



WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

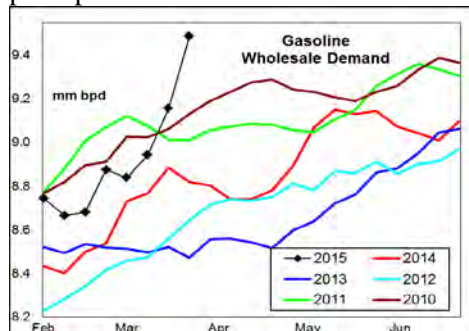
A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Wednesday, April 01, 2015

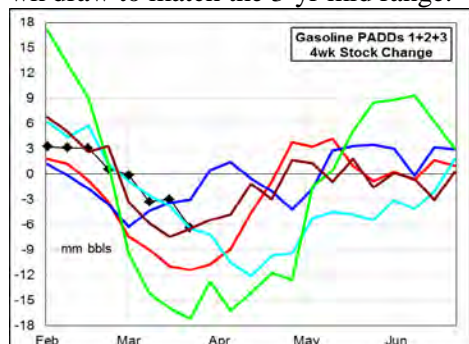


Major Fundamental Trends¹

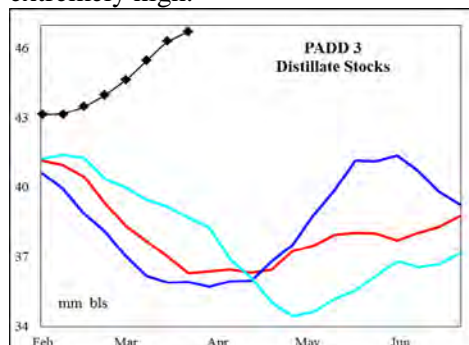
Wholesale demand for gasoline should see robust year-on-year growth, driven by lower prices and consumer purchases of lower mileage SUV's and pickups.



Last week's gasoline stock draw of -4.3 million barrels was concentrated east of the Rockies, driven the latest 4-wk draw to match the 3-yr mid range.

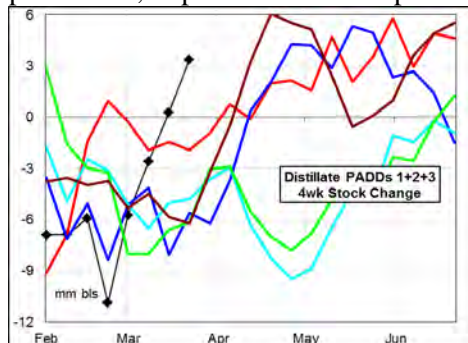


Distillate stocks increased +1.3 million barrels last week. Stock levels in all regions except the East Coast are extremely high.

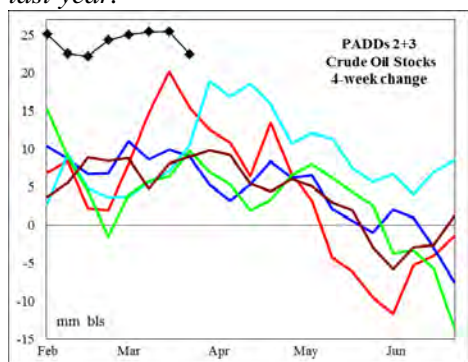


Distillate stocks in markets east of the Rockies saw a +3.8 million barrel build for the most recent 4-wk period, compared to an average -5 million

barrel draw, driven by a high rate of production, imports and weak exports.



The latest 4-wk crude oil stock build rate in the midwest and gulf regions was +22 million barrels, 3X the historic average. *This record rate has occurred even with crude oil runs in the two regions +436,000 bpd above last year.*



Wholesale Demand for gasoline rebounded last week, while distillate decreased.

Wholesale demand, measured over the last four weeks compared to a year ago: gasoline increased +1.9%, distillate increased +1.3%, jet fuel was +6% higher, while residual fuel decreased -35%.

Stocks forward coverage: Gasoline demand coverage fell on a -4.3 million barrel stock draw, and sharply higher wholesale demand. Coverage ended the week at a level near the 3-yr mid range for the period.

Distillate demand coverage increased on a +1.3 million barrel stock build for the week. Coverage ended the week at a level comparable with the last 2-yrs.

Jet fuel coverage remains below the 5-yr range on a -1.2 million barrel stock draw, and robust demand growth.

Residual fuel oil coverage remains above the 5-yr range on above average stock levels and low demand.

Refinery utilization rates increased on a +198,000 bpd increase in crude oil runs last week. During the latest 4-wk period crude oil input was +412,000 bpd above last year.

Gasoline yield % on crude oil runs increased last week on a +705,000 bpd rise in output compared to the +198,000 increase in crude oil runs. Gasoline yield % on crude oil runs ended the week at a level above the last 3-yrs.

Distillate yield % on crude oil runs increased on a +126,000 bpd rise in output compared to the increase in crude oil runs. The yield % on crude oil runs was near historic highs.

Jet fuel yield % on crude oil runs decreased last week on a +1,000 bpd rise in output compared the increase in crude oil runs. The yield % on crude oil runs matched the 3-yr mid range.

Petroleum Imports/Exports: Imports of gasoline increased last week, while crude oil and other fuels were lower.

During the latest 4-wk period crude oil imports decreased -10,000 bpd compared to a year ago; distillate imports were +91,000 bpd higher; finished gasoline imports were -14,000 bpd lower; gasoline blend stock imports were +108,000 bpd higher, jet fuel imports increased +37,000 bpd, while residual fuel imports were -30,000 bpd lower.

Exports of distillate for the week ending 20Mar15 were -58,000 bpd below a year ago, gasoline +103,000 bpd higher, jet fuel -23,000 bpd lower and residual fuel oil was unchanged.

Crude Oil stocks increased +4.8 million barrels on the week, including a +4.3 million barrel build in the mid west.

Stocks in Cushing increased +2.6 million barrels on the week, with the level at 83% of capacity.

¹ Source is latest EIA Weekly Statistics



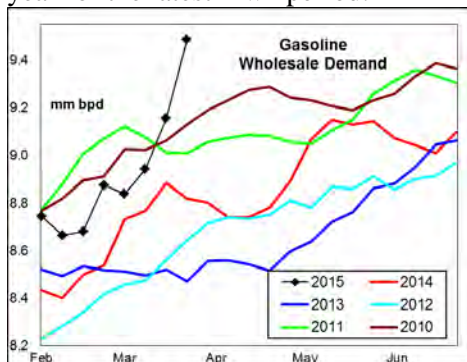
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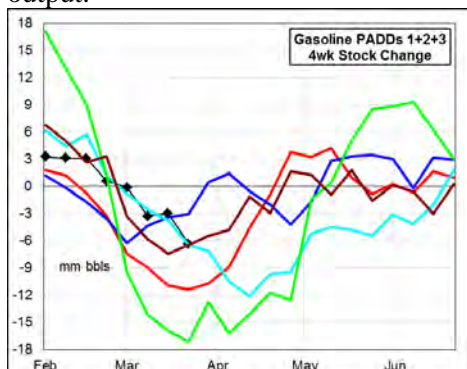
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Product Supply-Demand Trends

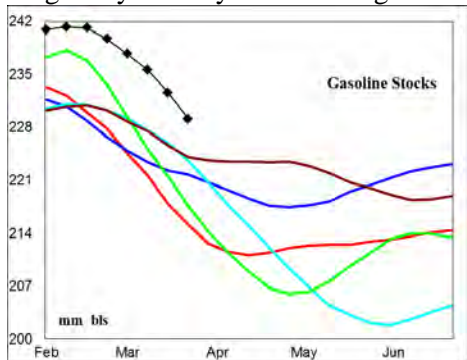
Gasoline wholesale demand jumped +0.8 million bpd last week. Wholesale demand was +163,000 bpd above last year for the latest 4-wk period.



Supply increased +1 million bpd last week on higher production and imports. Supply for the latest 4-wk period exceeded a year ago by +246,000 bpd on higher refinery output.



The latest 4-wk stock change East of the Rockies matched the 3-yr mid range on year-on-year demand growth.

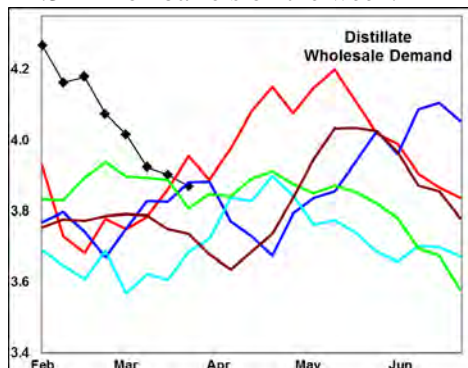


A significant supply imbalance exists between regional markets. The East and Gulf coast regions report stocks at record levels for this time of year, compared to the West coast where stocks are at record lows.

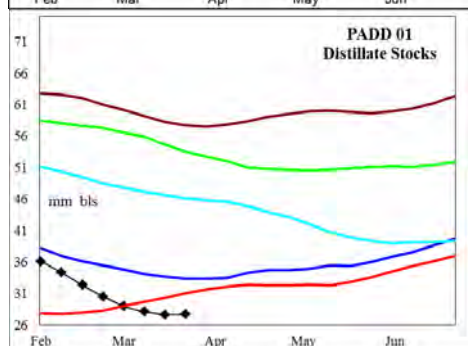
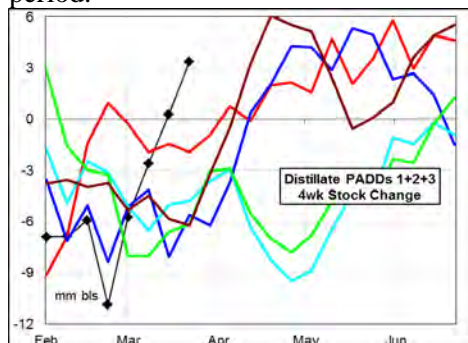
Distillate wholesale demand decreased

-146,000 bpd last week, to a level comparable with the last 2-yr. The latest 4-wk average wholesale demand was +48,000 bpd above last year.

Supply increased +48,000 bpd on higher production. Stocks increased +1.3 million barrels on the week.



Combined markets East of the Rockies have seen a +3.4 million barrel build, compared to a -5 million barrel average draw during the latest 4-wk period.



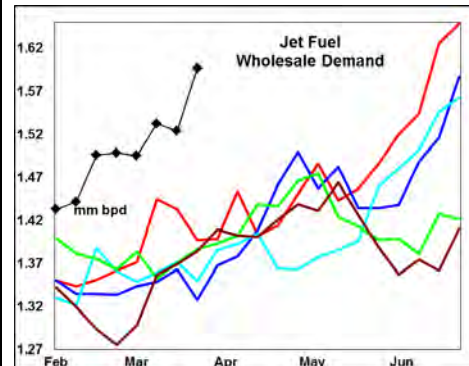
A significant supply imbalance exists between regional markets. East coast stocks are at record lows due to the extended winter in the Northeast, compared to all other regions where stock levels are extremely high.

Weak exports and record production underlie the over supply

in all regions except the East Coast.

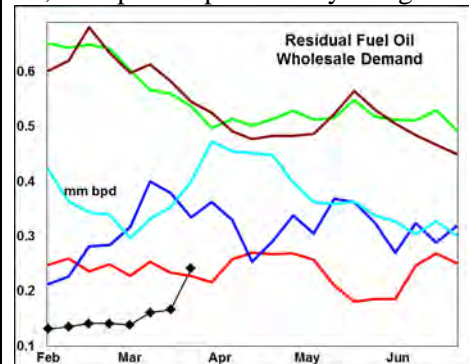
Jet Fuel wholesale demand increased +85,000 bpd last week, ending at a level well above the 5-yr range. The latest 4-wk average demand was +85,000 bpd over a year ago.

Supply decreased -48,000 bpd on lower imports. Stocks fell -1.2 million barrels on the week, concentrated on the East Coast.



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 increased +115,000 bpd last week. Demand for the latest 4-wk period decreased -87,000 bpd compared to a year ago.



Supply (production + imports) decreased -116,000 bpd on the week, due to lower imports. Stocks decreased -0.2 million barrels, a level near historic highs for the period.

Stocks were at record highs in the Gulf and West coast regions last week. Wholesale demand remains -35% below last year.



WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

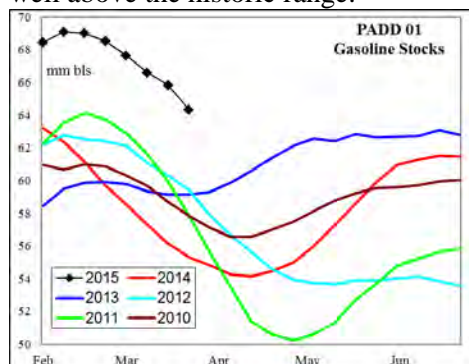
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PADD Supply Trends

PADD 1 refinery crude oil runs increased +15,000 bpd on the week to a level above the historic range. The latest 4-wk average thru put was +47,000 bpd above last year.

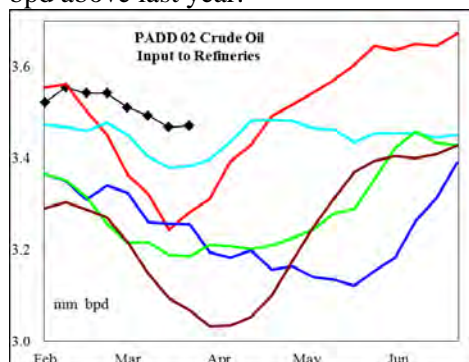
Gasoline supply increased +122,000 bpd on the week, with the 4-wk average +69,000 bpd above last year. Stocks fell -1.7 million barrels last week, although the level remains well above the historic range.



Distillate supply decreased -25,000 bpd last week, on lower imports. Stocks increased +0.3 million barrels, still a level below the historic range.

Jet fuel supply increased +15,000 bpd higher production. Stocks fell -1.5 million barrels on the week, to a record low level.

PADD 2 crude oil refinery runs increased +101,000 bpd on the week. The latest 4-wk average was +232,000 bpd above last year.



Crude oil stocks increased +4.3 million barrels last week, to a new record high level. Cushing saw a +2.6 million barrel stock build on the week.

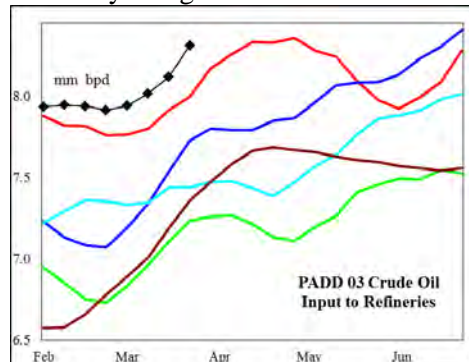
Gasoline supply decreased -33,000 bpd on the week. Production for the most recent 4-wk period was +8,000

bpd above a year ago. Stocks increased +0.5 million barrels on the week, to a level below the 3-yr mid range.

Distillate supply increased +89,000 bpd on the week, to a level sharply above the historic range. Stocks decreased -0.1 million barrels on the week, ending at a record high level.

Jet fuel supply fell -62,000 bpd last week to a record low weekly level. Stocks remain below the 5-yr range.

PADD 3 refinery runs increased +140,000 bpd on the week, to a level above the 5-yr range. During the latest 4-wk period, runs were +204,000 above a year ago.



Crude oil stocks increased +1.4 million barrels last week, with higher imports offset by increased refinery runs. Crude oil stocks are now +28 million barrels (+14%) above the prior high for the period.

Gasoline supply increased +129,000 bpd last week, with the latest 4-wk average +111,000 bpd above a year ago. Stocks fell -2.3 million barrels on the week, with the level still a record high for this time of year.

Distillate supply decreased -24,000 bpd on the week, with the latest 4-wk average supply +35,000 bpd above a year ago. Stocks increased +0.6 million barrels on the week, to a level +24% above last year.

Jet fuel production increased +26,000 bpd on the week, with the level -29,000 bpd below last year for the latest 4-wk period. Stocks were nearly unchanged on the week, at a level below the 3-yr mid range.

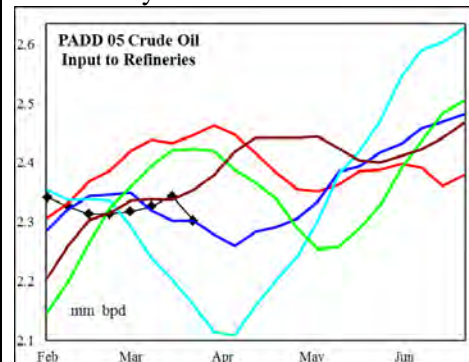
PADD 4 refinery crude runs increased

+10,000 bpd last week, to a level that matched the 3-yr mid range. The latest 4-wk average was +18,000 bpd above a year ago.

Gasoline production declined -12,000 bpd last week, to a level above the 3-yr mid range. The latest 4-wk average production was -17,000 bpd below a year ago. Stock levels ended the week near the historic mid range.

Distillate supply increased +31,000 bpd last week, with the latest 4-wk average production +19,000 above last year. Stock levels ended the week at a record high for the spring season.


PADD 5 crude oil refinery runs decreased -69,000 bpd on the week, to a level equal to the 3-yr mid range. The 4-wk run rate was -89,000 bpd below last year.



Gasoline supply increased +164,000 bpd on the week, driven by a spike in imports; with the latest 4-wk average +34,000 bpd above last year. Stocks decreased -0.5 million barrels on the week, ending at a fresh record low level for this time of year. Significant refinery upsets and fire at the ExxonMobil plant have been recently offset by record high imports.

Distillate supply decreased -21,000 bpd on the week, due to lower production. The 4-wk average supply was -13,000 bpd below a year ago, driven by a -26,000 bpd decrease in production. Stock levels ended the week +14% above the 5-yr range for this time of year.

Record high jet fuel production and imports has lifted stocks to above the historic mid range.



FUNDAMENTAL

PETROLEUM TRENDS

PETROLEUM: Graph Link and Weekly Summary

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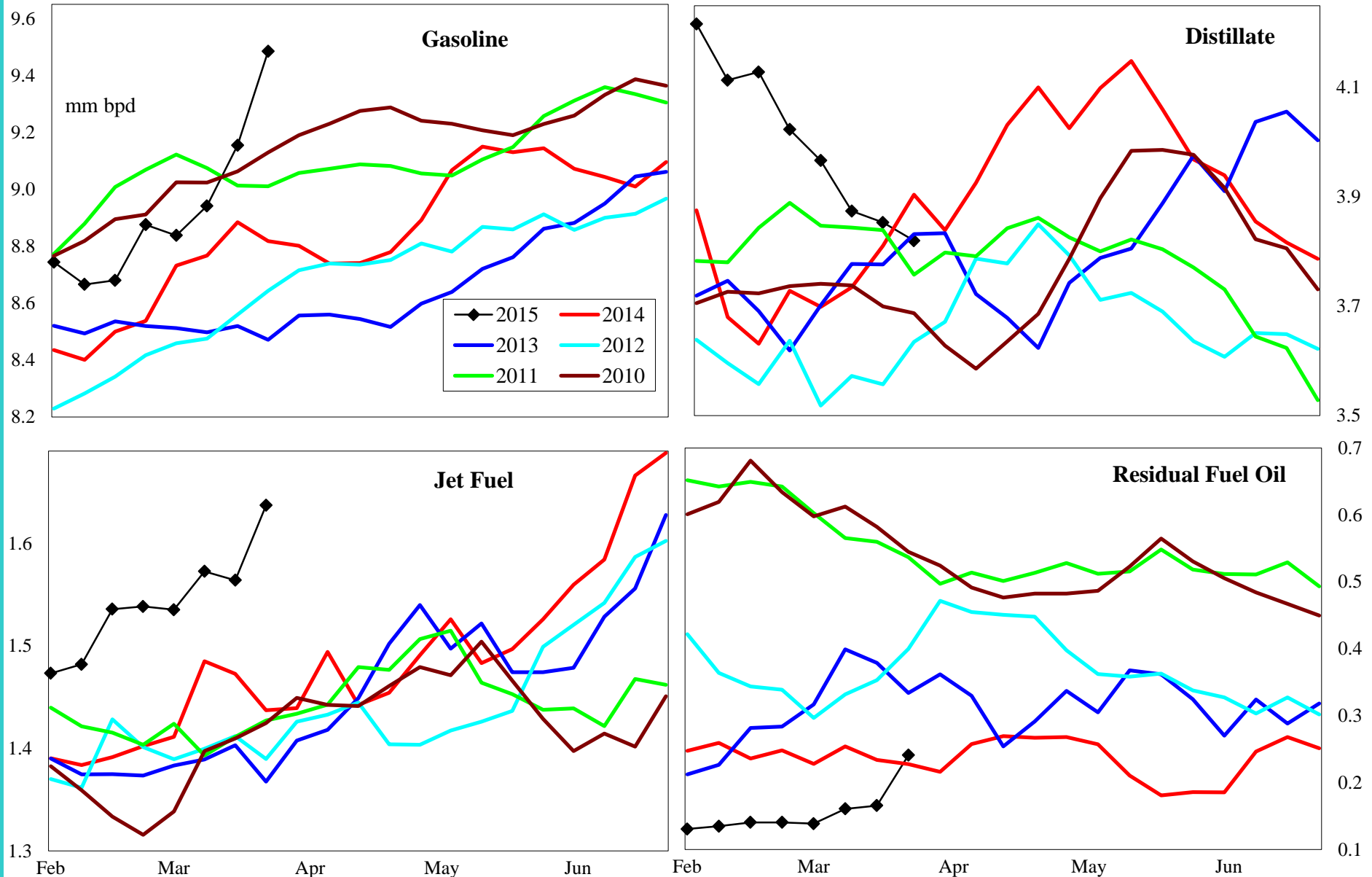
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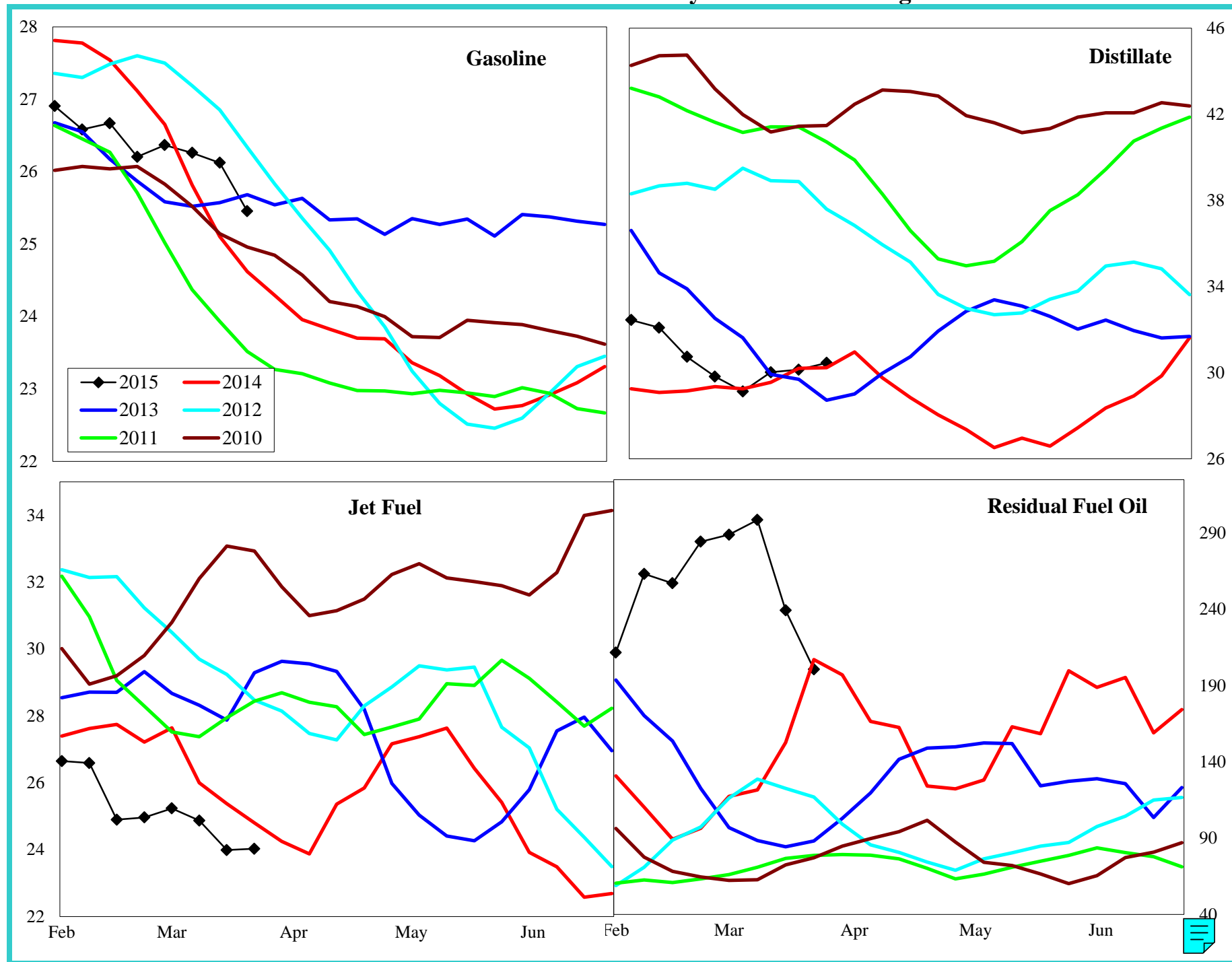
Fundamental Trends	Wholesale Demand	Stocks Days Fwd Coverage	Refinery Utilization		Product Yield %		Imports
Supply/Demand Trends	27-Mar-15	EIA-DOE CHANGE FROM PRIOR WEEK					
	000 bpd stocks 000 bls	U. S. Total	PADD				
			1	2	3	4	5
Crude Oil	Stocks	4,766	-471	4,303	1,372	428	-866
	Imports	-44	261	26	200	10	-542
	Input	198	15	101	140	10	-69
	% Utilization	0.40					
Gasoline	Stocks	-4,258	-1,723	453	-2,275	-232	-482
	Production	705	-1	-32	129	-12	21
	Imports	266	123	-1	0	2	143
	Supplied	816					
Distillate	Stocks	1,325	316	-66	609	204	262
	Production	126	6	90	15	29	-12
	Imports	-78	-31	-1	-39	2	-9
	Supplied	-146					
Jet Fuel	Stocks	-1,230	-1,474	-67	55	-30	285
	Production	1	17	-62	26	-4	23
	Imports	-49	-2	0	0	0	-47
	Supplied	85					
Residual Fuel Oil	Stocks	-219	-459	88	-254	-1	407
	Production	0	2	-2	8	-2	-6
	Imports	-116	-22	-17	-61	0	-17
	Supplied	115					

United States Wholesale Petroleum Demand

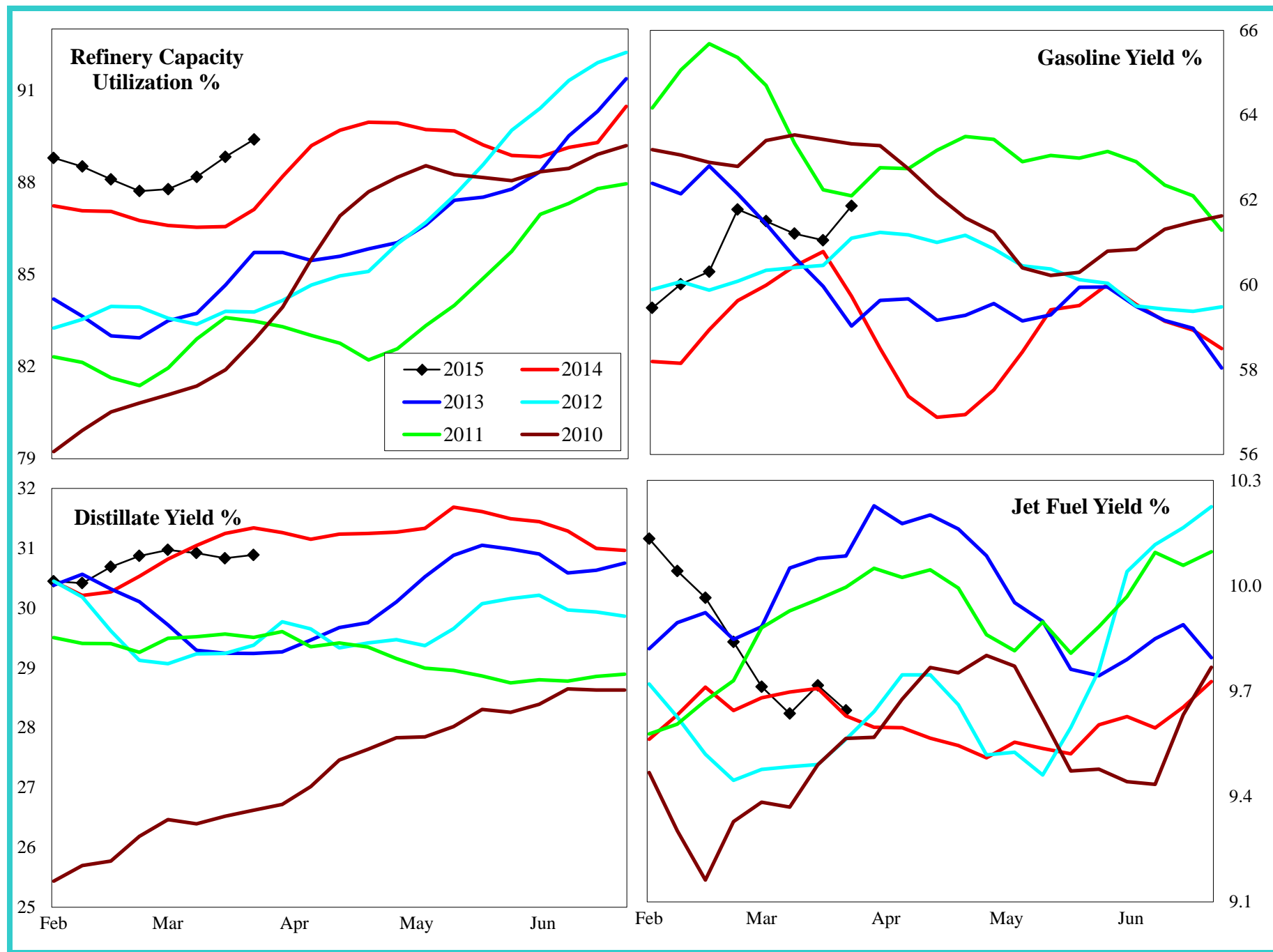


	000 bpd change from prior year				% change from prior year			
	4wk avg	Feb	Jan	Dec	4wk avg	Feb	Jan	Dec
Gasoline	163	-40	592	348	1.9	-0.5	7.2	4.0
Distillate	48	39	-92	185	1.3	0.9	-2.2	4.7
Jet Fuel	85	106	130	117	5.9	7.7	9.5	8.1
Resid	-87	-72	-105	78	-34.6	-34.8	-39.0	35.8

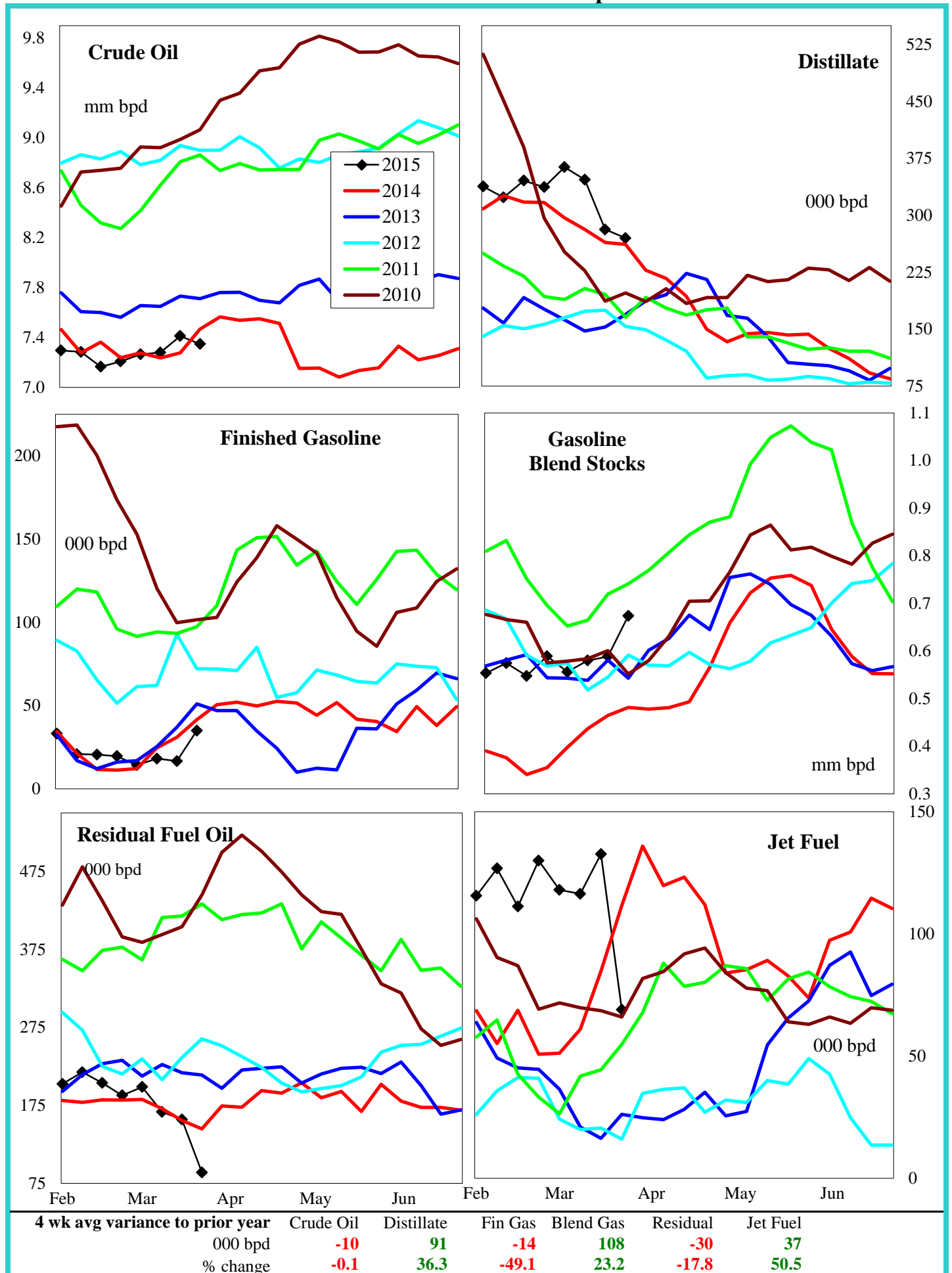


United States Product Stocks: Days Forward Coverage

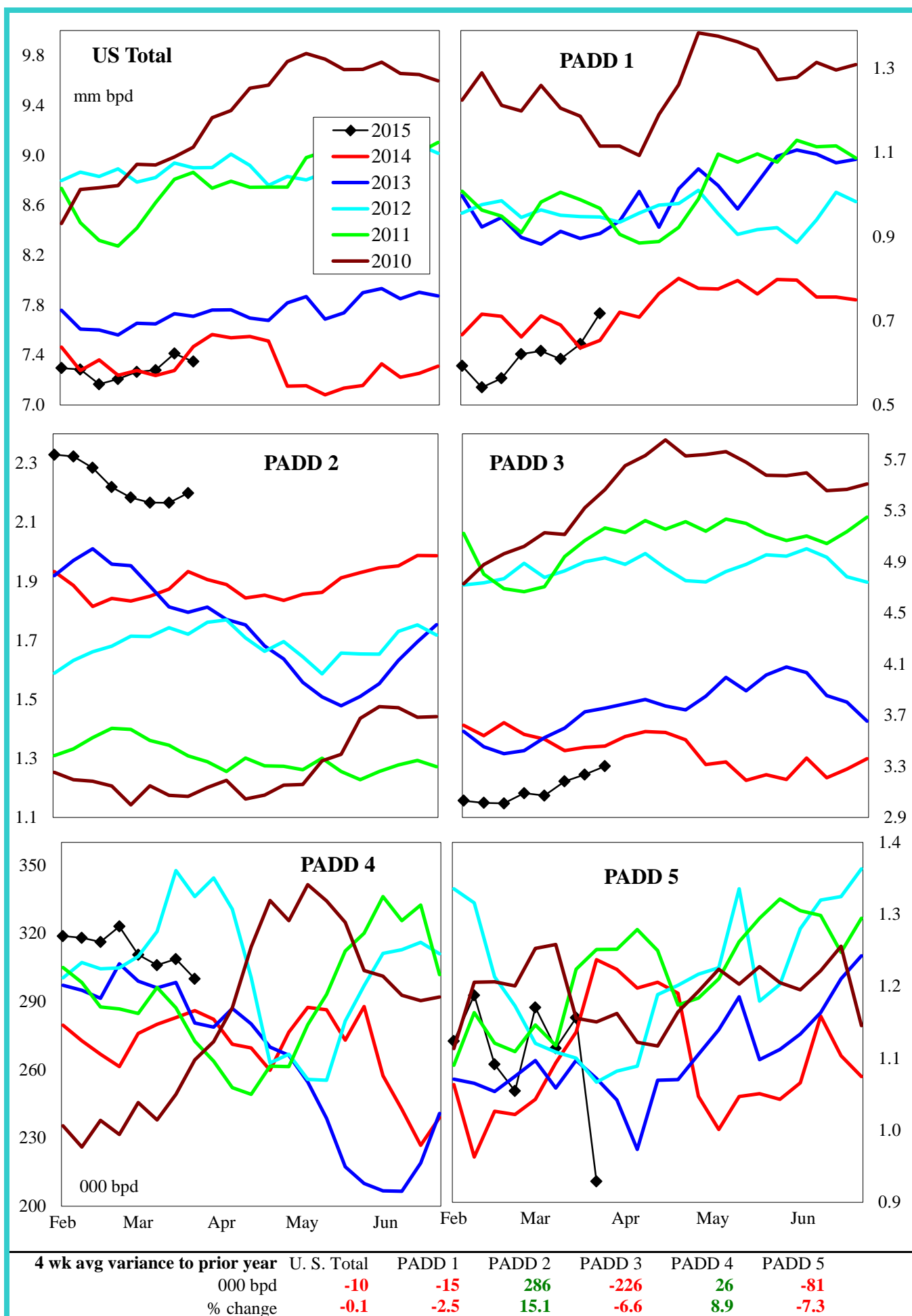
United States Refinery Percent Utilization Rate and Product Yields



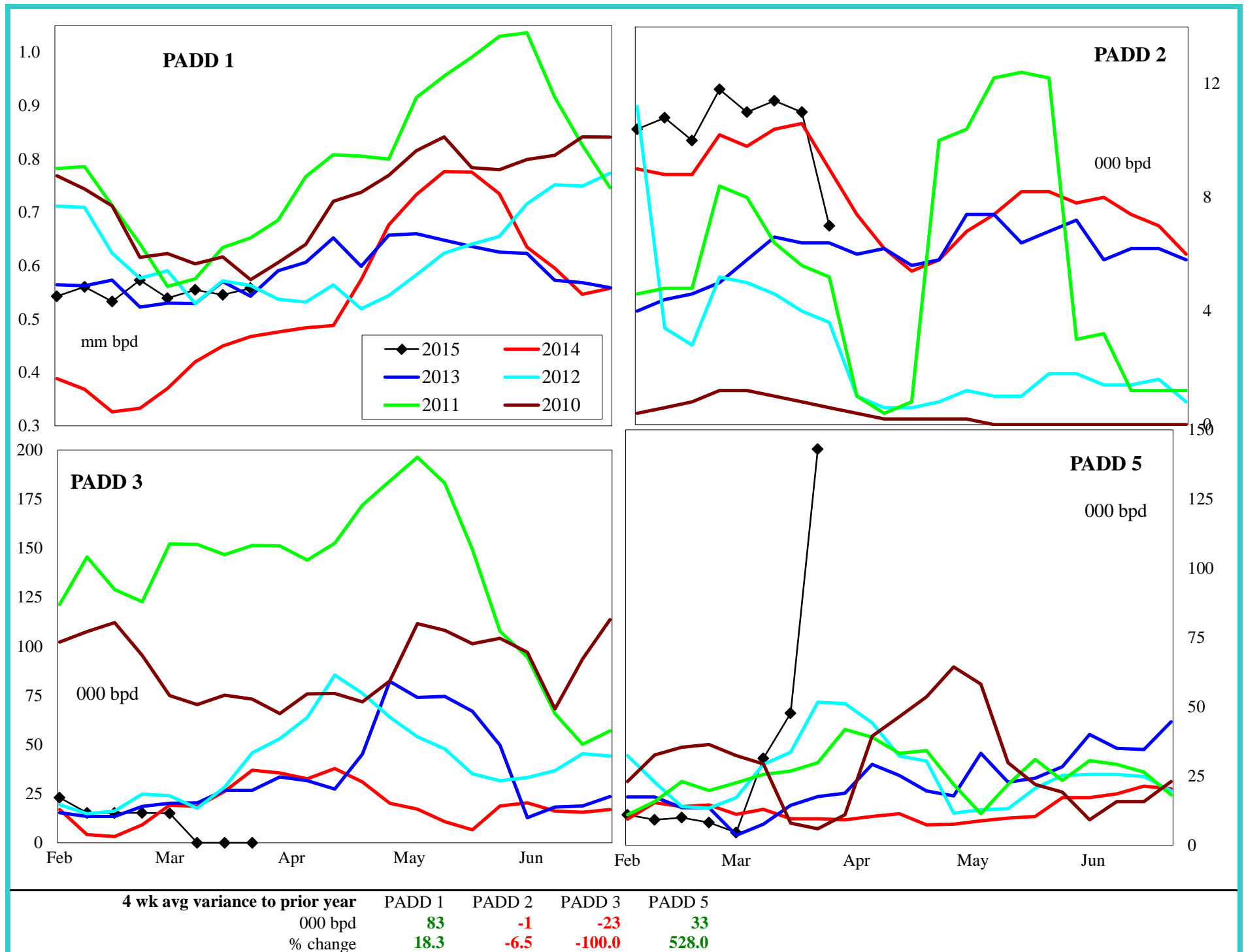
United States Petroleum Imports



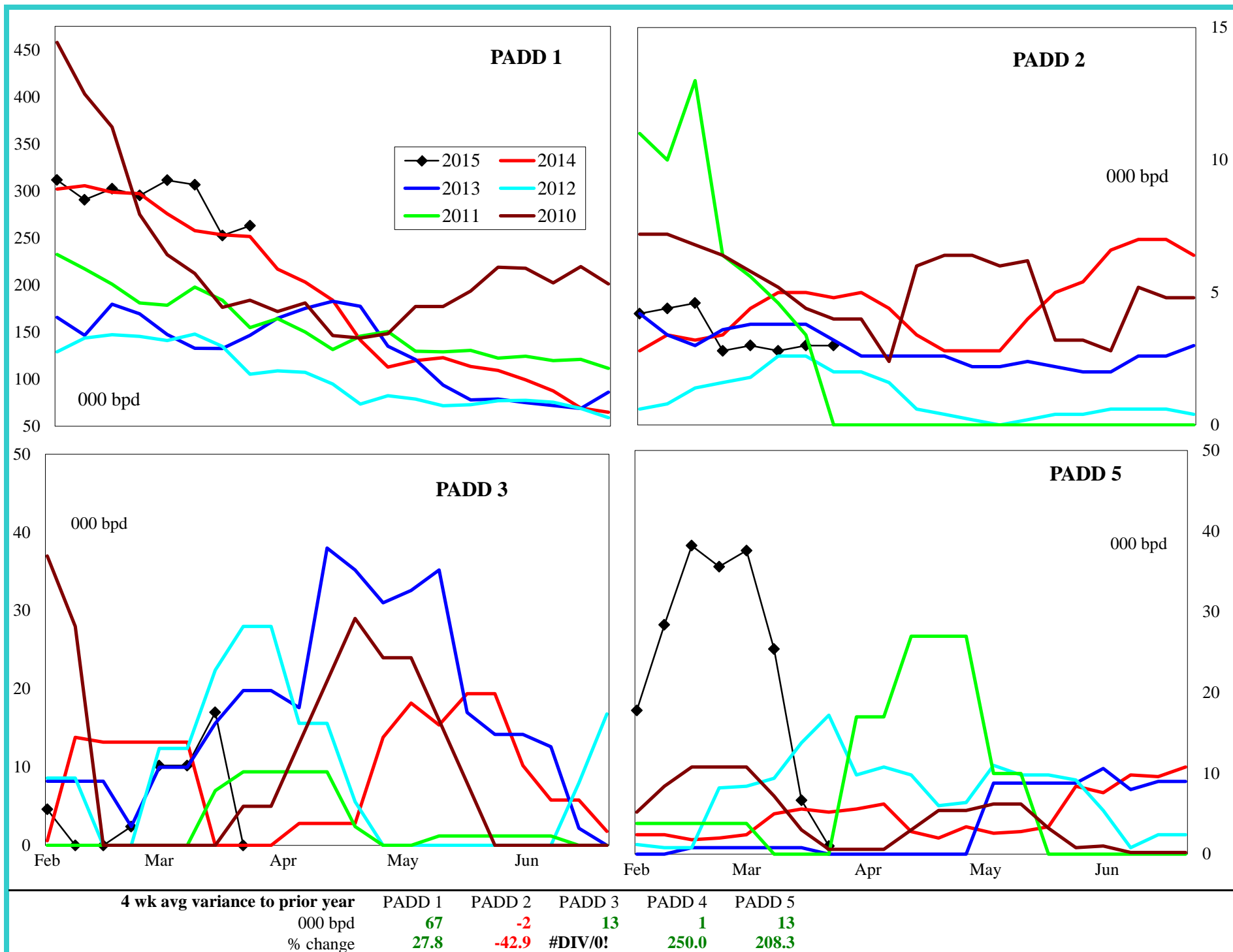
Crude Oil Imports by PADD



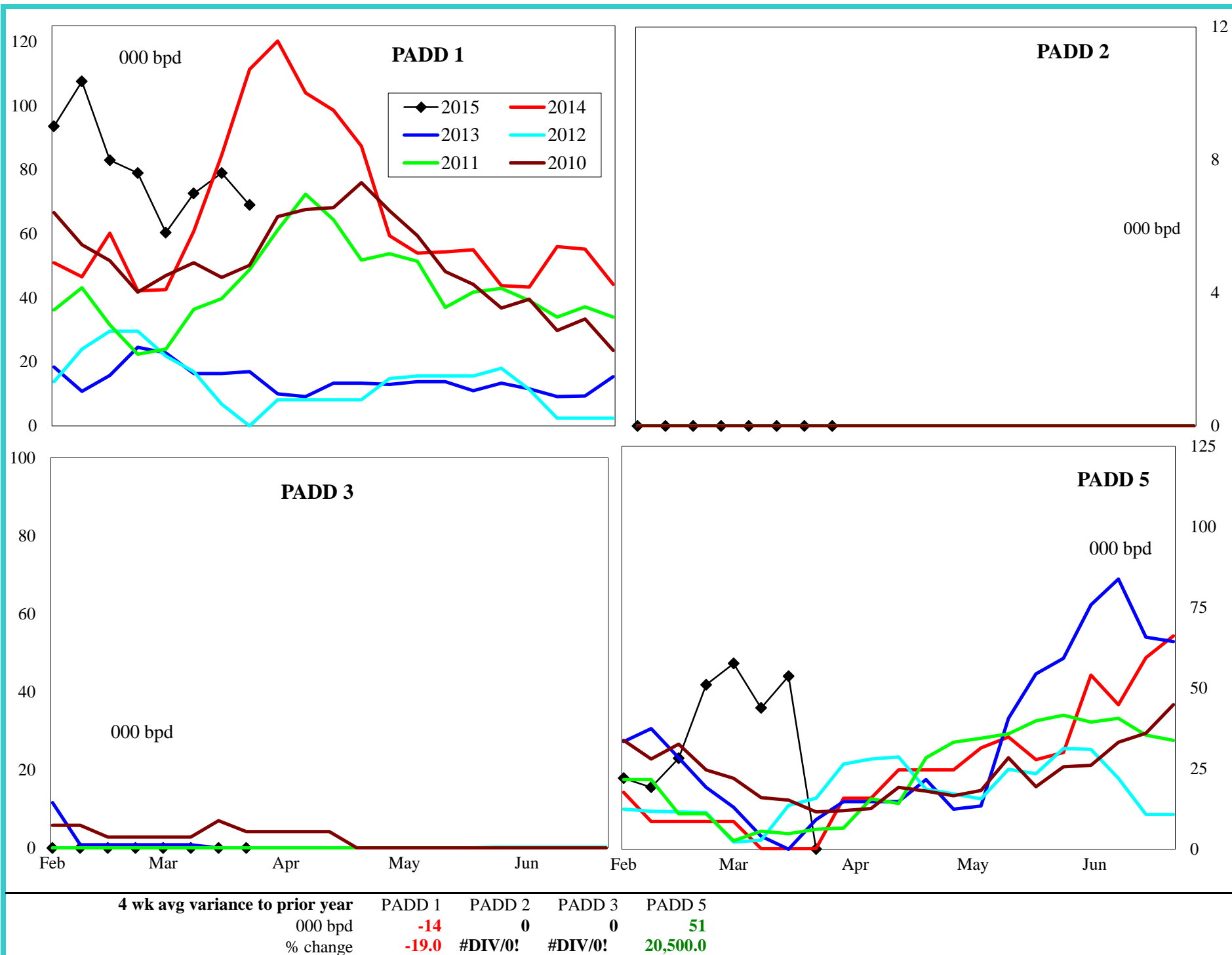
Gasoline Imports by PADD (Finished + Blend Stocks)



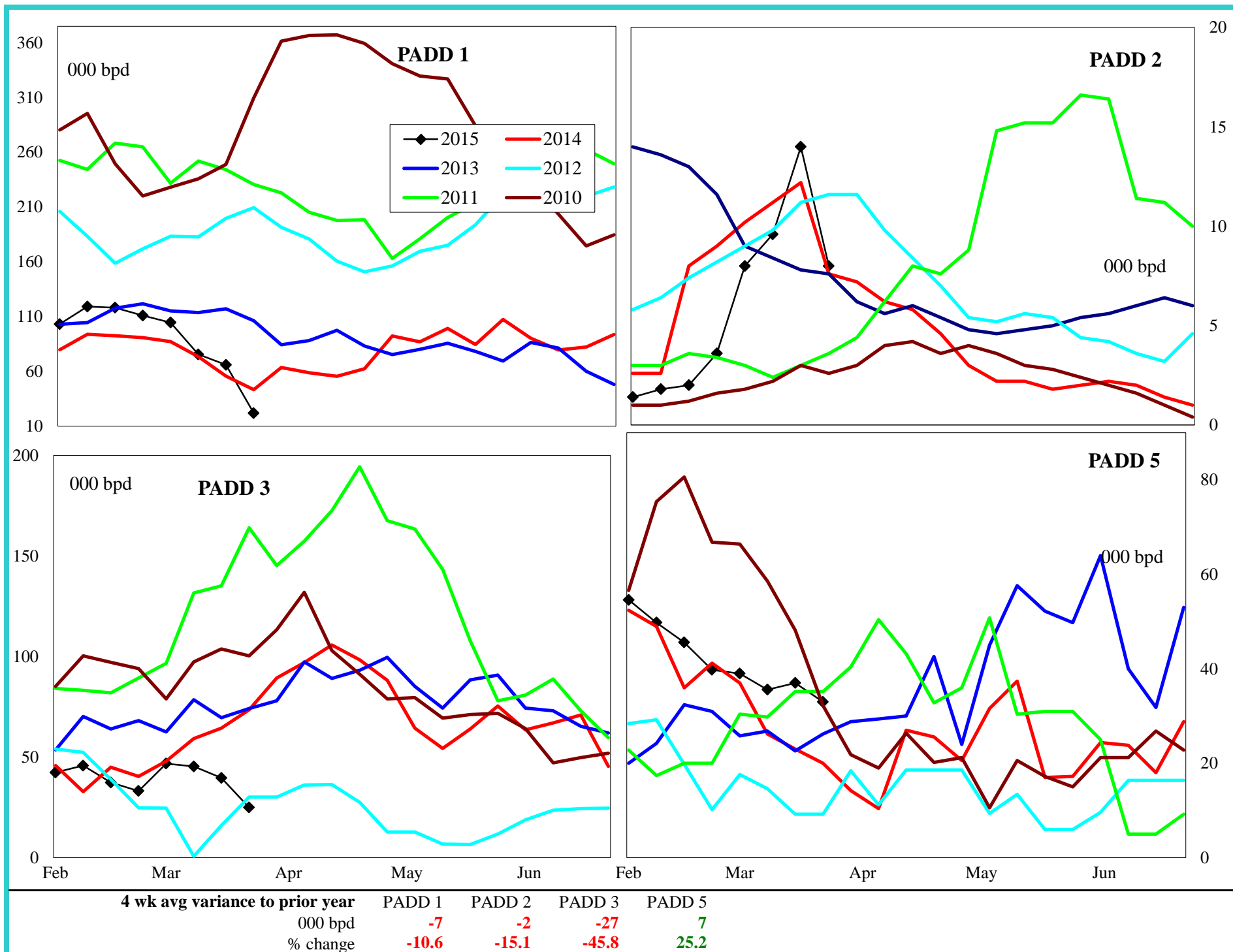
Distillate Imports by PADD



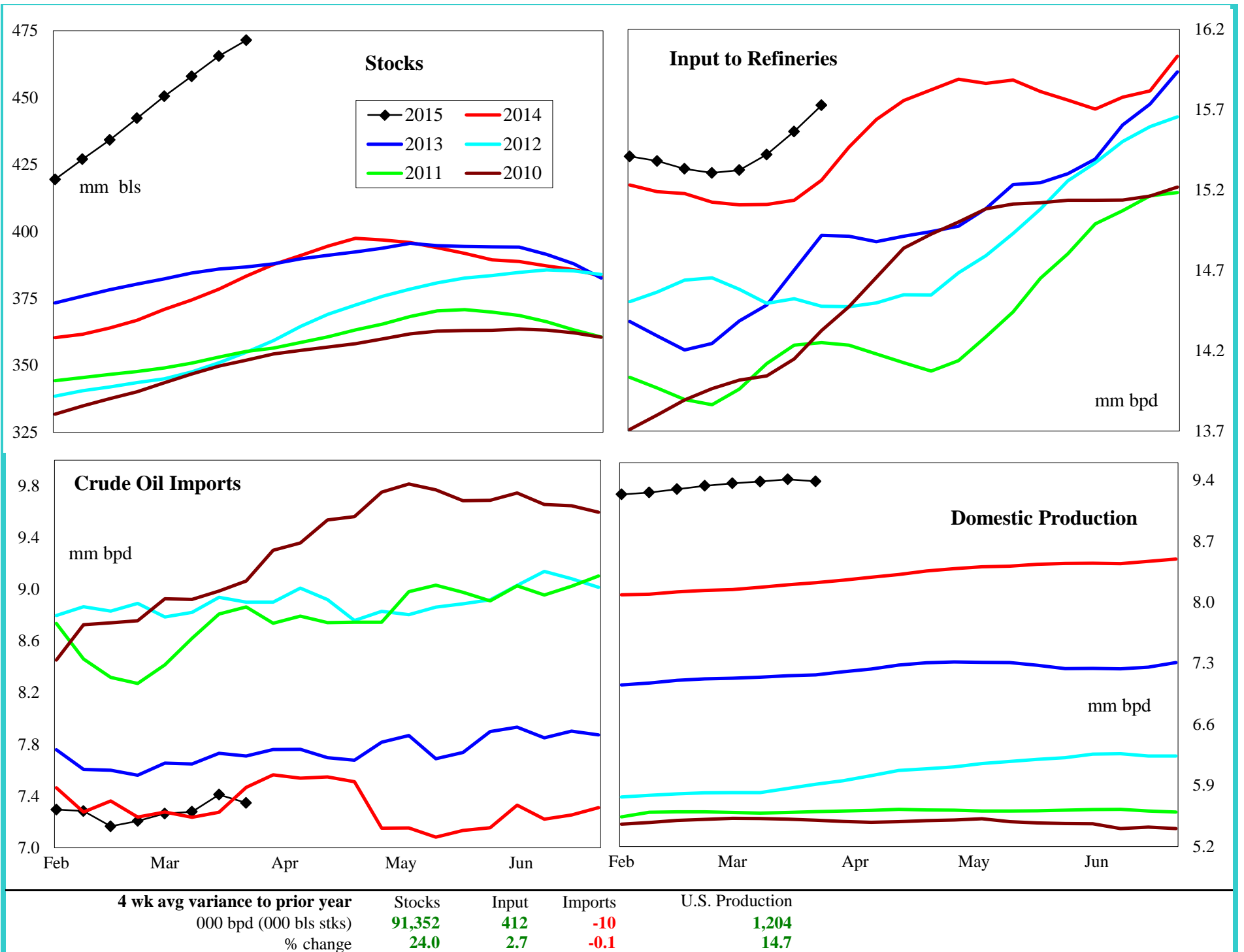
Jet Fuel Imports by PADD



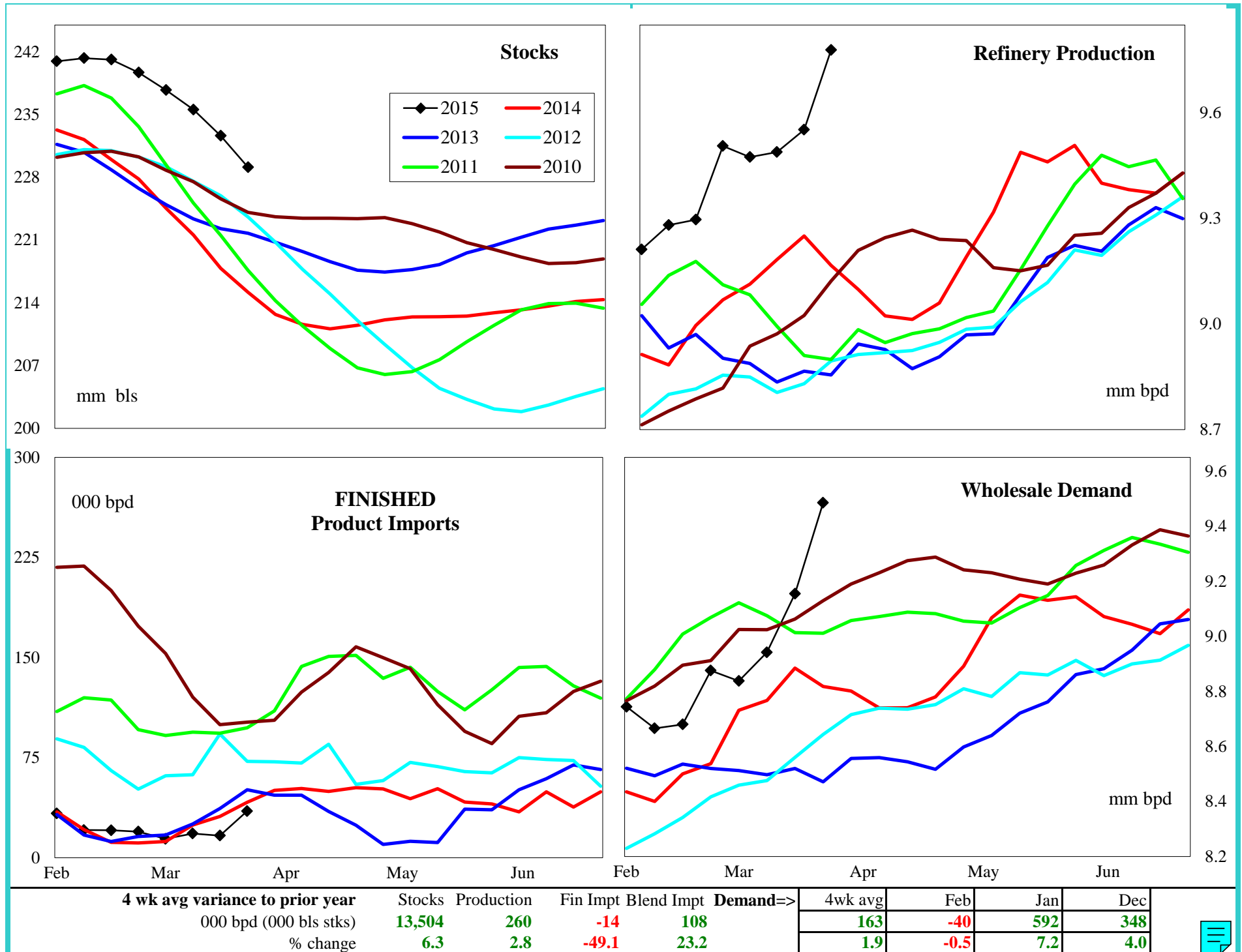
Residual Fuel Oil Imports by PADD



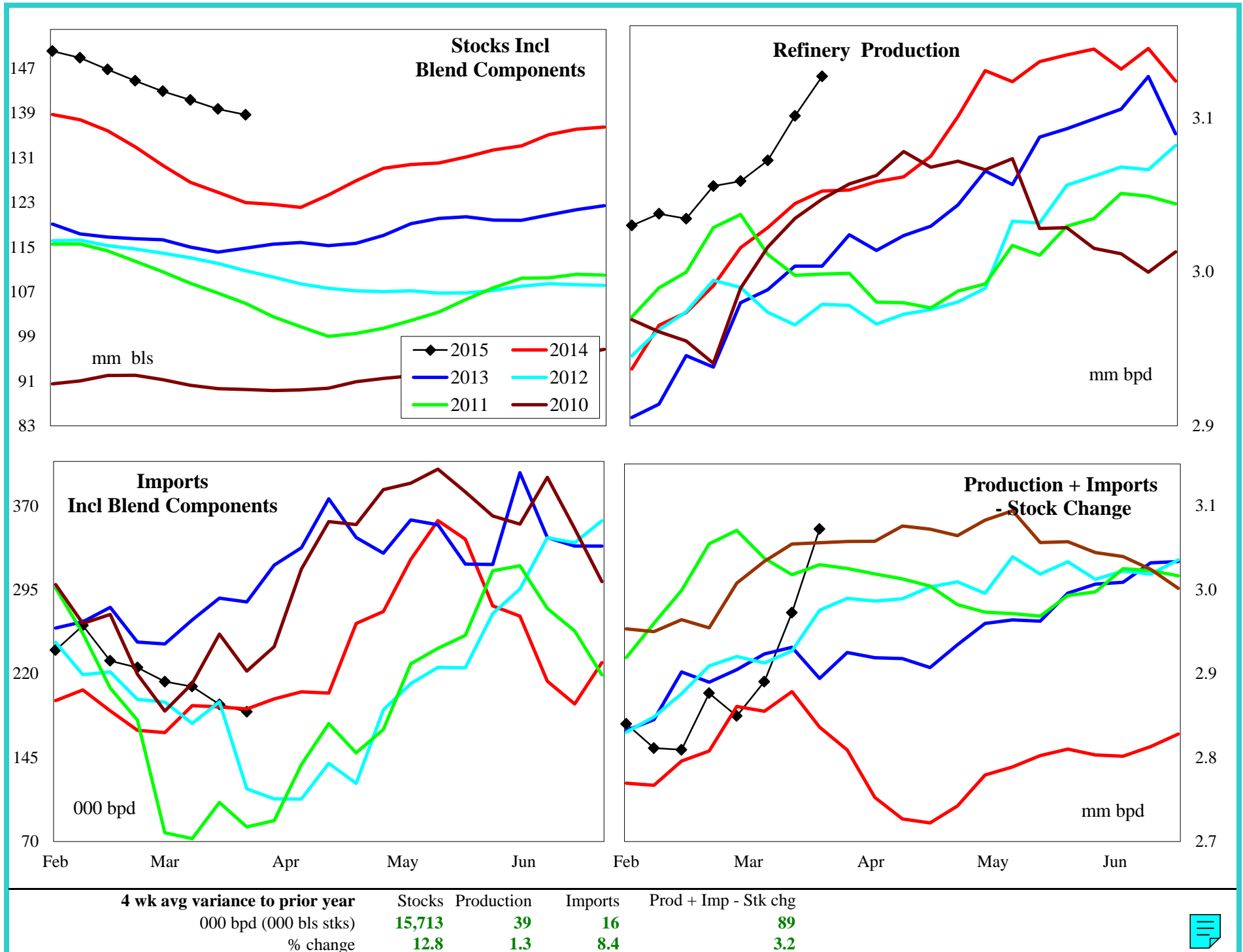
United States Crude Oil Supply and Demand Balance



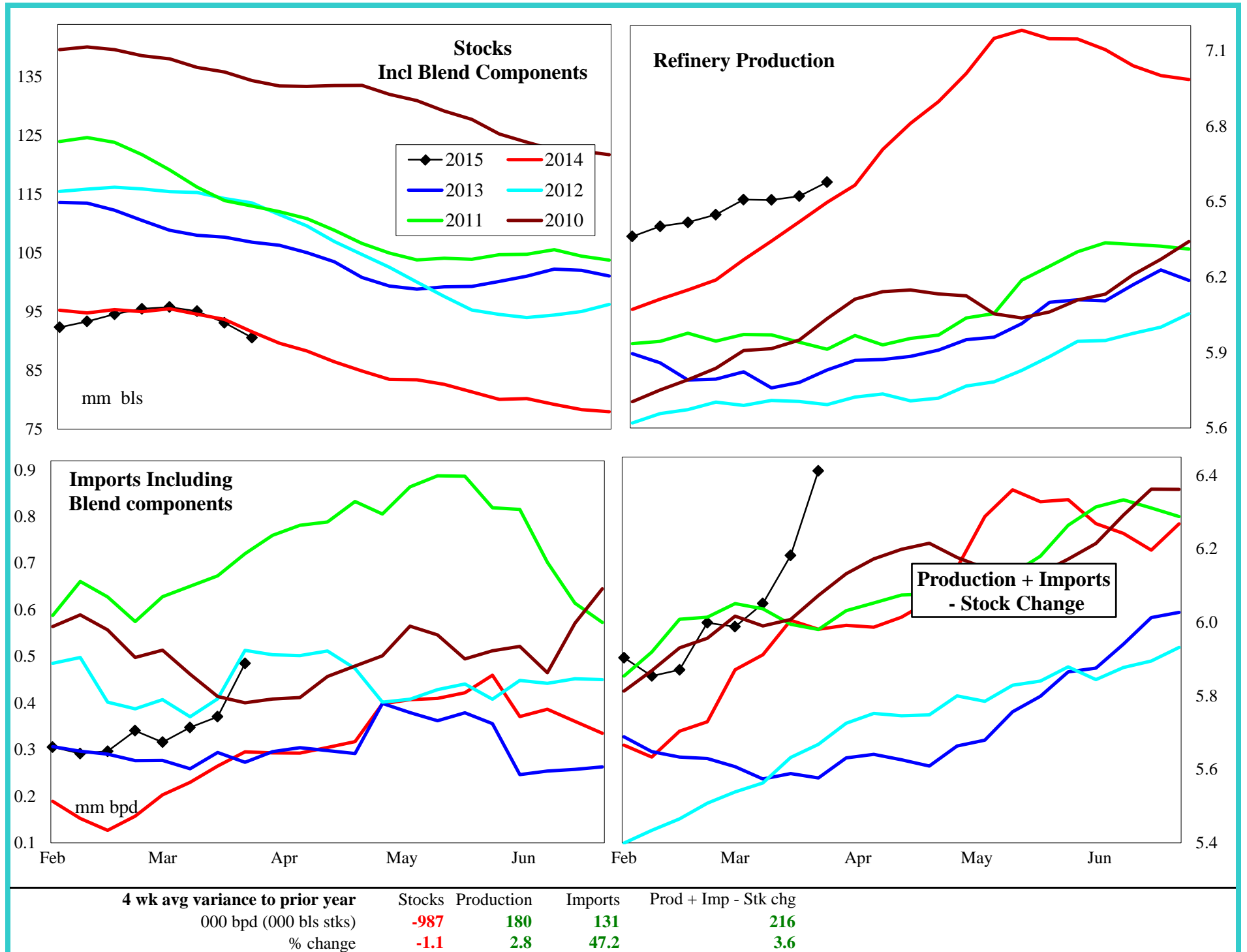
United States Gasoline Supply and Demand Balance



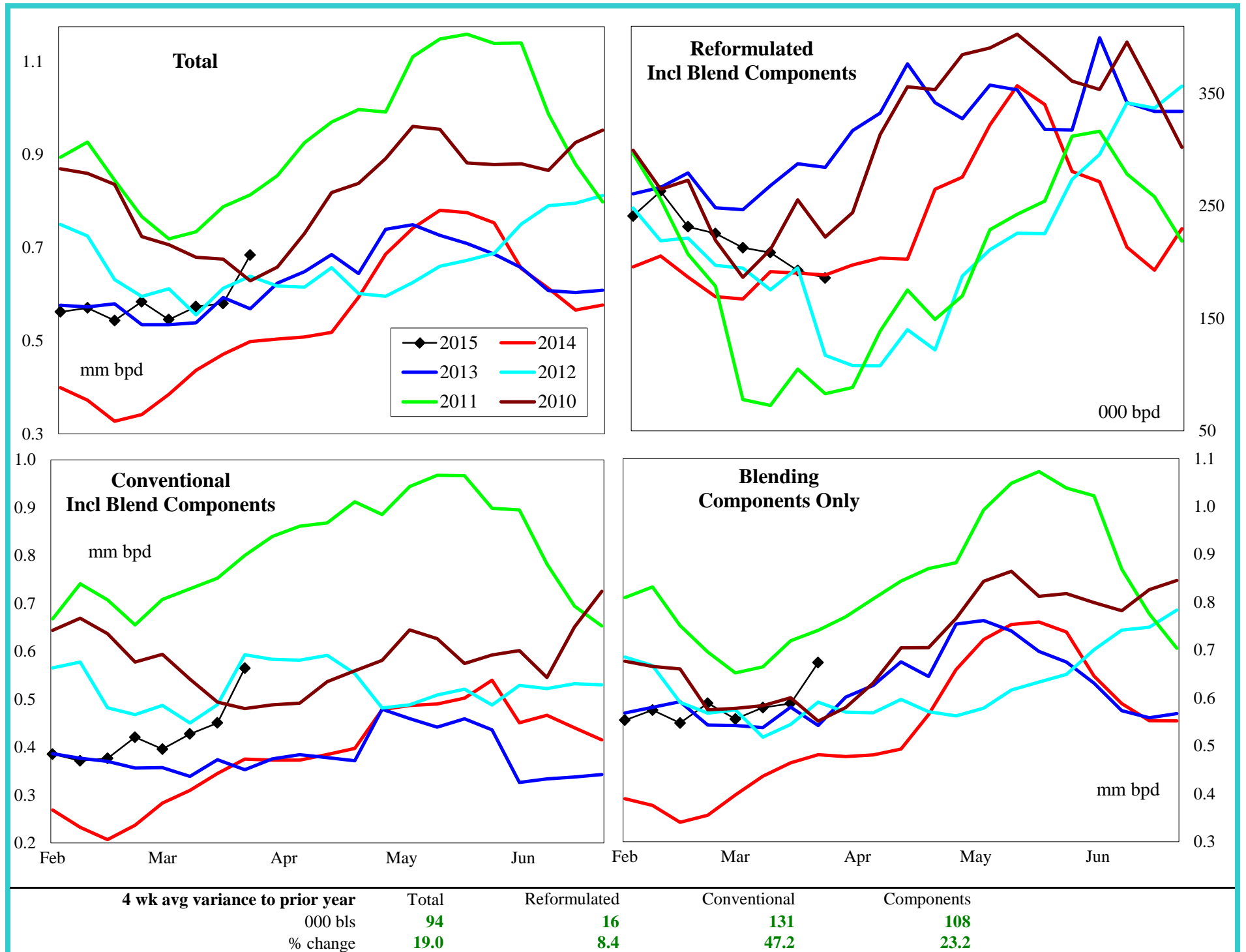
United States Reformulated Gasoline Supply



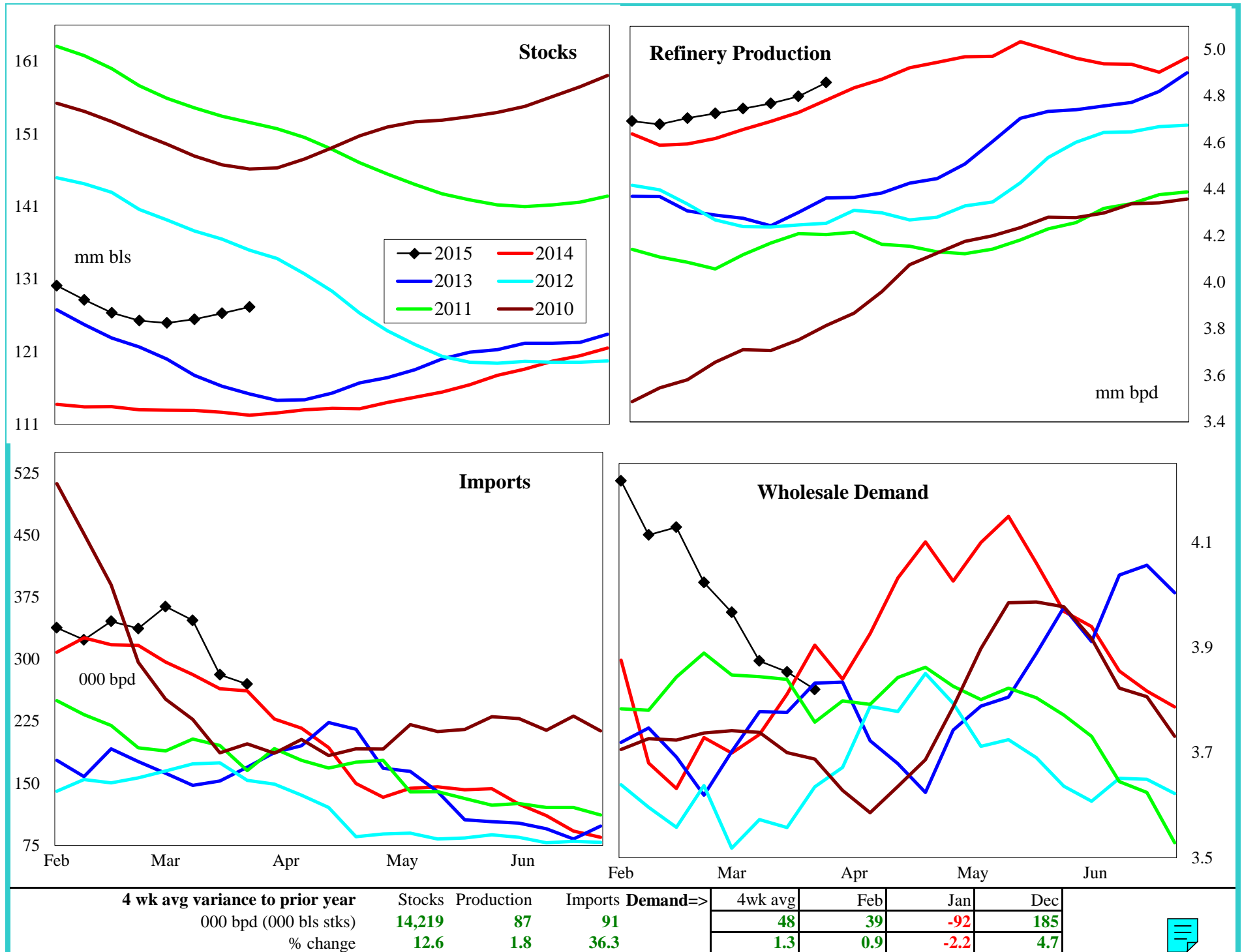
United States Conventional Gasoline Supply



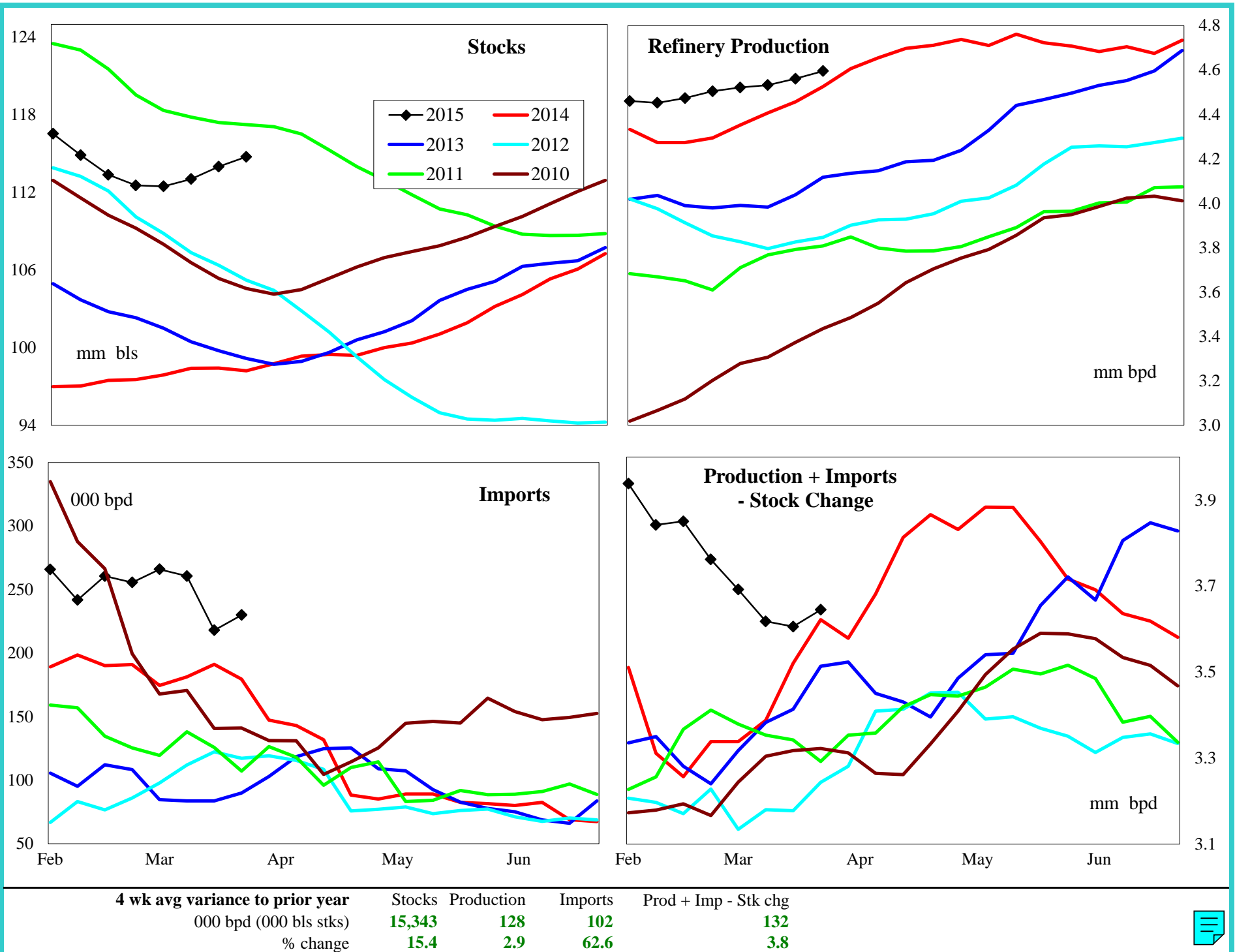
United States Gasoline Imports by Type



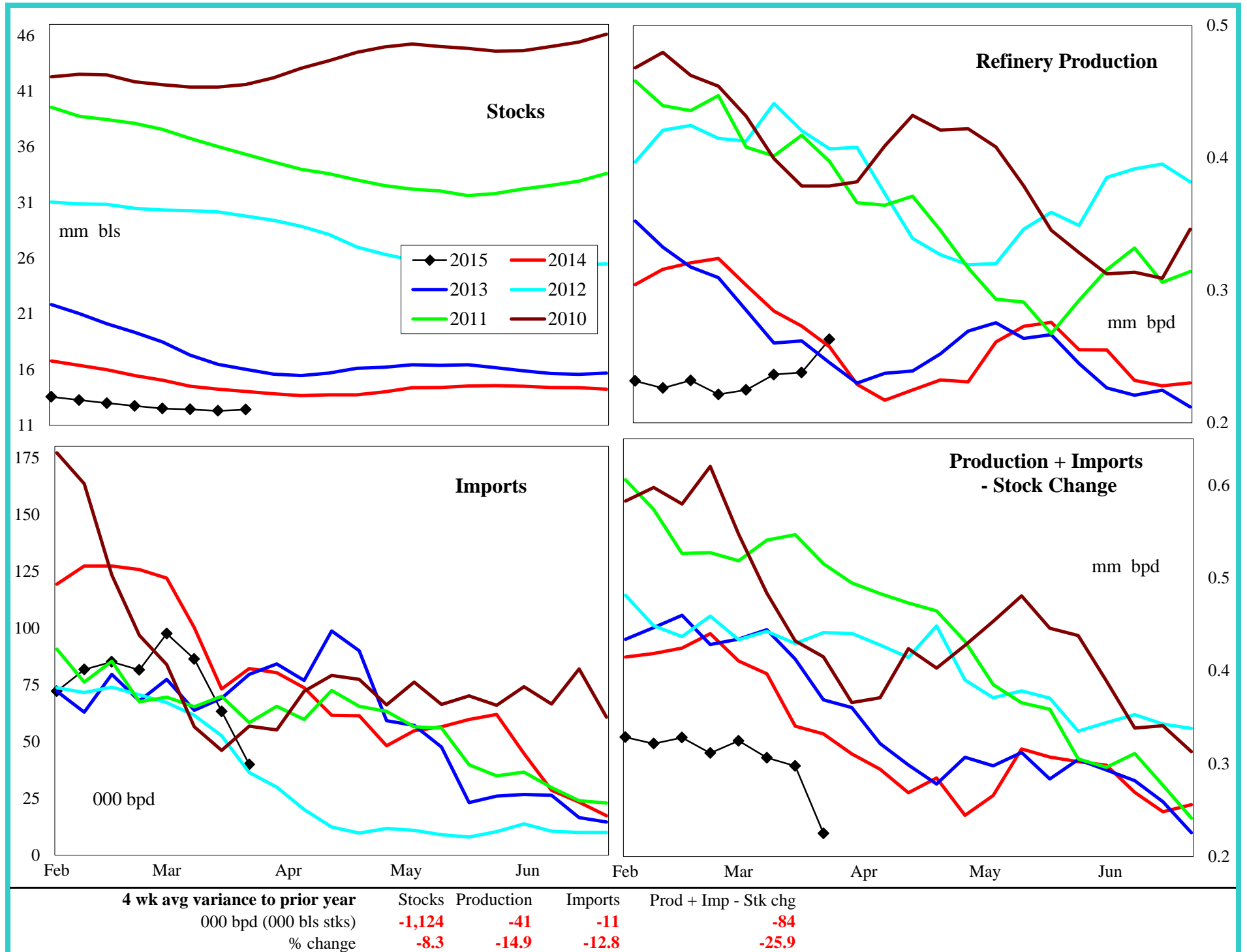
United States Distillate Supply and Demand Balance



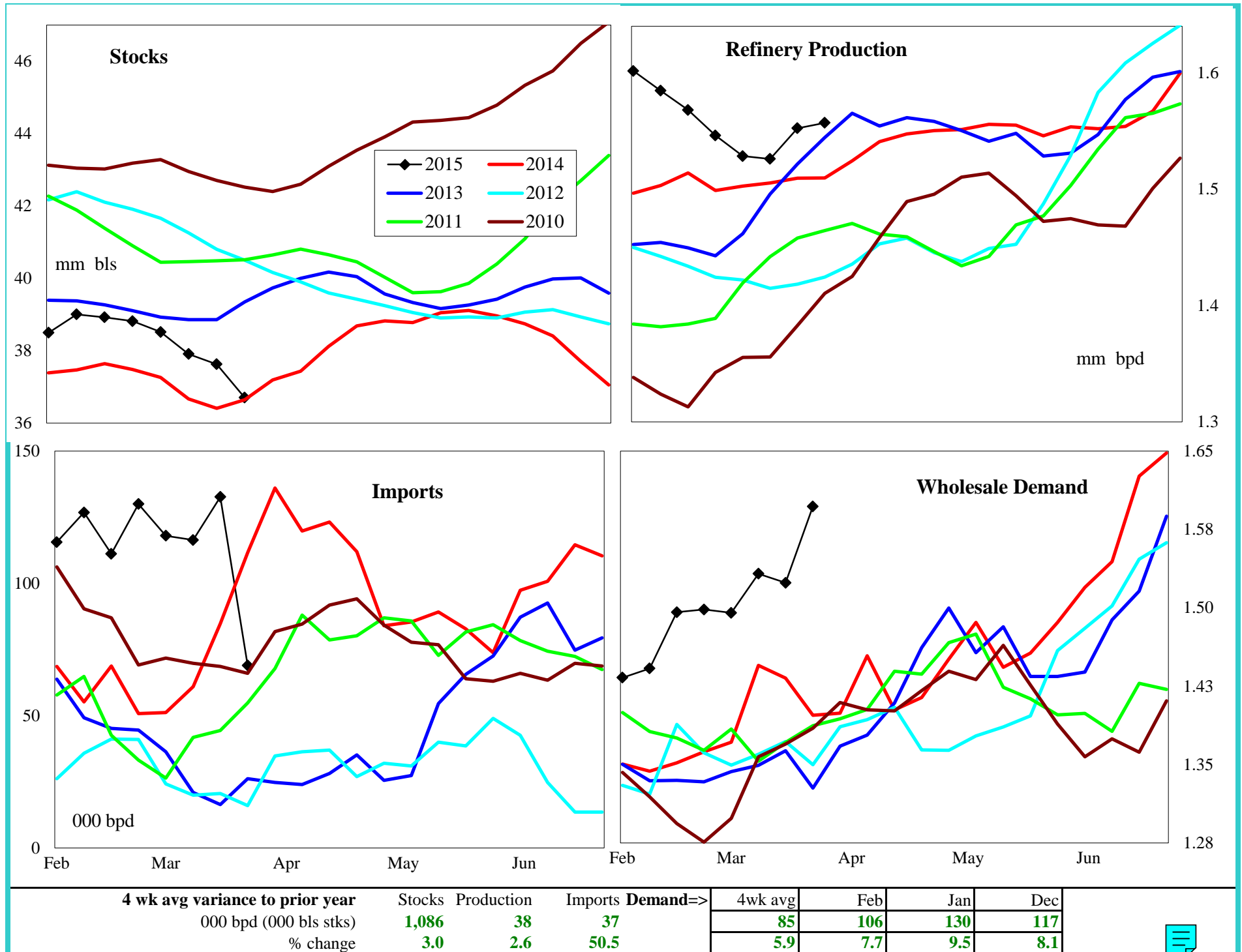
United States Low Sulfur Distillate Supply



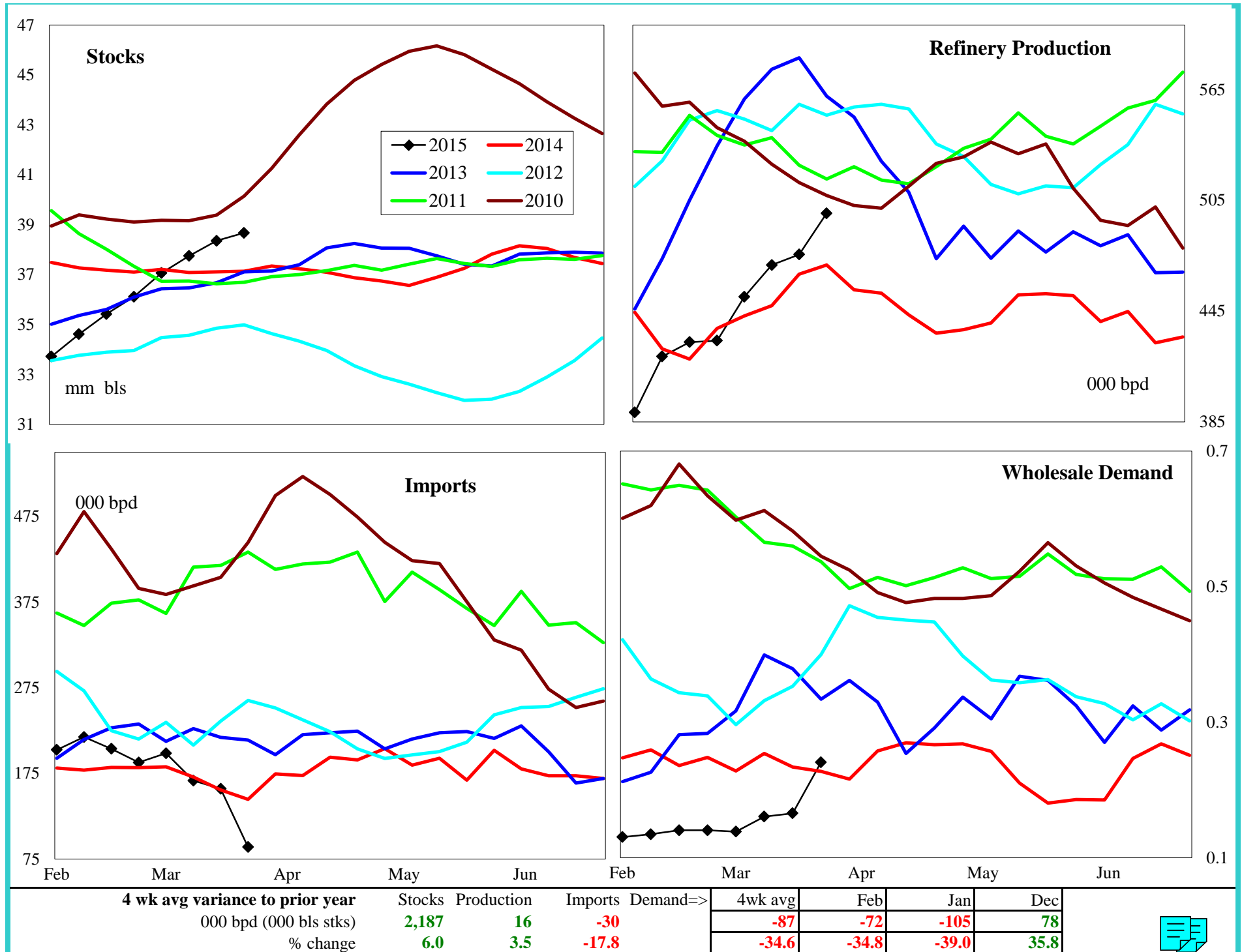
United States High Sulfur Distillate Supply



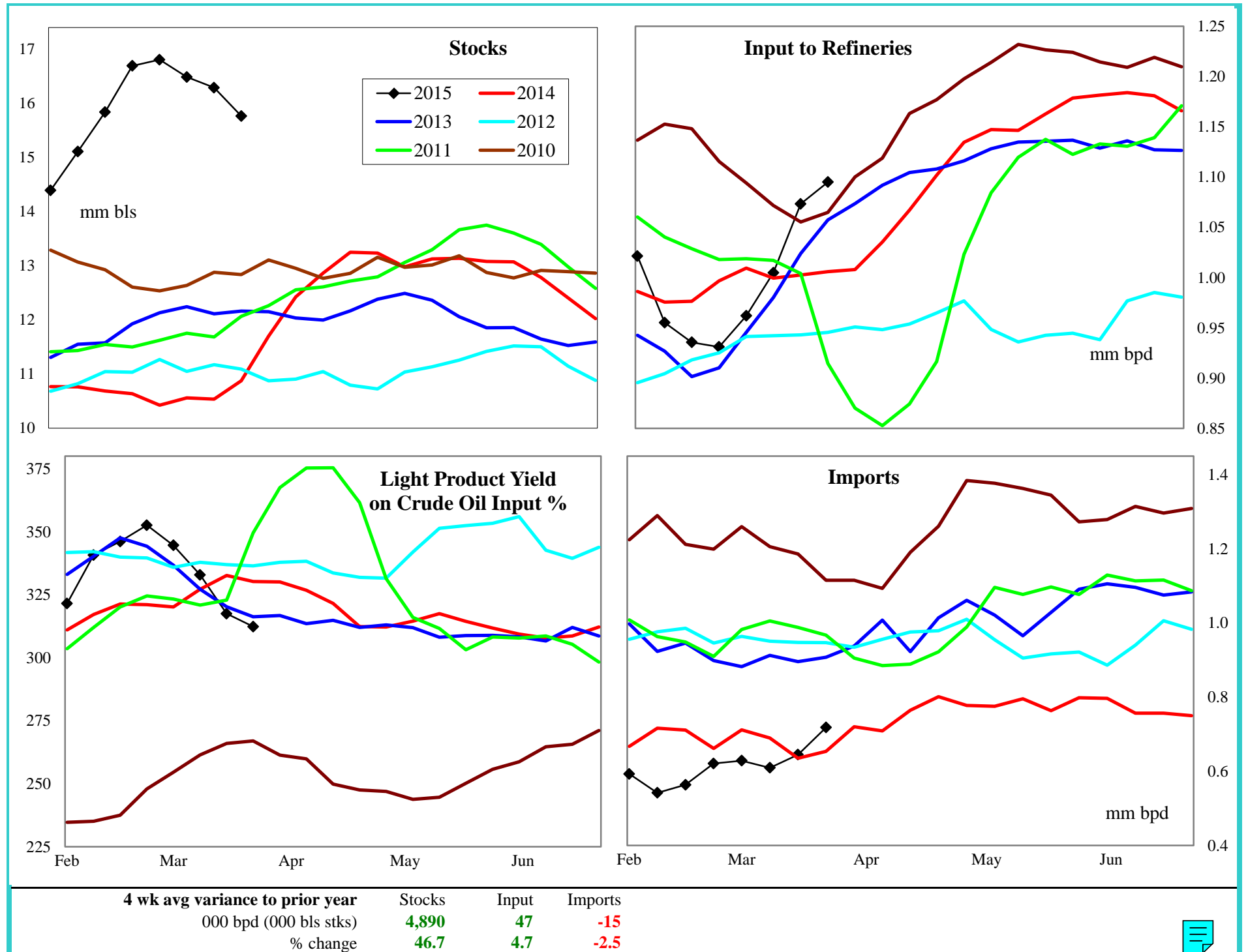
United States Jet Fuel Supply and Demand Balance



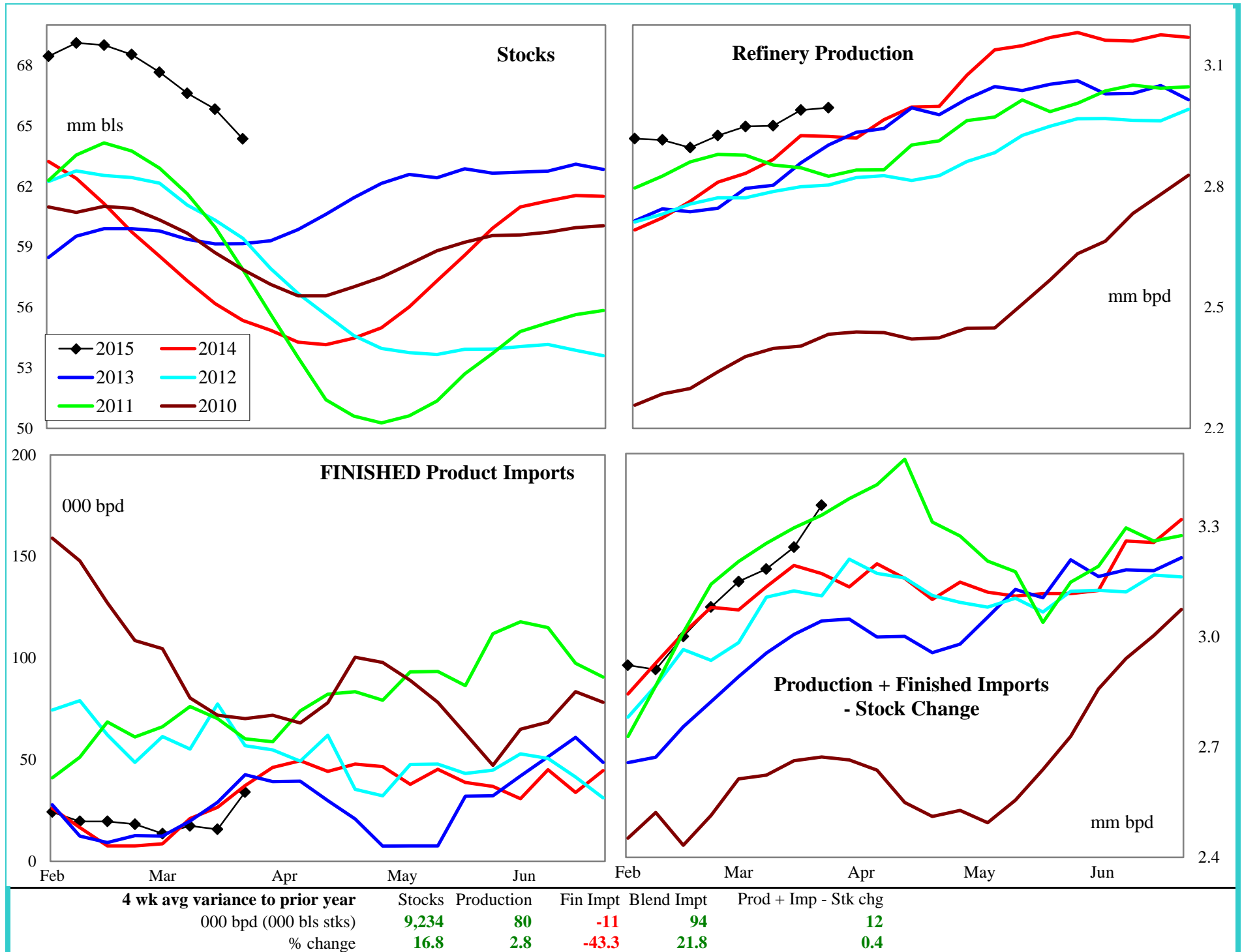
United States Residual Fuel Oil Supply and Demand Balance



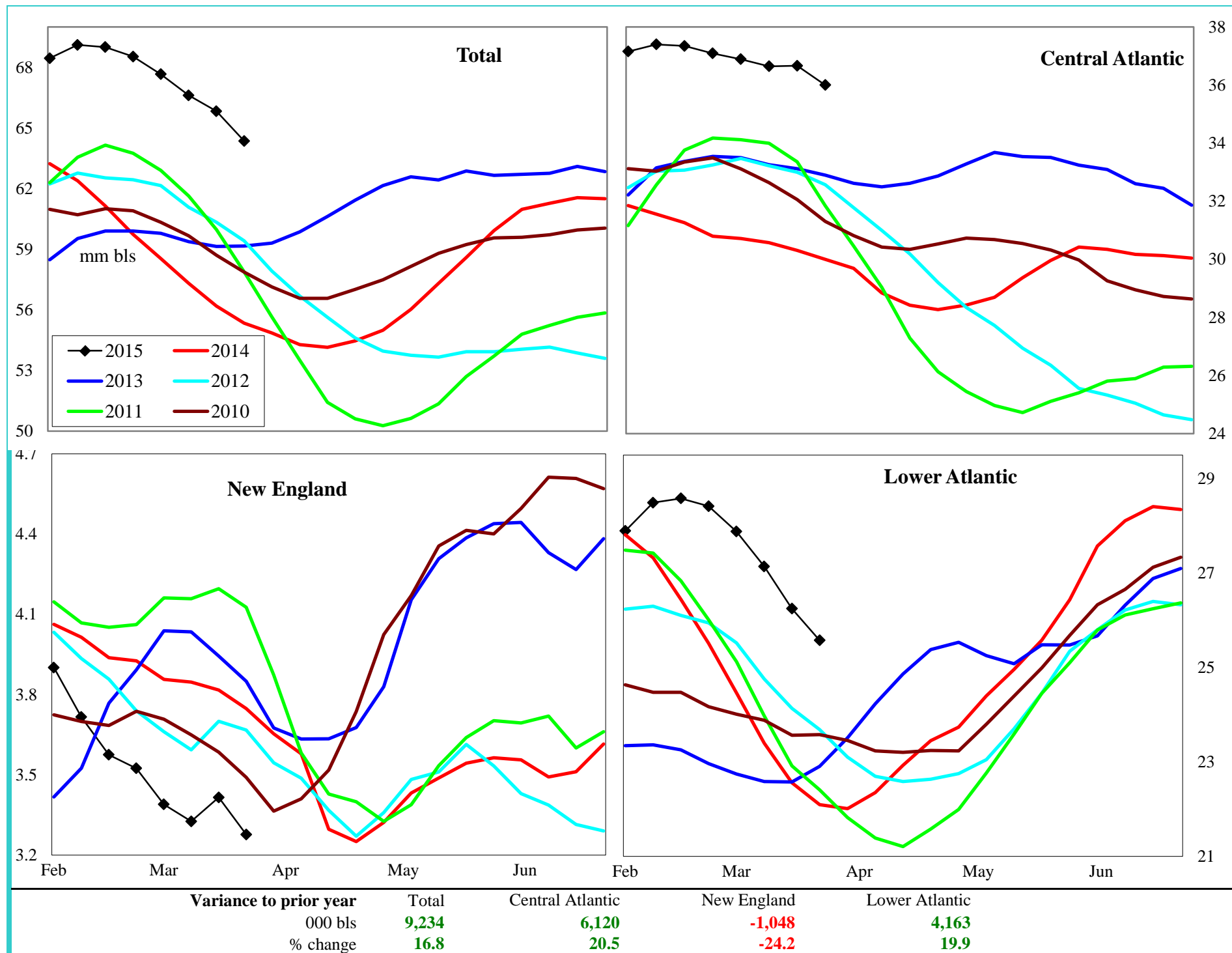
PADD 1 Crude Oil Supply and Refining



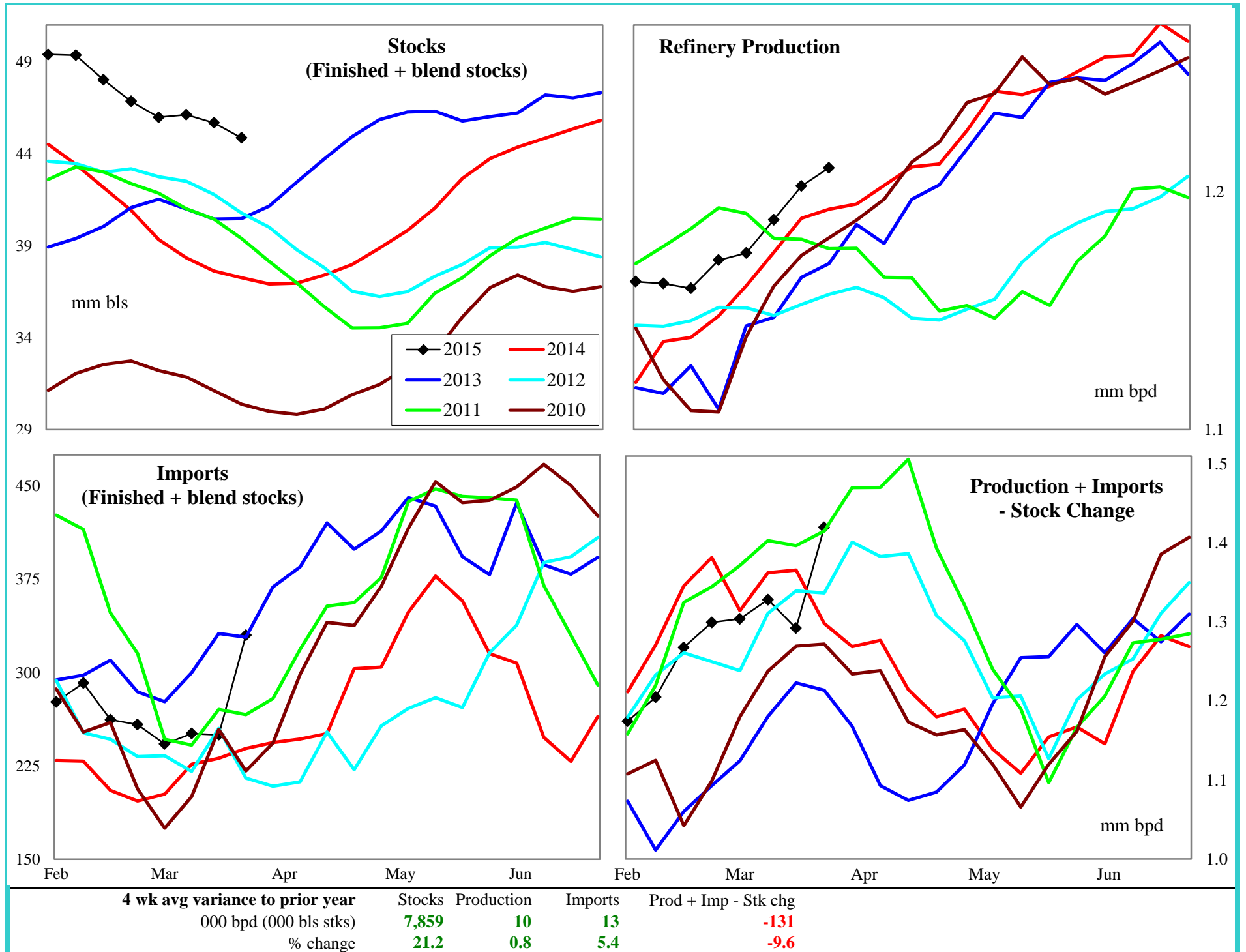
PADD 1 Gasoline Supply



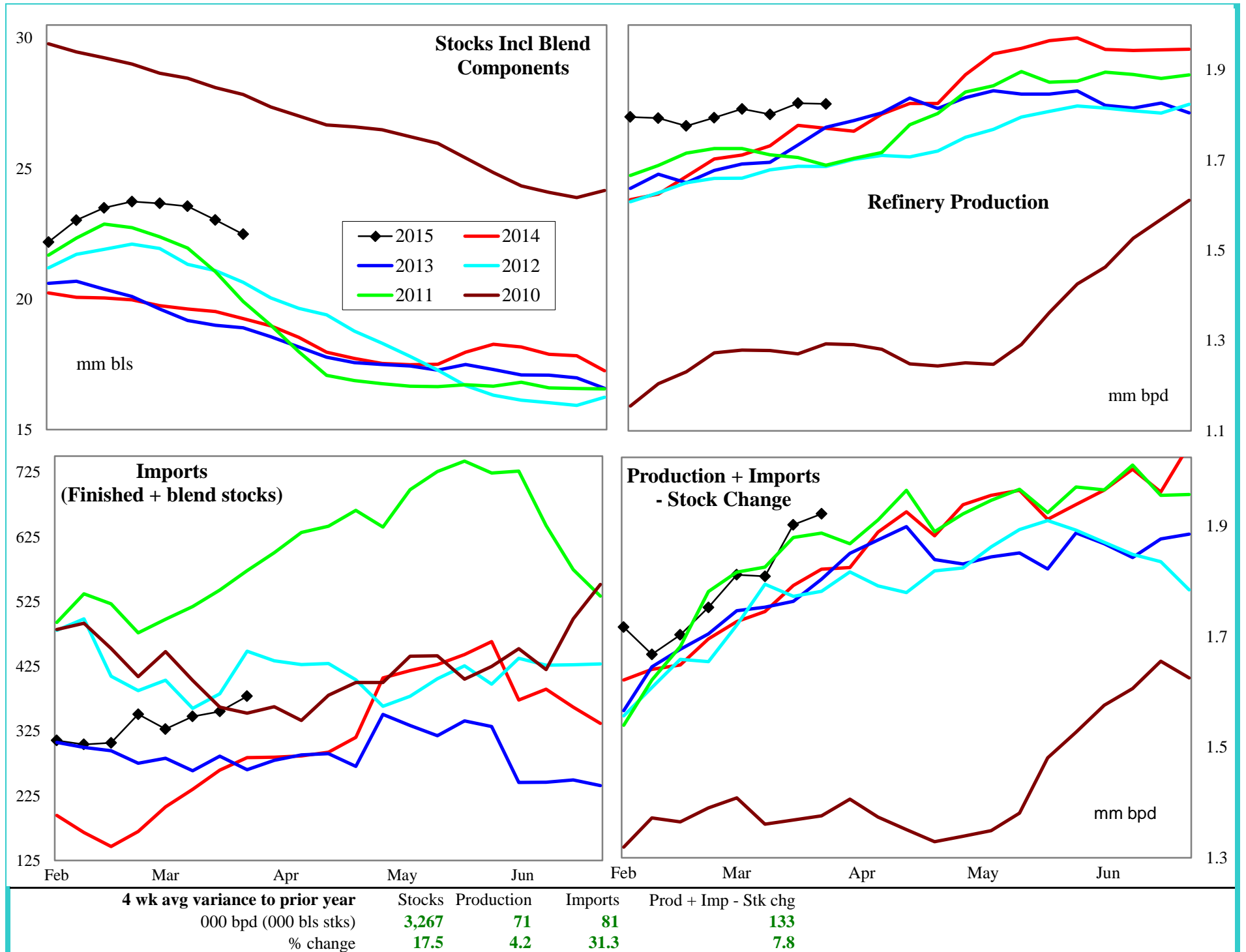
PADD 1 Gasoline Stocks by Region



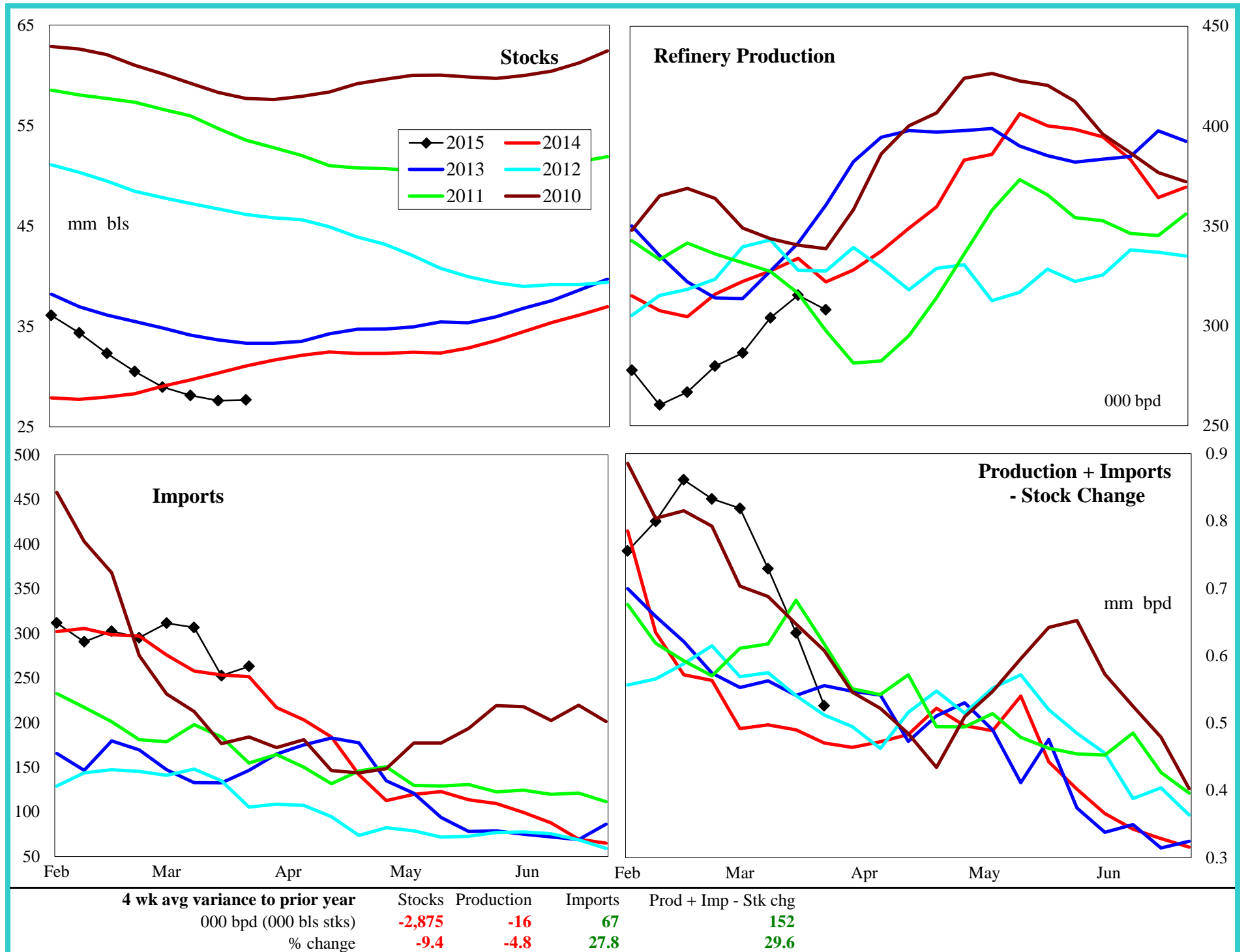
PADD 1 Reformulated Gasoline Supply



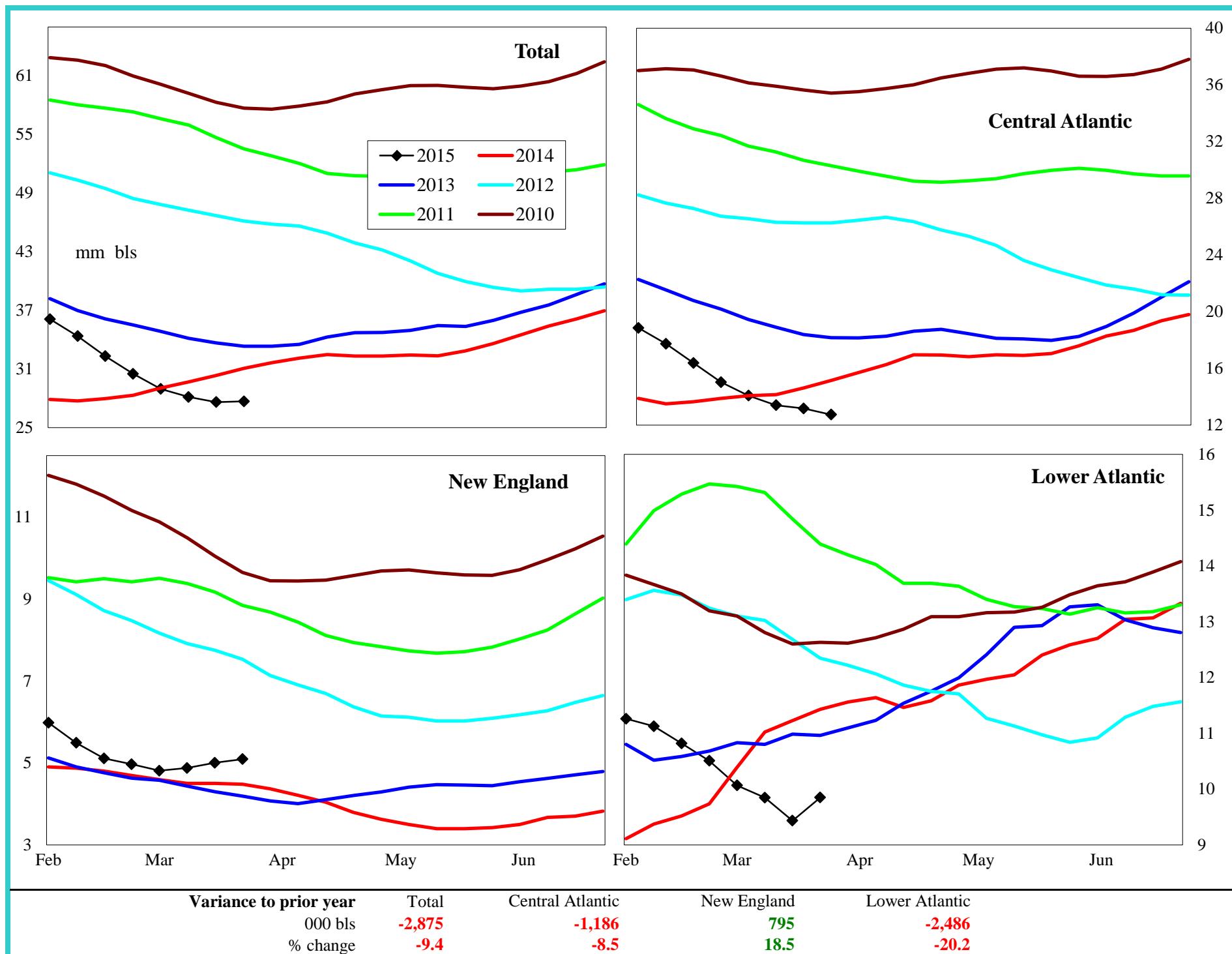
PADD 1 Conventional Gasoline Supply



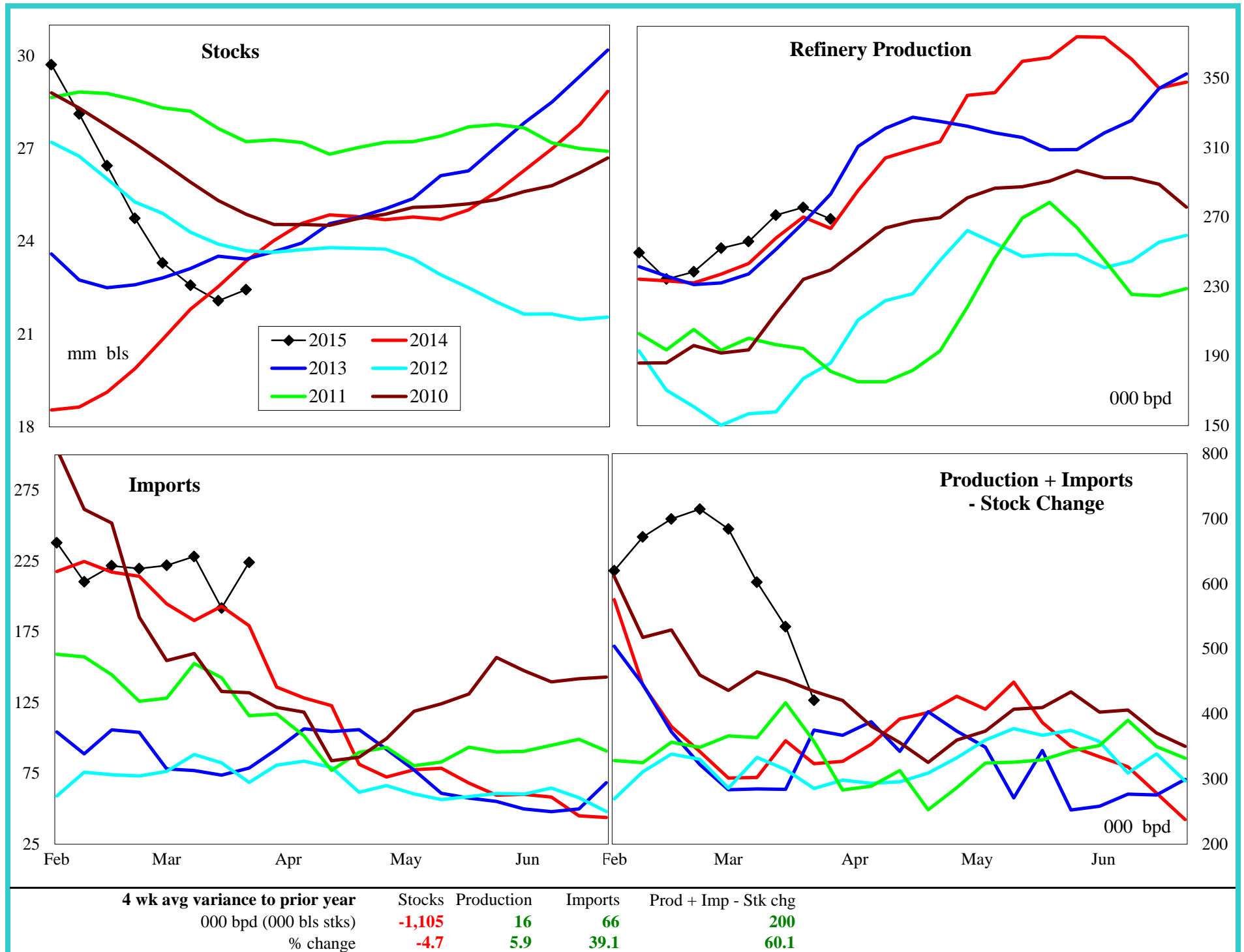
PADD 1 Distillate Supply



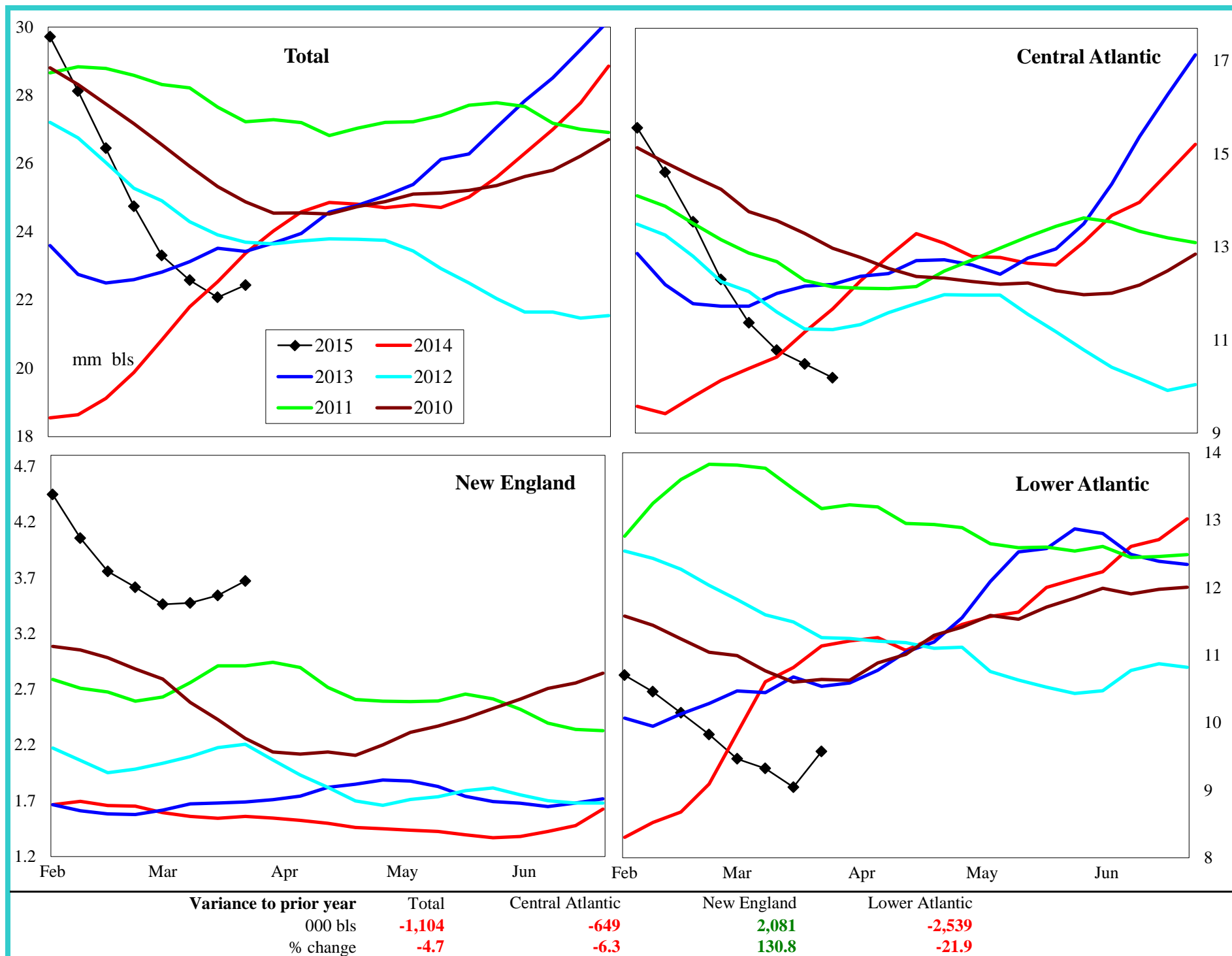
PADD 1 Distillate Stocks by Region



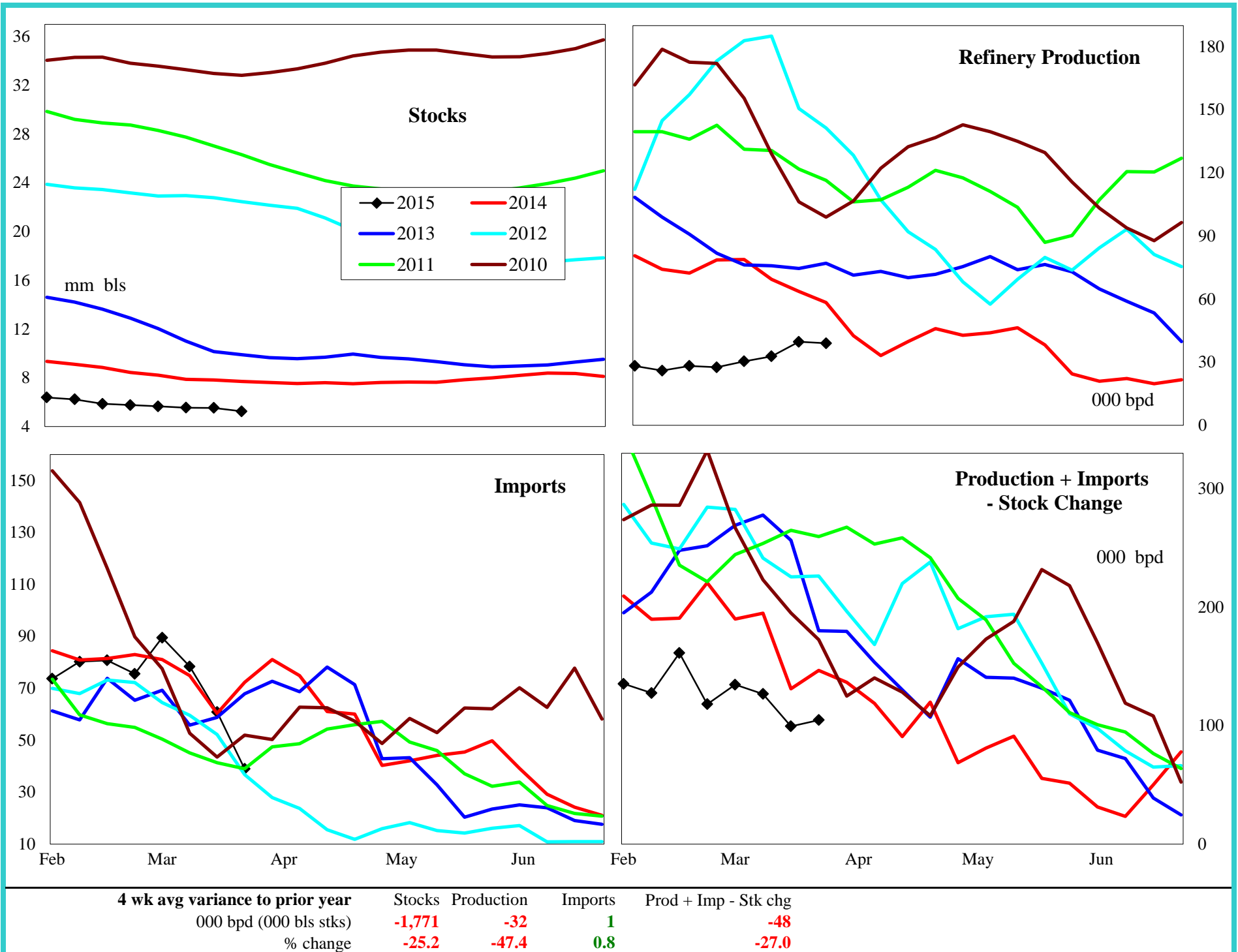
PADD 1 Low Sulfur Distillate Supply



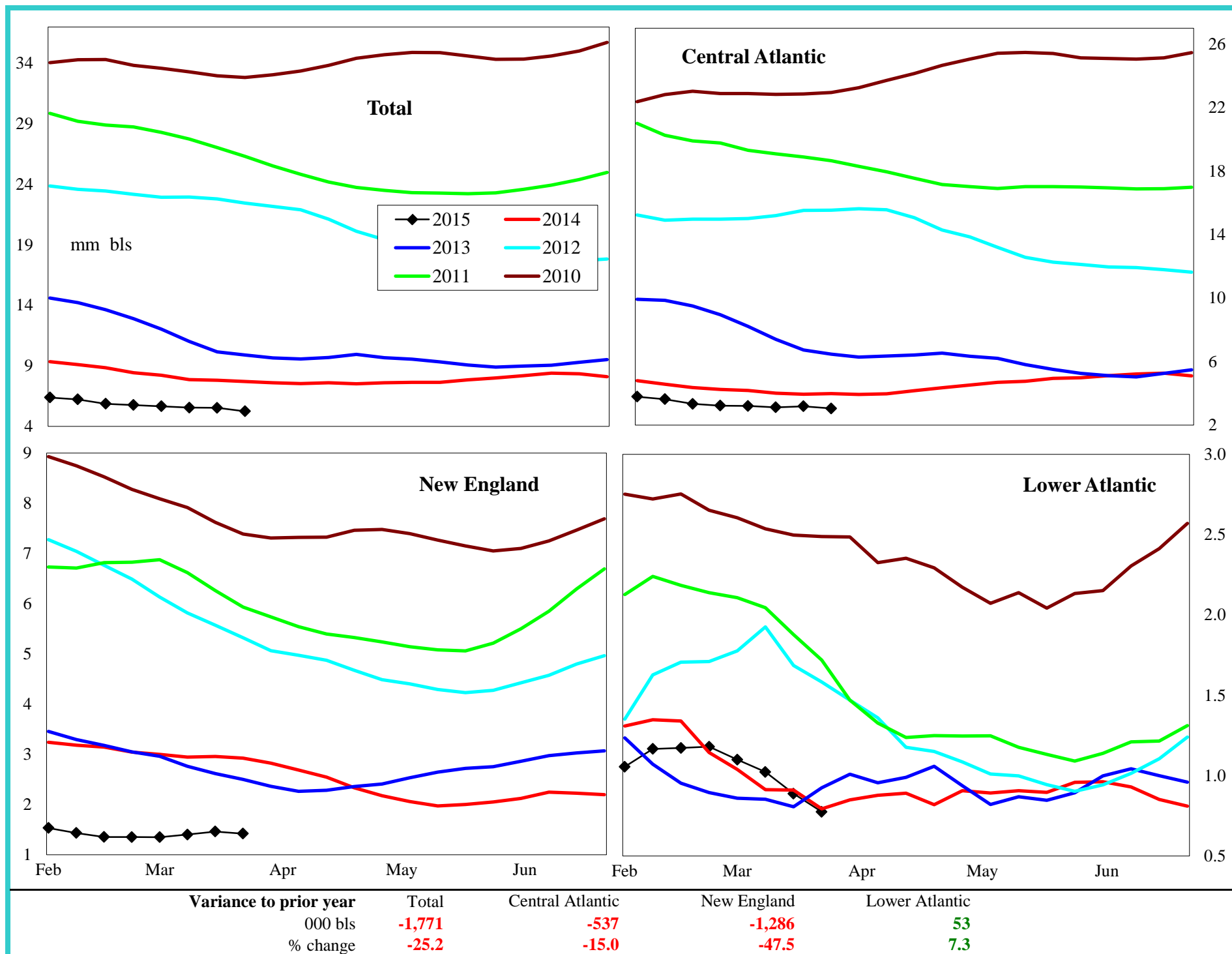
PADD 1 Low Sulfur Distillate Stocks by Region



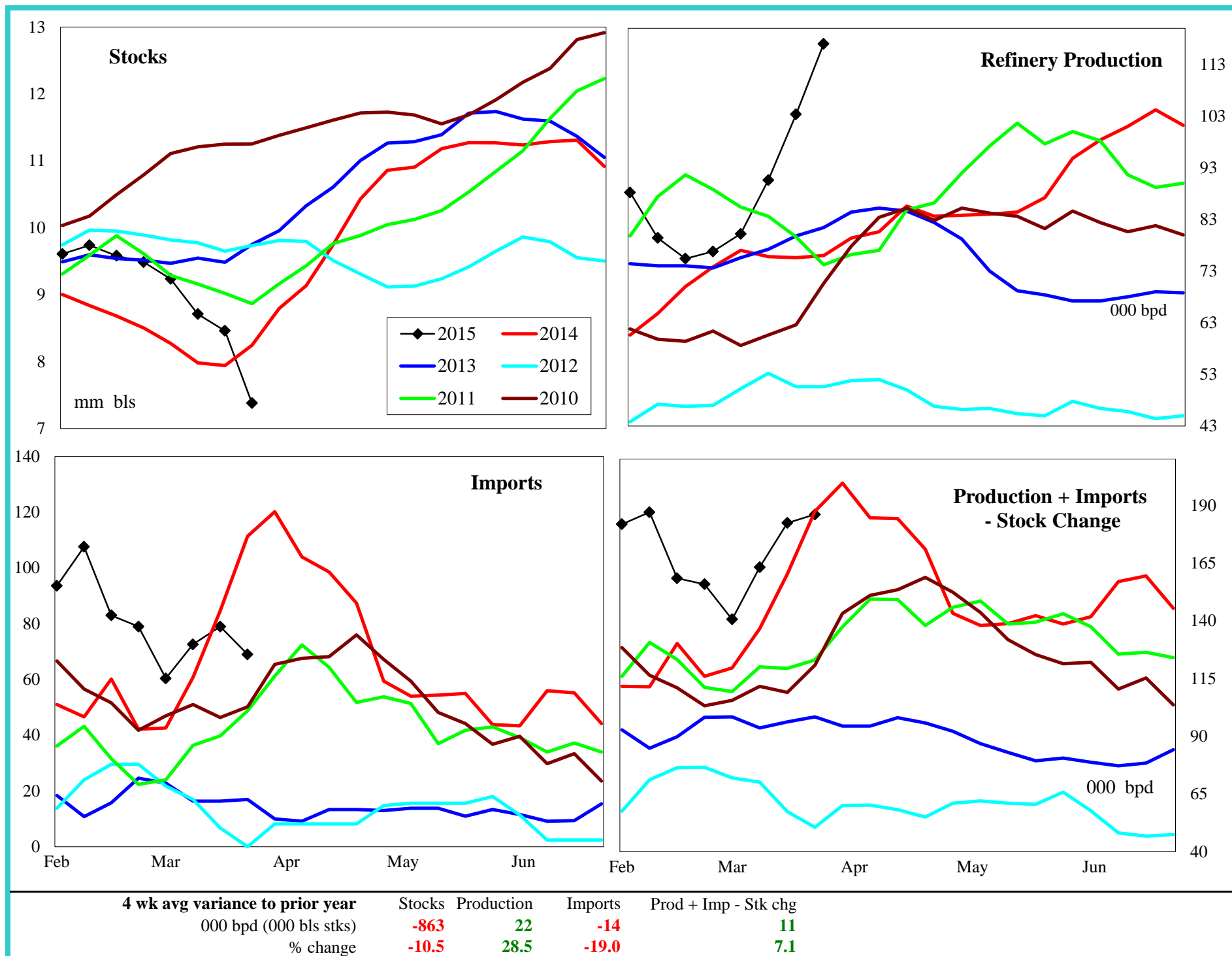
PADD 1 High Sulfur Distillate Supply



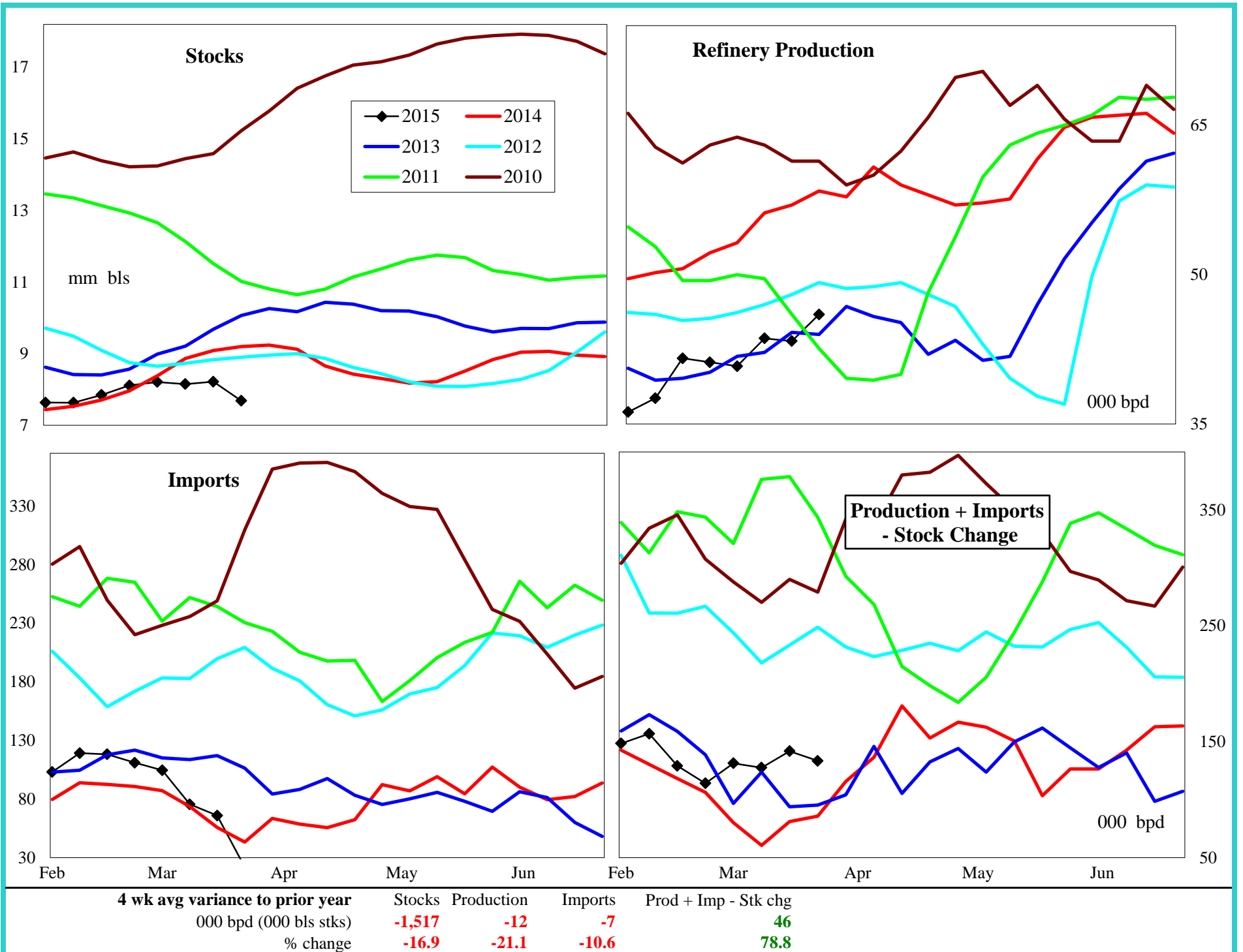
PADD 1 High Sulfur Distillate Stocks by Region



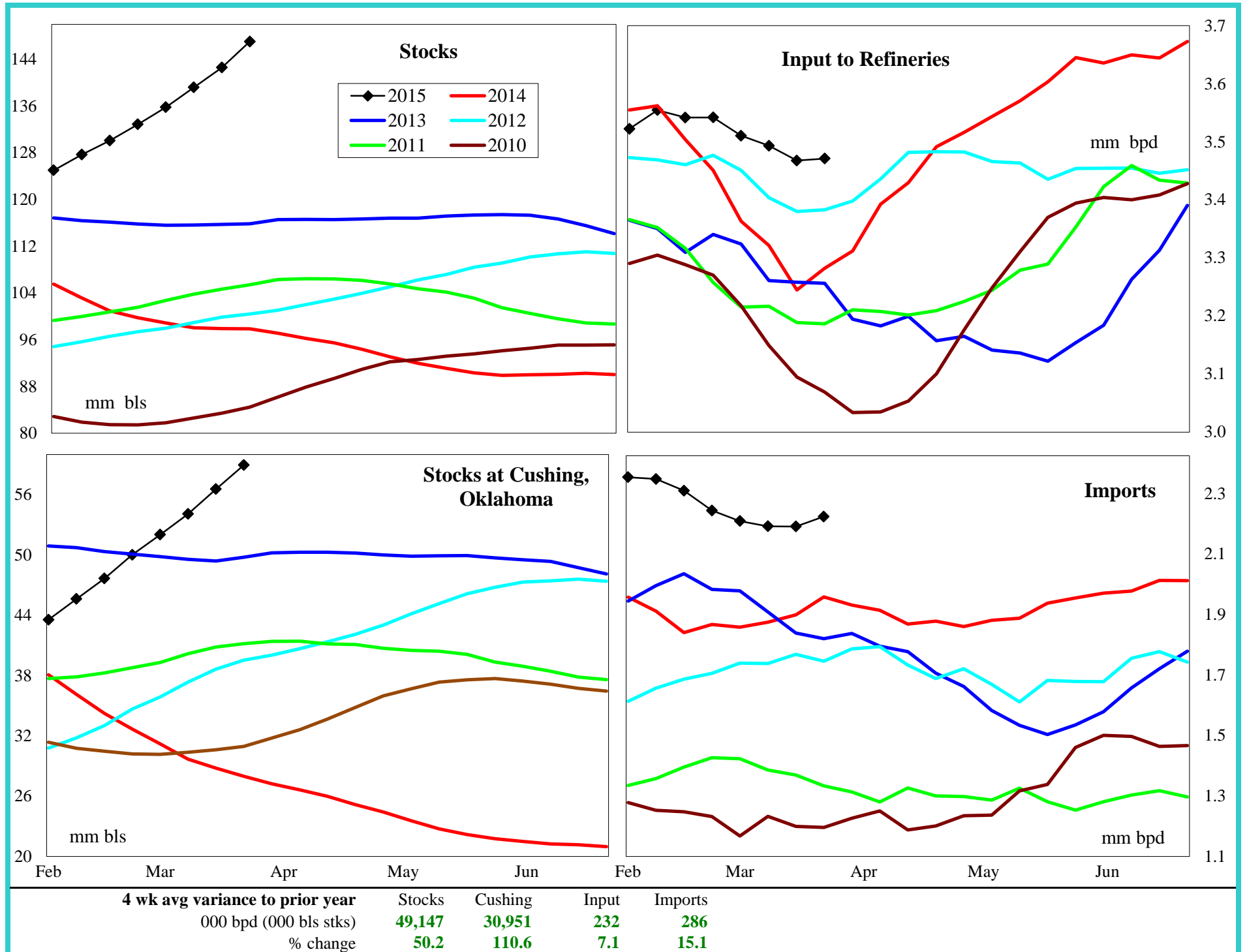
PADD 1 Jet Fuel Supply



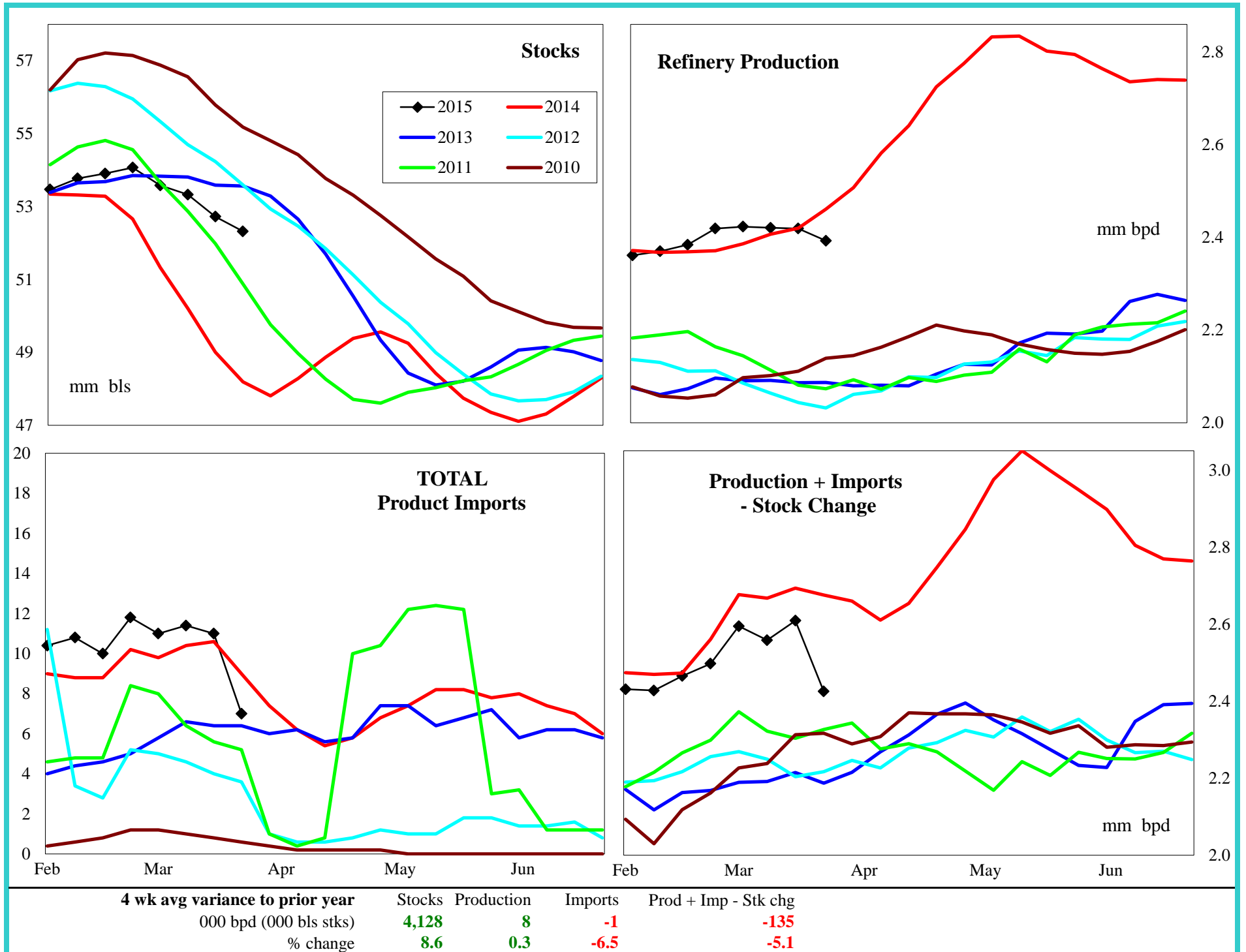
PADD 1 Residual Fuel Oil Supply



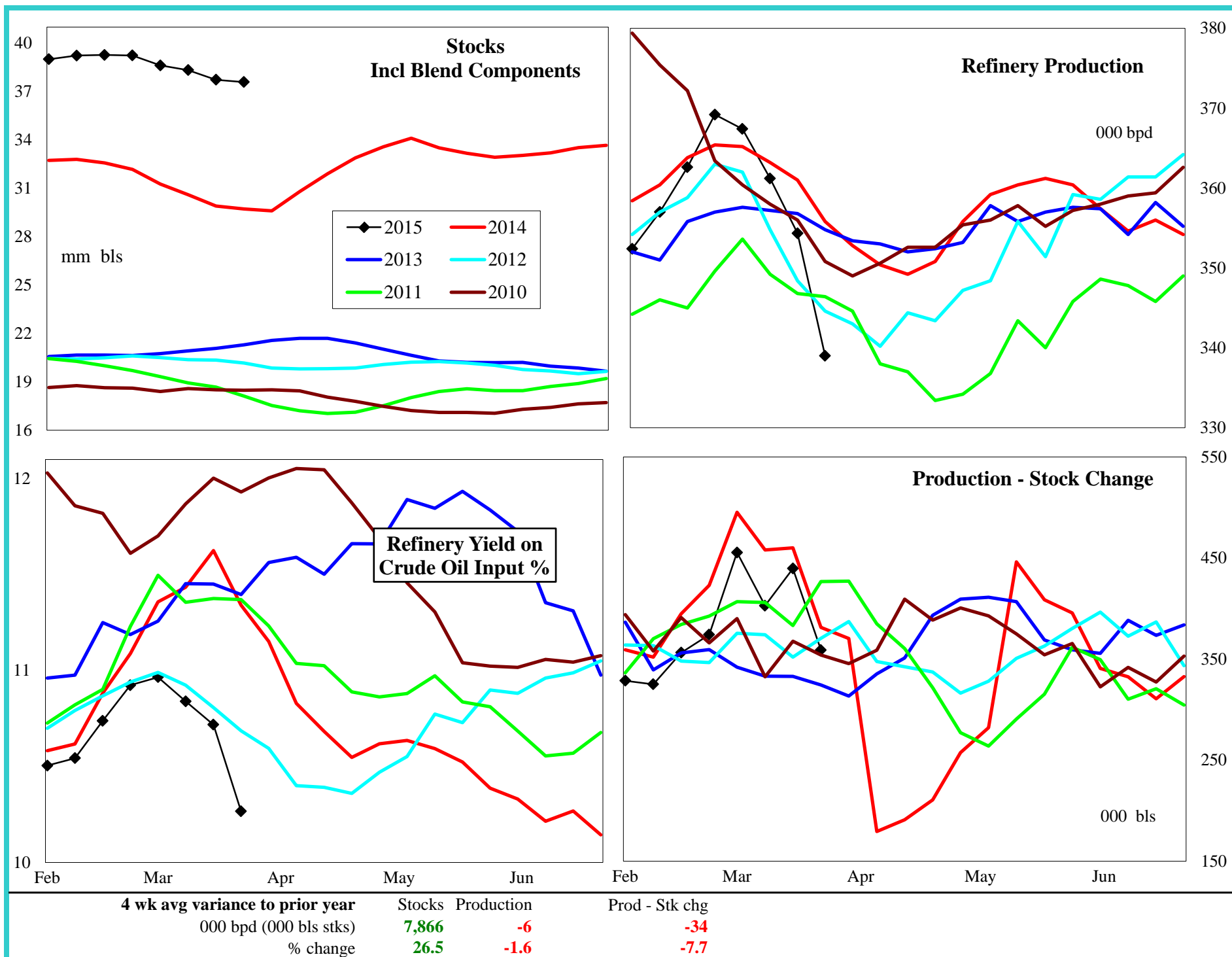
PADD 2 Crude Oil Supply and Refining



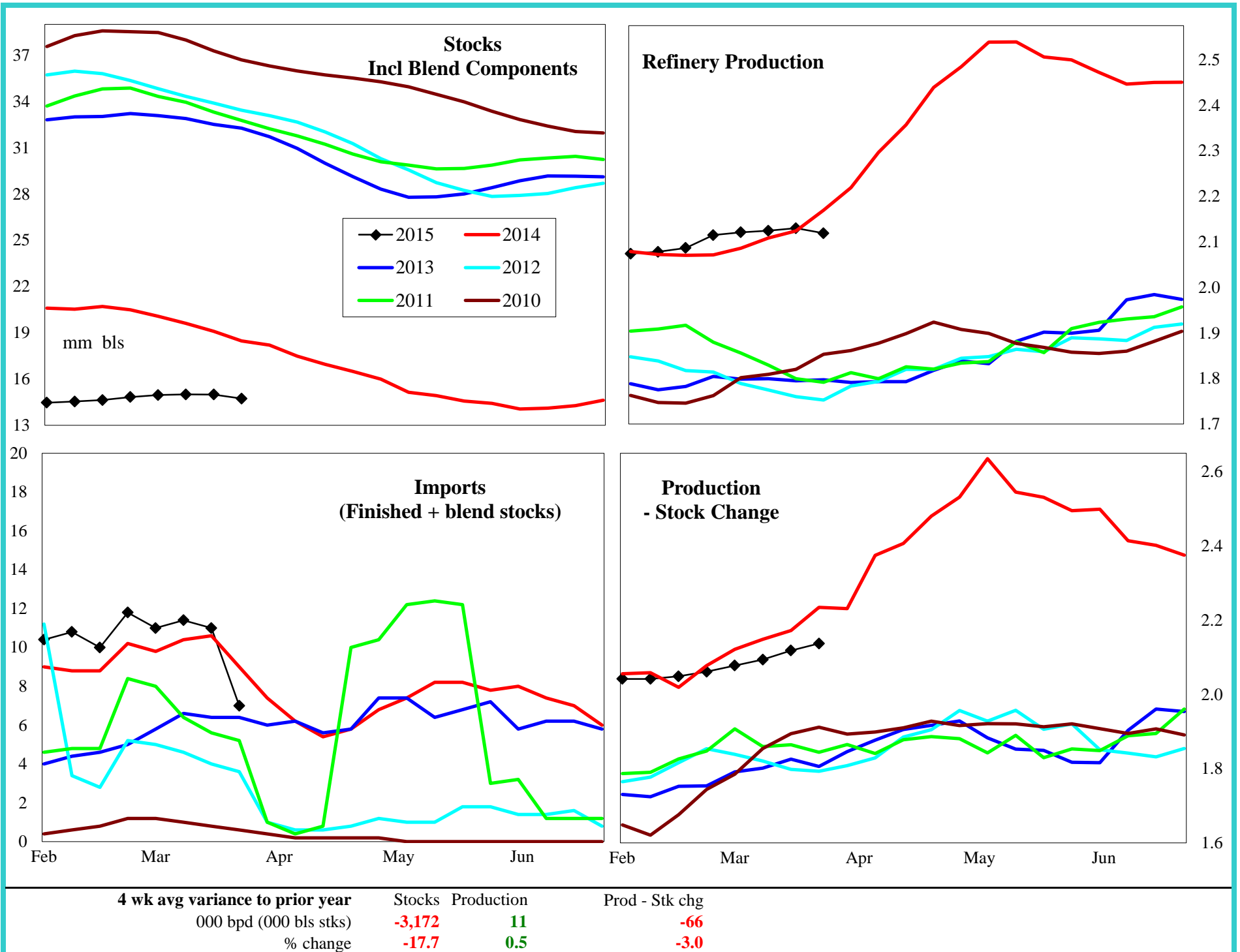
PADD 2 Gasoline Supply



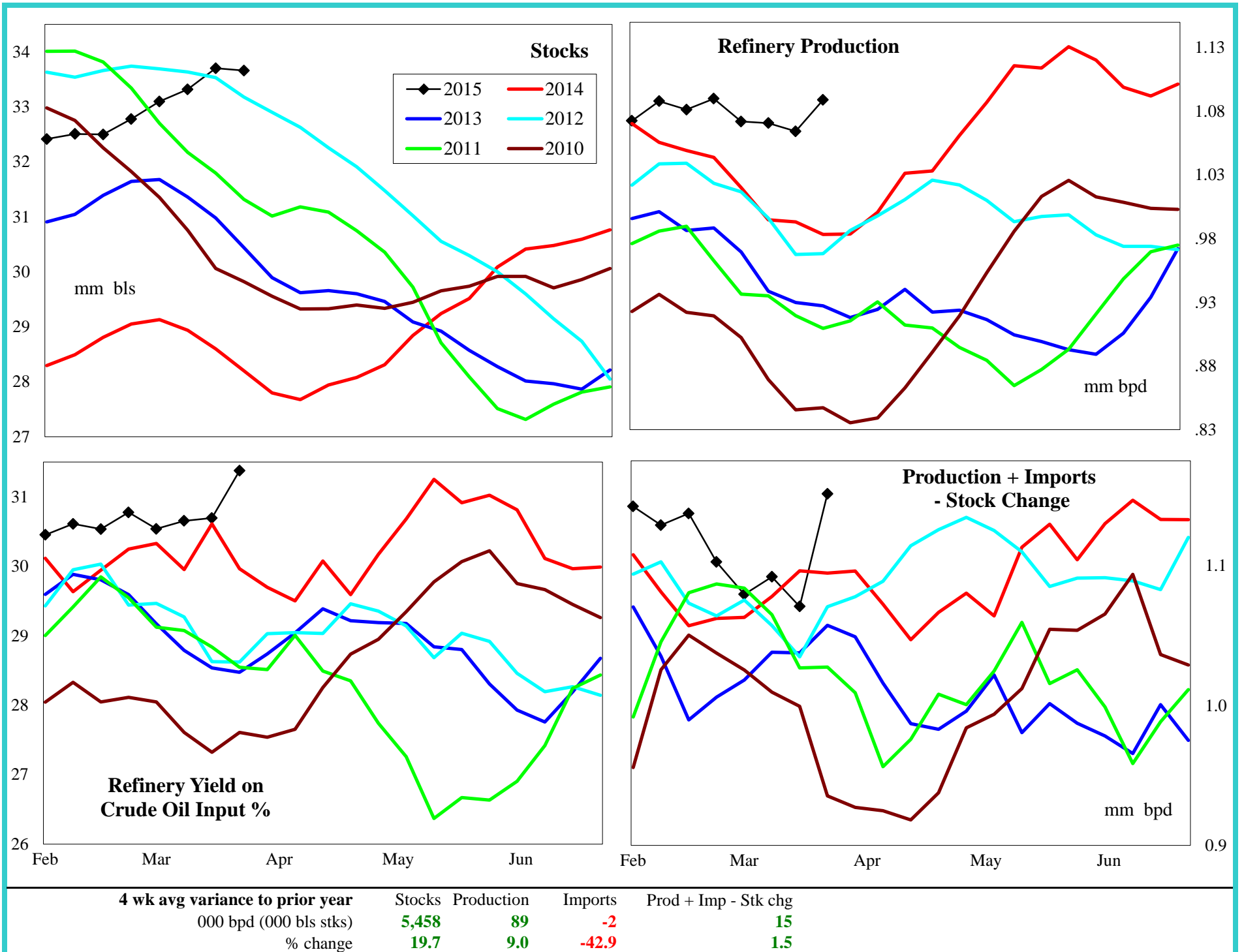
PADD 2 Reformulated Gasoline Supply



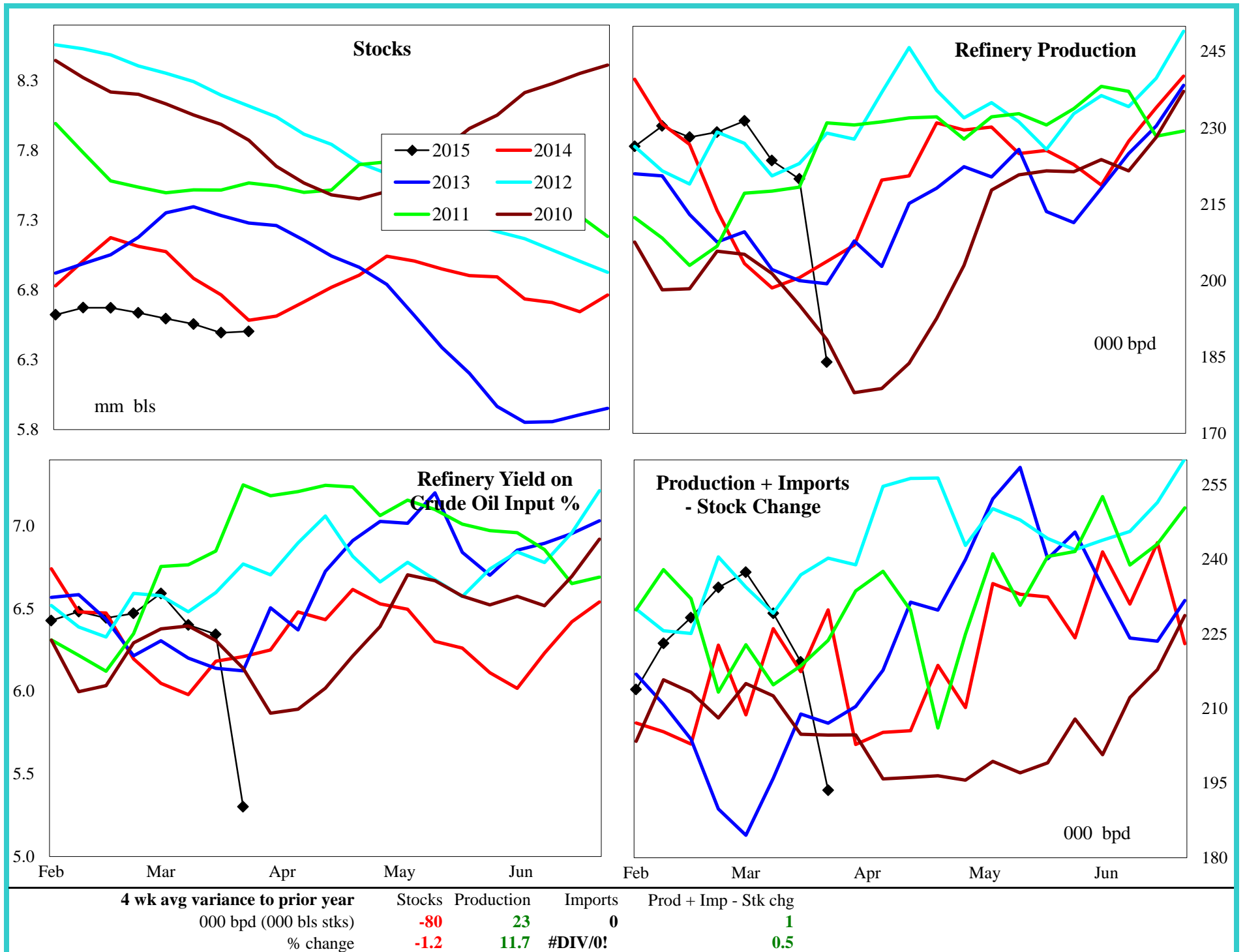
PADD 2 Conventional Gasoline Supply



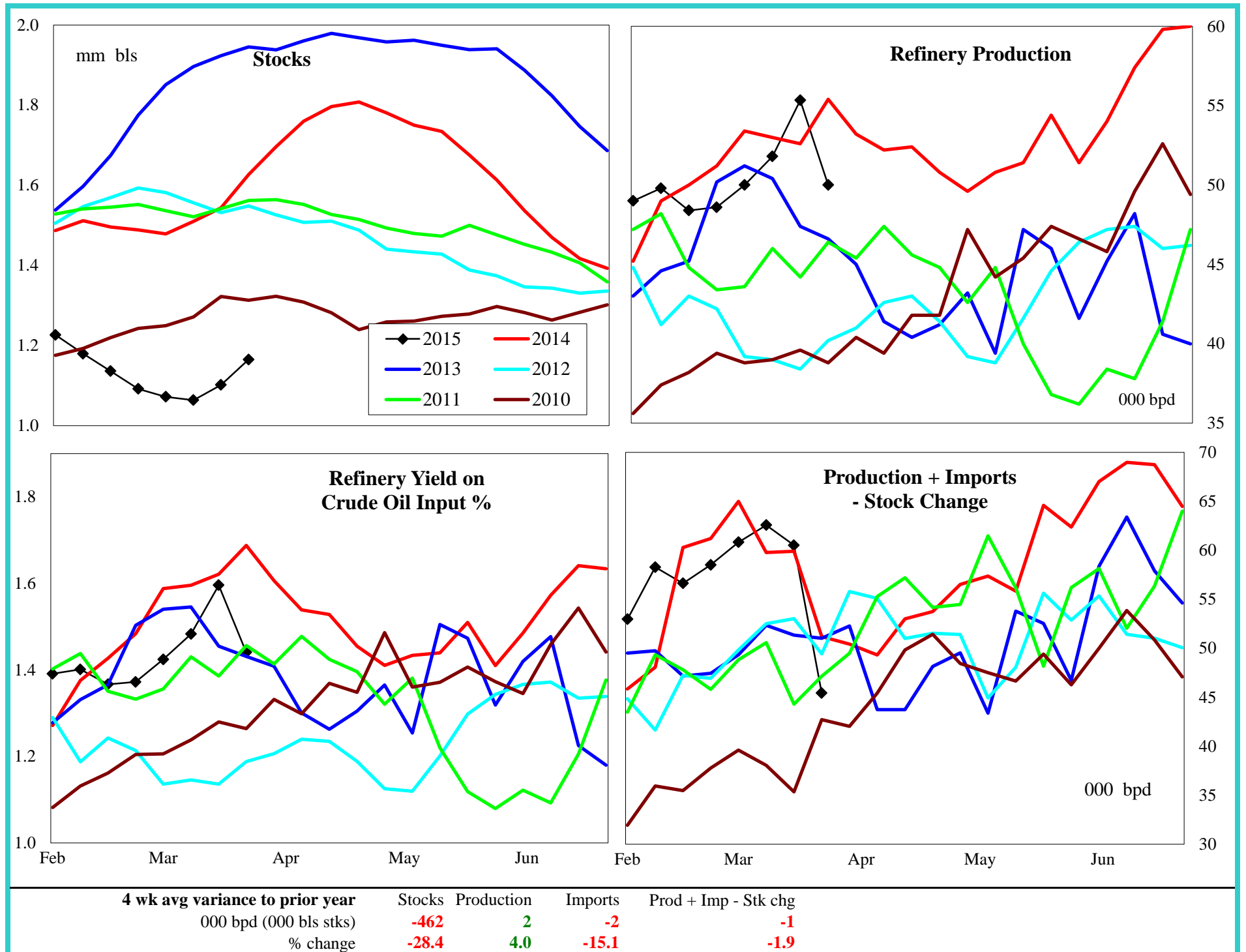
PADD 2 Distillate Supply



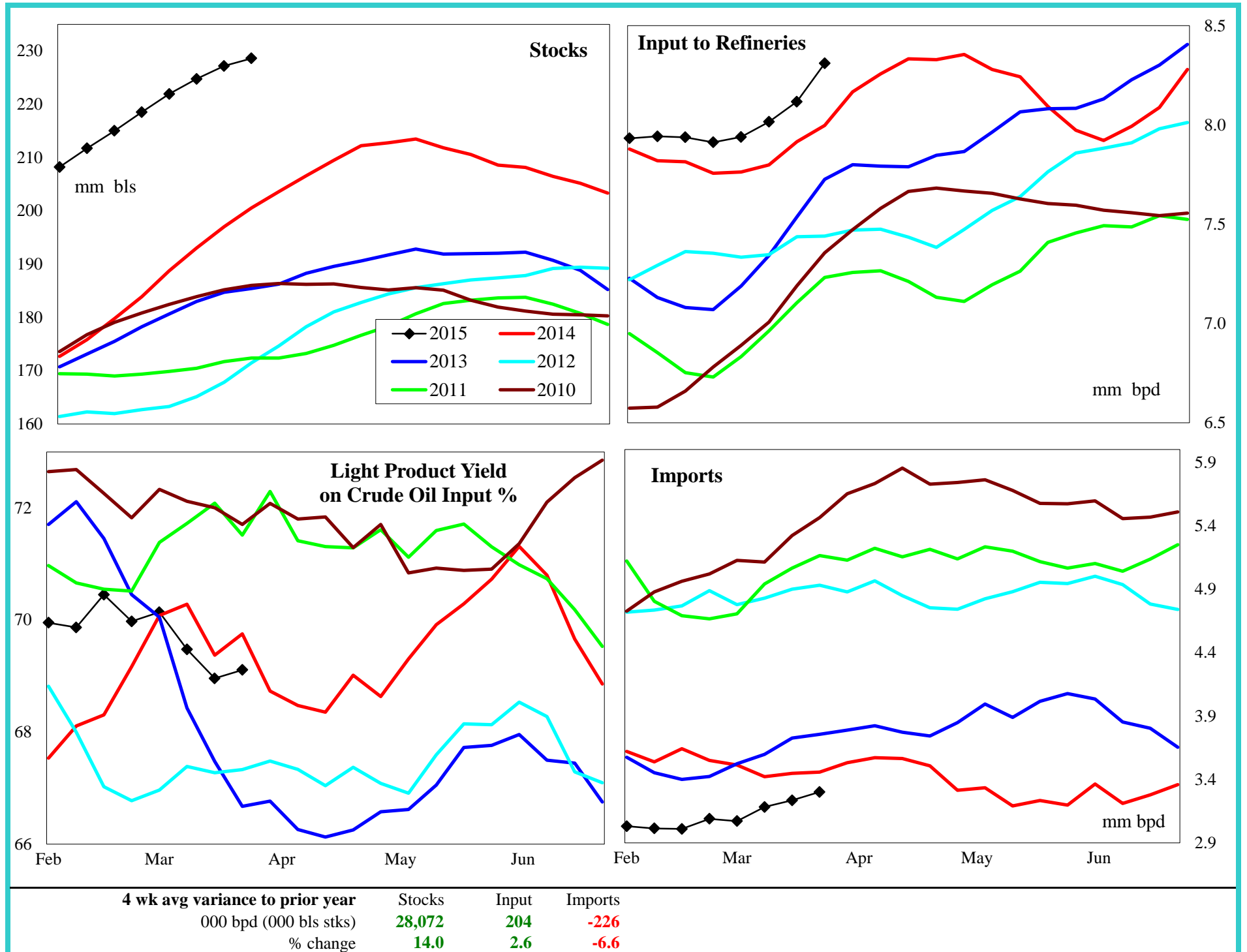
PADD 2 Jet Fuel Supply



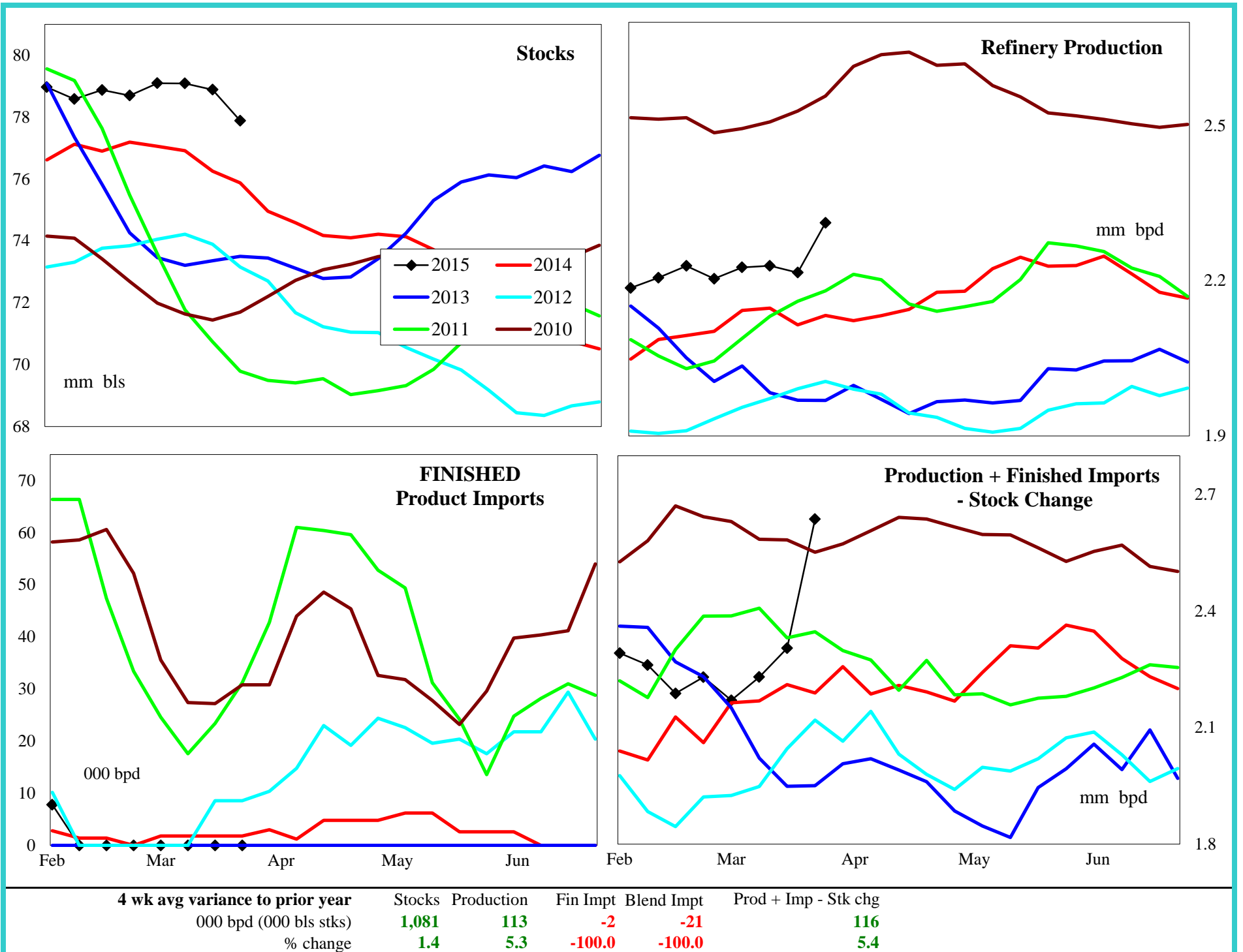
PADD 2 Residual Fuel Oil Supply



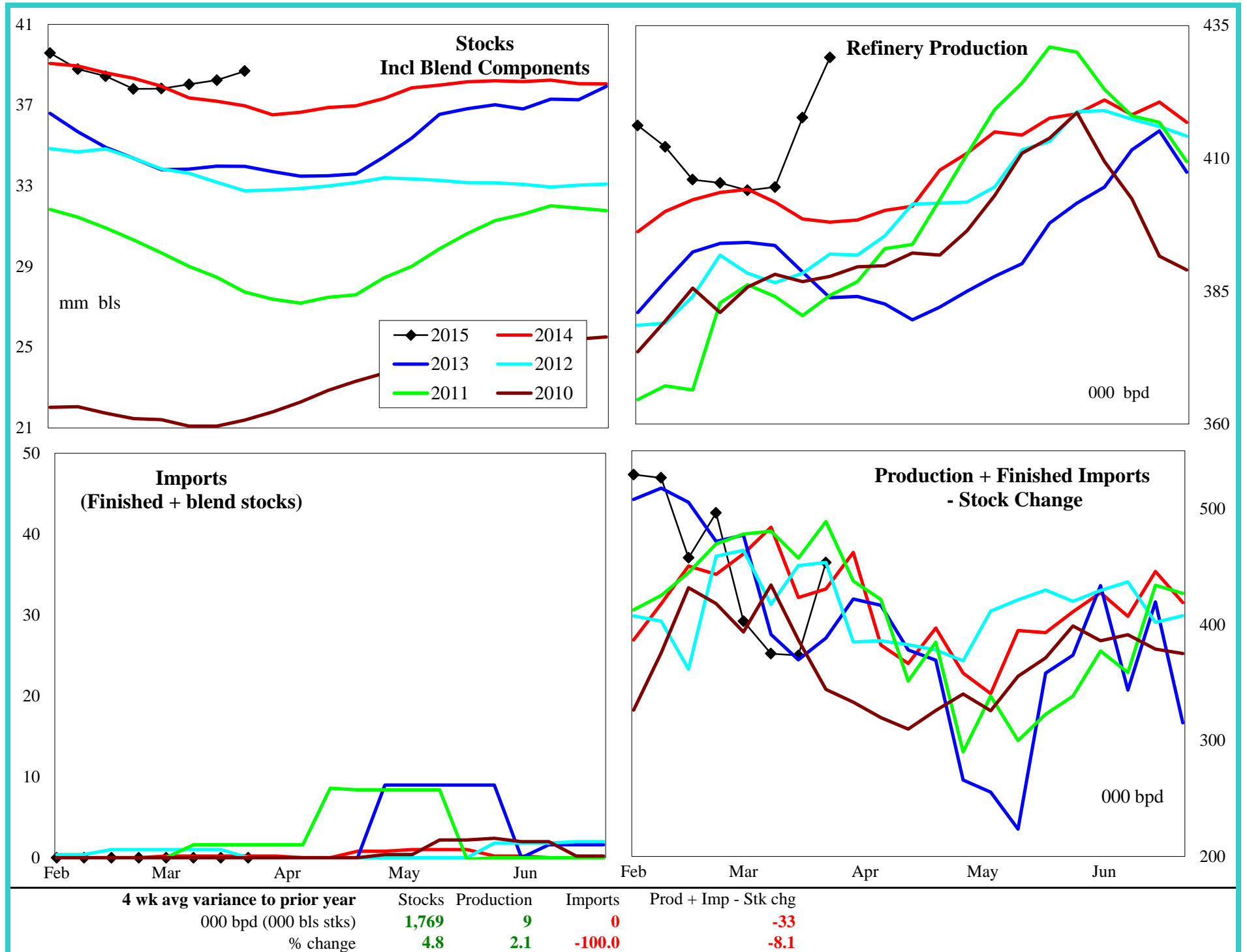
PADD 3 Crude Oil Supply and Refining



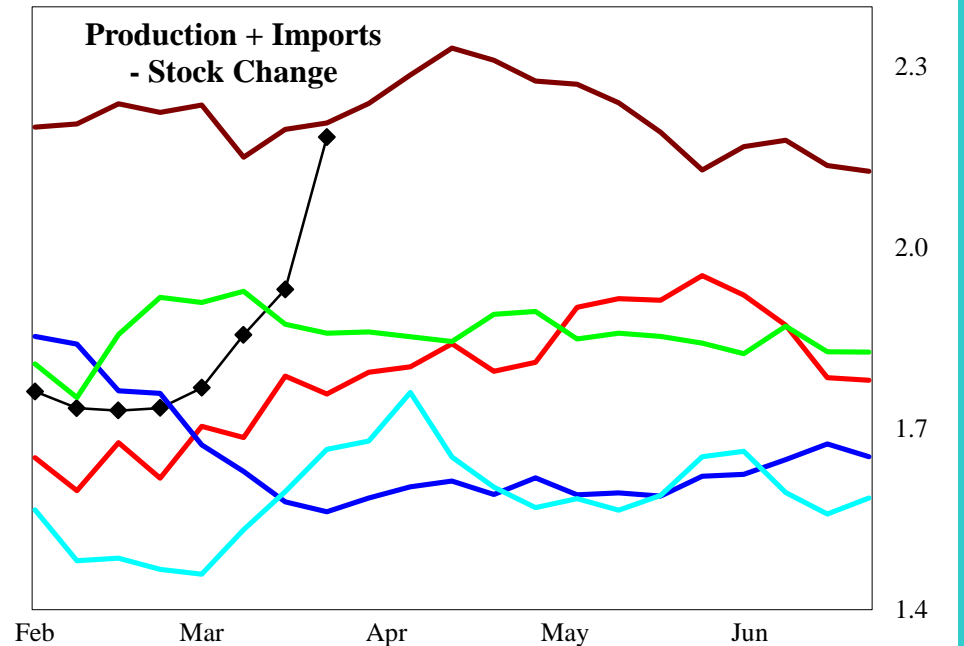
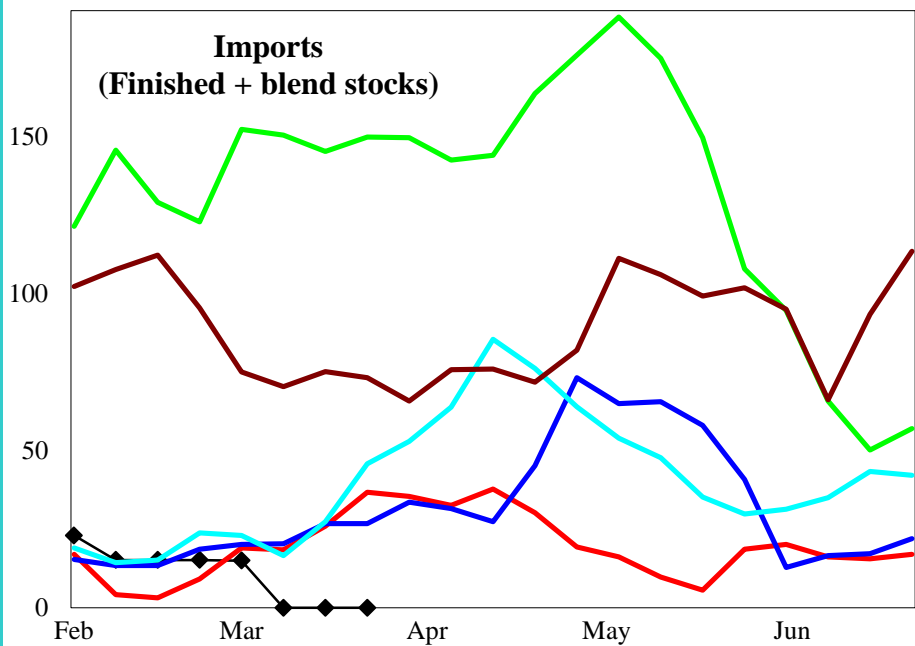
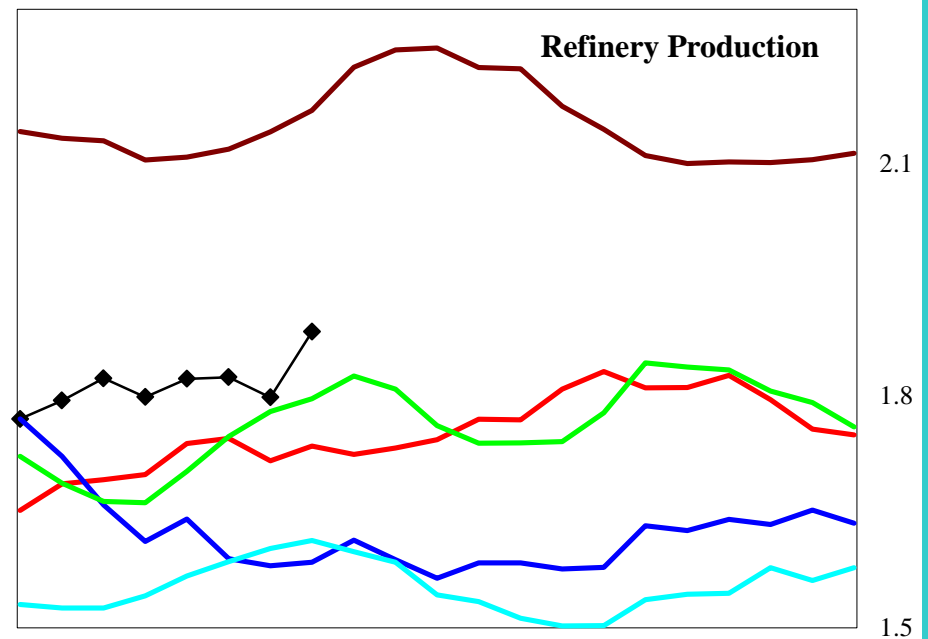
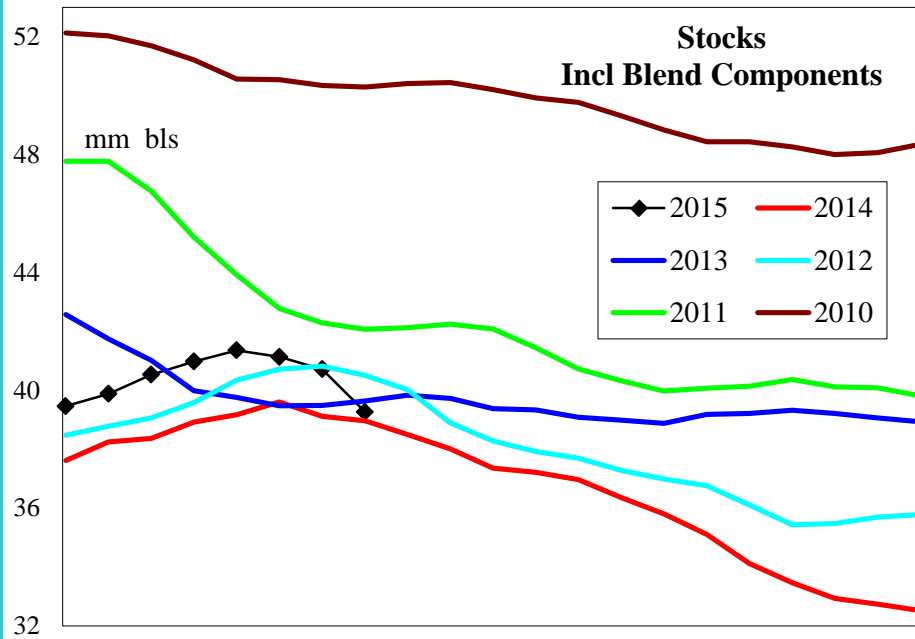
PADD 3 Gasoline Supply



PADD 3 Reformulated Gasoline Supply



PADD 3 Conventional Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

-663

-1.7

Production

105

6.1

Imports

-23

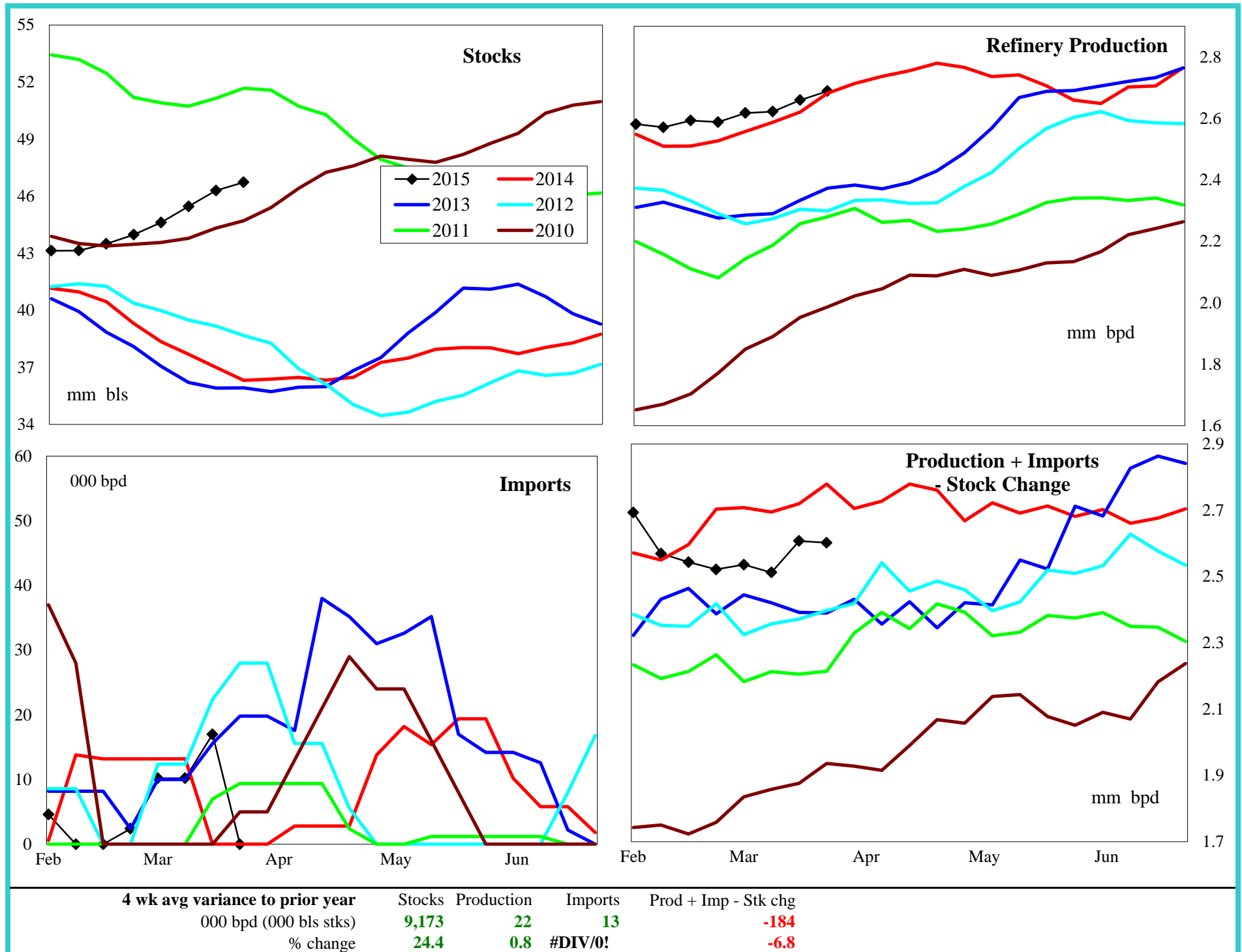
-100.0

Prod + Imp - Stk chg

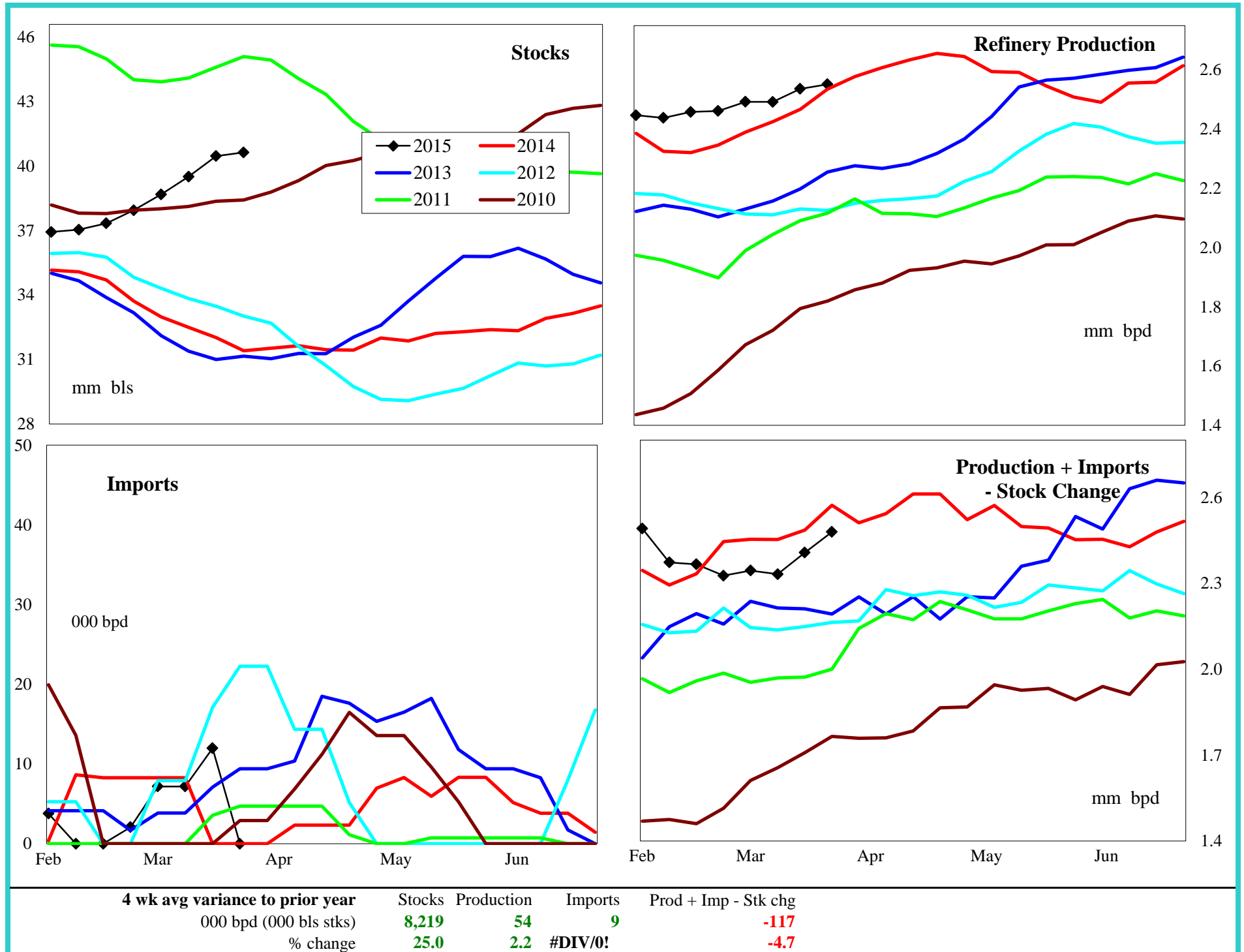
149

8.5

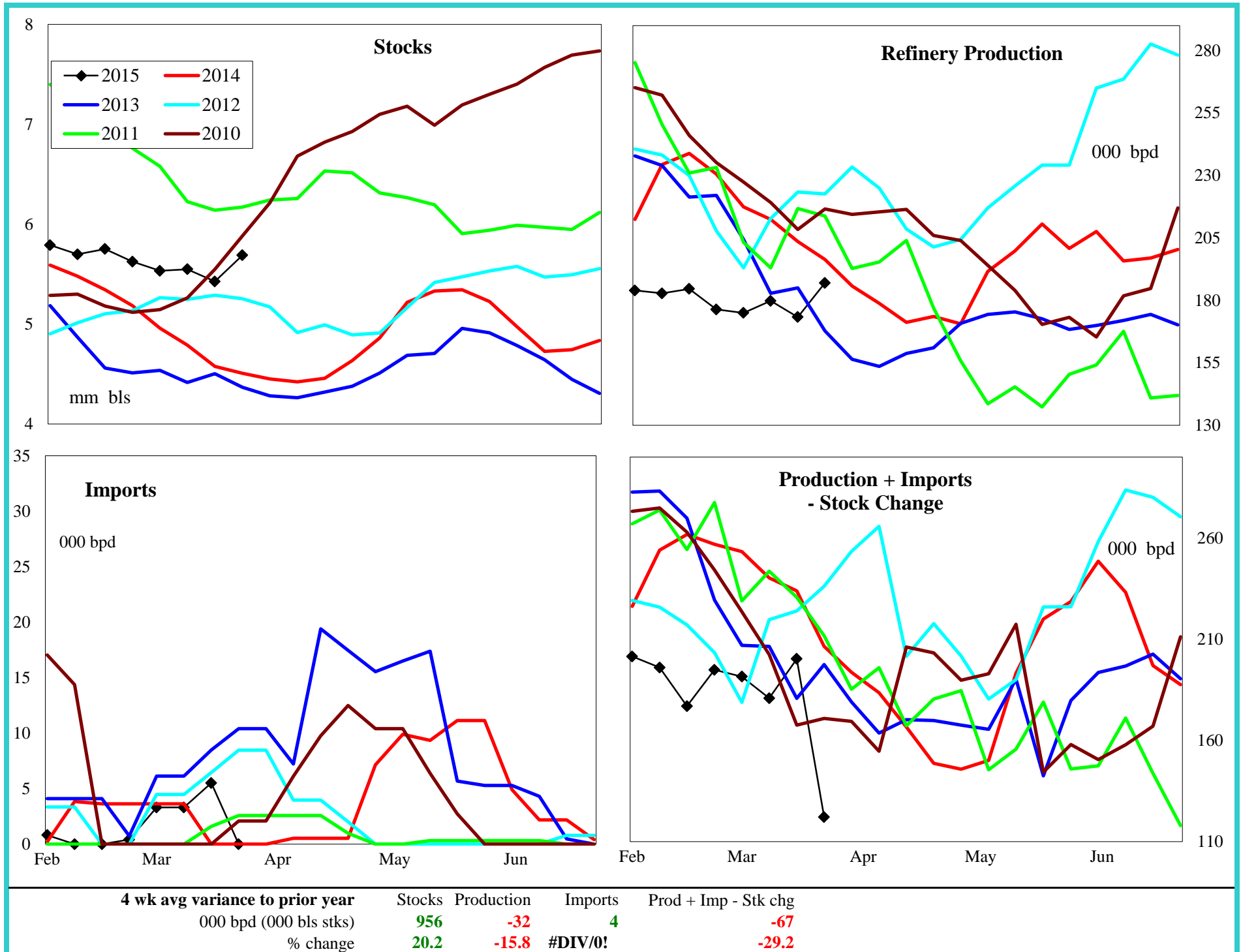
PADD 3 Distillate Supply



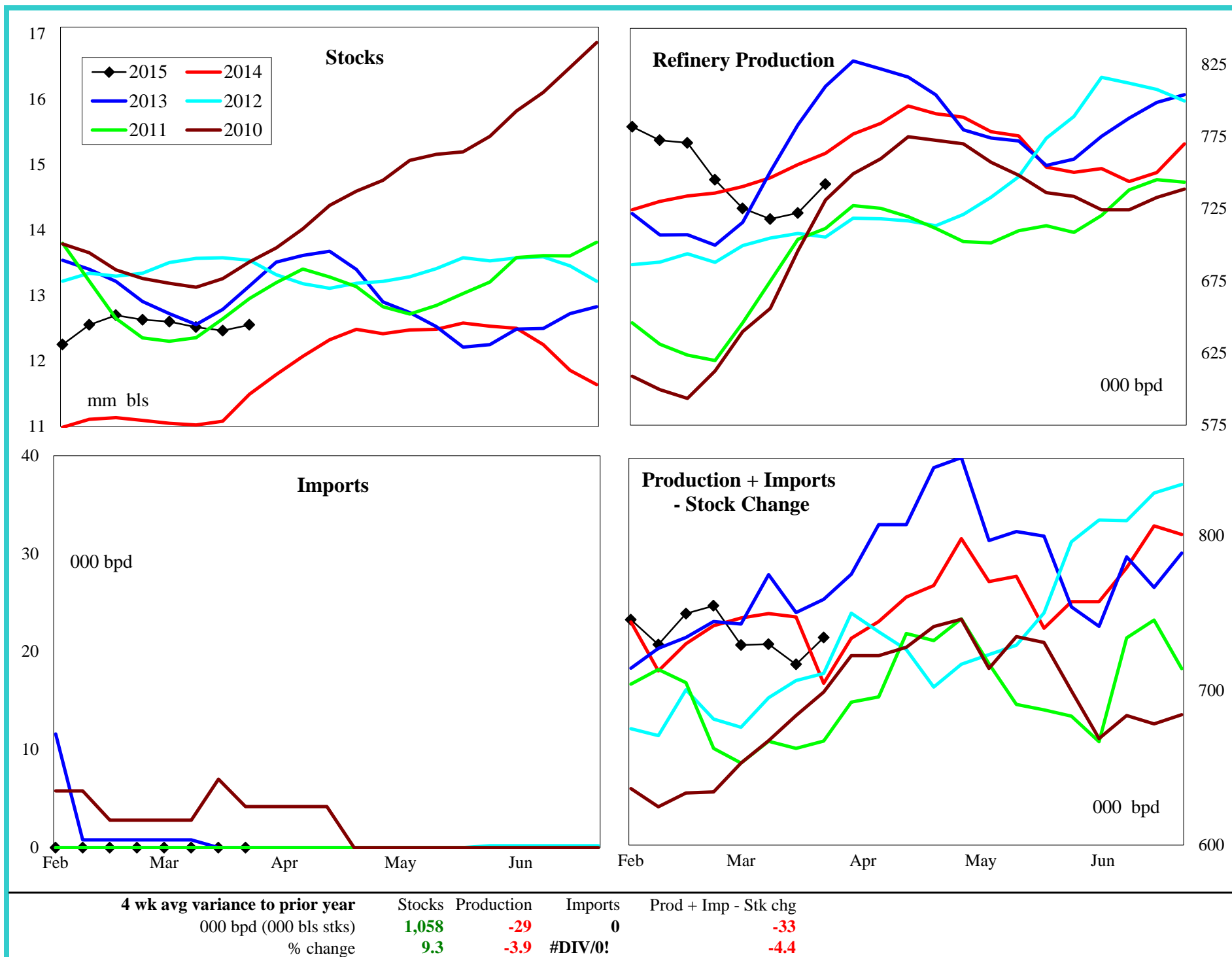
PADD 3 Low Sulfur Distillate Supply



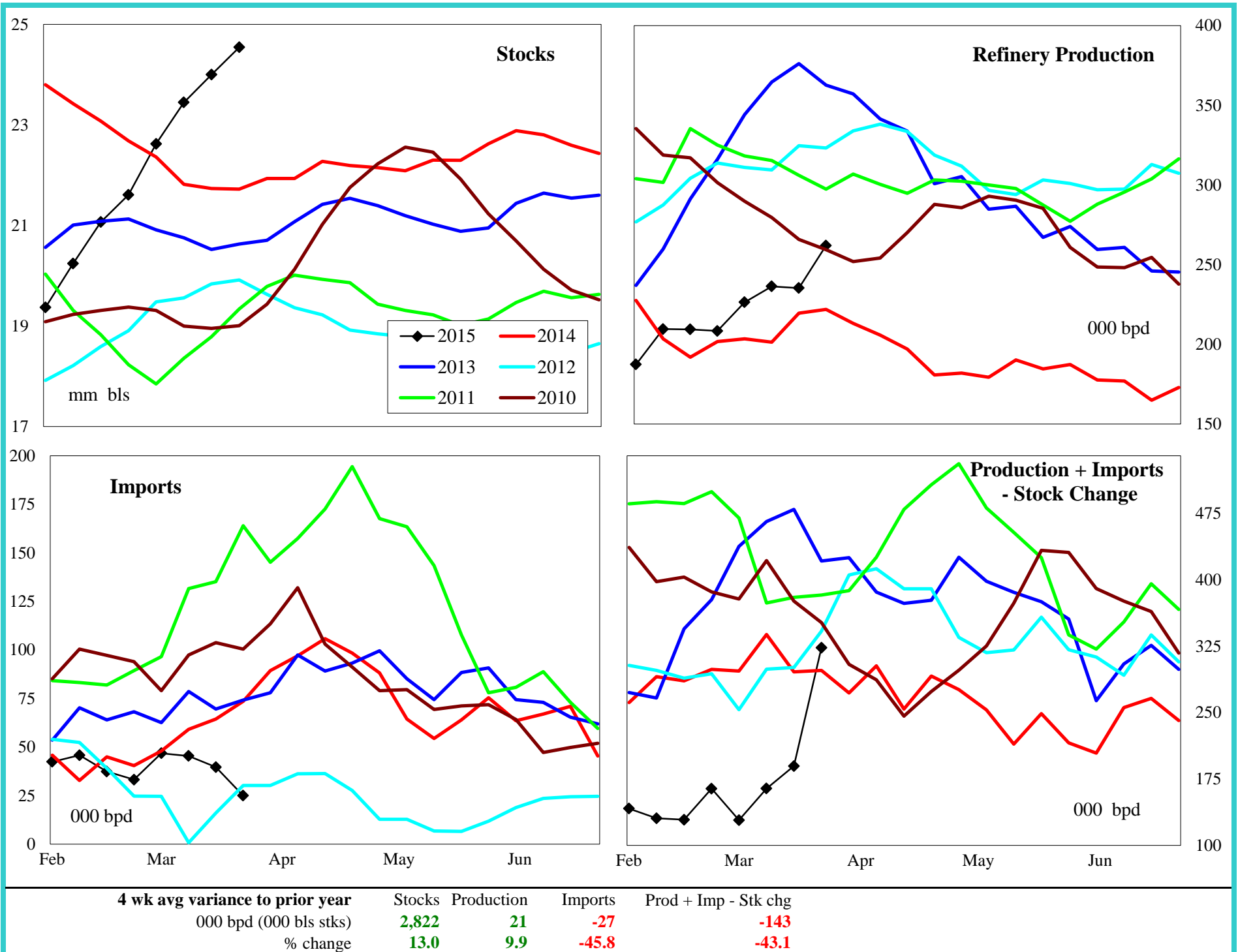
PADD 3 High Sulfur Distillate Supply



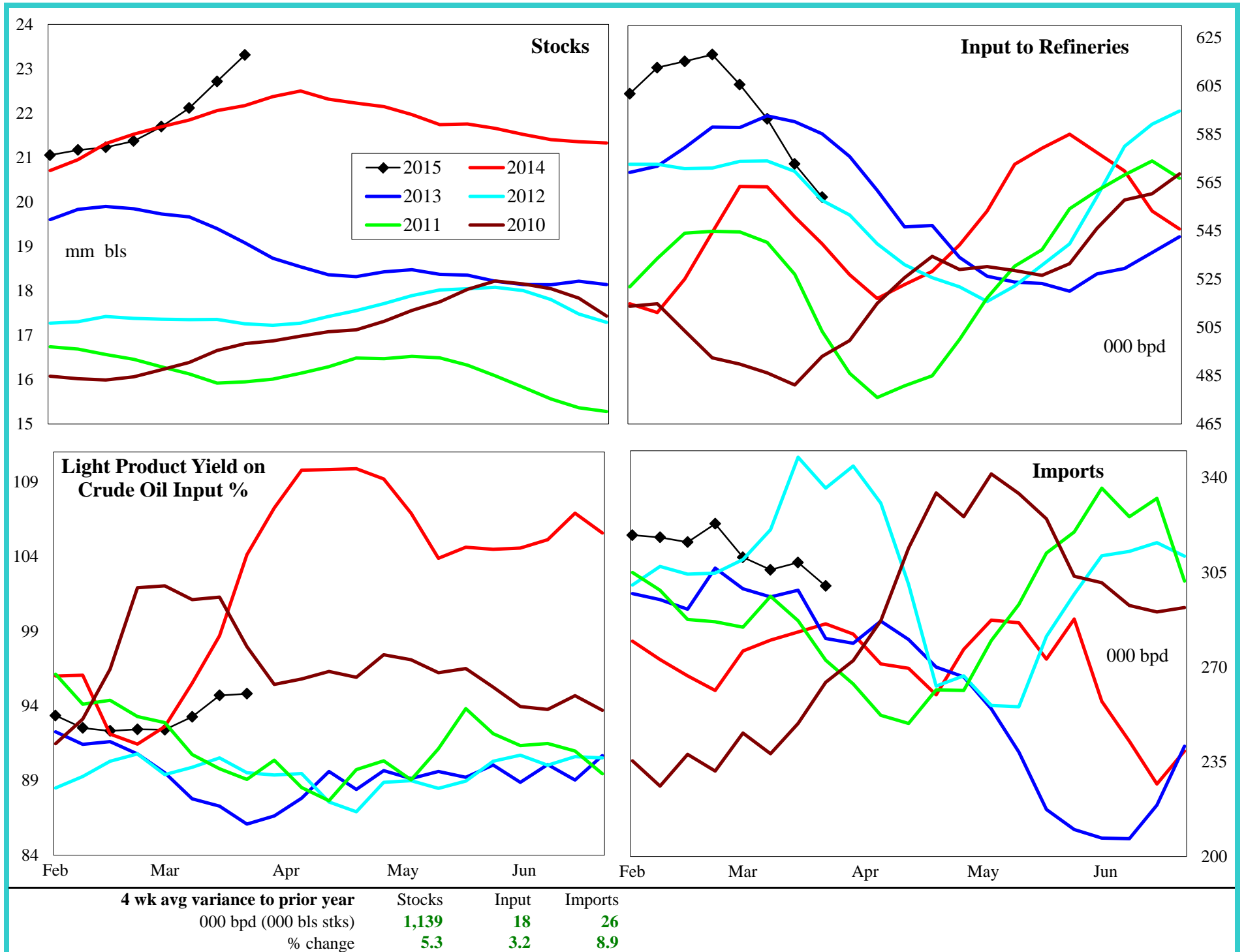
PADD 3 Jet Fuel Supply



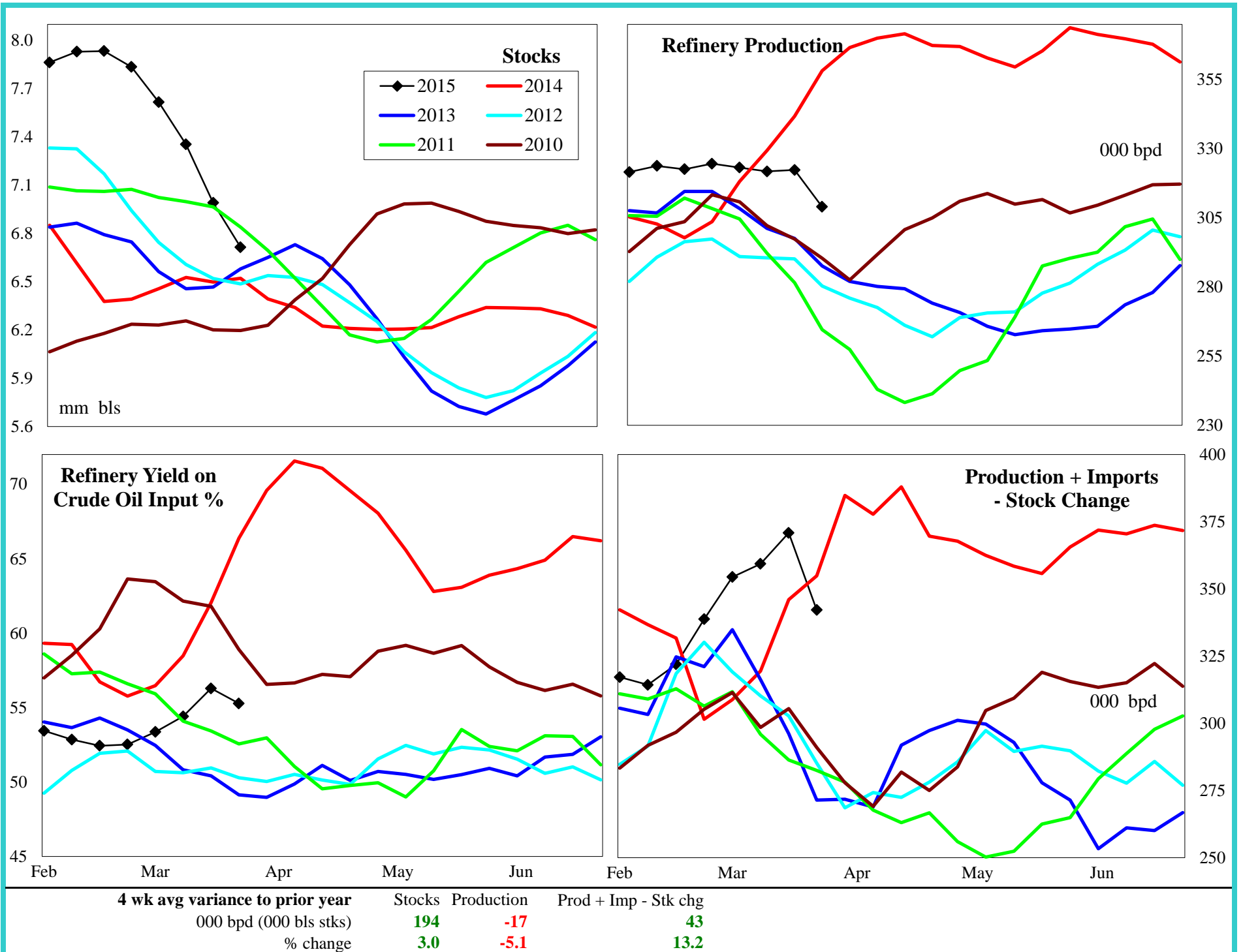
PADD 3 Residual Fuel Oil Supply



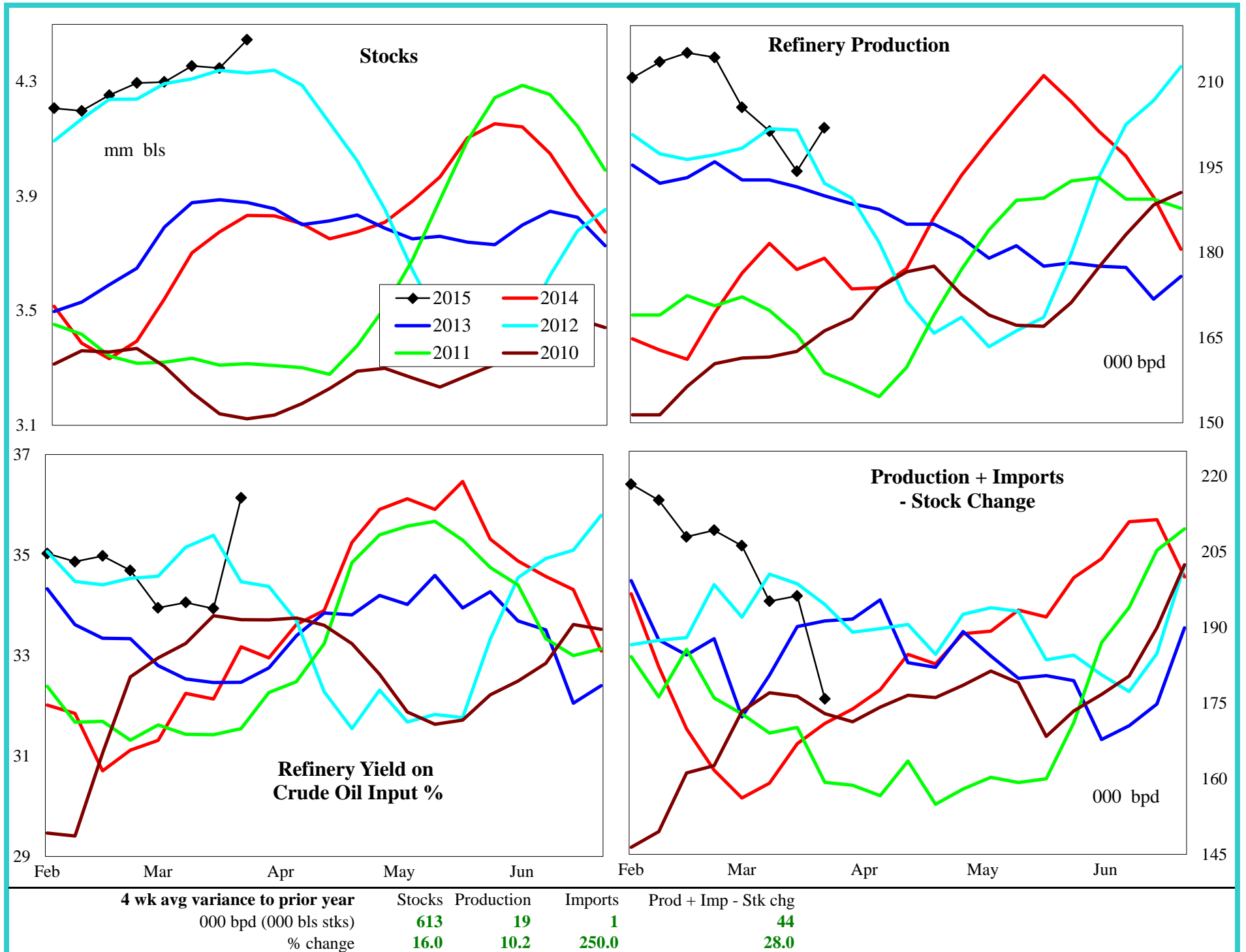
PADD 4 Crude Oil Supply and Refining



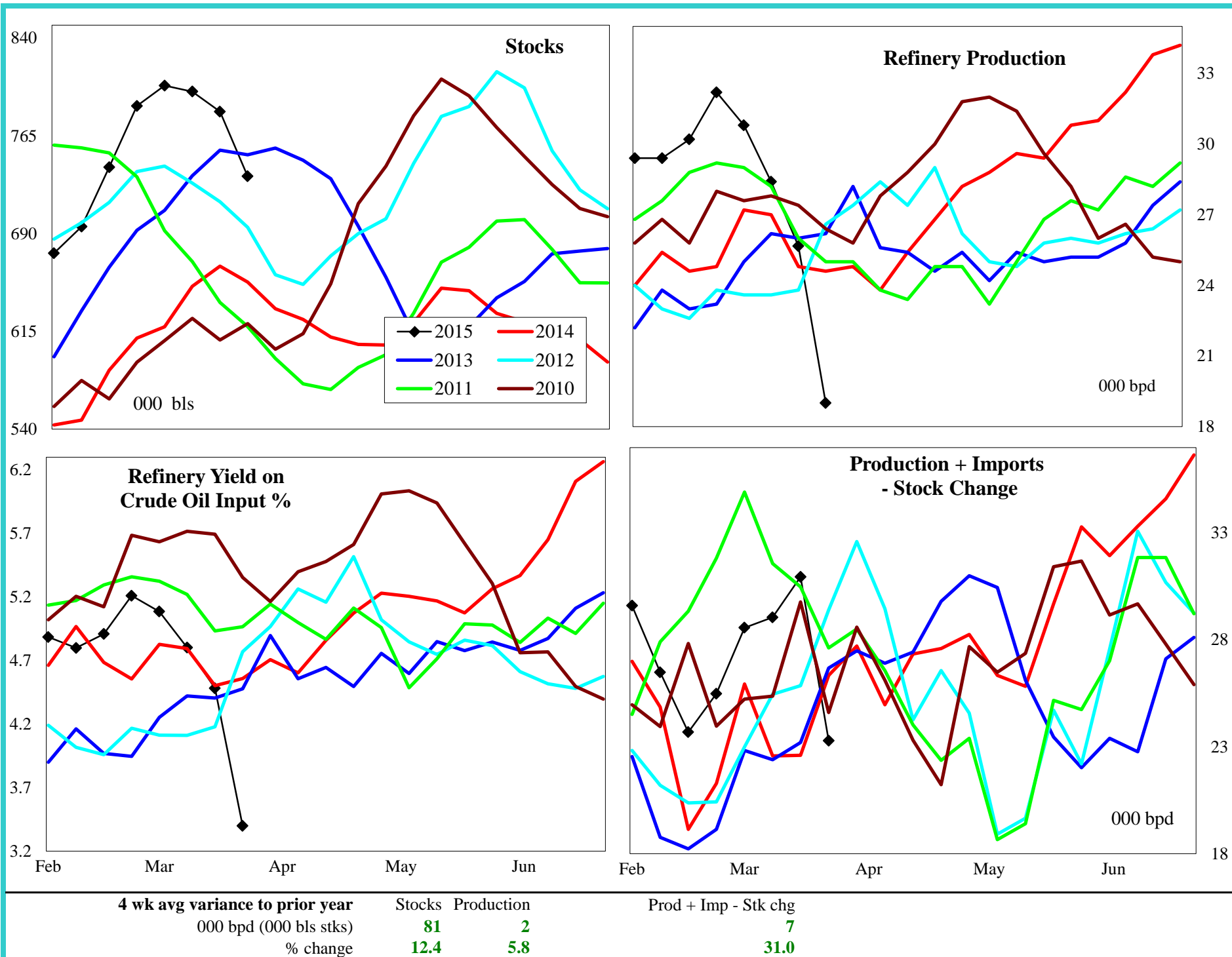
PADD 4 Gasoline Supply



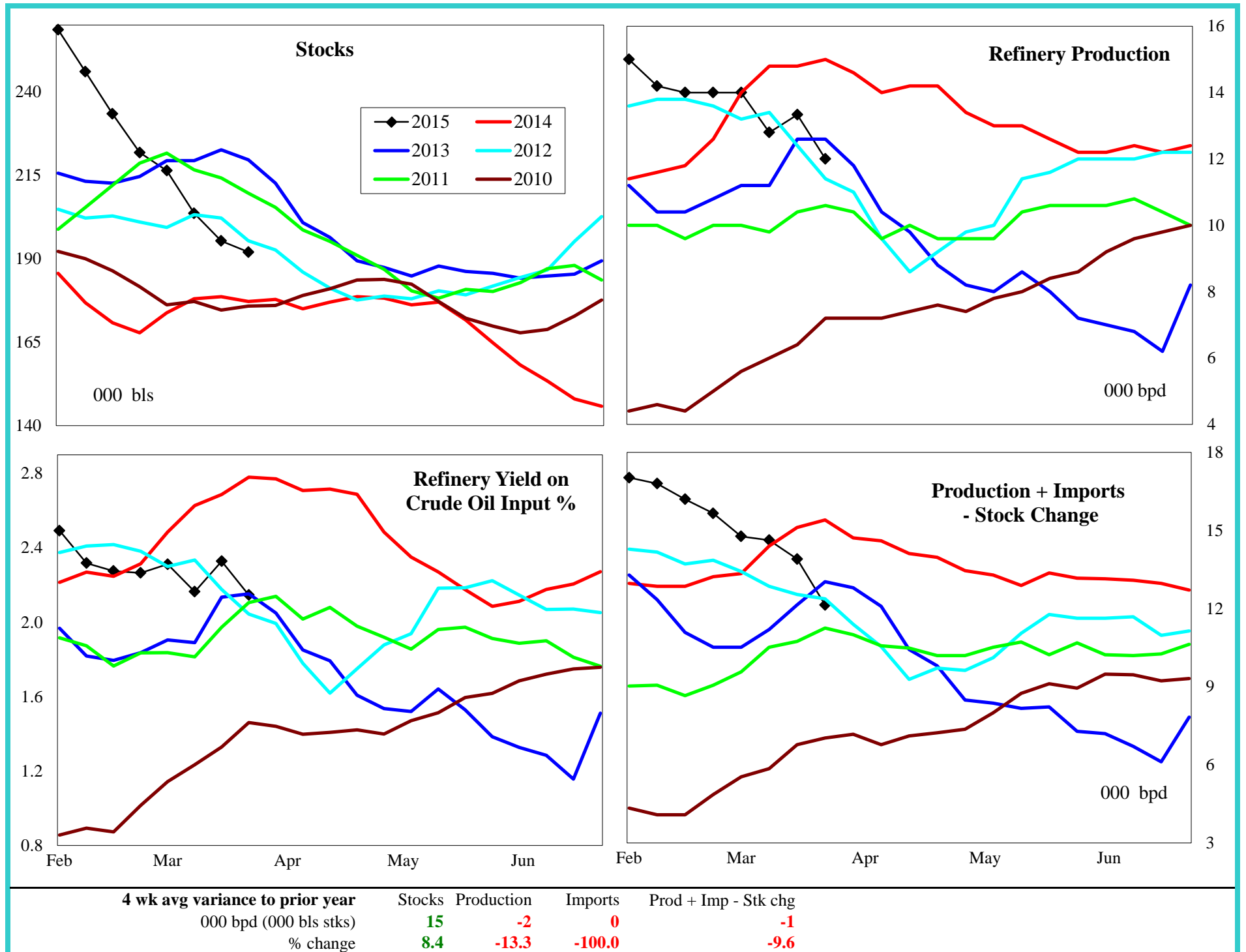
PADD 4 Distillate Supply



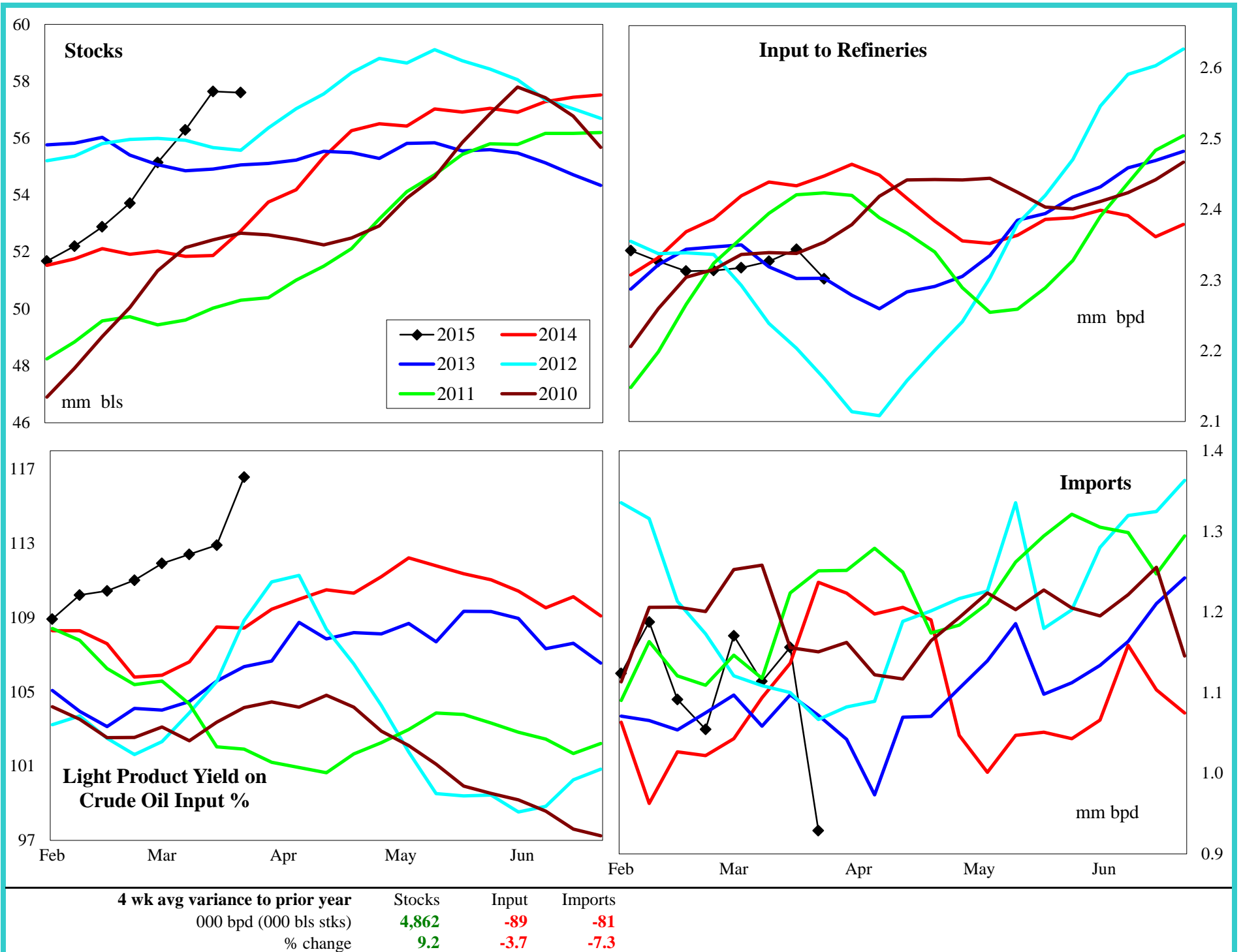
PADD 4 Jet Fuel Supply



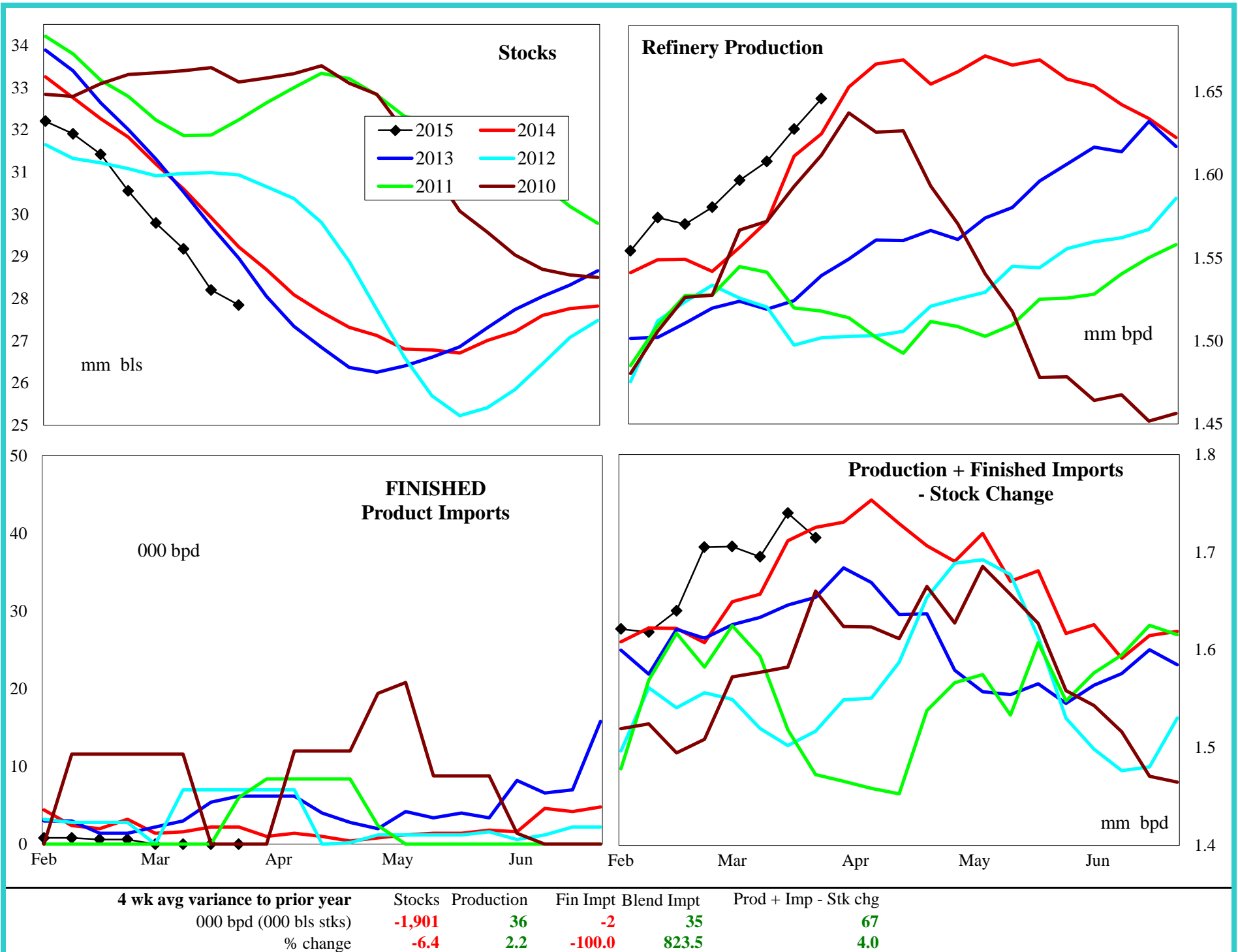
PADD 4 Residual Fuel Oil Supply



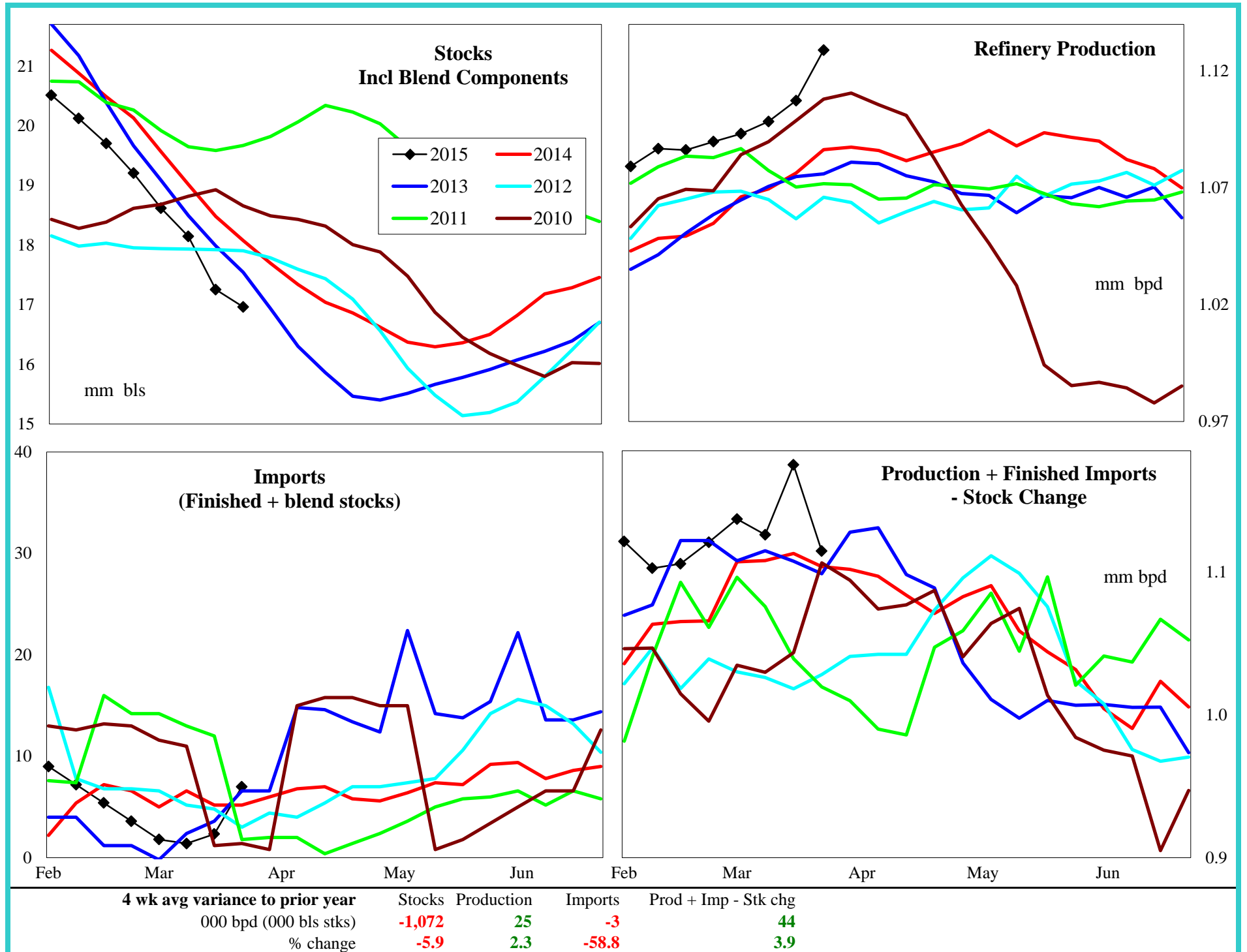
PADD 5 Crude Oil Supply and Refining



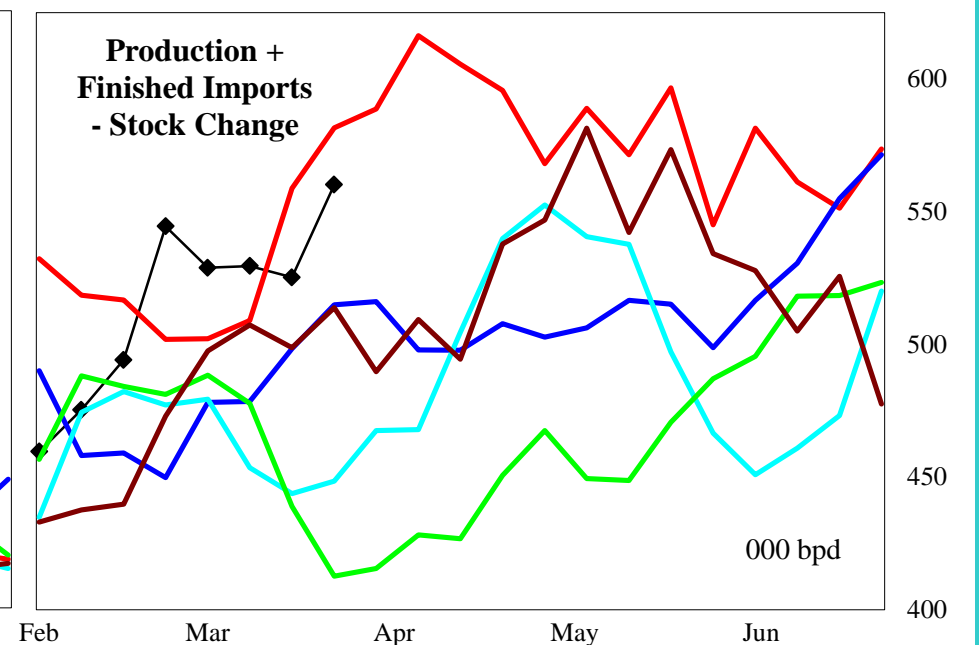
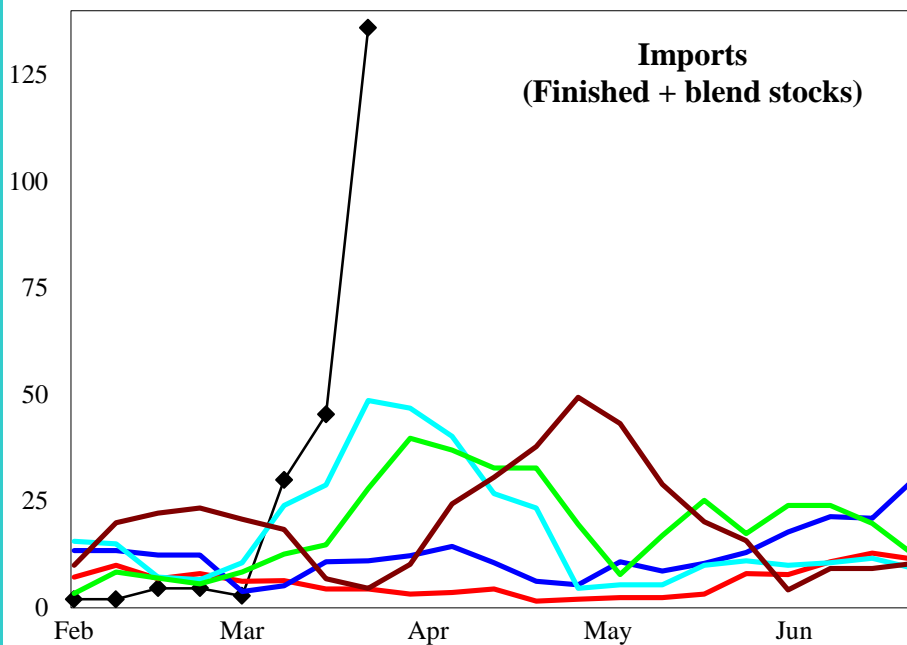
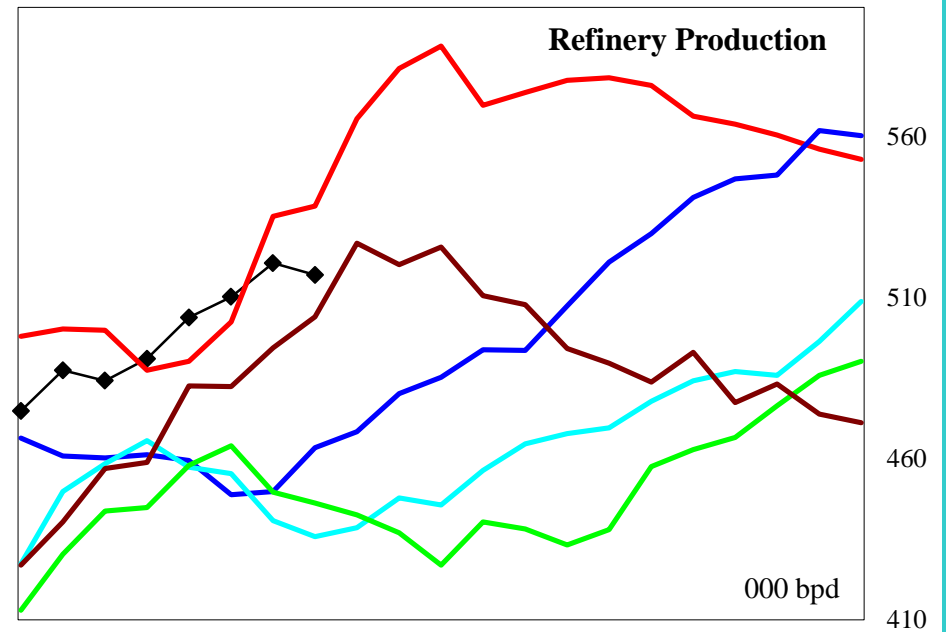
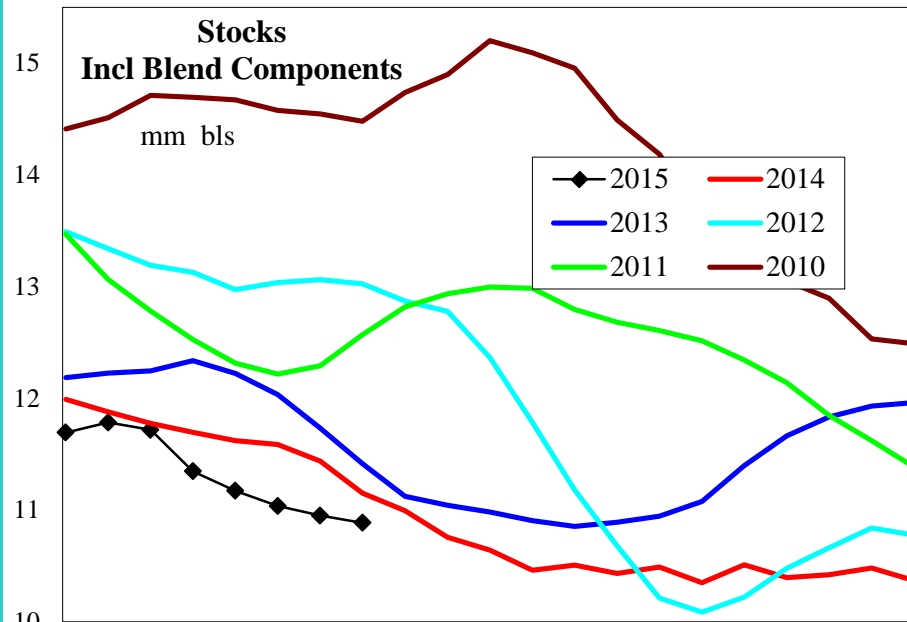
PADD 5 Gasoline Supply



PADD 5 Reformulated Gasoline Supply



PADD 5 Conventional Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

-829

-7.1

Production

11

2.2

Imports

36

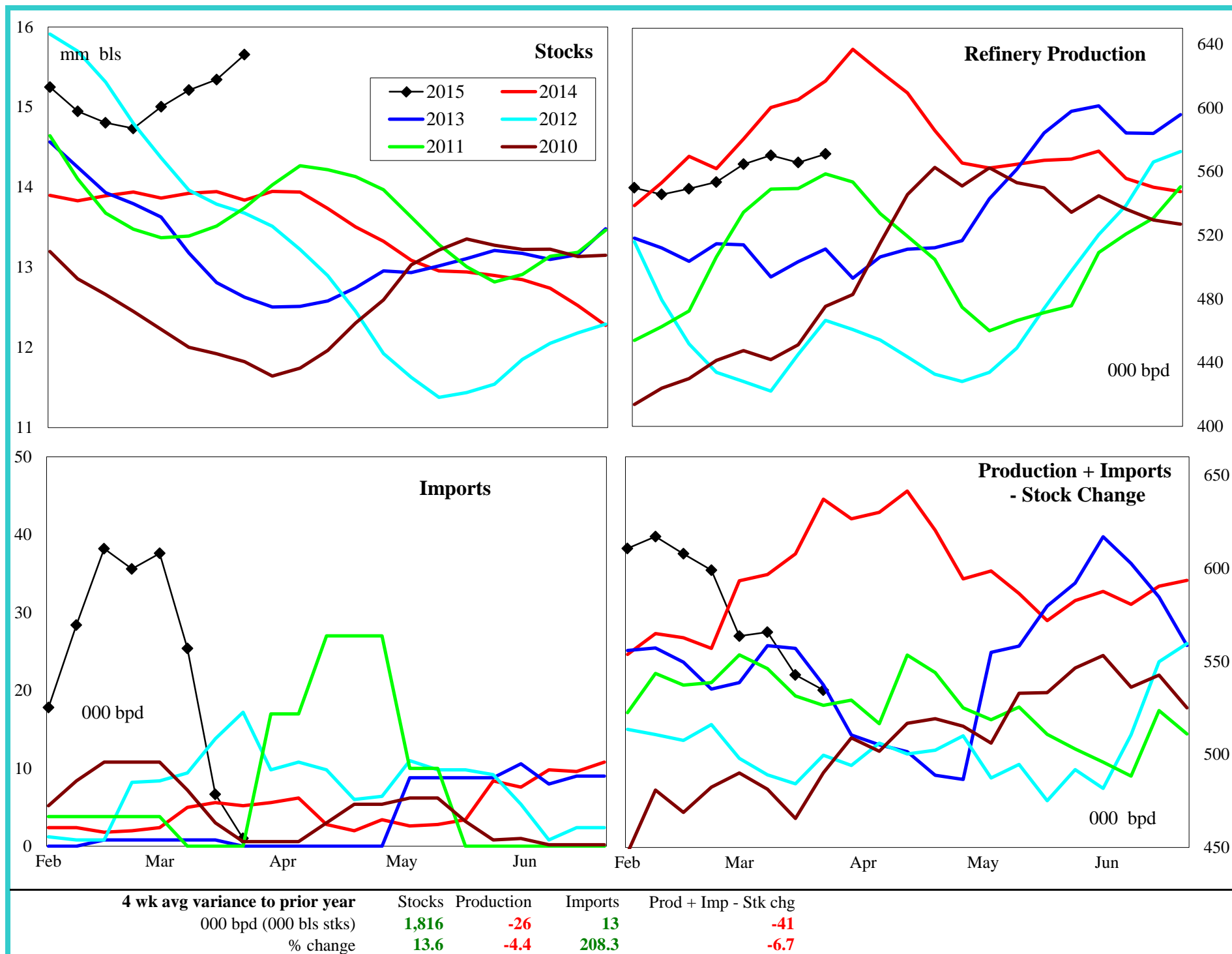
1,775.0

Prod + Imp - Stk chg

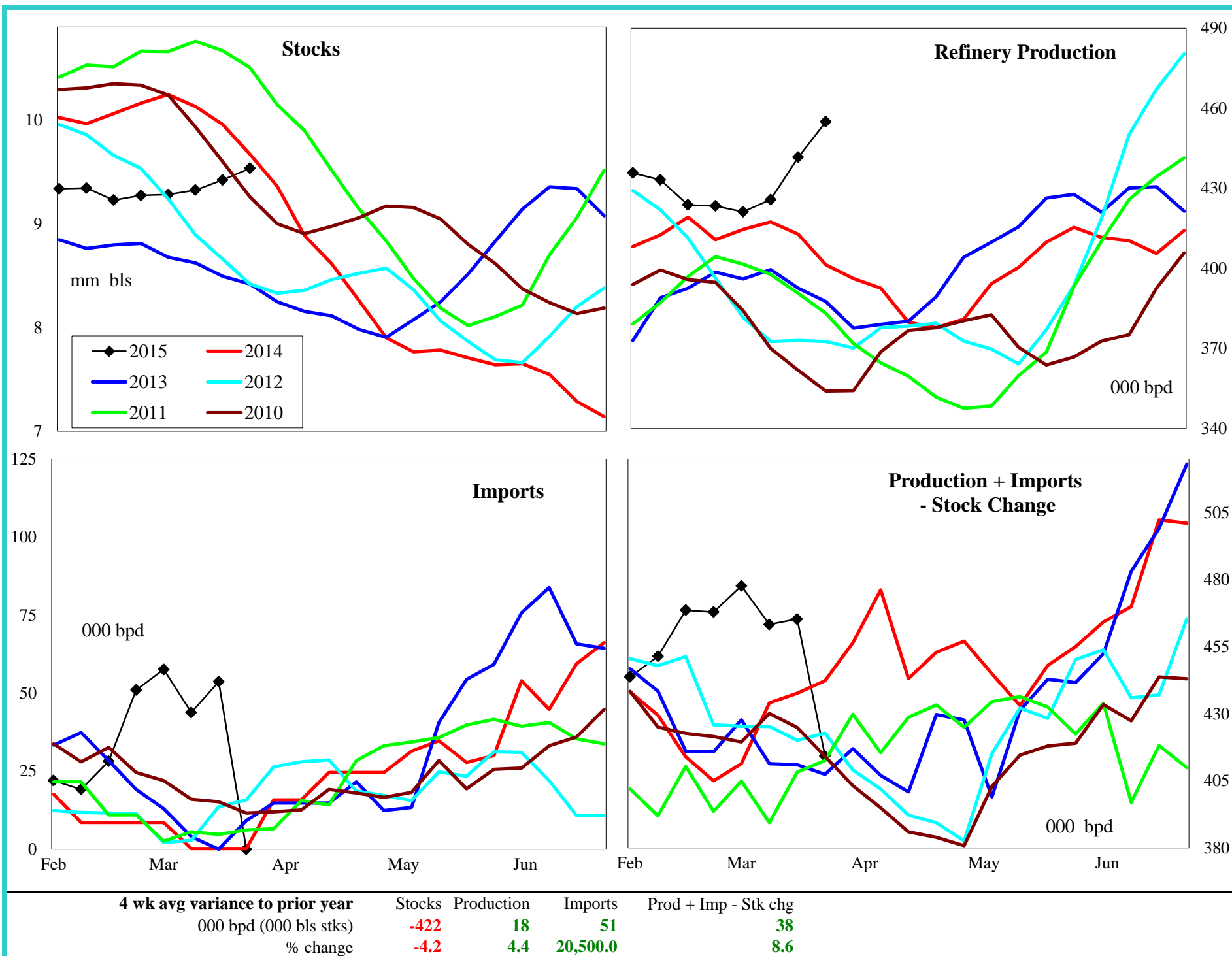
23

4.4

PADD 5 Distillate Supply



PADD 5 Jet Fuel Supply



PADD 5 Residual Fuel Oil Supply

