



## WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

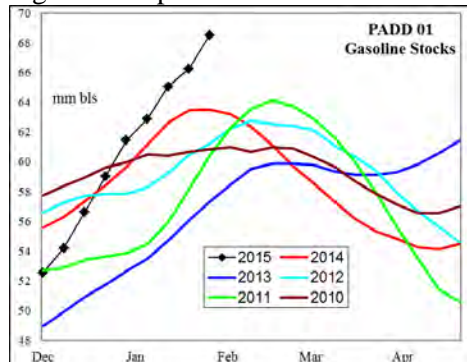
### A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Wednesday, February 04,

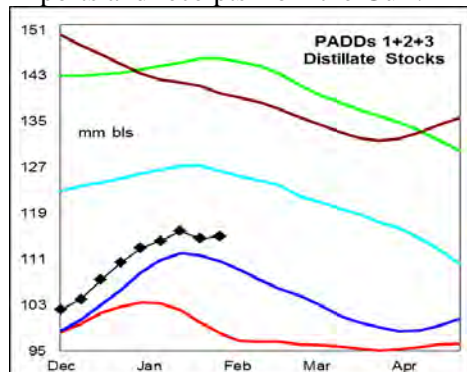


#### Major Fundamental Trends<sup>1</sup>

Sharply lower wholesale demand for gasoline and distillate, combined with a continued record rate of crude oil stock building points to an over supplied petroleum market in all regions except the West Coast.

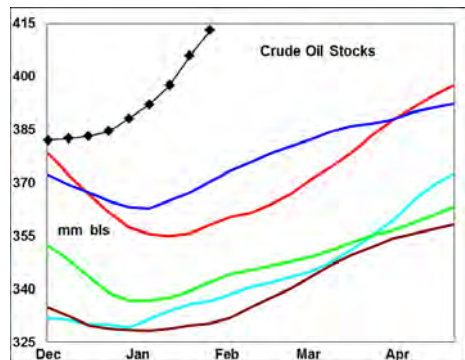


Gasoline stocks on the East Coast jumped +4.3 million barrels on the week to a record level for the winter quarter; driven by inclement weather that limited retail demand, increased imports and receipts from the Gulf.



The sharp drop in distillate wholesale demand led to a +1.8 million barrel increase in stocks; even as supply fell -72,000 bpd. Distillate stock levels East of the Rockies ended the week +20 million barrels above last year.

Distillate stock levels are above each of the last 2-yr in all regional markets, driven by year-on-year increases in production and imports and a year-on-year decline in exports.



U. S. crude oil stocks increased +31 million barrels during the last 4-wks; an unprecedented build rate. Stock levels in Cushing and the Gulf region are likely to reach storage capacity limits during the next quarter; leading to large cash market discounts for inland producing areas.

**Wholesale Demand** for gasoline and distillate fell a combined -1.5 million bpd last week.

Wholesale demand, measured over the last four weeks compared to a year ago: gasoline increased +13%, distillate decreased -2%, jet fuel was +9% higher, while residual fuel decreased -14%.

**Stocks forward coverage:** Gasoline demand coverage increased on a +2.3 million barrel stock build. Coverage ended the week at a level below the 3-yr range for the period.

Distillate coverage increased on a +1.8 million barrel stock build. Coverage ended the week at a level sharply above last year's record low.

Jet fuel coverage increased on a +1.3 million barrel stock build. Coverage ended the week comparable to last year.

Residual fuel oil coverage matched record highs on a +0.3 million barrel build and extremely low demand.

**Refinery utilization** rates increased on a +288,000 bpd increase in crude oil runs last week, concentrated in the Midwest region. During the latest 4-wk period crude oil input was +47,000 bpd above last year.

Gasoline yield % on crude oil runs

decreased last week on a -90,000 bpd decrease in output compared to the +288,000 bpd rise in crude oil runs. Gasoline yield % on crude oil runs ended the week at a level near last year's lows.

Distillate yield % on crude oil runs saw decreased on a -46,000 bpd decline in output compared to the increase in crude oil runs. The yield % on crude oil runs fell below the last 3-yr.

Jet fuel yield % on crude oil runs decreased last week on a -15,000 bpd decrease in output compared the increase in crude oil runs. The yield % on crude oil runs was at the upper end of the historic range.

**Petroleum Imports/Exports:** Imports of middle distillates are +150,000 bpd above a year ago for the most recent 4-wks, near a 5-yr high. The increase is concentrated on the East Coast where stock levels are sharply above last year.

During the latest 4-wk period crude oil imports increased +38,000 bpd compared to a year ago; distillate imports were +81,000 bpd higher; finished gasoline imports were +4,000 bpd higher; gasoline blend stock imports were +108,000 bpd higher, jet fuel imports increased +70,000 bpd, and residual fuel imports increased +9,000 bpd.

*Exports of distillate for the week ending 23Jan15 were -170,000 bpd below a year ago, gasoline -60,000 bpd lower, jet fuel +16,000 bpd higher and residual fuel oil was +1,000 bpd higher.*

**Crude Oil** stocks increased +6.3 million barrels on the week, which occurred on a +0.3 million bpd rise in refinery input and very low imports.

Stocks in Cushing increased +2.5 million barrels on the week, with the level now -9 million barrels below the previous record high. Look for Cushing stocks to reach historic highs within less than 60-days.

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



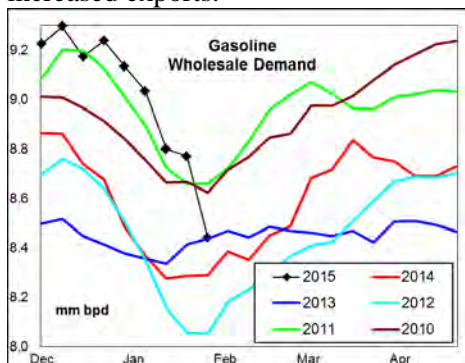
## WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

### A Fundamental Petroleum Trends Weekly Report

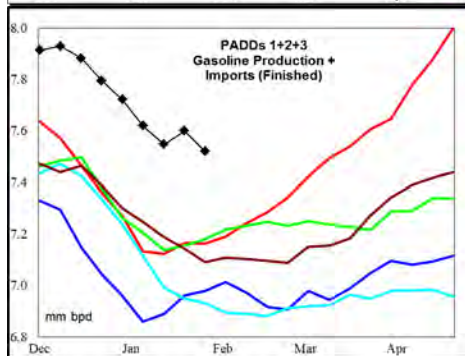
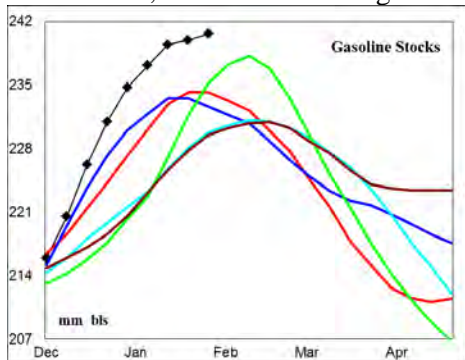
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#### Product Supply-Demand Trends

**Gasoline** wholesale demand plunged - 0.6 million bpd last week, to a level comparable with the last 2-yr. The latest 4-wk average demand was +1.1 million bpd above last year, driven by firms placing product into private storage, robust retail demand and increased exports.



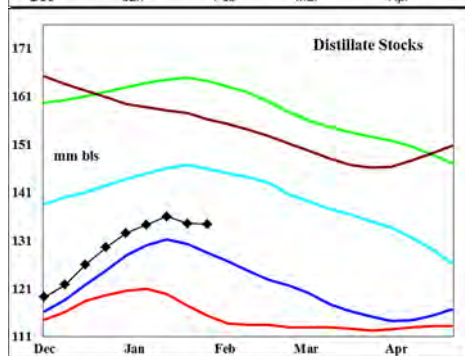
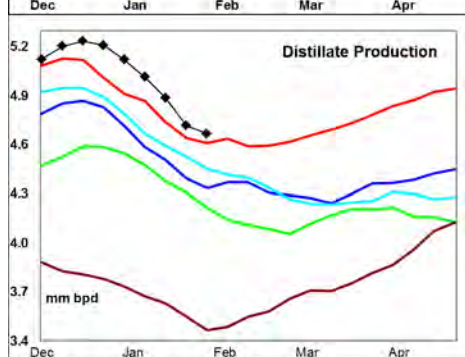
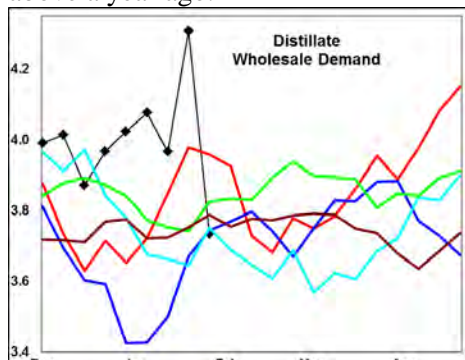
Supply was nearly unchanged on the week. Supply for the latest 4-wk period exceeded a year ago by +459,000 bpd on higher production. Stocks increased +2.3 million barrels on the week, to a new record high.



Look for very high stock levels to persist on a year-on-year increase in production and imports, a below average rate of refinery maintenance, partially offset by higher retail demand.

**Distillate** wholesale demand plunged - 0.9 million bpd last week, on lower exports. The latest 4-wk average demand was -81,000 bpd below last year.

Supply decreased -72,000 bpd on lower production. Production was +161,000 bpd above last year for latest 4-wk period, with imports +81,000 bpd higher. Stocks increased +1.8 million barrels on the week. Stock levels ended the week +20.6 million barrels above a year ago.

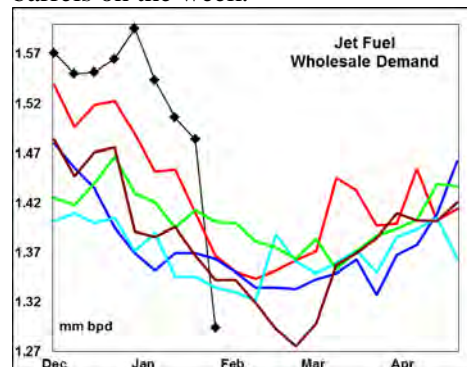


Look for stock levels to trend seasonally lower, at a level above the last 2-yr. on below average refinery maintenance and weak exports.

**Jet Fuel** wholesale demand fell - 190,000 bpd for the 2<sup>nd</sup> consecutive week, with the 4-wk average +131,000

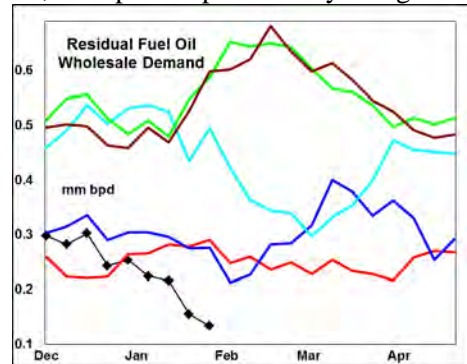
bpd above last year. The collapse in wholesale demand is driven by lower seasonal use and slowdown of deliveries into airline private storage.

Stocks increased +1.3 million barrels on the week.



Look for seasonally low wholesale demand and high imports to the East Coast, to limit stock draws during winter refinery maintenance.

**Residual fuel oil** demand increased +9,000 bpd on the week. Demand for the latest 4-wk period decreased - 42,000 bpd compared to a year ago.



Supply (production + imports) increased +23,000 bpd on the week, due to higher production. Stocks increased +0.3 million barrels, although the level remains below the historic range.

Supply in the key Gulf region was -153% below last year for the most recent 4-wk period, -40% below last year. Stock levels in the region also remain near historic lows. The increase in processing of domestic shale oil underlies the decline in residual fuel output for the region.





## WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

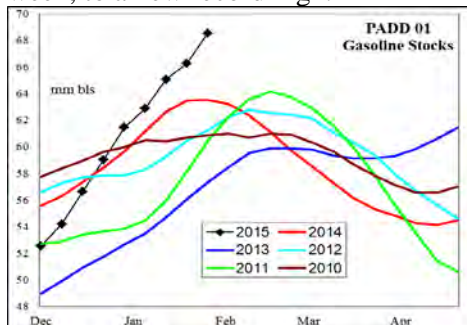
### A Fundamental Petroleum Trends Weekly Report

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#### PADD Supply Trends

**PADD 1** refinery crude oil runs increased +25,000 bpd on the week, with the 4-wk average +122,000 bpd above last year.

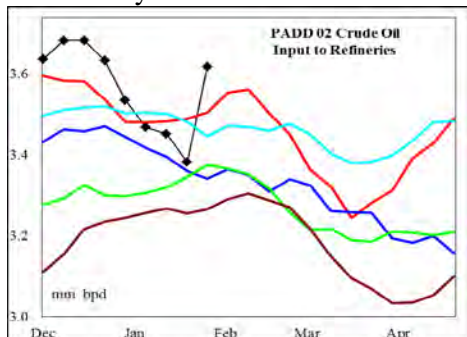
Gasoline supply increased +95,000 bpd on higher imports, with the 4-wk average +239,000 bpd above last year. Stocks jumped +4.3 million barrels last week, to a new record high.



Distillate supply decreased -34,000 bpd last week, with the 4-wk average +74,000 bpd above last year. Imports for the latest 4-wk period were +81,000 bpd above last year and near a weekly 5-yr high. Stocks increased +1.8 million barrels on the week, to a level +11.8 million barrels above a year ago.

Jet fuel supply increased +78,000 bpd last week on higher imports; with the 4-wk average +106,000 bpd above last year. Stocks ended the week at a level above the last 3-yrs.

**PADD 2** crude oil refinery runs jumped +270,000 bpd on the week, to a level above the historic range. The latest 4-wk average was -54,000 bpd below last year.



Crude oil stocks increased +2.9 million barrels last week, to a new record high level. Cushing saw a +2.5 million barrel stock build on the week, lifting

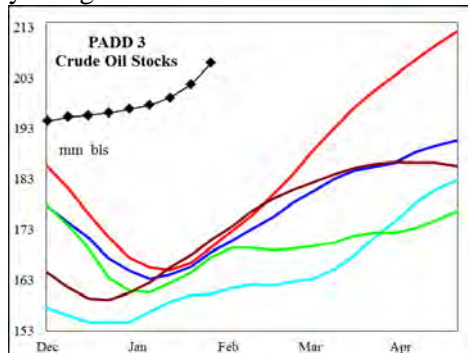
the stock level above four of the last 5-yrs. Cushing stock levels are now -9 million barrels below the previous record high set in 2013.

Gasoline supply decreased -35,000 bpd on the week. Production for the most recent 4-wk period was +36,000 bpd above a year ago. Stocks increased +0.7 million barrels on the week, to a level that matched the last 2-yrs.

Distillate supply jumped +136,000 bpd on the week, to a level above the 5-yr range. Stocks increased +0.4 million barrels, to a level well above the last 2-yrs.

Jet fuel production increased +25,000 bpd last week, a level equal to historic highs. Stocks ended the week at a level -2% below the 5-yr range.

**PADD 3** refinery runs decreased -12,000 bpd on the week, to a level below last year. During the latest 4-wk period, runs were -35,000 bpd below a year ago.



Crude oil stocks increased +3.6 million barrels last week, even though imports fell -0.3 million bpd. Crude oil stocks are now +36 million barrels (+22%) above the prior high for the period.

Gasoline supply increased +20,000 bpd last week, with the latest 4-wk average +112,000 bpd above a year ago. Stocks fell -2.7 million barrels on the week, to a level above the 3-yr mid range.

Distillate supply declined -152,000 bpd on the week, with the latest 4-wk average supply +86,000 bpd above a year ago. Stocks increased +0.5 million barrels on the week, to a level +5% above last year.

Jet fuel production fell -75,000 bpd on the week, with the level +19,000 bpd above last year for the latest 4-wk period. Stocks increased +0.5 million barrels to a level just above 5-yr lows.

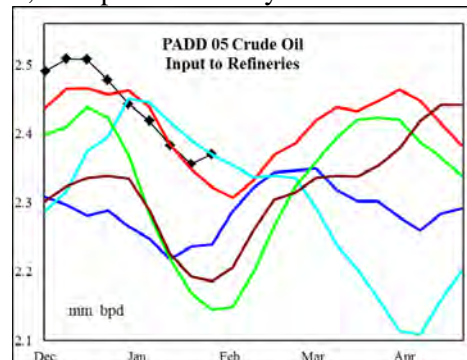
Residual fuel supply increased +101,000 bpd on higher imports. Stocks climbed +0.8 million barrels to a level that matched historic lows.

**PADD 4** refinery crude runs increased +10,000 bpd last week, to a level above the historic range, with the latest 4-wk average was +22,000 bpd above a year ago.

Gasoline production decreased -11,000 bpd with the latest 4-wk average -13,000 bpd below last year. Stock levels ended the week +5% above the prior record high.


Distillate supply increased +14,000 bpd last week, with the latest 4-wk production +21,000 above last year. Stock levels ended the week slightly above the historic high.

**PADD 5** crude oil refinery runs decreased -5,000 bpd last week, to a level that matched historic highs for the period. The 4-wk run rate was -8,000 bpd below last year.



Gasoline supply increased +104,000 bpd on the week, to a record high for the period. Stocks were unchanged on the week, ending at a level -1 million barrels below the 3-yr mid range.

Distillates supply decreased -36,000 bpd last week, although the level remains above the historic range. The 4-wk average supply was +47,000 bpd above a year ago. Stocks fell -0.8 million barrels on the week, with the level equal to the historic high for the period.



FUNDAMENTAL

PETROLEUM TRENDS

PETROLEUM: Graph Link and Weekly Summary

A Fundamental Petroleum Trends Weekly Report

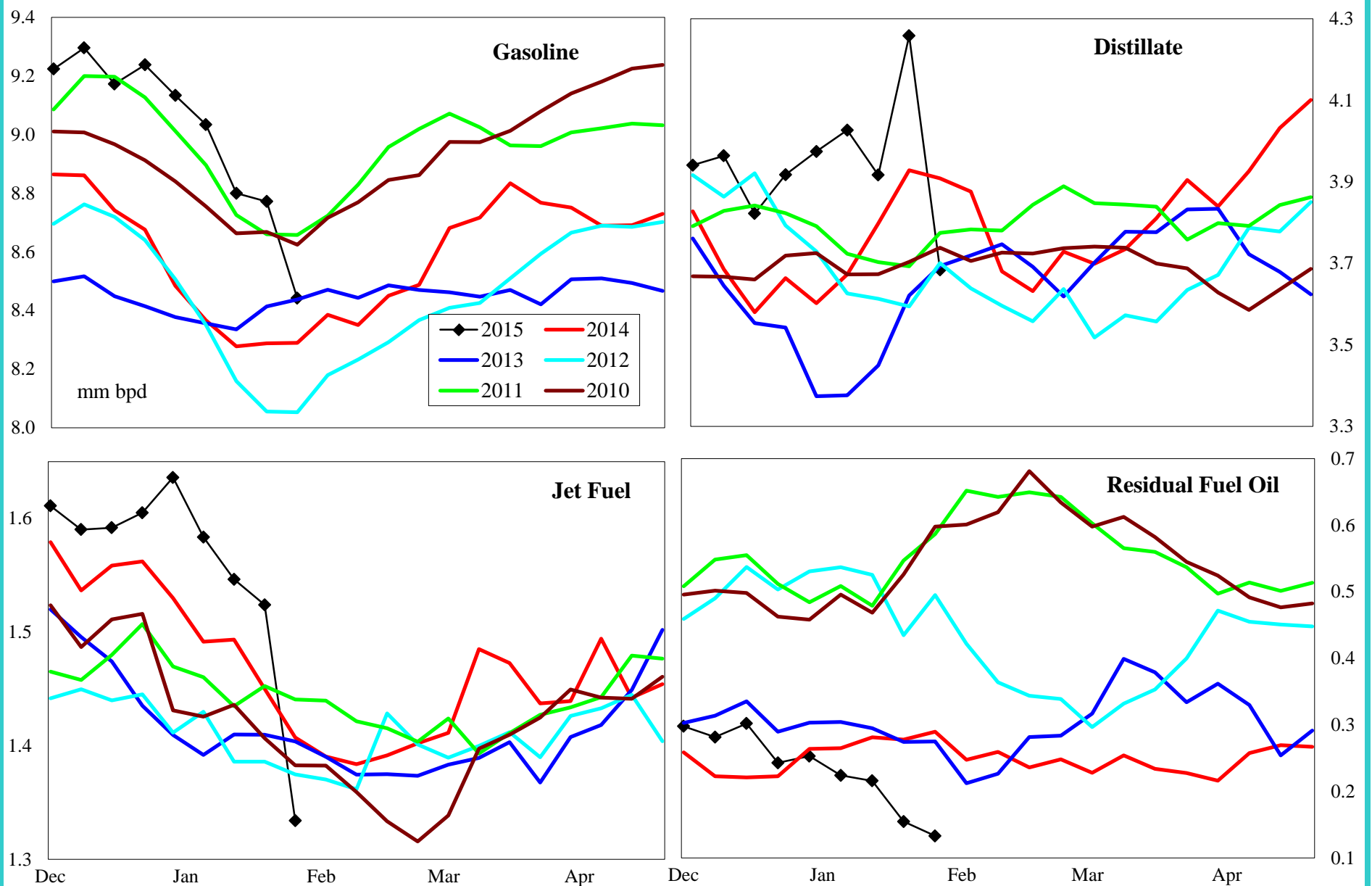
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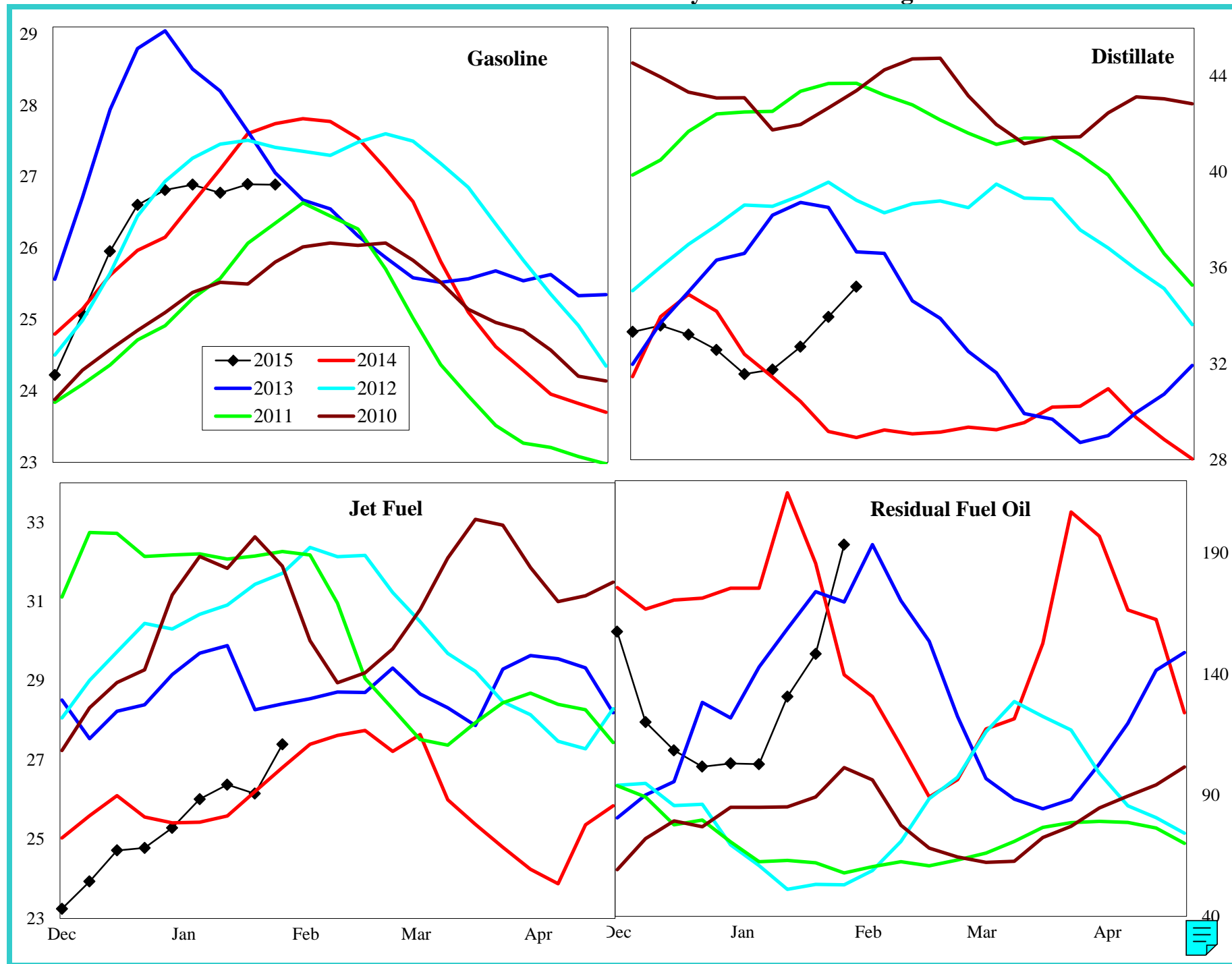
Fundamental Trends	Wholesale Demand	Stocks Days Fwd Coverage	Refinery Utilization		Product Yield %		Imports
Supply/Demand Trends	30-Jan-15	EIA-DOE CHANGE FROM PRIOR WEEK					
	000 bpd stocks 000 bls	U. S. Total	PADD				
			1	2	3	4	5
Crude Oil	Stocks	6,333	-493	2,910	3,628	494	-206
	Imports	-35	-319	196	-314	49	354
	Input	288	25	270	-12	10	-5
	% Utilization	1.90					
Gasoline	Stocks	2,335	4,255	747	-2,685	-21	39
	Production	-90	-15	-37	56	-11	104
	Imports	75	110	2	-39	0	1
	Supplied	-580					
Distillate	Stocks	1,788	1,835	397	475	-160	-759
	Production	-46	-25	135	-129	14	-41
	Imports	-26	-9	1	-23	0	5
	Supplied	-883					
Jet Fuel	Stocks	1,344	955	-57	456	-80	70
	Production	-15	9	25	-75	-5	32
	Imports	42	69	0	0	0	-27
	Supplied	-190					
Residual Fuel Oil	Stocks	344	-432	-70	507	-24	362
	Production	93	-3	-2	64	-3	37
	Imports	-70	-19	1	-31	2	-24
	Supplied	9					

# United States Wholesale Petroleum Demand

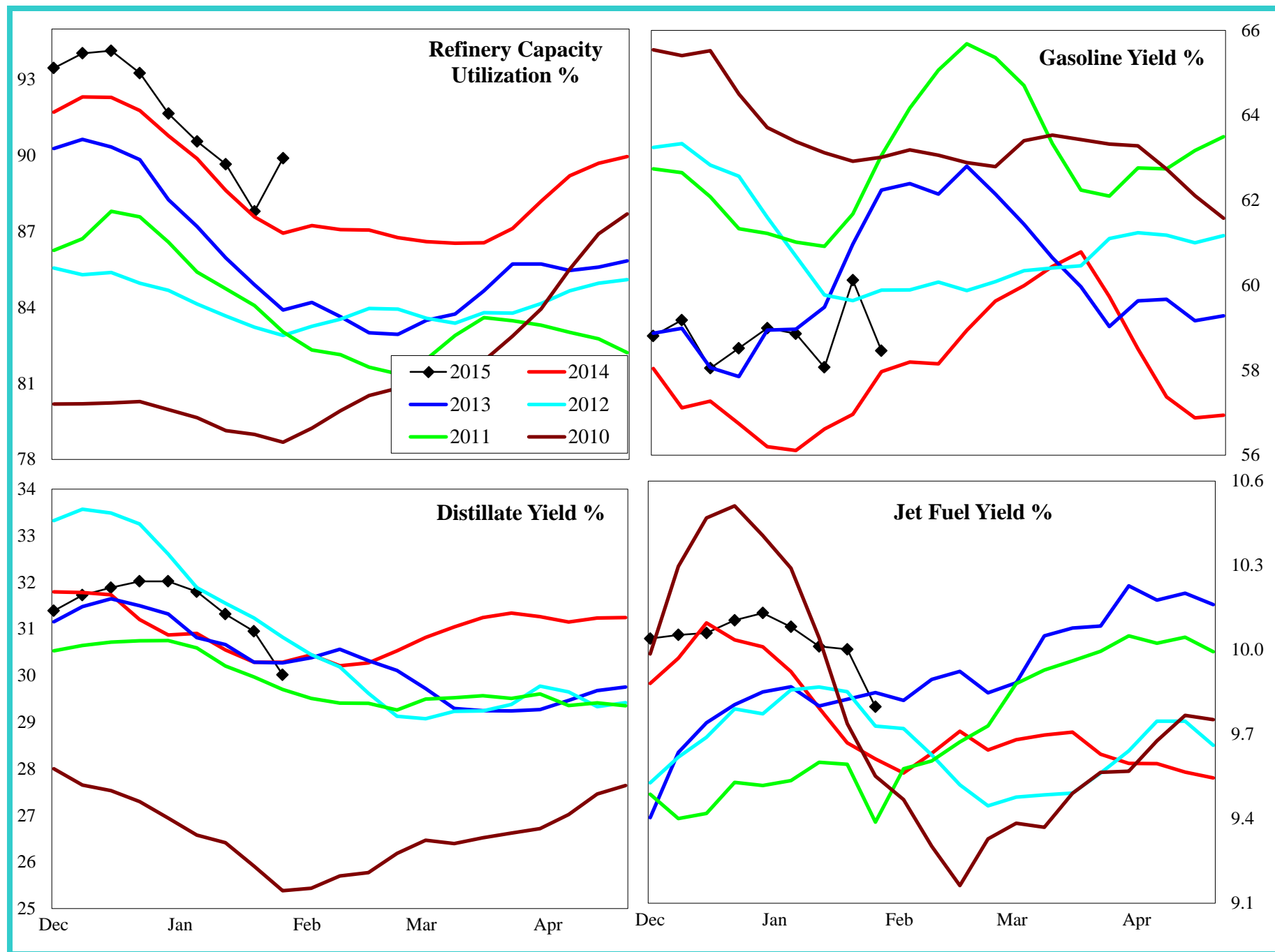


	000 bpd change from prior year				% change from prior year				
	4wk avg	Dec	Nov	Jan	4wk avg	Dec	Nov	Oct	
Gasoline	1,050	654	473	375	12.7	7.5	5.4	4.3	
Distillate	-81	-40	1	143	-2.0	-1.0	0.0	3.5	
Jet Fuel	131	129	117	12	9.1	9.0	8.2	0.8	
Resid	-42	38	-111	-13	-14.0	17.4	-33.6	-4.3	

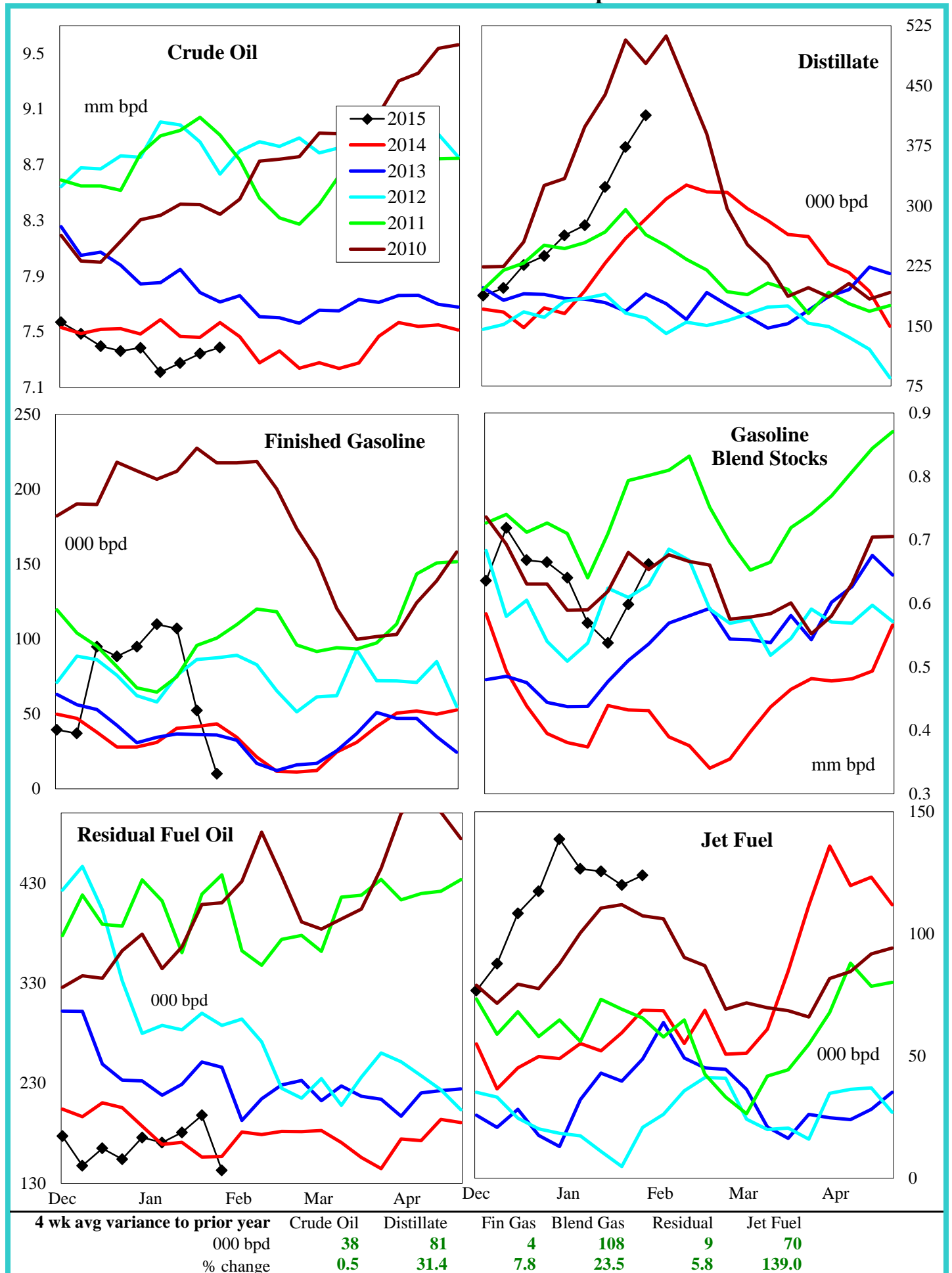


**United States Product Stocks: Days Forward Coverage**

## United States Refinery Percent Utilization Rate and Product Yields

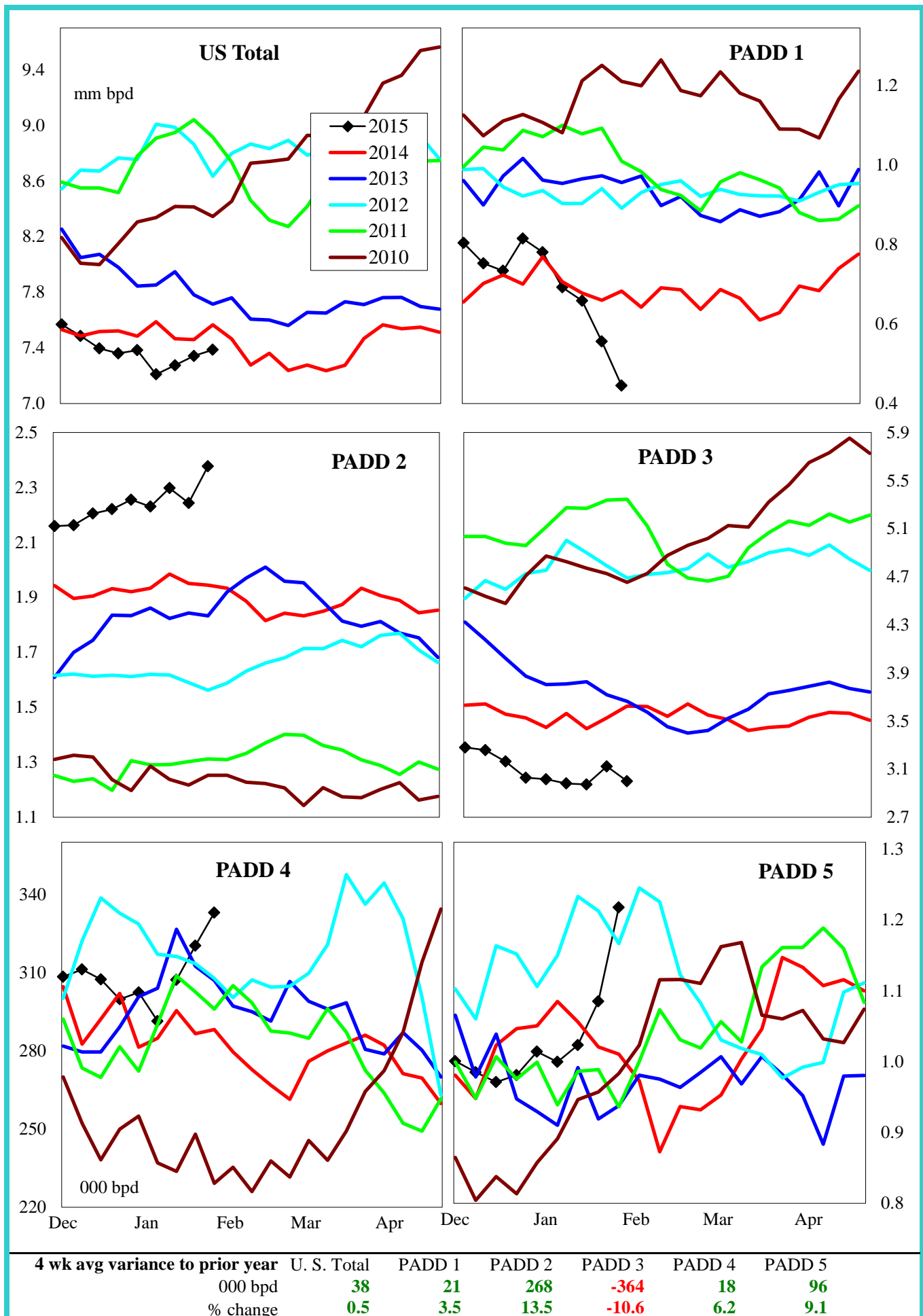


# United States Petroleum Imports

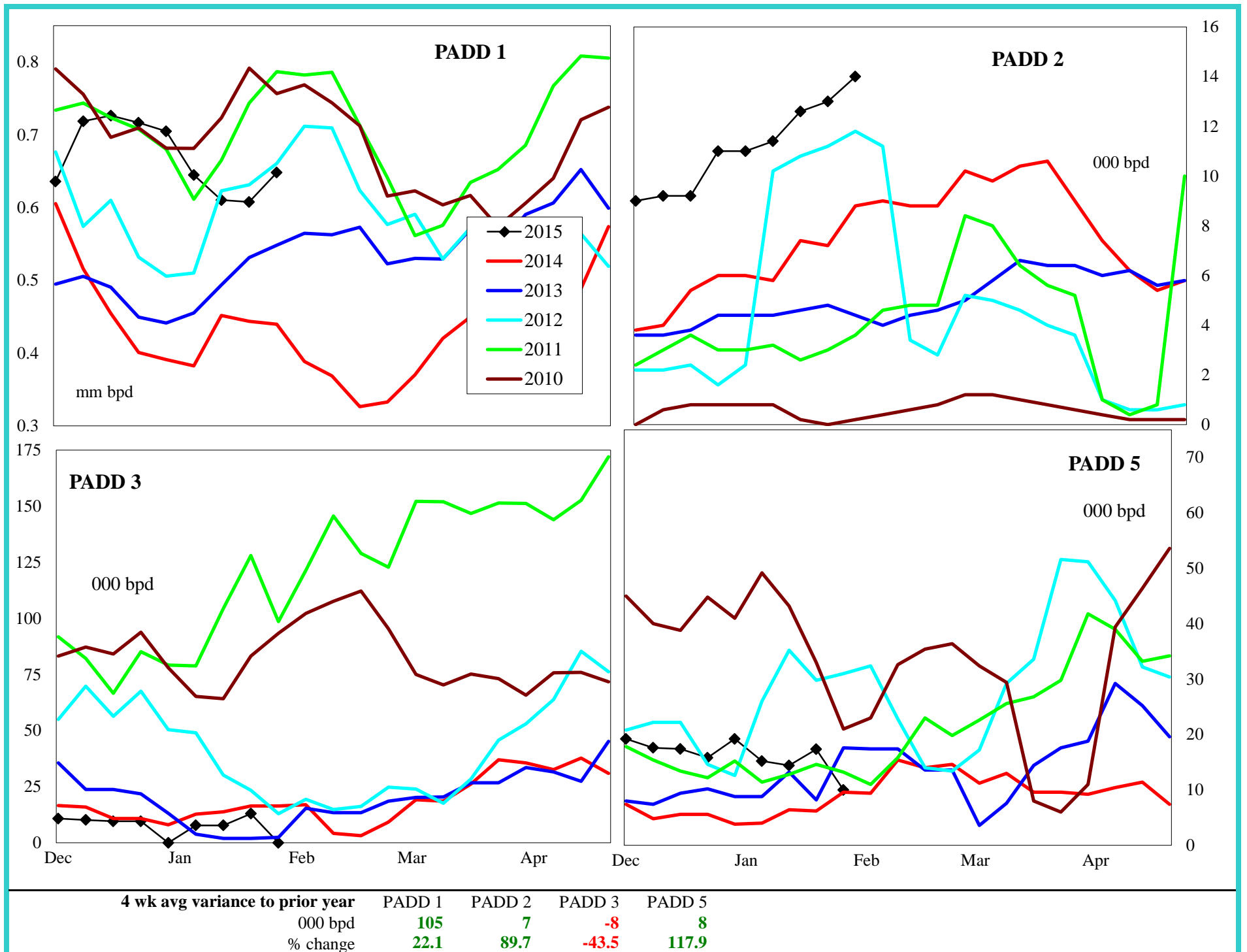




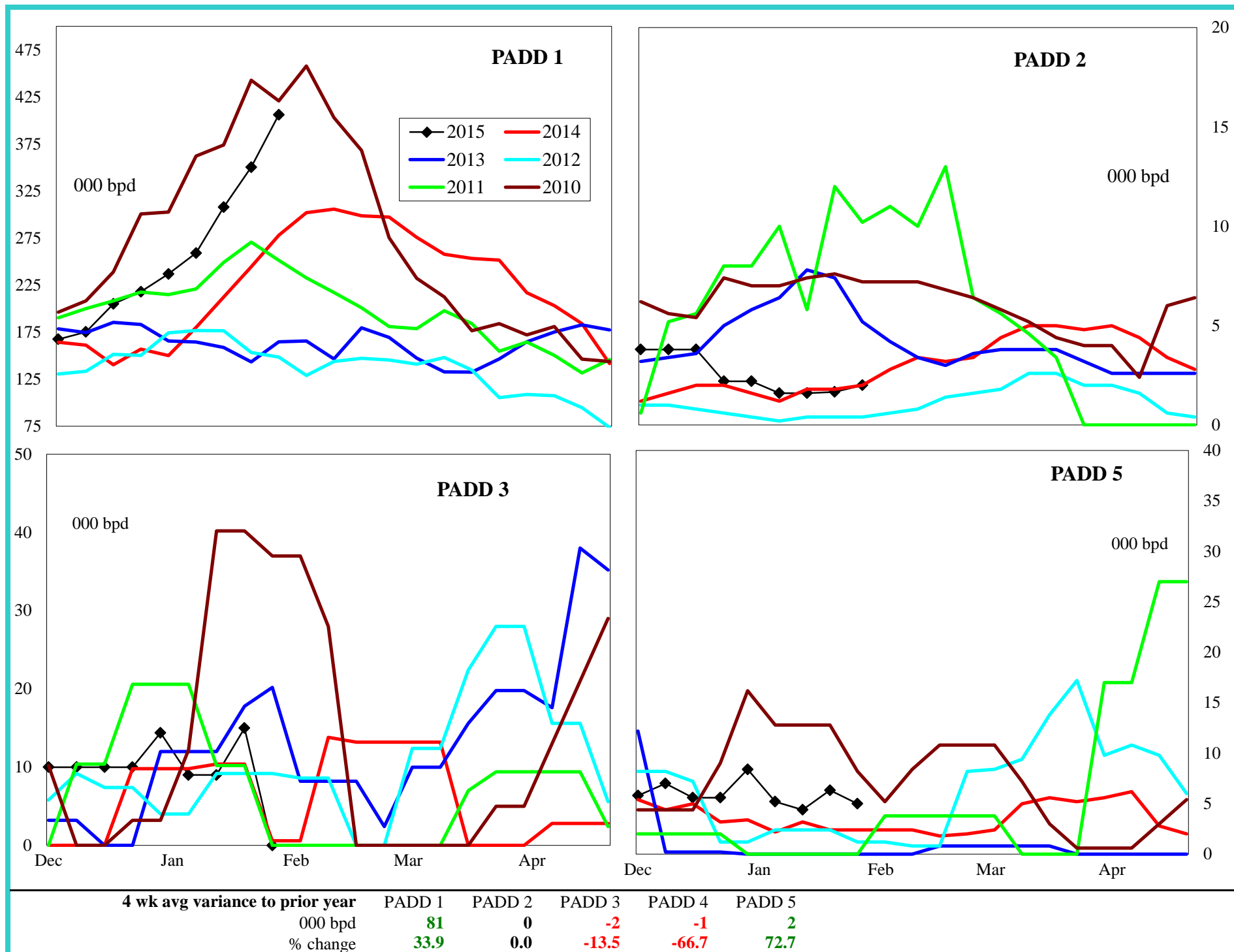
## Crude Oil Imports by PADD



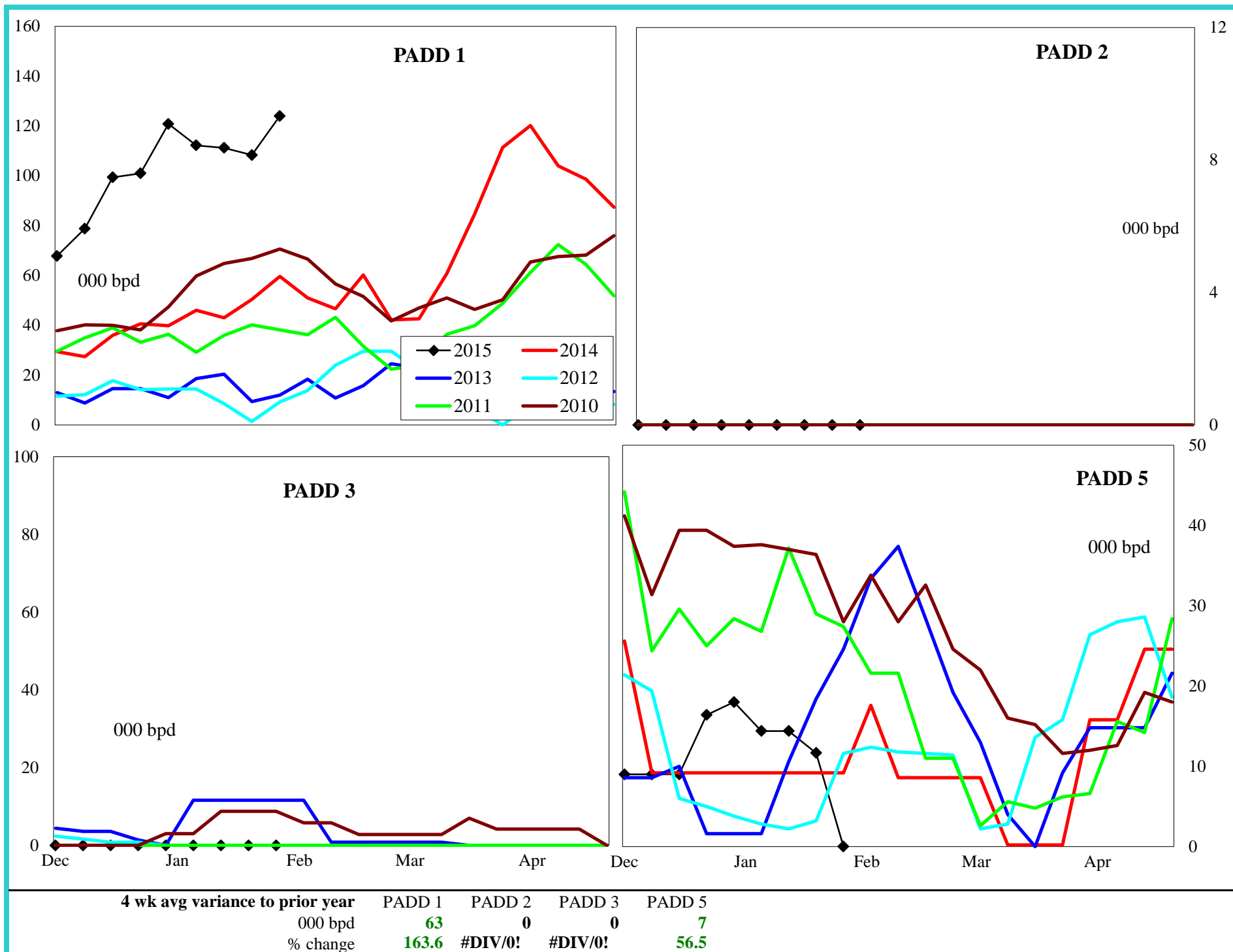
# Gasoline Imports by PADD (Finished + Blend Stocks)



# Distillate Imports by PADD

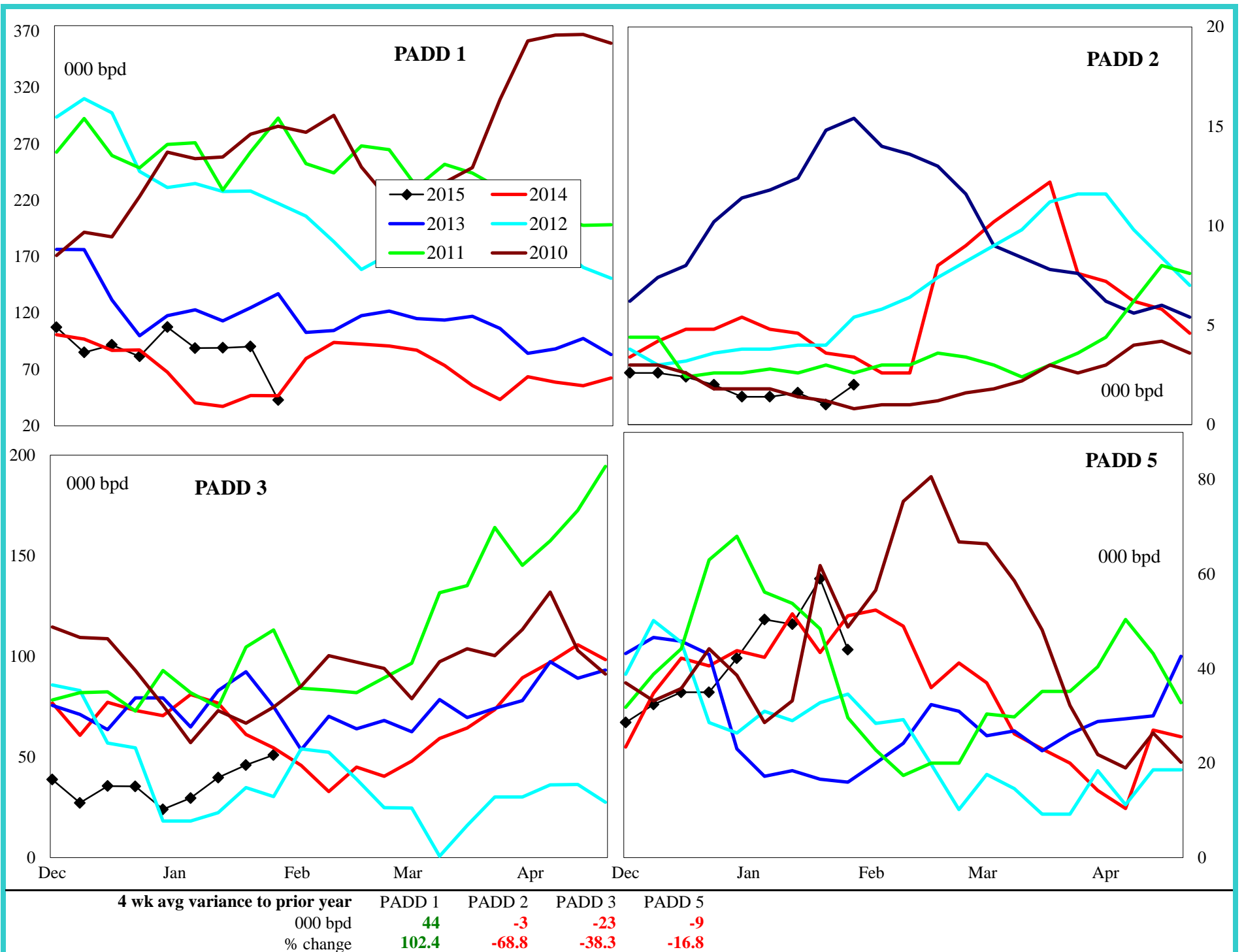


# Jet Fuel Imports by PADD

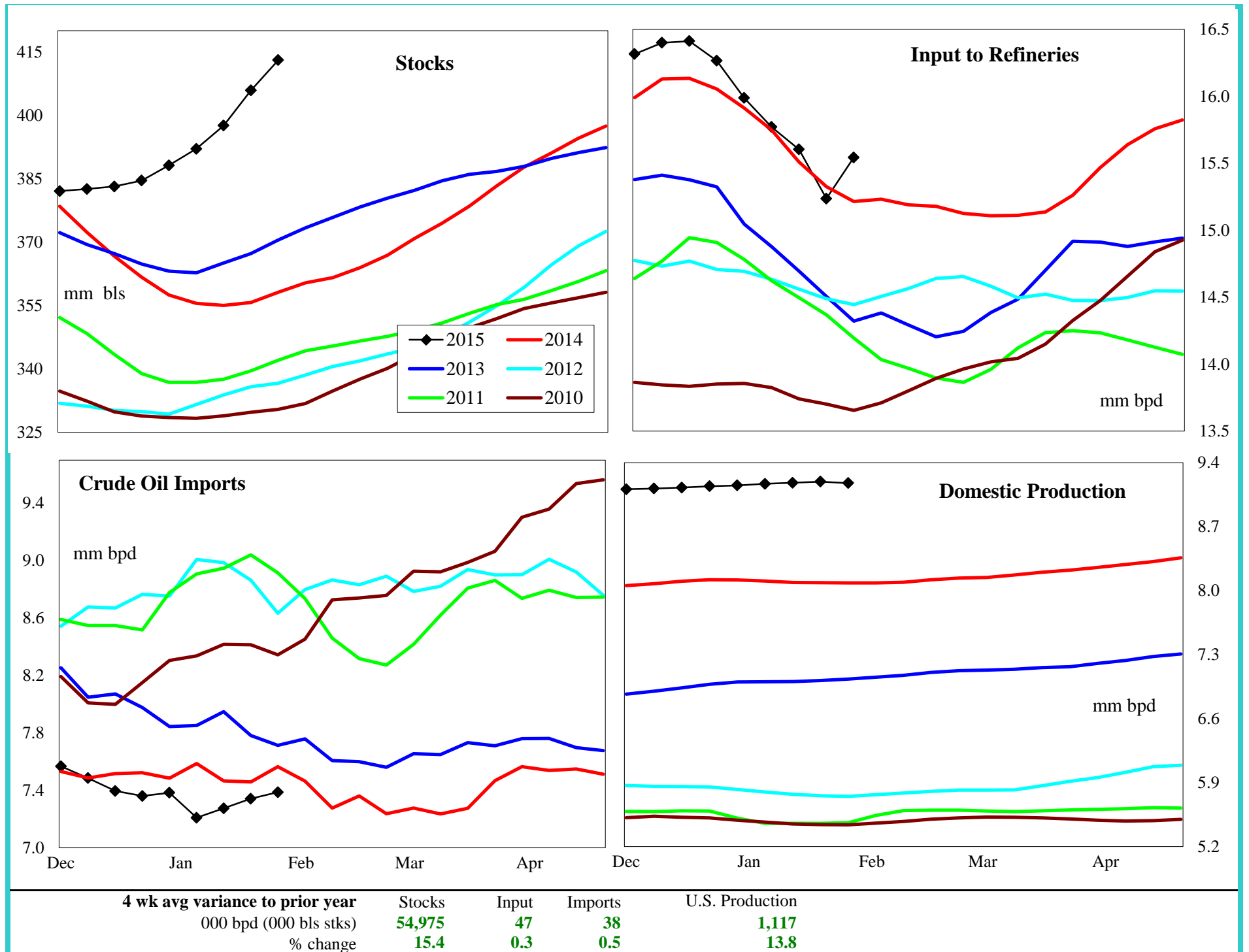




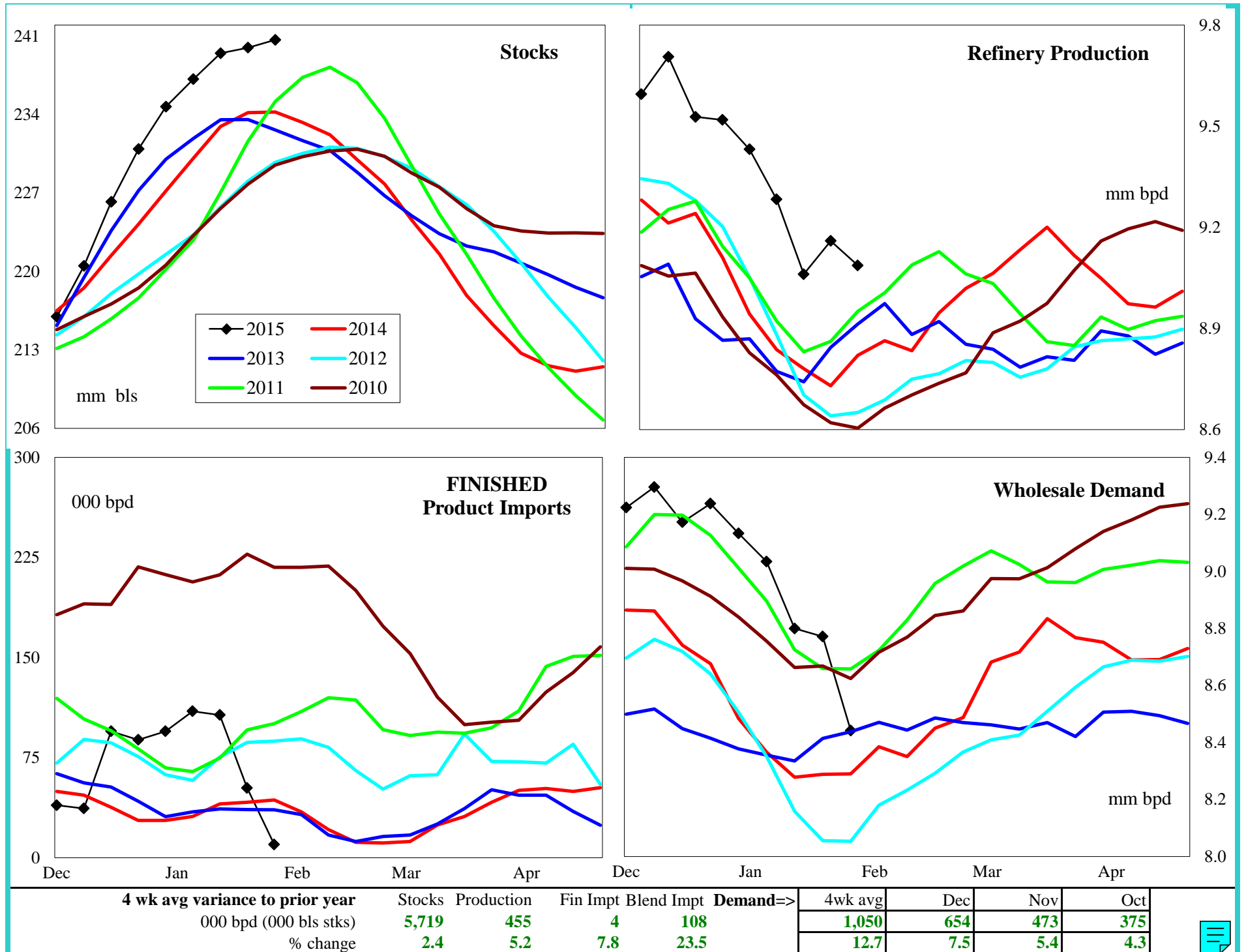
## Residual Fuel Oil Imports by PADD



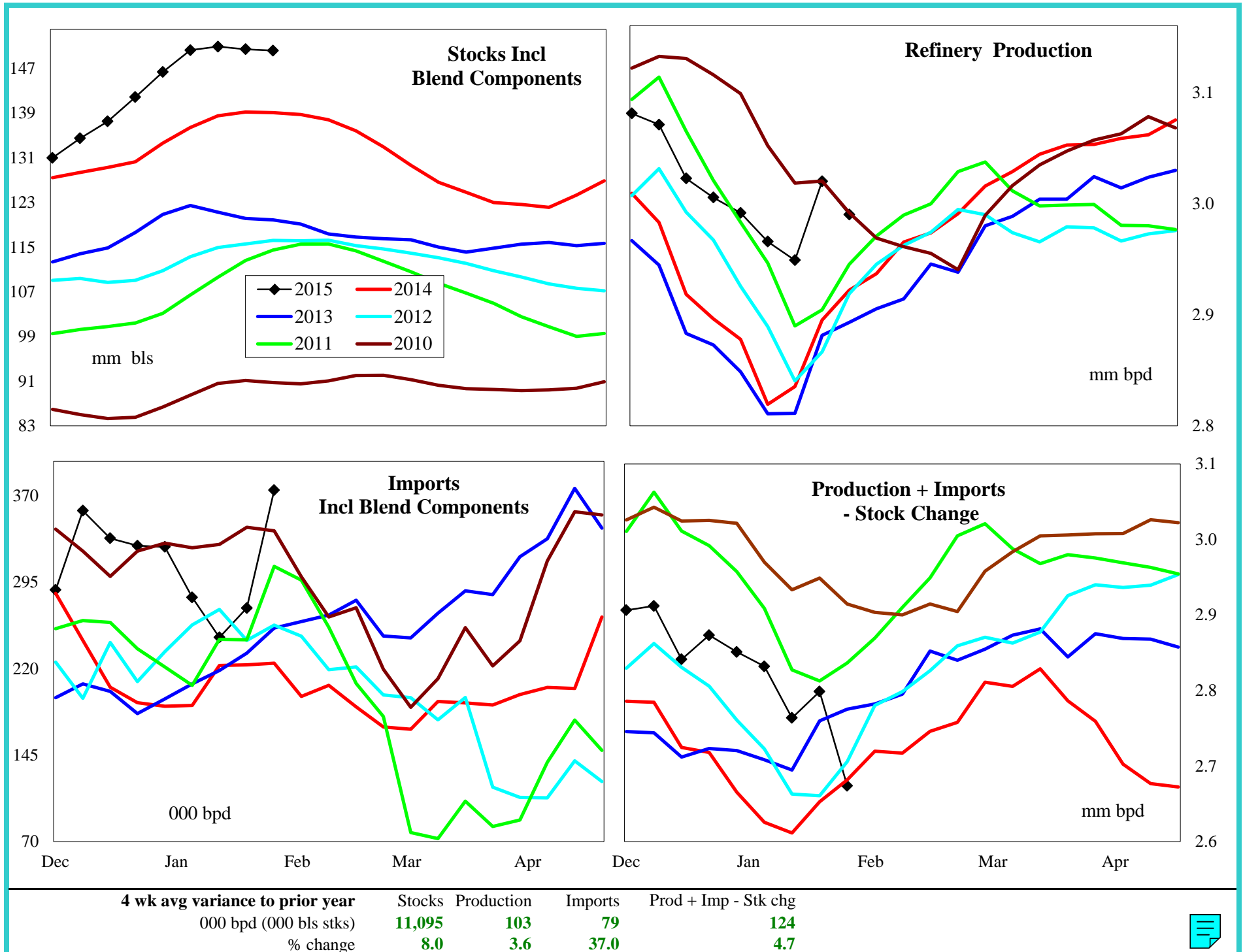
# United States Crude Oil Supply and Demand Balance



# United States Gasoline Supply and Demand Balance

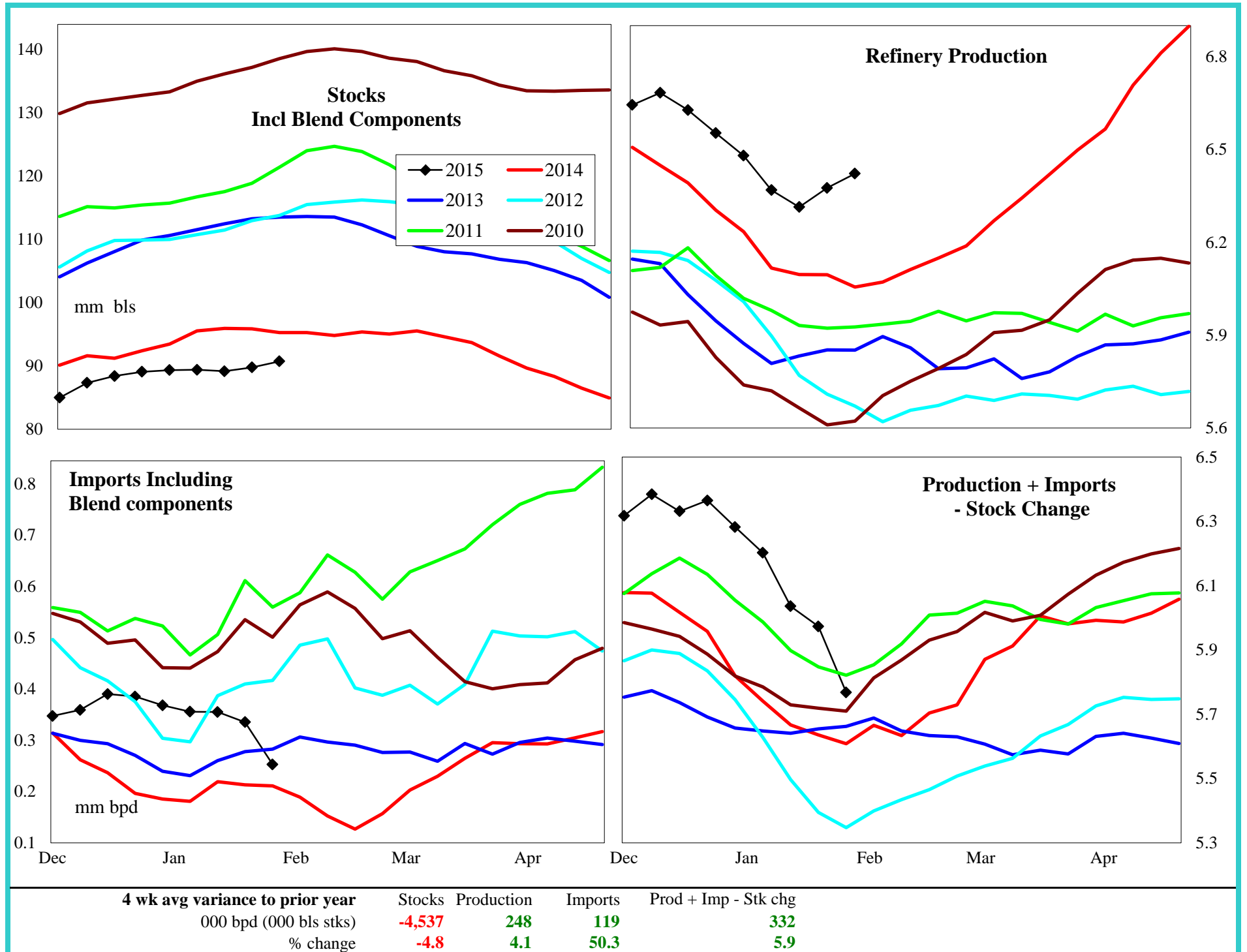


# United States Reformulated Gasoline Supply

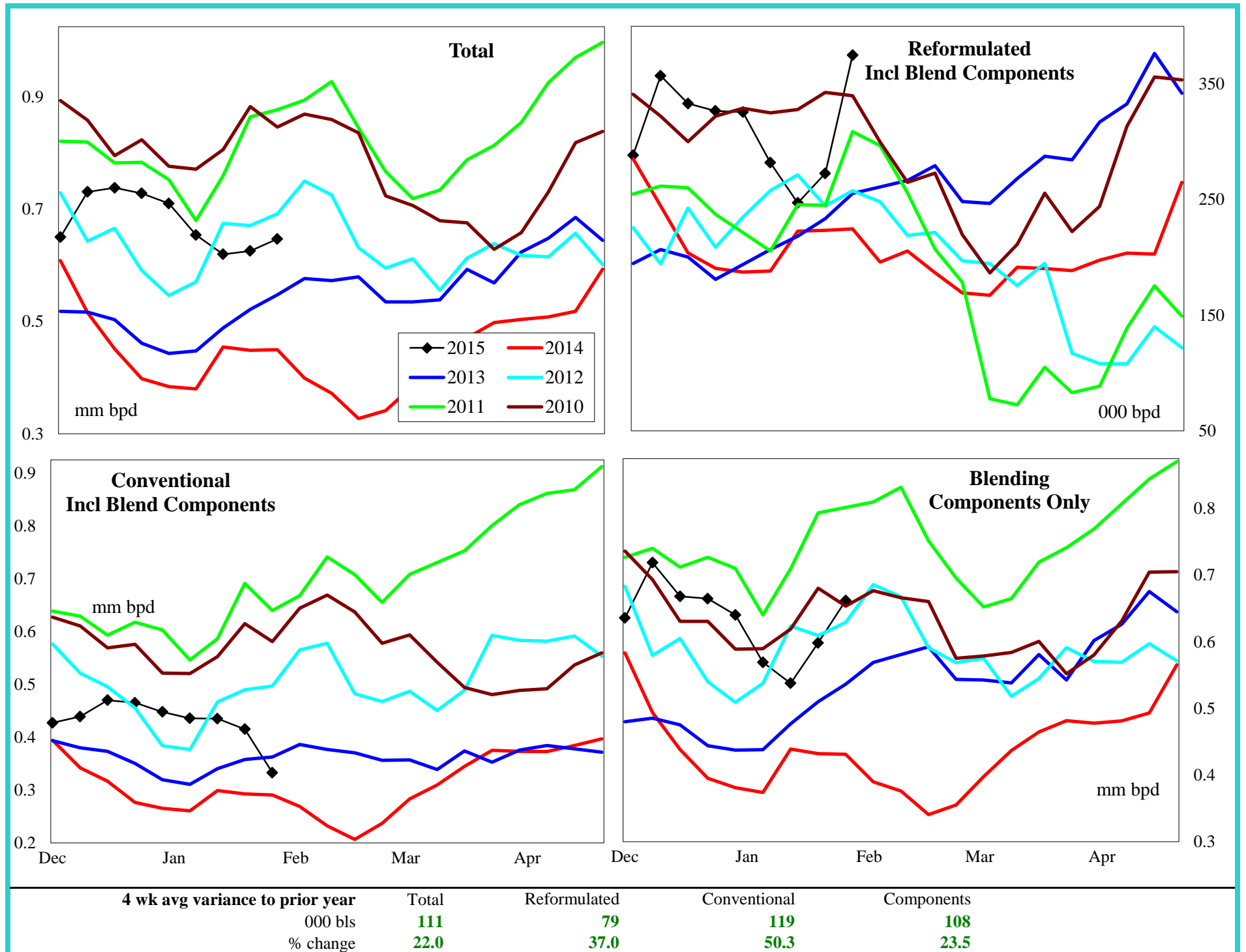




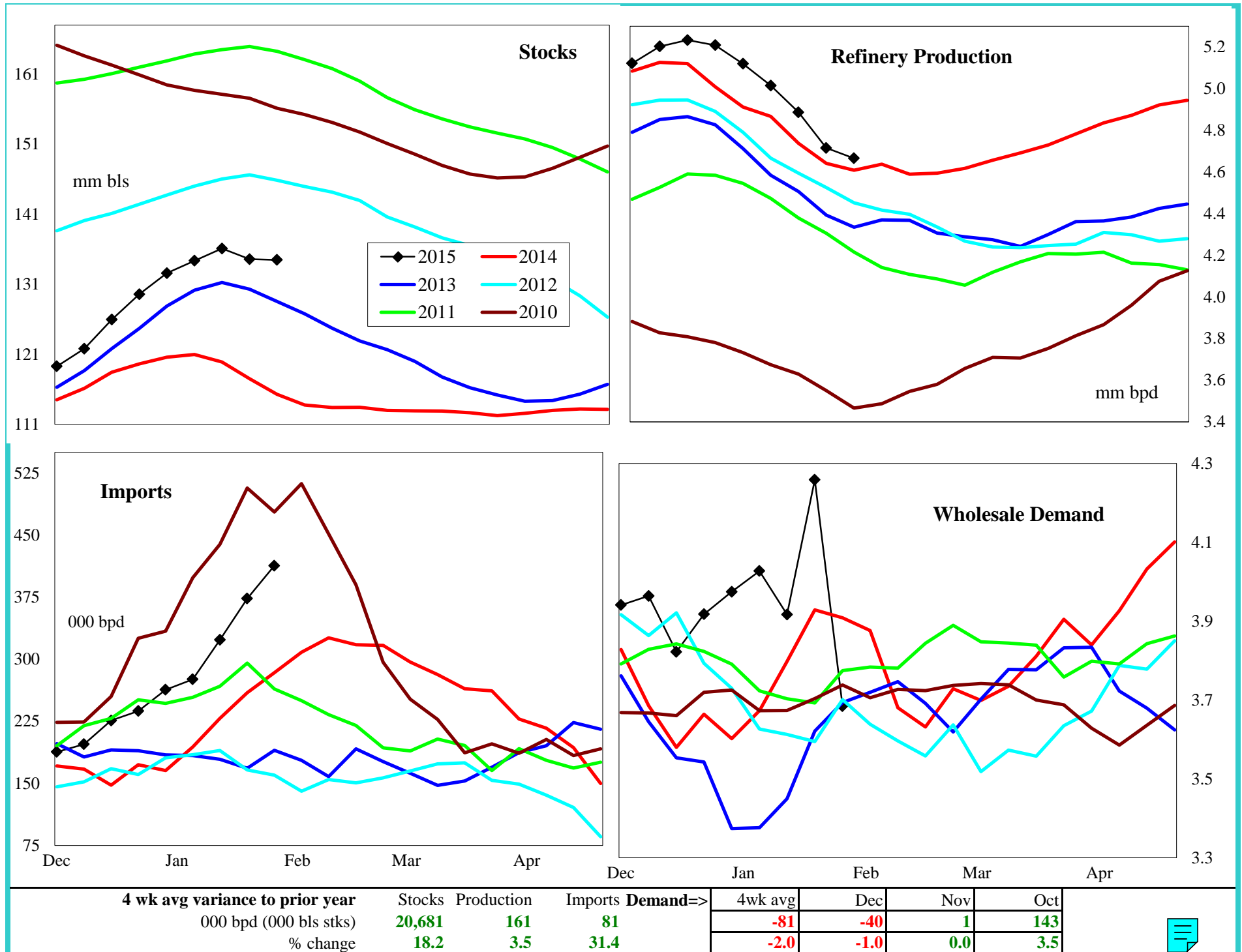
# United States Conventional Gasoline Supply



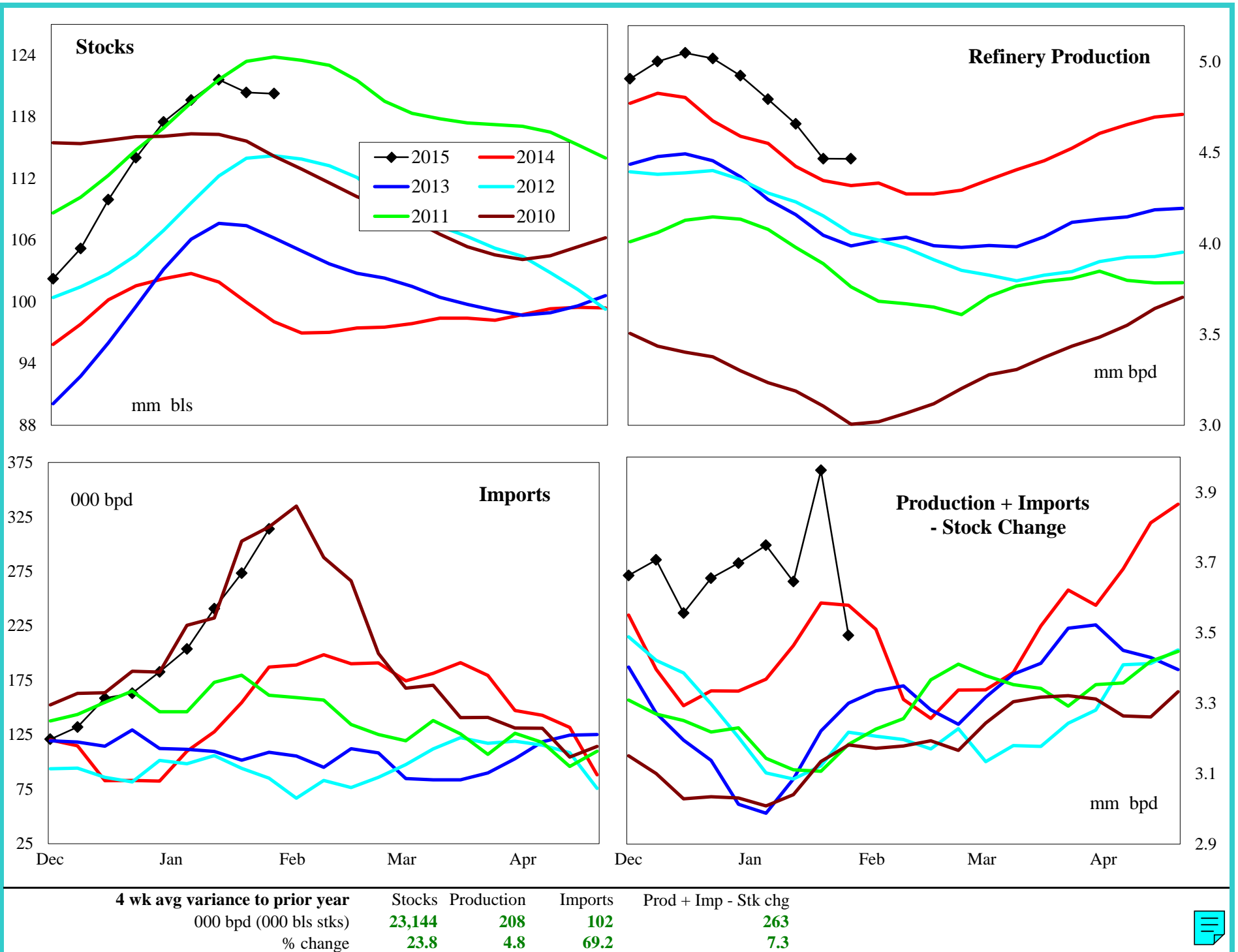
# United States Gasoline Imports by Type



# United States Distillate Supply and Demand Balance

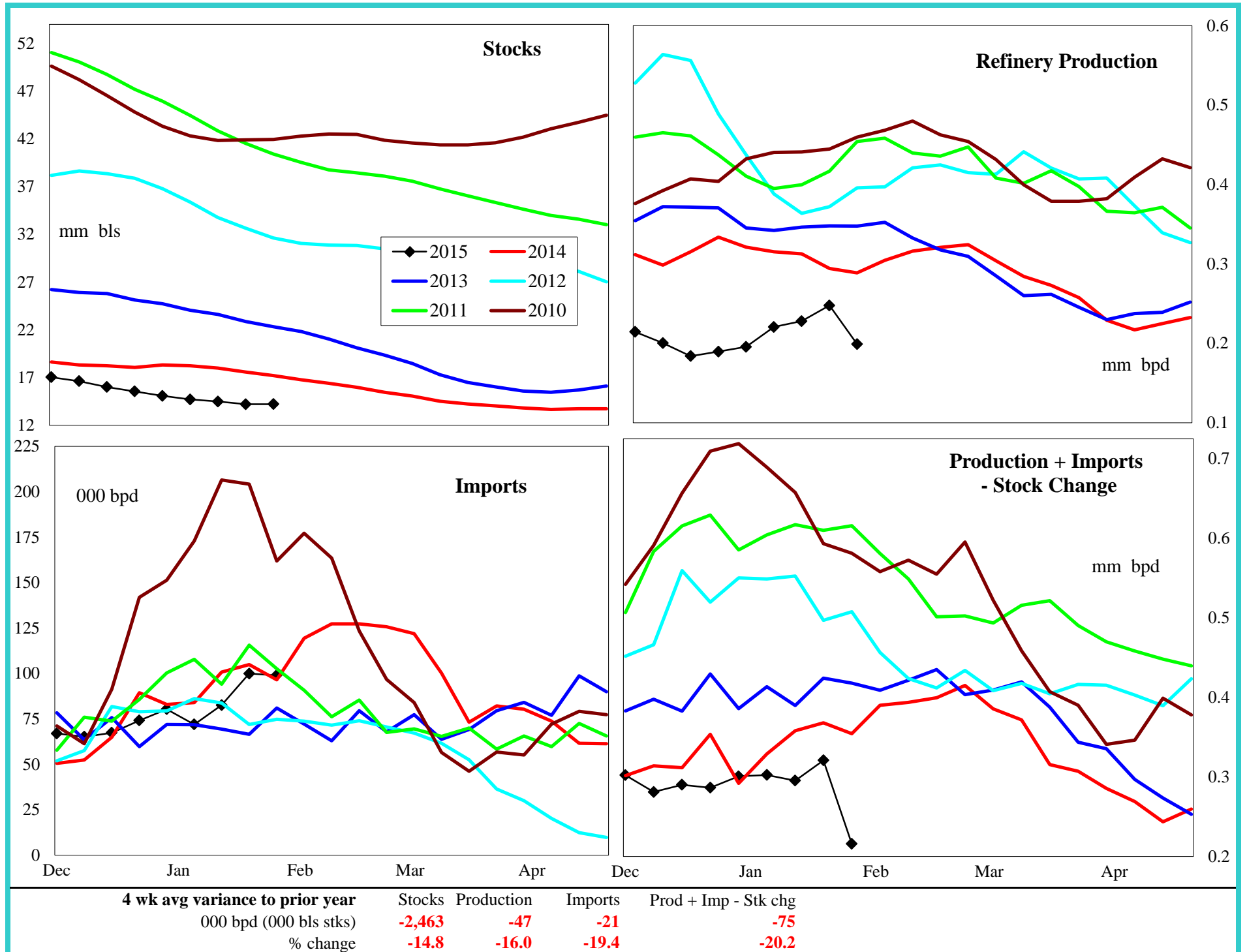


# United States Low Sulfur Distillate Supply

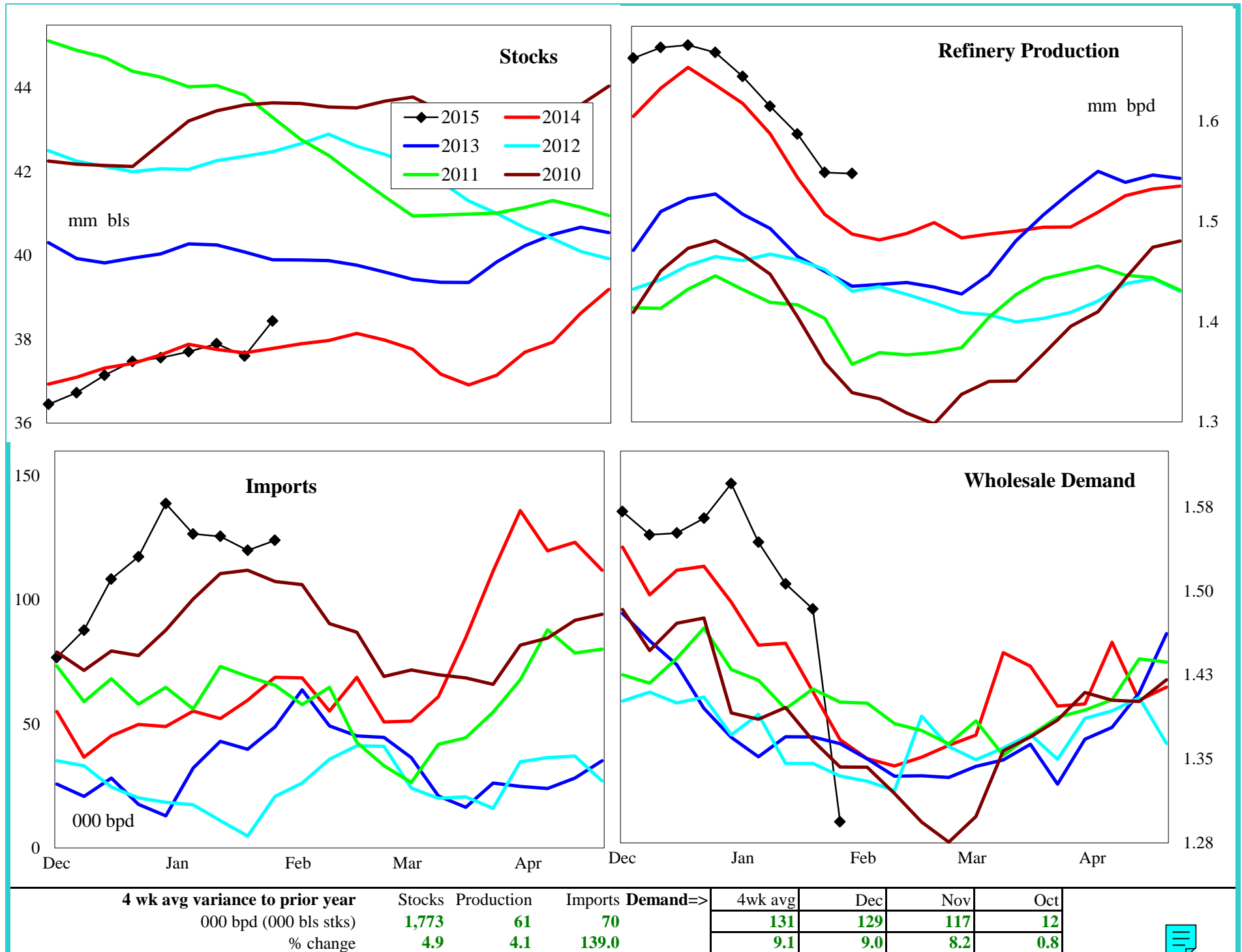




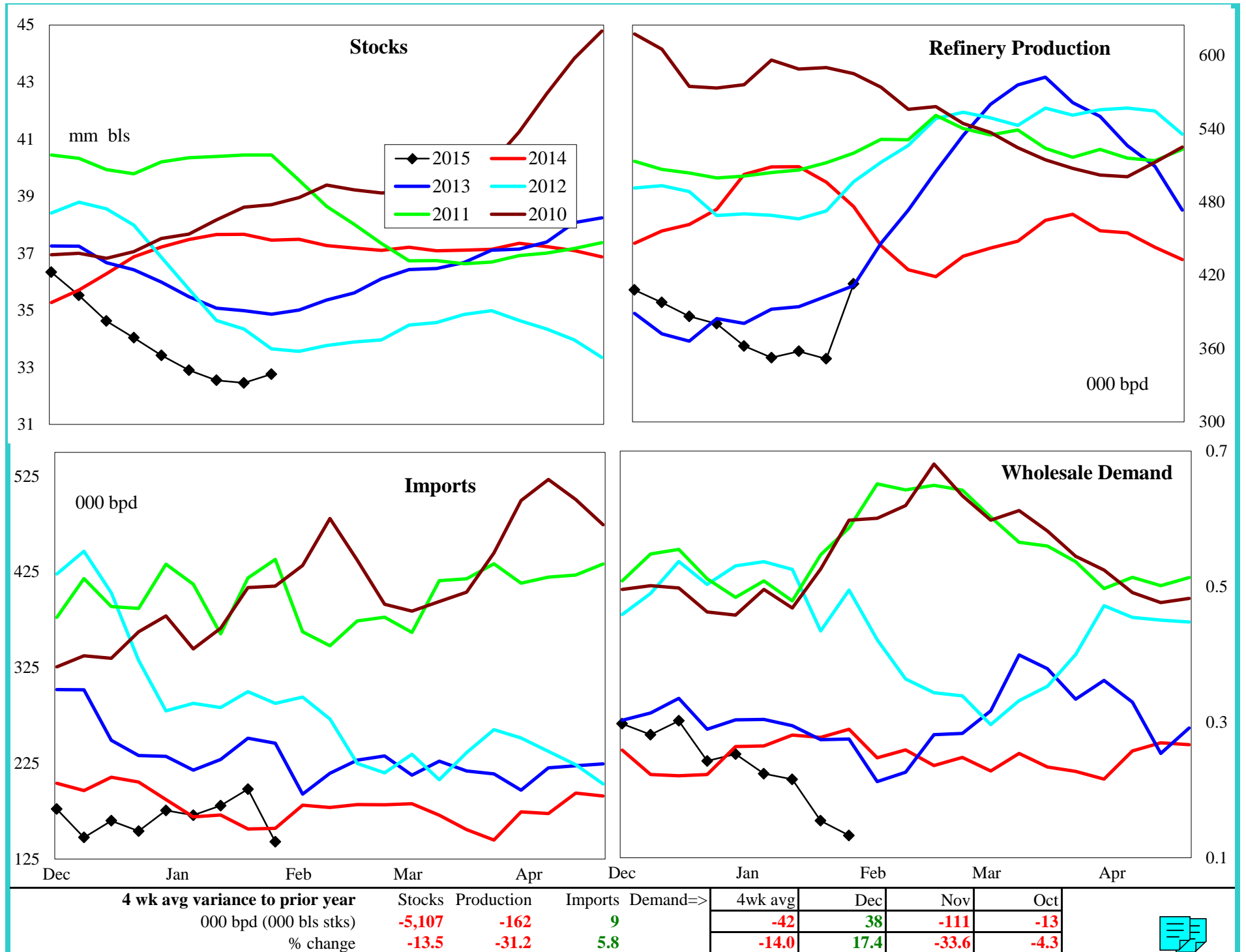
# United States High Sulfur Distillate Supply



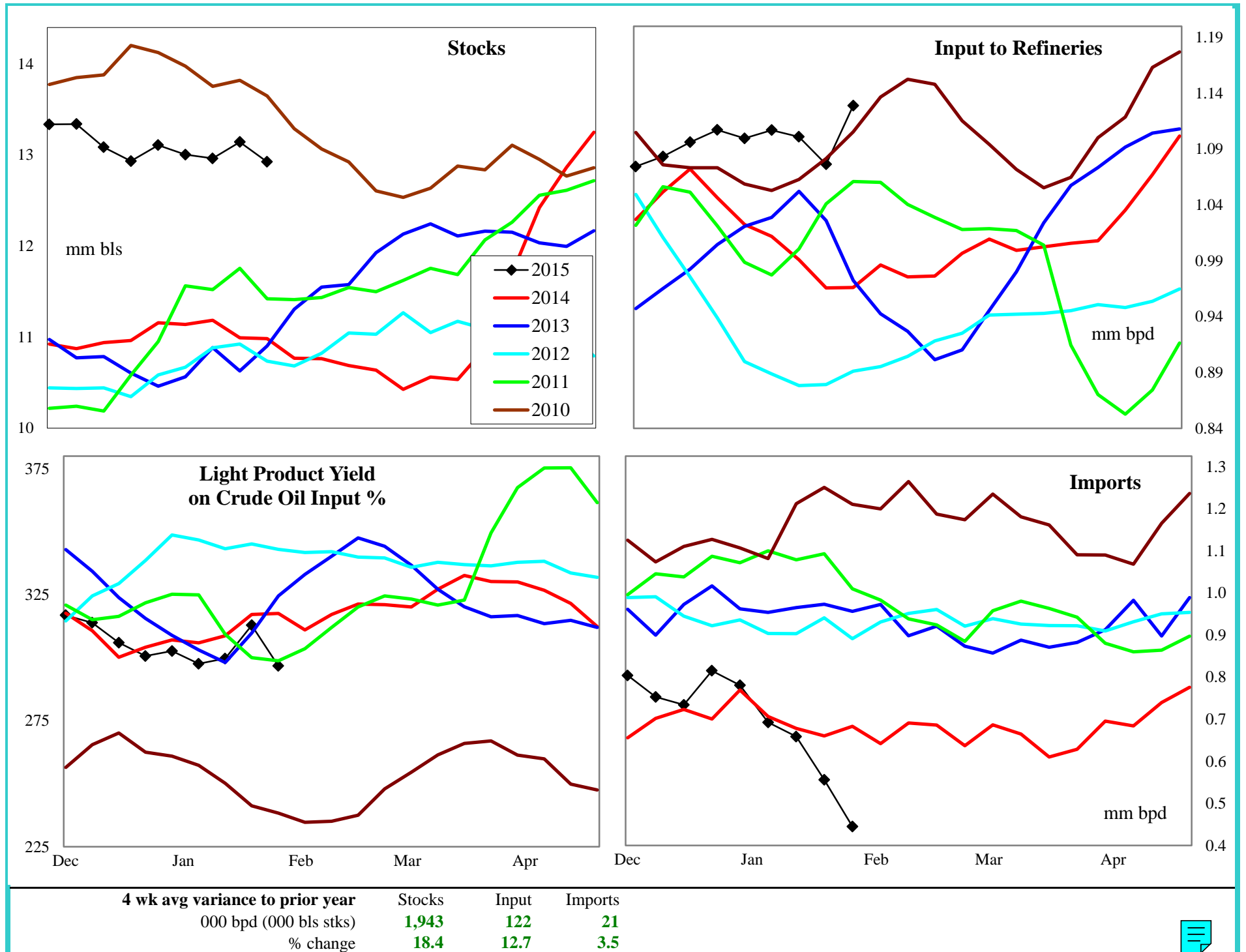
# United States Jet Fuel Supply and Demand Balance



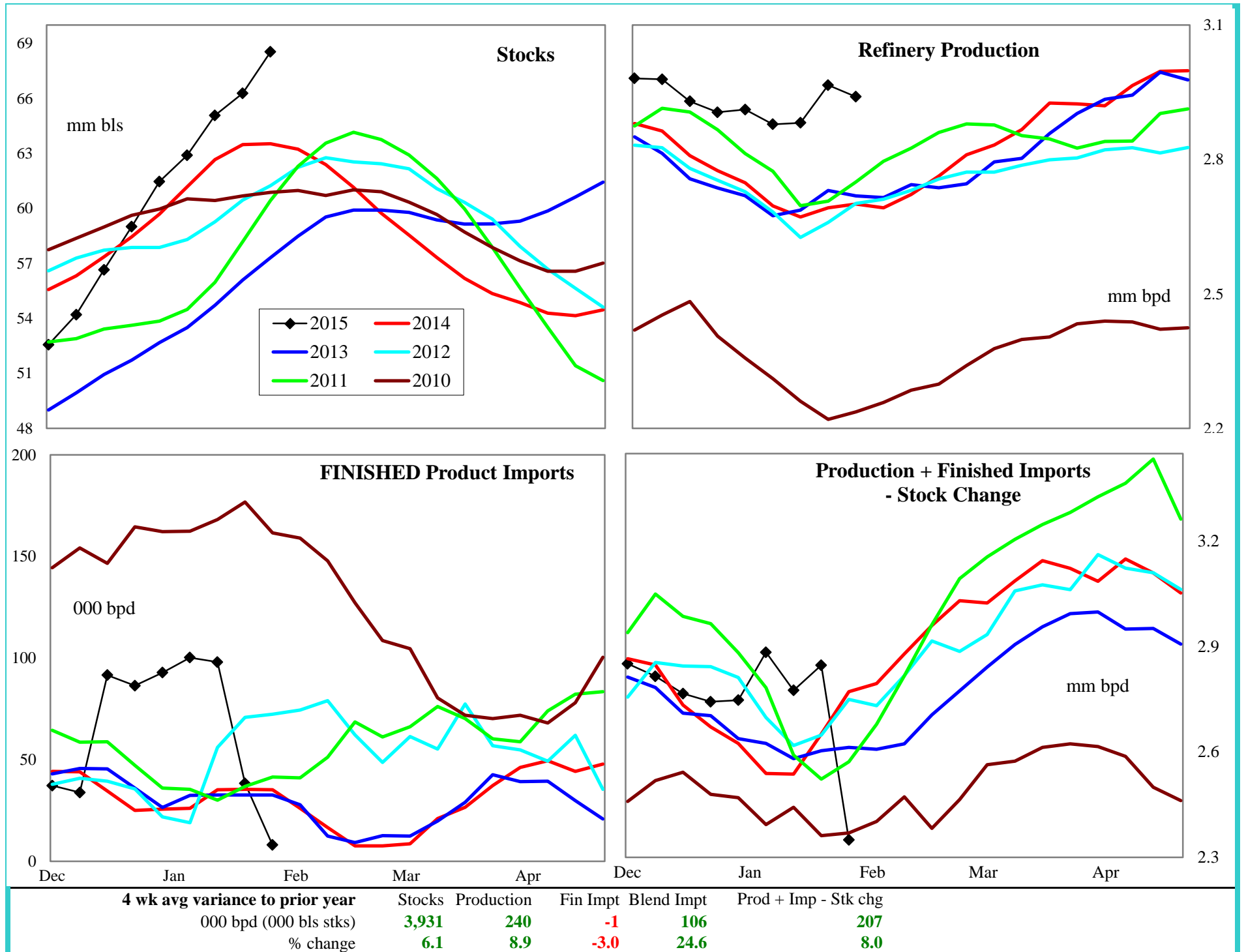
# United States Residual Fuel Oil Supply and Demand Balance



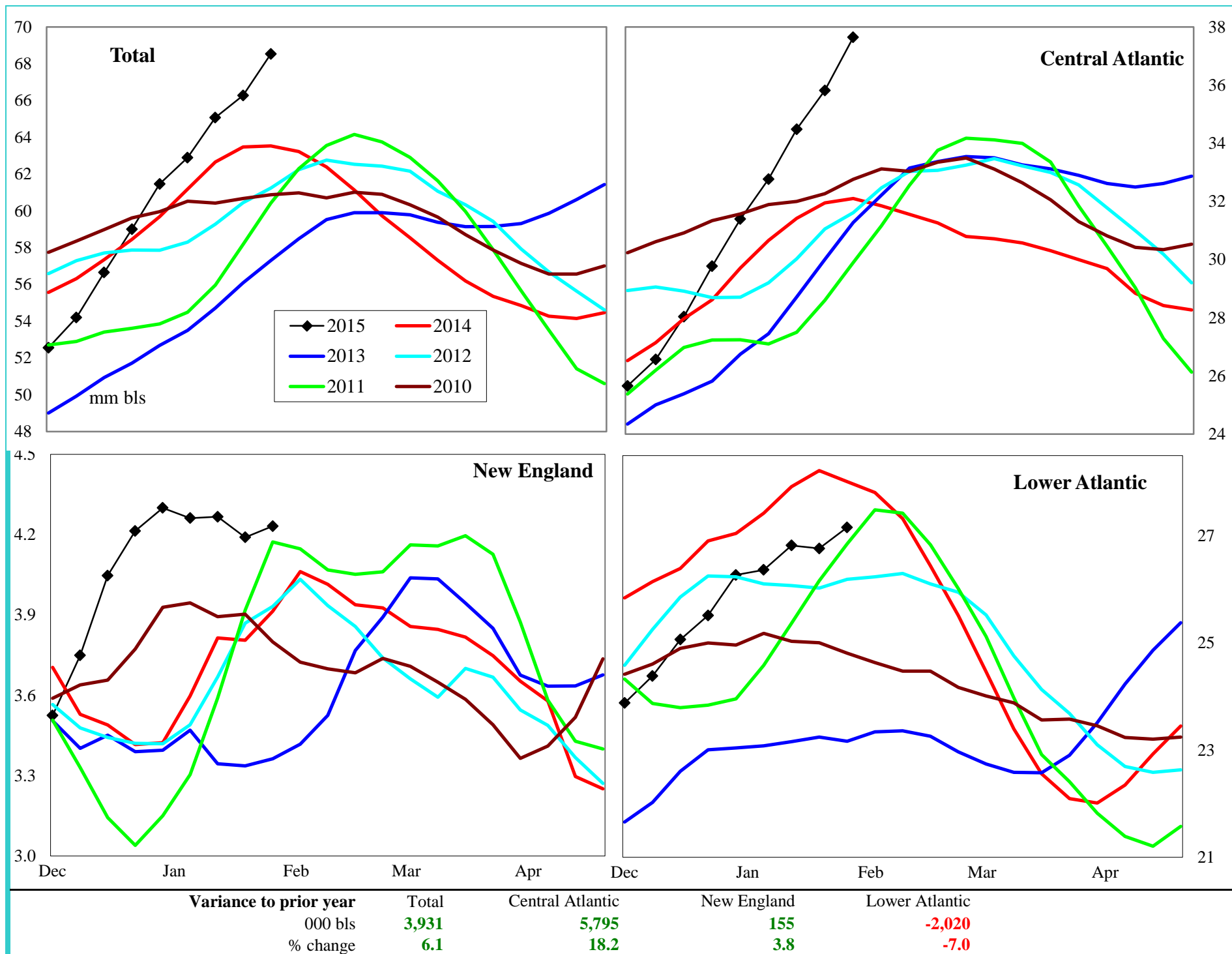
# PADD 1 Crude Oil Supply and Refining



# PADD 1 Gasoline Supply

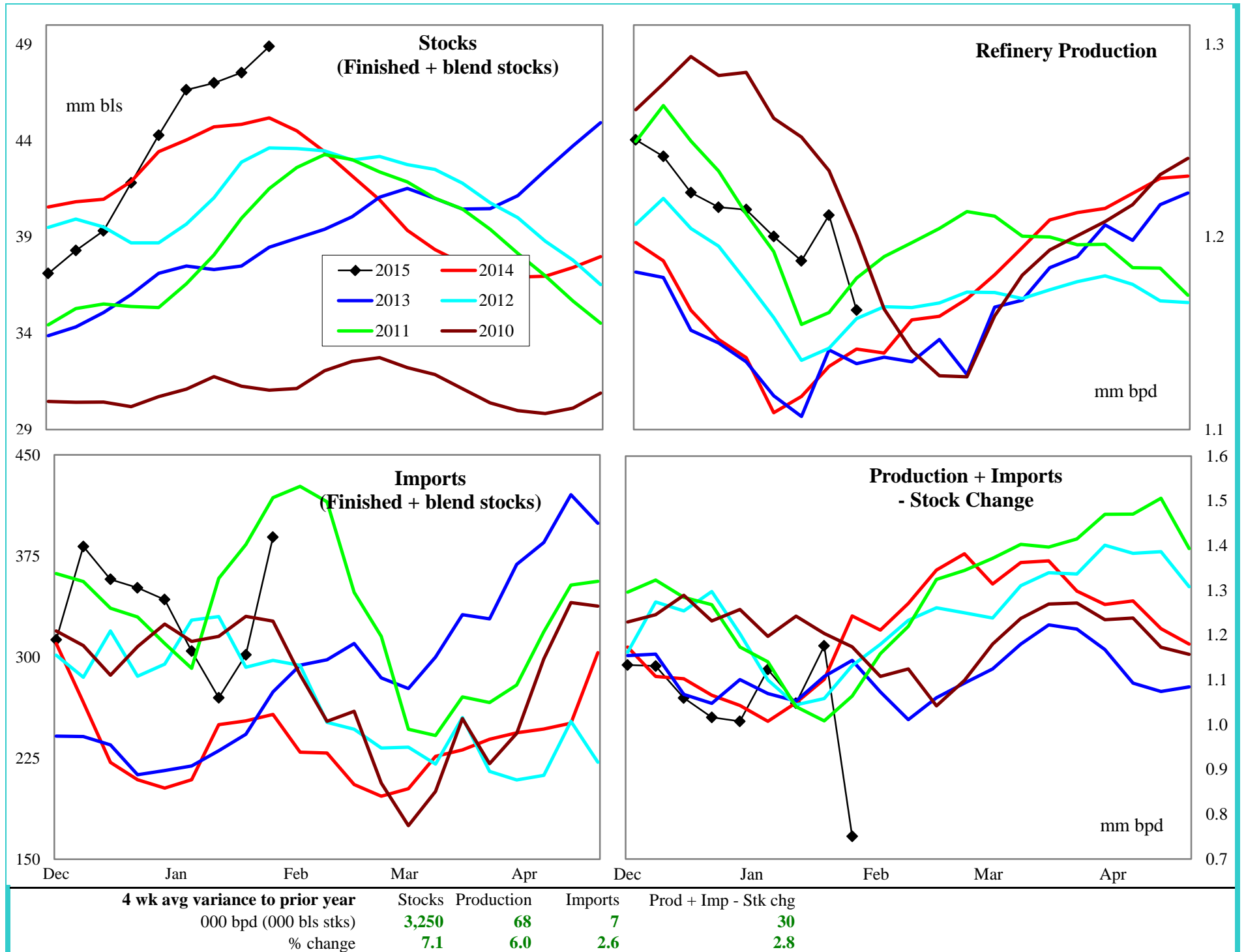


# PADD 1 Gasoline Stocks by Region

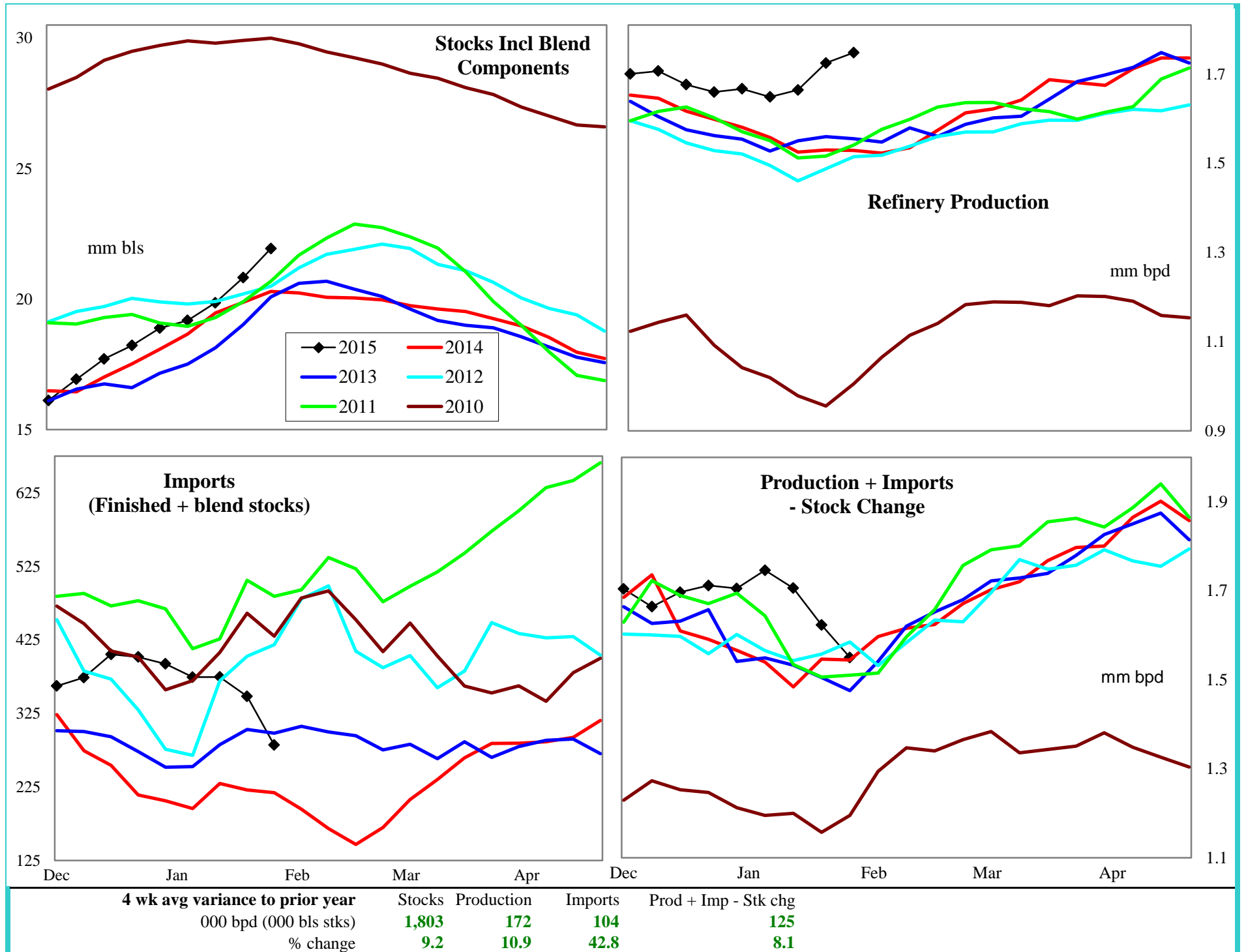




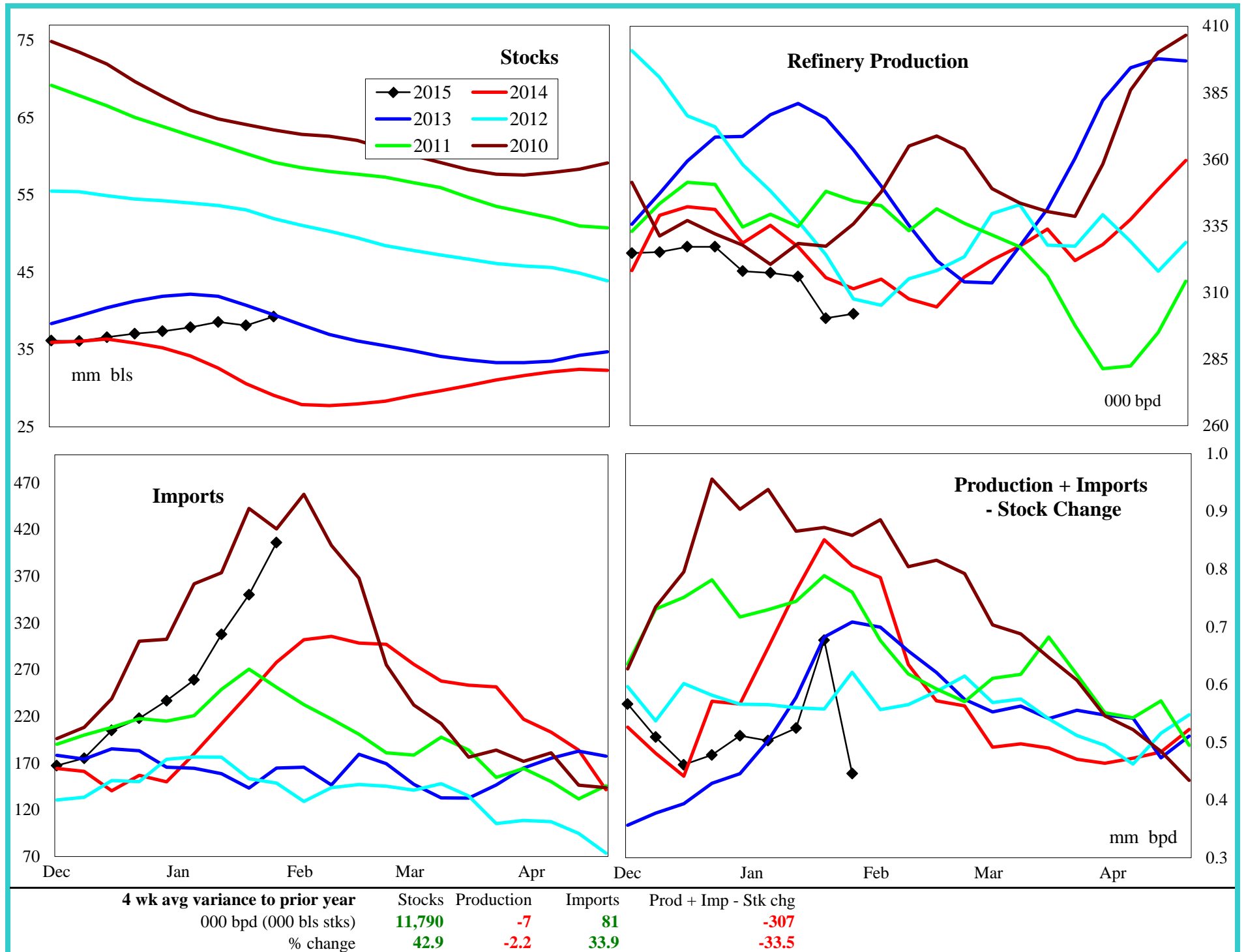
# PADD 1 Reformulated Gasoline Supply



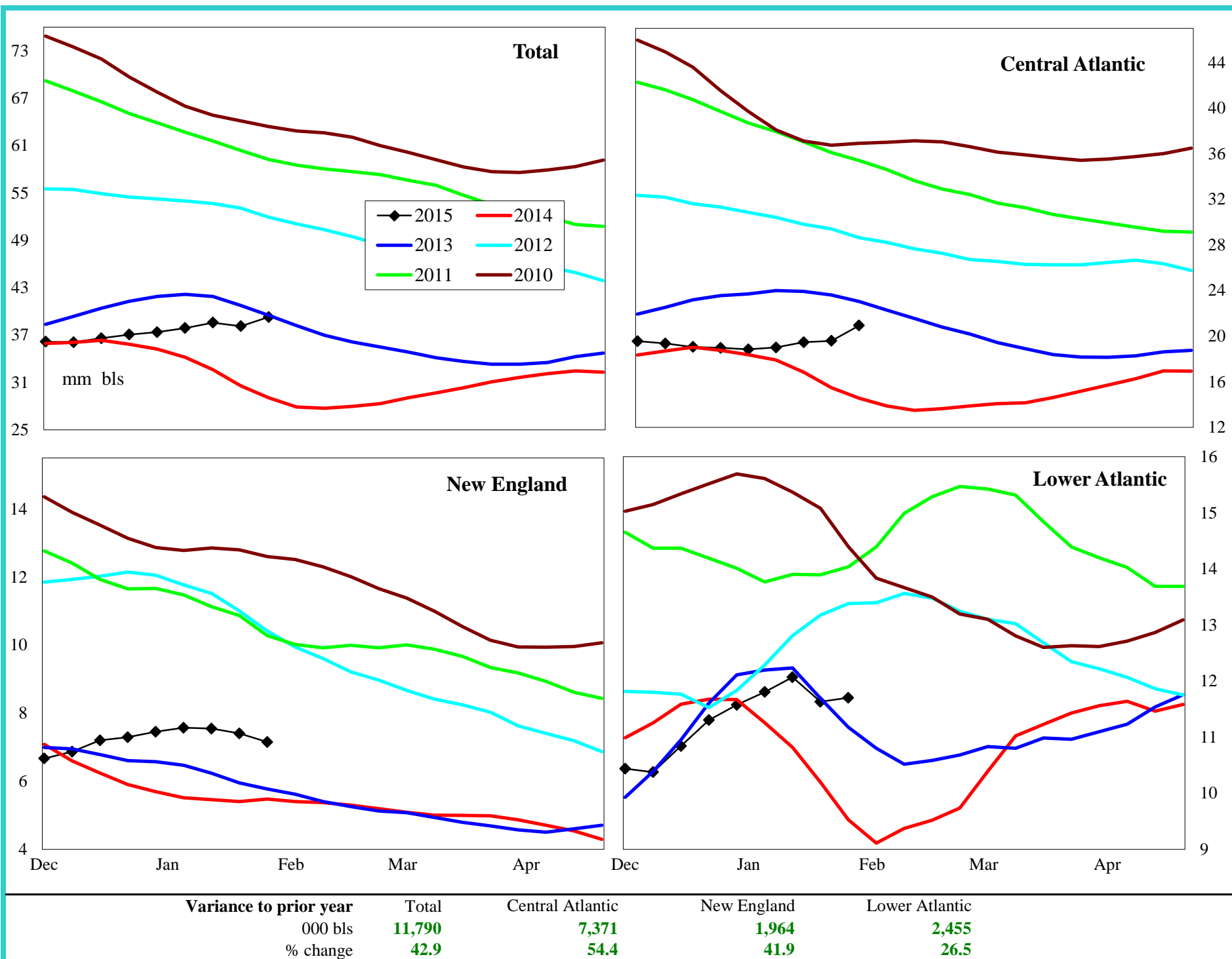
# PADD 1 Conventional Gasoline Supply



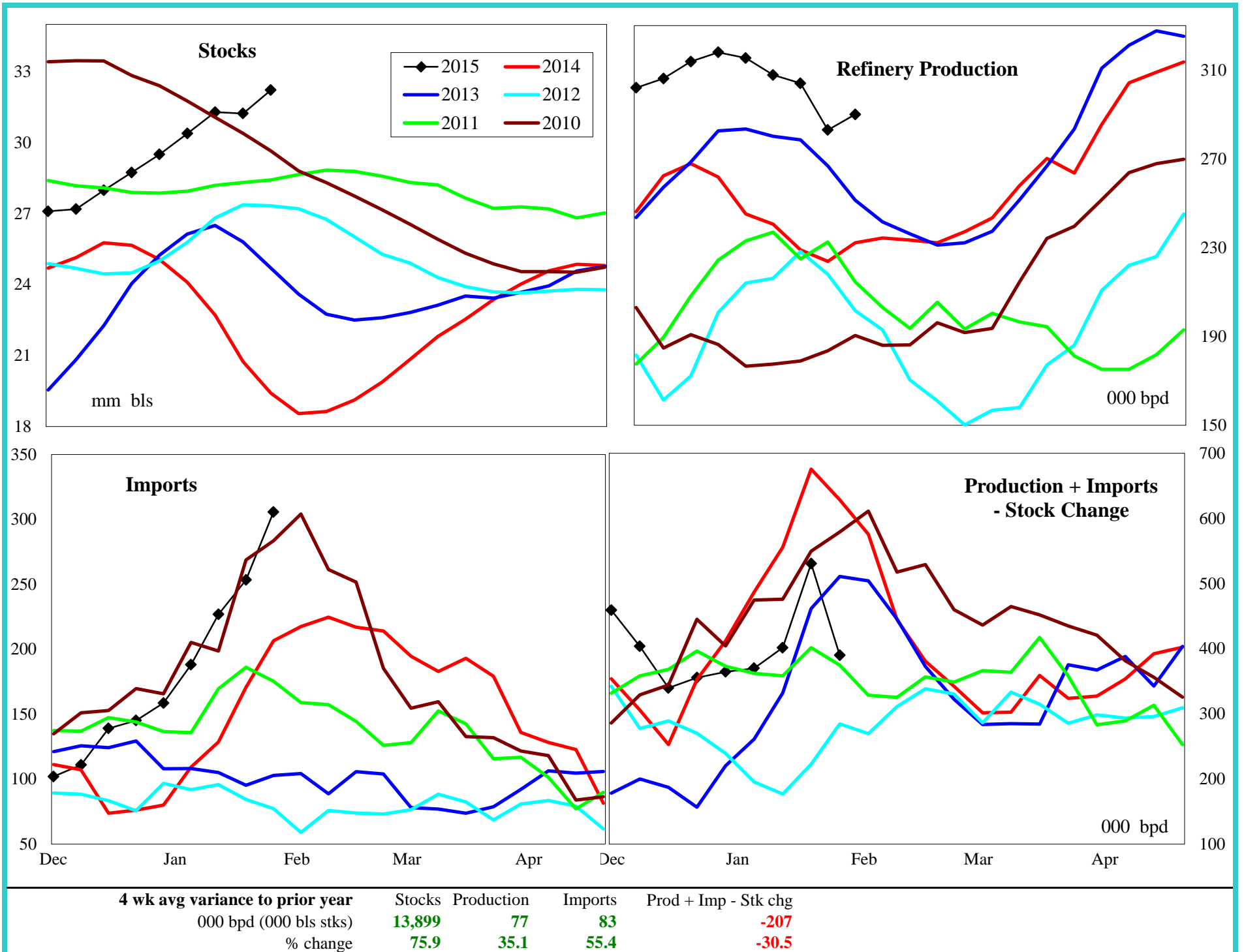
# PADD 1 Distillate Supply



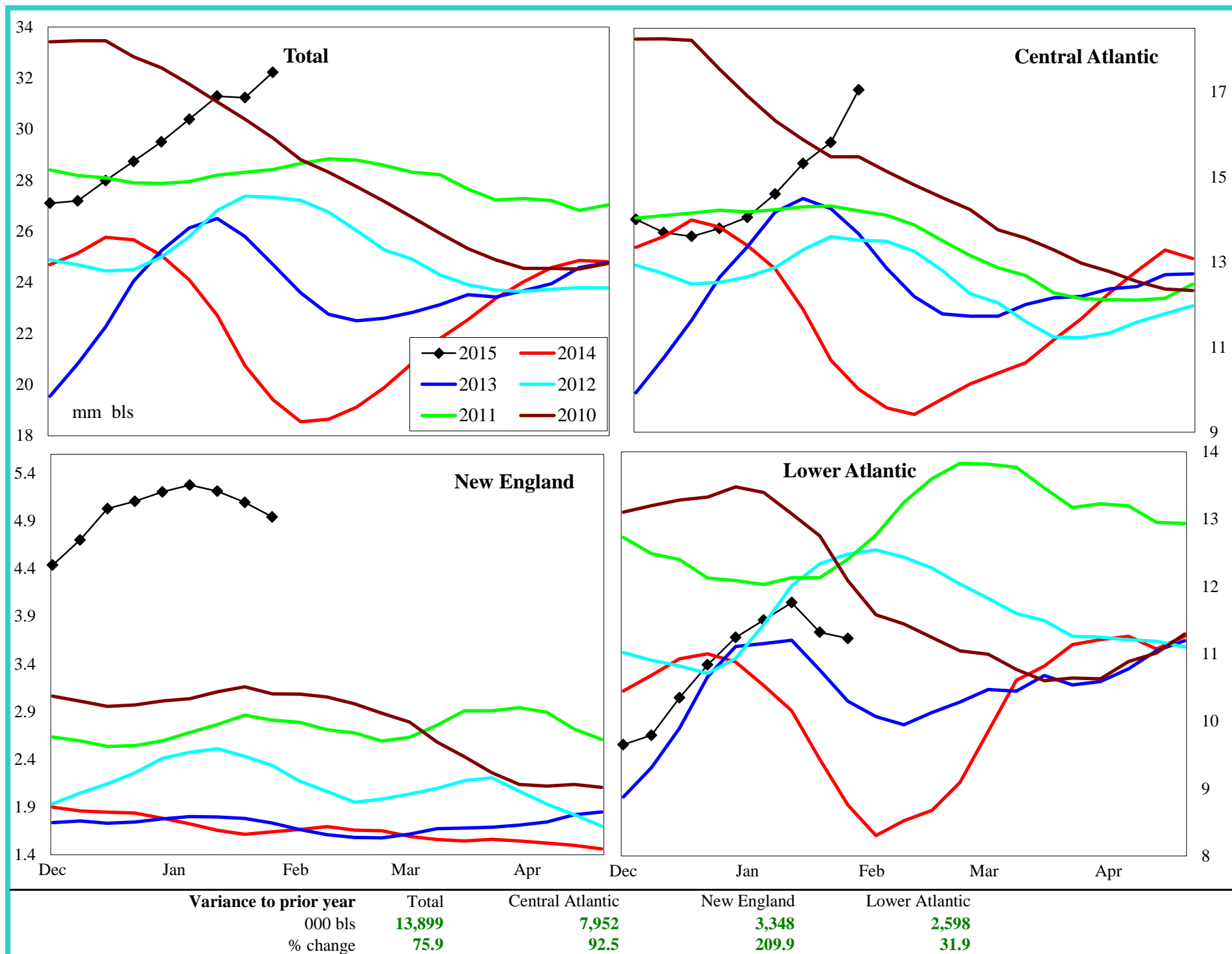
# PADD 1 Distillate Stocks by Region



# PADD 1 Low Sulfur Distillate Supply

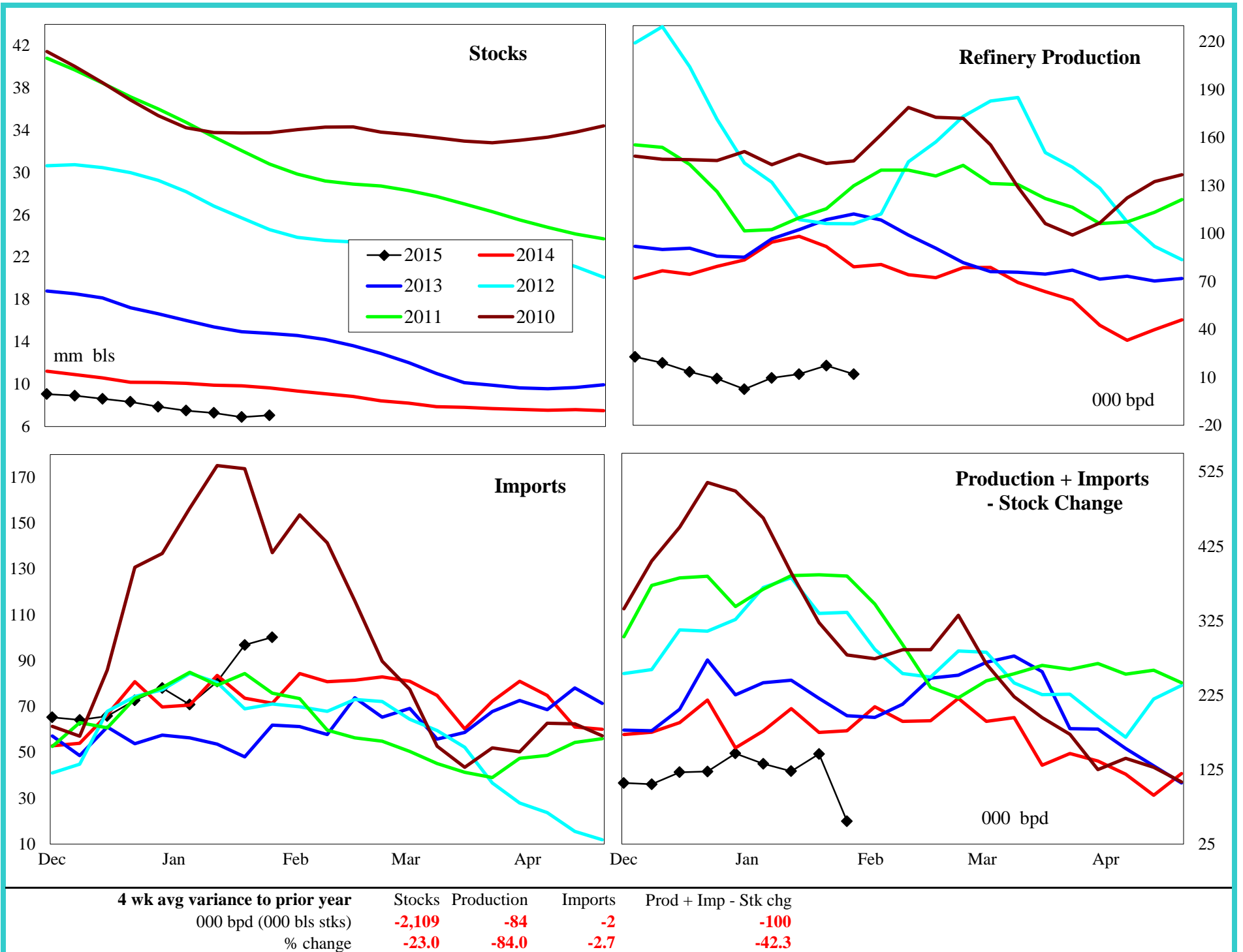


# PADD 1 Low Sulfur Distillate Stocks by Region

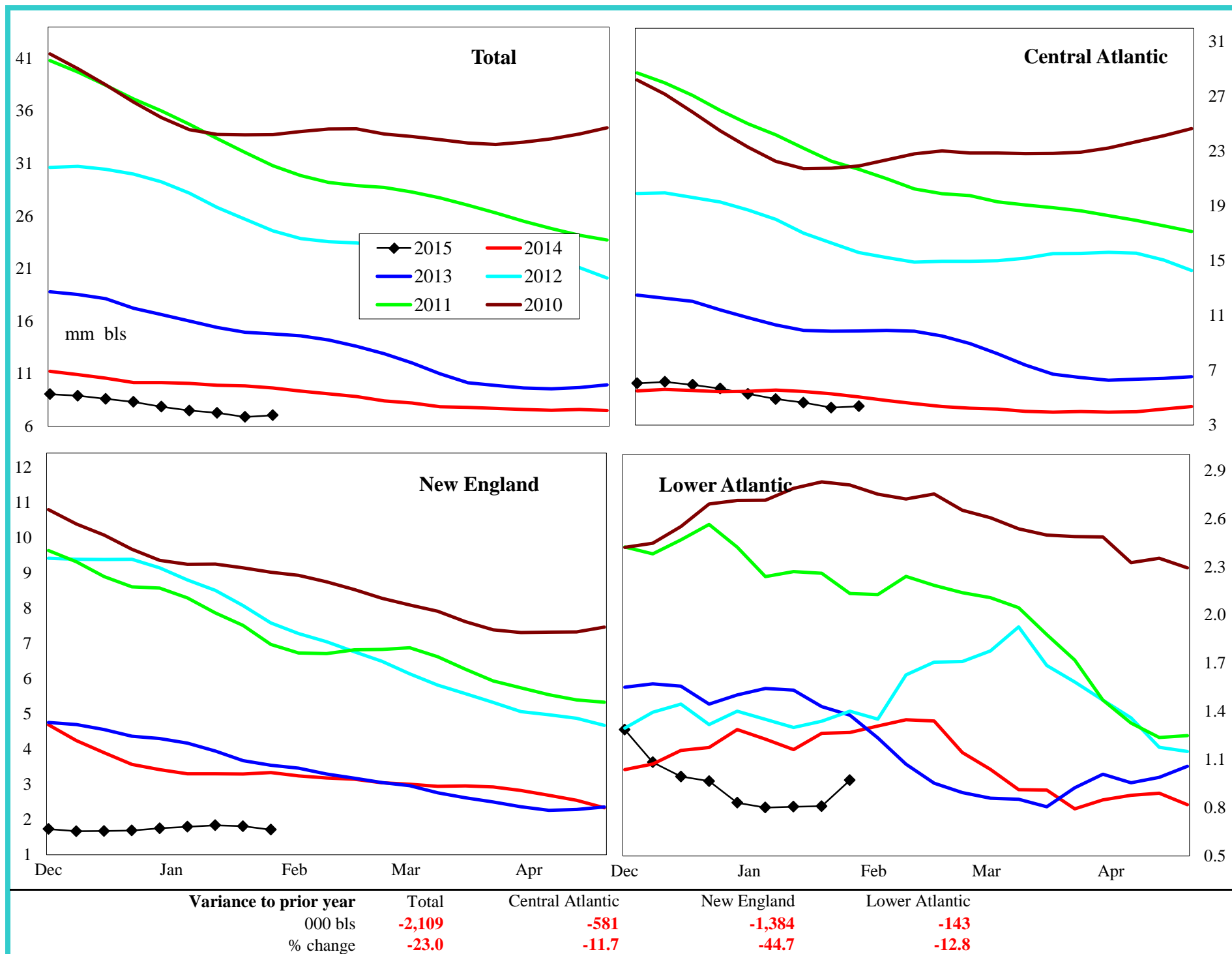




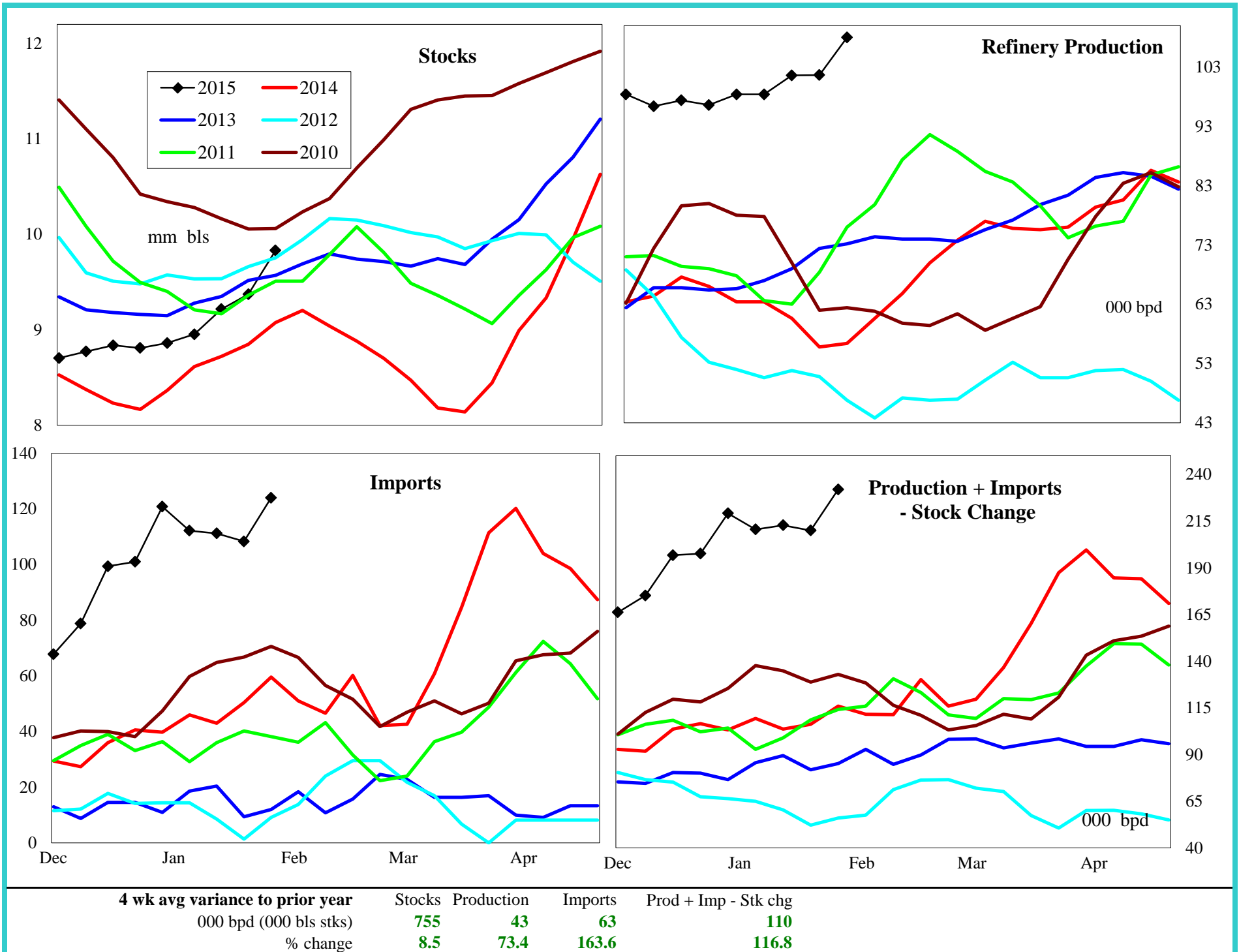
# PADD 1 High Sulfur Distillate Supply



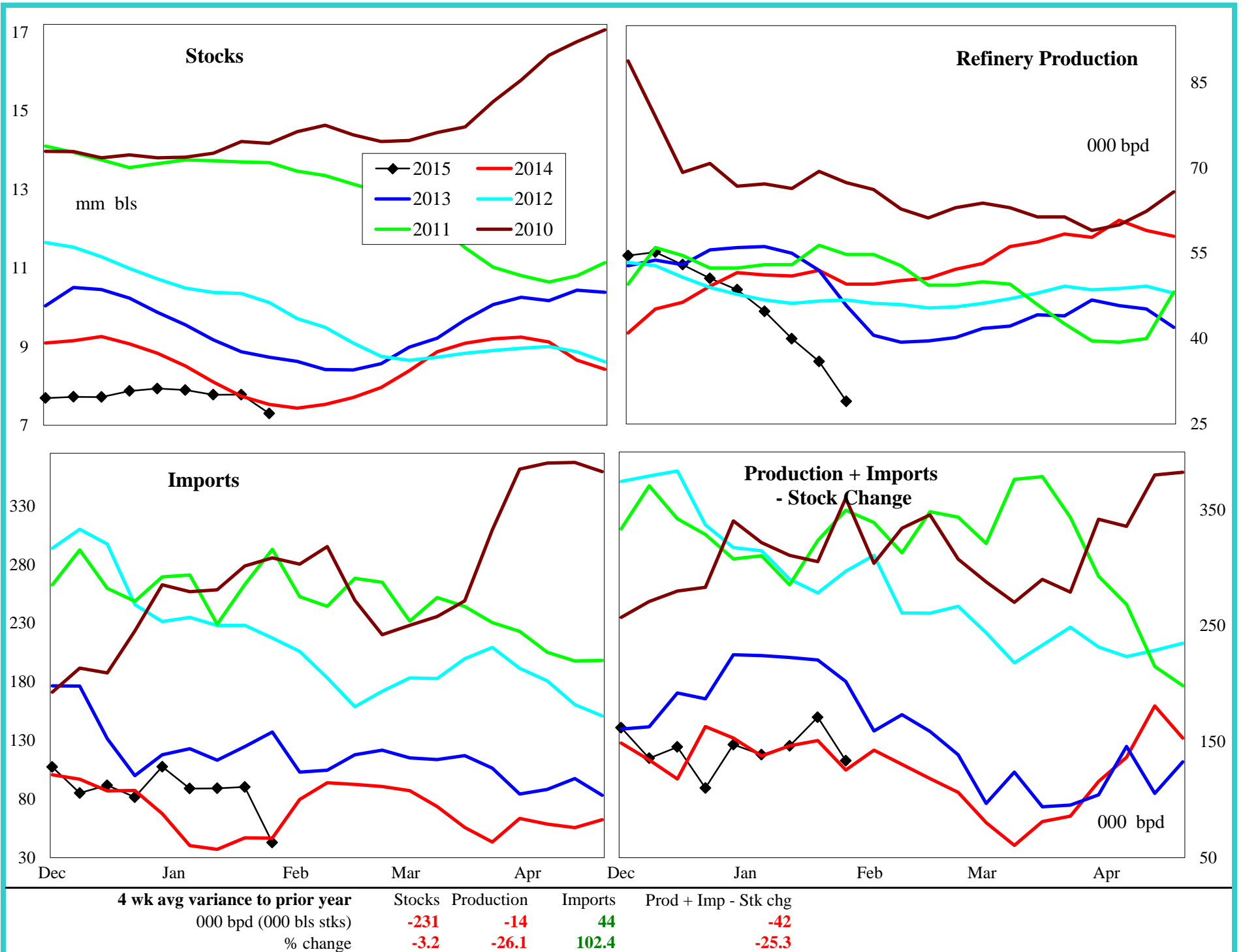
# PADD 1 High Sulfur Distillate Stocks by Region



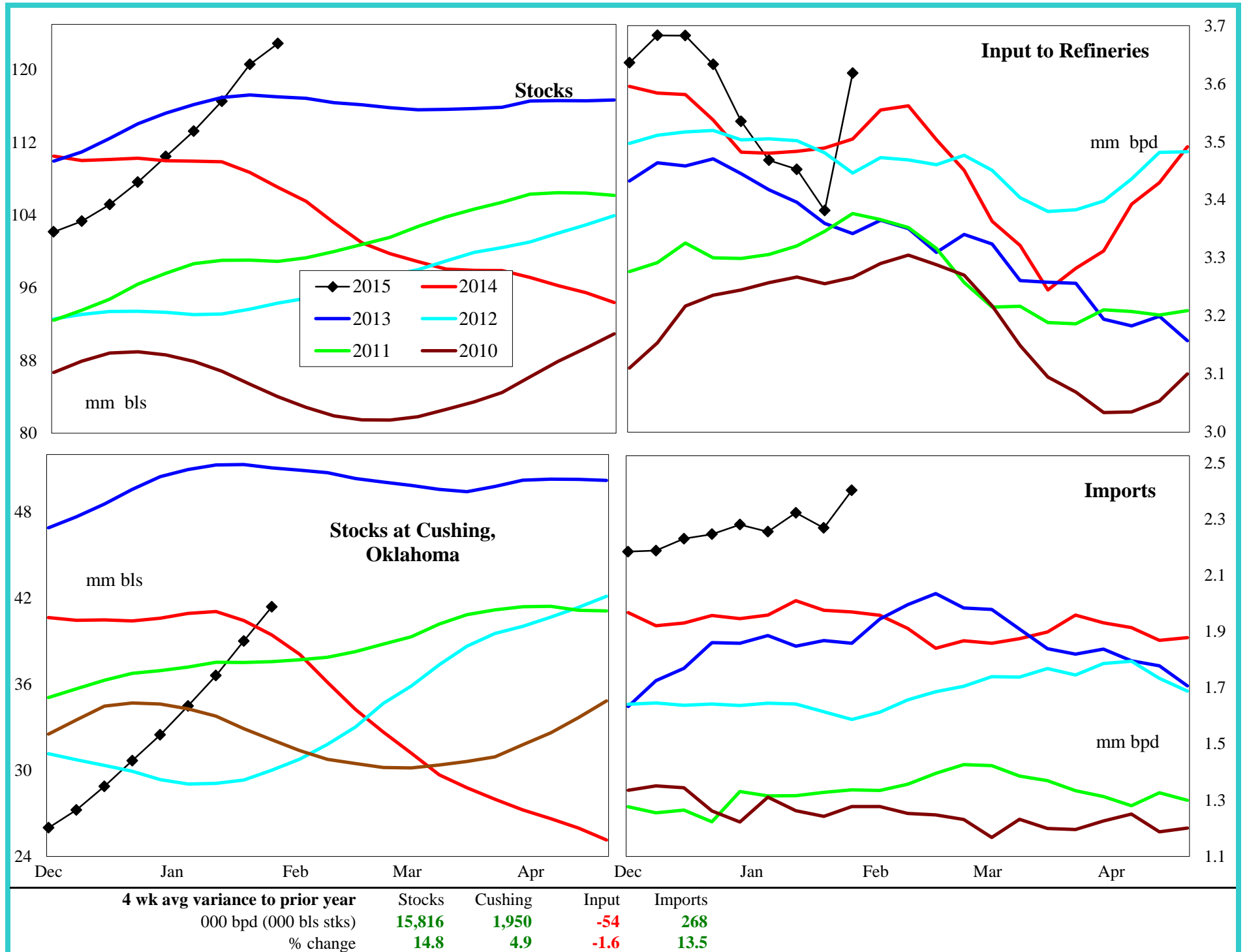
# PADD 1 Jet Fuel Supply



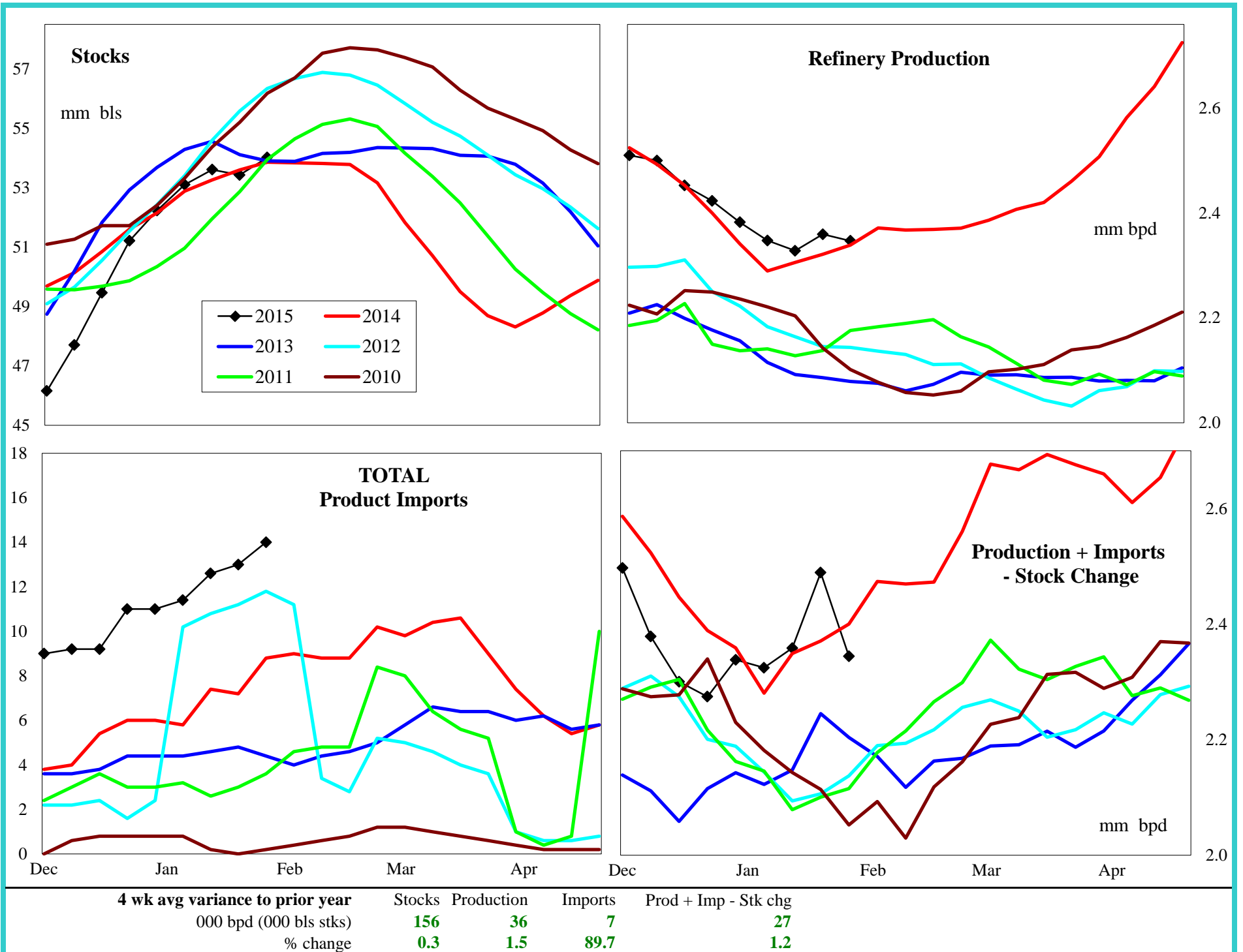
# PADD 1 Residual Fuel Oil Supply



# PADD 2 Crude Oil Supply and Refining

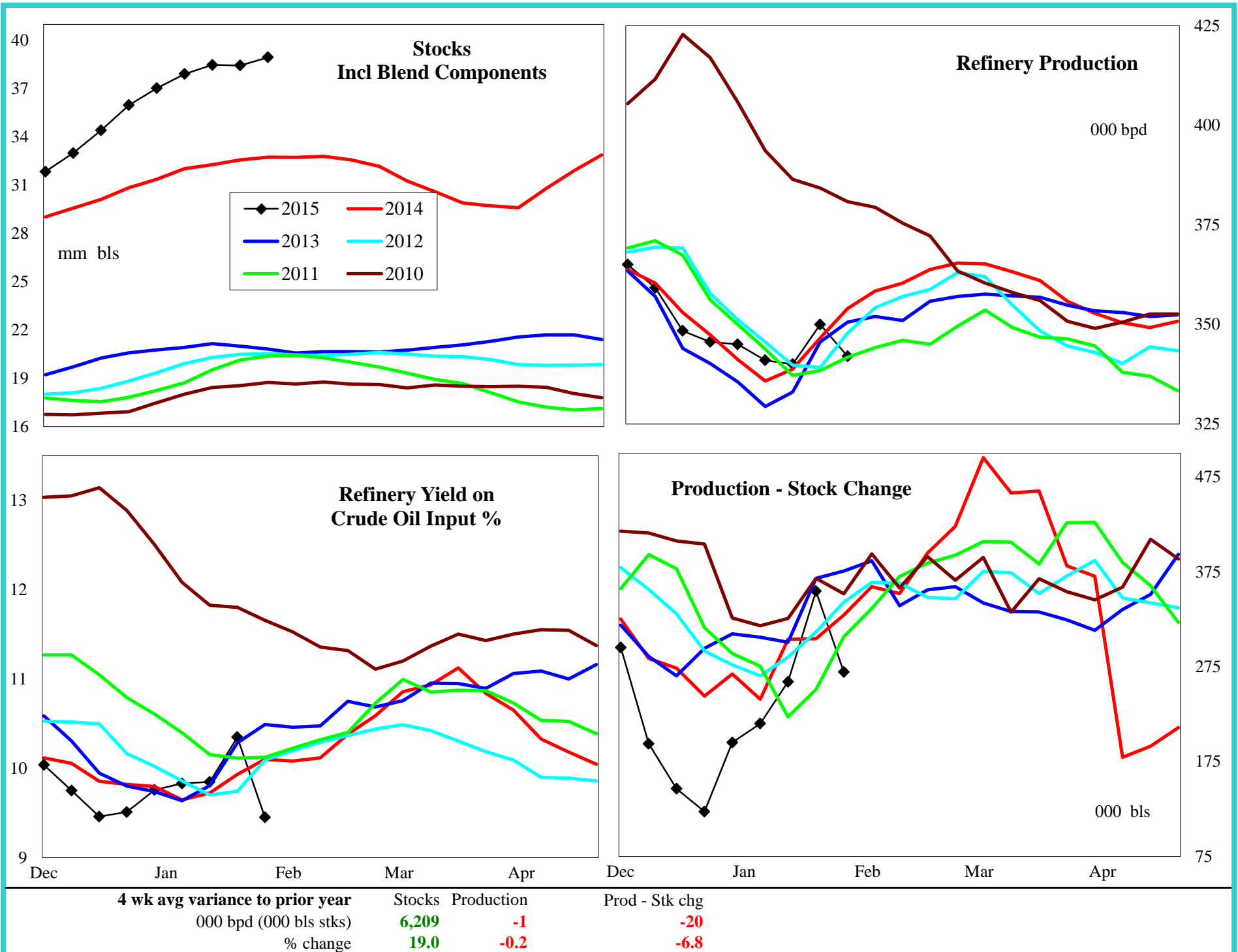


## PADD 2 Gasoline Supply

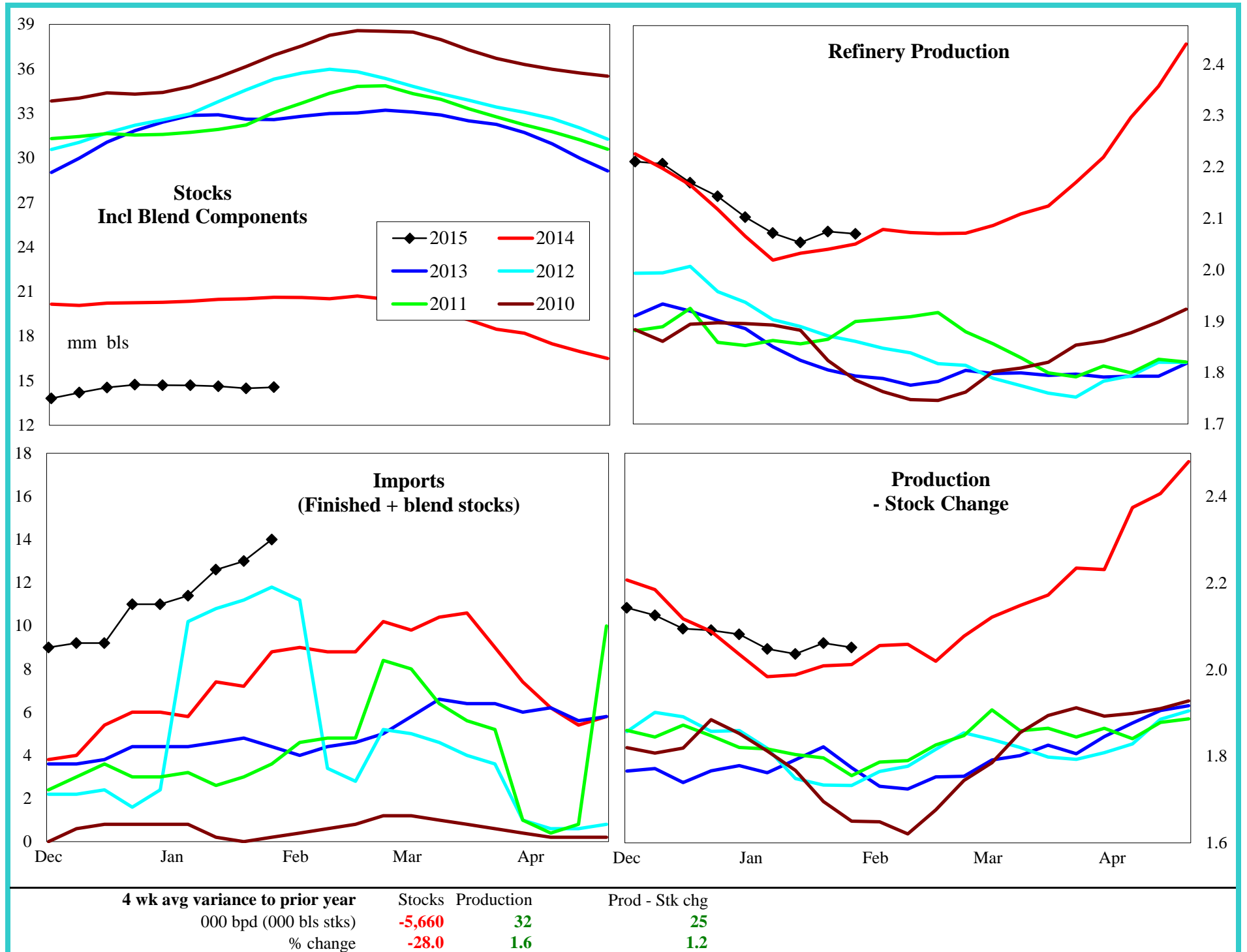




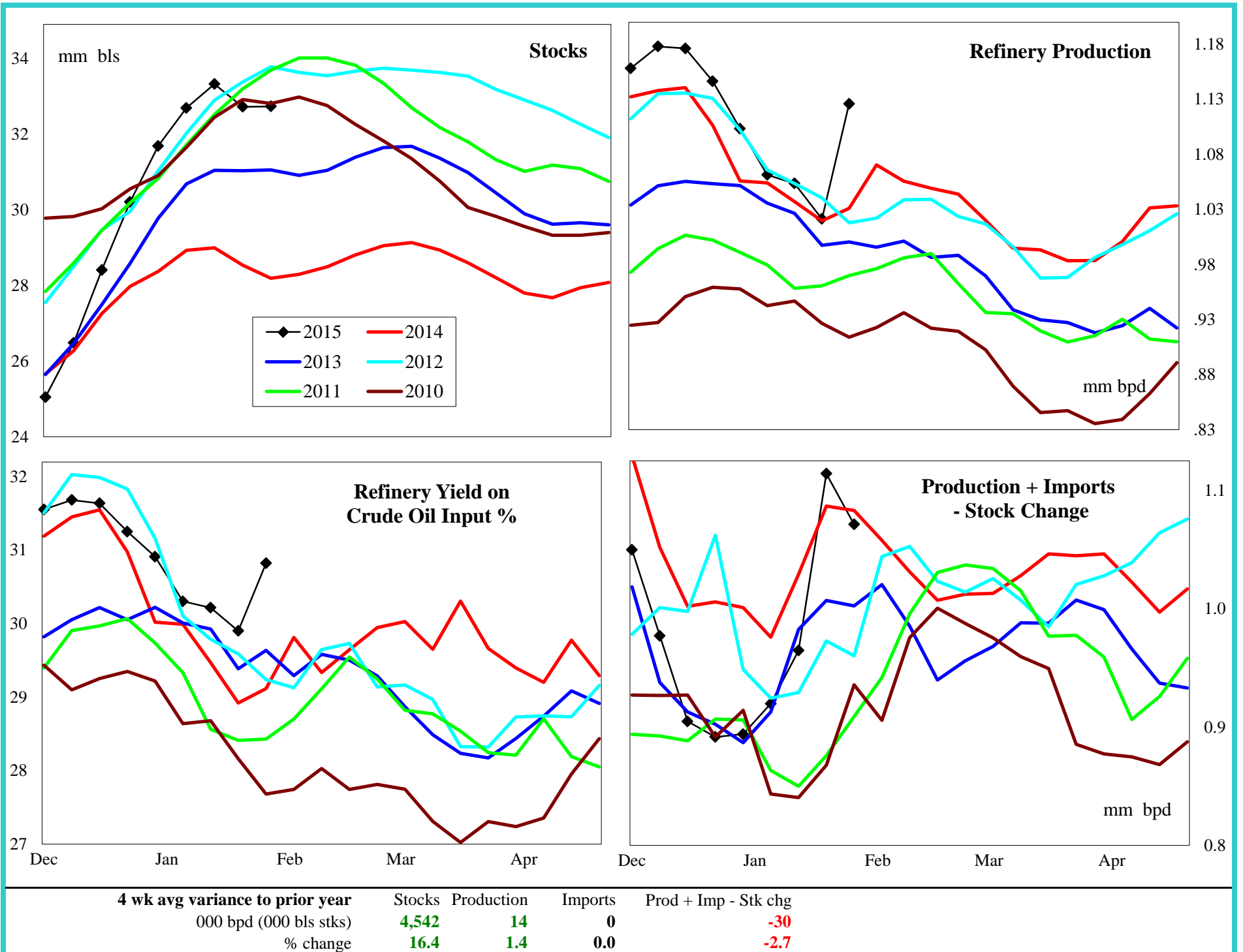
# PADD 2 Reformulated Gasoline Supply



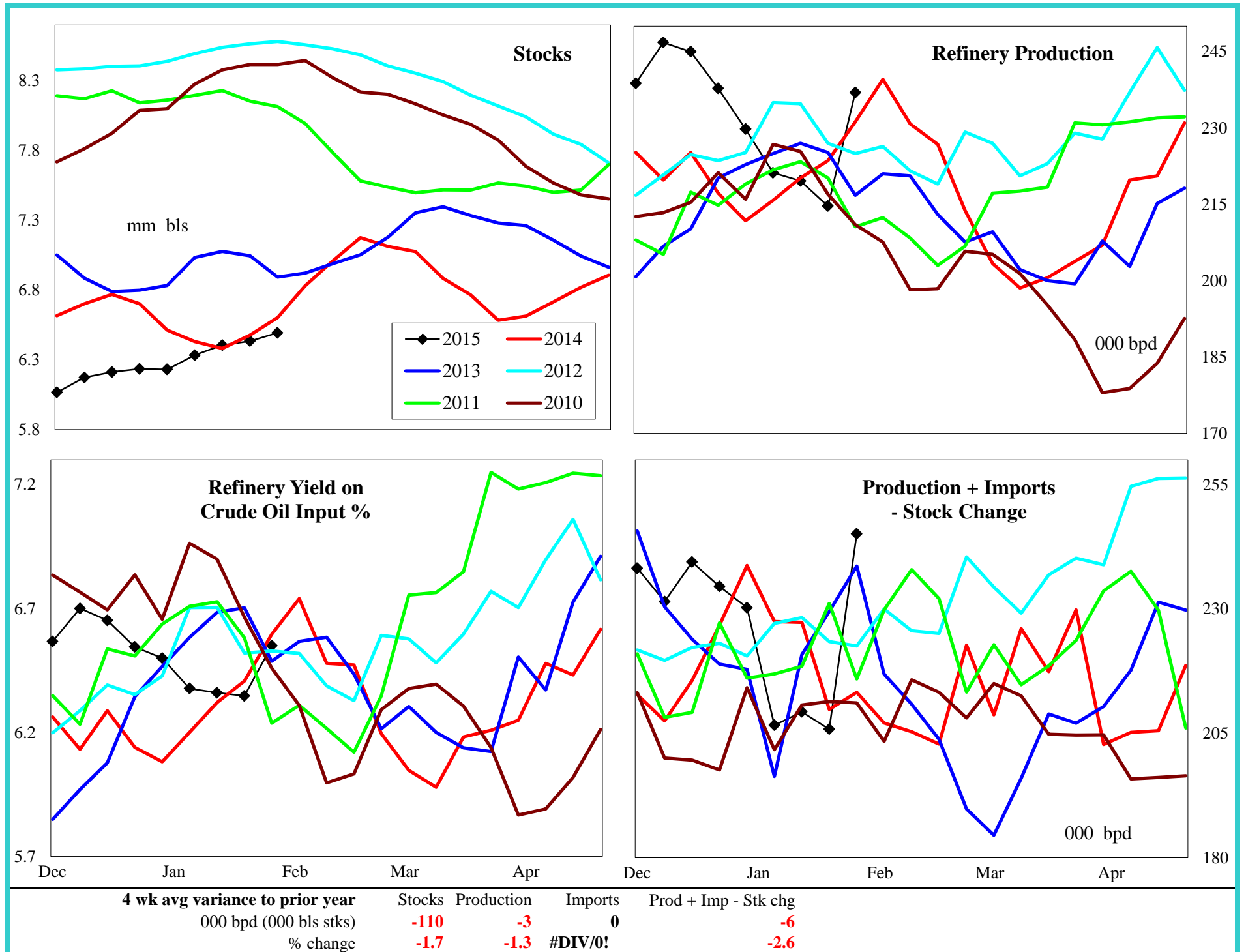
# PADD 2 Conventional Gasoline Supply



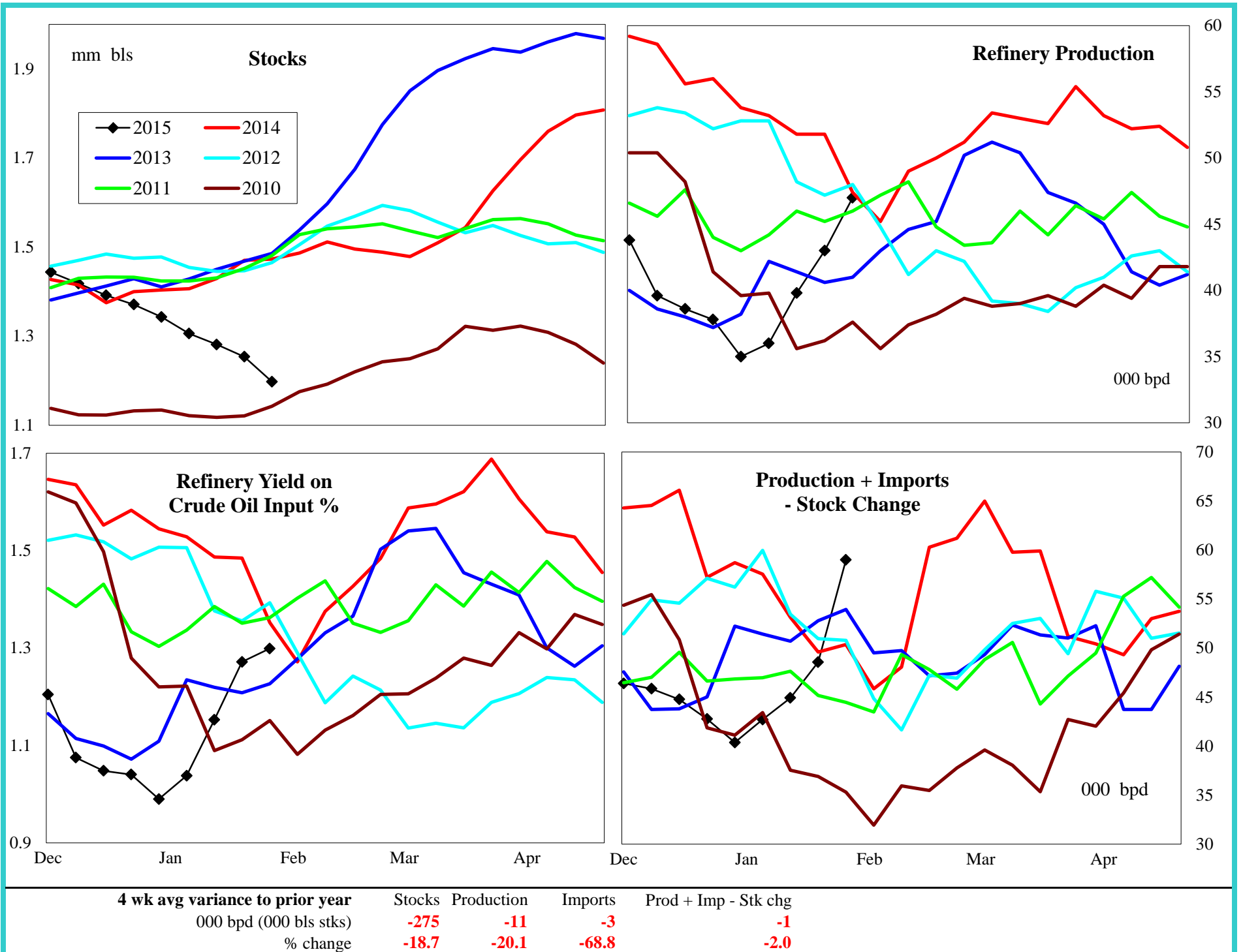
## PADD 2 Distillate Supply



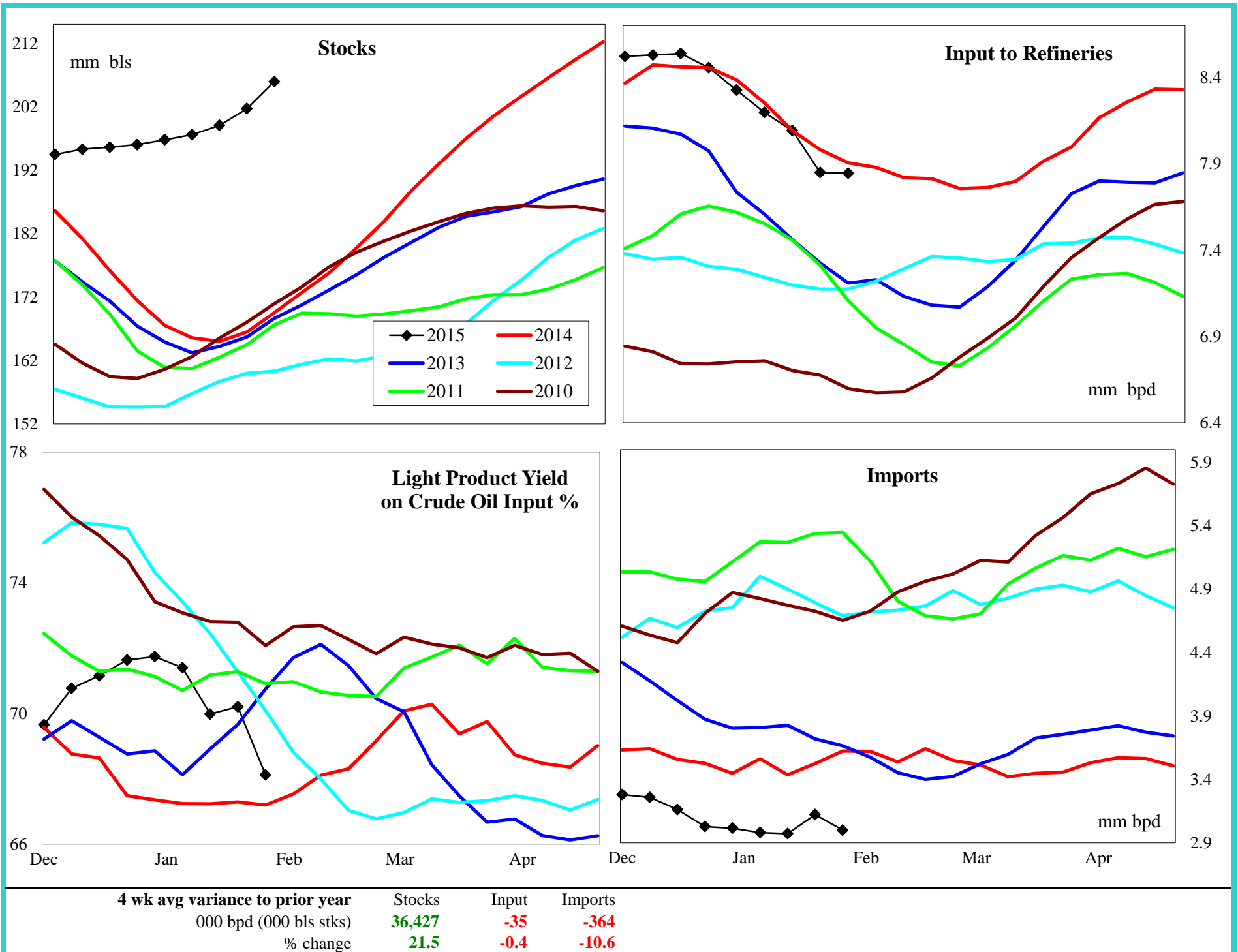
## PADD 2 Jet Fuel Supply



# PADD 2 Residual Fuel Oil Supply

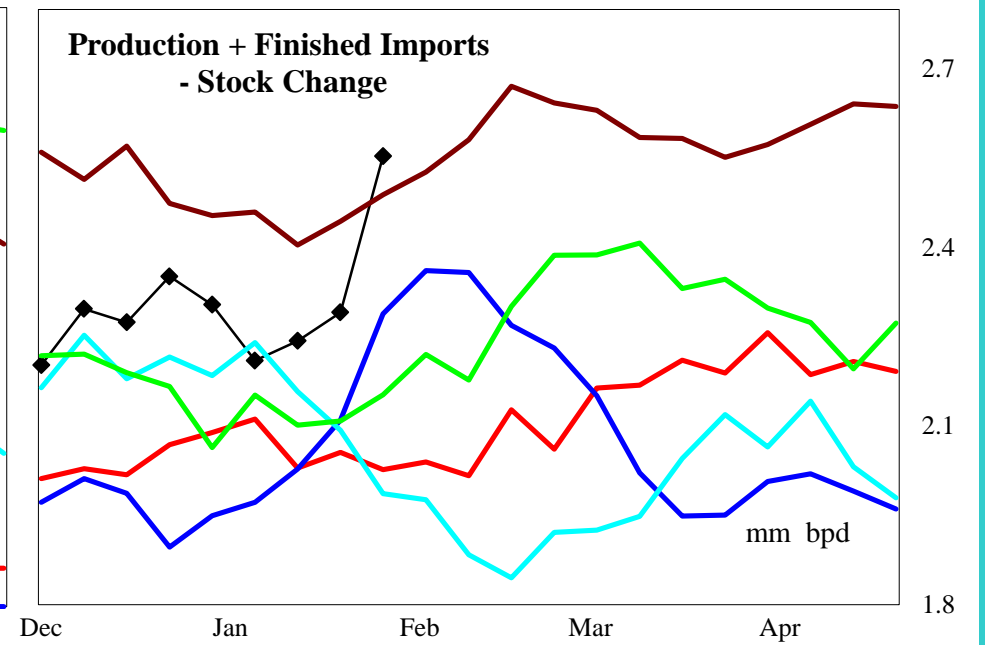
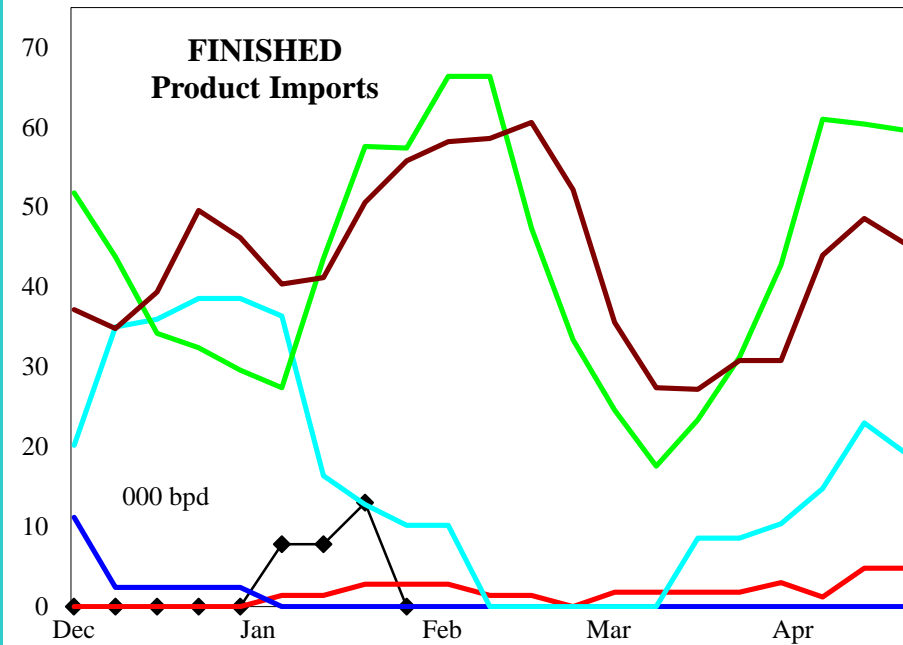
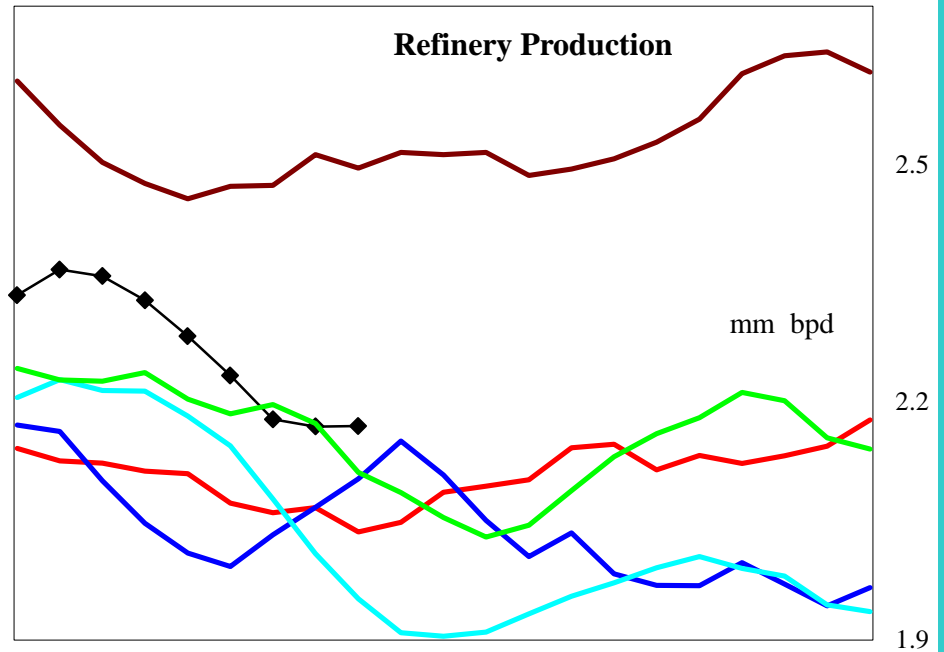
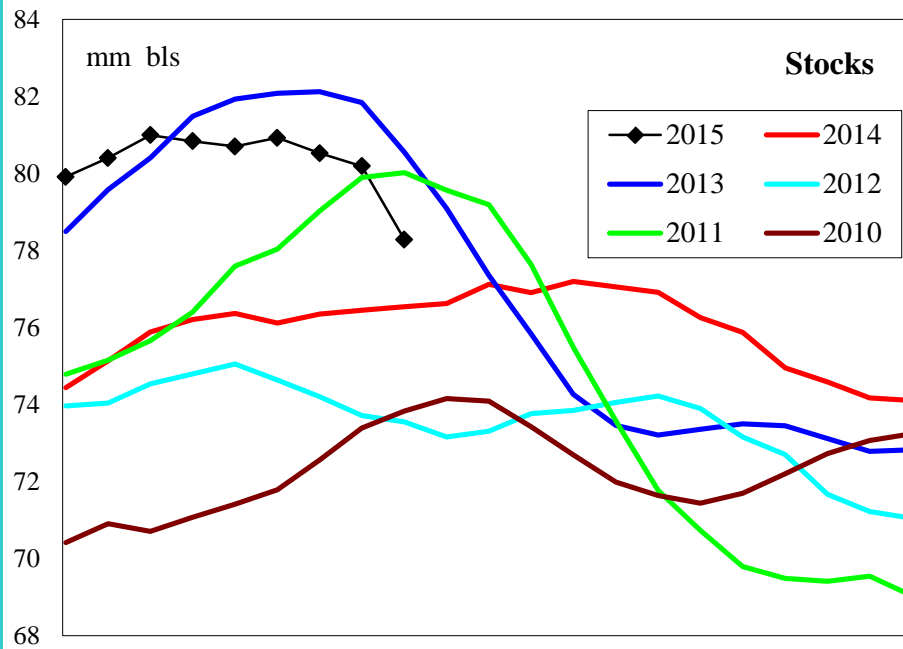


# PADD 3 Crude Oil Supply and Refining





# PADD 3 Gasoline Supply



**4 wk avg variance to prior year**

000 bpd (000 bls stks)

% change

Stocks

**1,496**

**1.9**

Production

**104**

**5.1**

Fin Impt

**8**

**457.1**

Blend Impt

**-16**

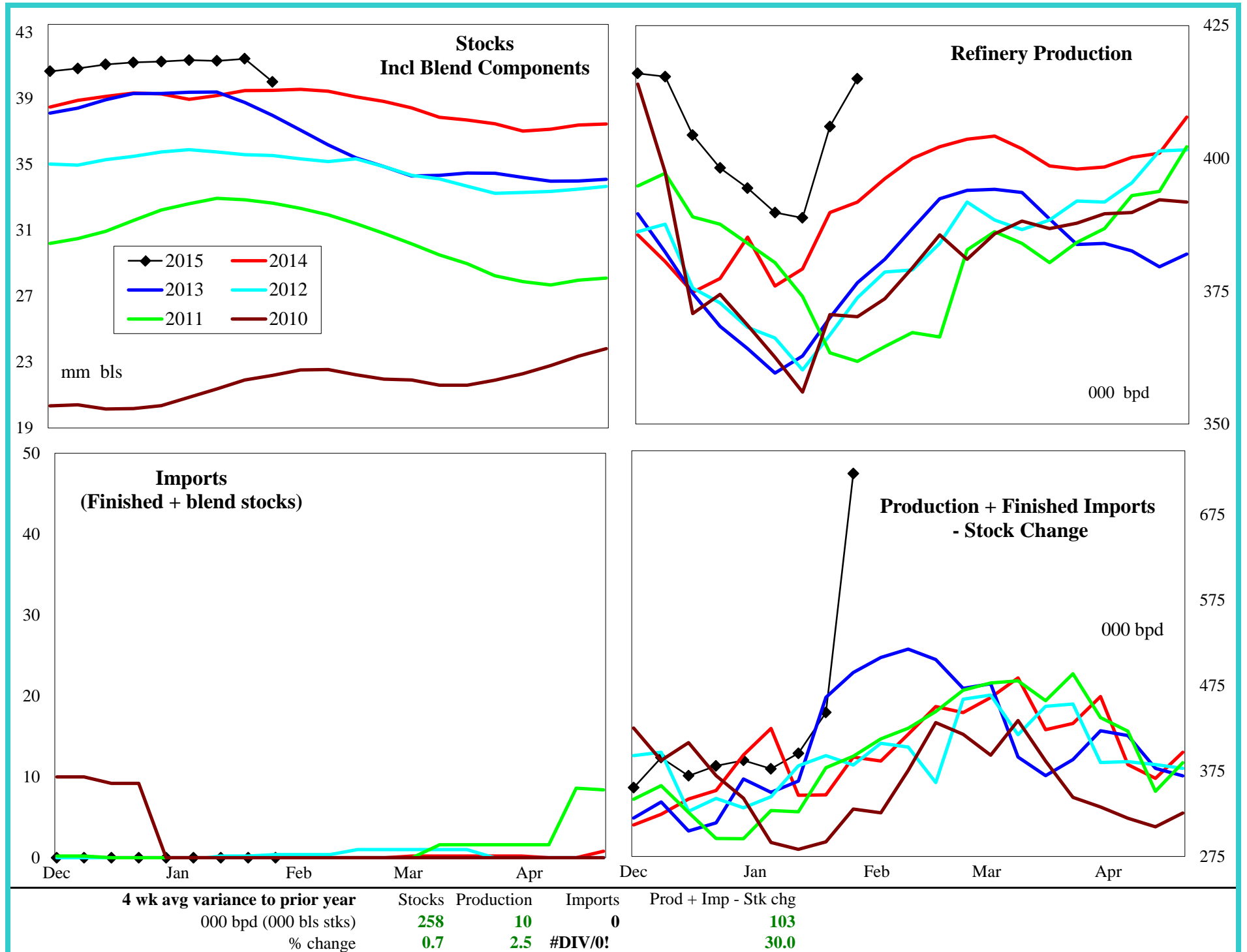
**-100.0**

Prod + Imp - Stk chg

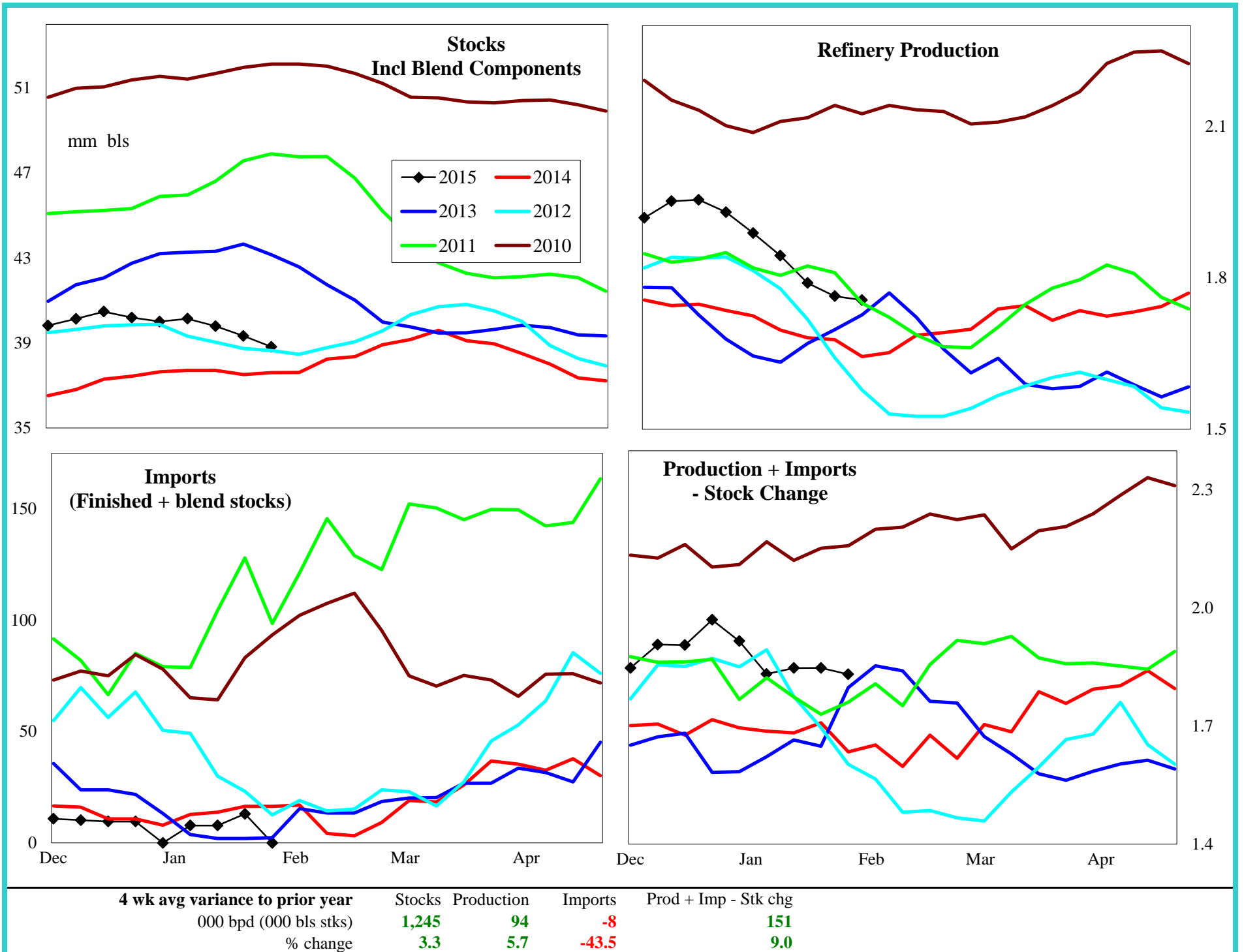
**255**

**12.6**

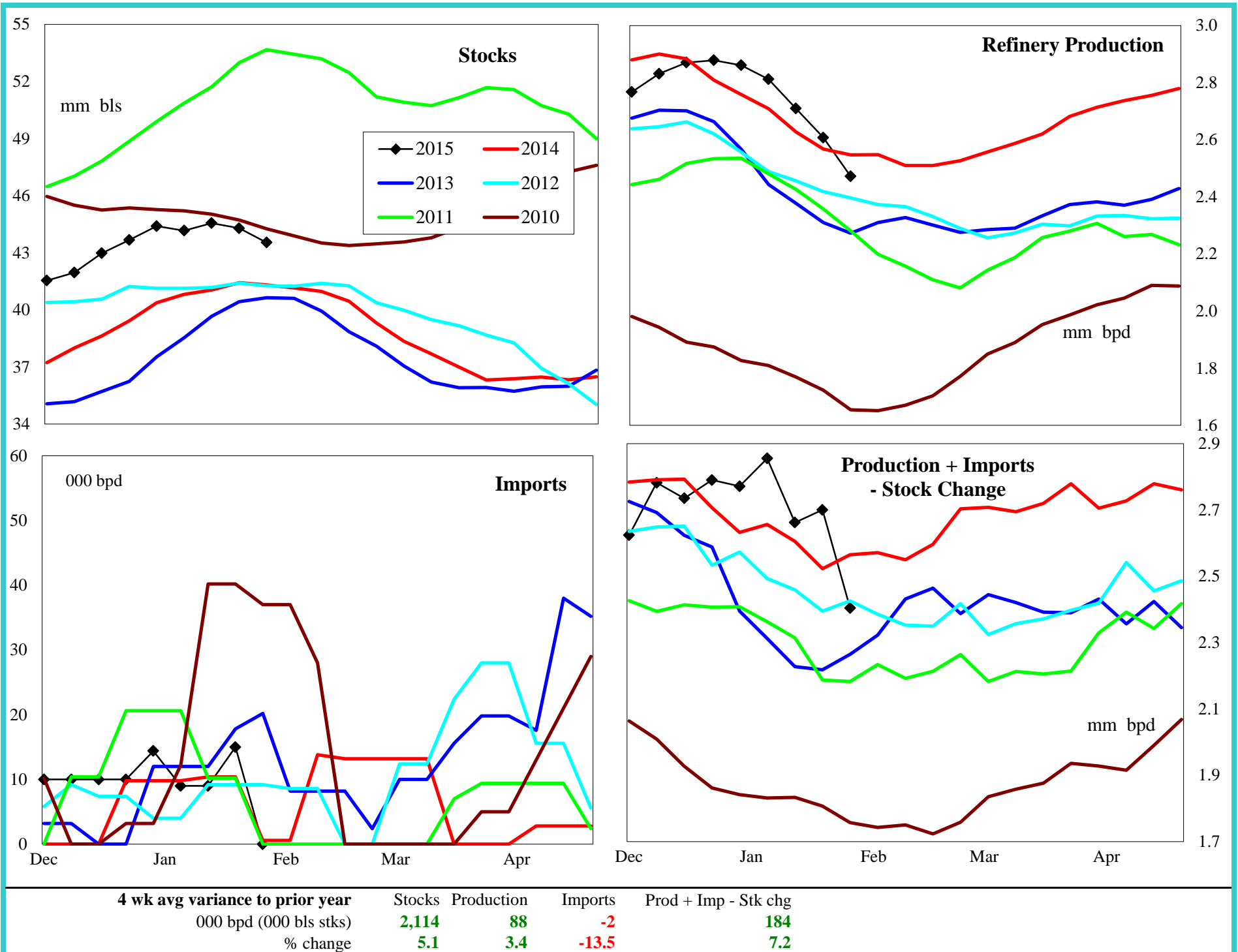
# PADD 3 Reformulated Gasoline Supply



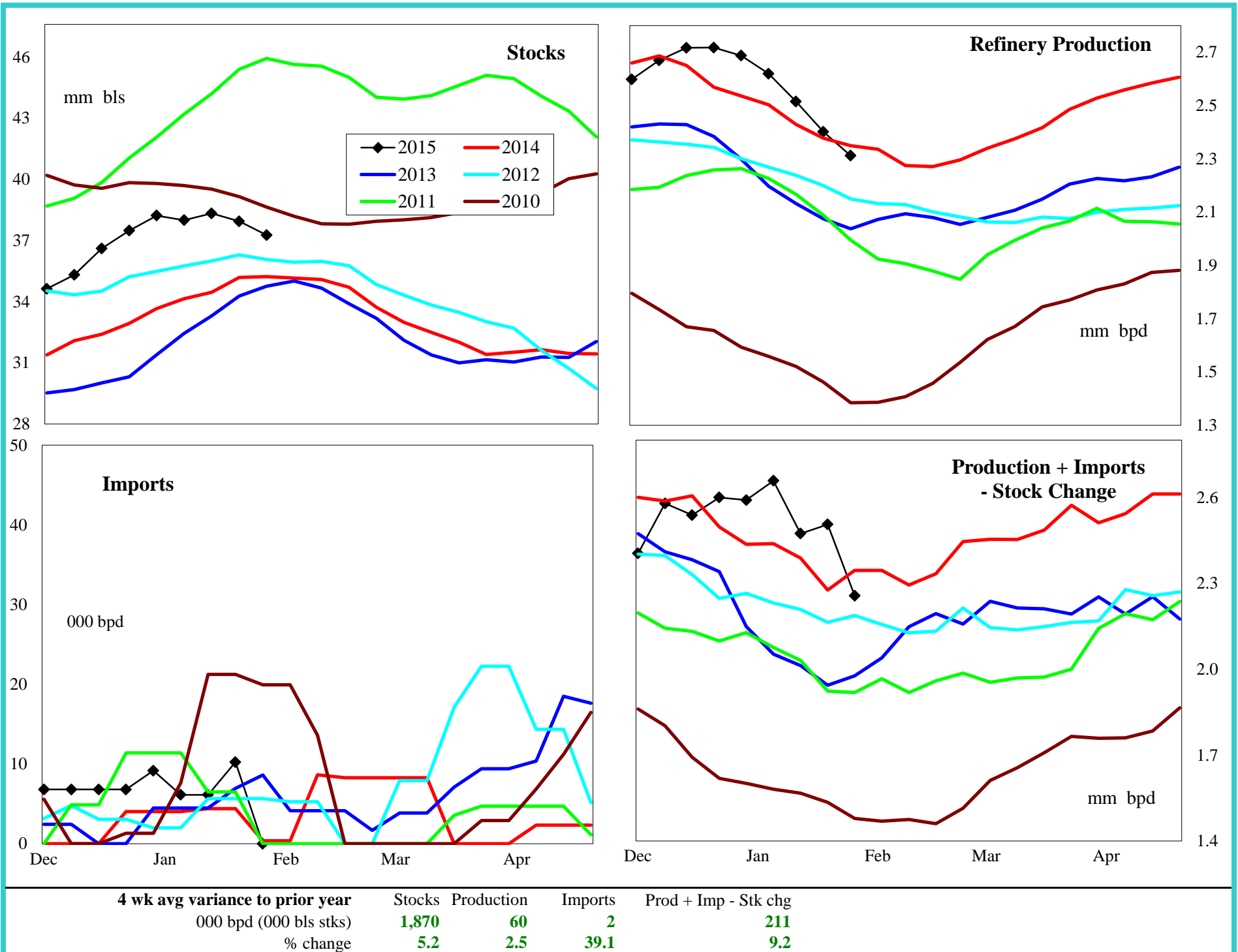
# PADD 3 Conventional Gasoline Supply



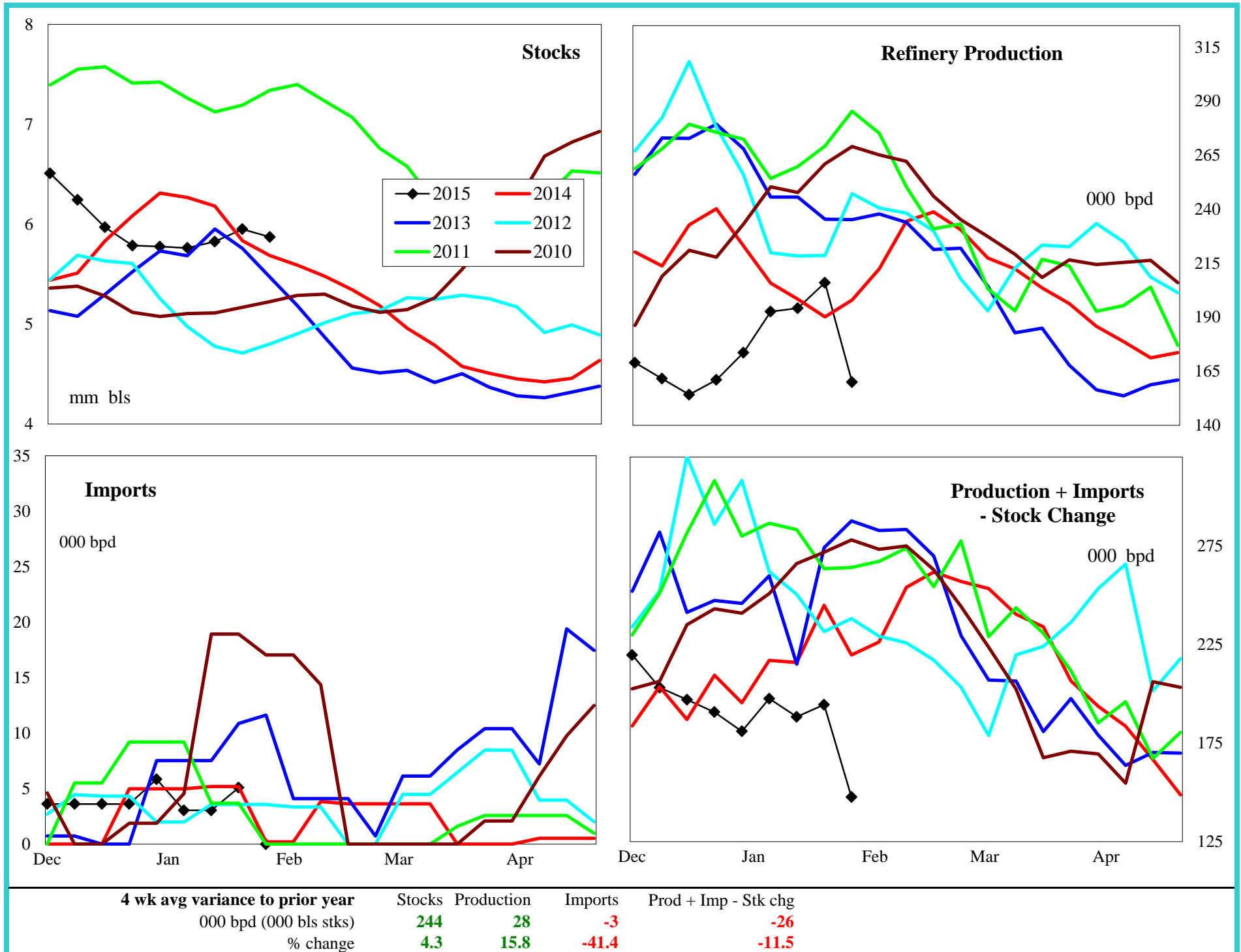
# PADD 3 Distillate Supply



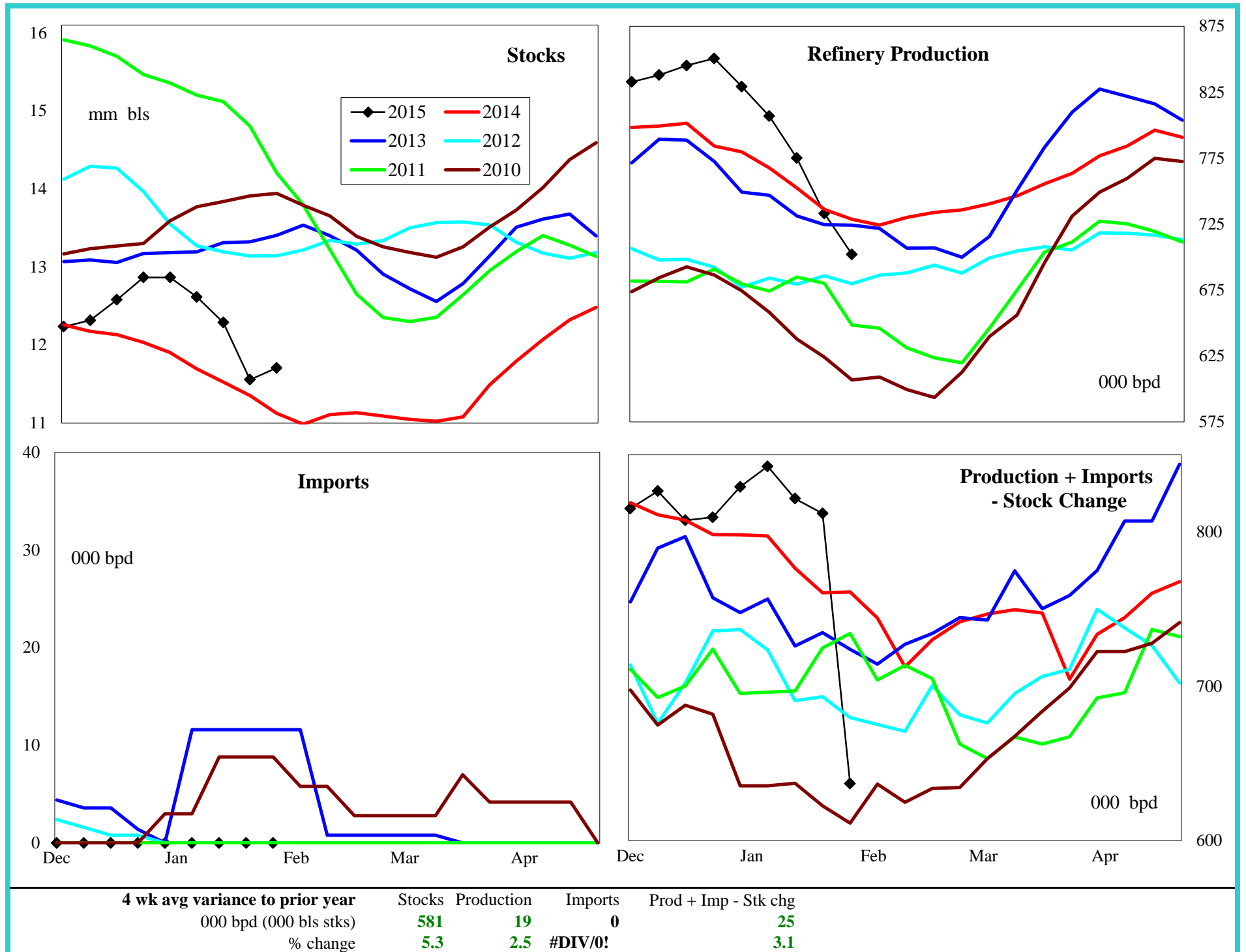
# PADD 3 Low Sulfur Distillate Supply



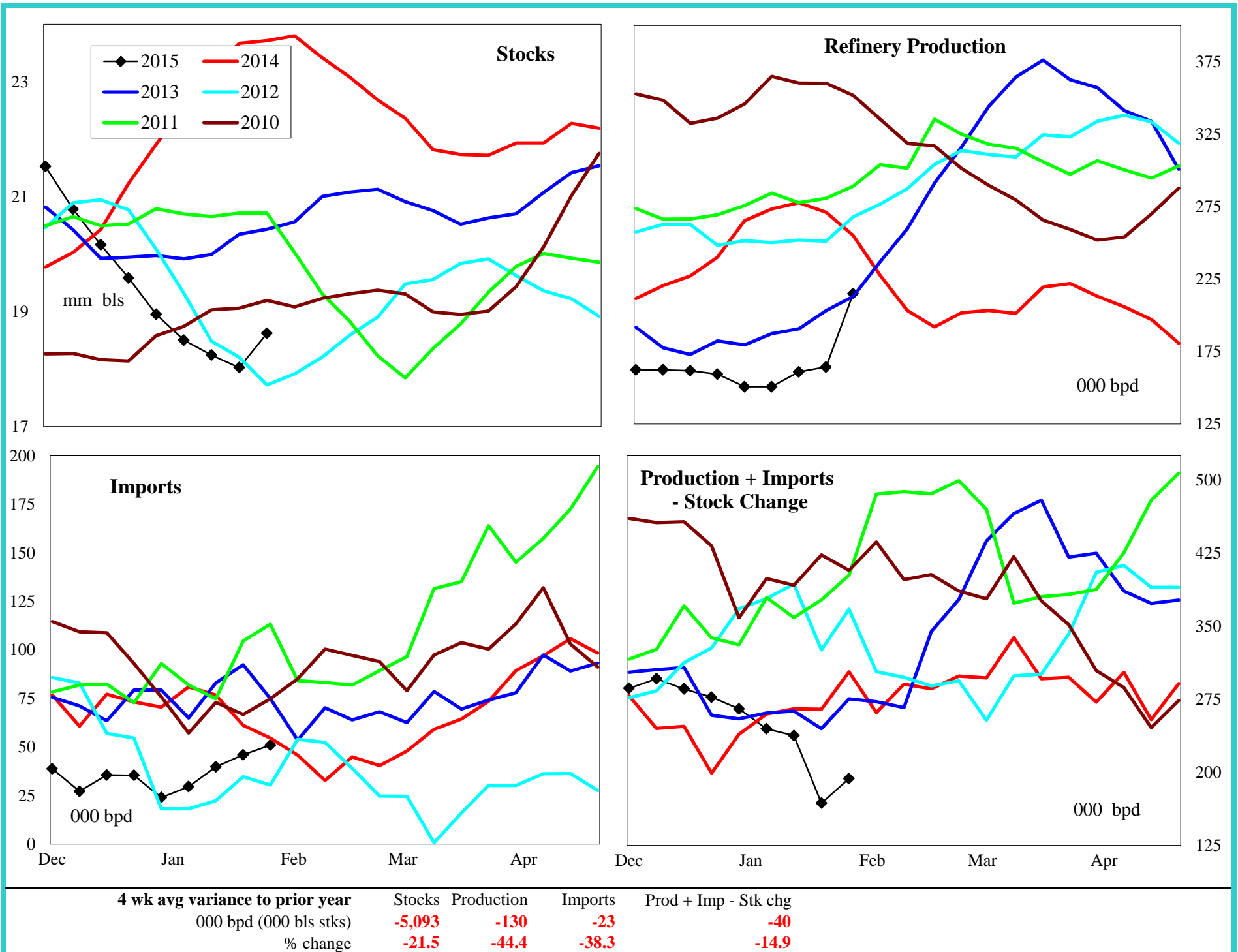
# PADD 3 High Sulfur Distillate Supply



## PADD 3 Jet Fuel Supply

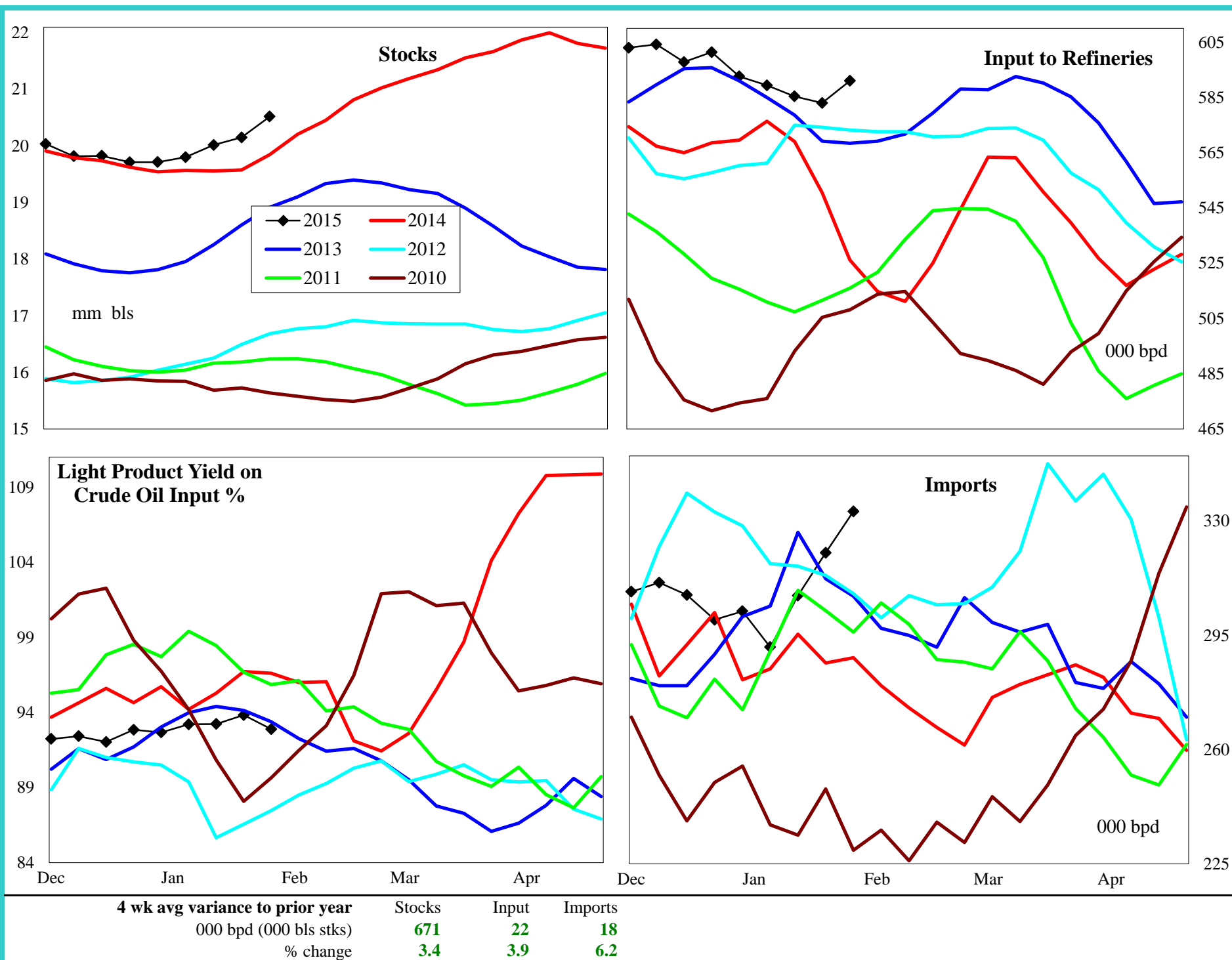


# PADD 3 Residual Fuel Oil Supply

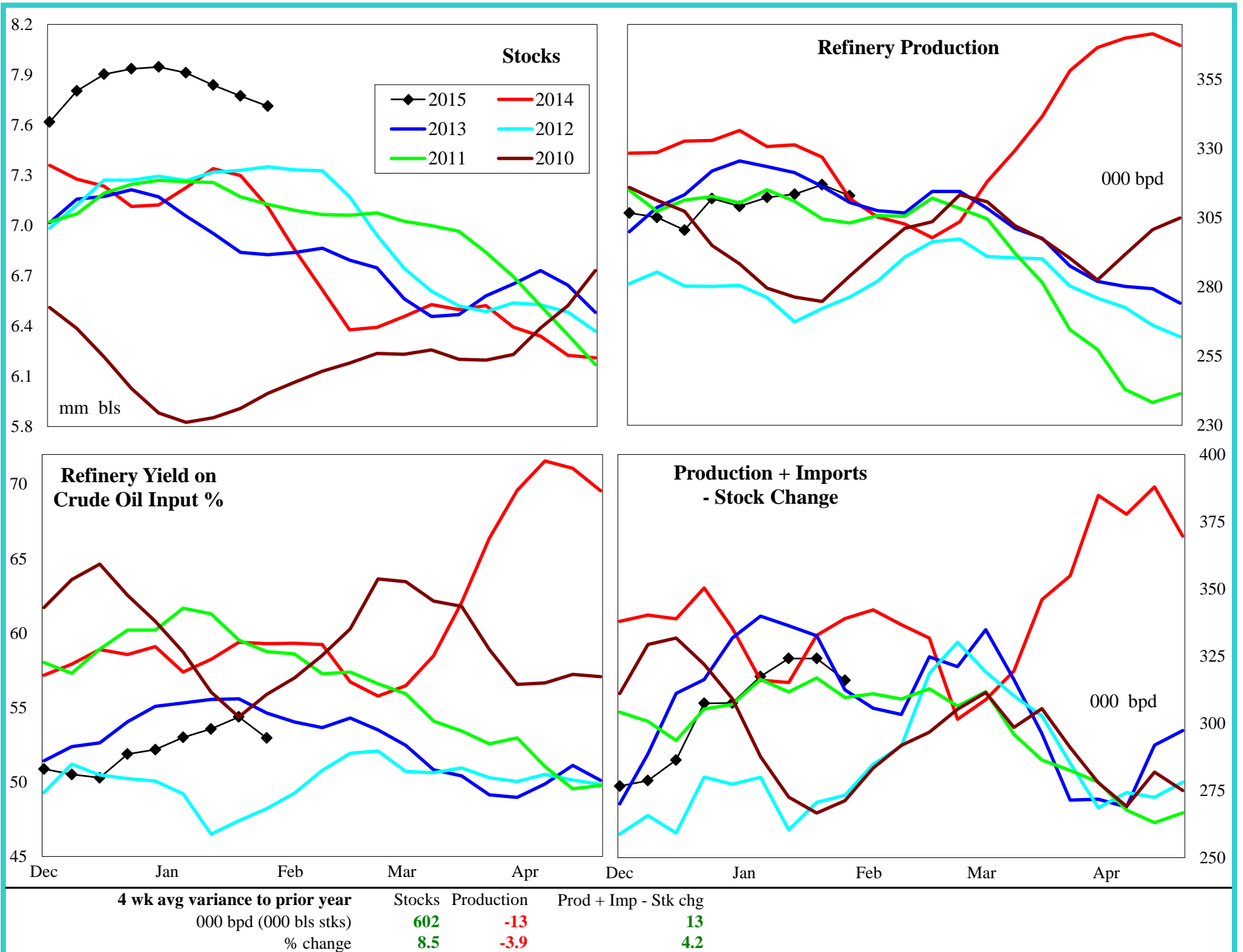




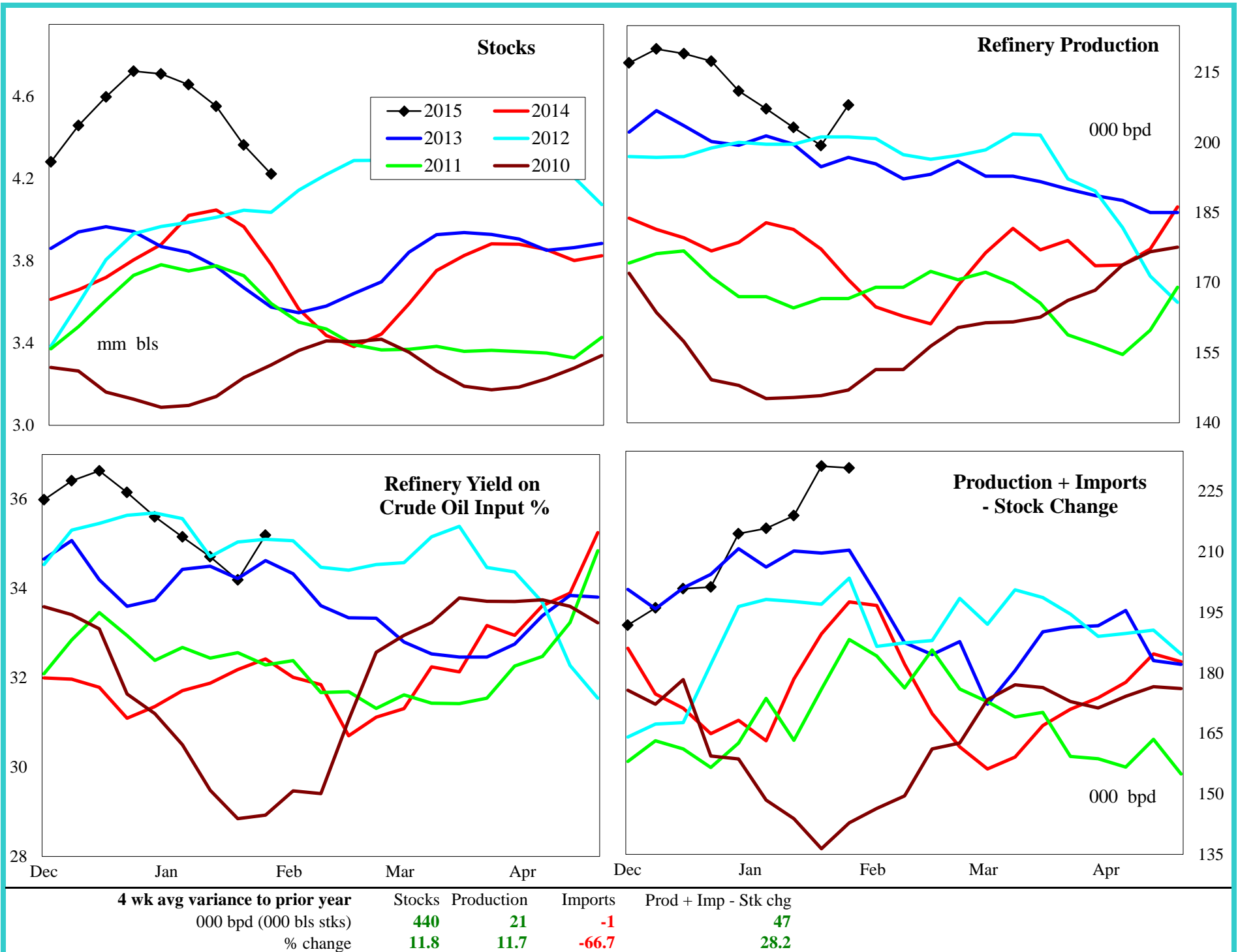
# PADD 4 Crude Oil Supply and Refining



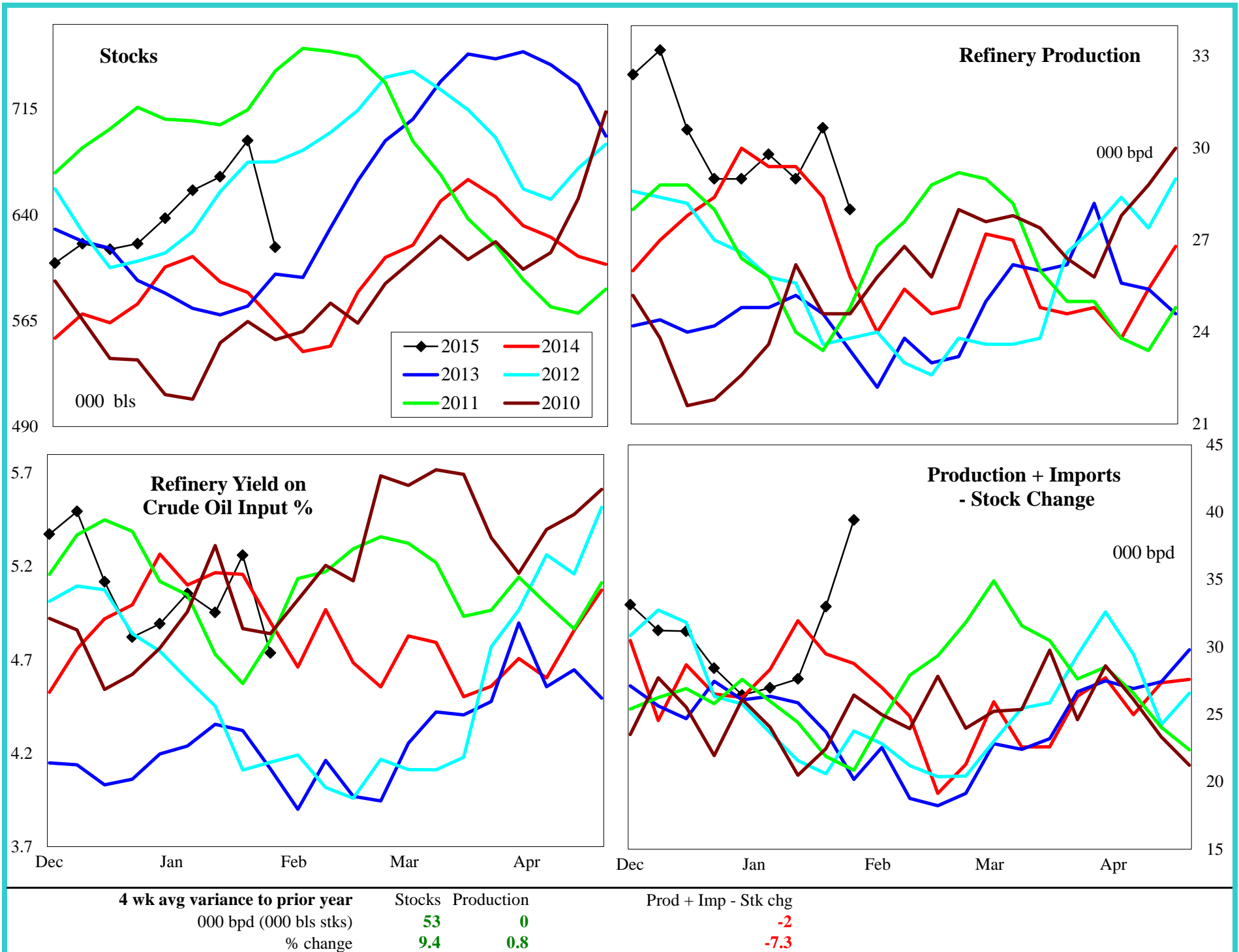
# PADD 4 Gasoline Supply



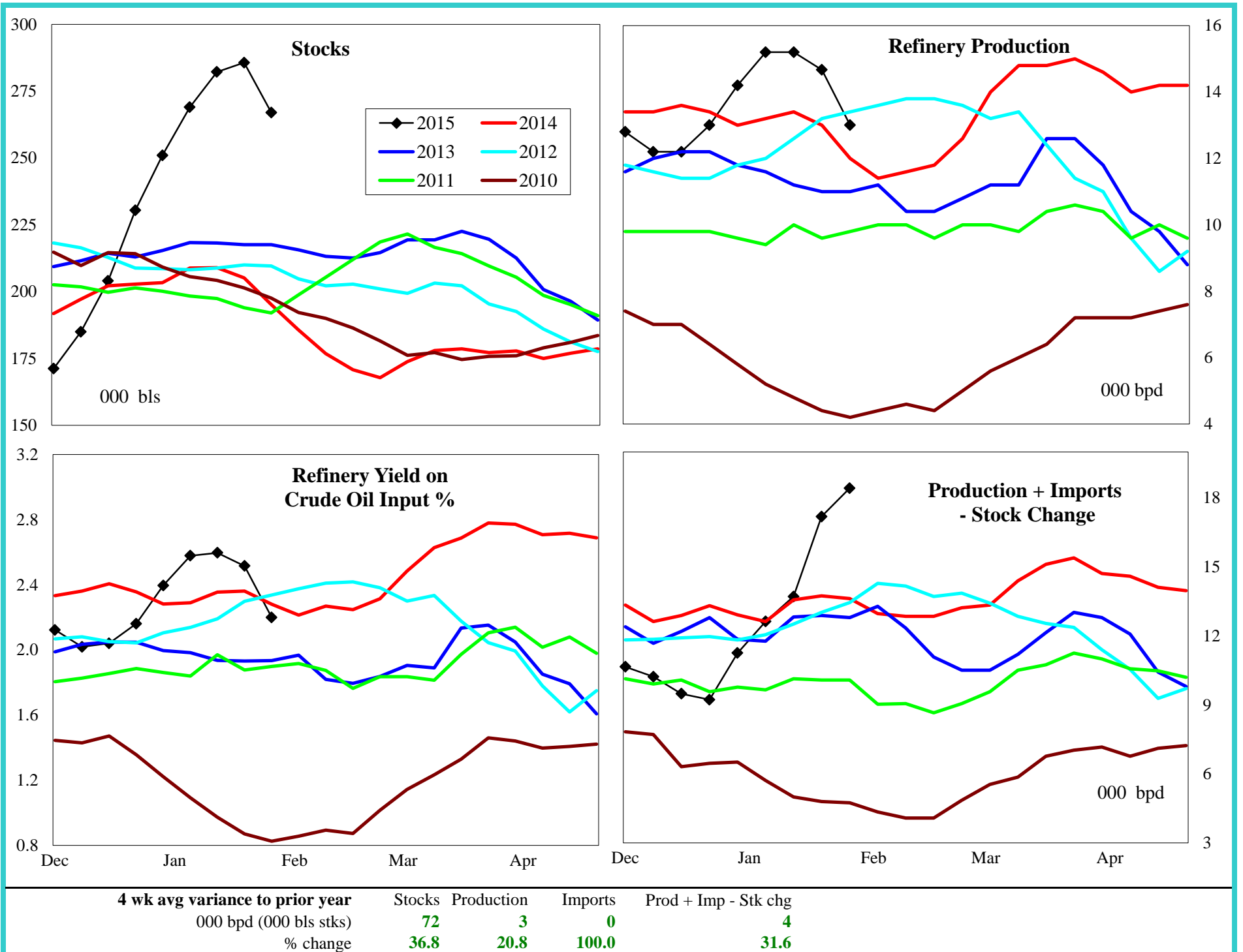
# PADD 4 Distillate Supply



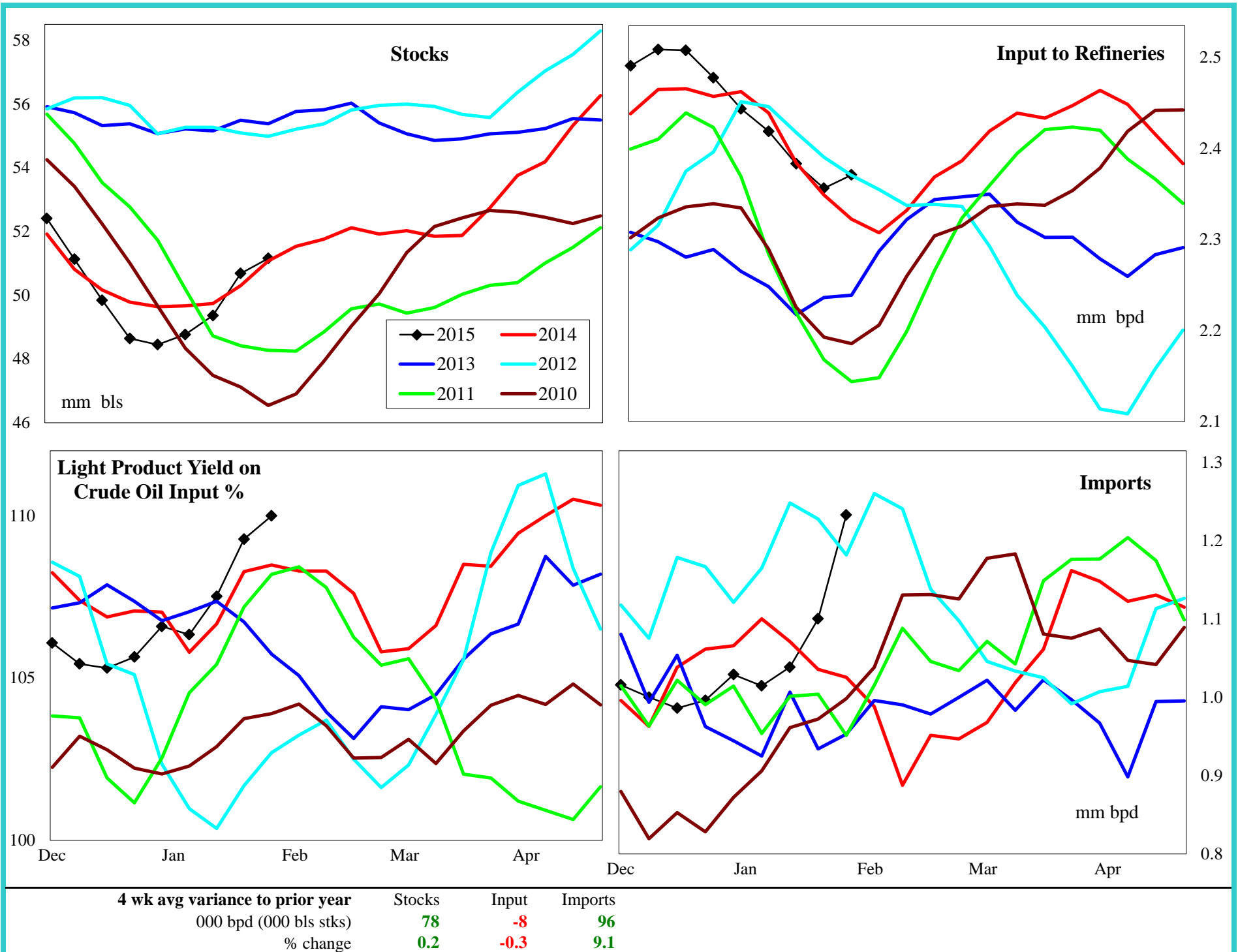
# PADD 4 Jet Fuel Supply



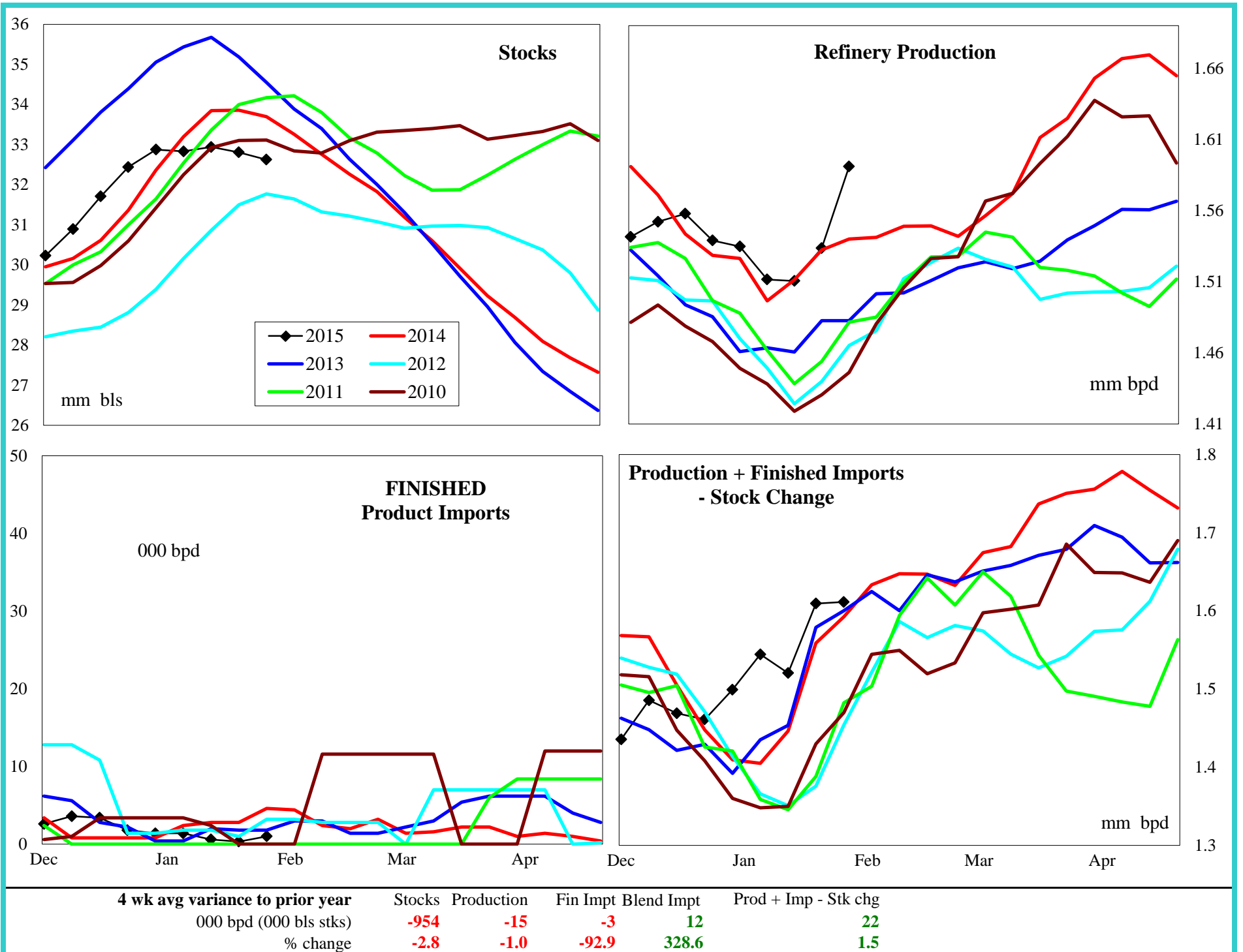
# PADD 4 Residual Fuel Oil Supply



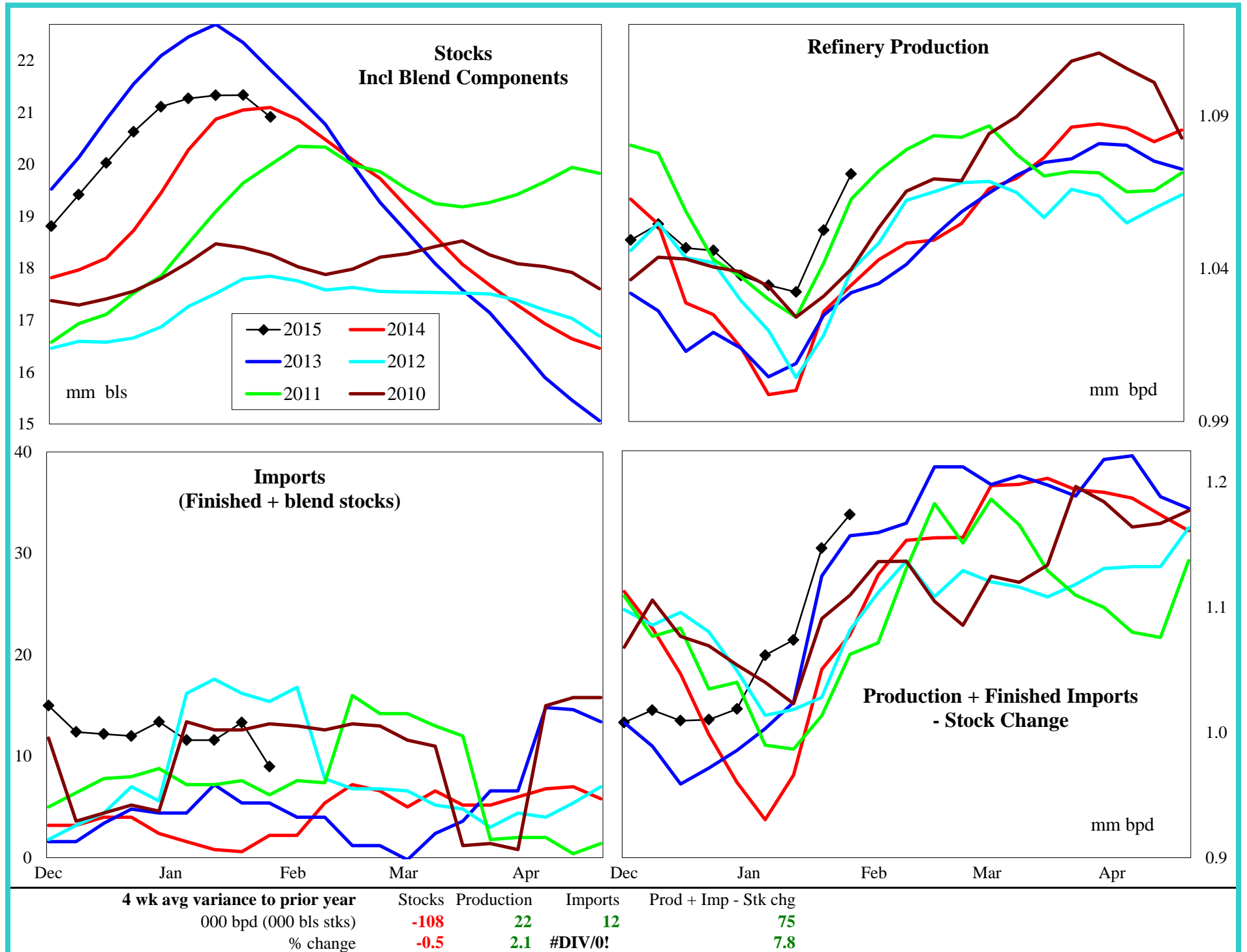
# PADD 5 Crude Oil Supply and Refining



## PADD 5 Gasoline Supply

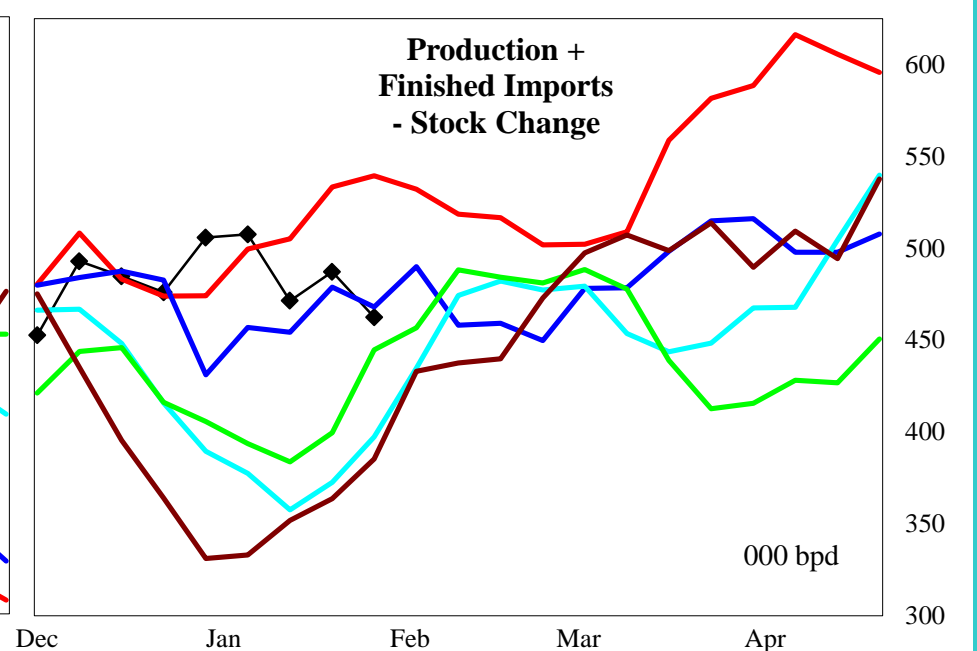
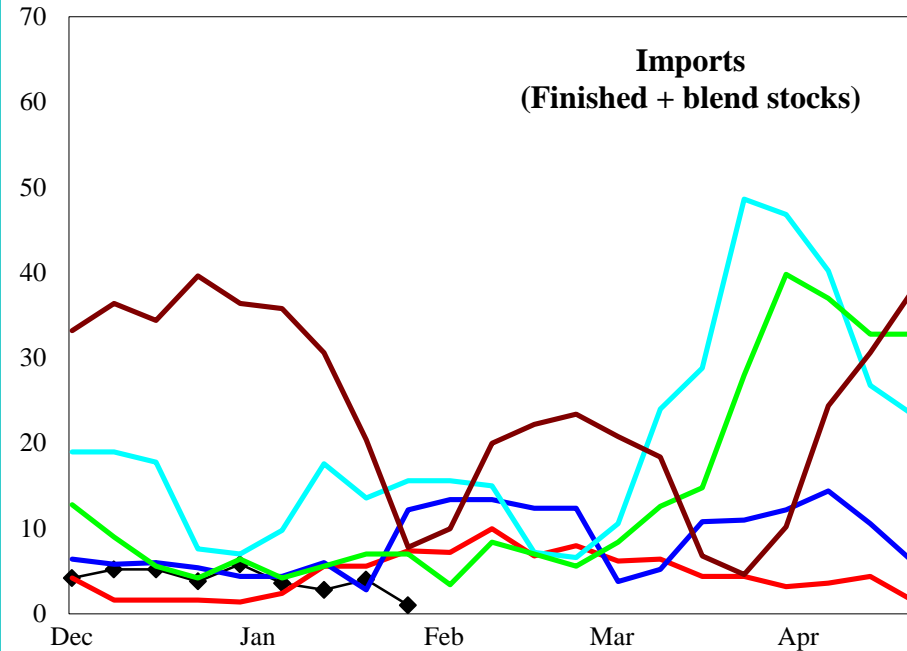
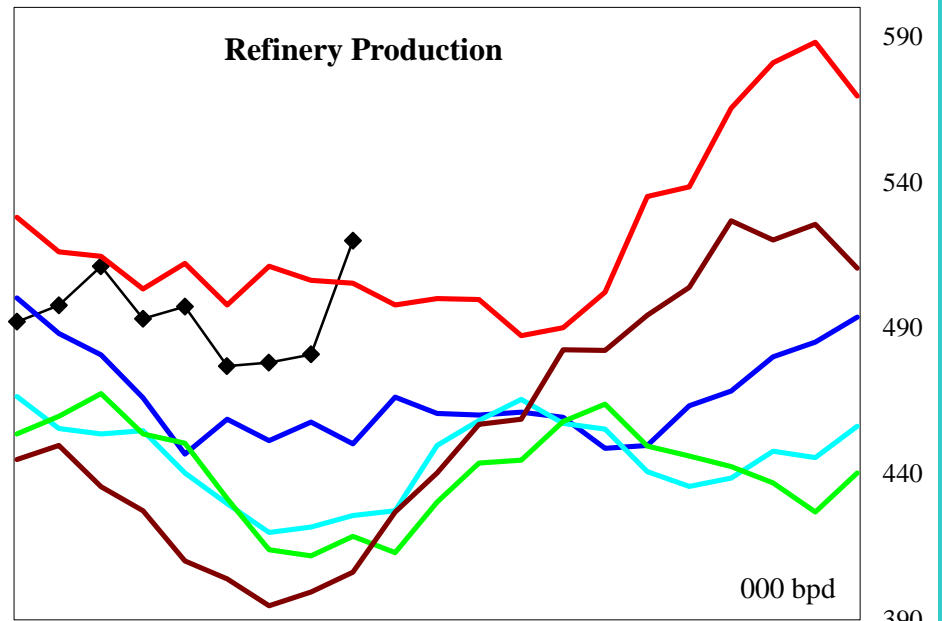
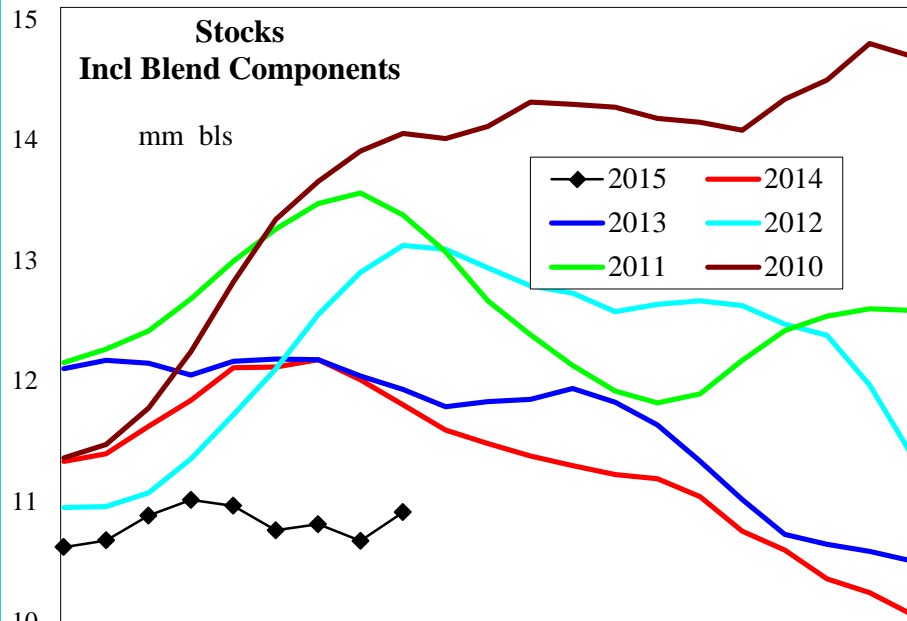


# PADD 5 Reformulated Gasoline Supply





# 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

-846

-37

-4

-53

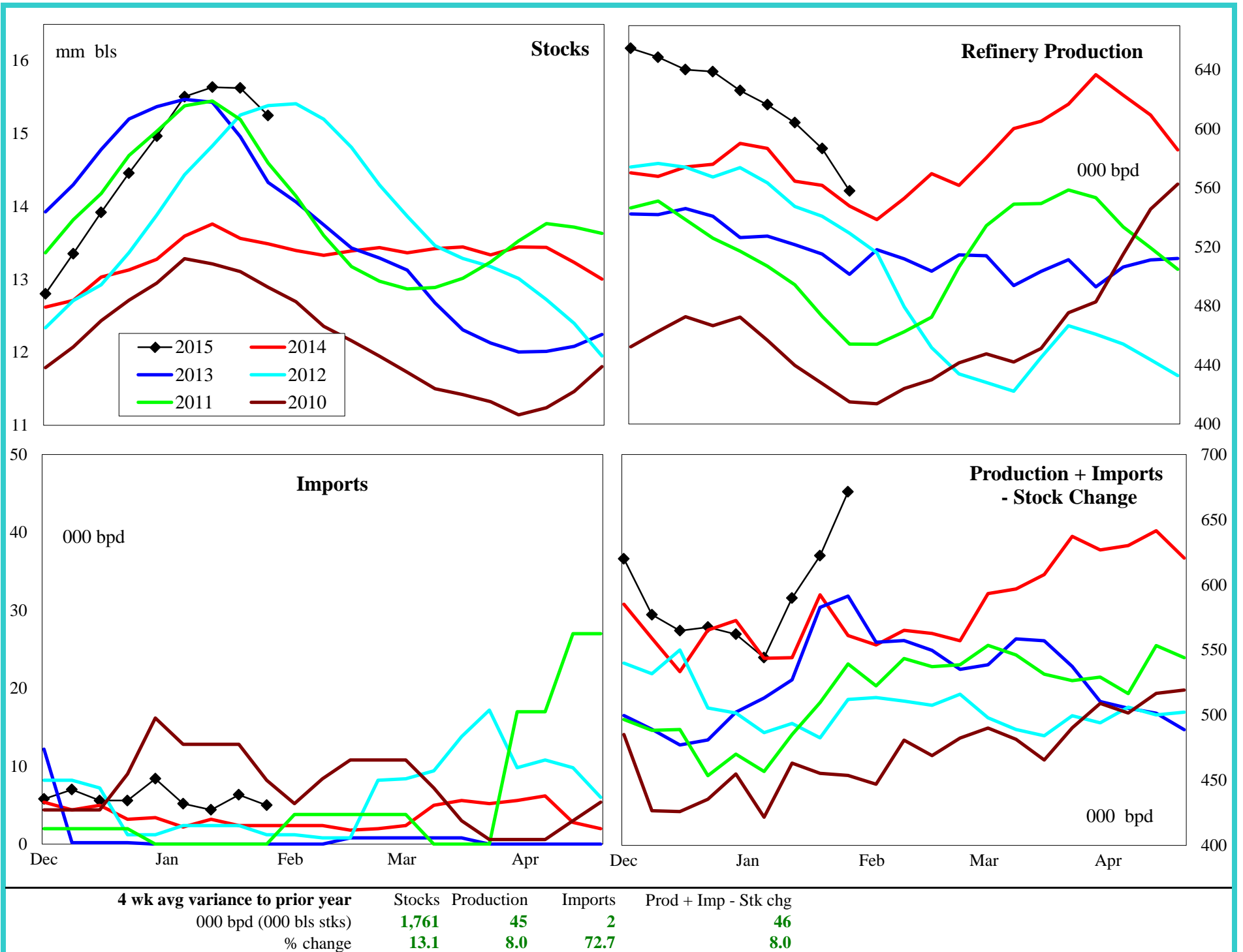
-7.0

-7.2

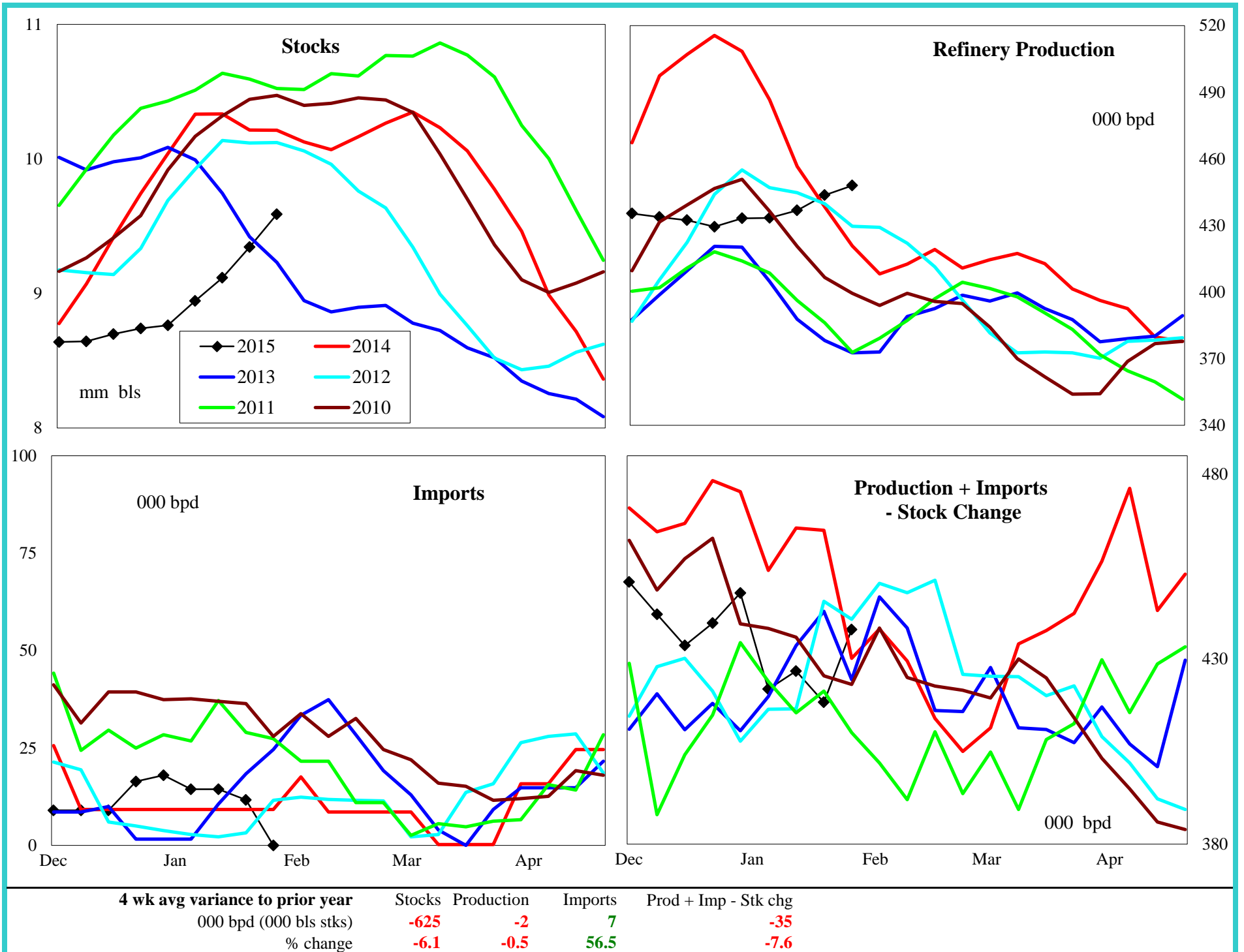
-57.1

-10.1

# PADD 5 Distillate Supply



# PADD 5 Jet Fuel Supply



# PADD 5 Residual Fuel Oil Supply

