



## WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

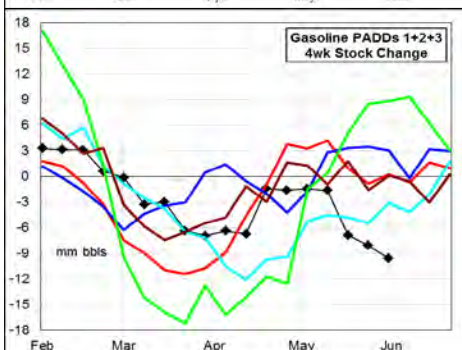
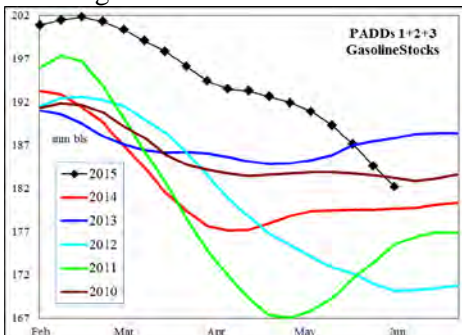
### A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Sunday, June 14, 2015



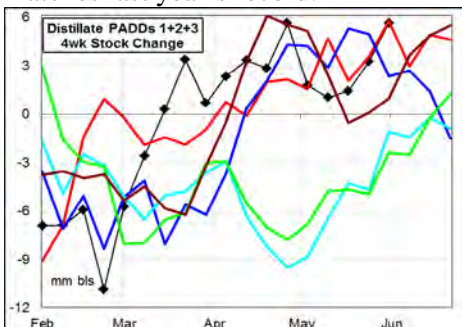
#### Major Fundamental Trends<sup>1</sup>

Robust gasoline demand growth underlies record stock draws east of the Rockies, driving stock levels from earlier record highs to near the 3-yr mid range.



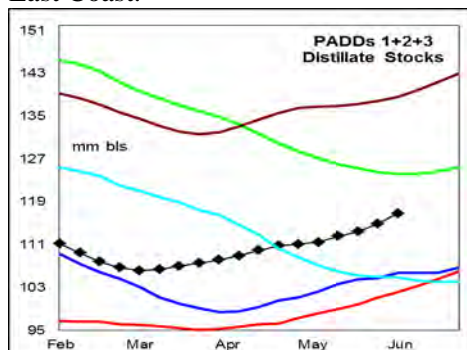
Look for gasoline supplies to tighten further on +3% year-on-year wholesale demand growth during the peak summer driving season.

Wholesale distillate demand continues to trail year ago levels, measured by the 4-wk average. Combined with record production, the result has been a rate of build in markets East of the Rockies that matches last year's record.



Stock levels East of the Rockies ended

the week sharply above each of the last 3-yrs, even after the near elimination of high sulfur heating oil stocks on the East Coast.



Look for continued near record distillate stock building during the summer quarter on low seasonal demand and peak refinery throughput.

**Wholesale Demand** for combined gasoline and distillate rebounded from the holiday shortened week, up a combined +1.2 million bpd.

Wholesale demand, measured over the last four weeks compared to a year ago: gasoline increased +3.8%, distillate decreased -1.7%, jet fuel was +9% higher, while residual fuel decreased -10%.

**Stocks forward coverage:** Gasoline demand coverage fell on a -2.9 million barrel stock draw, and surge in wholesale demand. Coverage ended the week at a level just above the 3-yr mid range.

Distillate demand coverage increased on a +0.9 million barrel stock build and offset by higher wholesale demand. Coverage ended the week at a level above each of the last 3-yrs.

Jet fuel coverage increased on a +0.9 million barrel stock build and lower wholesale demand. Coverage remains below the 5-yr range.

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

**Refinery utilization** rates increased on a +169,000 bpd increase in crude oil runs last week. During the latest 4-wk period crude oil input was +0.6 million bpd above last year.

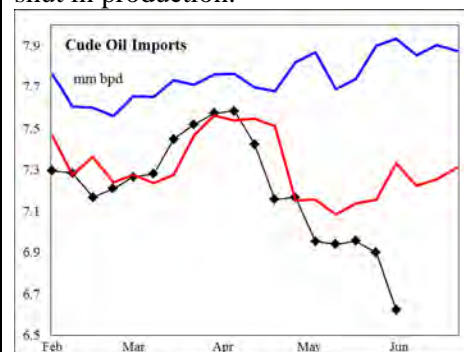
Gasoline yield % on crude oil runs jumped last week on a +0.6 million

bpd rise in output compared to the +169,000 increase in crude oil runs. Gasoline yield % on crude oil runs ended the week above the last 3-yrs.

Distillate yield % on crude oil runs was unchanged on a +60,000 bpd increase in output compared to the rise in crude oil runs. The yield % on crude oil runs was near the 3-yr average.

Jet fuel yield % on crude oil runs fell last week on a -52,000 bpd decrease in output compared to the increase in crude oil runs, leaving the yield near historic highs.

**Petroleum Imports/Exports:** Crude oil imports fell -0.8 million bpd on the week, driven by fires in Canada that shut in production.



During the latest 4-wk period crude oil imports decreased -164,000 bpd compared to a year ago; distillate imports were +27,000 bpd higher; finished gasoline imports were +10,000 bpd higher; gasoline blend stock imports were -123,000 bpd lower, jet fuel imports increased +99,000 bpd, while residual fuel imports were +4,000 bpd higher.

*Exports of distillate for the week 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 -6.8 million barrels on the week, with significant draws in all regions except the East Coast. Record refinery runs and sharply lower imports from Canada underlie the decline.

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



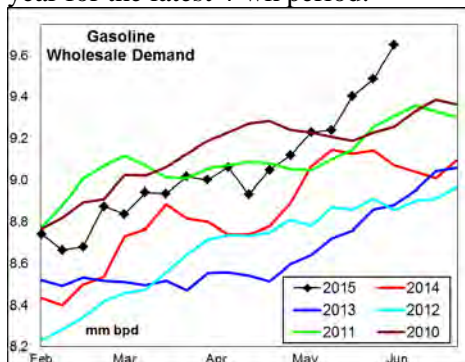
## WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

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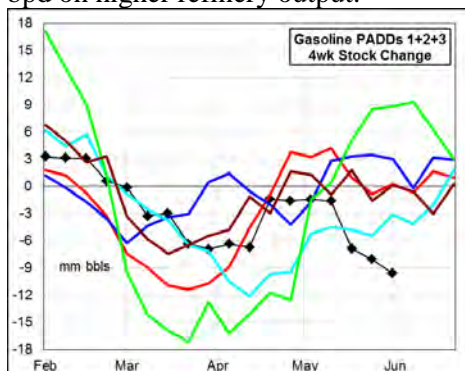
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#### Product Supply-Demand Trends

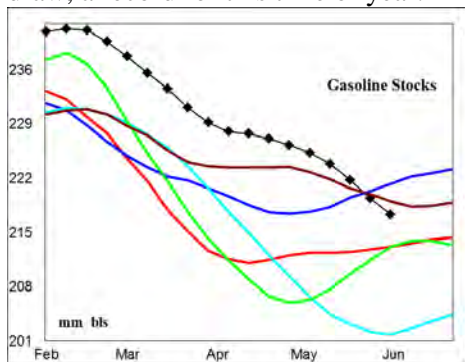
**Gasoline** wholesale demand jumped +0.6 million barrels following the holiday shortened week. Wholesale demand was +340,000 bpd above last year for the latest 4-wk period.



Supply jumped +0.6 million bpd last week, reversing the prior week decline. Supply for the latest 4-wk period exceeded a year ago by +0.5 million bpd on higher refinery output.

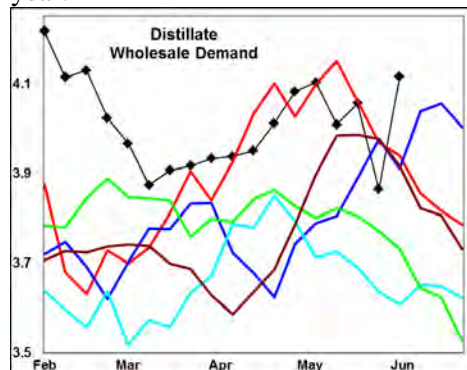


The latest 4-wk stock change East of the Rockies was a -9.6 million barrel draw, a record for this time of year.

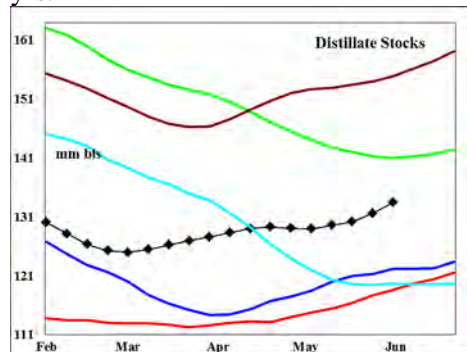


*Robust demand and earlier unplanned refinery maintenance has led to a record rate of stock draws during the latest 4-wk period. Look for the return to operation of refinery units to lead to modest stock builds during the next 60-days.*

**Distillate** wholesale demand jumped +0.6 million bpd, following the prior holiday shortened week that reduced terminal liftings and export loadings. The latest 4-wk average wholesale demand was -70,000 bpd below last year.



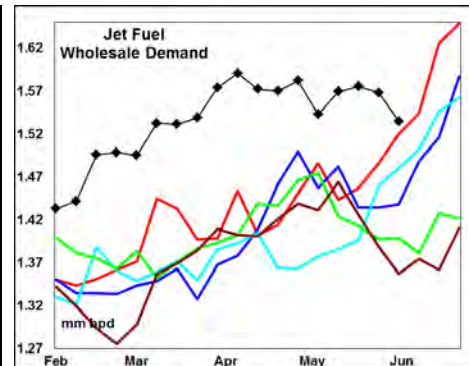
Supply increased +177,000 bpd on higher imports and production. Stocks increased +0.9 million barrels last week, to a level well above the last 3-yrs.



Combined markets East of the Rockies have saw a +5.8 million barrel build for the latest 4-wk period, matching the 5-yr high. Stock levels ended the week above the last 3-yrs in all regional markets except the West Coast.

*Lower seasonal demand during the summer quarter, combined with record high production and the rate of stock building East of the Rockies points to risk of an over supplied market by end of the 3<sup>rd</sup> quarter.*

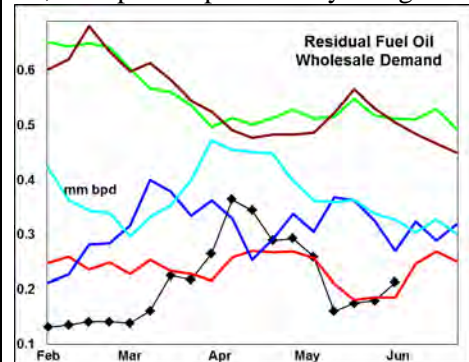
**Jet Fuel** wholesale demand decreased -194,000 bpd on the week, ending at a level just above the historic range. The latest 4-wk average demand was +128,000 bpd above last year.



Supply decreased -58,000 bpd on lower production, with the 4-wk average +257,000 bpd above a year ago. Stocks jumped +0.9 million barrels on the week, to a level above the 3-yr mid range.

*Look for a sharp seasonal uptrend in demand during the next 2-months to drive renewed stock draws across most regional markets.*

**Residual fuel oil** demand increased +85,000 bpd last week. Demand for the latest 4-wk period decreased -19,000 bpd compared to a year ago.



Supply (production + imports) declined -54,000 bpd on the week, due to lower imports. Stocks decreased -0.2 million barrels, a level sharply above the last 3-yrs. Stock levels remain exceptionally high in the key Gulf region.



## WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

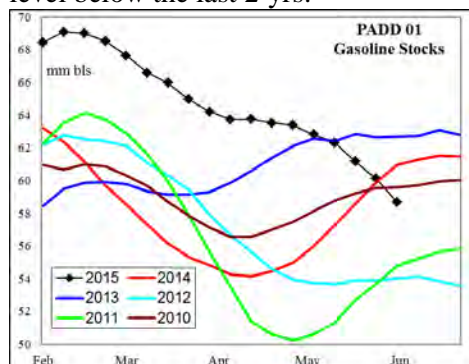
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#### PADD Supply Trends

**PADD 1** refinery crude oil runs increased +26,000 bpd on the week to a level equal to the 3-yr mid range. The latest 4-wk average thru put was -17,000 bpd above last year.

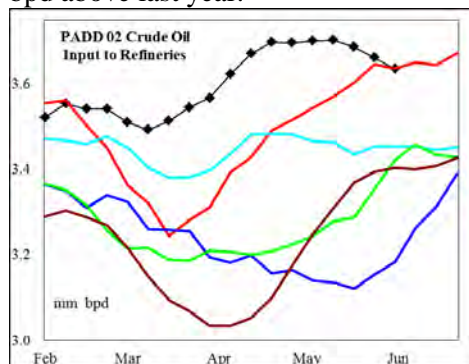
Gasoline supply fell -206,000 bpd on the week, with the 4-wk average +26,000 bpd above last year. Stocks fell -2.6 million barrels last week, to a level below the last 2-yrs.



Distillate supply climbed +126,000 bpd last week on higher imports, with the 4-wk average -62,000 bpd below last year. Stocks increased +0.9 million barrels, to a level above each of the last 3-yrs.

Jet fuel supply decreased -41,000 bpd on the week, while stocks increased +1.3 million barrels to a level near 5-yr highs.

**PADD 2** crude oil refinery runs decreased -20,000 bpd on the week. The latest 4-wk average was +45,000 bpd above last year.



Crude oil stocks decreased -3 million barrels last week, driven by lower imports (caused by fires that shut in Canadian production). Cushing saw a -1 million barrel draw for the week.

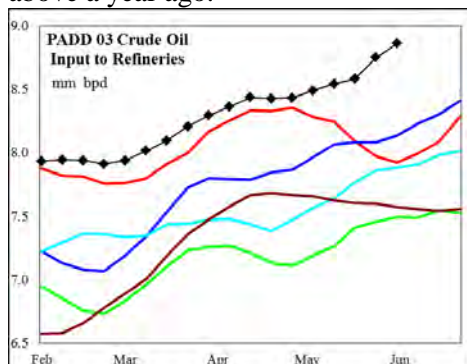
Gasoline supply increased +39,000

bpd on the week. Production for the most recent 4-wk period was -251,000 bpd below a year ago. Stocks were unchanged on the week, at a level equal to 3-yr highs.

Distillate supply fell -76,000 bpd on the week, to a level near the 3-yr mid range. The latest 4-wk average production was -69,000 bpd below last year. Stocks decreased -0.1 million barrels on the week, but remain at an extremely high level.

Jet fuel supply fell -50,000 bpd last week, with the 4-wk average +49,000 bpd (+23%) above a year ago.

**PADD 3** refinery runs increased +67,000 bpd last week, to a new all time high. During the latest 4-wk period, runs were +0.6 million bpd above a year ago.



Crude oil imports decreased -0.1 million bpd on the week, with the 4-wk average -57,000 bpd below last year.

Crude oil stocks declined -1.9 million barrels, to a level +28 million barrels (+14%) above the prior high for the period.

Gasoline supply increased +48,000 bpd last week, with the latest 4-wk average -99,000 bpd below a year ago. Stocks declined -0.4 million barrels on the week, with the level near historic highs for the week.

Distillate supply increased +135,000 bpd on the week, with the latest 4-wk average supply +109,000 bpd above a year ago. Stocks were unchanged last week, at a level above the last 3-yrs.

Jet fuel production decreased -17,000 bpd on the week, with the level still above the historic range. Stock

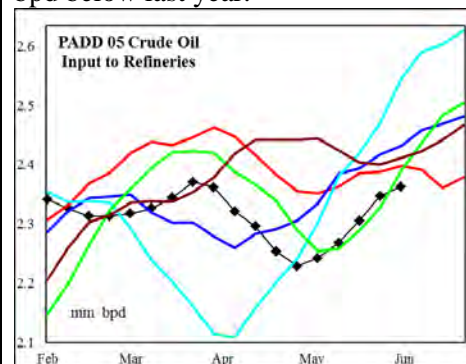
levels ended the week above the 3-yr mid range.

**PADD 4** refinery crude runs increased +32,000 bpd last week, to a level above the historic range. The latest 4-wk average was +3,000 bpd above a year ago.

Gasoline supply decreased -22,000 bpd last week, while stocks increased to a level above the 5-yr range.

Distillate supply decreased -2,000 bpd last week, with the latest 4-wk average production -19,000 below last year. Stock levels ended the week near record highs for the period.


**PADD 5** crude oil refinery runs increased +64,000 bpd on the week to a level just below the 5-yr range. The 4-wk average thru put rate was -65,000 bpd below last year.



Gasoline supply jumped +180,000 bpd on the week, driven by sharply higher imports; with the latest 4-wk average -47,000 bpd below last year. Production climbed to near last years' record level. Stocks increased +0.1 million barrels on the week, to a level above the last 3-yrs for the period.

Distillate supply decreased -8,000 bpd on the week, due to lower production. The 4-wk average supply was +13,000 bpd above a year ago, driven by higher imports. Stocks were nearly unchanged on the week, at a level equal to the 3-yr mid range.

Jet fuel stocks increased +0.2 million barrels on the week, but remain below the 5-yr range, driven by a +11% increase in wholesale demand.

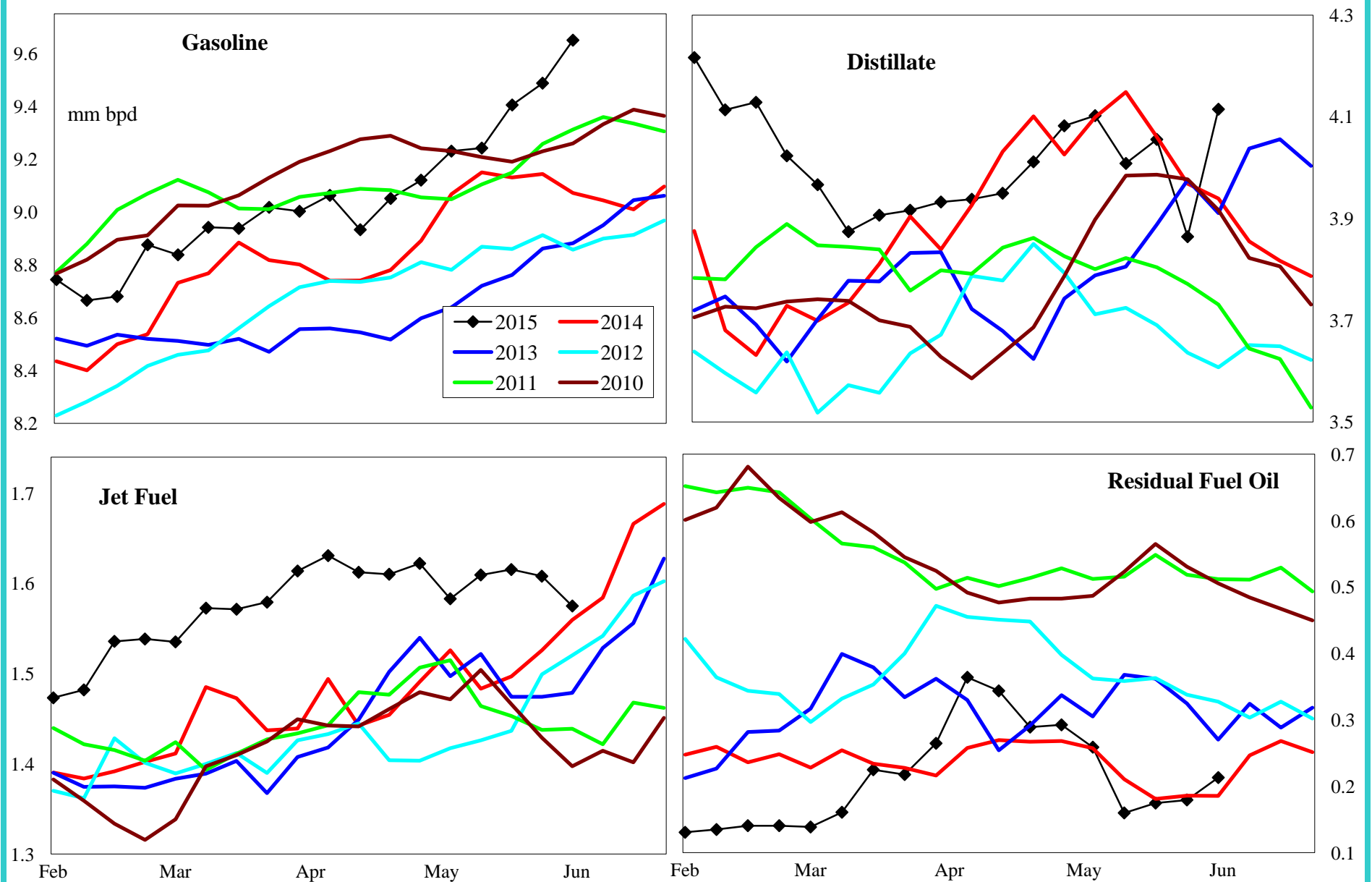


**PETROLEUM: Graph Link and Weekly Summary**  
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June 10, 2015

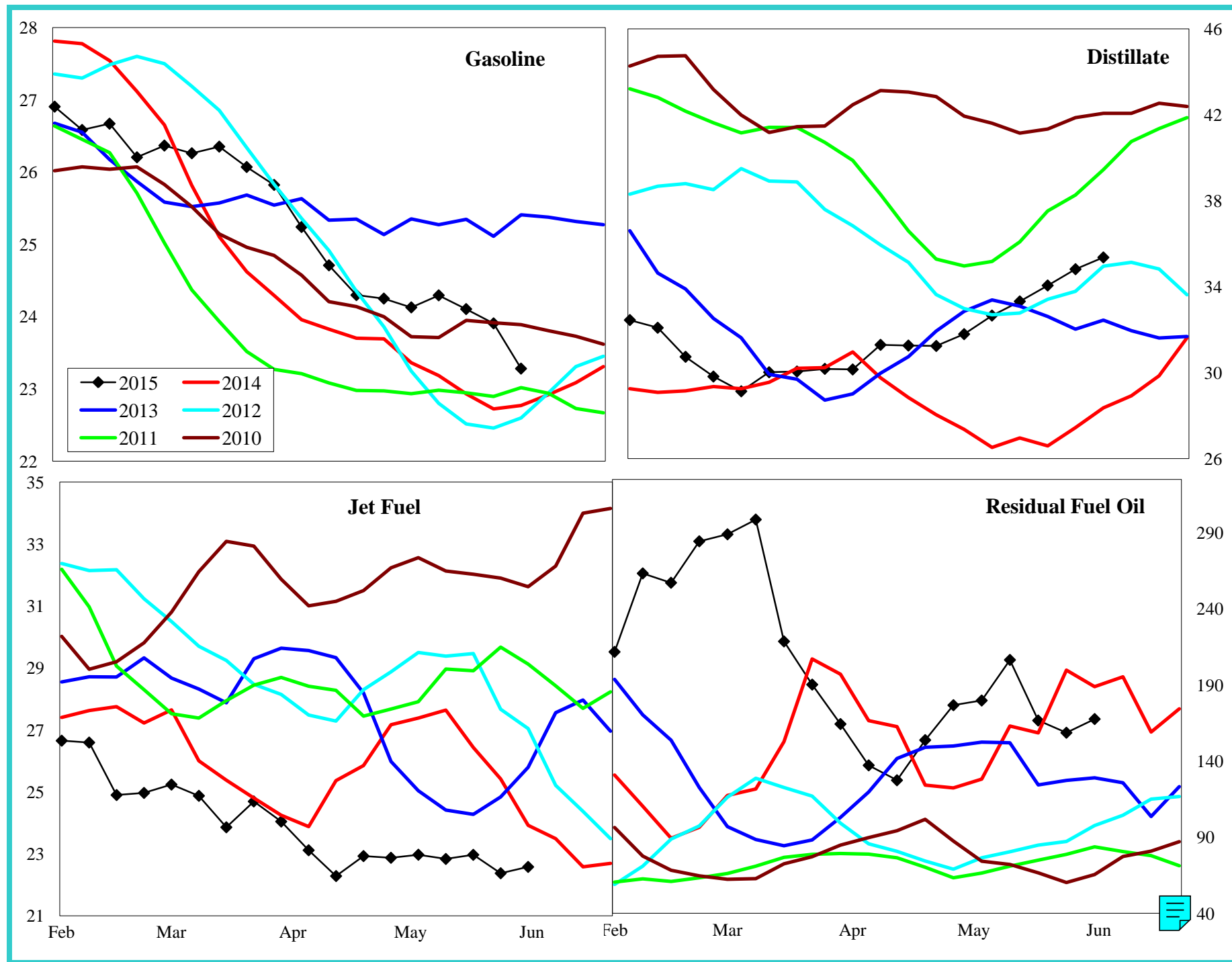
Fundamental Trends	<a href="#">Wholesale Demand</a>	<a href="#">Stocks Days Fwd Coverage</a>	<a href="#">Refinery Utilization</a>		<a href="#">Imports</a>		
Supply/Demand Trends	5-Jun-15	EIA-DOE CHANGE FROM PRIOR WEEK					
	000 bpd stocks 000 bls	U. S. Total	PADD				
			1	2	3	4	5
<a href="#">Crude Oil</a>	Stocks	-6,812	214	-3,008	-1,879	-868	-1,271
	Imports	-750	-189	-247	-72	-14	-227
	Input	169	26	-20	67	32	64
	% Utilization	1.40					
<a href="#">Gasoline</a>	Stocks	-2,939	-2,581	-78	-443	90	75
	Production	599	0	44	-13	-23	55
	Imports	-26	-206	-6	61	1	125
	Supplied	622					
<a href="#">Distillate</a>	Stocks	865	930	-144	-78	195	-38
	Production	60	18	-76	135	-1	-17
	Imports	117	108	0	0	-1	9
	Supplied	592					
<a href="#">Jet Fuel</a>	Stocks	944	1,288	-216	-246	-55	172
	Production	-52	-5	-50	-17	15	5
	Imports	-6	-36	0	0	0	31
	Supplied	-194					
<a href="#">Residual Fuel Oil</a>	Stocks	-241	-500	38	-126	1	345
	Production	-7	-4	-3	-33	0	34
	Imports	-44	-18	0	-56	0	29
	Supplied	85					

# United States Wholesale Petroleum Demand

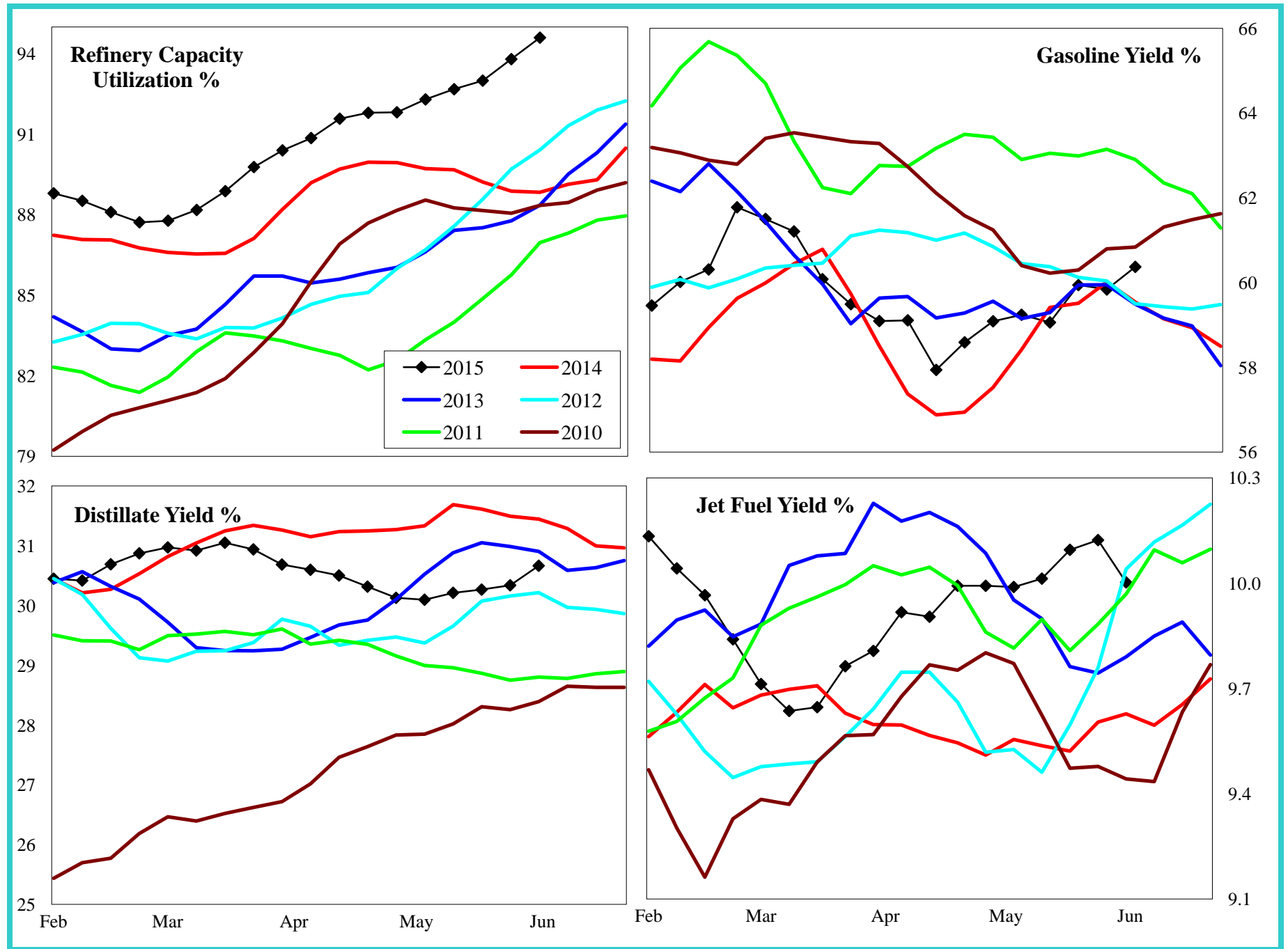


	000 bpd change from prior year				% change from prior year			
	4wk avg	Apr	Mar	Feb	4wk avg	Apr	Mar	Feb
Gasoline	340	-28	297	-49	3.8	-0.3	3.4	-0.6
Distillate	-70	-88	-102	353	-1.7	-2.2	-2.5	8.4
Jet Fuel	128	139	84	69	8.7	9.6	5.8	5.0
Resid	-19	37	25	-10	-9.8	13.4	11.6	-4.8

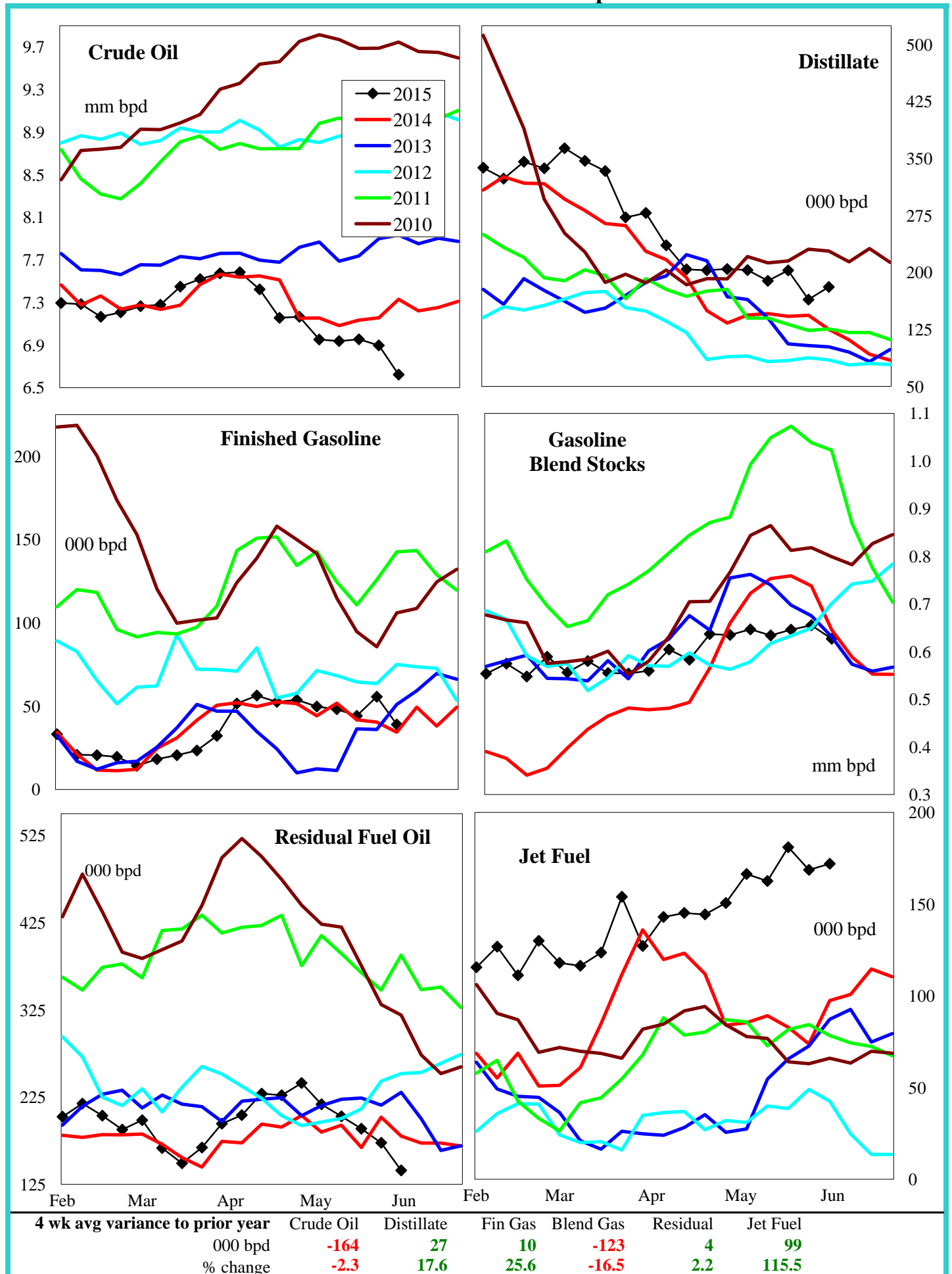




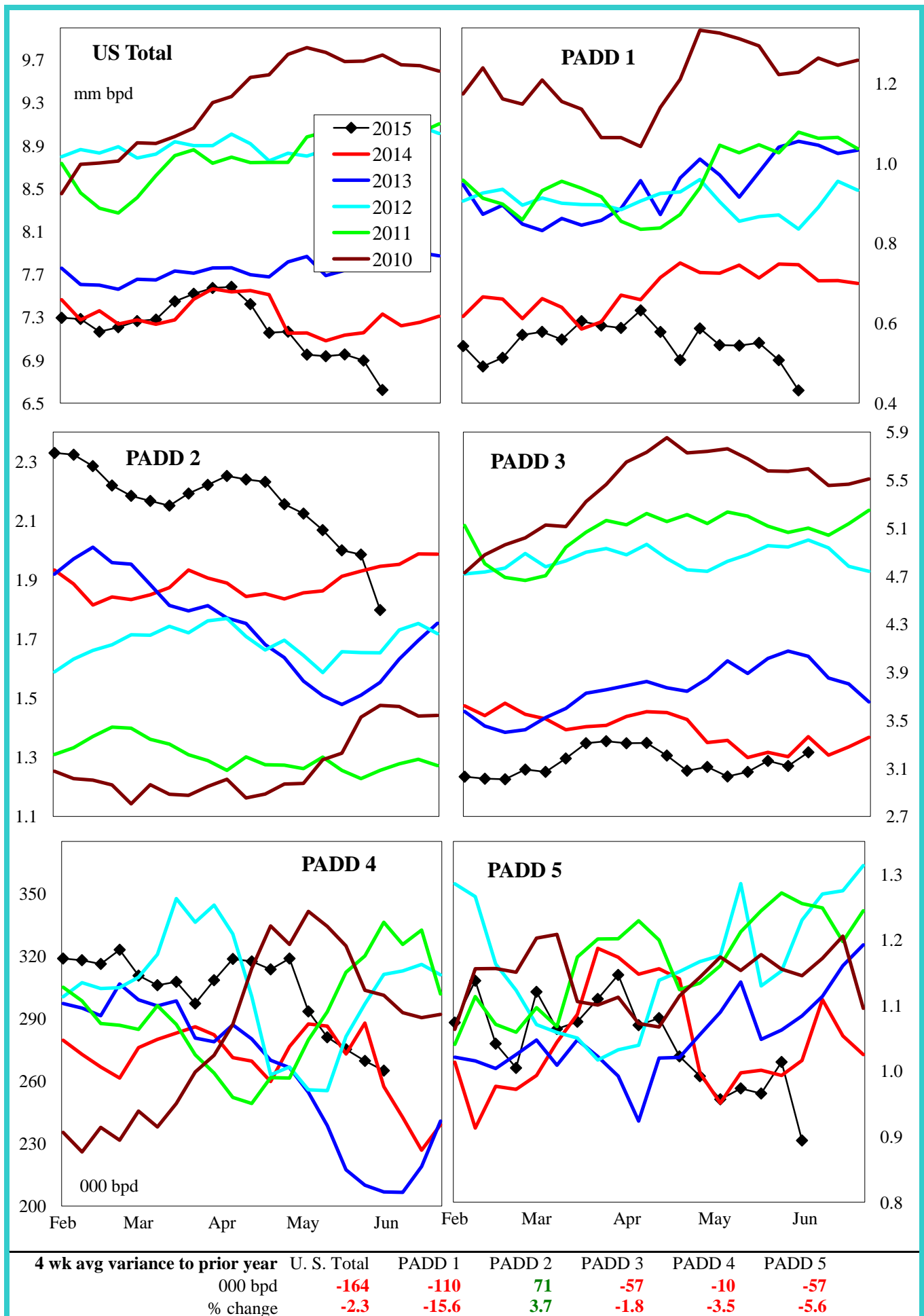
## United States Refinery Percent Utilization Rate and Product Yields



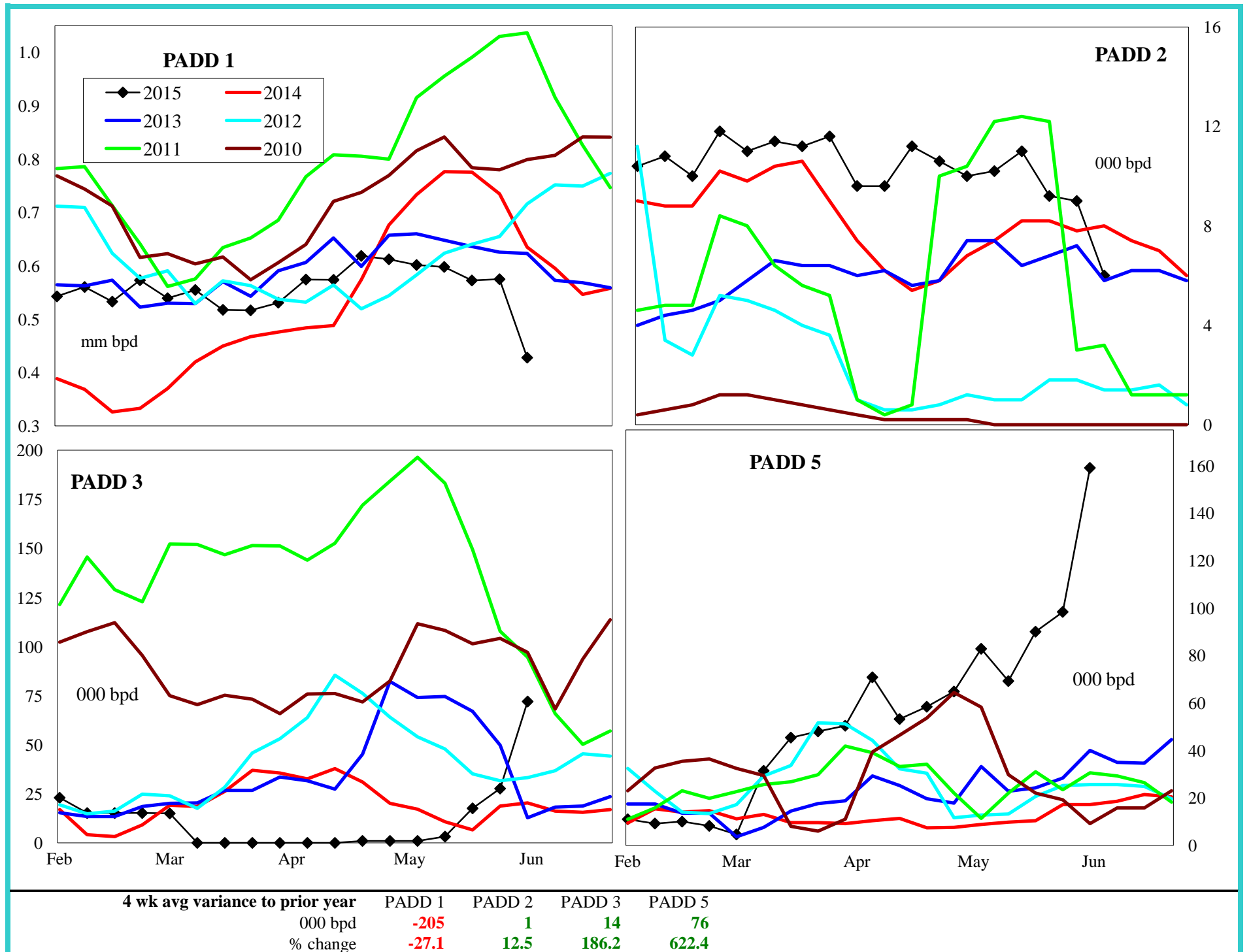
# United States Petroleum Imports



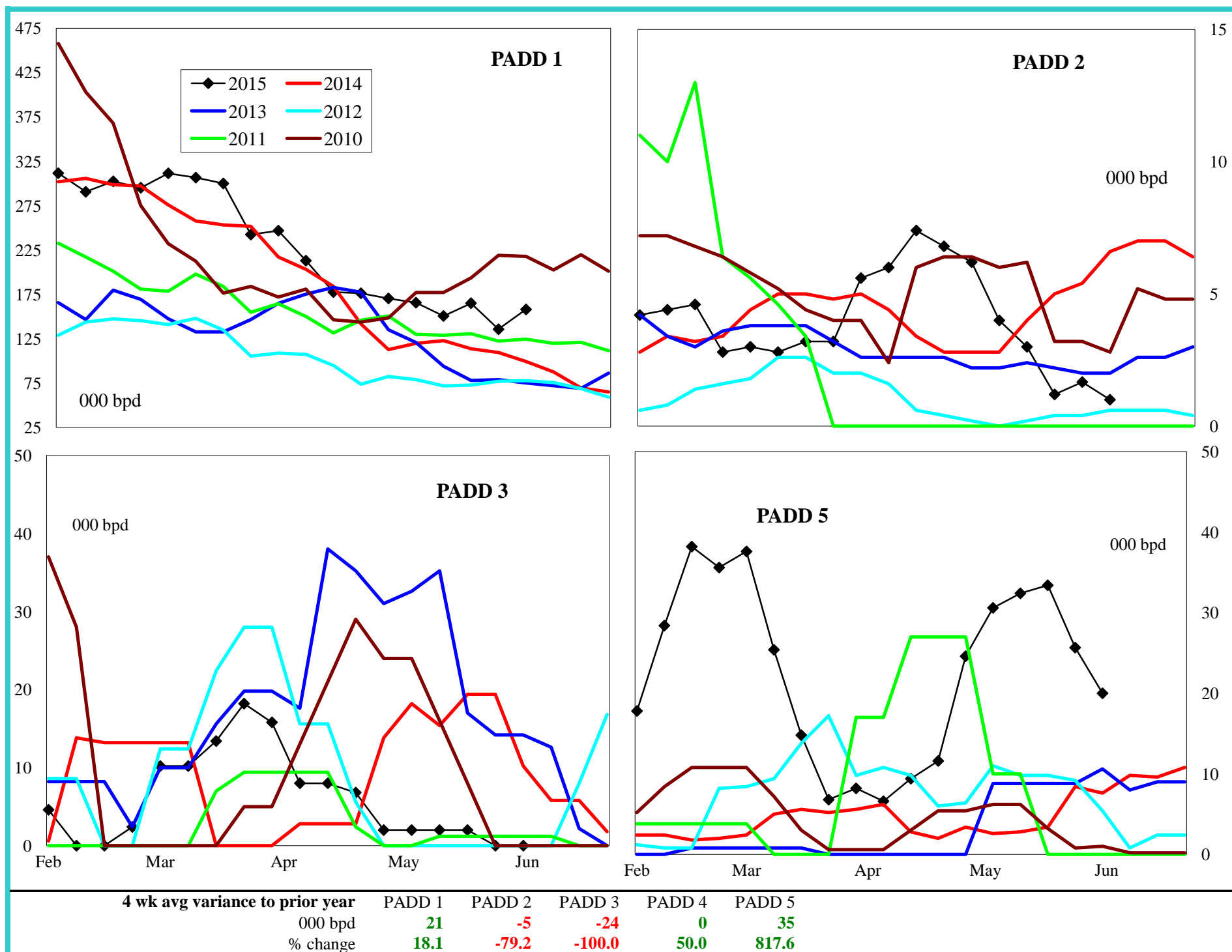
## Crude Oil Imports by PADD



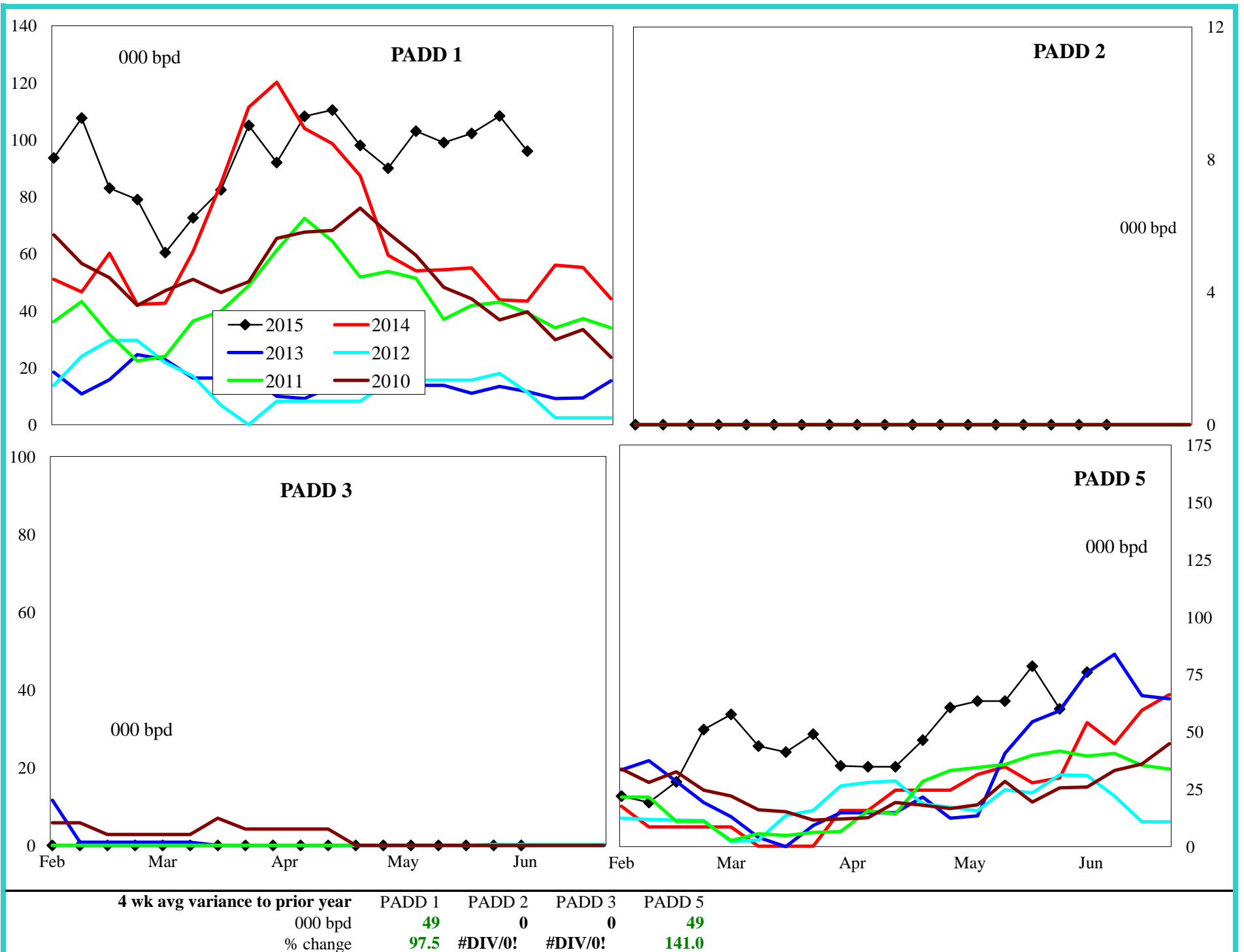
# Gasoline Imports by PADD (Finished + Blend Stocks)



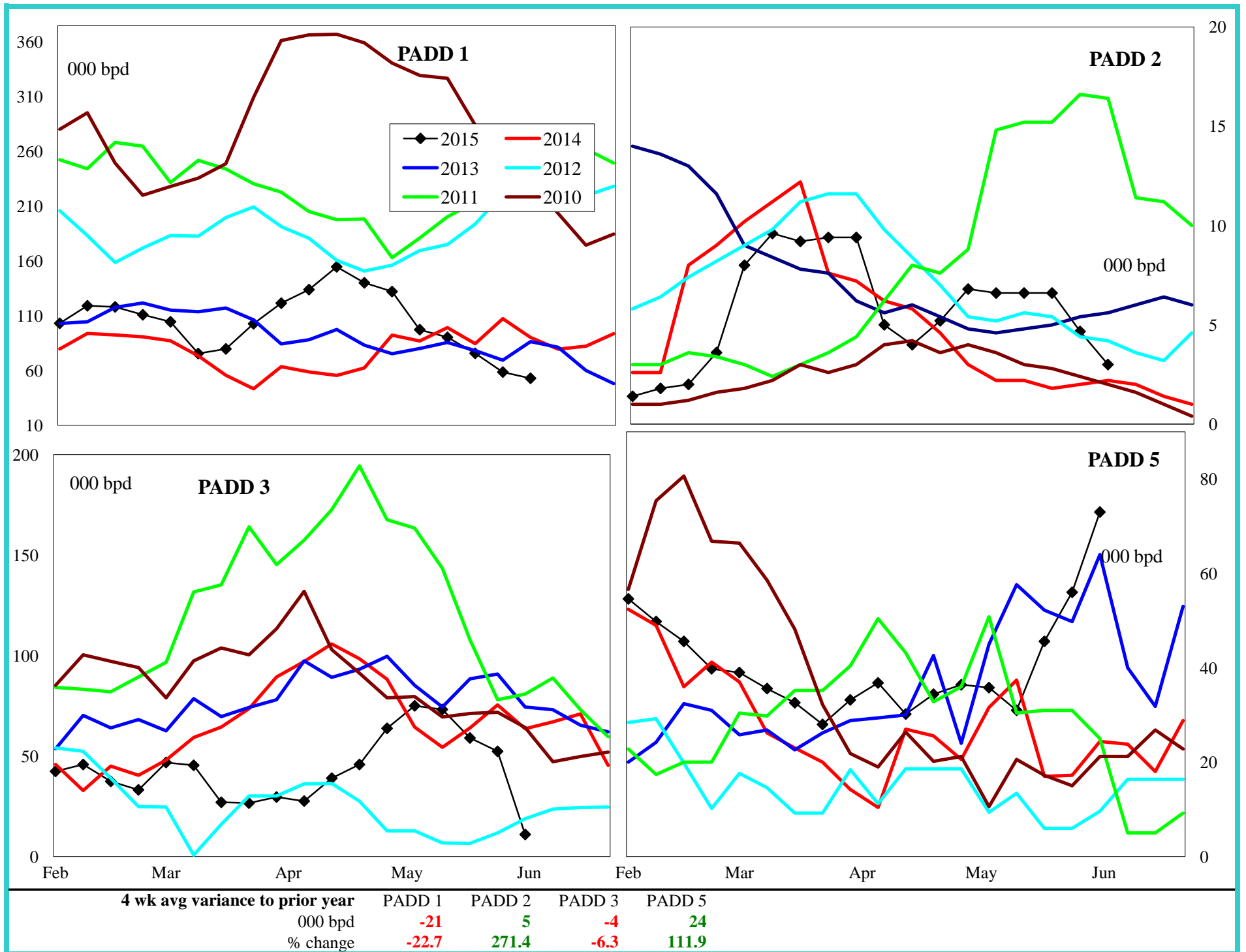
# Distillate Imports by PADD



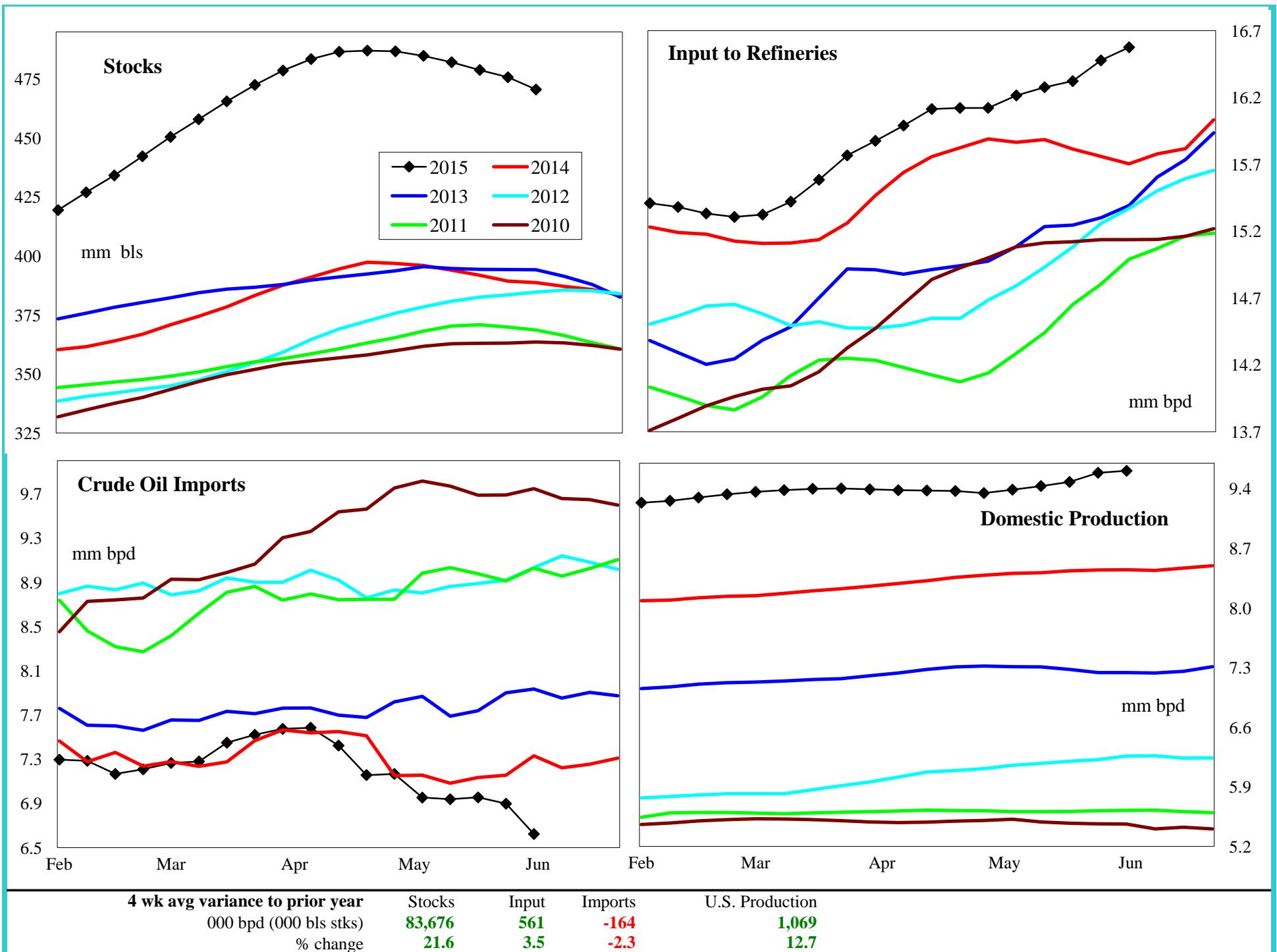
# Jet Fuel Imports by PADD



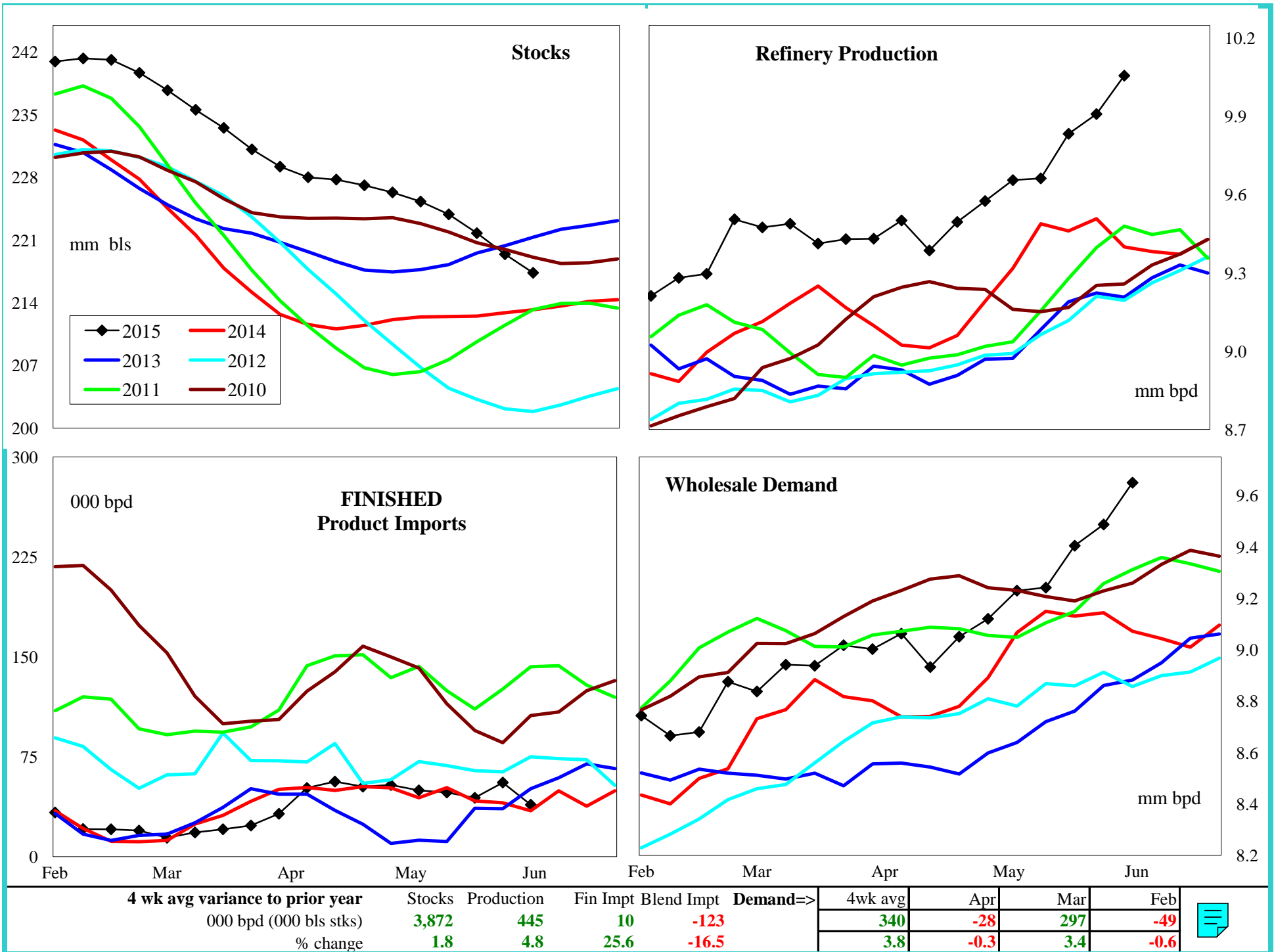
## Residual Fuel Oil Imports by PADD



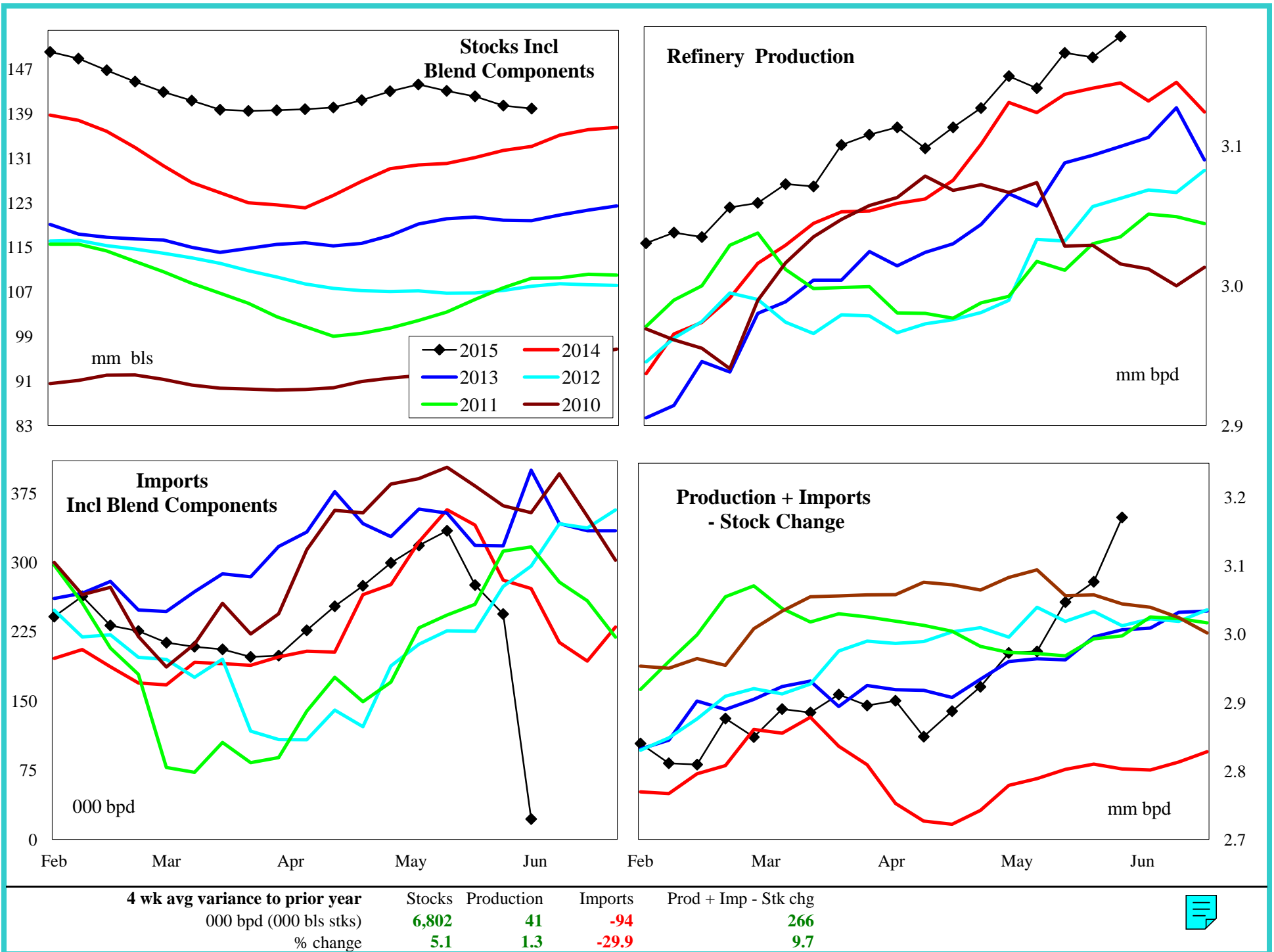
# United States Crude Oil Supply and Demand Balance

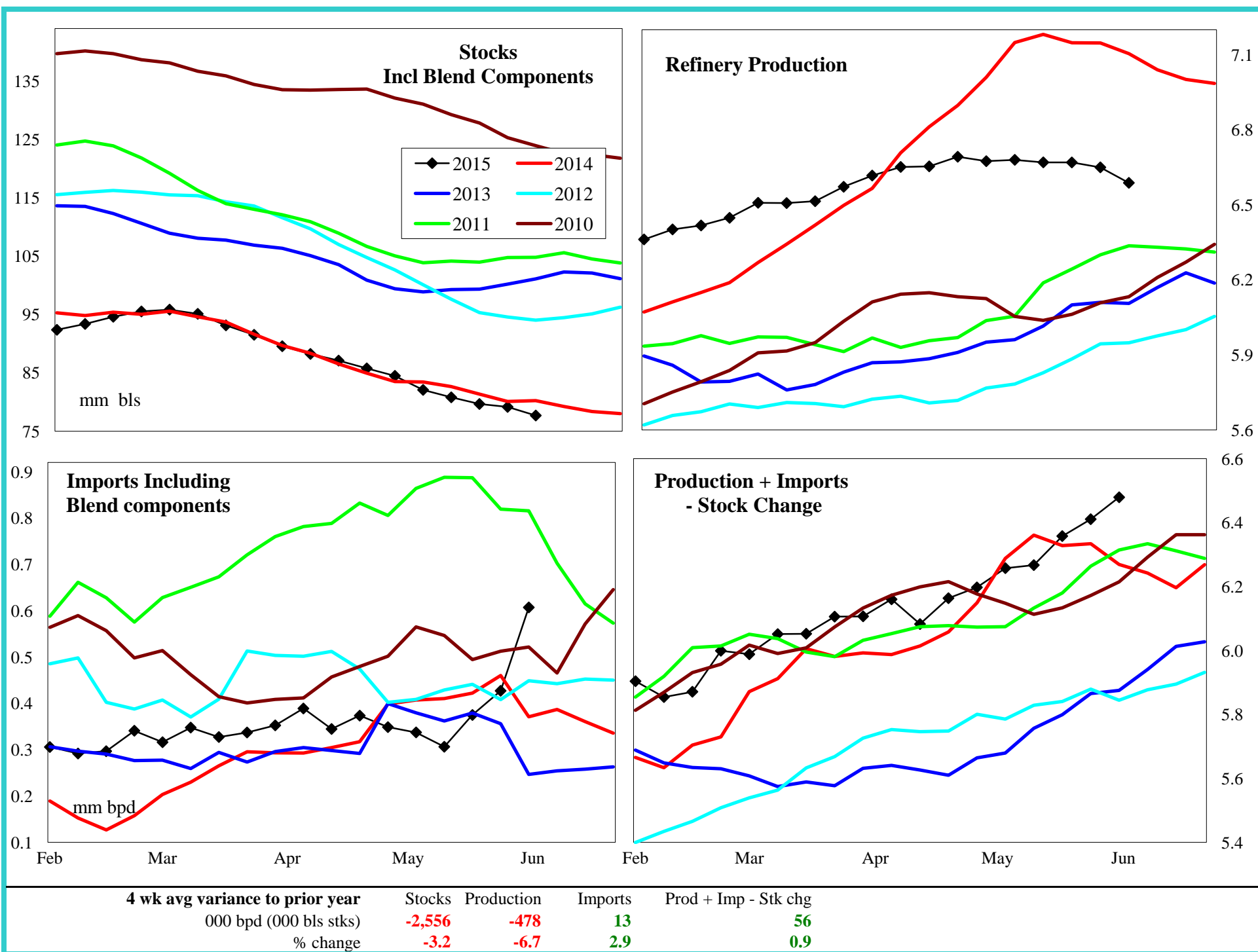


# United States Gasoline Supply and Demand Balance

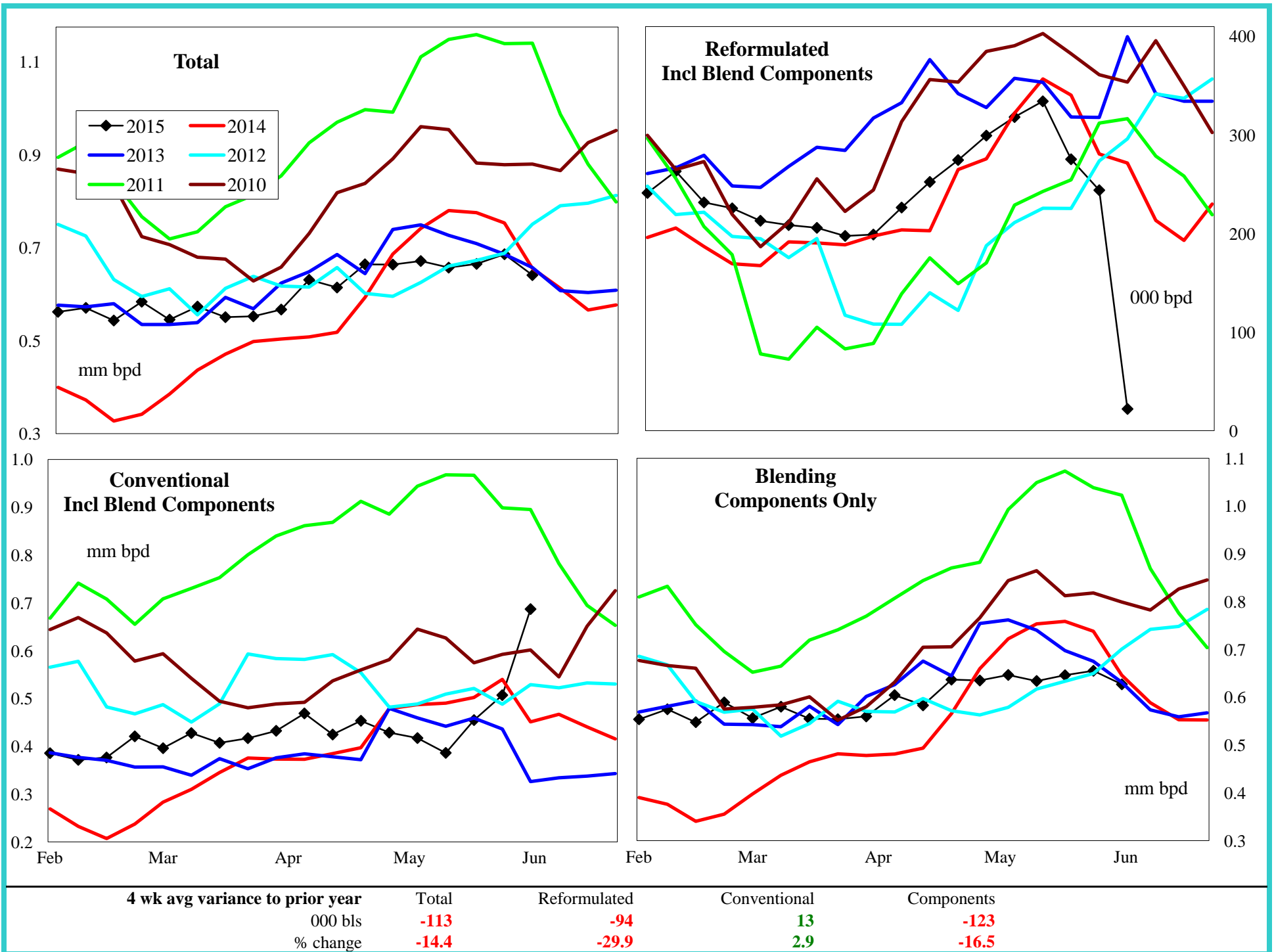


# United States Reformulated Gasoline Supply





# United States Gasoline Imports by Type



**Stocks**

mm bls

**Refinery Production**

mm bpd

**Imports**

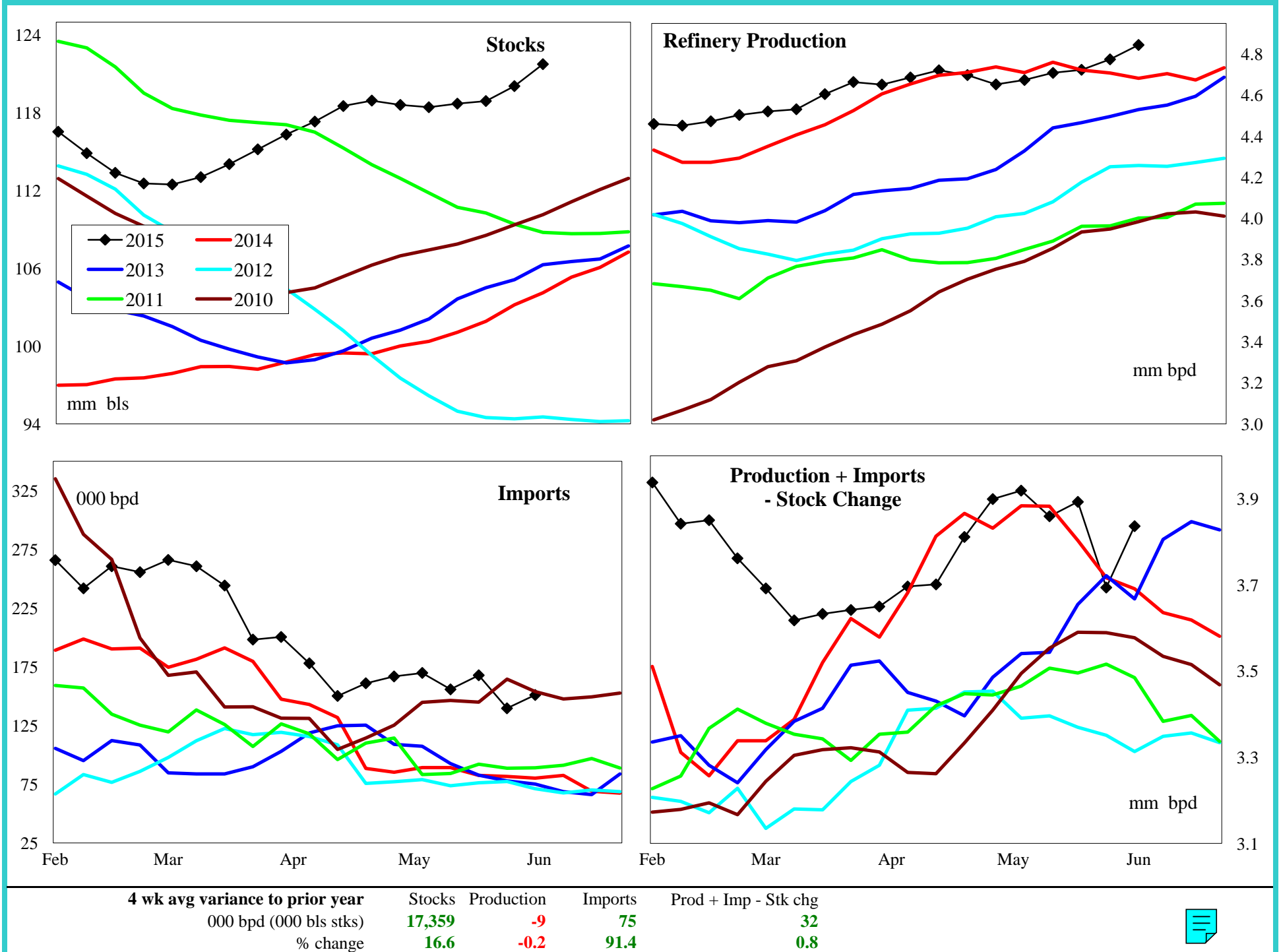
000 bpd

**Wholesale Demand**

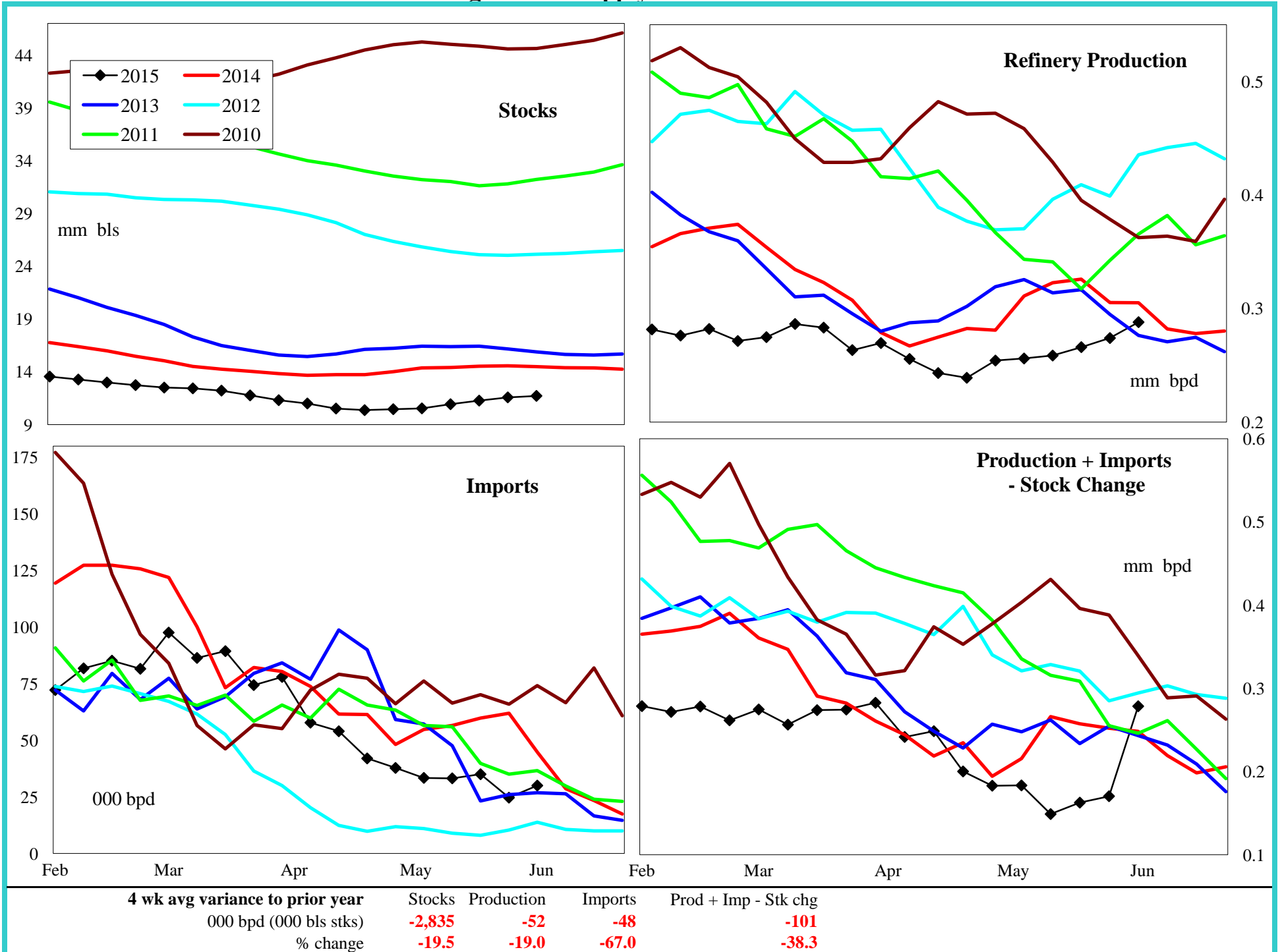
mm bpd

4 wk avg variance to prior year	Stocks	Production	Imports	Demand=>	4wk avg	Apr	Mar	Feb
000 bpd (000 bls stks)	14,524	-61	27		-70	-88	-102	353
% change	12.2	-1.2	17.6		-1.7	-2.2	-2.5	8.4

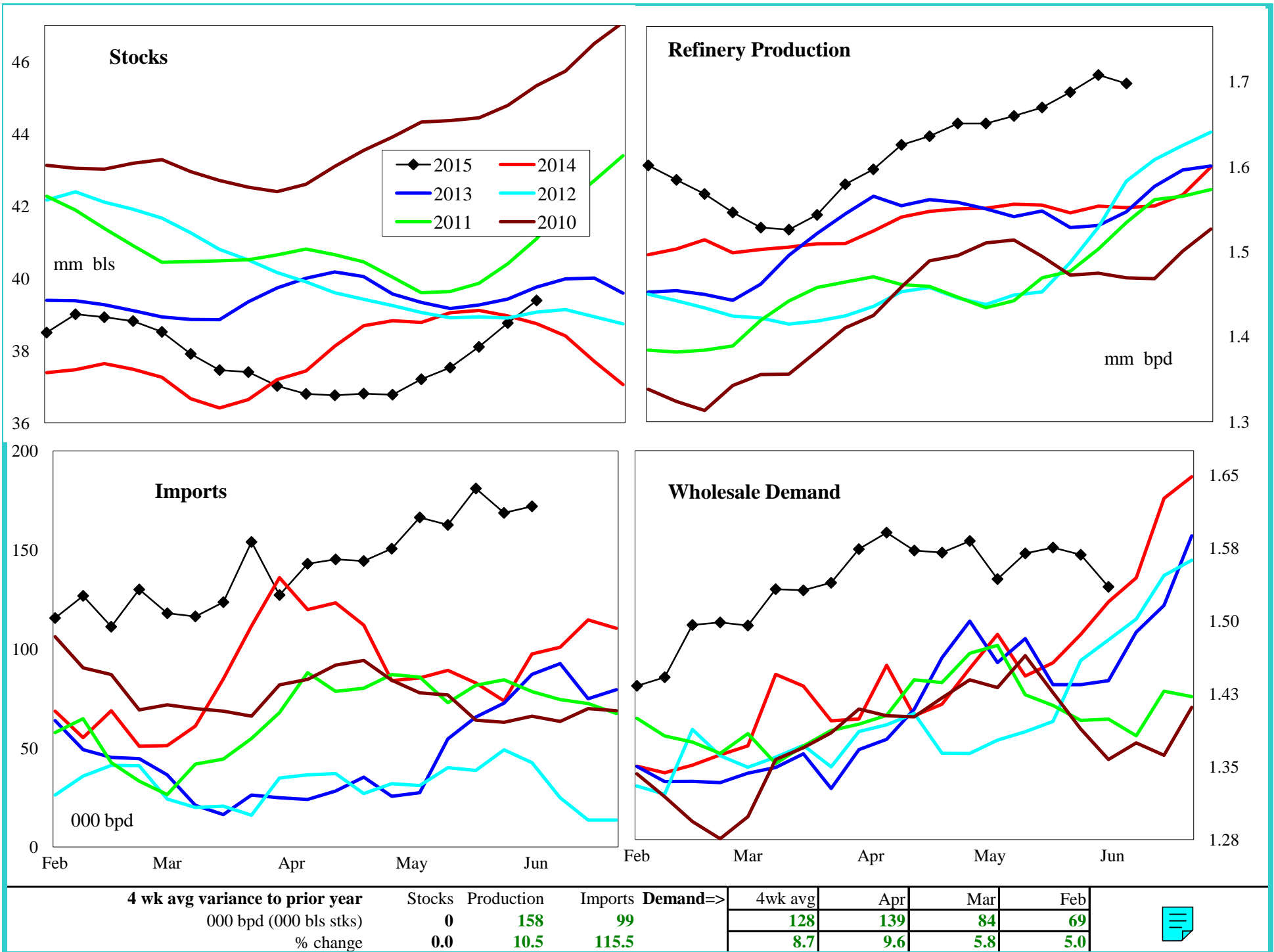
# United States Low Sulfur Distillate Supply and Demand Balance



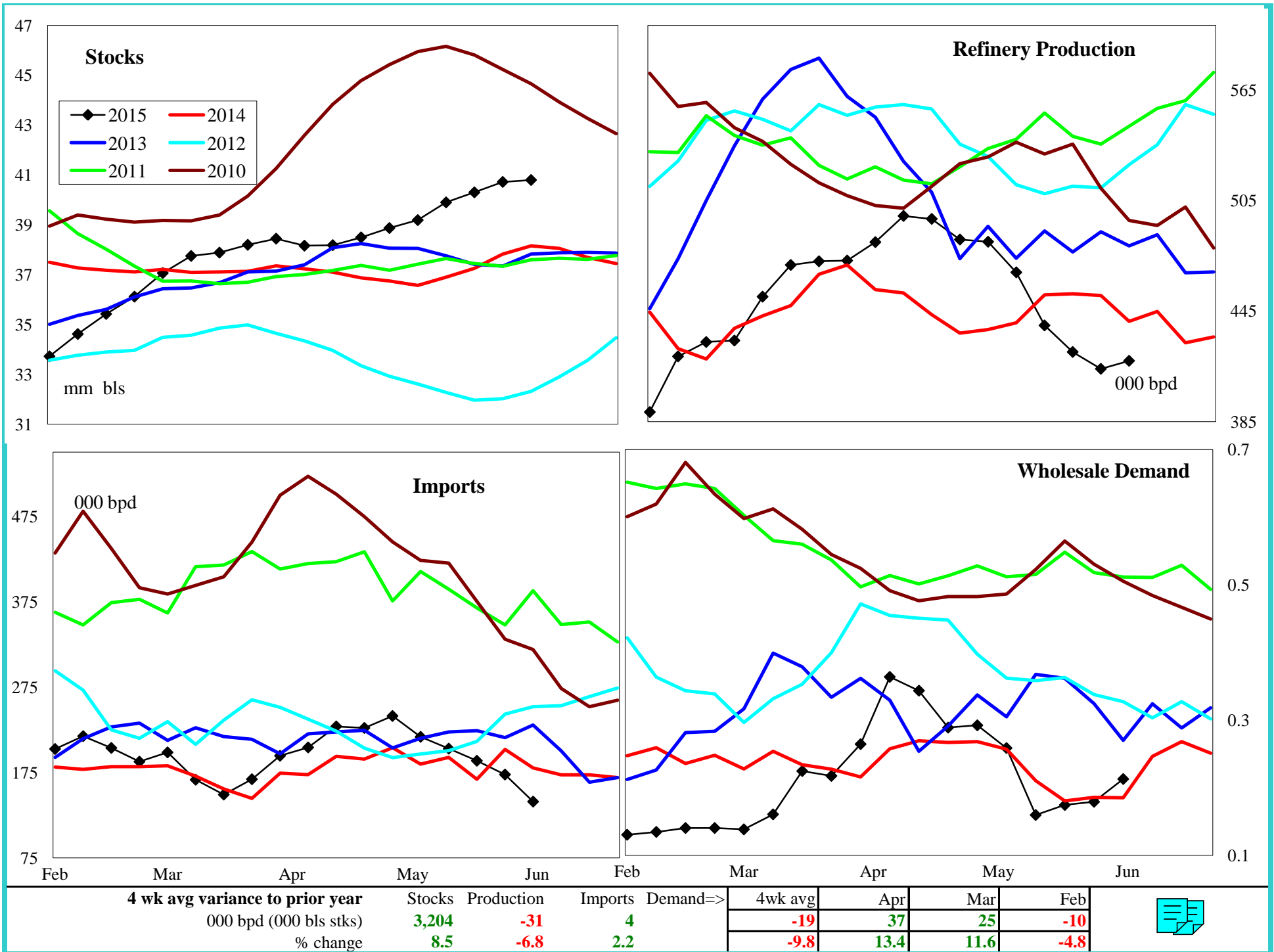
# United States High Sulfur Supply Distillate and Demand Balance



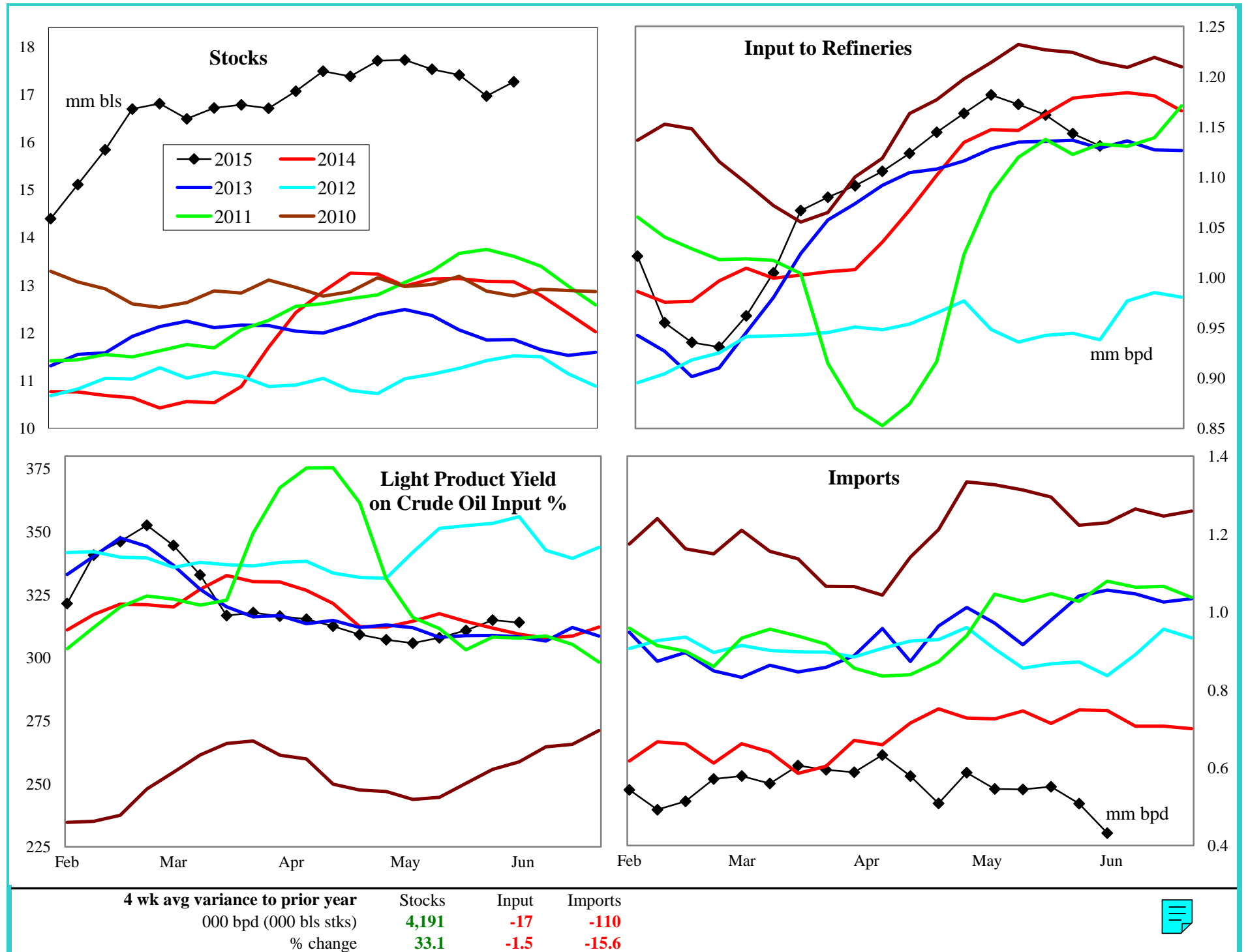
# United States Jet Fuel Supply and Demand Balance



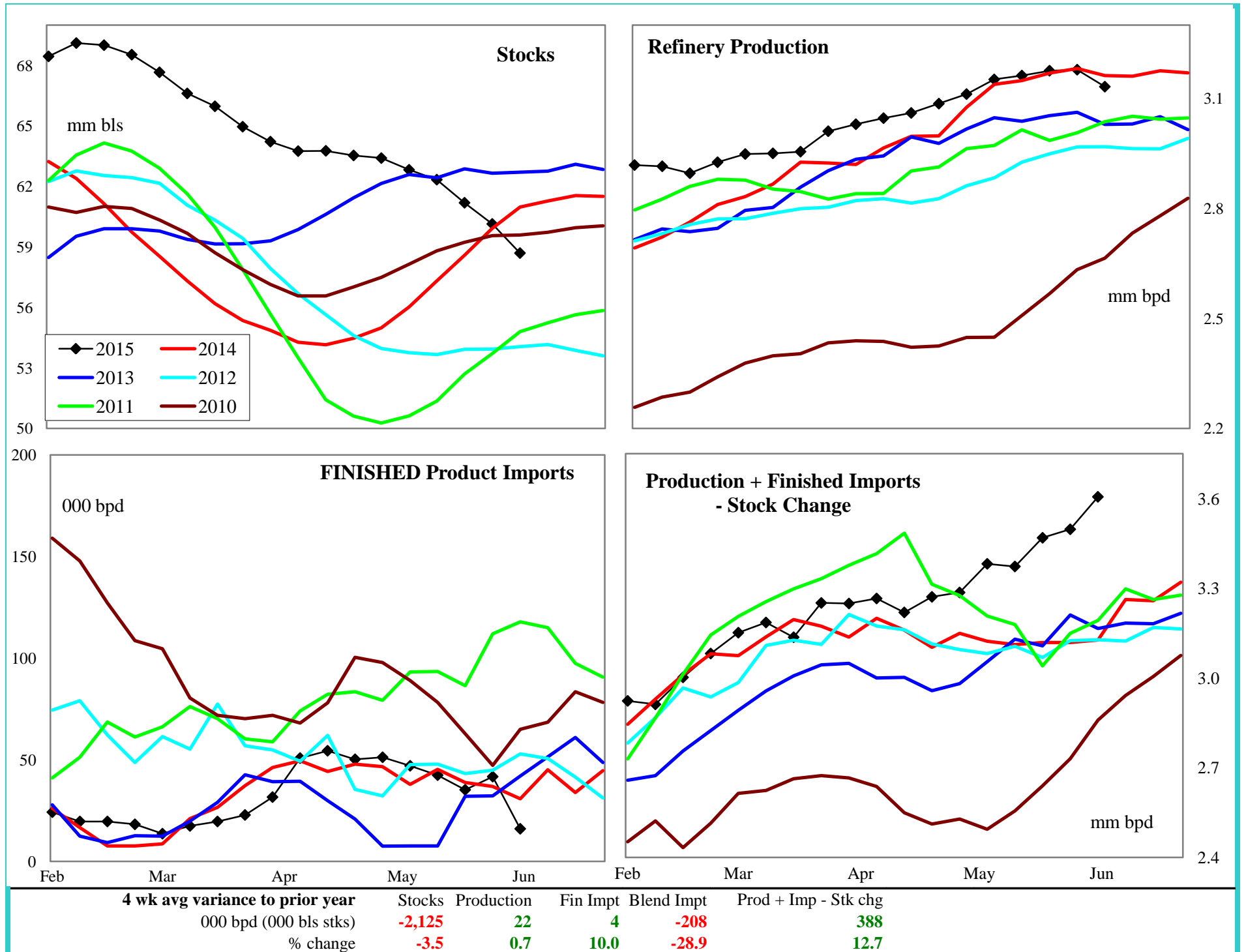
# United States Residual Fuel Supply and Demand Balance



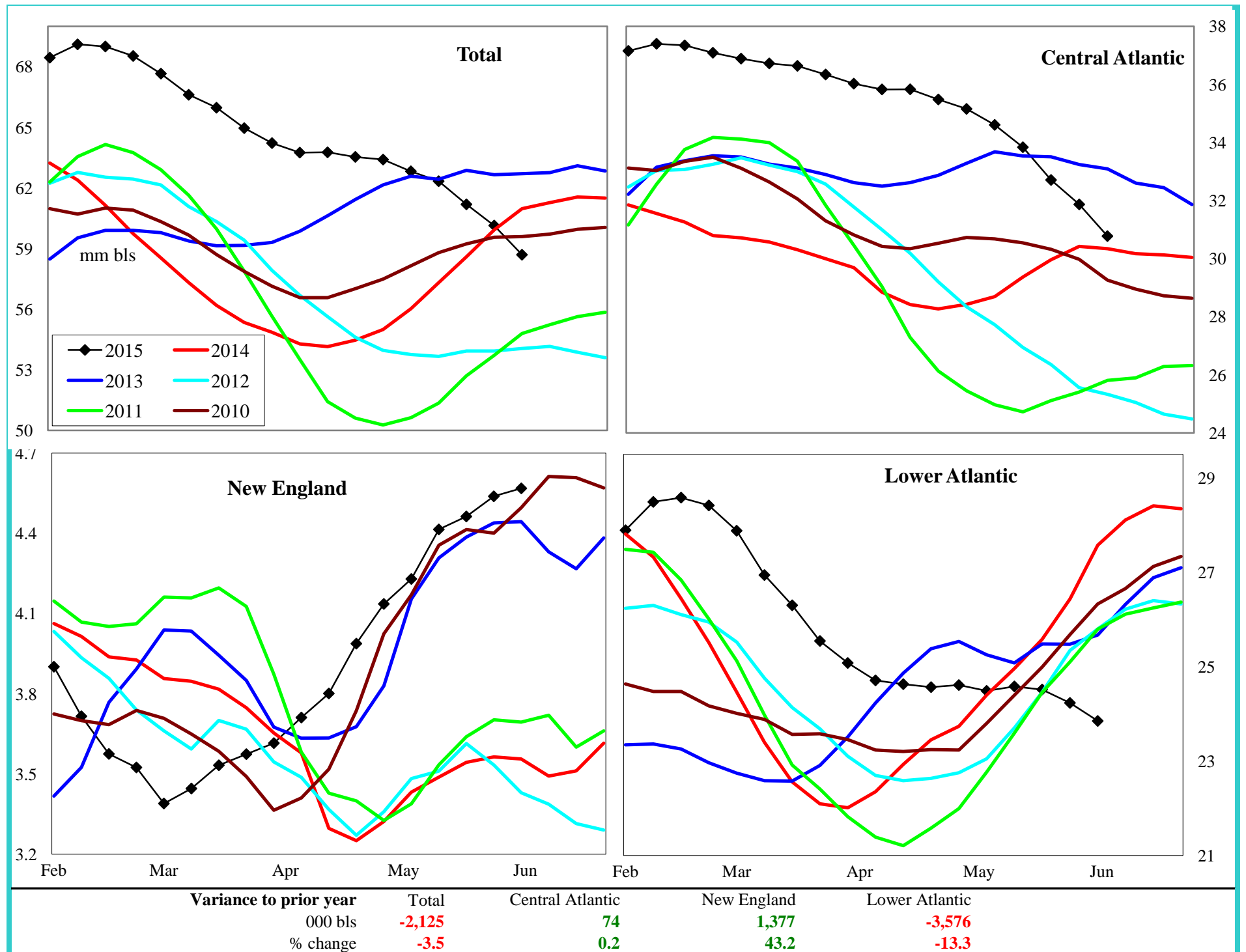
# PADD 1 Crude Oil Supply and Refining



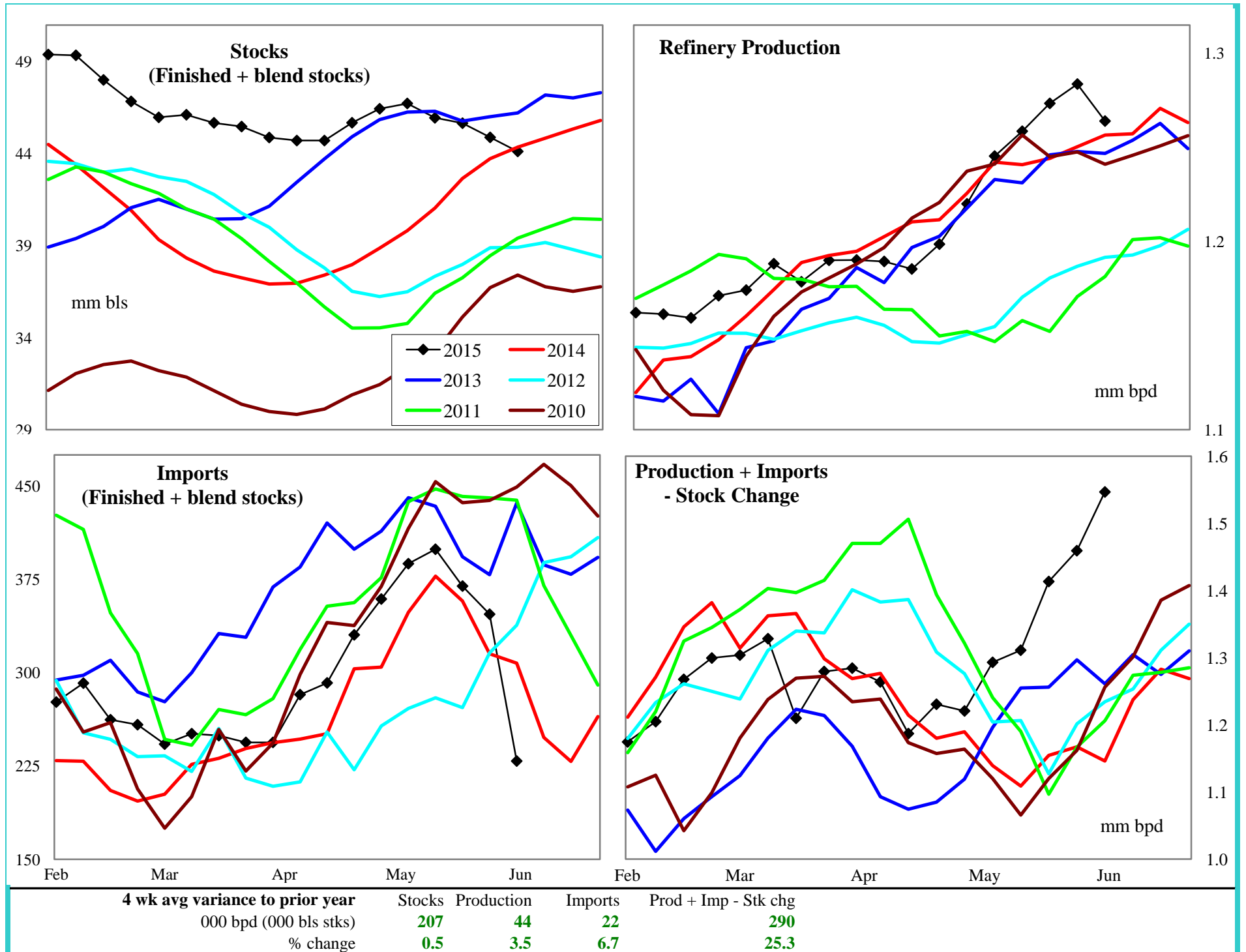
## PADD 1 Gasoline Supply



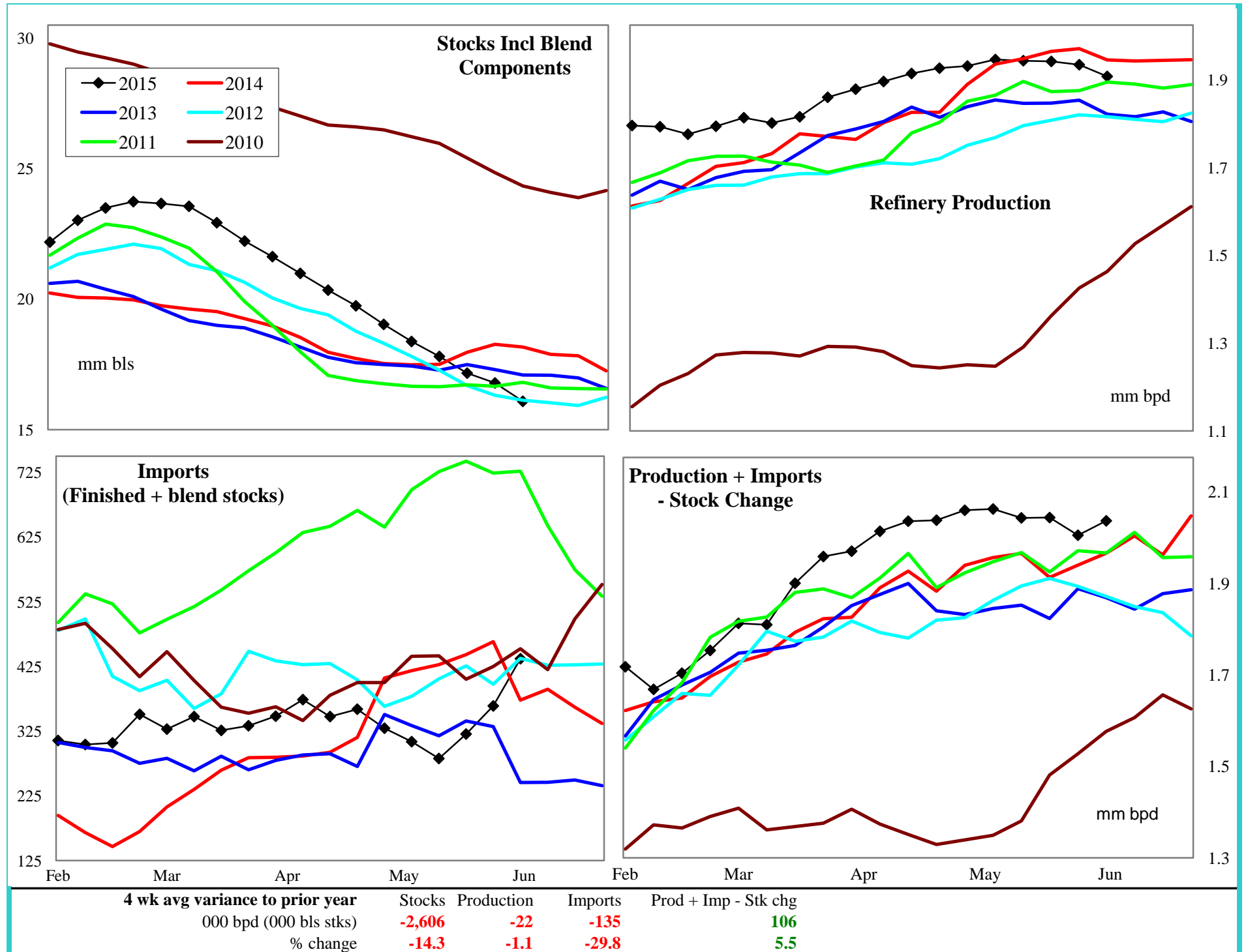
# PADD 1 Gasoline Stocks by Region



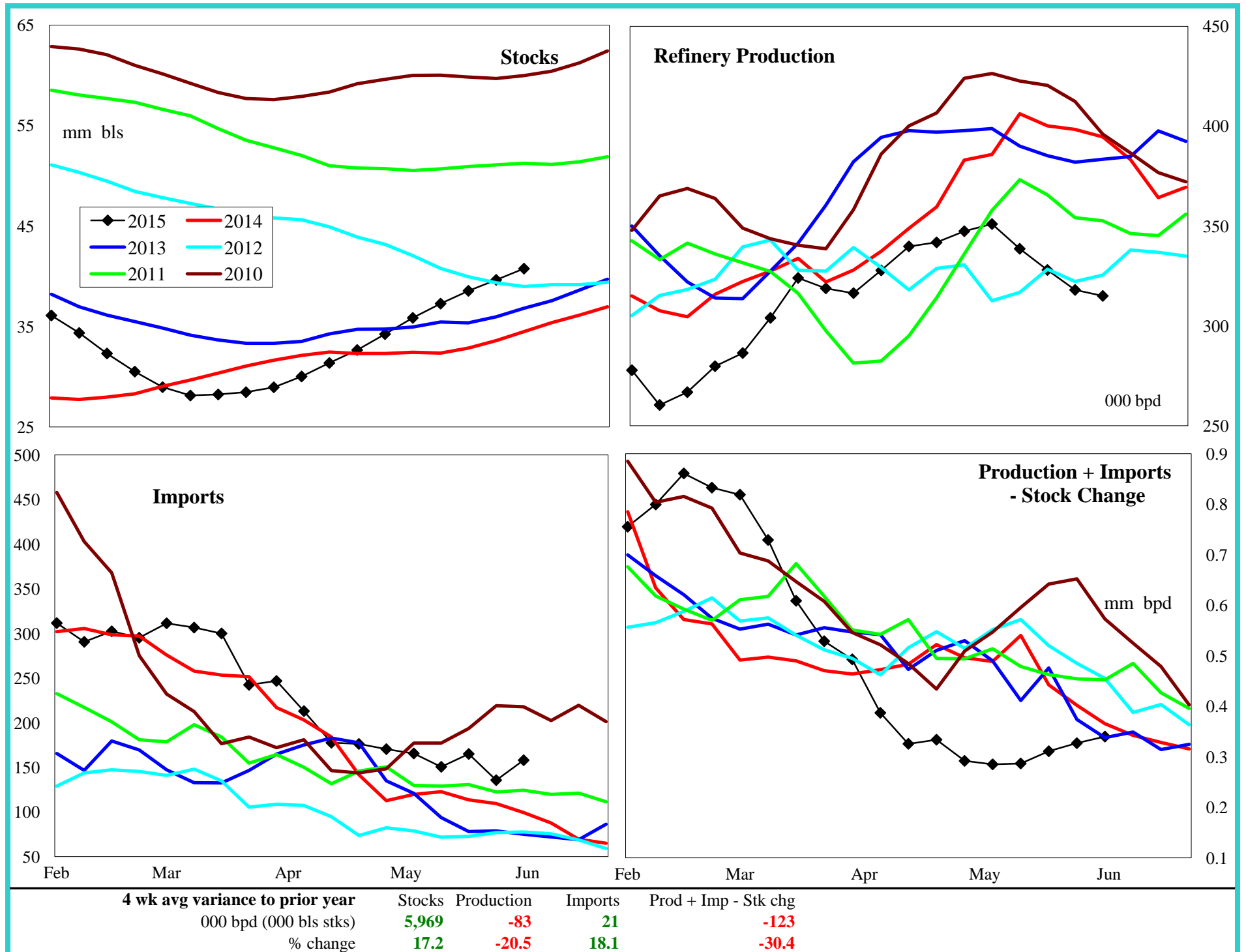
# PADD 1 Reformulated Gasoline Supply



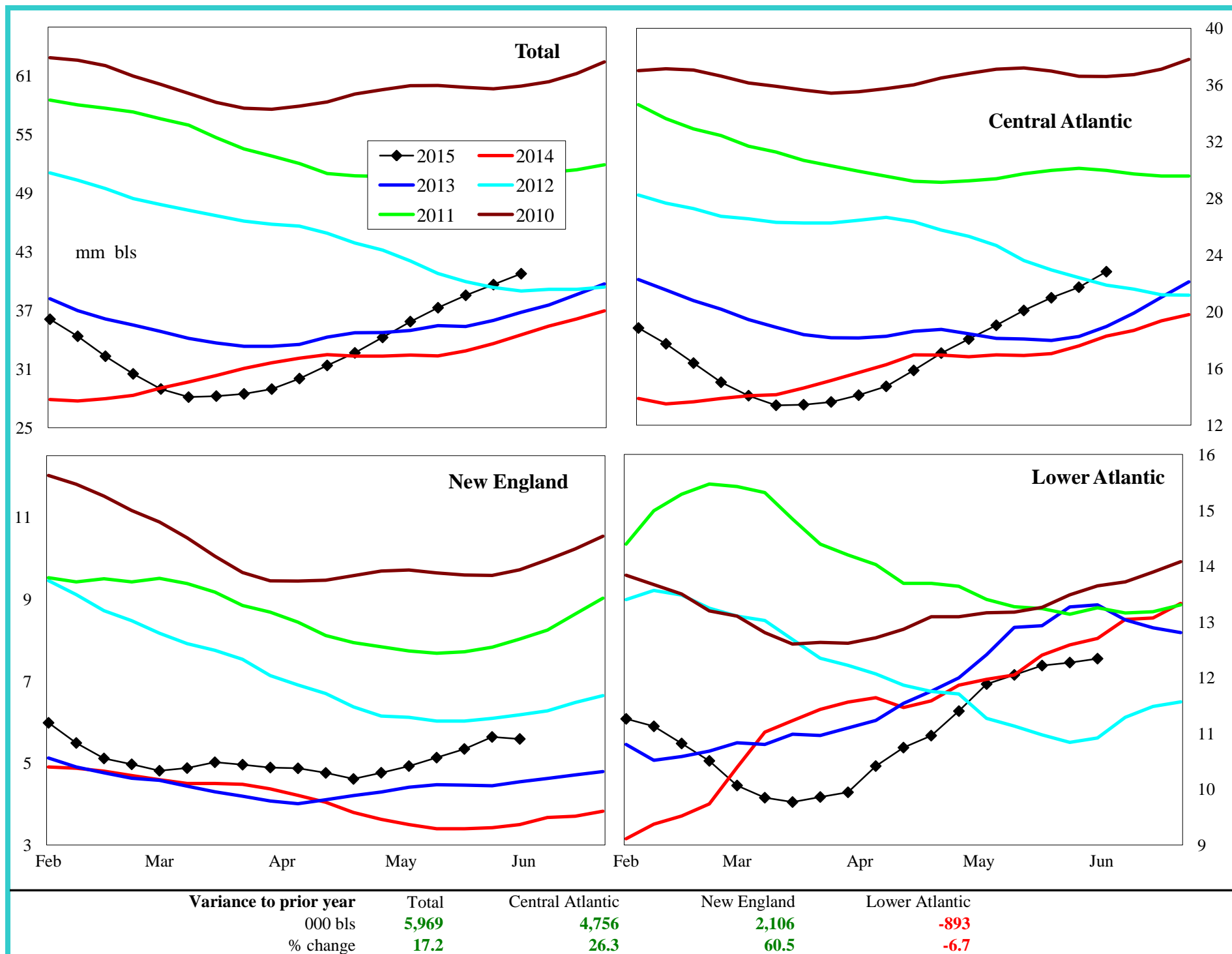
# PADD 1 Conventional Gasoline Supply



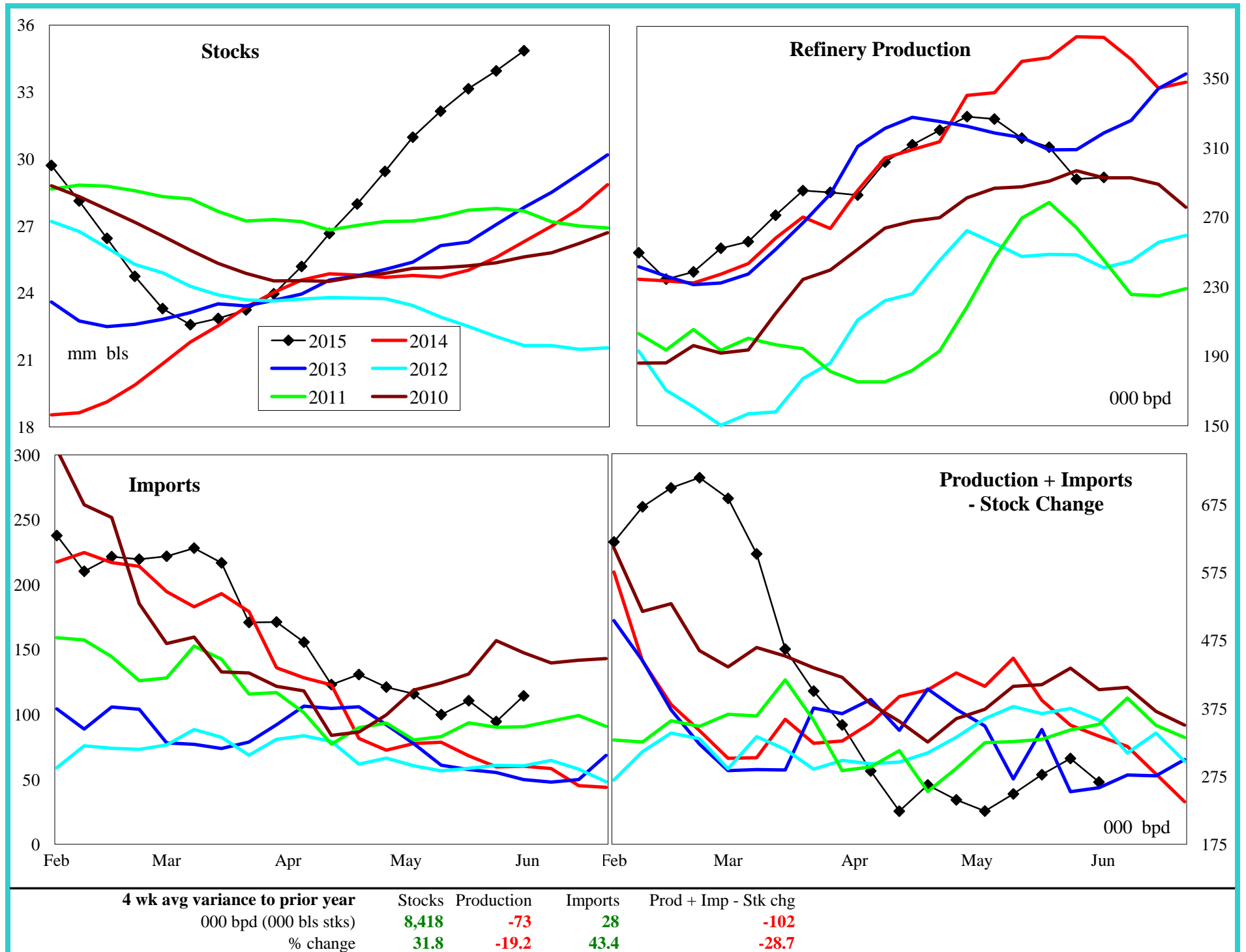
# PADD 1 Distillate Supply



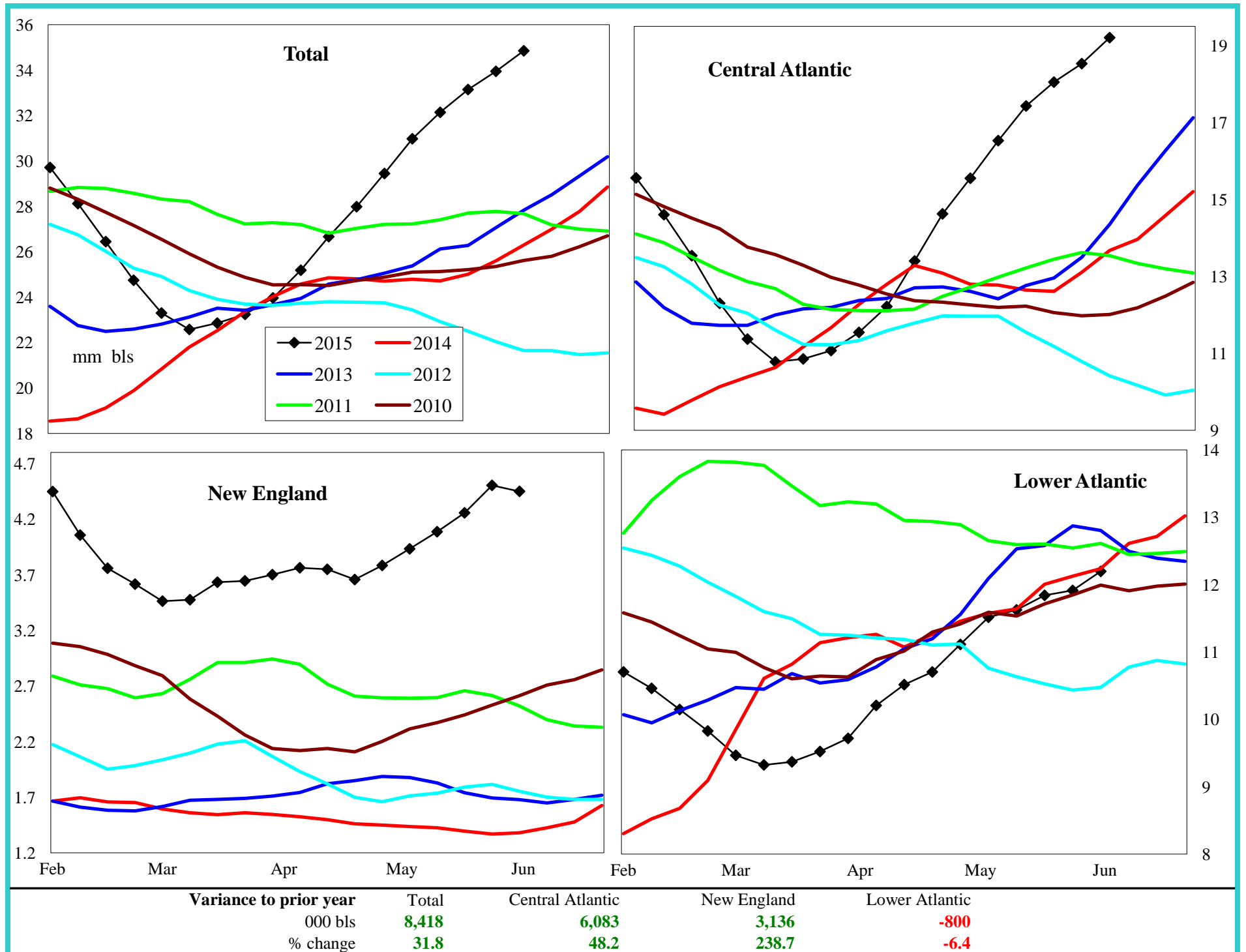
# PADD 1 Distillate Stocks by Region



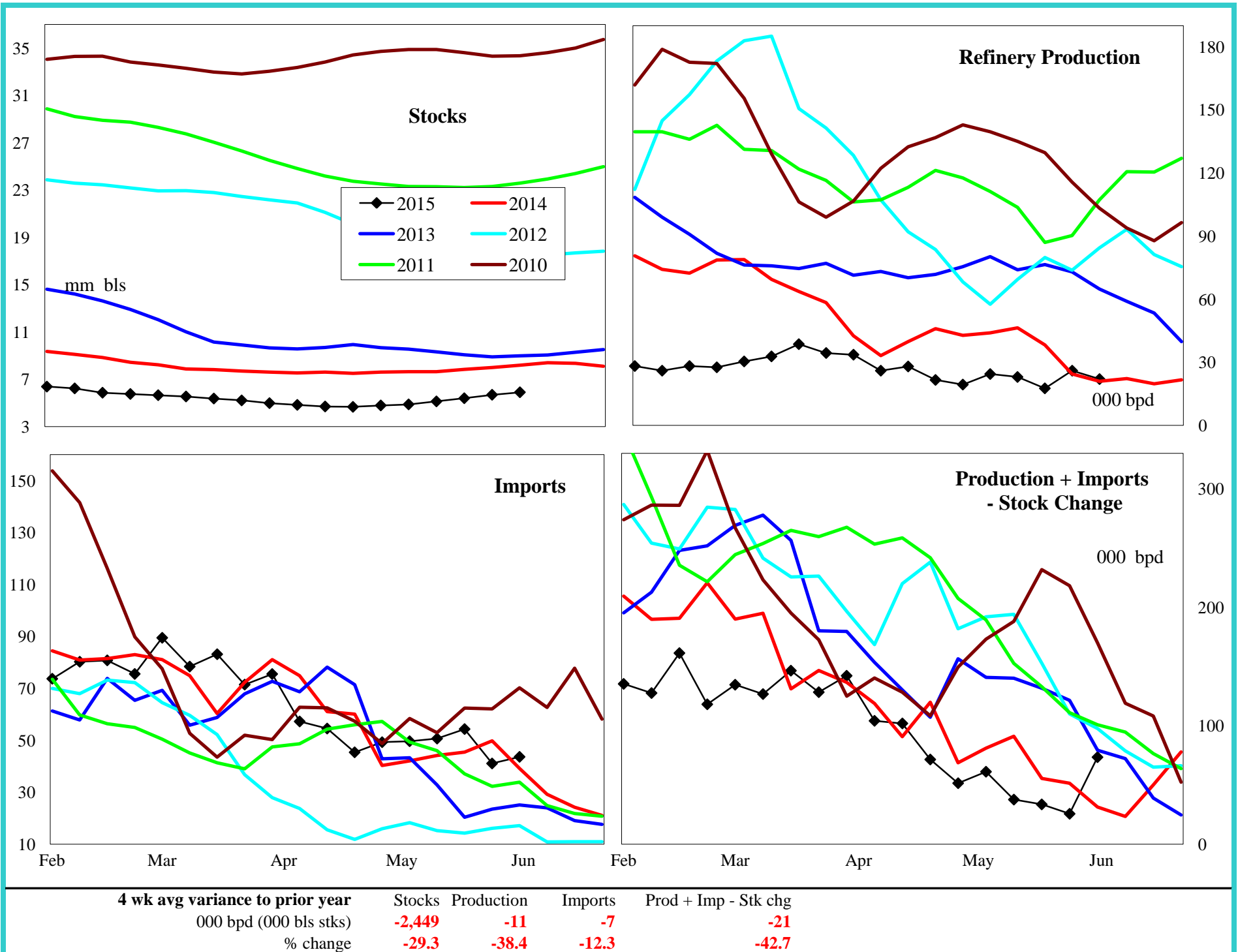
# PADD 1 Low Sulfur Distillate Supply



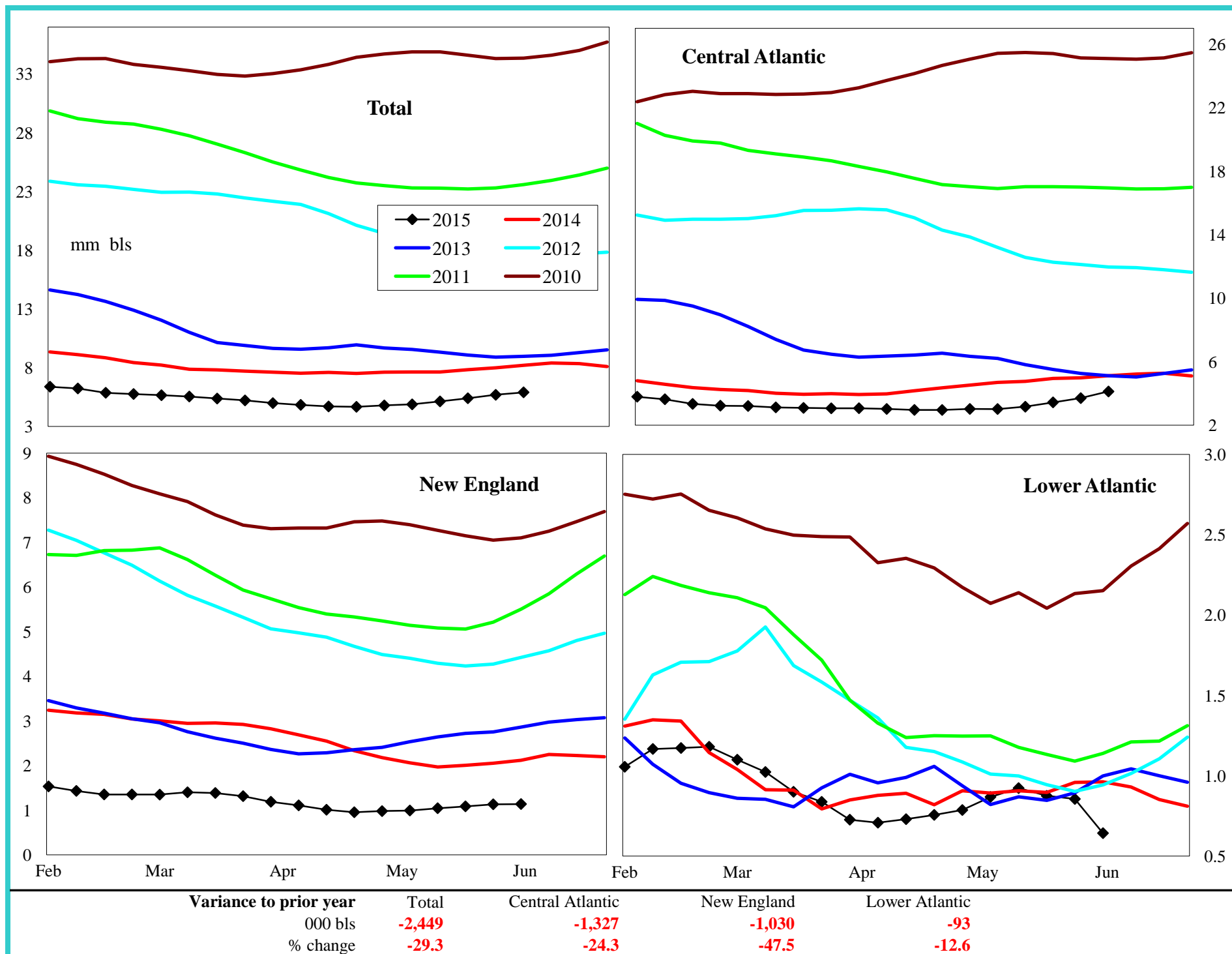
# PADD 1 Low Sulfur Distillate Stocks by Region



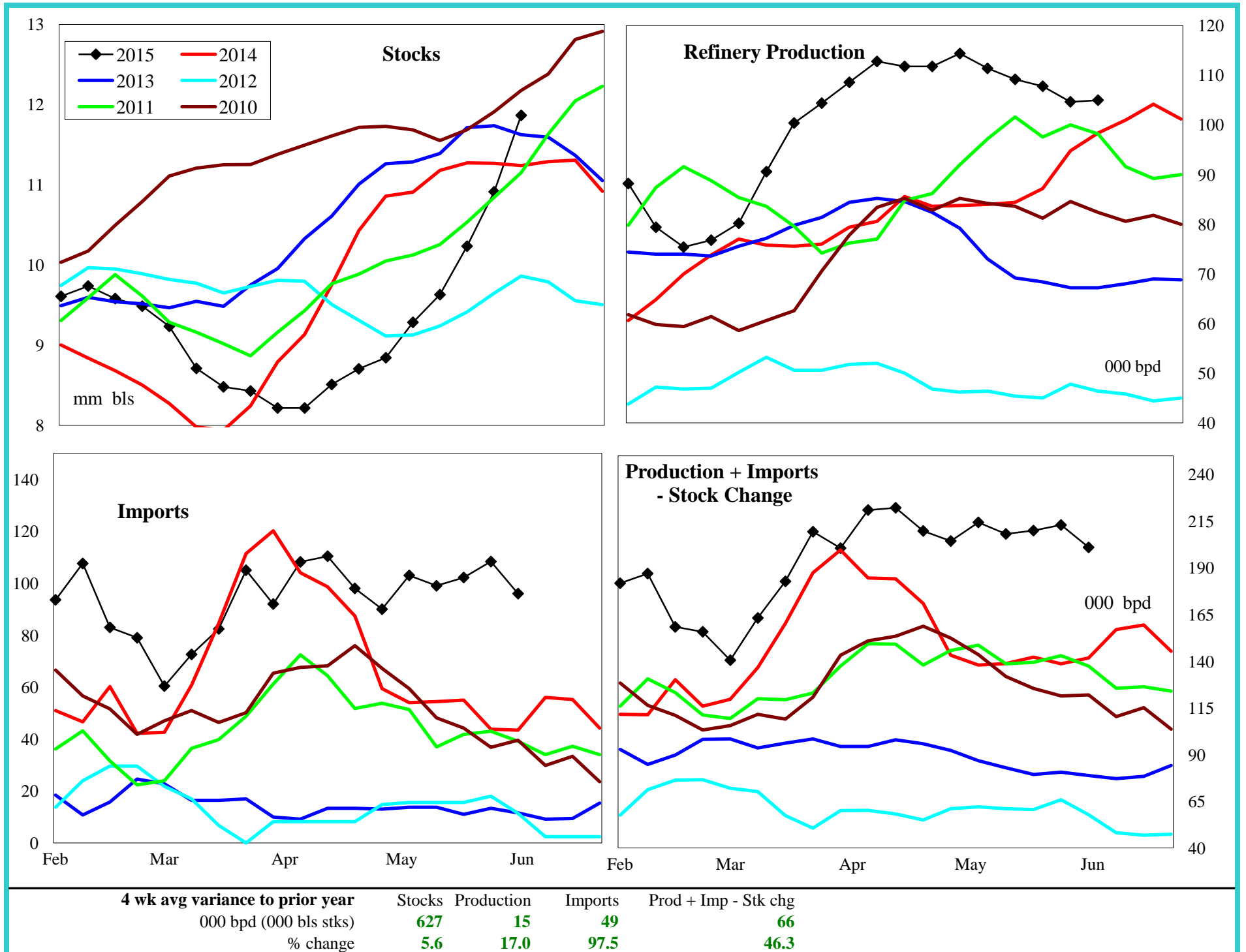
# PADD 1 High Sulfur Distillate Supply



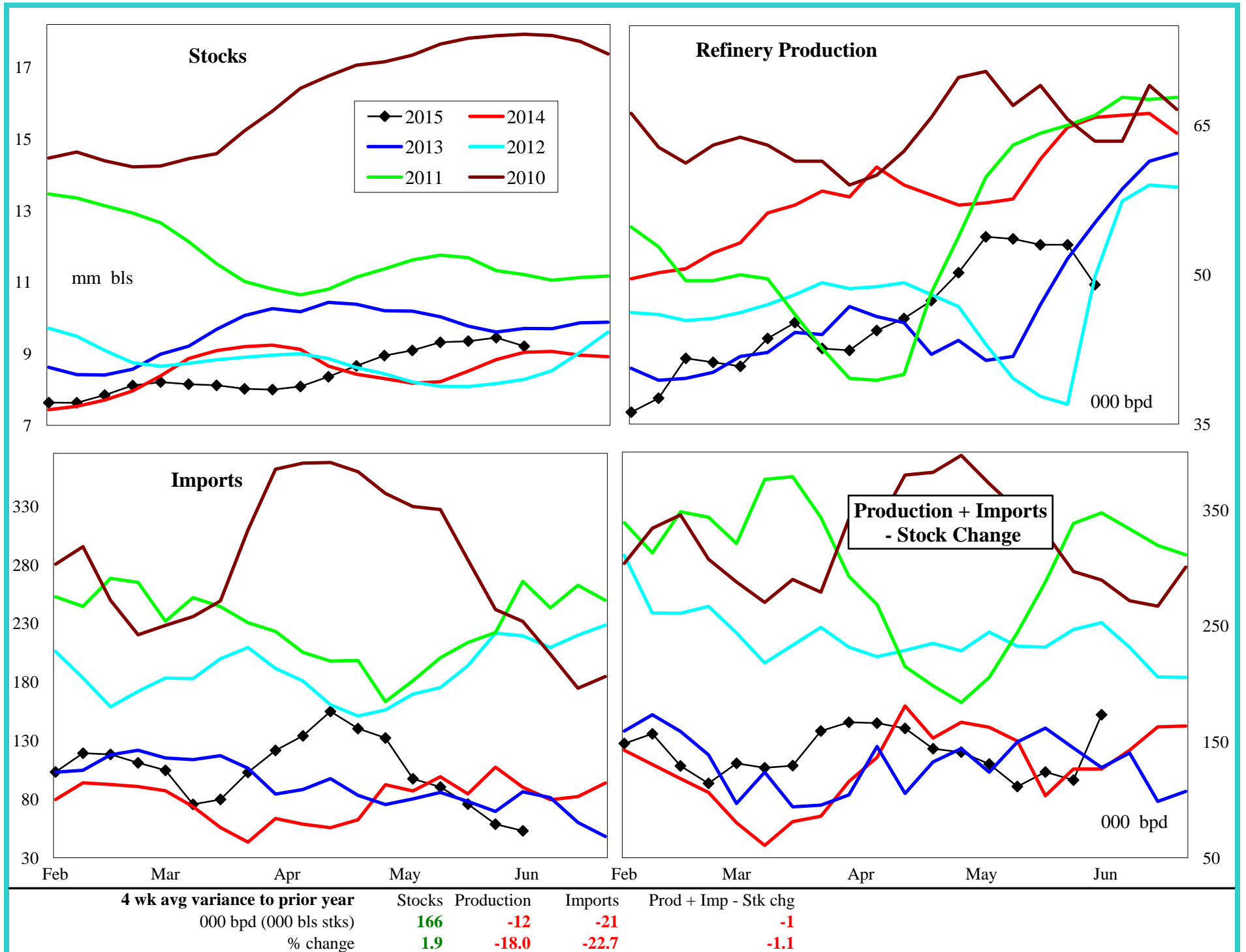
# PADD 1 High Sulfur Distillate Stocks by Region



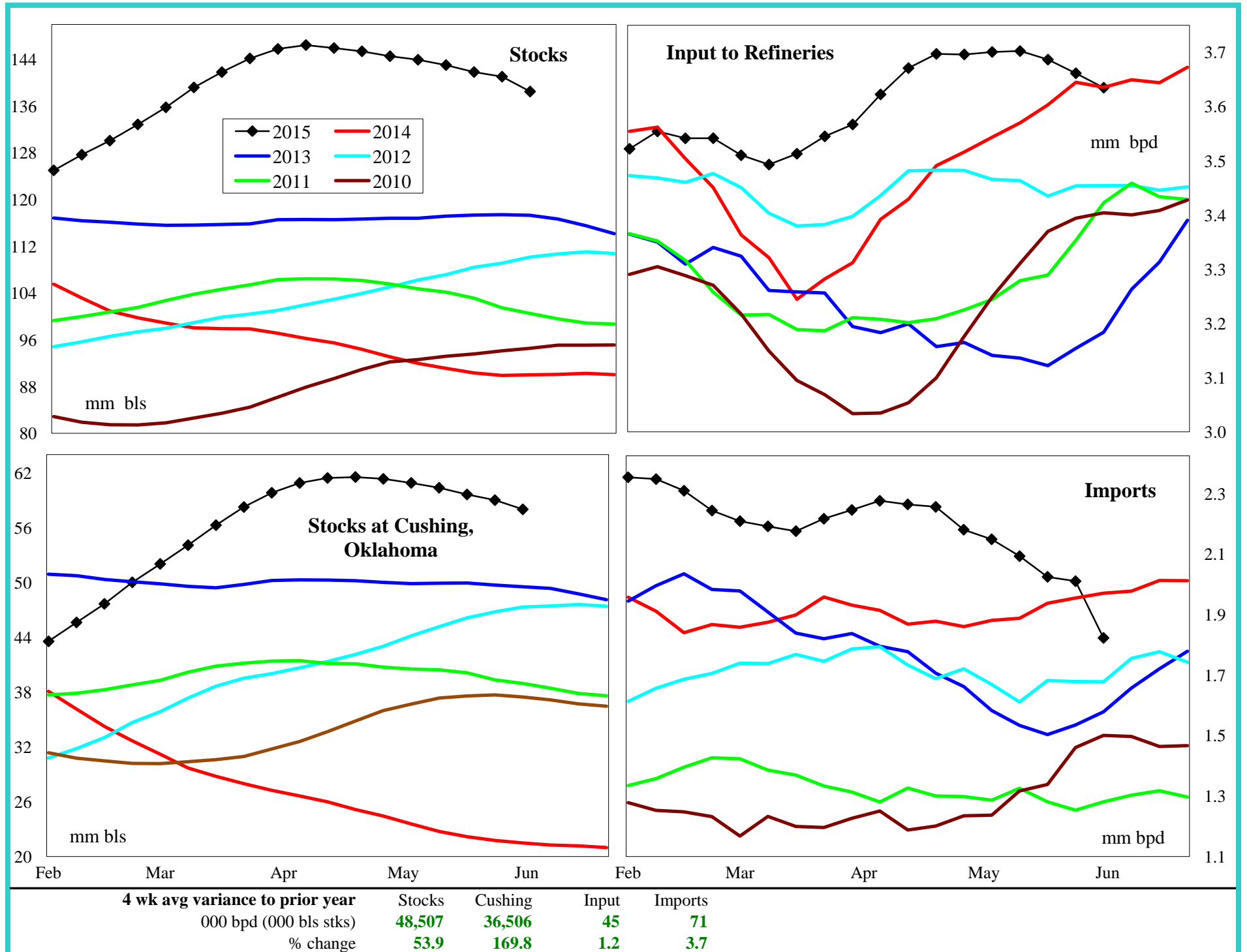
# PADD 1 Jet Fuel Supply



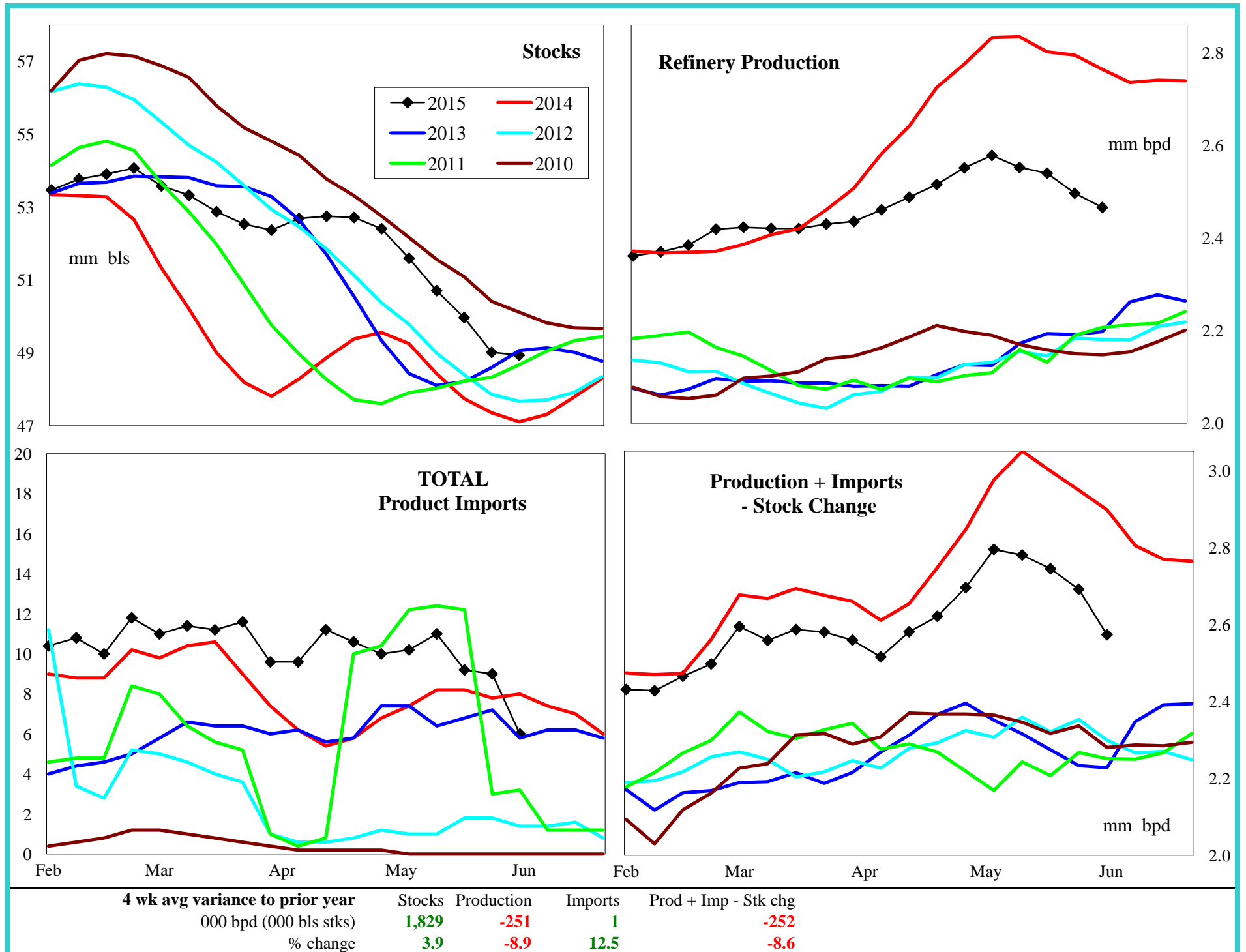
# PADD 1 Residual Fuel Oil Supply



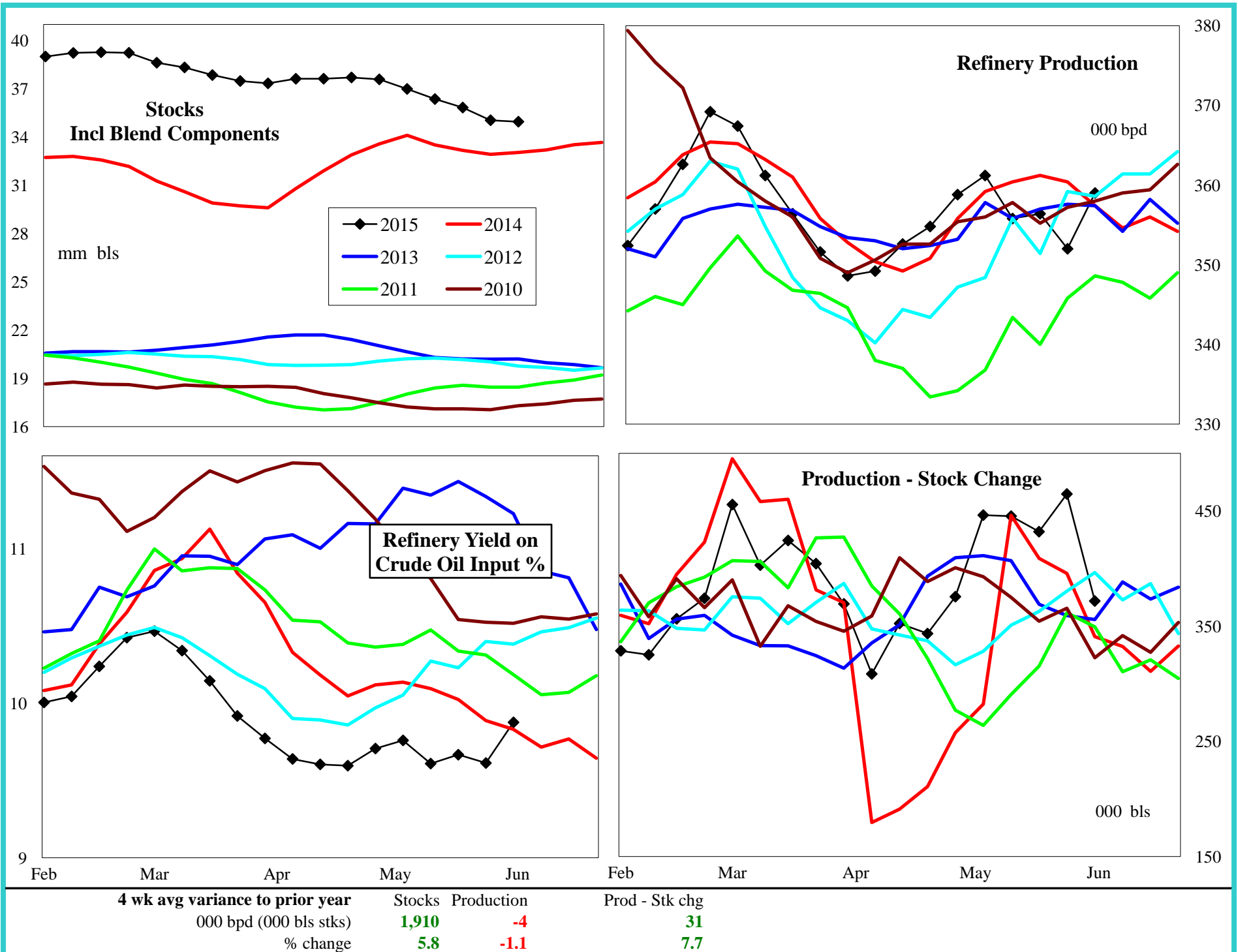
# PADD 2 Crude Oil Supply and Refining



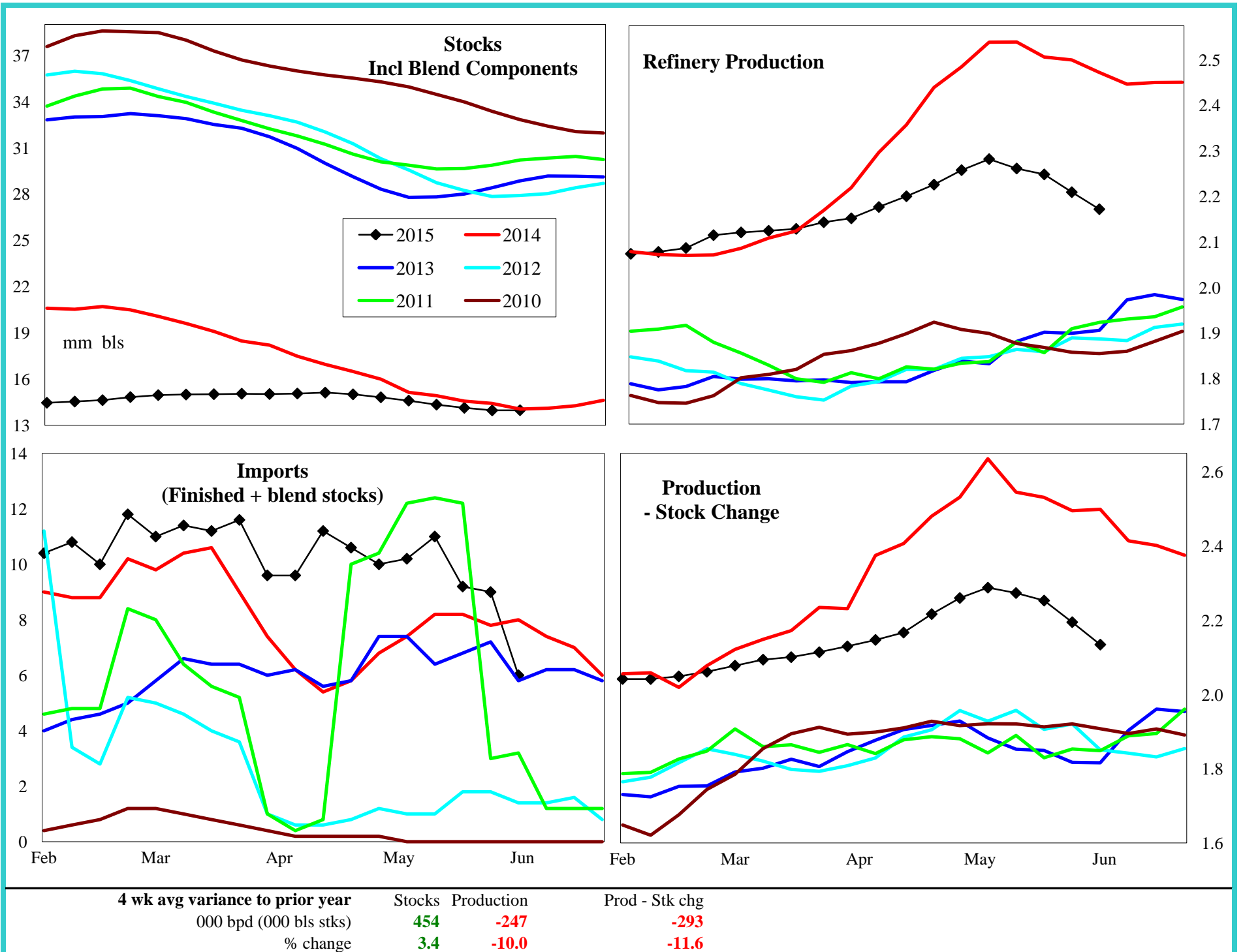
## PADD 2 Gasoline Supply



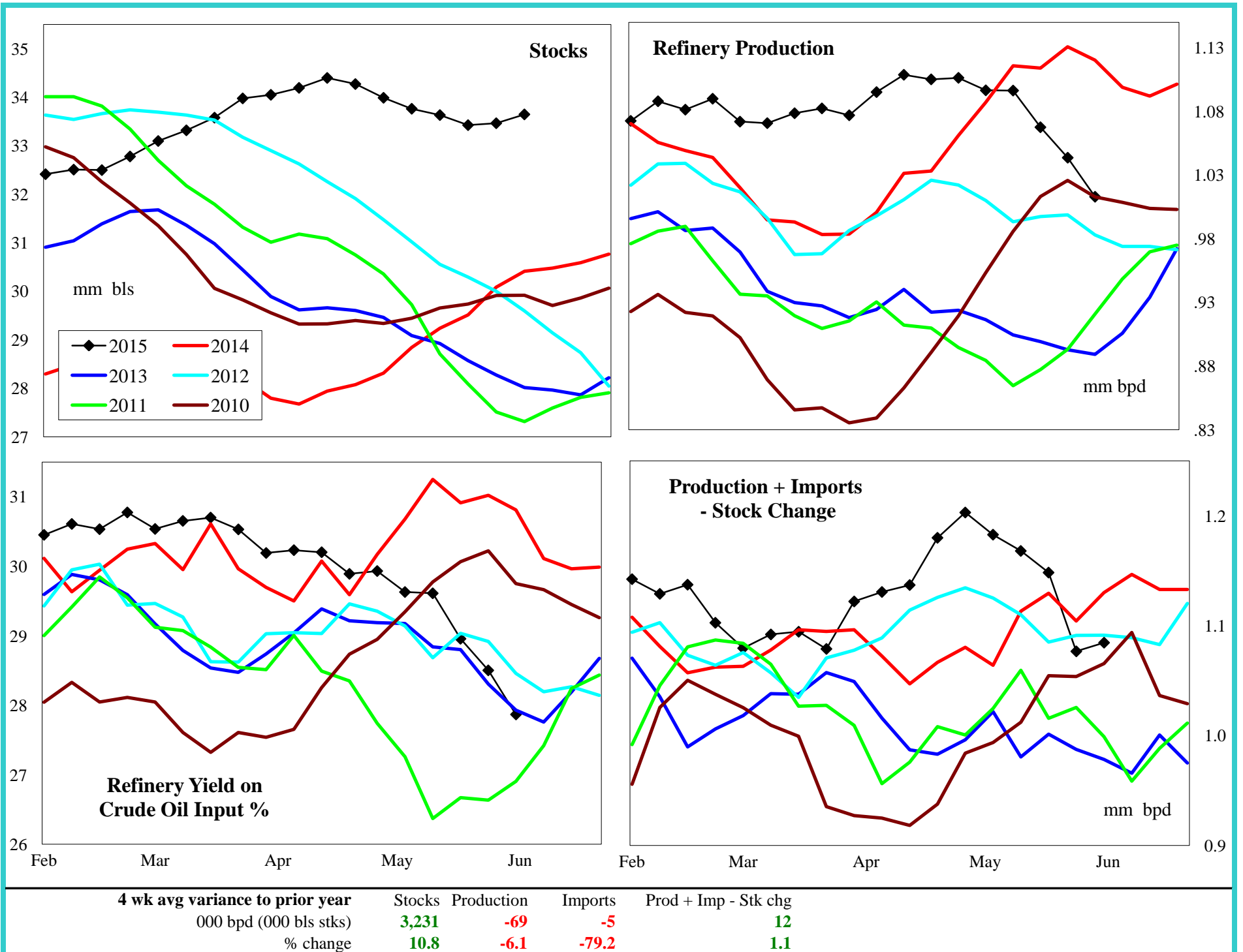
# PADD 2 Reformulated Gasoline Supply



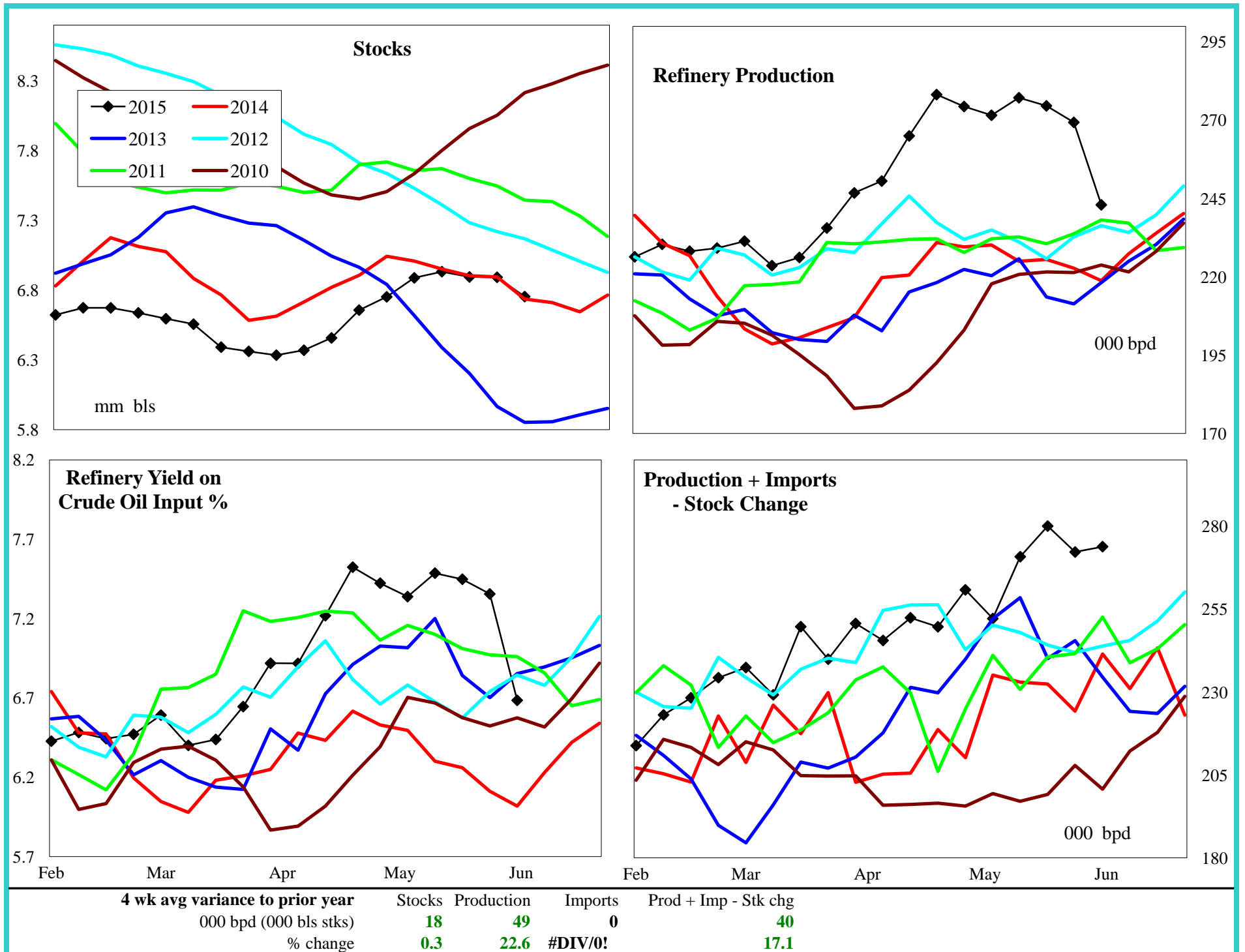
# PADD 2 Conventional Gasoline Supply



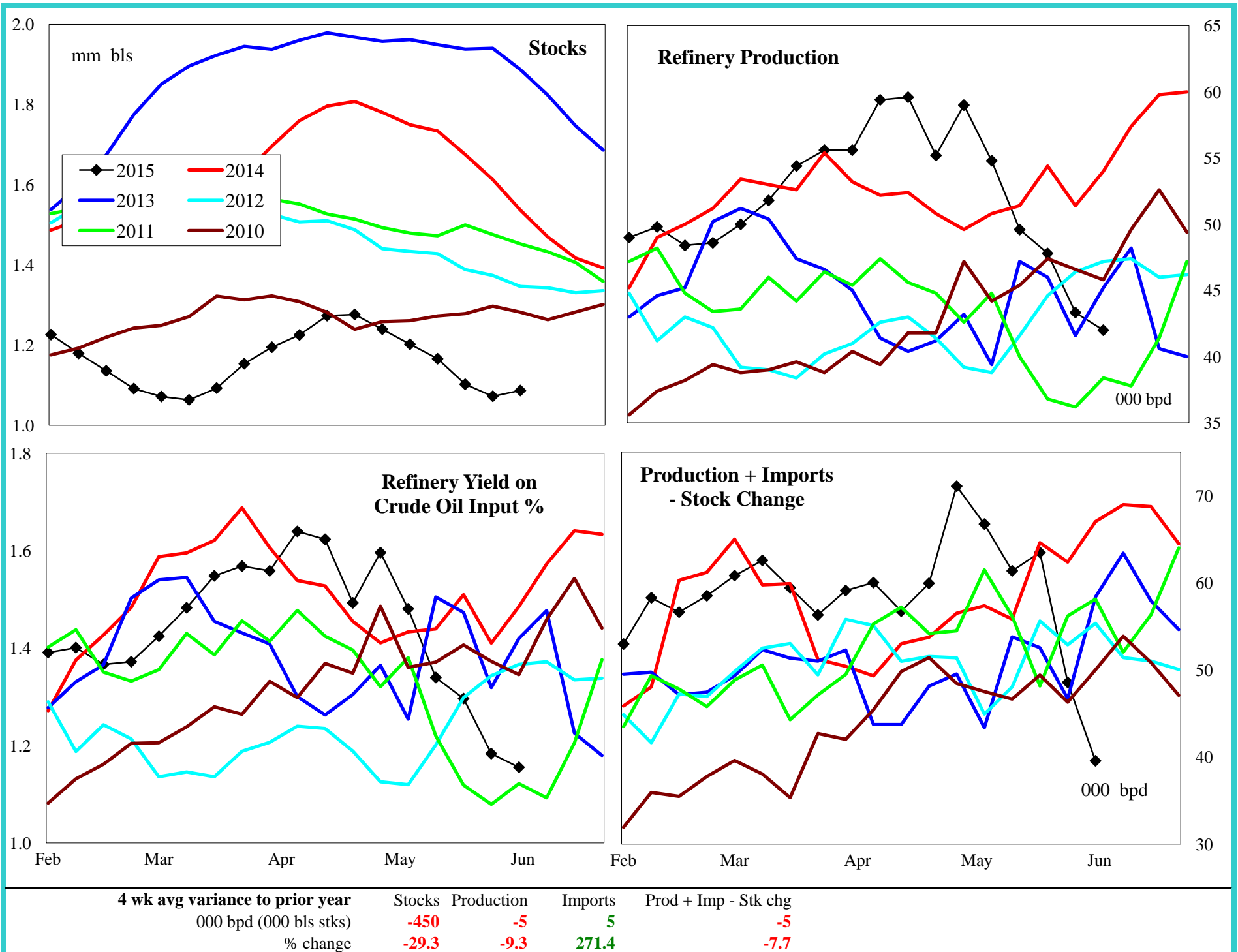
# PADD 2 Distillate Supply



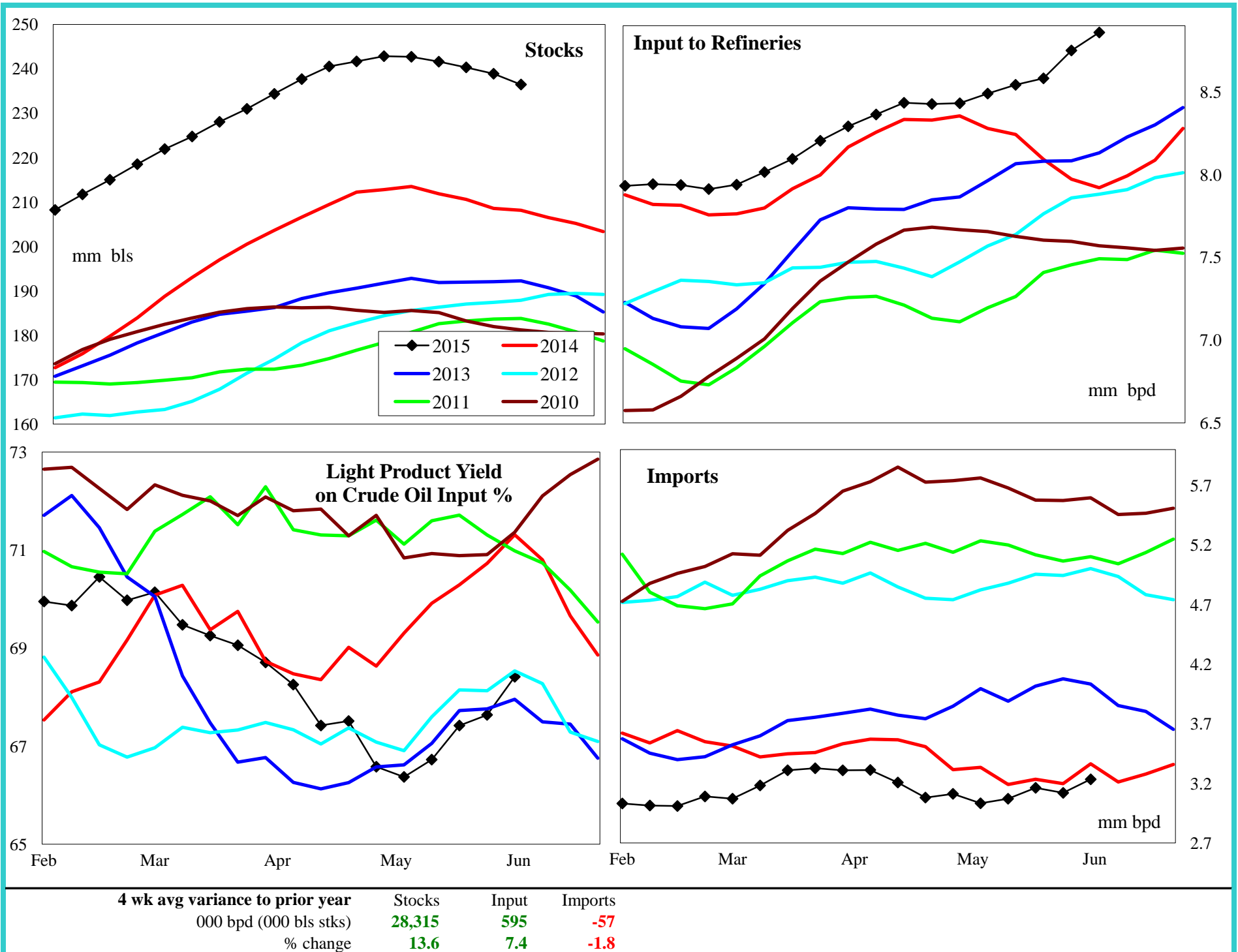
# PADD 2 Jet Fuel Supply



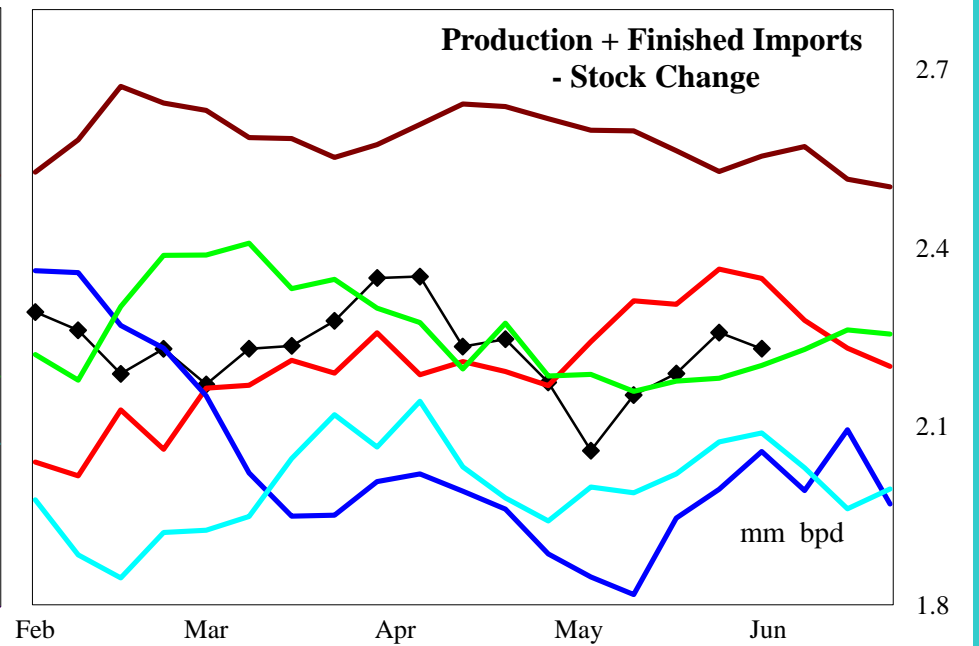
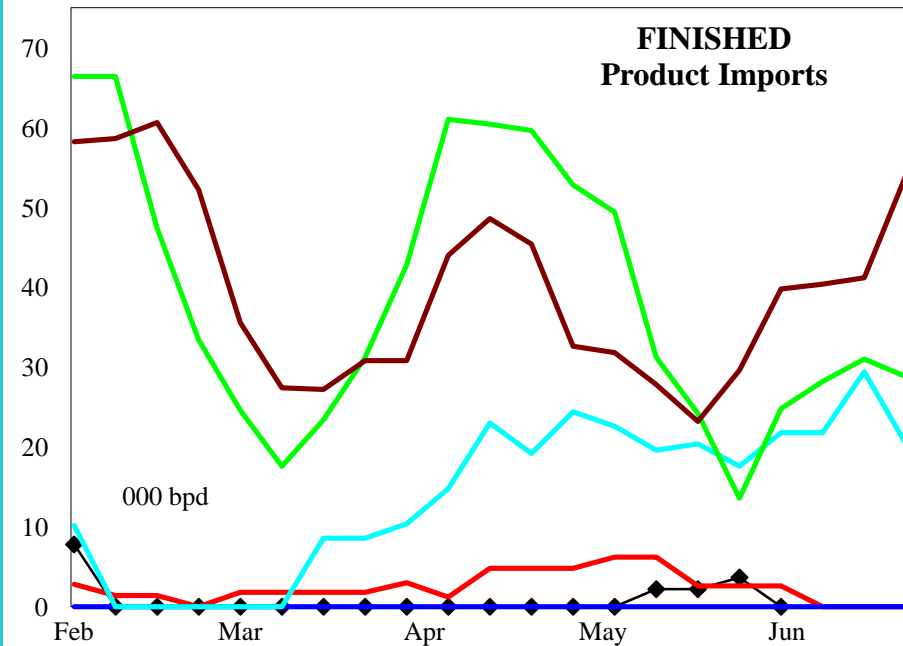
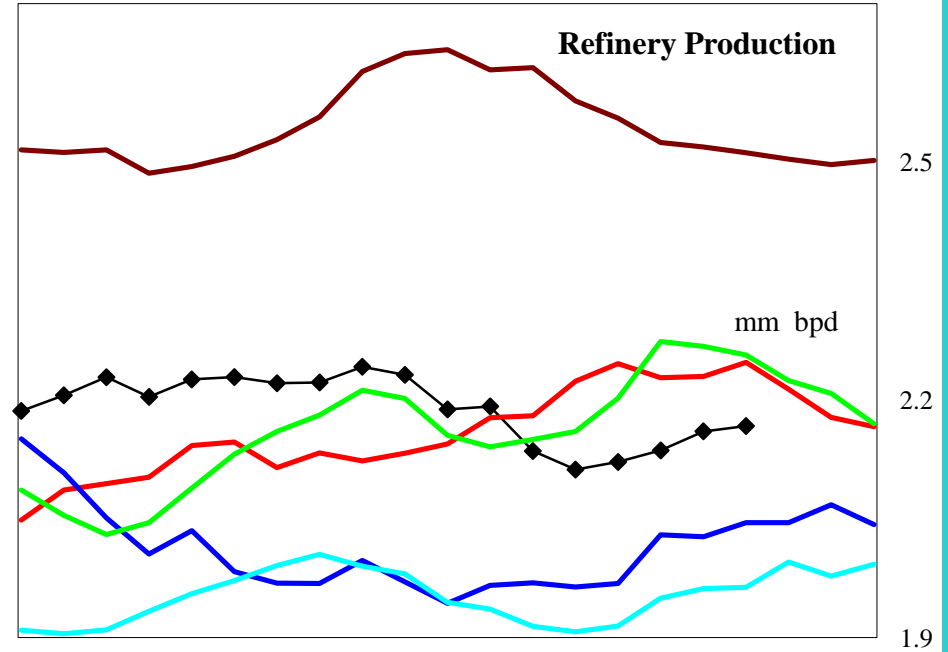
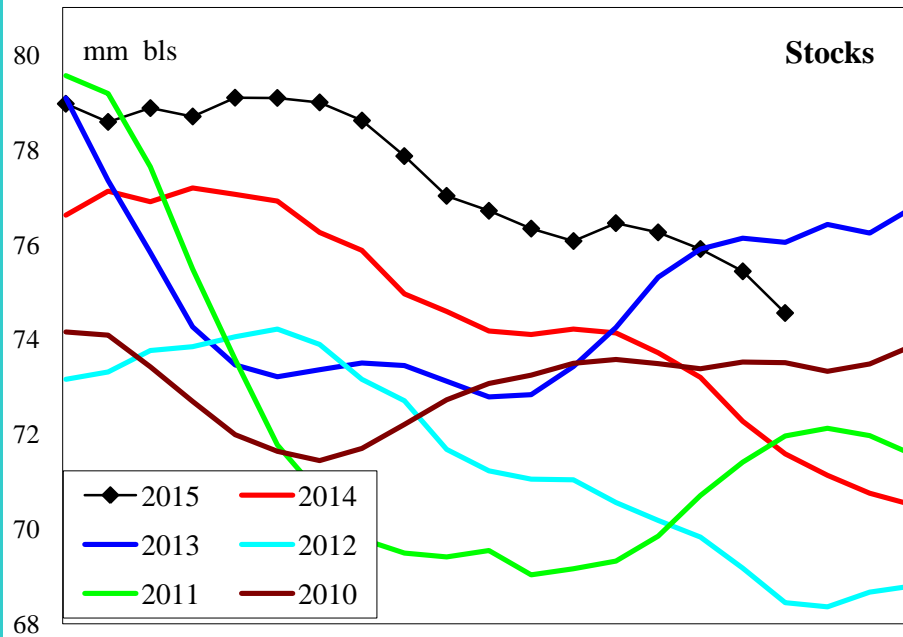
# PADD 2 Residual Fuel Oil Supply



# PADD 3 Crude Oil Supply and Refining



# PADD 3 Gasoline Supply



**4 wk avg variance to prior year**

000 bpd (000 bls stks)

% change

Stocks

2,431

3.4

Production

-98

-4.4

Fin Impt

-1

-15.4

Blend Impt

14

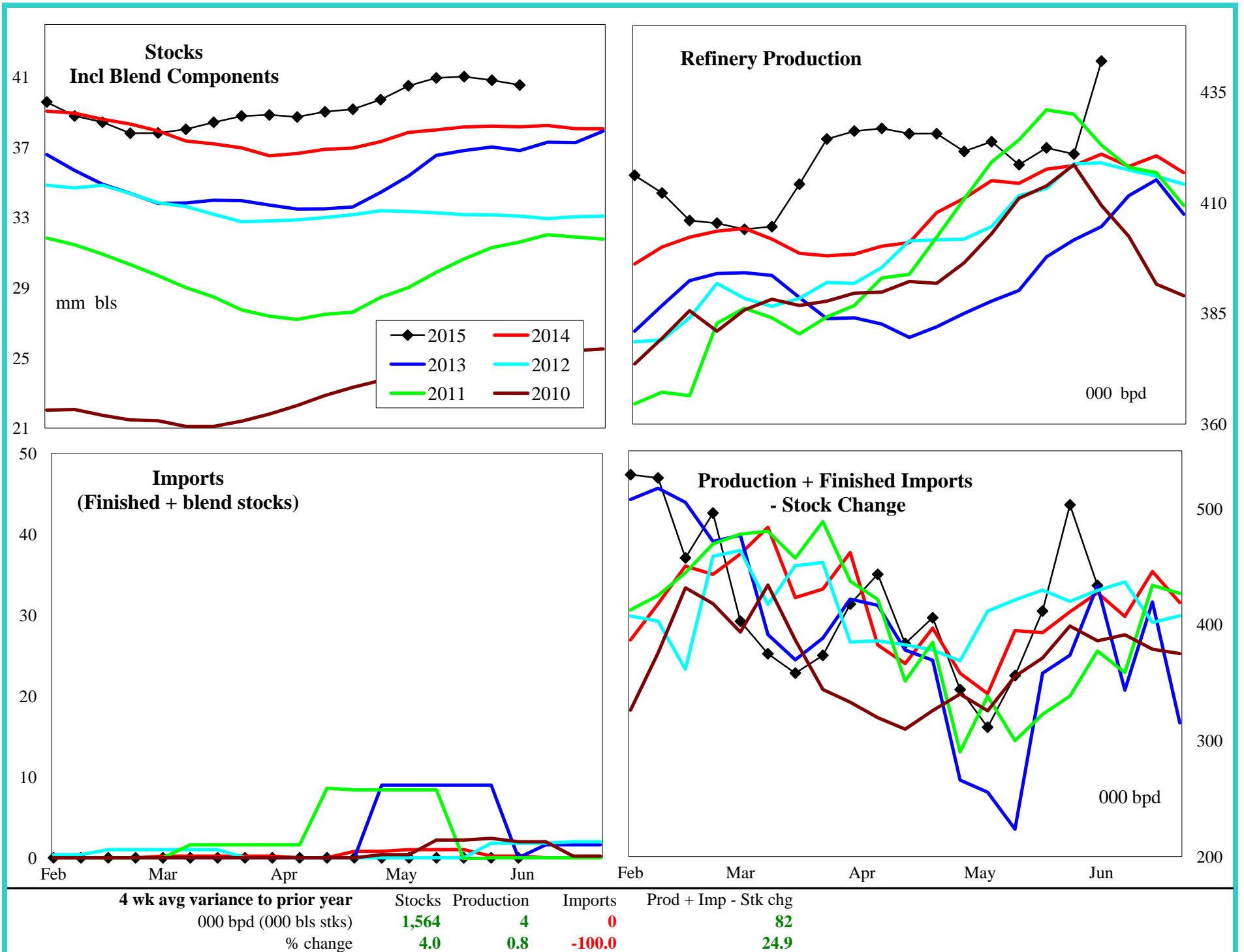
350.0

Prod + Imp - Stk chg

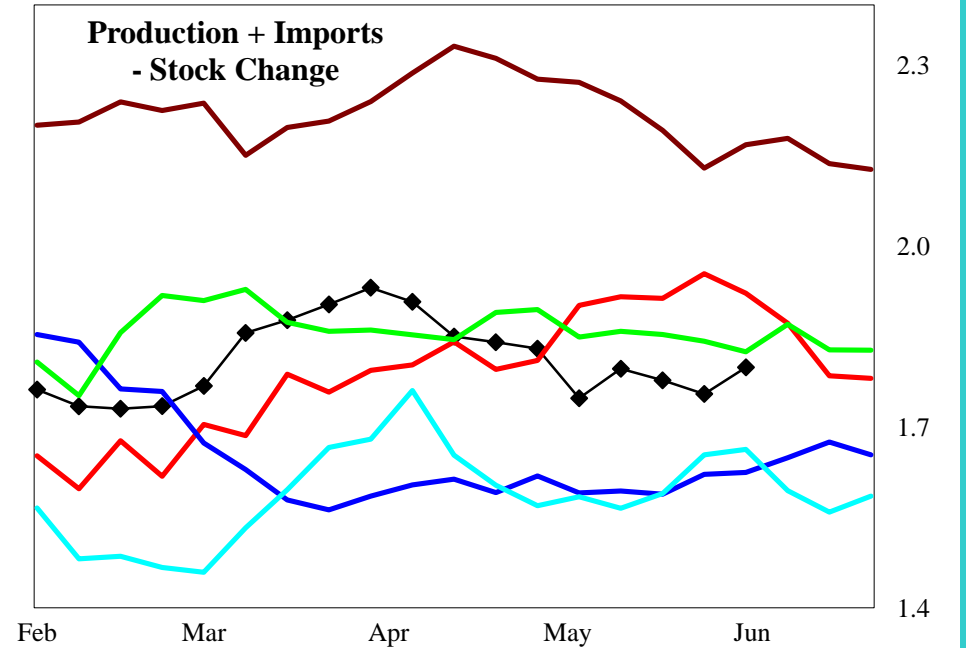
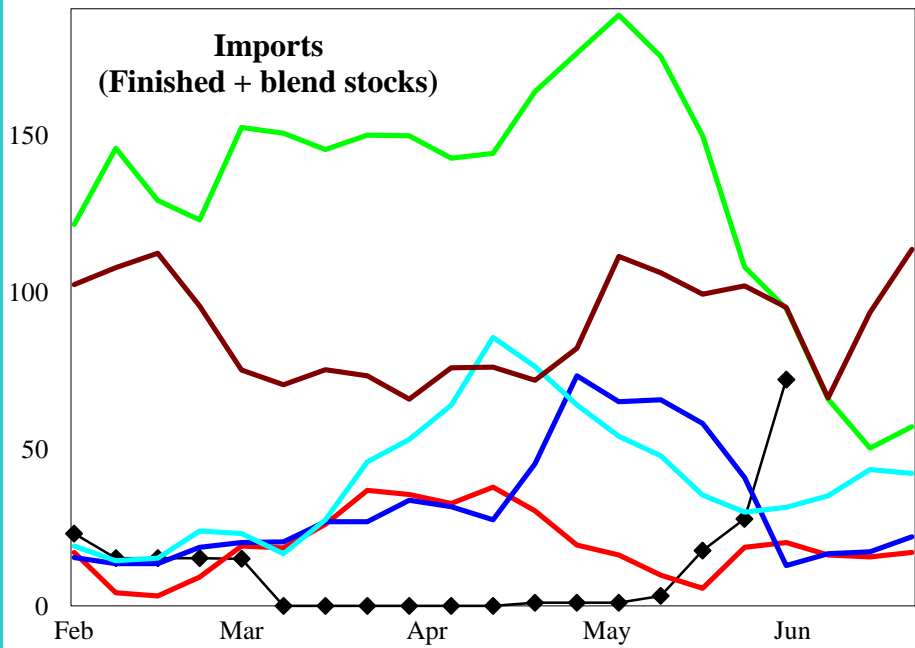
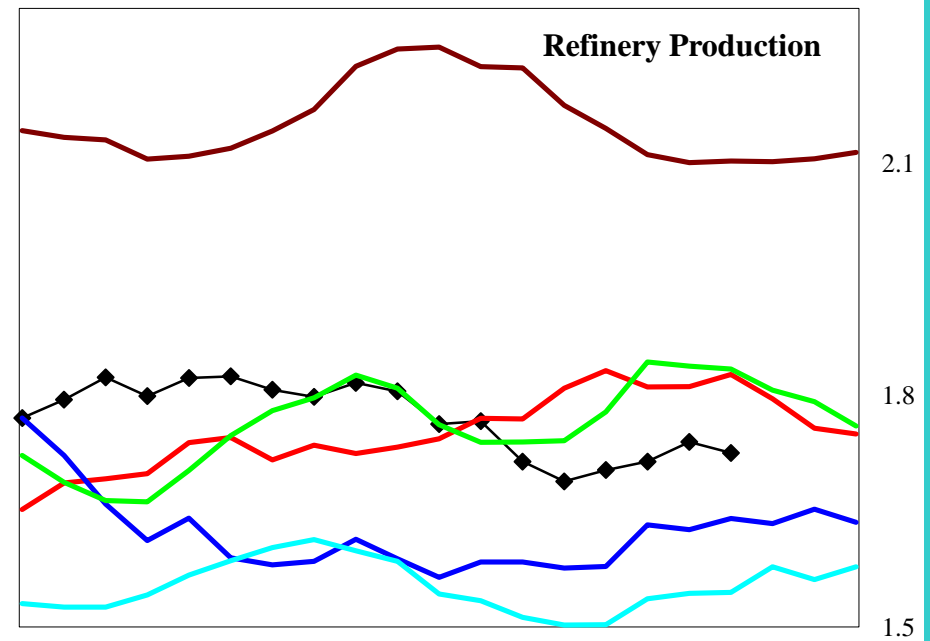
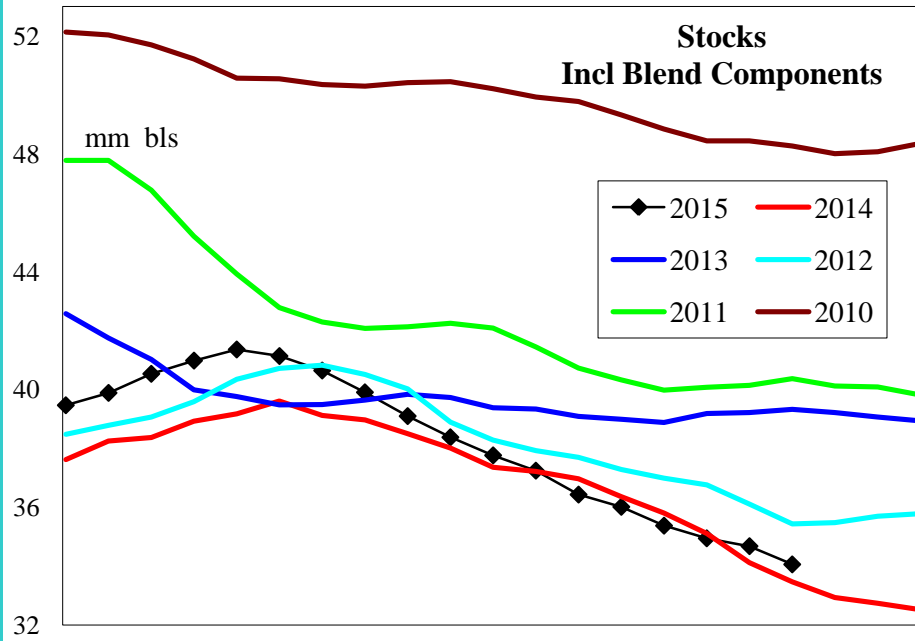
-96

-4.2

# PADD 3 Reformulated Gasoline Supply



# PADD 3 Conventional Gasoline Supply



**4 wk avg variance to prior year**

000 bpd (000 bbls stks)

% change

Stocks

Production

Imports

Prod + Imp - Stk chg

877

-102

14

-179

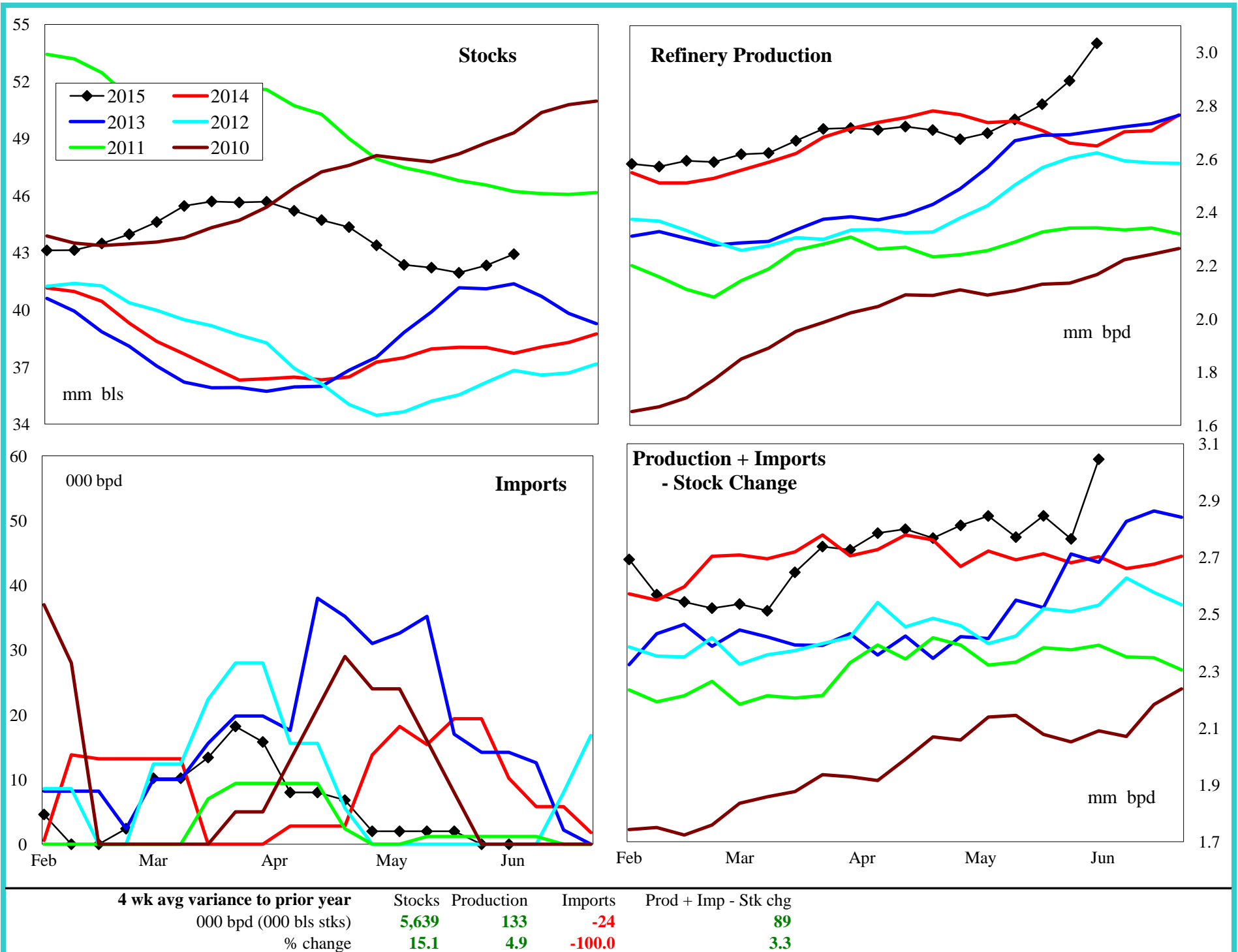
2.6

-5.6

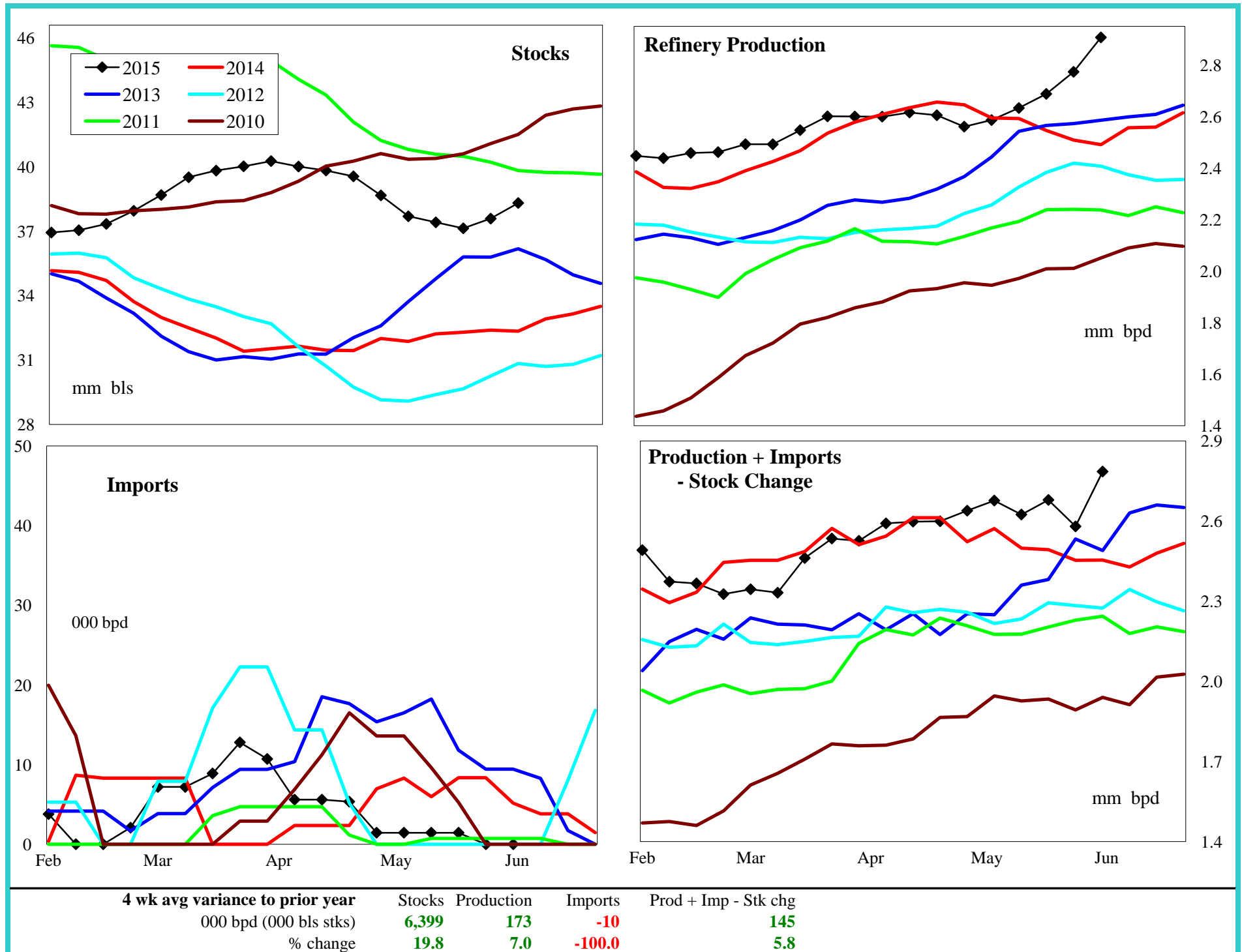
196.4

-9.1

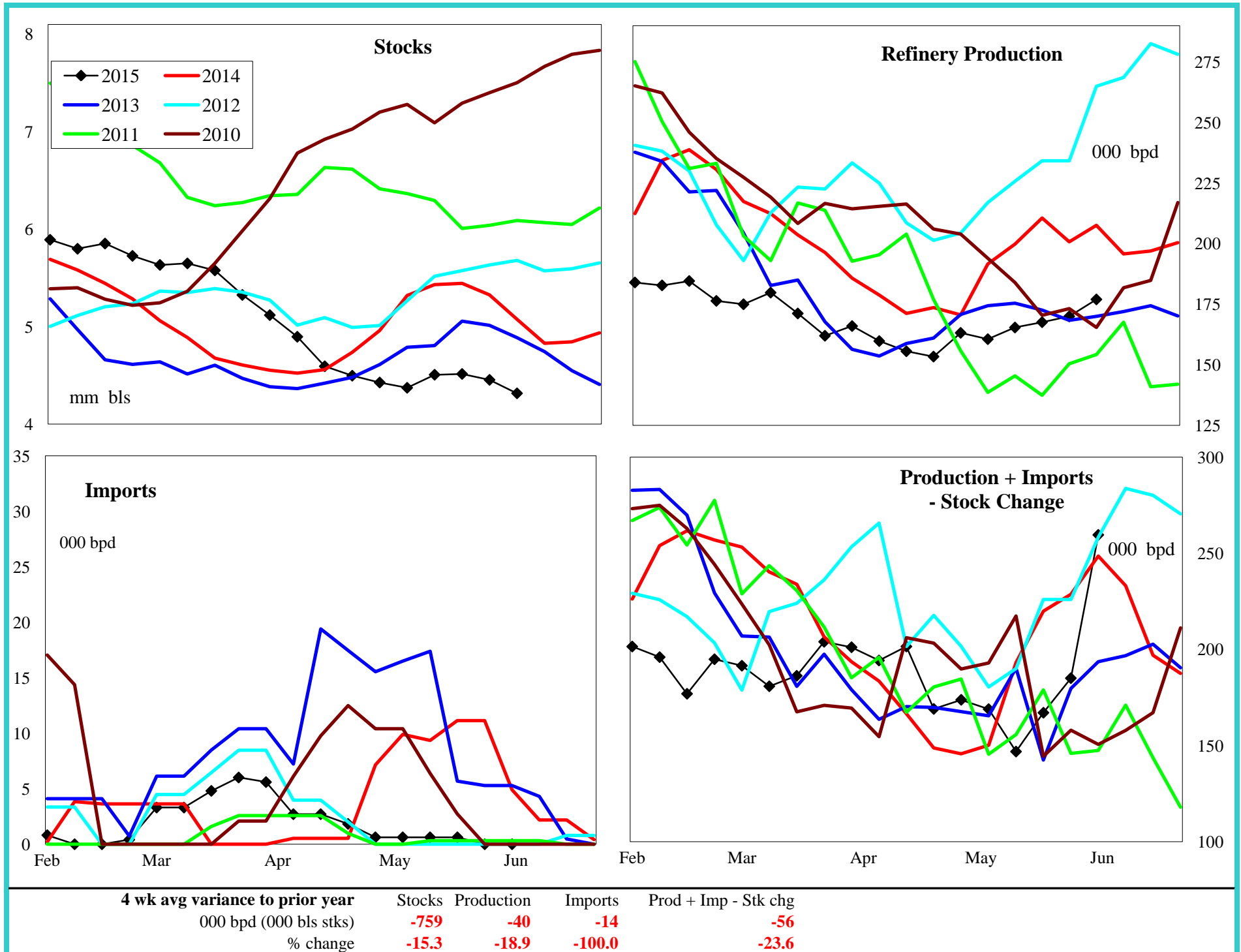
# PADD 3 Distillate Supply

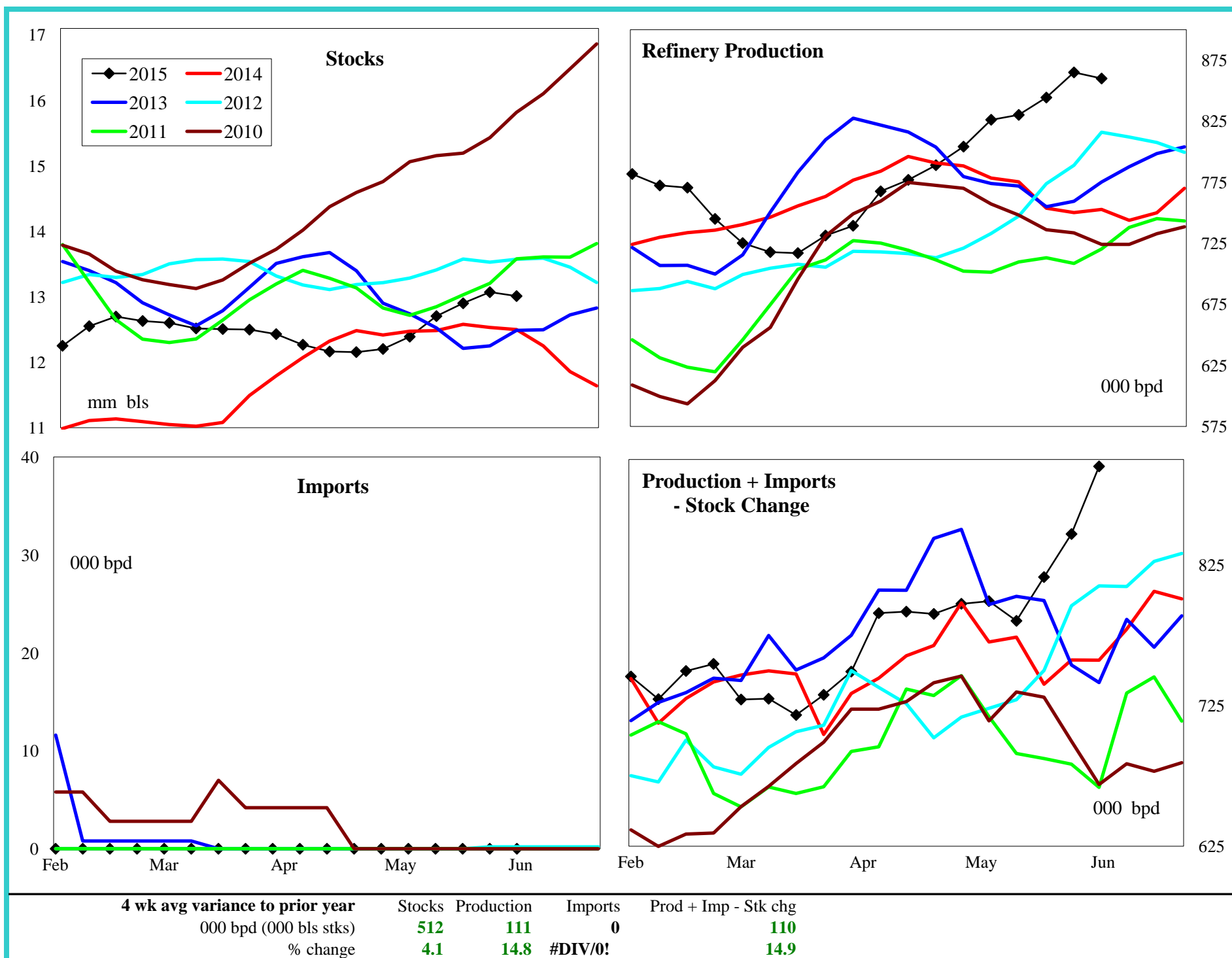


# PADD 3 Low Sulfur Distillate Supply

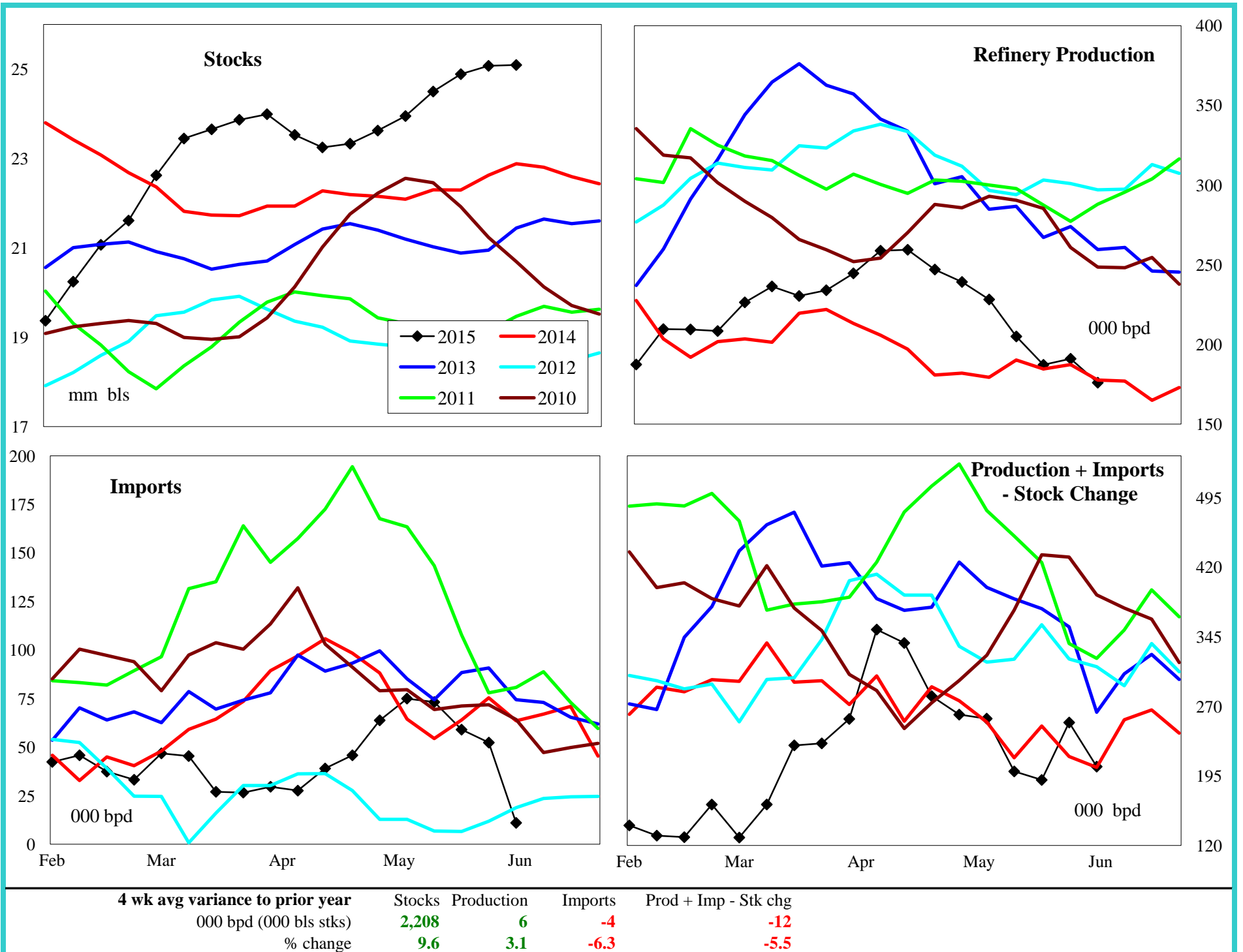


# PADD 3 High Sulfur Distillate Supply

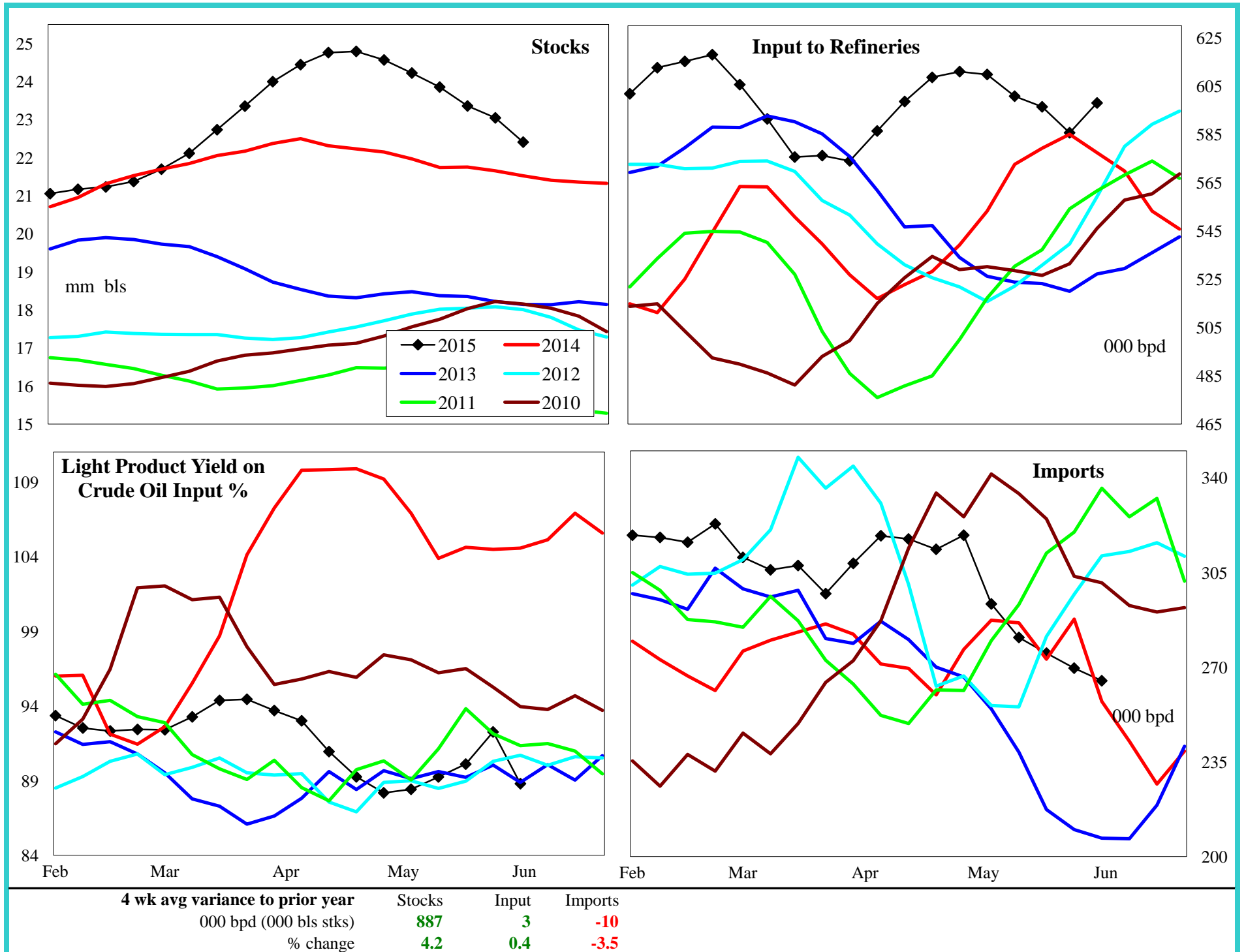




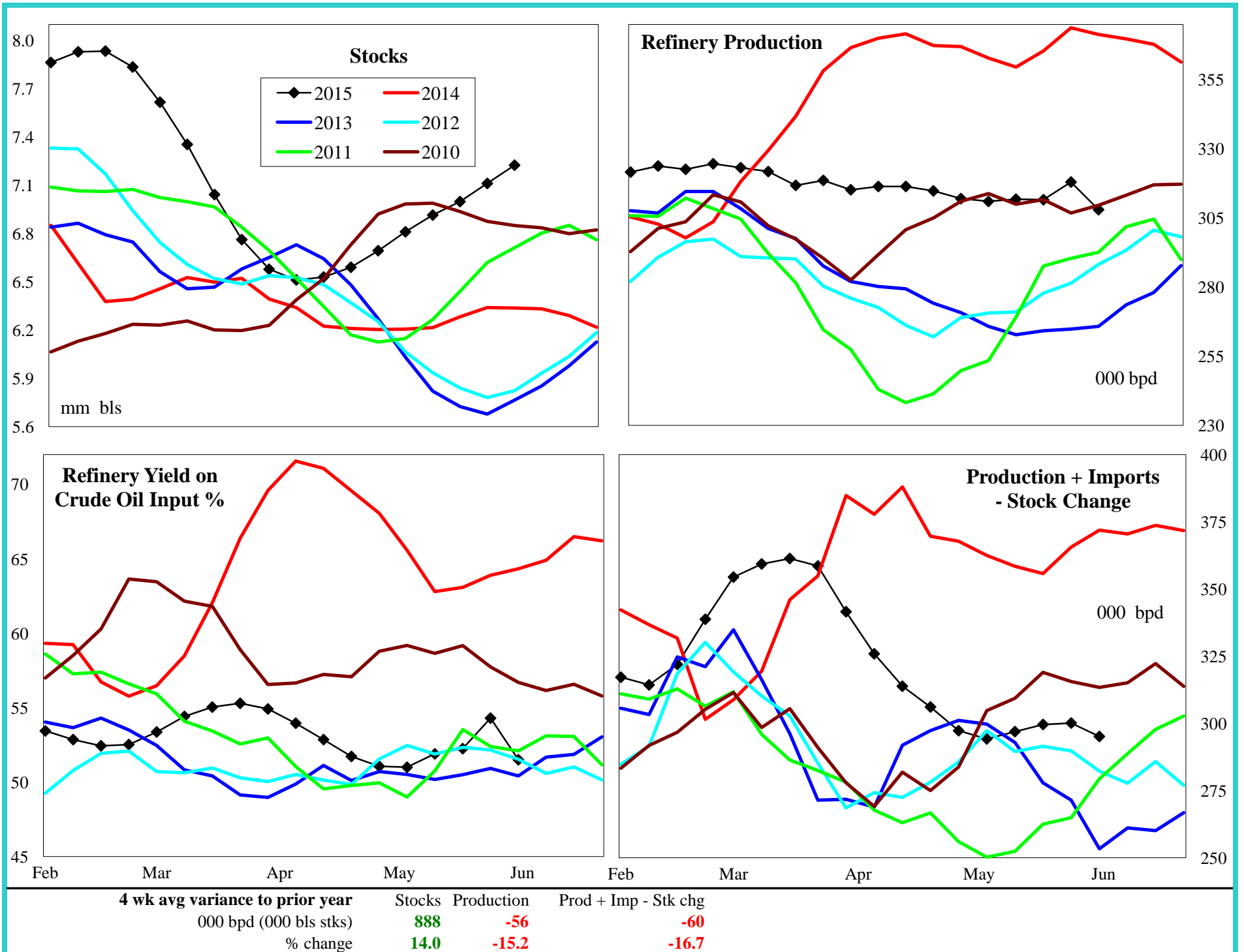
# PADD 3 Residual Fuel Oil Supply



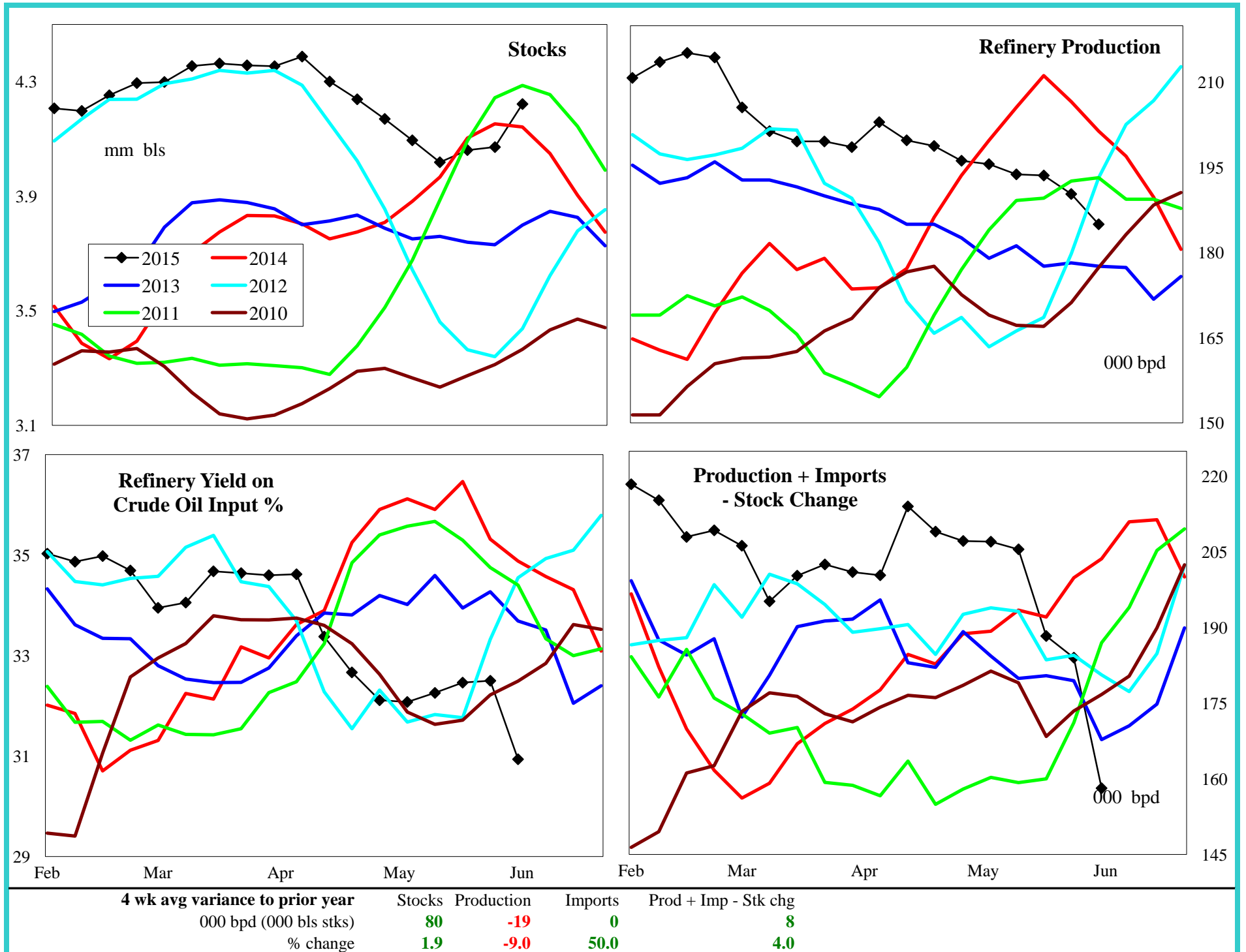
# PADD 4 Crude Oil Supply and Refining



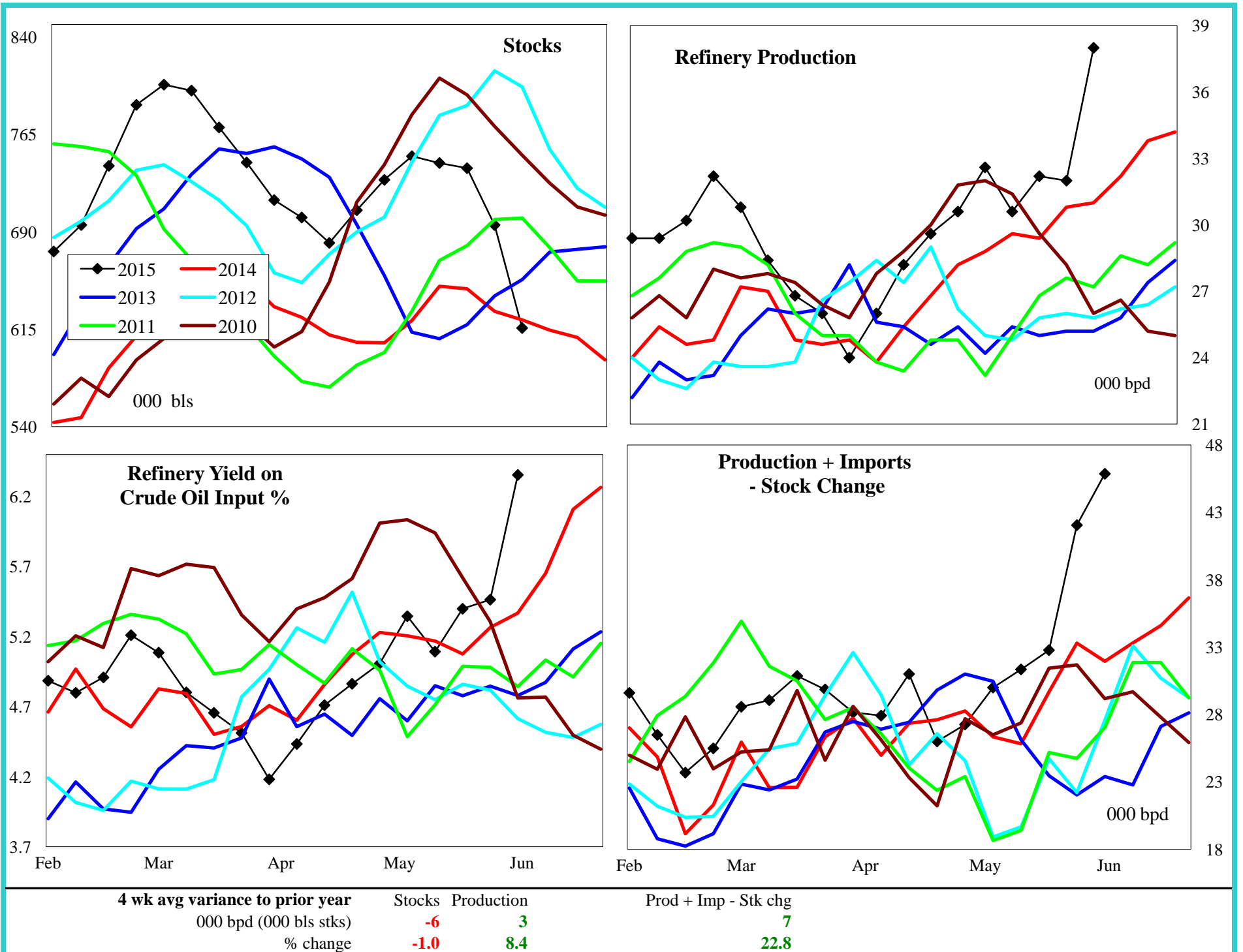
# PADD 4 Gasoline Supply



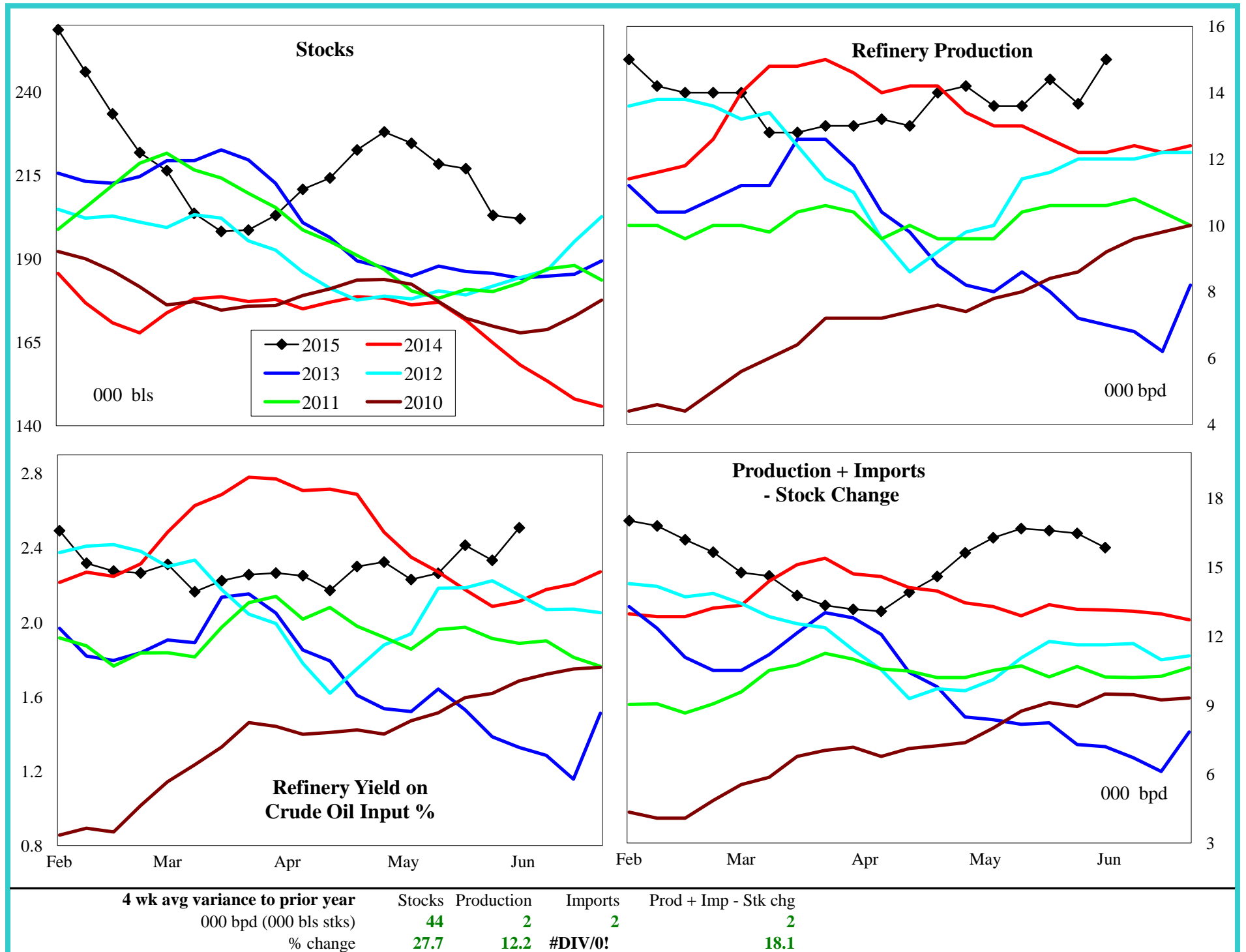
# PADD 4 Distillate Supply



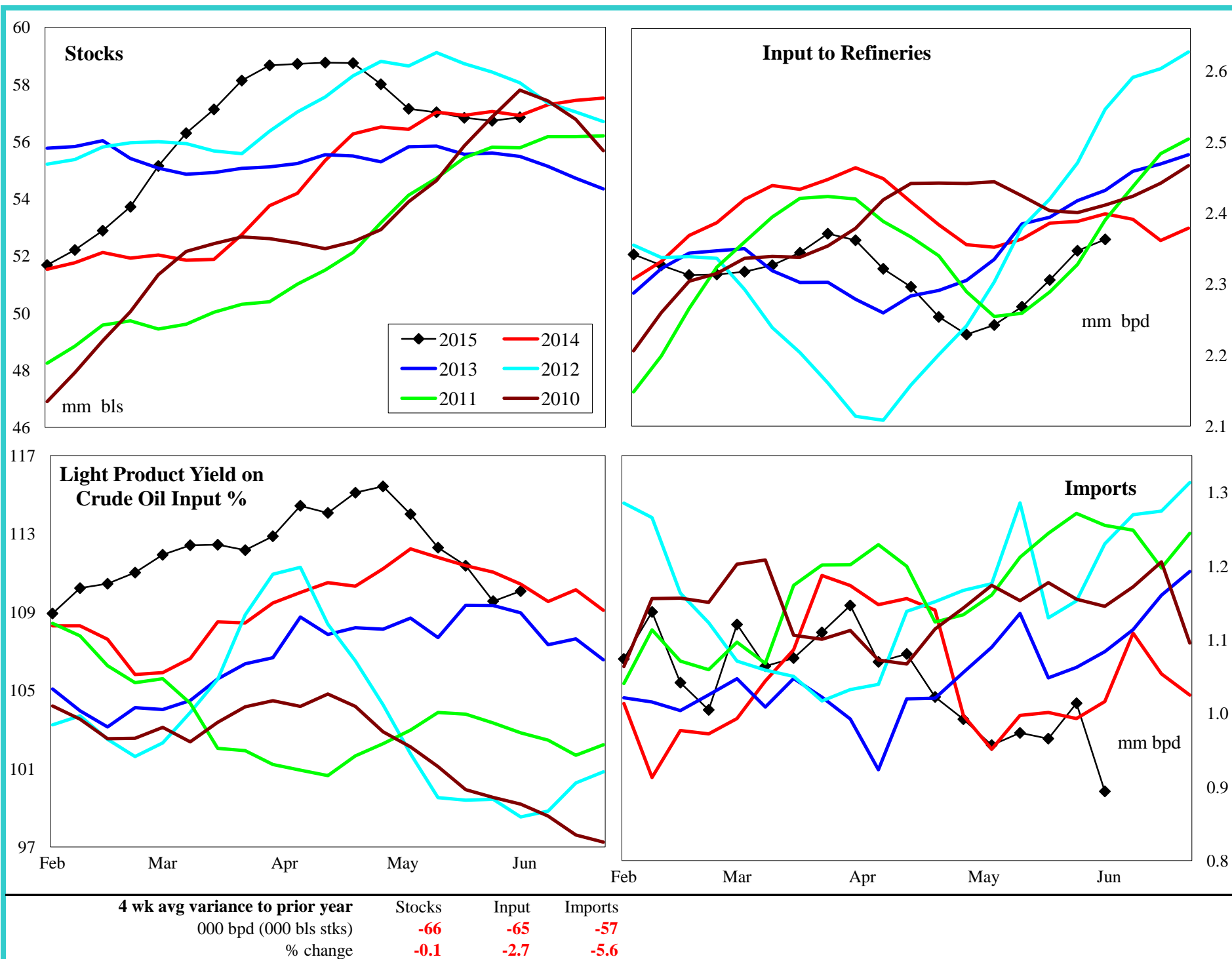
# PADD 4 Jet Fuel Supply



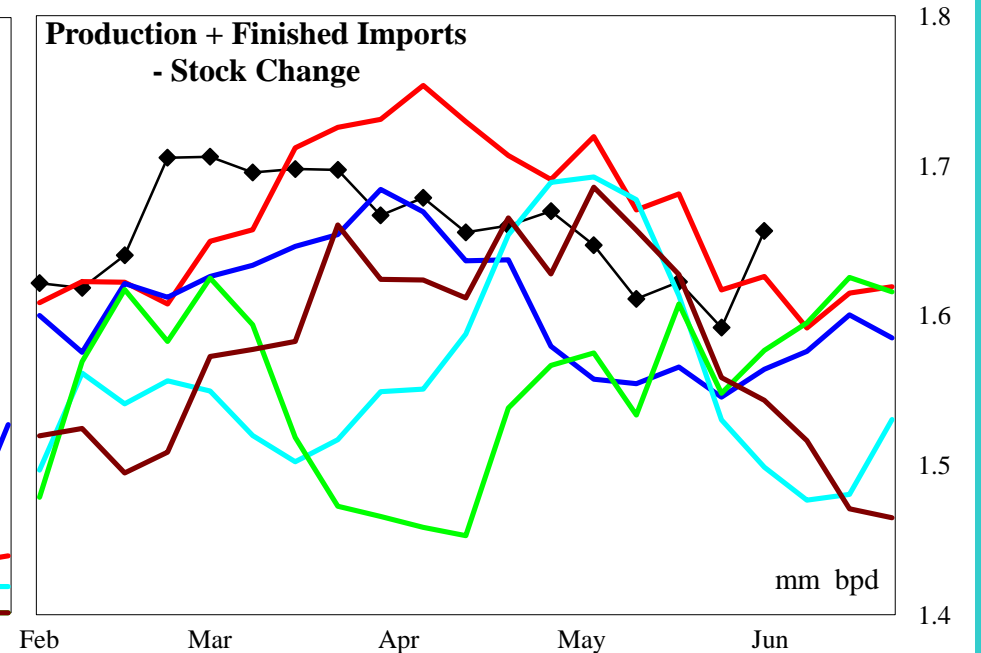
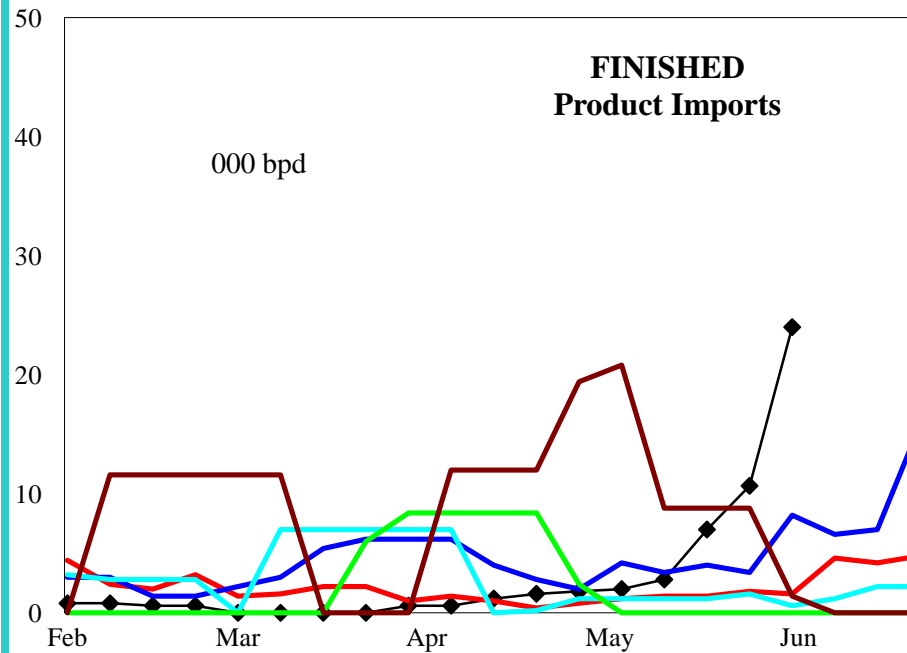
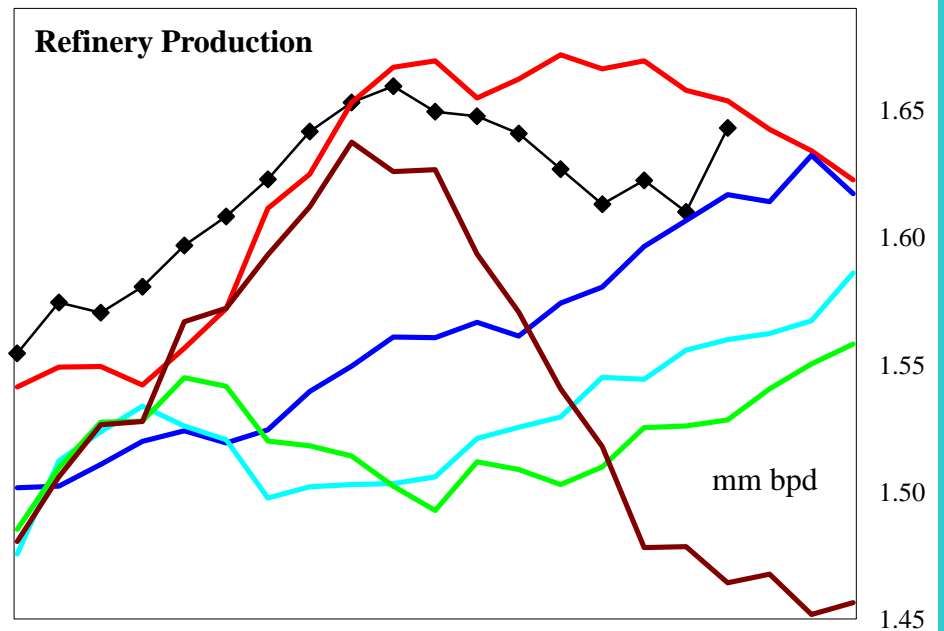
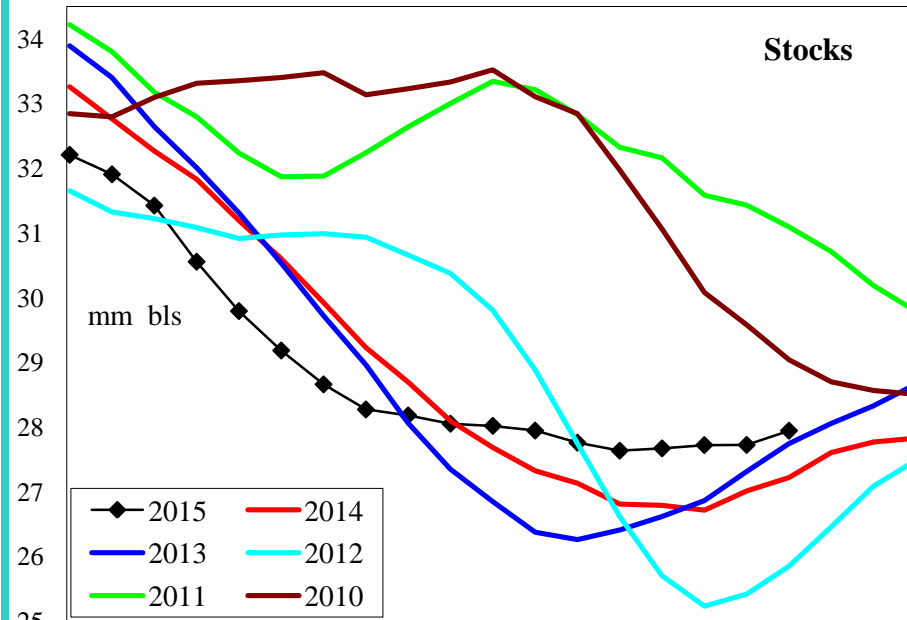
# PADD 4 Residual Fuel Oil Supply



# 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

Production

Fin Impt

Blend Impt

Prod + Imp - Stk chg

611

-54

7

70

-23

2.2

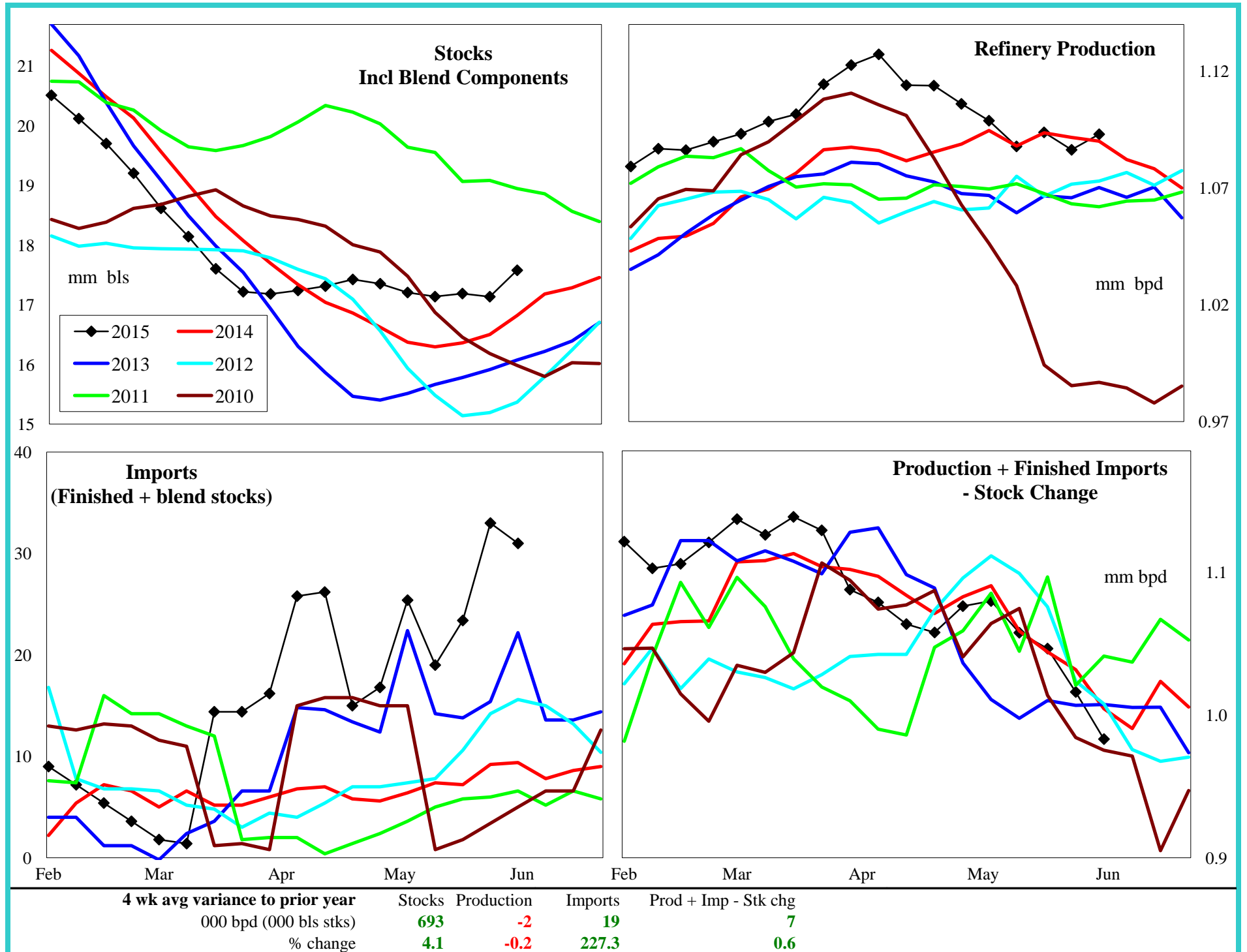
-3.2

371.4

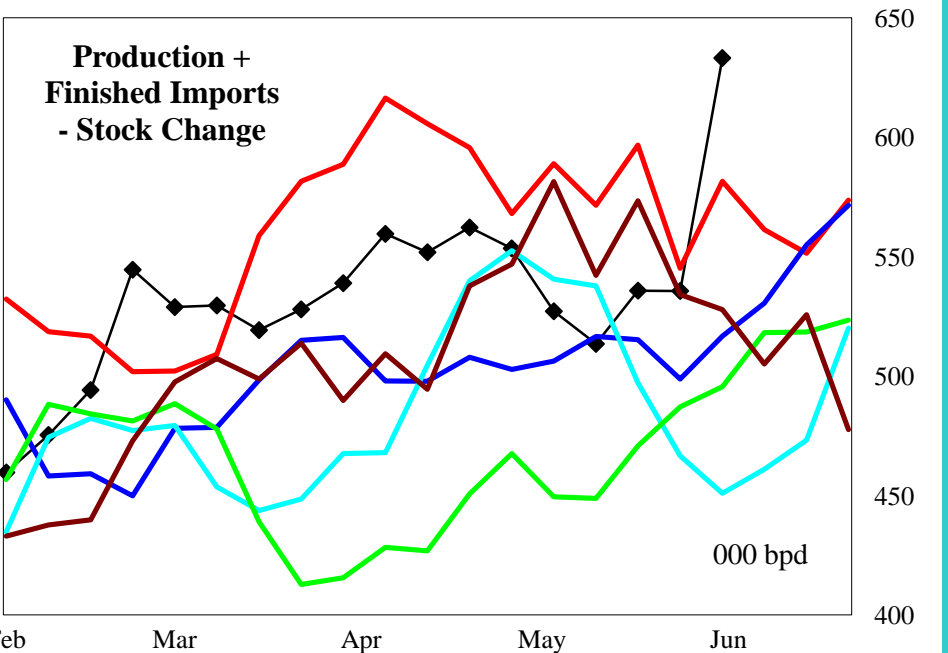
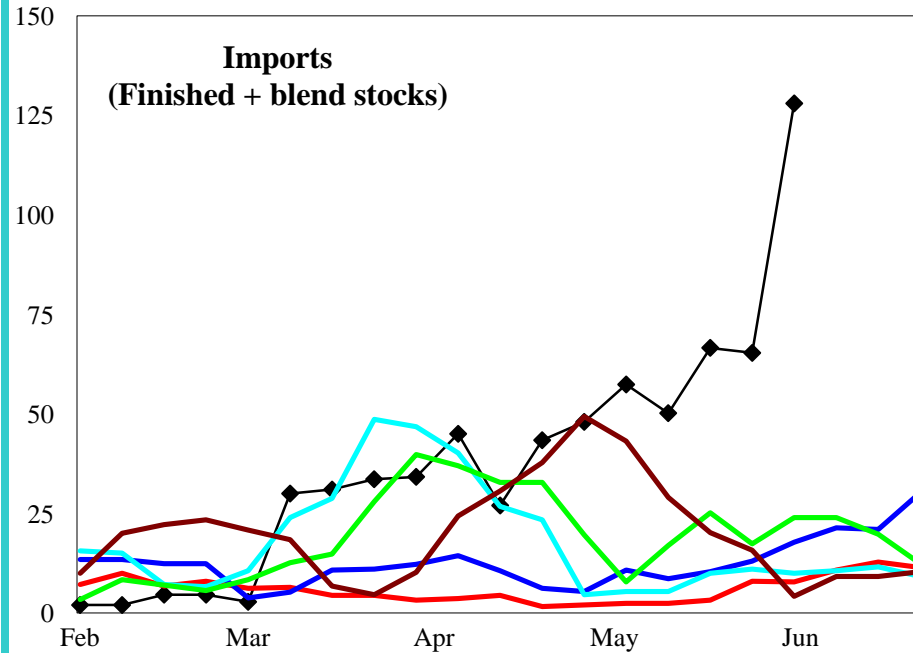
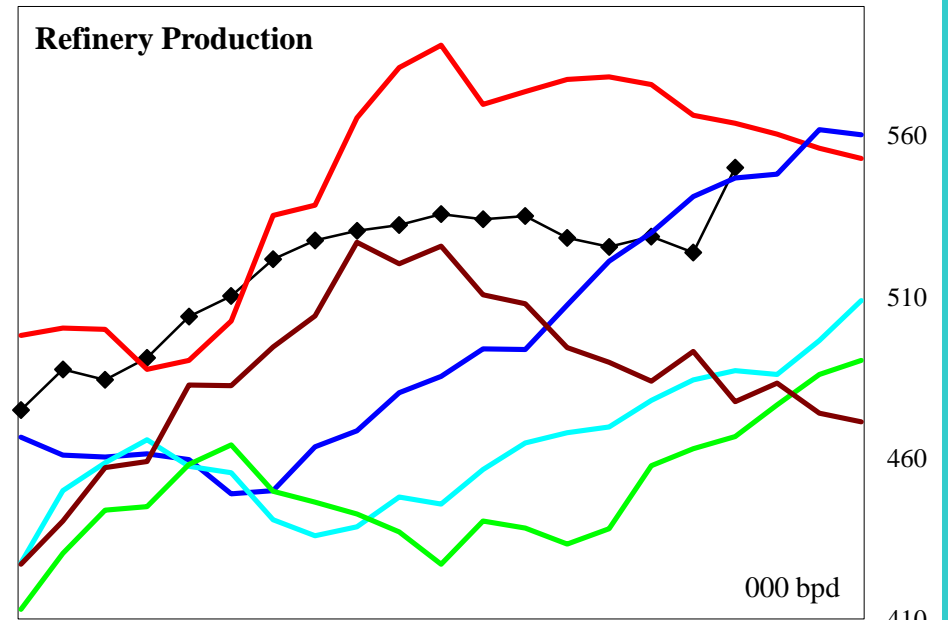
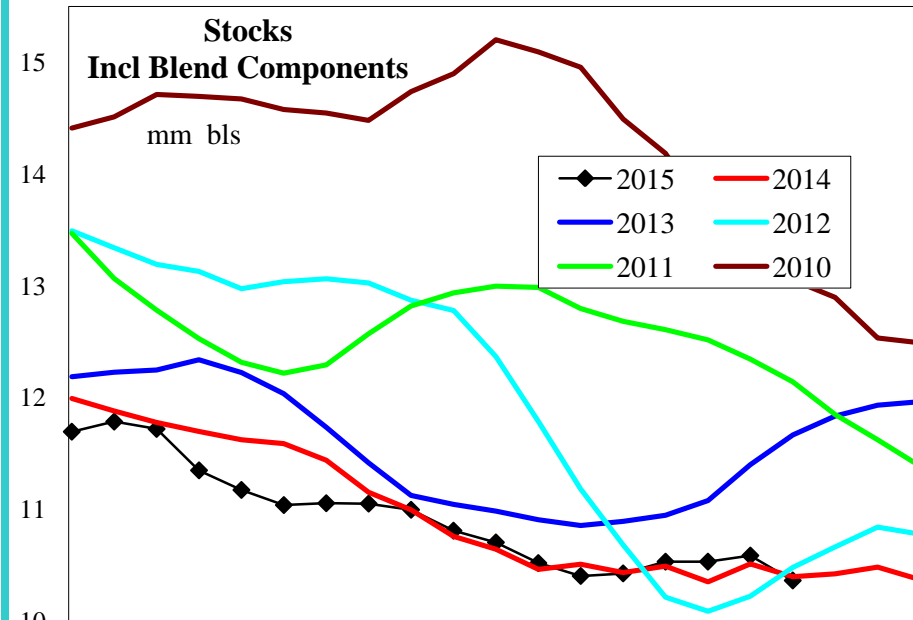
664.3

-1.4

# 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

-82

-52

58

-30

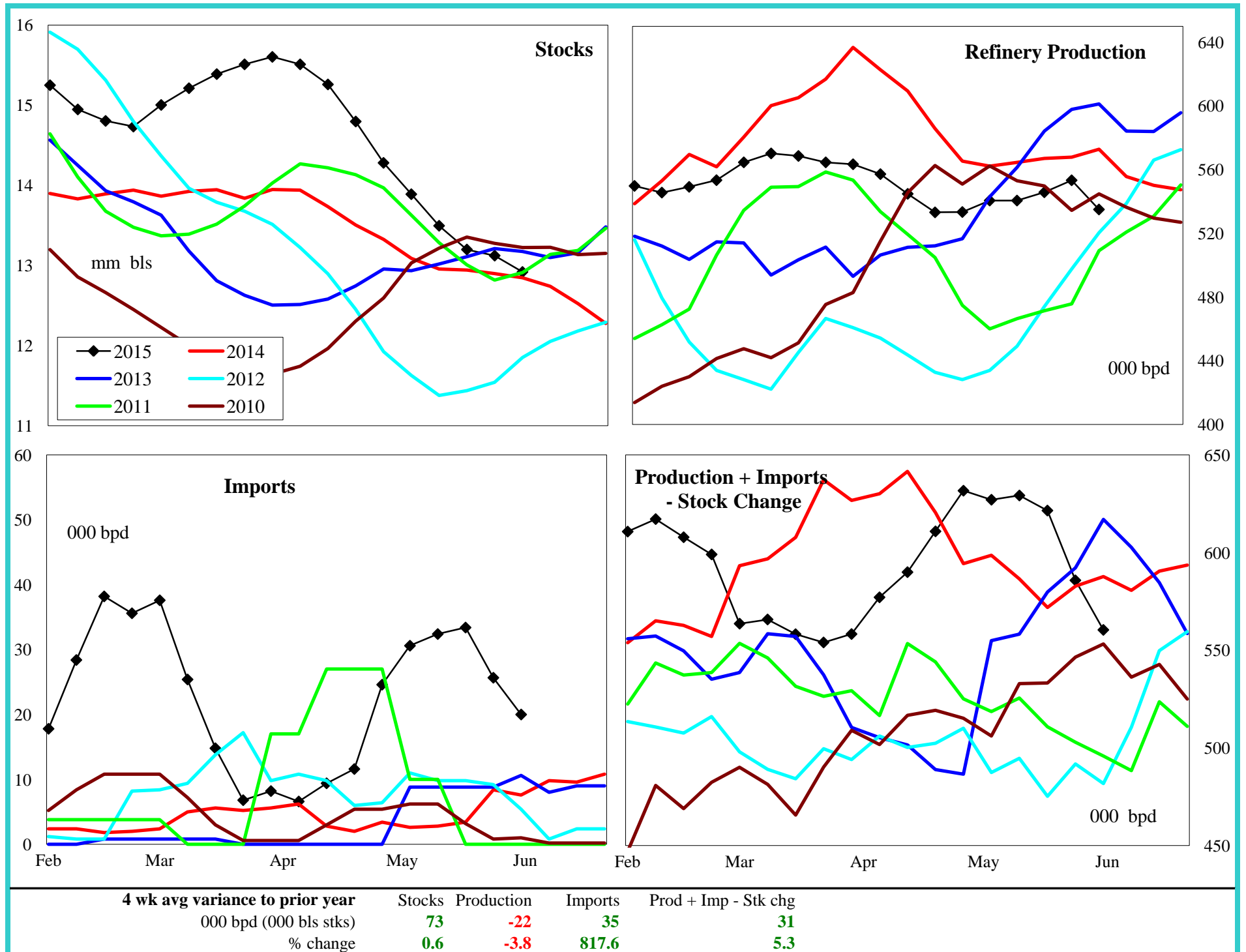
-0.8

-8.9

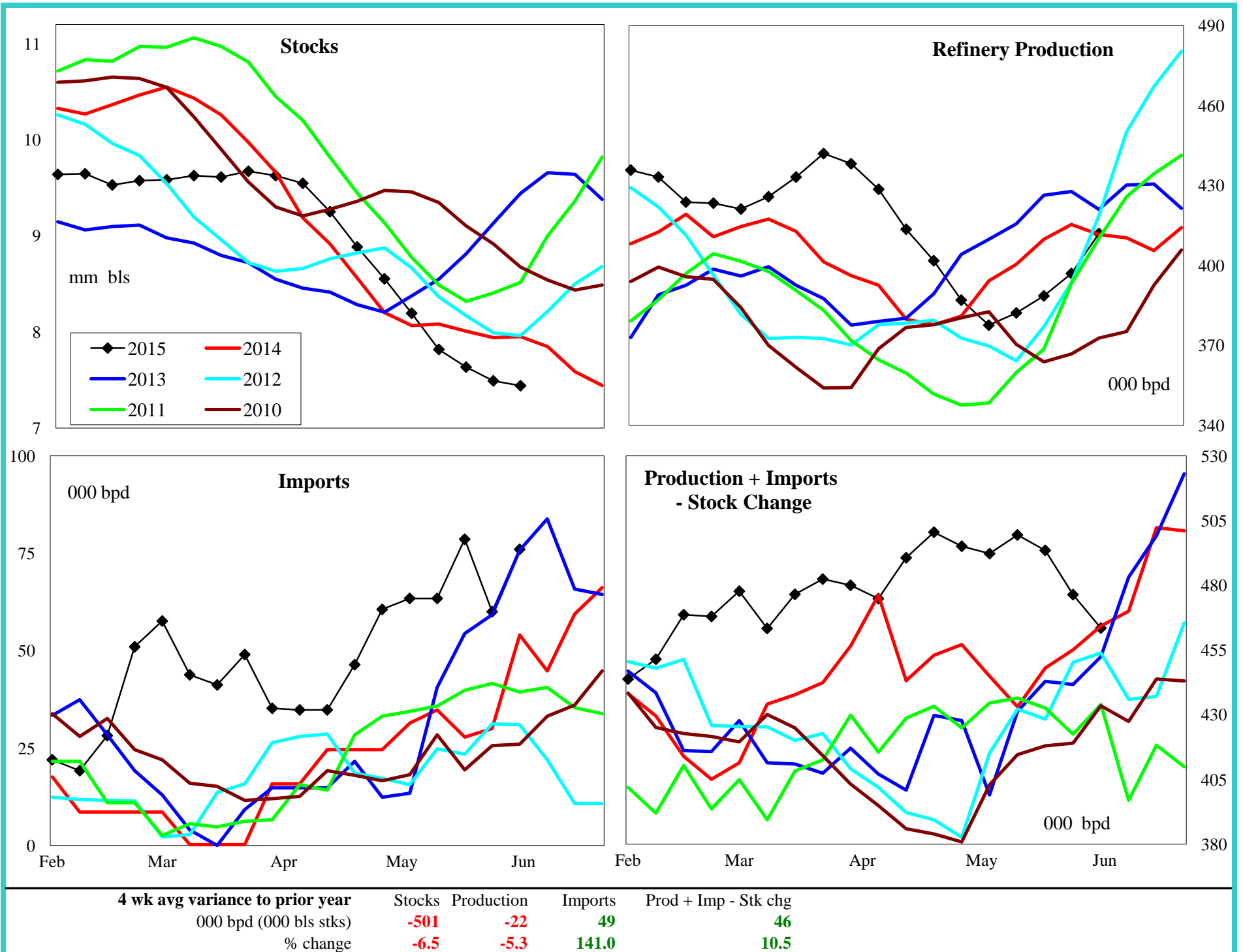
1,437.5

-5.2

# PADD 5 Distillate Supply



# PADD 5 Jet Fuel Supply



# PADD 5 Residual Fuel Oil Supply

