



## WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

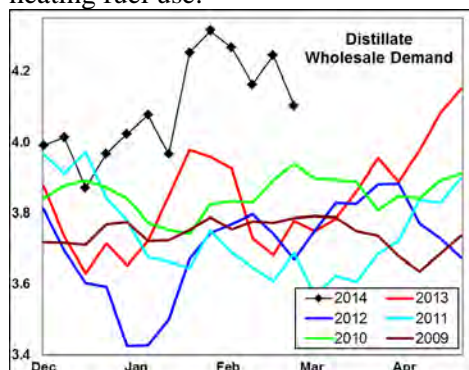
### A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Wednesday, March 04, 2015

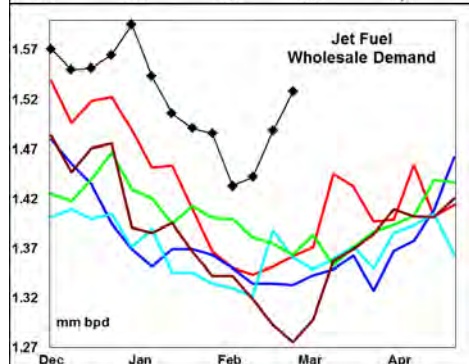
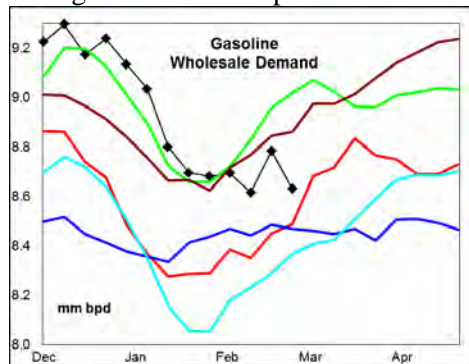


#### Major Fundamental Trends<sup>1</sup>

Extremely cold temperatures in the Northeast continues to support extremely high demand for distillate heating fuel use.



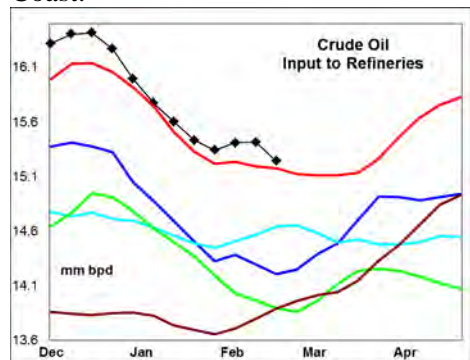
Gasoline wholesale demand fell -0.3 million bpd last week, but continues to show a +4% year-on-year increase during the latest 4-wk period.



Improving weather led to a rebound airline travel and rise in jet fuel demand, which increased +13% over a year ago for the most recent 4-wk period.

Refinery maintenance levels

remain less than last year, with the latest 4-wk run rate +0.1 million bpd above last year; even with unplanned maintenance on the West Coast and weather related cuts in runs on the East Coast.



Crude oil stocks increased +10.3 million barrels last week, although builds in Cushing Ok were only +0.5 million barrels. Stock levels in Cushing are now -1 million barrels below the prior 5-yr high. Even with storage capacity increases, look for stocks to reach storage limits during the next quarter.

**Wholesale Demand** for gasoline and distillate each decreased last week, and remains well above the last 3-yrs.

Wholesale demand, measured over the last four weeks compared to a year ago: gasoline increased +4%, distillate increased +17%, jet fuel was +13% higher, while residual fuel decreased -46%.

**Stocks forward coverage:** Gasoline demand coverage was nearly unchanged, with no change in weekly inventory and a sharp drop in wholesale demand. Coverage ended the week at a level near the 5-yr mid range.

Distillate coverage fell on a -1.7million barrel stock draw. Coverage ended the week at a level that matched record lows set in 2014.

Jet fuel coverage remains below the 5-yr range on a -0.6 million barrel stock draw and very high demand.

Residual fuel oil coverage remains at record highs on a +1.6 million barrel stock build and very low demand.

**Refinery utilization** rates decreased on

a -130,000 bpd decline in crude oil runs last week. During the latest 4-wk period crude oil input was +115,000 bpd above last year.

Gasoline yield % on crude oil runs declined last week on a -137,000 bpd decrease in output compared to the -130,000 drop in crude oil runs. Gasoline yield % on crude oil runs ended the week above each of the last 3-yrs for the period.

Distillate yield % on crude oil runs decreased on a -102,000 bpd drop in output compared to the decrease in crude oil runs. The yield % on crude oil runs matched historic highs.

Jet fuel yield % on crude oil runs fell last week on a -76,000 bpd decline in output compared the lower crude oil runs. The yield % on crude oil runs was near the 3-yr mid range.

**Petroleum Imports/Exports:** Imports of transport fuels were each slightly higher on the week, largely due to improved weather for off loading on the East Coast.

During the latest 4-wk period crude oil imports decreased -0.1 million bpd compared to a year ago; distillate imports were -28,000 bpd lower; finished gasoline imports were +11,000 bpd higher; gasoline blend stock imports were +224,000 bpd higher, jet fuel imports increased +63000 bpd, and residual fuel imports increased +61,000 bpd.

*Exports of distillate for the week ending 20Feb15 were -69,000 bpd below a year ago, gasoline +100,000 bpd higher, jet fuel -17,000 bpd lower and residual fuel oil was unchanged.*

**Crude Oil** stocks increased +10.3 million barrels on the week, including a +5.4 million barrel build in the Gulf region.

Stocks in Cushing increased +0.5 million barrels on the week, and are now -1 million barrels below the prior record high. Even with storage capacity increases, risk is very high stocks will reach capacity limits during the next quarter.

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



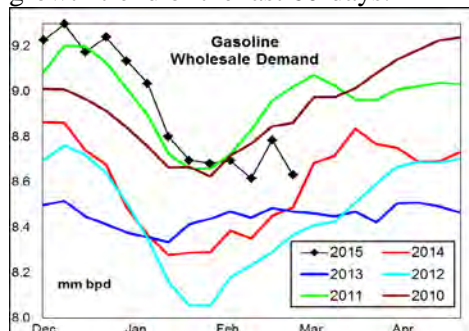
## WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

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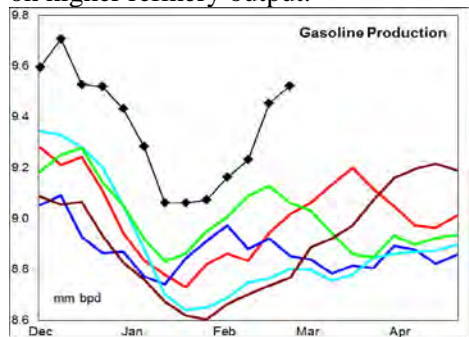
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#### Product Supply-Demand Trends

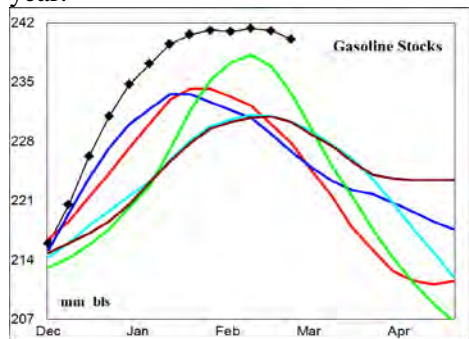
**Gasoline** wholesale demand fell -0.3 million bpd last week to a level still above the last 3-yr. The latest 4-wk average demand was +0.3 million bpd above last year, extending the robust growth trend of the last 60-days.



Supply decreased -66,000 bpd on the week, driven by lower production and partially offset by increased imports. Supply for the latest 4-wk period exceeded a year ago by +435,000 bpd on higher refinery output.



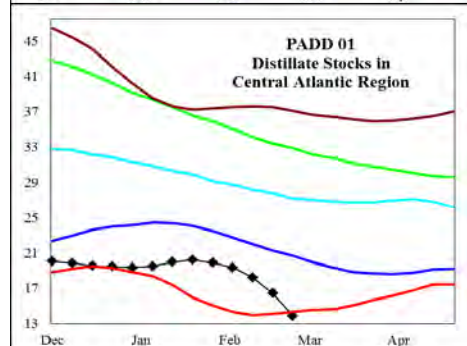
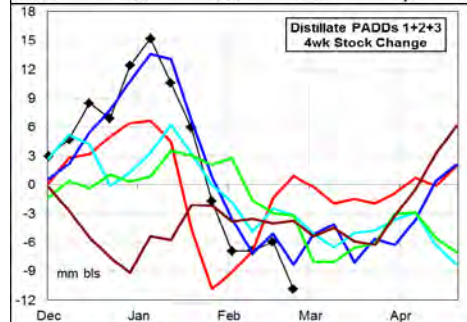
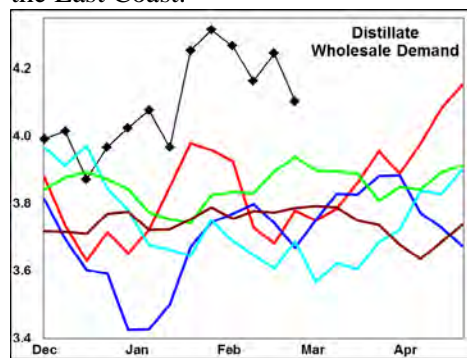
Stocks were unchanged last week, including significant increases in the Midwest and Gulf regions. Stocks remain extremely high on the East Coast, +8 million barrels above last year.



West coast markets have seen prices spike on unplanned refinery maintenance that have pushed stocks to 5-yr lows for this time of year.

**Distillate** wholesale demand fell -229,000 bpd on the week, the result of improved weather conditions on the East Coast. The latest 4-wk average wholesale demand was +606,000 bpd above last year.

Supply decreased -88,000 bpd on lower production. Stocks decreased -1.7 million barrels on the week, including a -3.1 million barrel draw on the East Coast.

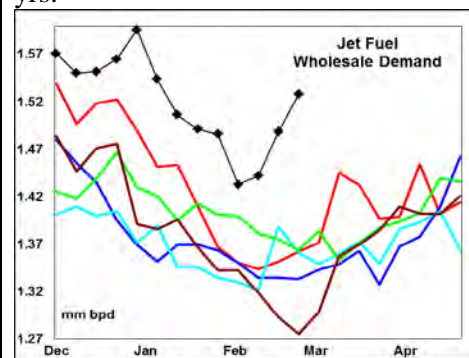


The spike in Northeast heating demand has led to a record 4-wk stock draw in markets East of the Rockies, with stocks in the key Central Atlantic region falling below the historic range.

*Look for continued very high imports and an end to peak winter heating demand during the next 10-days to significantly improve the supply balance in the area.*

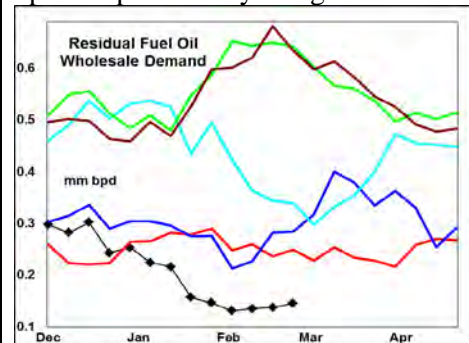
**Jet Fuel** wholesale demand increased +118,000 bpd last week, to a level sharply above the 5-yr range. The latest 4-wk average demand was up +169,000 bpd over a year ago.

Supply declined -15,000 bpd on lower production partially offset by record high imports. Stocks decreased -0.6 million barrels on the week, to a level that matched highs of the last 2-yr.



*Look for wholesale demand to see robust year-on-year gains going forward, partially offset by record imports that should assure a balance in most regional markets.*

**Residual fuel oil** demand was nearly unchanged last week. Demand for the latest 4-wk period decreased -113,000 bpd compared to a year ago.



Supply (production + imports) increased +98,000 bpd on the week, due to higher imports and production. Stocks increased +1.7 million barrels, to a level near the 3-yr highs.

*Stocks spiked +2.1 million barrels last week in the Gulf, to a level near last years' record high. Higher production and imports contributed to the stock surge, while exports remain extremely low.*





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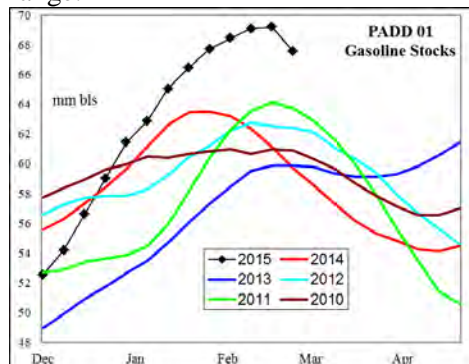
### A Fundamental Petroleum Trends Weekly Report

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#### PADD Supply Trends

**PADD 1** refinery crude oil runs decreased -108,000 bpd to a record low on cold temperatures that led to run cuts. The latest 4-wk average thru put was -58,000 bpd below last year.

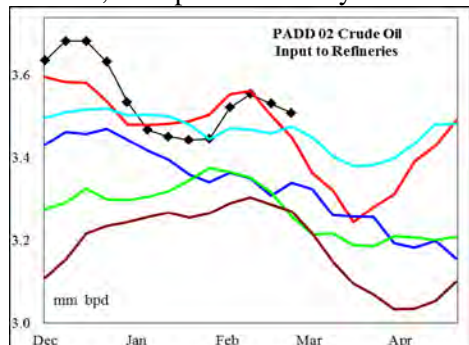
Gasoline supply increased +98,000 bpd on the week, with the 4-wk average +188,000 bpd above last year. Stocks fell -2 million barrels last week, but remain well above the historic range.



Distillate supply increased +43,000 bpd last week, on higher imports. Refinery production remains -80,000 bpd below last year. Stocks fell -3.1 million barrels, to a level that matched last years' record lows.

Jet fuel supply increased +107,000 bpd a sharp rise in imports. Imports continue at a level nearly 2X over last year. Stocks fell -0.7 million barrels on the week.

**PADD 2** crude oil refinery runs decreased -48,000 bpd on the week, to a level slightly above historic highs for the period. The latest 4-wk average was -19,000 bpd below last year.



Crude oil stocks increased +3.3 million barrels last week, to a new record high level. Cushing saw a +0.5 million barrel stock build on the week.

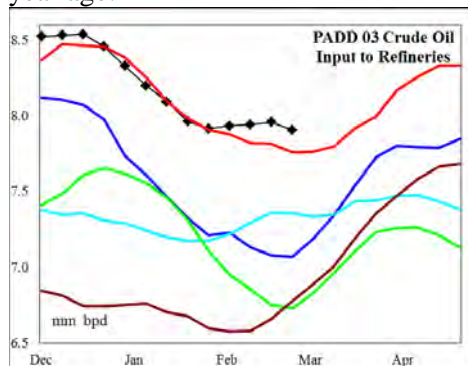
Cushing stock levels are now -1 million barrels below the previous record high set in 2013.

Gasoline supply increased +31,000 bpd on the week. Production for the most recent 4-wk period was +9,000 bpd above a year ago. Stocks increased +0.7 million barrels on the week, to a level above the 3-yr mid range.

Distillate supply decreased -29,000 bpd on the week, with the level still above the historic range. Stocks increased +0.2 million barrels, ending the week at a level well above the last 2-yrs.

Jet fuel production increased +9,000 bpd last week, to a level above the historic range. Stocks ended the week -4% below the 5-yr range.

**PADD 3** refinery runs decreased -22,000 bpd on the week, at a level above last year. During the latest 4-wk period, runs were +131,000 above a year ago.



Crude oil stocks increased +5.4 million barrels last week, due to a +0.5 million rise in imports. Crude oil stocks are now +36 million barrels (+19%) above the prior high for the period.

Gasoline supply decreased -159,000 bpd last week, with the latest 4-wk average +105,000 bpd above a year ago. Stocks increased +1.1 million barrels on the week, to a level above the 5-yr range.

Distillate supply decreased -115,000 bpd on the week, with the latest 4-wk average supply +73,000 bpd above a year ago. Stocks increased +0.6 million barrels on the week, to a level well above each of the

last 3-yrs.

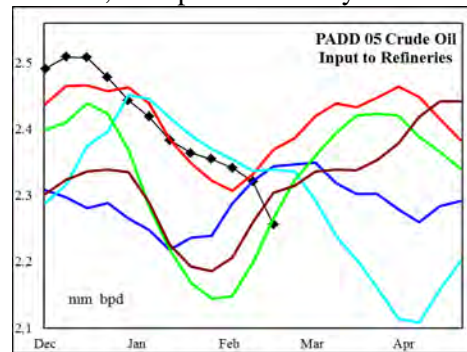
Jet fuel production decreased -49,000 bpd on the week, with the level +55,000 bpd above last year for the latest 4-wk period. Stocks decreased -0.2 million barrels on the week, to a level near the 3-yr mid range.

**PADD 4** refinery crude runs increased +5,000 bpd last week, to a new record high, with the latest 4-wk average was +107,000 bpd above a year ago.

Gasoline production increased +19,000 bpd to a record high for the week, with the latest 4-wk average +29,000 bpd above a year ago. Stock levels ended the week +26% above last year and a new all time record high.


Distillate supply decreased -13,000 bpd last week, with the latest 4-wk average production +55,000 above last year. Stock levels ended the week equal to historic highs.

**PADD 5** crude oil refinery runs increased +54,000 bpd on the week, although the level remains near historic lows for the period. The 4-wk run rate was -46,000 bpd below last year.



Gasoline supply decreased -11,000 bpd on the week, with the latest 4-wk average +28,000 bpd above last year. Stocks increased +0.2 million barrels on the week, ending at a level equal to historic lows for the period. Significant refinery upsets and fire at the ExxonMobil plant has led to a spike in cash basis in all west coast markets.

Distillate supply increased +36,000 bpd last week, driven by a spike in imports. The 4-wk average supply was nearly unchanged from last year. Stocks increased +0.4 million barrels on the week, to a level +8% above a year ago.



FUNDAMENTAL

PETROLEUM TRENDS

PETROLEUM: Graph Link and Weekly Summary

A Fundamental Petroleum Trends Weekly Report

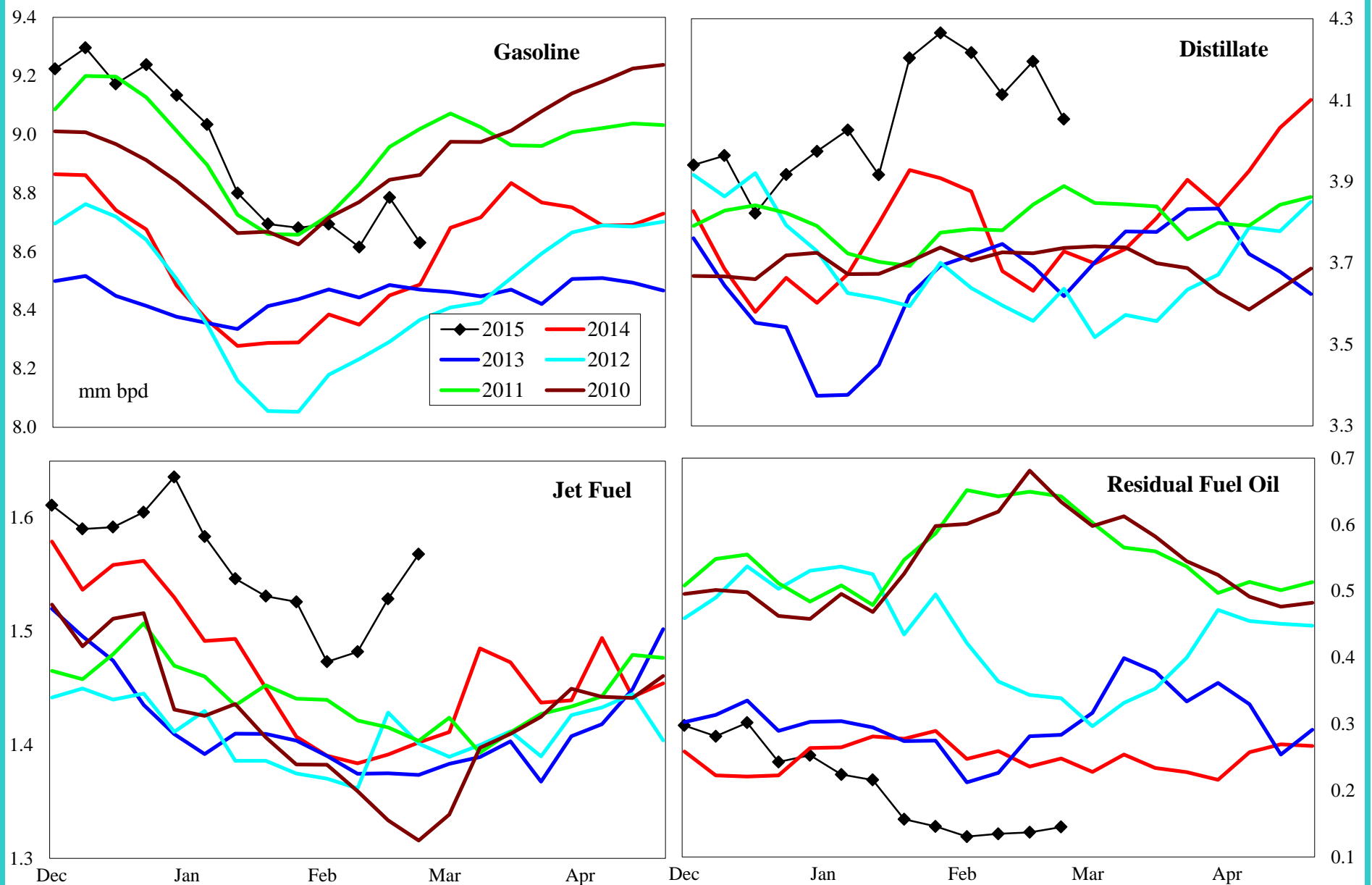
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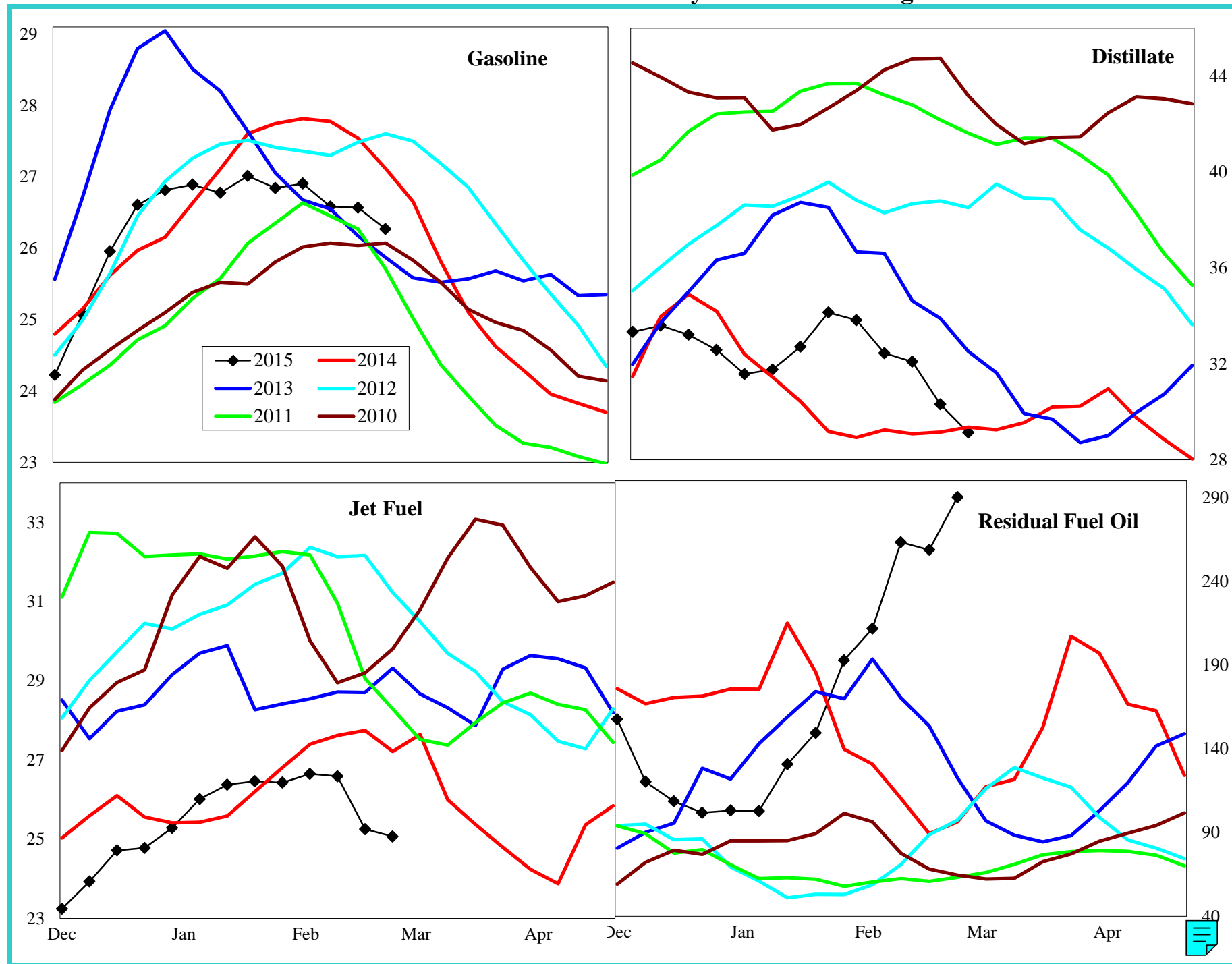
Fundamental Trends	<a href="#">Wholesale Demand</a>	<a href="#">Stocks Days Fwd Coverage</a>	<a href="#">Refinery Utilization</a>		<a href="#">Product Yield %</a>		<a href="#">Imports</a>
Supply/Demand Trends	27-Feb-15	EIA-DOE CHANGE FROM PRIOR WEEK					
	000 bpd stocks 000 bls	U. S. Total	PADD				
			1	2	3	4	5
<a href="#">Crude Oil</a>	Stocks	10,303	-369	3,274	5,389	-121	2,131
	Imports	89	-280	-134	484	-43	61
	Input	-130	-108	-48	-22	5	43
	% Utilization	-0.80					
<a href="#">Gasoline</a>	Stocks	46	-2,016	699	1,145	37	181
	Production	-137	-47	22	-84	19	-2
	Imports	71	145	9	-75	0	-9
	Supplied	-285					
<a href="#">Distillate</a>	Stocks	-1,722	-3,094	247	616	120	388
	Production	-102	20	-27	-115	-15	35
	Imports	14	23	-2	0	2	-9
	Supplied	-229					
<a href="#">Jet Fuel</a>	Stocks	-619	-679	107	-224	42	136
	Production	-76	-10	9	-49	2	-29
	Imports	61	117	0	0	0	-56
	Supplied	118					
<a href="#">Residual Fuel Oil</a>	Stocks	1,655	-254	-172	2,057	-28	53
	Production	59	7	12	50	-6	-3
	Imports	39	-25	3	67	0	-6
	Supplied	15					

## United States Wholesale Petroleum Demand

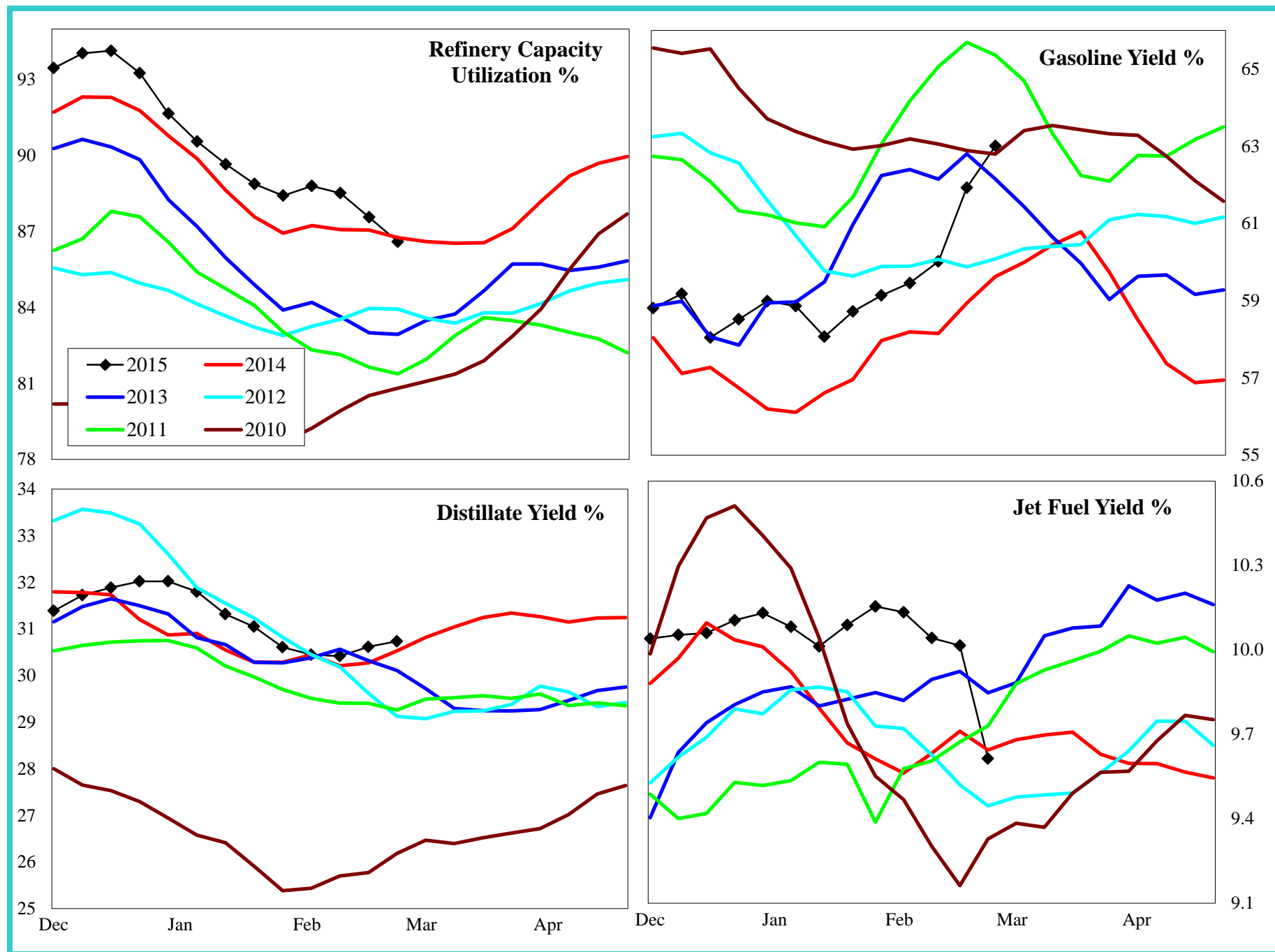


	000 bpd change from prior year				% change from prior year				
	4wk avg	Jan	Jan	Nov	4wk avg	Jan	Dec	Nov	
Gasoline	334	592	654	183	4.0	7.2	7.5	2.1	
Distillate	606	-92	-40	16	16.8	-2.2	-1.0	0.4	
Jet Fuel	169	130	129	67	12.9	9.5	9.0	4.7	
Resid	-113	-105	38	-17	-45.6	-39.0	17.4	-5.2	

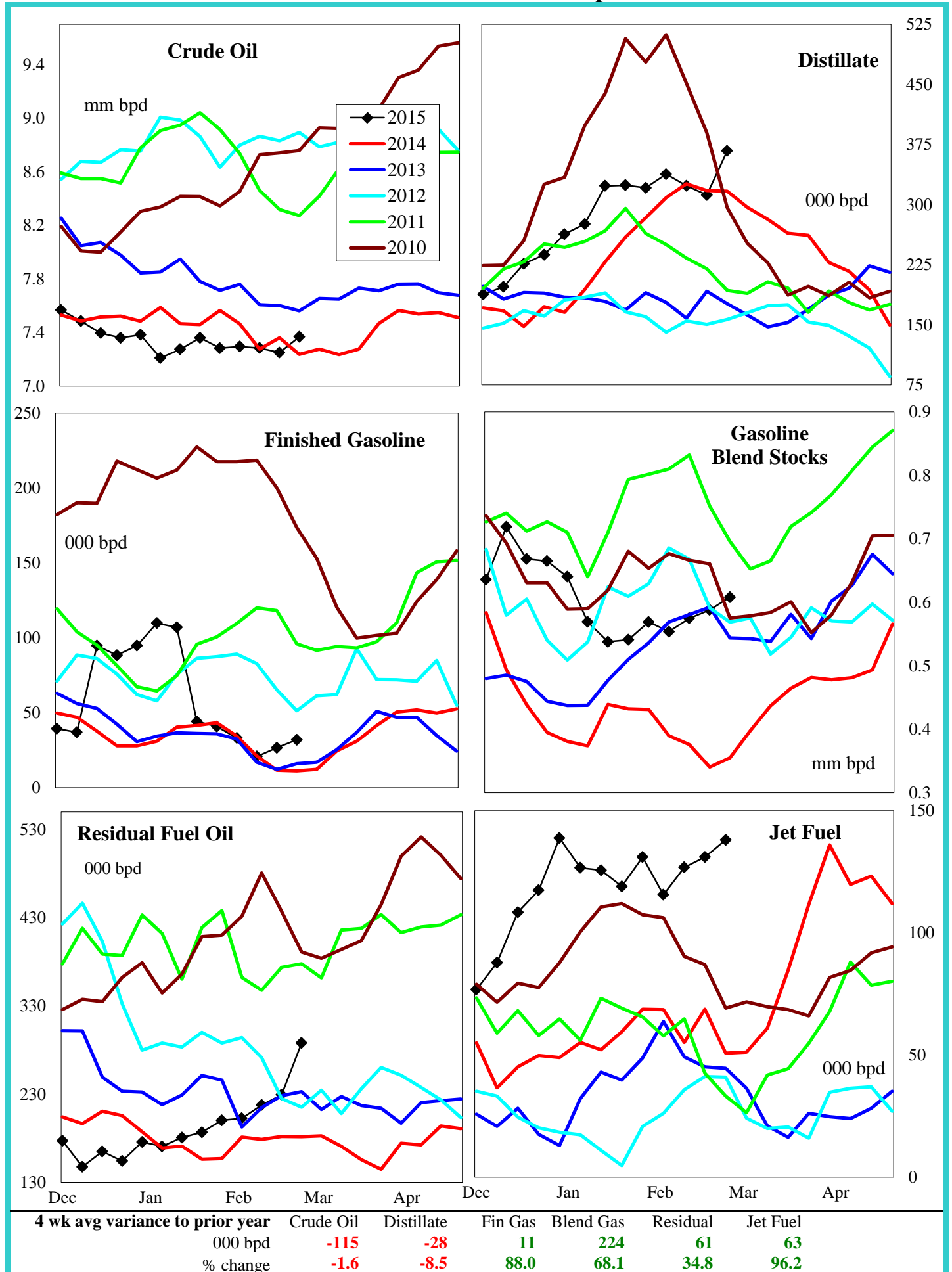


**United States Product Stocks: Days Forward Coverage**

## United States Refinery Percent Utilization Rate and Product Yields

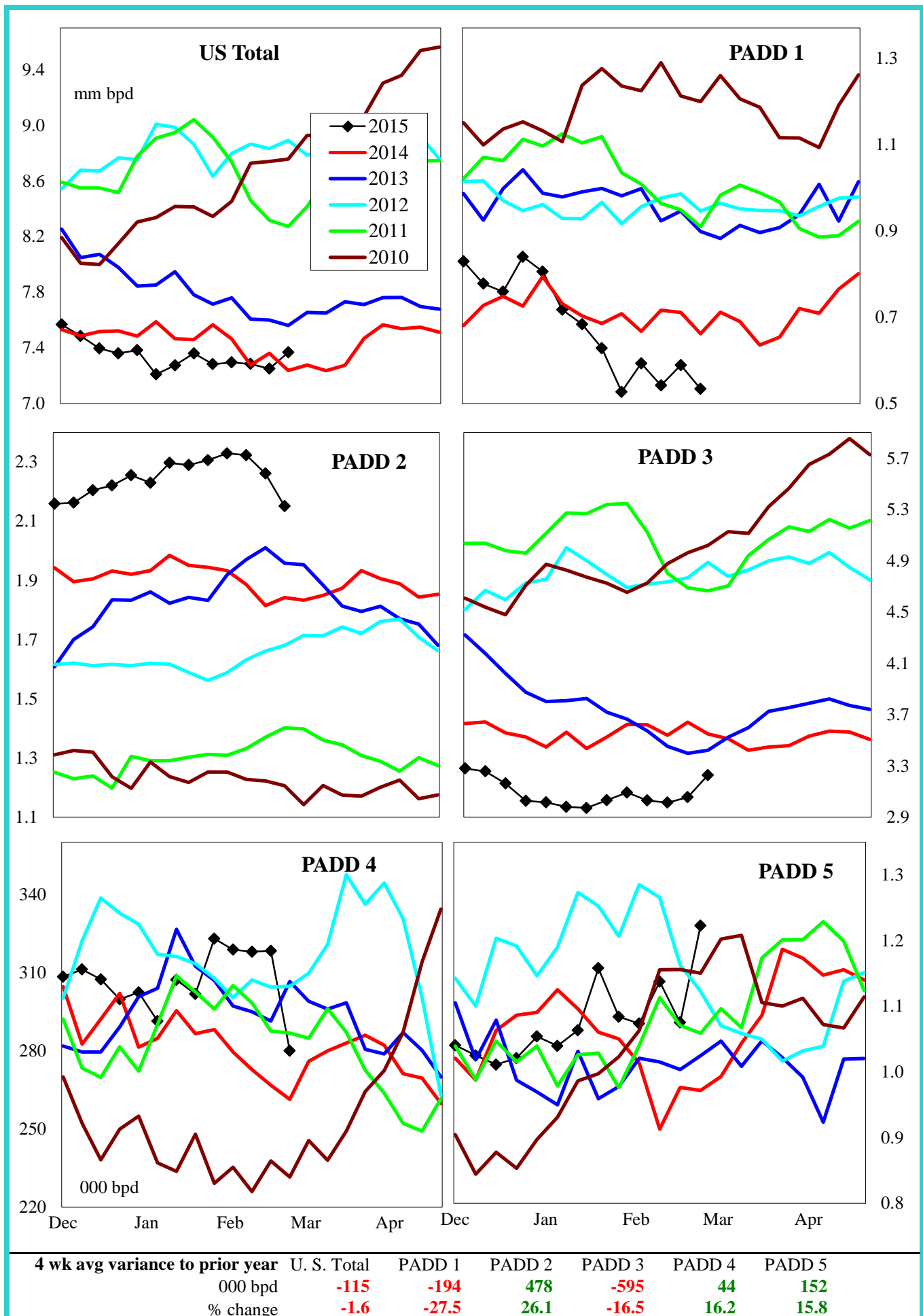


# United States Petroleum Imports

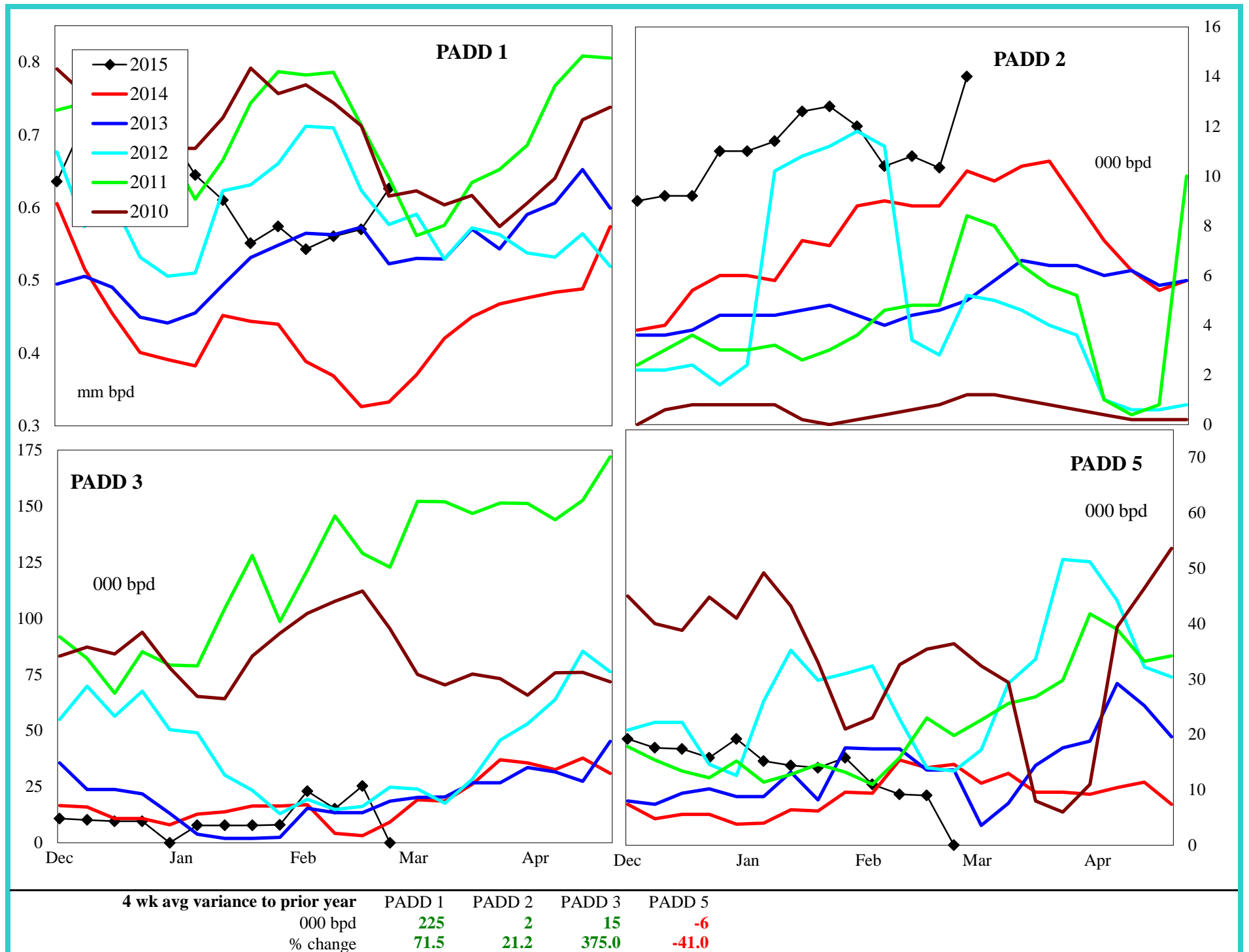




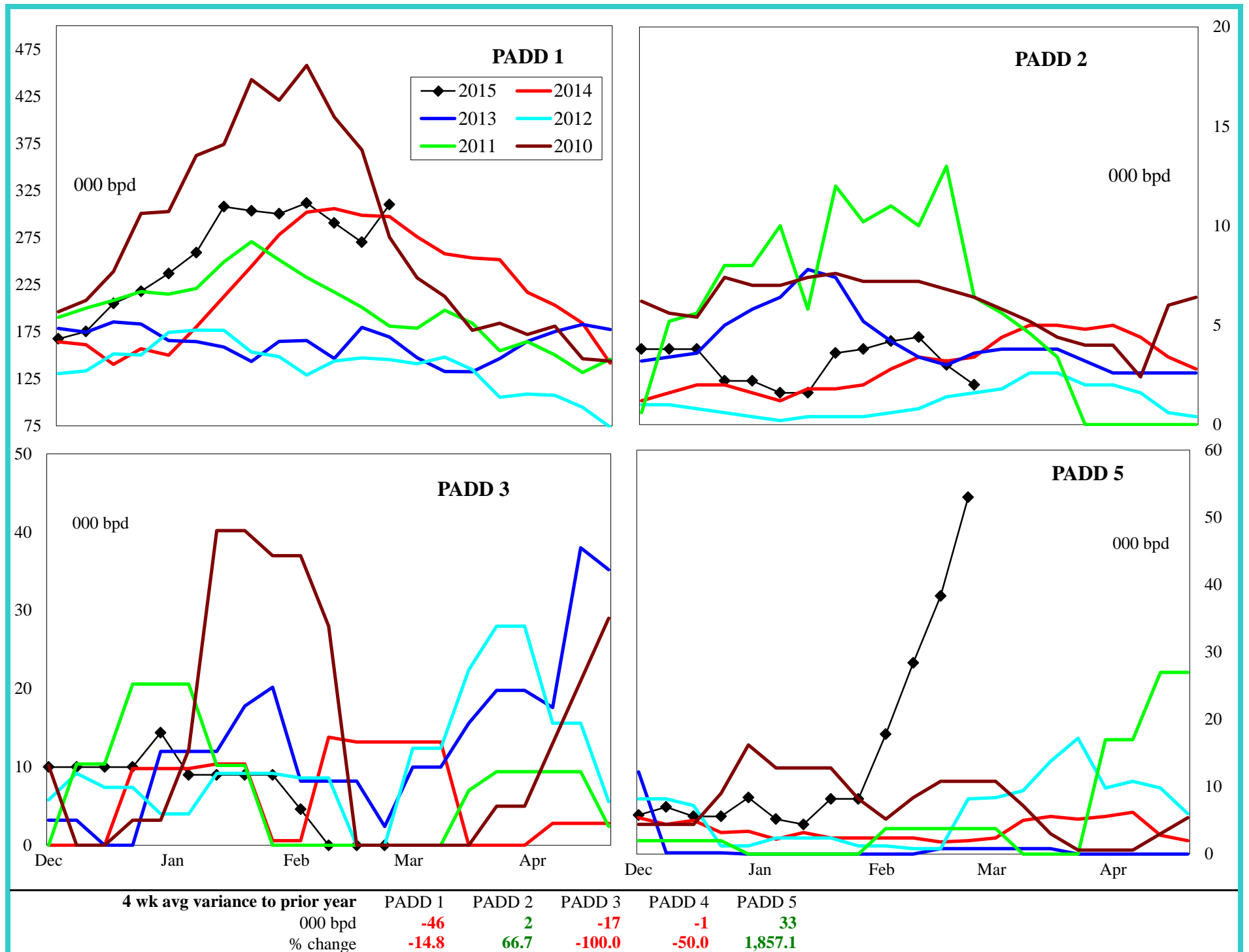
## Crude Oil Imports by PADD



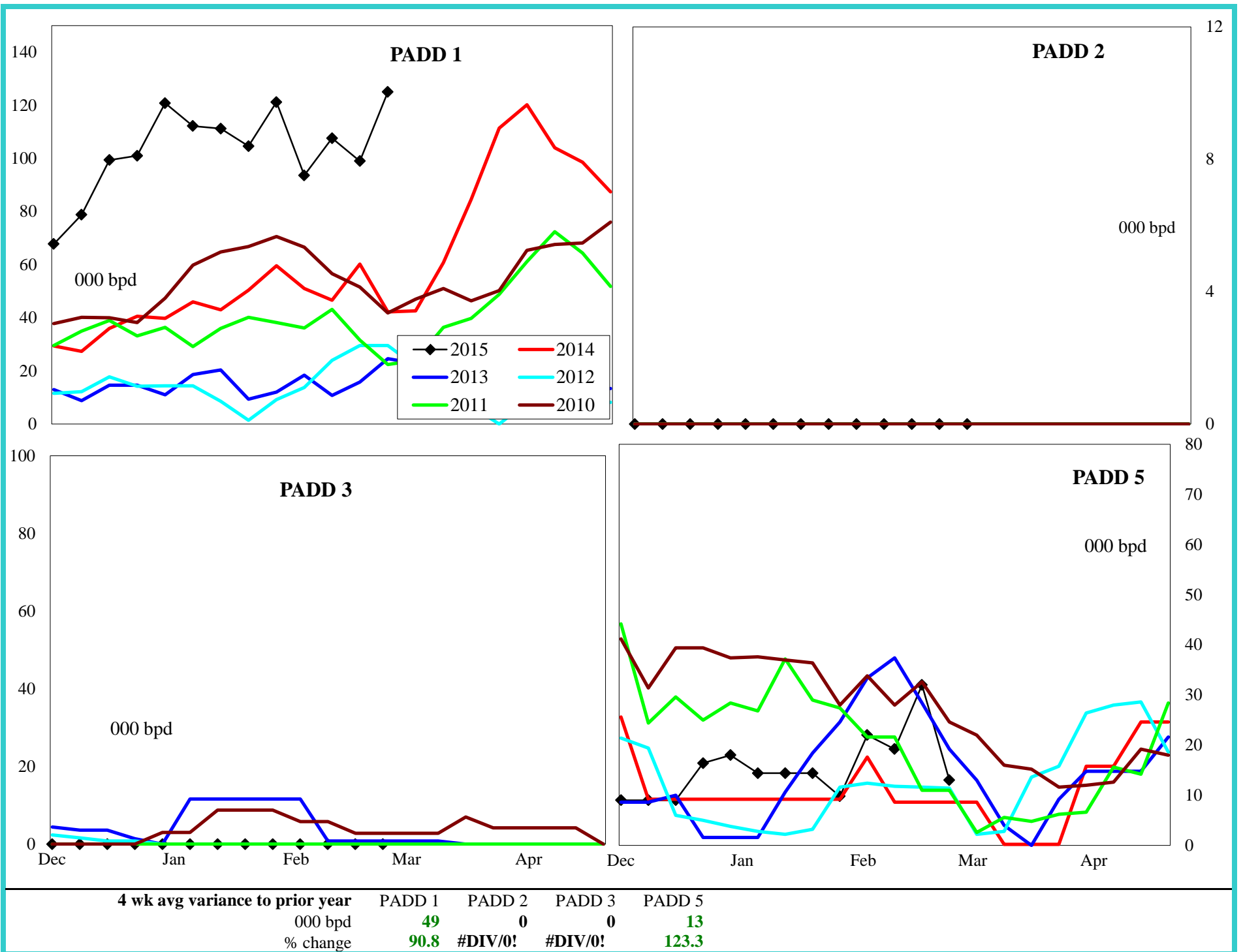
# Gasoline Imports by PADD (Finished + Blend Stocks)



# Distillate Imports by PADD

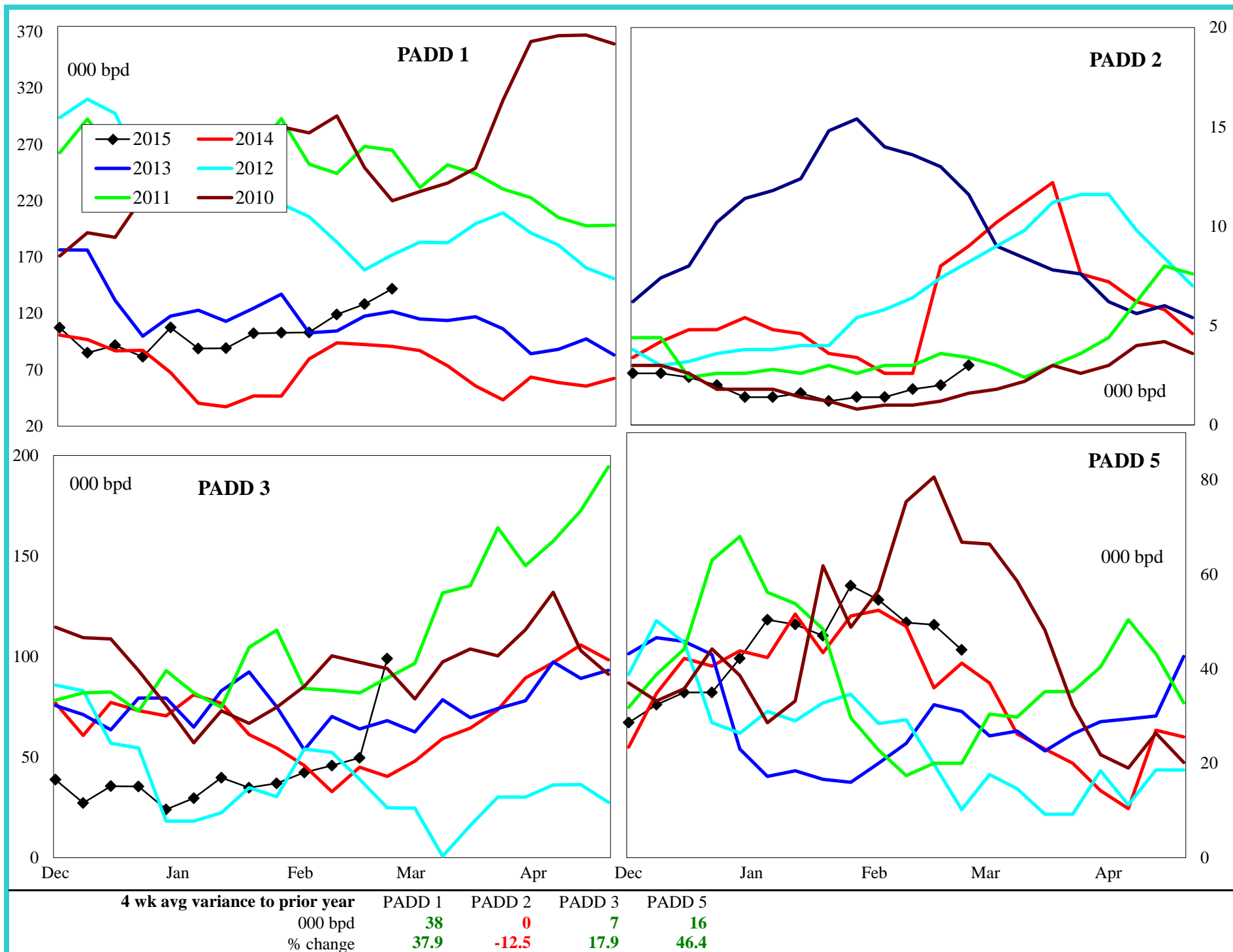


# Jet Fuel Imports by PADD

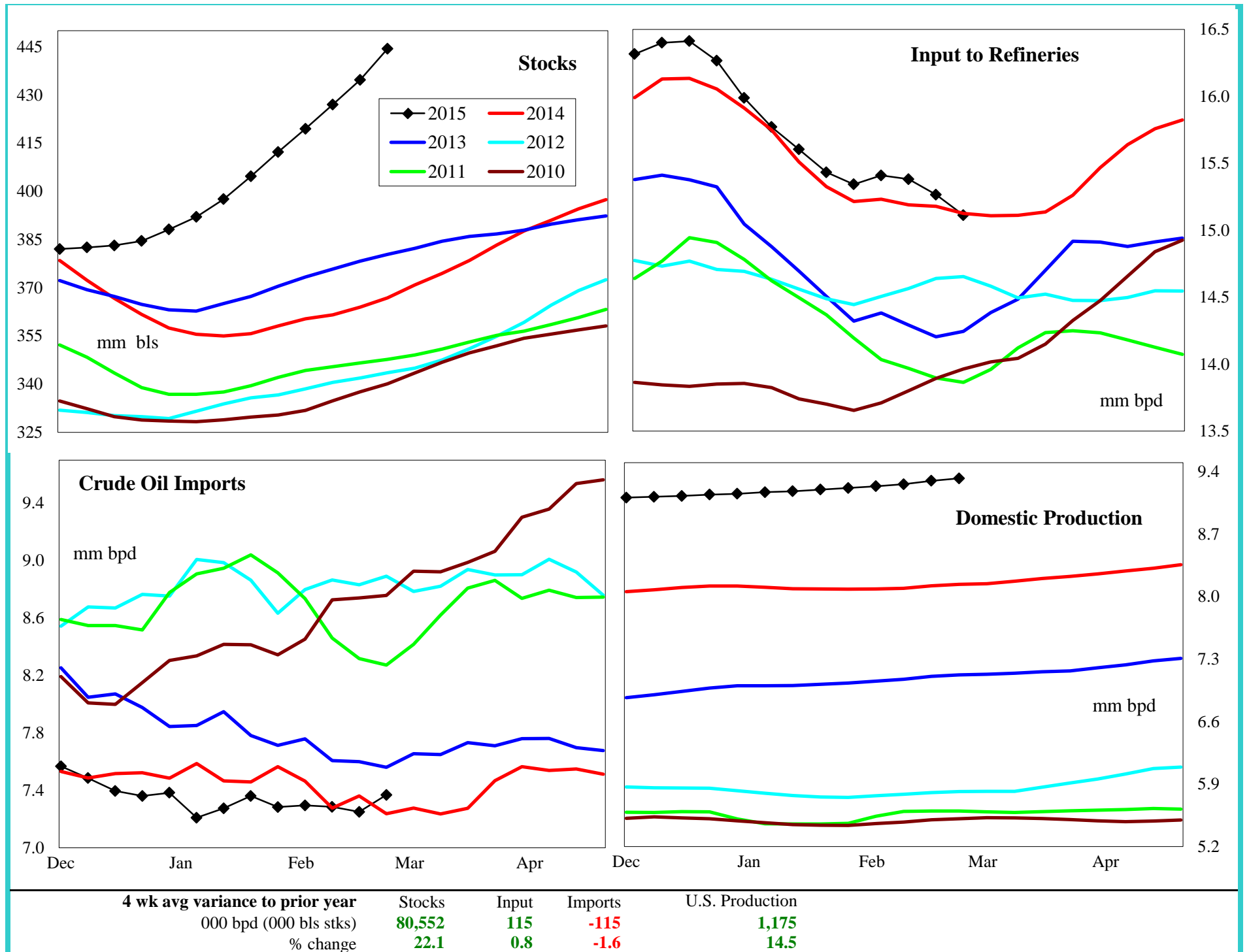




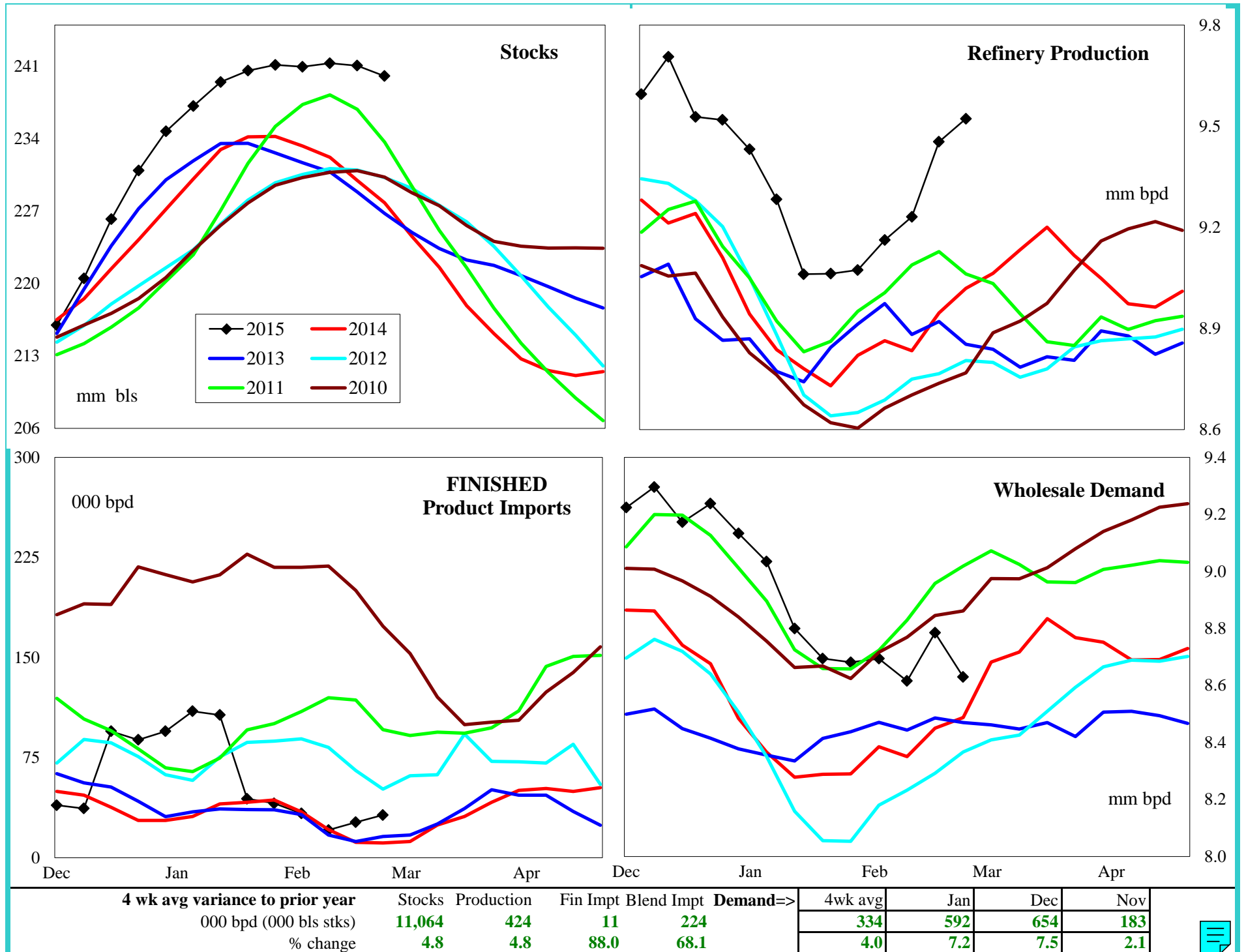
## Residual Fuel Oil Imports by PADD



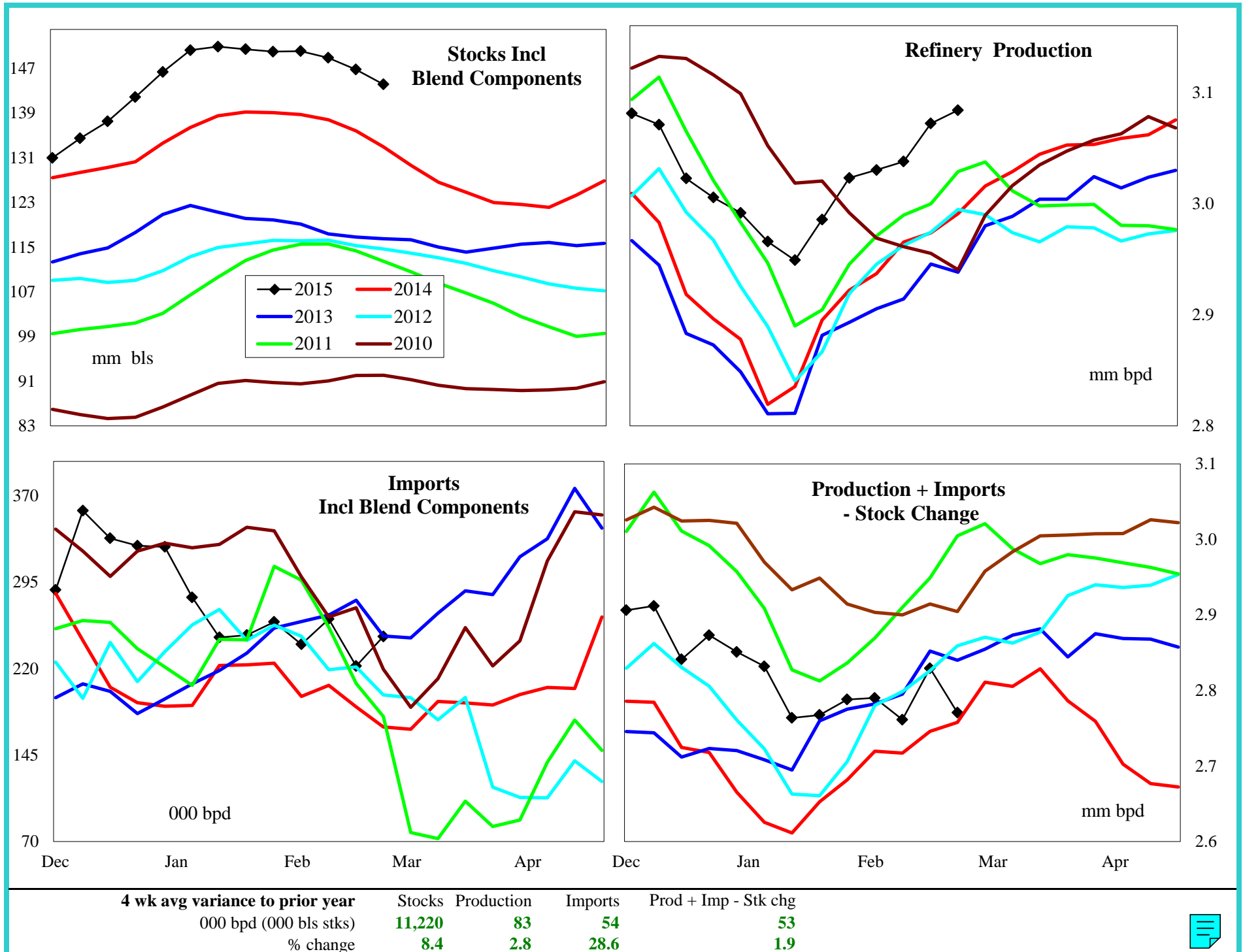
# United States Crude Oil Supply and Demand Balance



# United States Gasoline Supply and Demand Balance

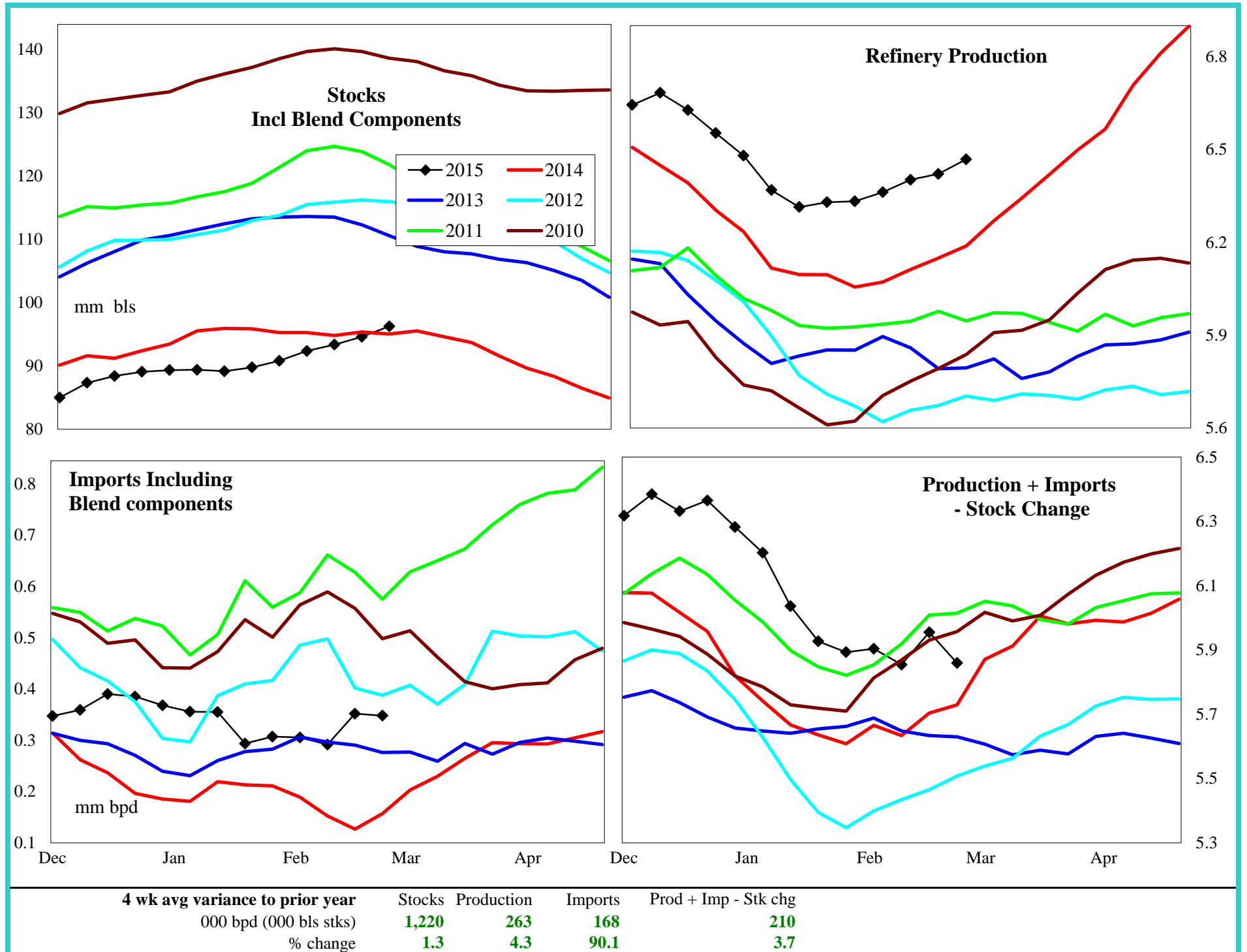


# United States Reformulated Gasoline Supply

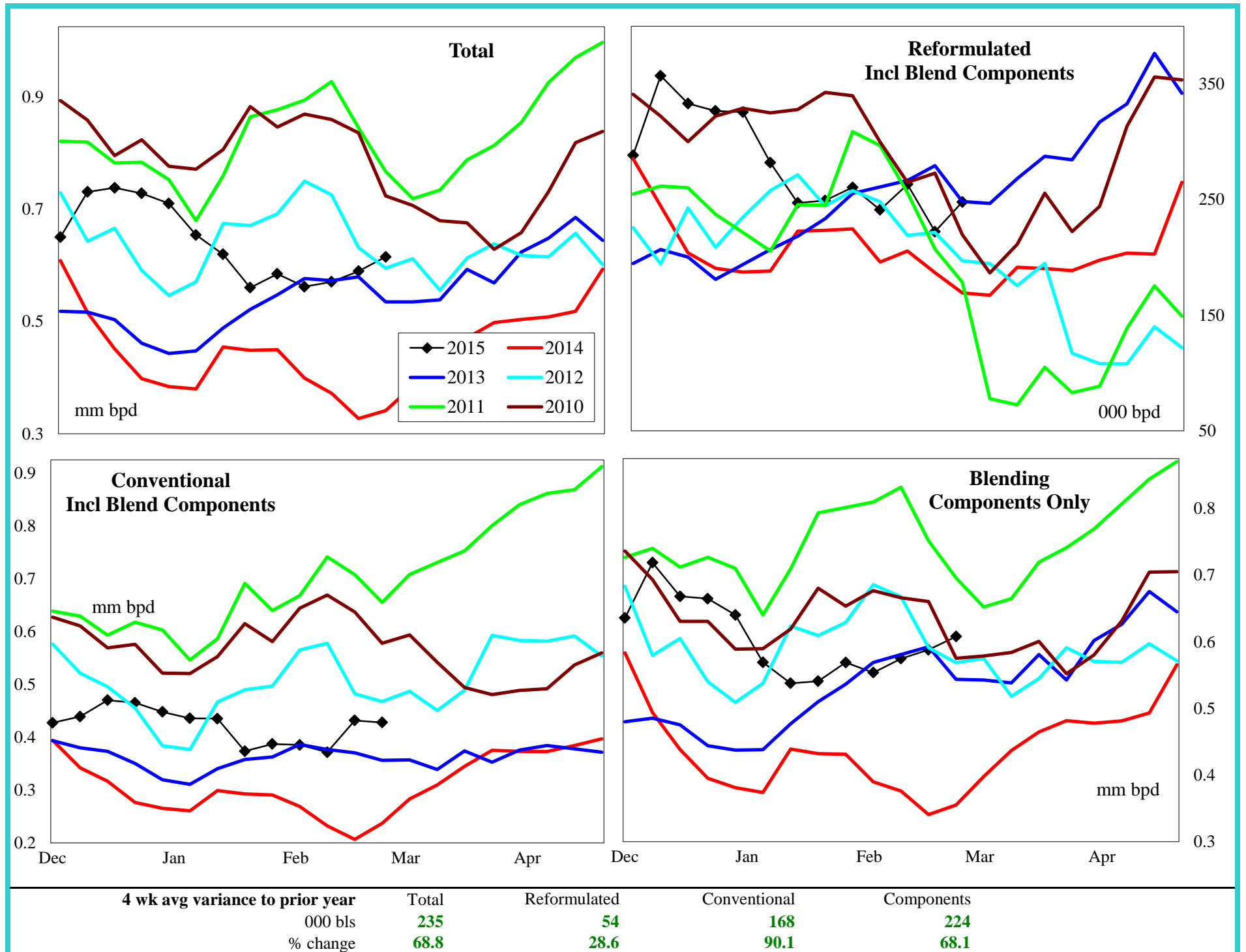




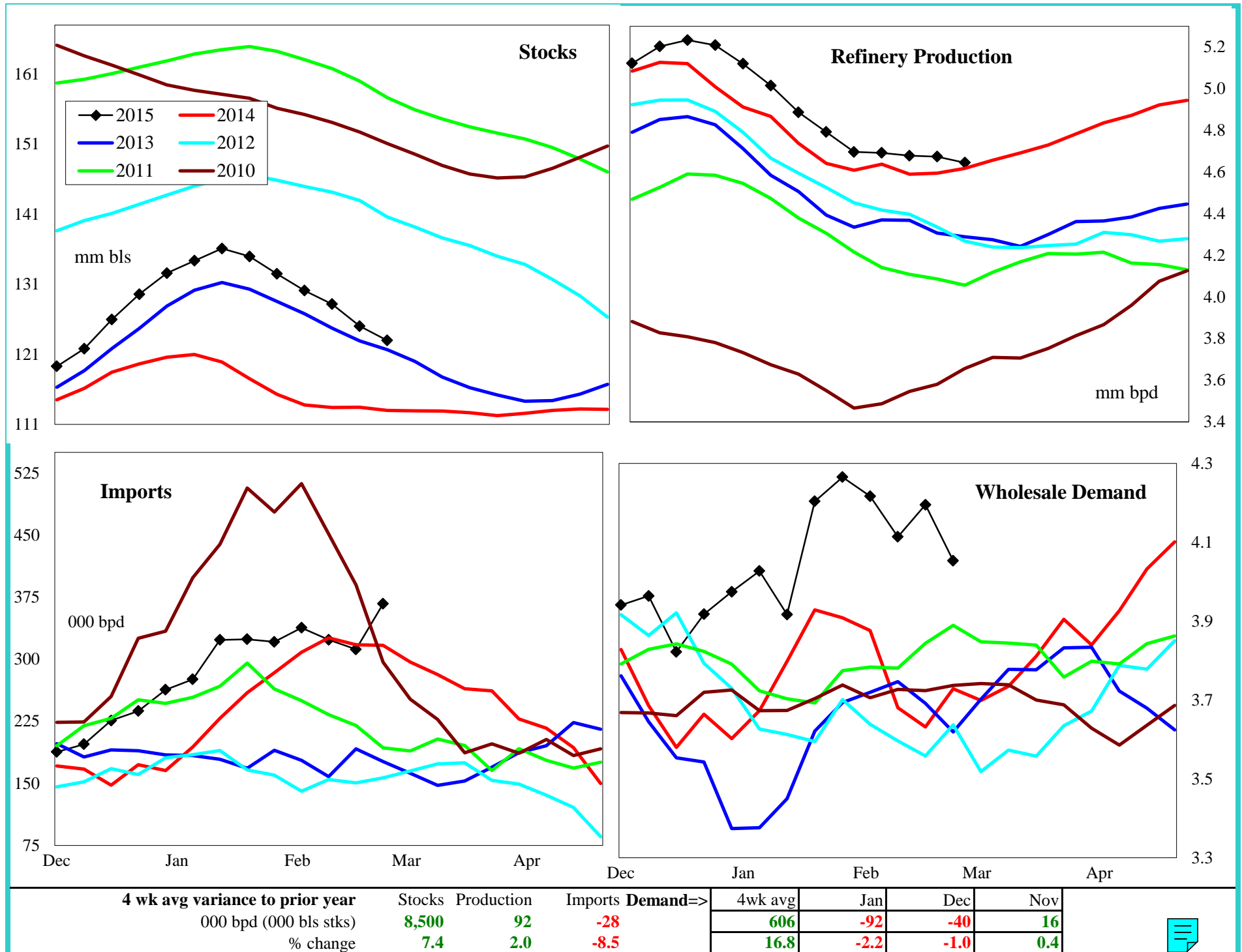
# United States Conventional Gasoline Supply



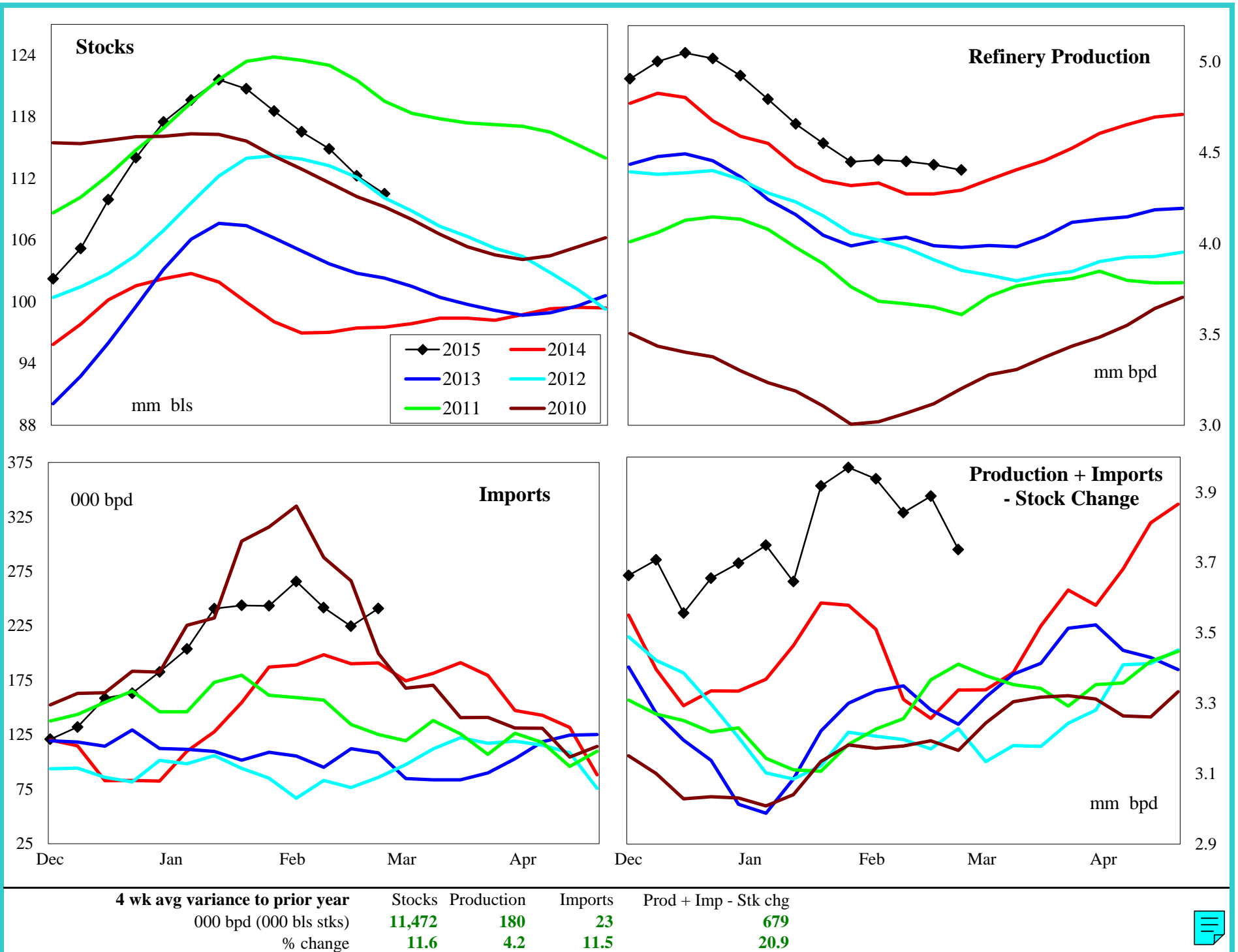
# United States Gasoline Imports by Type



# United States Distillate Supply and Demand Balance

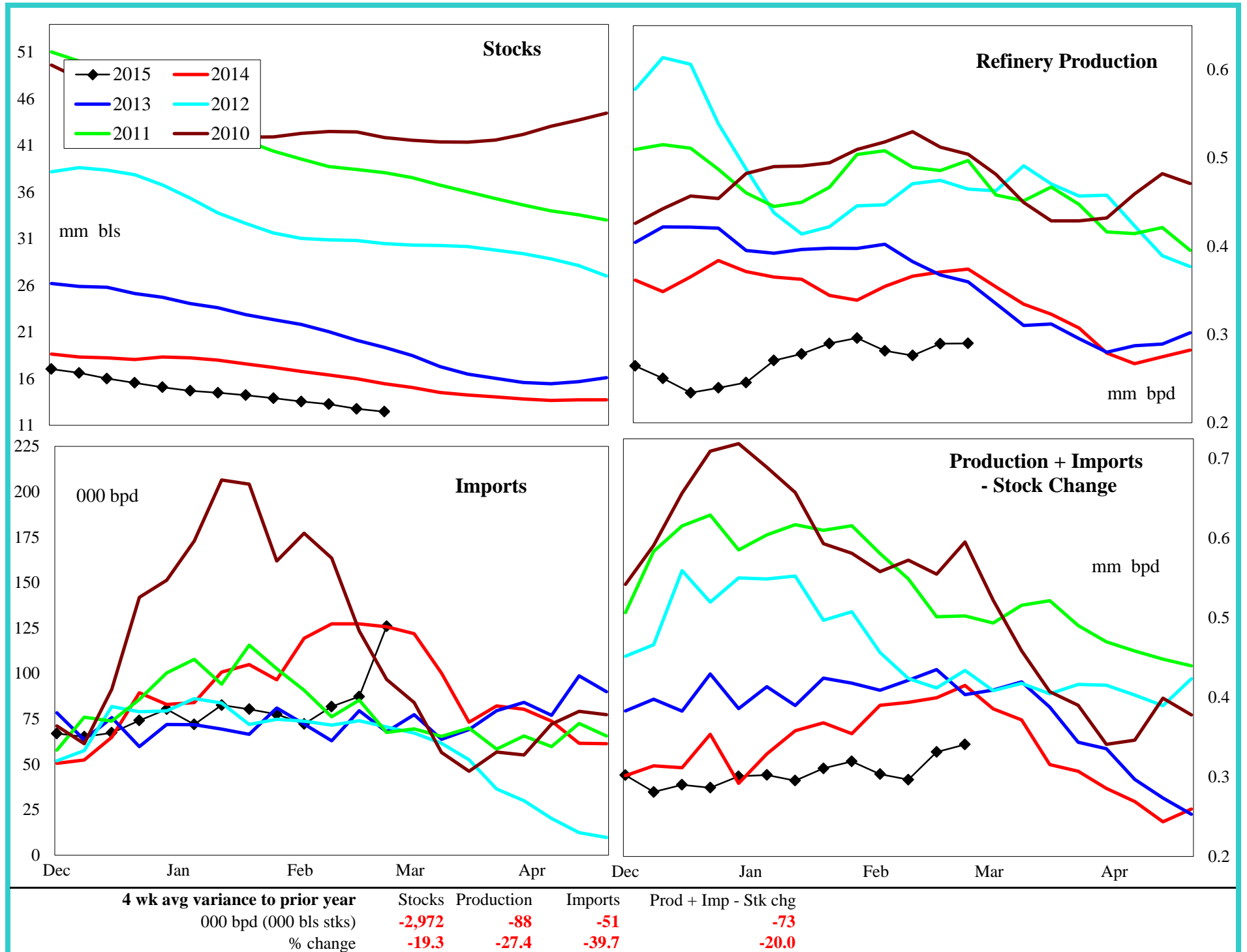


# United States Low Sulfur Distillate Supply

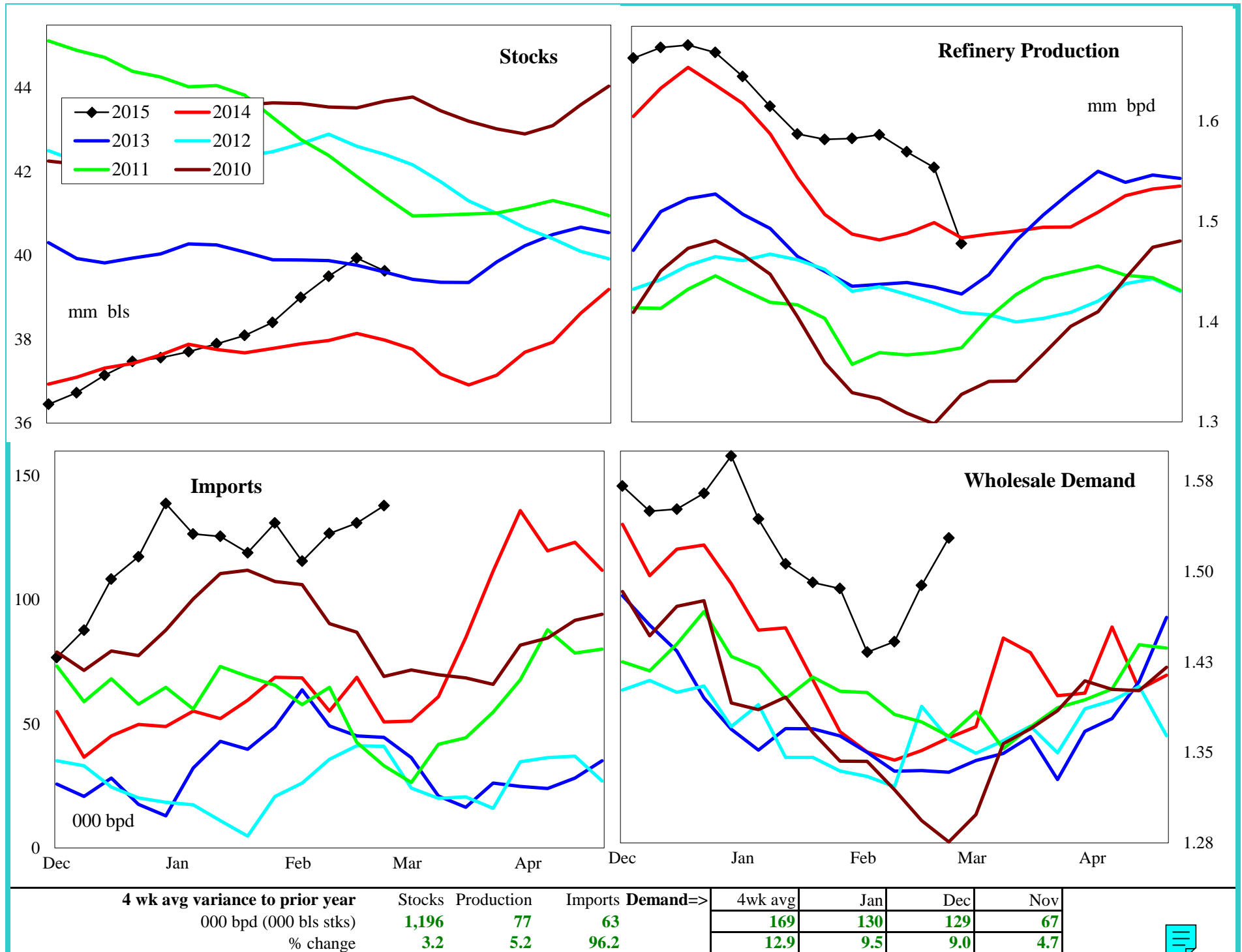




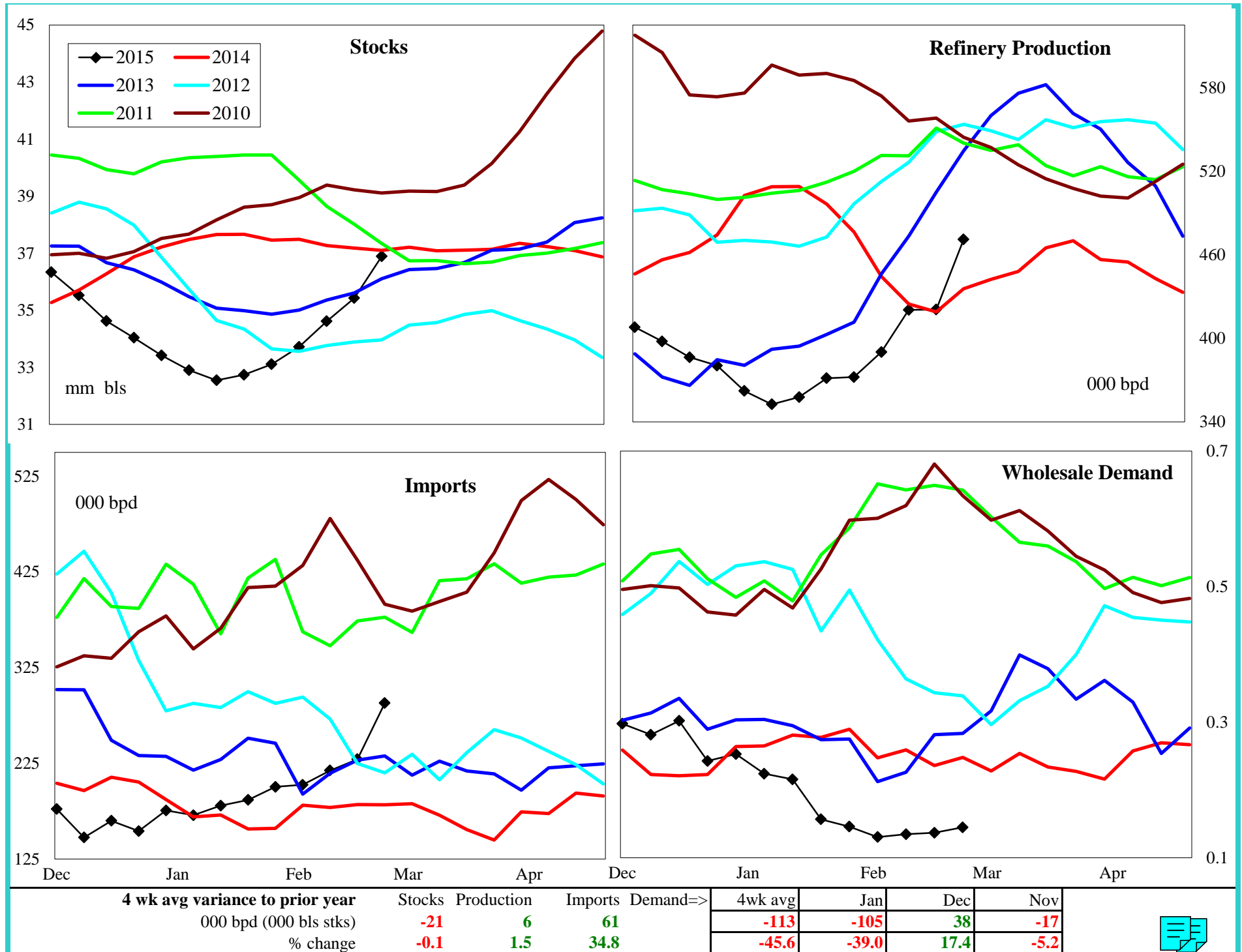
# United States High Sulfur Distillate Supply



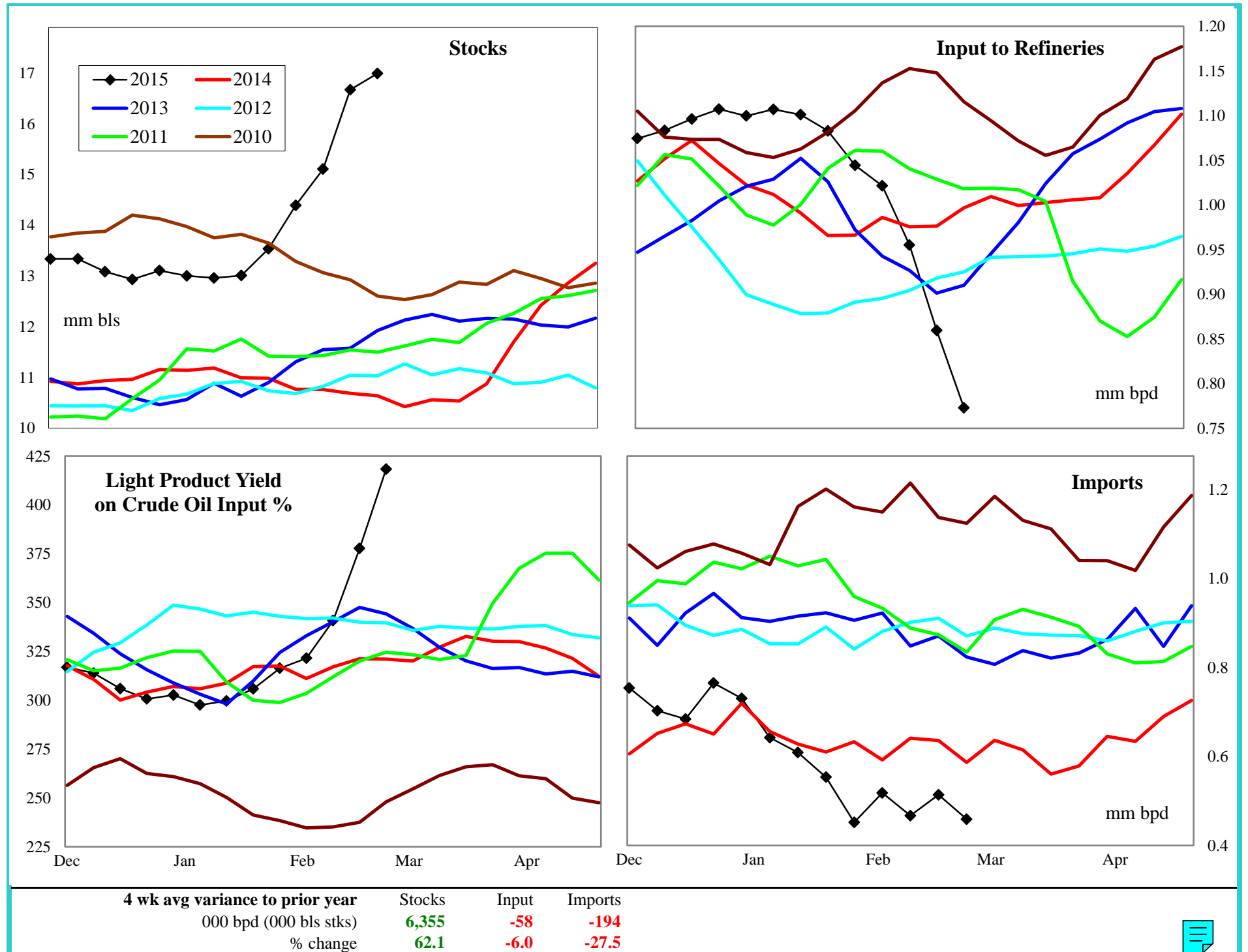
# United States Jet Fuel Supply and Demand Balance



# United States Residual Fuel Oil Supply and Demand Balance

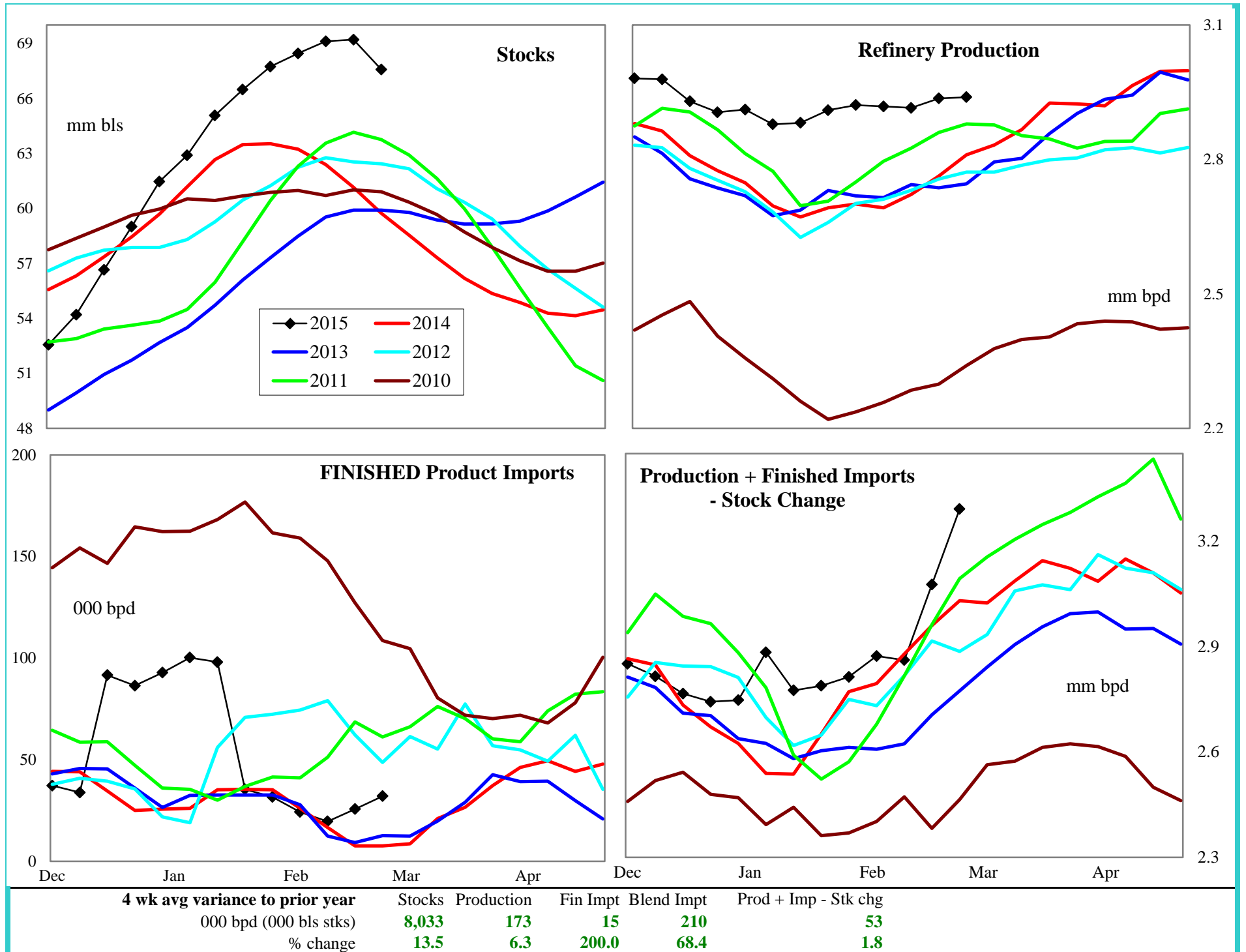


# PADD 1 Crude Oil Supply and Refining

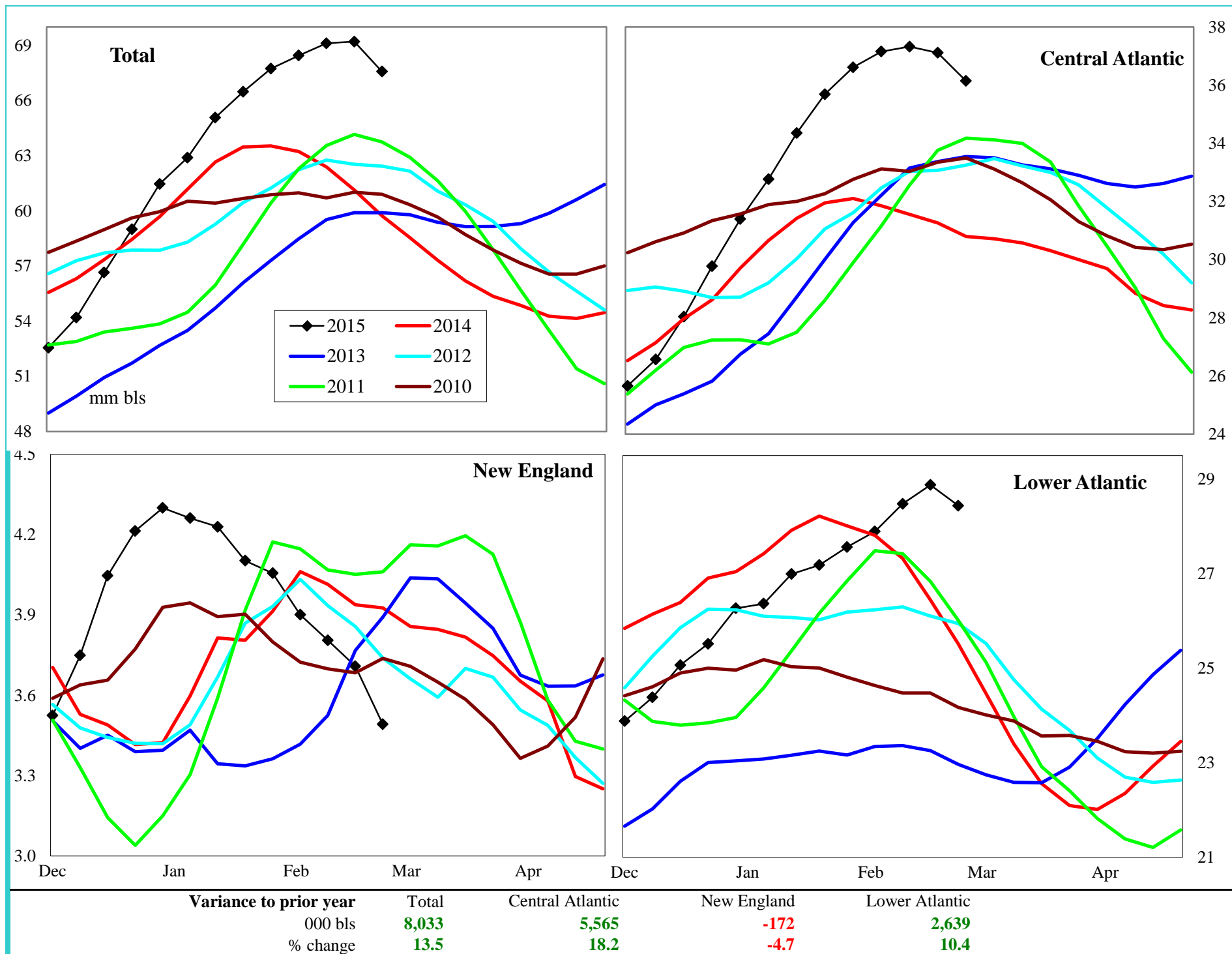




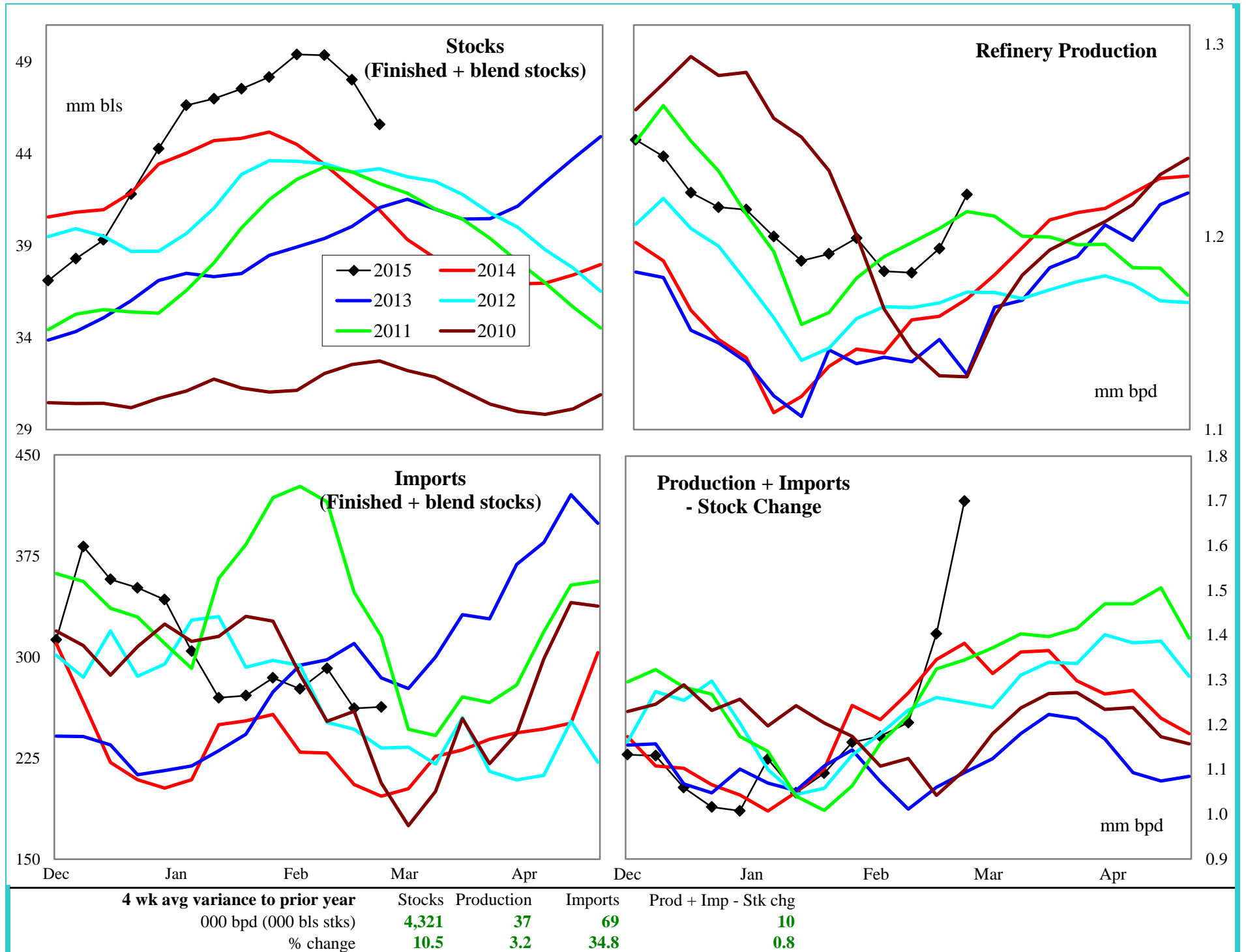
## PADD 1 Gasoline Supply



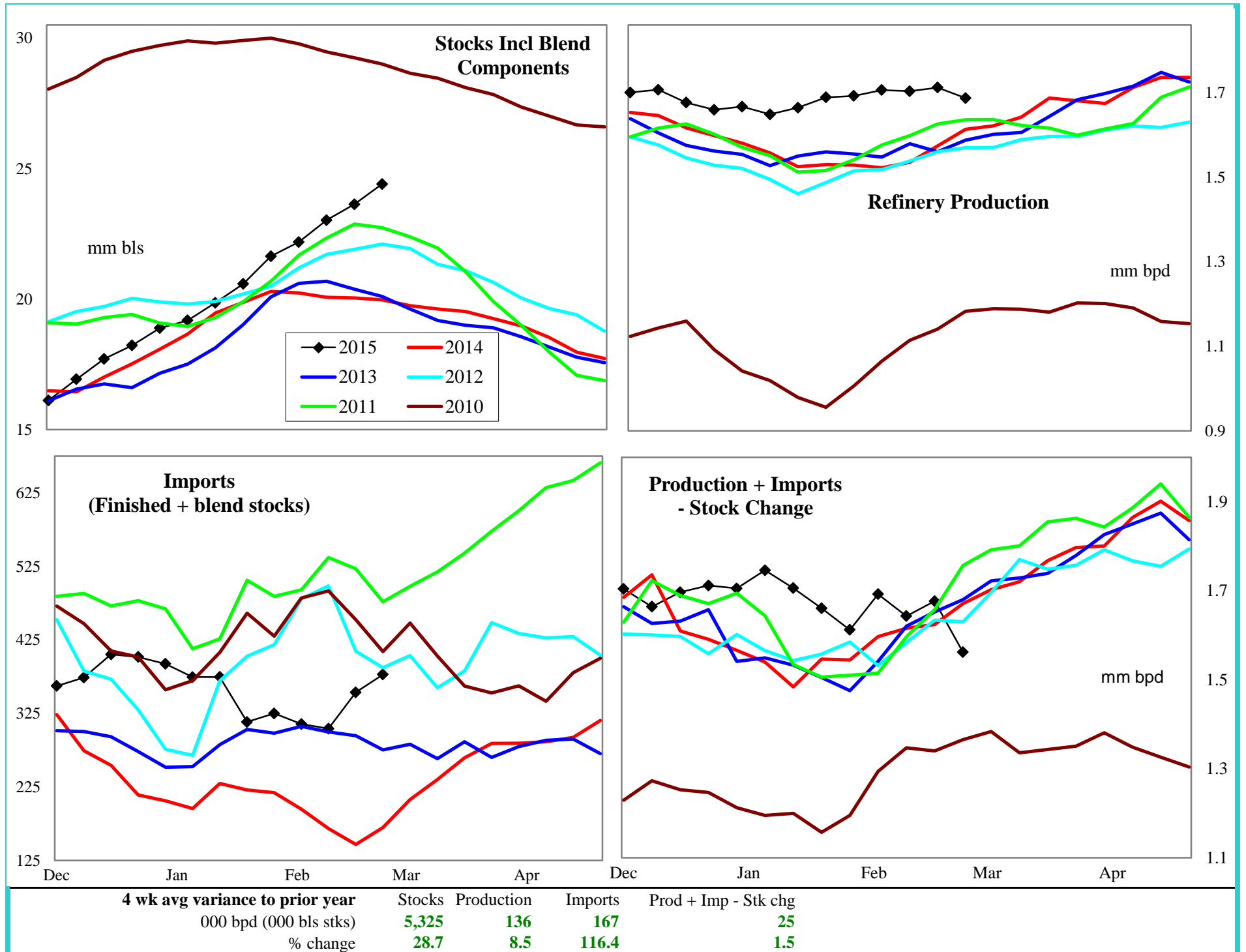
# PADD 1 Gasoline Stocks by Region



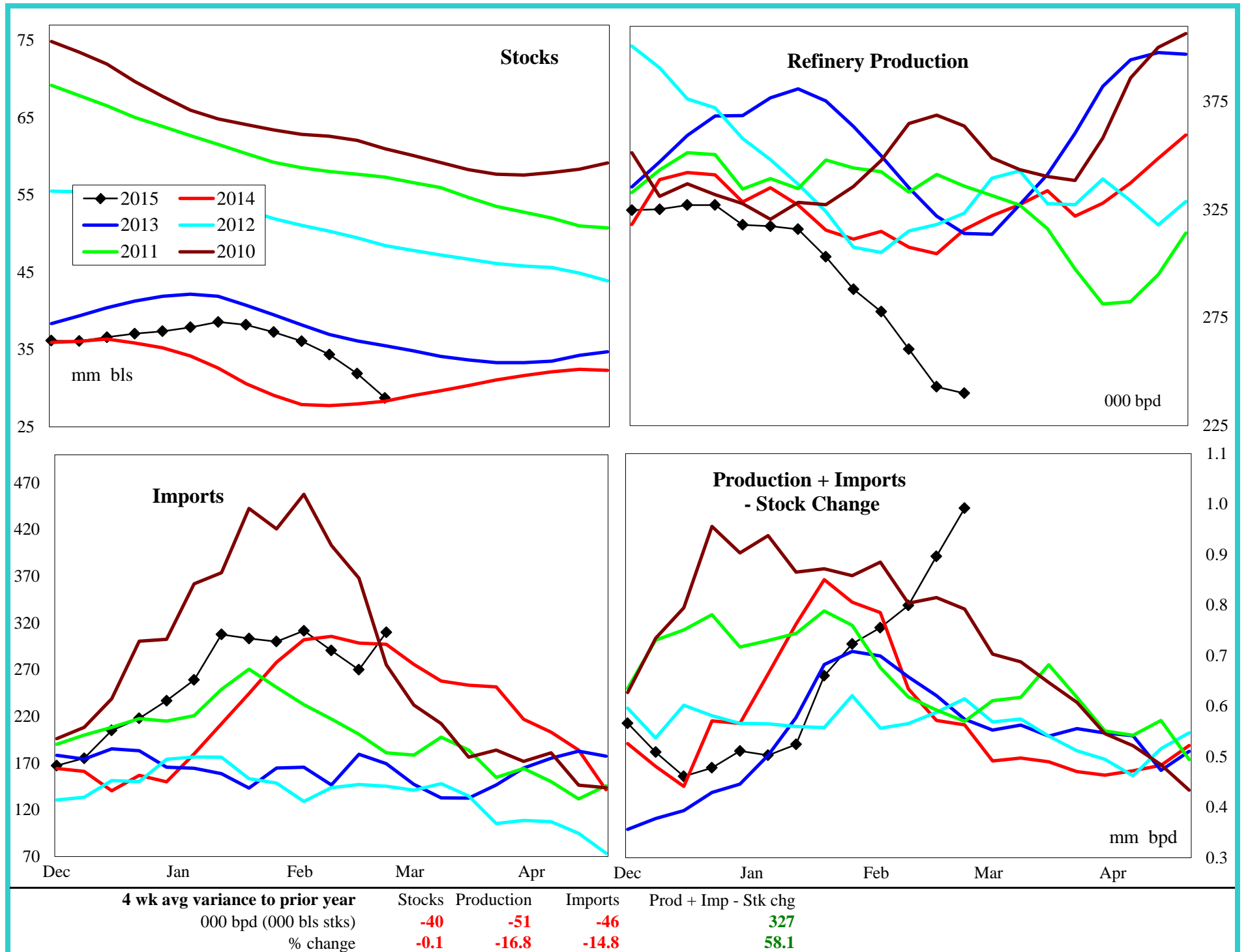
# PADD 1 Reformulated Gasoline Supply



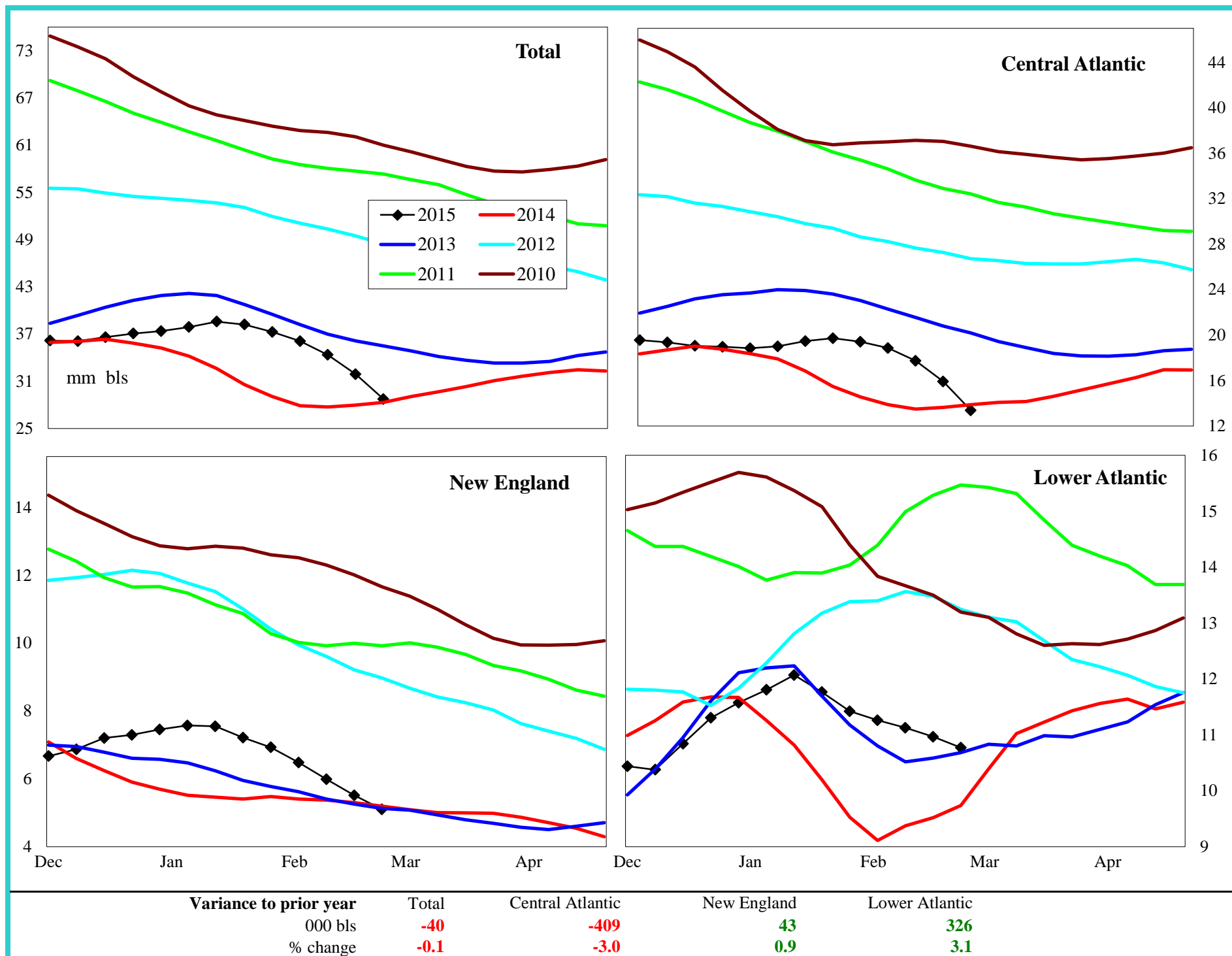
# PADD 1 Conventional Gasoline Supply



# PADD 1 Distillate Supply

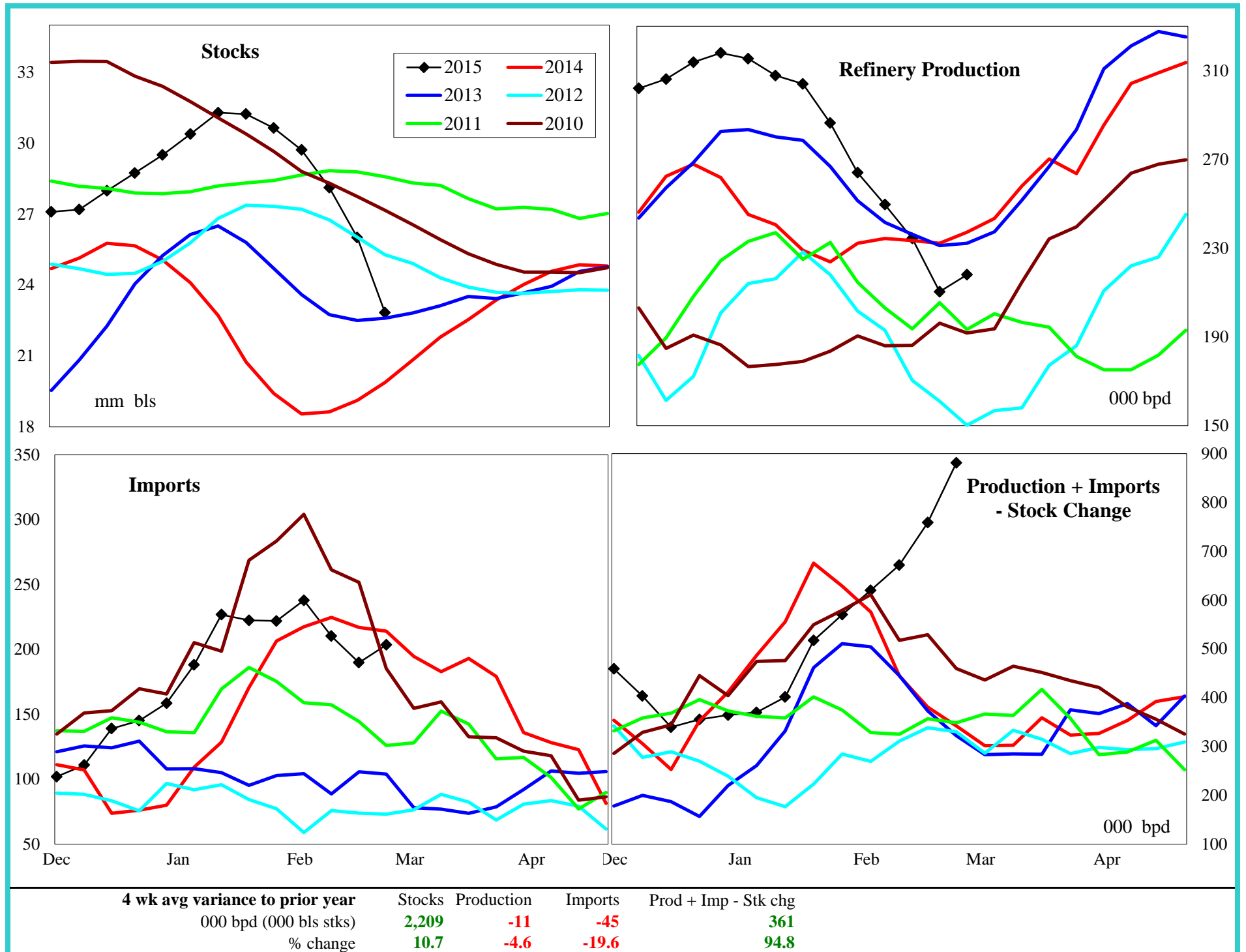


# PADD 1 Distillate Stocks by Region

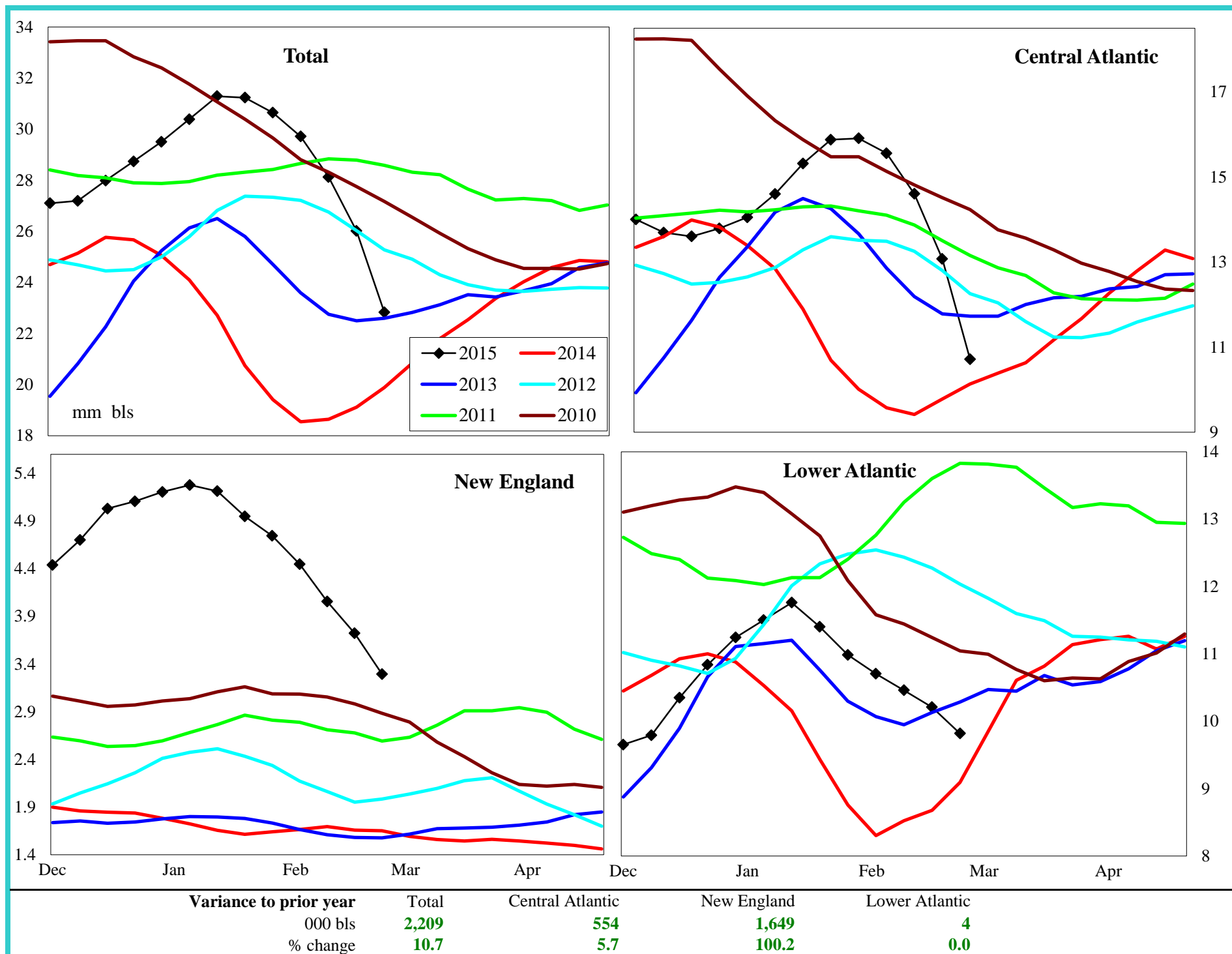




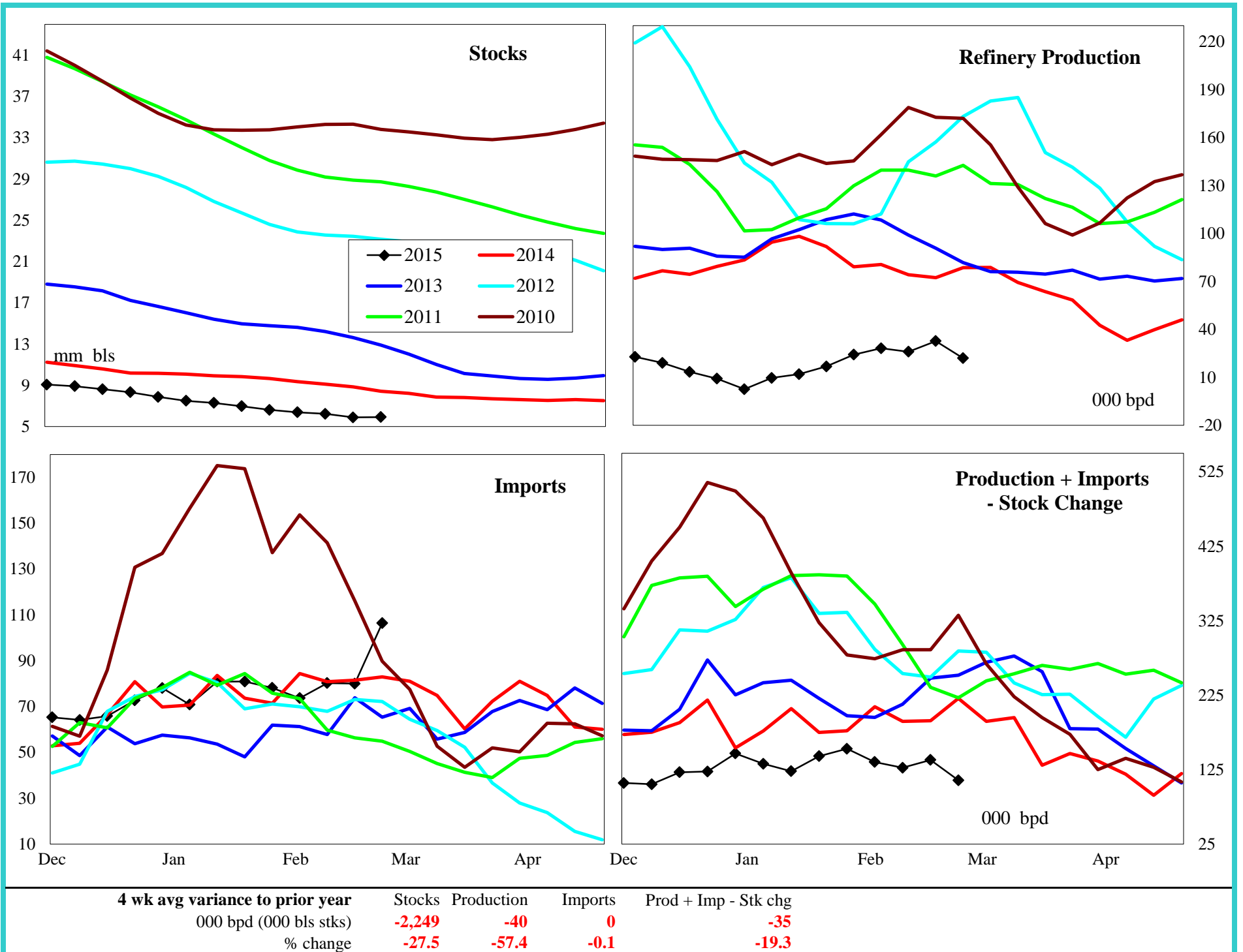
# PADD 1 Low Sulfur Distillate Supply



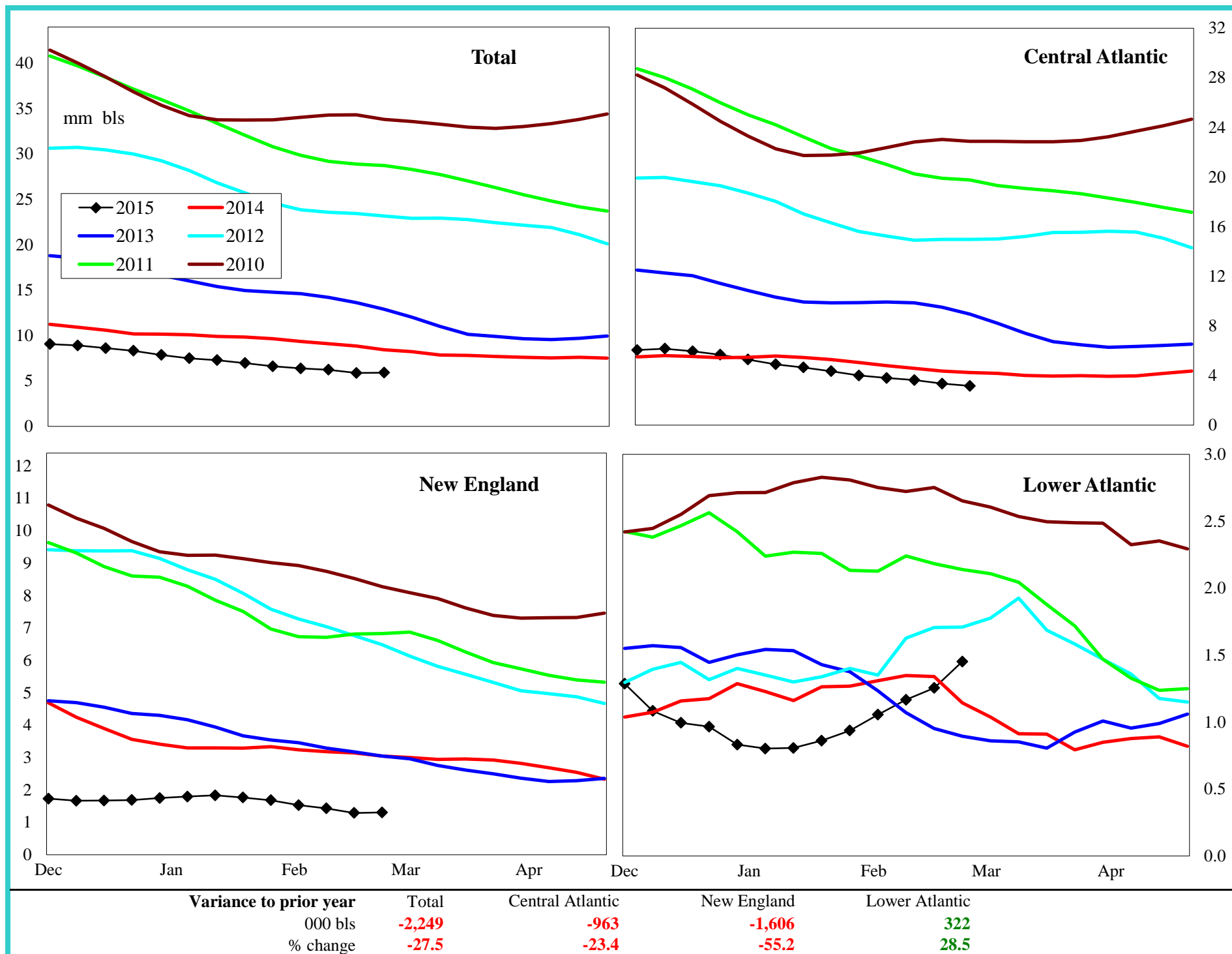
# PADD 1 Low Sulfur Distillate Stocks by Region



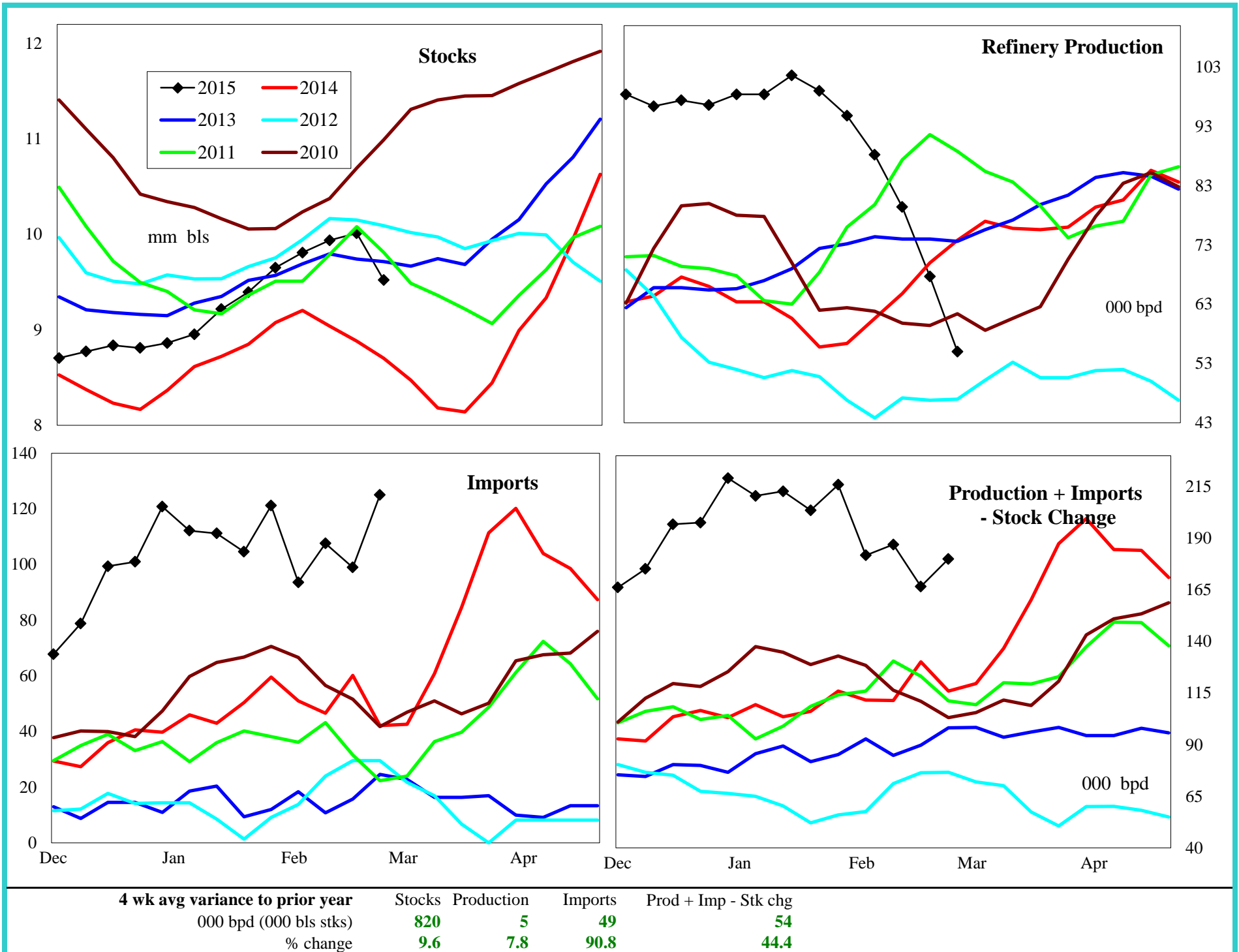
# PADD 1 High Sulfur Distillate Supply



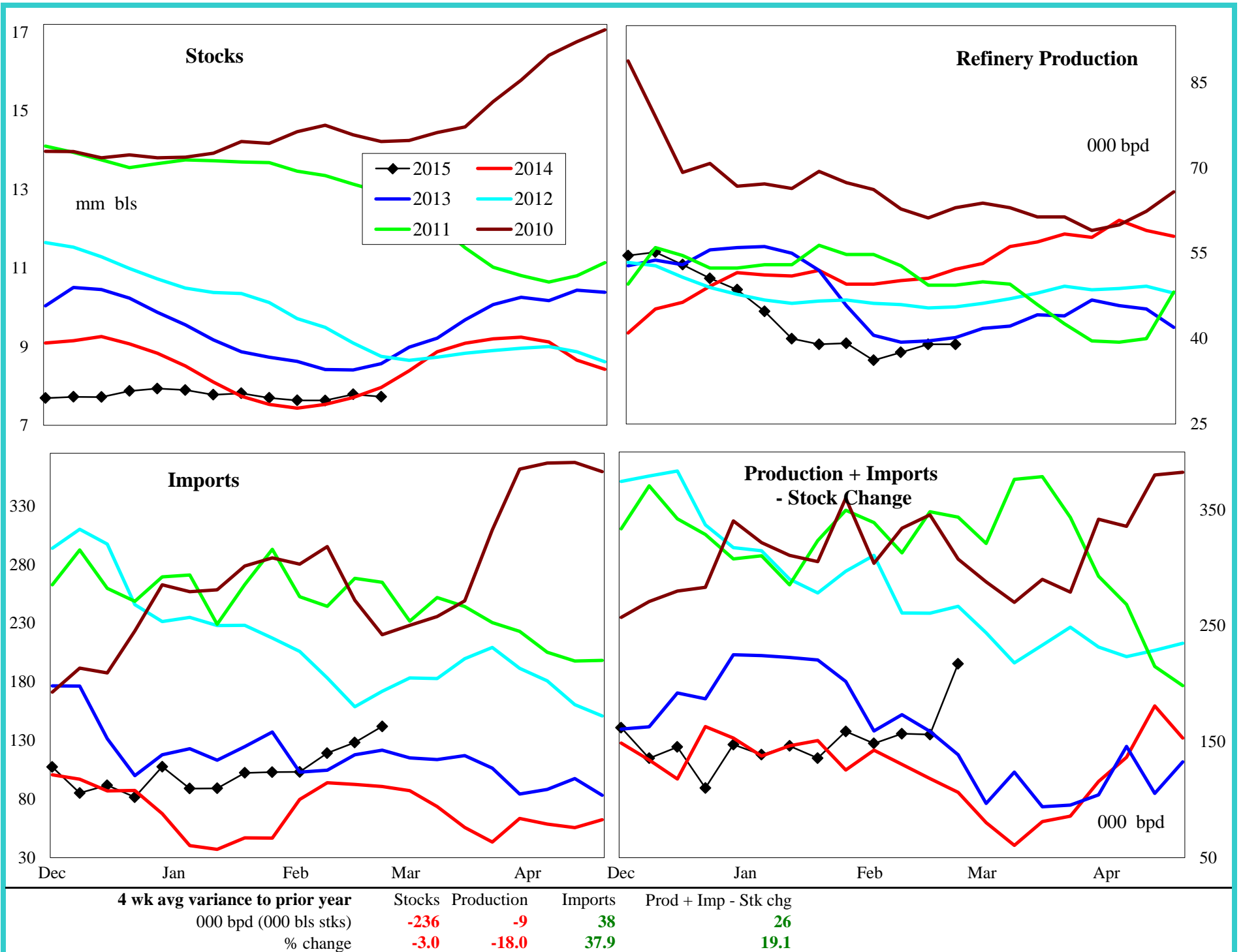
# PADD 1 High Sulfur Distillate Stocks by Region



# PADD 1 Jet Fuel Supply

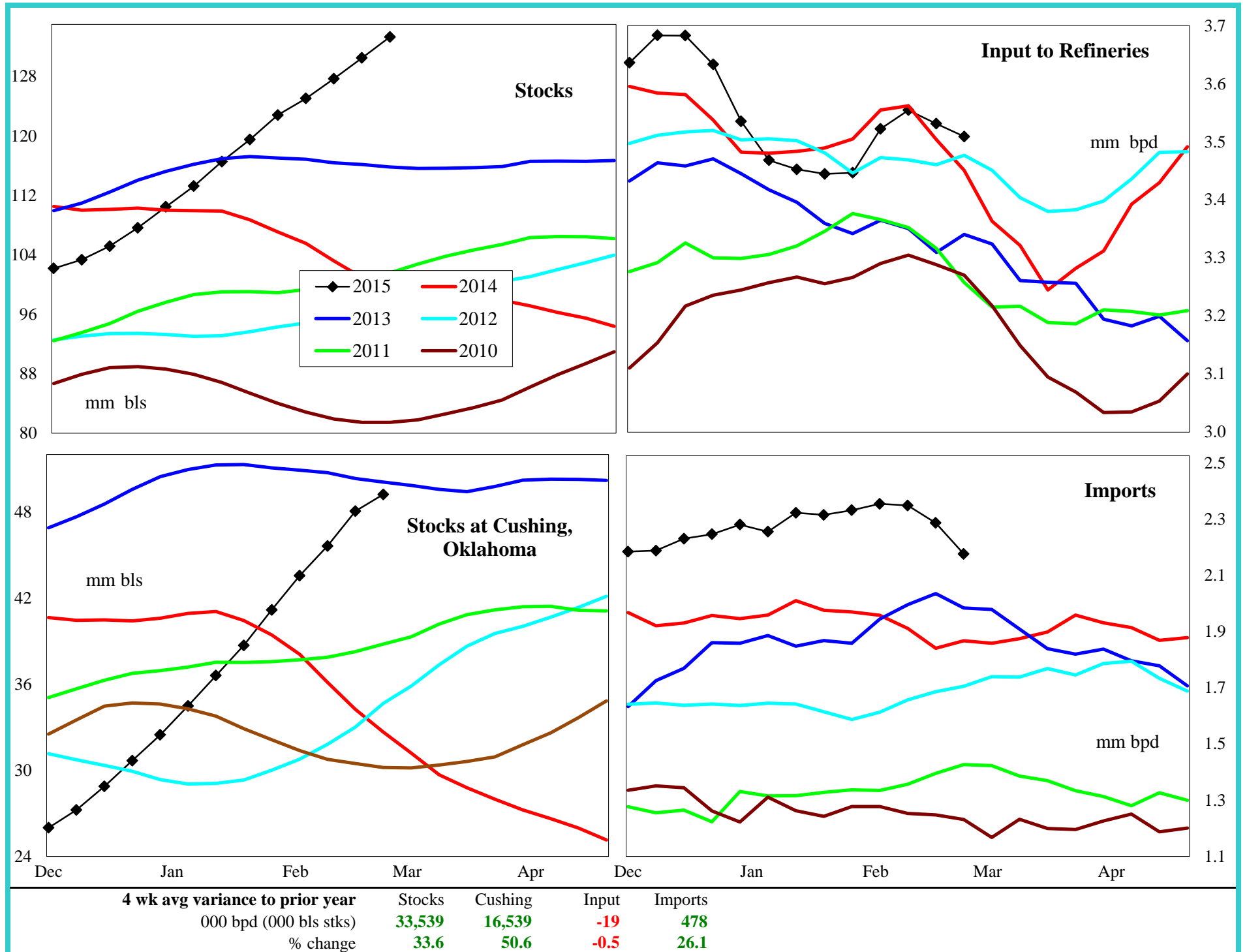


# PADD 1 Residual Fuel Oil Supply

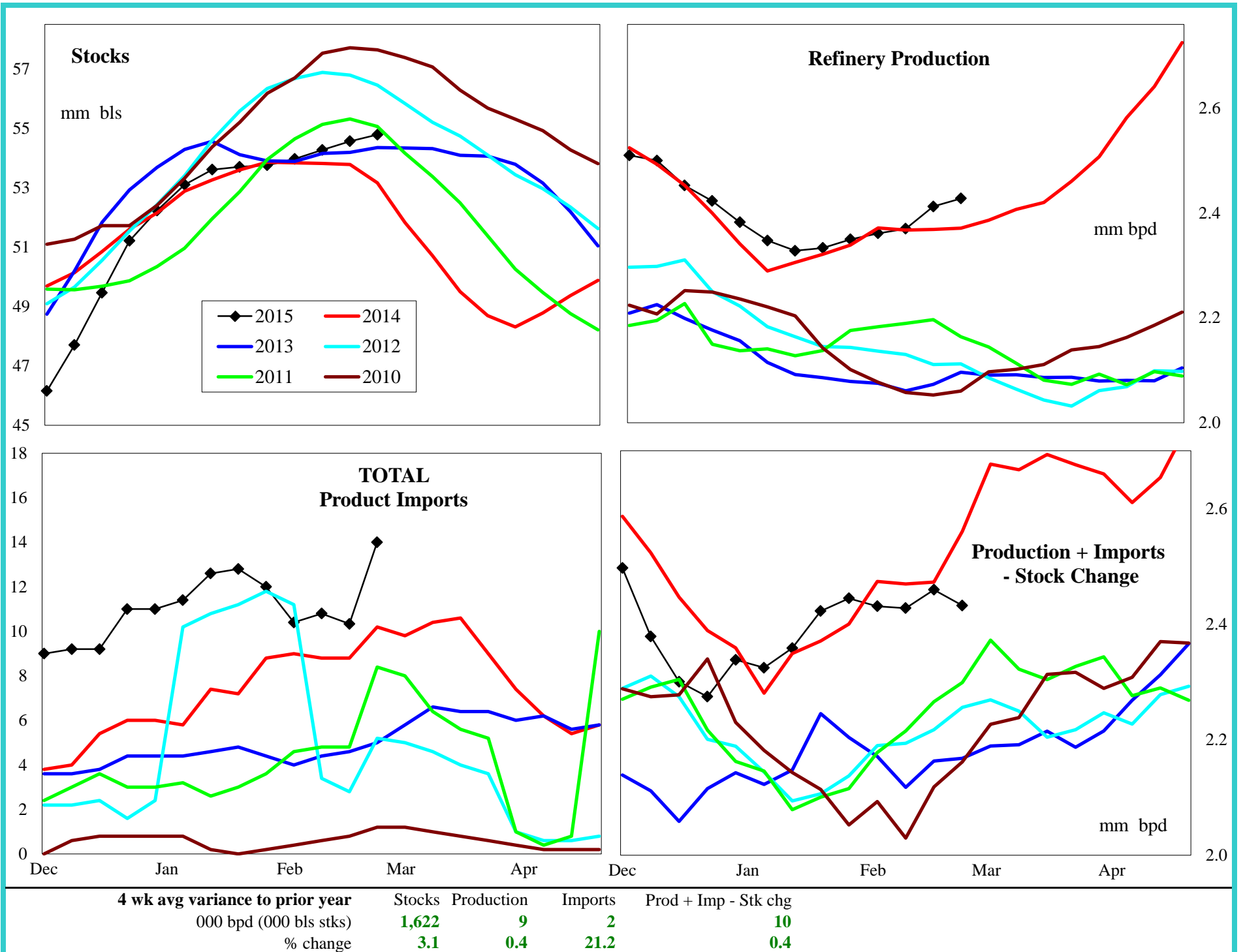




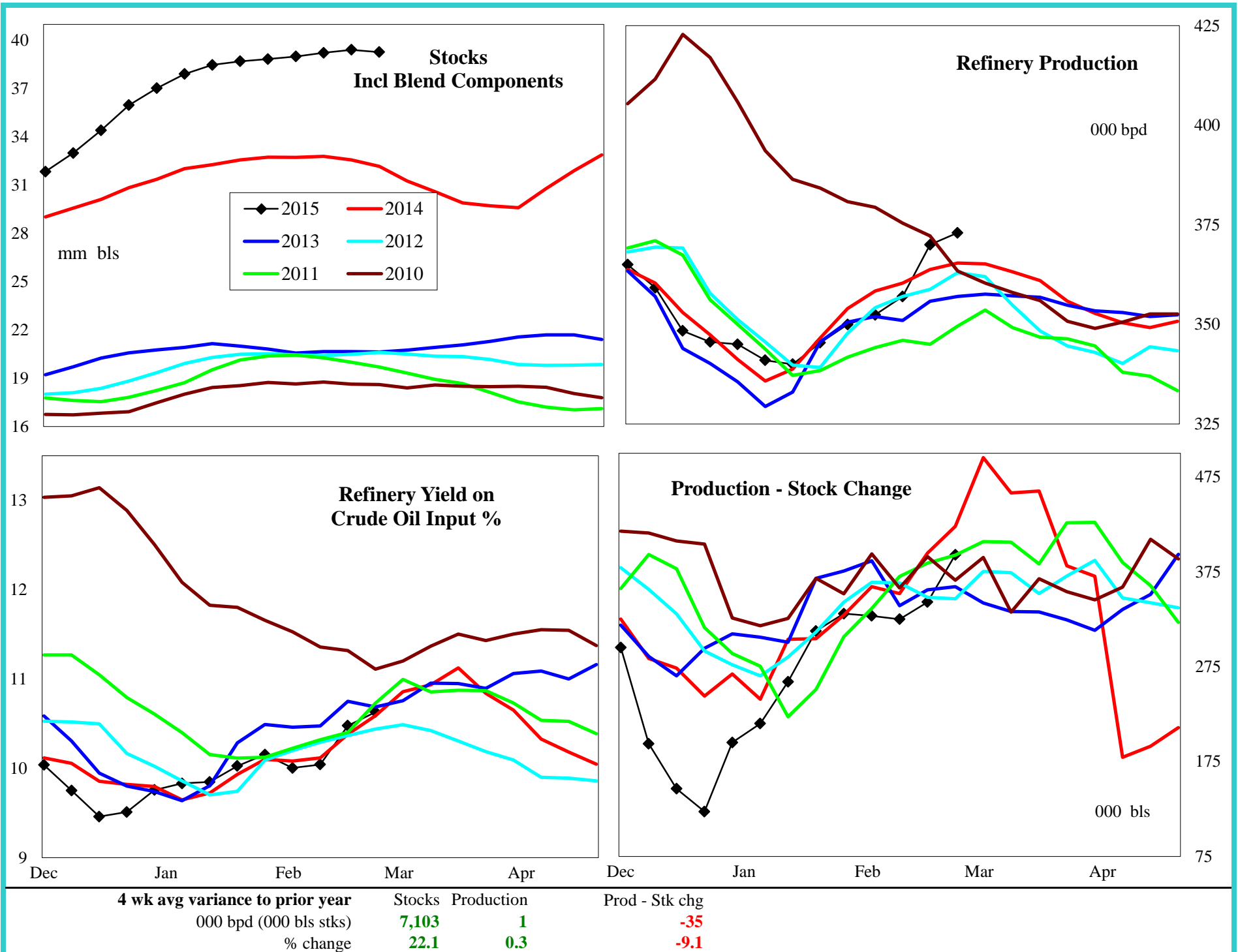
# PADD 2 Crude Oil Supply and Refining



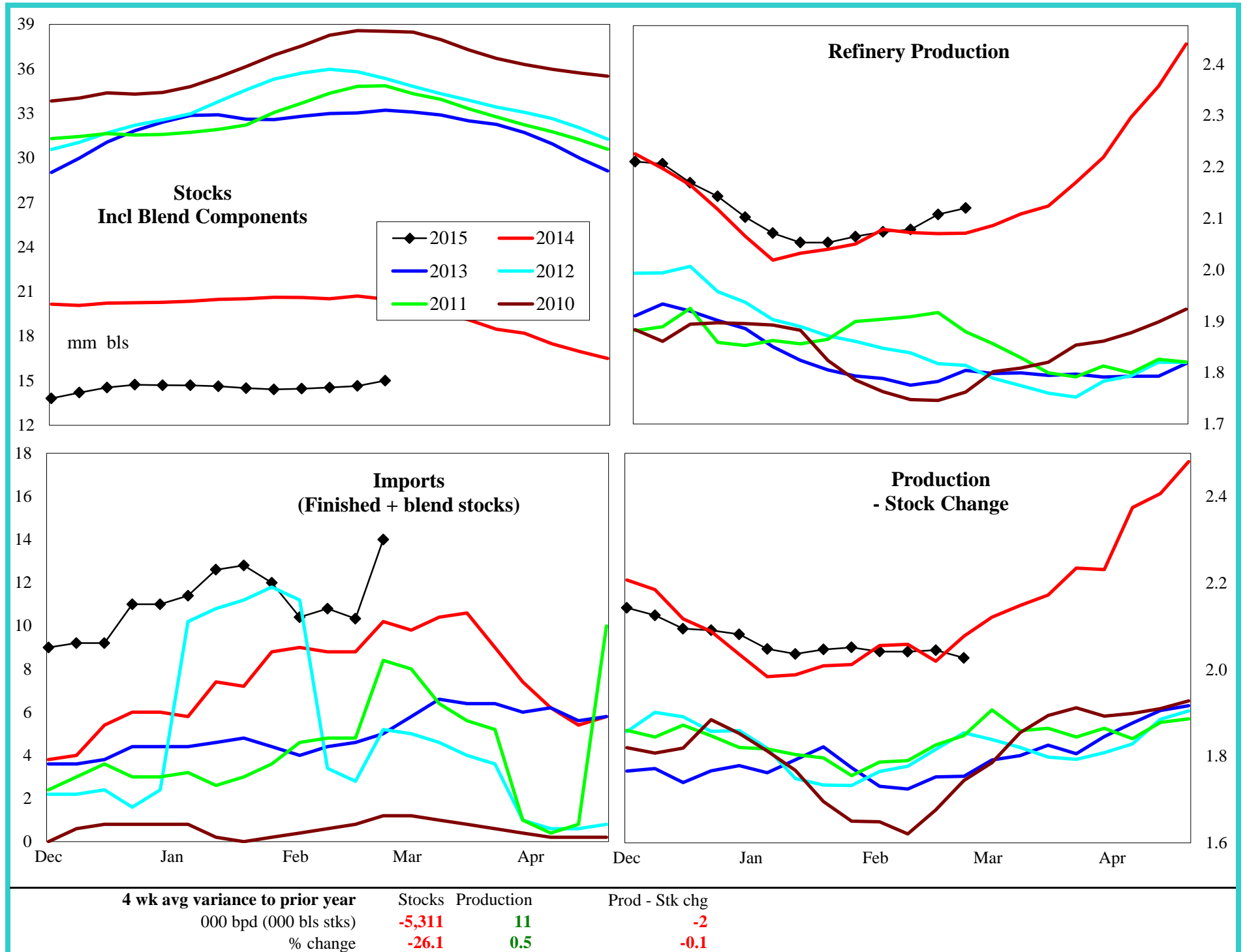
## PADD 2 Gasoline Supply



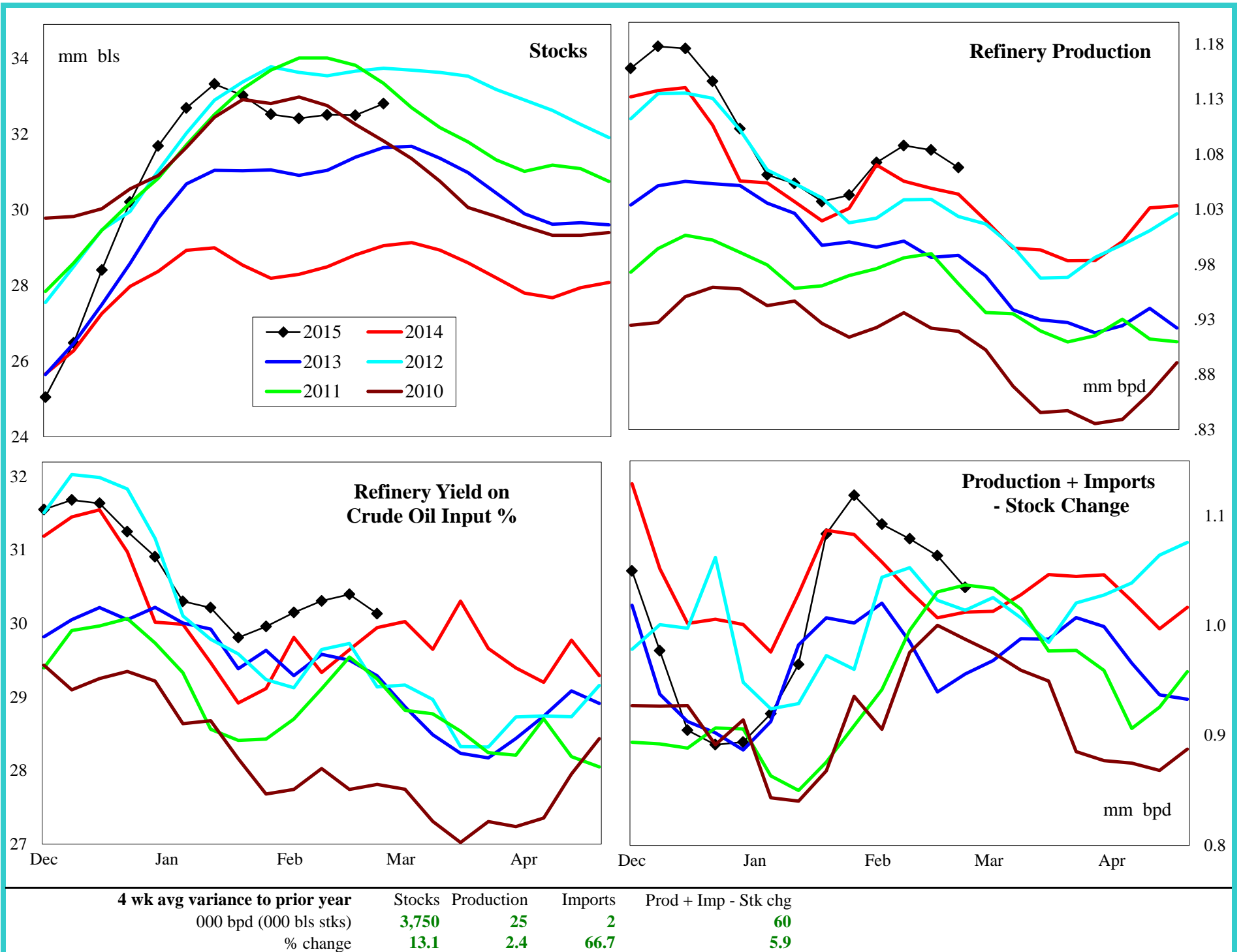
# PADD 2 Reformulated Gasoline Supply



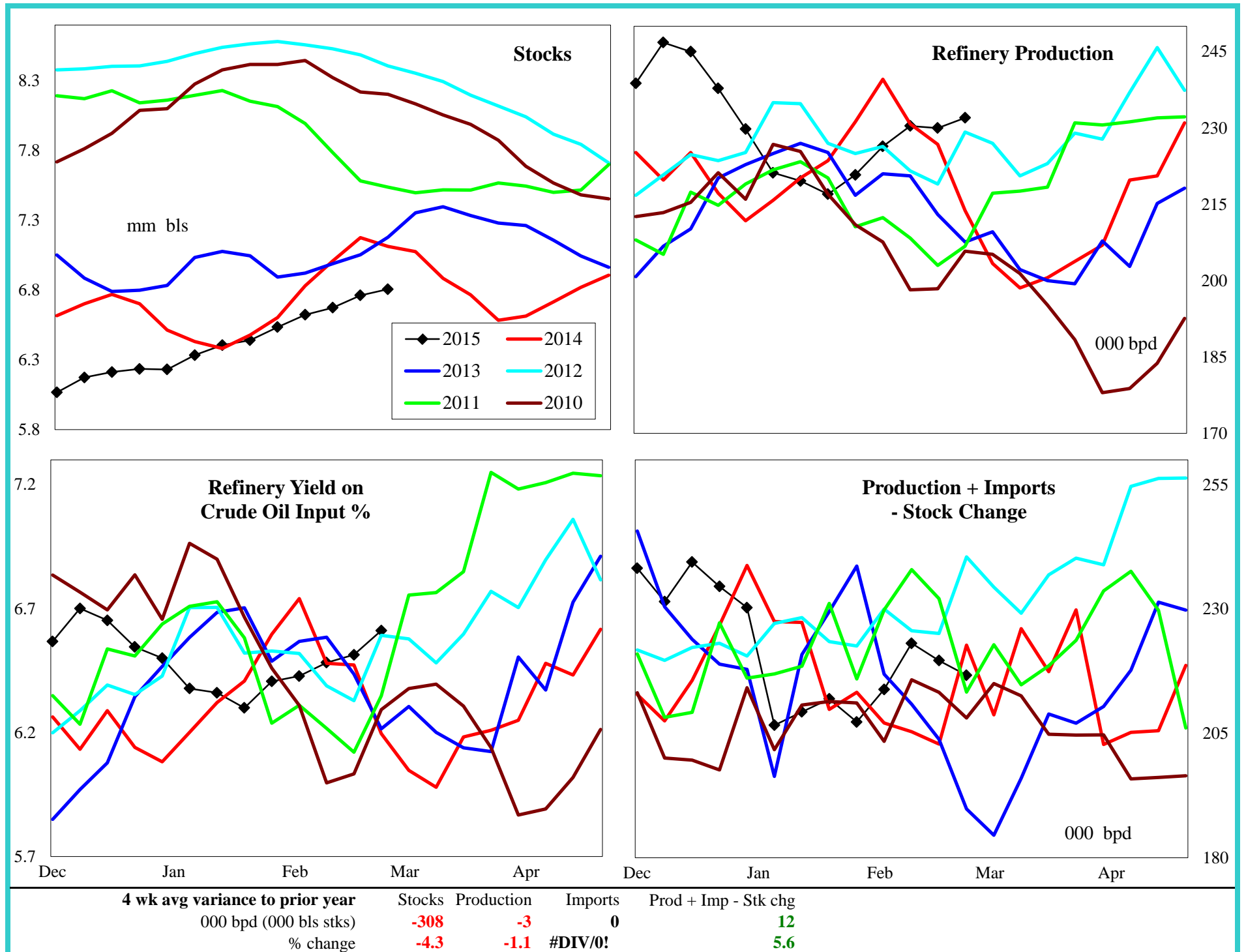
# PADD 2 Conventional Gasoline Supply



# PADD 2 Distillate Supply

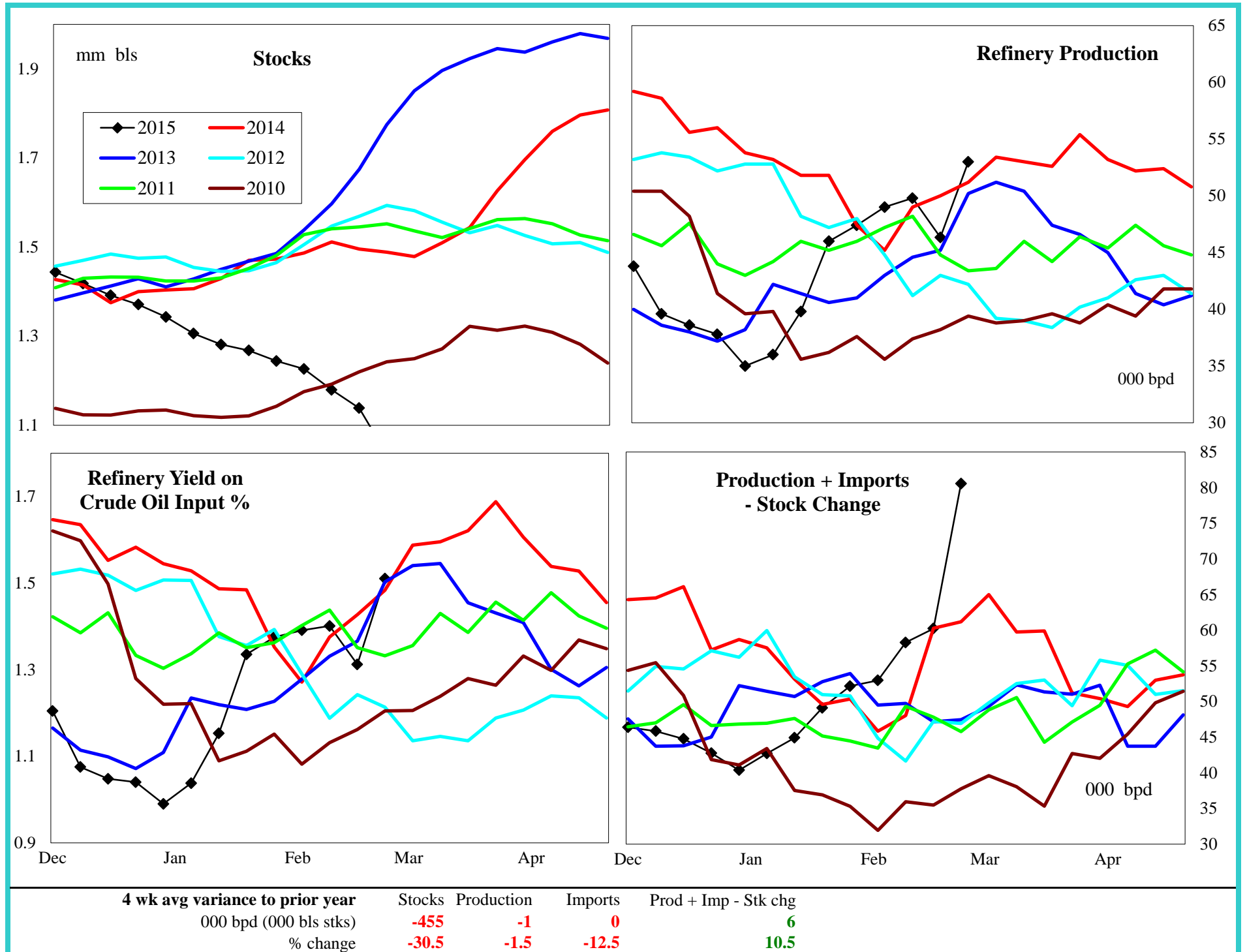


## PADD 2 Jet Fuel Supply

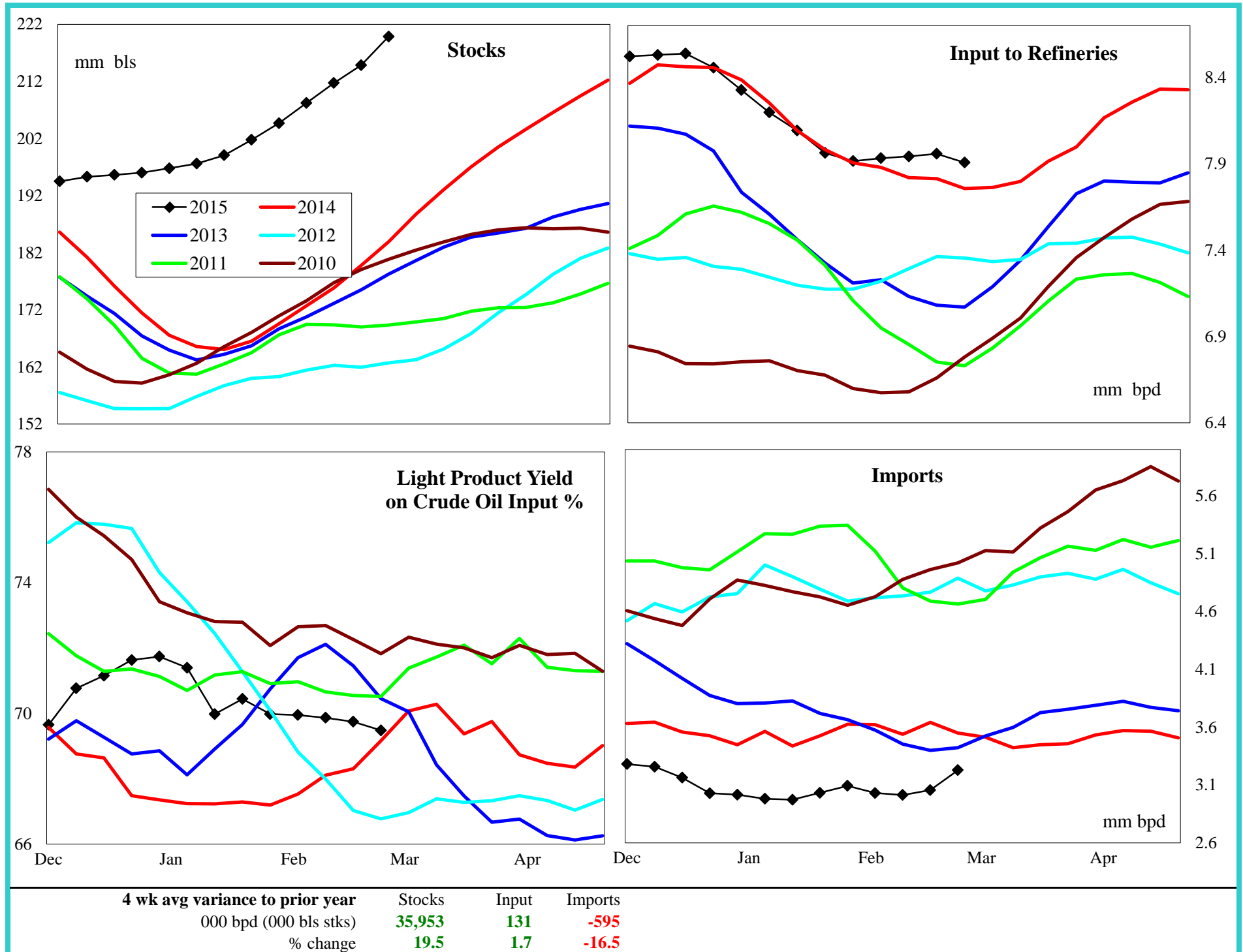




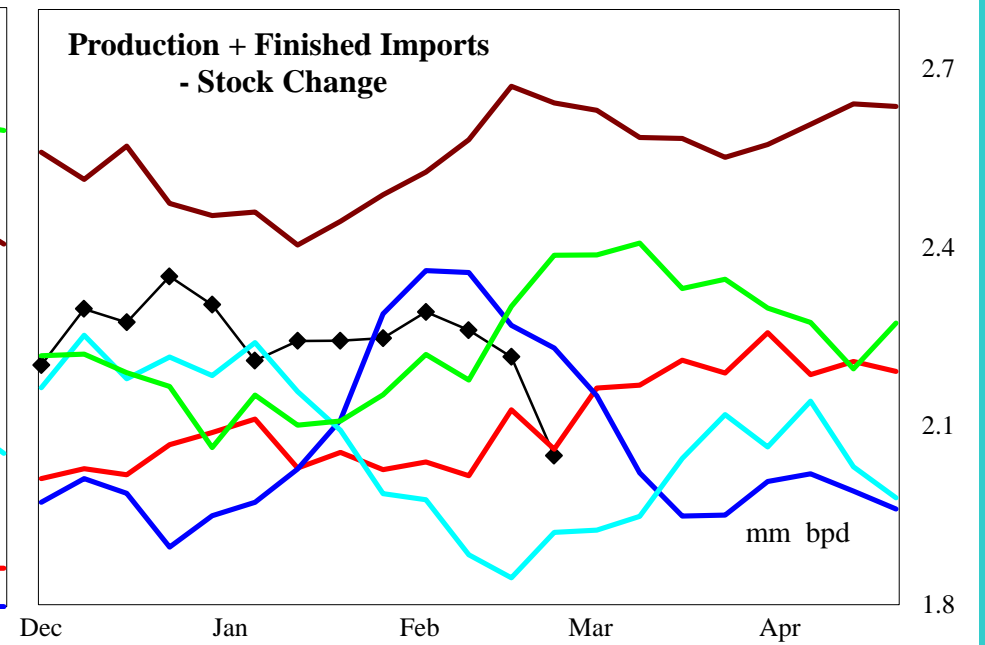
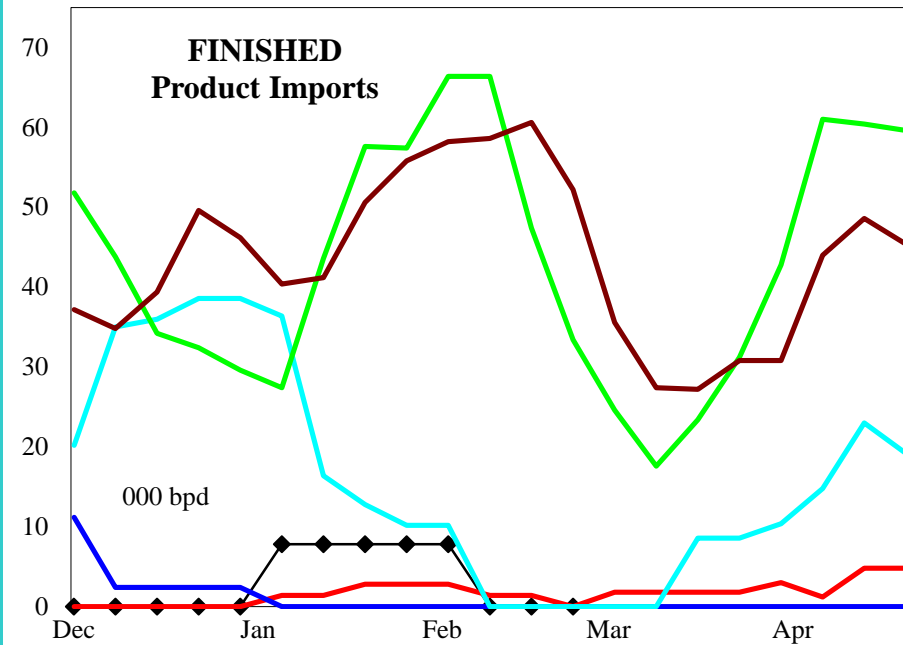
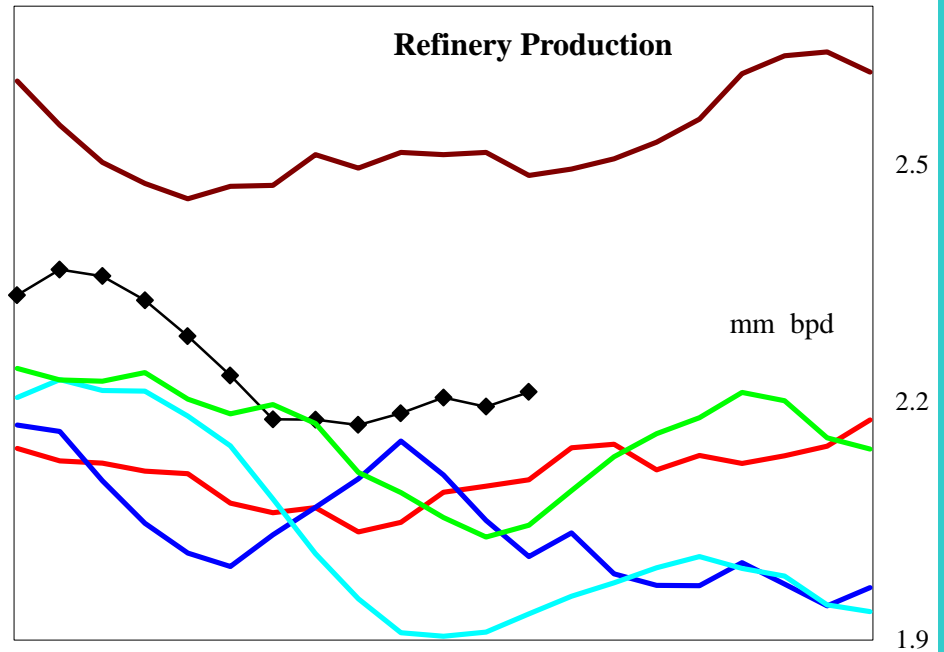
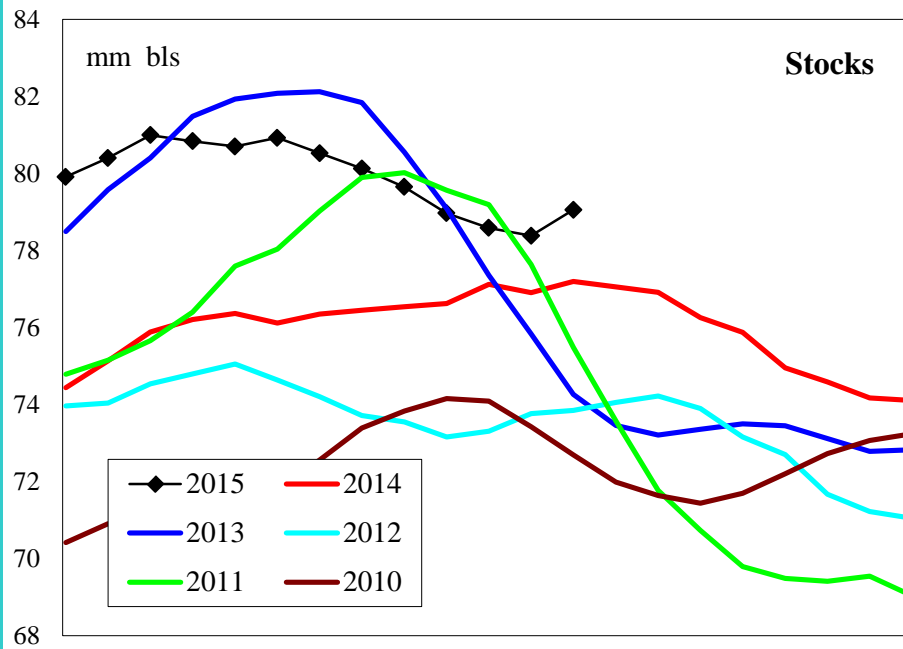
# PADD 2 Residual Fuel Oil Supply



# PADD 3 Crude Oil Supply and Refining



# PADD 3 Gasoline Supply



**4 wk avg variance to prior year**

000 bpd (000 bls stks)

% change

Stocks

1,217

1.6

Production

107

5.1

Fin Impt

-2

-100.0

Blend Impt

17

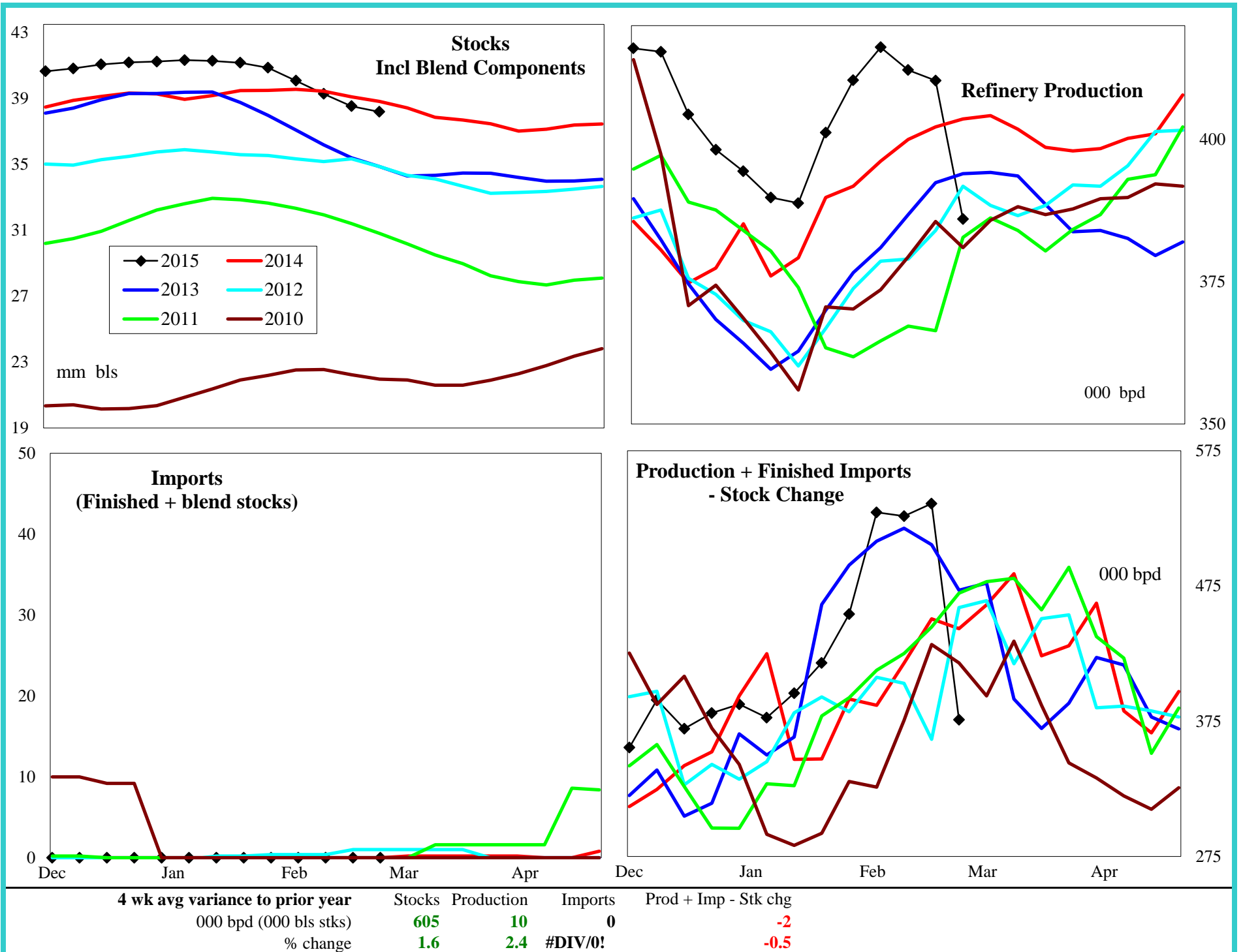
744.4

Prod + Imp - Stk chg

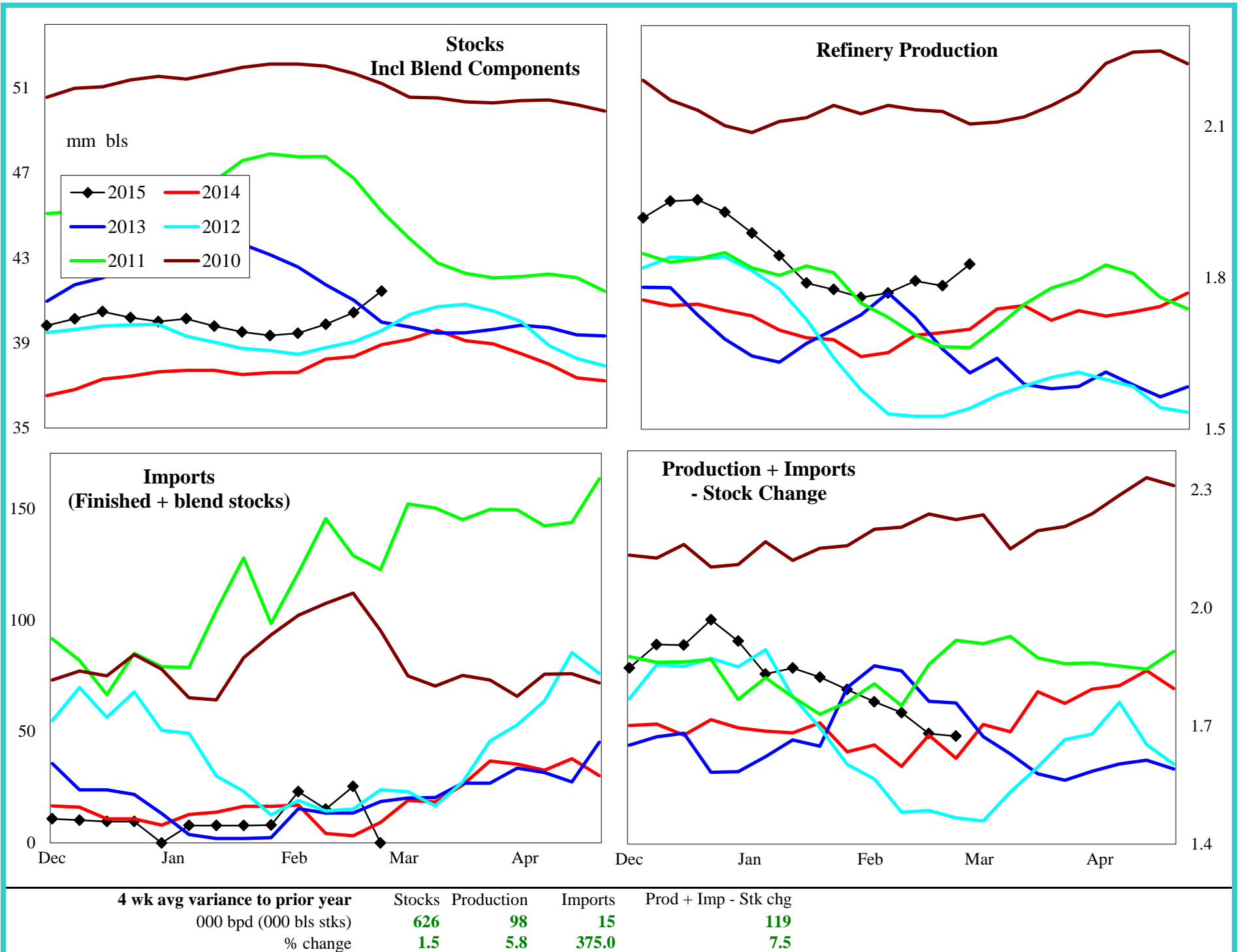
116

5.6

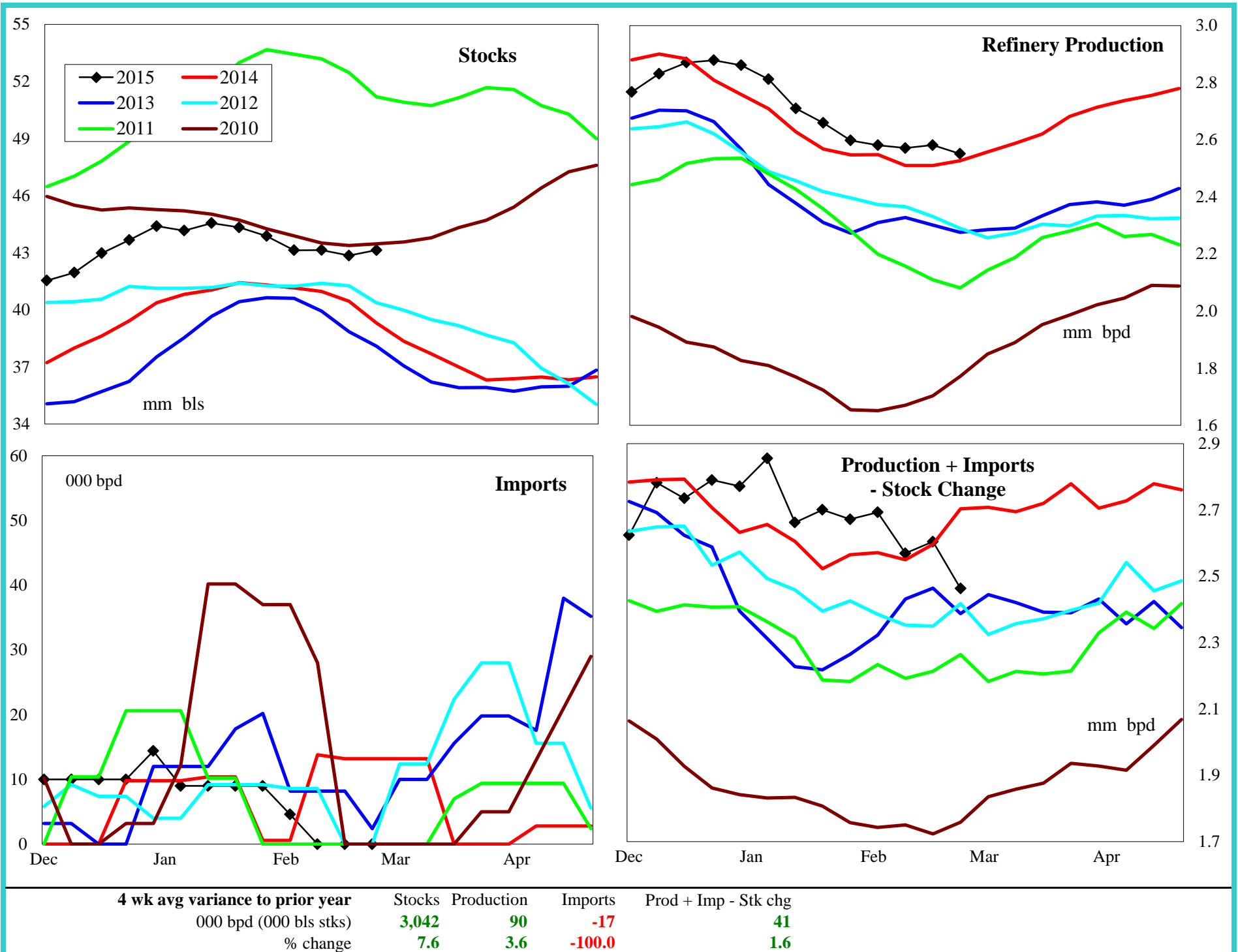
# PADD 3 Reformulated Gasoline Supply



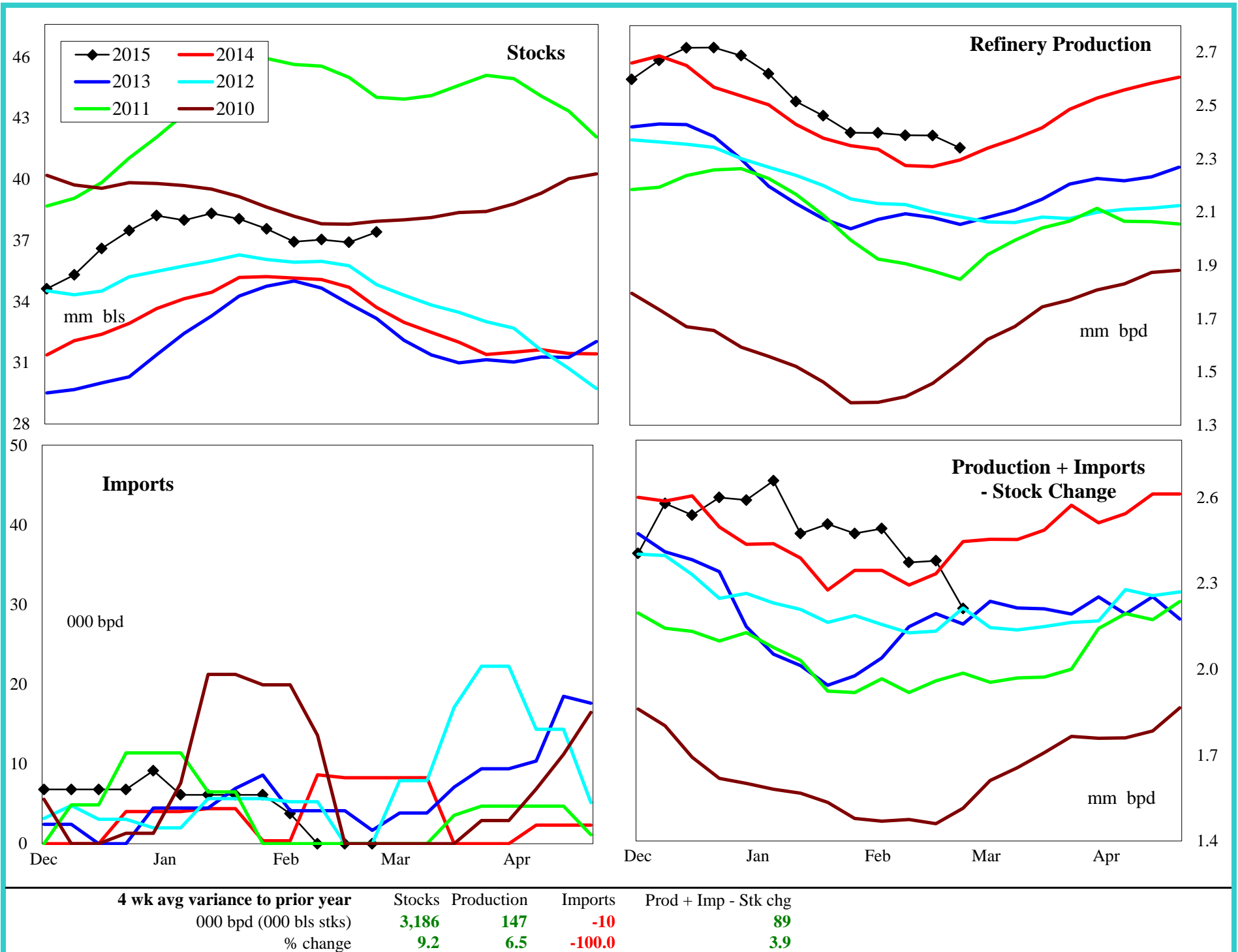
# PADD 3 Conventional Gasoline Supply



# PADD 3 Distillate Supply

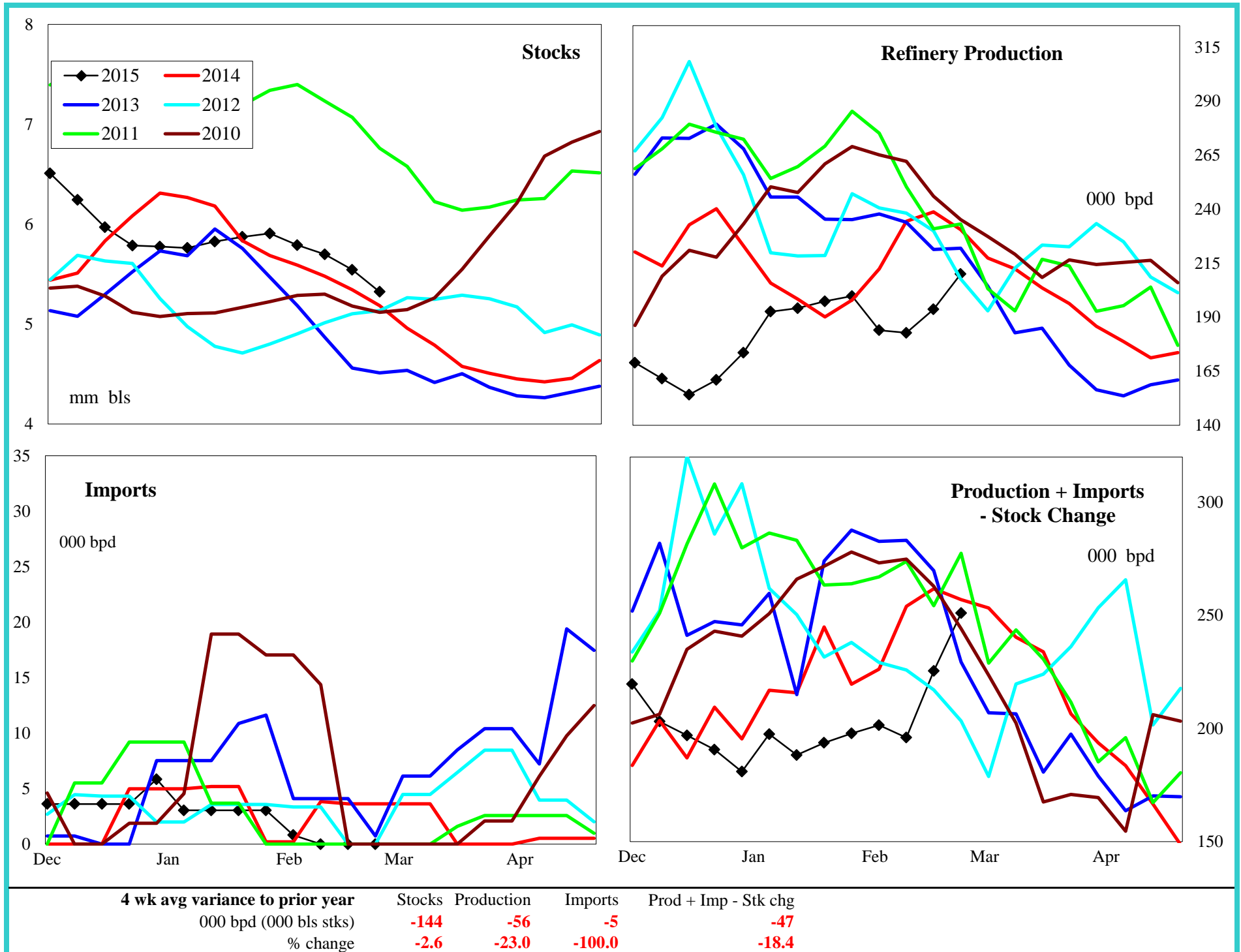


# PADD 3 Low Sulfur Distillate Supply

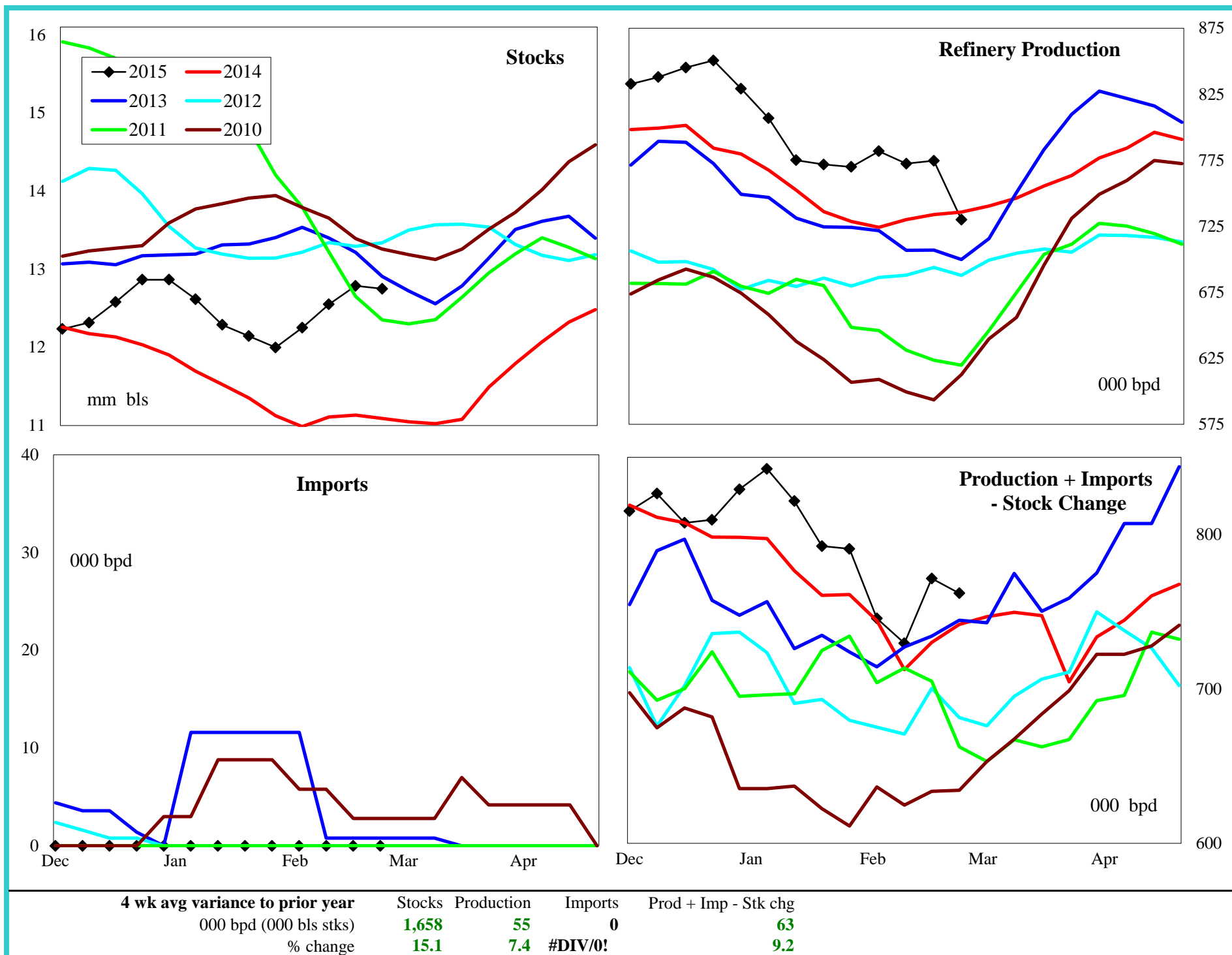




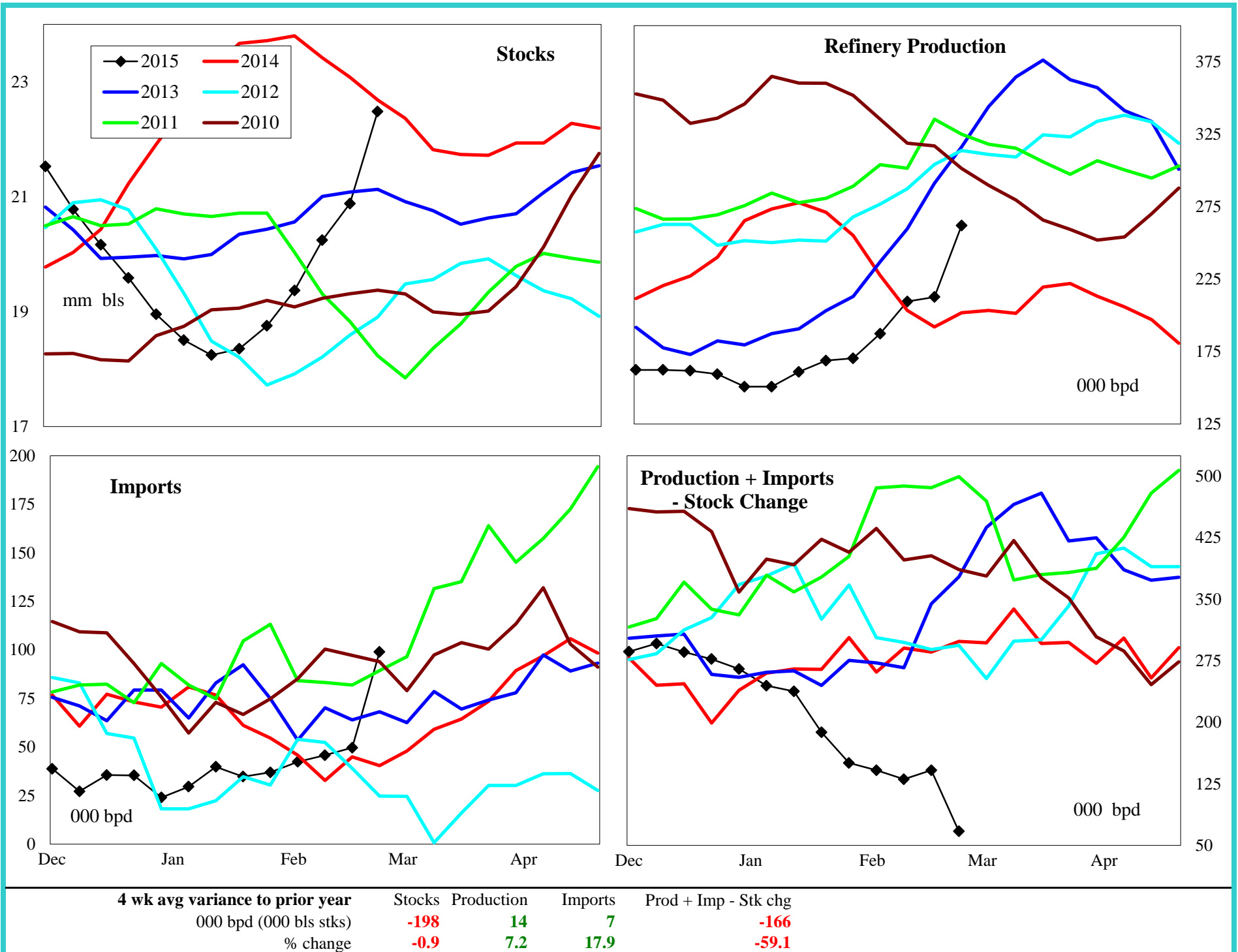
# PADD 3 High Sulfur Distillate Supply



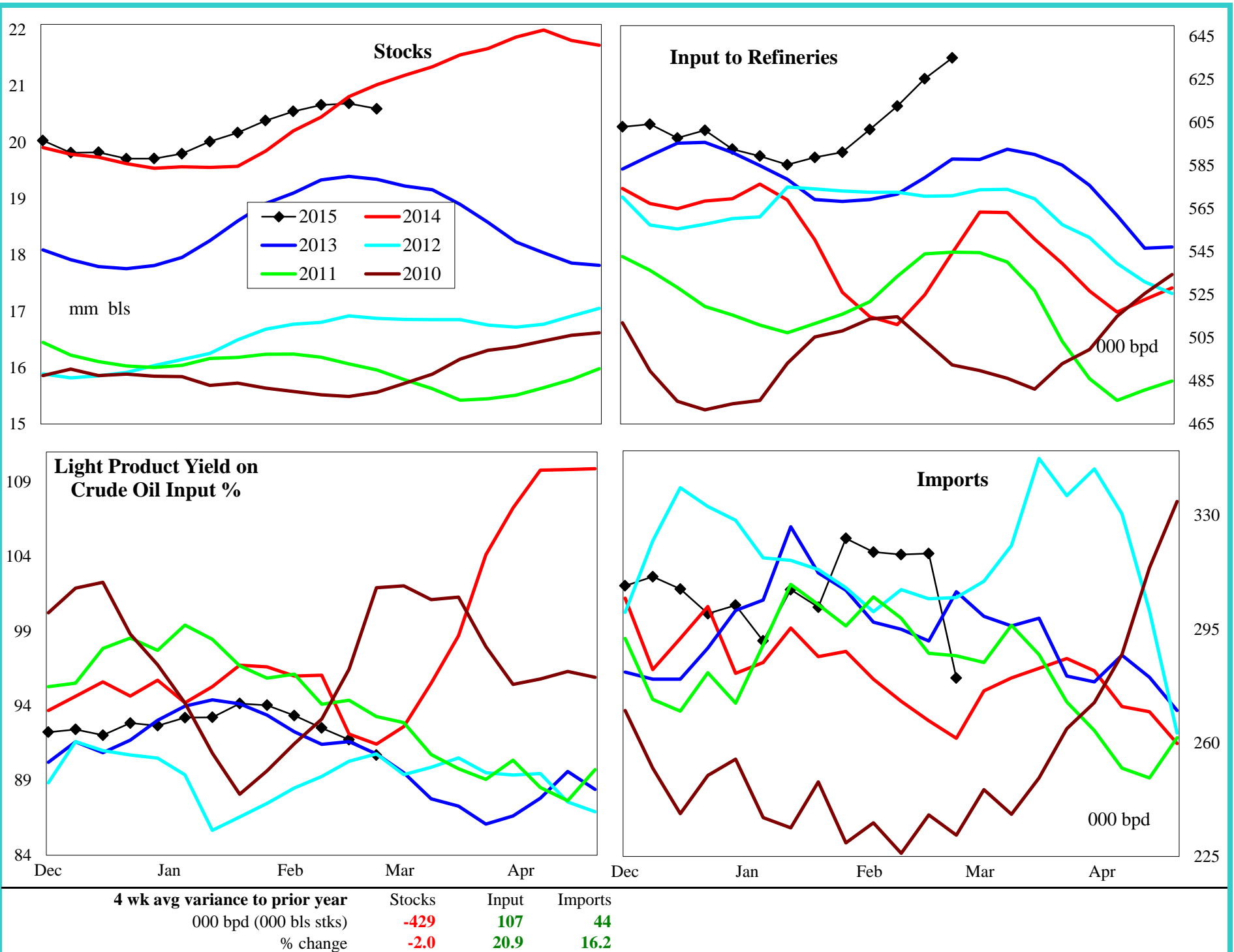
## PADD 3 Jet Fuel Supply



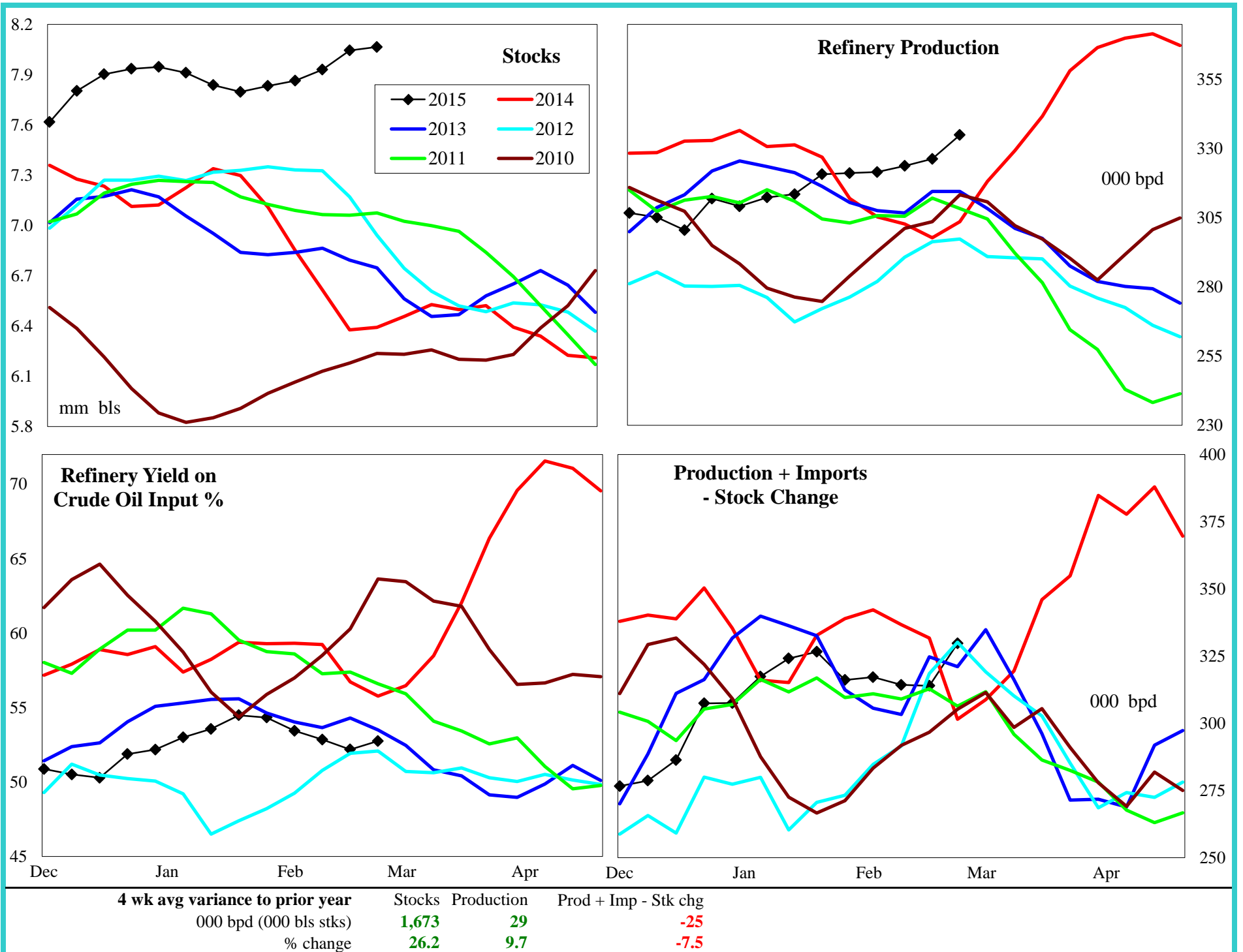
# PADD 3 Residual Fuel Oil Supply



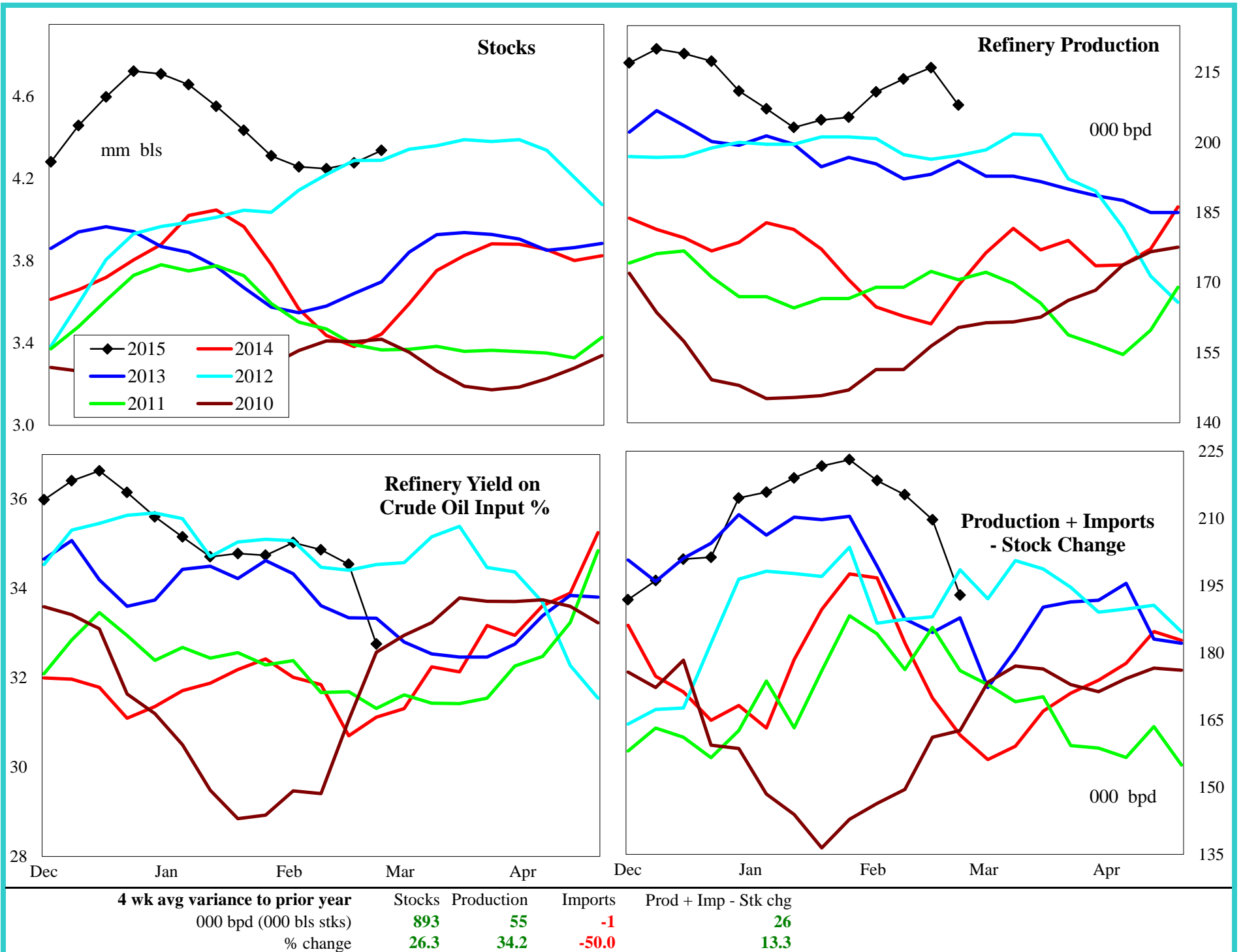
# PADD 4 Crude Oil Supply and Refining



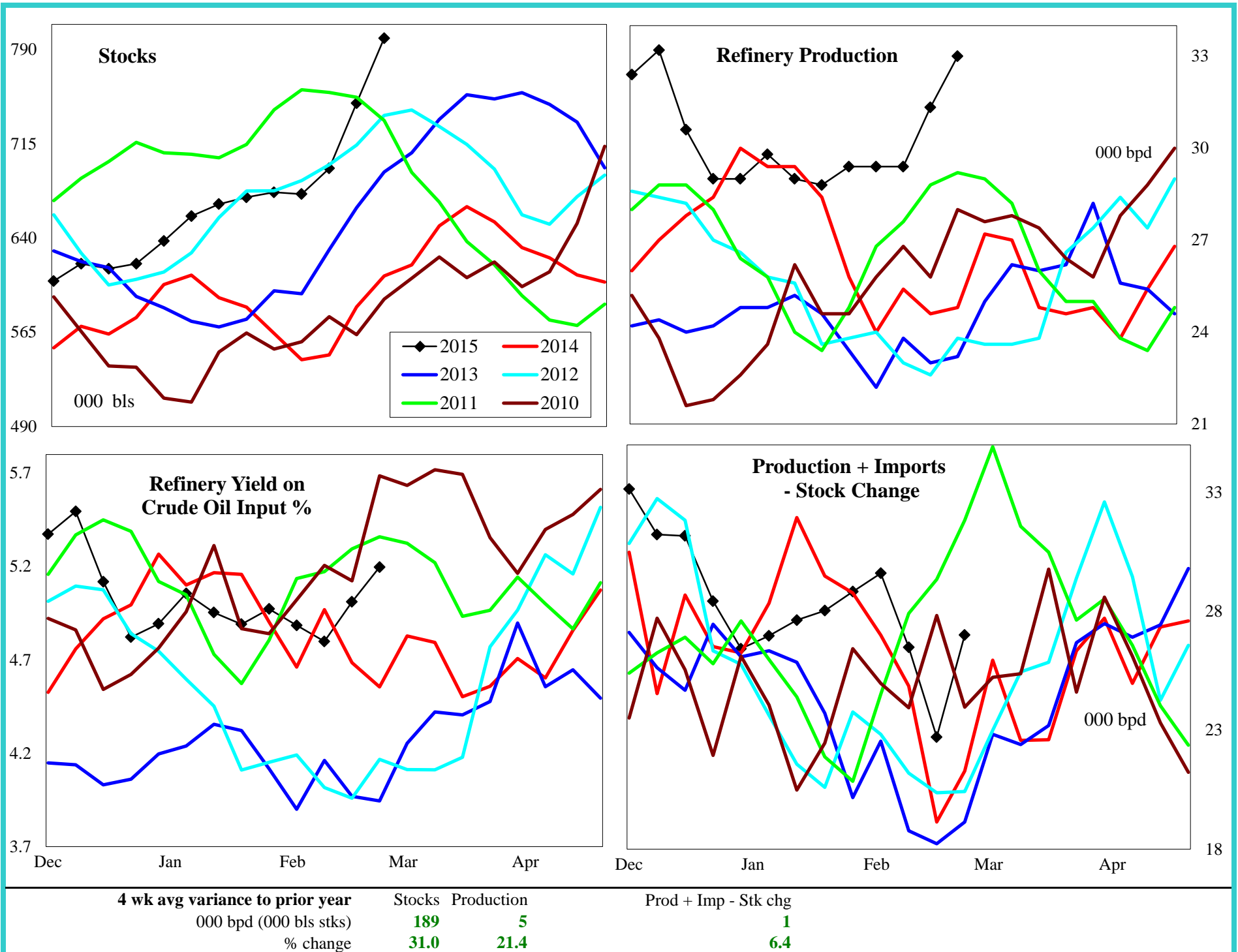
# PADD 4 Gasoline Supply



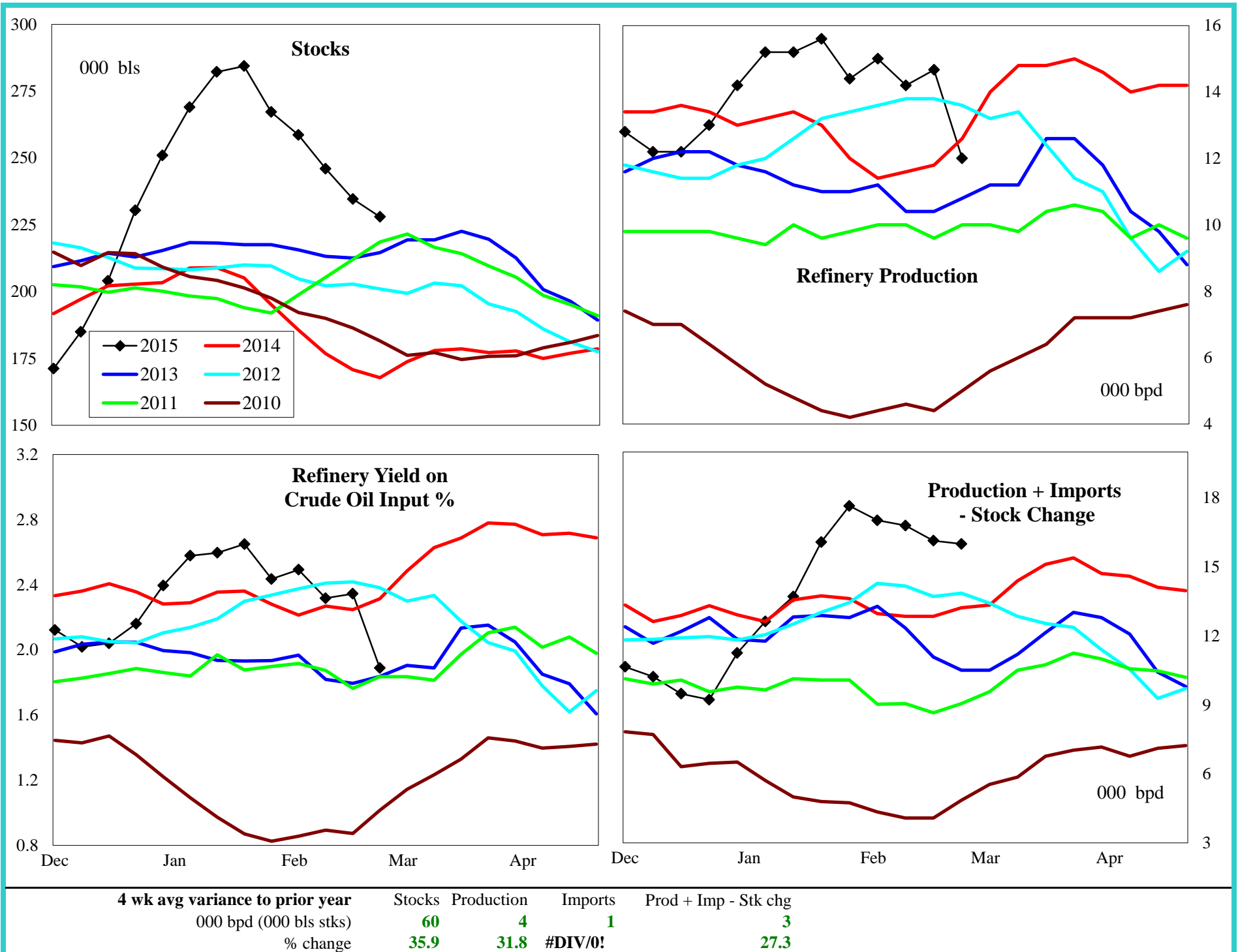
# PADD 4 Distillate Supply



## PADD 4 Jet Fuel Supply

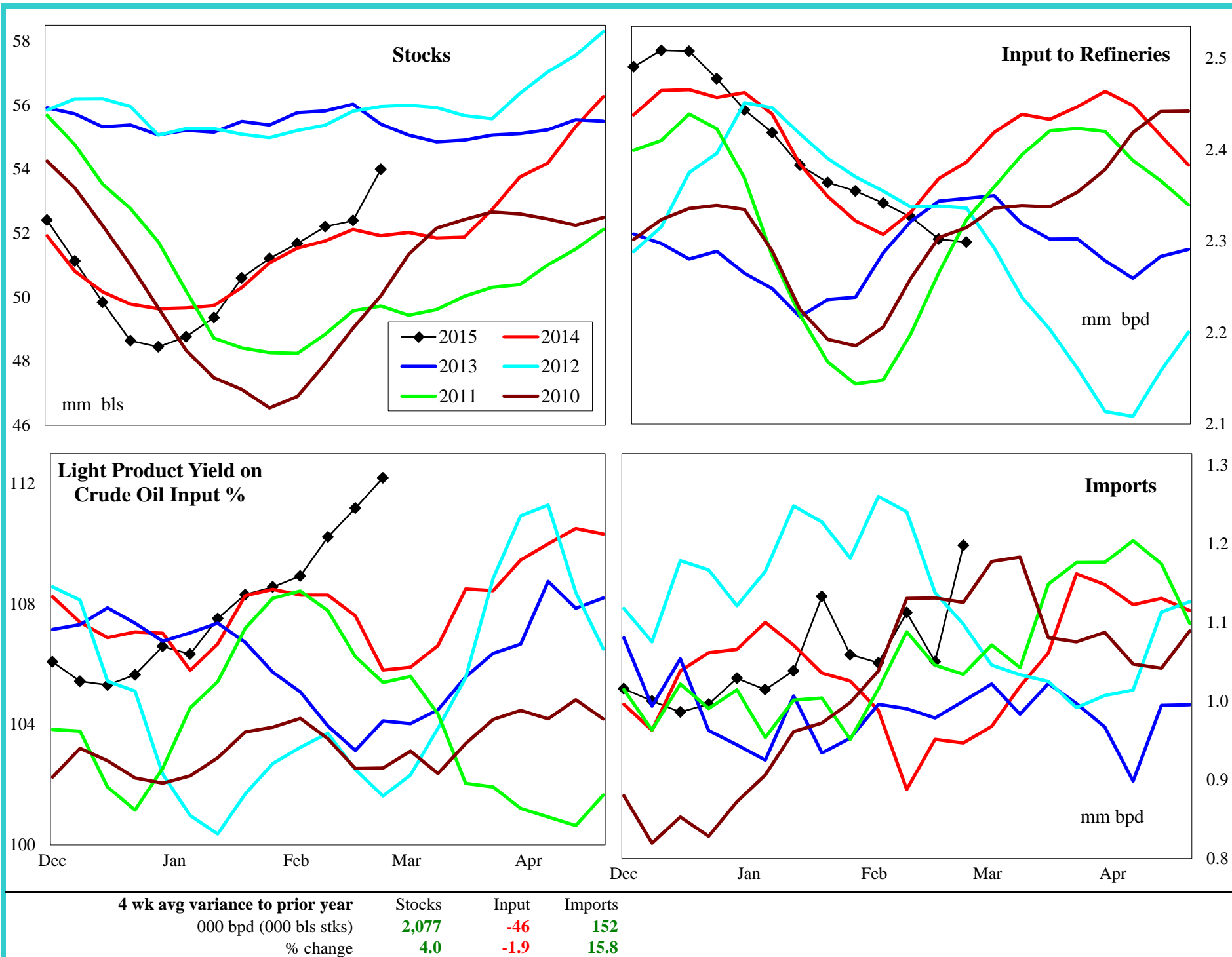


# PADD 4 Residual Fuel Oil Supply

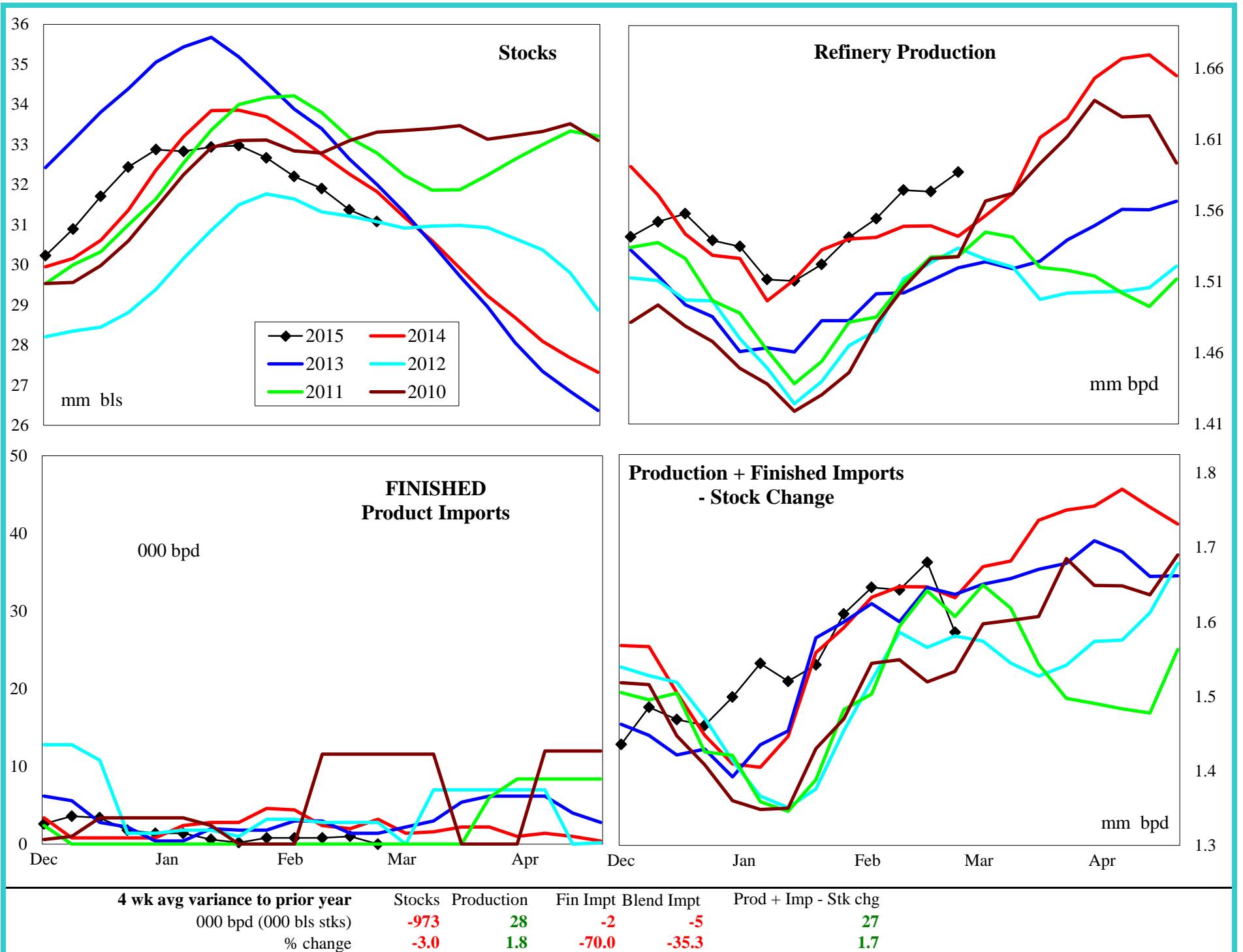




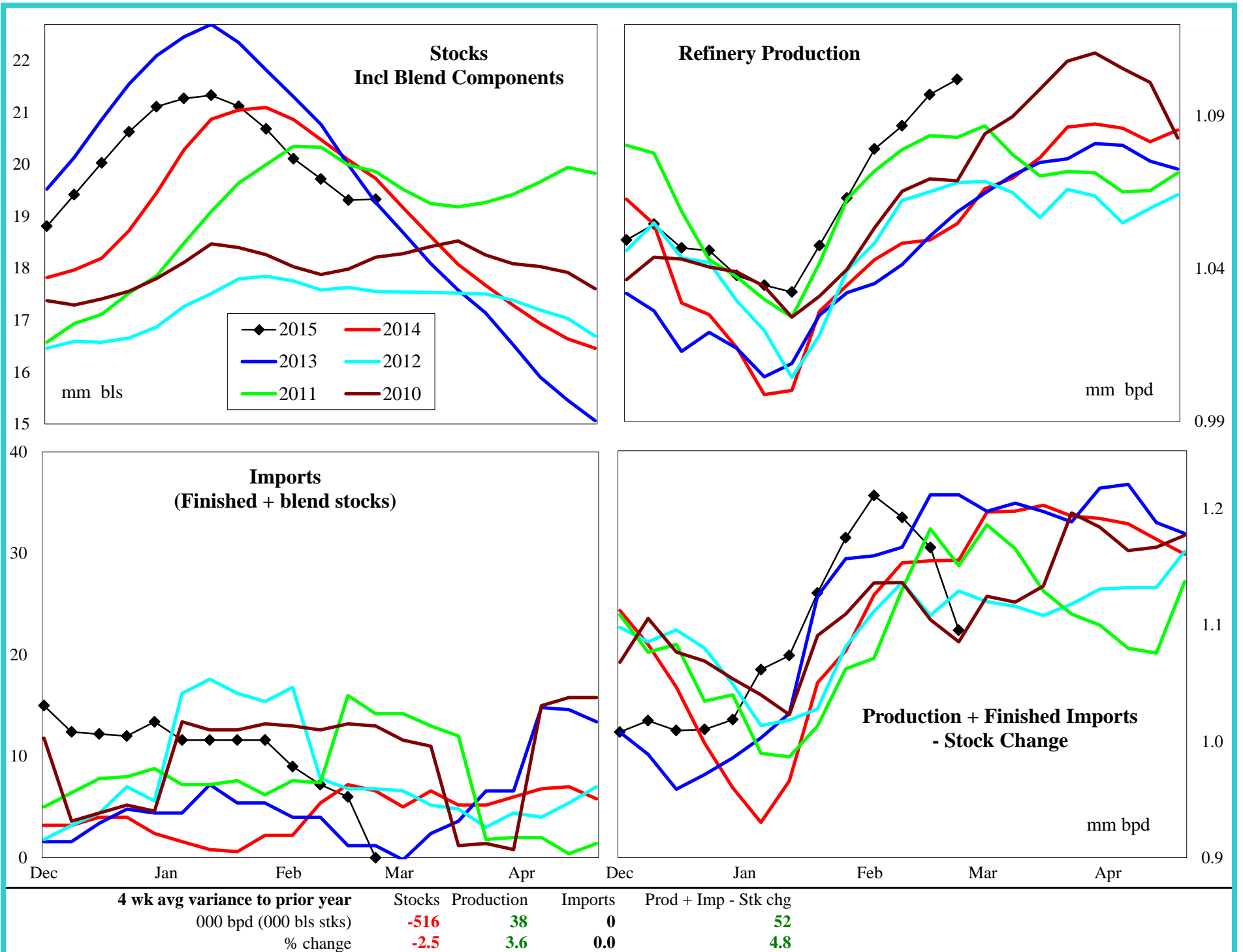
# PADD 5 Crude Oil Supply and Refining



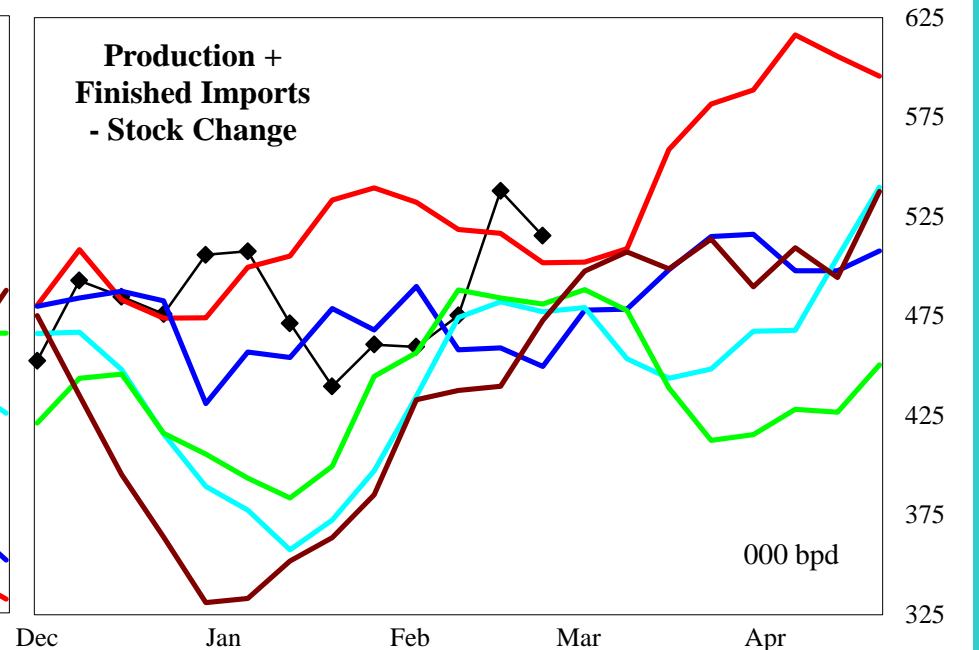
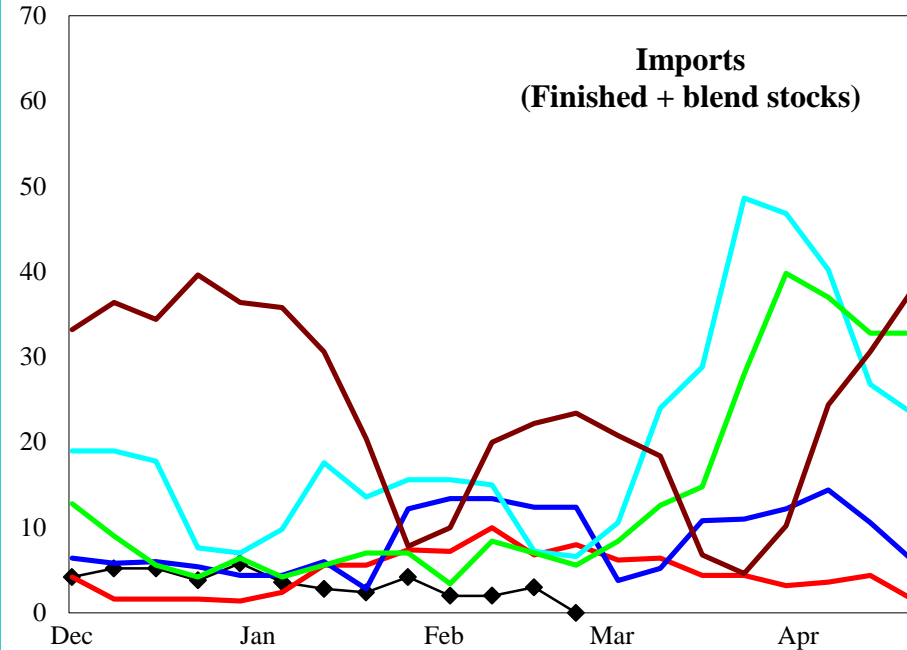
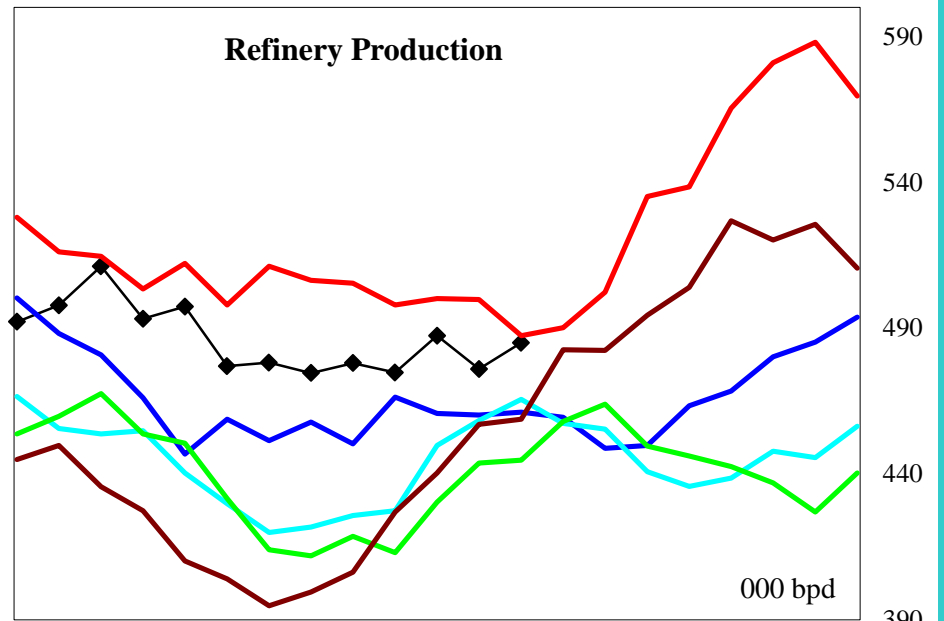
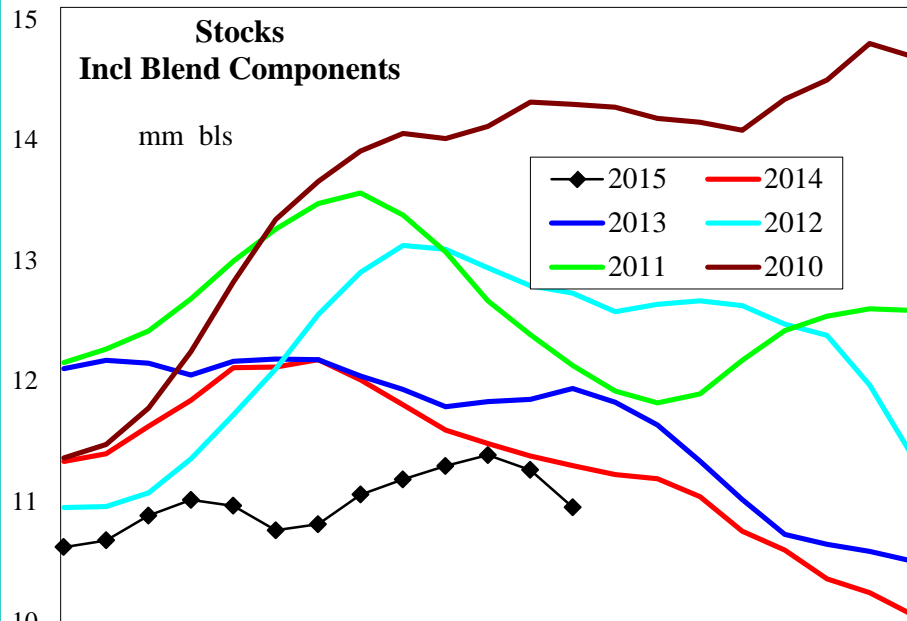
## PADD 5 Gasoline Supply



# 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

-457

-10

-6

-26

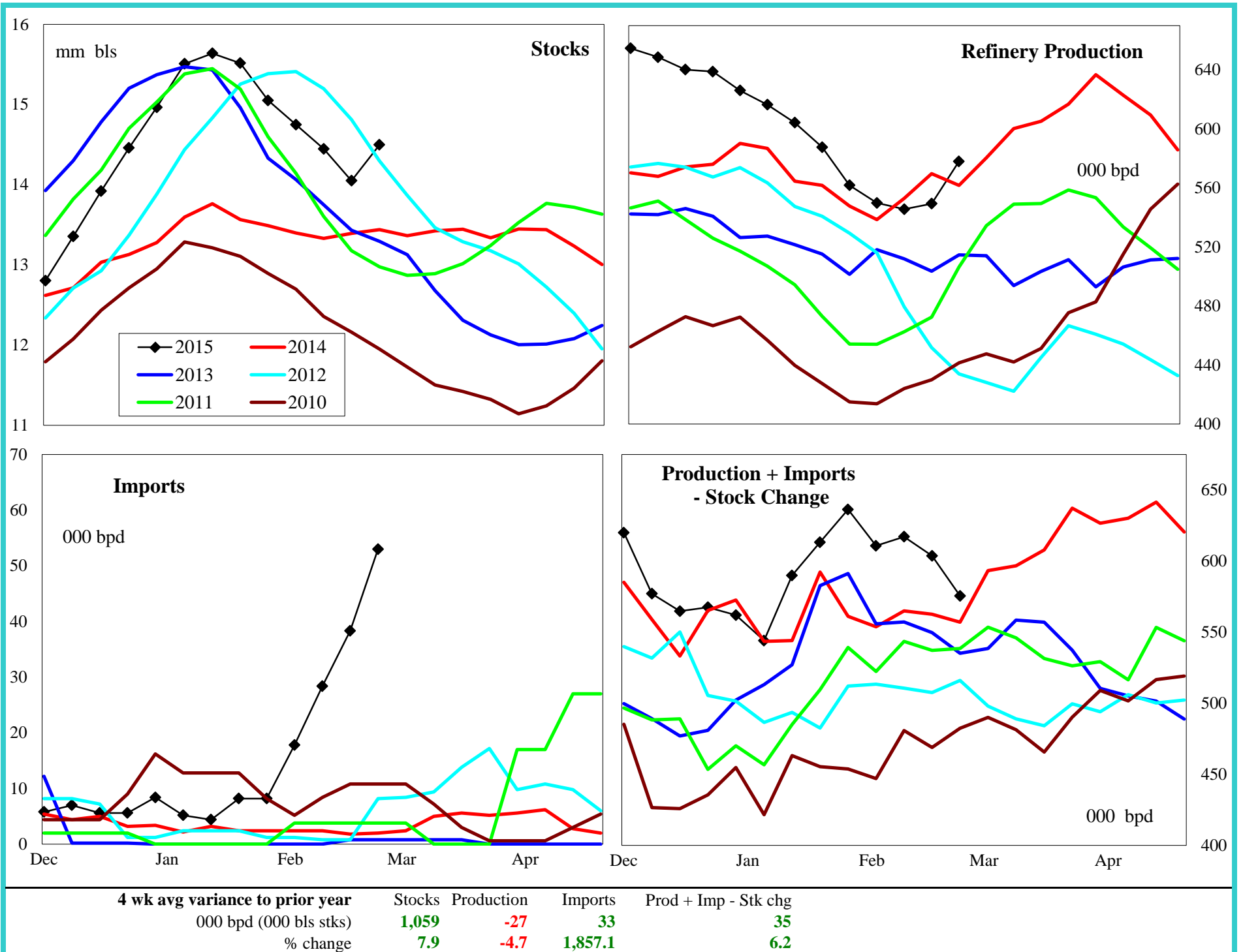
-3.9

-2.0

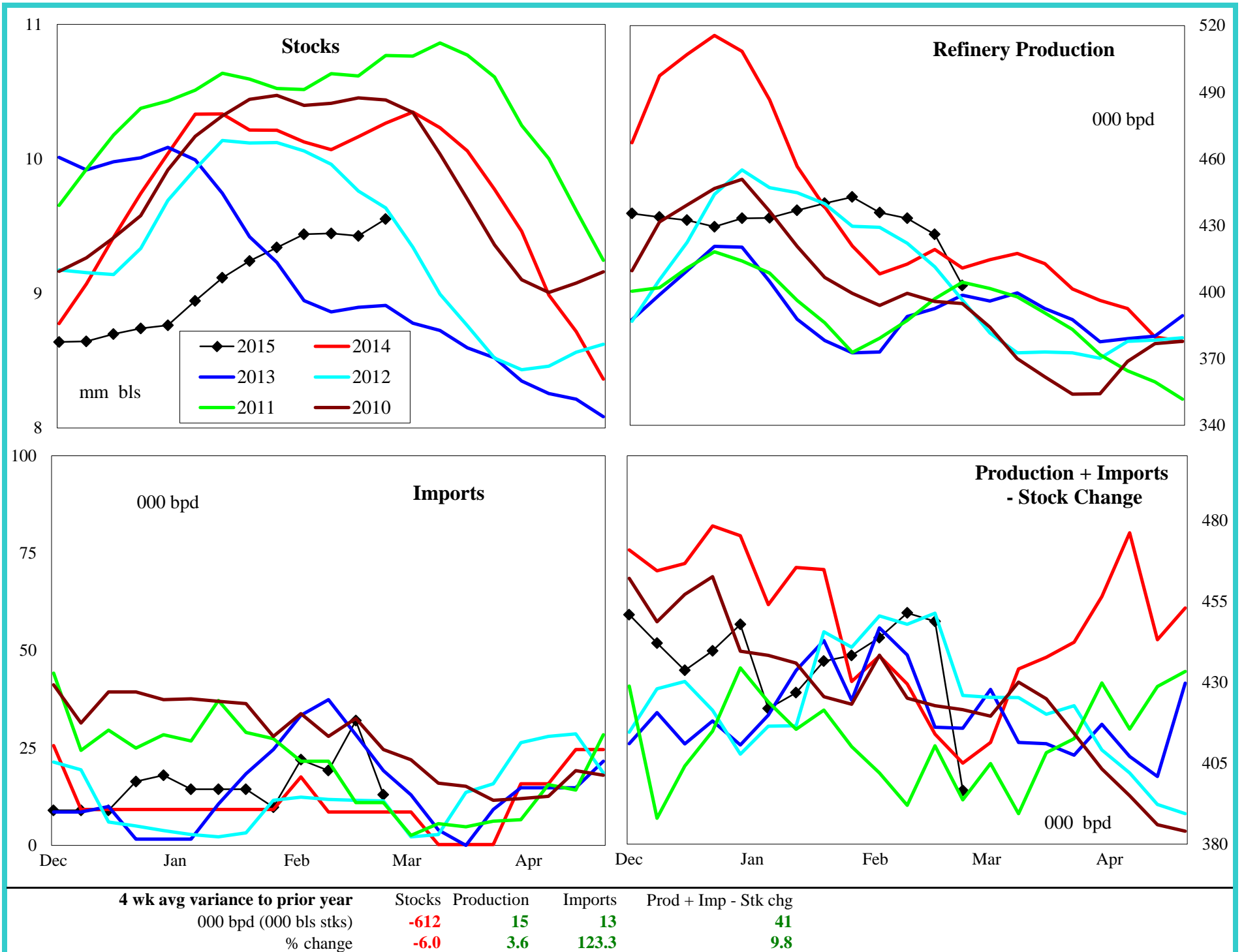
-73.5

-5.1

# PADD 5 Distillate Supply



# PADD 5 Jet Fuel Supply



# PADD 5 Residual Fuel Oil Supply

