



WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

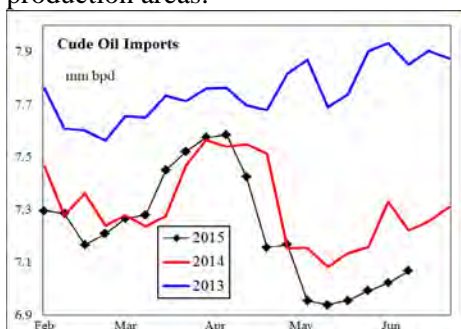
A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Wednesday, June 17, 2015



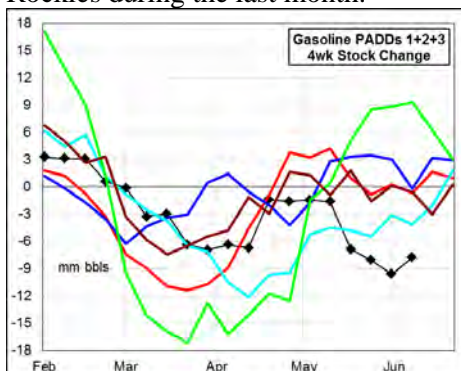
Major Fundamental Trends¹

Crude oil imports into the Gulf region decreased last week, and with inclement weather will likely see a very sharp drop during the current week. Offsetting this decline was a +0.7 million bpd increase in imports into other regions last week, including an upturn from Canada as production returned following earlier fires in the production areas.



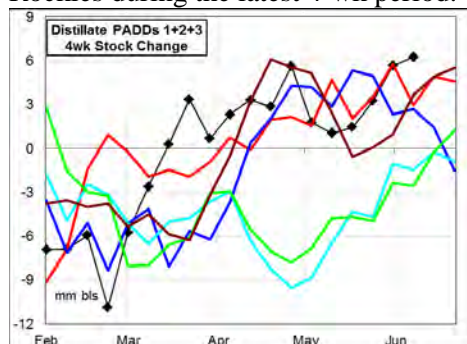
Season high production and a sharp drop in wholesale demand led to the +0.5 million barrel gasoline stock build last week, concentrated on the East and West Coasts. Gasoline stocks have increased in four of the last 5-yrs for the mid-June period.

Gasoline stocks remain adequate in all regions, even though a record rate of draws has occurred East of the Rockies during the last month.

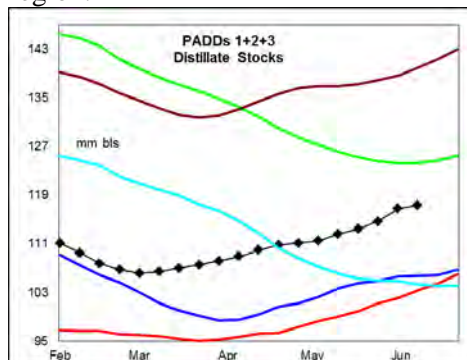


Wholesale distillate demand remains lackluster, off -2% from last year for the latest 4-wk period. Combined with season high production, the result is a record rate of stock builds East of the

Rockies during the latest 4-wk period.



Distillate stocks in all regional markets except the West Coast, ended the week above the last 3-yrs, with extremely high levels in the Midwest and Rockies. ULSD grade stocks are at all time highs in the key Central Atlantic region.



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

Wholesale Demand for gasoline fell sharply on the week, with little change in other transport fuels.

Wholesale demand, measured over the last four weeks compared to a year ago: gasoline increased +3.3%, distillate decreased -2.1%, jet fuel was +5% higher, while residual fuel increased +4%.

Stocks forward coverage: Gasoline demand coverage increased on a +0.5 million barrel stock build, and drop in wholesale demand. Coverage ended the week at a level just above the 3-yr mid range.

Distillate demand coverage was nearly unchanged on a +0.1 million barrel stock build and no change in demand. Coverage ended the week at a level that matched 3-yr highs.

Jet fuel coverage increased on a +1.1 million barrel stock build and lower wholesale demand. Coverage was at the low end of the historic range.

Refinery utilization rates decreased on a -294,000 bpd decline in crude oil runs last week. During the latest 4-wk period crude oil input was +0.7 million bpd above last year.

Gasoline yield % on crude oil runs decreased last week on a -0.4 million bpd drop in output compared to the -294,000 decline in crude oil runs. Gasoline yield % on crude oil runs ended the week equal to the 3-yr mid range.

Distillate yield % on crude oil runs increased on a -72,000 bpd decline in output compared to the larger drop in crude oil runs. The yield % on crude oil runs was near the 3-yr average.

Jet fuel yield % on crude oil runs increased last week on a +14,000 bpd rise in output compared the decrease in crude oil runs, lifting the yield % to new record highs.

Petroleum Imports/Exports: Crude oil imports increased +0.4 million bpd on the week, concentrated in the East, West coasts and the Midwest.

During the latest 4-wk period crude oil imports decreased -0.4 million bpd compared to a year ago; distillate imports were +25,000 bpd higher; finished gasoline imports were +8,000 bpd higher; gasoline blend stock imports were -28,000 bpd lower, jet fuel imports increased +89,000 bpd, while residual fuel imports were +89,000 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 declined -2.7 million barrels on the week, concentrated in the Gulf region. Record refinery runs and sharply lower imports from Canada underlie the decline.

¹ Source is latest EIA Weekly Statistics



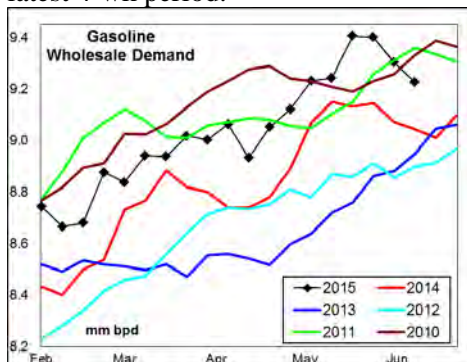
WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

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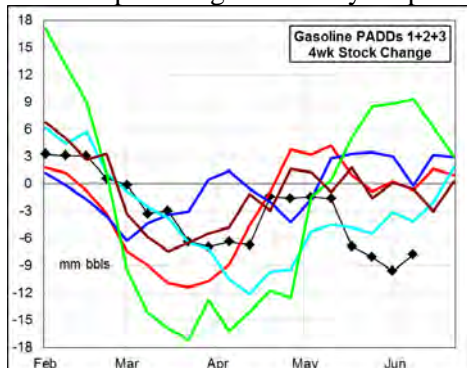
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Product Supply-Demand Trends

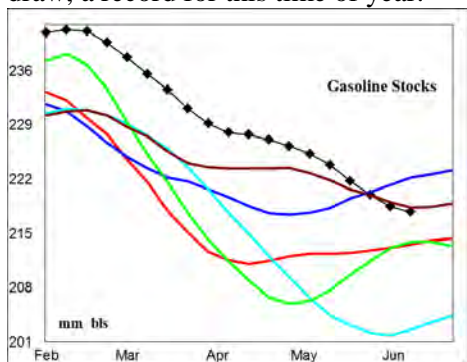
Gasoline wholesale demand fell -0.4 million barrels to a level above the last 3-yrs. Wholesale demand was +298,000 bpd above last year for the latest 4-wk period.



Supply decreased -0.3 million bpd last week. Supply for the latest 4-wk period exceeded a year ago by +0.4 million bpd on higher refinery output.



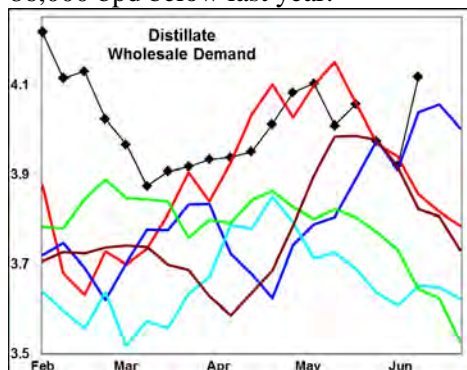
The latest 4-wk stock change East of the Rockies was a -7.8 million barrel draw, a record for this time of year.



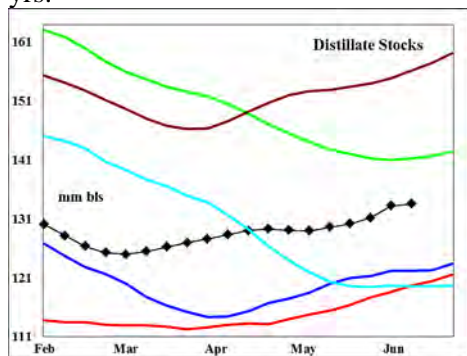
Robust demand and earlier unplanned refinery maintenance has led to a record rate of stock draws during the latest 4-wk period. Look for the return to operation of refinery units to lead to modest stock builds during the next 60-days.

Distillate wholesale demand was

unchanged last week, at a level above the historic range. The latest 4-wk average wholesale demand was -86,000 bpd below last year.



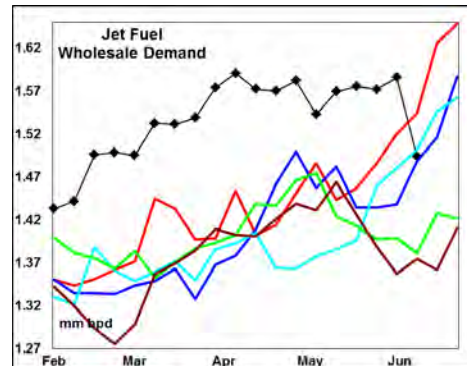
Supply decreased -1-06,000 bpd on lower imports and production. Stocks increased +0.1 million barrels last week, to a level well above the last 3-yrs.



Combined markets East of the Rockies have saw a +6.3 million barrel build for the latest 4-wk period, a record build for this time of year. 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 season high production and a record rate of stock building East of the Rockies points to risk of an over supplied market by end of the 3rd quarter.

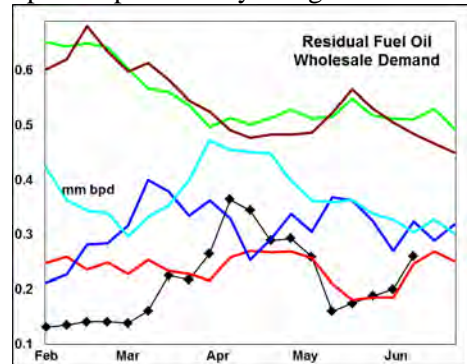
Jet Fuel wholesale demand decreased -41,000 bpd on the week, ending at a level near the 3-yr mid range. The latest 4-wk average demand was +73,000 bpd above last year.



Supply decreased -16,000 bpd on lower imports, with the 4-wk average +237,000 bpd above a year ago. Stocks jumped +1.1 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 +47,000 bpd last week. Demand for the latest 4-wk period increased +7,000 bpd compared to a year ago.



Supply (production + imports) increased +8,000 bpd on the week, due to higher imports. Stocks decreased -0.5 million barrels, a level above the last 3-yrs. Stock levels remain very high in the key Gulf region.



WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

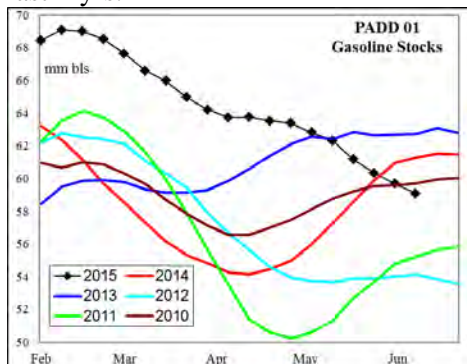
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PADD Supply Trends

PADD 1 refinery crude oil runs increased +26,000 bpd on the week to a level above the 3-yr mid range. The latest 4-wk average thru put was -31,000 bpd below last year.

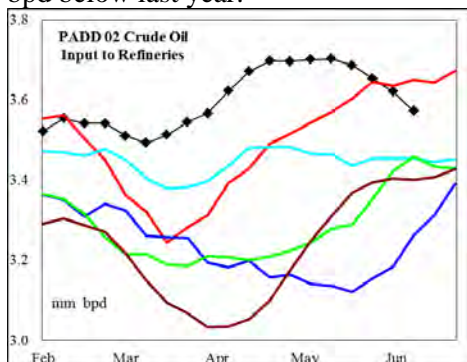
Gasoline supply increased +193,000 bpd on the week, with the 4-wk average +15,000 bpd above last year. Stocks increased +0.4 million barrels last week, to a level below the last 2-yrs.



Distillate supply decreased -23,000 bpd last week on lower imports, with the 4-wk average -59,000 bpd below last year. Stocks were unchanged on the week at a level above each of the last 3-yrs.

Jet fuel supply decreased -53,000 bpd on the week, while stocks increased +0.8 million barrels to a new record high level.

PADD 2 crude oil refinery runs decreased -62,000 bpd on the week. The latest 4-wk average was -17,000 bpd below last year.

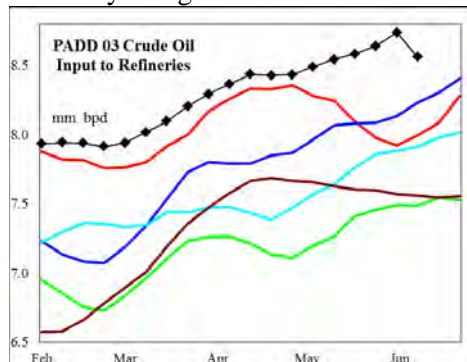


Crude oil stocks increased +0.5 million barrels last week, driven by a +154,000 bpd rise in imports. Cushing saw a +0.1 million barrel build for the week.

Gasoline supply increased +46,000 bpd on the week. Production for the most recent 4-wk period was -286,000 bpd below a year ago. Stocks decreased -0.5 million barrels on the week, to a level above the 3-yr mid range.

Distillate supply increased +12,000 bpd on the week, to a level near the 3-yr mid range. The latest 4-wk average production was -94,000 bpd below last year. Stocks decreased -0.4 million barrels on the week, but remain at an extremely high level.

Jet fuel supply was unchanged on the week, with the 4-wk average +39,000 bpd (+17%) above a year ago. **PADD 3** refinery runs fell -0.3 million bpd last week, with the level above the historic range. During the latest 4-wk period, runs were +0.8 million bpd above a year ago.



Crude oil imports decreased -0.2 million bpd on the week, with the 4-wk average -0.2 million 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 decreased -14,000 bpd last week, with the latest 4-wk average -79,000 bpd below a year ago. Stocks declined -0.1 million barrels on the week, with the level above the 3-yr mid range.

Distillate supply decreased -86,000 bpd on the week, with the latest 4-wk average supply +263,000 bpd above a year ago. Stocks increased +0.9 million barrels to a level well above the last 3-yrs.

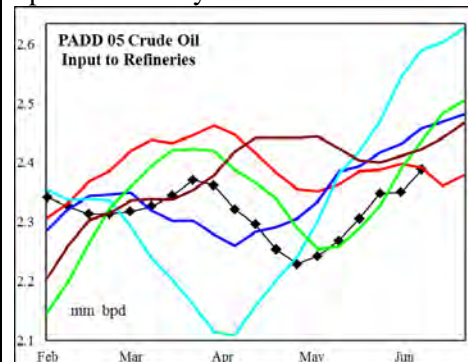
Jet fuel production decreased -9,000 bpd on the week, with the level still above the historic range. Stock levels ended the week at the 3-yr mid range.

PADD 4 refinery crude runs increased +16,000 bpd last week, to a level above the historic range. The latest 4-wk average was +6,000 bpd above a year ago.

Gasoline supply increased +7,000 bpd last week, while stocks increased to a level above the 5-yr range.

Distillate supply increased +2,000 bpd last week, with the latest 4-wk average production -16,000 below last year. Stock levels ended the week at a record high for the period.


PADD 5 crude oil refinery runs increased +26,000 bpd on the week to a level comparable to a year ago. The 4-wk average thru put rate was -46,000 bpd below last year.



Gasoline supply decreased -41,000 bpd on the week, driven by lower imports; with the latest 4-wk average -19,000 bpd below last year. Production increased to a record high for the period. Stocks increased +0.7 million barrels on the week, to a level above the last 3-yrs for the period.

Distillate supply decreased -7,000 bpd on the week, due to lower imports. The 4-wk average supply was -16,000 bpd below a year ago, driven by lower production. Stocks fell -0.5 million barrels on the week, at a level near historic lows for the period.

Jet fuel stocks increased +0.6 million barrels on the week, driven by record high production and imports.



FUNDAMENTAL

PETROLEUM TRENDS

PETROLEUM: Graph Link and Weekly Summary

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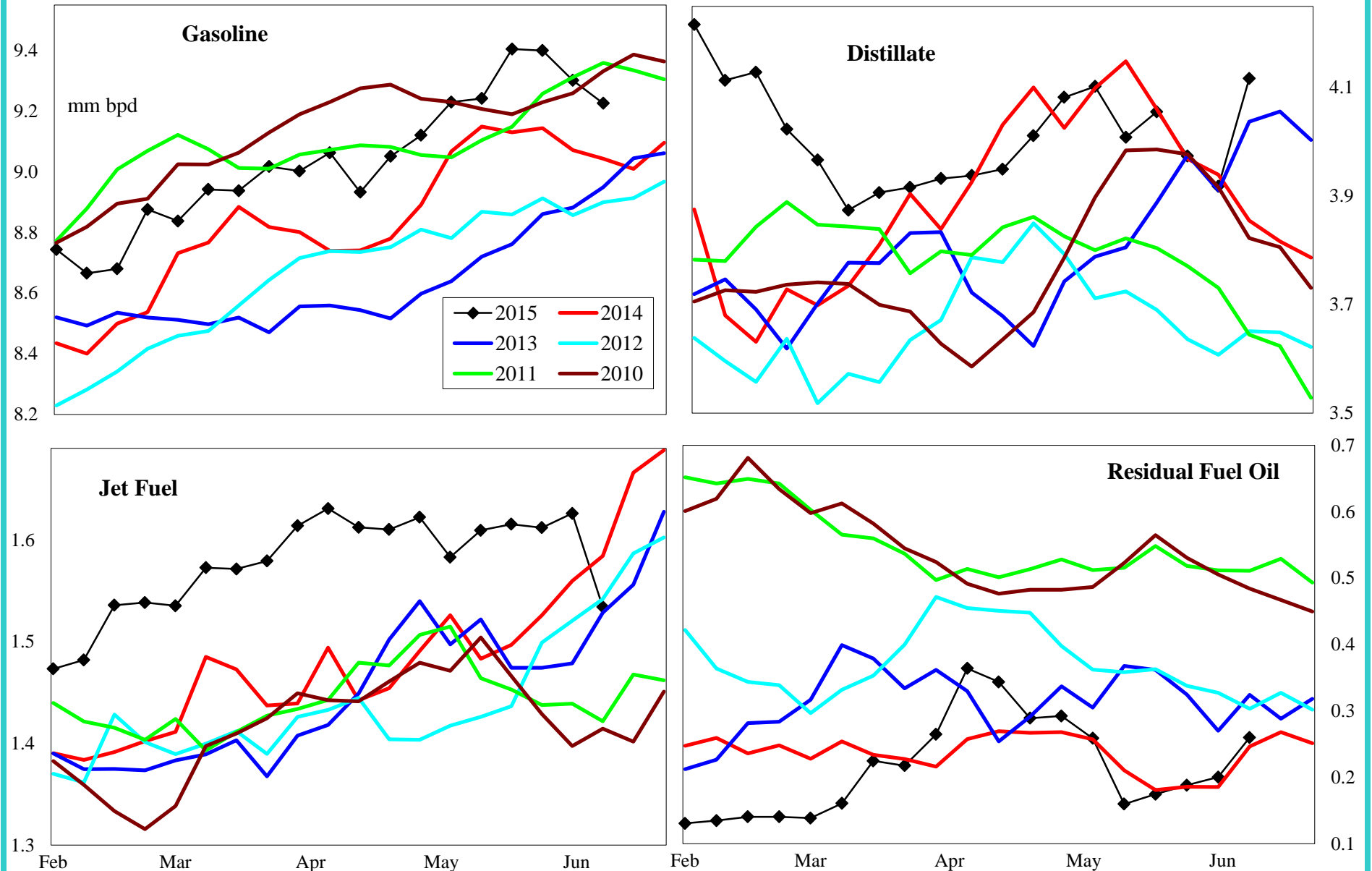
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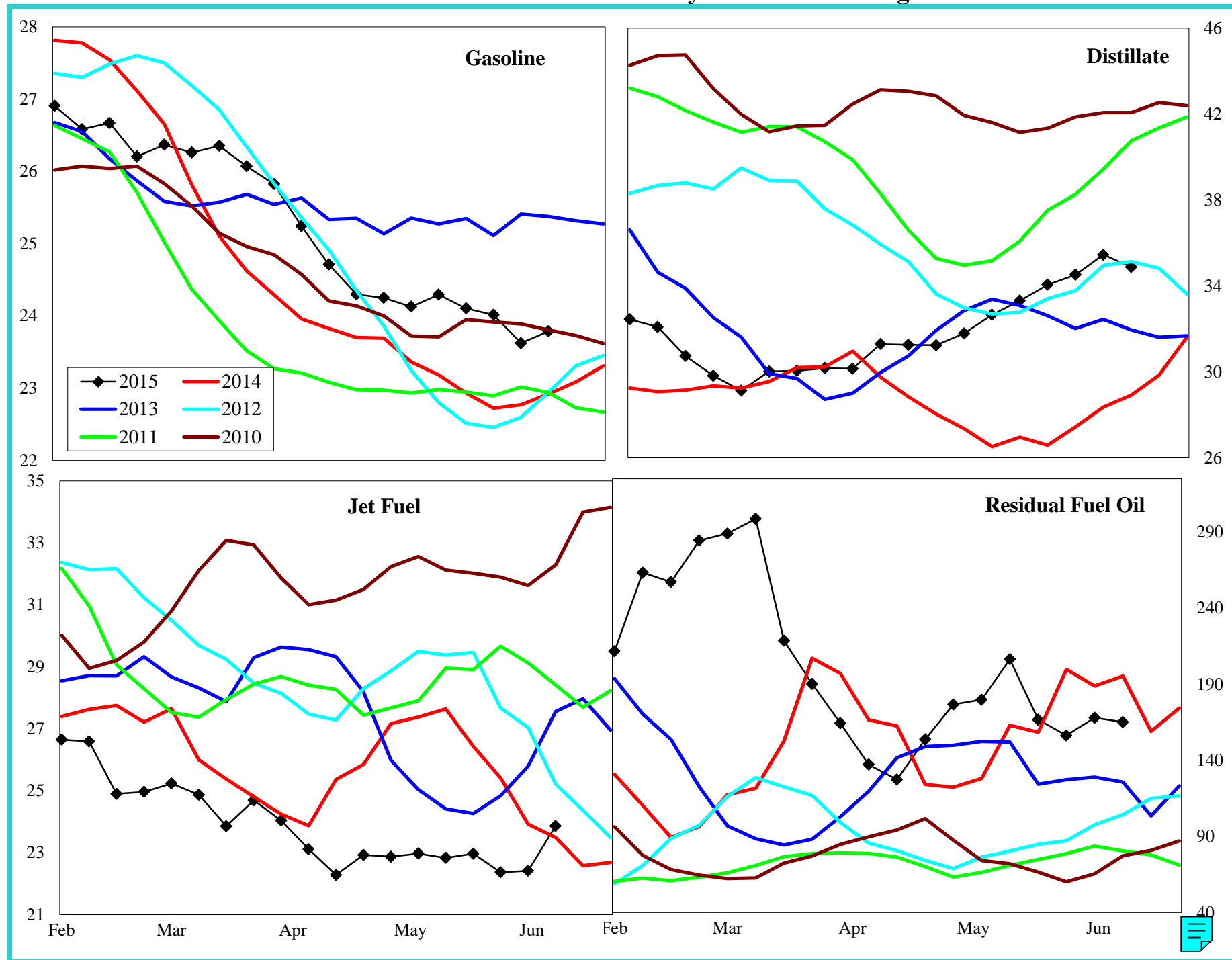
Fundamental Trends	Wholesale Demand	Stocks Days Fwd Coverage	Refinery Utilization		Product Yield %		Imports
Supply/Demand Trends	12-Jun-15	EIA-DOE CHANGE FROM PRIOR WEEK					
	000 bpd stocks 000 bls	U. S. Total	PADD				
			1	2	3	4	5
Crude Oil	Stocks	-2,676	-194	458	-1,875	-571	-494
	Imports	444	261	154	-222	-25	275
	Input	-294	26	-62	-299	16	26
	% Utilization	-1.50					
Gasoline	Stocks	460	415	-482	-147	21	652
	Production	-356	51	42	43	8	33
	Imports	16	142	4	-57	-1	-74
	Supplied	-424					
Distillate	Stocks	114	-10	-367	902	97	-508
	Production	-72	27	12	-117	2	6
	Imports	-34	-50	0	31	0	-13
	Supplied	2					
Jet Fuel	Stocks	1,117	776	67	-336	14	596
	Production	14	-23	1	-9	-8	53
	Imports	-30	-30	0	0	0	-1
	Supplied	-41					
Residual Fuel Oil	Stocks	-510	65	28	-734	13	118
	Production	-49	0	13	-19	-1	-42
	Imports	57	72	1	-4	0	-13
	Supplied	47					

United States Wholesale Petroleum Demand

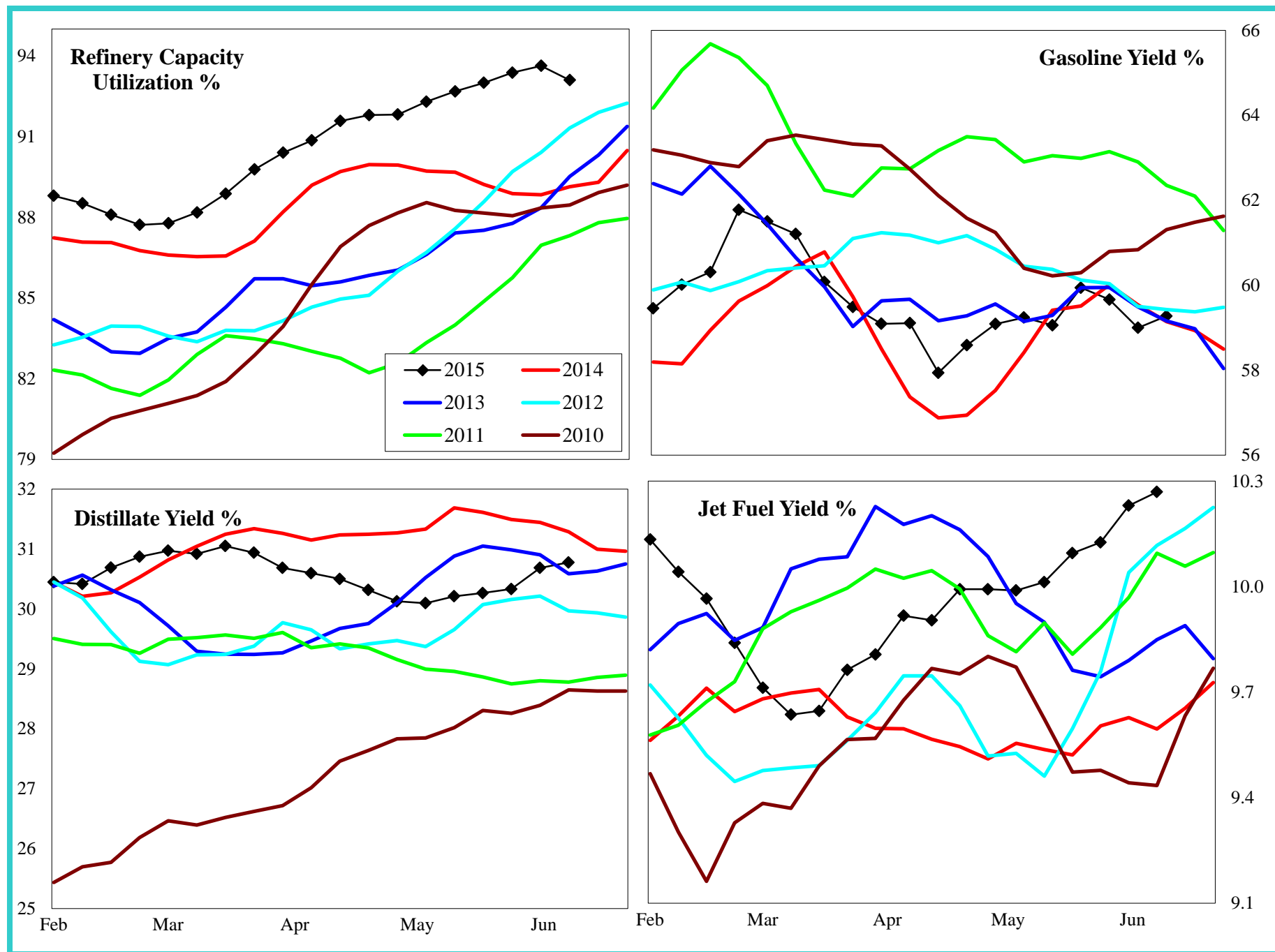


	000 bpd change from prior year				% change from prior year			
	4wk avg	May	Apr	Mar	4wk avg	May	Apr	Mar
Gasoline	298	278	-28	371	3.3	3.1	-0.3	4.3
Distillate	-86	104	-88	8	-2.1	2.6	-2.2	0.2
Jet Fuel	73	182	139	100	4.9	13.0	9.6	6.9
Resid	7	-70	37	45	3.8	-29.8	13.4	20.8

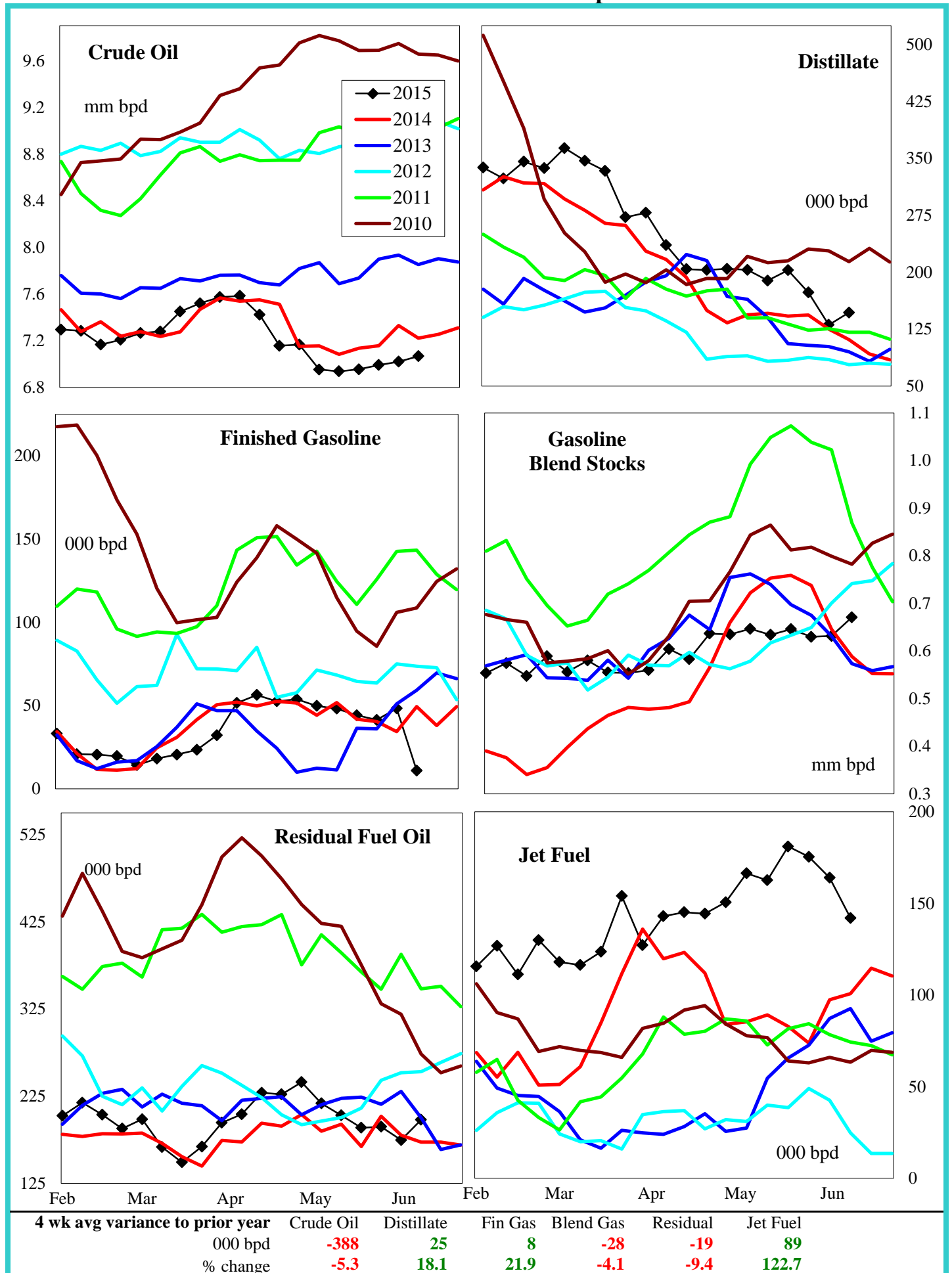


United States Product Stocks: Days Forward Coverage

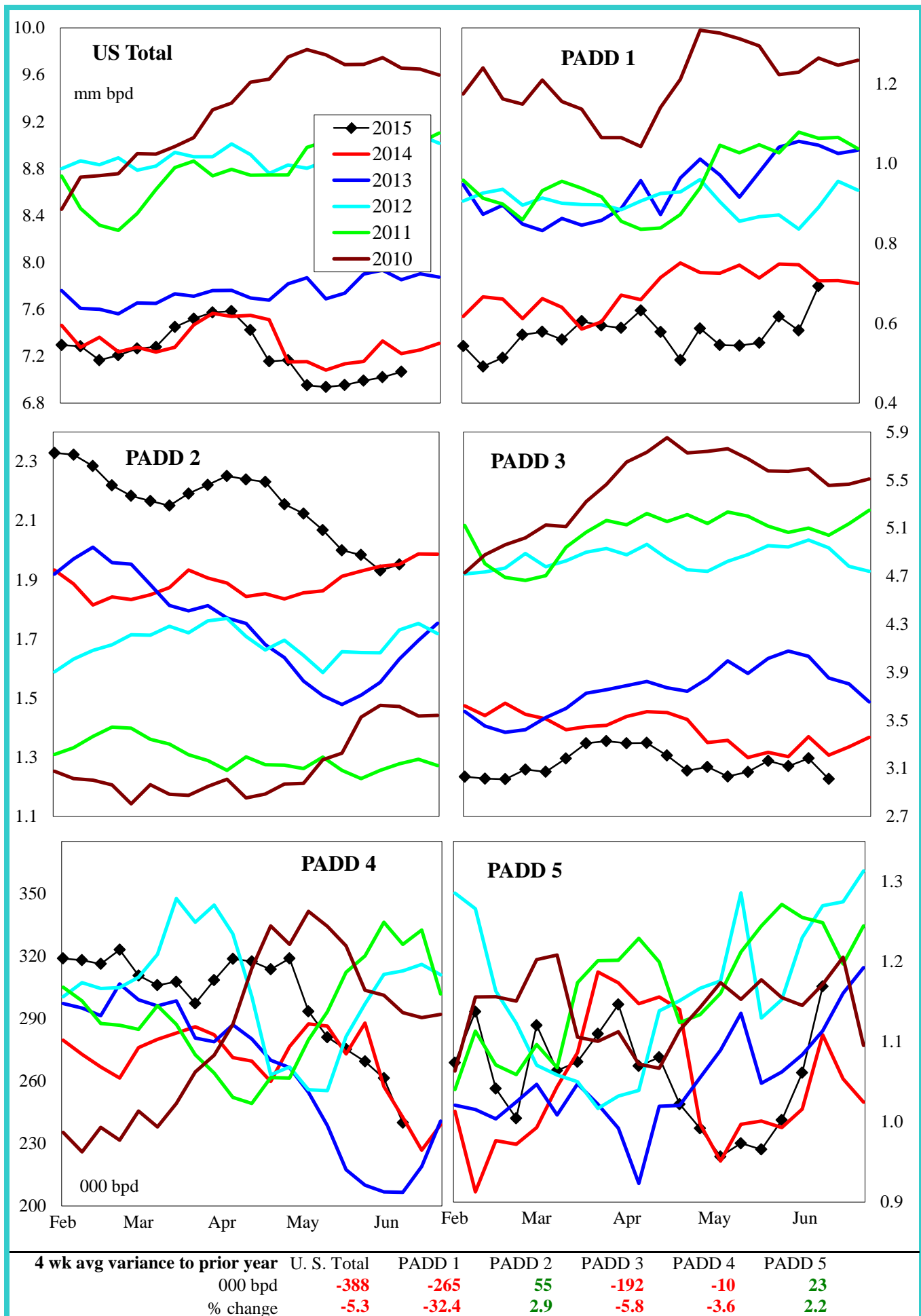
United States Refinery Percent Utilization Rate and Product Yields



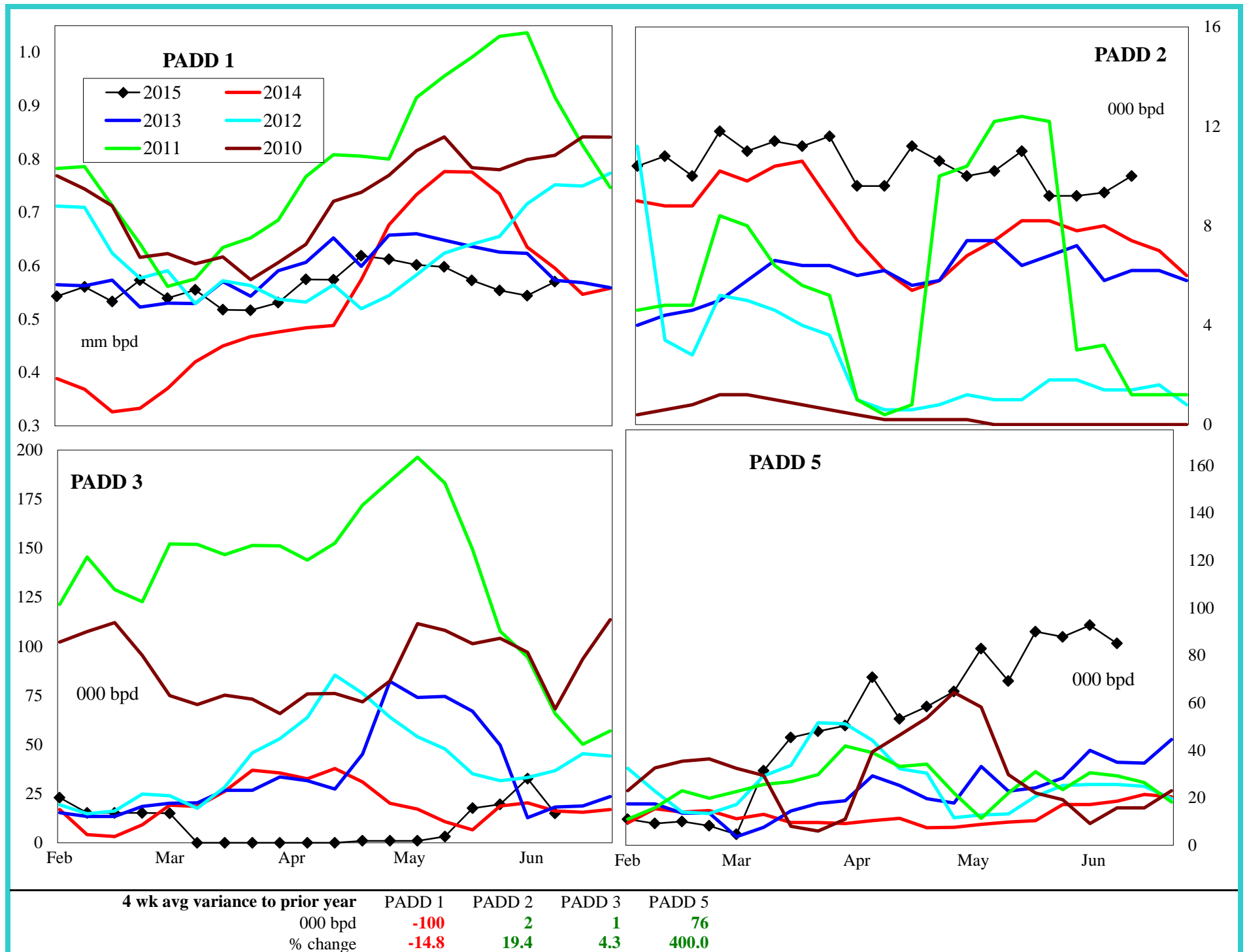
United States Petroleum Imports



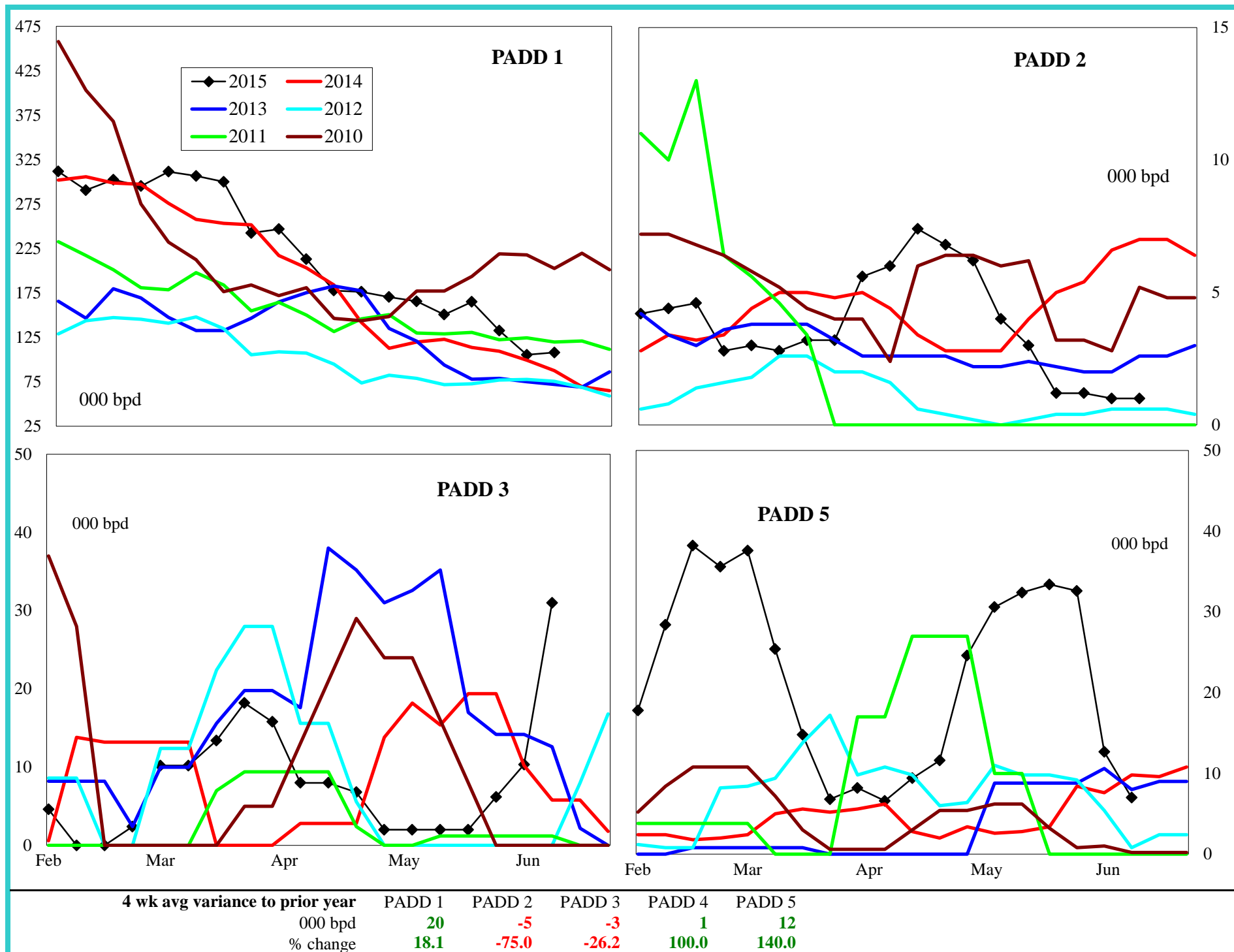
Crude Oil Imports by PADD



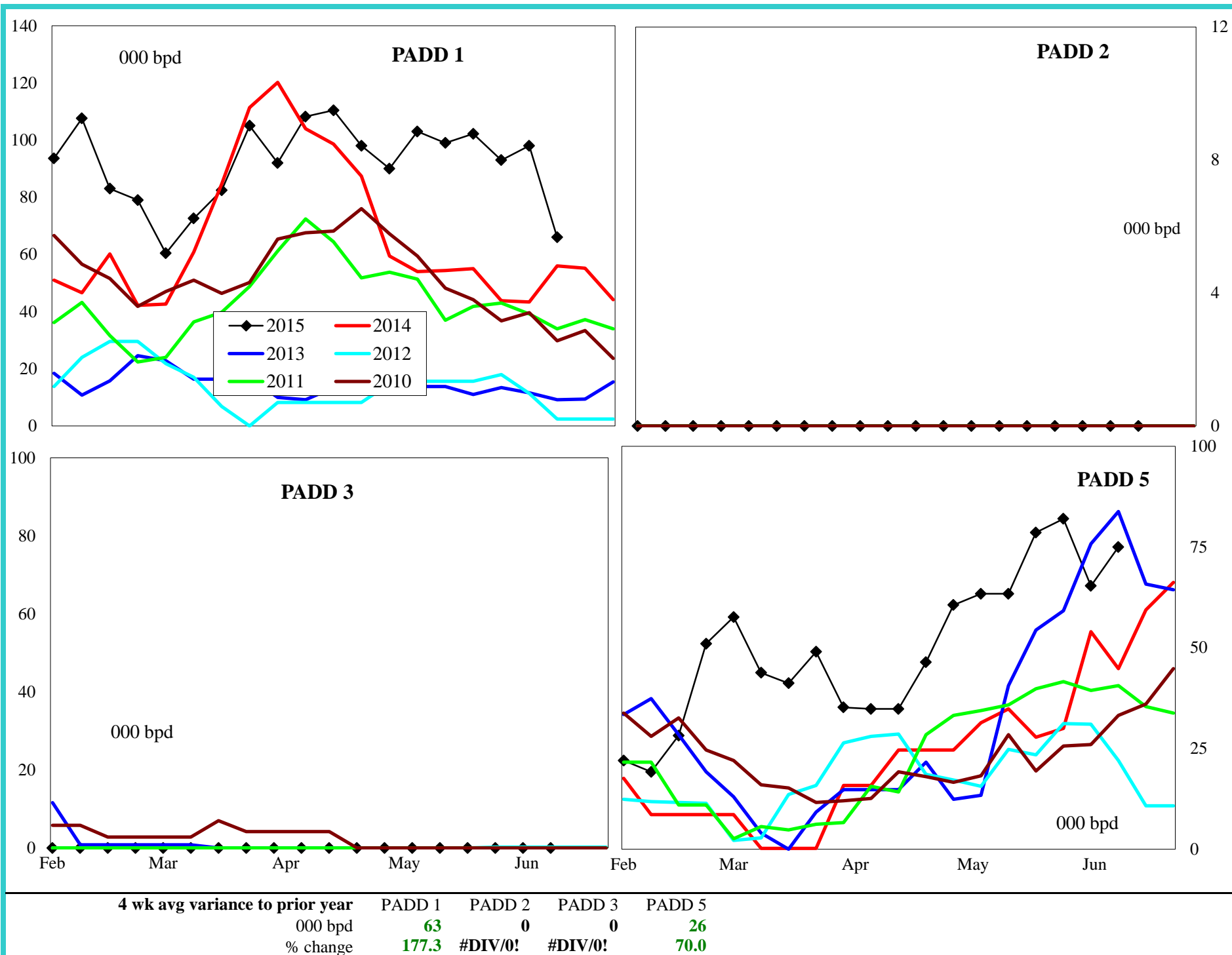
Gasoline Imports by PADD (Finished + Blend Stocks)



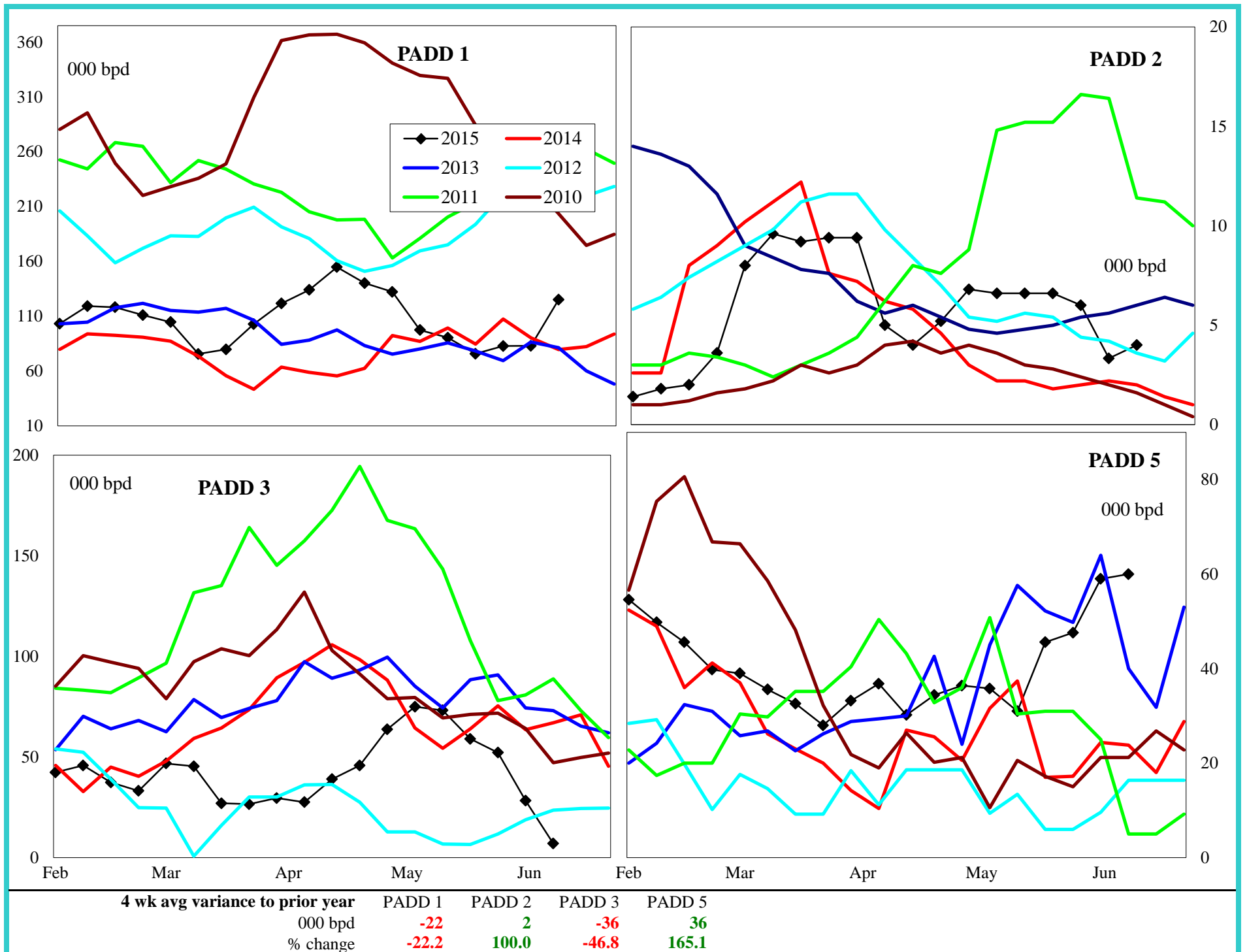
Distillate Imports by PADD



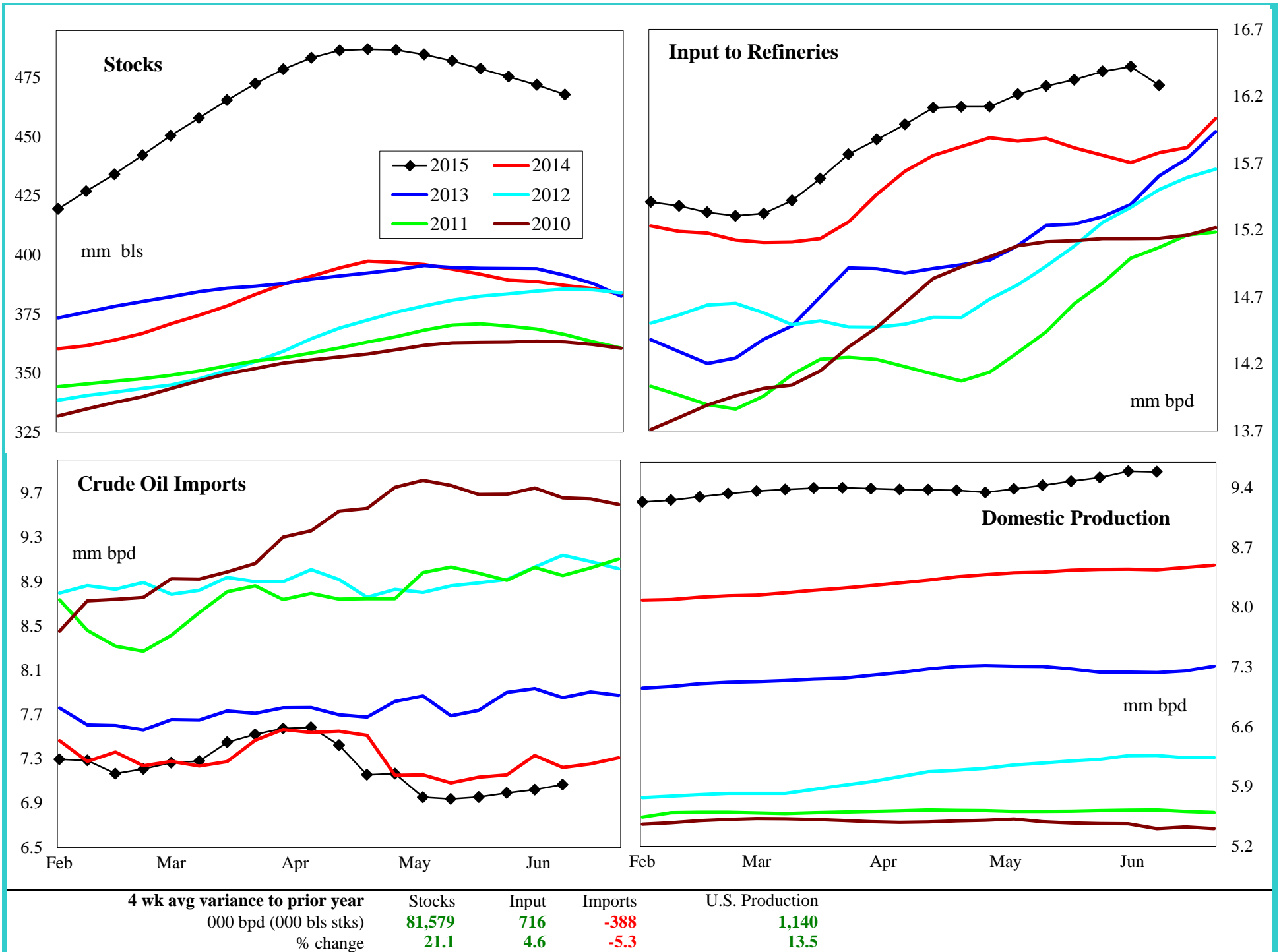
Jet Fuel Imports by PADD



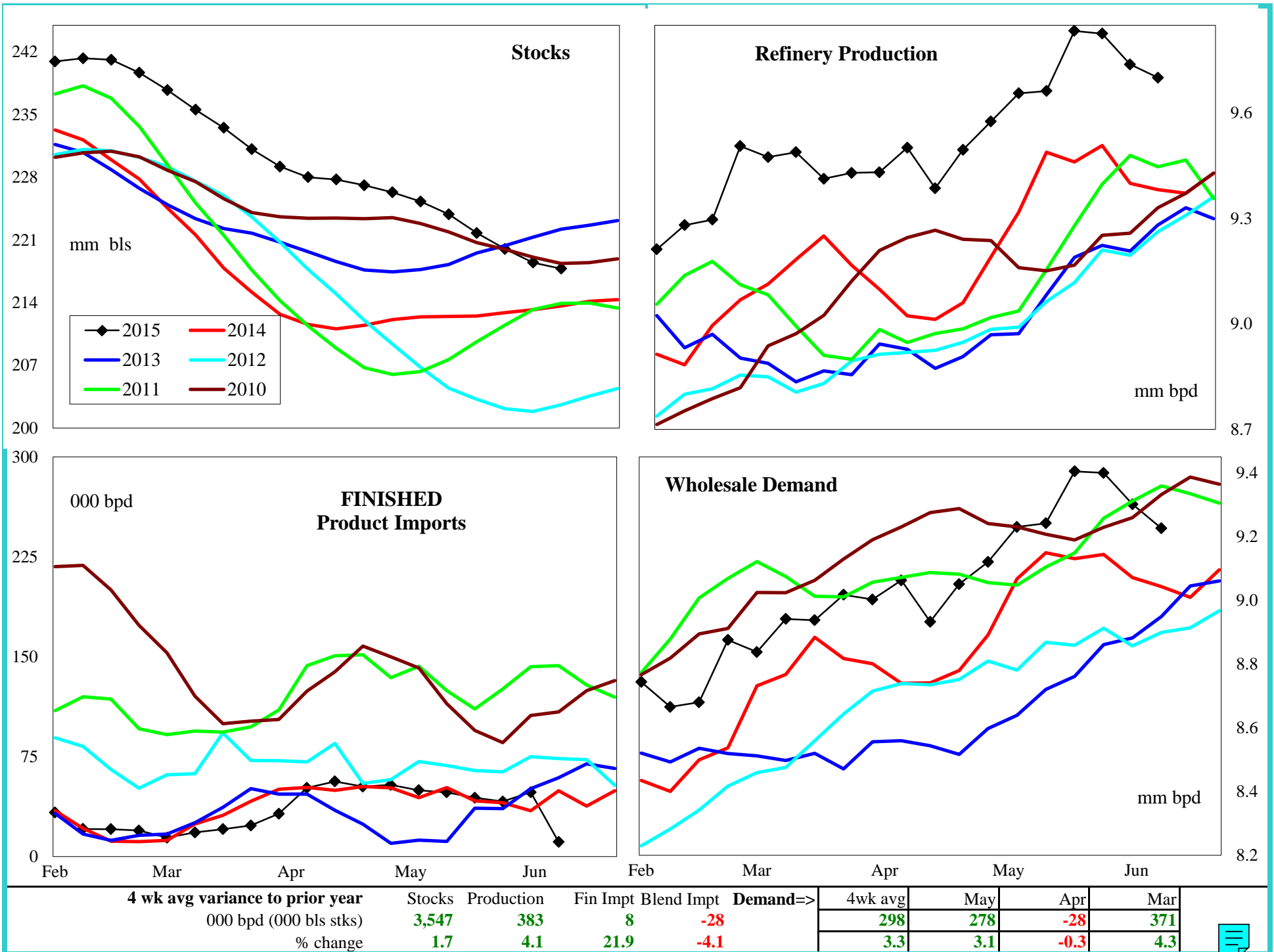
Residual Fuel Oil Imports by PADD



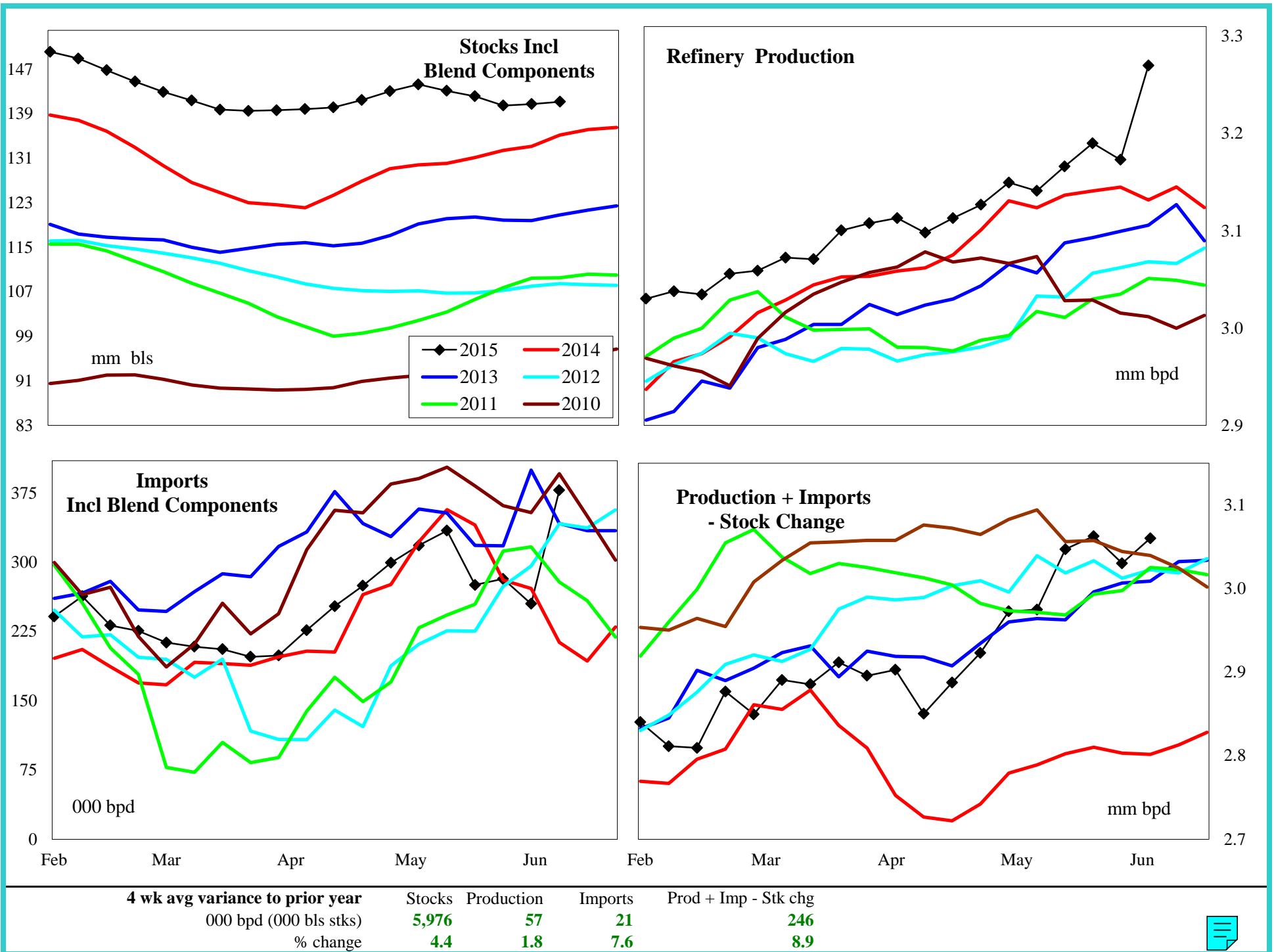
United States Crude Oil Supply and Demand Balance



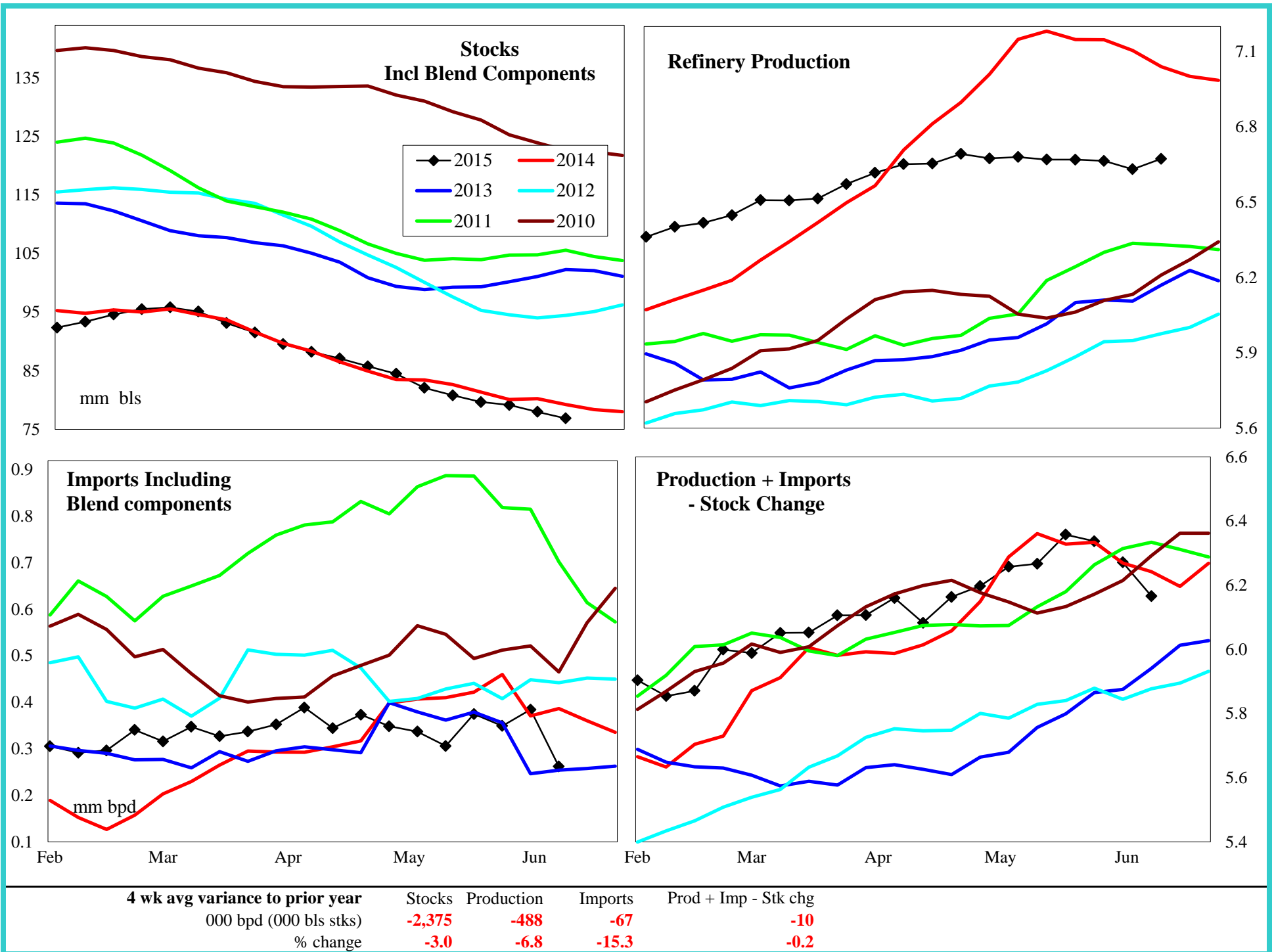
United States Gasoline Supply and Demand Balance



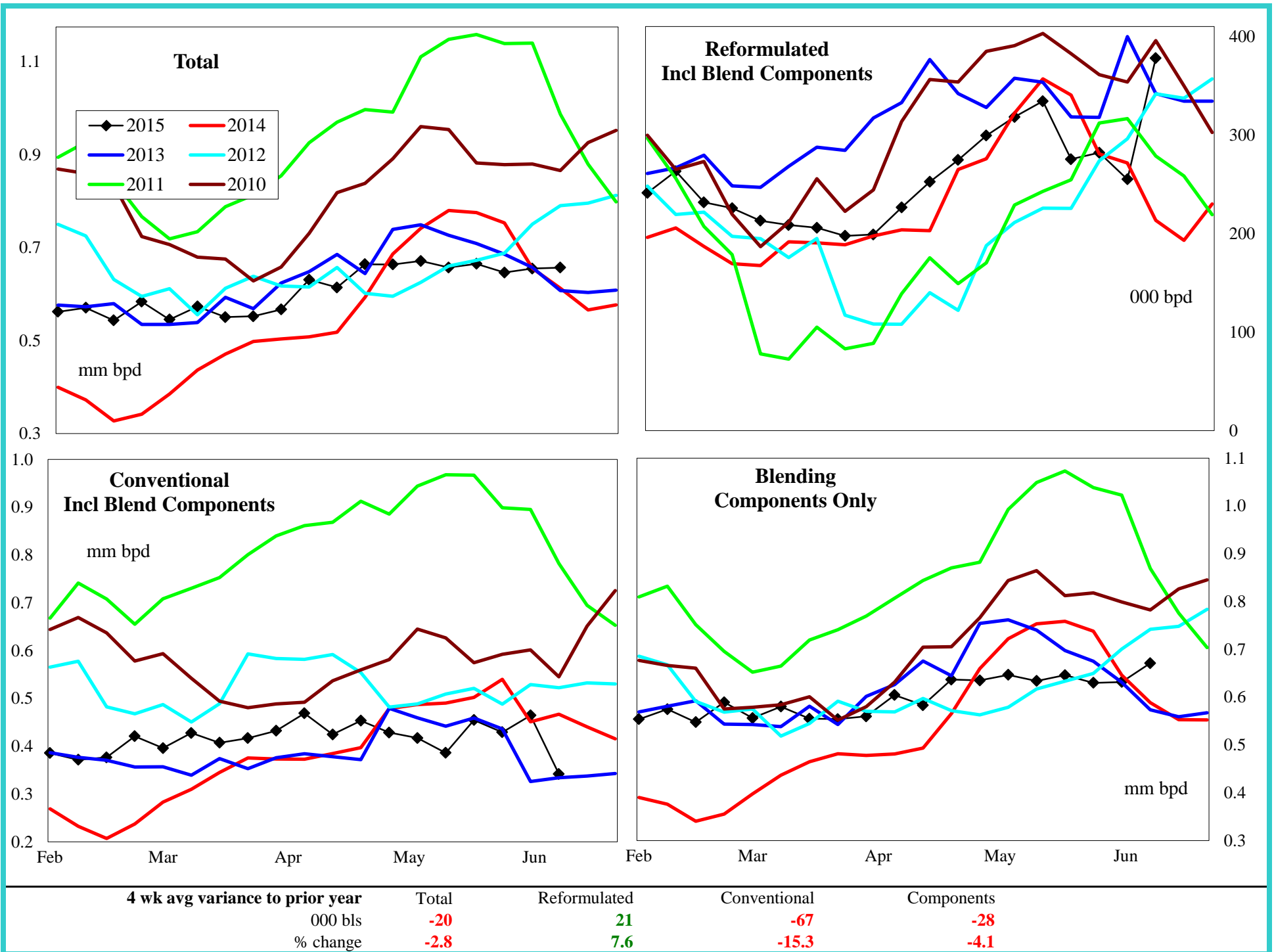
United States Reformulated Gasoline Supply



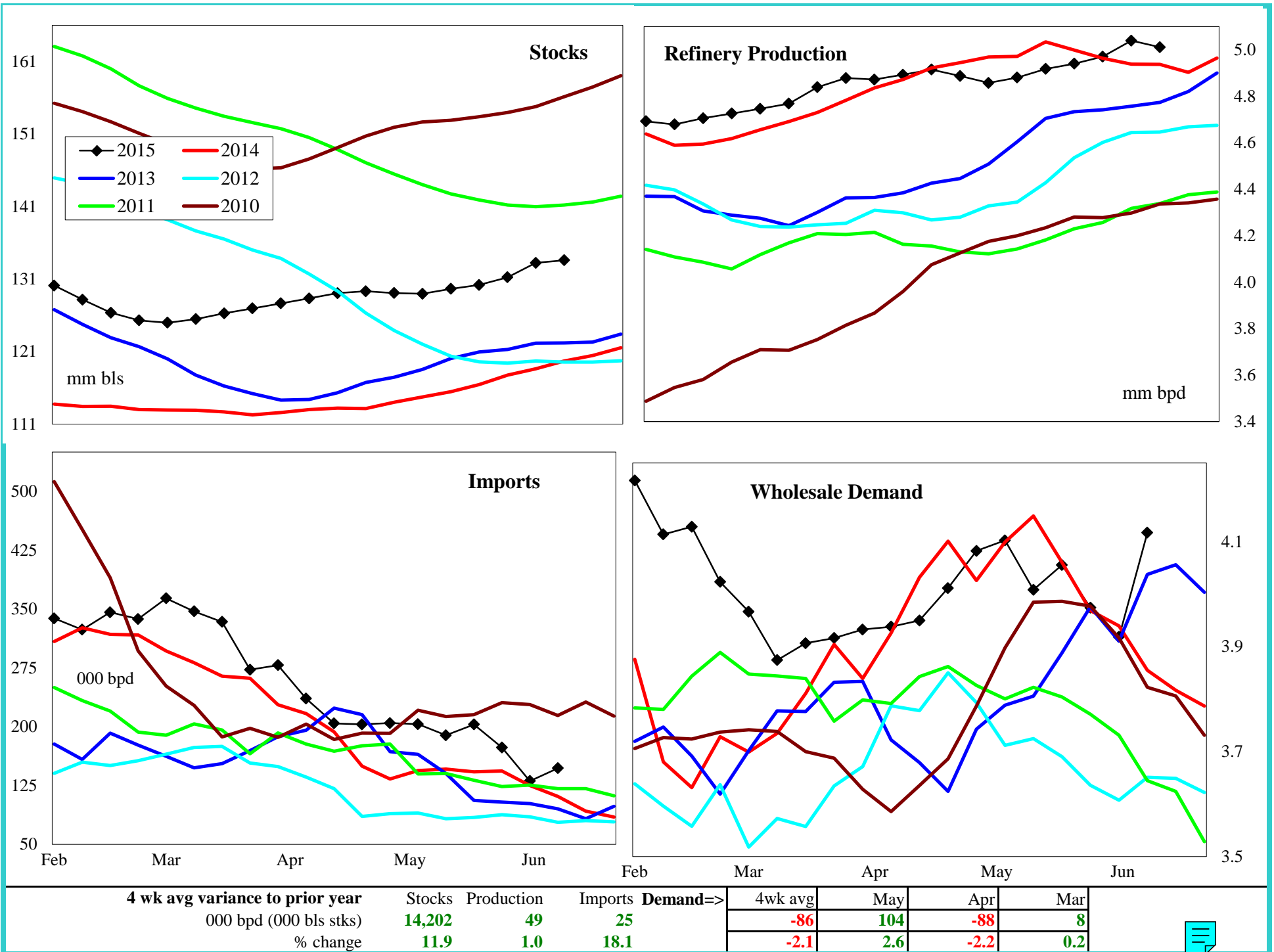
United States Conventional Gasoline Supply



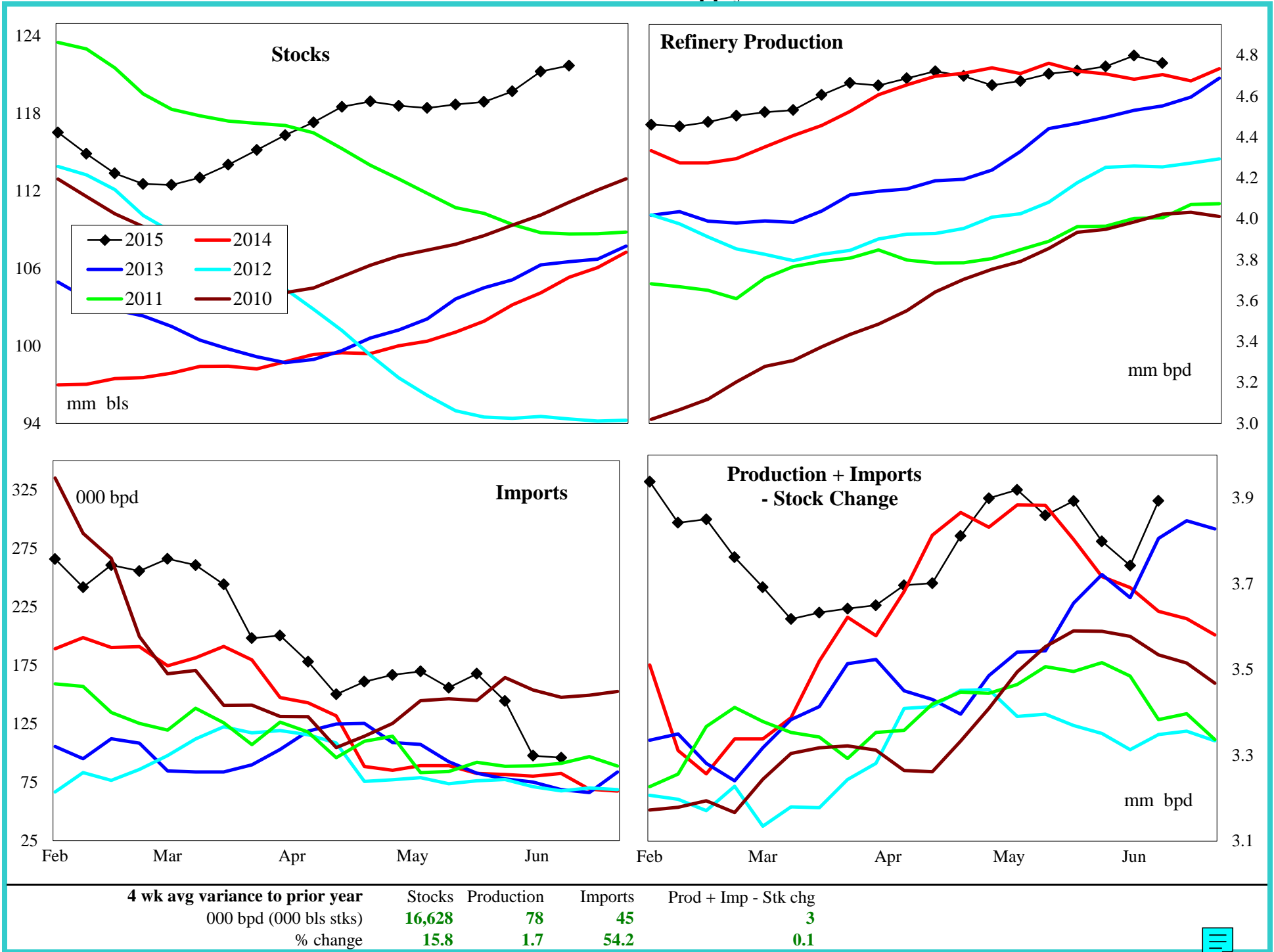
United States Gasoline Imports by Type



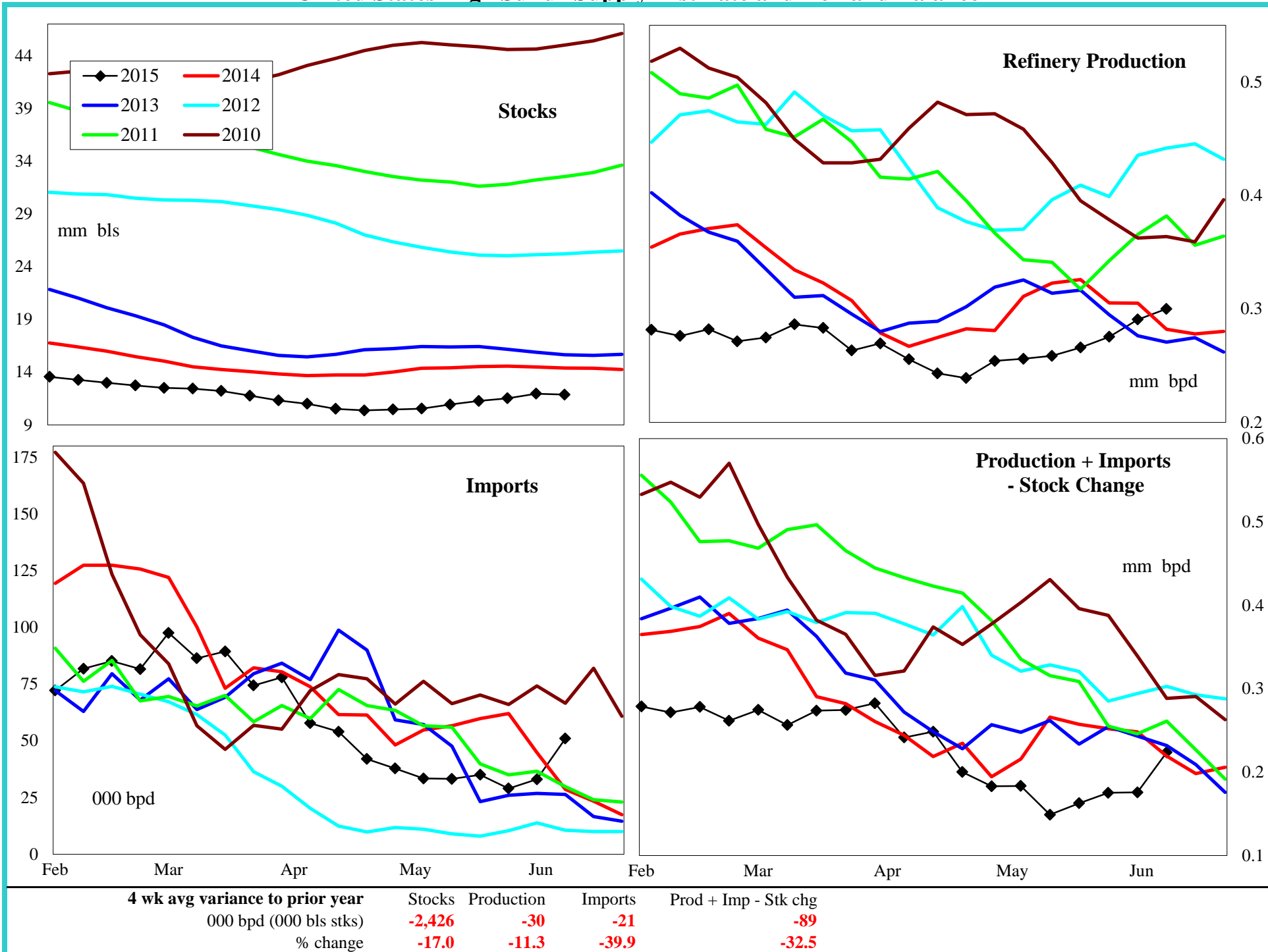
United States Distillate Supply and Demand Balance



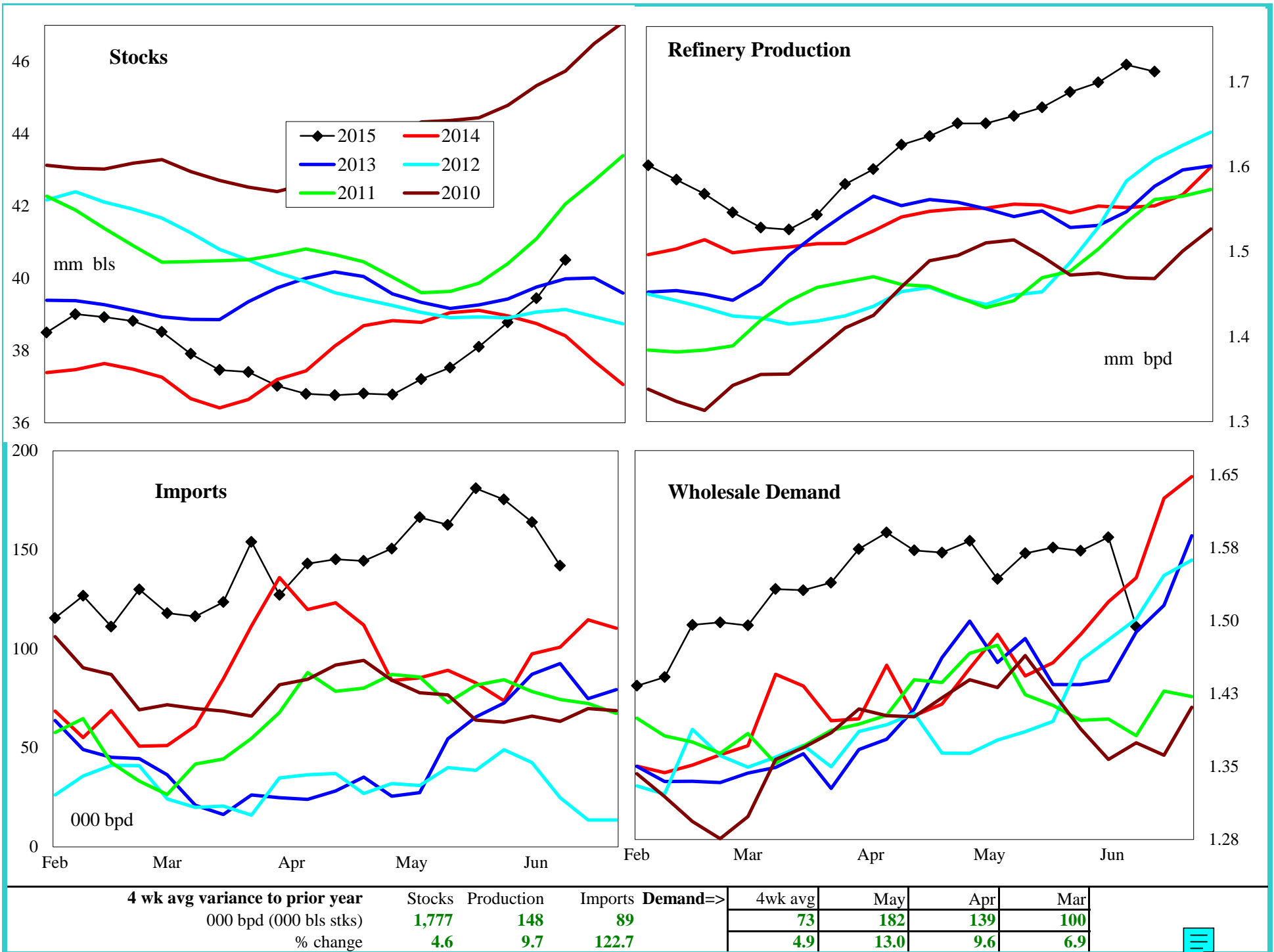
United States Low Sulfur Distillate Supply and Demand Balance



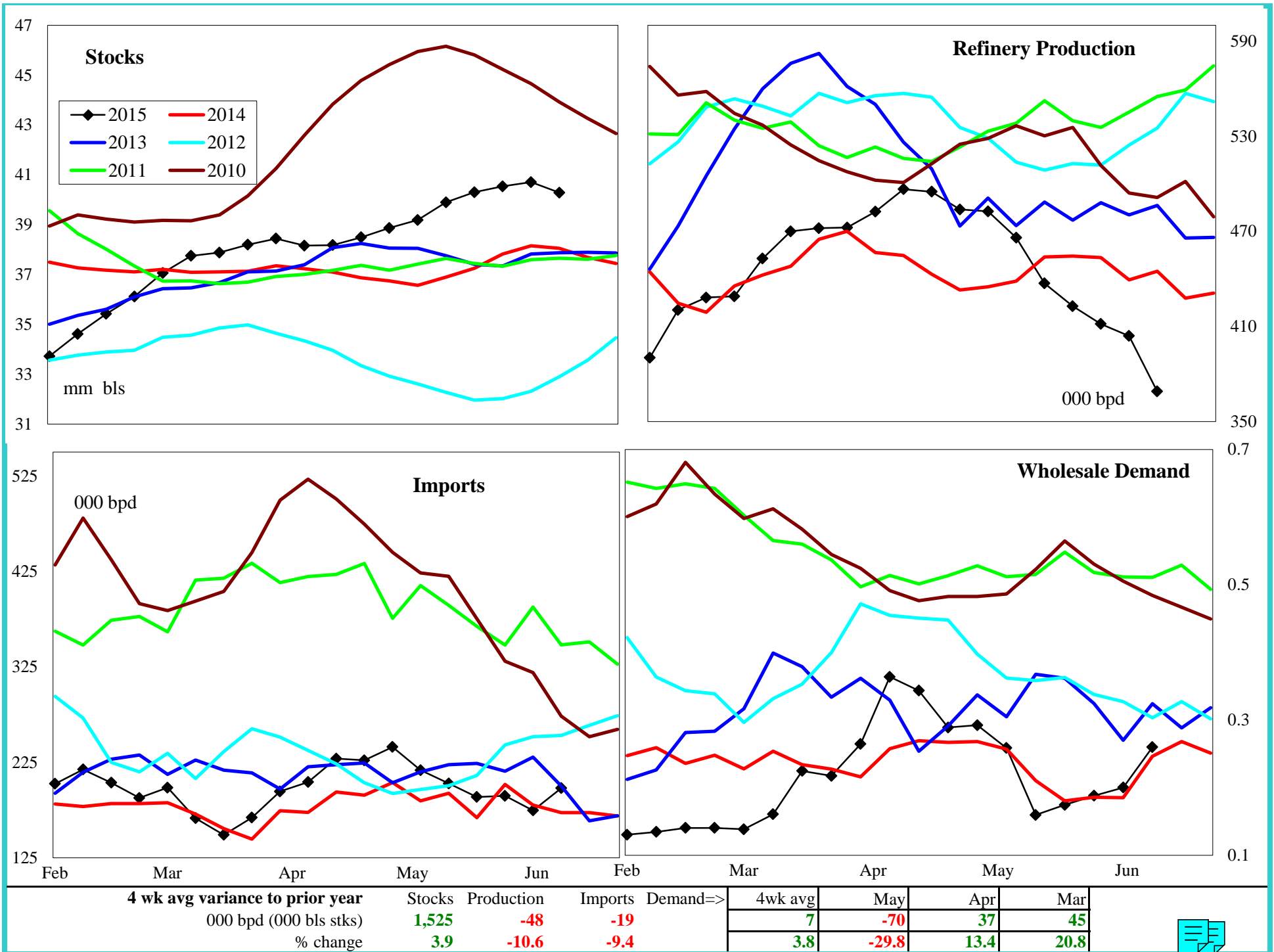
United States High Sulfur Supply Distillate and Demand Balance



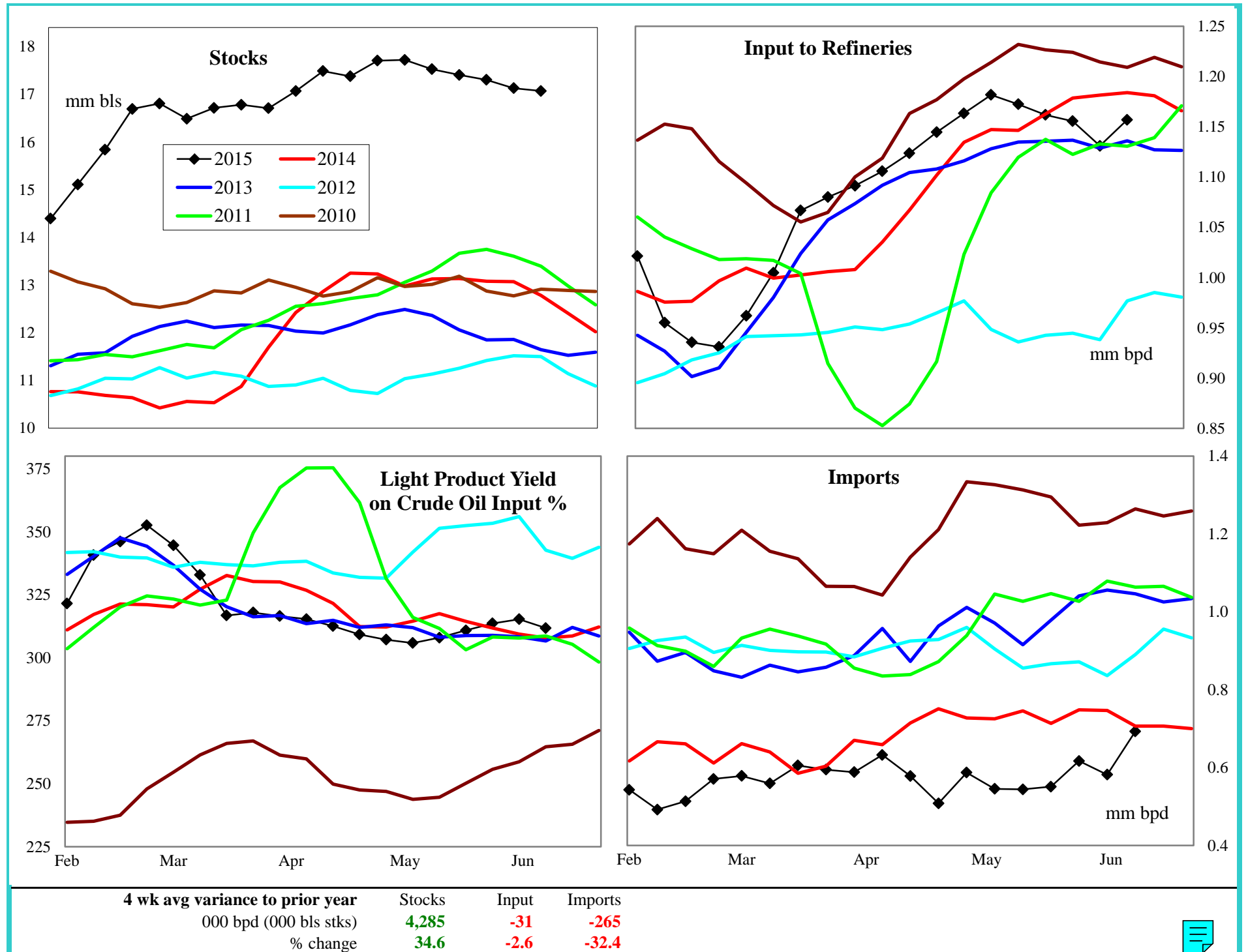
United States Jet Fuel Supply and Demand Balance



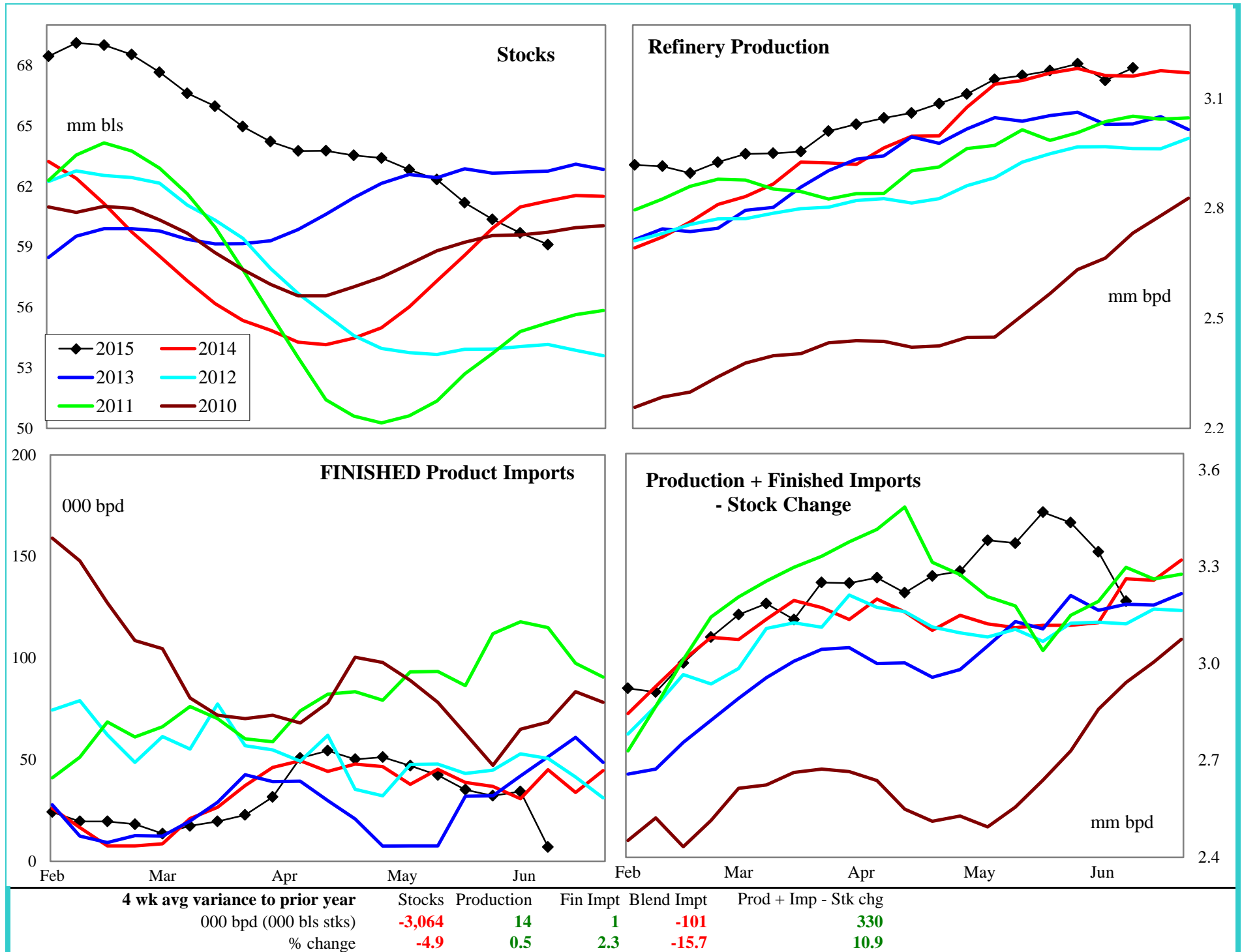
United States Residual Fuel Supply and Demand Balance



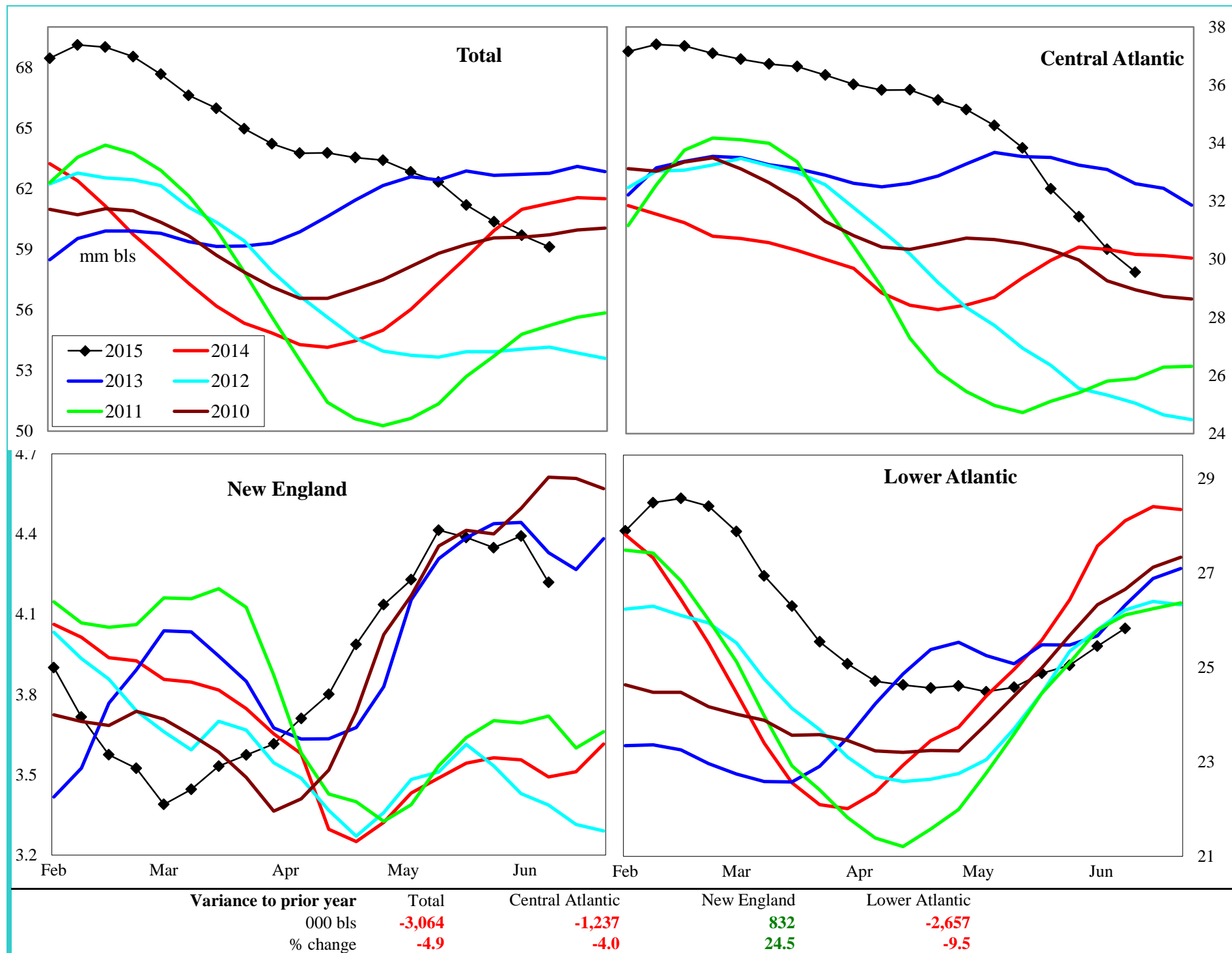
PADD 1 Crude Oil Supply and Refining



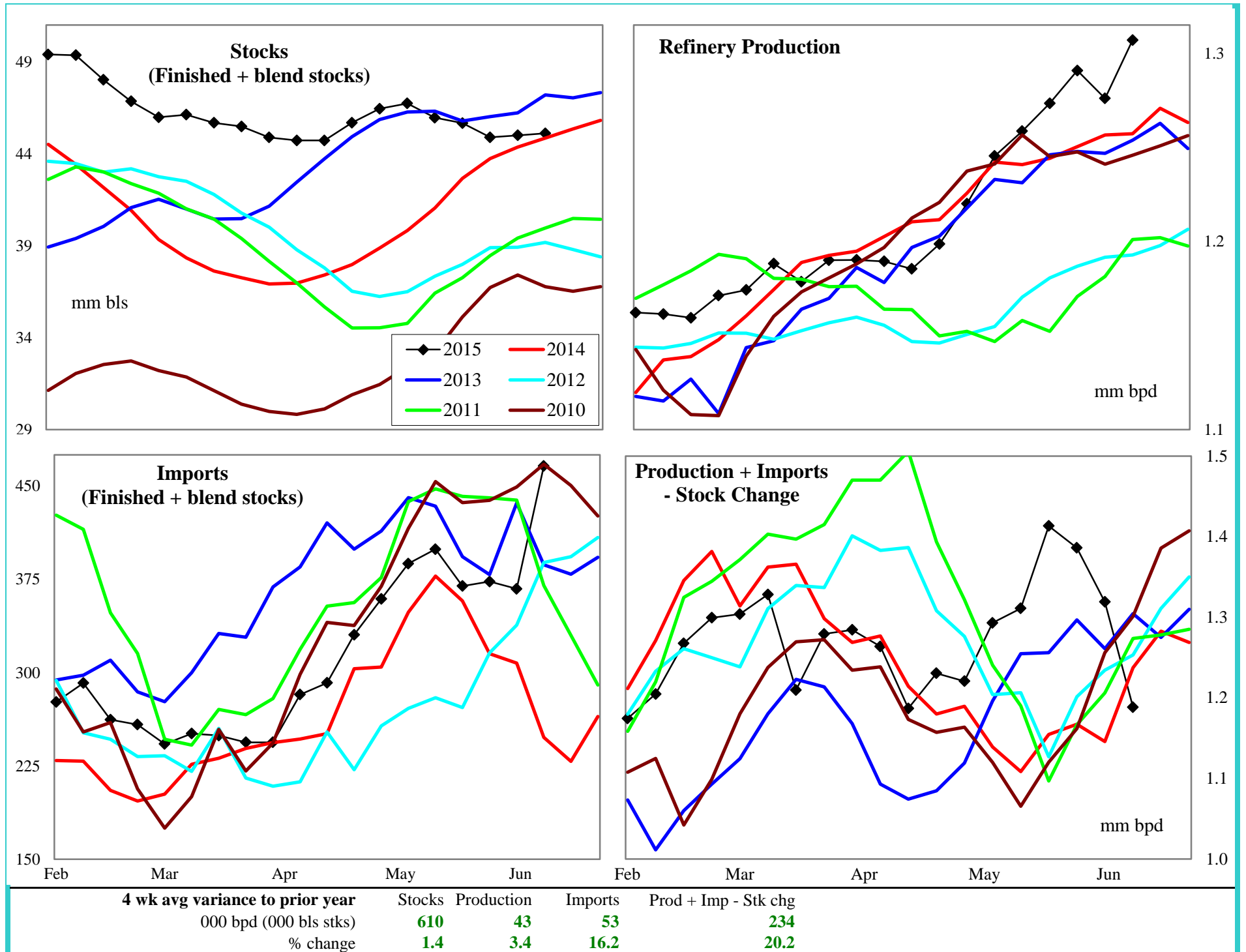
PADD 1 Gasoline Supply



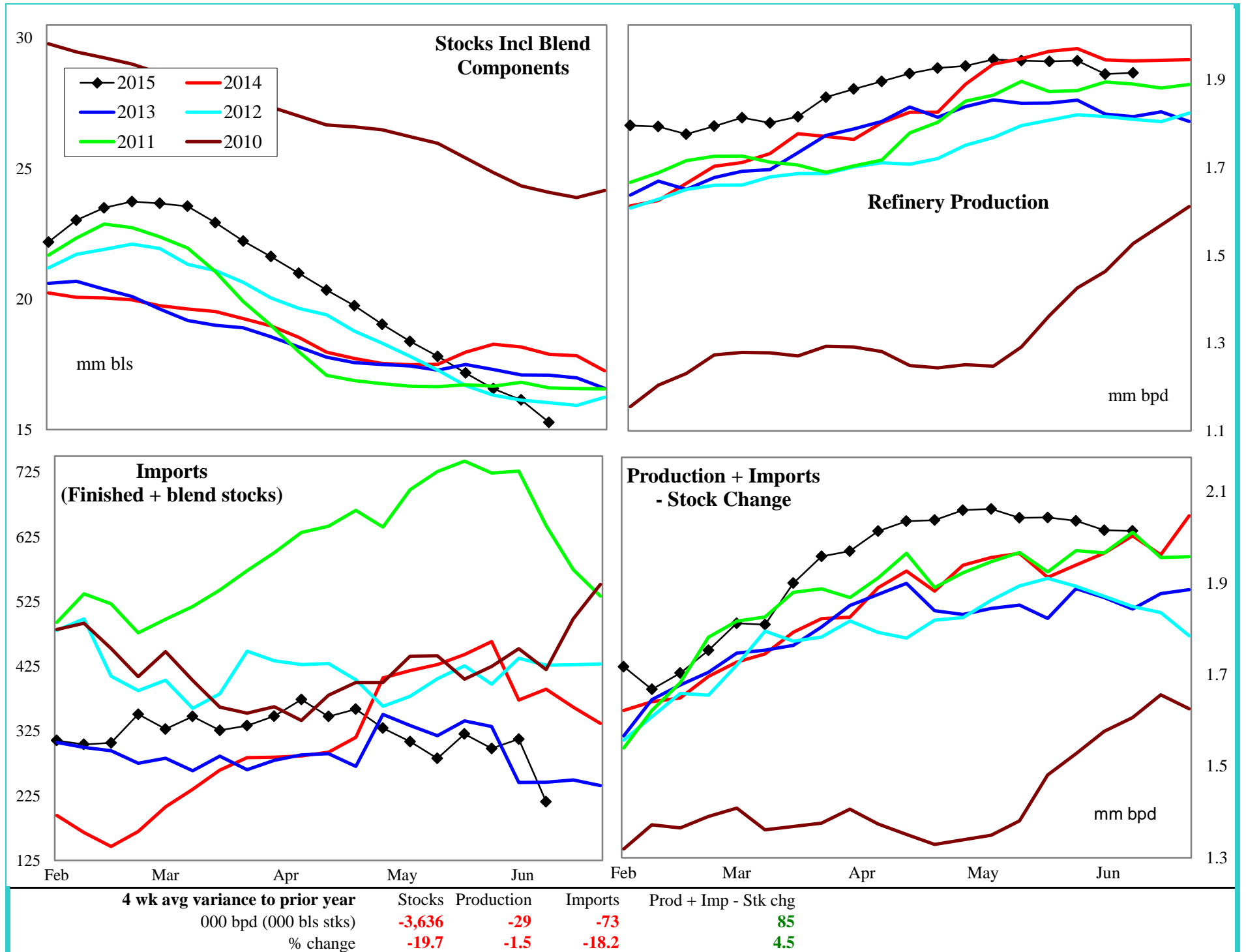
PADD 1 Gasoline Stocks by Region



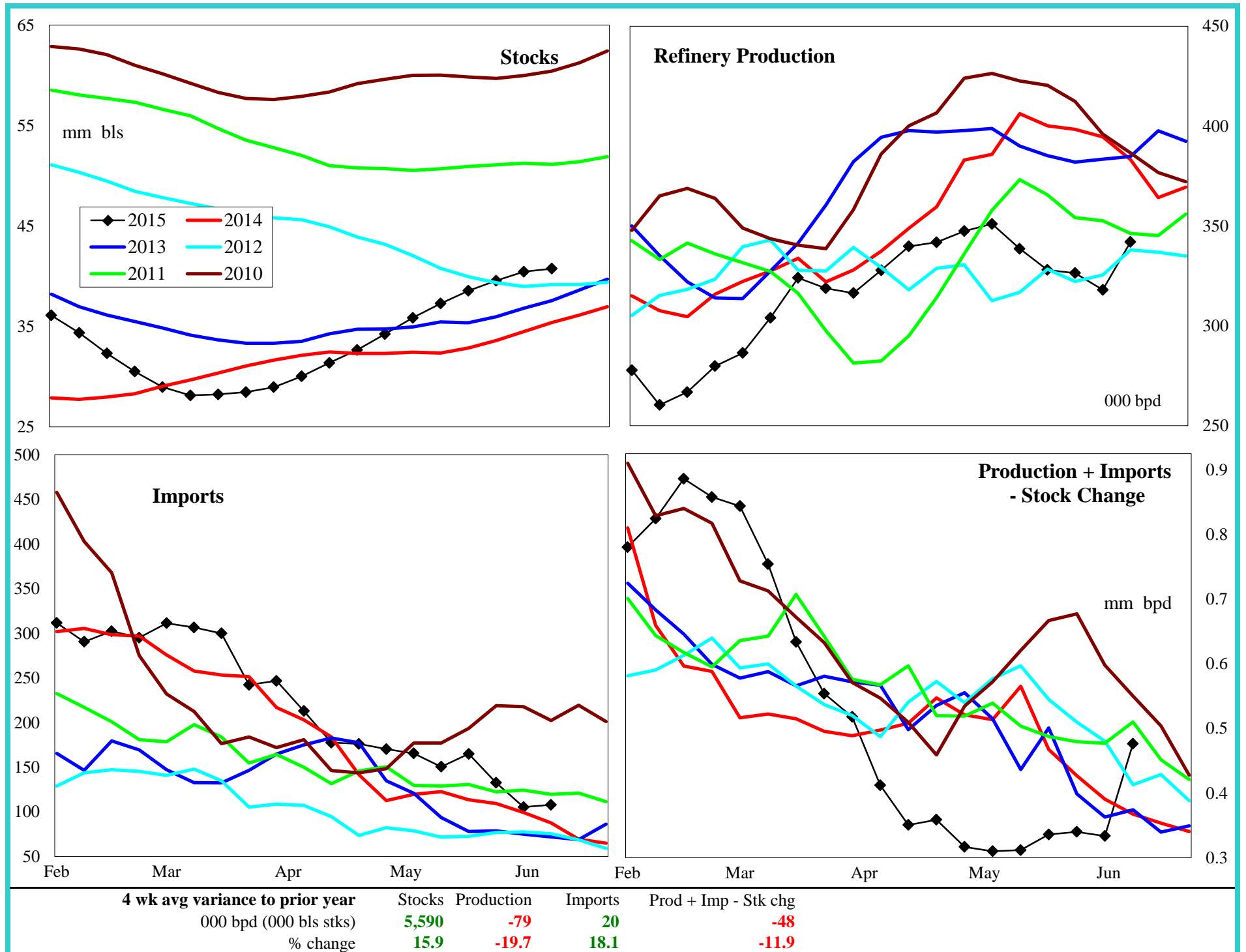
PADD 1 Reformulated Gasoline Supply



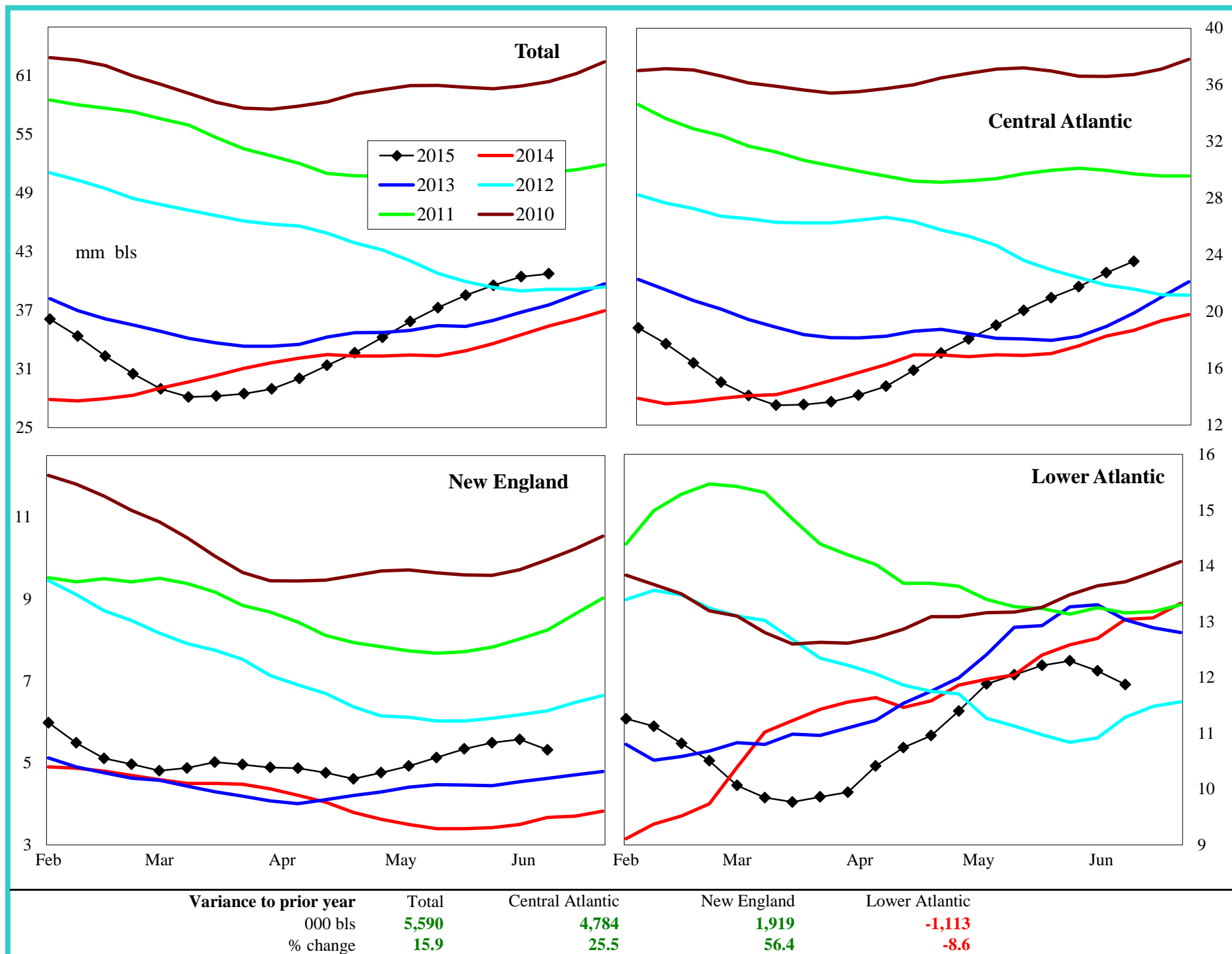
PADD 1 Conventional Gasoline Supply



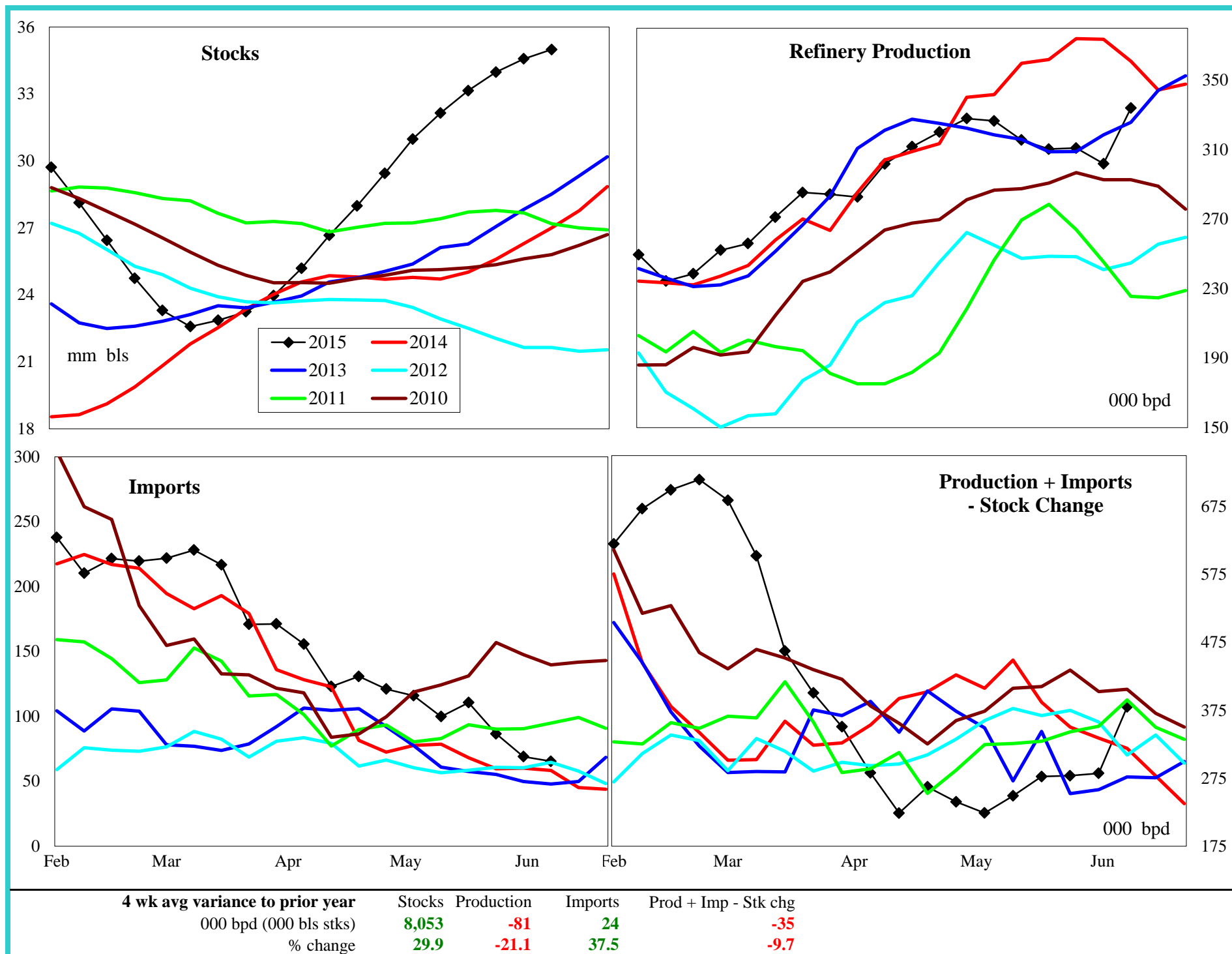
PADD 1 Distillate Supply



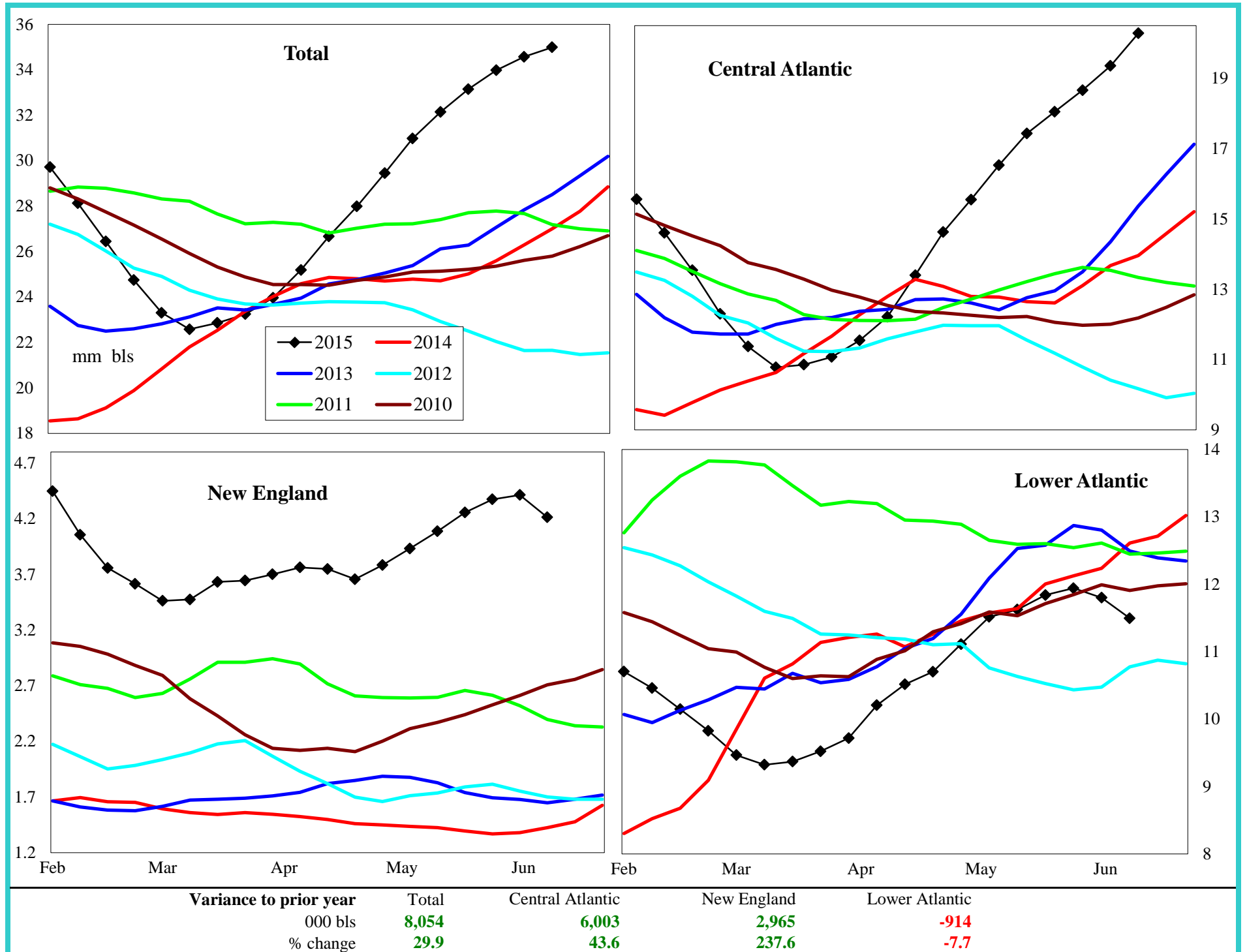
PADD 1 Distillate Stocks by Region



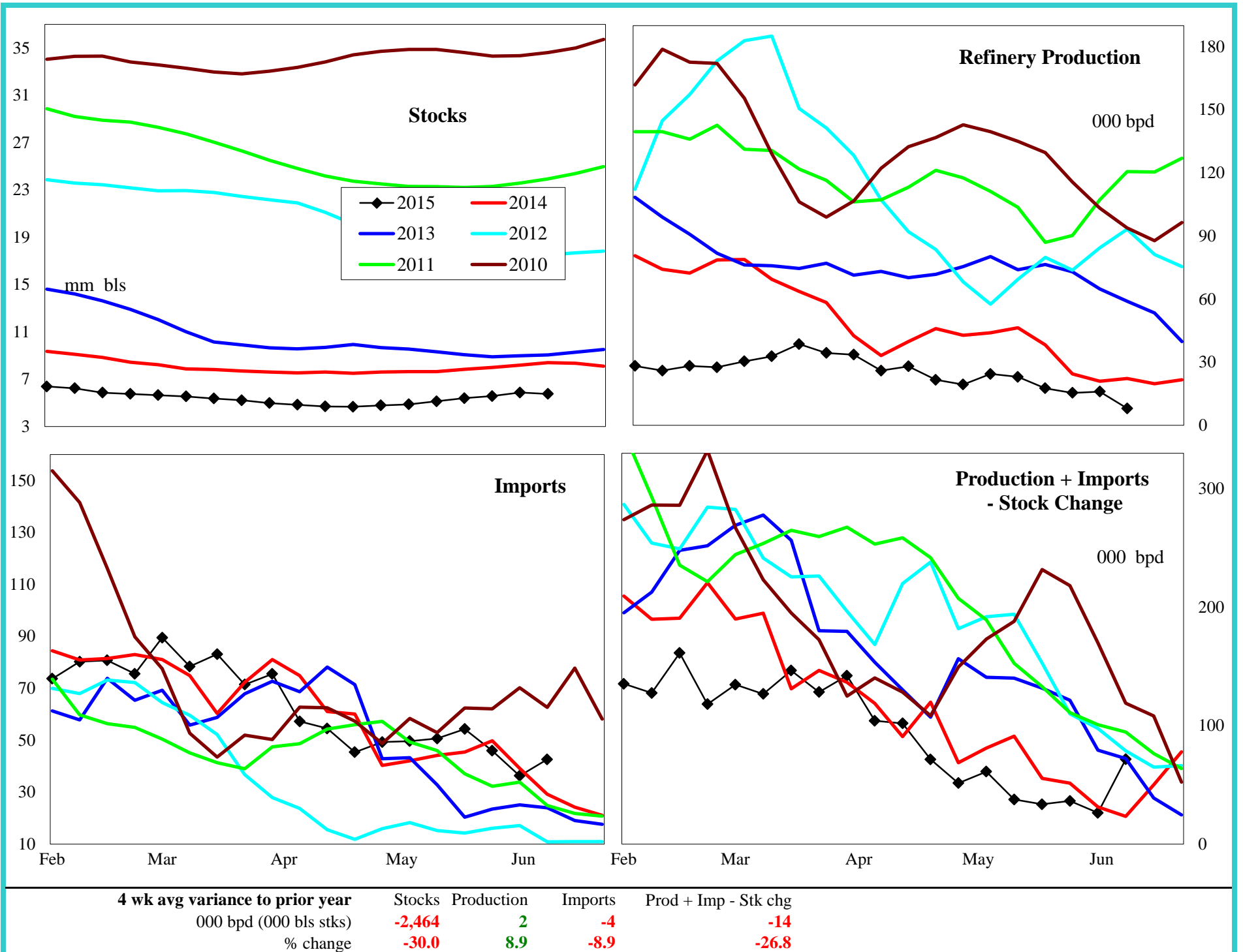
PADD 1 Low Sulfur Distillate Supply



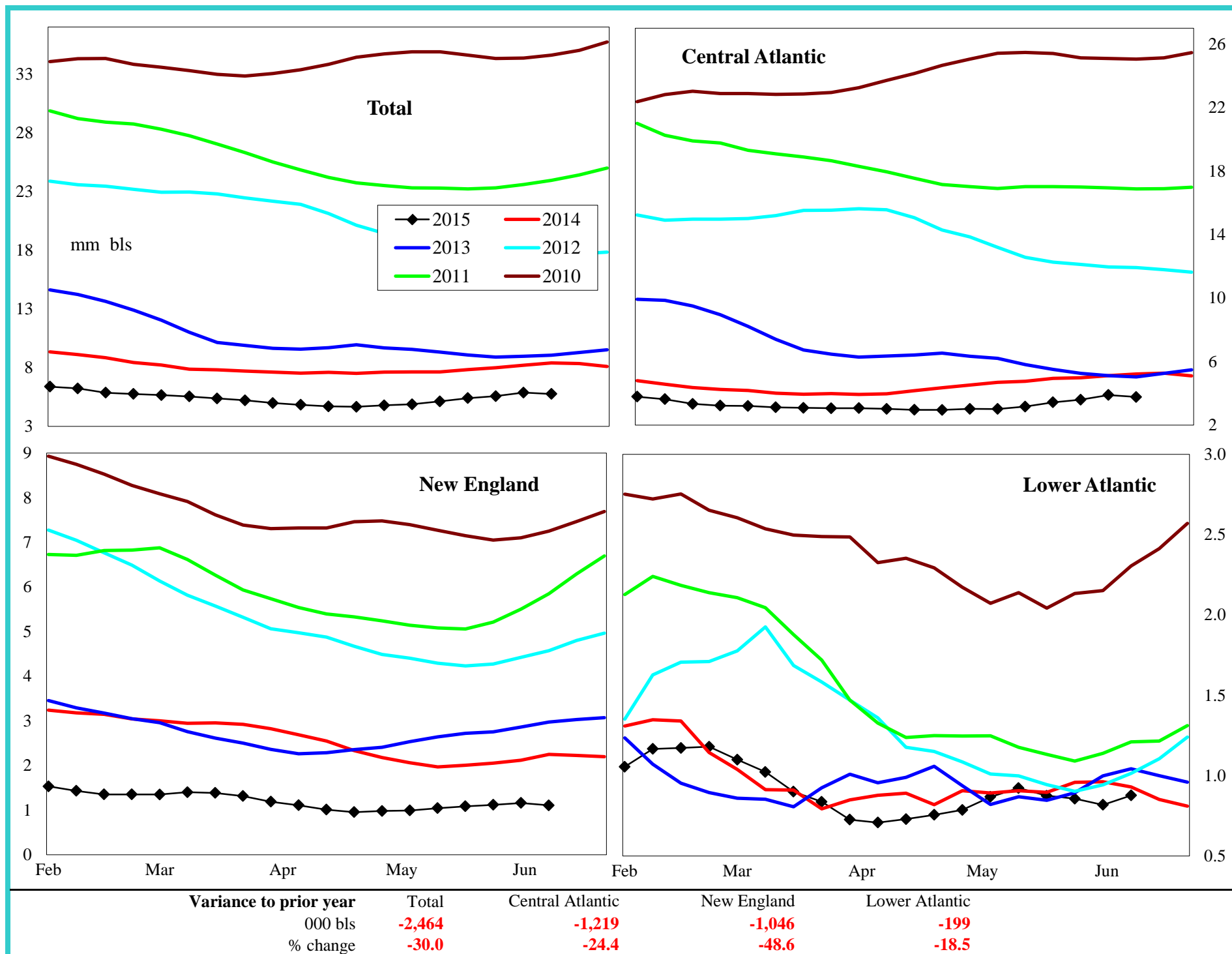
PADD 1 Low Sulfur Distillate Stocks by Region



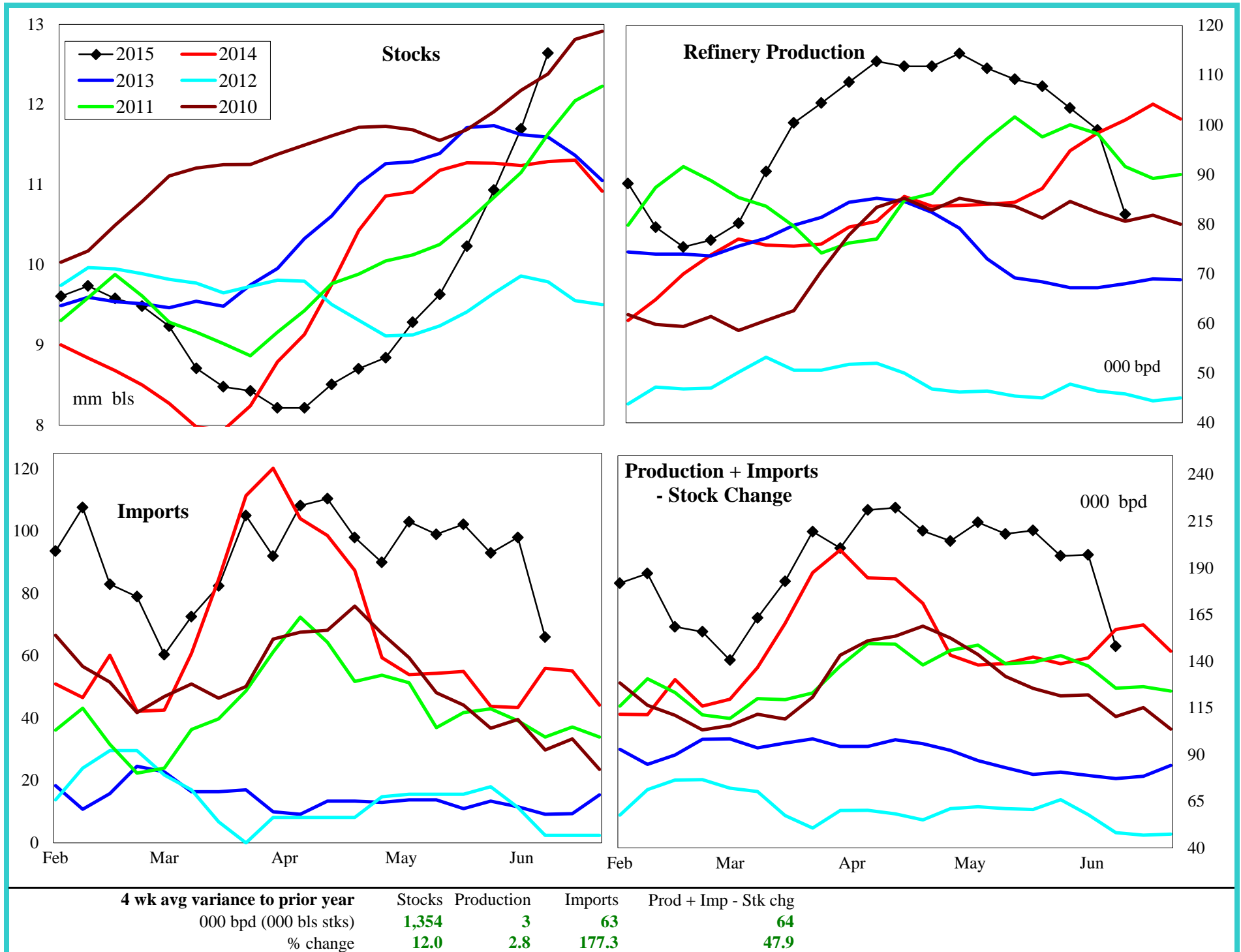
PADD 1 High Sulfur Distillate Supply



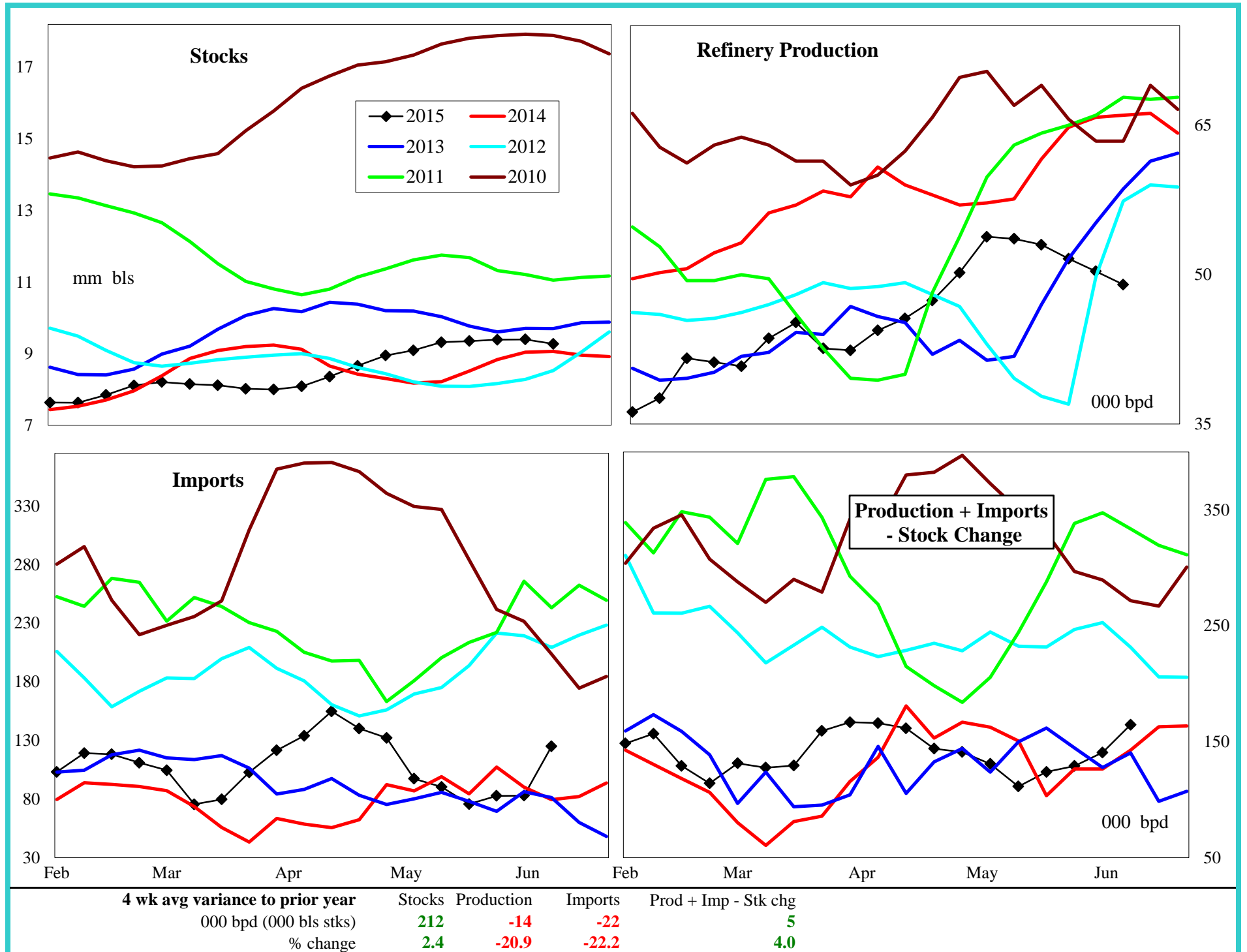
PADD 1 High Sulfur Distillate Stocks by Region



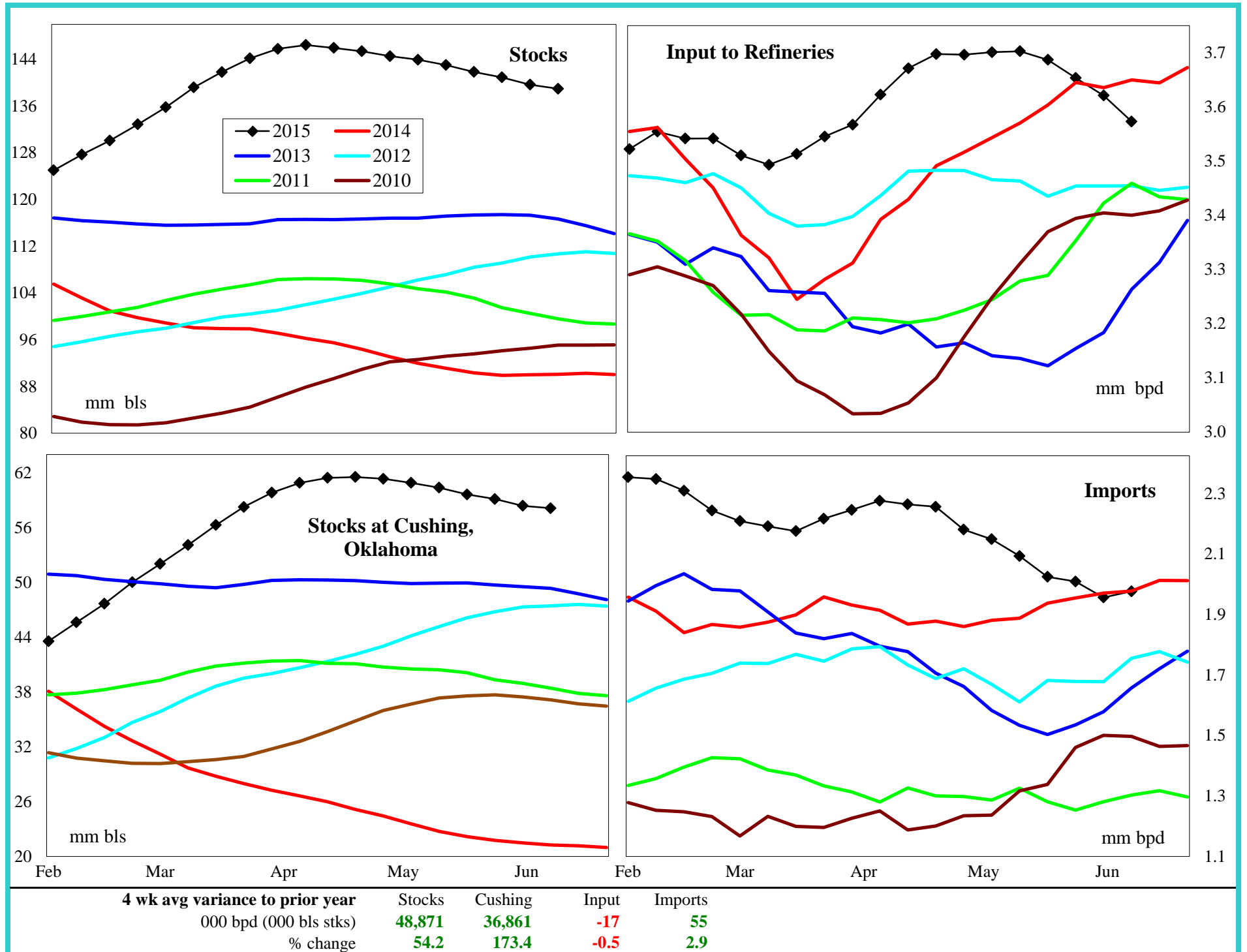
PADD 1 Jet Fuel Supply



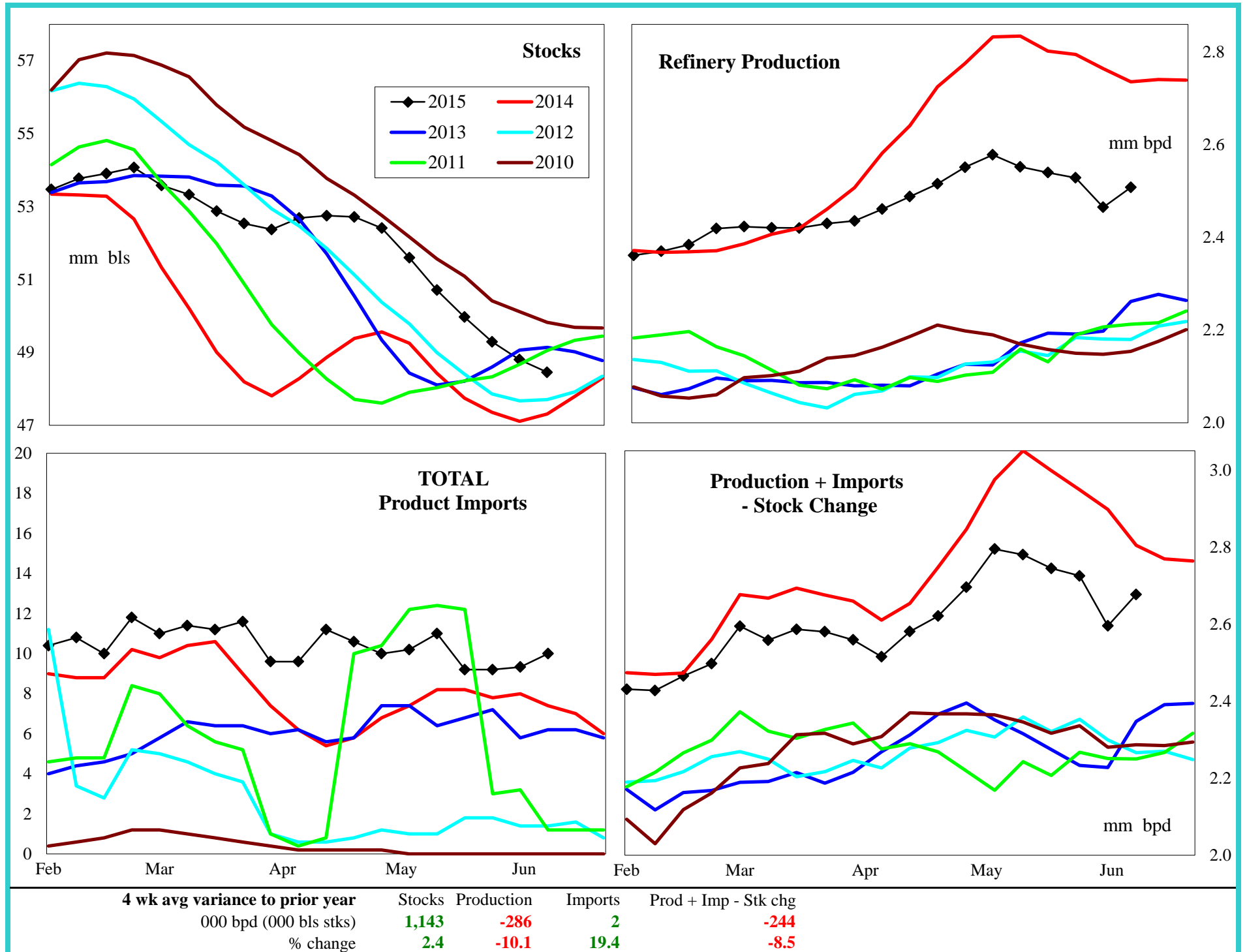
PADD 1 Residual Fuel Oil Supply



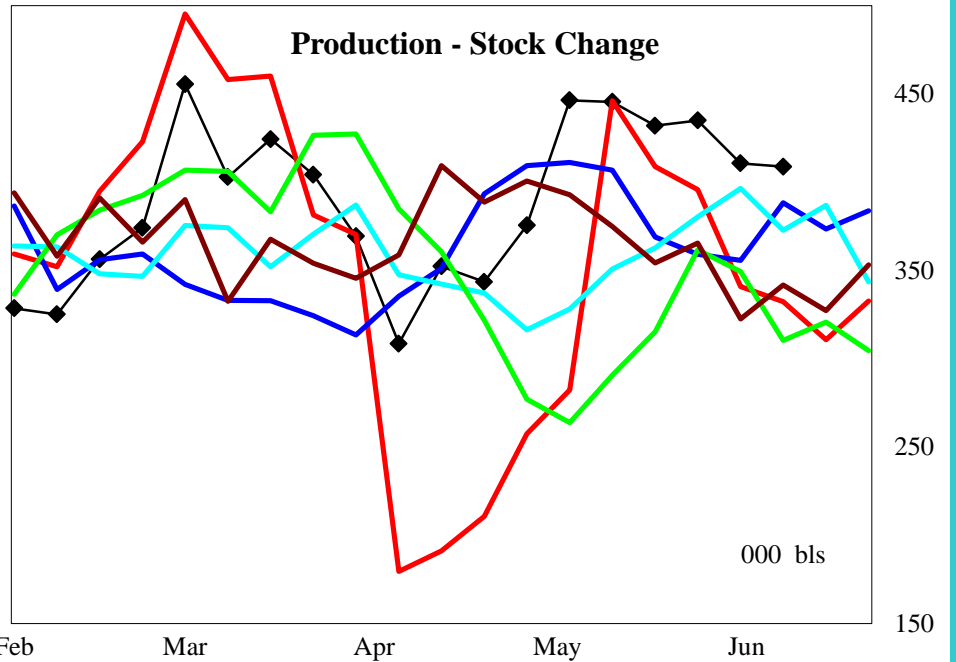
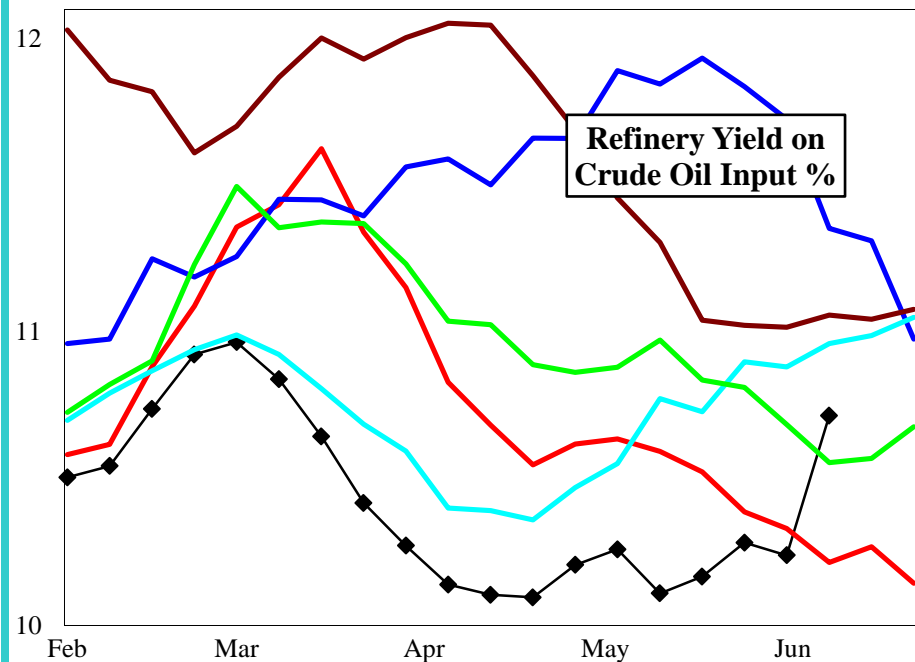
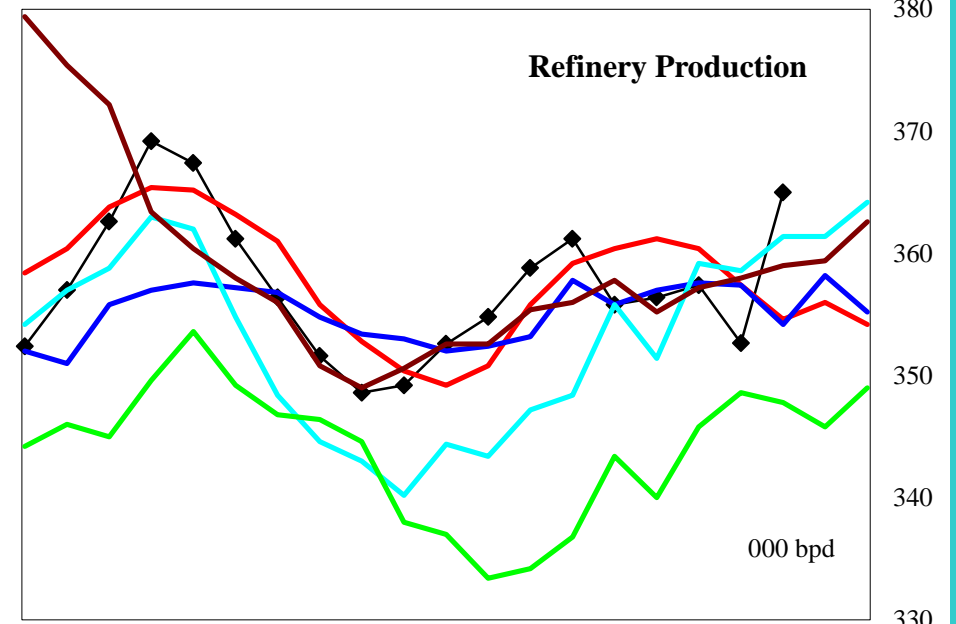
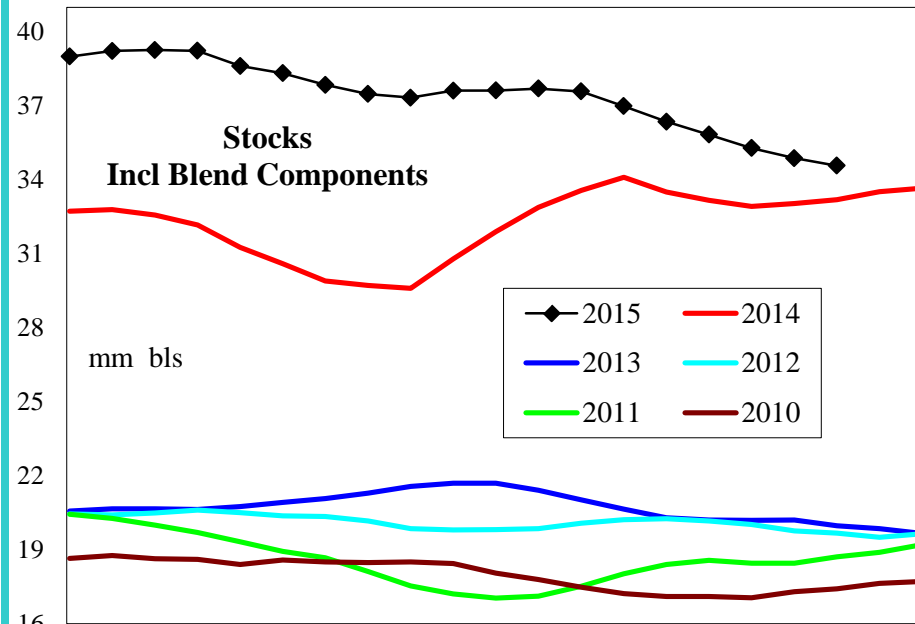
PADD 2 Crude Oil Supply and Refining



PADD 2 Gasoline Supply



PADD 2 Reformulated Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

1,377

4.1

Production

-1

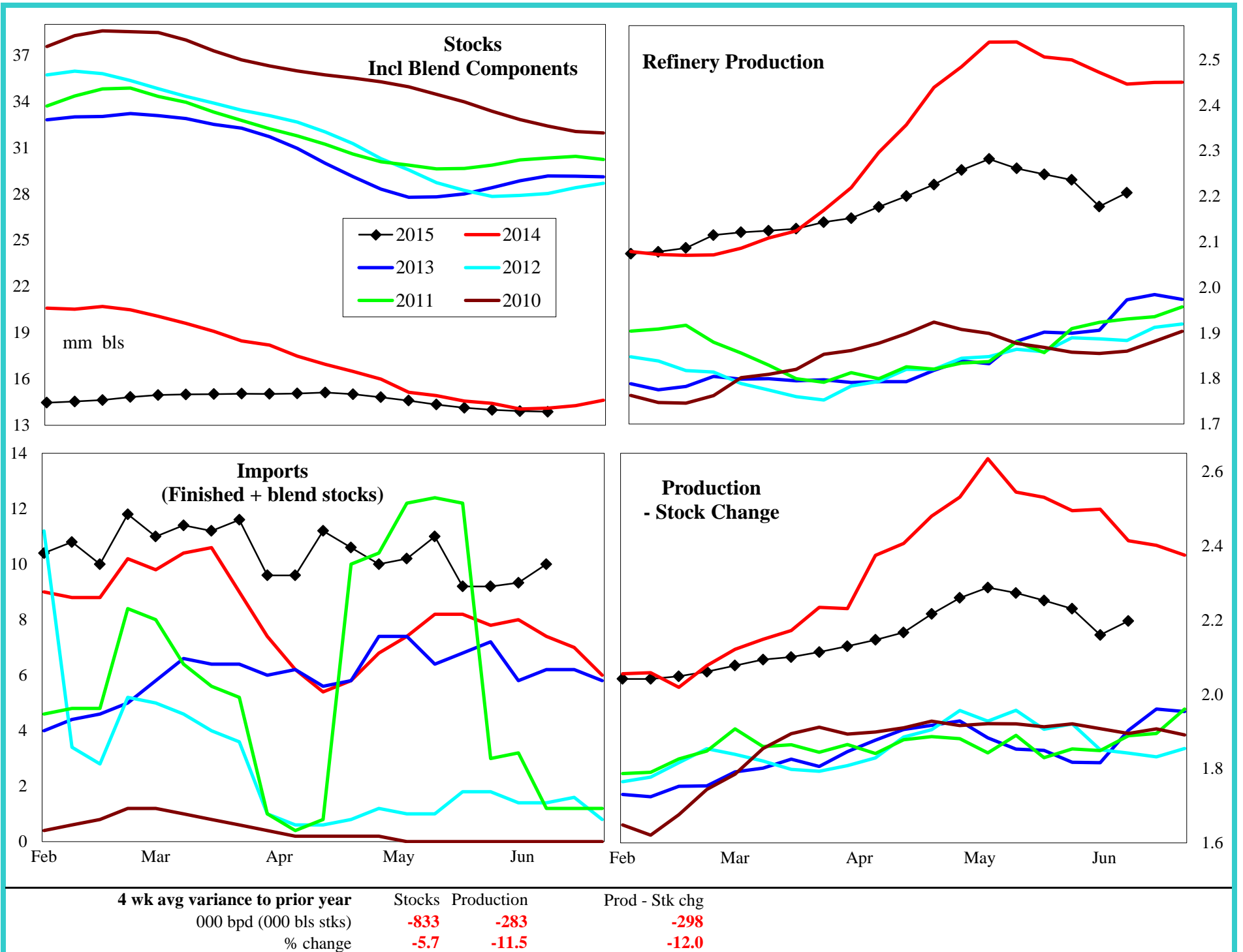
-0.1

Prod - Stk chg

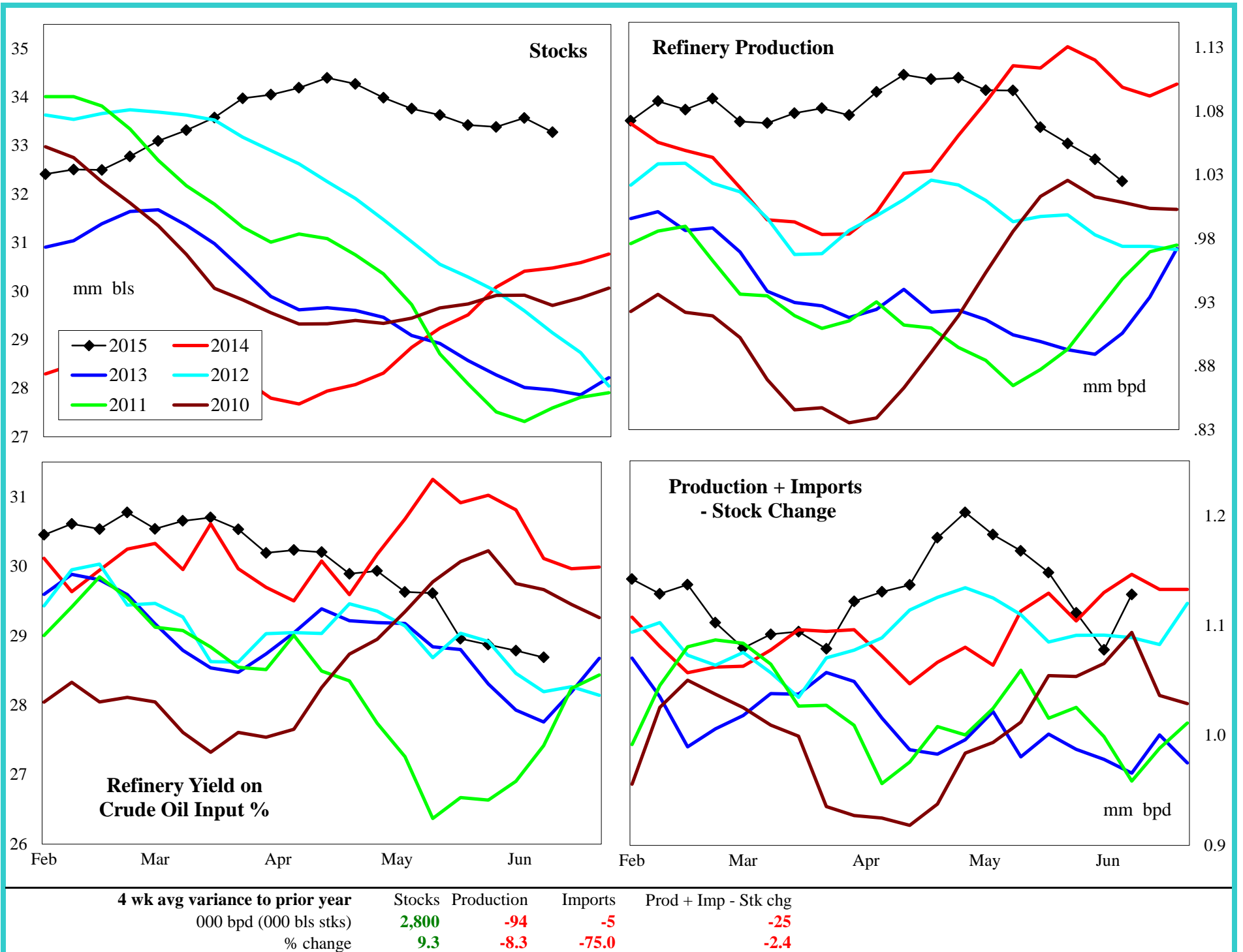
52

14.1

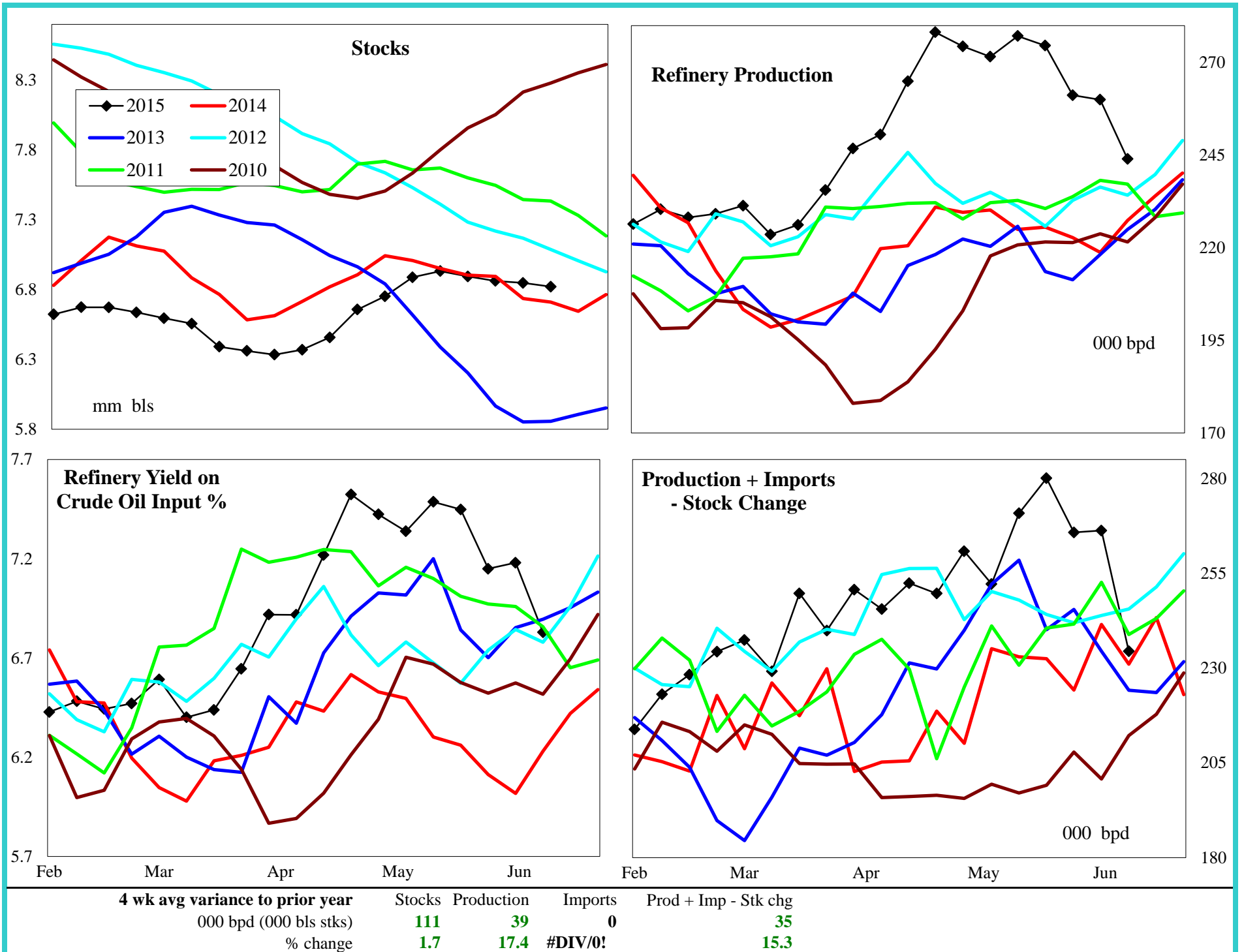
PADD 2 Conventional Gasoline Supply



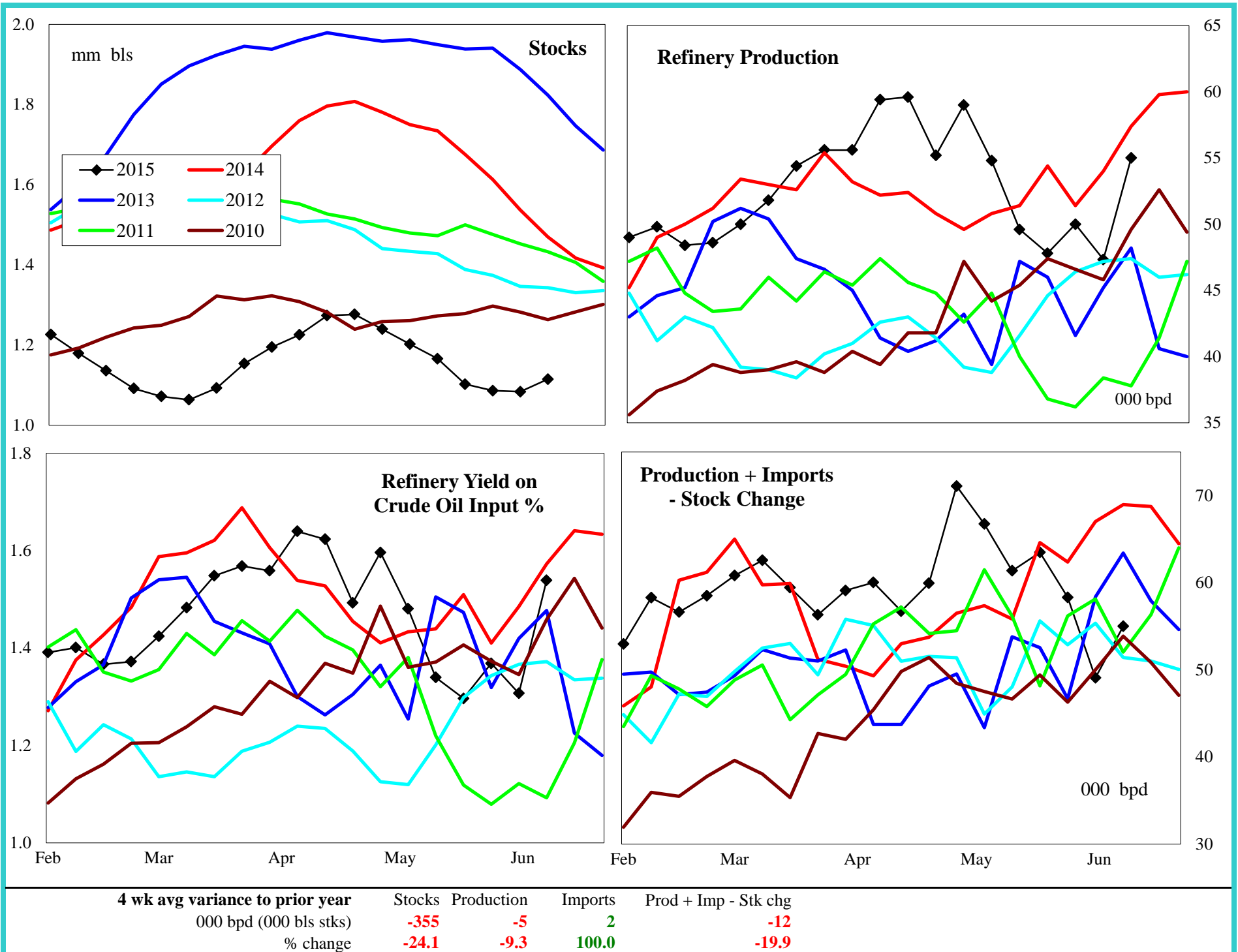
PADD 2 Distillate Supply



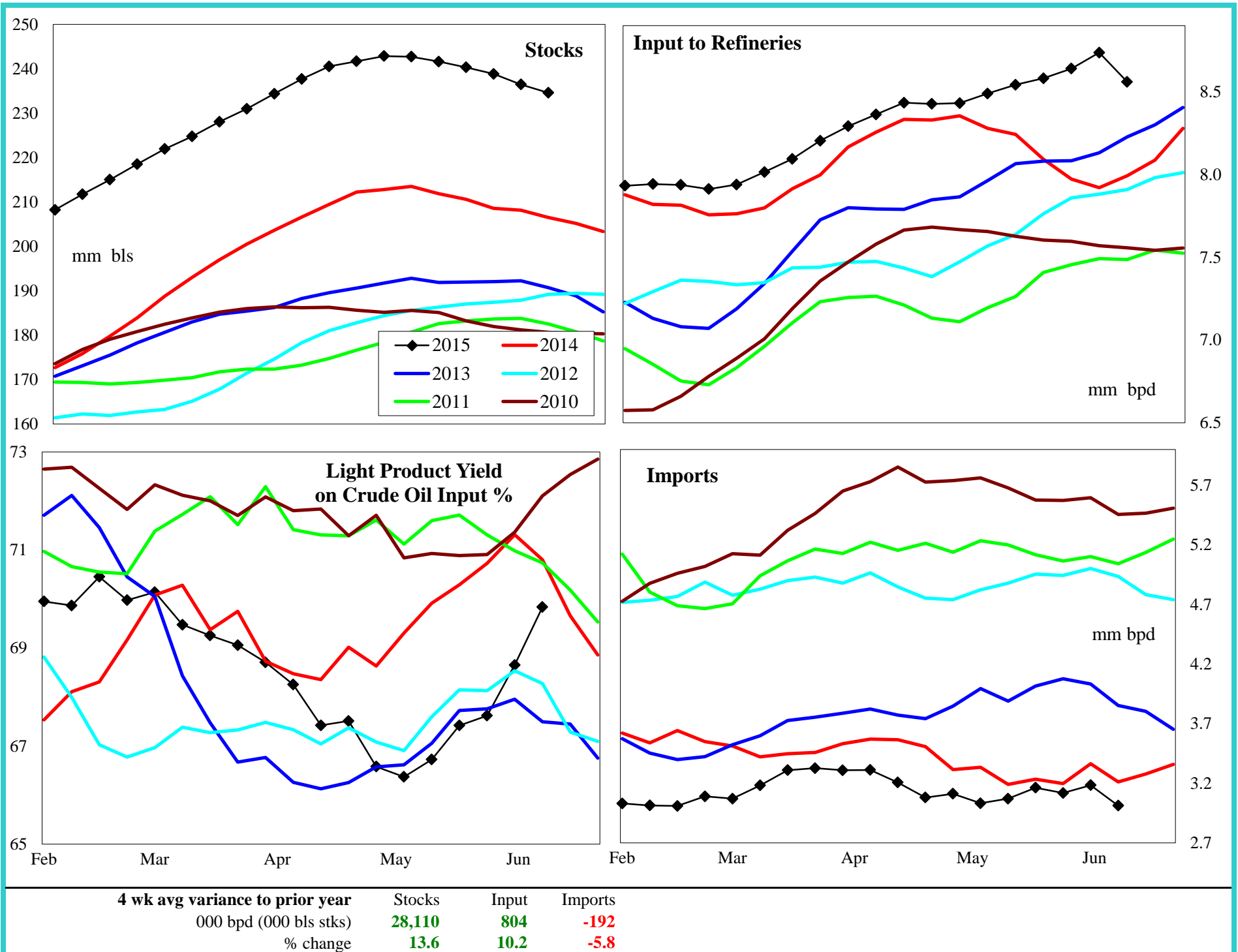
PADD 2 Jet Fuel Supply



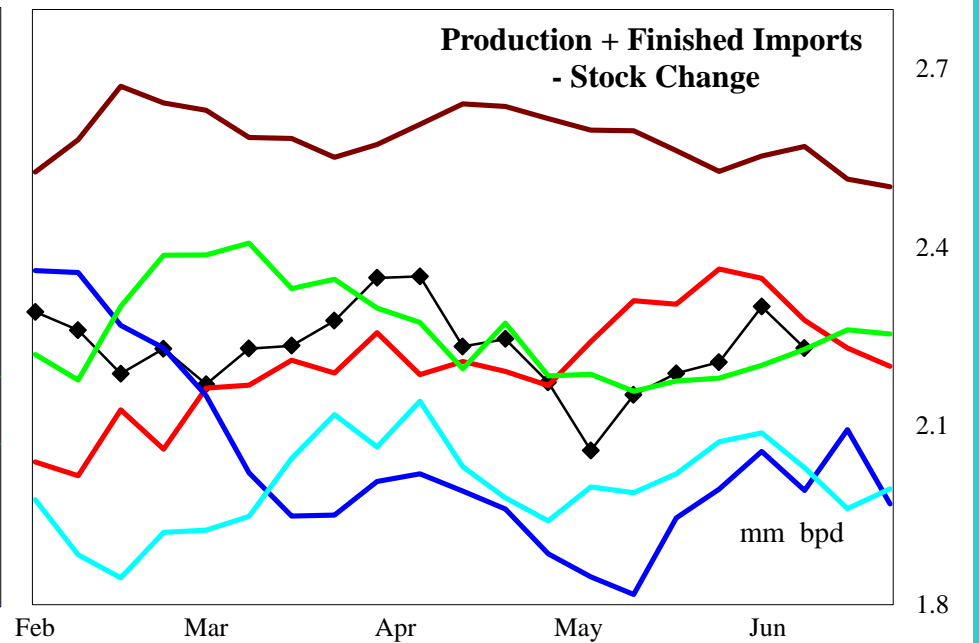
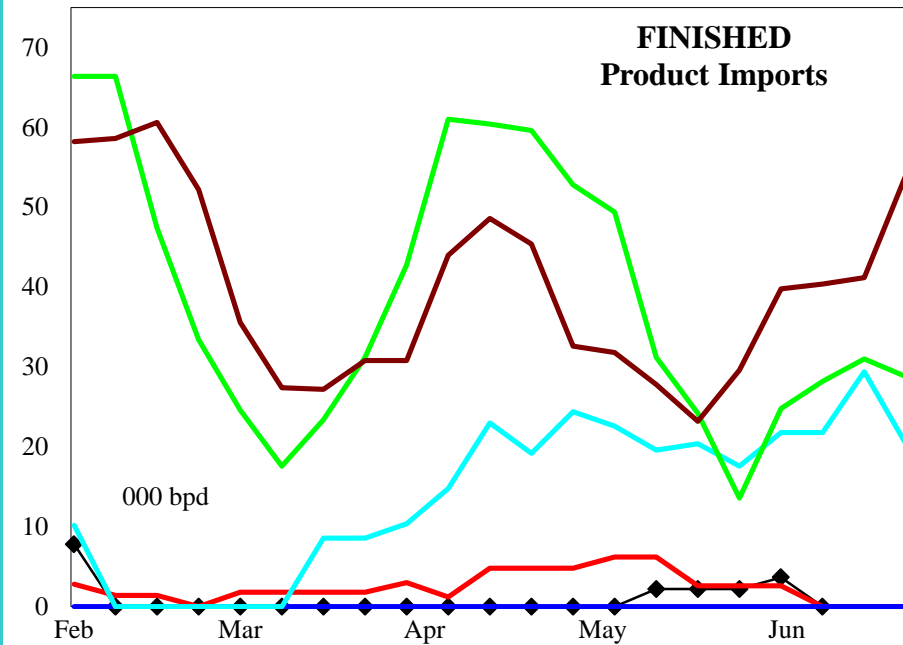
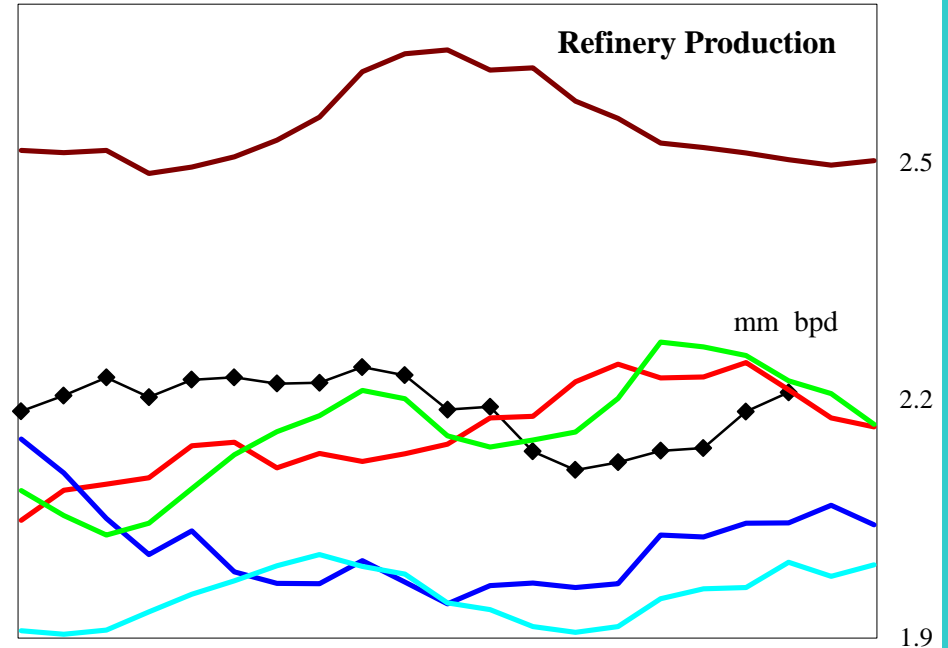
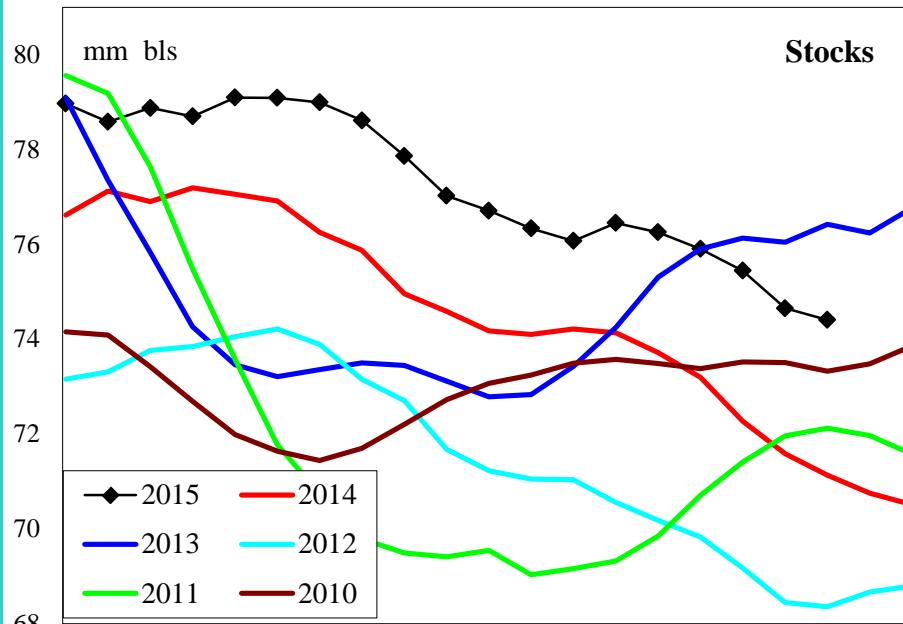
PADD 2 Residual Fuel Oil Supply



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

Production

Fin Impt

Blend Impt

Prod + Imp - Stk chg

4,838

-78

-1

2

-174

7.0

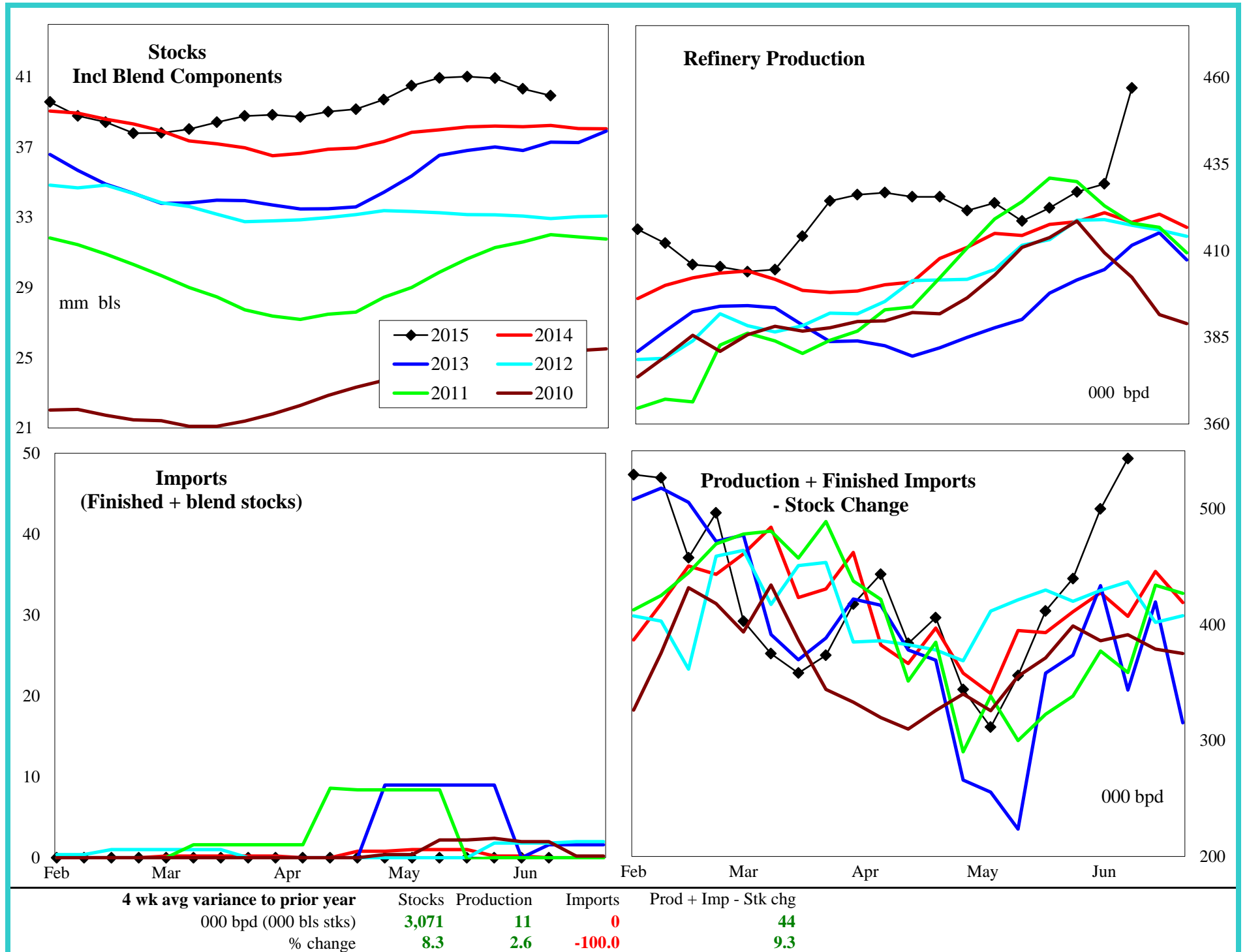
-3.5

-15.4

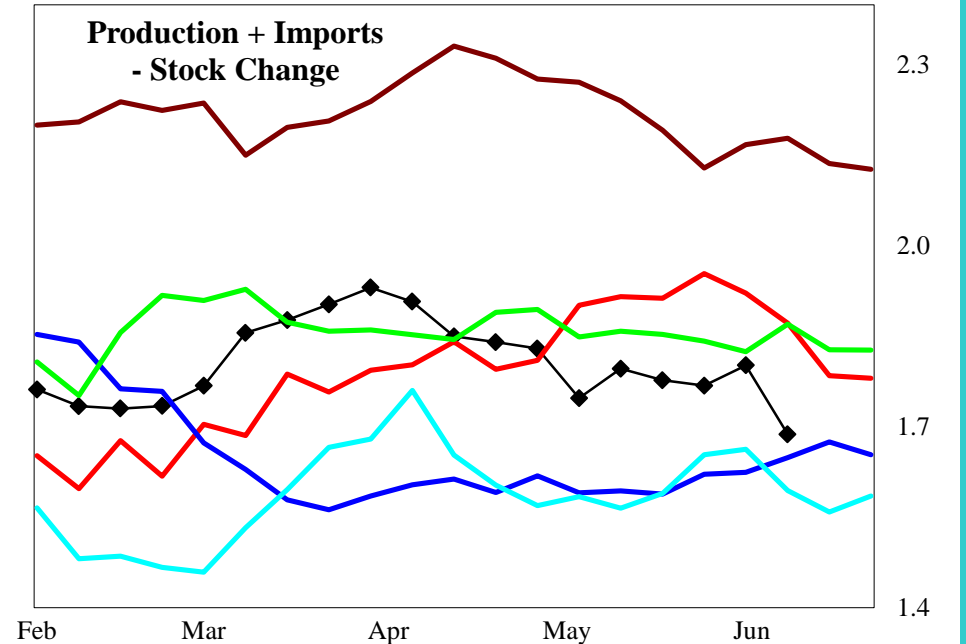
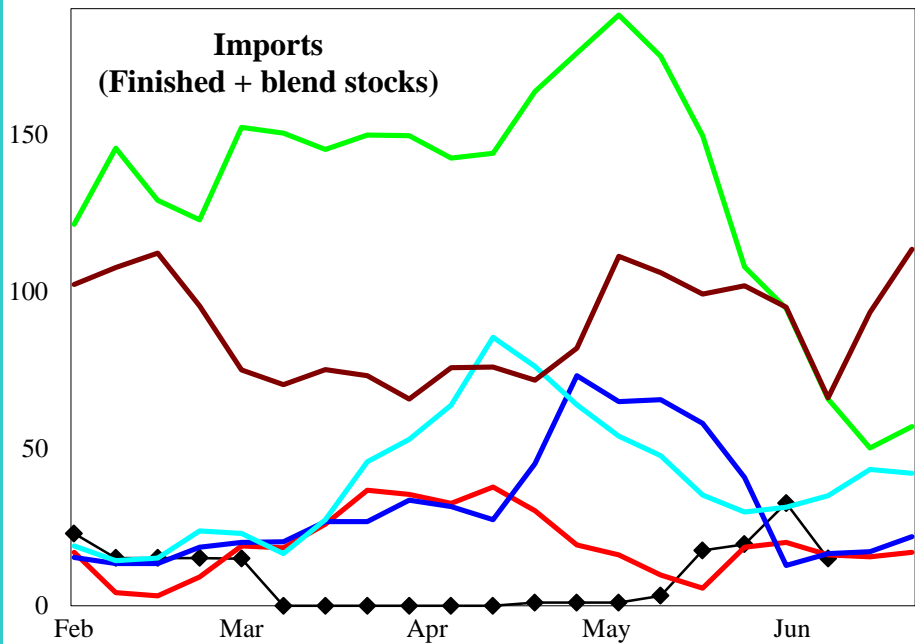
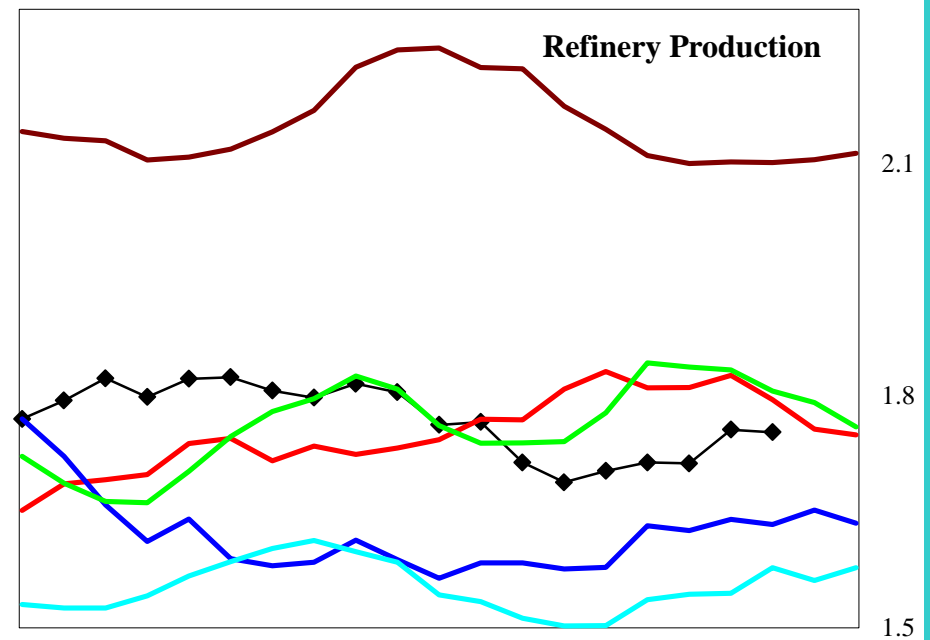
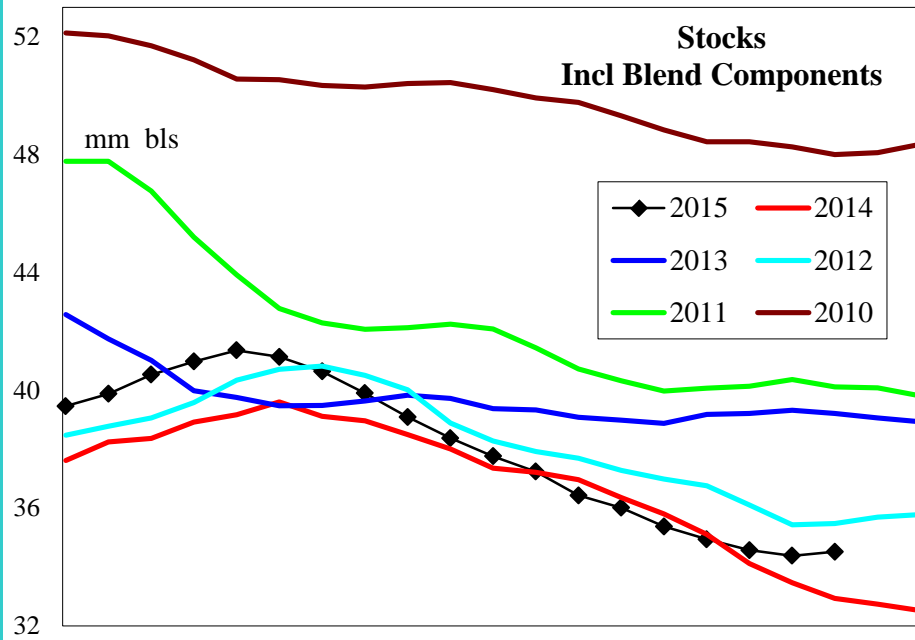
7.4

-7.2

PADD 3 Reformulated Gasoline Supply



PADD 3 Conventional Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

1,779

5.4

Production

-89

-4.9

Imports

1

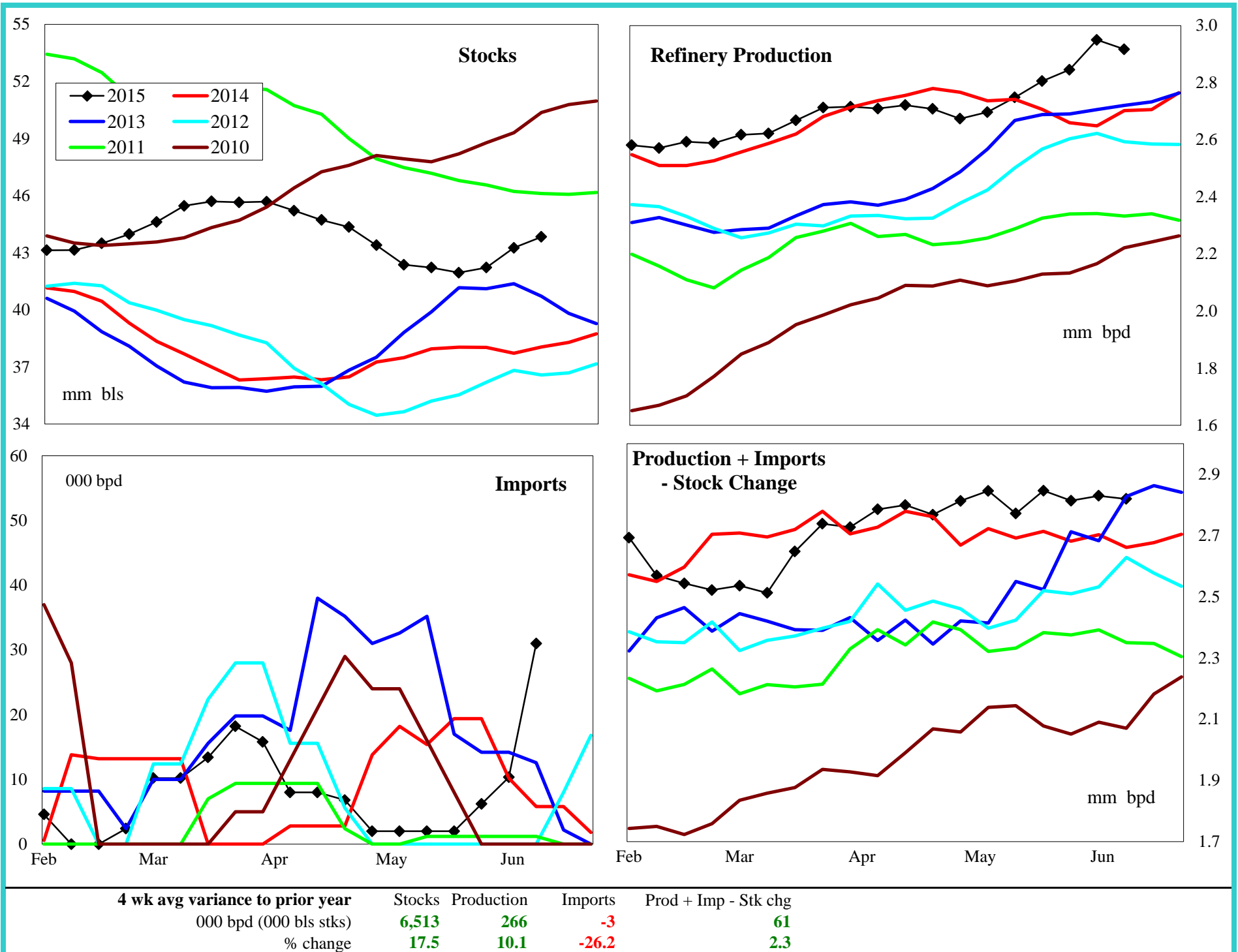
5.4

Prod + Imp - Stk chg

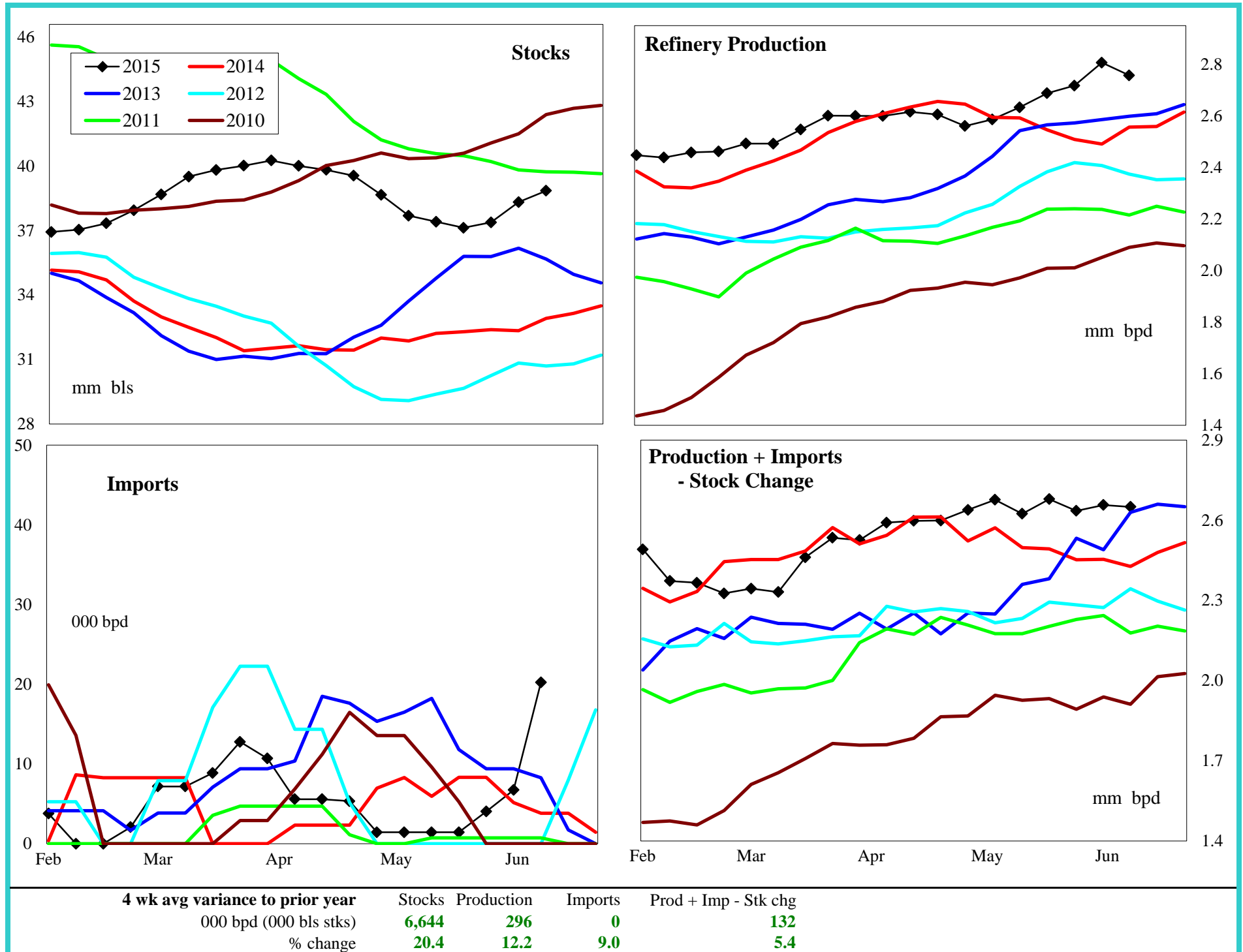
-218

-11.2

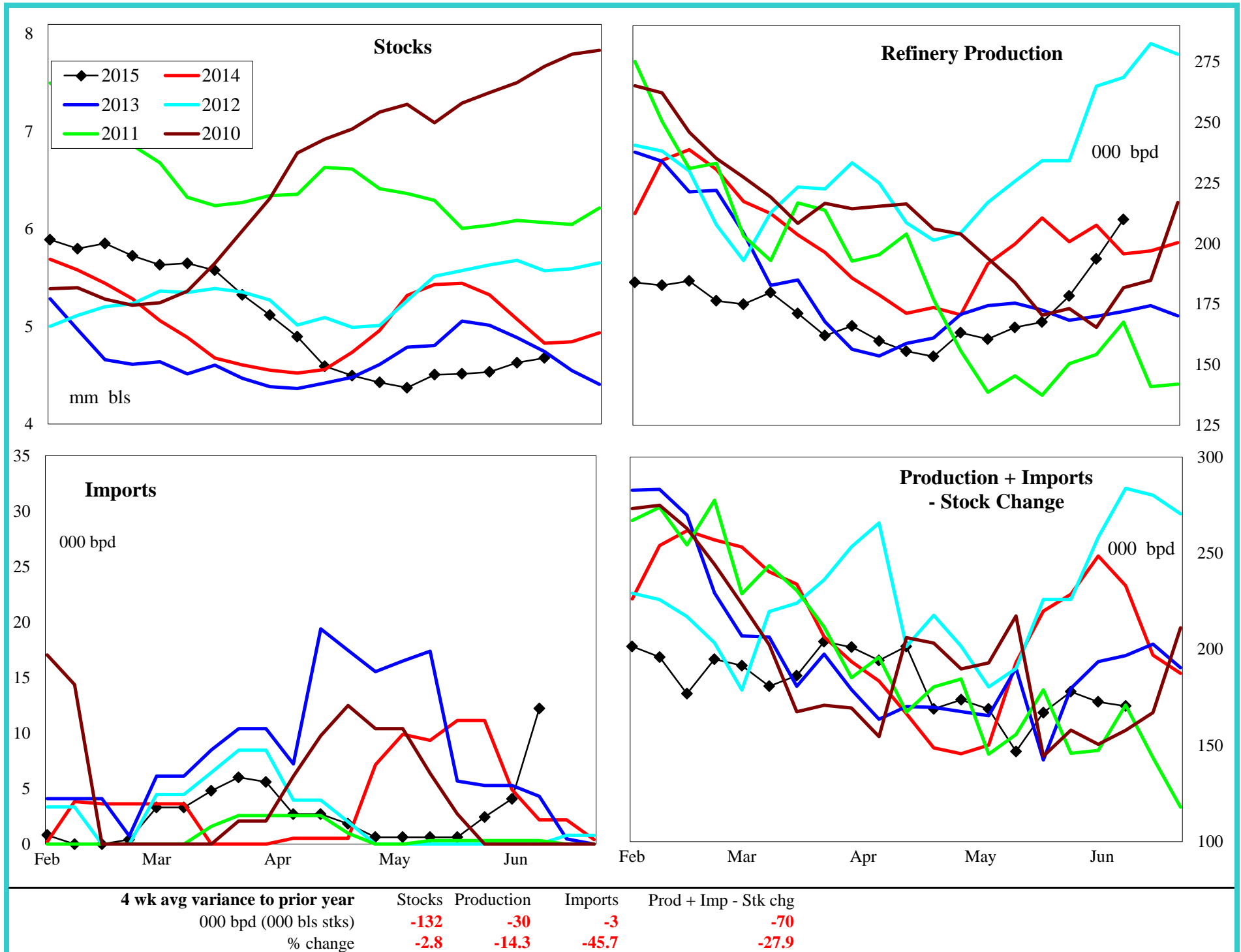
PADD 3 Distillate Supply



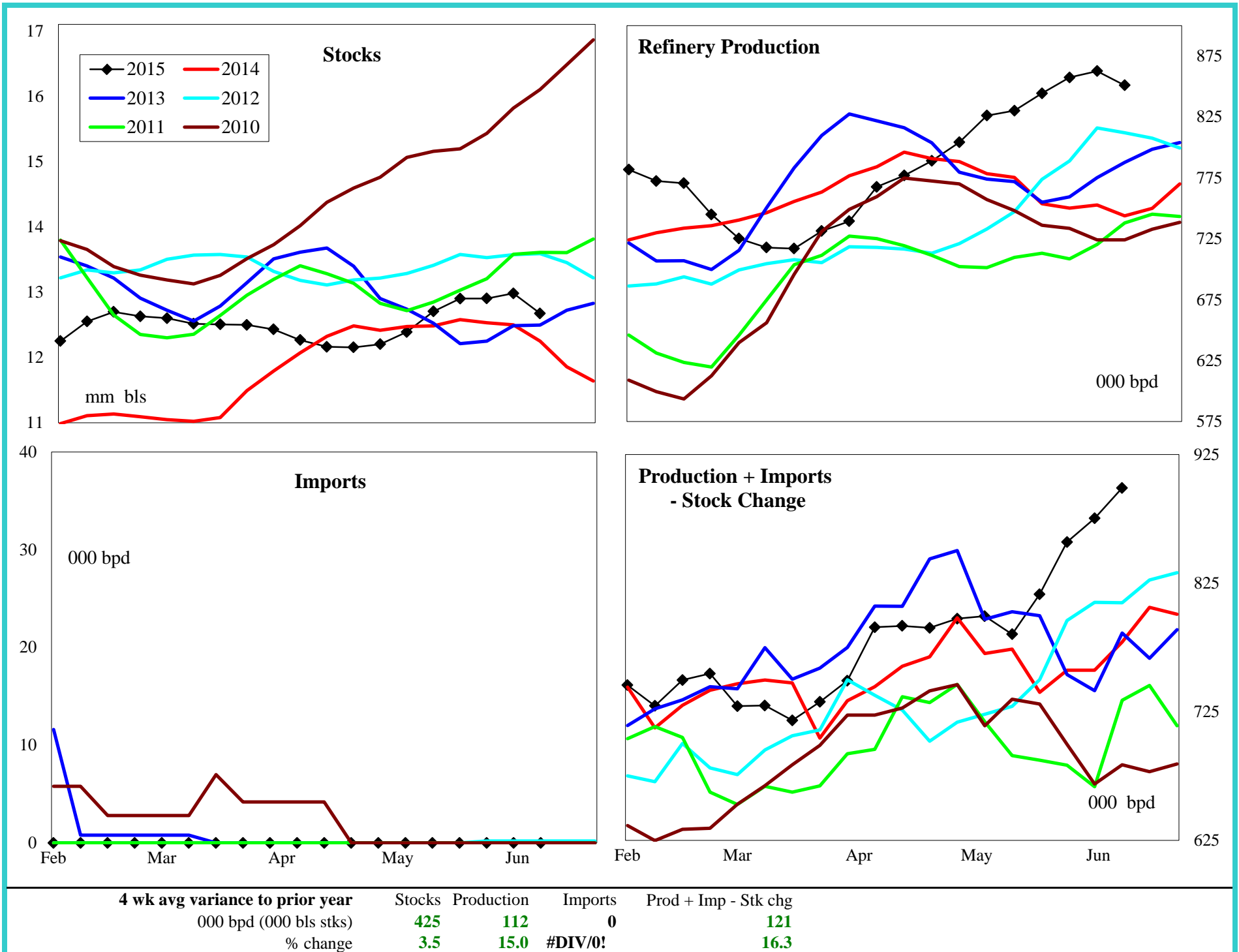
PADD 3 Low Sulfur Distillate Supply



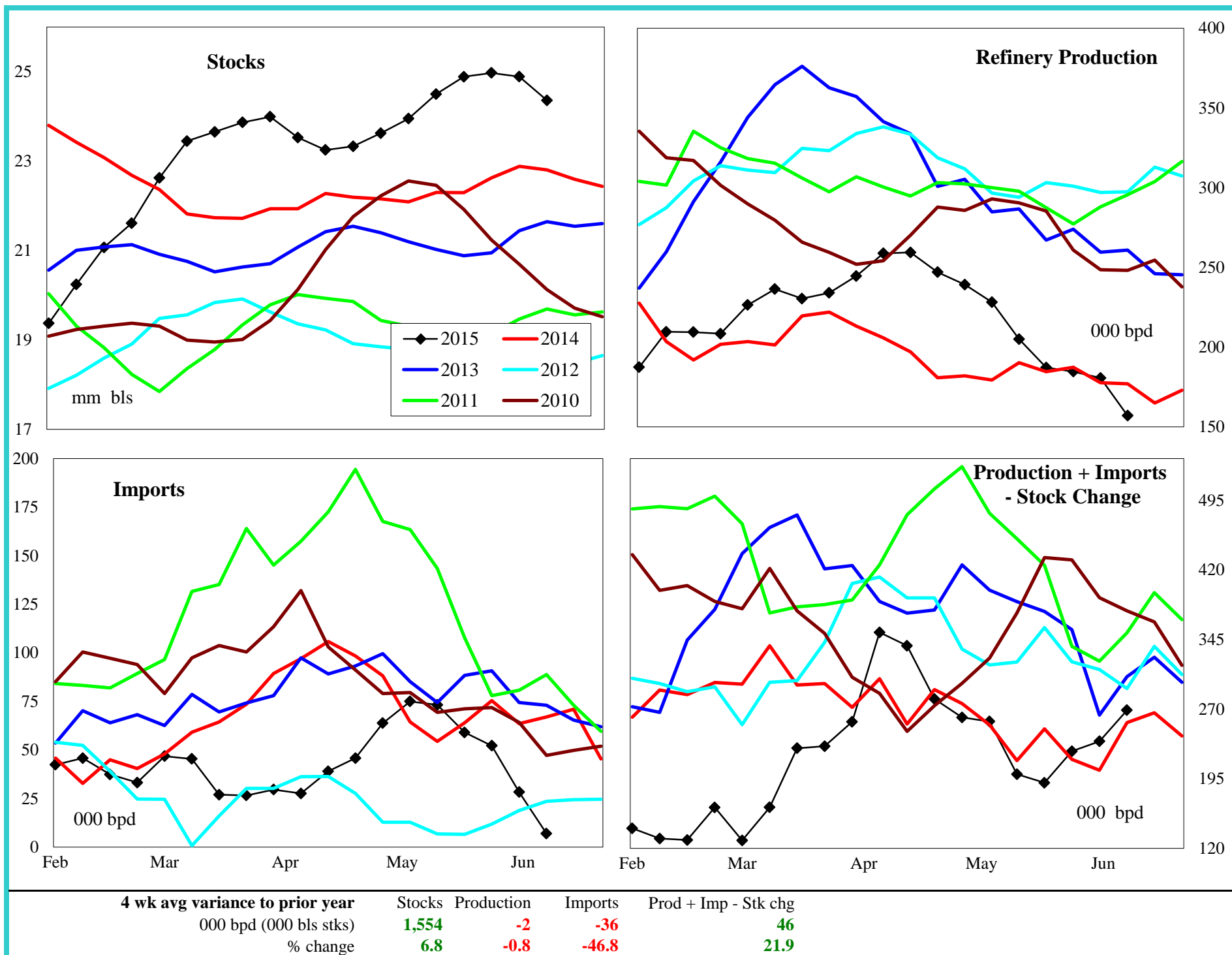
PADD 3 High Sulfur Distillate Supply



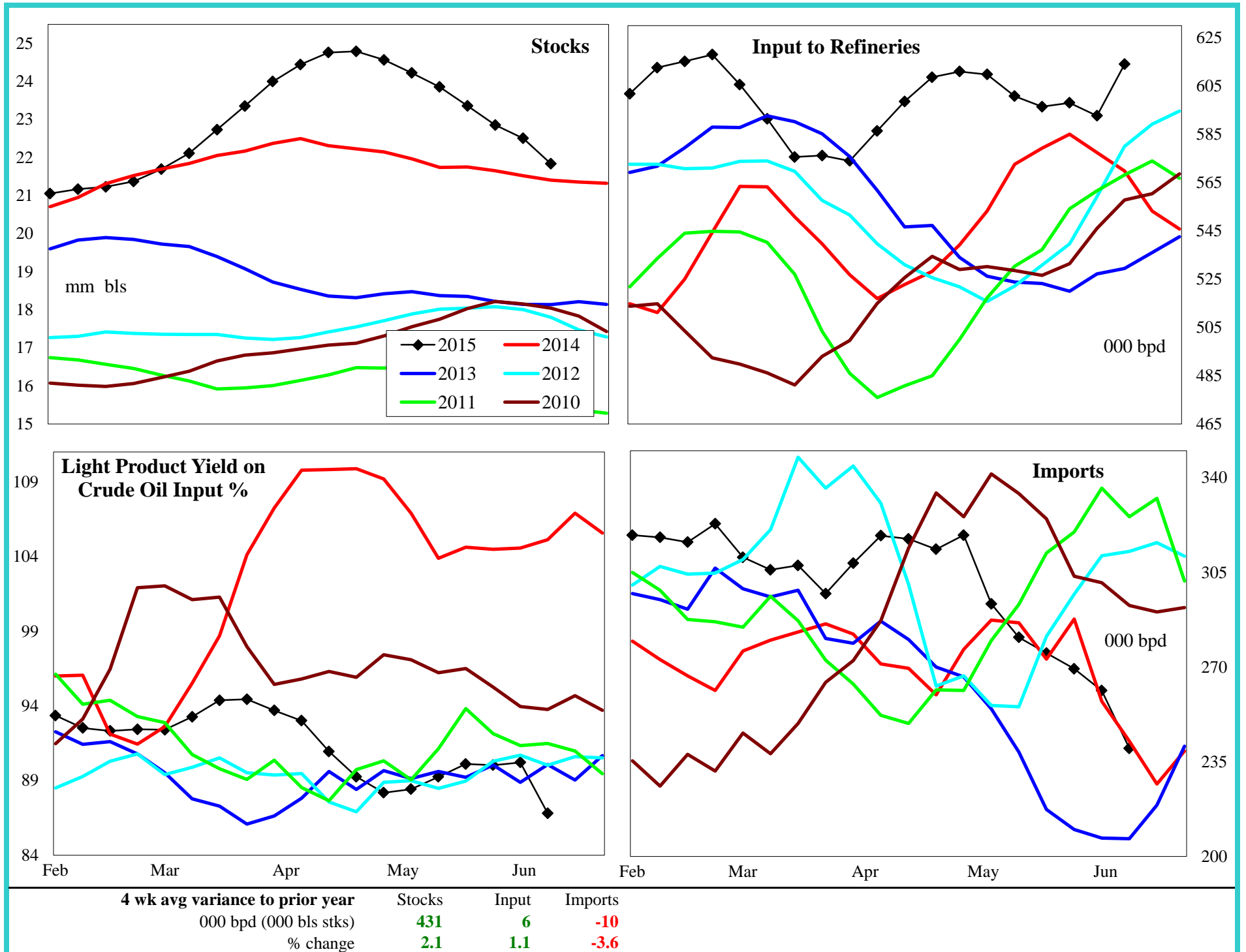
PADD 3 Jet Fuel Supply



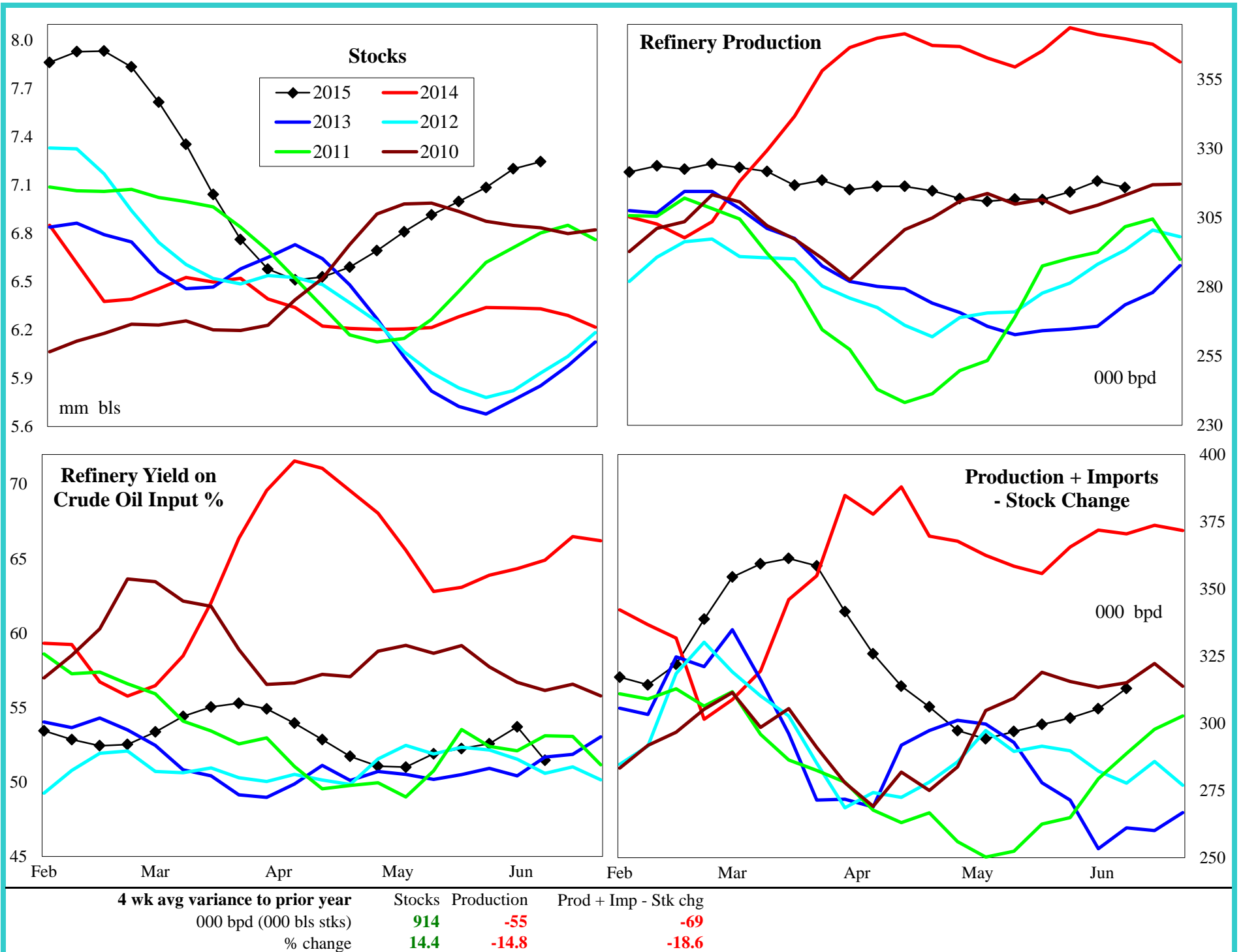
PADD 3 Residual Fuel Oil Supply



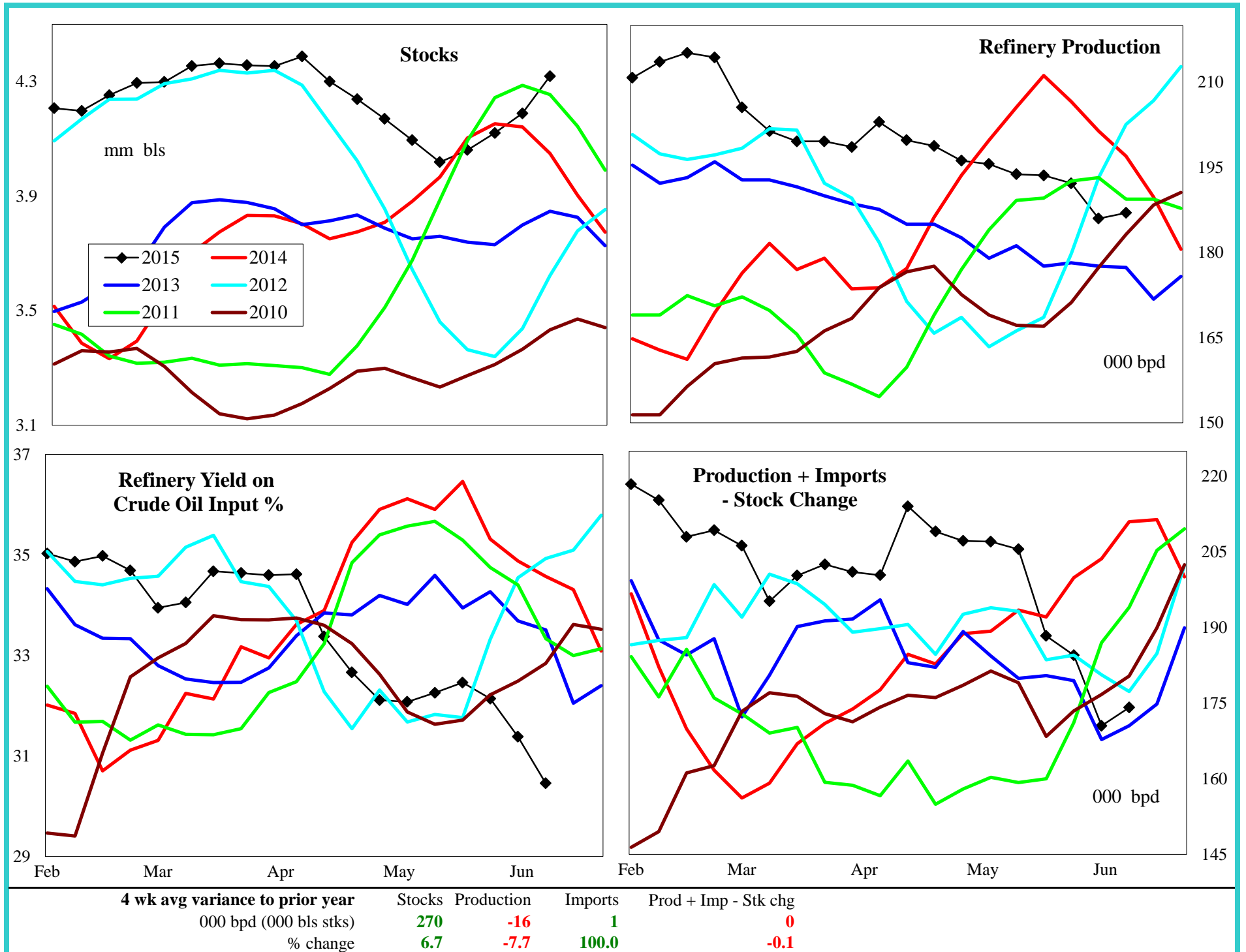
PADD 4 Crude Oil Supply and Refining



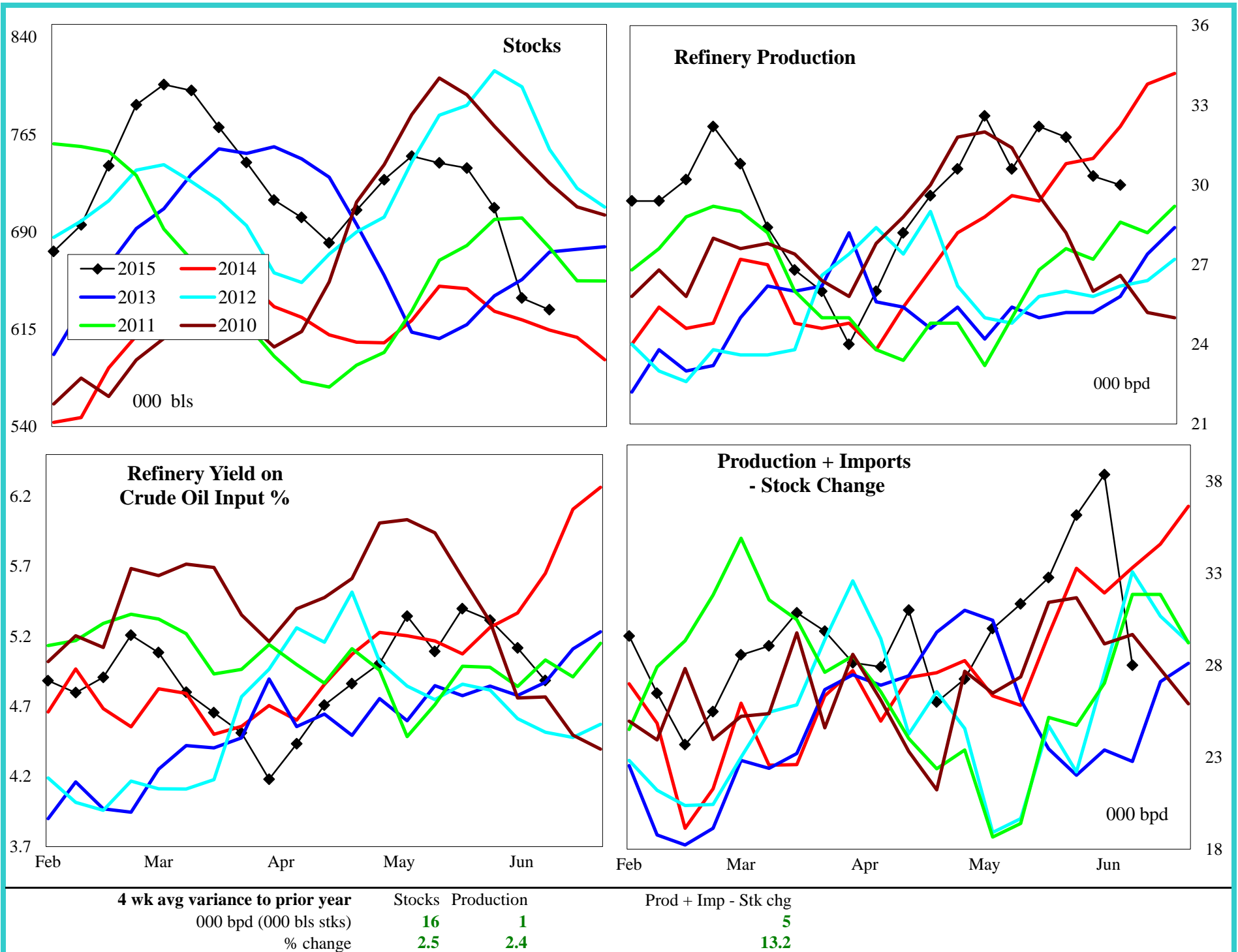
PADD 4 Gasoline Supply



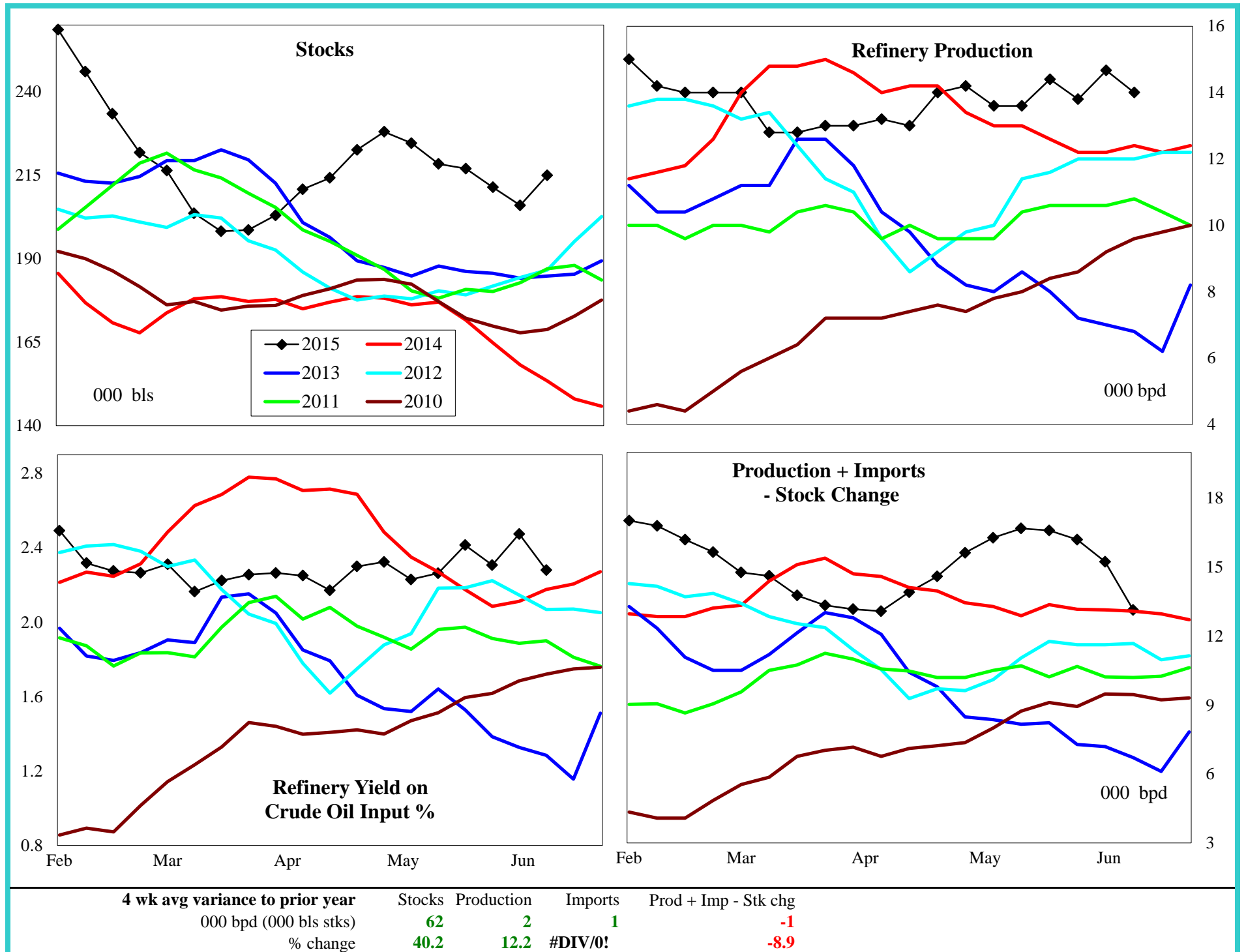
PADD 4 Distillate Supply



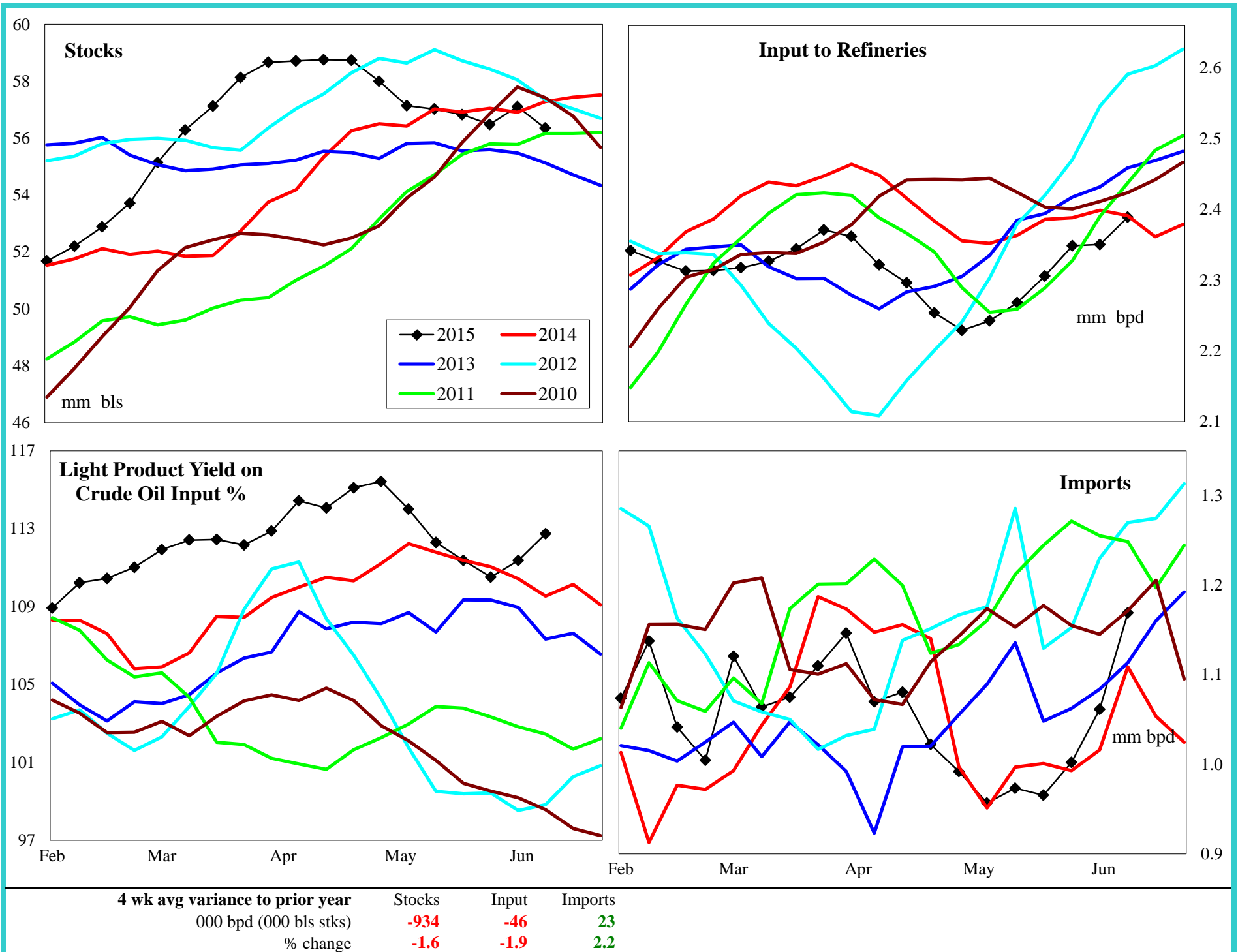
PADD 4 Jet Fuel Supply



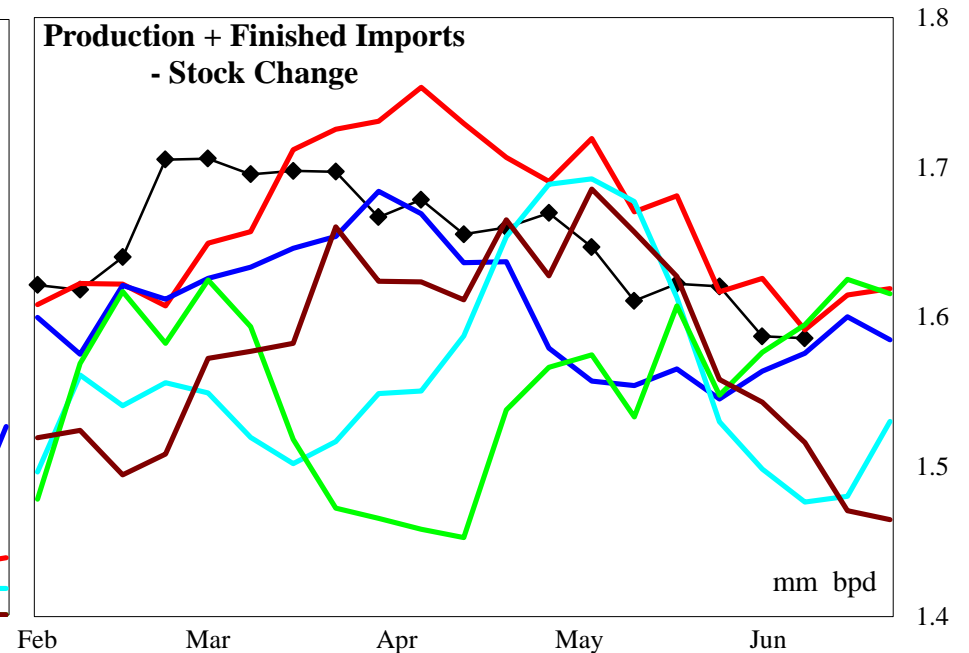
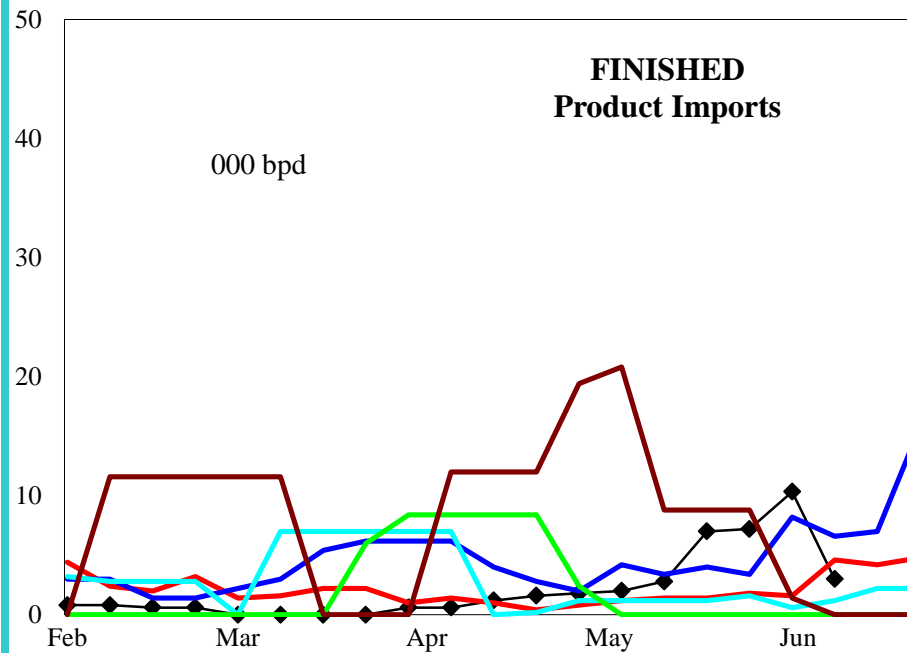
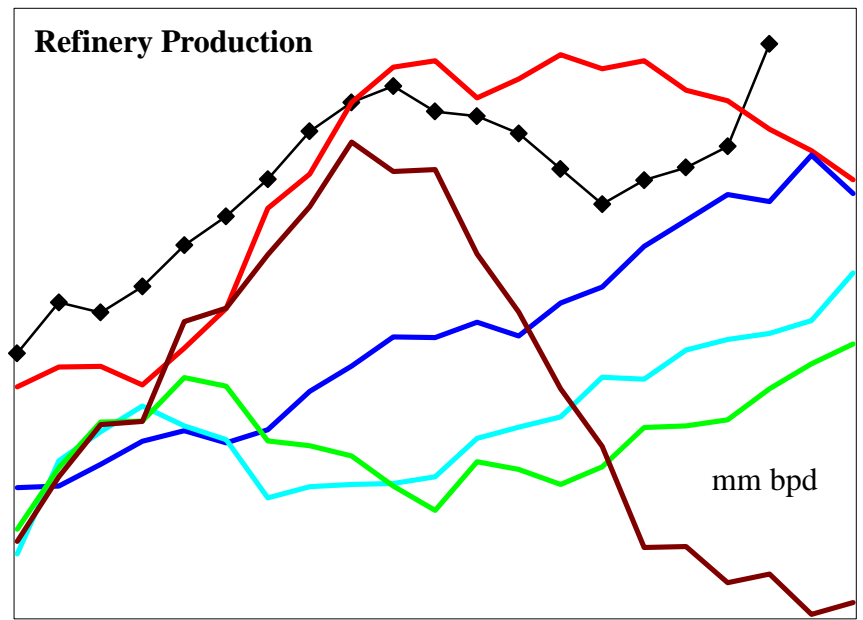
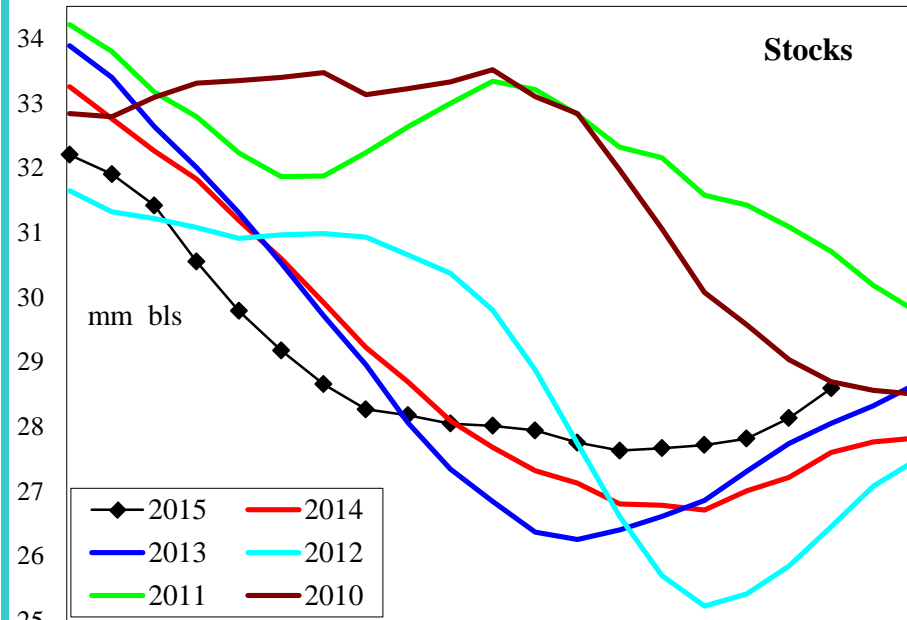
PADD 4 Residual Fuel Oil Supply



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

Production

Fin Impt Blend Impt

Prod + Imp - Stk chg

280

-26

7

69

-5

1.0

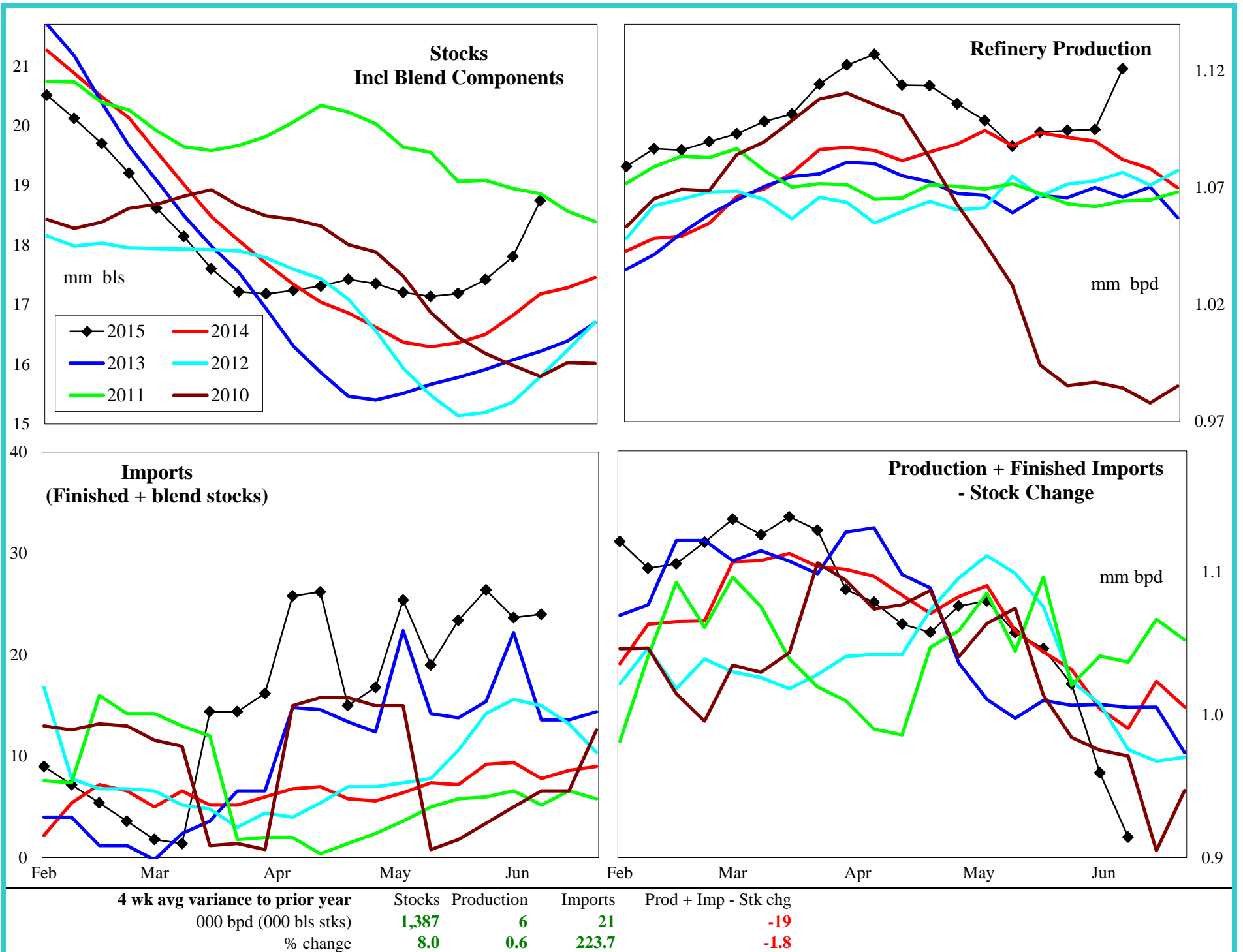
-1.6

400.0

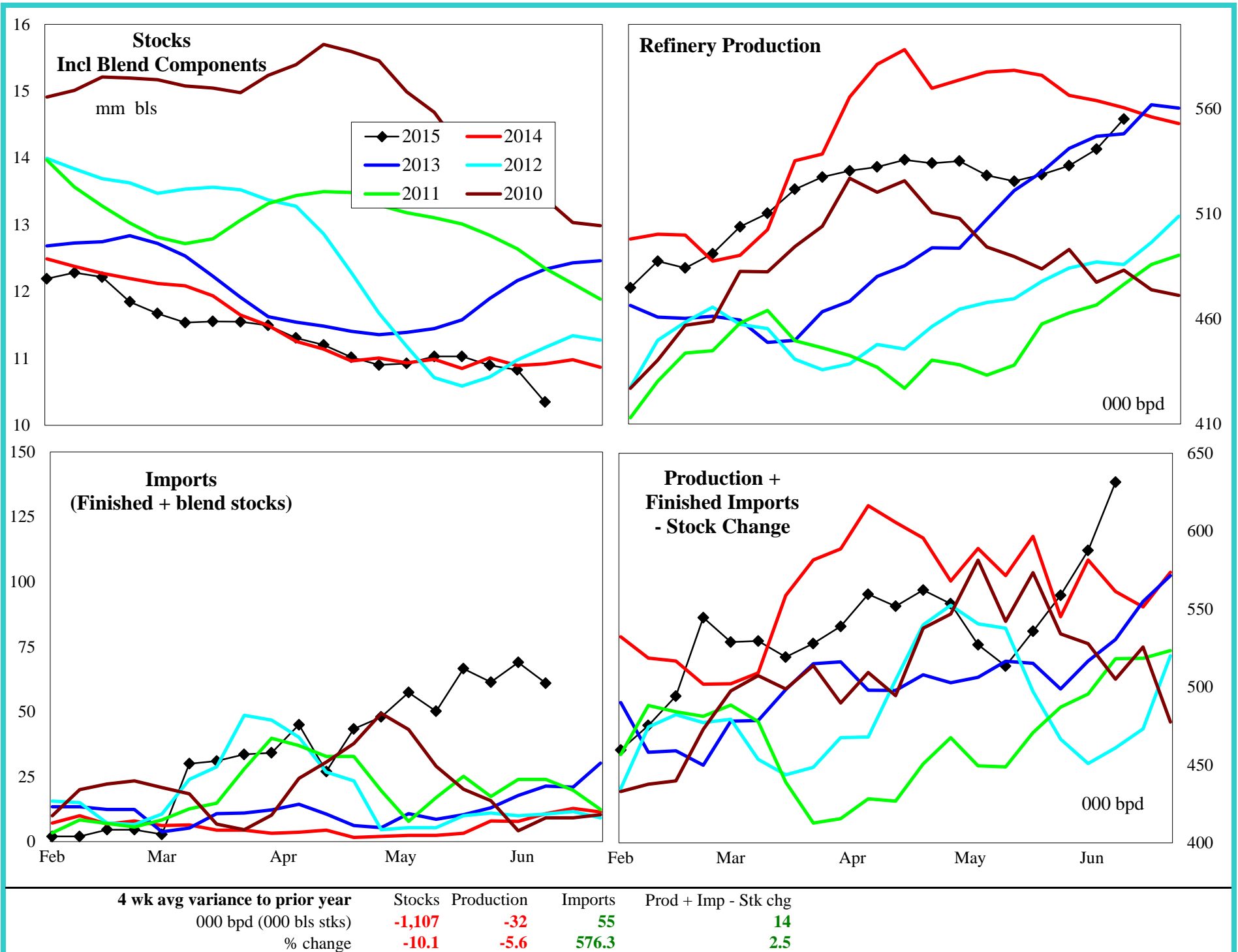
400.0

-0.3

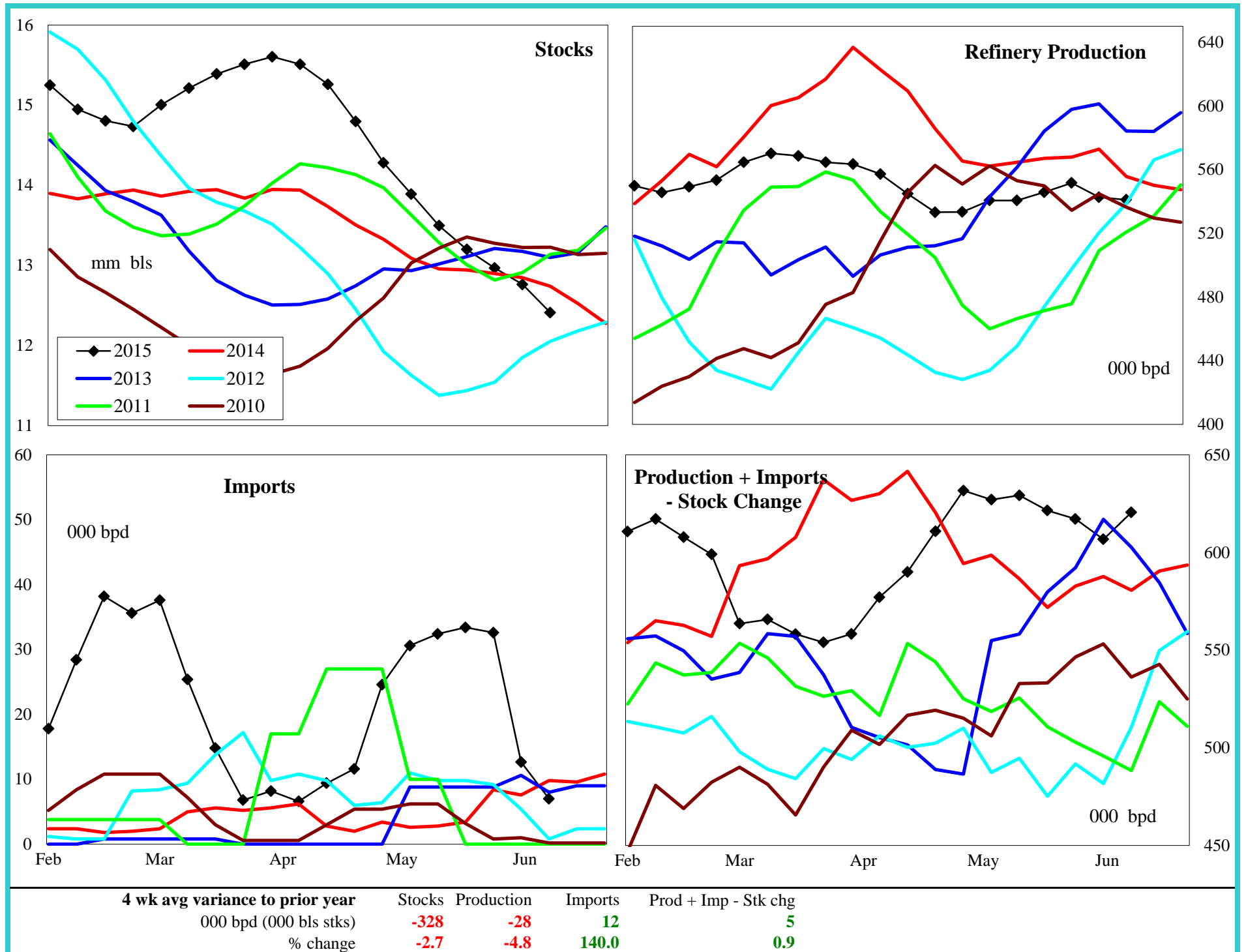
PADD 5 Reformulated Gasoline Supply



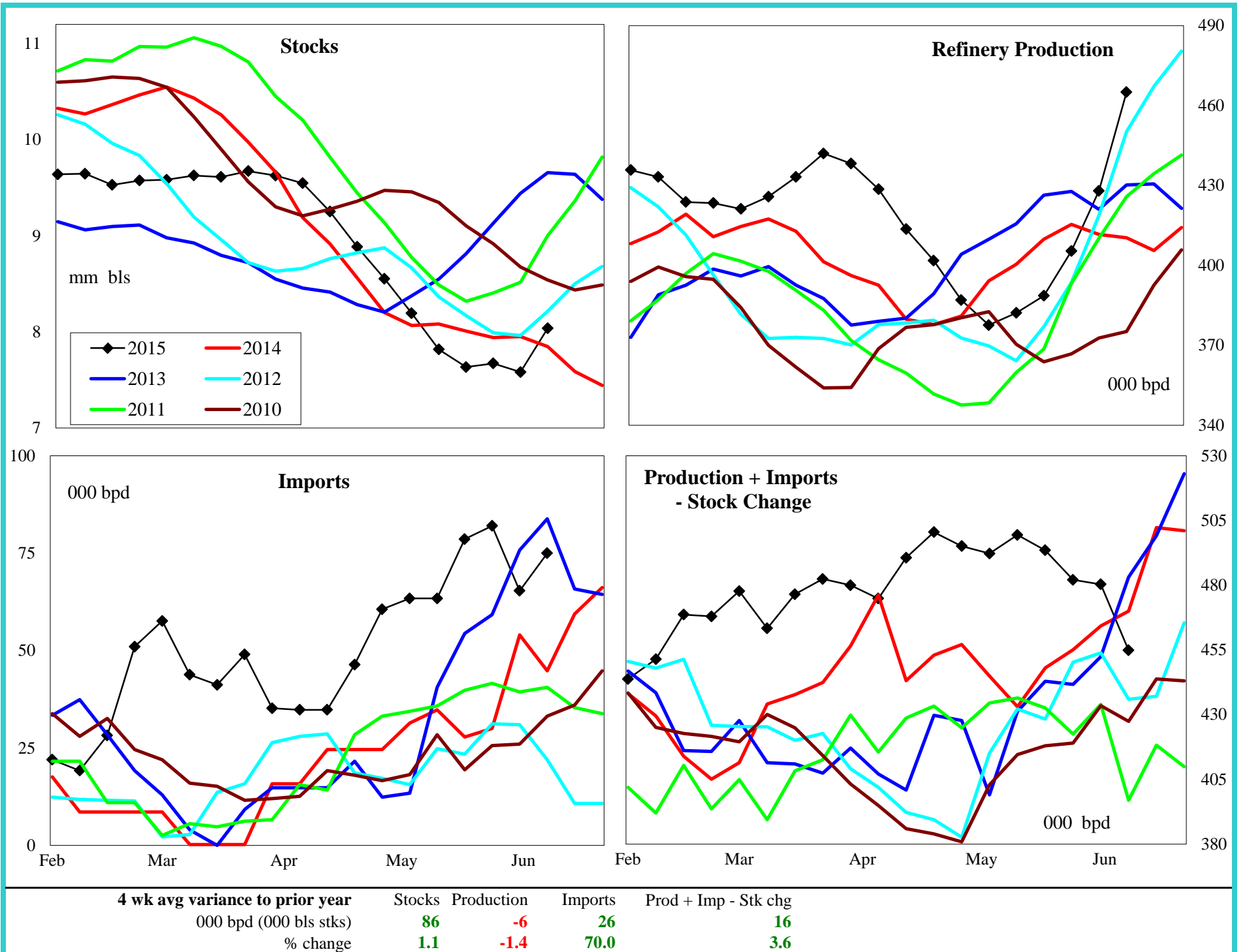
PADD 5 Conventional Gasoline Supply



PADD 5 Distillate Supply



PADD 5 Jet Fuel Supply



PADD 5 Residual Fuel Oil Supply

