



WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

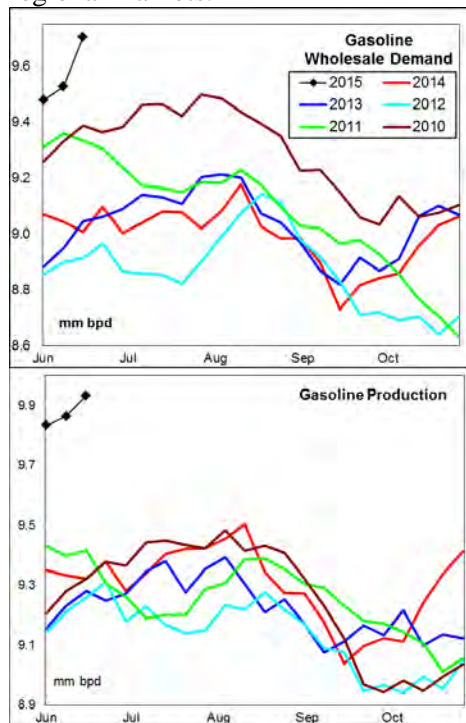
A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Wednesday, June 24, 2015

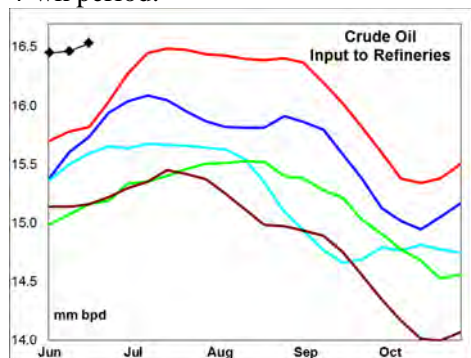


Major Fundamental Trends¹

Gasoline wholesale demand continues to exhibit robust year-on-year growth of +3% during the last quarter. Refinery production has increased by nearly +5% during the last month, so that stock levels remain ample in all regional markets.

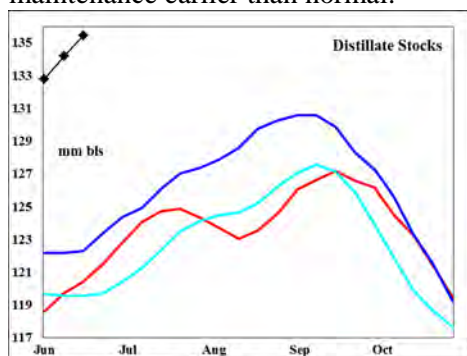


The surge in production is supported by a +0.8 million bpd increase in refinery crude oil runs during the latest 4-wk period.



The large year on year increase in crude oil refinery throughput may not be maintained during the next quarter, as refiners this year returned from

maintenance earlier than normal.



Distillate stocks increased +1.8 million barrels last week, extending the record rate of build East of the Rockies. Stock levels ended the week +15 million (+12%) barrels above last year, with the increase distributed across all regional markets. Weak wholesale demand and exports, combined with record production underlies this build in stocks. Risk is increased of widespread over supply by the end of the 3rd quarter.

Wholesale Demand for gasoline jumped +0.5 million bpd on the week, while distillate fell by a similar amount.

Wholesale demand, measured over the last four weeks compared to a year ago: gasoline increased +4.5%, distillate decreased -0.9%, jet fuel was +7% higher, while residual fuel increased +11%.

Stocks forward coverage: Gasoline demand coverage decreased on a +0.7 million barrel stock build, more than offset by a spike in wholesale demand. Coverage ended the week at a level near the 3-yr mid range.

Distillate demand coverage increased on a +1.8 million barrel stock build and sharply lower wholesale demand. Coverage ended the week at a level above the 3-yr range.

Jet fuel coverage fell on a -0.8 million barrel stock draw and higher wholesale demand. Coverage levels matched 5-yr lows for the period.

Refinery utilization rates increased on a +250,000 bpd rise in crude oil runs last week. During the latest 4-wk

period crude oil input was +0.8 million bpd above last year.

Gasoline yield % on crude oil runs increased last week on a +0.3 million bpd rise in output compared to the +250,000 jump in crude oil runs. Gasoline yield % on crude oil runs ended the week at a level above the 3-yr range.

Distillate yield % on crude oil runs fell on a -41,000 bpd decline in output compared to the increase in crude oil runs. The yield % on crude oil runs was near 3-yr lows for the period.

Jet fuel yield % on crude oil runs decreased last week on no change in output compared the increase in crude oil runs, with yields still near historic highs.

Petroleum Imports/Exports: Crude oil imports declined -0.3 million bpd on the week, concentrated in regions East of the Rockies.

During the latest 4-wk period crude oil imports decreased -0.3 million bpd compared to a year ago; distillate imports were +11,000 bpd higher; finished gasoline imports were +4,000 bpd higher; gasoline blend stock imports were +61,000 bpd higher, jet fuel imports increased +63,000 bpd, while residual fuel imports were +6,000 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 -4.9 million barrels on the week, concentrated in the Gulf region and driven by a +0.8 million bpd year on year increase in crude oil runs for the latest 4-wk period.

Reduced imports from Canada contributed to the -1.9 million barrel draw in Cushing last week.

¹ Source is latest EIA Weekly Statistics



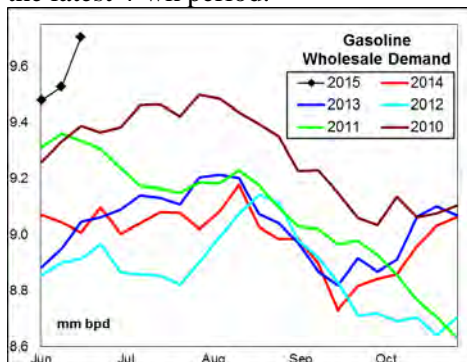
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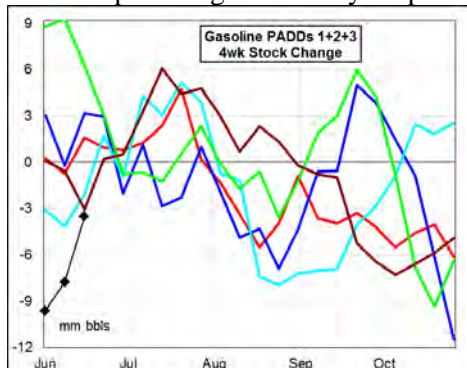
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Product Supply-Demand Trends

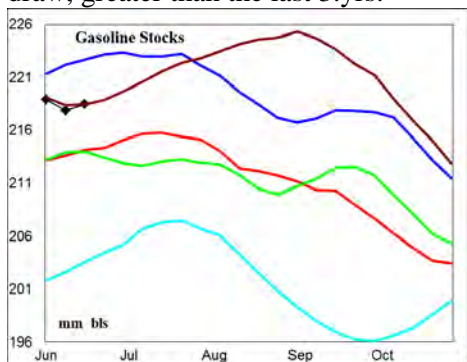
Gasoline wholesale demand increased +0.5 million barrels to a level above the historic range. Wholesale demand was +403,000 bpd above last year for the latest 4-wk period.



Supply climbed +0.5 million bpd last week. Supply for the latest 4-wk period exceeded a year ago by +0.4 million bpd on higher refinery output.



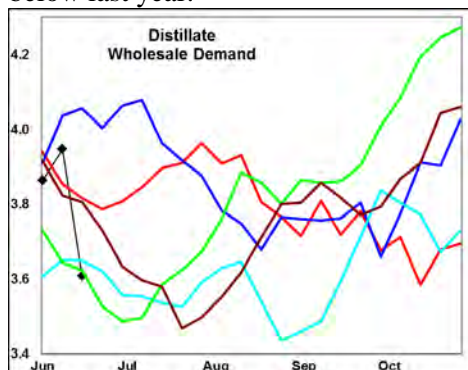
The latest 4-wk stock change East of the Rockies was a -3.1 million barrel draw, greater than the last 3.yrs.



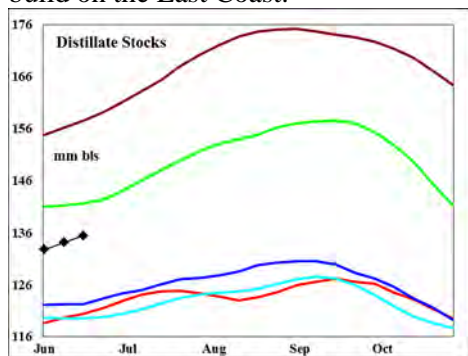
Increased refiner output and higher imports led to a stock build on the week and slow down in the rate of stock draw. Peak season refinery thru put and higher imports should lead to continued modest stock builds during the next 60-days.

Distillate wholesale demand fell -0.5

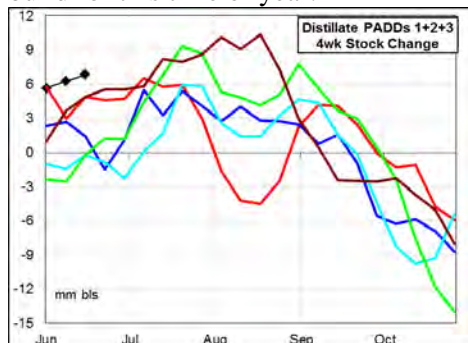
million bpd last week, to a level below the last 3-yrs. The latest 4-wk average wholesale demand was -34,000 bpd below last year.



Supply decreased -60,000 bpd on lower imports and production. Stocks increased +1.8 million barrels last week, including a +2.5 million barrel build on the East Coast.



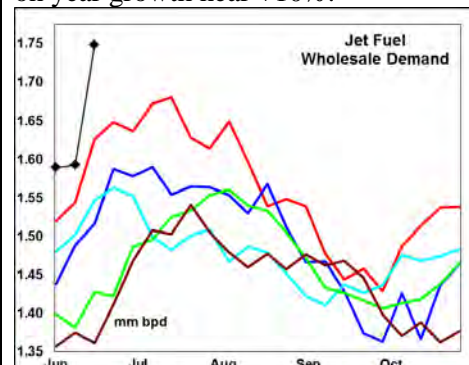
Combined markets East of the Rockies have saw a +6.8 million barrel build for the latest 4-wk period, a record build for this time of year.



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 increased

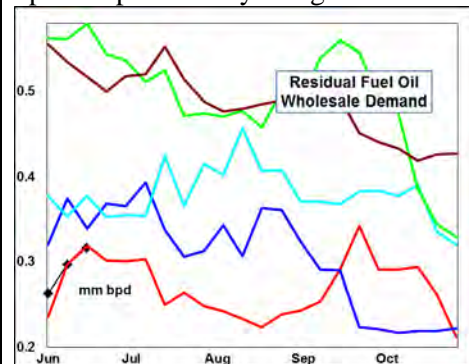
+254,000 bpd on the week, ending at a level above the 5-yr mid range. The latest 4-wk average demand was +112,000 bpd above last year, extending a longer term trend of year on year growth near +10%.



Supply decreased -33,000 bpd on lower imports, with the 4-wk average +227,000 bpd above a year ago. Stocks fell -0.8 million barrels on the week, to a level above the 3-yr mid range.

Look for peak seasonal demand during the next 2-months to drive renewed stock draws across most regional markets.

Residual fuel oil demand increased +6,000 bpd last week. Demand for the latest 4-wk period increased +22,000 bpd compared to a year ago.



Supply (production + imports) increased +22,000 bpd on the week, due to higher imports and production. Stocks decreased -0.5 million barrels, to a level above the last 3-yrs. Stock levels remain above the historic range in the key Gulf region.



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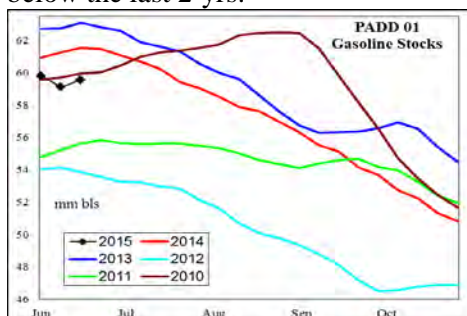
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PADD Supply Trends

PADD 1 refinery crude oil runs increased +63,000 bpd on the week to a level near historic highs. The latest 4-wk average thru put was -37,000 bpd below last year.

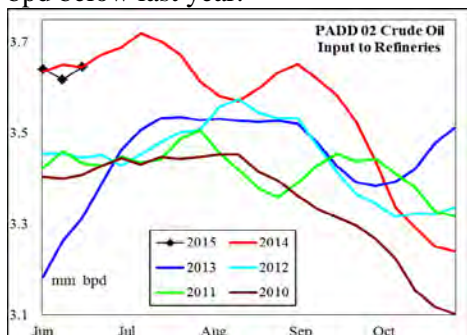
Gasoline supply increased +184,000 bpd on the week, with the 4-wk average +18,000 bpd above last year. Stocks increased +0.5 million barrels last week, ending at a level below the last 2-yrs.



Distillate supply increased +36,000 bpd last week on higher production, with the 4-wk average -47,000 bpd below last year. Stocks increased +2.5 million barrels on the week, to a level +18% above last year.

Jet fuel supply decreased -57,000 bpd on the week, while stocks fell -0.8 million barrels to a level above the last 3-yrs.

PADD 2 crude oil refinery runs increased +72,000 bpd on the week. The latest 4-wk average was -21,000 bpd below last year.



Crude oil stocks decreased -1.2 million barrels last week, driven by a -104,000 bpd decline in imports. Cushing saw a -1.9 million barrel draw for the week.

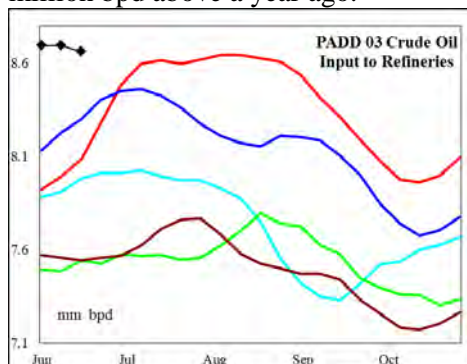
Gasoline supply decreased -24,000 bpd on the week. Production for the most recent 4-wk period was -266,000

bpd below a year ago. Stocks decreased -0.3 million barrels on the week, to a level equal to the 3-yr mid range.

Distillate supply decreased -20,000 bpd on the week, to a level above the 3-yr mid range. The latest 4-wk average production was -84,000 bpd below last year. Stocks decreased -0.4 million barrels on the week, but remains at a very high level.

Jet fuel supply increased +11,000 bpd on the week, with the 4-wk average +36,000 bpd (+16%) above a year ago.

PADD 3 refinery runs increased +102,000 bpd last week, with the level above the historic range. During the latest 4-wk period, runs were +0.9 million bpd above a year ago.



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

Crude oil stocks declined -4.2 million barrels, to a level +25 million barrels (+12%) above the prior high for the period.

Gasoline supply decreased -129,000 bpd last week, with the latest 4-wk average -70,000 bpd below a year ago. Stocks increased +0.6 million barrels on the week, to a level near historic highs for the period.

Distillate supply decreased -143,000 bpd on the week, with the latest 4-wk average supply +261,000 bpd above a year ago. Stocks decreased -0.8 million barrels although the level remains +14% above last year.

Jet fuel production increased

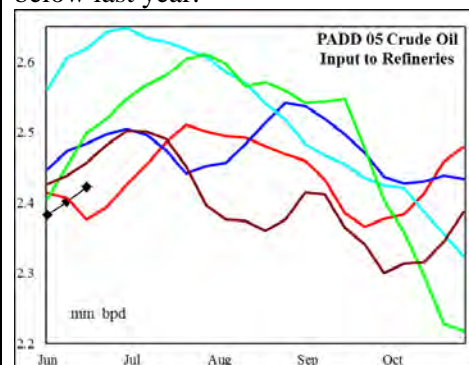
+23,000 bpd on the week, to a level +15% above last year. Stock levels ended the week above the 3-yr mid range.

PADD 4 refinery crude runs decreased -5,000 bpd last week, although the level remains above the historic range. The latest 4-wk average was +24,000 bpd above a year ago.

Gasoline supply fell -36,000 bpd last week, although stocks ended the week +1 million barrels above a year ago.

Distillate supply increased +5,000 bpd last week, with the latest 4-wk average production -13,000 below last year. Stock levels ended the week at a record high for the summer quarter.


PADD 5 crude oil refinery runs increased +18,000 bpd on the week to a level just above last year. The 4-wk average thru put rate was -34,000 bpd below last year.



Gasoline supply increased +44,000 bpd on the week, driven by higher imports; with the latest 4-wk average +13,000 bpd above last year. Production levels continued above the historic range for the 2nd consecutive week. Stocks decreased -0.2 million barrels on the week, to a level that matched 3-yr highs for the period.

Distillate supply increased +61,000 bpd on the week, due to higher production. The 4-wk average supply was nearly unchanged from last year. Stocks increased +0.5 million barrels on the week, to a level above the 3-yr mid range.

Jet fuel stock levels remain near last year's historic lows.



FUNDAMENTAL

PETROLEUM TRENDS

PETROLEUM: Graph Link and Weekly Summary

A Fundamental Petroleum Trends Weekly Report

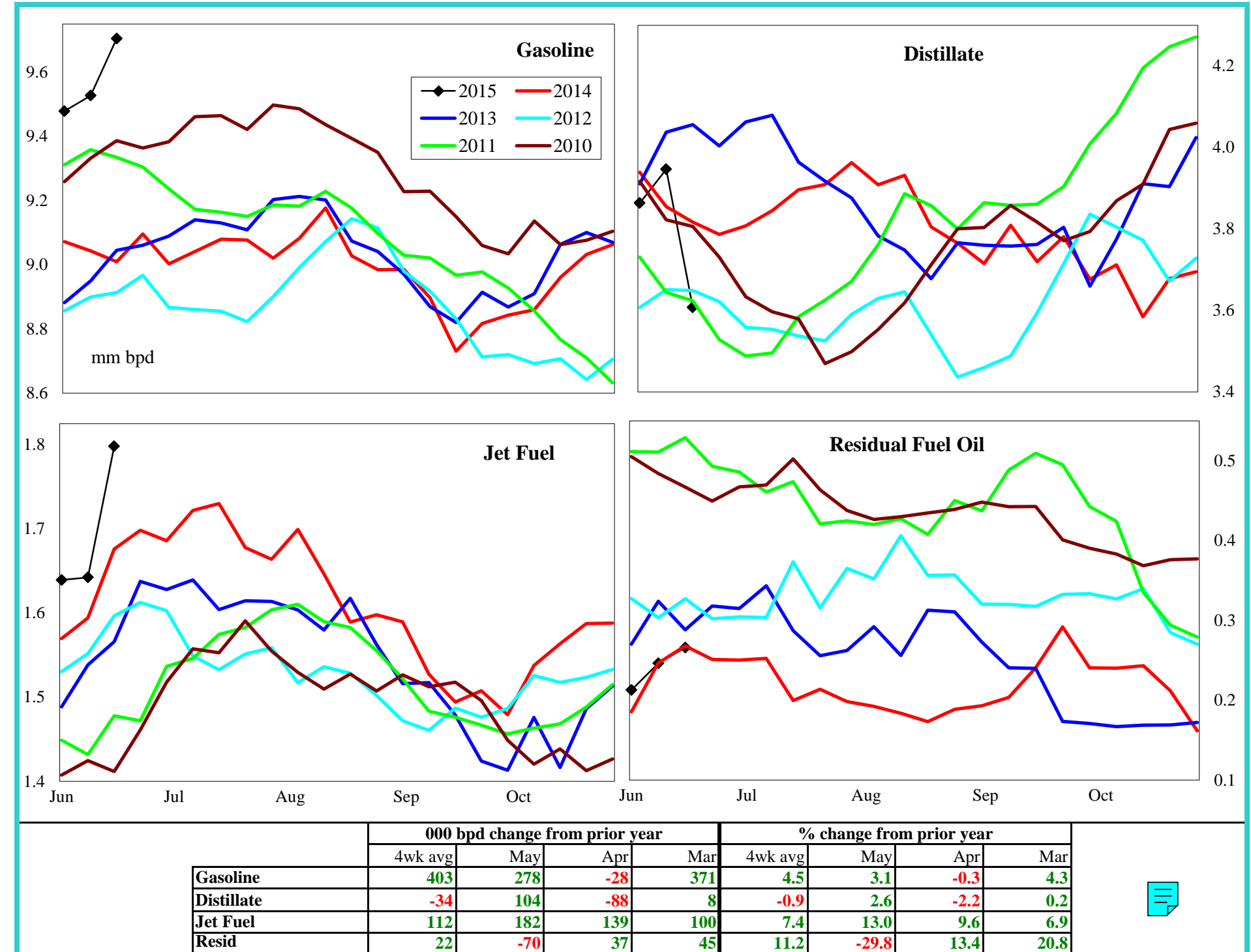
June 24, 2015

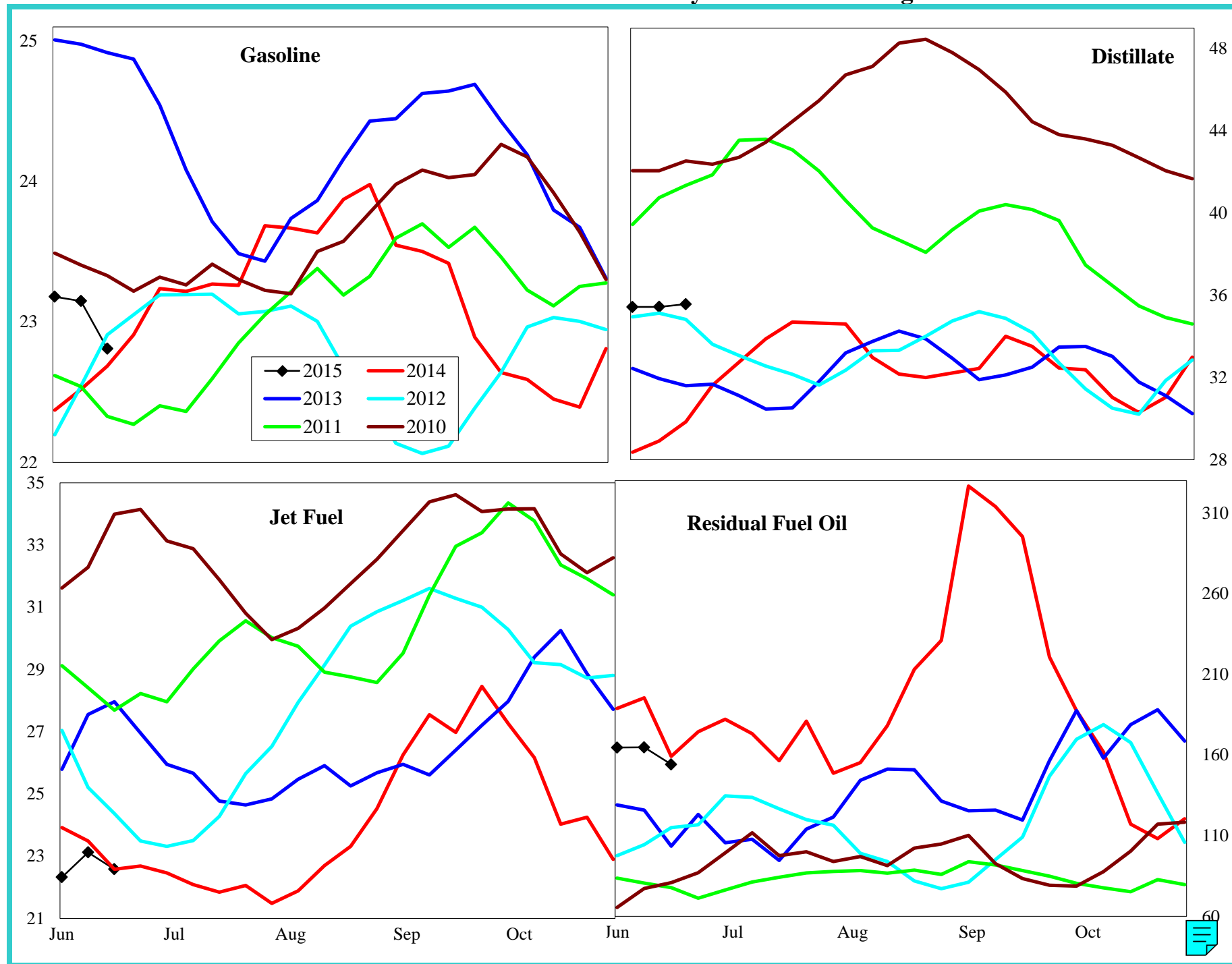
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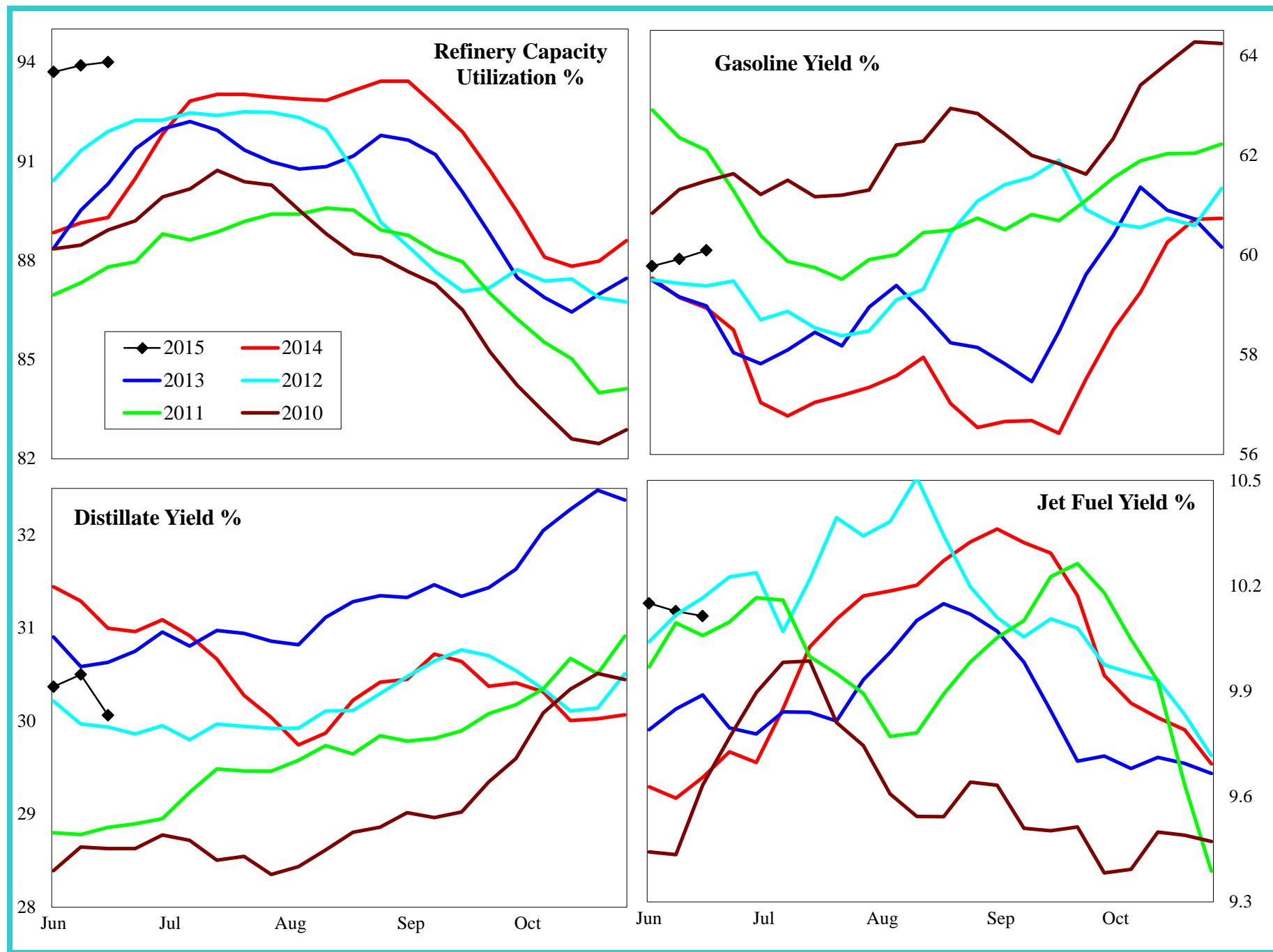
Fundamental Trends	Wholesale Demand	Stocks Days Fwd Coverage	Refinery Utilization		Product Yield %		Imports
Supply/Demand Trends	19-Jun-15	EIA-DOE CHANGE FROM PRIOR WEEK					
	000 bpd stocks 000 bls	U. S. Total	PADD				
			1	2	3	4	5
Crude Oil	Stocks	-4,934	406	-1,240	-4,163	253	-190
	Imports	-302	-113	-104	-126	38	4
	Input	250	63	72	102	-5	18
	% Utilization	0.90					
Gasoline	Stocks	680	467	-269	601	49	-168
	Production	283	58	-24	-179	-36	2
	Imports	214	124	0	50	0	42
	Supplied	479					
Distillate	Stocks	1,837	2,535	-385	-801	-3	491
	Production	-41	23	-20	-112	5	62
	Imports	-19	13	0	-31	0	-1
	Supplied	-509					
Jet Fuel	Stocks	-774	-777	16	235	20	-267
	Production	0	-3	11	23	4	-35
	Imports	-33	-54	0	0	0	22
	Supplied	254					
Residual Fuel Oil	Stocks	-469	137	35	-560	-11	-69
	Production	11	2	-15	-17	3	37
	Imports	11	-68	3	71	-1	6
	Supplied	6					

United States Wholesale Petroleum Demand

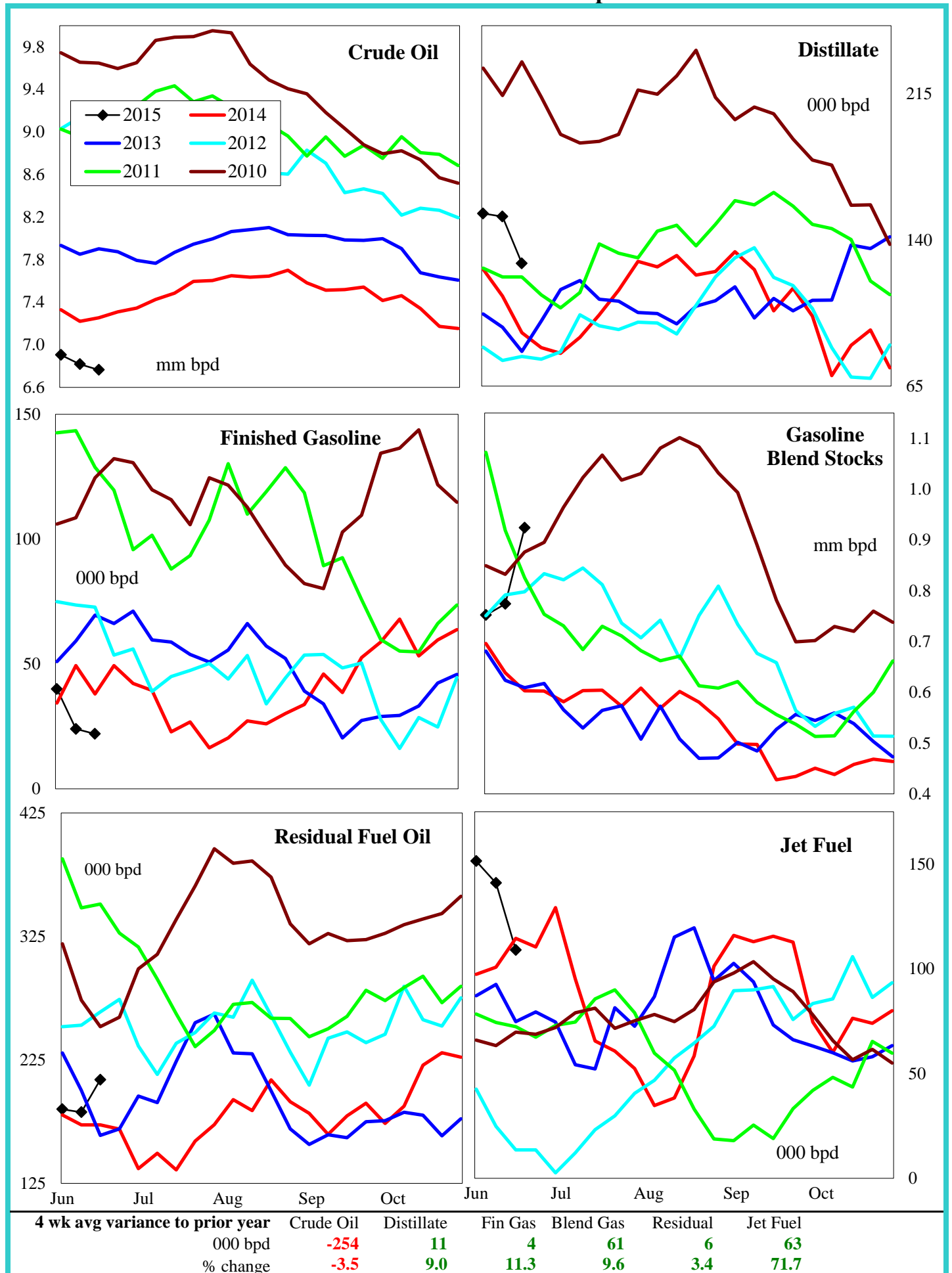


United States Product Stocks: Days Forward Coverage

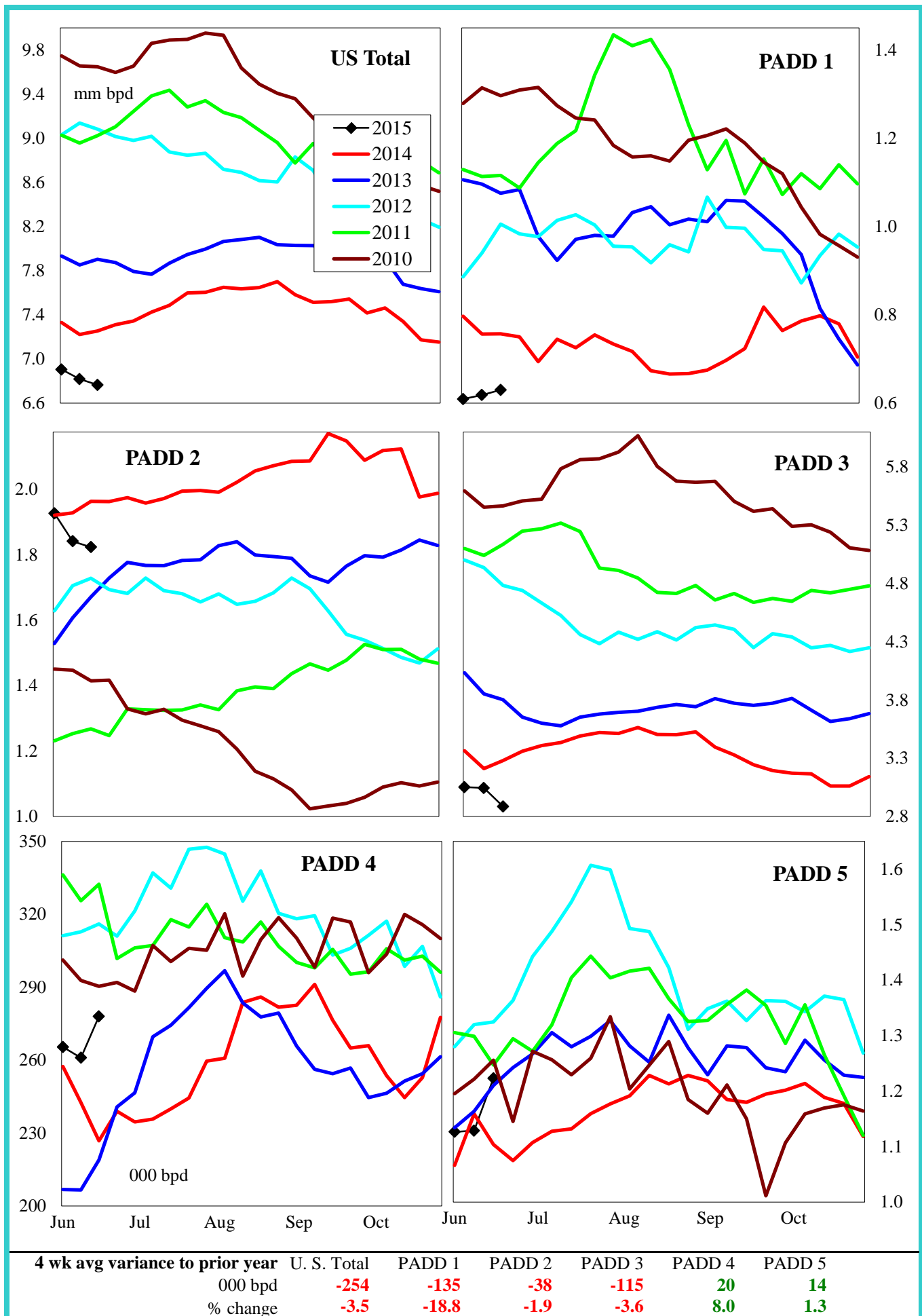
United States Refinery Percent Utilization Rate and Product Yields



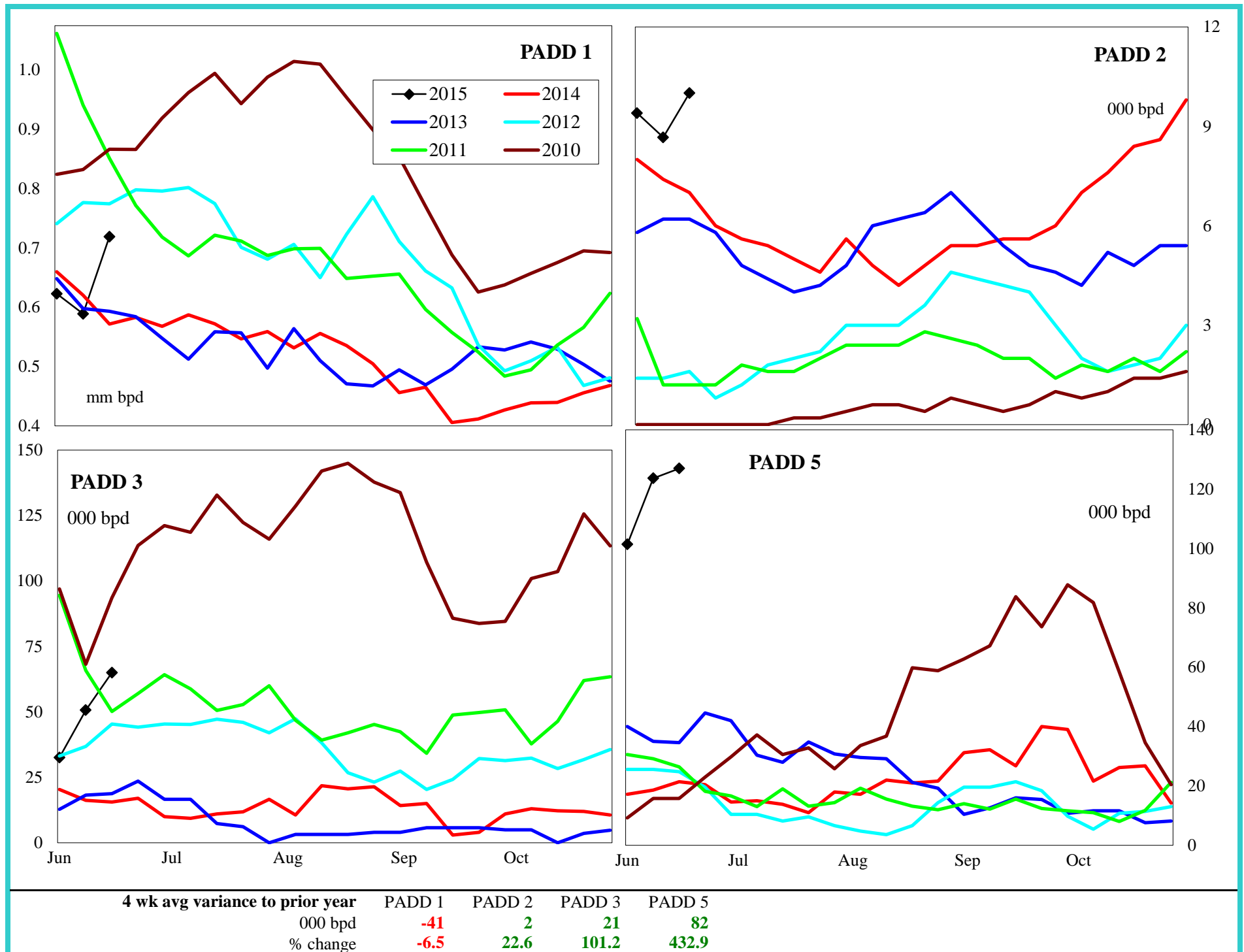
United States Petroleum Imports



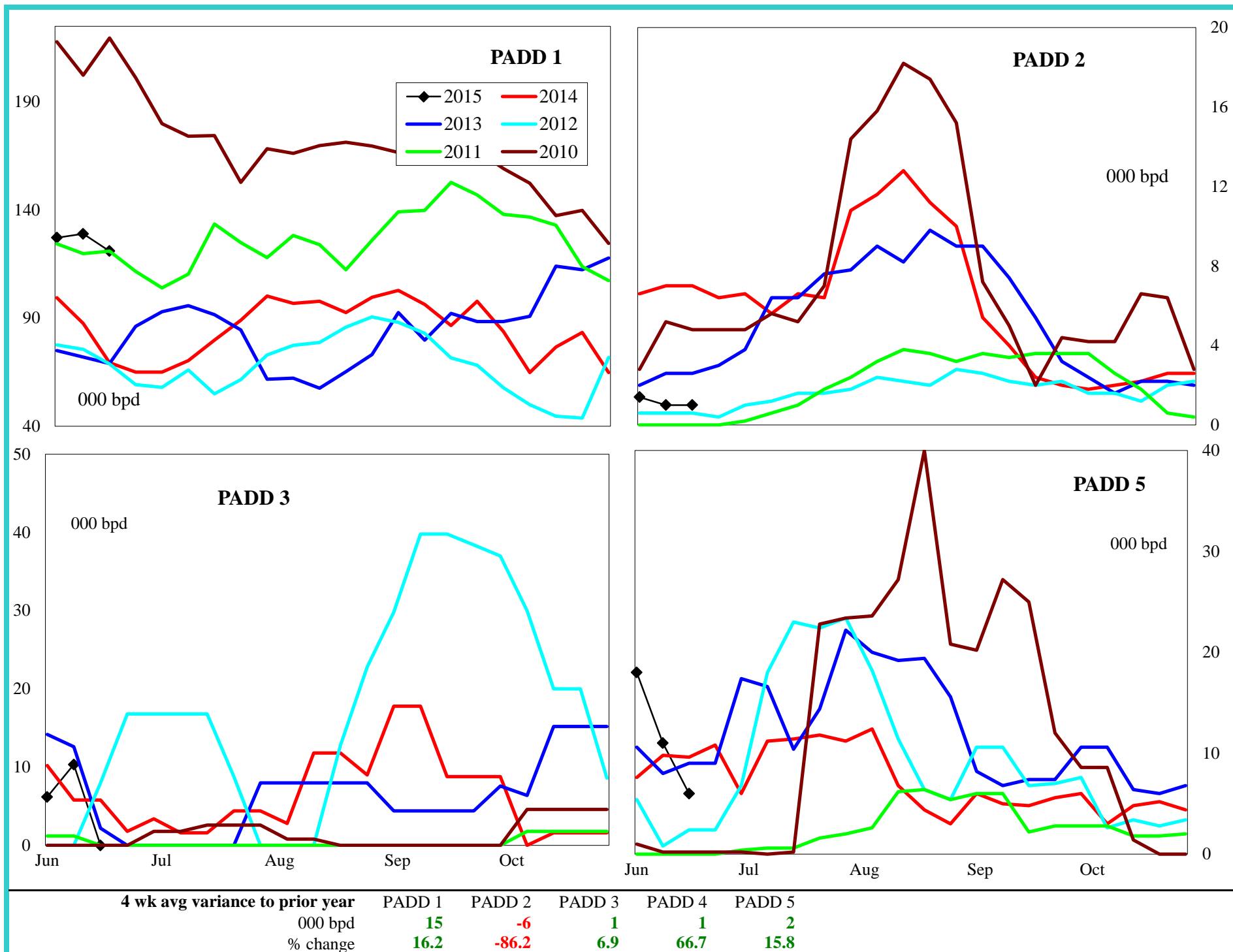
Crude Oil Imports by PADD



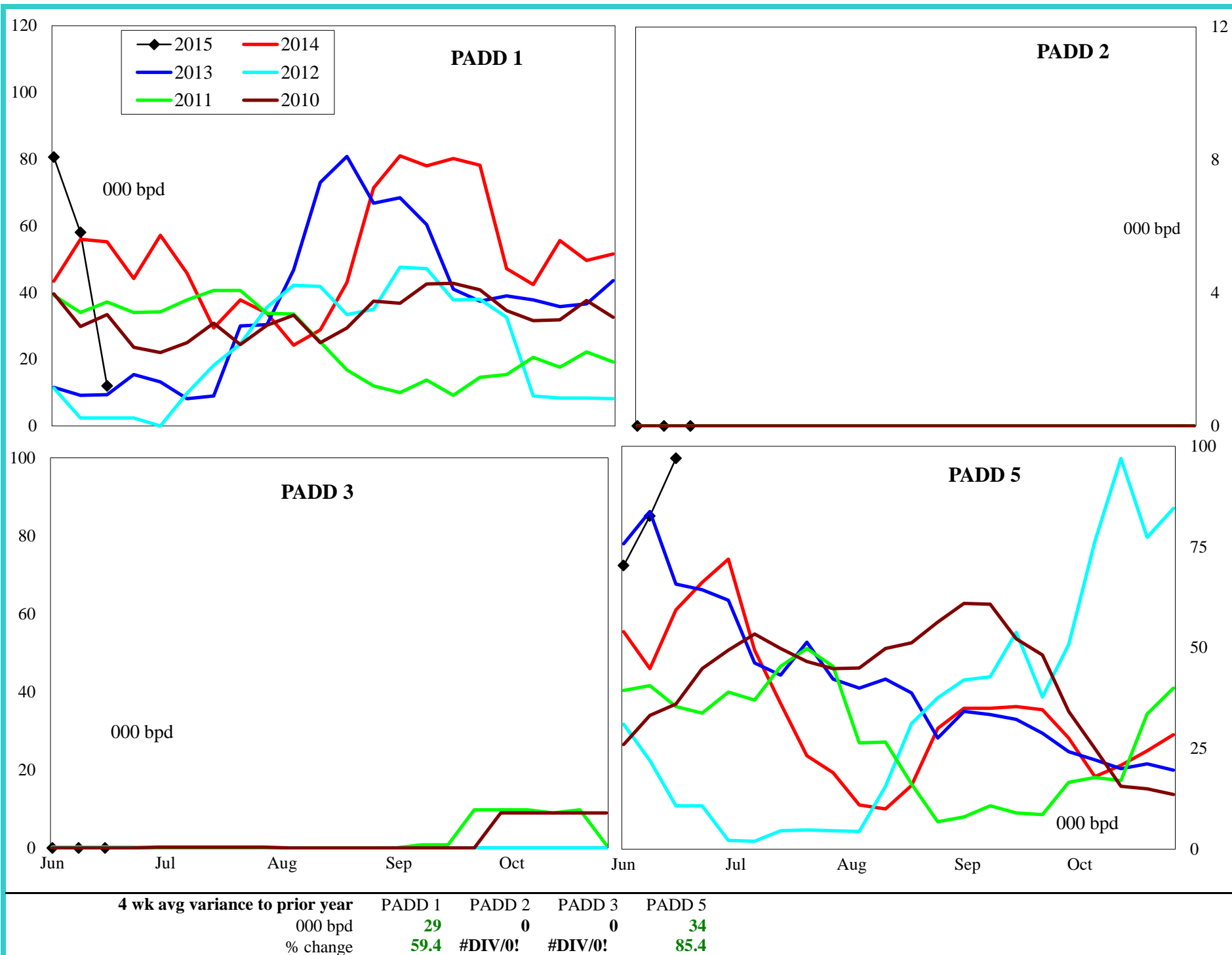
Gasoline Imports by PADD (Finished + Blend Stocks)



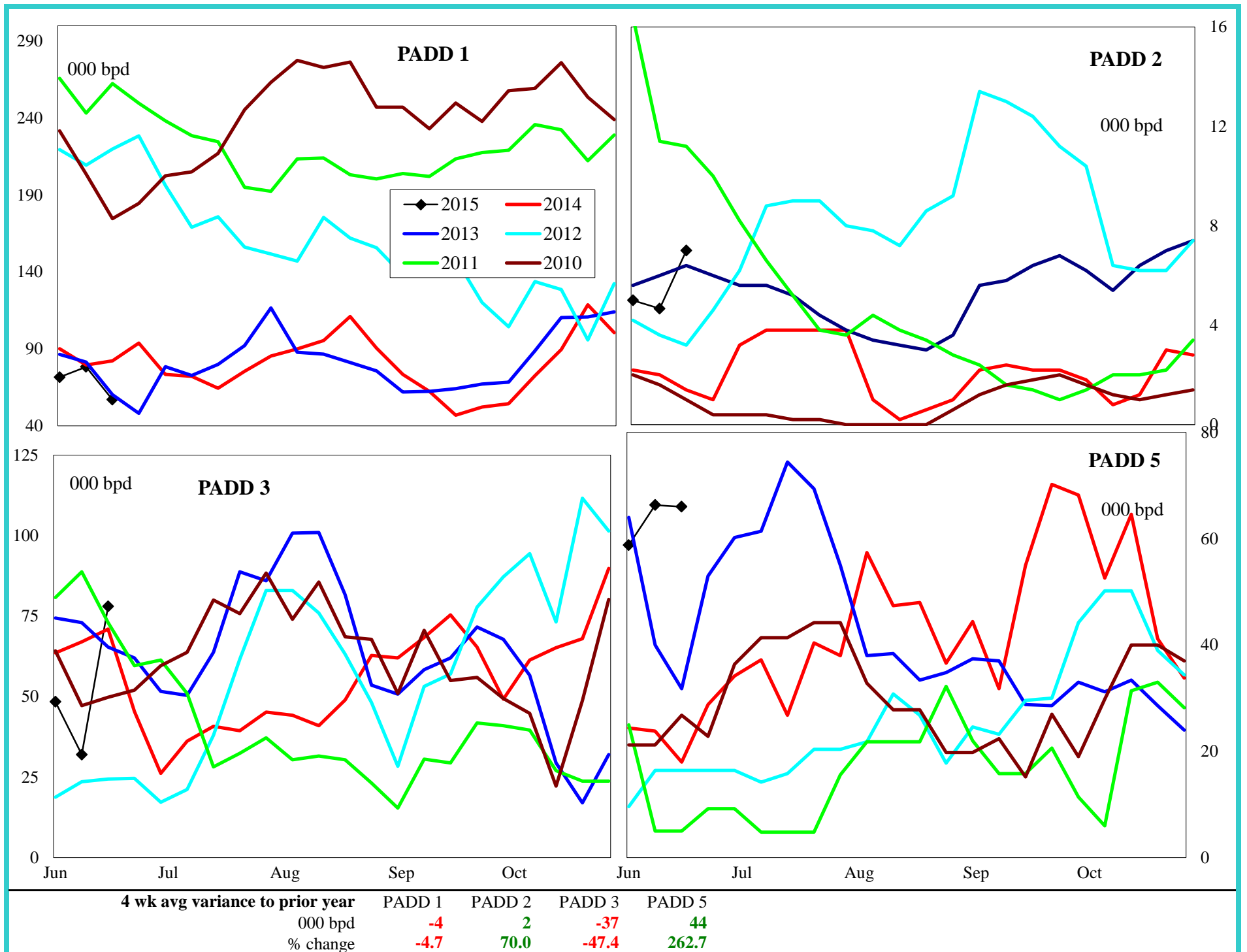
Distillate Imports by PADD



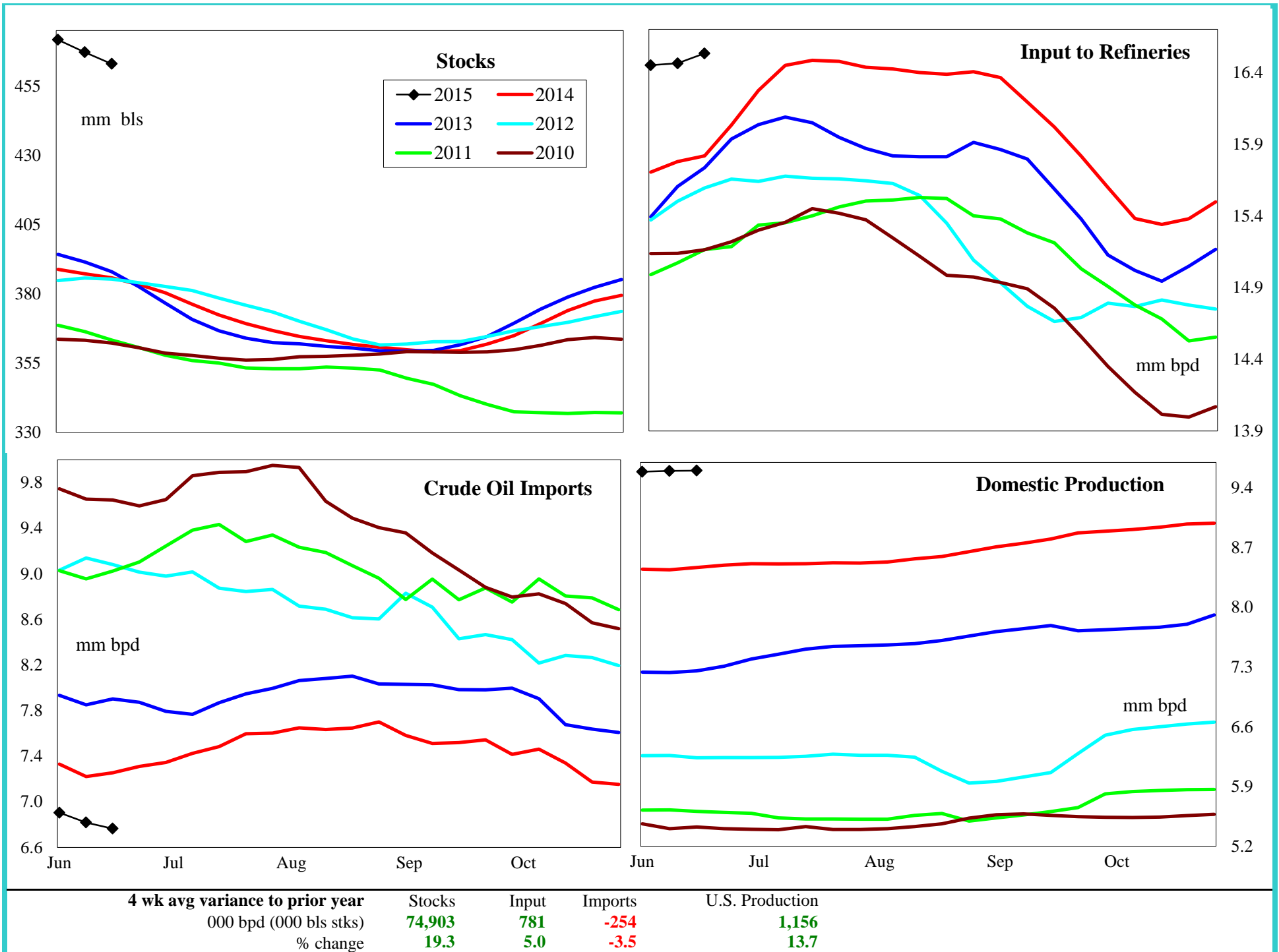
Jet Fuel Imports by PADD



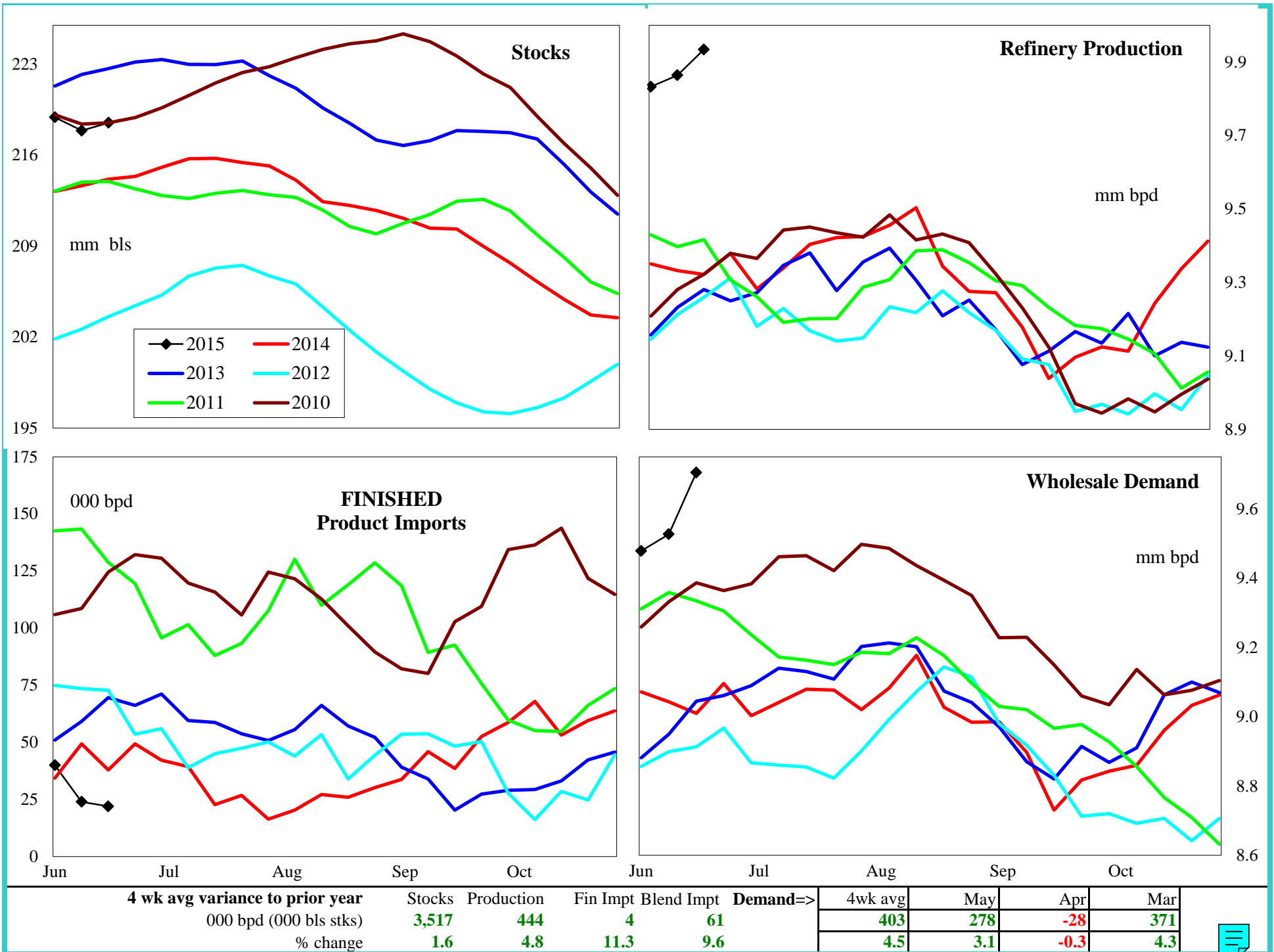
Residual Fuel Oil Imports by PADD



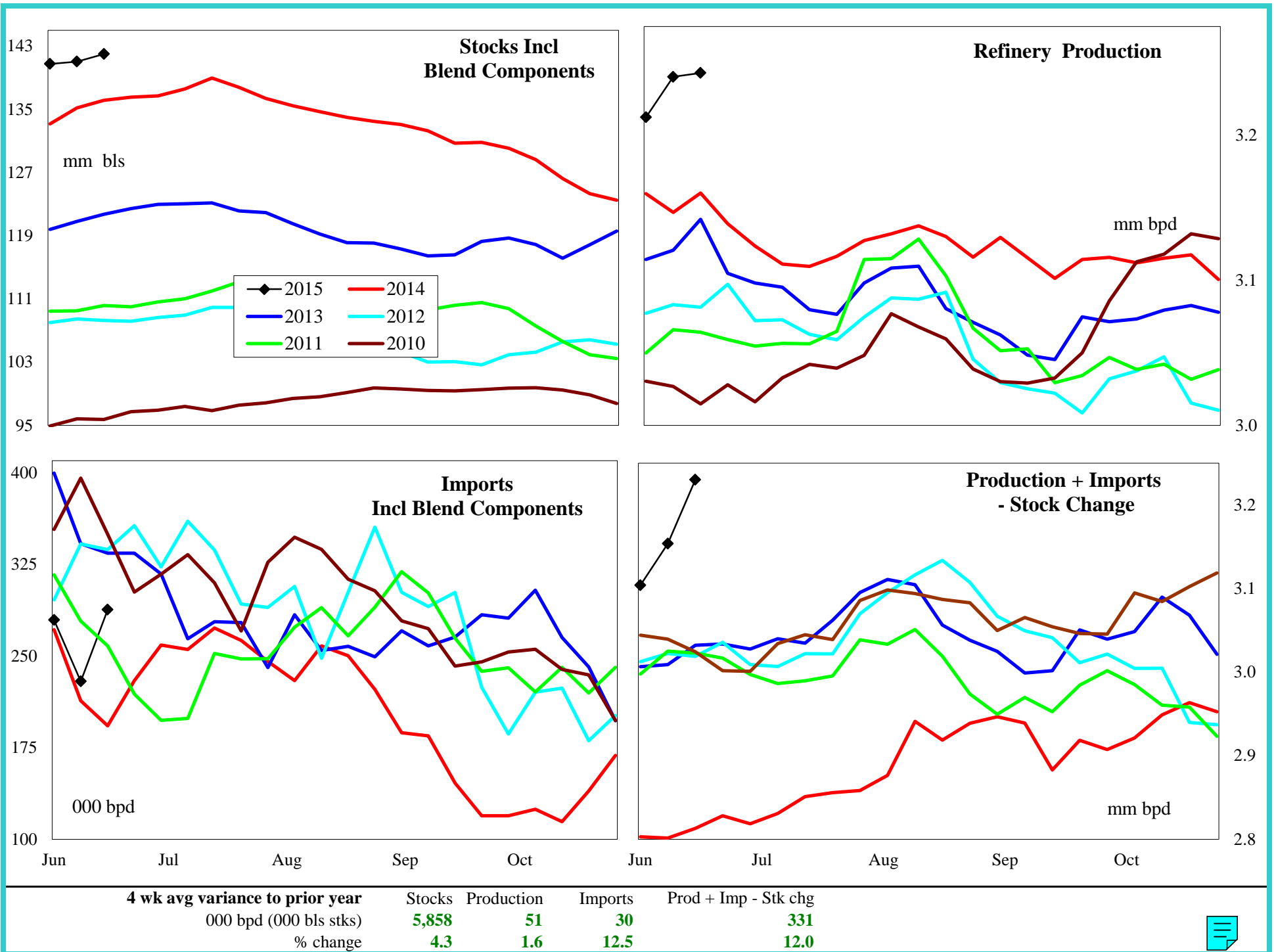
United States Crude Oil Supply and Demand Balance



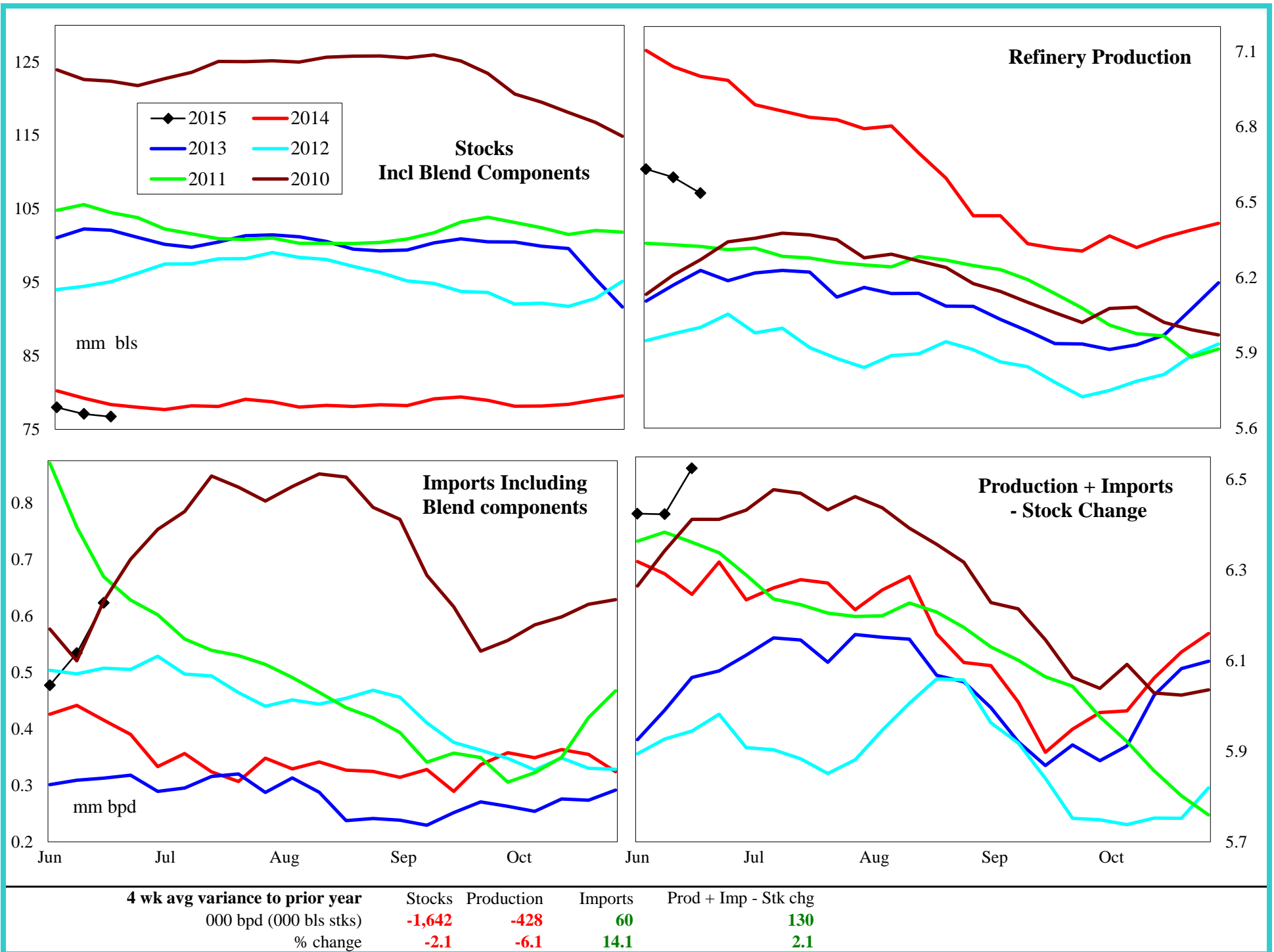
United States Gasoline Supply and Demand Balance



United States Reformulated Gasoline Supply



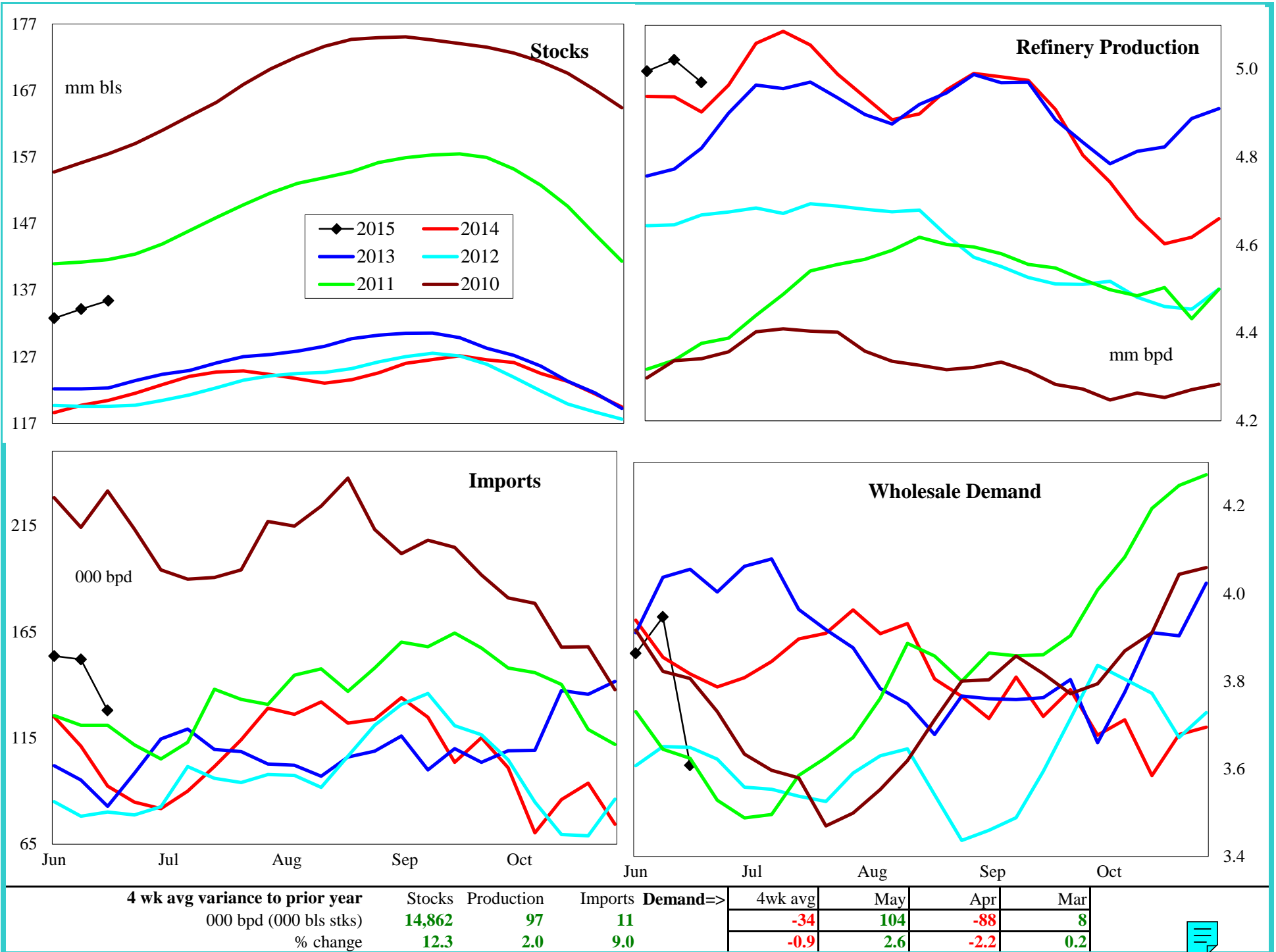
United States Conventional Gasoline Supply



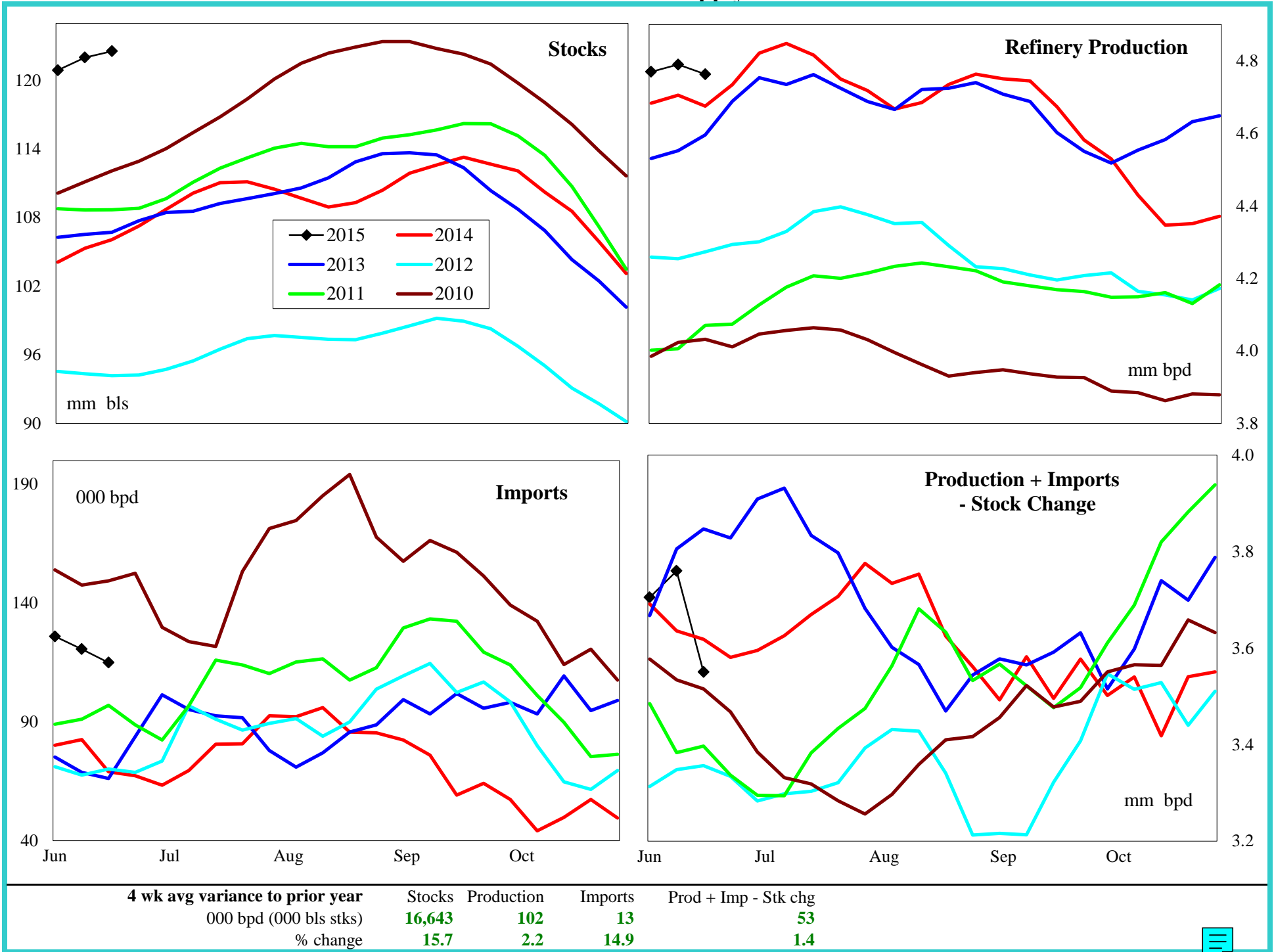
United States Gasoline Imports by Type



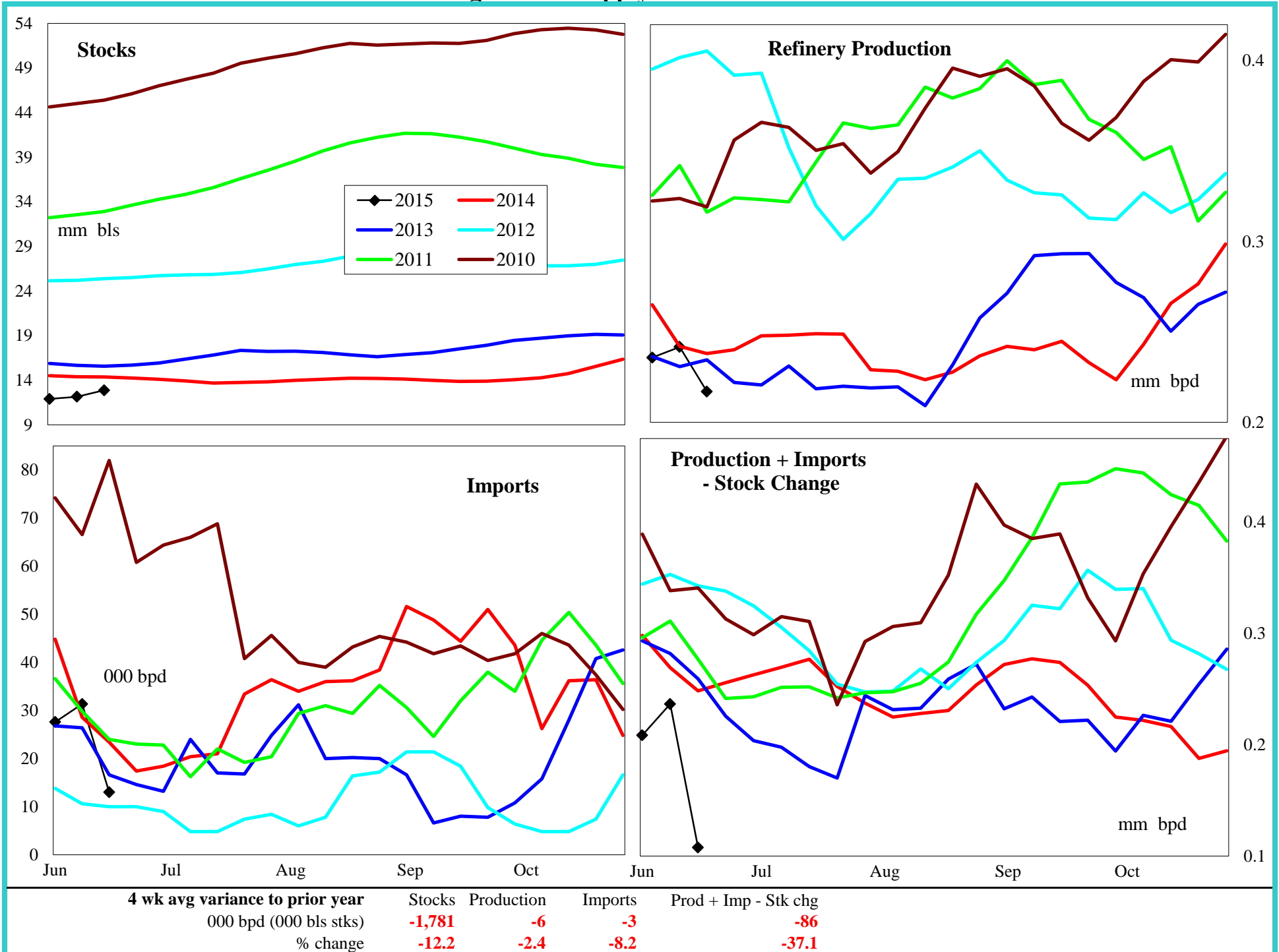
United States Distillate Supply and Demand Balance



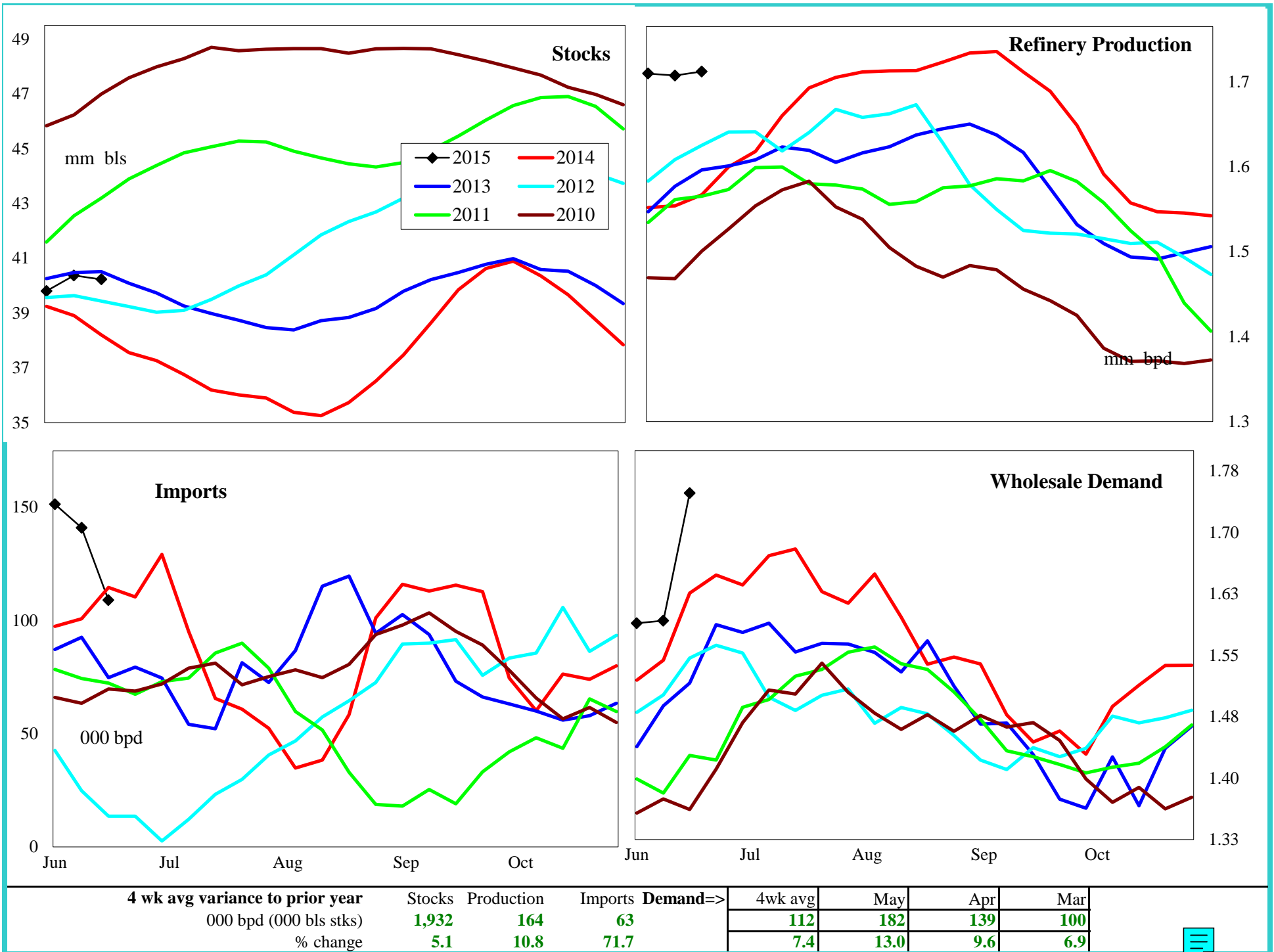
United States Low Sulfur Distillate Supply and Demand Balance



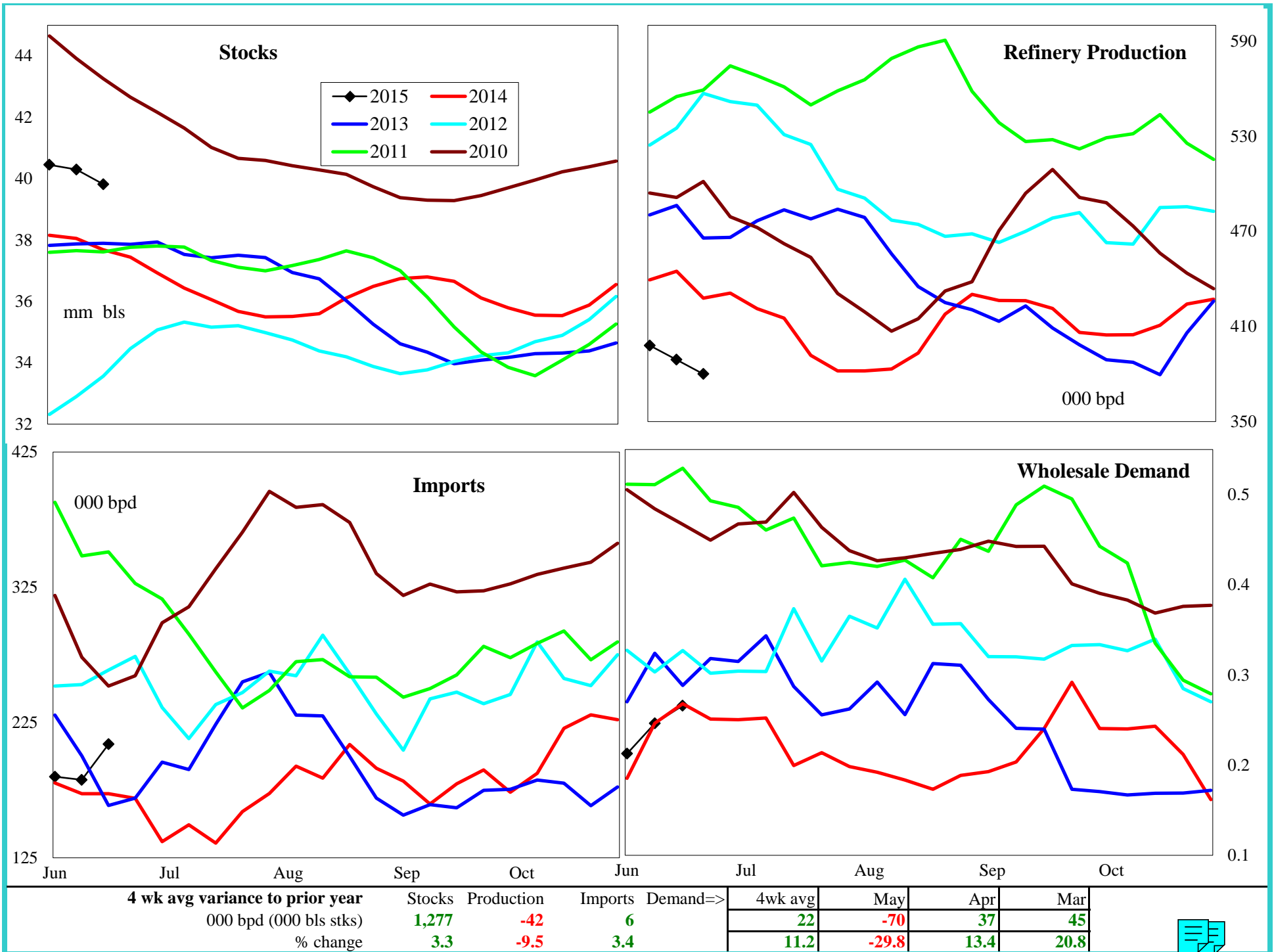
United States High Sulfur Supply Distillate and Demand Balance



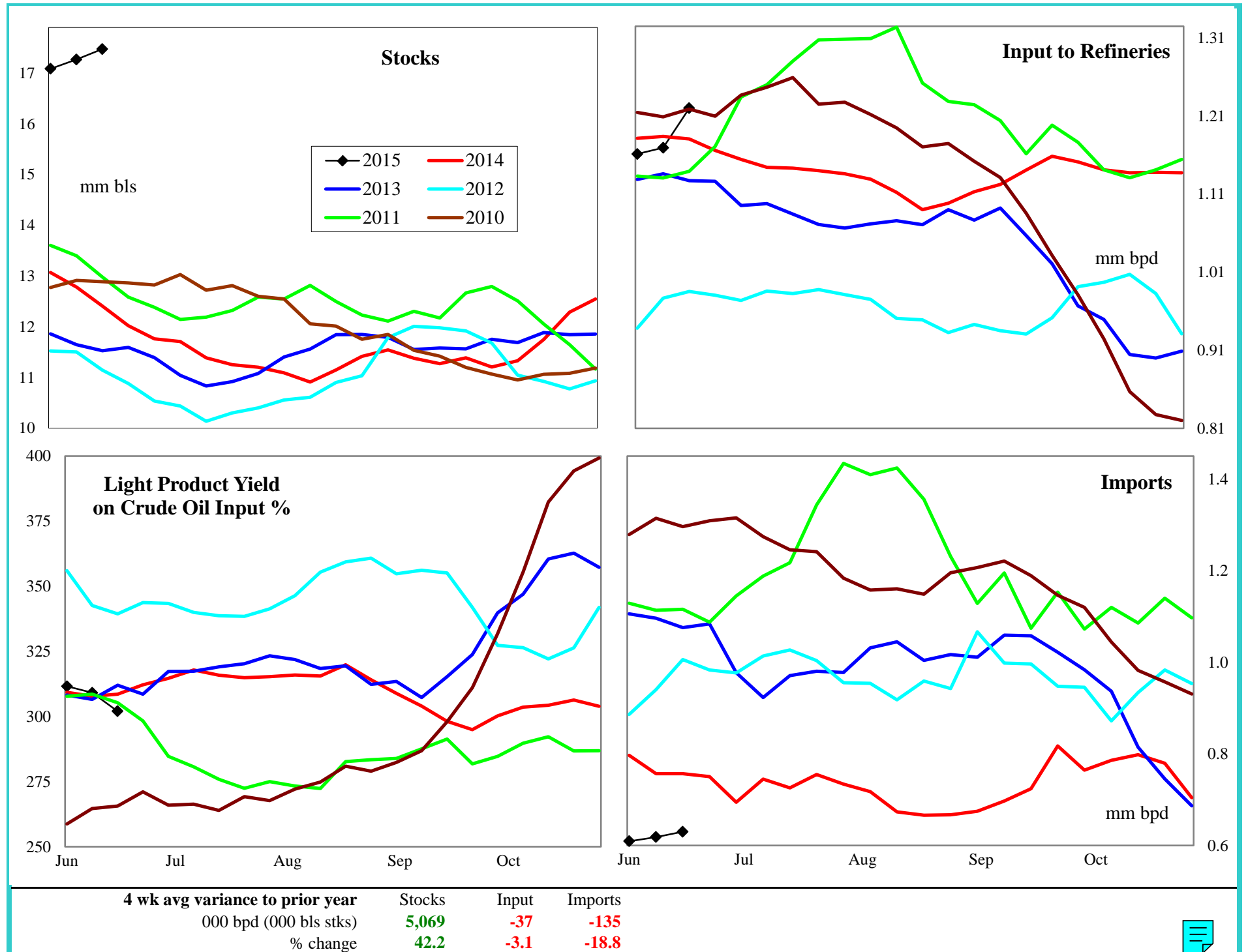
United States Jet Fuel Supply and Demand Balance



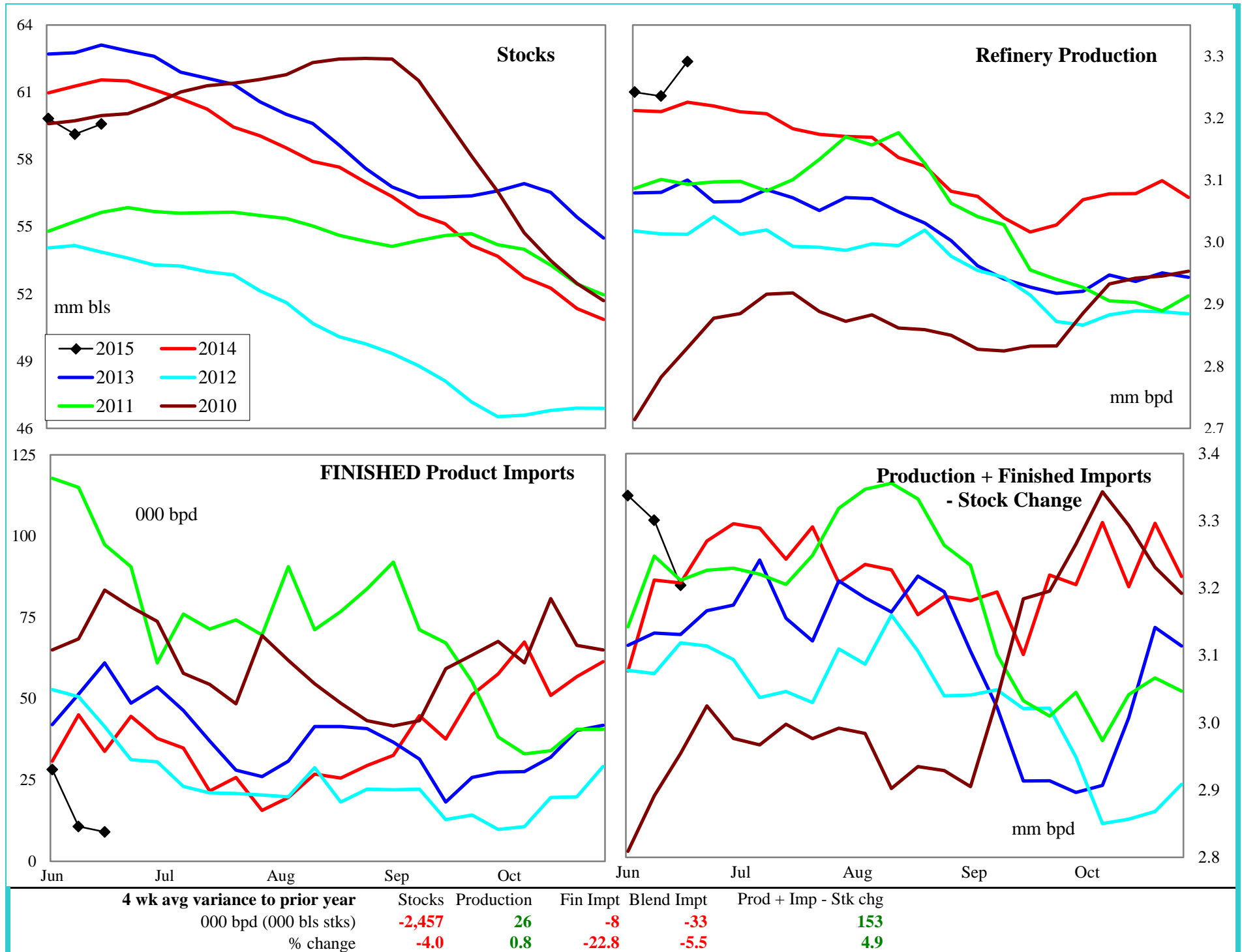
United States Residual Fuel Supply and Demand Balance



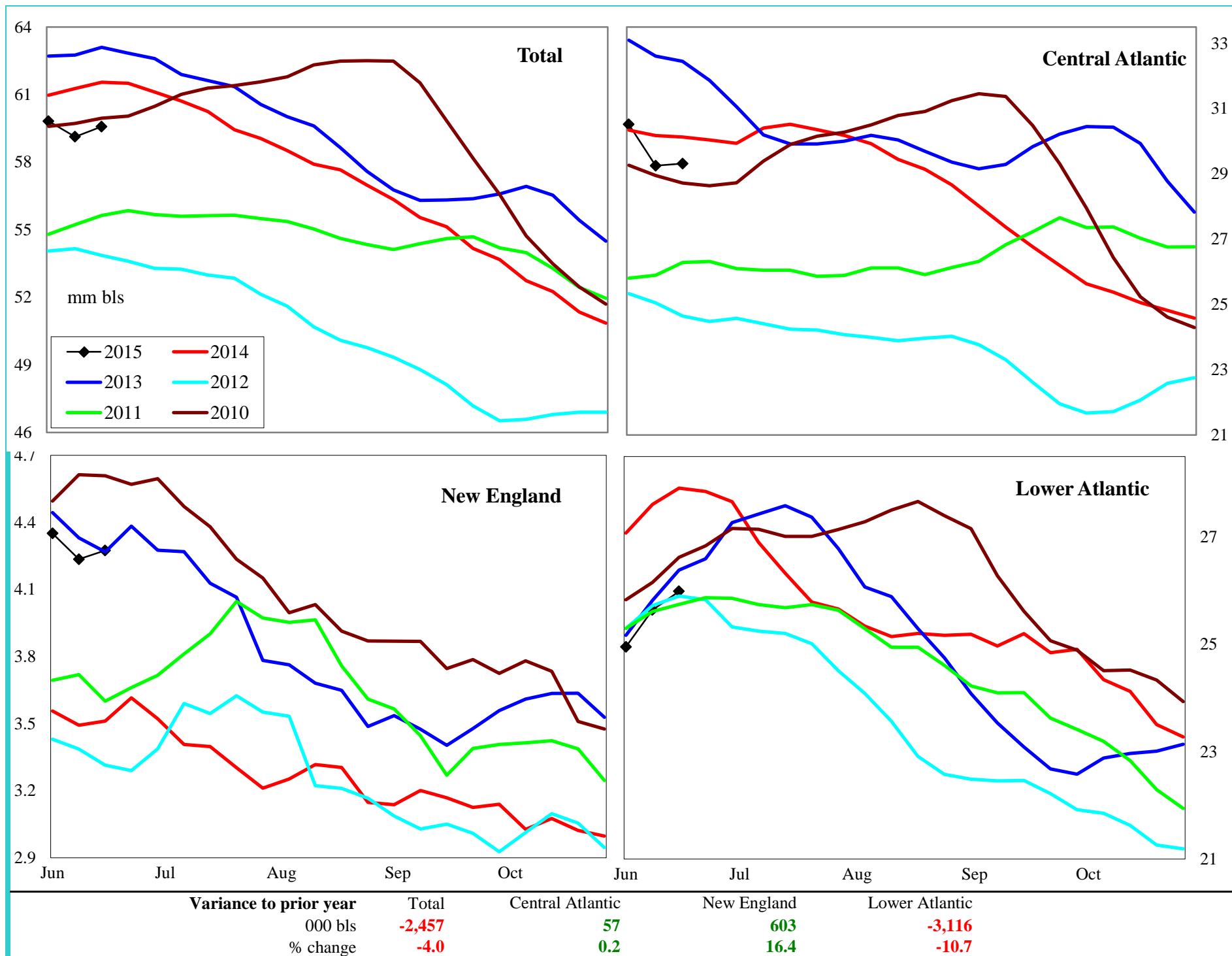
PADD 1 Crude Oil Supply and Refining



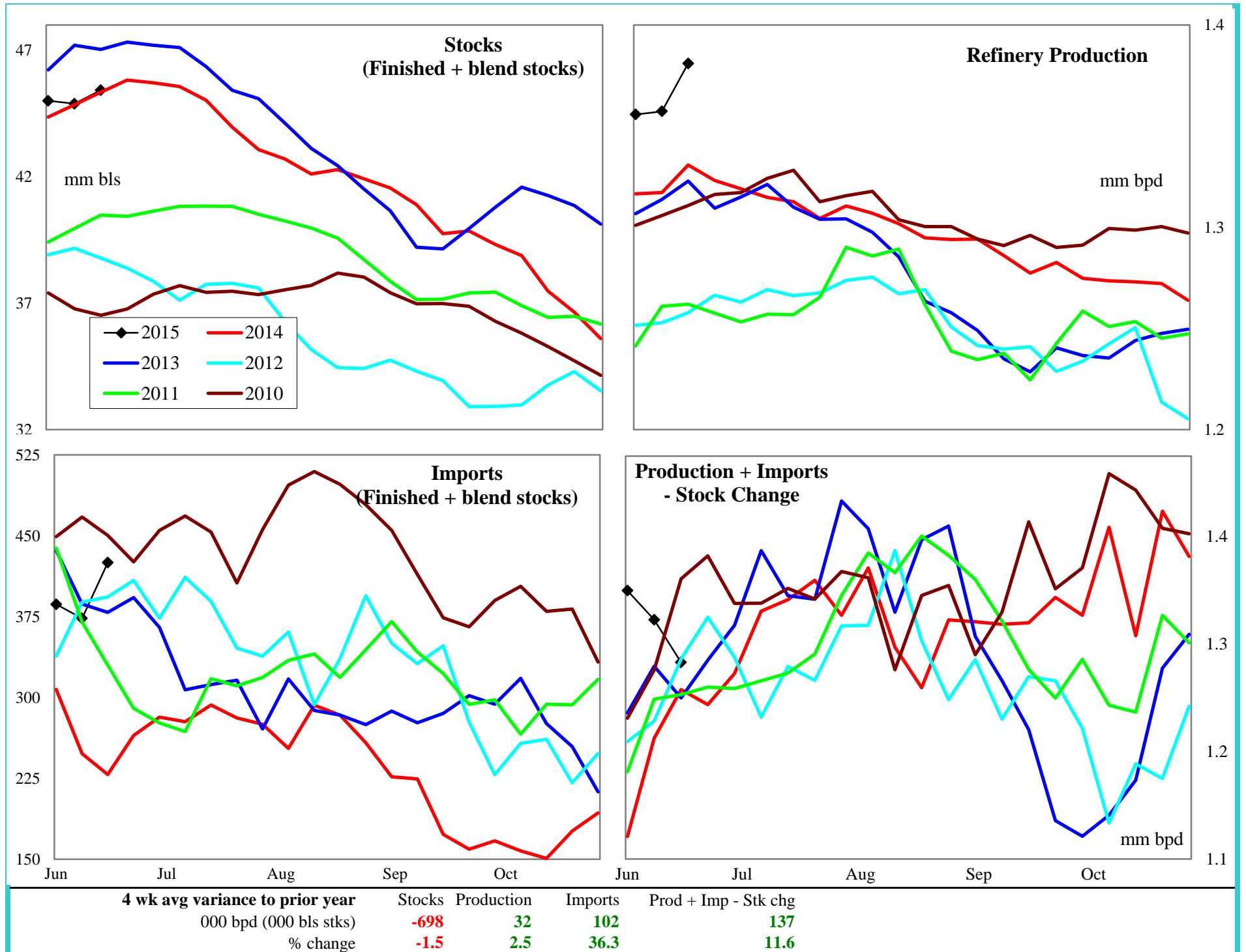
PADD 1 Gasoline Supply



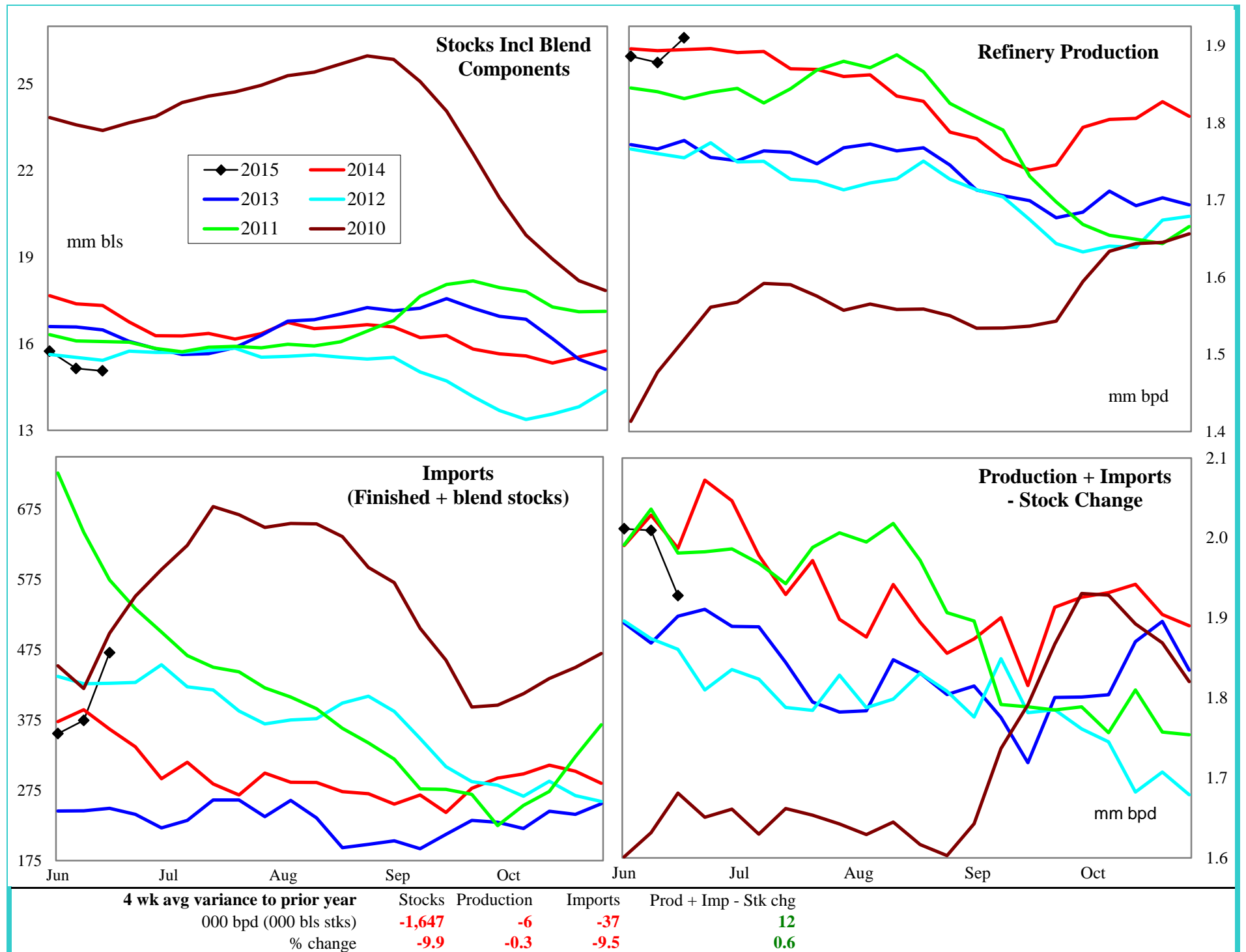
PADD 1 Gasoline Stocks by Region



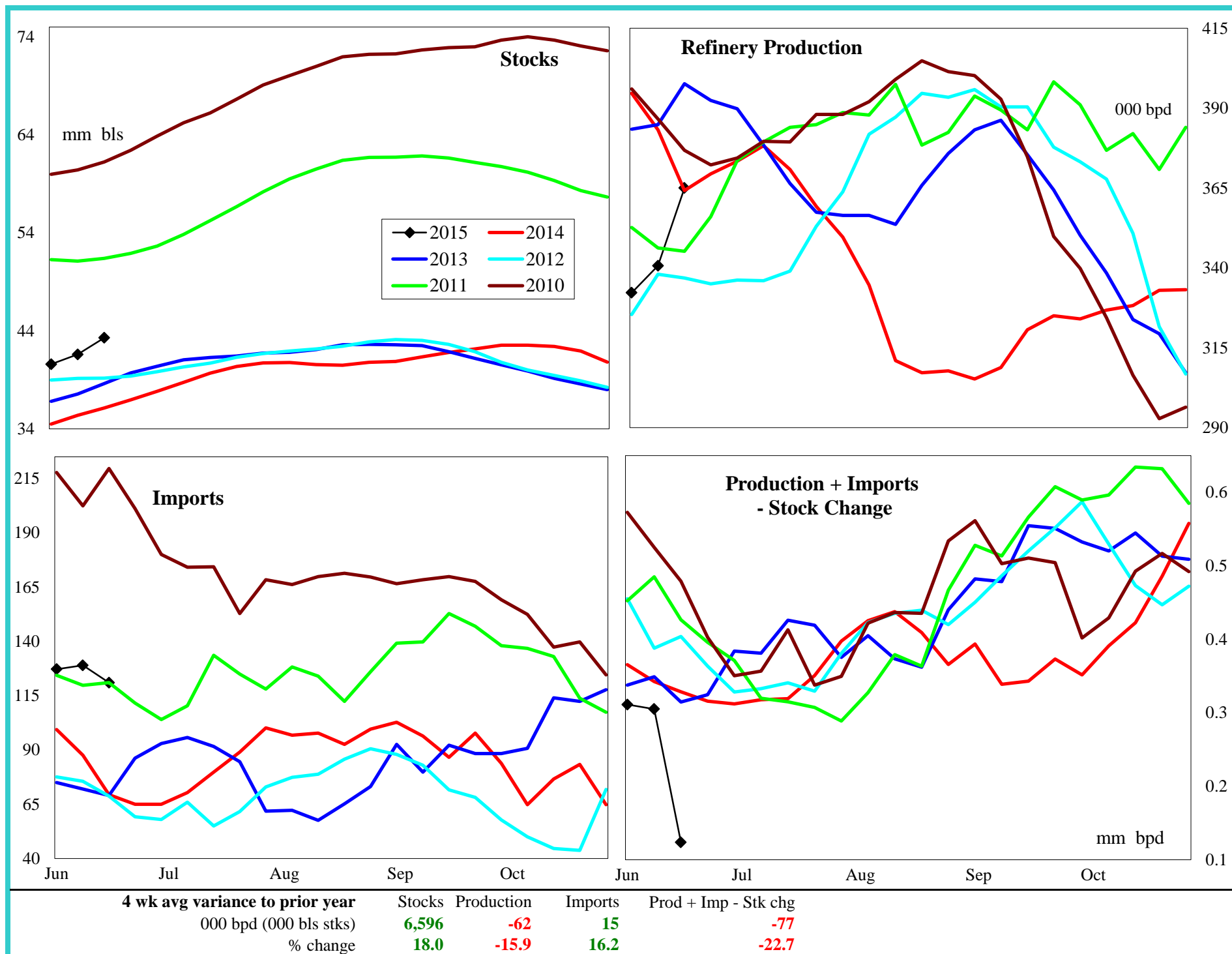
PADD 1 Reformulated Gasoline Supply



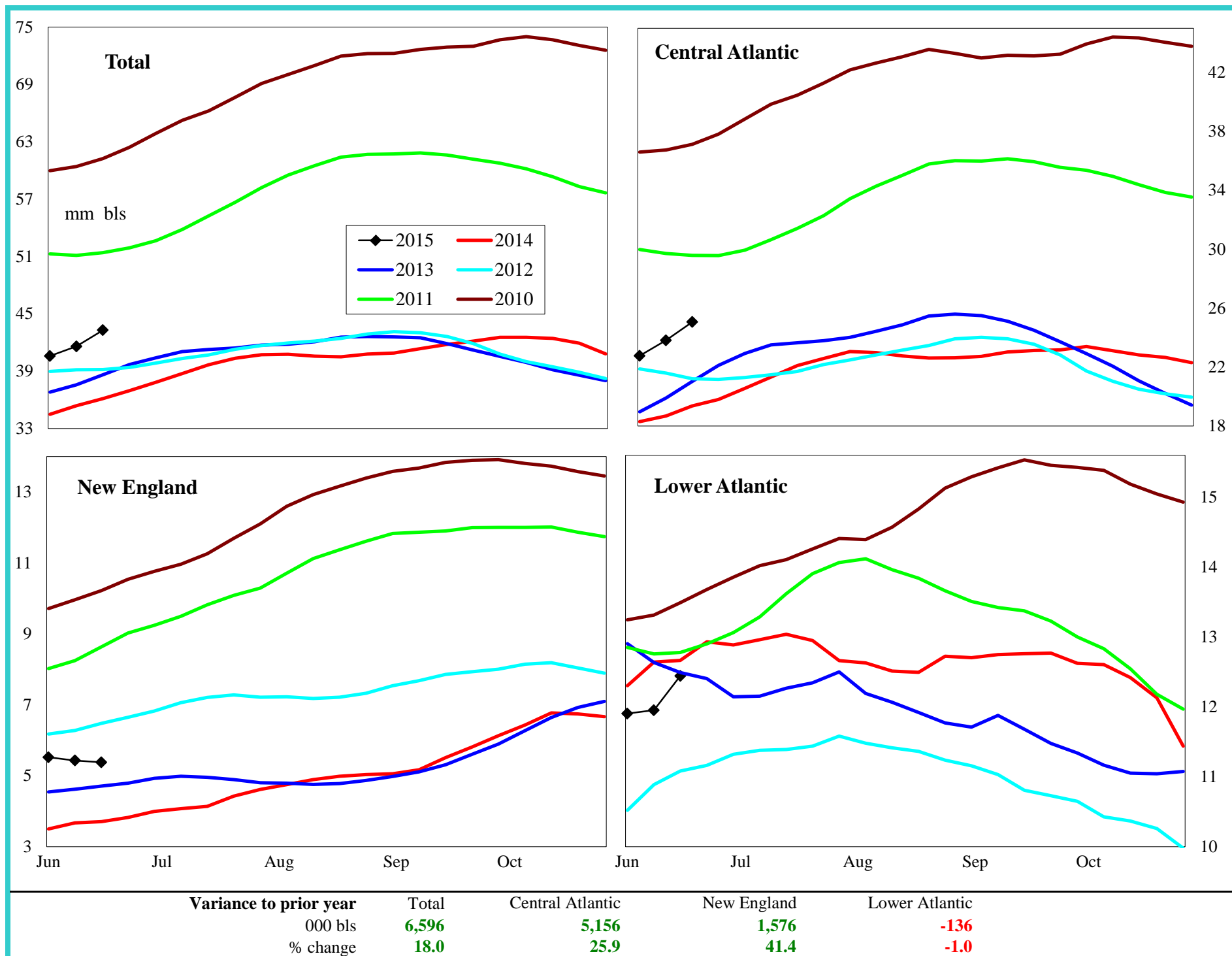
PADD 1 Conventional Gasoline Supply



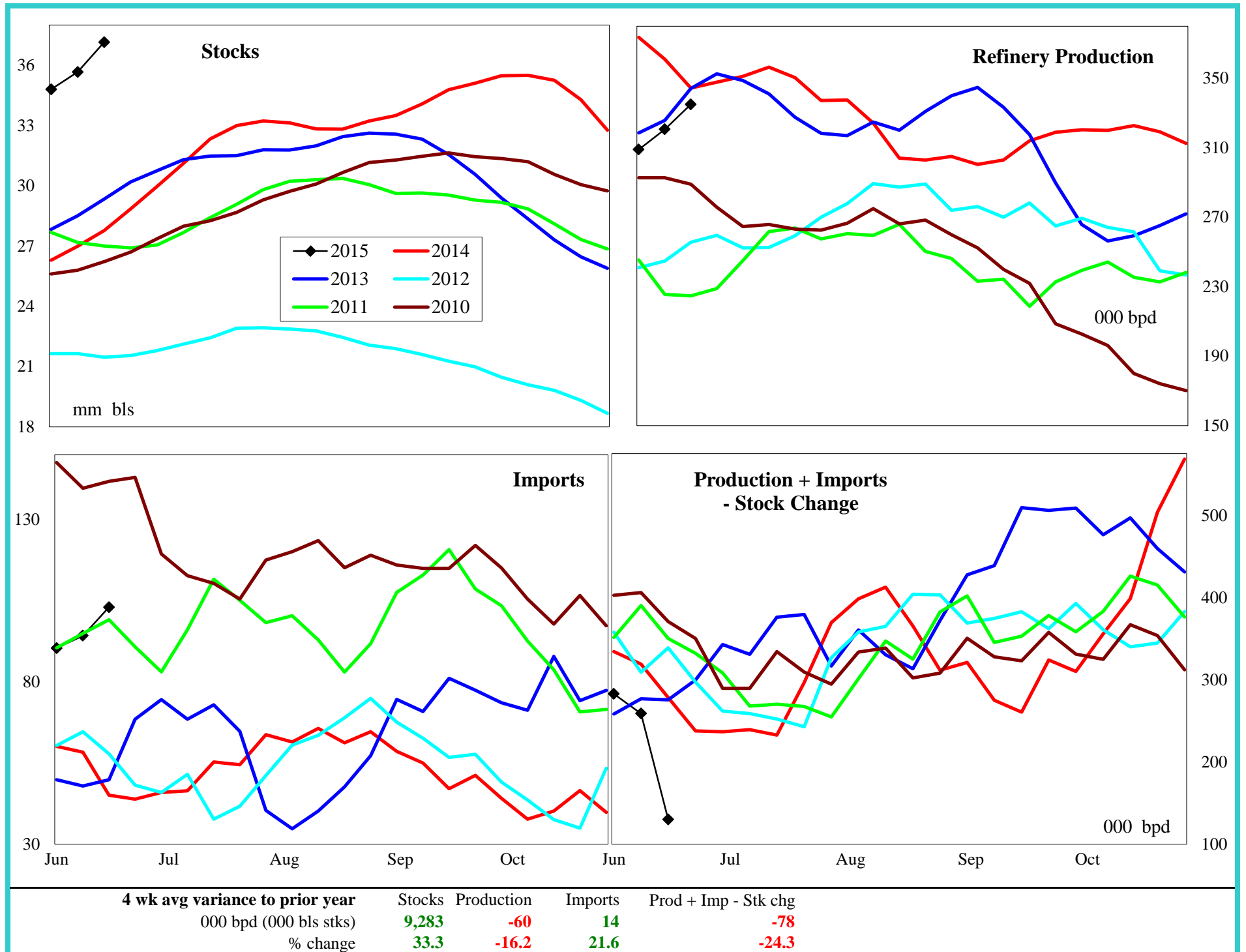
PADD 1 Distillate Supply



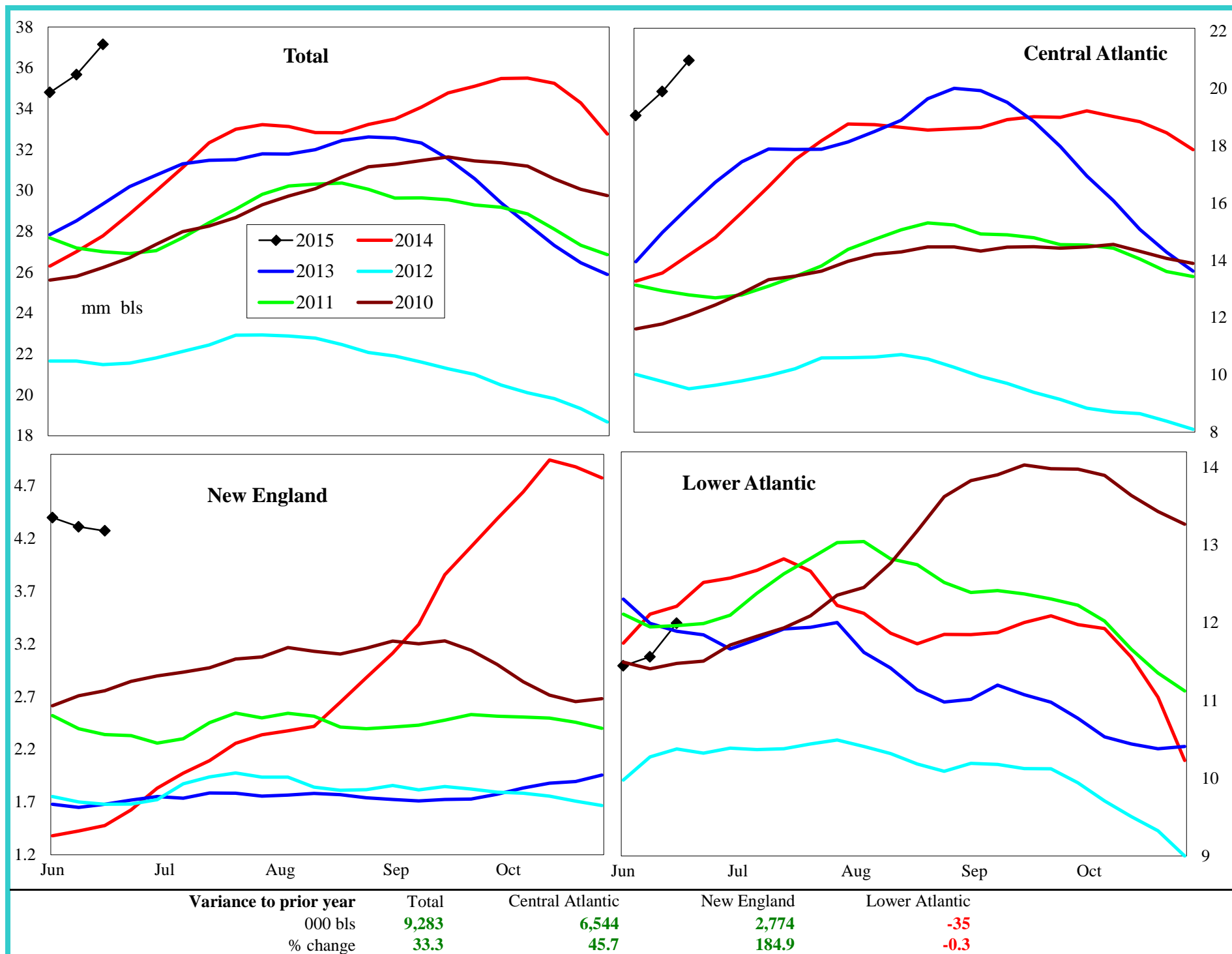
PADD 1 Distillate Stocks by Region



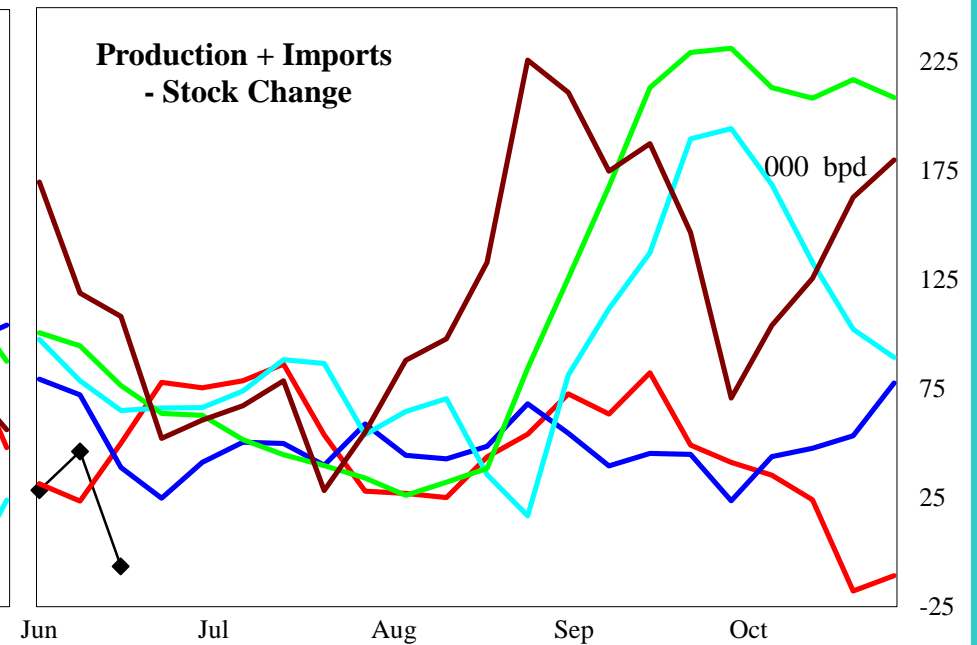
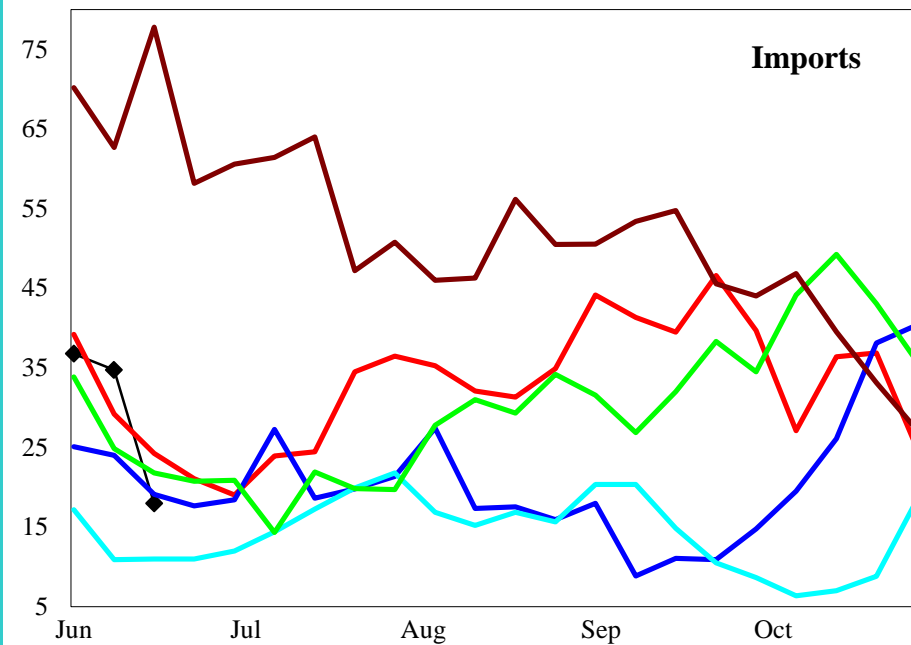
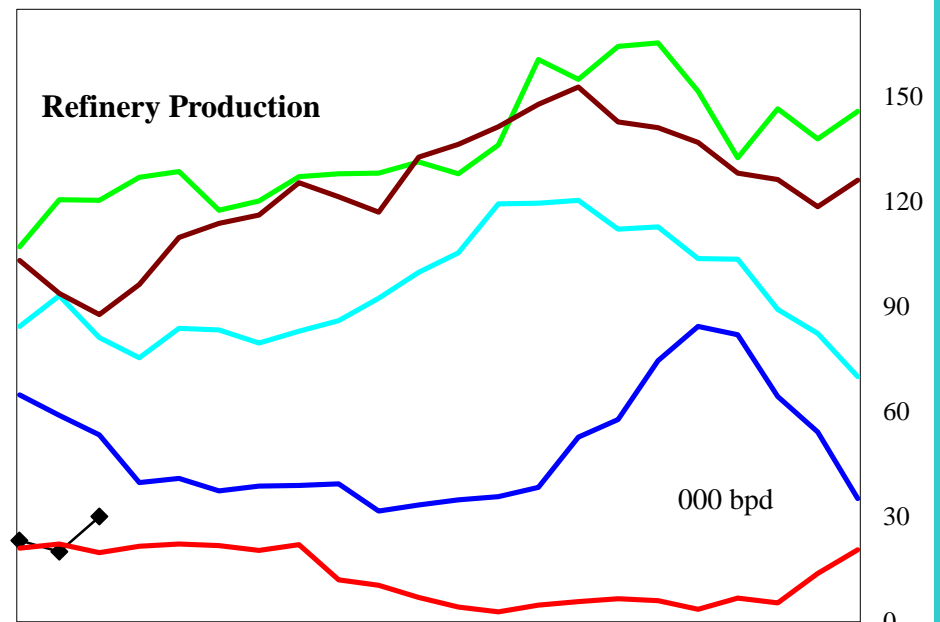
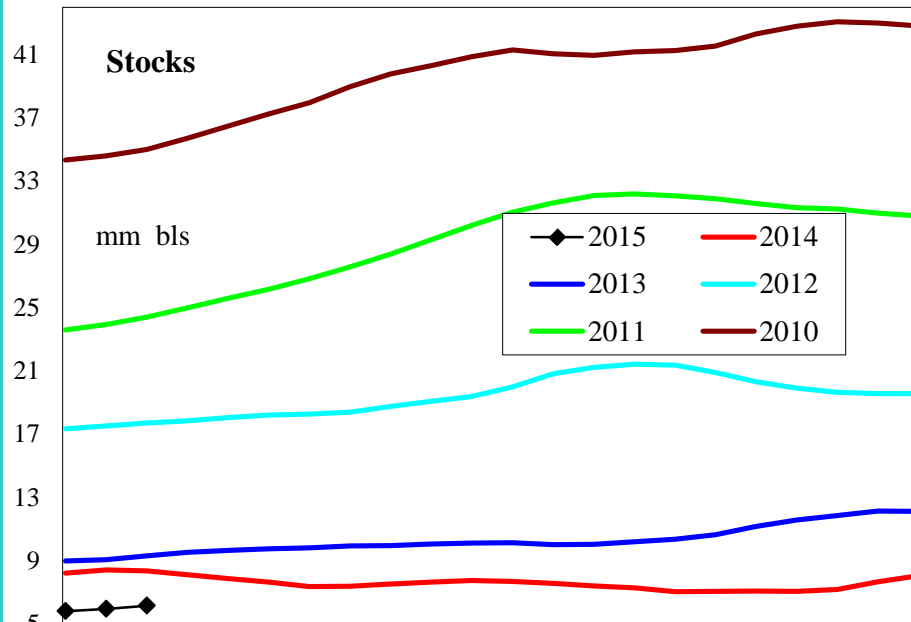
PADD 1 Low Sulfur Distillate Supply



PADD 1 Low Sulfur Distillate Stocks by Region



PADD 1 High Sulfur Distillate Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

Production

Imports

Prod + Imp - Stk chg

-2,687

-2

1

1

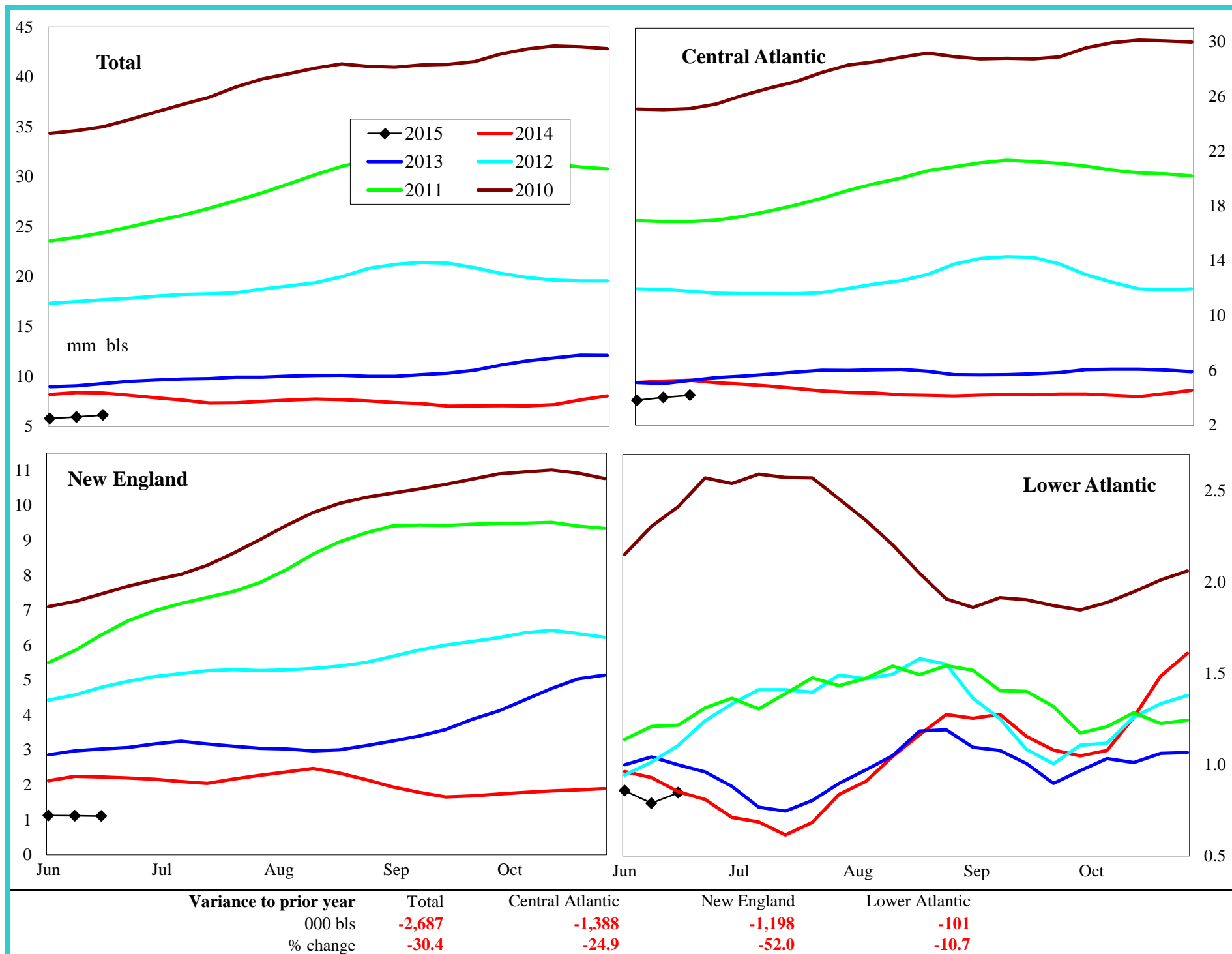
-30.4

-10.3

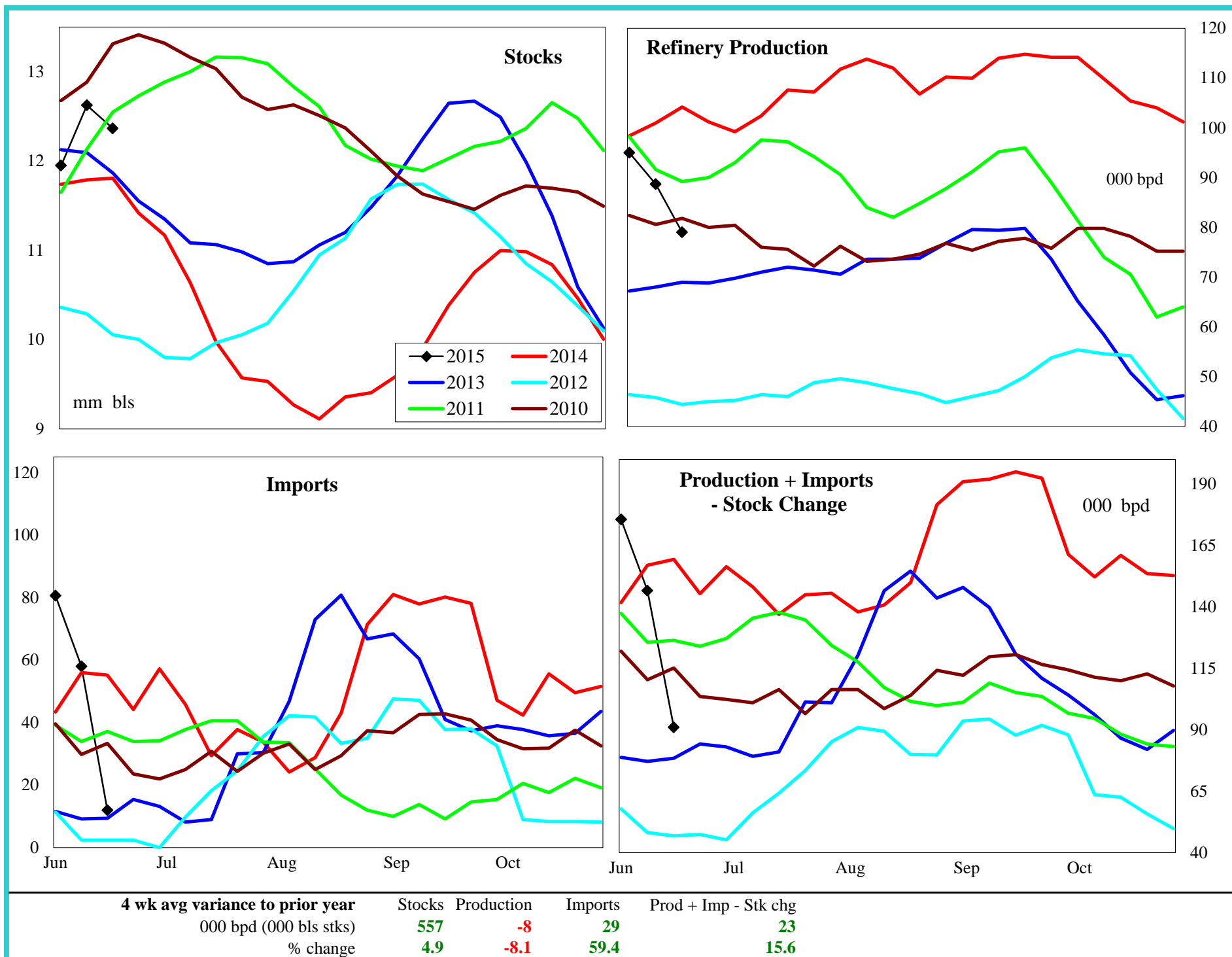
4.9

6.4

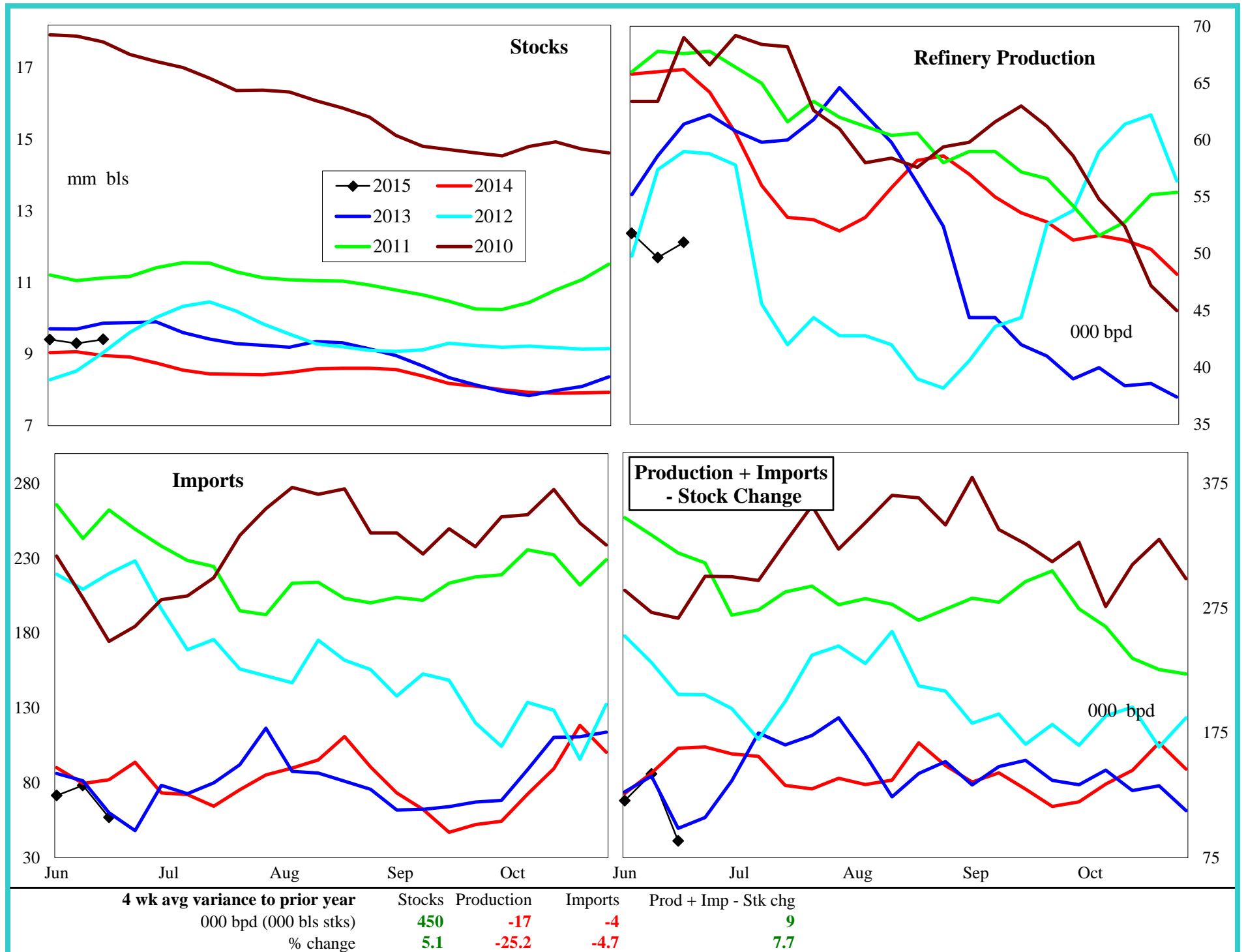
PADD 1 High Sulfur Distillate Stocks by Region



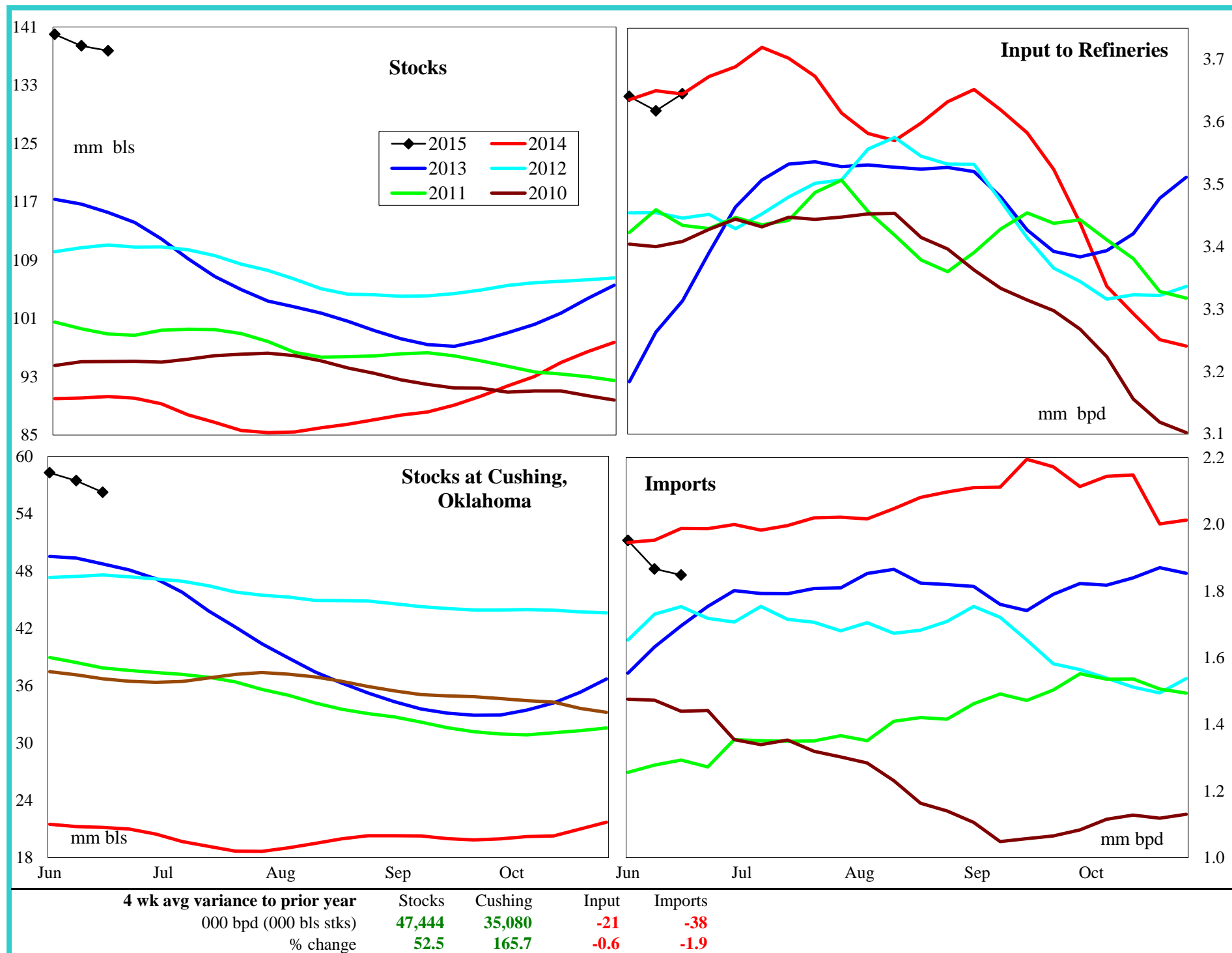
PADD 1 Jet Fuel Supply



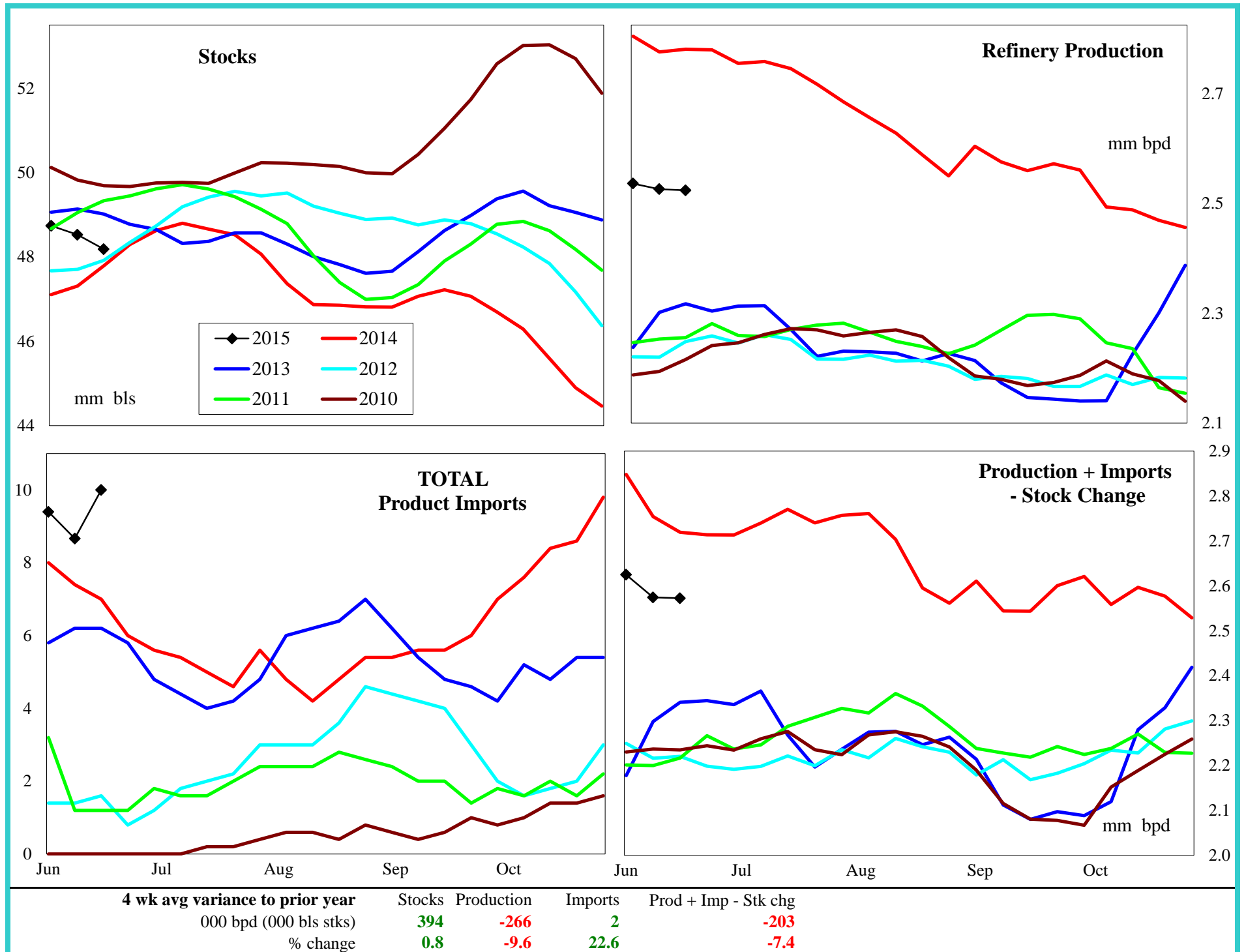
PADD 1 Residual Fuel Oil Supply



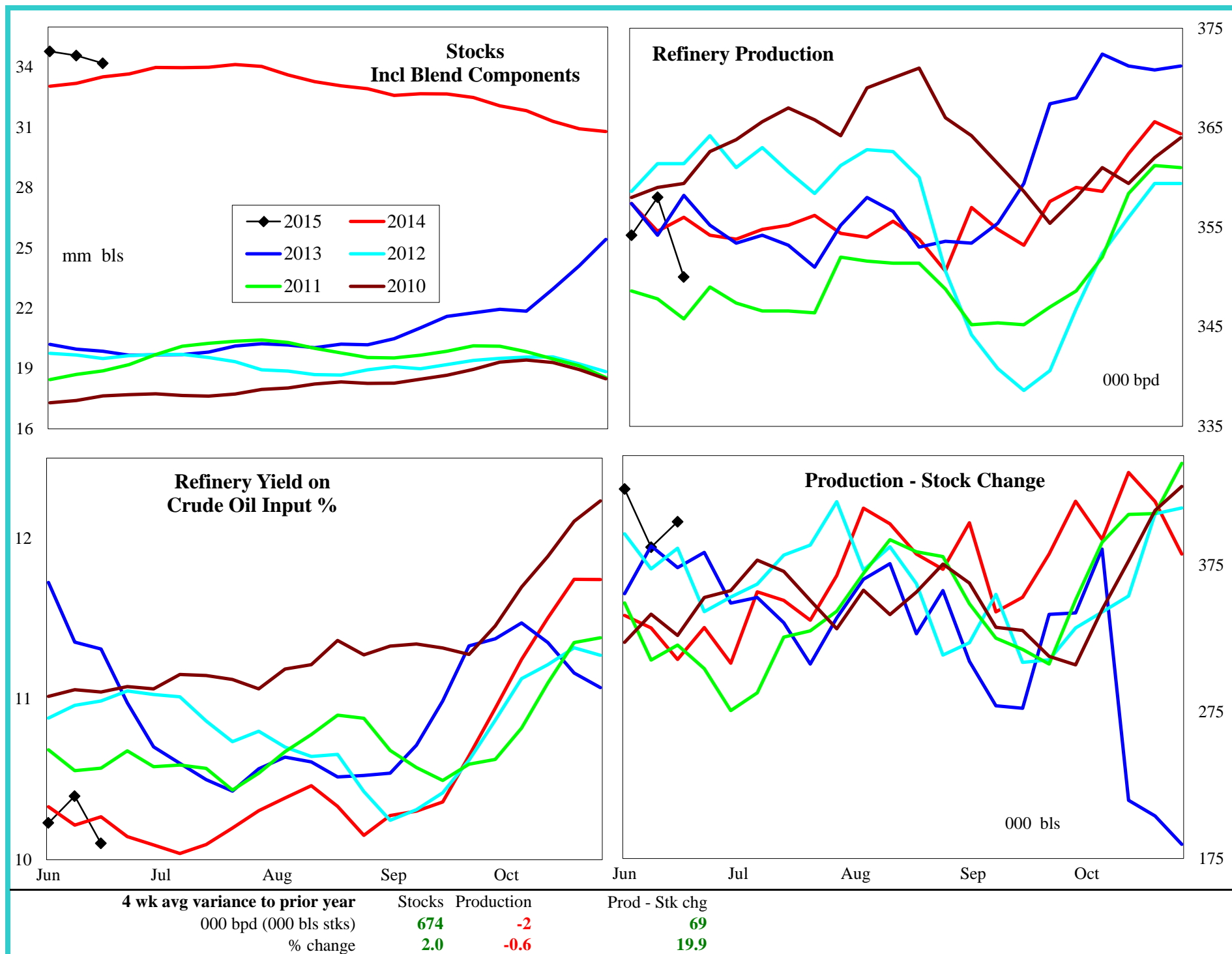
PADD 2 Crude Oil Supply and Refining



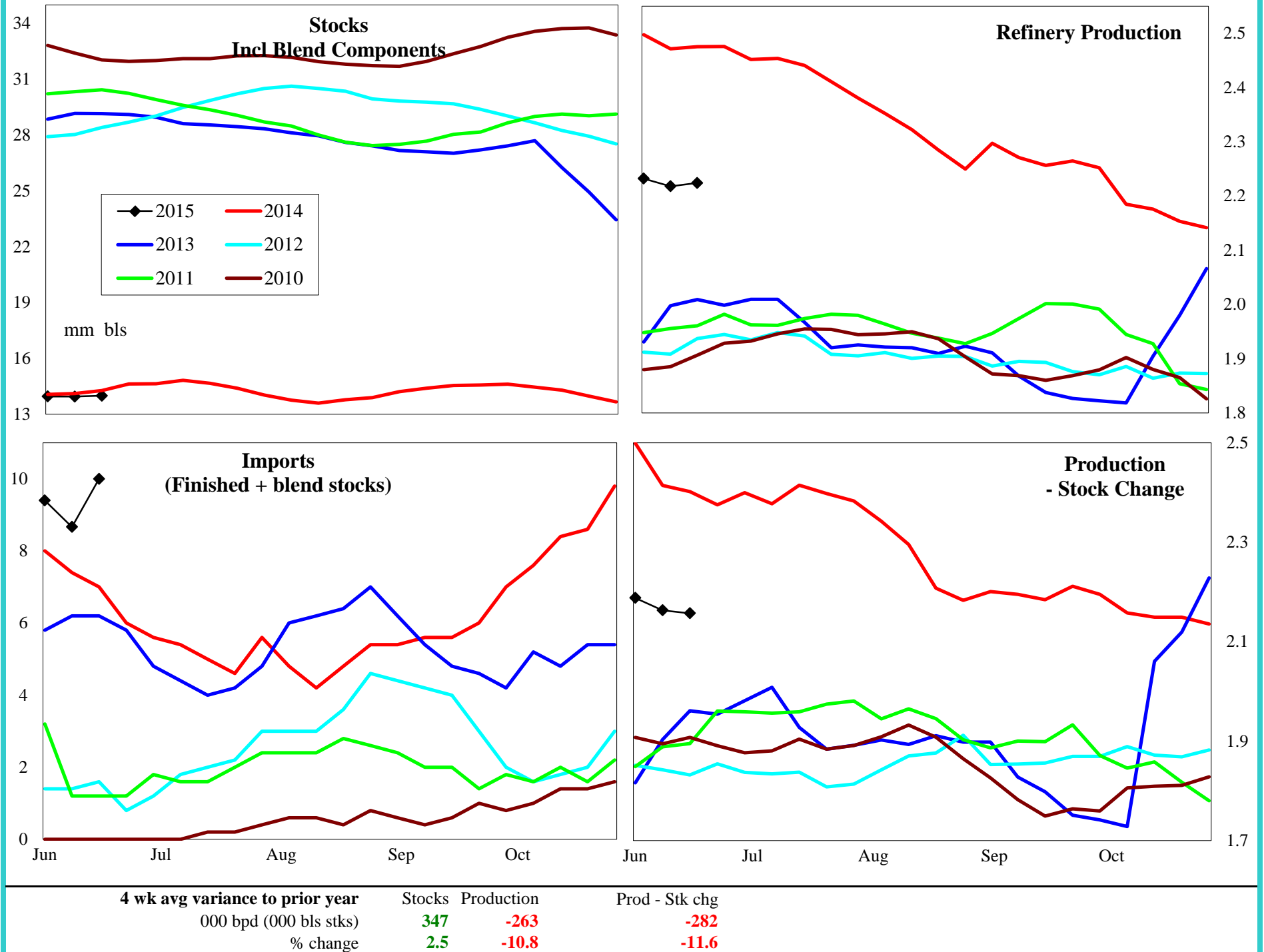
PADD 2 Gasoline Supply



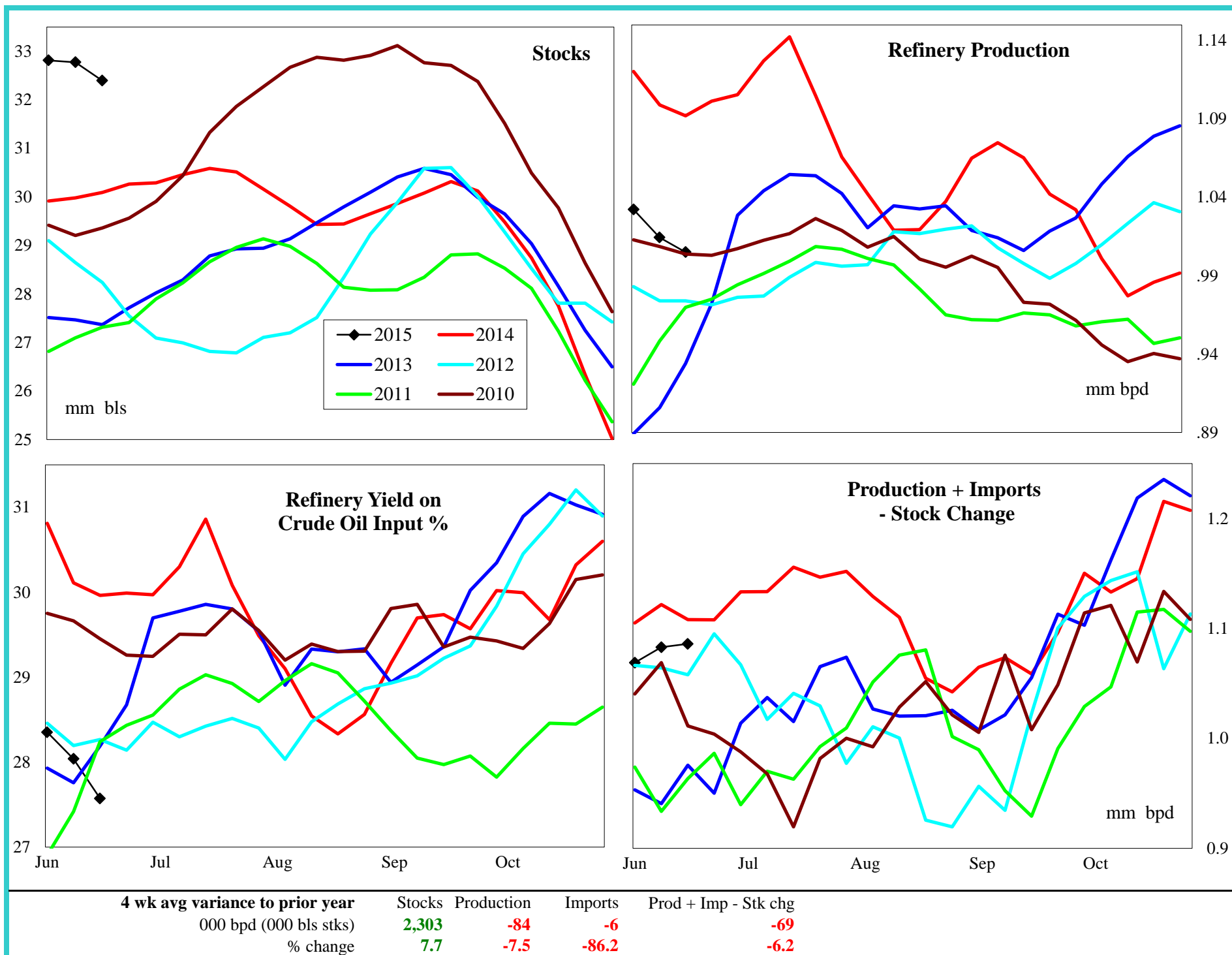
PADD 2 Reformulated Gasoline Supply



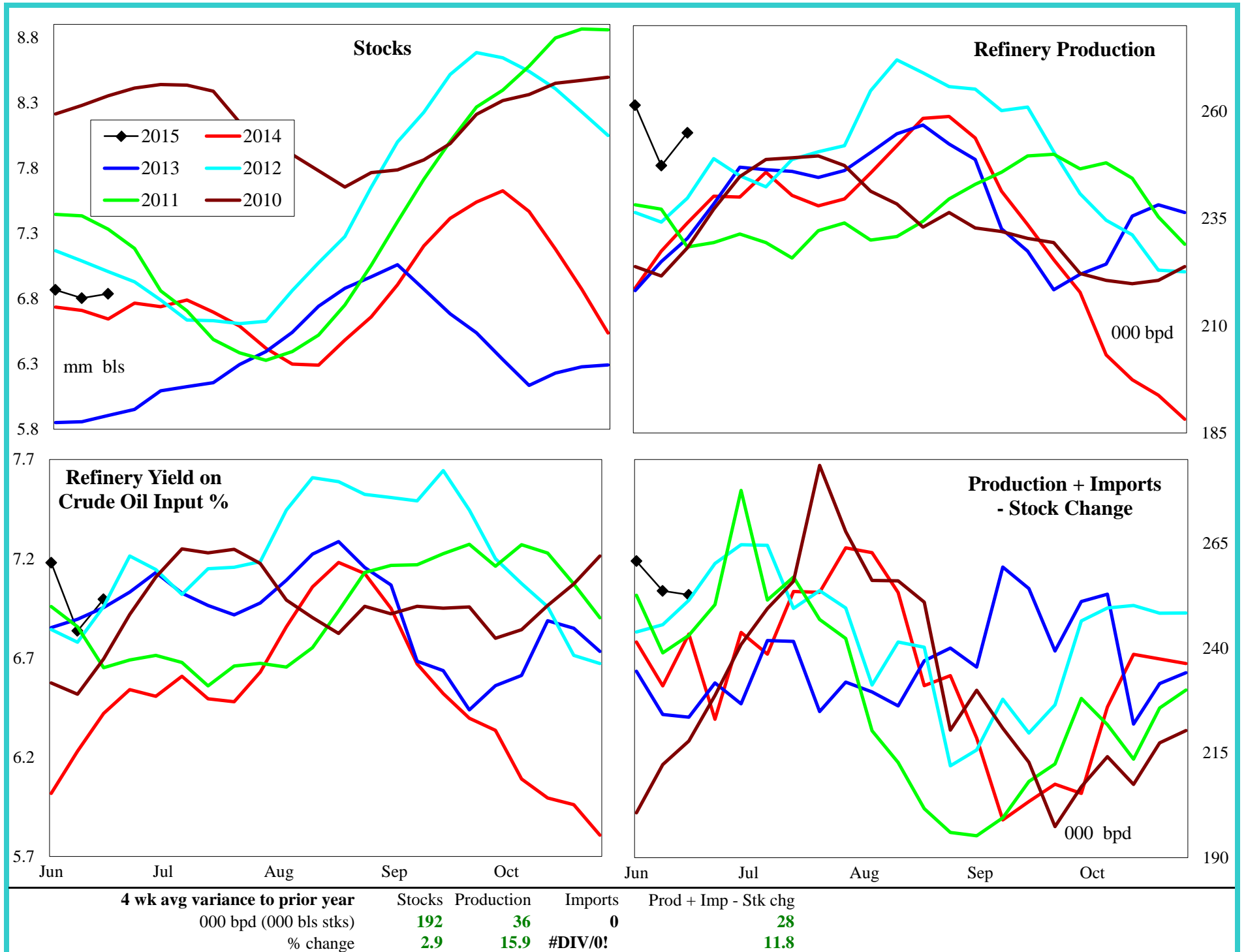
PADD 2 Conventional Gasoline Supply



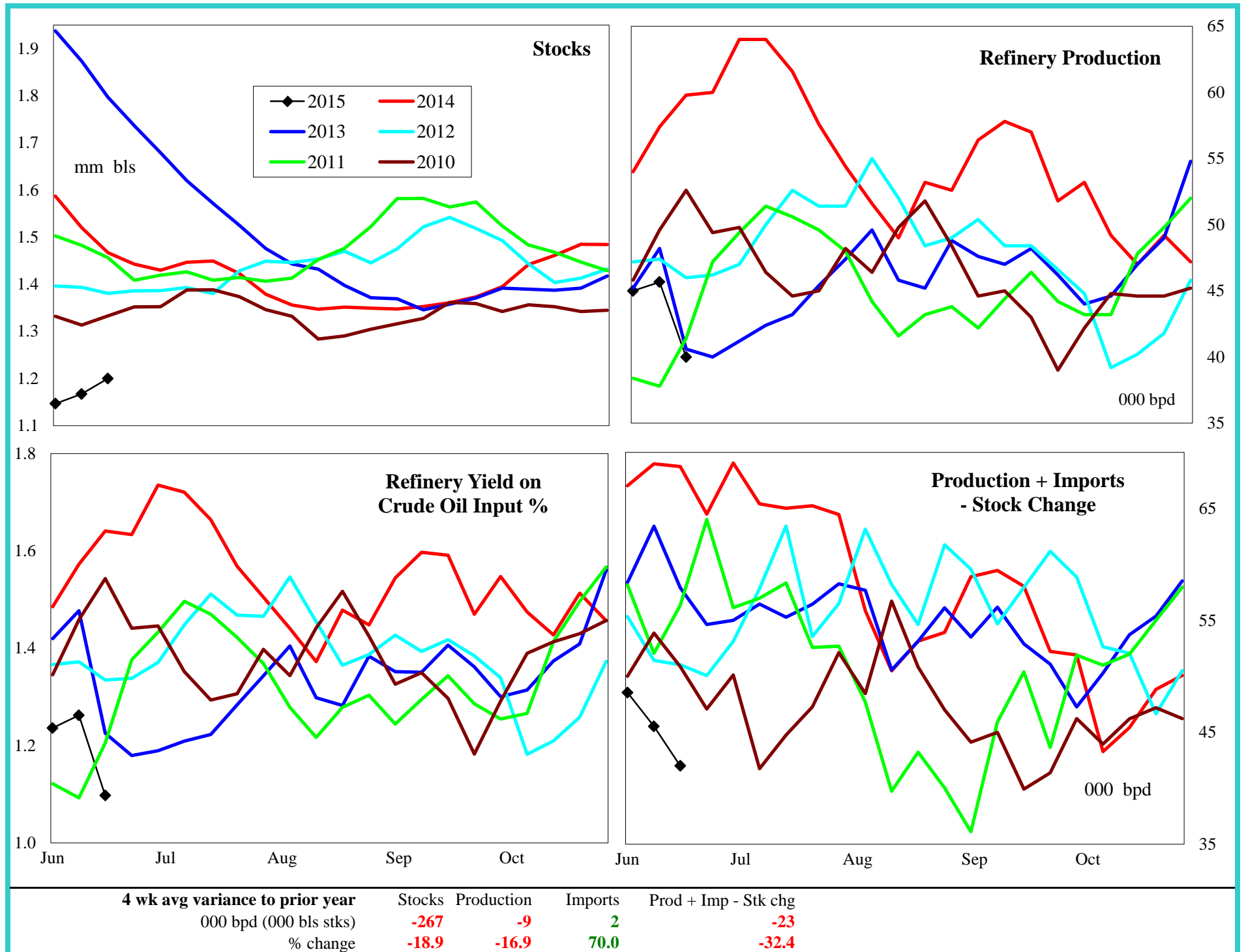
PADD 2 Distillate Supply



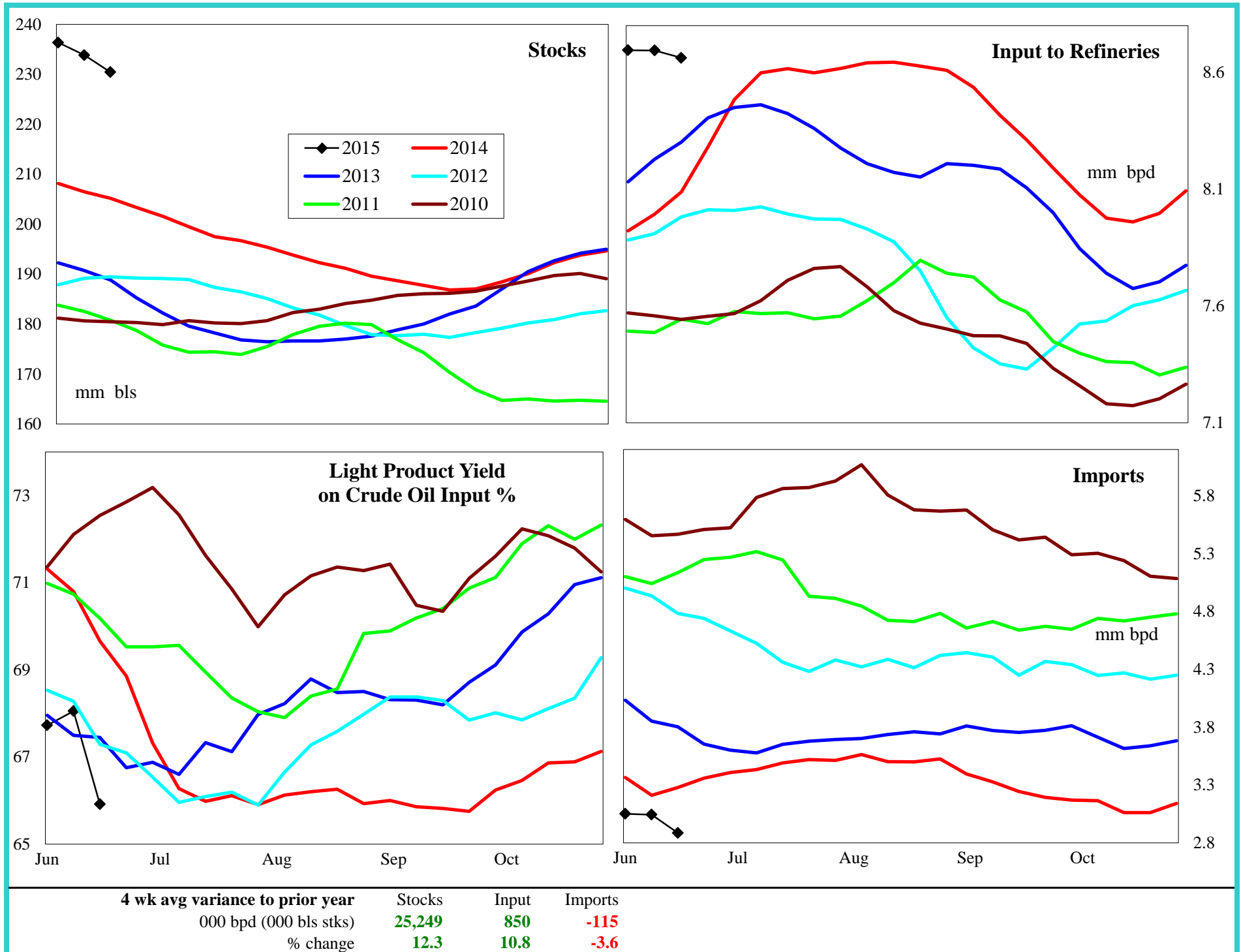
PADD 2 Jet Fuel Supply



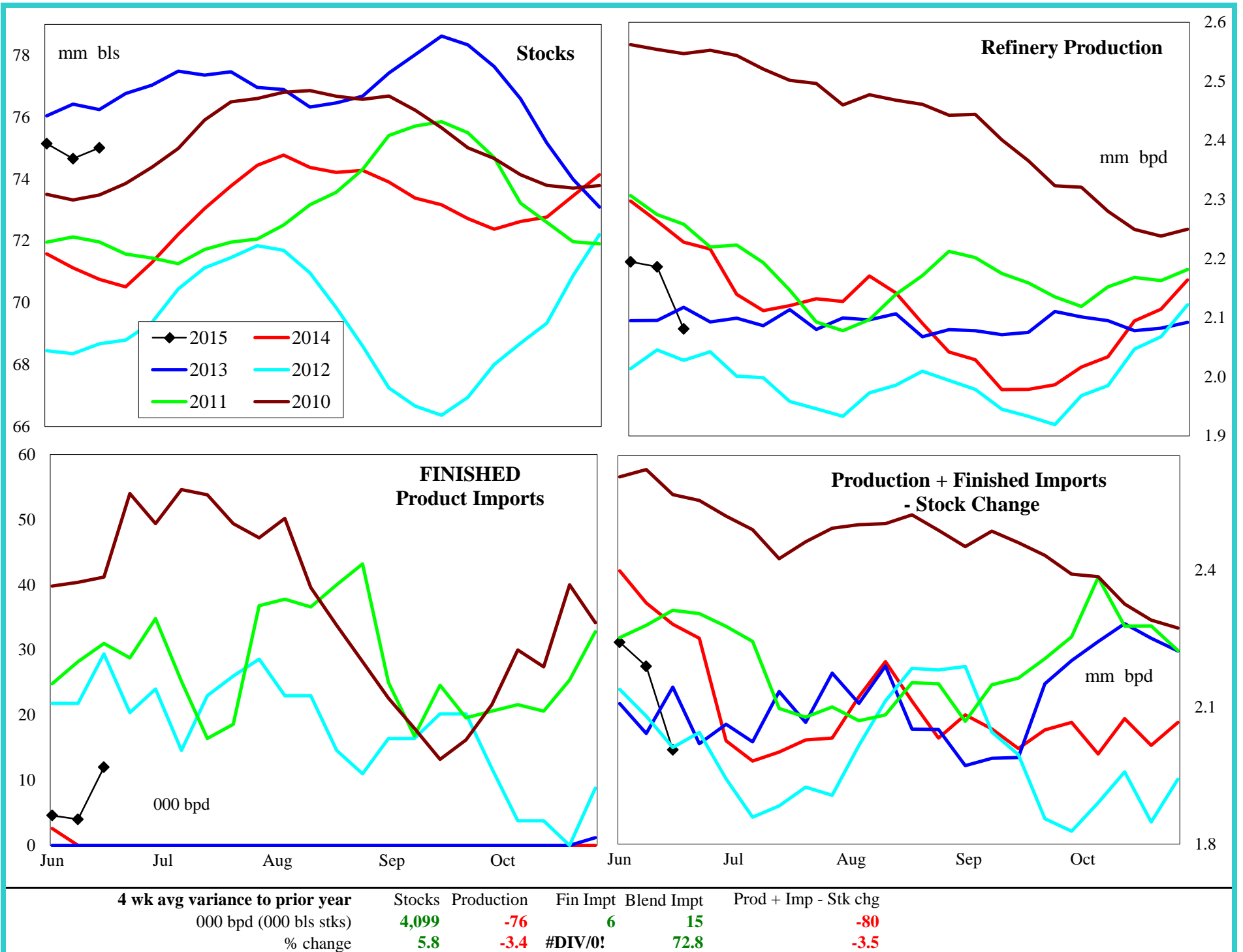
PADD 2 Residual Fuel Oil Supply



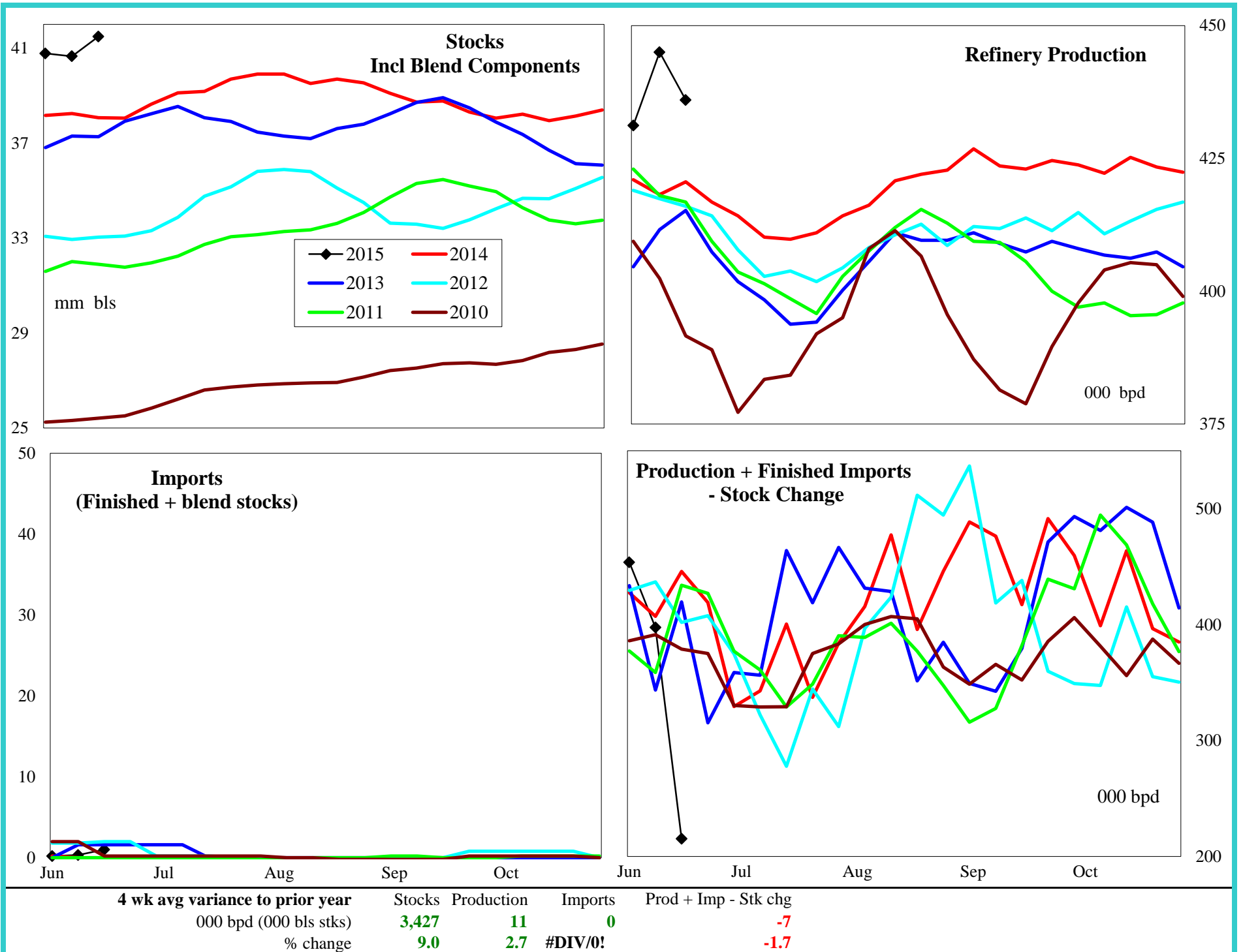
PADD 3 Crude Oil Supply and Refining



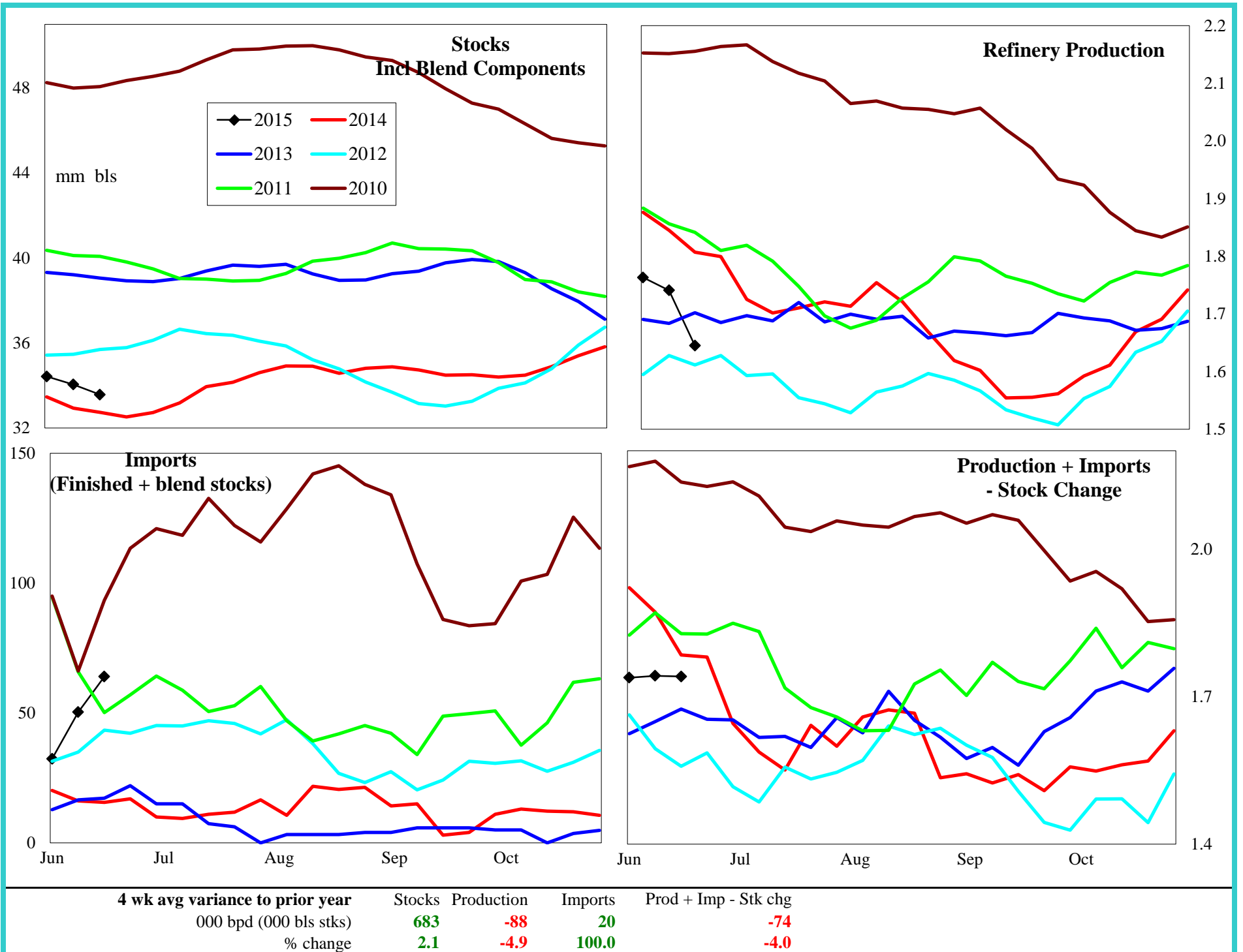
PADD 3 Gasoline Supply



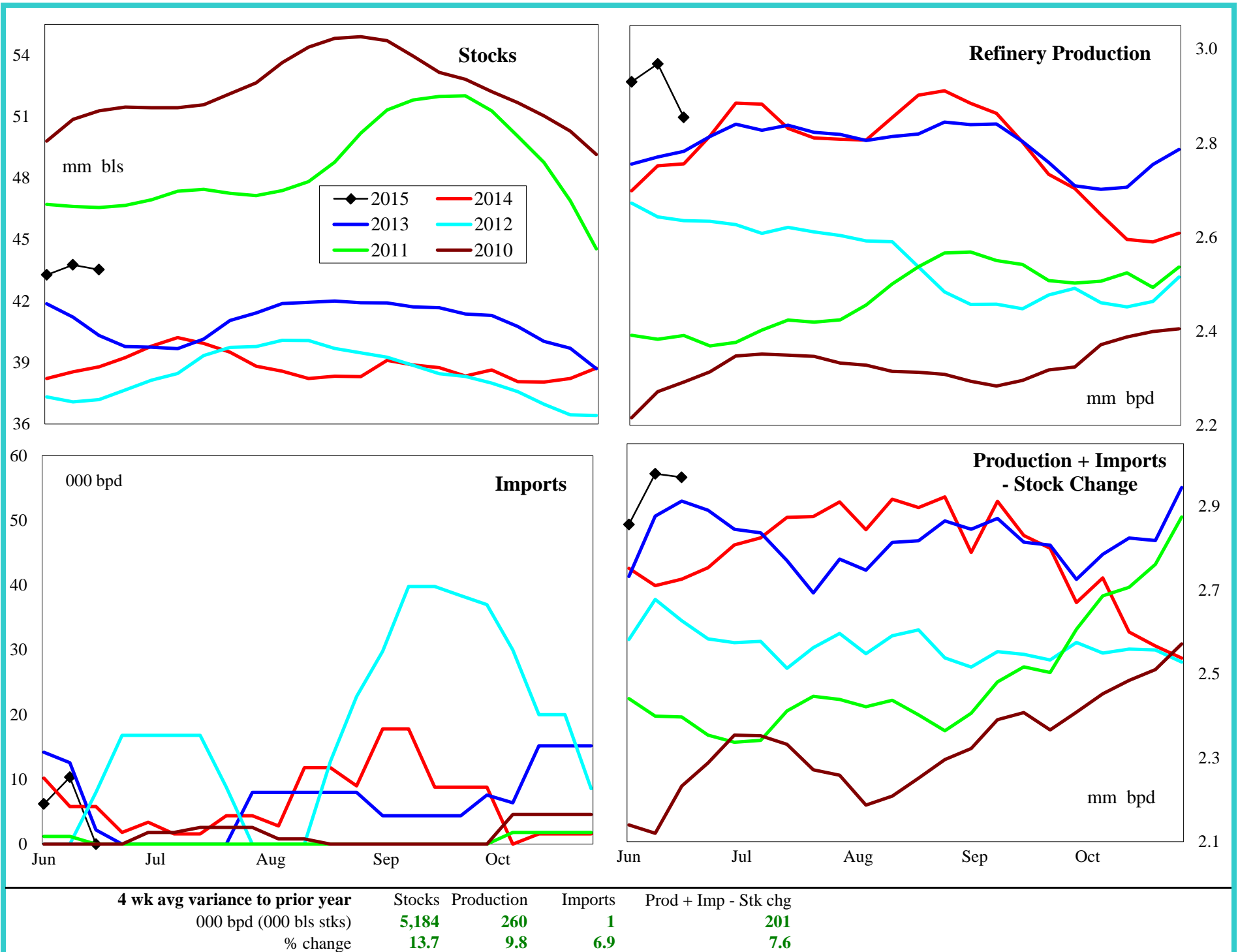
PADD 3 Reformulated Gasoline Supply



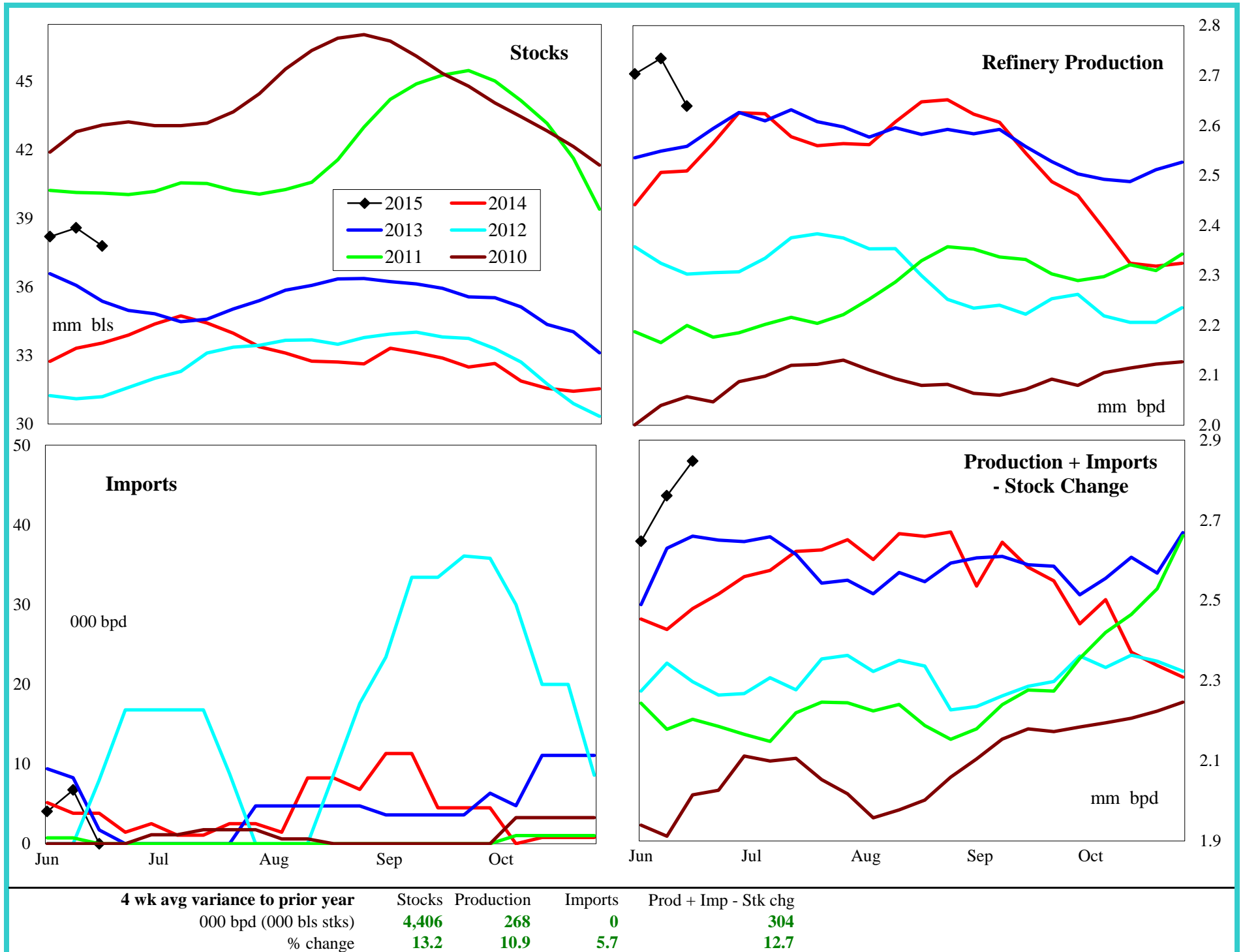
PADD 3 Conventional Gasoline Supply



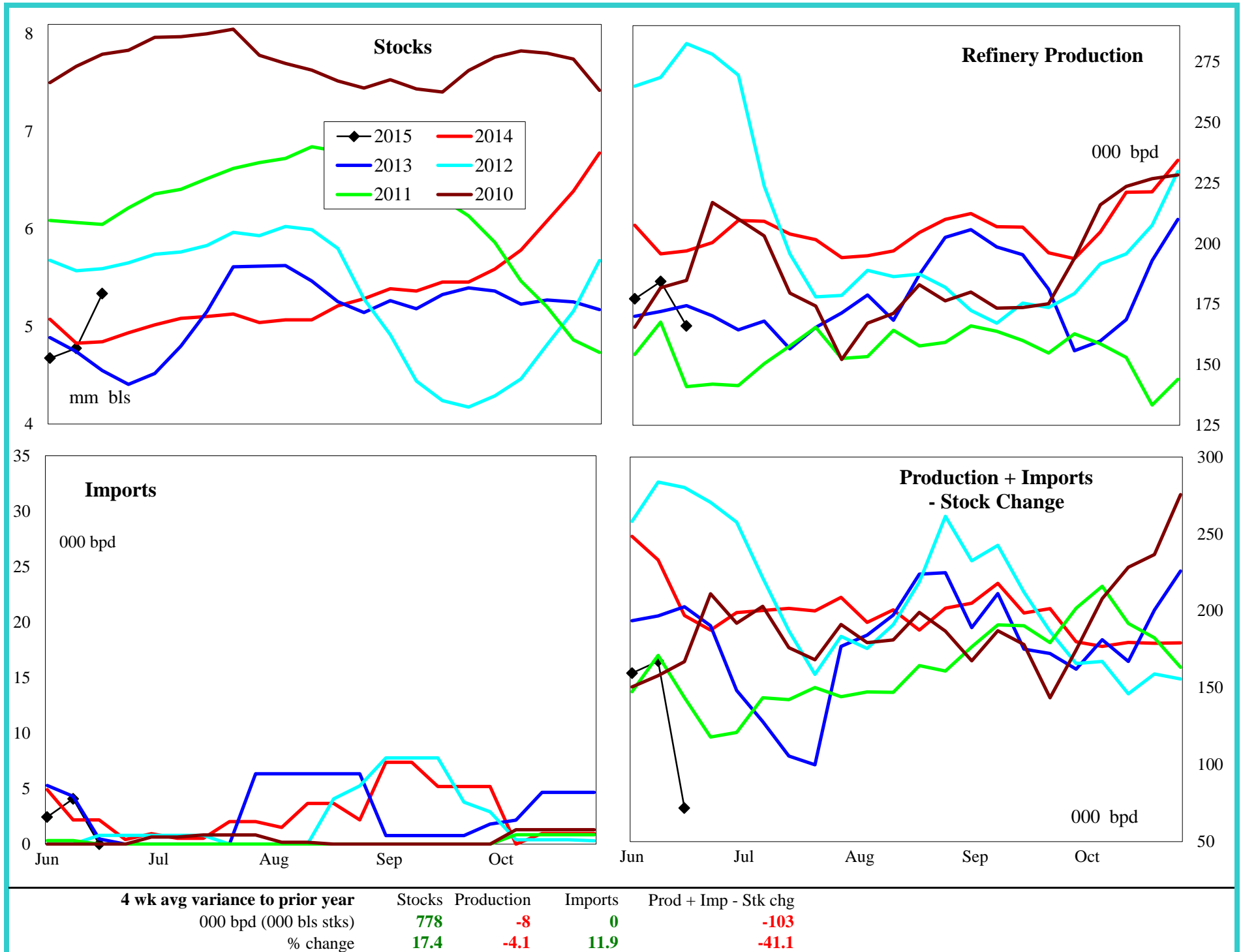
PADD 3 Distillate Supply



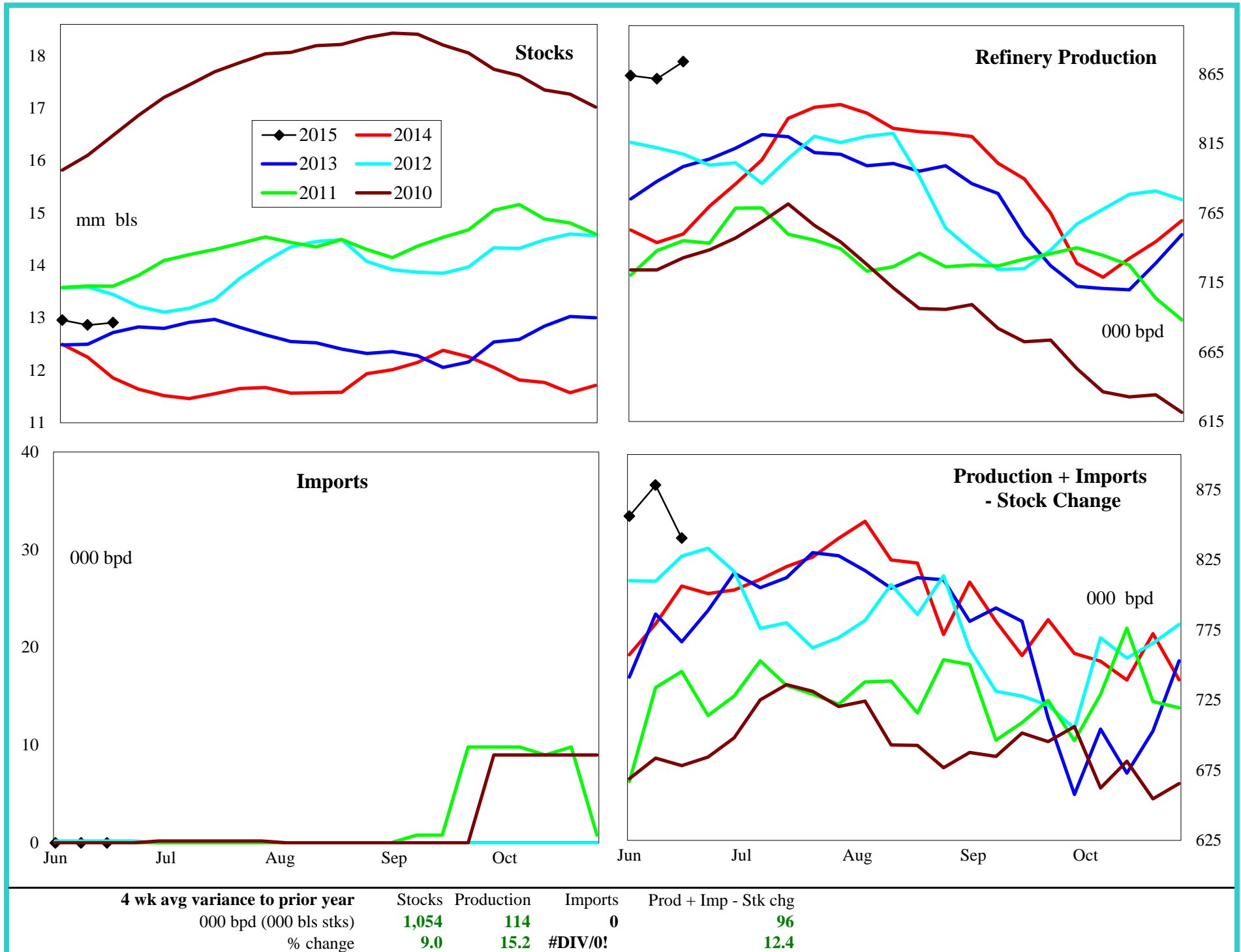
PADD 3 Low Sulfur Distillate Supply



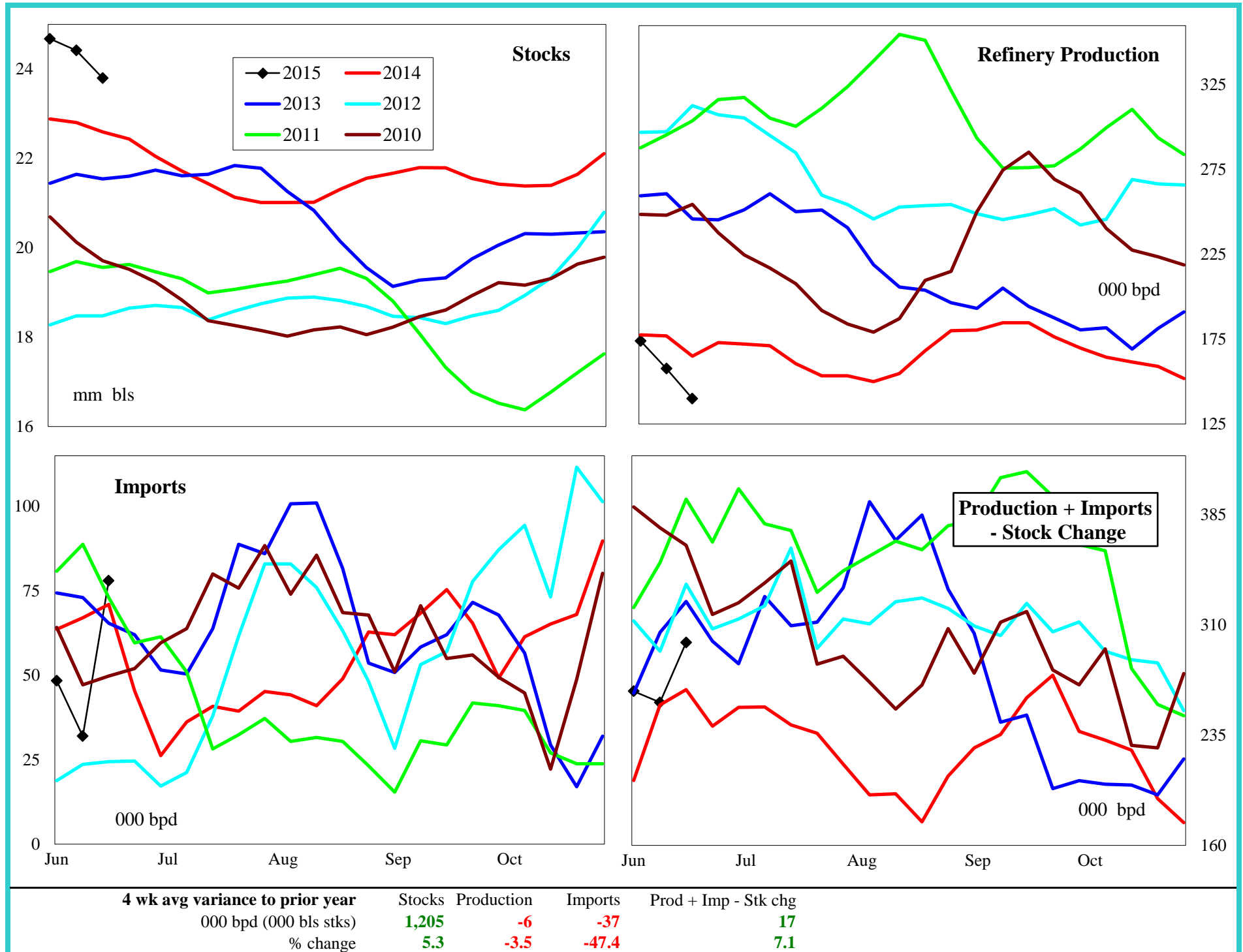
PADD 3 High Sulfur Distillate Supply



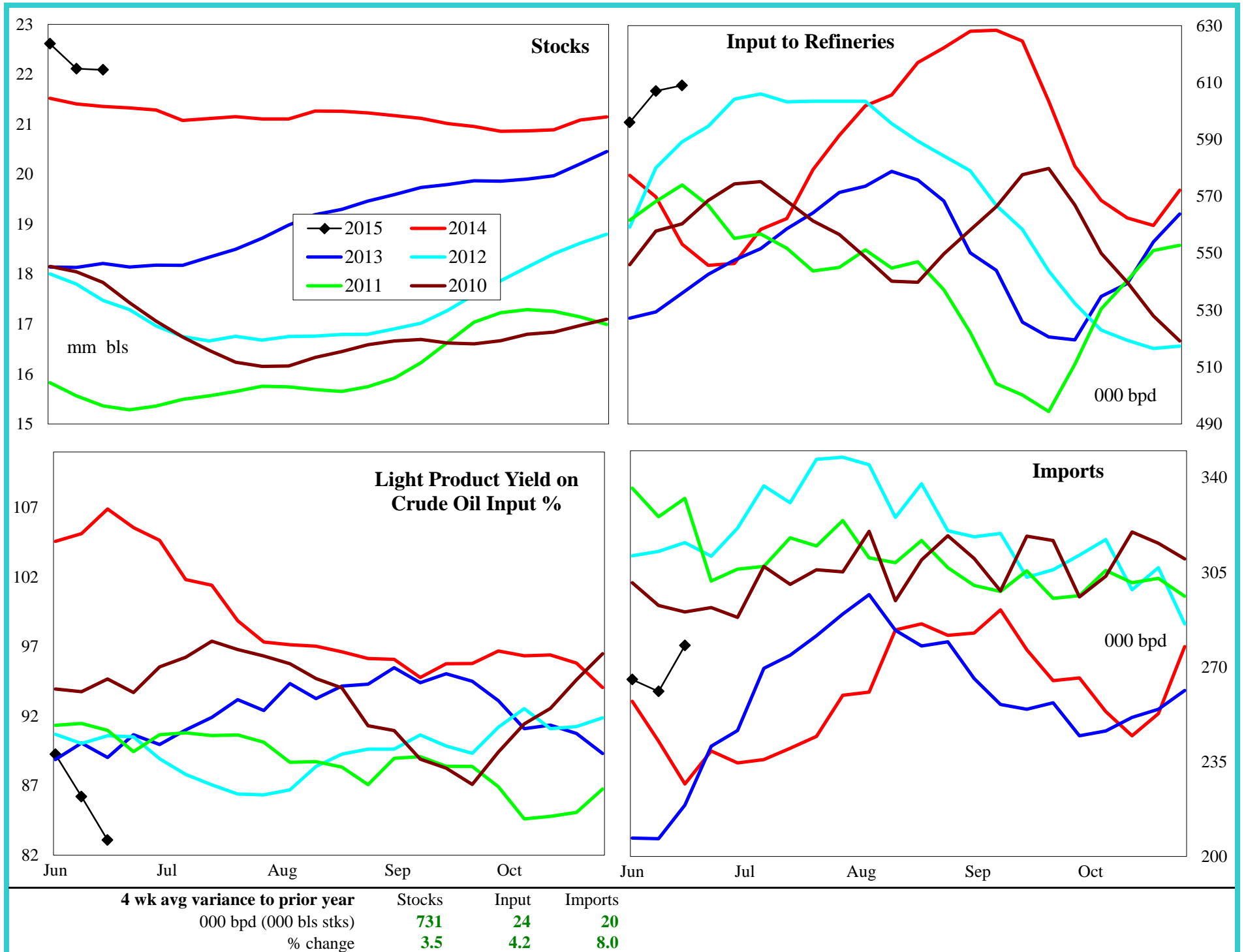
PADD 3 Jet Fuel Supply



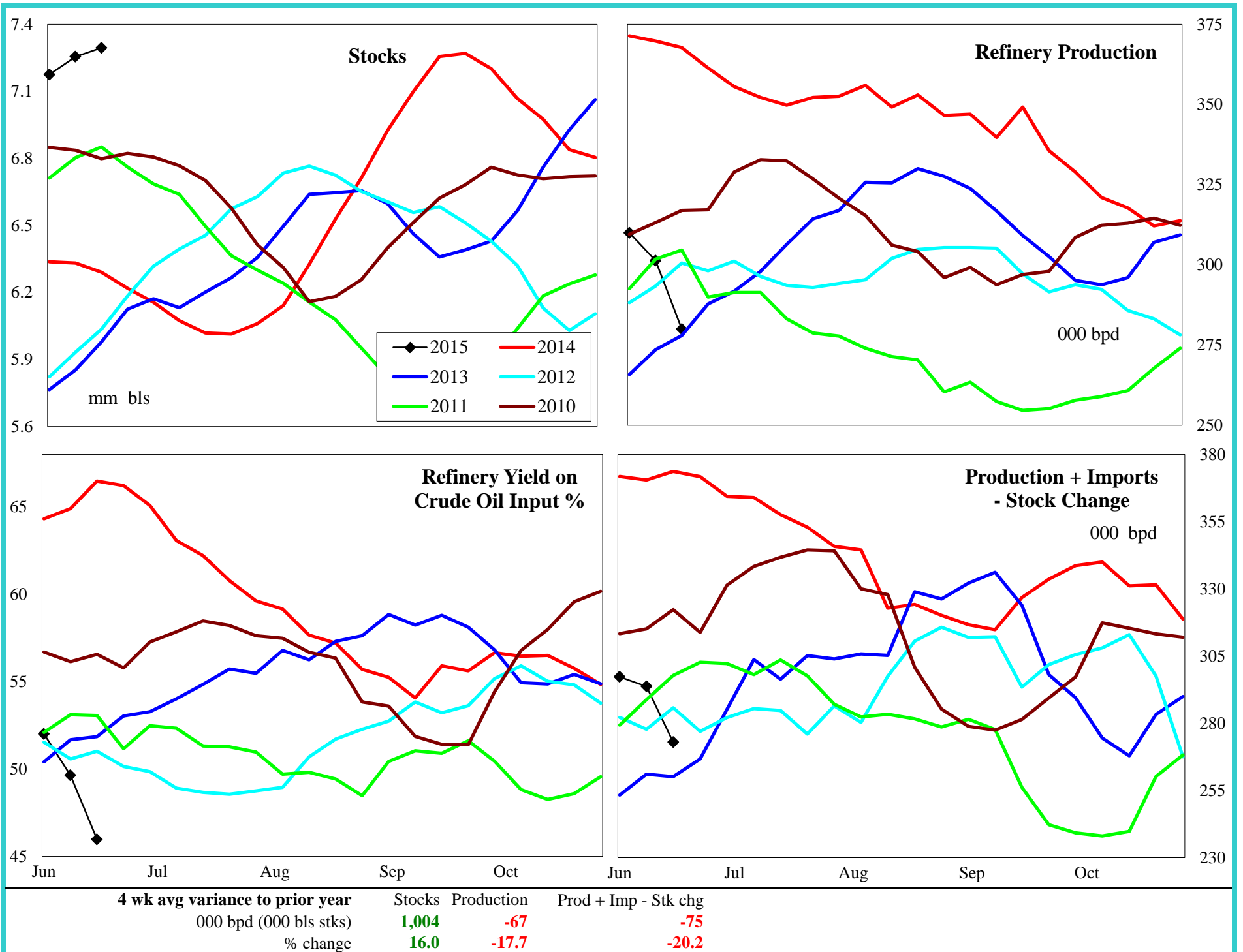
PADD 3 Residual Fuel Oil Supply



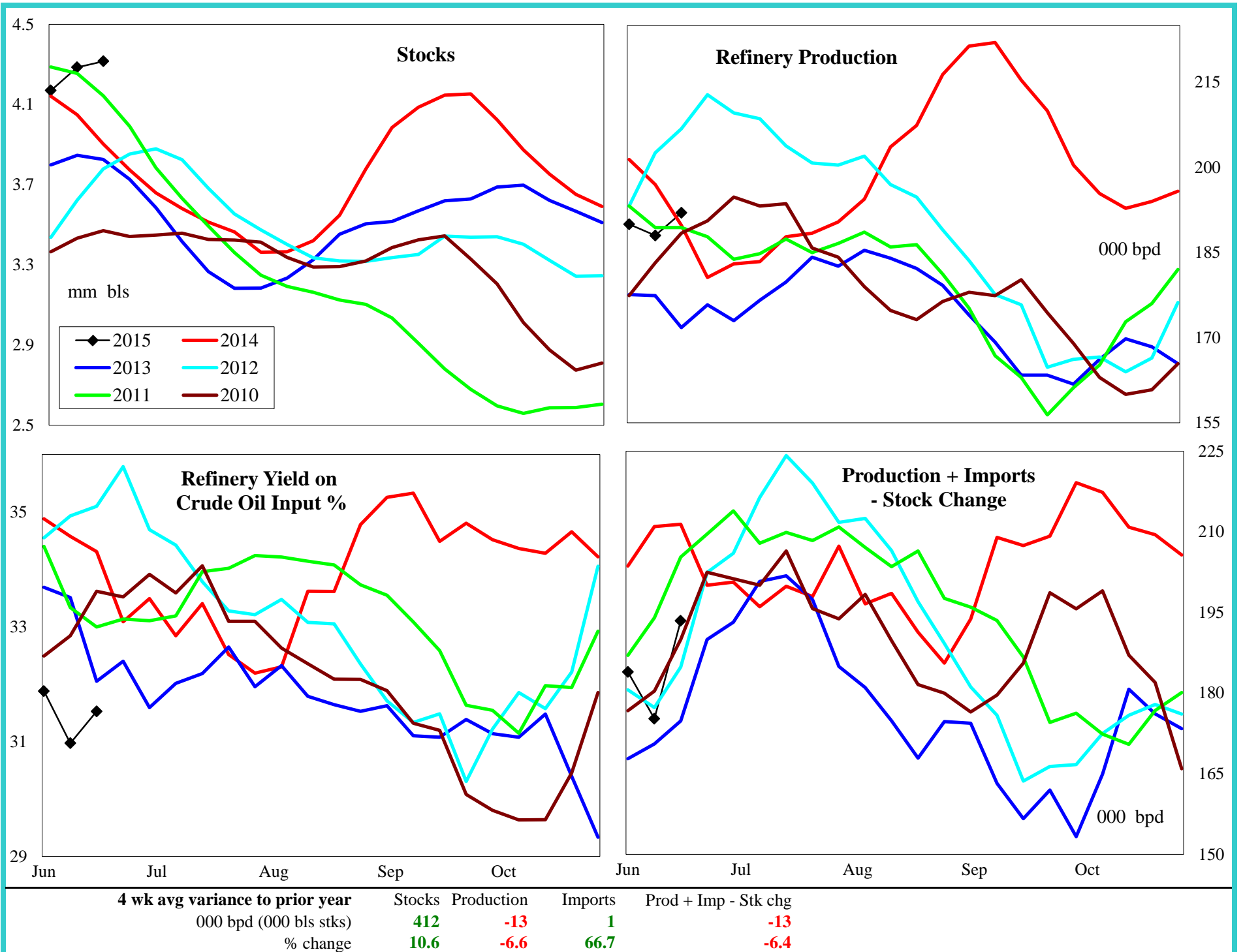
PADD 4 Crude Oil Supply and Refining



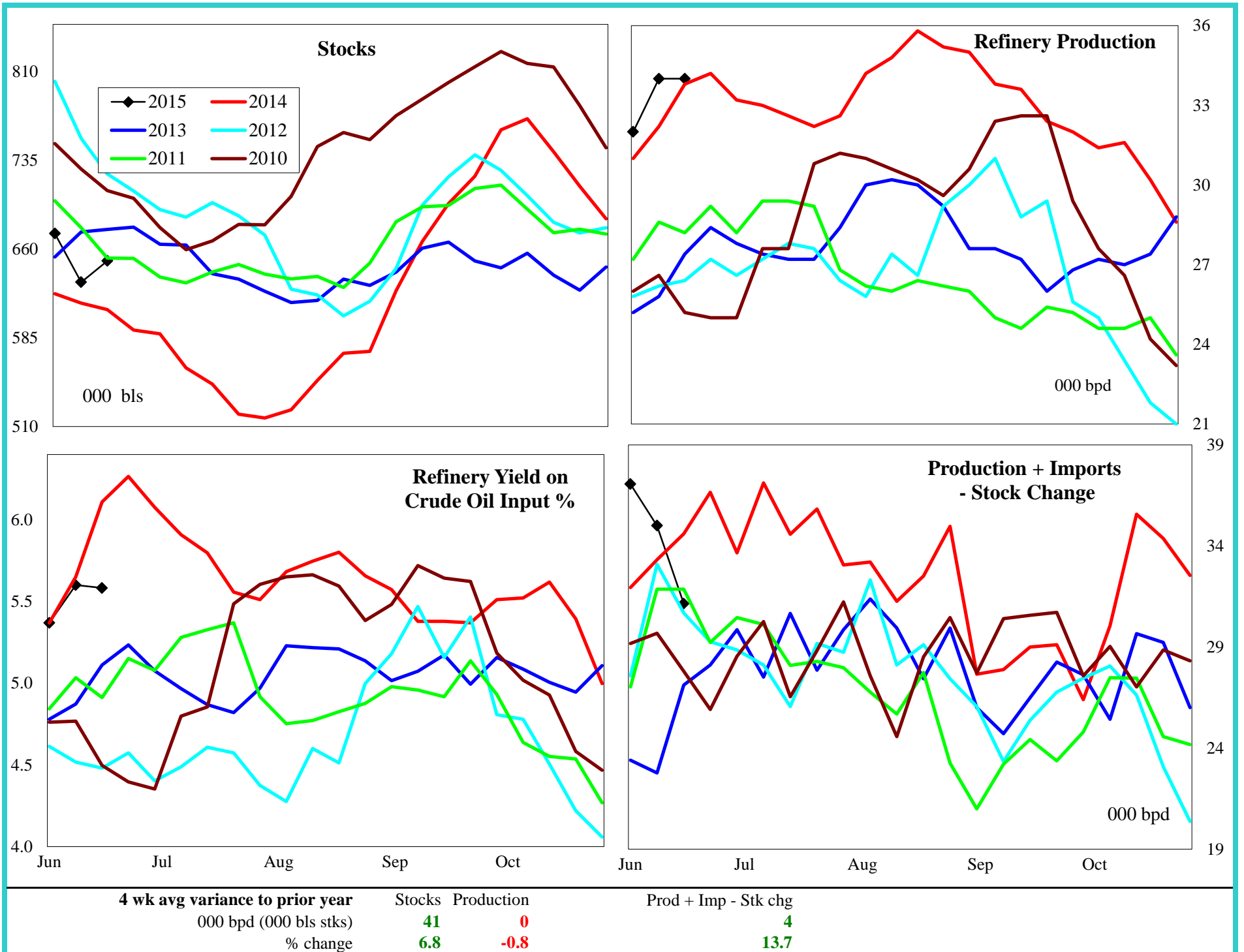
PADD 4 Gasoline Supply



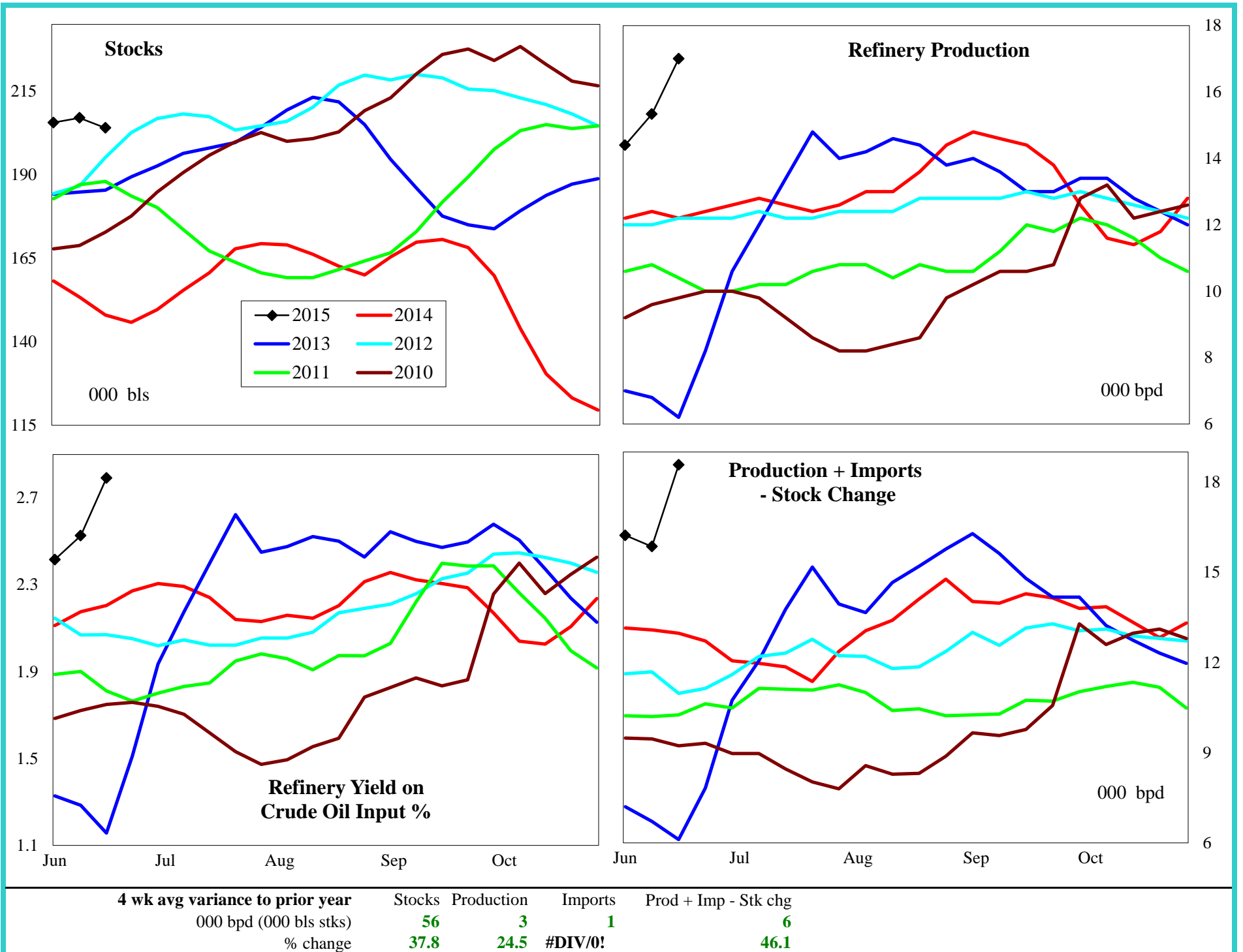
PADD 4 Distillate Supply



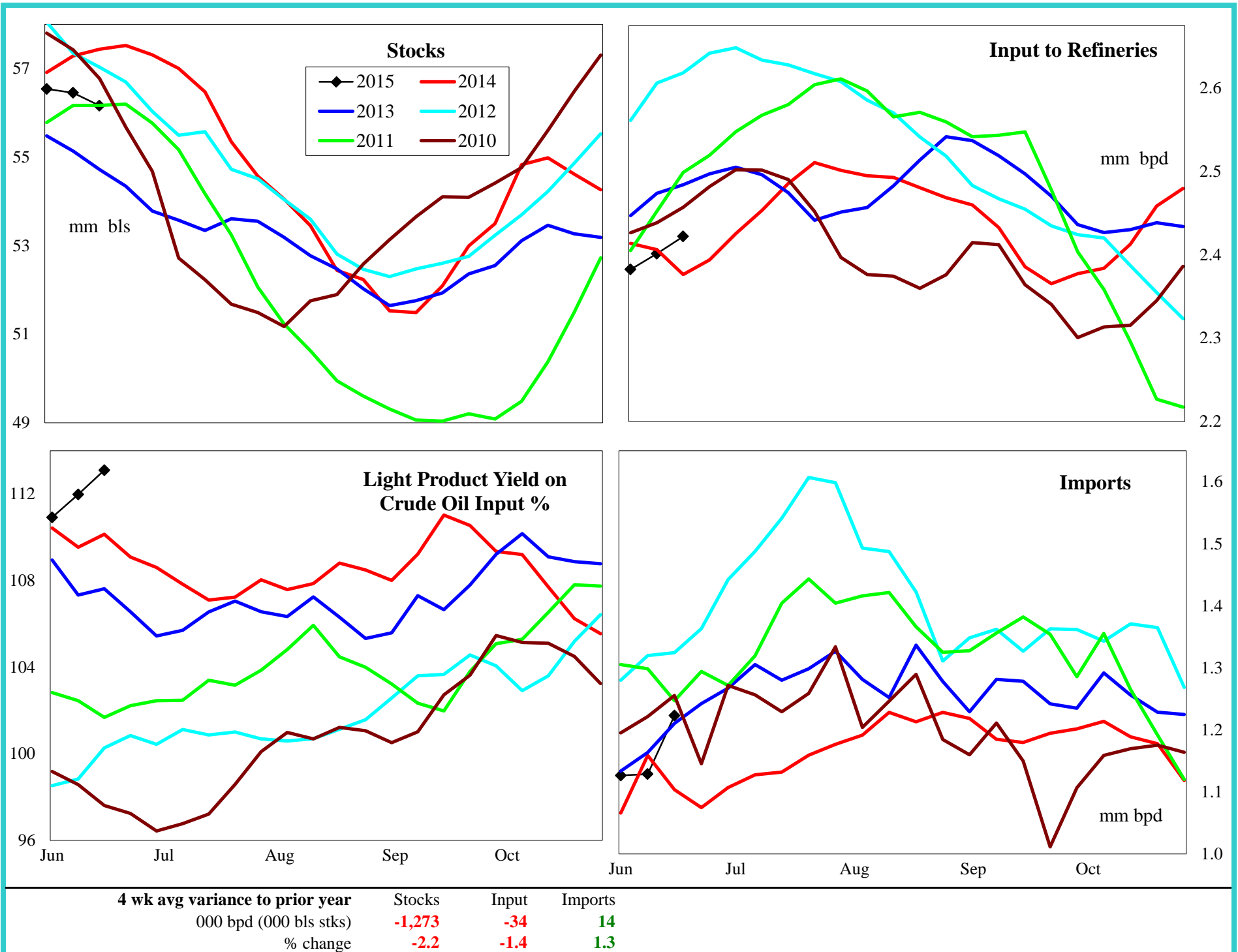
PADD 4 Jet Fuel Supply



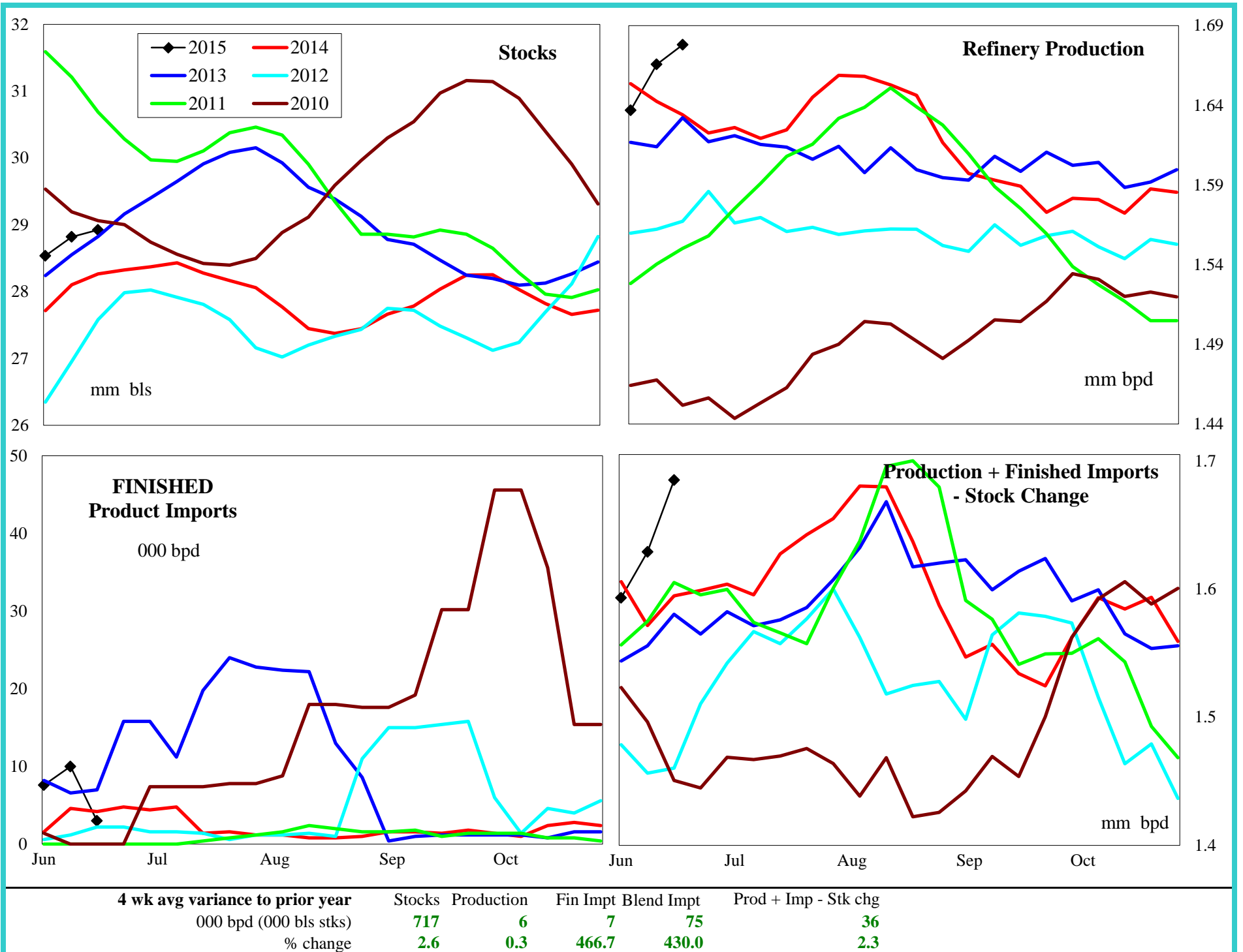
PADD 4 Residual Fuel Oil Supply



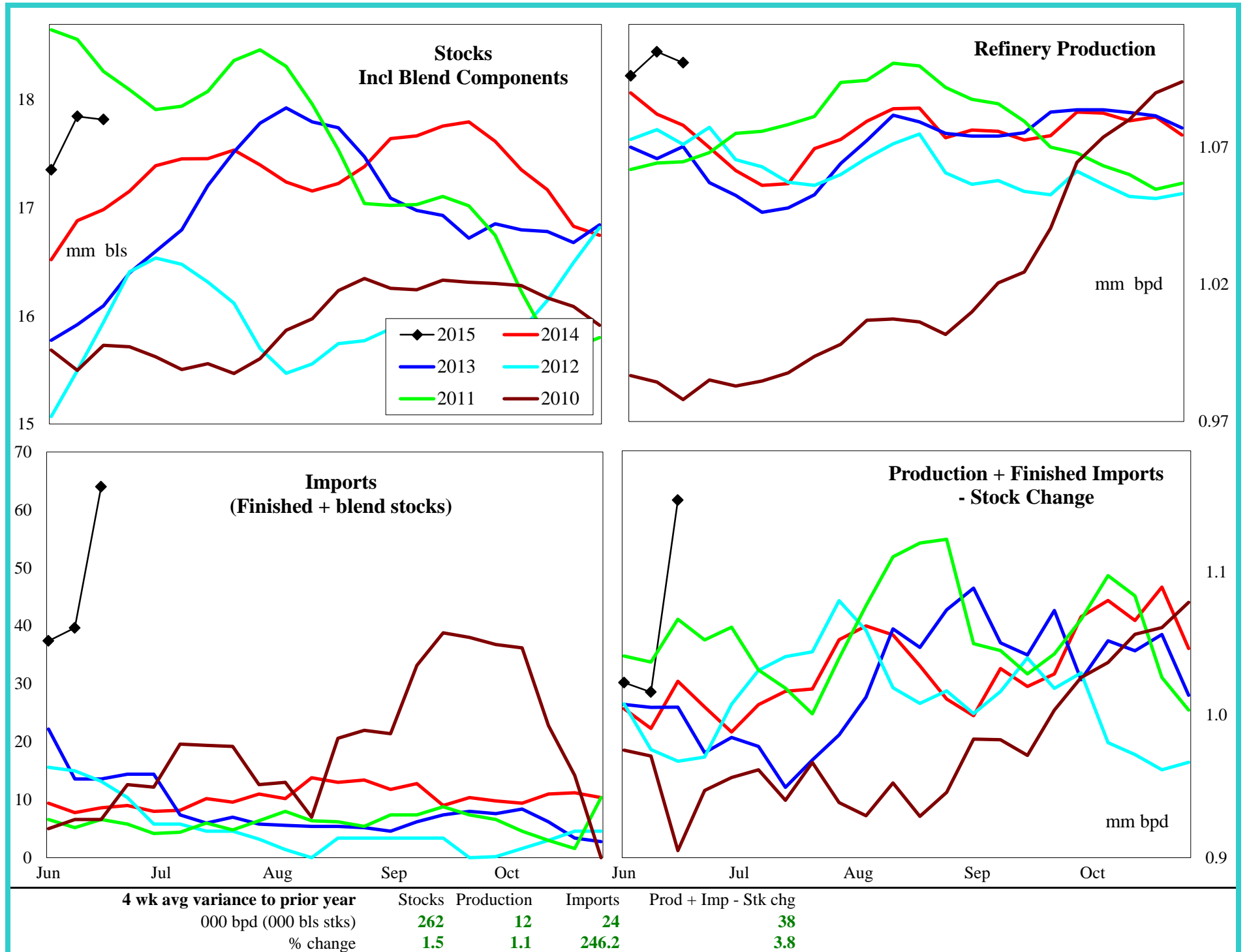
PADD 5 Crude Oil Supply and Refining



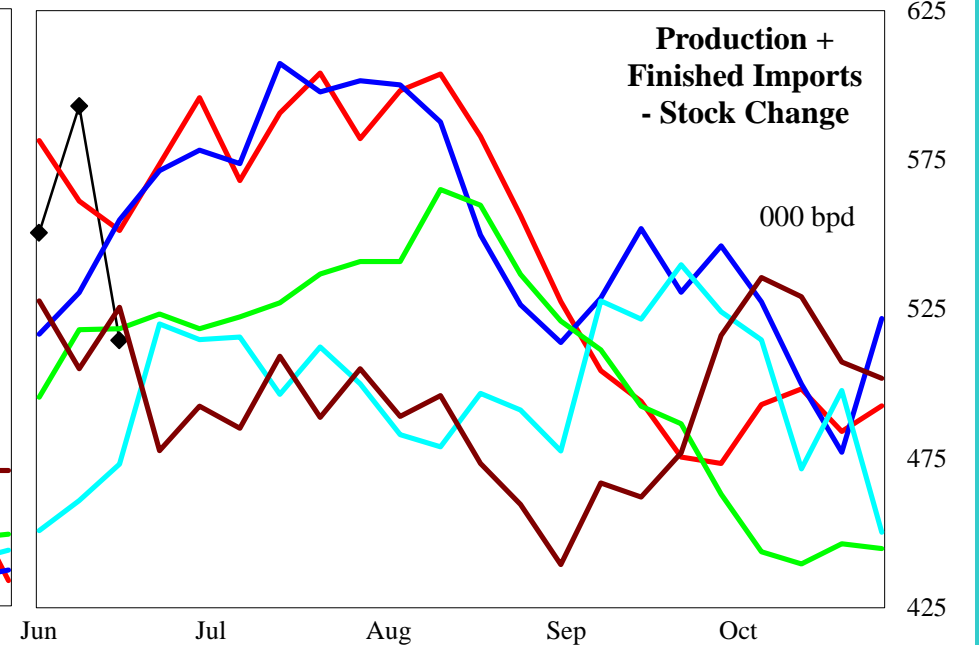
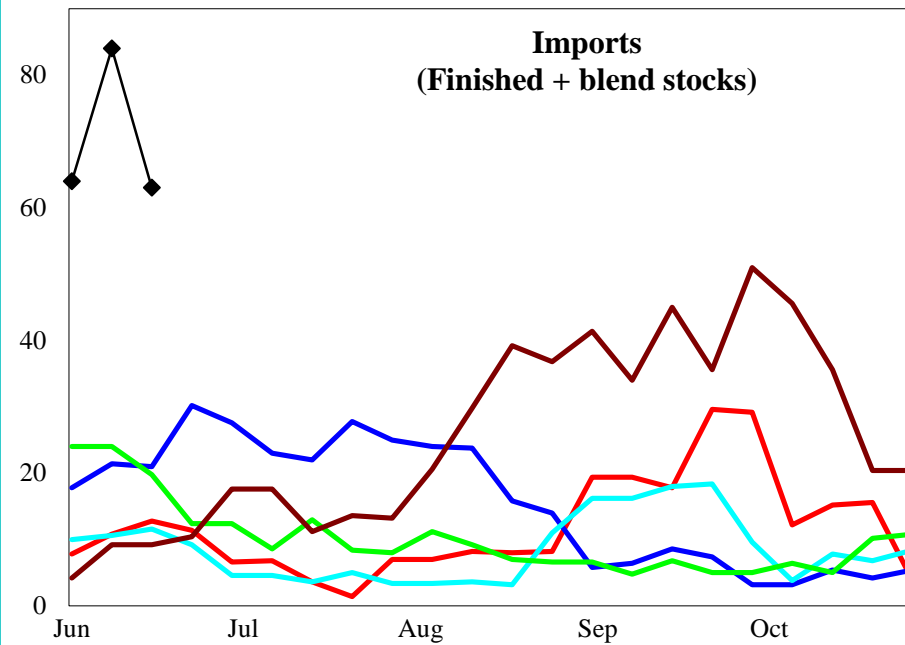
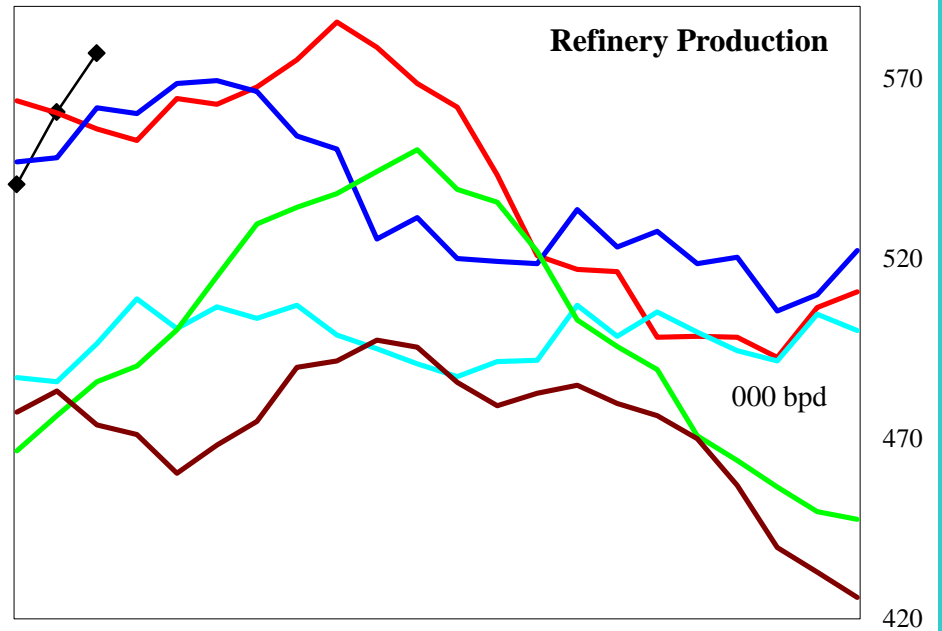
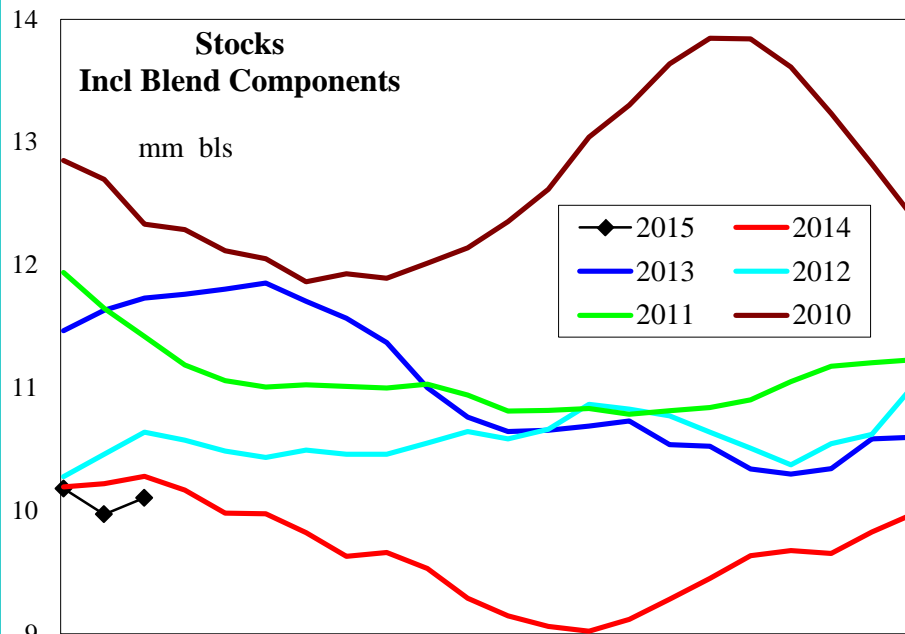
PADD 5 Gasoline Supply



PADD 5 Reformulated Gasoline Supply



PADD 5 Conventional Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

Production

Imports

Prod + Imp - Stk chg

455

-7

58

-2

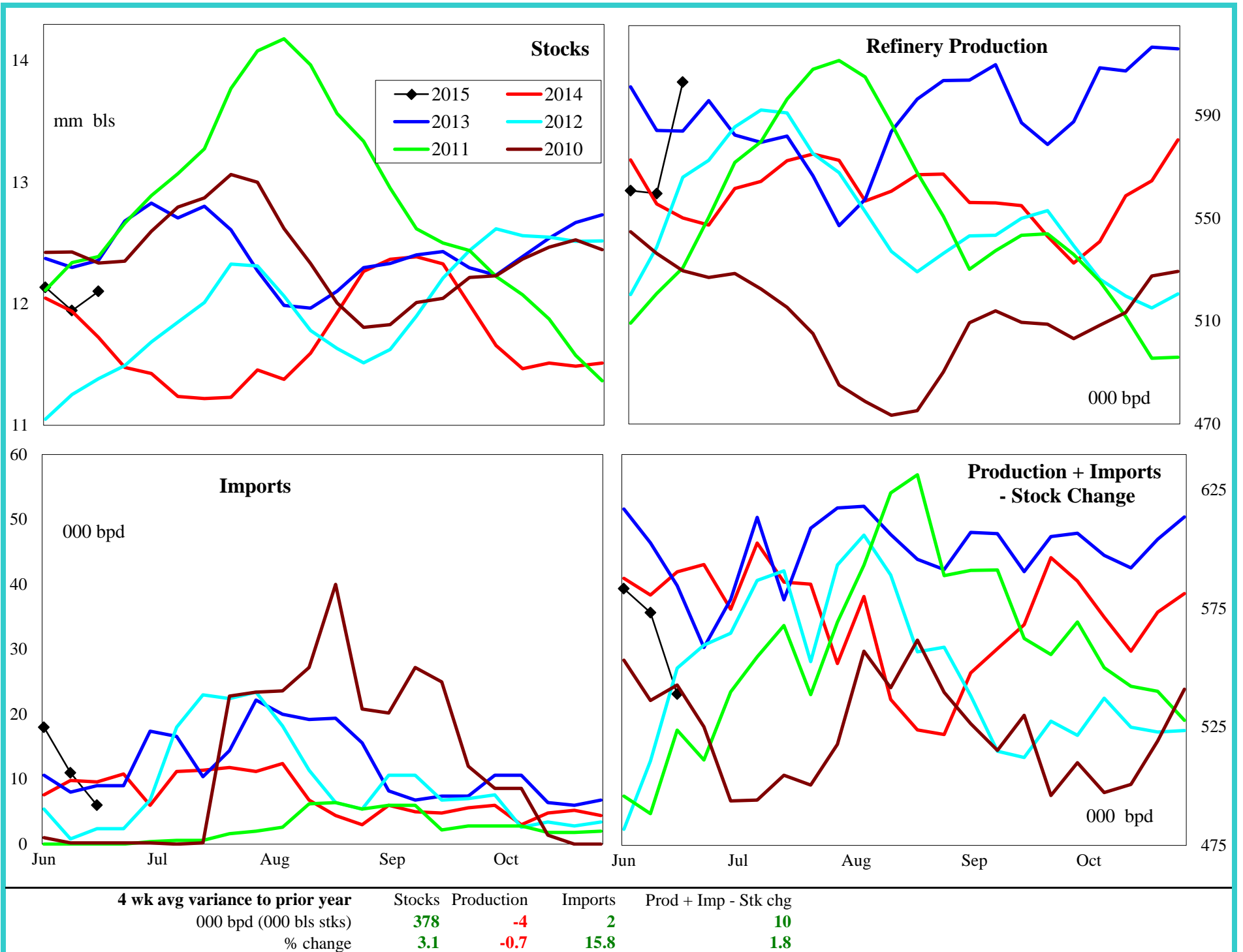
4.6

-1.2

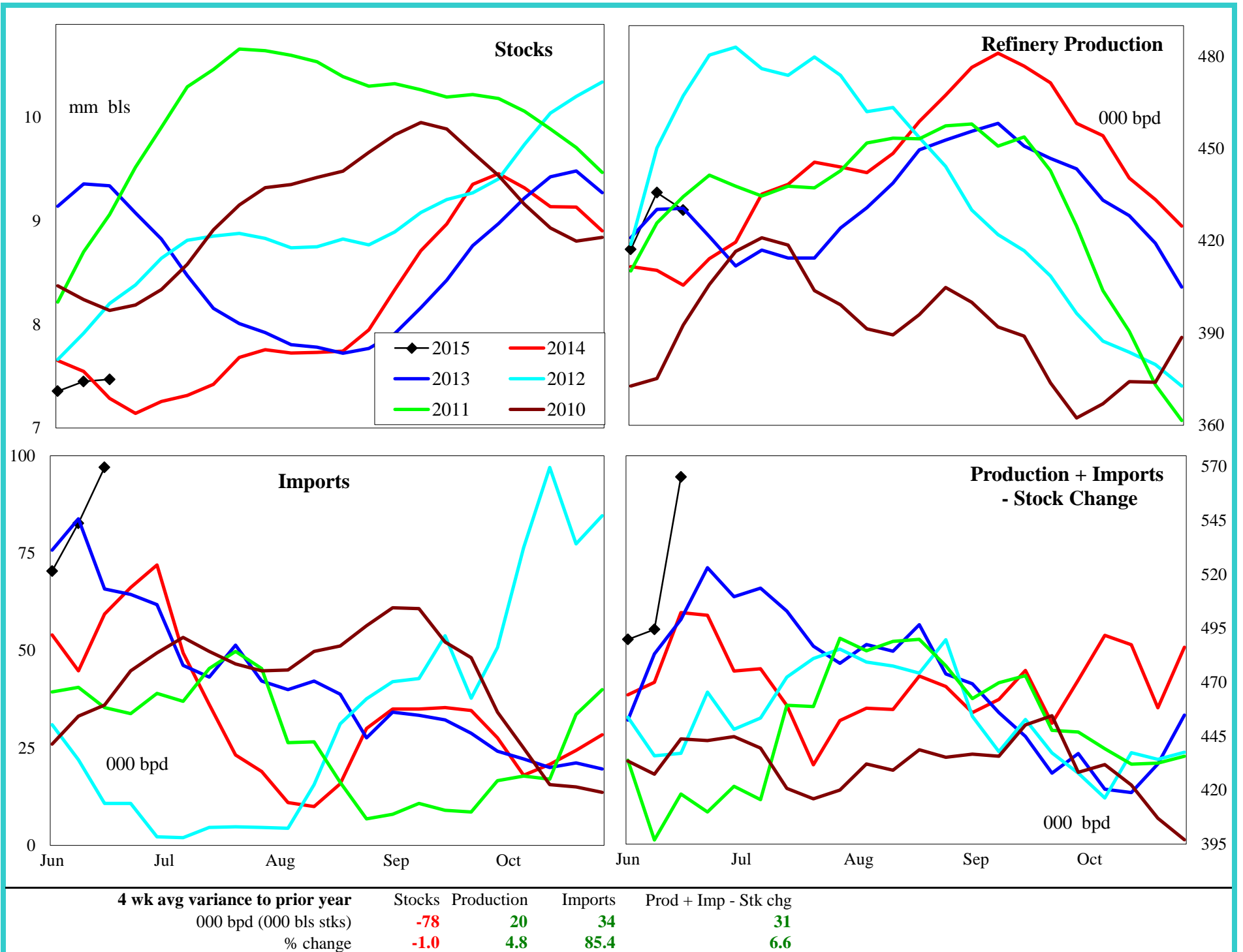
629.7

-0.4

PADD 5 Distillate Supply



PADD 5 Jet Fuel Supply



PADD 5 Residual Fuel Oil Supply

