



WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

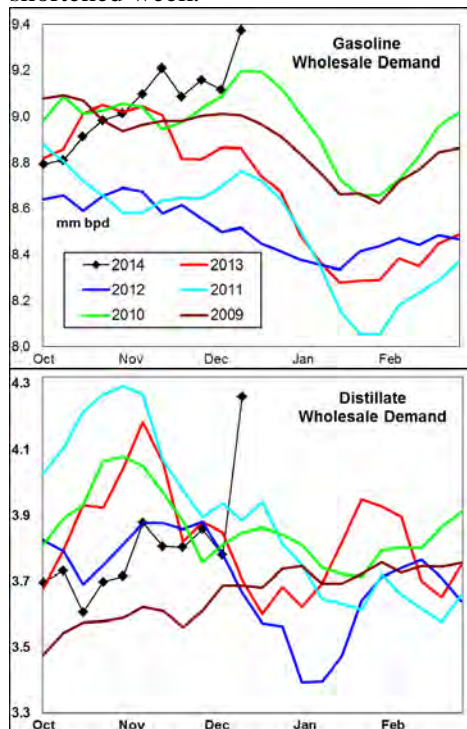
A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Sunday, December 21, 2014

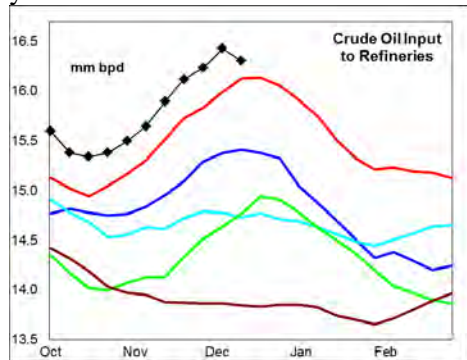


Major Fundamental Trends¹

Wholesale demand for both gasoline and distillate rebounded last week following the previous holiday shortened week.

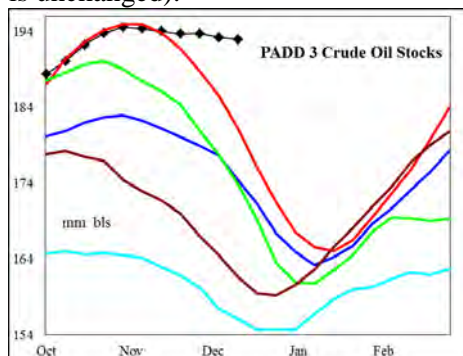


Refinery runs remain at the winter quarter peak, with the latest 4-wk average +0.4 million bpd above last year.



High refinery runs and increased imports have driven gasoline stocks to a 5-yr high for this time of year. Look for continued above average rate of gasoline stock builds to lift the peak winter stock level to a record high.

Crude oil stocks saw a +2.9 million barrel build in Cushing and little change in the Gulf. Gulf stocks are now +12 million barrels above last year's record high, driven by the substitution of domestic supplies for imports (imports are normally reduced at year end while domestic production is unchanged).



Wholesale Demand for gasoline and distillate each spiked +0.8 million bpd on increased deliveries following the previous holiday shortened week.

Wholesale demand, measured over the last four weeks compared to a year ago: gasoline increased +4.1%, distillate increased +2.9%, jet fuel was +1.1% higher, while residual fuel climbed +11%.

Stocks forward coverage: Gasoline demand coverage increased on a +5.3 million barrel stock build partially offset by a +0.8 million bpd jump in wholesale demand. Coverage ended the week at a level that matched the 3-yr mid range.

Distillate coverage decreased on a -0.2 million barrel stock draw and surge in wholesale demand. Coverage ended the week at a level that matched the last 2-yrs.

Jet fuel coverage increased on a +0.1 million barrel stock build. Coverage ended the week below the 5-yr range.

Residual fuel oil coverage fell sharply on surge in wholesale demand, with no change in stock levels.

Refinery utilization rates decreased on a -326,000 bpd decline in crude oil runs last week, concentrated in the Midwest and Gulf coast. During the

latest 4-wk period crude oil input was +381,000 bpd above a year ago.

Gasoline yield % on crude oil runs increased last week on a +483,000 bpd increase in output compared to the -326,000 bpd decline in crude oil runs. Yield % on crude oil runs ended the week above the last 2-yrs.

Distillate yield % on crude oil runs increased, on a -17,000 bpd decline in output compared to the larger decrease in crude oil runs. The yield % on crude oil runs was above the last 2-yrs.

Jet fuel yield % on crude oil runs increased last week on a -6,000 bpd decline in output compared the larger drop in crude oil runs. The yield % matched 3-yr highs for the period.

Petroleum Imports/Exports: Imports of crude oil fell -0.6 million bpd last week, while gasoline imports were sharply higher.

During the latest 4-wk period crude oil imports were -143,000 bpd below last year; distillate imports were -29,000 bpd lower; finished gasoline imports were -3,000 bpd lower; gasoline blend stock imports were -43,000 bpd lower, jet fuel imports increased +3,000 bpd, and residual fuel imports decreased -20,000 bpd.

Exports of distillate for the week ending 21Nov14 were -251,000 bpd below a year ago, gasoline -18,000 bpd lower, jet fuel +19,000 bpd higher and residual fuel oil was +24,000 bpd higher.

Crude Oil stocks decreased -0.8 million barrels on the week, including a +2.9 million barrel build in Cushing last week. Cushing has seen a +9 million barrel build during the last quarter.

Gulf region crude oil stocks ended the week +12 million barrels above last year's record high for the period as domestic crude displaces imports.

During the most recent 4-wk period U.S. crude oil stocks saw a -1 million barrel draw compared to the historic -10 million barrel draw.

¹ Source is latest EIA Weekly Statistics



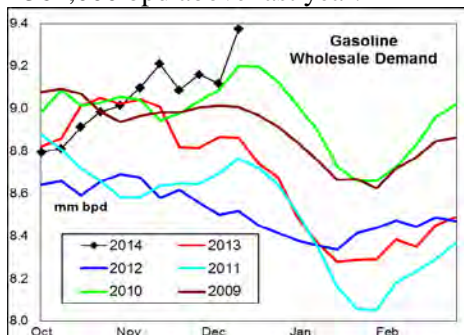
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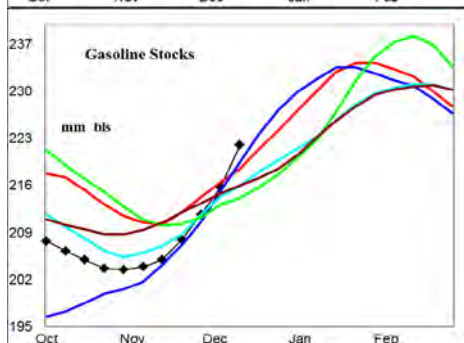
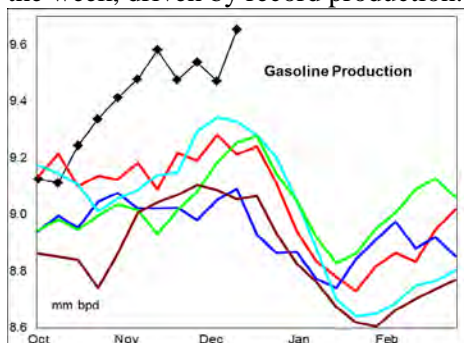
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Product Supply-Demand Trends

Gasoline wholesale demand spiked +0.8 million bpd on the week, on increased deliveries following the previous holiday shortened week. The latest 4-wk average demand was +364,000 bpd above last year.



Supply climbed +0.7 million bpd last week on higher production and imports. Supply for the latest 4-wk period exceeded a year ago by +339,000 bpd on higher production. Stocks climbed +5.3 million barrels on the week, driven by record production.

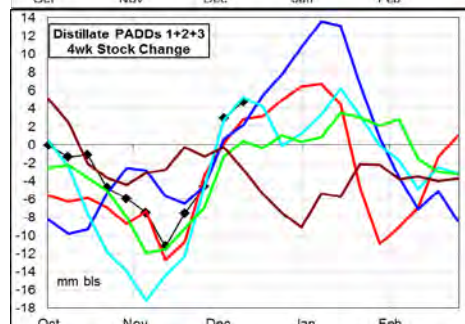
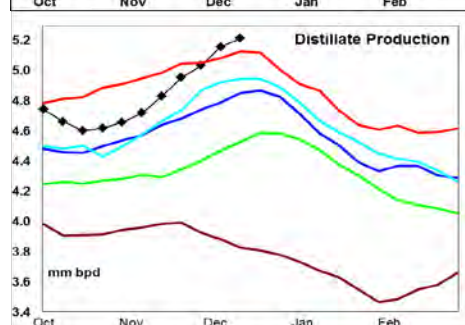
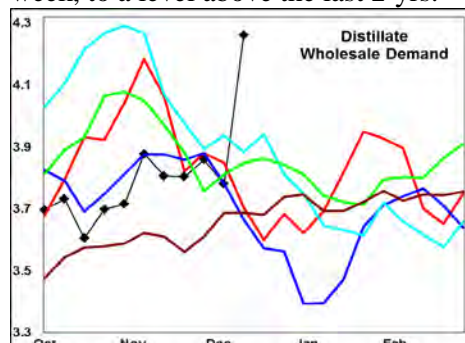


With stocks now above the 5-yr range, and an immediate seasonal decline in demand ahead, look for stock levels to reach a record high early in the next quarter.

Distillate wholesale demand spiked +0.8 million bpd last week, on increased deliveries following the previous holiday shortened week. The

latest 4-wk average demand was +108,000 bpd above last year.

Supply decreased -53,000 bpd on lower production and imports. Production was +6,000 bpd above last year for latest 4-wk period, with imports -29,000 bpd lower. Stocks decreased -0.2 million barrels on the week, to a level above the last 2-yr.



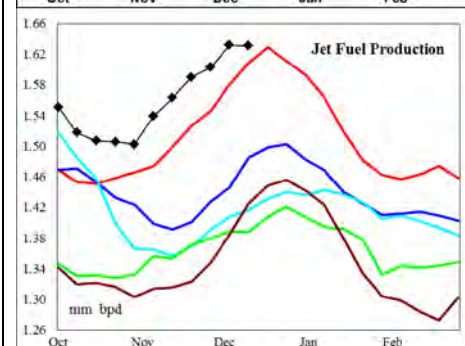
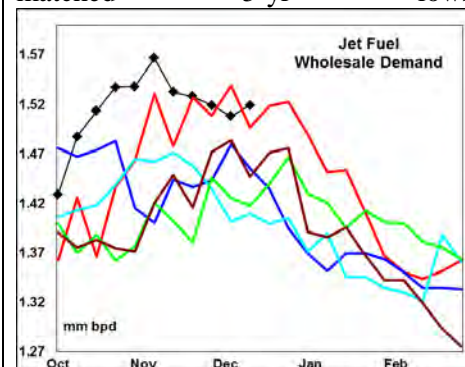
The latest 4-wk stock change in markets East of the Rockies was a +5.2 barrel build, matching a 5-yr high for the week.

Peak thruput through year end should offset improved wholesale demand, extending the period of above average stock builds into early next month.

Jet Fuel wholesale demand increased +32,000 bpd on the week, with the 4-wk average +17,000 bpd above last year. Production for the most recent 4-wk period was +56,000 bpd above last

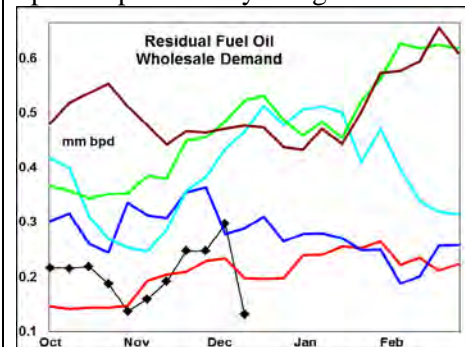
year. Imports were +3,000 bpd higher.

Stocks increased +0.1 million barrels last week, to a level that matched 5-yr lows.



Look for peak seasonal demand to offset high production and imports so that stock levels remain very low.

Residual fuel oil demand fell - 330,000 bpd on the week. Demand for the latest 4-wk period increased +31,000 bpd compared to a year ago.



Supply (production + imports) was unchanged on the week, with imports at a 5-yr low. Stocks were unchanged on the week, with the level below the historic range.

Stocks in the Gulf region remain near historic highs, although imports and production are each below the 5-yr range.



WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

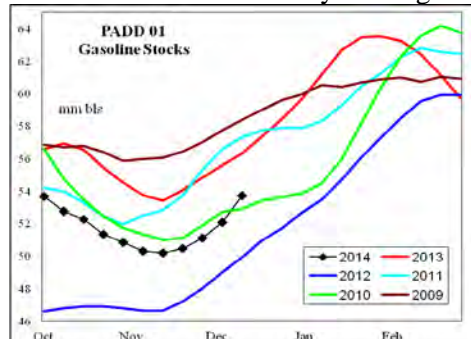
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PADD Supply Trends

PADD 1 refinery crude oil runs declined last week to a level that matched the 3-yr mid range.

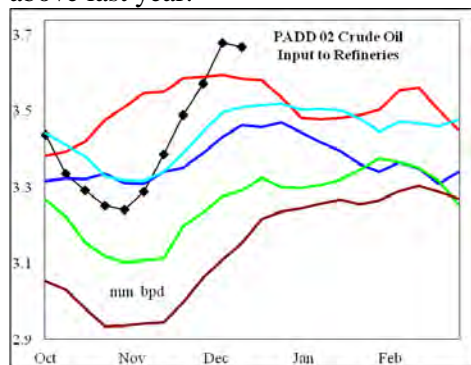
Gasoline supply increased +182,000 bpd on higher imports, with the 4-wk average +84,000 bpd above last year. Stocks increased +1.4 million barrels last week, although the level remains below the 3-yr average.



Distillate supply decreased -54,000 bpd last week, with the 4-wk average -31,000 bpd below last year. Stocks fell -1.4 million barrels on the week, to a level that matched last year's lows.

Jet fuel supply decreased -45,000 bpd last week; with the 4-wk average was +58,000 bpd above last year. Stocks ended the week at the 3-yr mid range.

PADD 2 crude oil refinery runs decreased -96,000 bpd on the week, a level still above the 5-yr range. The latest 4-wk average was +18,000 bpd above last year.



Crude oil stocks jumped +5.5 million barrels last week, with the level -5 million barrels below a year ago. Cushing saw a +2.9 million barrel stock build on the week.

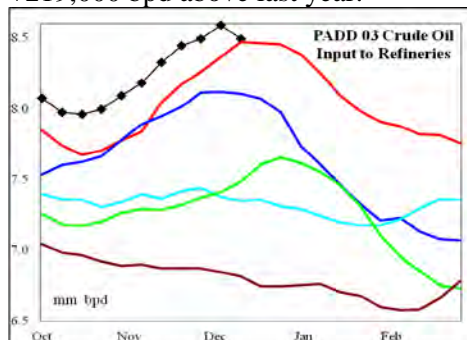
Gasoline supply increased +87,000

bpd on the week. Production for the most recent 4-wk period was +9,000 bpd above a year ago. Stocks increased +2.1 million barrels on the week, a level still -5% below last year.

Distillate supply decreased -53,000 bpd on the week, although the level remains above the 5-yr range. Stocks were unchanged on the week, with the level below the historic range.

Jet fuel production decreased -17,000 bpd on the week, a level above the 5-yr range. Stocks were unchanged on the week, at a level below the historic range.

PADD 3 refinery runs fell -186,000 bpd on the week, to a level that matched last year. During the latest 4-wk period, average runs were +219,000 bpd above last year.



Crude oil stocks decreased -0.7 million barrels last week, ending at a level +12 million barrels above the prior record for the period. Imports fell -0.4 million bpd on the week, with the 4-wk average -0.5 million bpd below a year ago.

Gasoline supply increased +239,000 bpd last week, with the latest 4-wk average +215,000 bpd above a year ago. Stocks increased +0.7 million barrels on the week, to a level above the 5-yr range for this time of year.

Distillate supply increased +44,000 bpd on the week, with the latest 4-wk average supply -125,000 bpd below a year ago. Stocks increased +0.9 million barrels on the week, to a level +16% above last year.

Jet fuel production increased +30,000 bpd on the week, to a level above the 5-yr range. Stocks

decreased -0.2 million barrels a level below the last 5-yrs.

Residual fuel supply increased +56,000 bpd on higher imports. Stocks were nearly unchanged at a level that matched the 3-yr average.

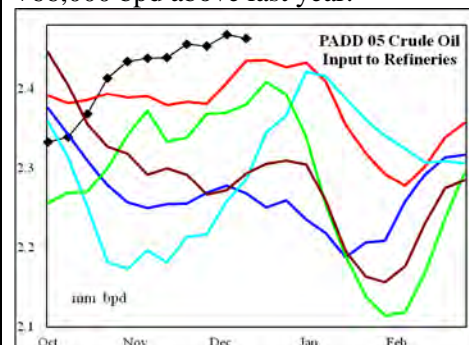
PADD 4 refinery crude runs jumped +40,000 bpd last week, to a level well above the 5-yr range, with the latest 4-wk average was +24,000 bpd above a year ago.

Gasoline production jumped +59,000 bpd for the week, with the latest 4-wk average -17,000 bpd below last year. Stock levels ended the week at a fresh 5-yr high.

Distillate supply increased +6,000 bpd last week, with the latest 4-wk production +31,000 above last year. Stock levels ended the week +25% above last year and a new record high.


Jet fuel production decreased -4,000 bpd to a level above the historic range, while stock levels ended the week near historic highs.

PADD 5 crude oil refinery runs declined -55,000 bpd last week, ending at a level still above the 5-yr range for the period. The 4-wk run rate was +66,000 bpd above last year.

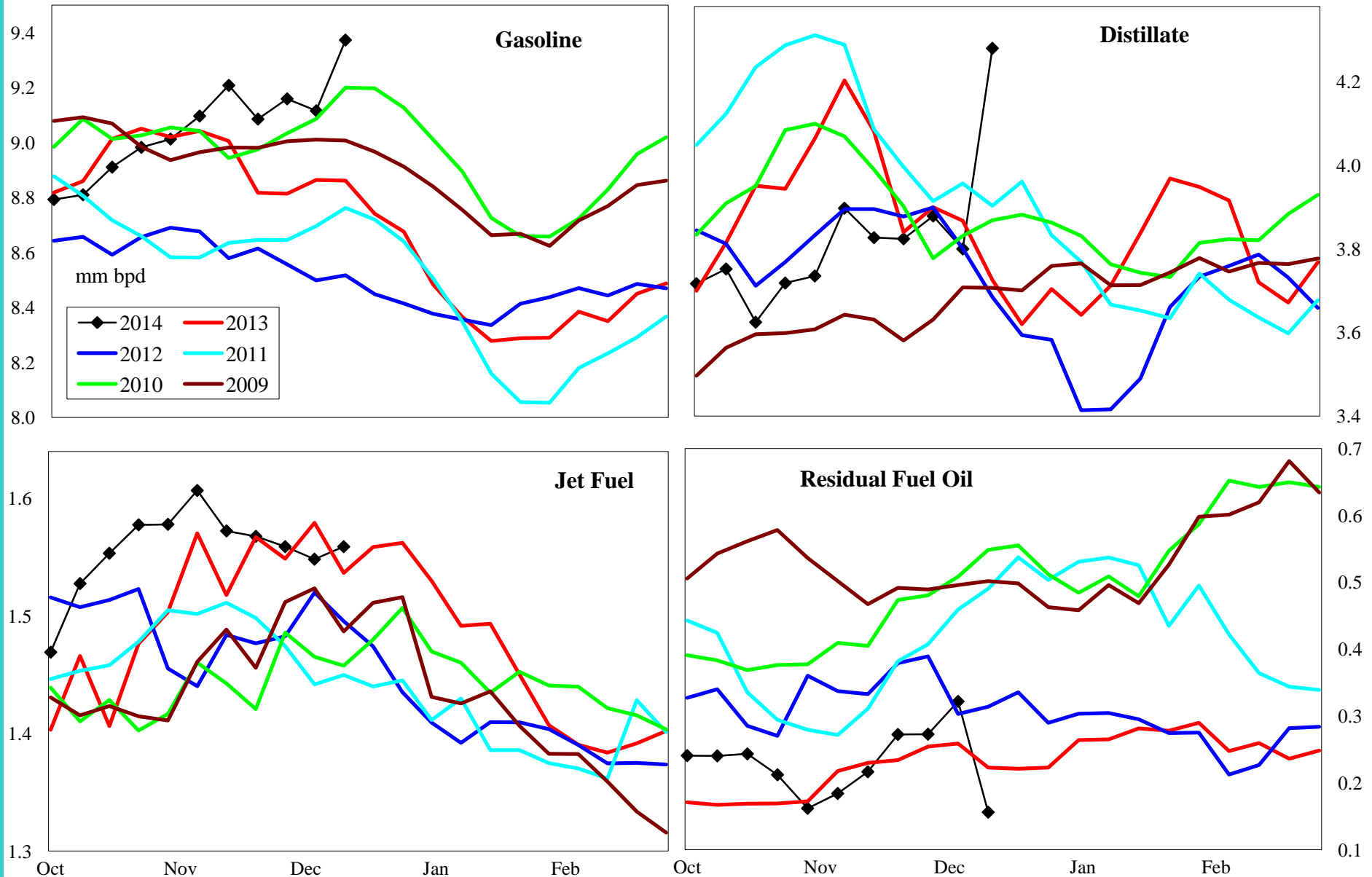


Gasoline supply was unchanged on the week, with the 4-wk average -48,000 bpd below a year ago. Stocks increased +1 million barrels on the week, ending at a level above the 3-yr mid range.

Distillate supply was also nearly unchanged on the week, with production at a record high. The 4-wk average supply was +15% above a year ago. Stocks were unchanged on the week, at a level above the 3-yr mid range.

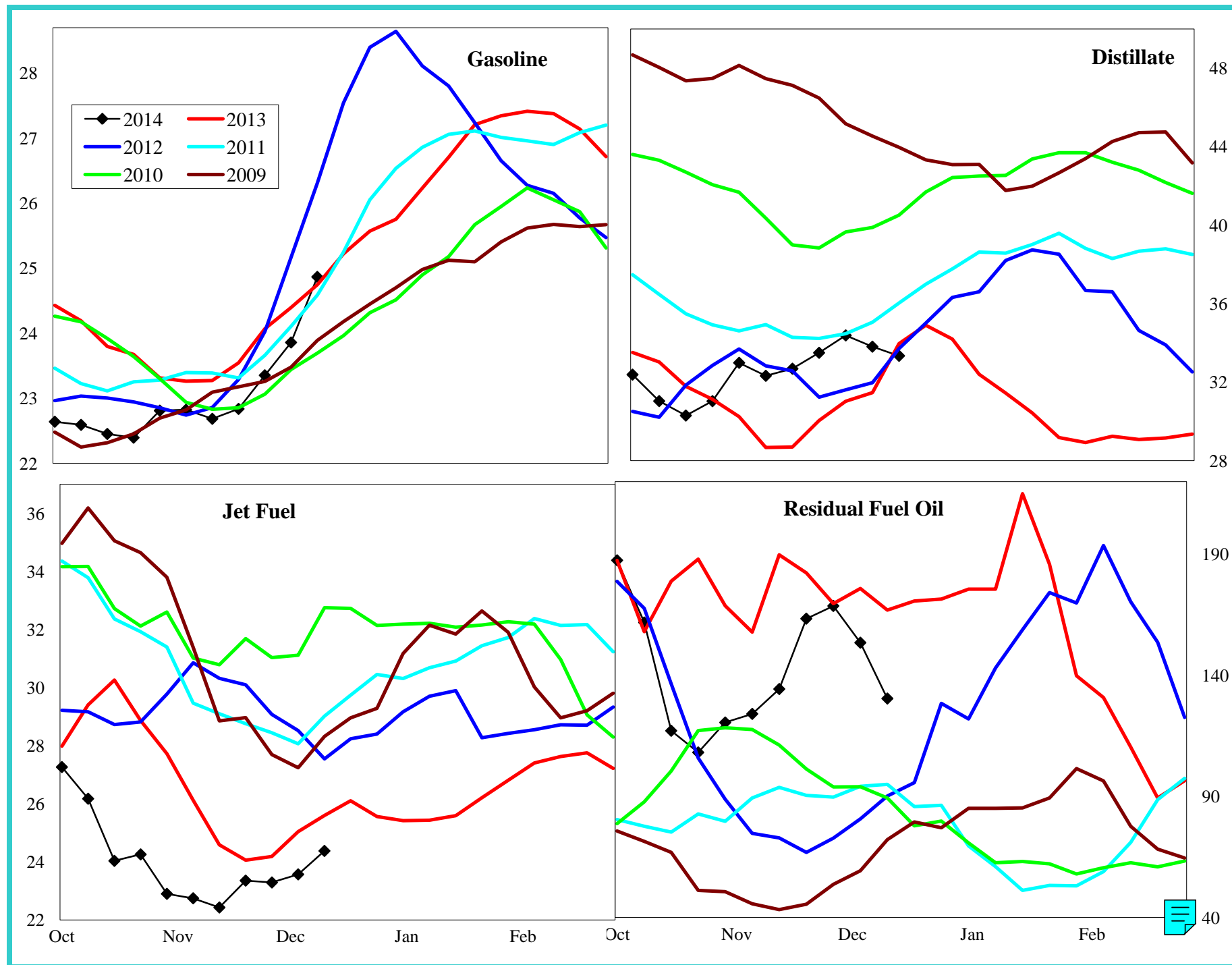
 FUNDAMENTAL PETROLEUM TRENDS ?		PETROLEUM: Graph Link and Weekly Summary					
		A Fundamental Petroleum Trends Weekly Report				December 17, 2014	
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Fundamental Trends	Wholesale Demand	Stocks Days Fwd Coverage	Refinery Utilization Product Yield %			Imports	
Supply/Demand Trends	12-Dec-14	EIA-DOE CHANGE FROM PRIOR WEEK					
	000 bpd stocks 000 bls	U. S. Total	PADD				
			1	2	3	4	5
Crude Oil	Stocks	-847	-1,577	5,496	-656	-344	-3,767
	Imports	-564	135	-185	-449	47	-112
	Input	-326	-29	-96	-186	40	-55
	% Utilization	-1.90					
Gasoline	Stocks	5,250	1,362	2,087	671	113	1,017
	Production	483	23	81	191	59	1
	Imports	212	159	6	48	0	-1
	Supplied	824					
Distillate	Stocks	-207	-1,350	45	898	286	-87
	Production	-17	-26	-47	44	6	4
	Imports	-36	-28	-8	0	0	0
	Supplied	774					
Jet Fuel	Stocks	96	-10	82	-217	28	211
	Production	-6	-19	-17	30	-4	4
	Imports	-26	-26	0	0	0	0
	Supplied	32					
Residual Fuel Oil	Stocks	17	533	37	-124	22	-452
	Production	8	0	5	2	-7	7
	Imports	-7	-88	-1	54	0	28
	Supplied	-330					

United States Wholesale Petroleum Demand

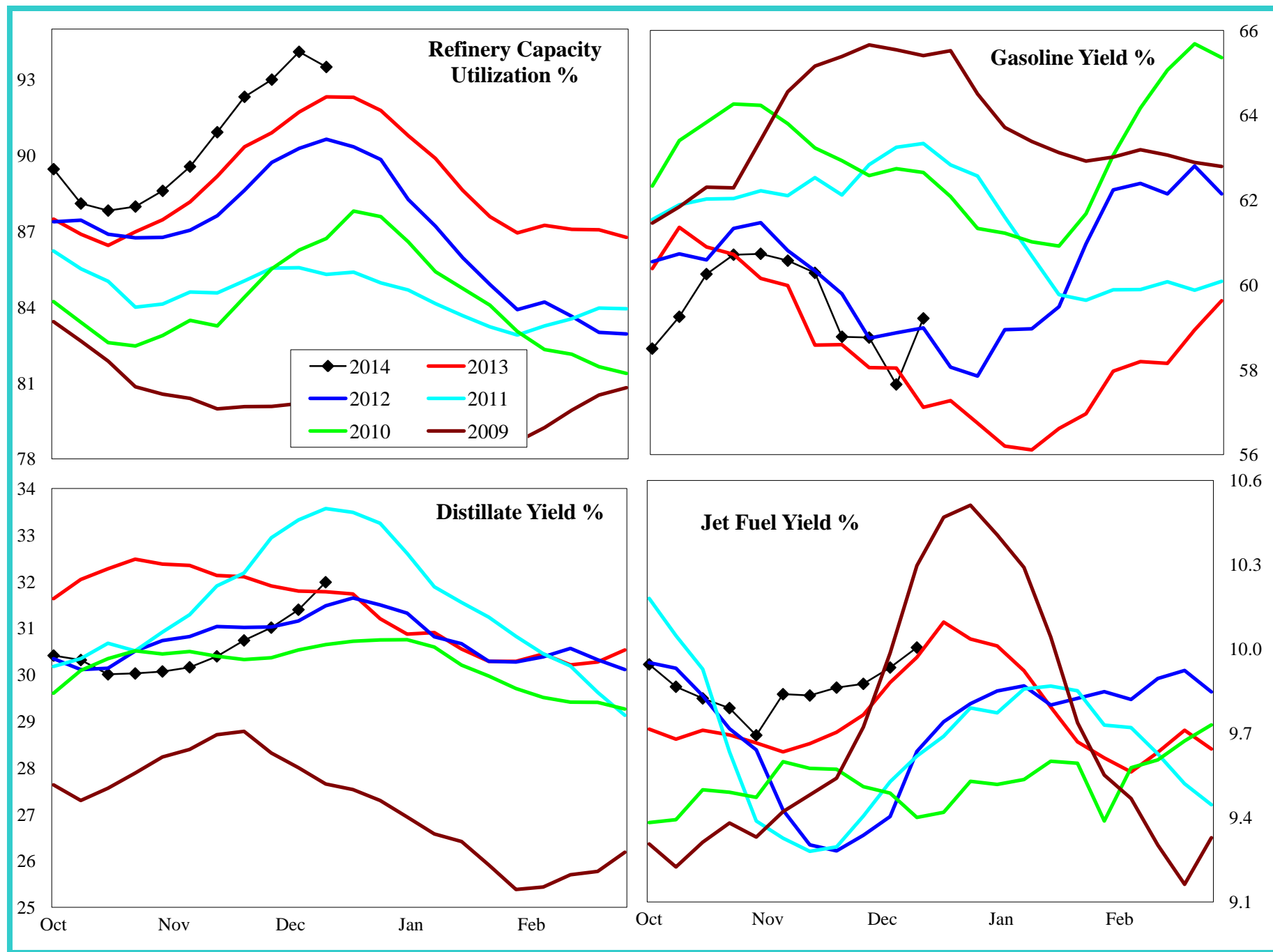


	000 bpd change from prior year				% change from prior year			
	4wk avg	Nov	Oct	Sep	4wk avg	Nov	Oct	Sep
Gasoline	364	473	156	-220	4.1	5.4	1.8	-2.5
Distillate	108	1	-489	196	2.9	0.0	-11.9	5.3
Jet Fuel	17	117	79	58	1.1	8.2	5.4	4.1
Resid	31	-111	-78	-82	11.4	-33.6	-25.6	-23.5

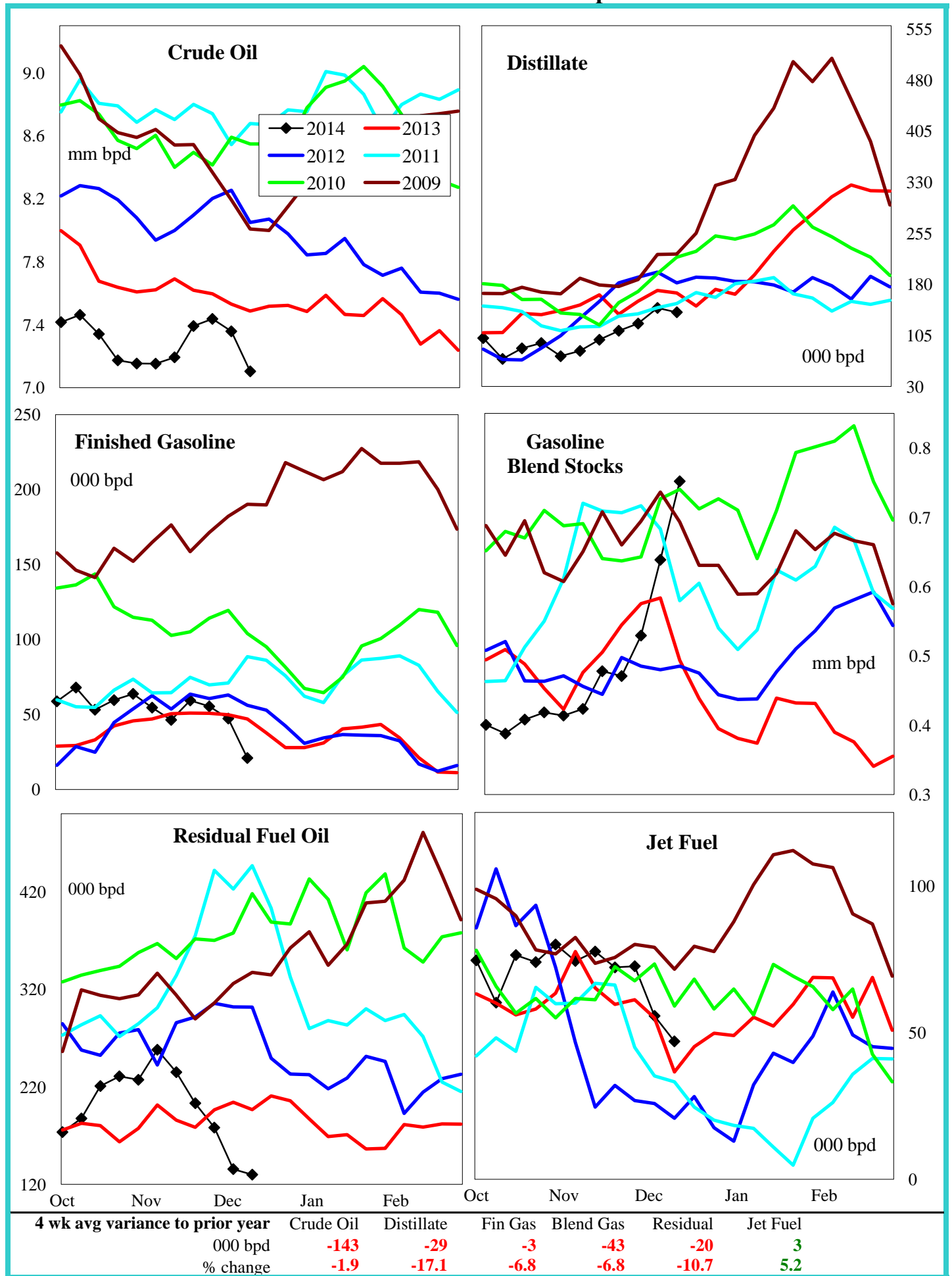




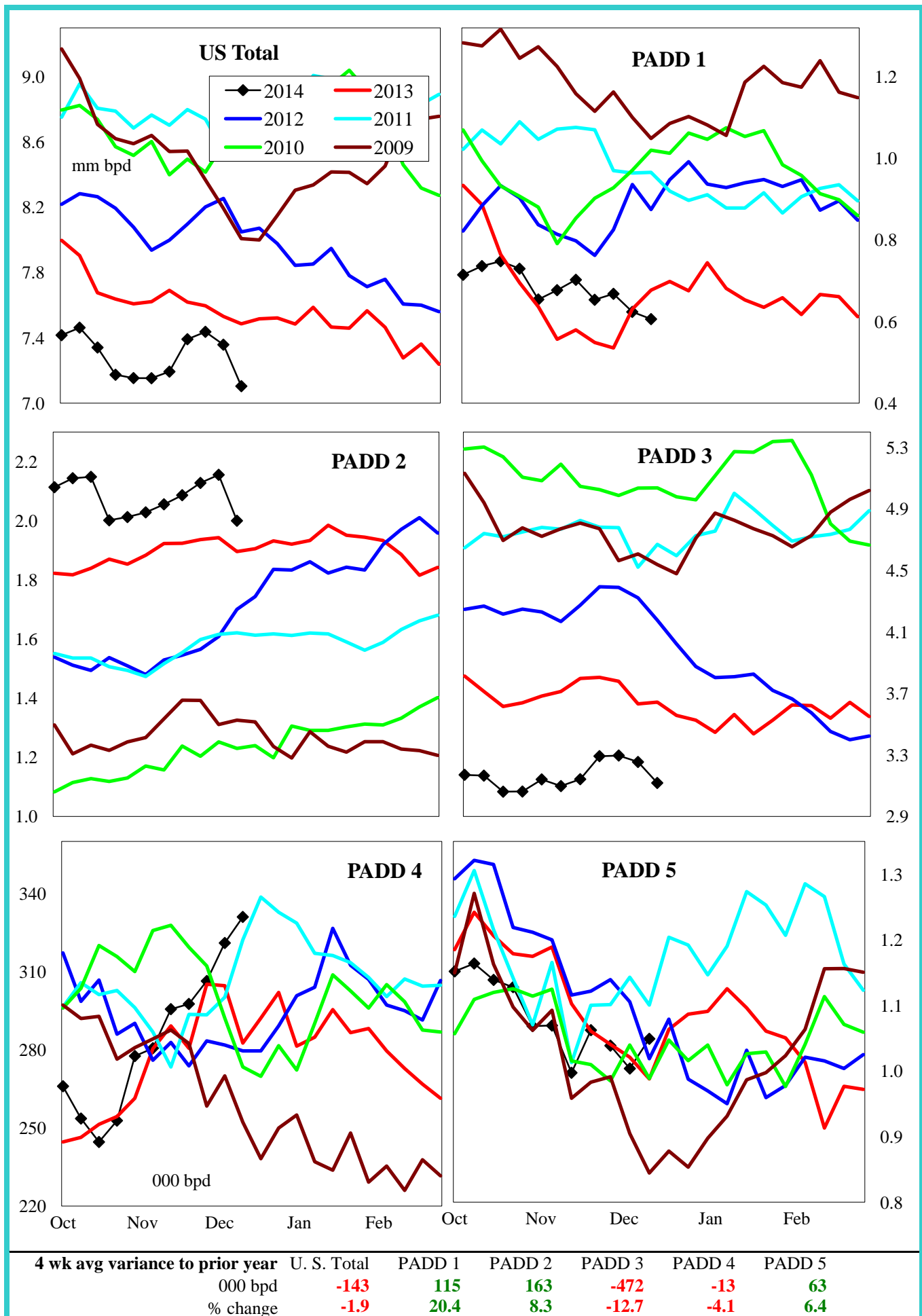
United States Refinery Percent Utilization Rate and Product Yields



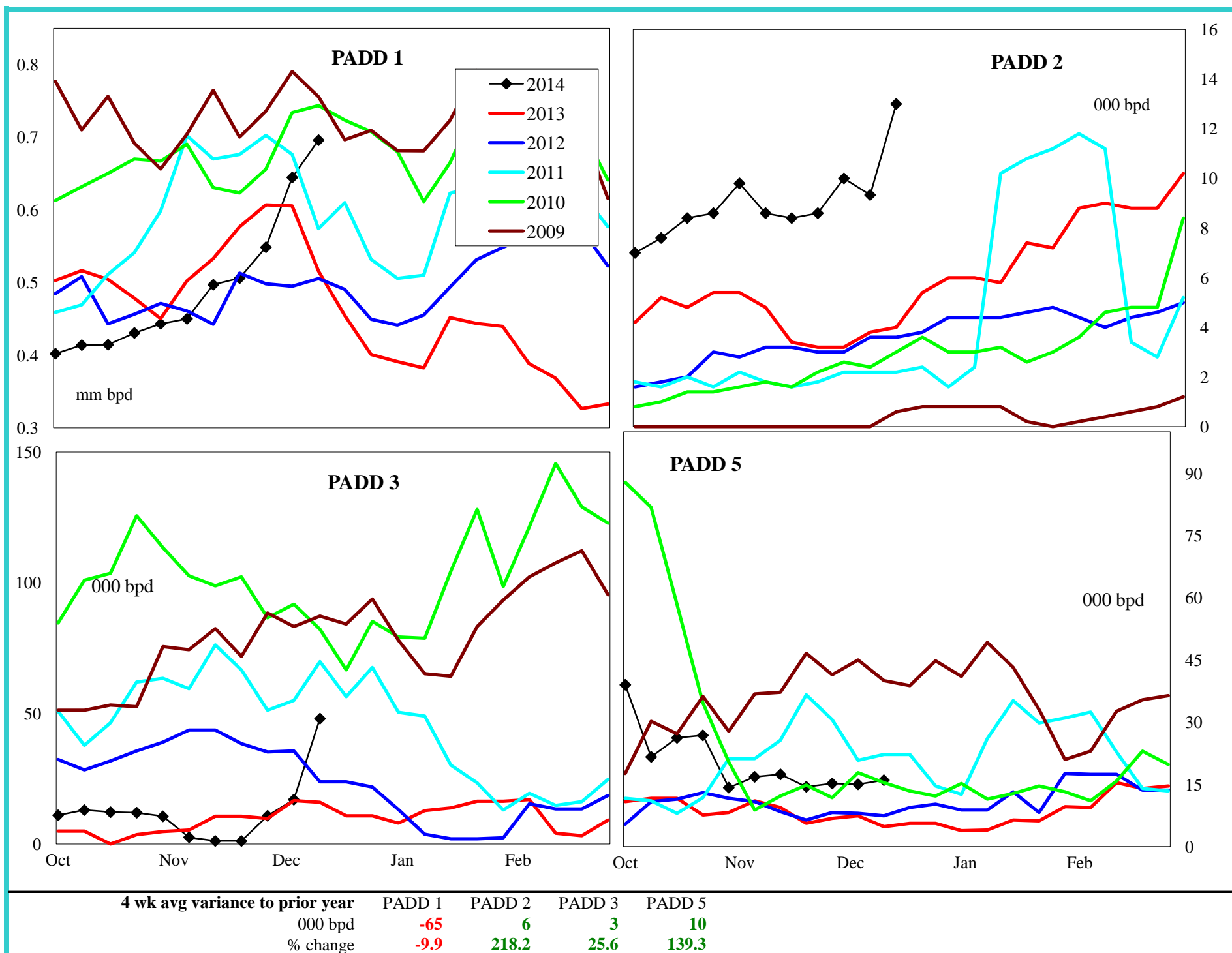
United States Petroleum Imports



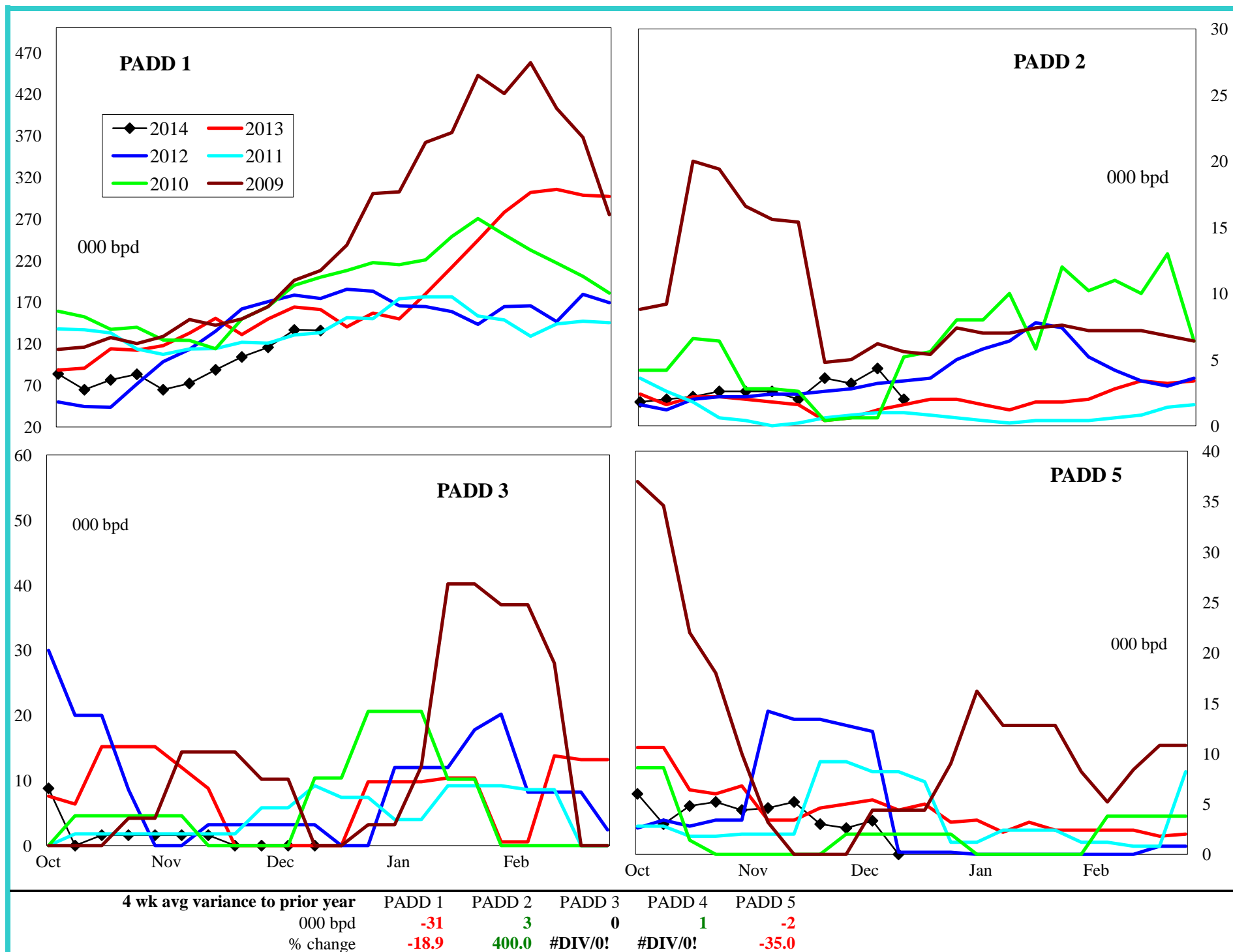
Crude Oil Imports by PADD



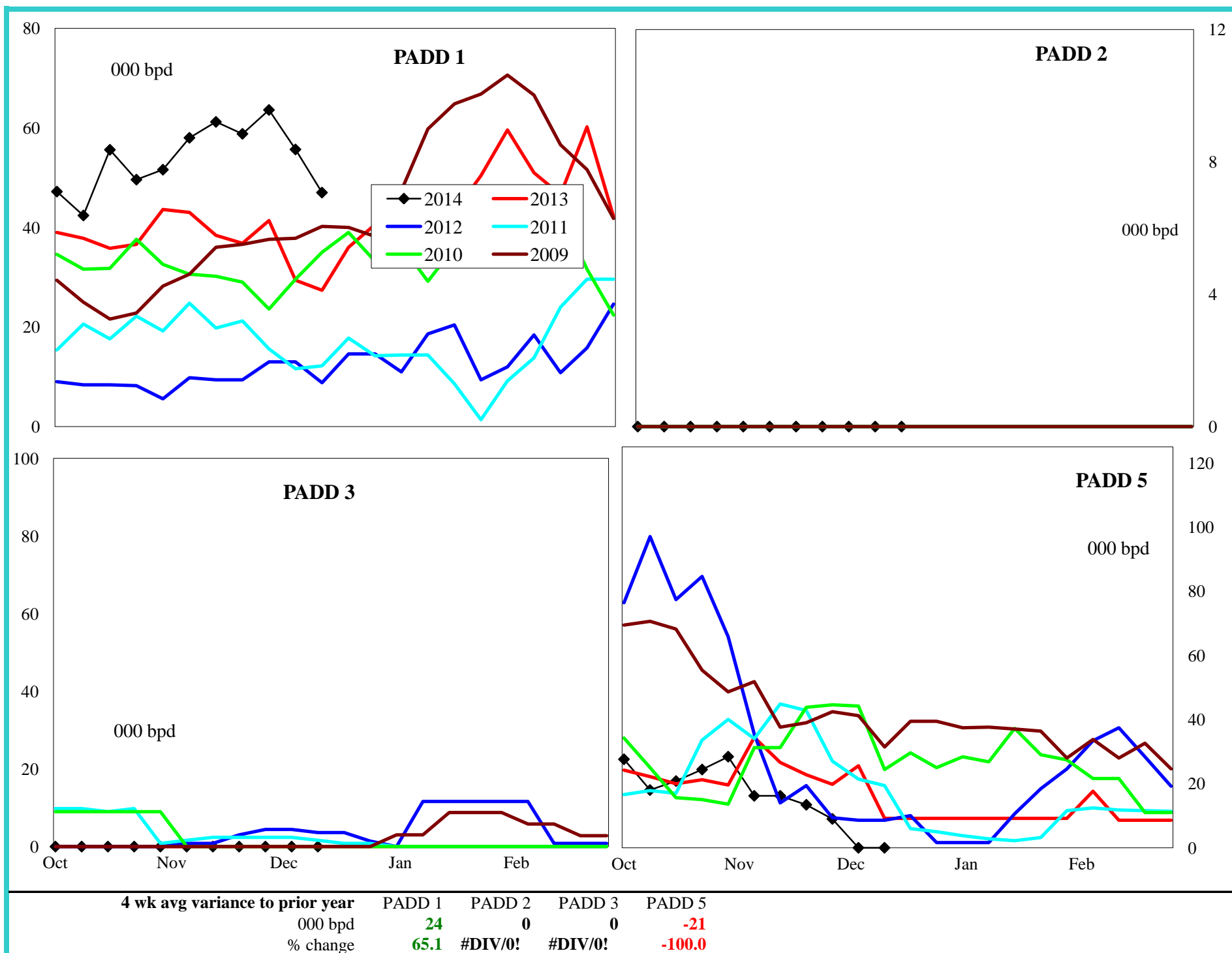
Gasoline Imports by PADD (Finished + Blend Stocks)



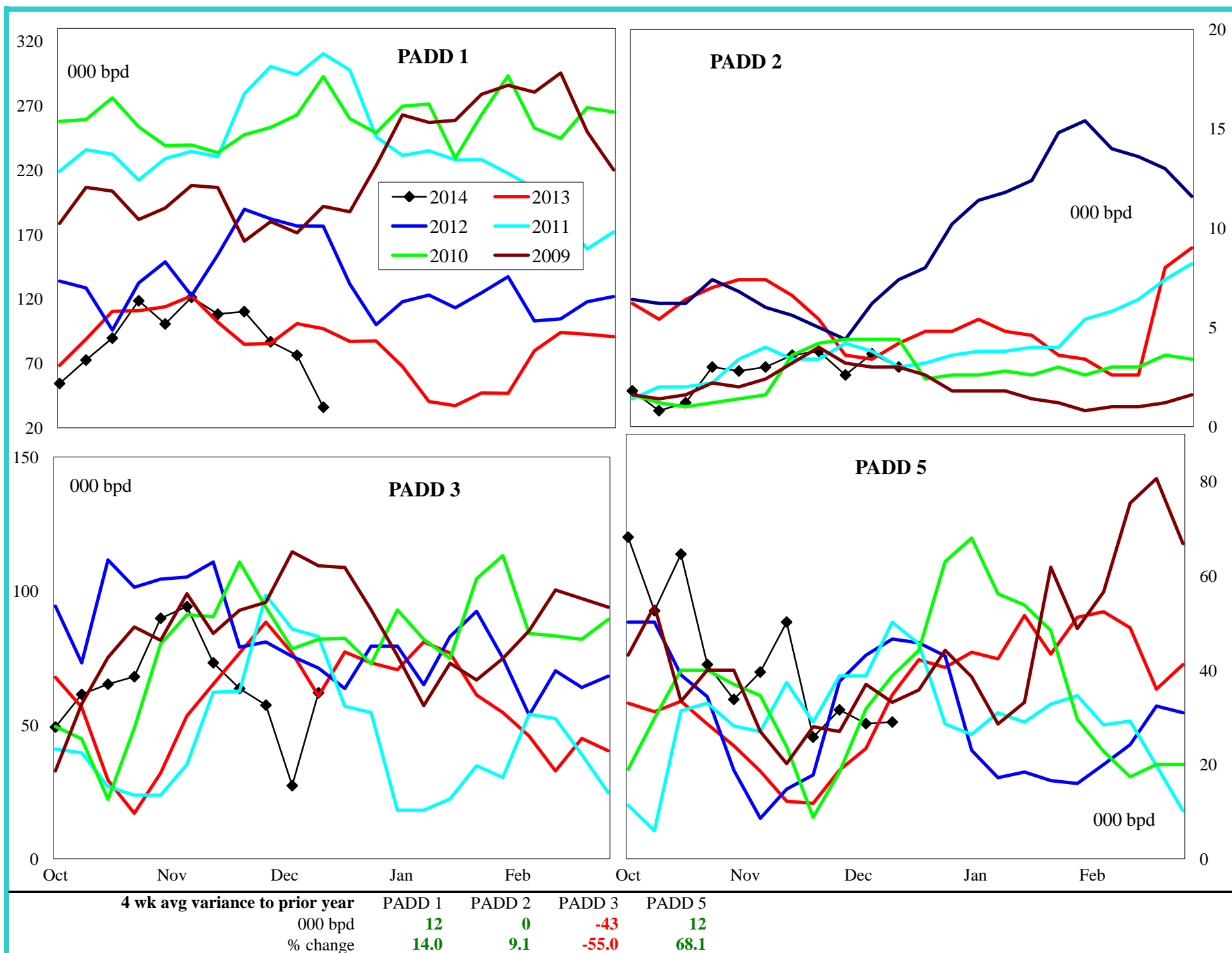
Distillate Imports by PADD



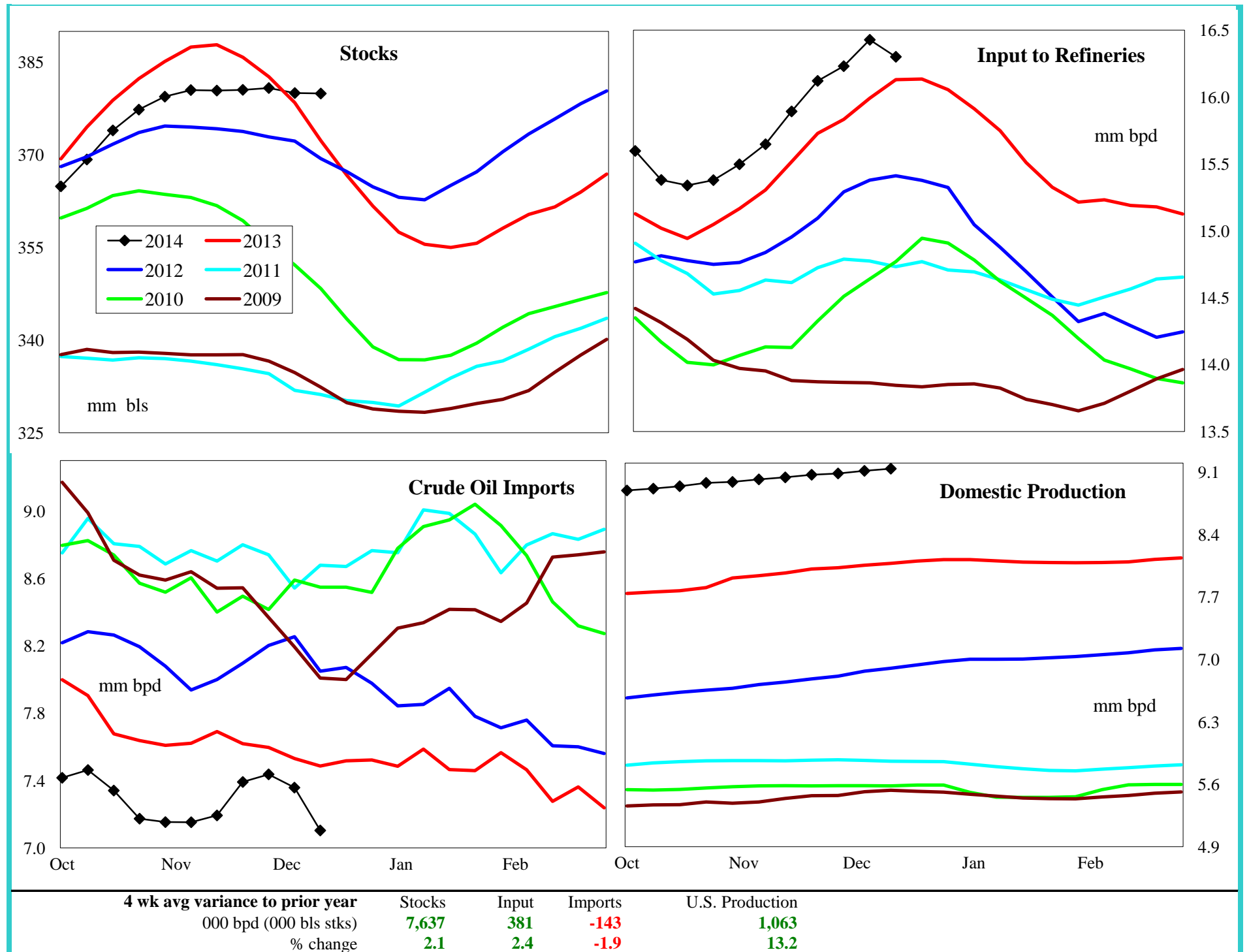
Jet Fuel Imports by PADD



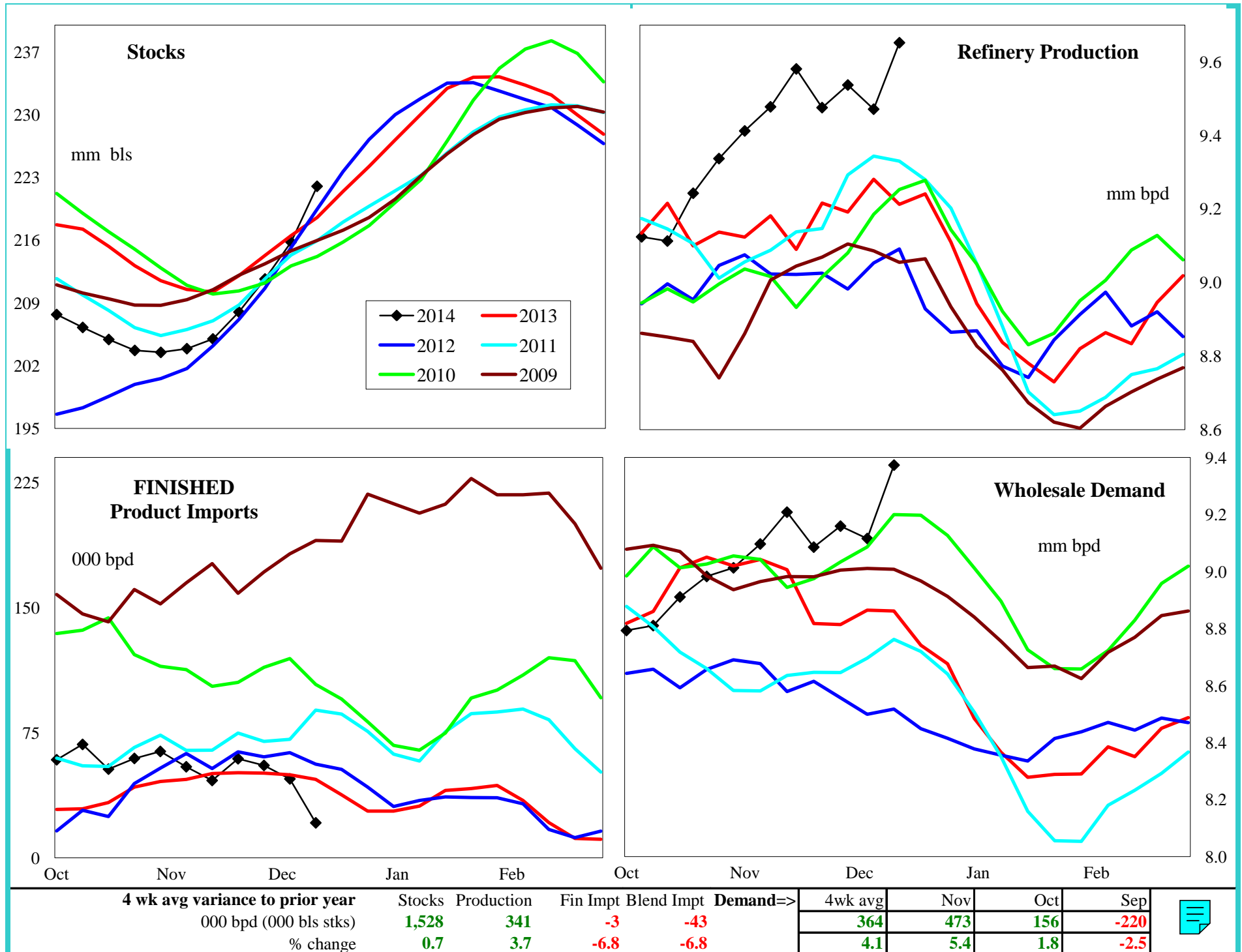
Residual Fuel Oil Imports by PADD



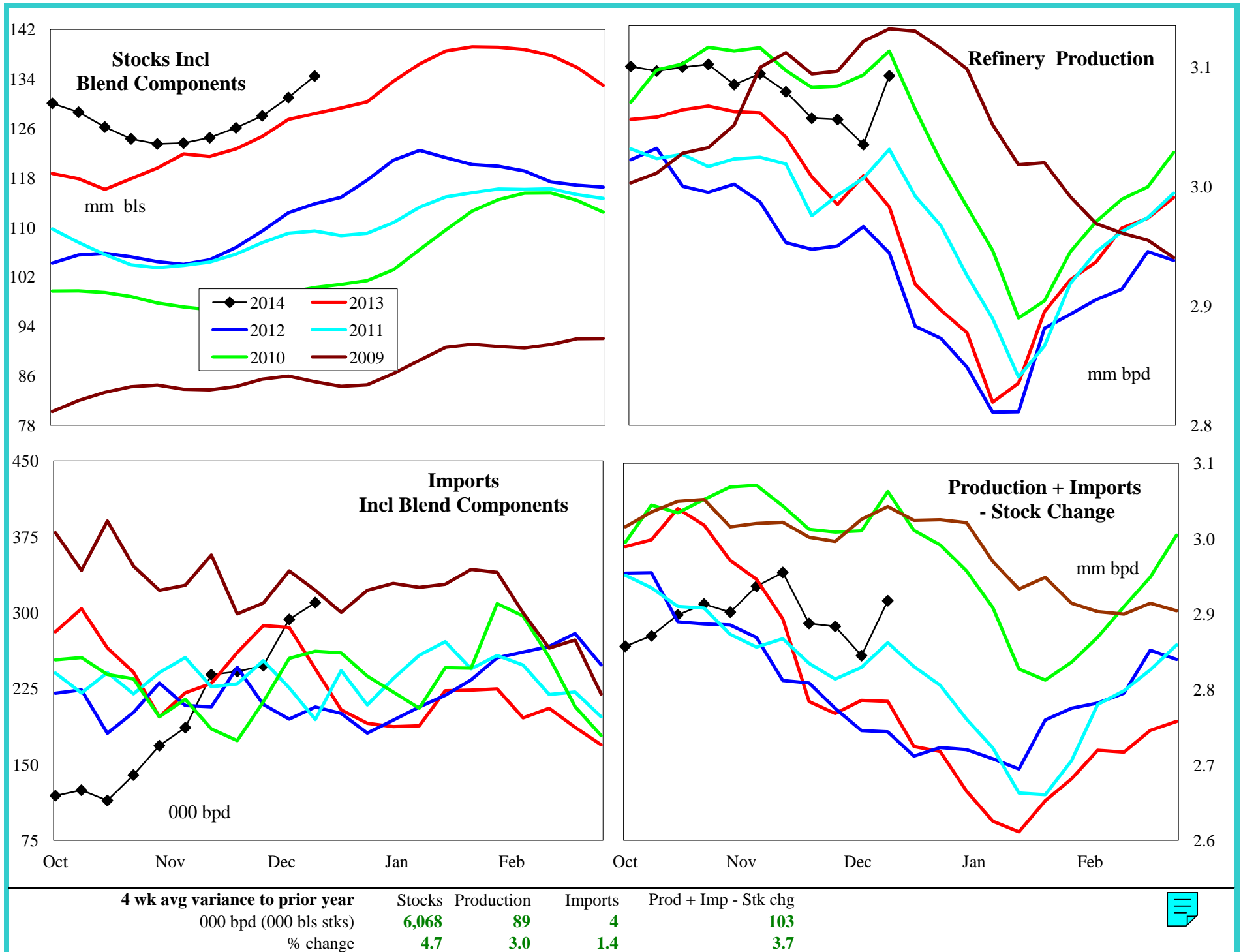
United States Crude Oil Supply and Demand Balance



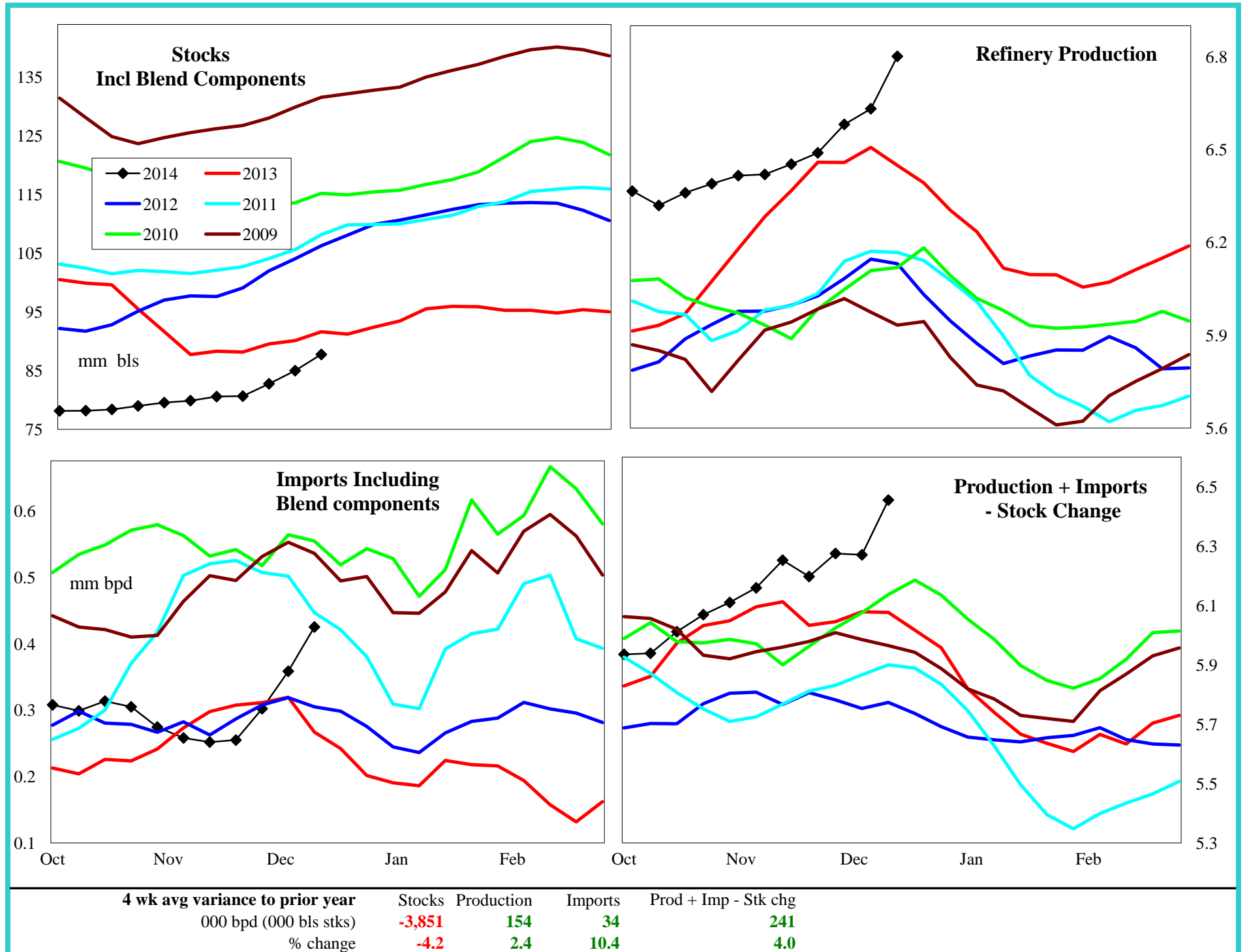
United States Gasoline Supply and Demand Balance



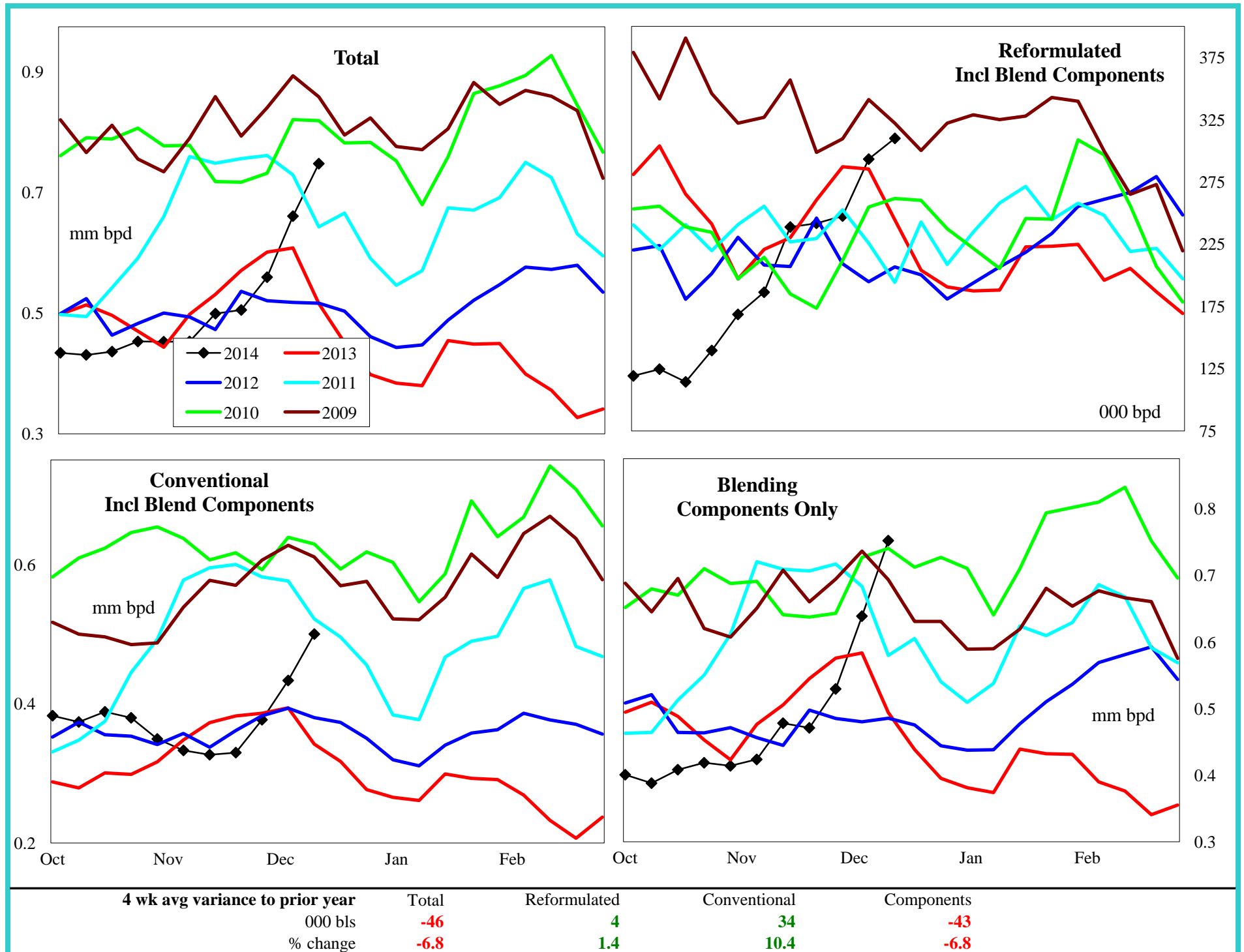
United States Reformulated Gasoline Supply



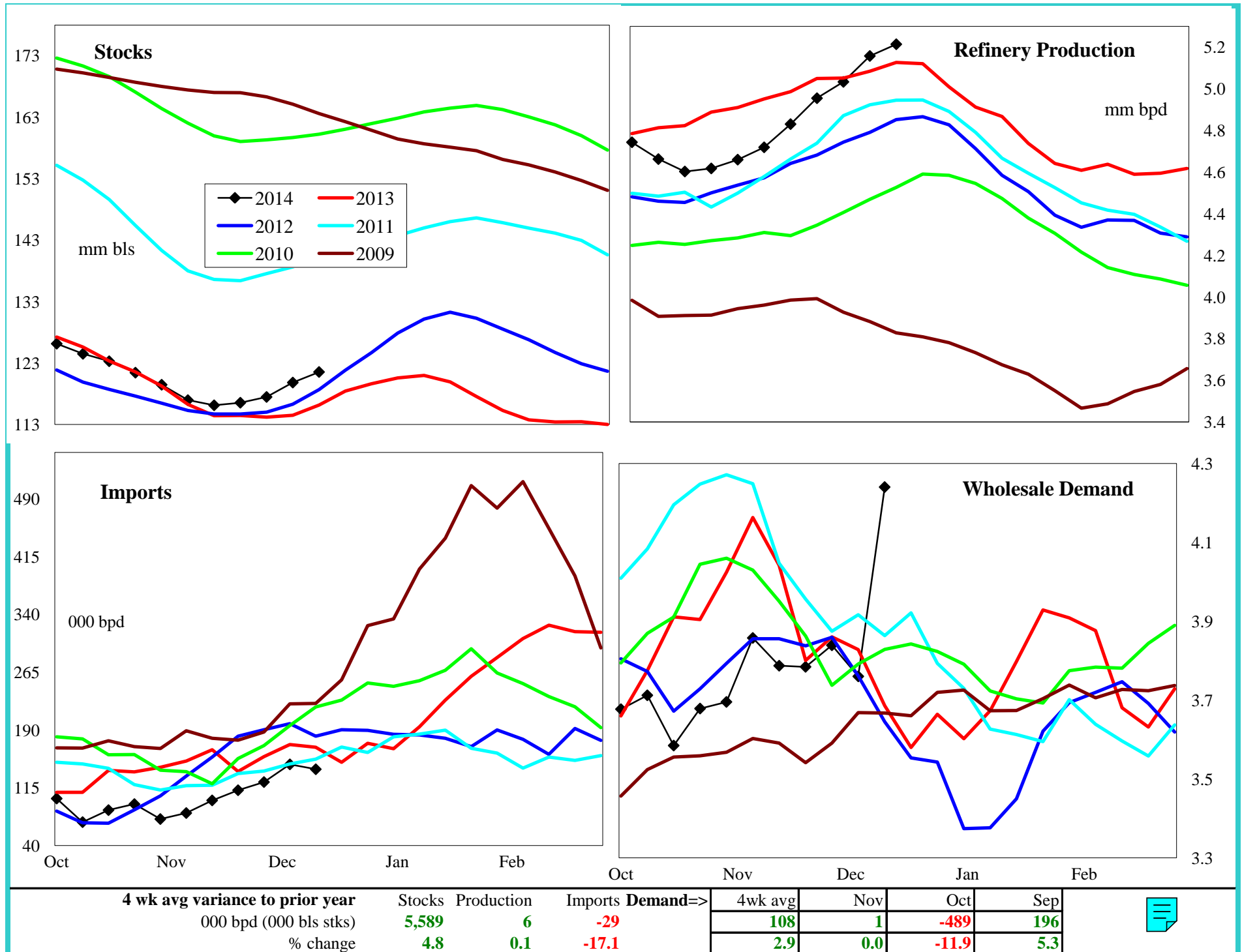
United States Conventional Gasoline Supply



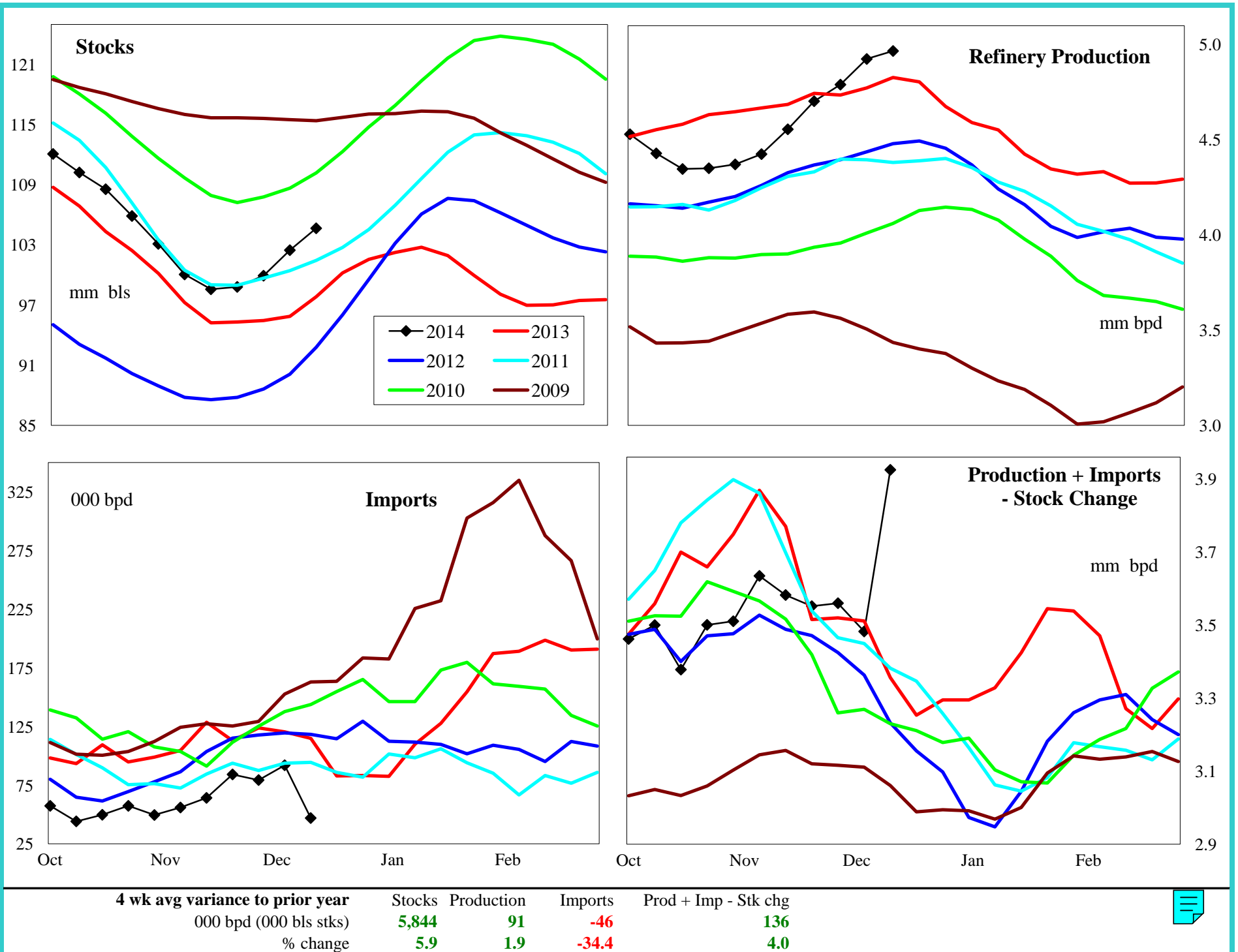
United States Gasoline Imports by Type



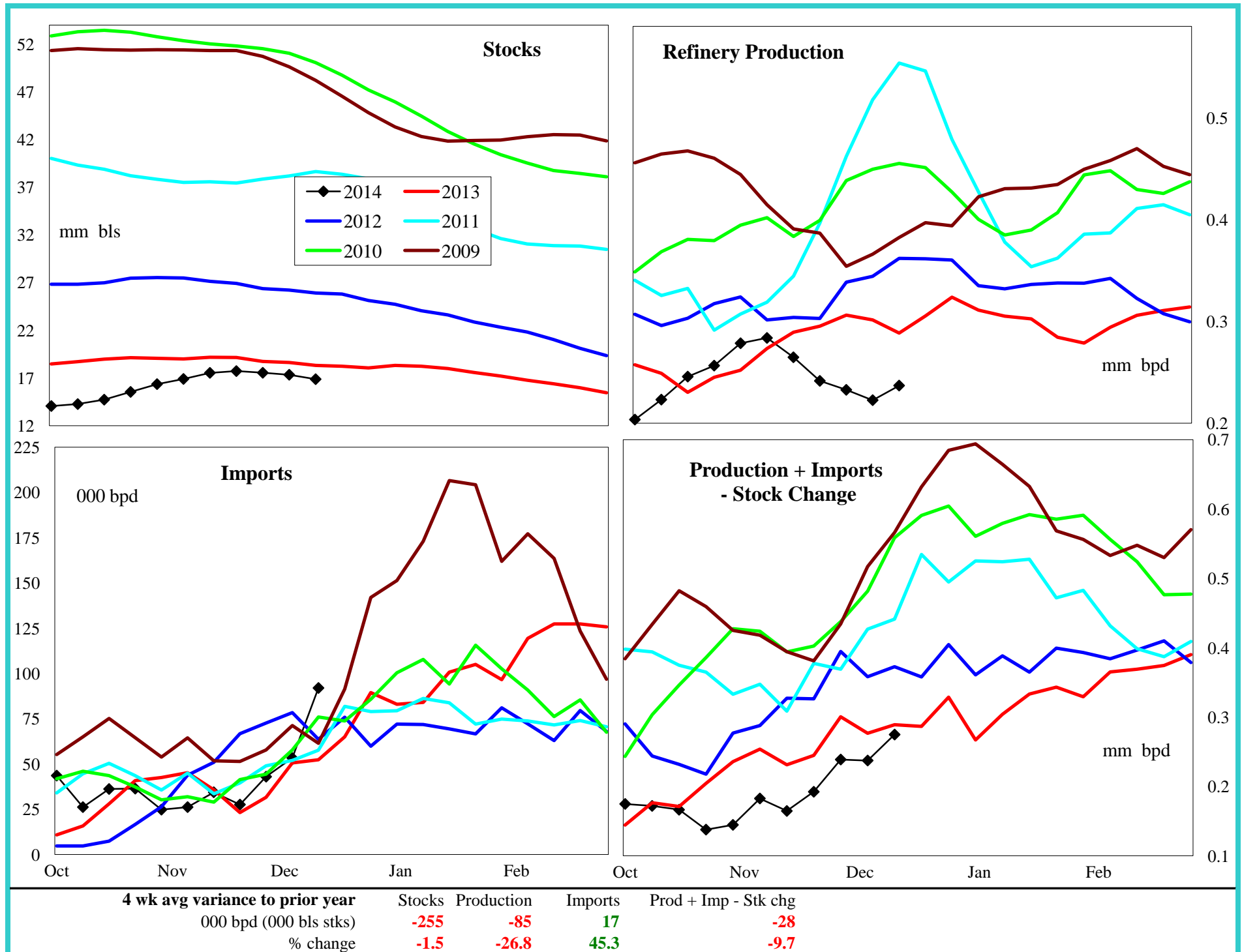
United States Distillate Supply and Demand Balance



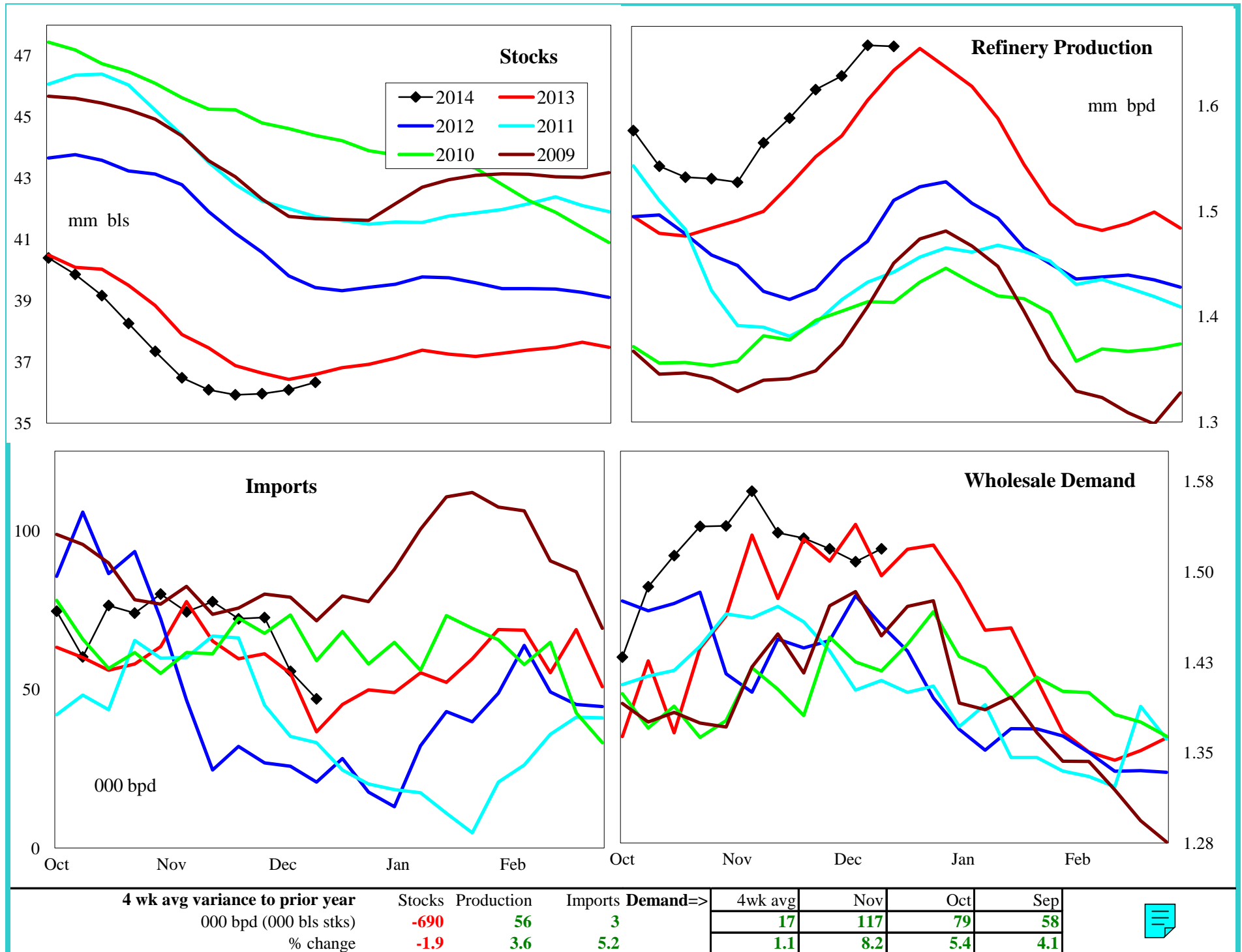
United States Low Sulfur Distillate Supply



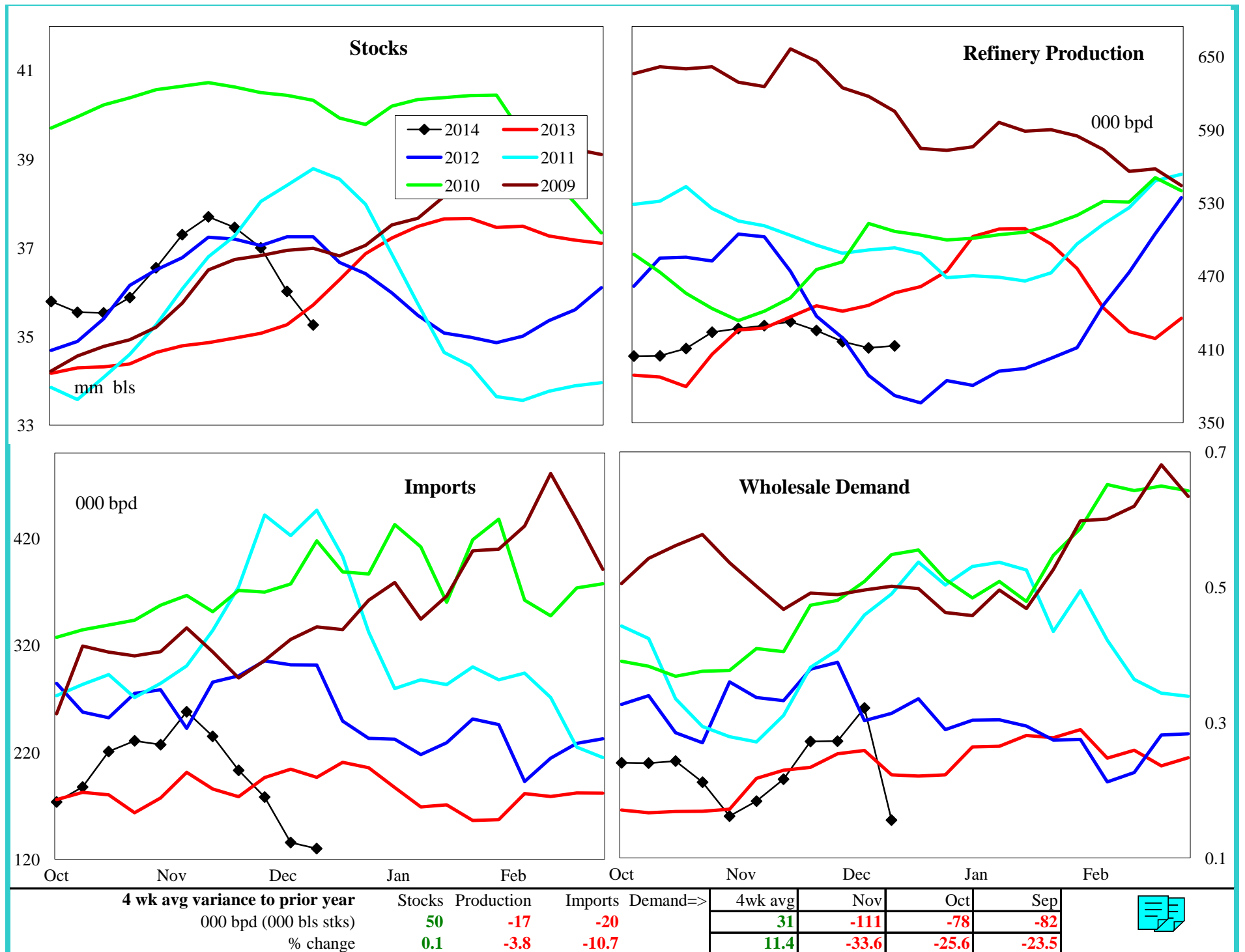
United States High Sulfur Distillate Supply



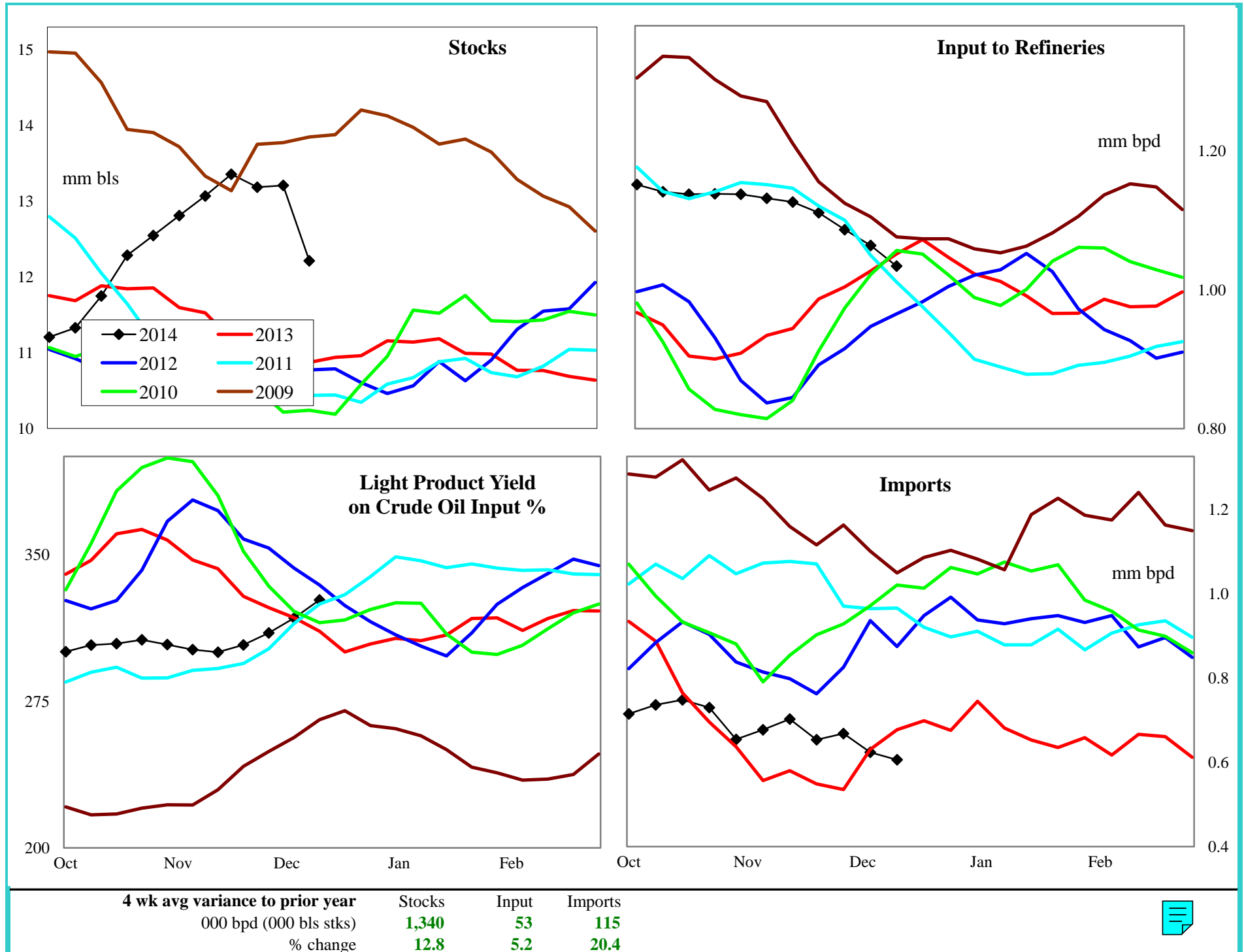
United States Jet Fuel Supply and Demand Balance



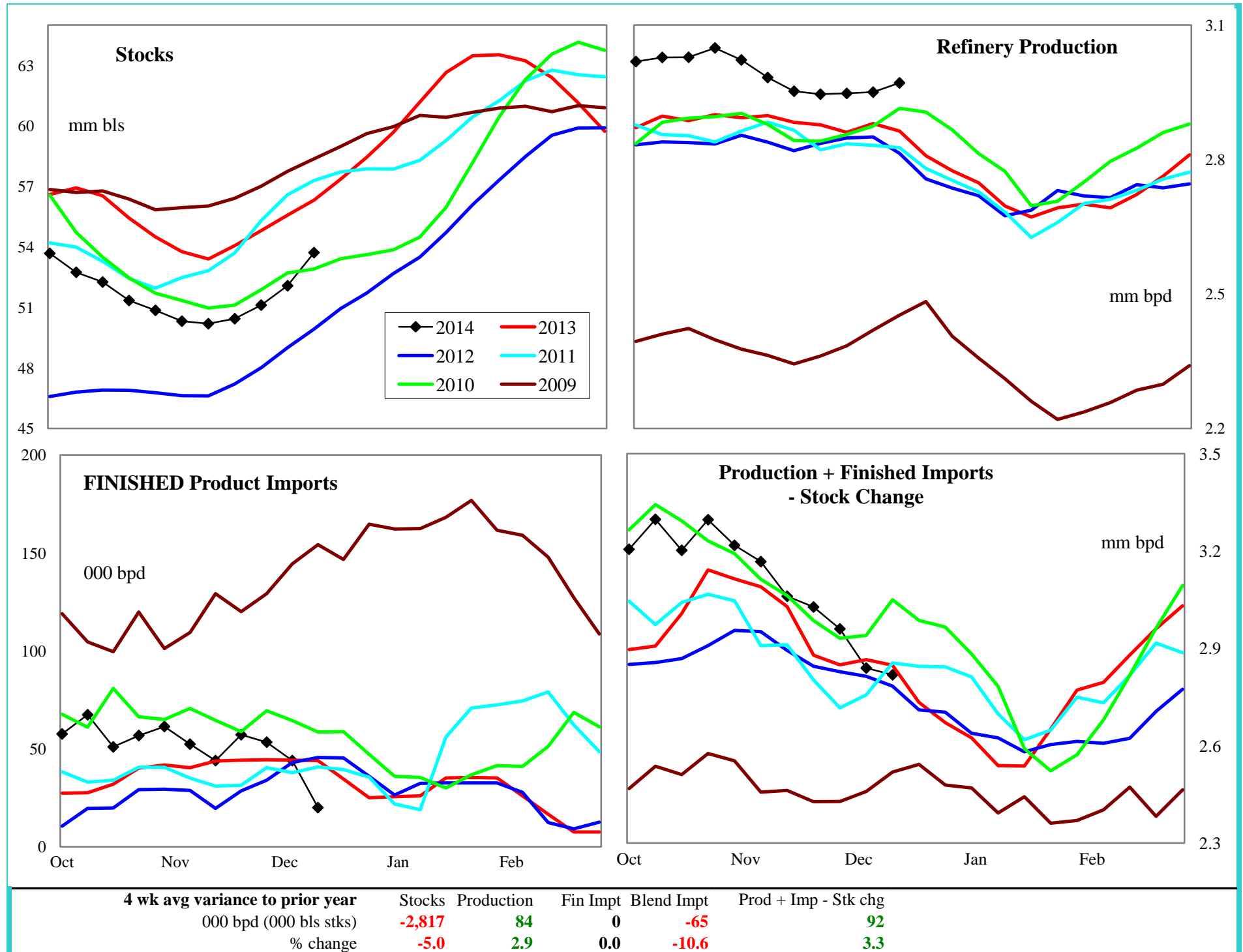
United States Residual Fuel Oil Supply and Demand Balance



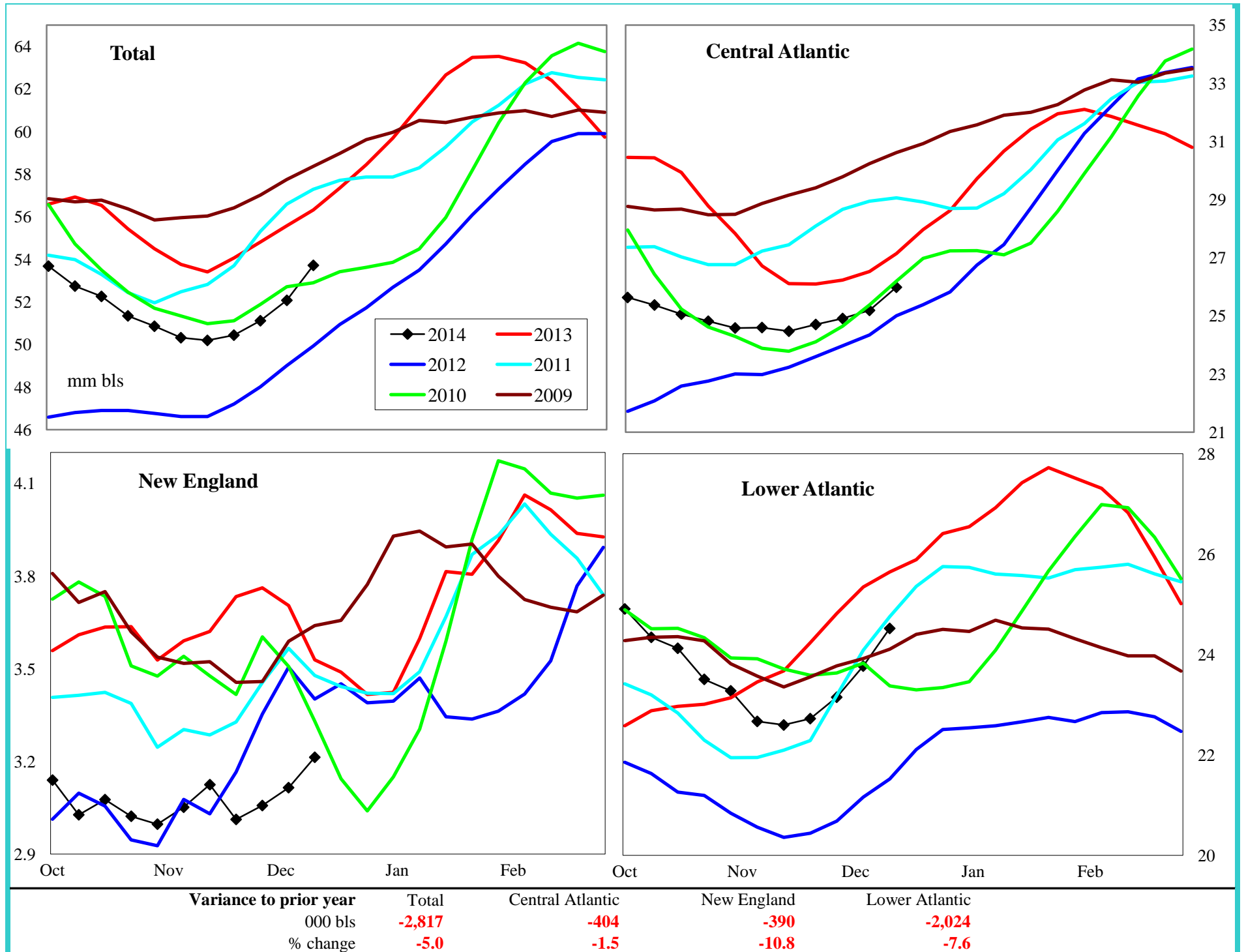
PADD 1 Crude Oil Supply and Refining



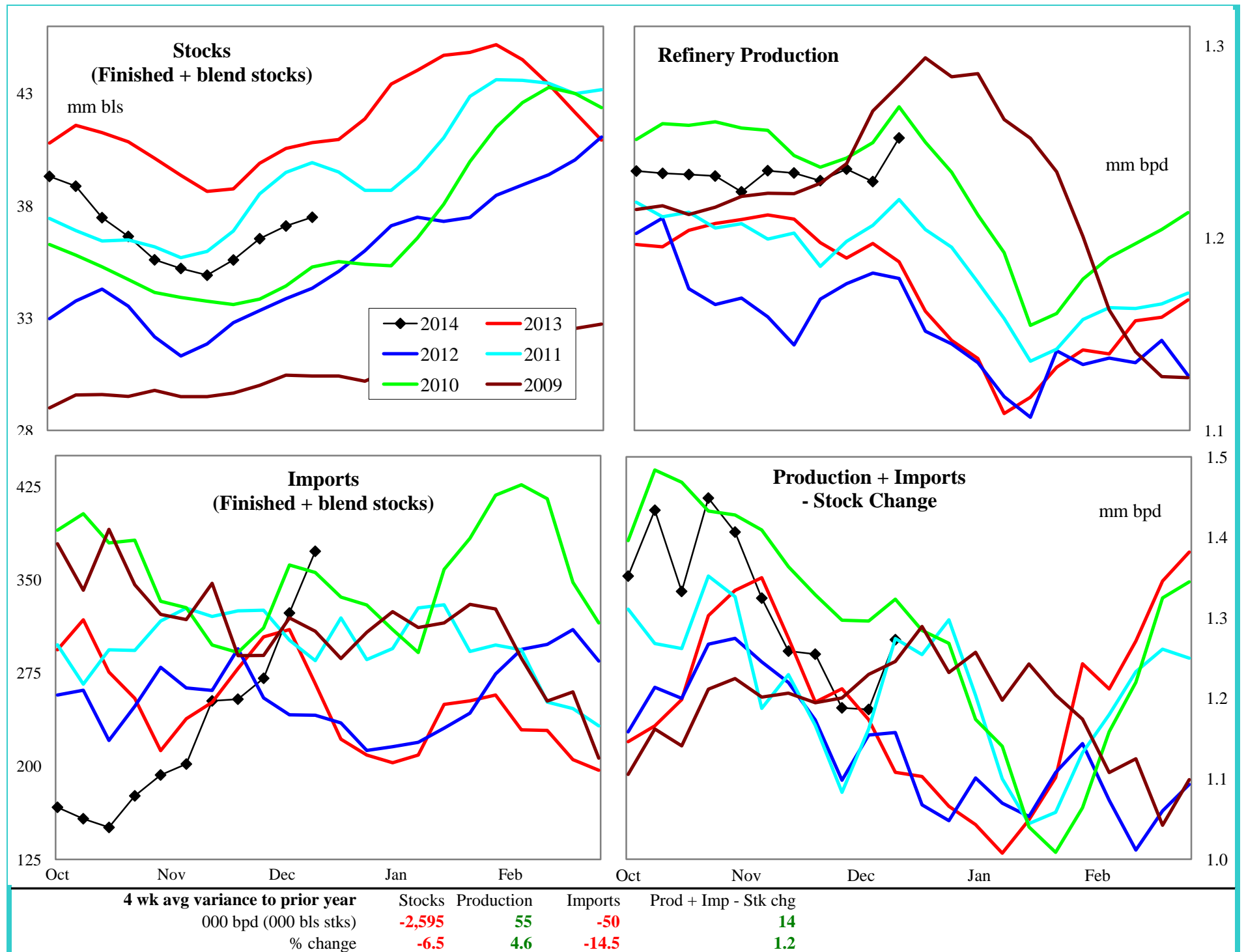
PADD 1 Gasoline Supply



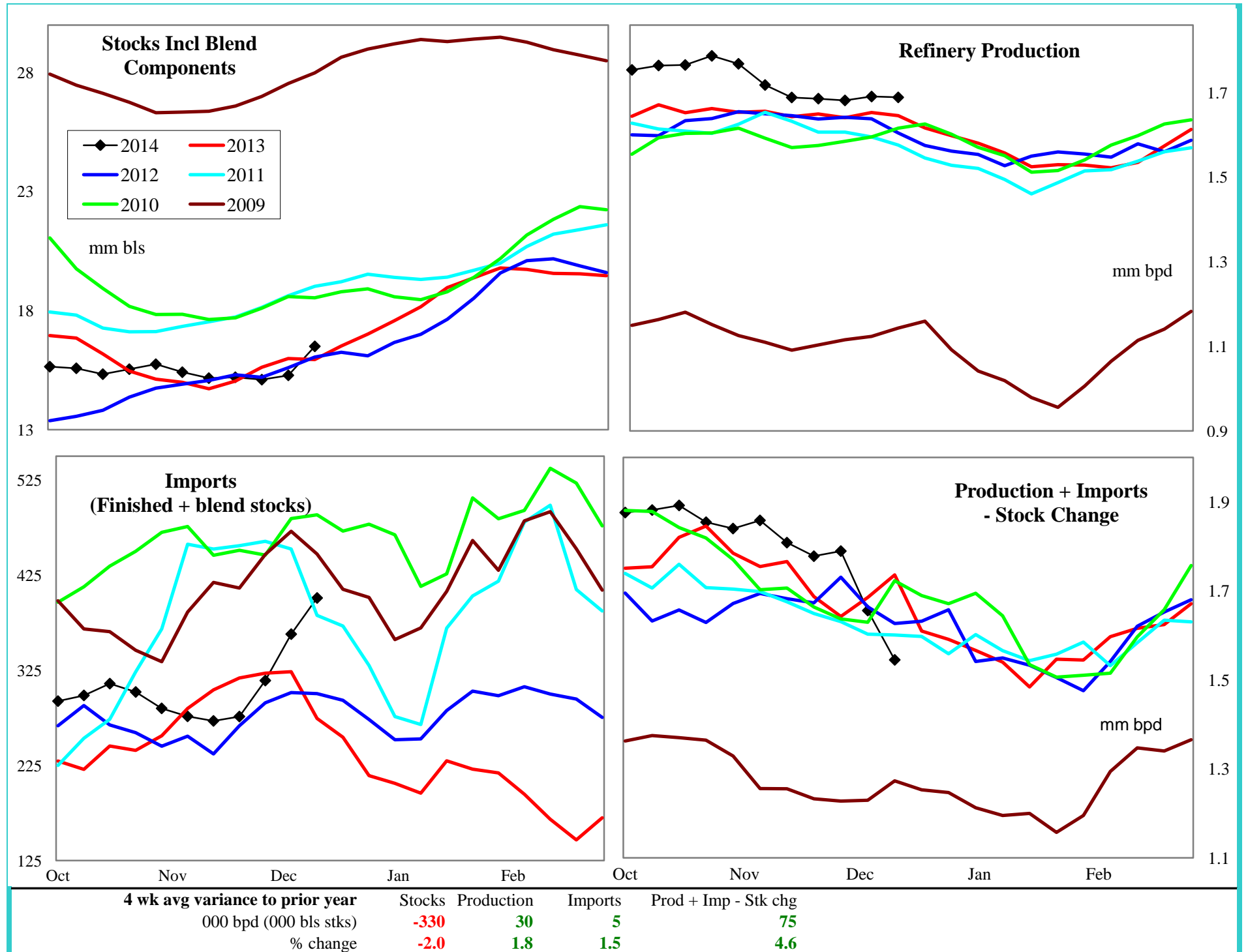
PADD 1 Gasoline Stocks by Region



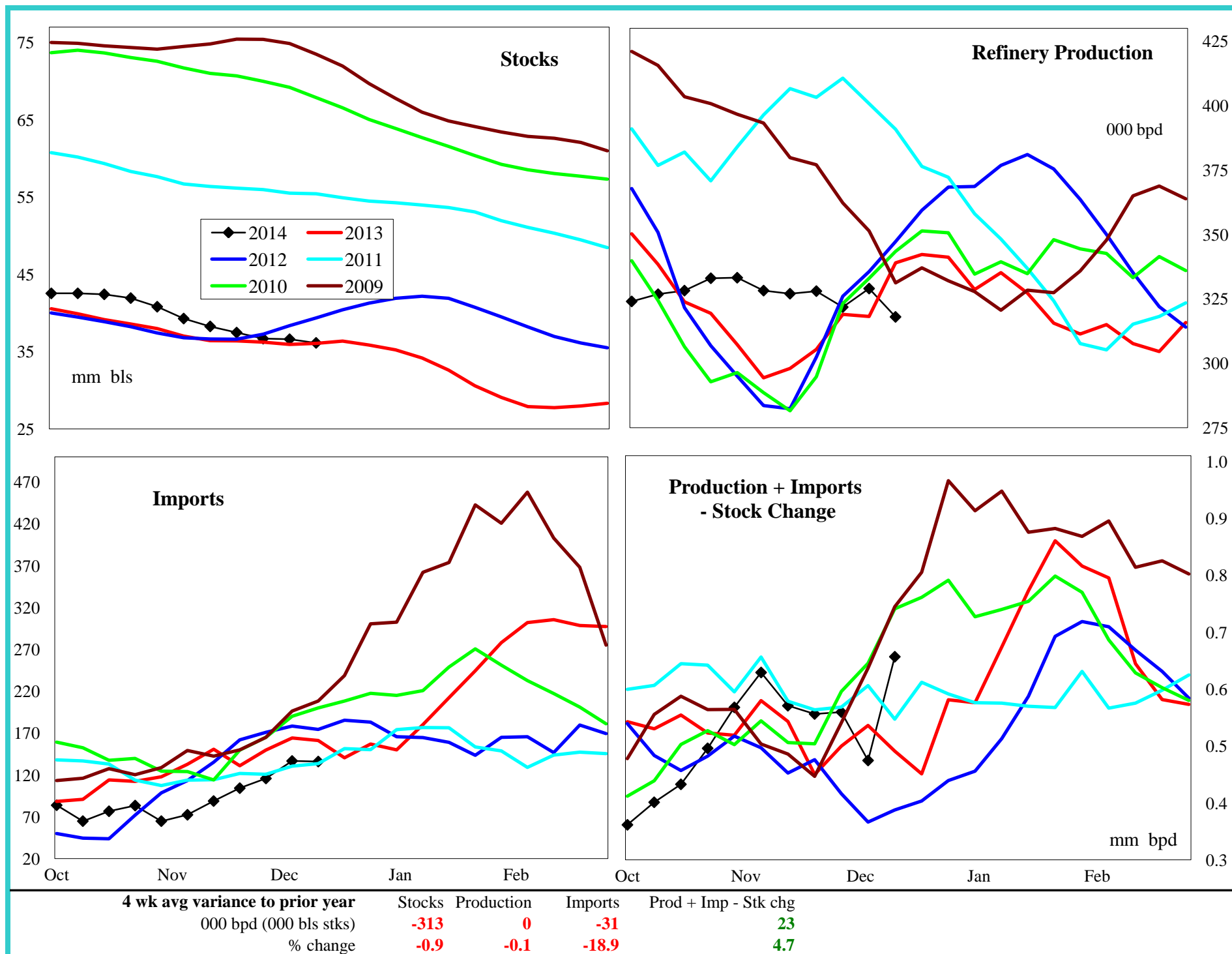
PADD 1 Reformulated Gasoline Supply



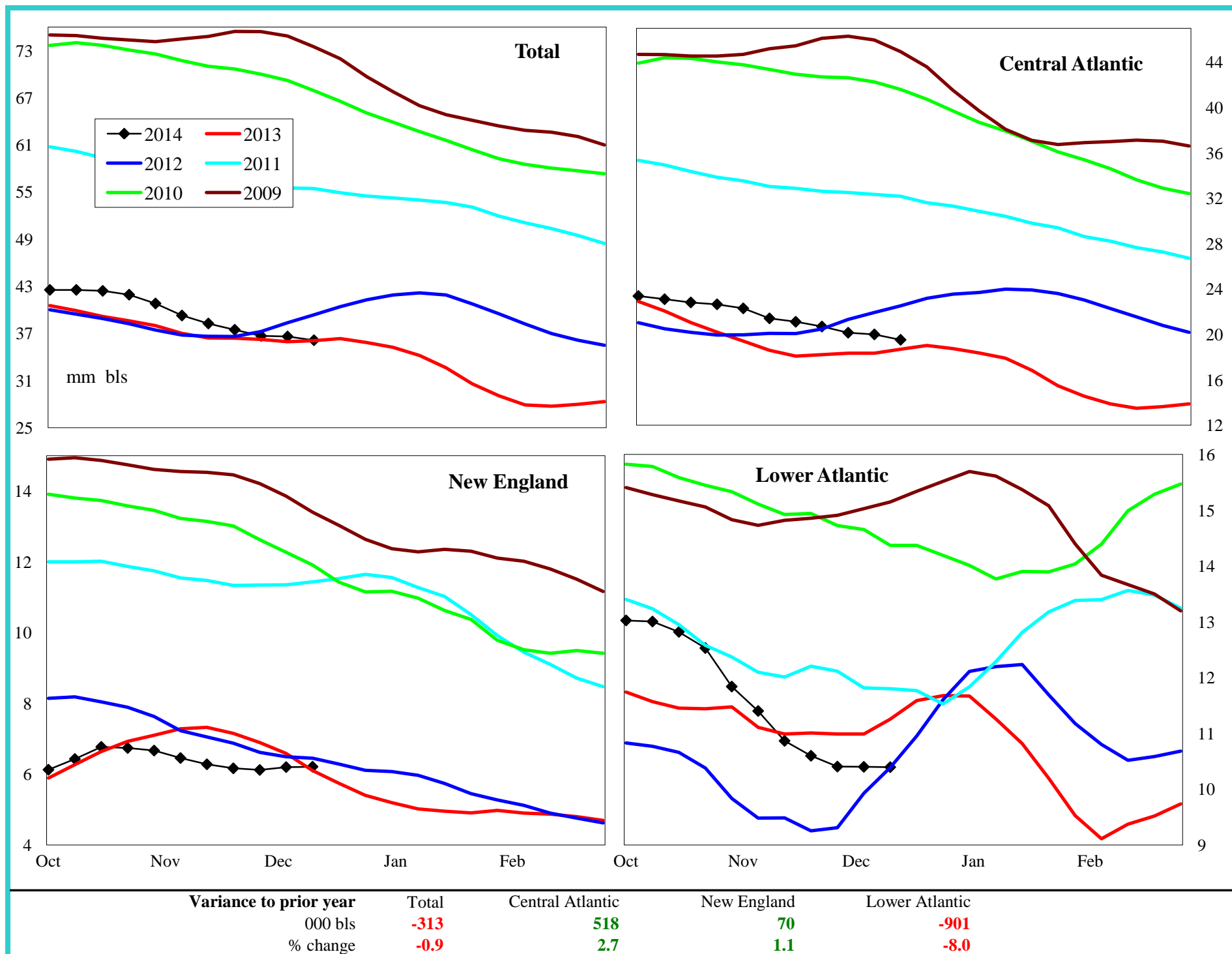
PADD 1 Conventional Gasoline Supply

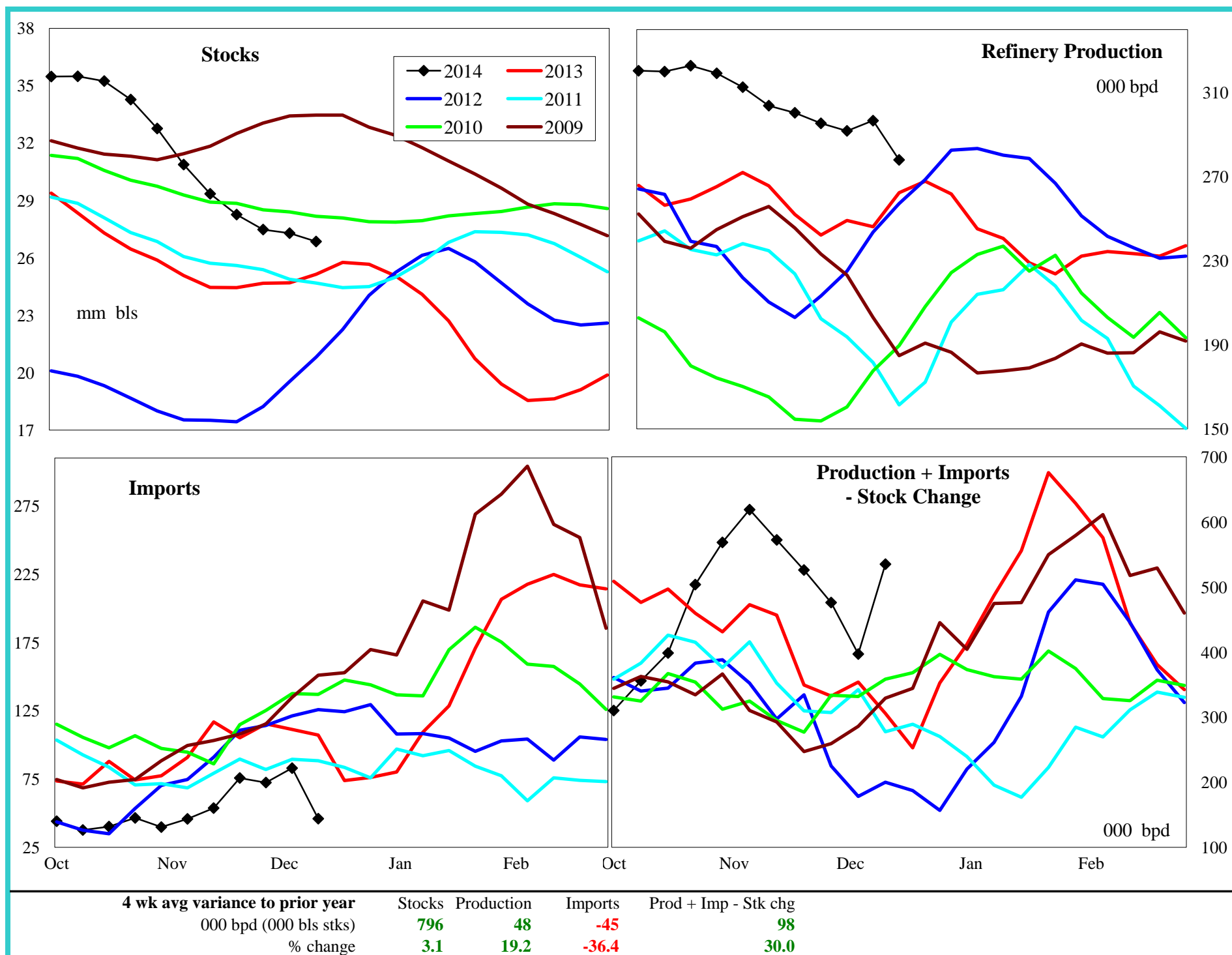


PADD 1 Distillate Supply

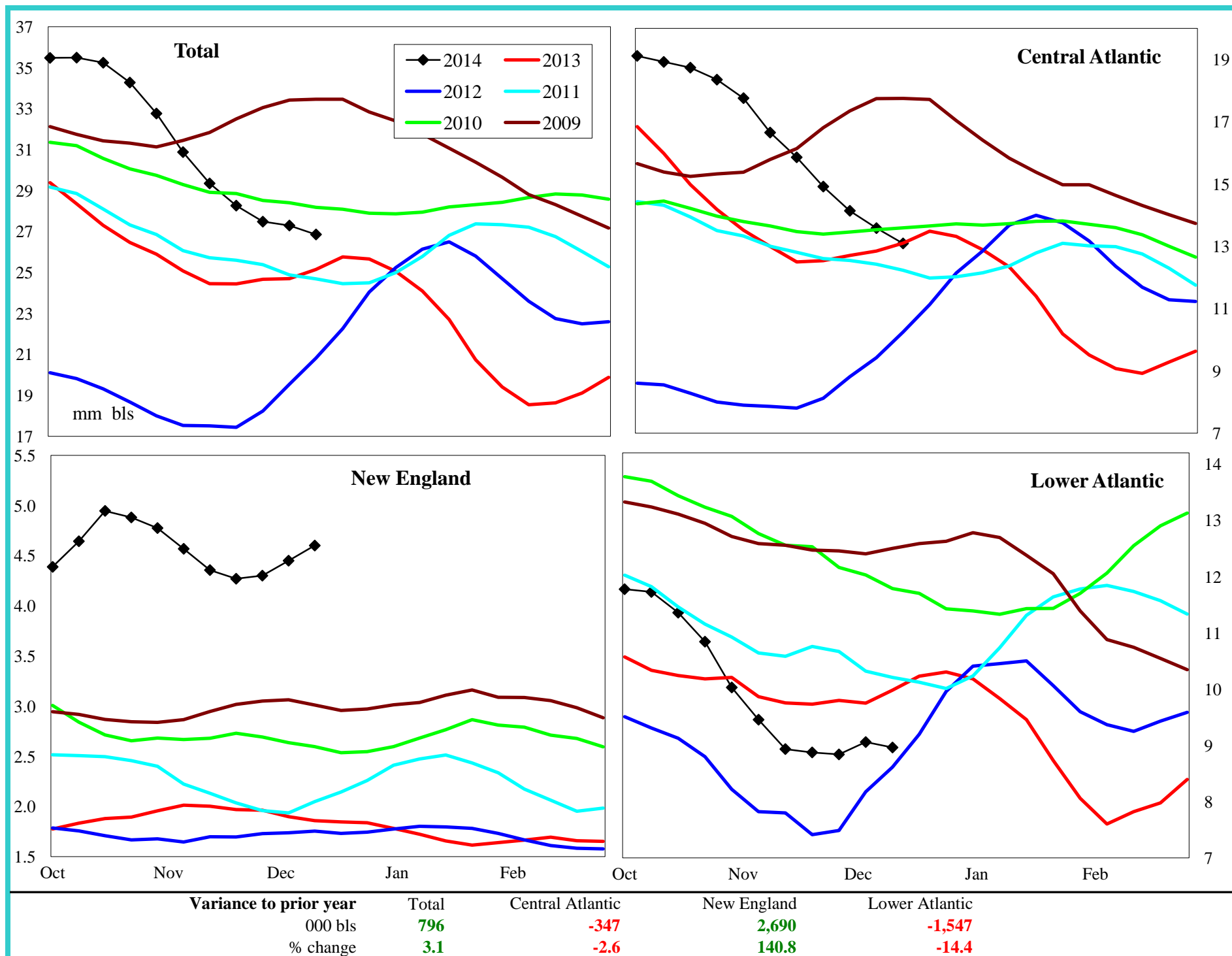


PADD 1 Distillate Stocks by Region

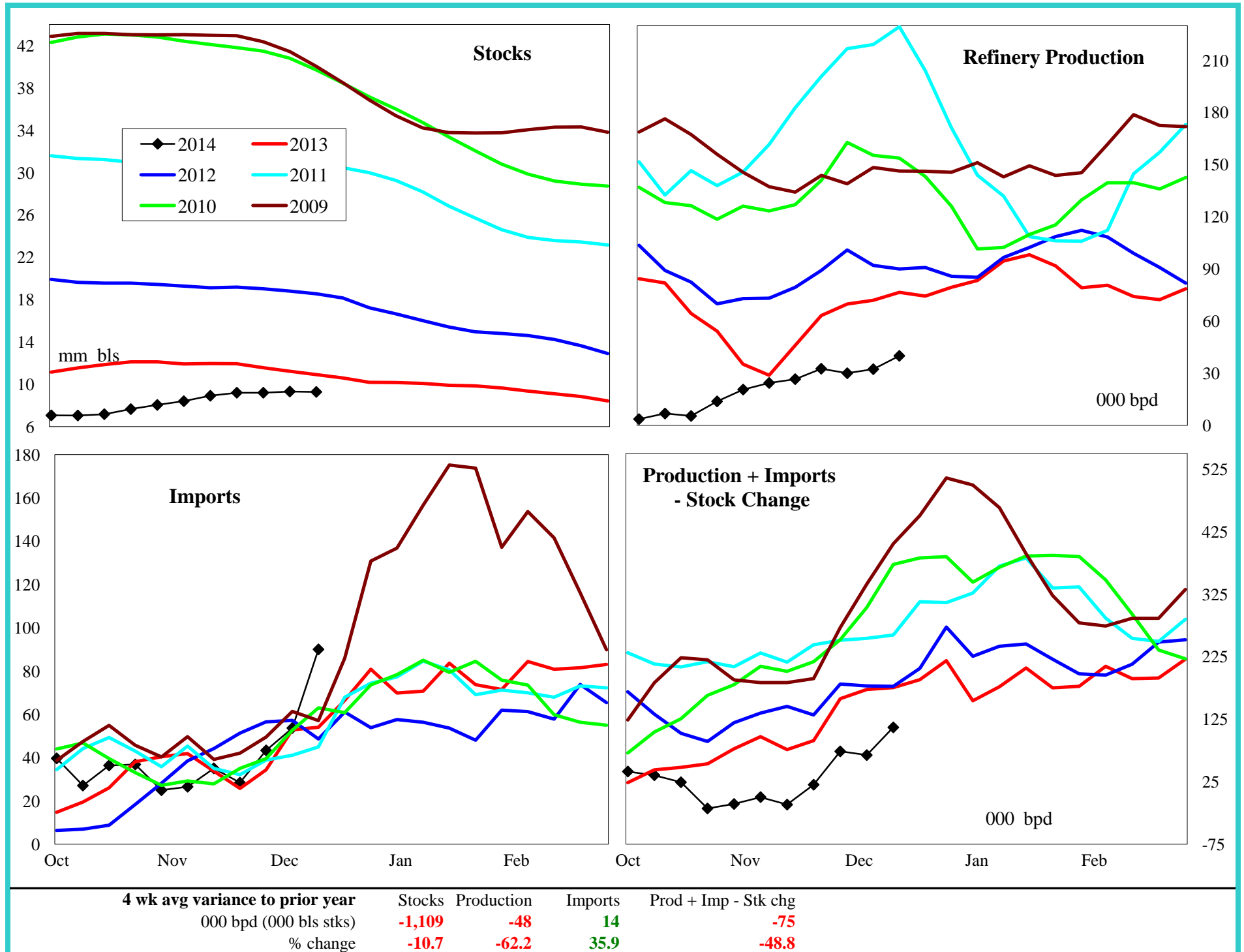


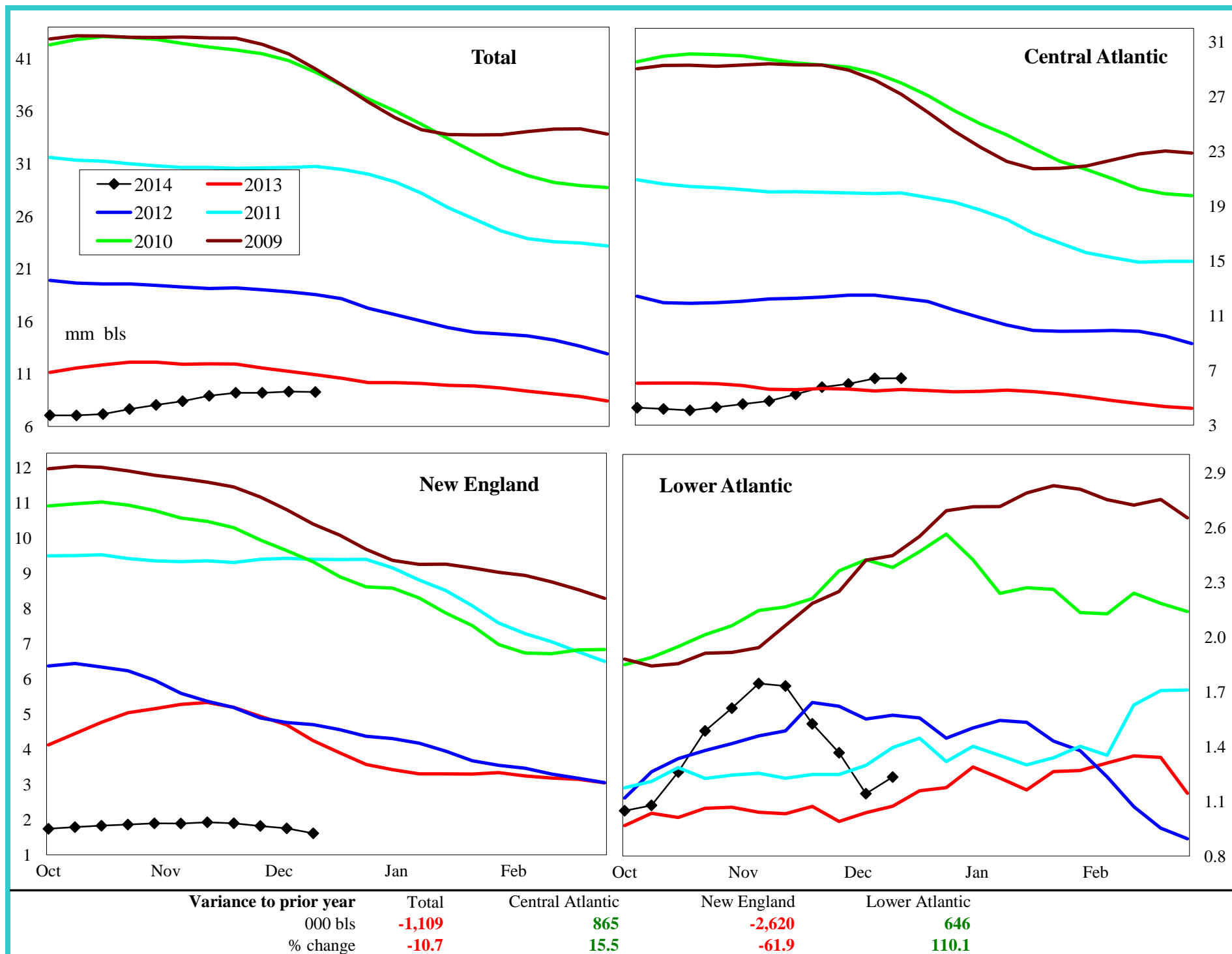


PADD 1 Low Sulfur Distillate Stocks by Region

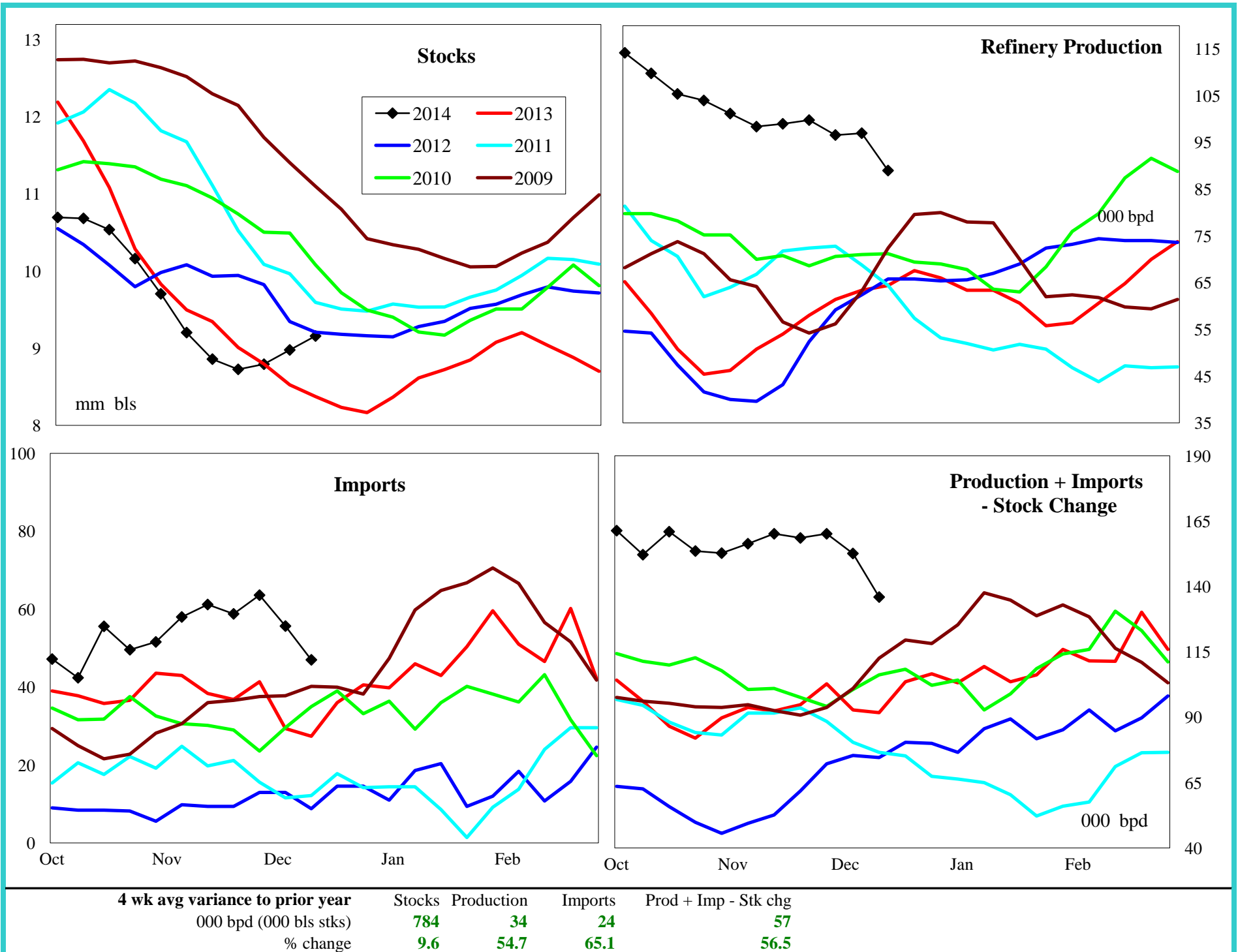


PADD 1 High Sulfur Distillate Supply

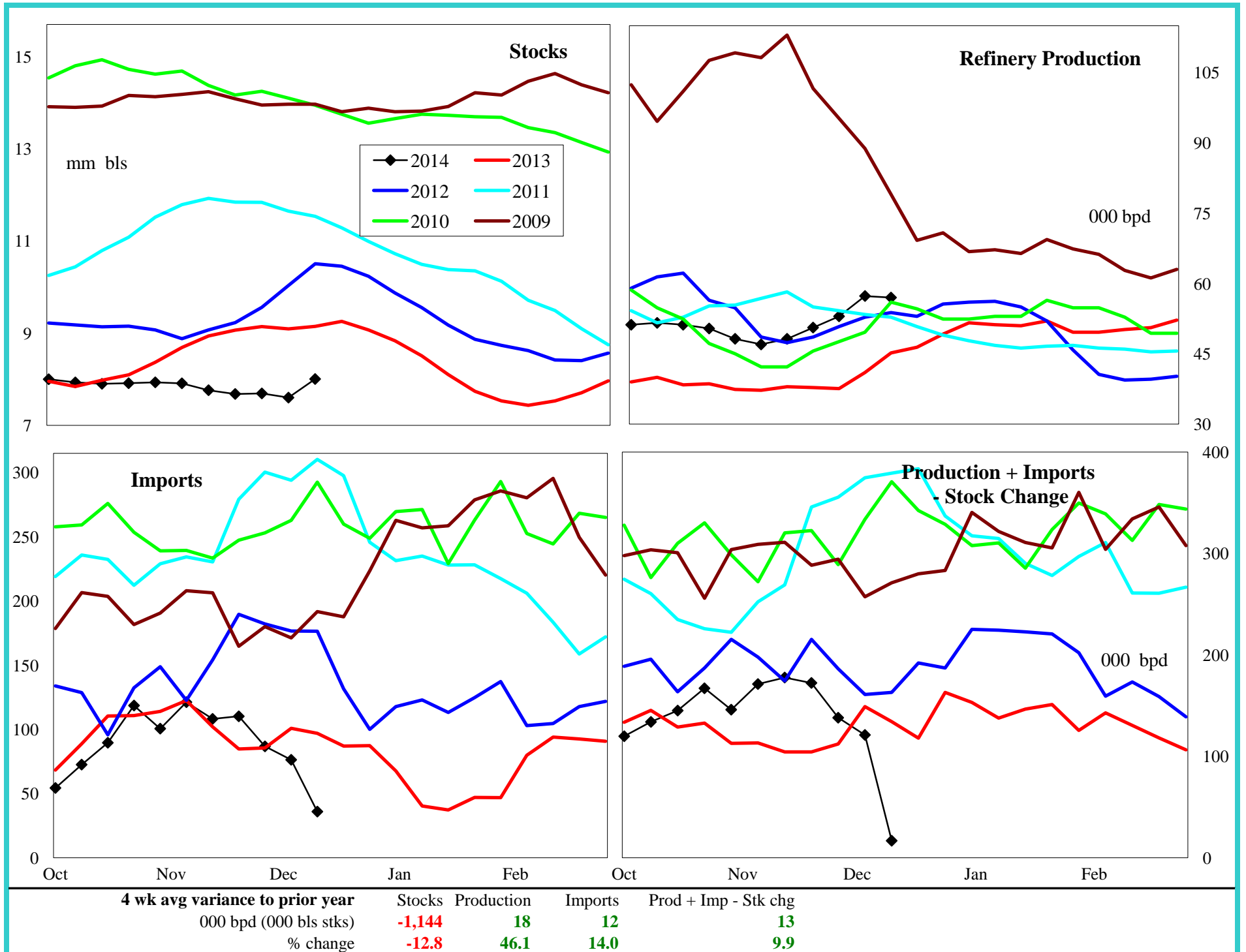




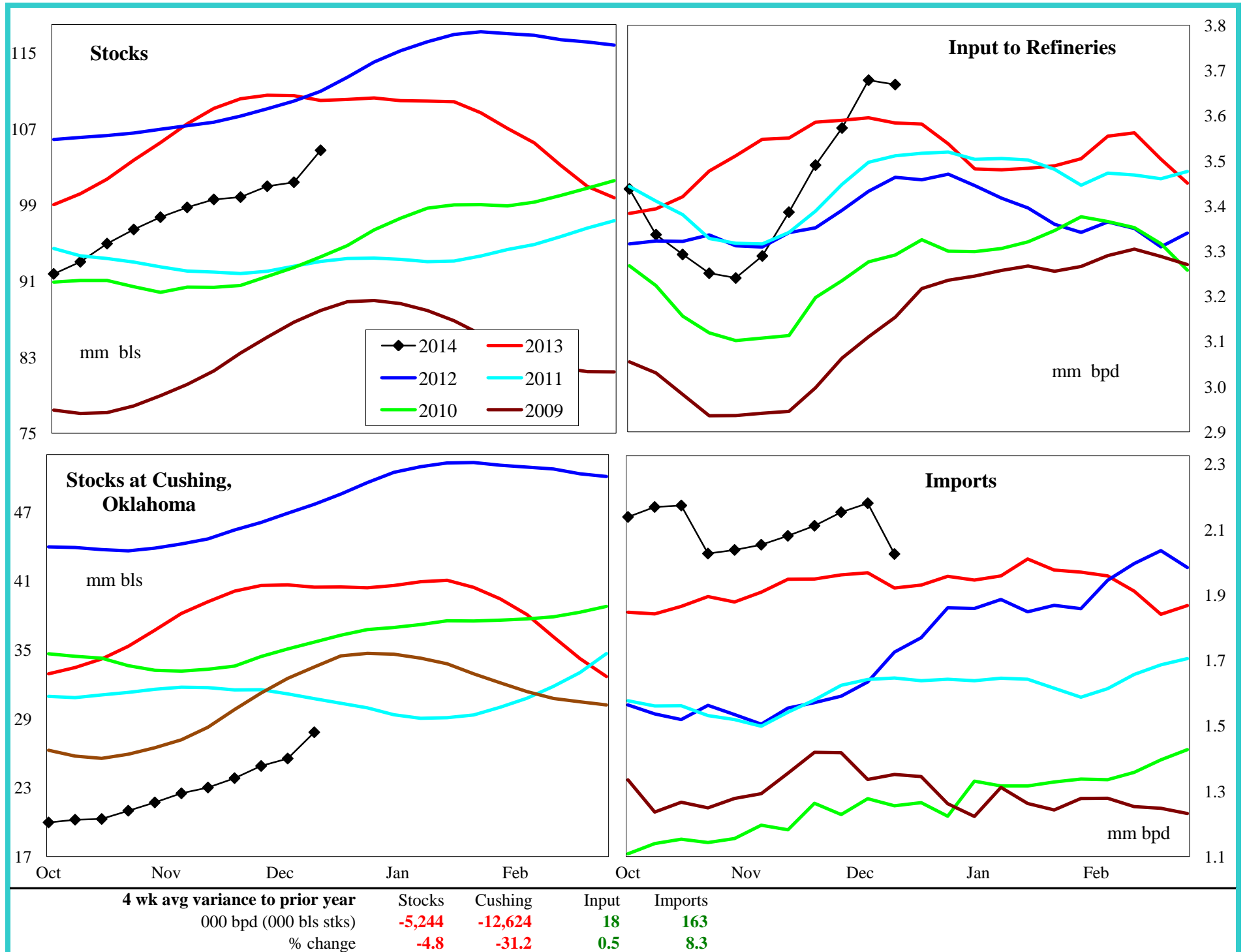
PADD 1 Jet Fuel Supply



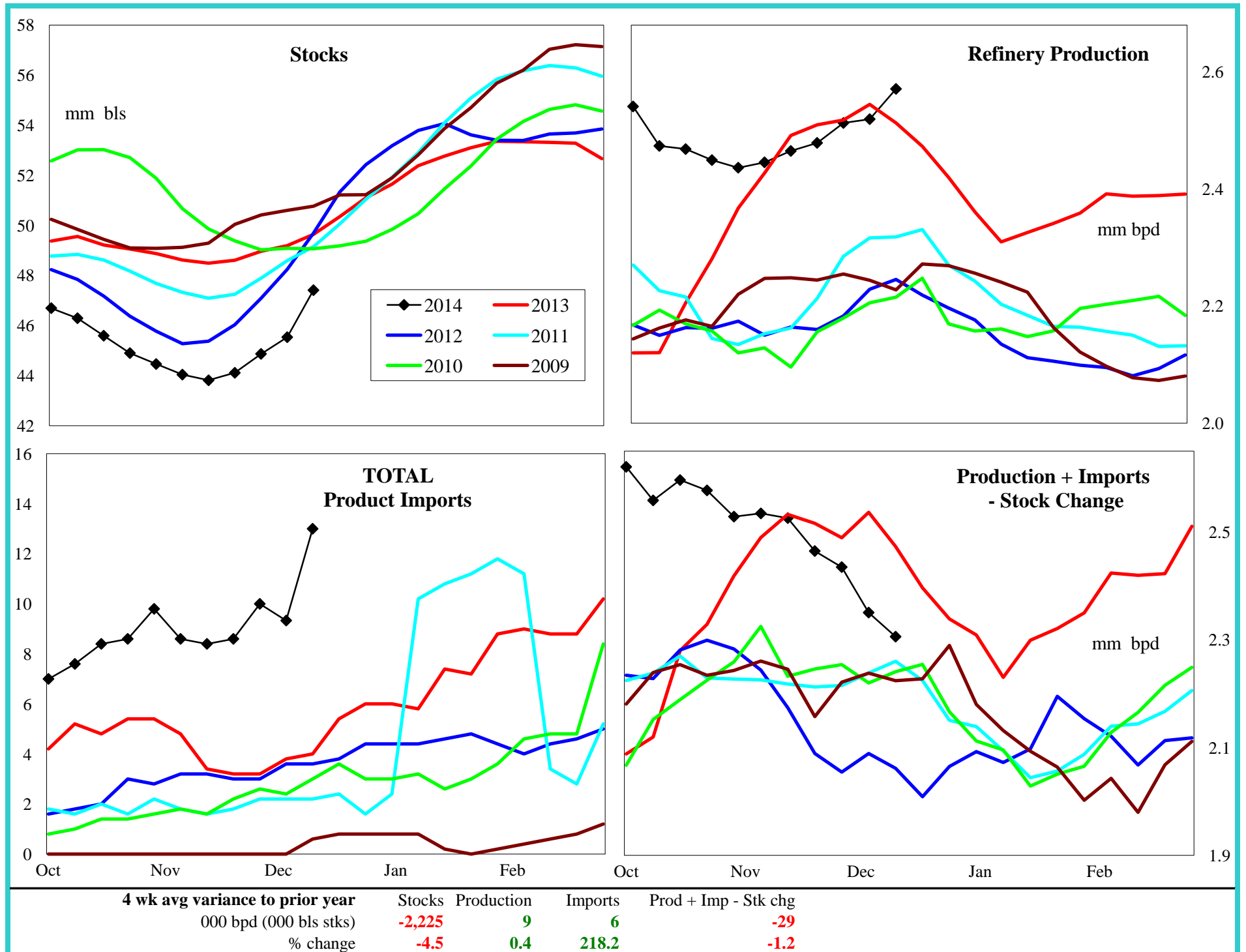
PADD 1 Residual Fuel Oil Supply



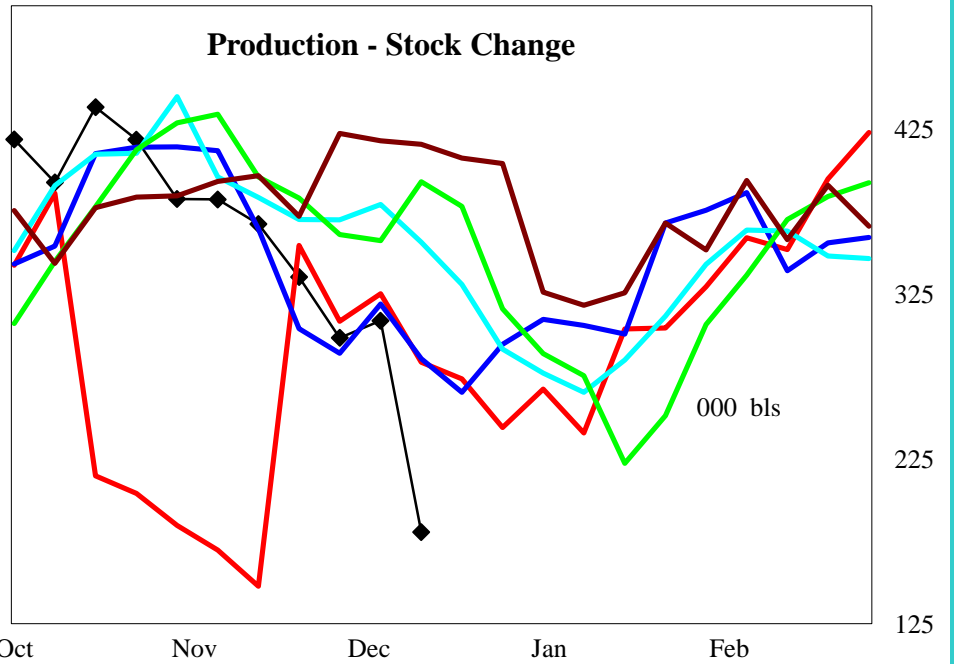
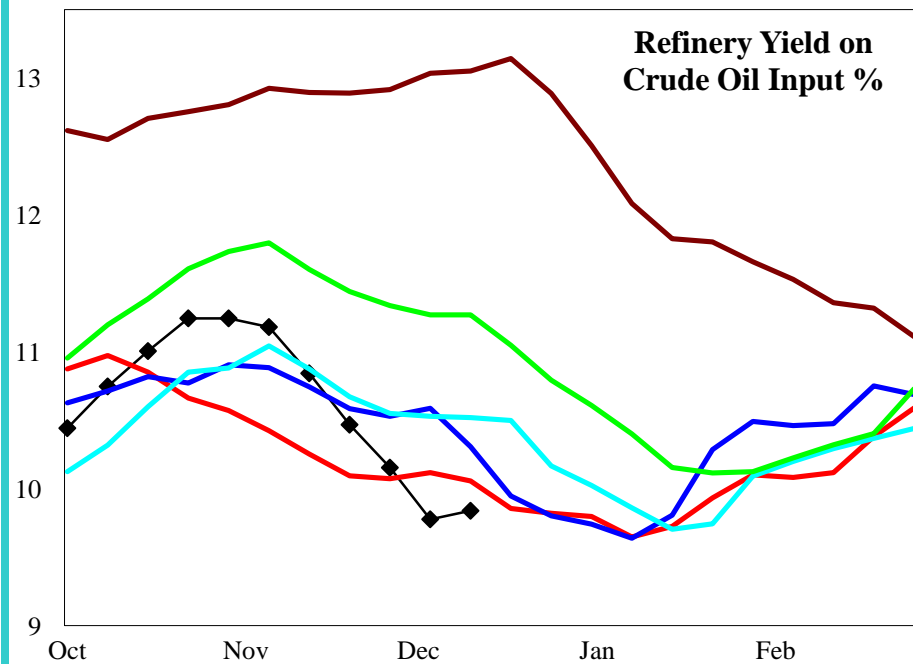
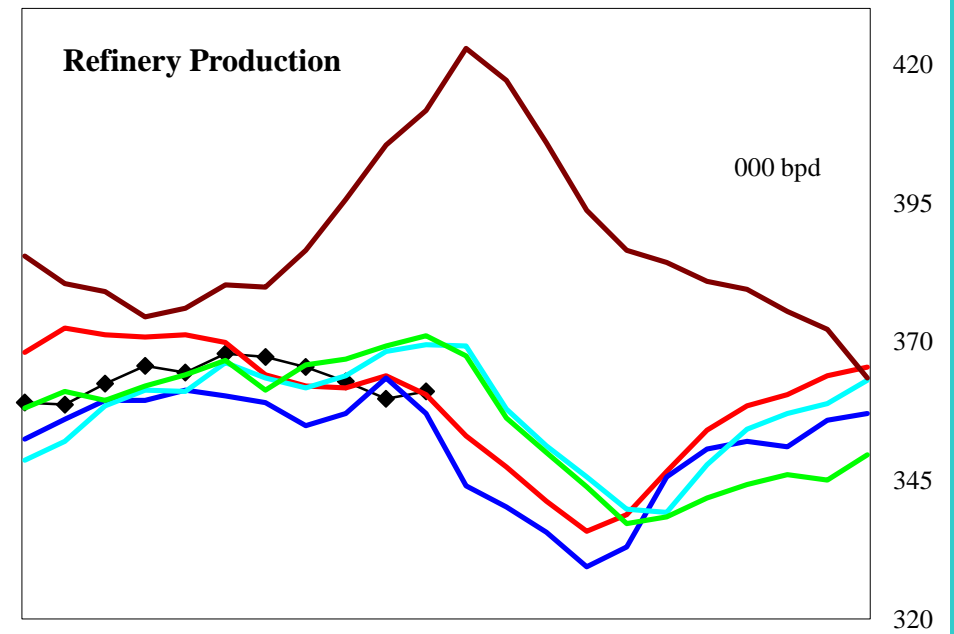
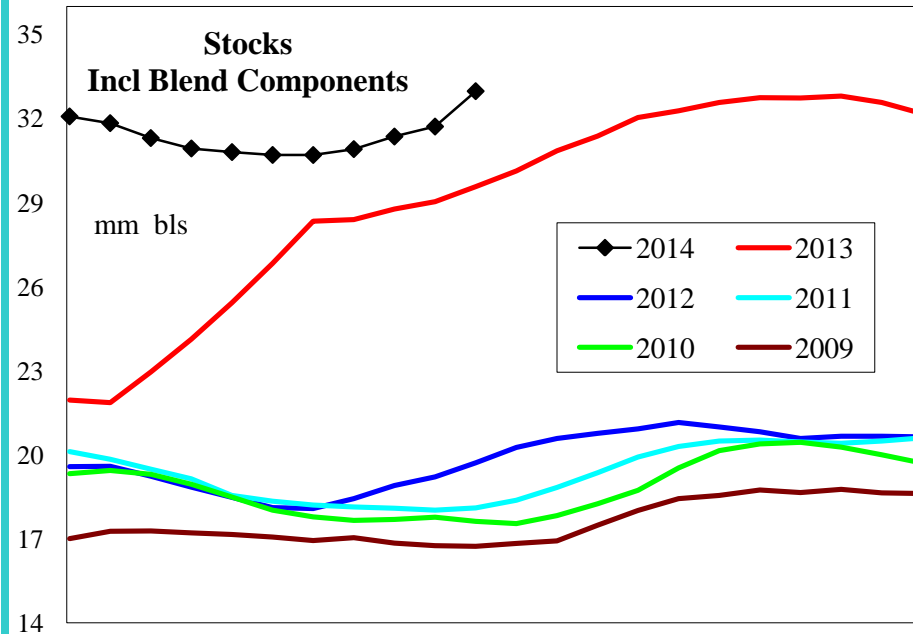
PADD 2 Crude Oil Supply and Refining



PADD 2 Gasoline Supply



PADD 2 Reformulated Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

3,404

11.5

Production

0

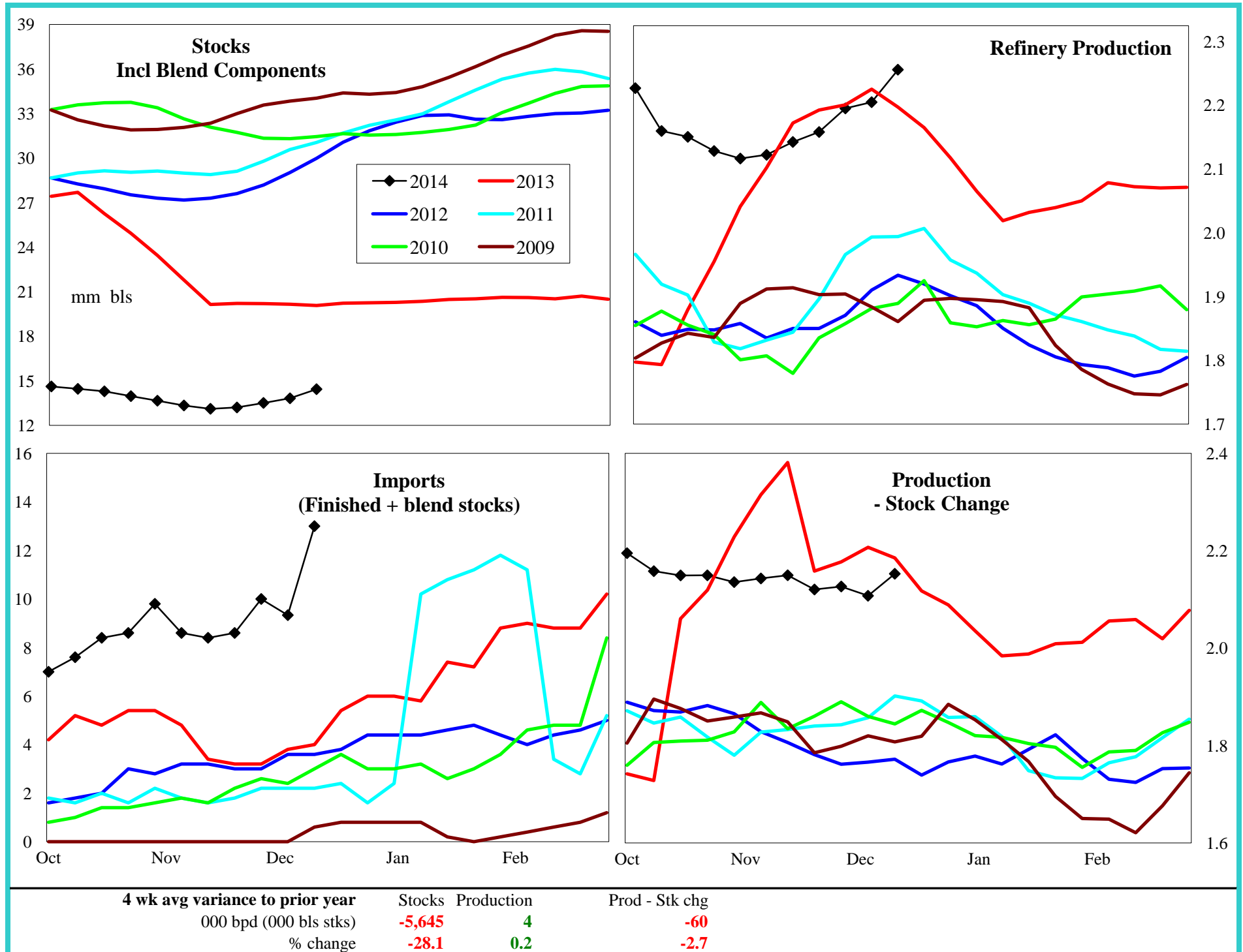
0.1

Prod - Stk chg

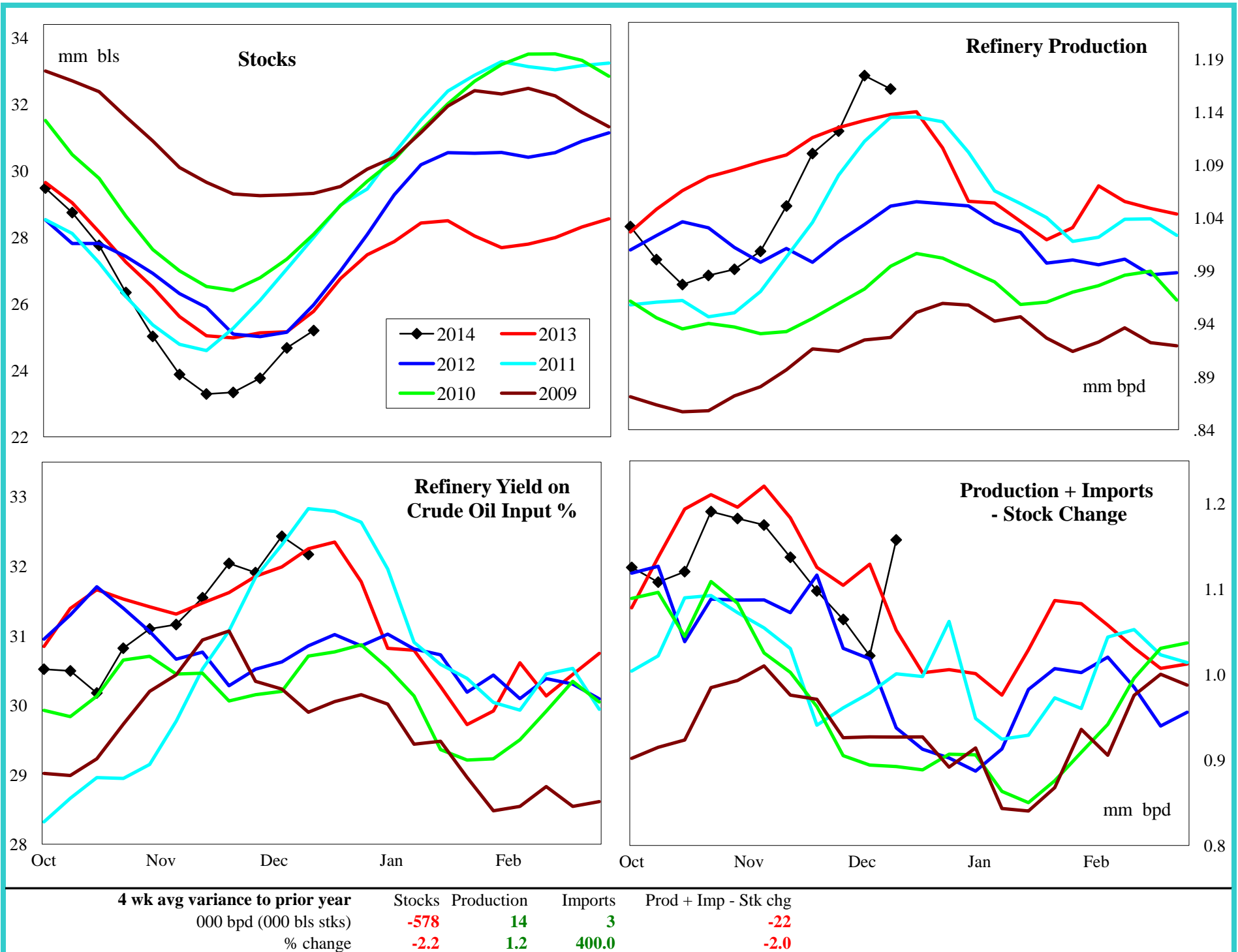
-37

-11.7

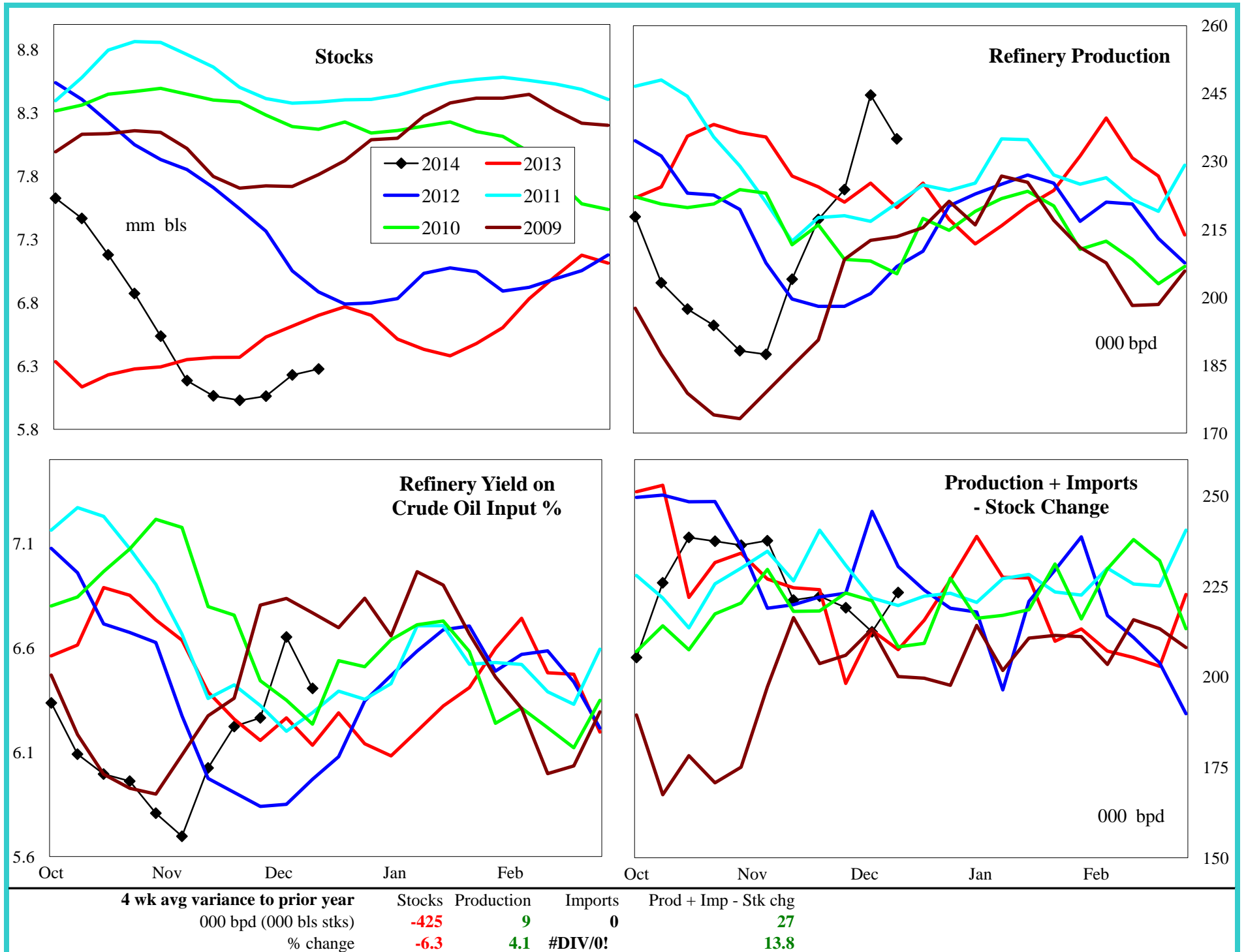
PADD 2 Conventional Gasoline Supply



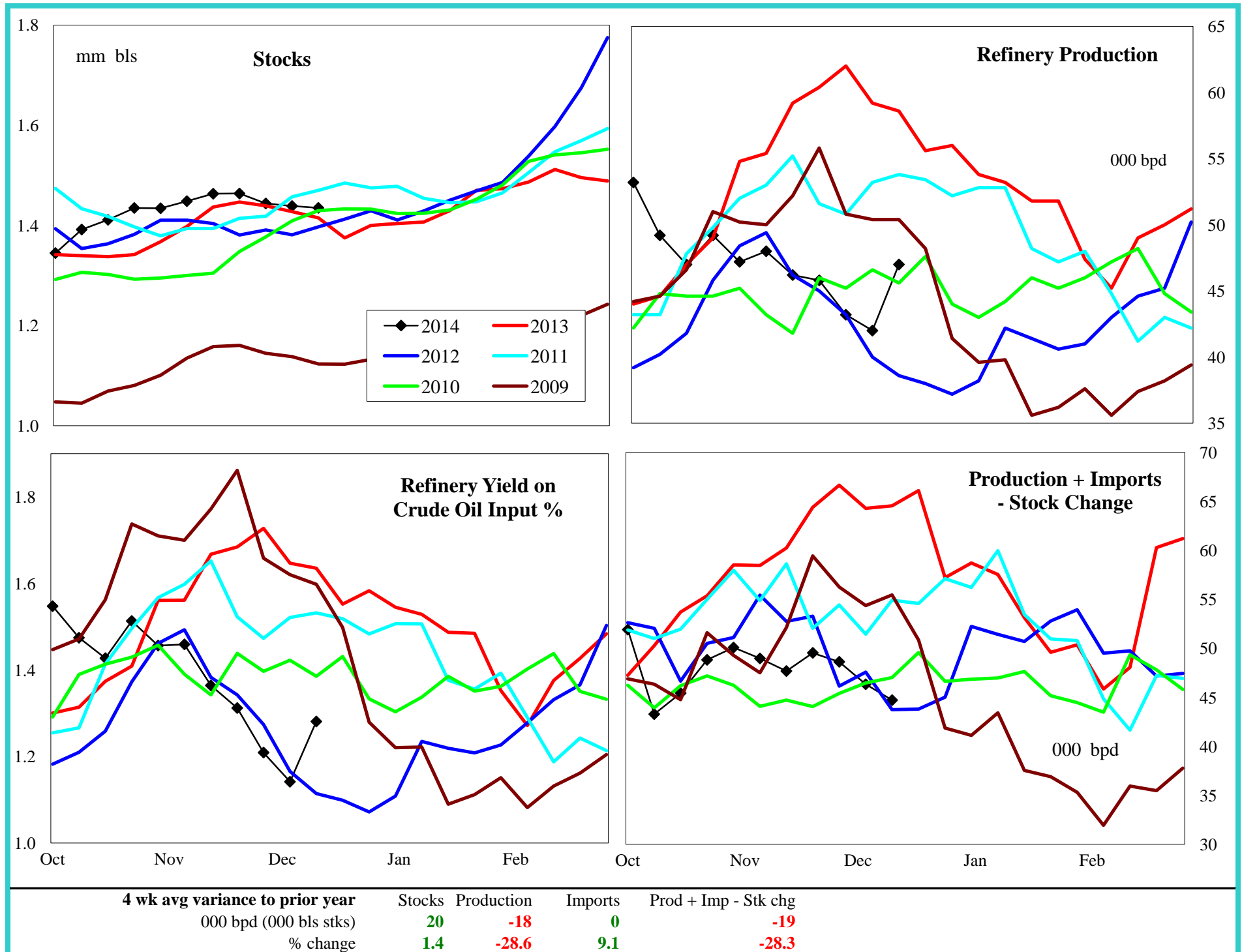
PADD 2 Distillate Supply



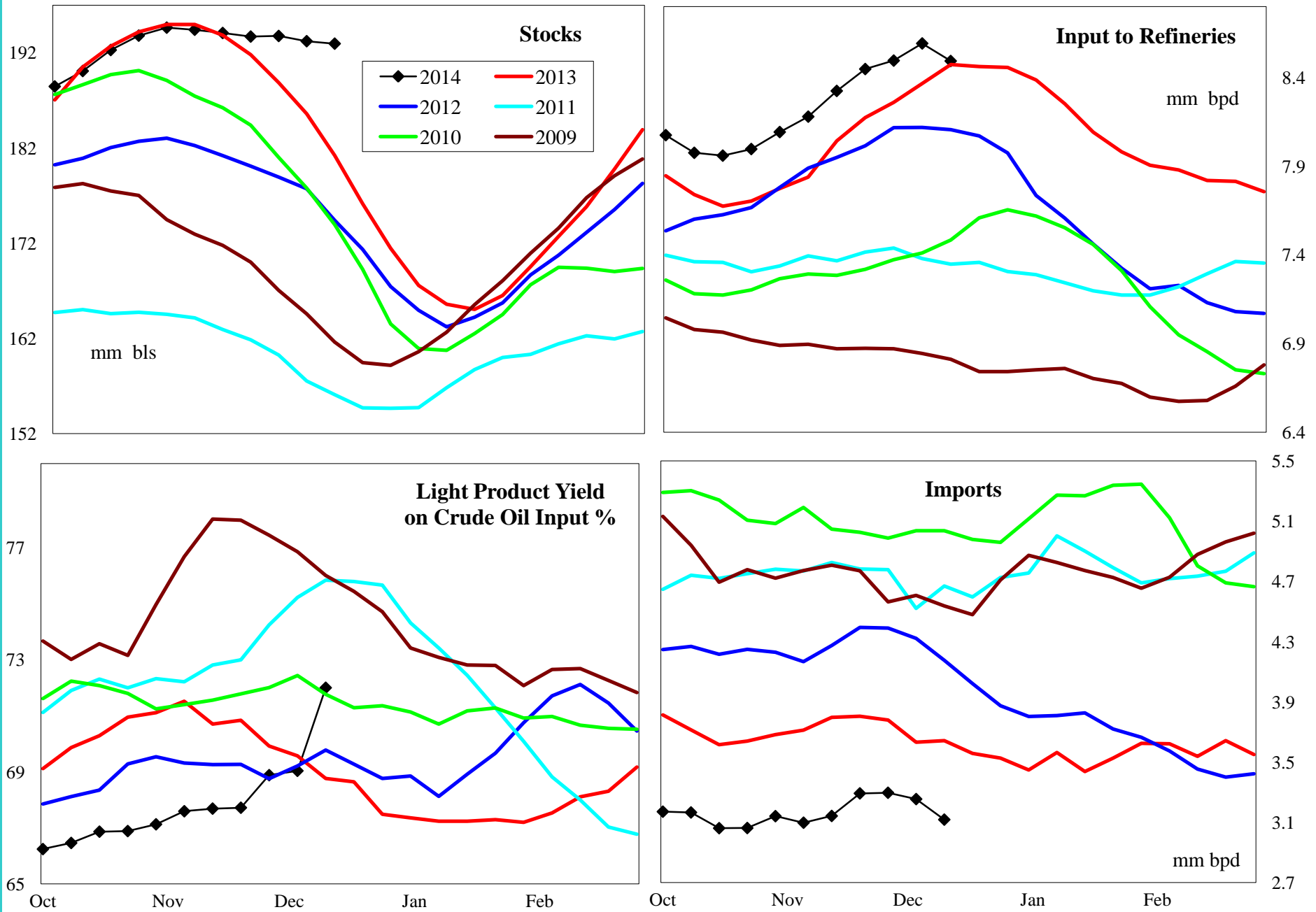
PADD 2 Jet Fuel Supply



PADD 2 Residual Fuel Oil Supply



PADD 3 Crude Oil Supply and Refining



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

11,748

6.5

Input

219

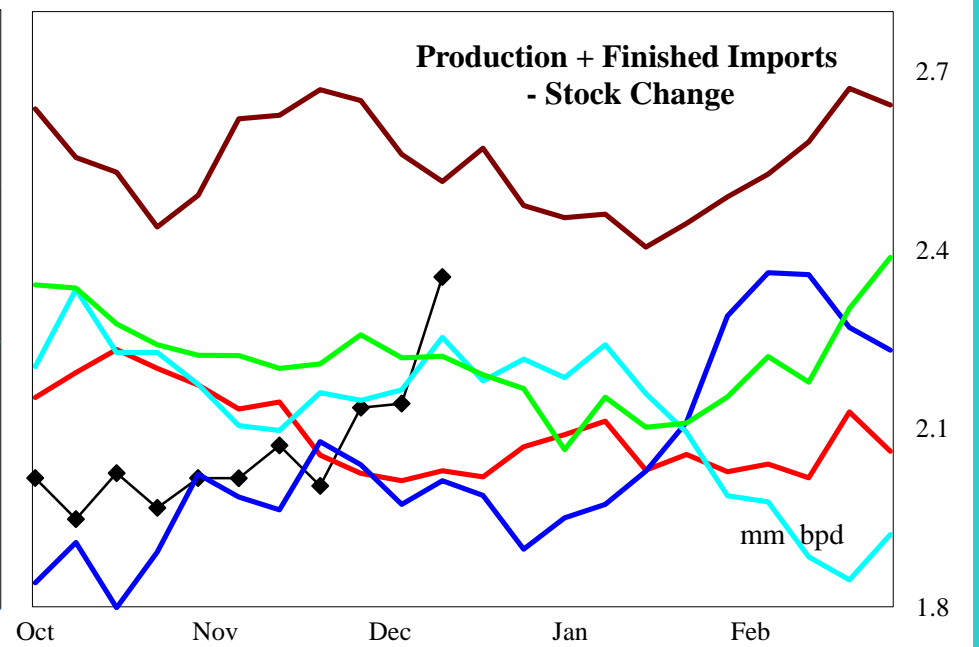
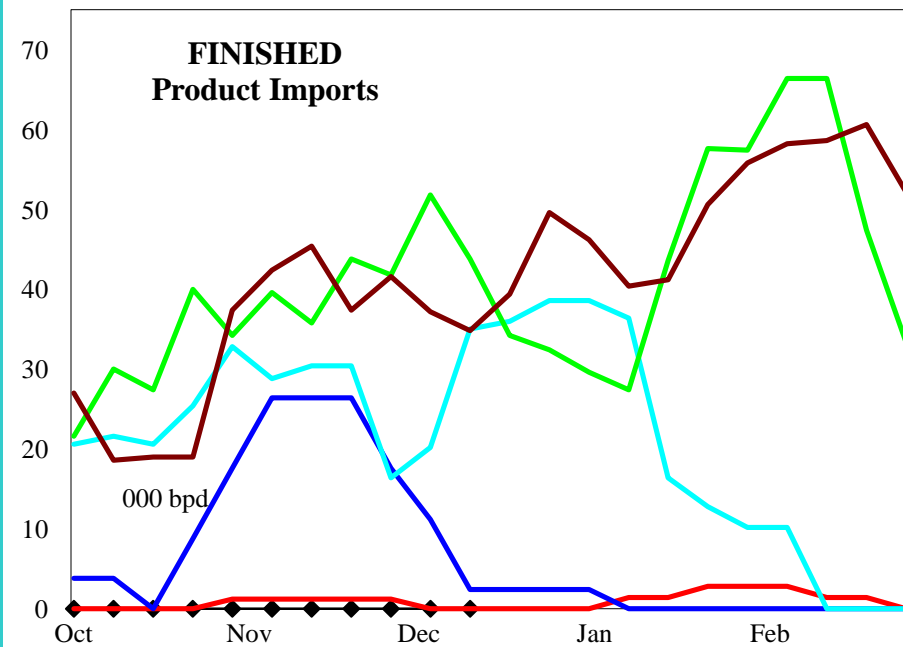
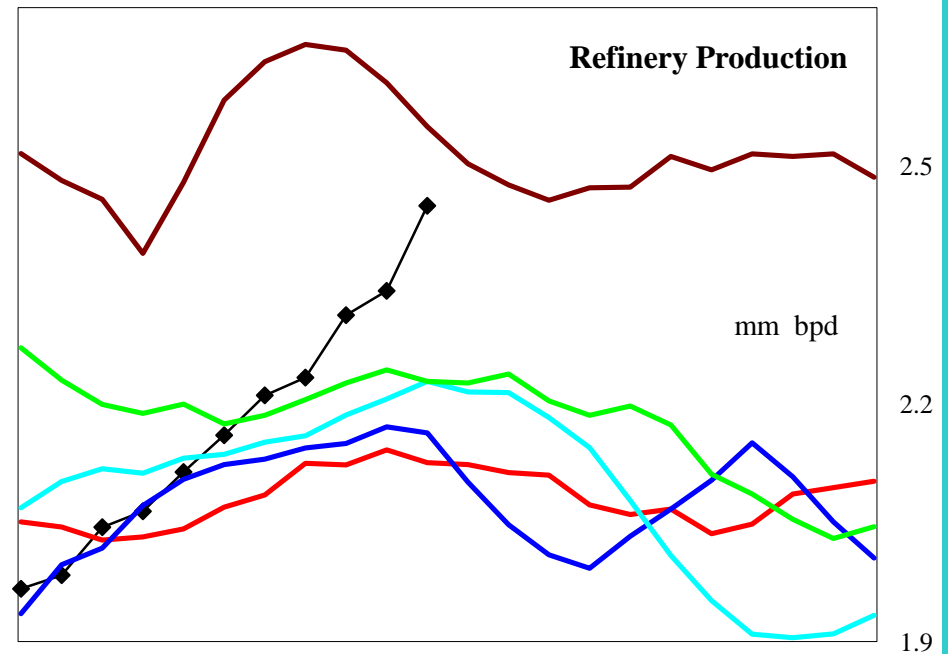
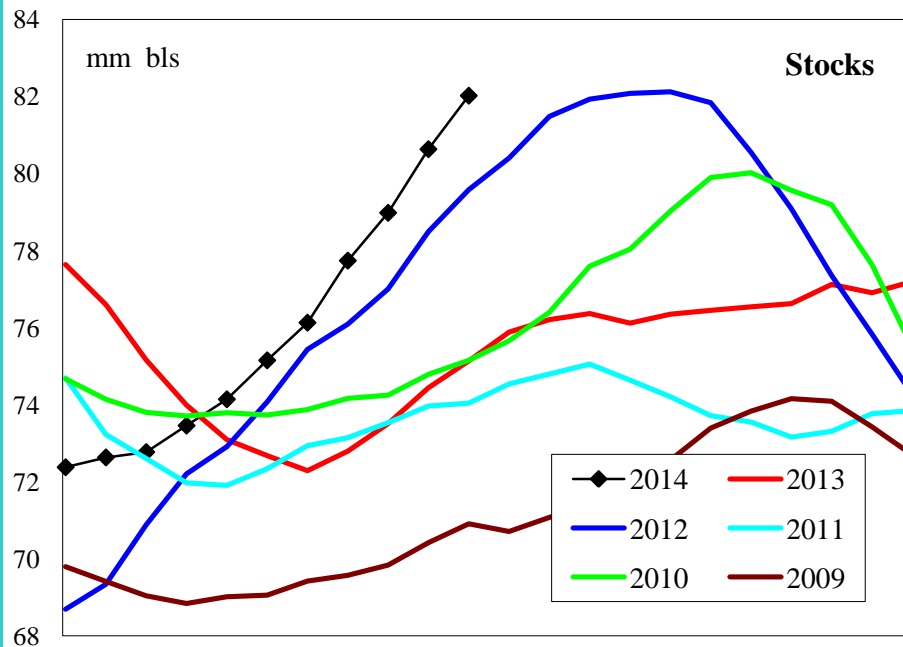
2.6

Imports

-472

-12.7

PADD 3 Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

5,727

7.5

Production

215

10.1

Fin Impt

0

#DIV/0!

Blend Impt

3

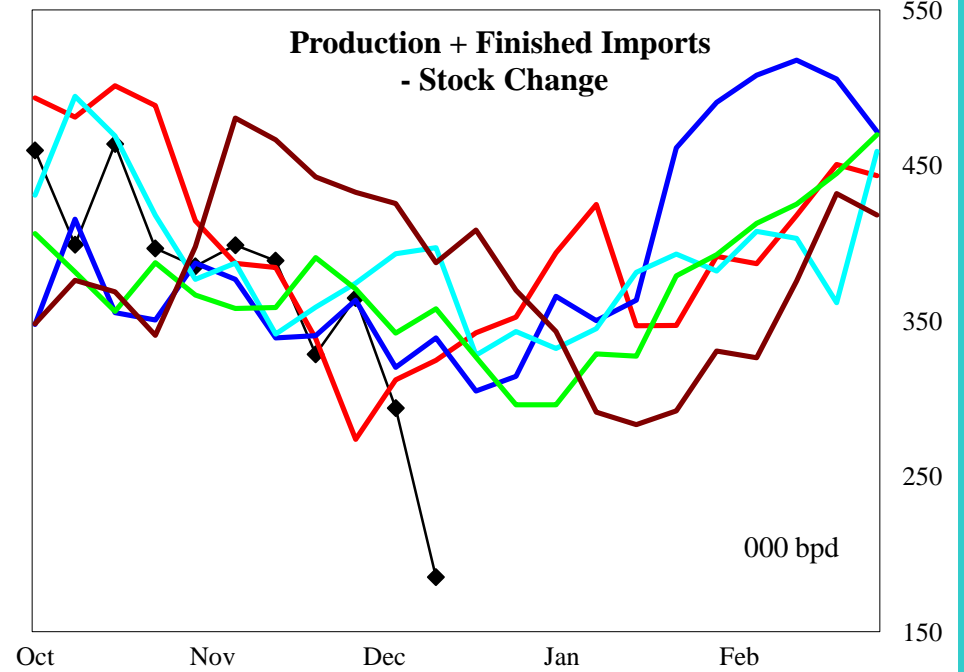
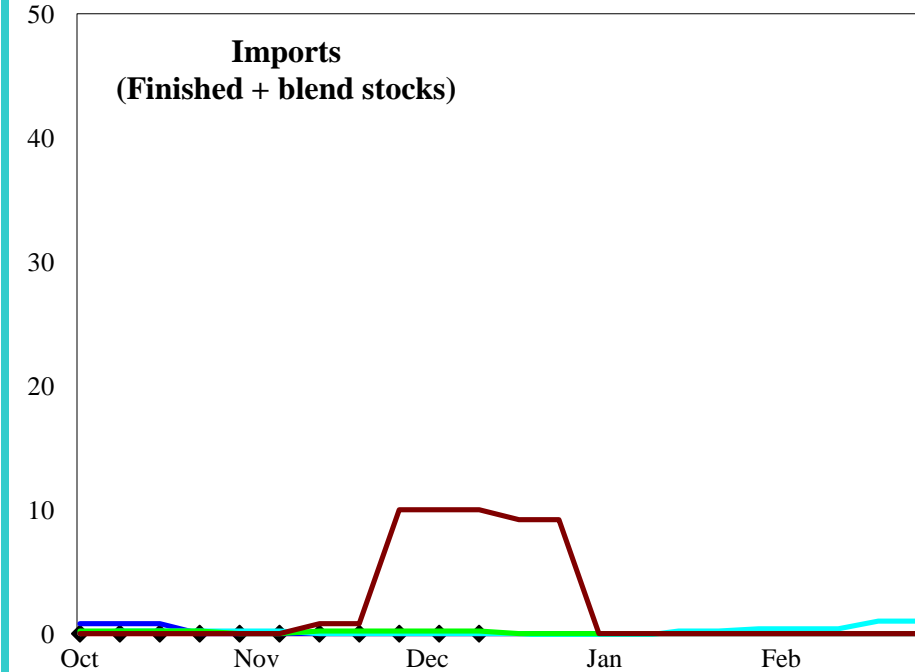
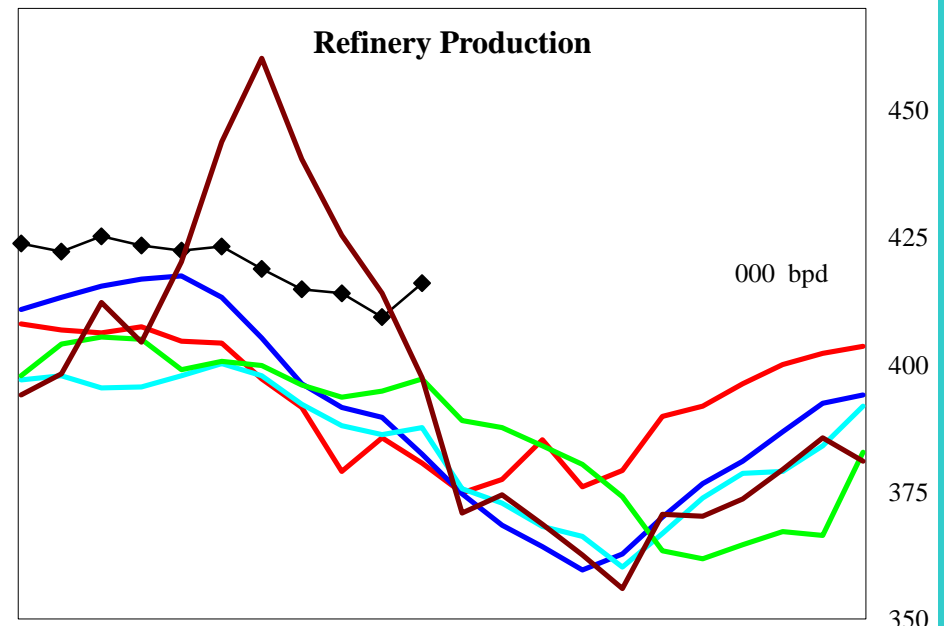
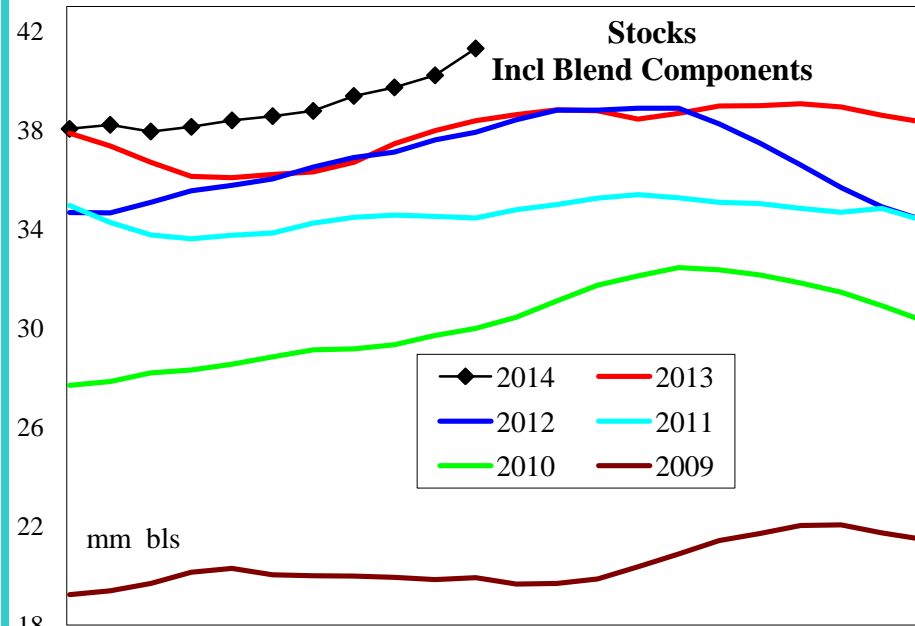
25.6

Prod + Imp - Stk chg

123

6.3

PADD 3 Reformulated Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

1,643

4.1

Production

39

10.4

Imports

0

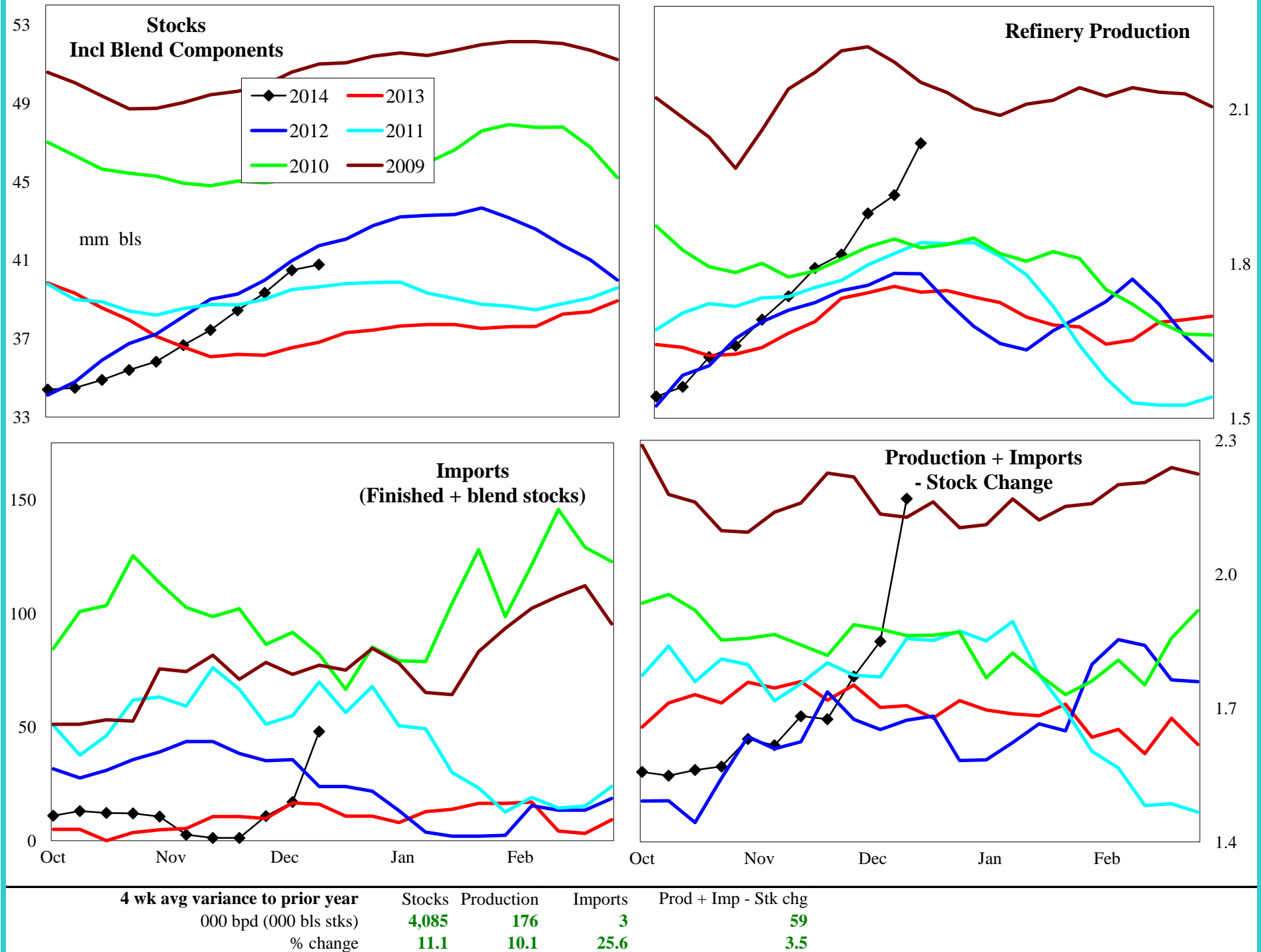
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Prod + Imp - Stk chg

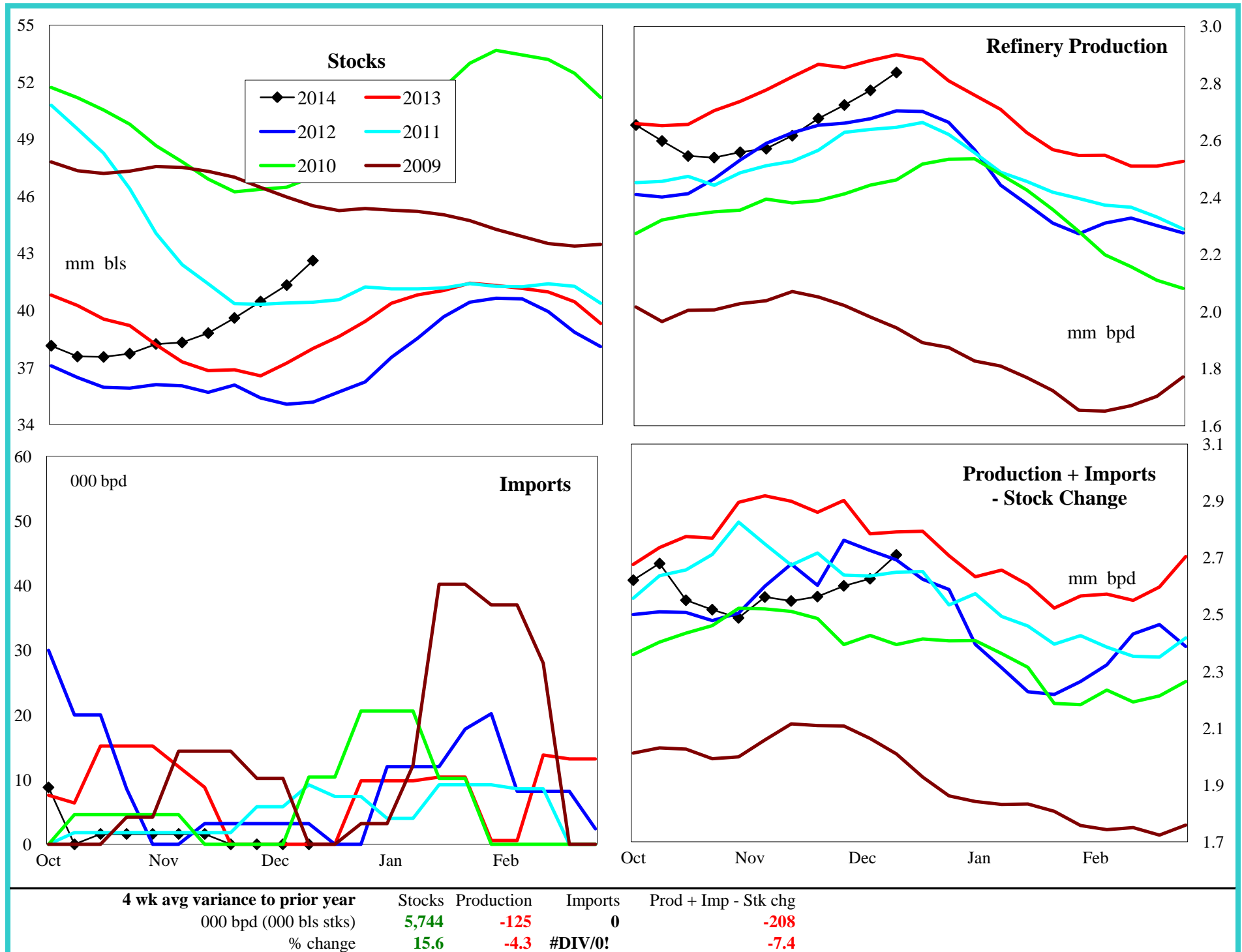
64

23.8

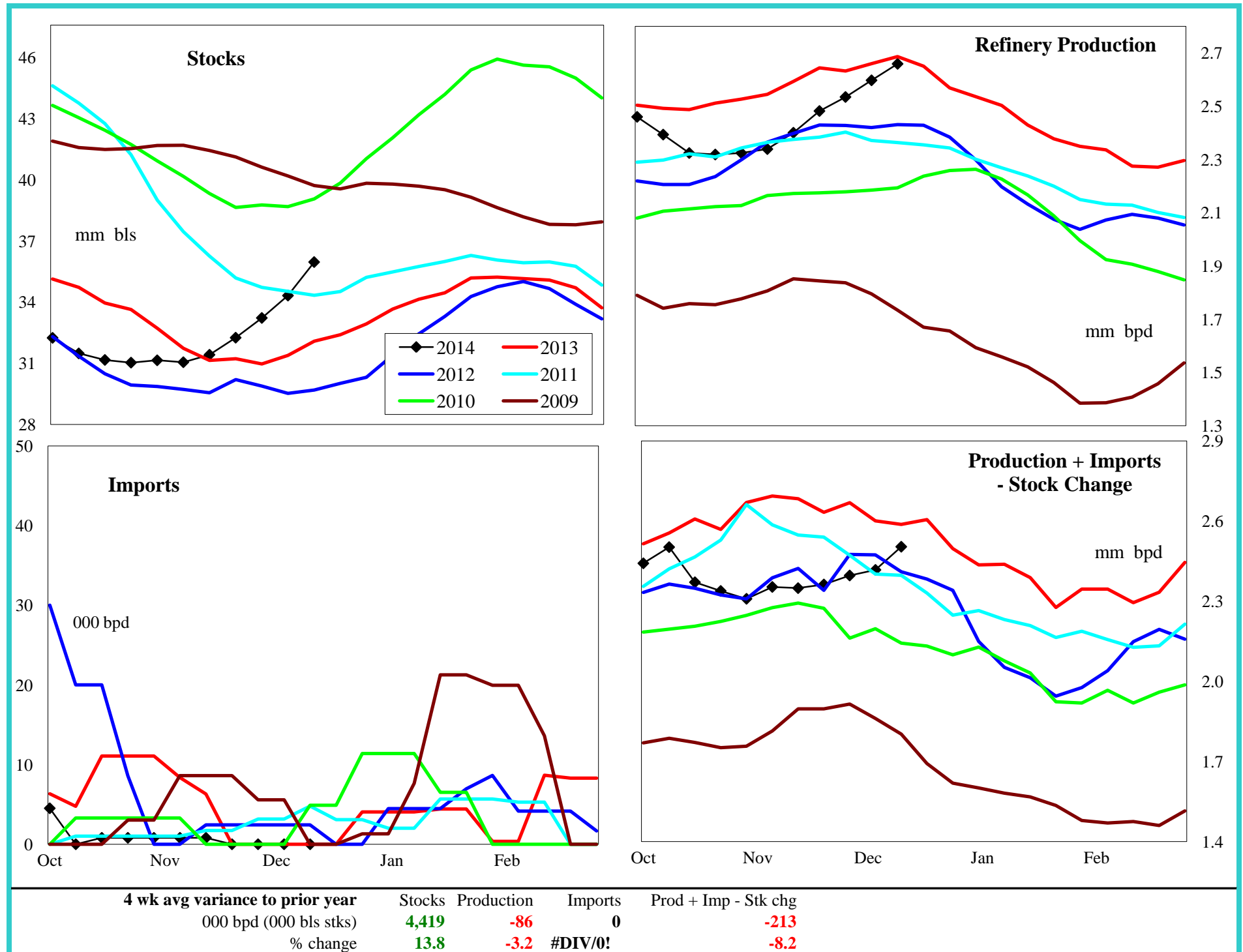
PADD 3 Conventional Gasoline Supply



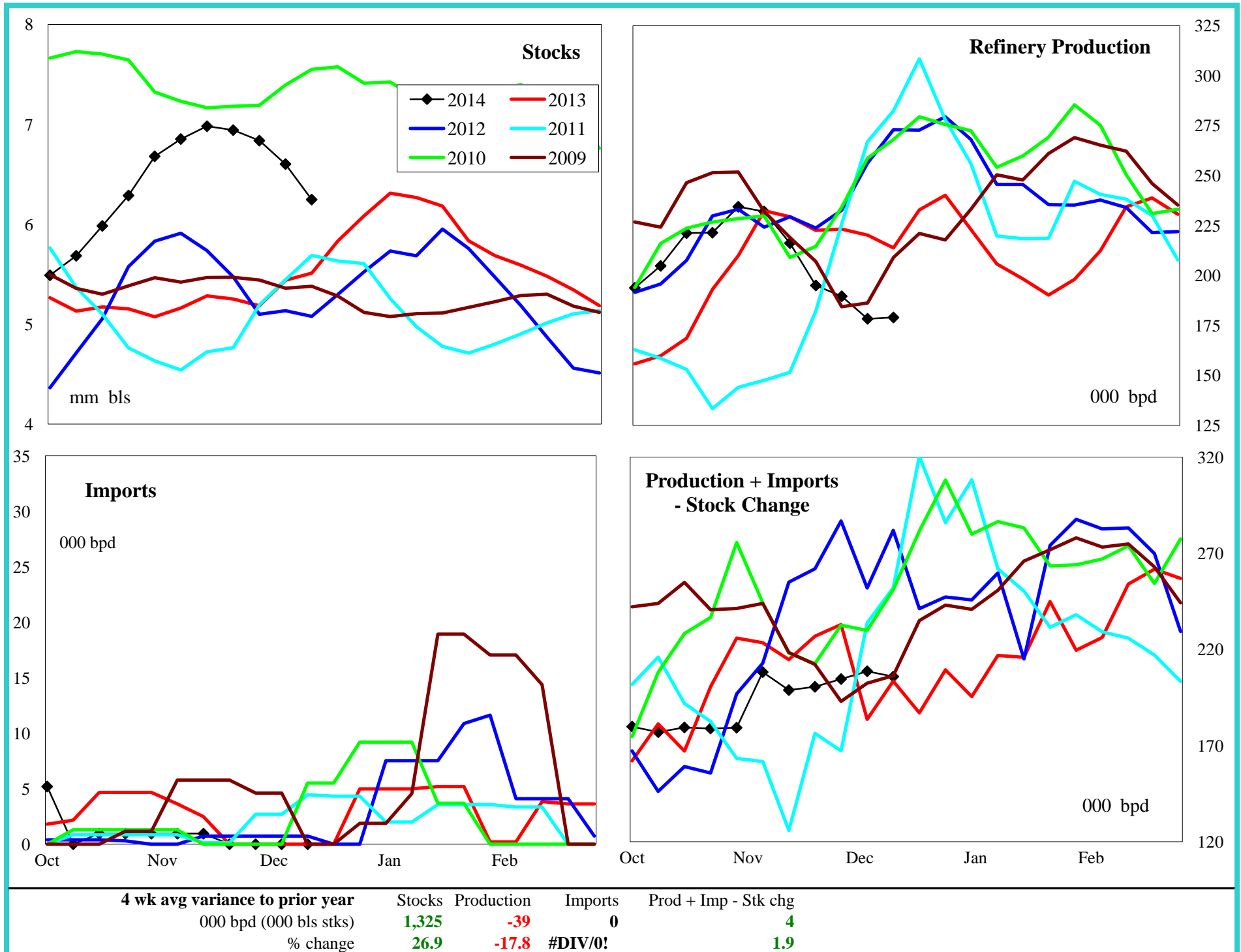
PADD 3 Distillate Supply



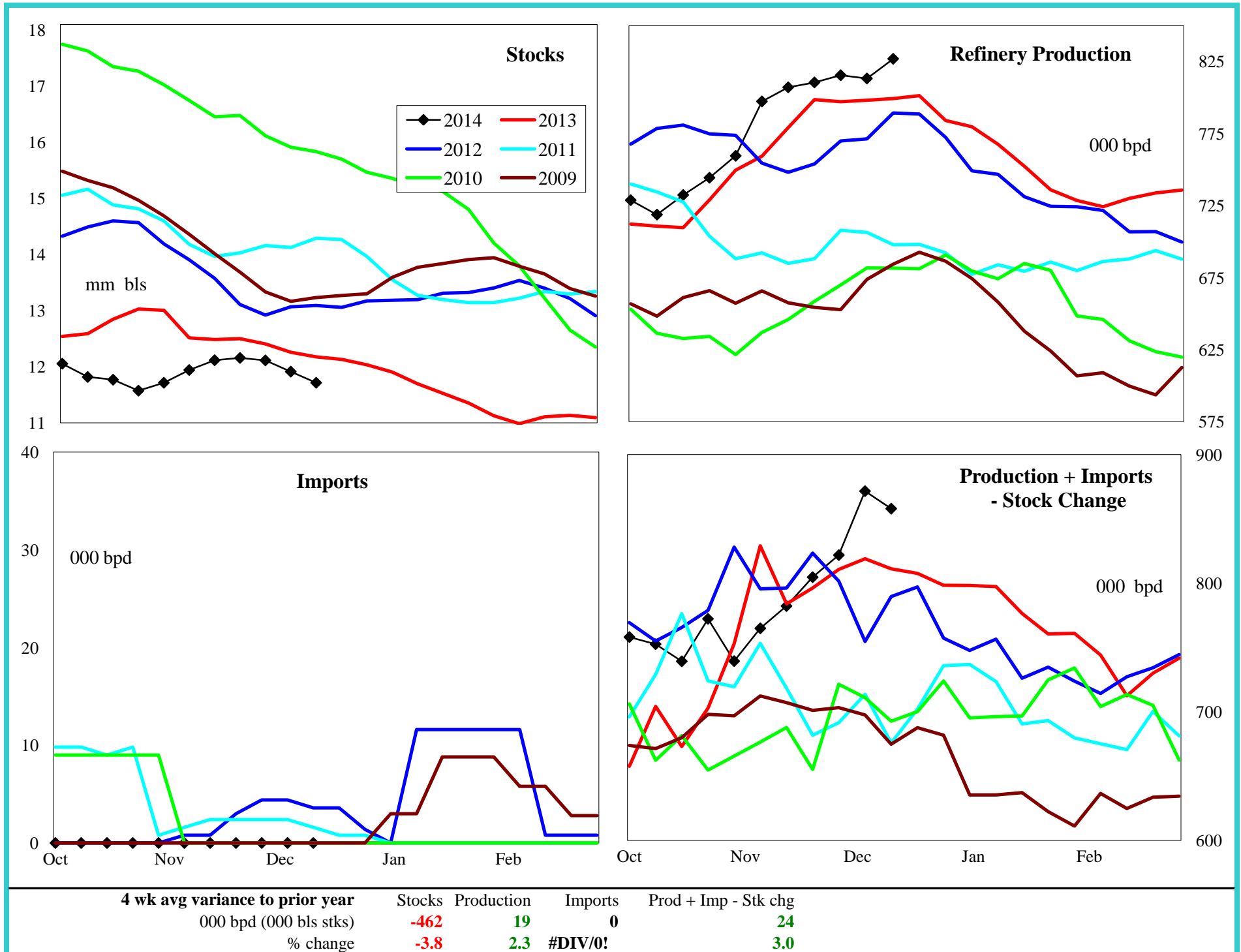
PADD 3 Low Sulfur Distillate Supply



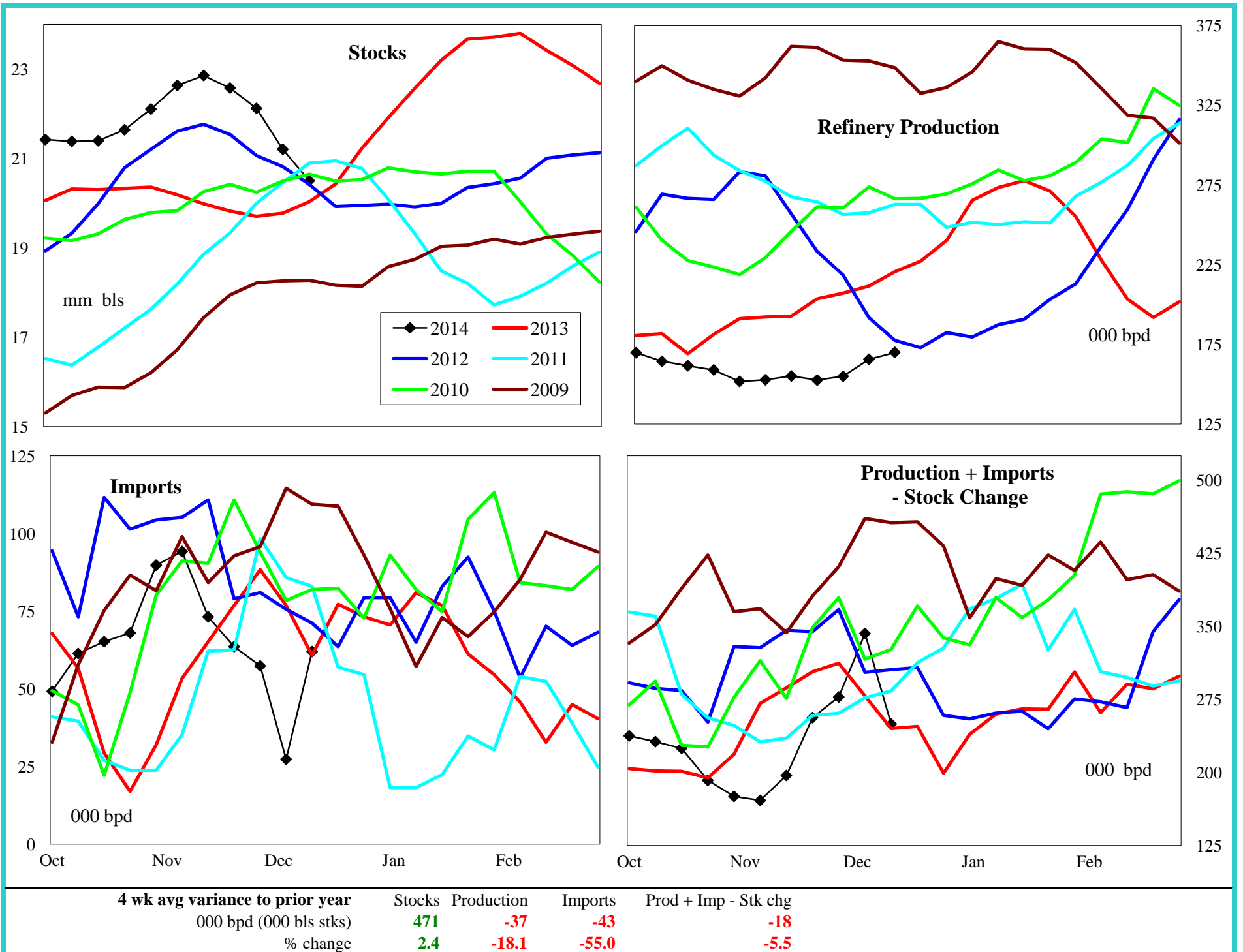
PADD 3 High Sulfur Distillate Supply



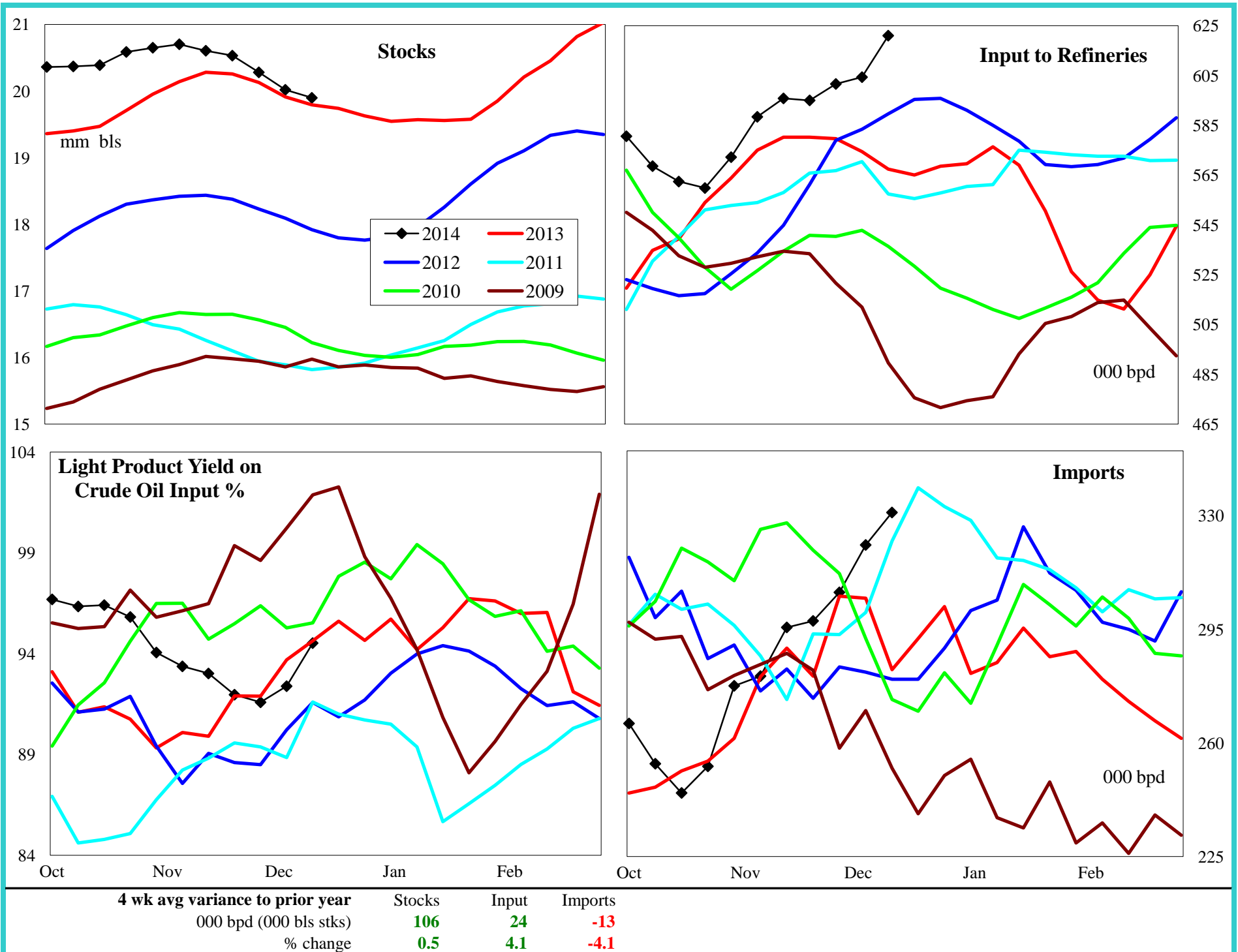
PADD 3 Jet Fuel Supply



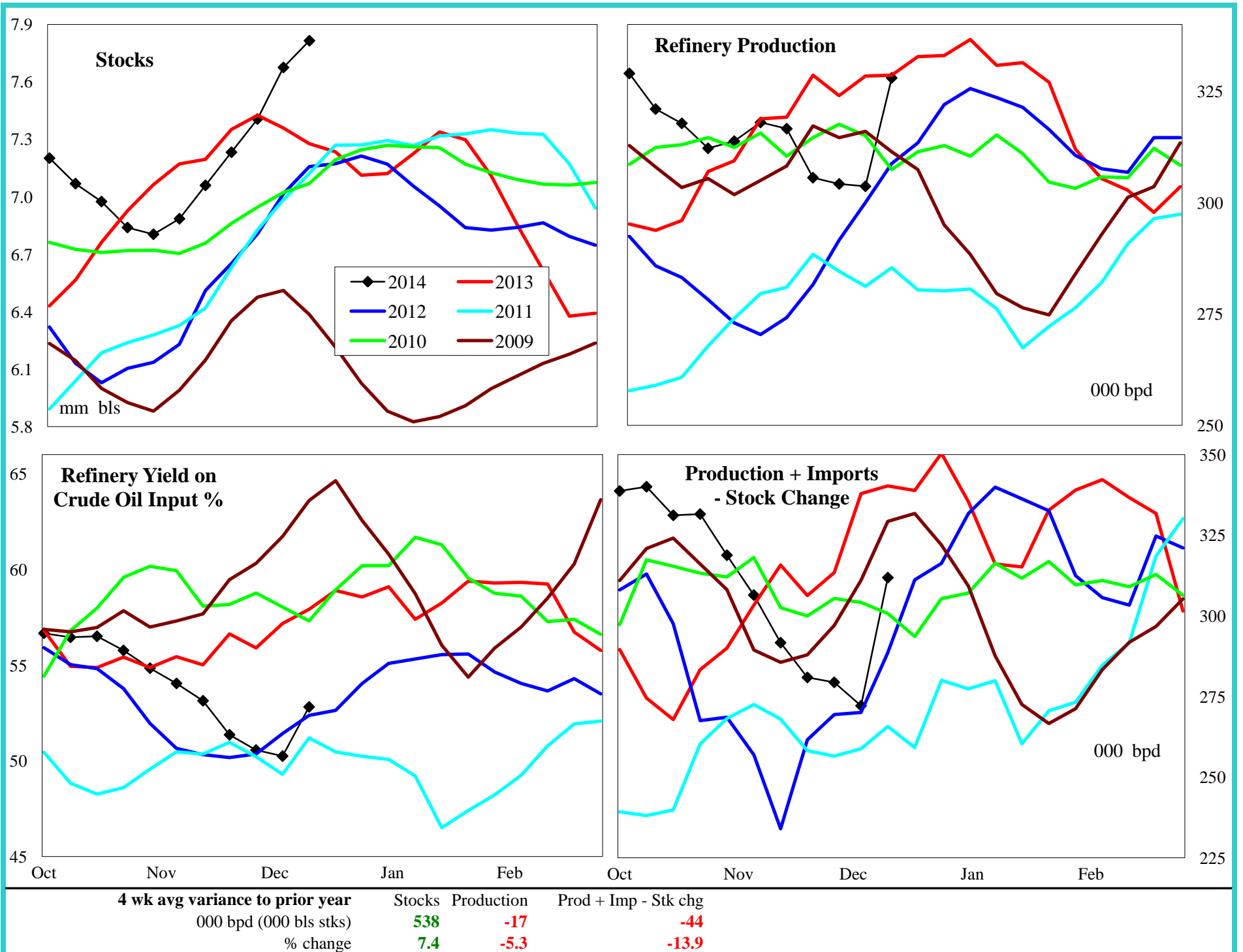
PADD 3 Residual Fuel Oil Supply



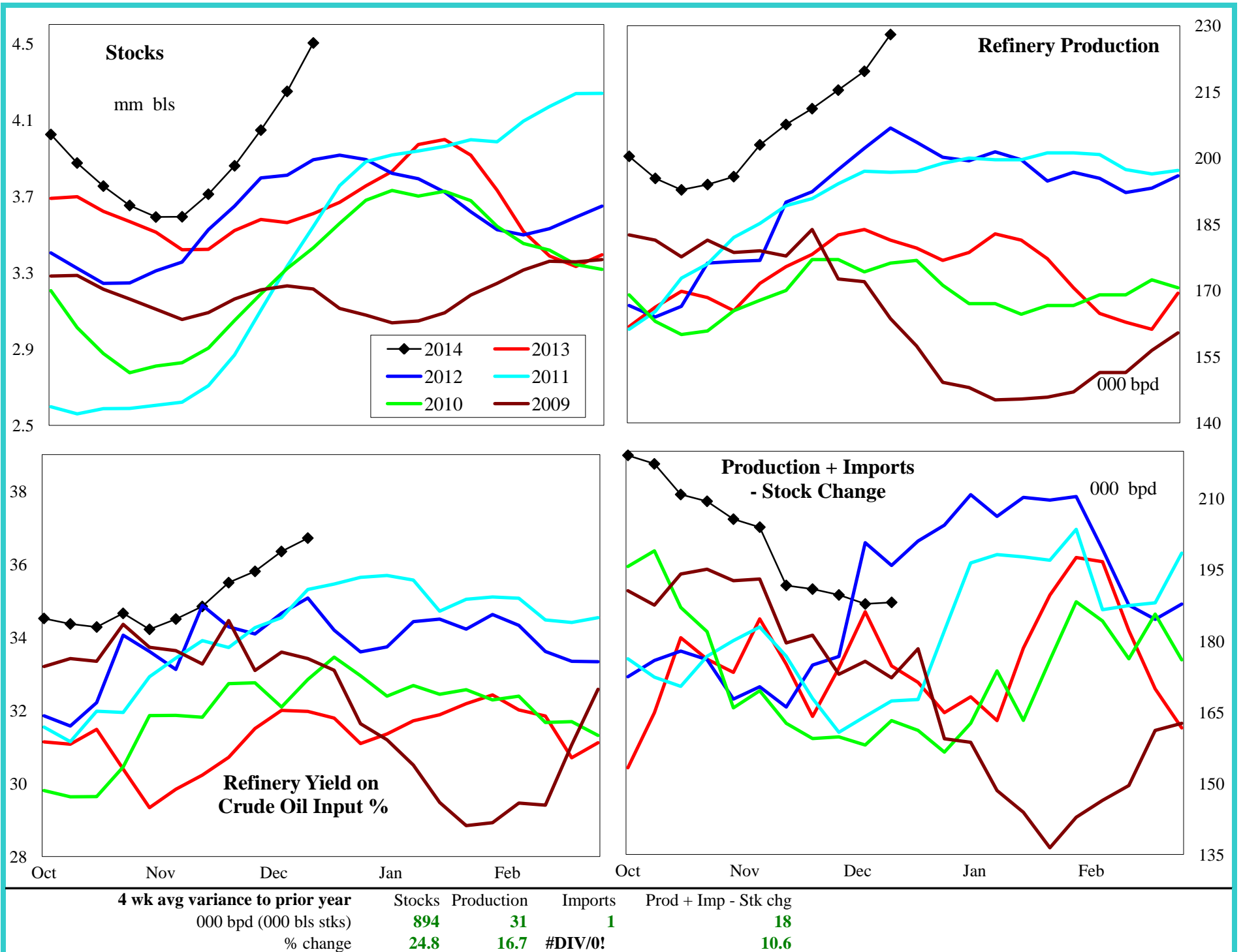
PADD 4 Crude Oil Supply and Refining



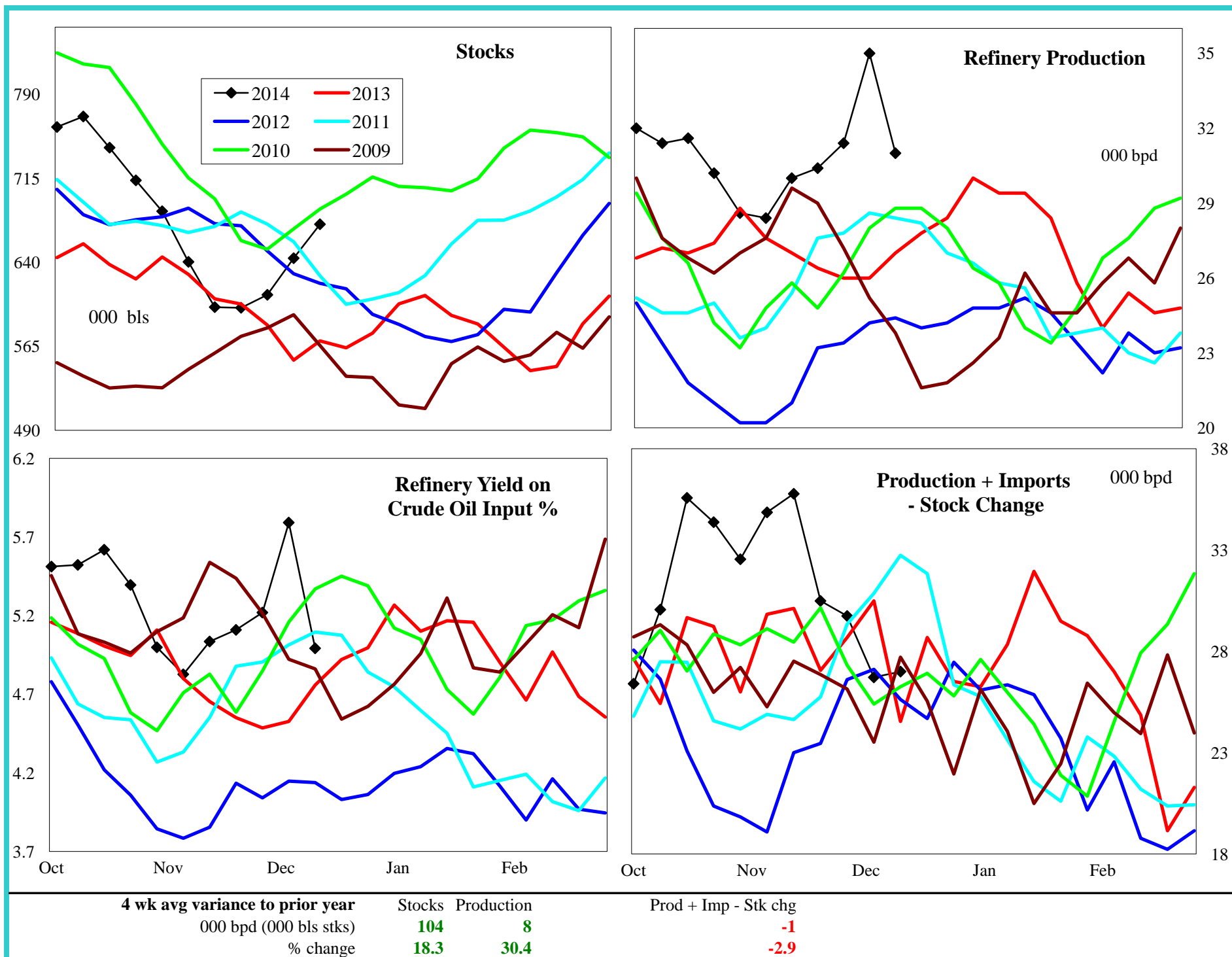
PADD 4 Gasoline Supply



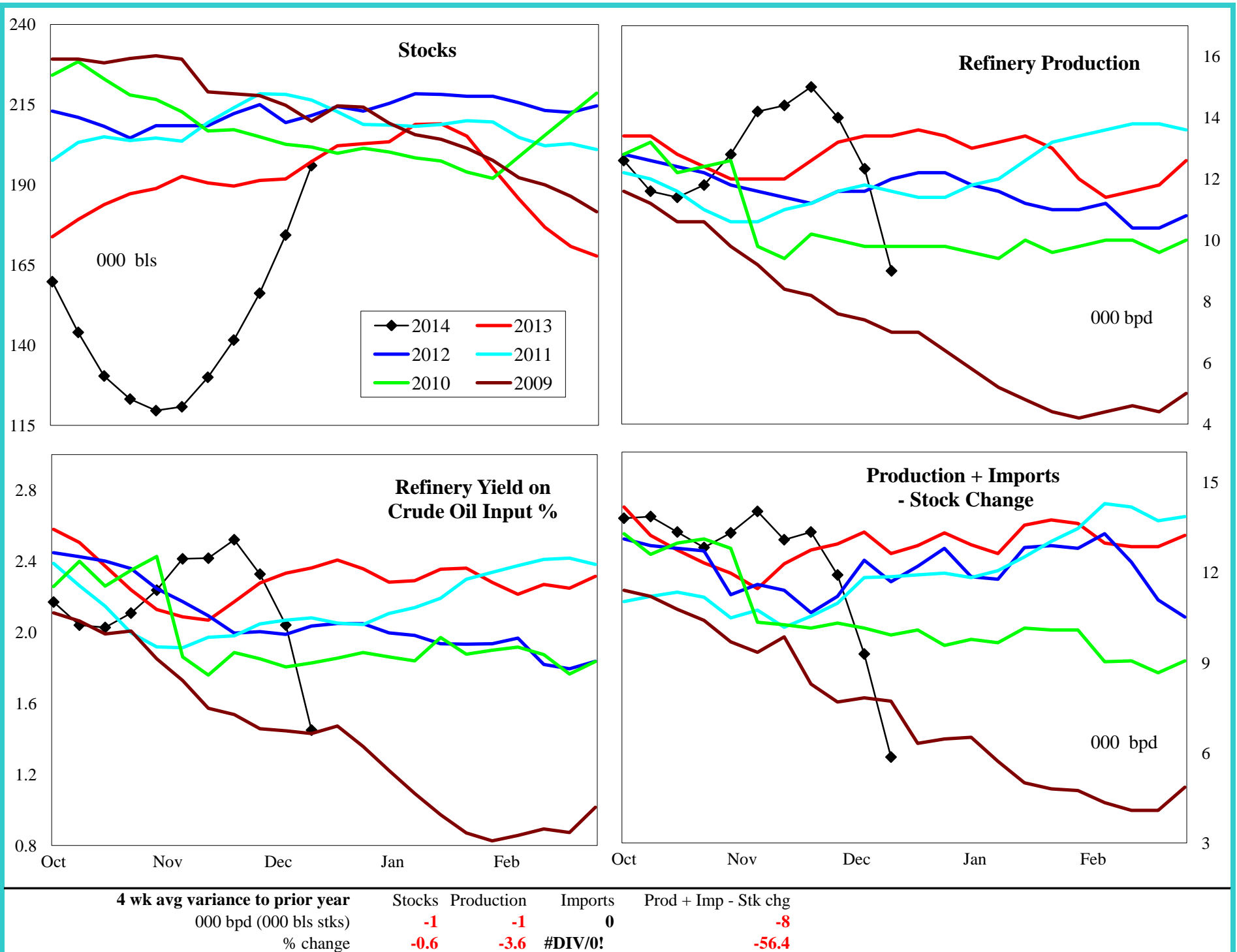
PADD 4 Distillate Supply



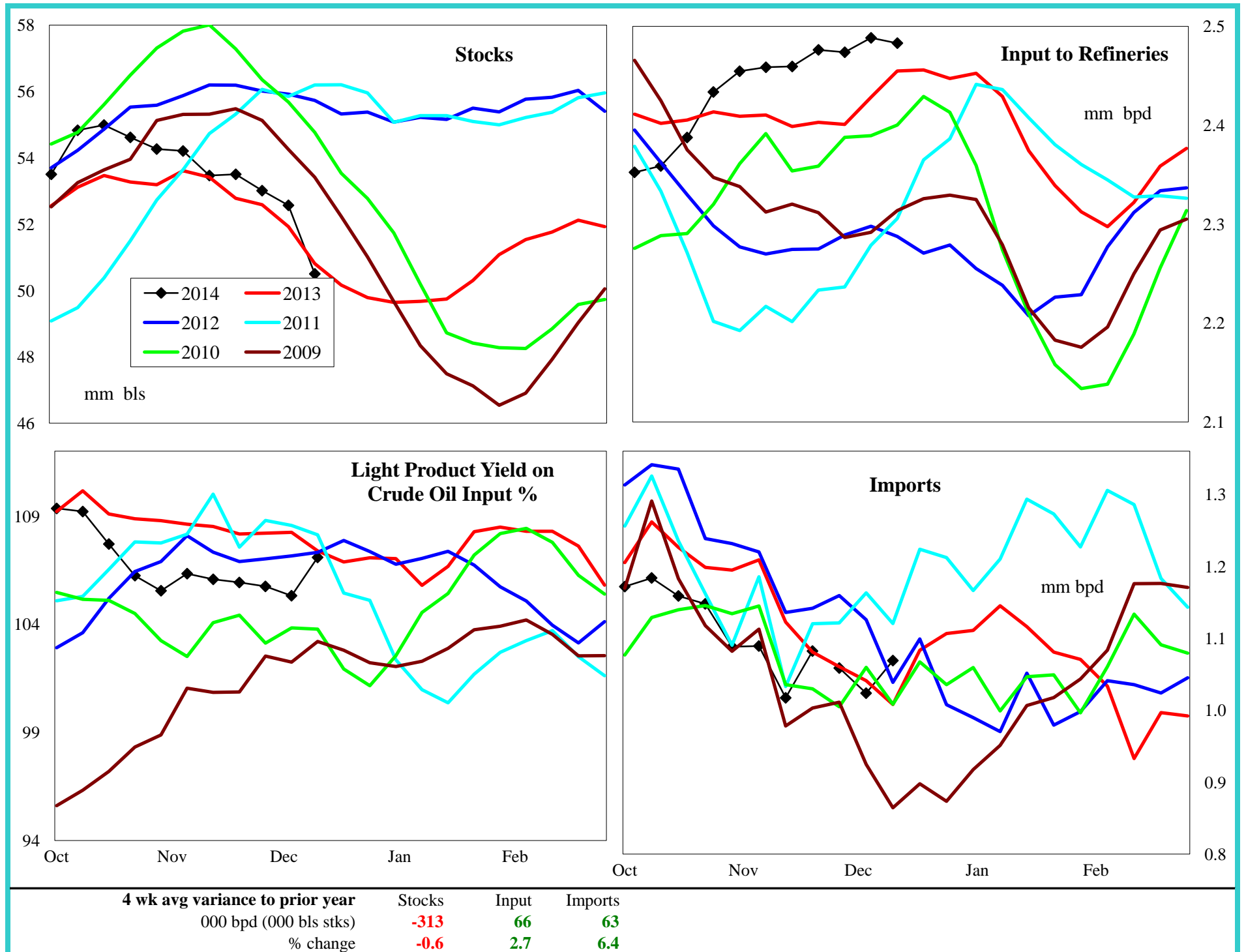
PADD 4 Jet Fuel Supply



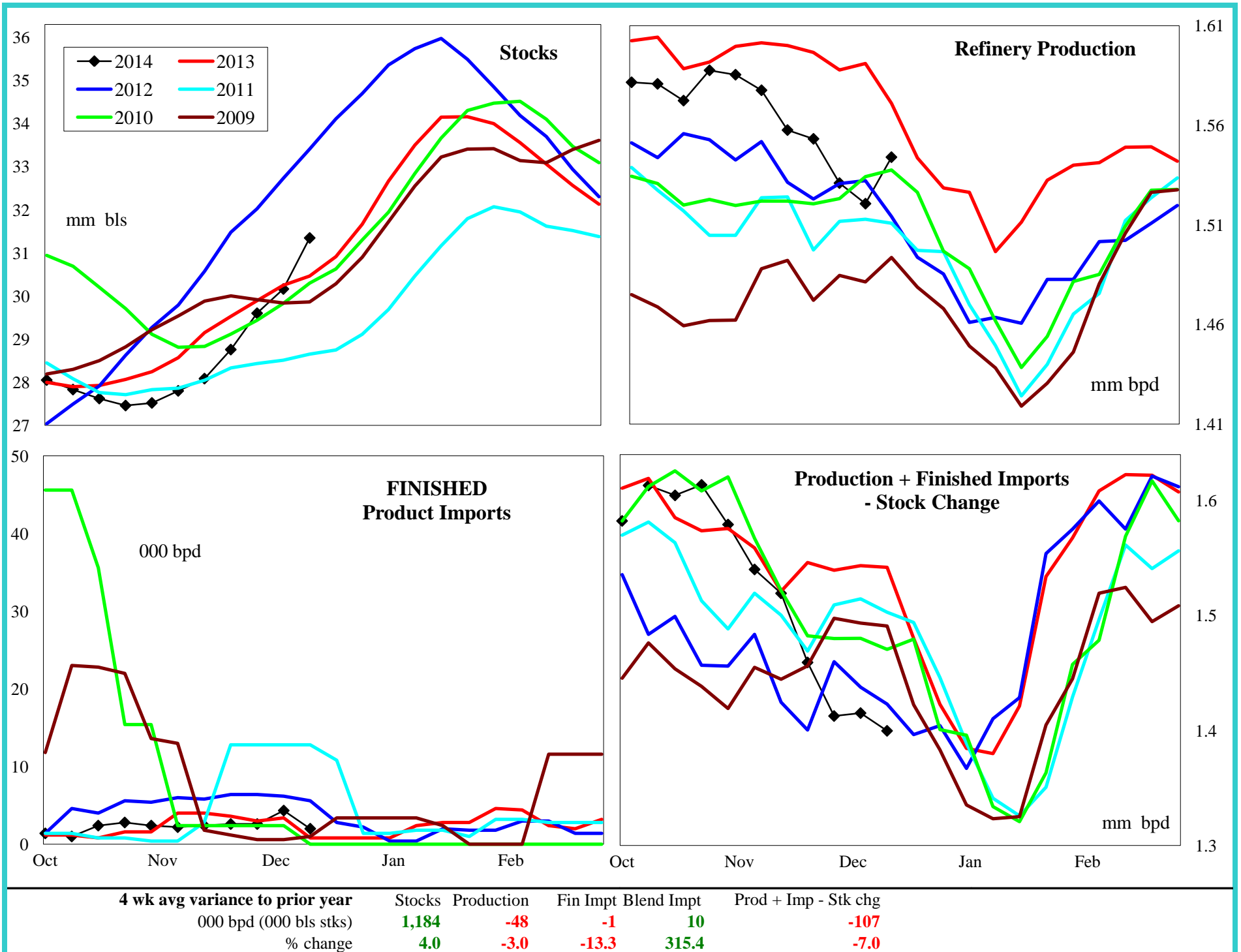
PADD 4 Residual Fuel Oil Supply



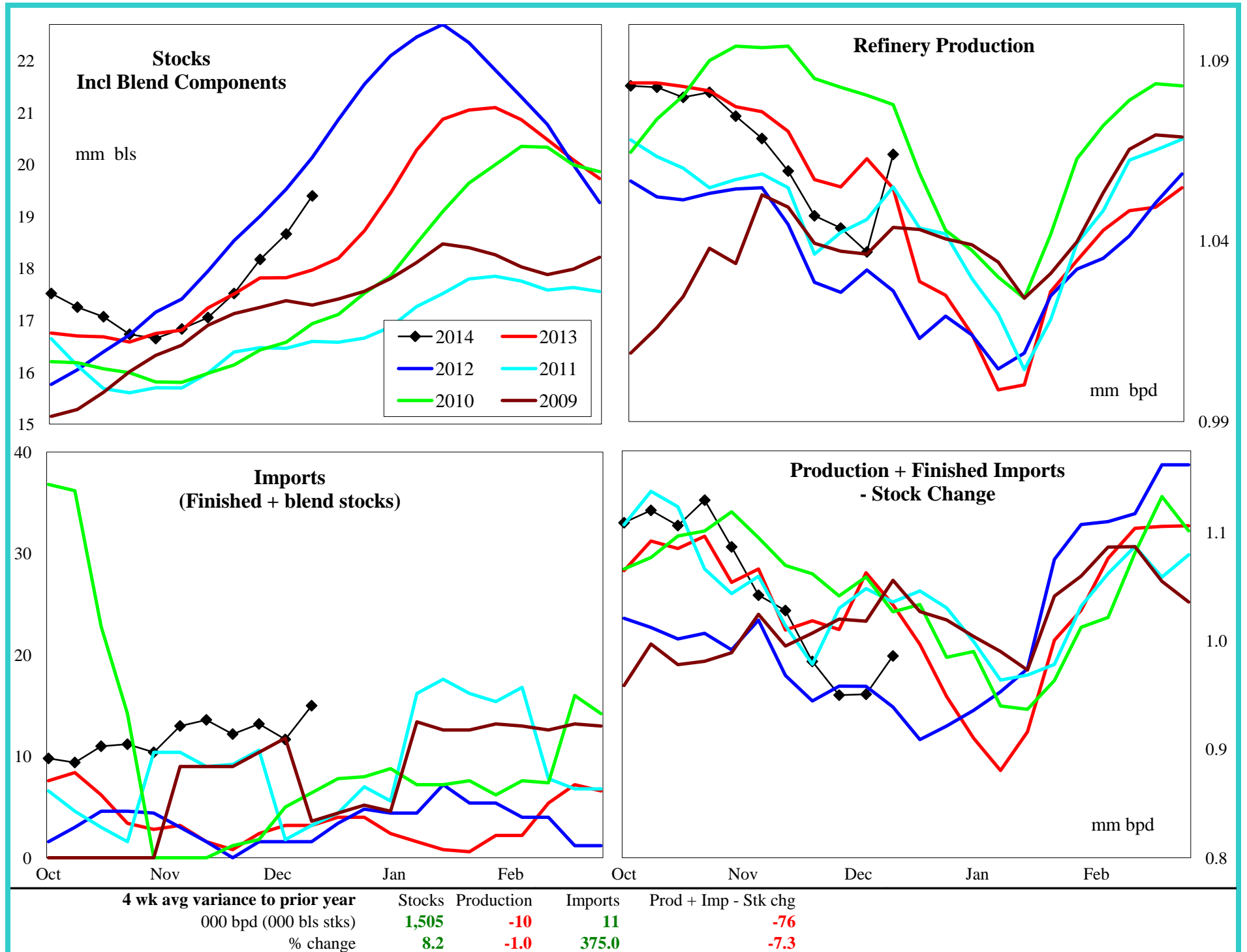
PADD 5 Crude Oil Supply and Refining



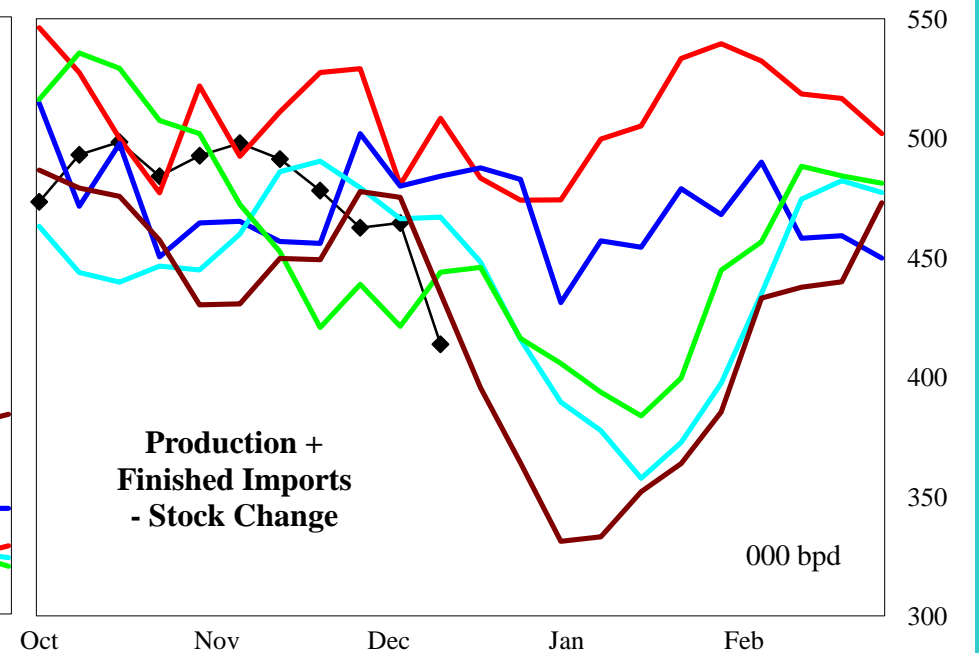
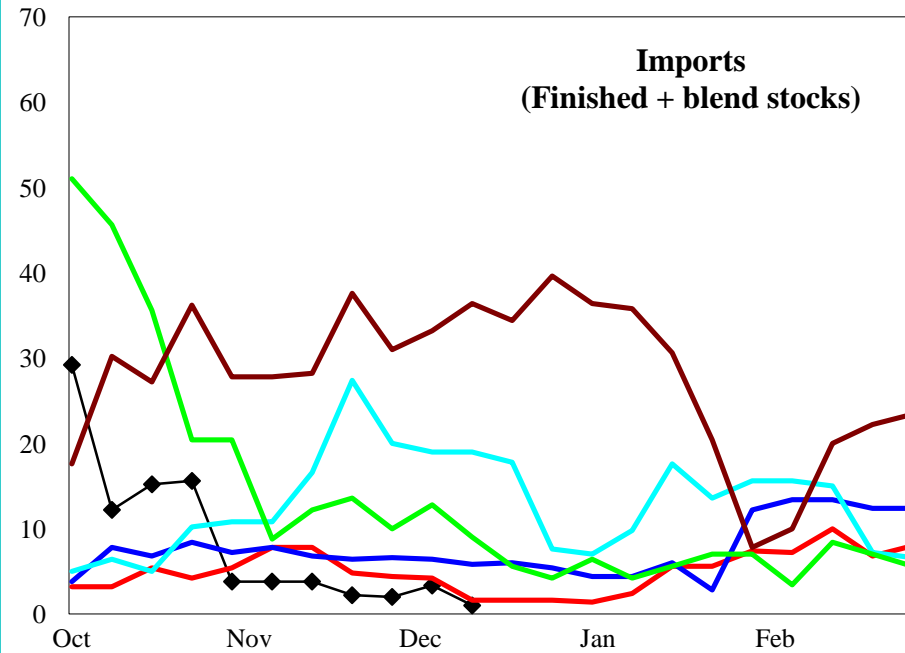
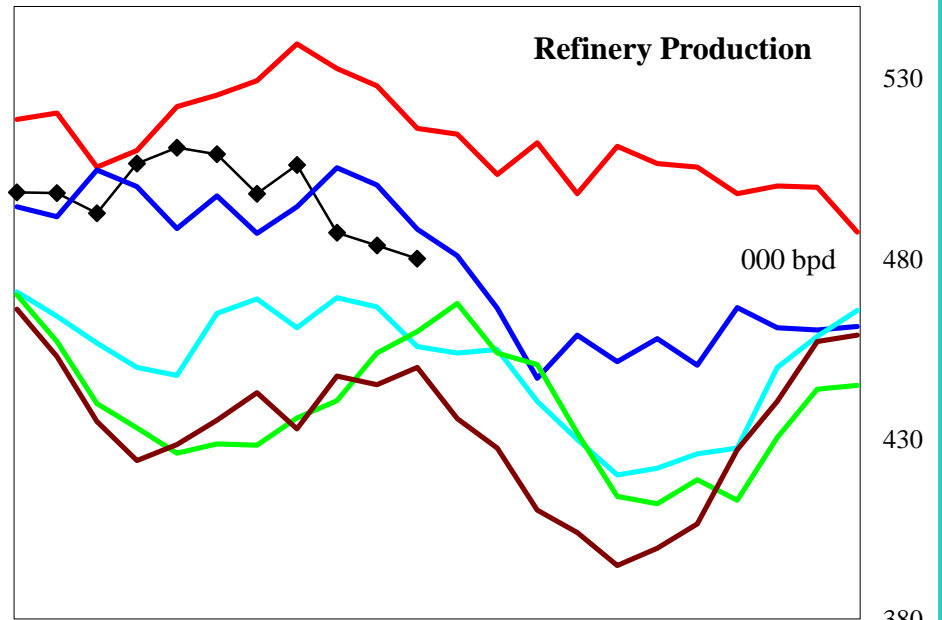
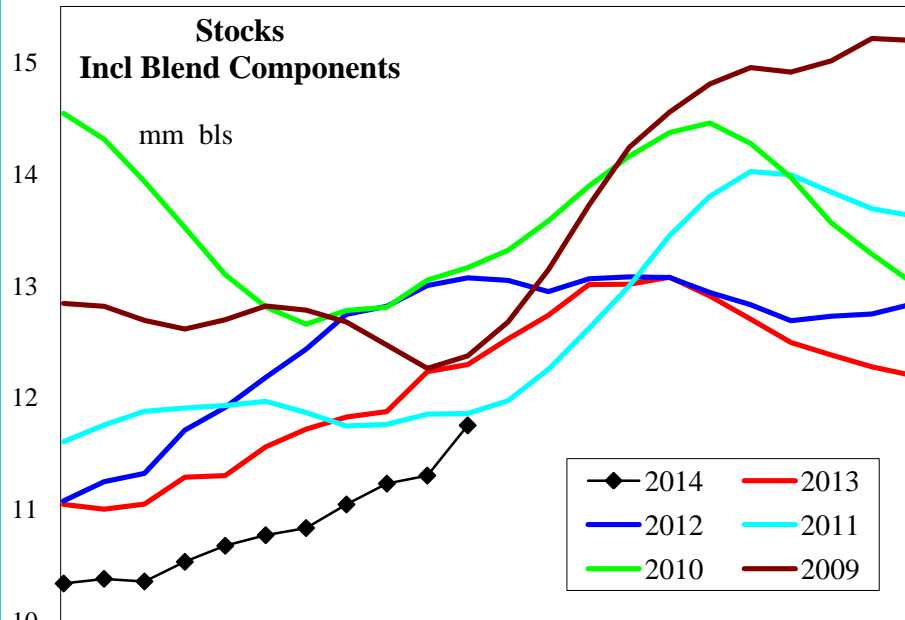
PADD 5 Gasoline Supply



PADD 5 Reformulated Gasoline Supply



PADD 5 Conventional Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

Production

Imports

Prod + Imp - Stk chg

-321

-38

-2

-31

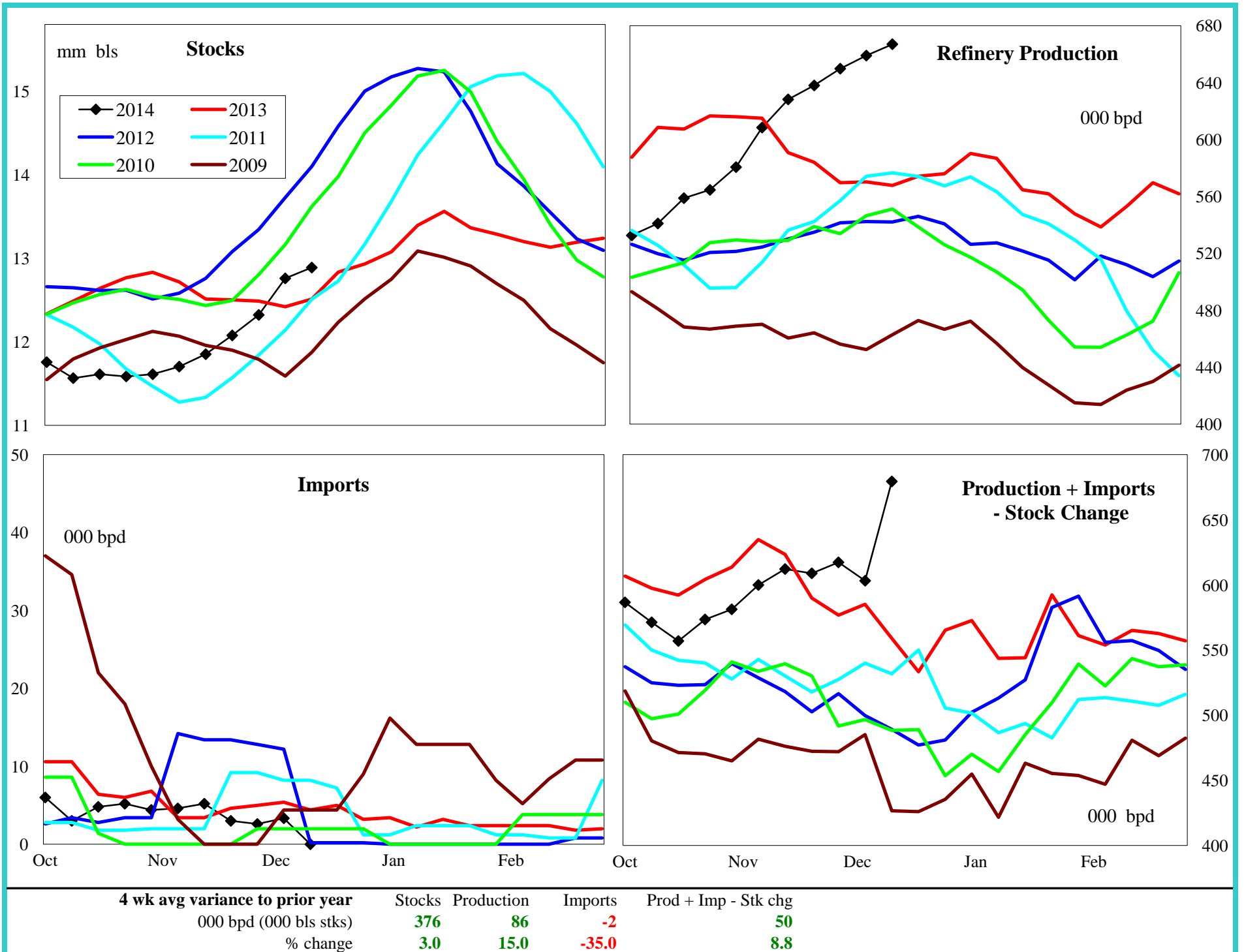
-2.8

-7.3

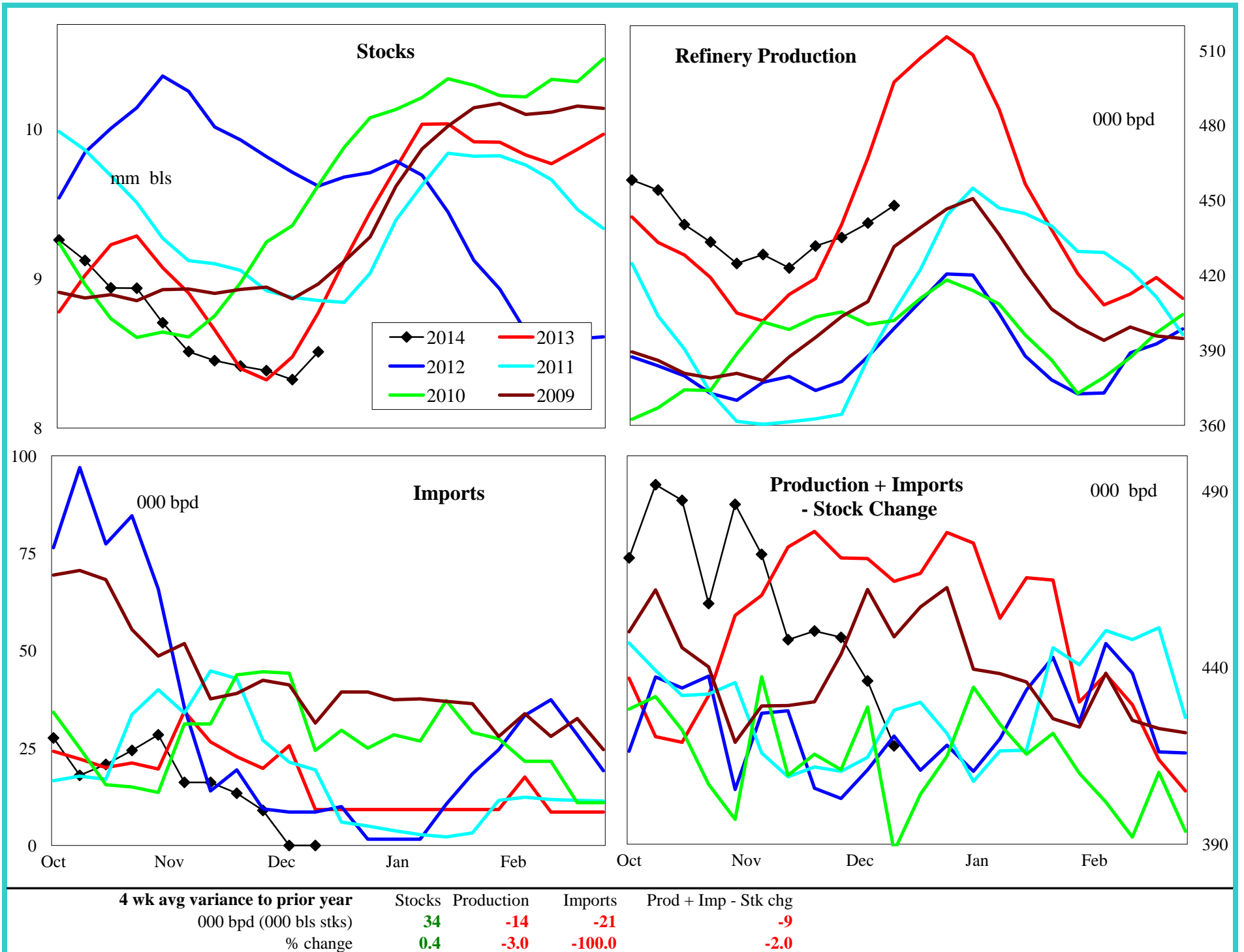
-37.5

-6.3

PADD 5 Distillate Supply



PADD 5 Jet Fuel Supply



PADD 5 Residual Fuel Oil Supply

