



WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

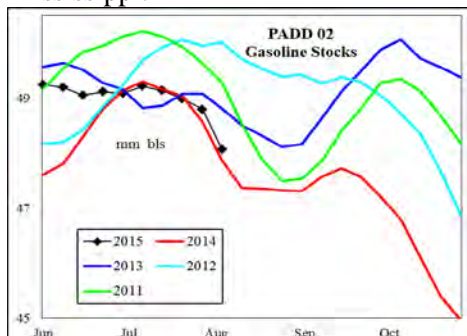
A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Wednesday, August 12, 2015



Major Fundamental Trends¹

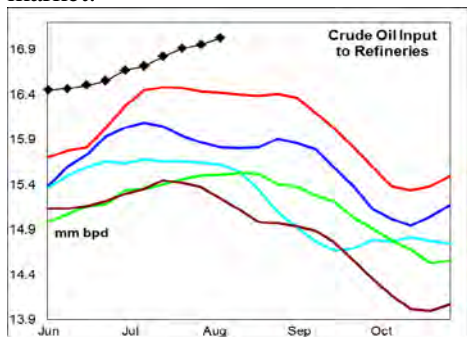
Unplanned maintenance at the BP Whiting refinery and planned maintenance at other plants in the area should lead to extremely tight supplies over the next several weeks in Midwest markets East of the Mississippi.



Wholesale gasoline demand was unchanged last week, at a season high, leading to a -1.3 million barrel stock draw. Very low stocks on the West Coast and Midwest point to risk of a supply squeeze through the end of the current quarter.

Distillate stocks increased +3 million barrels on the week; driven by a year-on-year decline in wholesale demand, limited growth in exports and record production.

Stocks in the key Central Atlantic Region ended the week +47% above last year, and near 4-yr highs for the period. Stocks are well above the last 3-yr in every regional market – pointing to an increasing over supplied market.



Crude oil refinery runs were -46,000

bpd lower on the week, although the level remains +0.5 million bpd above a year ago for the most recent 4-wks. Runs exceeded last year in every region except the Rockies last week.

Look for an immediate sharp drop in Midwest crude oil runs on unplanned and planned maintenance in the Chicago area.

Wholesale Demand for gasoline was unchanged on the week, while middle distillates fell -0.5 million bpd.

Wholesale demand, measured over the last four weeks compared to a year ago: gasoline increased +6.6%, distillate decreased -5.4%, jet fuel was unchanged, while residual fuel increased +17%.

Stocks forward coverage: Gasoline demand coverage declined last week on a -1.3 million barrel stock draw, with wholesale demand at a record high. Coverage ended the week at a level below the 5-yr range.

Distillate demand coverage increased on a +3 million barrel stock build and -0.2 million bpd drop in wholesale demand. Coverage ended the week at a level above the last 4-yr.

Jet fuel coverage increased on limited change in stocks and a sharp drop in wholesale demand. Coverage levels were above the last 3-yr.

Refinery utilization rates decreased on a -46,000 bpd decline in crude oil runs last week. During the latest 4-wk period crude oil input was +0.5 million bpd above last year.

Gasoline yield % on crude oil runs were unchanged on the week with both output and crude oil runs nearly equal to the prior week. Gasoline yield % on crude oil runs ended the week at a level near the 3-yr mid range.

Distillate yield % on crude oil runs increased on a +123,000 bpd rise in output compared to the decline in crude oil runs. The yield % on crude oil runs was above the 3-yr mid range.

Jet fuel yield % on crude oil runs decreased last week on a -41,000 bpd decline in output compared to the lower crude oil runs, with yields at 5-

yr lows.

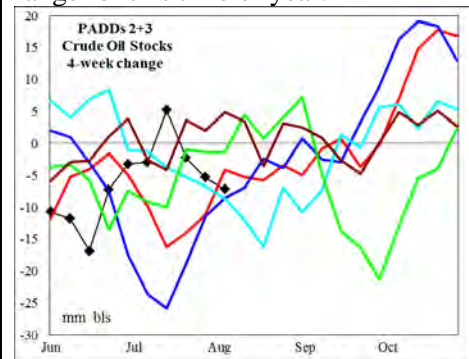
Petroleum Imports/Exports: Crude oil imports increased +0.4 million bpd last week, with imports of transport fuels also lower.

During the latest 4-wk period crude oil imports decreased -0.1 million bpd compared to a year ago; distillate imports were +22,000 bpd higher; finished gasoline imports were +20,000 bpd higher; gasoline blend stock imports were +181,000 bpd higher, jet fuel imports increased +77,000 bpd, while residual fuel imports were +42,000 bpd higher.

Exports of distillate for the week ending 31Jul15 were +103,000 bpd above a year ago, gasoline -43,000 bpd lower, jet fuel +18,000 bpd higher and residual fuel oil was +16,000 bpd higher.

Crude Oil stocks decreased -1.7 million barrels on the week, with draws concentrated in the Gulf region. Cushing saw a -0.1 million barrel draw on the week.

The latest 4-wk draw of -7.1 million barrels in the Midwest and Gulf regions, was near the 3-yr mid range for this time of year.



Stock levels exceed last year by +87 million barrels, +24% with the start of fall refinery maintenance set to begin within the next 2-wks. Look for crude oil stocks to begin a seasonal build during the next 30-days.

¹ Source is latest EIA Weekly Statistics



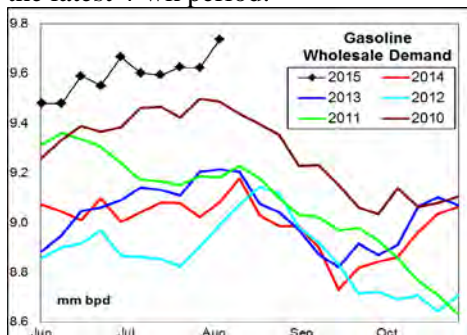
WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

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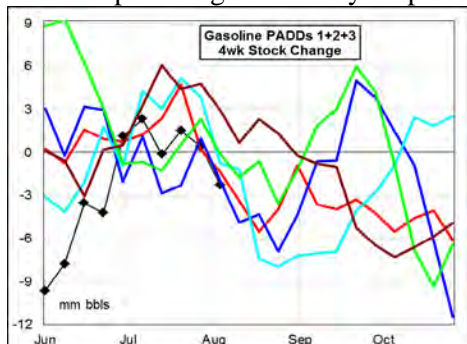
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Product Supply-Demand Trends

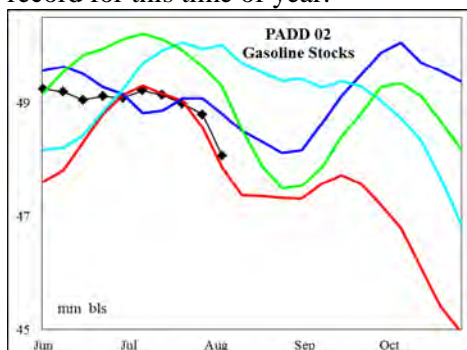
Gasoline wholesale demand was unchanged on the week, at a record high level. Wholesale demand was +0.6 million bpd above last year for the latest 4-wk period.



Supply decreased -0.1 million bpd last week. Supply for the latest 4-wk period exceeded a year ago by +0.5 million bpd on higher refinery output.



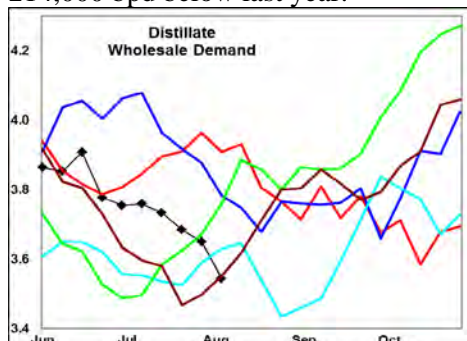
The latest 4-wk stock change East of the Rockies was a -2.2 million barrel draw, a level that matched the 5-yr record for this time of year.



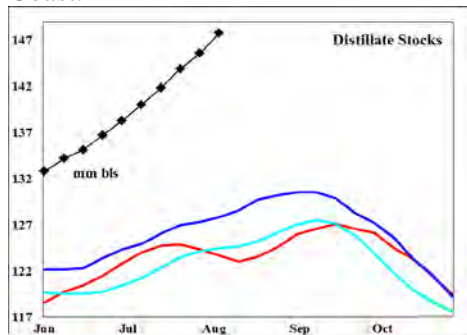
Unplanned and planned refinery maintenance at refiners serving the Chicago region contributed to a -0.9 million barrel draw in that region. With a spike in basis, the region is likely to be extremely tight for the balance of the 3rd quarter.

Distillate wholesale demand decreased -0.2 million bpd last week, to a level

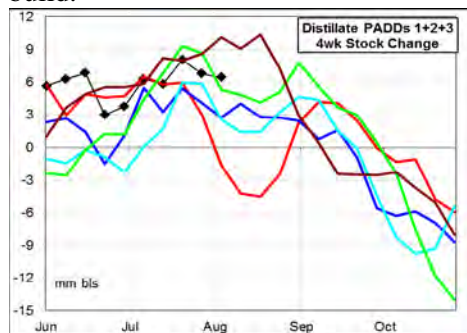
near 5-yr lows. The latest 4-wk average wholesale demand was -214,000 bpd below last year.



Supply increased +92,000 bpd on higher production. Stocks increased +3 million barrels last week, including a +2.7 million barrel build on the East Coast.



Combined markets East of the Rockies have saw a +6.4 million barrel build for the latest 4-wk period, compared to a 3-yr mid range of +2 million barrel build.

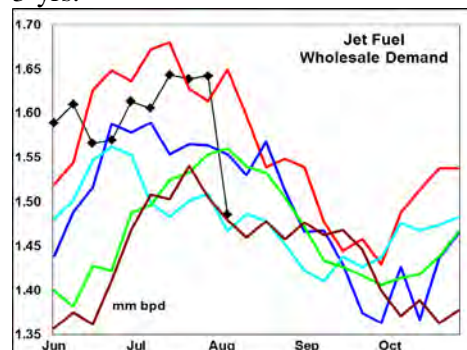


A year-on-year decline in wholesale demand during the last 6-wks, combined with record production and high imports has led to extremely high stock levels in most regional markets. Risk of ongoing price weakness continues.

Jet Fuel wholesale demand fell -245,000 bpd on the week, to a level near 3-yr lows for the week. The latest

4-wk average demand was +3,000 bpd above last year.

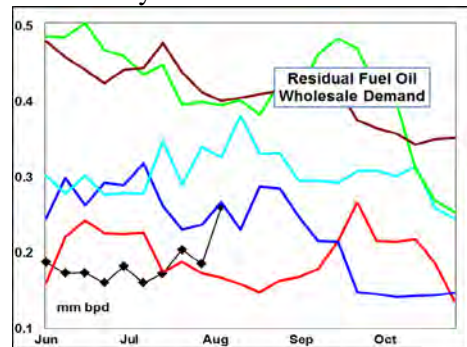
Supply decreased -169,000 on the week, driven by lower imports and production; with the 4-wk average +68,000 bpd above a year ago. Stocks decreased -0.1 million barrels on the week, with the level well above the last 3-yrs.



Lower seasonal demand during the next quarter should be offset by reduced production and imports, limiting further stock building.

Record low stocks in the Midwest, combined with unplanned maintenance at BP's Whiting refinery risk a supply squeeze in the region.

Residual fuel oil demand increased +98,000 bpd last week. Demand for the latest 4-wk period was +37,000 bpd above last year.



Supply (production + imports) increased +230,000 bpd on the week, due to higher imports. Stocks increased +0.3 million barrels, to a level +15% above last year. Stock levels remain well above the historic range in the key Gulf region, and in the Rockies.



WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

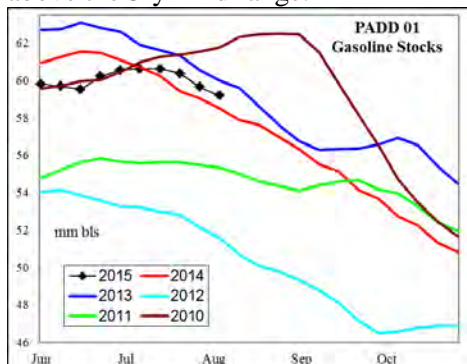
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PADD Supply Trends

PADD 1 refinery crude oil runs were unchanged on the week at a level above the last 3-yrs. The latest 4-wk average thru put was +54,000 bpd above last year.

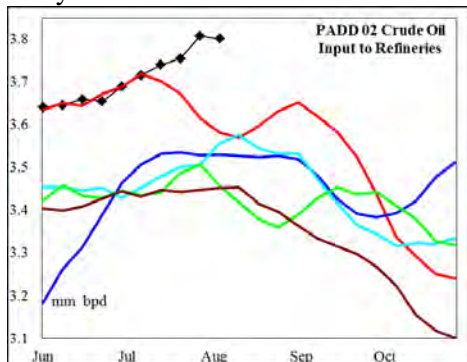
Gasoline supply decreased -146,000 bpd on the week, with the 4-wk average +74,000 bpd above last year. Stocks decreased -0.6 million barrels last week, ending at a level that above the 3-yr mid range.



Distillate supply increased +36,000 bpd on the week, with the 4-wk average +11,000 bpd above last year. Stocks increased +2.7 million barrels on the week, to a level +33% above last year.

Jet fuel supply fell -46,000 bpd on the week, while stocks fell -1 million barrels to a level well above the 3-yr range.

PADD 2 crude oil refinery runs decreased -40,000 bpd on the week, to a level above the 5-yr range. The latest 4-wk average was +155,000 bpd above last year.



Crude oil stocks were unchanged last week. Cushing saw a -0.1 million barrel draw for the week.

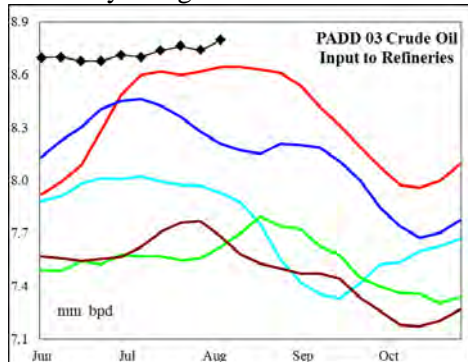
Gasoline supply decreased -32,000

bpd on the week. Production for the most recent 4-wk period was -89,000 bpd below a year ago. Stocks fell -0.9 million barrels on the week, to a level near 5-yr lows.

Distillate supply increased +10,000 bpd on the week, to a level that matched 5-yr highs. The latest 4-wk average production was -15,000 bpd below last year. Stocks increased +0.1 million barrels on the week, and remain above the last 3-yrs.

Jet fuel supply remains above the 5-yr range, although stocks have dropped to record lows.

PADD 3 refinery runs decreased -25,000 bpd last week, to a level above the historic range. During the latest 4-wk period, runs were +0.2 million bpd above a year ago.



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

Crude oil stocks decreased -3 million barrels, to a level +31 million barrels (+16%) above the prior high for the period.

Gasoline supply increased +109,000 bpd last week, with the latest 4-wk average +115,000 bpd above a year ago. Stocks decreased -0.1 million barrels on the week, to a level above the 3-yr mid range.

Distillate supply increased +66,000 bpd on the week, with the latest 4-wk average supply +152,000 bpd above a year ago. Stocks decreased -0.1 million barrels to a level +19% above last year.

Jet fuel production decreased -18,000 bpd on the week, to a level

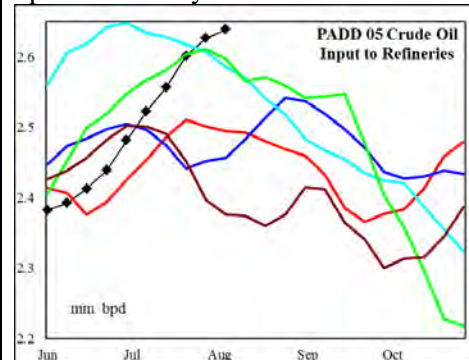
below the last 3-yrs. Stocks increased +0.5 million barrels to a level +38% above last year and near 5-yr highs.

PADD 4 refinery crude runs decreased -12,000 bpd last week, to a level near the 3-yr mid range. The latest 4-wk average was +19,000 bpd above a year ago (+3%).

Gasoline supply increased +19,000 bpd last week, to a level below the last 3-yrs.

Distillate supply was unchanged on the week, with the level equal to historic lows for the period. Stock levels ended the week +0.5 million barrels above the 5-yr range.


PADD 5 crude oil refinery runs increased +27,000 bpd on the week to a level above the 5-yr range. The 4-wk average thru put rate was +117,000 bpd above last year.



Gasoline supply increased +33,000 bpd on the week, driven by higher imports; with the latest 4-wk average -21,000 bpd below last year. Production levels fell below last year for the week. Stocks increased +0.3 million barrels on the week, to a level just below the 3-yr mid range.

Distillate supply decreased -23,000 bpd on the week, due to lower imports. The 4-wk average supply was +36,000 bpd above last year. Stocks increased +0.6 million barrels on the week, to a level sharply above the last 3-yrs.

Jet fuel stocks increased +0.2 million barrels on the week, ending at a level above the last 3-yrs. Imports and production fell a combined -117,000 on the week to a level below the last 3-yrs.



FUNDAMENTAL

PETROLEUM TRENDS

PETROLEUM: Graph Link and Weekly Summary

A Fundamental Petroleum Trends Weekly Report

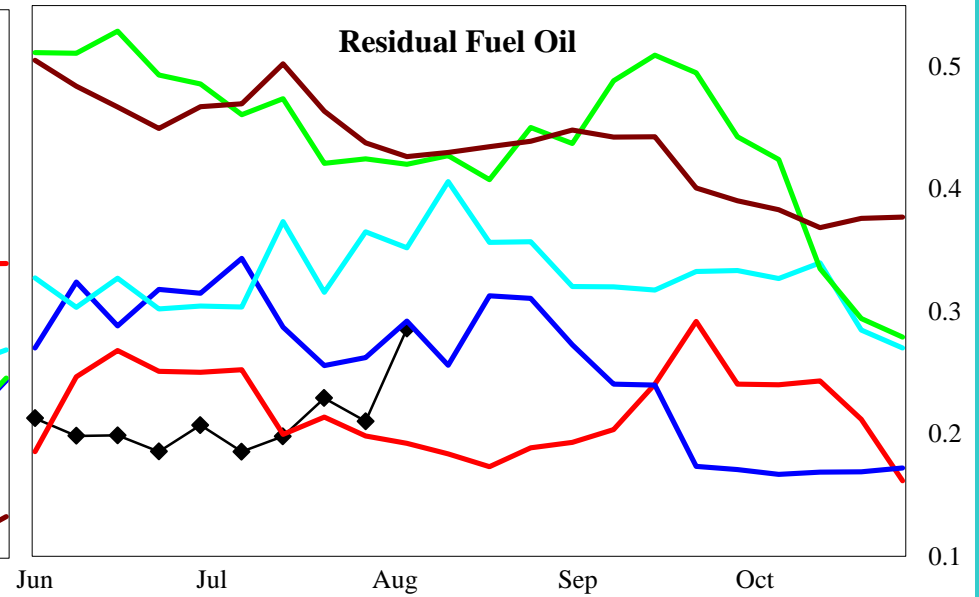
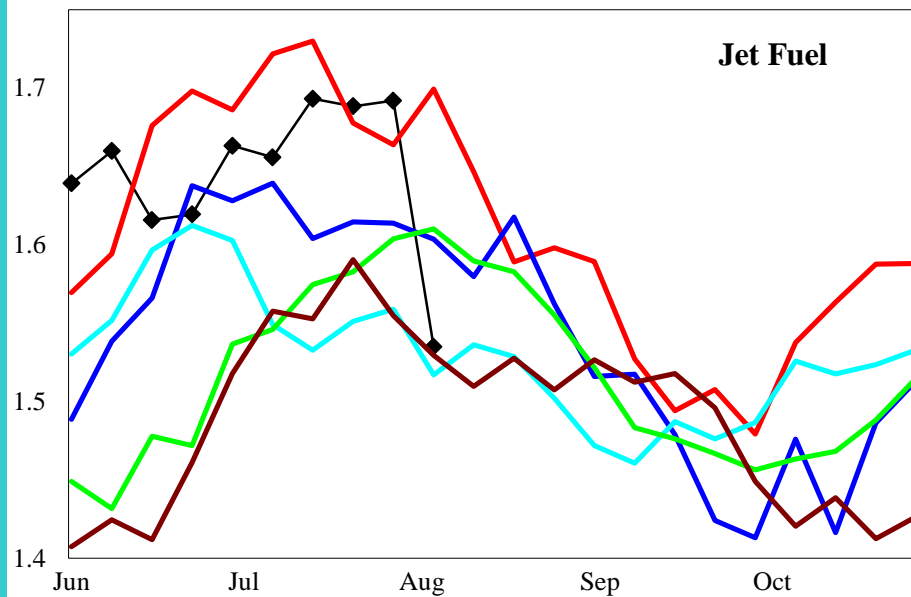
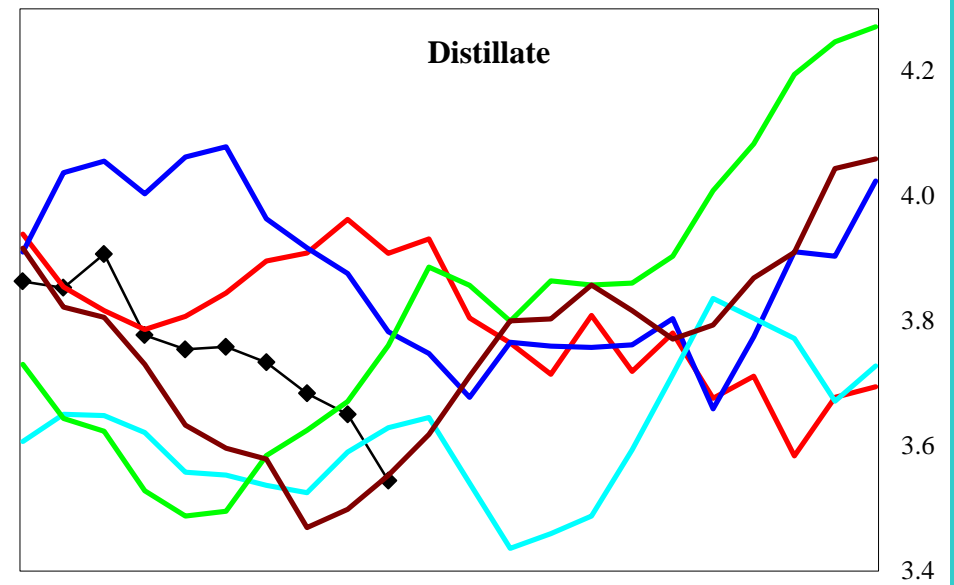
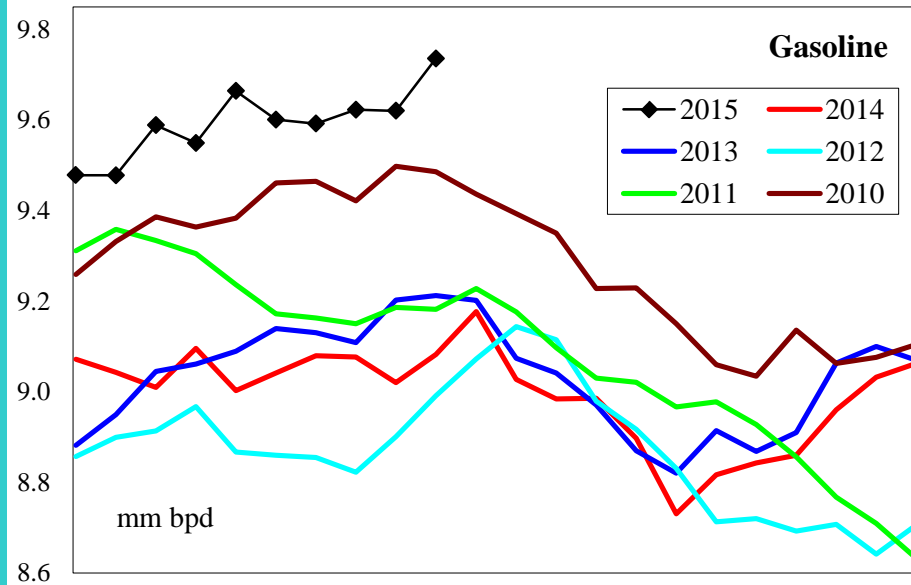
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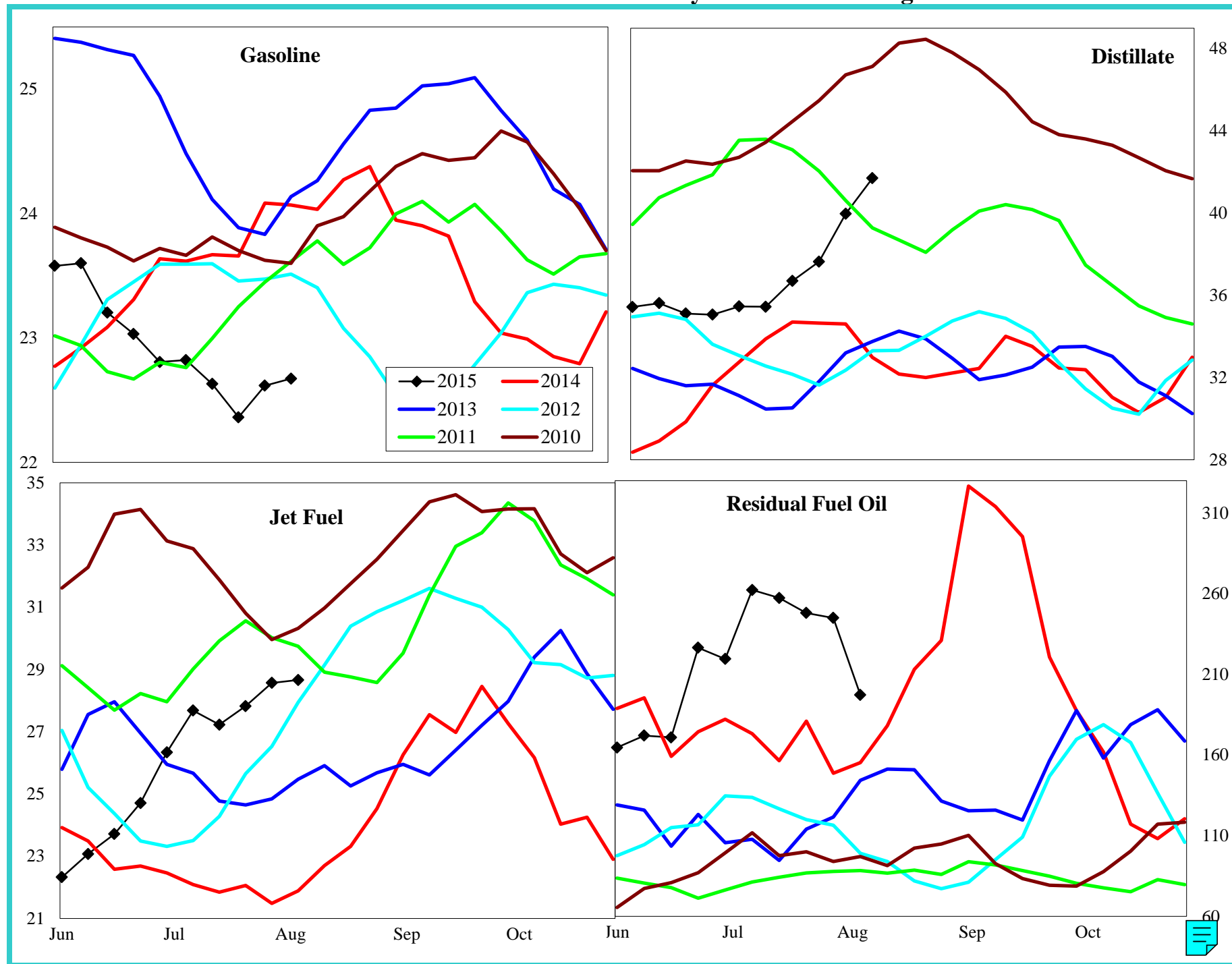
Fundamental Trends	Wholesale Demand	Stocks Days Fwd Coverage	Refinery Utilization		Product Yield %		Imports
Supply/Demand Trends	7-Aug-15	EIA-DOE CHANGE FROM PRIOR WEEK					
	000 bpd stocks 000 bls	U. S. Total	PADD				
			1	2	3	4	5
Crude Oil	Stocks	-1,682	623	6	-2,990	759	-81
	Imports	393	199	-6	271	10	-82
	Input	-46	2	-40	-25	-12	27
	% Utilization	0.00					
Gasoline	Stocks	-1,251	-608	-905	-149	150	260
	Production	9	-10	-32	155	17	-6
	Imports	-139	-136	0	-46	2	39
	Supplied	-1					
Distillate	Stocks	2,994	2,714	78	-96	-324	620
	Production	123	18	11	99	-1	-5
	Imports	-31	18	-1	-30	0	-18
	Supplied	-235					
Jet Fuel	Stocks	-101	-1,019	351	489	-79	158
	Production	-41	-5	4	-18	9	-31
	Imports	-128	-41	0	0	0	-86
	Supplied	-245					
Residual Fuel Oil	Stocks	322	44	71	487	34	-313
	Production	-3	-4	14	-7	5	-10
	Imports	233	82	-3	125	0	29
	Supplied	98					

United States Wholesale Petroleum Demand

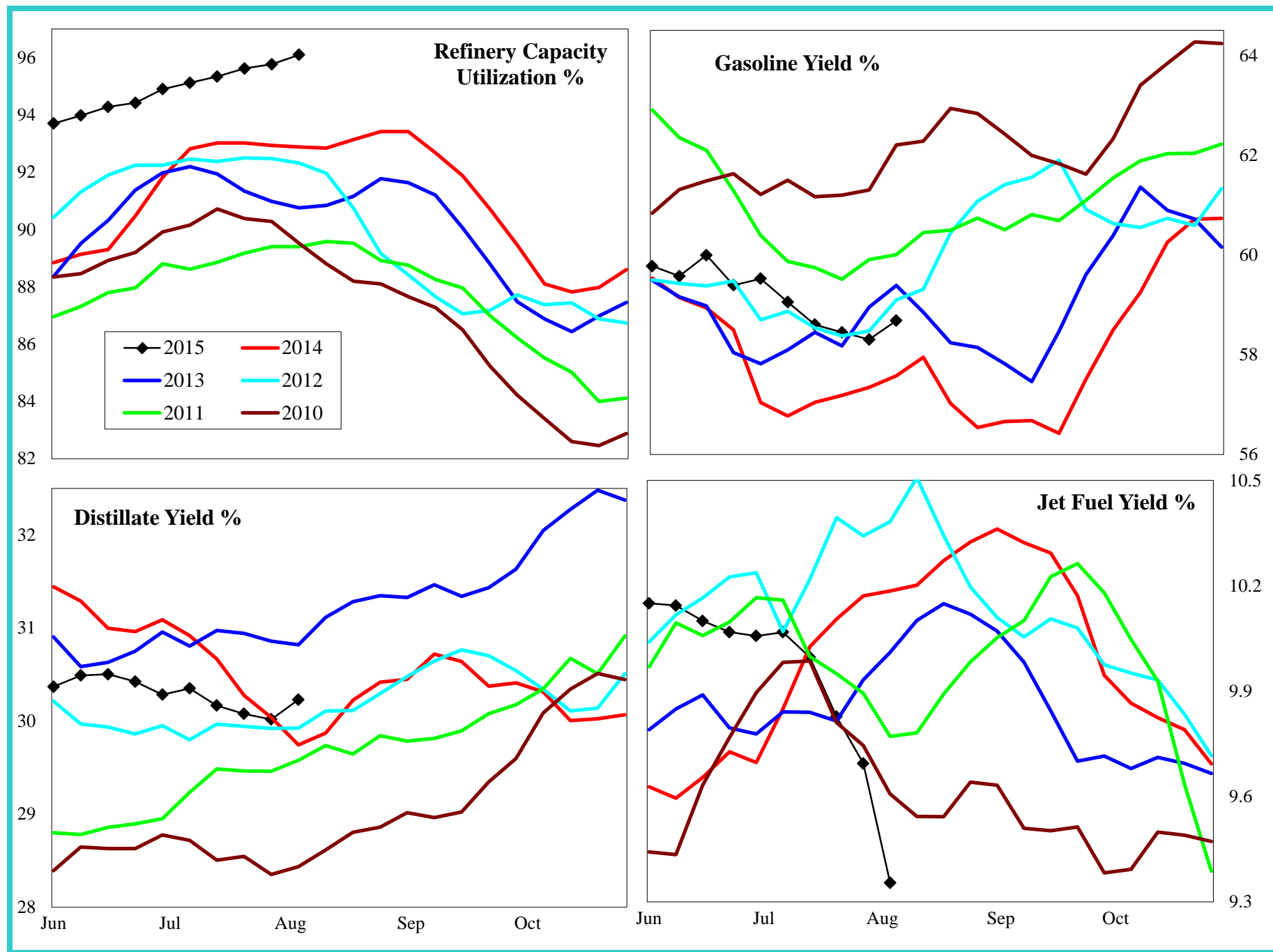


	000 bpd change from prior year				% change from prior year			
	4wk avg	Jul	Jun	Jan	4wk avg	Jul	Jun	May
Gasoline	596	286	507	235	6.6	3.1	5.6	2.6
Distillate	-214	-137	56	-144	-5.4	-3.5	1.4	-3.7
Jet Fuel	3	79	20	103	0.2	5.1	1.3	7.3
Resid	37	-38	-45	-1	17.4	-15.9	-17.2	-0.4

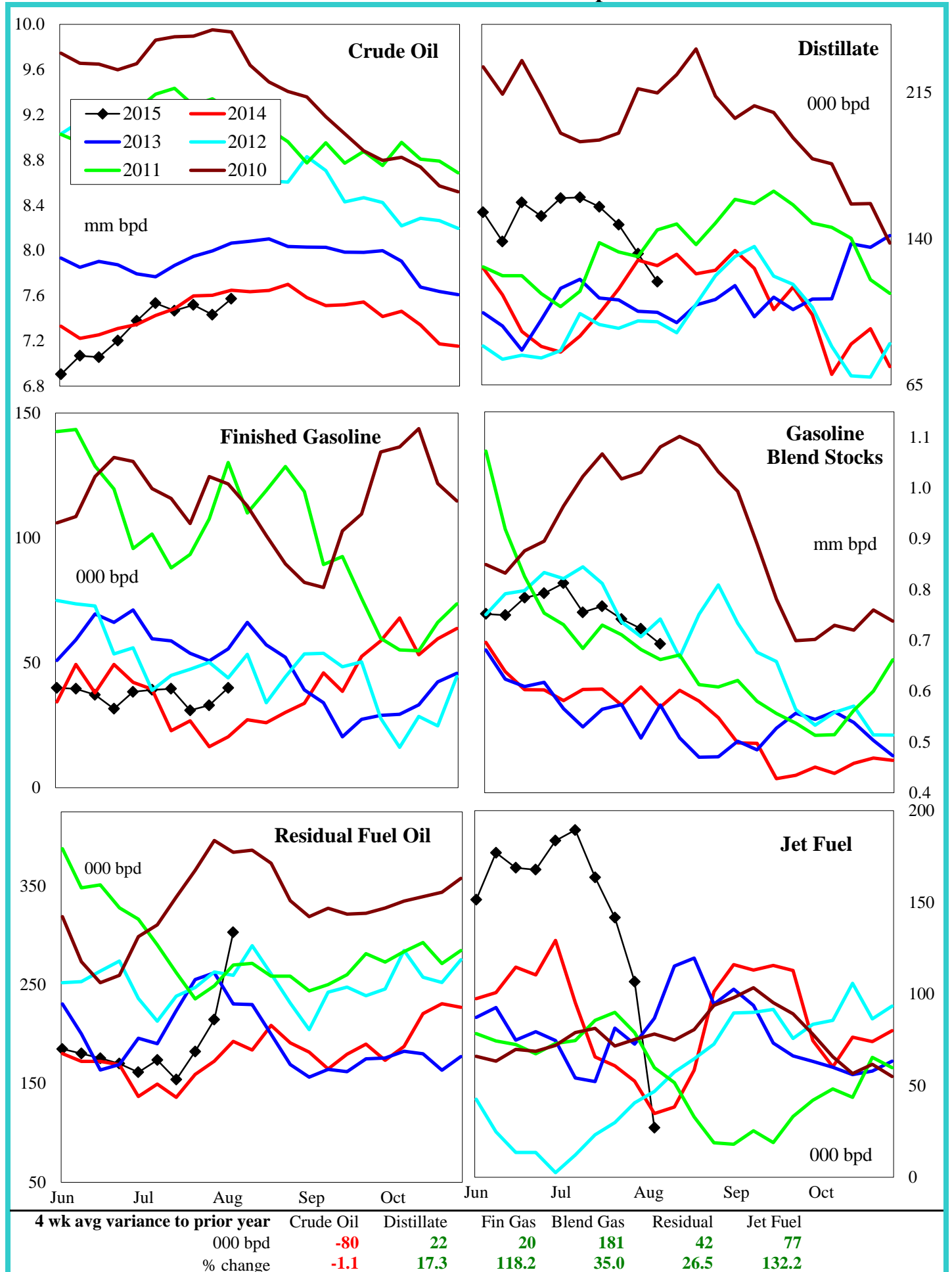


United States Product Stocks: Days Forward Coverage

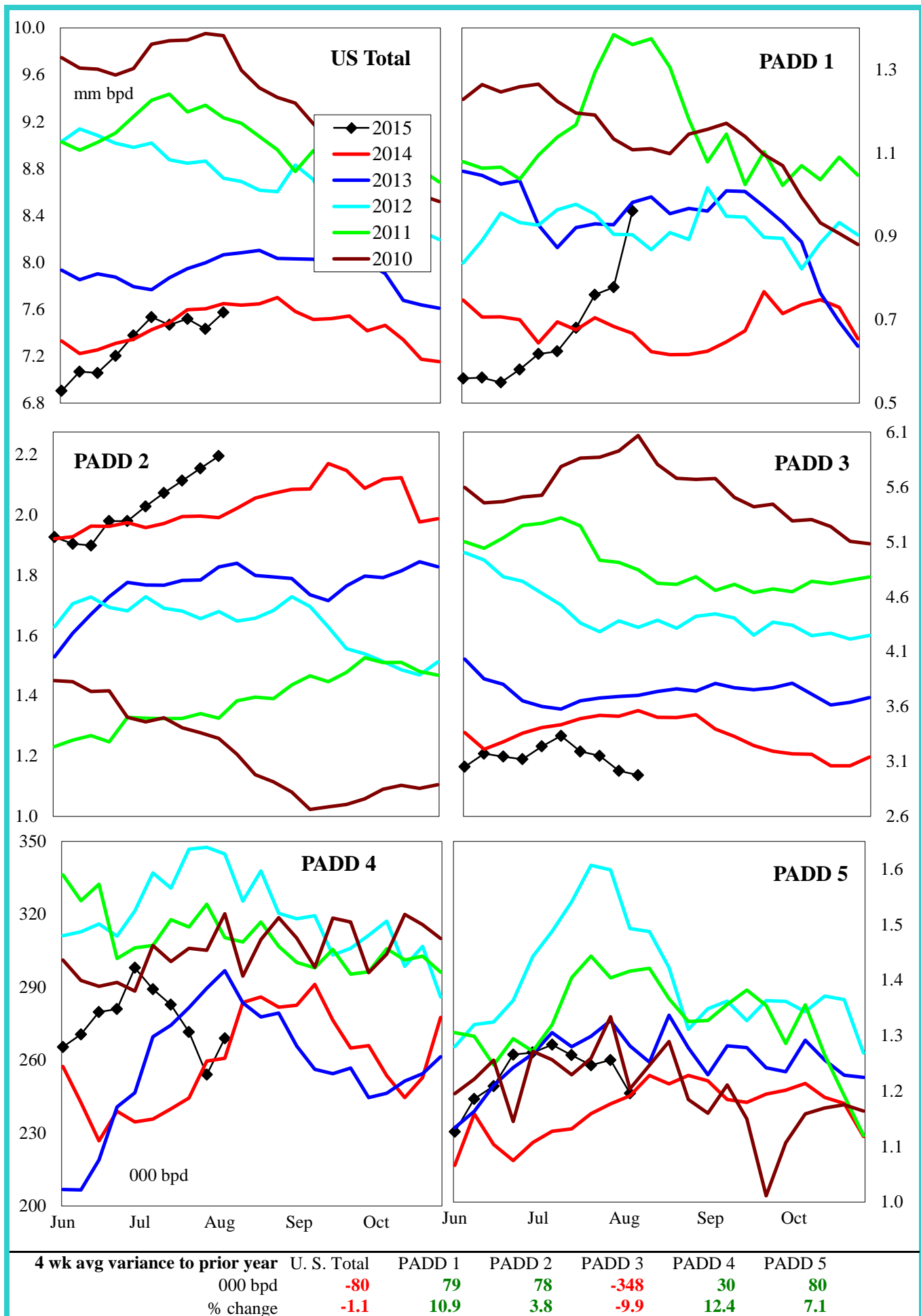
United States Refinery Percent Utilization Rate and Product Yields



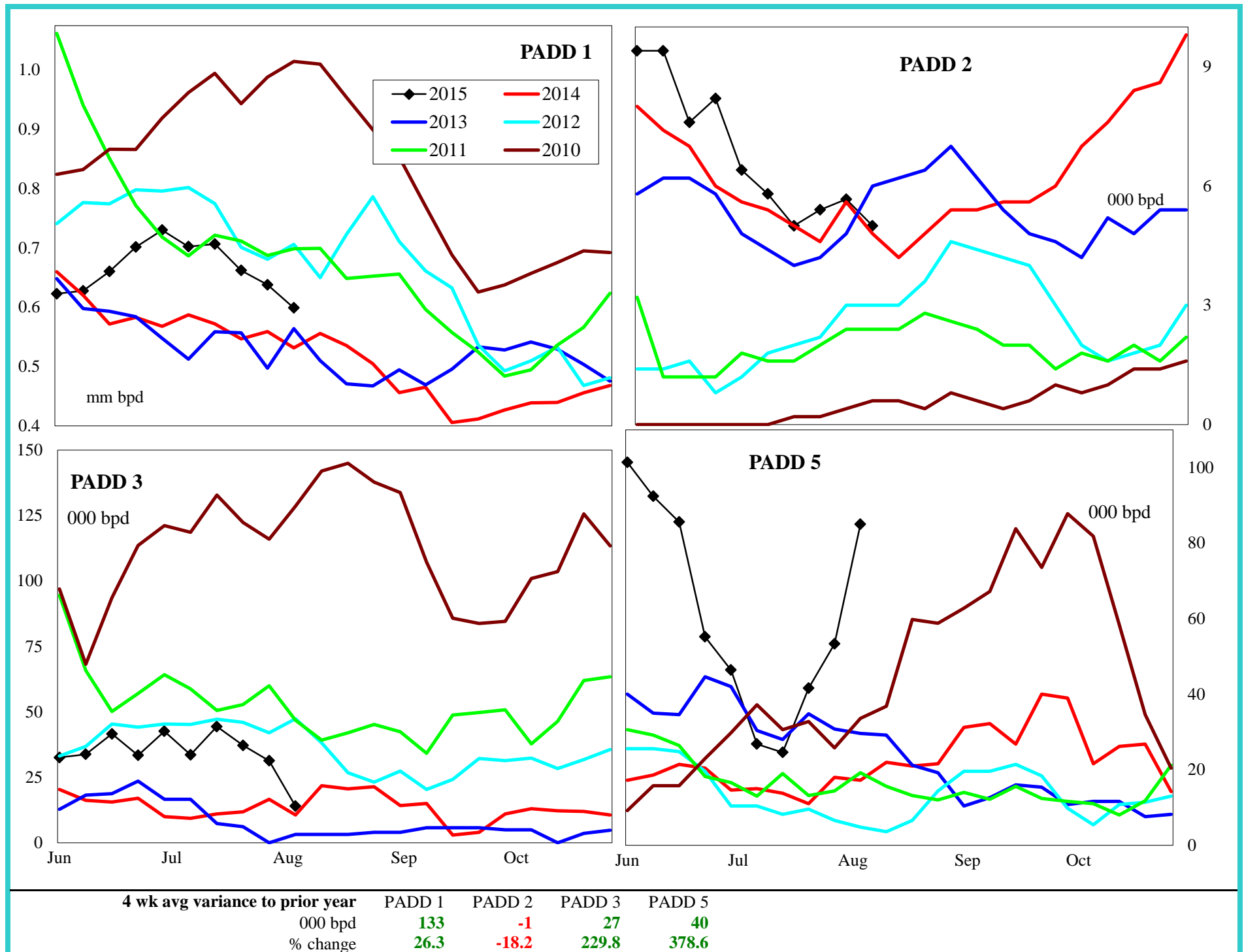
United States Petroleum Imports



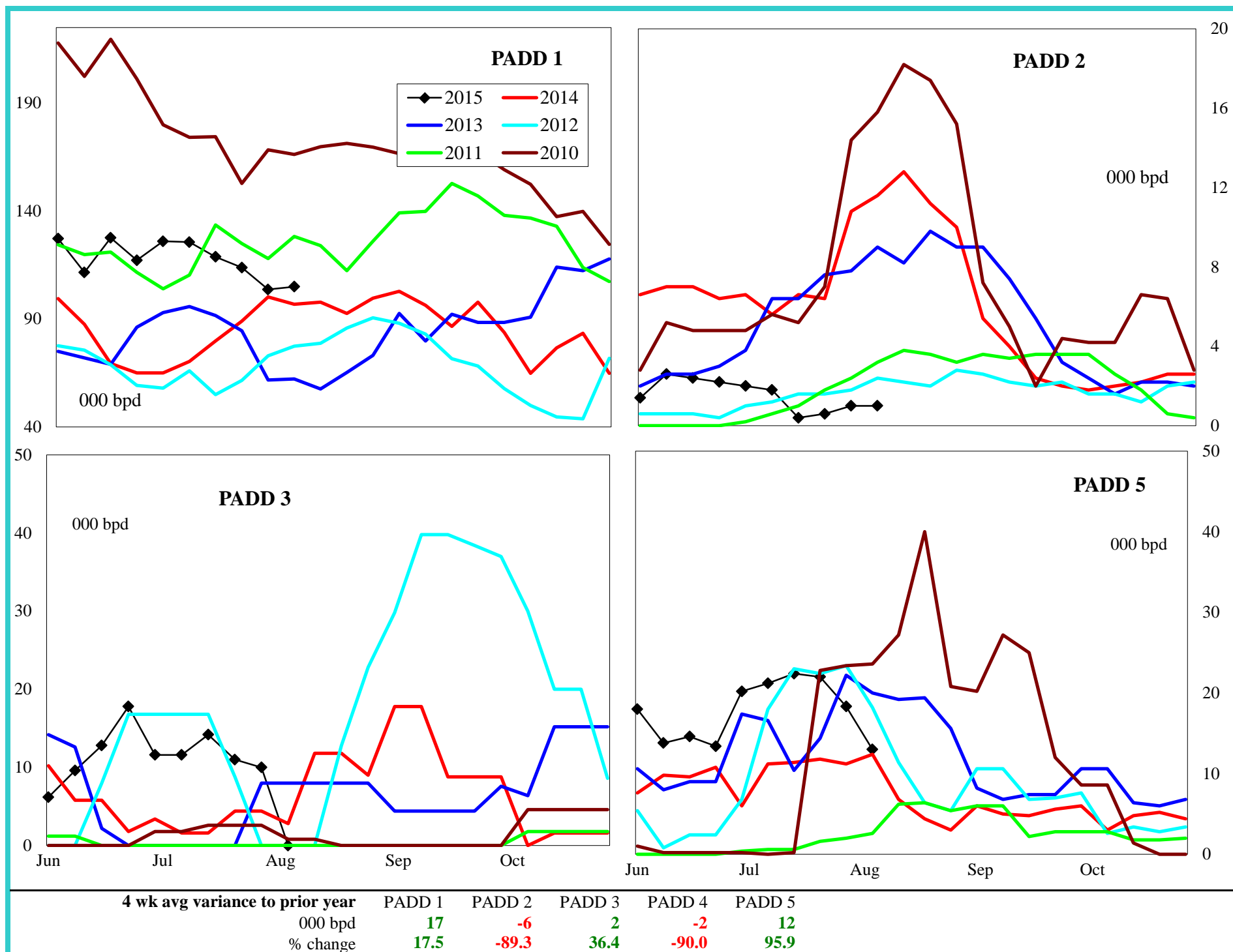
Crude Oil Imports by PADD



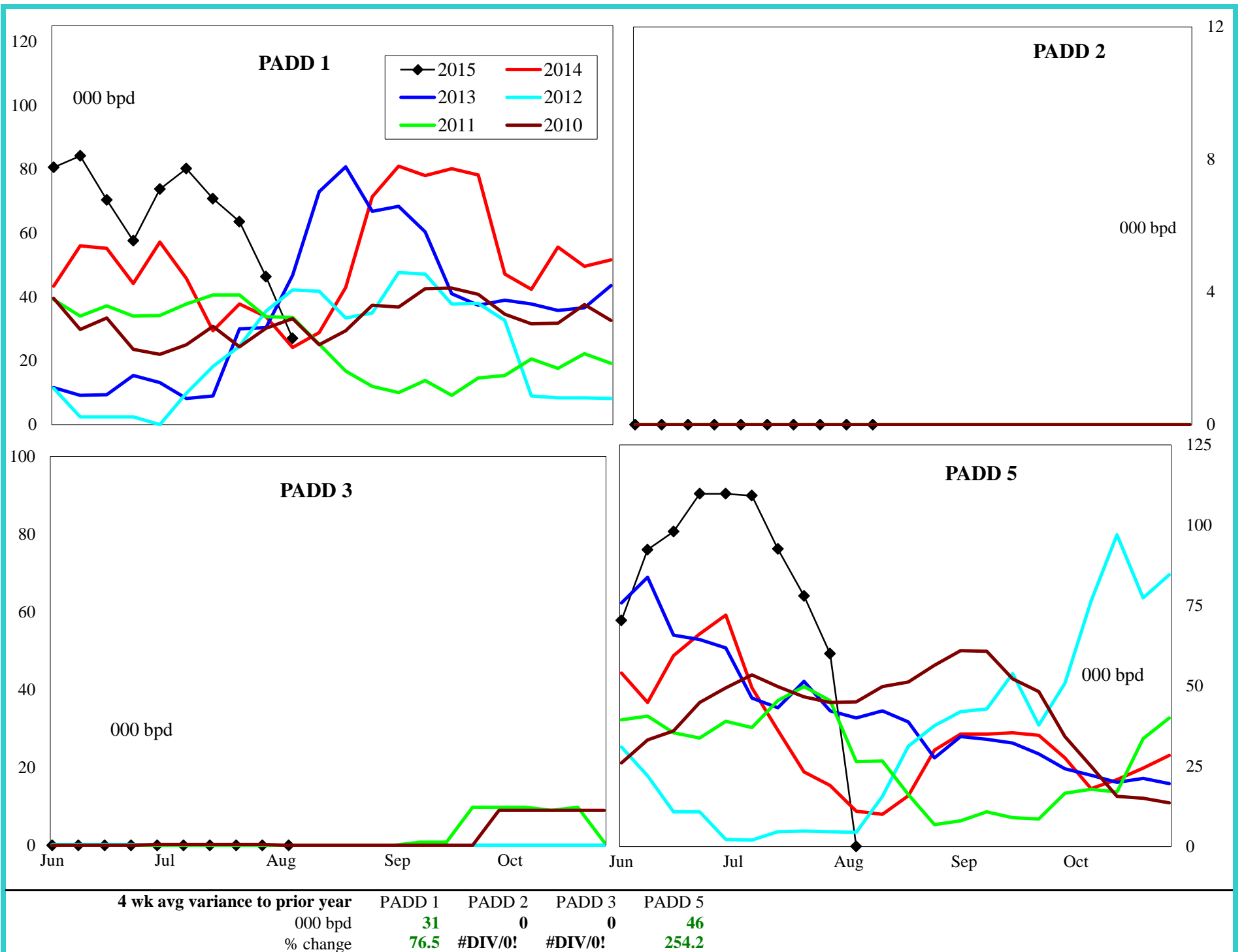
Gasoline Imports by PADD (Finished + Blend Stocks)



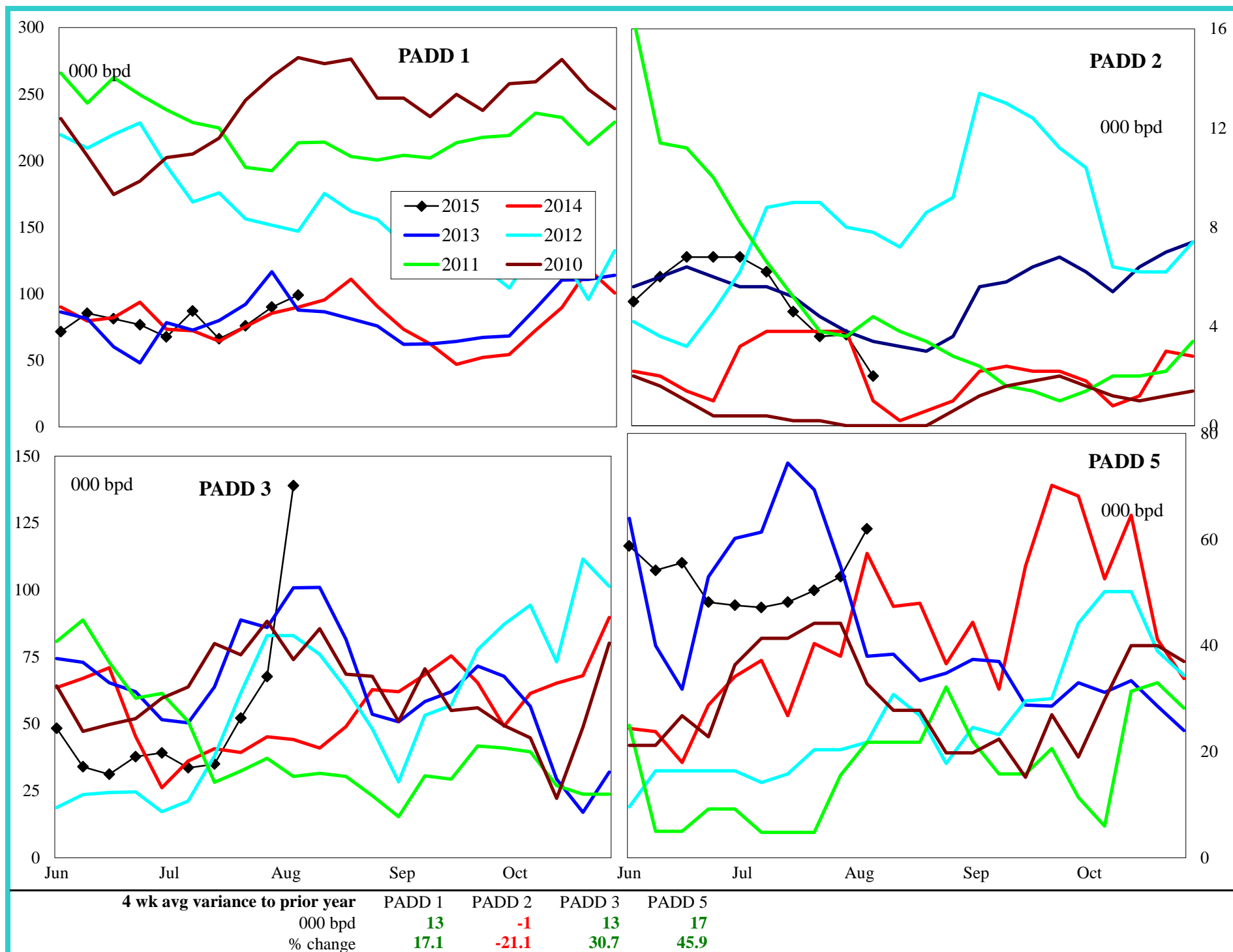
Distillate Imports by PADD



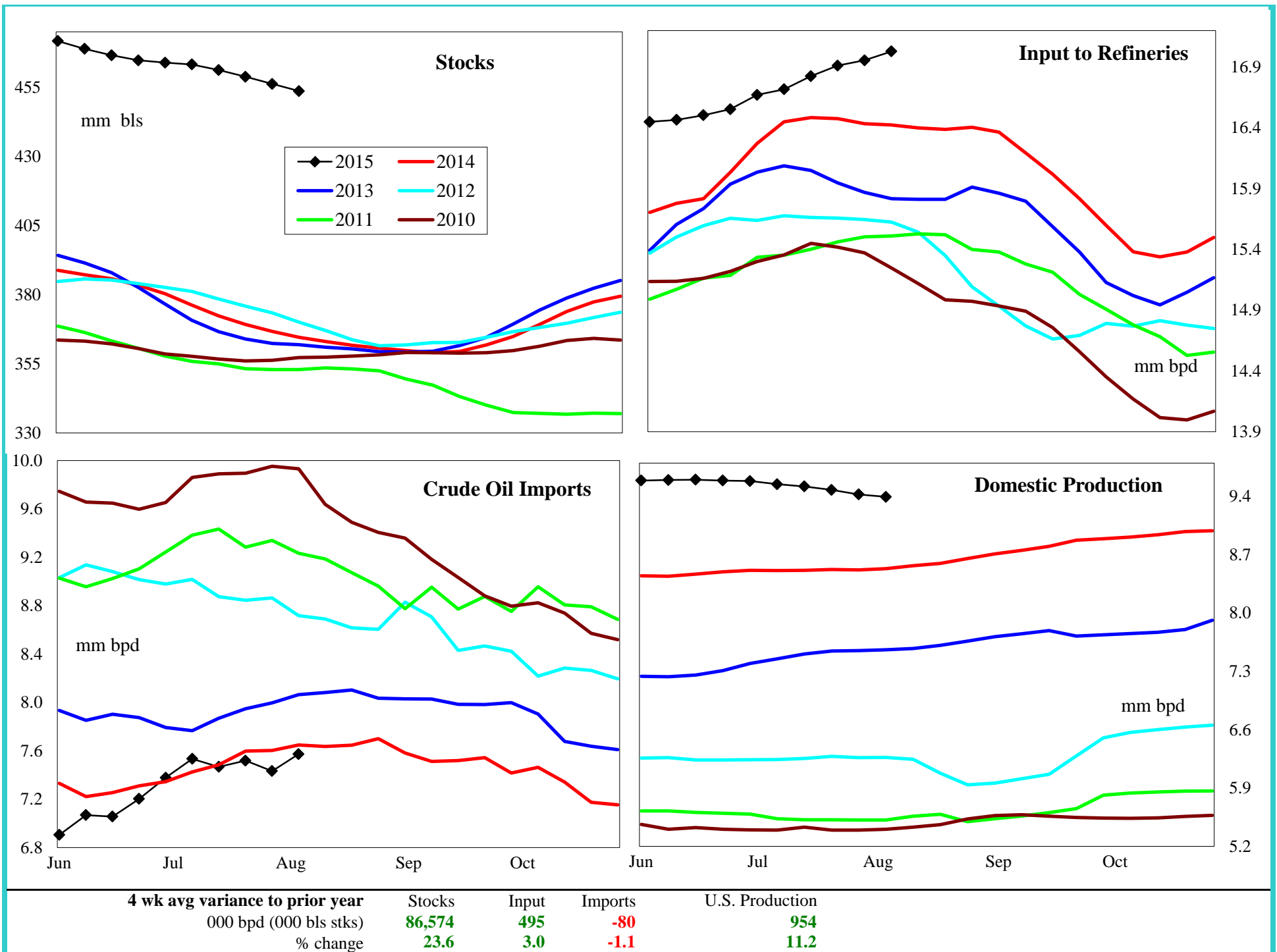
Jet Fuel Imports by PADD



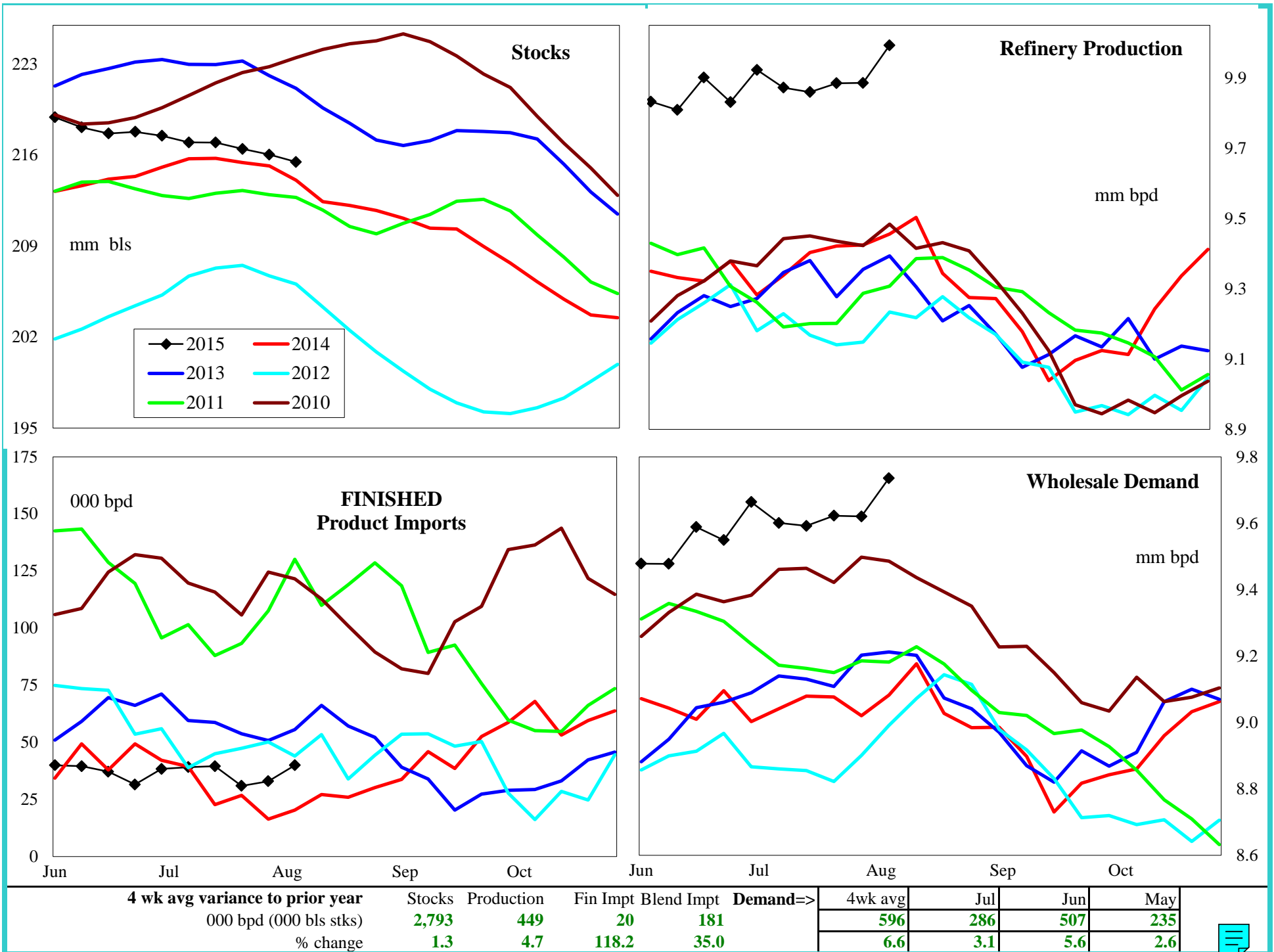
Residual Fuel Oil Imports by PADD



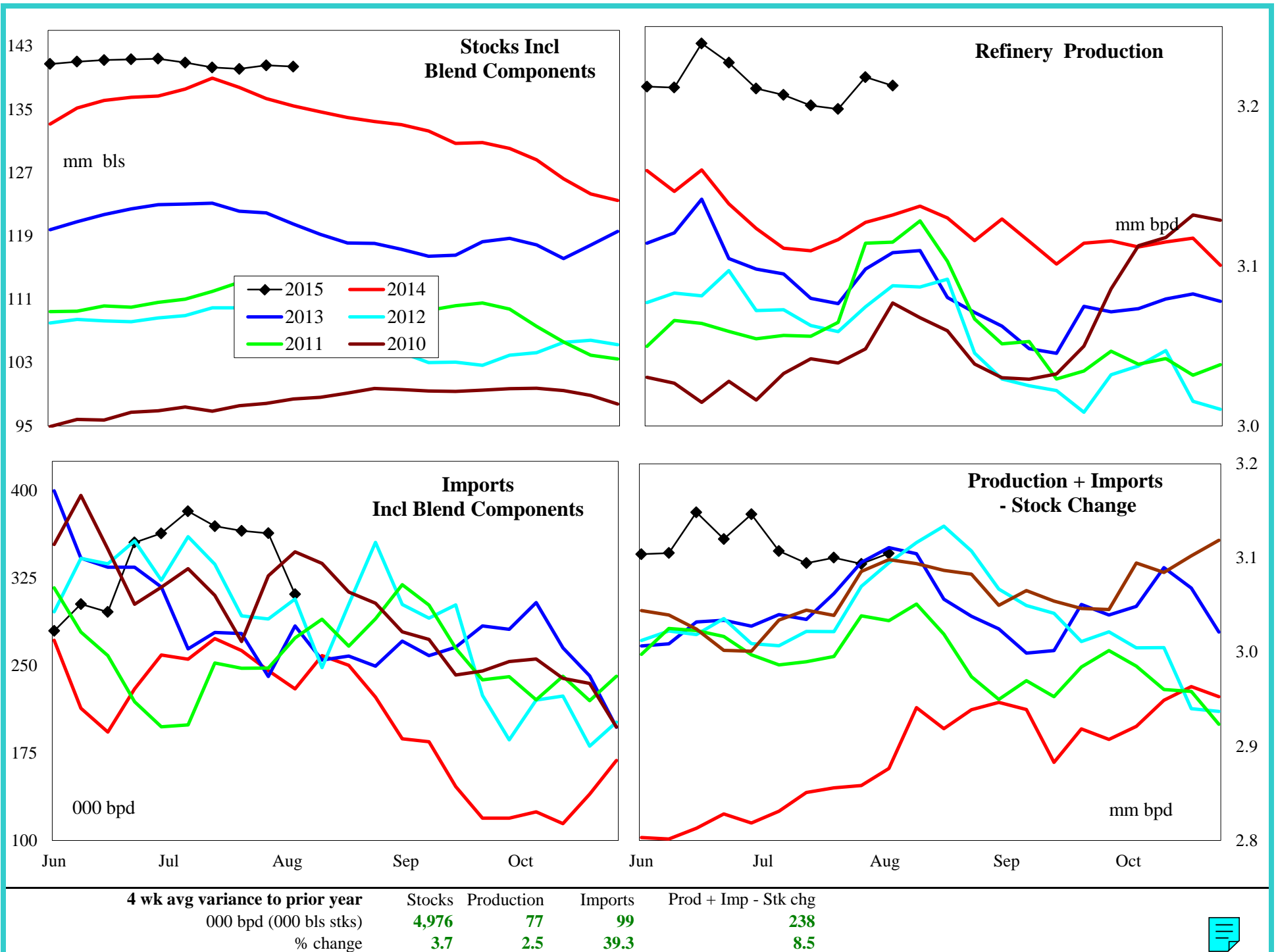
United States Crude Oil Supply and Demand Balance



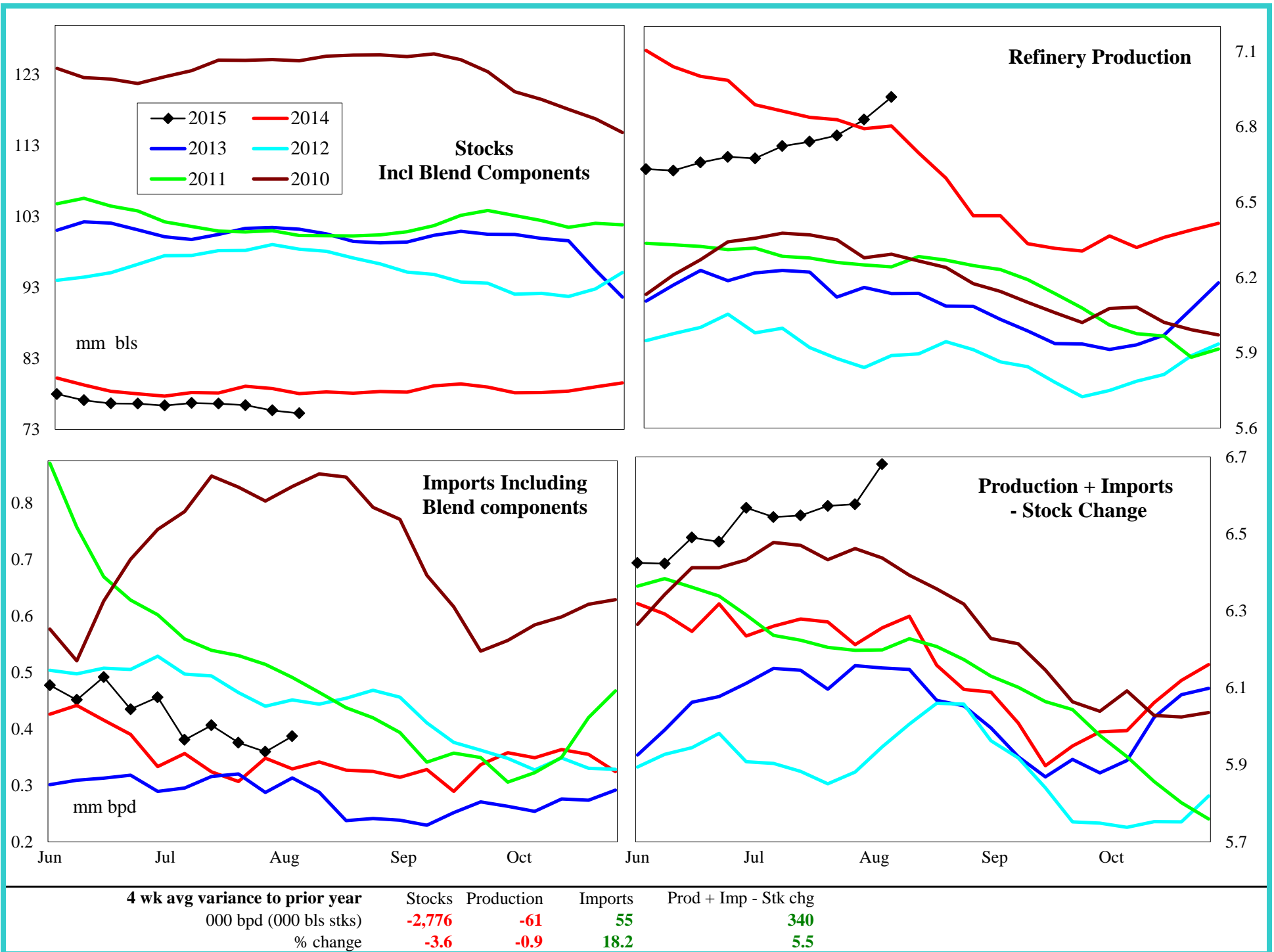
United States Gasoline Supply and Demand Balance



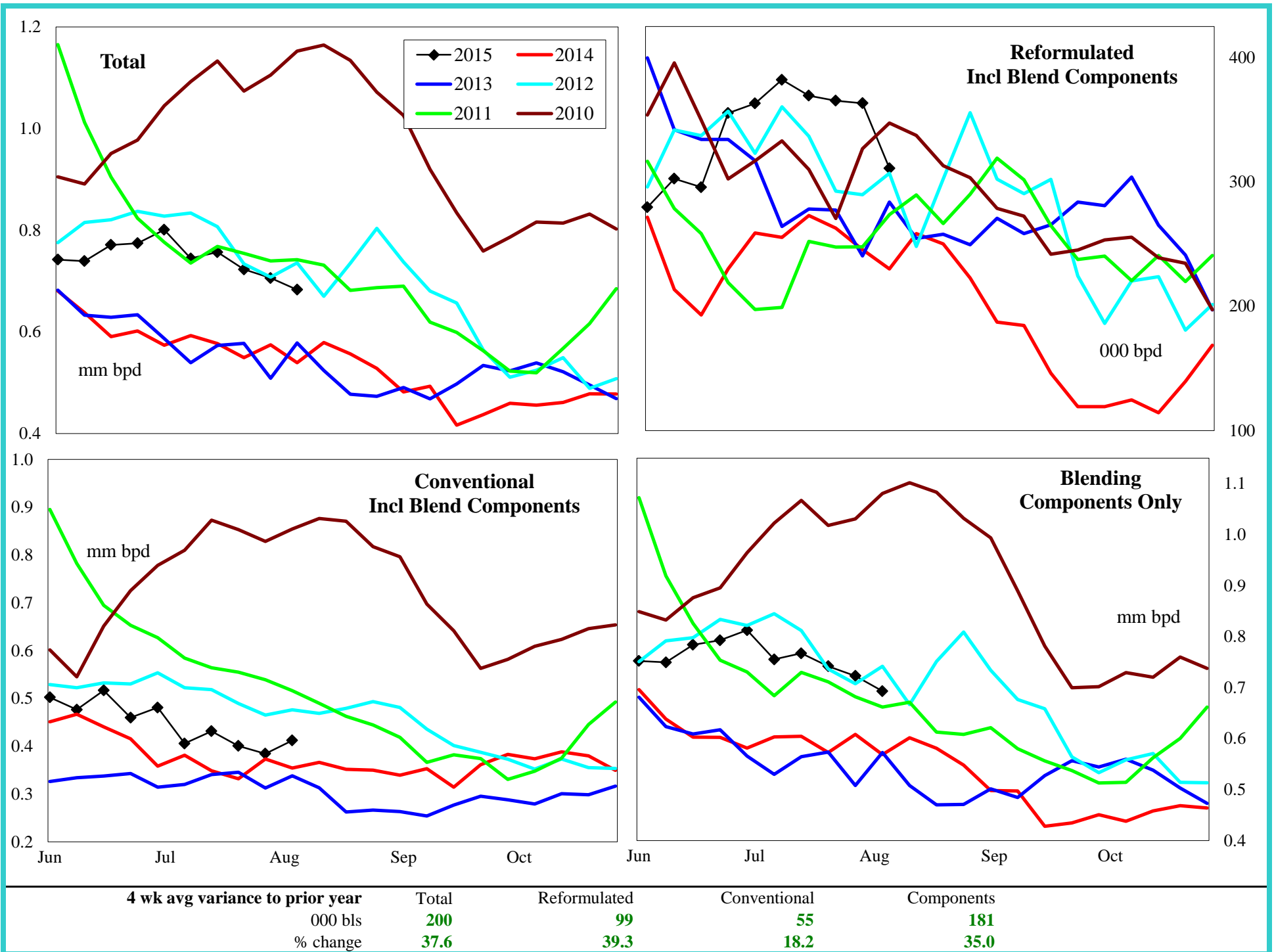
United States Reformulated Gasoline Supply



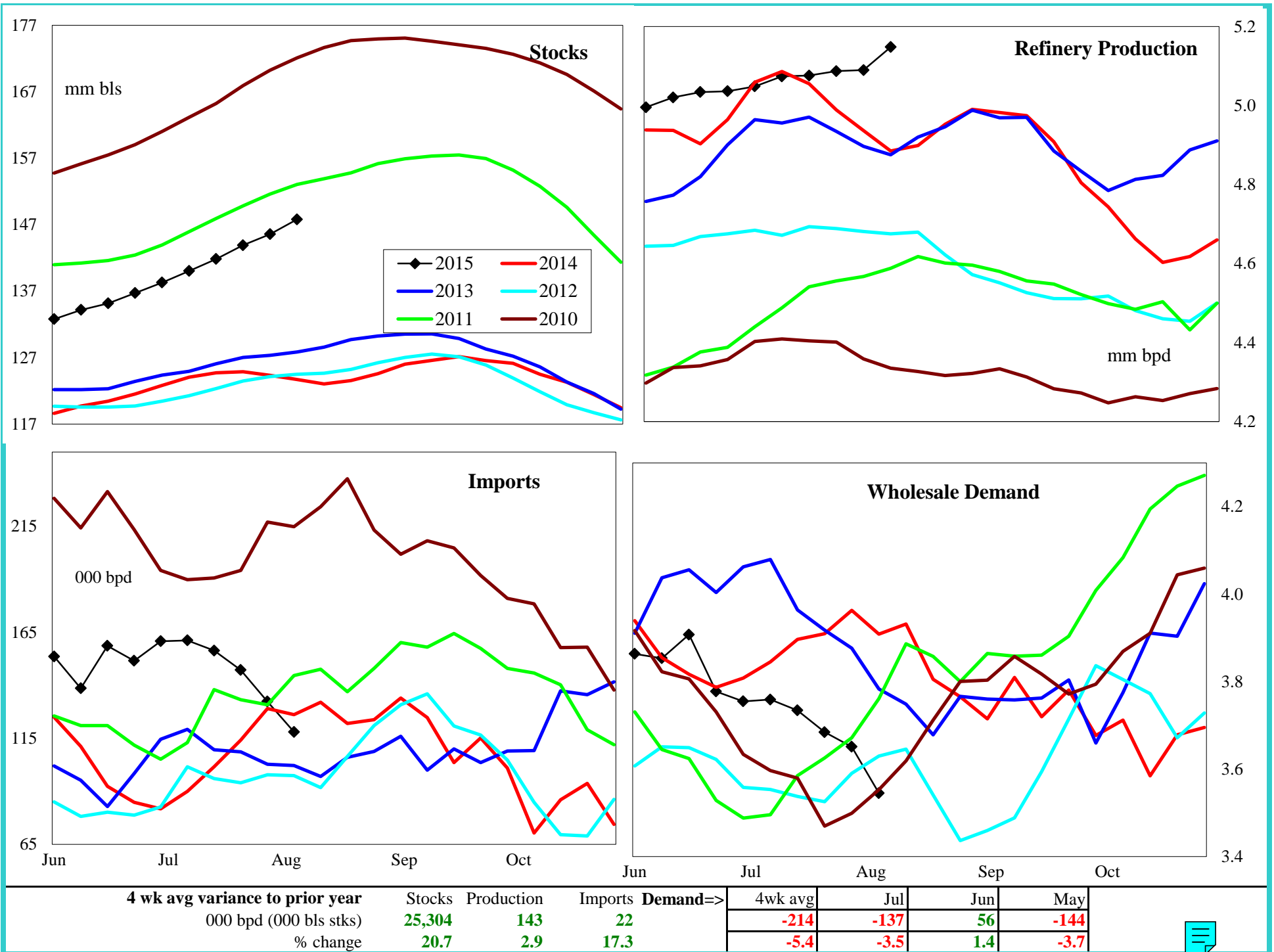
United States Conventional Gasoline Supply



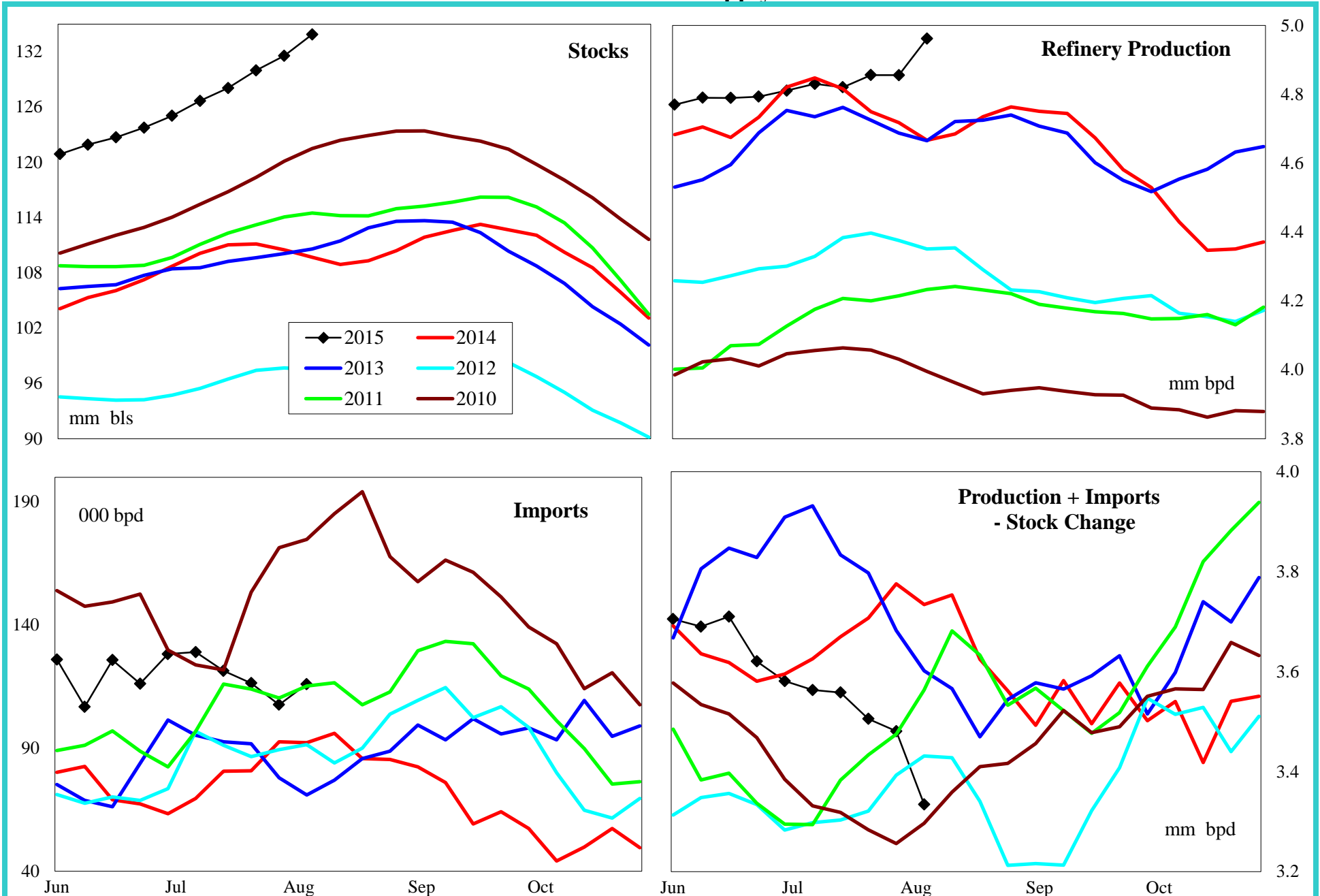
United States Gasoline Imports by Type



United States Distillate Supply and Demand Balance



United States Low Sulfur Distillate Supply and Demand Balance



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

25,323

23.3

Production

133

2.8

Imports

33

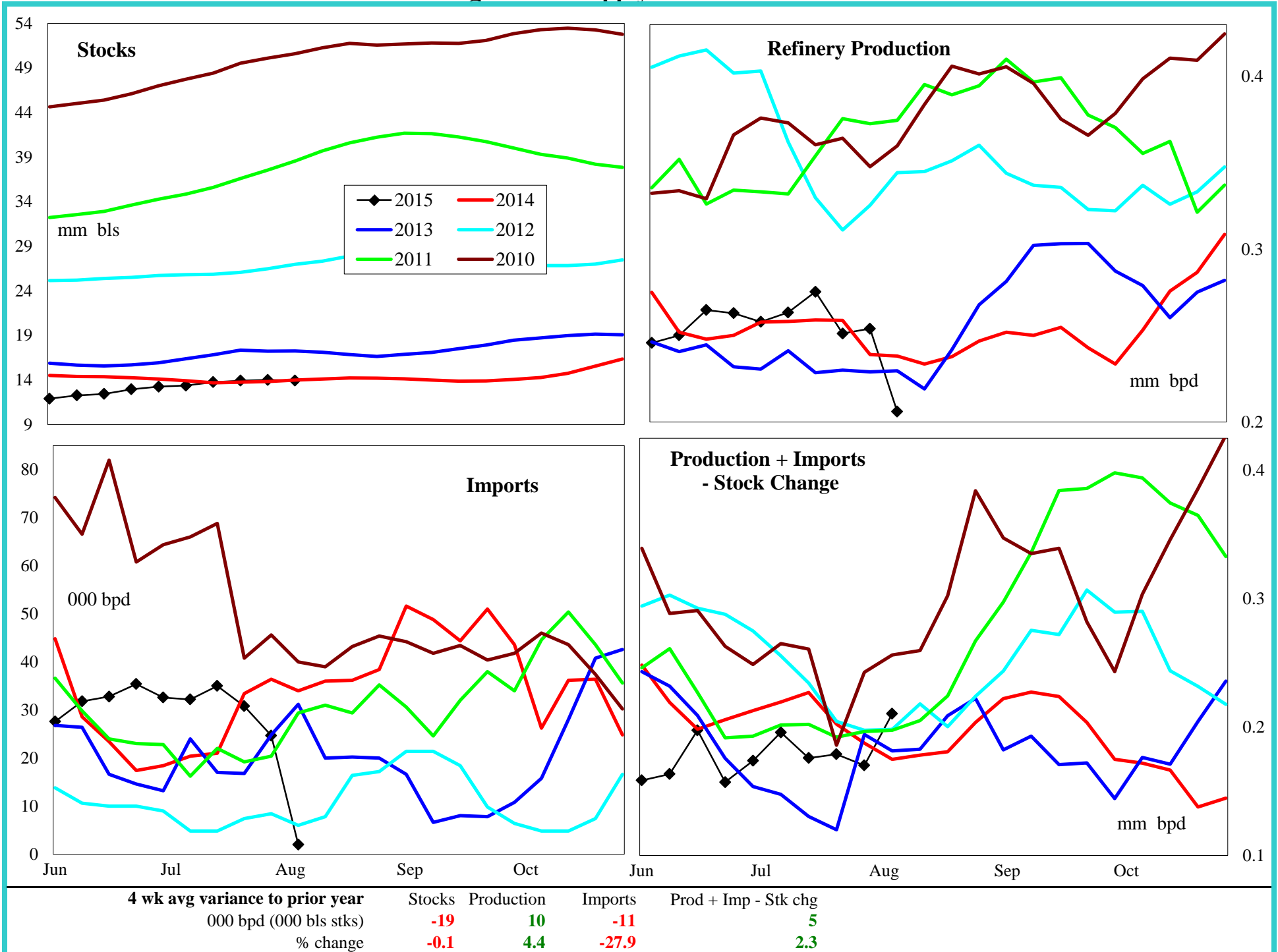
37.2

Prod + Imp - Stk chg

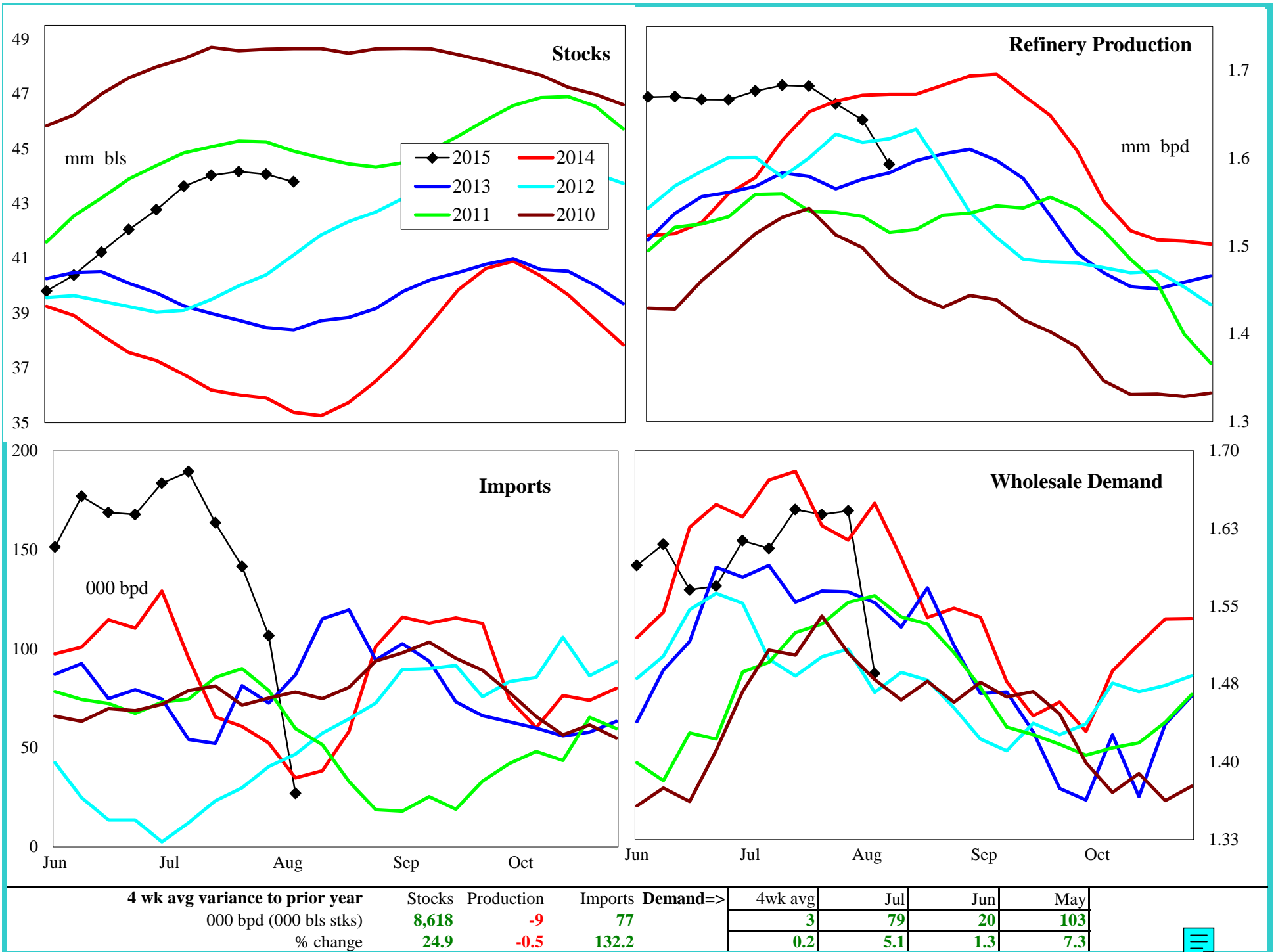
-219

-5.8

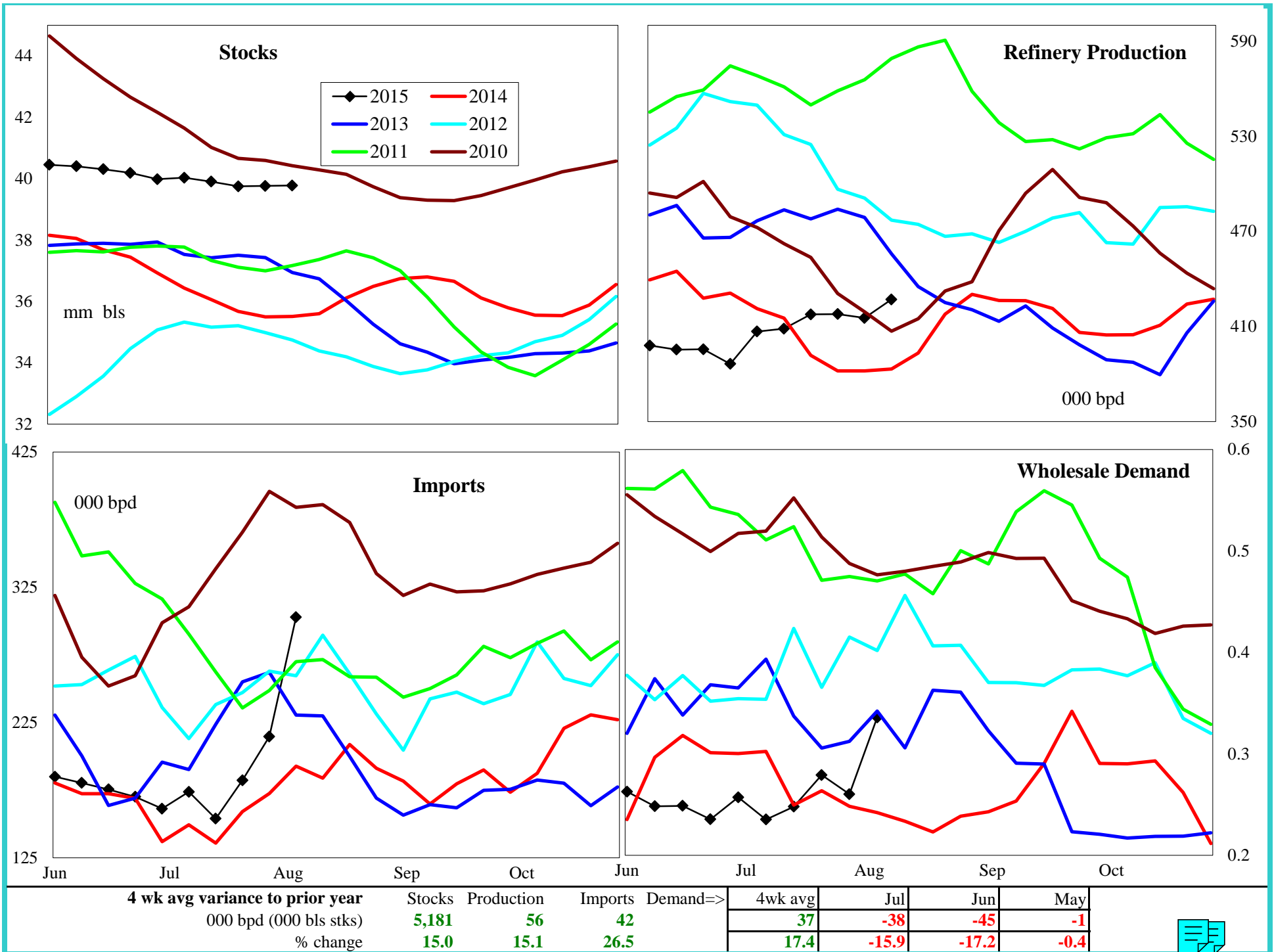
United States High Sulfur Supply Distillate and Demand Balance



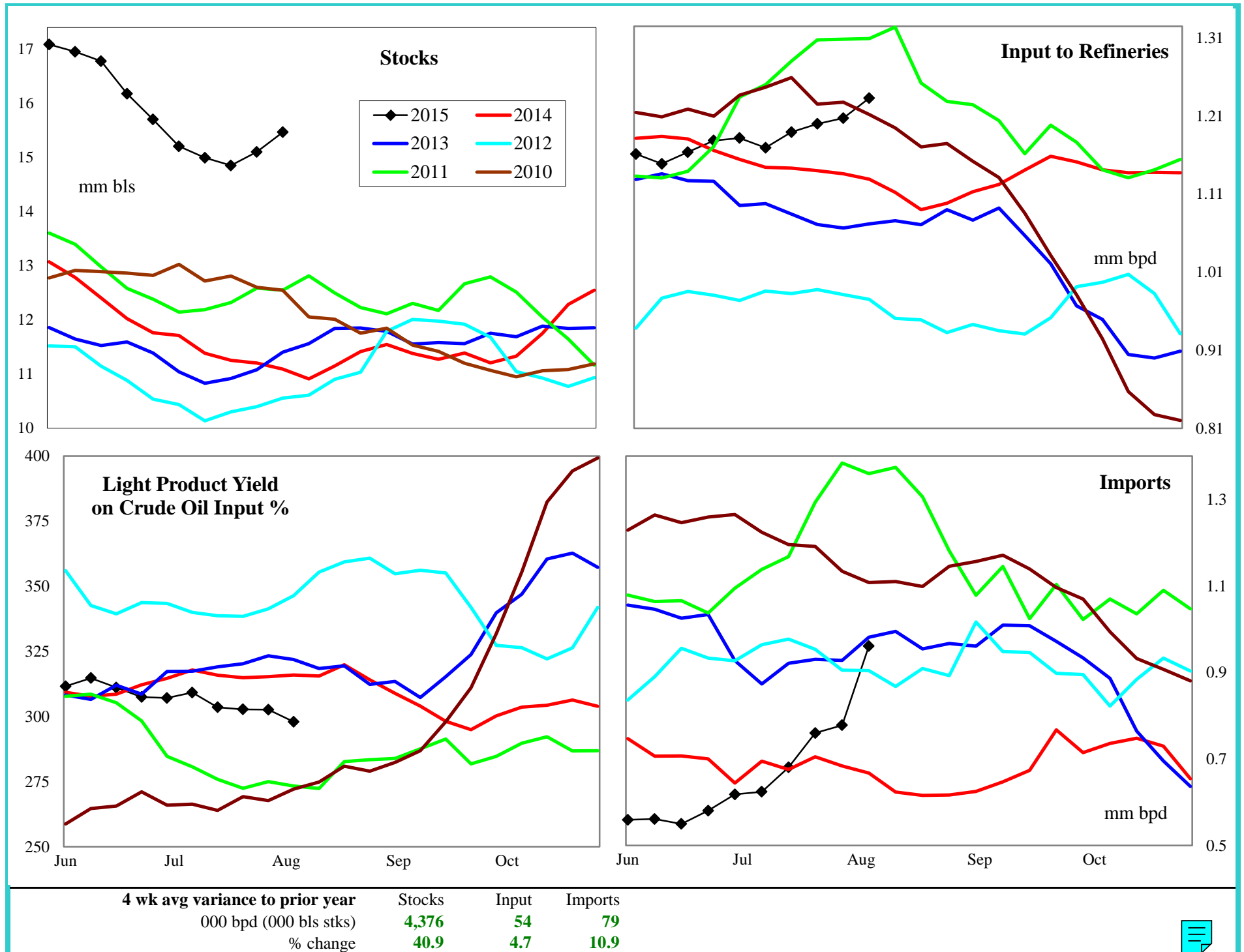
United States Jet Fuel Supply and Demand Balance



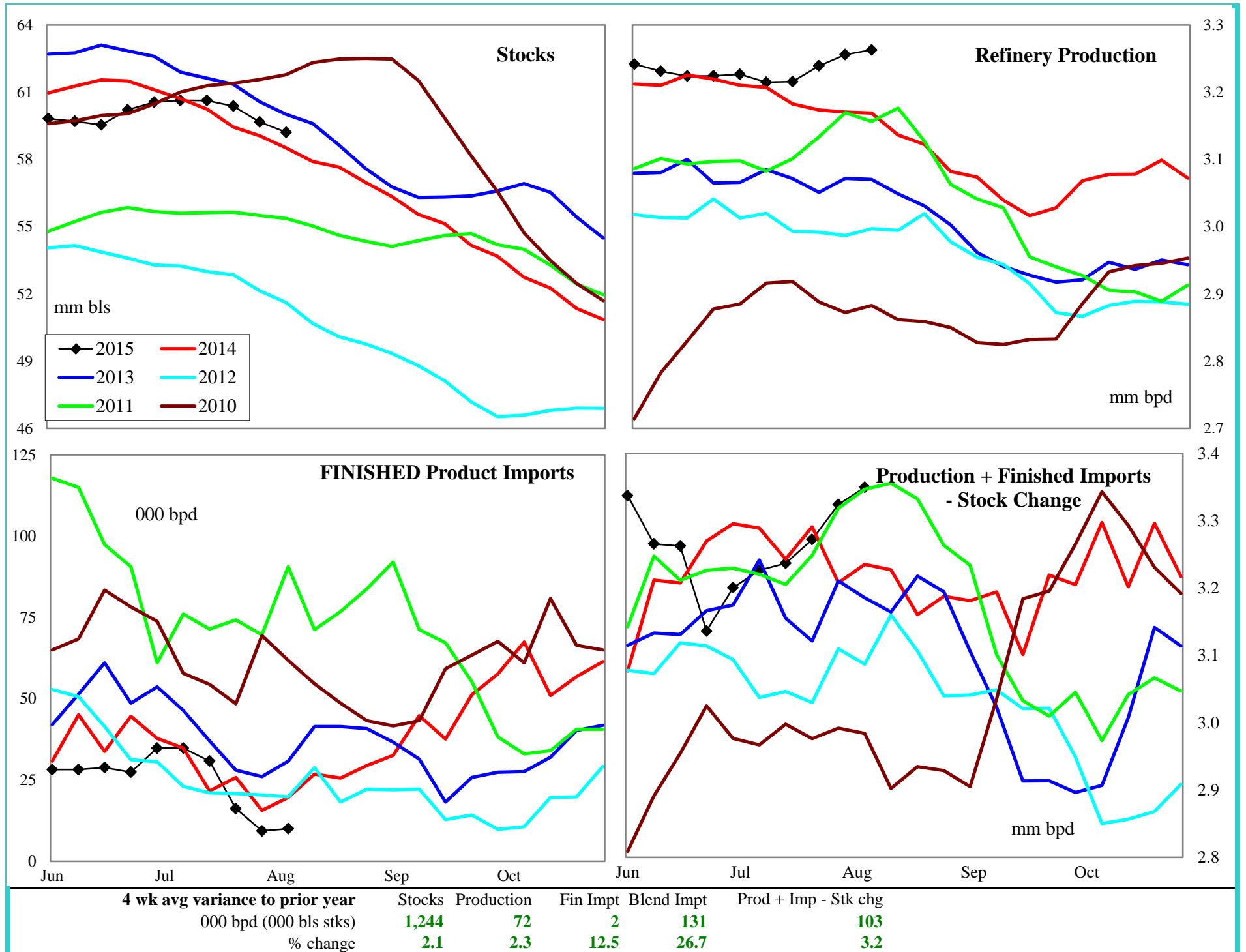
United States Residual Fuel Supply and Demand Balance



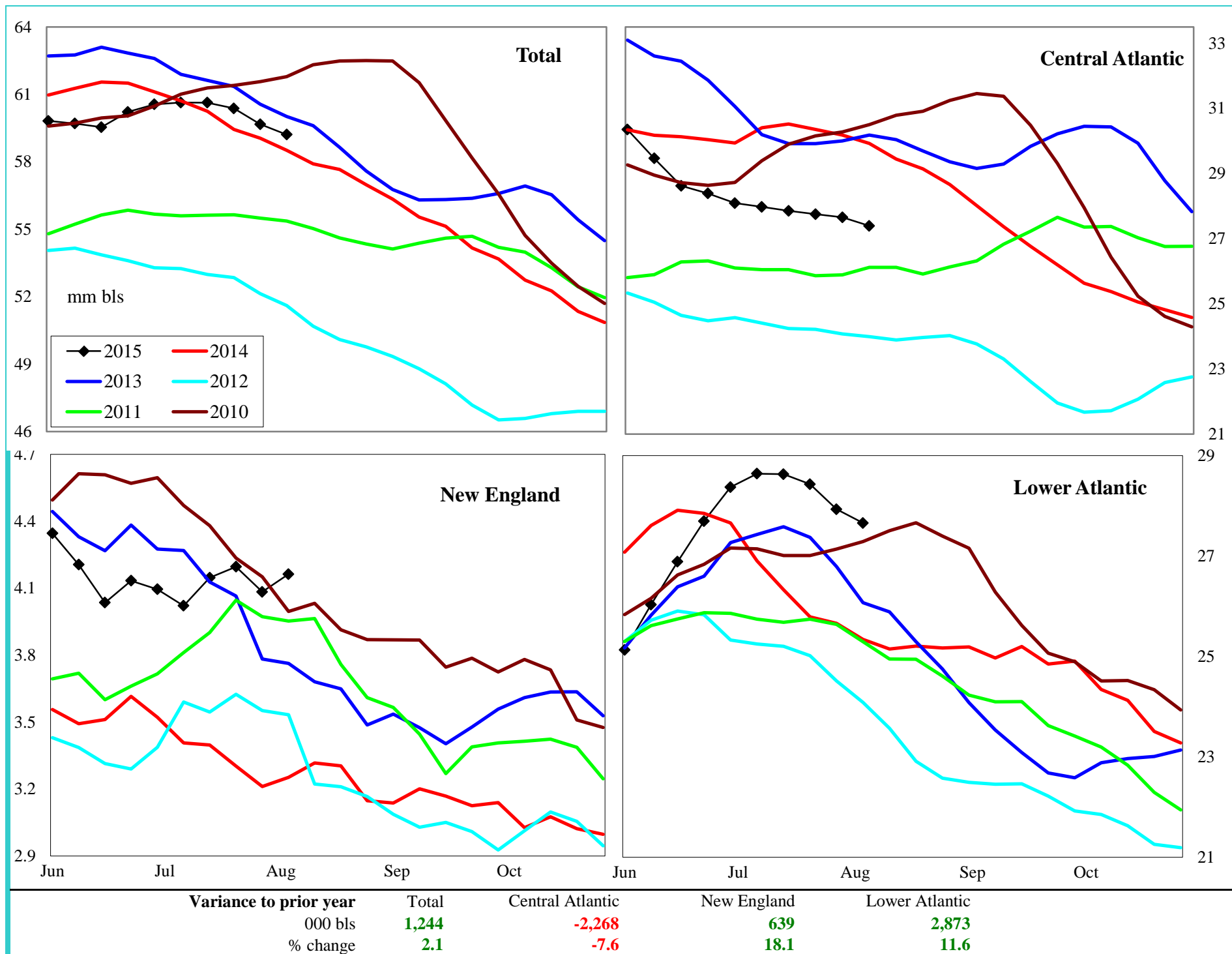
PADD 1 Crude Oil Supply and Refining



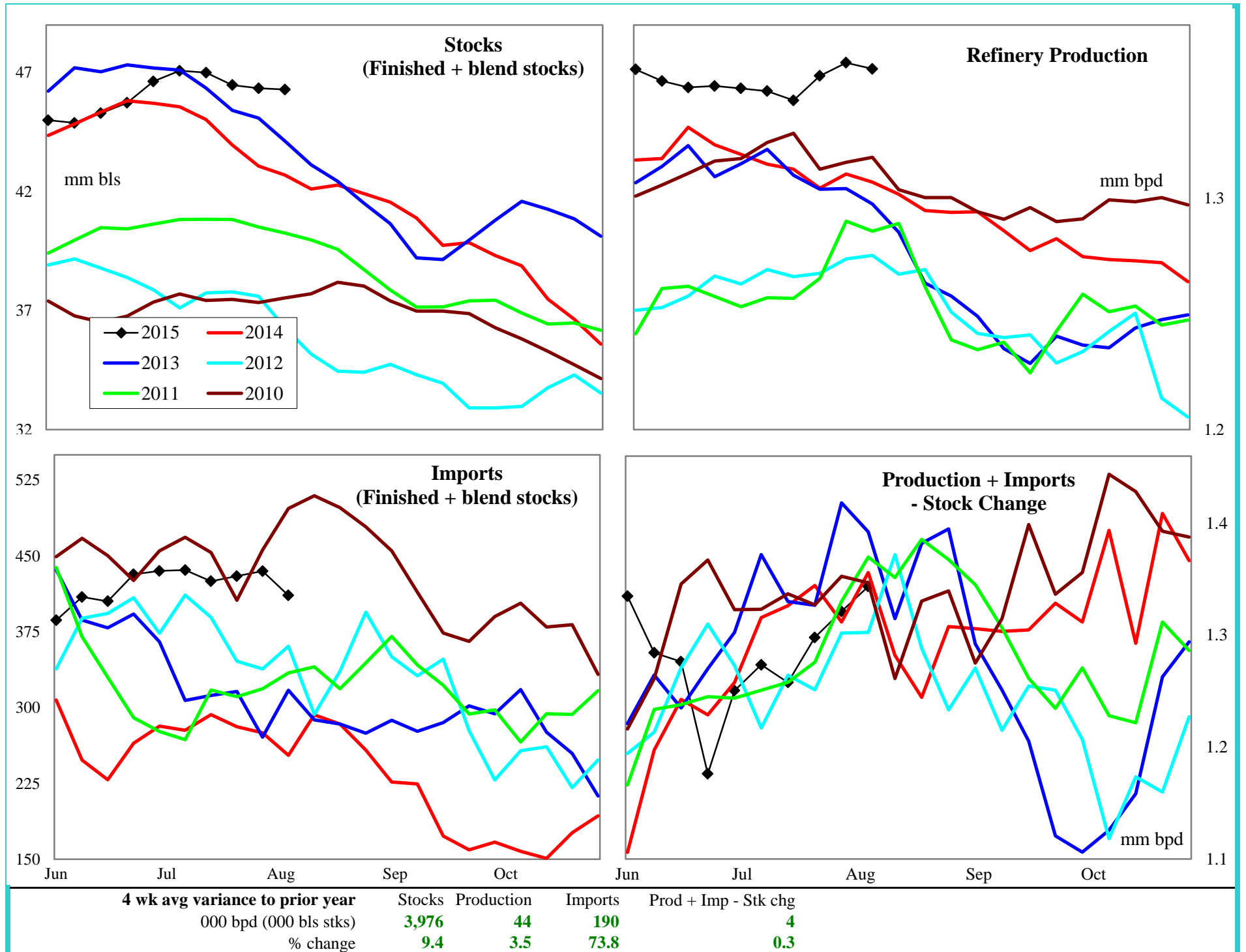
PADD 1 Gasoline Supply



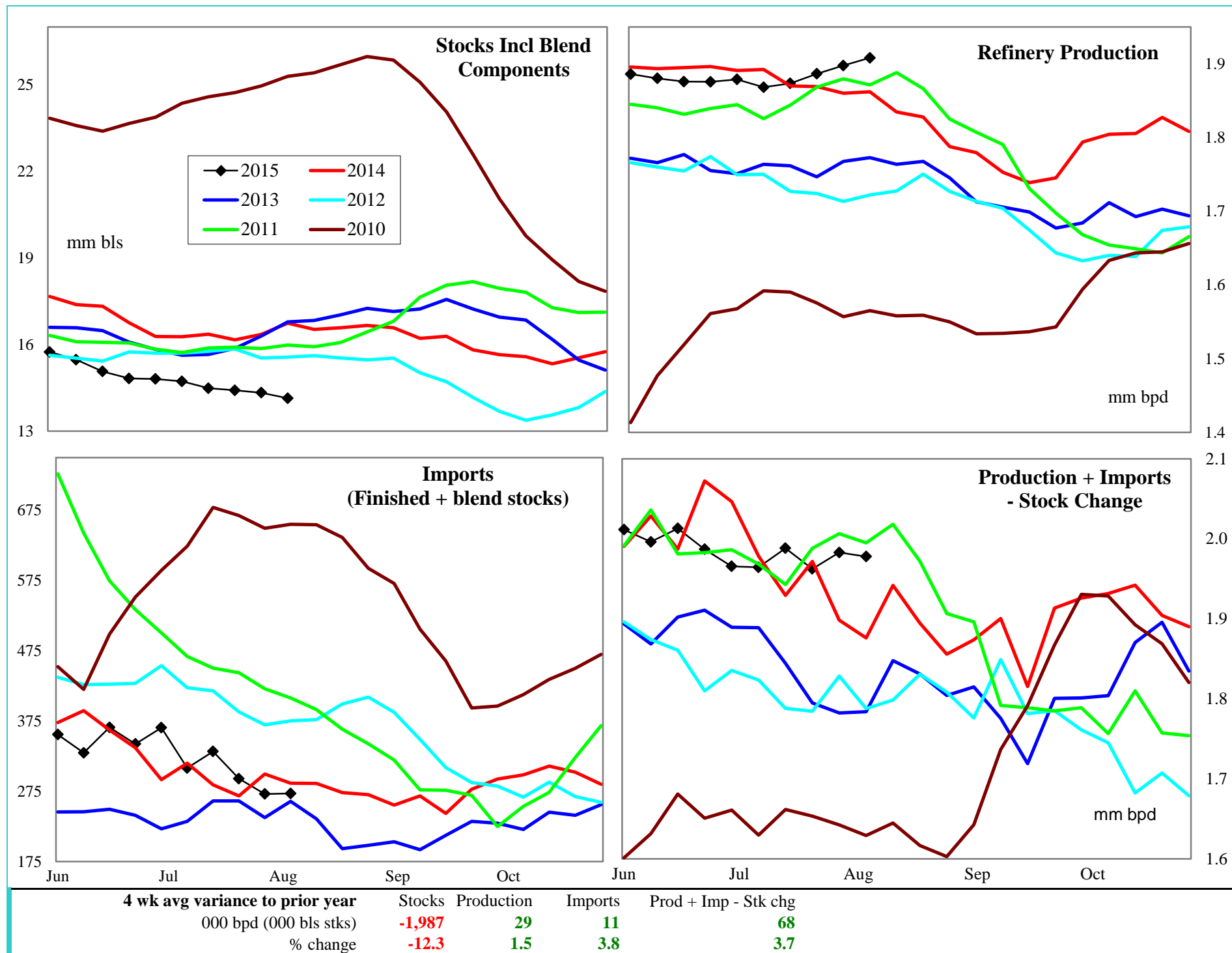
PADD 1 Gasoline Stocks by Region



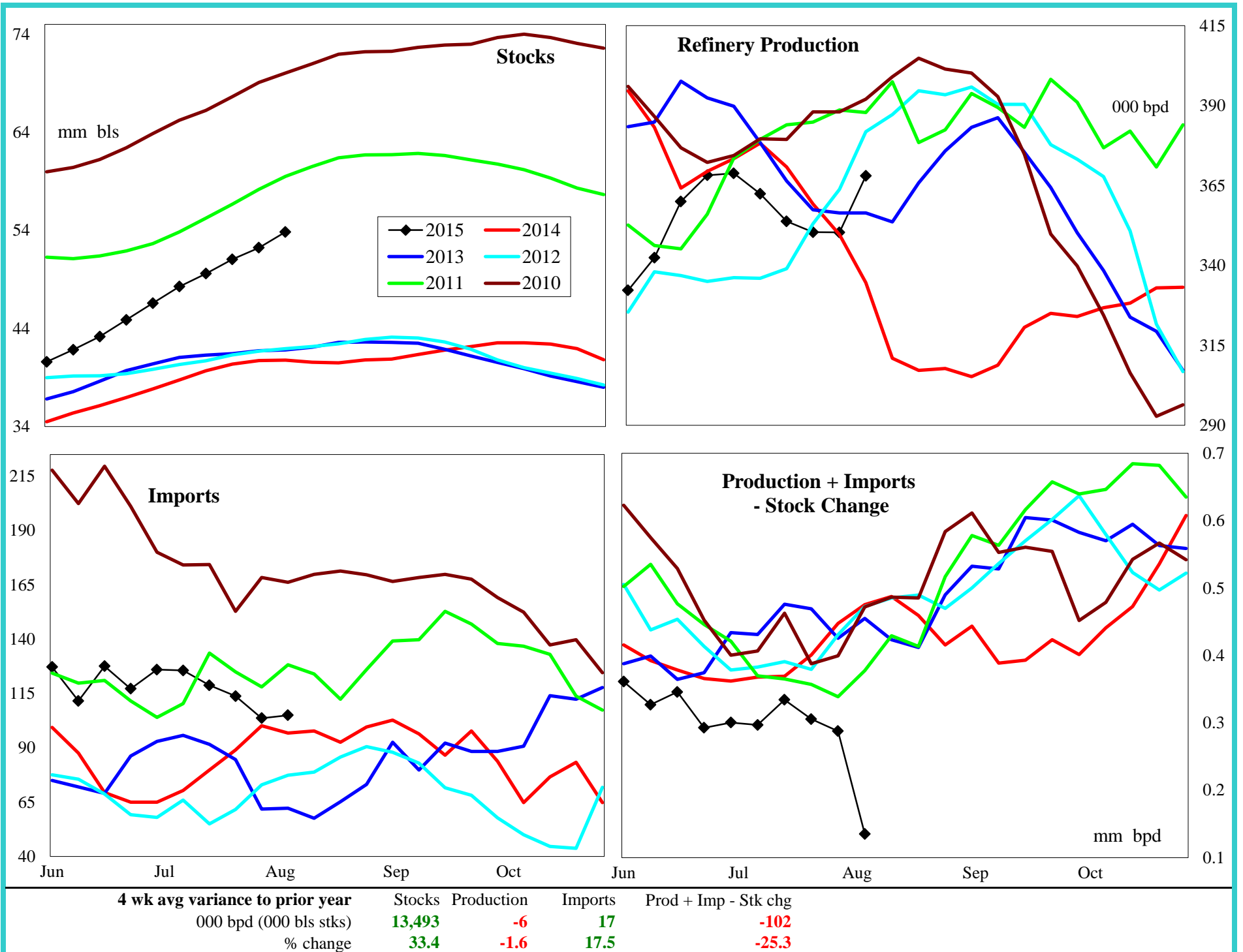
PADD 1 Reformulated Gasoline Supply



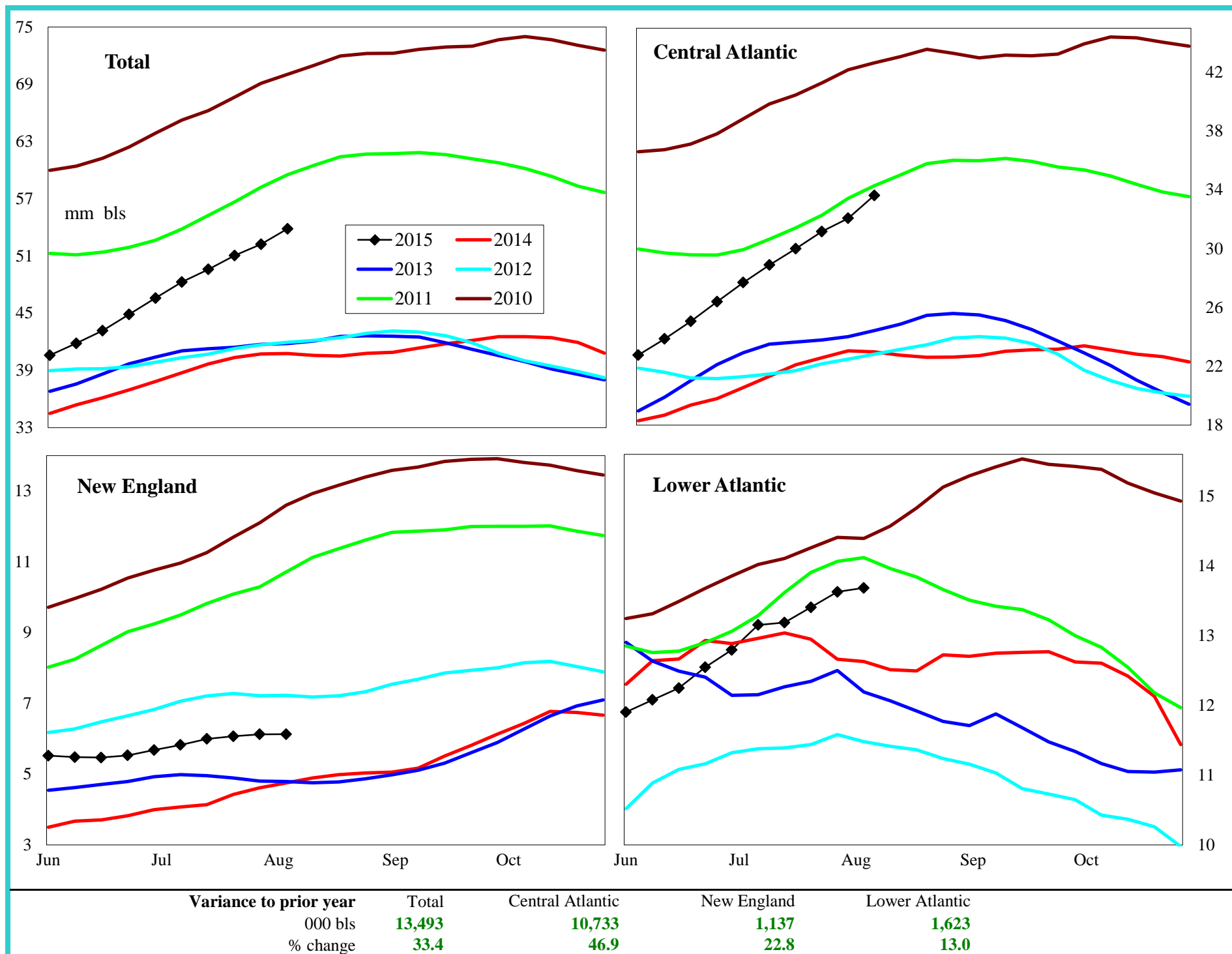
PADD 1 Conventional Gasoline Supply



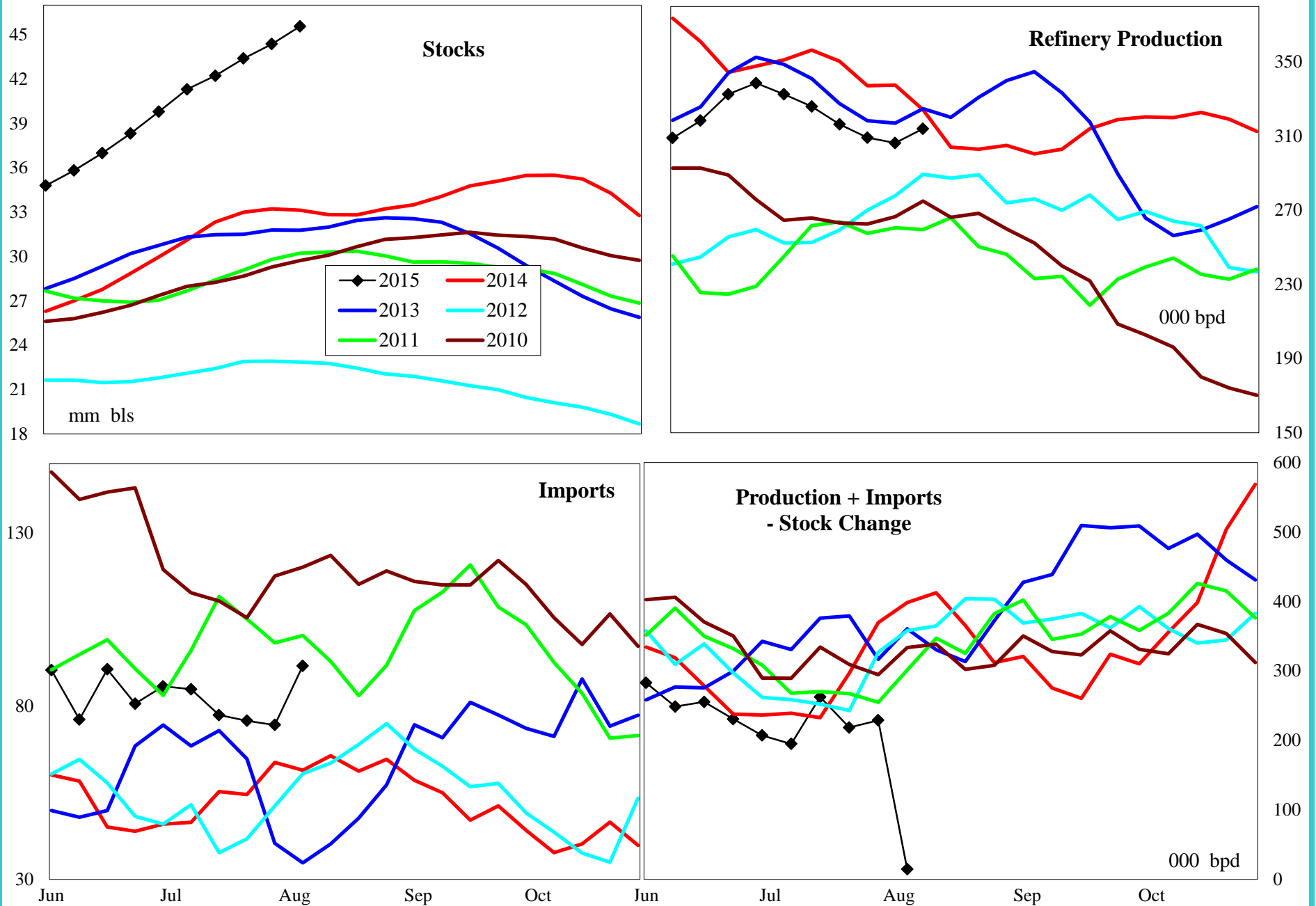
PADD 1 Distillate Supply



PADD 1 Distillate Stocks by Region



PADD 1 Low Sulfur Distillate Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

12,849

39.3

Production

-31

-9.1

Imports

19

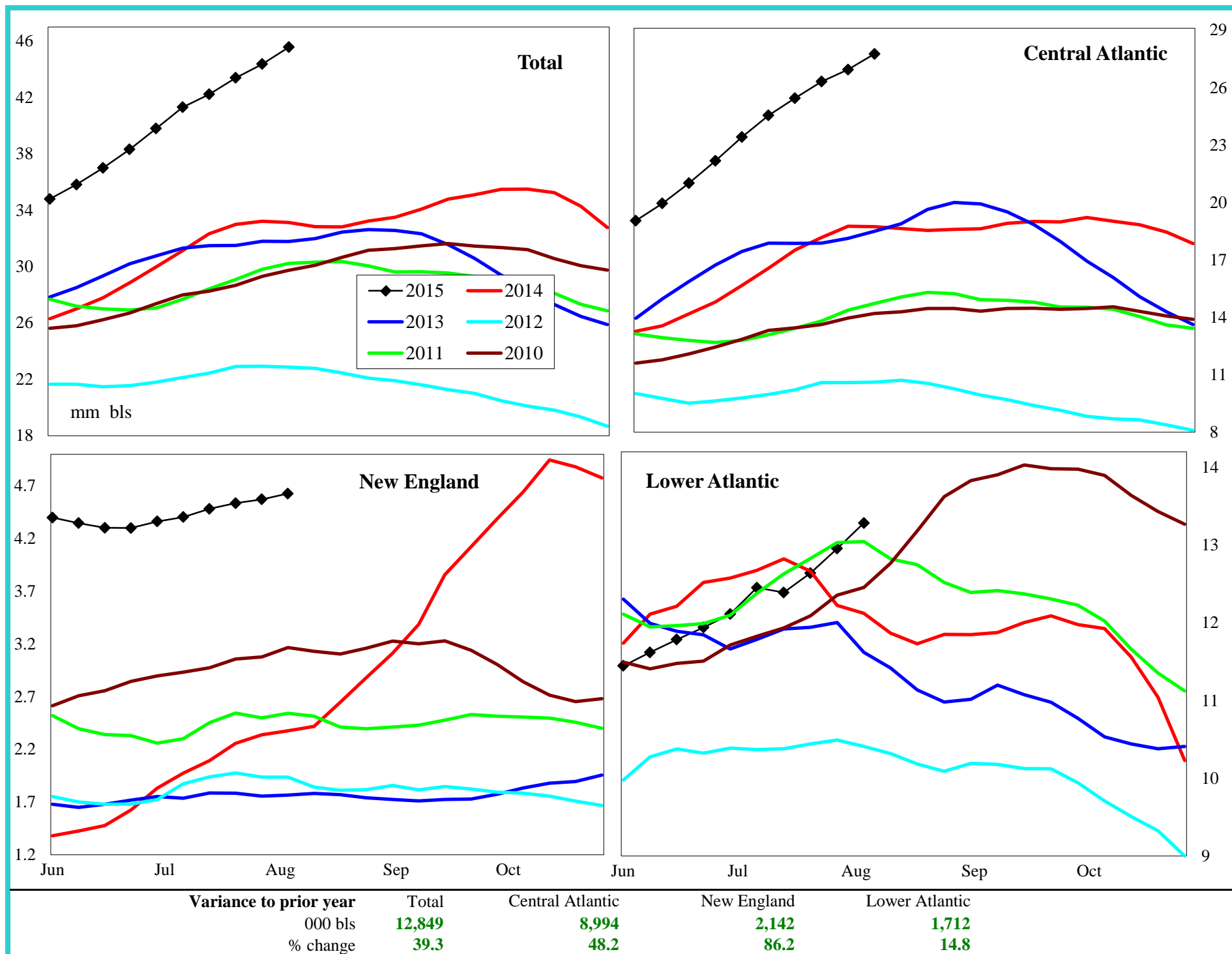
32.0

Prod + Imp - Stk chg

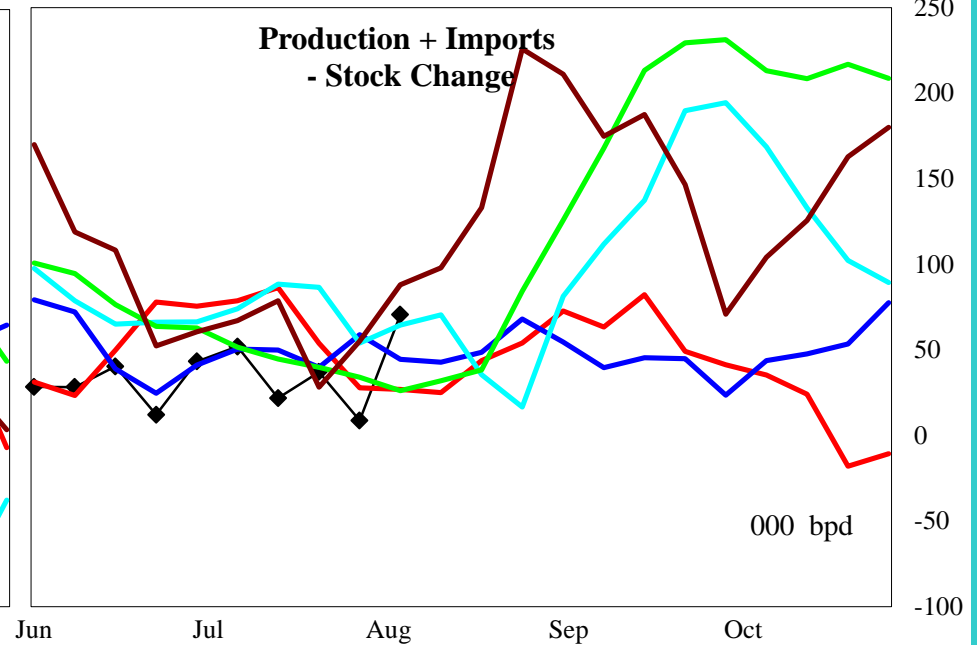
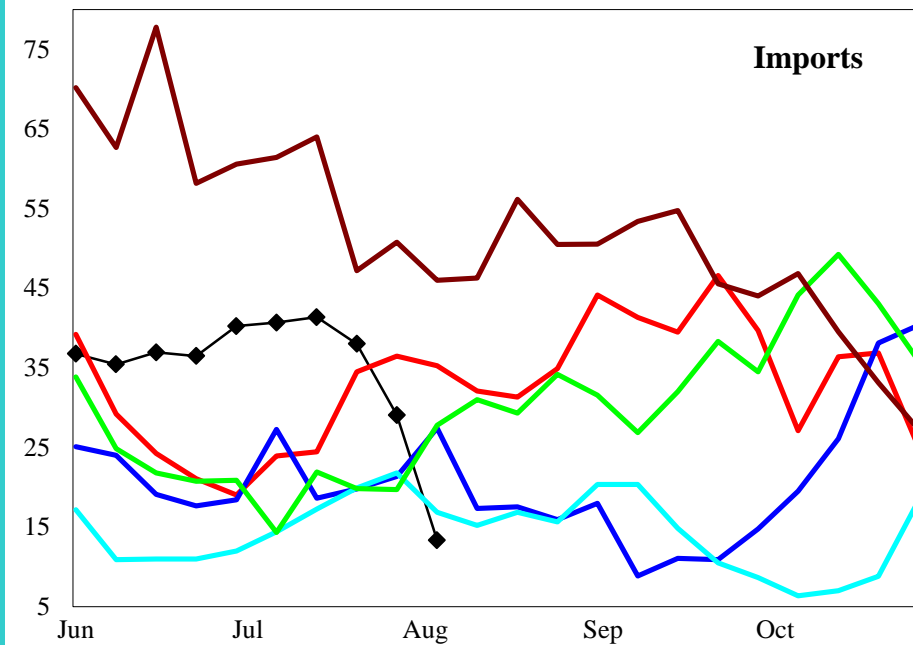
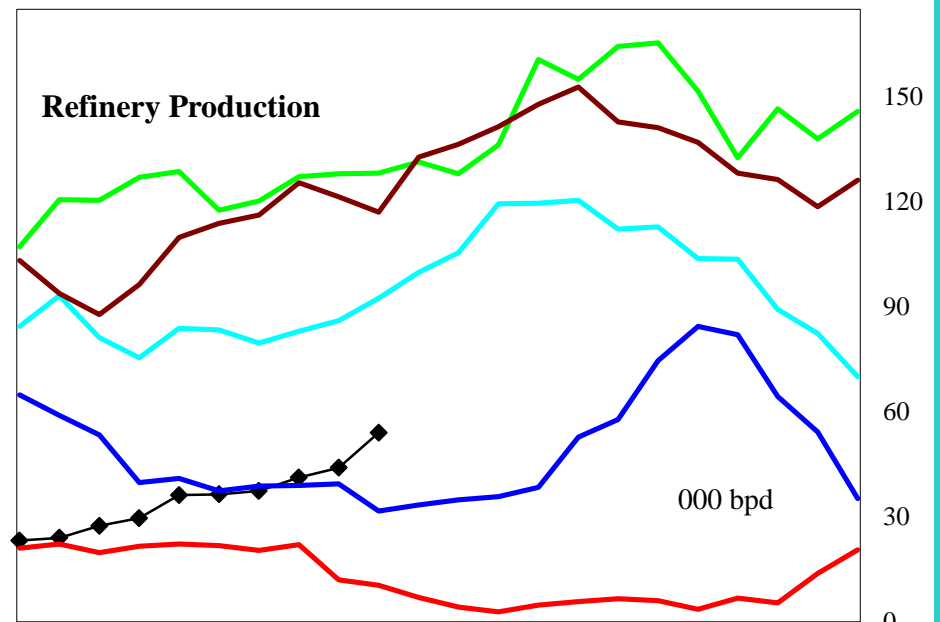
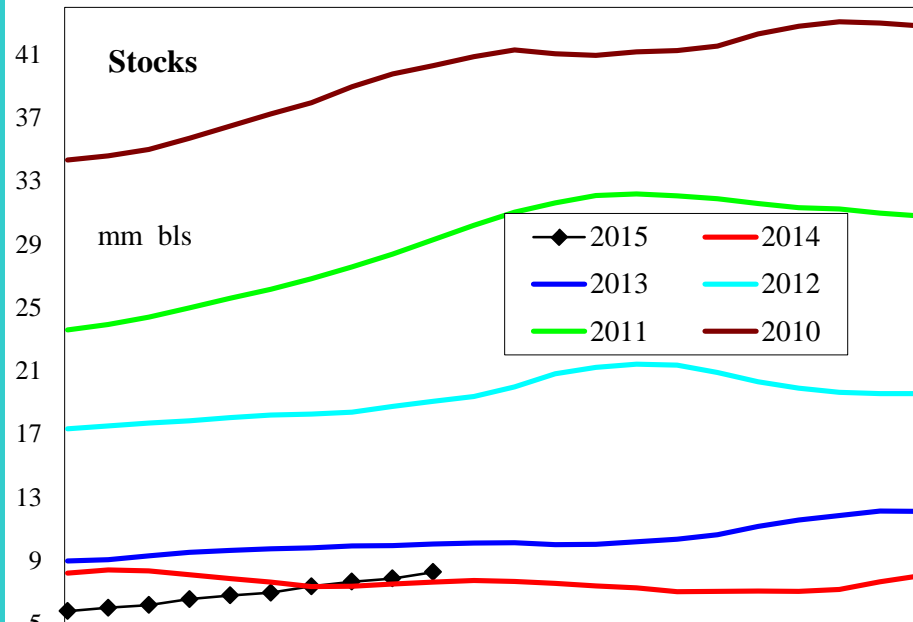
-126

-34.7

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

644

25

-2

24

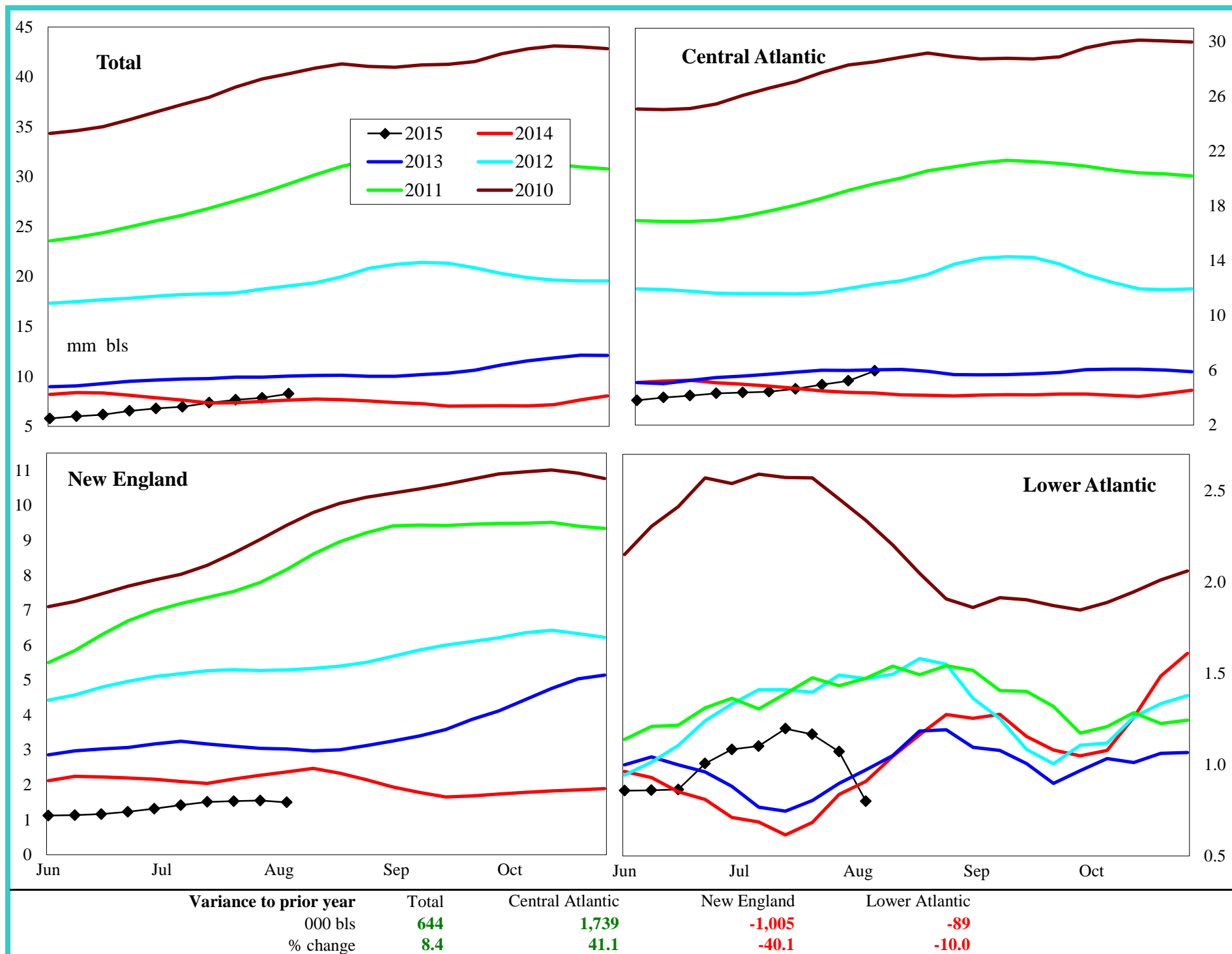
8.4

137.0

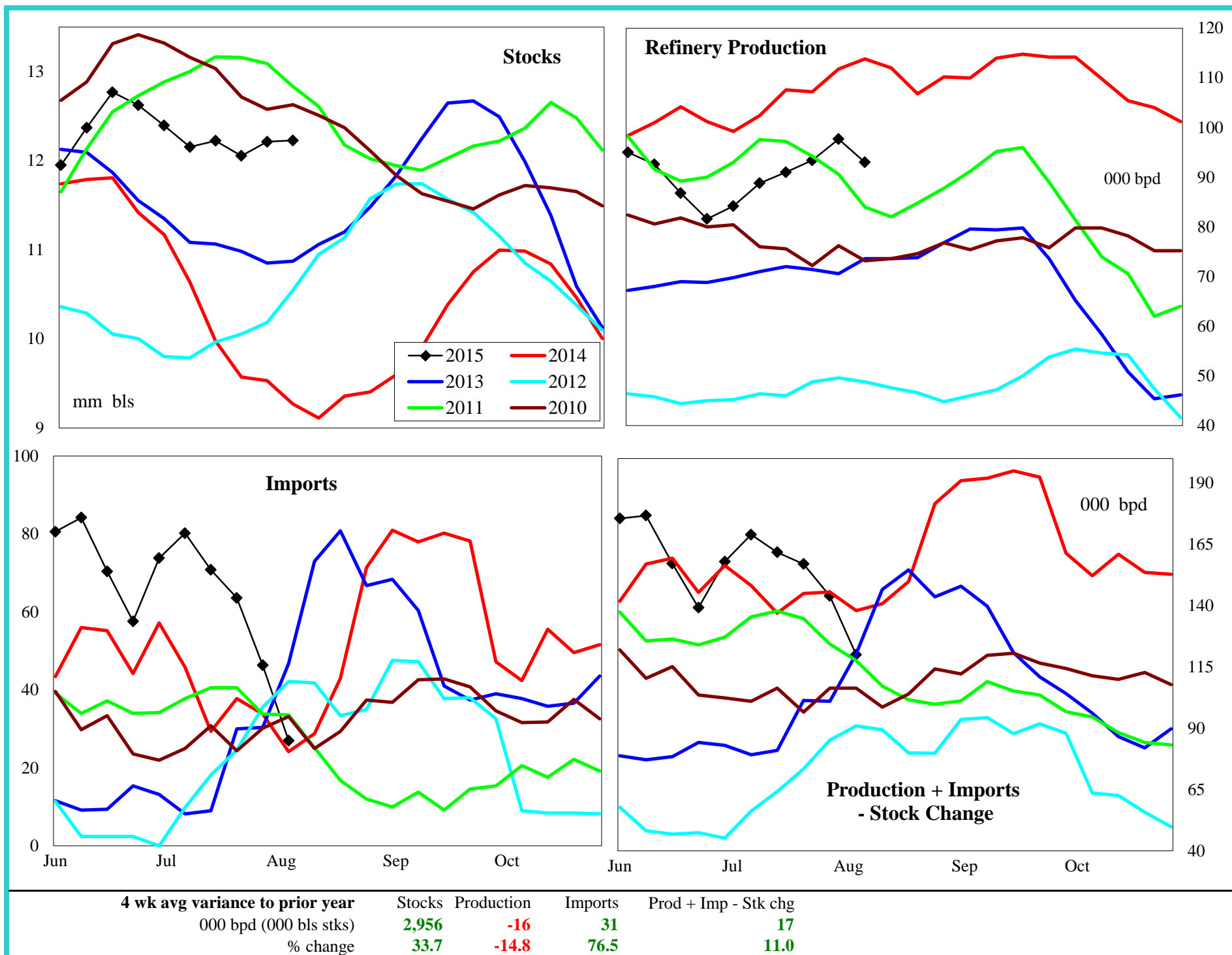
-4.7

61.9

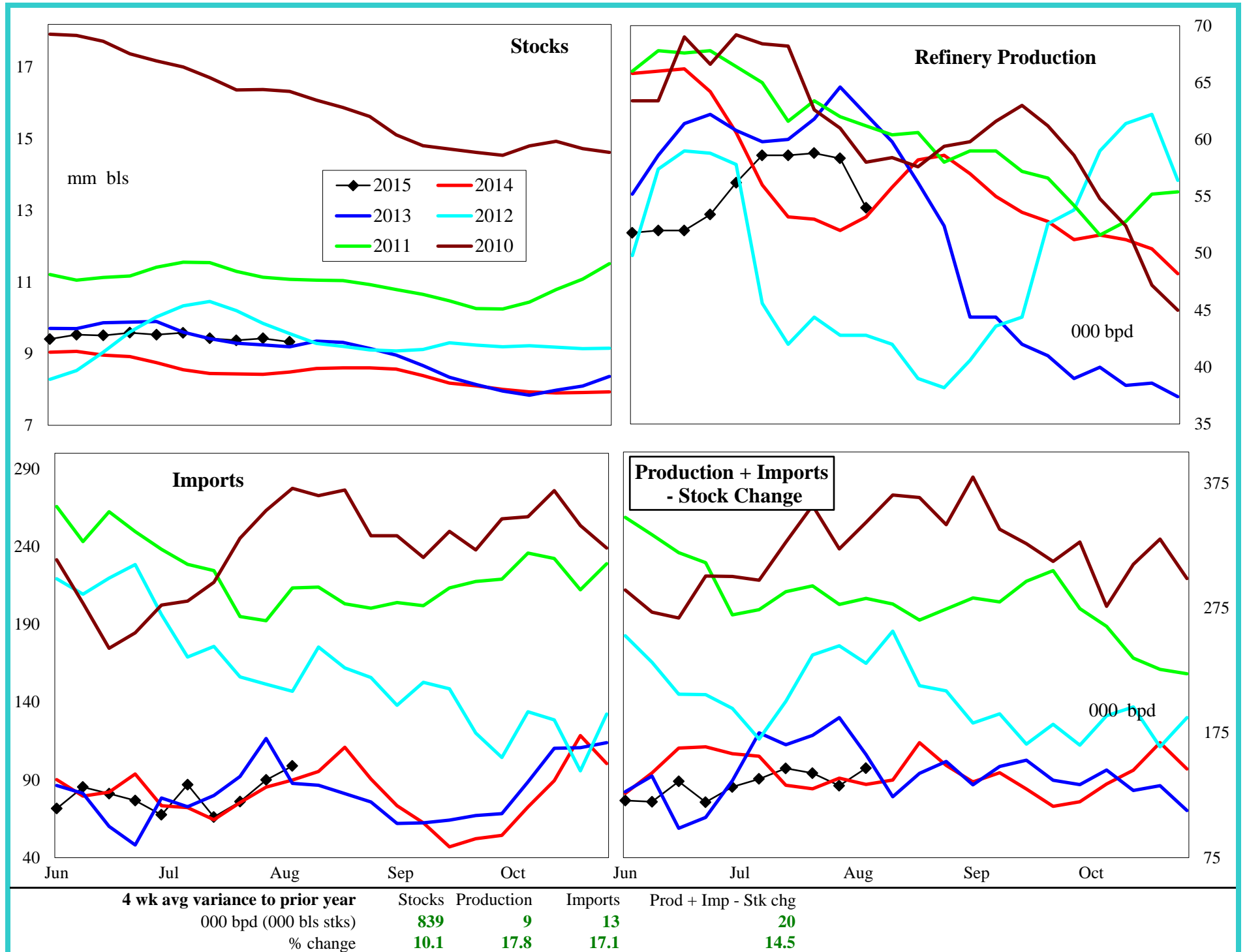
PADD 1 High Sulfur Distillate Stocks by Region



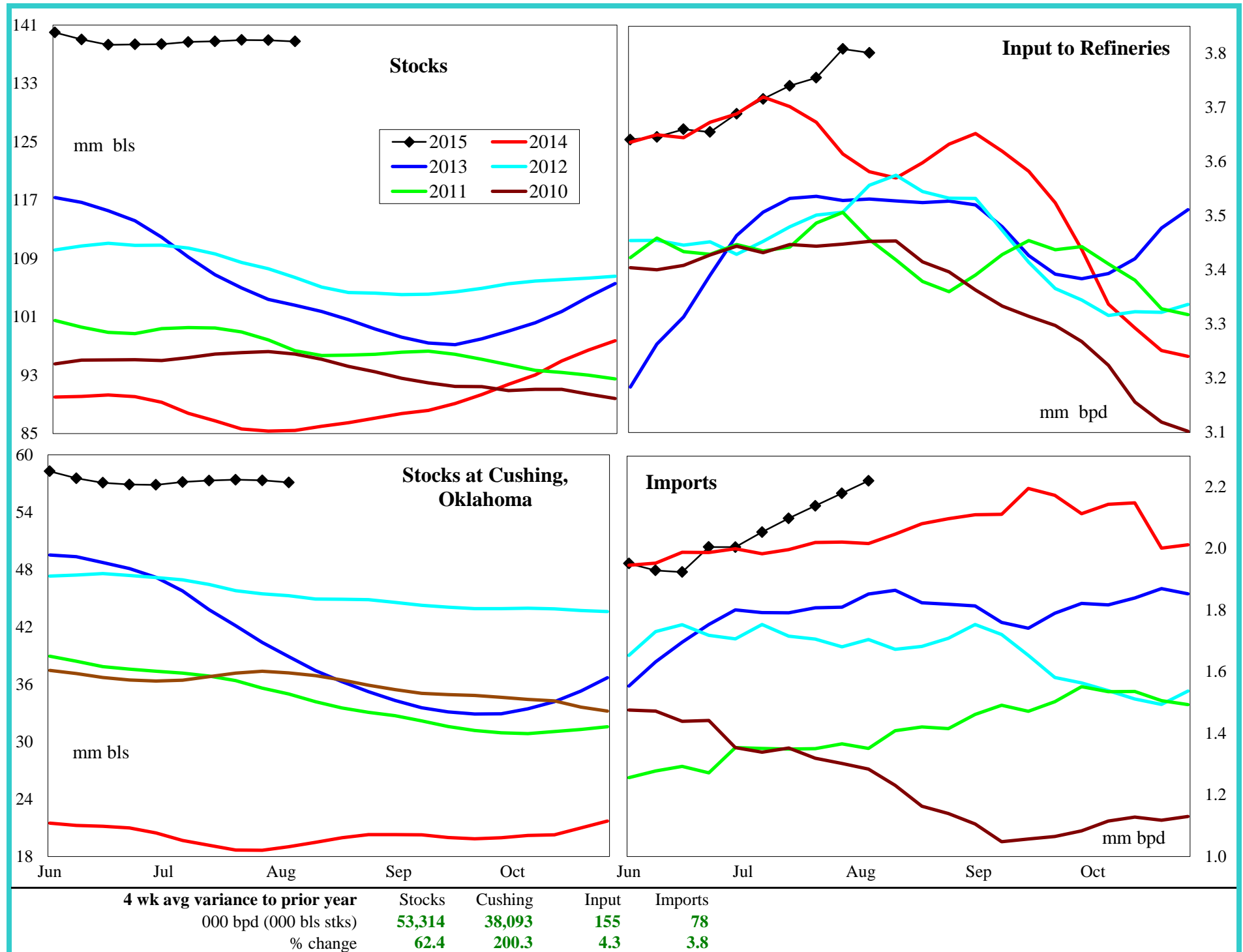
PADD 1 Jet Fuel Supply



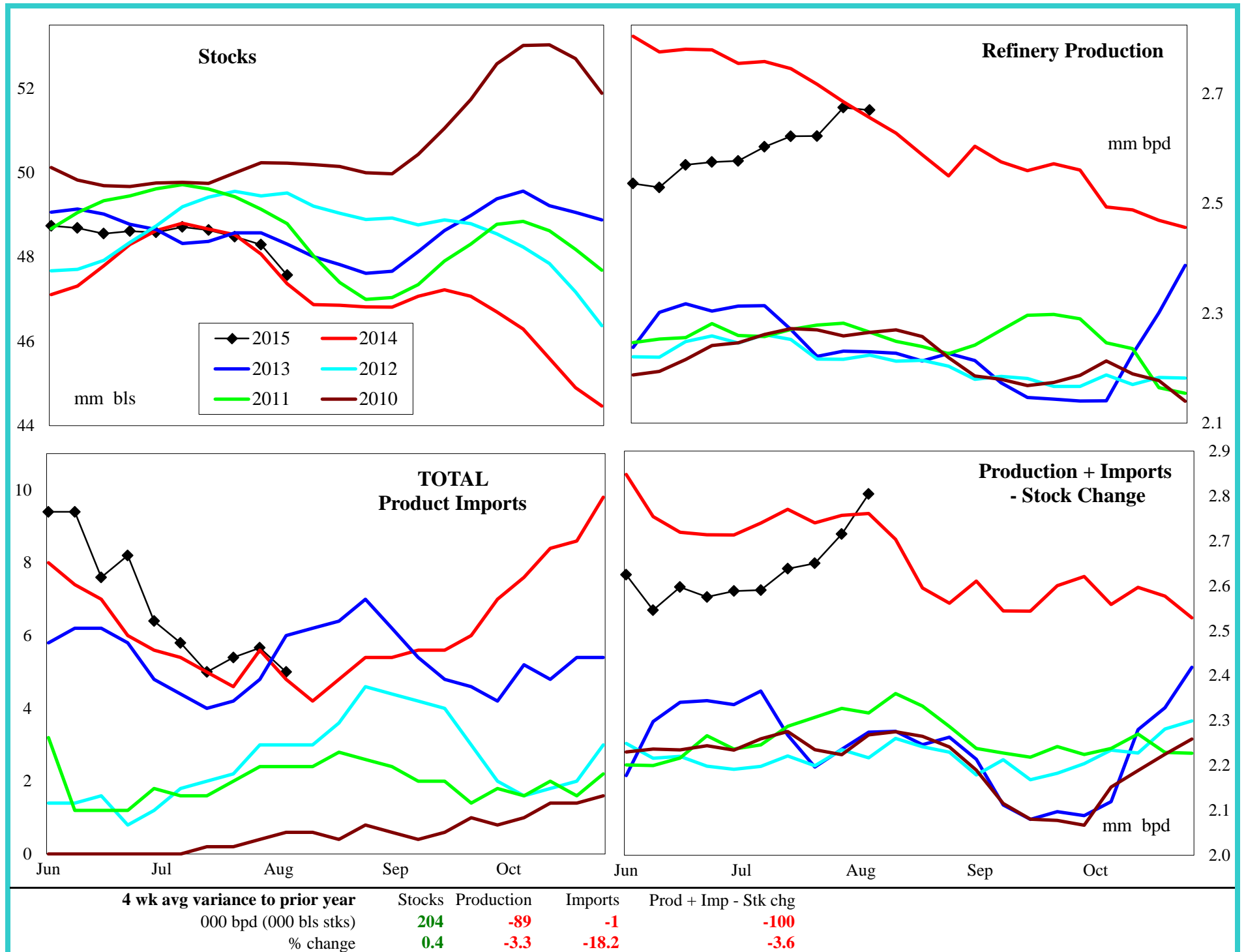
PADD 1 Residual Fuel Oil Supply



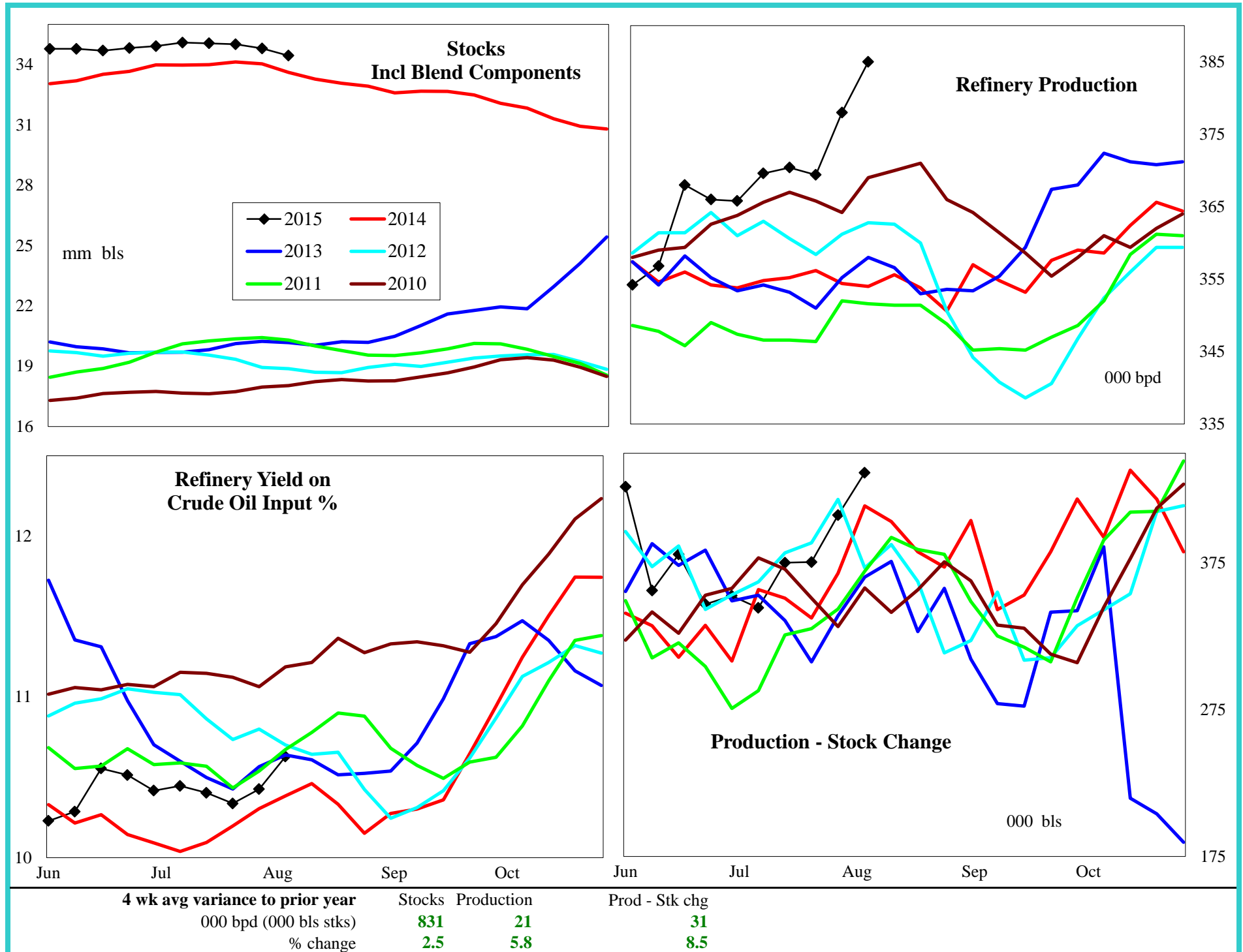
PADD 2 Crude Oil Supply and Refining



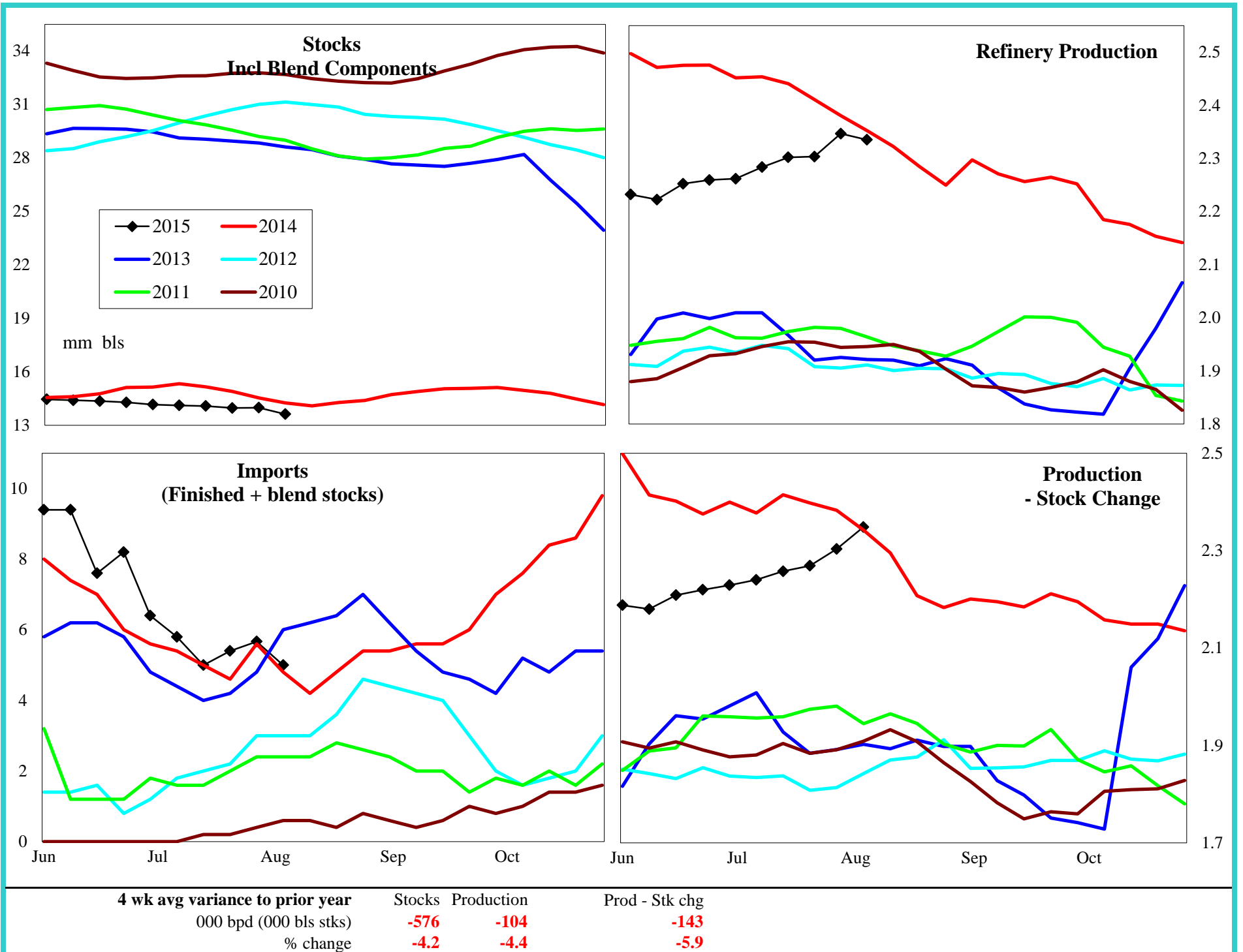
PADD 2 Gasoline Supply



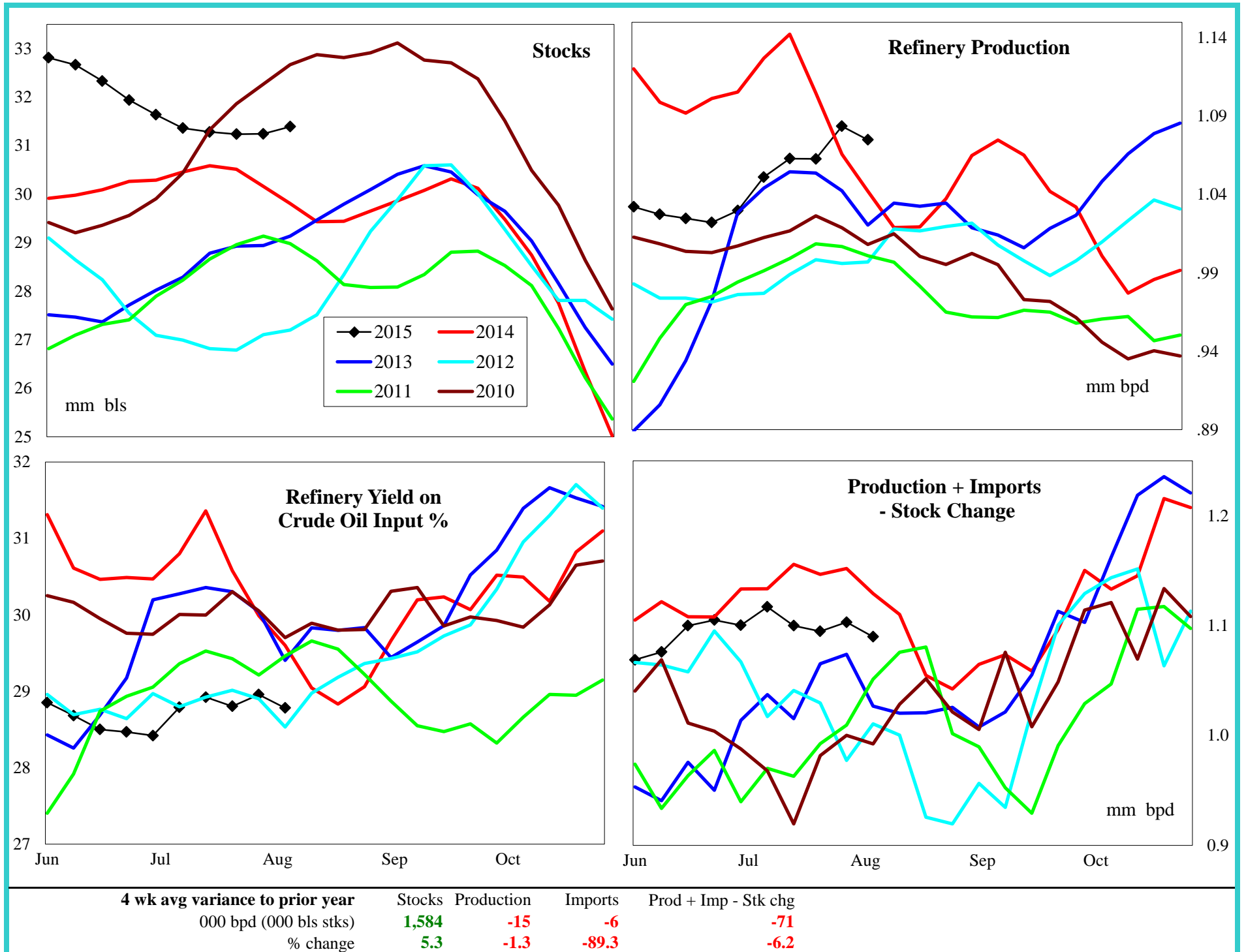
PADD 2 Reformulated Gasoline Supply



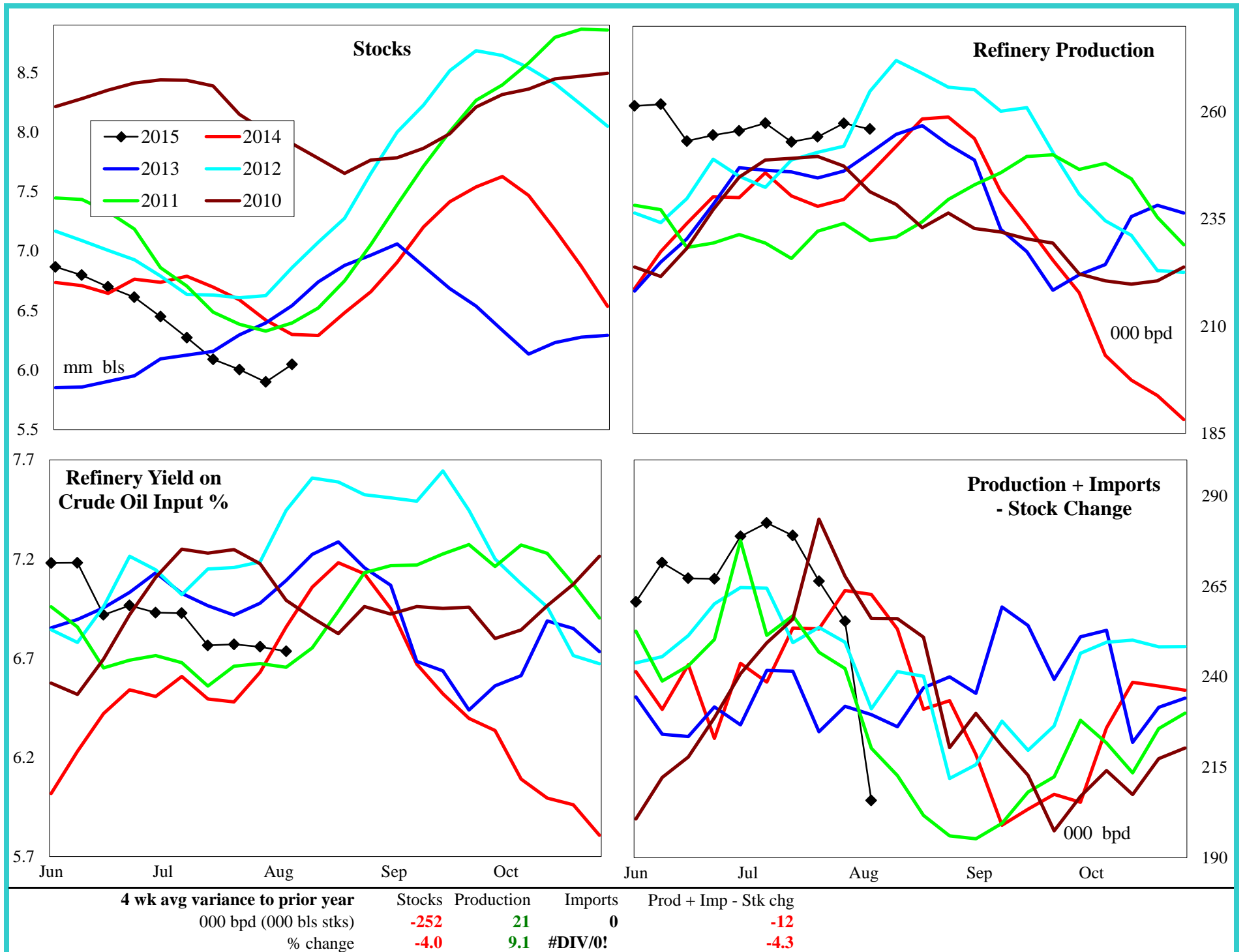
PADD 2 Conventional Gasoline Supply



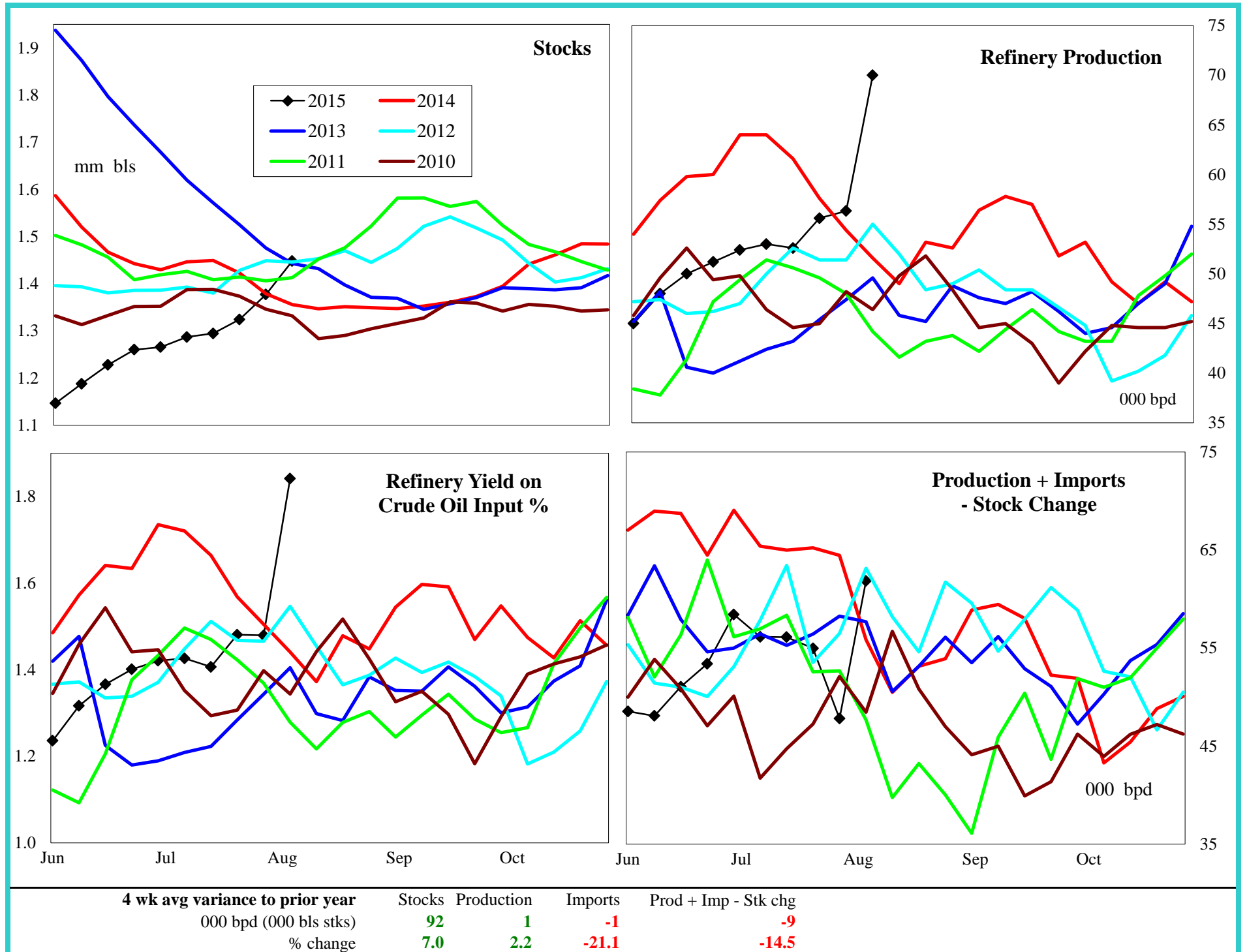
PADD 2 Distillate Supply



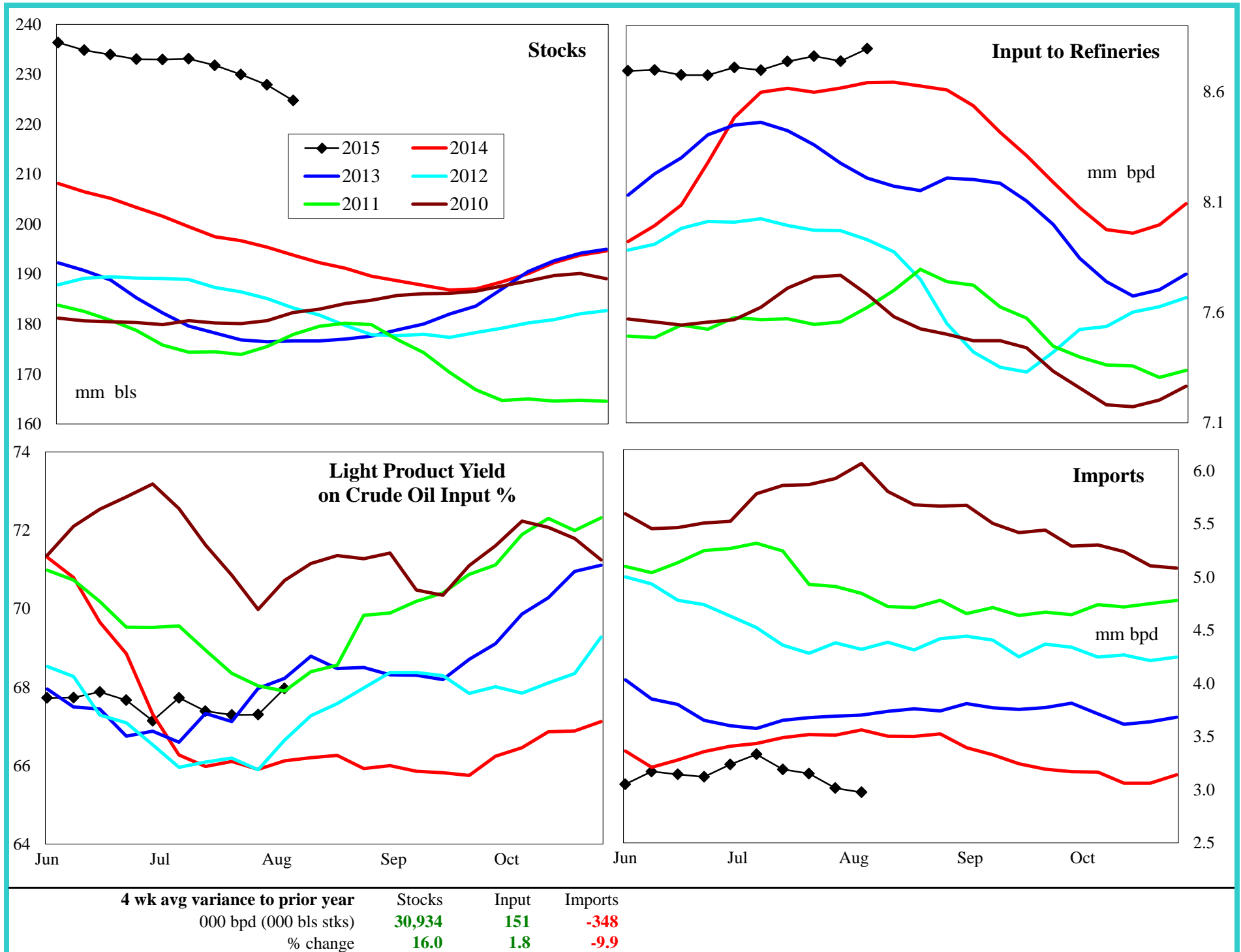
PADD 2 Jet Fuel Supply



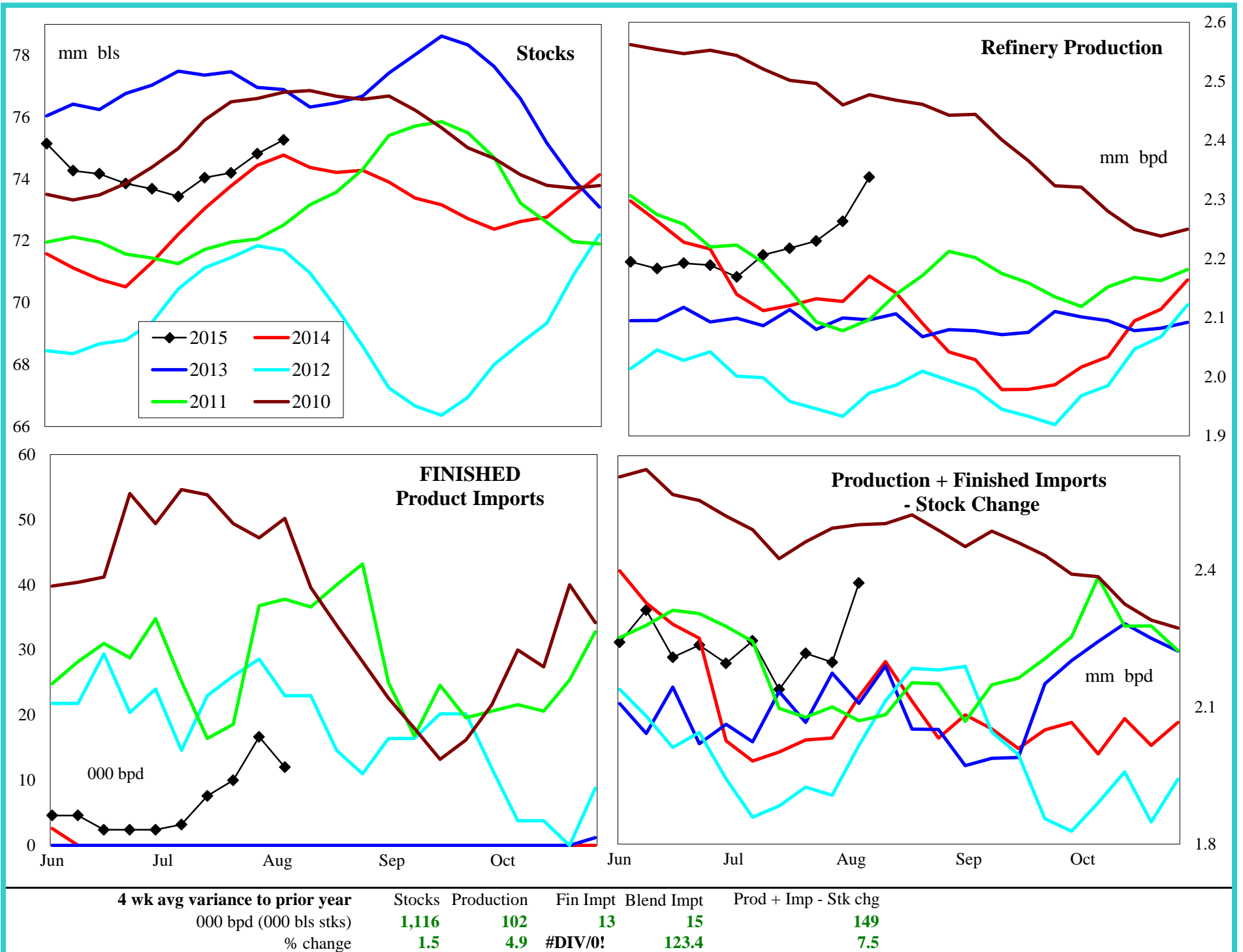
PADD 2 Residual Fuel Oil Supply



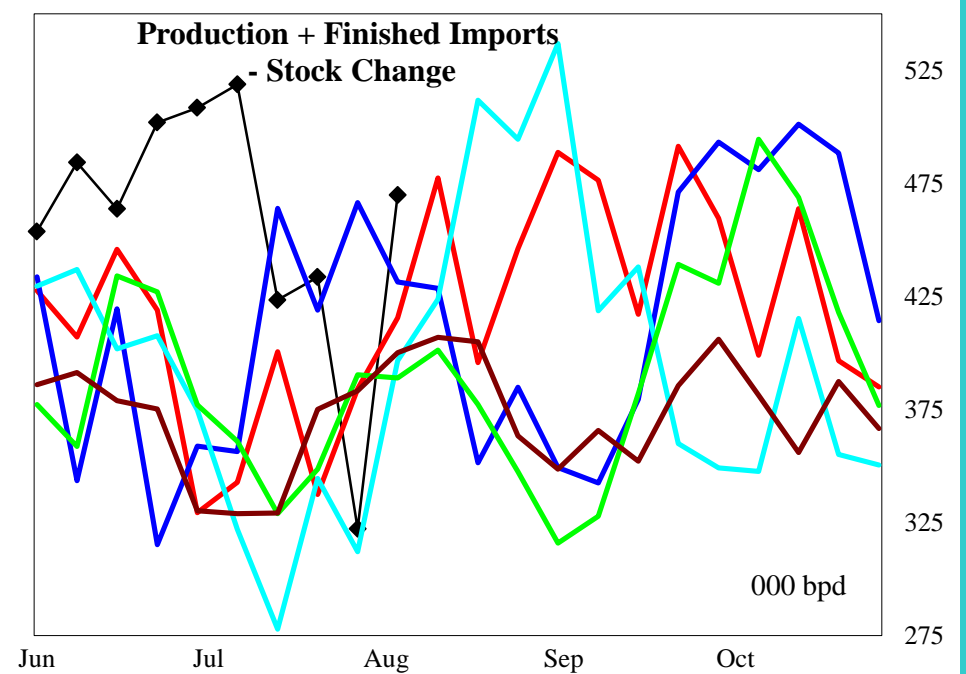
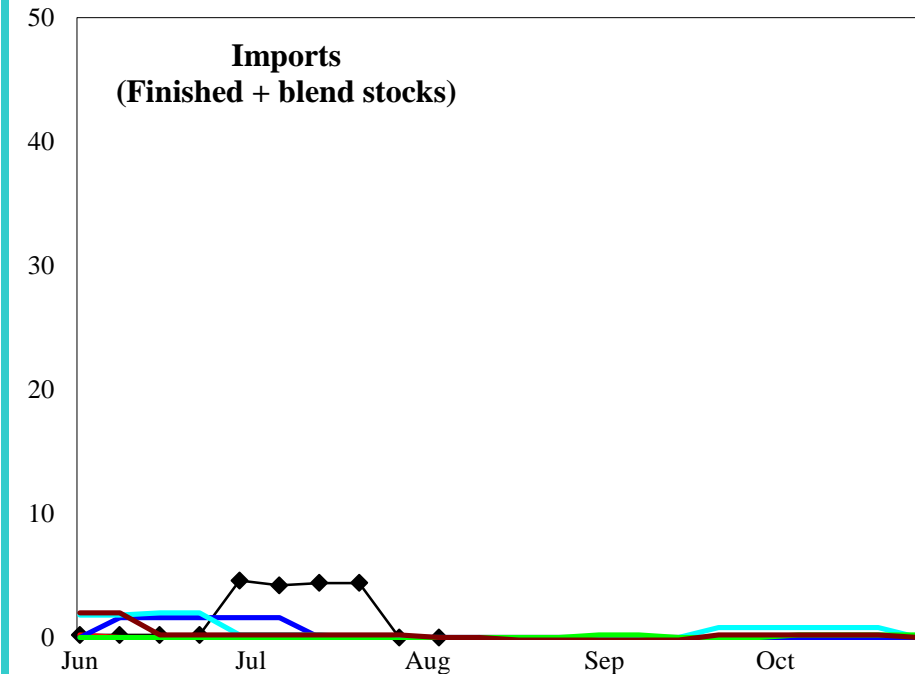
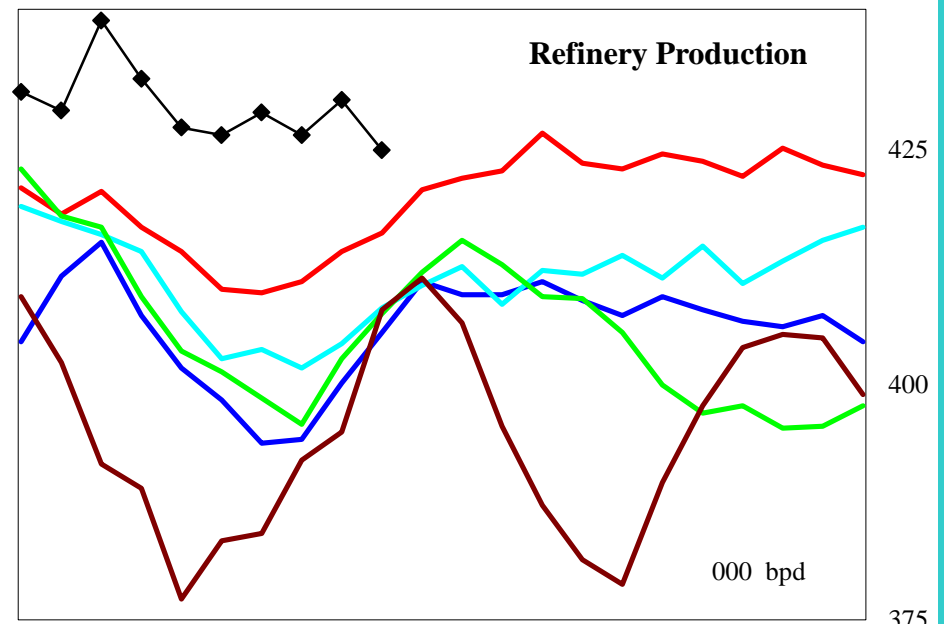
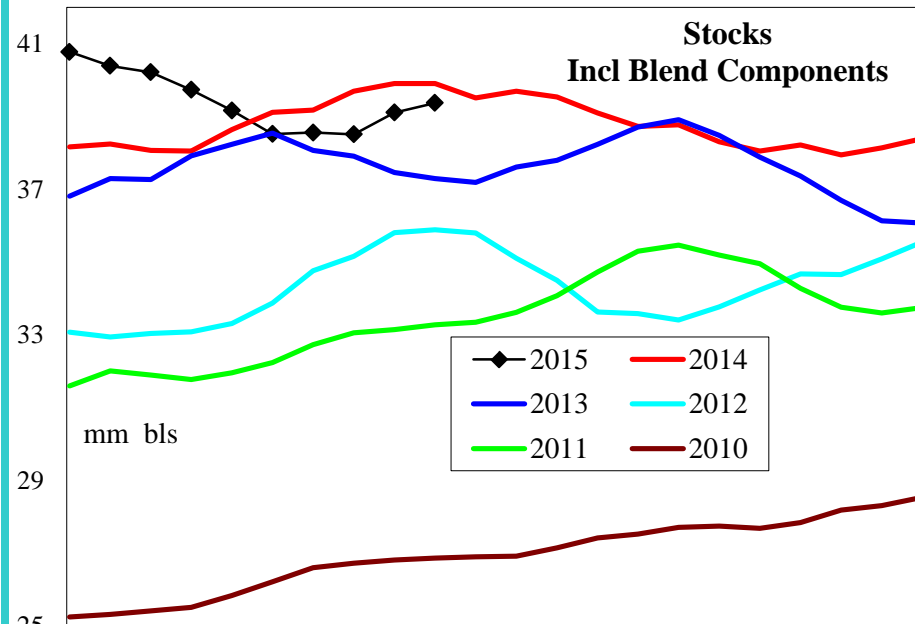
PADD 3 Crude Oil Supply and Refining



PADD 3 Gasoline Supply



PADD 3 Reformulated Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

-713

-1.8

Production

17

4.2

Imports

6

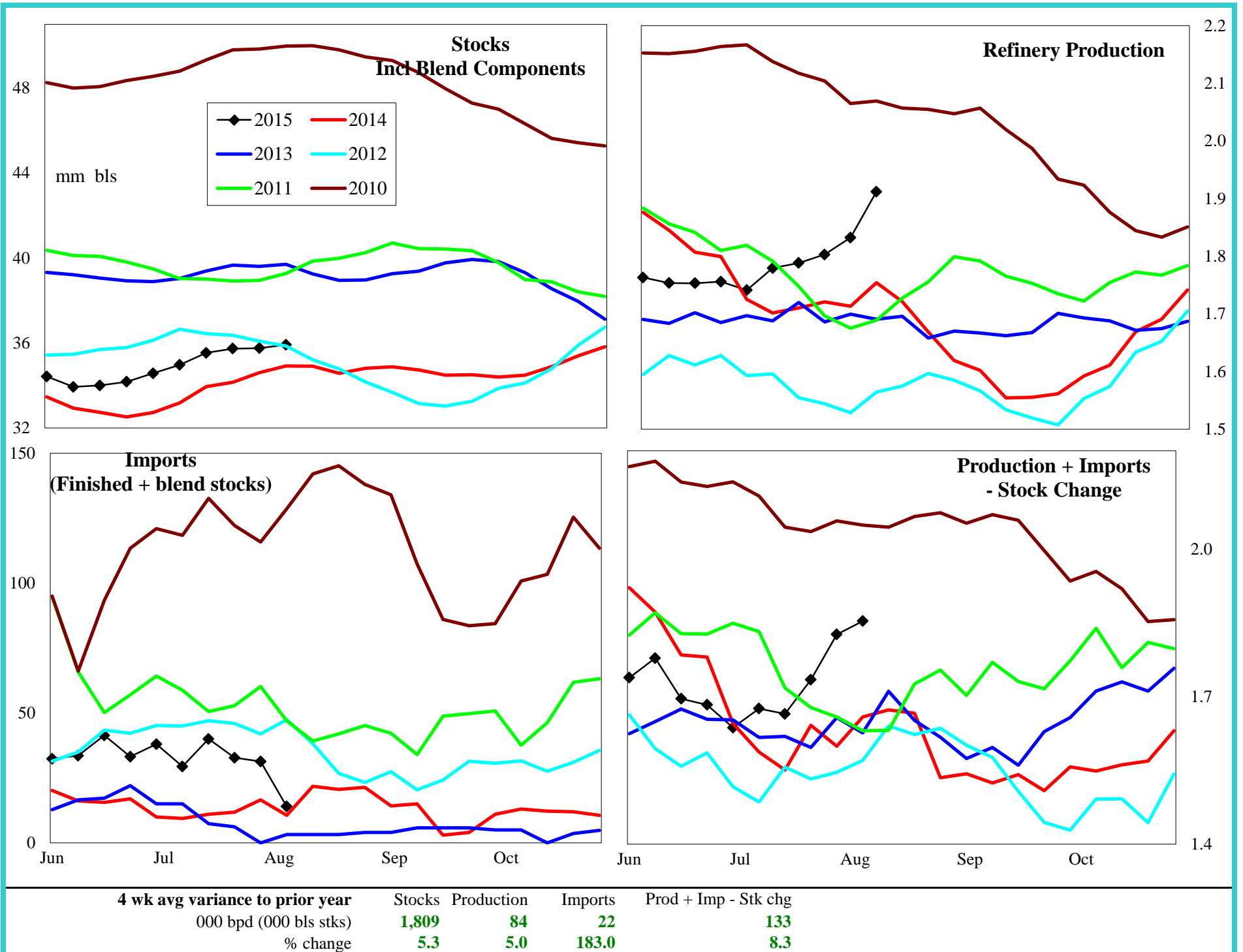
#DIV/0!

Prod + Imp - Stk chg

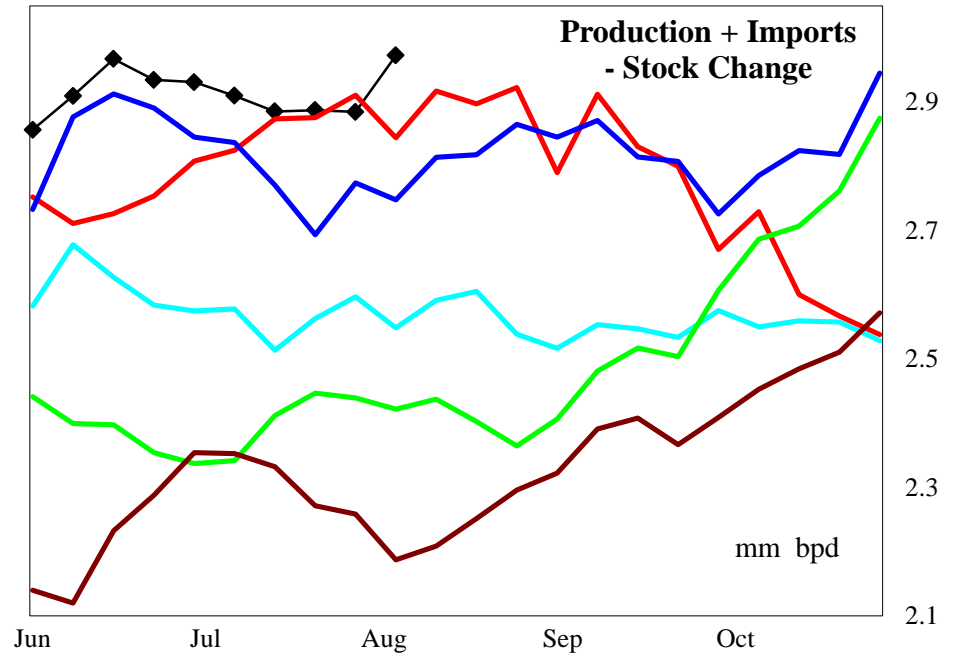
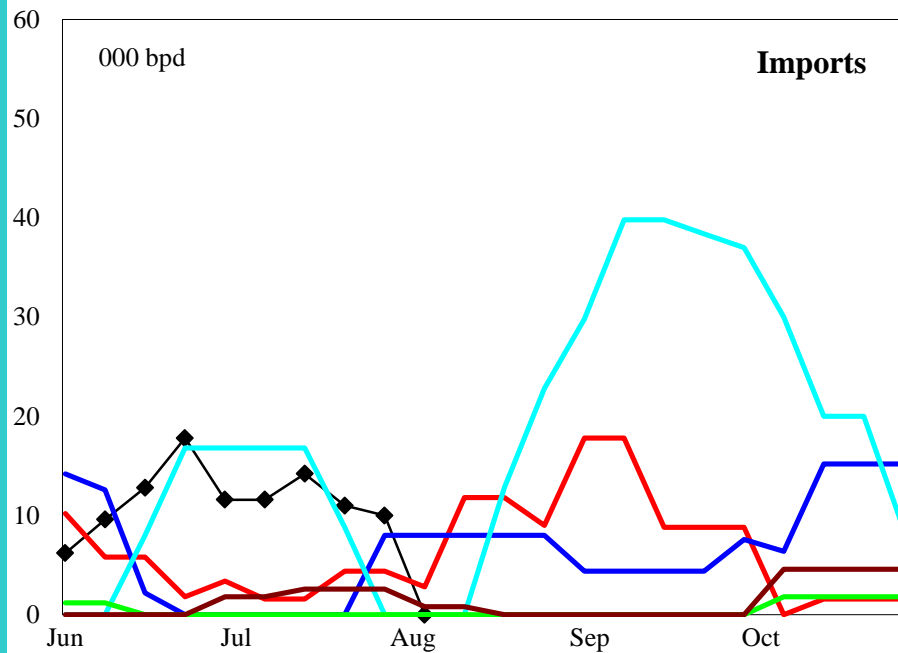
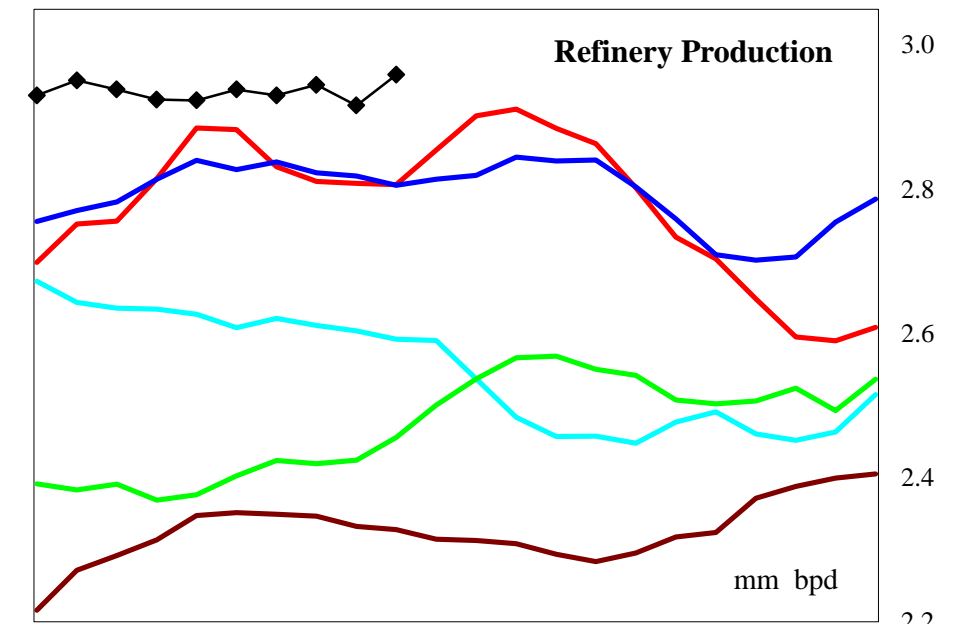
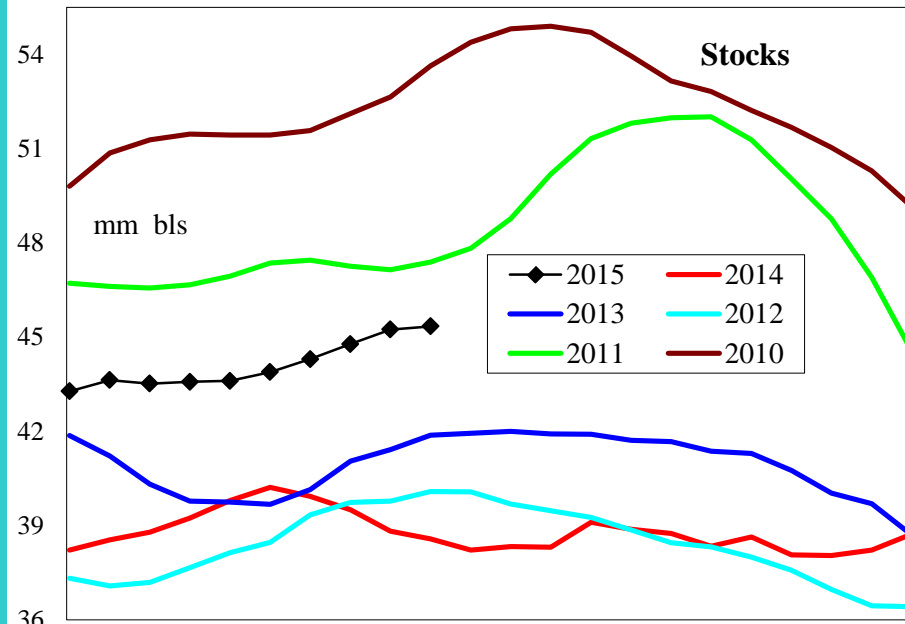
15

3.9

PADD 3 Conventional Gasoline Supply



PADD 3 Distillate Supply



4 wk avg variance to prior year

000 bpd (000 bbls stks)

% change

Stocks

7,149

19.0

Production

150

5.5

Imports

2

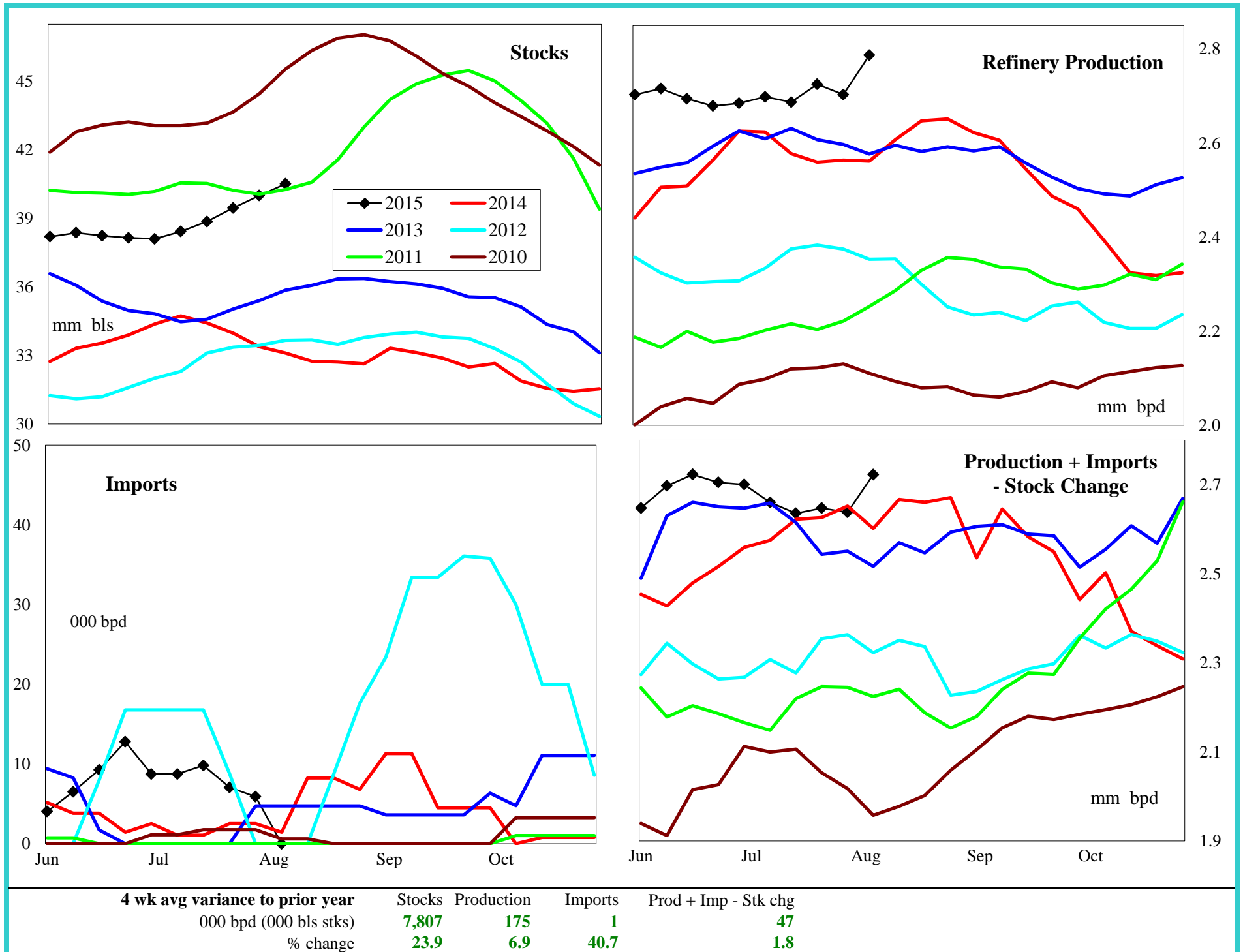
36.4

Prod + Imp - Stk chg

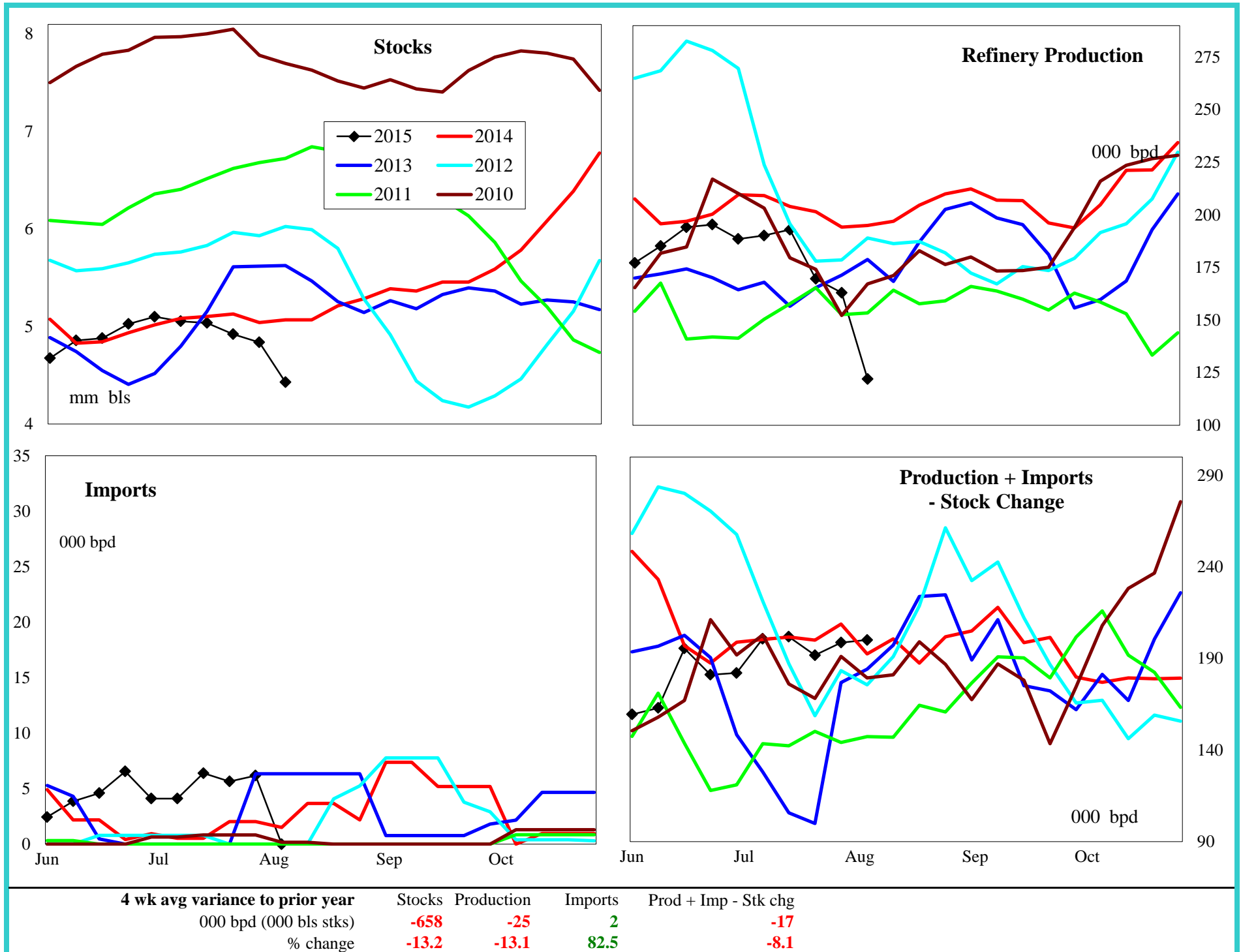
29

1.0

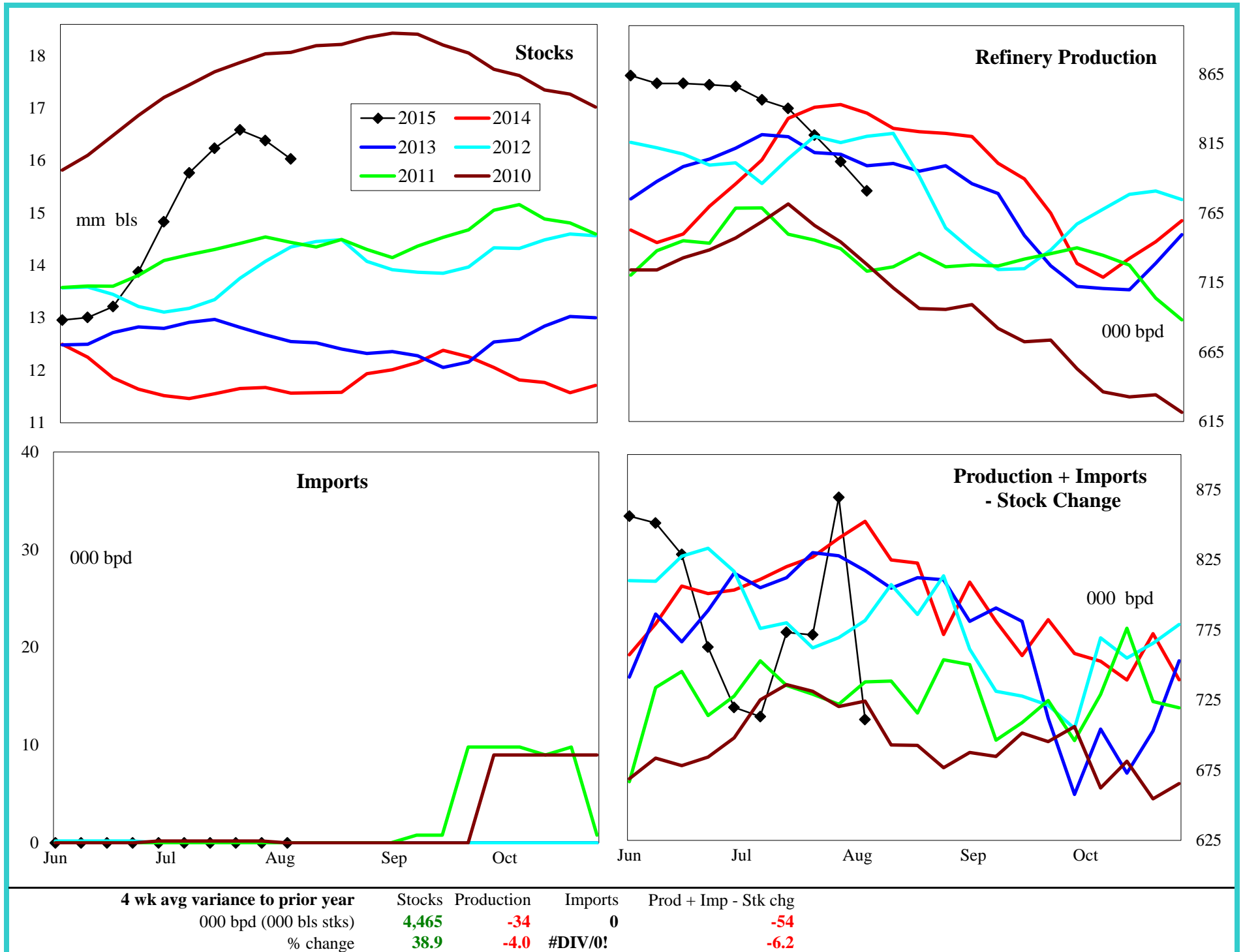
PADD 3 Low Sulfur Distillate Supply



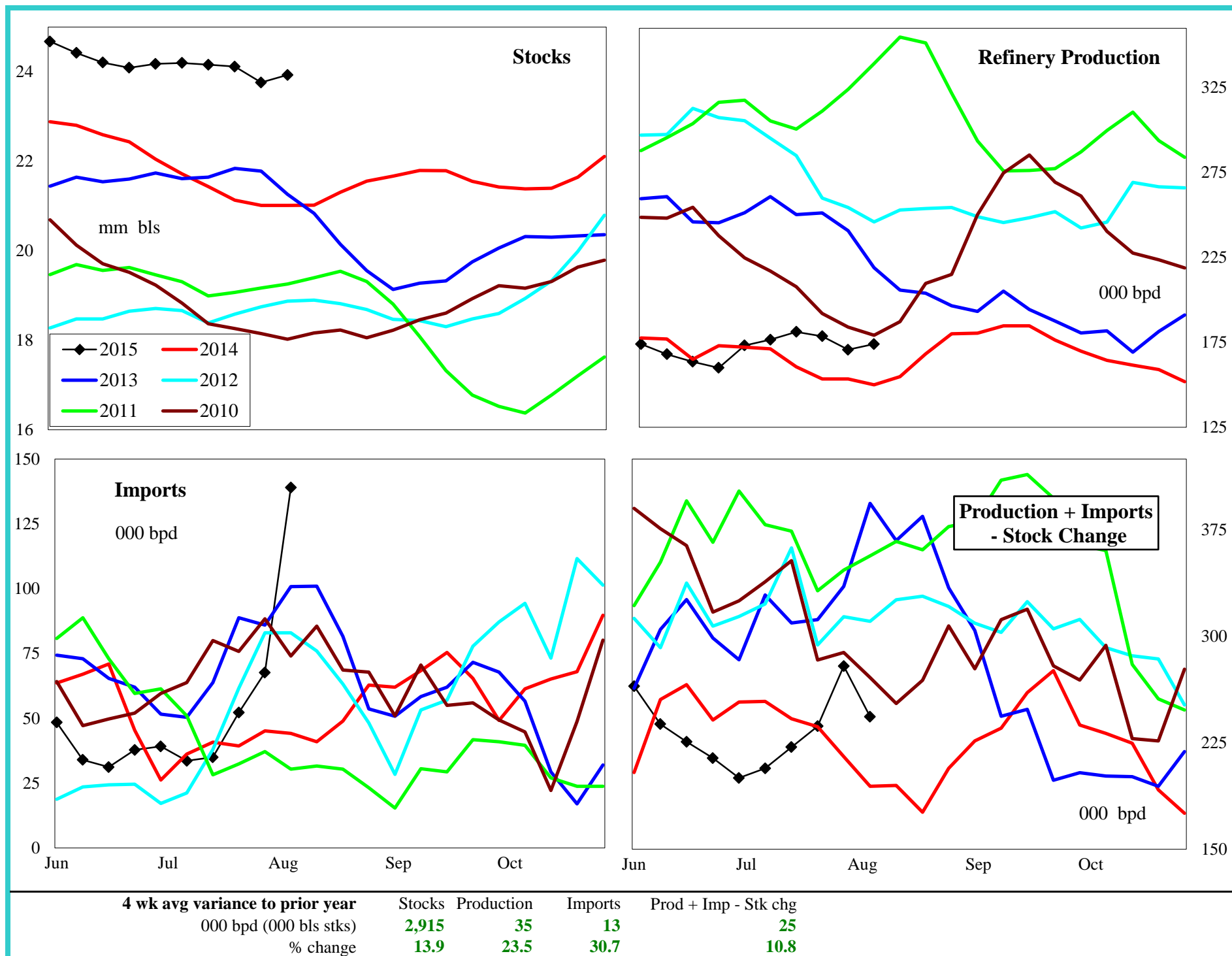
PADD 3 High Sulfur Distillate Supply



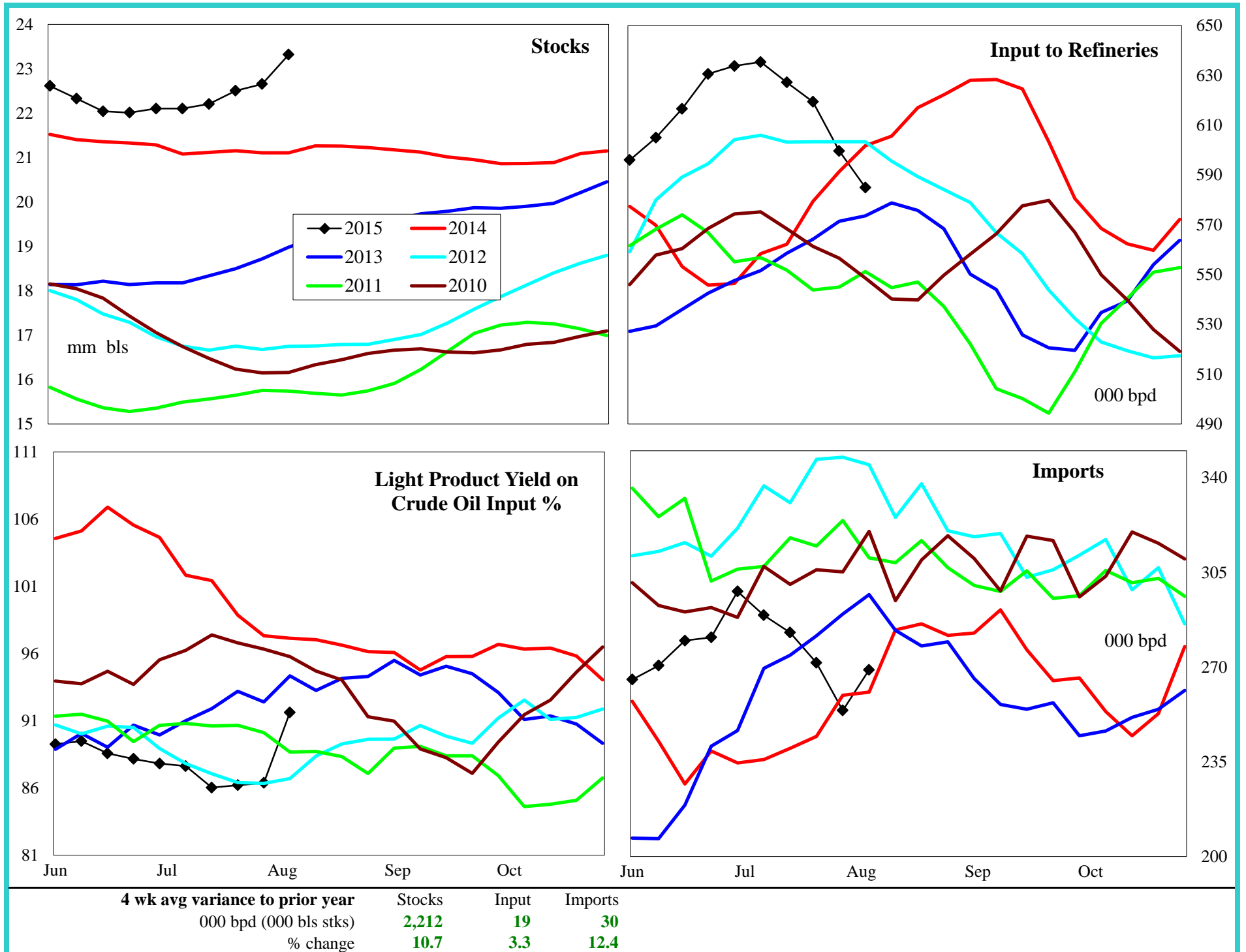
PADD 3 Jet Fuel Supply



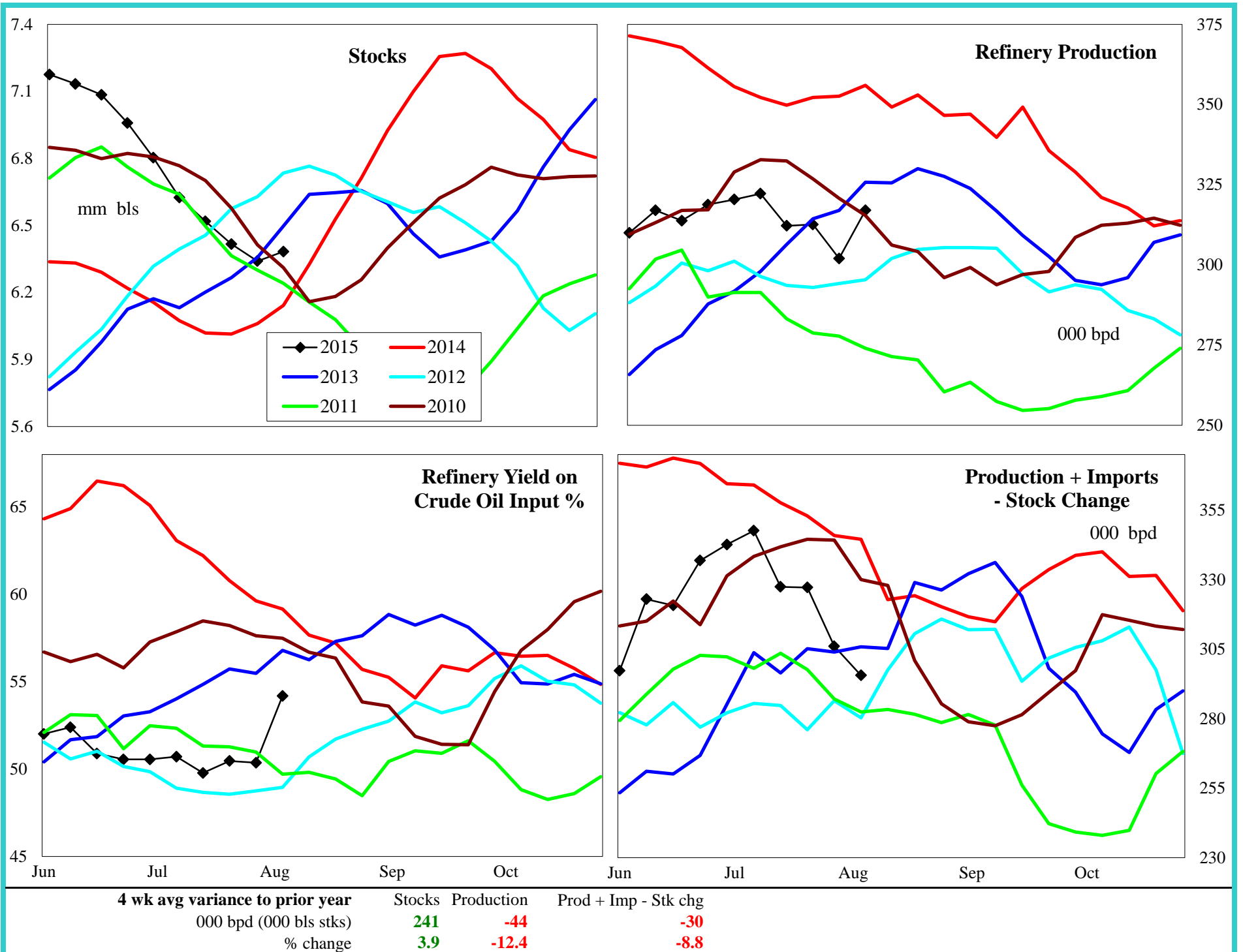
PADD 3 Residual Fuel Oil Supply



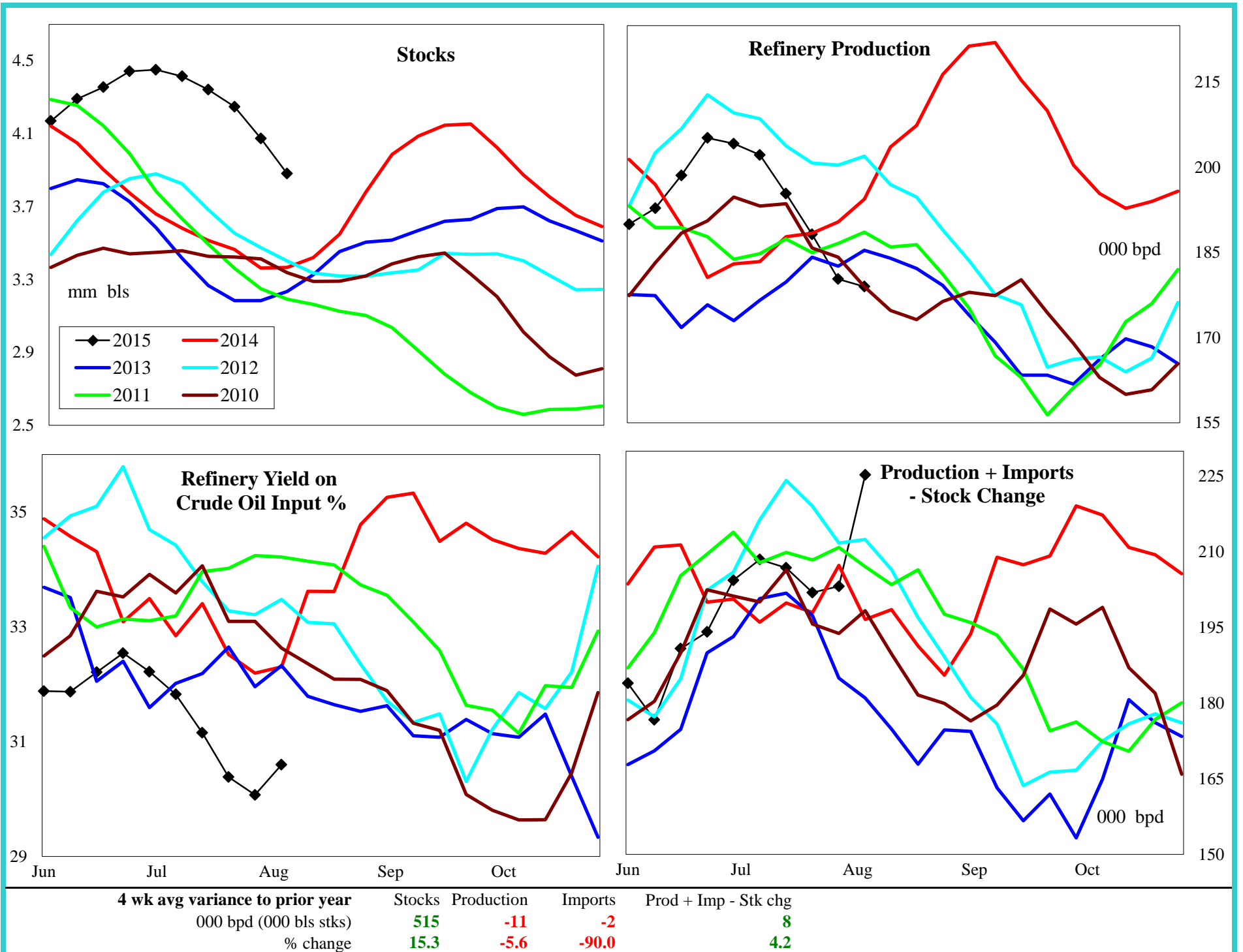
PADD 4 Crude Oil Supply and Refining



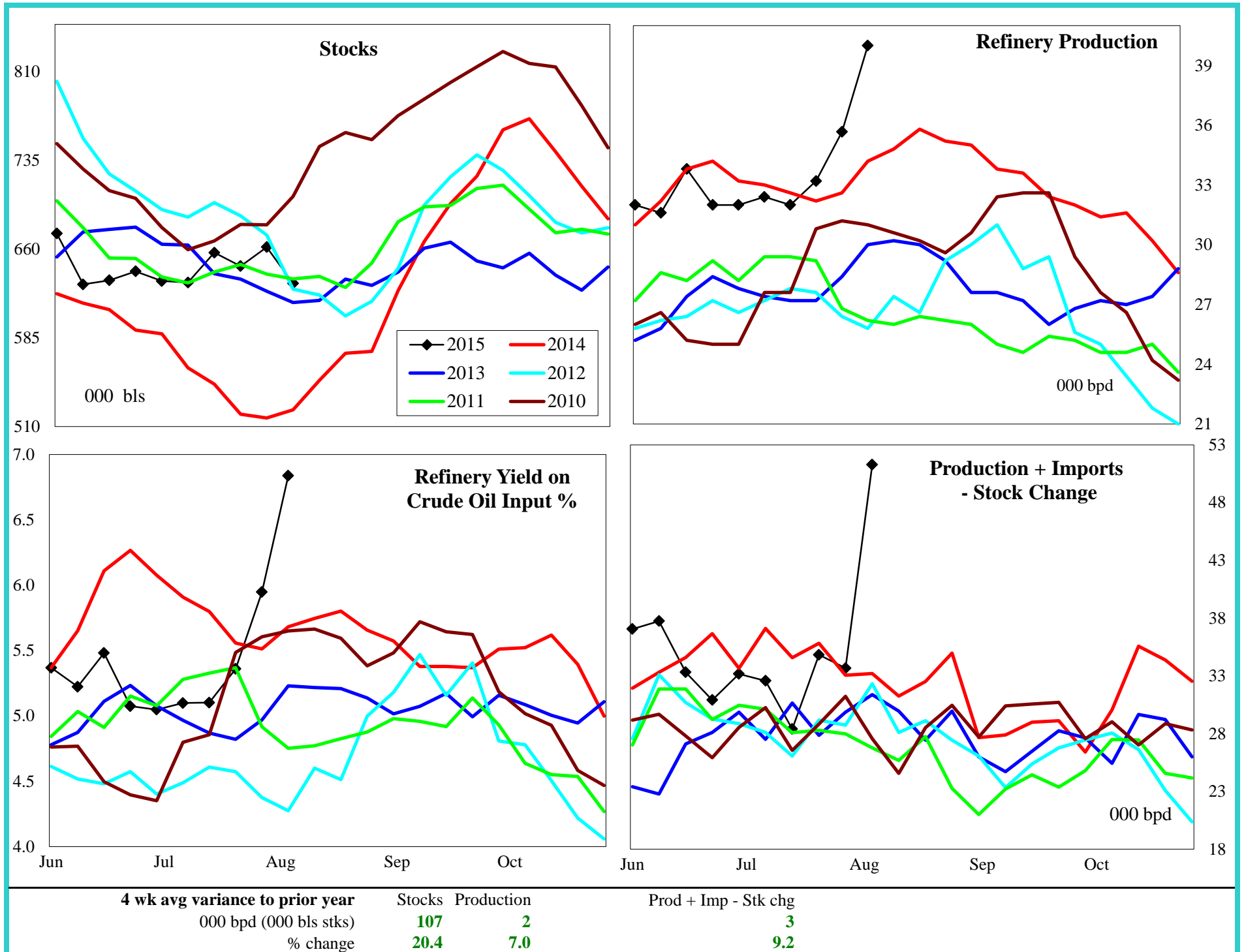
PADD 4 Gasoline Supply



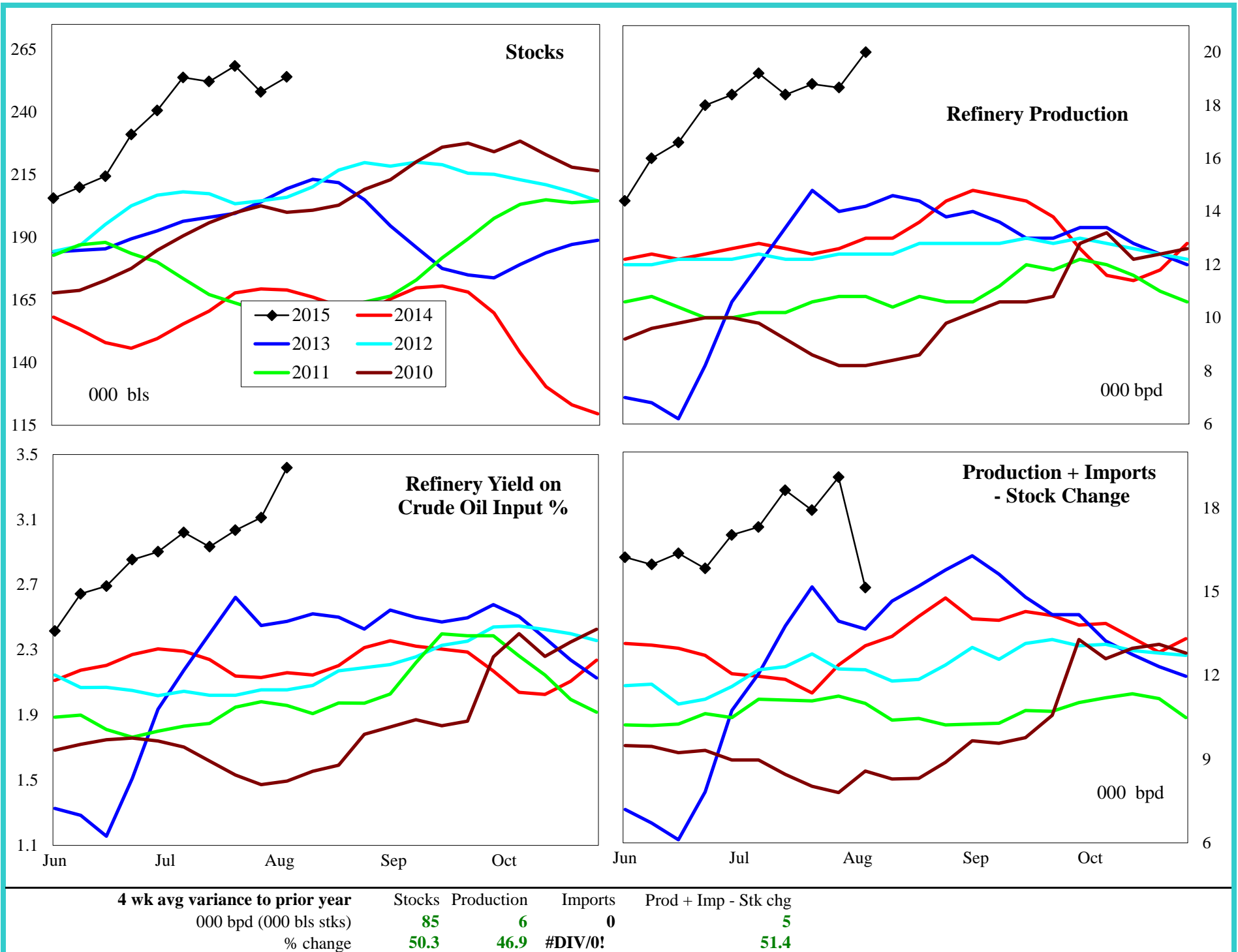
PADD 4 Distillate Supply



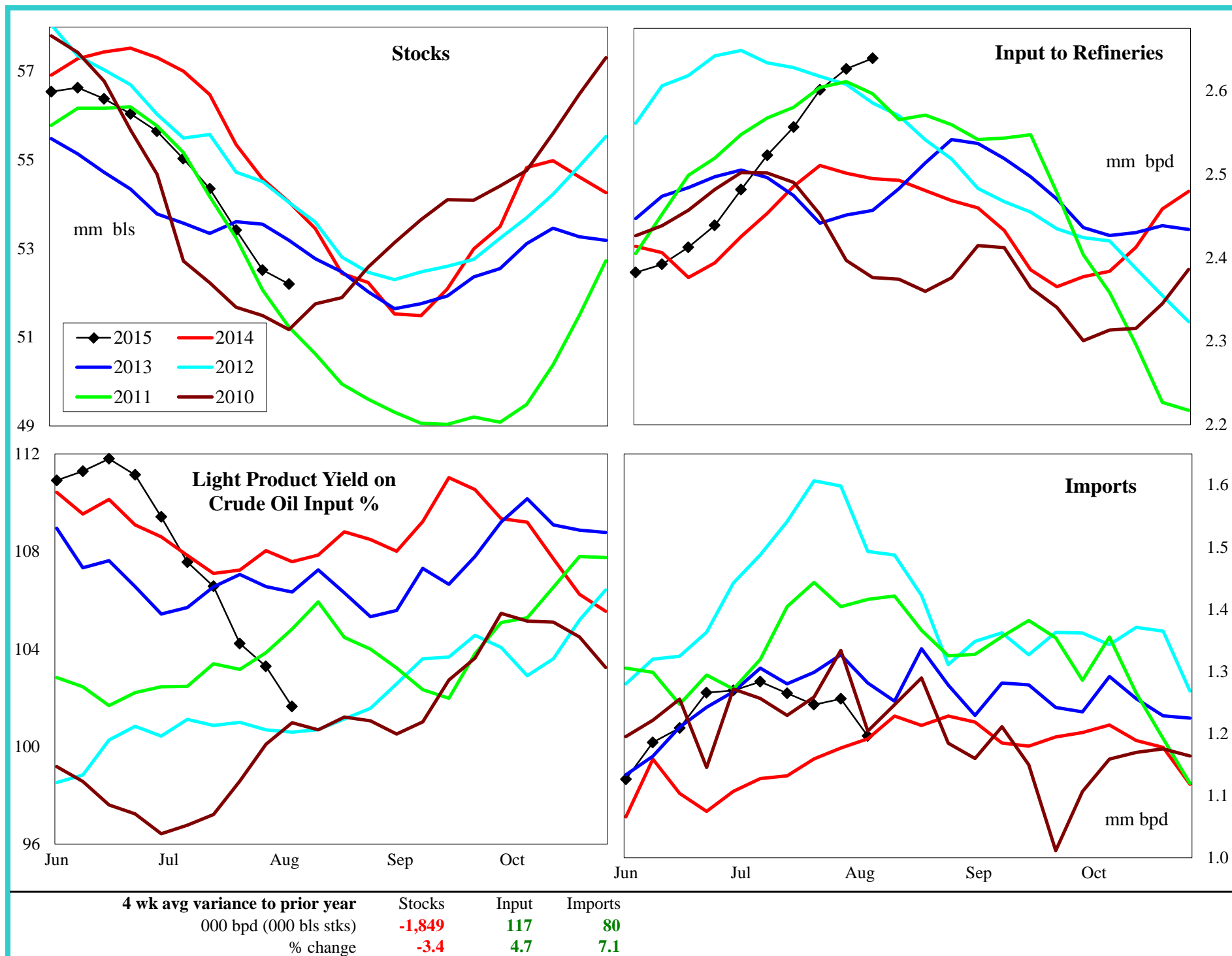
PADD 4 Jet Fuel Supply



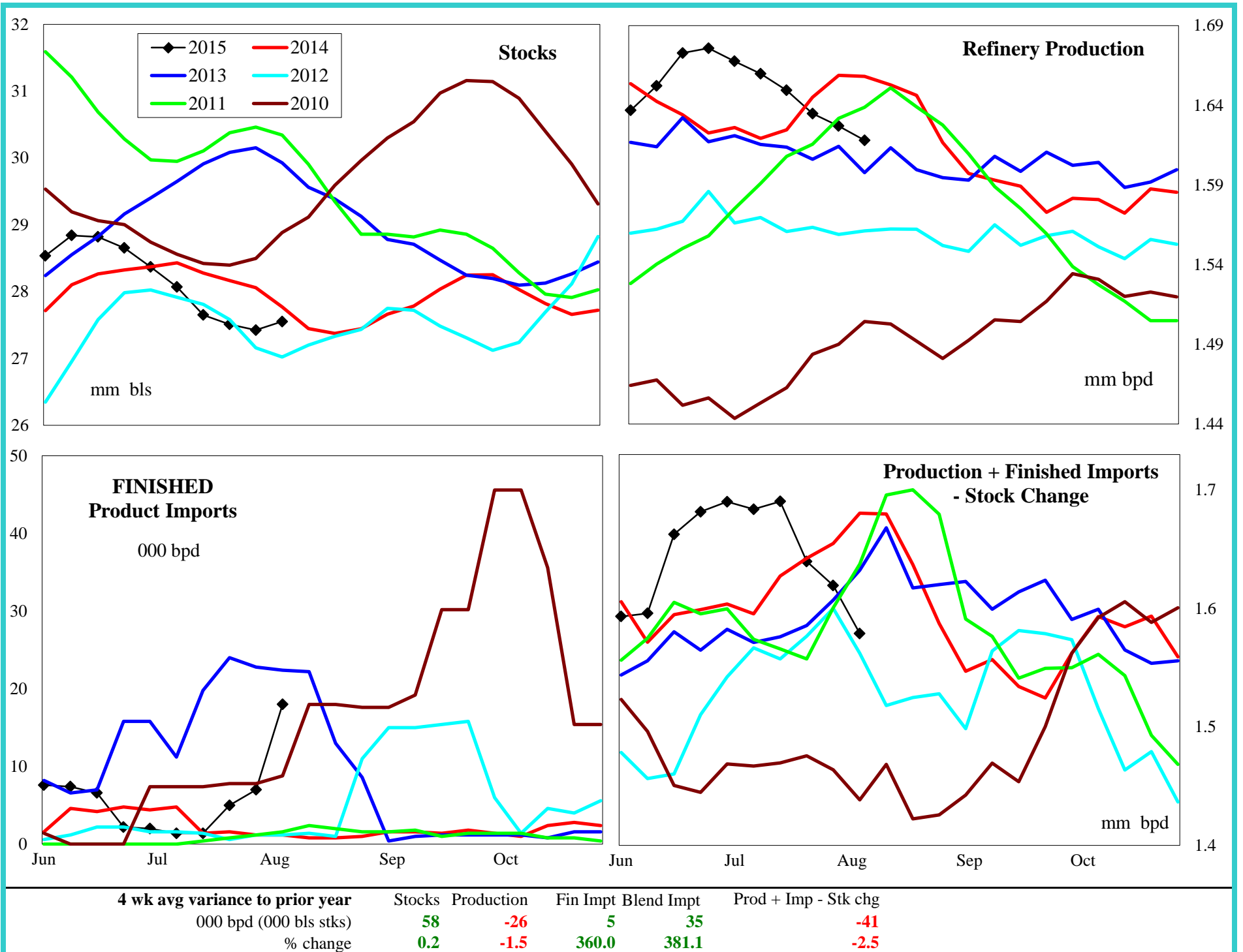
PADD 4 Residual Fuel Oil Supply



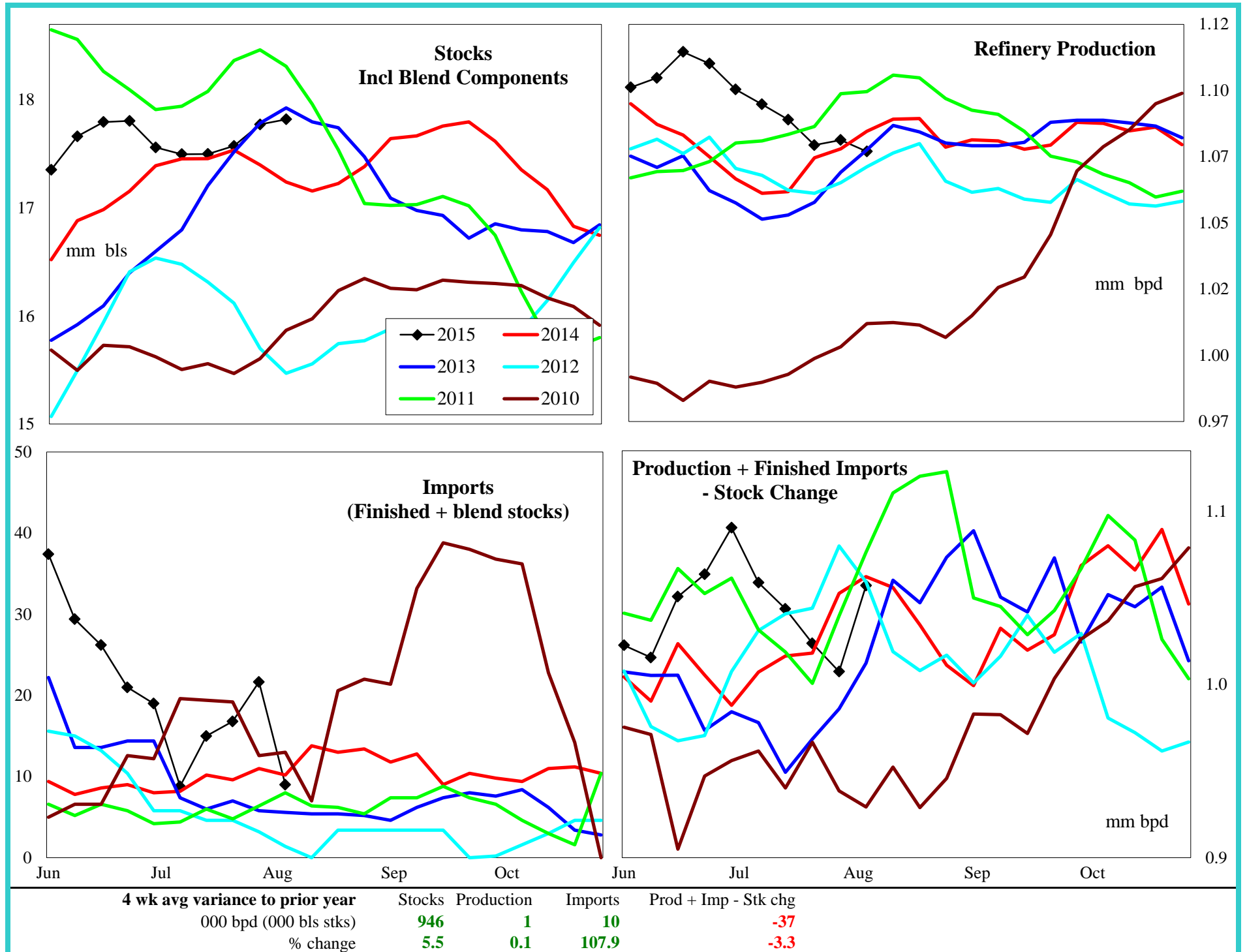
PADD 5 Crude Oil Supply and Refining



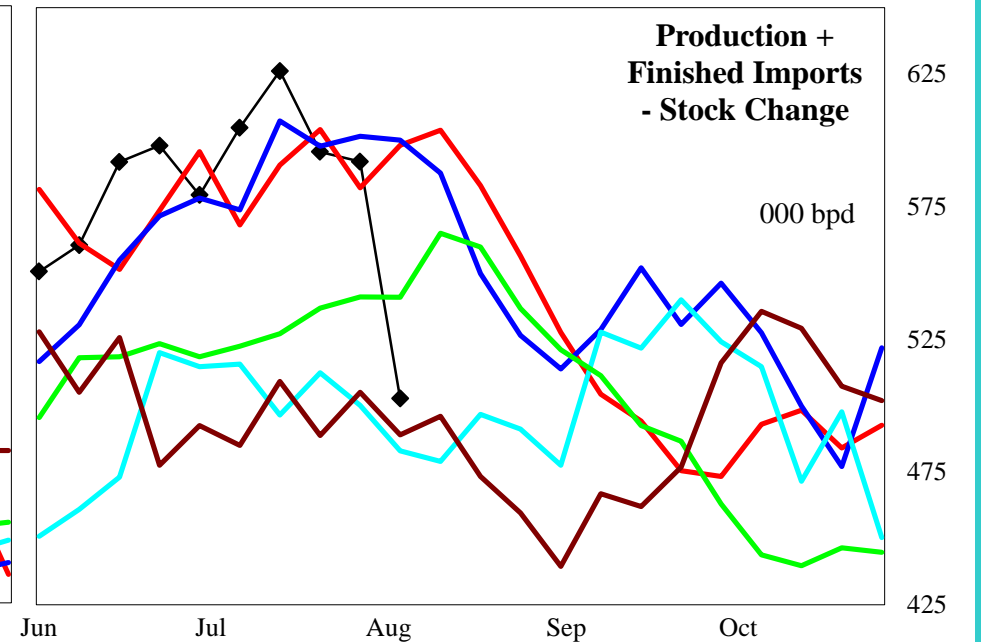
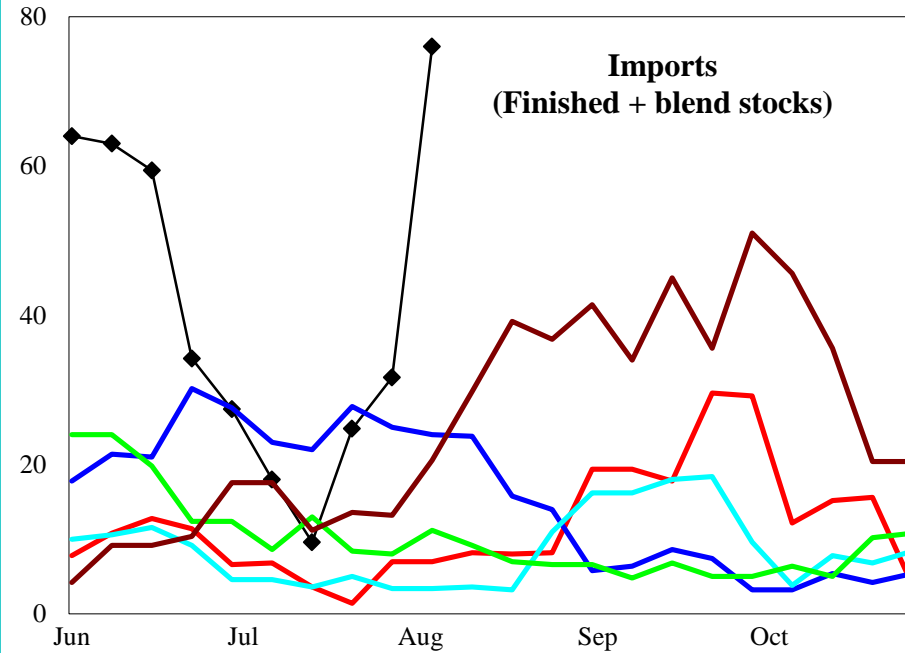
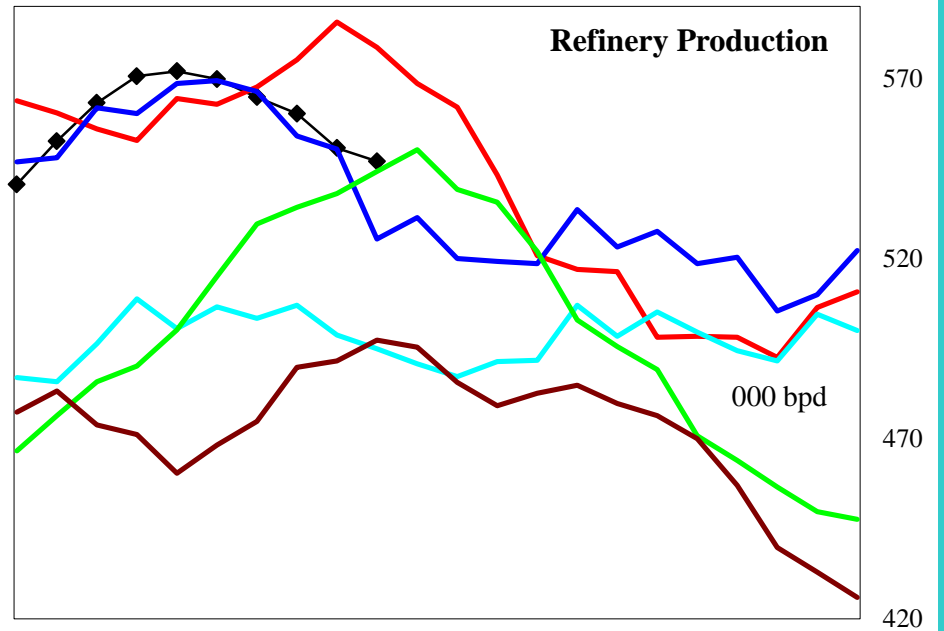
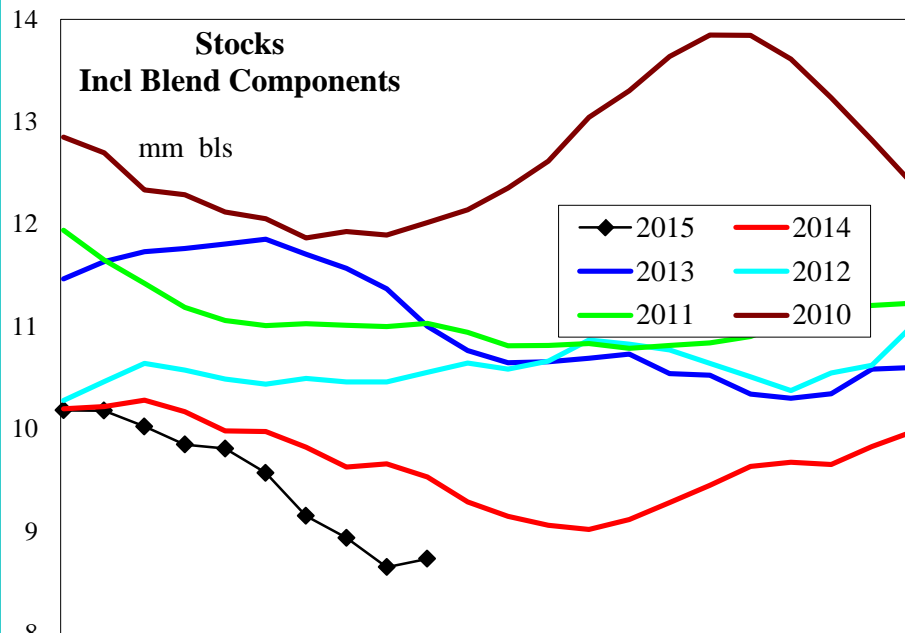
PADD 5 Gasoline Supply



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

-888

-27

30

-4

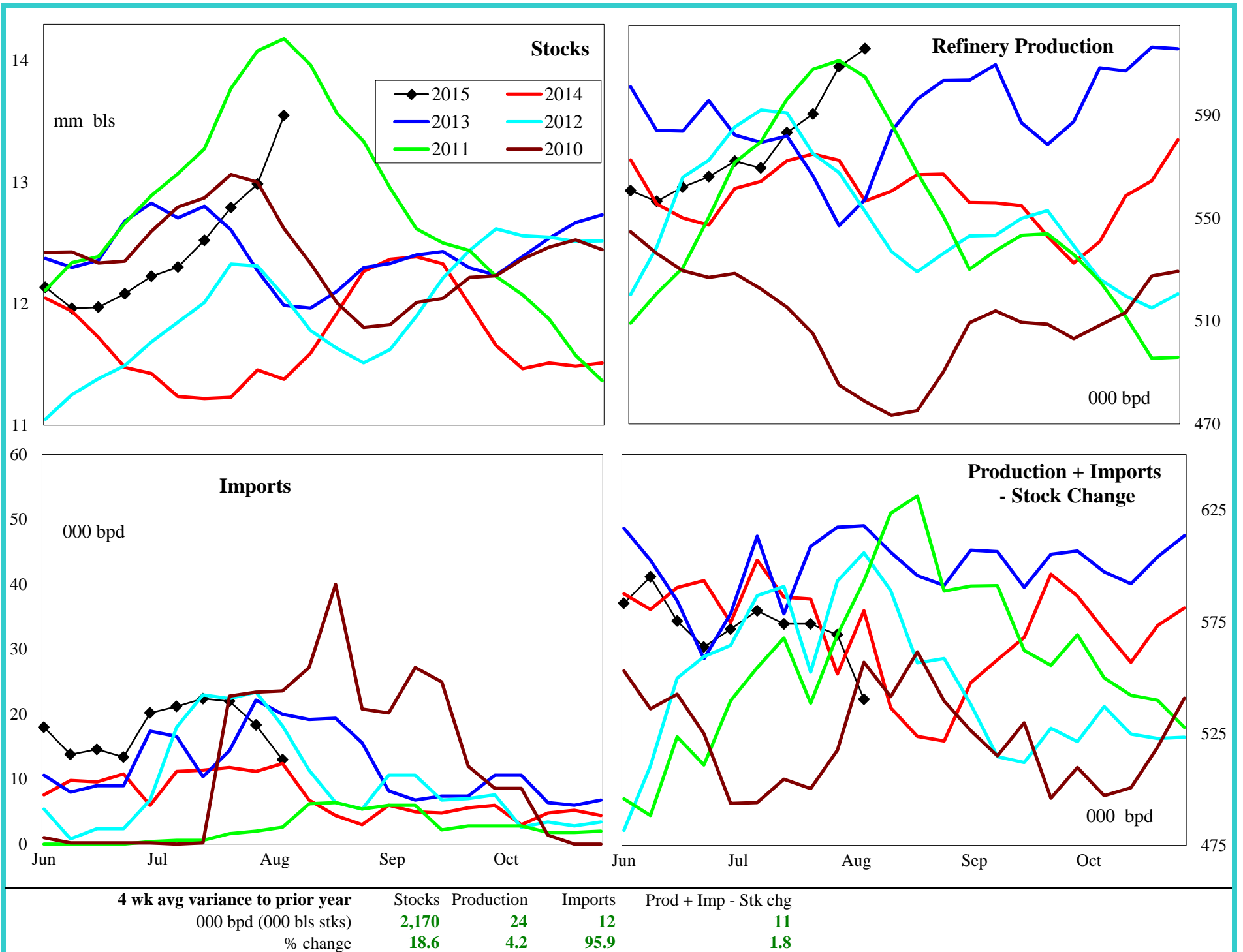
-9.0

-4.6

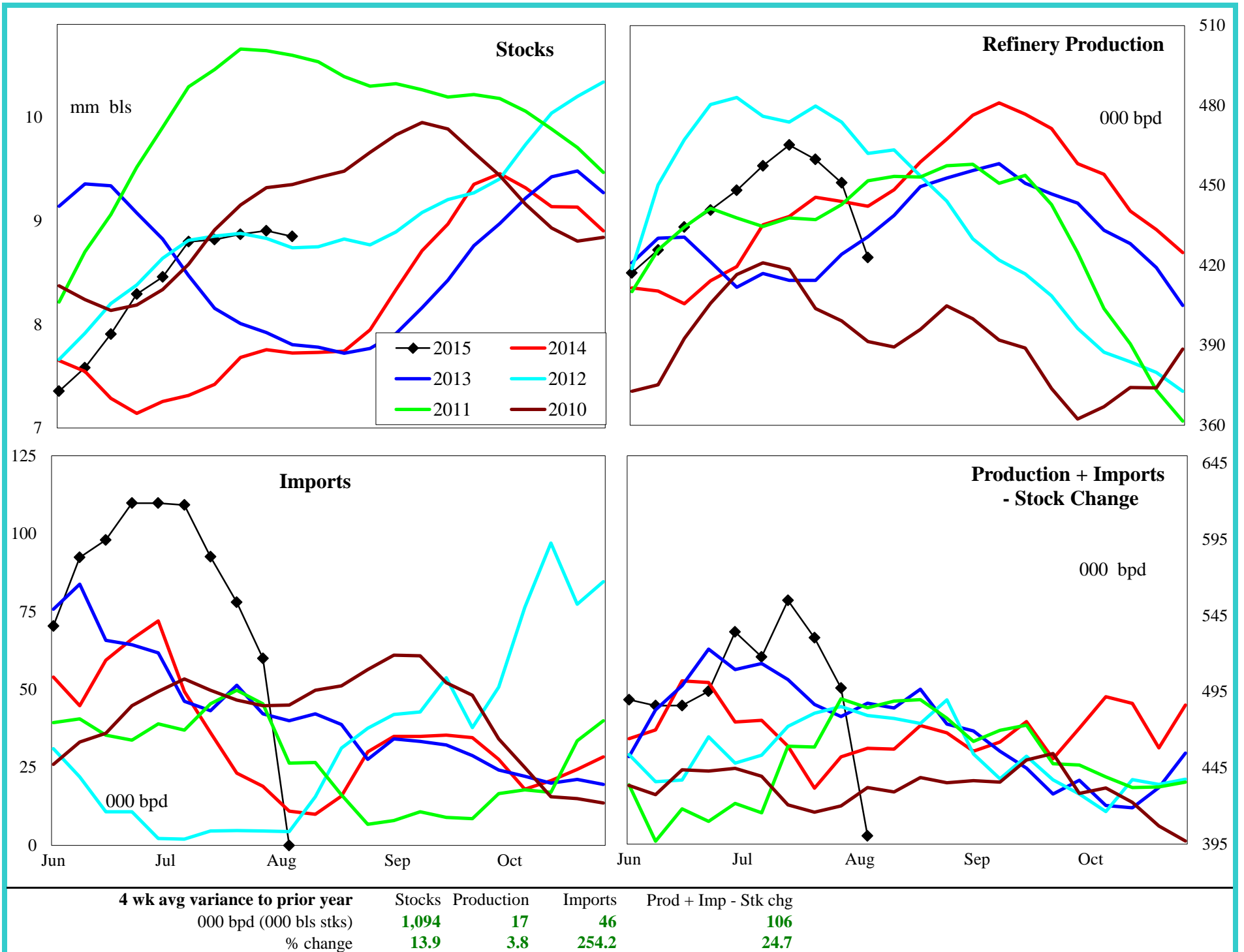
2,950.0

-0.8

PADD 5 Distillate Supply



PADD 5 Jet Fuel Supply



PADD 5 Residual Fuel Oil Supply

