



WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

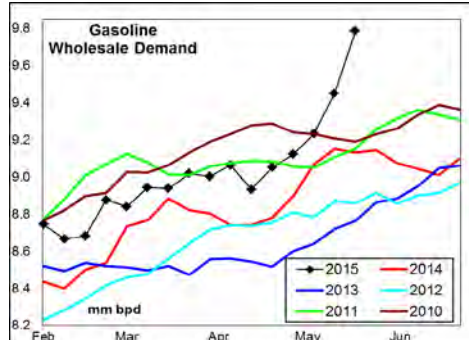
A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Thursday, May 28, 2015

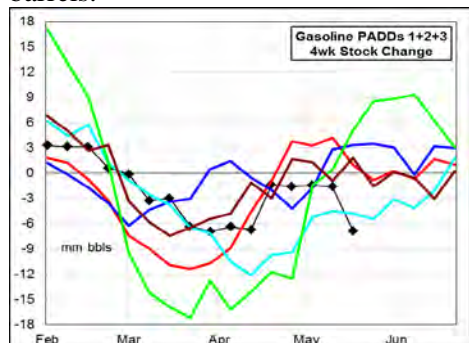


Major Fundamental Trends¹

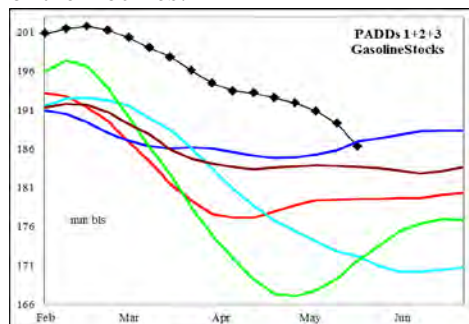
Gasoline wholesale demand jumped +0.5 million bpd last week in the run up to Memorial weekend, lifting the latest 4-wk year-on-year increase to +1.6%..



Gasoline stocks fell -3.3 million barrels on the week, contributing to a record 4-wk stock draw of -6.8 million barrels.

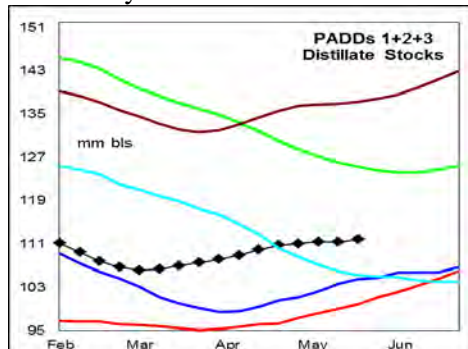


Gasoline stocks have declined sharply in the Midwest and East Coast regions, leading to the record 4-wk draw East of the Rockies.



Distillate stocks East of the Rockies saw a 4-wk build of +1.4 million barrels, compared to a +4 million barrel average for the last 2-yrs.

However the stock level East of the Rockies ended the week +13 million barrels above last year and well above the last 3-yrs.



Crude oil imports fell -0.5 million bpd last week while runs increased +237,000 bpd, leading to a -2.8 million barrel stock draw.

Wholesale Demand for gasoline spiked in the run up to Memorial weekend, while middle distillates fell a combined -0.4 million bpd for the week.

Wholesale demand, measured over the last four weeks compared to a year ago: gasoline increased +1.6%, distillate decreased -0.4%, jet fuel was +5% higher, while residual fuel decreased -26%.

Stocks forward coverage: Gasoline demand coverage fell on a -3.3 million barrel stock draw, and record wholesale demand. Coverage ended the week at a level above the 3-yr mid range.

Distillate demand coverage increased on a +1.1 million barrel stock build and lower wholesale demand. Coverage ended the week at a level that matched 3-yr highs for the period.

Jet fuel coverage jumped on a +1.3 million barrel stock build and lower wholesale demand, although the level remains below the 5-yr range.

Residual fuel oil coverage matched historic highs for this time of year.

Refinery utilization rates increased on a +237,000 bpd rise in crude oil runs last week. During the latest 4-wk period crude oil input was +402,000 bpd above last year.

Gasoline yield % on crude oil runs

increased last week on a +0.5 million bpd increase in output compared to the +237,000 rise in crude oil runs. Gasoline yield % on crude oil runs ended the week above the last 3-yrs.

Distillate yield % on crude oil runs decreased on a +47,000 bpd increase in output compared to the large rise in crude oil runs. The yield % on crude oil runs was below the last 3-yrs.

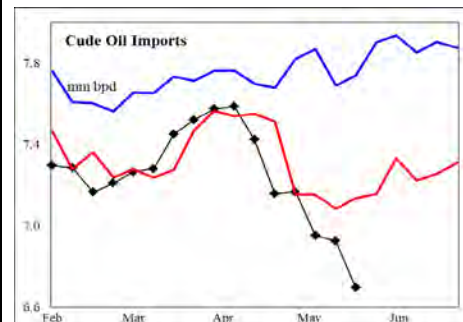
Jet fuel yield % on crude oil runs decreased last week on a +16,000 bpd rise in output compared the larger increase in crude oil runs.

Petroleum Imports/Exports: Gasoline imports increased +233,000 bpd last week, while crude oil fell -0.5 million bpd.

During the latest 4-wk period crude oil imports decreased -243,000 bpd compared to a year ago; distillate imports were +84,000 bpd higher; finished gasoline imports were -12,000 bpd lower; gasoline blend stock imports were -104,000 bpd lower, jet fuel imports increased +56,000 bpd, while residual fuel imports were +2,000 bpd higher.

Exports of distillate for the week ending 22May15 were +81,000 bpd ending 22May15 were +81,000 bpd above a year ago, gasoline +36,000 bpd higher, jet fuel +37,000 bpd higher and residual fuel oil was -9,000 bpd lower.

Crude Oil stocks fell -2.8 million barrels on the week, including a -2.6 million barrel decline in the combined East and West Coast Regions. Stocks saw a -0.4 million barrel draw in Cushing. Extremely low imports contributed to the -1 million barrel draw in the Gulf.



¹ Source is latest EIA Weekly Statistics



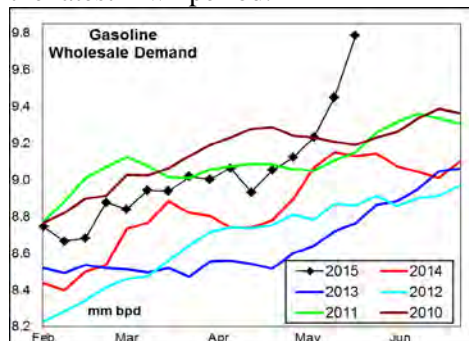
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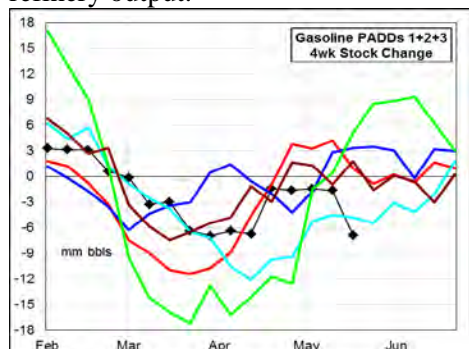
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Product Supply-Demand Trends

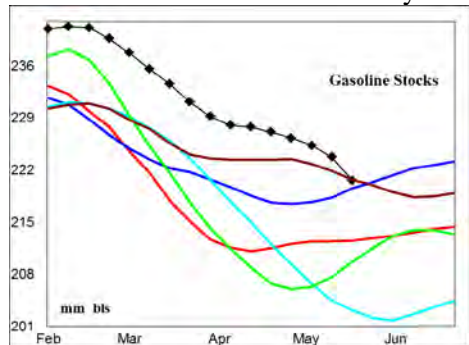
Gasoline wholesale demand jumped +0.5 million bpd last week, to a record high level in the run up to the Memorial holiday. Wholesale demand was +147,000 bpd above last year for the latest 4-wk period.



Supply jumped +0.75 million bpd last week on higher production. Supply for the latest 4-wk period exceeded a year ago by +0.23 million bpd on higher refinery output.



The latest 4-wk stock change East of the Rockies was a -6.9 million barrel draw, compared to a +1.5 million barrel build for each of the last 2-ys.

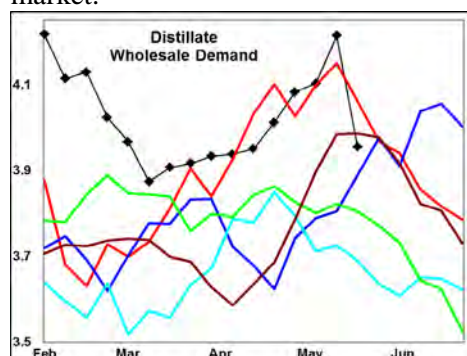


Very robust demand and earlier unplanned refinery maintenance has led to a record rate of stock draws during the latest 4-wk period. Look for the return to operation of refinery units to lead to modest stock builds during

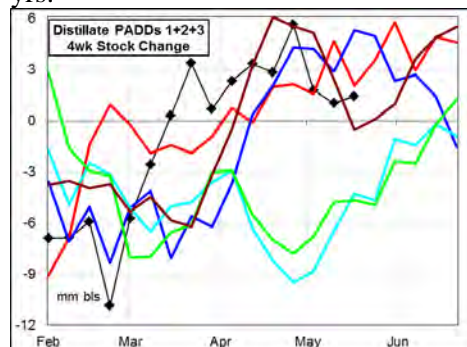
the next 60-days.

Distillate wholesale demand fell -0.2 million bpd last week, to a level near the 3-yr mid-range. The latest 4-wk average wholesale demand was -17,000 bpd below last year.

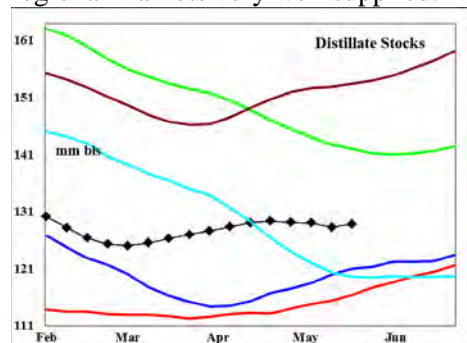
Supply increased +68,000 bpd on higher imports and production. Stocks increased +1.1 million barrels on the week, with builds in each coastal market.



Combined markets East of the Rockies have saw a +1.4 million barrel build for the latest 4-wk period, less than the +4 million barrel average of the last 2-ys.



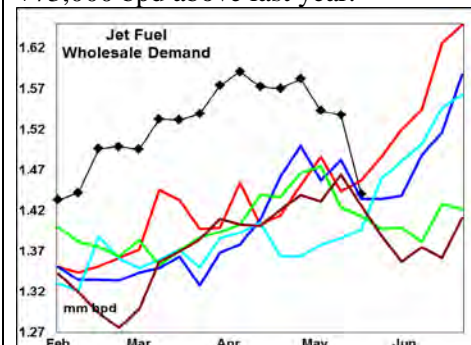
Stock levels ended the week well above each of the last 3-ys, with all regional markets very well supplied.



Production has dropped -94,000 bpd below last year for the latest 4-wk period; offset by a similar

increase in imports which are concentrated in East and West Coast regions. Cash basis has recently pulled back in West Coast and Midwest markets; the former due to high imports and the latter due to very wet weather.

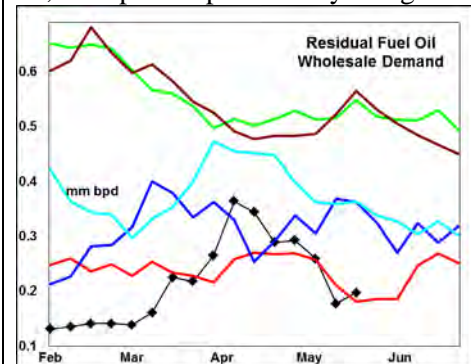
Jet Fuel wholesale demand fell -222,000 bpd on the week, ending at a level comparable to the last 3-ys. The latest 4-wk average demand was +73,000 bpd above last year.



Supply decreased -57,000 bpd on lower imports, with the 4-wk average +155,000 bpd above a year ago. Stocks jumped +1.3 million barrels on the week, to a level only slightly below the last 3-ys.

Extremely high production and imports are leading to a modest counter seasonal stock build.

Residual fuel oil demand increased +54,000 bpd last week. Demand for the latest 4-wk period decreased -59,000 bpd compared to a year ago.



Supply (production + imports) fell -92,000 bpd on the week, due to lower production and imports. Stocks were nearly unchanged last week, with the Gulf region at record levels.



WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

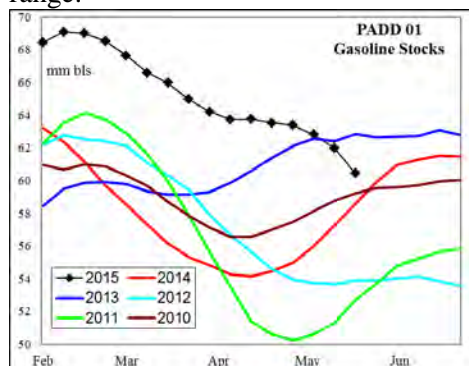
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PADD Supply Trends

PADD 1 refinery crude oil runs increased +3,000 bpd on the week to a level near 5-yr highs for the period. The latest 4-wk average thru put was +48,000 bpd above last year.

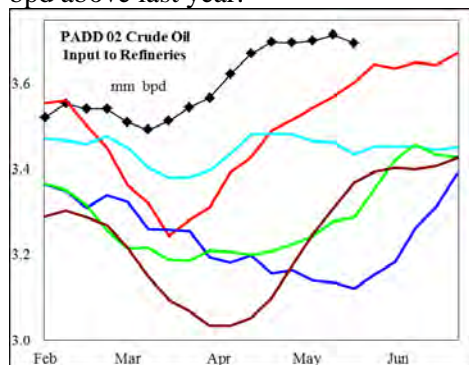
Gasoline supply increased +206,000 bpd on the week, with the 4-wk average nearly unchanged from last year. Stocks fell -1.8 million barrels last week, to a level near the 3-yr mid range.



Distillate supply increased +57,000 bpd last week on higher imports, with the 4-wk average +27,000 bpd above last year. Stocks increased +0.2 million barrels, to a level near 3-yr highs for the period.

Jet fuel supply was unchanged on the week, while stocks increased +1 million barrels to the highest level of the last 6-months.

PADD 2 crude oil refinery runs decreased -14,000 bpd on the week. The latest 4-wk average was +164,000 bpd above last year.



Crude oil stocks increased +0.7 million barrels last week, driven by increased imports. Cushing saw a -0.4 million barrel draw for the week.

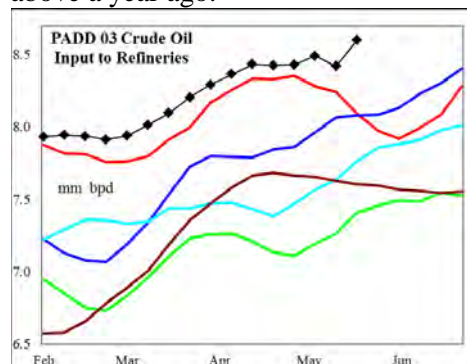
Gasoline supply decreased -44,000

bpd on the week. Production for the most recent 4-wk period was -255,000 bpd below a year ago. Stocks fell -1.9 million barrels on the week, to a level just above the last 3-yrs.

Distillate supply decreased -86,000 bpd on the week, to a level below a year ago. The latest 4-wk average production was -6,000 bpd below last year, the first year-on-year decrease of 2015. Stocks decreased -0.3 million barrels on the week, although the level remains +3.4 million barrels above the prior 5-yr high for the period.

Jet fuel supply increased +18,000 bpd last week, with the 4-wk average +48,000 bpd above a year ago.

PADD 3 refinery runs increased +210,000 bpd last week, to a level above the 5-yr range. During the latest 4-wk period, runs were +222,000 above a year ago.



Crude oil imports declined -0.4 million bpd on the week, with the 4-wk average -258,000 bpd below last year.

Crude oil stocks declined -1 million barrels, to a level +31 million barrels (+15%) above the prior high for the period.

Gasoline supply increased +127,000 bpd last week, with the latest 4-wk average -12,000 bpd below a year ago. Stocks increased +0.2 million barrels on the week, with the level above the 5-yr range.

Distillate supply increased +116,000 bpd on the week, with the latest 4-wk average supply -36,000 bpd below a year ago. Stocks increased +0.8 million barrels last week, to a level that matched 3-y highs.

Jet fuel production increased

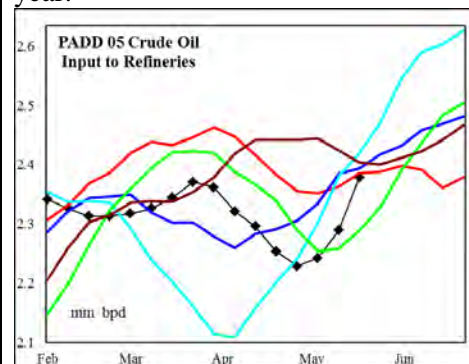
+17,000 bpd on the week, to a level above the 5-yr range. Stock levels ended the week above the 3-yr mid range.

PADD 4 refinery crude runs declined -26,000 bpd last week, with the level still above the historic range. The latest 4-wk average was +46,000 bpd above a year ago (+8%).

Gasoline supply increased +13,000 bpd last week, with stock levels equal to historic highs for the period.

Distillate supply decreased -3,000 bpd last week, with the latest 4-wk average production -8,000 below last year. Stock levels were at the upper end of the historic range.


PADD 5 crude oil refinery runs increased +66,000 bpd on the week at a level below the last 3-yrs. The 4-wk run rate was -78,000 bpd below last year.



Gasoline supply increased +11,000 bpd on the week, driven by higher imports; with the latest 4-wk average -55,000 bpd below last year. Production remains below last year's record high. Stocks were unchanged on the week, at a level above the last 3-yrs for the period.

Distillate supply decreased -17,000 bpd on the week, due to lower imports. The 4-wk average supply was +12,000 bpd above a year ago, driven by higher crude oil runs. Stocks increased +0.4 million barrels on the week, to a level above the historic range.

Jet fuel imports decreased -96,000 bpd on the week, although the level remains above the historic range. Stocks ended the week at a level below the 5-yr range.



FUNDAMENTAL

PETROLEUM TRENDS

PETROLEUM: Graph Link and Weekly Summary

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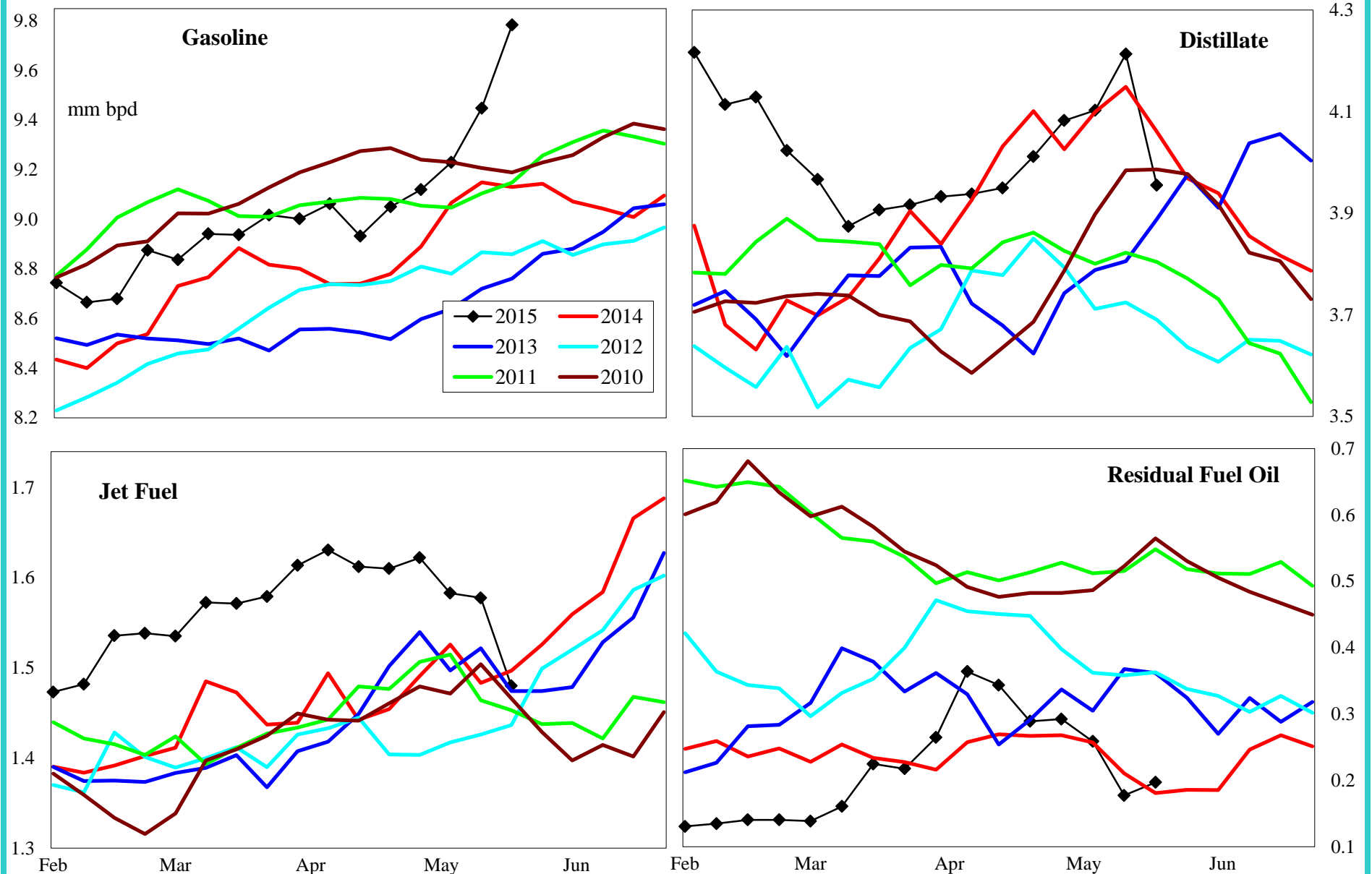
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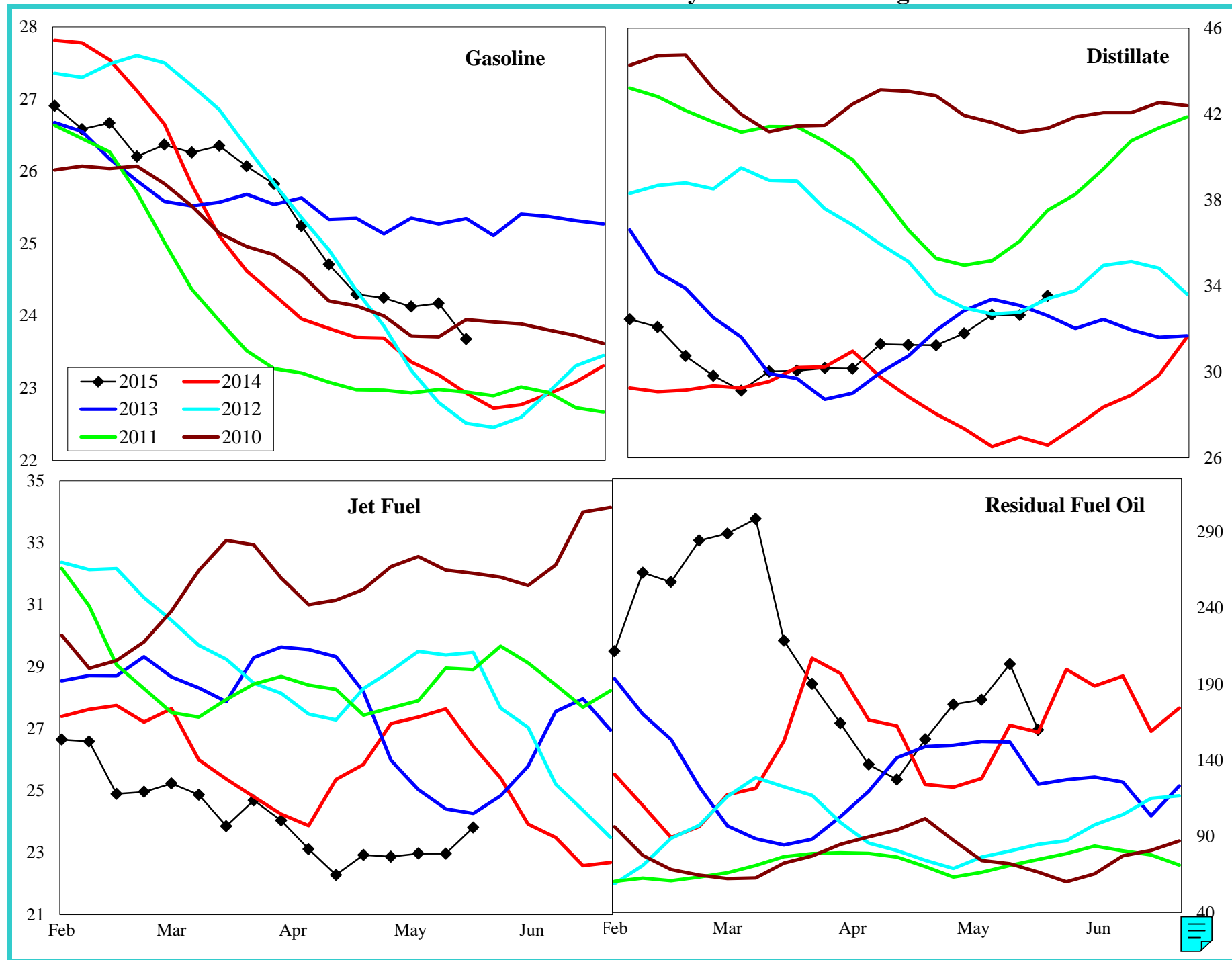
Fundamental Trends	Wholesale Demand	Stocks Days Fwd Coverage	Refinery Utilization		Product Yield %		Imports
Supply/Demand Trends	22-May-15	EIA-DOE CHANGE FROM PRIOR WEEK					
	000 bpd stocks 000 bls	U. S. Total	PADD				
			1	2	3	4	5
Crude Oil	Stocks	-2,802	-1,969	705	-1,022	150	-664
	Imports	-503	-399	102	-398	-33	225
	Input	237	3	-14	210	-26	66
	% Utilization	1.20					
Gasoline	Stocks	-3,309	-1,838	-1,851	234	125	22
	Production	513	17	-44	127	13	-32
	Imports	233	189	0	0	0	43
	Supplied	473					
Distillate	Stocks	1,115	240	-298	845	-103	430
	Production	47	6	-89	116	-3	16
	Imports	21	51	3	0	0	-33
	Supplied	-206					
Jet Fuel	Stocks	1,343	1,008	138	309	-28	-84
	Production	16	-22	18	17	2	1
	Imports	-73	23	0	0	0	-96
	Supplied	-222					
Residual Fuel Oil	Stocks	88	109	-17	-375	-27	398
	Production	-50	7	-22	-5	-3	-28
	Imports	-42	-61	-4	-18	-1	41
	Supplied	54					

United States Wholesale Petroleum Demand

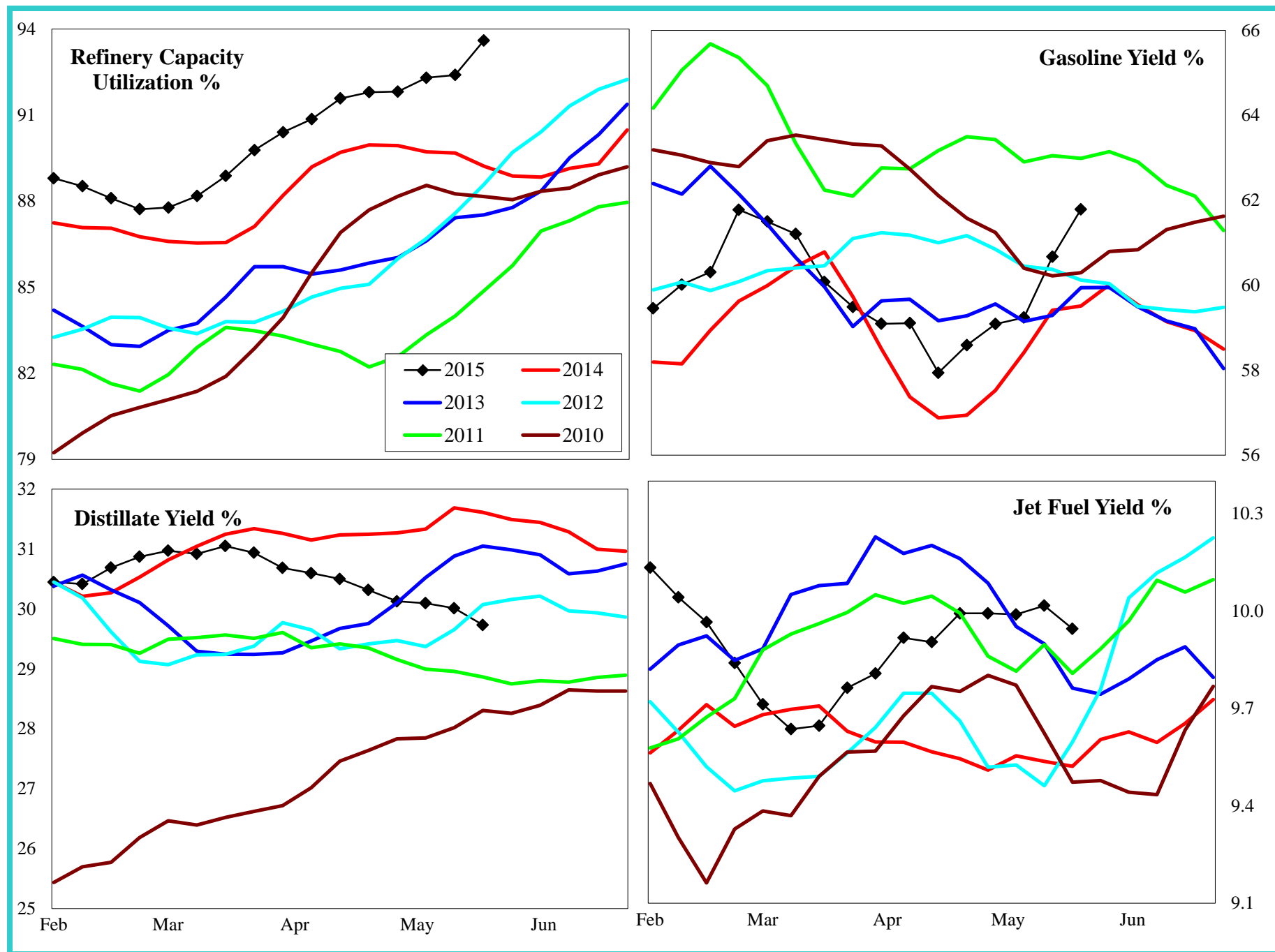


	000 bpd change from prior year				% change from prior year			
	4wk avg	Apr	Mar	Feb	4wk avg	Apr	Mar	Feb
Gasoline	147	-28	297	-49	1.6	-0.3	3.4	-0.6
Distillate	-17	-88	-102	353	-0.4	-2.2	-2.5	8.4
Jet Fuel	73	139	84	69	5.0	9.6	5.8	5.0
Resid	-59	37	25	-10	-26.0	13.4	11.6	-4.8

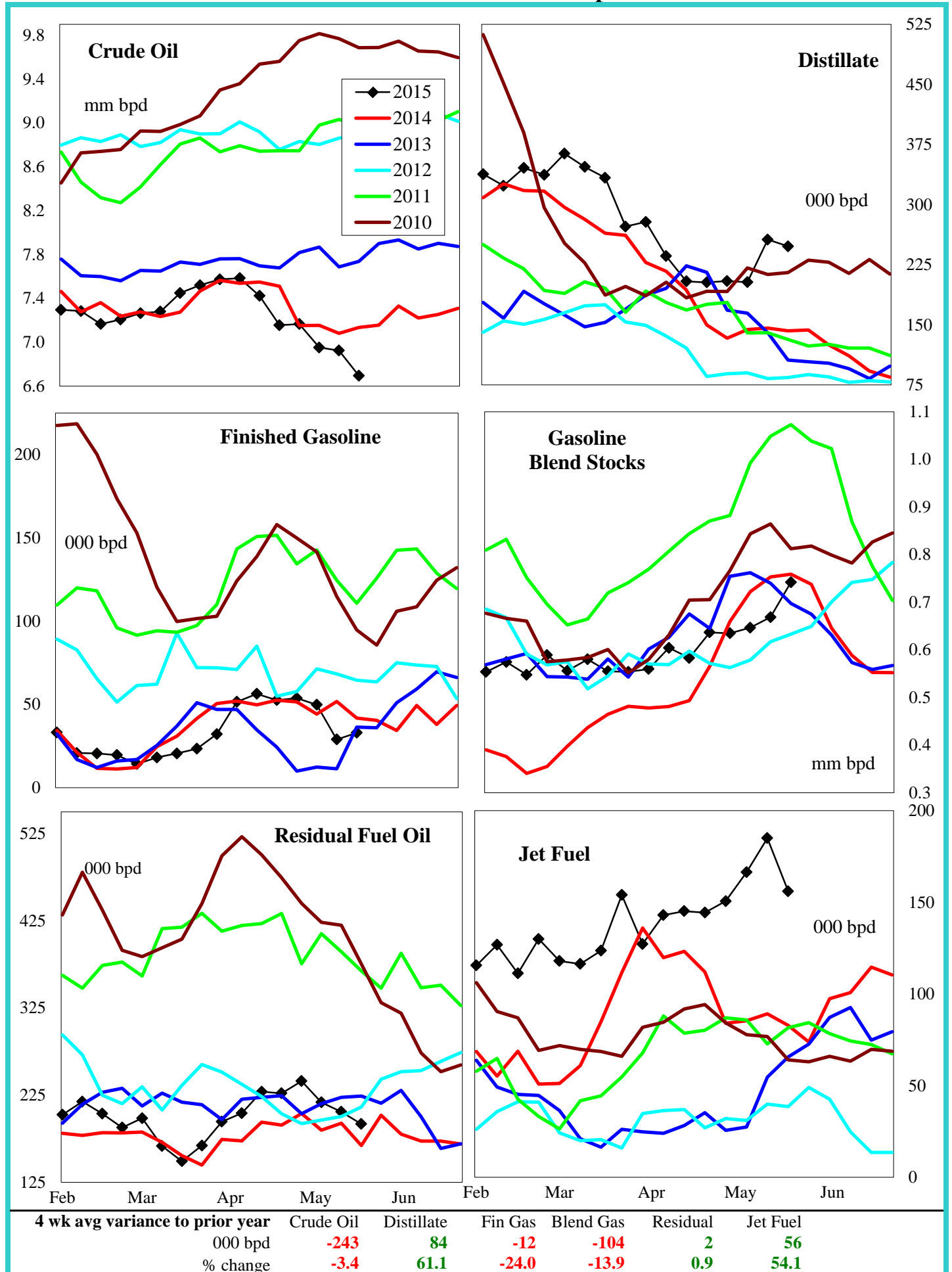


United States Product Stocks: Days Forward Coverage

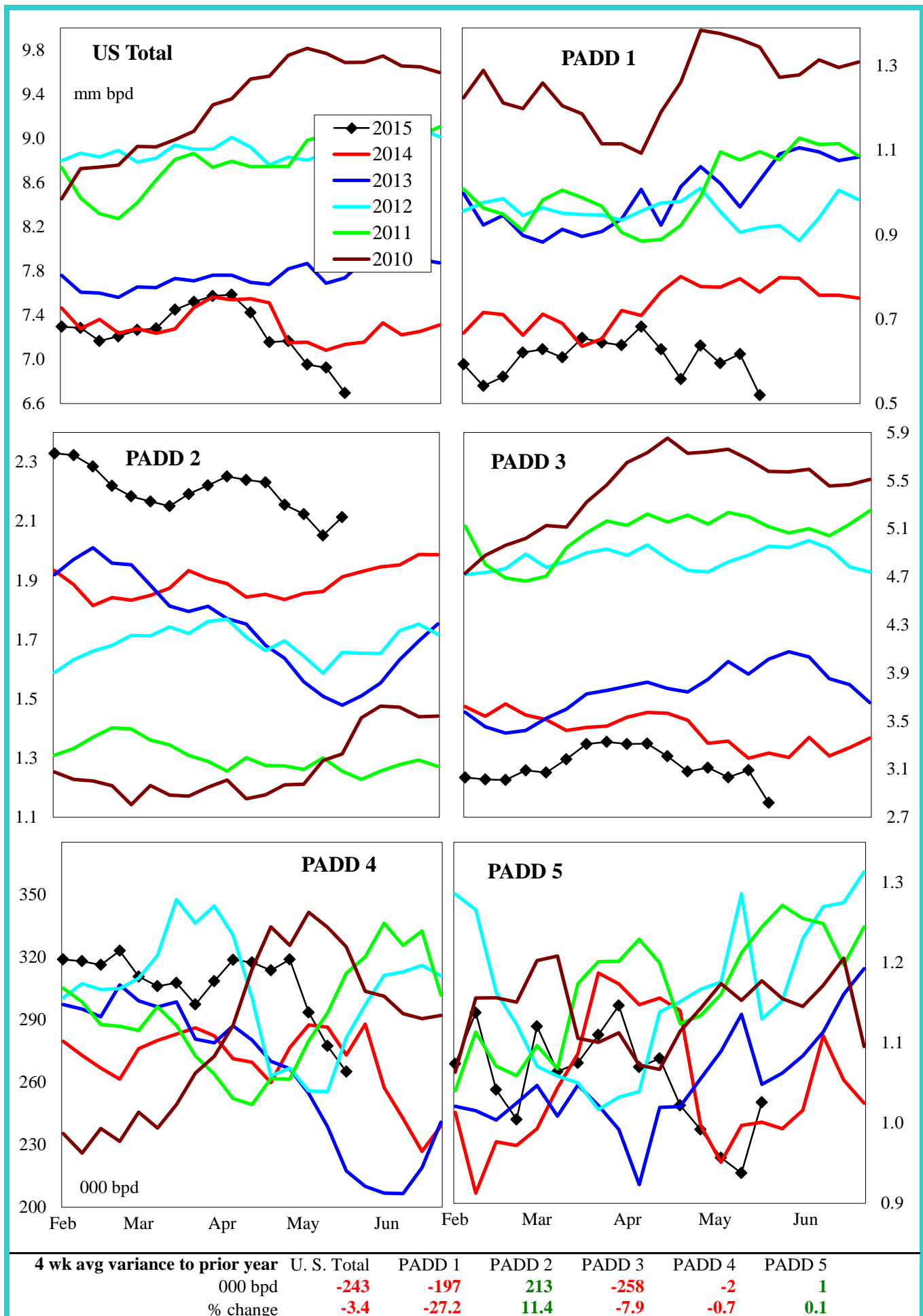
United States Refinery Percent Utilization Rate and Product Yields



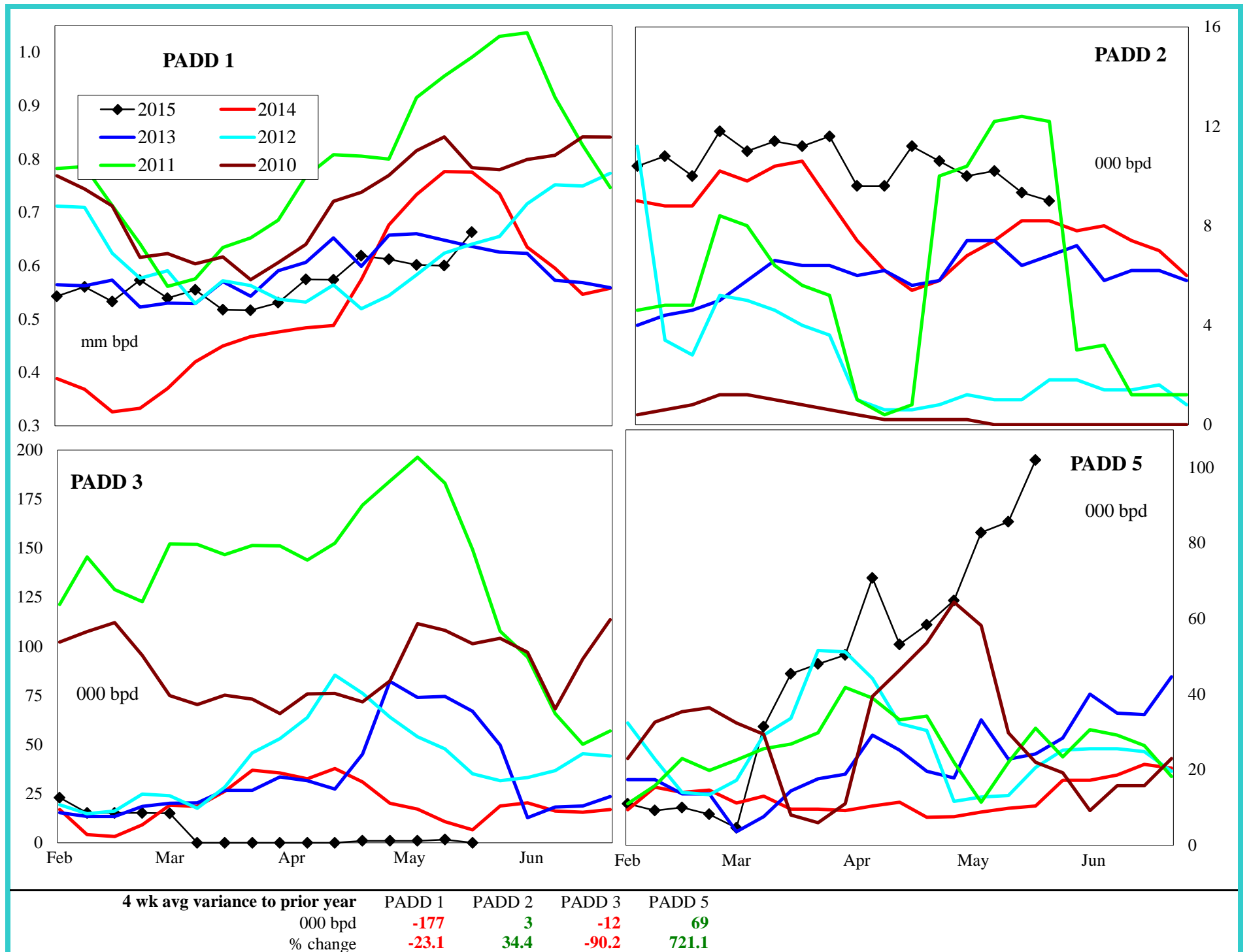
United States Petroleum Imports



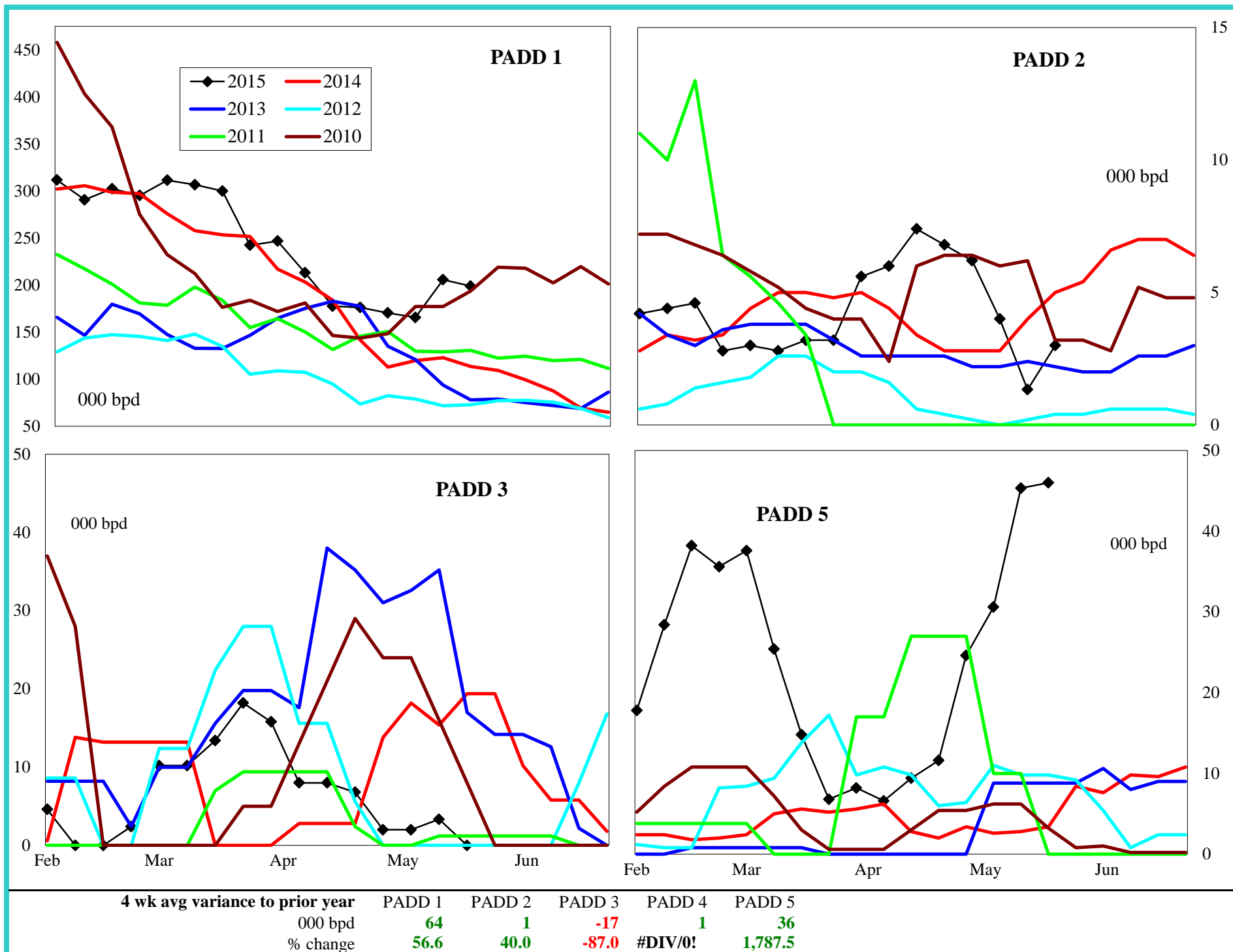
Crude Oil Imports by PADD



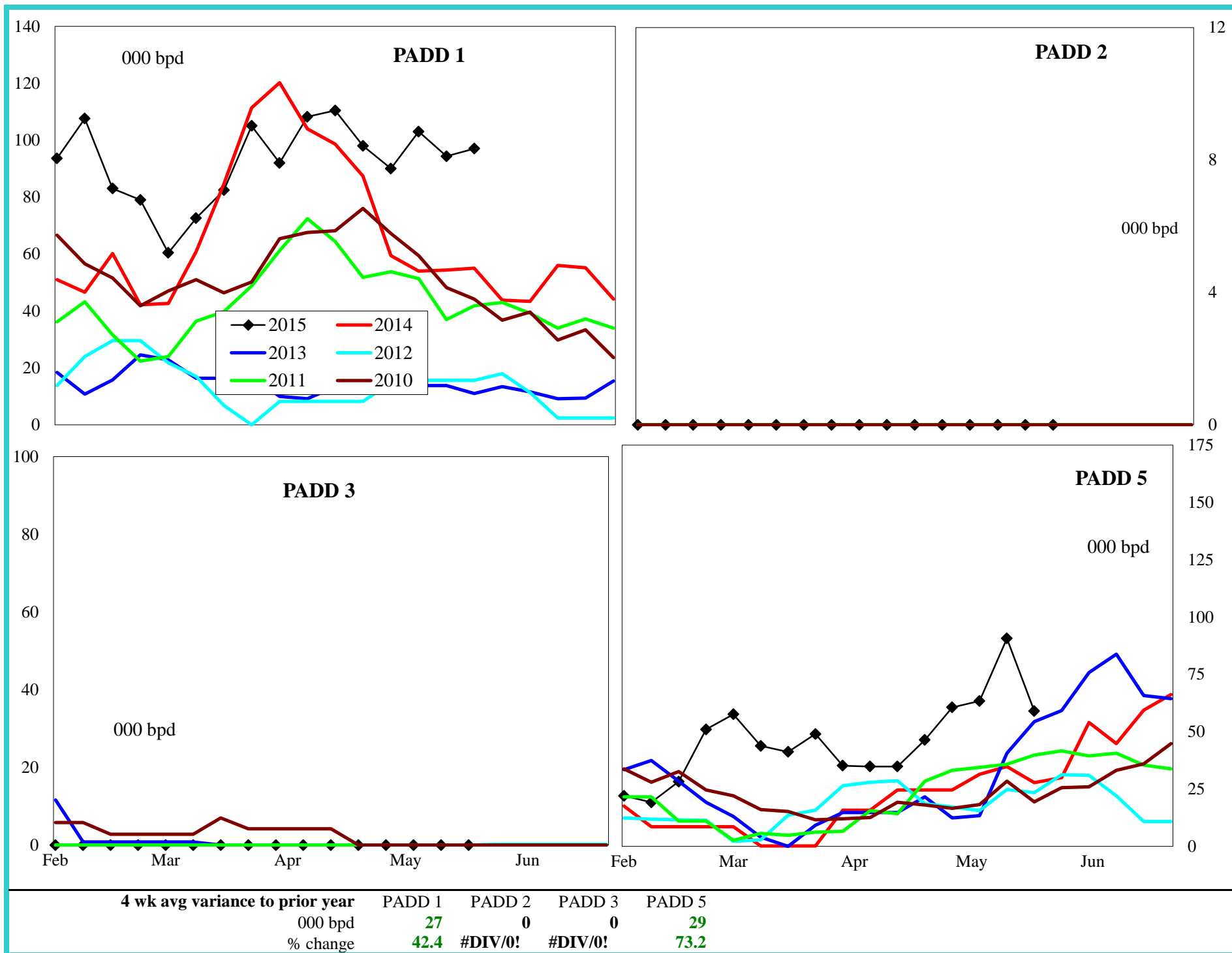
Gasoline Imports by PADD (Finished + Blend Stocks)



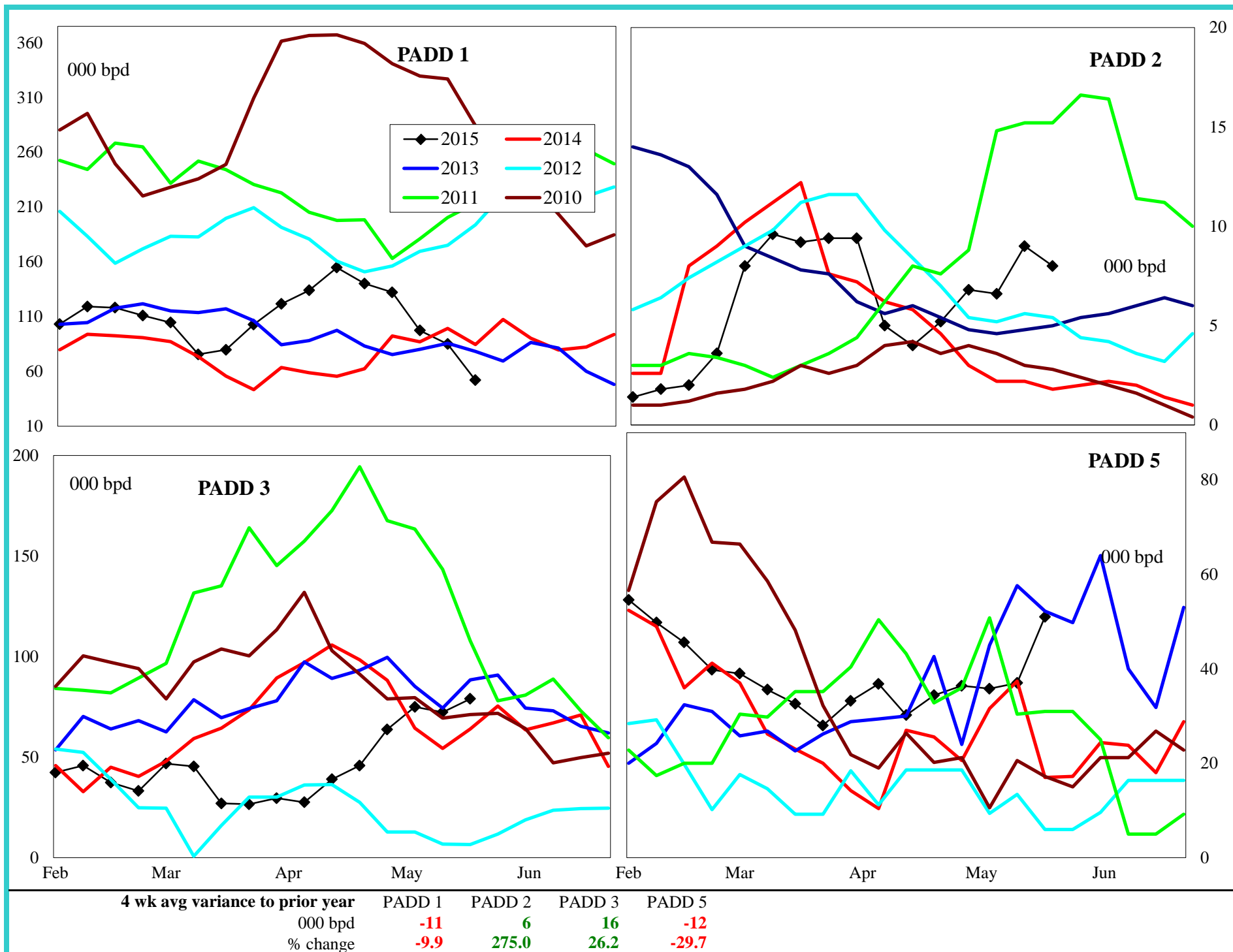
Distillate Imports by PADD



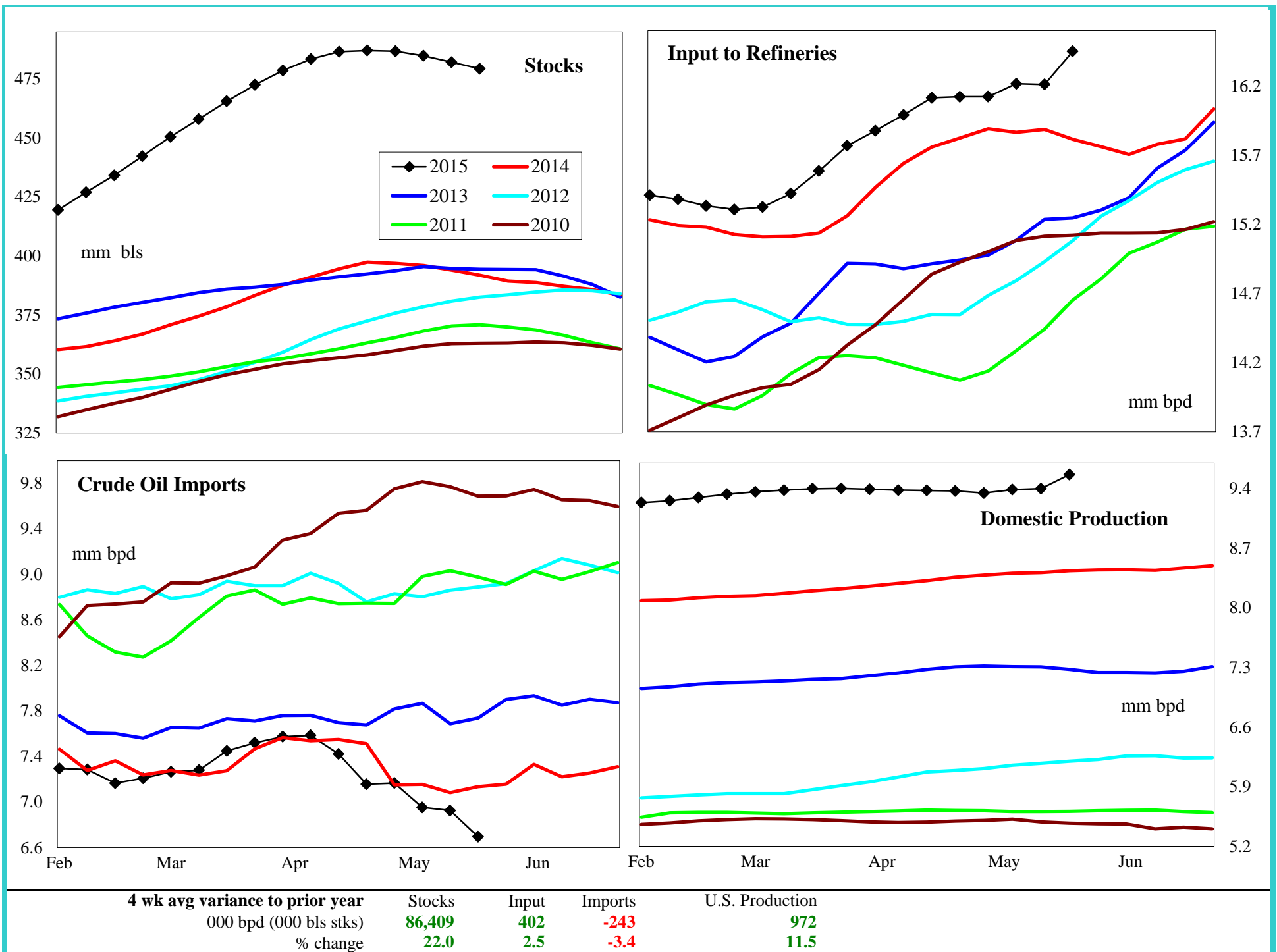
Jet Fuel Imports by PADD



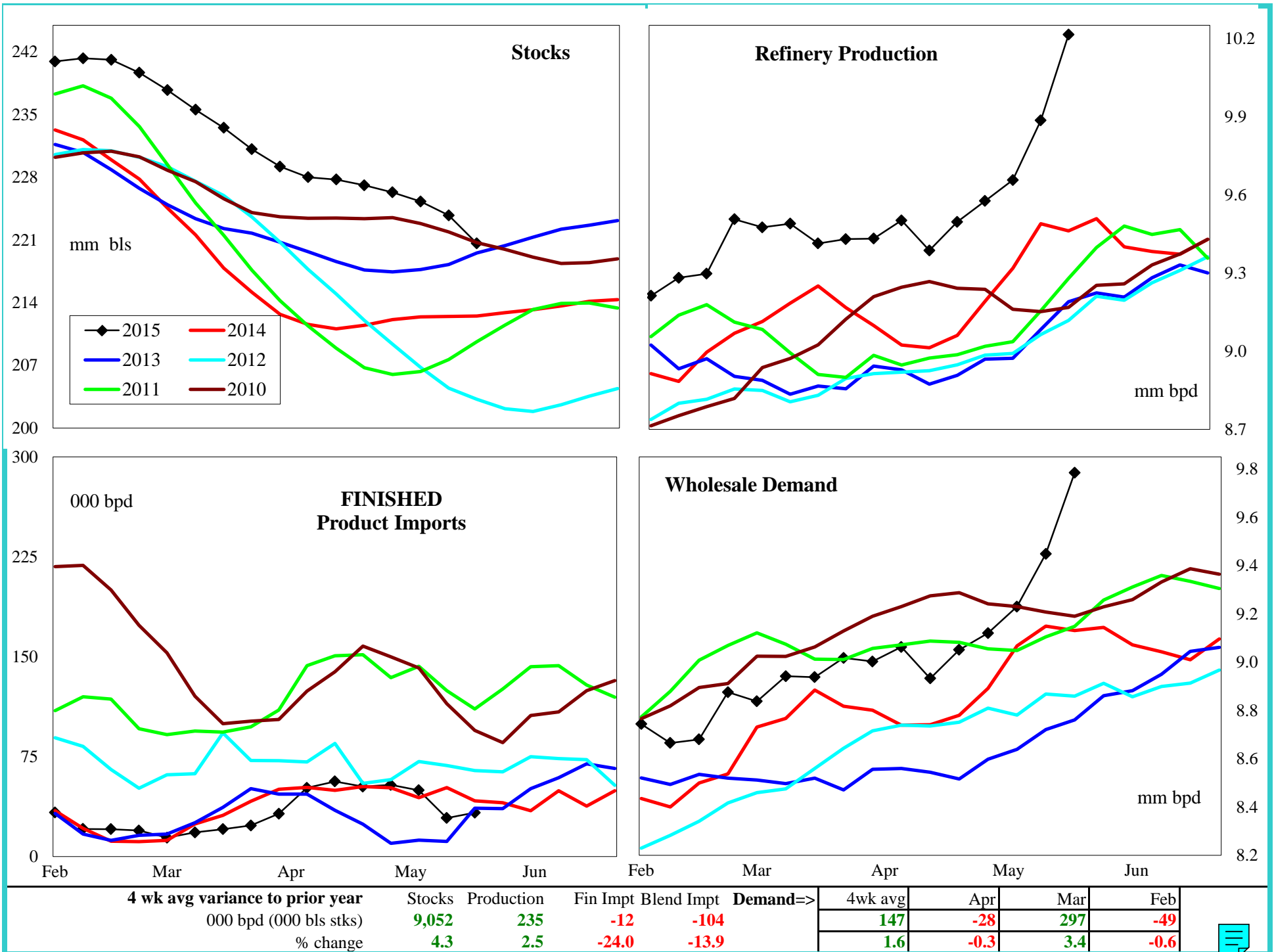
Residual Fuel Oil Imports by PADD



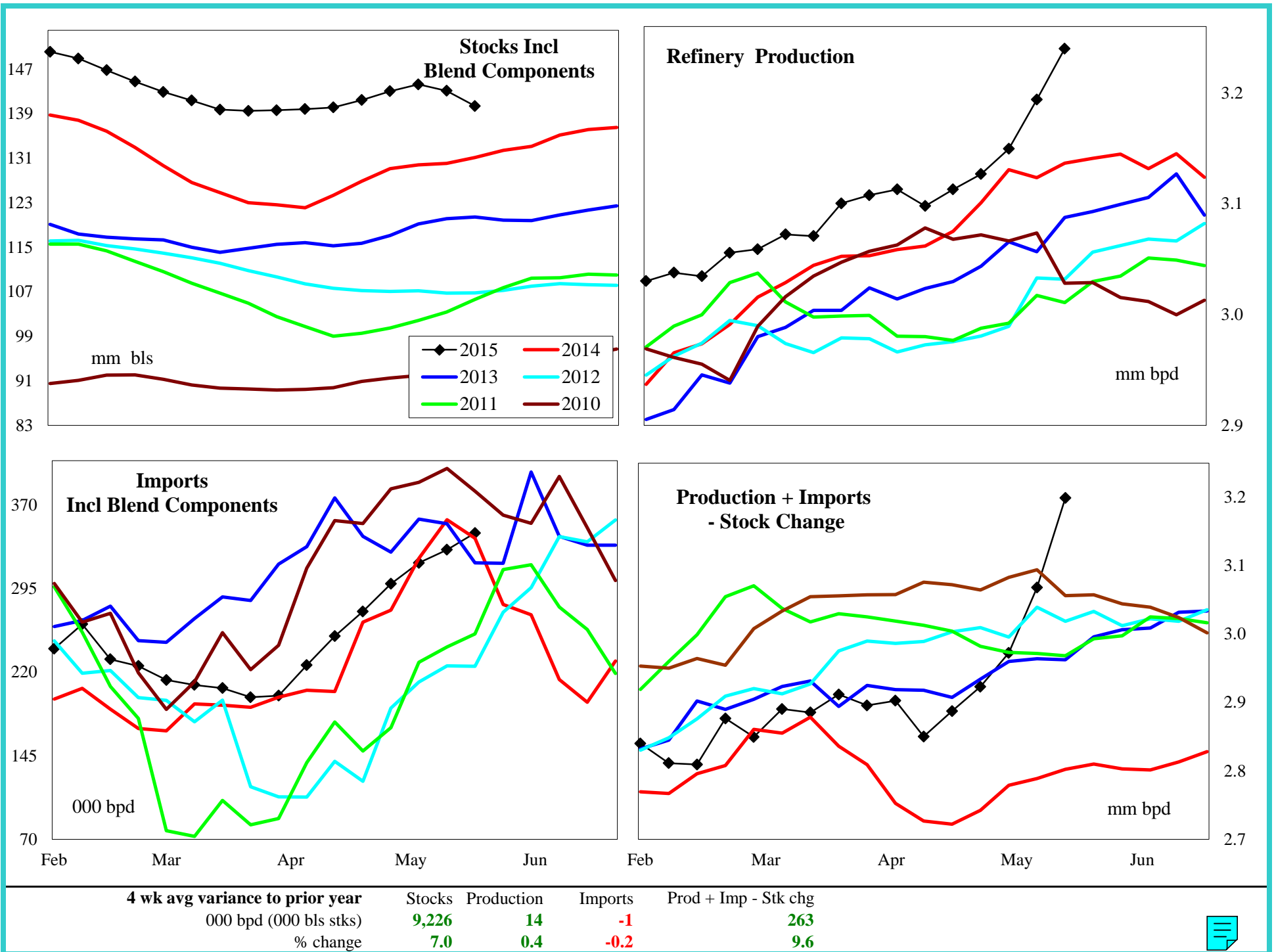
United States Crude Oil Supply and Demand Balance



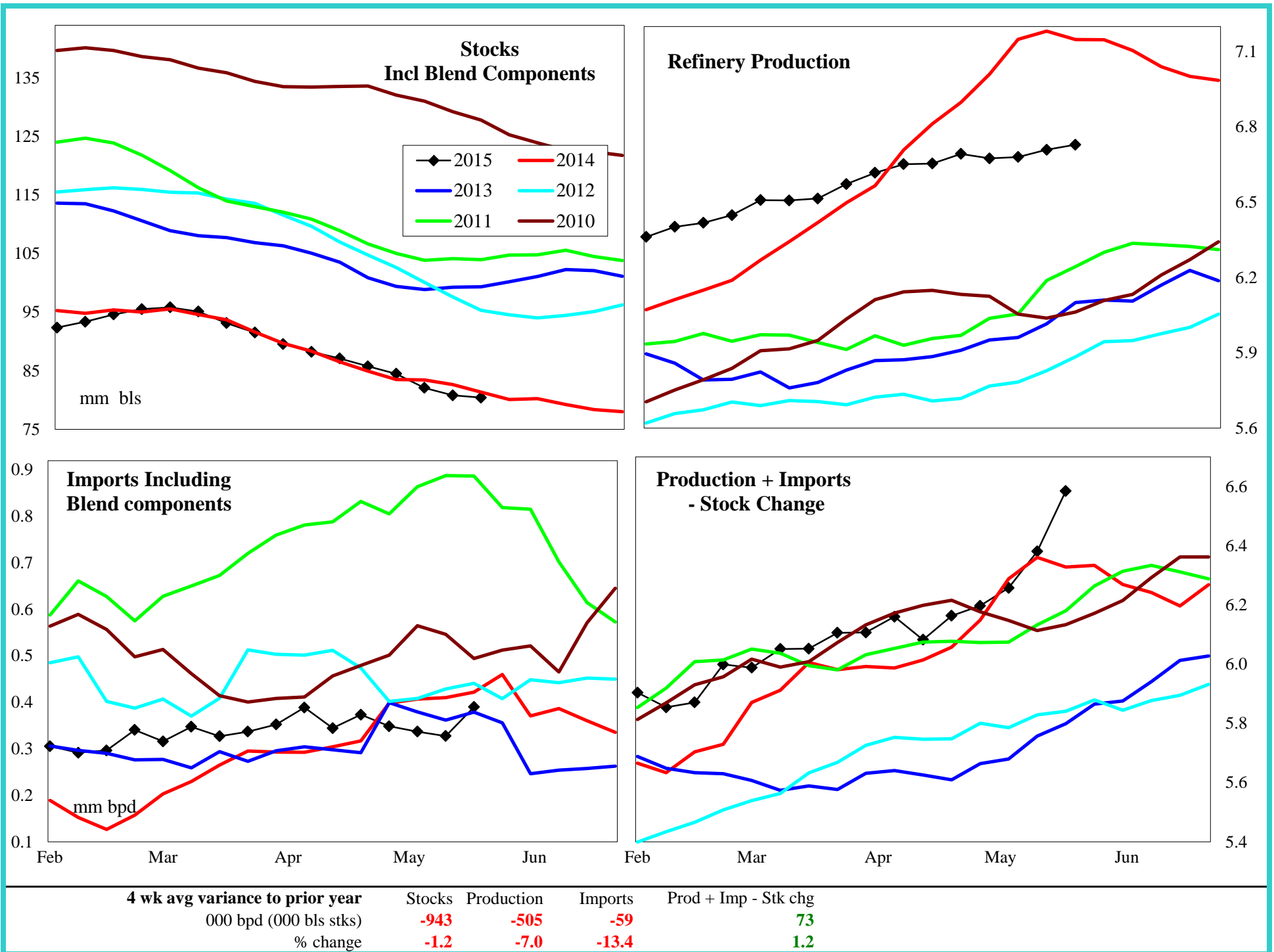
United States Gasoline Supply and Demand Balance



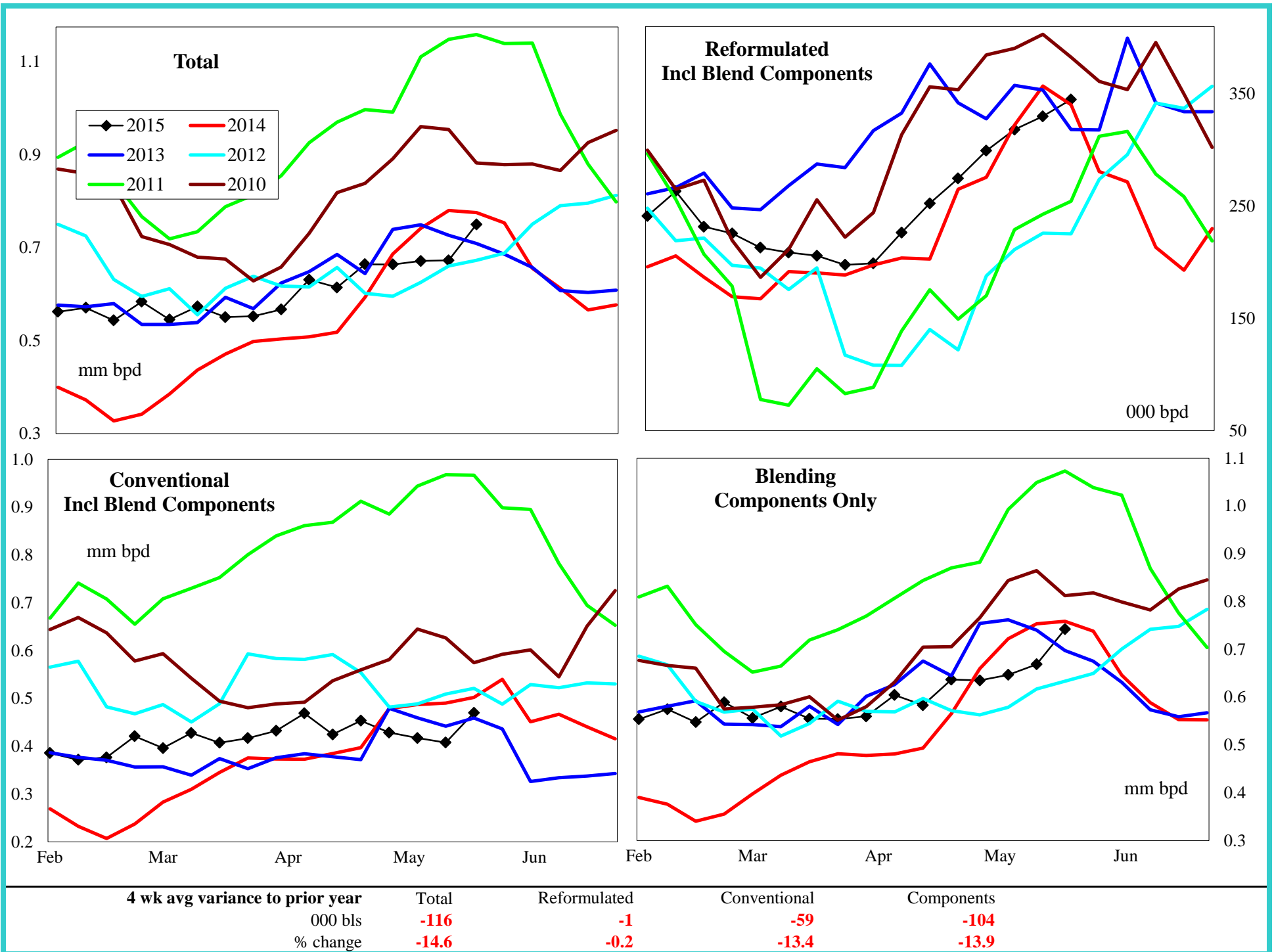
United States Reformulated Gasoline Supply



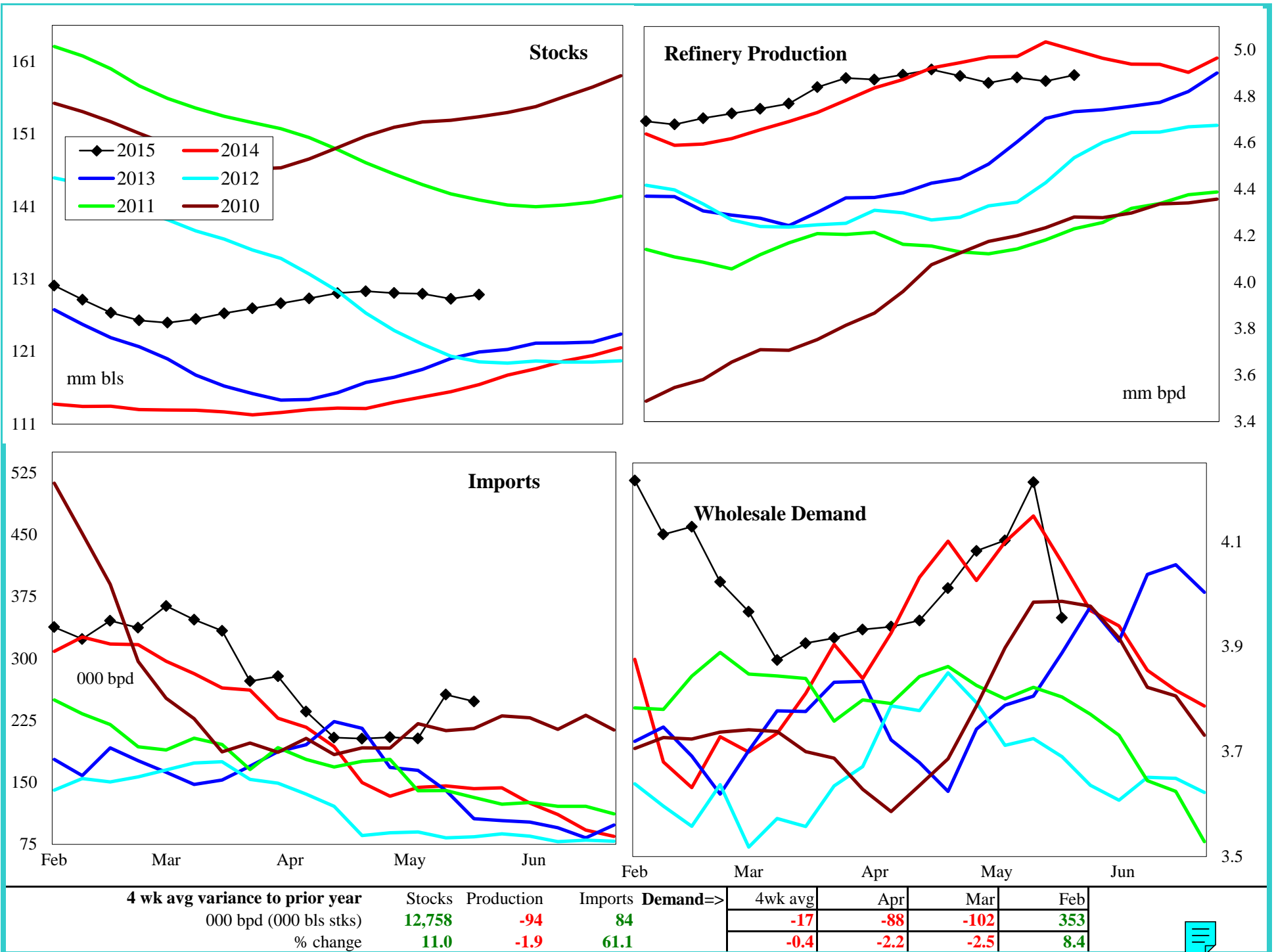
United States Conventional Gasoline Supply



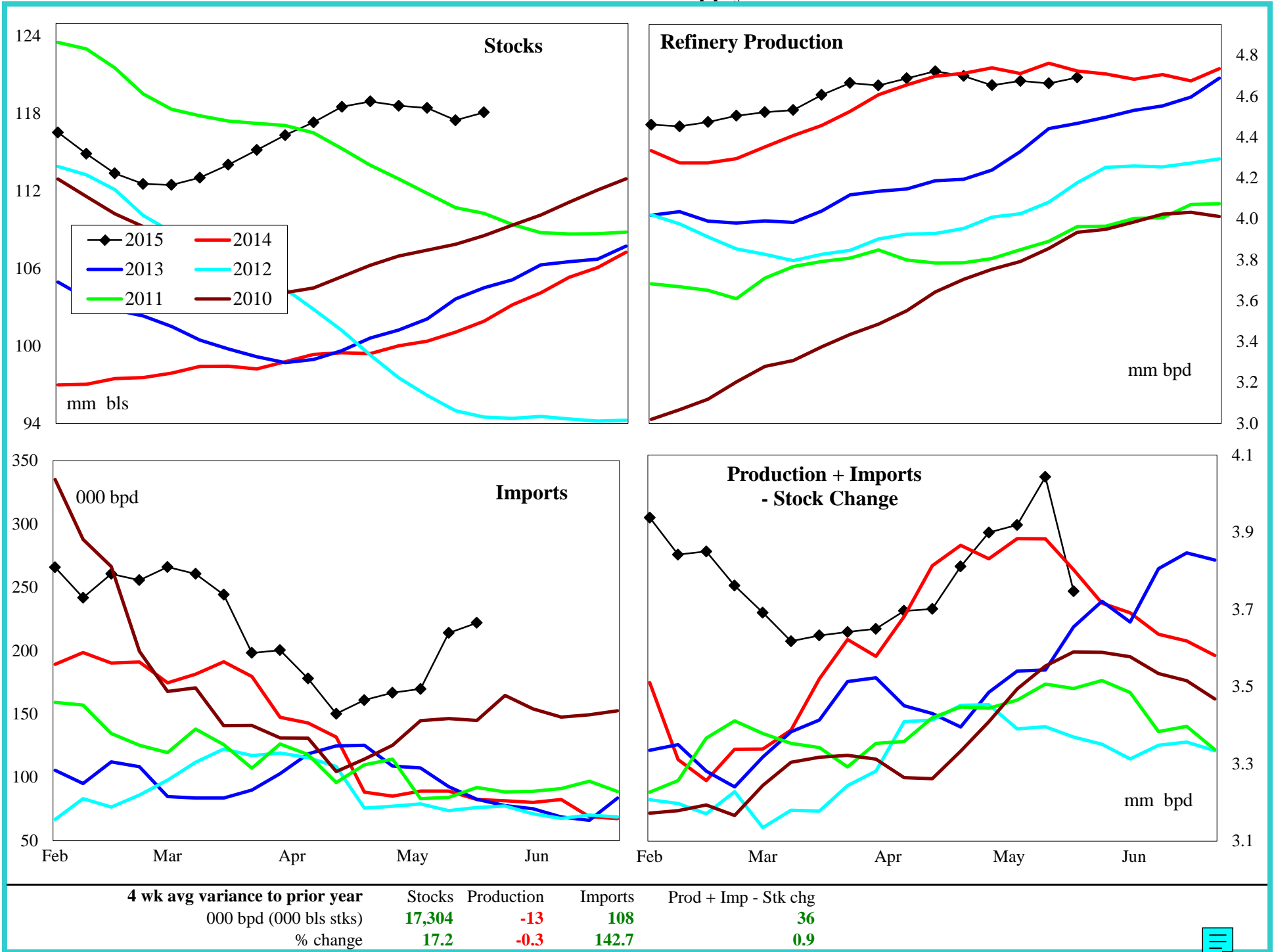
United States Gasoline Imports by Type



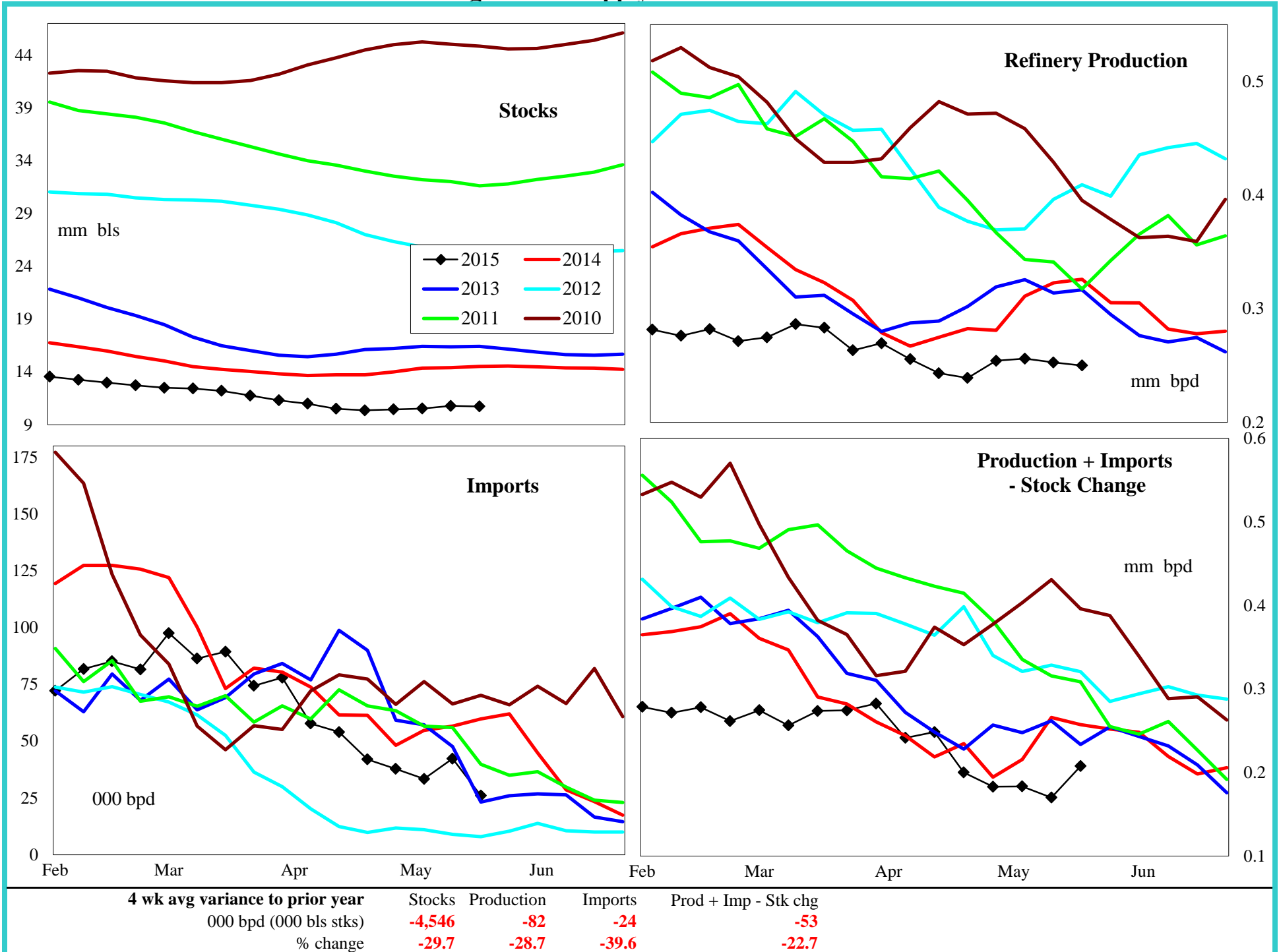
United States Distillate Supply and Demand Balance



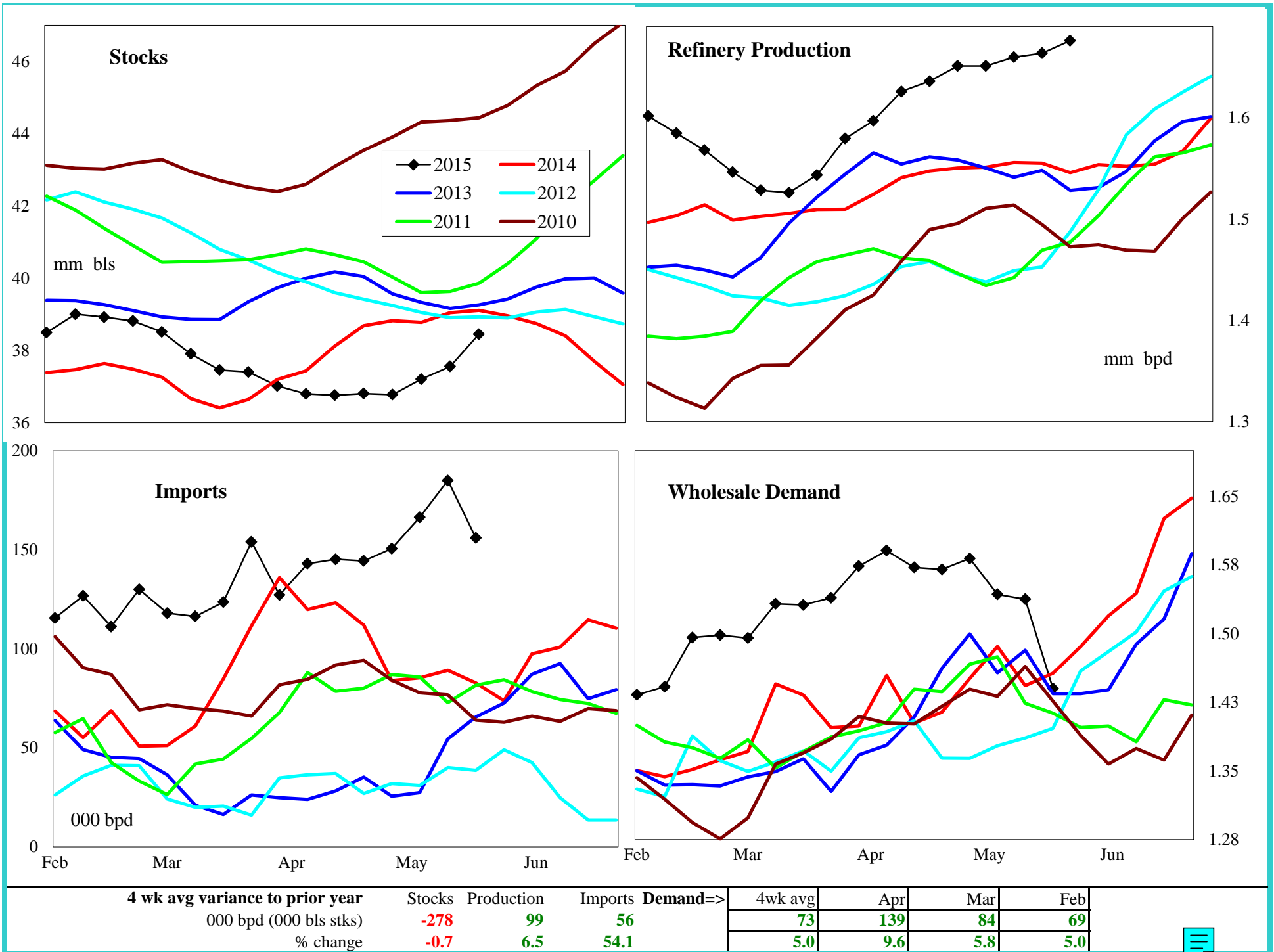
United States Low Sulfur Distillate Supply and Demand Balance



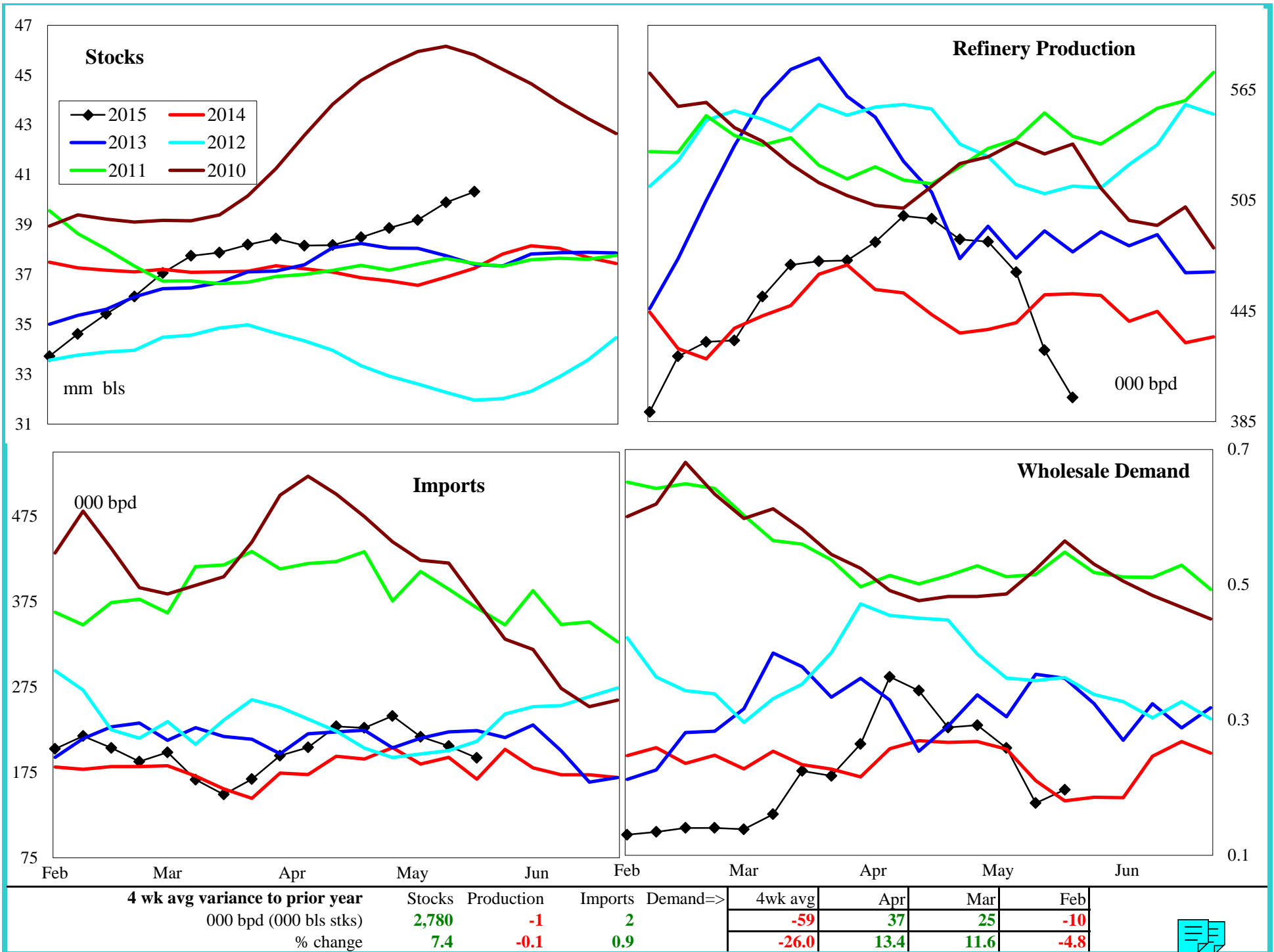
United States High Sulfur Supply Distillate and Demand Balance



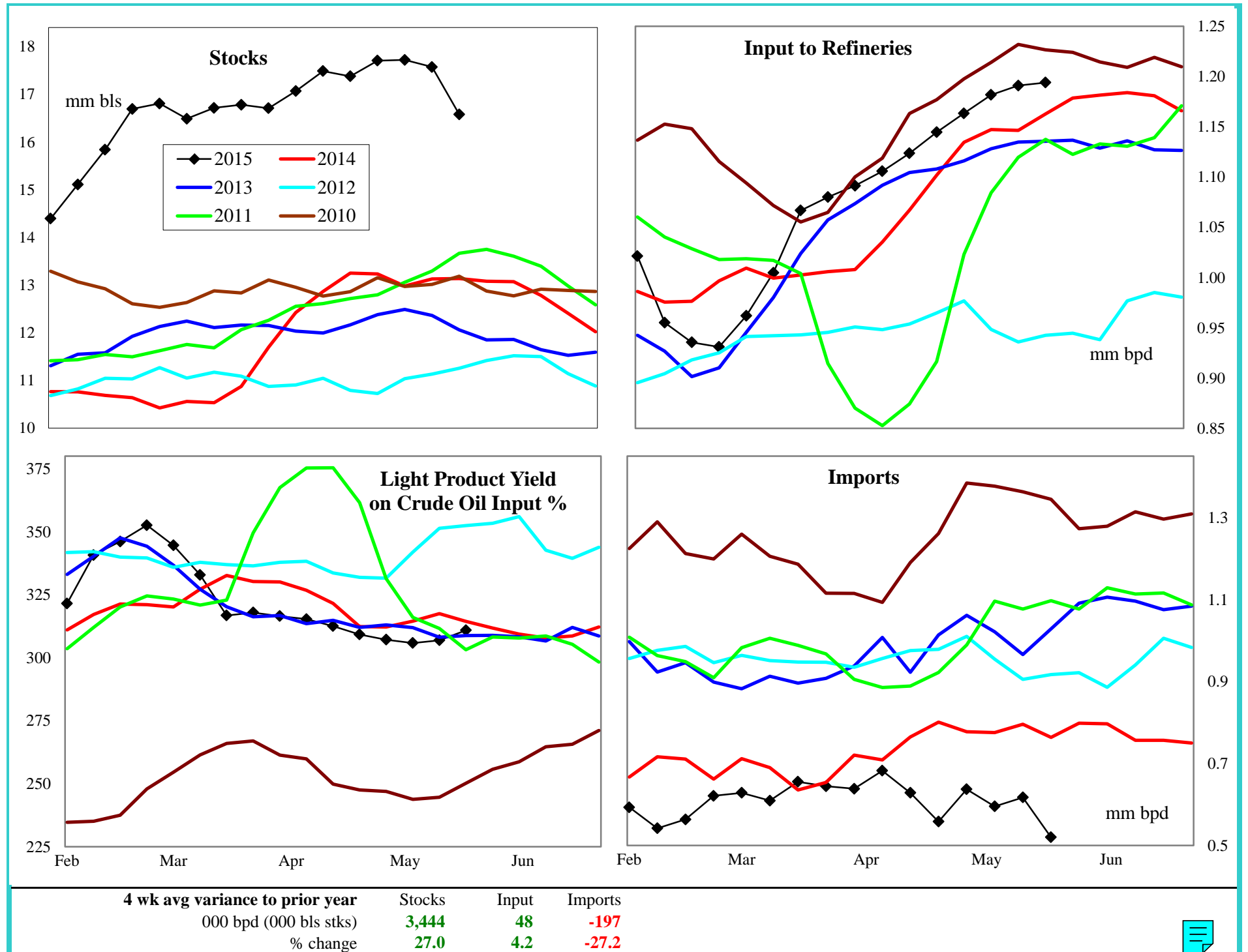
United States Jet Fuel Supply and Demand Balance



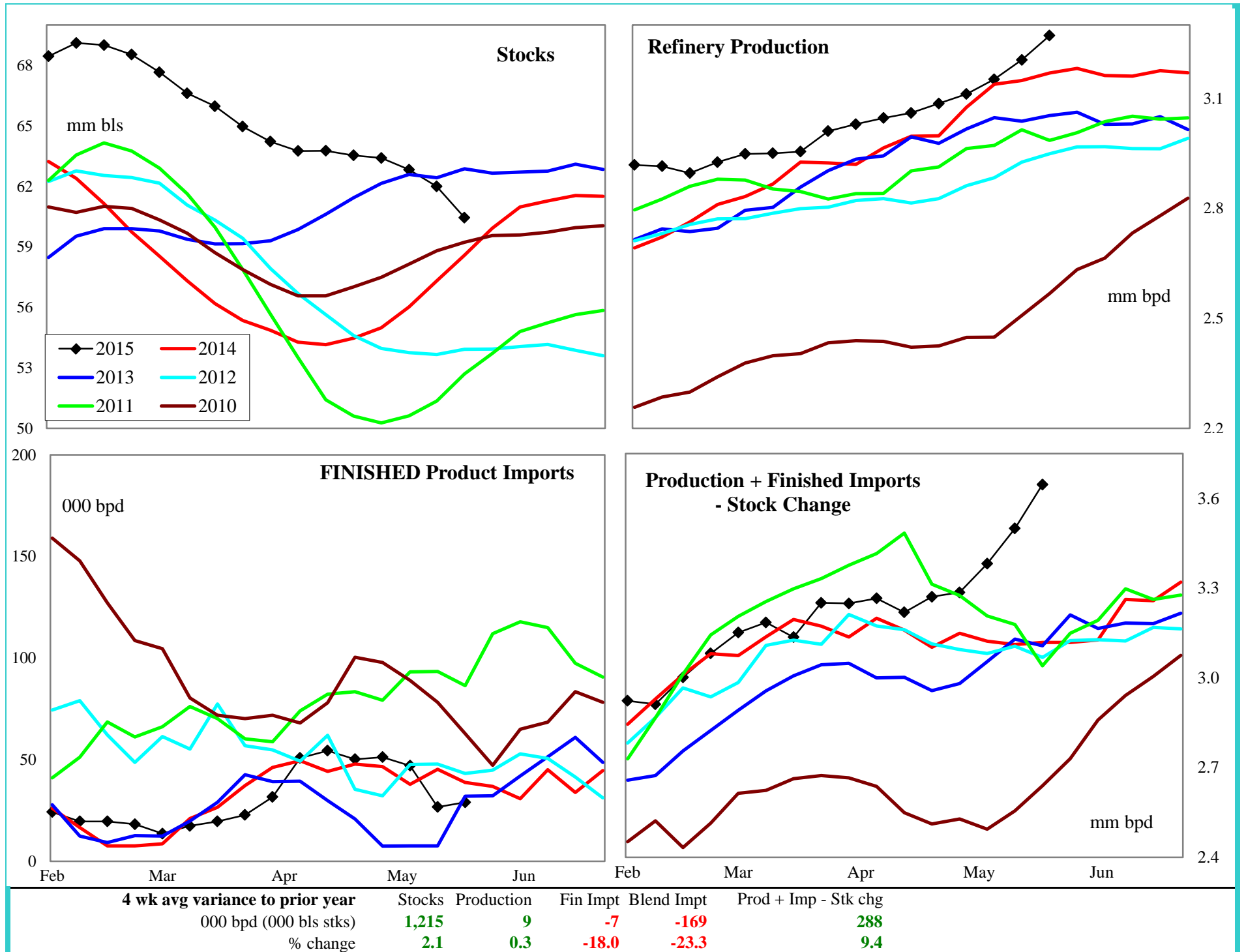
United States Residual Fuel Supply and Demand Balance



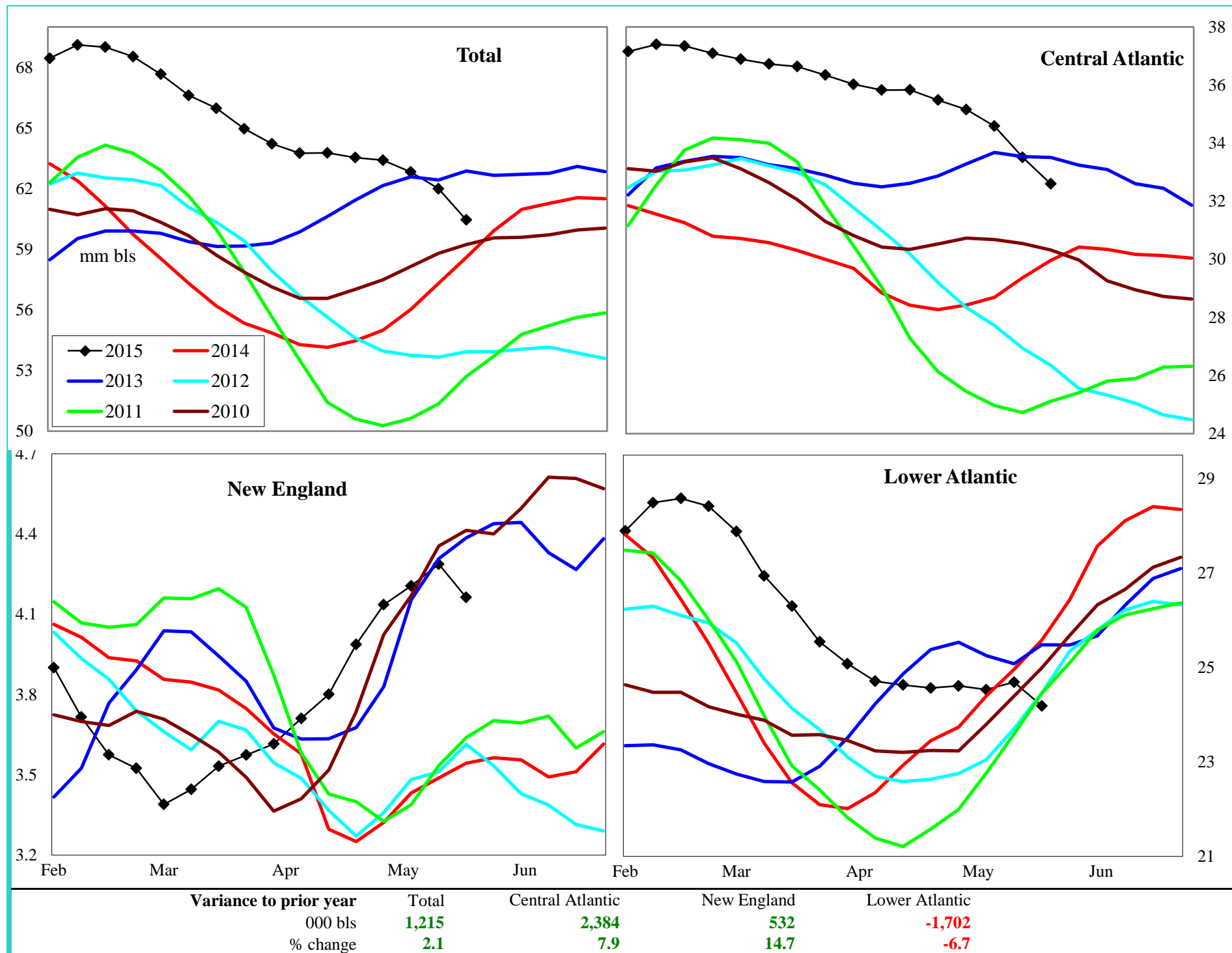
PADD 1 Crude Oil Supply and Refining



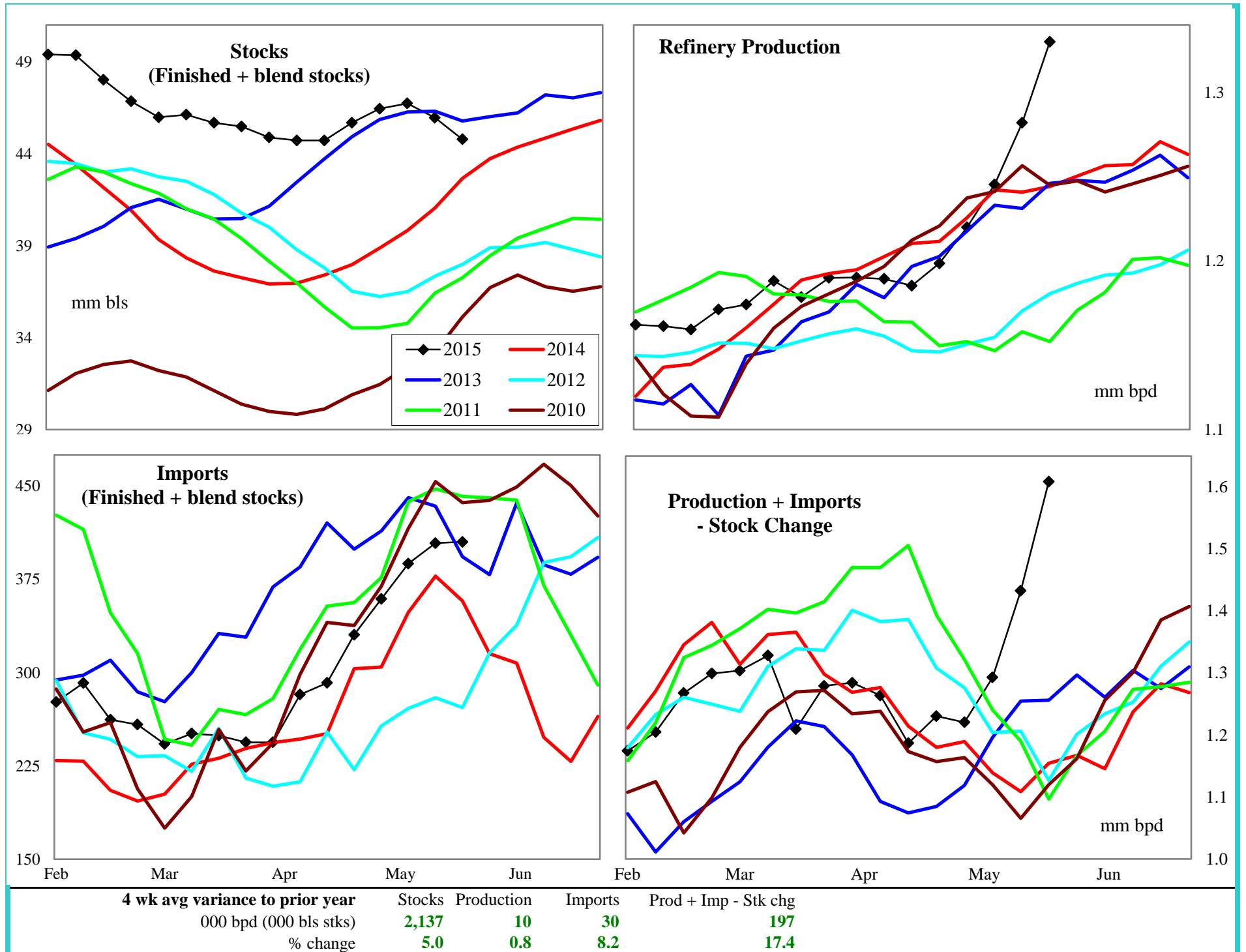
PADD 1 Gasoline Supply



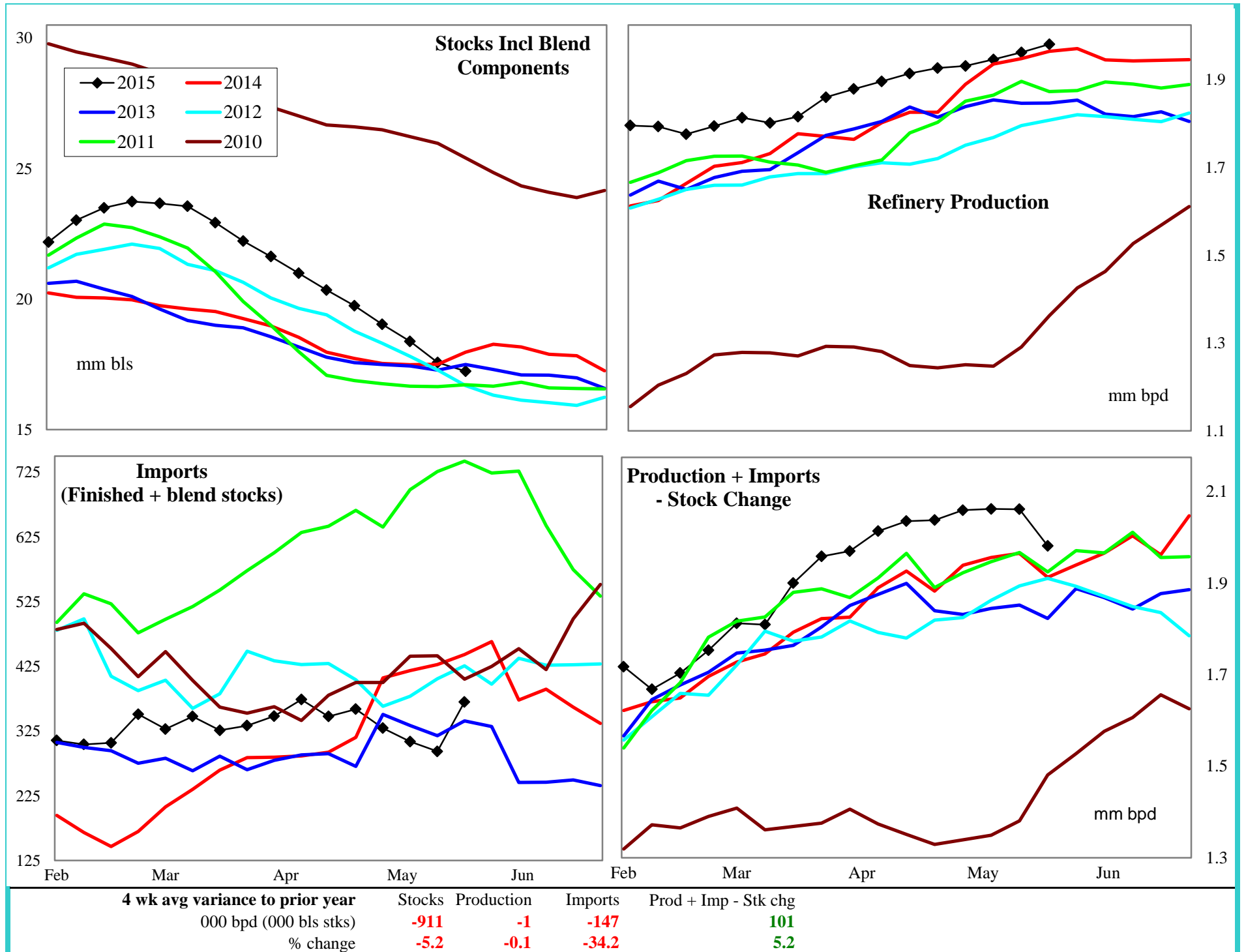
PADD 1 Gasoline Stocks by Region



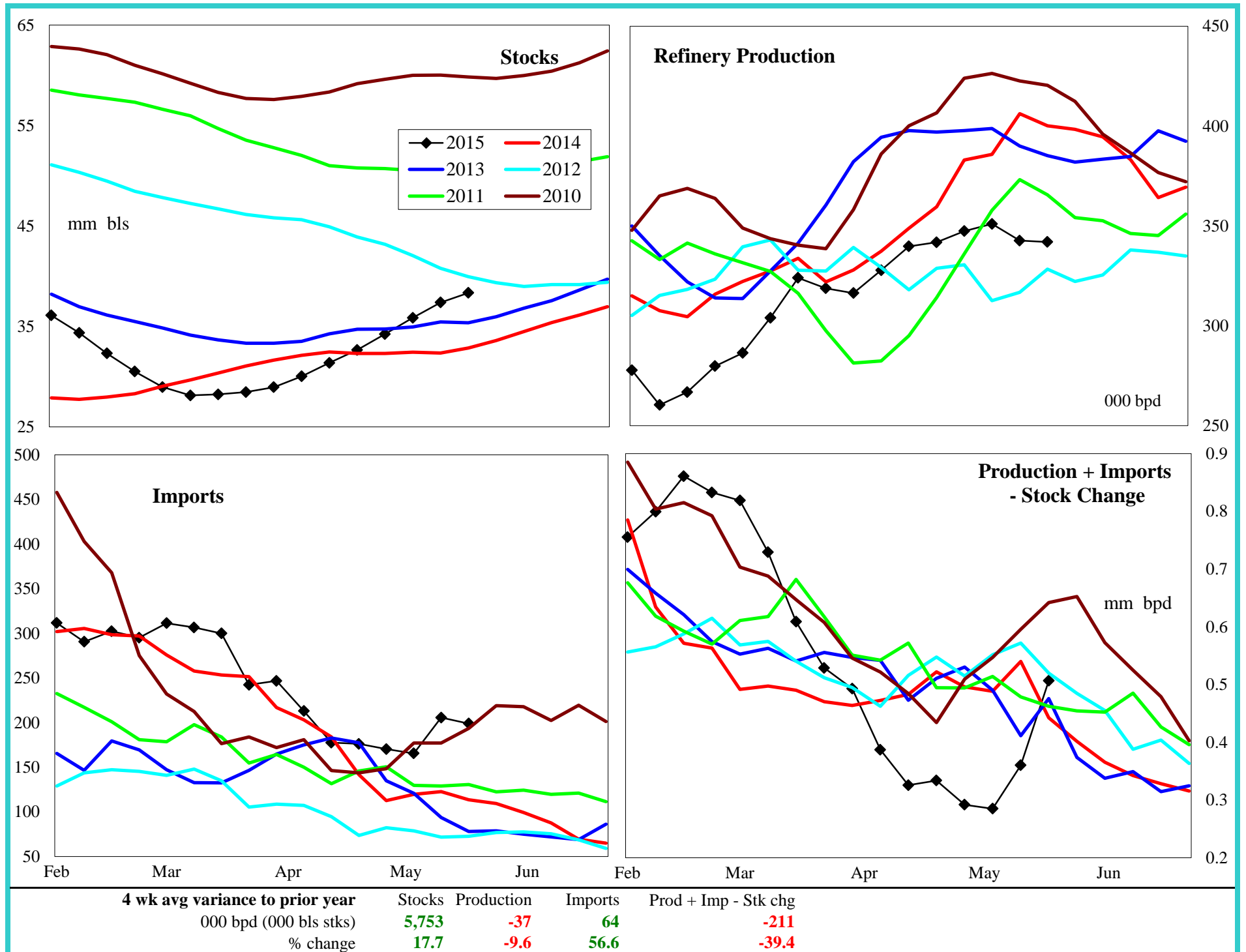
PADD 1 Reformulated Gasoline Supply



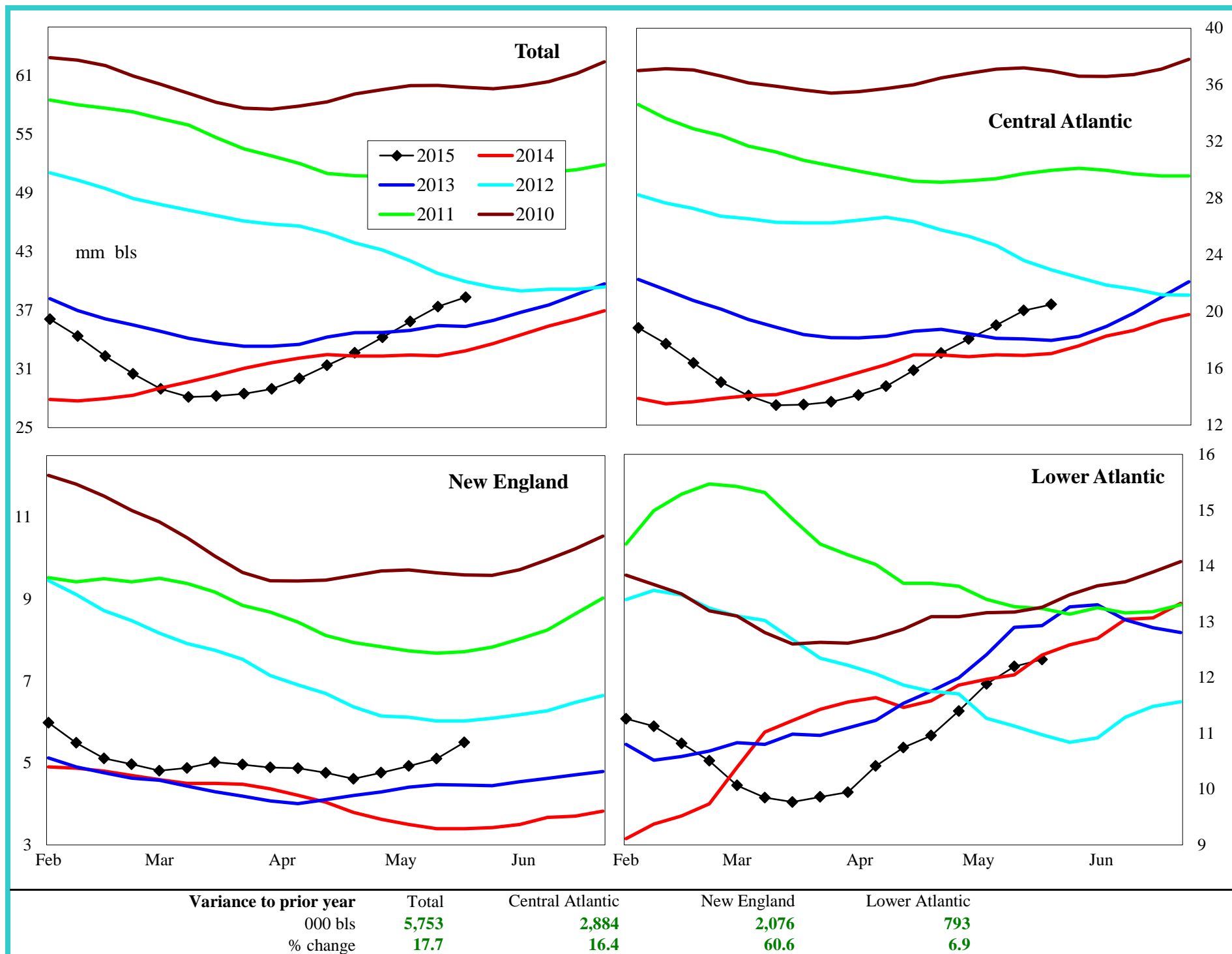
PADD 1 Conventional Gasoline Supply



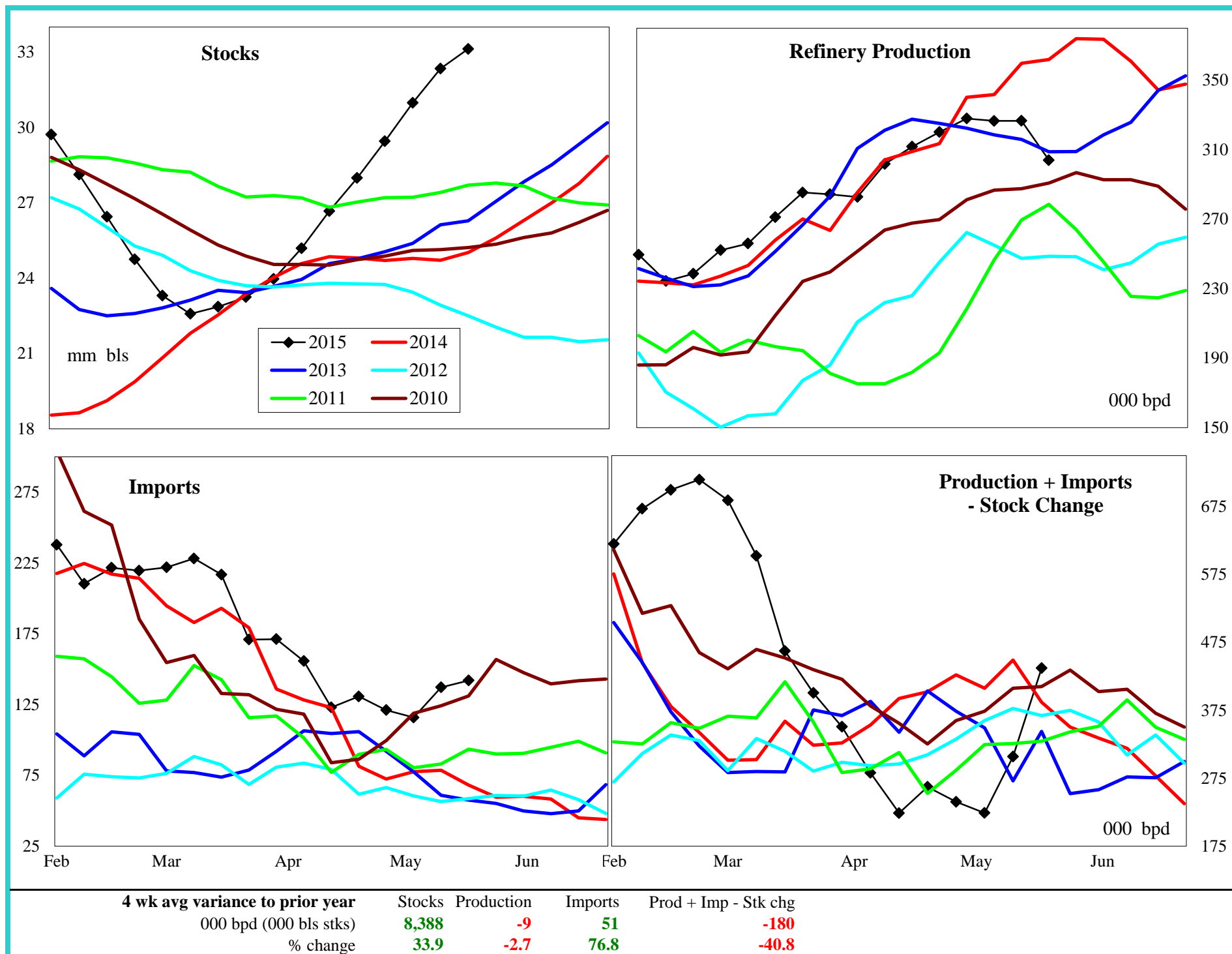
PADD 1 Distillate Supply



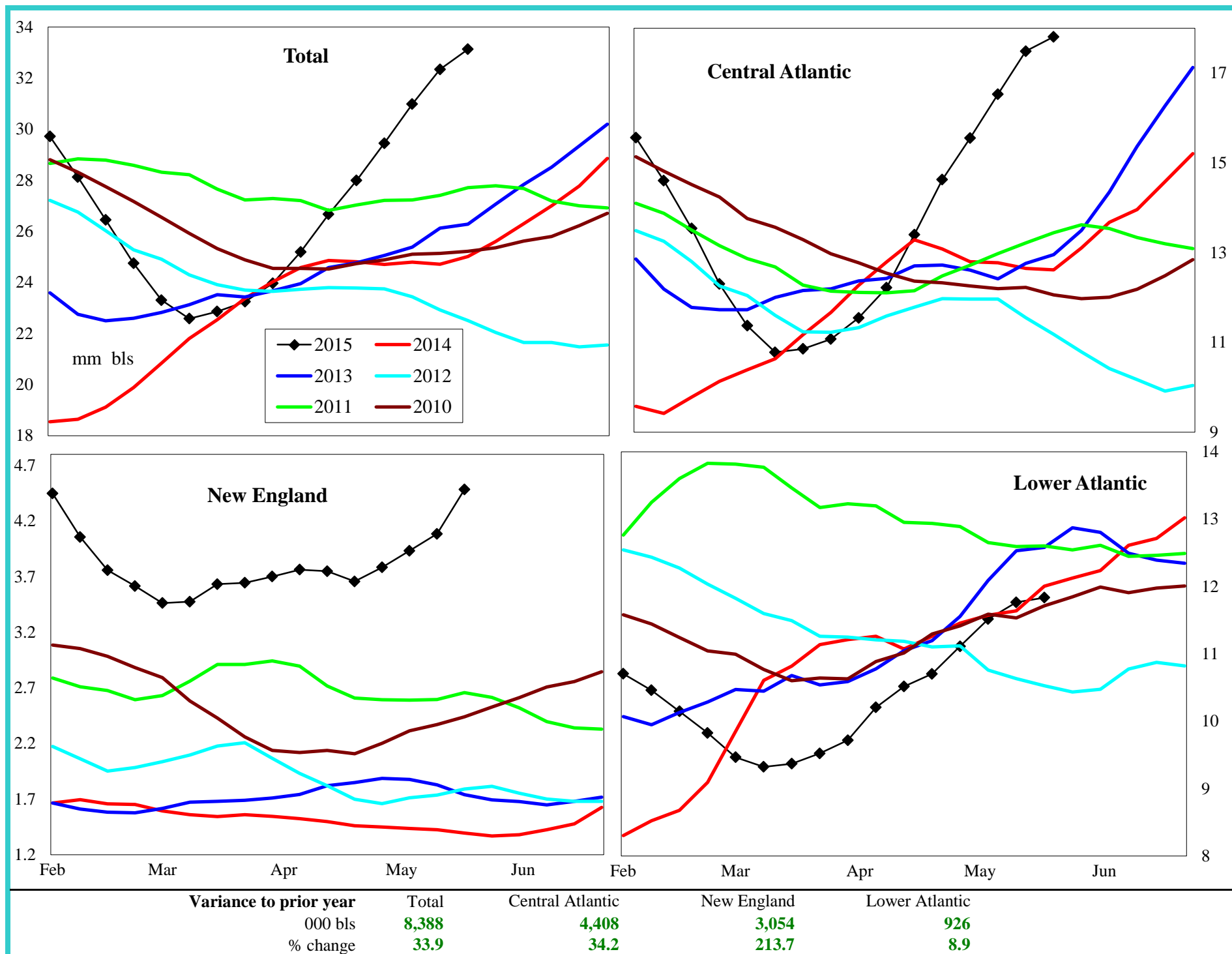
PADD 1 Distillate Stocks by Region



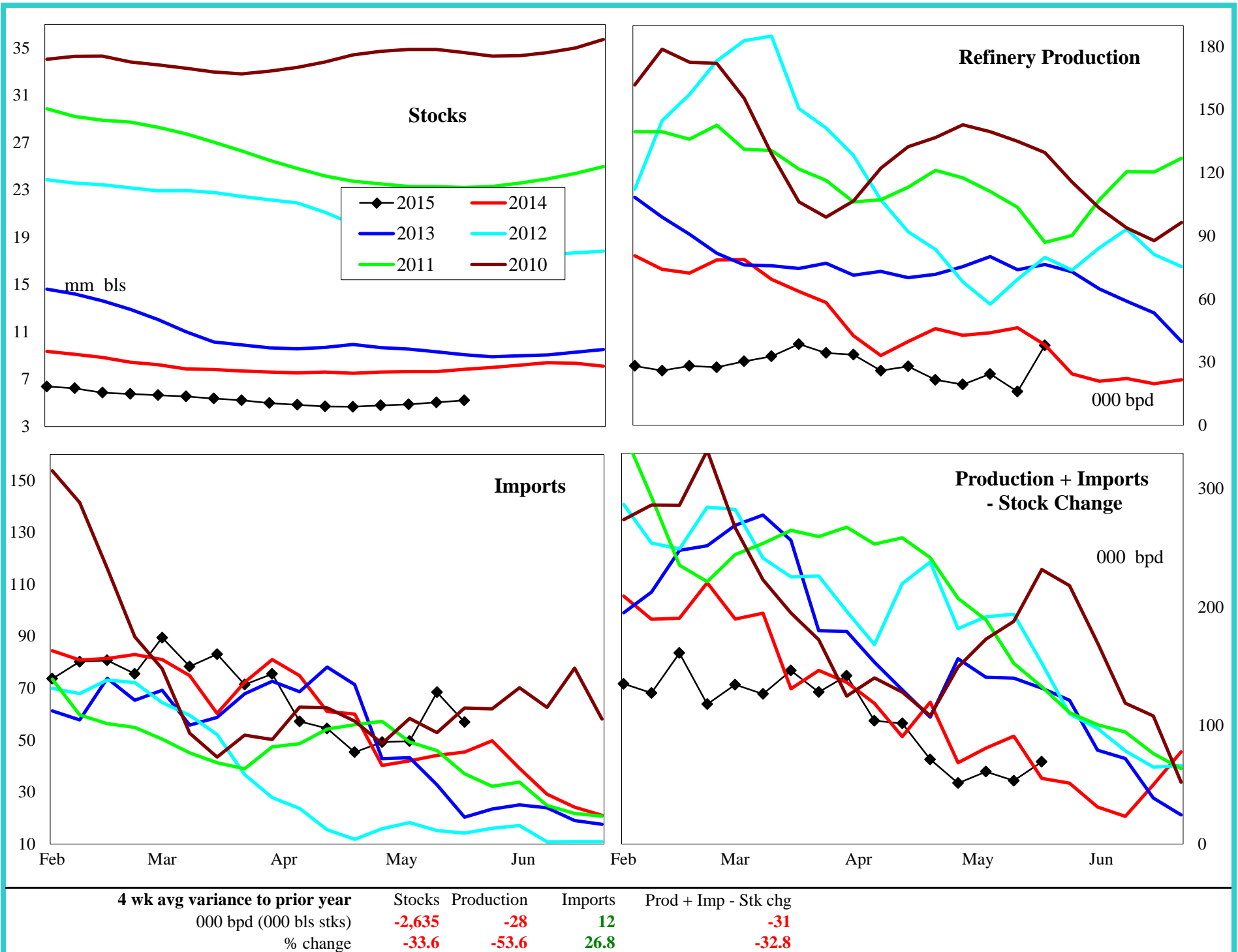
PADD 1 Low Sulfur Distillate Supply



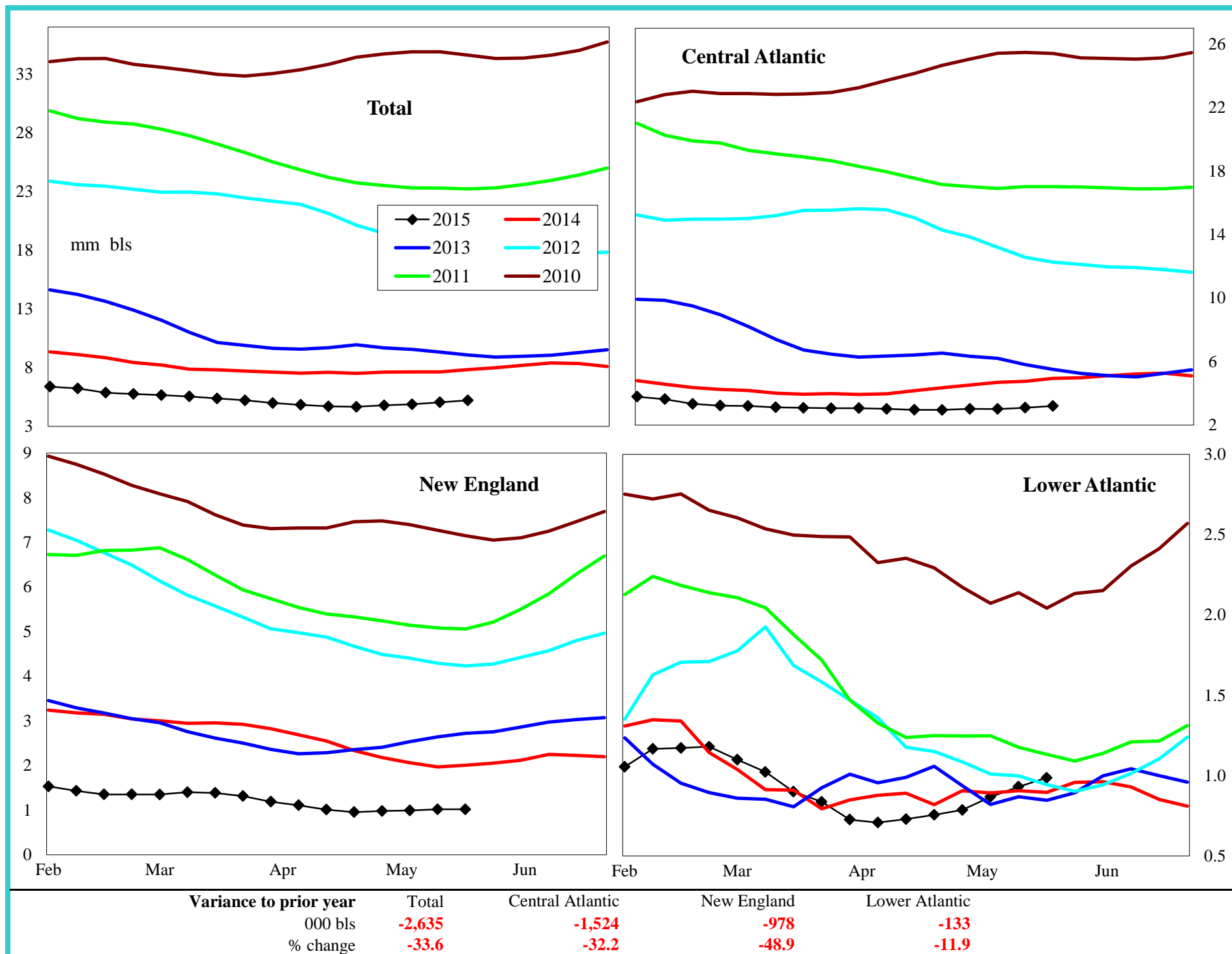
PADD 1 Low Sulfur Distillate Stocks by Region



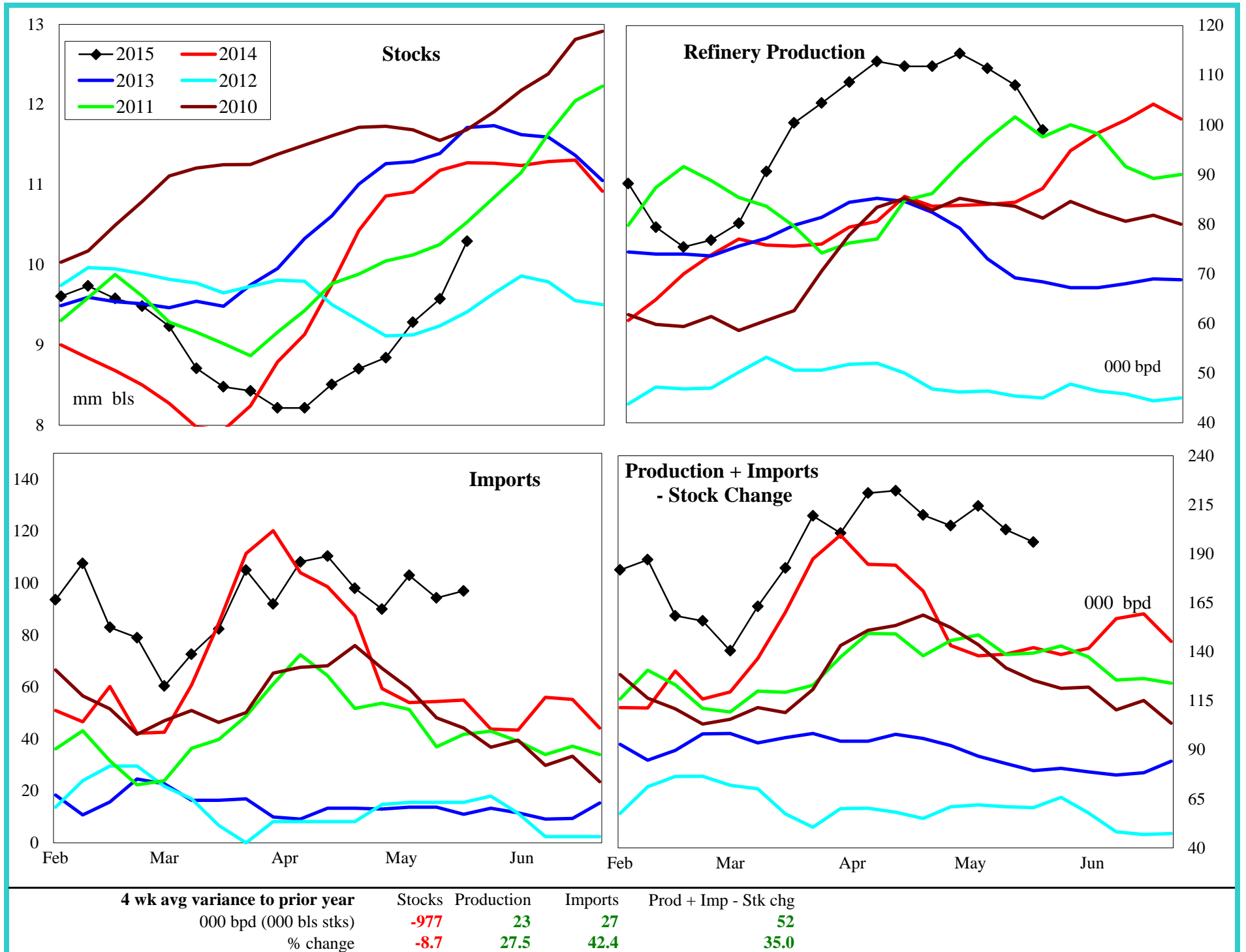
PADD 1 High Sulfur Distillate Supply



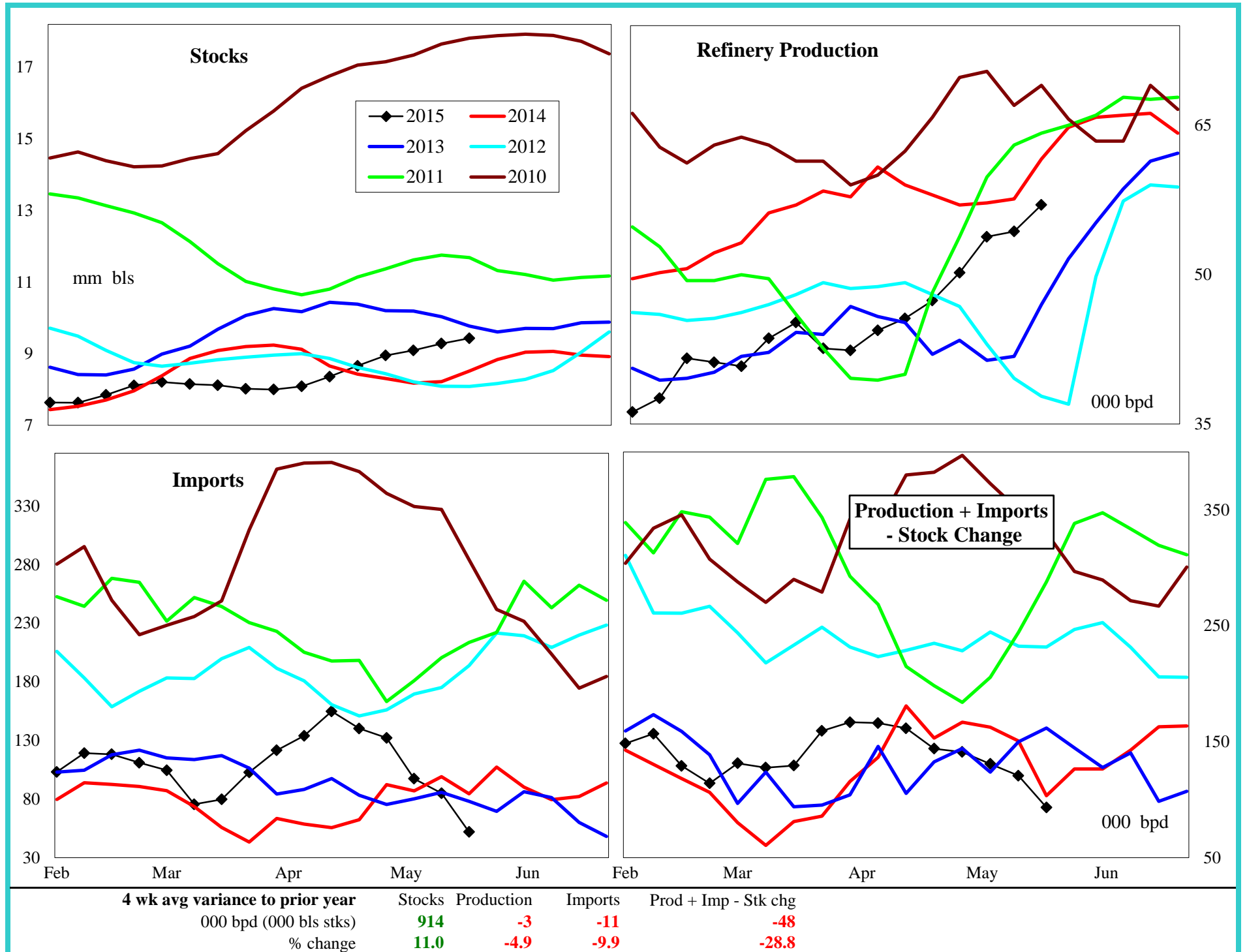
PADD 1 High Sulfur Distillate Stocks by Region



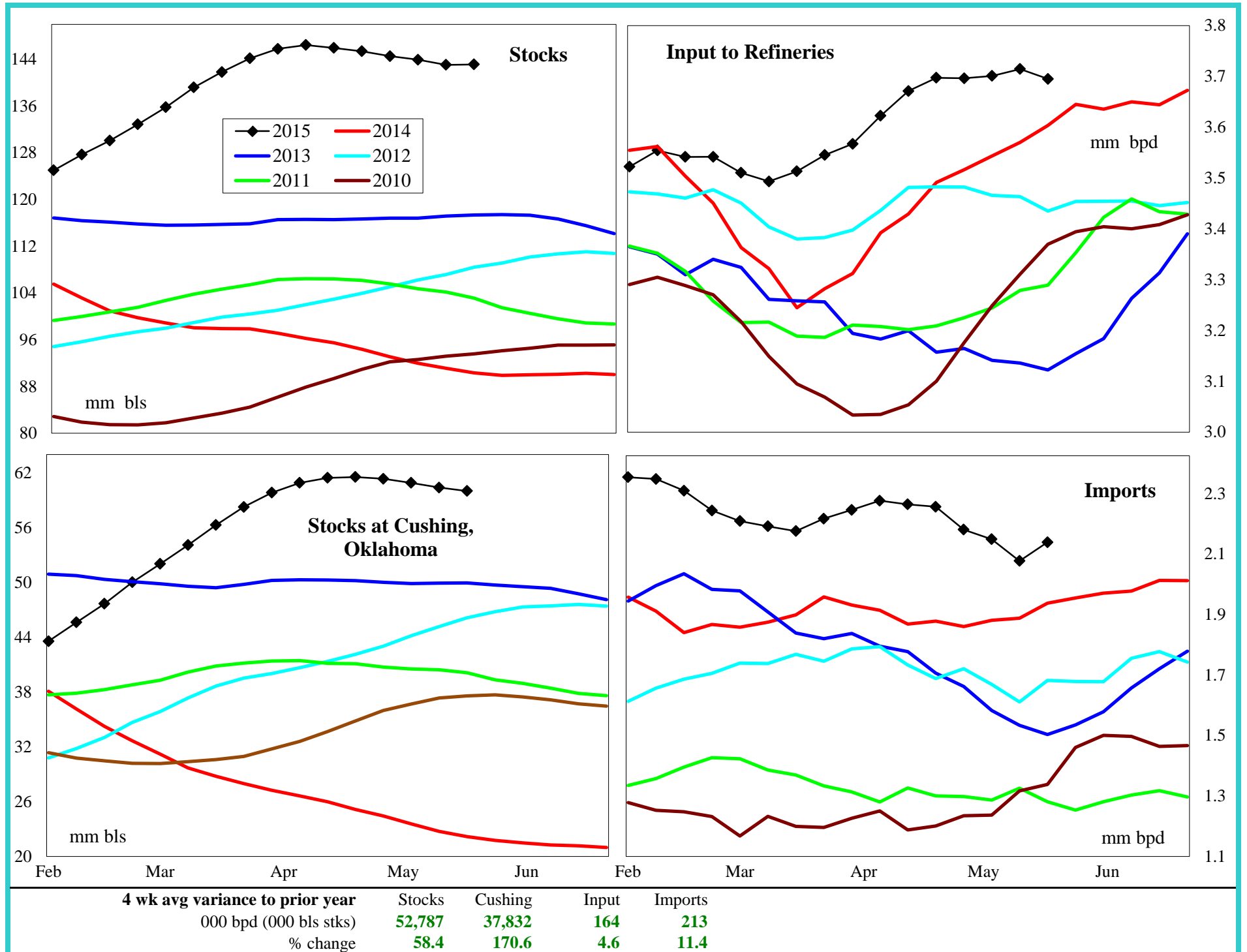
PADD 1 Jet Fuel Supply



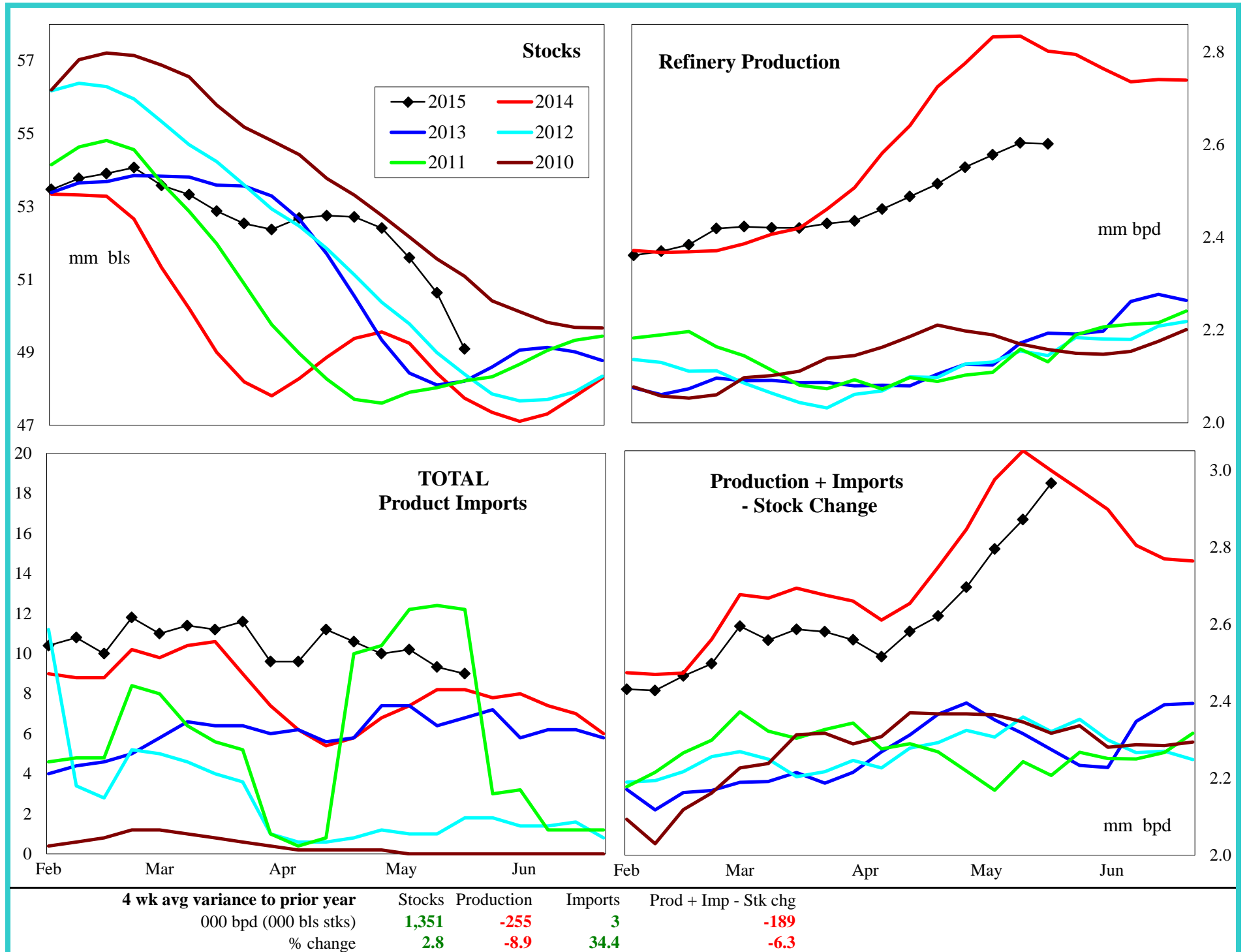
PADD 1 Residual Fuel Oil Supply



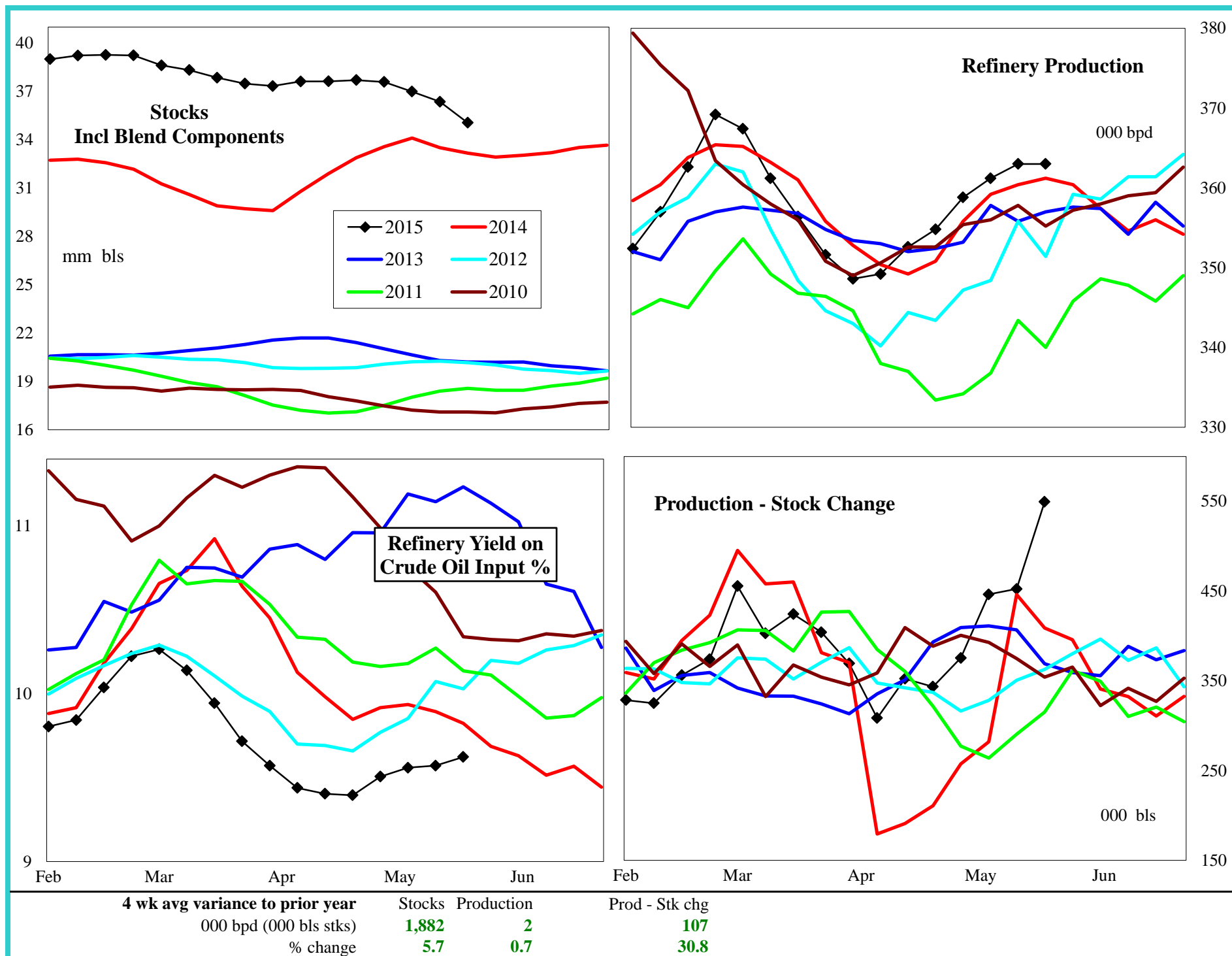
PADD 2 Crude Oil Supply and Refining



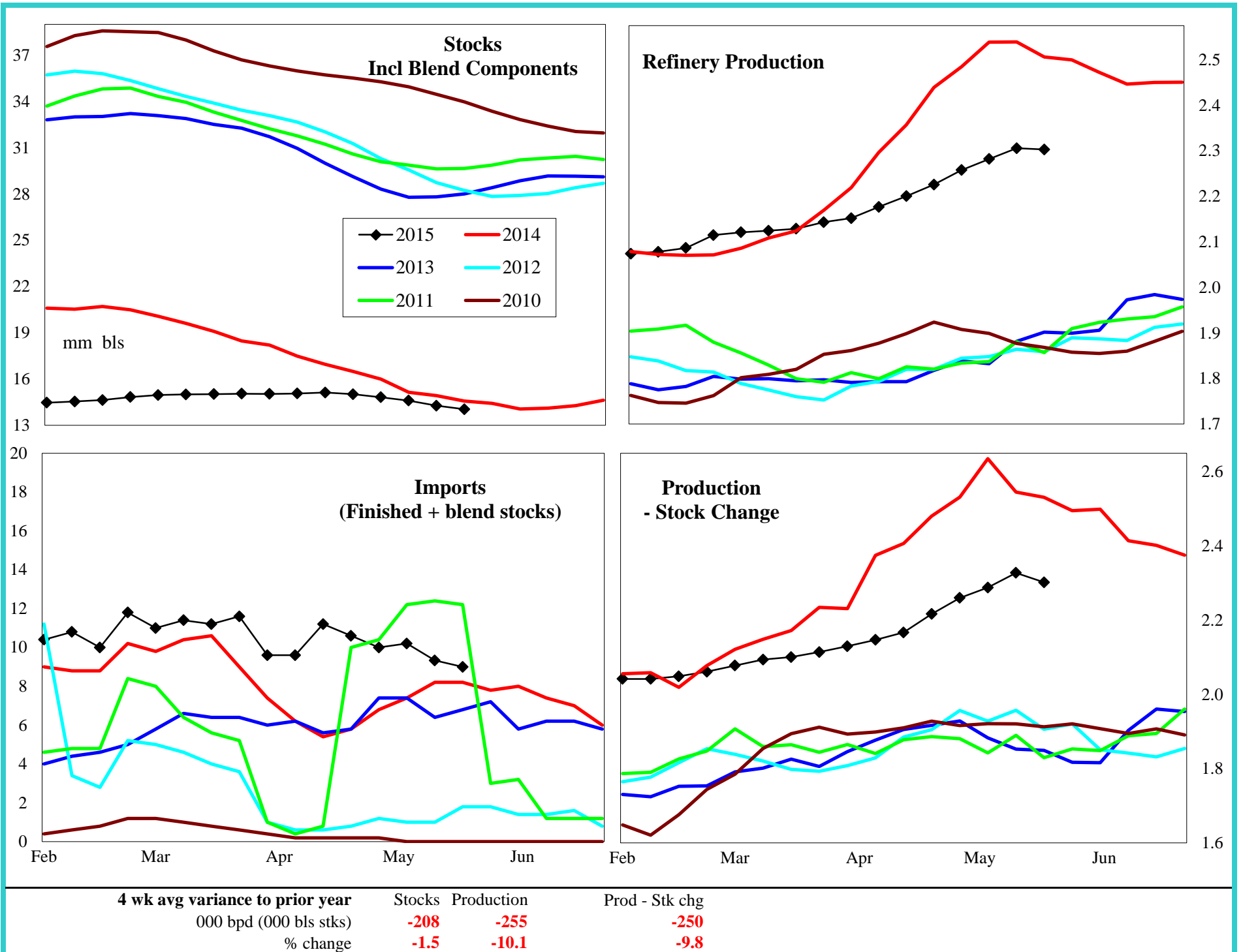
PADD 2 Gasoline Supply



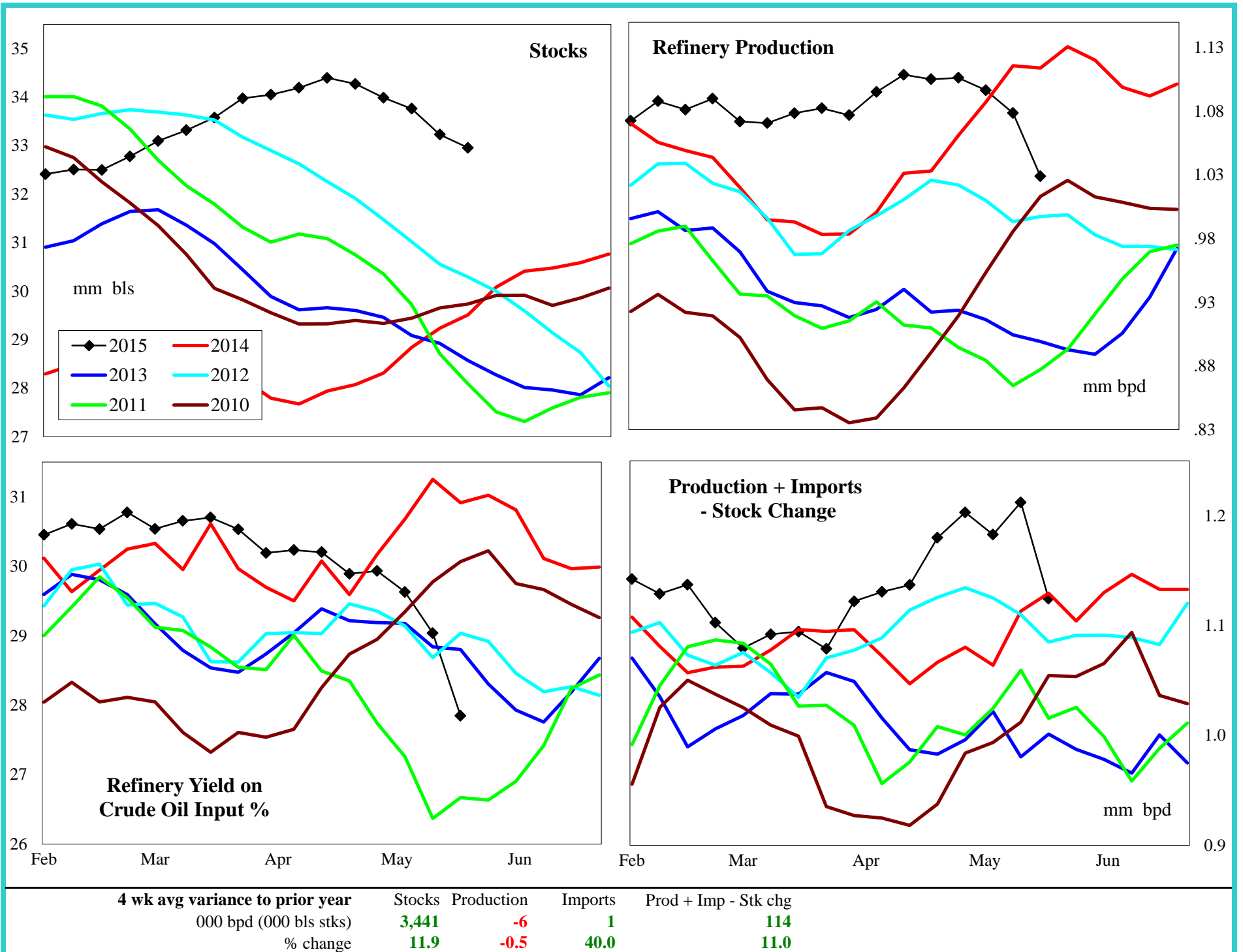
PADD 2 Reformulated Gasoline Supply



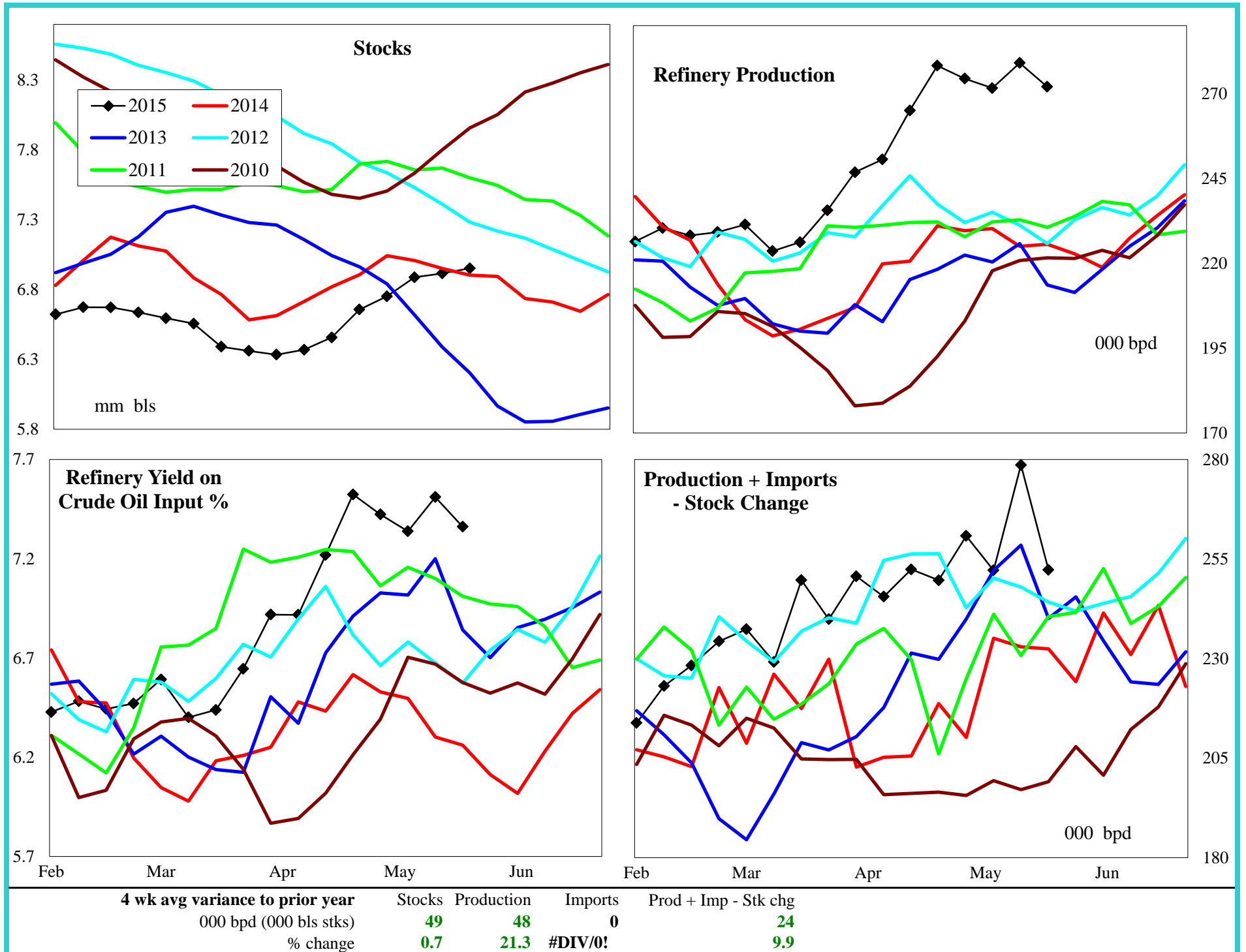
PADD 2 Conventional Gasoline Supply



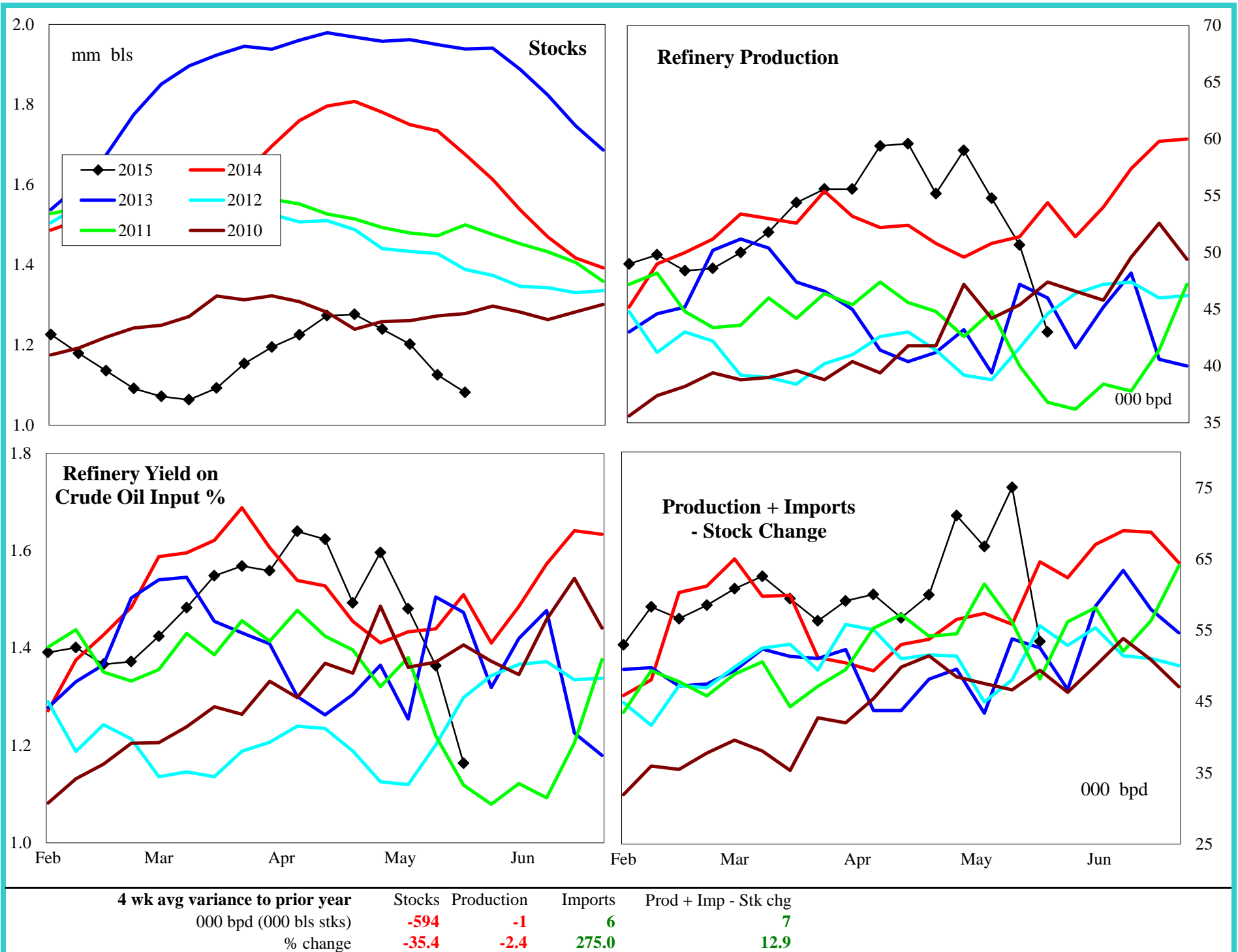
PADD 2 Distillate Supply



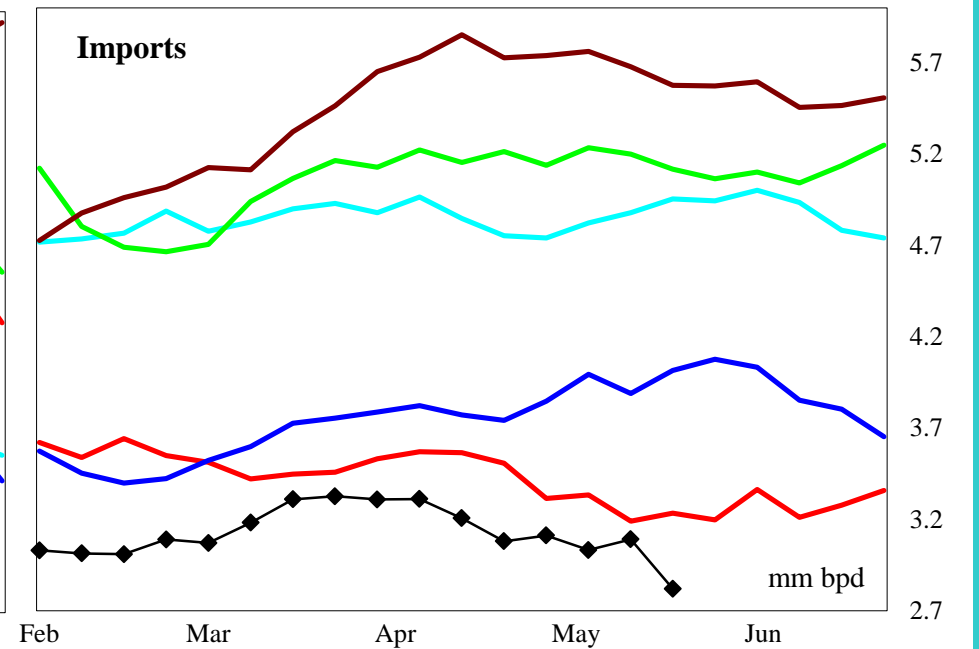
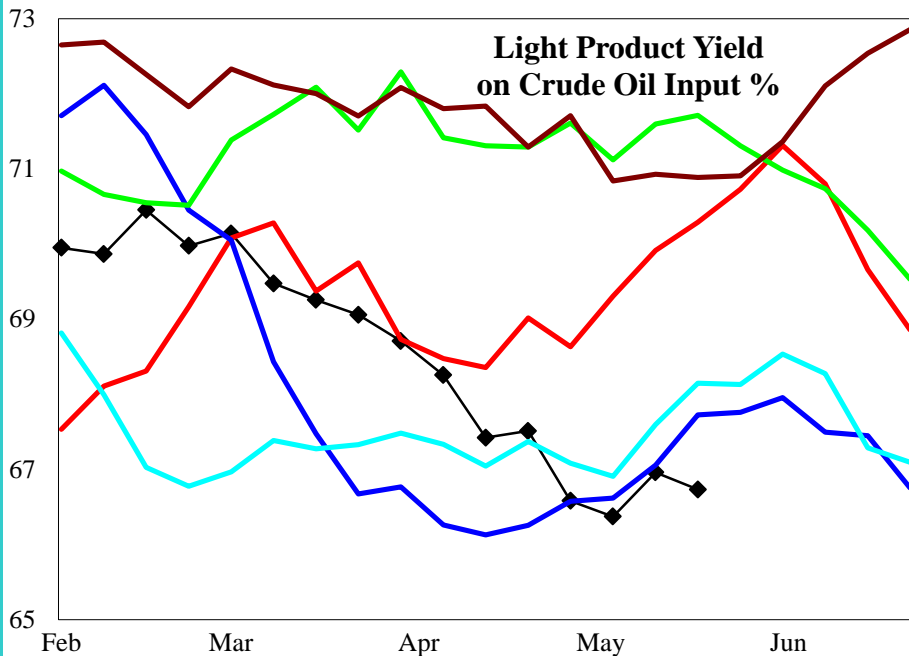
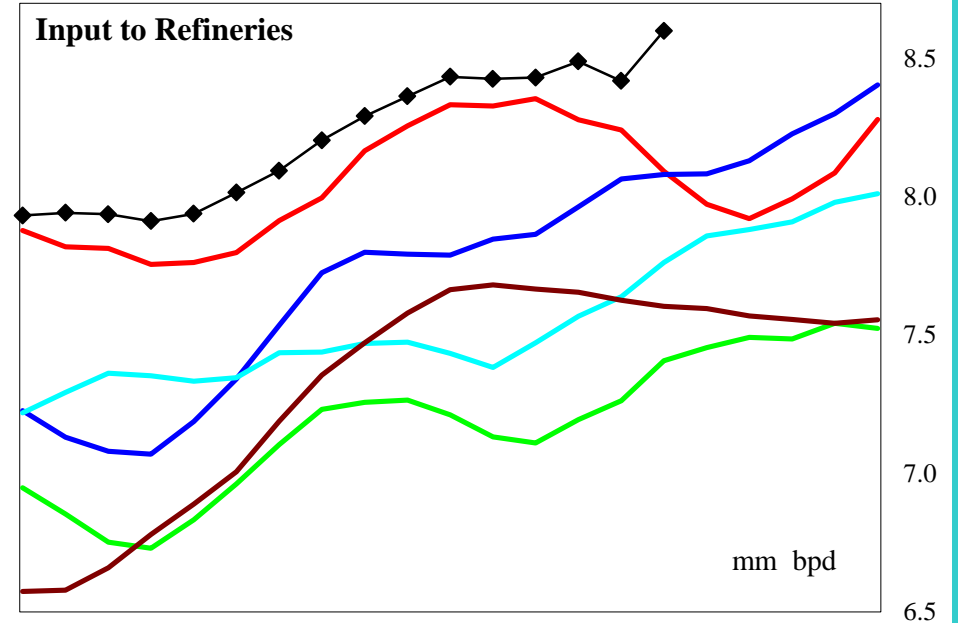
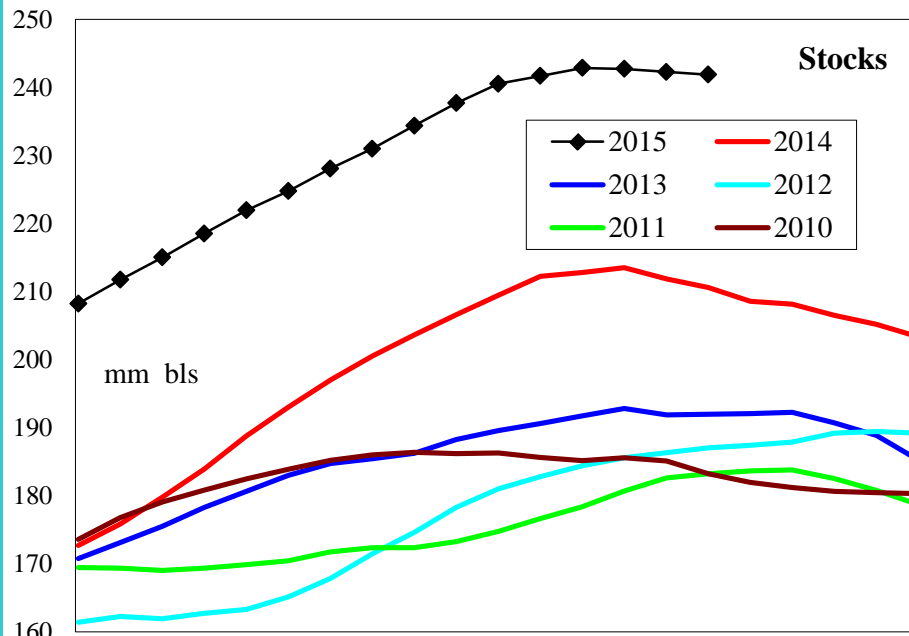
PADD 2 Jet Fuel Supply



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

31,289

14.9

Input

222

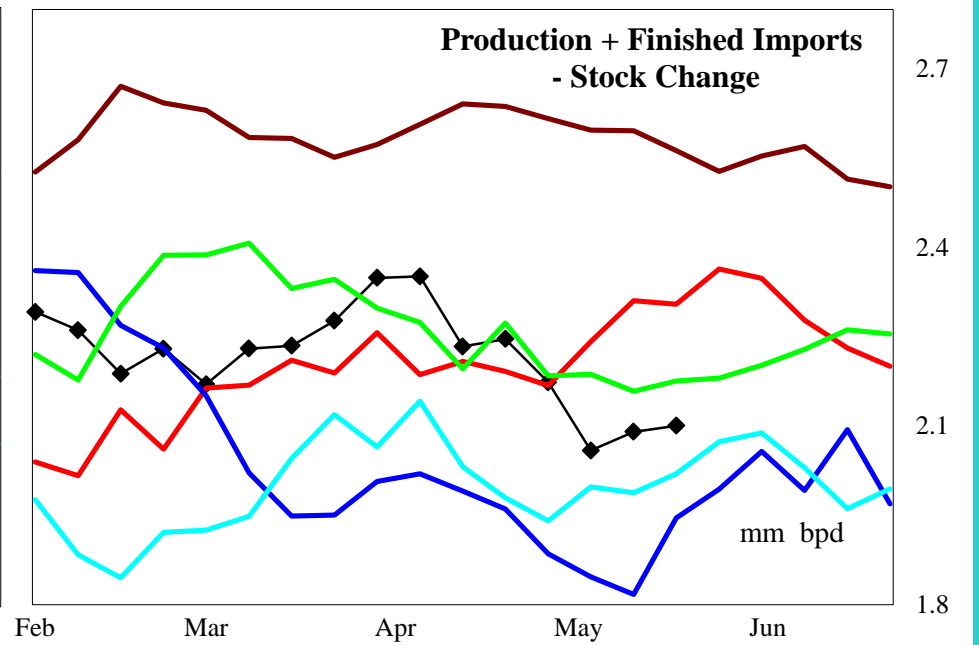
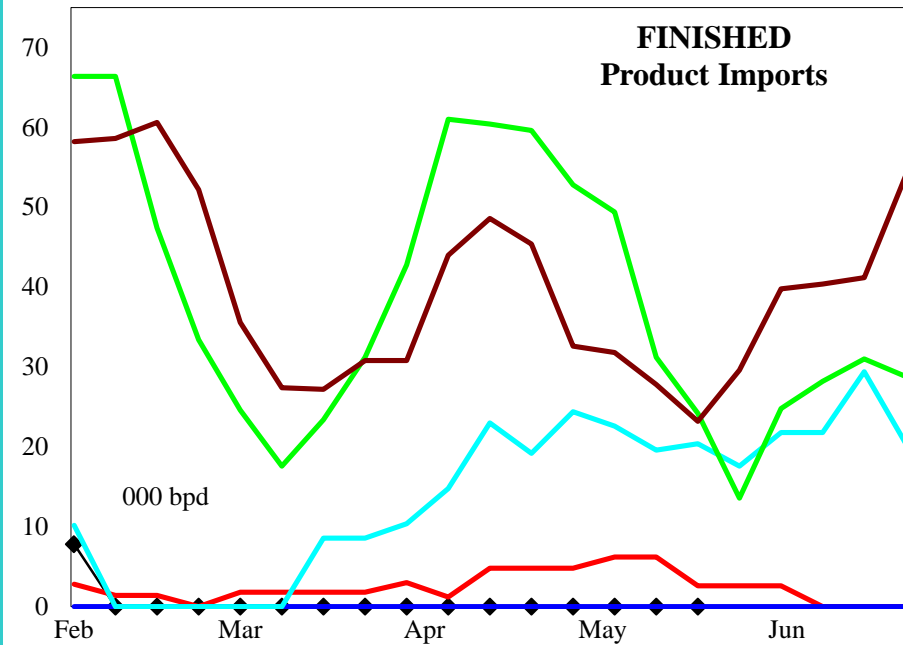
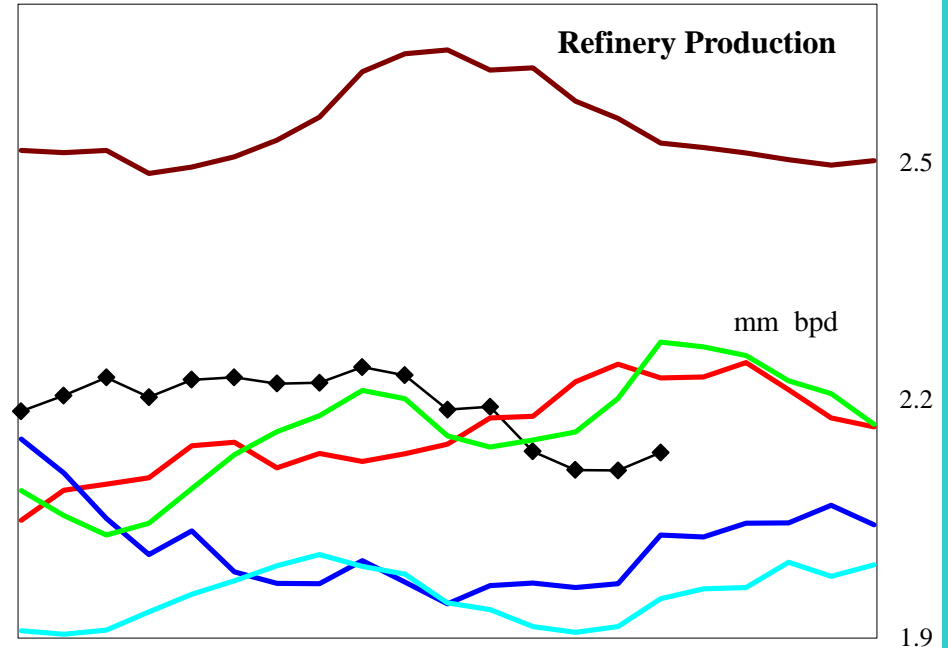
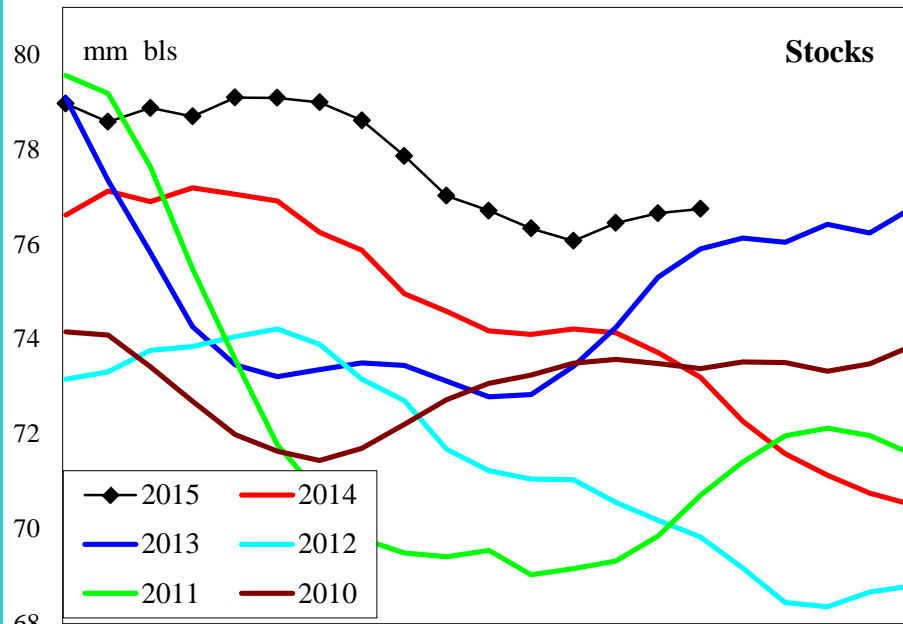
2.7

Imports

-258

-7.9

PADD 3 Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

3,829

5.3

Production

-134

-6.0

Fin Impt

-8

-100.0

Blend Impt

-4

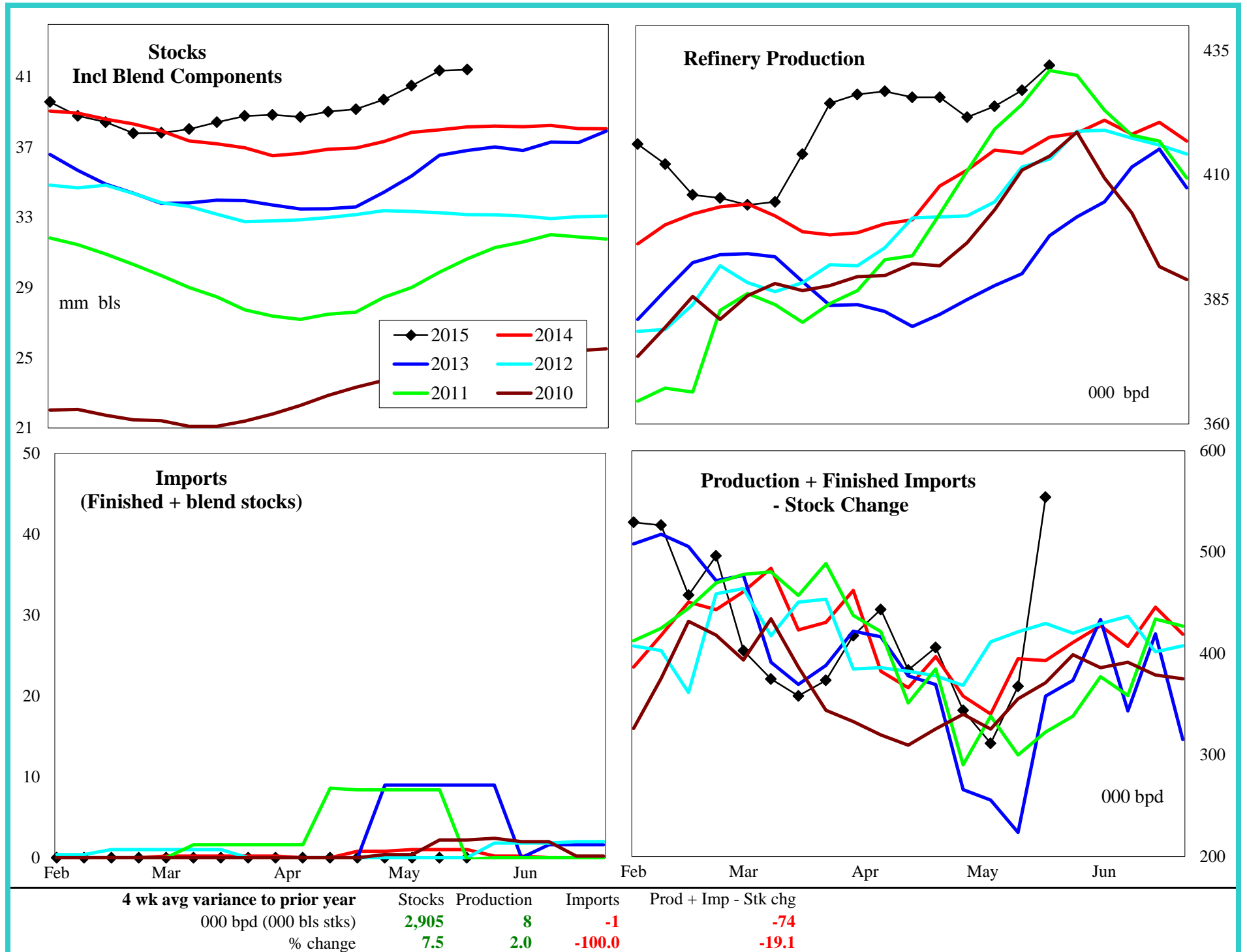
-75.0

Prod + Imp - Stk chg

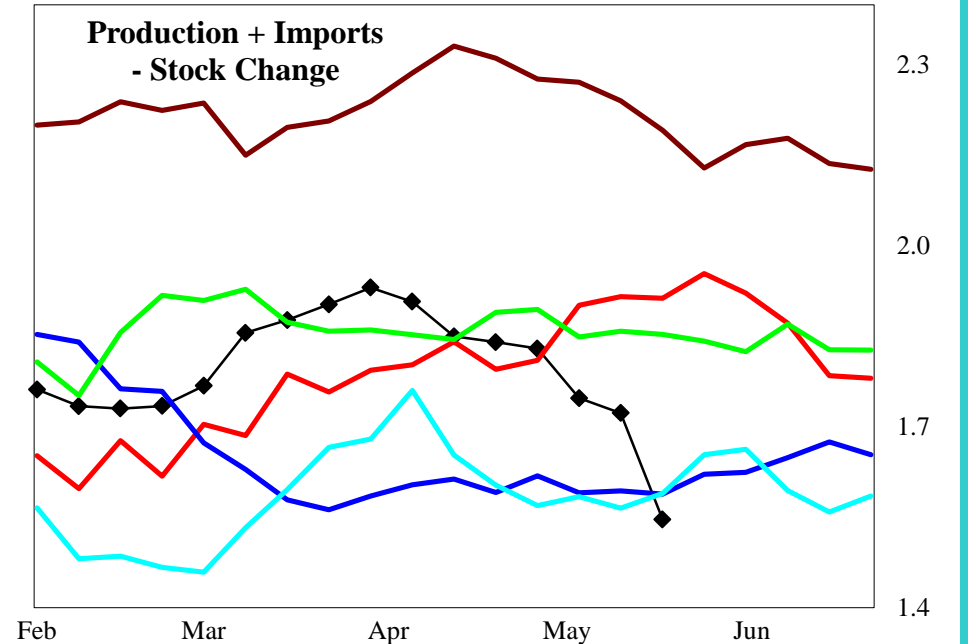
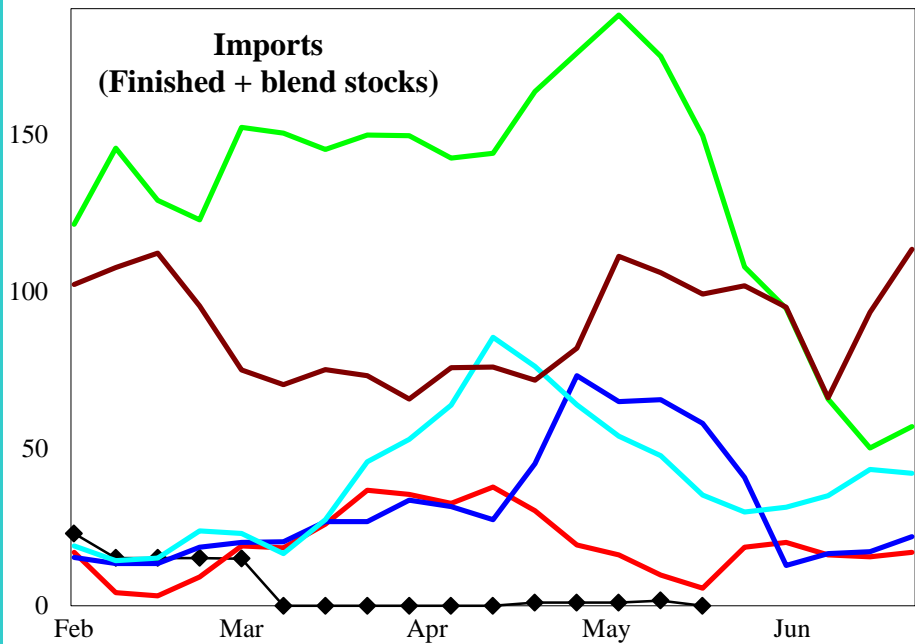
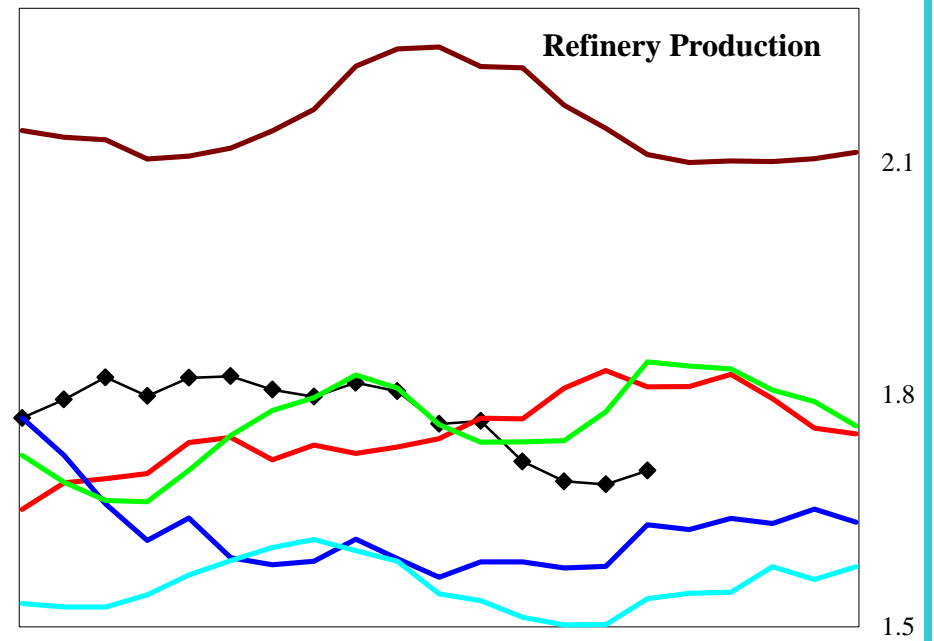
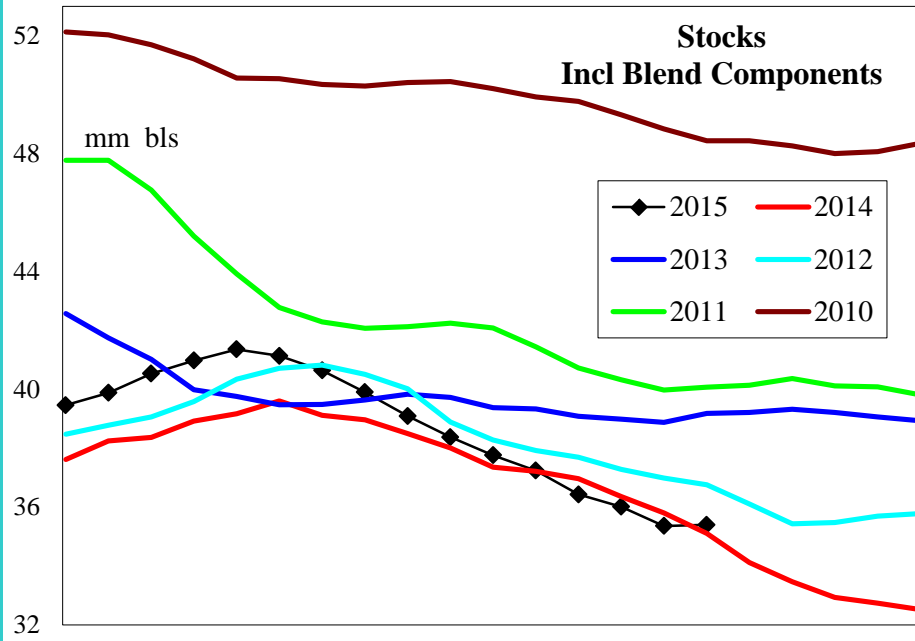
-223

-9.7

PADD 3 Reformulated Gasoline Supply



PADD 3 Conventional Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

Production

Imports

Prod + Imp - Stk chg

917

-142

-10

-148

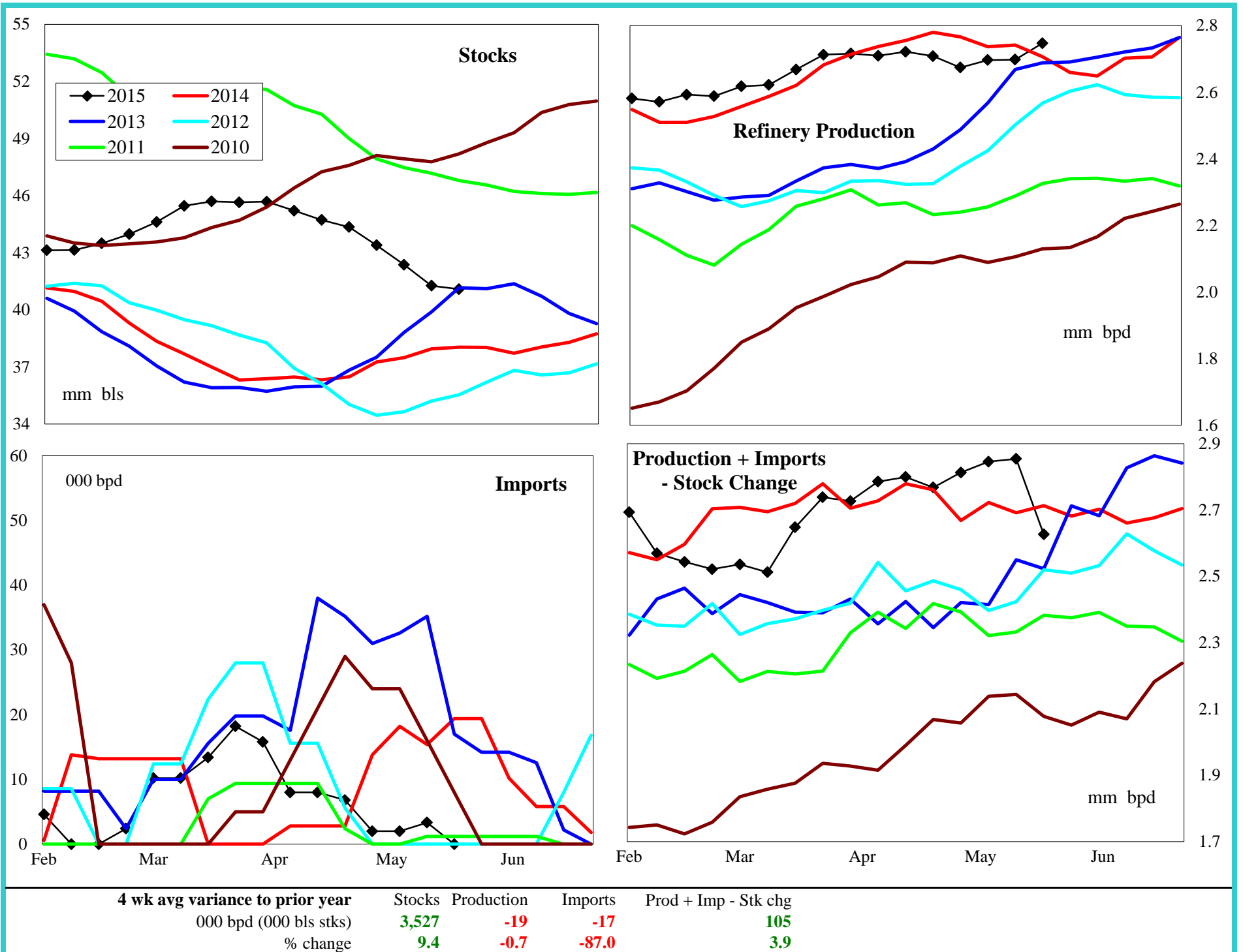
2.7

-7.8

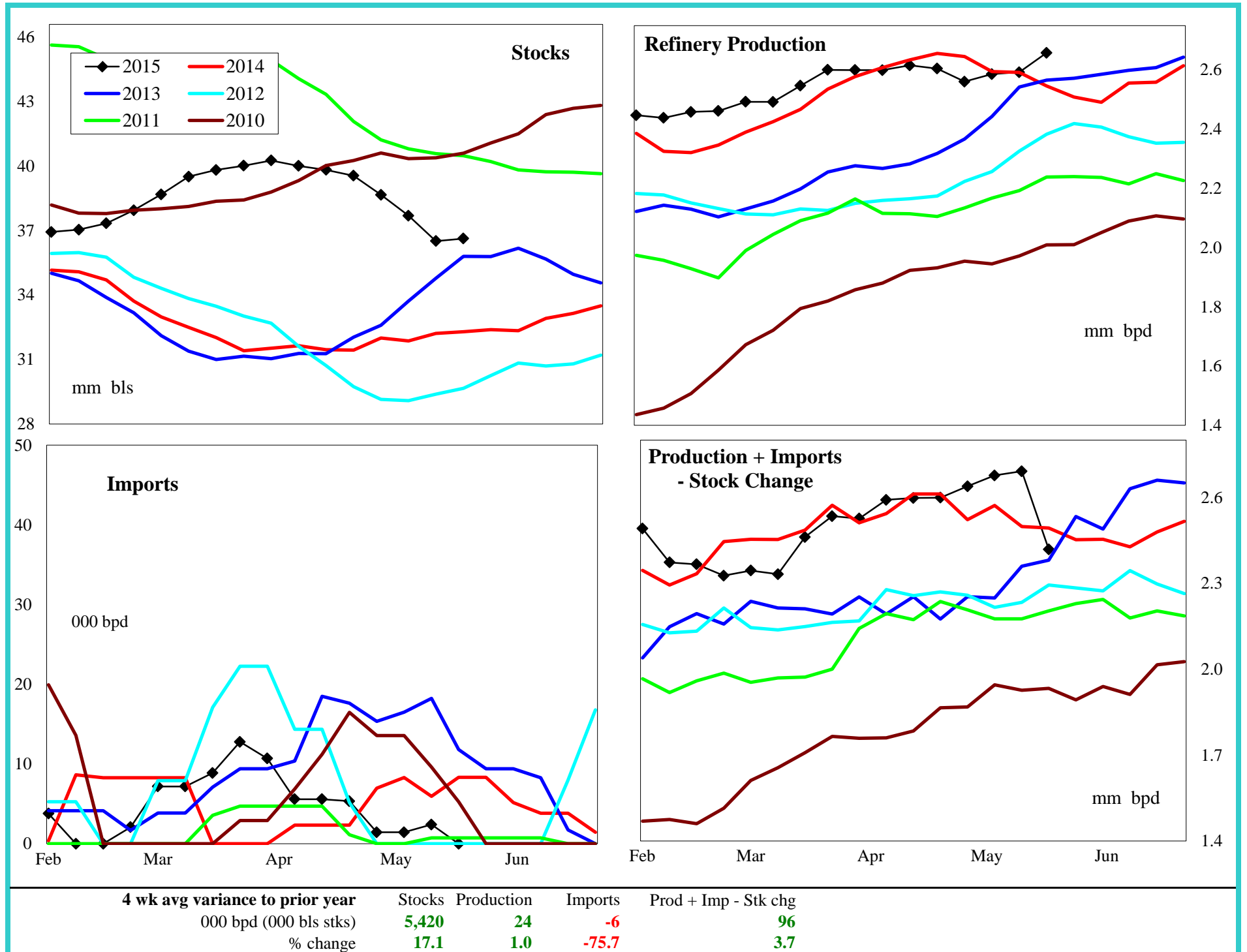
-89.1

-7.7

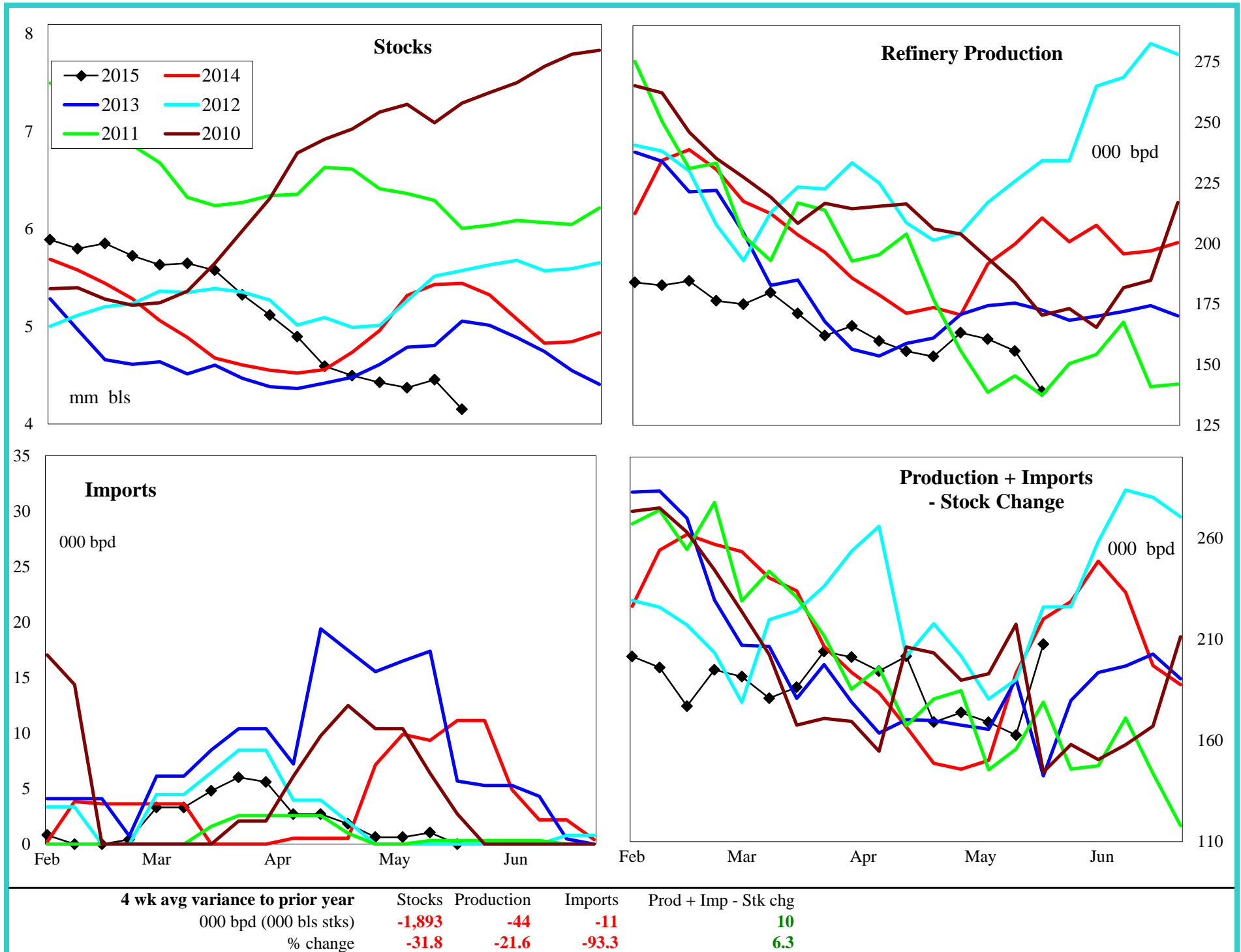
PADD 3 Distillate Supply



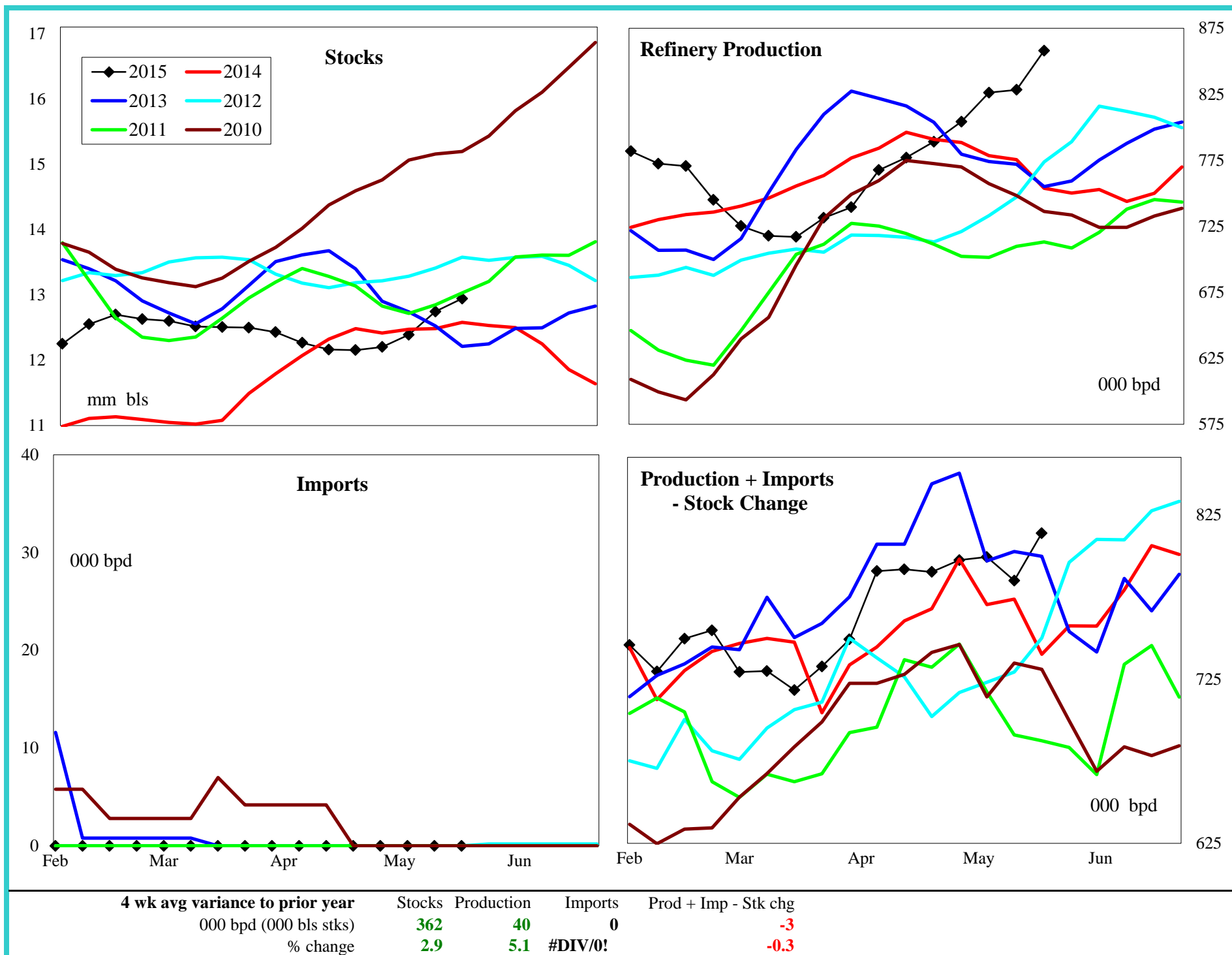
PADD 3 Low Sulfur Distillate Supply



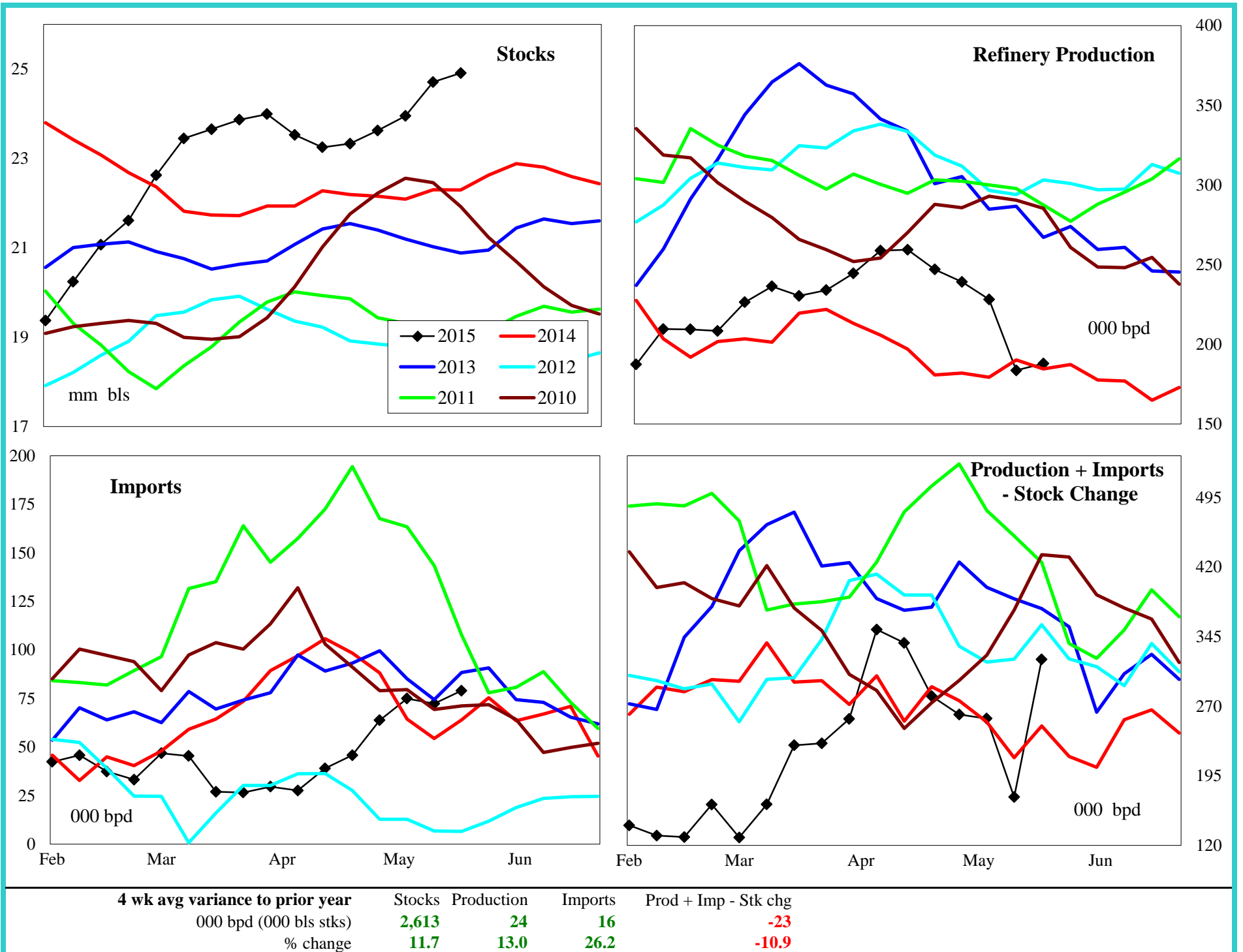
PADD 3 High Sulfur Distillate Supply



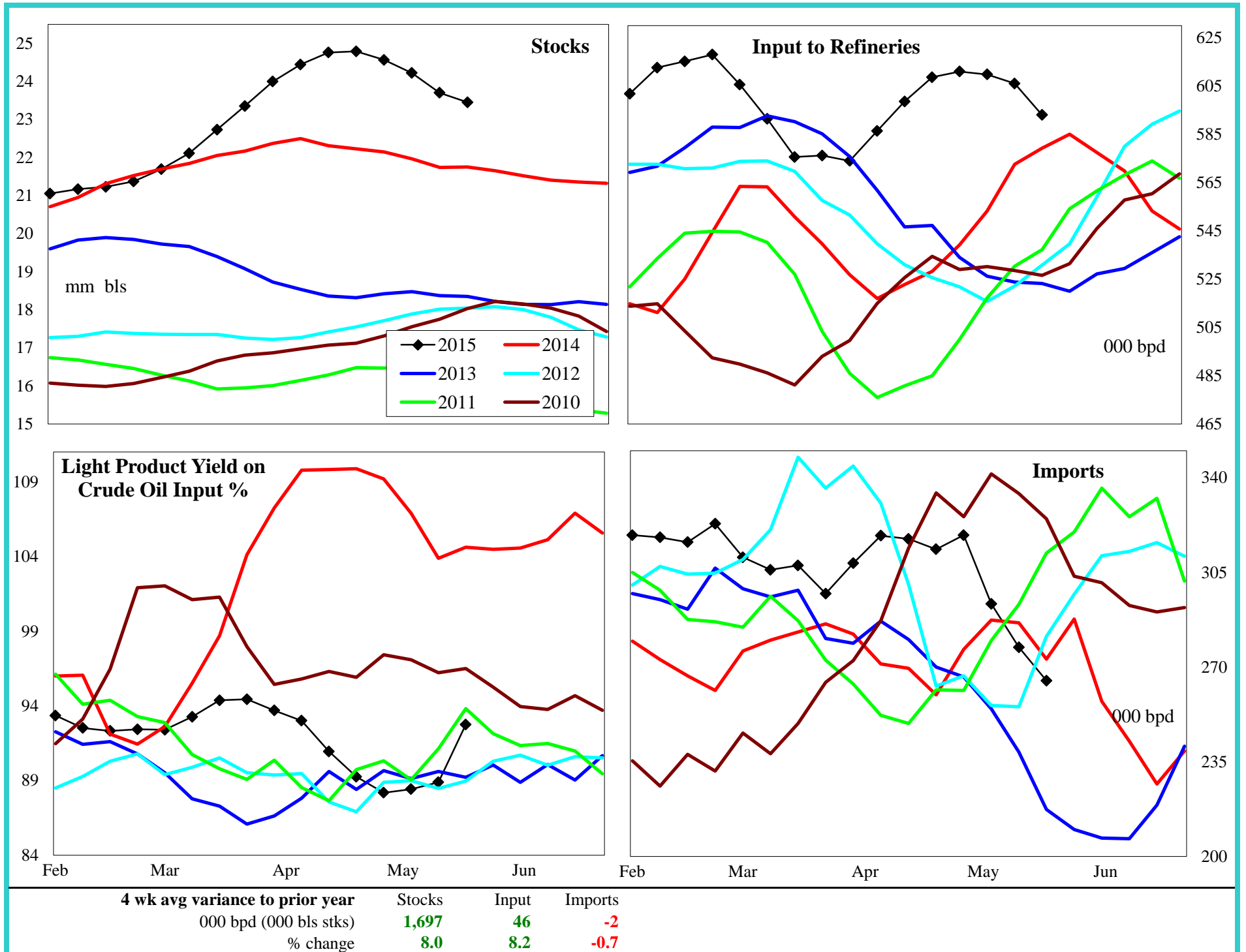
PADD 3 Jet Fuel Supply



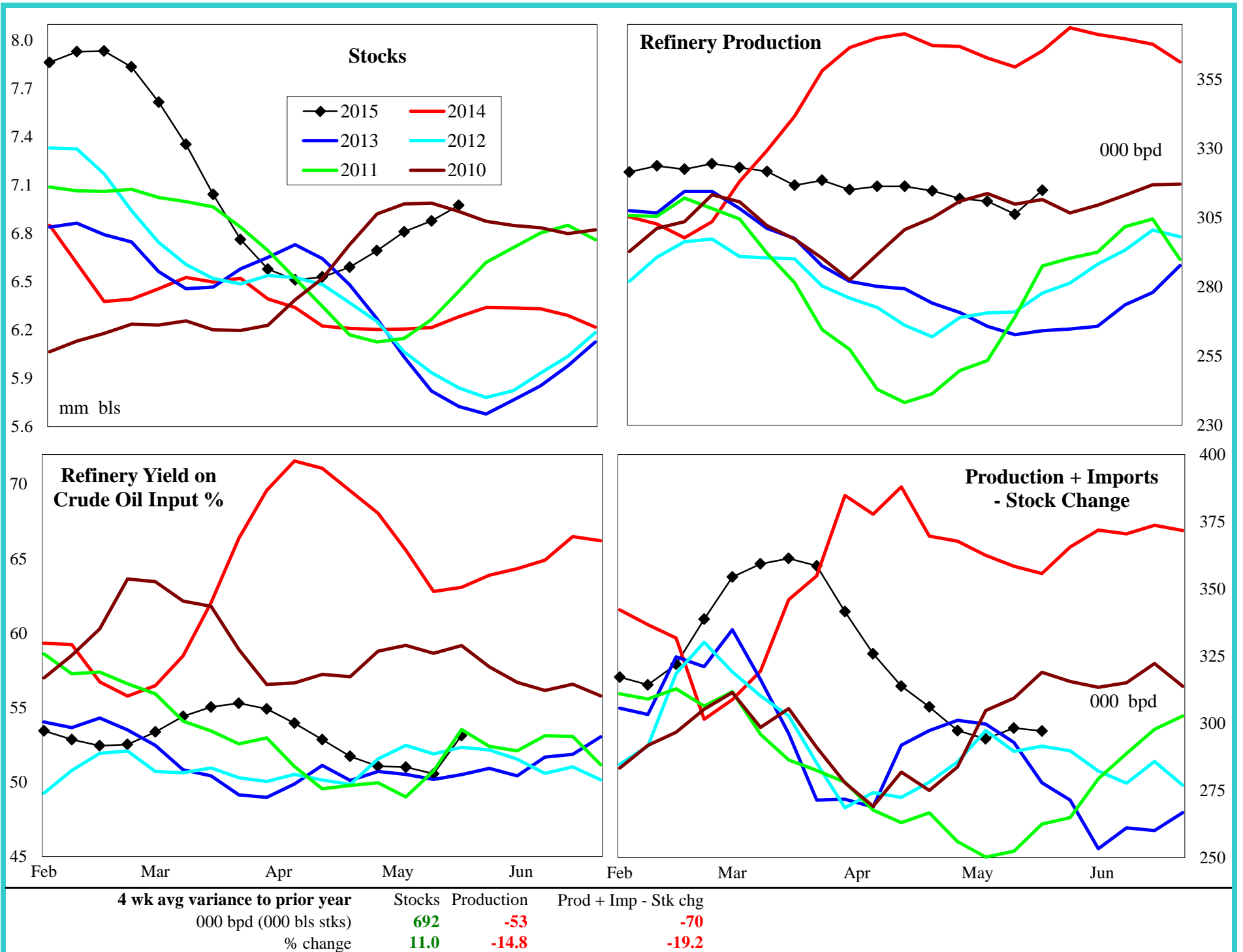
PADD 3 Residual Fuel Oil Supply



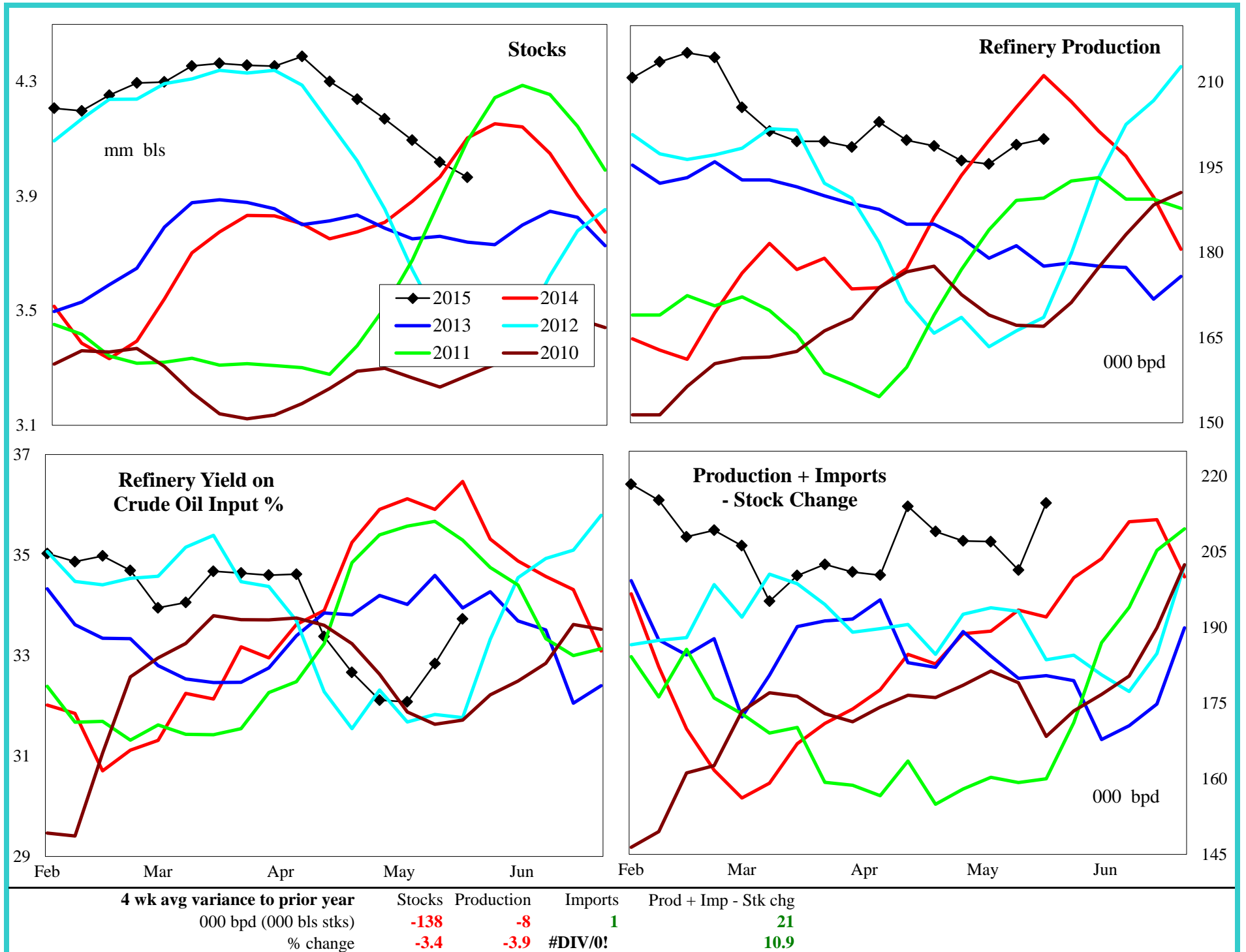
PADD 4 Crude Oil Supply and Refining



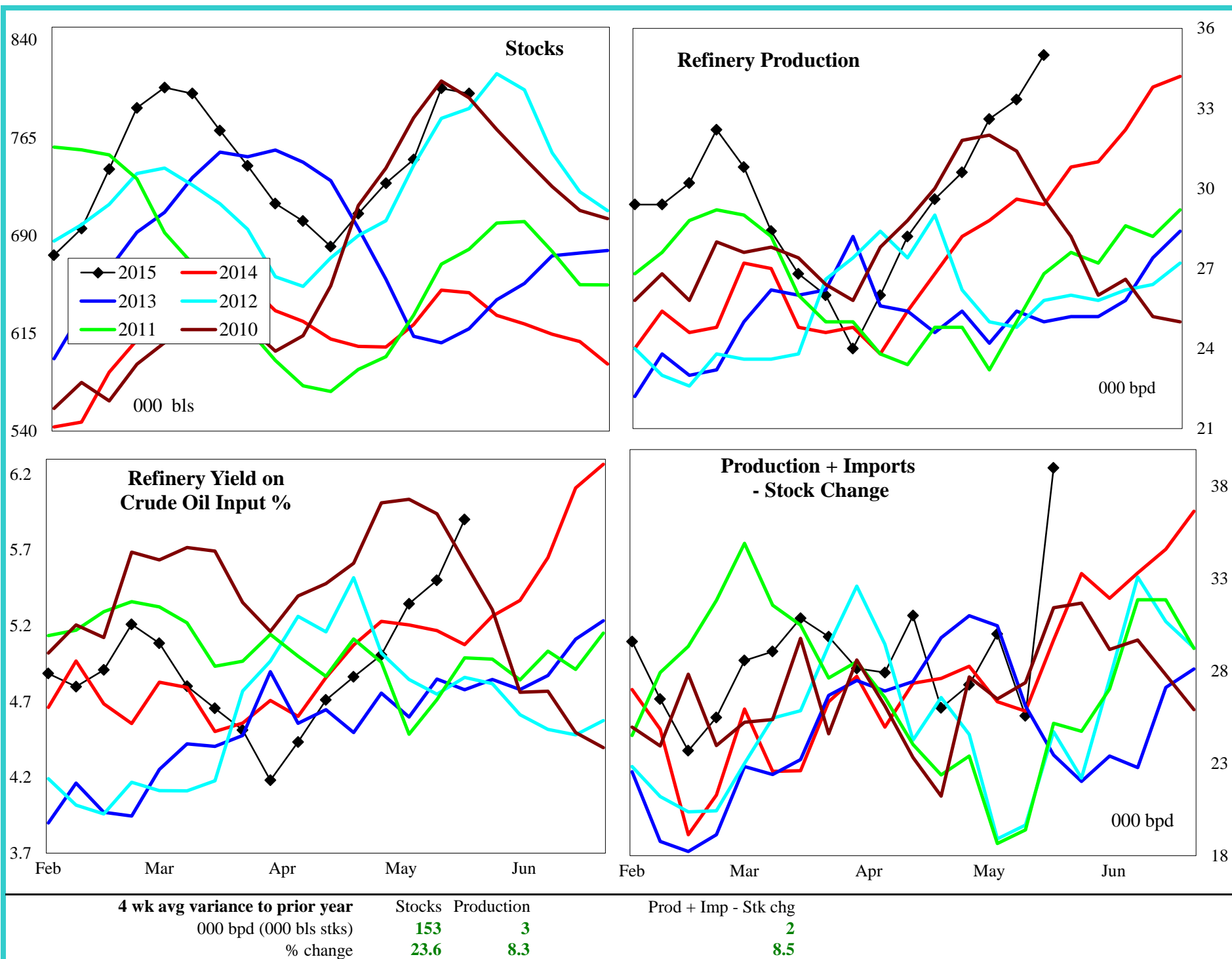
PADD 4 Gasoline Supply



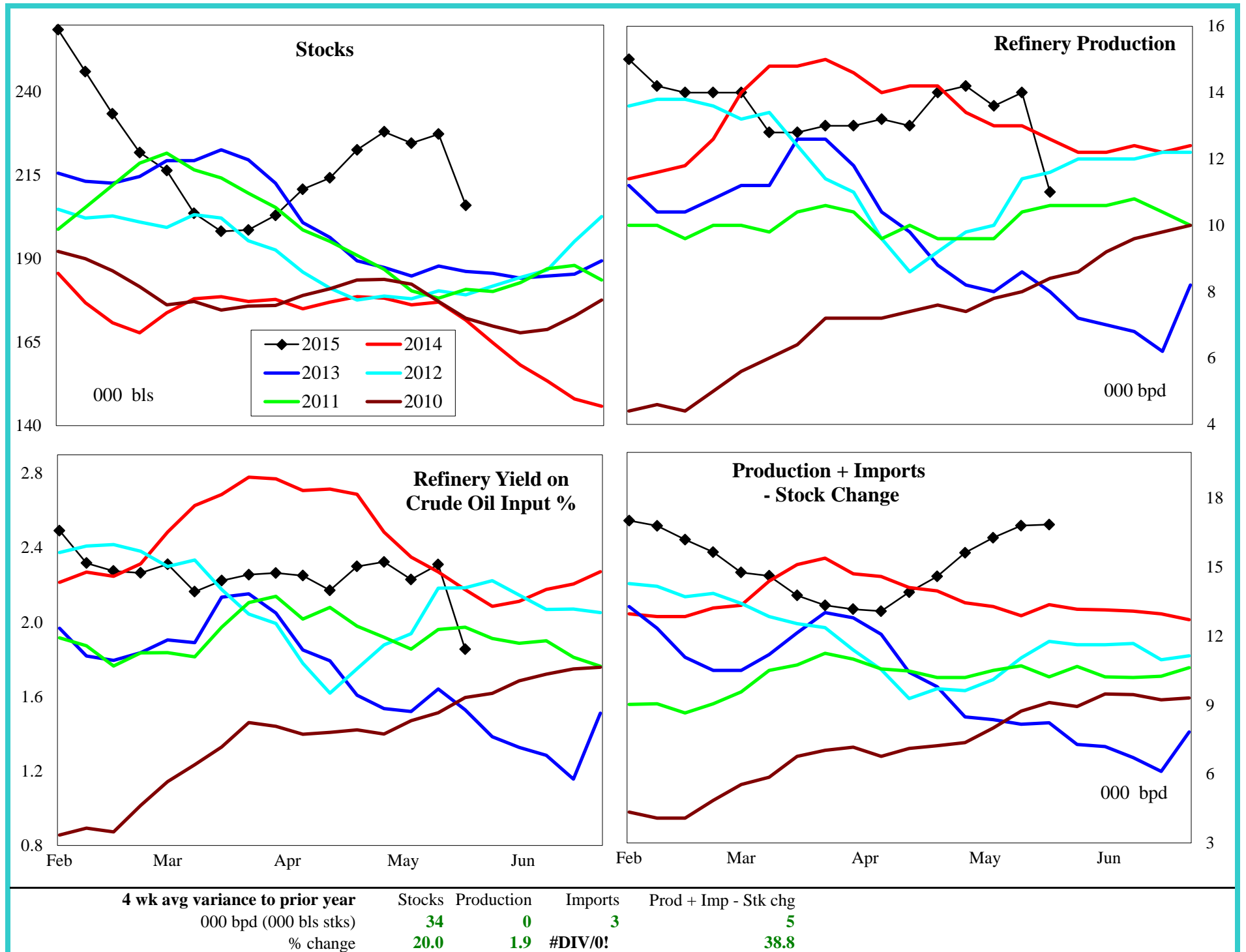
PADD 4 Distillate Supply



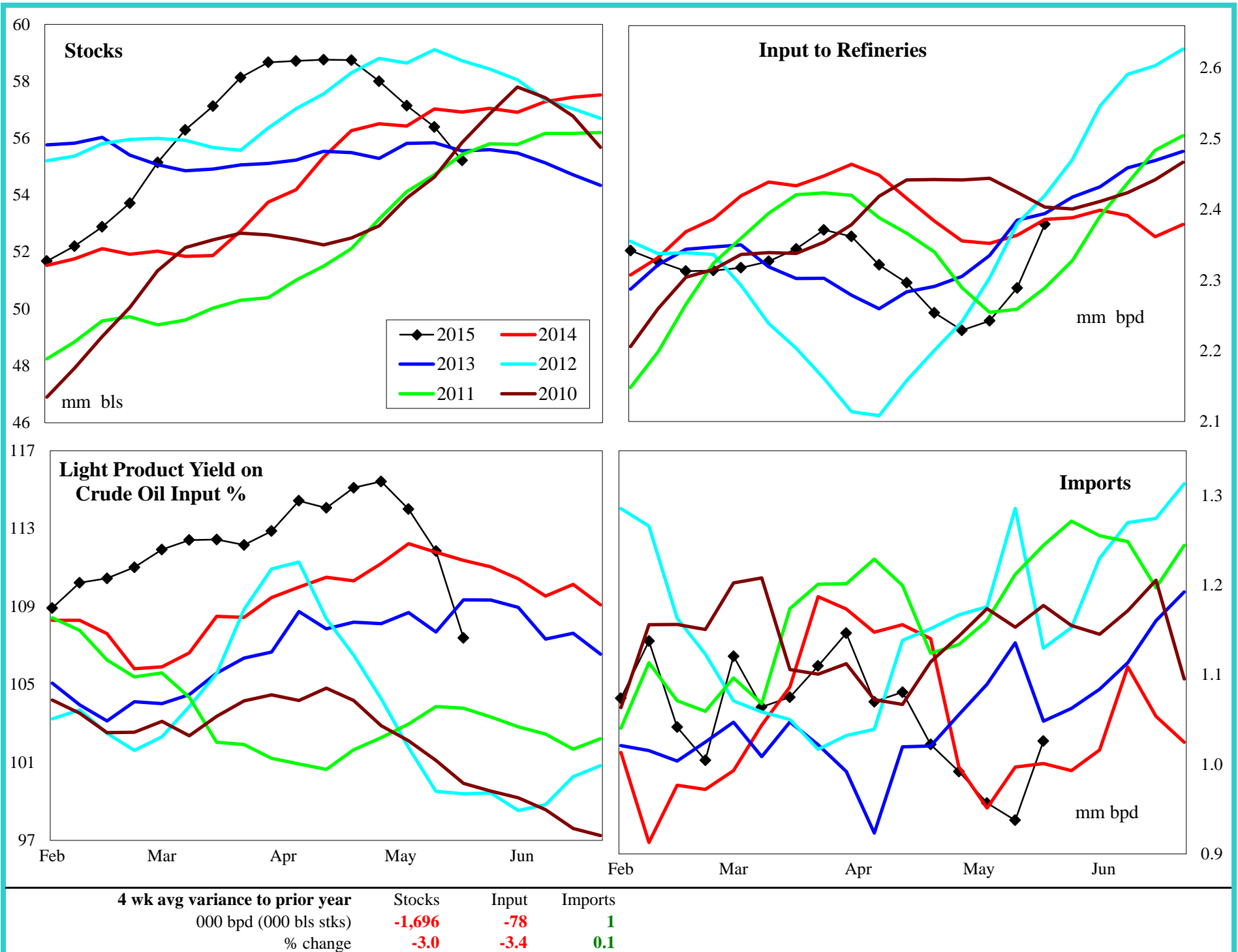
PADD 4 Jet Fuel Supply



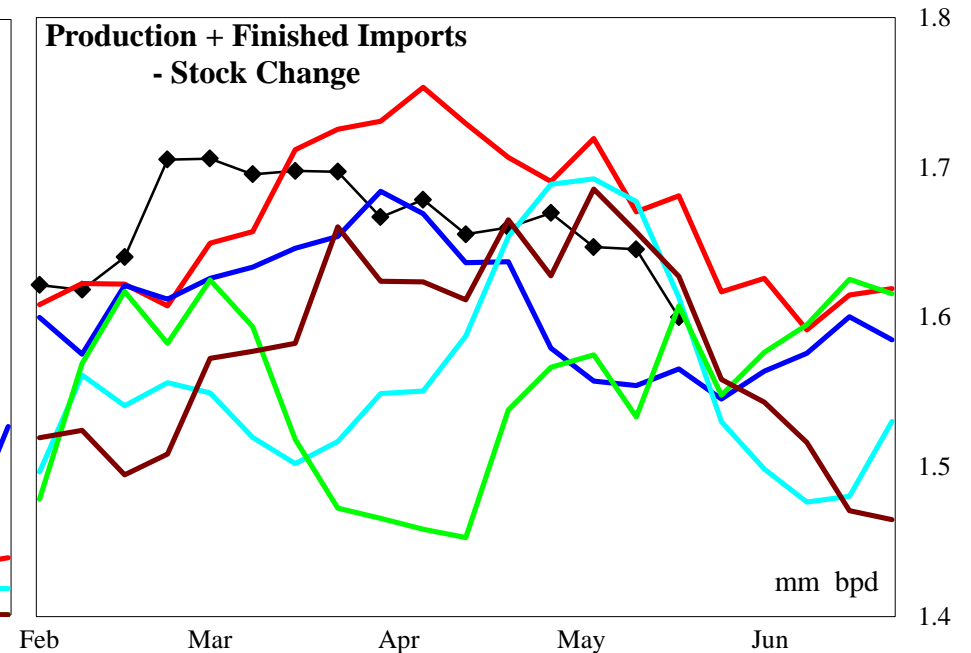
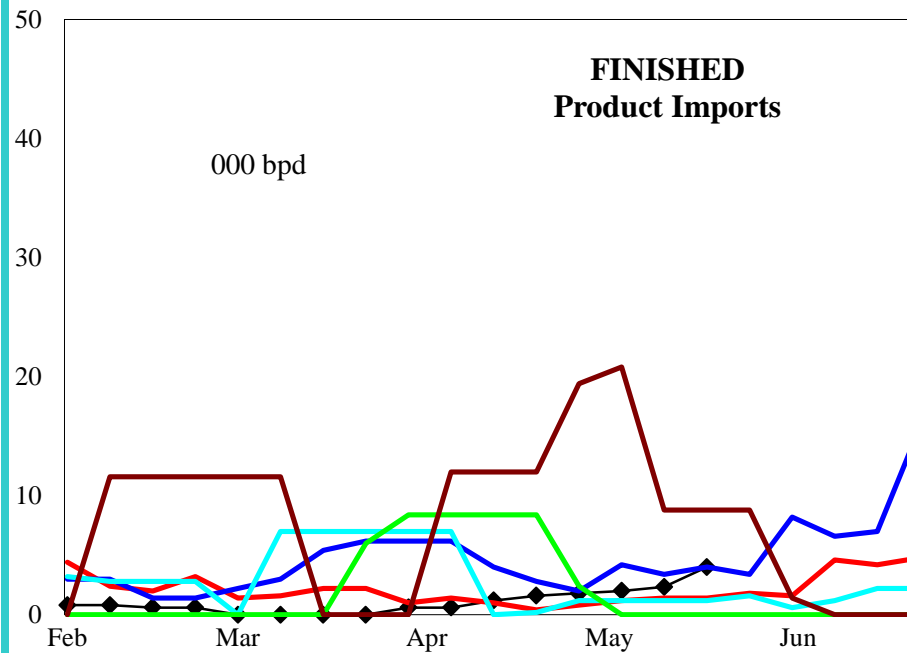
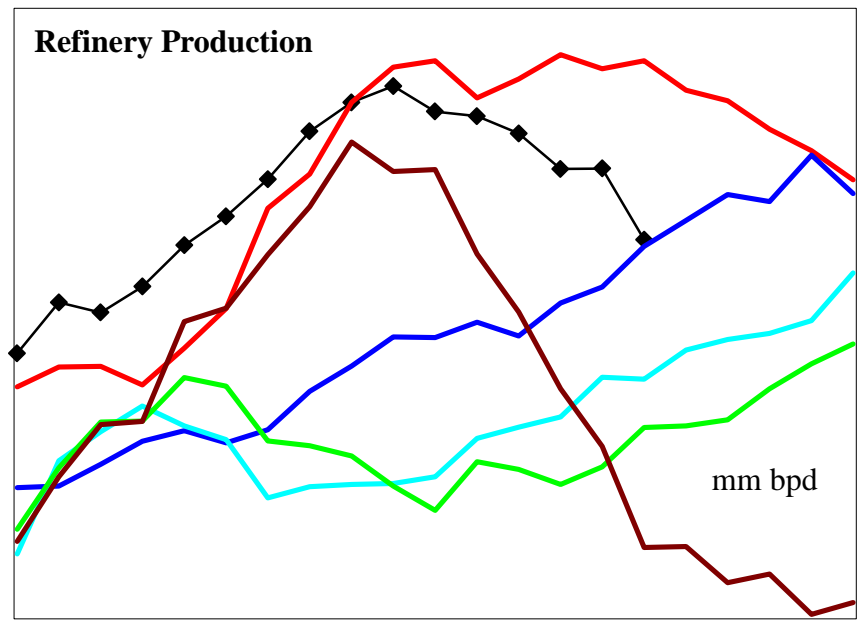
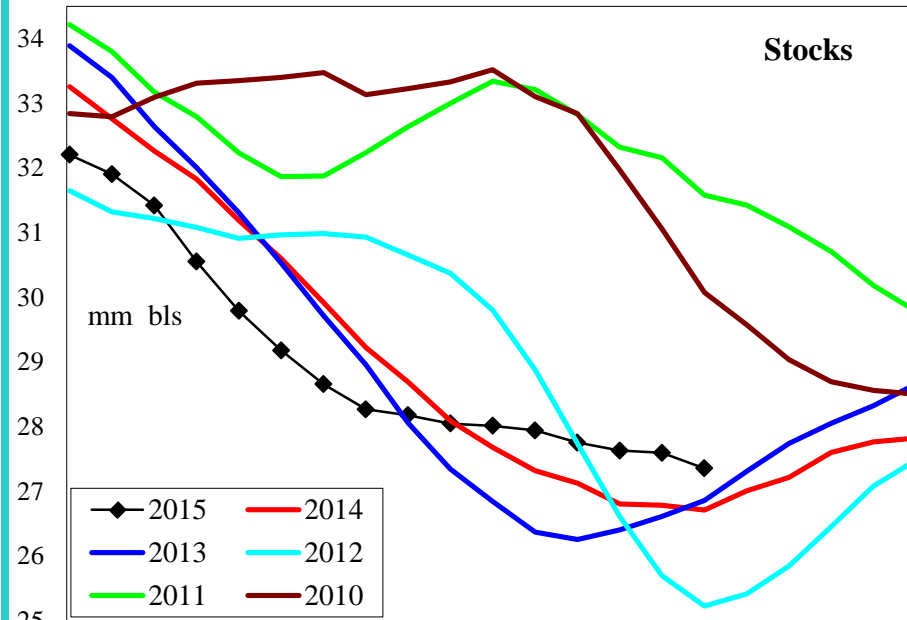
PADD 4 Residual Fuel Oil Supply



PADD 5 Crude Oil Supply and Refining



PADD 5 Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

1,370

5.3

Production

-57

-3.4

Fin Impt

2

150.0

Blend Impt

67

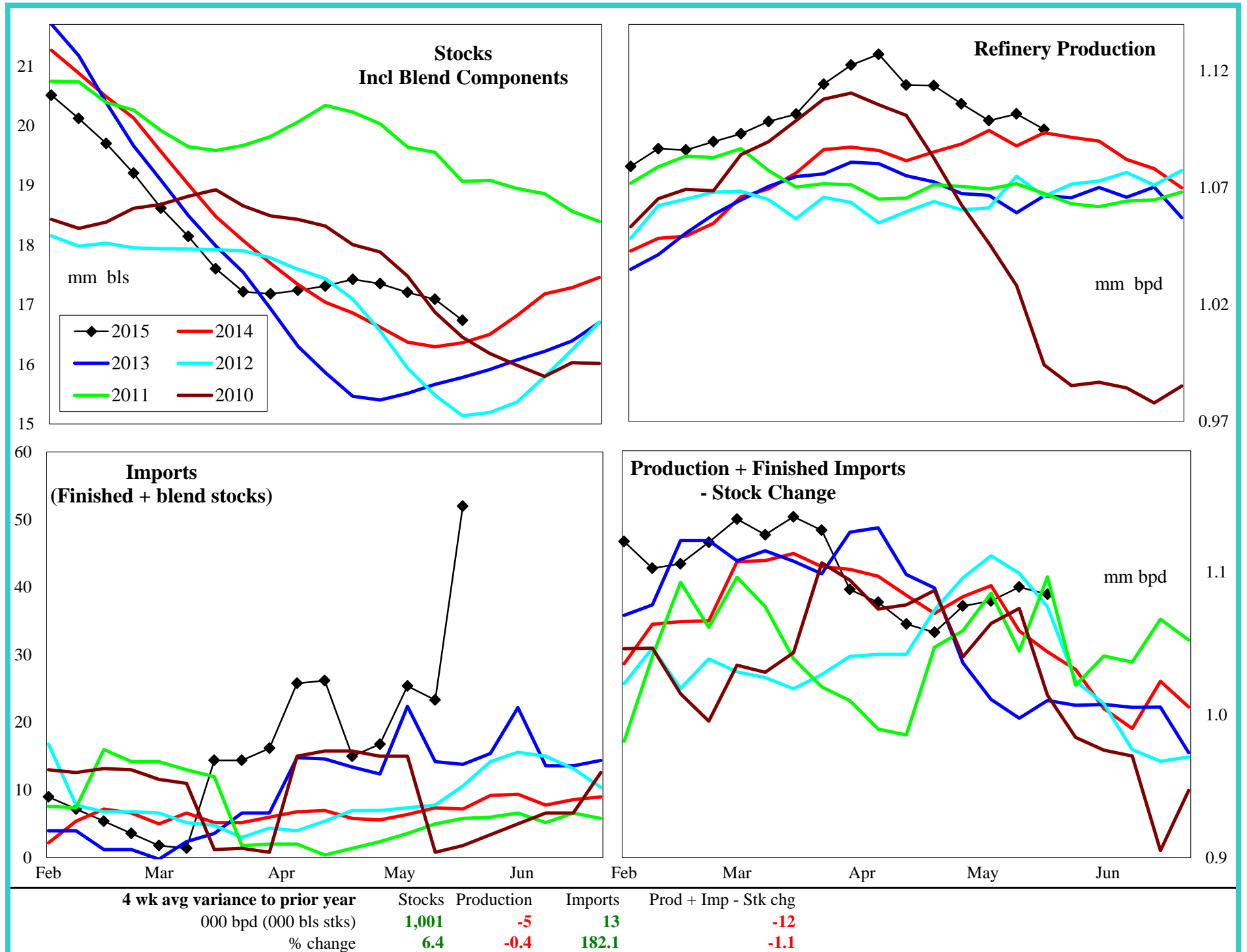
788.2

Prod + Imp - Stk chg

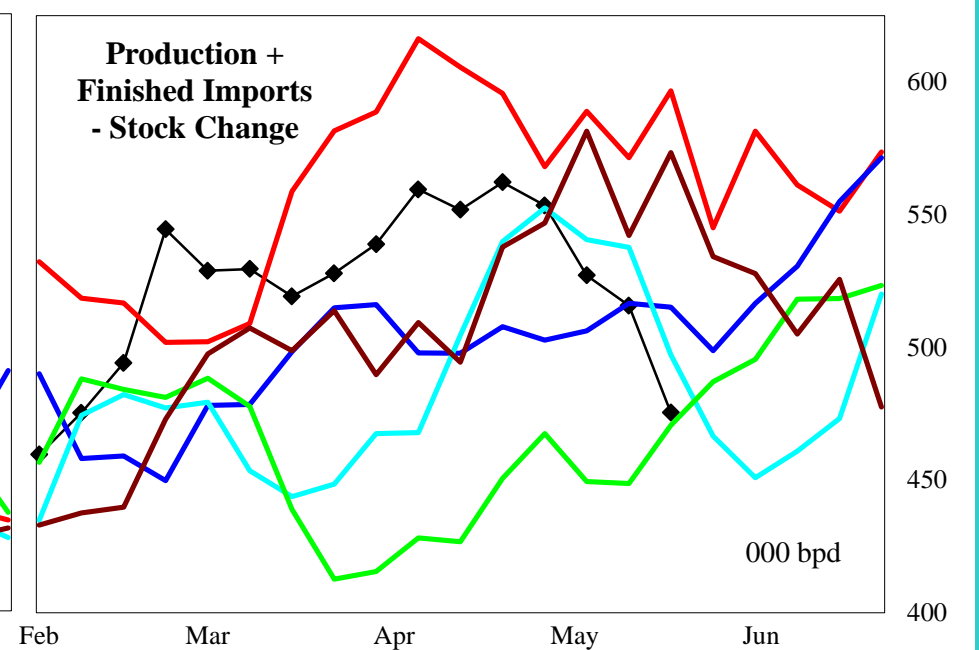
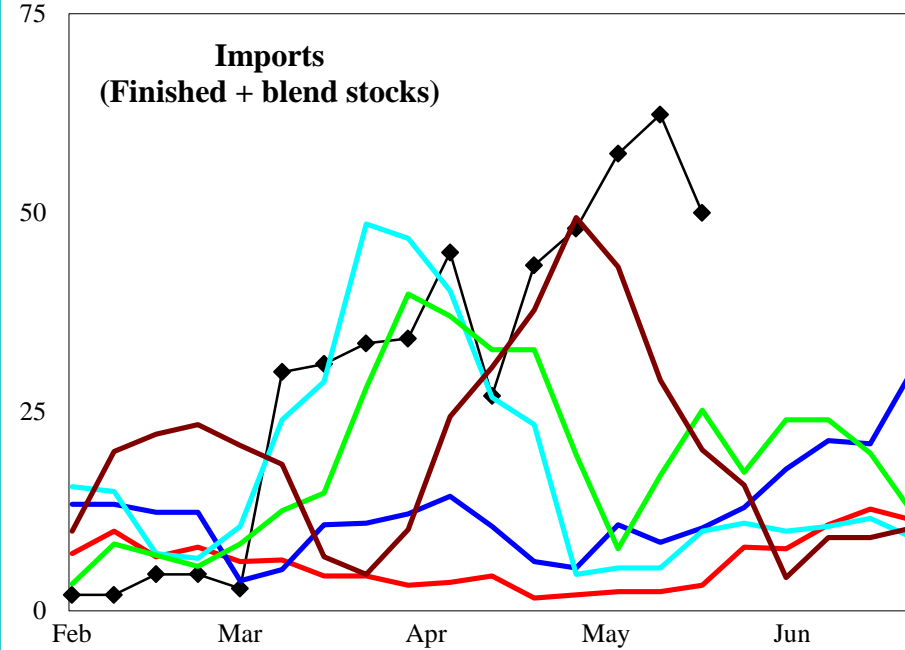
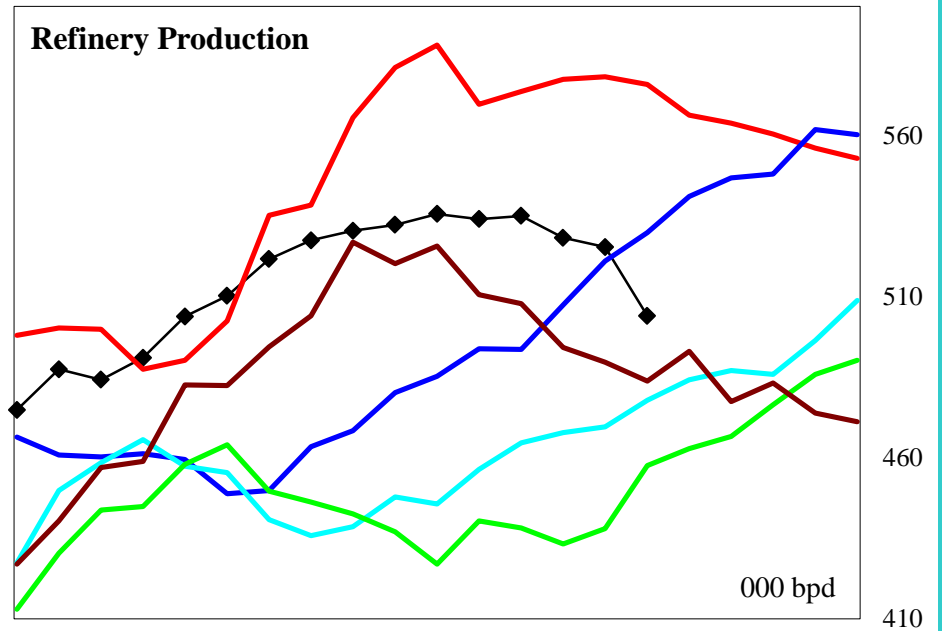
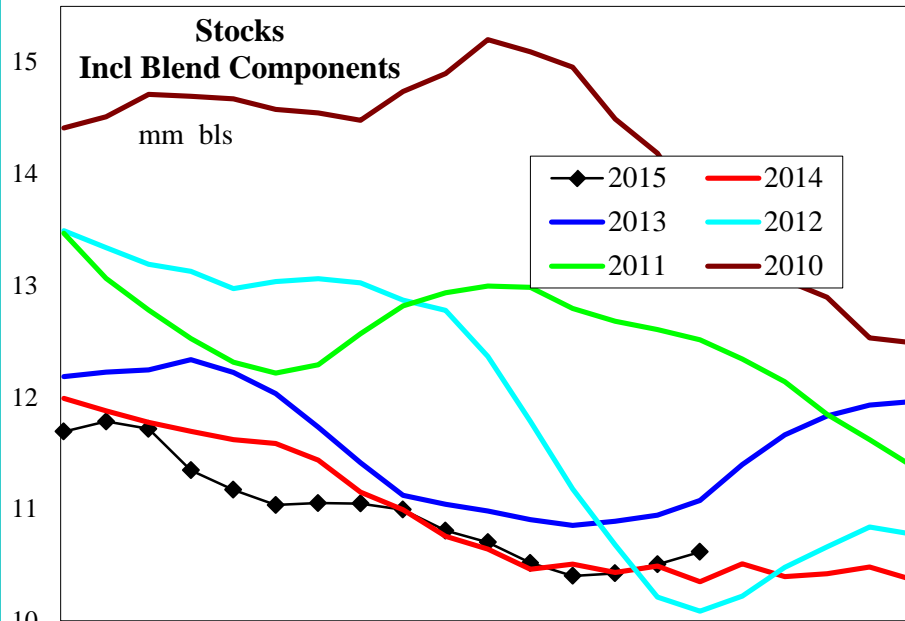
-74

-4.3

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

369

-52

56

-62

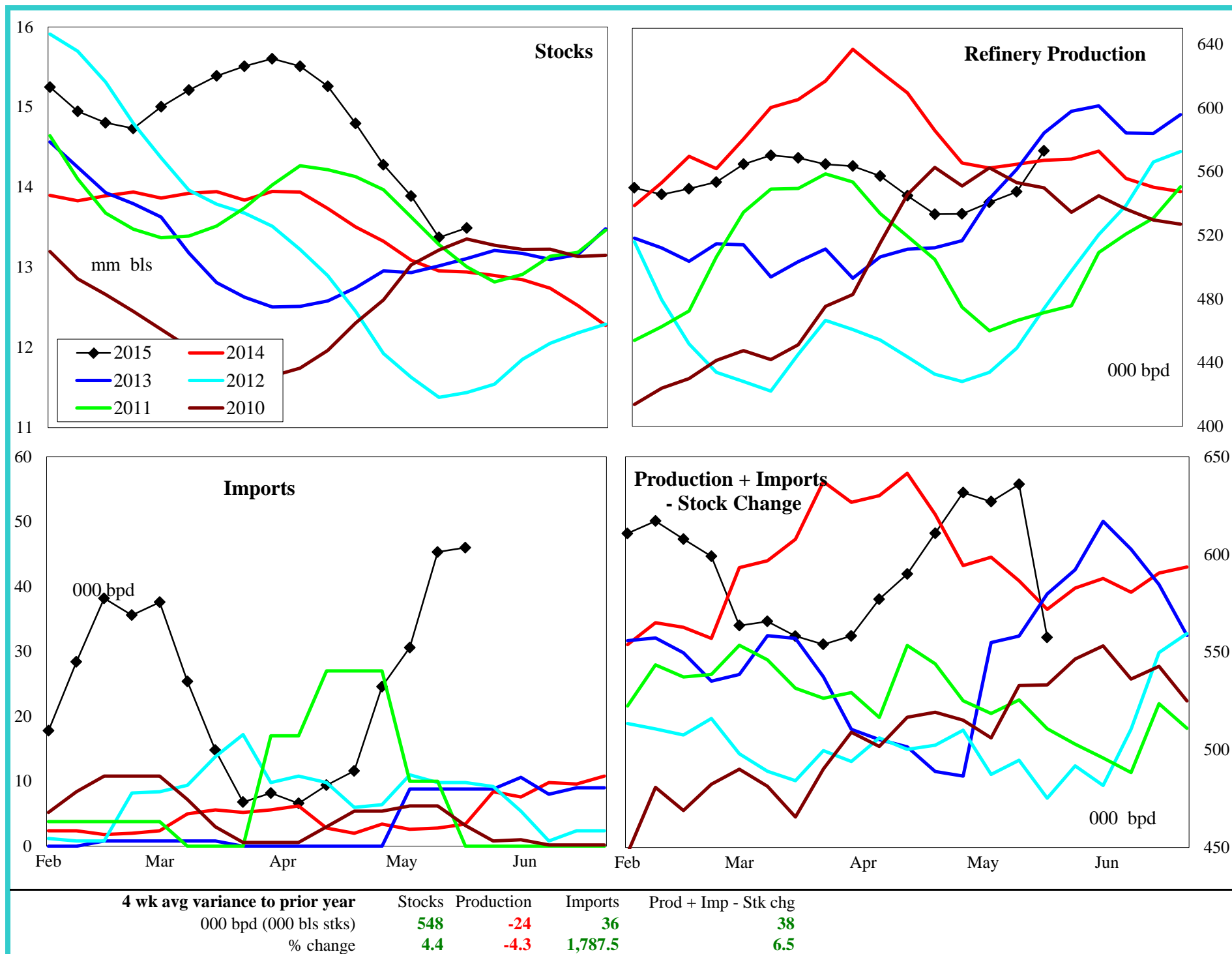
3.6

-9.0

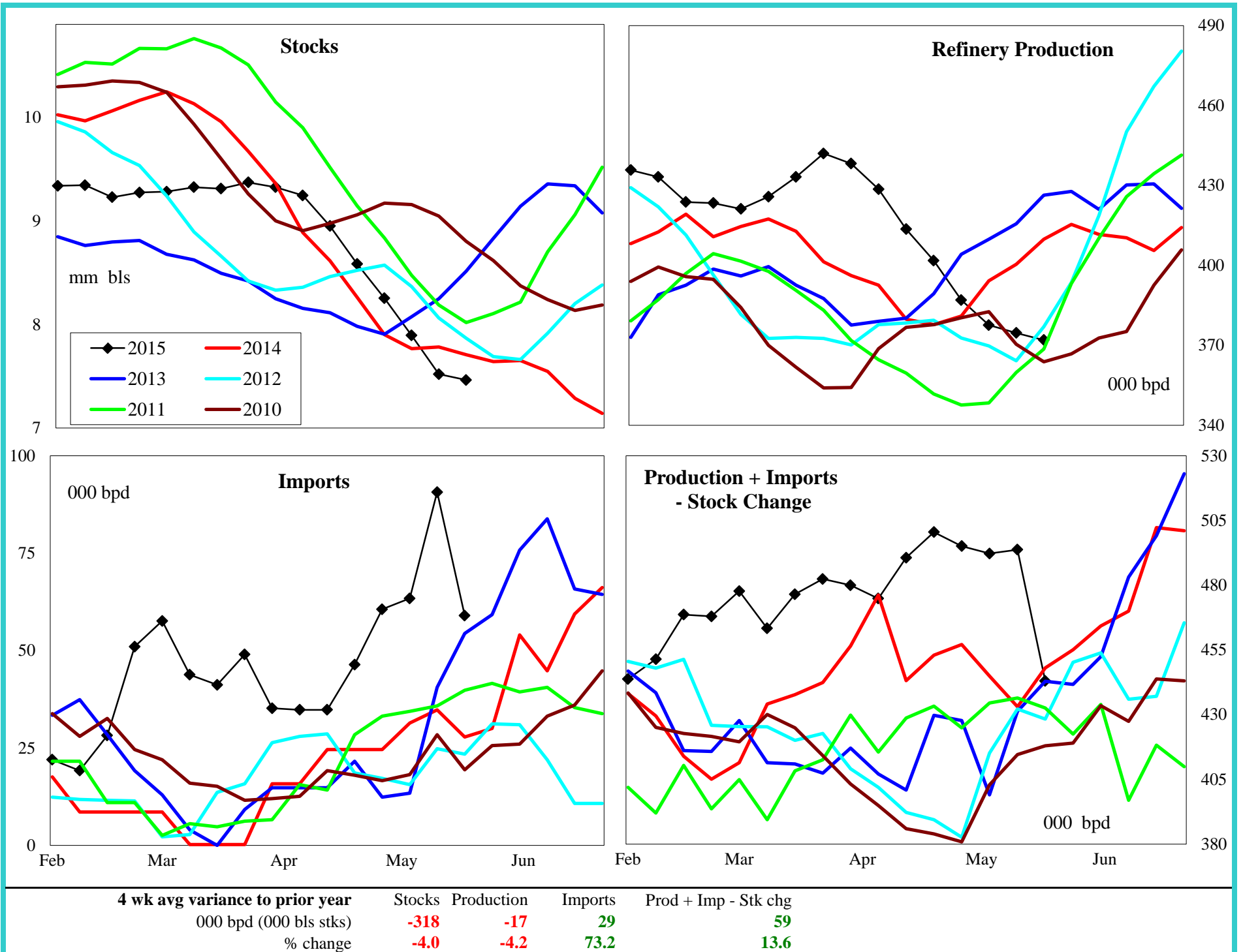
2,230.0

-10.7

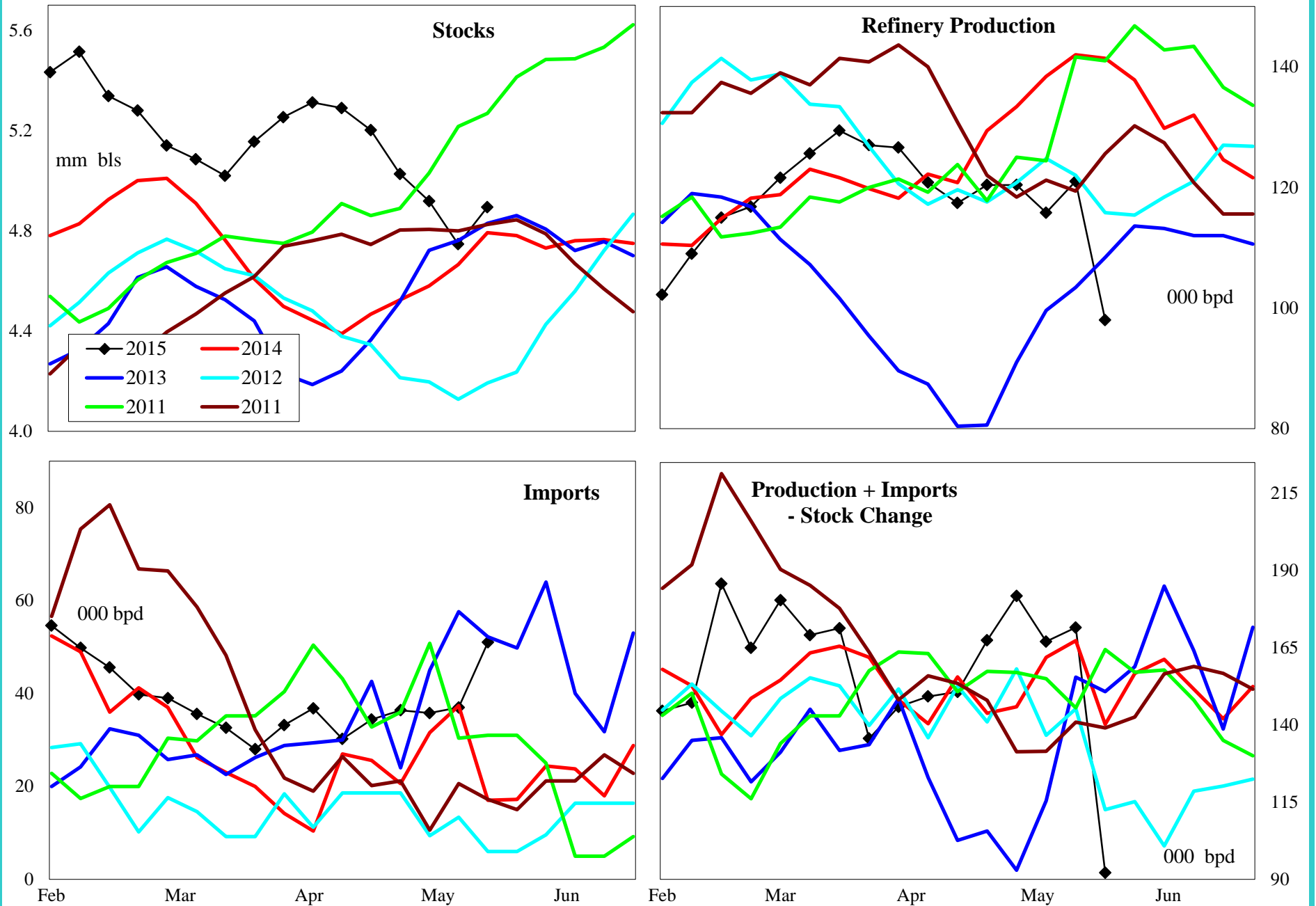
PADD 5 Distillate Supply



PADD 5 Jet Fuel Supply



PADD 5 Residual Fuel Oil Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

102

2.1

Production

-21

-14.9

Imports

-12

-29.7

Prod + Imp - Stk chg

-12

-7.0