

WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

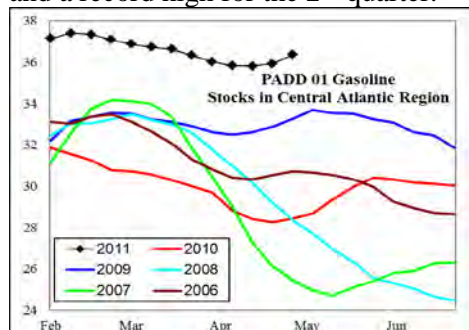
A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Wednesday, May 06, 2015

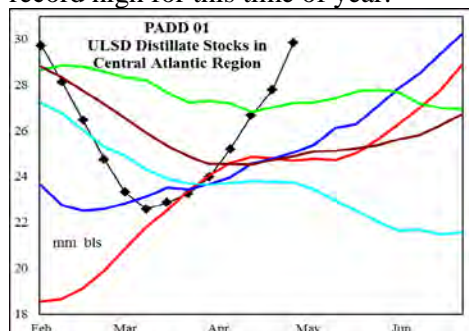


Major Fundamental Trends¹

Stocks of gasoline in the key Central Atlantic region increased last week, ending at a level +31% above last year and a record high for the 2nd quarter.



Stocks of ULSD in the key Central Atlantic region have seen a remarkable build during the last month, ending the week +22% above last year and a record high for this time of year.

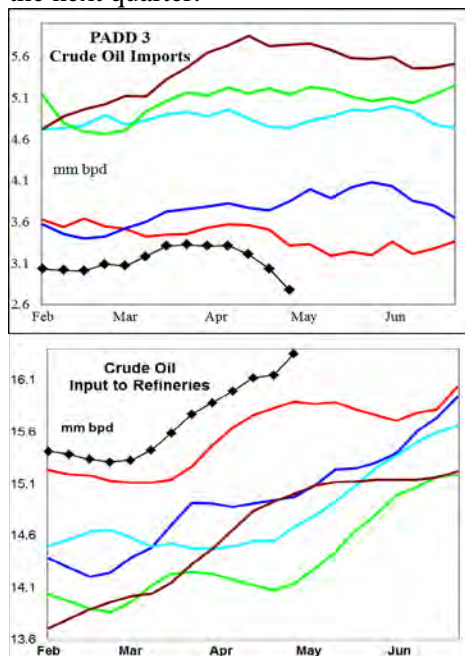


The Central Atlantic Region represents the 'canary-in-the-coal-mine' of refined fuel supply East of the Rockies. The high stock levels of both gasoline and distillate in this market at the end of the spring refinery maintenance season points to risk of over supply during the 2nd quarter.

Crude oil stocks fell -3.9 million barrels last week, driven by a -0.9 million bpd collapse in imports with significant declines in all regional markets. Concurrently, refinery runs increased to a new record high, with increases in all regional markets.

These fundamental trends point to conversion of high crude oil stocks into high refined product stocks during

the next quarter.



Wholesale Demand for all transport fuels declined last week.

Wholesale demand, measured over the last four weeks compared to a year ago: gasoline increased +3.9%, distillate decreased -4.3%, jet fuel was +12% higher, while residual fuel increased +6%.

Stocks forward coverage: Gasoline demand coverage increased on a +0.4 million barrel stock build, and lower wholesale demand. Coverage ended the week at a level above four of the last 5-yr.

Distillate demand coverage increased on a +1.5 million barrel stock build and lower wholesale demand. Coverage ended the week at a level equal to the 3-yr mid range.

Jet fuel coverage saw little change on a -0.3 million barrels stock build, offset by a drop in wholesale demand.

Residual fuel oil coverage increased on a +1.3 million barrel stock build, and a -0.5 million bpd drop in wholesale demand.

Refinery utilization rates increased on a +247,000 bpd rise in crude oil runs last week. During the latest 4-wk period crude oil input was +298,000 bpd above last year.

Gasoline yield % on crude oil runs

fell last week on a -222,000 bpd decline in output compared to the +247,000 rise in crude oil runs. Gasoline yield % on crude oil runs ended the week at a record low level.

Distillate yield % on crude oil runs increased on a +133,000 bpd rise in output compared to the increase in crude oil runs. The yield % on crude oil runs was above the 3-yr mid range.

Jet fuel yield % on crude oil runs fell last week on a -92,000 bpd drop in output compared the increase in crude oil runs. The yield % on crude oil runs fell to the 3-yr mid range.

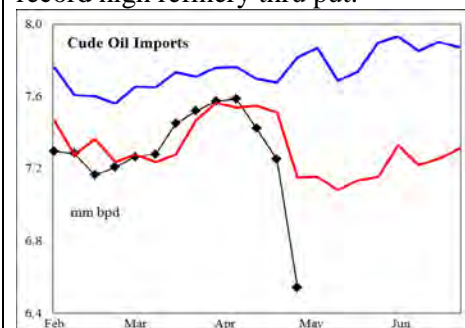
Petroleum Imports/Exports: Imports of crude oil fell to new all time lows on the week, while transport fuels also witnessing declines.

During the latest 4-wk period crude oil imports decreased -384,000 bpd compared to a year ago; distillate imports were +18,000 bpd higher; finished gasoline imports were +7,000 bpd higher; gasoline blend stock imports were +107,000 bpd higher, jet fuel imports increased +16,000 bpd, while residual fuel imports were +23,000 bpd higher.

Exports of distillate for the week ending 24Apr15 were +2,000 bpd above a year ago, gasoline +105,000 bpd higher, jet fuel +62,000 bpd higher and residual fuel oil was -11,000 bpd lower.

Crude Oil stocks fell -3.9 million barrels on the week, although Cushing was unchanged.

The stock draw was driven by a -0.9 million bpd collapse in imports, with declines in all regions, and a new record high refinery thru put.



¹ Source is latest EIA Weekly Statistics



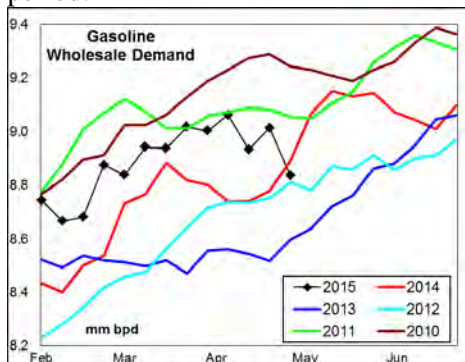
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Product Supply-Demand Trends

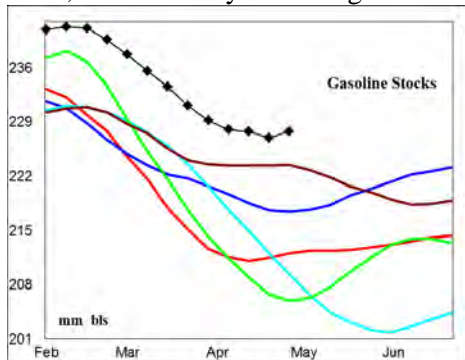
Gasoline wholesale demand fell -135,000 bpd last week, to a level that matched the 3-yr mid range. Wholesale demand was +337,000 bpd above last year for the latest 4-wk period.



Supply fell -0.4 million bpd last week. Supply for the latest 4-wk period exceeded a year ago by +0.53 million bpd on higher refinery output.



The latest 4-wk stock change East of the Rockies was a -1.6 million barrel draw, above the 3-yr mid range.

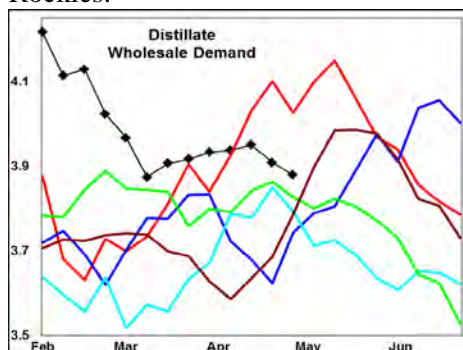


Stocks in the key Central Atlantic region ended the week +31% above last year and well above the 5-yr range. Stock levels in the Midwest and Gulf regions are also extremely high for this time of year. West coast supplies remain tight on extended

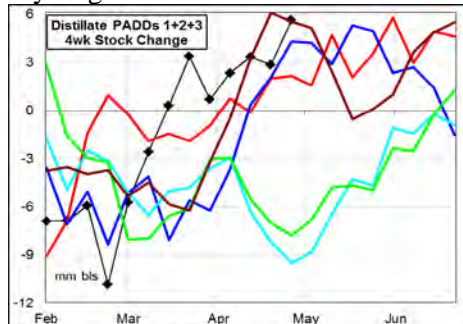
refinery maintenance.

Distillate wholesale demand decreased -114,000 bpd last week, to a level near the 3-yr mid range. The latest 4-wk average wholesale demand was -175,000 bpd below last year.

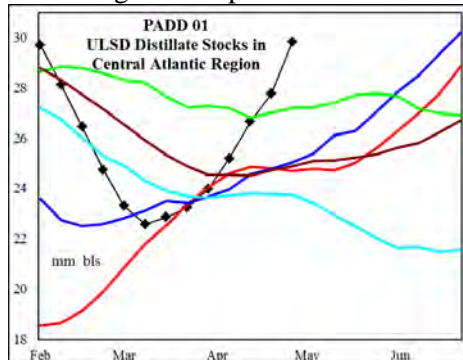
Supply increased +110,000 bpd on higher production. Stocks increased +1.5 million barrels on the week, including significant builds East of the Rockies.



Combined markets East of the Rockies have saw a +5.5 million barrel build, during the latest 4-wk period, matching 5-yr highs.



ULSD stocks have seen a remarkable build in the Central Atlantic Region of PADD 01 during the last month to a record high for the period.

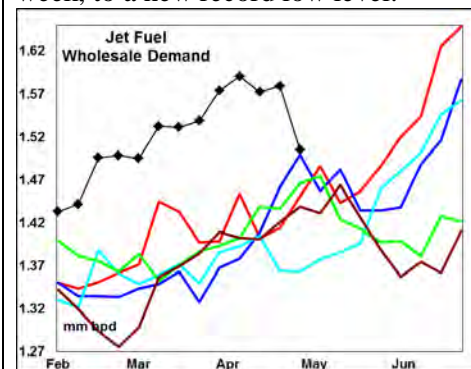


Stock levels in all regions East of the Rockies remain very high, driven by record production and

weak demand in the affected areas. Chicago continues to experience record low basis on excess supply, and the inability to export output from the region.

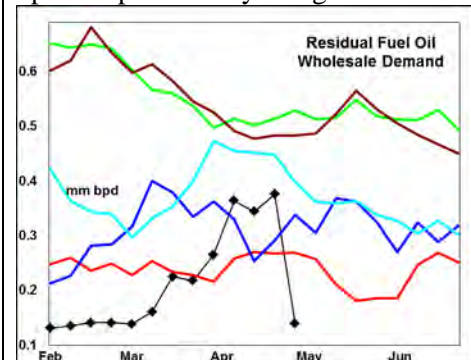
Jet Fuel wholesale demand decreased -92,000 bpd last week, ending at a level that matched historic highs. The latest 4-wk average demand was +175,000 bpd above last year.

Supply fell -209,000 bpd on lower imports and production. Stocks decreased -0.3 million barrels on the week, to a new record low level.



Look for wholesale demand to see 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 fell -0.5 million bpd last week. Demand for the latest 4-wk period increased +17,000 bpd compared to a year ago.



Supply (production + imports) decreased -111,000 bpd on the week, due to production and imports. Stocks increased +1.3 million barrels, concentrated East of the Rockies.

Stock levels are trending higher in all regions East of the Rockies.



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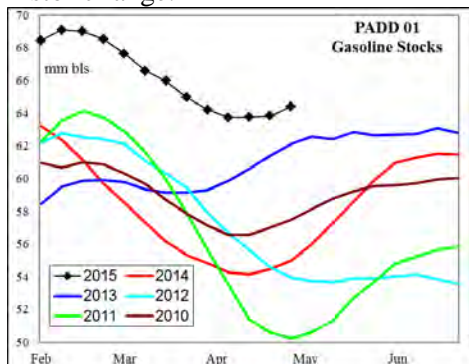
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PADD Supply Trends

PADD 1 refinery crude oil runs increased +32,000 bpd on the week to a level near 5-yr highs for the period. The latest 4-wk average thru put was +38,000 bpd above last year.

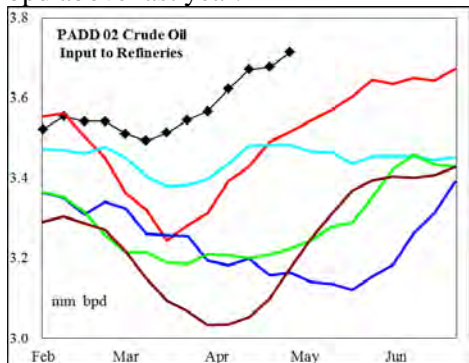
Gasoline supply decreased -110,000 bpd on the week, with the 4-wk average +135,000 bpd above last year. Stocks increased +0.7 million barrels last week, to a level above the historic range.



Distillate supply decreased -30,000 bpd last week on a drop in imports, with the 4-wk average -15,000 bpd below last year. Stocks jumped +1.6 million barrels, to a level that matched 2-yr highs for the period.

Jet fuel supply fell -81,000 bpd on lower imports. Stocks were unchanged on the week, with the level still below the 5-yr range.

PADD 2 crude oil refinery runs increased +67,000 bpd on the week. The latest 4-wk average was +199,000 bpd above last year.



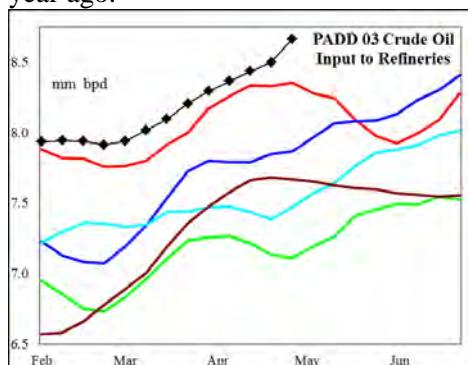
Crude oil stocks decreased -1.6 million barrels last week, driven by record refinery thru put and a drop in imports. Cushing stocks were unchanged on the week.

Gasoline supply decreased -17,000 bpd on the week. Production for the most recent 4-wk period was -184,000 bpd below a year ago. Stocks decreased -0.8 million barrels on the week, to a level that matched 5-yr highs for the period.

Distillate supply increased +71,000 bpd on the week, to a new record high. The latest 4-wk average production was +79,000 bpd above last year and a record for this time of year. Stocks increased +0.2 million barrels on the week, to a new record high for the season.

Jet fuel supply decreased -9,000 bpd last week, although the level remains well above the historic range.

PADD 3 refinery runs increased +135,000 bpd on the week, to a new record high. During the latest 4-wk period, runs were +106,000 above a year ago.



Crude oil imports fell -339,000 bpd last week, with the 4-wk average -0.5 million bpd below last year.

Crude oil stocks decreased -1 million barrels, to a level +30 million barrels (+14%) above the prior high for the period.

Gasoline supply decreased -38,000 bpd last week, with the latest 4-wk average +29,000 bpd above a year ago. Stocks increased +0.3 million barrels on the week, a level +1.6 million barrels above the prior record high.

Distillate supply increased +108,000 bpd on the week, with the latest 4-wk average supply -77,000 bpd below a year ago. Stocks increased +0.5 million barrels on the week, to a level +20% above the 3-yr average.

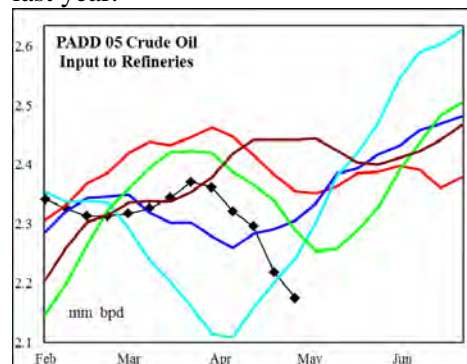
Jet fuel production fell -68,000 bpd on the week, with the level -5,000 bpd below last year for the latest 4-wk period. Stock levels ended the week below the historic range.

PADD 4 refinery crude runs increased +9,000 bpd last week, to a new record high level. The latest 4-wk average was +82,000 bpd above a year ago.

Gasoline supply decreased -17,000 bpd last week, and remains well below last years' record high. The latest 4-wk average production was -55,000 bpd below a year ago. Stock levels ended the week near historic highs for the period.


Distillate supply decreased -10,000 bpd last week, with the latest 4-wk average production +19,000 above last year. Stocks fell -0.4 million barrels, although the level remains just above the 5-yr range.

PADD 5 crude oil refinery runs increased +5,000 bpd on the week with the level below the 5-yr range. The 4-wk run rate was -127,000 bpd below last year.



Gasoline supply fell -108,000 bpd on the week, driven by lower production and imports; with the latest 4-wk average -3,000 bpd below last year. Production fell sharply below historic highs last week. Stocks were unchanged on the week, at a level that matched 3-yr highs for the period.

Distillate supply decreased -30,000 bpd on the week. The 4-wk average supply was -52,000 bpd below a year ago, driven by lower crude oil runs. Stocks decreased -0.5 million barrels on the week, to a level +8% above last year.



FUNDAMENTAL

PETROLEUM TRENDS

PETROLEUM: Graph Link and Weekly Summary

A Fundamental Petroleum Trends Weekly Report

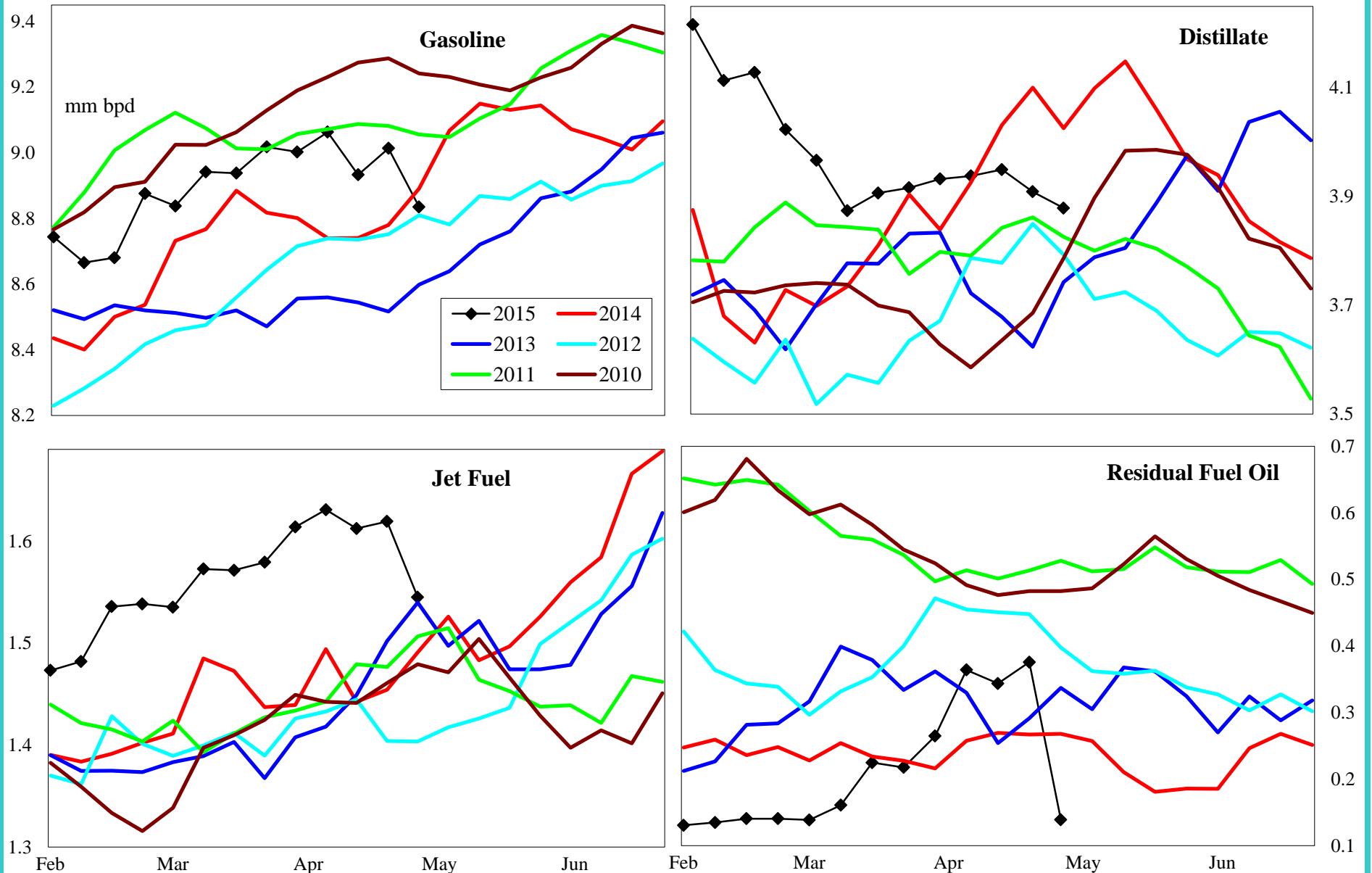
May 6, 2015

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Fundamental Trends	Wholesale Demand	Stocks Days Fwd Coverage	Refinery Utilization		Product Yield %		Imports
Supply/Demand Trends	1-May-15	EIA-DOE CHANGE FROM PRIOR WEEK					
	000 bpd stocks 000 bls	U. S. Total	PADD				
			1	2	3	4	5
Crude Oil	Stocks	-3,882	-158	-1,605	-997	-224	-898
	Imports	-905	-229	-184	-339	-47	-105
	Input	247	32	67	135	9	5
	% Utilization	1.70					
Gasoline	Stocks	401	699	-827	341	190	-3
	Production	-222	-13	-24	-38	-18	-61
	Imports	-137	-97	7	0	1	-47
	Supplied	-135					
Distillate	Stocks	1,503	1,644	238	546	-400	-525
	Production	133	9	67	108	-9	-43
	Imports	-23	-39	4	0	-1	13
	Supplied	-114					
Jet Fuel	Stocks	-313	-6	198	347	-61	-792
	Production	-92	-9	-9	-68	-3	-4
	Imports	-117	-72	0	0	0	-45
	Supplied	-92					
Residual Fuel Oil	Stocks	1,298	469	175	672	-23	5
	Production	-79	-2	-20	-60	-4	6
	Imports	-42	20	0	6	1	-68
	Supplied	-484					

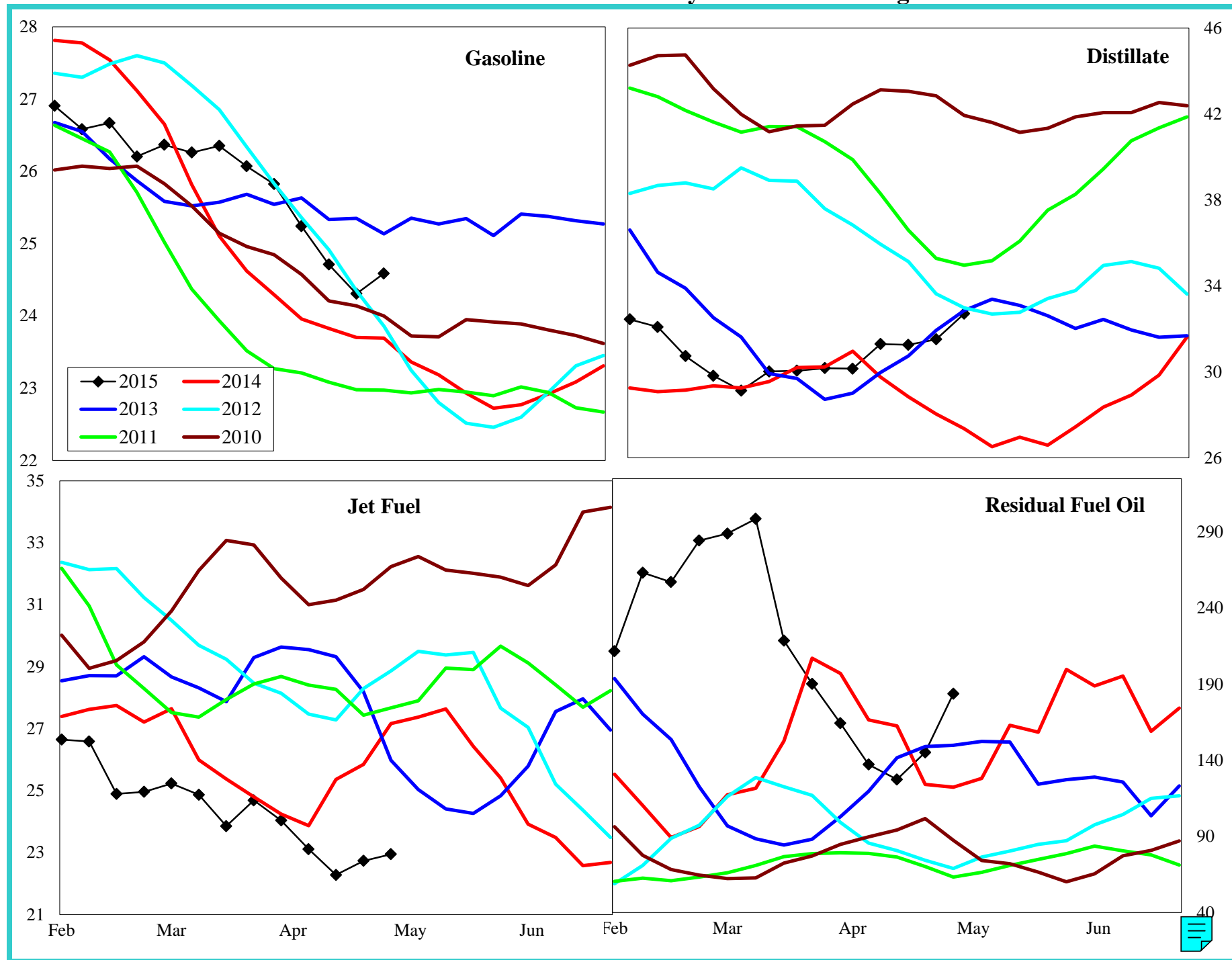
United States Wholesale Petroleum Demand



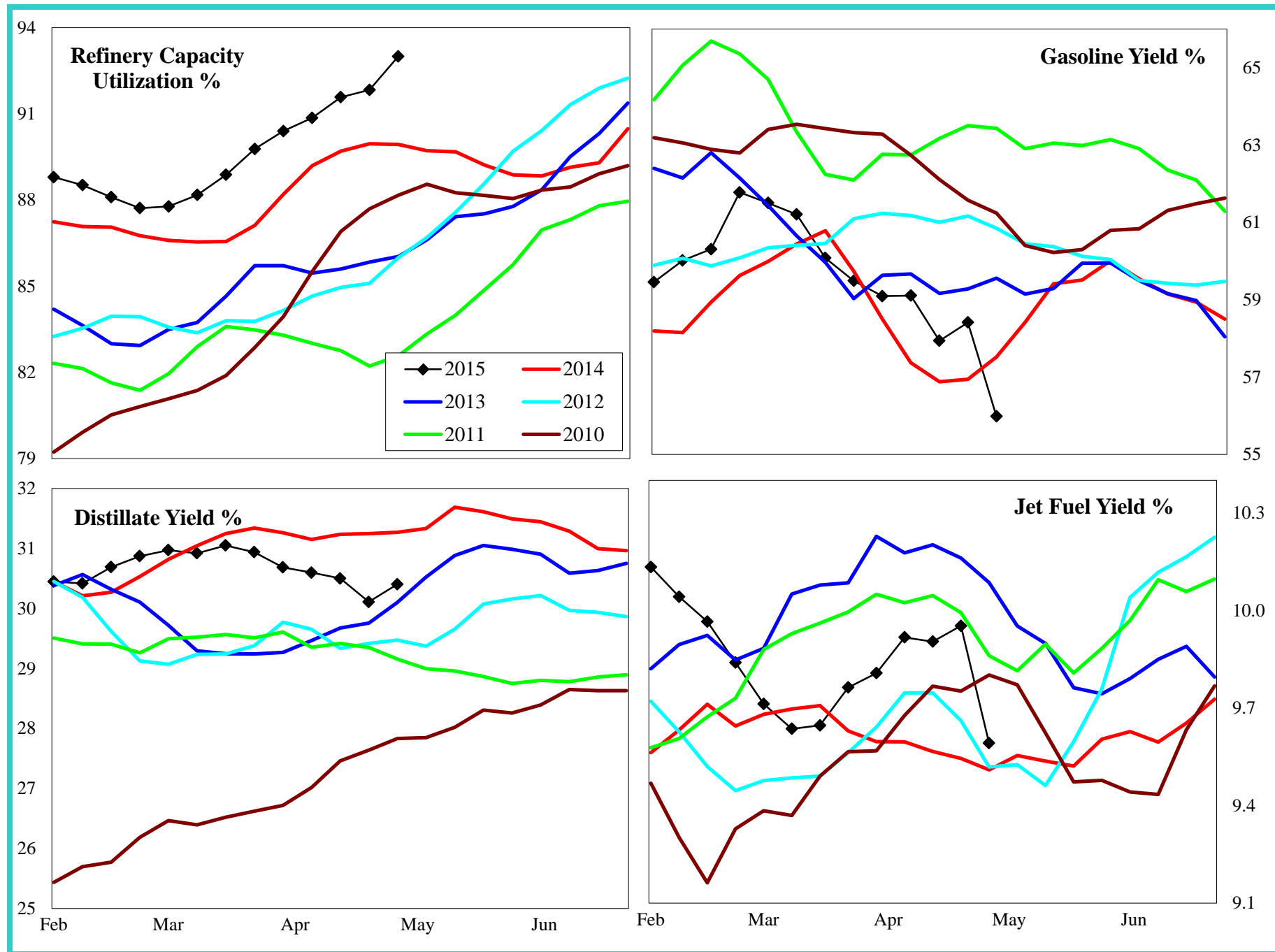
	000 bpd change from prior year				% change from prior year			
	4wk avg	Mar	Feb	Jan	4wk avg	Mar	Feb	Jan
Gasoline	337	297	-40	512	3.9	3.4	-0.5	6.2
Distillate	-175	-102	39	-37	-4.3	-2.5	0.9	-0.9
Jet Fuel	175	84	106	-4	12.4	5.8	7.7	-0.3
Resid	17	25	-72	3	5.6	11.6	-34.8	1.1



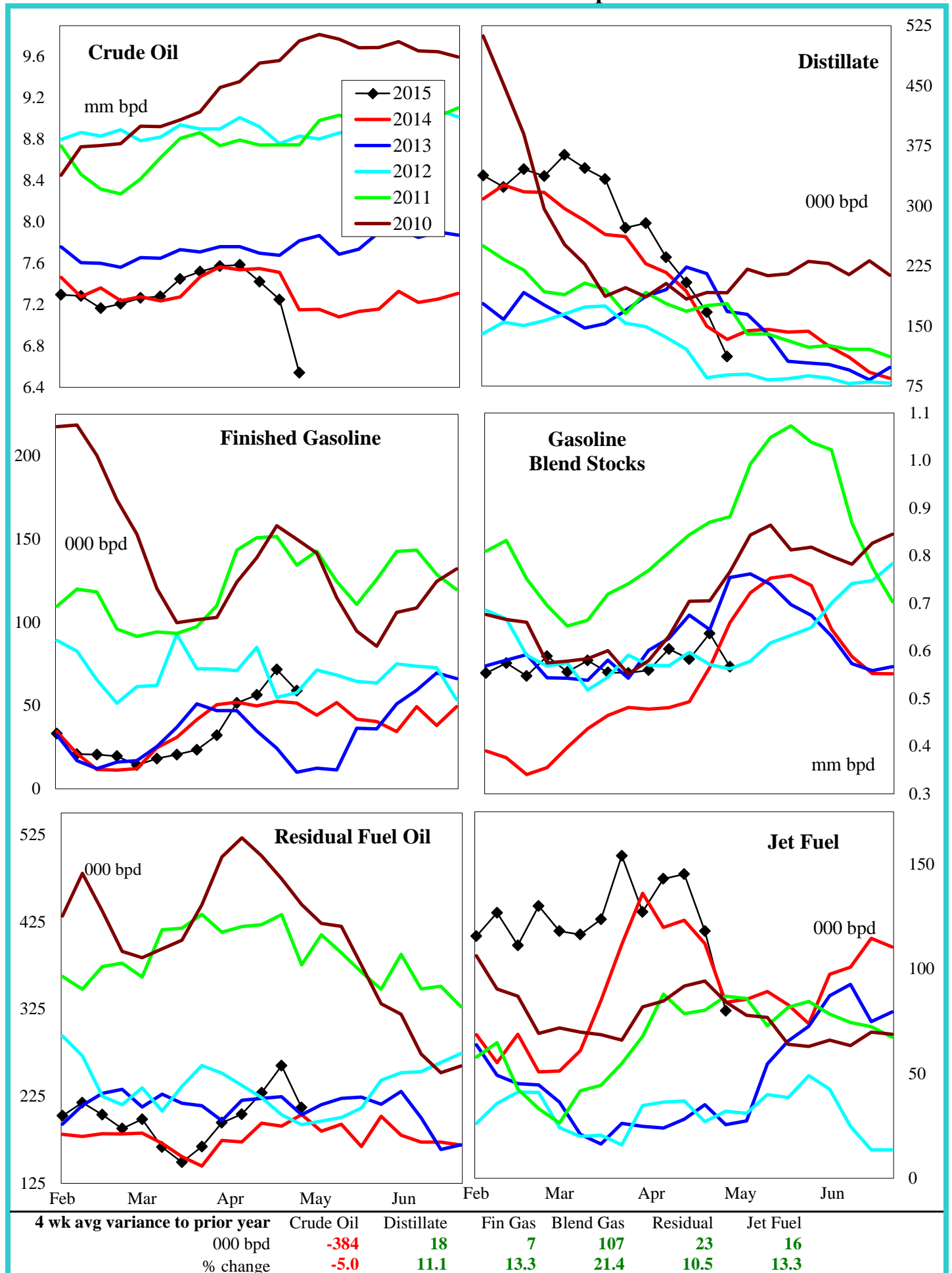
United States Product Stocks: Days Forward Coverage



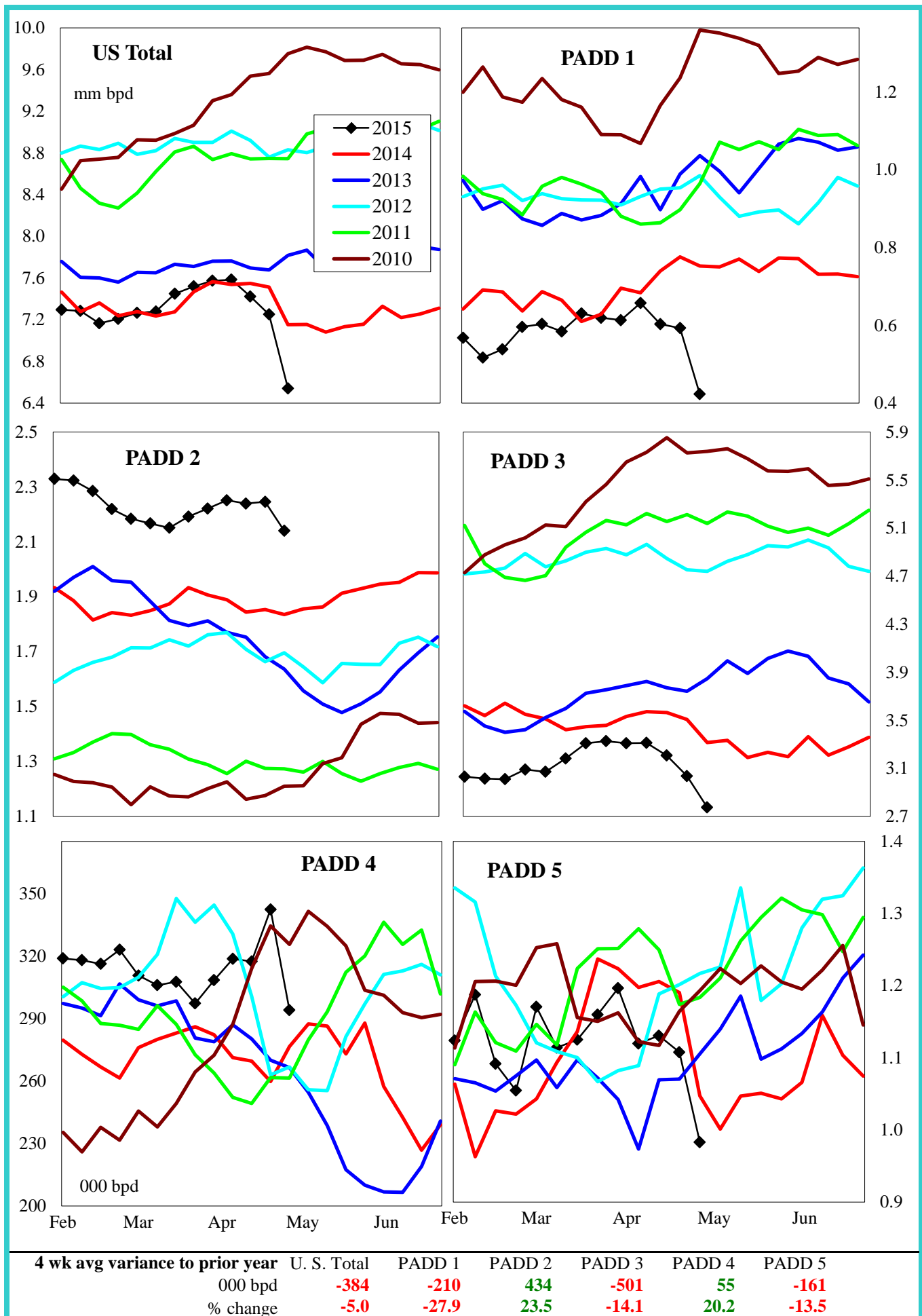
United States Refinery Percent Utilization Rate and Product Yields



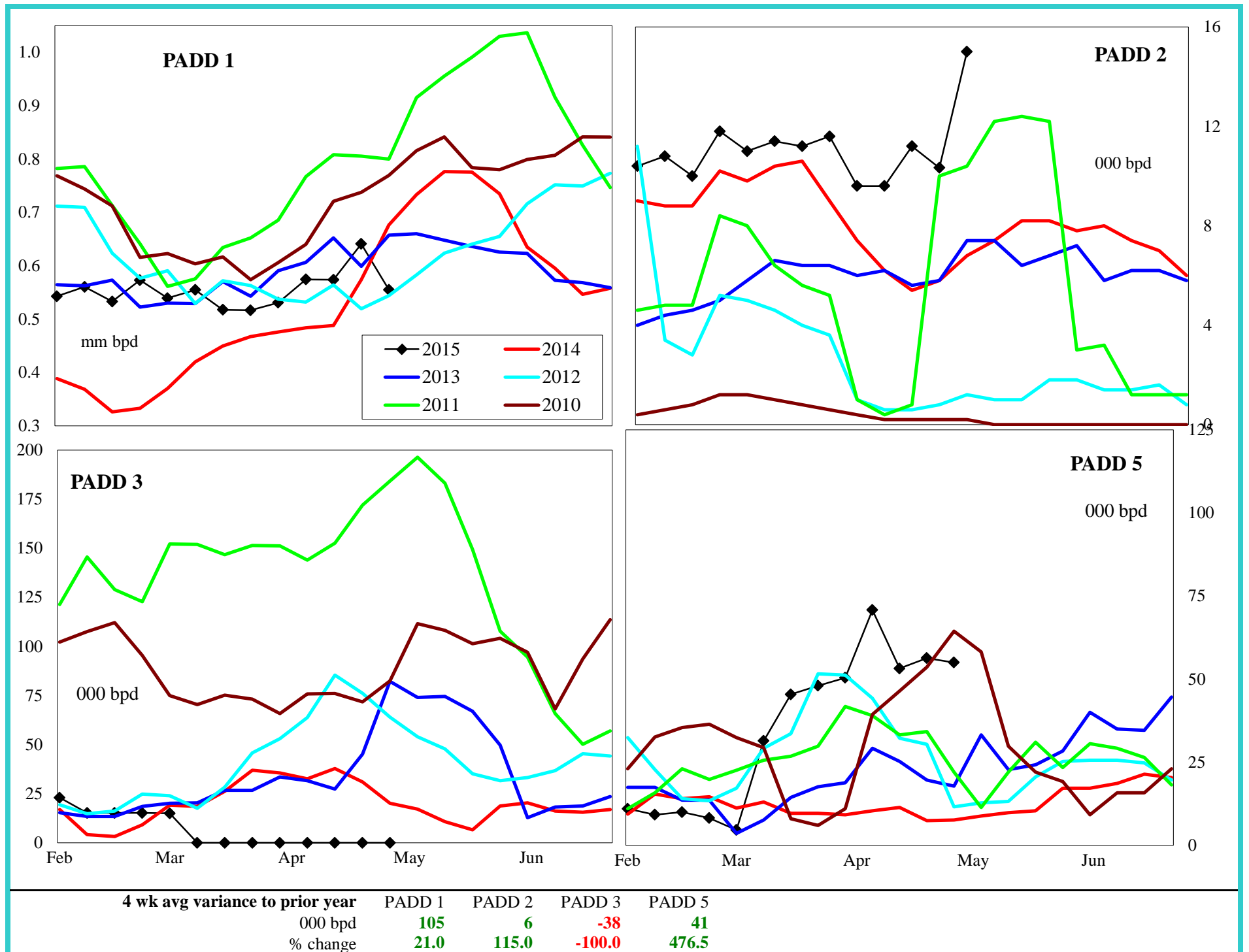
United States Petroleum Imports



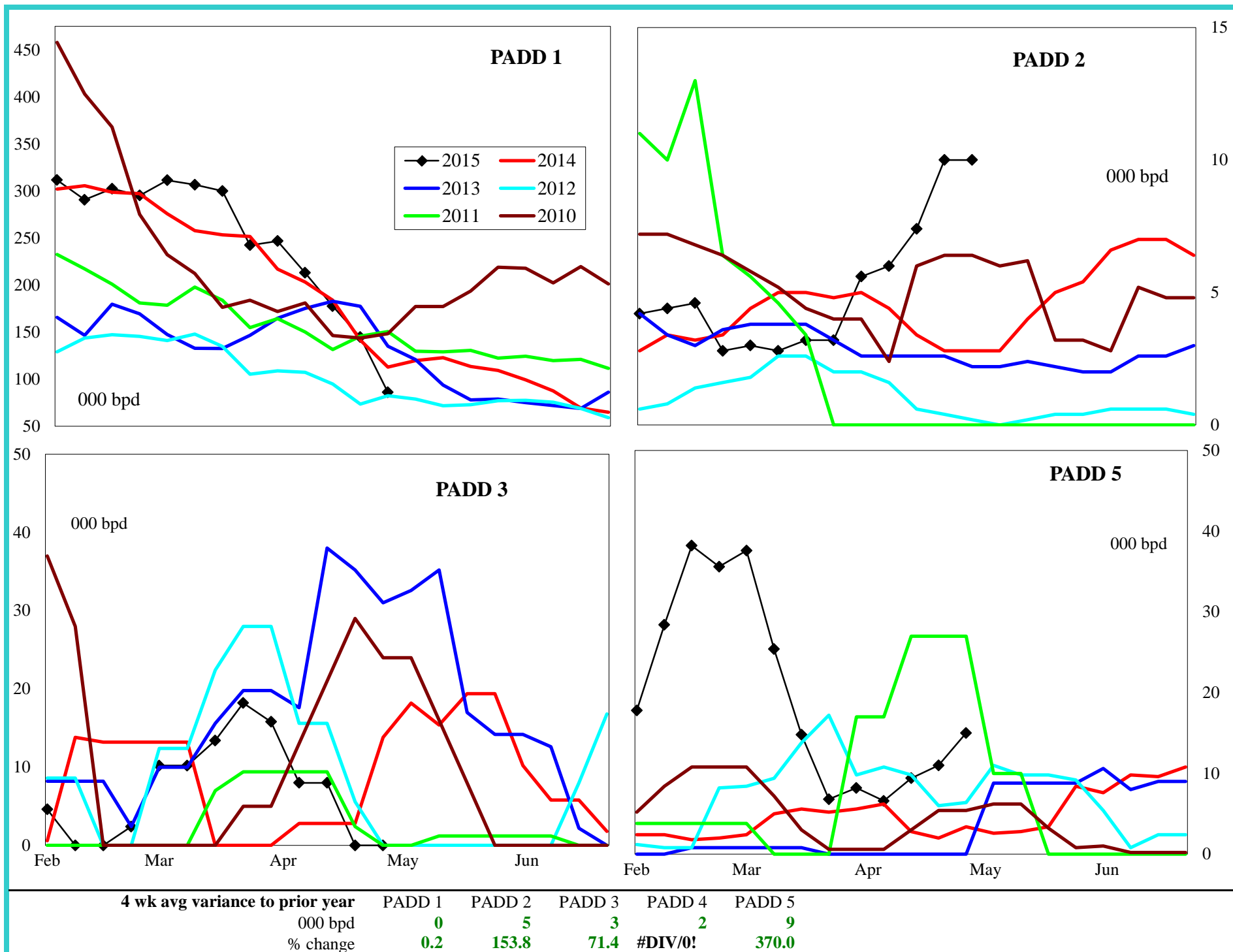
Crude Oil Imports by PADD



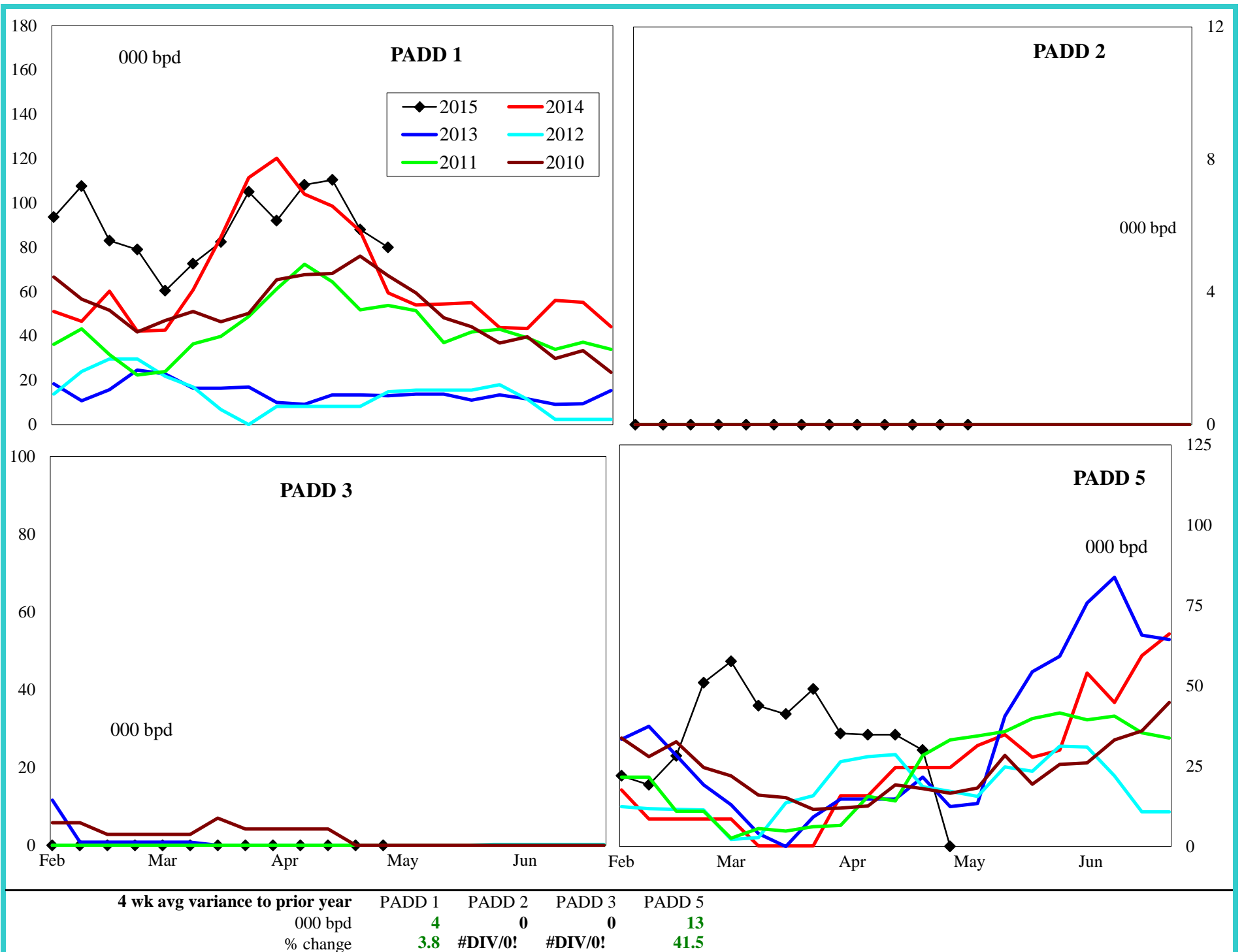
Gasoline Imports by PADD (Finished + Blend Stocks)



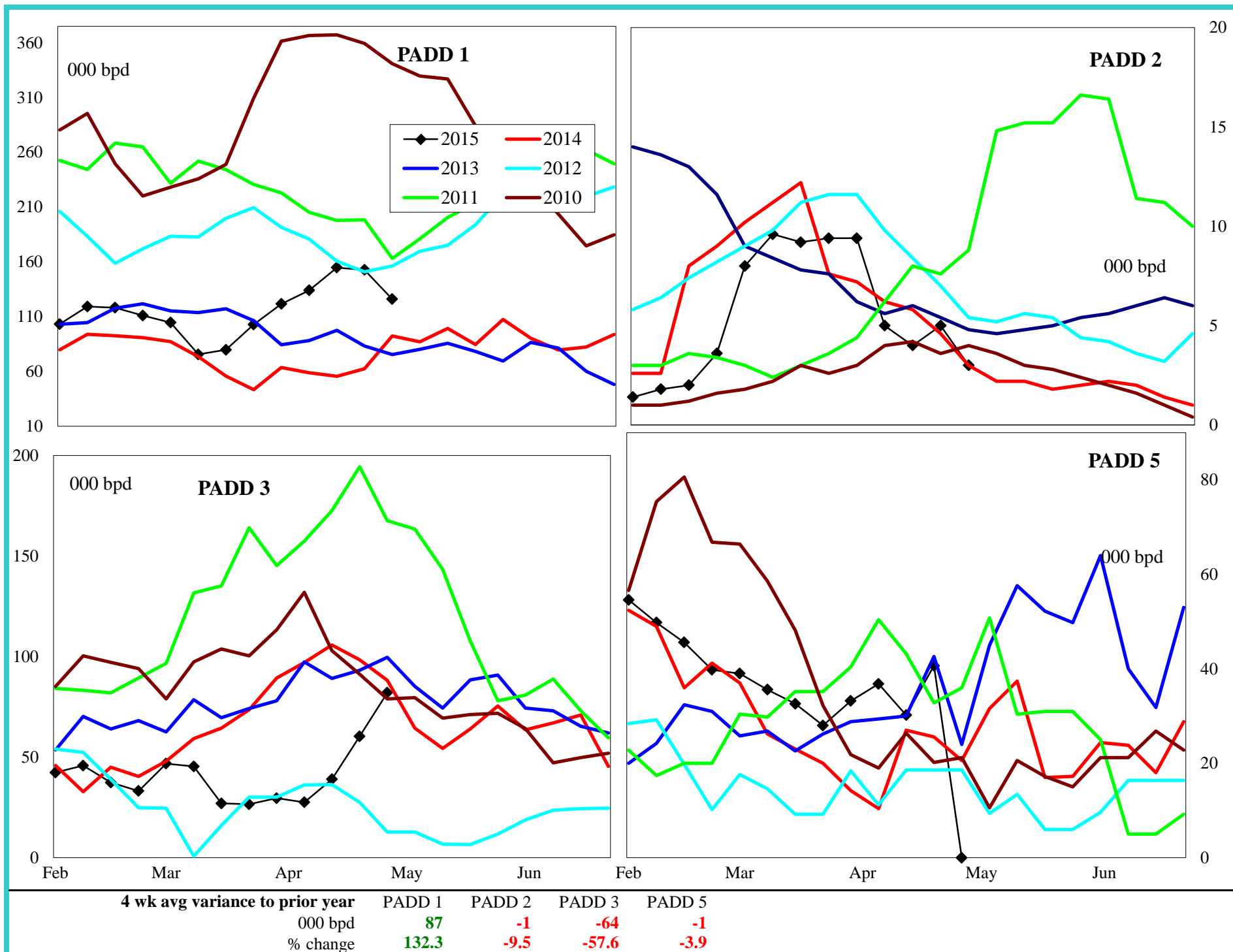
Distillate Imports by PADD



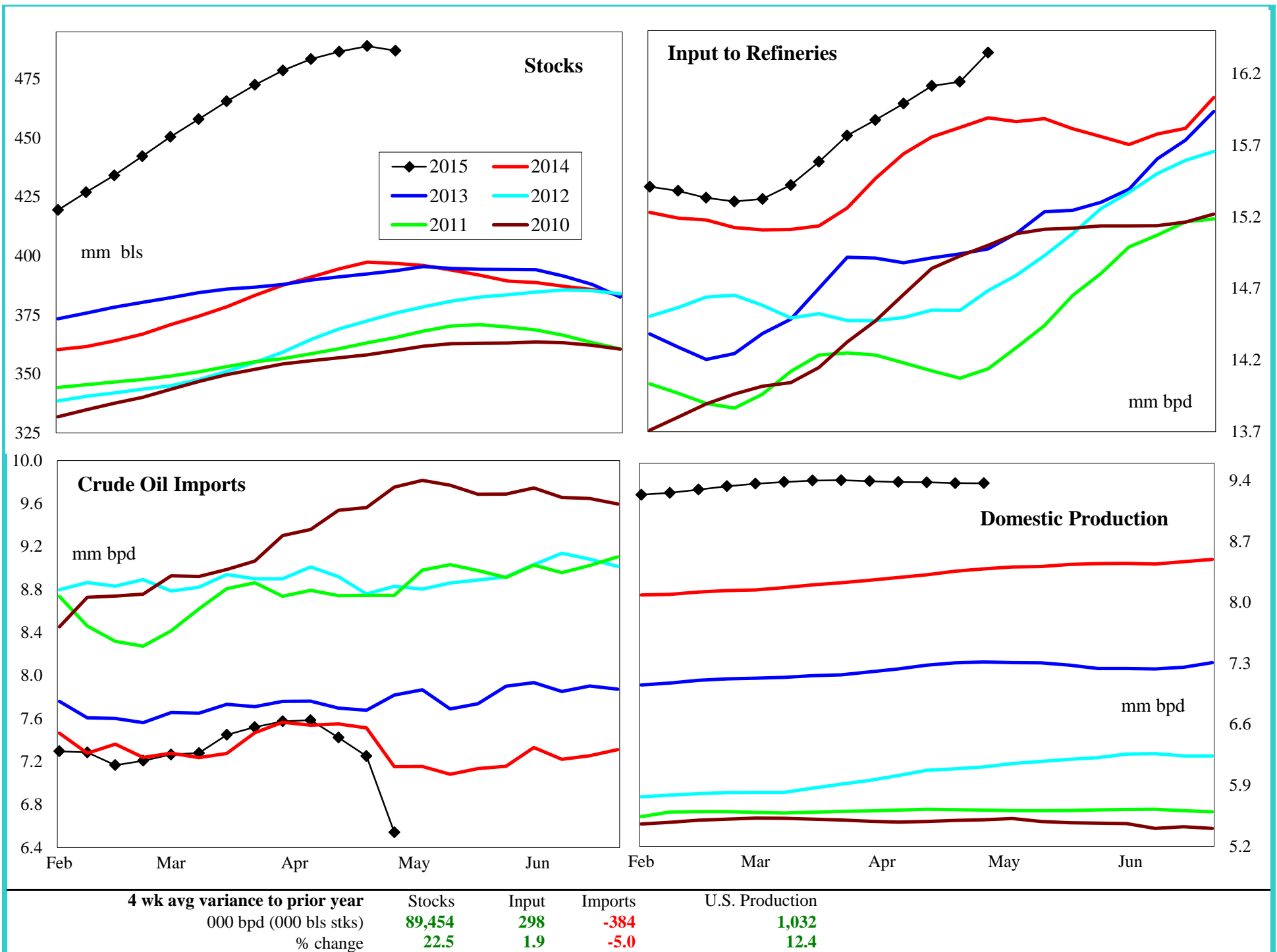
Jet Fuel Imports by PADD



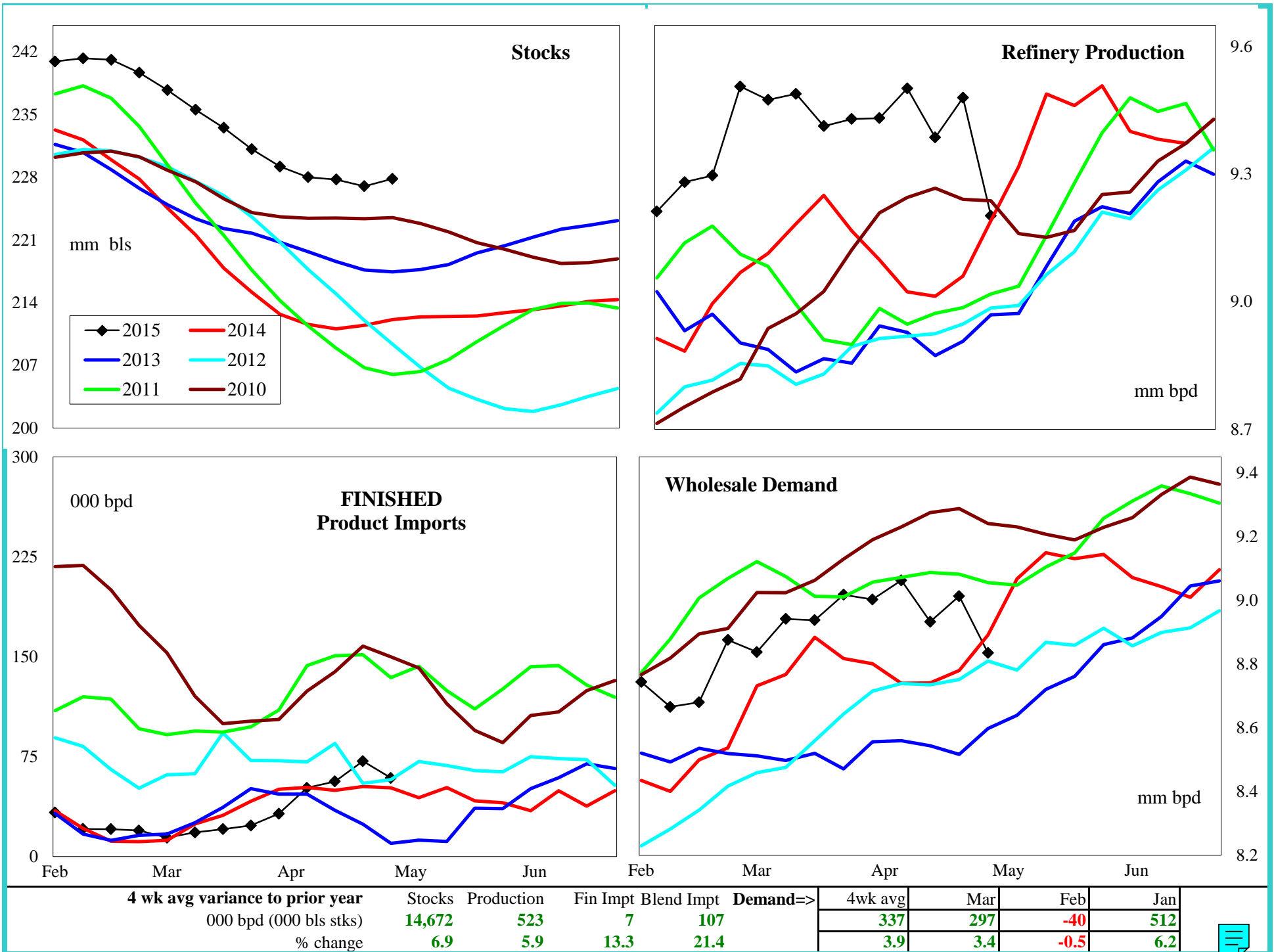
Residual Fuel Oil Imports by PADD



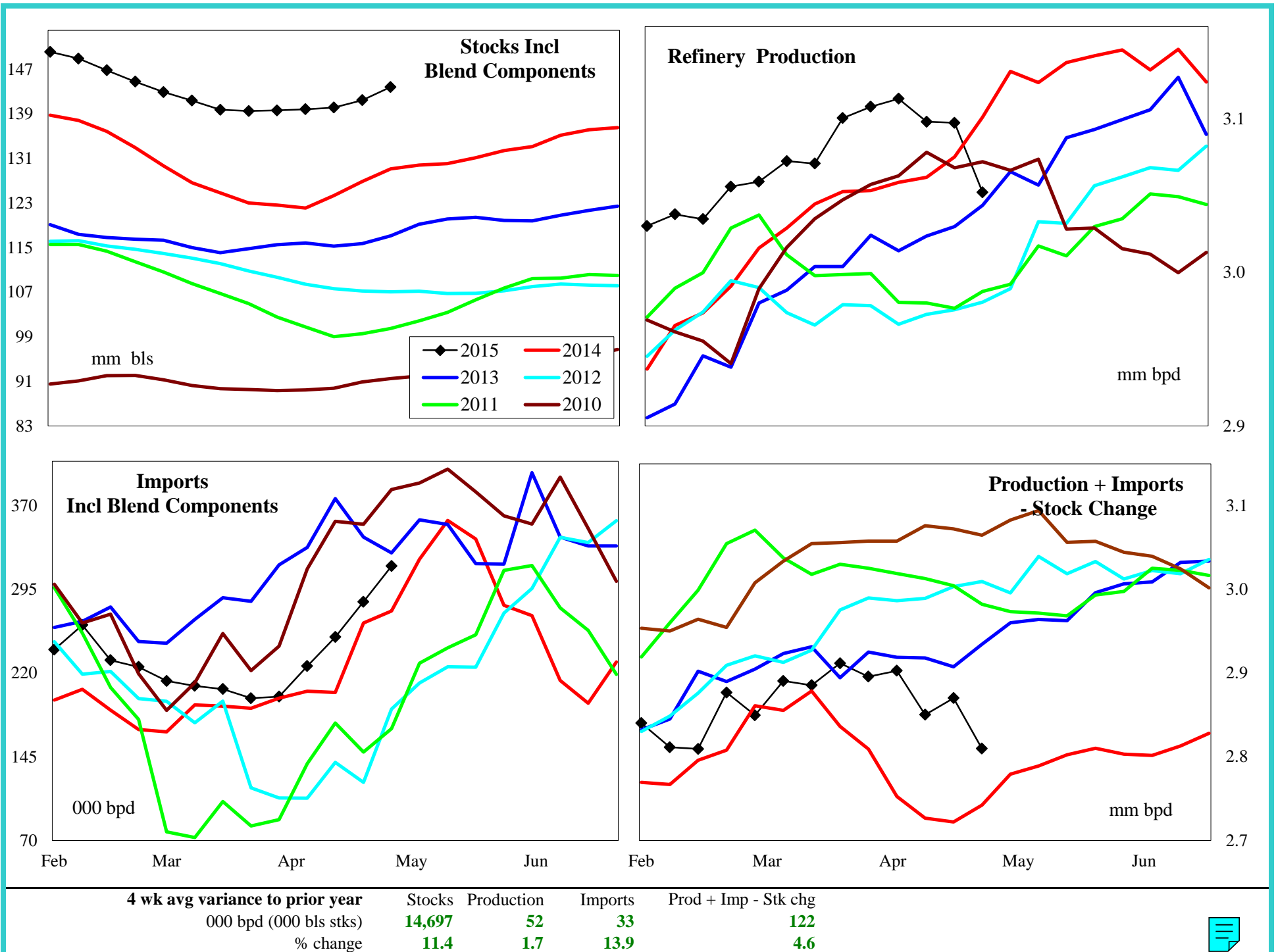
United States Crude Oil Supply and Demand Balance



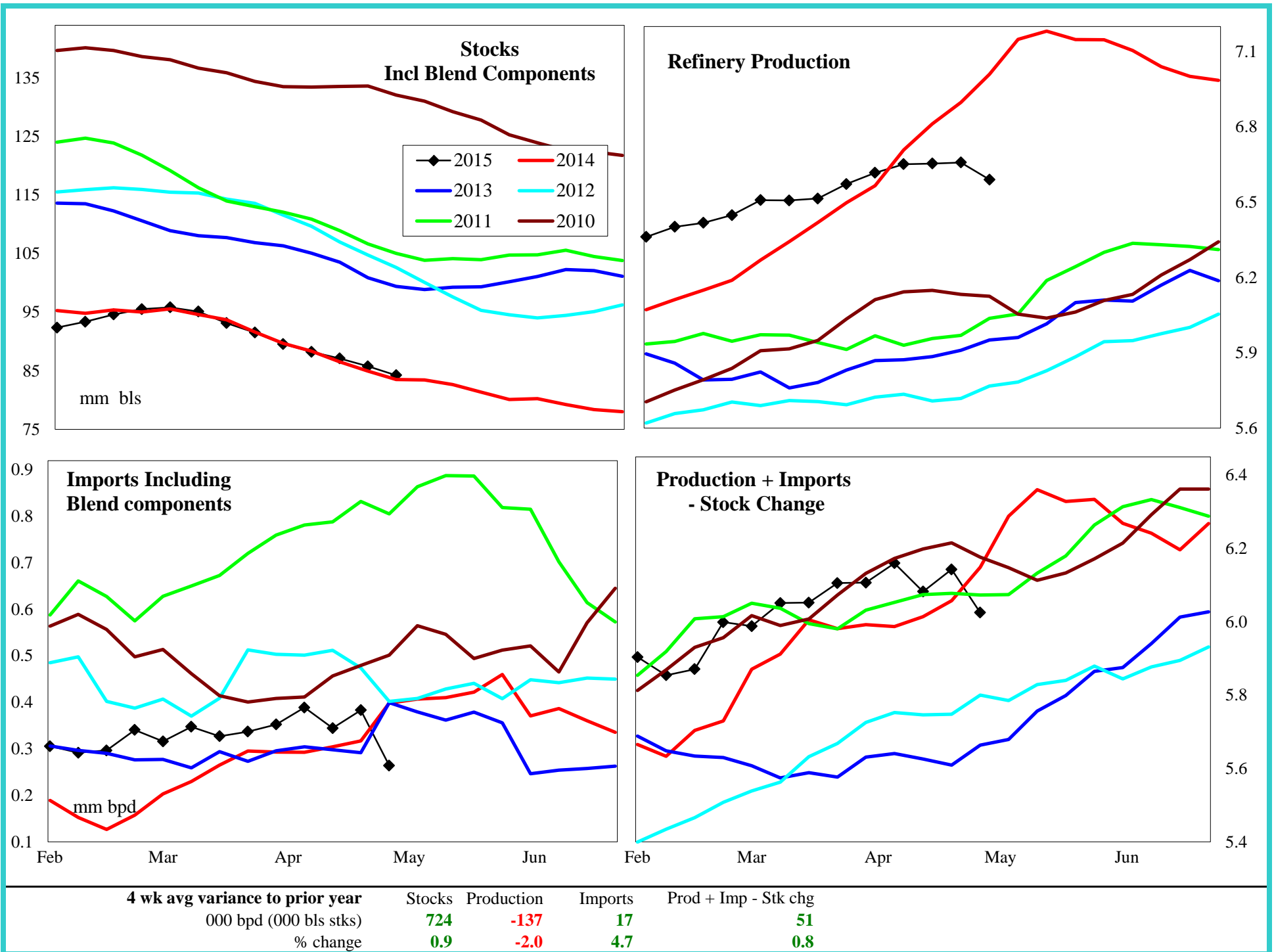
United States Gasoline Supply and Demand Balance



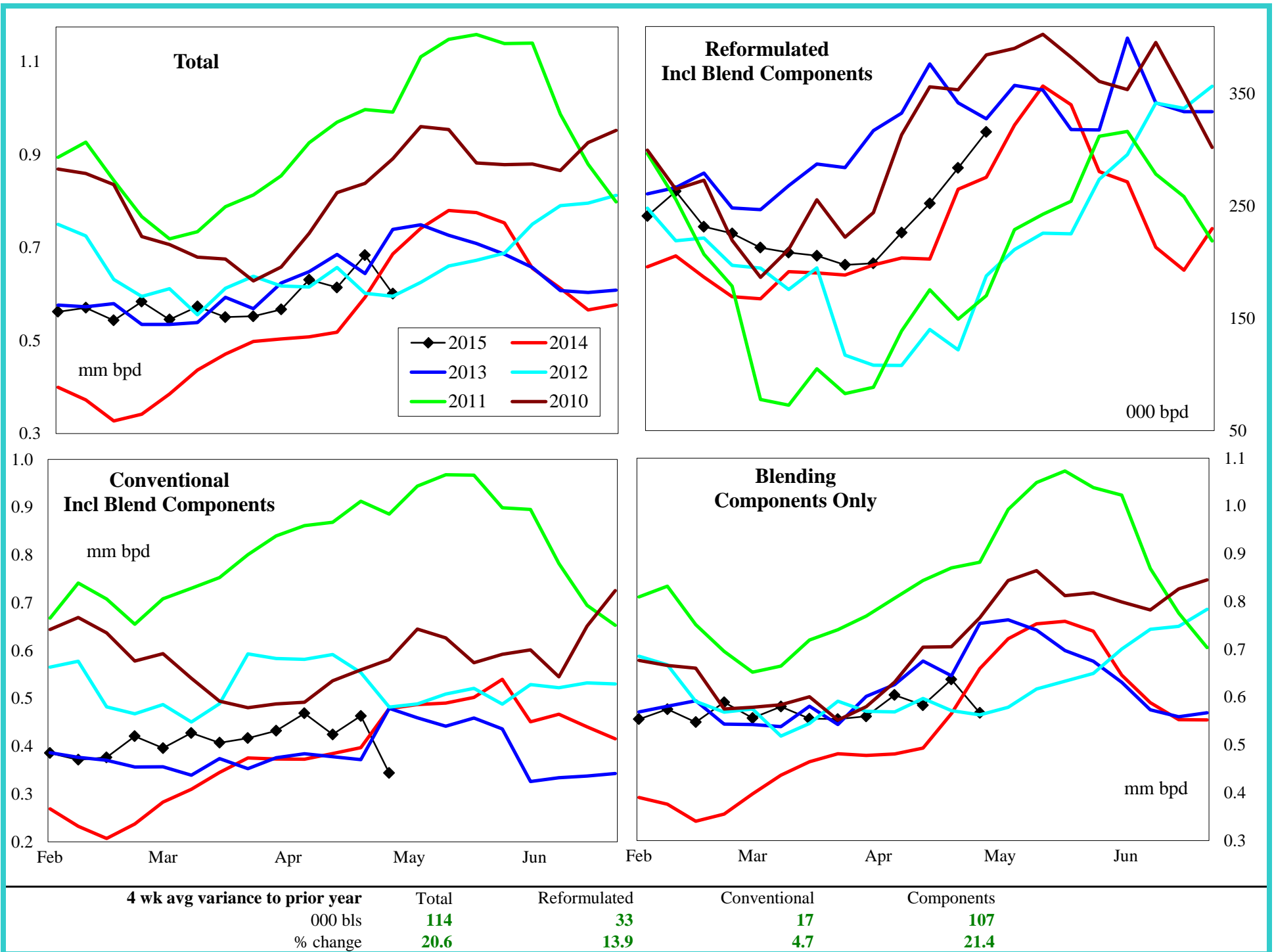
United States Reformulated Gasoline Supply



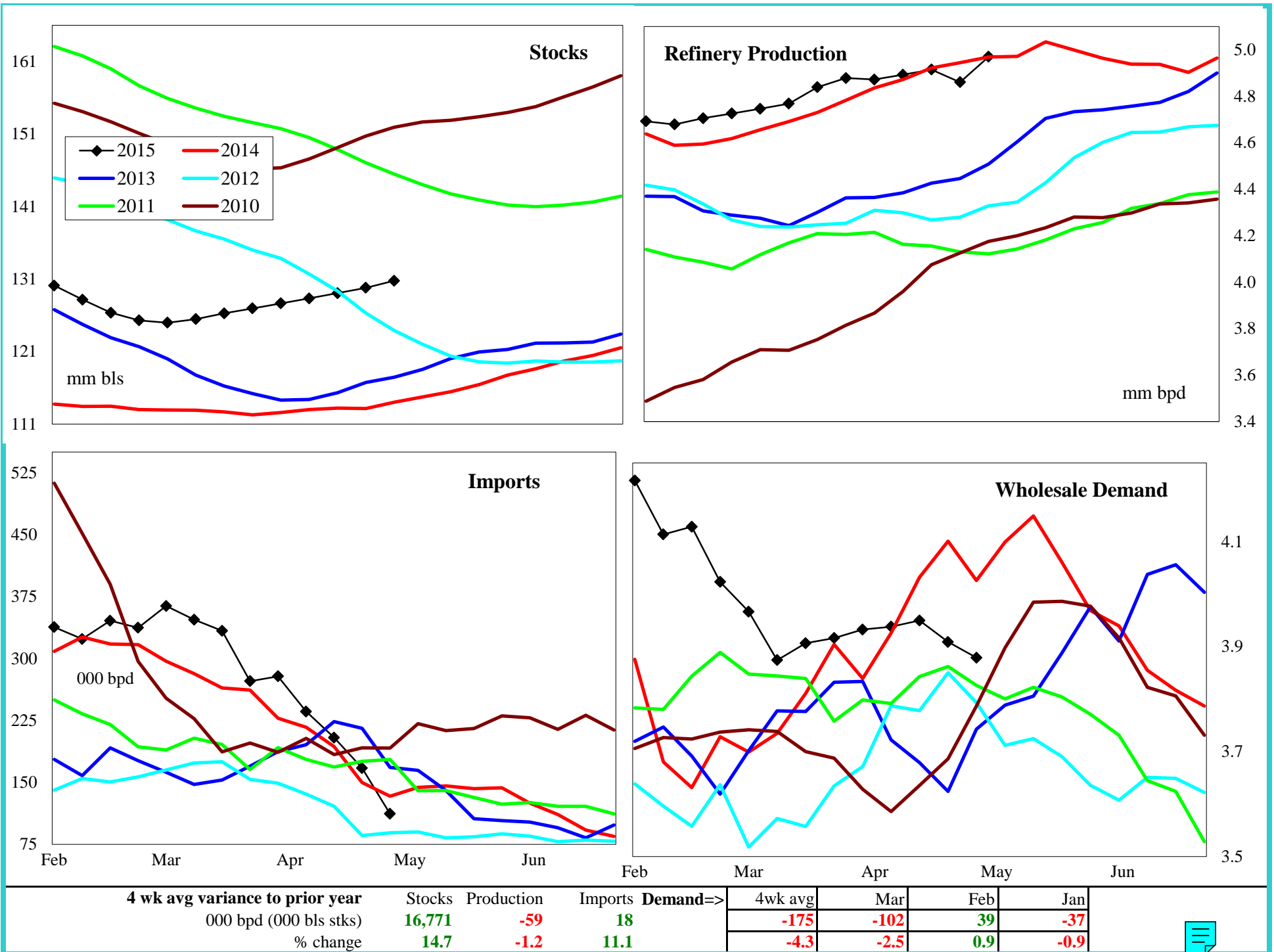
United States Conventional Gasoline Supply



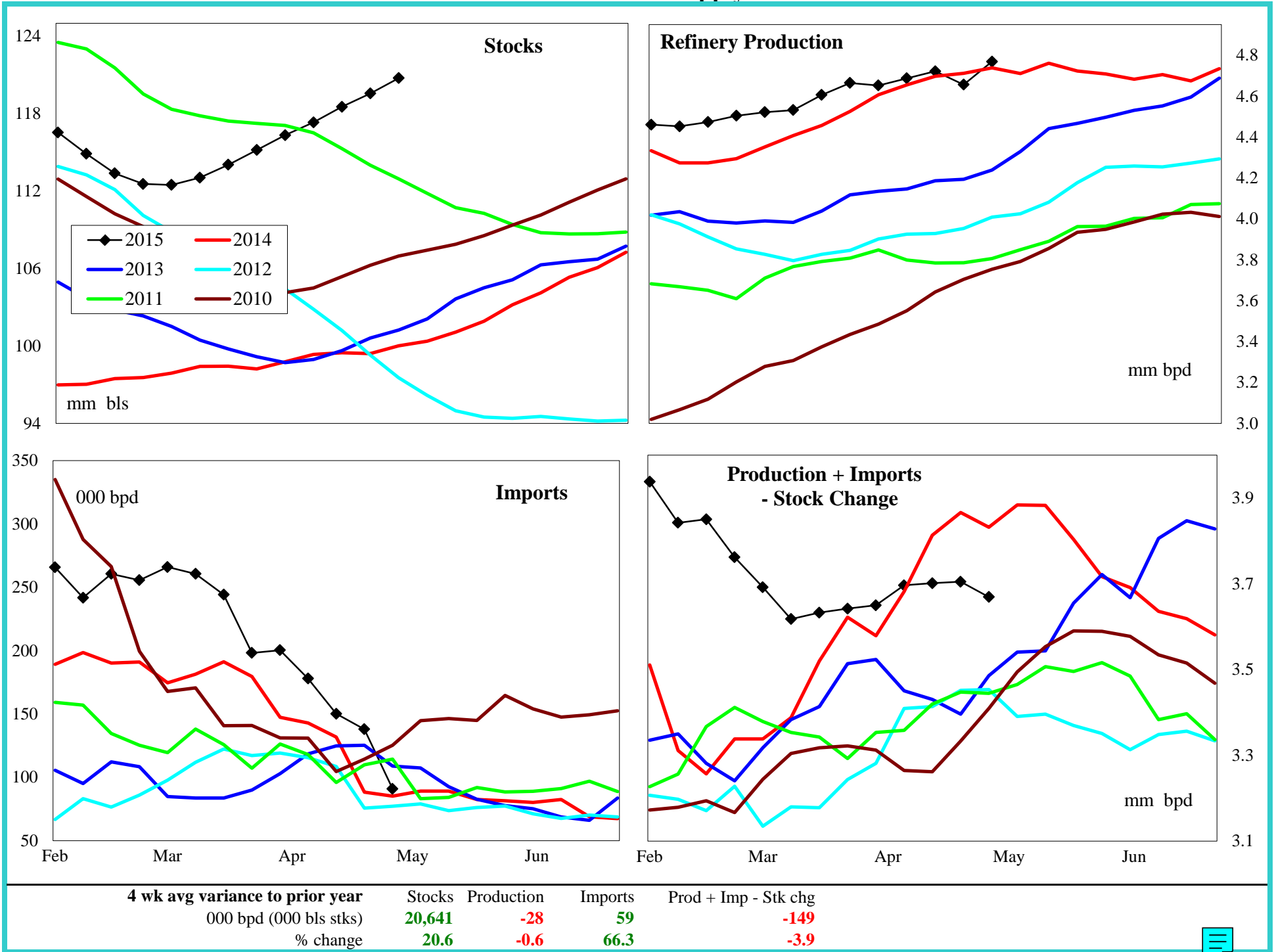
United States Gasoline Imports by Type



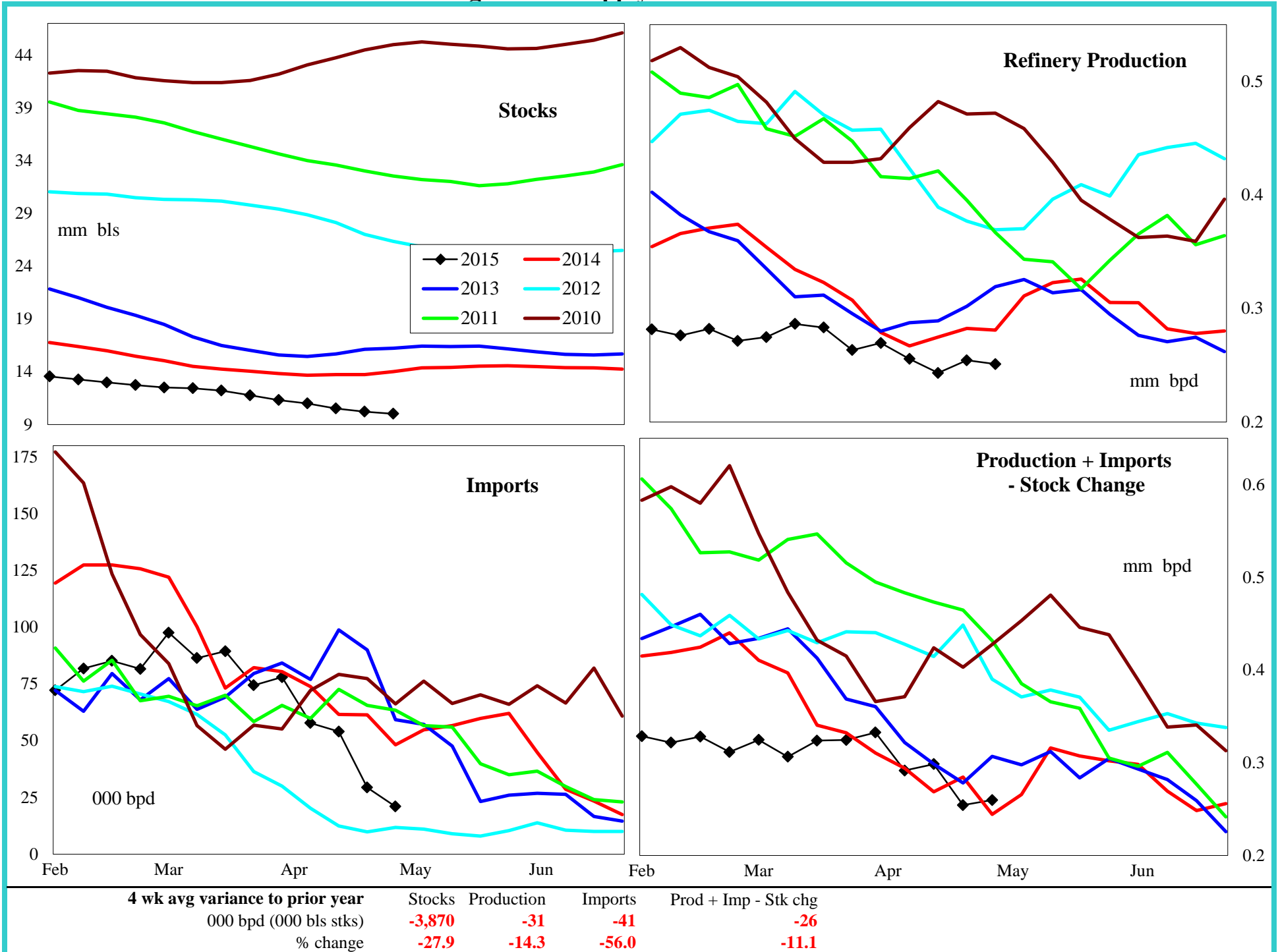
United States Distillate Supply and Demand Balance



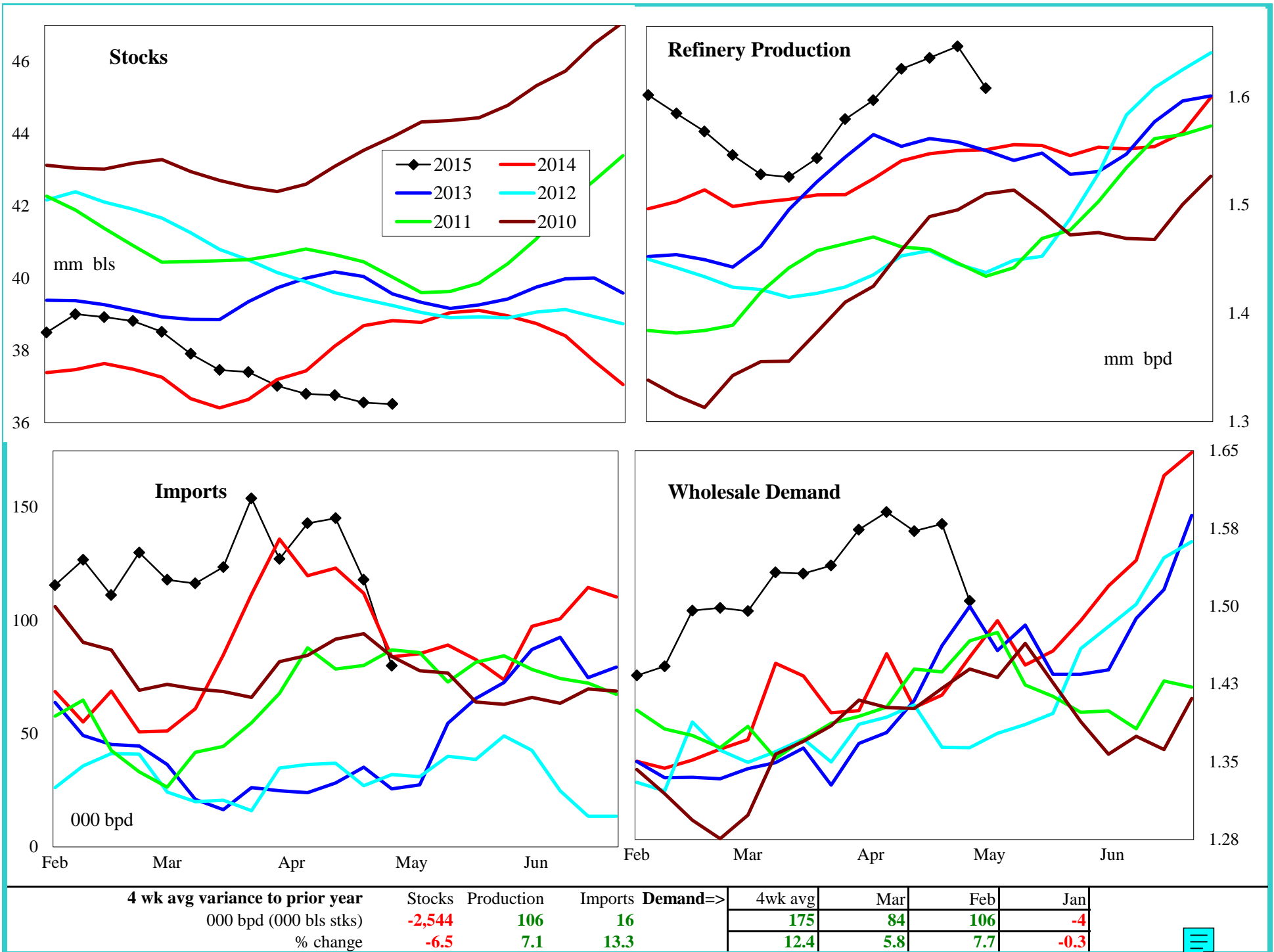
United States Low Sulfur Distillate Supply and Demand Balance



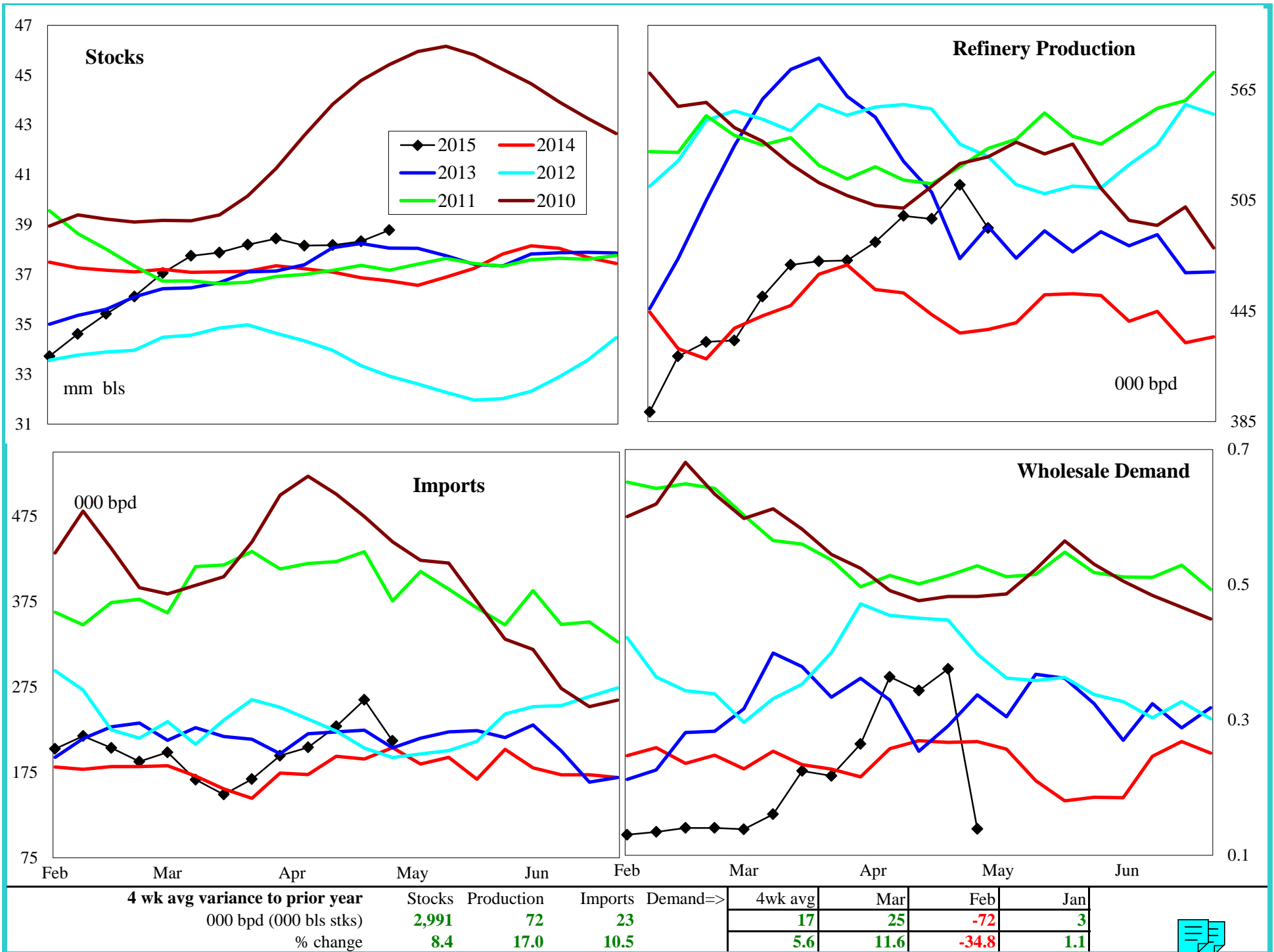
United States High Sulfur Supply Distillate and Demand Balance



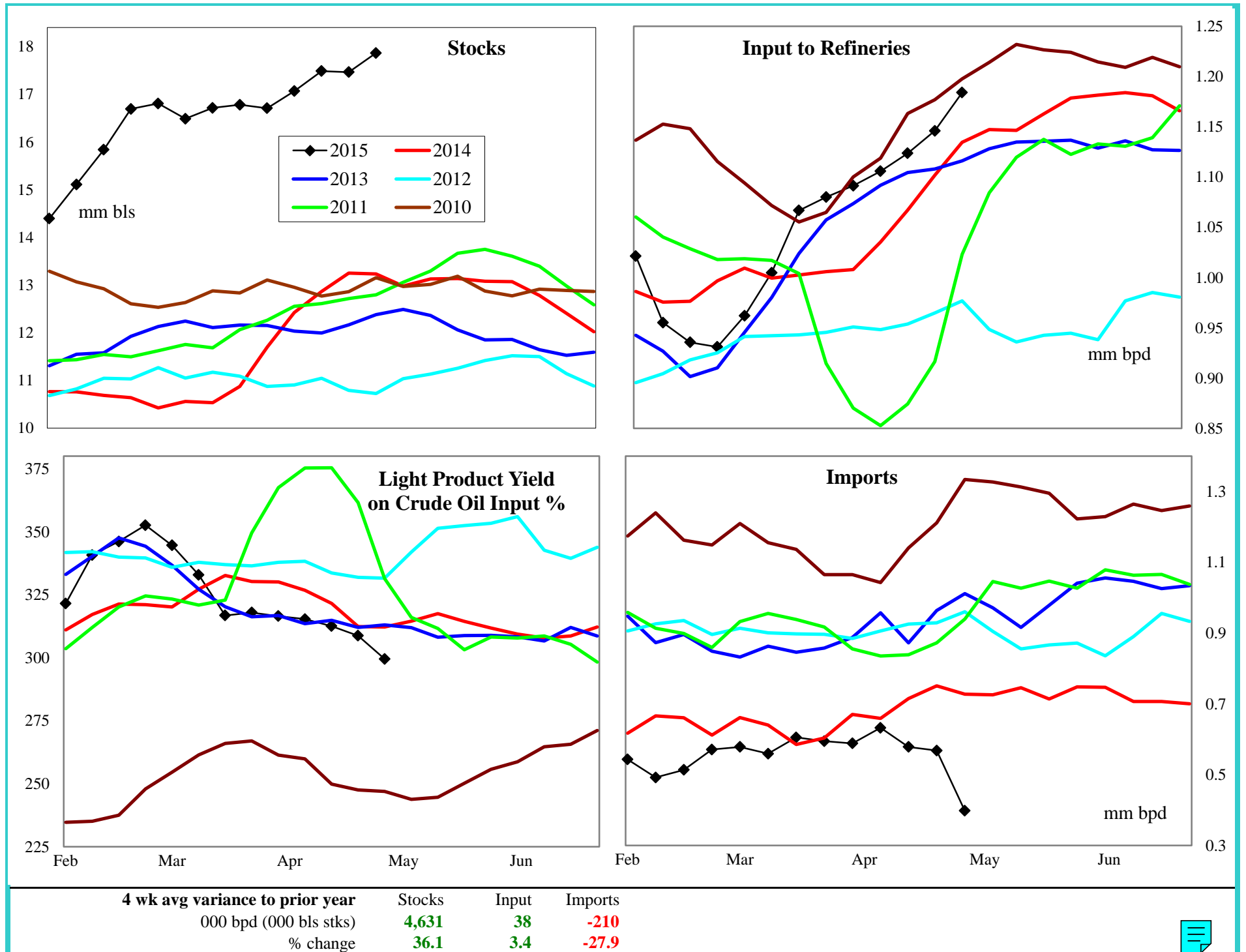
United States Jet Fuel Supply and Demand Balance



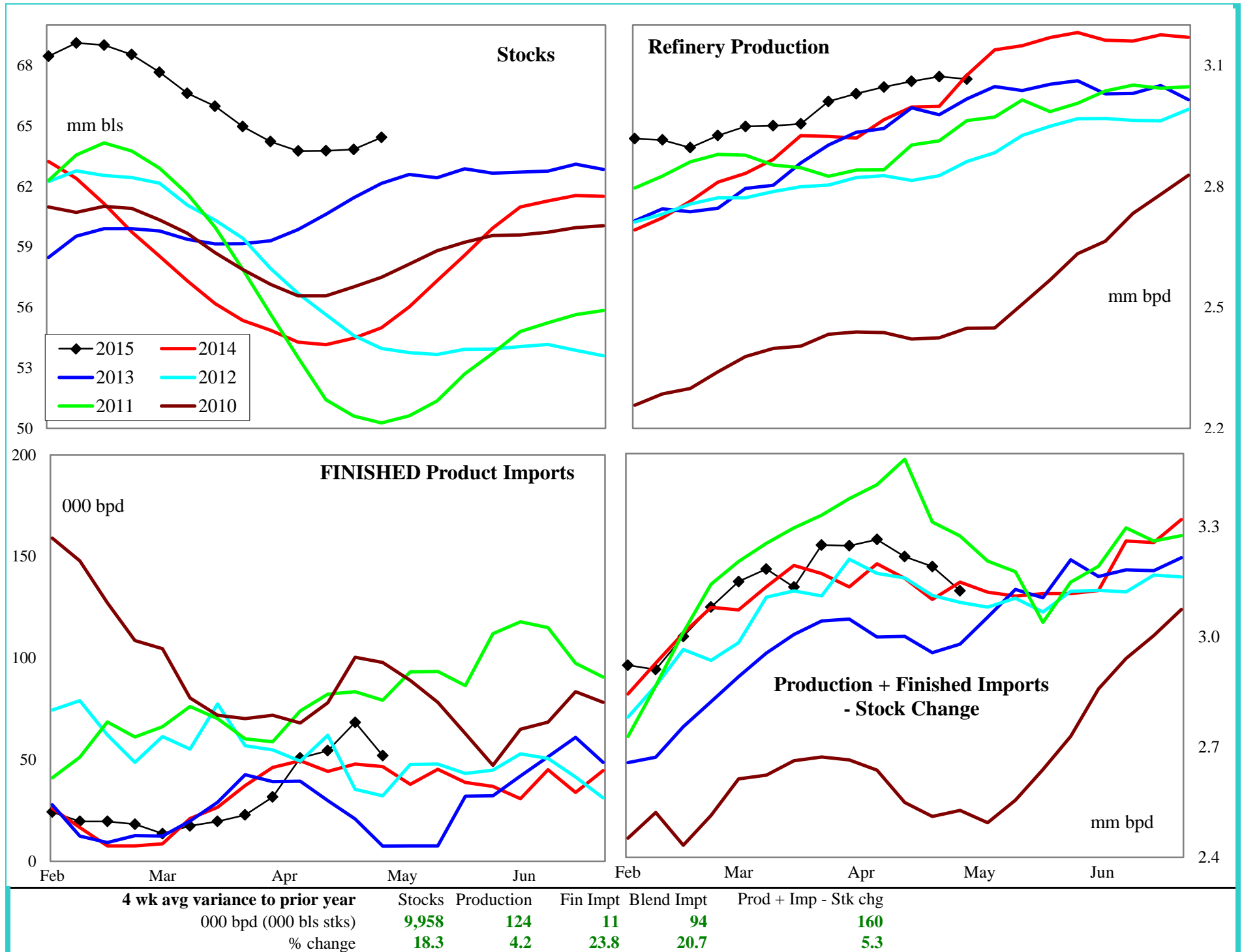
United States Residual Fuel Supply and Demand Balance



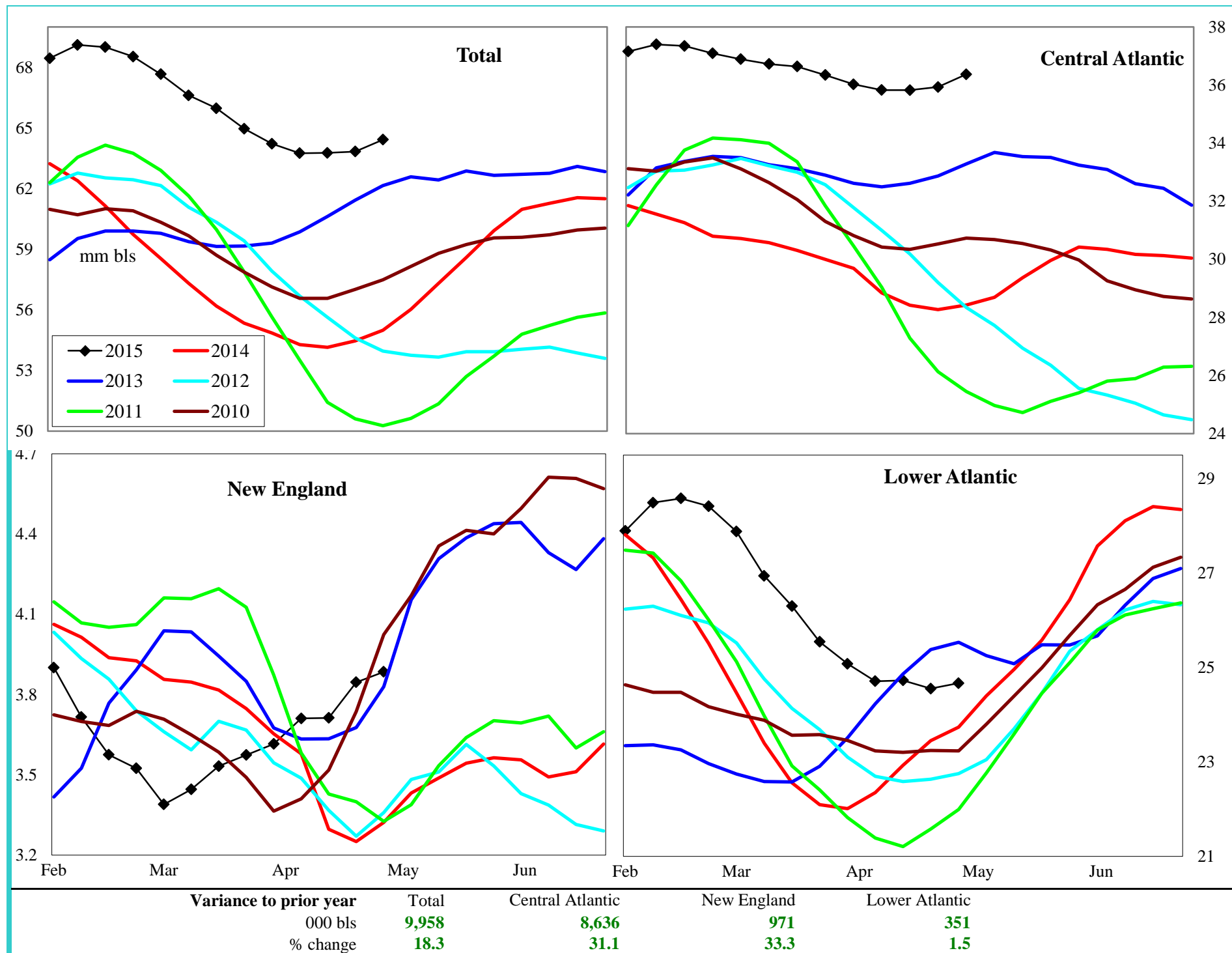
PADD 1 Crude Oil Supply and Refining



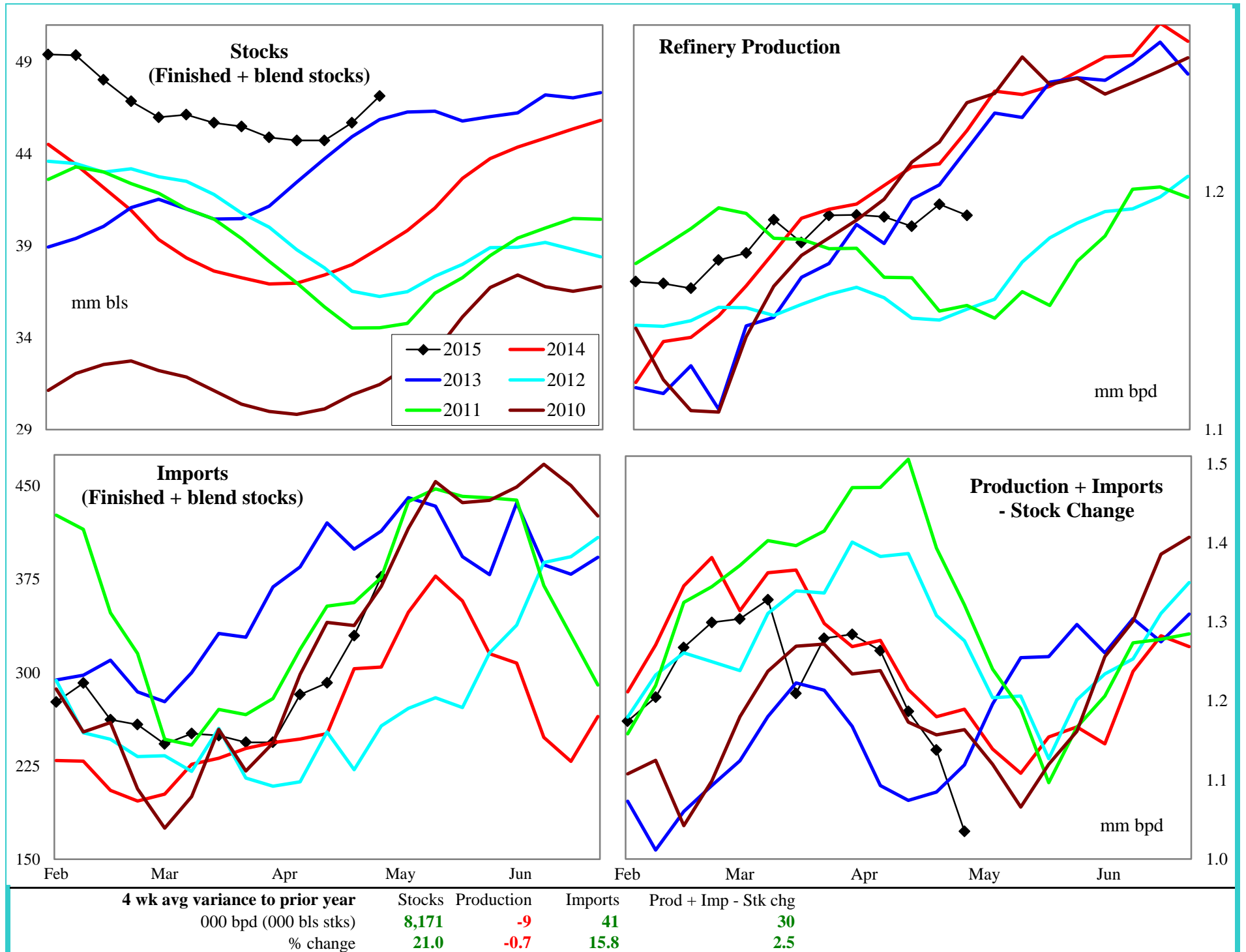
PADD 1 Gasoline Supply



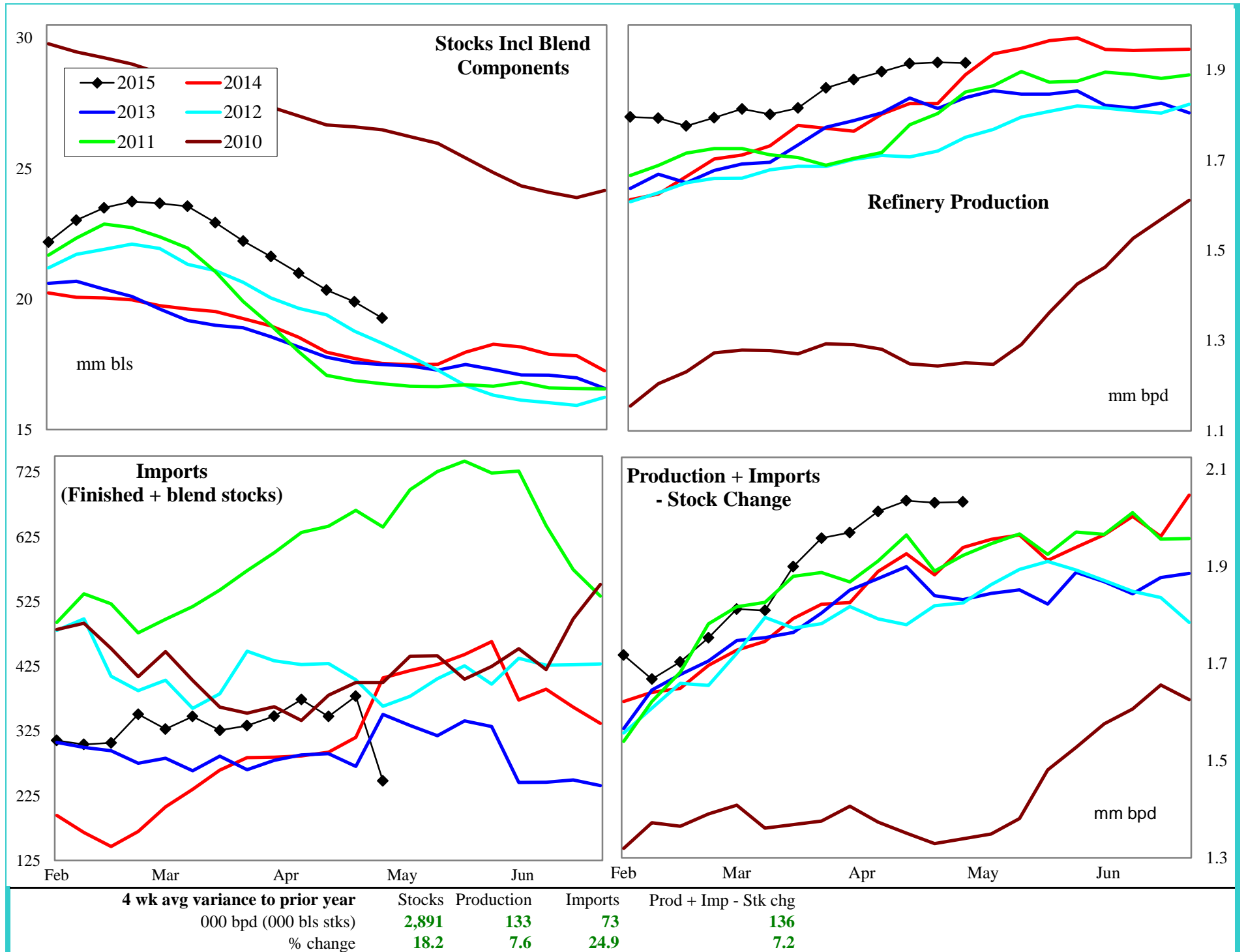
PADD 1 Gasoline Stocks by Region



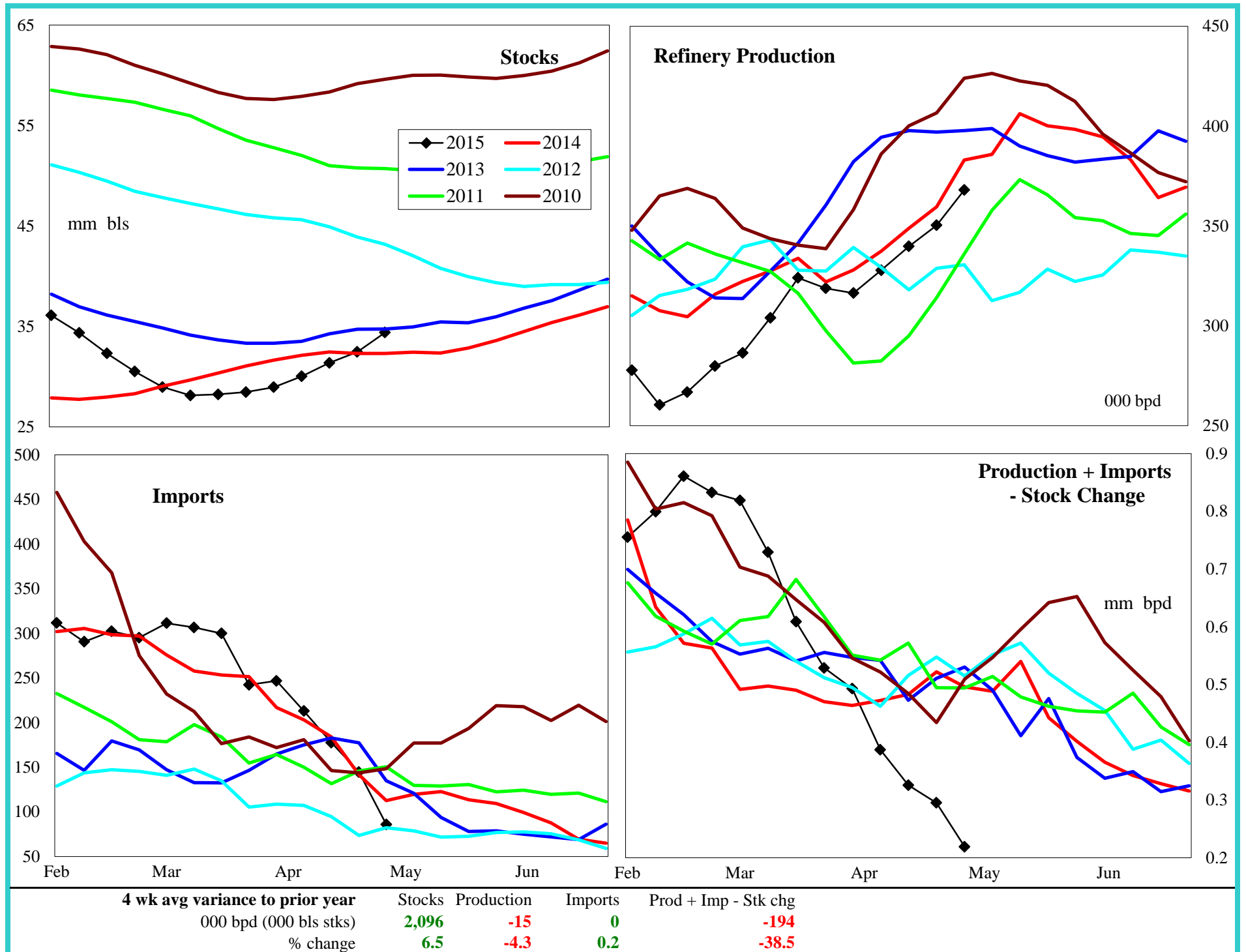
PADD 1 Reformulated Gasoline Supply



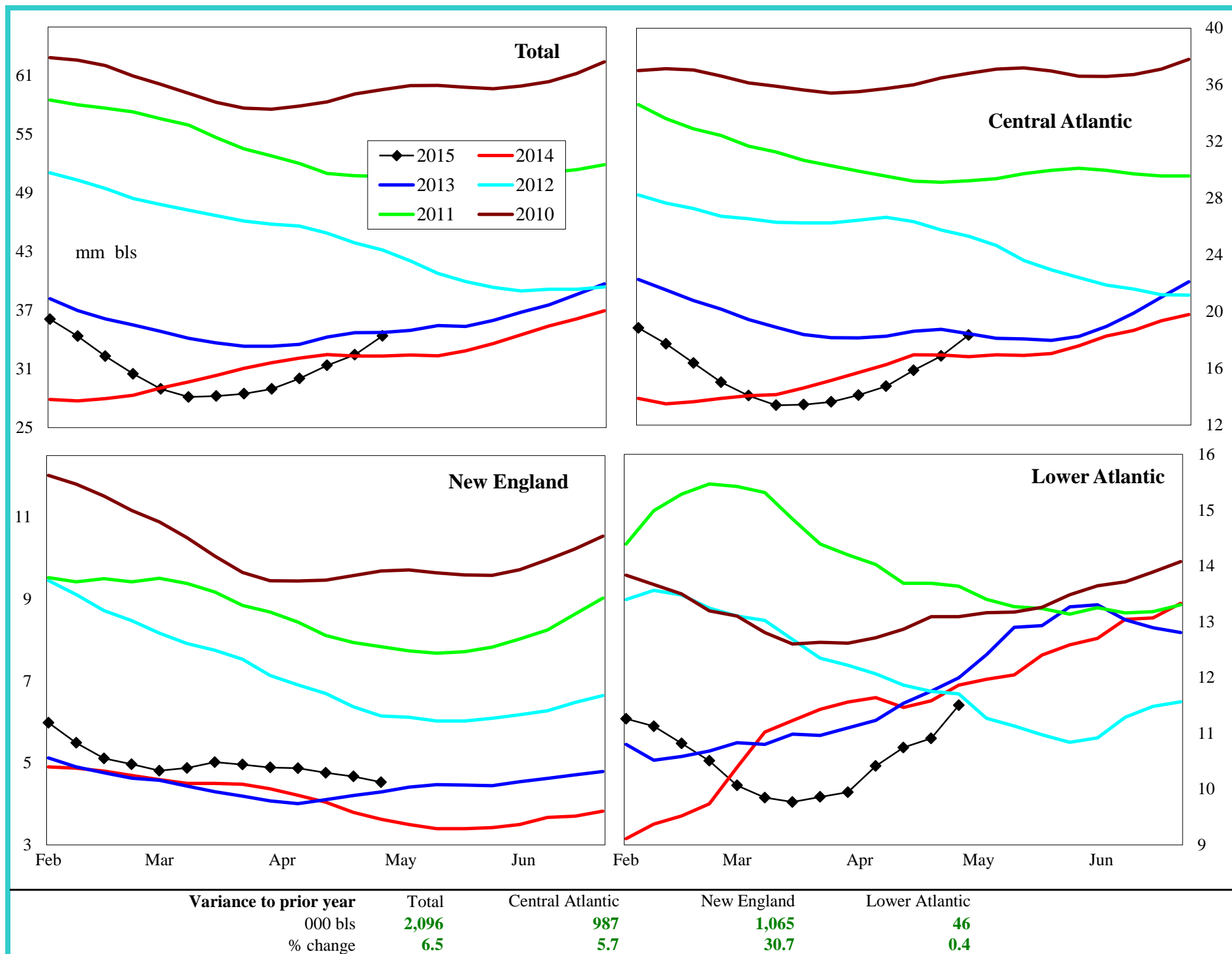
PADD 1 Conventional Gasoline Supply



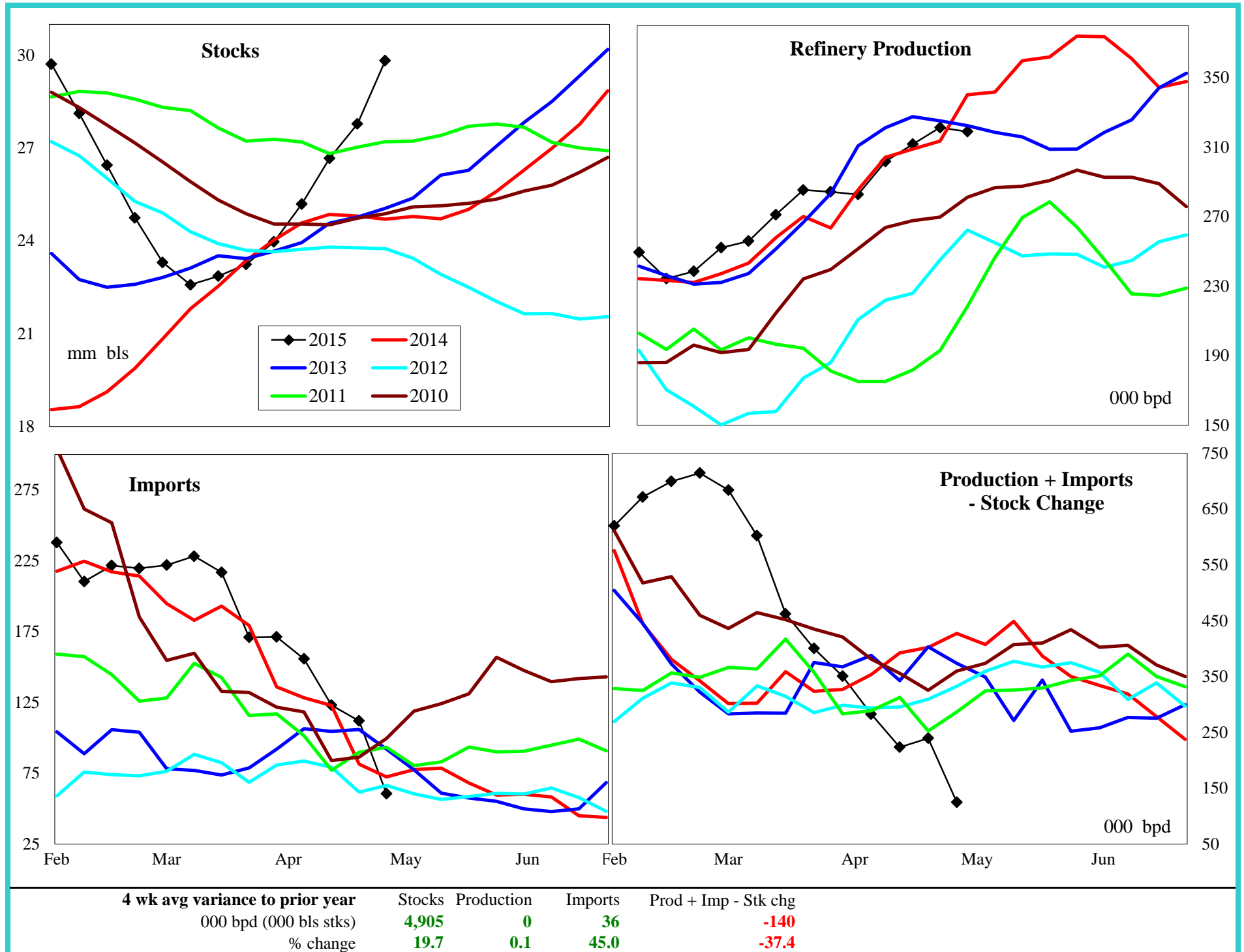
PADD 1 Distillate Supply



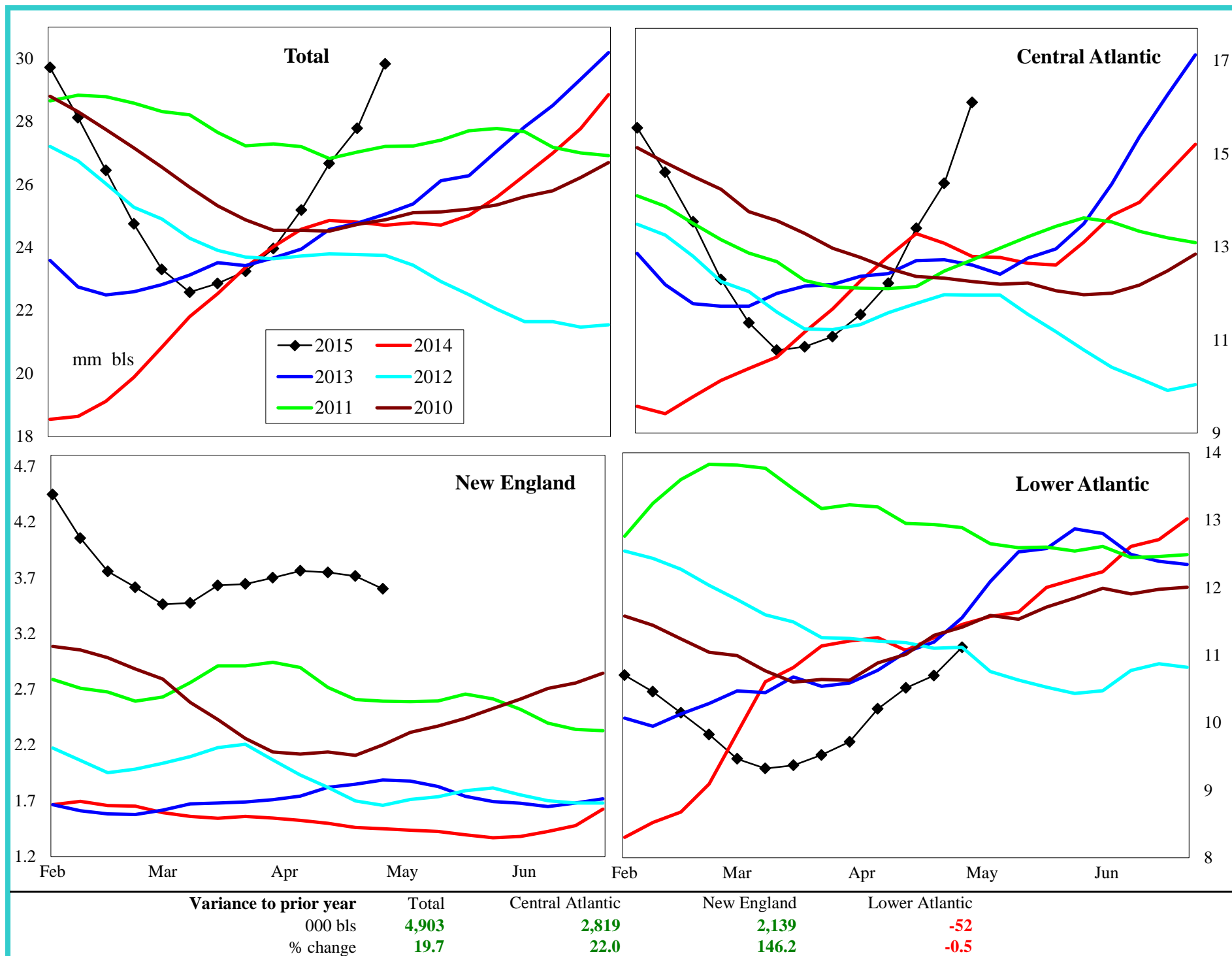
PADD 1 Distillate Stocks by Region



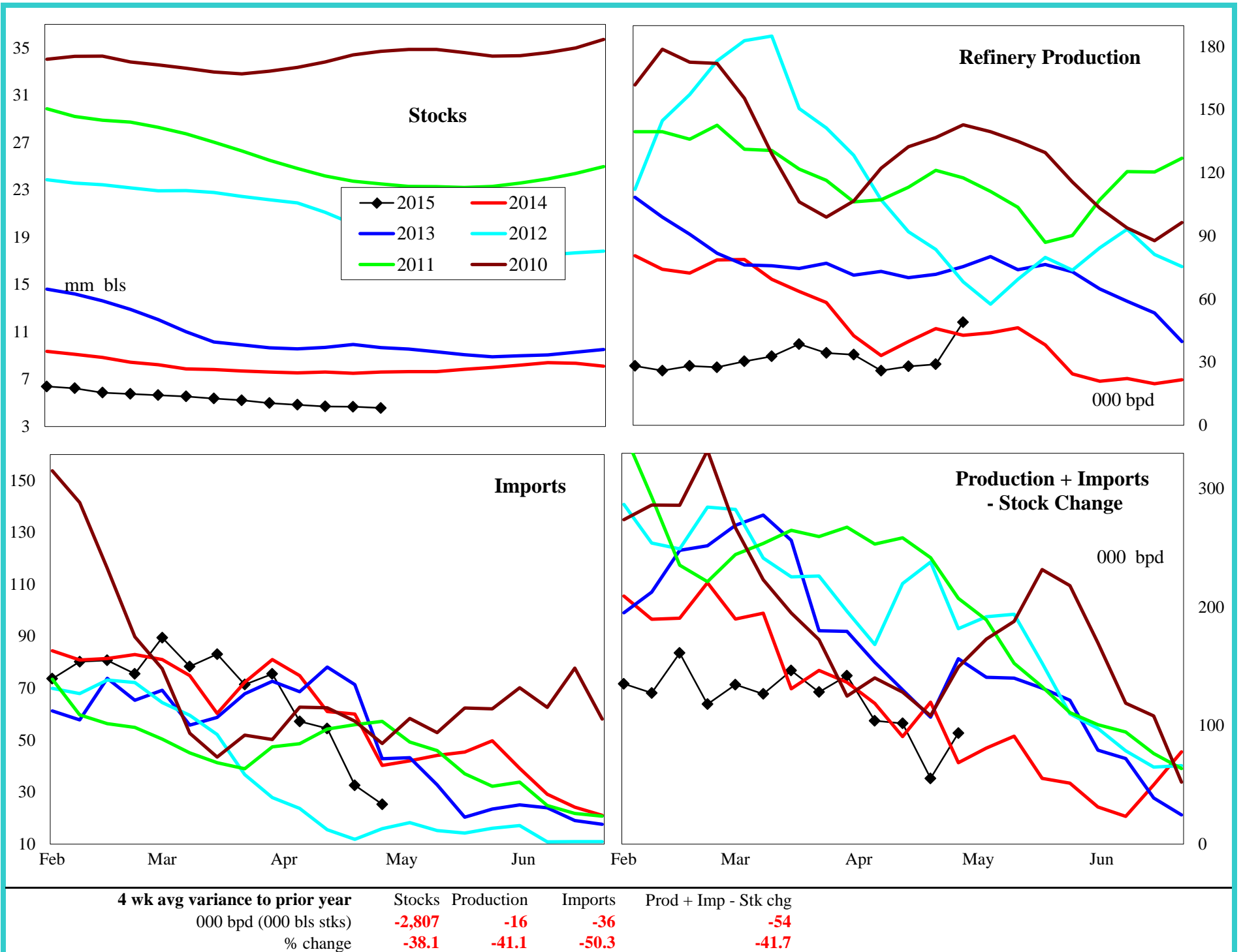
PADD 1 Low Sulfur Distillate Supply



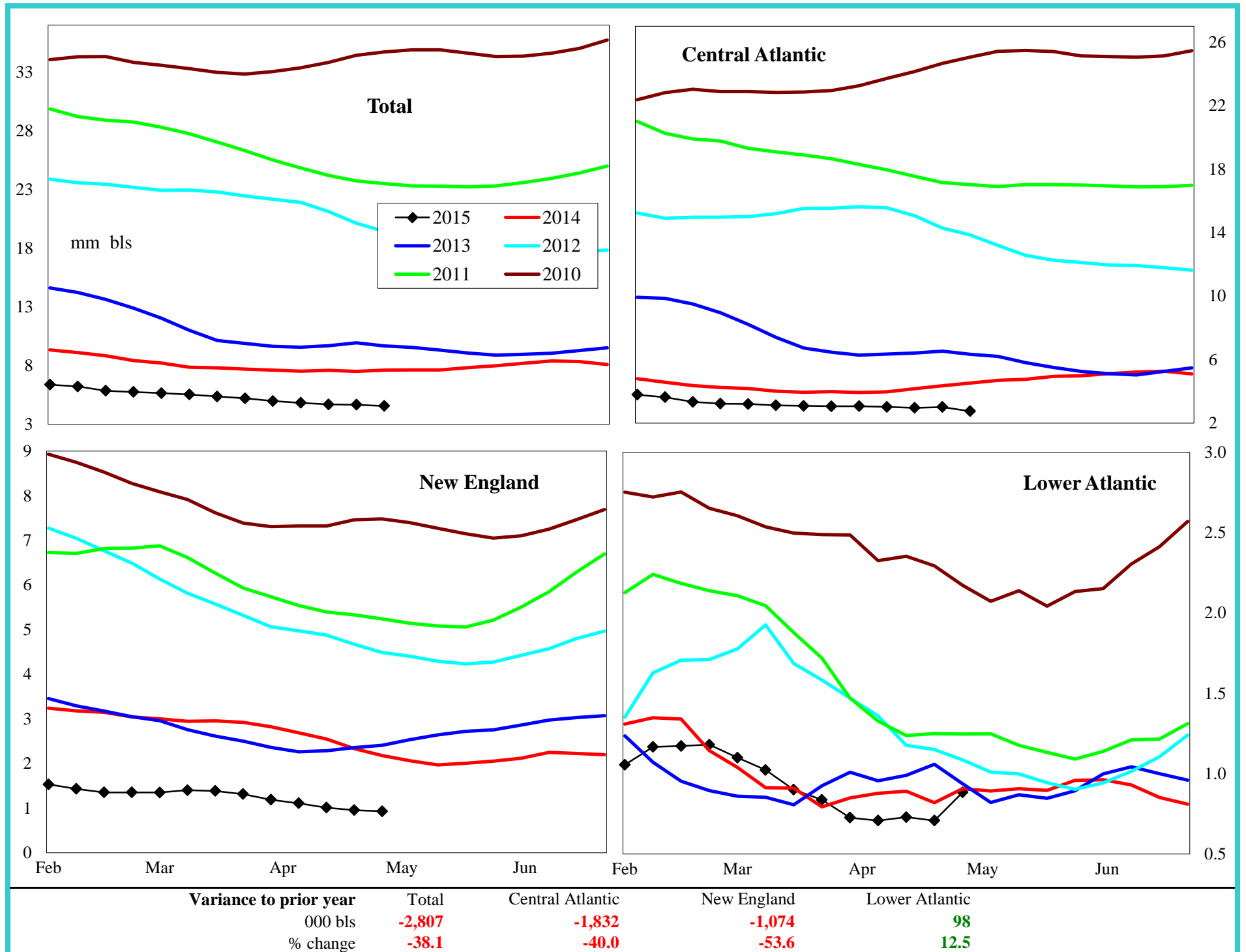
PADD 1 Low Sulfur Distillate Stocks by Region



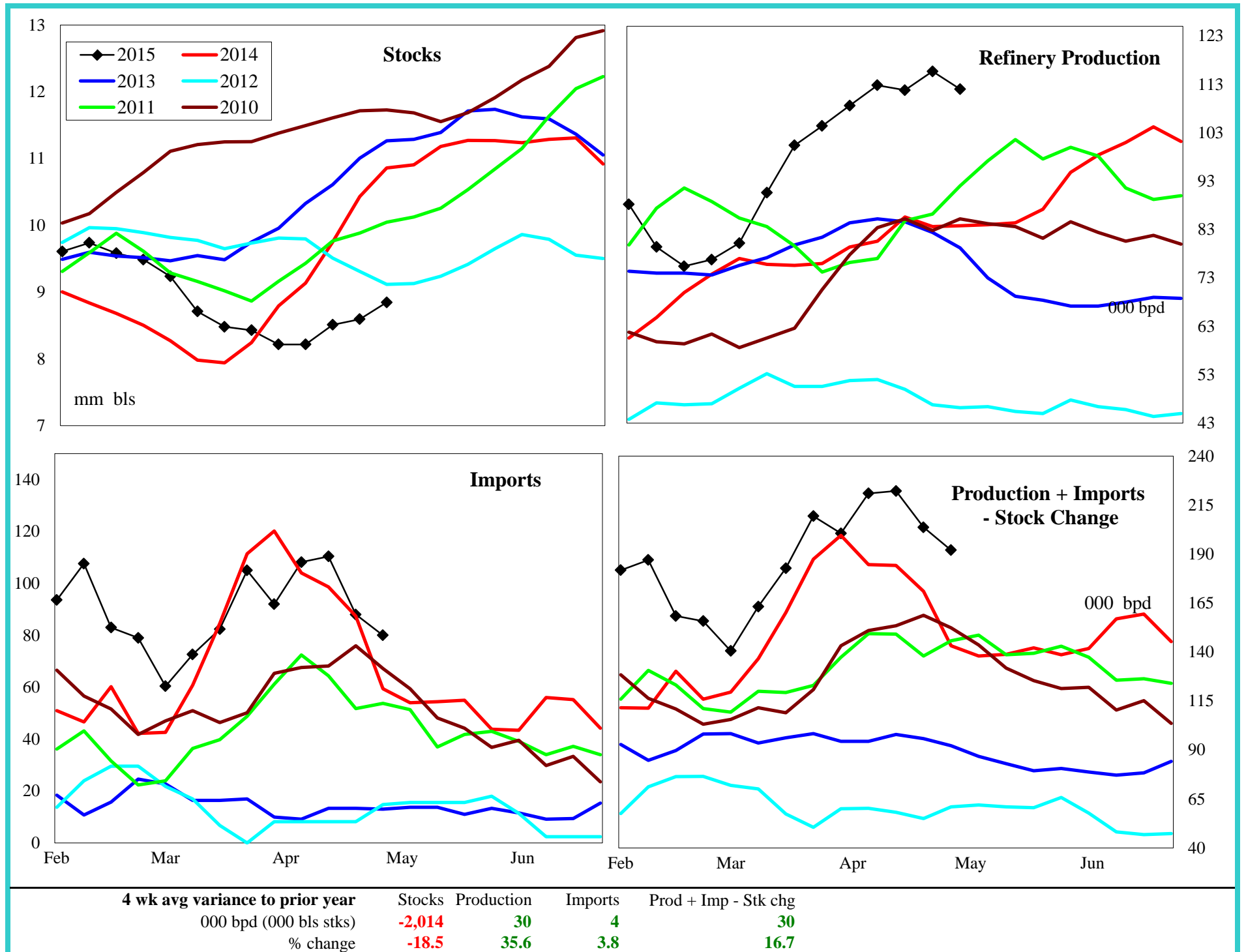
PADD 1 High Sulfur Distillate Supply



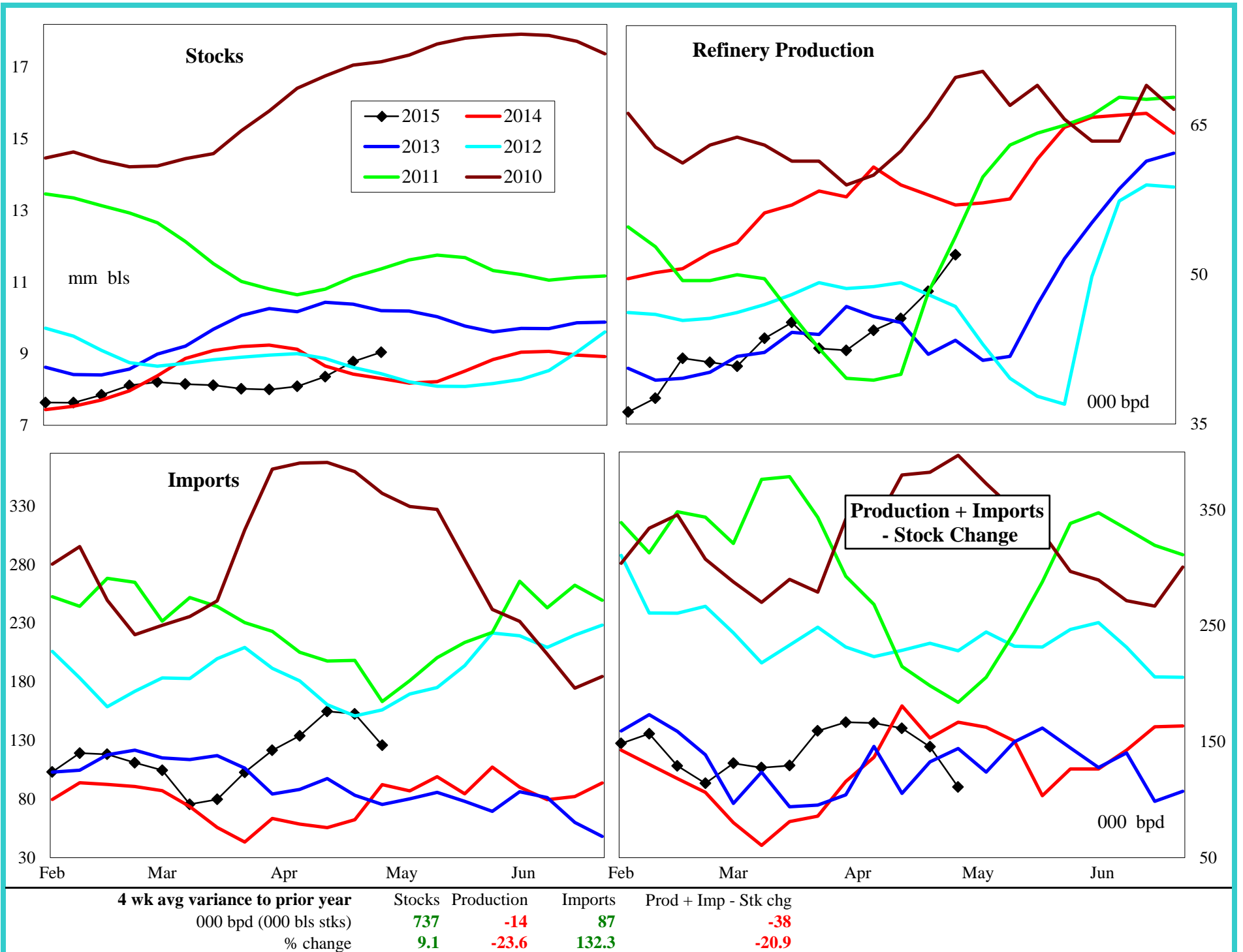
PADD 1 High Sulfur Distillate Stocks by Region



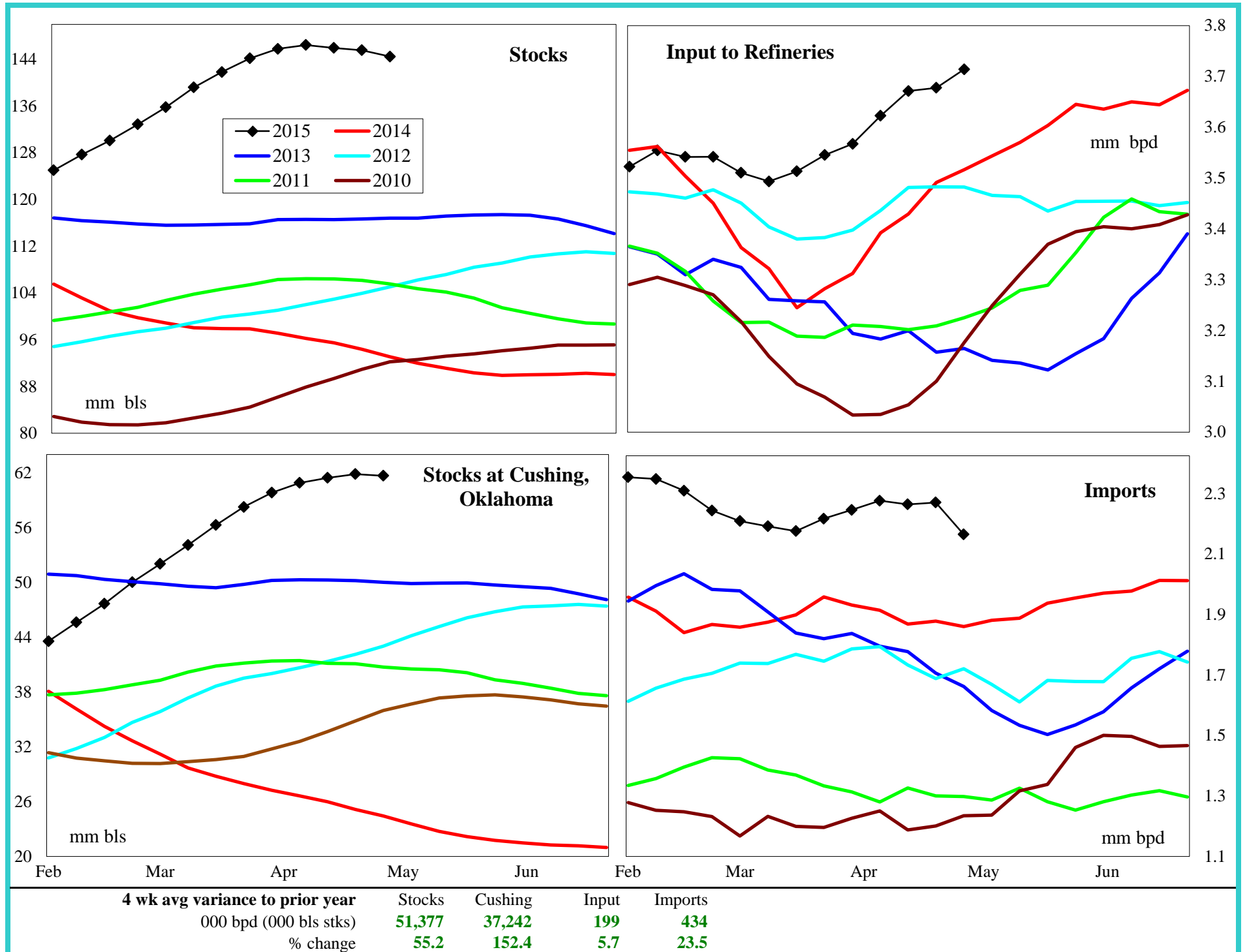
PADD 1 Jet Fuel Supply



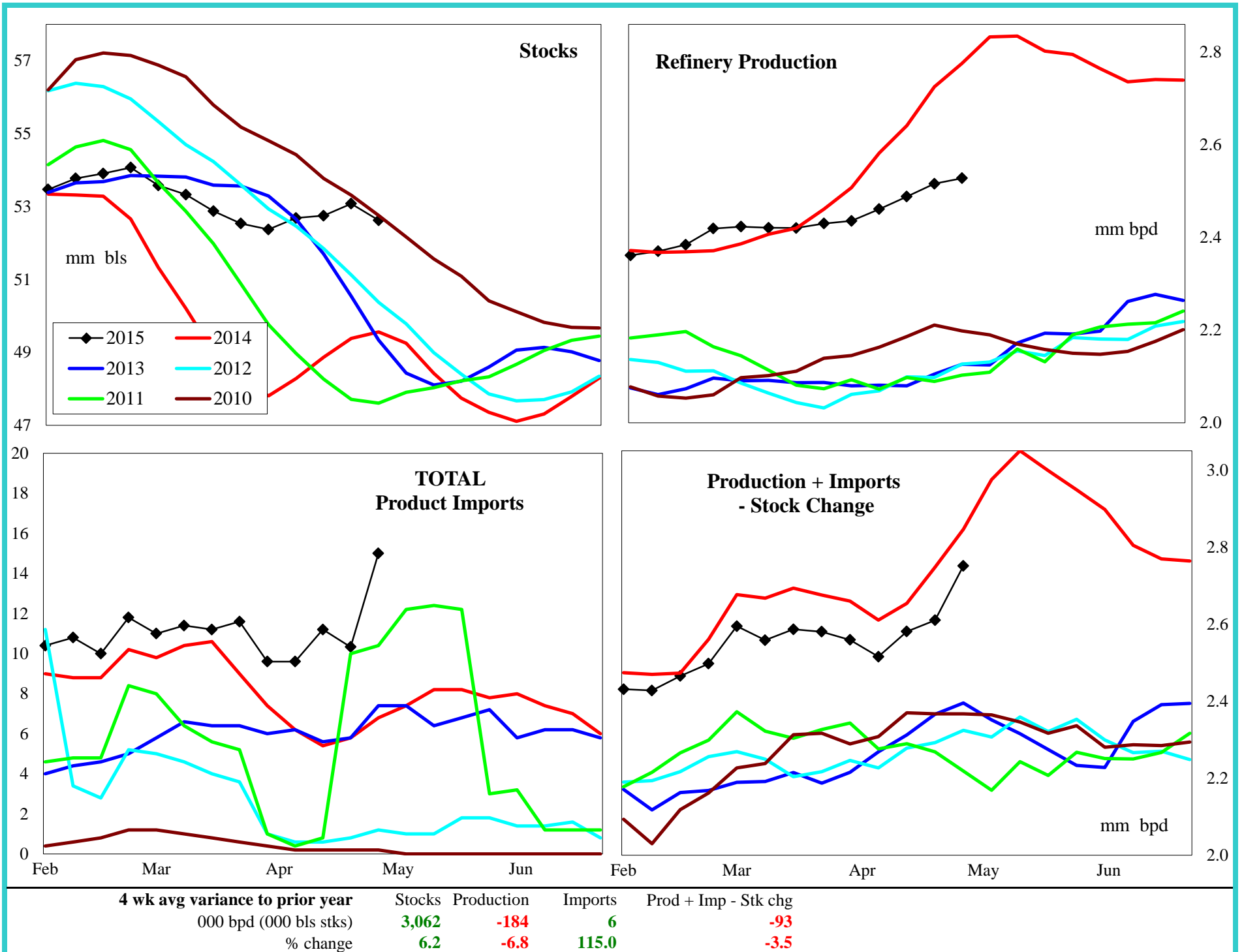
PADD 1 Residual Fuel Oil Supply



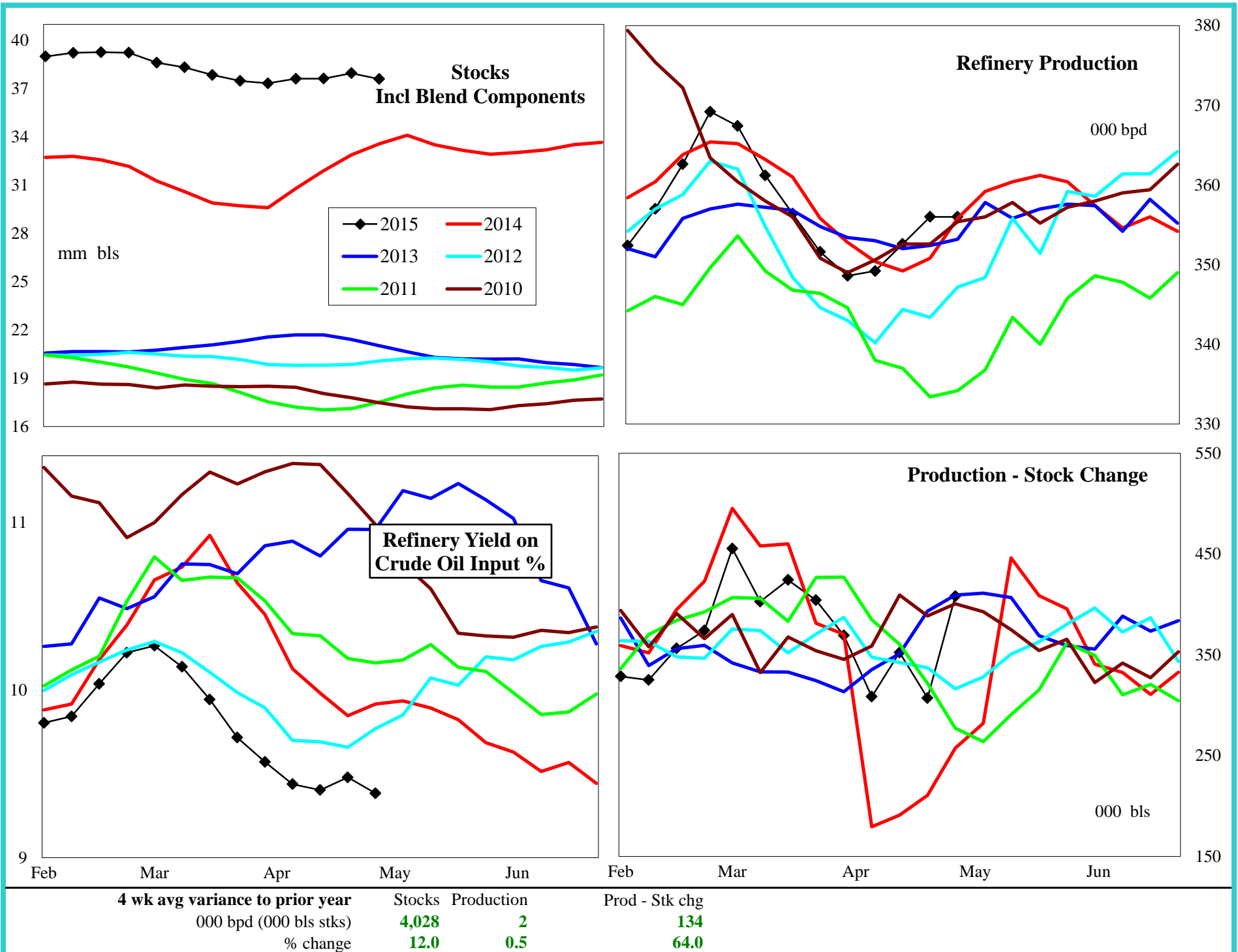
PADD 2 Crude Oil Supply and Refining



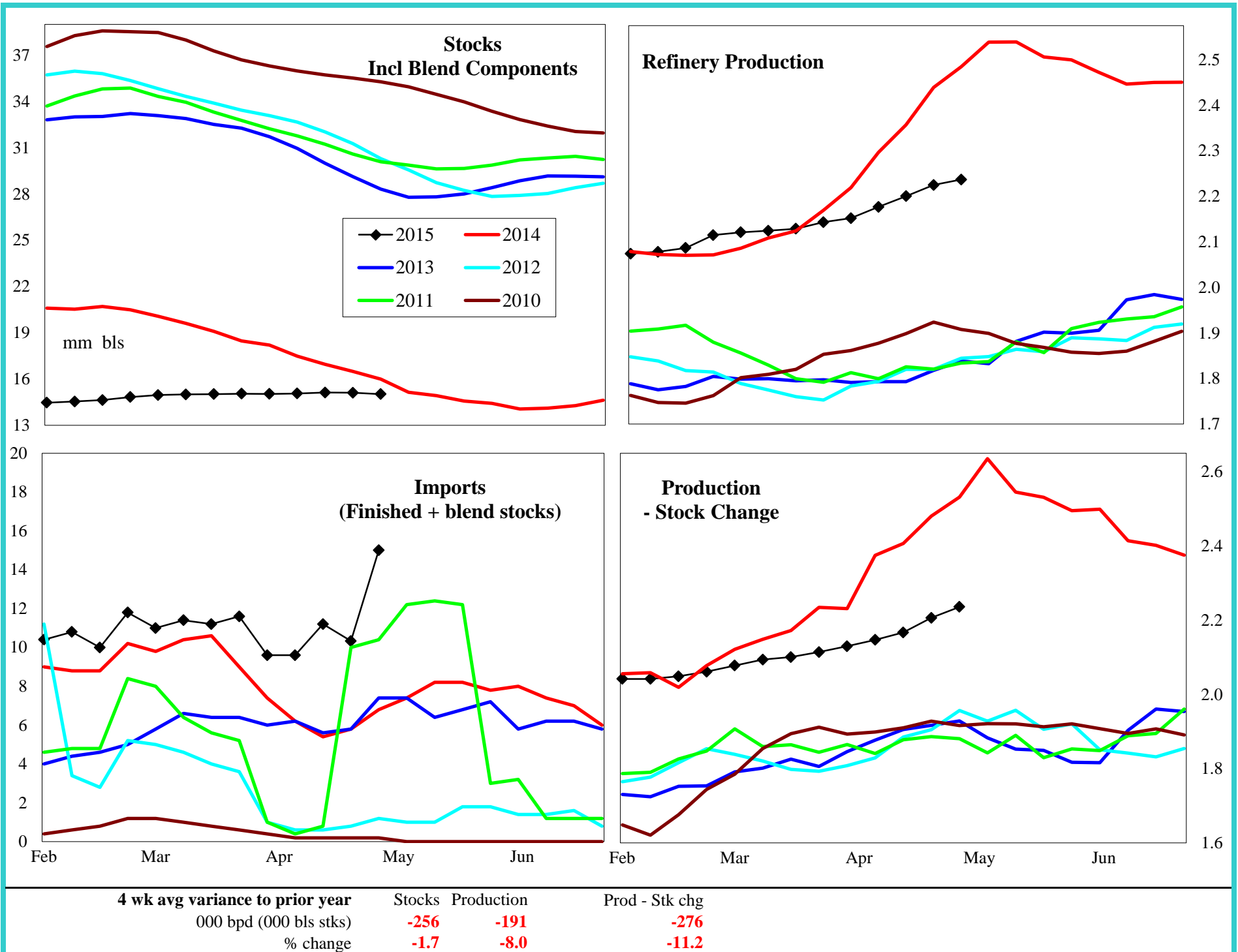
PADD 2 Gasoline Supply



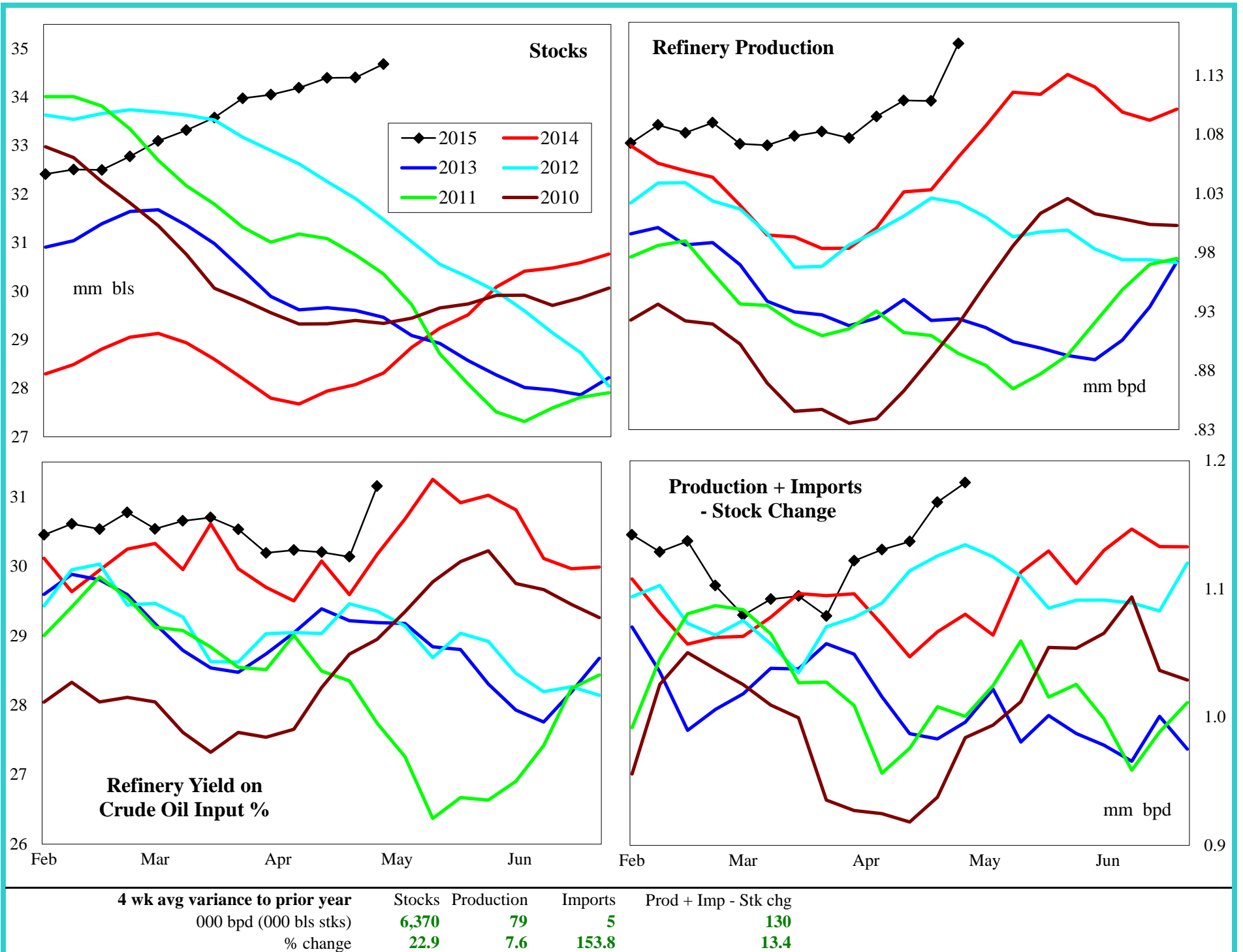
PADD 2 Reformulated Gasoline Supply



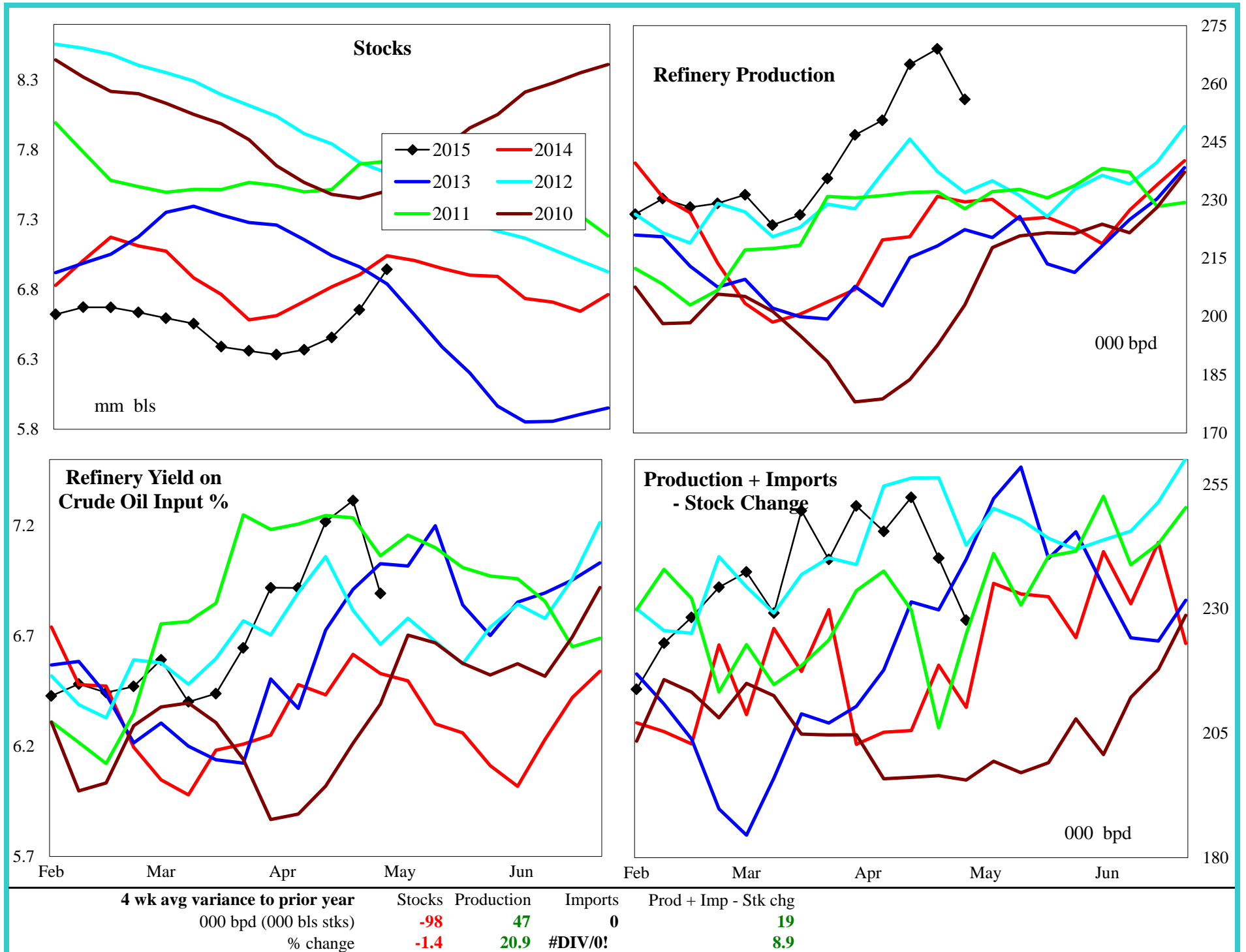
PADD 2 Conventional Gasoline Supply



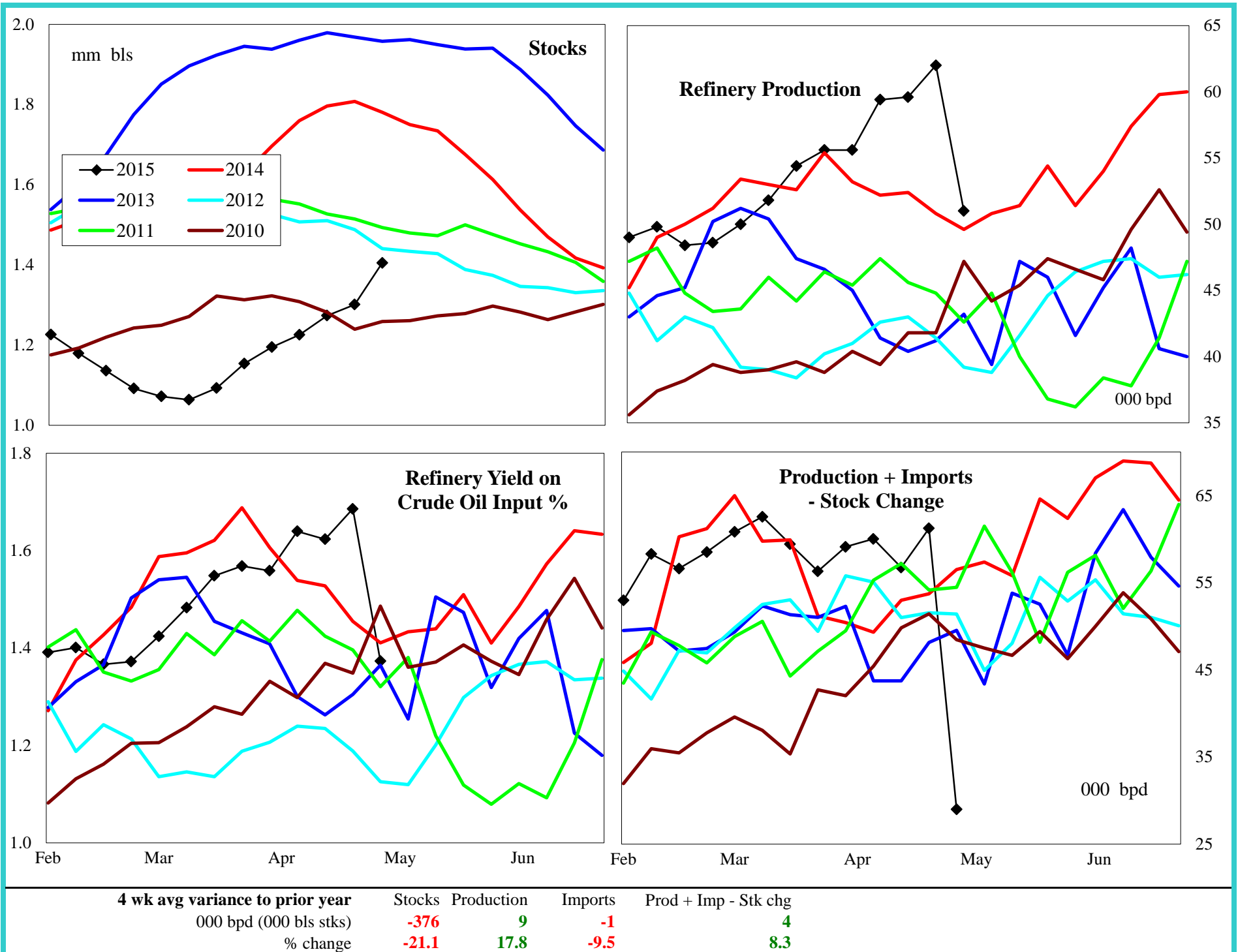
PADD 2 Distillate Supply



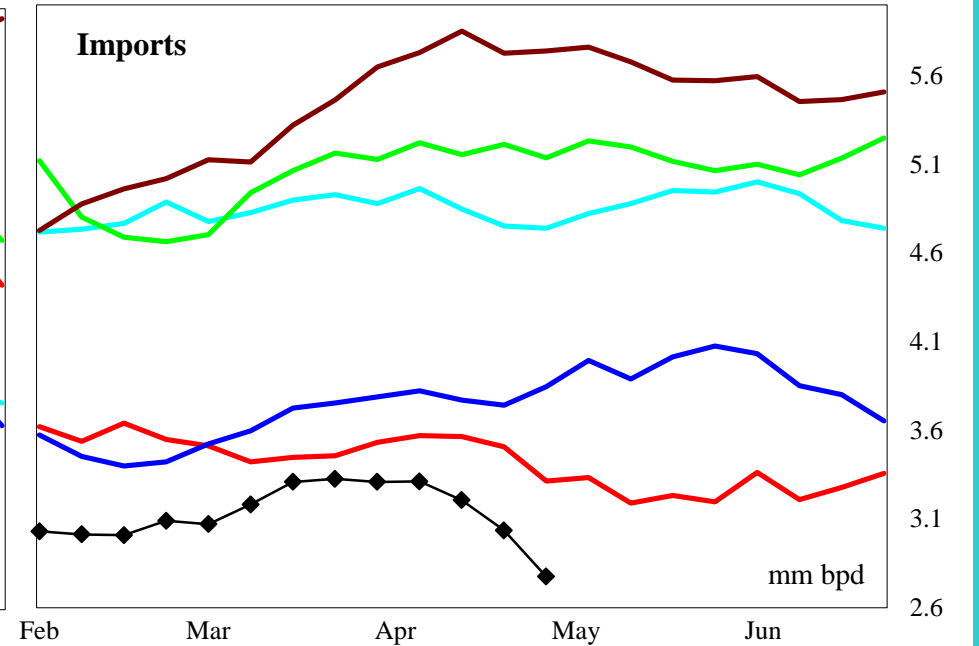
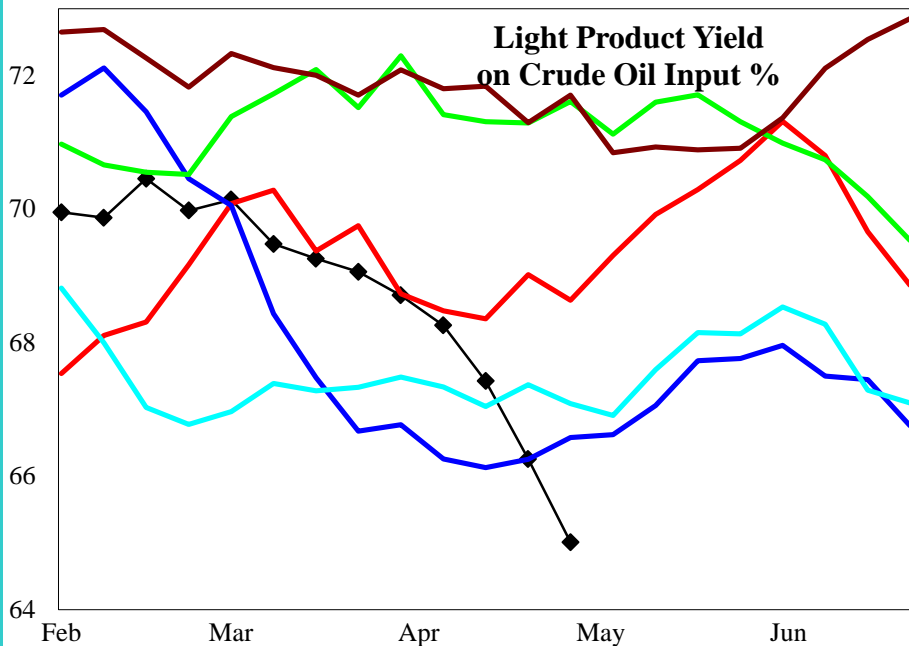
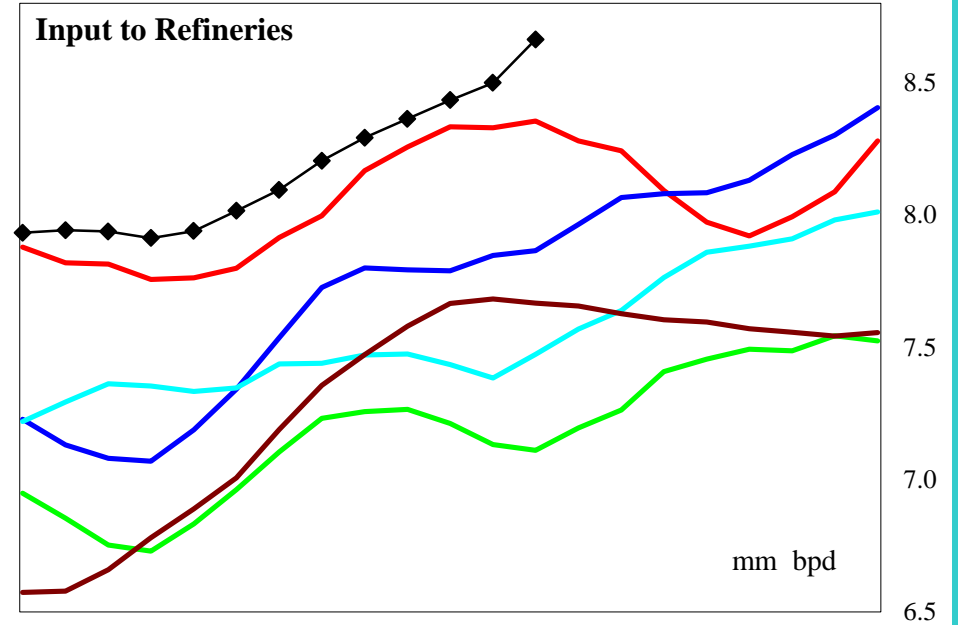
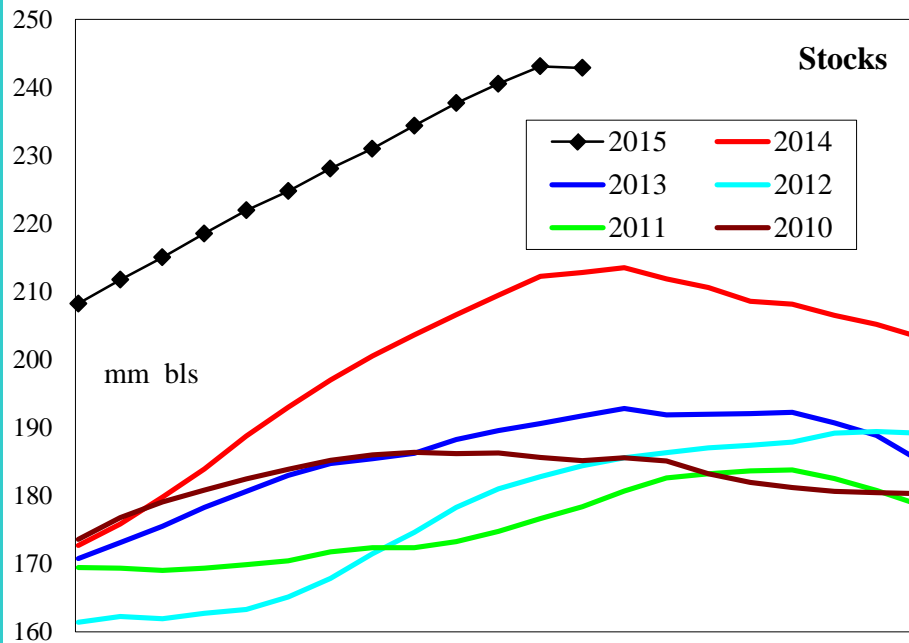
PADD 2 Jet Fuel Supply



PADD 2 Residual Fuel Oil Supply



PADD 3 Crude Oil Supply and Refining



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

30,078

14.1

Input

106

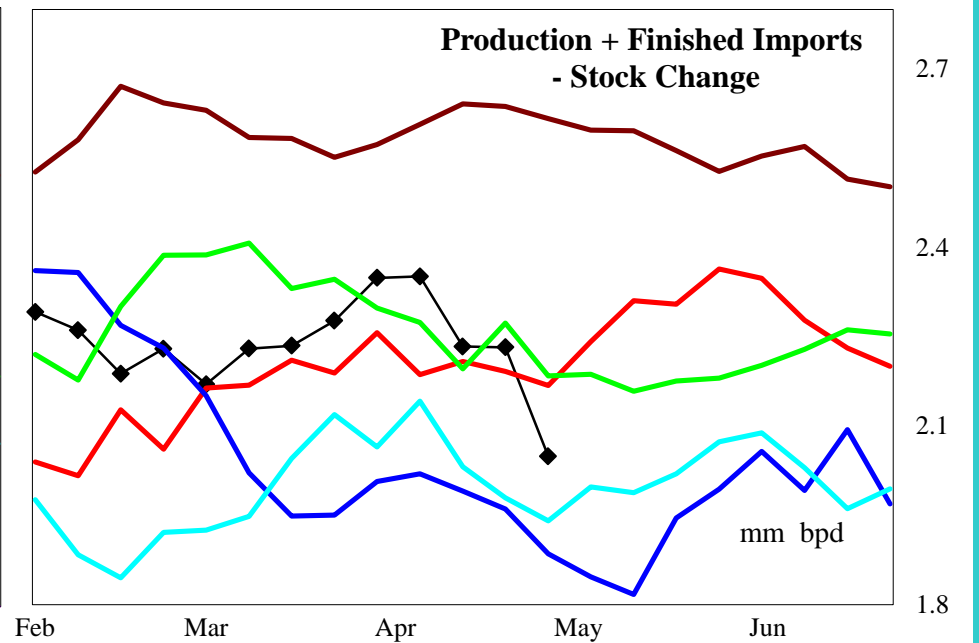
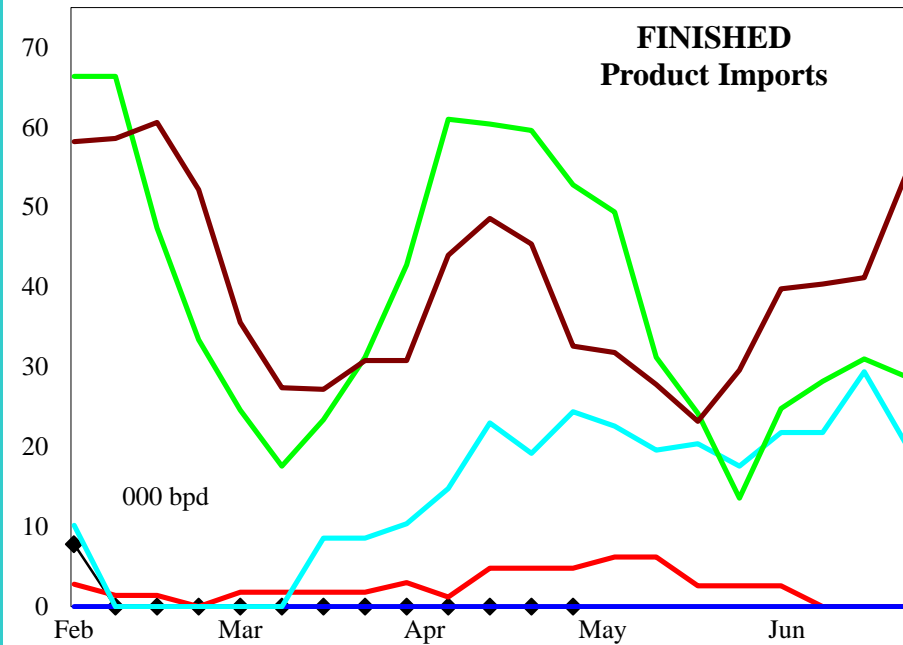
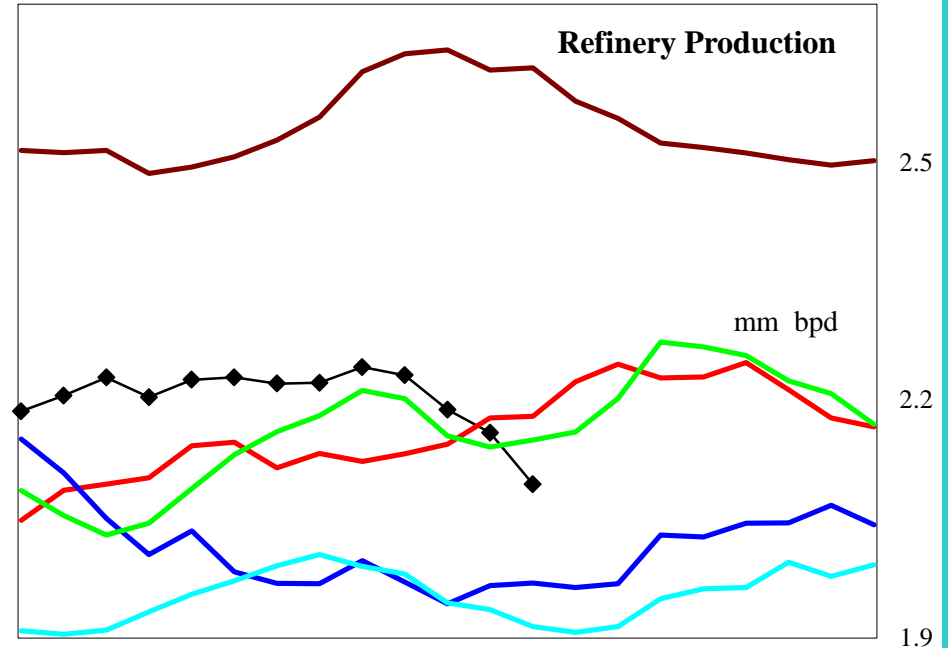
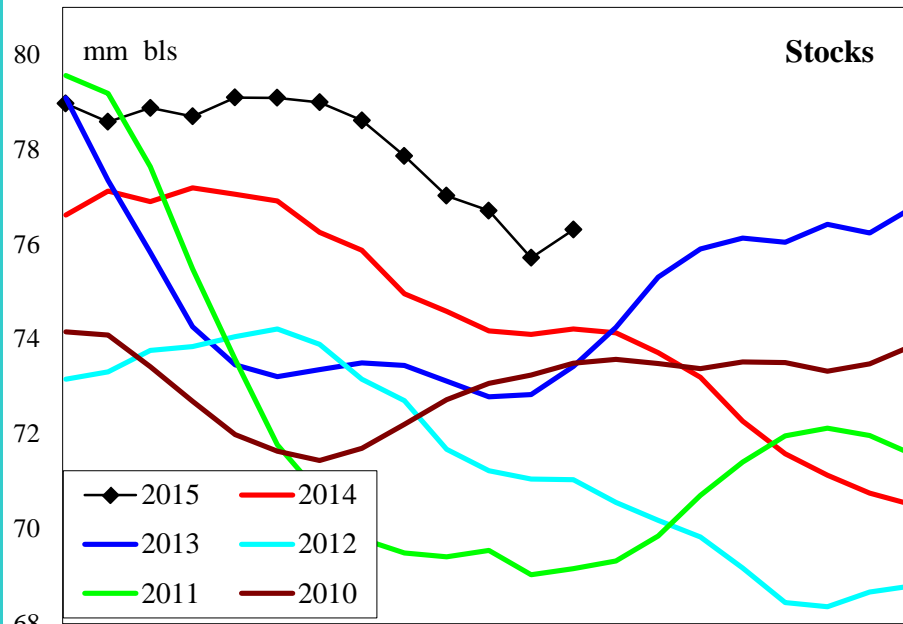
1.3

Imports

-501

-14.1

PADD 3 Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

1,576

2.1

Production

35

1.6

Fin Impt

-6

-100.0

Blend Impt

-32

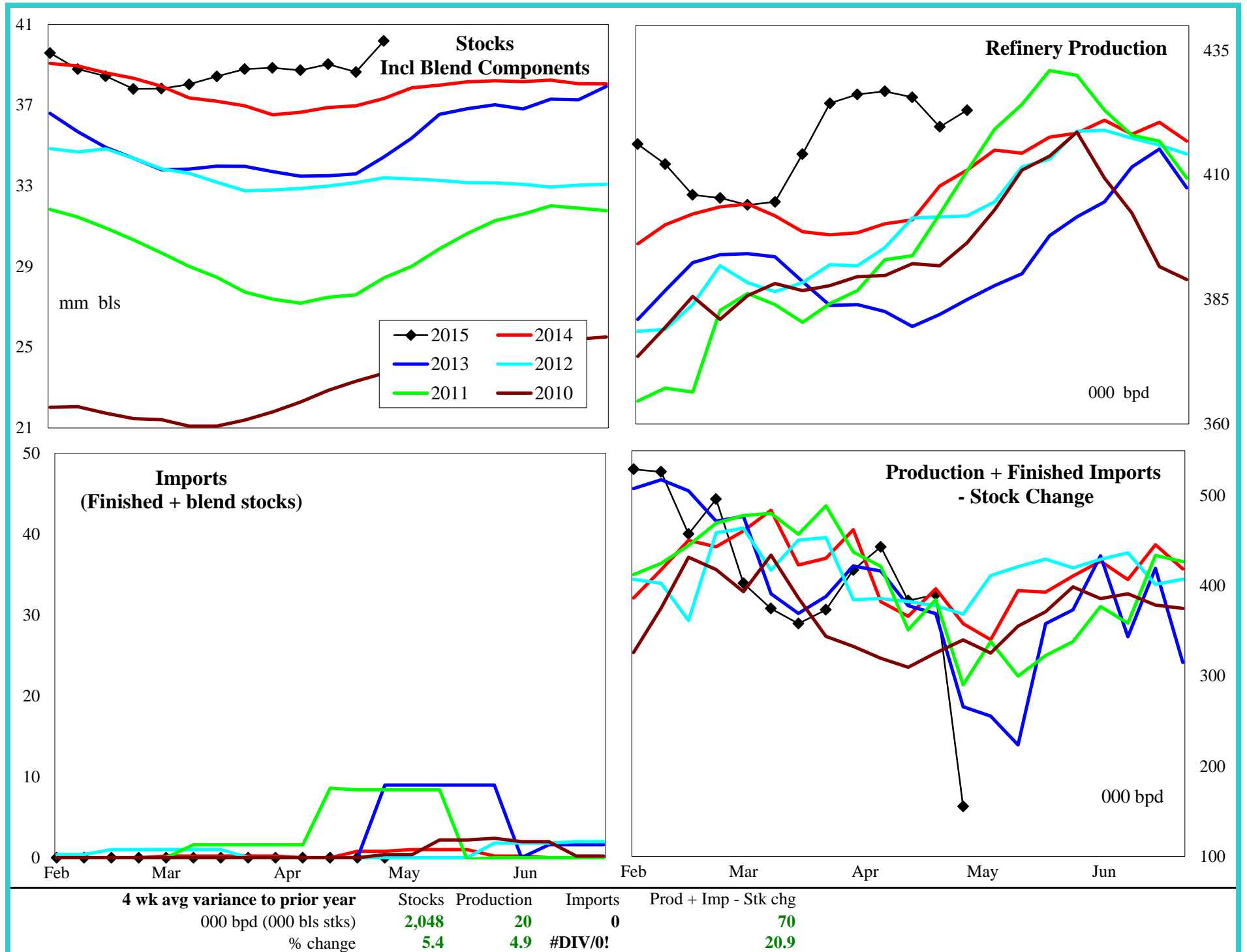
-100.0

Prod + Imp - Stk chg

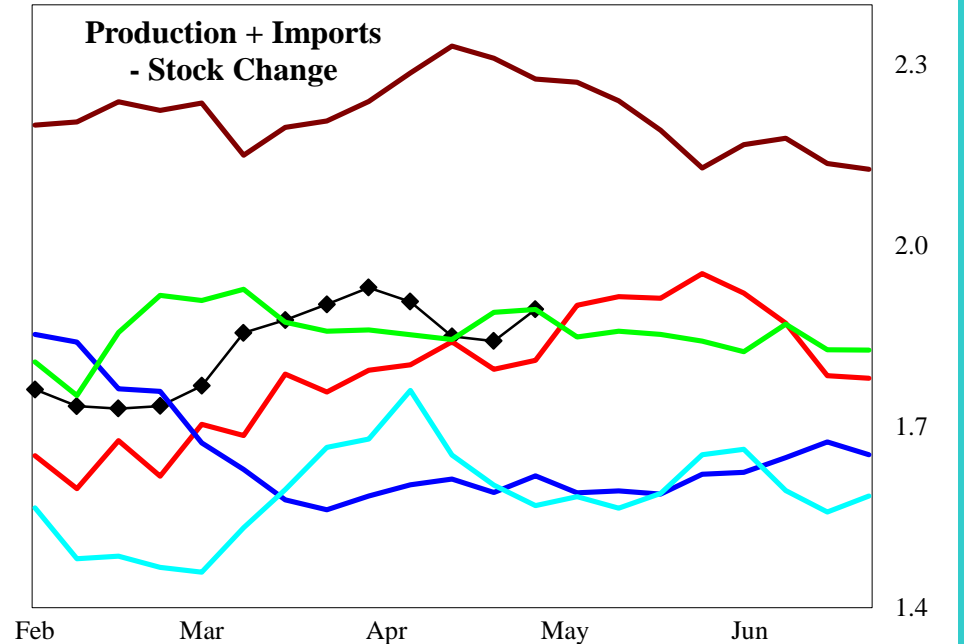
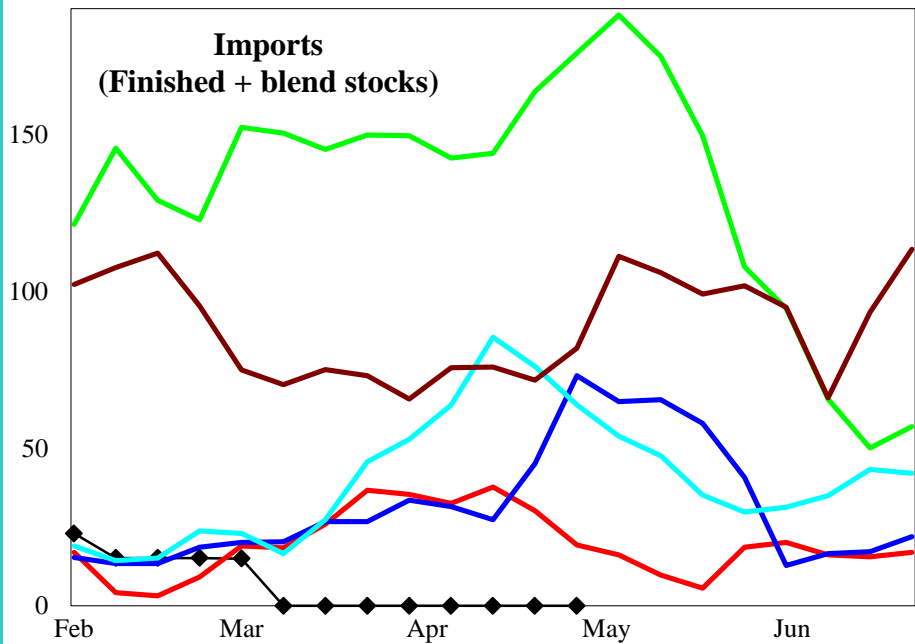
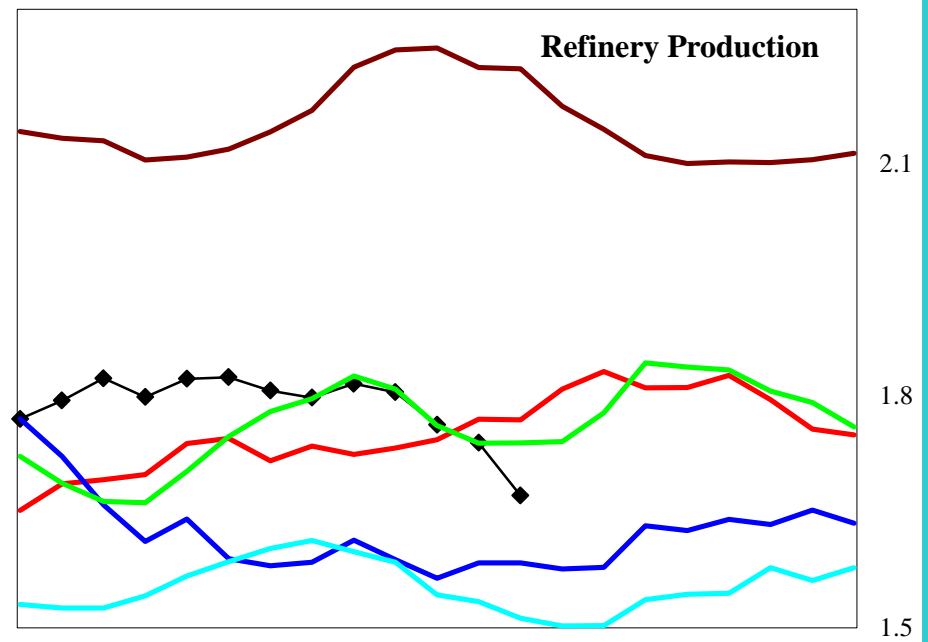
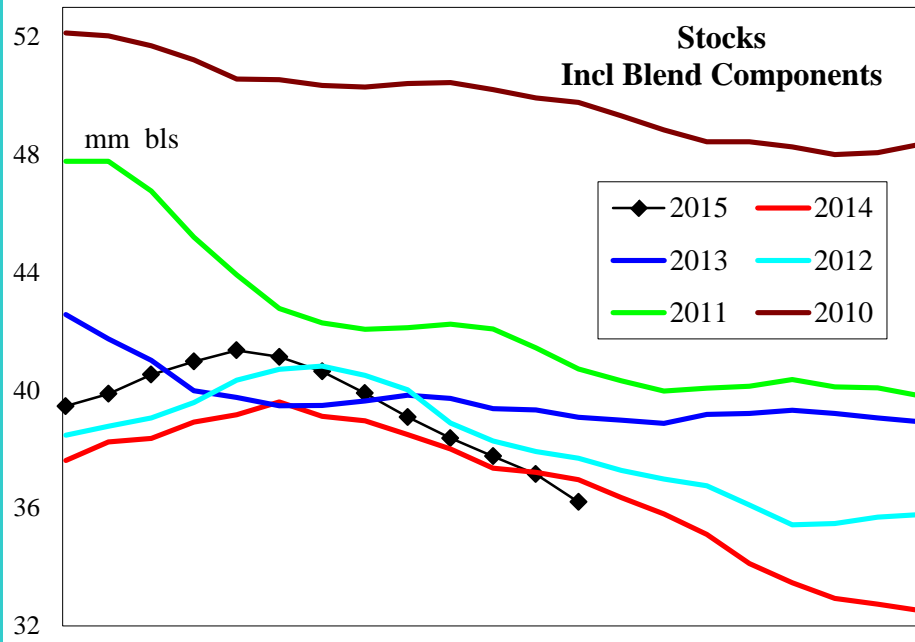
118

5.5

PADD 3 Reformulated Gasoline Supply



PADD 3 Conventional Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

-478

-1.3

Production

15

0.8

Imports

-38

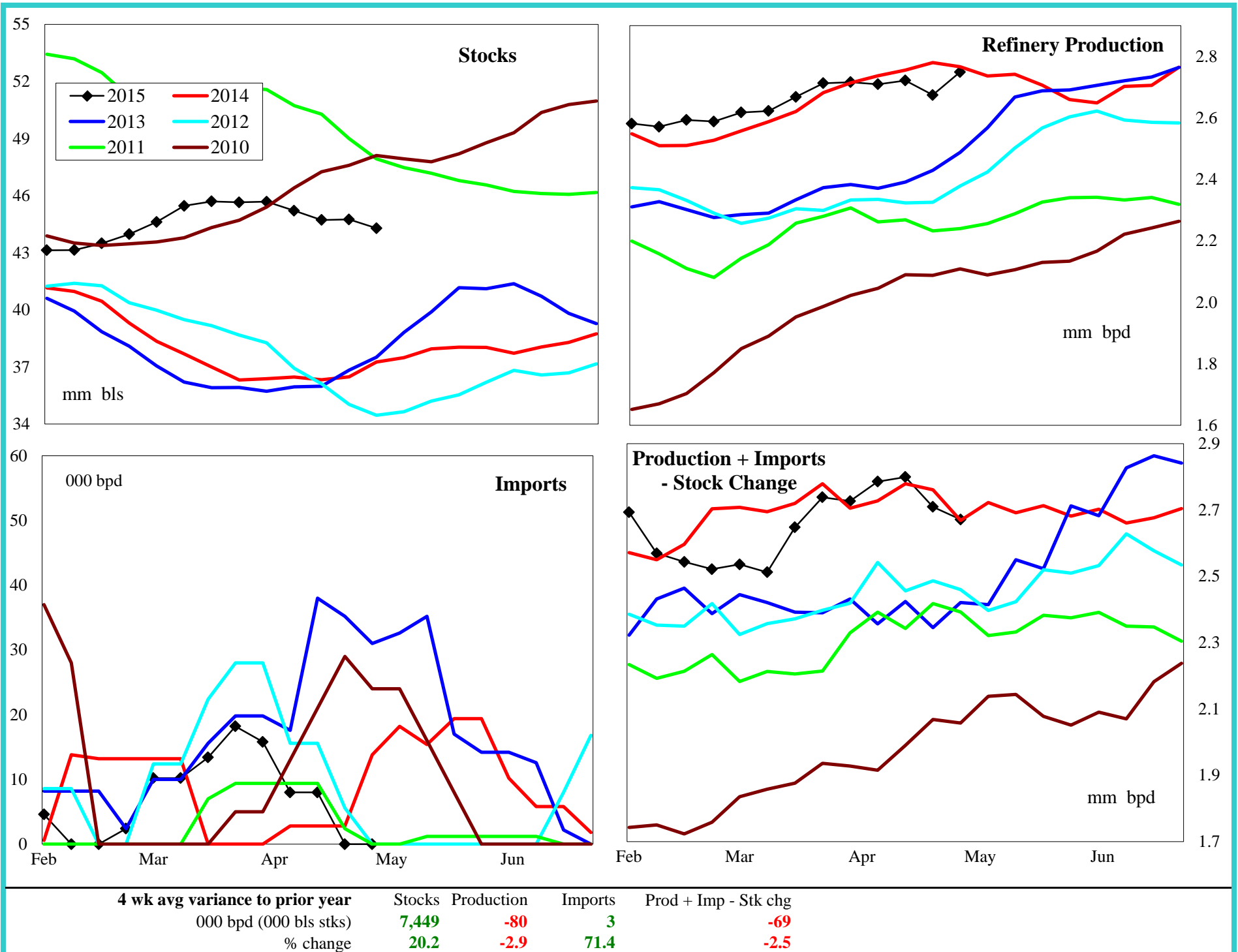
-100.0

Prod + Imp - Stk chg

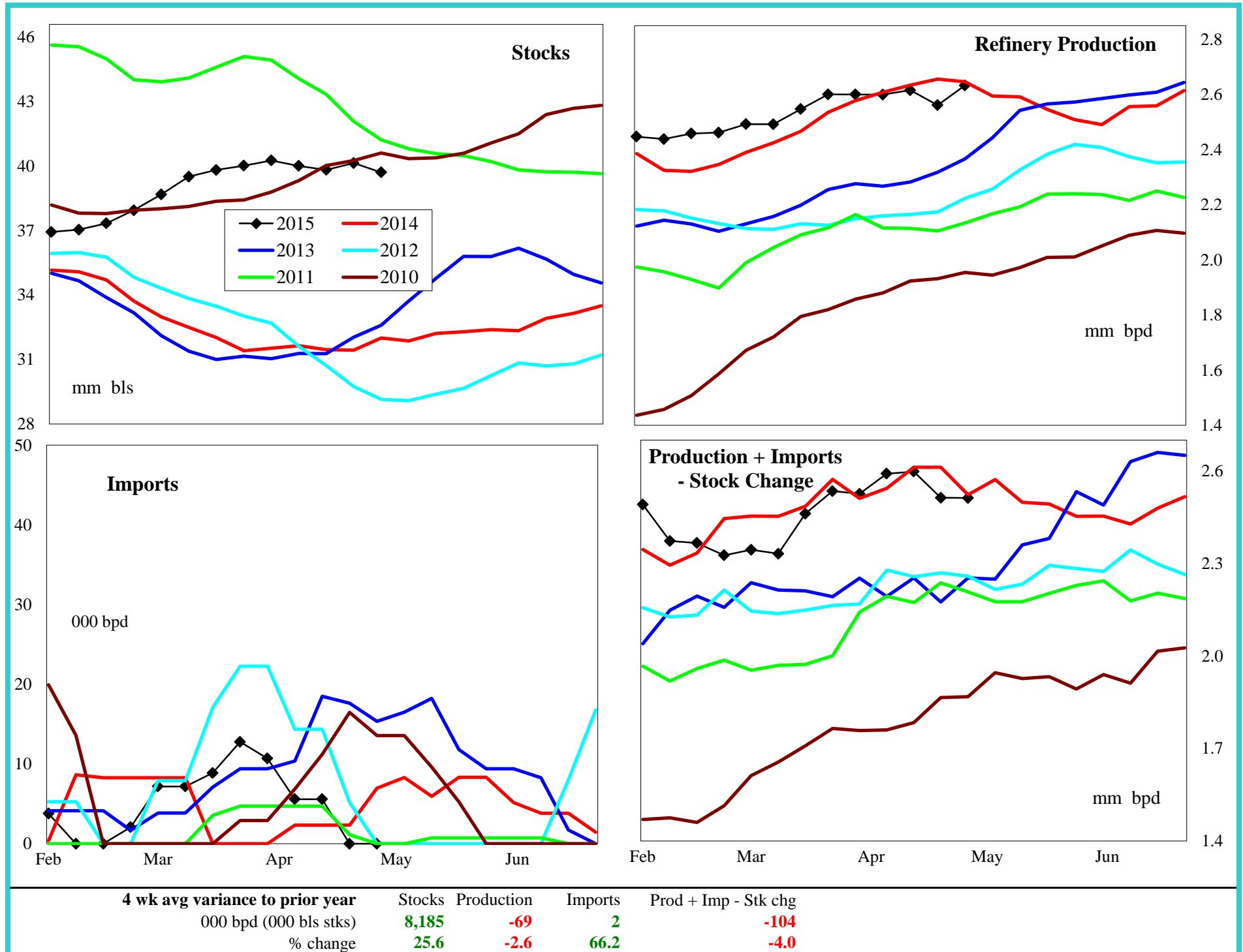
48

2.6

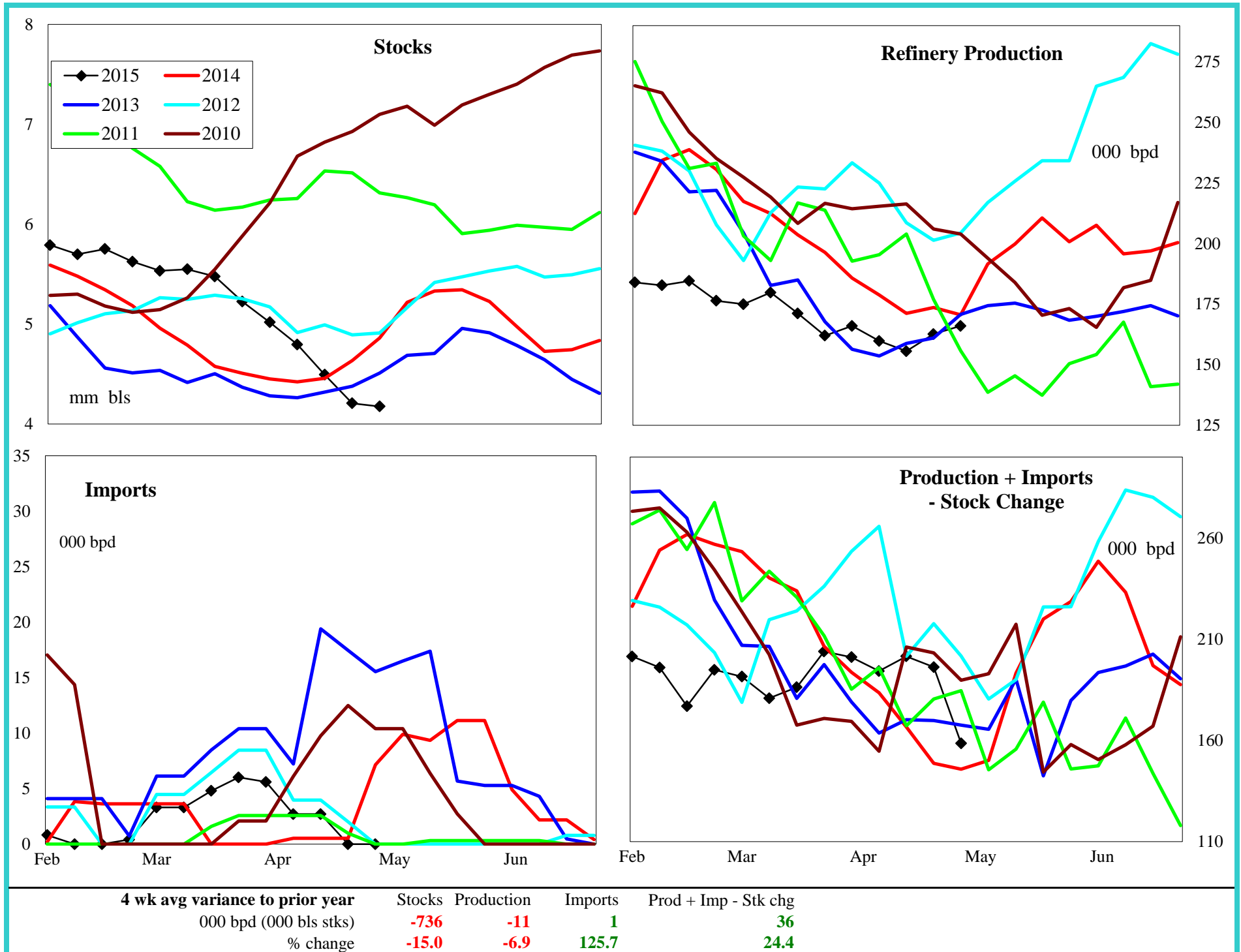
PADD 3 Distillate Supply



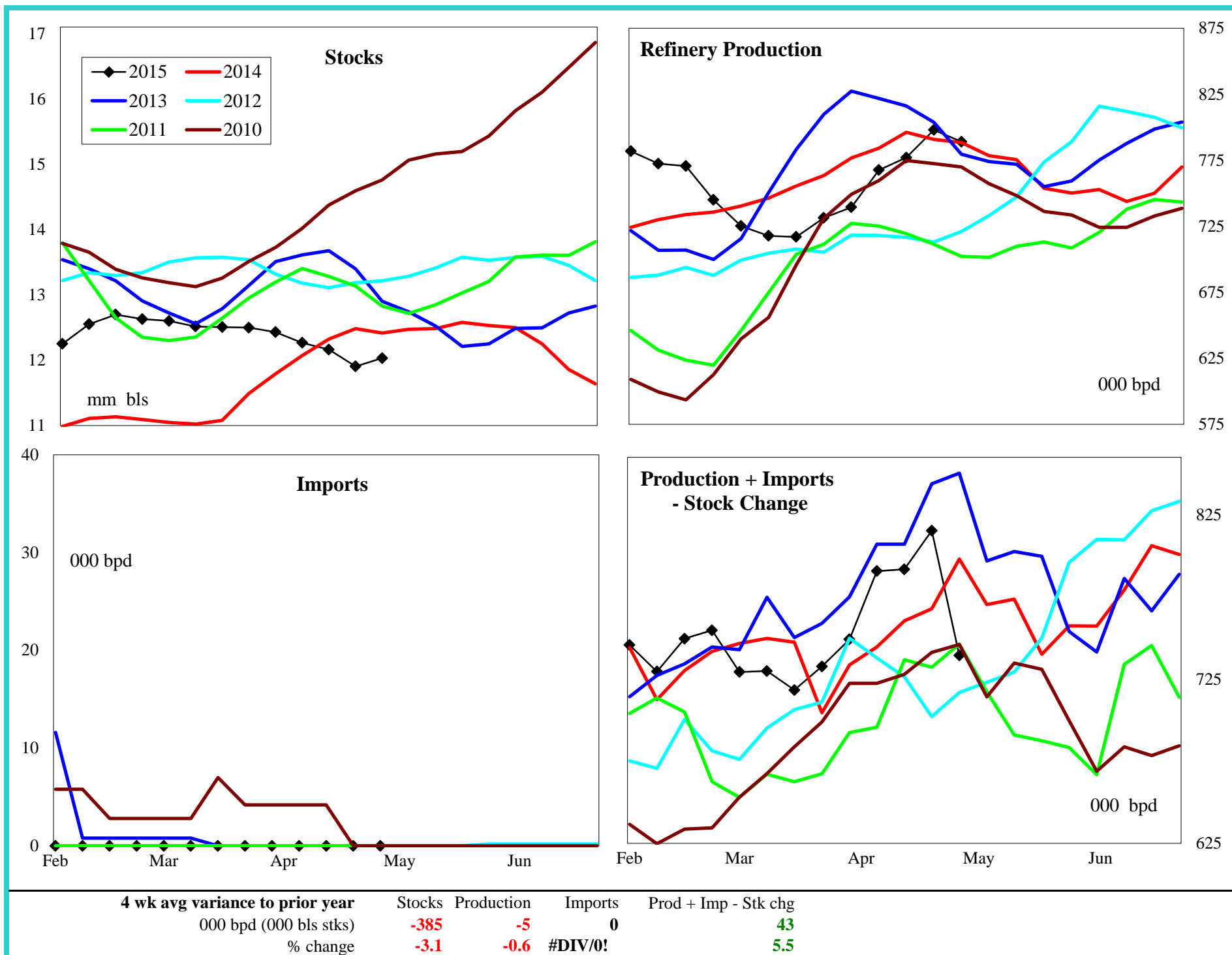
PADD 3 Low Sulfur Distillate Supply



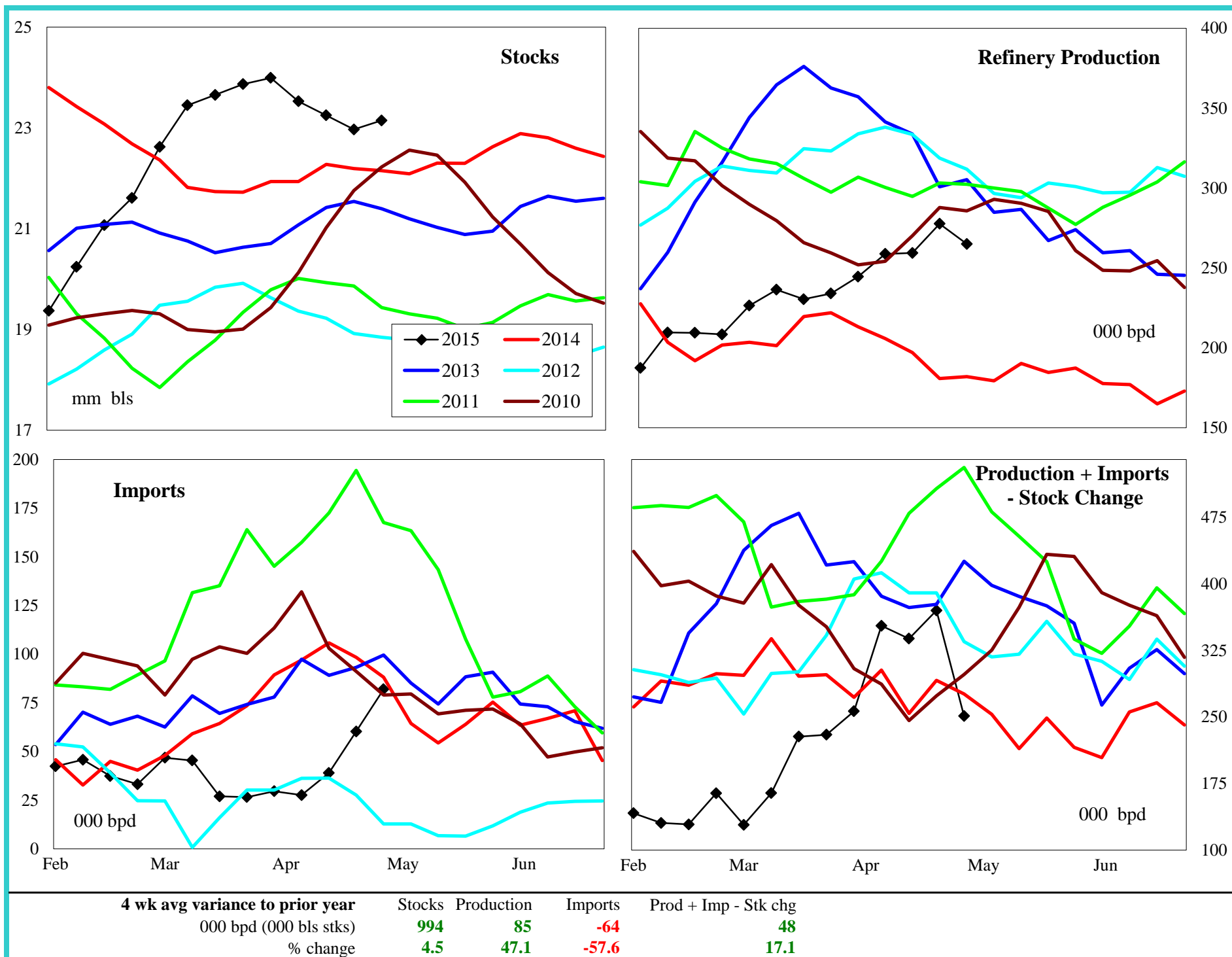
PADD 3 High Sulfur Distillate Supply



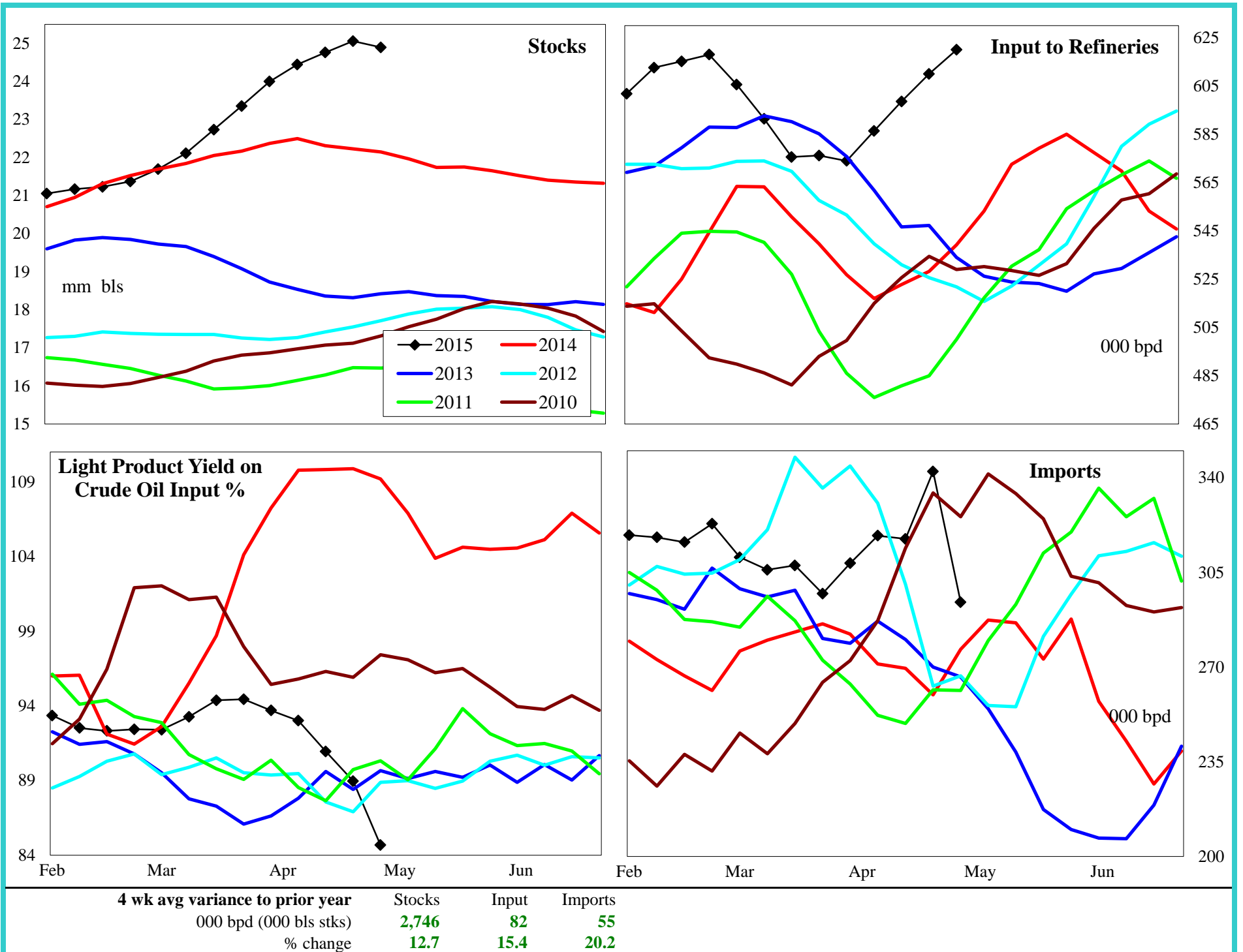
PADD 3 Jet Fuel Supply



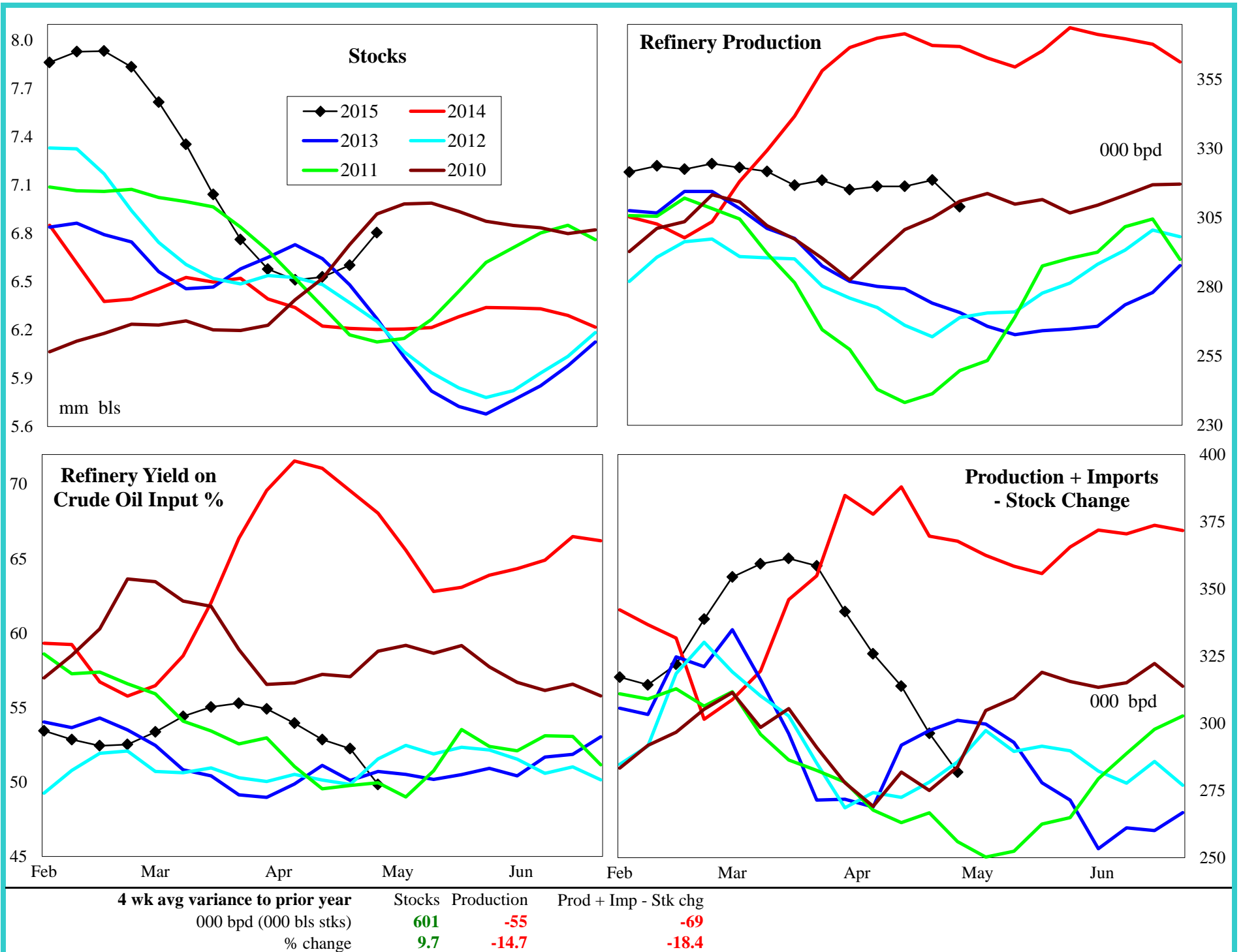
PADD 3 Residual Fuel Oil Supply



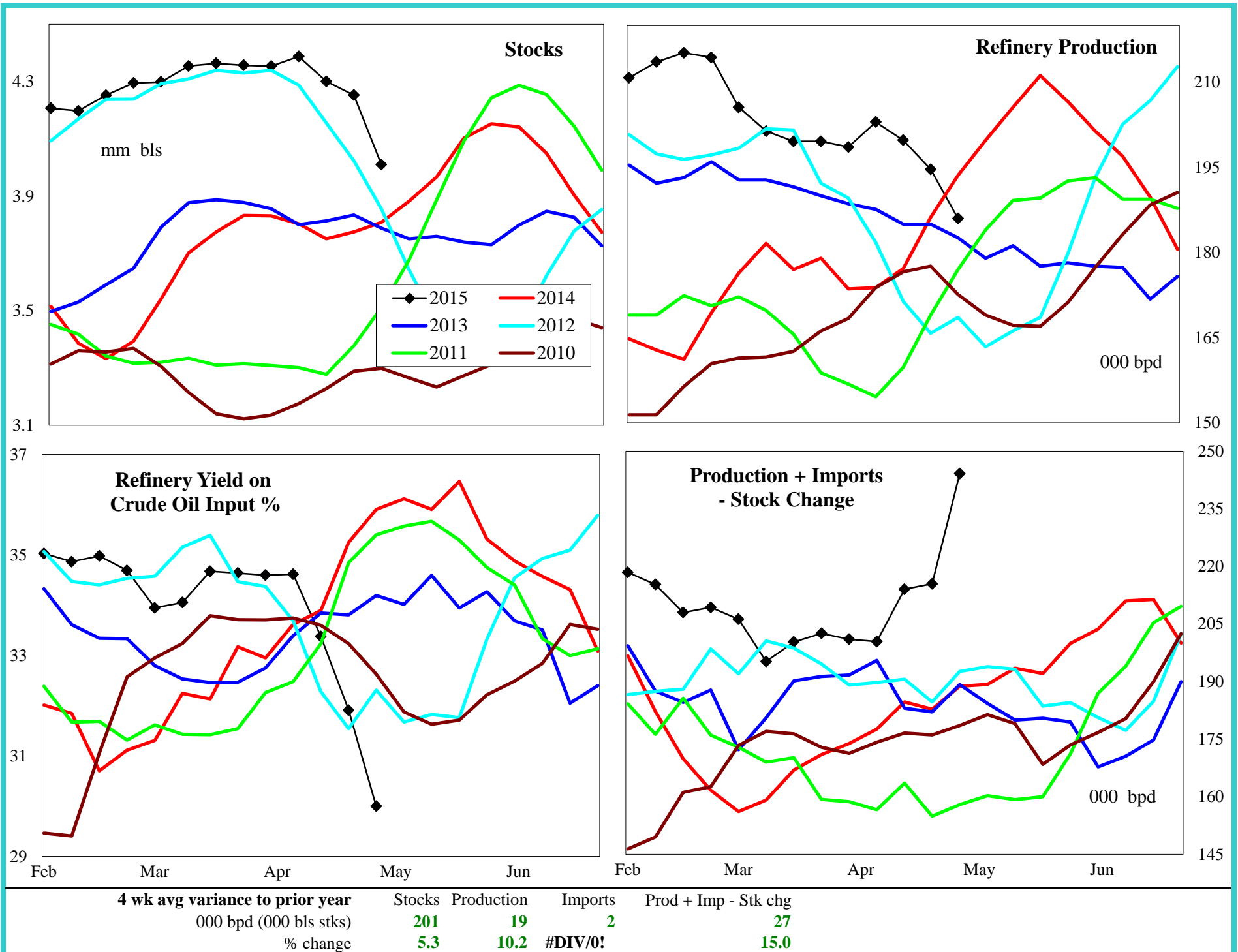
PADD 4 Crude Oil Supply and Refining



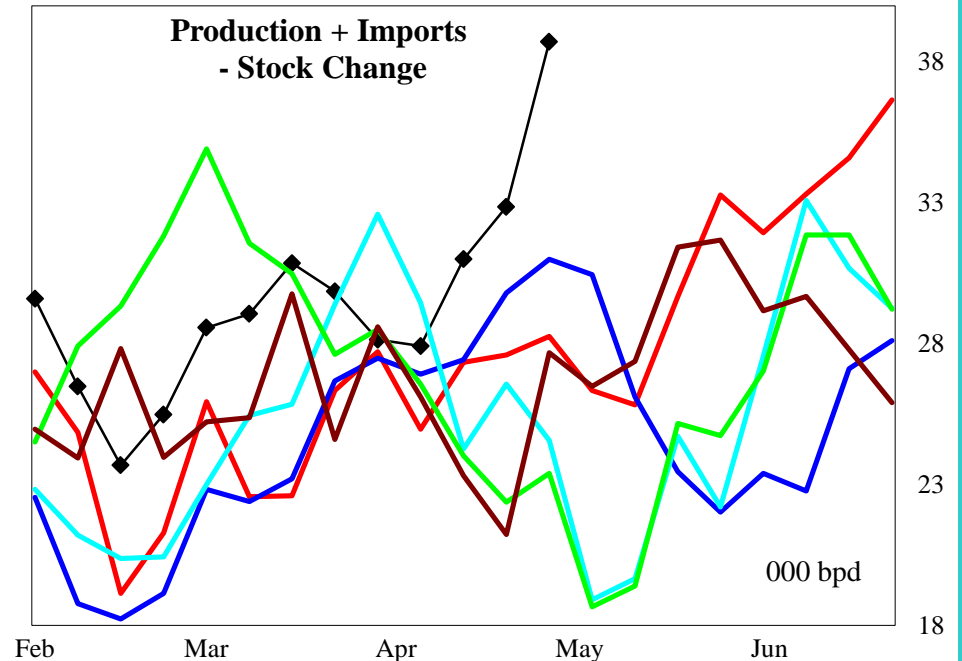
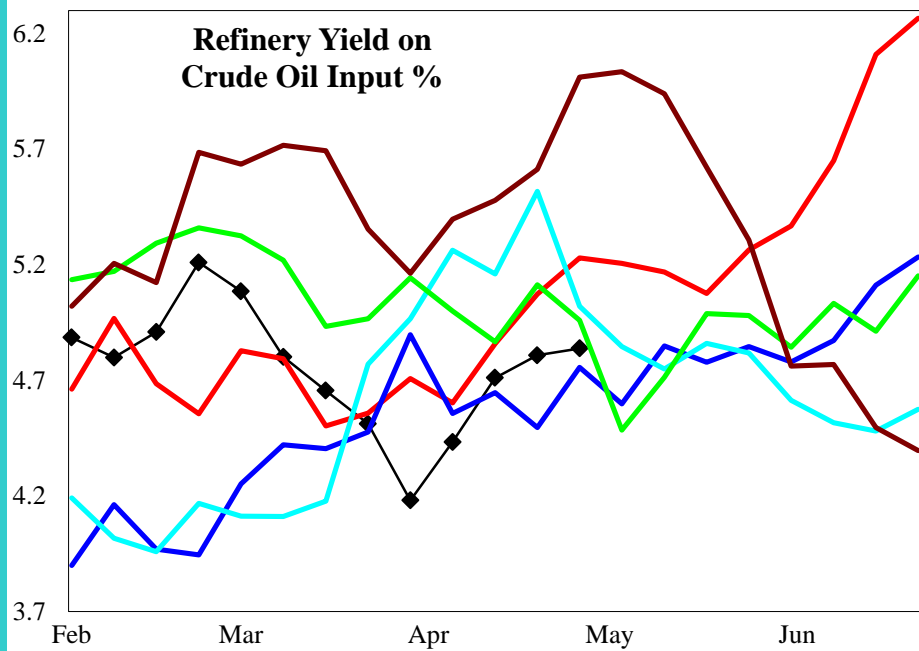
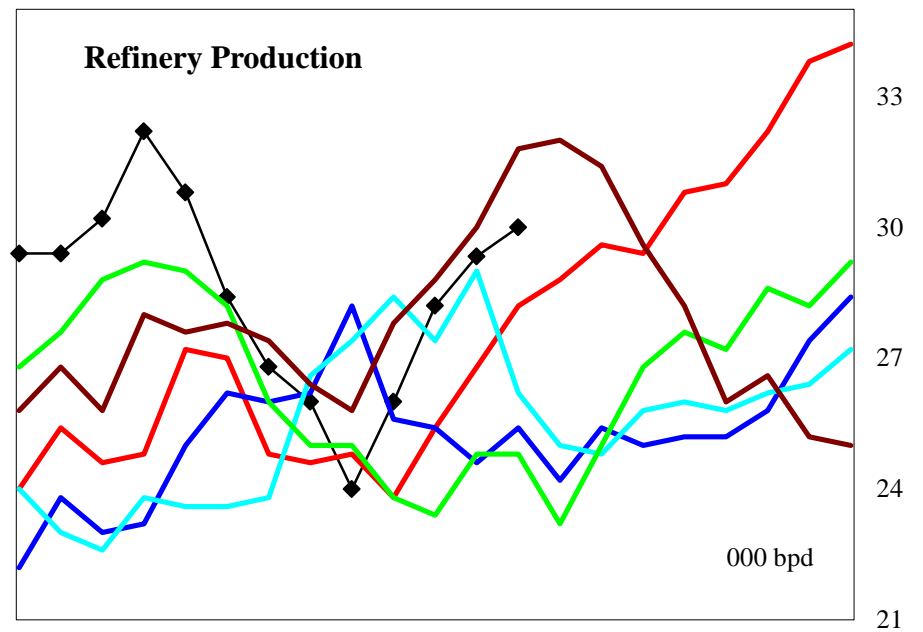
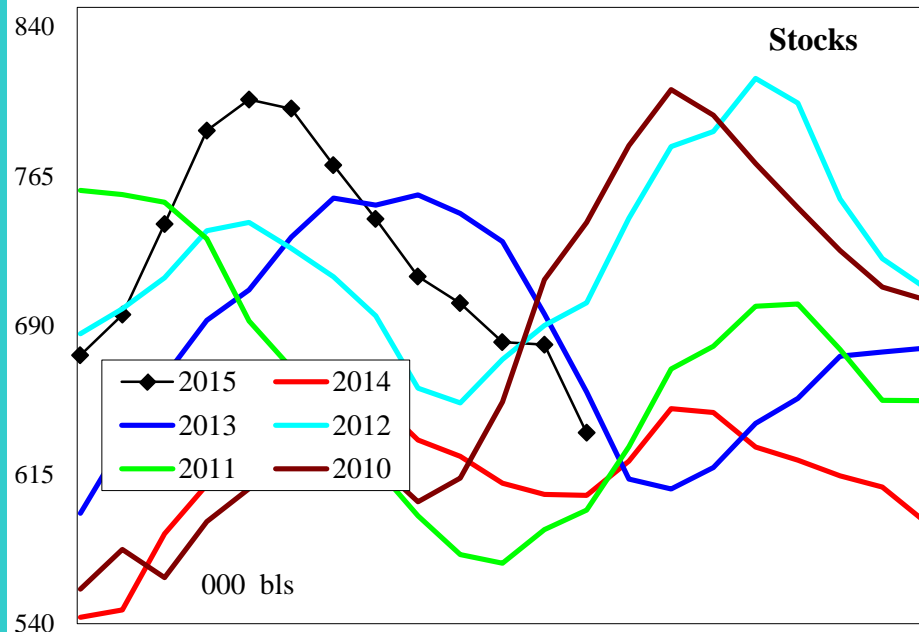
PADD 4 Gasoline Supply



PADD 4 Distillate Supply



PADD 4 Jet Fuel Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

31

5.2

Production

3

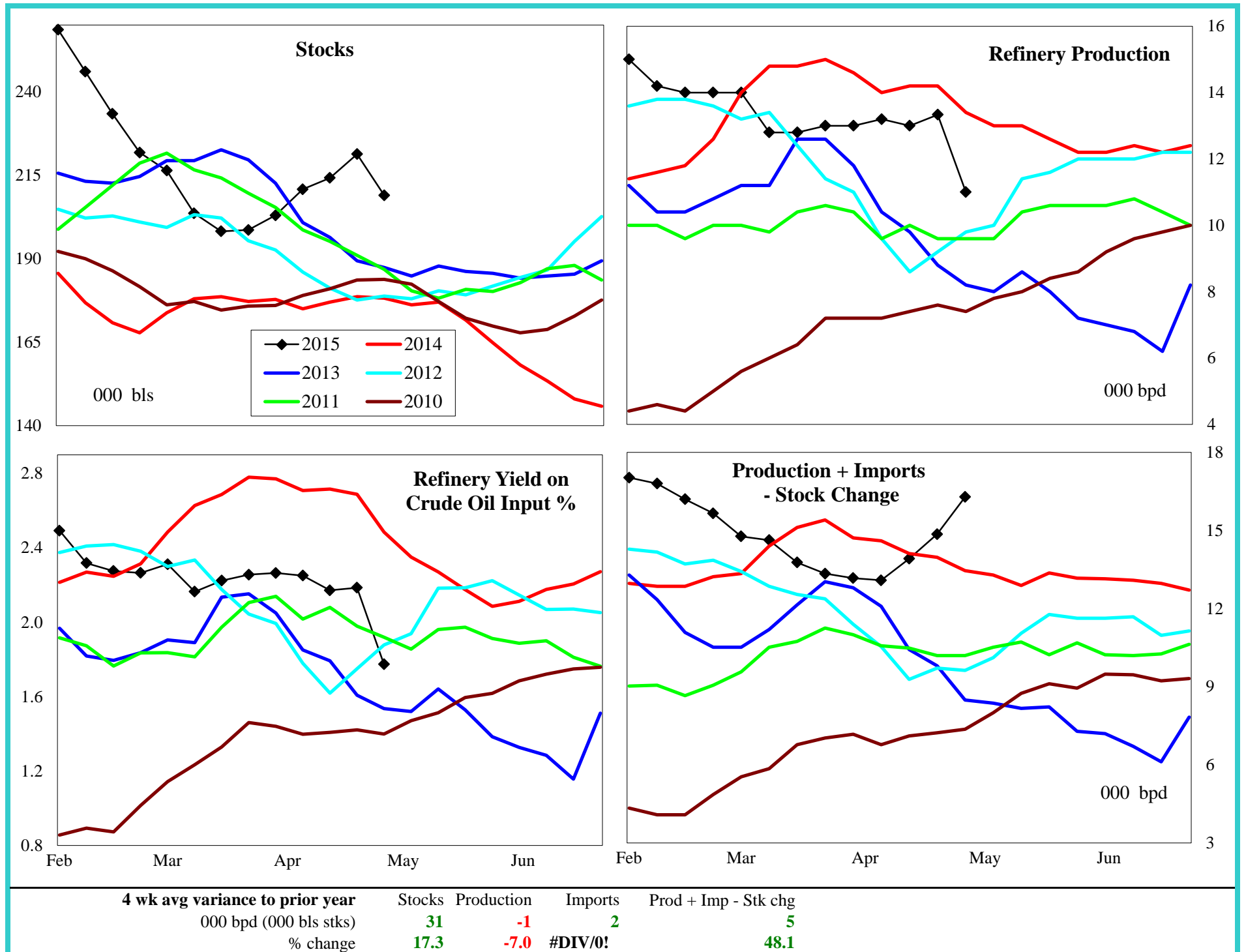
9.4

Prod + Imp - Stk chg

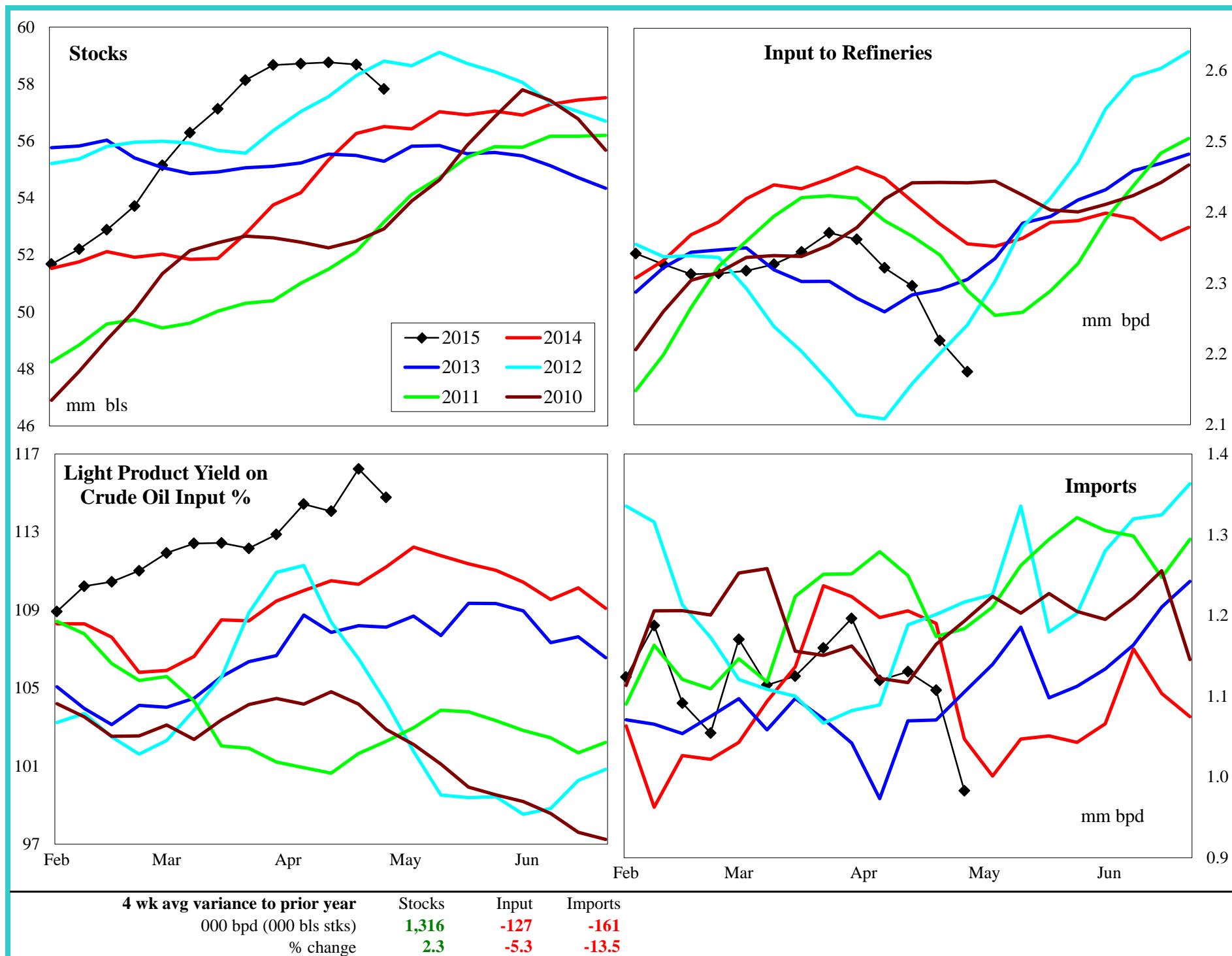
1

4.4

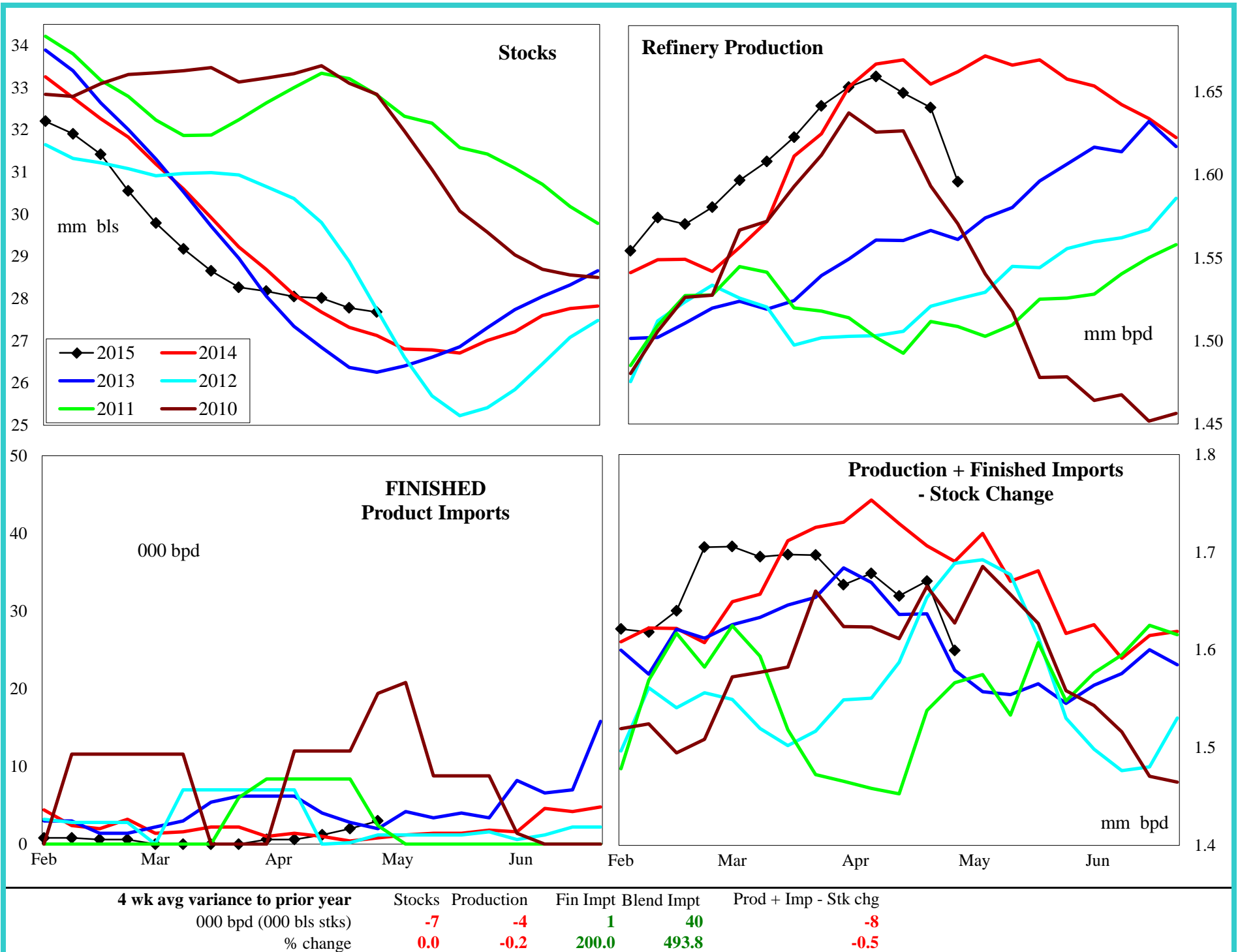
PADD 4 Residual Fuel Oil Supply



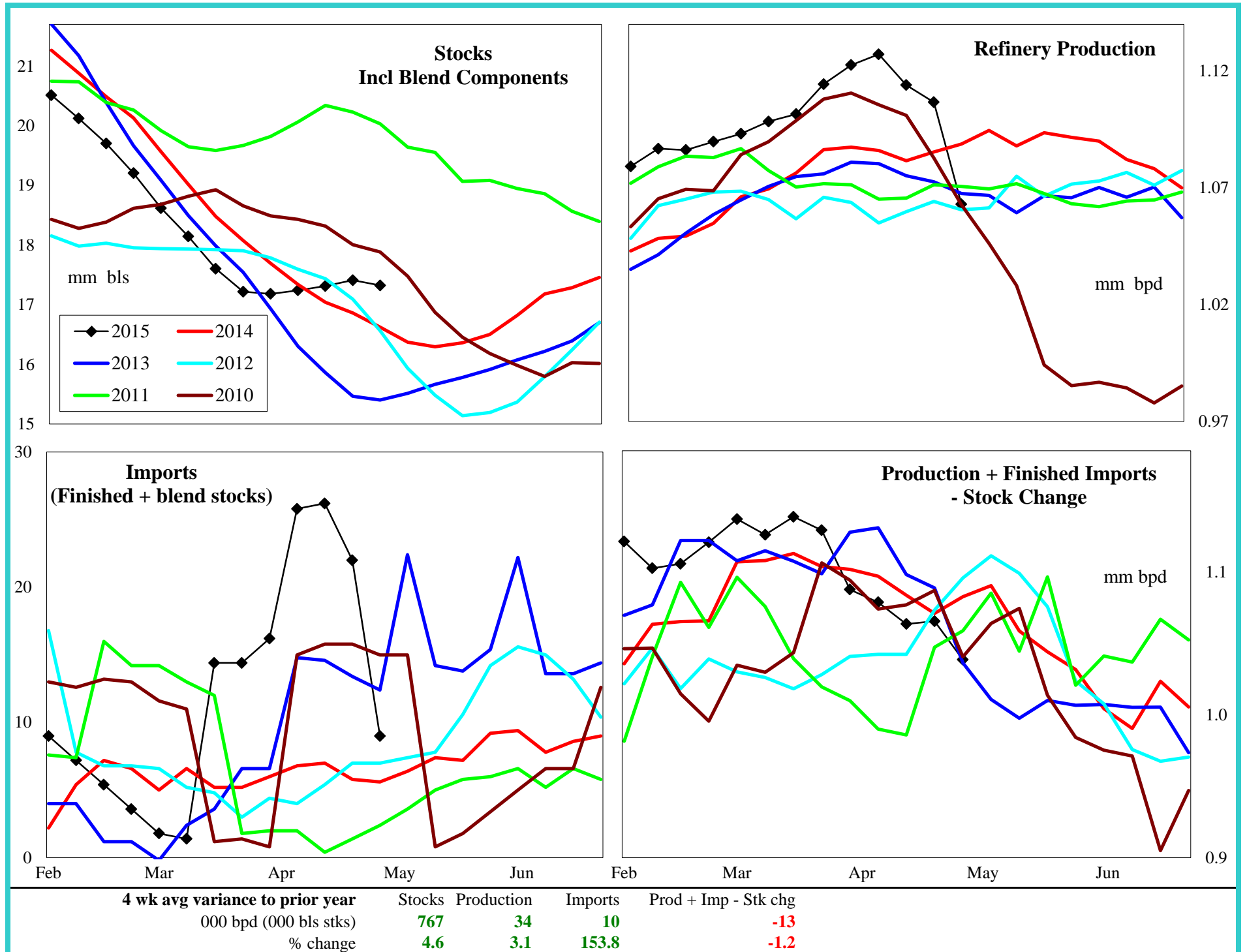
PADD 5 Crude Oil Supply and Refining



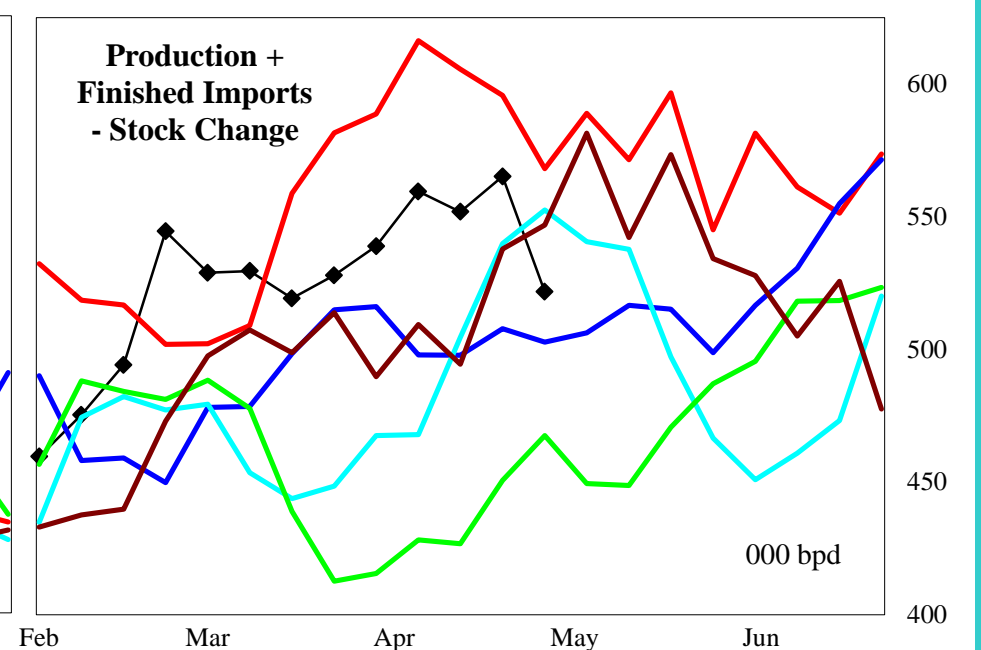
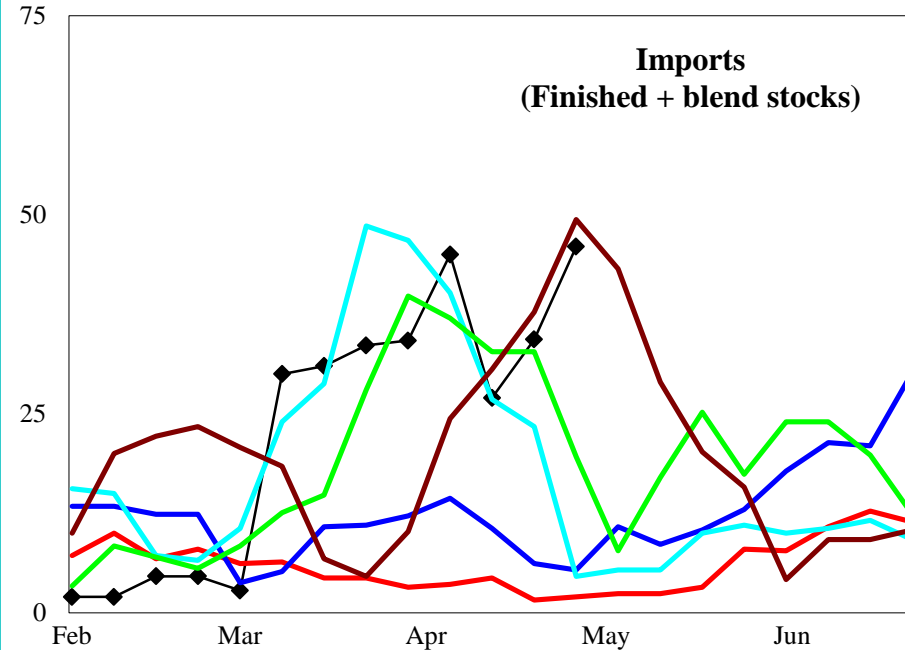
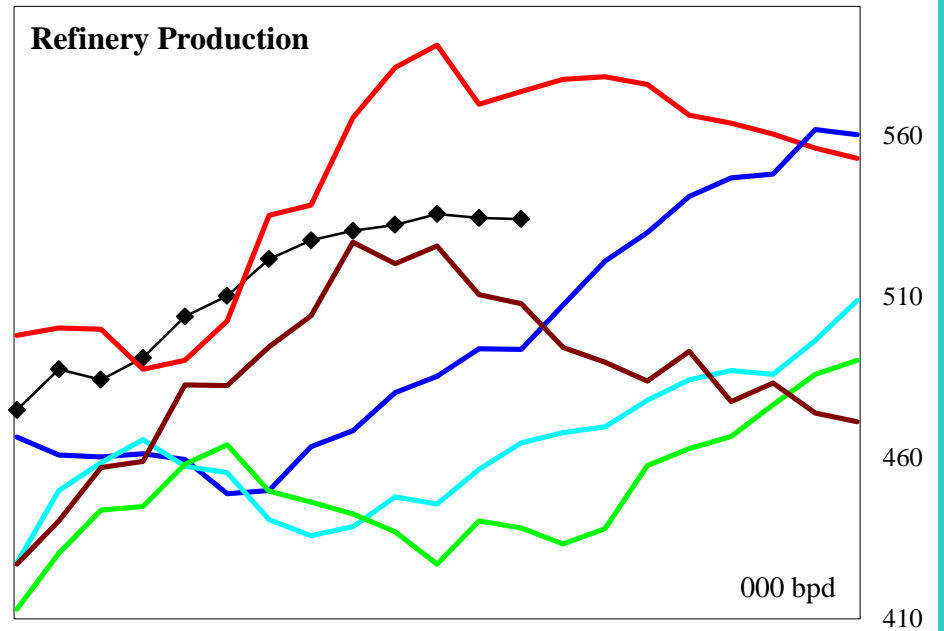
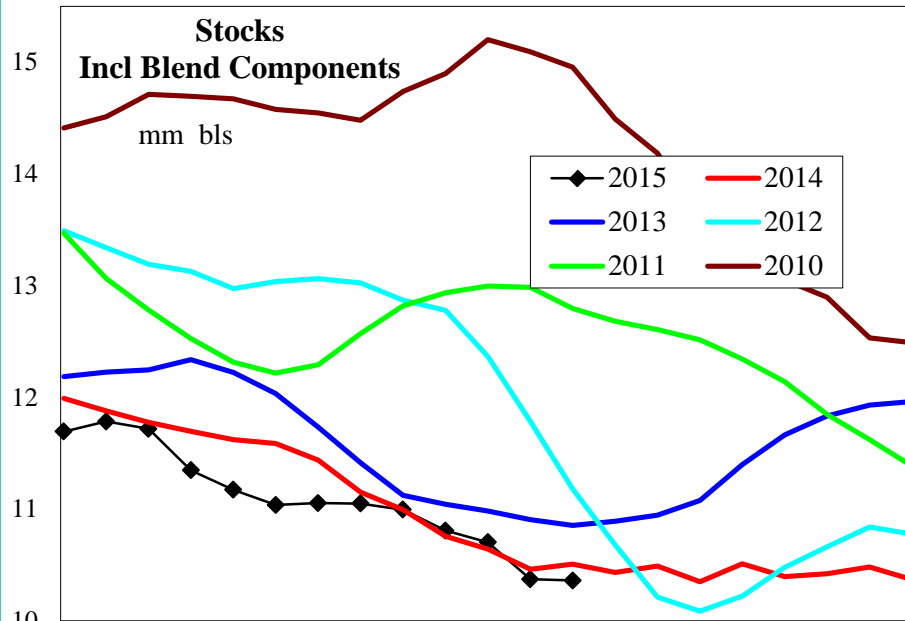
PADD 5 Gasoline Supply



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

-774

-37

31

5

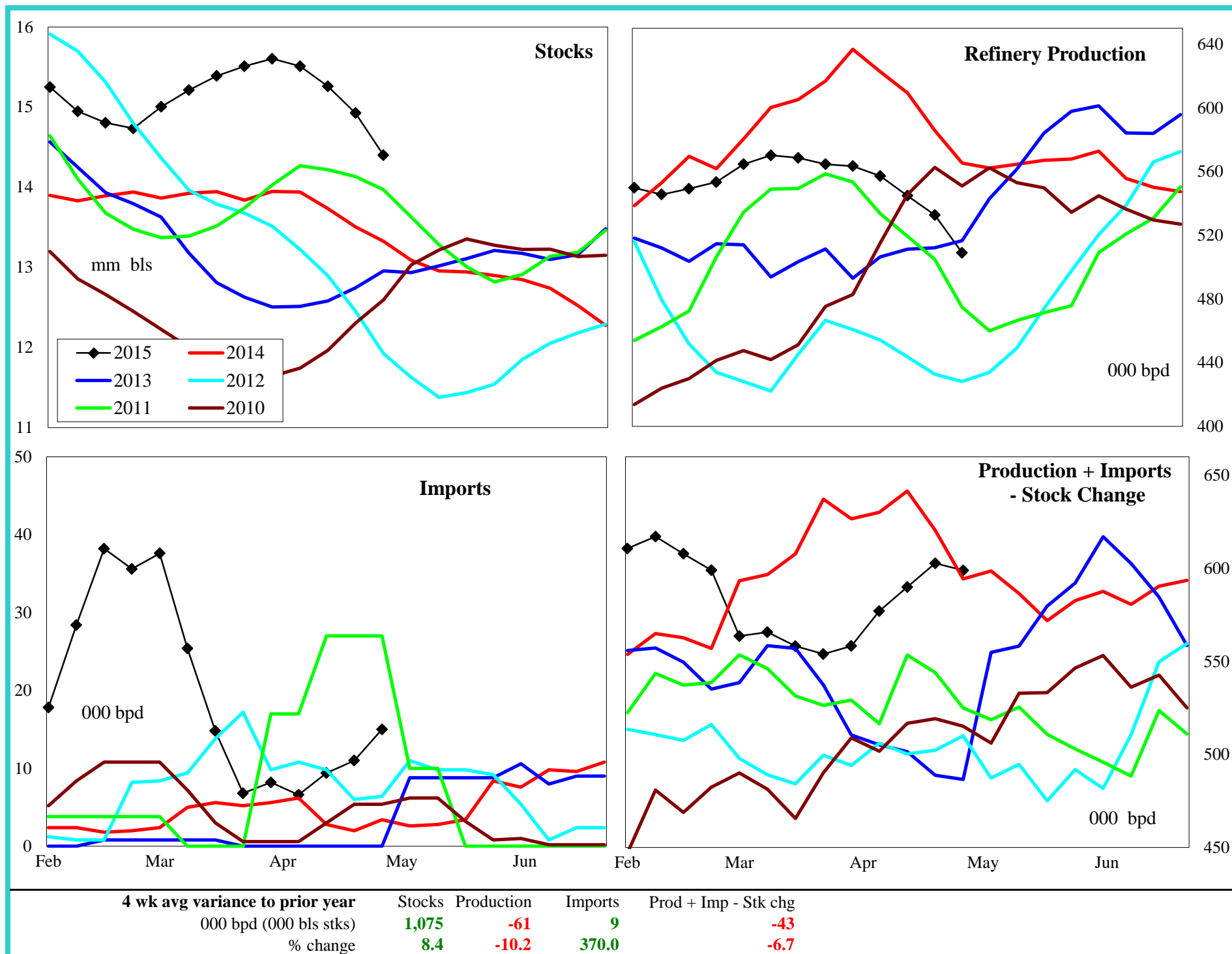
-7.0

-6.5

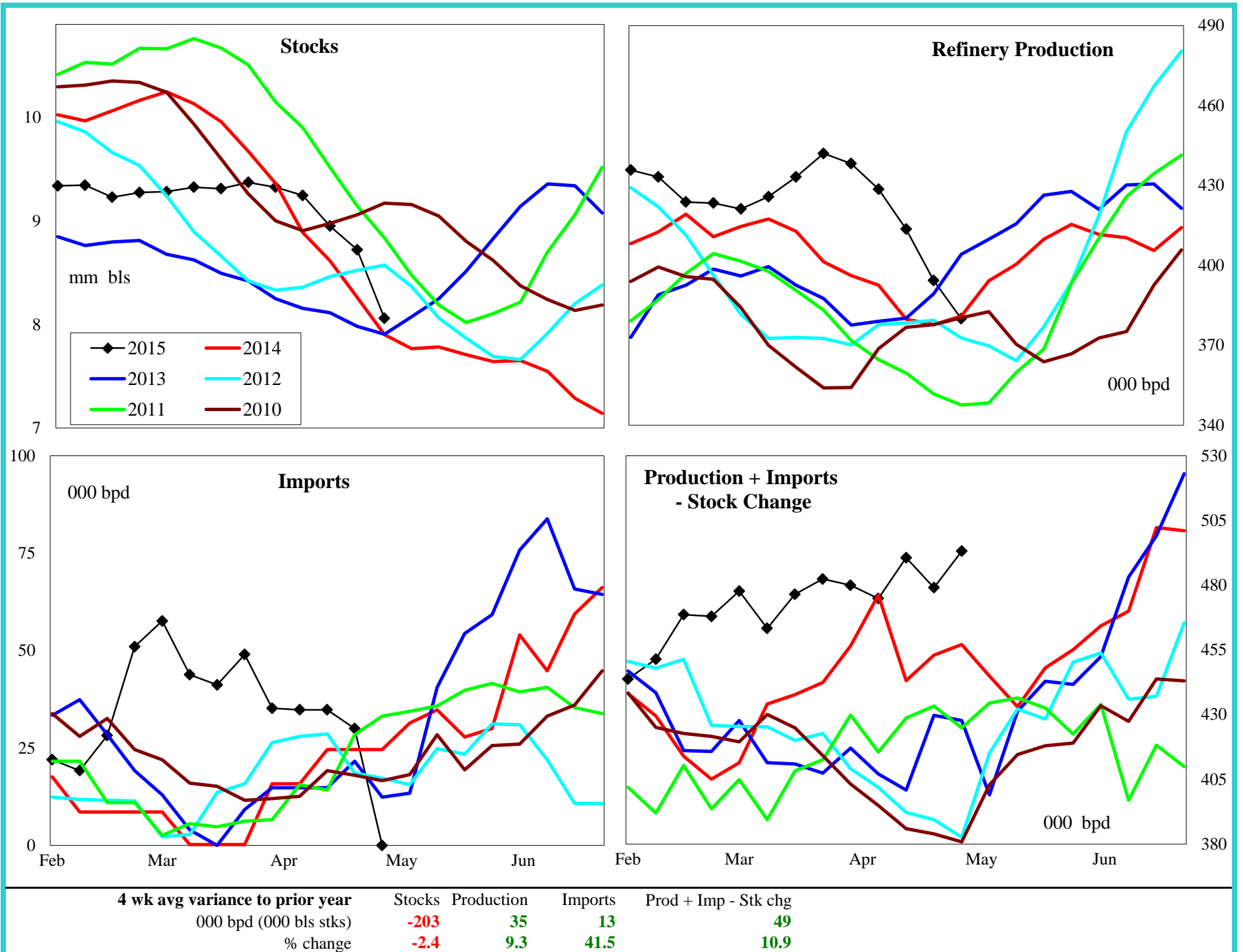
1,525.0

0.8

PADD 5 Distillate Supply



PADD 5 Jet Fuel Supply



PADD 5 Residual Fuel Oil Supply

