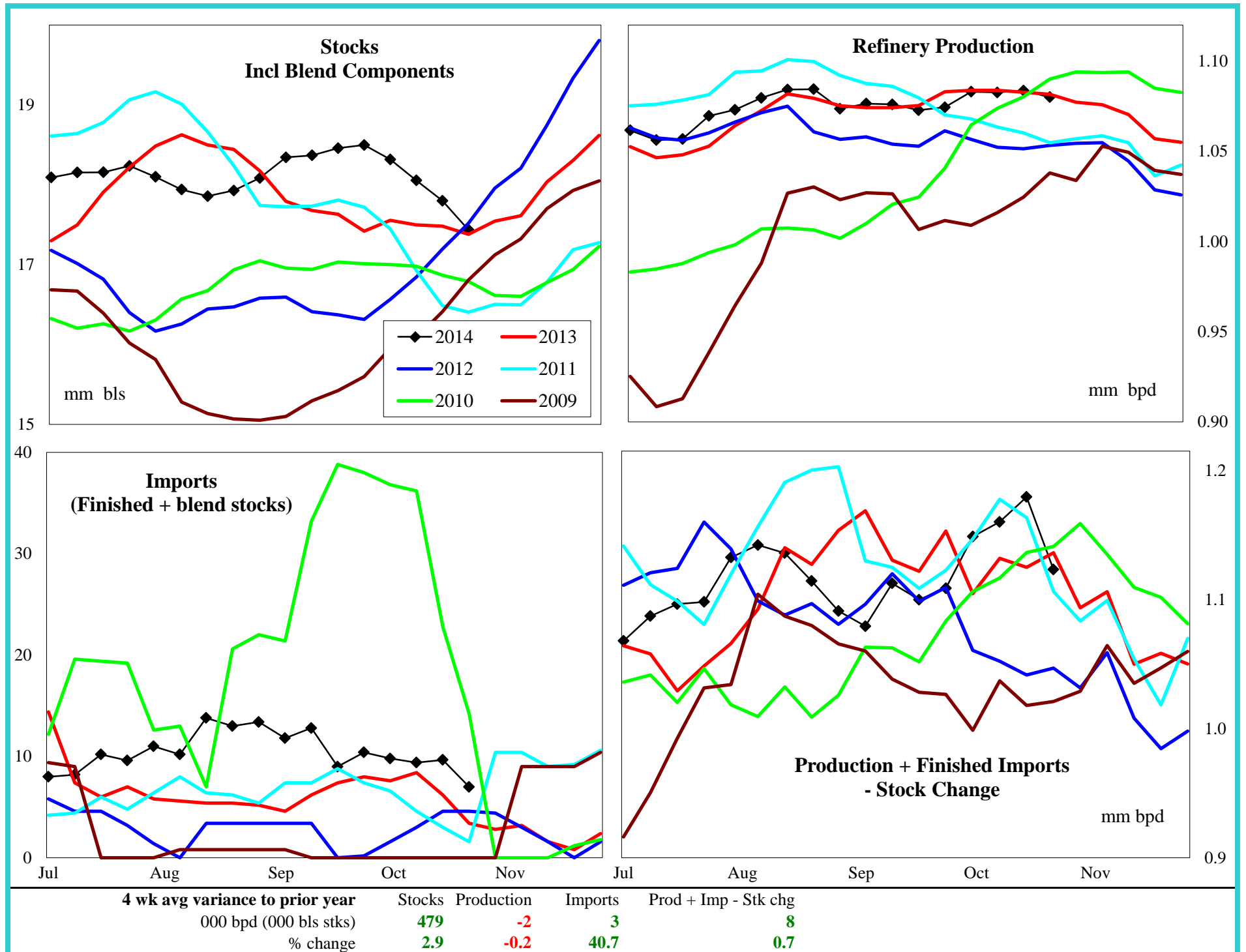
**2**

**0.1**

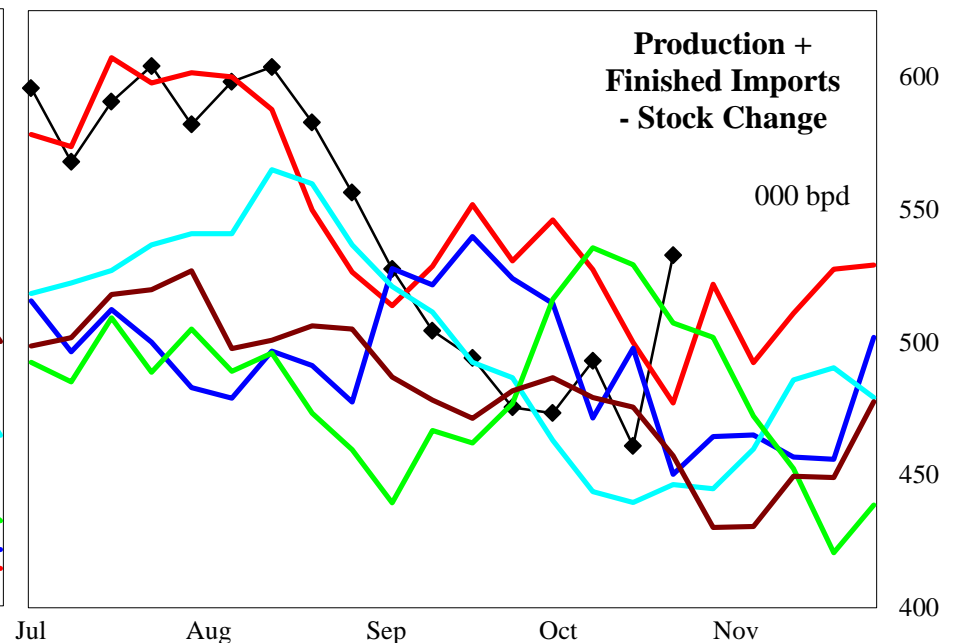
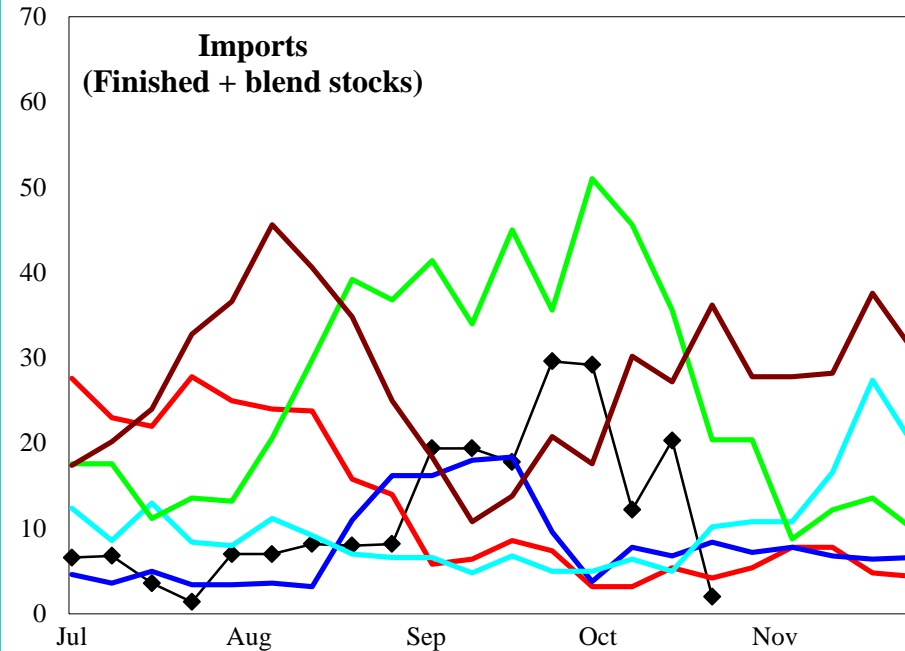
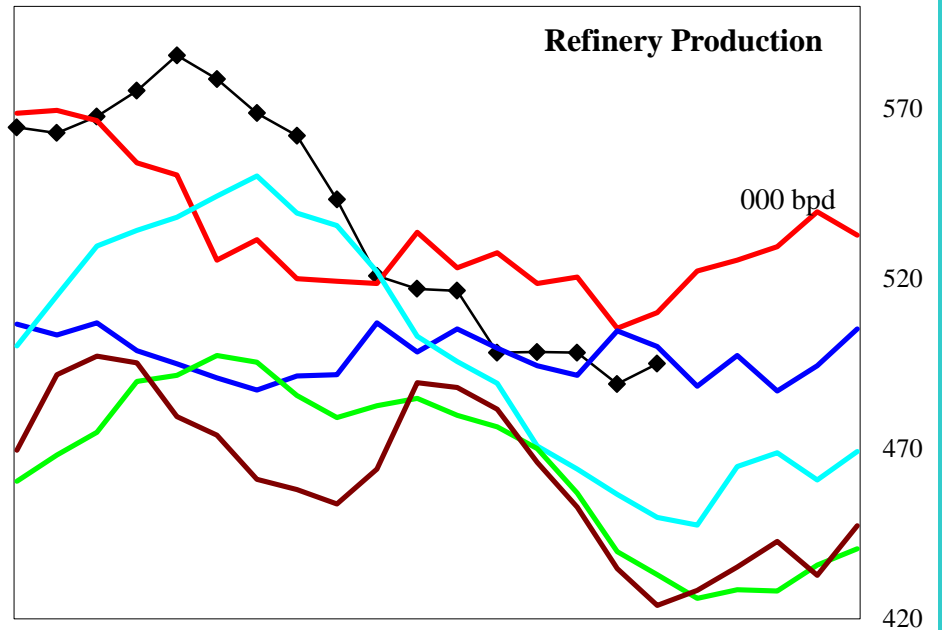
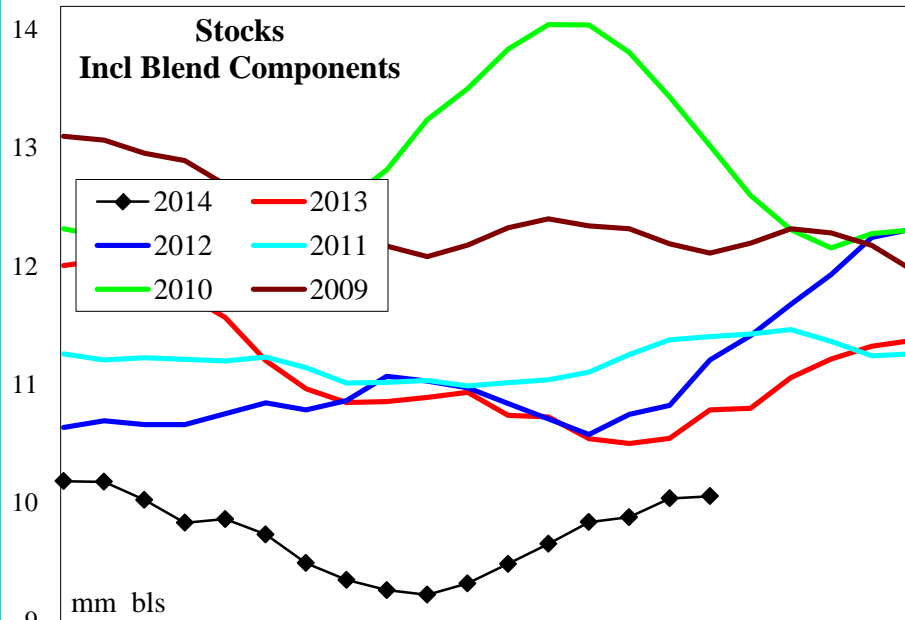
# PADD 5 Gasoline Supply



# PADD 5 Reformulated Gasoline Supply



# PADD 5 Conventional Gasoline Supply



**4 wk avg variance to prior year**

000 bpd (000 bls stks)

% change

Stocks

-654

-6.1

Production

-17

-3.4

Imports

12

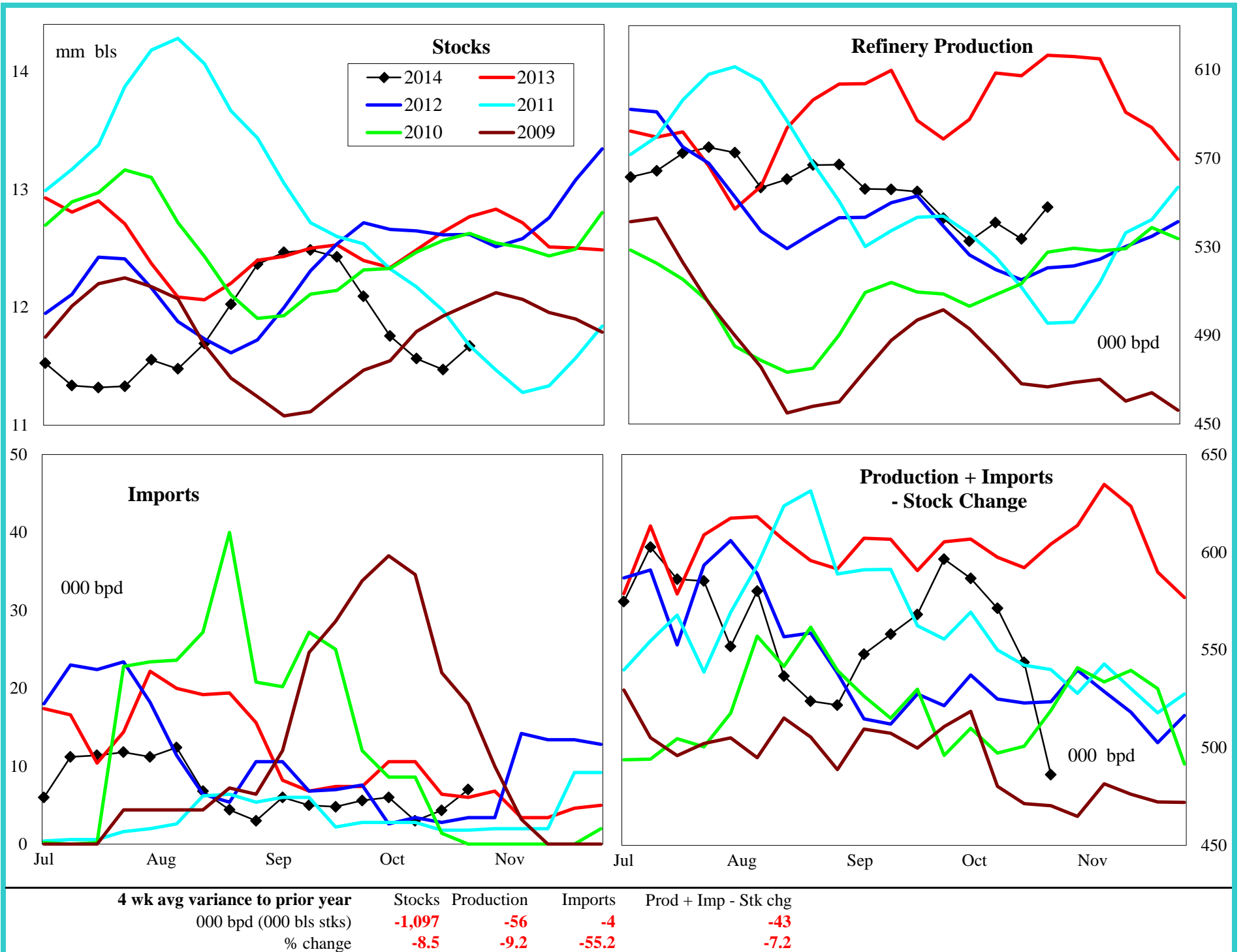
408.3

Prod + Imp - Stk chg

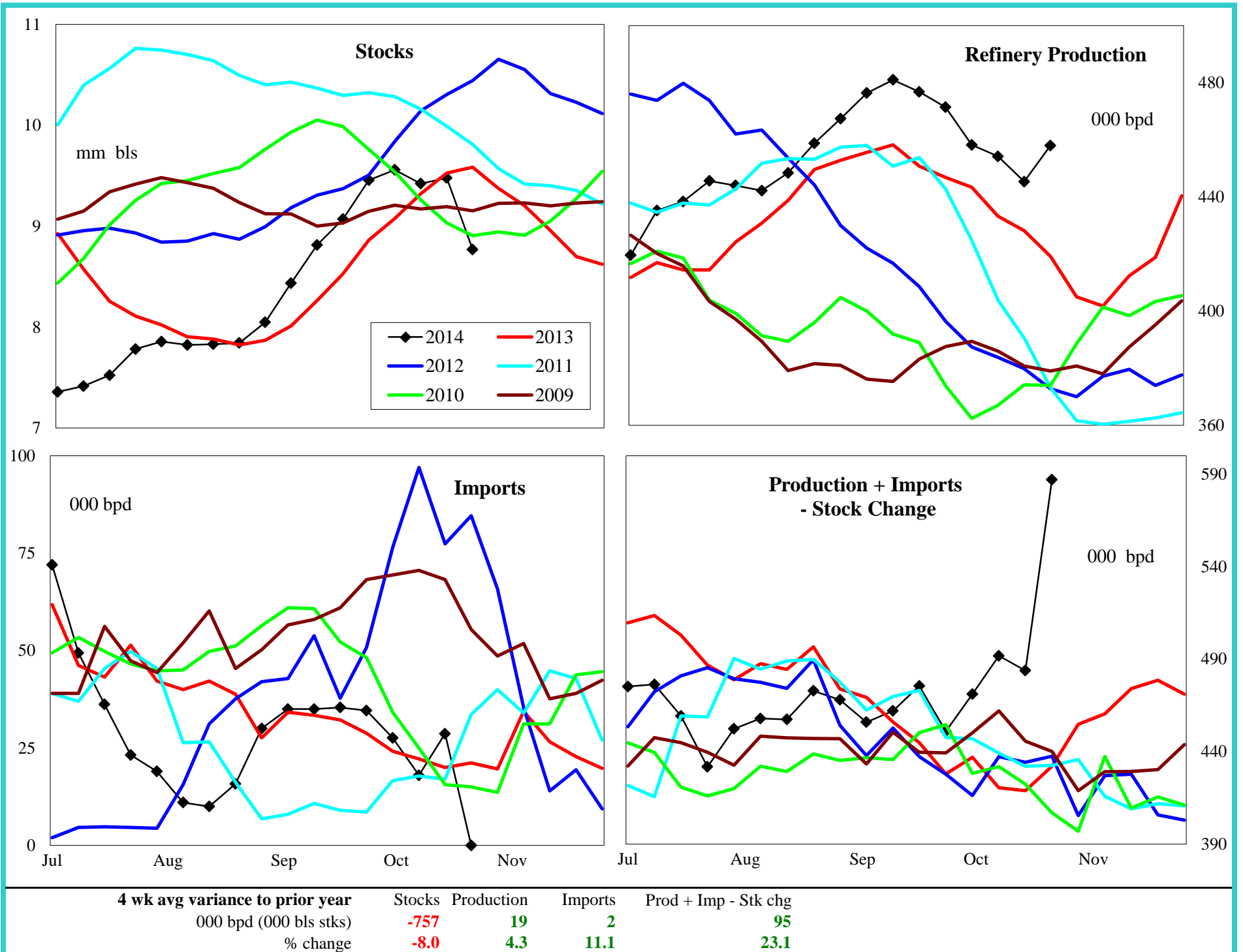
-33

-6.4

# PADD 5 Distillate Supply



# PADD 5 Jet Fuel Supply



# PADD 5 Residual Fuel Oil Supply

