



WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

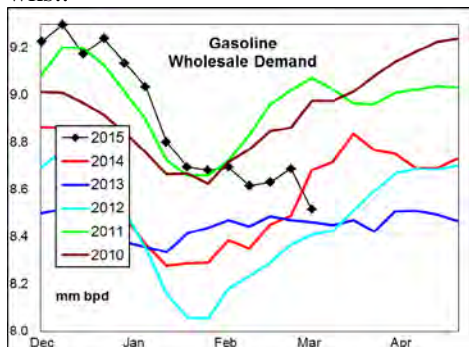
A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Wednesday, March 11, 2015

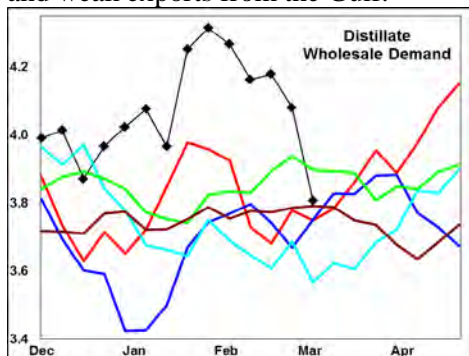


Major Fundamental Trends¹

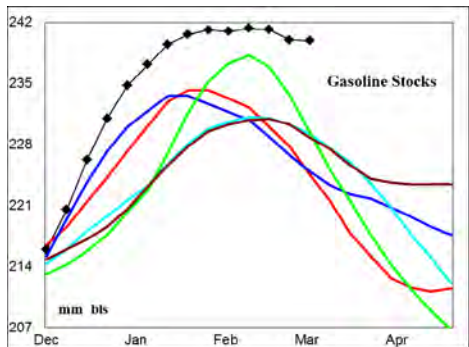
Wholesale demand for gasoline fell to the lowest level of the last quarter, and comparable to the average of the last 2-wks..



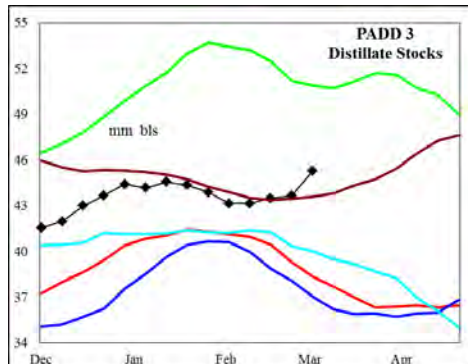
Wholesale distillate demand fell to a level comparable to the last 3-yr on lower heating oil use in the Northeast and weak exports from the Gulf.



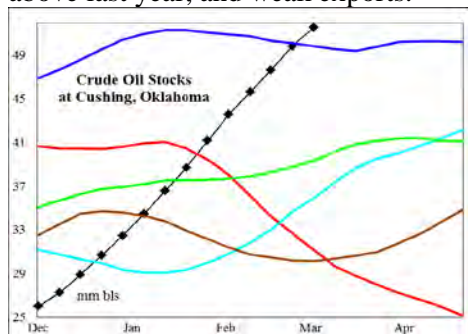
Gasoline stocks were above the 5-yr range in the key East and Gulf regions last week.



Unplanned maintenance at several refiners should lead to lower gasoline supply and above average stock draws during the next 60-days, draw down the high levels East of the Rockies.



Distillate stock levels are sharply higher than the last 3-yr in the key Gulf region, driven by production +3% above last year, and weak exports.



Crude oil stocks in Cushing now exceed prior highs.

Wholesale Demand for gasoline and distillate each decreased for the 2nd consecutive week.

Wholesale demand, measured over the last four weeks compared to a year ago: gasoline increased +2.8%, distillate increased +13%, jet fuel was +10% higher, while residual fuel decreased -42%.

Stocks forward coverage: Gasoline demand coverage increased on a further decrease in wholesale demand and stocks that were nearly unchanged. Coverage ended the week at a level above the 3-yr mid range.

Distillate demand coverage increased on a +2.5 million barrel stock build and sharply lower weekly demand. 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 -1.6 million barrel stock draw and very high demand.

Residual fuel oil coverage remains at record highs on a -0.1 million barrel stock build and very low demand.

Refinery utilization rates increased on a +187,000 bpd increase in crude oil runs last week. During the latest 4-wk period crude oil input was +106,000 bpd above last year.

Gasoline yield % on crude oil runs fell last week on a -357,000 bpd decrease in output compared to the +187,000 increase in crude oil runs. Gasoline yield % on crude oil runs ended the week at a level equal to historic lows.

Distillate yield % on crude oil runs increased on a +155,000 bpd rise in output compared to the increase in crude oil runs. The yield % on crude oil runs was above the historic range.

Jet fuel yield % on crude oil runs fell last week on a -13,000 bpd decline in output compared the increase in crude oil runs. The yield % on crude oil runs matched 5-yr lows.

Petroleum Imports/Exports: Imports of distillate were higher last week, with crude oil, gasoline and jet lower.

During the latest 4-wk period crude oil imports decreased -0.1 million bpd compared to a year ago; distillate imports were +35,000 bpd higher; finished gasoline imports were +12,000 bpd higher; gasoline blend stock imports were +231,000 bpd higher, jet fuel imports increased +48,000 bpd, and residual fuel imports were unchanged.

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 +4.5 million barrels on the week, including significant builds in the Midwest and Gulf regions.

Stocks in Cushing increased +2.3 million barrels on the week, to a level above 2013 highs. Even with storage capacity increases, risk is very high stocks will reach capacity limits during the next quarter.

¹ Source is latest EIA Weekly Statistics



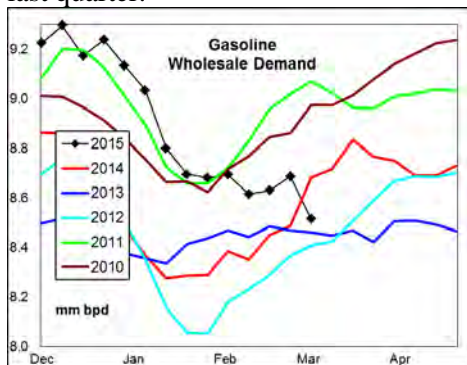
WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

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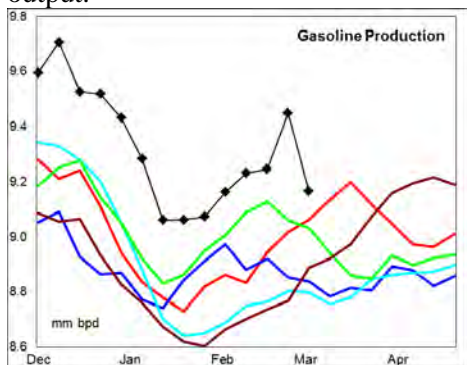
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Product Supply-Demand Trends

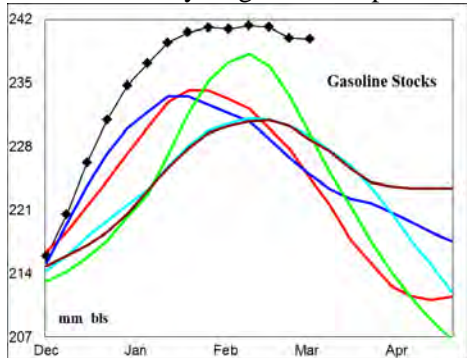
Gasoline wholesale demand fell -0.1 million bpd last week to a level near the 3-yr mid range. Wholesale demand has dropped to the lowest level of the last quarter.



Supply fell -0.5 million bpd on the week. Supply for the latest 4-wk period exceeded a year ago by +458,000 bpd on higher refinery output.



Stocks were nearly unchanged last week, including significant increases in the East and Gulf regions, where stocks are at 5-yr highs for the period.

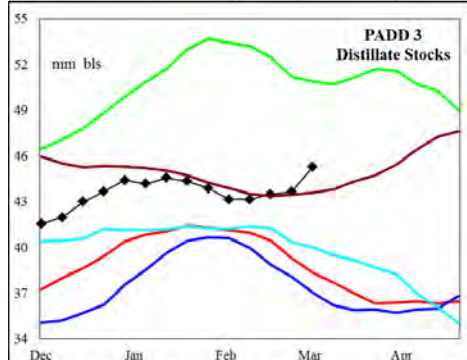
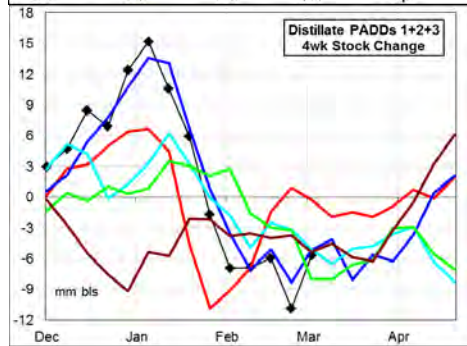
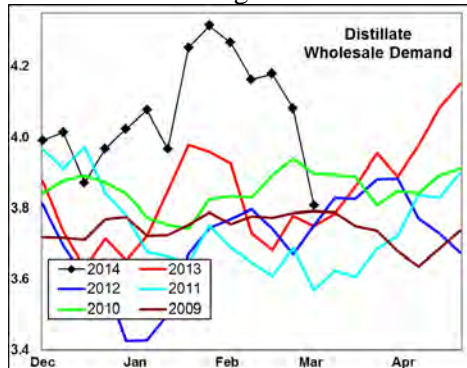


Recent unplanned & planned maintenance should lead to a sharp drop in supply during the next month, offsetting extremely high stocks in most markets other than the west Coast.

Distillate wholesale demand fell -

295,000 bpd on the week, the result of improved weather conditions on the East Coast and weak exports. The latest 4-wk average wholesale demand was +465,000 bpd above last year.

Supply increased +312,000 bpd on higher production and imports. Stocks increased +2.5 million barrels on the week, including a +2.1 million barrel build in the Gulf region.

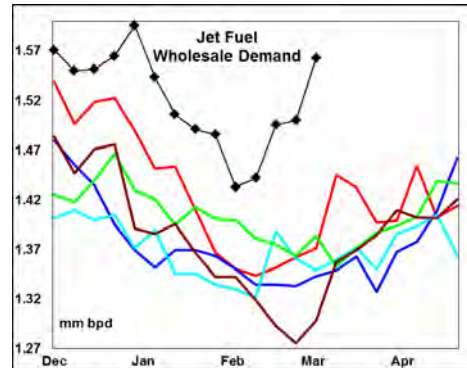


A spike in imports, return to operation of local refiners and an end to peak winter demand has led to improved supplies on the East Coast.

Stocks in the key Gulf region are +16% above a year ago, pointing to weak exports and potential over supply during the next quarter.

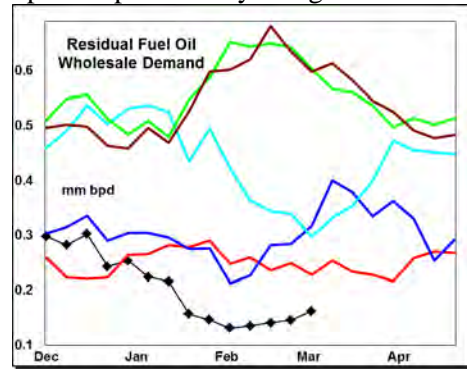
Jet Fuel wholesale demand increased +35,000 bpd last week, to a level sharply above the 5-yr range. The latest 4-wk average demand was up +143,000 bpd over a year ago.

Supply declined -105,000 bpd on lower imports and production. Stocks decreased -1.6 million barrels on the week, to a level near last year's record lows.



Look for wholesale demand to see robust year-on-year gains going forward, partially offset by high imports. Look for stock levels to remain near record lows in most regions.

Residual fuel oil demand was nearly unchanged last week. Demand for the latest 4-wk period decreased -102,000 bpd compared to a year ago.



Supply (production + imports) fell -233,000 bpd on the week, due to lower imports and production. Stocks decreased -0.1 million barrels, a level near the average of the last 2-yr.

Stocks increased to a 5-yr high last week in the Gulf. Wholesale demand remains nearly -50% below last year in this key region.



WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

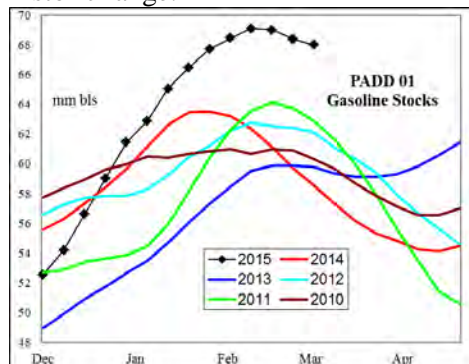
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PADD Supply Trends

PADD 1 refinery crude oil runs jumped +258,000 bpd as refiners returned to operation following weather related crude oil run cuts. The latest 4-wk average thru put was -75,000 bpd below last year.

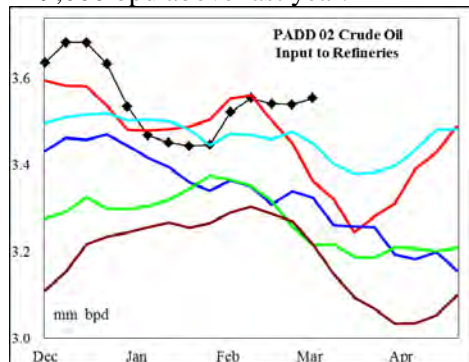
Gasoline supply fell -209,000 bpd on the week, with the 4-wk average +148,000 bpd above last year. Stocks increased +0.4 million barrels last week, and remain well above the historic range.



Distillate supply increased +249,000 bpd last week, on a record level of imports and a rebound in production. Stocks increased +0.3 million barrels, to a level that matched last years' record lows.

Jet fuel supply fell -91,000 bpd a sharp drop in imports. Stocks decreased -0.5 million barrels on the week, to a level below four of the last 5-yrs.

PADD 2 crude oil refinery runs increased +45,000 bpd on the week, to a level above historic highs for the period. The latest 4-wk average was +49,000 bpd above last year.



Crude oil stocks increased +1.6 million barrels last week, to a new record high

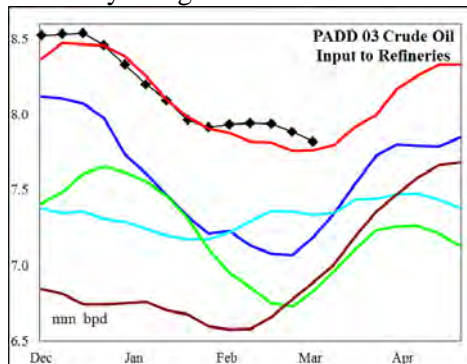
level. Cushing saw a +2.3 million barrel stock build on the week. Cushing stock levels are now above the previous record high set in 2013.

Gasoline supply decreased -14,000 bpd on the week. Production for the most recent 4-wk period was +41,000 bpd above a year ago. Stocks were nearly unchanged on the week, at a level equal to the 3-yr mid range.

Distillate supply increased +26,000 bpd on the week, with the level above the historic range. Stocks were nearly unchanged on the week, at a level well above the last 2-yrs.

Jet fuel stocks fell to fresh 5-yr lows for this time of year, driven by robust wholesale demand.

PADD 3 refinery runs decreased -88,000 bpd on the week, to a level slightly above last year. During the latest 4-wk period, runs were +143,000 above a year ago.



Crude oil stocks increased +2.5 million barrels last week, even with a -251,000 bpd drop in imports. Crude oil stocks are now +34 million barrels (+18%) above the prior high for the period.

Gasoline supply increased +71,000 bpd last week, with the latest 4-wk average +133,000 bpd above a year ago. Stocks increased +0.7 million barrels on the week, to a record high level for this time of year.

Distillate supply increased +30,000 bpd on the week, with the latest 4-wk average supply +60,000 bpd above a year ago. Stocks increased +2.1 million barrels on the week, to a level +17% above last year.

Jet fuel production decreased -37,000 bpd on the week, with the level

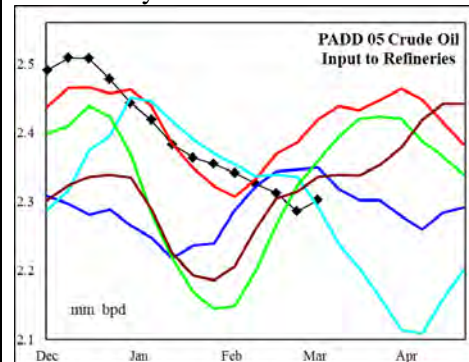
+20,000 bpd above last year for the latest 4-wk period. Stocks decreased -0.3 million barrels on the week, to a level below the 3-yr mid range.

PADD 4 refinery crude runs decreased -31,000 bpd last week, with the level still above the historic range. The latest 4-wk average was +87,000 bpd above a year ago.

Gasoline production declined -28,000 bpd last week, to match the 3-yr mid range. The latest 4-wk average production was +26,000 bpd above a year ago. Stock levels ended the week +20% above last year and a 5-yr high.


Distillate supply increased +7,000 bpd last week, with the latest 4-wk average production +54,000 above last year. Stock levels ended the week above the 5-yr range.

PADD 5 crude oil refinery runs increased +4,000 bpd on the week, to a level near historic lows for the period. The 4-wk run rate was -97,000 bpd below last year.

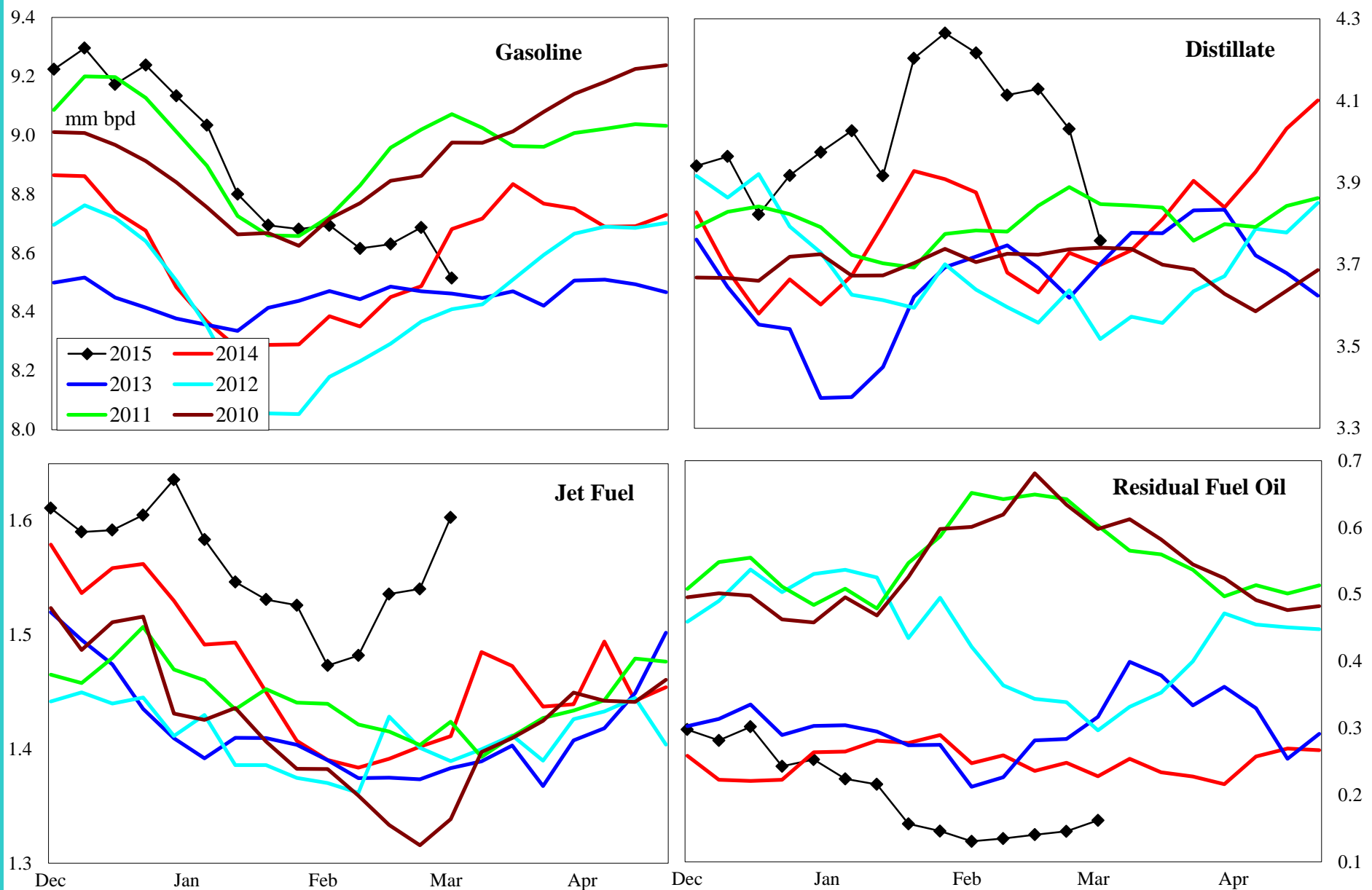


Gasoline supply was nearly unchanged on the week, with the latest 4-wk average +22,000 bpd above last year. Stocks decreased -0.9 million barrels on the week, ending at a level below the 5-yr range. Significant refinery upsets and fire at the ExxonMobil plant has kept cash basis above the historic range.

Distillate supply was unchanged on the week, with imports at a record high for the season. The 4-wk average supply +27,000 bpd above a year ago, driven by a +40,000 bpd increase in imports. Stock levels ended the week +9% above the 5-yr range for this time of year.

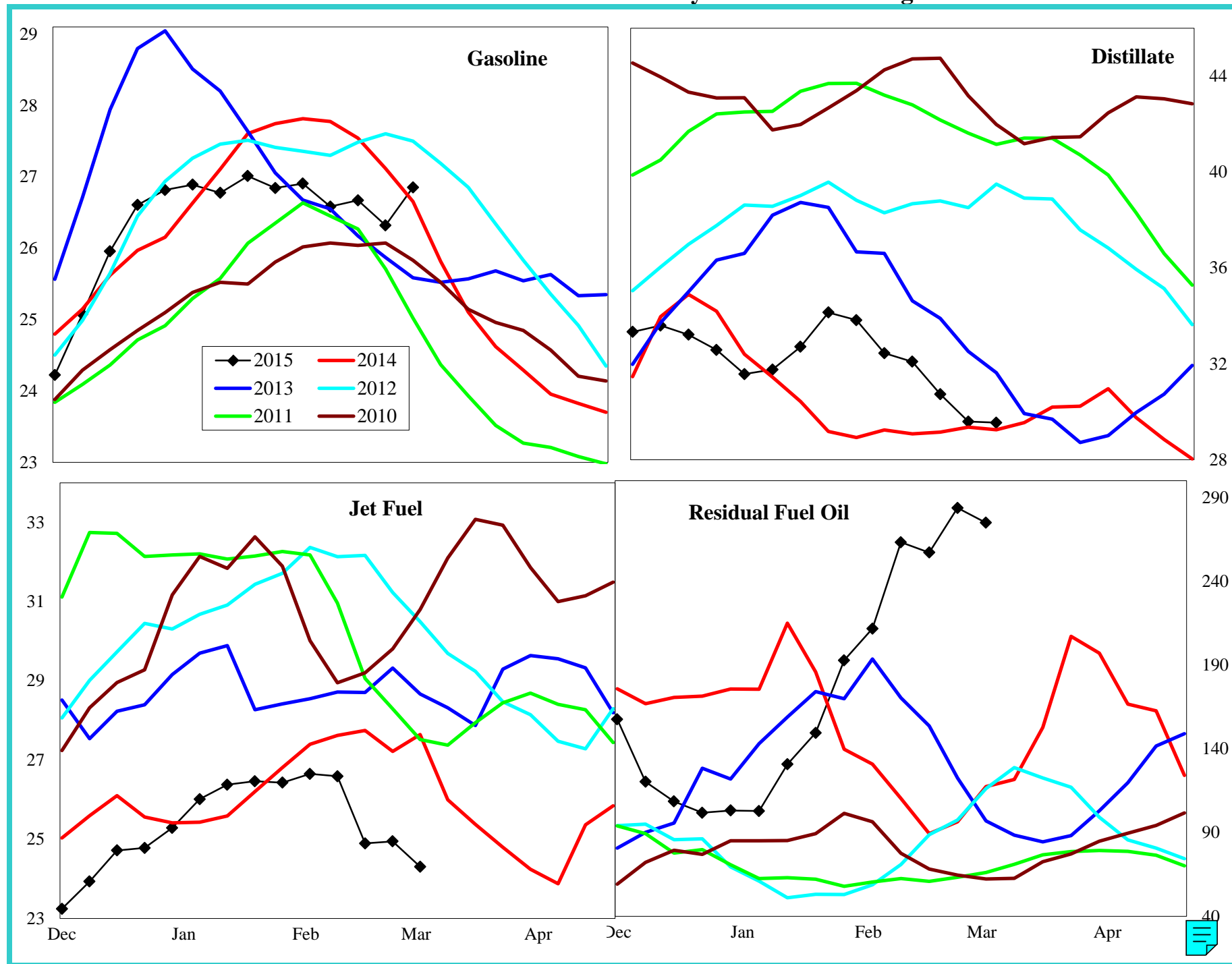
 FUNDAMENTAL PETROLEUM TRENDS		CHARTS: Graph Link and Weekly Summary					
		A Fundamental Petroleum Trends Weekly Report				March 11, 2015	
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Fundamental Trends	Wholesale Demand	Stocks Days Fwd Coverage	Refinery Utilization Product Yield %			Imports	
Supply/Demand Trends	6-Mar-15	EIA-DOE CHANGE FROM PRIOR WEEK					
	000 bpd stocks 000 bls	U. S. Total	PADD				
			1	2	3	4	5
Crude Oil	Stocks	4,512	-421	1,626	2,540	228	539
	Imports	-575	44	34	-251	44	-445
	Input	187	258	45	-88	-31	4
	% Utilization	1.20					
Gasoline	Stocks	-187	432	-101	684	-331	-870
	Production	-357	-94	-10	71	-28	-16
	Imports	-104	-115	-4	0	0	14
	Supplied	-115					
Distillate	Stocks	2,527	320	-119	2,134	158	35
	Production	155	94	25	30	8	-2
	Imports	157	155	1	0	-1	1
	Supplied	-295					
Jet Fuel	Stocks	-1,596	-472	-315	-308	46	-546
	Production	-13	33	-6	-37	-1	-2
	Imports	-92	-124	0	0	0	32
	Supplied	35					
Residual Fuel Oil	Stocks	-96	642	-54	264	-24	-925
	Production	-19	10	-13	-48	0	33
	Imports	-214	-104	0	-90	0	-21
	Supplied	17					
Propane	Stocks	-1,326	-262	-2,465	1,521	-120	
	Propylene stk	56					
	Production	17	32	-3	-1	-11	
	Imports	-58	-7	-50	-1	0	
	Supplied	-447					

United States Wholesale Petroleum Demand

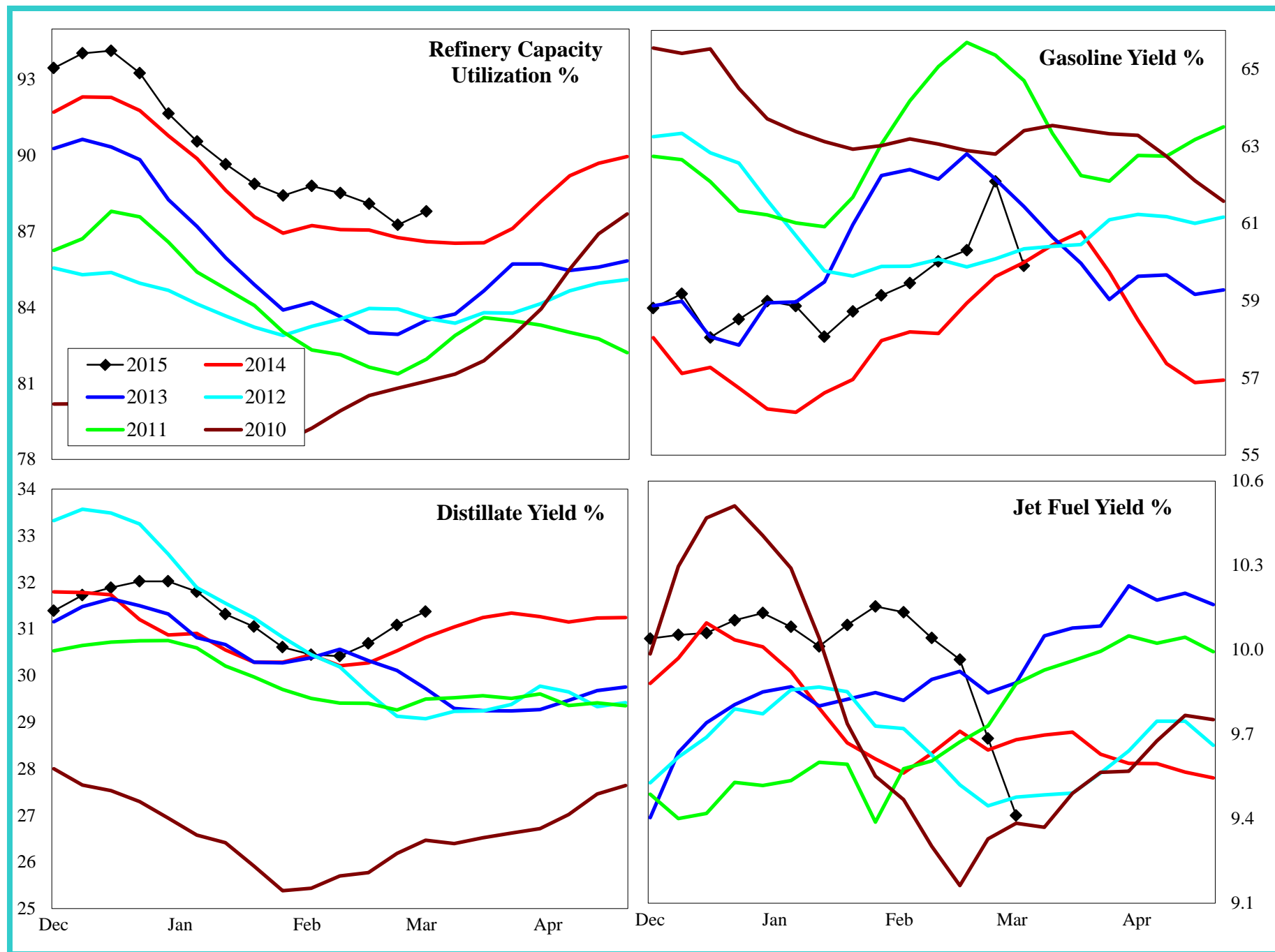


	000 bpd change from prior year				% change from prior year			
	4wk avg	Jan	Jan	Nov	4wk avg	Jan	Dec	Nov
Gasoline	236	592	654	183	2.8	7.2	7.5	2.1
Distillate	465	-92	-40	16	12.8	-2.2	-1.0	0.4
Jet Fuel	143	130	129	67	10.5	9.5	9.0	4.7
Resid	-102	-105	38	-17	-41.6	-39.0	17.4	-5.2

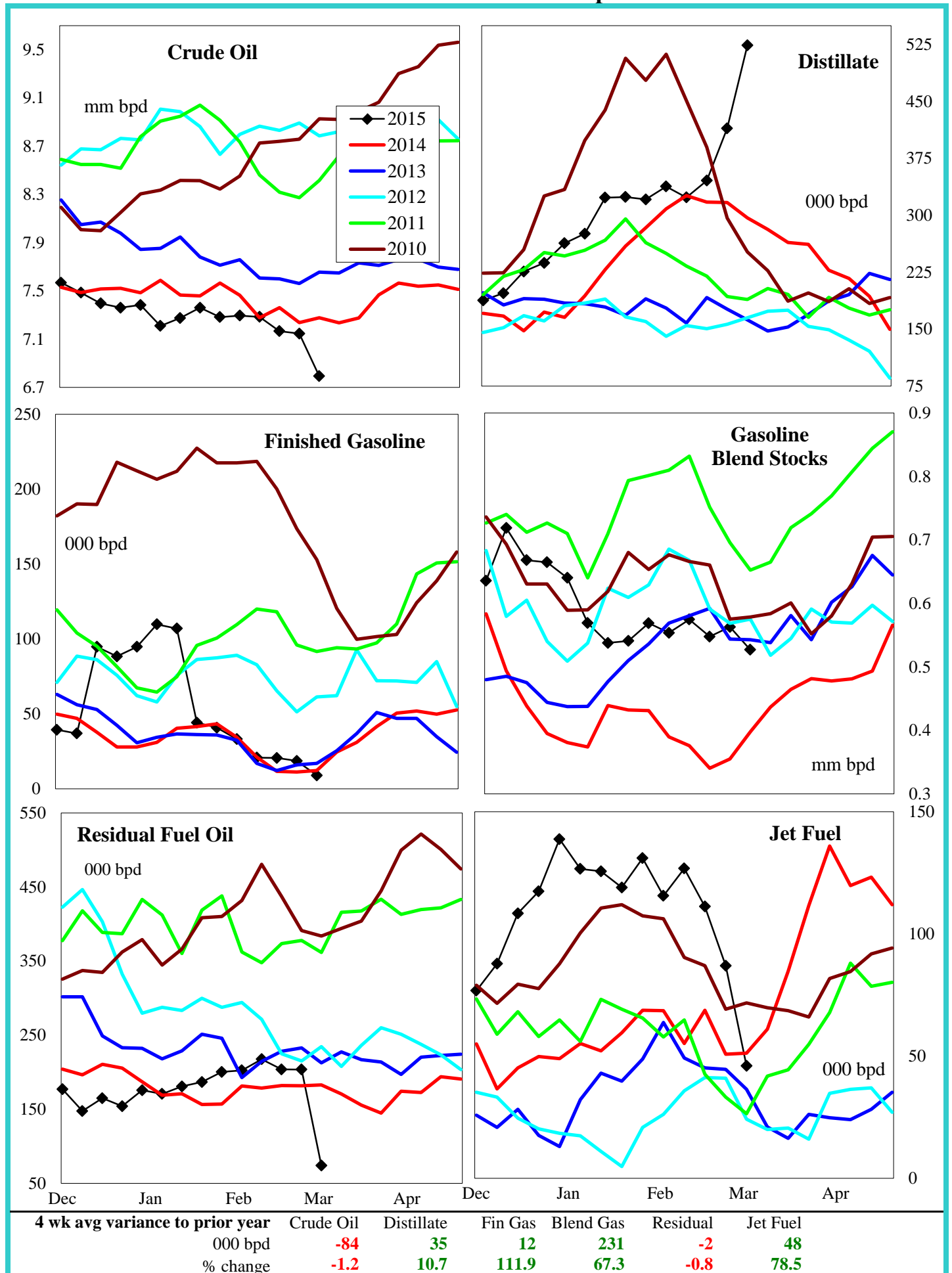


United States Product Stocks: Days Forward Coverage

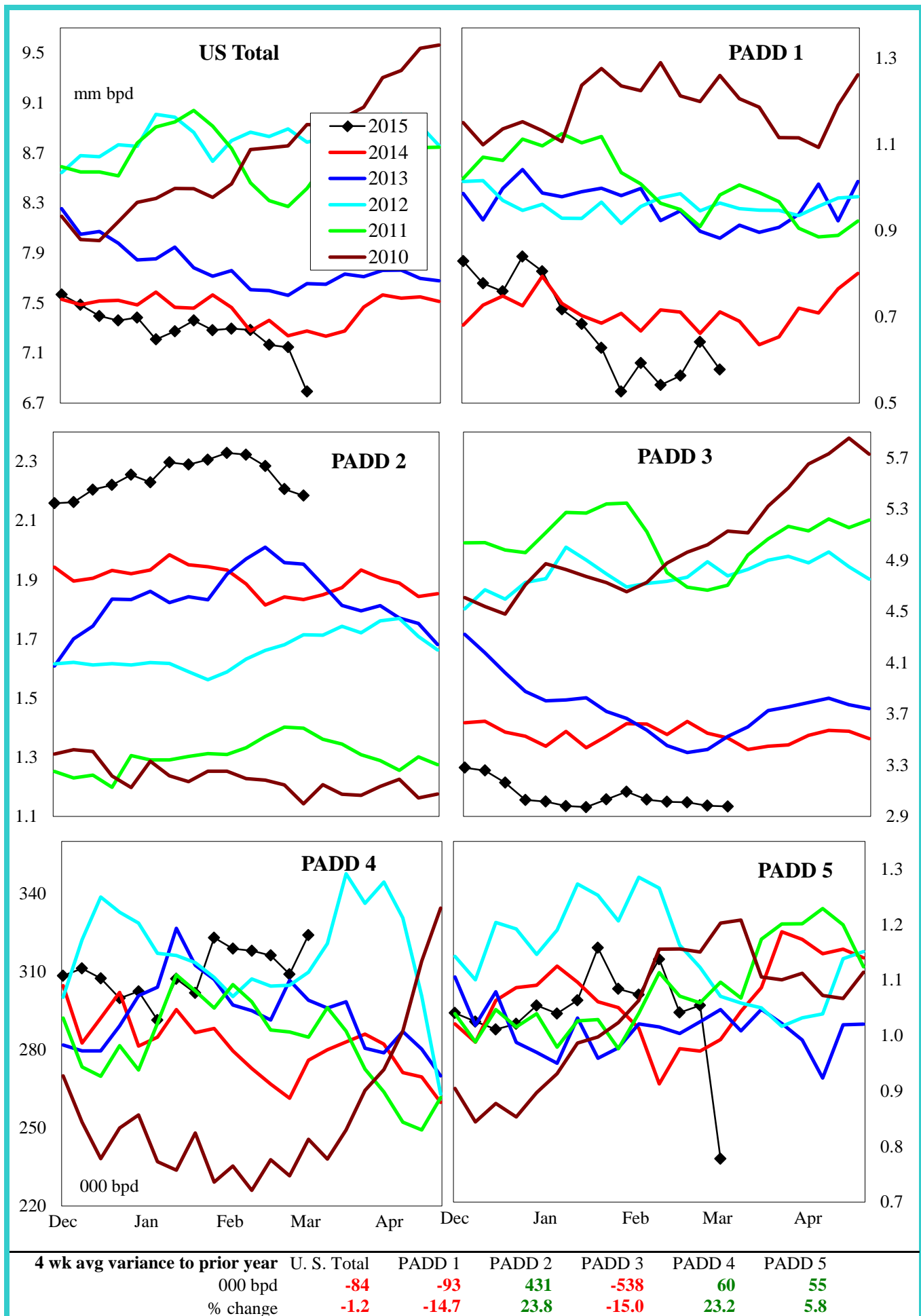
United States Refinery Percent Utilization Rate and Product Yields



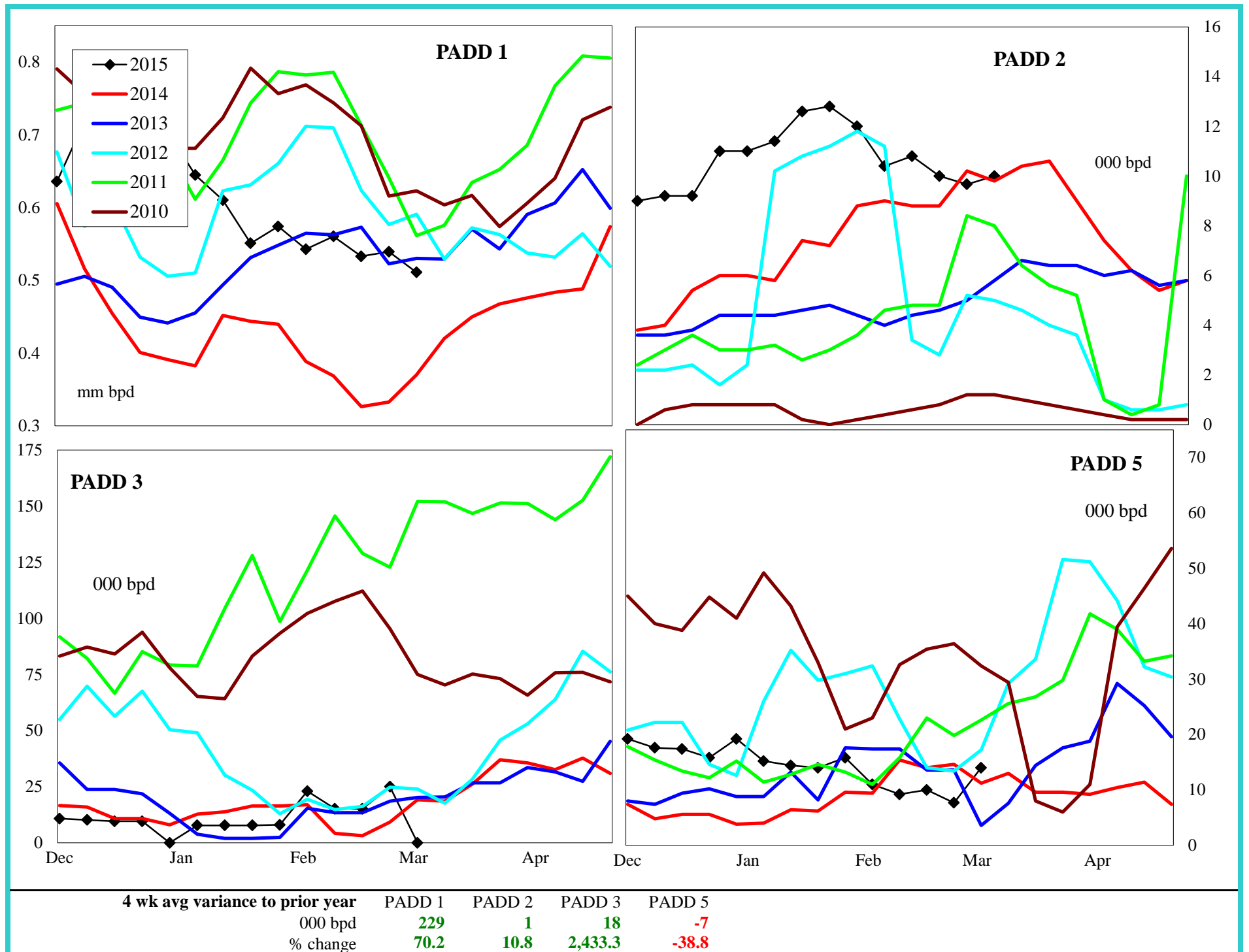
United States Petroleum Imports



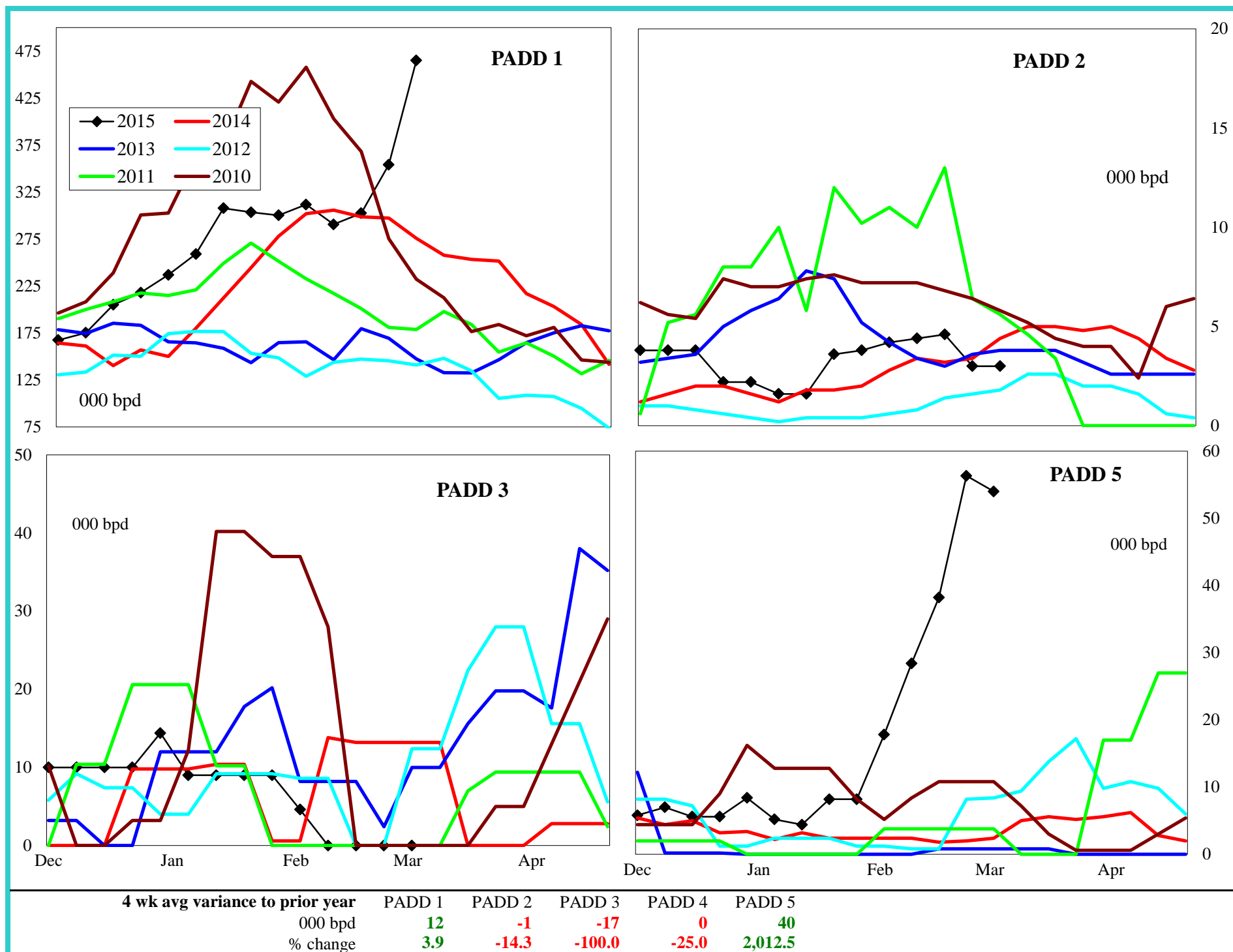
Crude Oil Imports by PADD



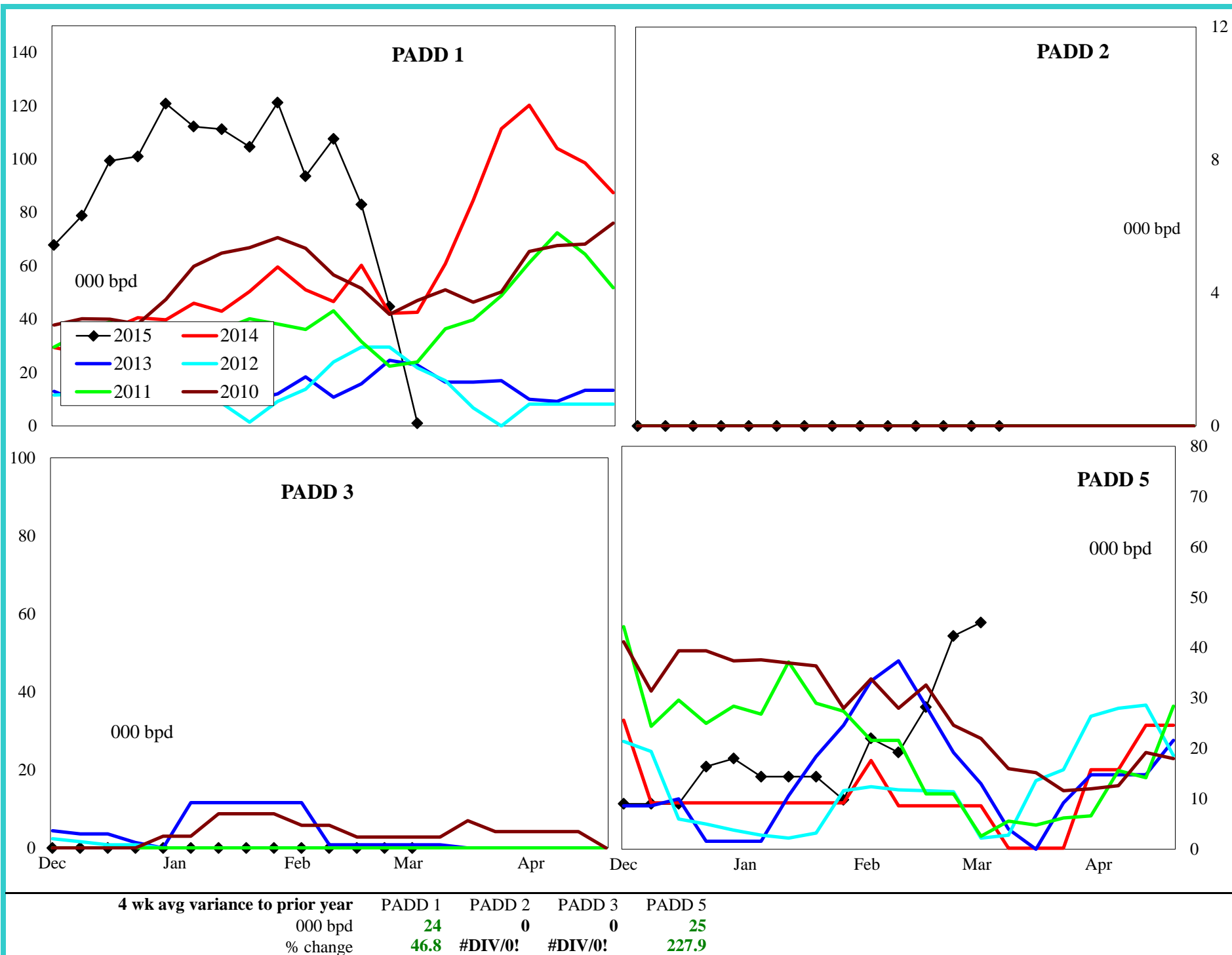
Gasoline Imports by PADD (Finished + Blend Stocks)



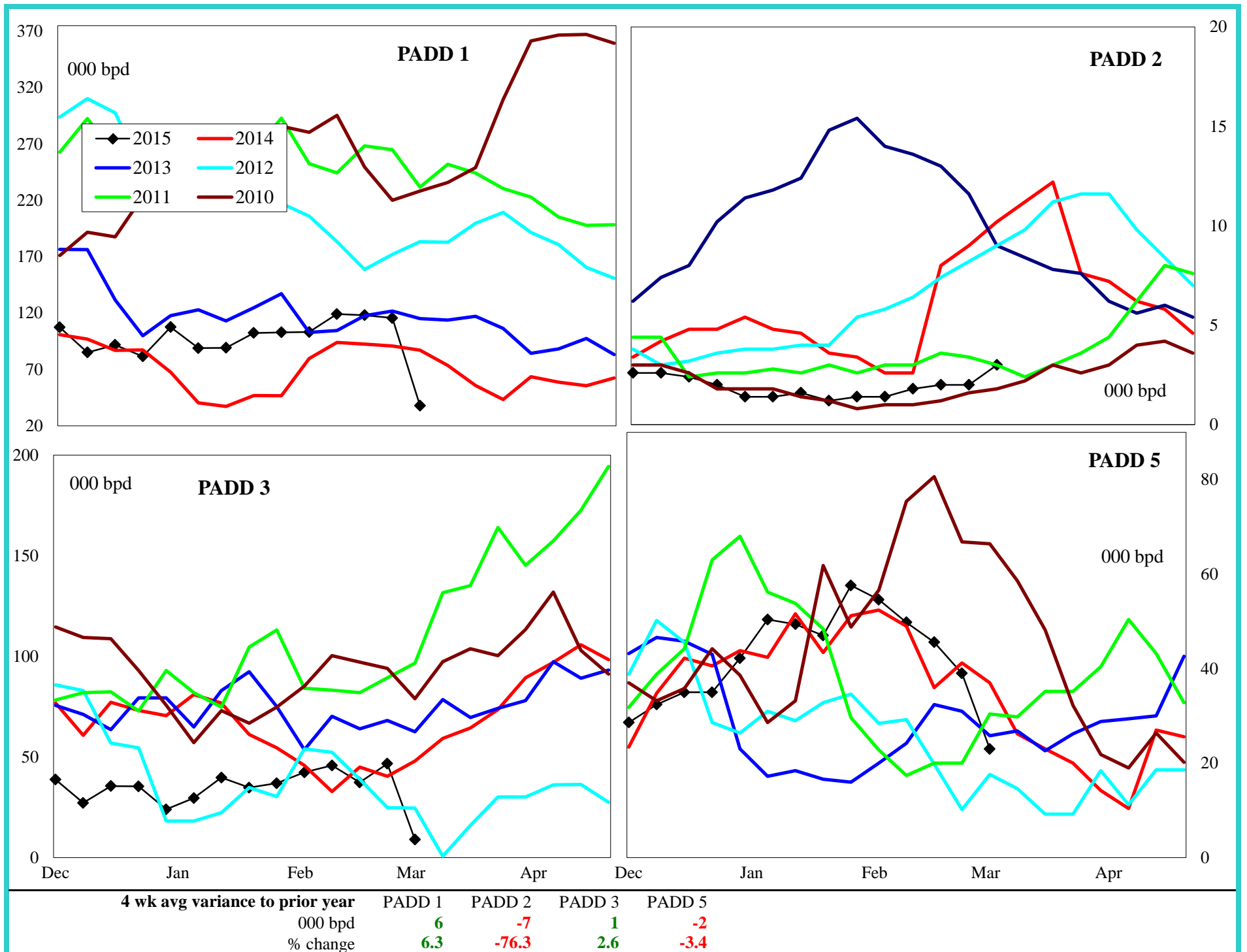
Distillate Imports by PADD



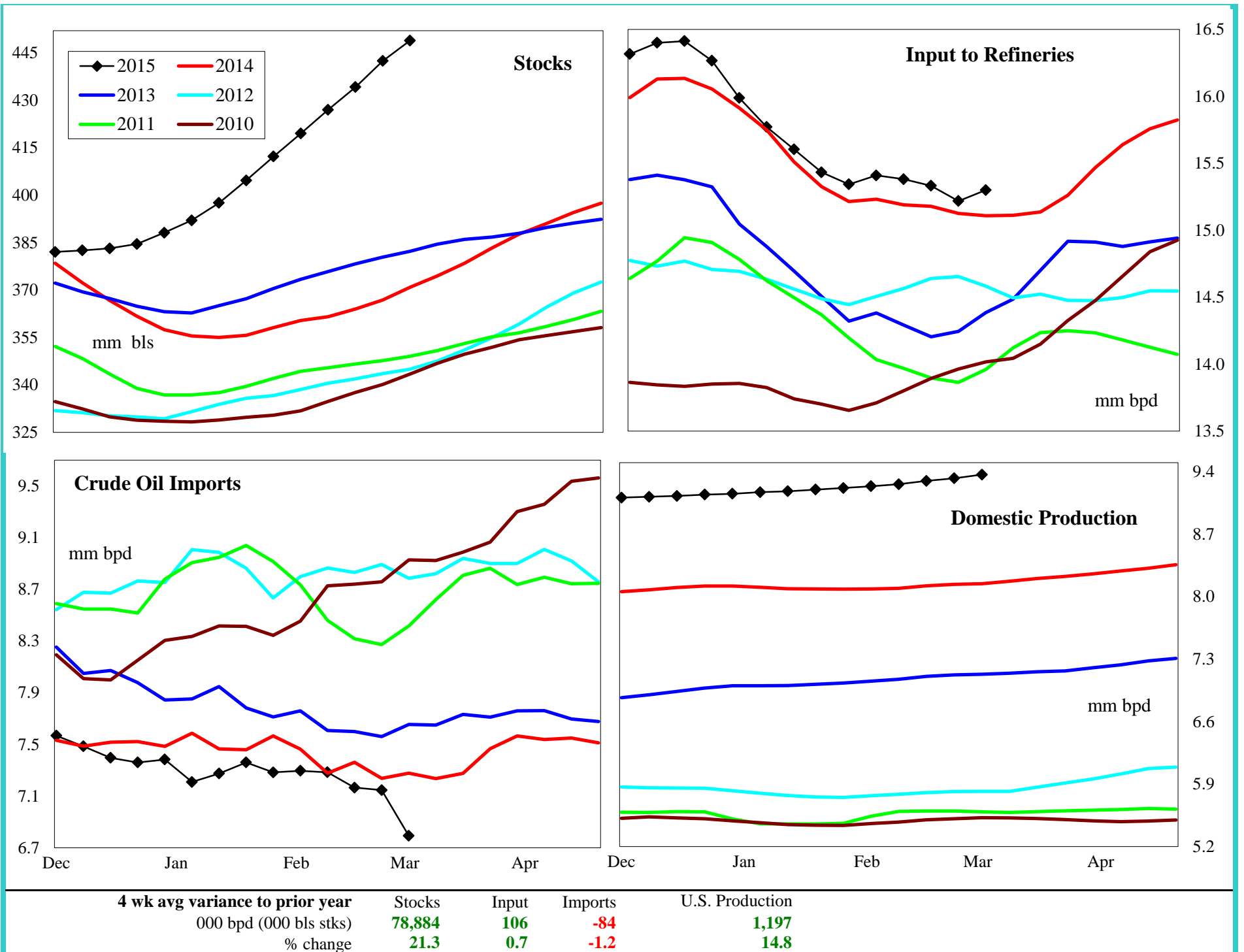
Jet Fuel Imports by PADD



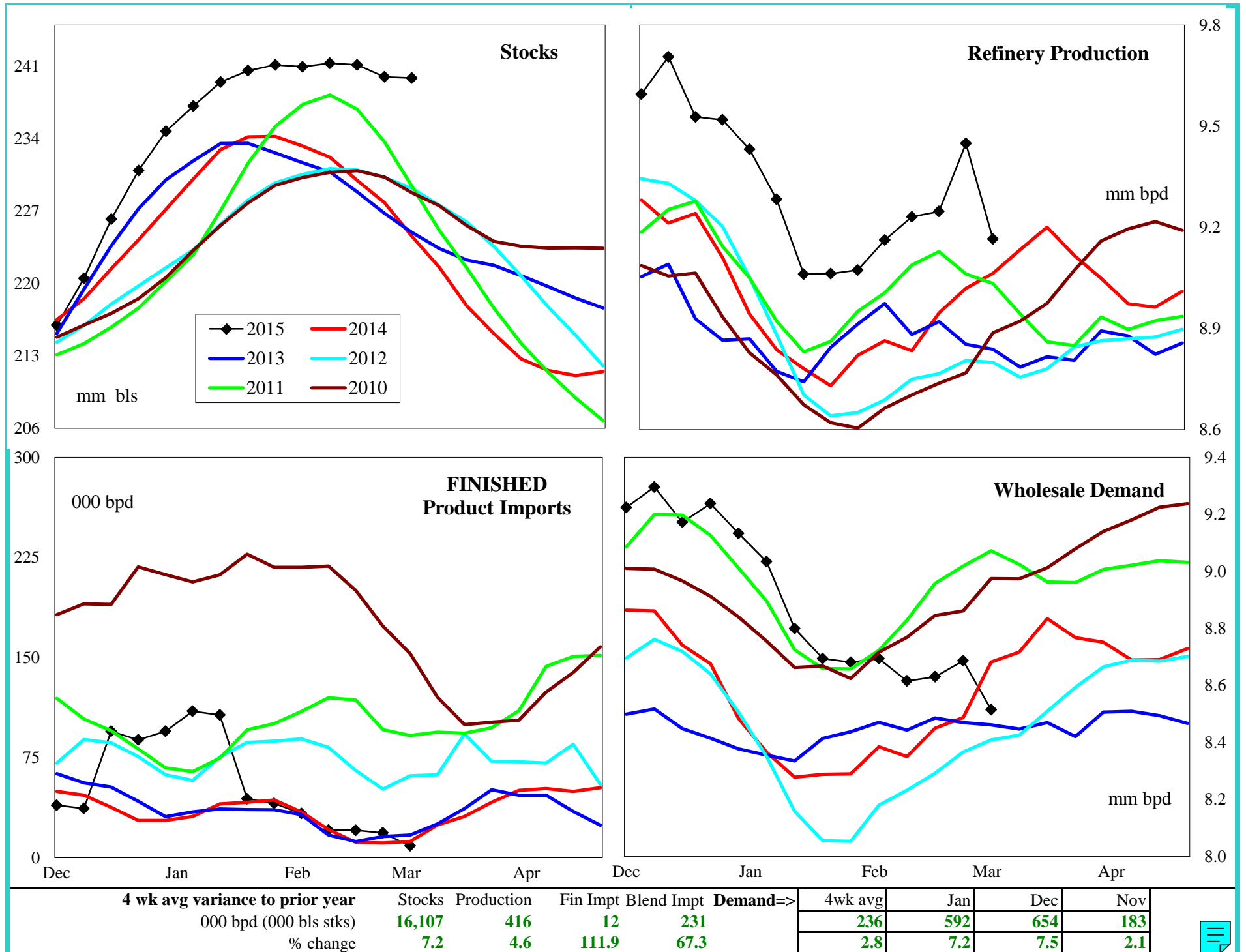
Residual Fuel Oil Imports by PADD



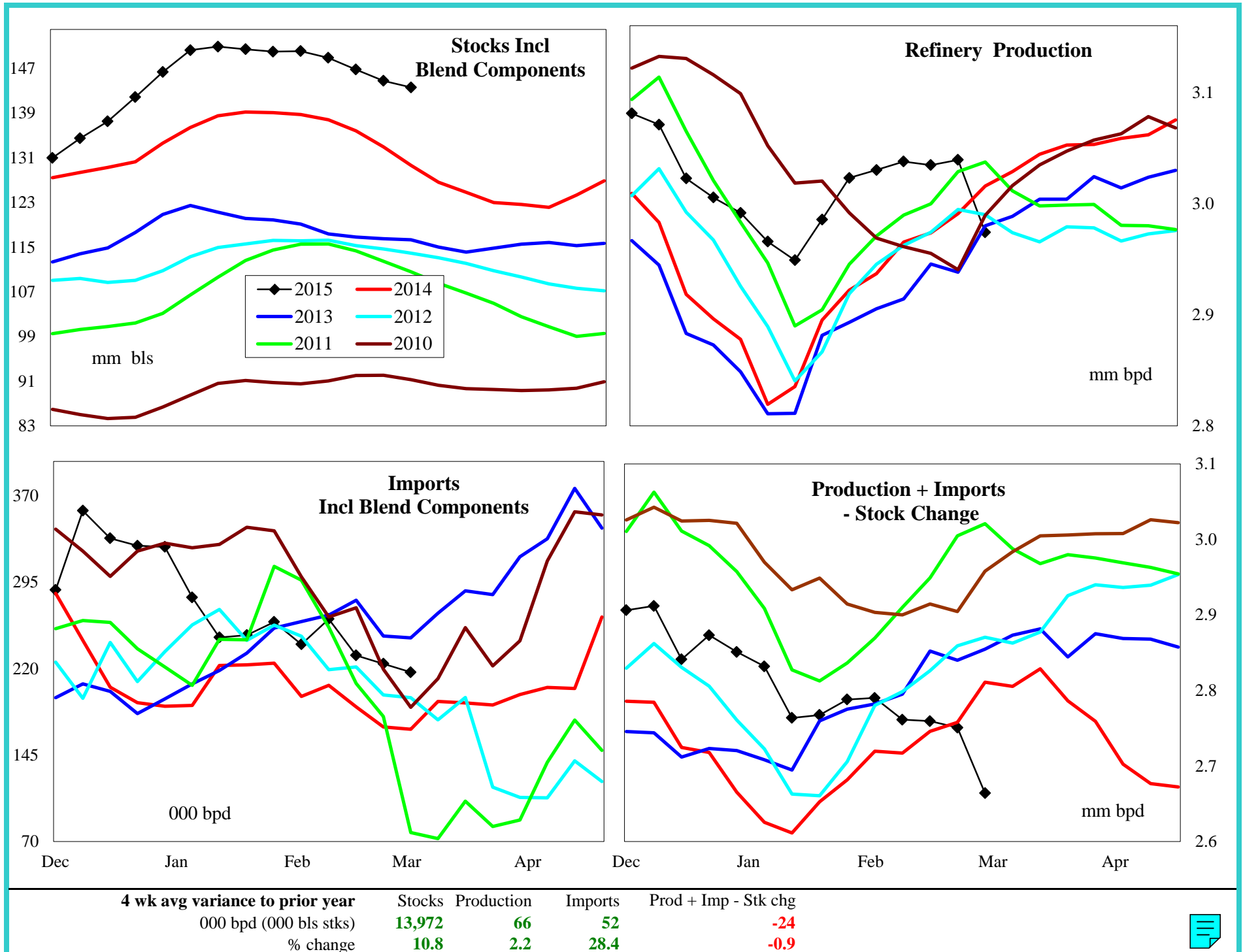
United States Crude Oil Supply and Demand Balance



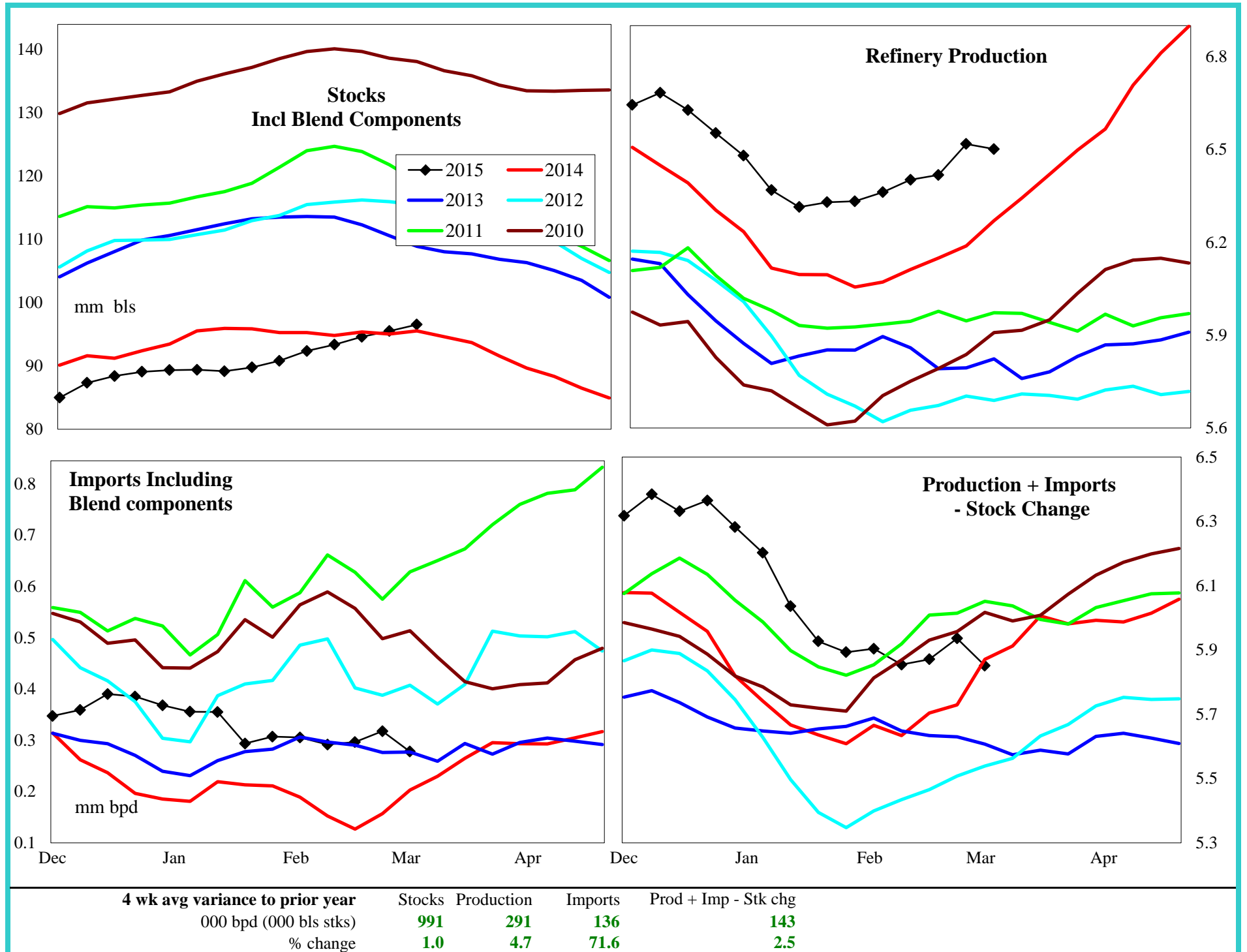
United States Gasoline Supply and Demand Balance



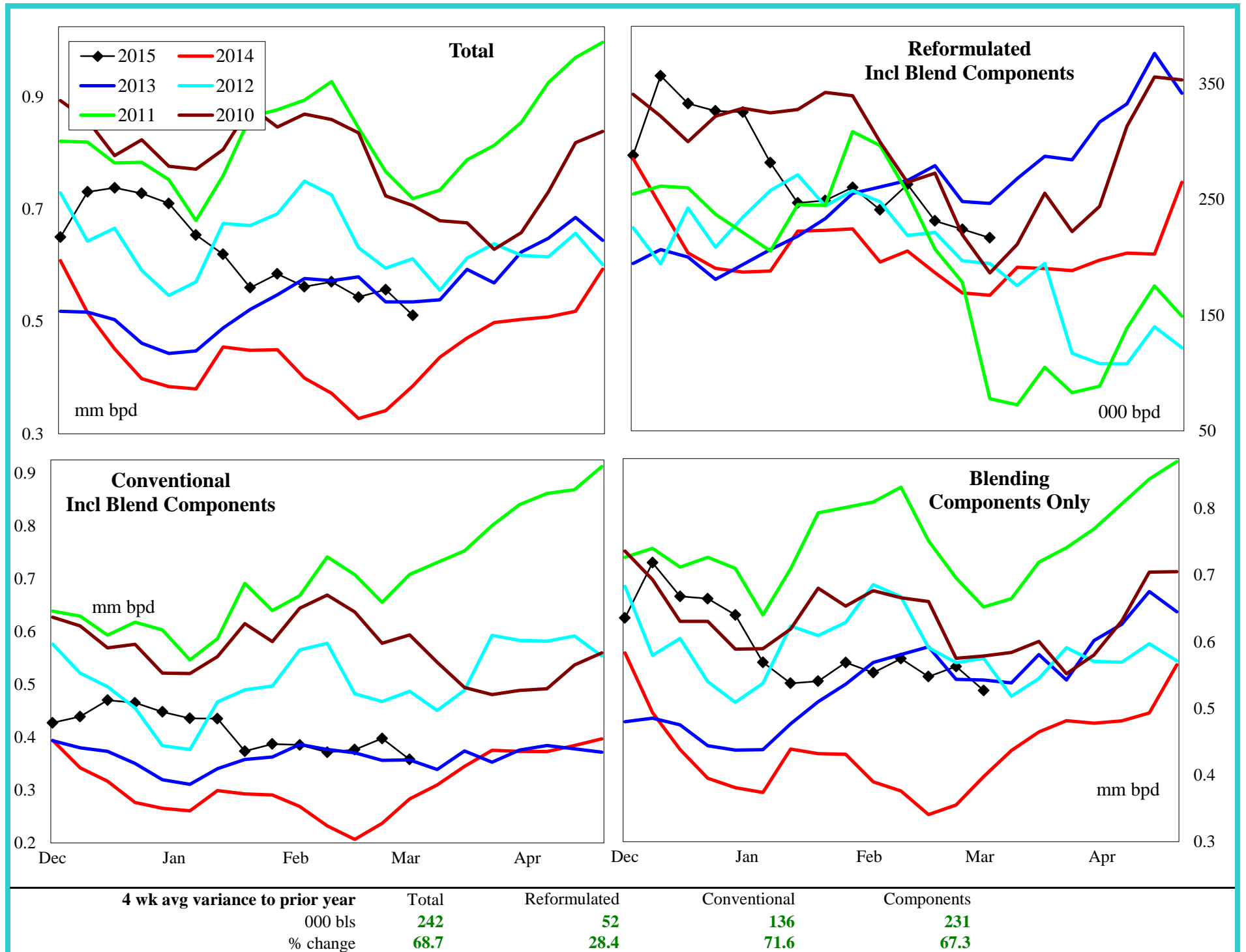
United States Reformulated Gasoline Supply



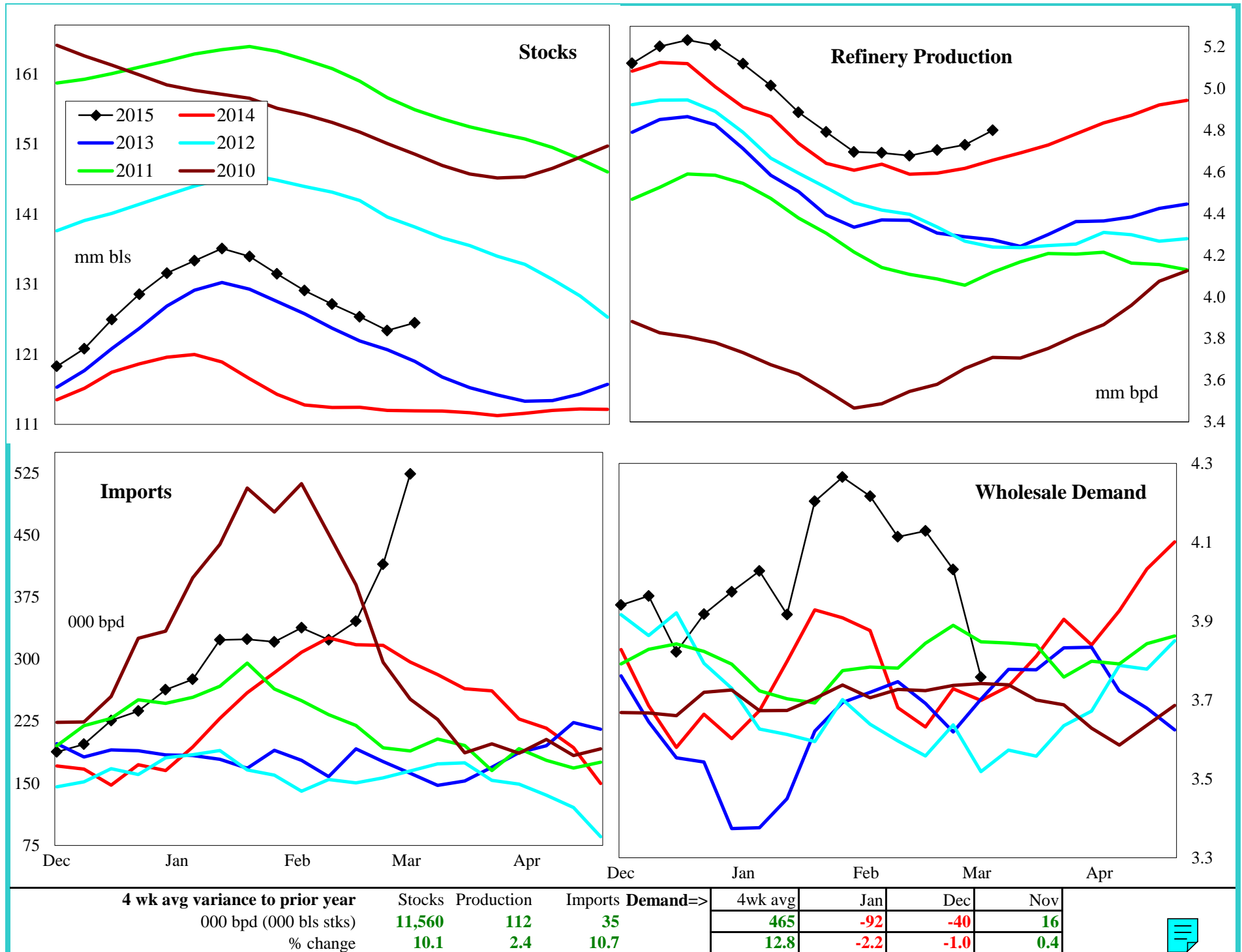
United States Conventional Gasoline Supply



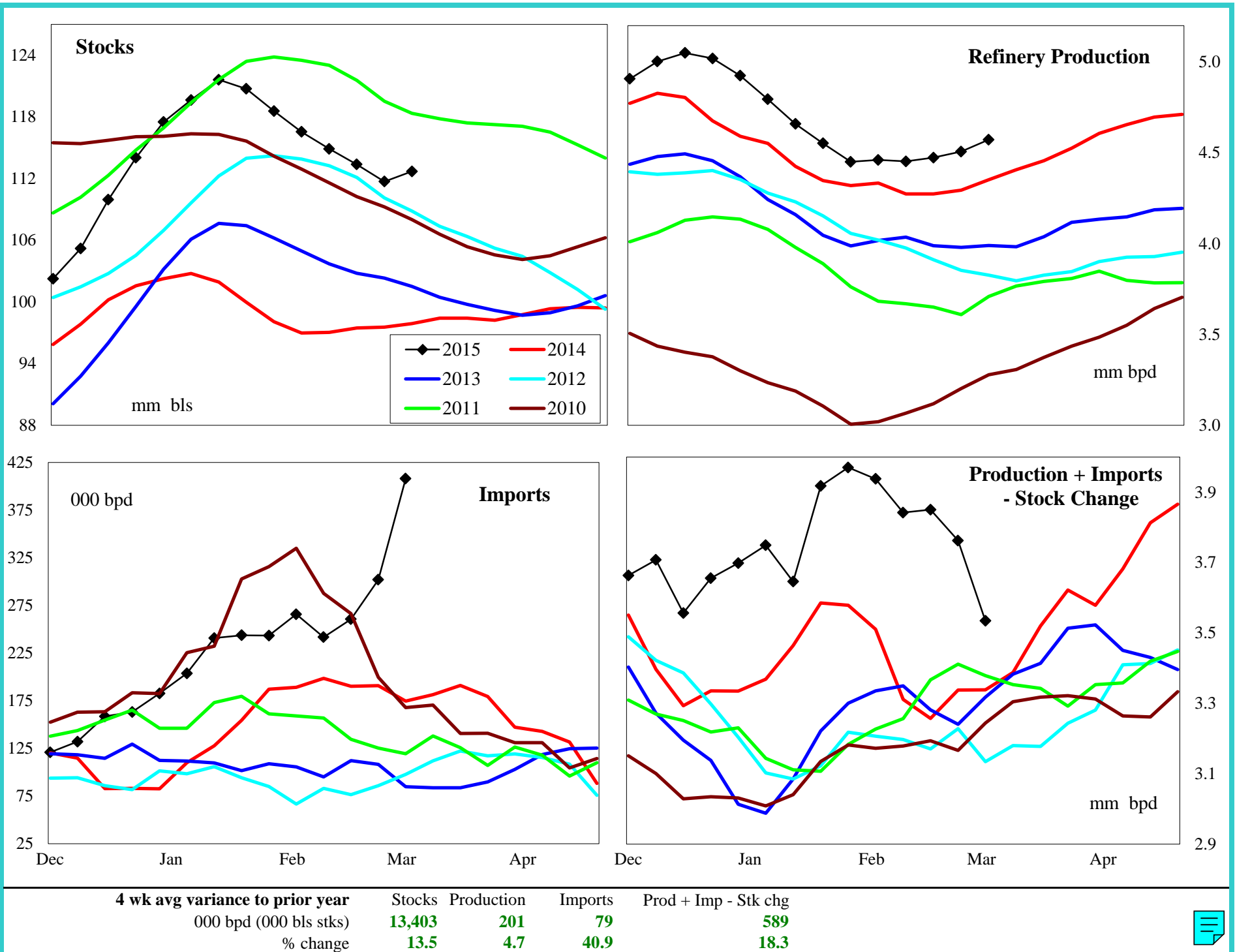
United States Gasoline Imports by Type



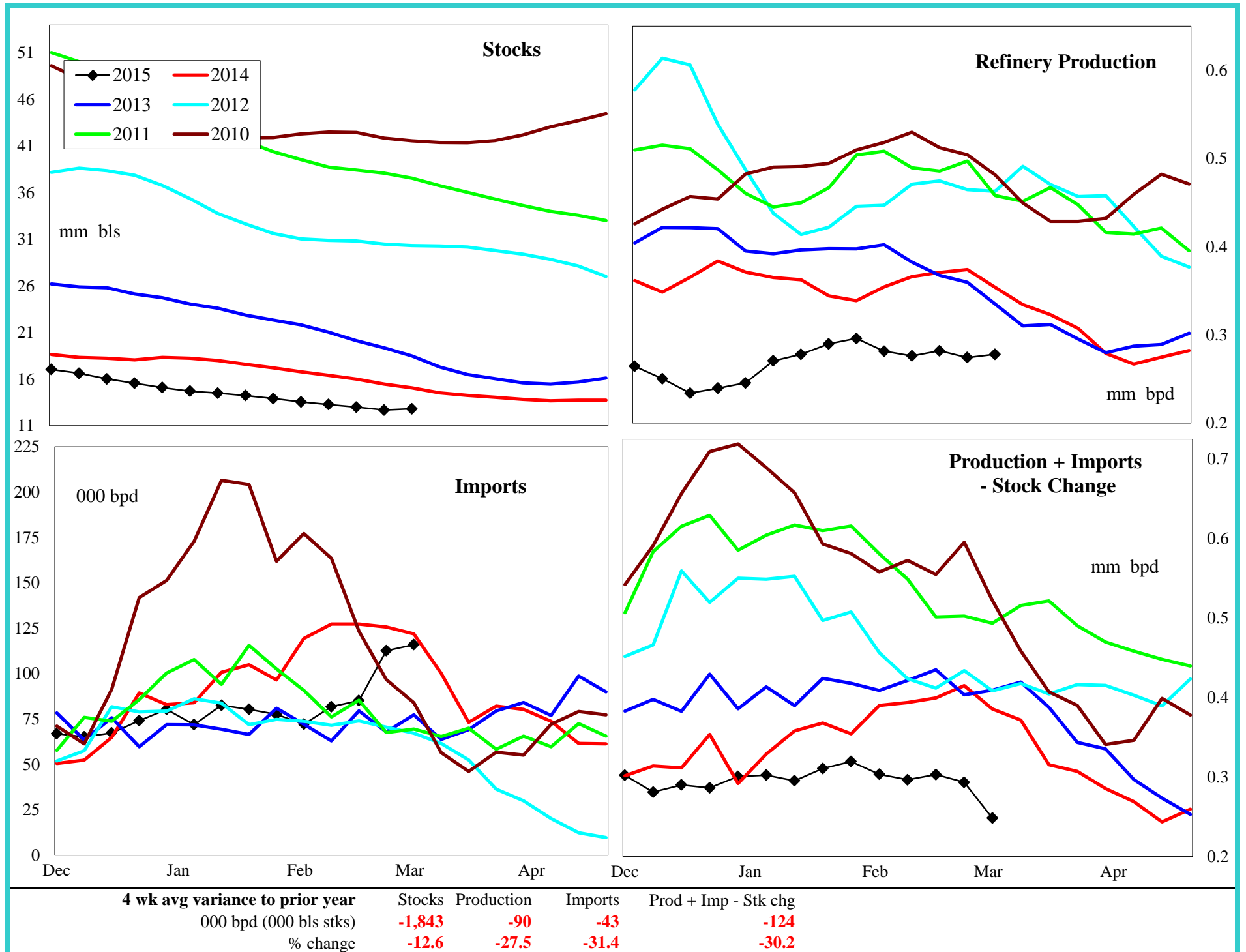
United States Distillate Supply and Demand Balance



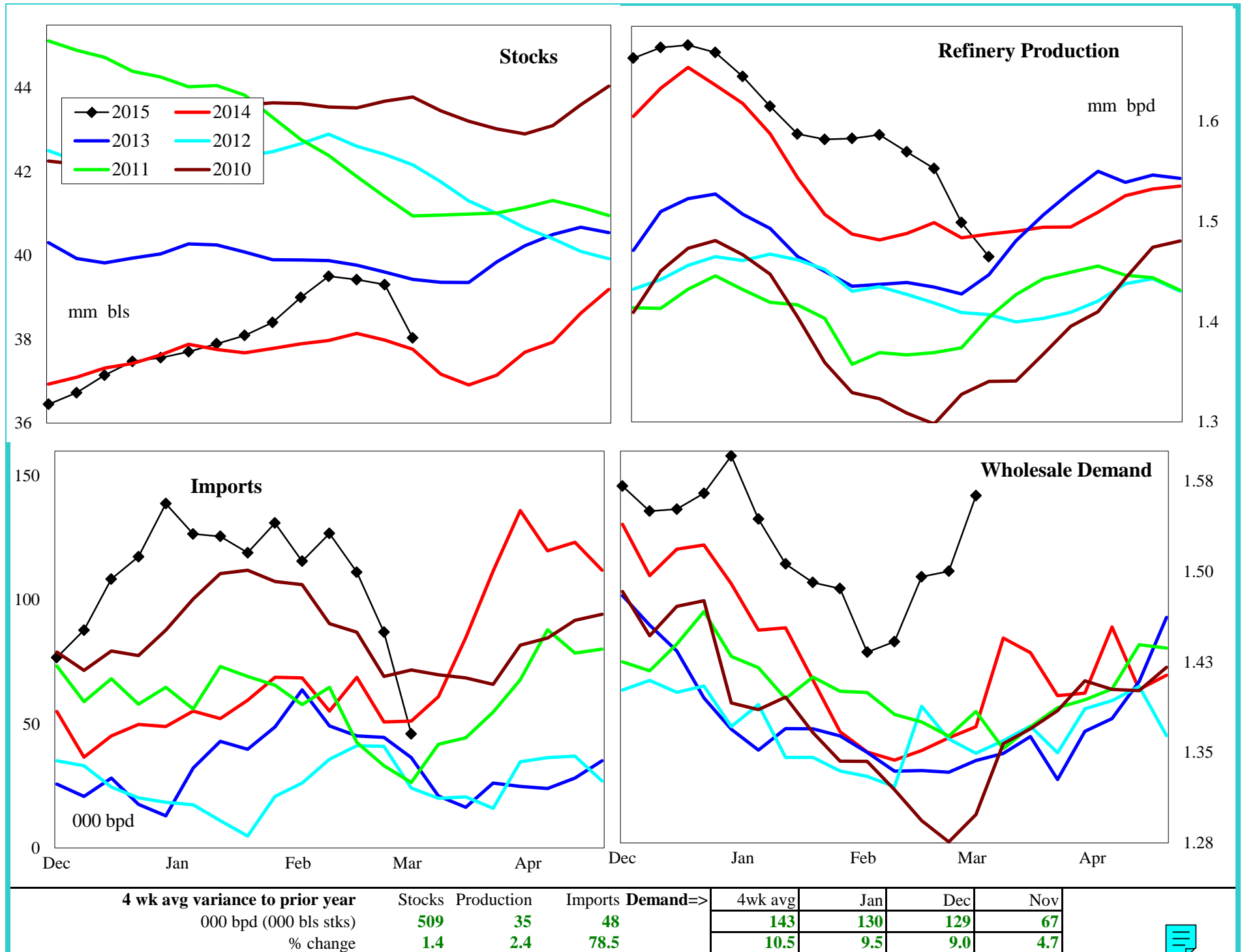
United States Low Sulfur Distillate Supply



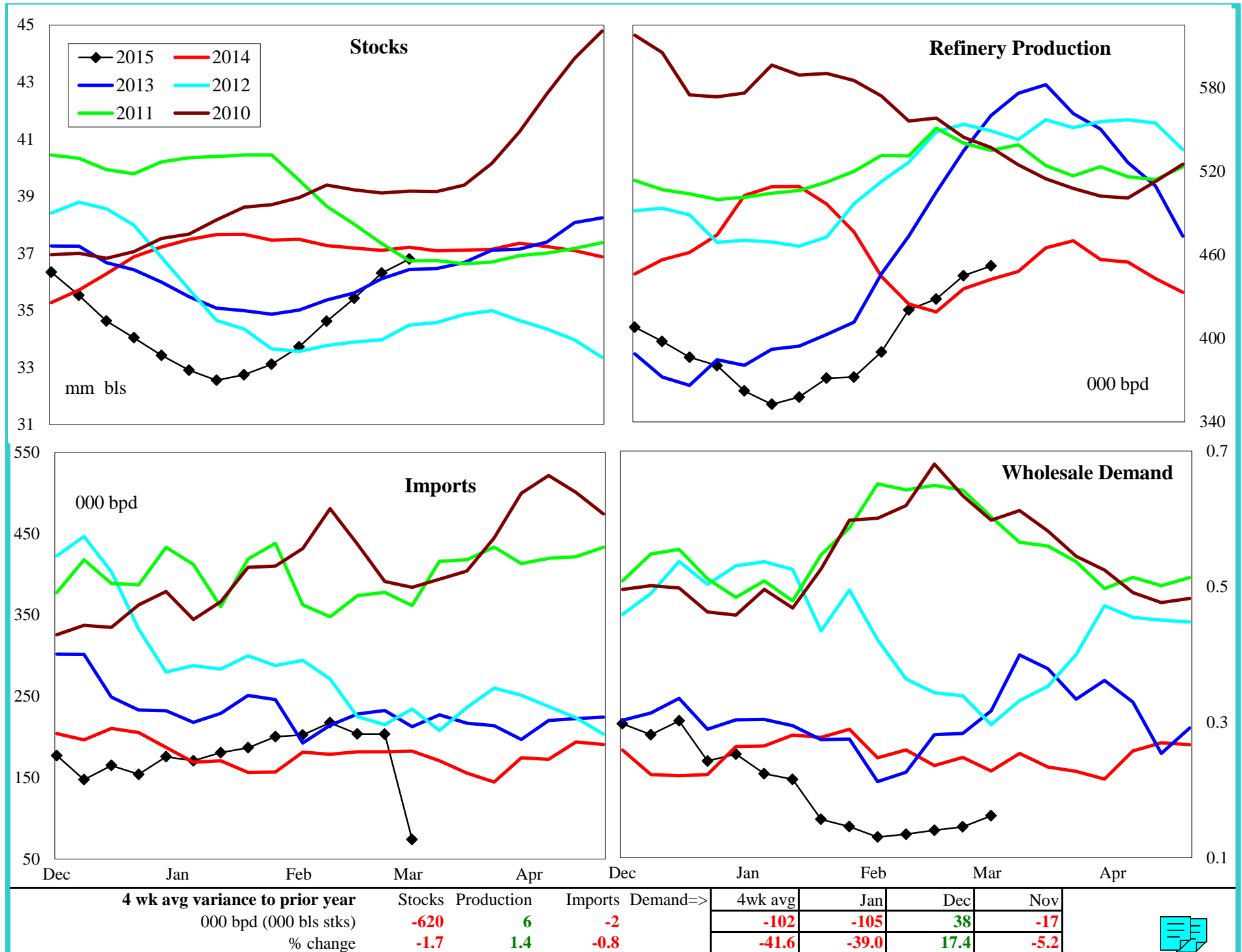
United States High Sulfur Distillate Supply



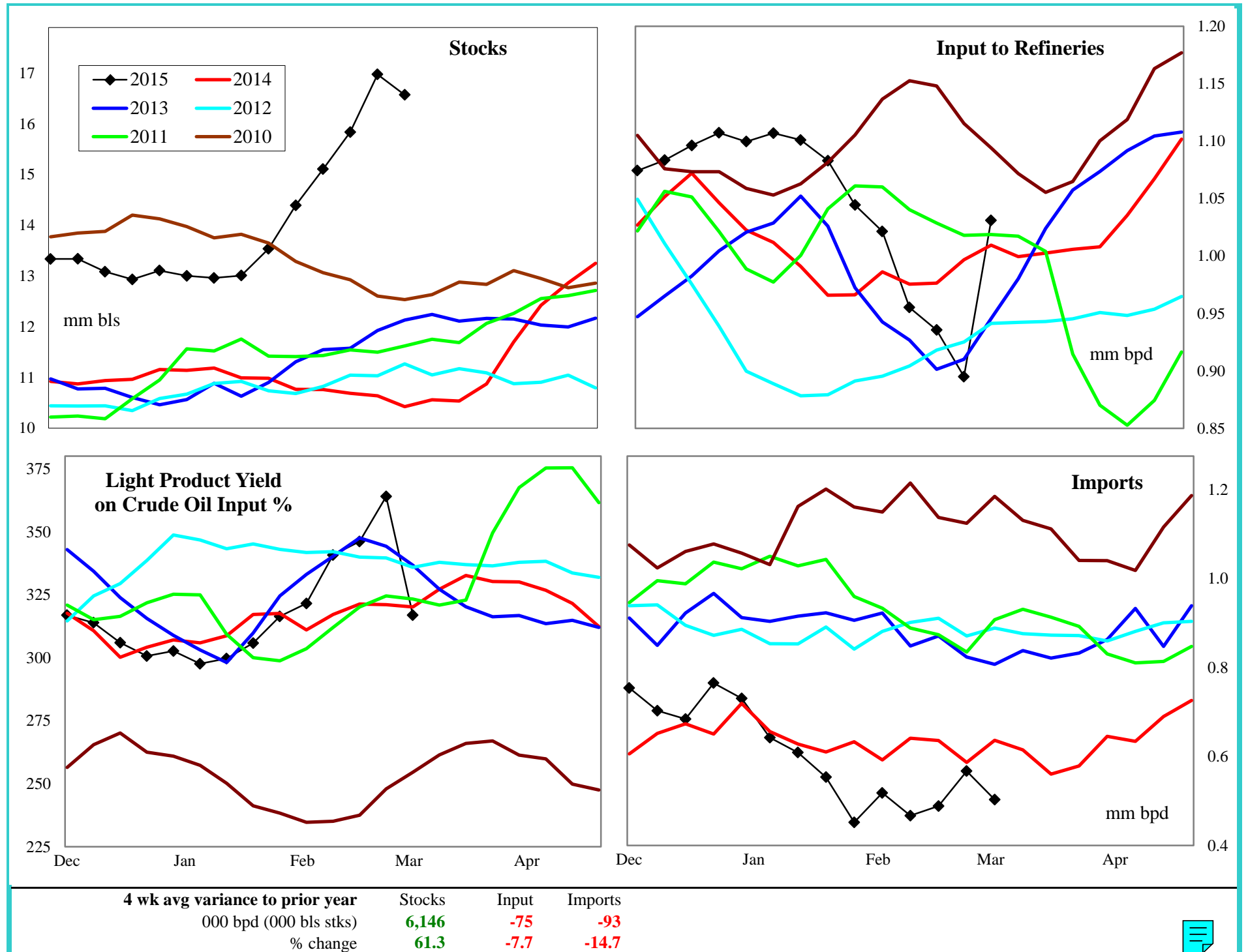
United States Jet Fuel Supply and Demand Balance



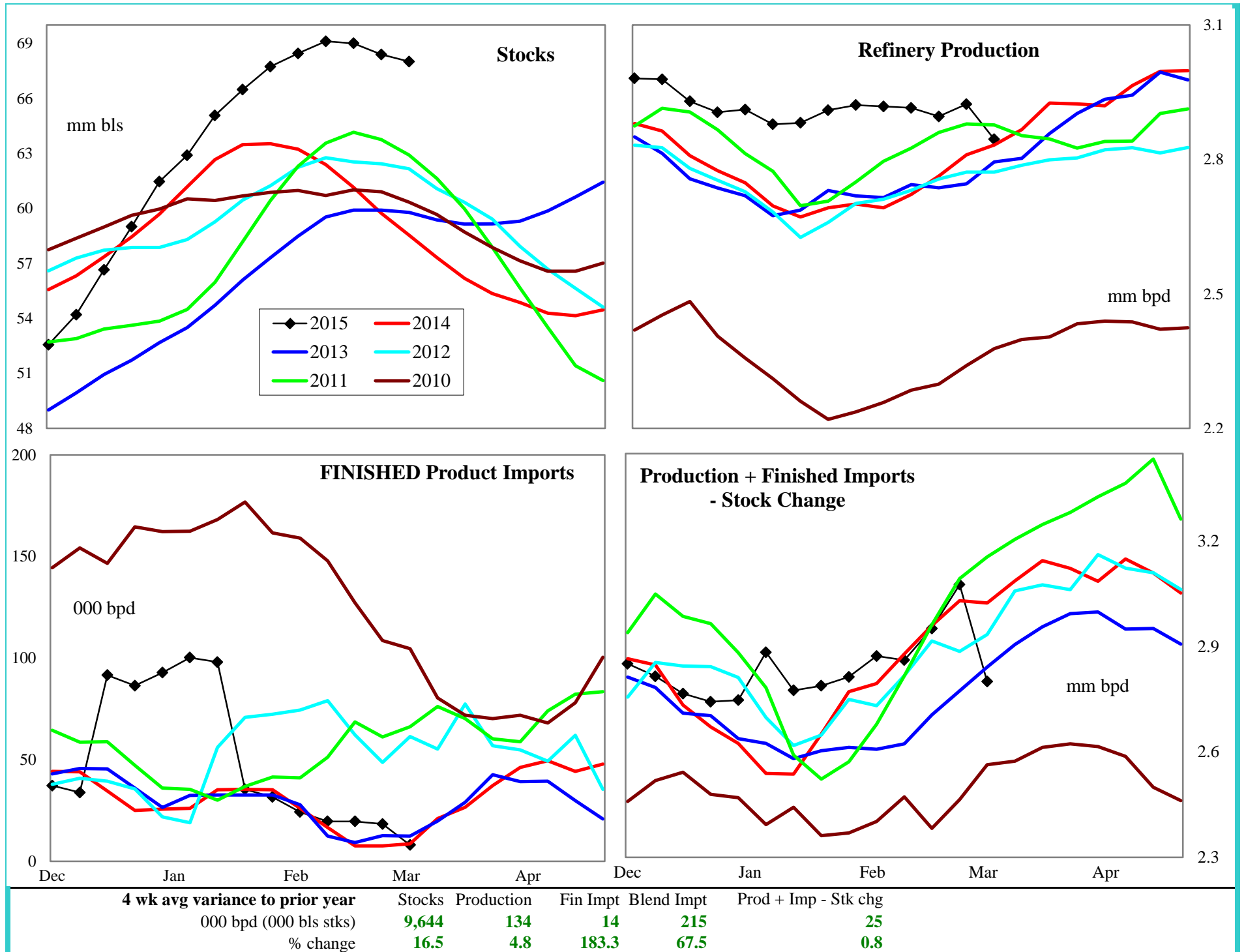
United States Residual Fuel Oil Supply and Demand Balance



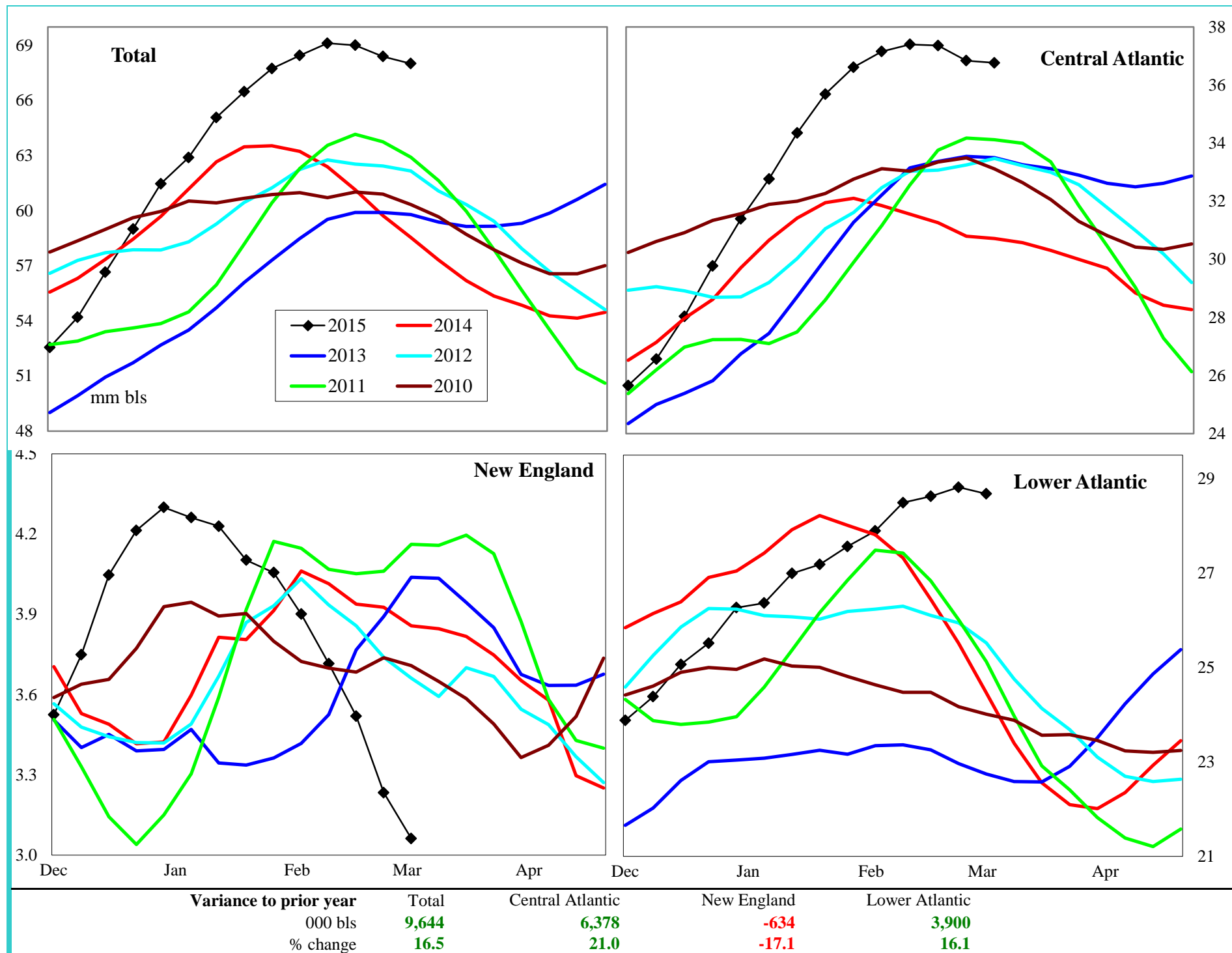
PADD 1 Crude Oil Supply and Refining



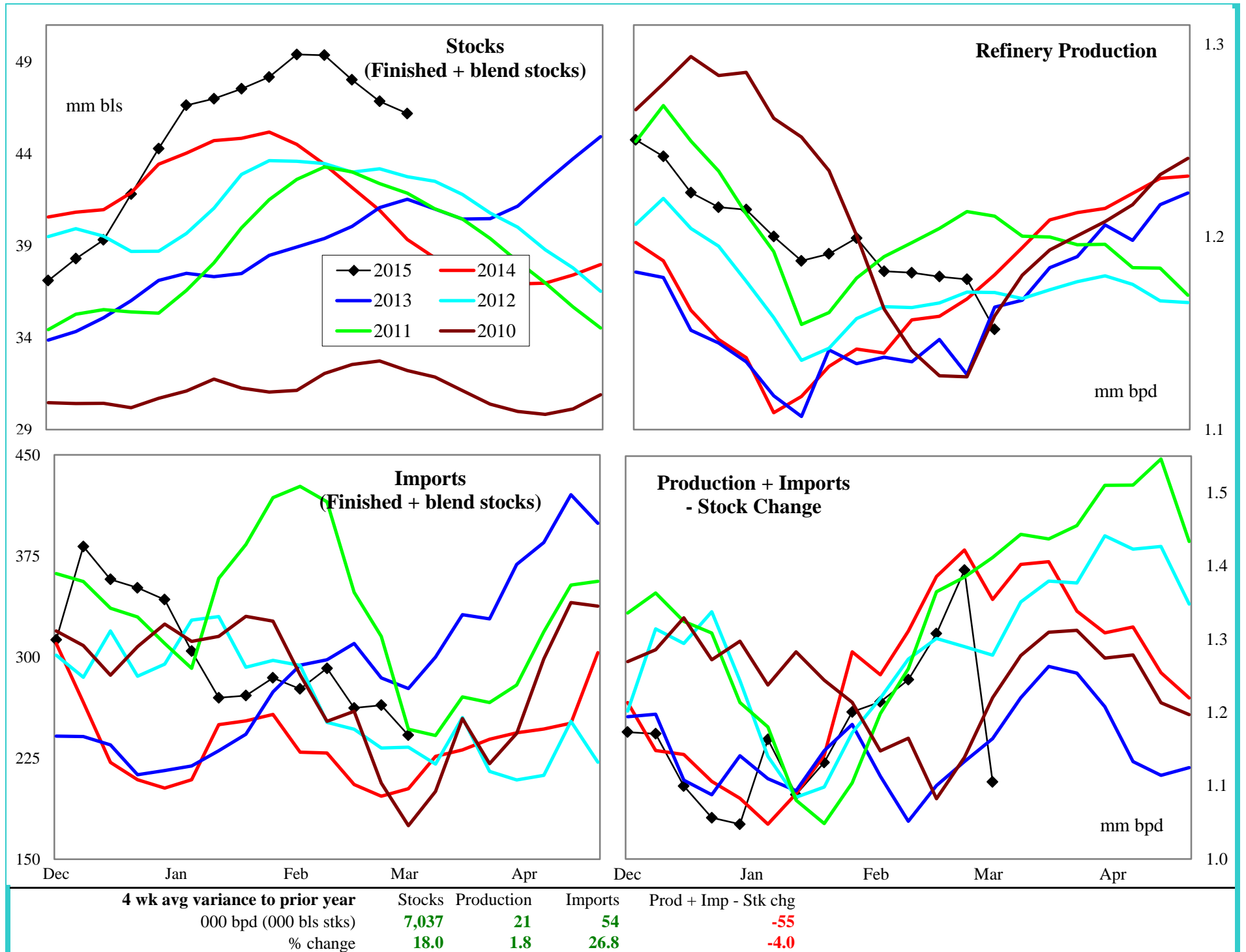
PADD 1 Gasoline Supply



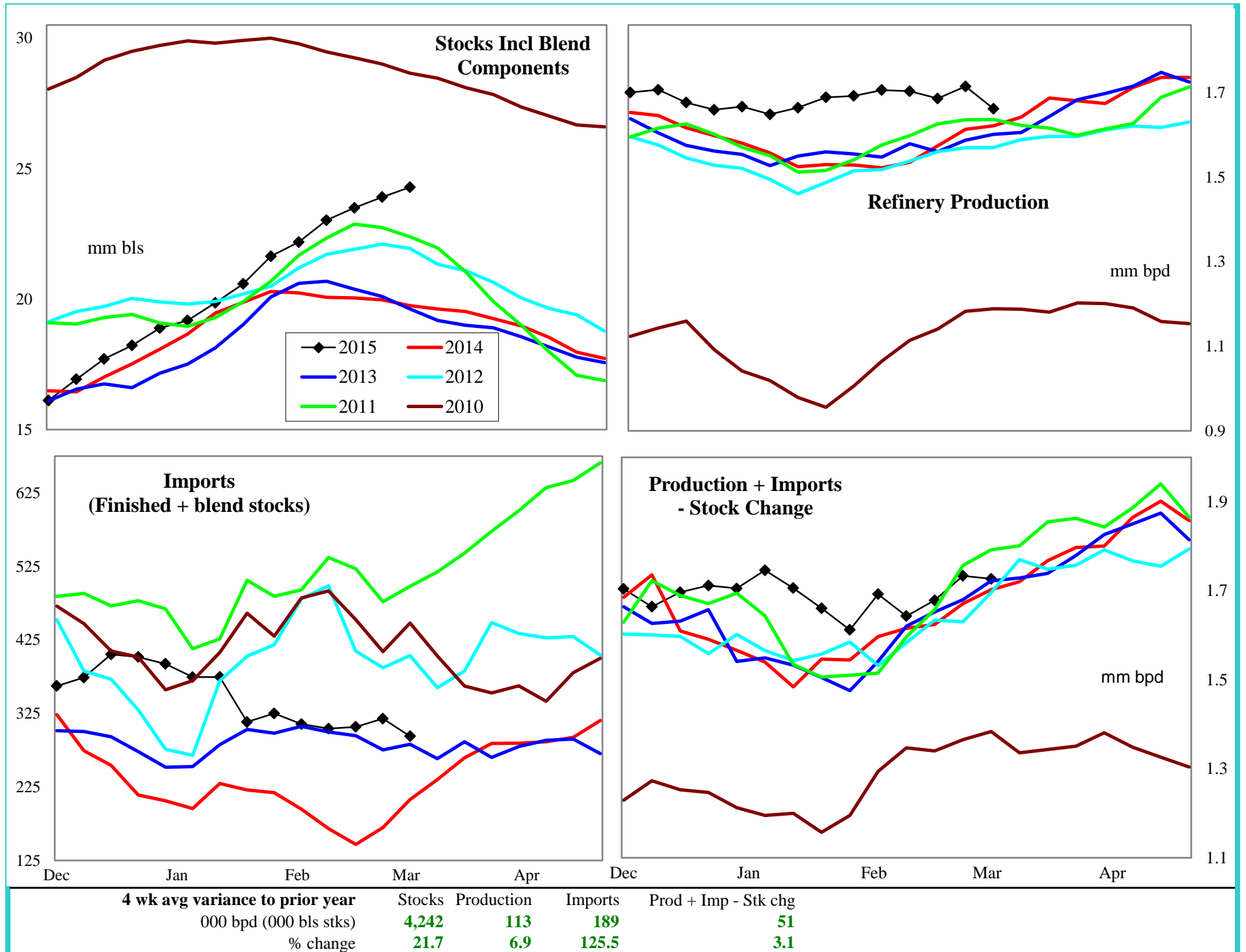
PADD 1 Gasoline Stocks by Region



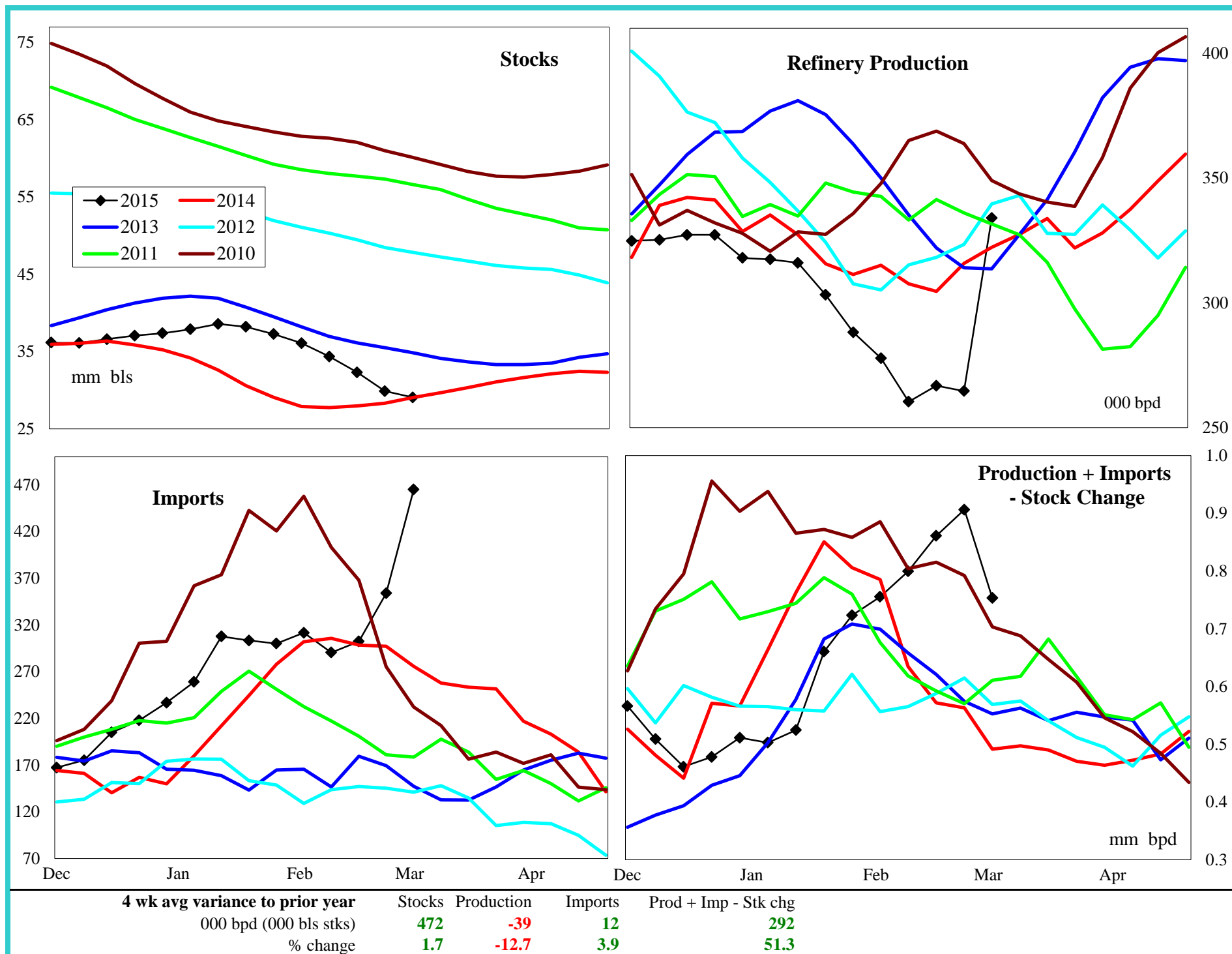
PADD 1 Reformulated Gasoline Supply



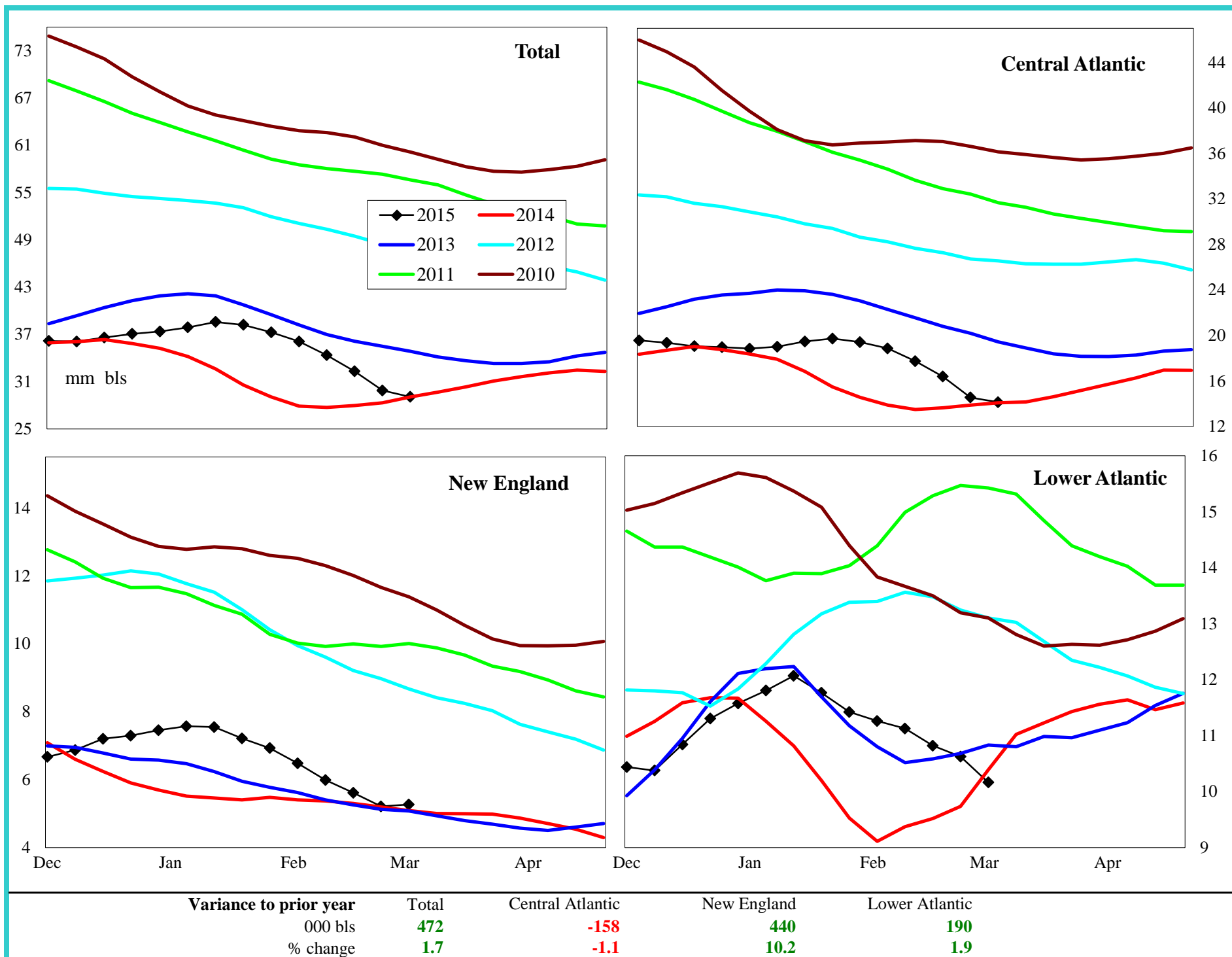
PADD 1 Conventional Gasoline Supply



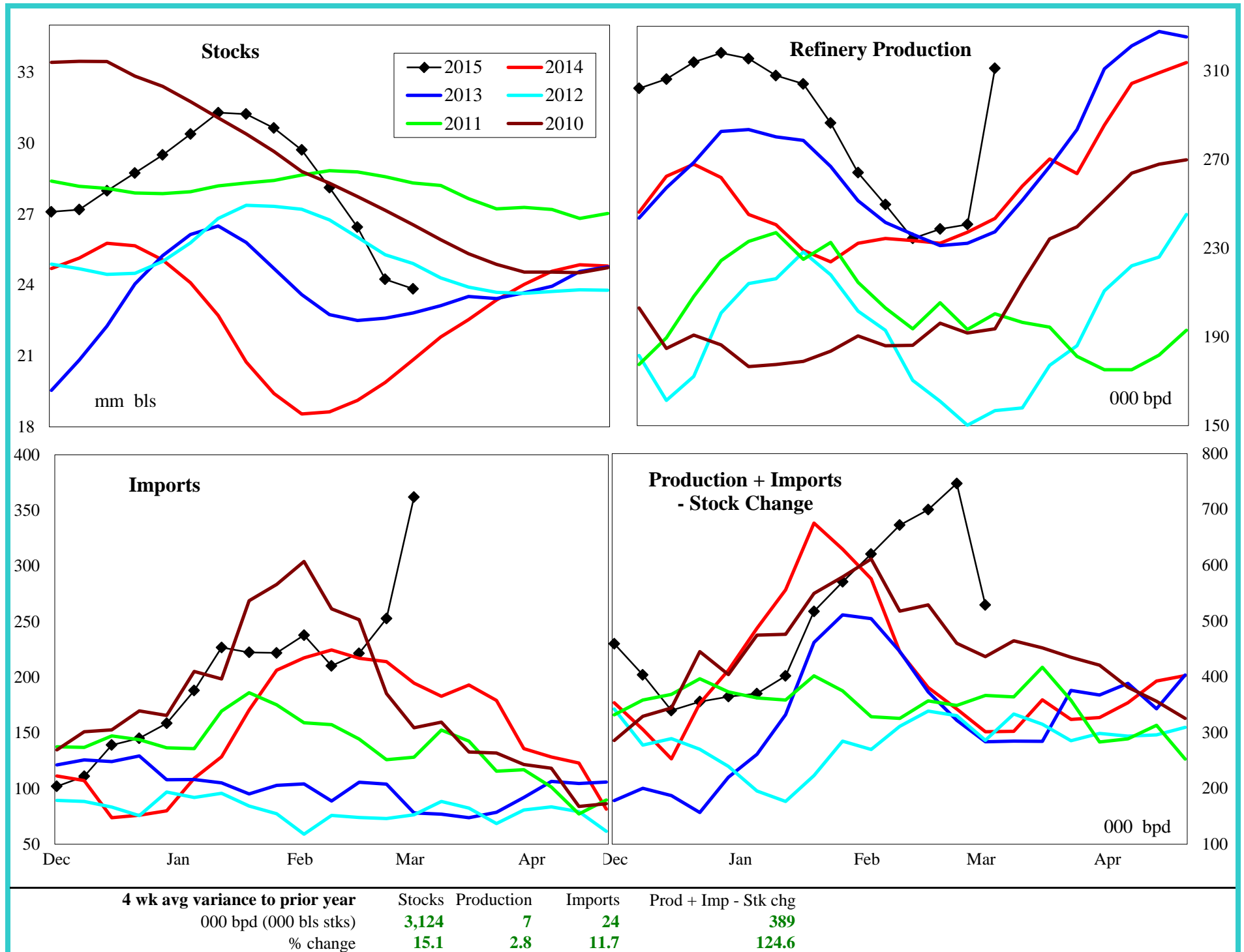
PADD 1 Distillate Supply



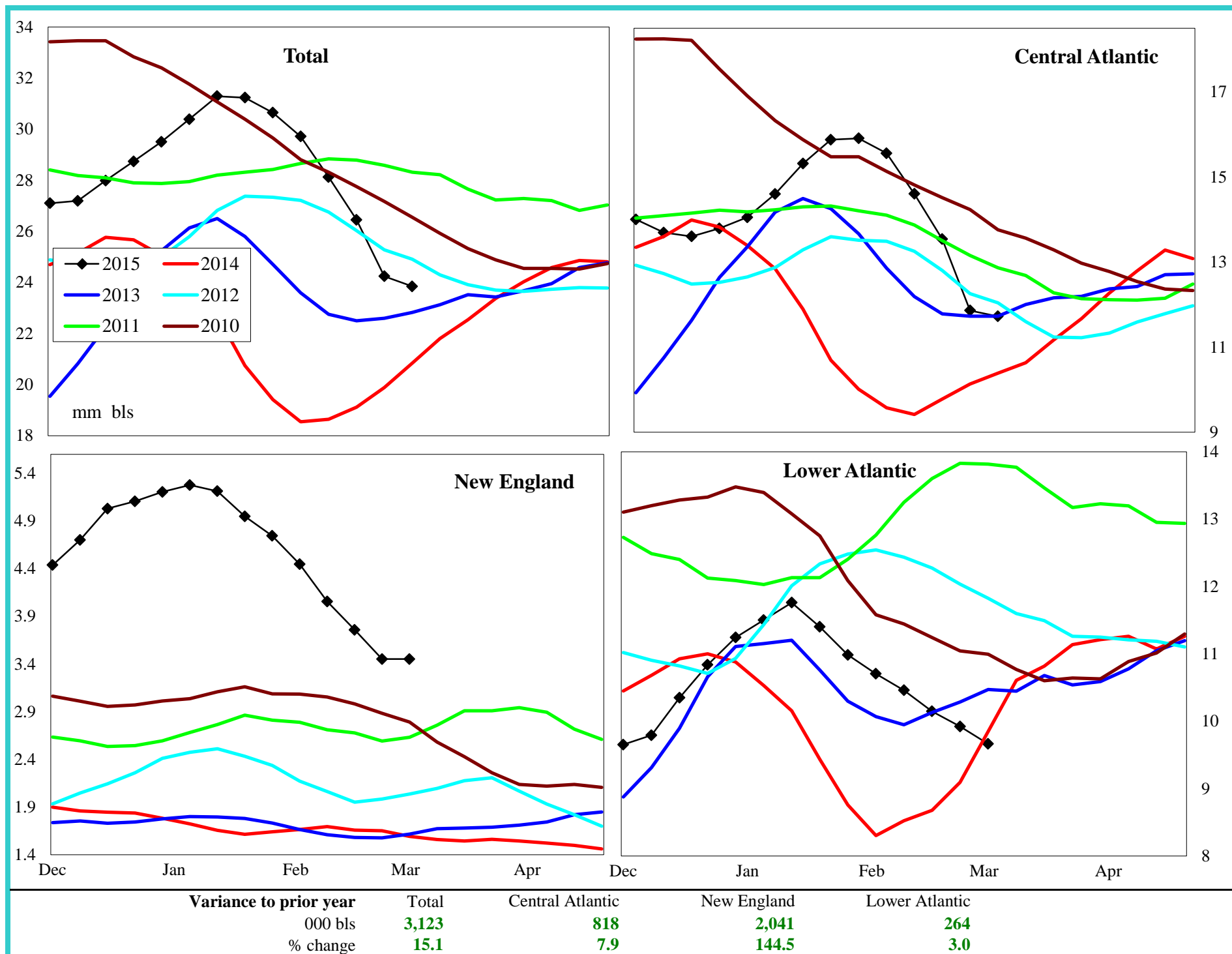
PADD 1 Distillate Stocks by Region



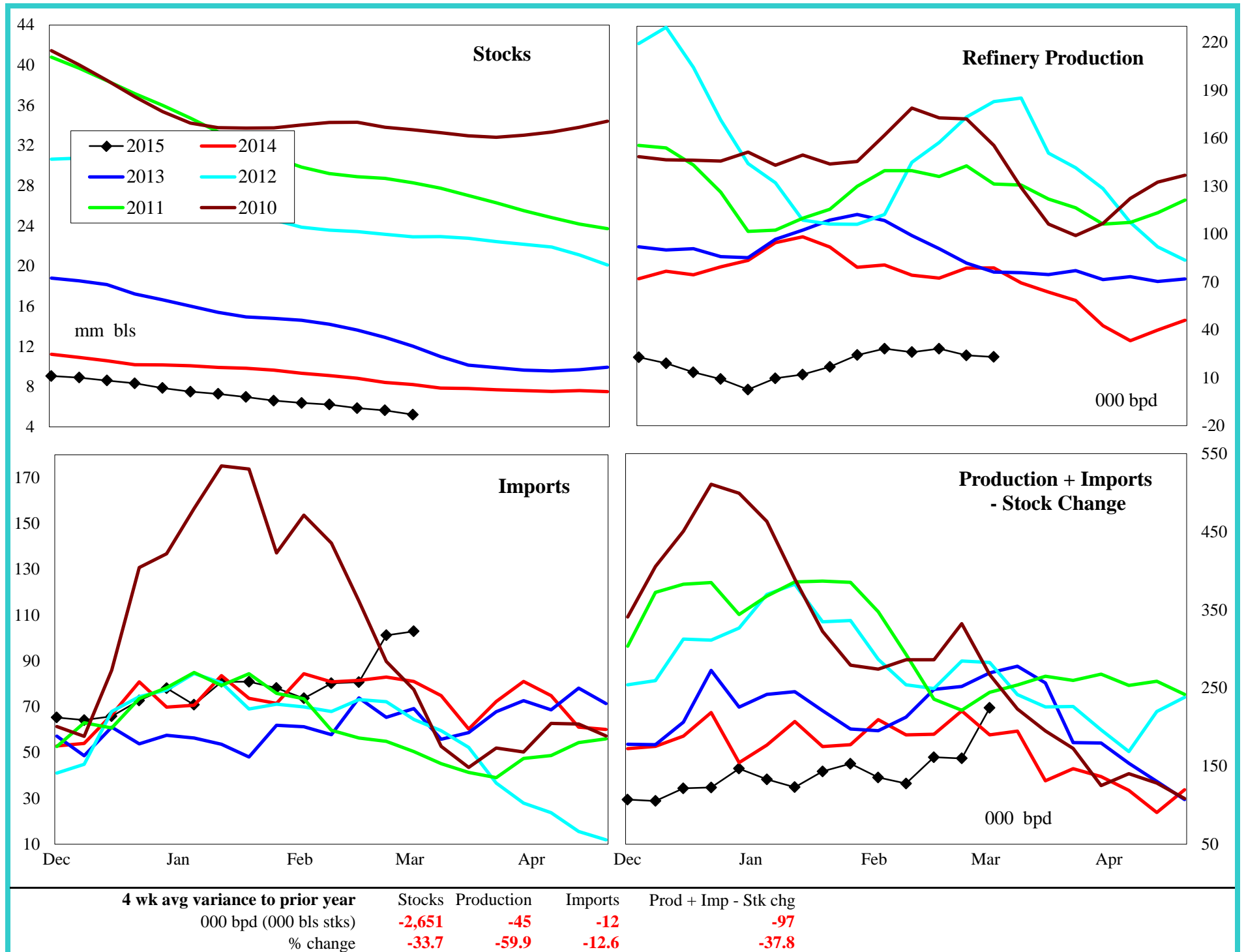
PADD 1 Low Sulfur Distillate Supply



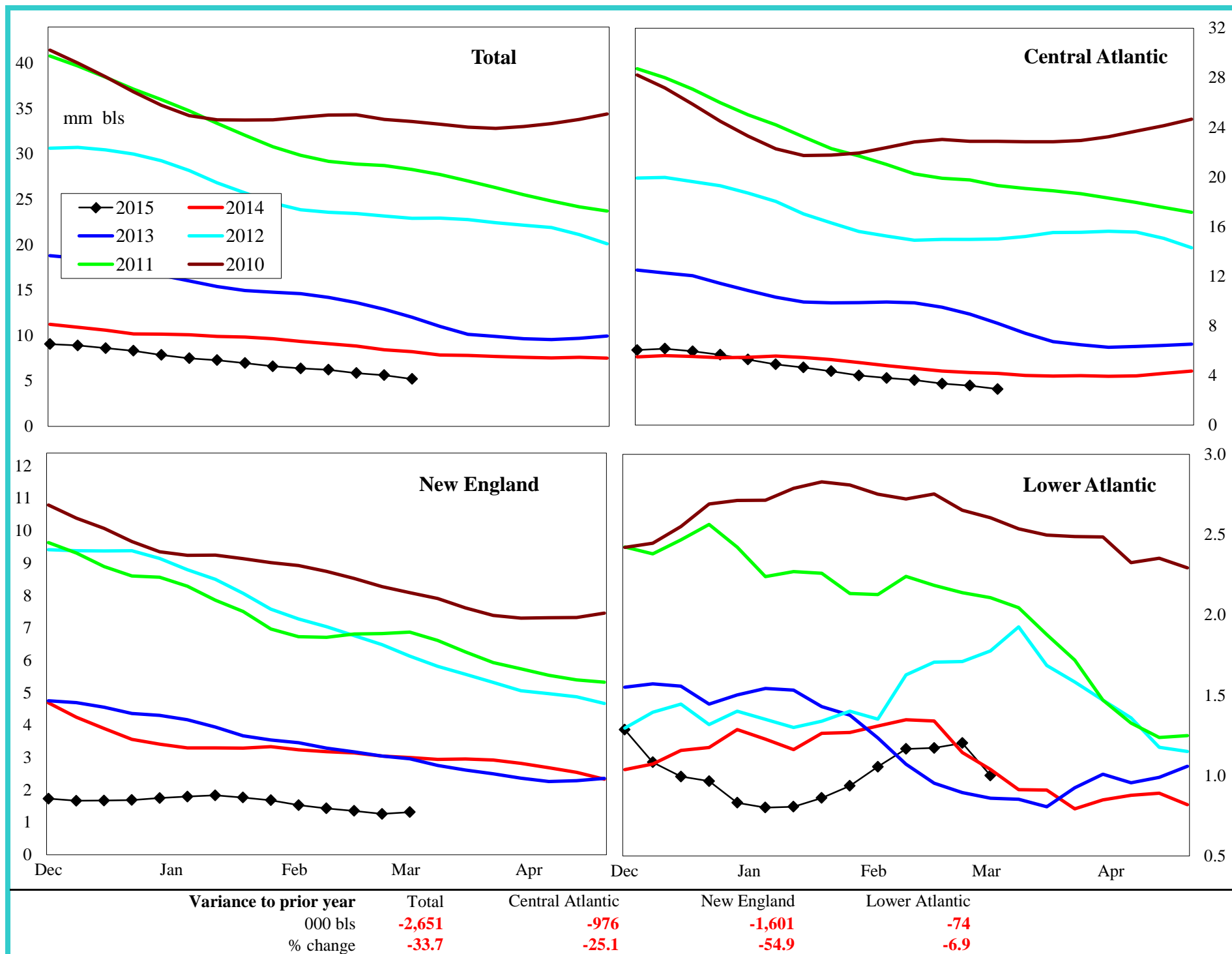
PADD 1 Low Sulfur Distillate Stocks by Region



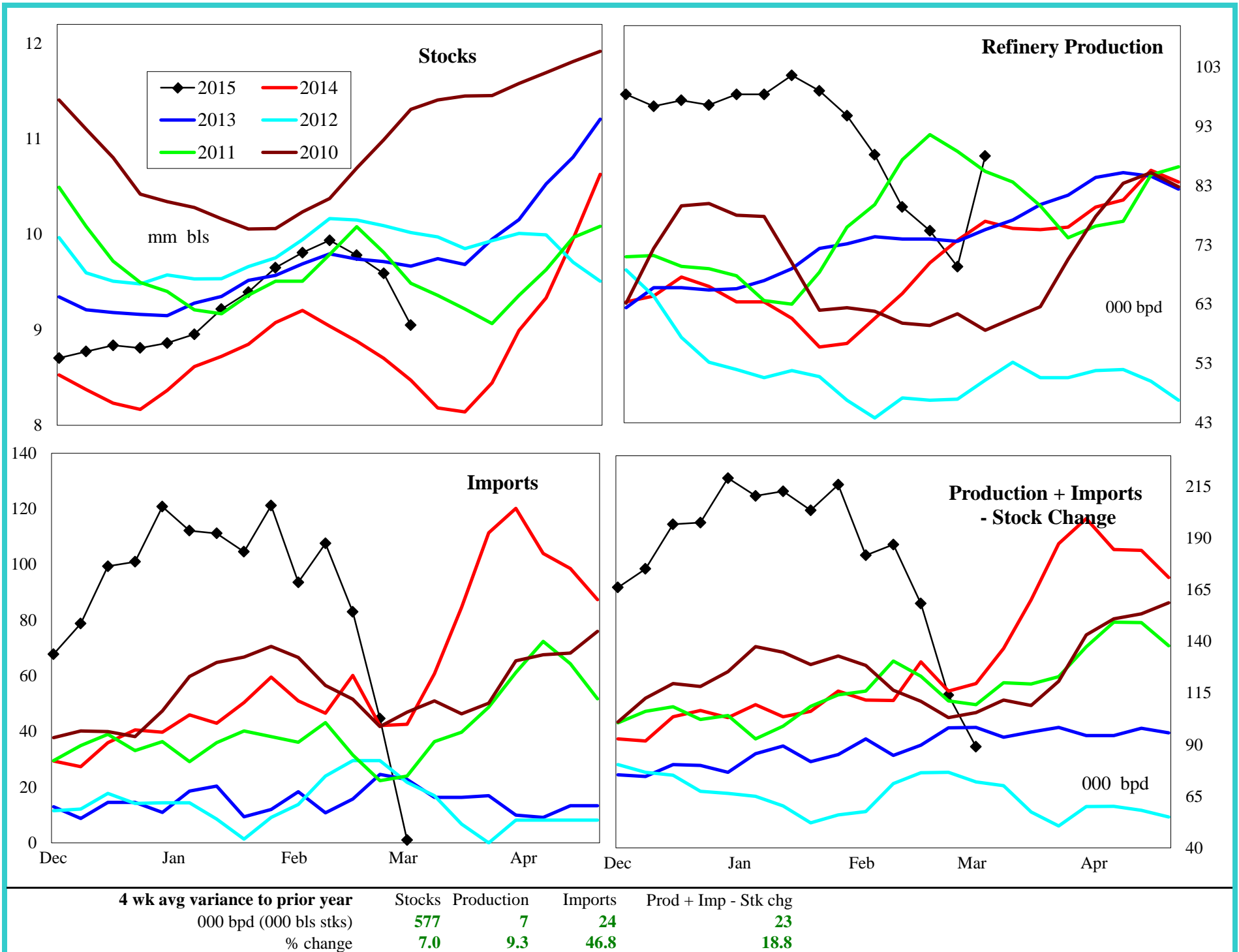
PADD 1 High Sulfur Distillate Supply



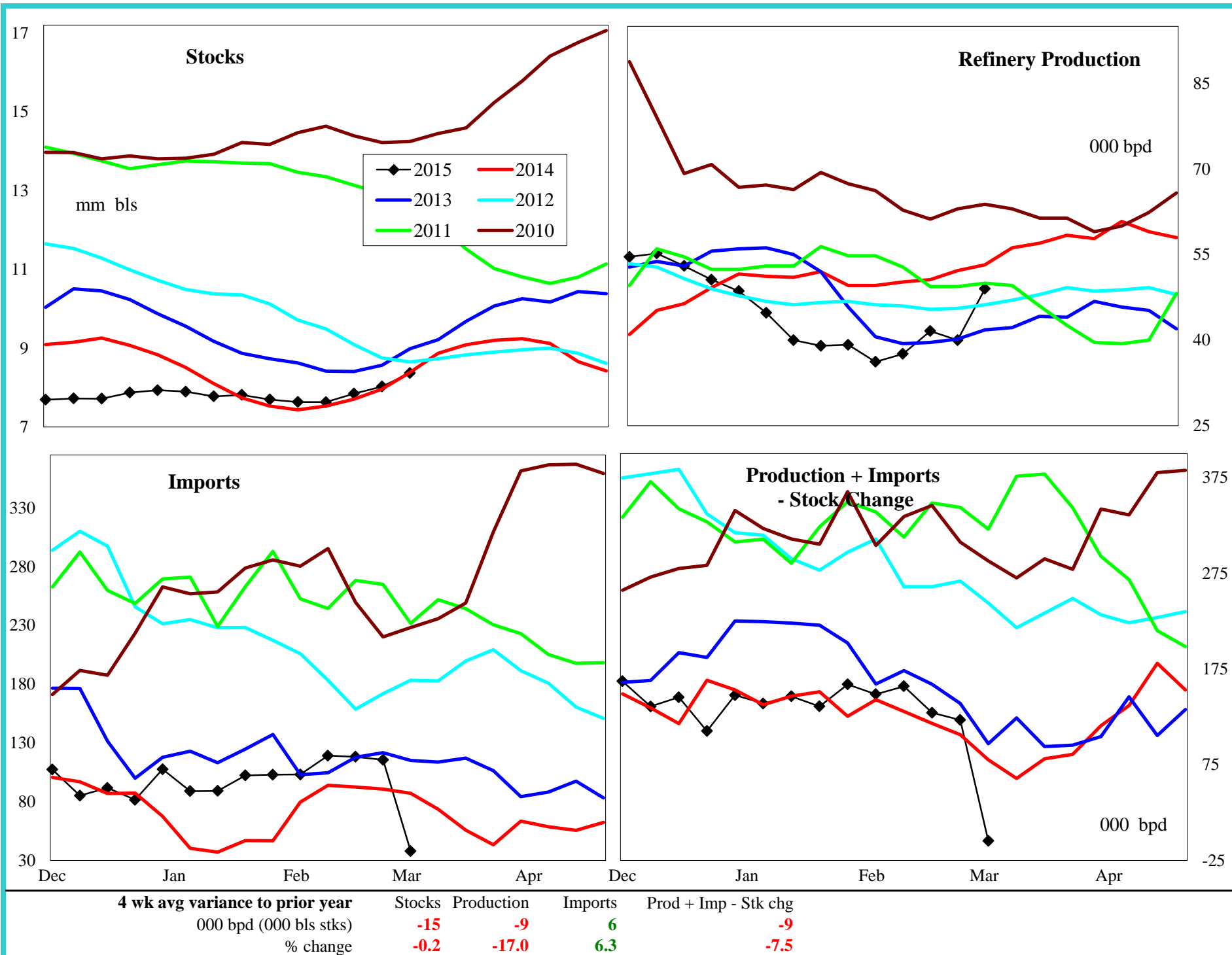
PADD 1 High Sulfur Distillate Stocks by Region



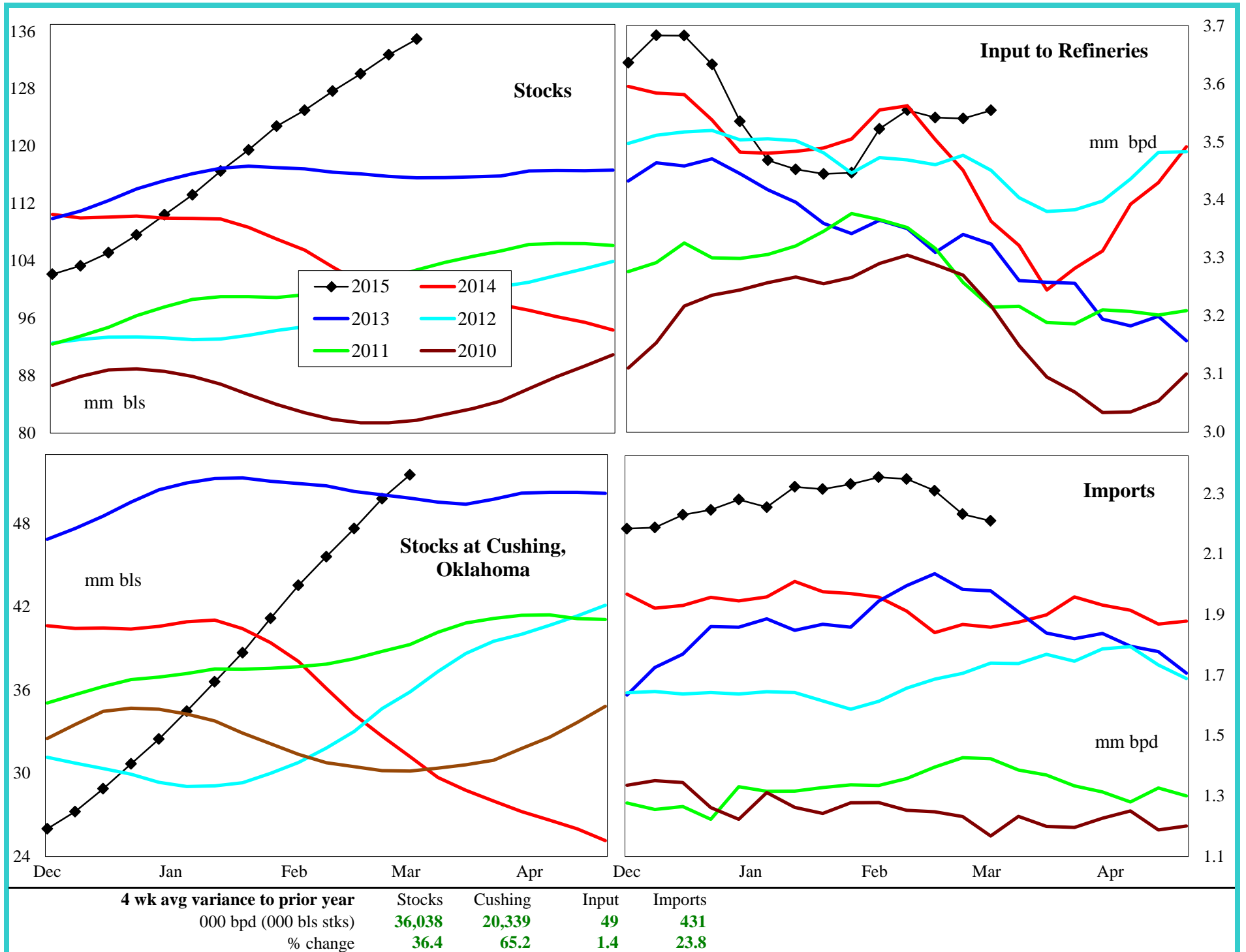
PADD 1 Jet Fuel Supply



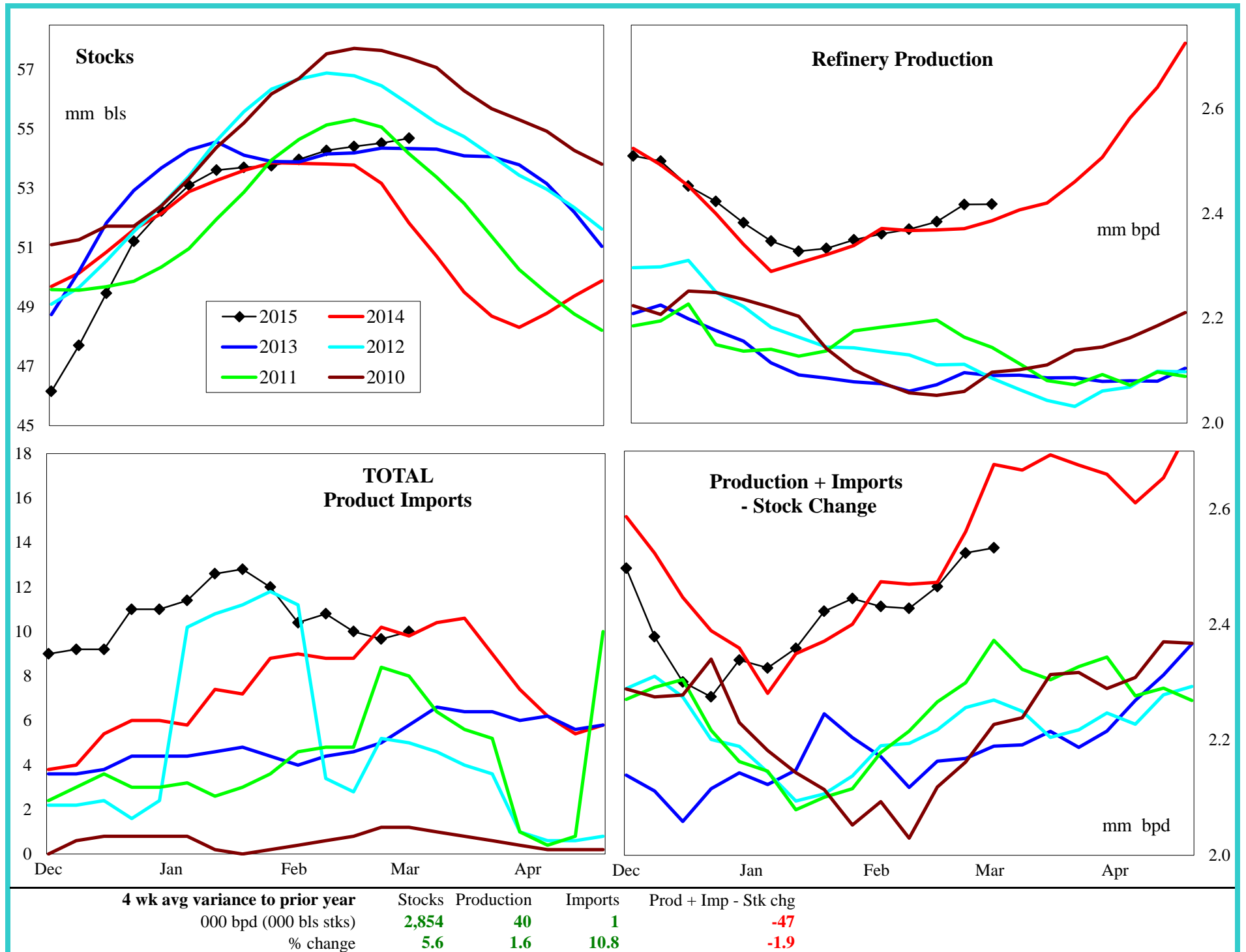
PADD 1 Residual Fuel Oil Supply



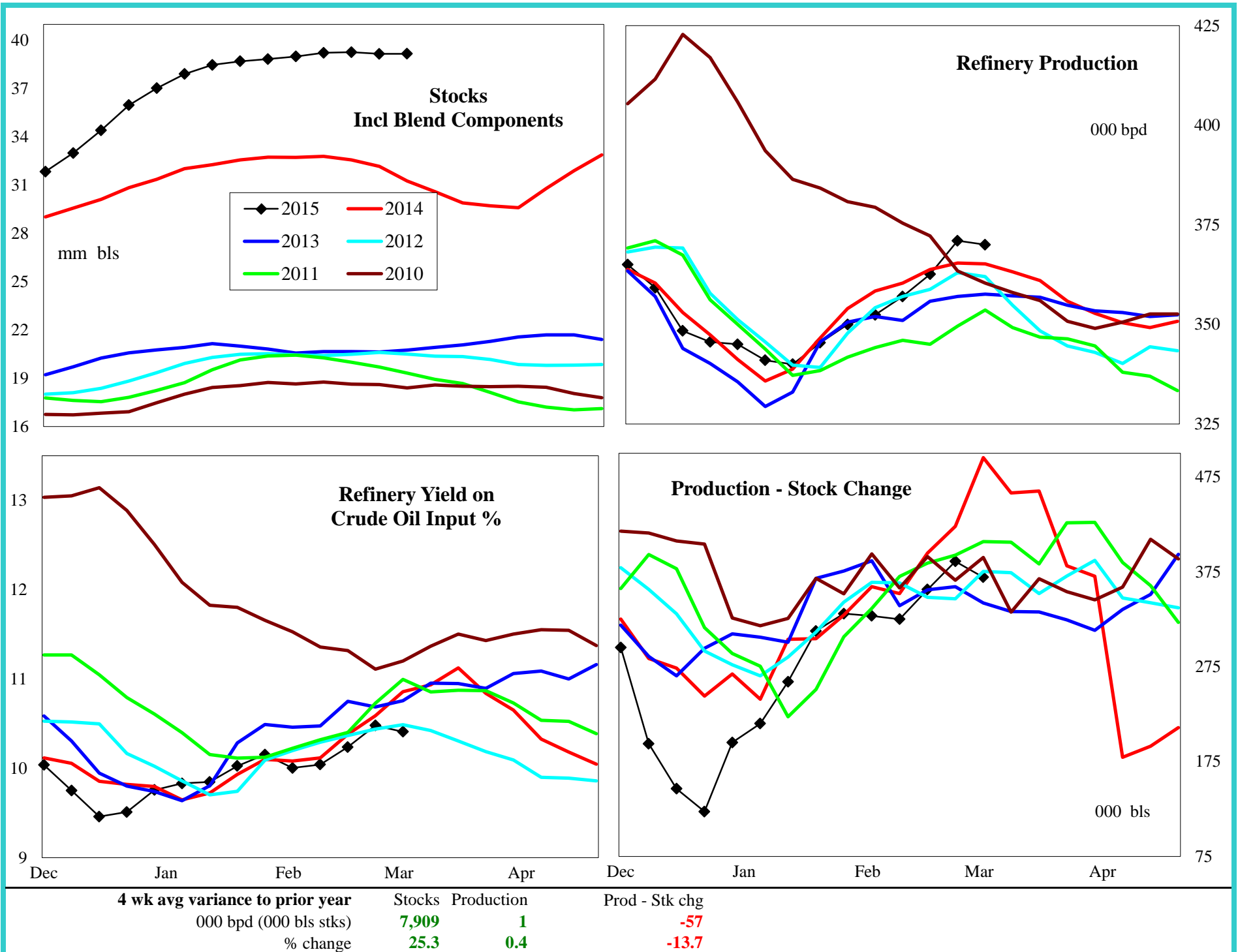
PADD 2 Crude Oil Supply and Refining



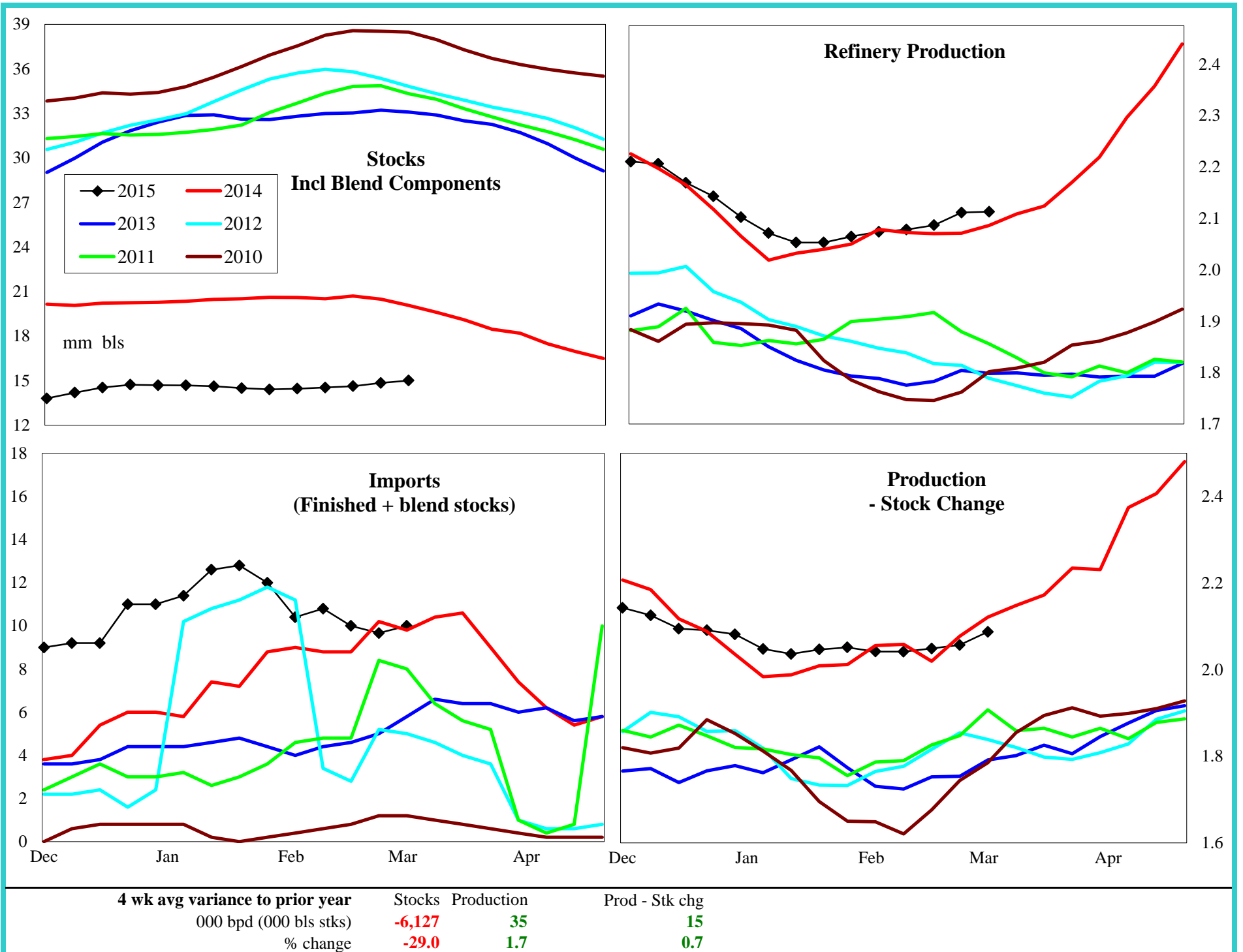
PADD 2 Gasoline Supply



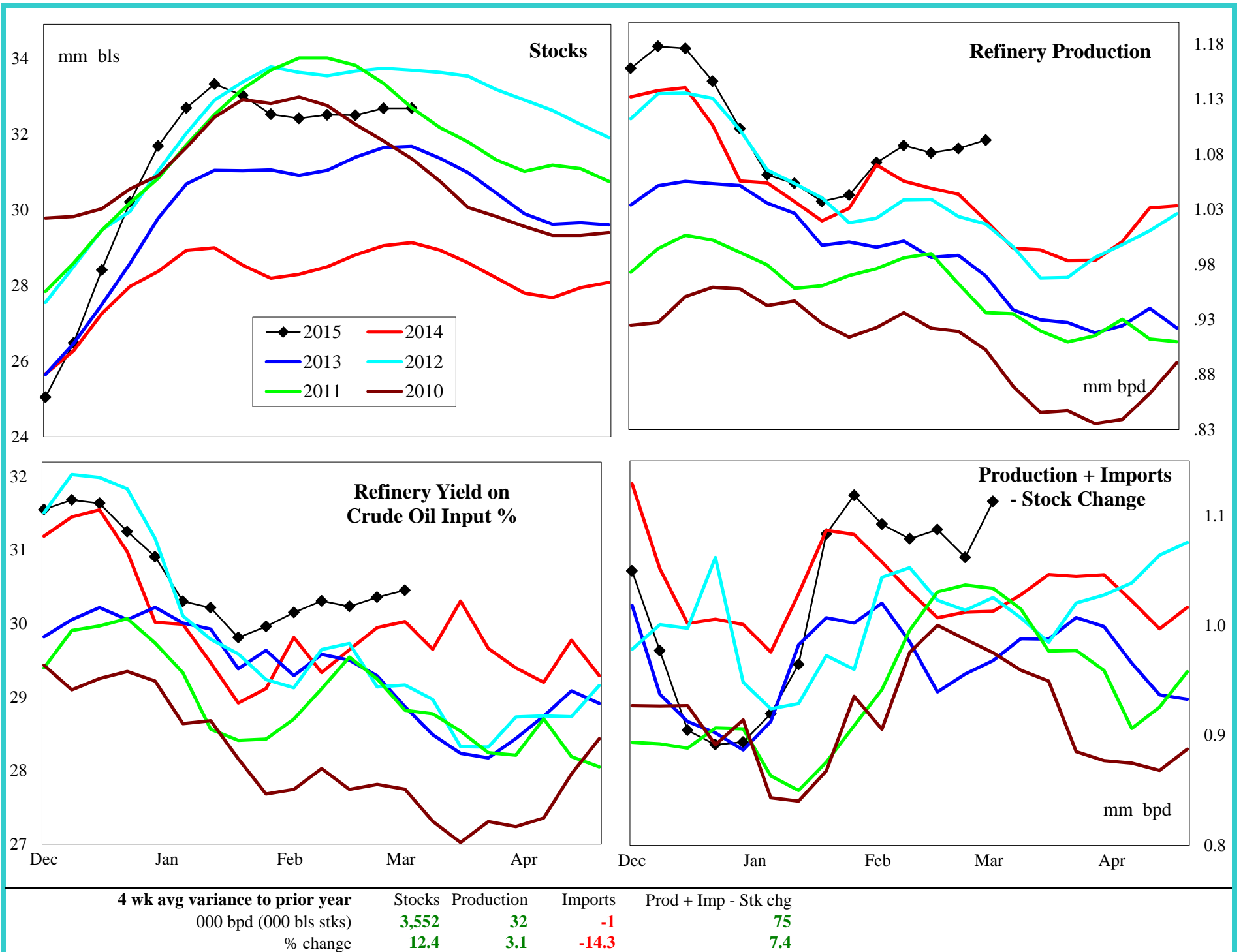
PADD 2 Reformulated Gasoline Supply



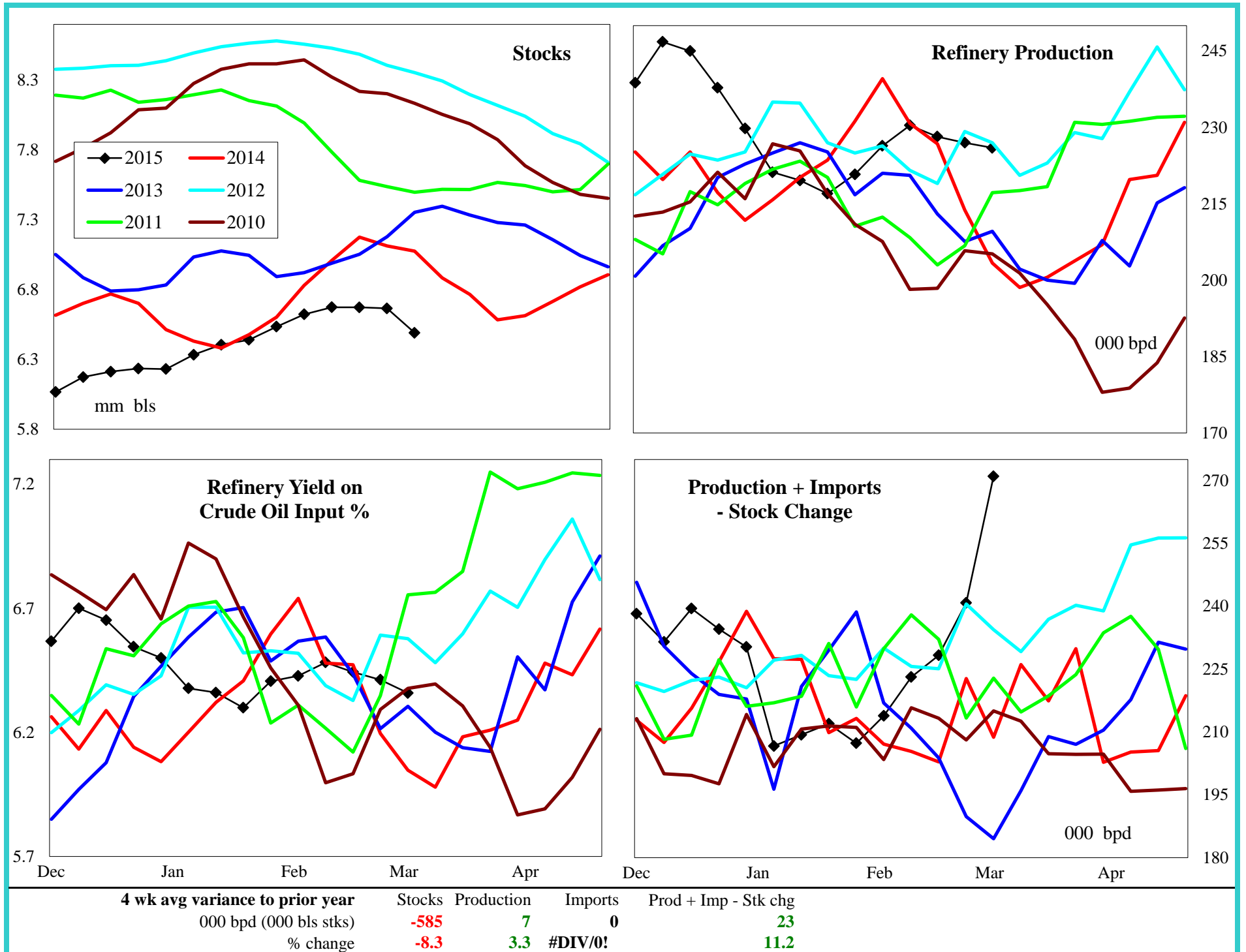
PADD 2 Conventional Gasoline Supply



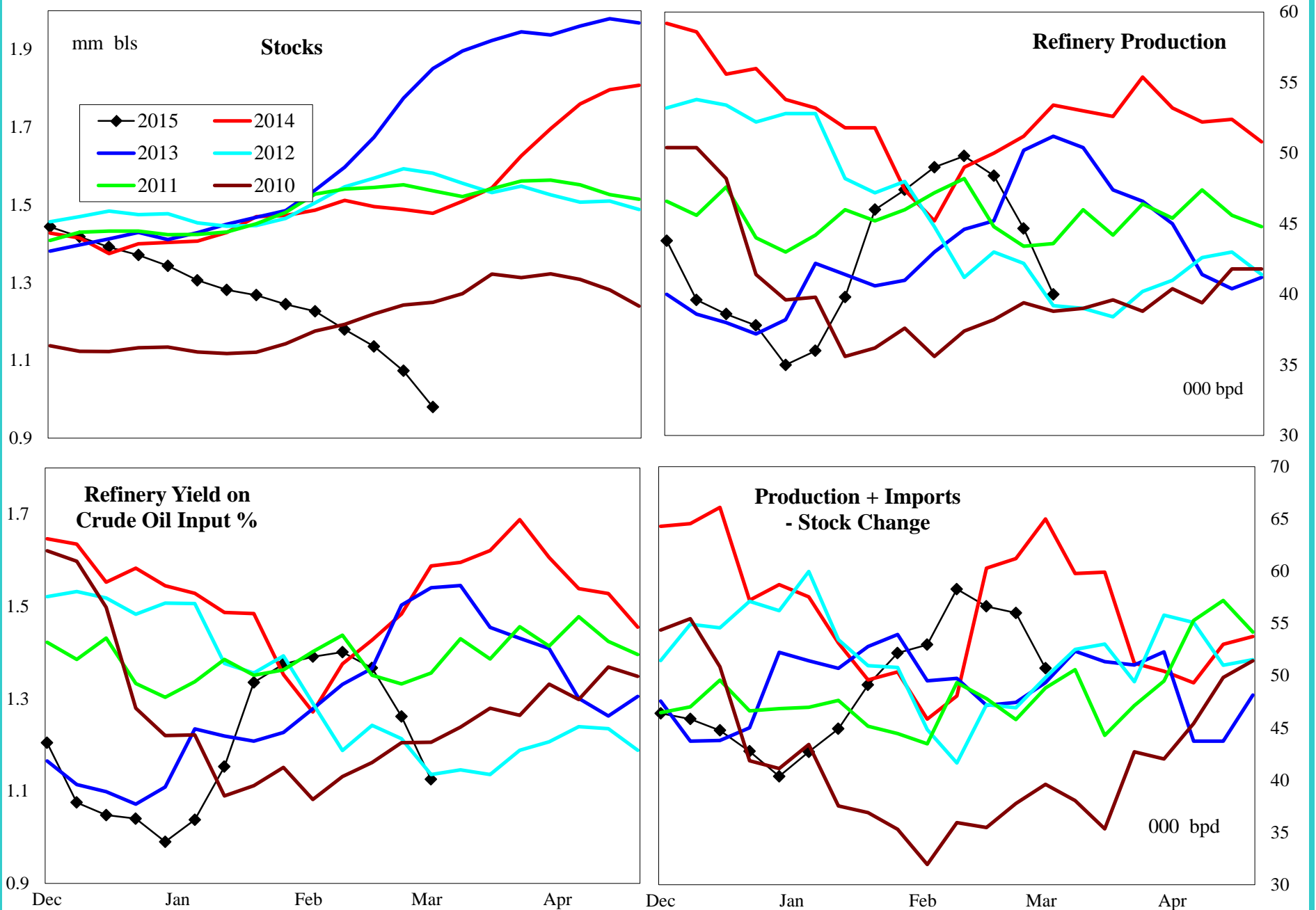
PADD 2 Distillate Supply



PADD 2 Jet Fuel Supply



PADD 2 Residual Fuel Oil Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

Production

Imports

Prod + Imp - Stk chg

-499

-5

-7

-5

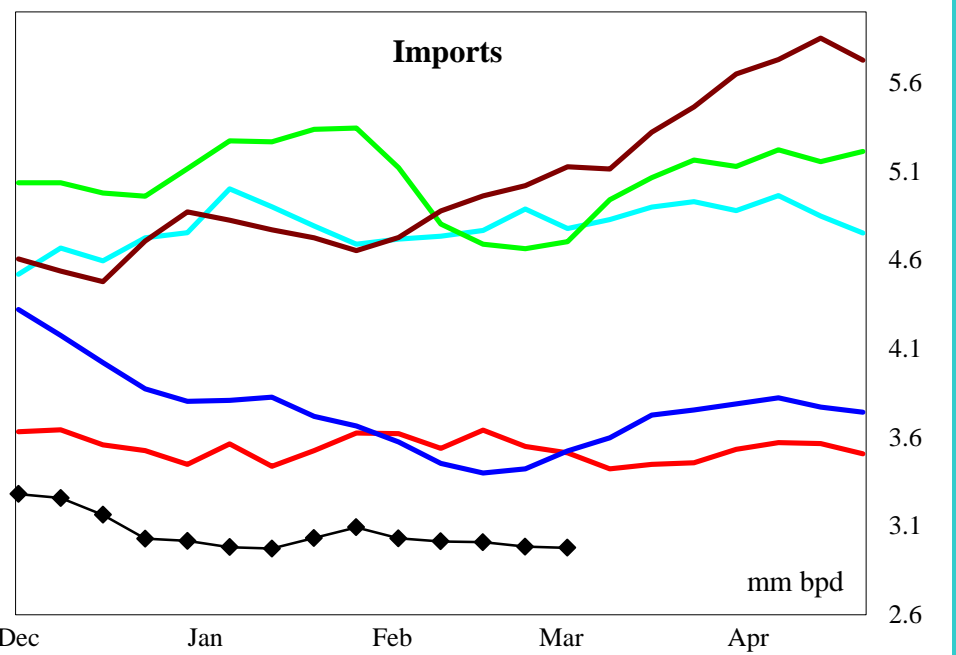
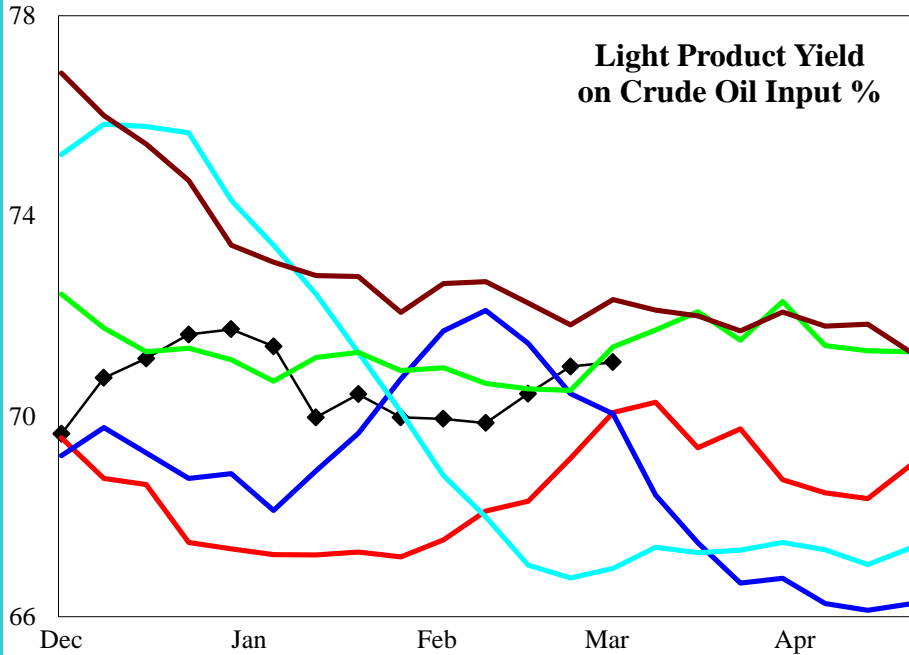
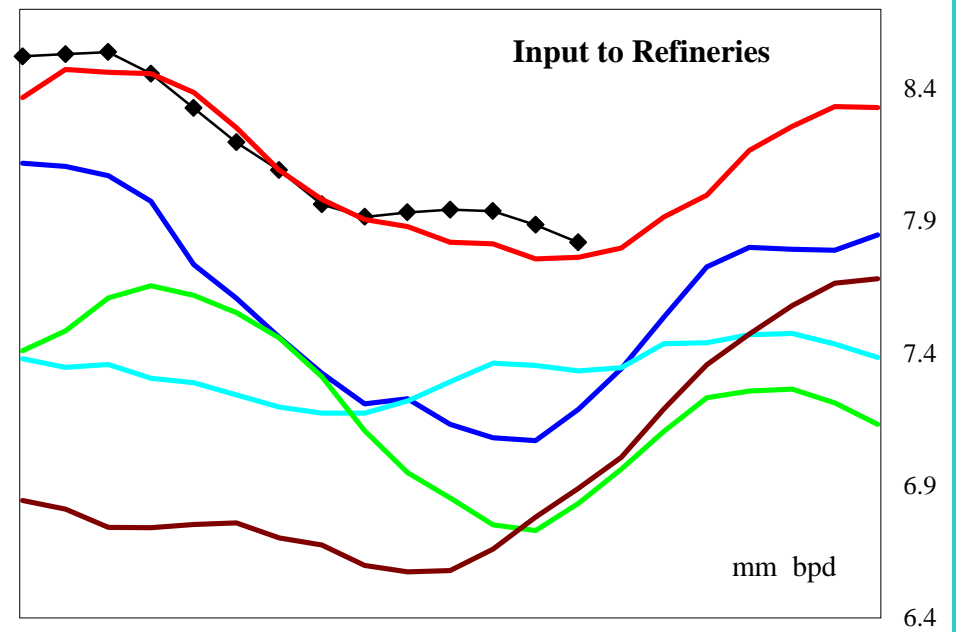
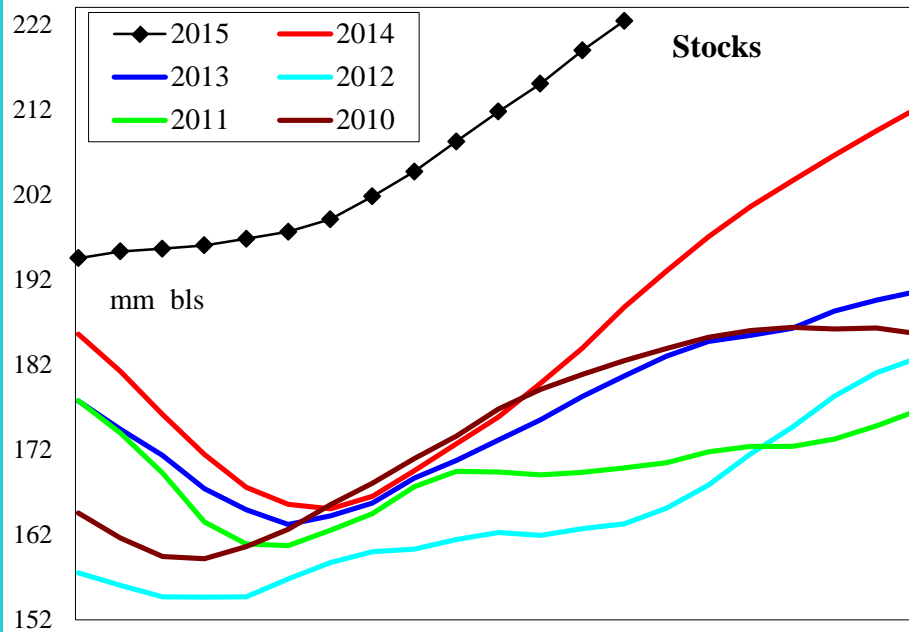
-33.7

-10.5

-76.3

-7.9

PADD 3 Crude Oil Supply and Refining



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

33,653

17.8

Input

143

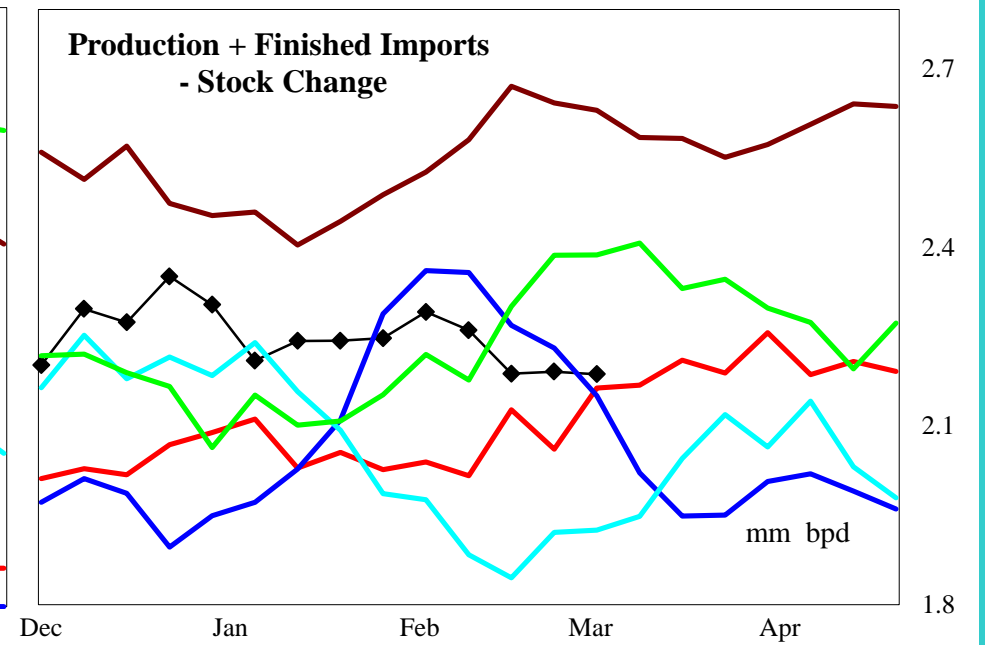
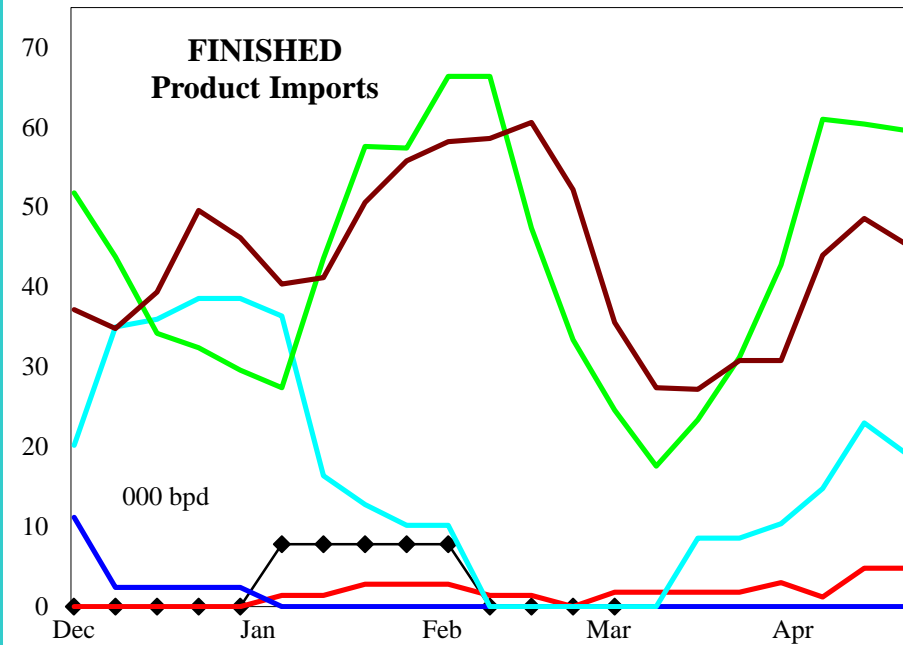
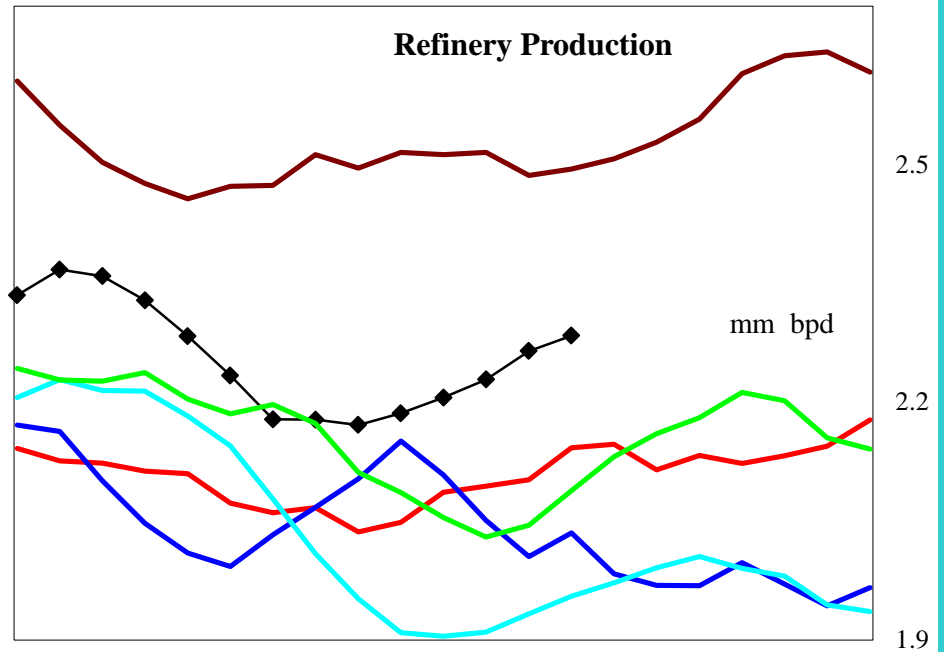
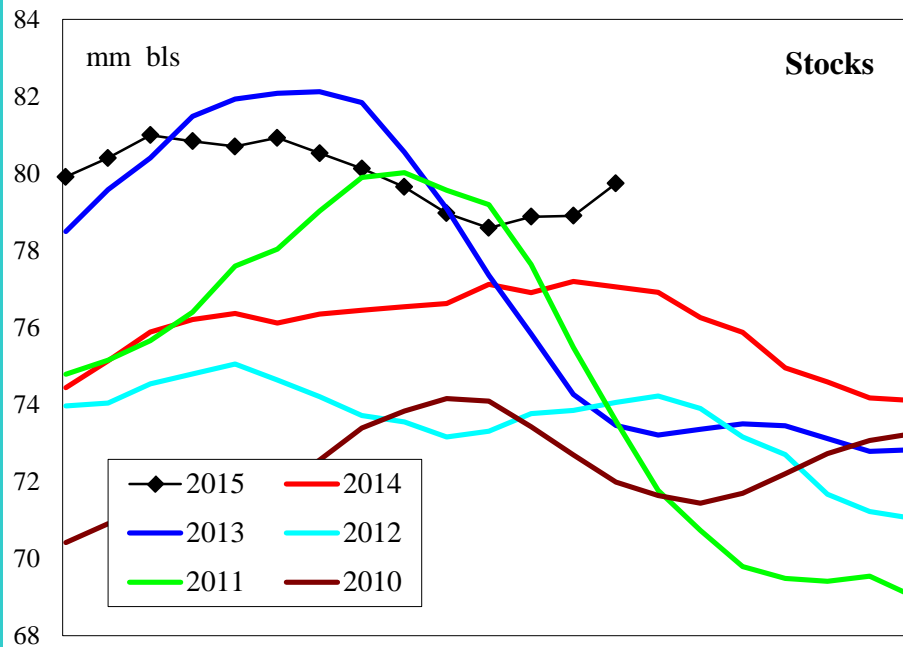
1.8

Imports

-538

-15.0

PADD 3 Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

4,056

5.4

Production

133

6.4

Fin Impt

0

#DIV/0!

Blend Impt

18

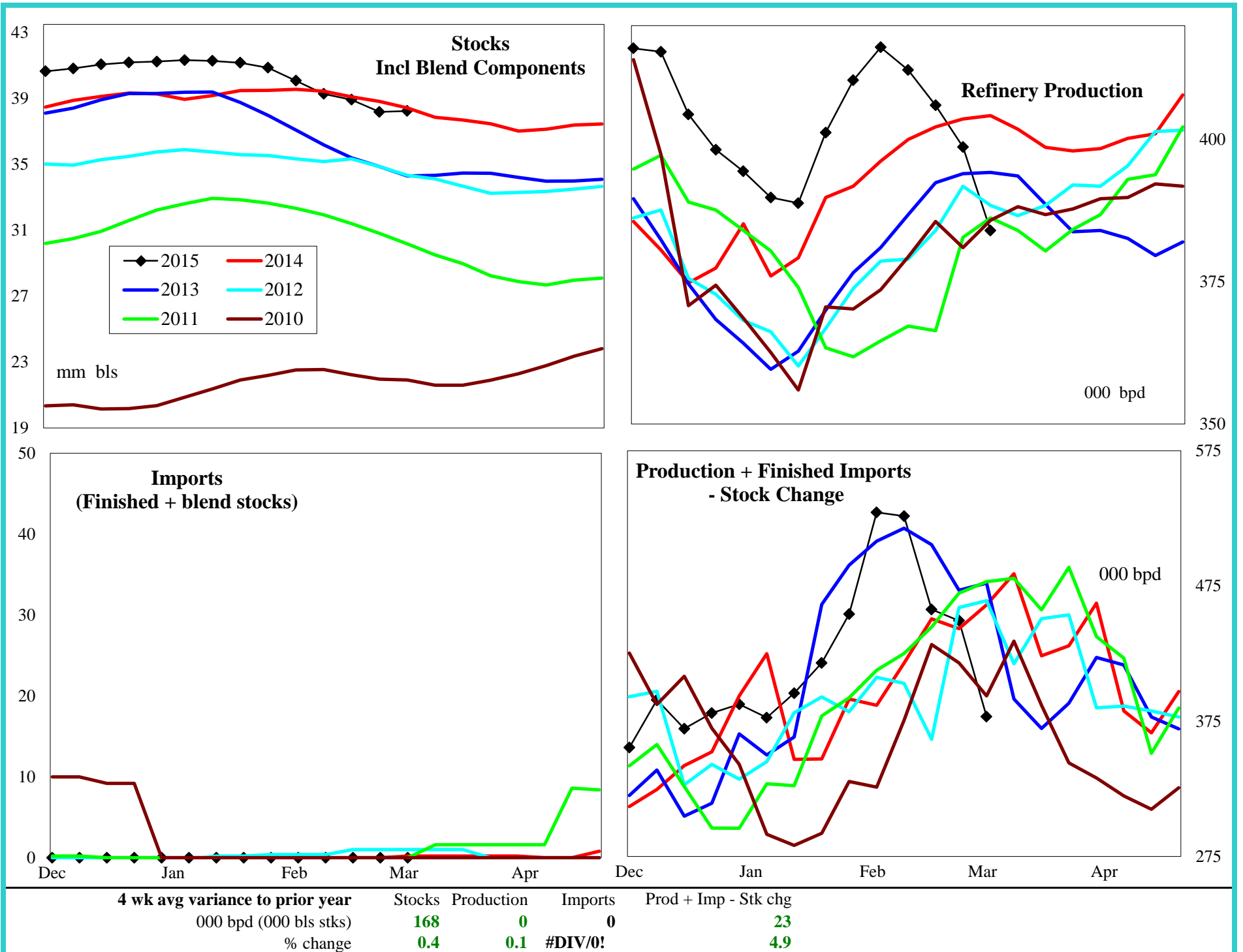
2,433.3

Prod + Imp - Stk chg

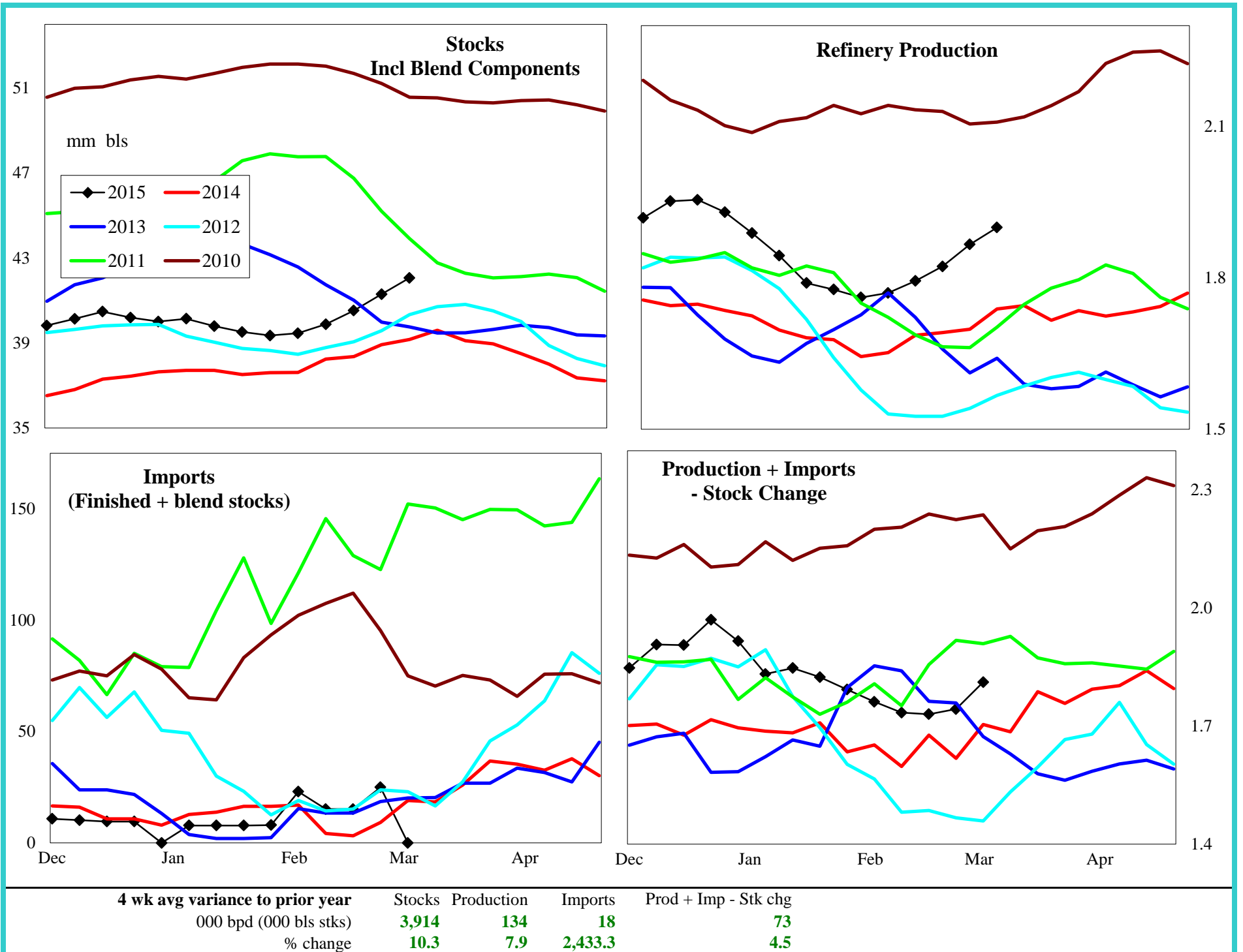
96

4.6

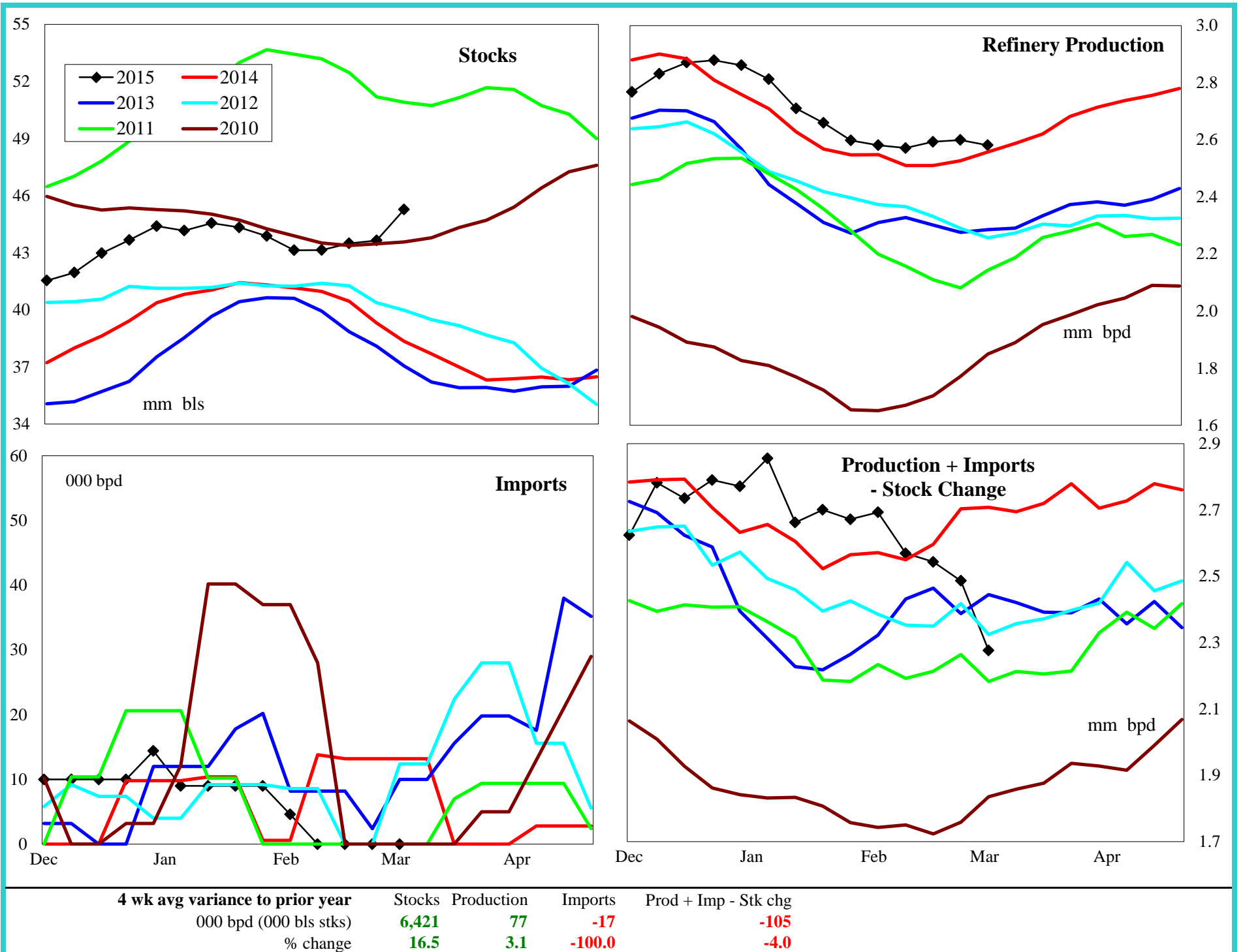
PADD 3 Reformulated Gasoline Supply



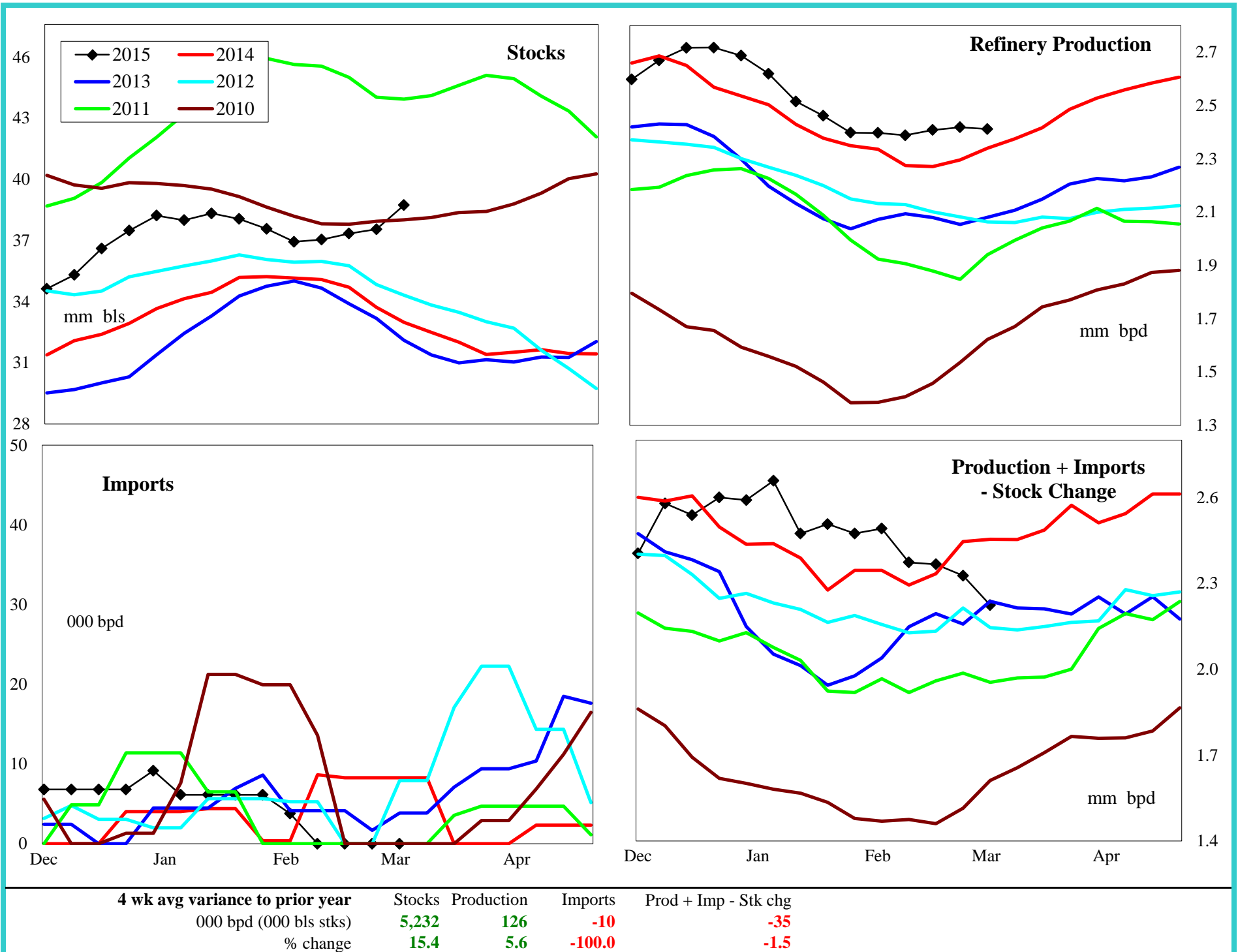
PADD 3 Conventional Gasoline Supply



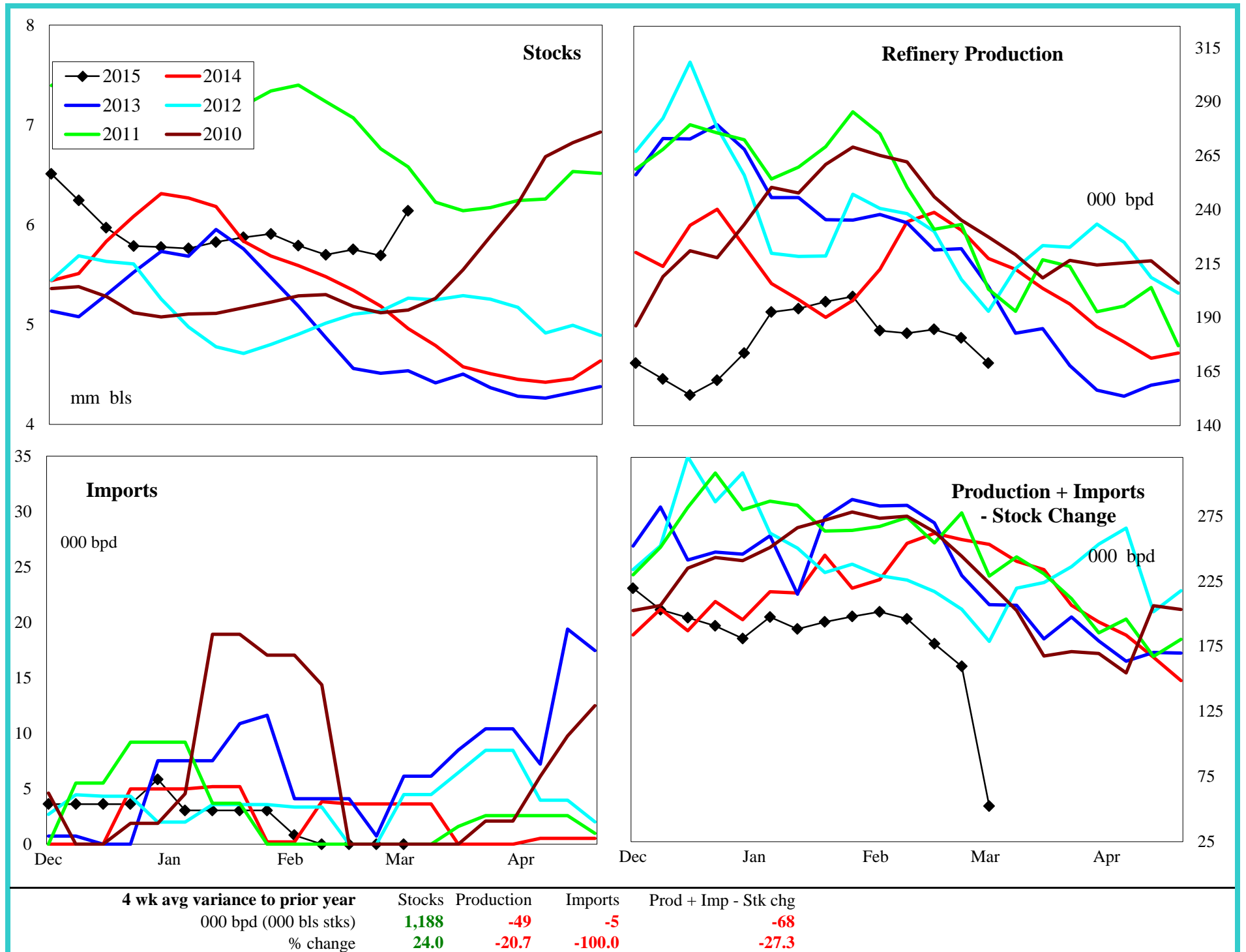
PADD 3 Distillate Supply



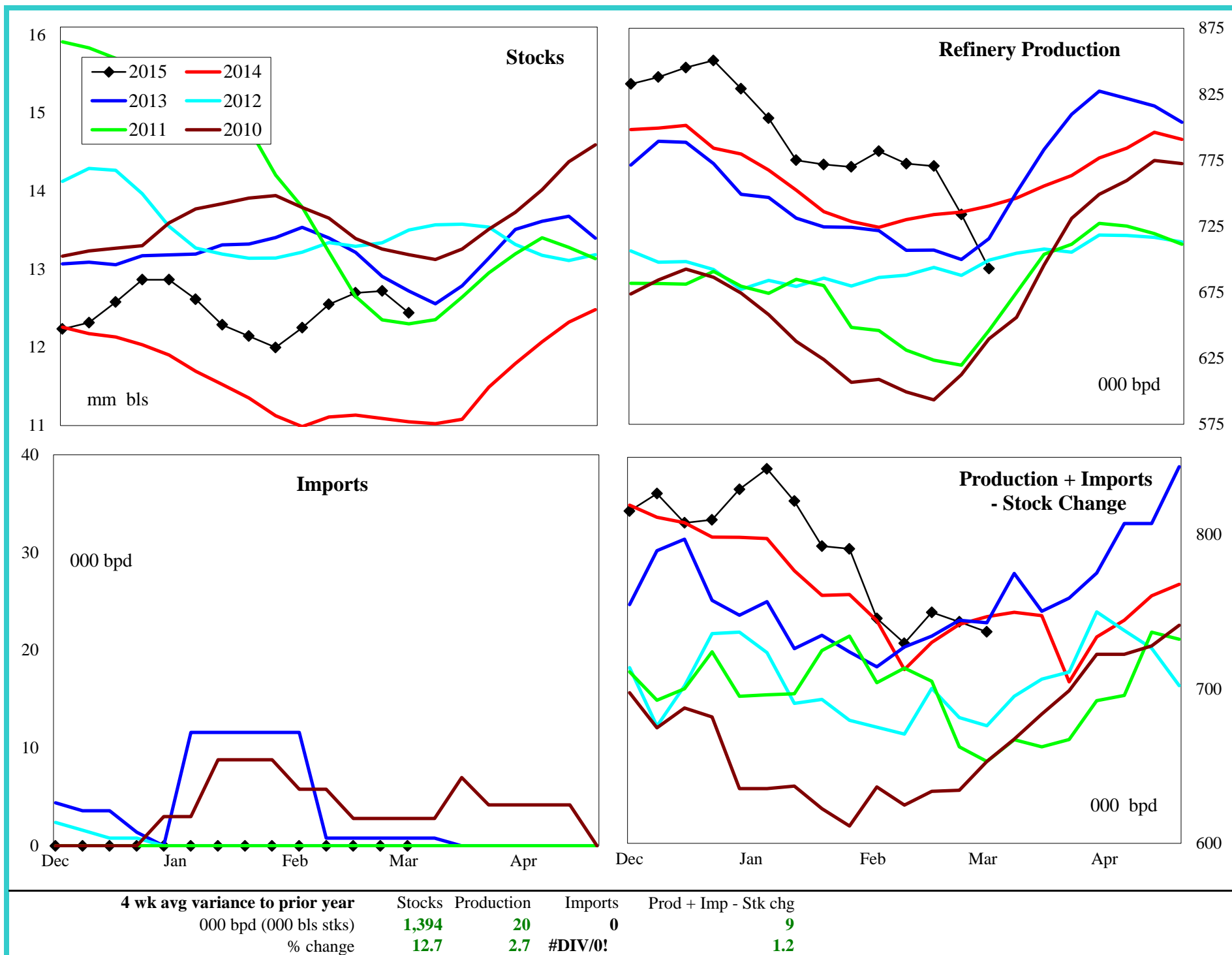
PADD 3 Low Sulfur Distillate Supply



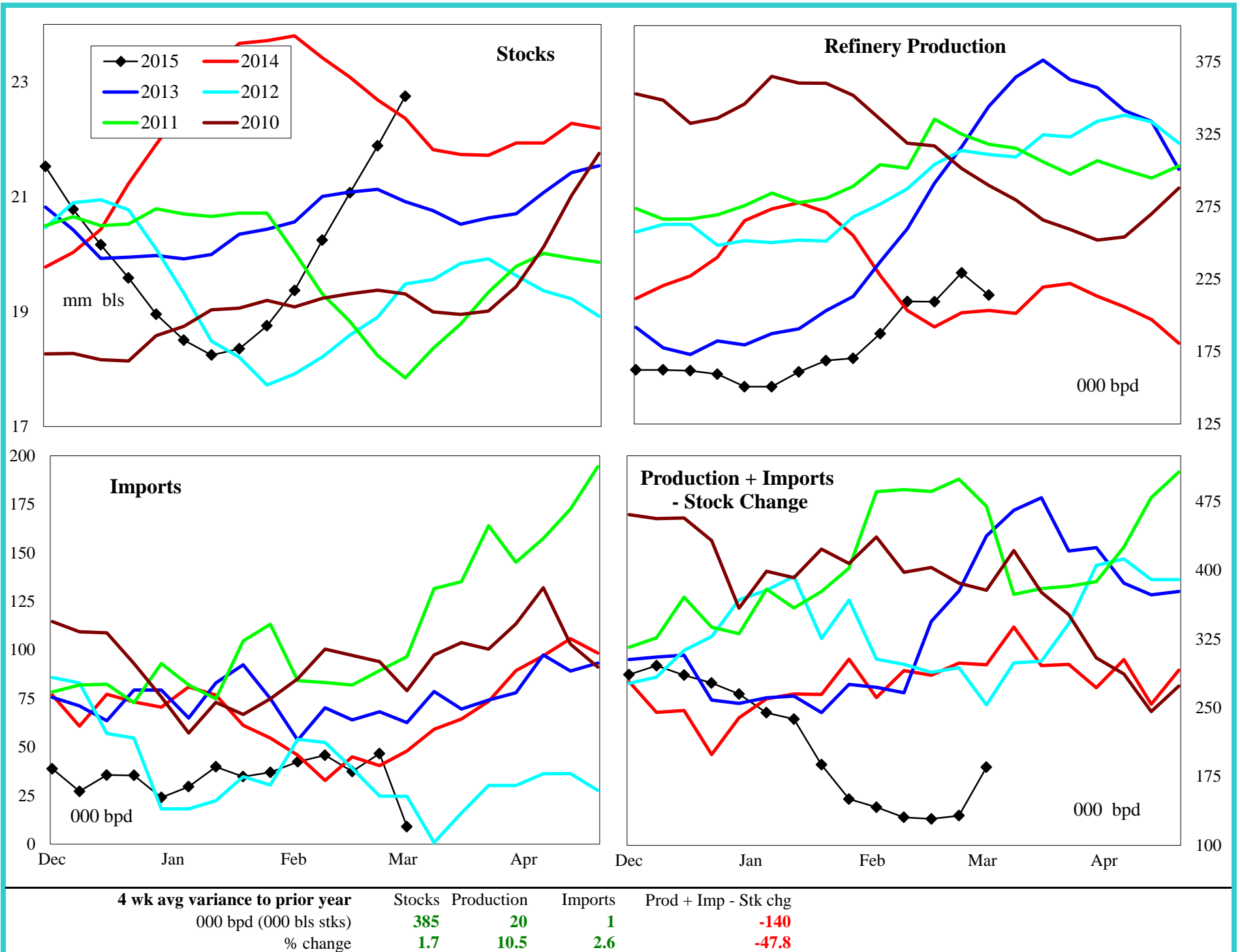
PADD 3 High Sulfur Distillate Supply



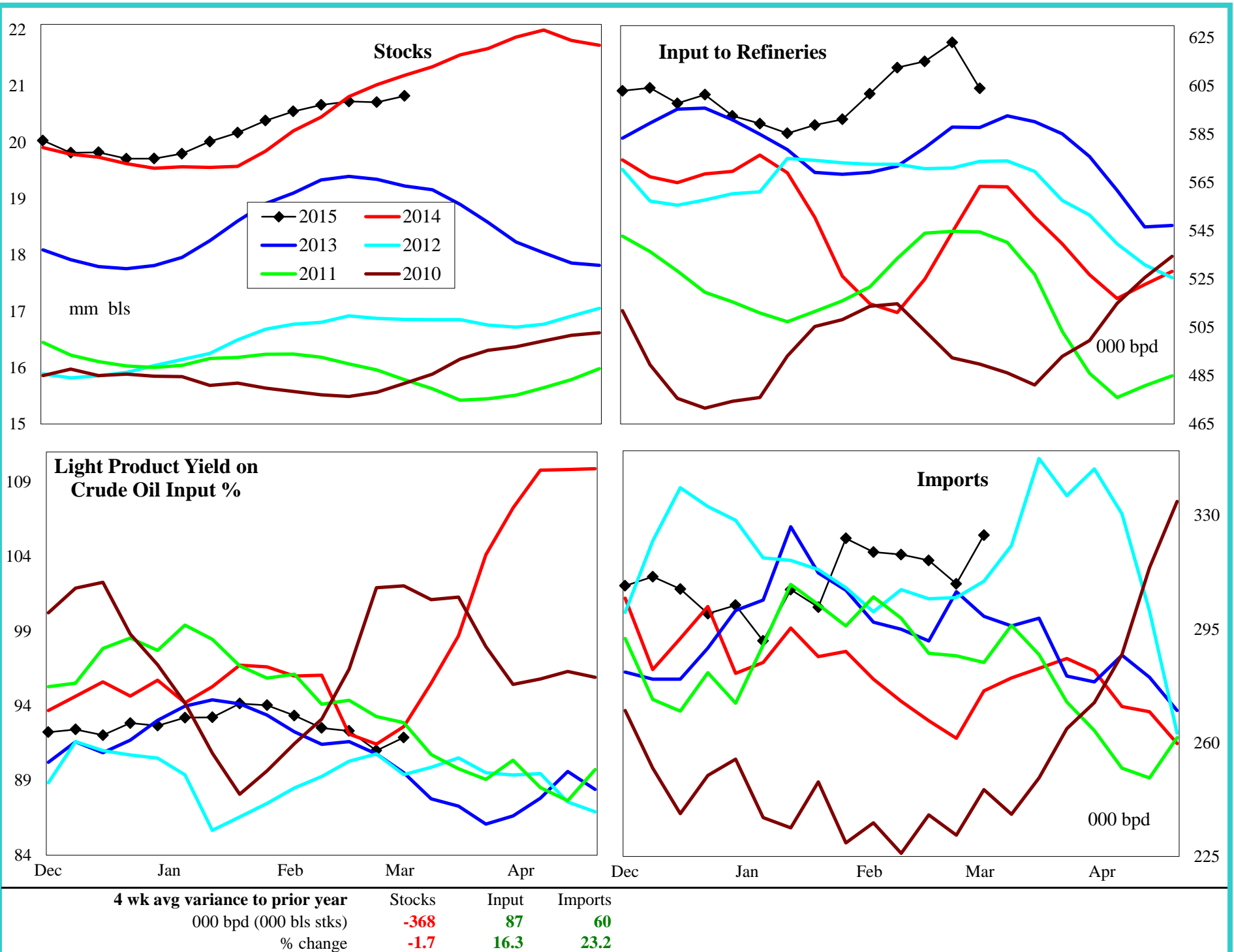
PADD 3 Jet Fuel Supply



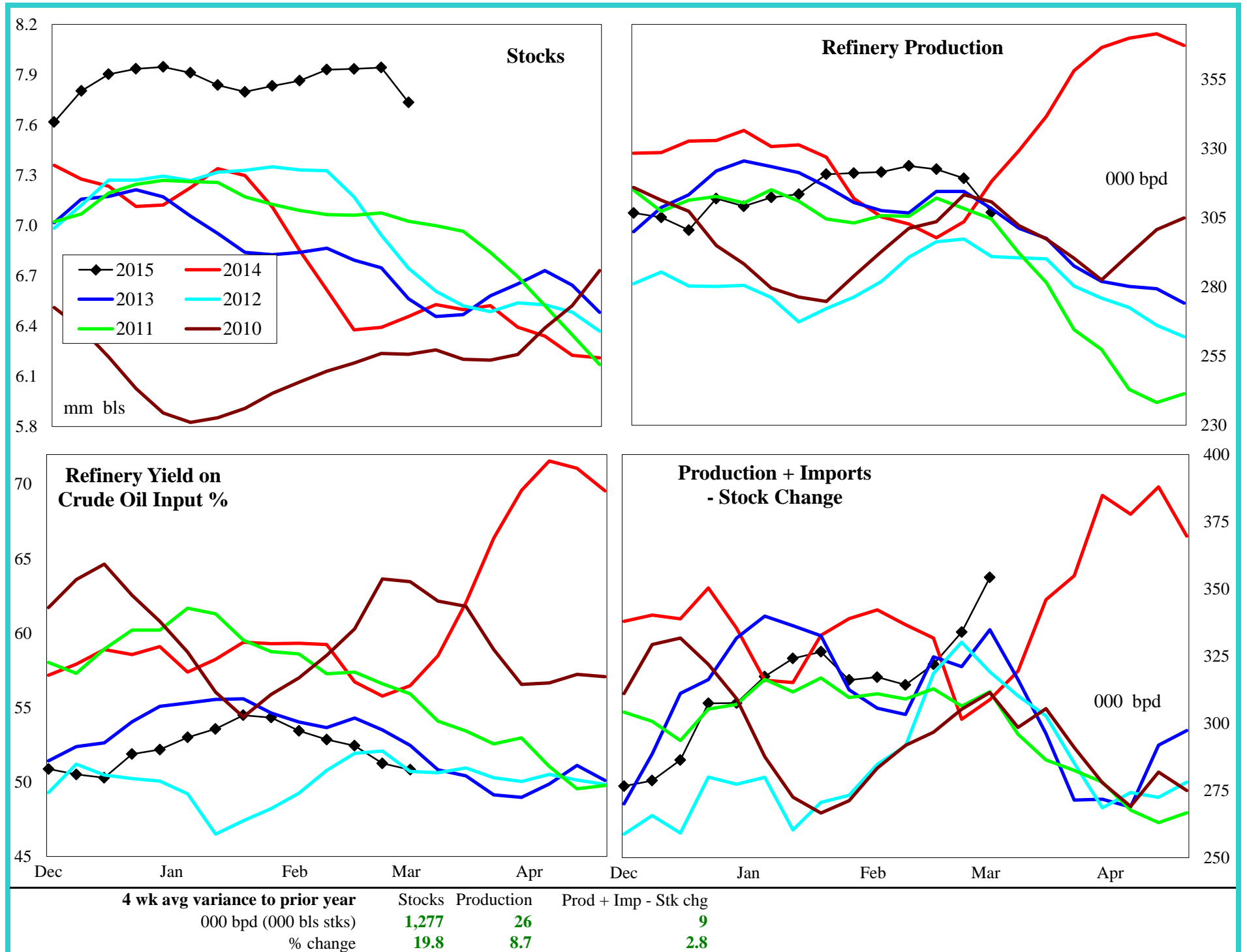
PADD 3 Residual Fuel Oil Supply



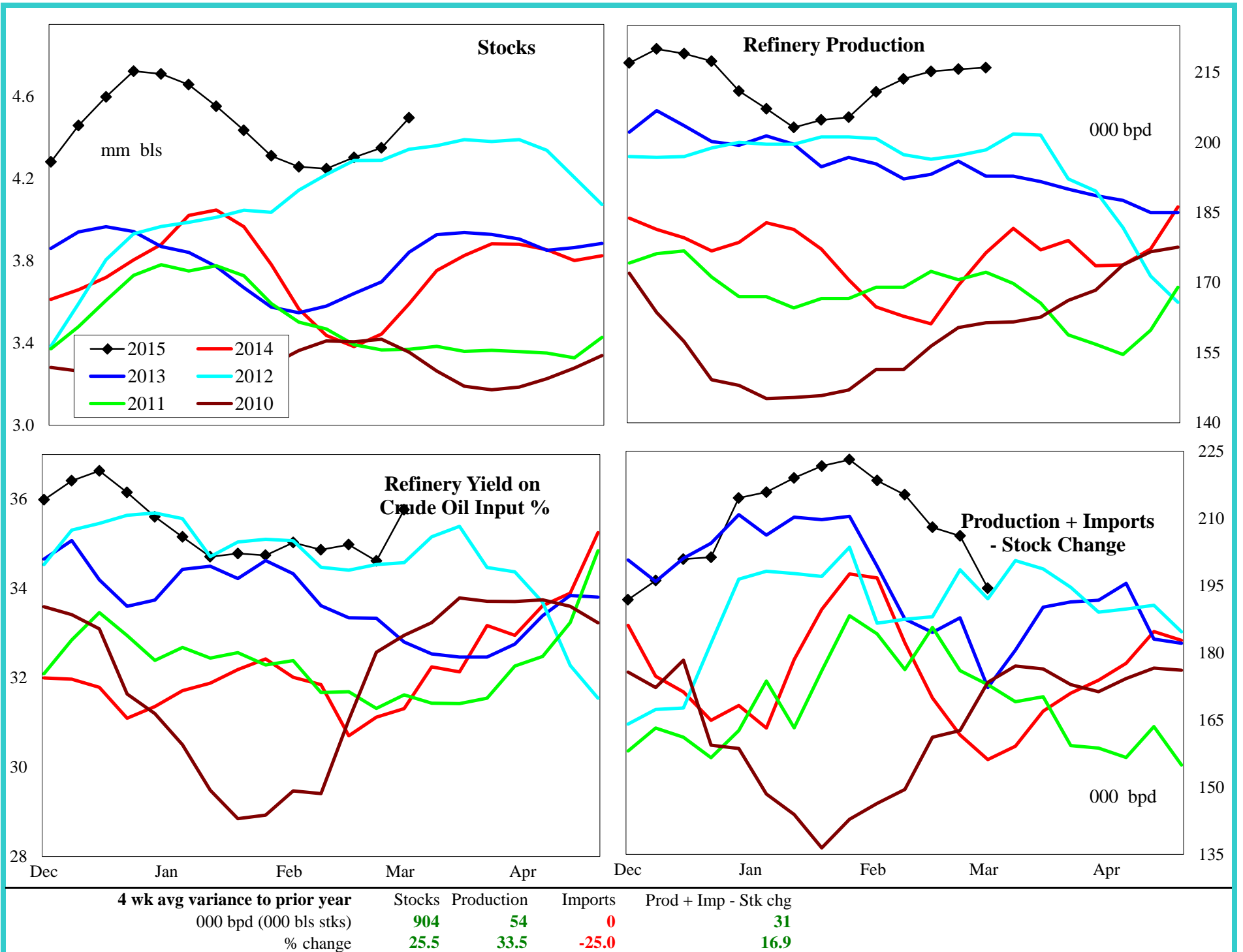
PADD 4 Crude Oil Supply and Refining



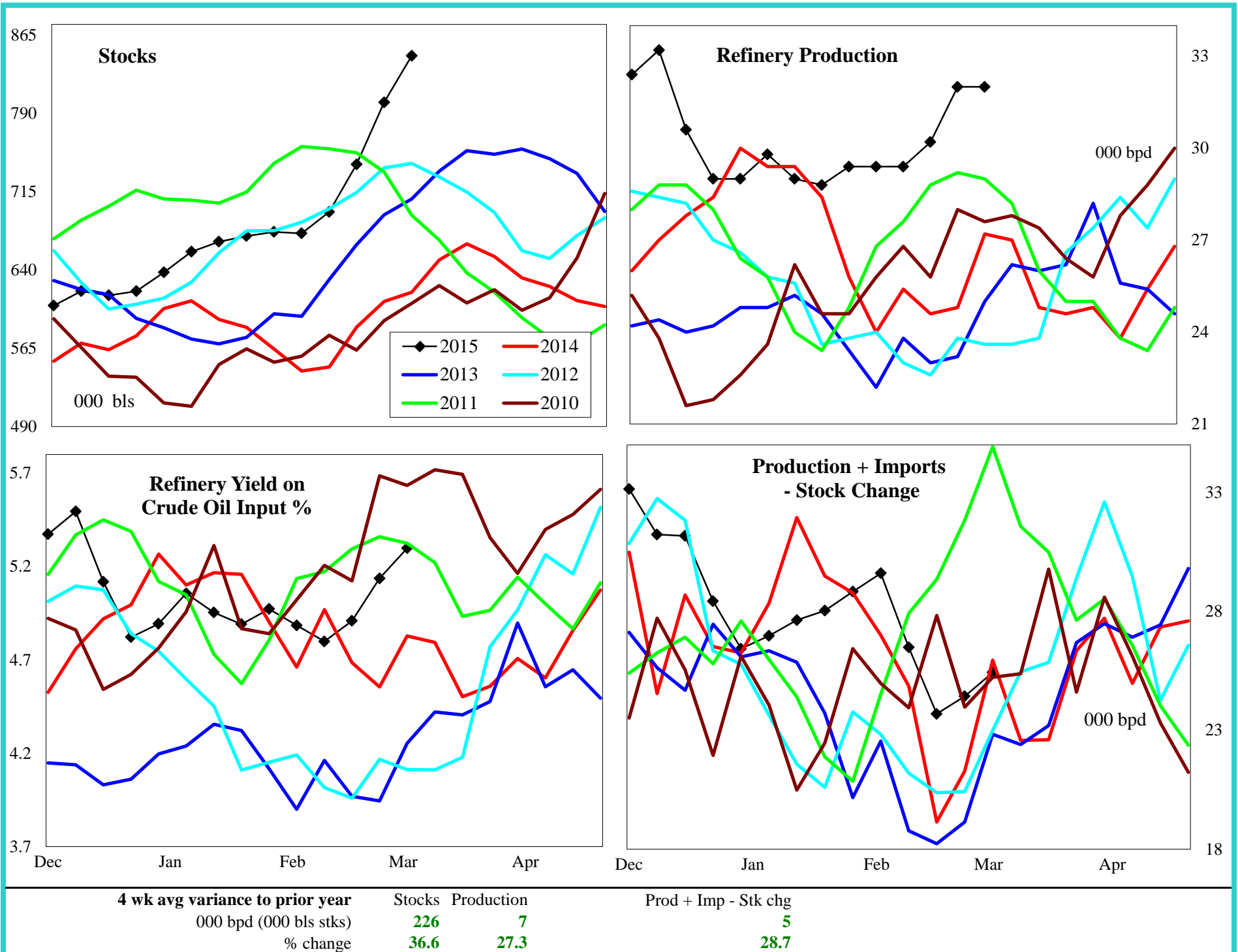
PADD 4 Gasoline Supply



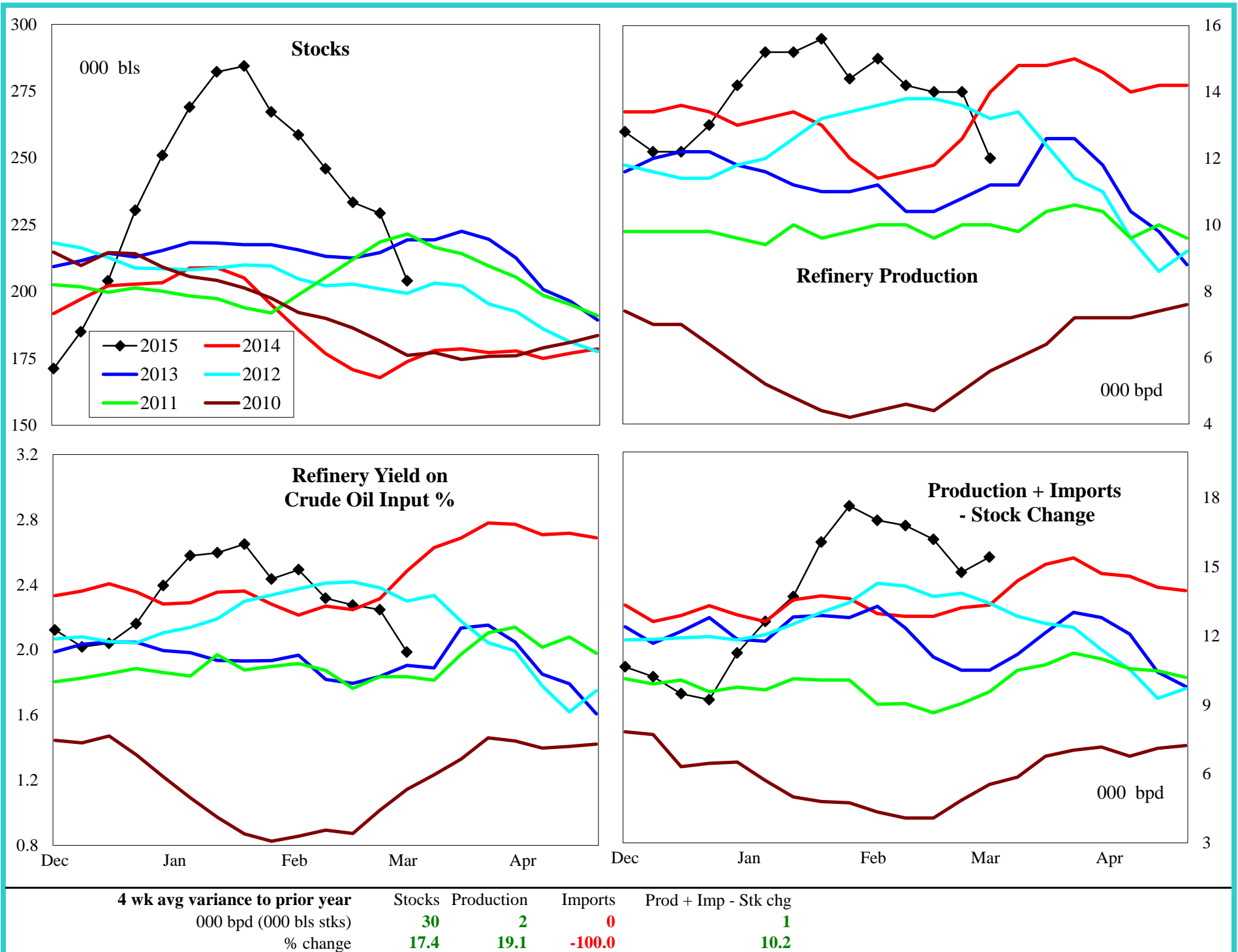
PADD 4 Distillate Supply



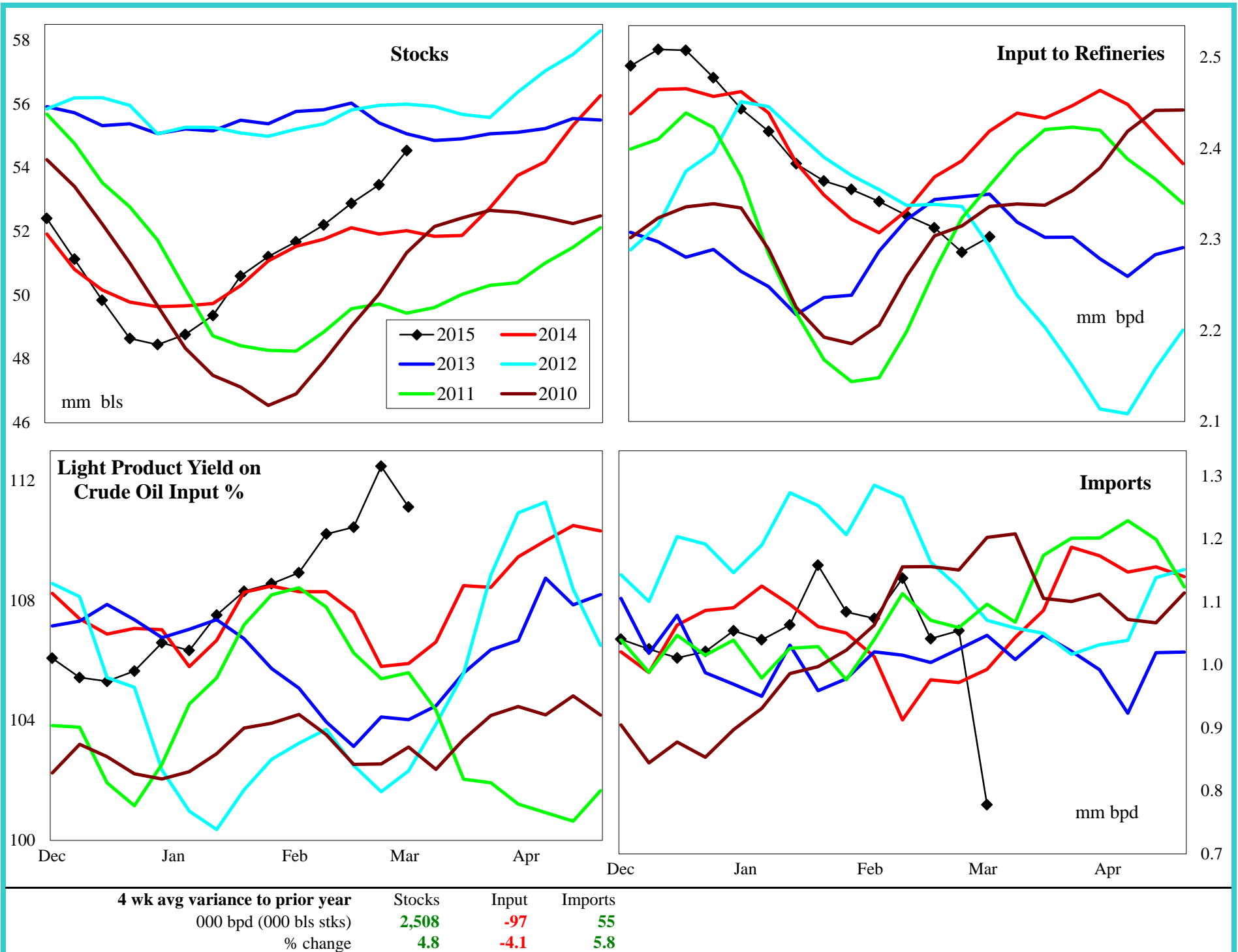
PADD 4 Jet Fuel Supply



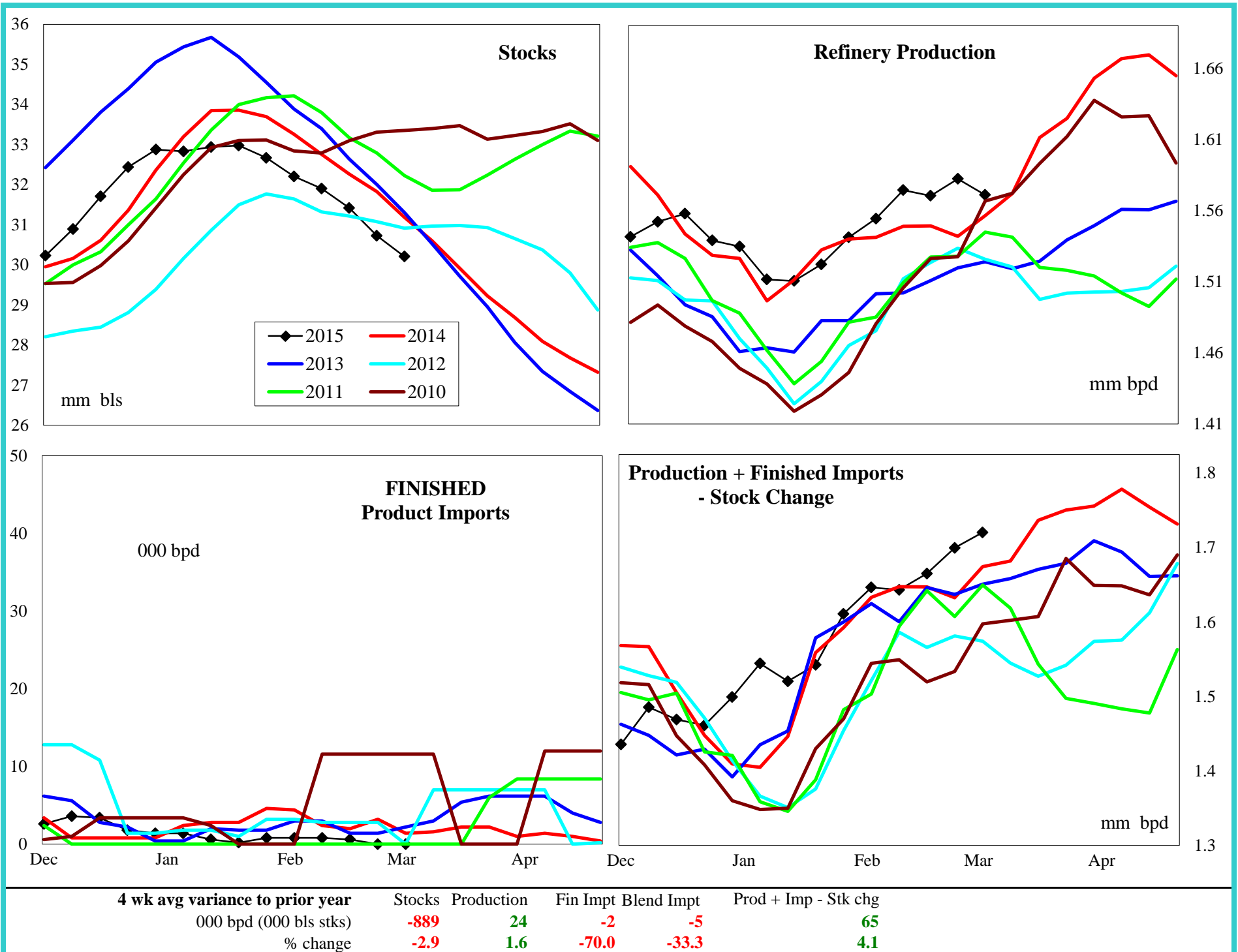
PADD 4 Residual Fuel Oil Supply



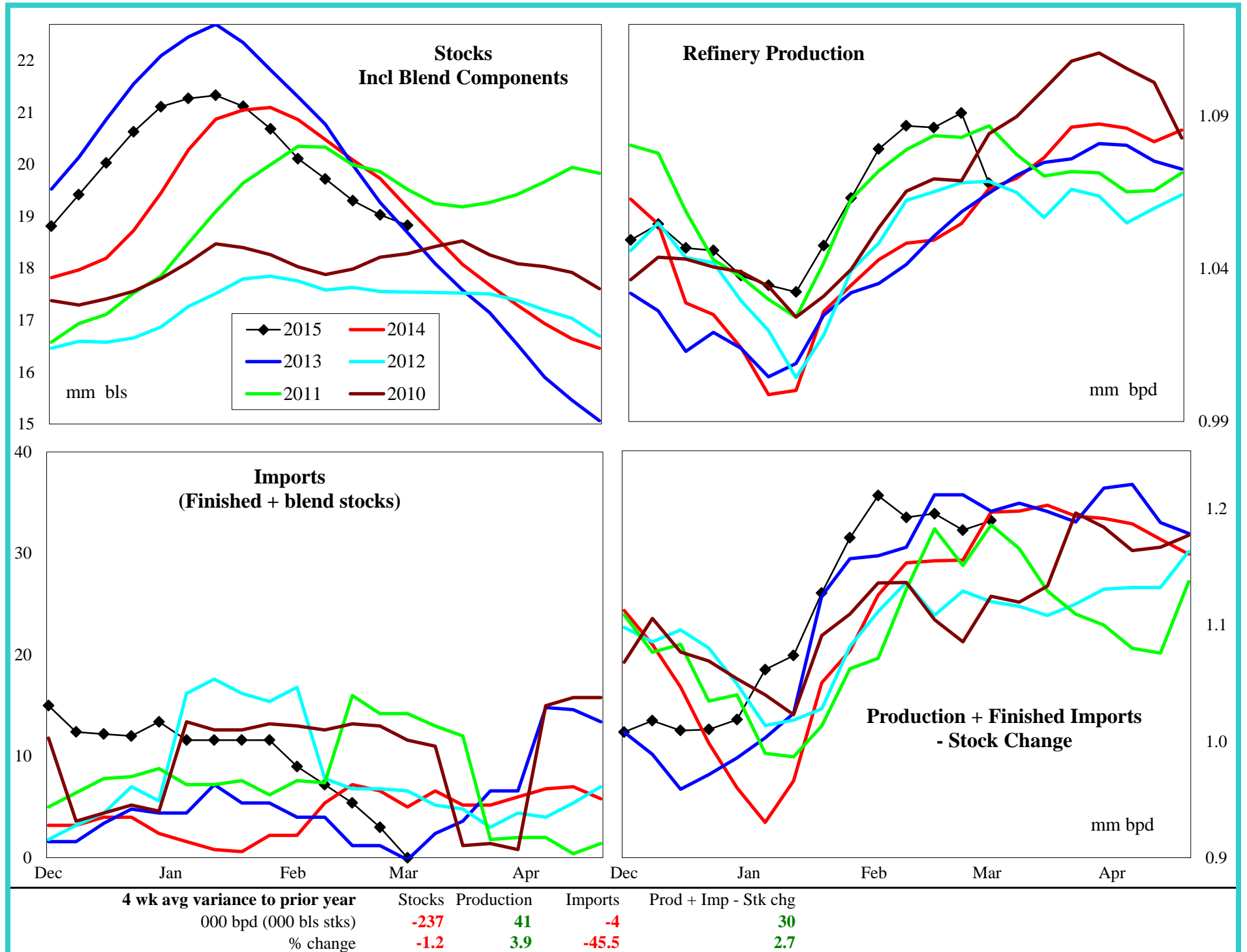
PADD 5 Crude Oil Supply and Refining



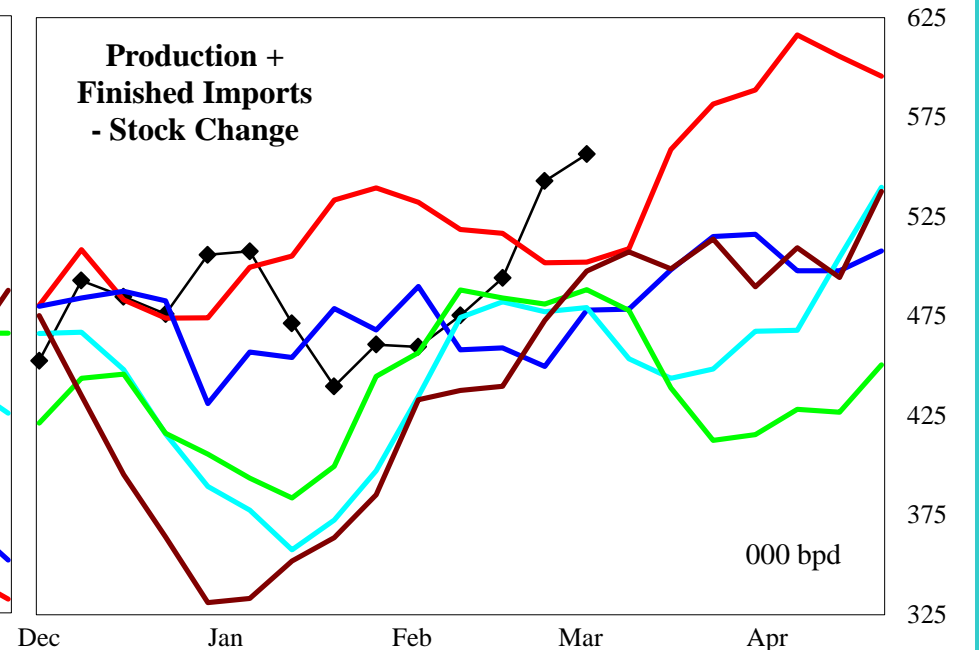
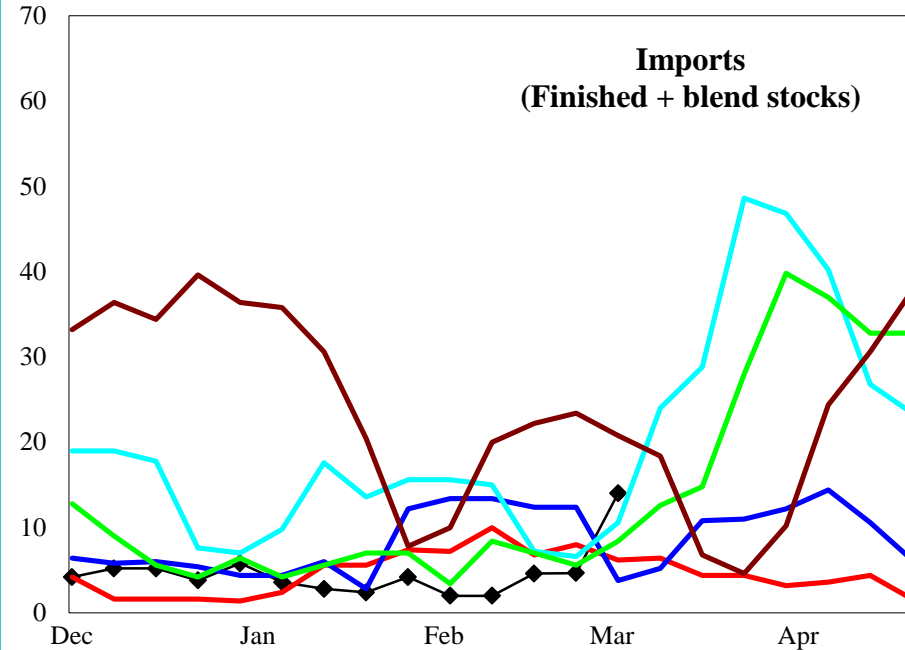
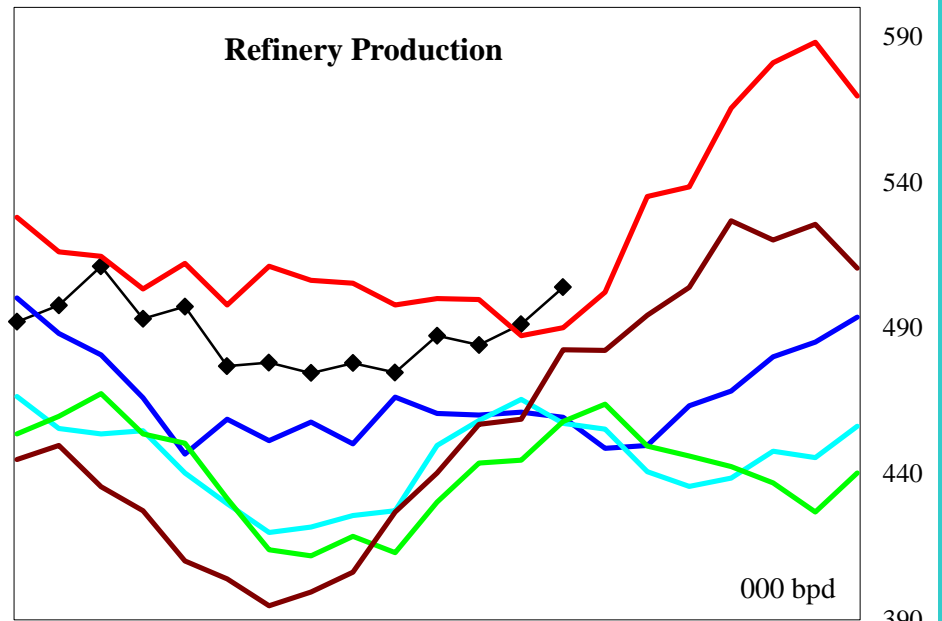
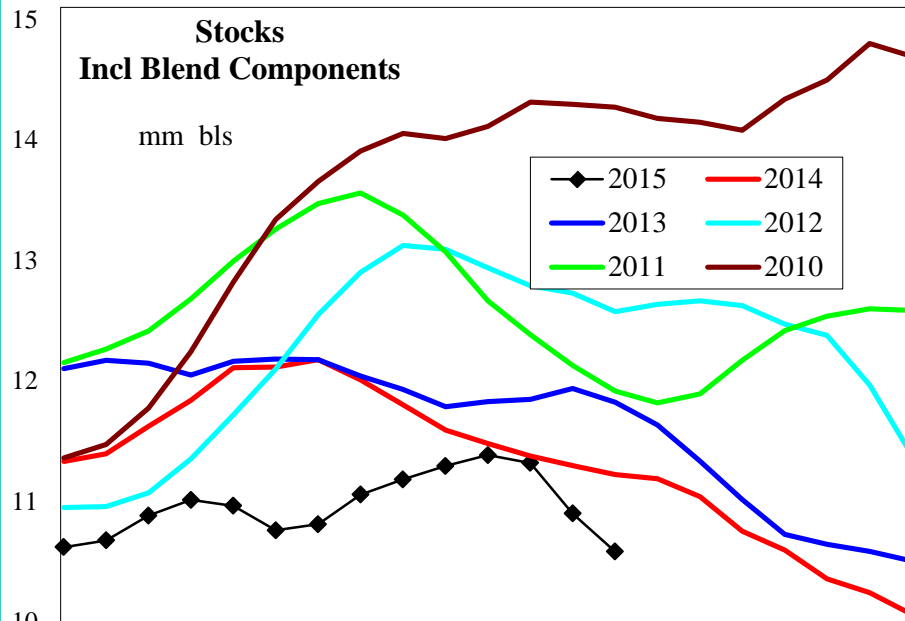
PADD 5 Gasoline Supply



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

-652

-16

-3

36

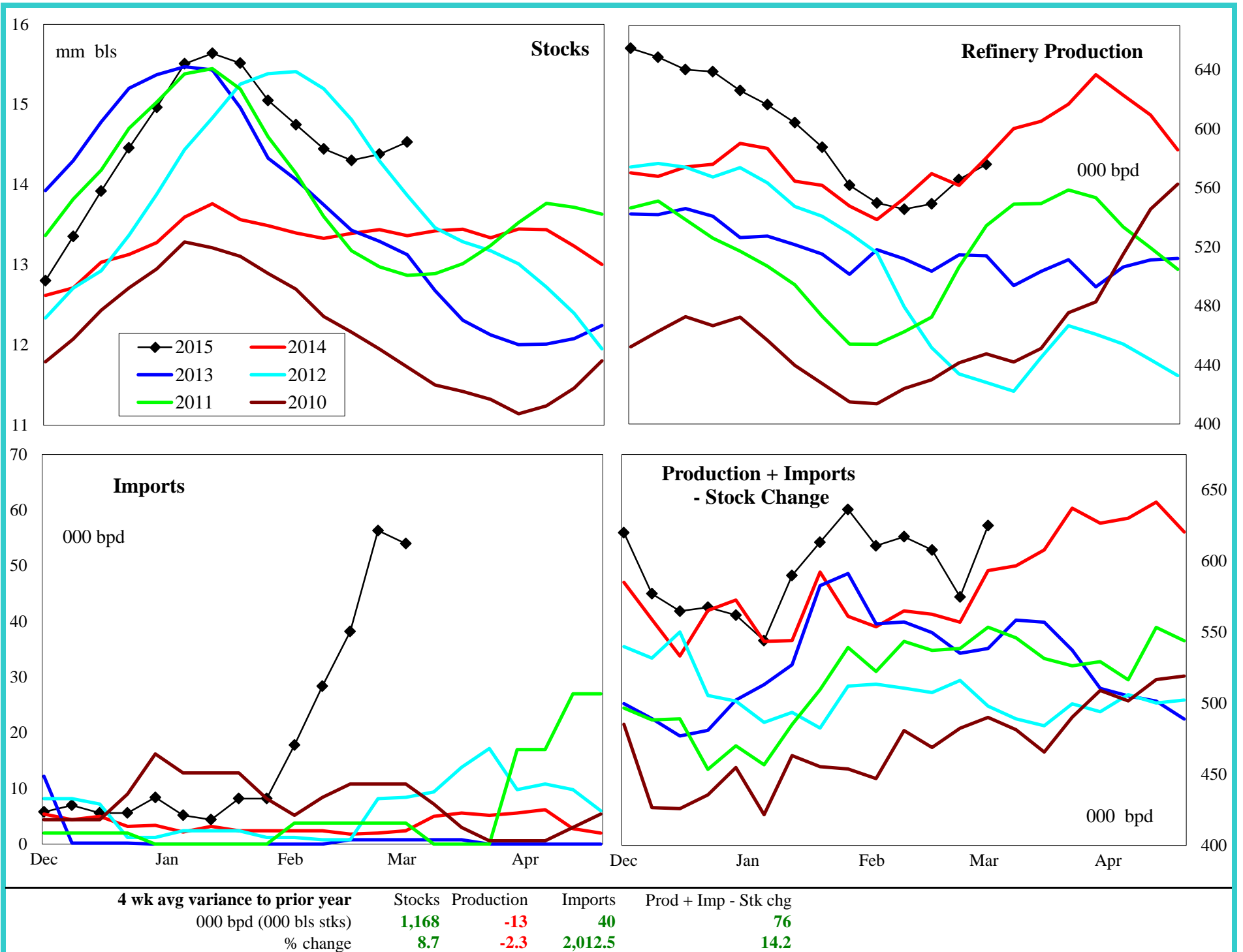
-5.6

-3.3

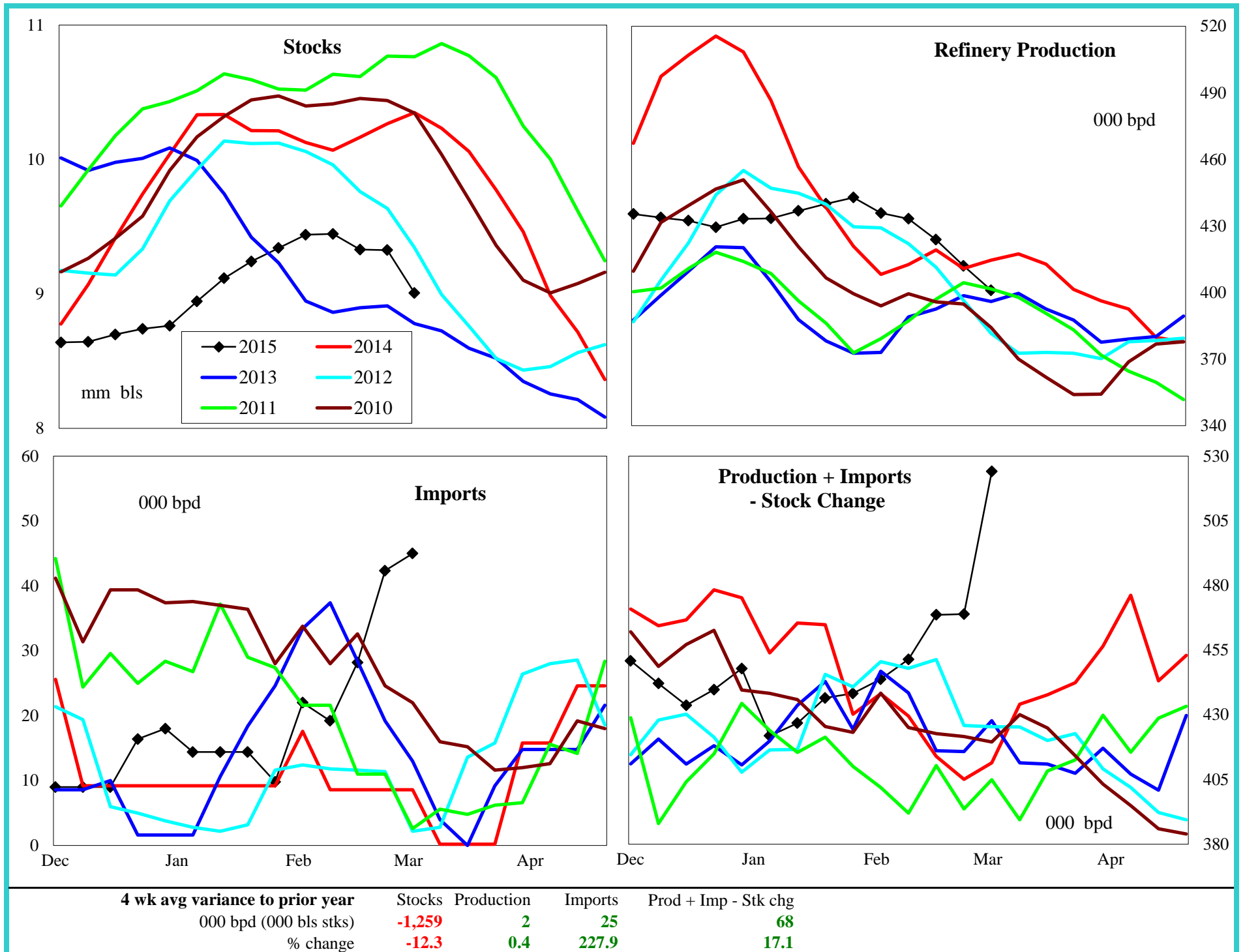
-32.4

7.0

PADD 5 Distillate Supply



PADD 5 Jet Fuel Supply



PADD 5 Residual Fuel Oil Supply

