



WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

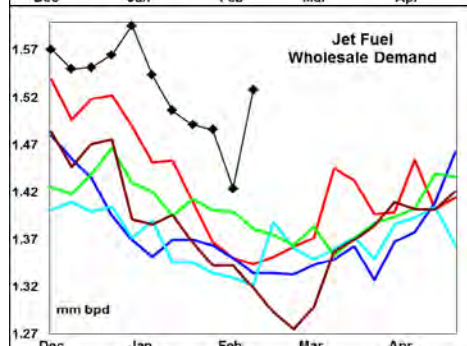
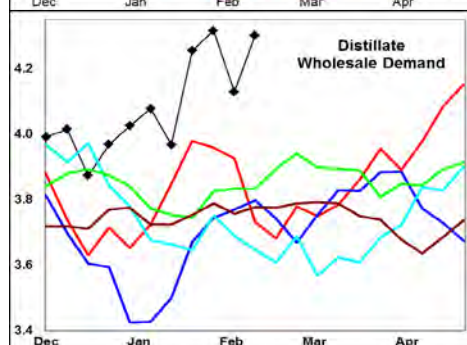
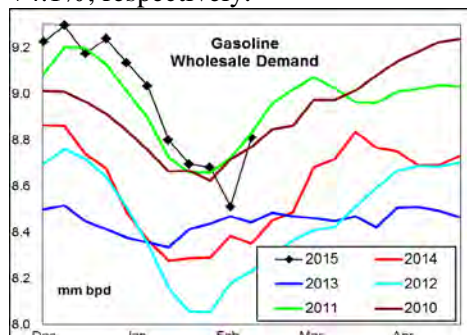
A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Thursday, February 19, 2015



Major Fundamental Trends¹

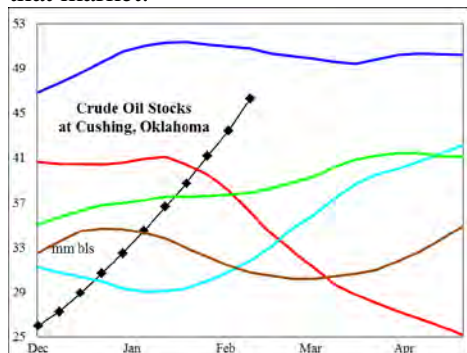
Wholesale transport fuel demand continues to exhibit very robust year-on-year growth with gasoline, distillate and jet fuel up +3.5%, +6.6% and +4.1%; respectively.



Inclement weather in the eastern 1/2 of the country has led to volatile week to week change in wholesale demand. Lower retail fuel prices, that has led to increased consumption, and economic growth underlies this robust growth in demand.

Very favorable storage economics and high production continue to drive gasoline stock building in the key Central Atlantic Region, while

unplanned refinery maintenance on the West coast has led to a price spike in that market.



Crude oil stocks continue to build, even with crude oil runs +237,000 bpd above a year ago and imports down -0.3 million bpd for the latest 4-wk period. Stock levels in Cushing are likely to reach storage capacity limits during the next quarter. Increased pipeline capacity to deliver crude oil to Cushing is offsetting the expansion of storage.

Wholesale Demand for gasoline rebounded last week to a level well above the last 3-yrs.

Wholesale demand, measured over the last four weeks compared to a year ago: gasoline increased +3.5%, distillate increased +6.6%, jet fuel was +4.1% higher, while residual fuel decreased -47%.

Stocks forward coverage: Gasoline demand coverage decreased slightly on a +0.5 million barrel stock build, and spike in wholesale demand. Coverage ended the week at a level near the 3-yr mid range.

Distillate coverage fell on a -3.8 million barrel stock draw. Coverage ended the week at a level near the average of the last 2-yrs.

Jet fuel coverage increased on a +0.7 million barrel stock build. Coverage ended the week at a level below the historic range.

Residual fuel oil coverage reached a new record high on very low demand and higher stocks.

Refinery utilization rates decreased on a -122,000 bpd drop in crude oil runs last week. During the latest 4-wk

period crude oil input was +237,000 bpd above last year.

Gasoline yield % on crude oil runs surged last week on a +472,000 bpd jump in output compared to the -122,000 decline in crude oil runs. Gasoline yield % on crude oil runs ended the week slightly above last year.

Distillate yield % on crude oil runs was nearly unchanged on a -77,000 bpd decline in output compared to the decrease in crude oil runs. The yield % on crude oil runs was near the 3-yr average.

Jet fuel yield % on crude oil runs increased slightly last week on a -8,000 bpd decline in output compared the lower crude oil runs. The yield % on crude oil runs was a record high for the month.

Petroleum Imports/Exports: Imports of gasoline increased +173,000 bpd last week. Jet fuel imports were a record high for the week.

During the latest 4-wk period crude oil imports decreased -0.3 million bpd compared to a year ago; distillate imports were +27,000 bpd higher; finished gasoline imports were -7,000 bpd lower; gasoline blend stock imports were -3,000 bpd lower, jet fuel imports increased +54,000 bpd, and residual fuel imports increased +30,000 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 +7.7 million barrels on the week, which occurred on record high refinery crude oil runs for this time of year and a decrease in imports.

Stocks in Cushing increased +3.7 million barrels on the week, with the level now -4 million barrels below the previous record high. Risk is very high stocks will reach Cushing storage capacity limits during the next quarter.

¹ Source is latest EIA Weekly Statistics



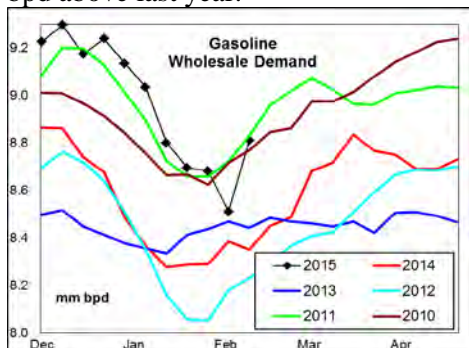
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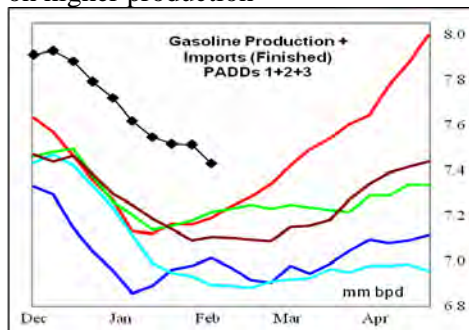
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Product Supply-Demand Trends

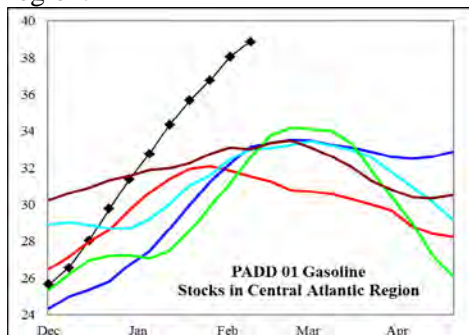
Gasoline wholesale demand rebounded +0.5 million bpd last week to a level well above the last 3-yr. The latest 4-wk average demand was +0.3 million bpd above last year.



Supply reversed last week's decline, rising +0.6 million bpd on the week. Supply for the latest 4-wk period exceeded a year ago by +129,000 bpd on higher production



Stocks increased +0.5 million barrels on the week, to a fresh record high. Stocks ended the week +22% above last year in the key Central Atlantic region.

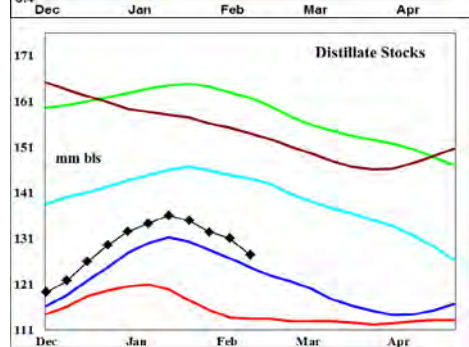
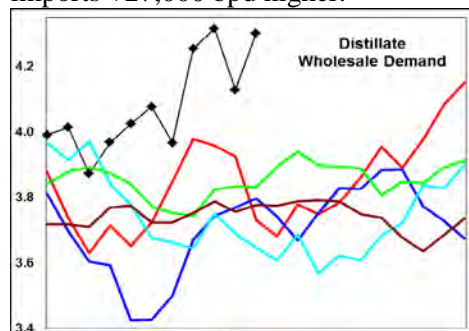


Look for high stock levels to persist on favorable storage economics and high production, partially offset by increased wholesale demand.

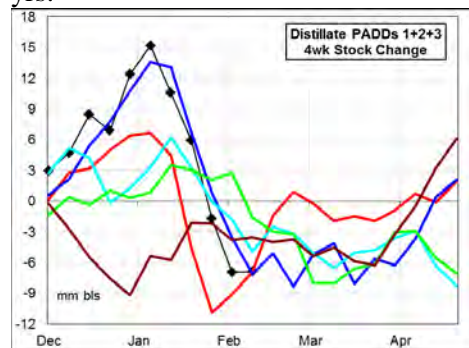
Distillate wholesale demand decreased -50,000 bpd last week. The much colder than normal temperatures in the

eastern 1/2 of the country and increased exports underlies the latest 4-wk average demand year-on-year increase of +260,000 bpd.

Supply decreased -130,000 bpd on lower imports and production. Production was +35,000 bpd above last year for latest 4-wk period, with imports +27,000 bpd higher.



Stocks fell -3.8 million barrels on the week. The 4-wk stock draw East of the Rockies matched each of the last 2-yr.

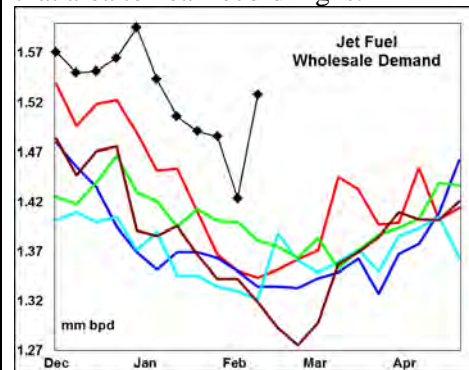


Look for stock levels to trend seasonally lower, at a level above the last 2-yr on below average refinery maintenance, partially offset by robust wholesale demand.

Jet Fuel wholesale demand increased +78,000 bpd for the week, with the 4-wk average +57,000 bpd above last year.

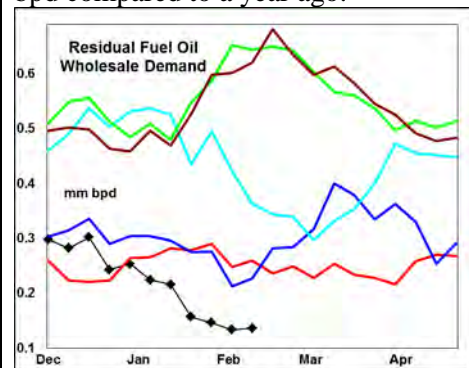
Stocks increased +0.7 million barrels on the week, due to record high production and imports. Stocks ended the week at a level that matched highs of the last 2-yr for the period.

All regions except the Midwest are reporting year-on-year increases in production, while record high imports to the East Coast have pushed stocks in that area to near record highs.



Look for seasonally low wholesale demand and high imports to the East Coast, to maintain stock levels above the last 2-yr during the spring refinery maintenance season.

Residual fuel oil demand was nearly unchanged last week. Demand for the latest 4-wk period decreased -114,000 bpd compared to a year ago.



Supply (production + imports) fell -154,000 bpd on the week, due to lower imports. Stocks increased +0.1 million barrels, to a level at the low end of the historic range.

Stock levels are above the 5-yr range on the West Coast and Rockies markets, while the Gulf has also seen an increase. Wholesale demand remains -47% below a year ago, due largely to a drop in exports.



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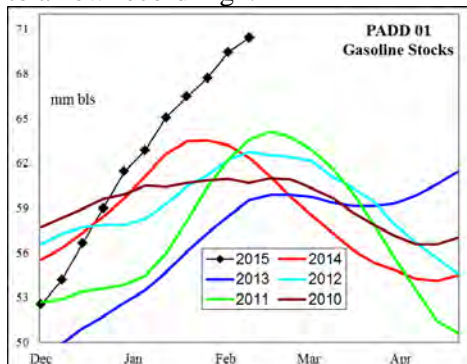
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PADD Supply Trends

PADD 1 refinery crude oil runs fell -143,000 bpd, with the 4-wk average +74,000 bpd above last year.

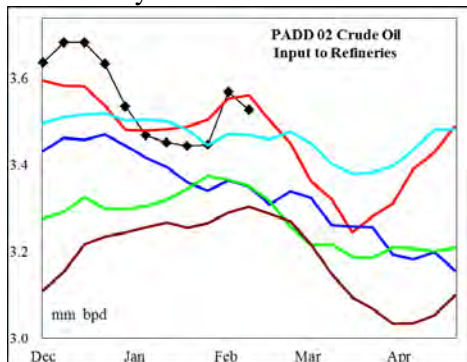
Gasoline supply increased +217,000 bpd driven by higher imports and production, with the 4-wk average +205,000 bpd above last year. Stocks increased +1 million barrels last week, to a new record high.



Distillate supply decreased -26,000 bpd last week, with the 4-wk average -10,000 bpd below last year. Imports for the latest 4-wk period were +17,000 bpd above last year. Stocks fell -1.7 million barrels, to a level +7.6 million barrels above a year ago.

Jet fuel supply increased +44,000 bpd last week on record high imports; with the 4-wk average +88,000 bpd above last year. Stocks ended the week near historic highs.

PADD 2 crude oil refinery runs decreased -34,000 bpd on the week, to a level that matched prior highs. The latest 4-wk average was -46,000 bpd below last year.



Crude oil stocks increased +4 million barrels last week, to a new record high level. Cushing saw a +3.7 million barrel stock build on the week.

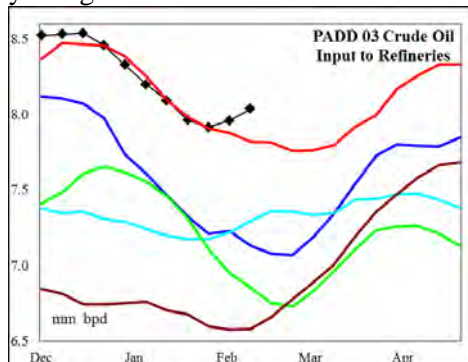
Cushing stock levels are now -4 million barrels below the previous record high set in 2013.

Gasoline supply increased +141,000 bpd on the week. Production for the most recent 4-wk period was -21,000 bpd below a year ago. Stocks increased +1.2 million barrels on the week.

Distillate supply increased +19,000 bpd on the week, to a level that matched prior historic highs. Stocks decreased -0.2 million barrels, ending the week at a level above the last 2-yrs.

Jet fuel production increased +10,000 bpd last week, a level that matched historic highs. Stocks ended the week -3% below the 5-yr range.

PADD 3 refinery runs increased +42,000 bpd on the week, to a level above last year. During the latest 4-wk period, runs were +55,000 above a year ago.



Crude oil stocks increased +2 million barrels last week, due in part to a +0.3 million bpd jump in imports. Crude oil stocks are now +34 million barrels (+20%) above the prior high for the period.

Gasoline supply fell -202,000 bpd last week, with the latest 4-wk average +137,000 bpd above a year ago. Stocks decreased -1.3 million barrels on the week, to a level +1 million barrels above the last 2-yrs.

Distillate supply declined -113,000 bpd on the week, with the latest 4-wk average supply +13,000 bpd above a year ago. Stocks decreased -0.7 million barrels on the week, to a level +6% above each of the last 3-yrs.

Jet fuel production decreased -

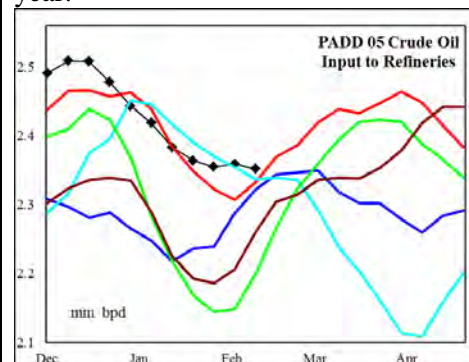
21,000 bpd on the week, with the level +61,000 bpd above last year for the latest 4-wk period. Stocks were unchanged on the week, at a level +145 above last year's record low.

PADD 4 refinery crude runs increased +15,000 bpd last week, to a level above the historic range, with the latest 4-wk average was +82,000 bpd above a year ago.

Gasoline production was unchanged on the week, with the latest 4-wk average +15,000 bpd above a year ago. Stock levels ended the week +21% above last year and a new all time record high.


Distillate supply increased +5,000 bpd last week, with the latest 4-wk production +40,000 above last year. Stock levels ended the week equal to historic highs.

PADD 5 crude oil refinery runs were unchanged on the week, with the level slightly above the last 3-yrs. The 4-wk run rate was +73,000 bpd above last year.



Gasoline supply decreased -8000 bpd on the week, at a level comparable to last year. Stocks decreased -0.6 million barrels on the week, ending at a level below four of the last 5-yrs.

Distillates supply decreased -17,000 bpd last week, to a level slightly below a year ago. The 4-wk average supply was +19,000 bpd above a year ago. Stocks fell 1.3 million barrels on the week, a level just below the 3-yr mid range. Significant refinery upsets and fire at the ExxonMobil plant has led to a sharp rise in cash basis in all west coast regional markets.



FUNDAMENTAL

PETROLEUM TRENDS

PETROLEUM: Graph Link and Weekly Summary

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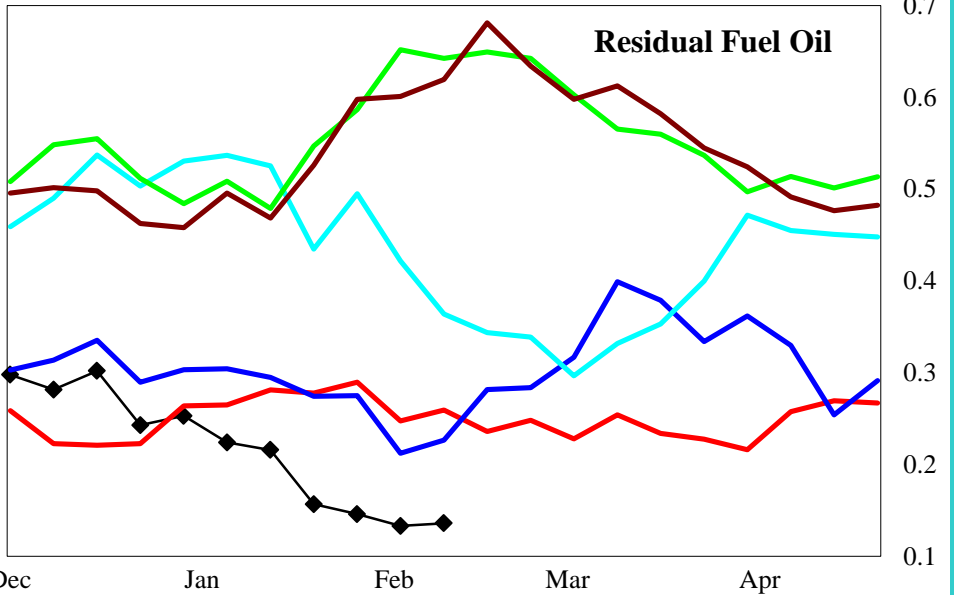
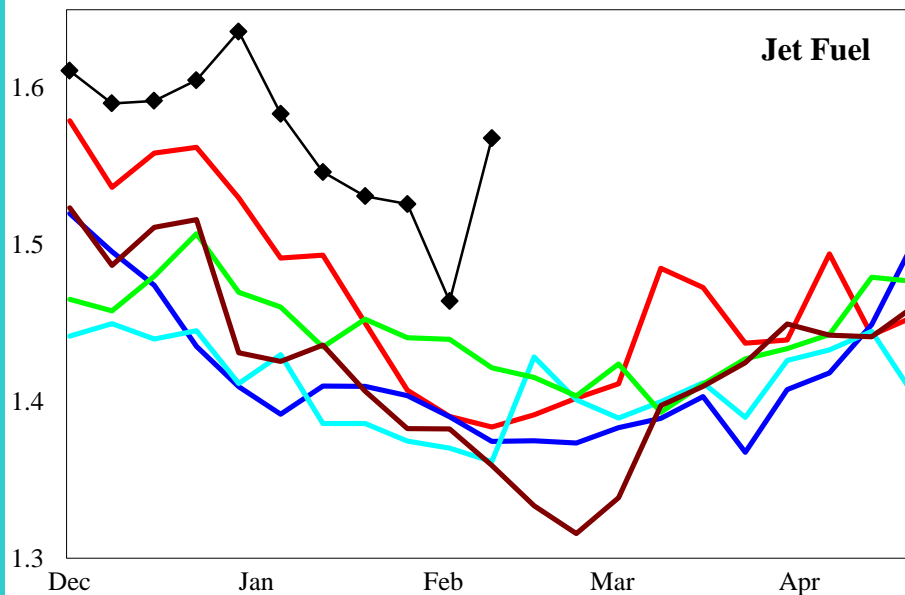
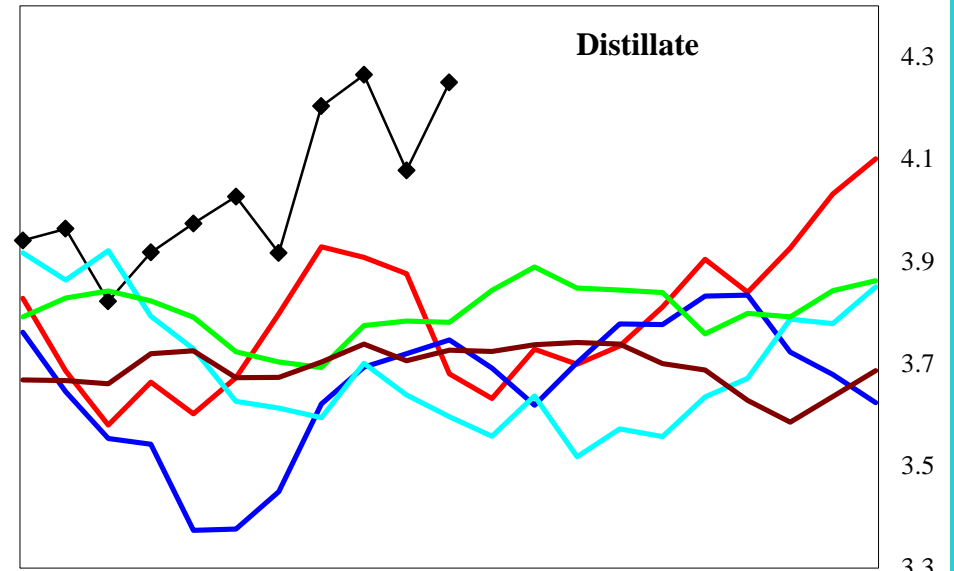
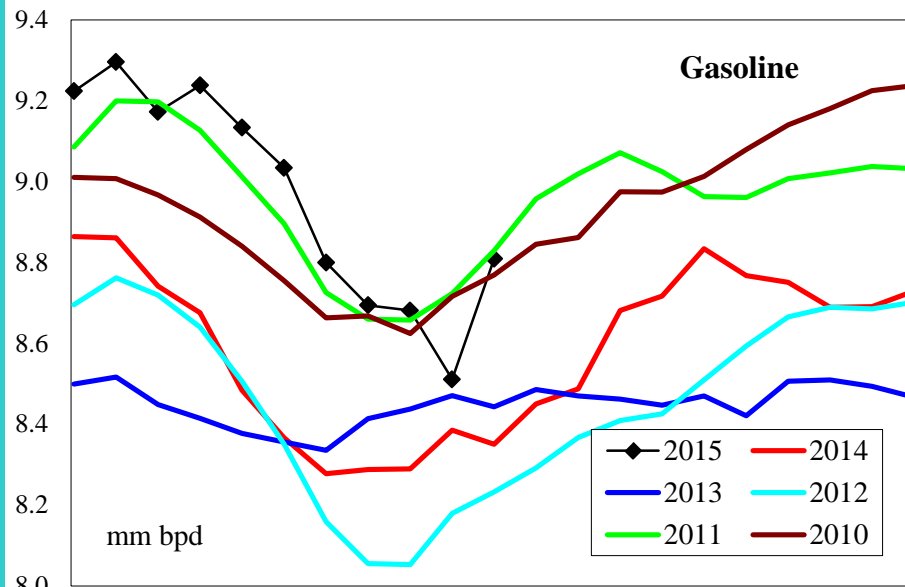
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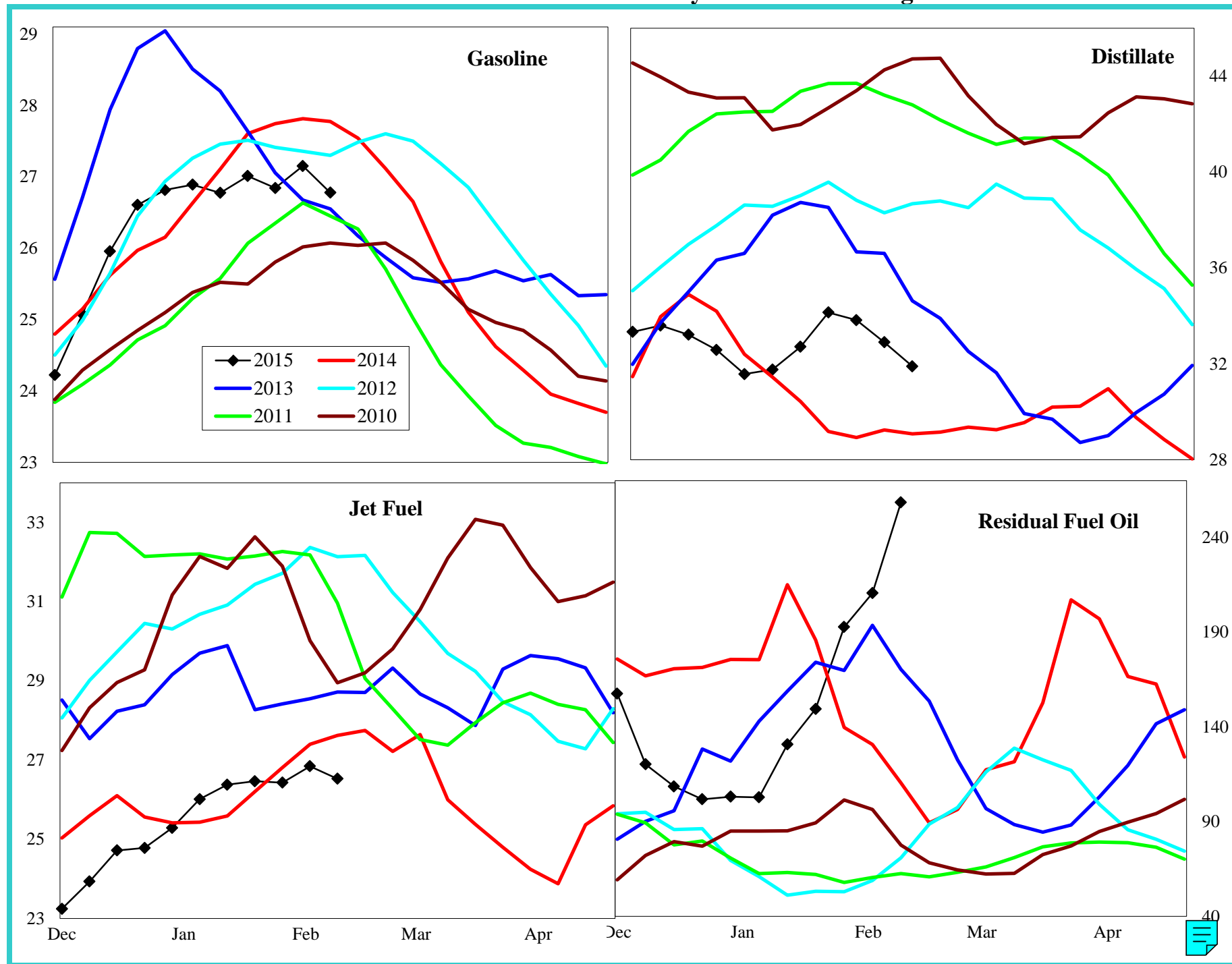
Fundamental Trends	Wholesale Demand	Stocks Days Fwd Coverage	Refinery Utilization		Product Yield %		Imports
Supply/Demand Trends	13-Feb-15	EIA-DOE CHANGE FROM PRIOR WEEK					
	000 bpd stocks 000 bls	U. S. Total	PADD				
			1	2	3	4	5
Crude Oil	Stocks	7,716	3,071	3,955	2,045	18	-1,373
	Imports	-181	-54	-107	293	50	-363
	Input	-122	-143	-34	42	15	-2
	% Utilization	-1.30					
Gasoline	Stocks	485	1,034	1,159	-1,315	235	-628
	Production	472	58	138	-203	1	-17
	Imports	173	159	3	1	0	9
	Supplied	527					
Distillate	Stocks	-3,814	-1,701	-178	-723	82	-1,294
	Production	-77	-2	27	-113	5	5
	Imports	-53	-24	-8	0	0	-22
	Supplied	-50					
Jet Fuel	Stocks	661	491	192	-43	68	-47
	Production	-8	-3	10	-21	5	3
	Imports	61	47	0	0	0	14
	Supplied	78					
Residual Fuel Oil	Stocks	138	163	-108	-214	-39	336
	Production	-48	4	-18	-31	0	-4
	Imports	-106	-92	2	-11	-2	-3
	Supplied	6					

United States Wholesale Petroleum Demand

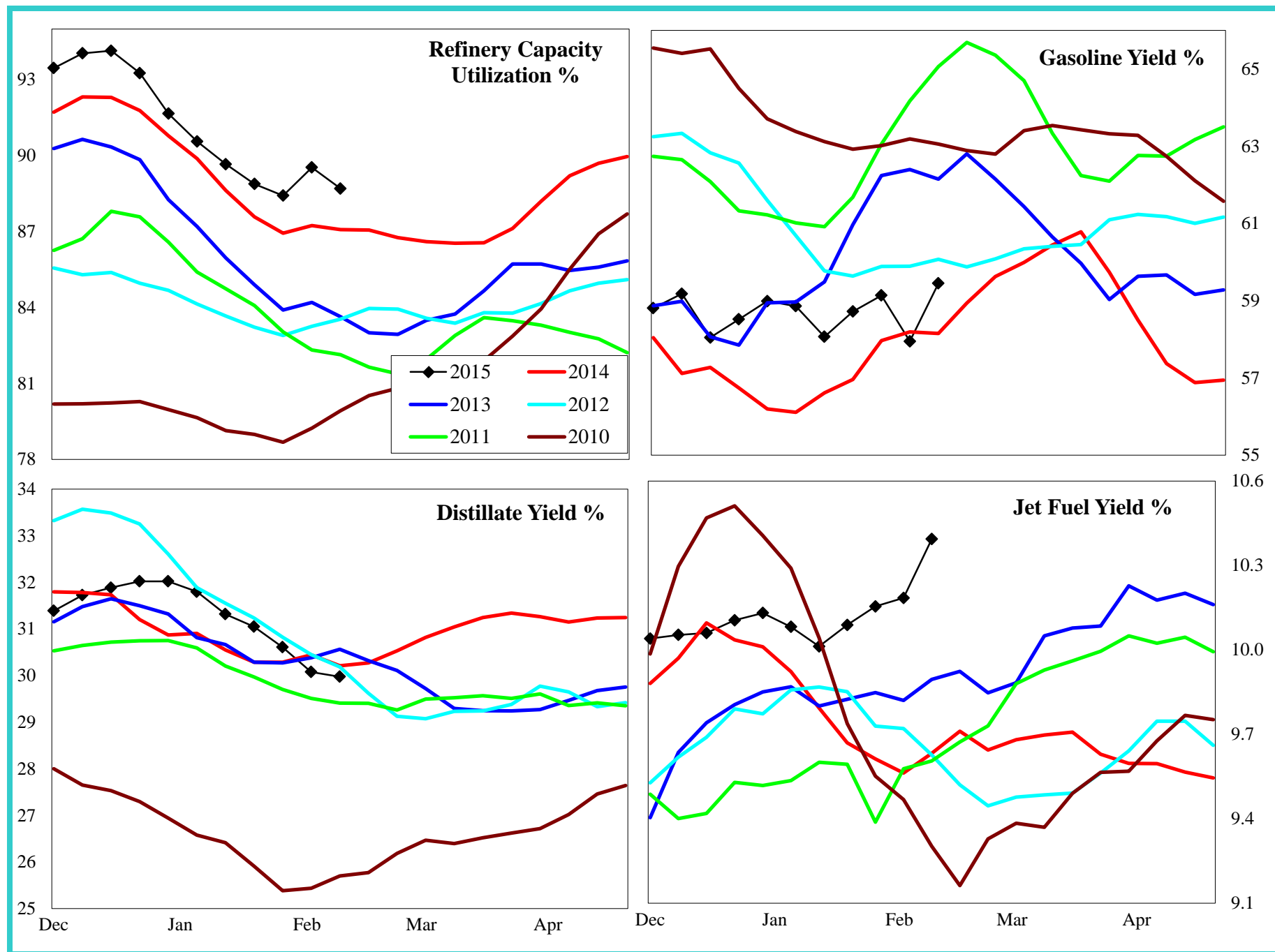


	000 bpd change from prior year				% change from prior year				
	4wk avg	Jan	Jan	Nov	4wk avg	Jan	Dec	Nov	
Gasoline	291	592	654	183	3.5	7.2	7.5	2.1	
Distillate	260	-92	-40	16	6.6	-2.2	-1.0	0.4	
Jet Fuel	57	130	129	67	4.1	9.5	9.0	4.7	
Resid	-114	-105	38	-17	-46.5	-39.0	17.4	-5.2	

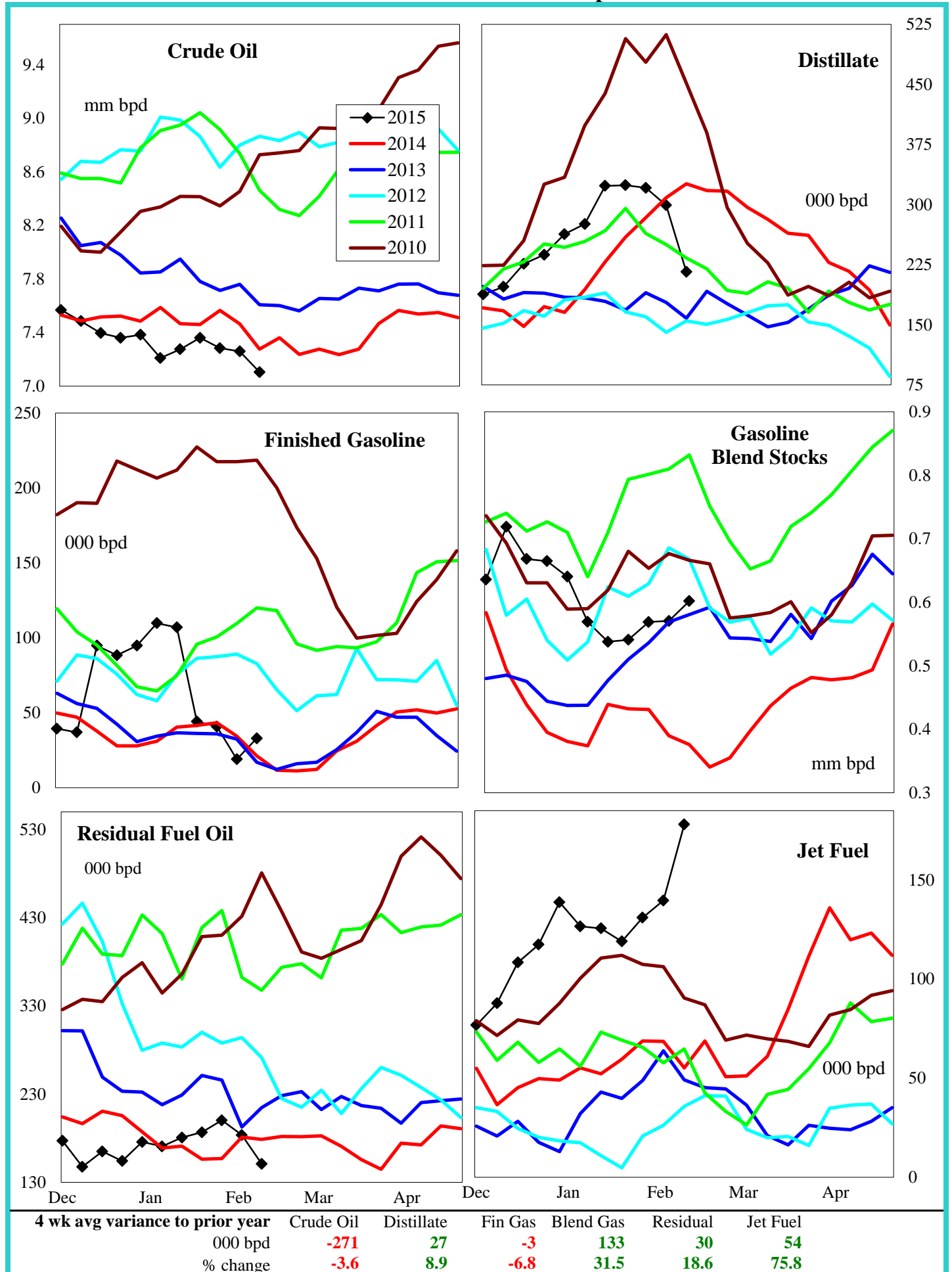


United States Product Stocks: Days Forward Coverage

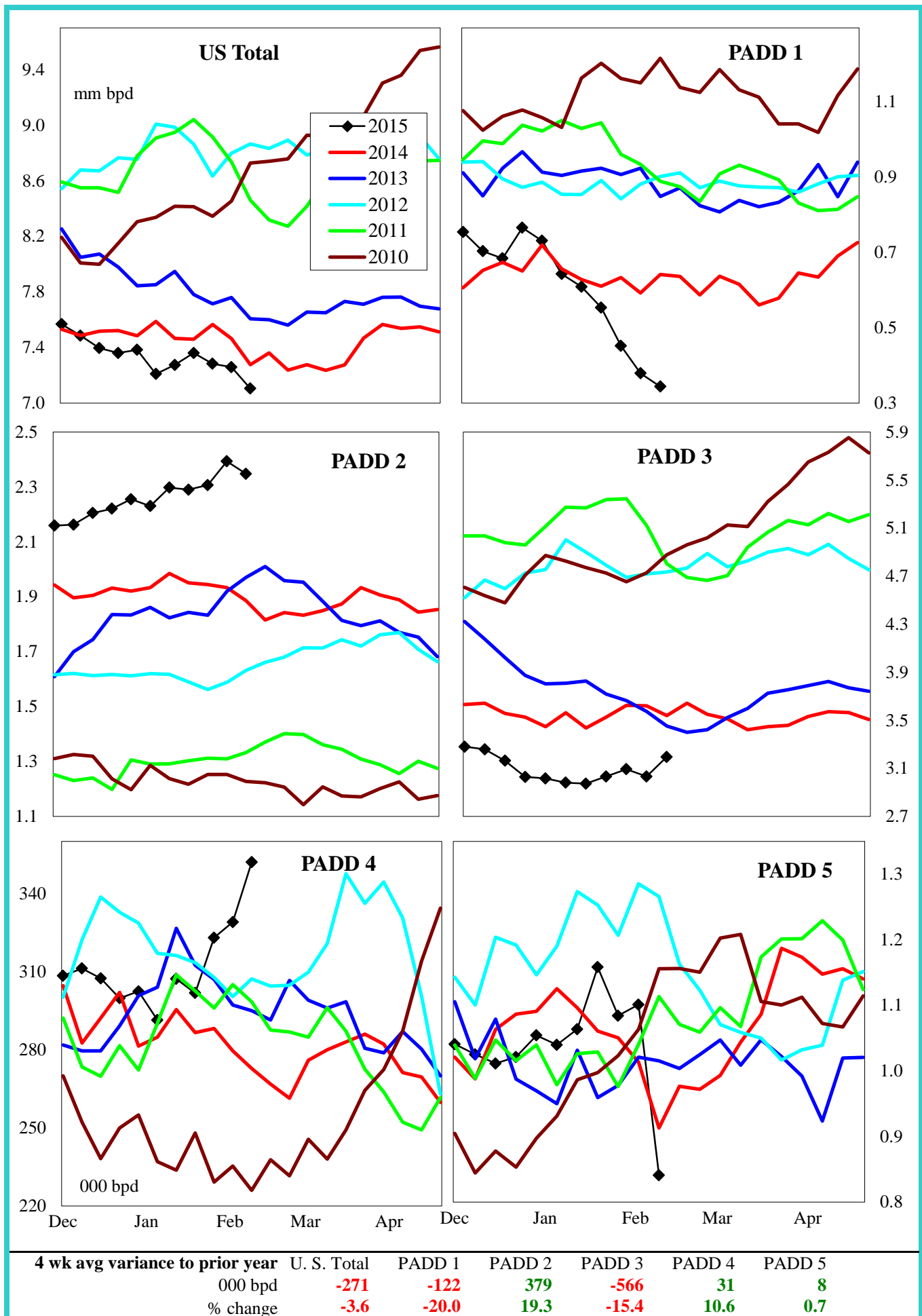
United States Refinery Percent Utilization Rate and Product Yields



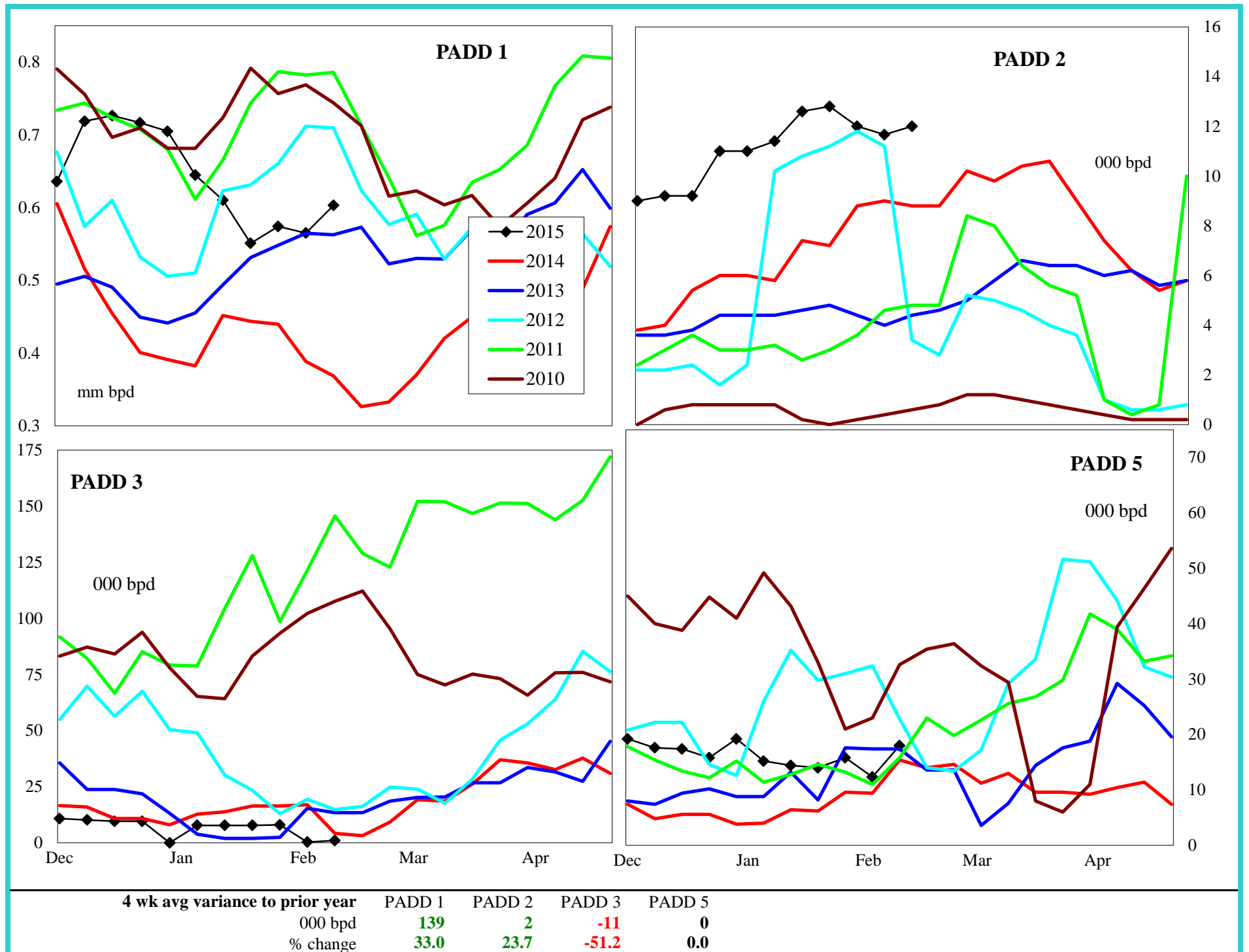
United States Petroleum Imports



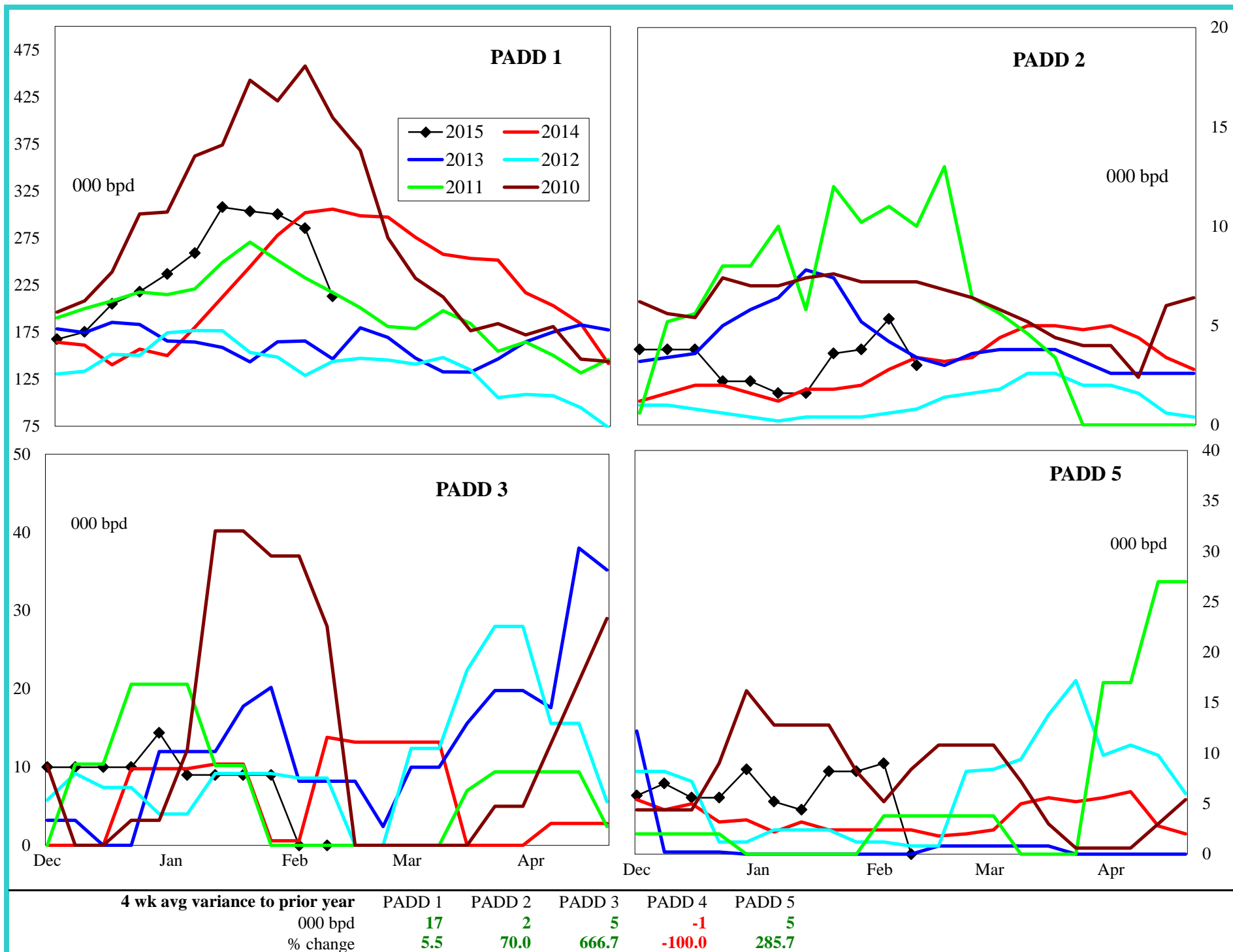
Crude Oil Imports by PADD



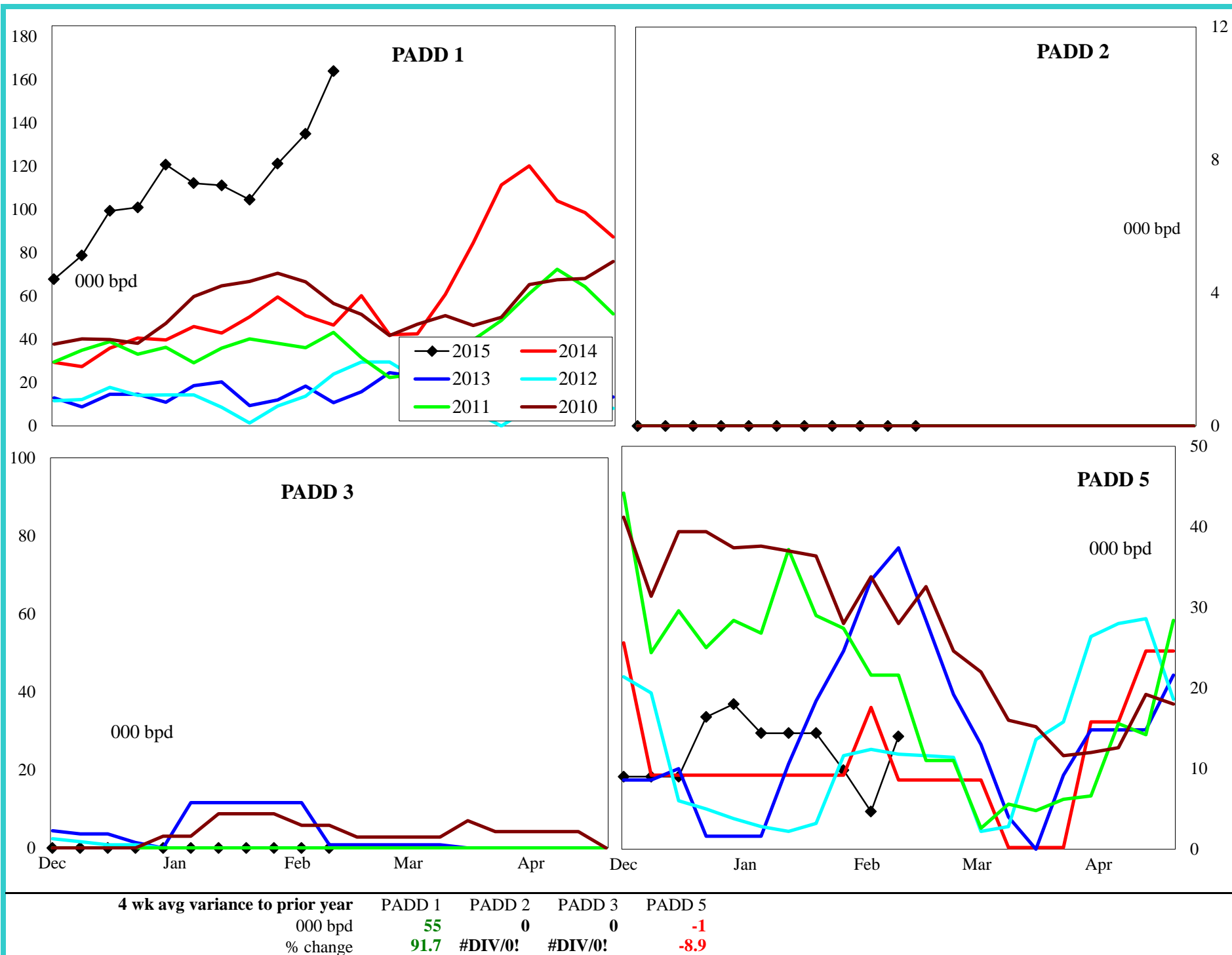
Gasoline Imports by PADD (Finished + Blend Stocks)



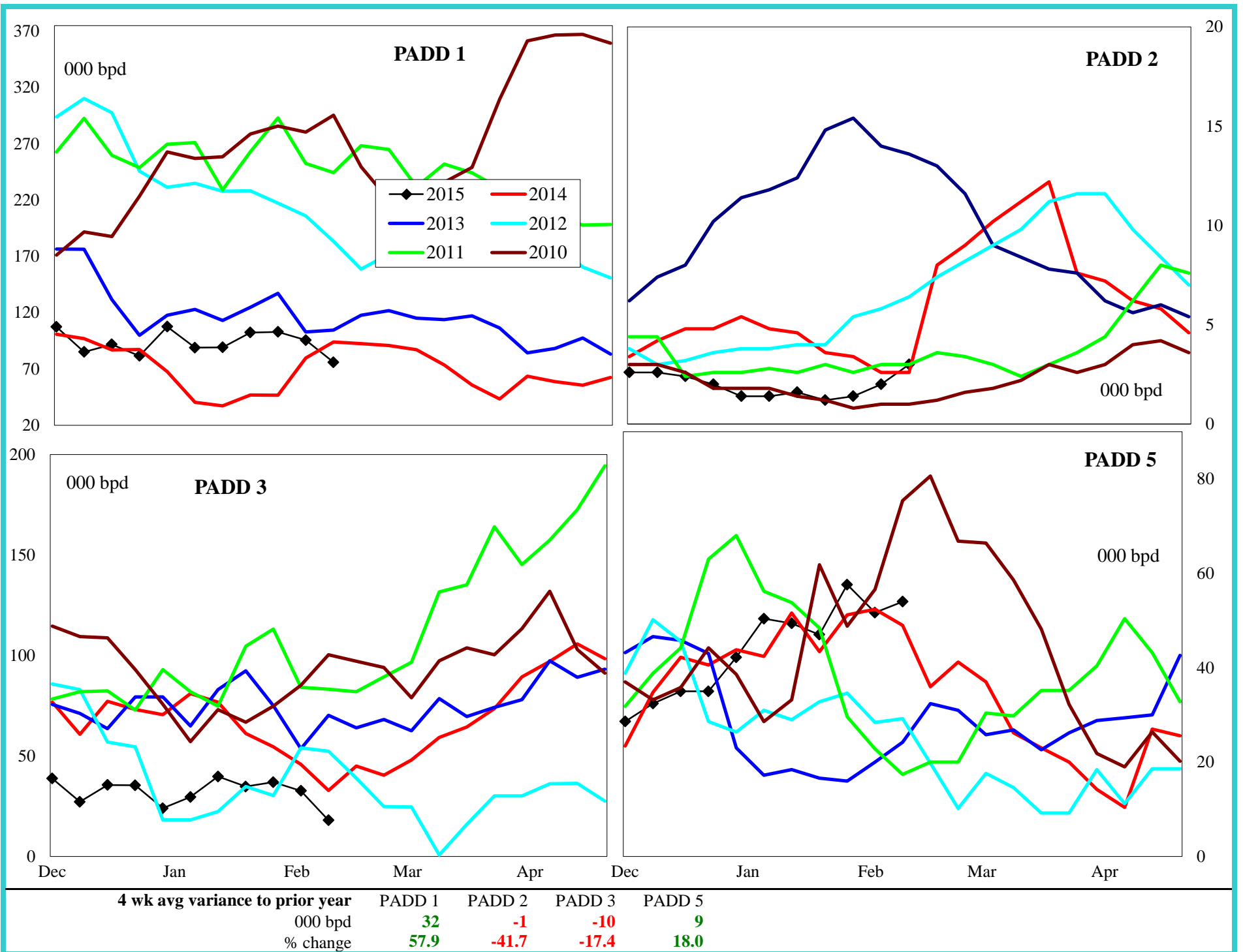
Distillate Imports by PADD



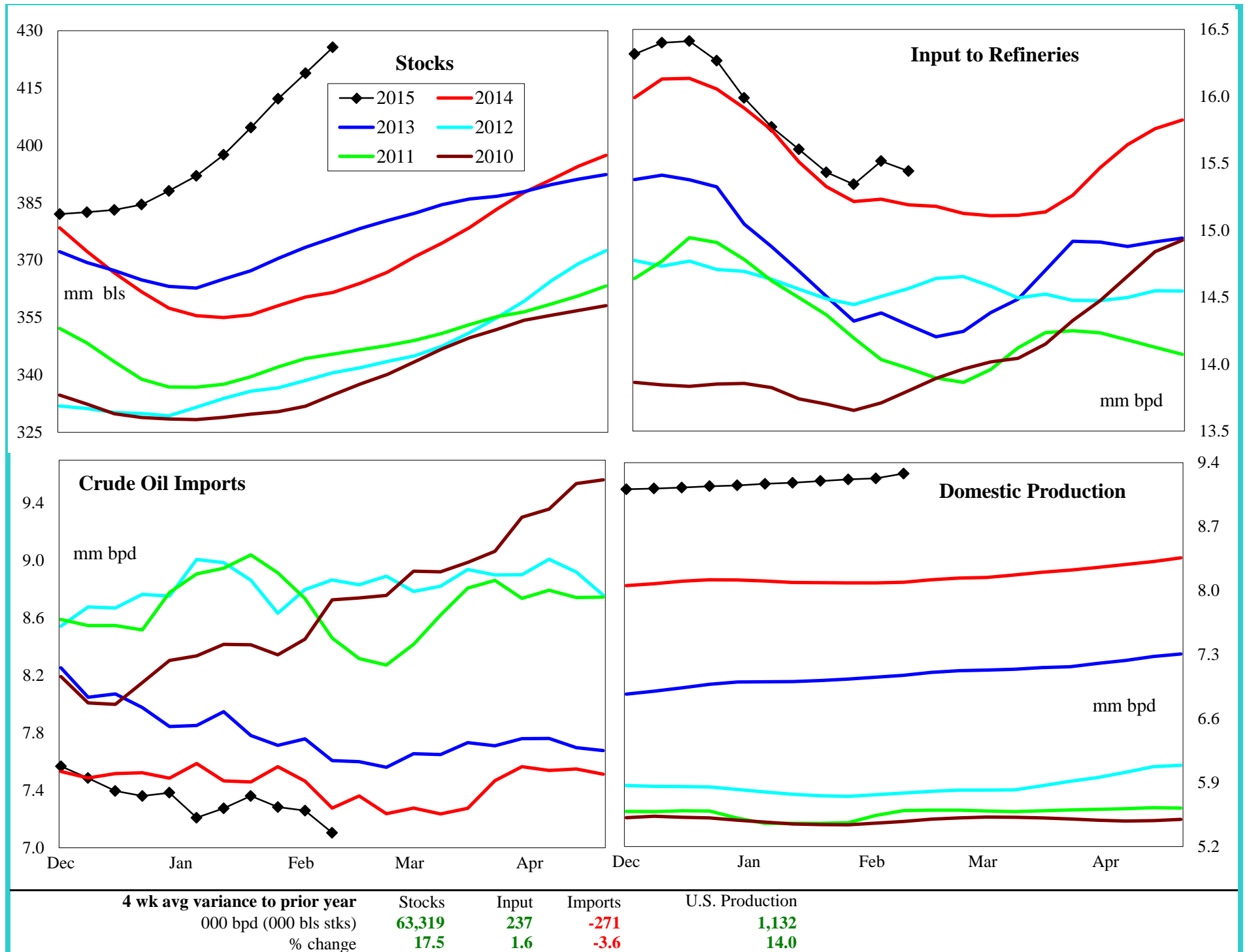
Jet Fuel Imports by PADD



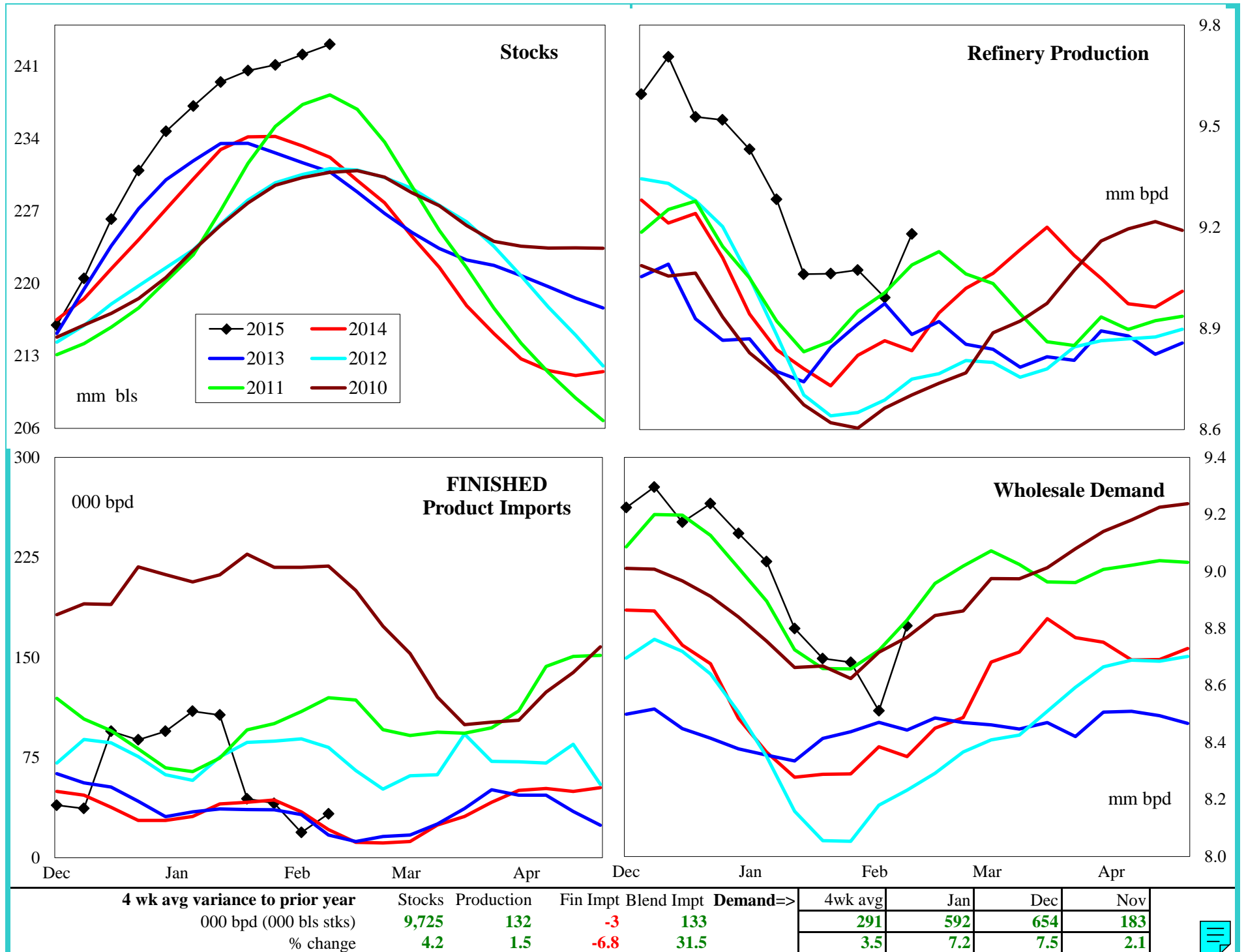
Residual Fuel Oil Imports by PADD



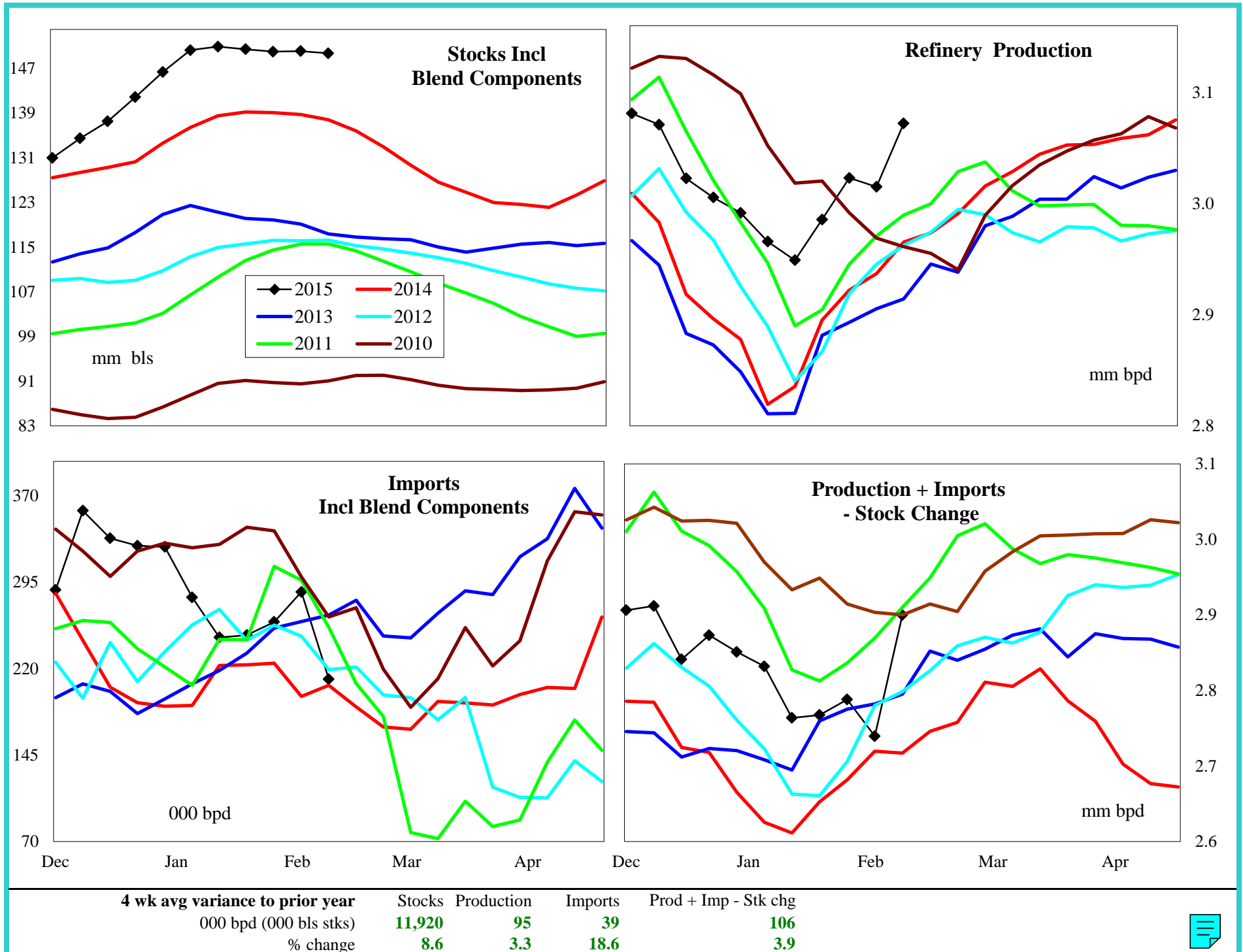
United States Crude Oil Supply and Demand Balance



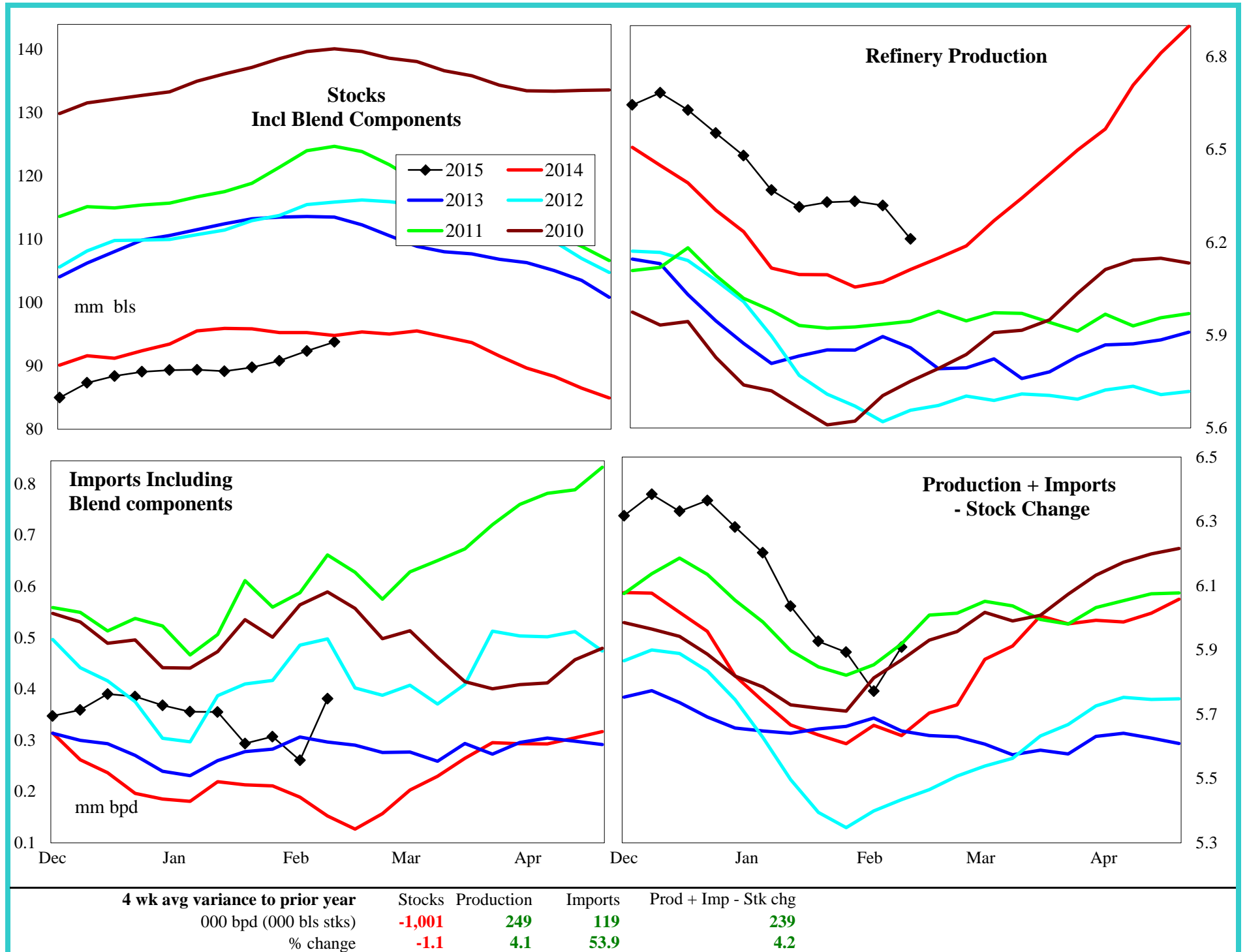
United States Gasoline Supply and Demand Balance



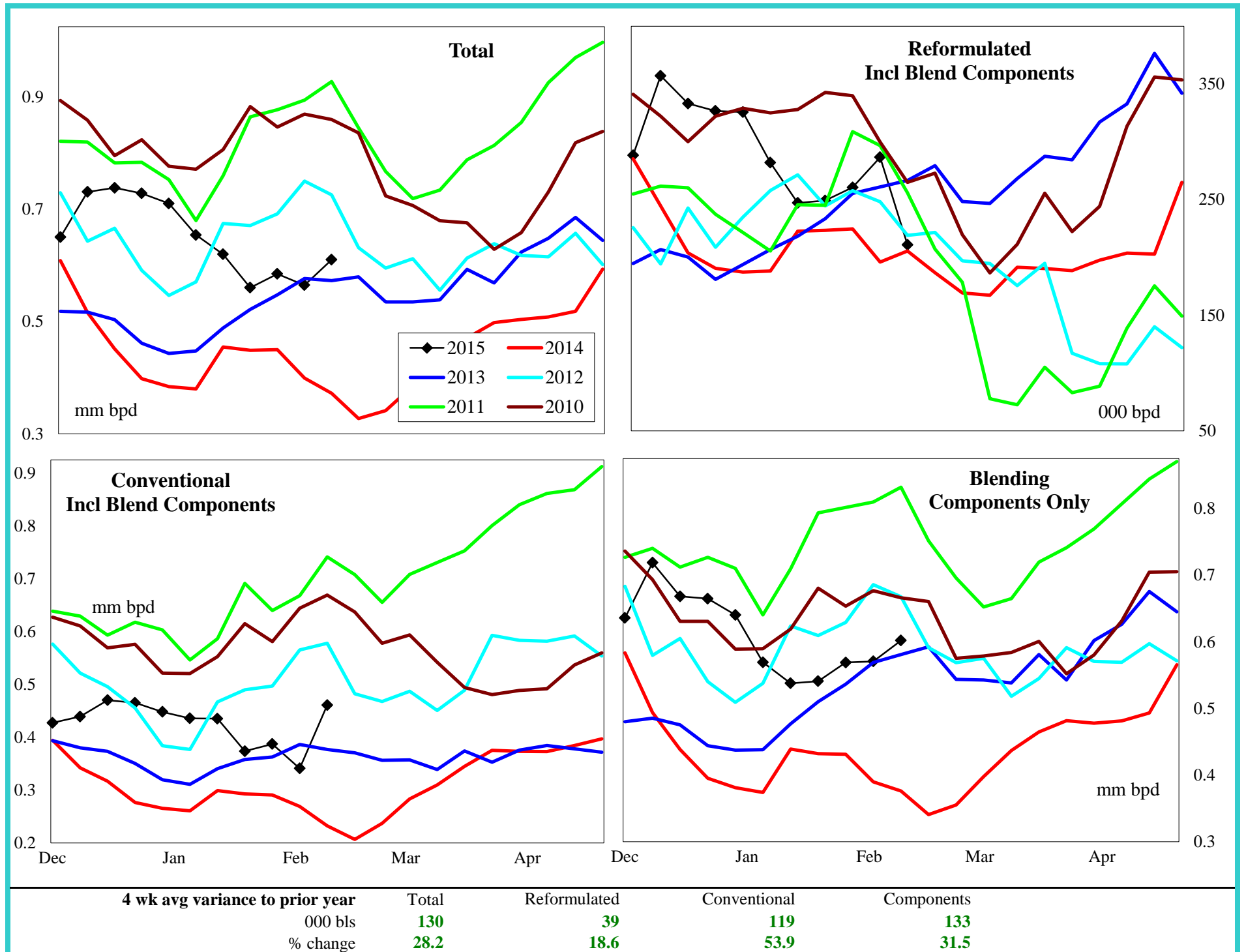
United States Reformulated Gasoline Supply



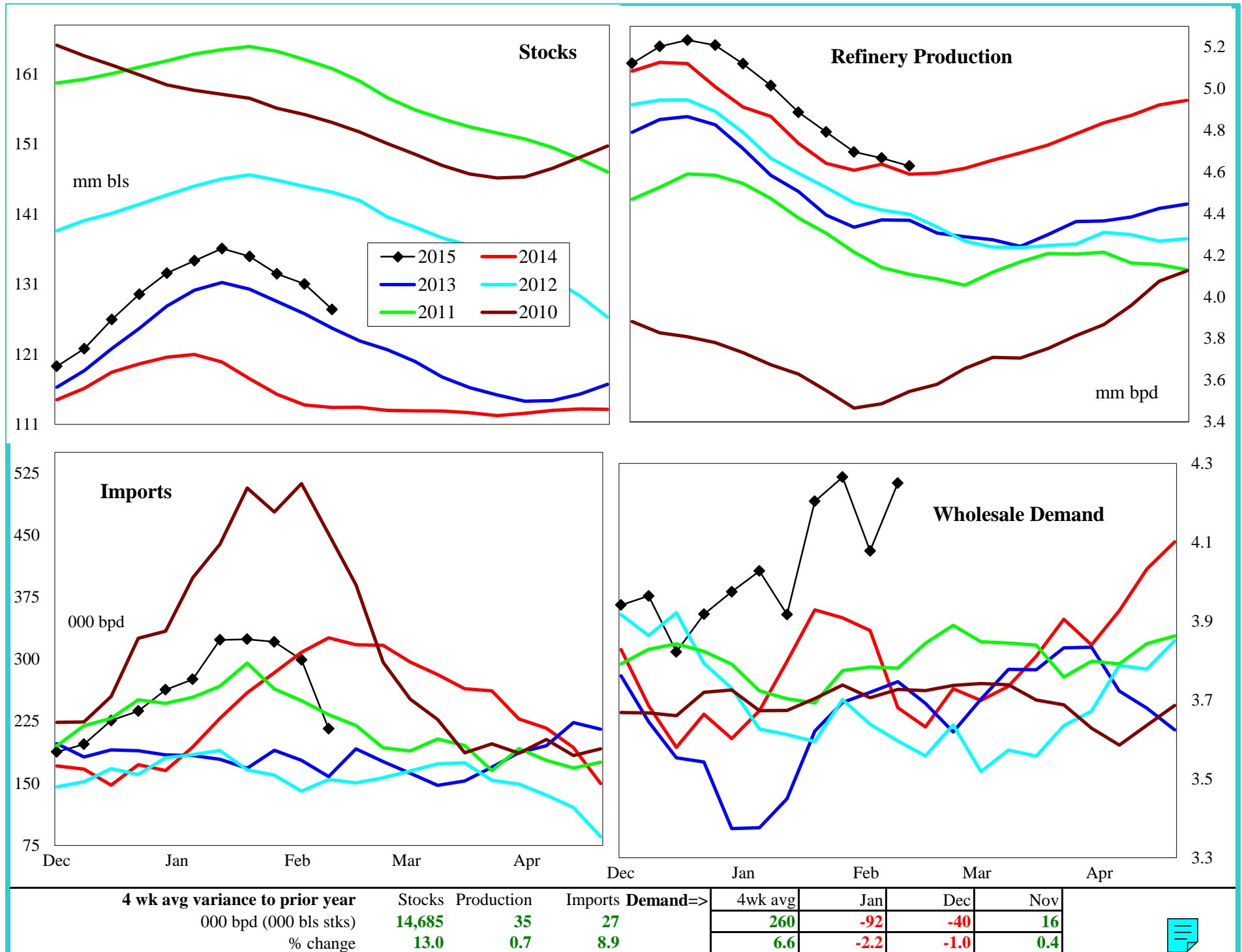
United States Conventional Gasoline Supply



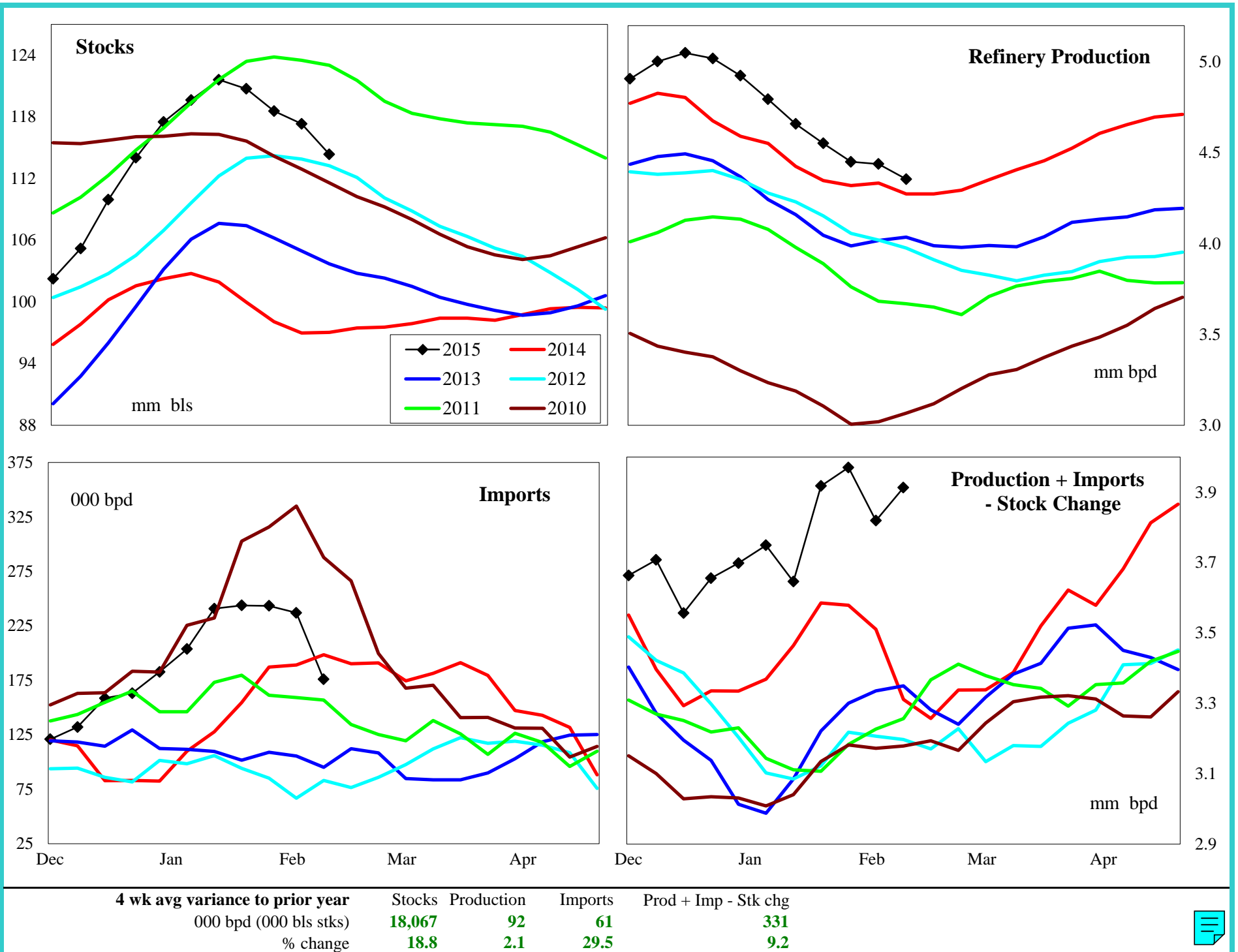
United States Gasoline Imports by Type



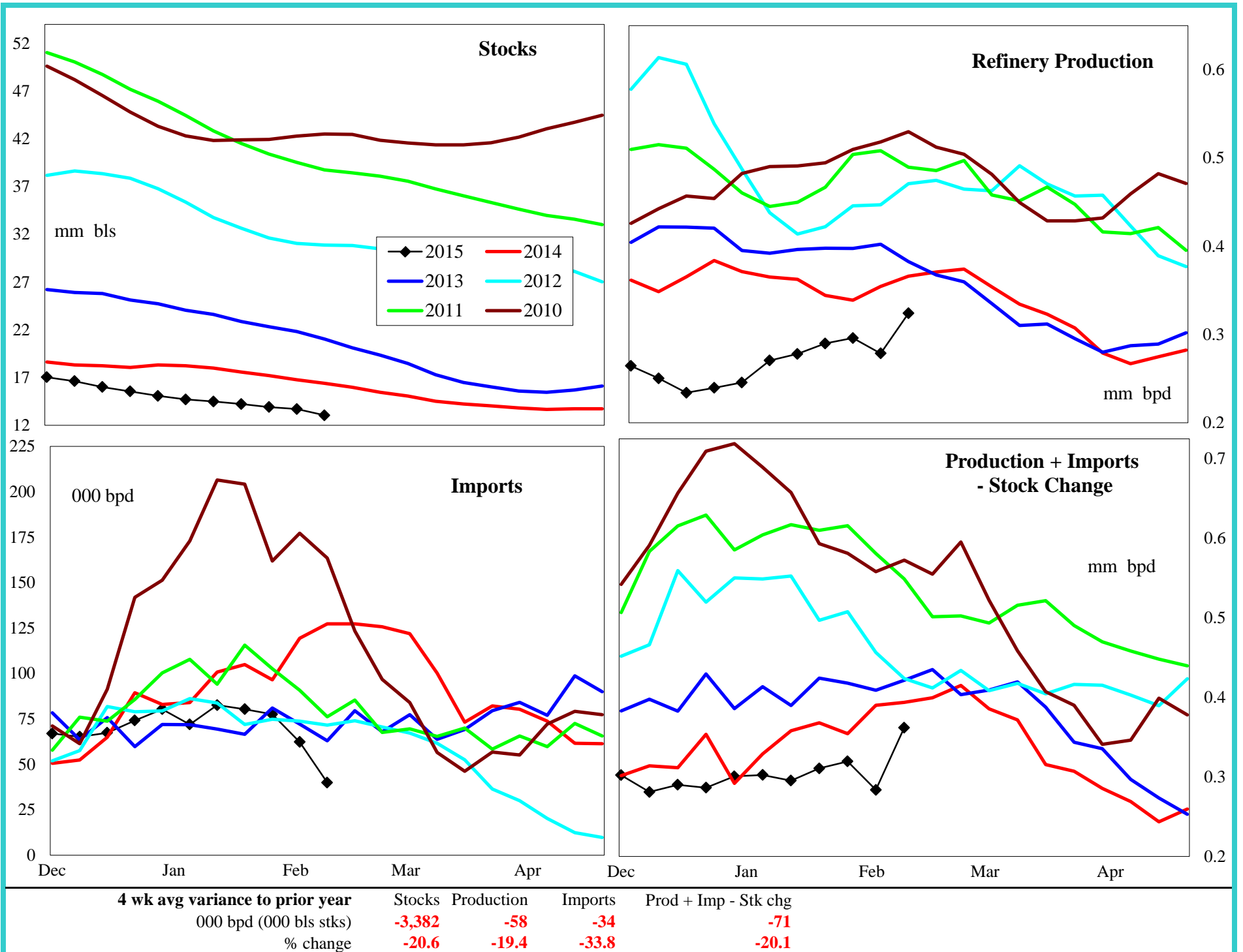
United States Distillate Supply and Demand Balance



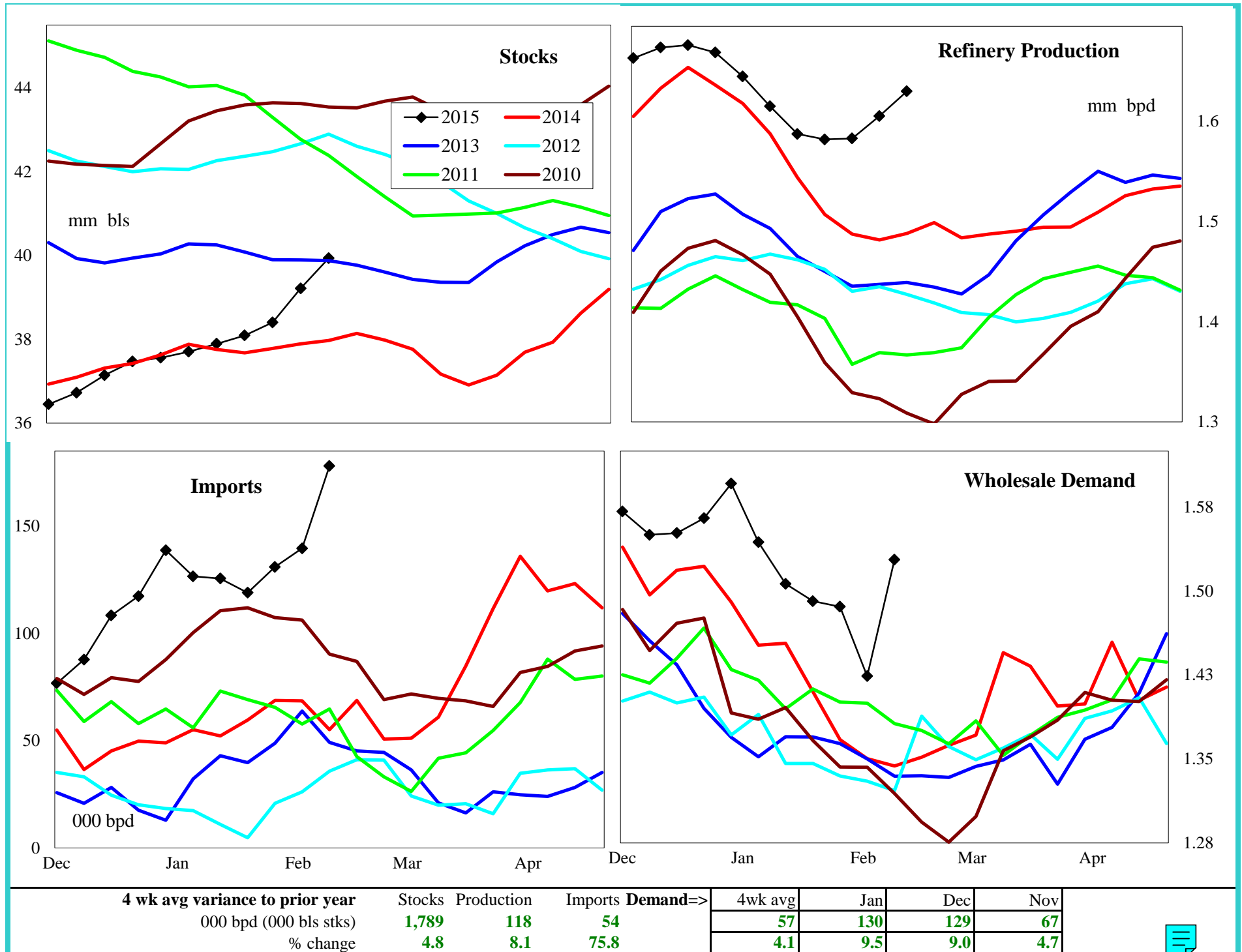
United States Low Sulfur Distillate Supply



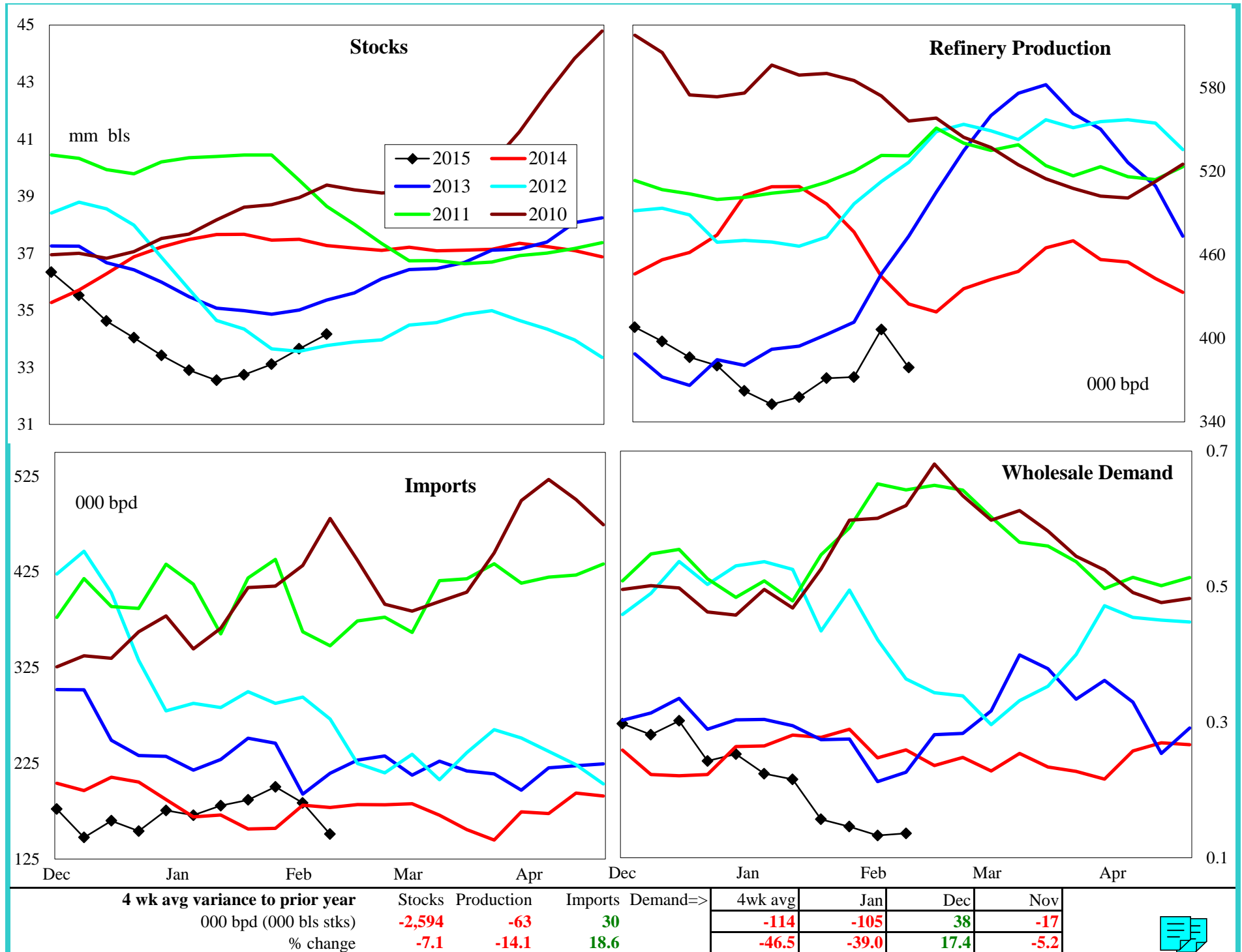
United States High Sulfur Distillate Supply



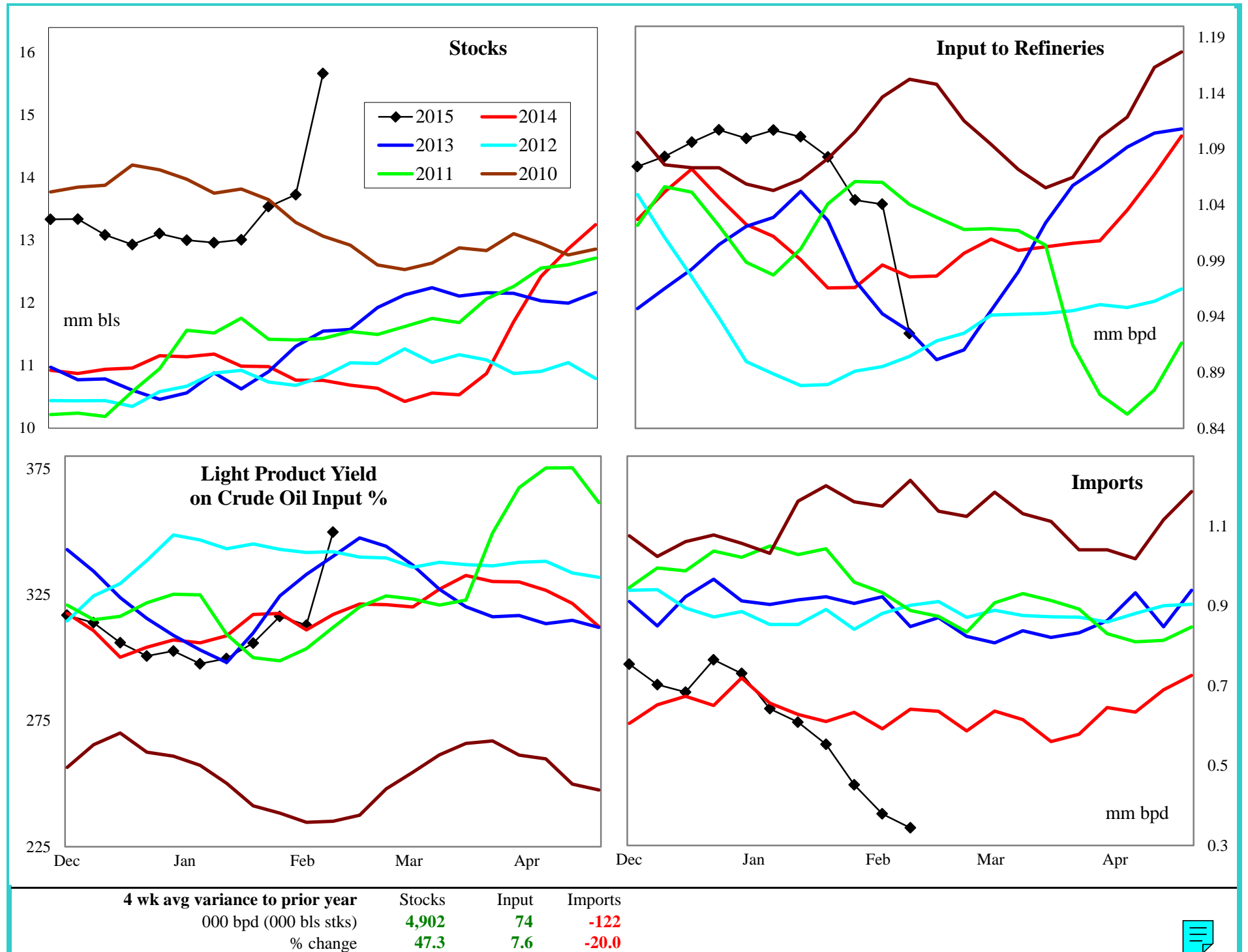
United States Jet Fuel Supply and Demand Balance



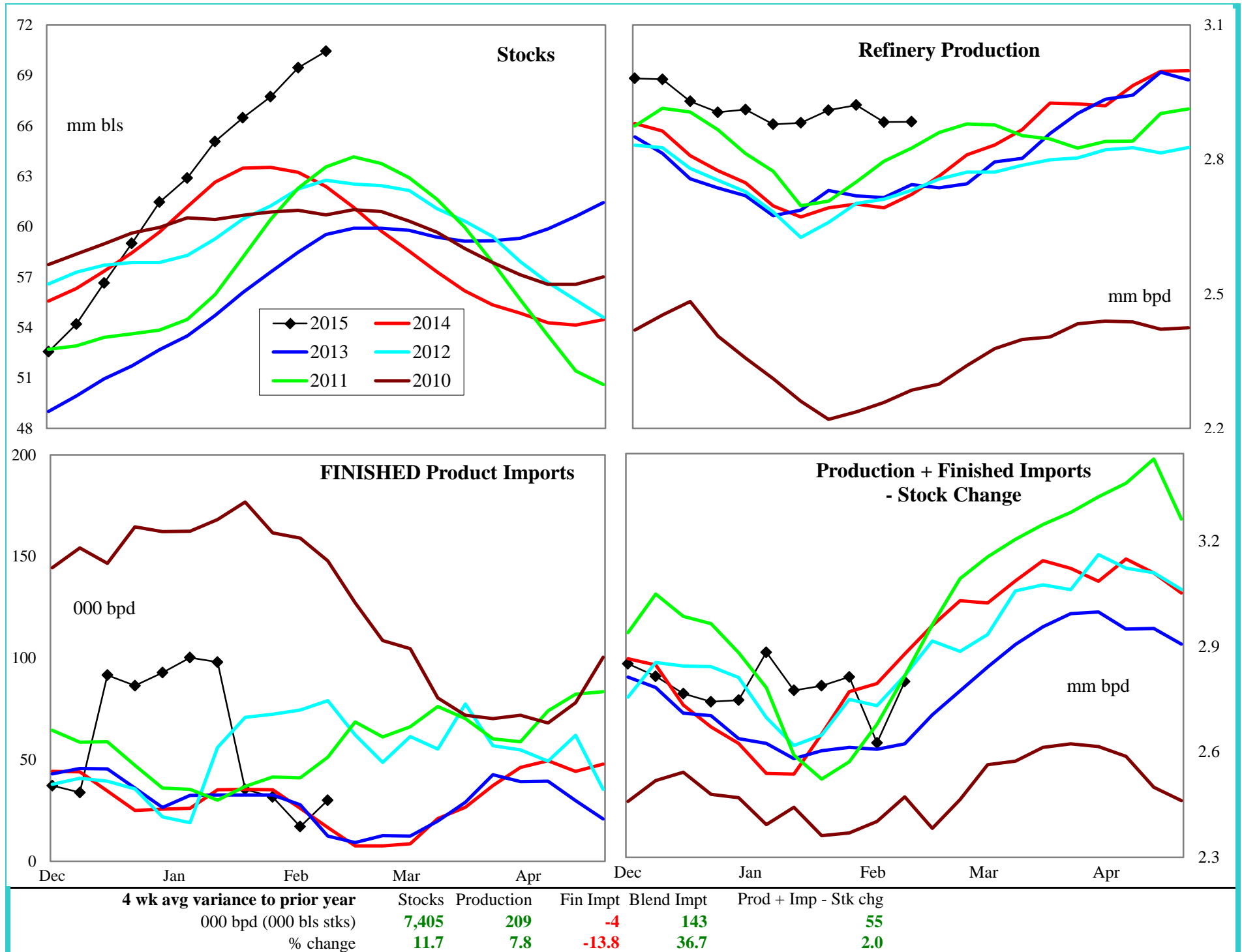
United States Residual Fuel Oil Supply and Demand Balance



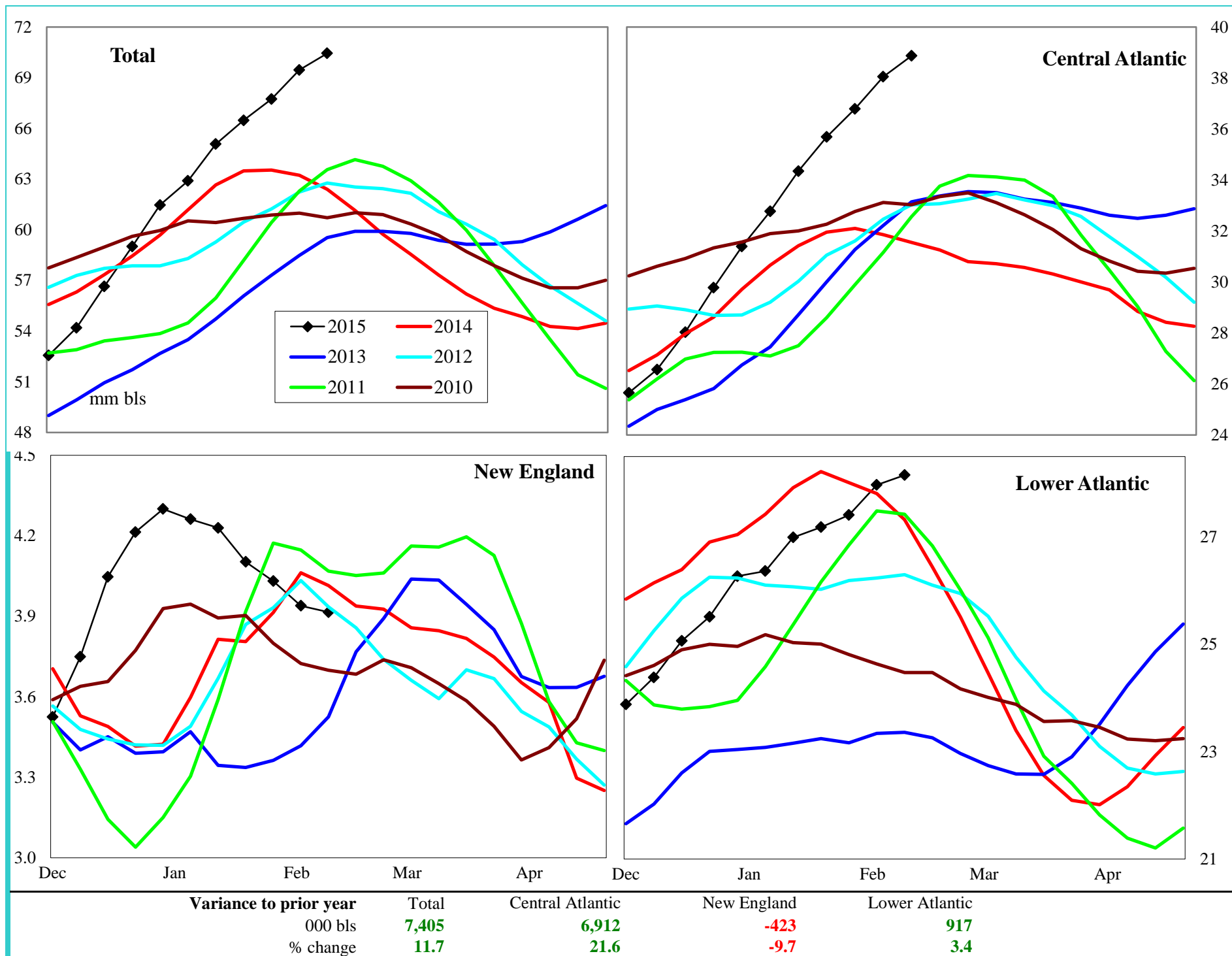
PADD 1 Crude Oil Supply and Refining



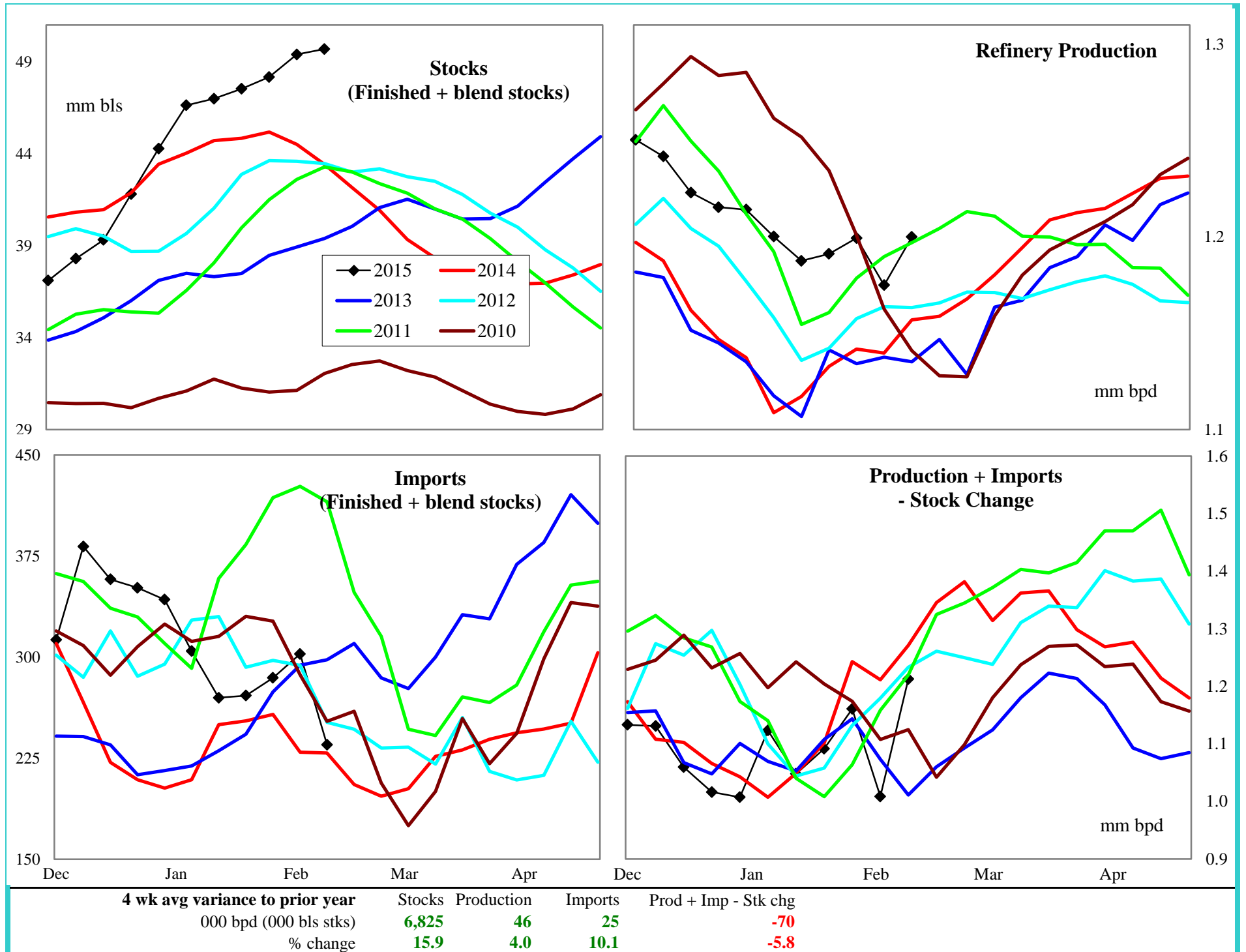
PADD 1 Gasoline Supply



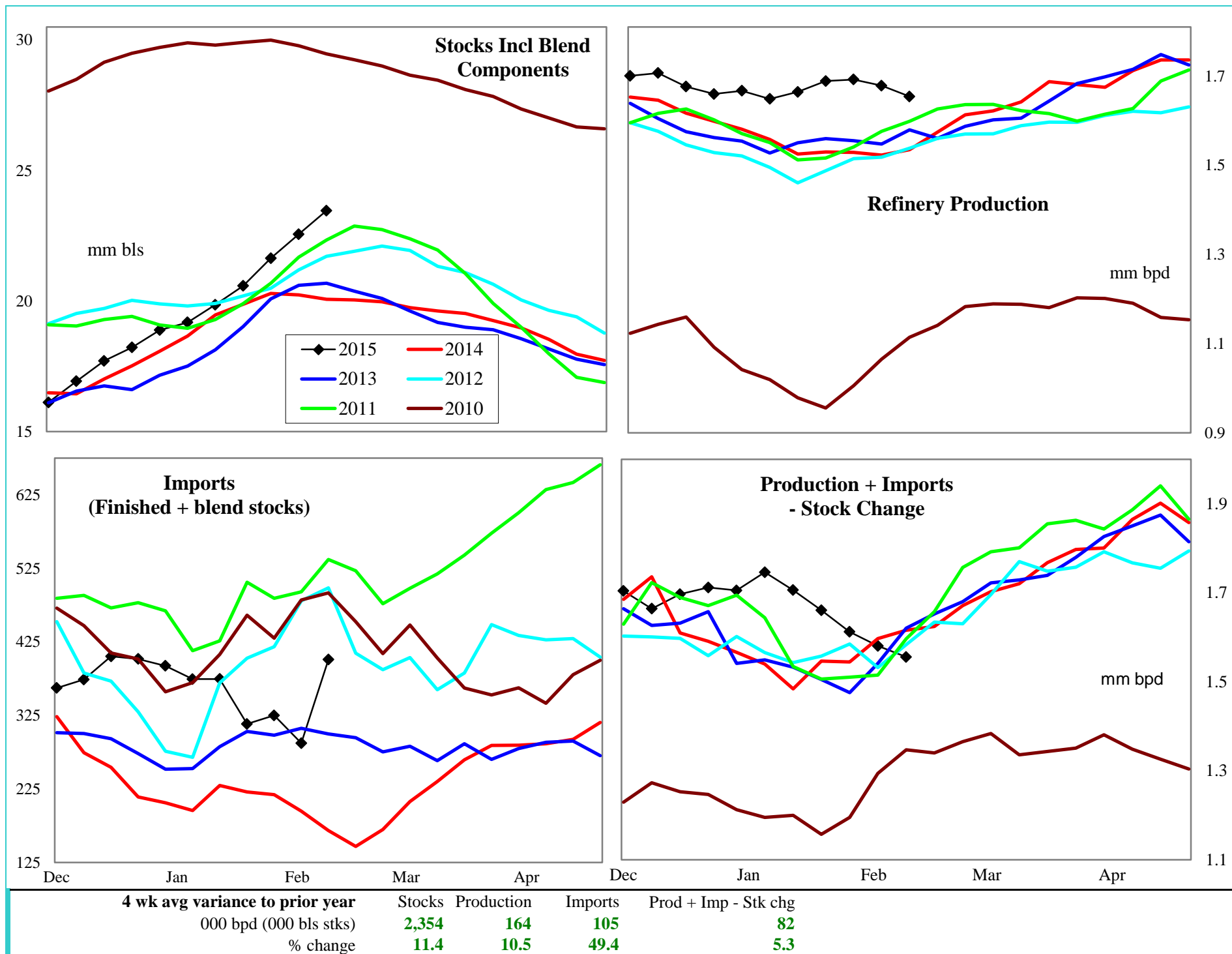
PADD 1 Gasoline Stocks by Region



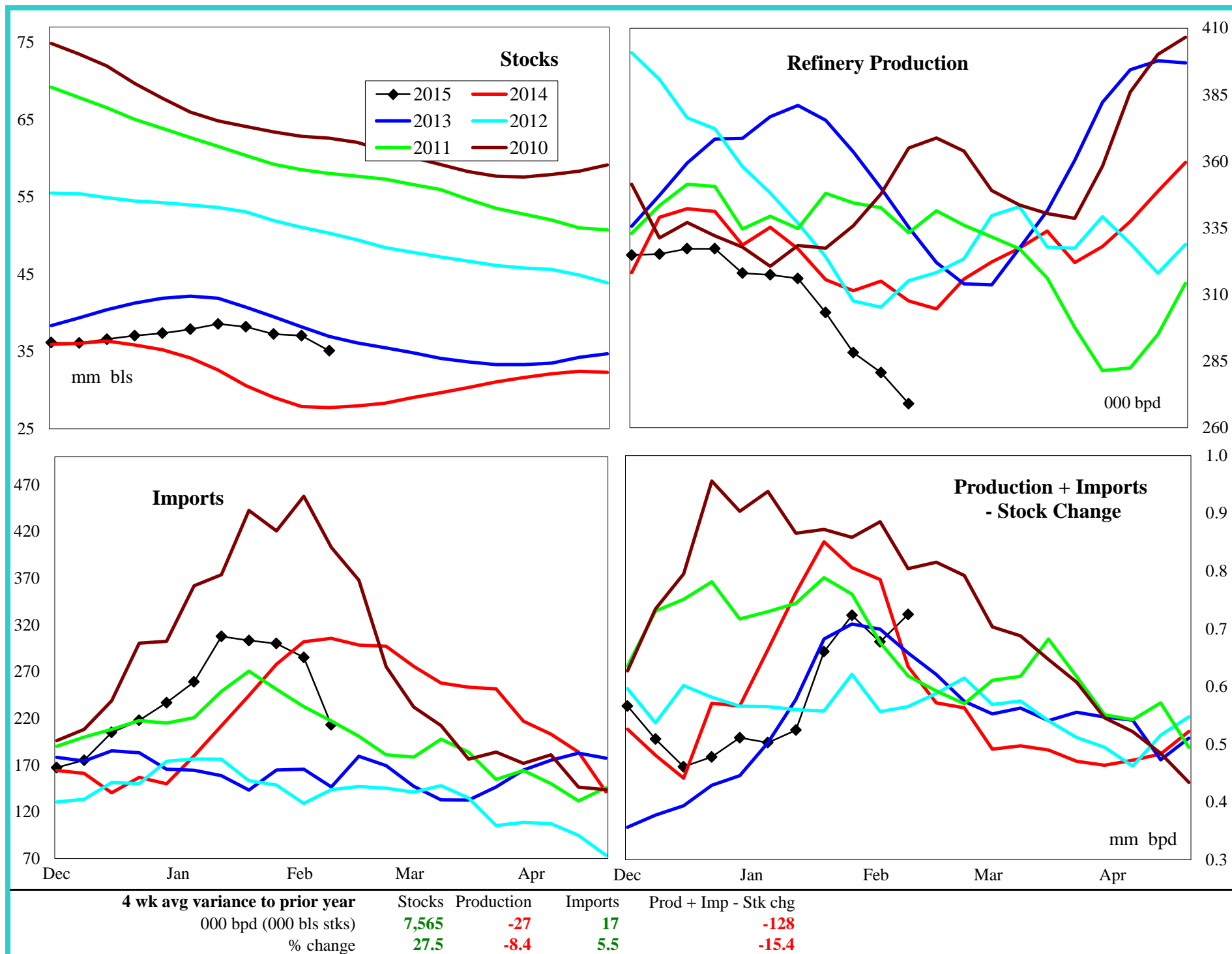
PADD 1 Reformulated Gasoline Supply



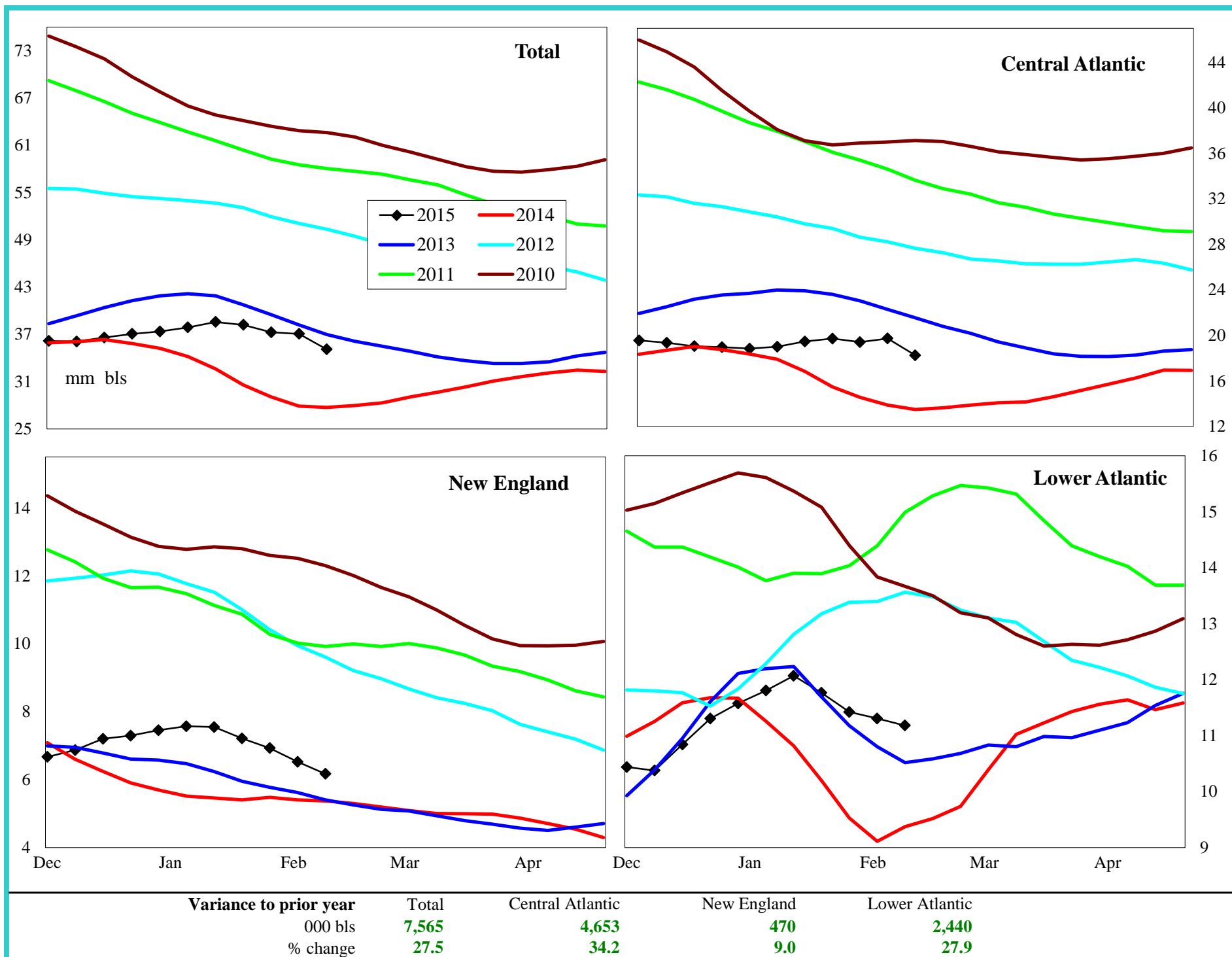
PADD 1 Conventional Gasoline Supply



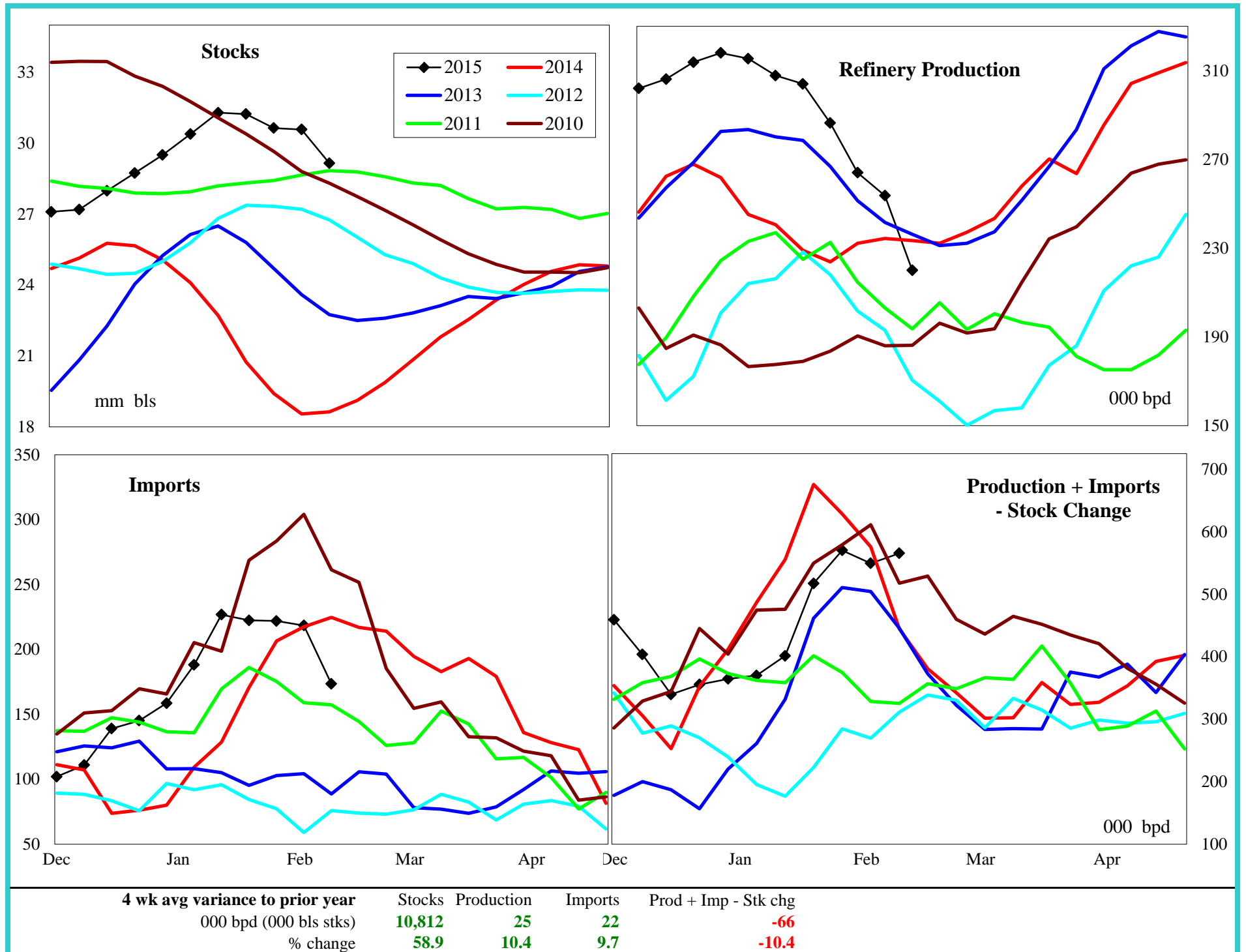
PADD 1 Distillate Supply



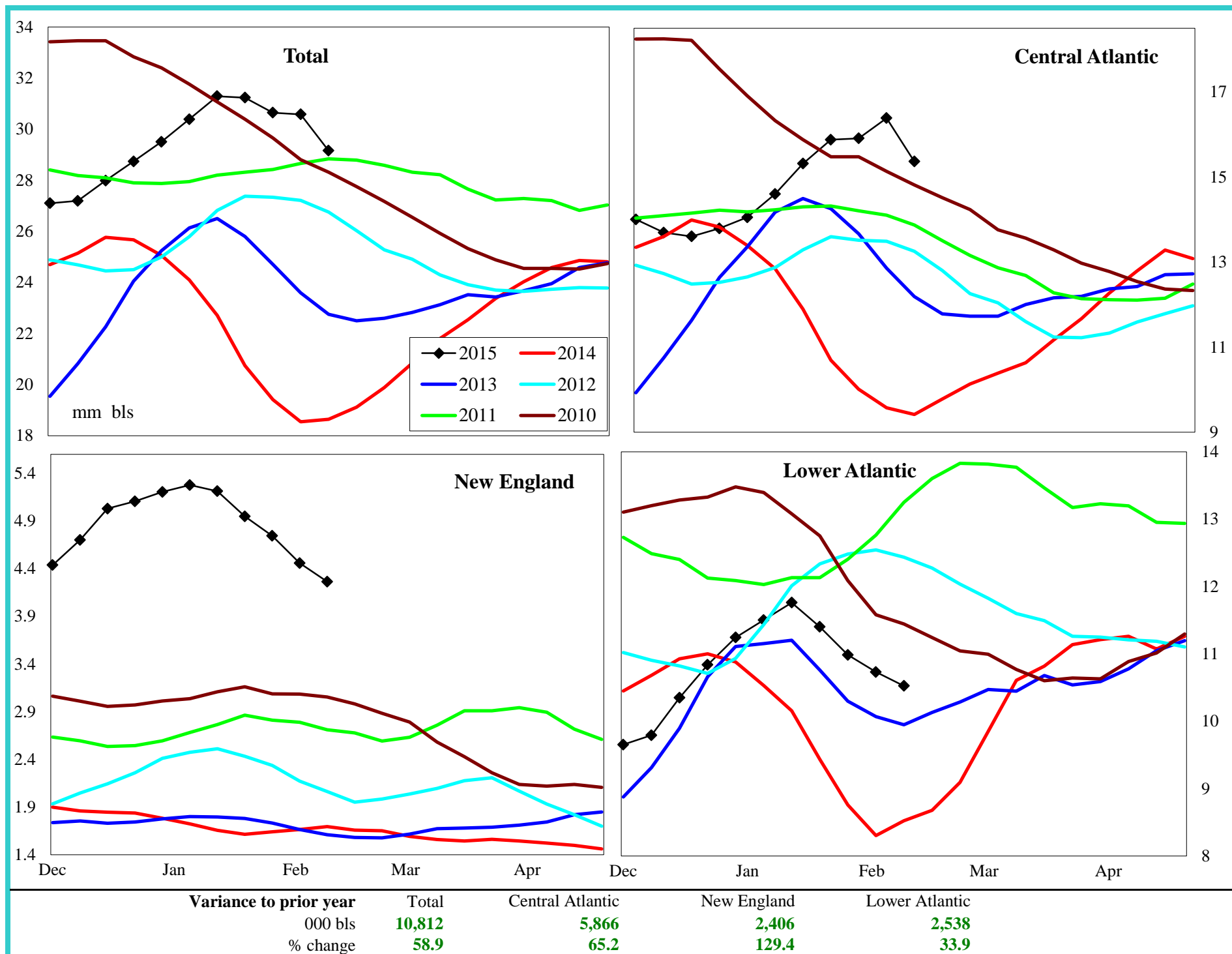
PADD 1 Distillate Stocks by Region



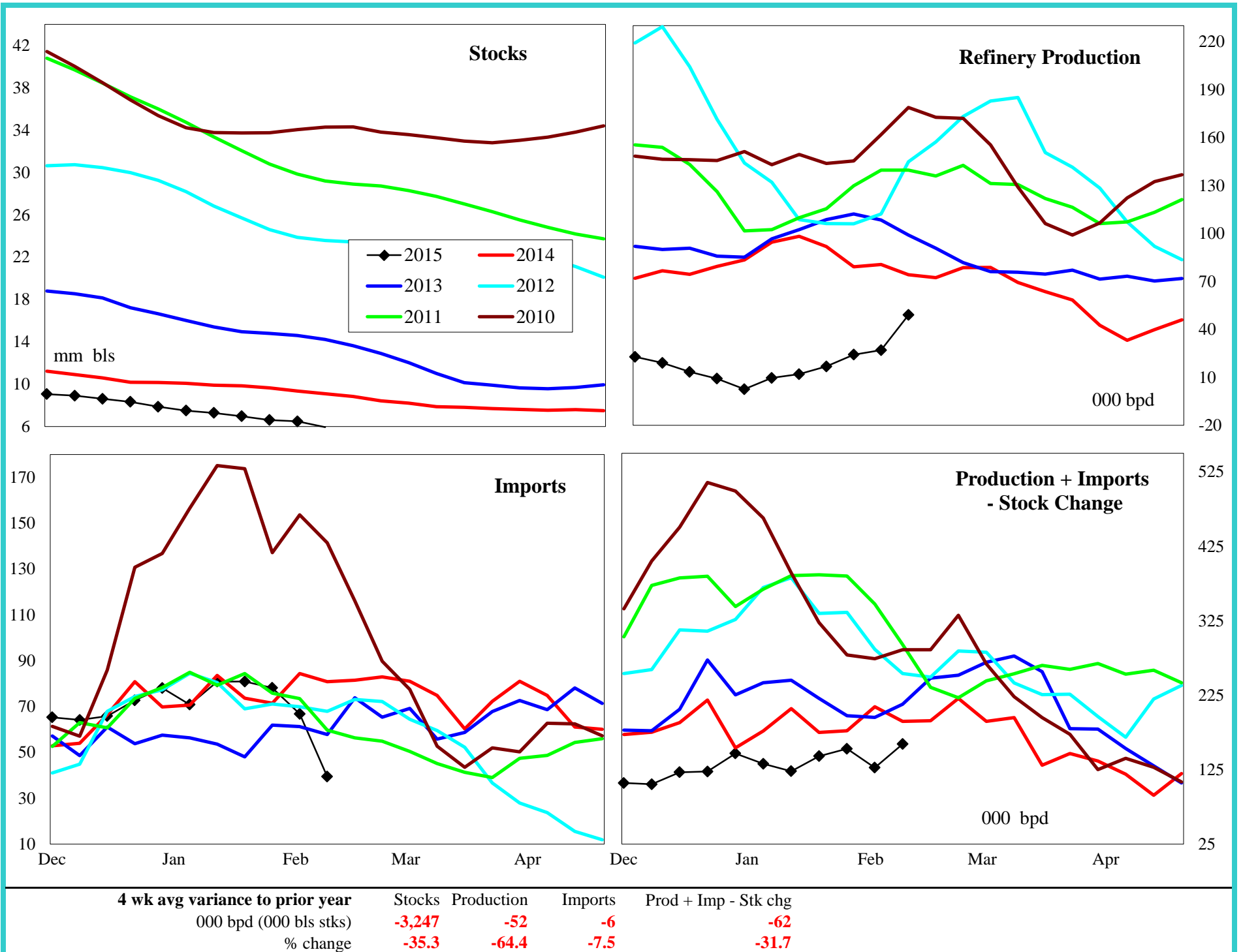
PADD 1 Low Sulfur Distillate Supply



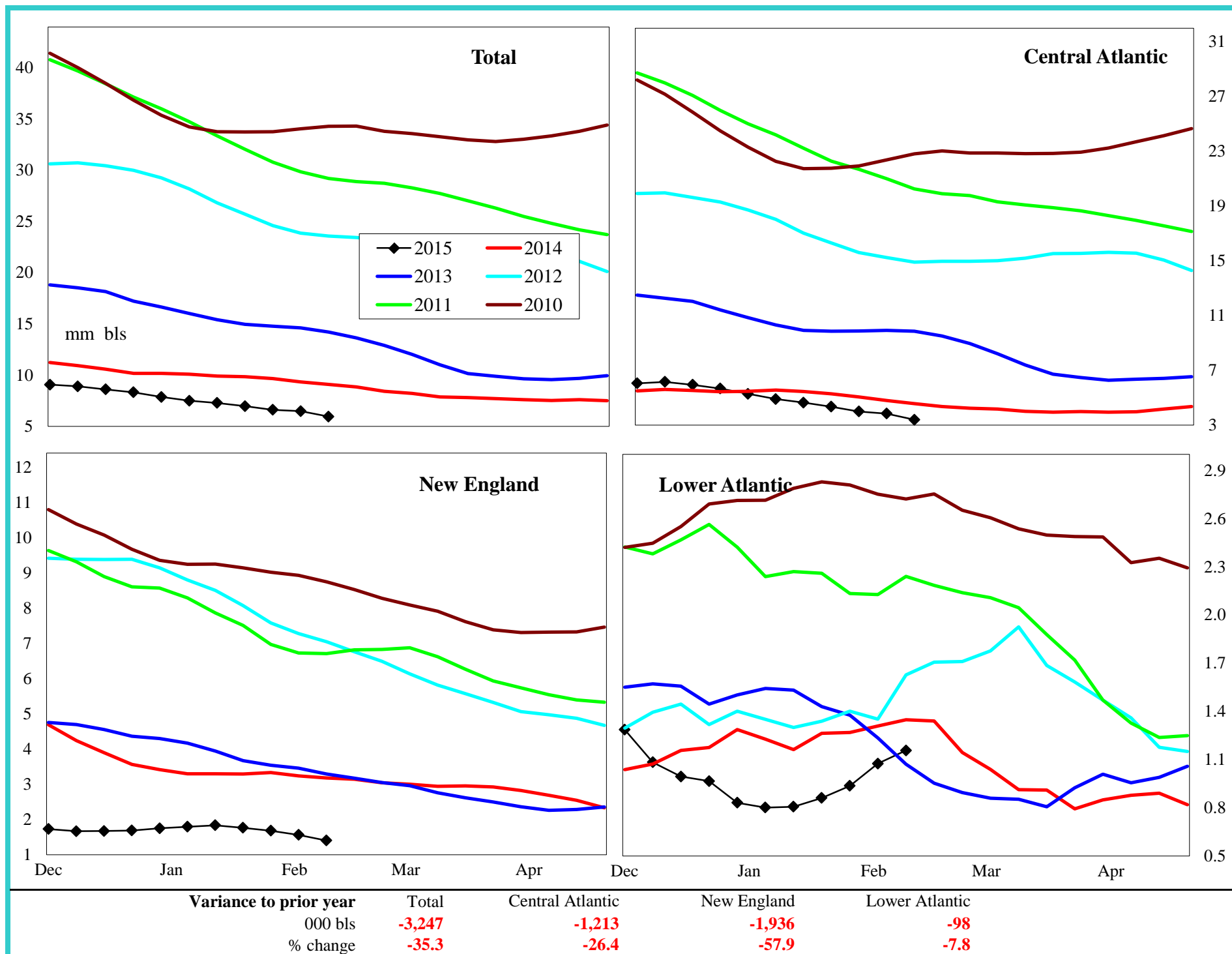
PADD 1 Low Sulfur Distillate Stocks by Region



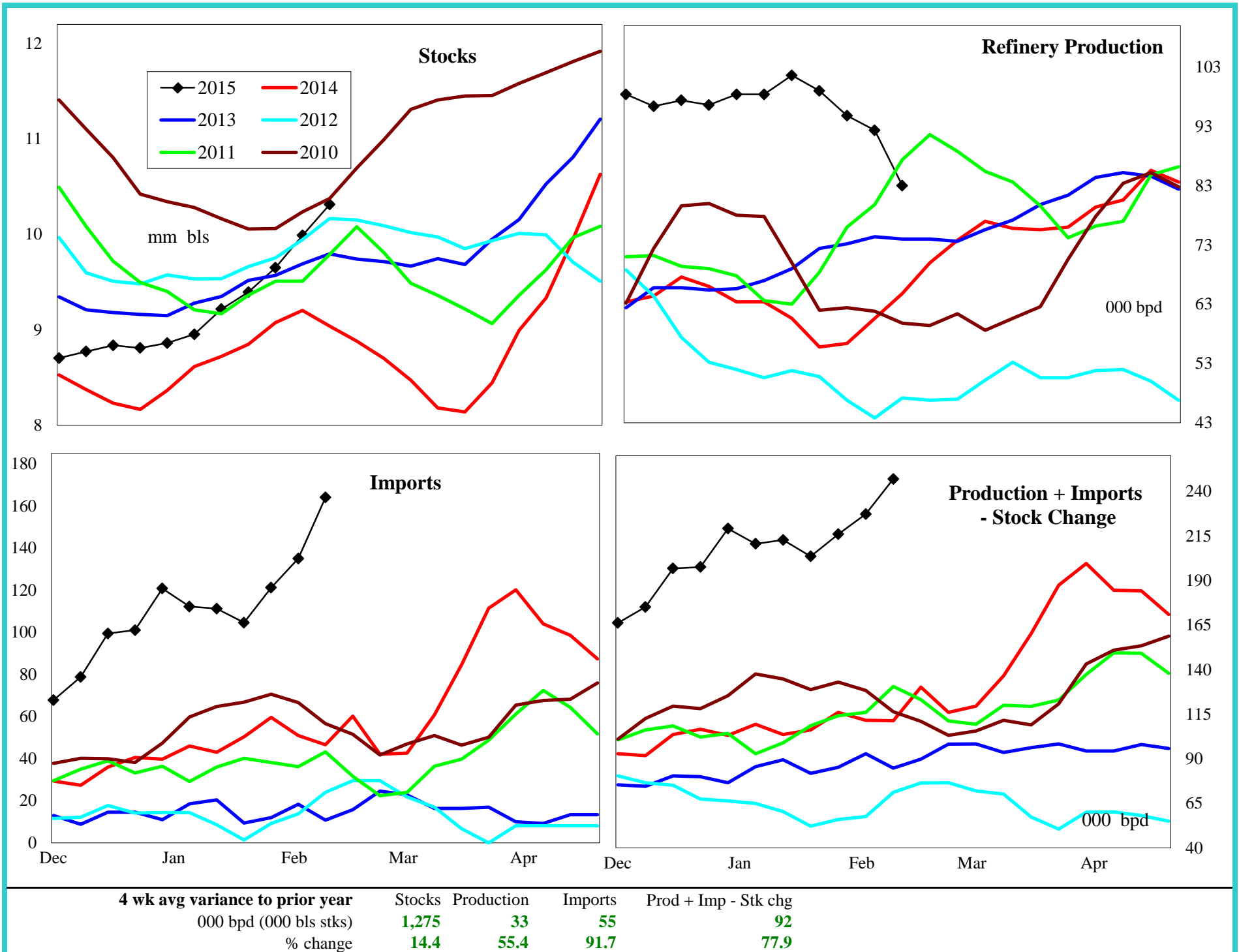
PADD 1 High Sulfur Distillate Supply



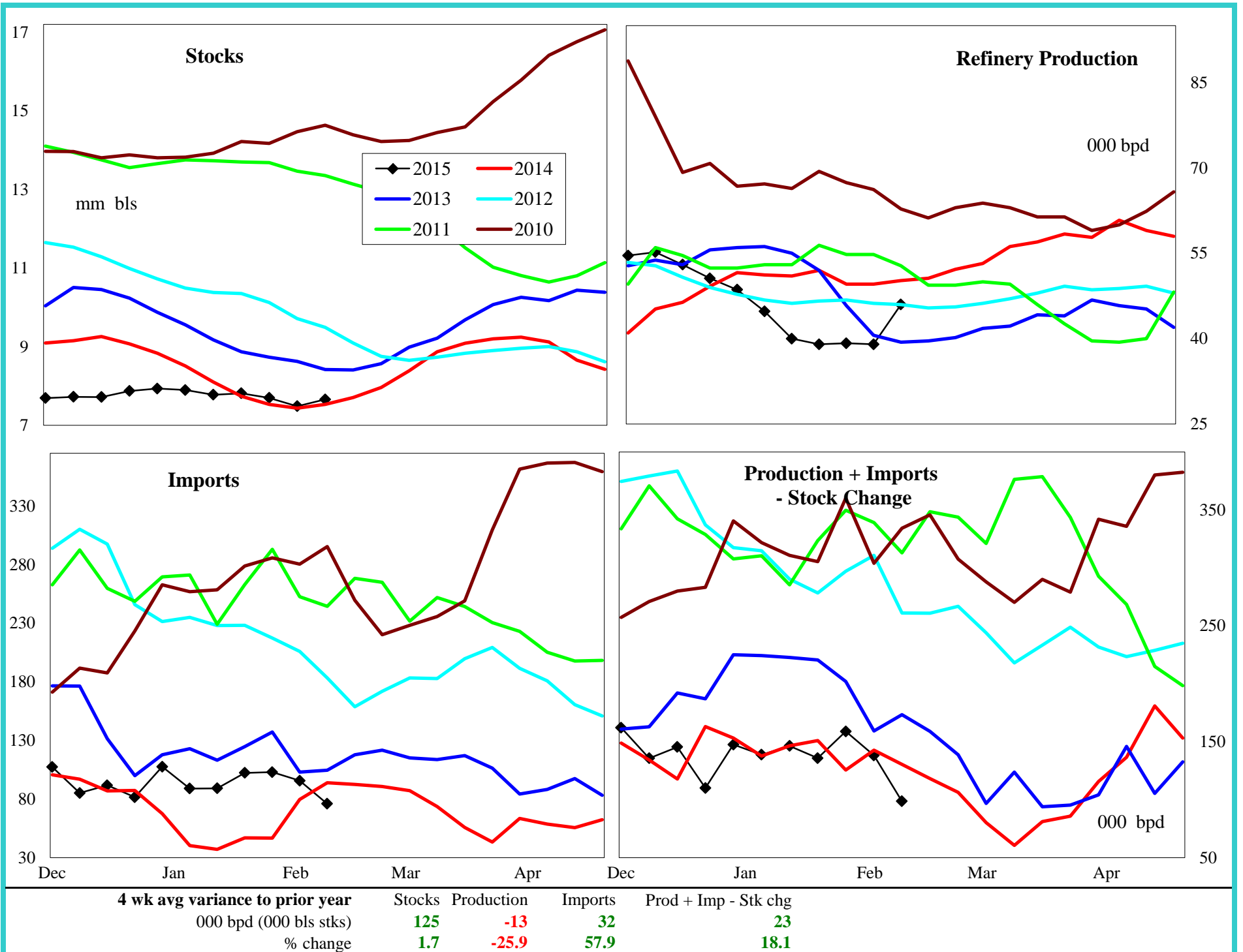
PADD 1 High Sulfur Distillate Stocks by Region



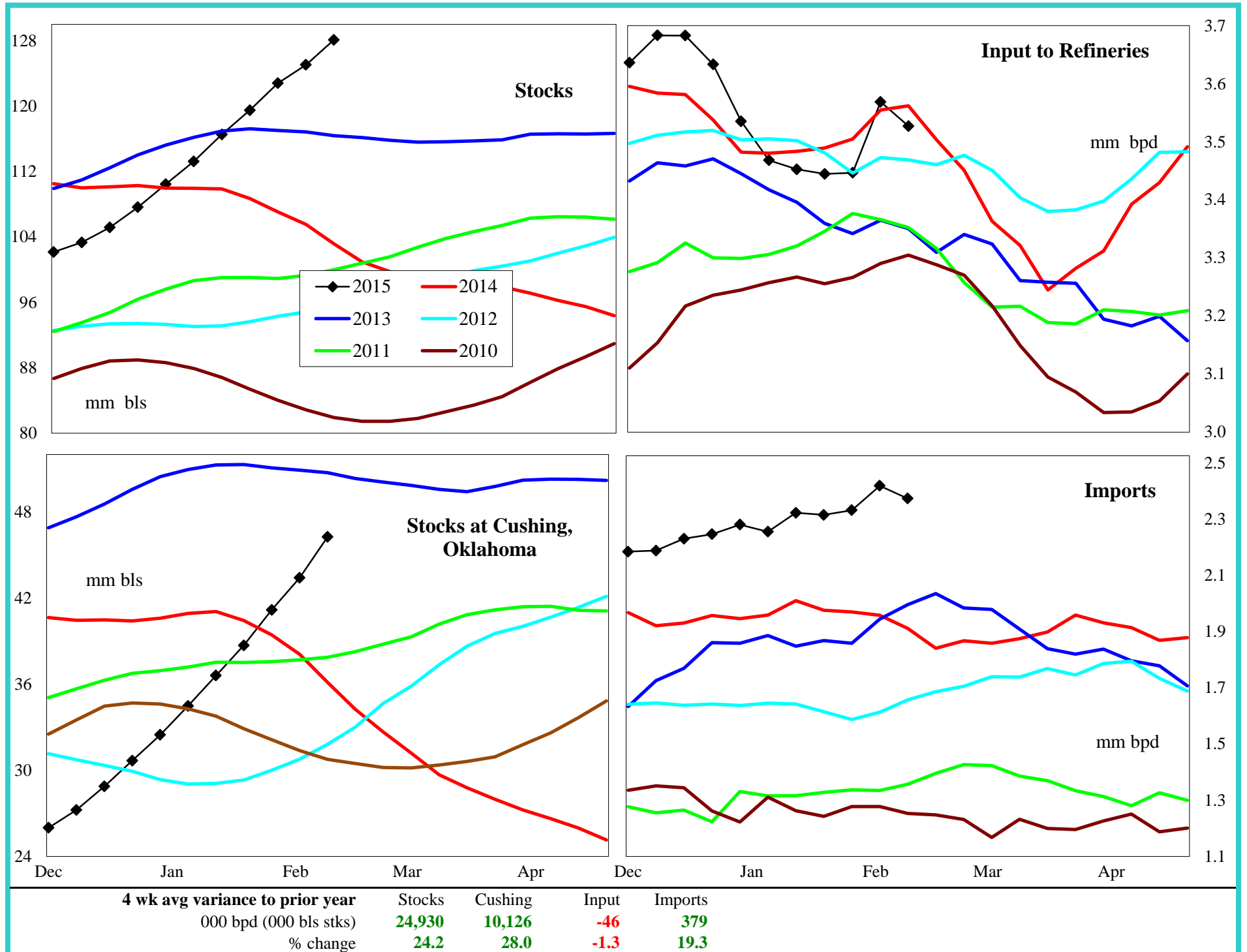
PADD 1 Jet Fuel Supply



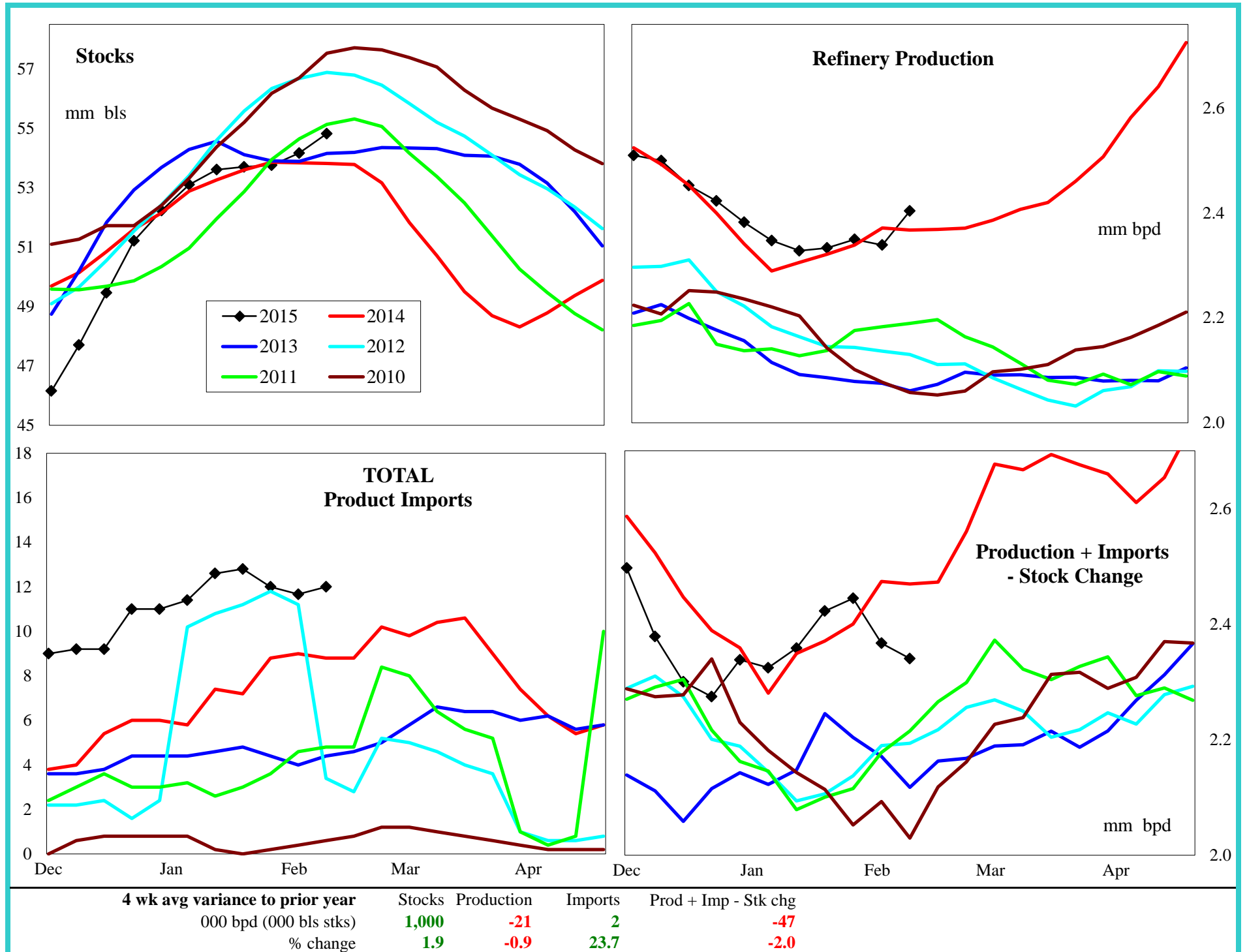
PADD 1 Residual Fuel Oil Supply



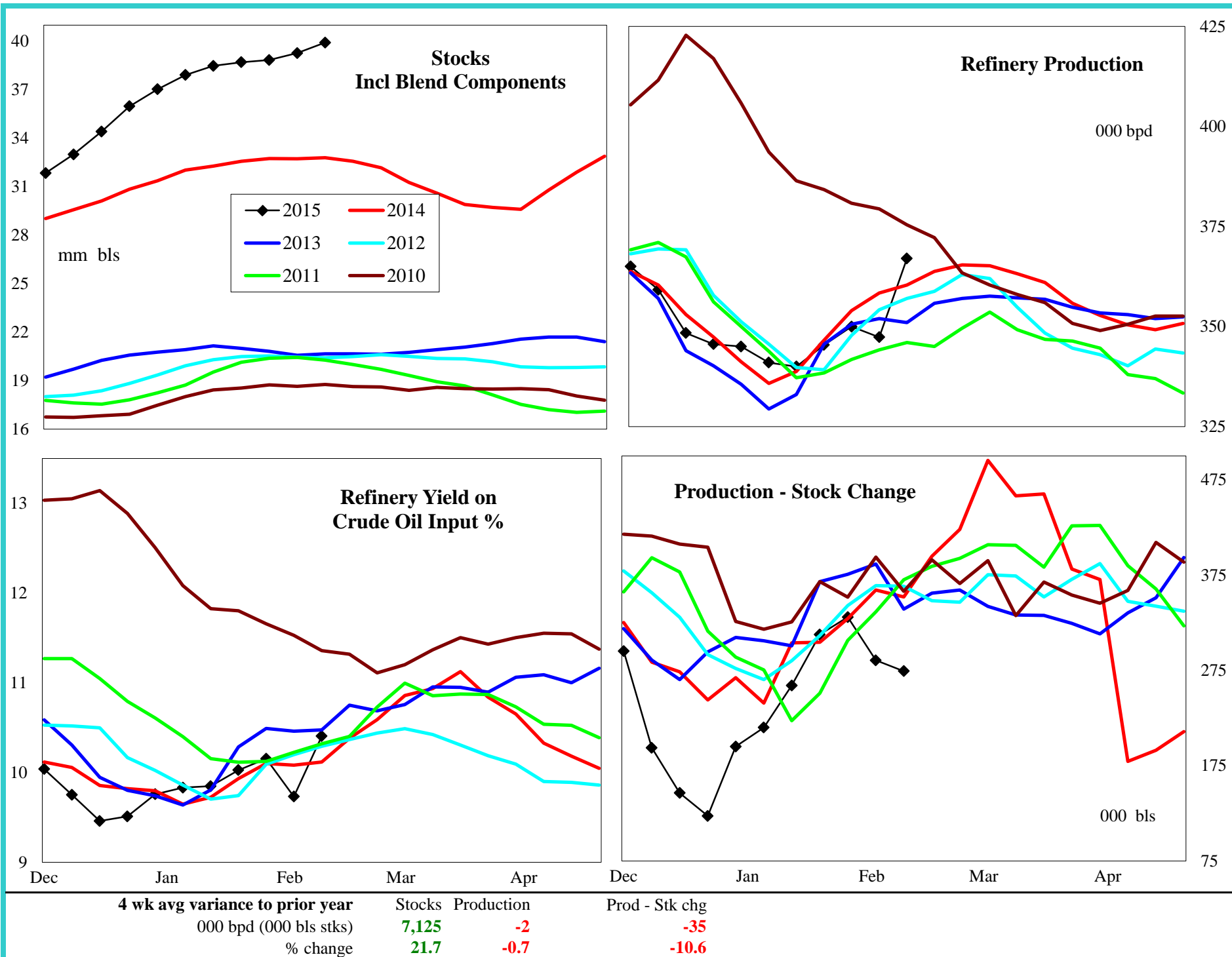
PADD 2 Crude Oil Supply and Refining



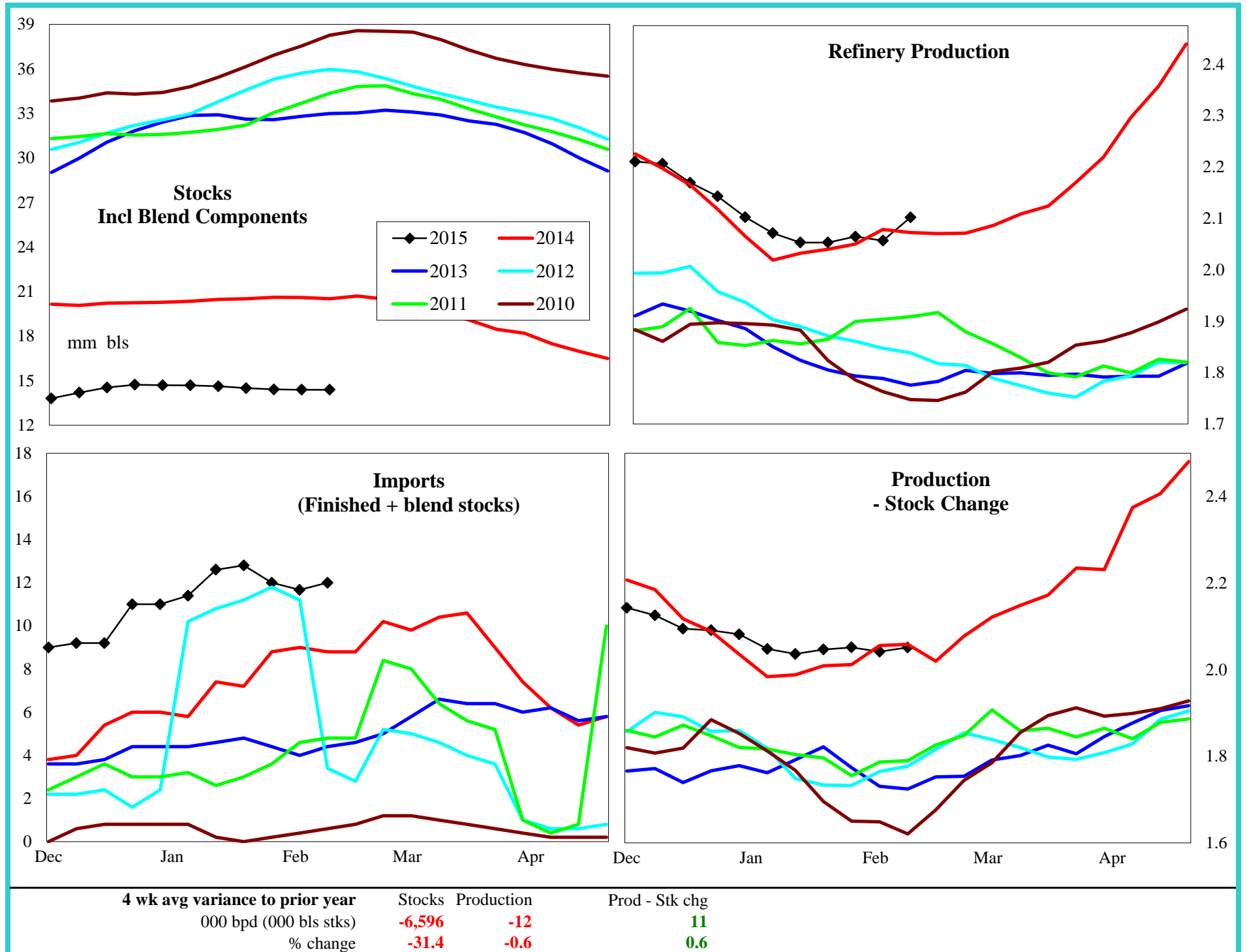
PADD 2 Gasoline Supply



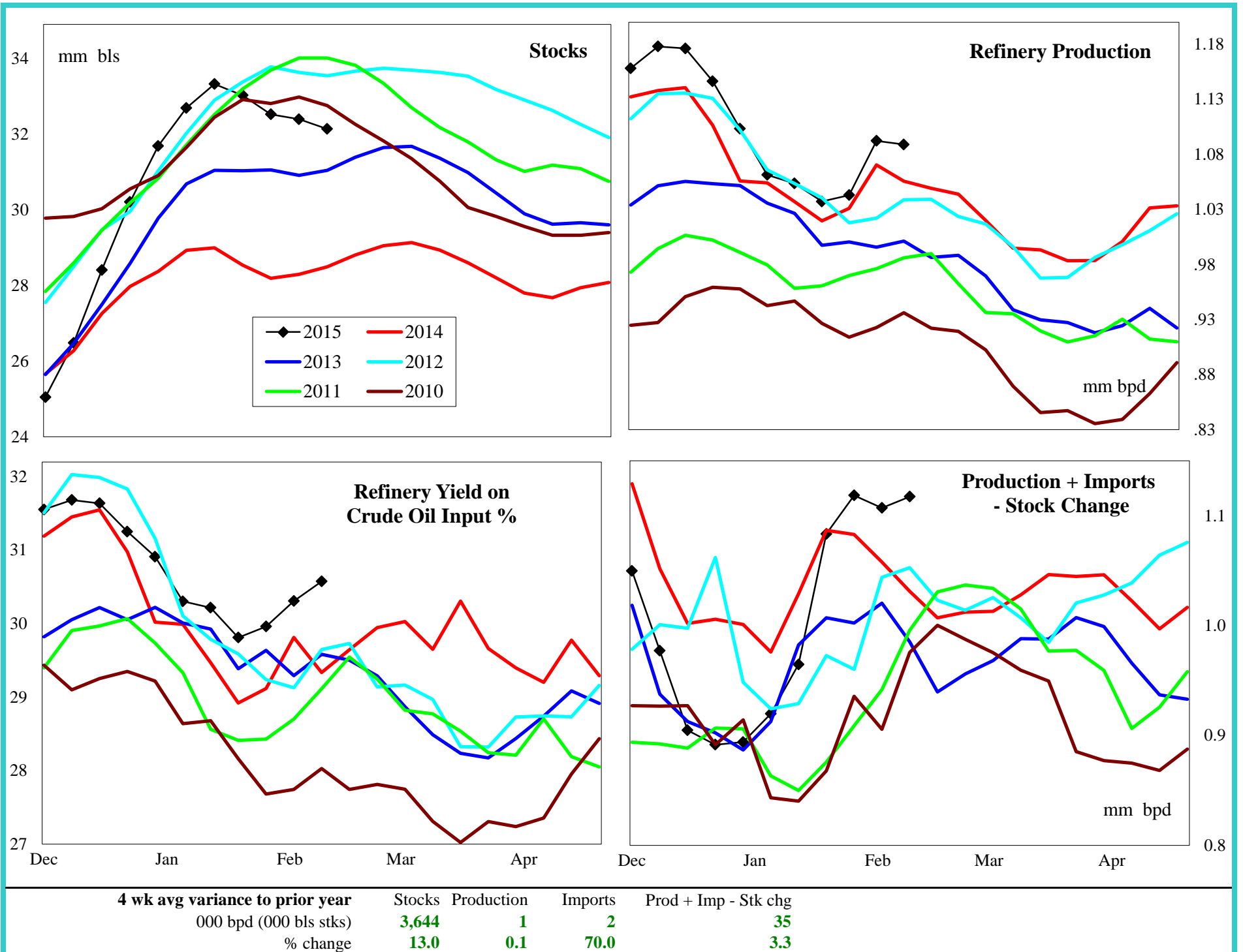
PADD 2 Reformulated Gasoline Supply



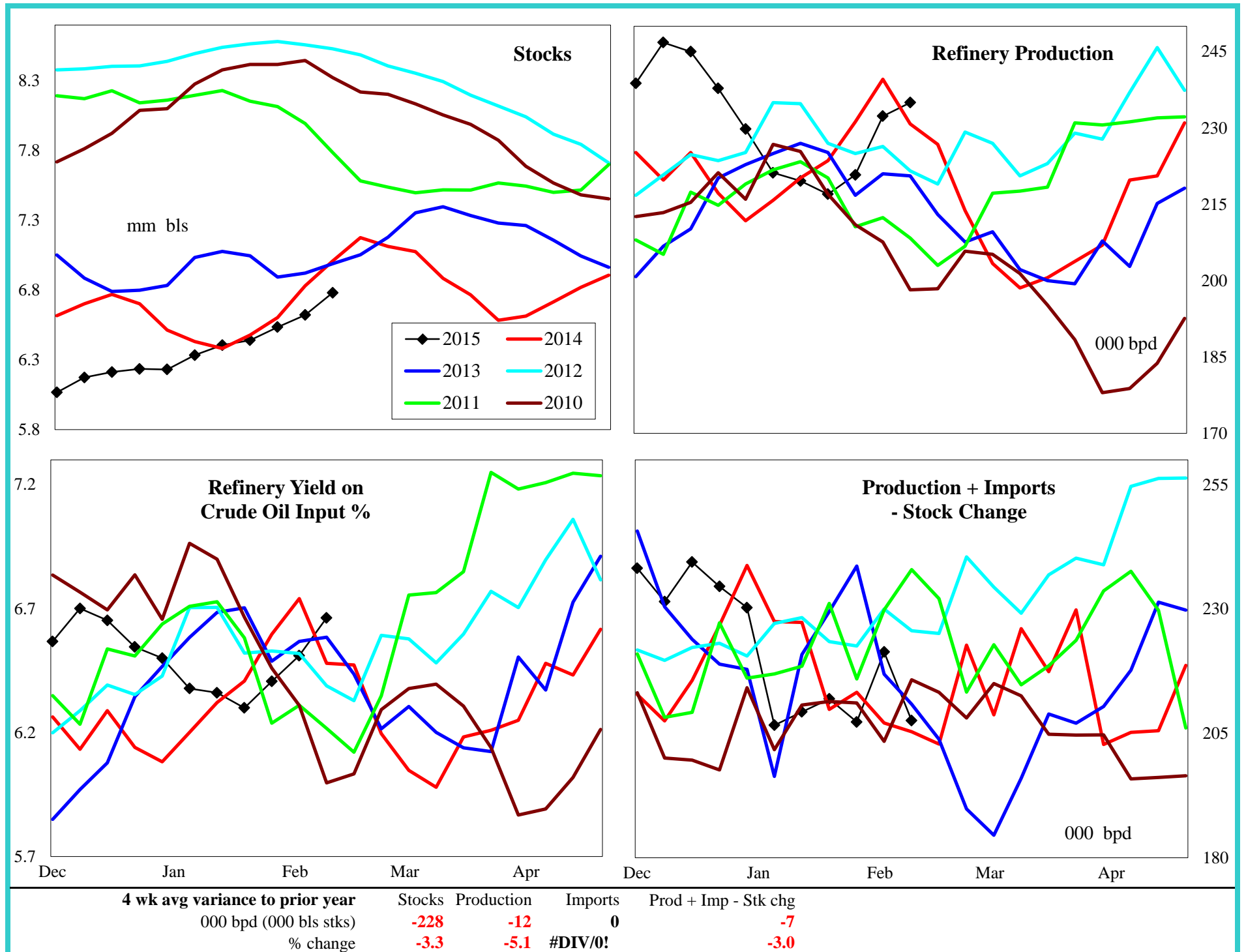
PADD 2 Conventional Gasoline Supply



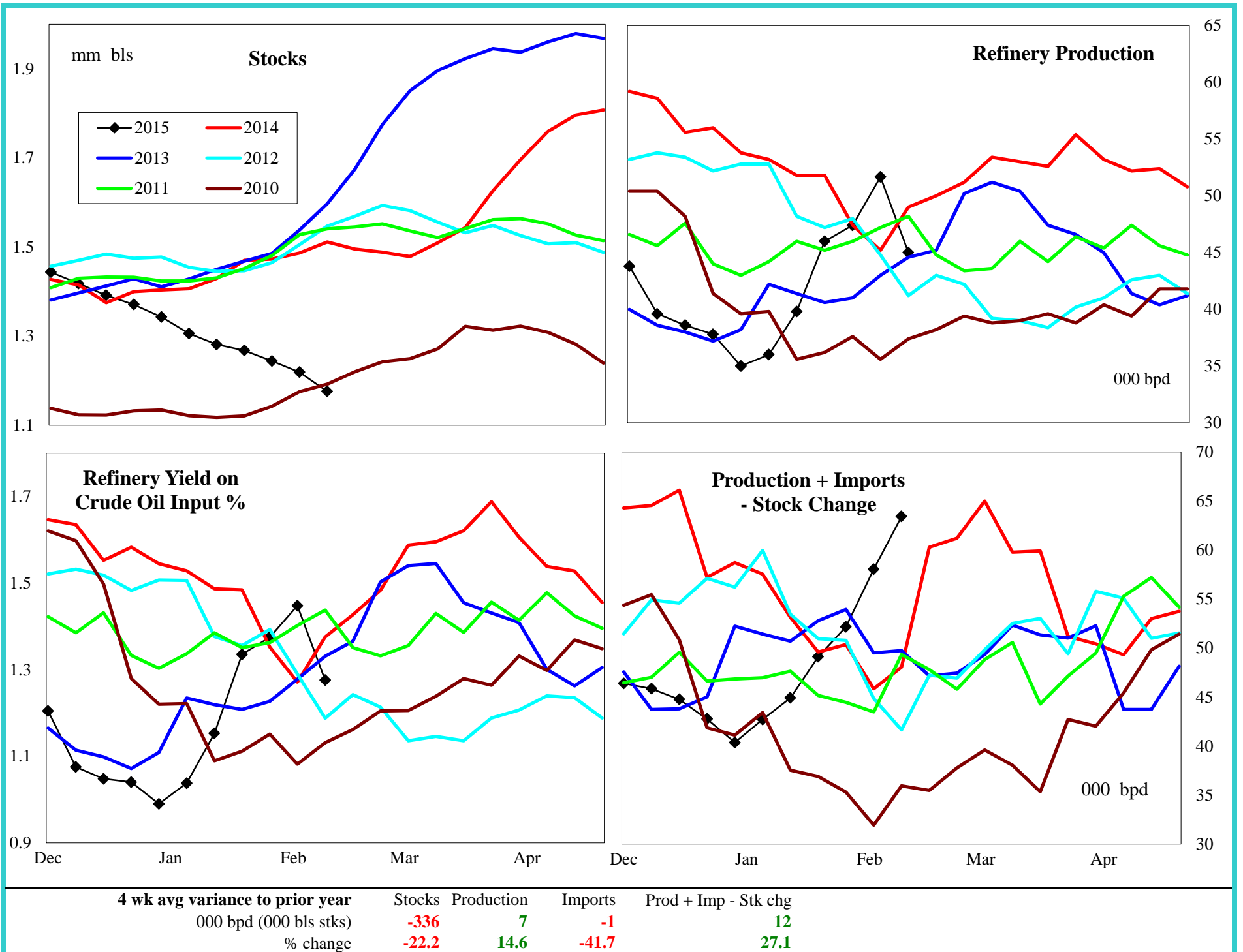
PADD 2 Distillate Supply



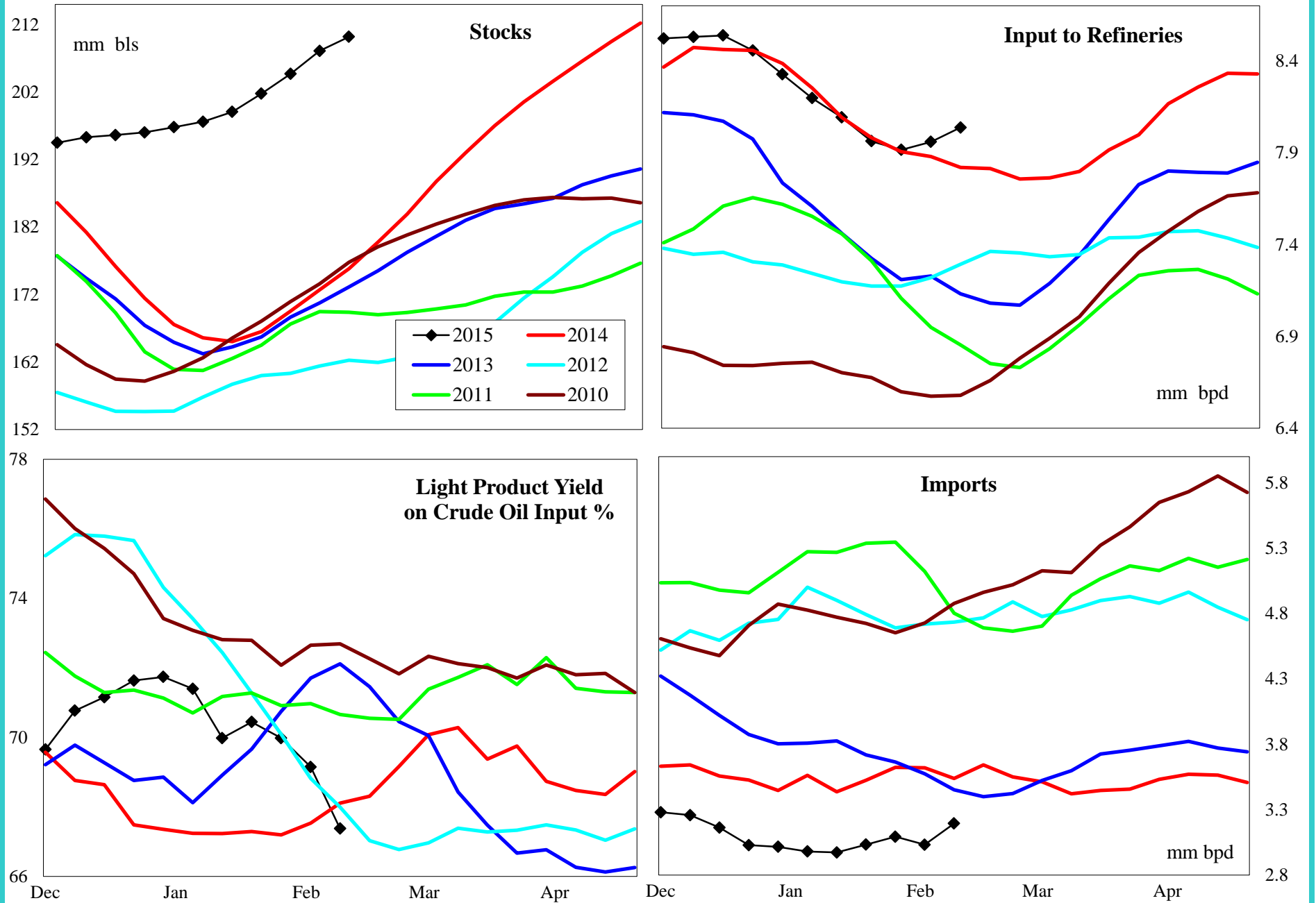
PADD 2 Jet Fuel Supply



PADD 2 Residual Fuel Oil Supply



PADD 3 Crude Oil Supply and Refining



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

34,353

19.5

Input

55

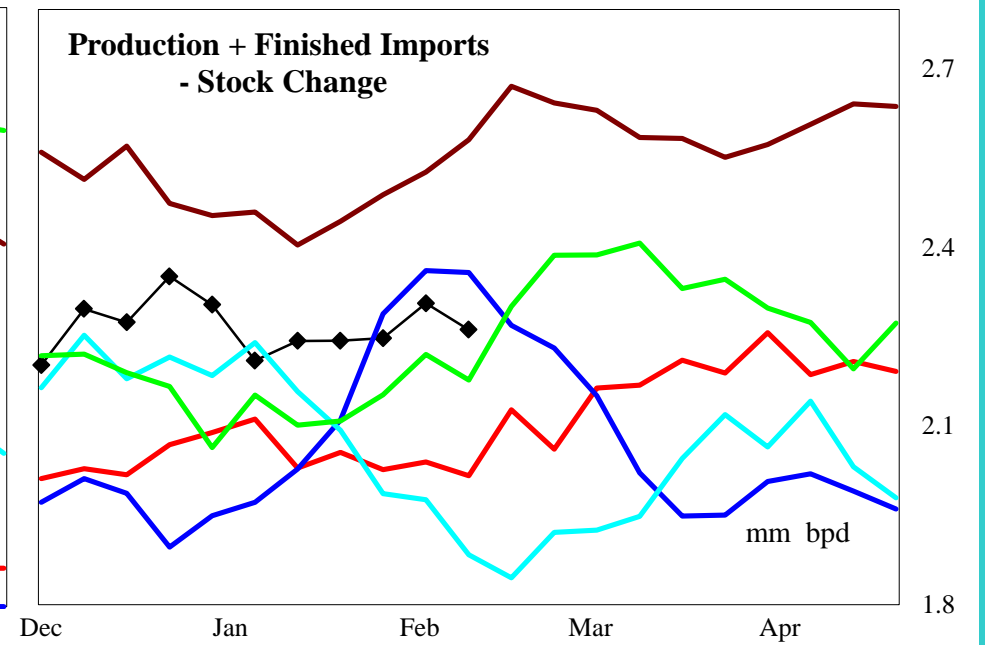
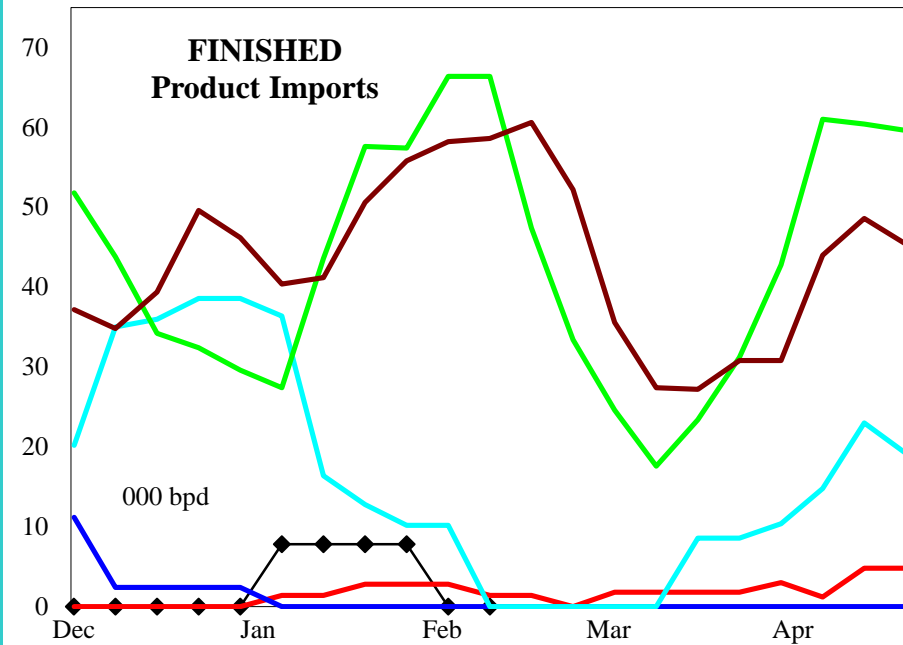
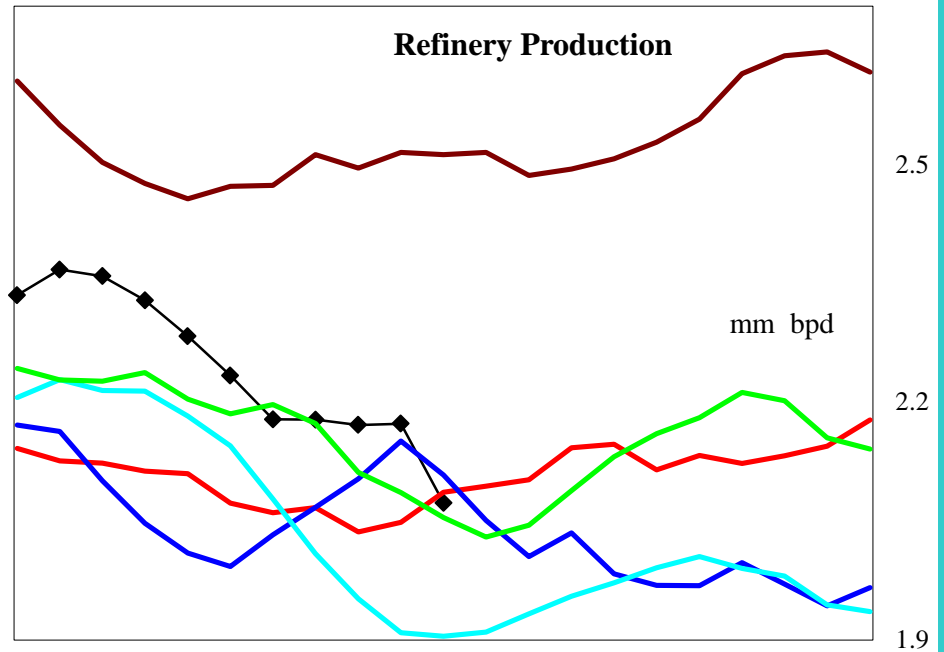
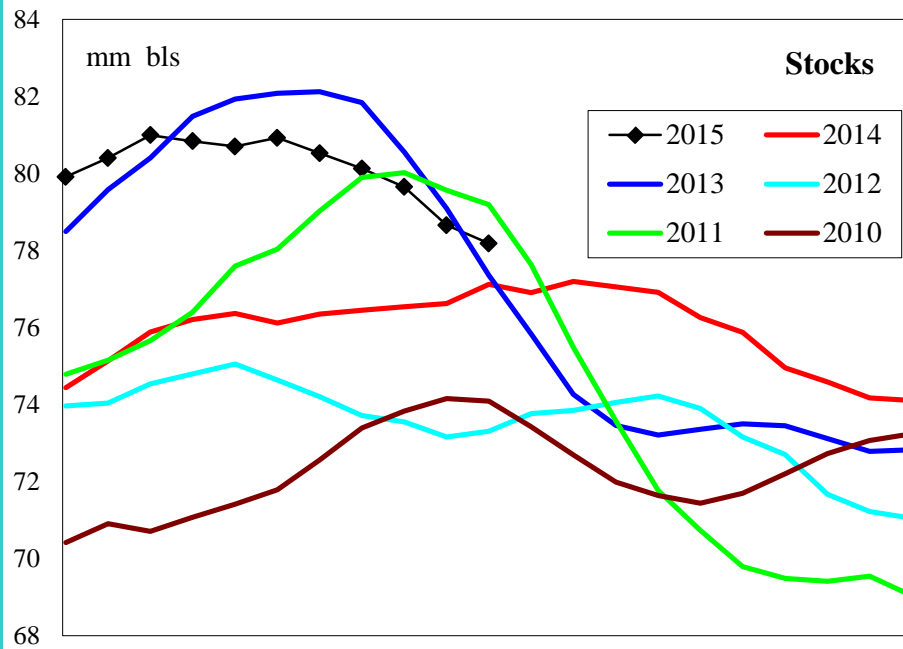
0.7

Imports

-566

-15.4

PADD 3 Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

1,190

1.5

Production

131

6.4

Fin Impt

6

178.6

Blend Impt

-17

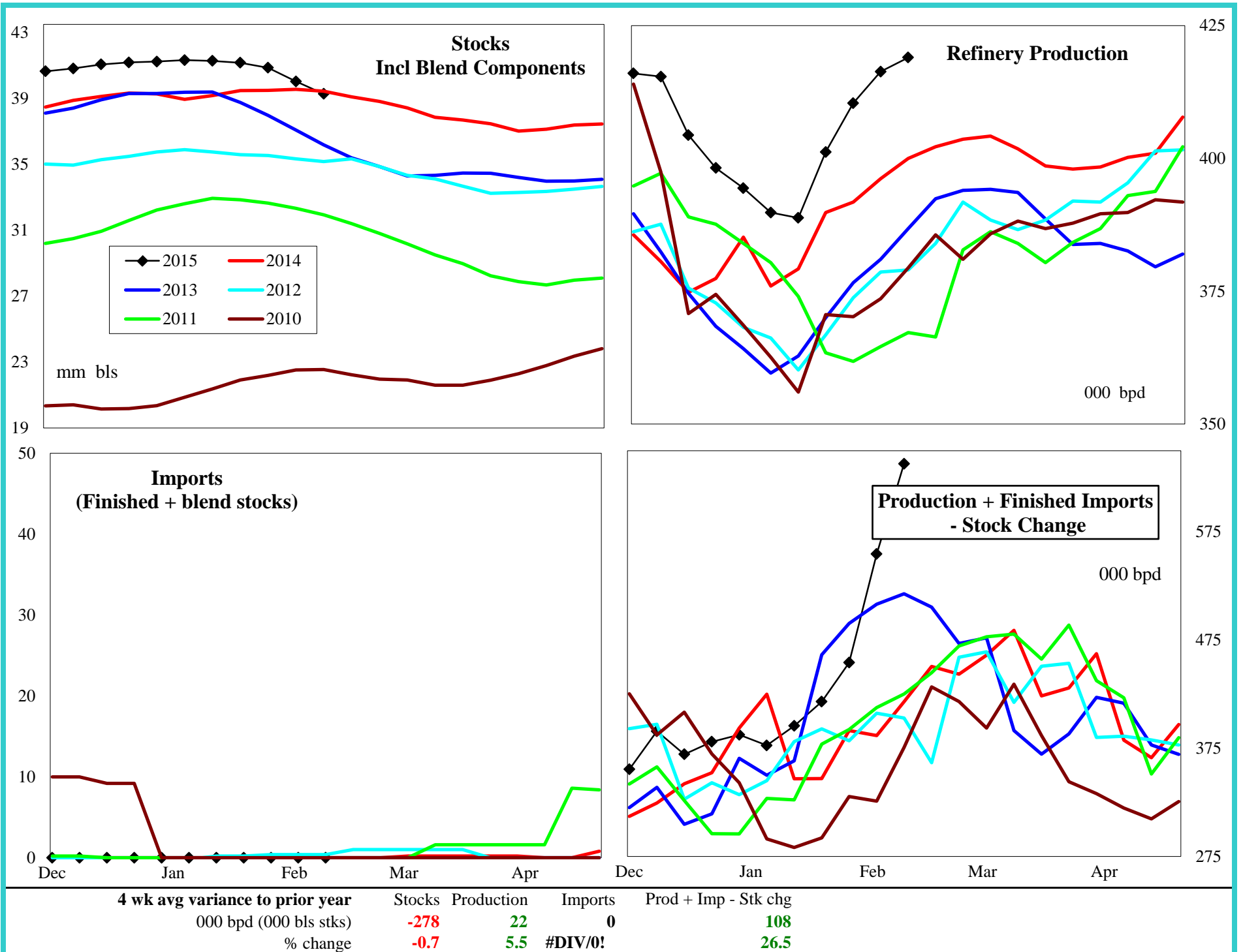
-98.5

Prod + Imp - Stk chg

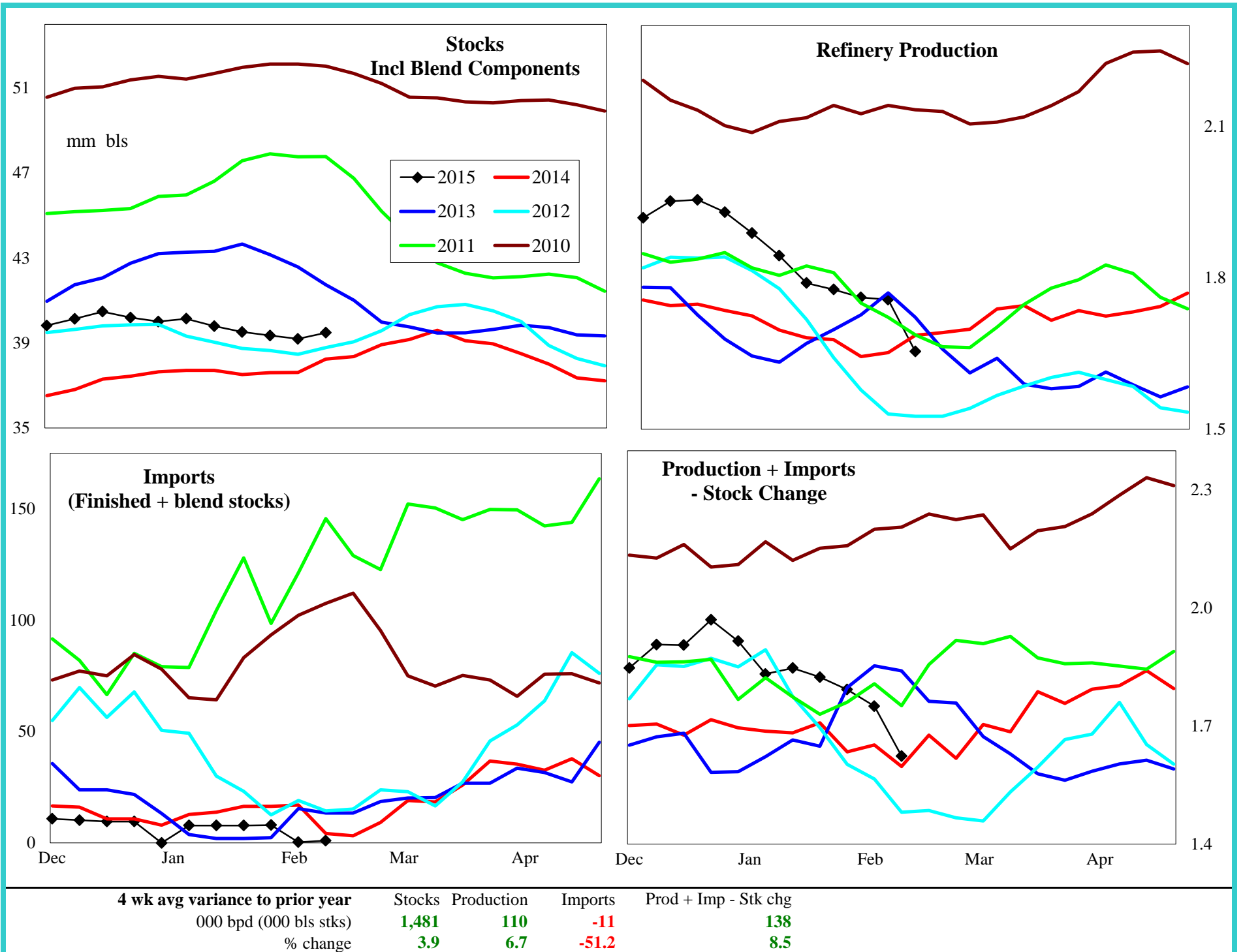
246

12.1

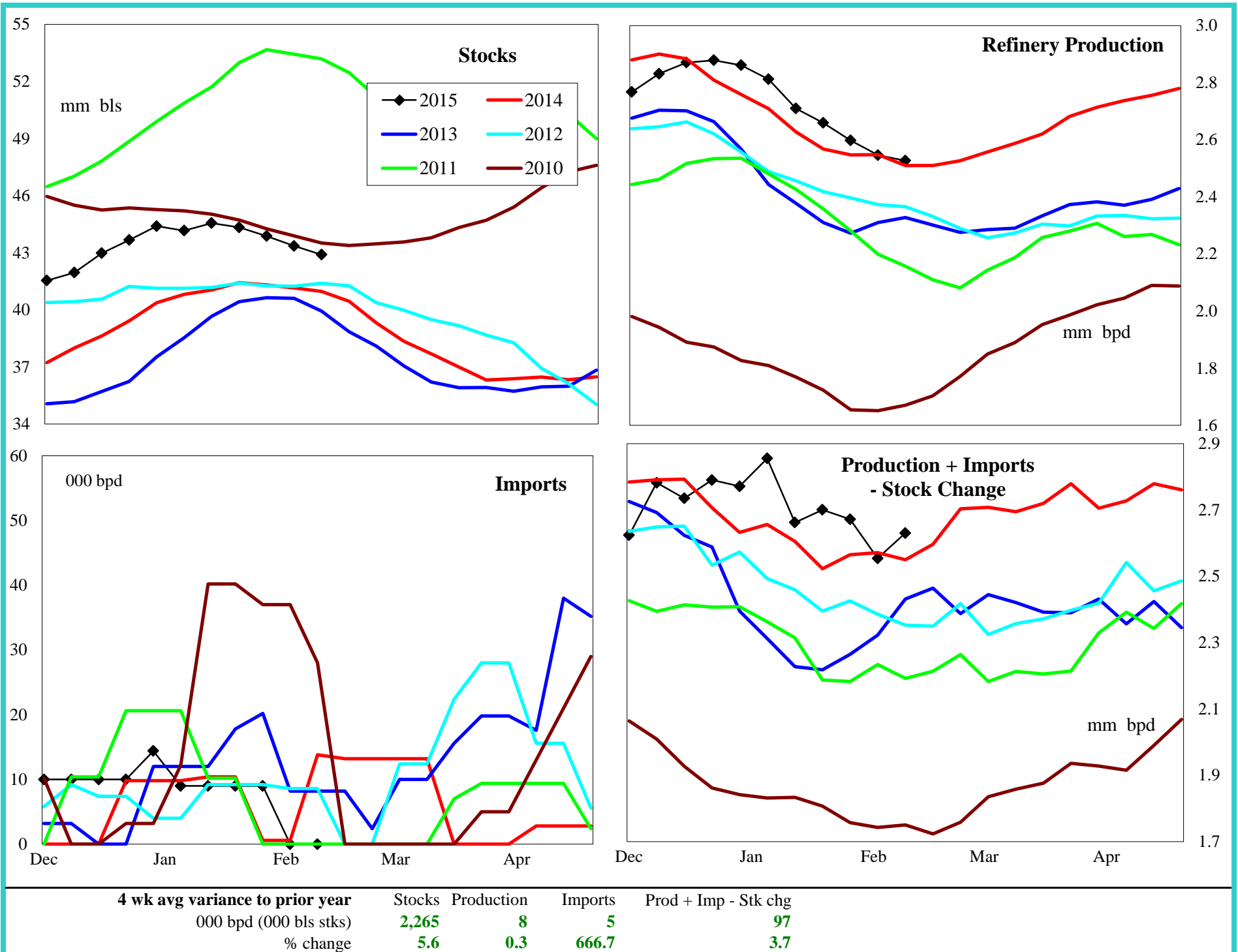
PADD 3 Reformulated Gasoline Supply



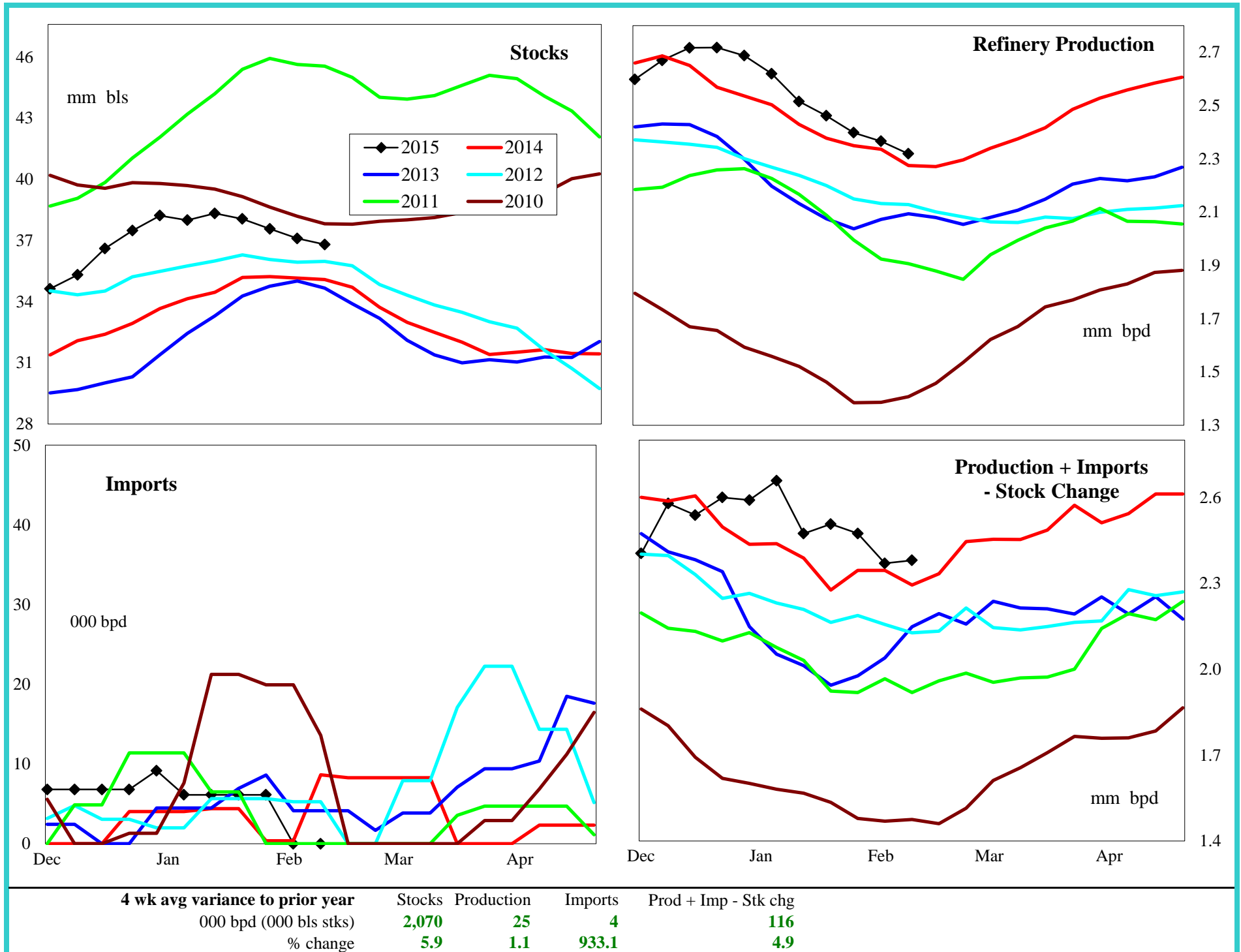
PADD 3 Conventional Gasoline Supply



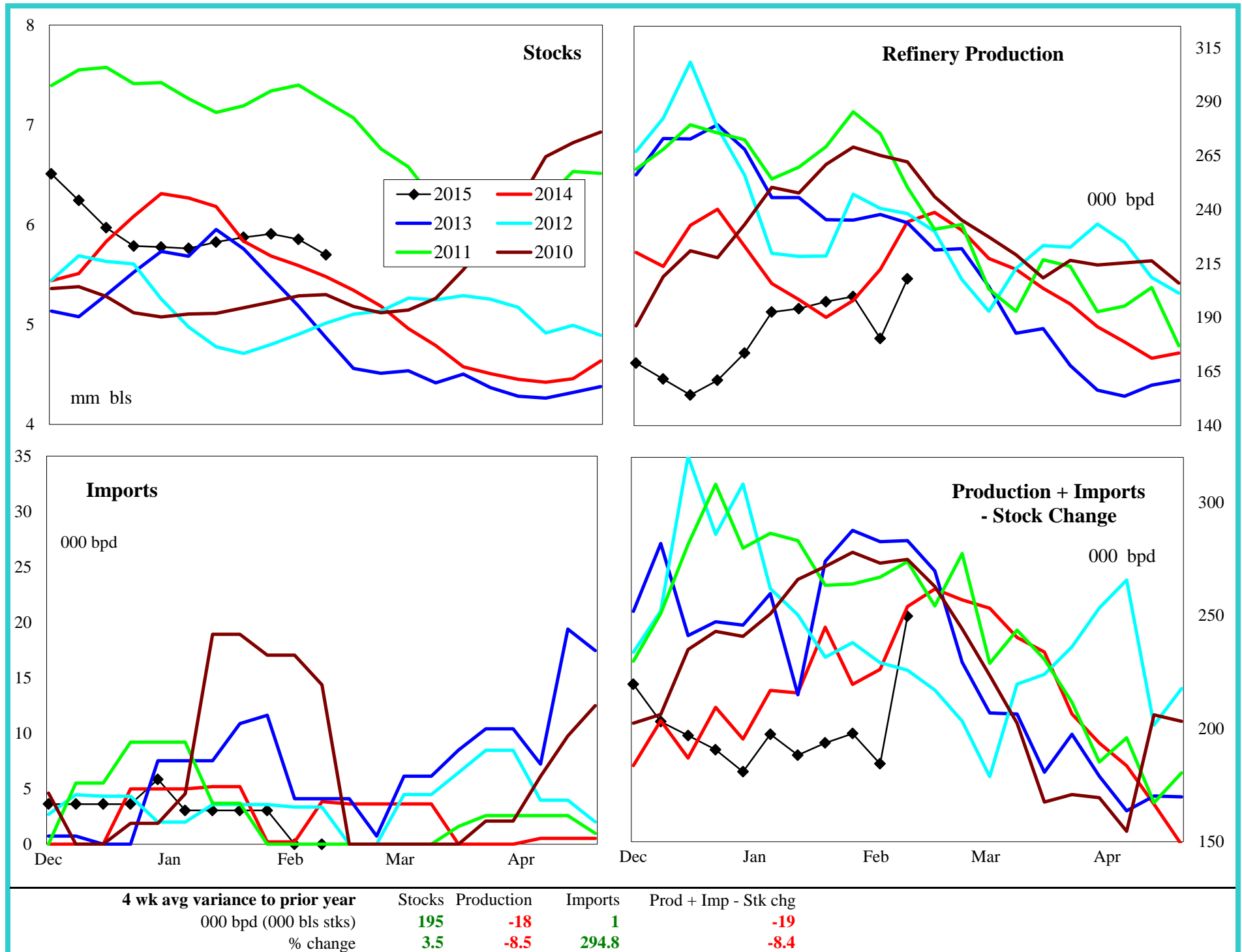
PADD 3 Distillate Supply



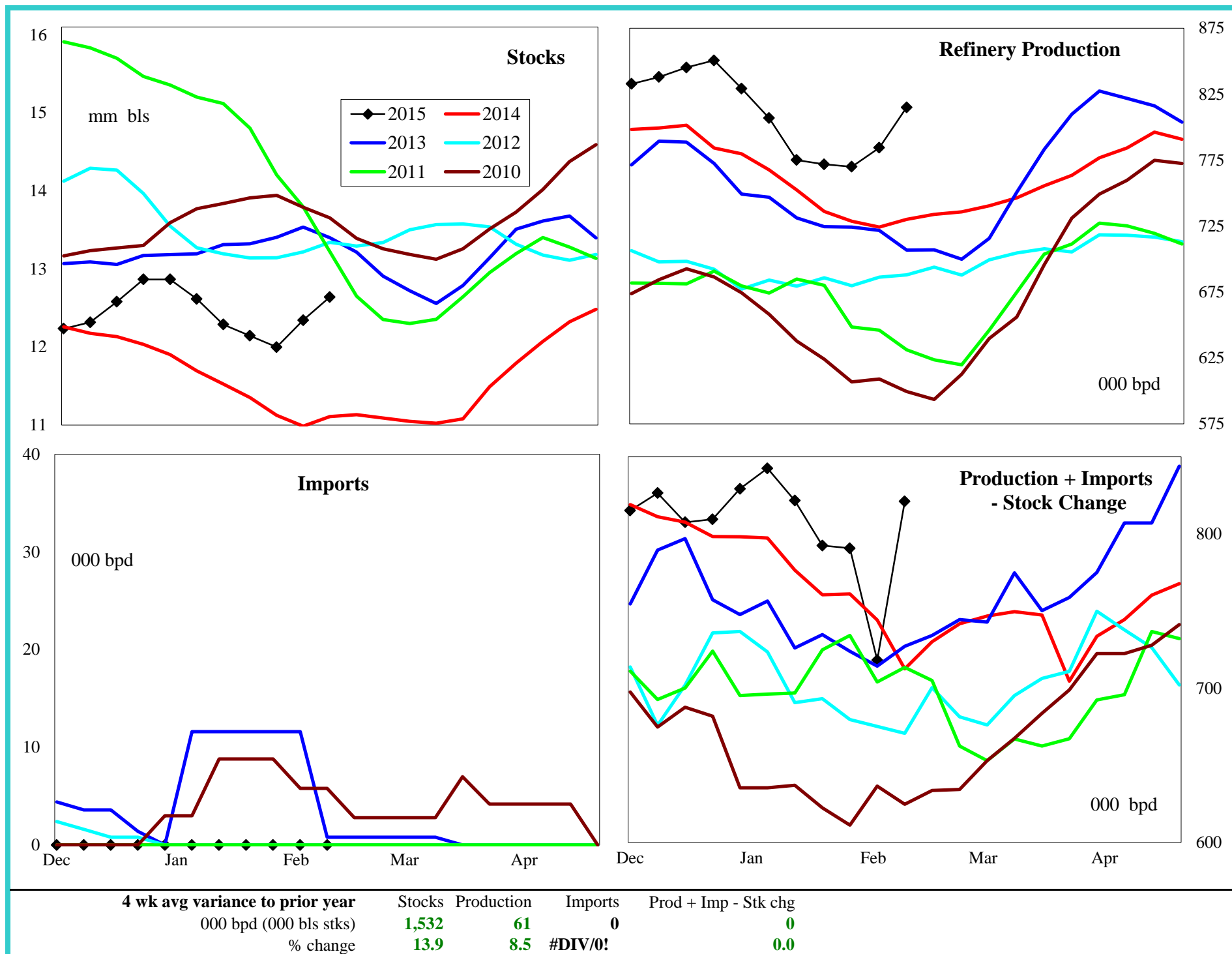
PADD 3 Low Sulfur Distillate Supply



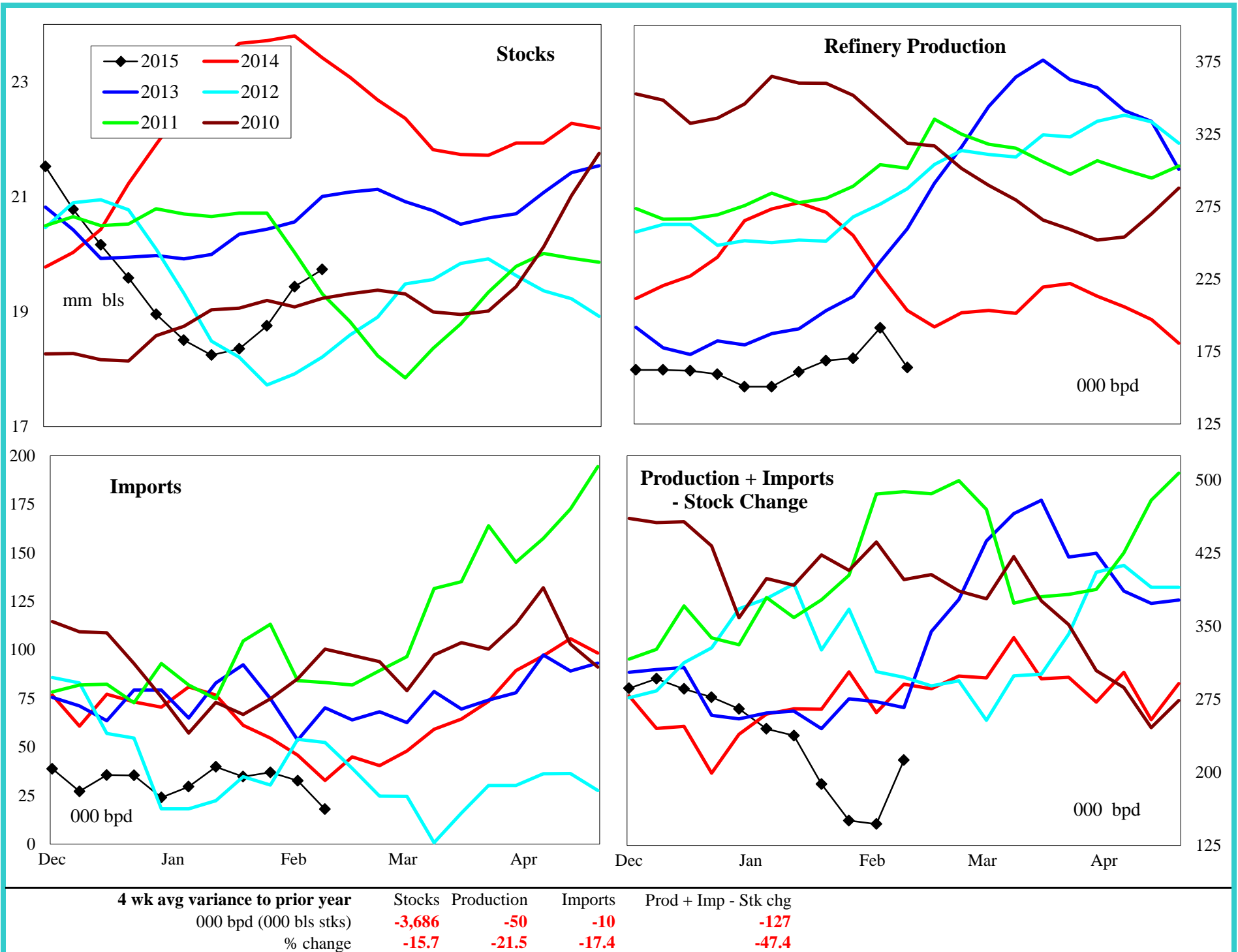
PADD 3 High Sulfur Distillate Supply



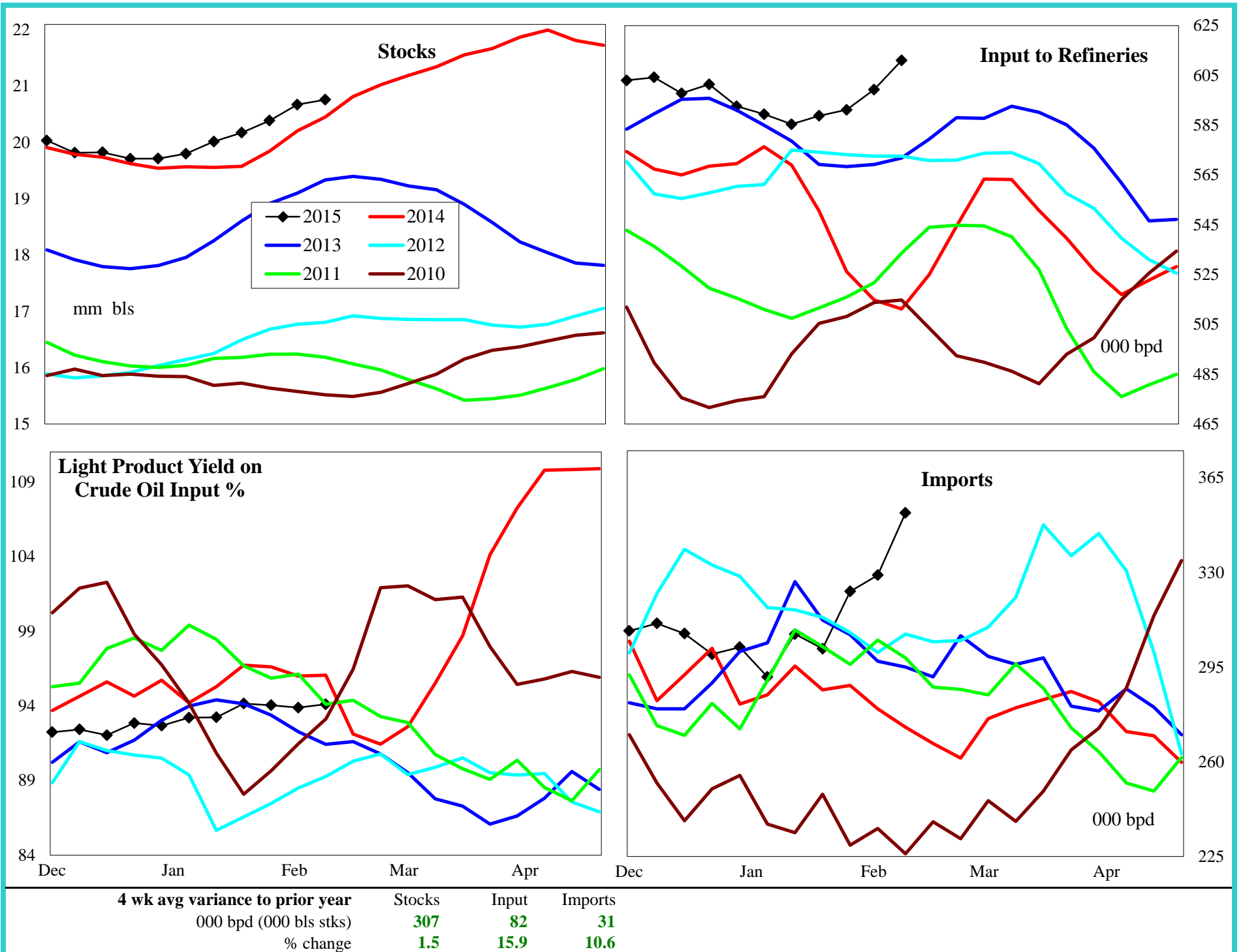
PADD 3 Jet Fuel Supply



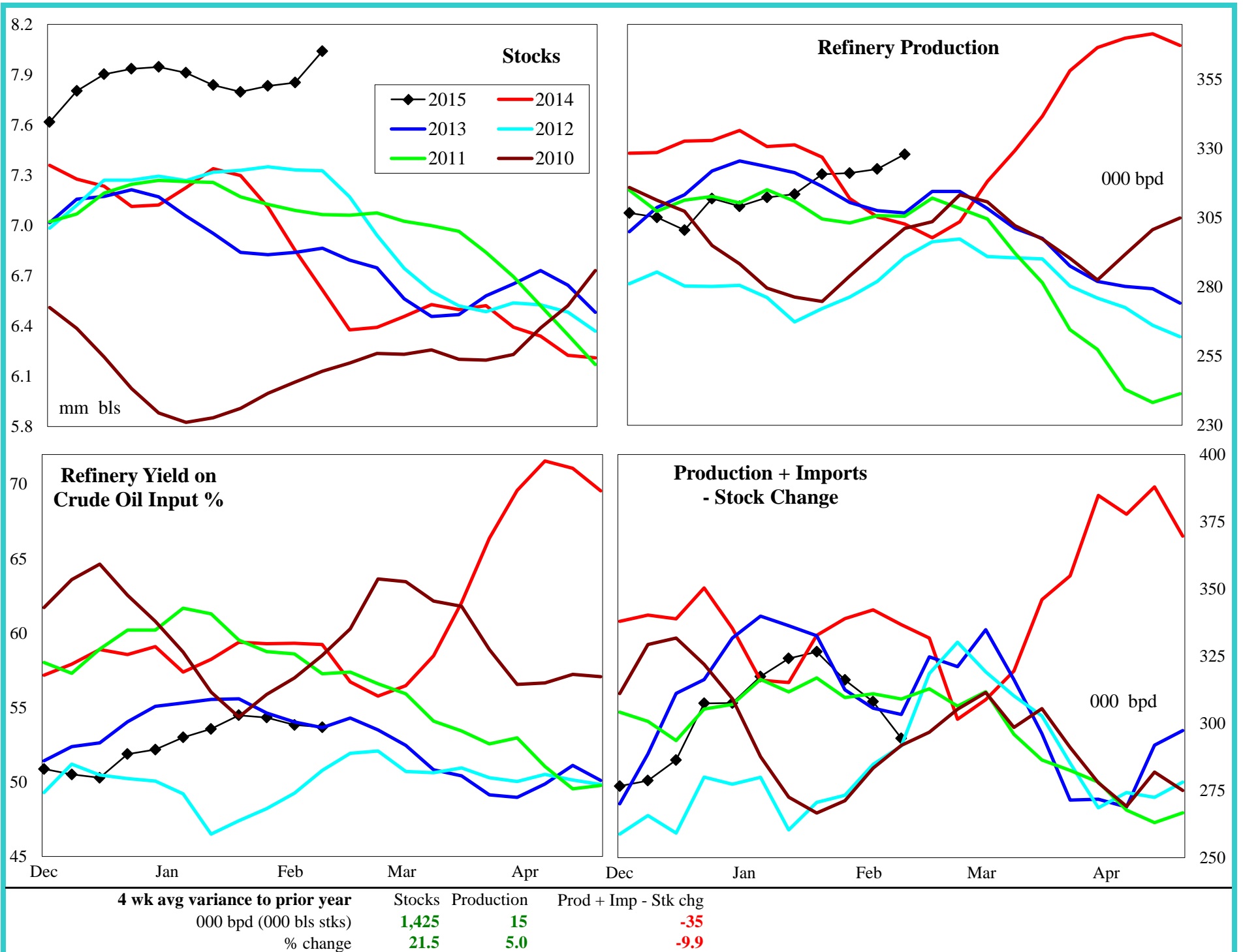
PADD 3 Residual Fuel Oil Supply



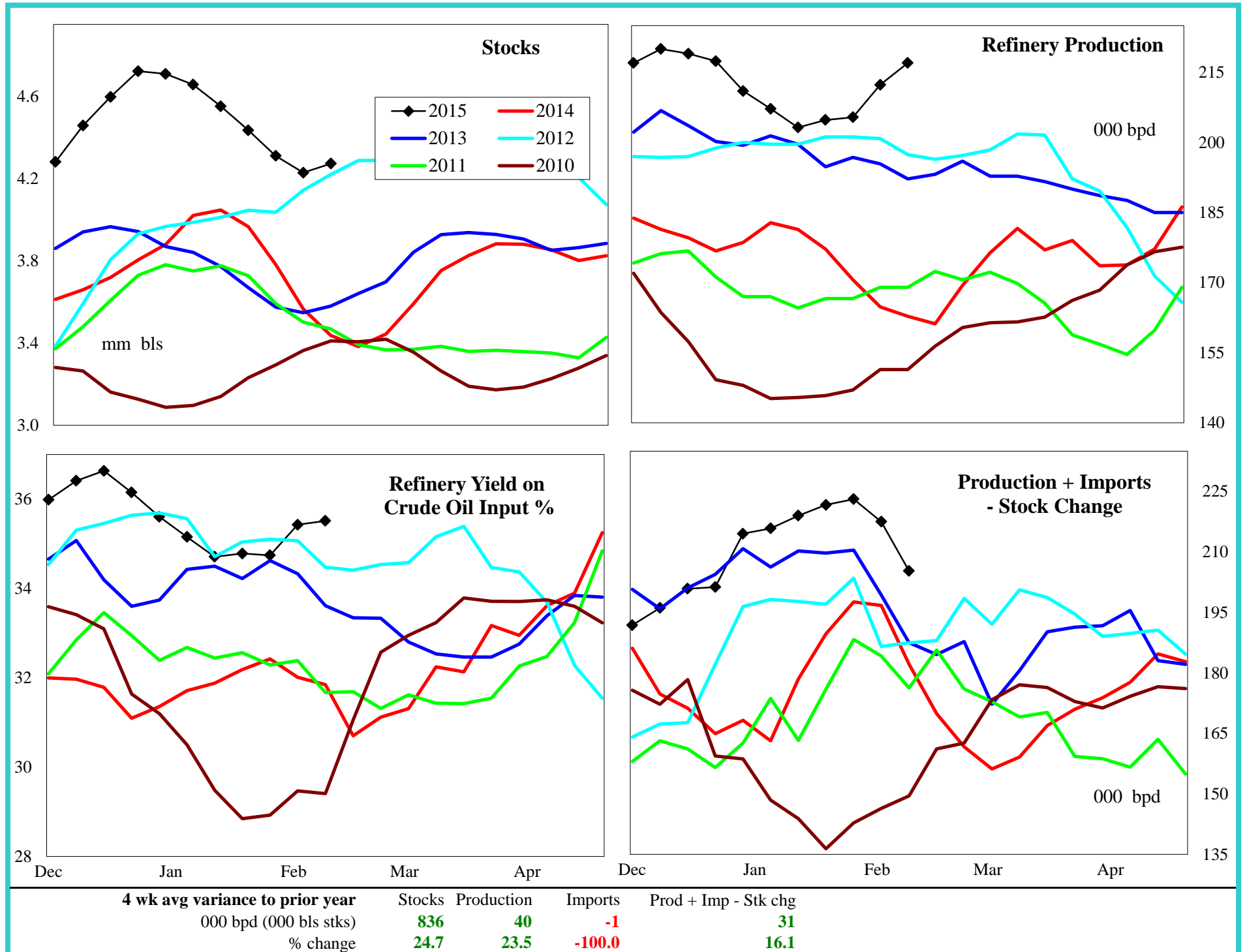
PADD 4 Crude Oil Supply and Refining



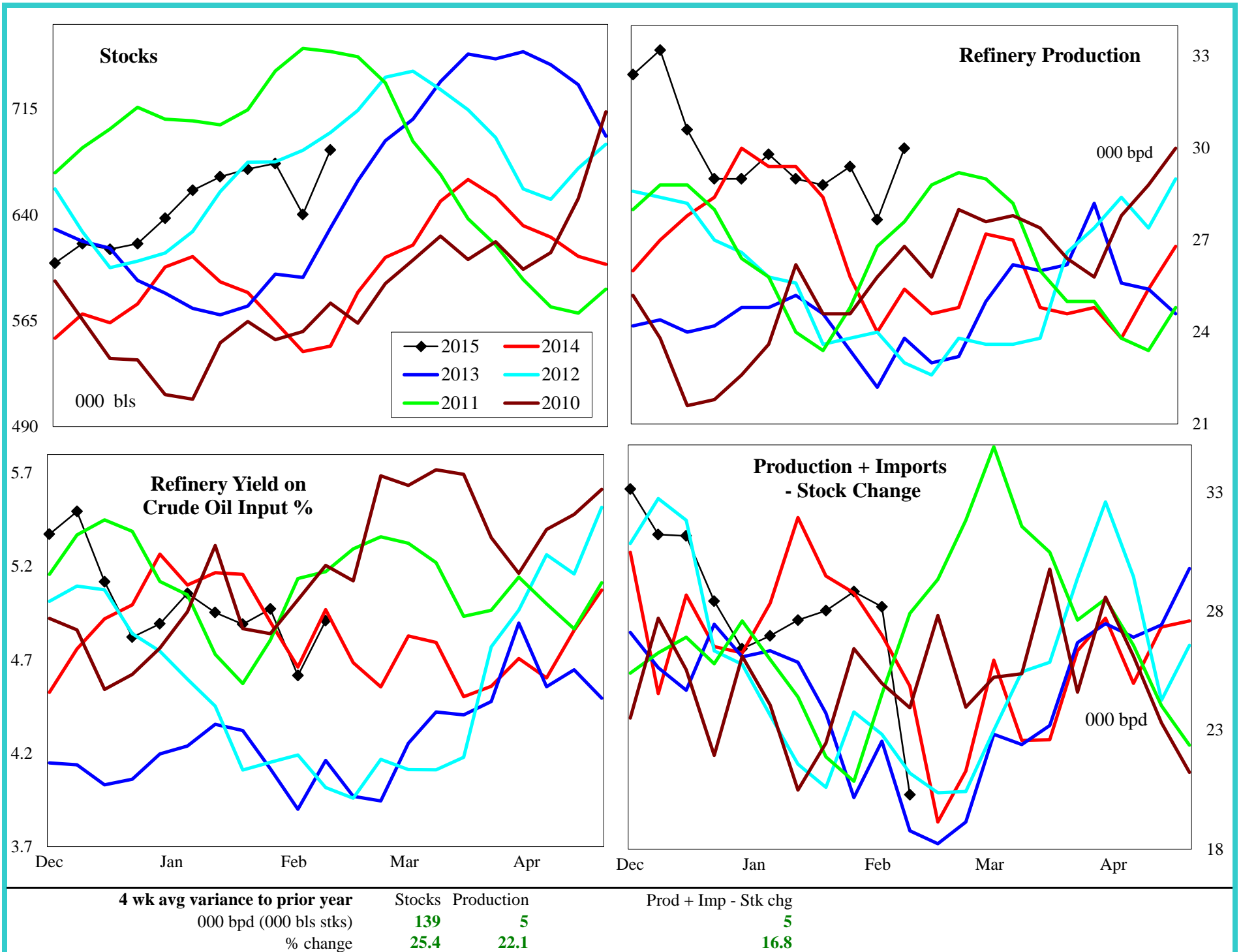
PADD 4 Gasoline Supply



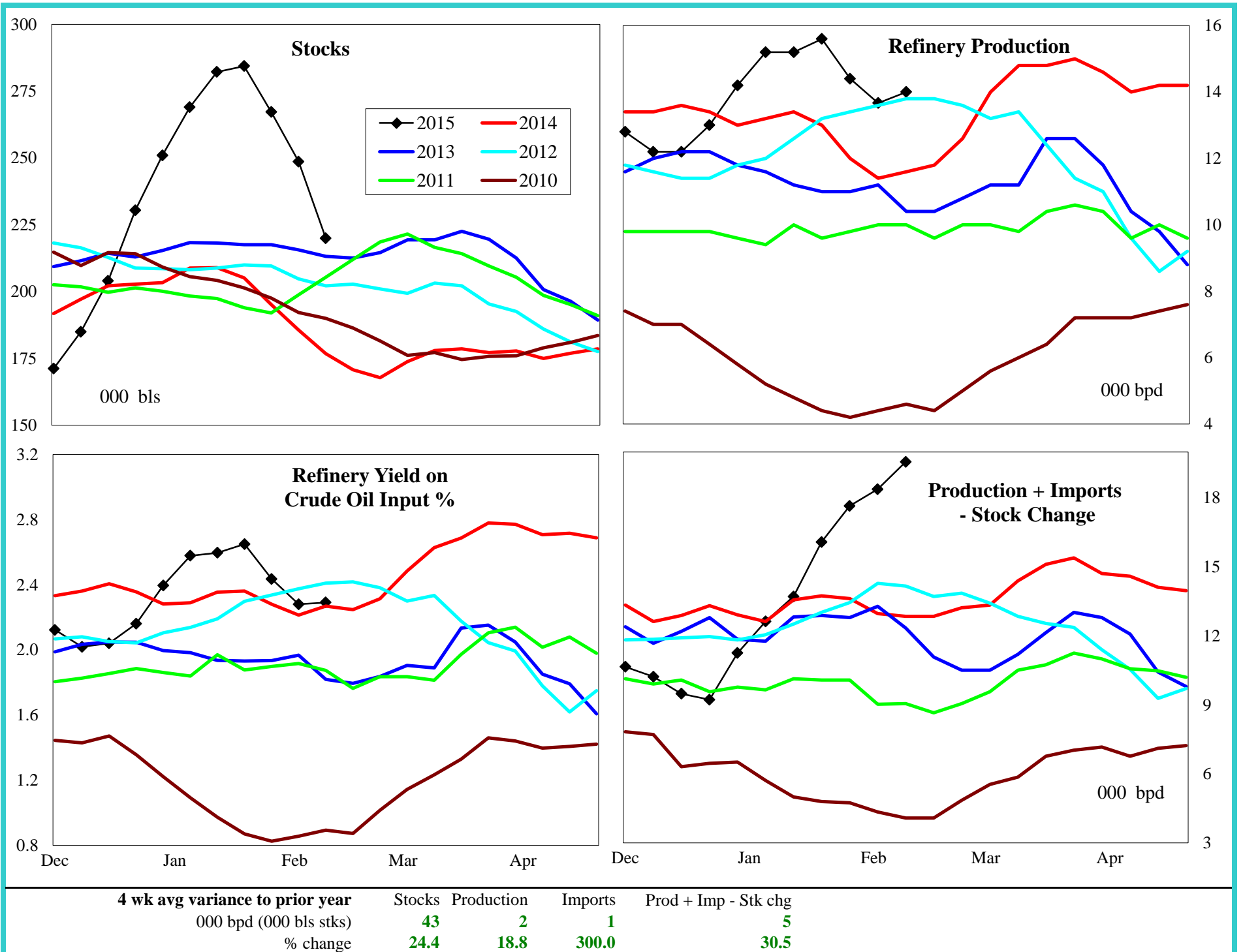
PADD 4 Distillate Supply



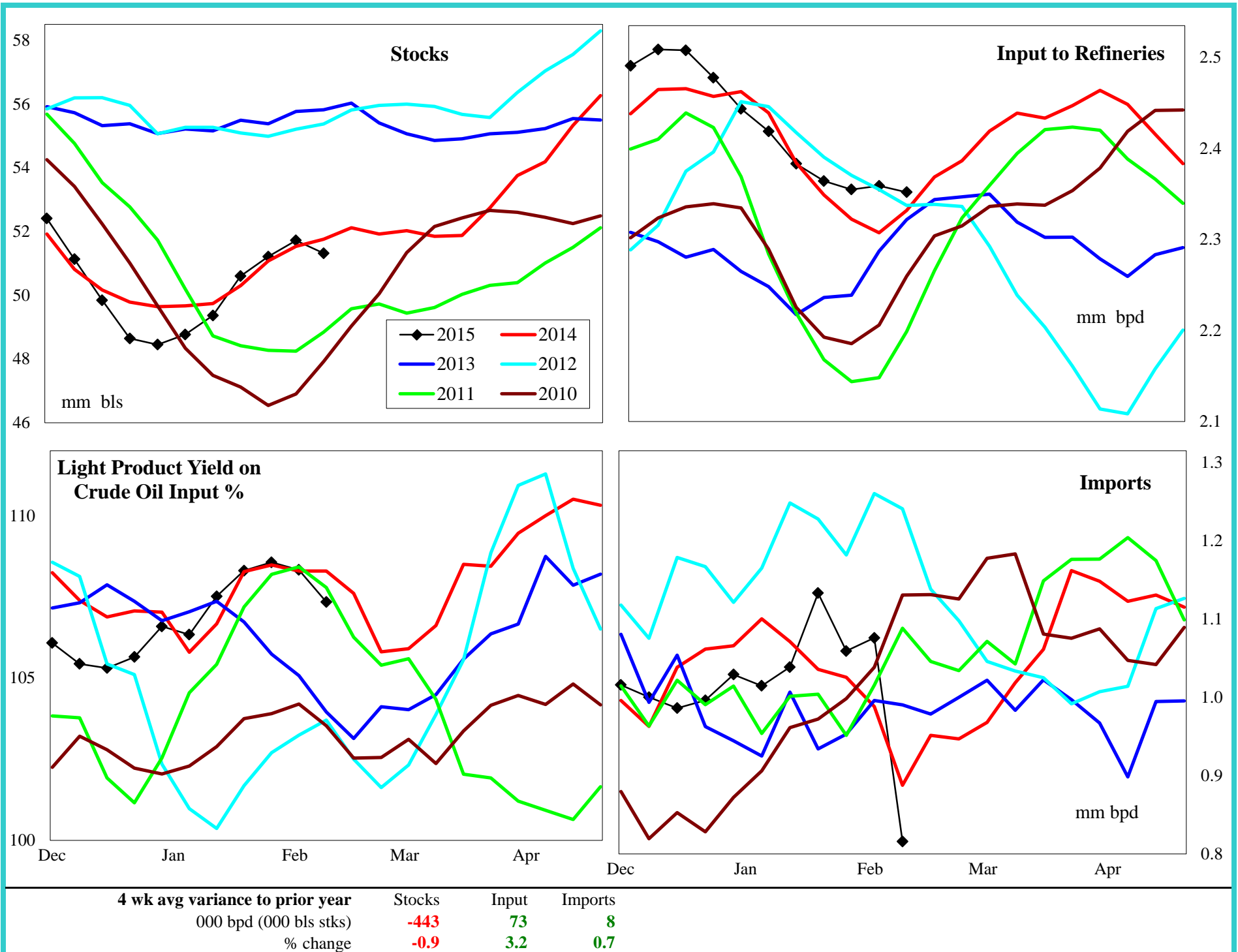
PADD 4 Jet Fuel Supply



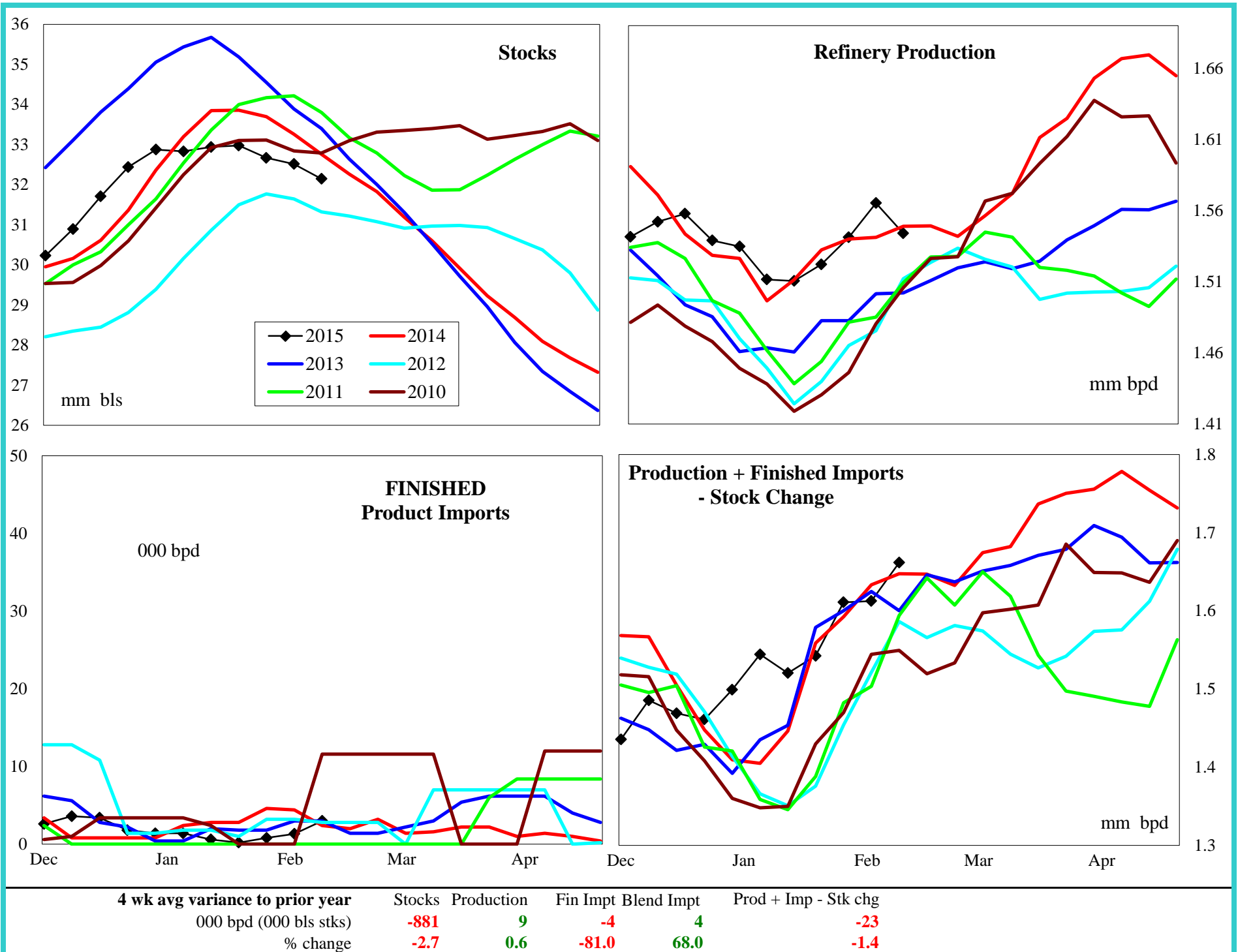
PADD 4 Residual Fuel Oil Supply



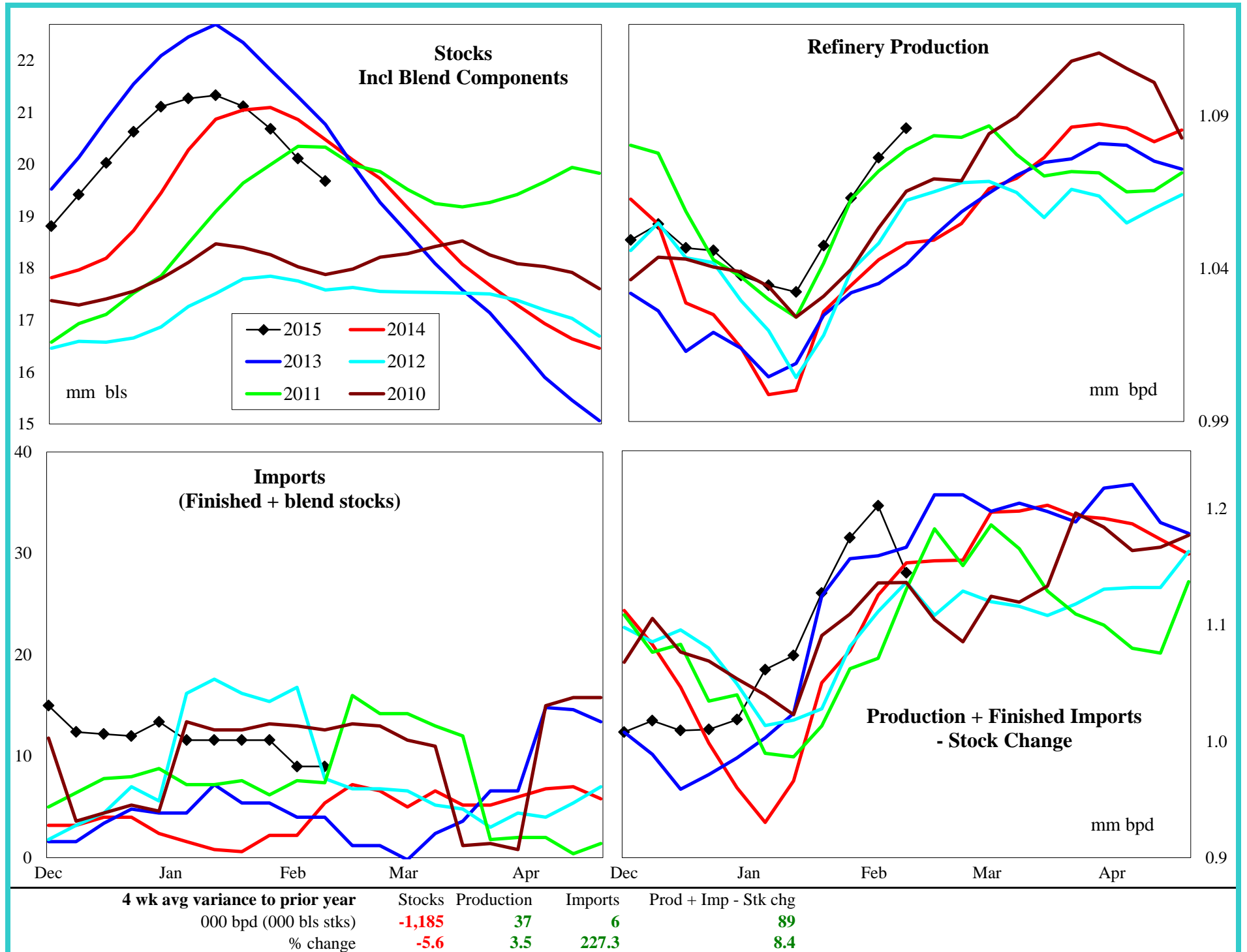
PADD 5 Crude Oil Supply and Refining



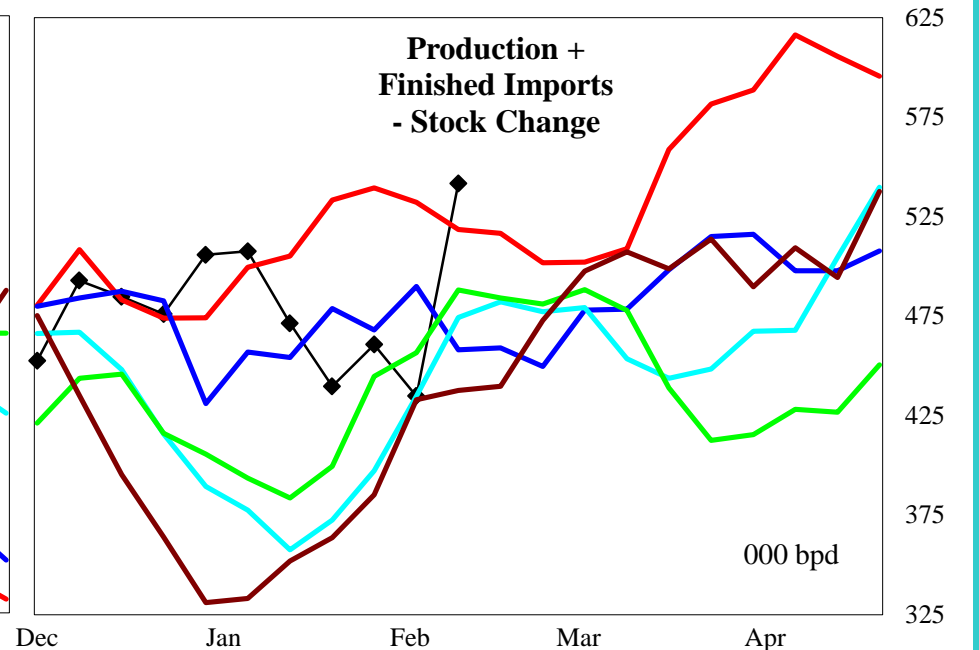
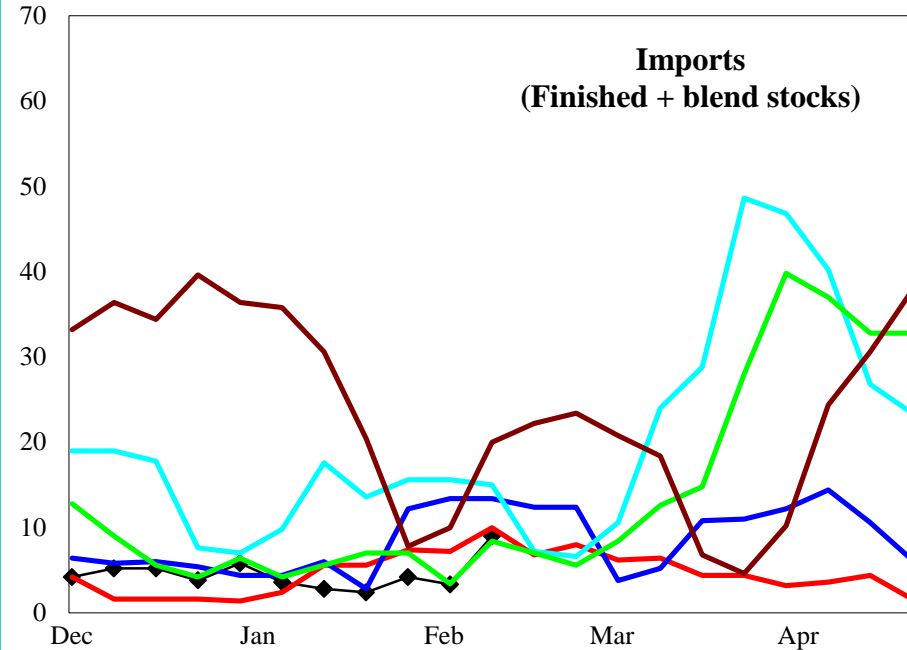
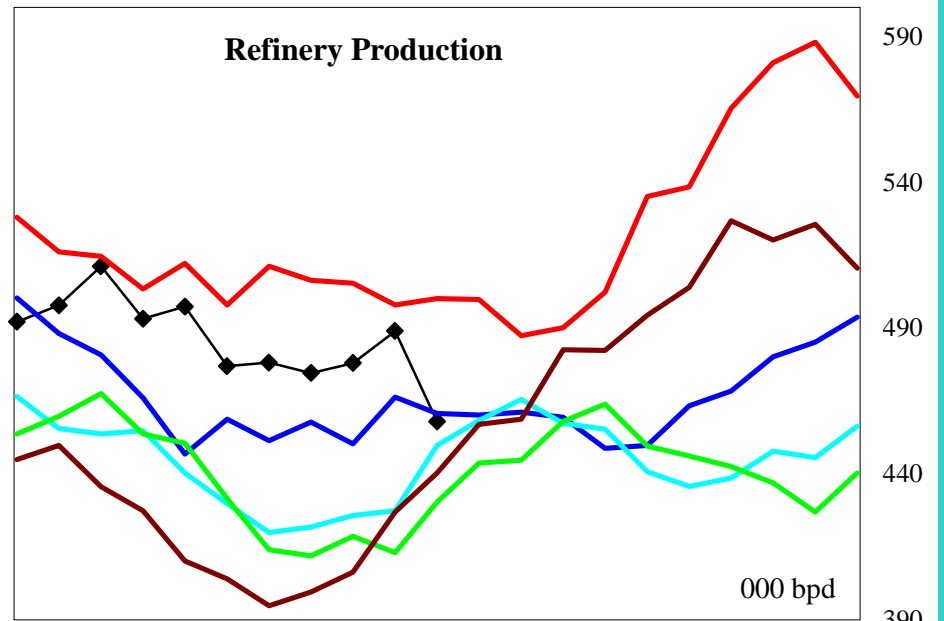
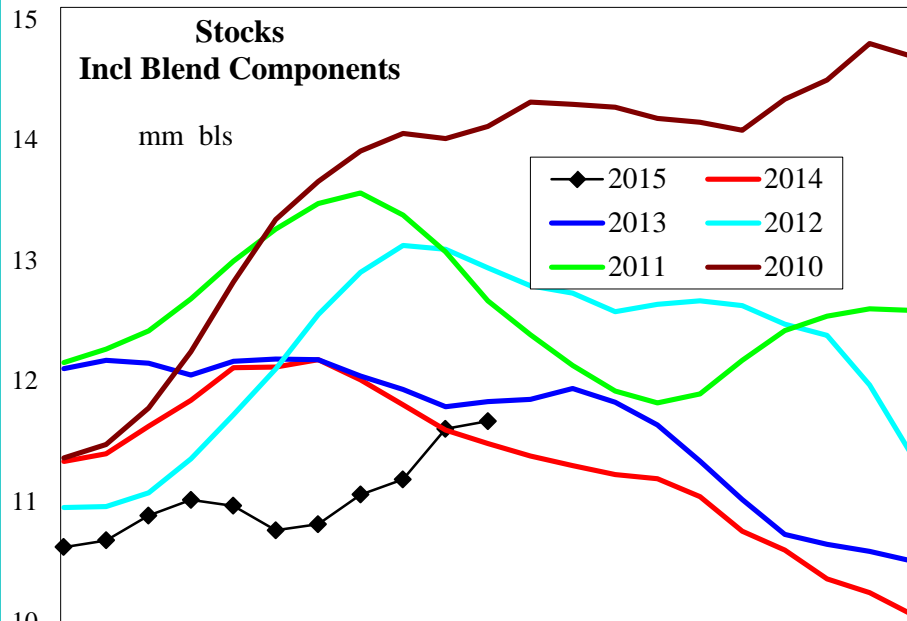
PADD 5 Gasoline Supply



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

304

-28

-6

-112

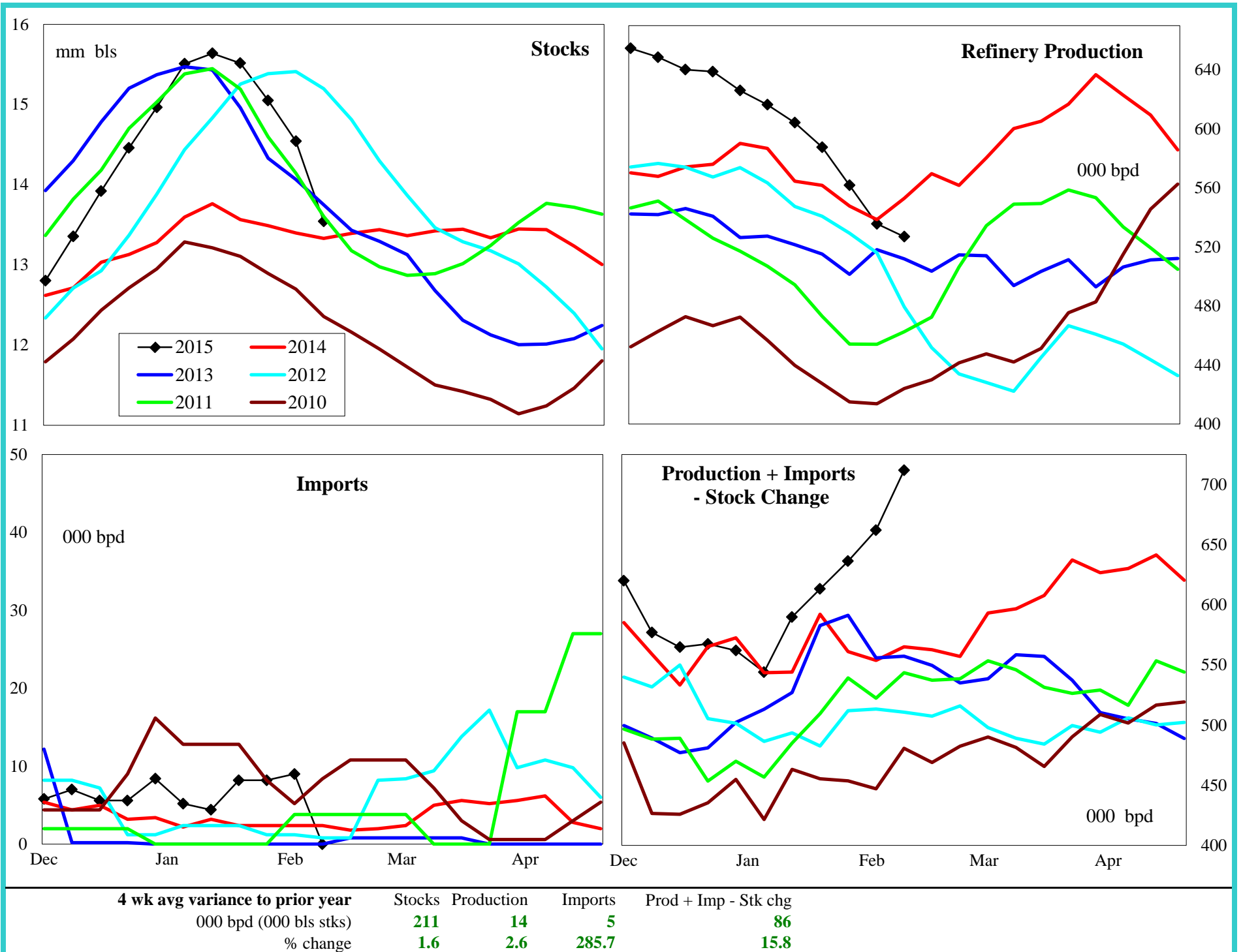
2.6

-5.6

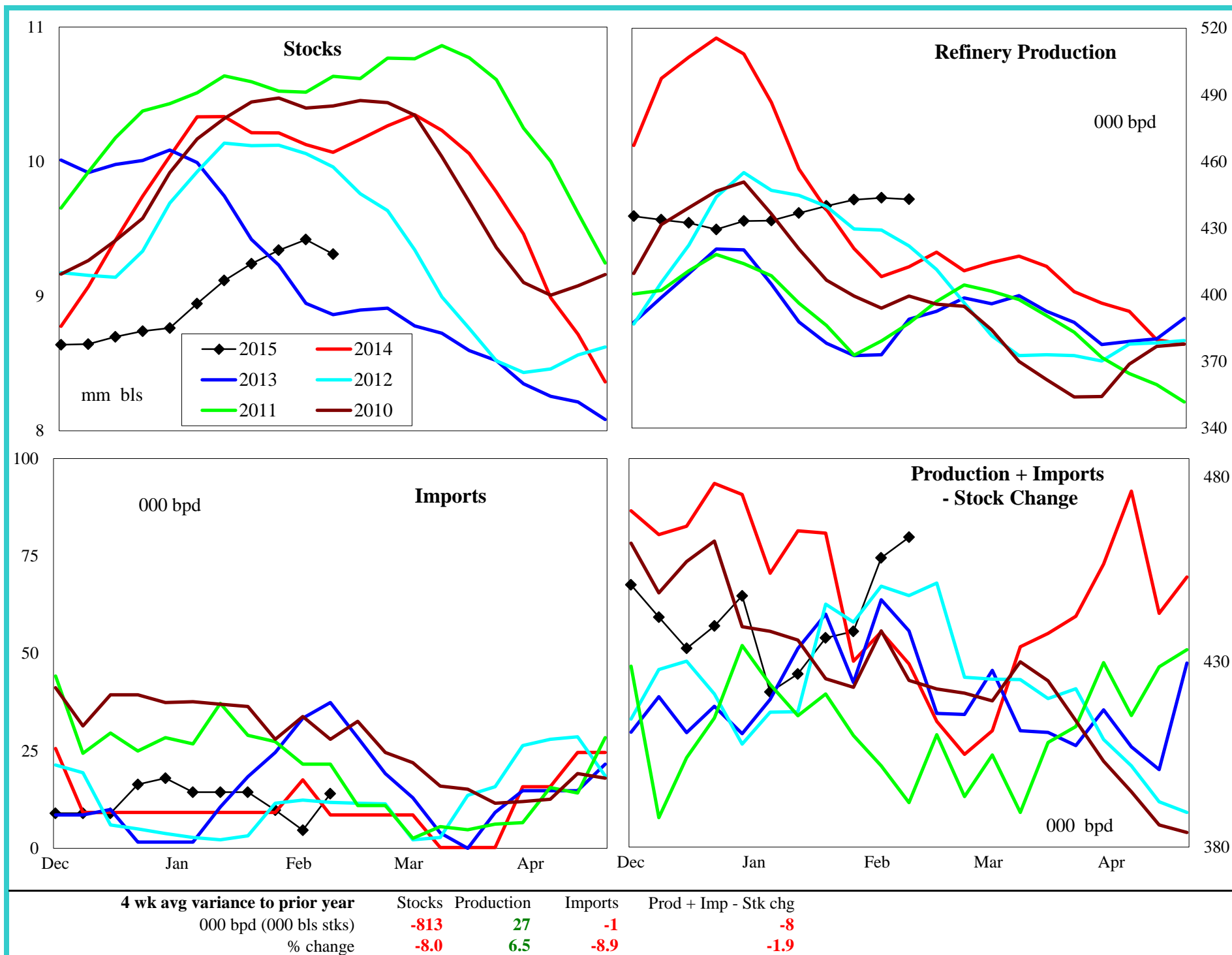
-71.4

-20.5

PADD 5 Distillate Supply



PADD 5 Jet Fuel Supply



PADD 5 Residual Fuel Oil Supply

