



WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

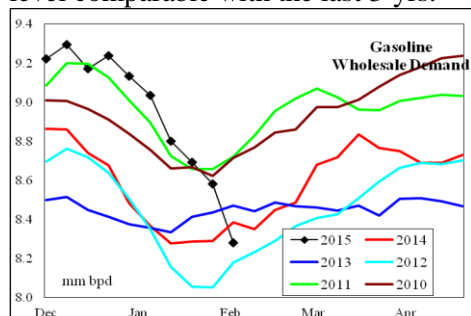
A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Wednesday, February 11,

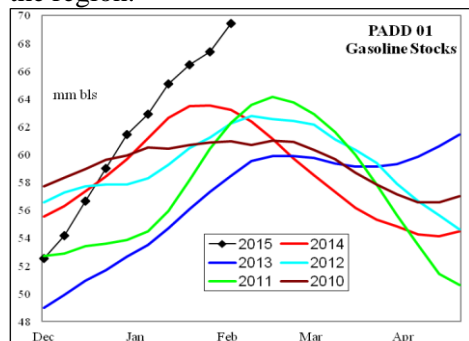


Major Fundamental Trends¹

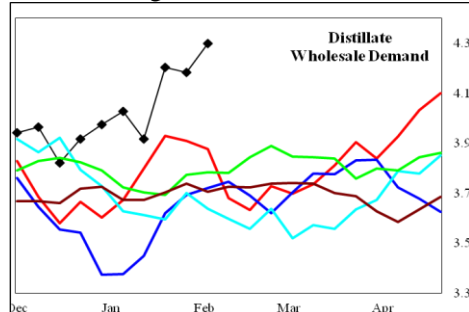
Wholesale gasoline demand extended the seasonal downtrend, falling to a level comparable with the last 3-yrs.



Inclement weather on the East Coast limited off loading of gasoline imports which fell 204,000 bpd on the week, but also reduced travel leading to a counter seasonal stock build of +2 million barrels. With 1/2 of the gasoline build on the East Coast, stocks climbed to a new record high in the region.



Favorable storage economics, combined with inclement weather in the region are likely to sustain very high stock levels in the key Central Atlantic region for the near term.



Distillate wholesale demand continues

to exhibit significant year-on-year growth. A +0.6 million bpd jump last week was due in part to a rebound following a period of inclement weather in the eastern 1/2 of the country that limited terminal loadings, combined with increased retail demand.

U. S. crude oil stocks increased +4.9 million barrels last week, continuing the record rate of builds that is being driven by high domestic production and imports from Canada.

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 decreased to a season low while distillate jumped +0.6 million bpd to a record high.

Wholesale demand, measured over the last four weeks compared to a year ago: gasoline increased +3.5%, distillate increased +7.3%, jet fuel was +6.3% higher, while residual fuel decreased -49%.

Stocks forward coverage: Gasoline demand coverage increased on a +2 million barrel stock build. Coverage ended the week at a level equal to the 3-yr mid range.

Distillate coverage fell on a -3.3 million barrel stock draw. Coverage ended the week at a level equal to the average of the last 2-yrs.

Jet fuel coverage increased on a +0.8 million barrel stock build. Coverage ended the week comparable to last year.

Residual fuel oil coverage matched record highs on a +1.3 million barrel build and extremely low demand.

Refinery utilization rates were nearly unchanged on a +20,000 bpd increase in crude oil runs last week, which included a +150,000 bpd increase in the Gulf region. During the latest 4-wk period crude oil input was +94,000

bpd above last year.

Gasoline yield % on crude oil runs decreased last week on a -379,000 bpd decrease in output compared to the +20,000 bpd rise in crude oil runs. Gasoline yield % on crude oil runs ended the week at a record low level.

Distillate yield % on crude oil runs increased on a +30,000 bpd increase in output compared to the small rise in crude oil runs. The yield % on crude oil runs matched the 3-yr average.

Jet fuel yield % on crude oil runs jumped last week on a +90,000 bpd rise in output compared the small change in crude oil runs. The yield % on crude oil runs was a record high for the month.

Petroleum Imports/Exports: Imports of gasoline and distillate fell -210,000 bpd and -144,000 bpd; respectively last week. The sharp decrease was due in part to inclement weather that limited offloading.

During the latest 4-wk period crude oil imports decreased -0.3 million bpd compared to a year ago; distillate imports were +75,000 bpd higher; finished gasoline imports were -7,000 bpd lower; gasoline blend stock imports were +120,000 bpd higher, jet fuel imports increased +57,000 bpd, and residual fuel imports increased +43,000 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 +4.9 million barrels on the week, which occurred on record high refinery crude oil runs for this time of year and record low crude oil imports.

Stocks in Cushing increased +1.2 million barrels on the week, with the level now -8 million barrels below the previous record high. Look for Cushing stocks to reach historic highs within less than 60-days.

¹ Source is latest EIA Weekly Statistics



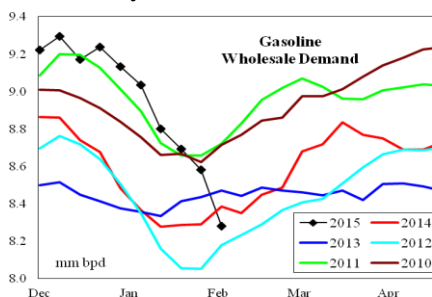
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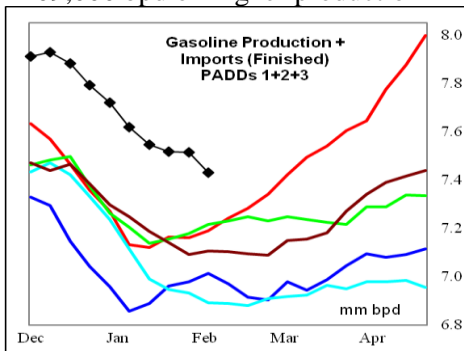
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Product Supply-Demand Trends

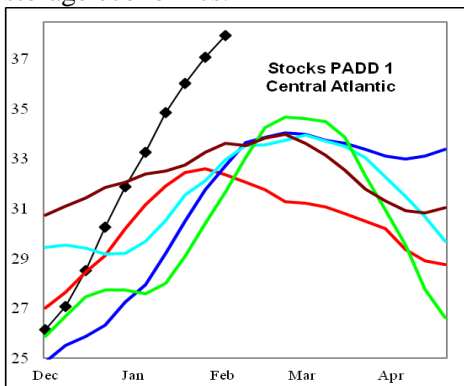
Gasoline wholesale demand extended the seasonal downtrend, declining -169,000 bpd last week, to a level below the last 2-yr. The latest 4-wk average demand was +0.3 million bpd above last year.



Supply fell -0.6 million bpd on the week. Supply for the latest 4-wk period exceeded a year ago by +209,000 bpd on higher production



Stocks increased +2 million barrels on the week, to a fresh record high. In the key Central Atlantic Region stocks ended the week at a new all time high, driven by inclement weather for travel, high imports and very favorable storage economics.

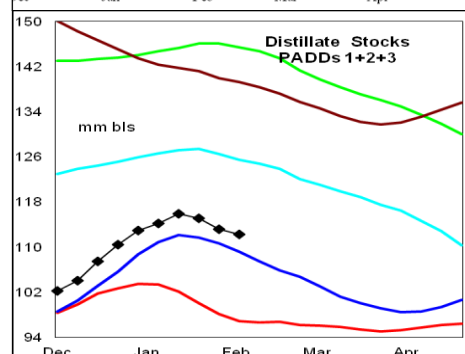
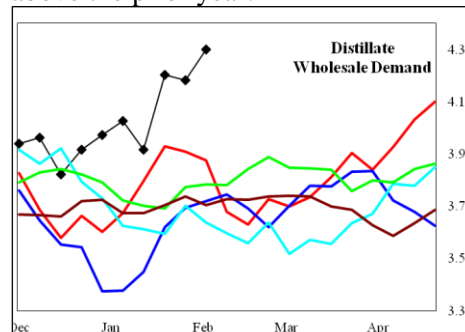


Look for very high stock levels to persist on a year-on-year increase in production and imports, a below average rate of refinery maintenance,

partially offset by higher retail demand.

Distillate wholesale demand jumped +0.6 million bpd last week, on higher deliveries from terminals following inclement weather and increased exports. The latest 4-wk average demand was -289,000 bpd above last year.

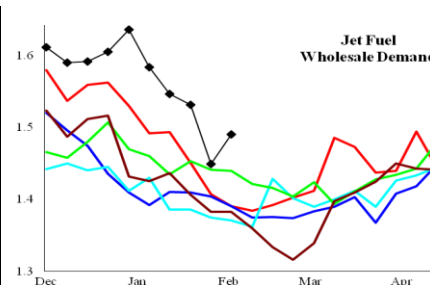
Supply decreased -96,000 bpd on sharply lower imports. Production was +88,000 bpd above last year for latest 4-wk period, with imports +75,000 bpd higher. Stocks fell -3.3 million barrels on the week. Stock levels ended the week +18 million barrels above a year ago and also above the prior year.



Look for stock levels to trend seasonally lower, at a level above the last 2-yr. on below average refinery maintenance, partially offset by robust wholesale demand.

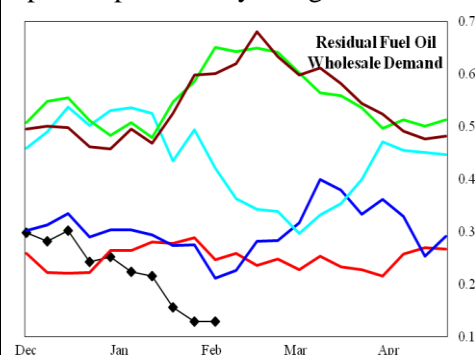
Jet Fuel wholesale demand increased +156,000 bpd for the week, with the 4-wk average +87,000 bpd above last year.

Stocks increased +0.8 million barrels on the week, due in part to the +90,000 bpd rise in production. Stocks ended the week at the highest level of the last 6-months.



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 was nearly unchanged last week. Demand for the latest 4-wk period decreased -145,000 bpd compared to a year ago.



Supply (production + imports) increased +128,000 bpd on the week, due to higher imports. Stocks increased +1.3 million barrels, to a level at the low end of the historic range.

Extremely low demand (exports) has driven stocks sharply higher in the key Gulf Region. Production remains -35% below a year ago, driven by the increase in processing of domestic shale oil rather than heavier imported grades.

PADD Supply Trends

PADD 1 refinery crude oil runs decreased -61,000 bpd on the week, with the 4-wk average +110,000 bpd above last year.

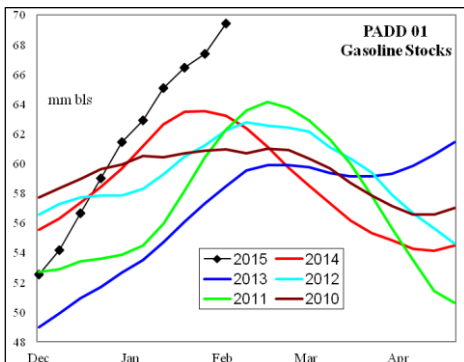
Gasoline supply fell -318,000 bpd on lower imports, with the 4-wk average +224,000 bpd above last year. Stocks increased +0.9 million barrels last week, to a new record high.



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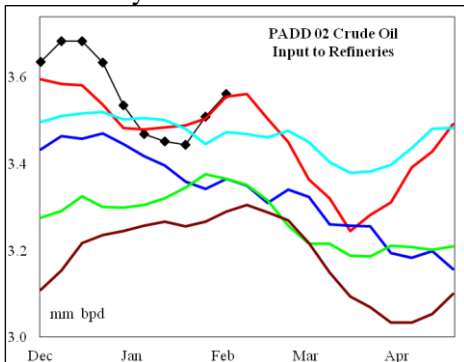
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Distillate supply decreased -200,000 bpd last week, with the 4-wk average -36,000 bpd below last year. Imports for the latest 4-wk period were +56,000 bpd above last year. Stocks fell -2.5 million barrels on the week, to a level +19.4 million barrels above a year ago.

Jet fuel supply decreased -29,000 bpd last week on lower production; with the 4-wk average +98,000 bpd above last year. Stocks ended the week at a level equal to the 3-yr mid range.

PADD 2 crude oil refinery runs decreased -57,000 bpd on the week, to a level that matched prior highs. The latest 4-wk average was -67,000 bpd below last year.



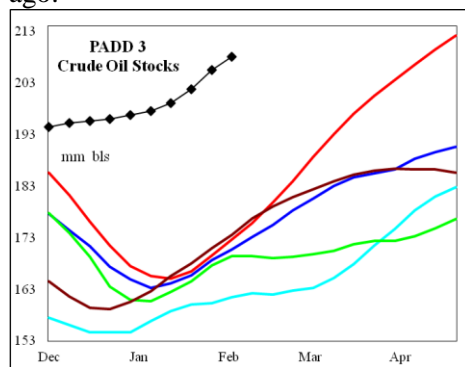
Crude oil stocks increased +1.3 million barrels last week, to a new record high level. Cushing saw a +1.2 million barrel stock build on the week. Cushing stock levels are now -8 million barrels below the previous record high set in 2013.

Gasoline supply decreased -86,000 bpd on the week. Production for the most recent 4-wk period was unchanged from a year ago. Stocks decreased -0.4 million barrels on the week, to a level that matched the last 2-yrs.

Distillate supply declined -55,000 bpd on the week, to a level that matched prior historic highs. Stocks decreased -0.4 million barrels, ending the week at a level well above the last 2-yrs.

Jet fuel production decreased -12,000 bpd last week, a level equal to the 3-yr mid range. Stocks ended the week at a level -4% below the 5-yr range.

PADD 3 refinery runs increased +150,000 bpd on the week, to a level above last year. During the latest 4-wk period, runs were -26,000 below a year ago.



Crude oil stocks increased +2.2 million barrels last week, even though imports fell -0.1 million bpd to a fresh record low. Crude oil stocks are now +35 million barrels (+21%) above the prior high for the period.

Gasoline supply increased +106,000 bpd last week, with the latest 4-wk average +133,000 bpd above a year ago. Stocks increased +1.2 million barrels on the week, to a level that matched 5-yr highs for the week.

Distillate supply increased +168,000 bpd on the week, with the latest 4-wk average supply +66,000 bpd above a year ago. Stocks increased +0.1 million barrels on the week, to a level above each of the last 3-yrs..

Jet fuel production jumped +134,000 bpd on the week, with the level +27,000 bpd above last year for the latest 4-wk period. Stocks increased +1 million barrels to a level +15% above a year ago.

Residual fuel supply decreased -

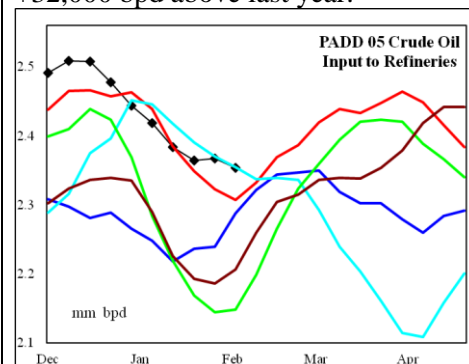
42,000 bpd on lower imports and production. Stocks climbed +1.3 million barrels to a level near the 3-yr mid range.

PADD 4 refinery crude runs increased +5,000 bpd last week, to a level above the historic range, with the latest 4-wk average was +45,000 bpd above a year ago.

Gasoline production increased +14,000 bpd with the latest 4-wk average unchanged from last year. Stock levels ended the week at a record high for the period.


Distillate supply increased +4,000 bpd last week, with the latest 4-wk production +26,000 above last year. Stock levels ended the week equal to historic highs.

PADD 5 crude oil refinery runs decreased -17,000 bpd last week, to a level that matched historic highs for the period. The 4-wk run rate was +32,000 bpd above last year.

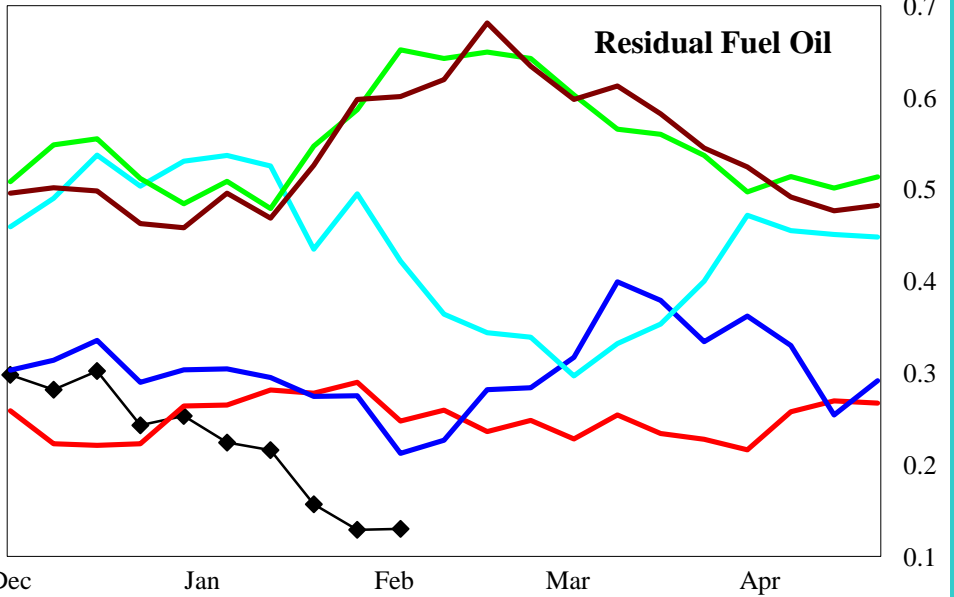
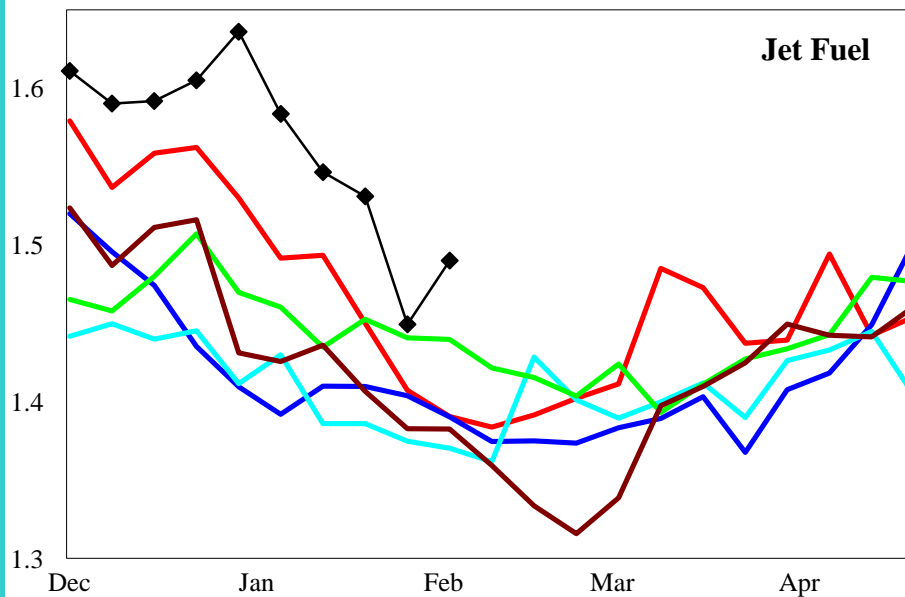
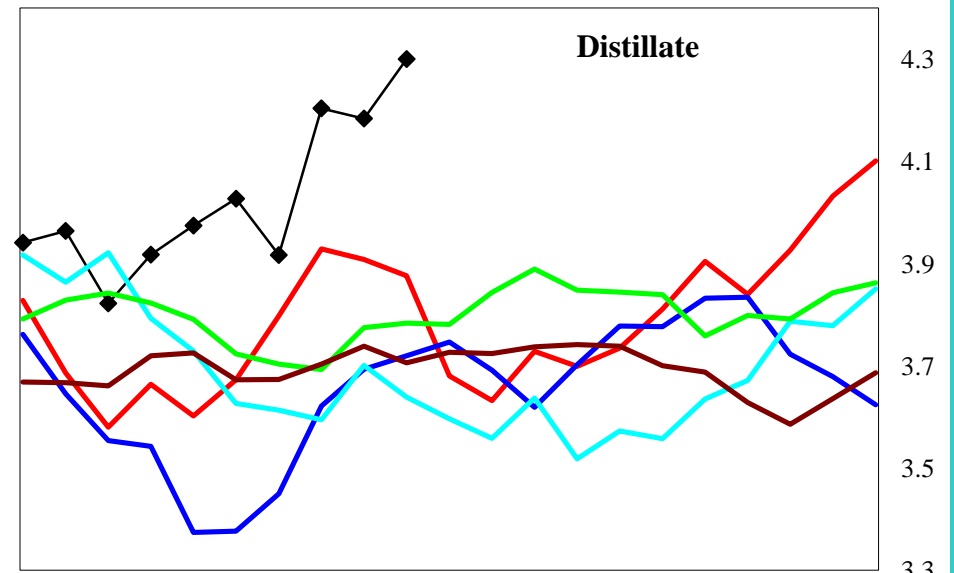
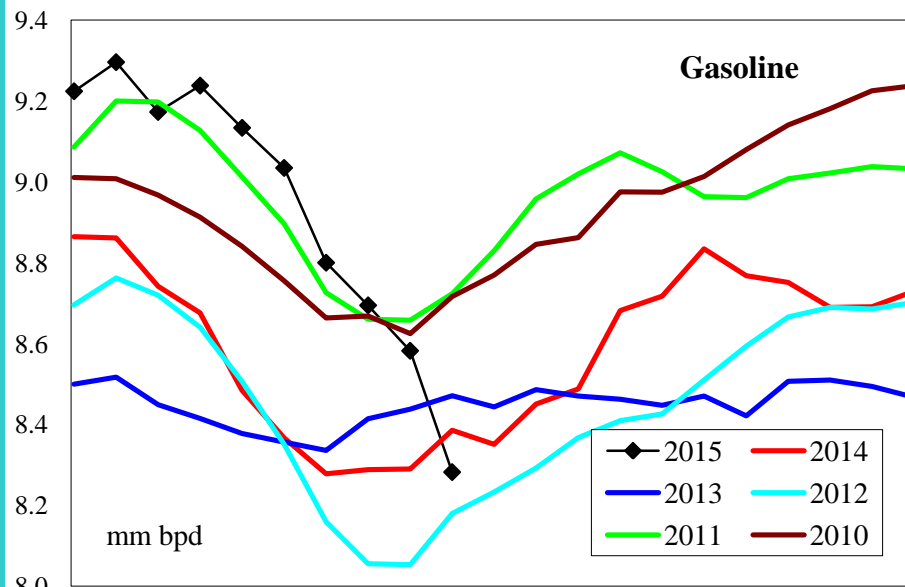


Gasoline supply decreased -31,000 bpd on the week, although the level remains above the 5-yr range. Stocks increased +0.2 million barrels on the week, ending at a level near the 3-yr mid range.

Distillates supply decreased -22,000 bpd last week, to a level that matched the 3-yr mid range. The 4-wk average supply was +28,000 bpd above a year ago. Stocks fell -0.4 million barrels on the week, a level near historic highs. Supplies have become very tight in the Northern California region driven by refinery maintenance.

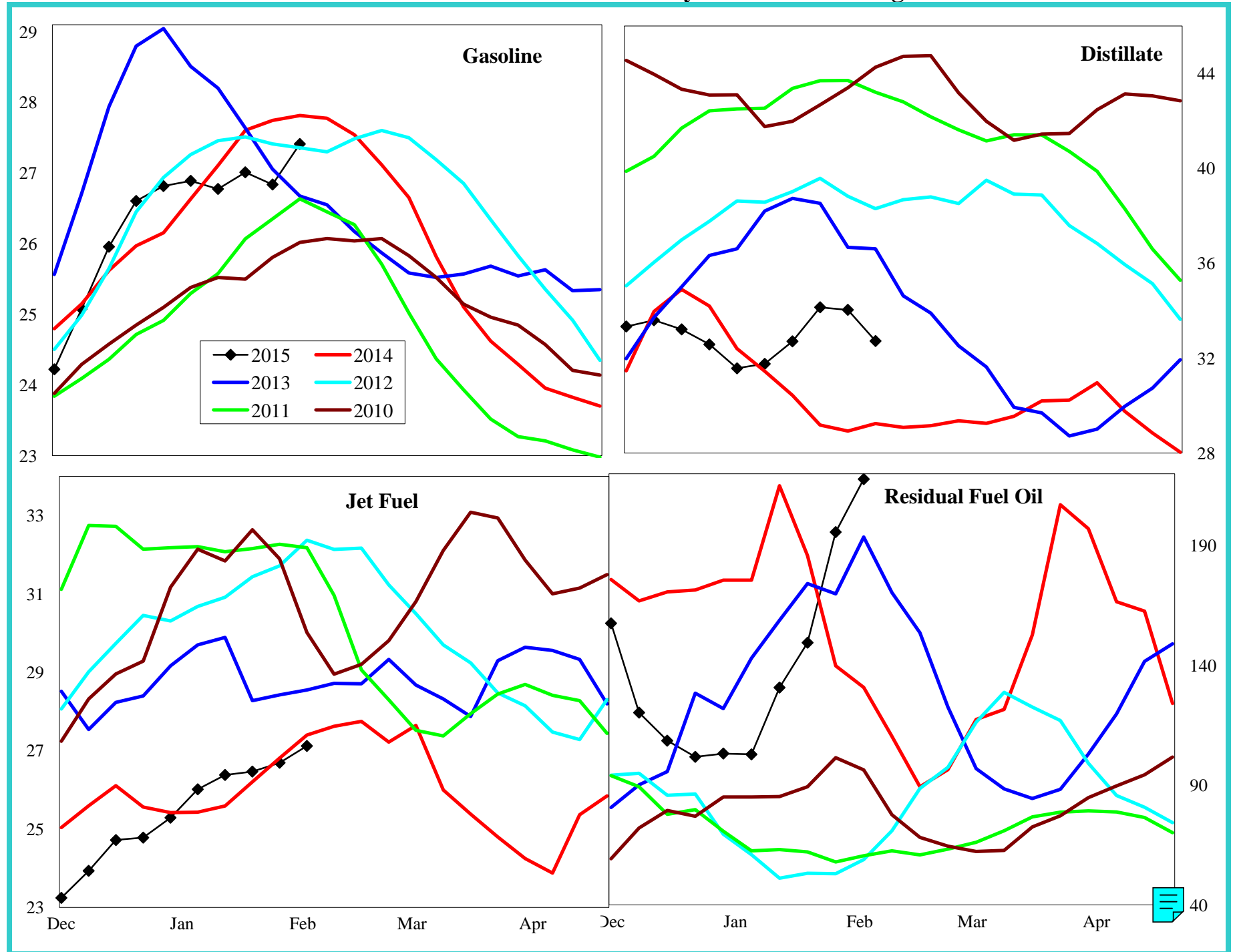
 FUNDAMENTAL PETROLEUM TRENDS		PETROLEUM: Graph Link and Weekly Summary					
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Fundamental Trends	Wholesale Demand	Stocks Days Fwd Coverage	Refinery Utilization			Imports	
Supply/Demand Trends	6-Feb-15	EIA-DOE CHANGE FROM PRIOR WEEK					
	000 bpd stocks 000 bls	U. S. Total	PADD				
			1	2	3	4	5
Crude Oil	Stocks	4,868	-330	1,260	2,183	222	1,533
	Imports	-101	3	78	-98	-31	-54
	Input	20	-61	-57	150	5	-17
	% Utilization	0.10					
Gasoline	Stocks	1,977	874	-356	1,215	93	150
	Production	-379	-114	-81	106	14	-30
	Imports	-210	-204	-5	0	0	-1
	Supplied	-160					
Distillate	Stocks	-3,252	-2,473	-418	84	-31	-414
	Production	40	-31	-64	168	4	-36
	Imports	-144	-169	9	0	0	17
	Supplied	616					
Jet Fuel	Stocks	833	-10	95	976	1	-229
	Production	90	-22	-12	134	-3	-8
	Imports	-7	-7	0	0	0	0
	Supplied	156					
Residual Fuel Oil	Stocks	1,262	194	86	1,325	-8	-334
	Production	14	13	16	-20	1	6
	Imports	114	125	-1	-22	0	13
	Supplied	-3					

United States Wholesale Petroleum Demand

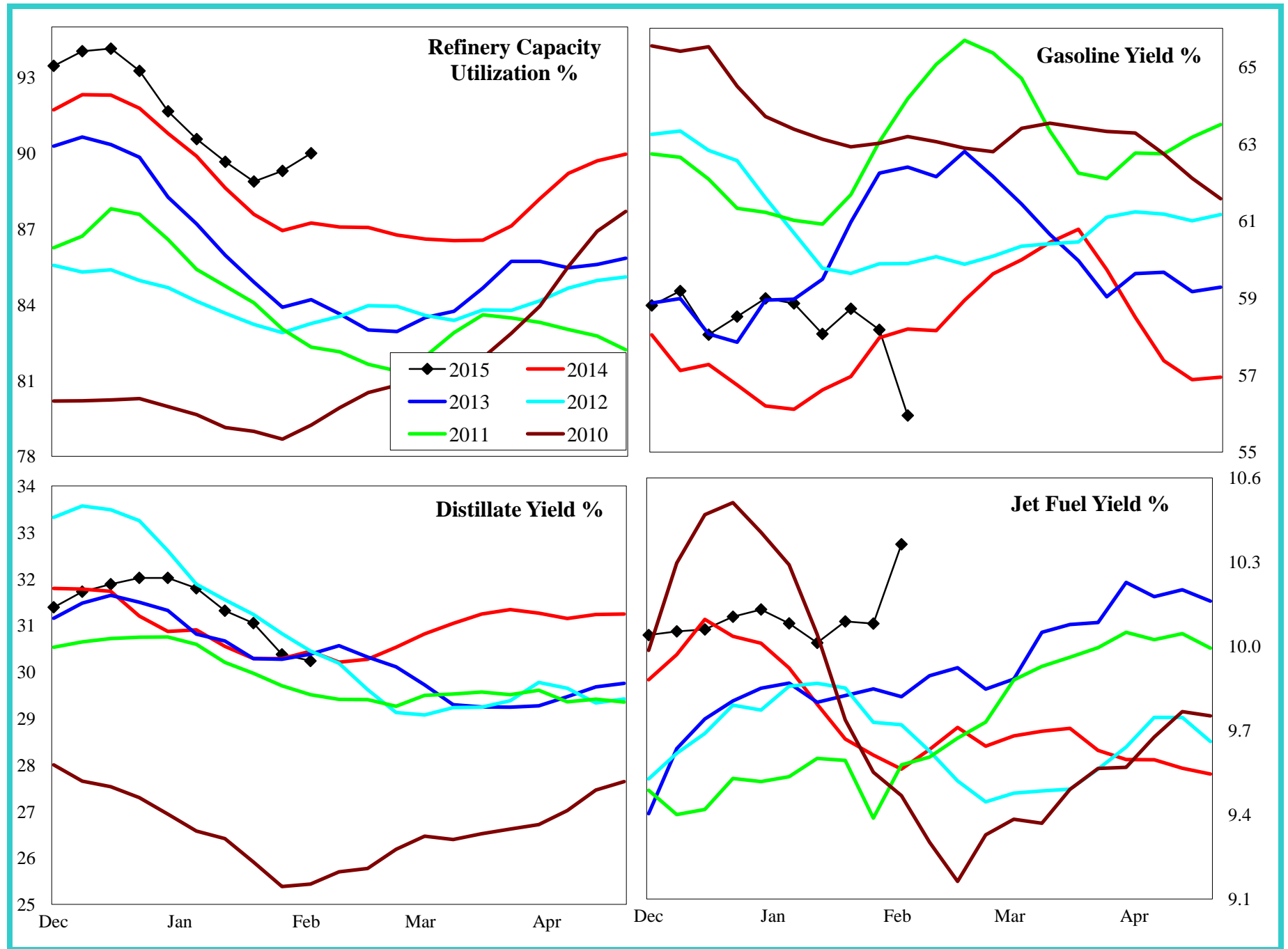


	000 bpd change from prior year				% change from prior year				
	4wk avg	Dec	Nov	Jan	4wk avg	Dec	Nov	Oct	
Gasoline	294	654	473	375	3.5	7.5	5.4	4.3	
Distillate	289	-40	1	143	7.3	-1.0	0.0	3.5	
Jet Fuel	87	129	117	12	6.3	9.0	8.2	0.8	
Resid	-145	38	-111	-13	-49.4	17.4	-33.6	-4.3	

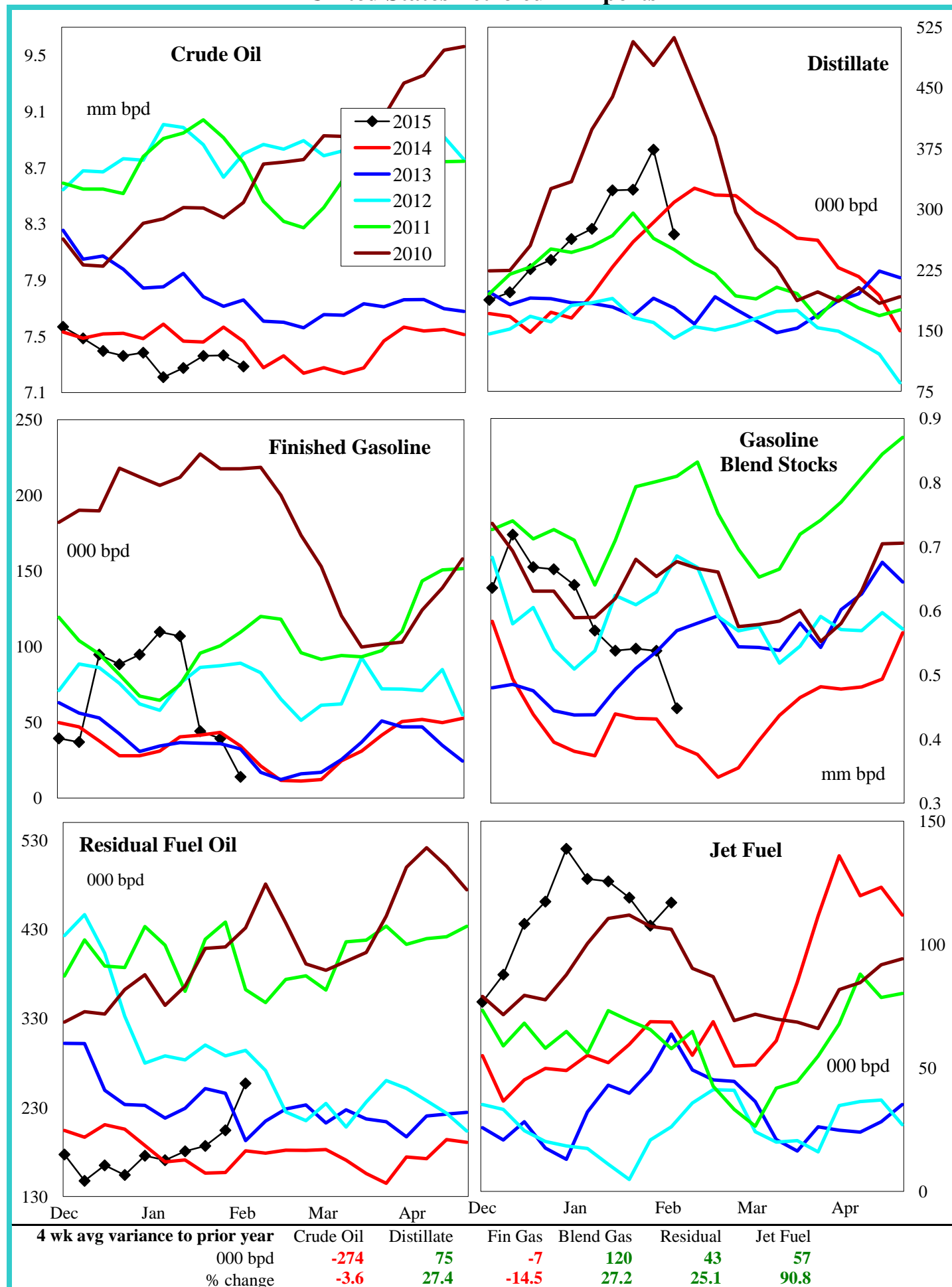
United States Product Stocks: Days Forward Coverage



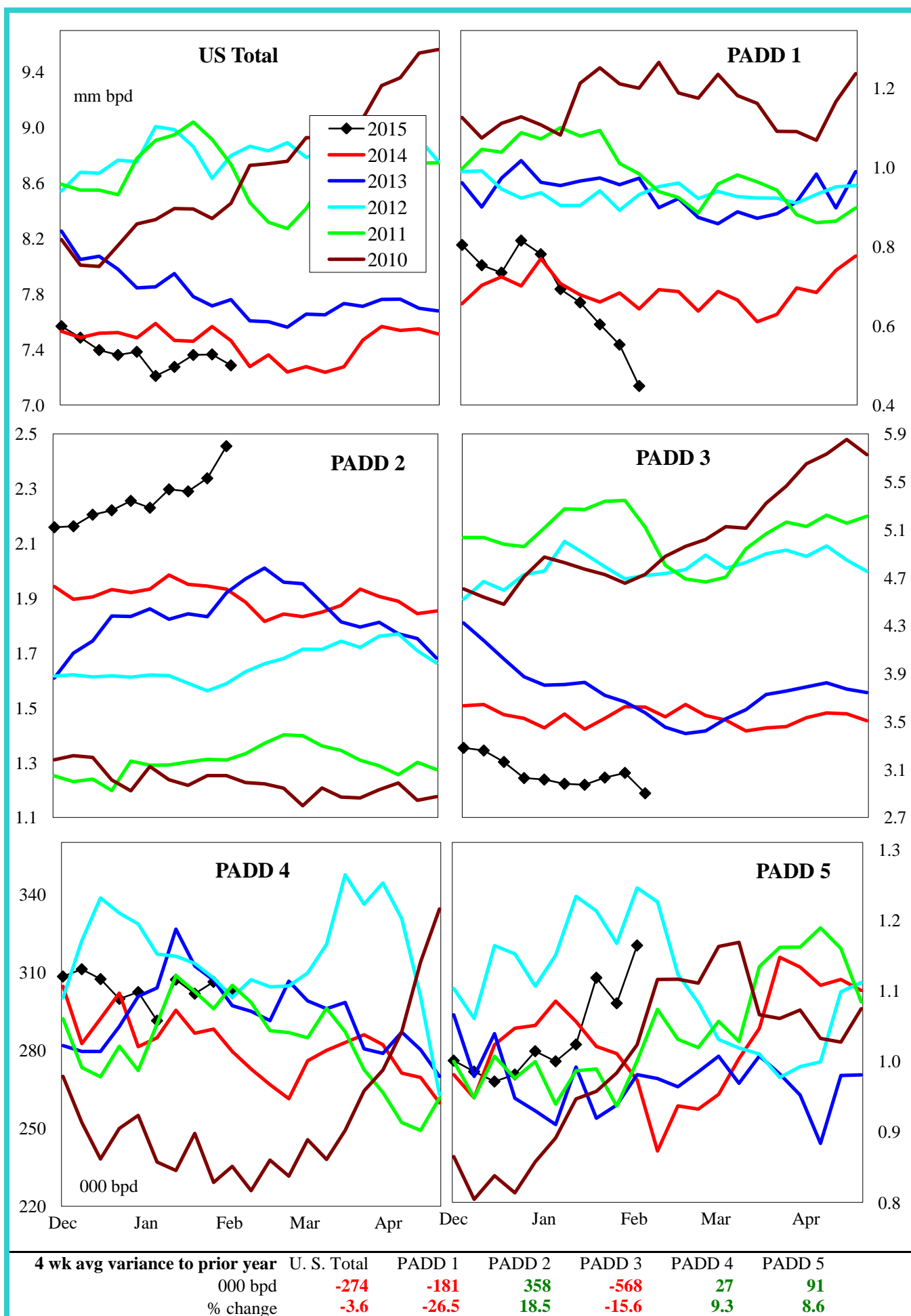
United States Refinery Percent Utilization Rate and Product Yields



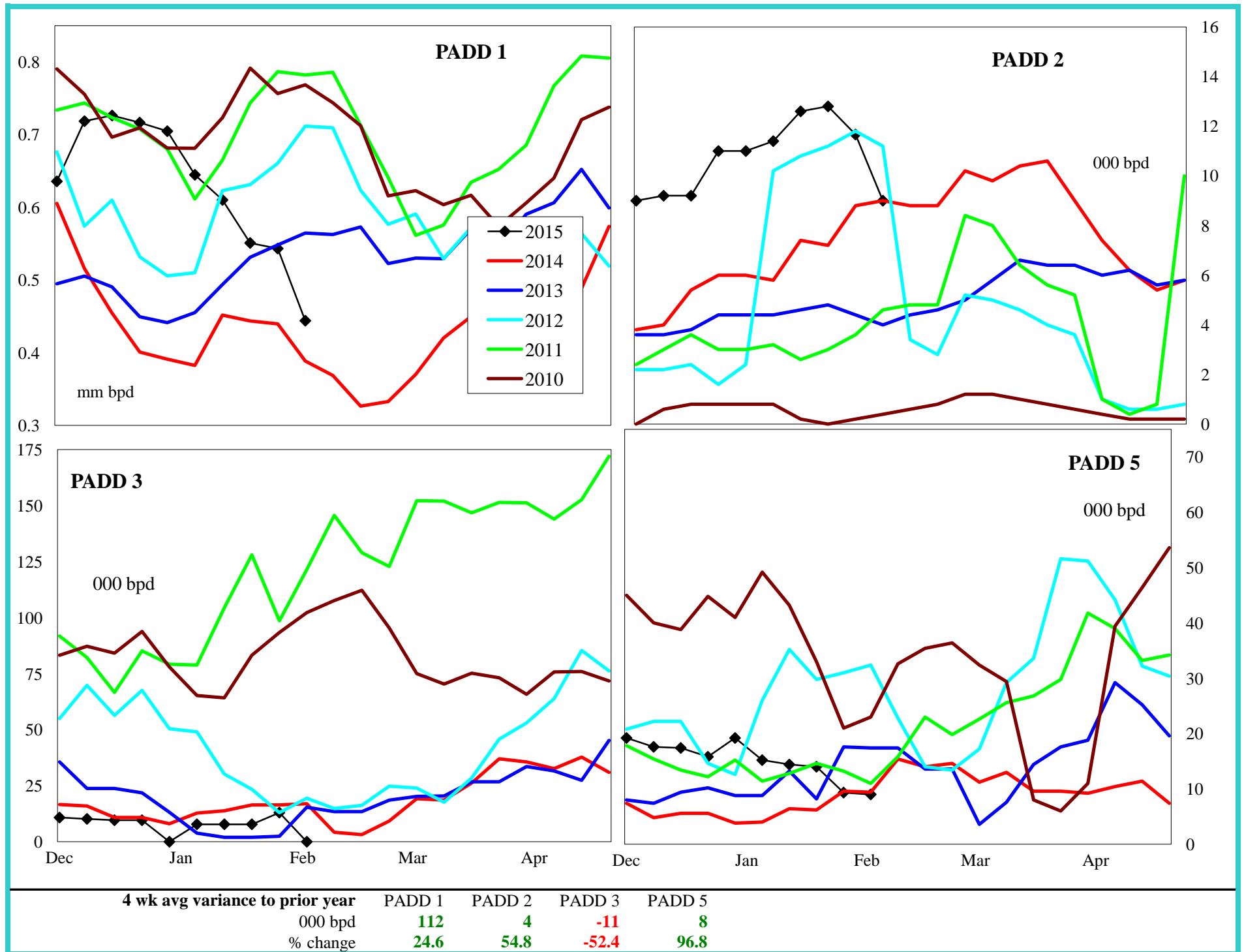
United States Petroleum Imports



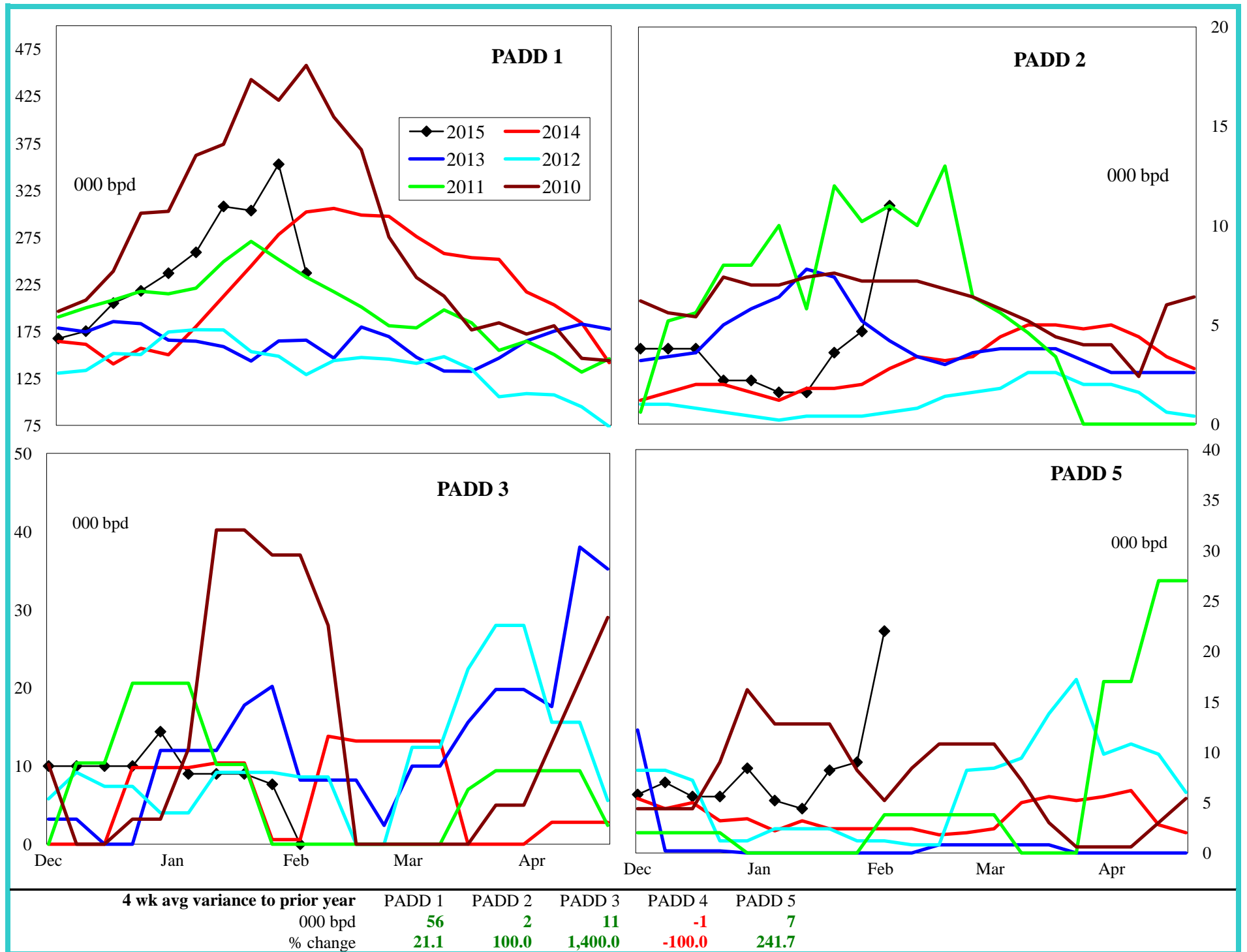
Crude Oil Imports by PADD



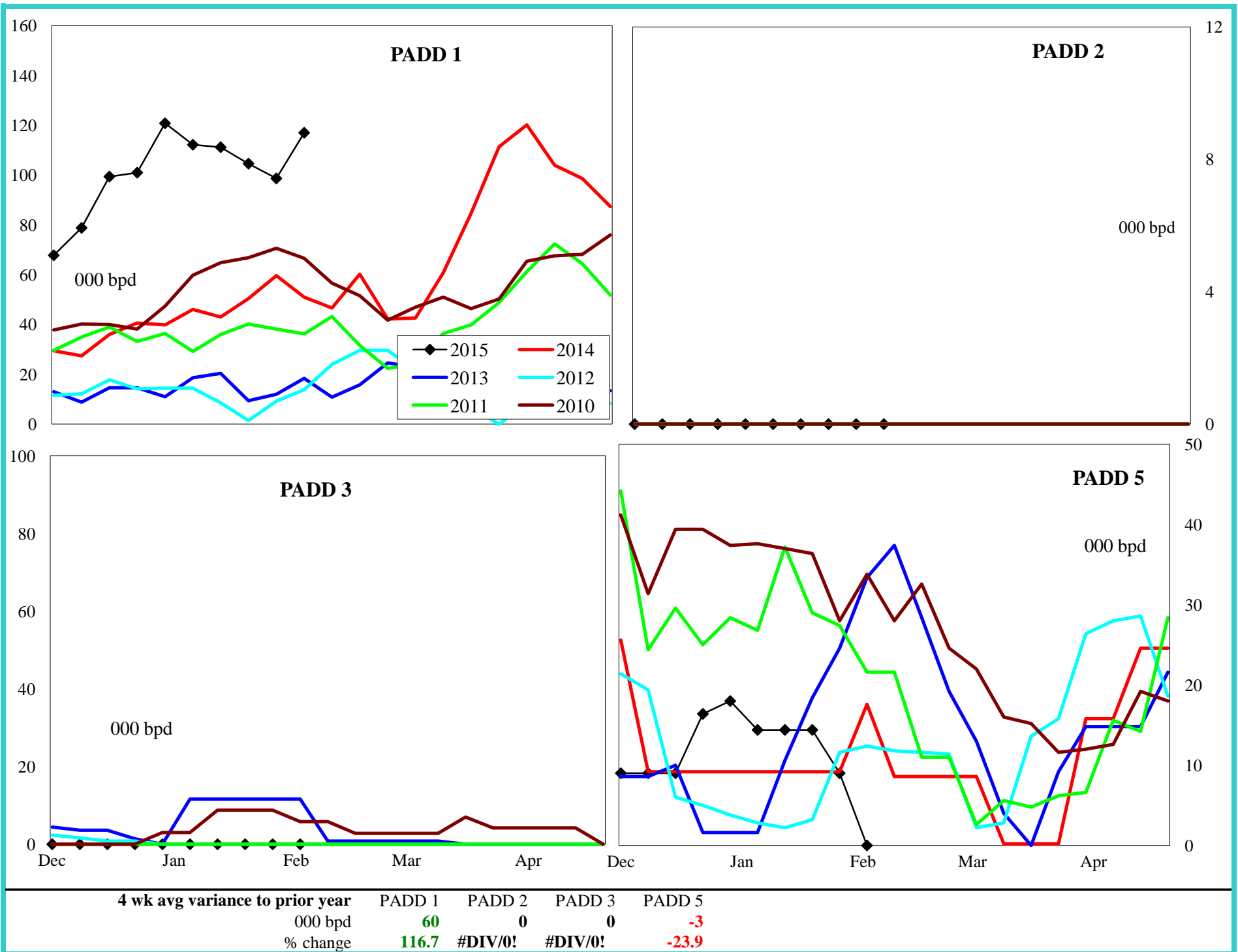
Gasoline Imports by PADD (Finished + Blend Stocks)



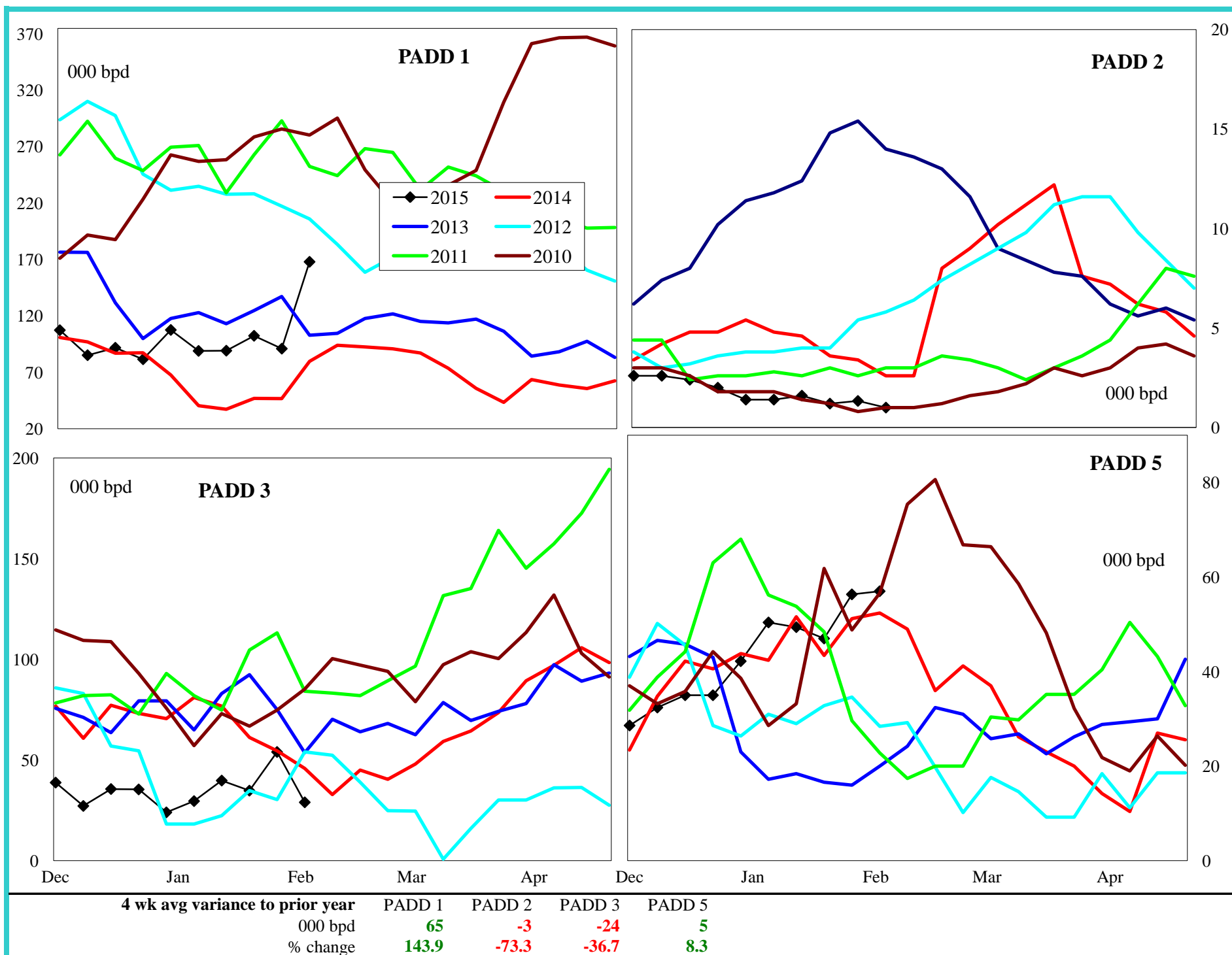
Distillate Imports by PADD



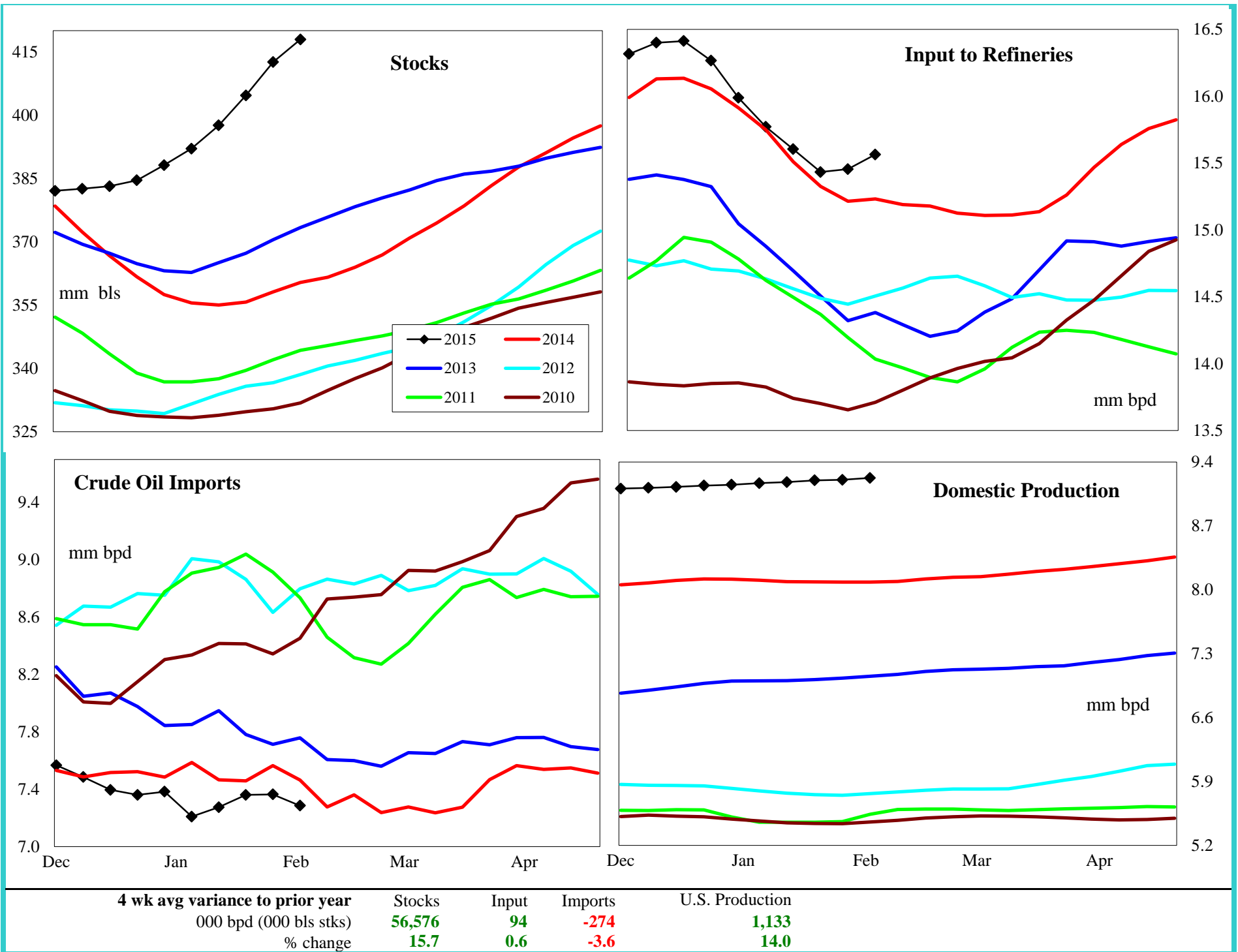
Jet Fuel Imports by PADD



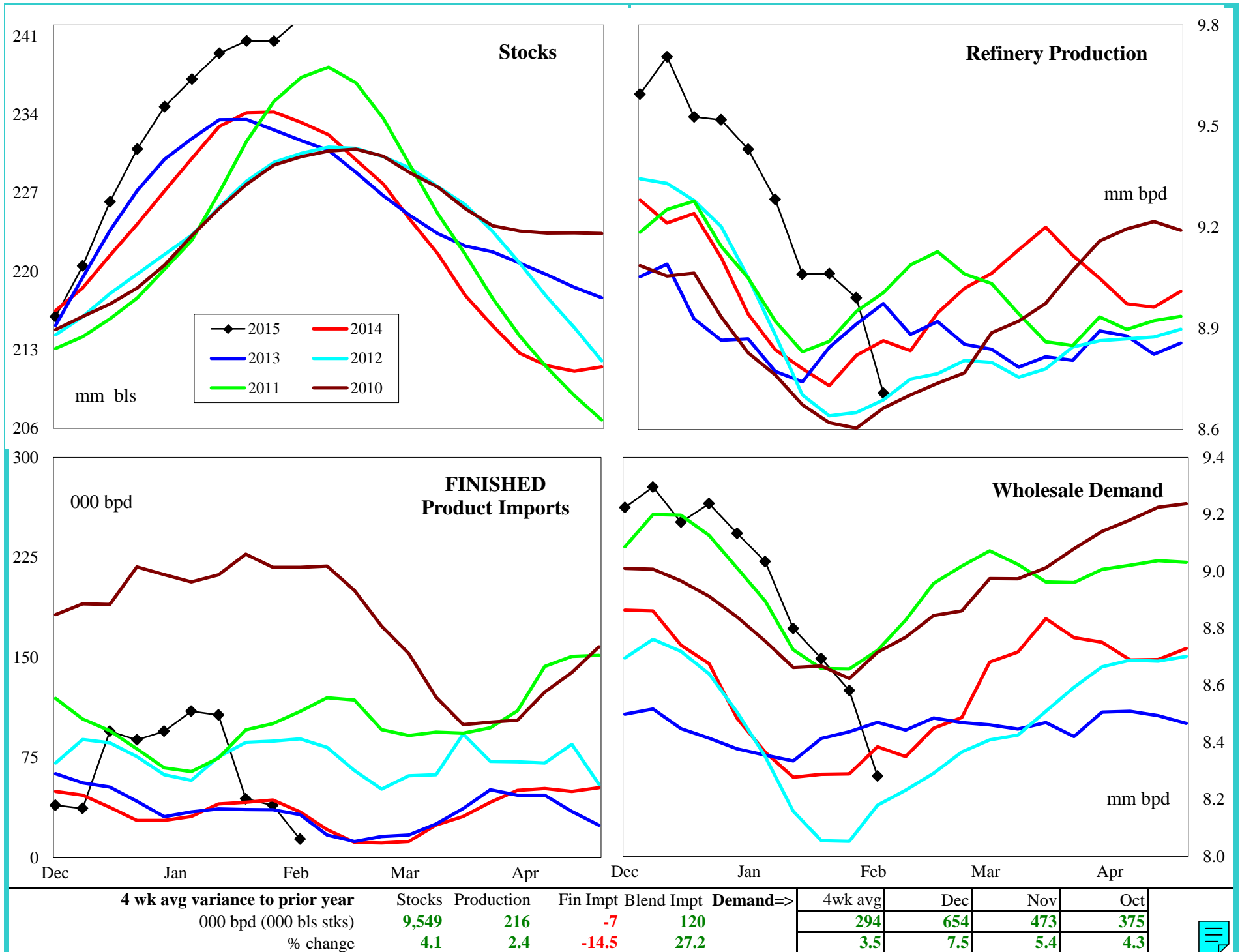
Residual Fuel Oil Imports by PADD



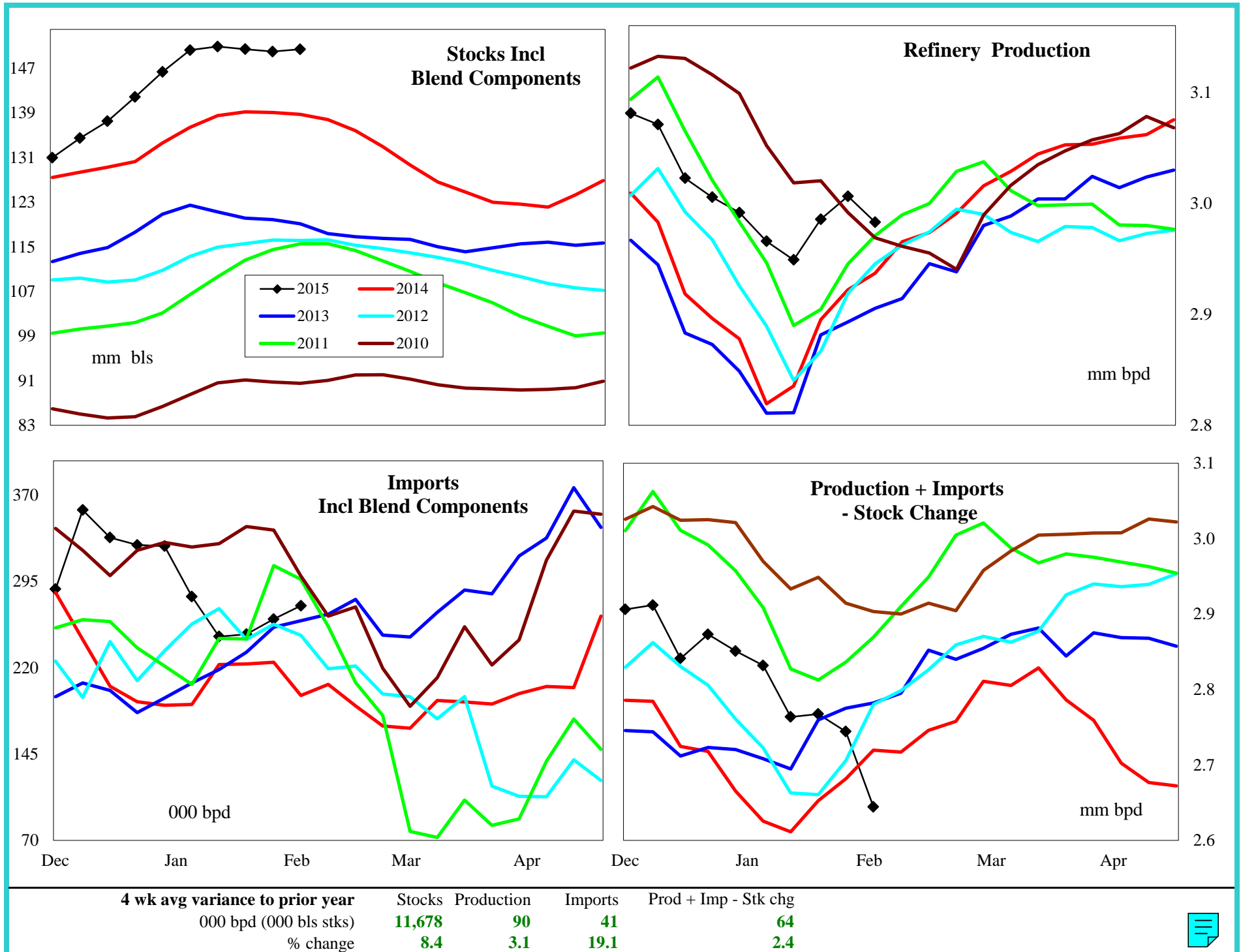
United States Crude Oil Supply and Demand Balance



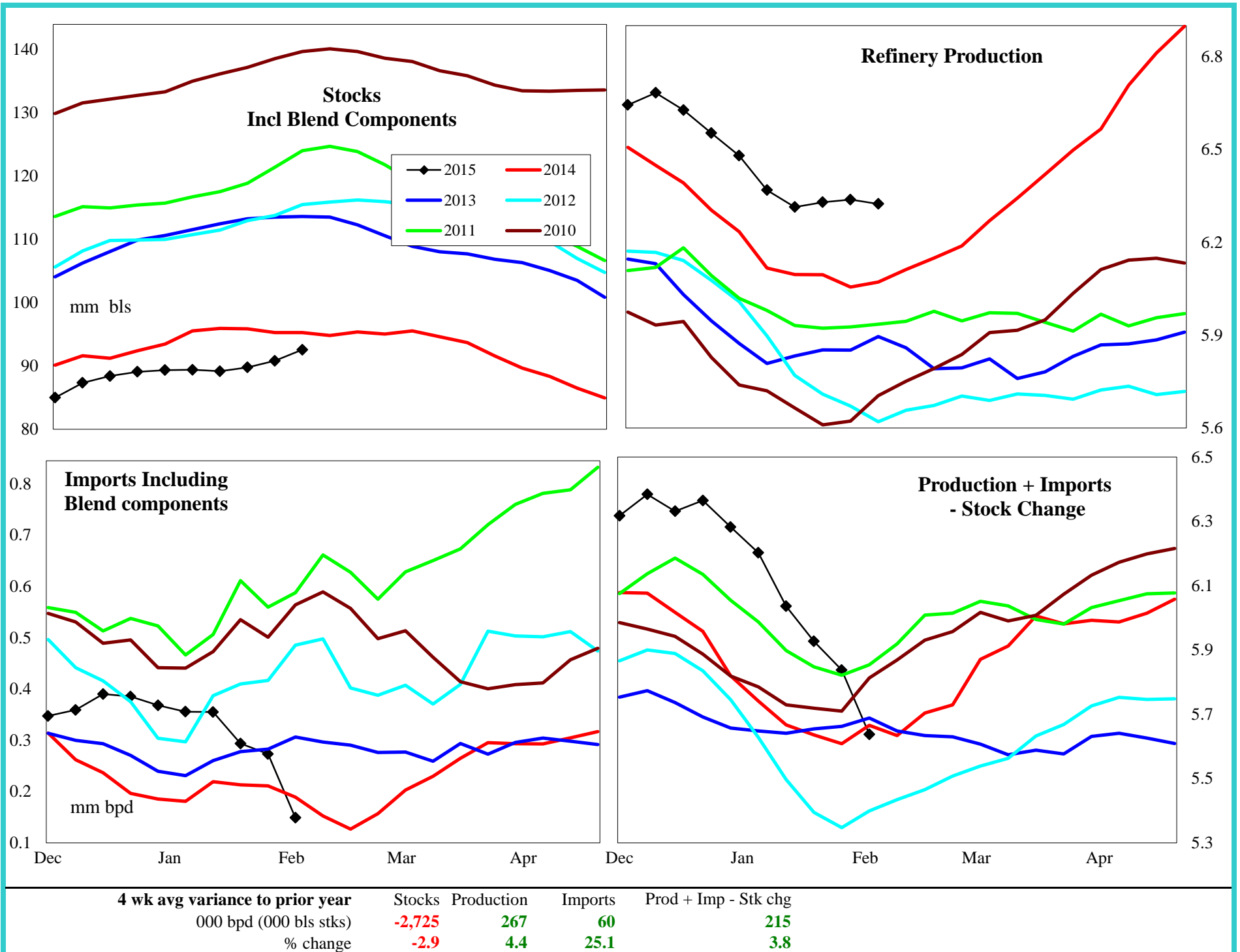
United States Gasoline Supply and Demand Balance



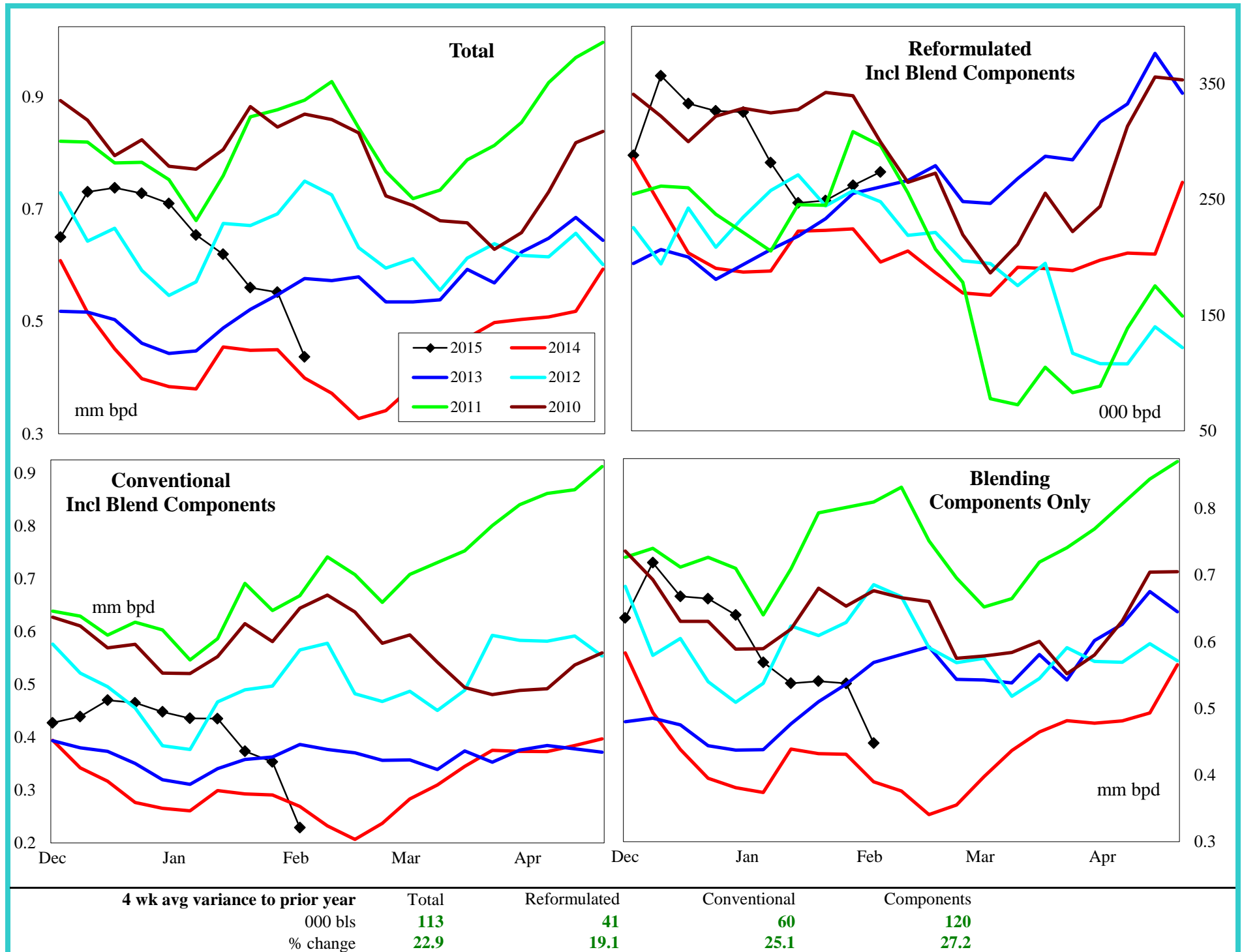
United States Reformulated Gasoline Supply



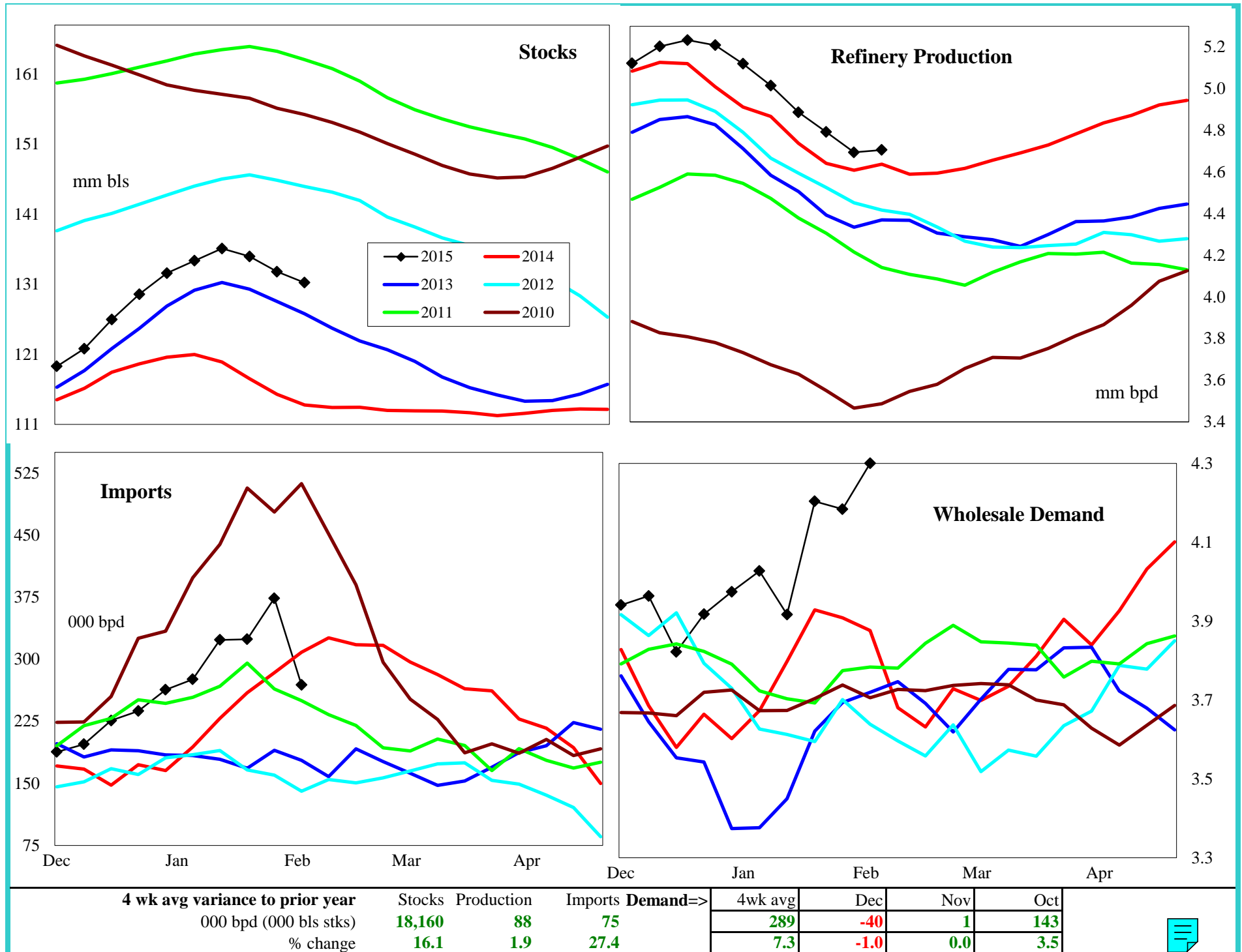
United States Conventional Gasoline Supply



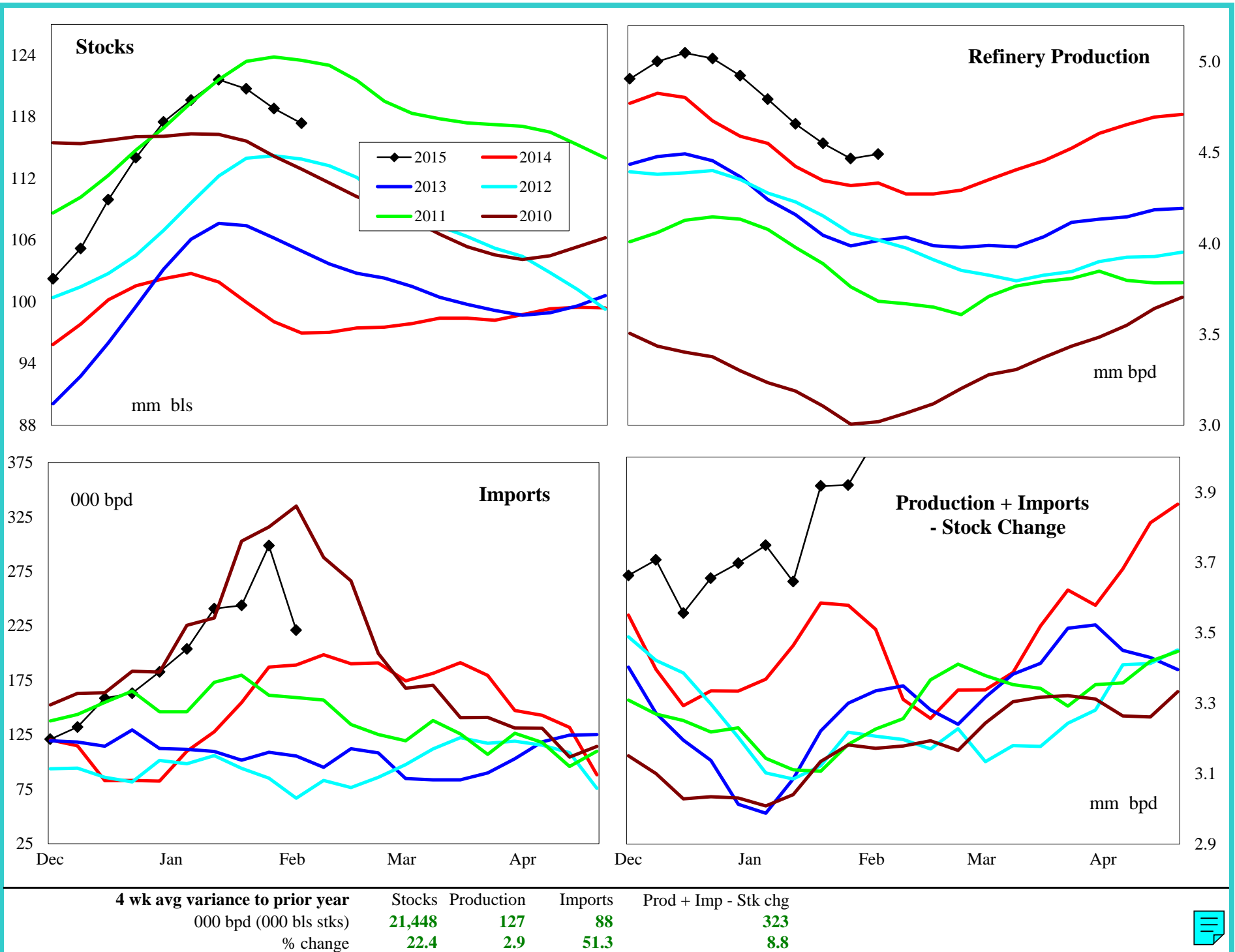
United States Gasoline Imports by Type



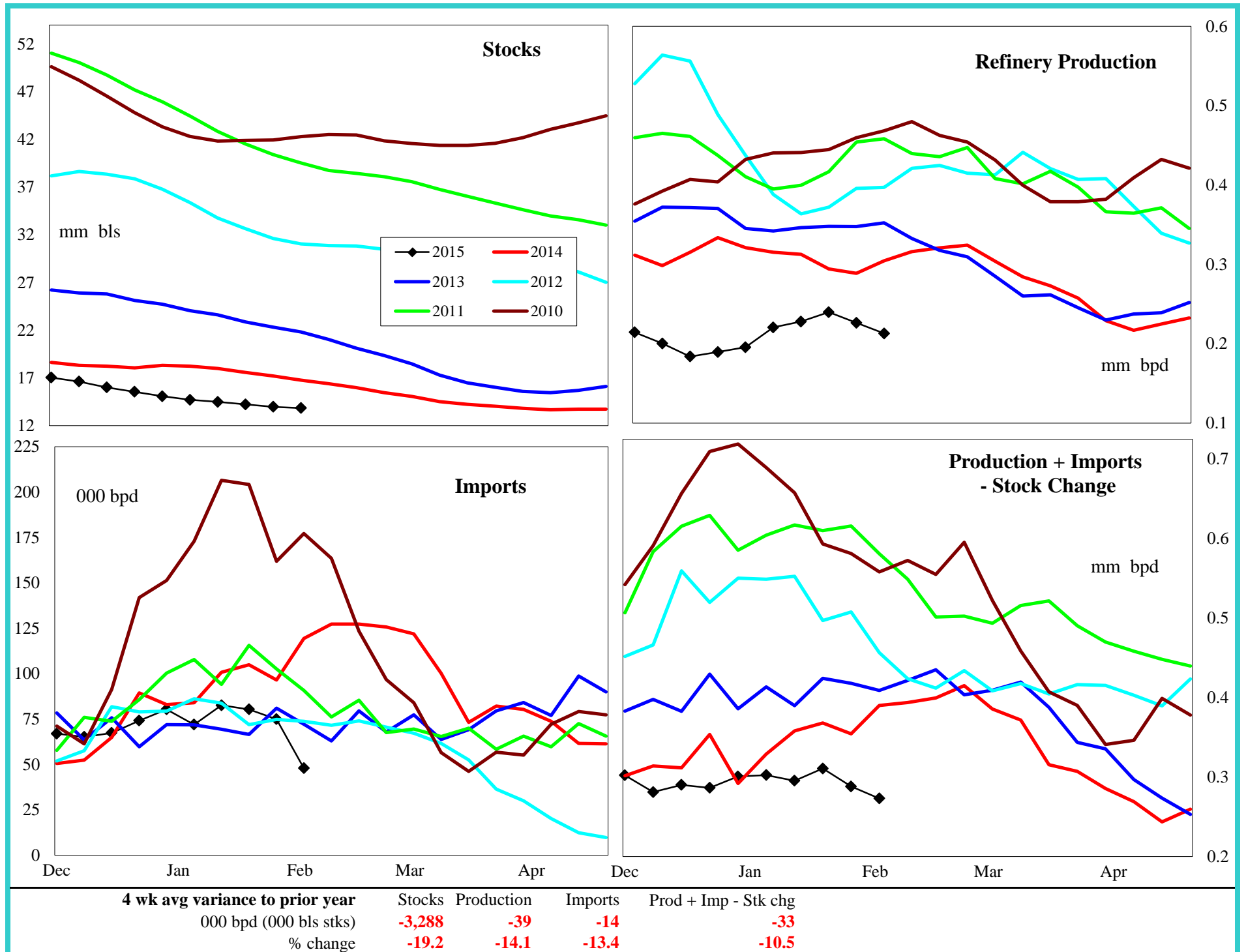
United States Distillate Supply and Demand Balance



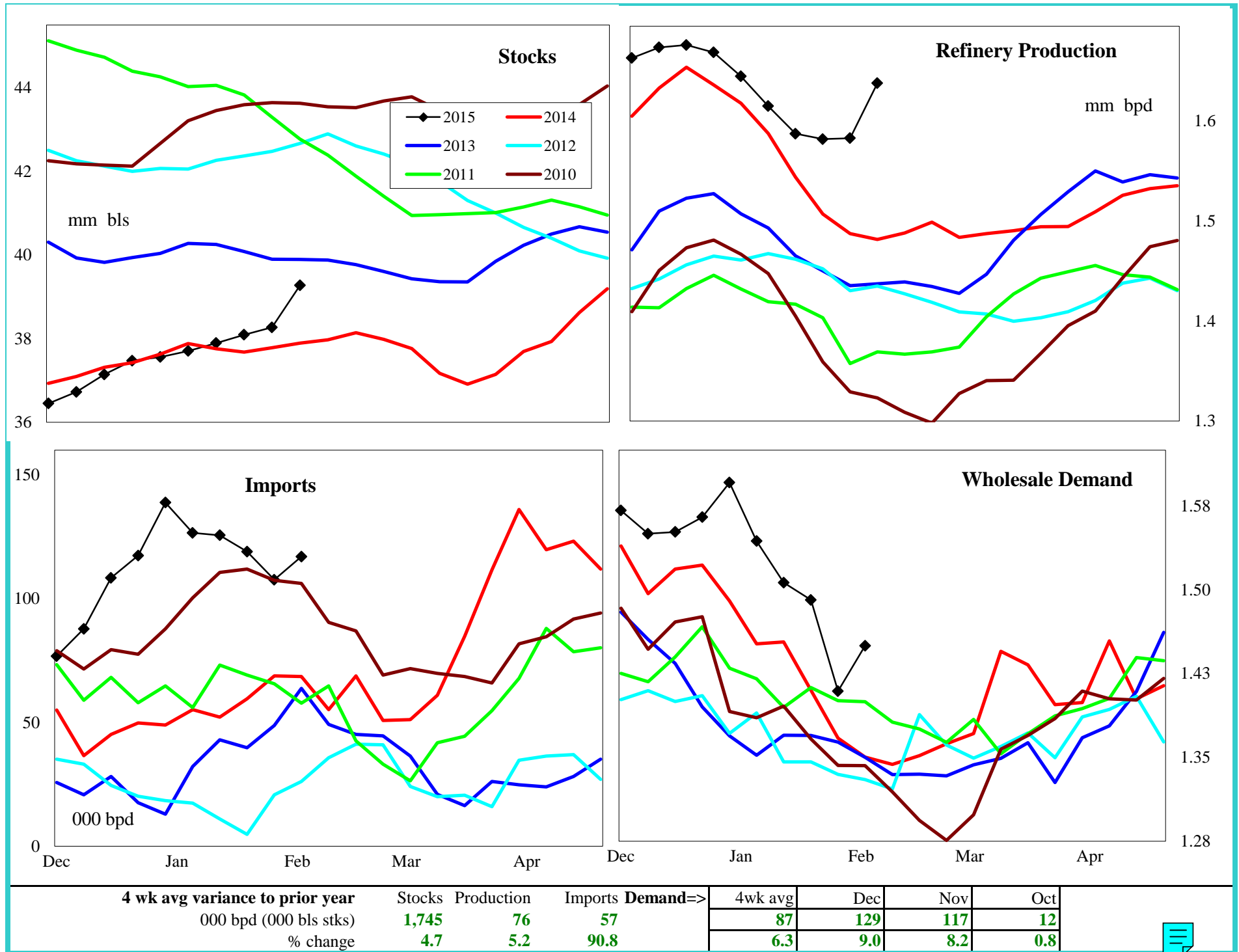
United States Low Sulfur Distillate Supply



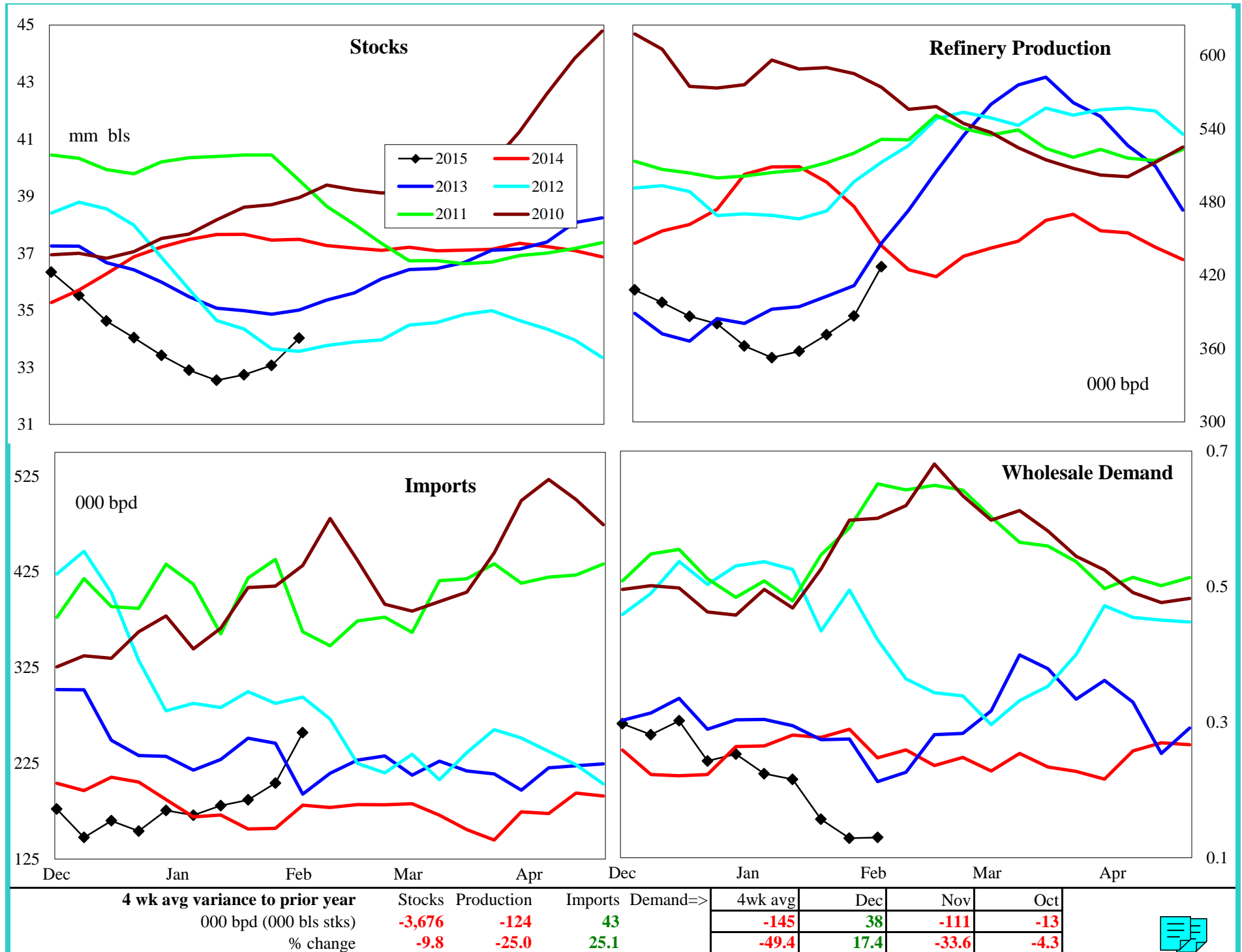
United States High Sulfur Distillate Supply



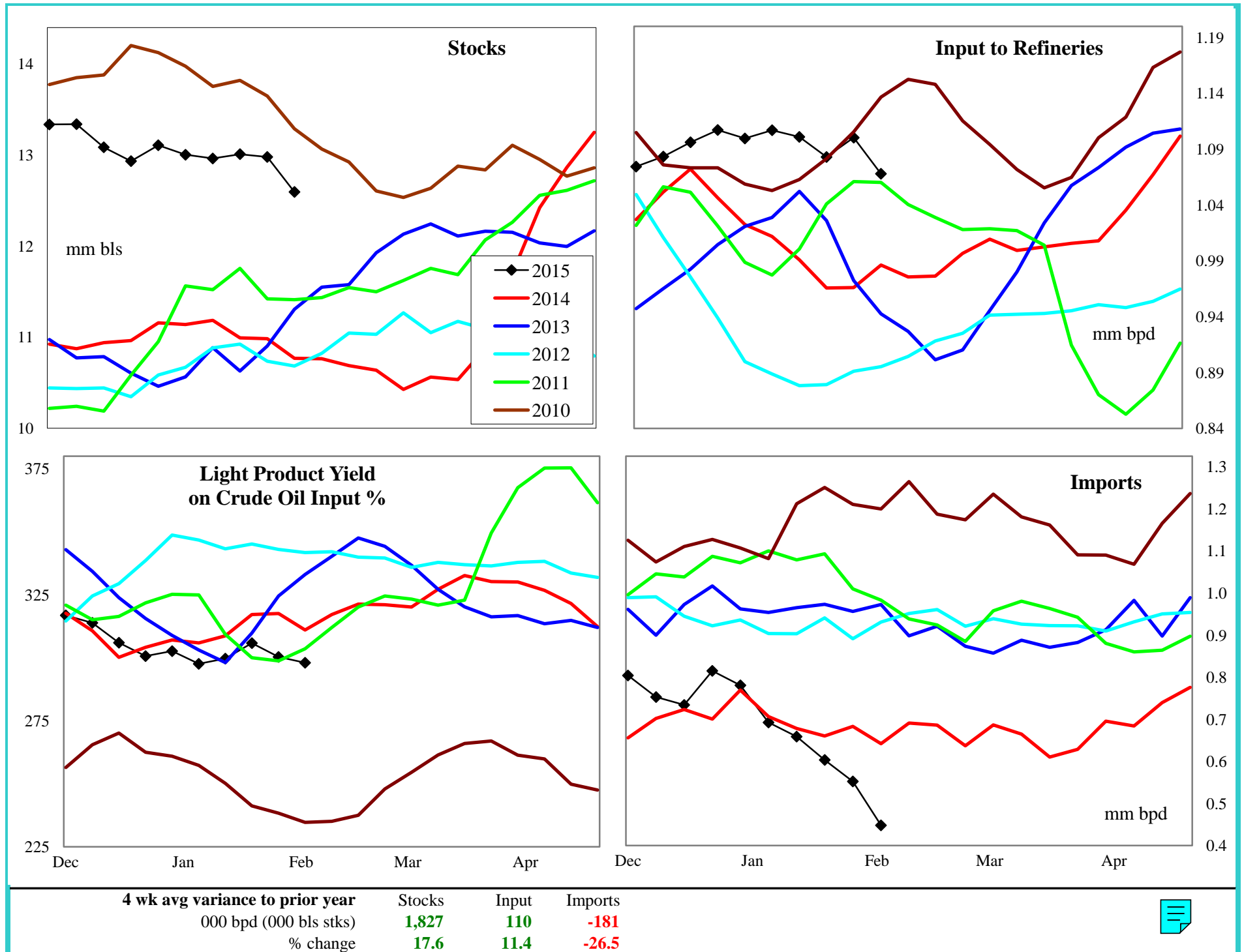
United States Jet Fuel Supply and Demand Balance



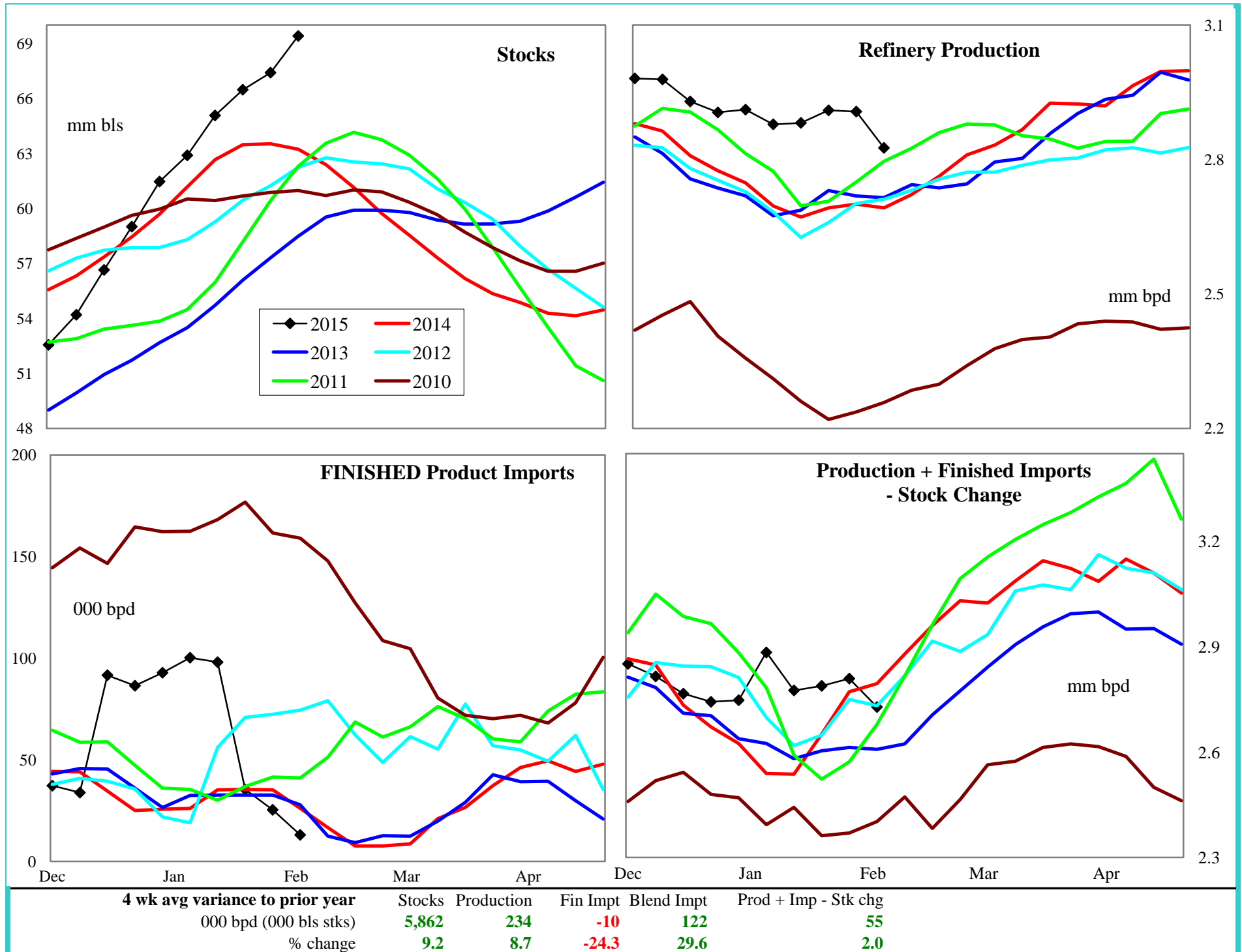
United States Residual Fuel Oil Supply and Demand Balance



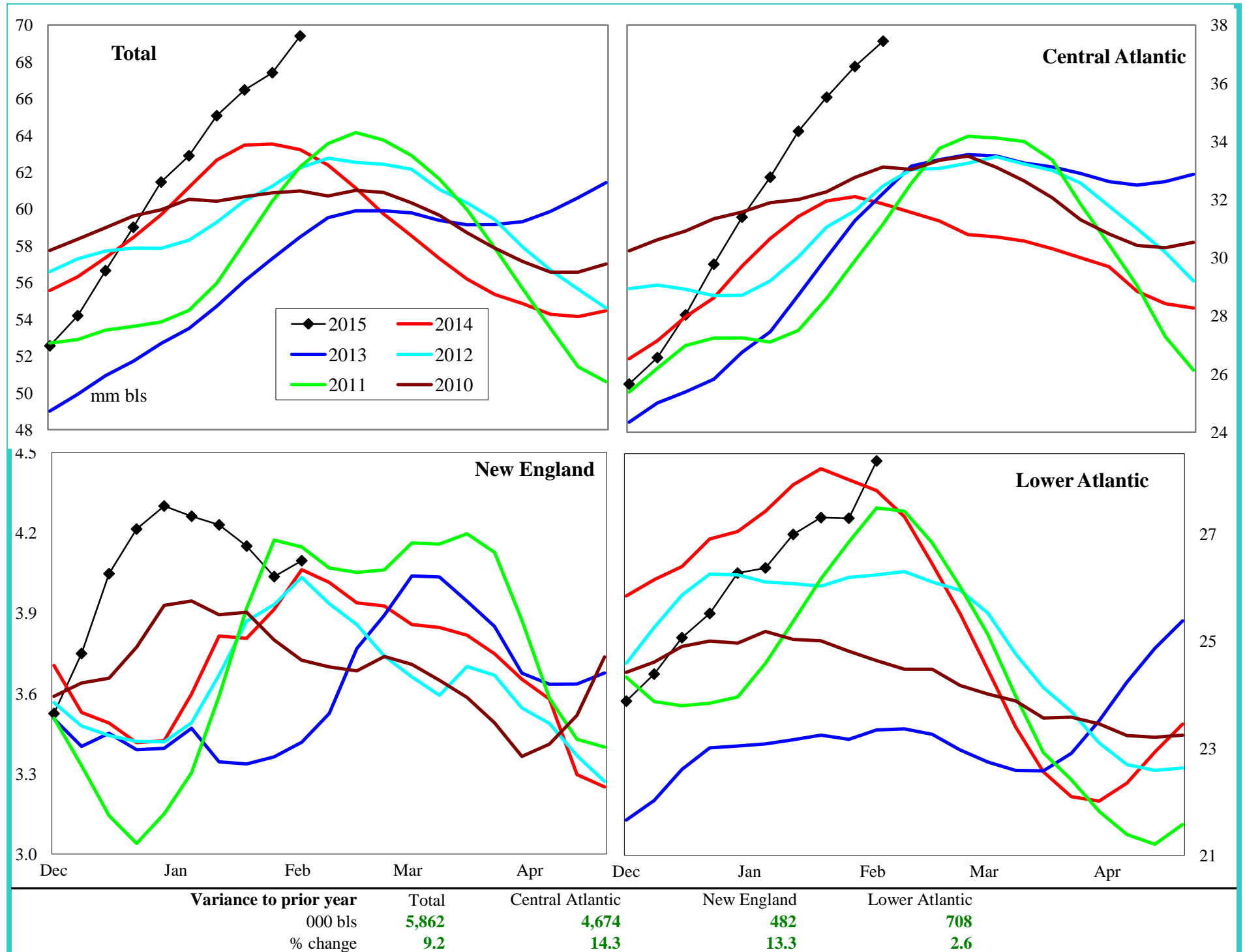
PADD 1 Crude Oil Supply and Refining



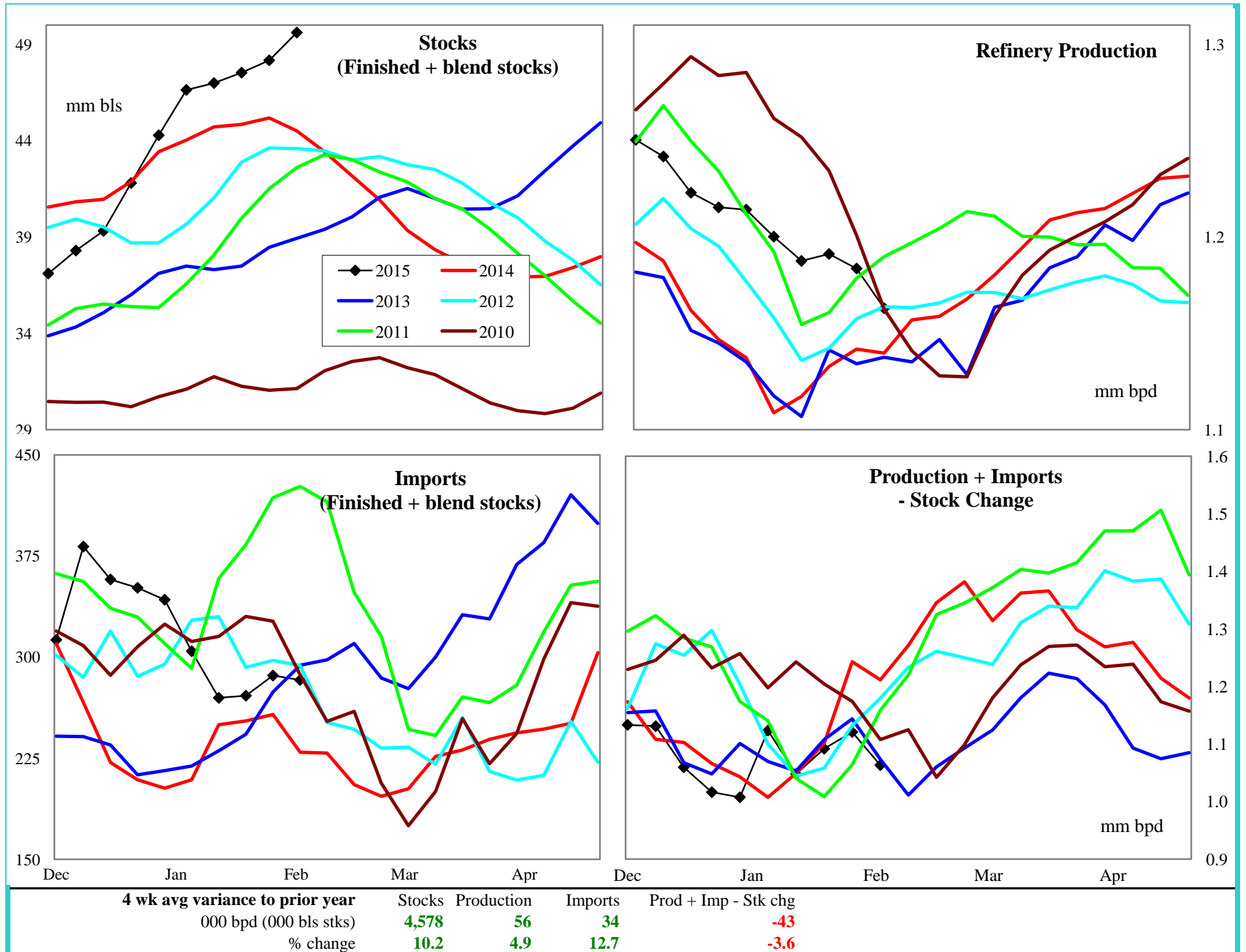
PADD 1 Gasoline Supply



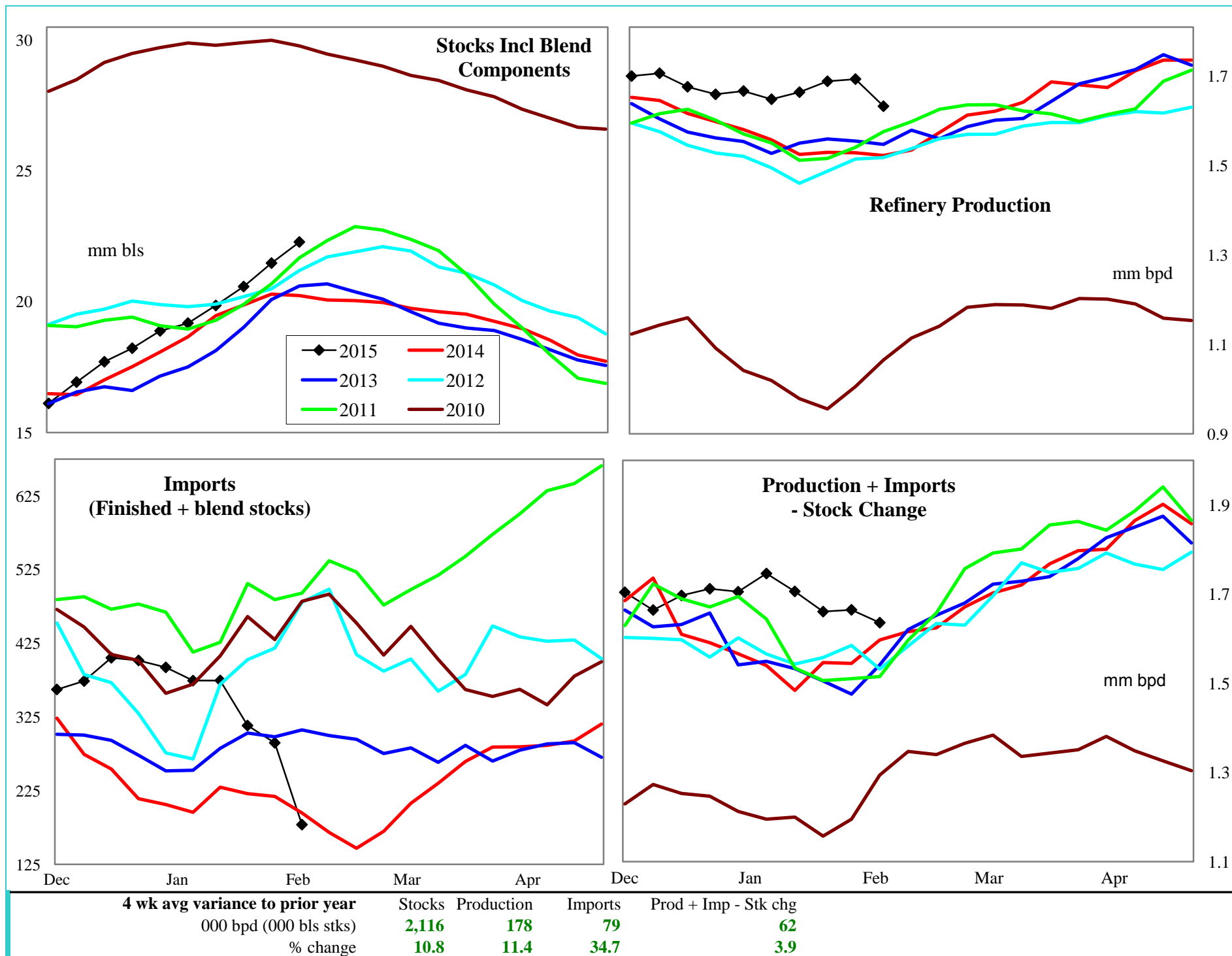
PADD 1 Gasoline Stocks by Region



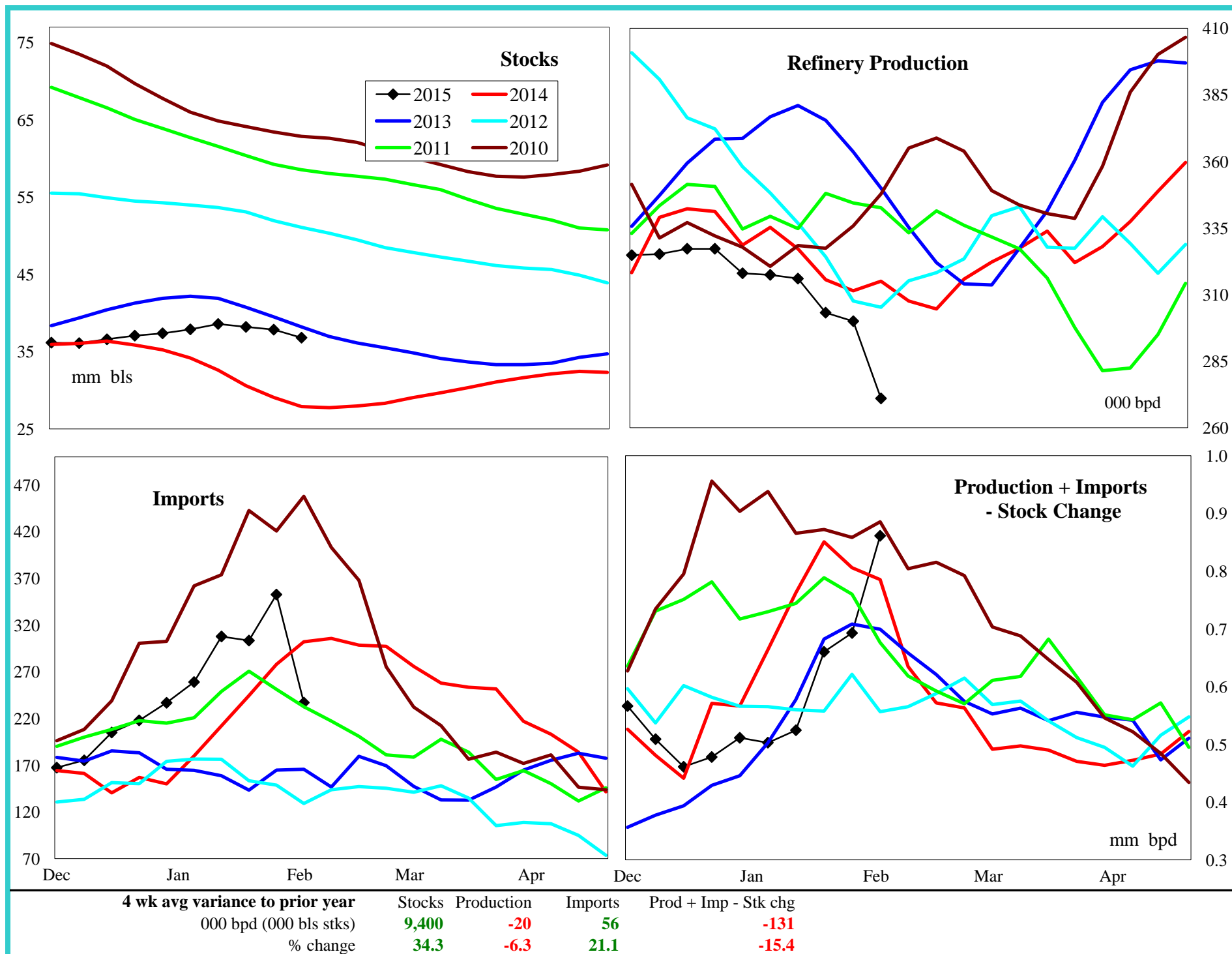
PADD 1 Reformulated Gasoline Supply



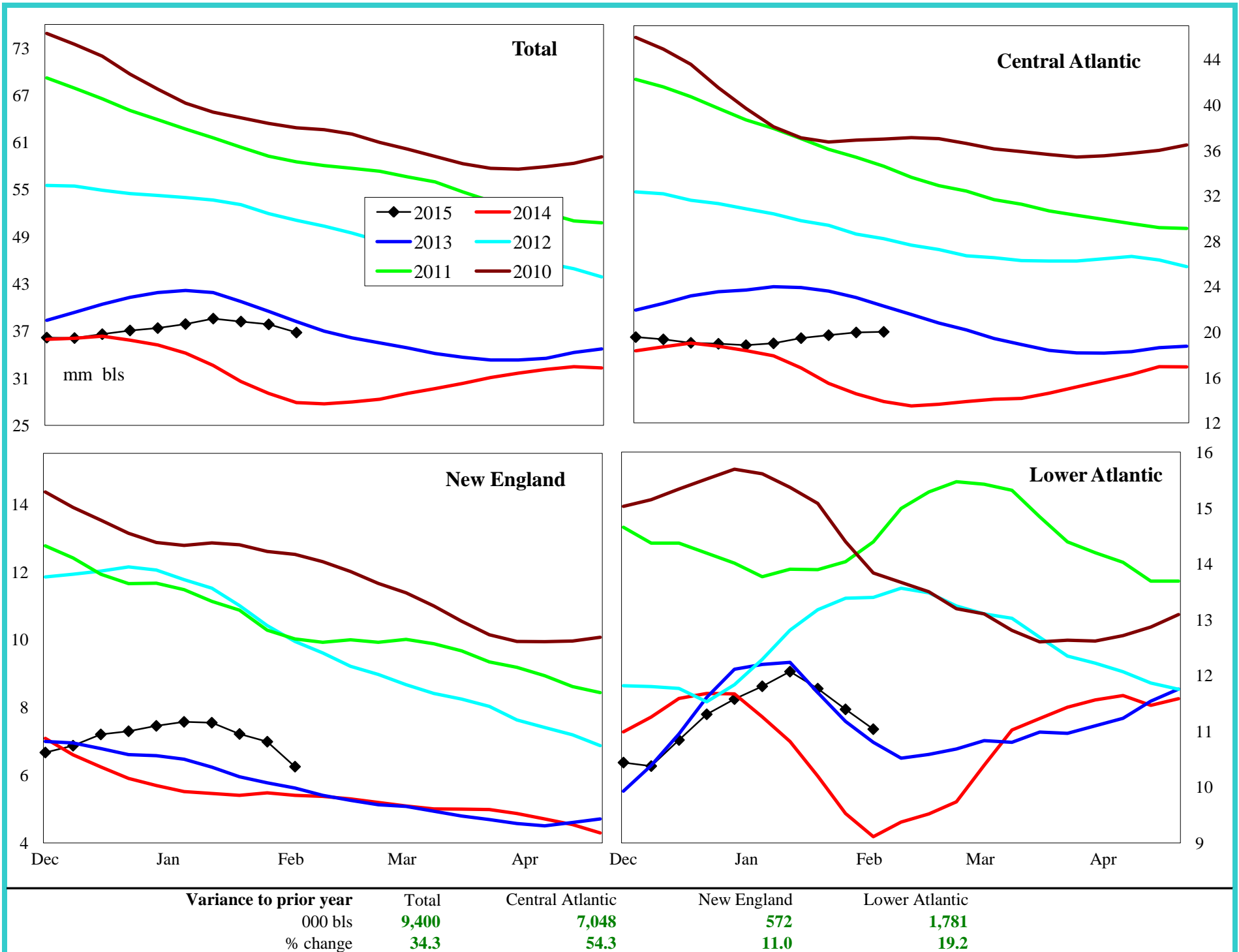
PADD 1 Conventional Gasoline Supply



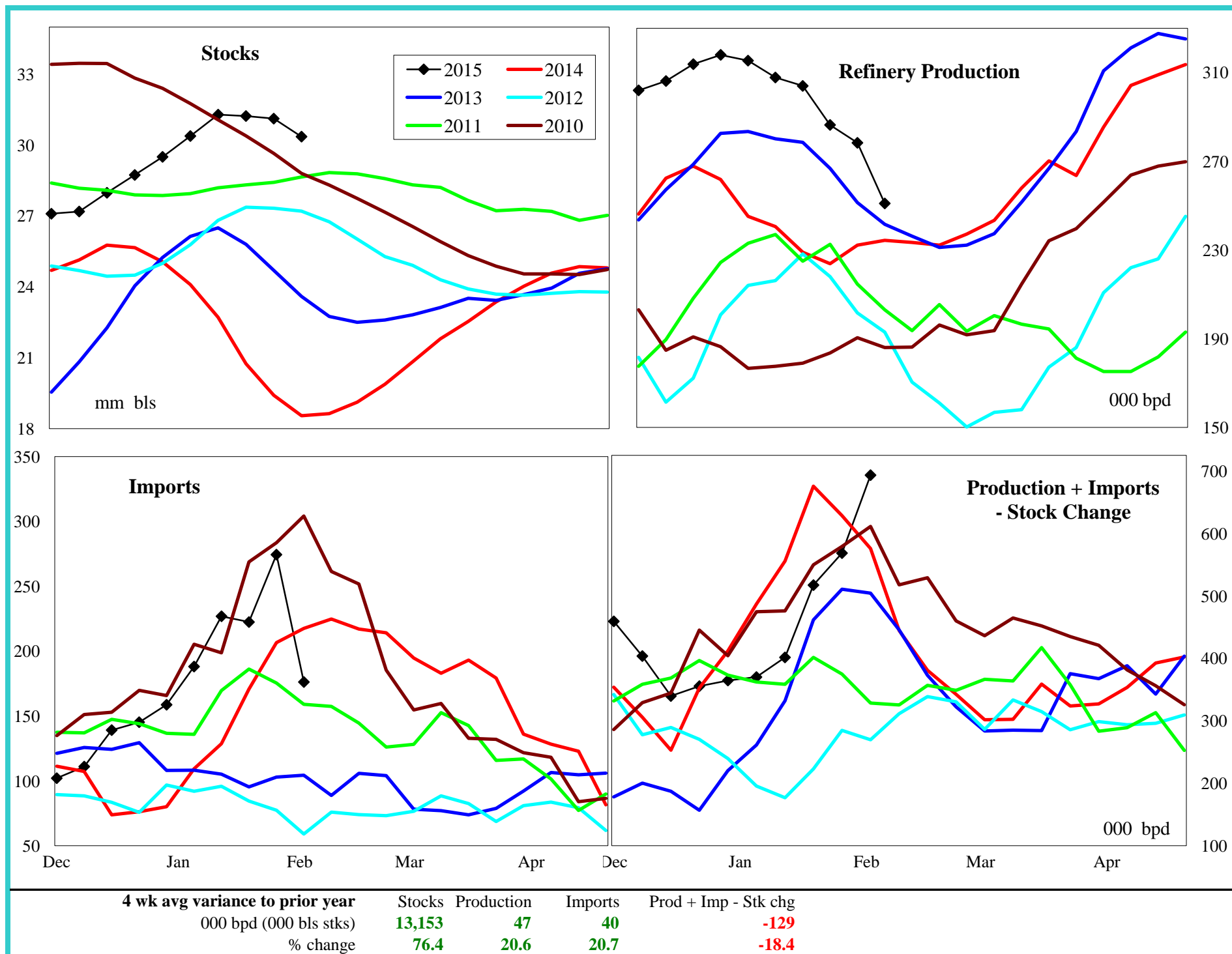
PADD 1 Distillate Supply



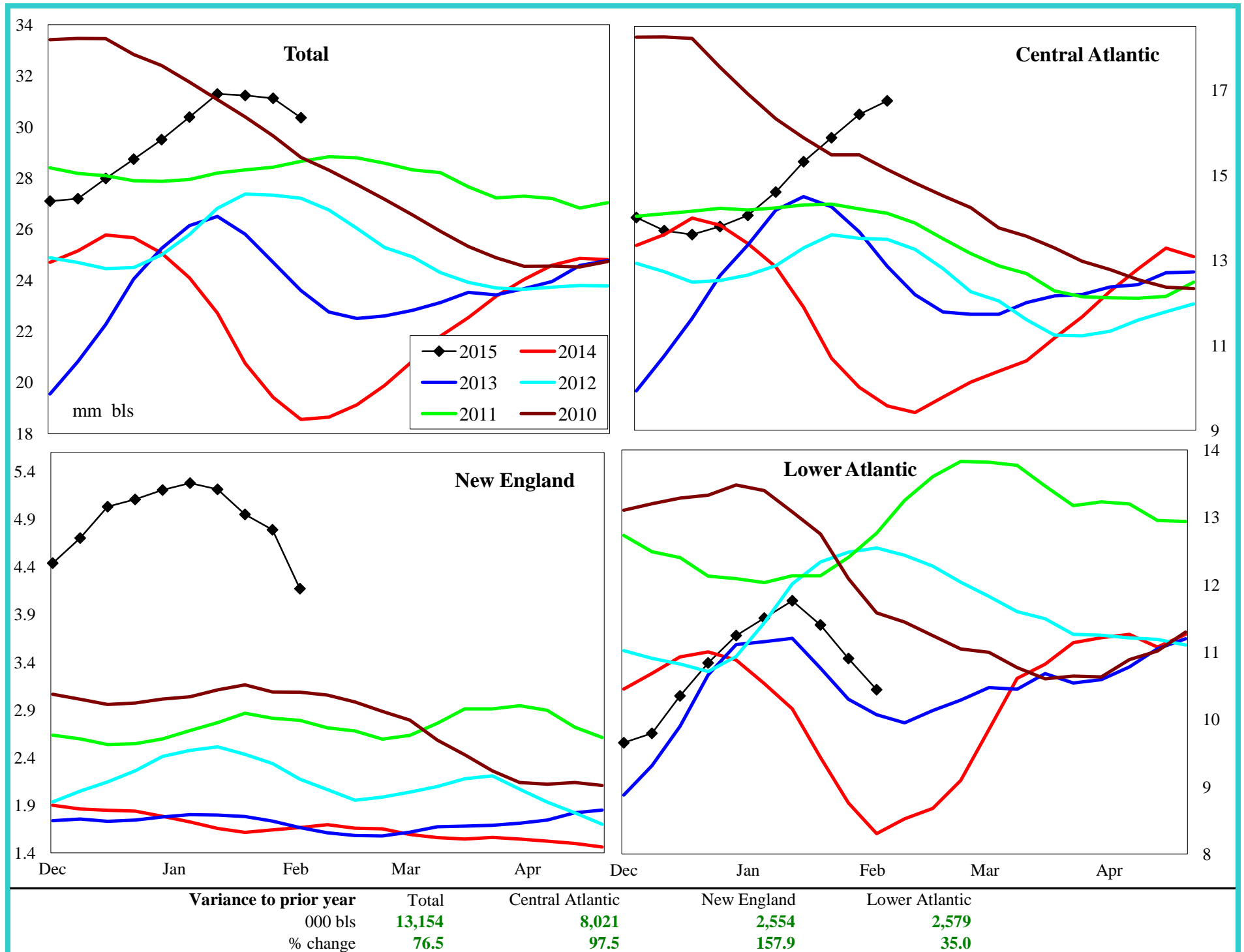
PADD 1 Distillate Stocks by Region



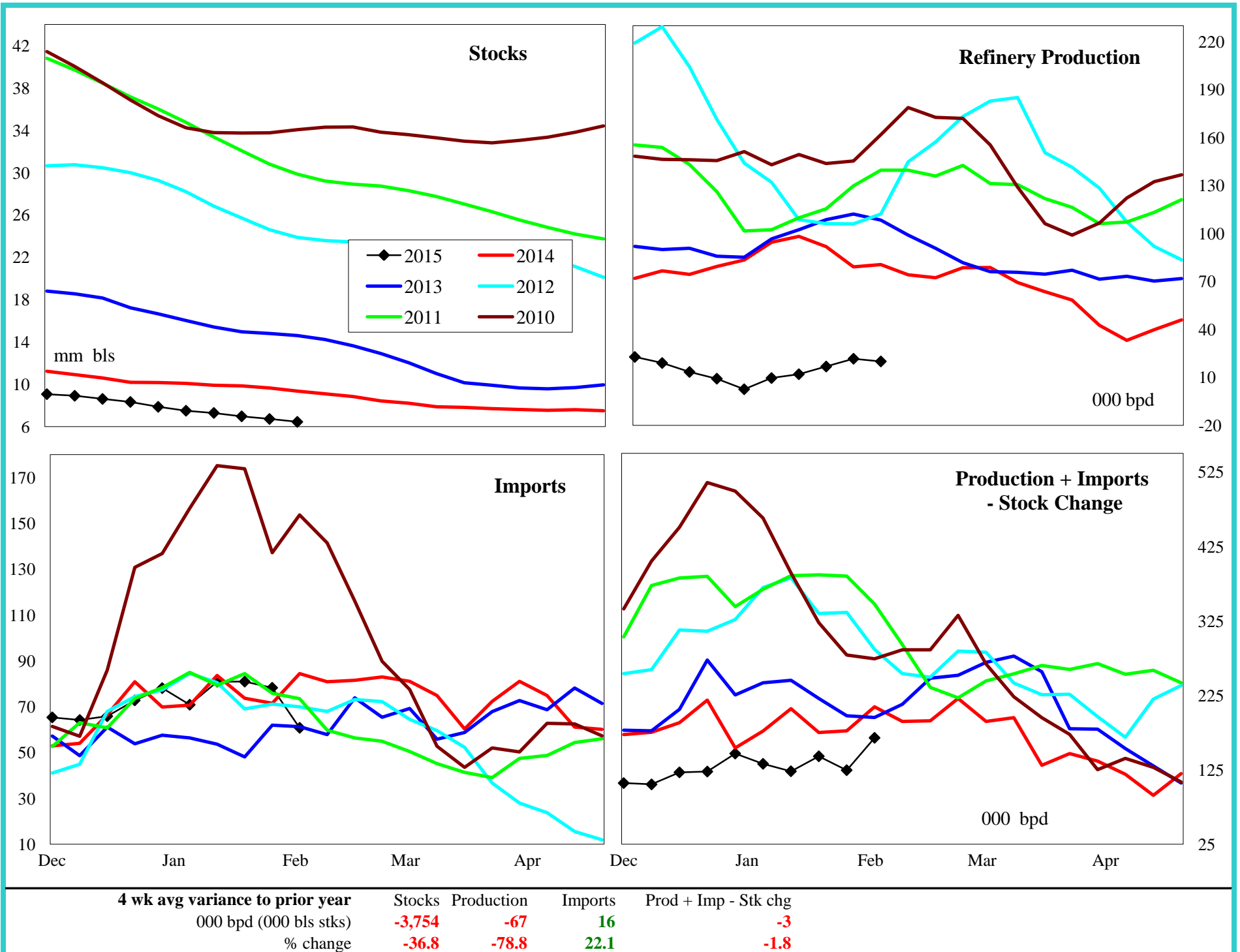
PADD 1 Low Sulfur Distillate Supply



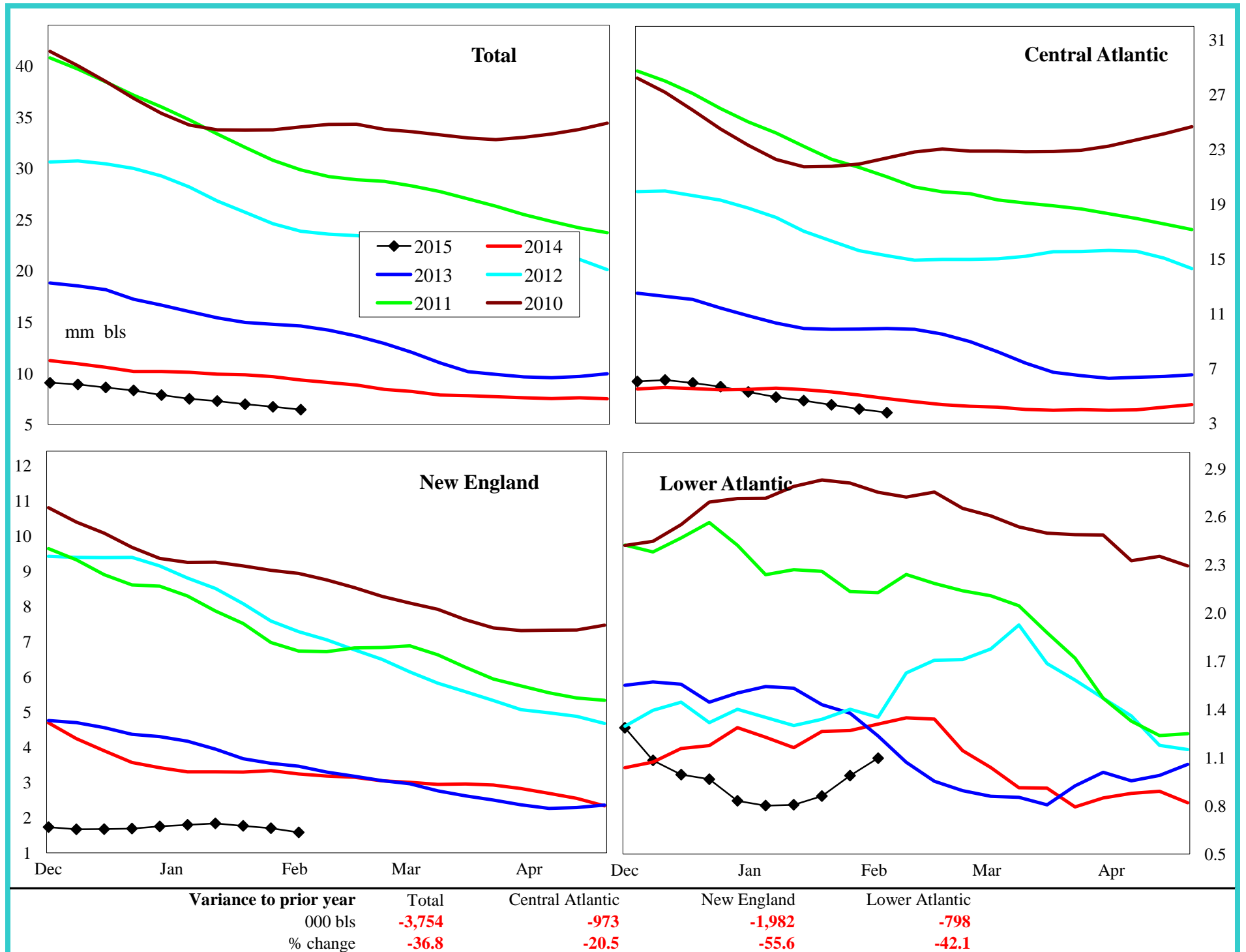
PADD 1 Low Sulfur Distillate Stocks by Region



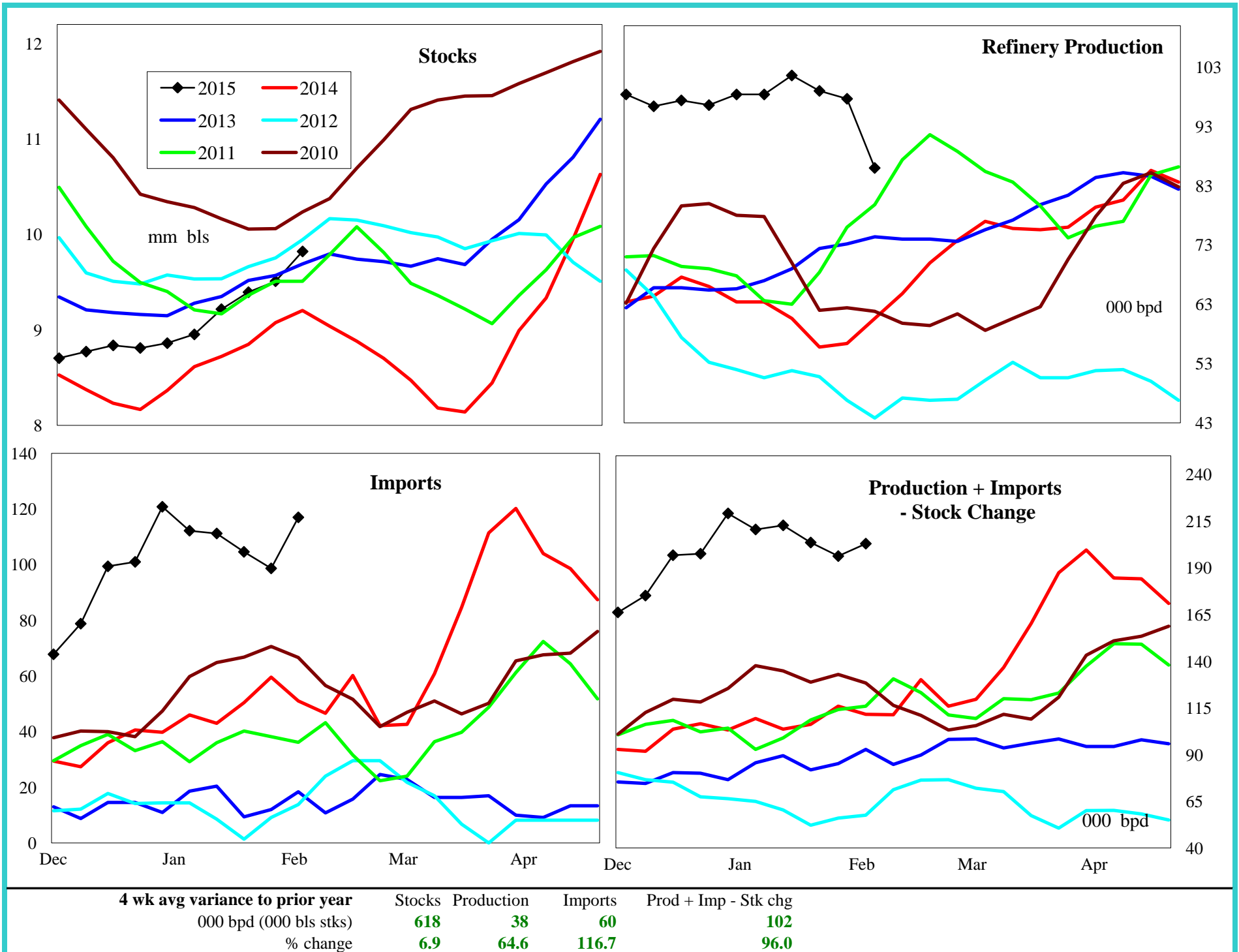
PADD 1 High Sulfur Distillate Supply



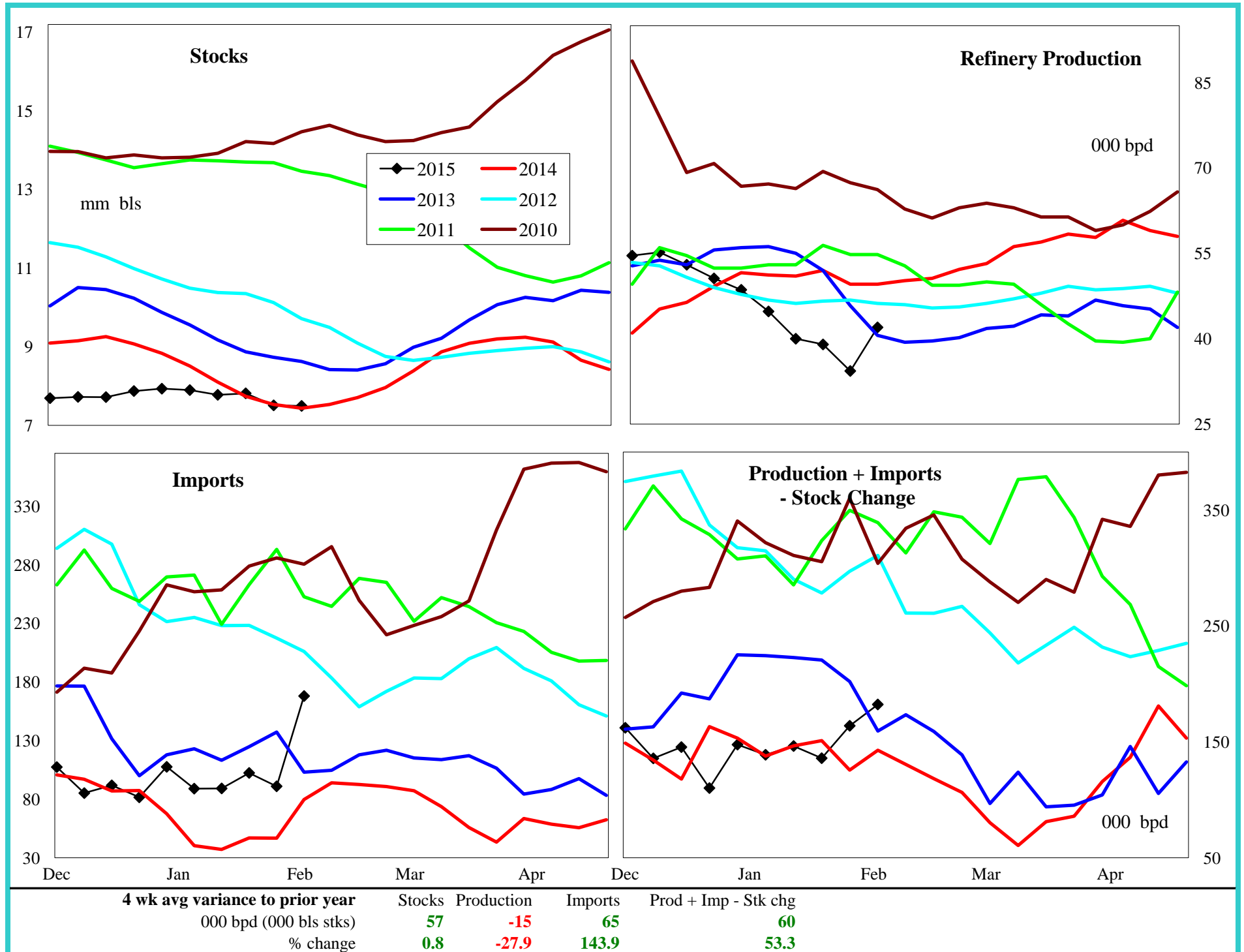
PADD 1 High Sulfur Distillate Stocks by Region



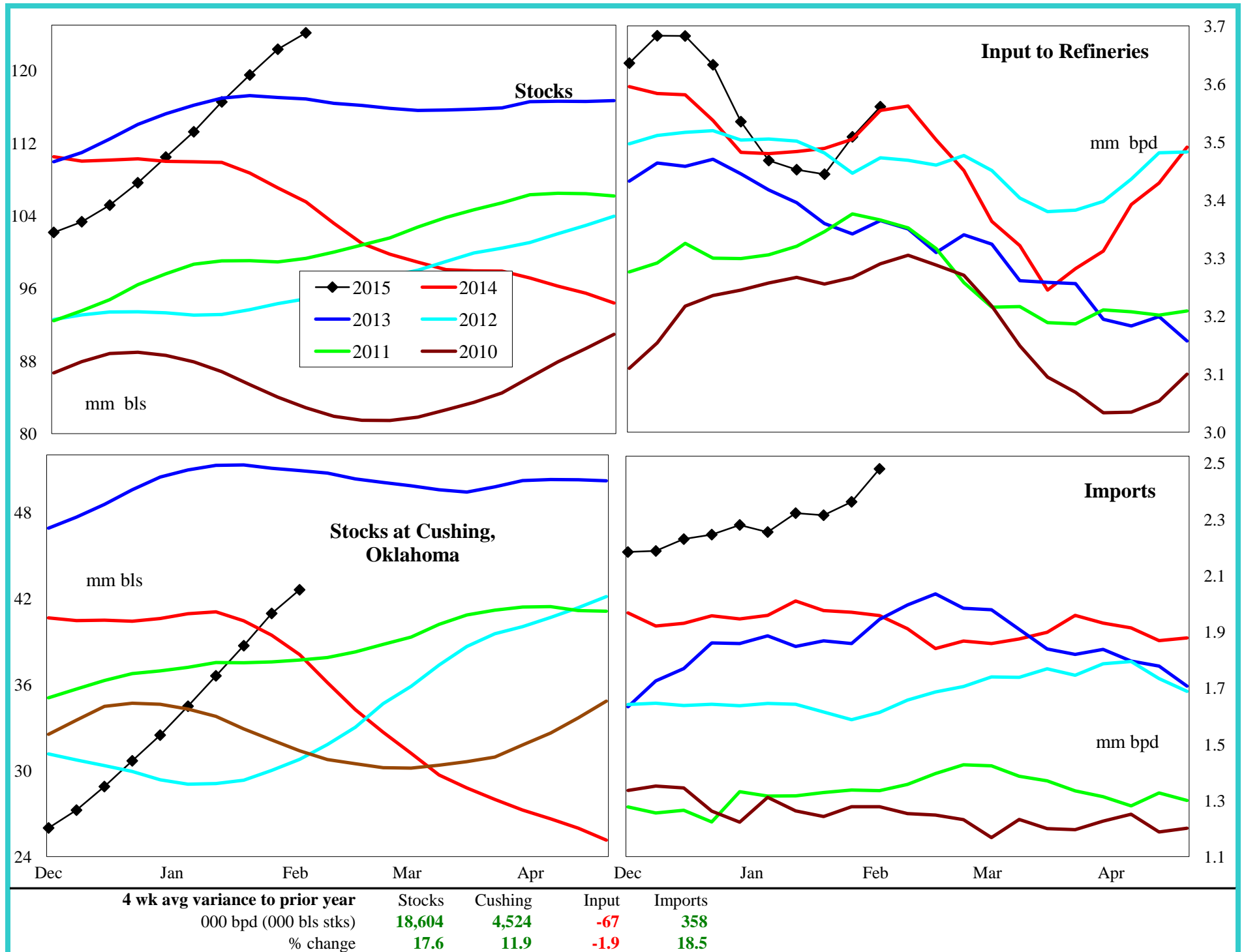
PADD 1 Jet Fuel Supply



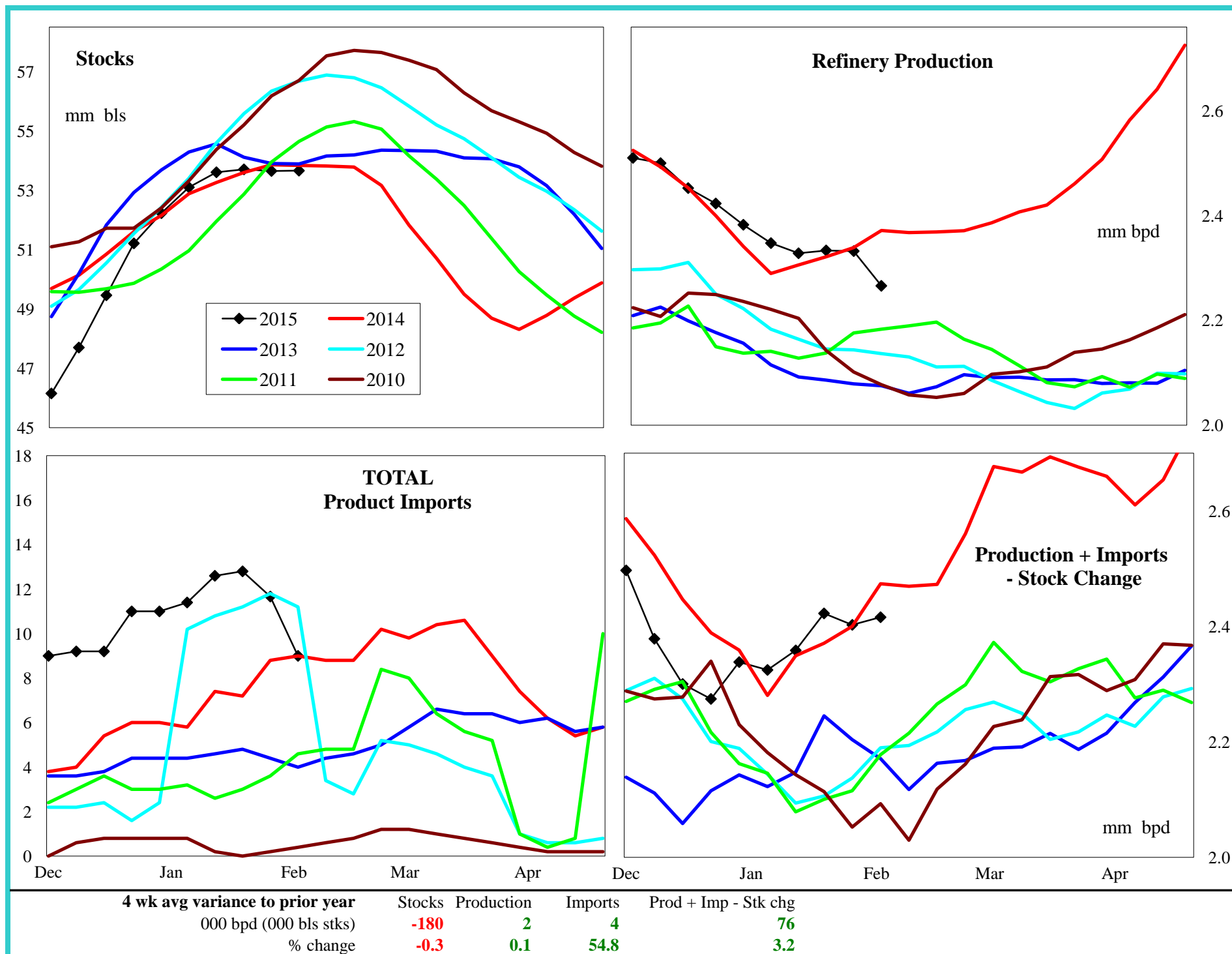
PADD 1 Residual Fuel Oil Supply



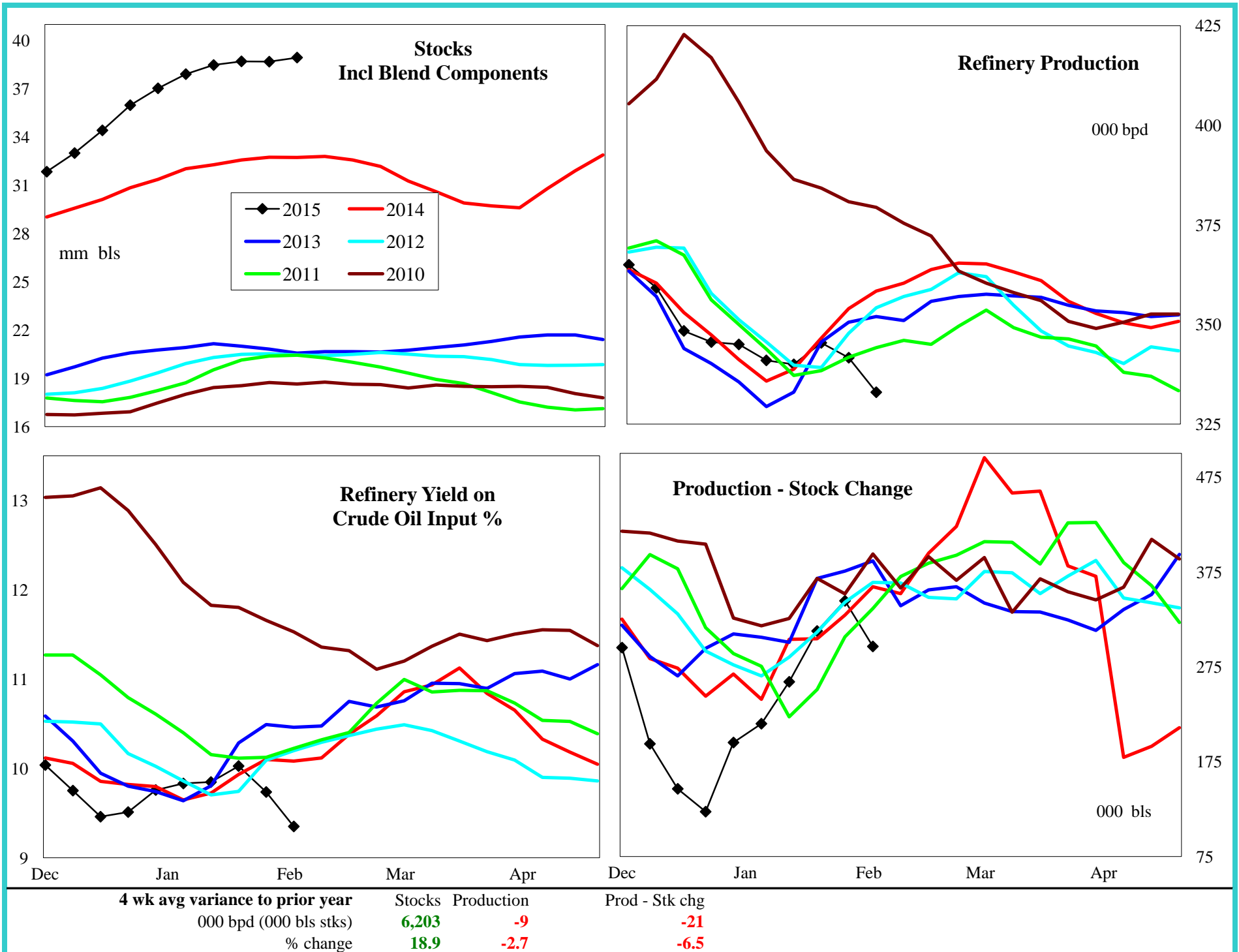
PADD 2 Crude Oil Supply and Refining



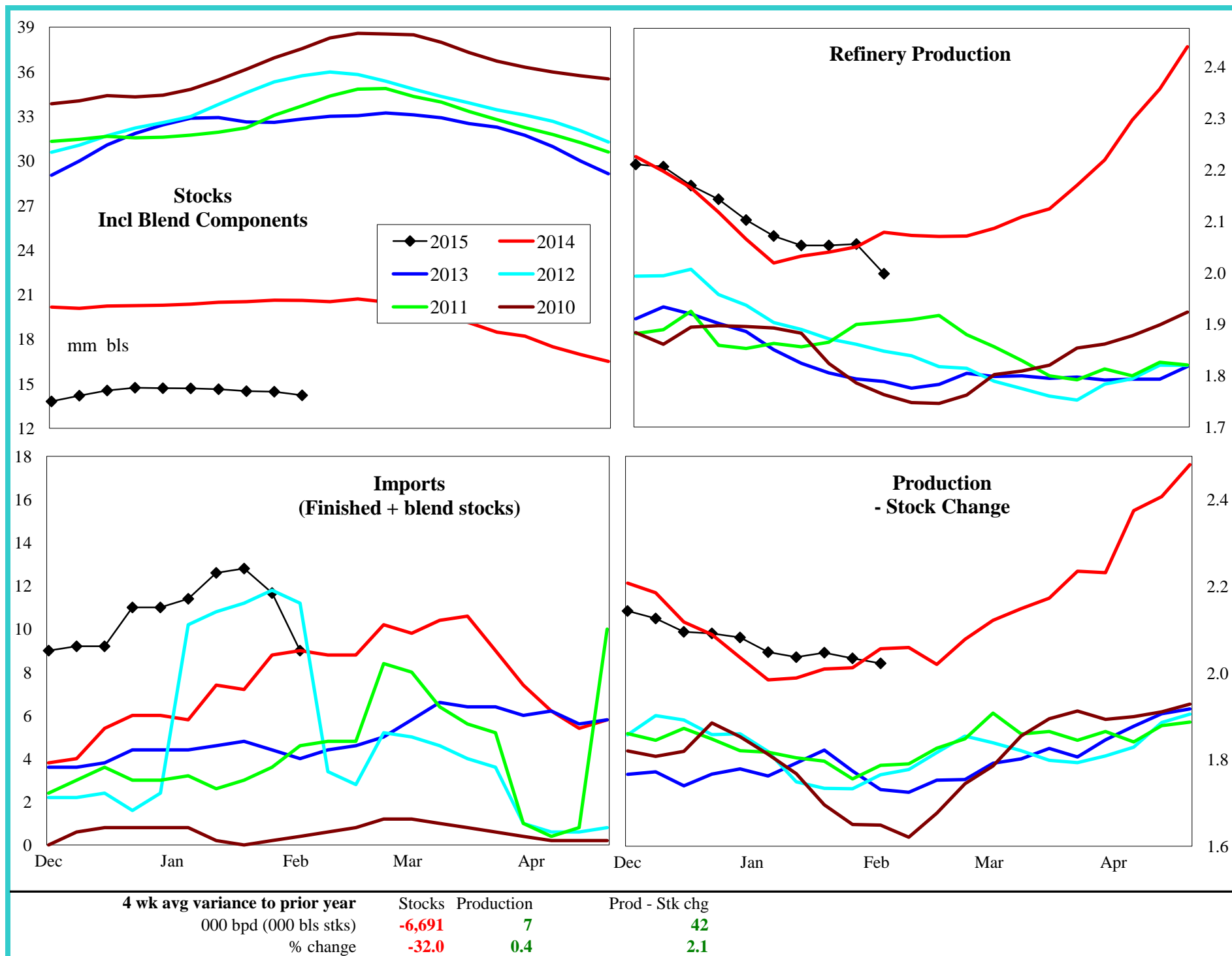
PADD 2 Gasoline Supply



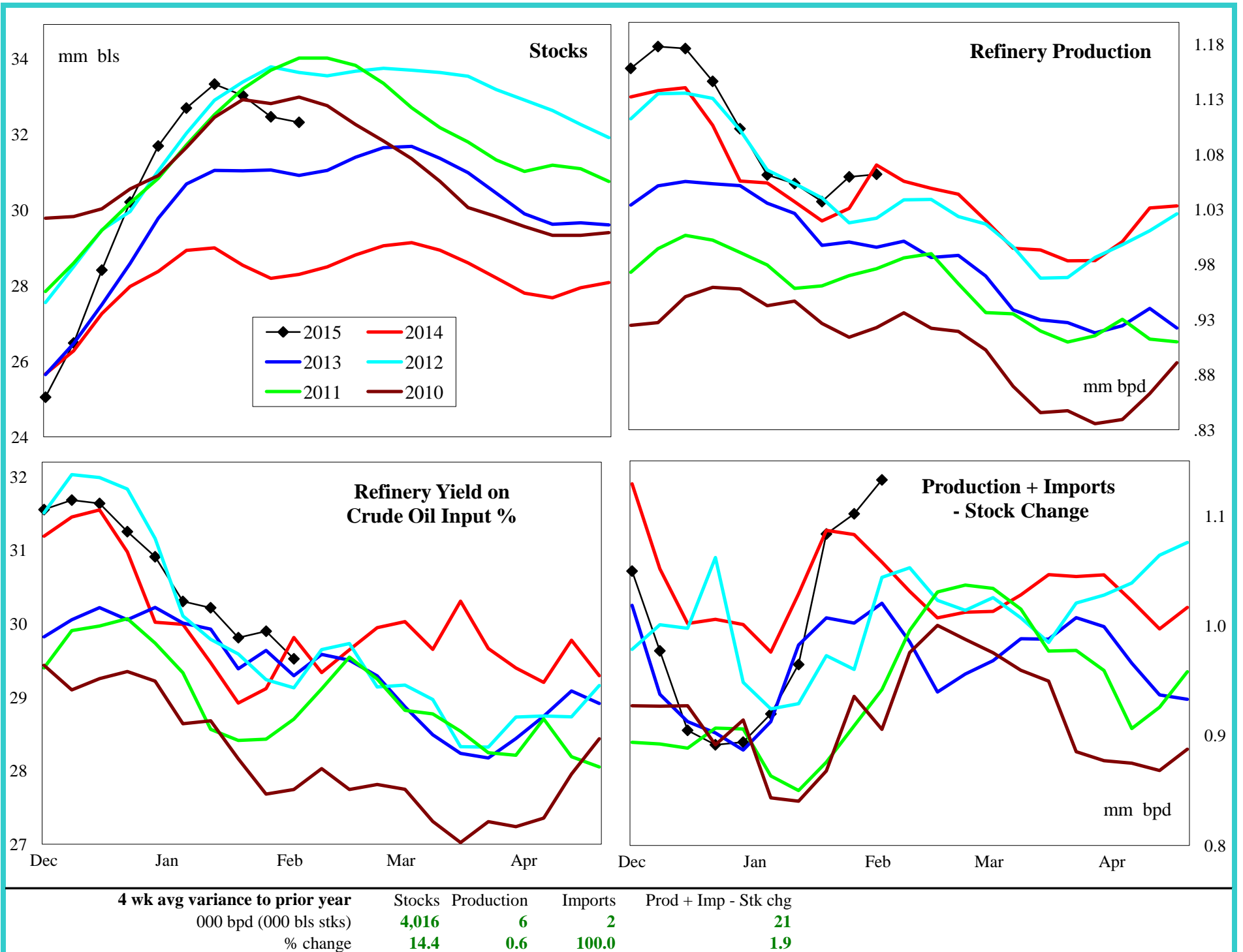
PADD 2 Reformulated Gasoline Supply



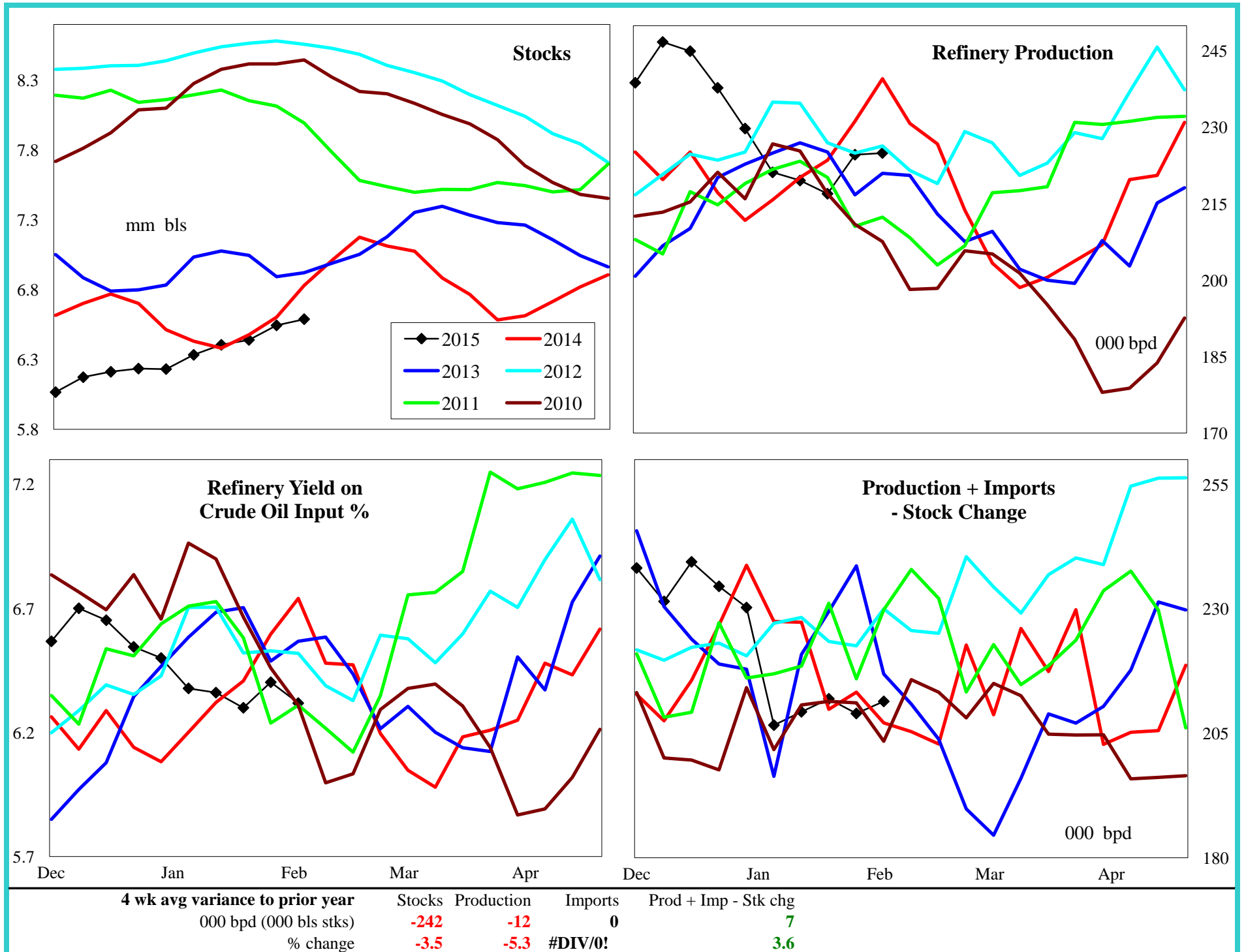
PADD 2 Conventional Gasoline Supply



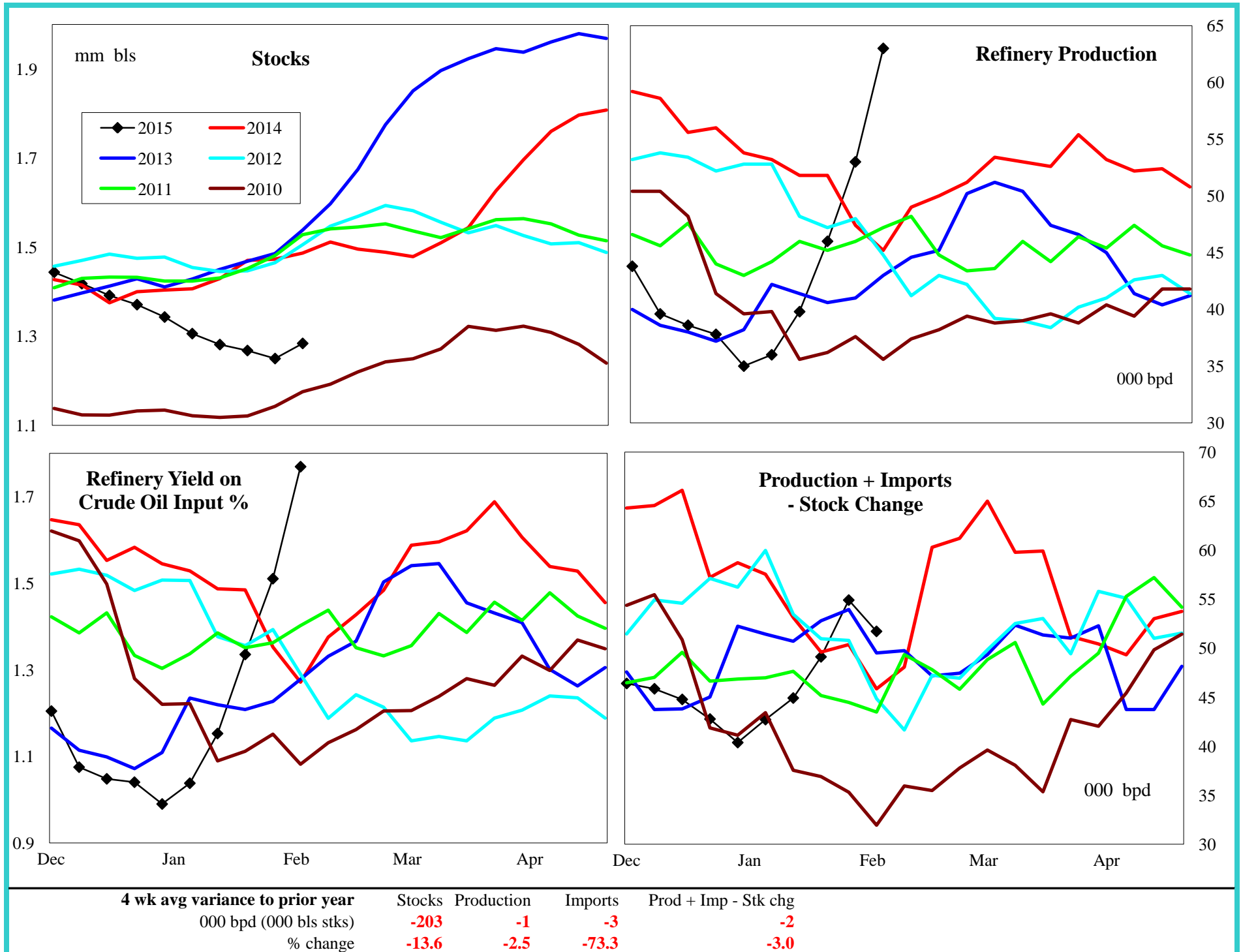
PADD 2 Distillate Supply



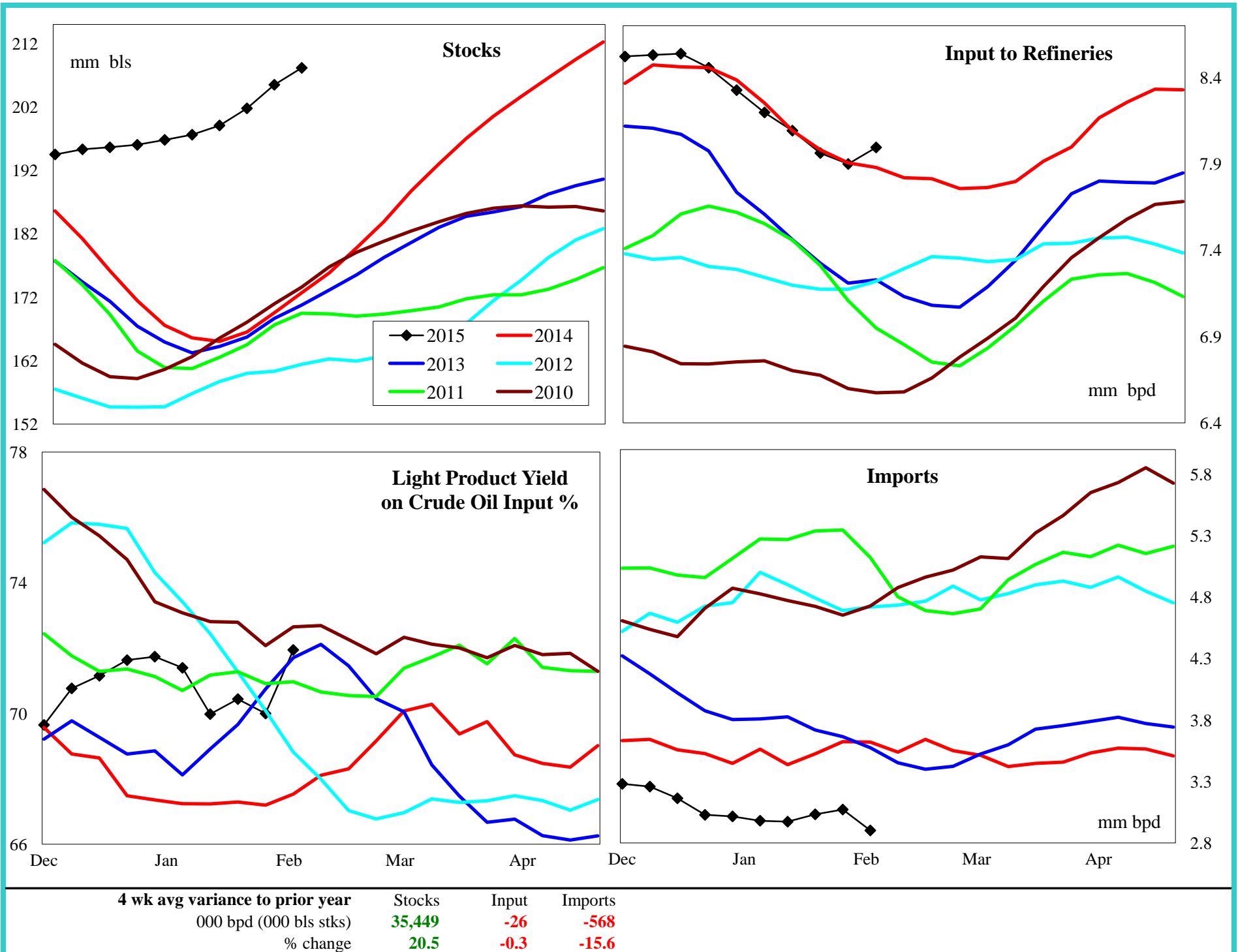
PADD 2 Jet Fuel Supply



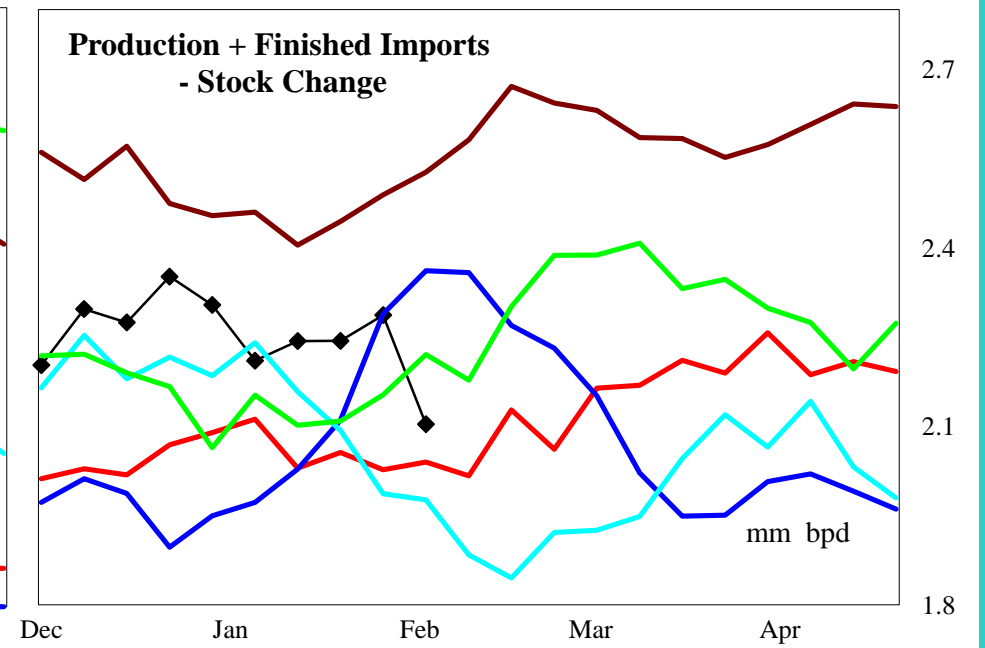
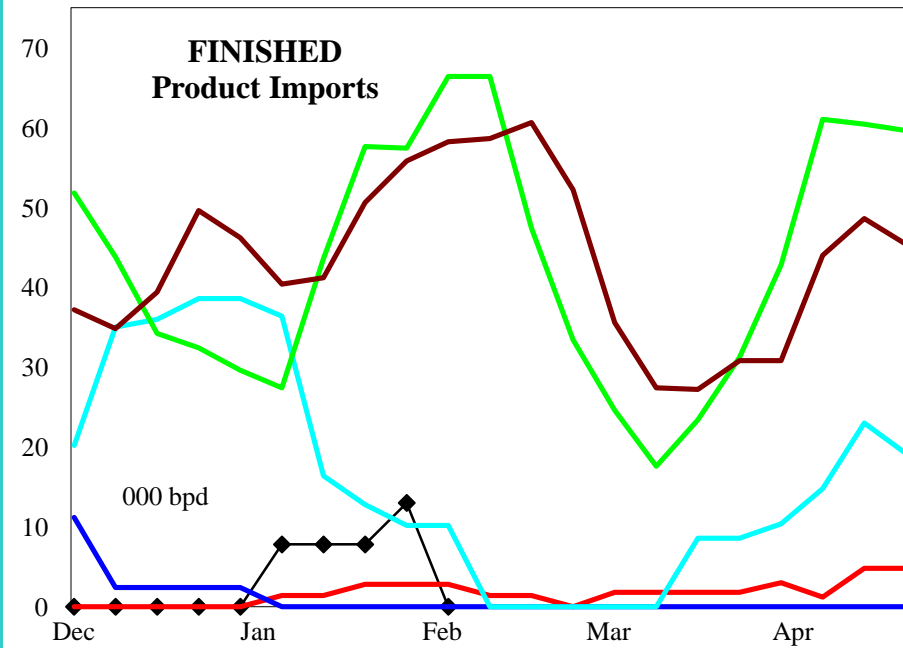
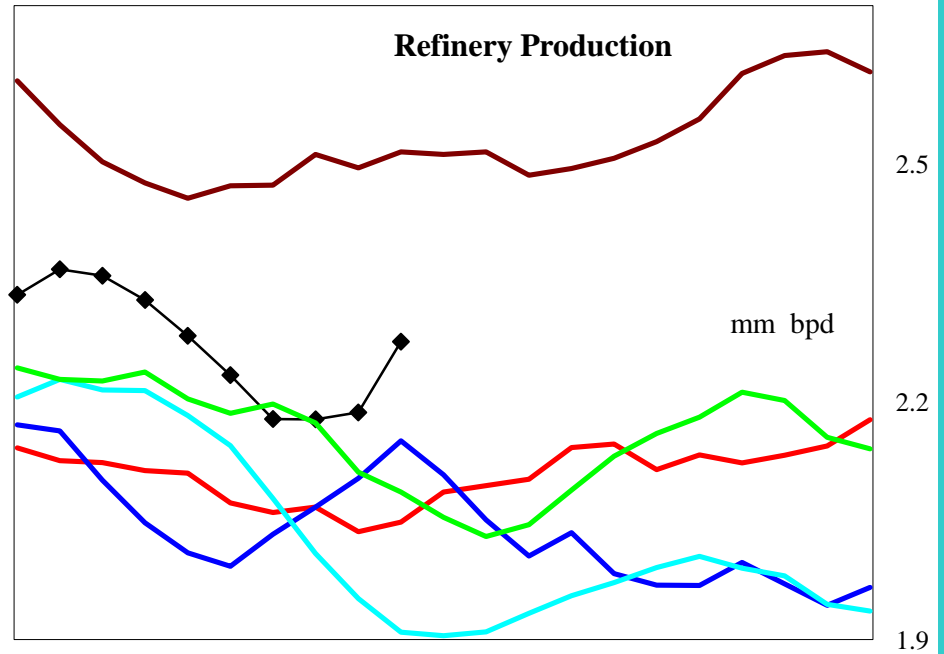
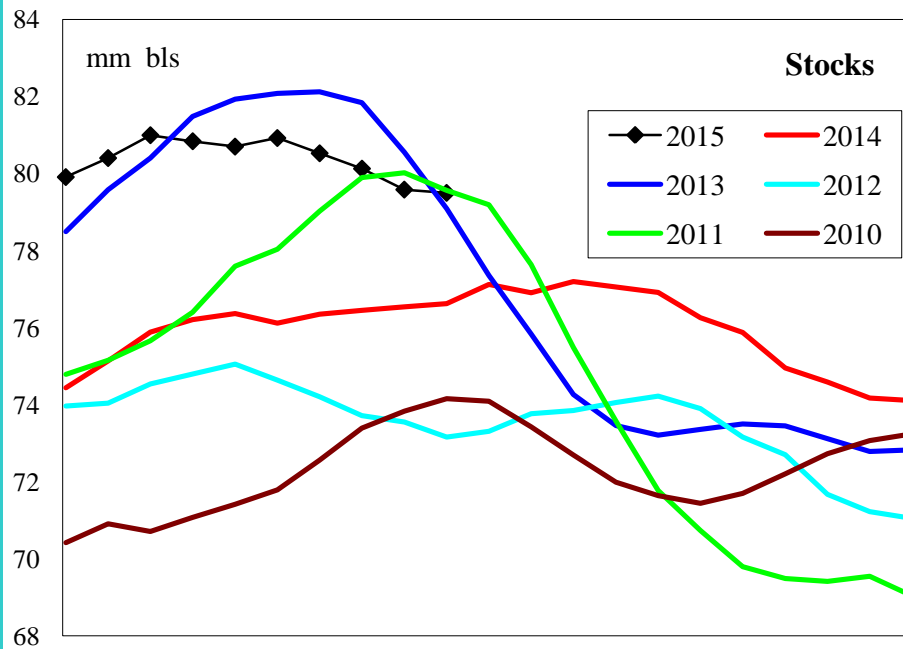
PADD 2 Residual Fuel Oil Supply



PADD 3 Crude Oil Supply and Refining



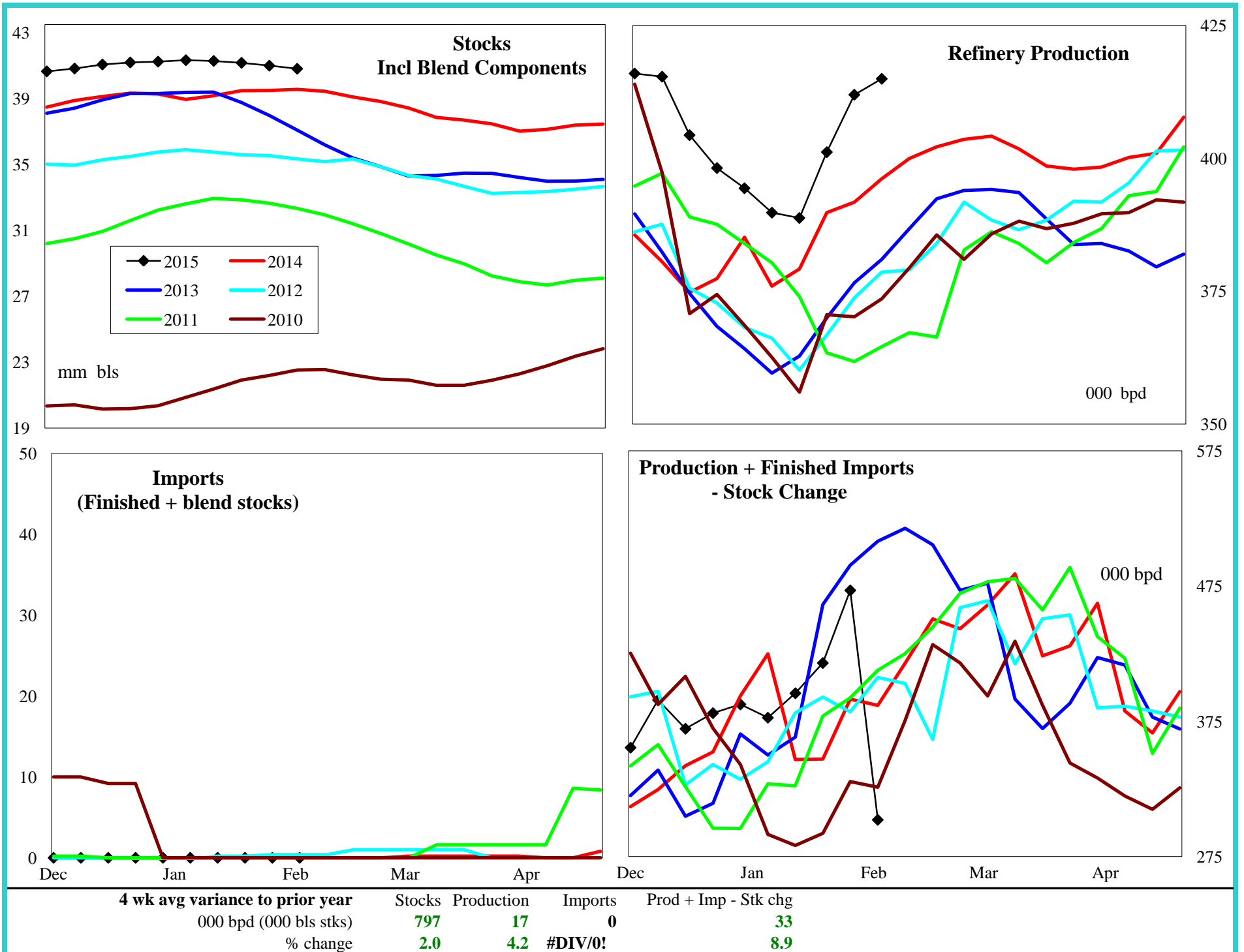
PADD 3 Gasoline Supply



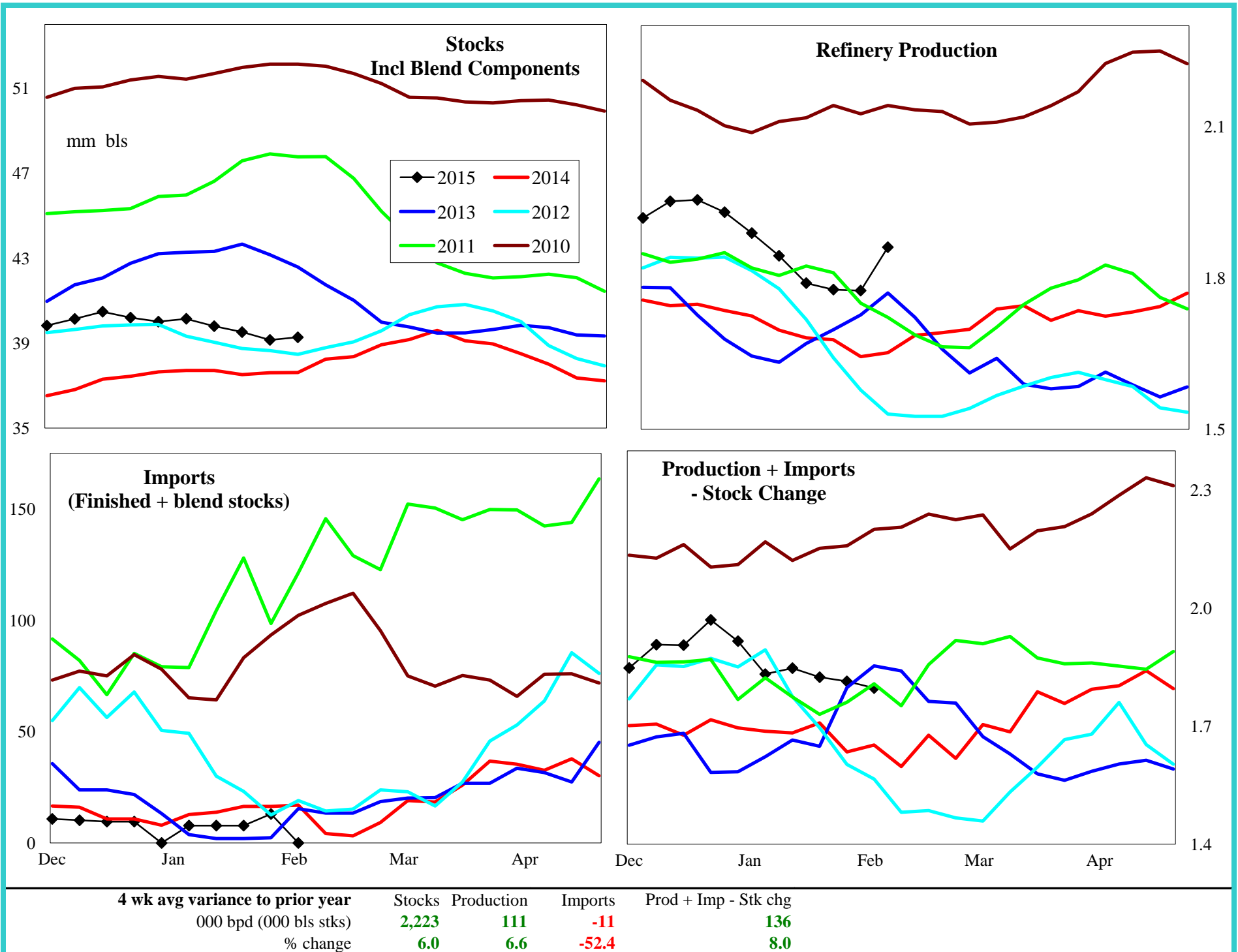
4 wk avg variance to prior year
 000 bpd (000 bls stks)
 % change

Stocks	Production	Fin Impt	Blend Impt	Prod + Imp - Stk chg
3,005	127	6	-17	169
3.9	6.1	178.6	-100.0	8.1

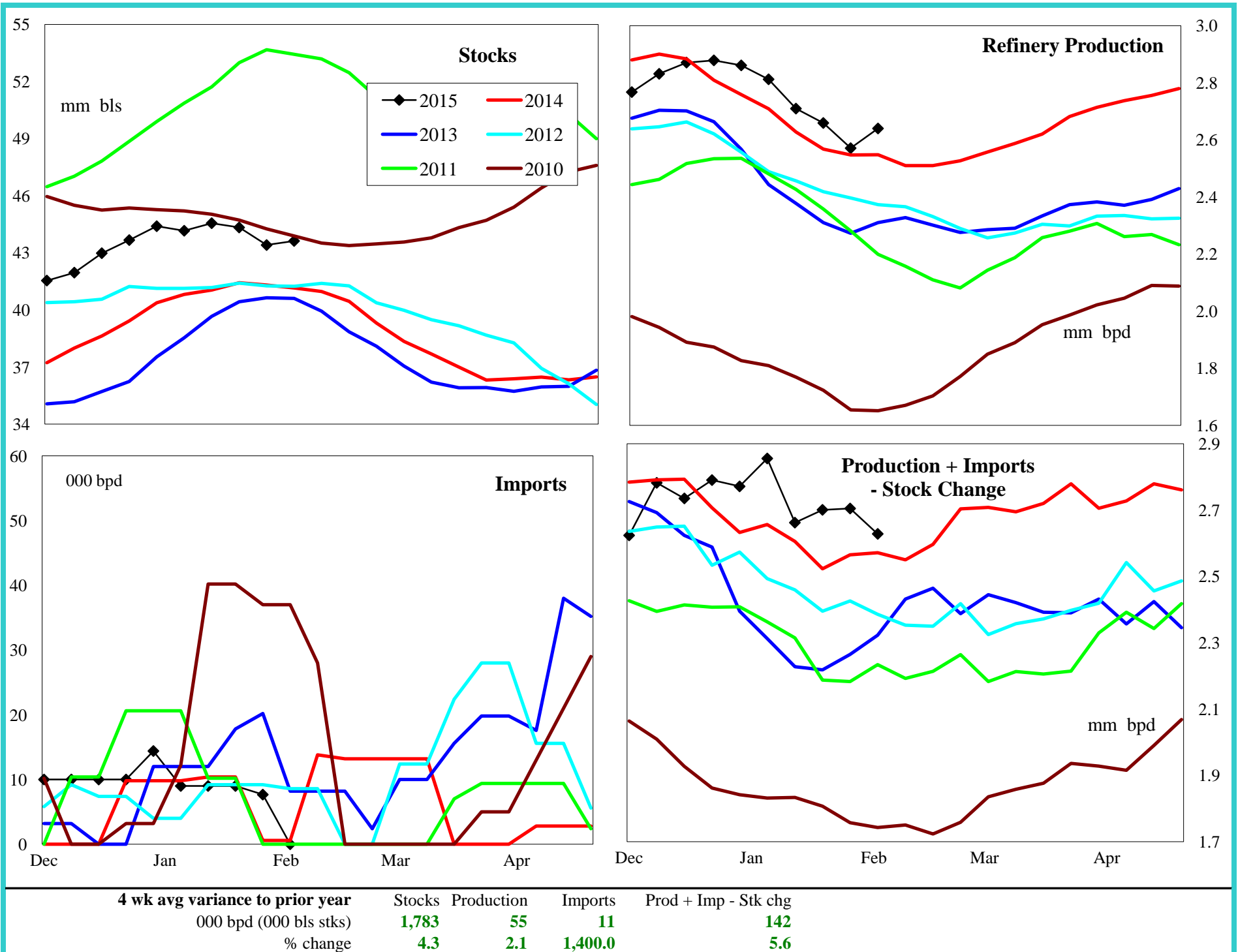
PADD 3 Reformulated Gasoline Supply



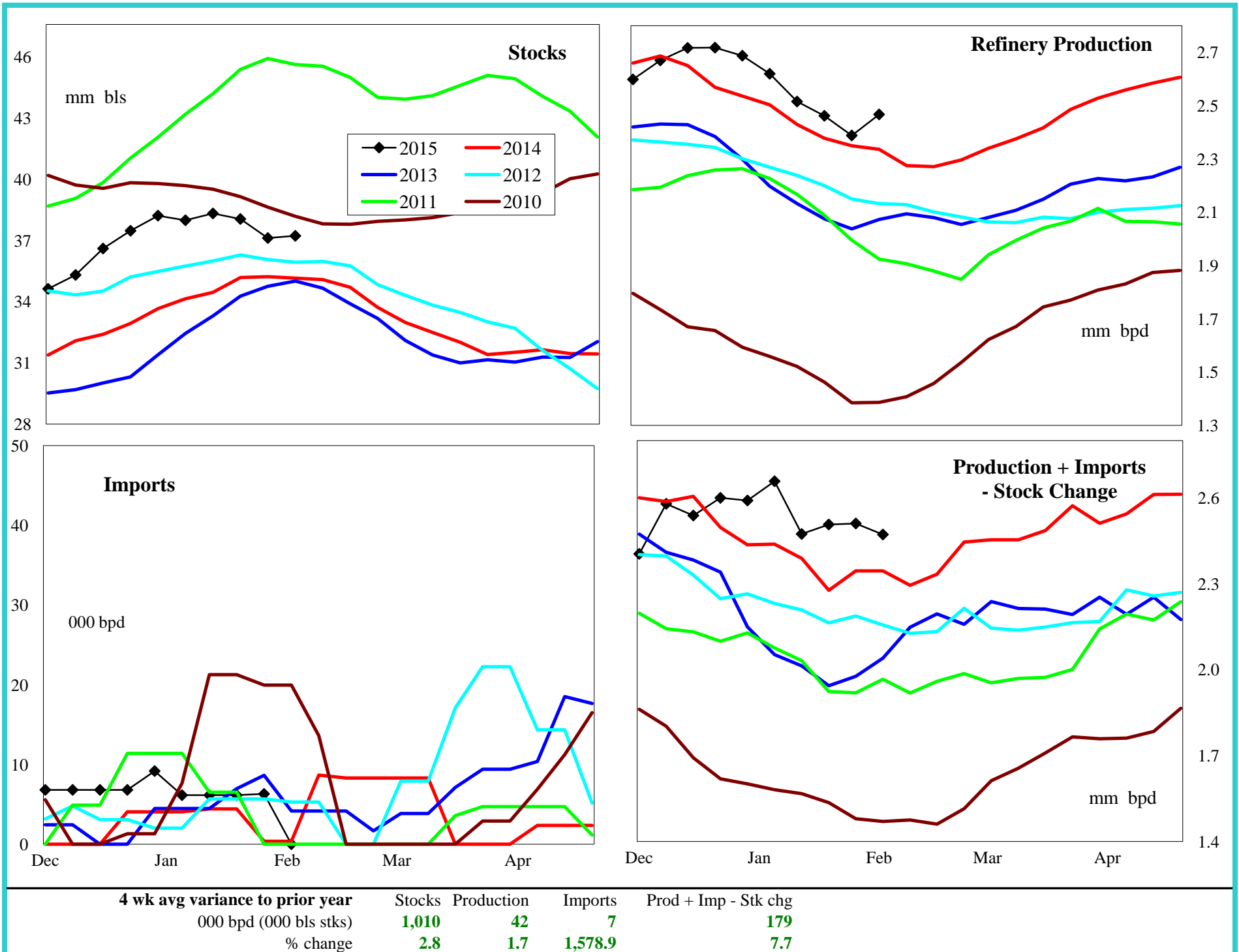
PADD 3 Conventional Gasoline Supply



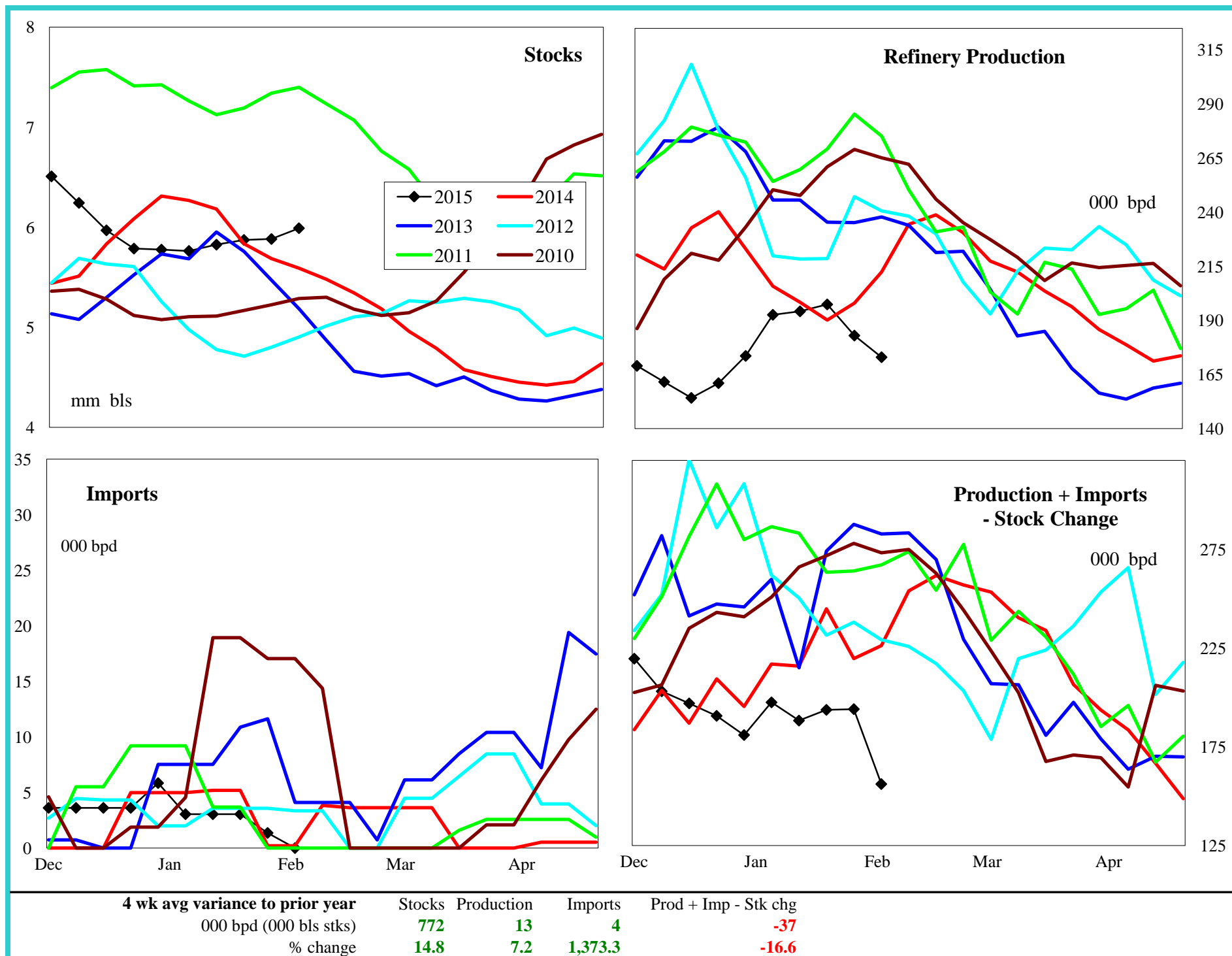
PADD 3 Distillate Supply



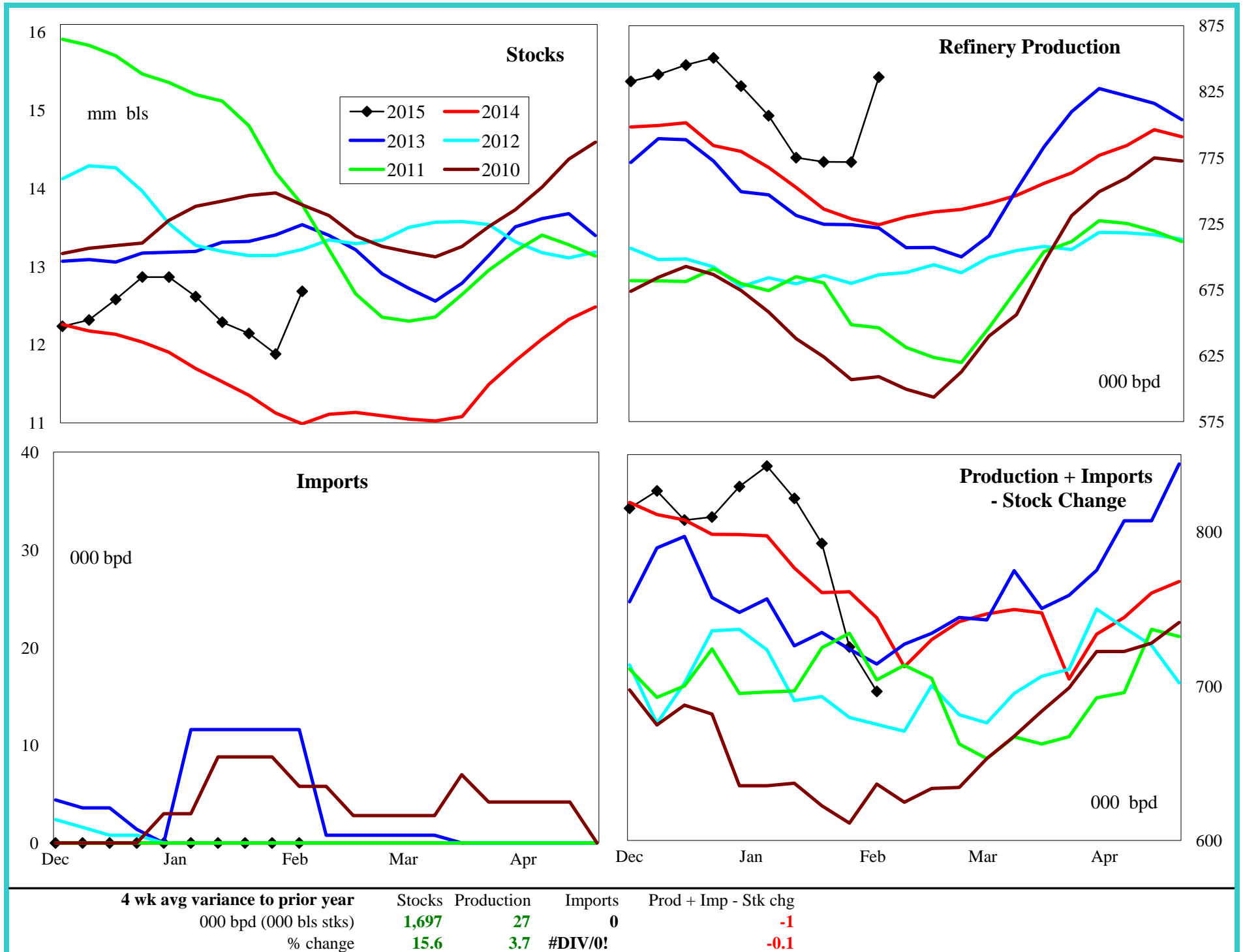
PADD 3 Low Sulfur Distillate Supply



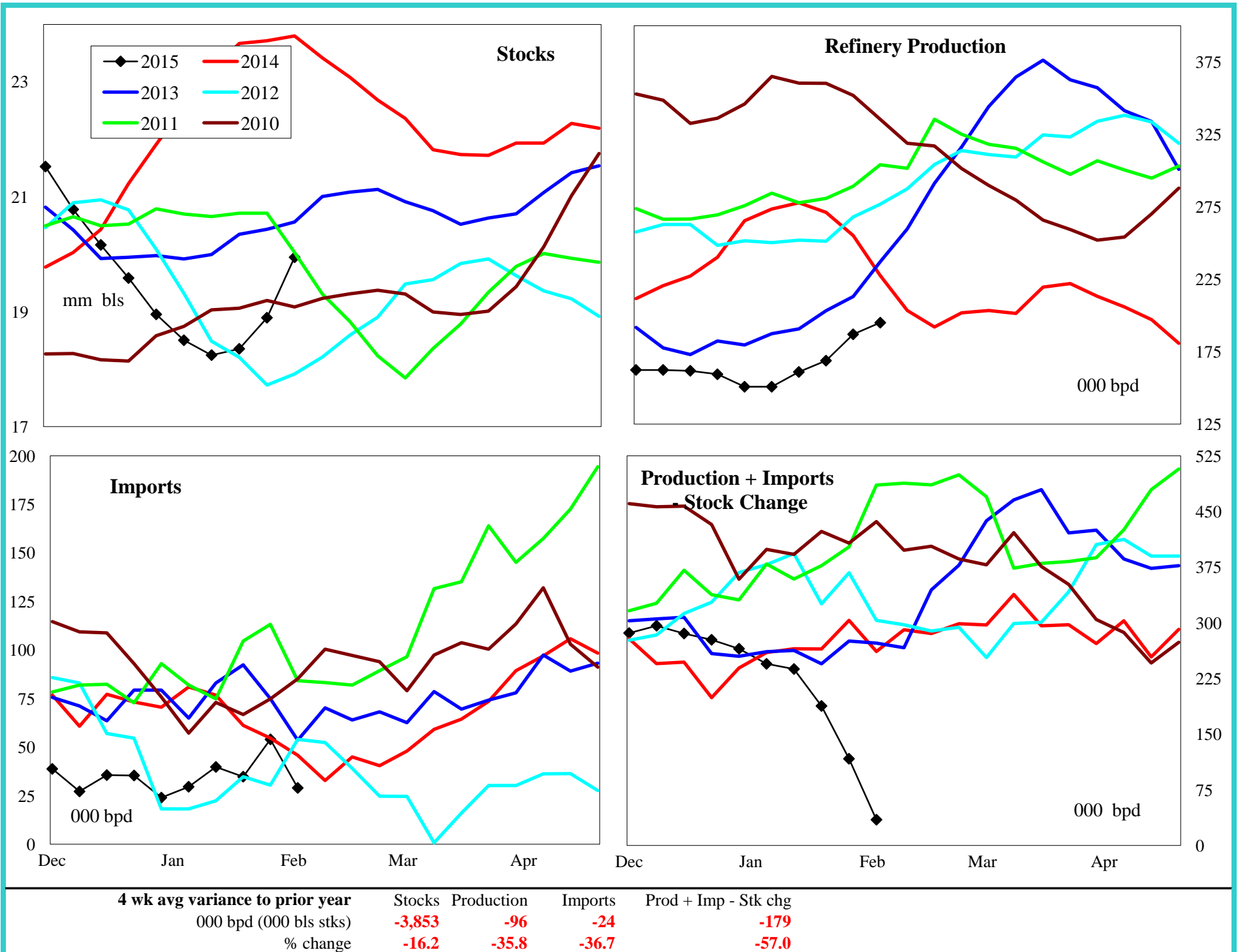
PADD 3 High Sulfur Distillate Supply



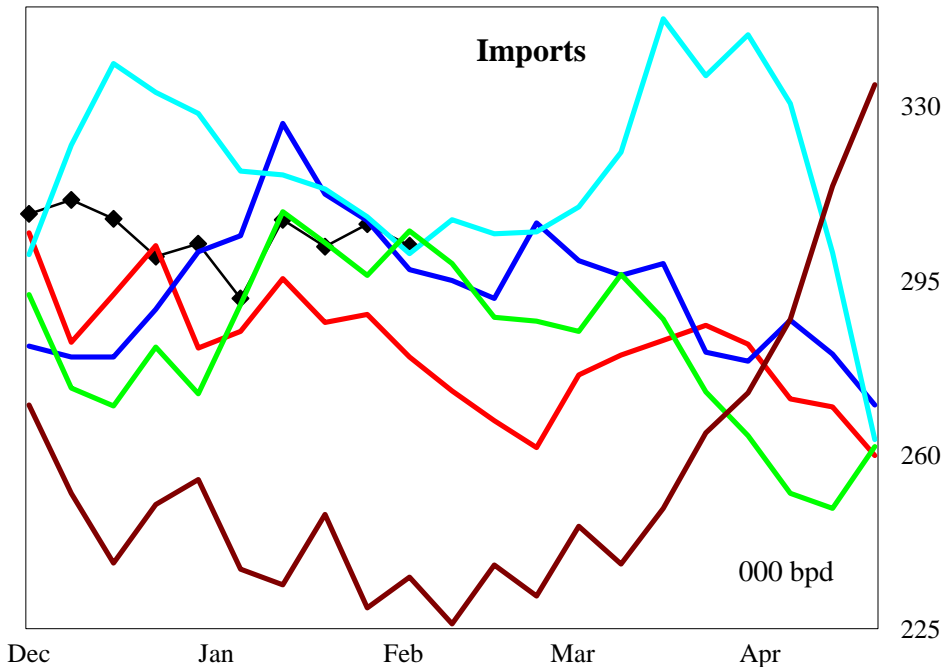
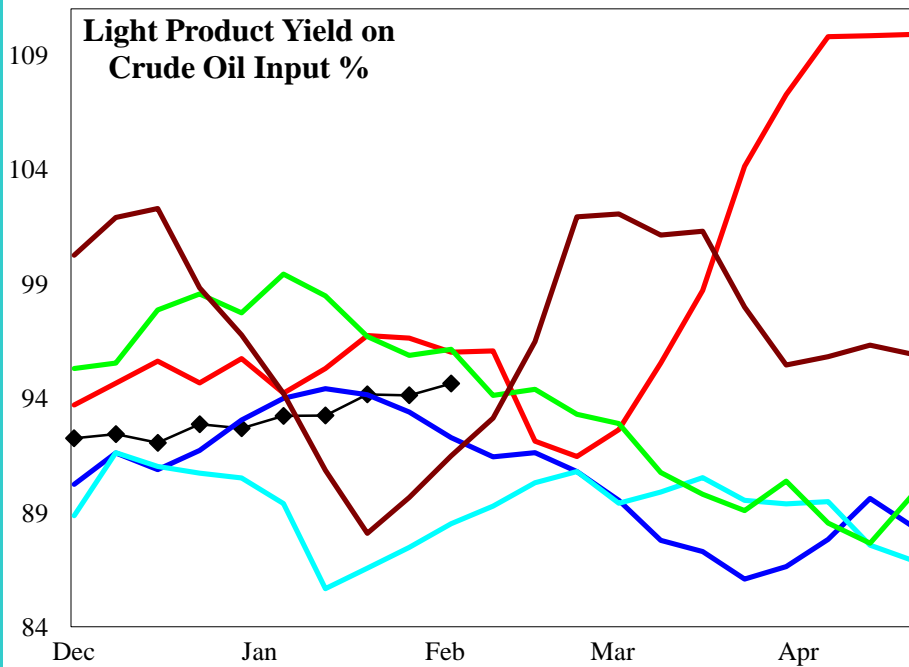
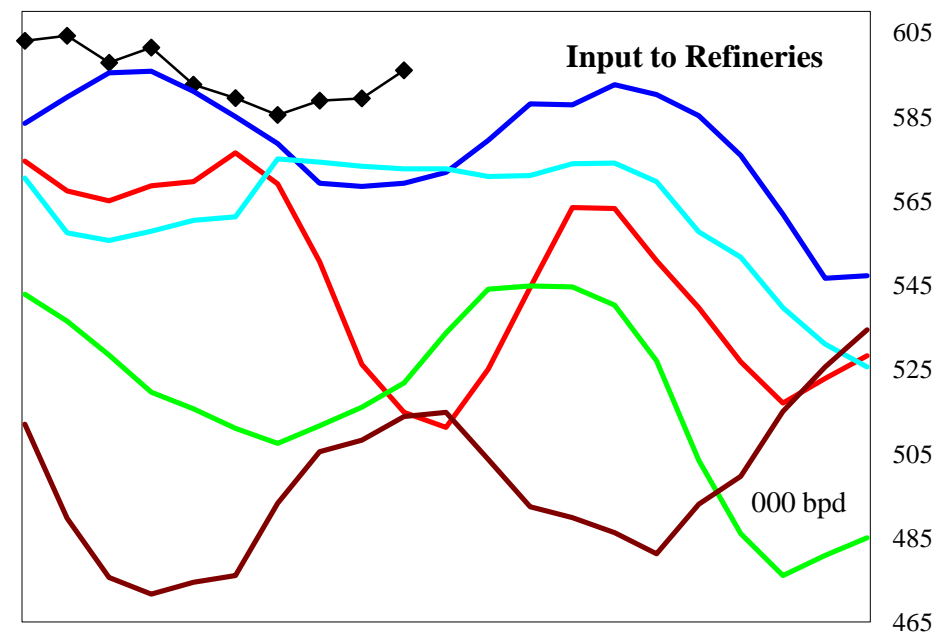
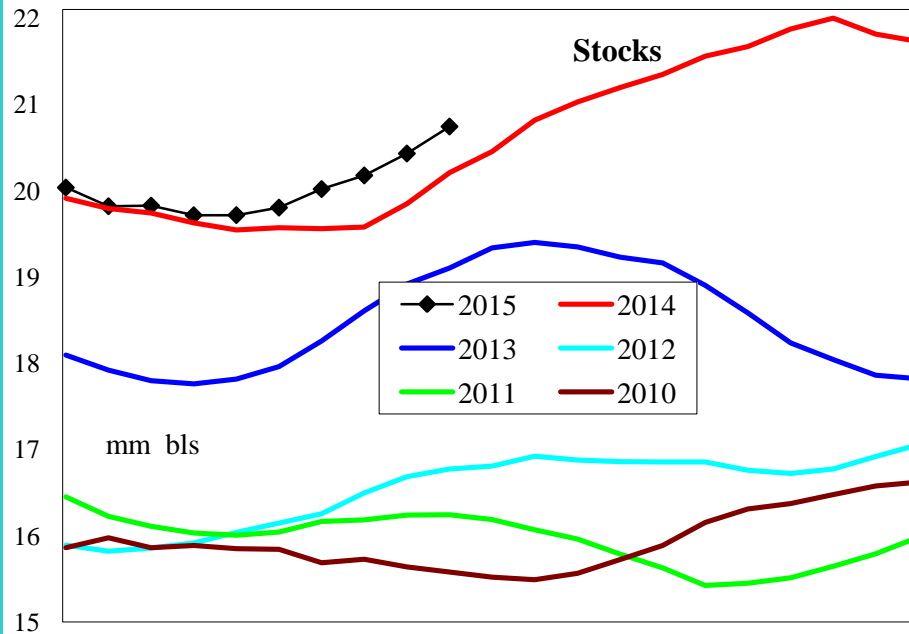
PADD 3 Jet Fuel Supply



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

534

2.6

Input

45

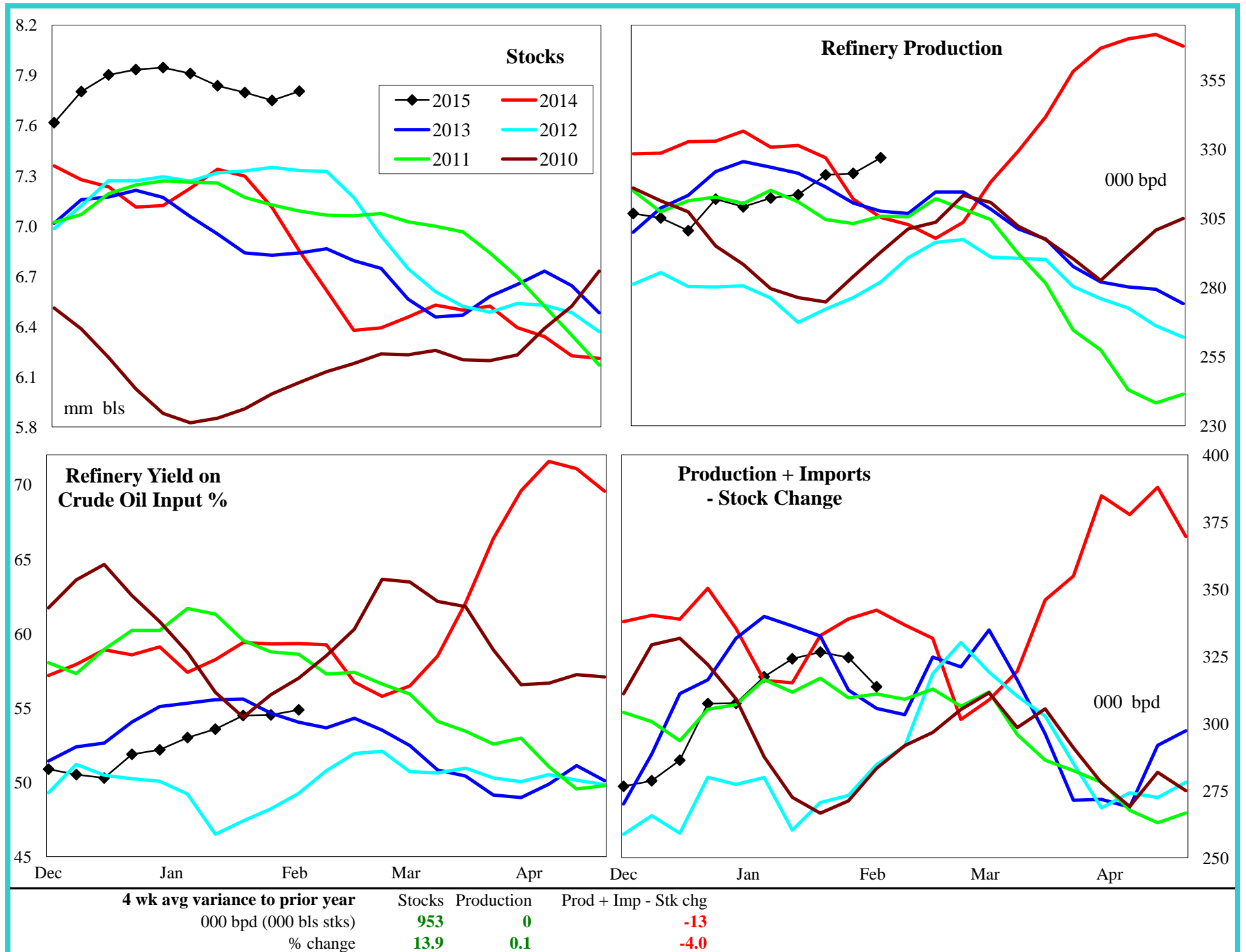
8.3

Imports

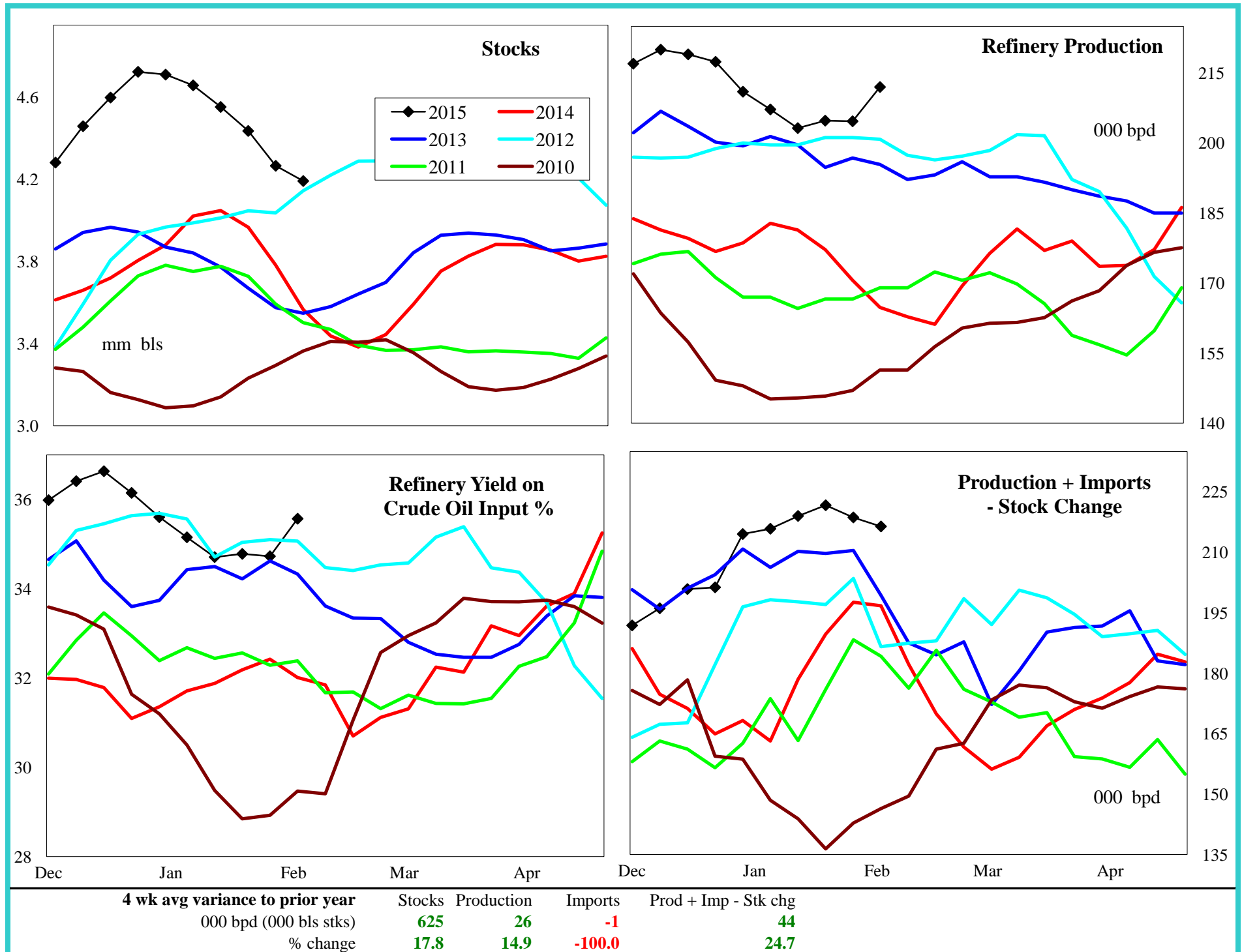
27

9.3

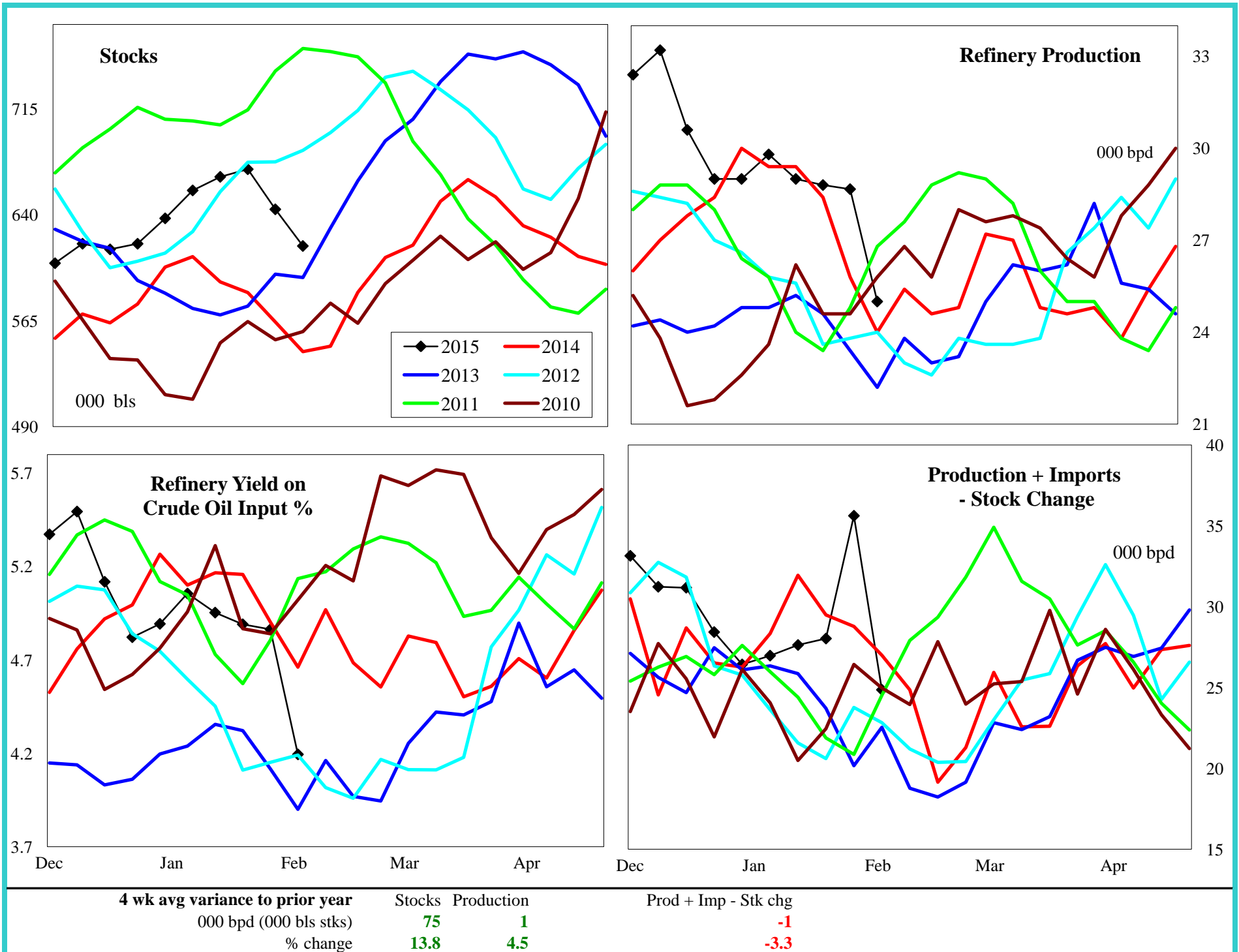
PADD 4 Gasoline Supply

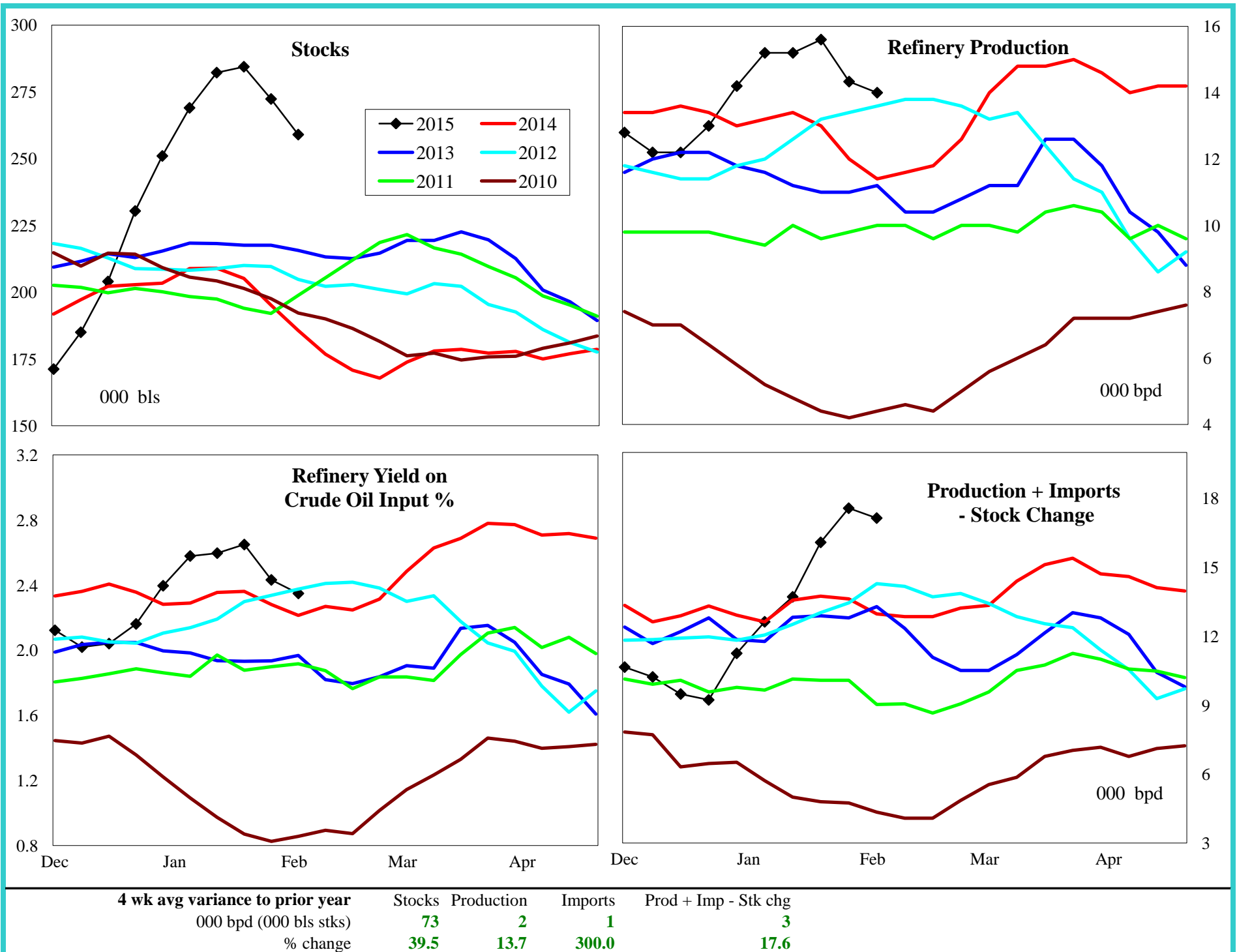


PADD 4 Distillate Supply

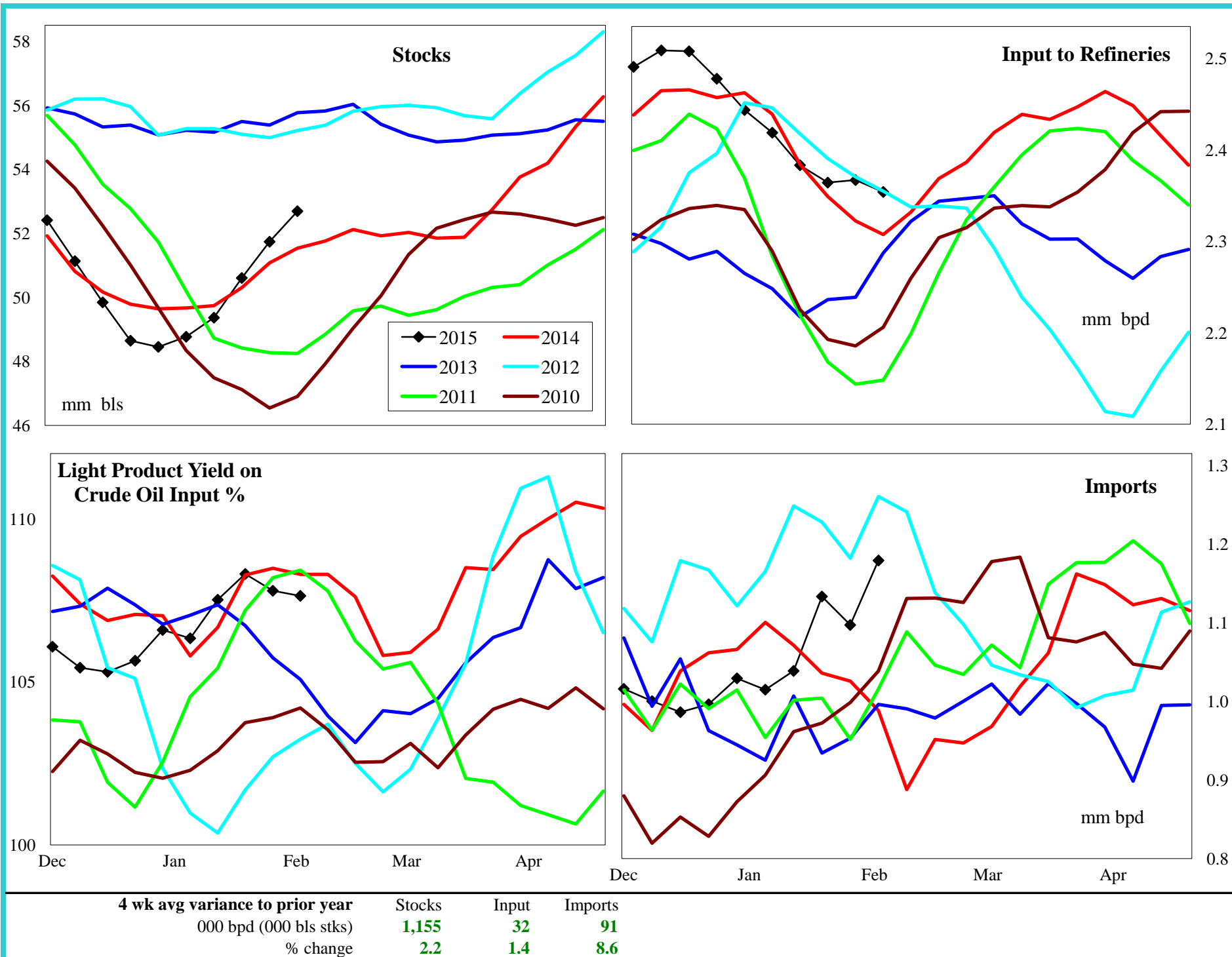


PADD 4 Jet Fuel Supply

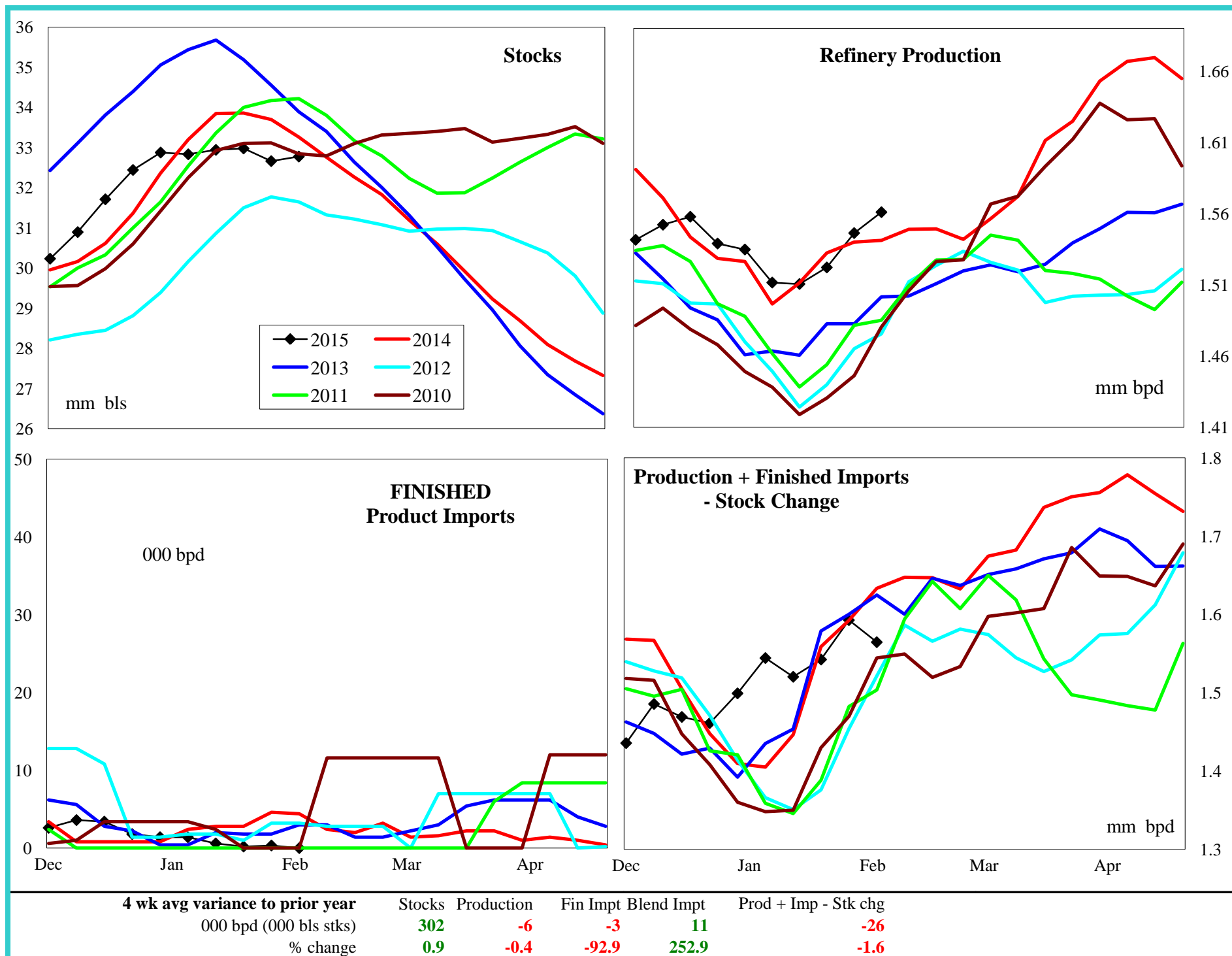




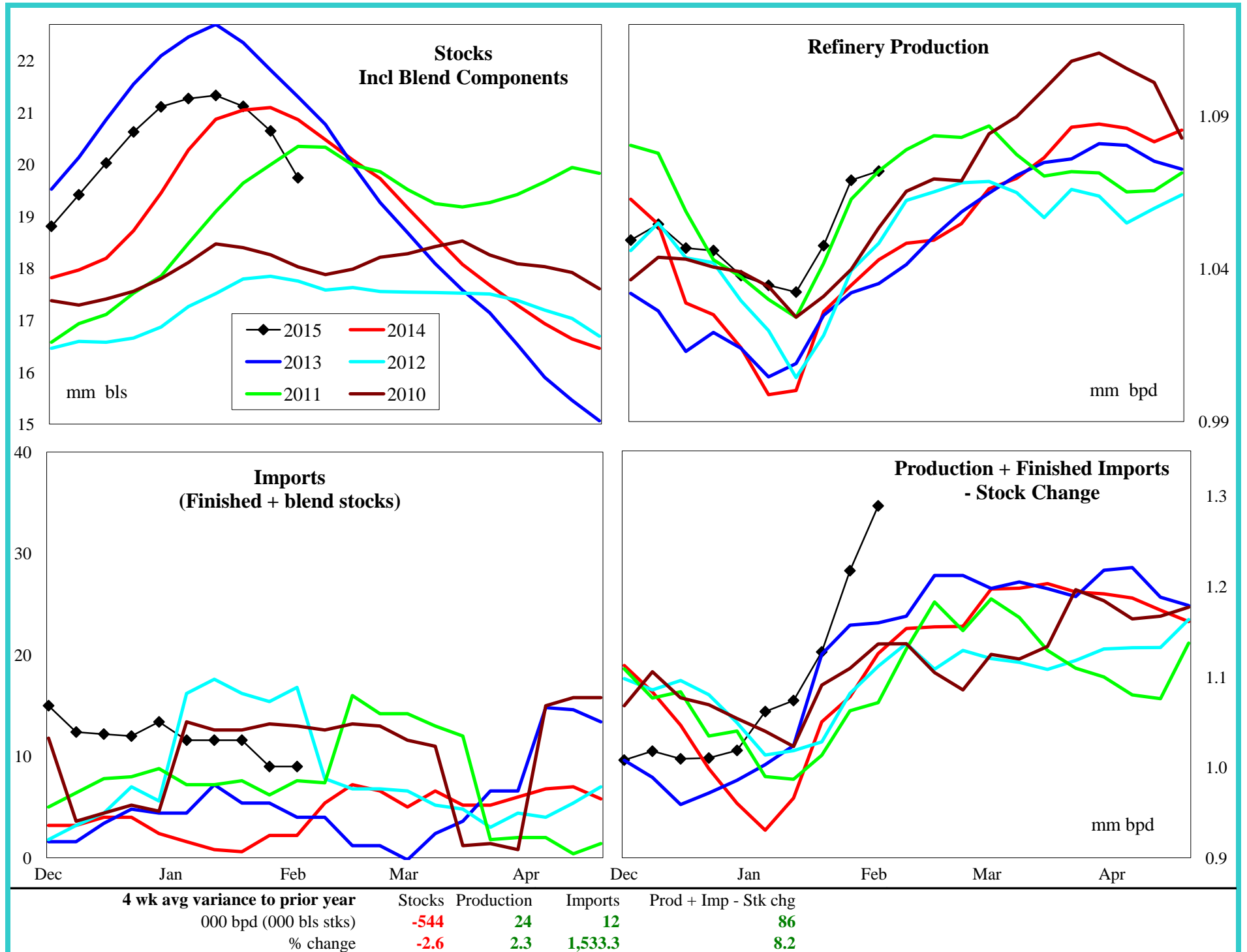
PADD 5 Crude Oil Supply and Refining



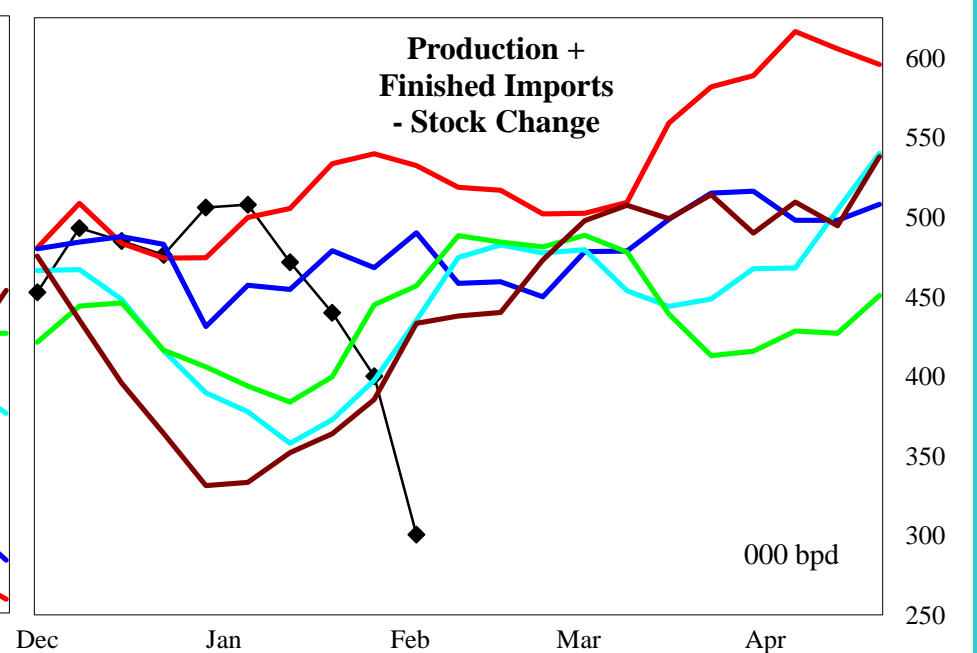
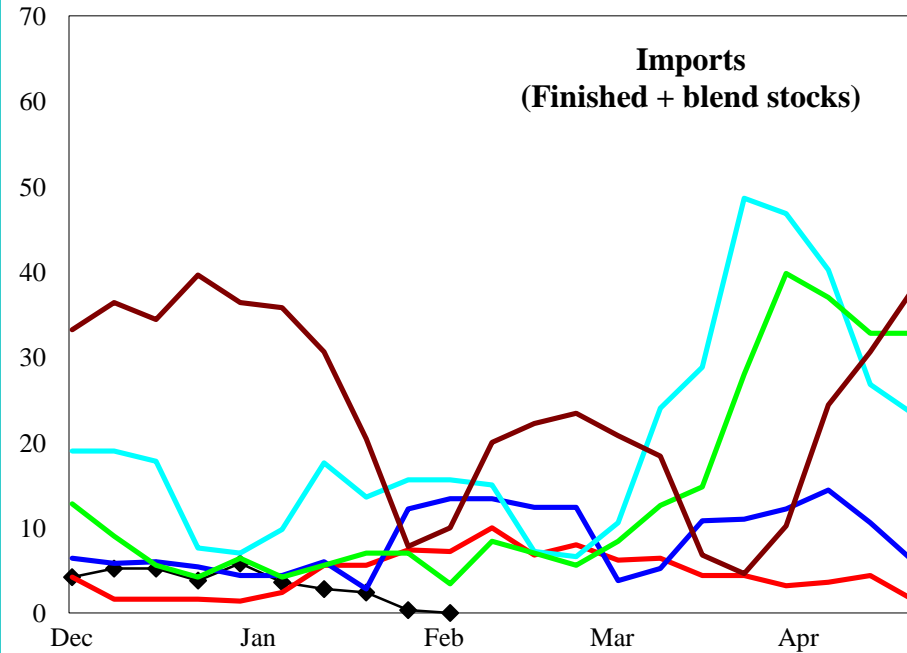
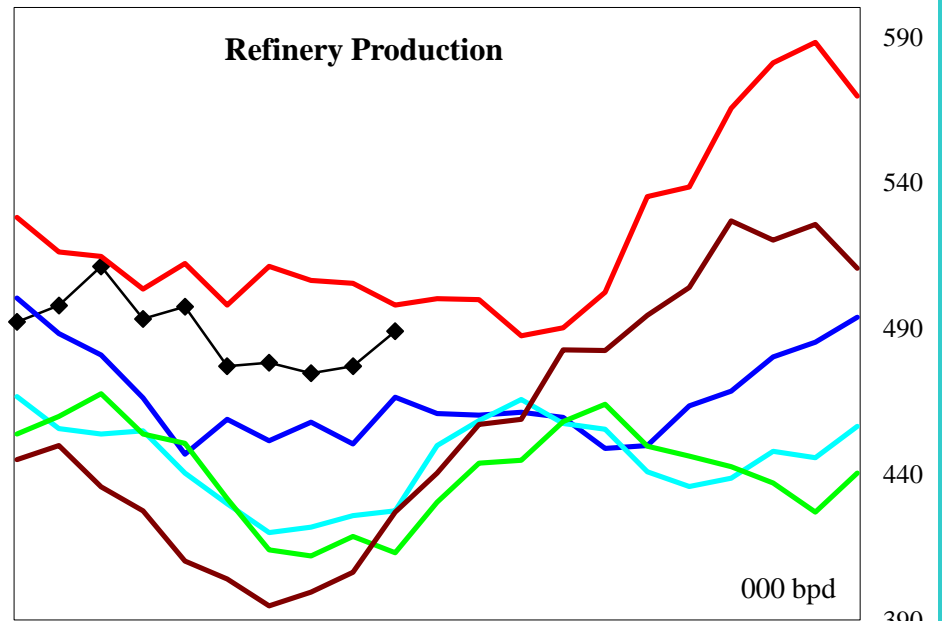
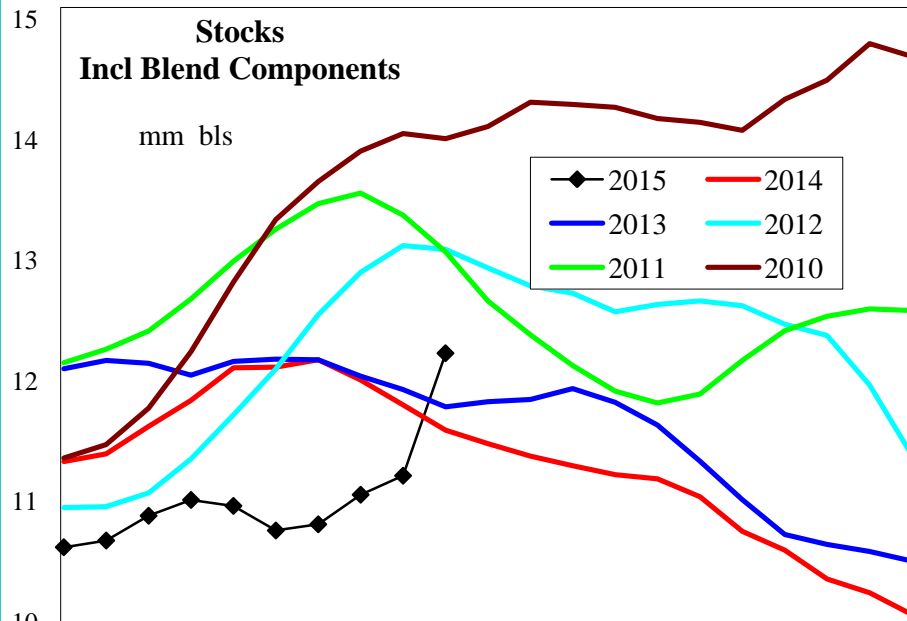
PADD 5 Gasoline Supply



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

-30

-4

-112

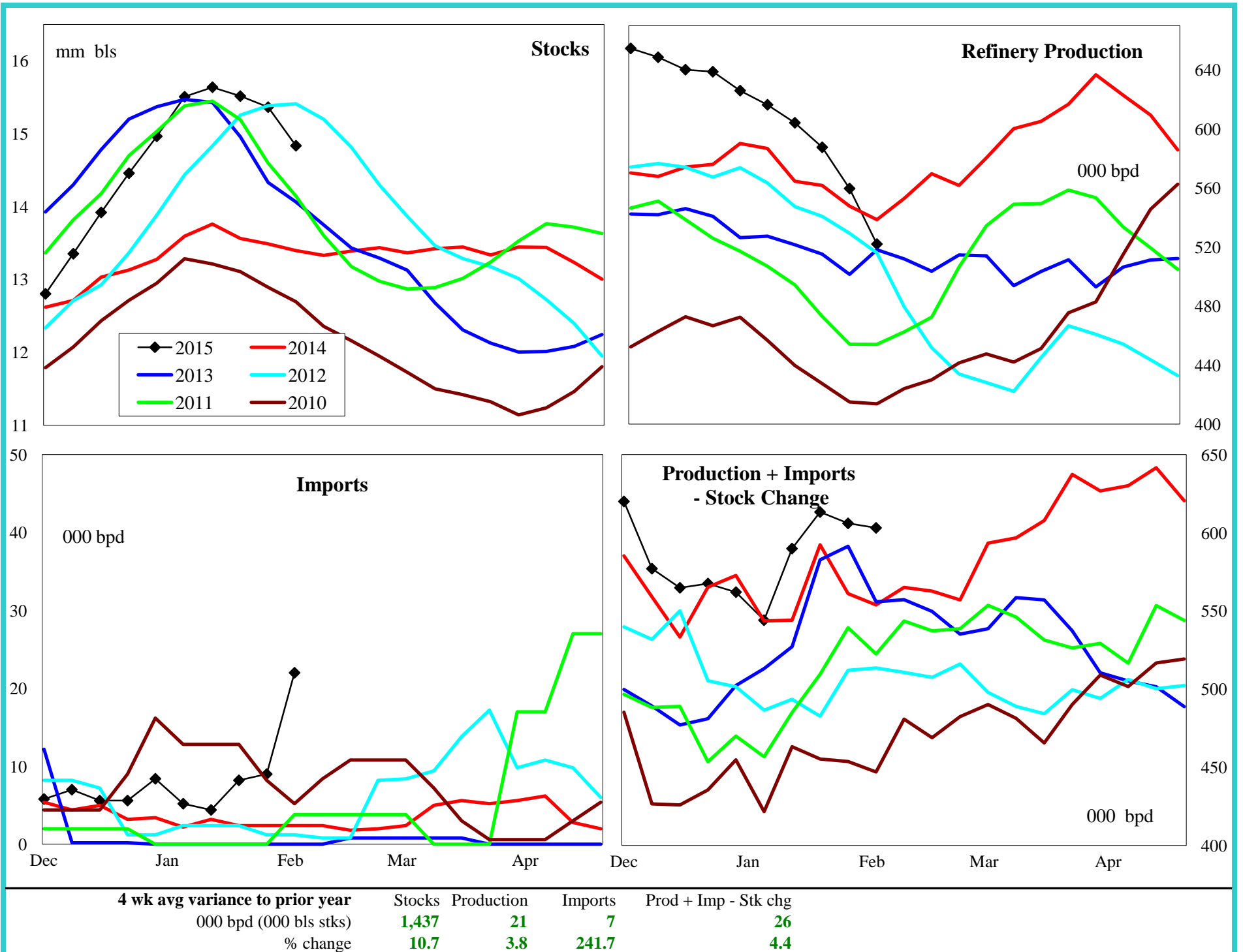
7.2

-5.8

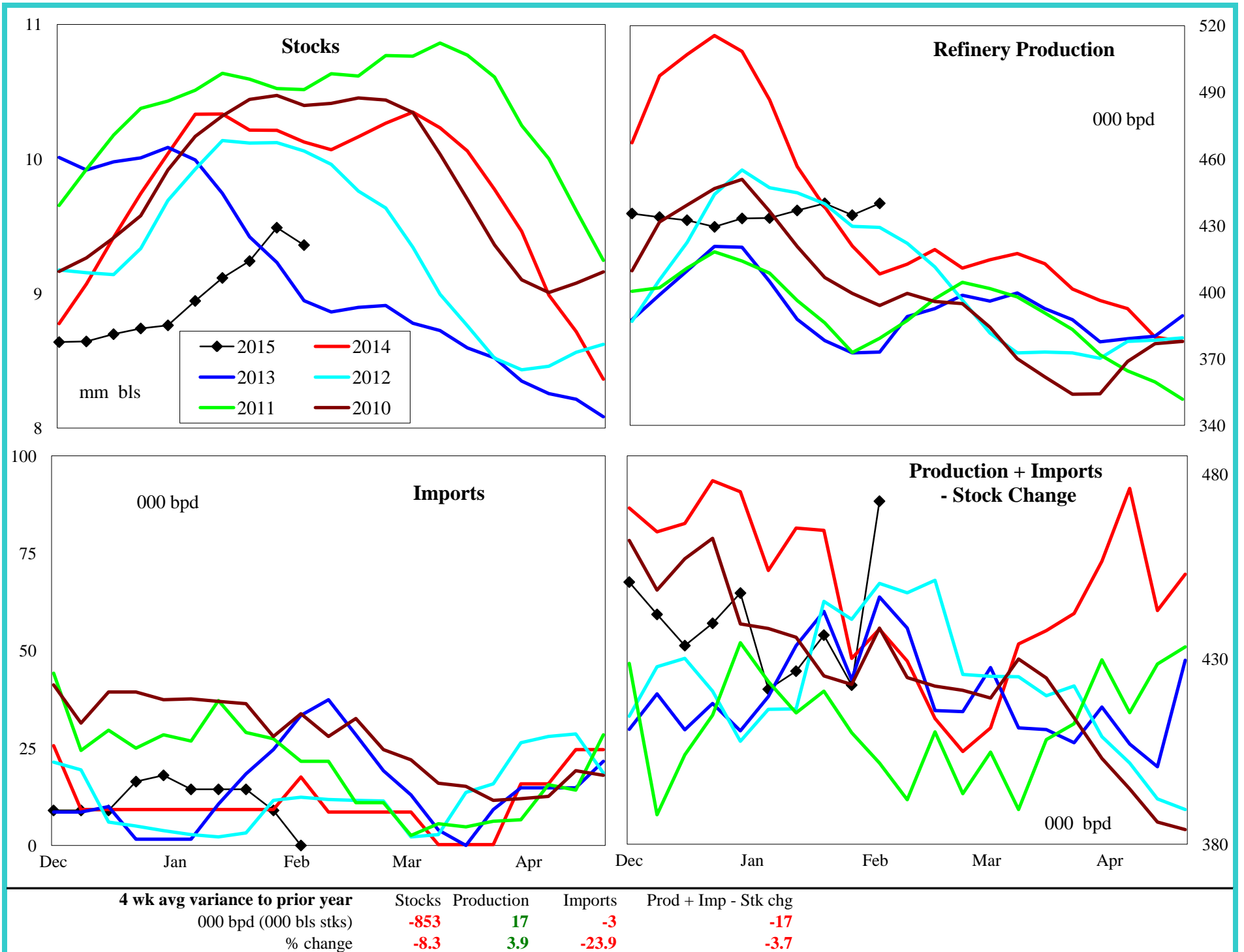
-57.1

-20.2

PADD 5 Distillate Supply



PADD 5 Jet Fuel Supply



PADD 5 Residual Fuel Oil Supply

