



WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

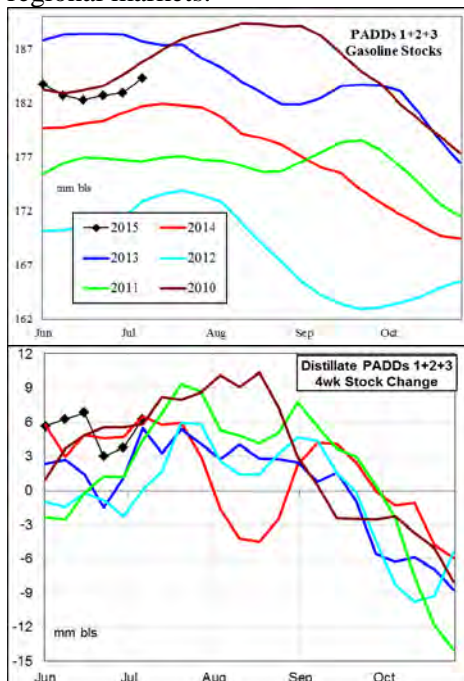
A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Friday, July 17, 2015



Major Fundamental Trends¹

Gasoline stocks ended the week at the average of the last 2-yr in markets East of the Rockies, showing only limited change during the last 6-wks. Peak summer demand and unplanned refinery maintenance has led to wide variance in cash basis levels among regional markets.



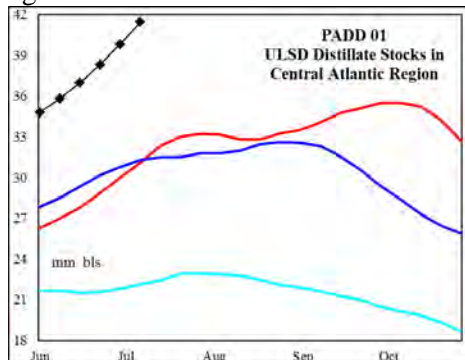
Stocks of gasoline in markets East of the Rockies saw a combined +2.3 million barrel build during the latest 4-wk period, matching historic highs for this time of year.

Look for significant regional differences in supply balance as a result of peak demand and unplanned maintenance during the next 30-days.

Stock levels match 5-yr highs on the East Coast, reducing risk of a price spike during the balance of the summer driving season.

Distillate stocks jumped +3.8 million barrels last week on lackluster demand and record supply. The build was concentrated in the Northeast, lifting stock levels in the key Central Atlantic Region to +45% above a year

ago.



The very high level of distillate stocks and rate of stock building points to significant risk of over supply during the 3rd quarter.

Wholesale Demand for gasoline decreased -0.1 million bpd on the week, although the level remains above the last 4-yr.

Wholesale demand, measured over the last four weeks compared to a year ago: gasoline increased +6.5%, distillate decreased -2.3%, jet fuel was -4.7% lower, while residual fuel fell -38%.

Stocks forward coverage: Gasoline demand coverage saw little change on a +0.1 million barrel stock build and lower wholesale demand. Coverage ended the week at a level near 5-yr lows for the period.

Distillate demand coverage increased on a +3.8 million barrel stock build and lower wholesale demand. Coverage ended the week at a level well above the last 3-yr.

Jet fuel coverage jumped on a +0.9 million barrel stock build and weak wholesale demand. Coverage levels were sharply above the last 3-yr.

Refinery utilization rates increased on a +229,000 bpd increase in crude oil runs last week. During the latest 4-wk period crude oil input was +0.4 million bpd above last year.

Gasoline yield % on crude oil runs decreased last week on a -0.2 million bpd decline in output compared to the +229,000 bpd rise in crude oil runs. Gasoline yield % on crude oil runs ended the week at a level near historic lows.

Distillate yield % on crude oil runs decreased on a +1,000 bpd rise in output compared to the larger increase in crude oil runs. The yield % on crude oil runs was below the last 2-yr.

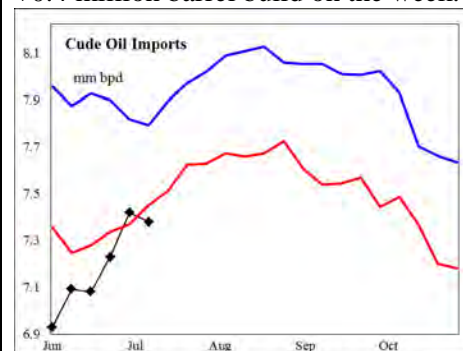
Jet fuel yield % on crude oil runs decreased last week on a -36,000 bpd decline in output compared to the larger increase in crude oil runs, with yields equal to the last 2-yr.

Petroleum Imports/Exports: Crude oil and middle distillate imports were nearly unchanged on the week, while gasoline fell -0.2 million bpd.

During the latest 4-wk period crude oil imports decreased -0.1 million bpd compared to a year ago; distillate imports were +73,000 bpd higher; finished gasoline imports were -14,000 bpd lower; gasoline blend stock imports were +250,000 bpd higher, jet fuel imports increased +43,000 bpd, while residual fuel imports were +21,000 bpd higher.

Exports of distillate for the week ending 19Jun15 were +142,000 bpd above a year ago, gasoline -13,000 bpd lower, jet fuel +28,000 bpd higher and residual fuel oil was +6,000 bpd higher.

Crude Oil stocks decreased -4.3 million barrels on the week, with draws in all regions except the Midwest and Rockies. Cushing saw a +0.4 million barrel build on the week.



¹ Source is latest EIA Weekly Statistics



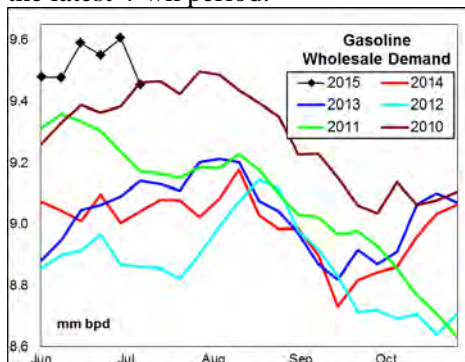
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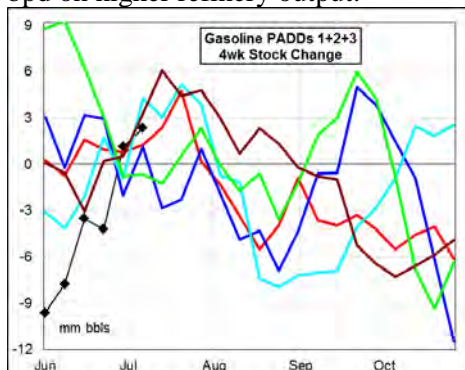
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Product Supply-Demand Trends

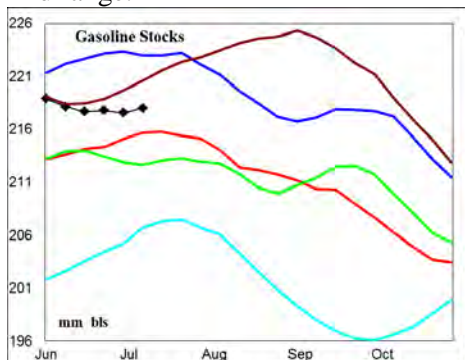
Gasoline wholesale demand decreased -0.1 million bpd to a level above the historic range. Wholesale demand was +0.6 million bpd above last year for the latest 4-wk period.



Supply fell -0.4 million bpd last week. Supply for the latest 4-wk period exceeded a year ago by +0.6 million bpd on higher refinery output.



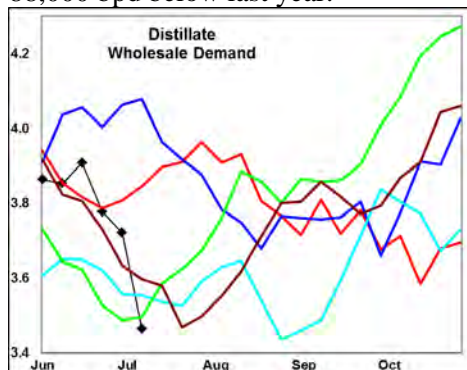
The latest 4-wk stock change East of the Rockies was a +2.3 million barrel build, a level that exceeded the 3-yr mid range.



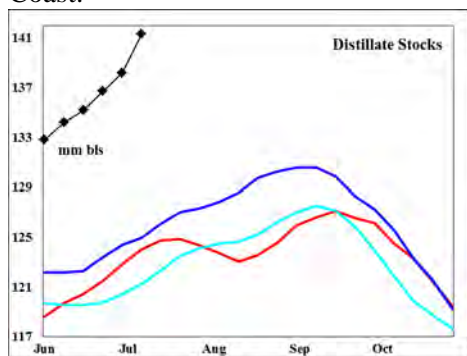
Peak season refinery thru put and import levels above the last 3-yr years should lead to modest stock builds through month end.

Distillate wholesale demand decreased -0.3 million bpd last week, to a level below the historic range. The latest 4-

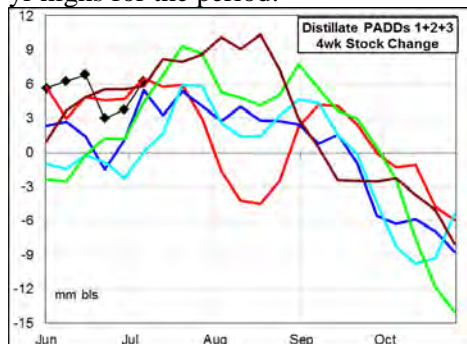
wk average wholesale demand was -88,000 bpd below last year.



Supply decreased -17,000 bpd on lower imports. Stocks increased +3.8 million barrels last week, including a +2.7 million barrel build on the East Coast.



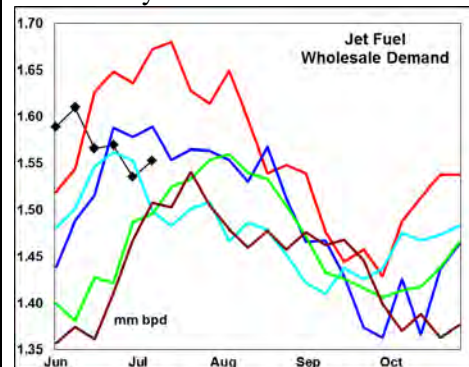
Combined markets East of the Rockies have saw a +5.8 million barrel build for the latest 4-wk period, matching 3-yr highs for the period.



Lower seasonal demand during the summer quarter, combined with season high production and a high rate of stock building on the East Coast increases risk of significant over supply during the 3-rd quarter.

Jet Fuel wholesale demand increased +44,000 bpd on the week, ending at a level below the last 2-yrs. The latest 4-wk average demand was -78,000 bpd

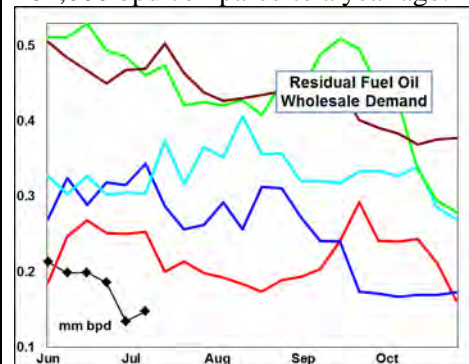
below last year.



Supply was unchanged on the week, with the 4-wk average +154,000 bpd above a year ago. Stocks increased +0.9 million barrels on the week, driven by record production and imports.

Record production, very high imports and a slow down in wholesale demand has led to a counter seasonal stock build, lifting stock levels +20% above last year.

Residual fuel oil demand increased +17,000 bpd last week. Demand for the latest 4-wk period decreased -104,000 bpd compared to a year ago.



Supply (production + imports) fell -101,000 bpd on the week, due to lower production and imports. Stocks decreased -0.4 million barrels, to a level +11% above the last 3-yrs. Stock levels remain above the historic range in the key Gulf region.



WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

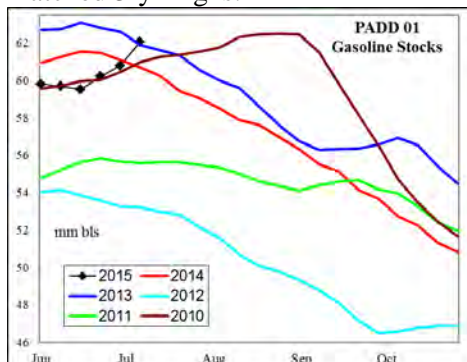
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PADD Supply Trends

PADD 1 refinery crude oil runs increased +25,000 bpd on the week to a level above the last 3-yrs. The latest 4-wk average thru put was +27,000 bpd above last year.

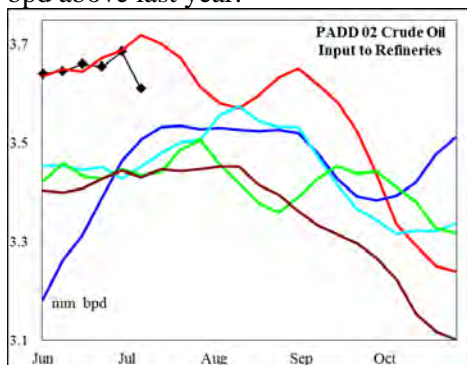
Gasoline supply decreased -125,000 bpd on the week, with the 4-wk average unchanged from a year ago. Stocks increased +1.6 million barrels last week, ending at a level that matched 3-yr highs.



Distillate supply decreased -53,000 bpd on the week, with the 4-wk average +63,000 bpd above last year. Stocks increased +2.7 million barrels on the week, to a level +27% above last year.

Jet fuel supply declined -33,000 bpd on the week, while stocks fell -1.4 million barrels to a level above the last 2-yrs.

PADD 2 crude oil refinery runs decreased -116,000 bpd on the week. The latest 4-wk average was +13,000 bpd above last year.



Crude oil stocks increased +1 million barrels last week, driven by imports. Cushing saw a +0.4 million barrel build for the week.

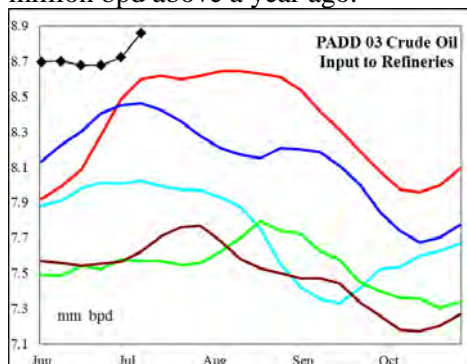
Gasoline supply decreased -

131,000 bpd on the week. Production for the most recent 4-wk period was -173,000 bpd below a year ago. Stocks increased +0.9 million barrels on the week, to a level that matched 3-yr highs for the period.

Distillate supply declined -76,000 bpd on the week, to a level near 3-yr lows for the period. The latest 4-wk average production was -73,000 bpd below last year. Stocks decreased -0.4 million barrels on the week, but remain above the 5-yr range.

Jet fuel supply was unchanged on the week, with the 4-wk average +19,000 bpd above a year ago.

PADD 3 refinery runs increased +183,000 bpd last week, to a level above the historic range. During the latest 4-wk period, runs were +0.3 million bpd above a year ago.



Crude oil imports decreased -0.1 million bpd on the week, with the 4-wk average -0.3 million bpd below last year.

Crude oil stocks decreased -2.1 million barrels, to a level +32 million barrels (+16%) above the prior high for the period.

Gasoline supply decreased -95,000 bpd last week, with the latest 4-wk average -17,000 bpd below a year ago. Stocks decreased -1.5 million barrels on the week, to a level above the 3-yr mid range.

Distillate supply increased +137,000 bpd on the week, with the latest 4-wk average supply +50,000 bpd above a year ago. Stocks increased +0.8 million barrels to a level +9% above last year.

Jet fuel production decreased -

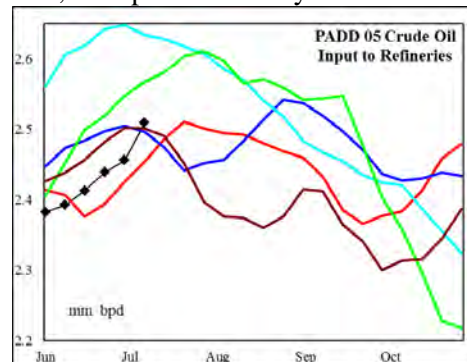
22,000 bpd on the week, a level +11% above last year. Stocks jumped +2 million barrels to a level near 5-yr highs.

PADD 4 refinery crude runs increased +44,000 bpd last week, to a new record high level. The latest 4-wk average was +92,000 bpd above a year ago (+17%).

Gasoline supply increased +19,000 bpd last week, to a level above the 3-yr mid range.

Distillate supply was unchanged on the week, with the level +16% above a year ago for the latest 4-wk period. Stock levels ended the week +30% above a year ago.


PADD 5 crude oil refinery runs climbed +93,000 bpd on the week to a level equal to the 3-yr mid range. The 4-wk average thru put rate was +41,000 bpd above last year.



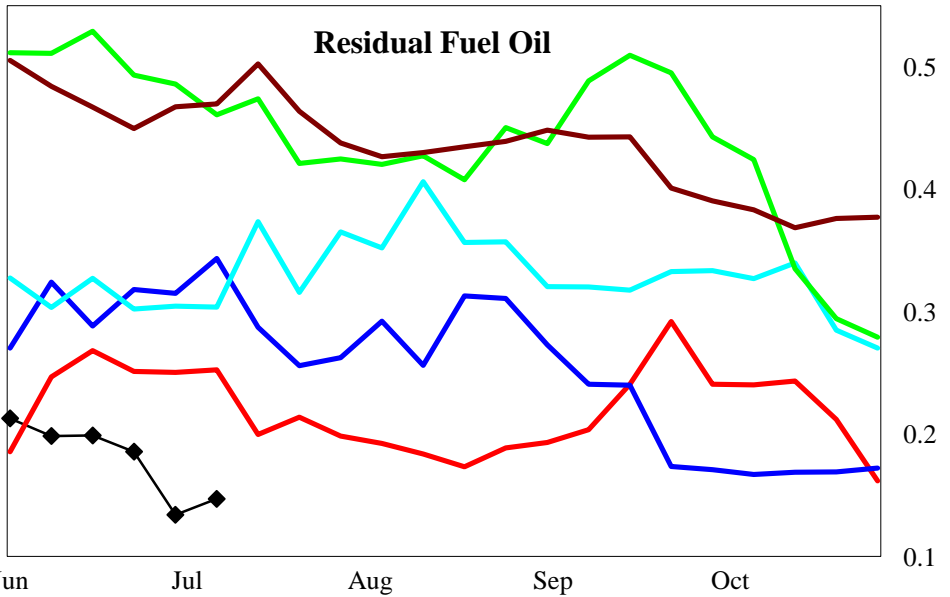
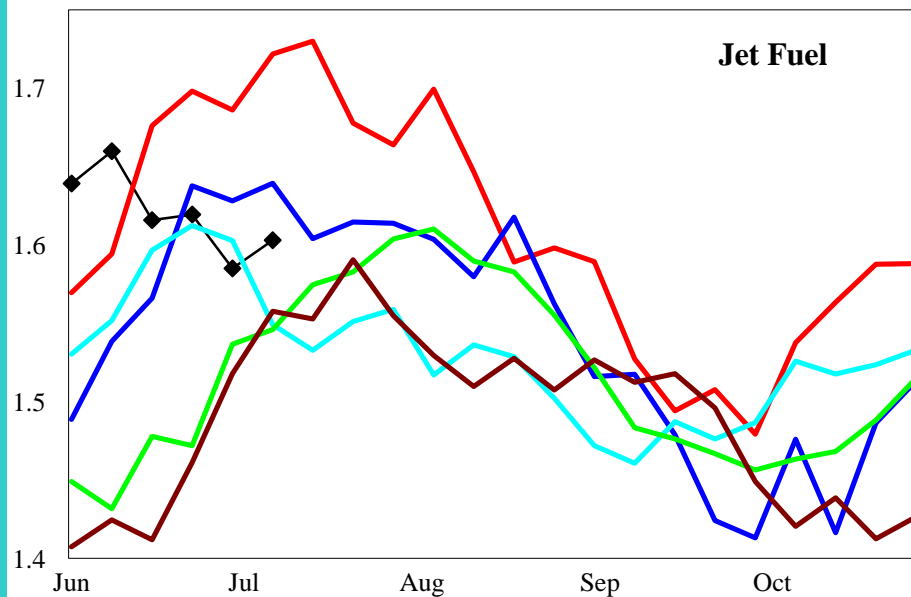
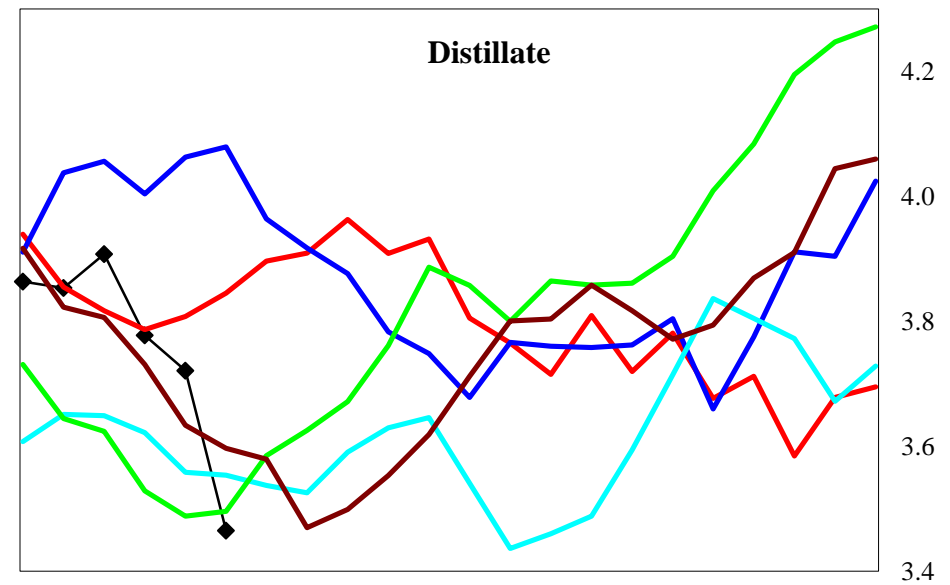
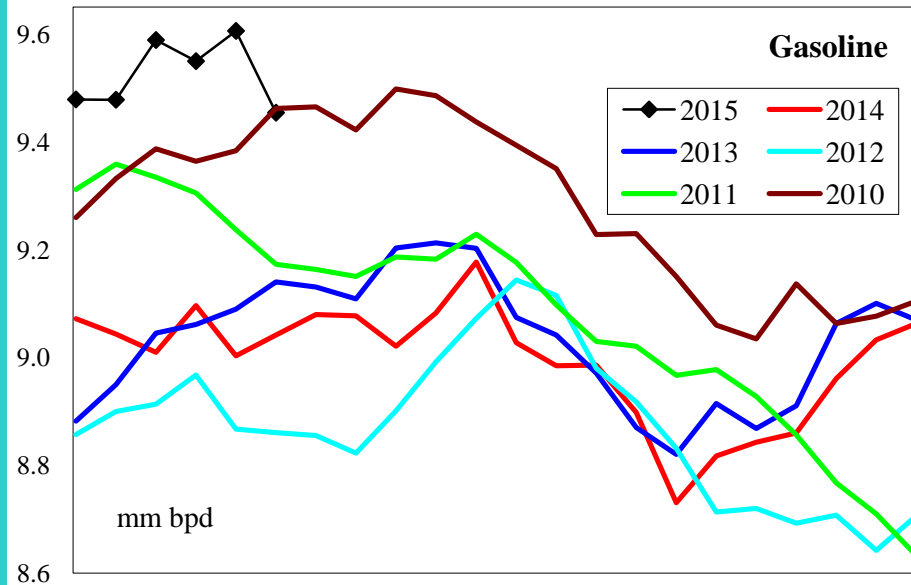
Gasoline supply declined -36,000 bpd on the week, driven by lower production; with the latest 4-wk average +47,000 bpd above last year. Production levels continued above the historic range for the last 5-wks. Stocks fell -0.6 million barrels on the week, to a level below the historic range.

Distillate supply decreased -26,000 bpd on the week, due to lower production. The 4-wk average supply was +30,000 bpd above last year. Stocks increased +0.5 million barrels on the week, to a level that matched 3-yr highs.

Jet fuel stocks increased +0.5 million barrels on the week, ending at a level above the last 3-yrs. Imports remain 2X over the last 2-yrs.

 FUNDAMENTAL PETROLEUM TRENDS		CHARTS: Graph Link and Weekly Summary					
		A Fundamental Petroleum Trends Weekly Report				July 15, 2015	
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Fundamental Trends	Wholesale Demand	Stocks Days Fwd Coverage	Refinery Utilization			Imports	
Supply/Demand Trends	10-Jul-15	EIA-DOE CHANGE FROM PRIOR WEEK					
	000 bpd stocks 000 bls	U. S. Total	PADD				
			1	2	3	4	5
Crude Oil	Stocks	-4,346	-1,926	994	-2,121	428	-1,721
	Imports	38	22	187	-59	-54	-59
	Input	229	25	-116	183	44	93
	% Utilization	0.60					
Gasoline	Stocks	58	1,601	896	-1,496	-300	-642
	Production	-210	38	-137	-76	18	-33
	Imports	-170	-163	6	-19	1	7
	Supplied	-128					
Distillate	Stocks	3,819	2,709	-422	754	310	467
	Production	1	-29	-76	128	3	-25
	Imports	-18	-24	0	9	-2	-1
	Supplied	-329					
Jet Fuel	Stocks	888	-1,428	-162	2,032	-34	481
	Production	-36	-2	0	-22	-5	-6
	Imports	30	-31	0	0	0	62
	Supplied	44					
Residual Fuel Oil	Stocks	-360	-22	-2	381	62	-780
	Production	-54	3	-7	-29	4	-24
	Imports	-47	-19	-4	-9	0	-15
	Supplied	17					
Propane	Stocks	1,658	-931	474	2,113	2	
	Propylene stk	-164					
	Production	34	1	-8	39	2	
	Imports	-10	11	-26	0	5	
	Supplied	98					

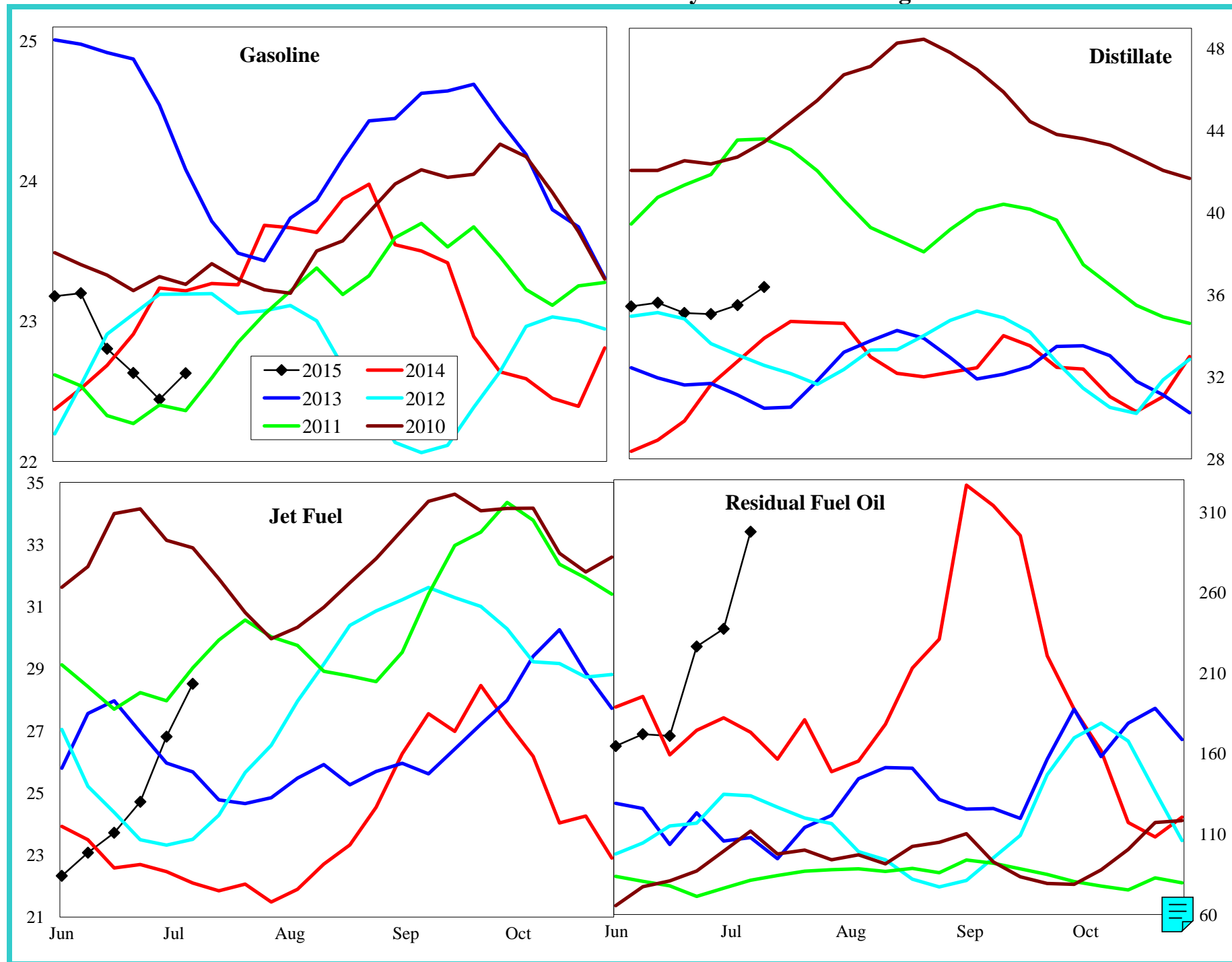
United States Wholesale Petroleum Demand



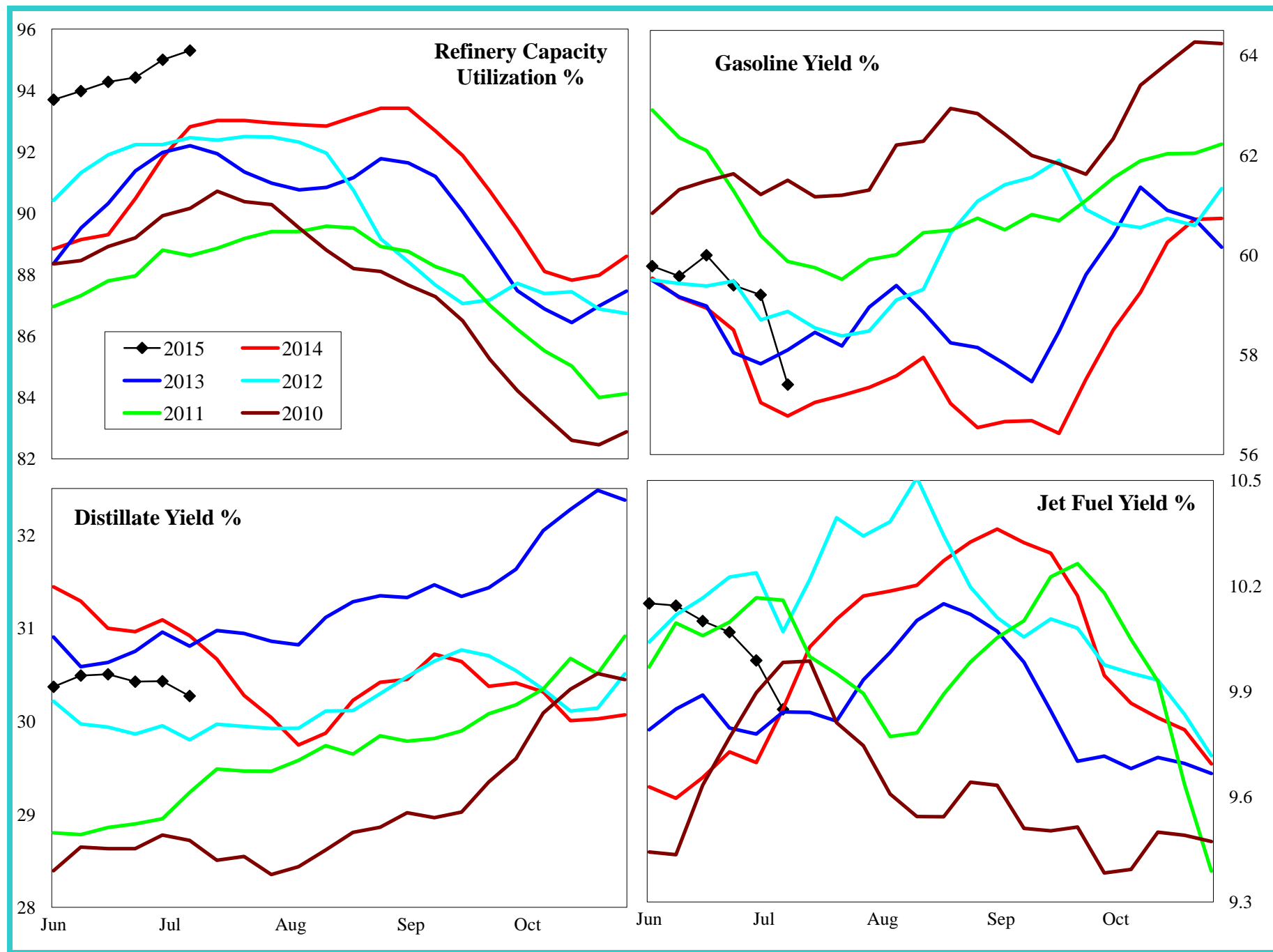
	000 bpd change from prior year				% change from prior year				
	4wk avg	Jun	Jan	Jan	4wk avg	Jun	May	Apr	
Gasoline	587	507	278	160	6.5	5.6	3.1	1.8	
Distillate	-88	56	104	26	-2.3	1.4	2.6	0.7	
Jet Fuel	-78	20	182	37	-4.7	1.3	13.0	2.6	
Resid	-104	-45	-70	-125	-38.3	-17.2	-29.8	-45.3	



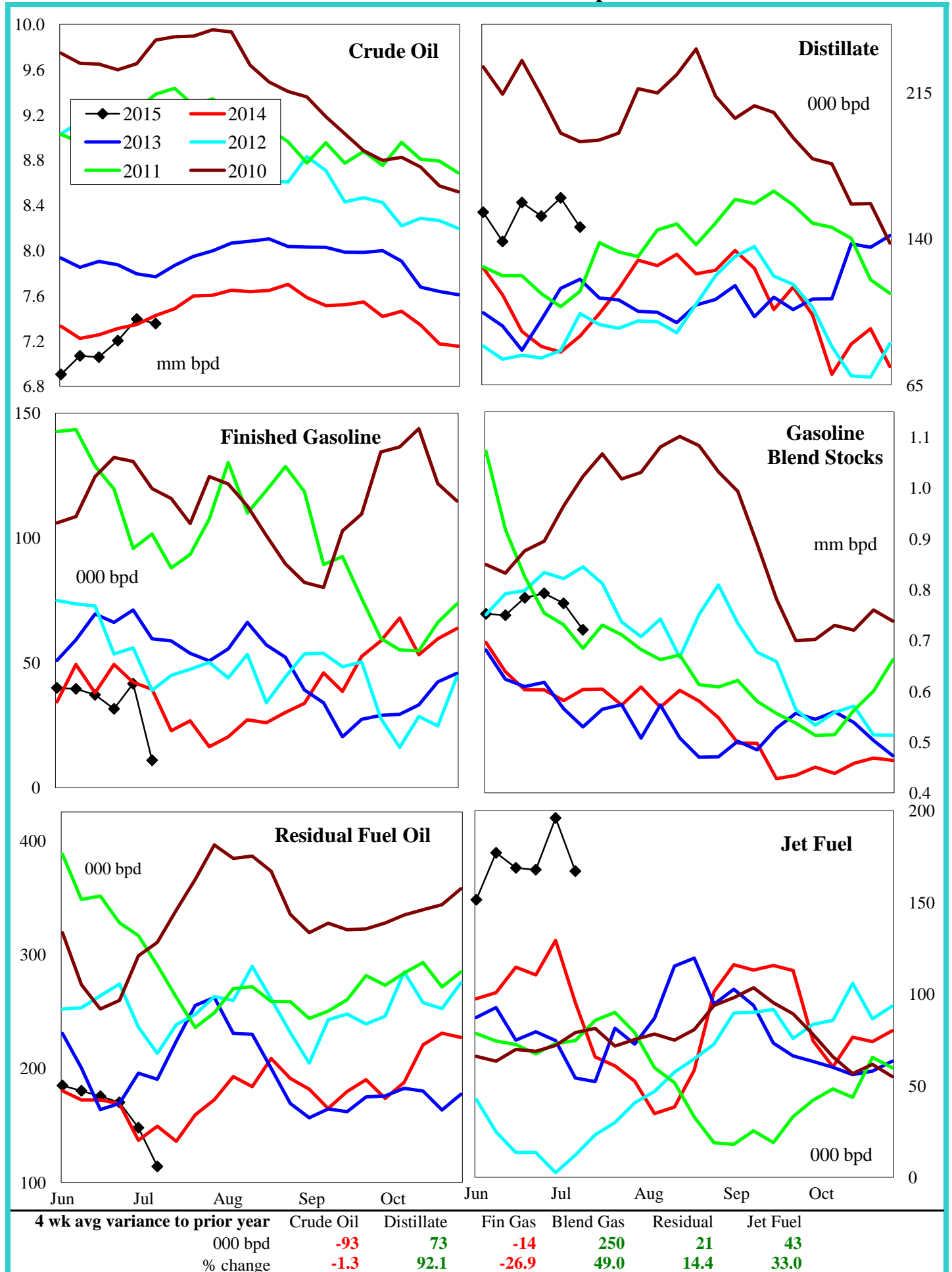
United States Product Stocks: Days Forward Coverage



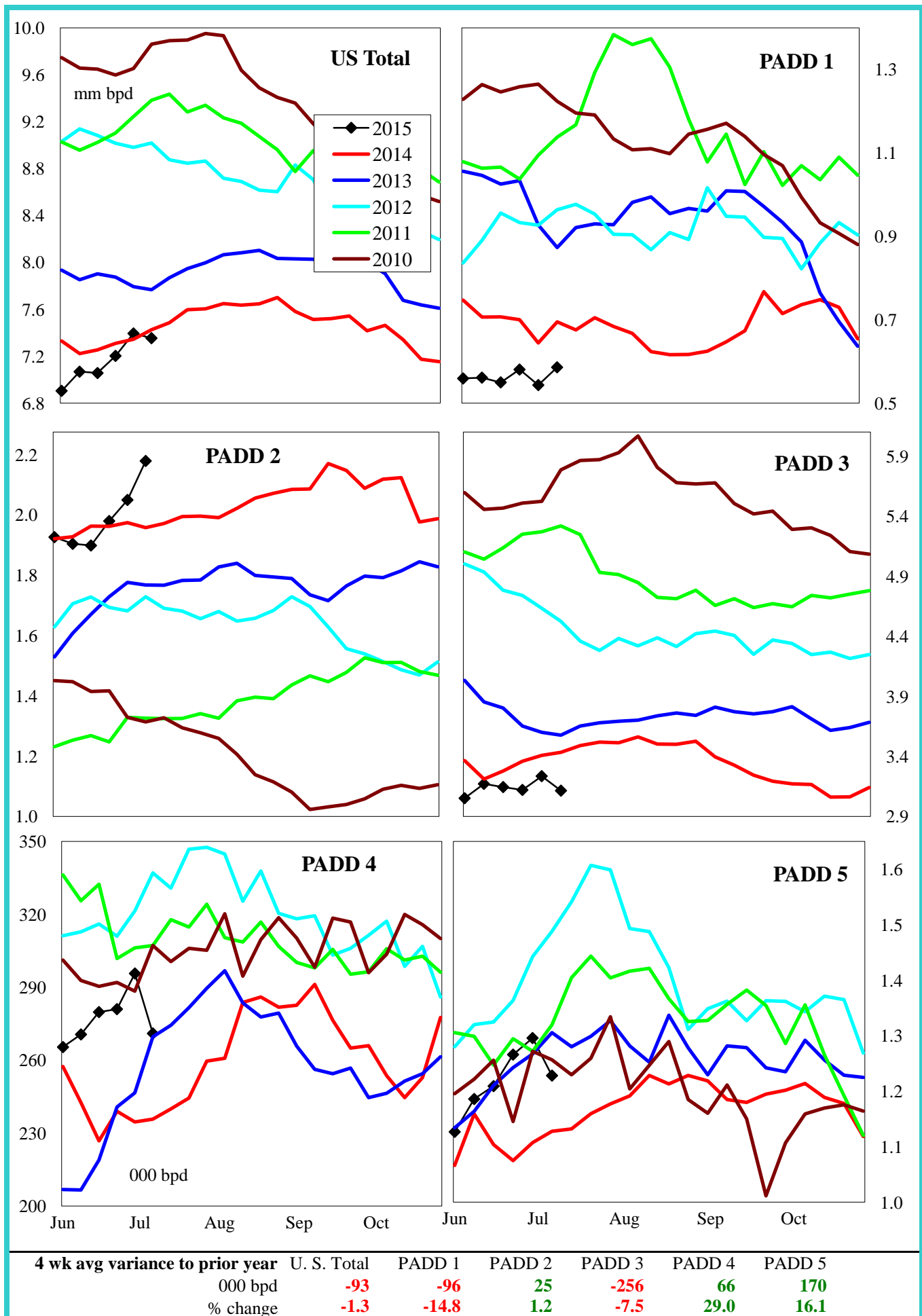
United States Refinery Percent Utilization Rate and Product Yields



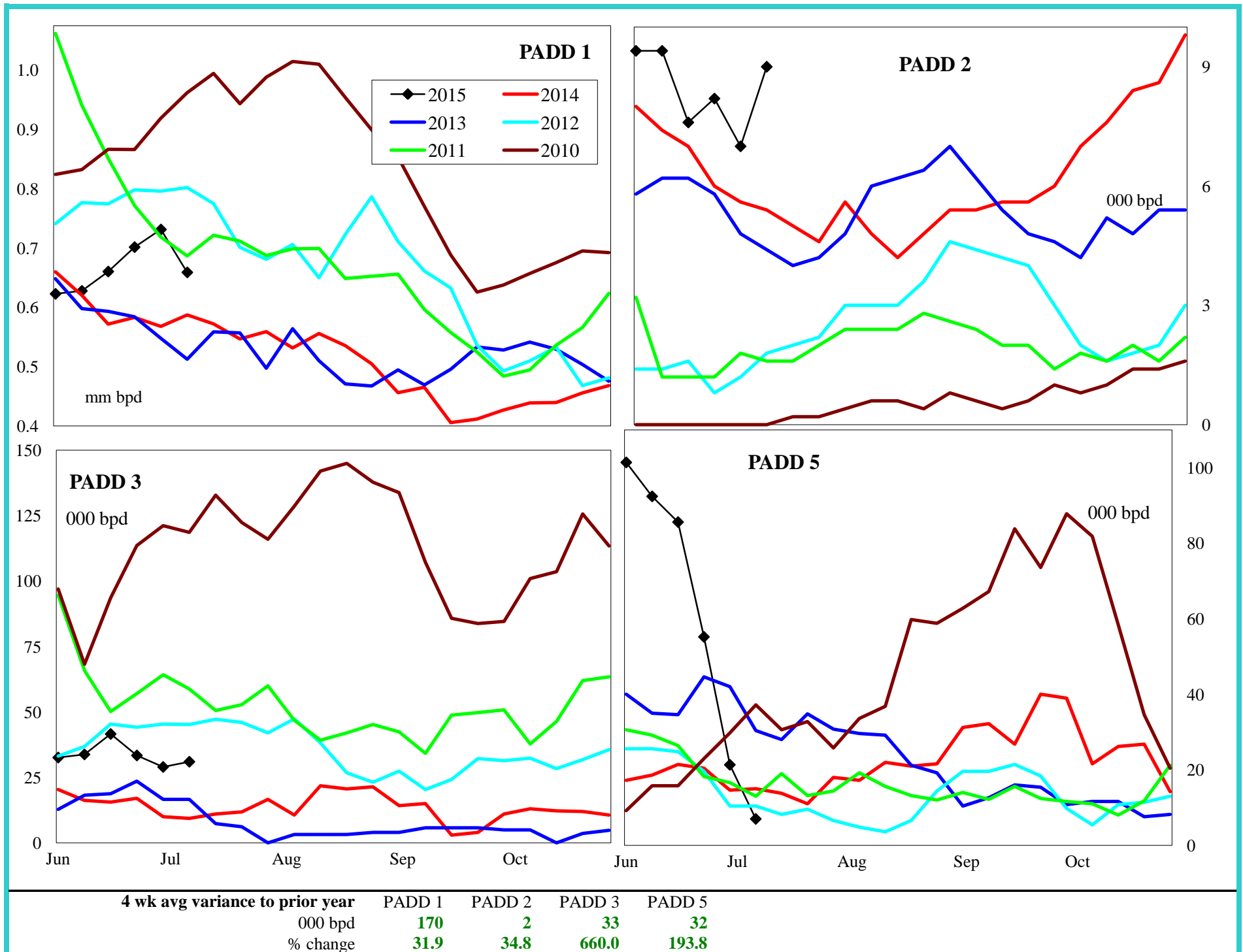
United States Petroleum Imports



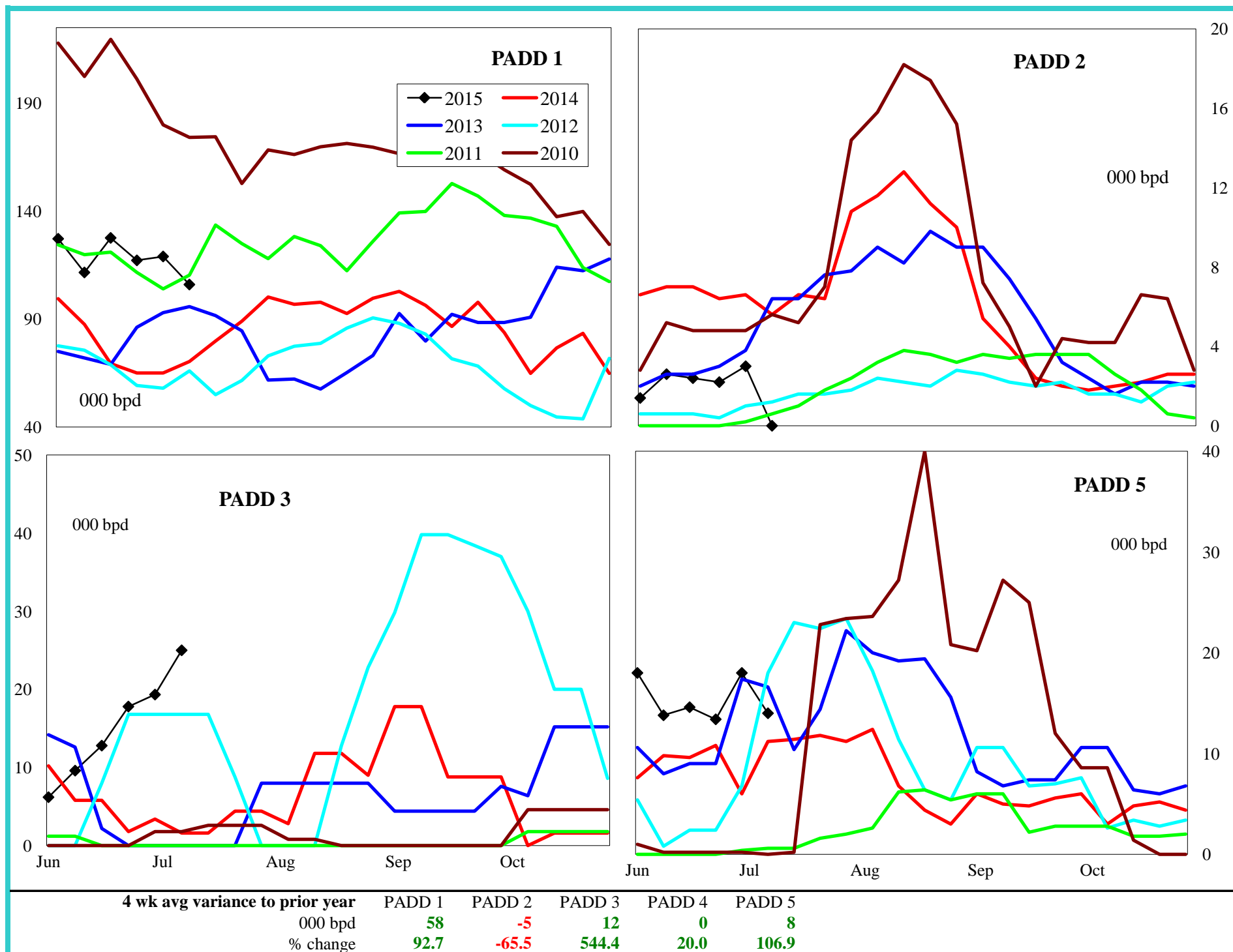
Crude Oil Imports by PADD



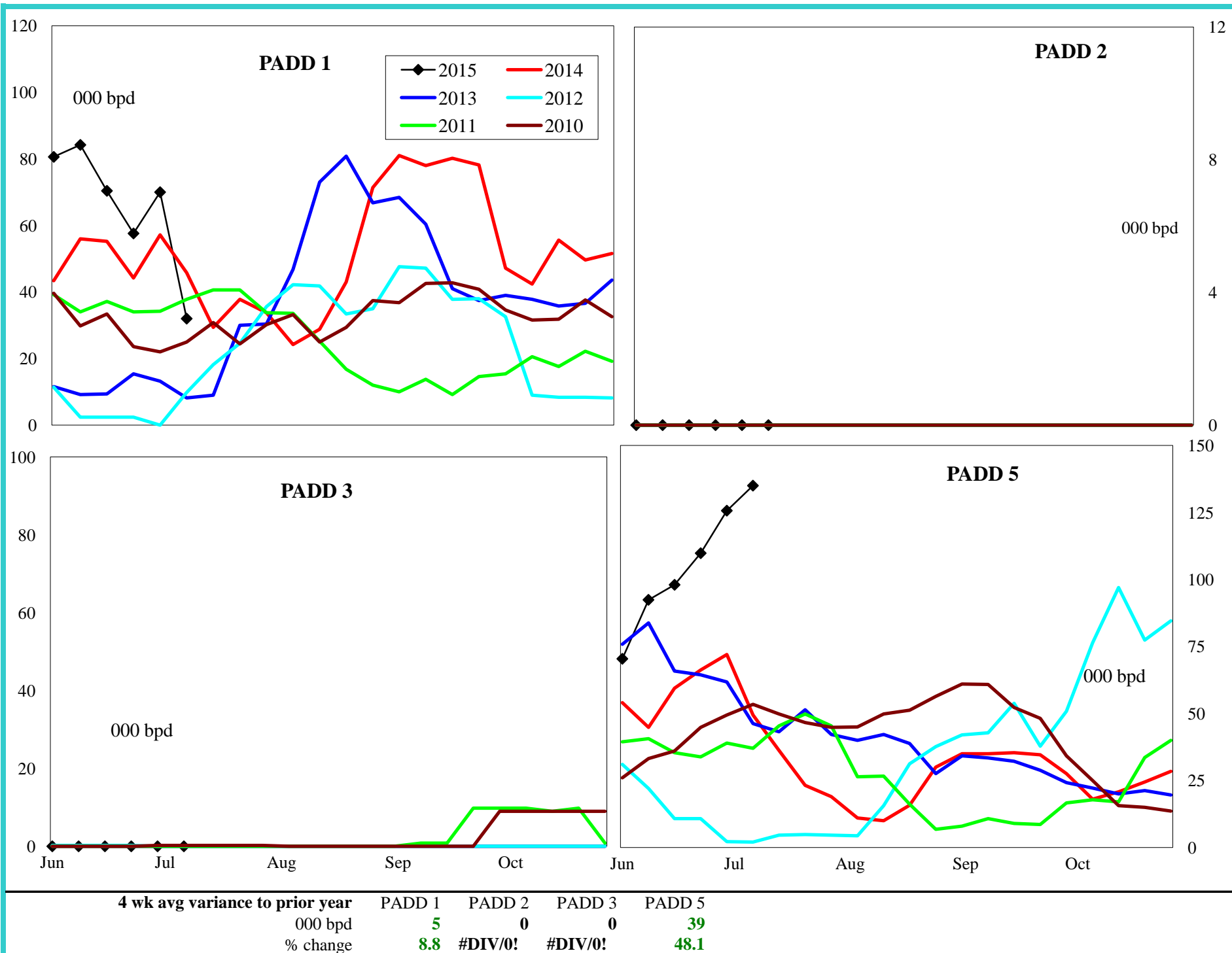
Gasoline Imports by PADD (Finished + Blend Stocks)

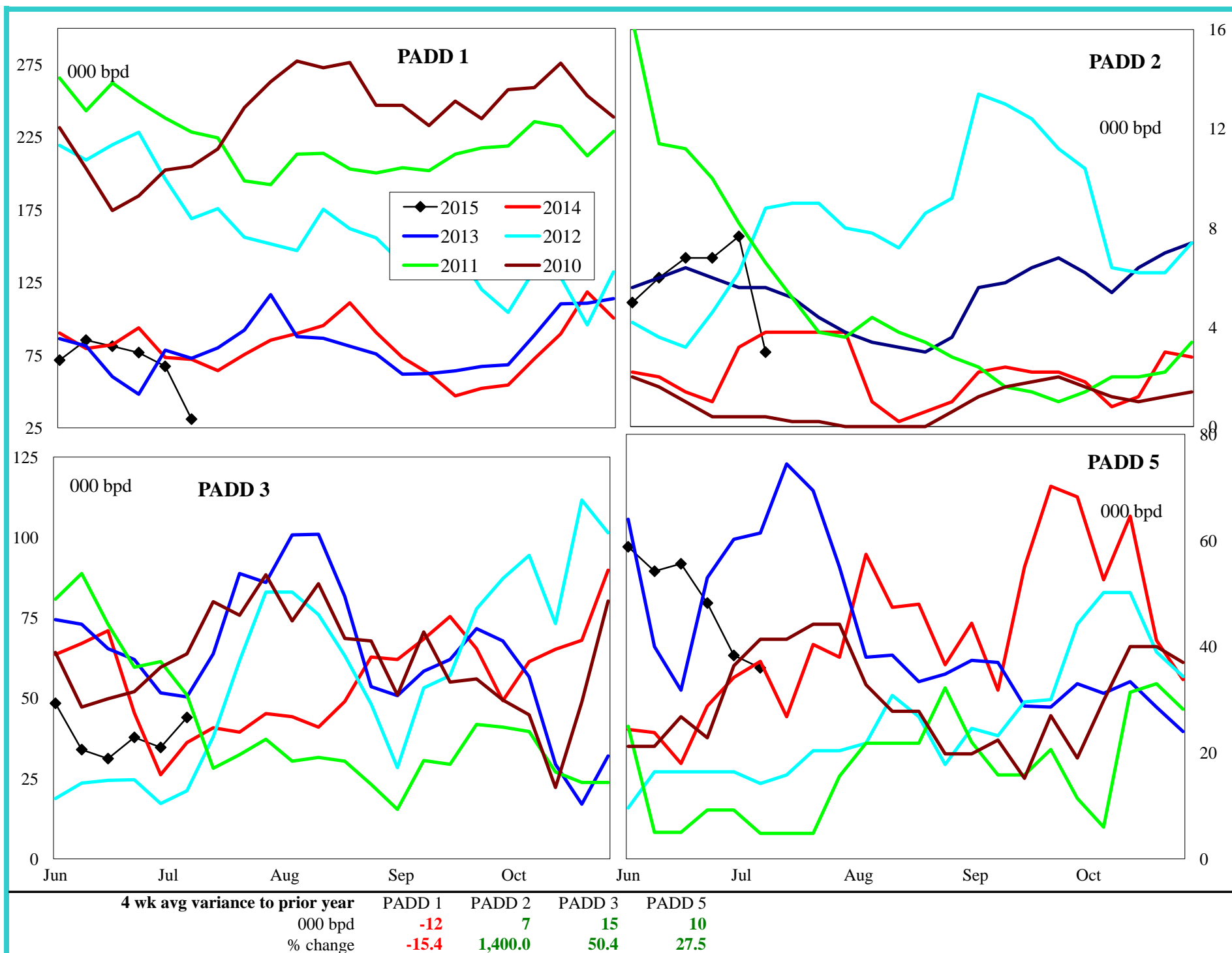


Distillate Imports by PADD

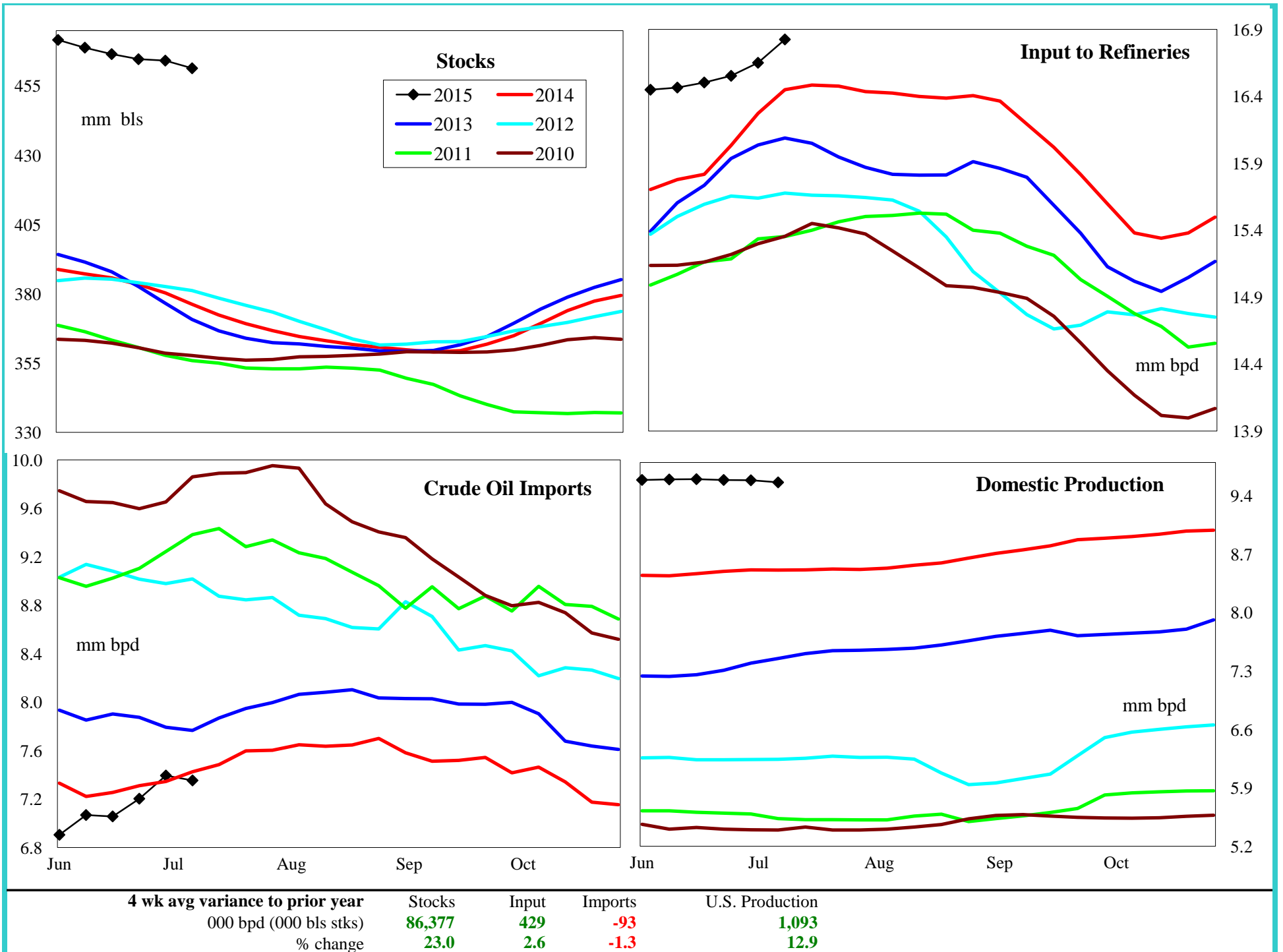


Jet Fuel Imports by PADD

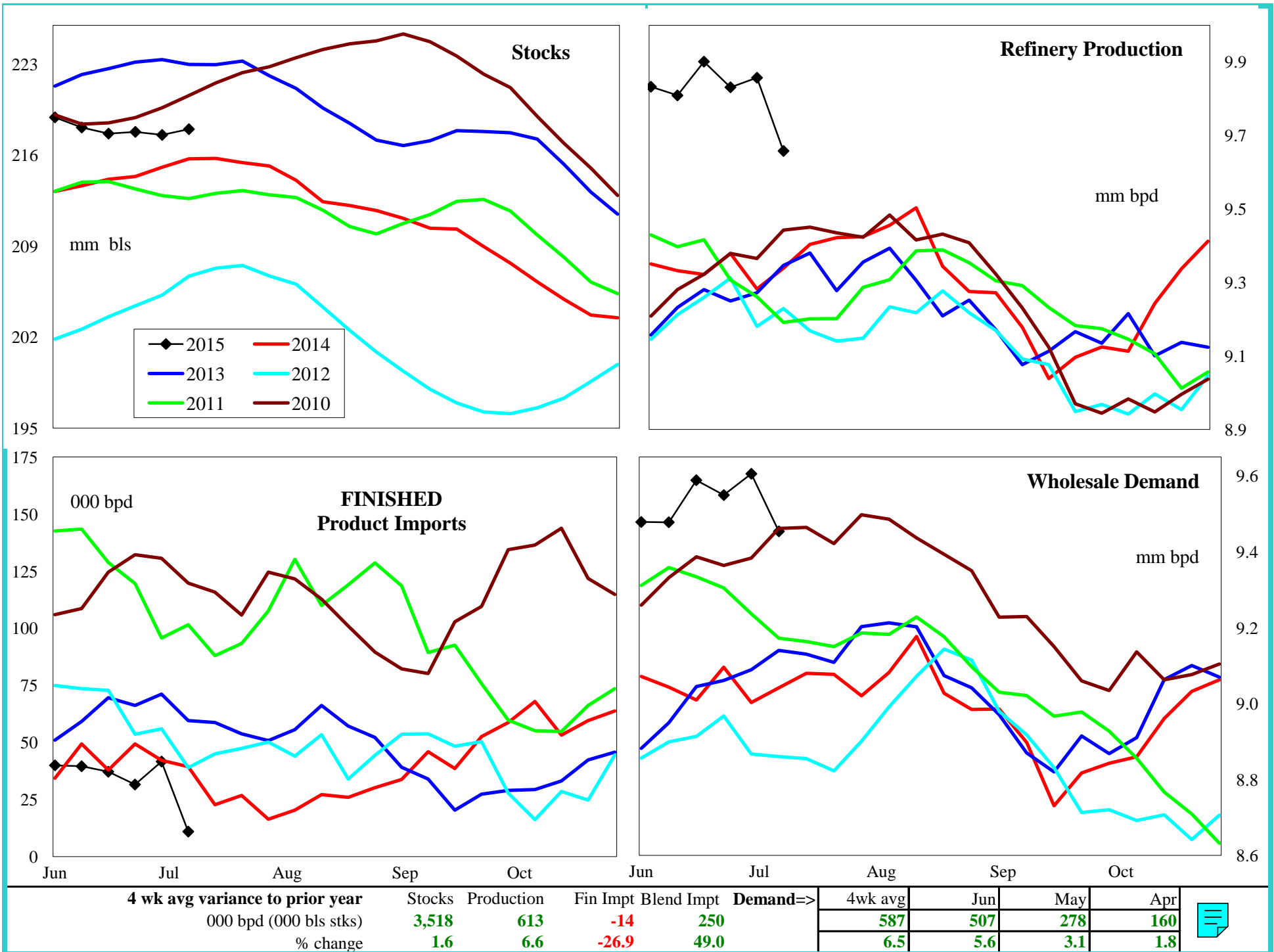




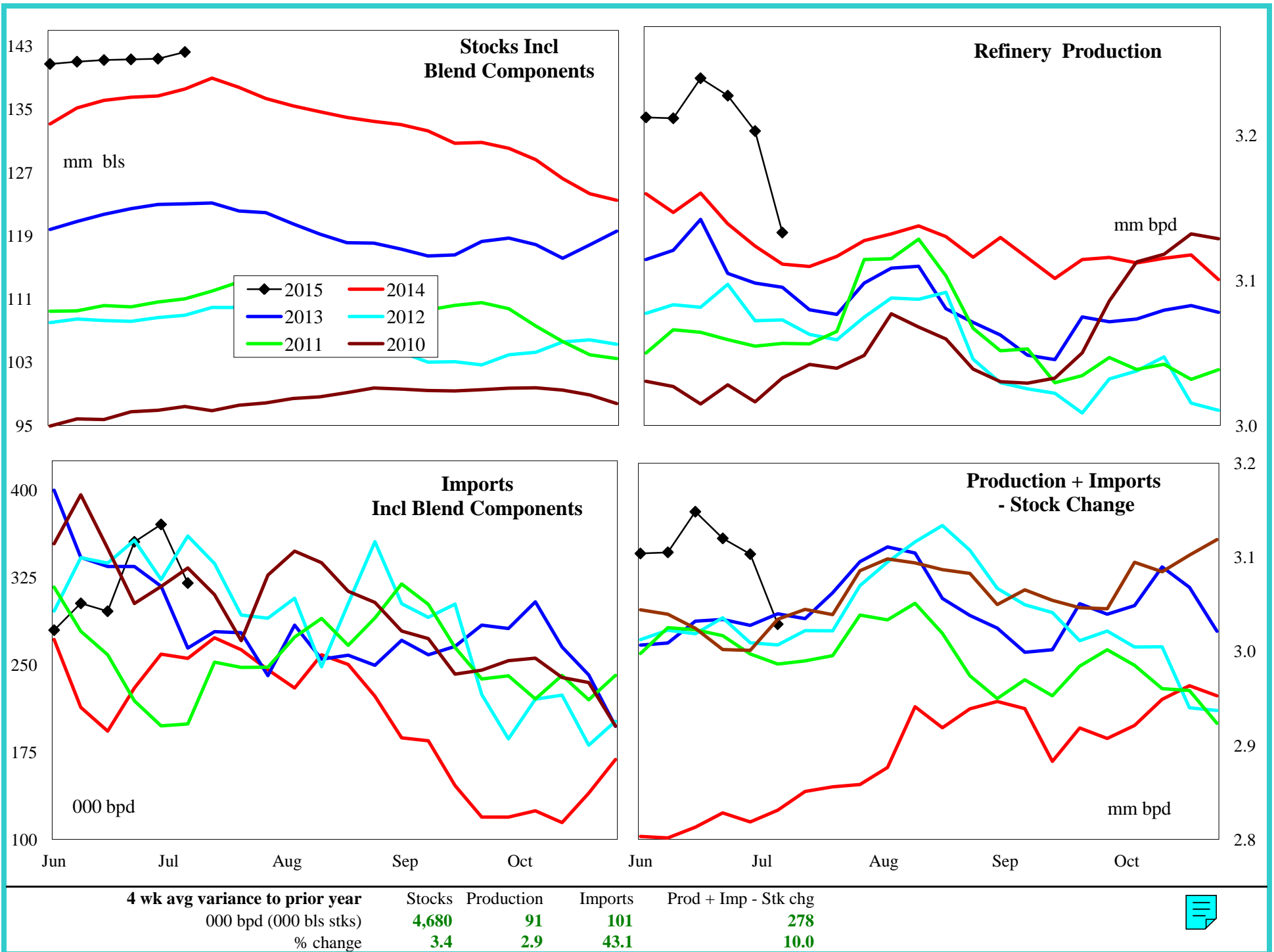
United States Crude Oil Supply and Demand Balance



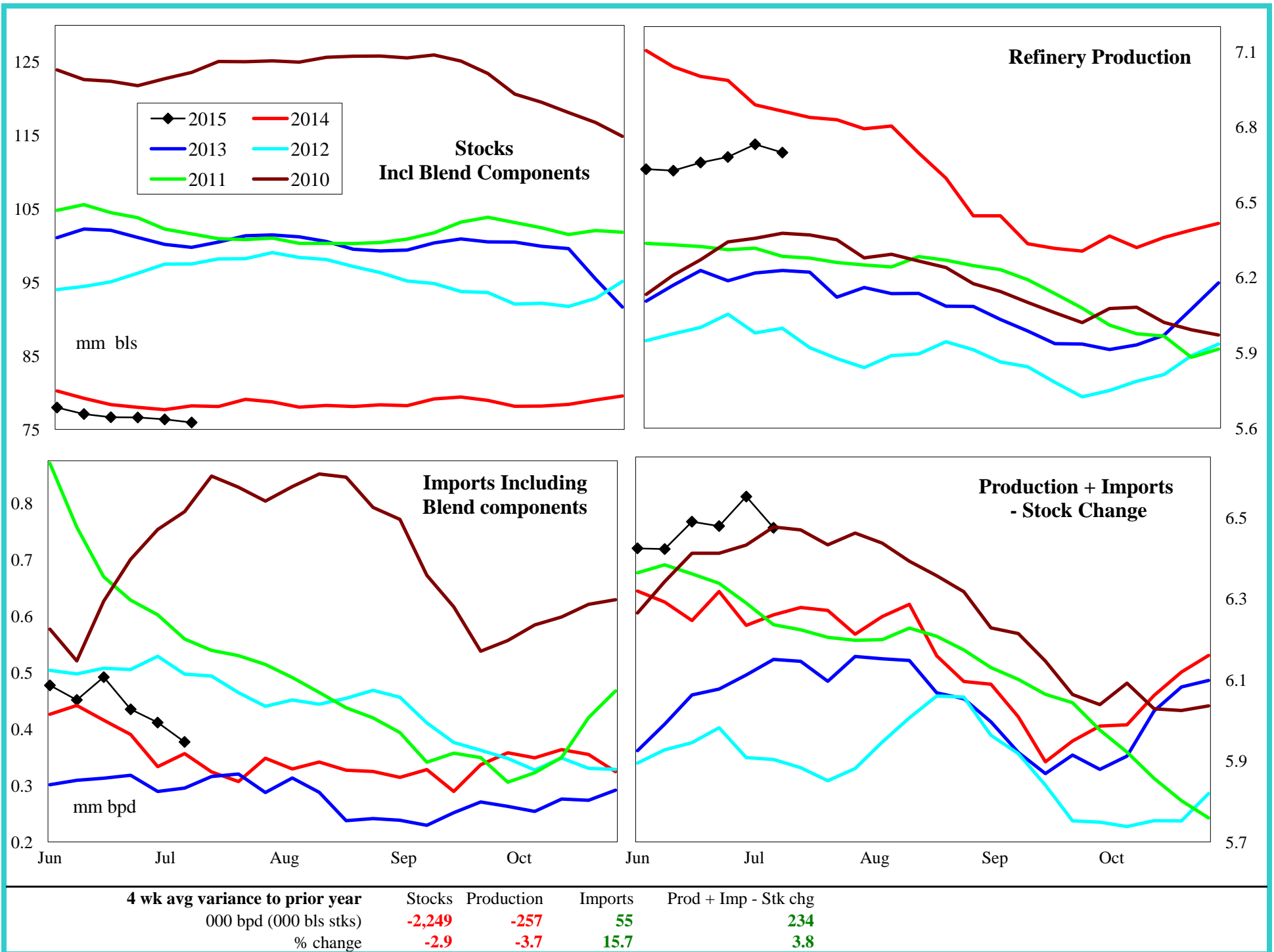
United States Gasoline Supply and Demand Balance



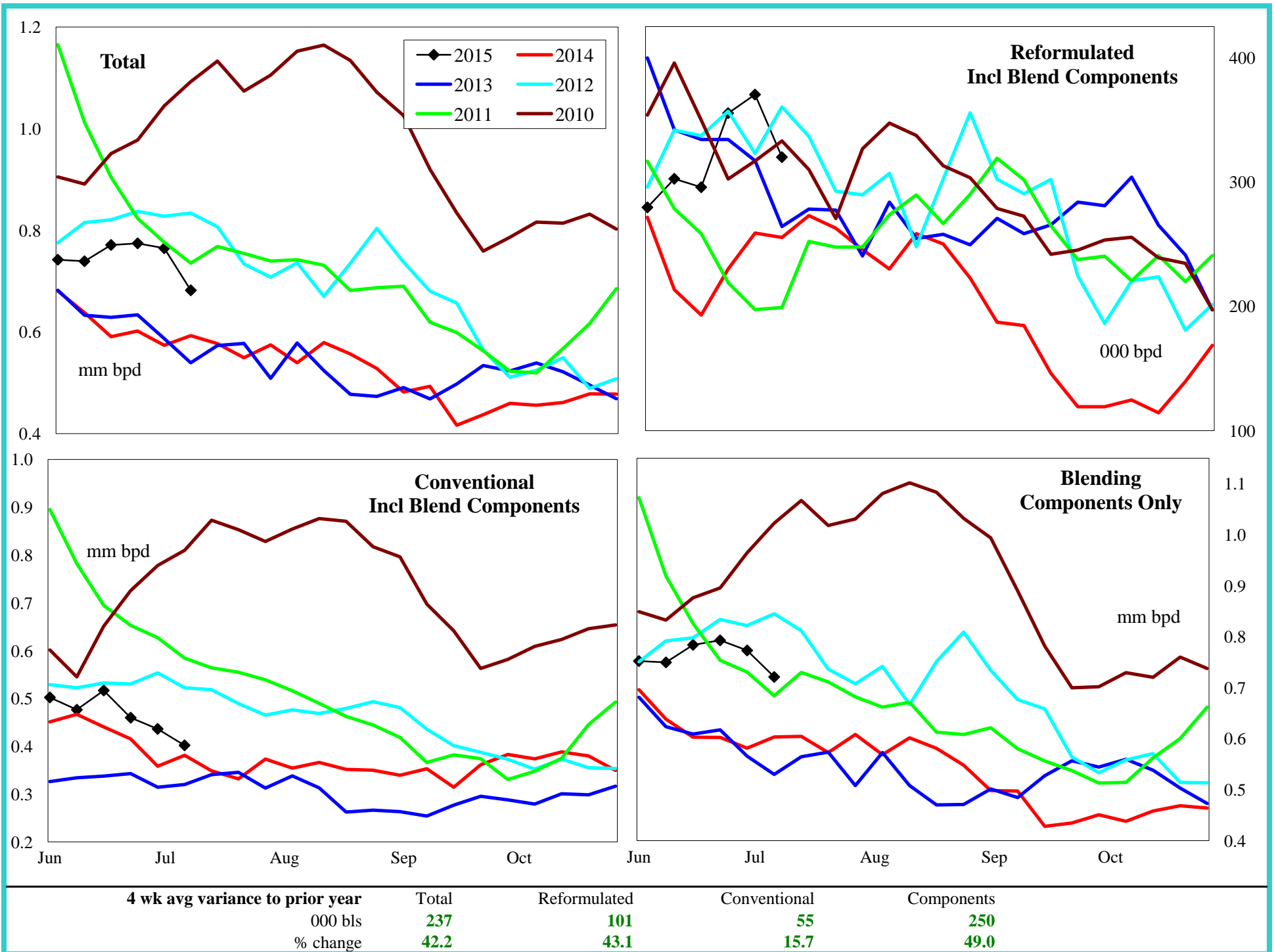
United States Reformulated Gasoline Supply



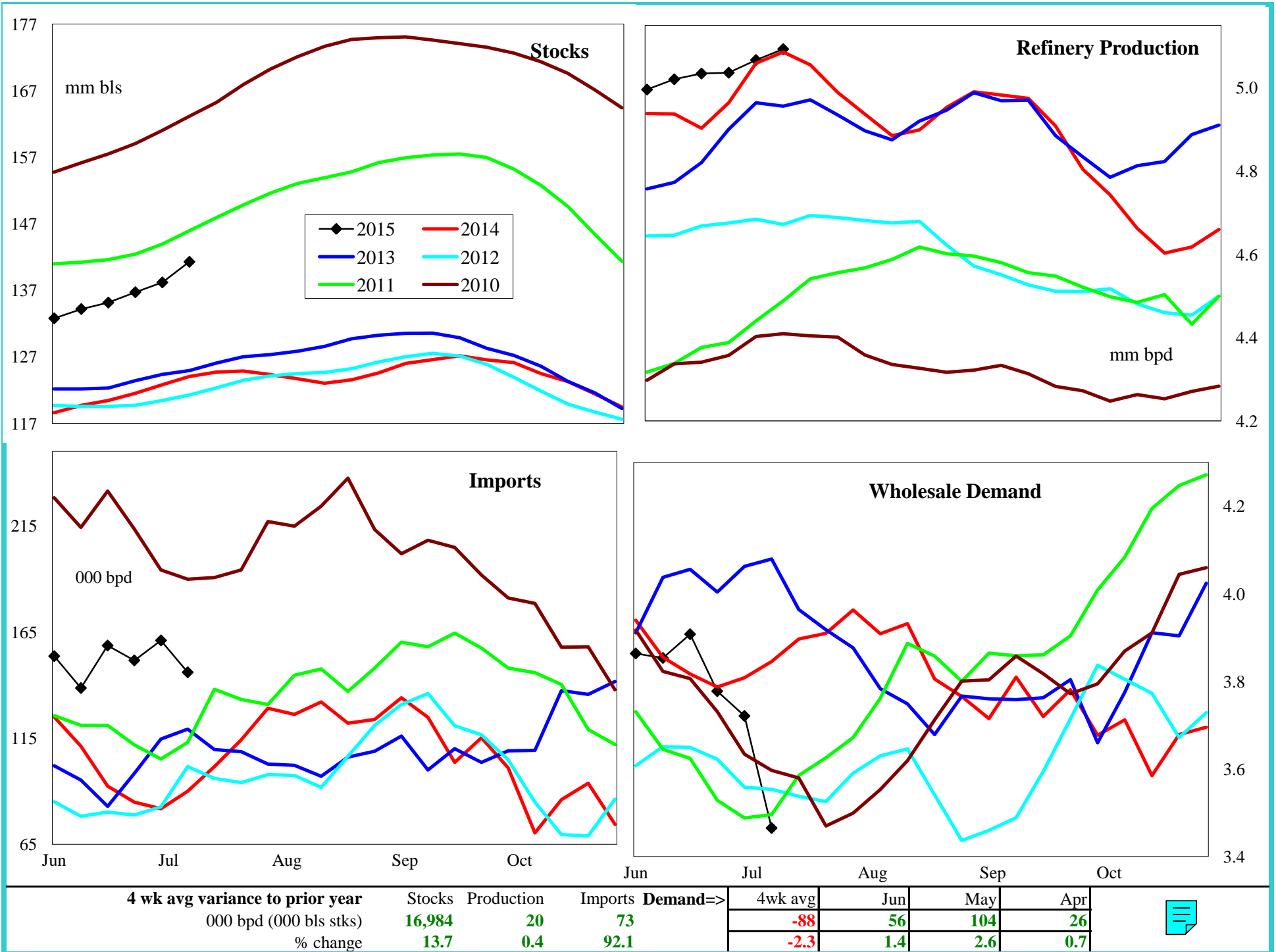
United States Conventional Gasoline Supply



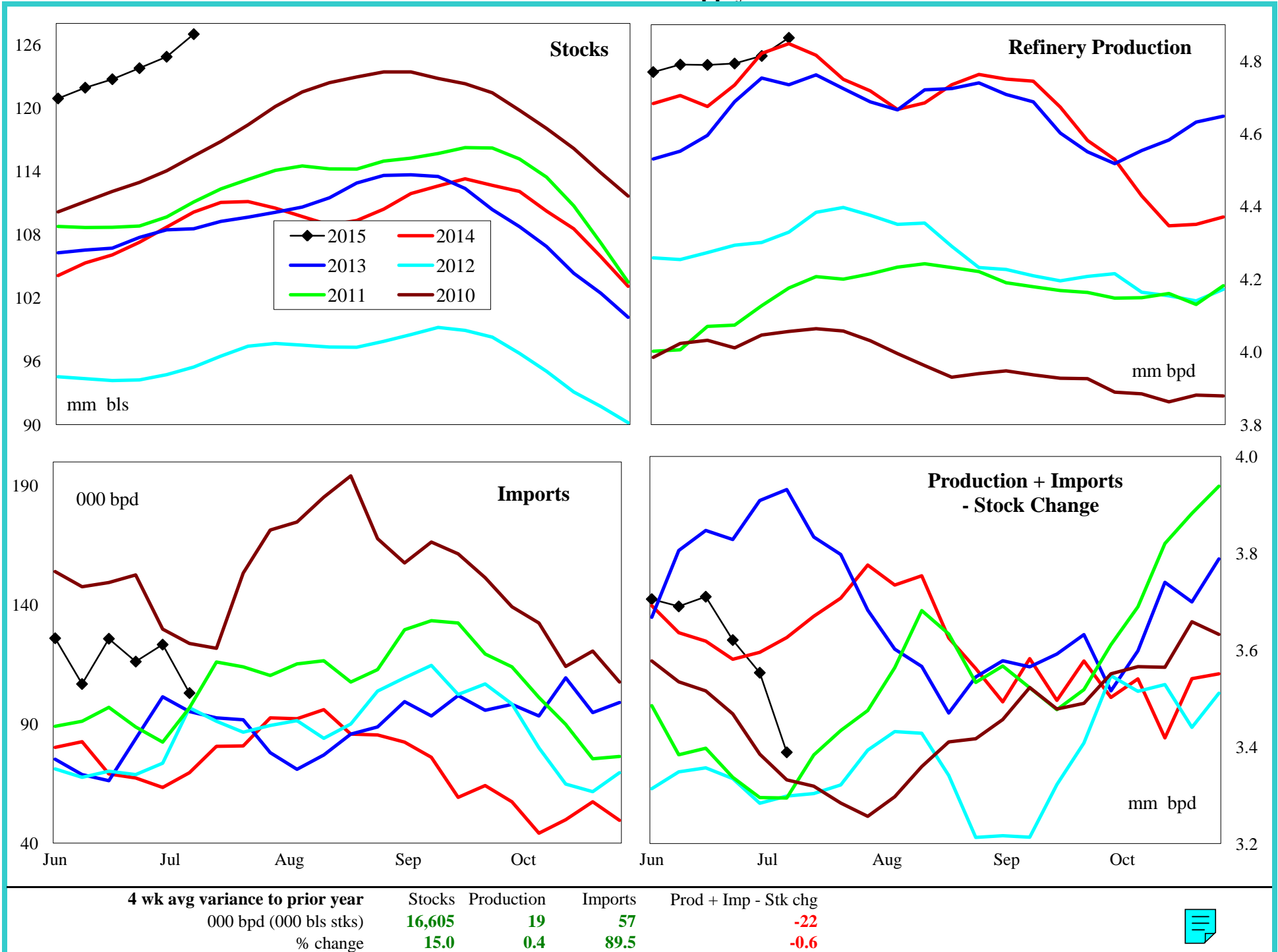
United States Gasoline Imports by Type



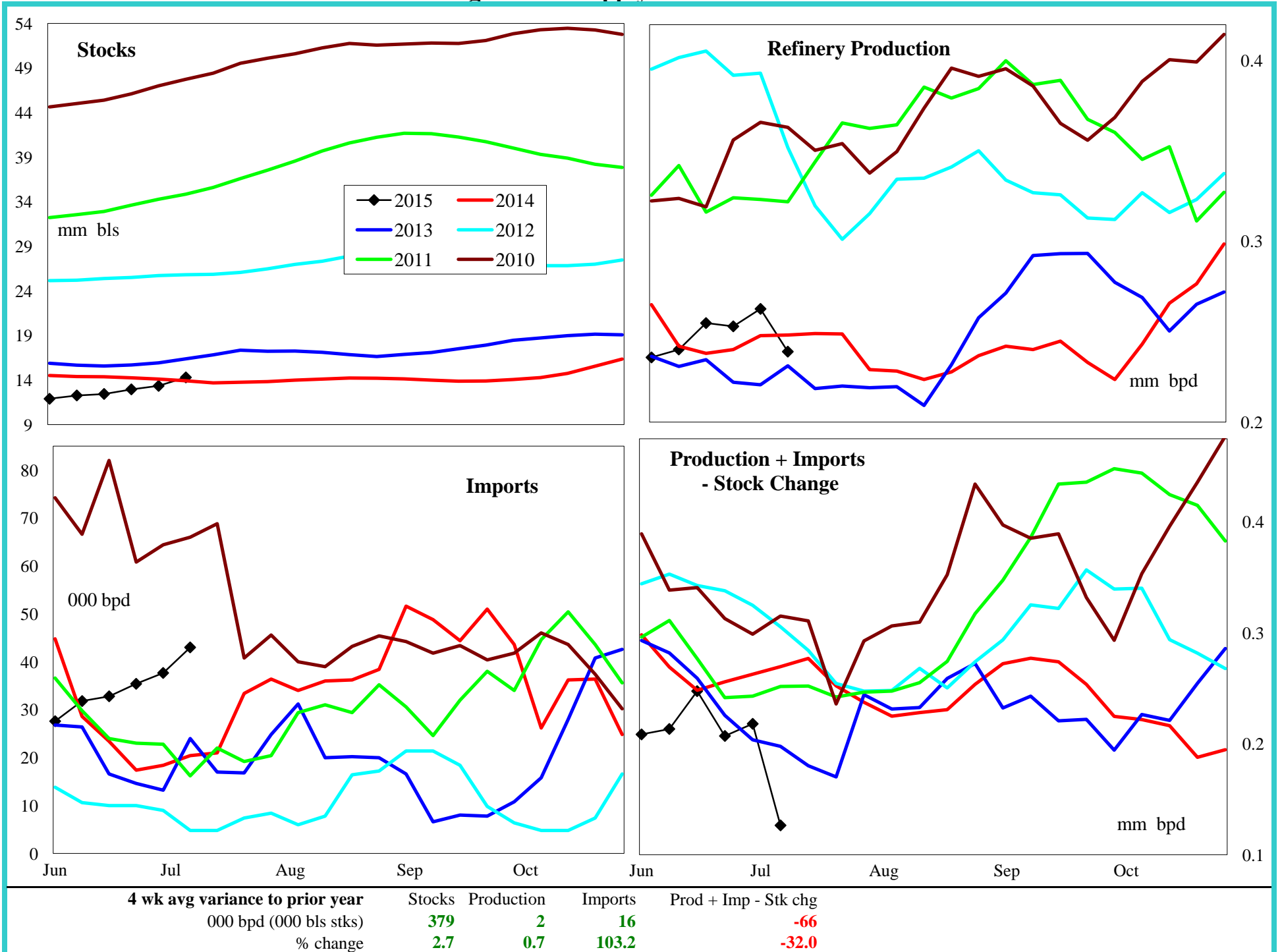
United States Distillate Supply and Demand Balance



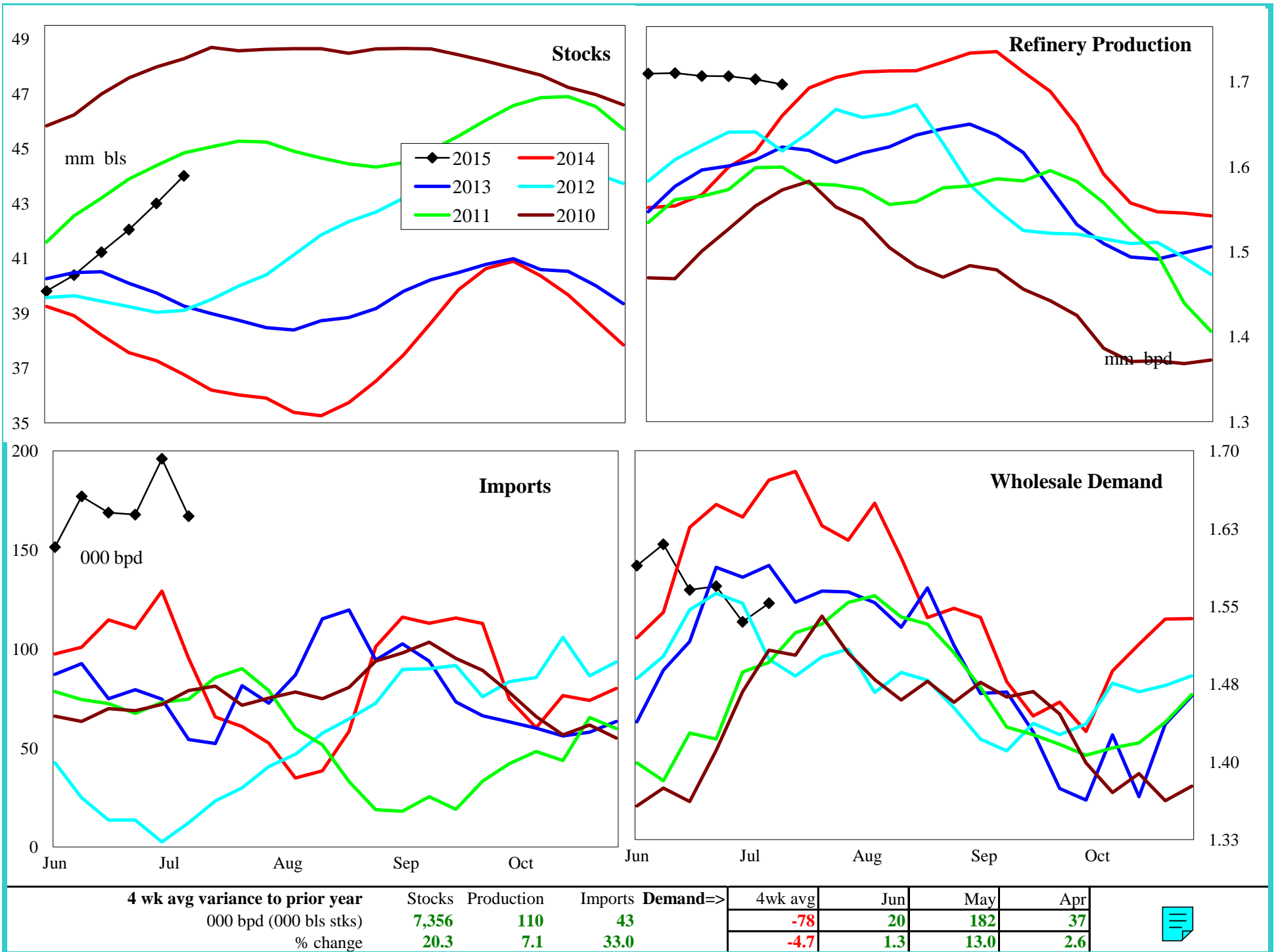
United States Low Sulfur Distillate Supply and Demand Balance



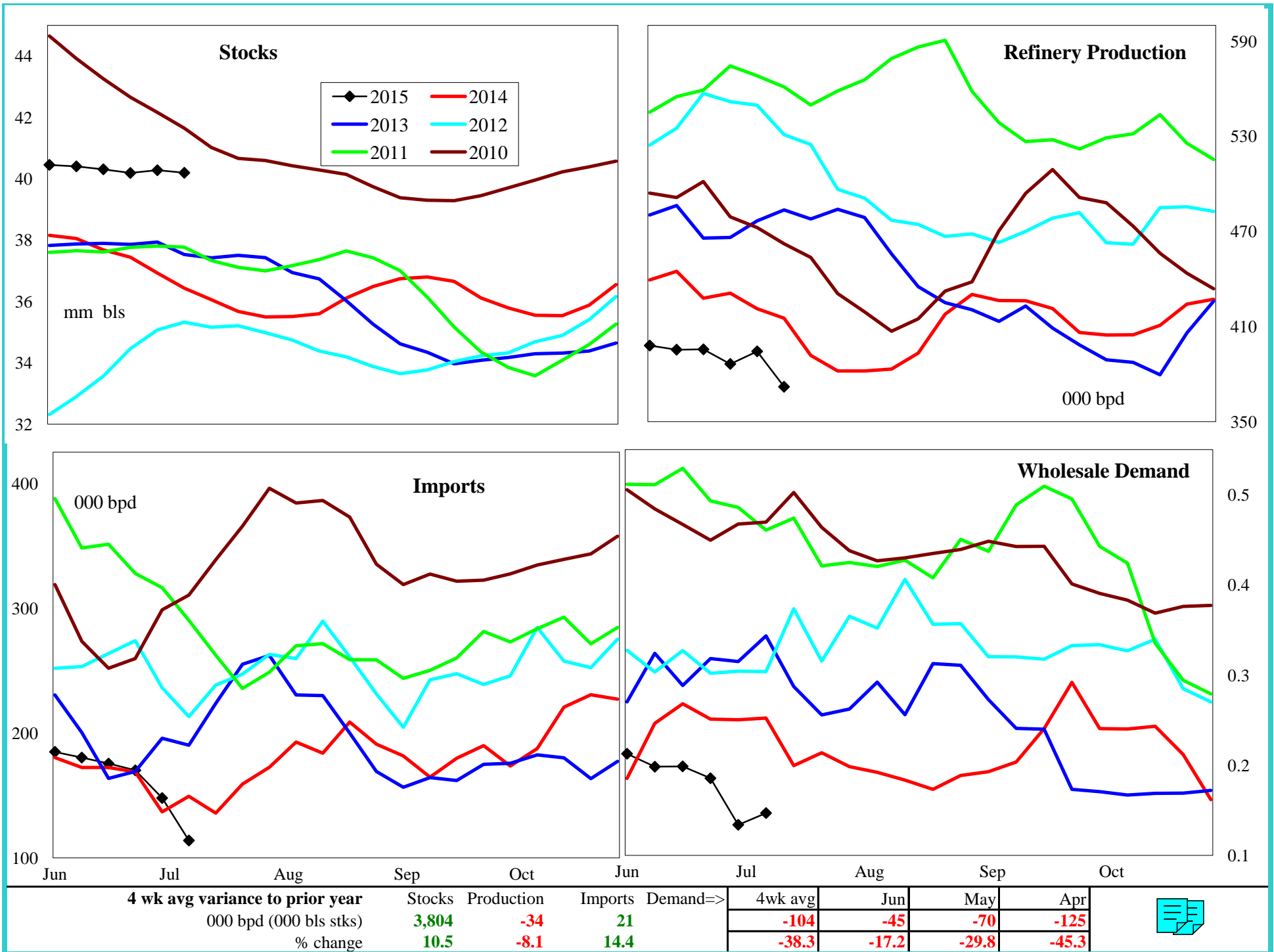
United States High Sulfur Supply Distillate and Demand Balance



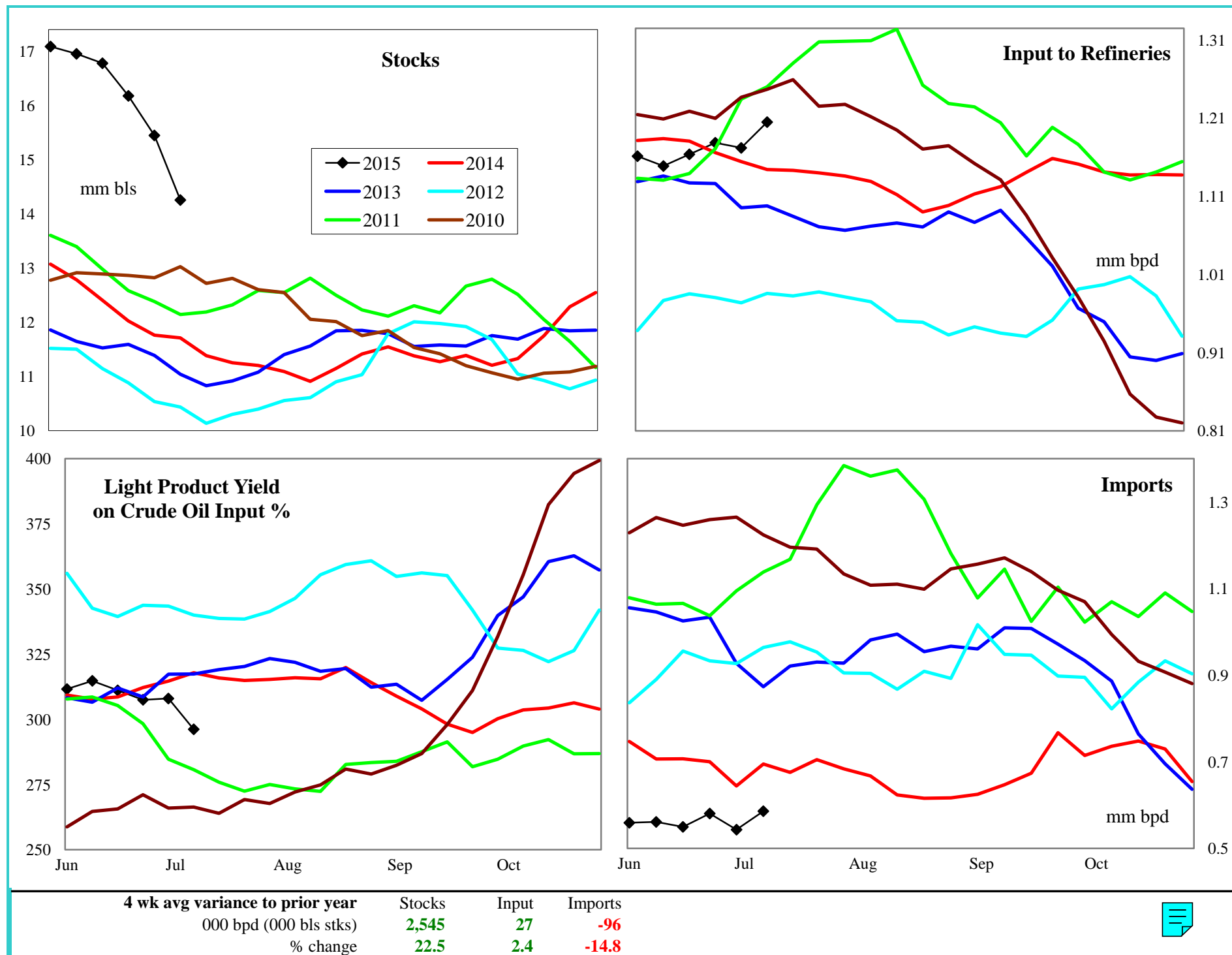
United States Jet Fuel Supply and Demand Balance



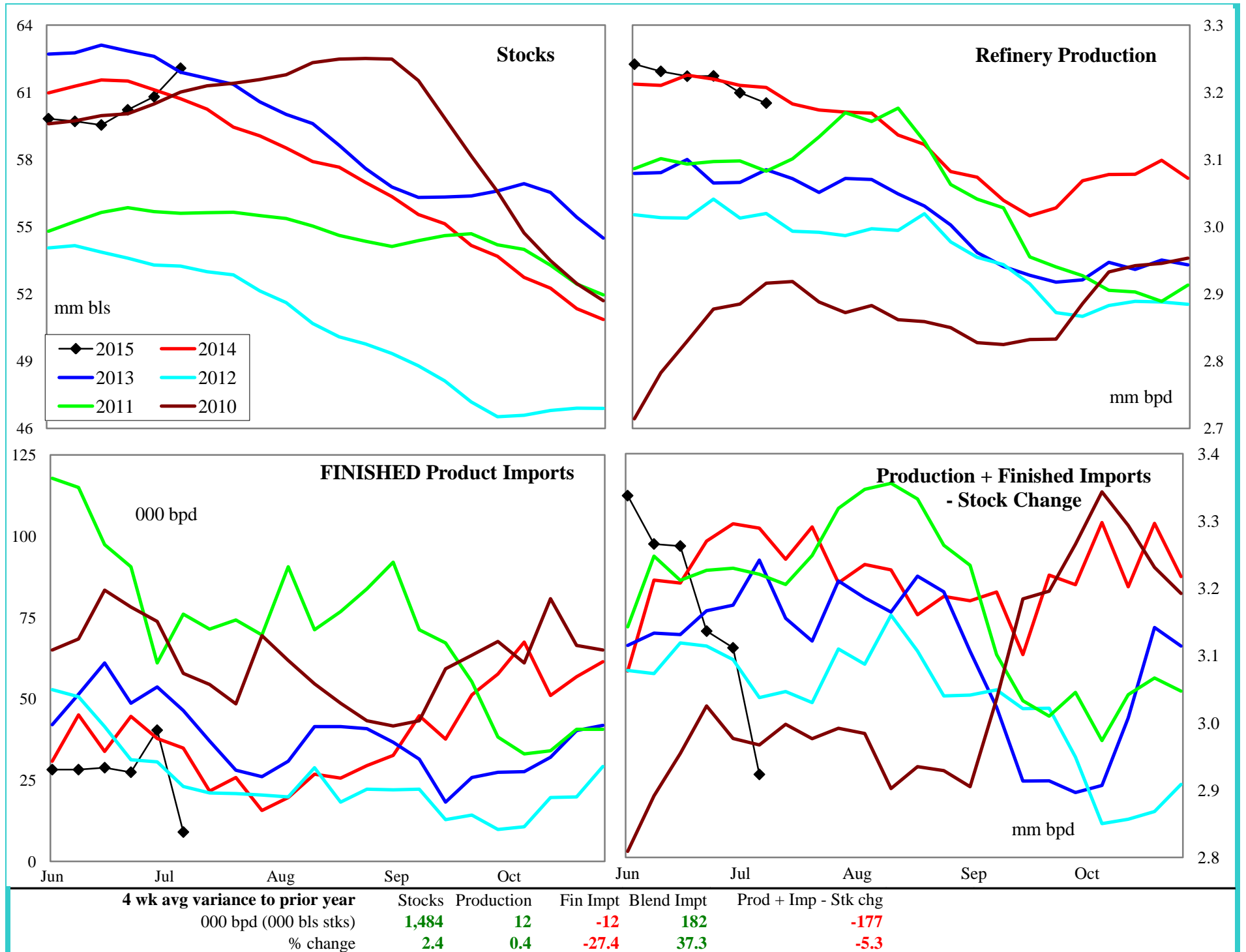
United States Residual Fuel Supply and Demand Balance



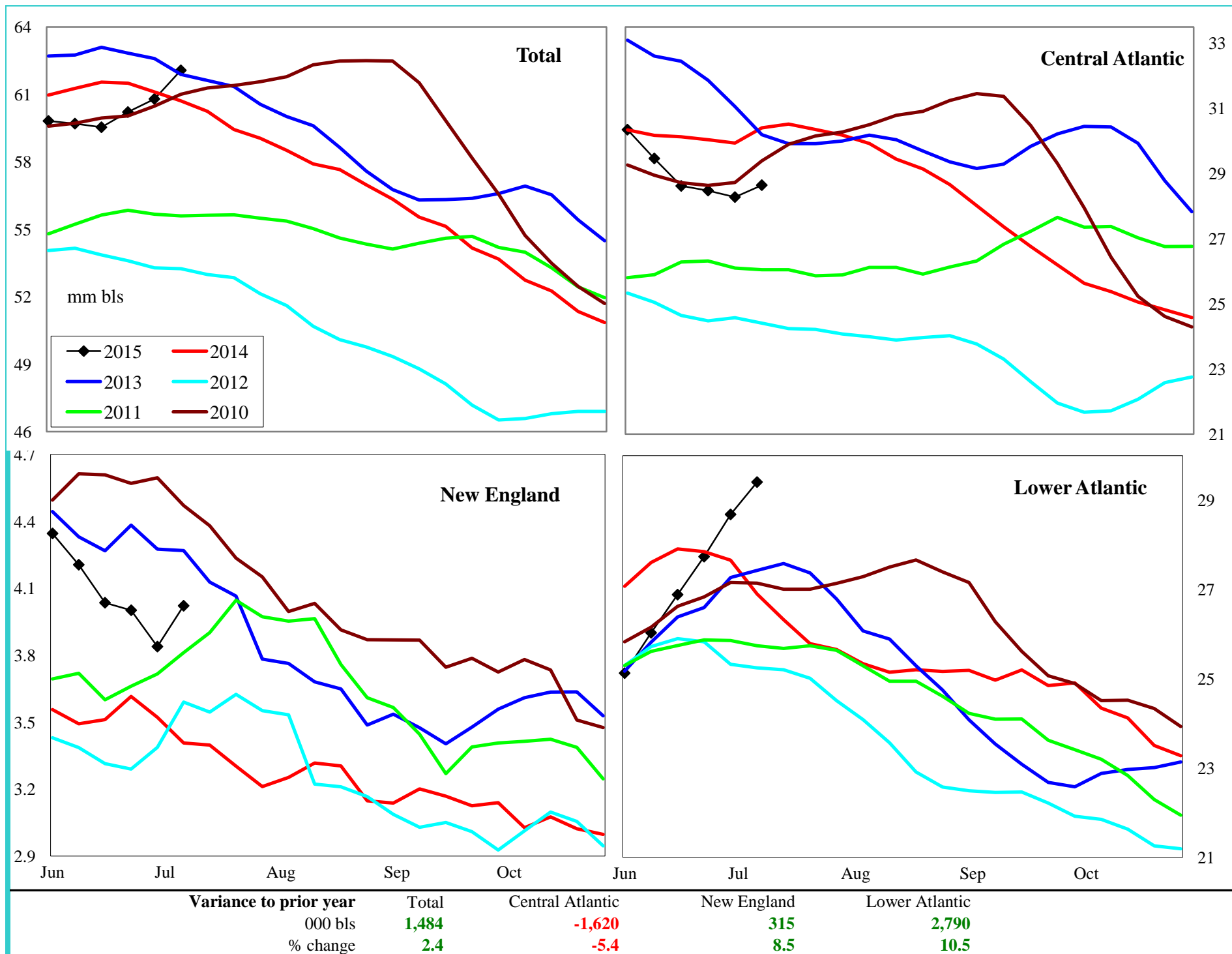
PADD 1 Crude Oil Supply and Refining



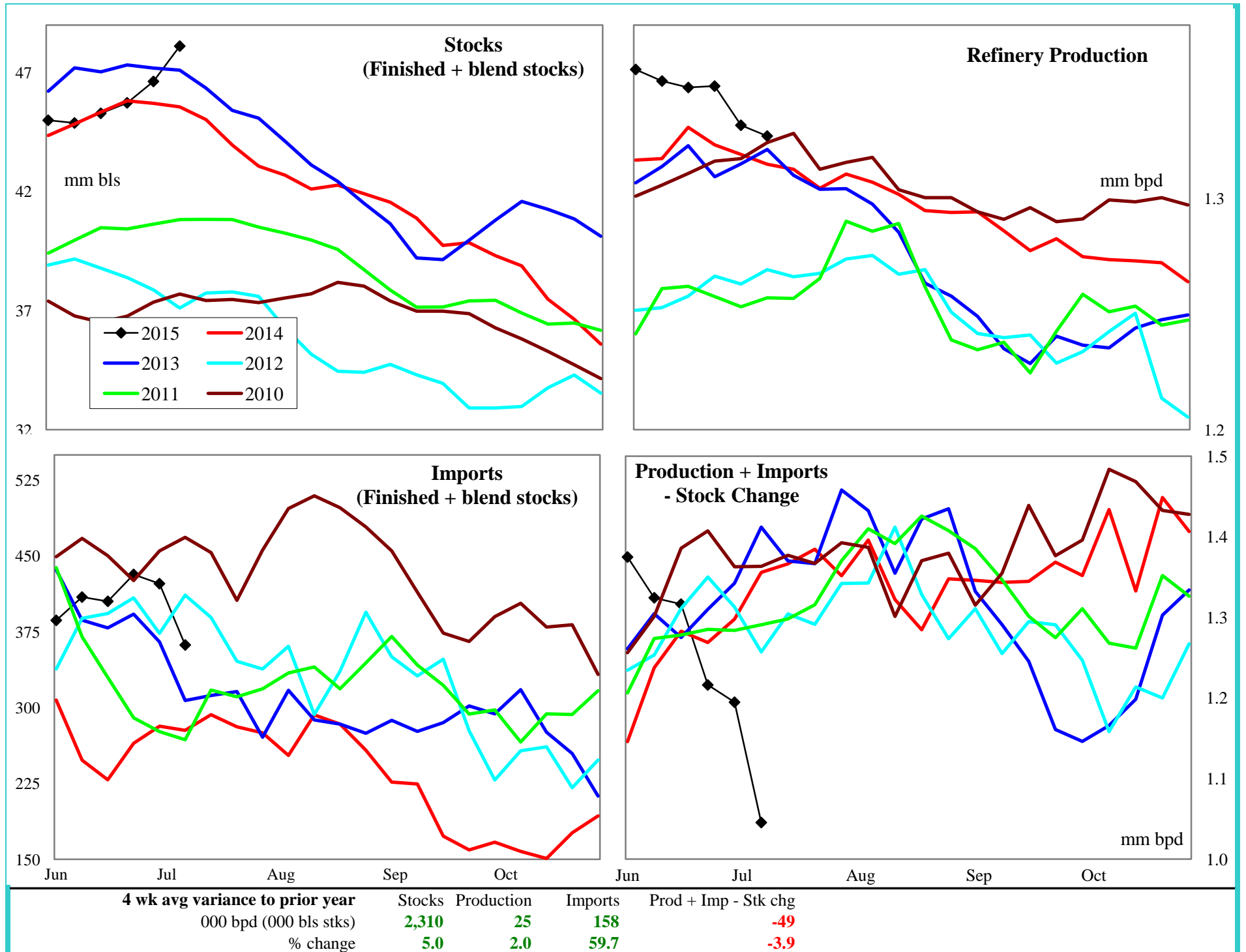
PADD 1 Gasoline Supply



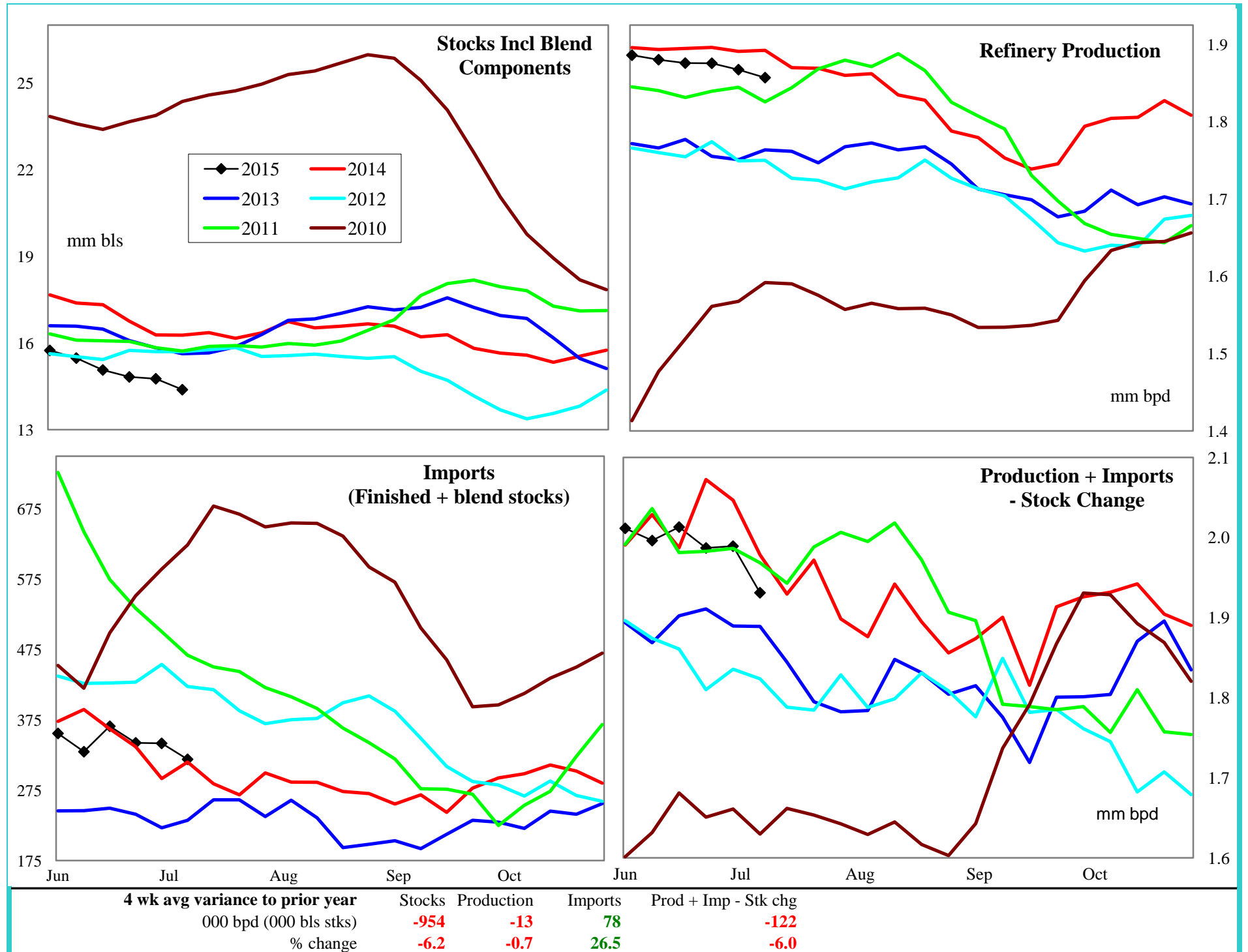
PADD 1 Gasoline Stocks by Region



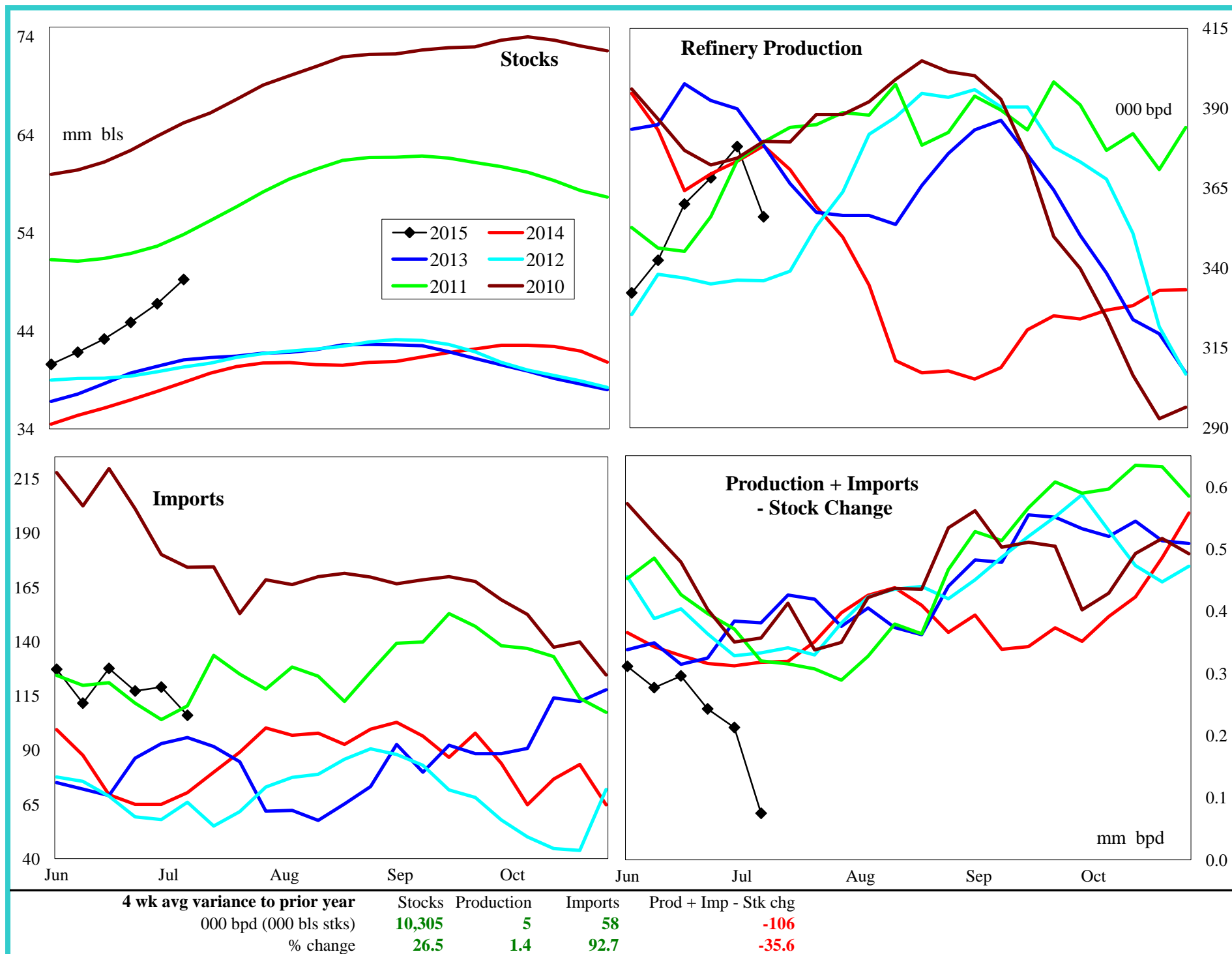
PADD 1 Reformulated Gasoline Supply



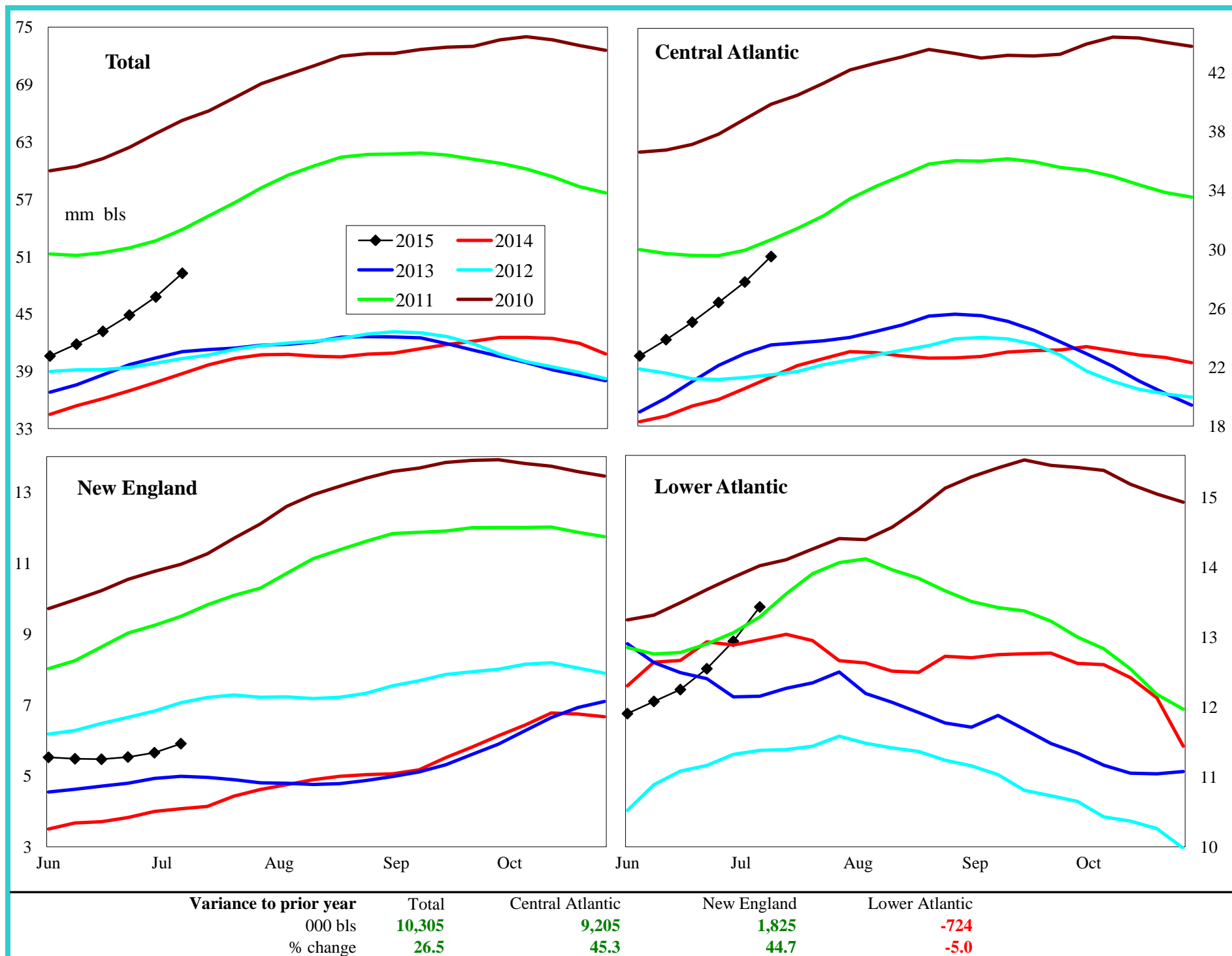
PADD 1 Conventional Gasoline Supply



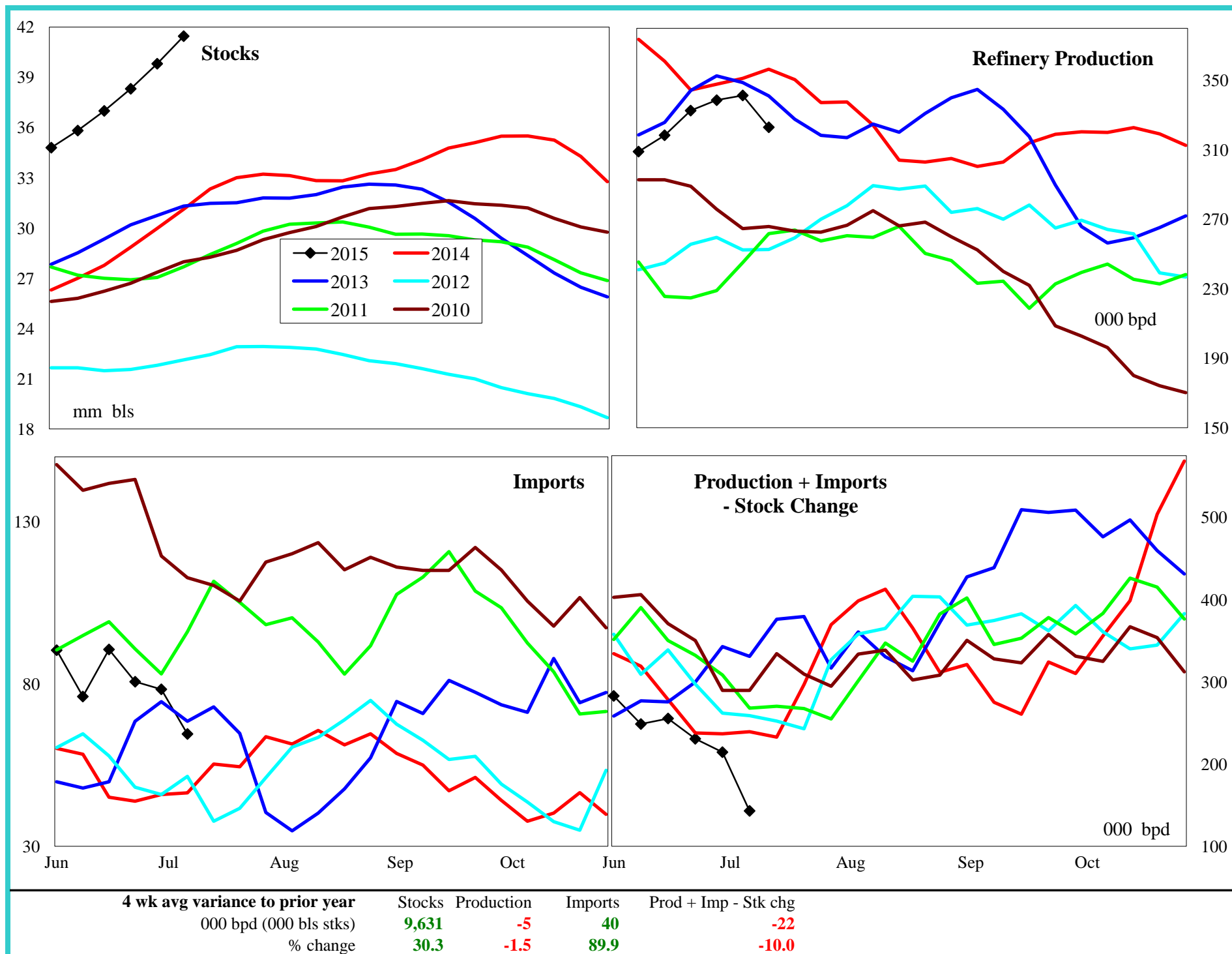
PADD 1 Distillate Supply



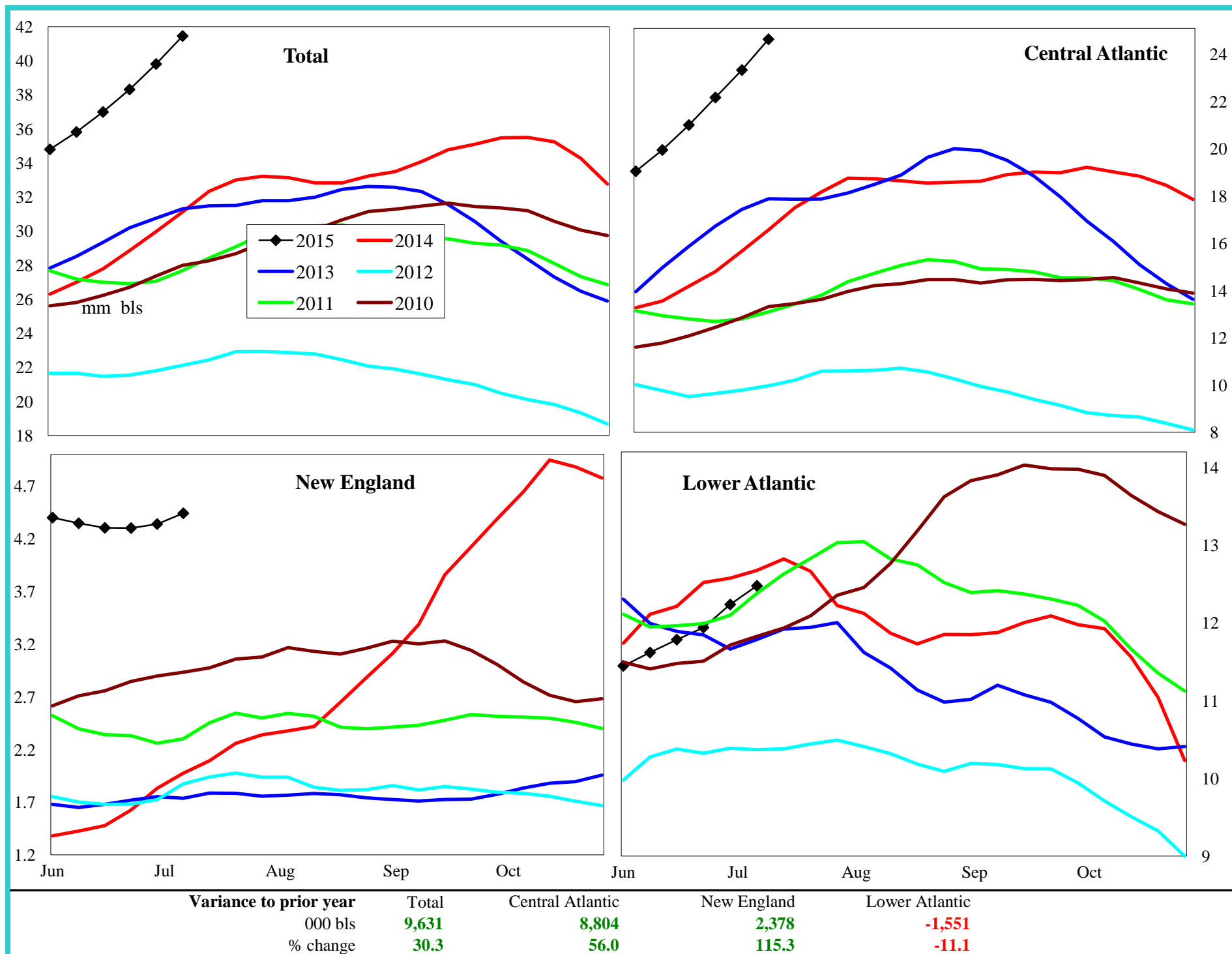
PADD 1 Distillate Stocks by Region

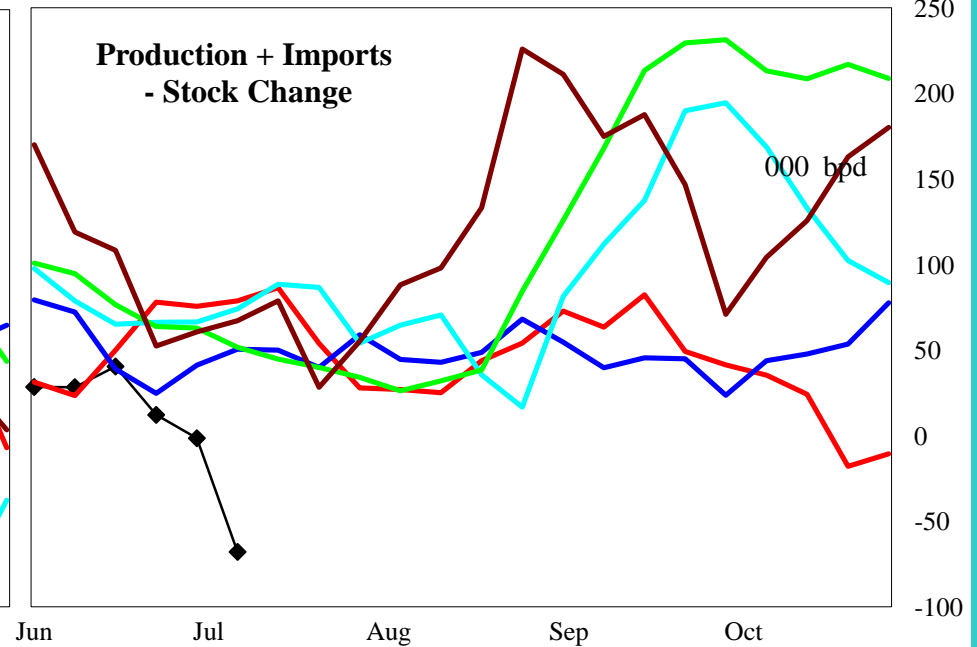
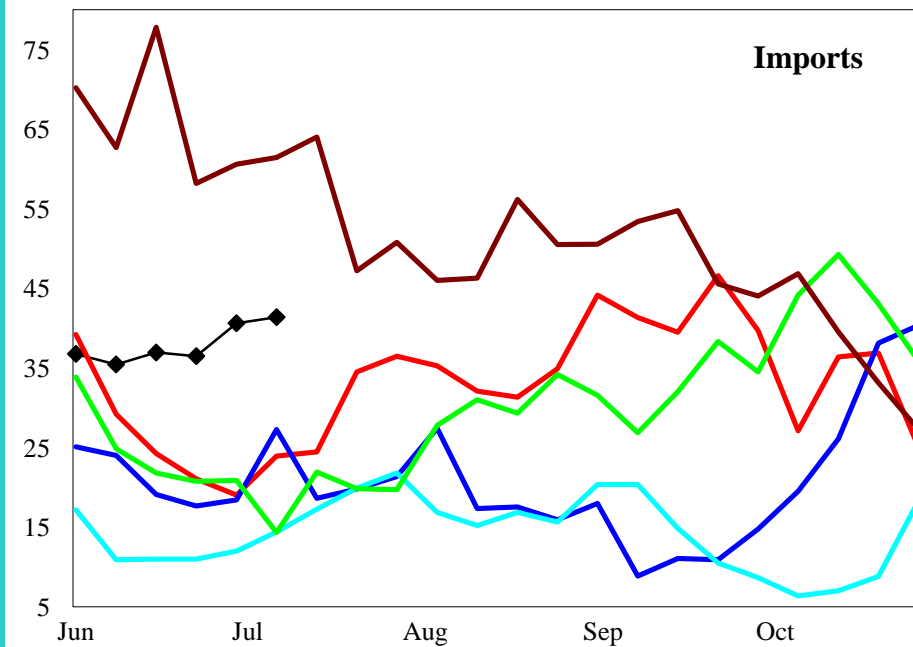
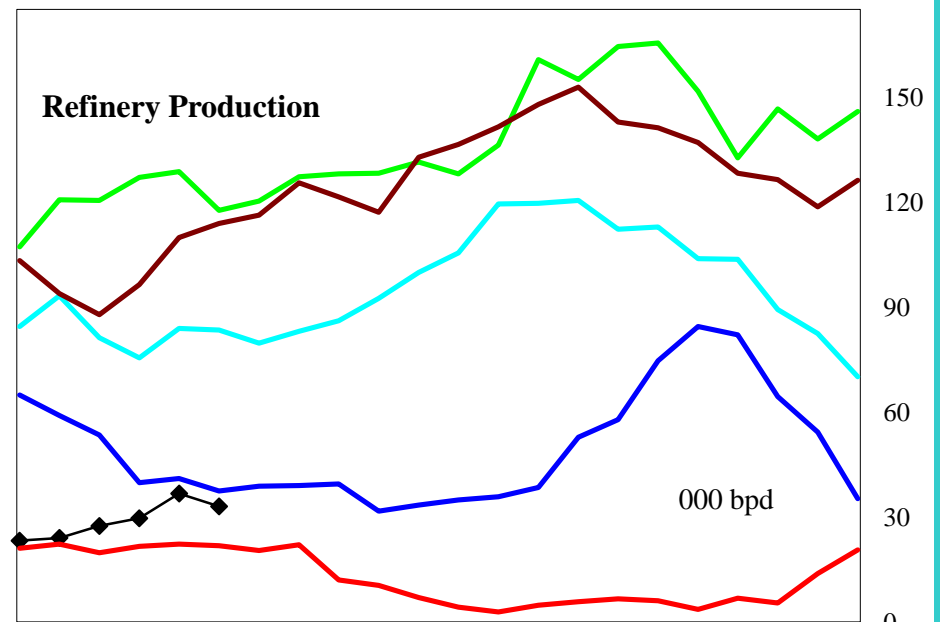
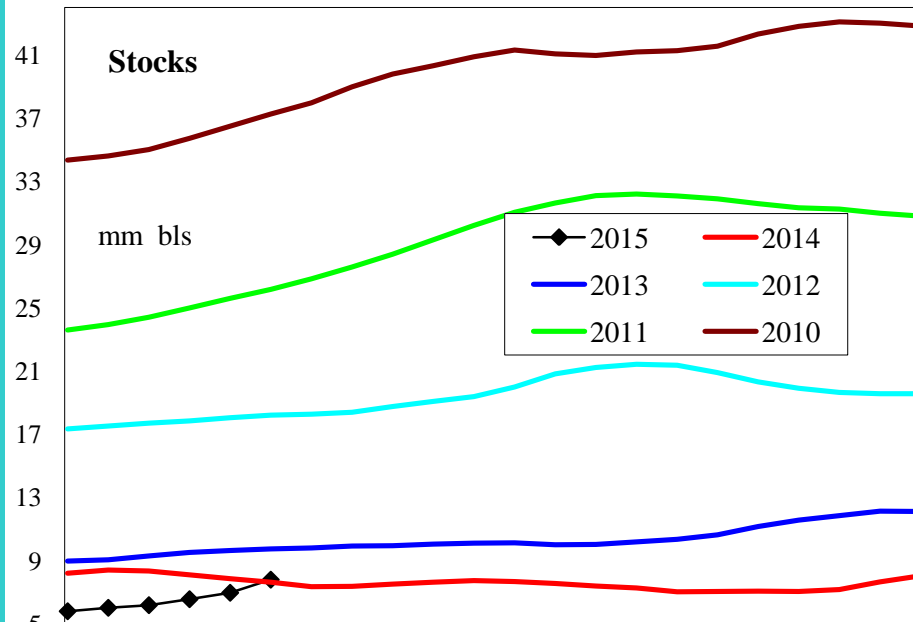


PADD 1 Low Sulfur Distillate Supply



PADD 1 Low Sulfur Distillate Stocks by Region





4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

Production

Imports

Prod + Imp - Stk chg

674

11

17

-84

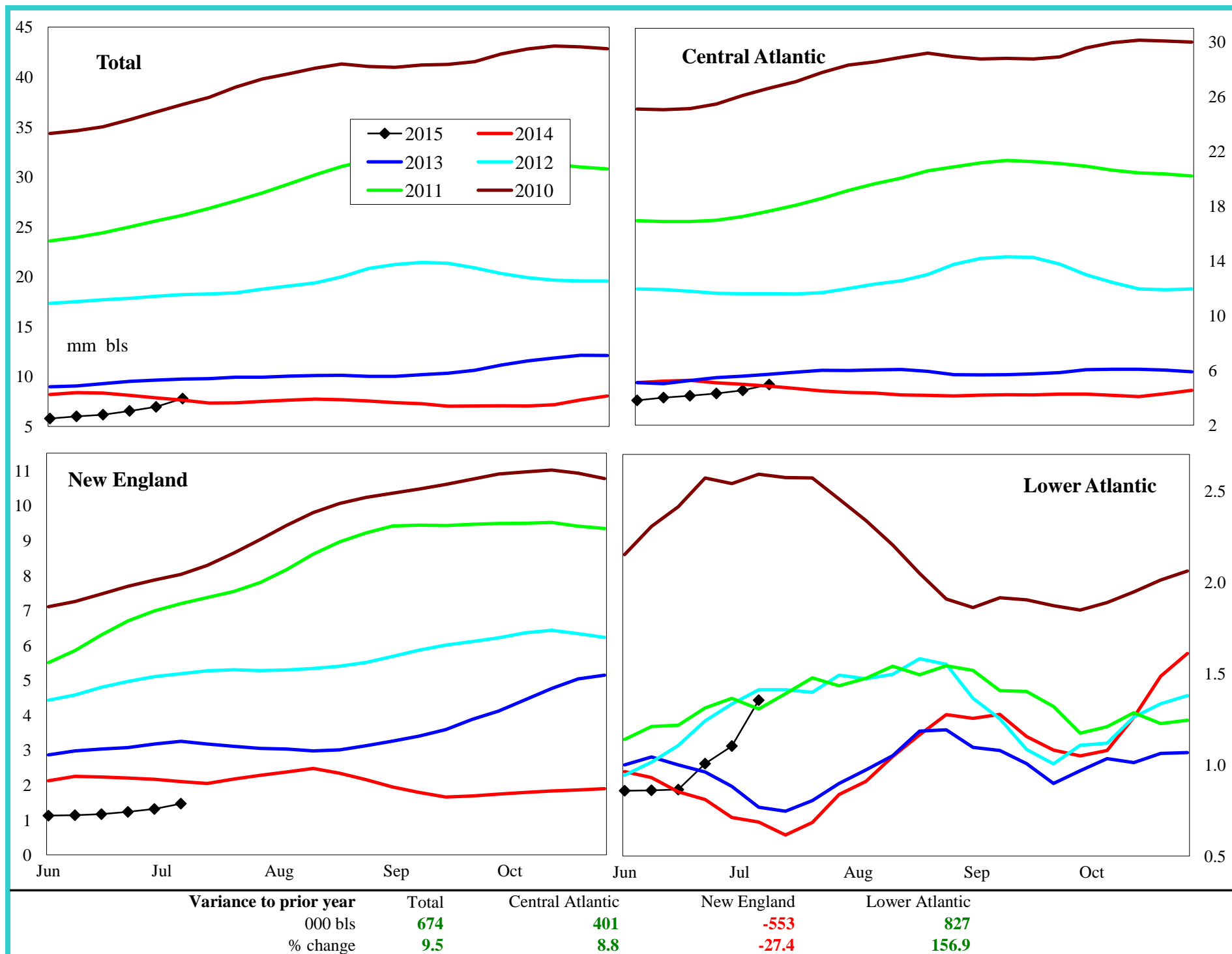
9.5

42.9

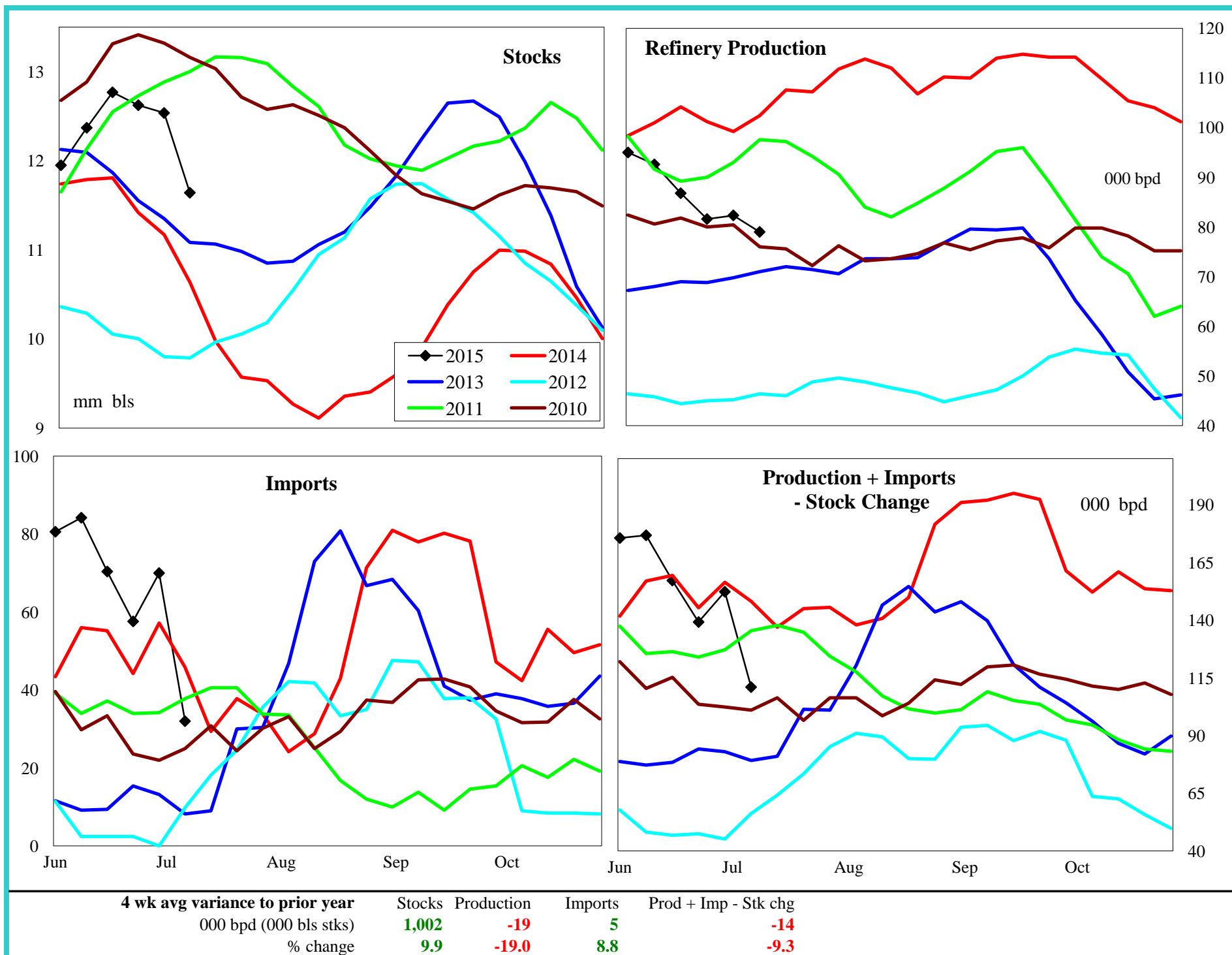
100.1

-103.3

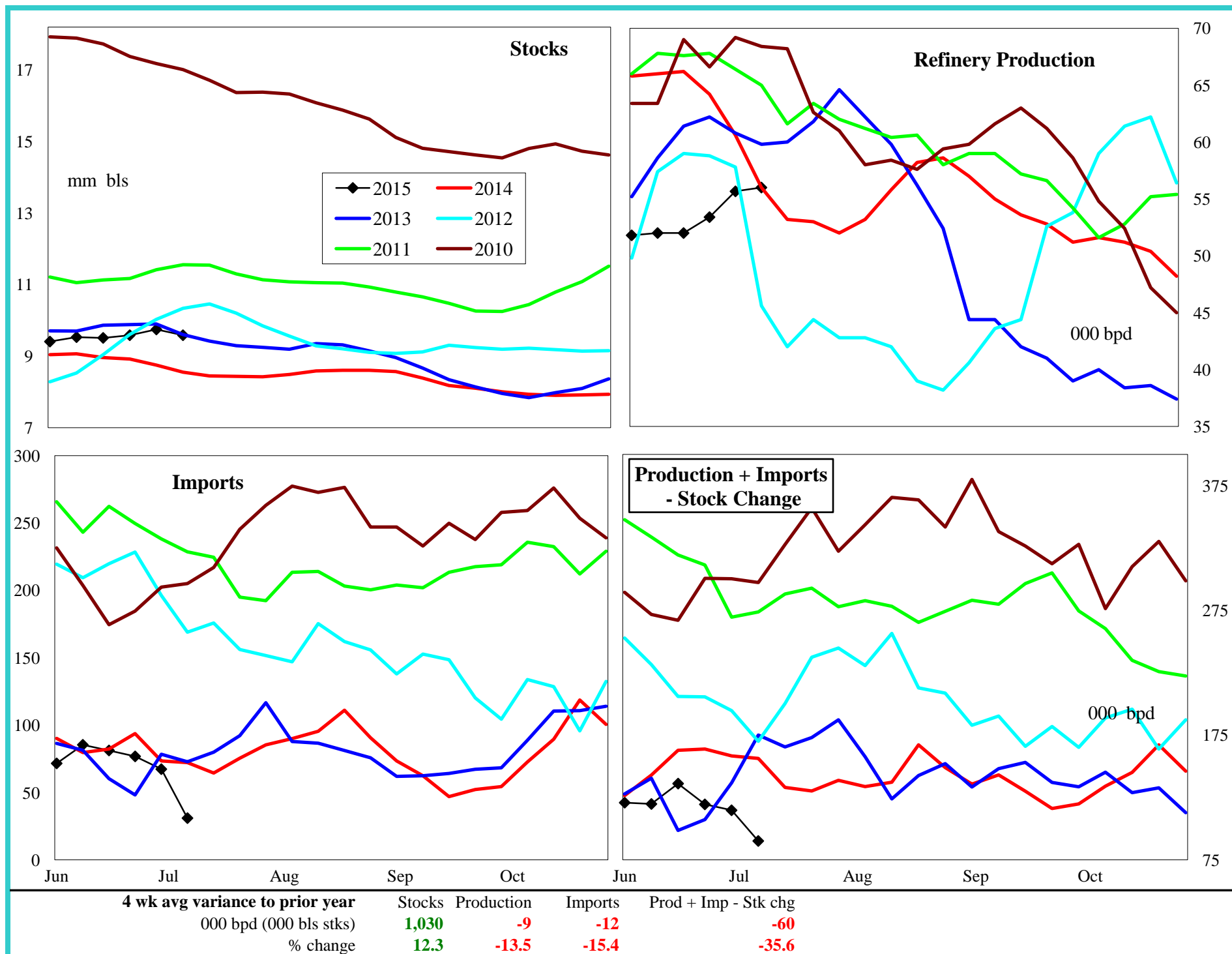
PADD 1 High Sulfur Distillate Stocks by Region



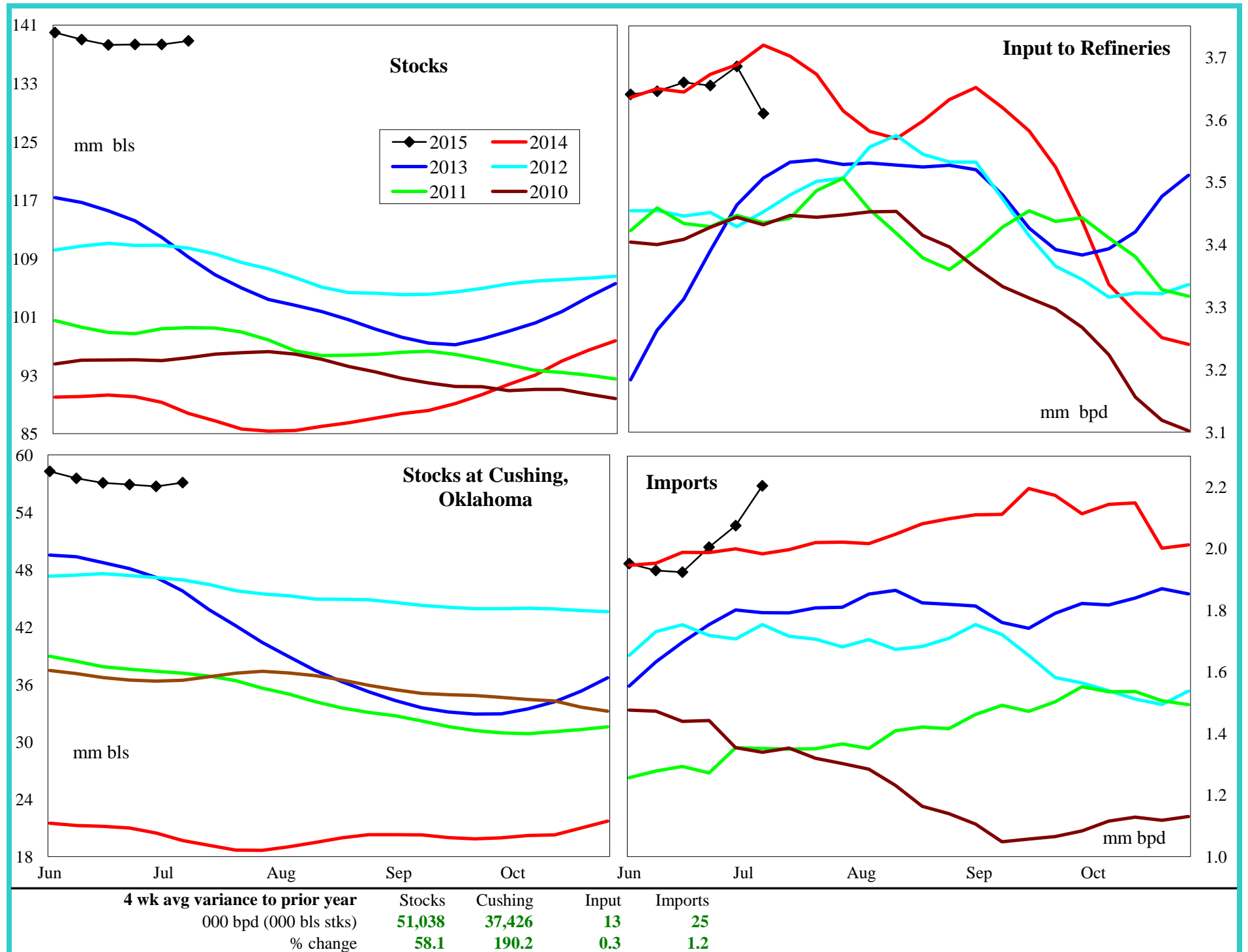
PADD 1 Jet Fuel Supply

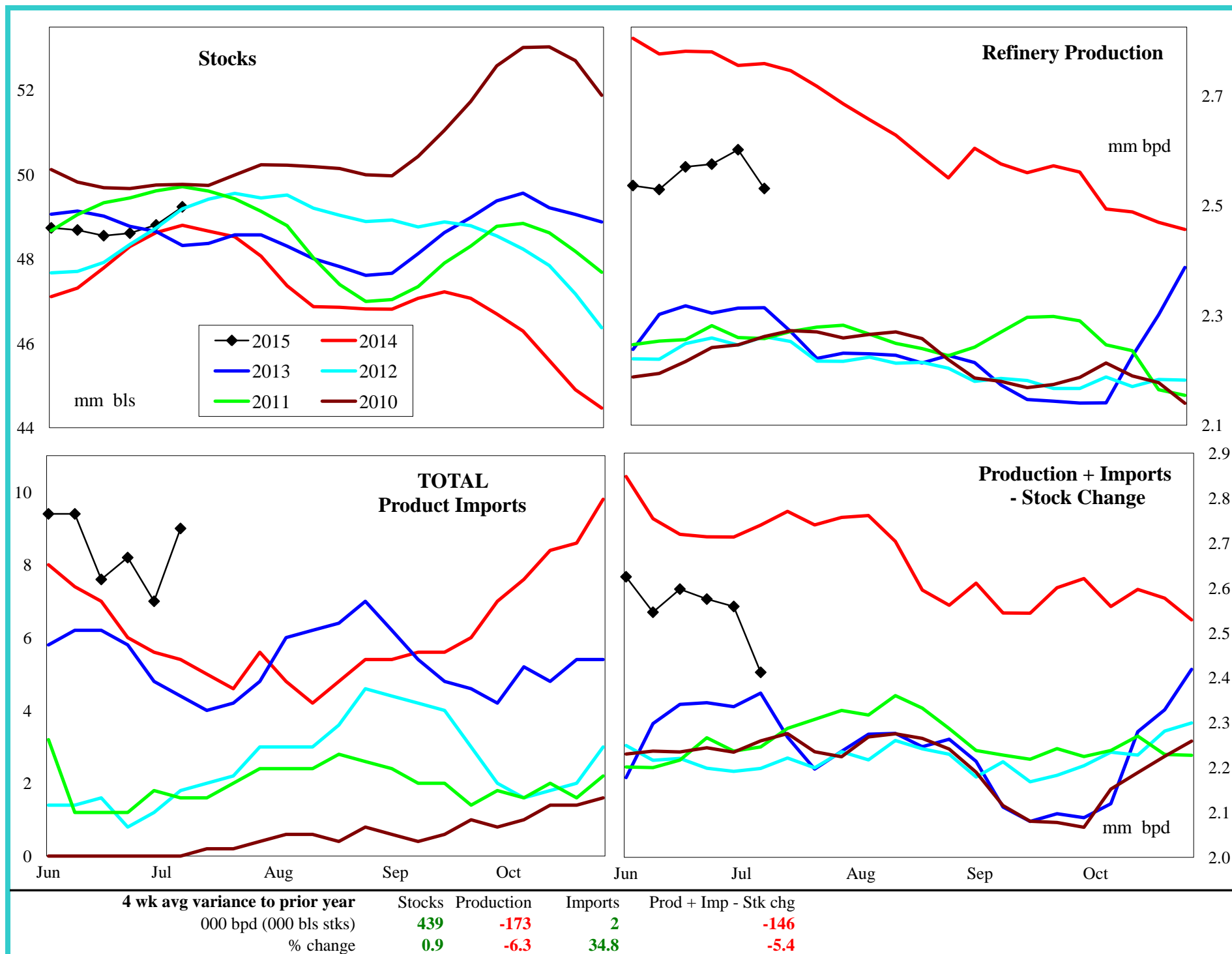


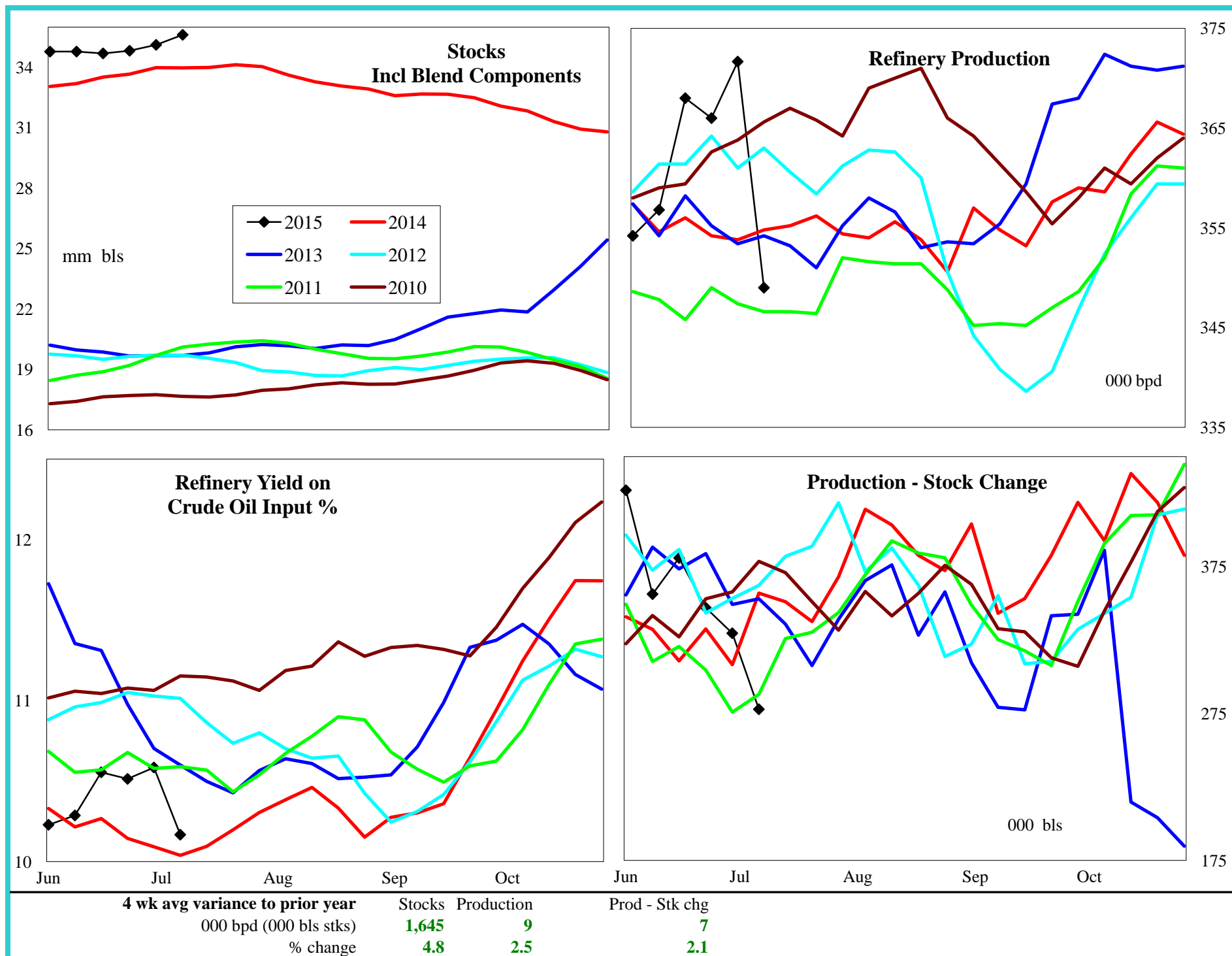
PADD 1 Residual Fuel Oil Supply



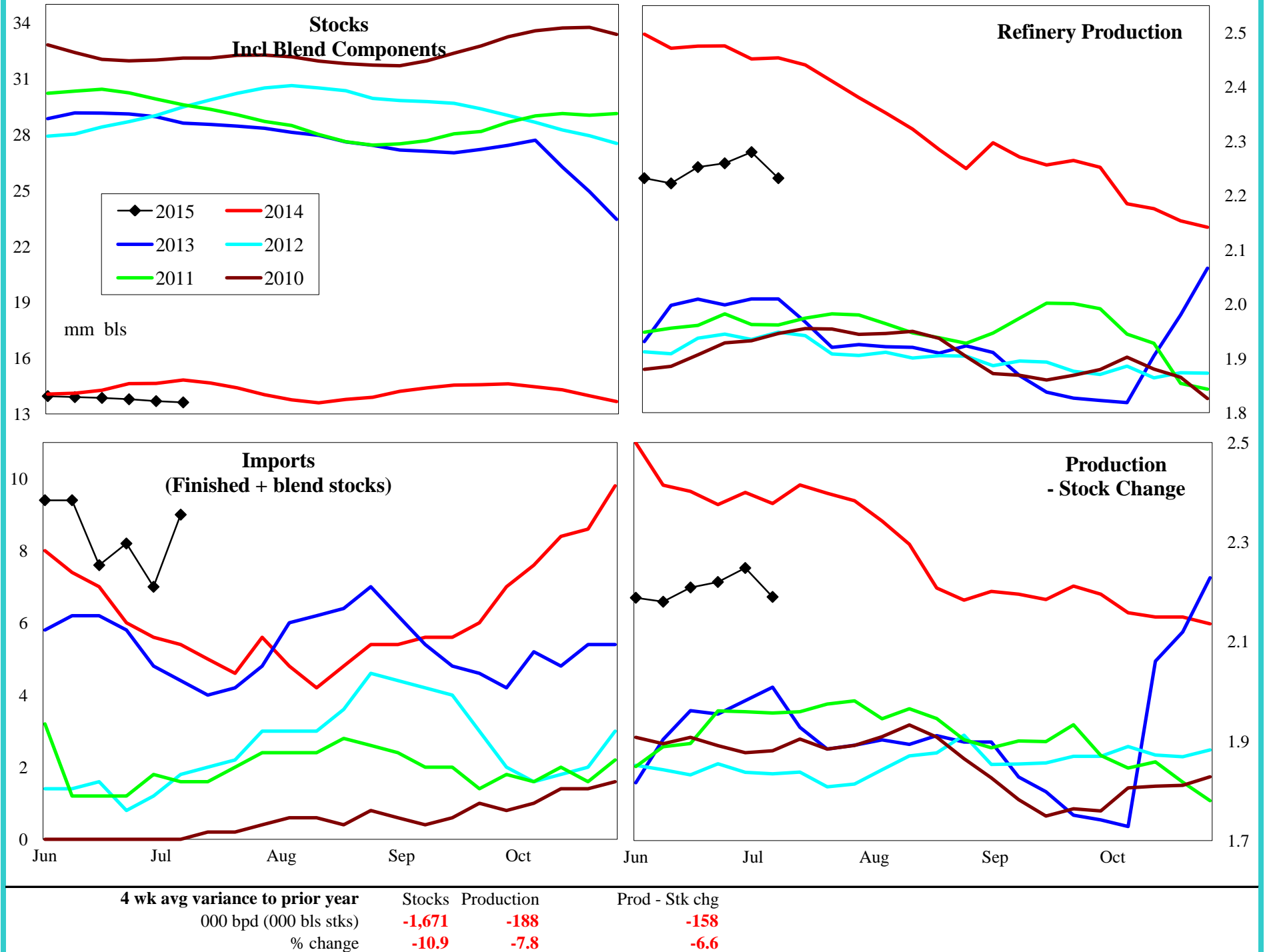
PADD 2 Crude Oil Supply and Refining

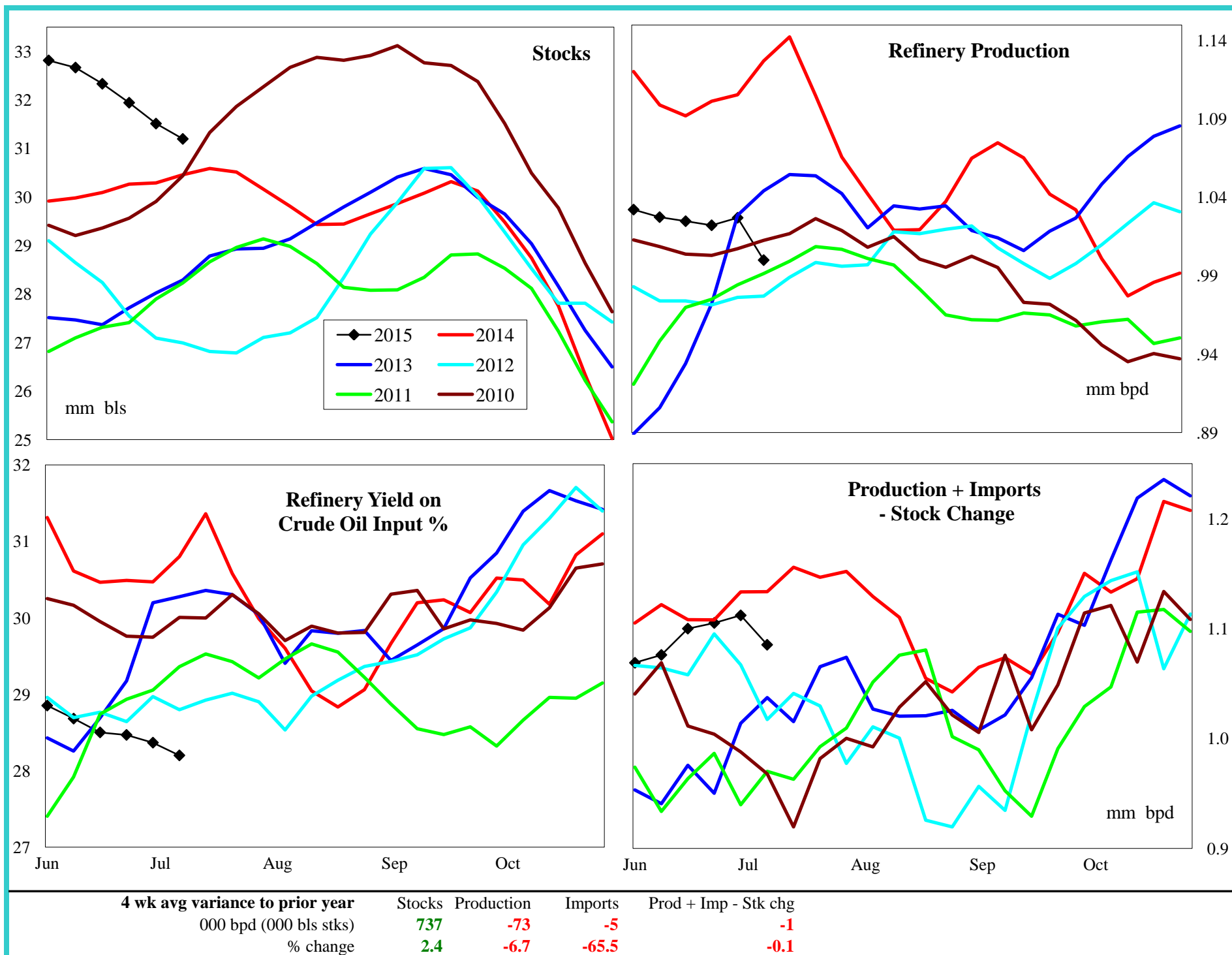


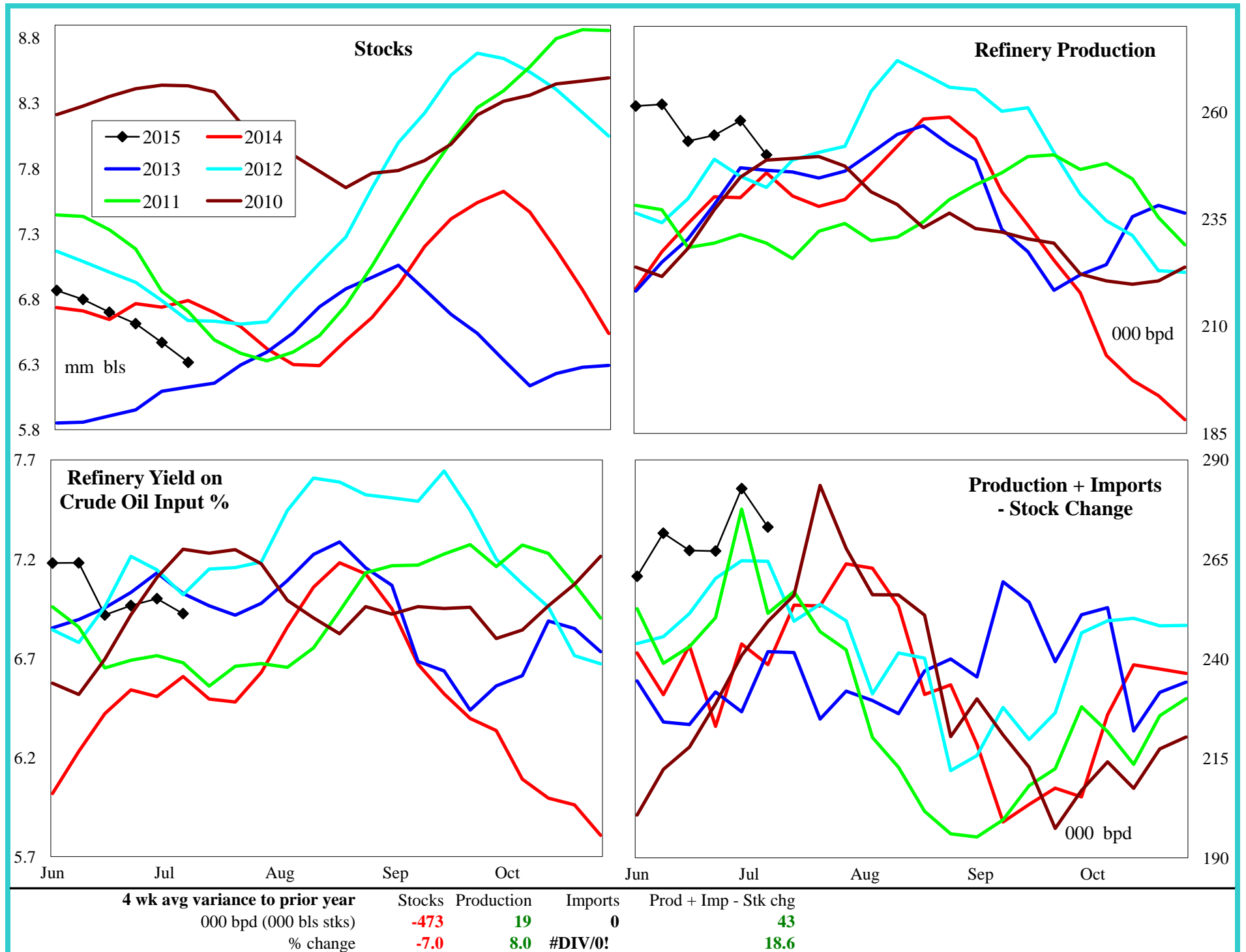




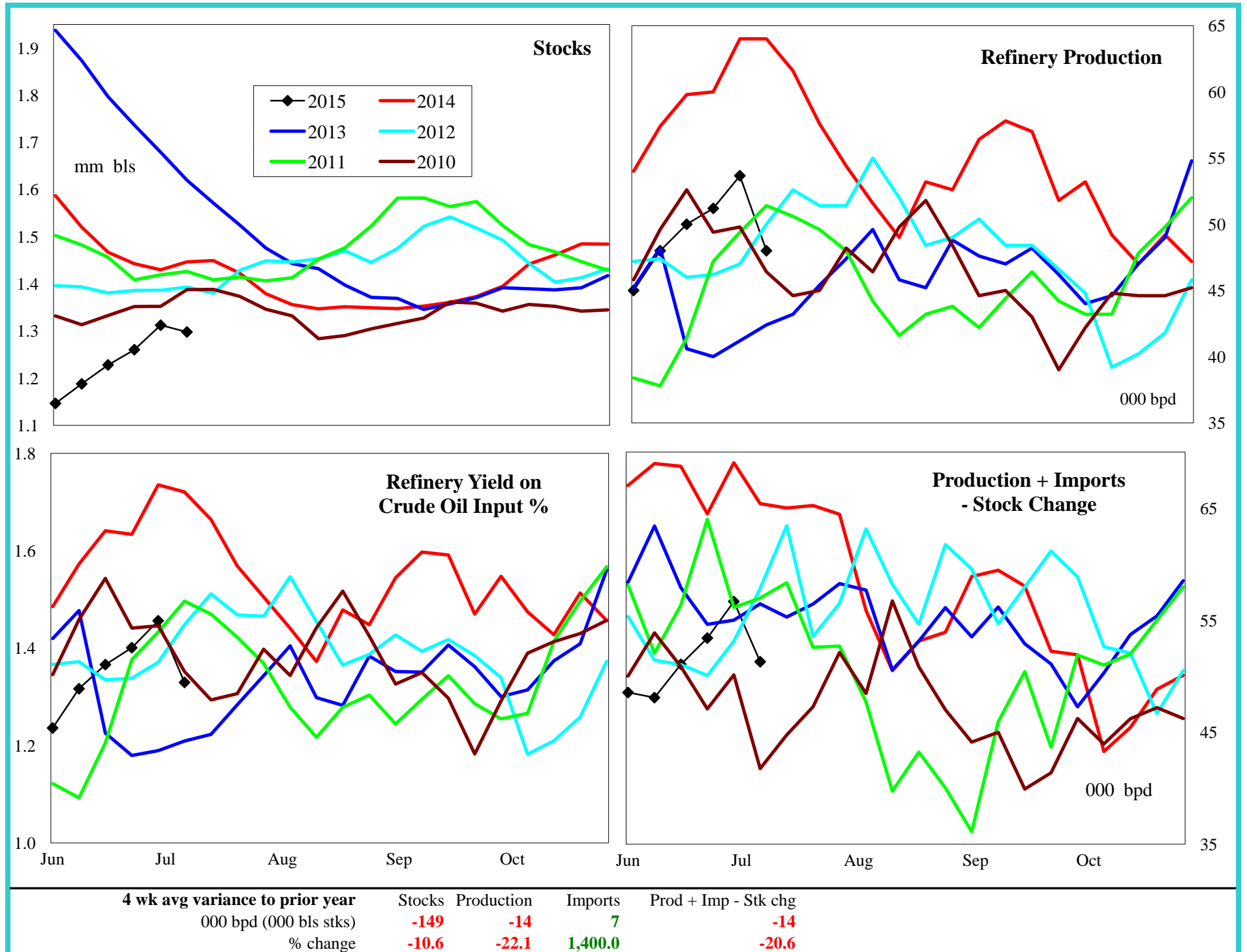
PADD 2 Conventional Gasoline Supply



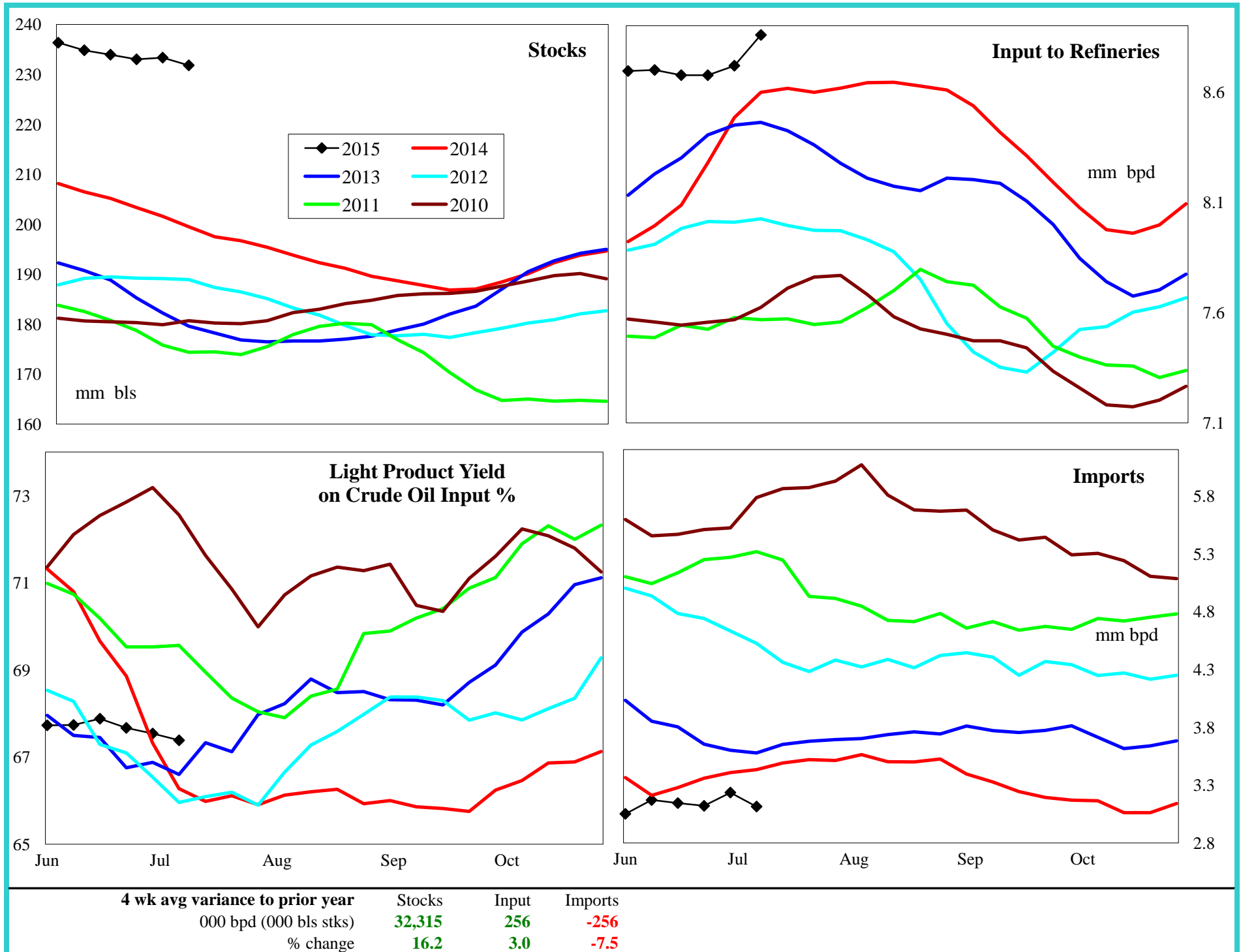




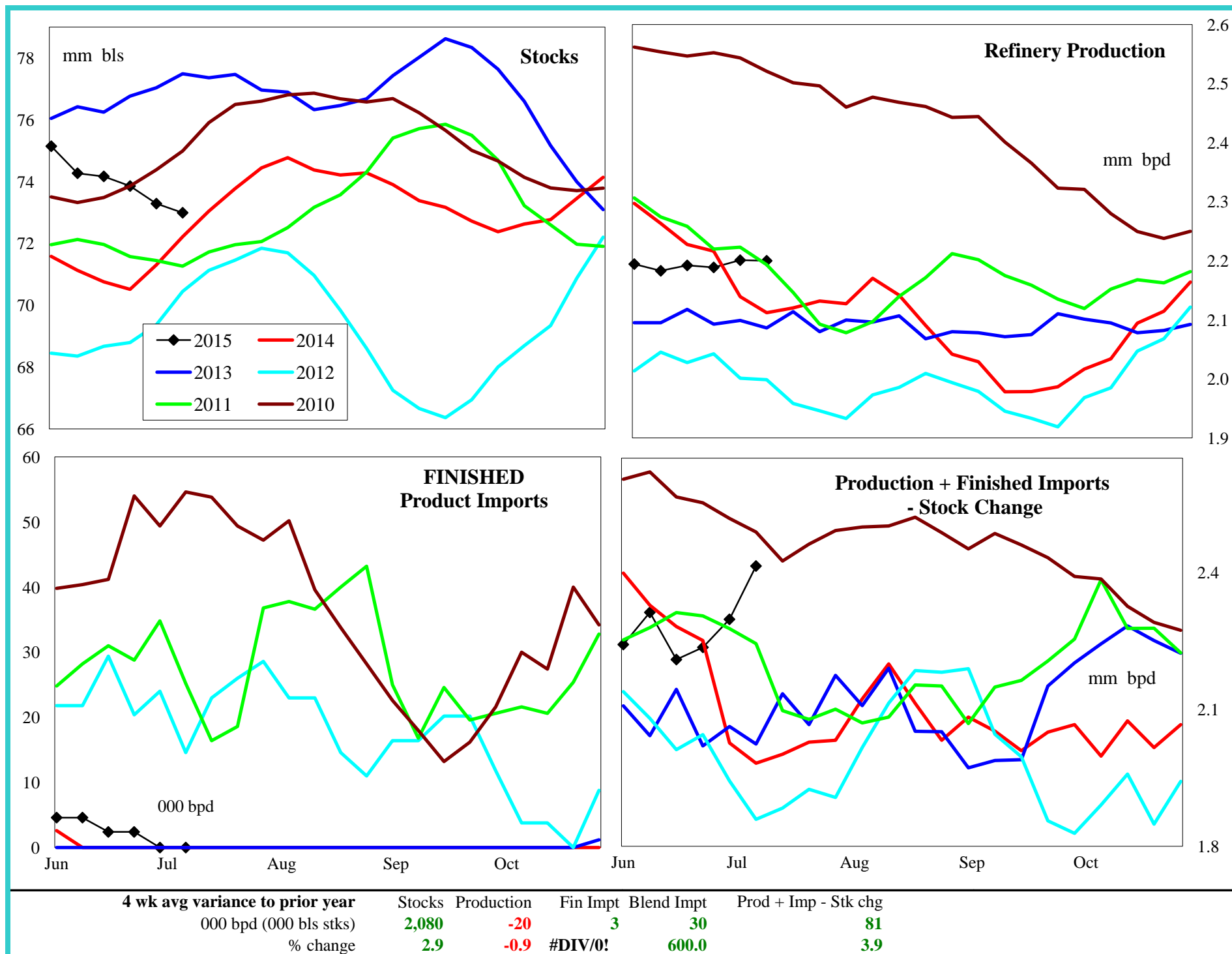
PADD 2 Residual Fuel Oil Supply



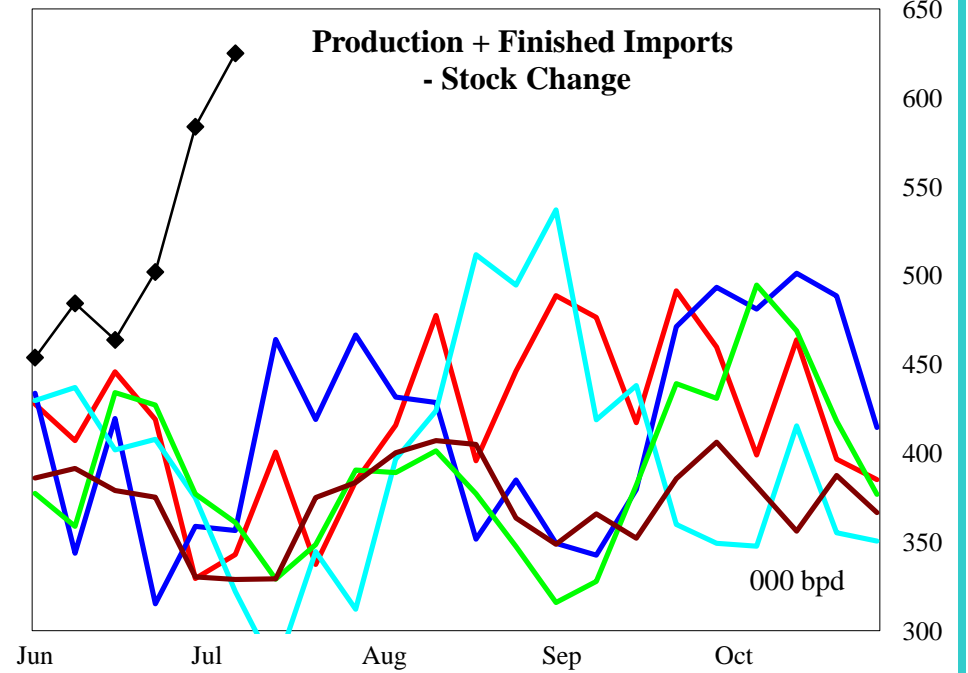
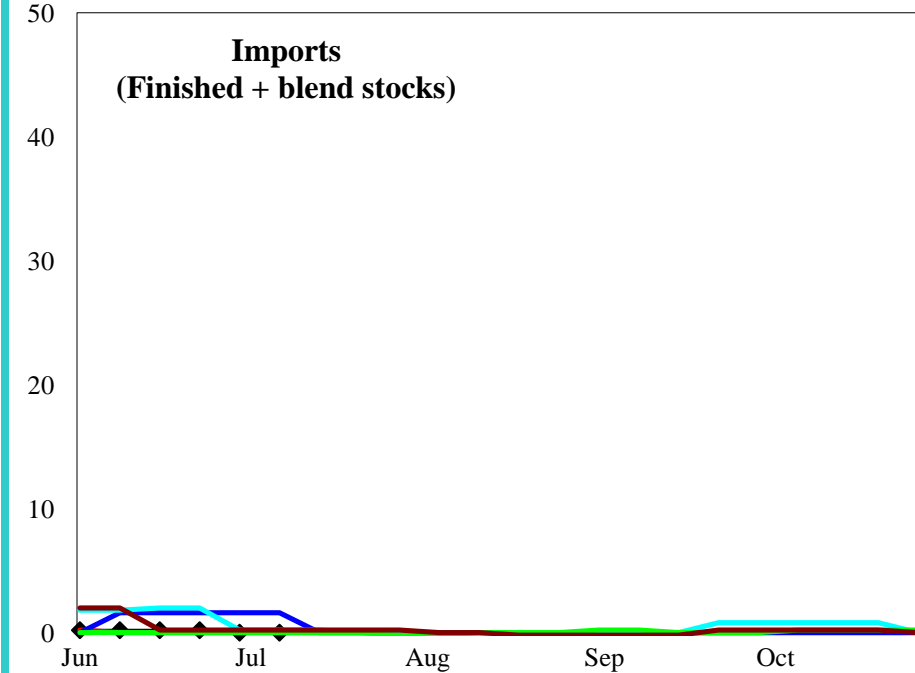
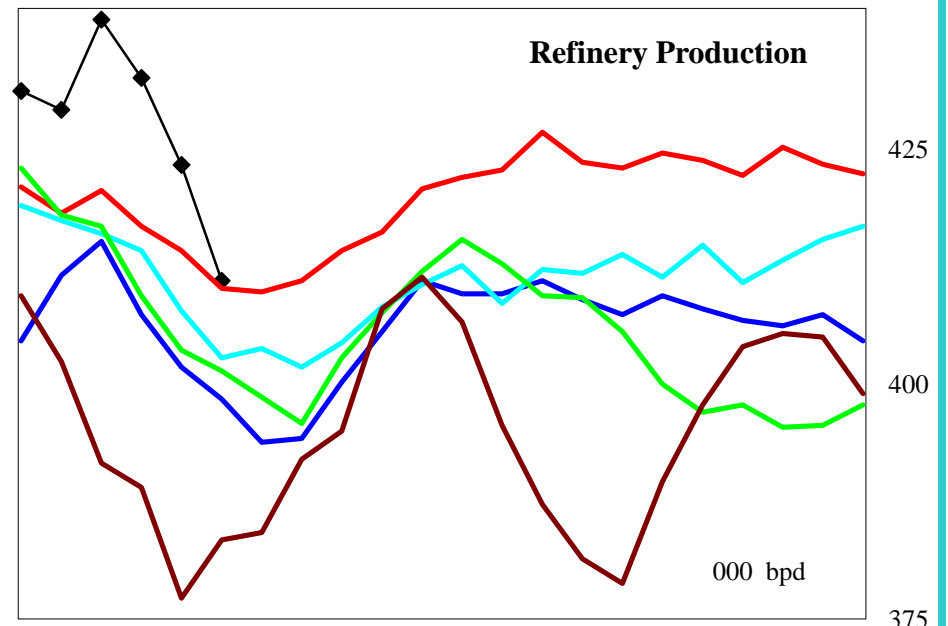
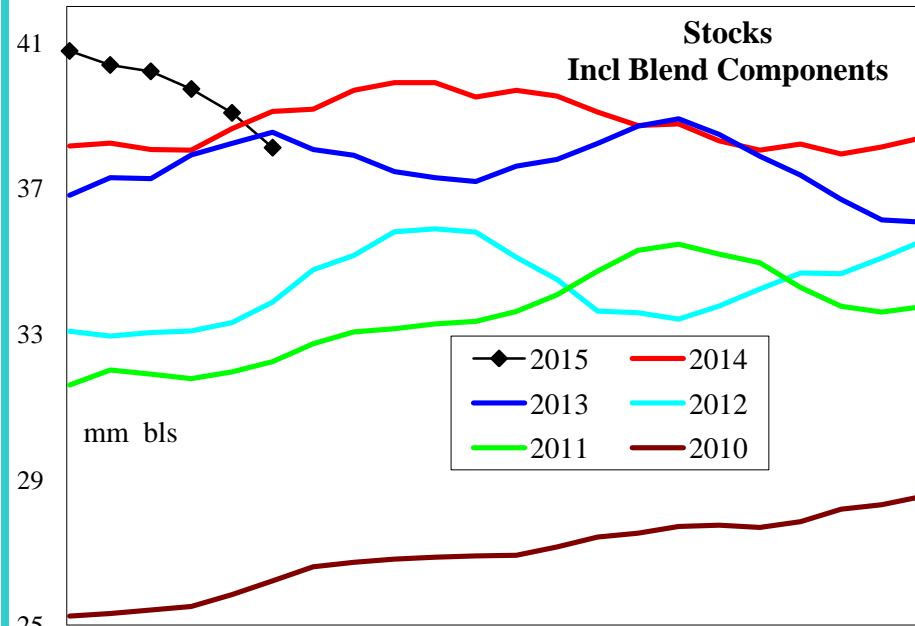
PADD 3 Crude Oil Supply and Refining



PADD 3 Gasoline Supply



PADD 3 Reformulated Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bbls stks)

% change

Stocks

-786

-2.0

Production

13

3.0

Imports

0

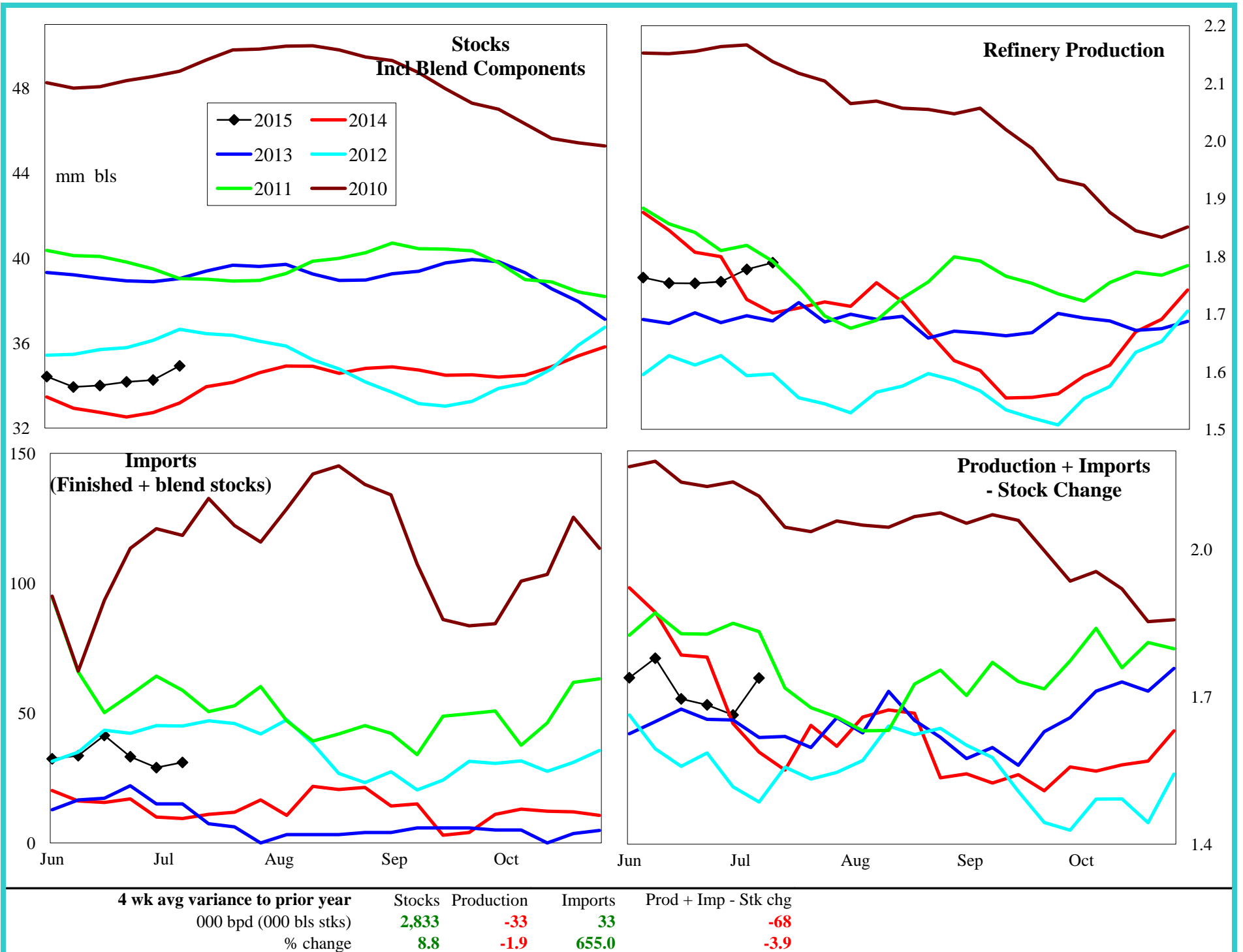
#DIV/0!

Prod + Imp - Stk chg

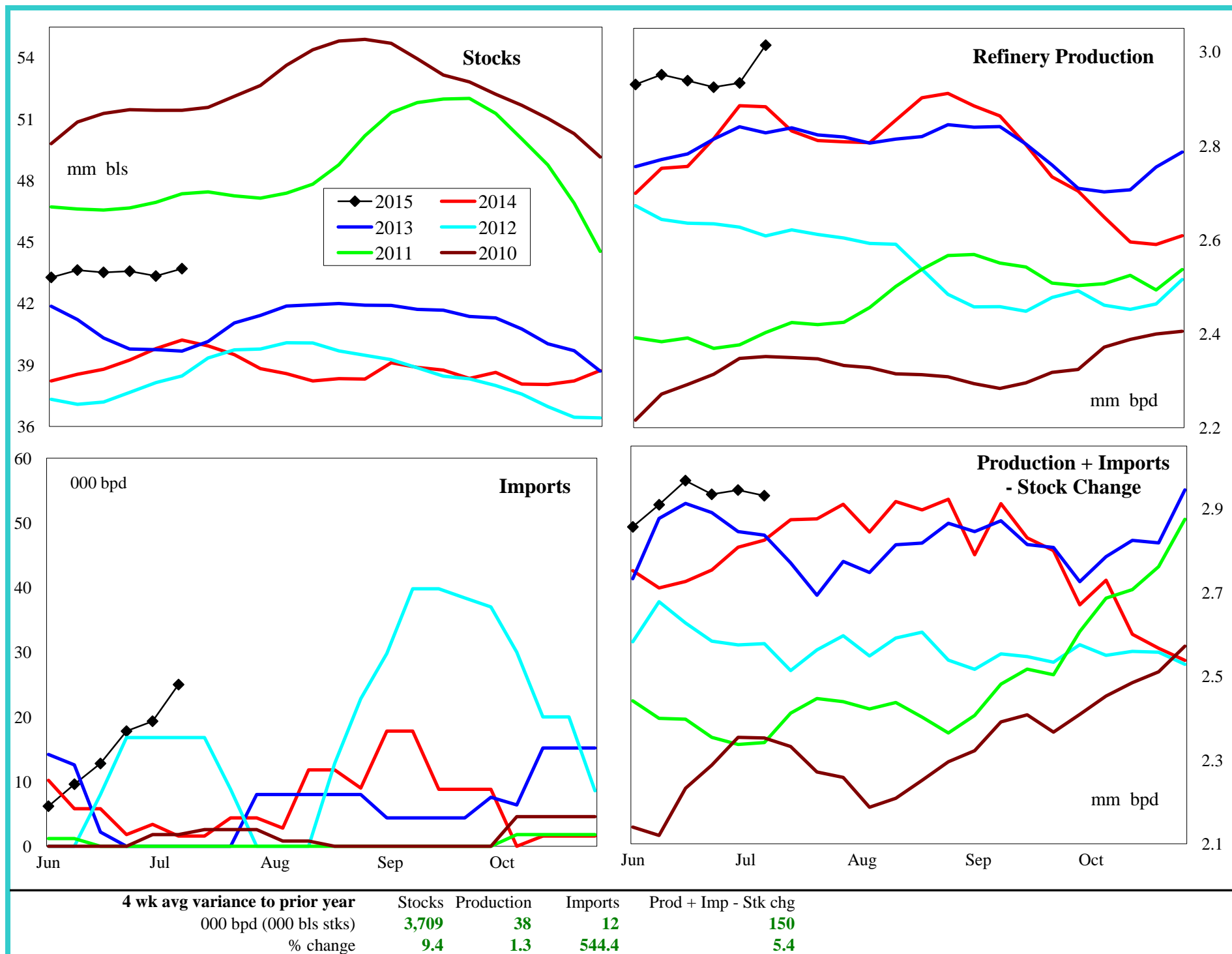
150

44.0

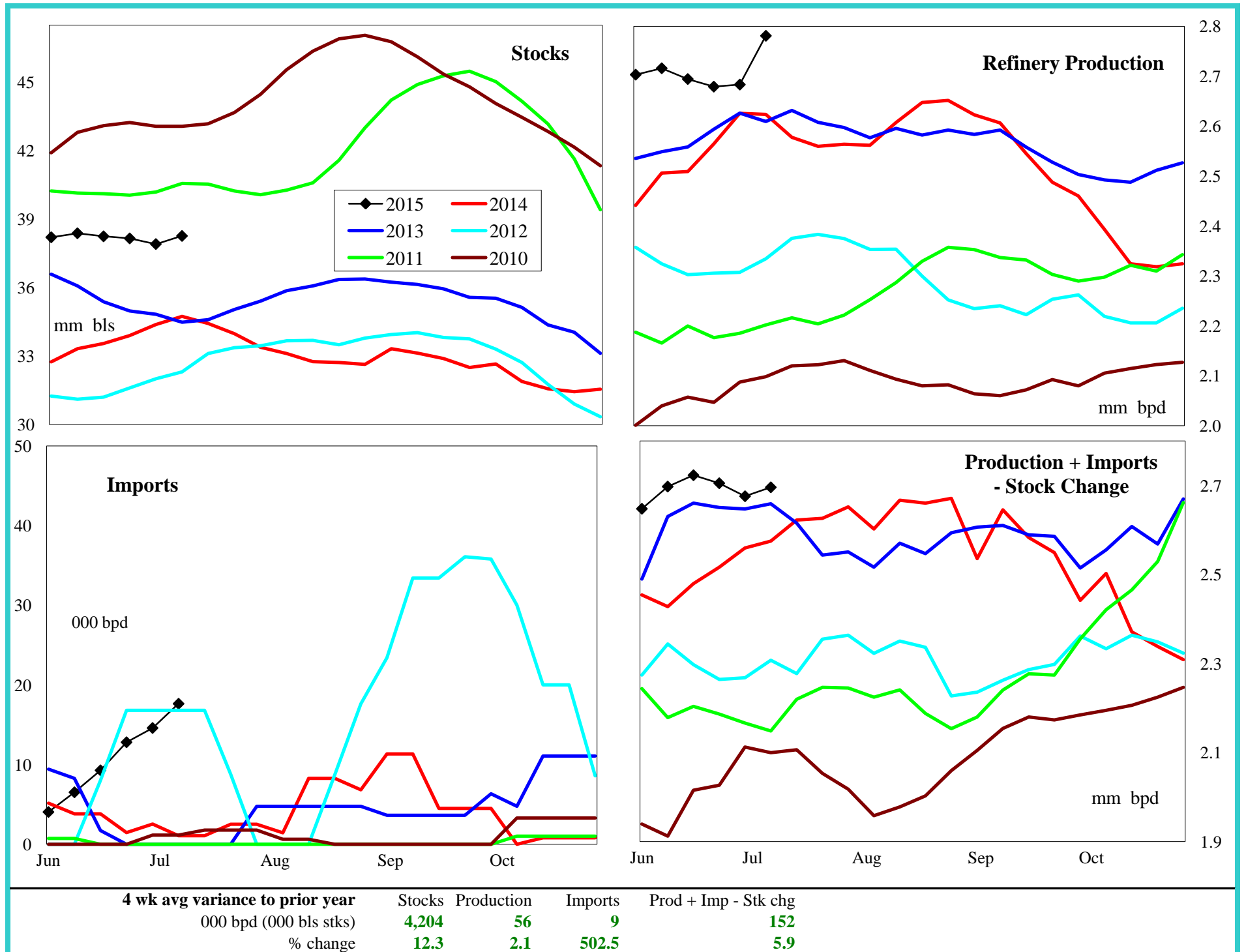
PADD 3 Conventional Gasoline Supply



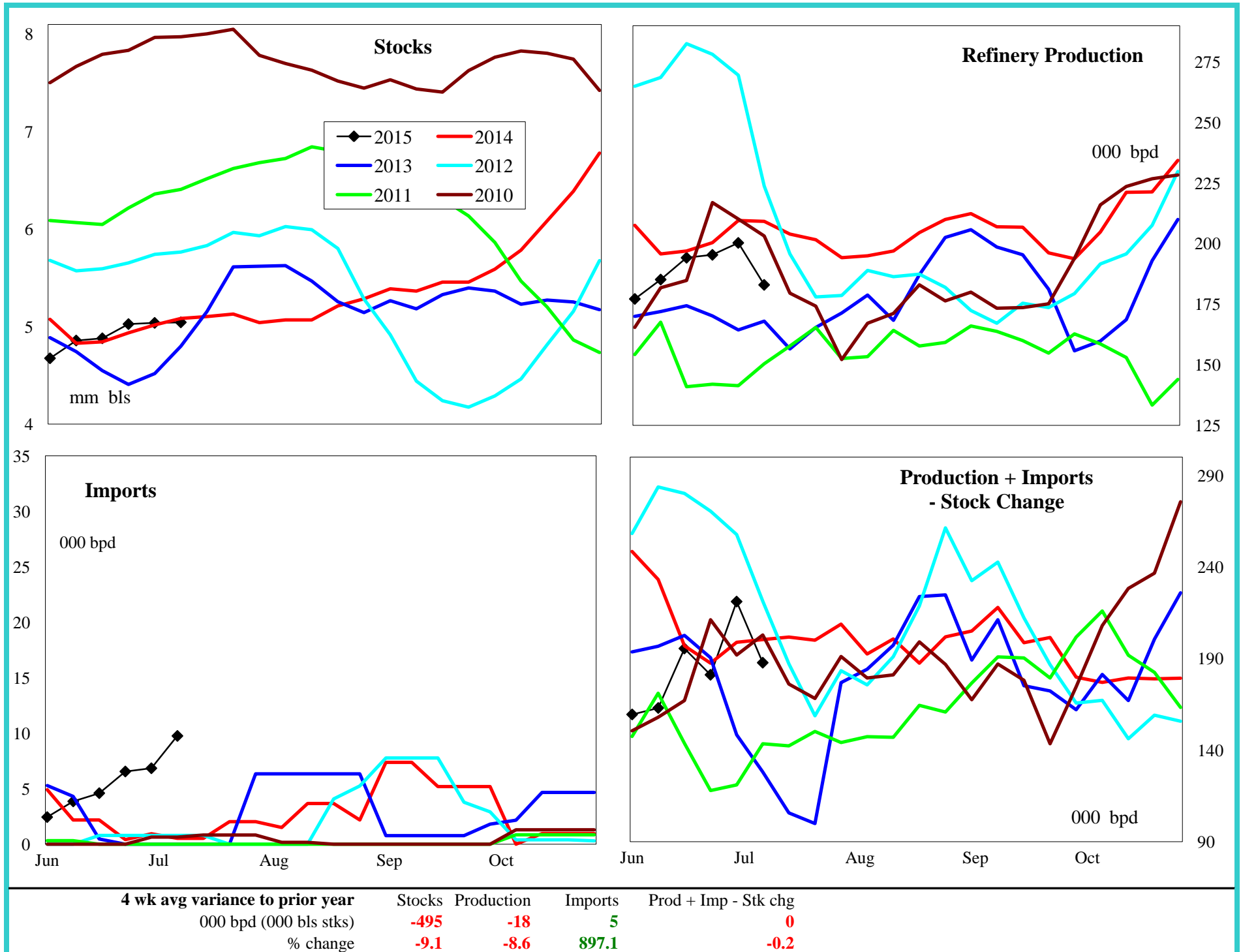
PADD 3 Distillate Supply



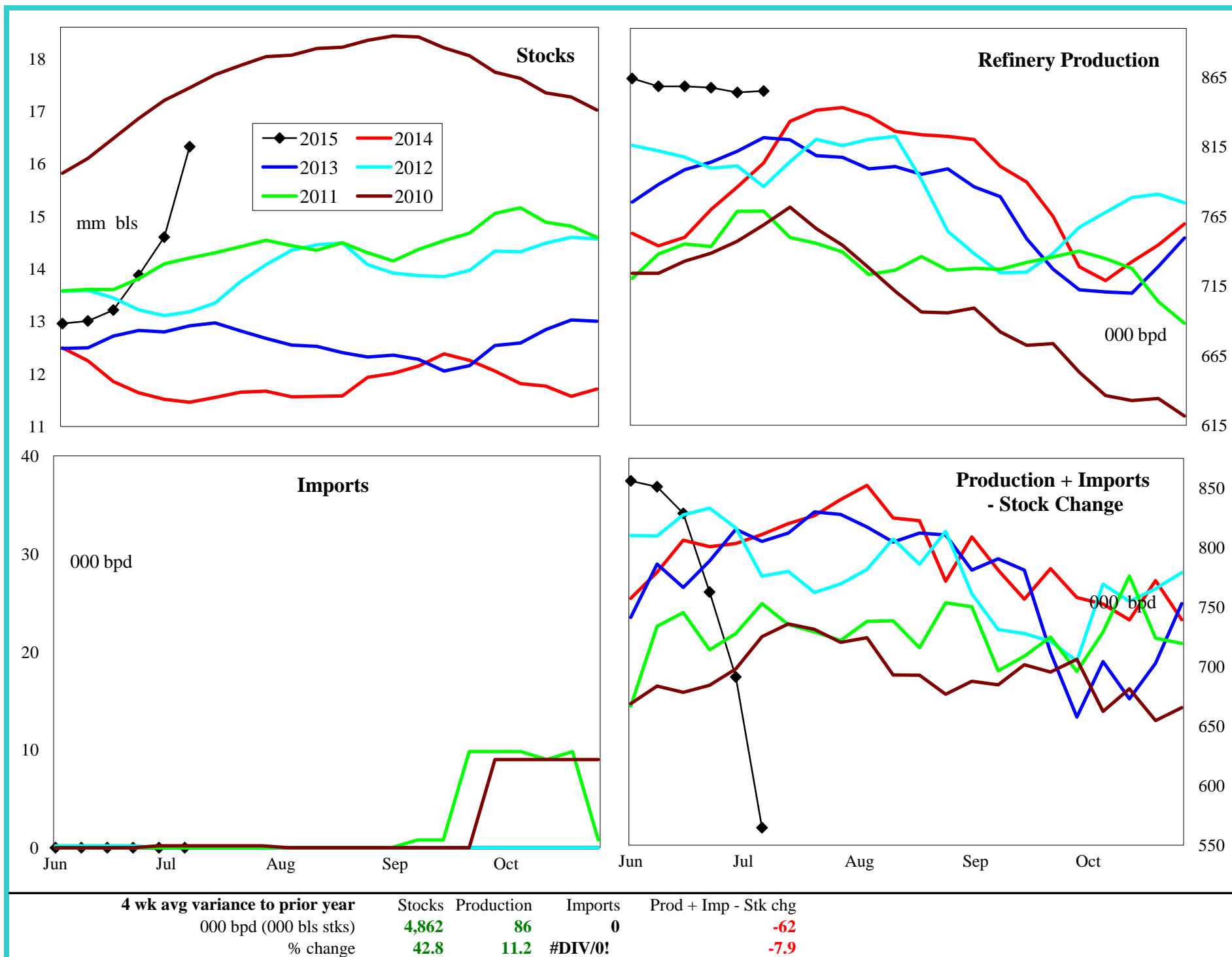
PADD 3 Low Sulfur Distillate Supply



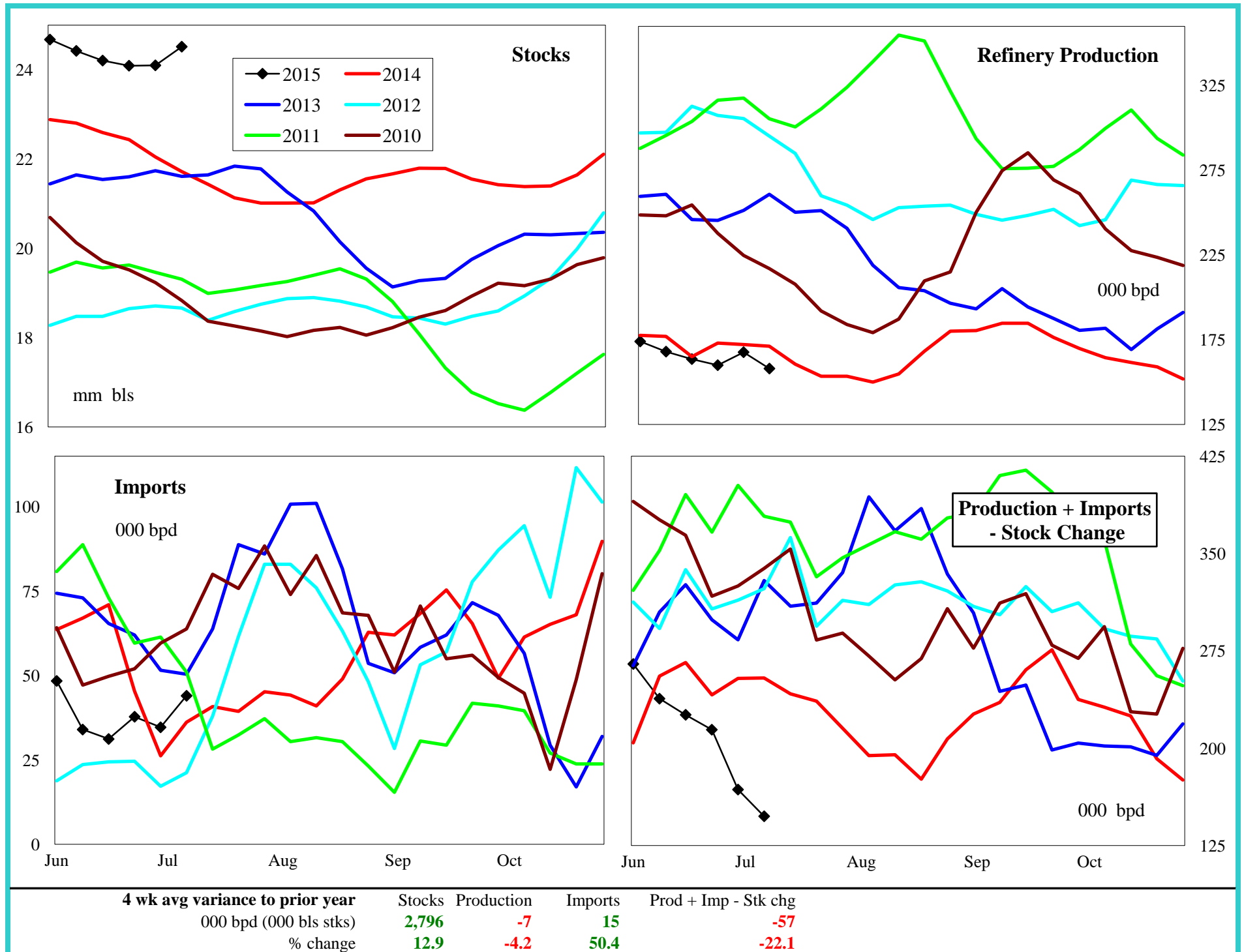
PADD 3 High Sulfur Distillate Supply



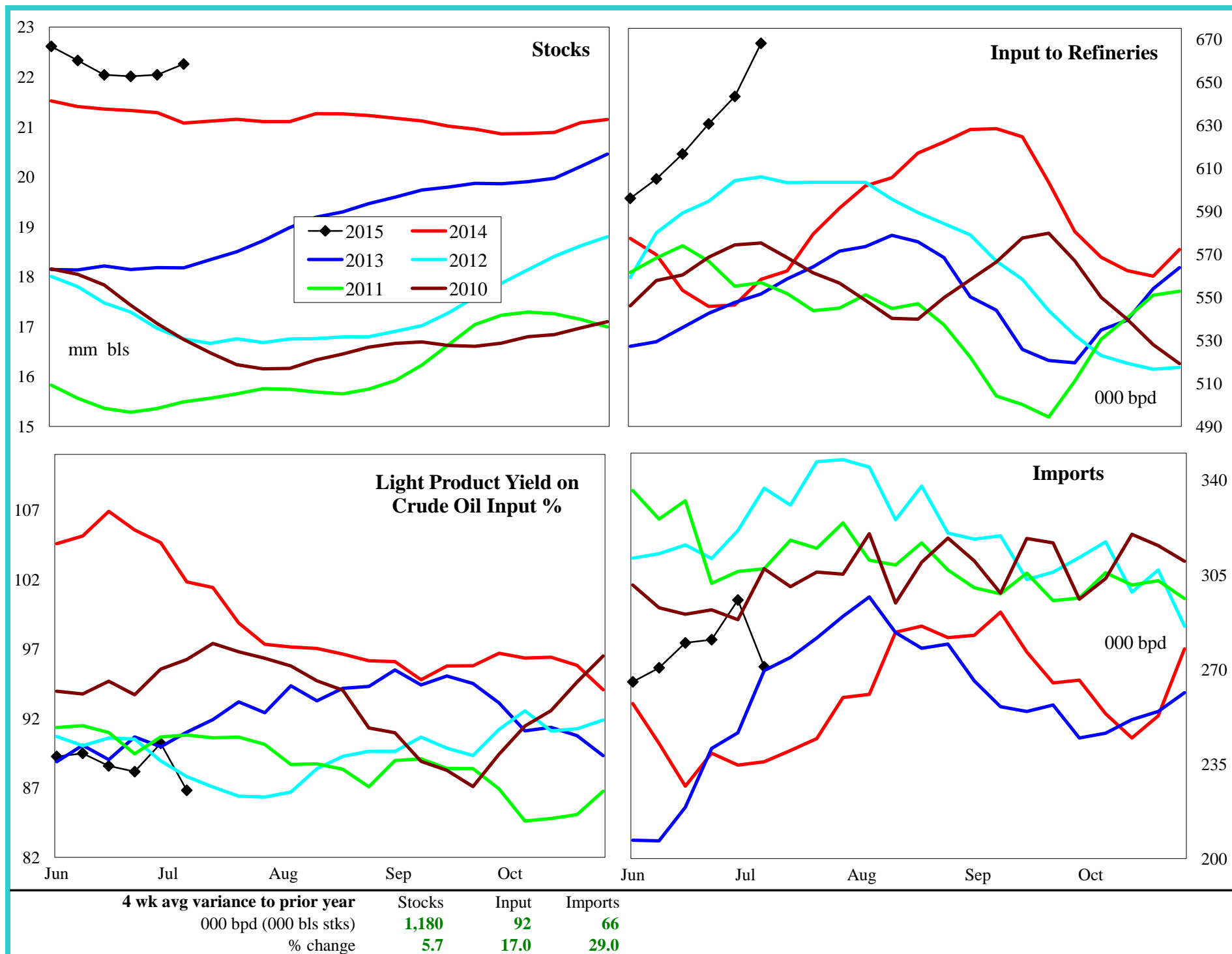
PADD 3 Jet Fuel Supply



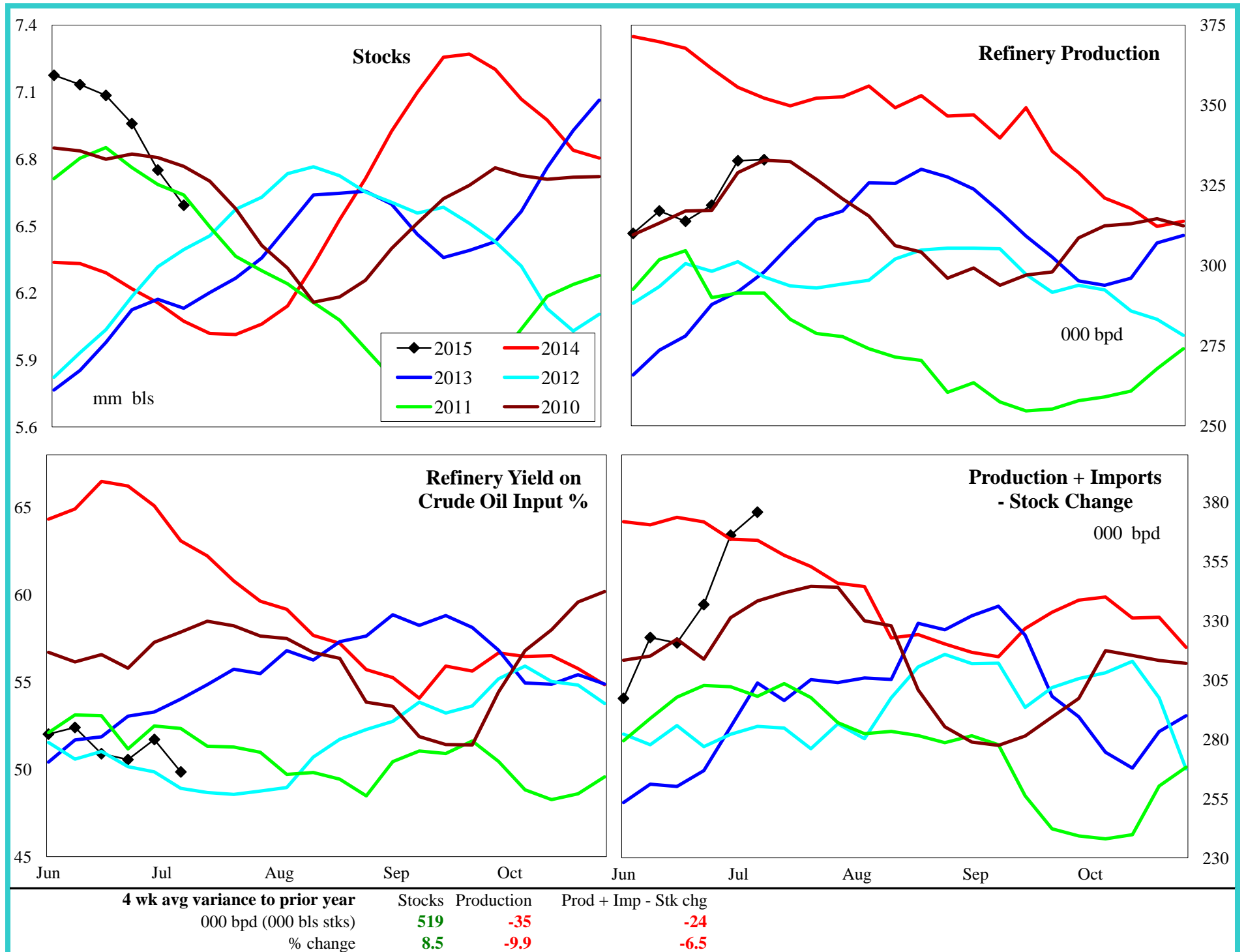
PADD 3 Residual Fuel Oil Supply



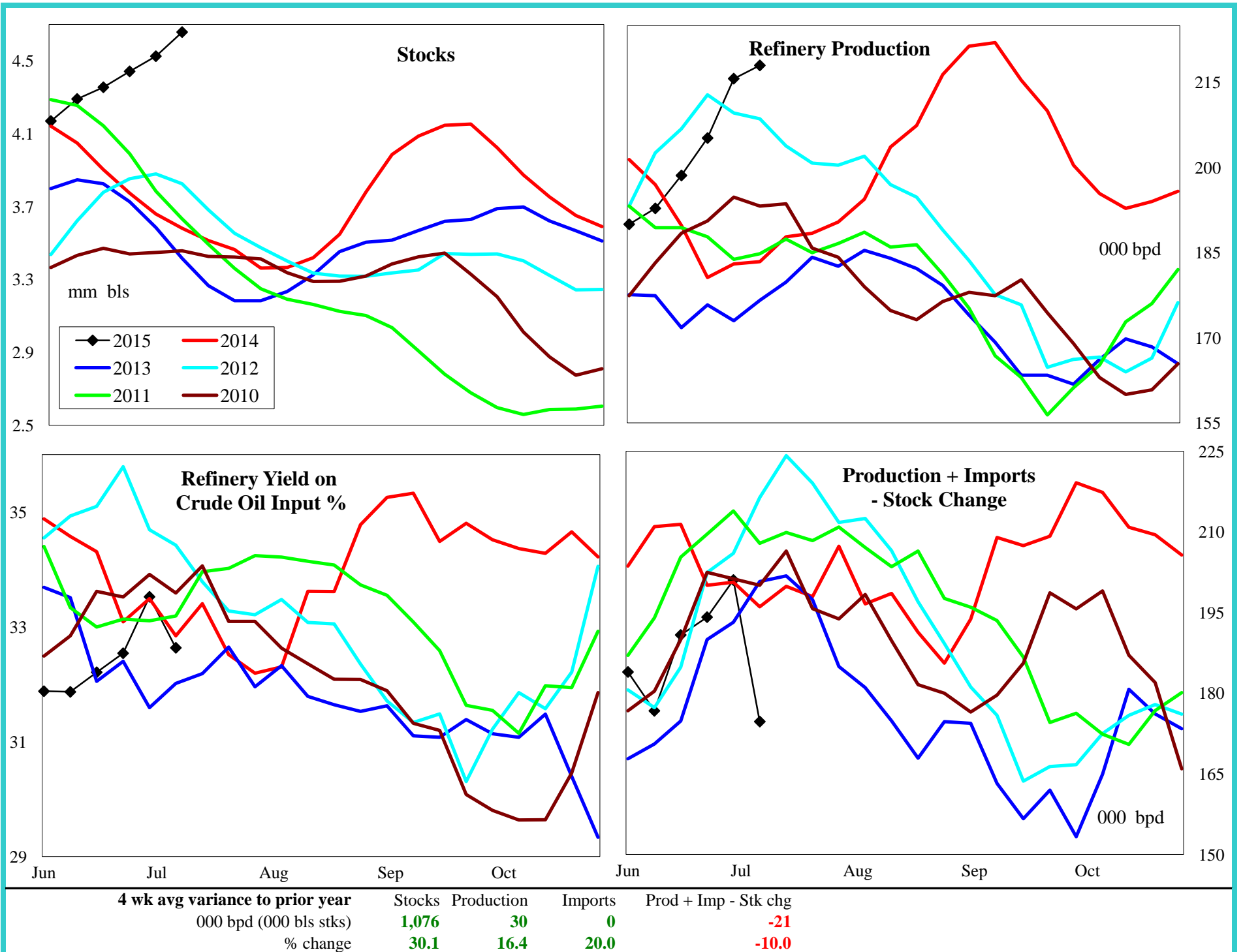
PADD 4 Crude Oil Supply and Refining



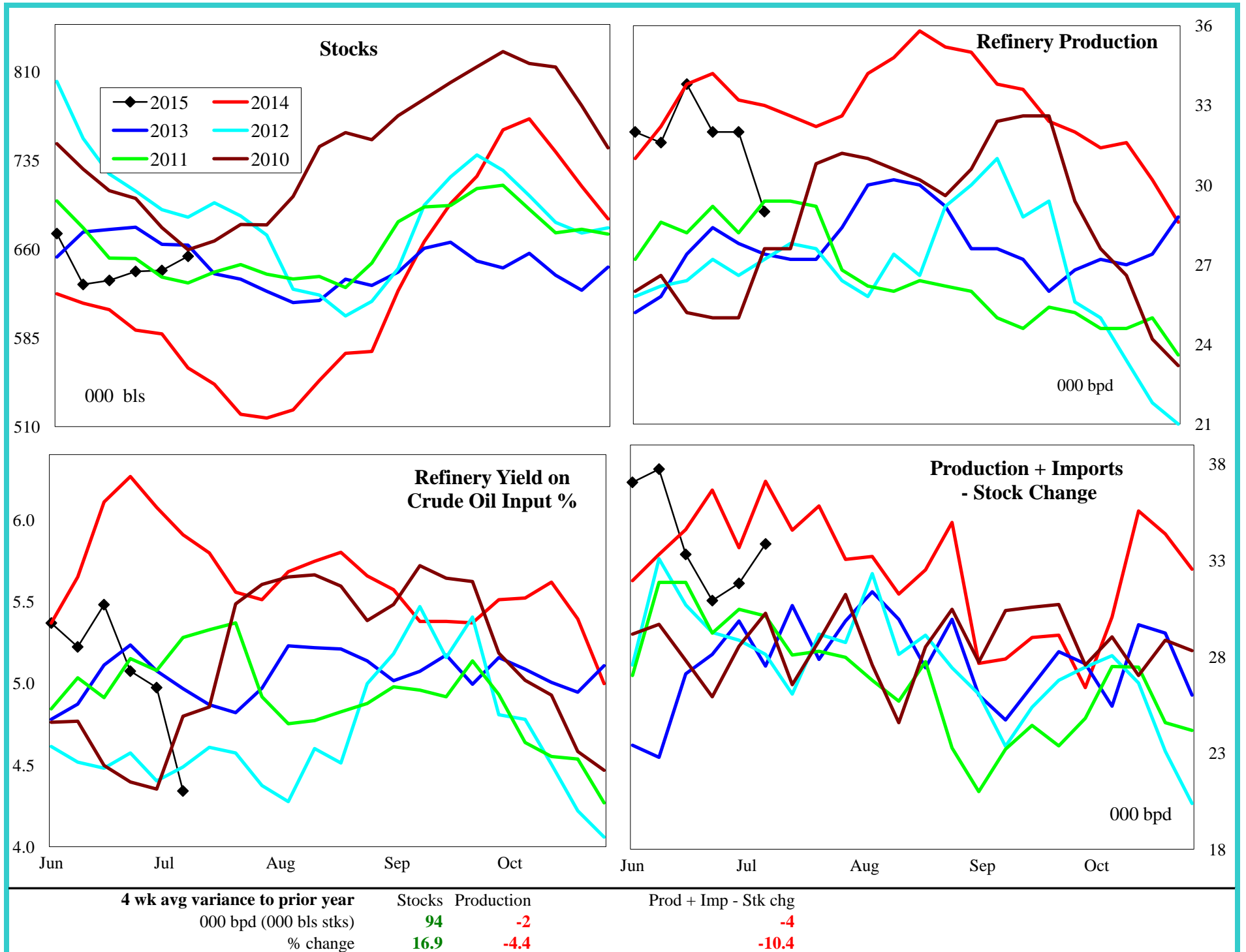
PADD 4 Gasoline Supply



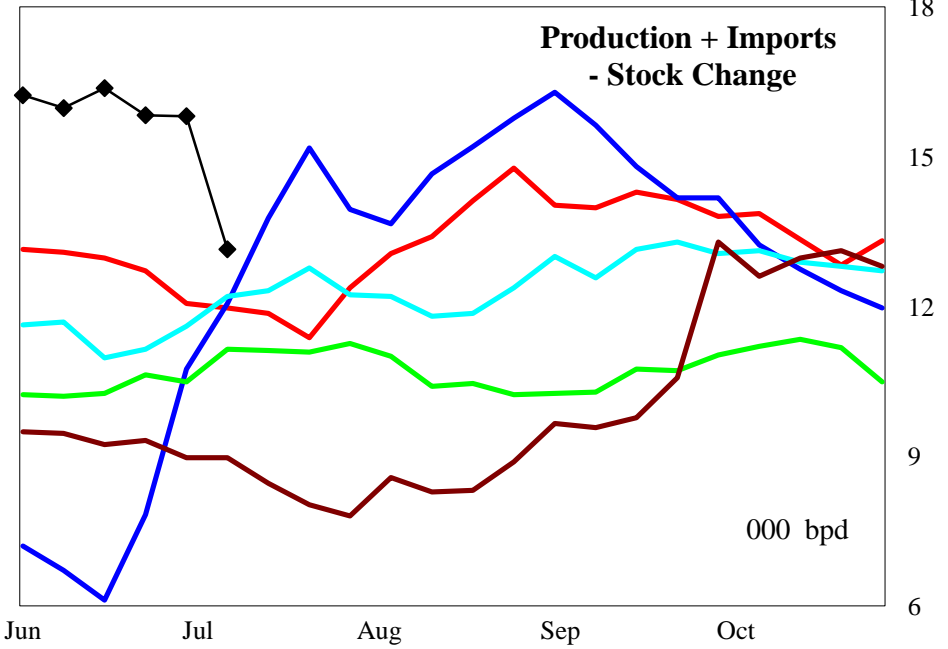
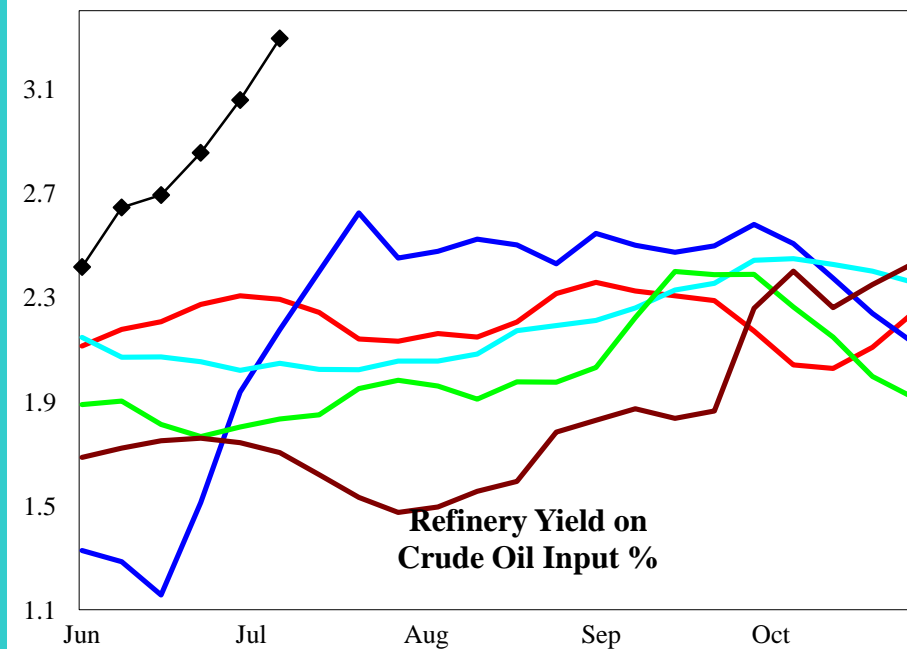
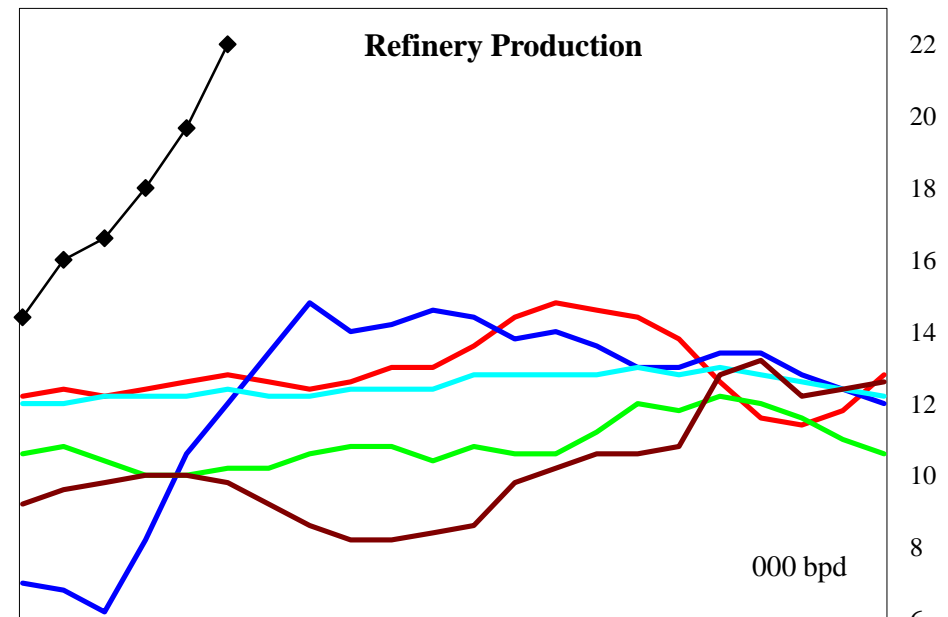
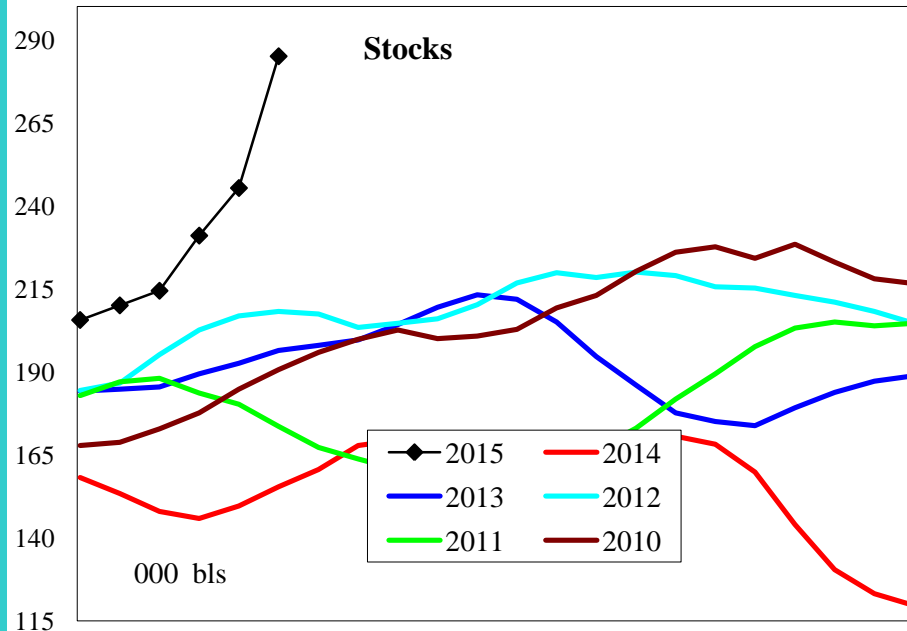
PADD 4 Distillate Supply



PADD 4 Jet Fuel Supply



PADD 4 Residual Fuel Oil Supply



4 wk avg variance to prior year

000 bpd (000 bbls stks)

% change

Stocks

Production

Imports

Prod + Imp - Stk chg

130

7

0

1

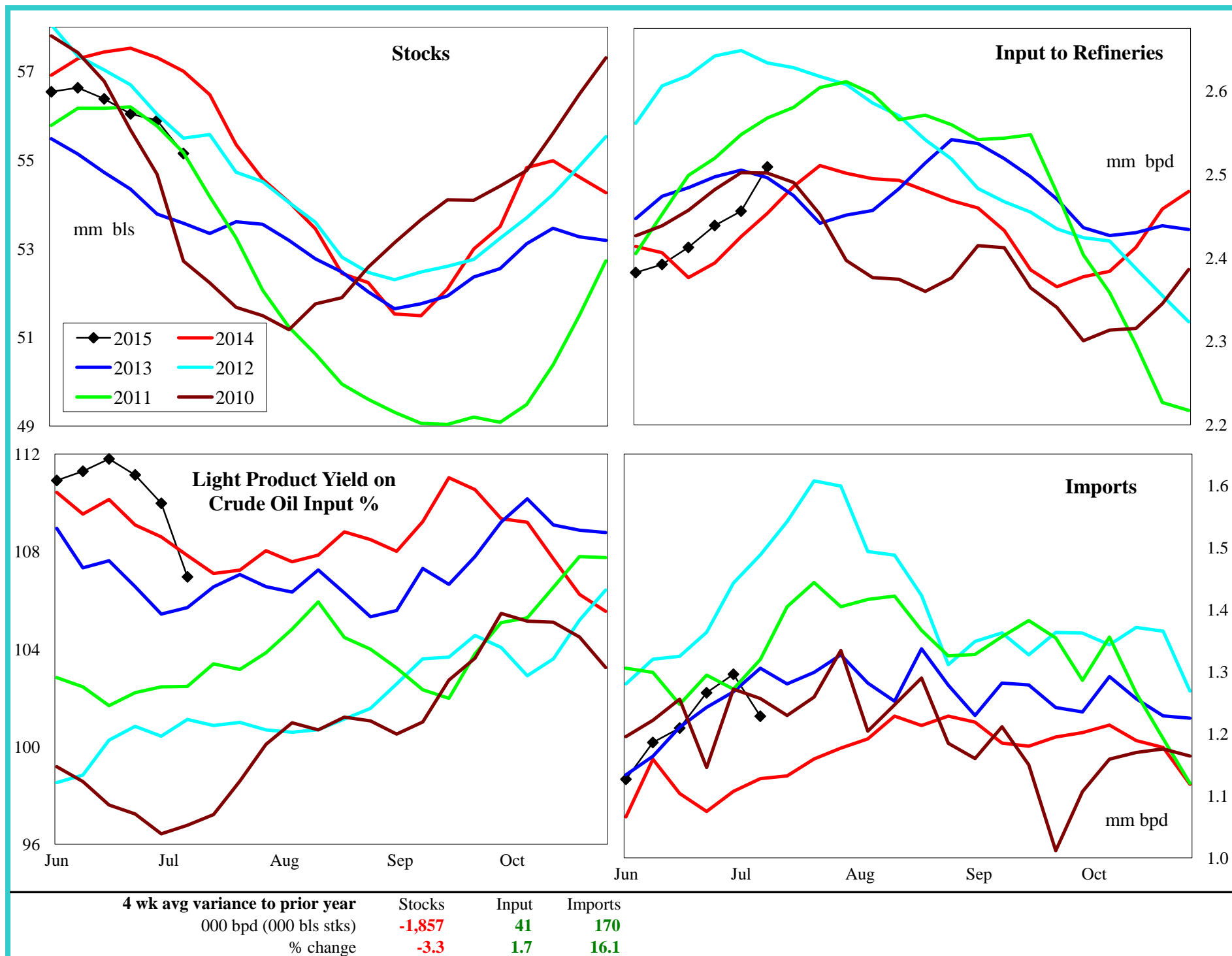
83.4

52.0

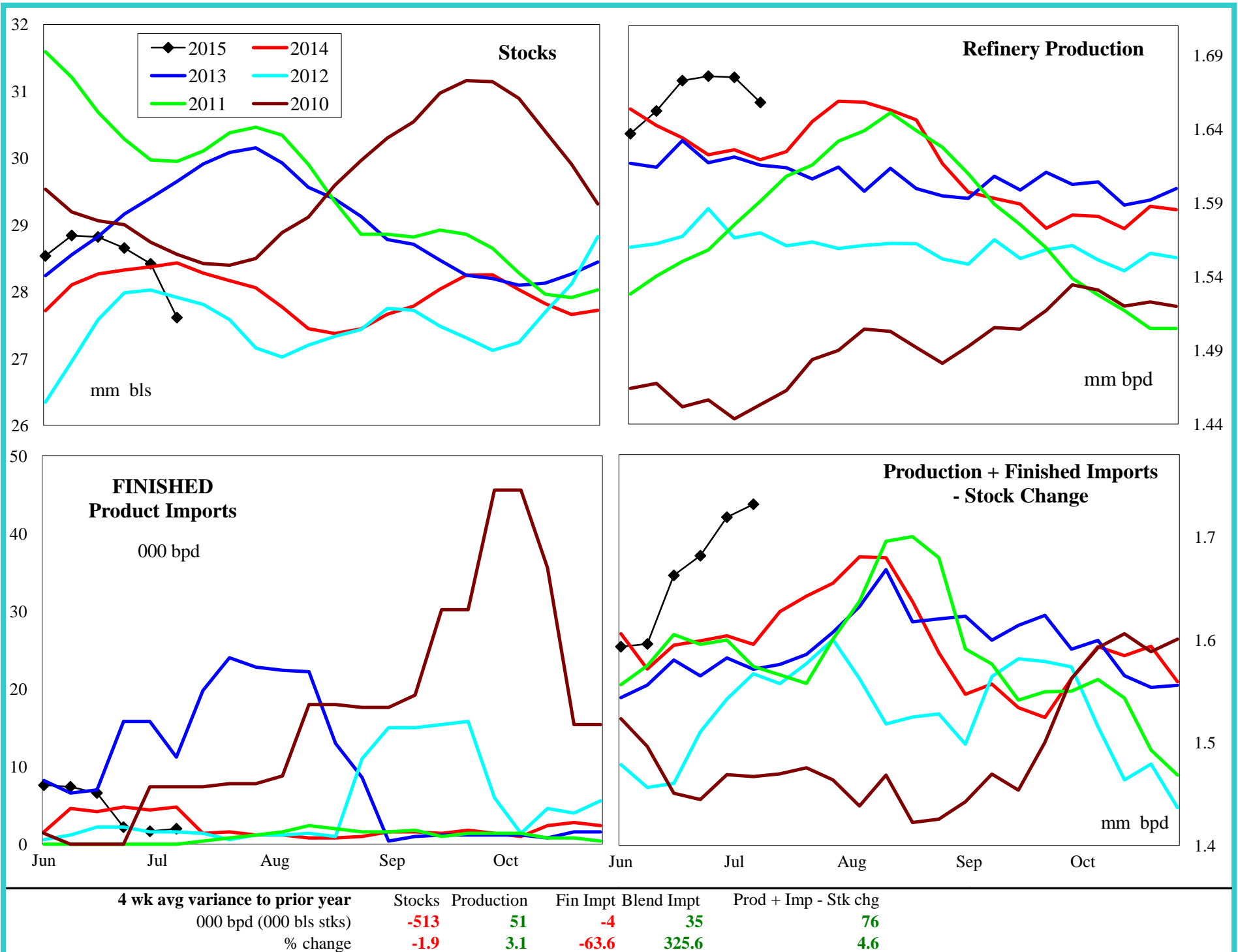
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8.2

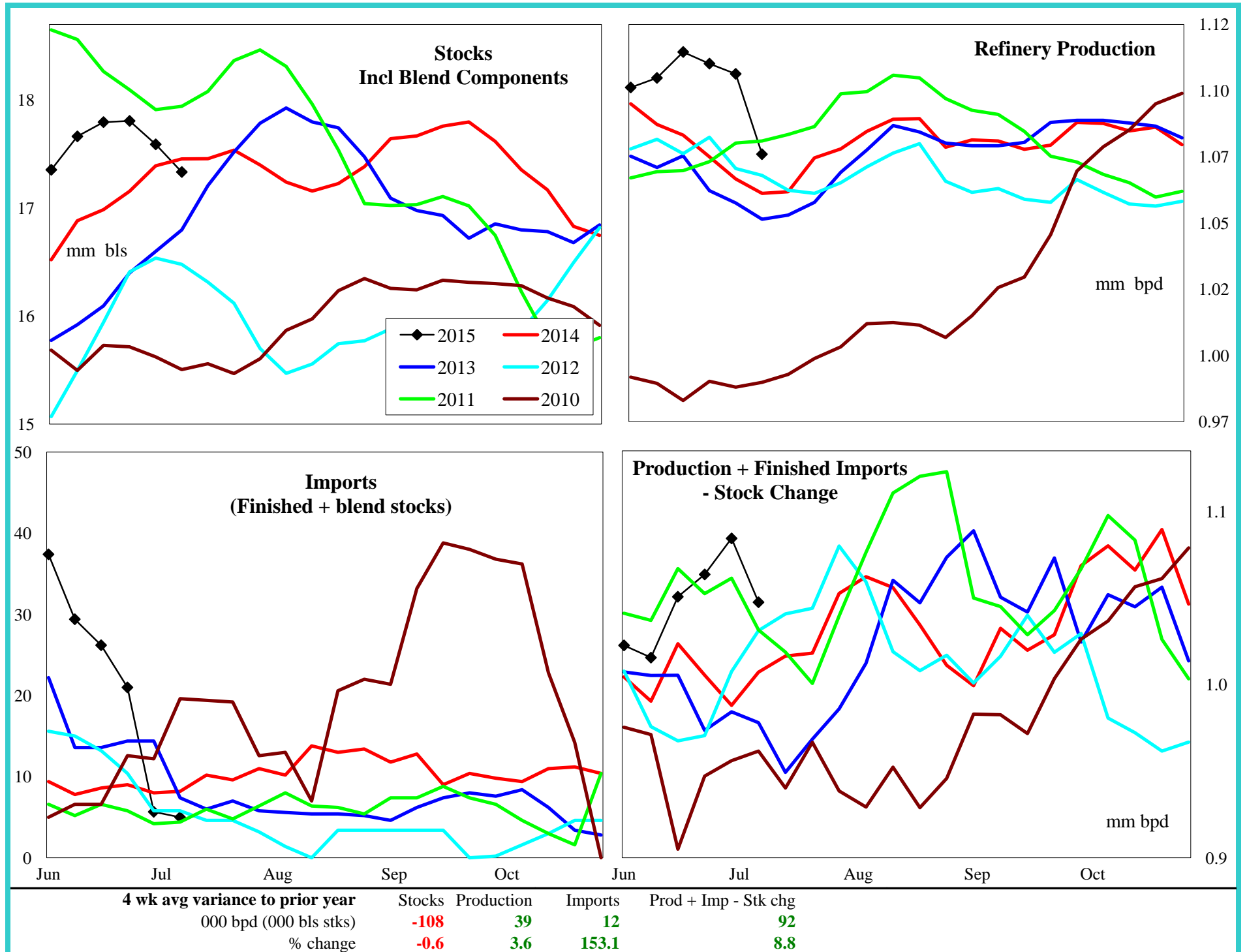
PADD 5 Crude Oil Supply and Refining



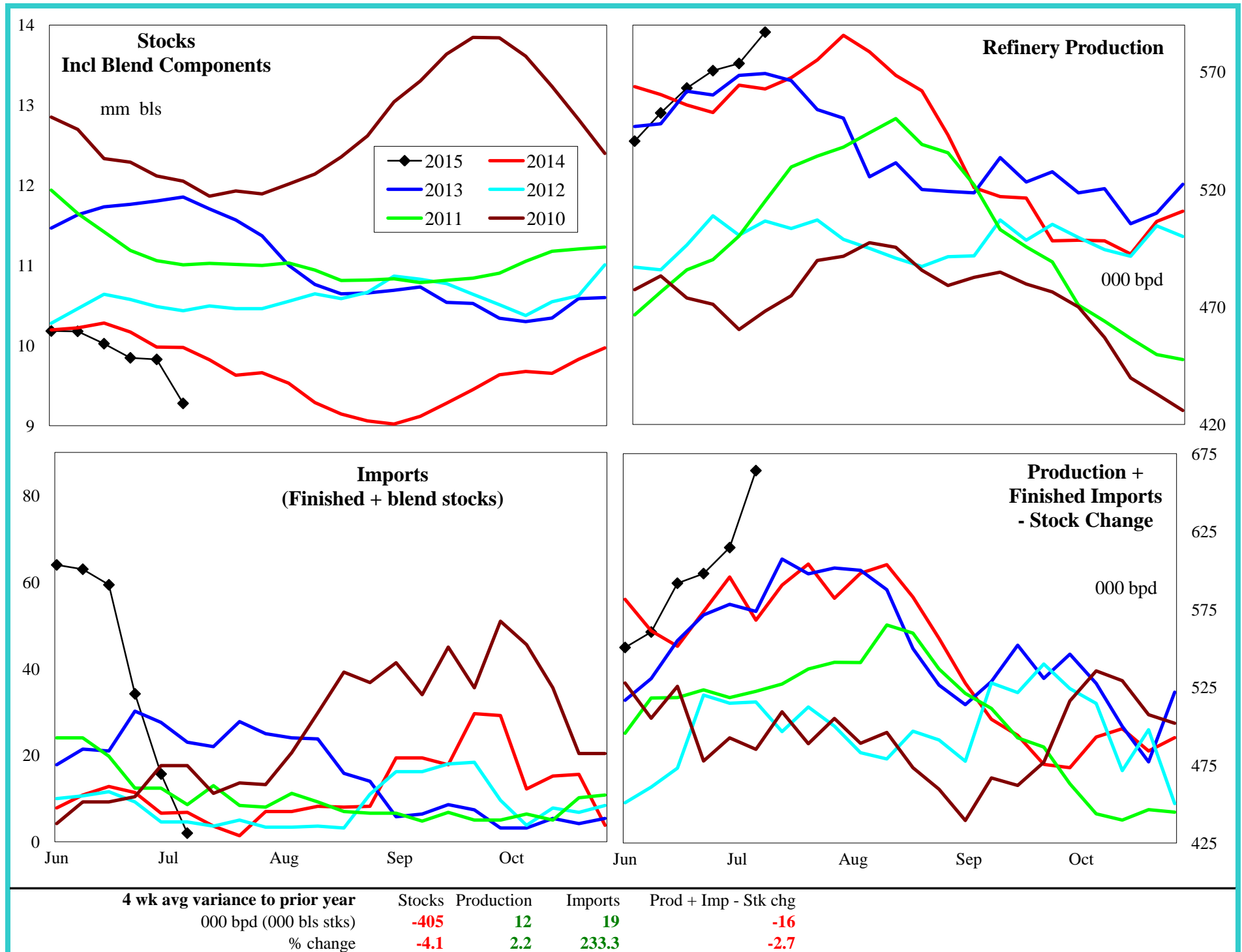
PADD 5 Gasoline Supply



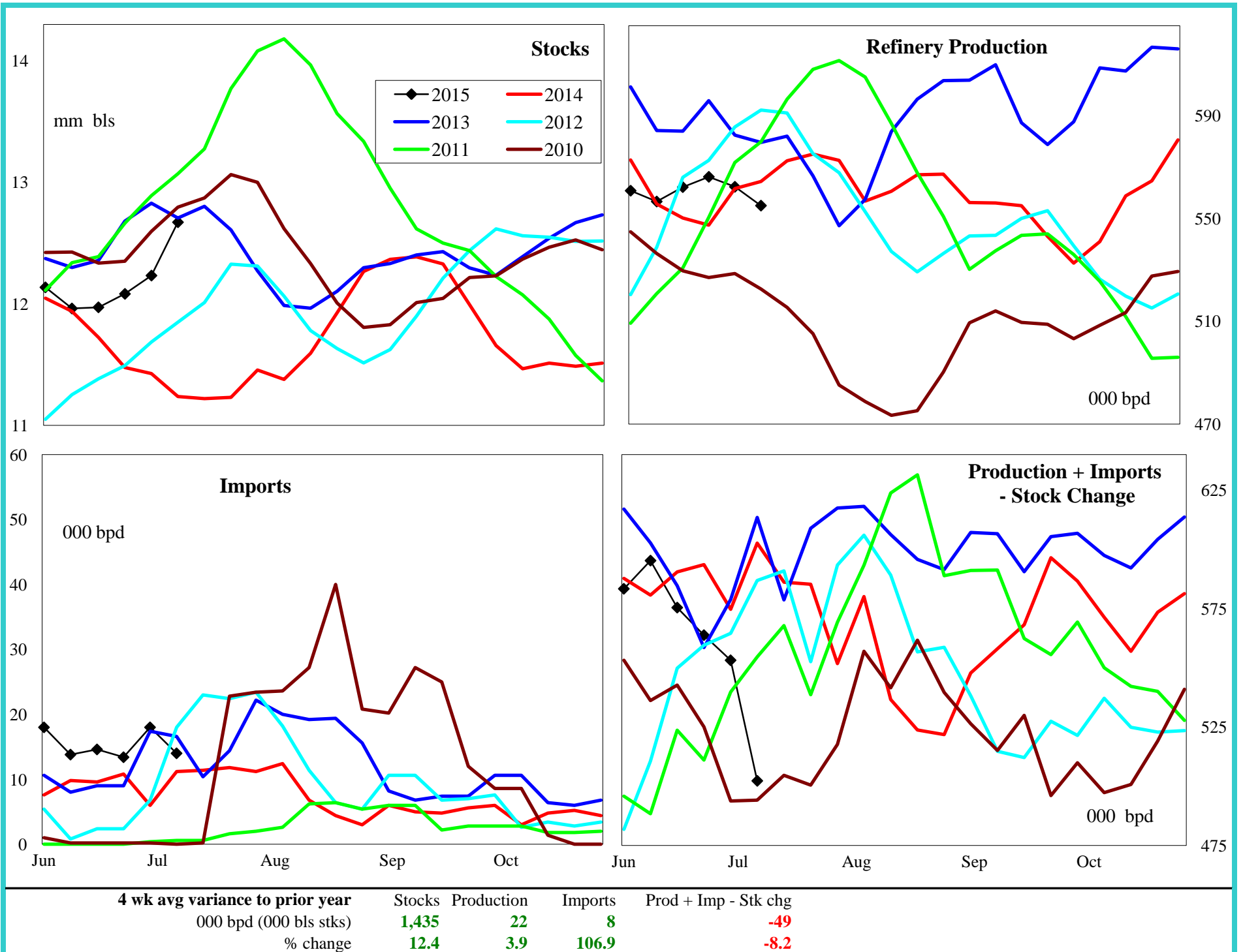
PADD 5 Reformulated Gasoline Supply



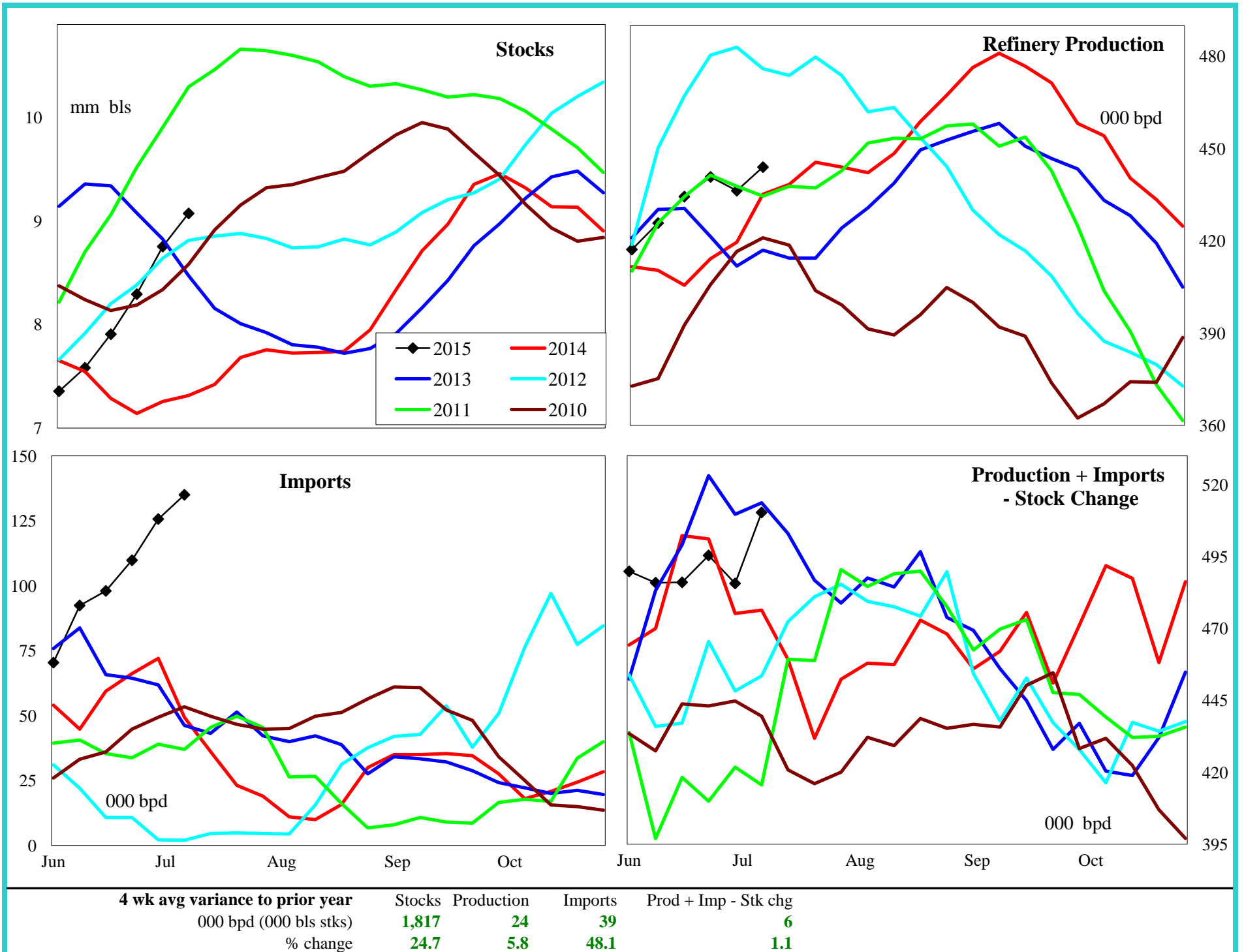
PADD 5 Conventional Gasoline Supply



PADD 5 Distillate Supply



PADD 5 Jet Fuel Supply



PADD 5 Residual Fuel Oil Supply

