



WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

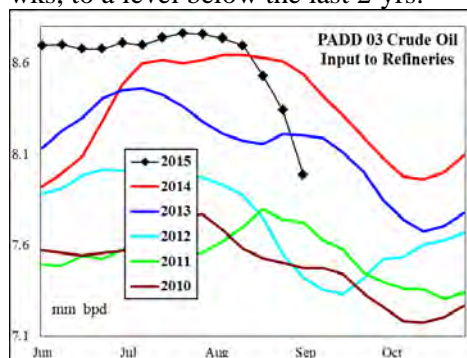
A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Thursday, September 10, 2015

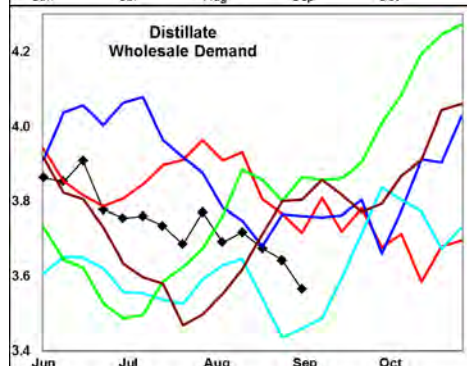
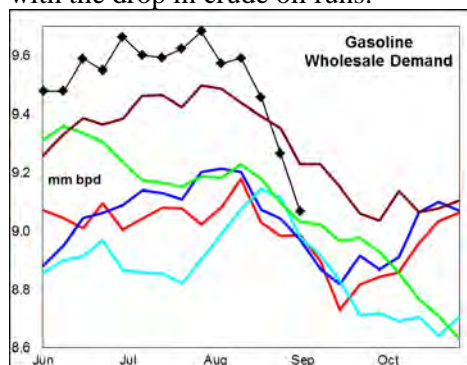


Major Fundamental Trends¹

Fall refinery maintenance is under way in the Gulf region where runs have declined -840,000 bpd in the last 3-wks, to a level below the last 2-yrs.



Declines in wholesale demand for both gasoline and distillate last week led to modest stock builds of +0.4 and +1 million barrels; respectively – even with the drop in crude oil runs.



Gasoline stock levels are equal or above the 3-yr mid range in all regional markets. Year-on-year increase in wholesale demand and an expected sharp drop in gasoline production as fall maintenance begins

should lead to stock draws during the next 60-days.

Stock levels of crude oil and distillates are each extremely high. Distillate stocks ended the week +23 million barrels (+17%) above the last 3-yrs.

Crude oil stocks ended the week +99 million barrels (+28%) above the last 3-yrs. Note that increased domestic production requires higher operating stocks than imports, accounting for up to 30 million barrels of the increase.

Wholesale Demand for gasoline fell -0.4 million bpd on the week, while middle distillates were unchanged.

Wholesale demand, measured over the last four weeks compared to a year ago: gasoline increased +3.8%, distillate decreased -1.2%, jet fuel increased +7.5%, while residual fuel increased +75%.

Stocks forward coverage: Gasoline demand coverage increased last week on a +0.4 million barrel stock build, and lower wholesale demand. Coverage ended the week at a level below the last 2-yrs.

Distillate demand coverage increased on a +1 million barrel stock build and lower wholesale demand. Coverage ended the week at a level above the last 4-yrs.

Jet fuel coverage decreased on a +0.2 million barrel build in stocks, offset by a sharp rise in wholesale demand. Coverage levels were below the 3-yr mid range.

Refinery utilization rates decreased on a -279,000 bpd decline in crude oil runs last week. During the latest 4-wk period crude oil input was +53,000 bpd above last year.

Gasoline yield % on crude oil runs decreased on the week due to a -0.2 million bpd drop in output compared to the -0.3 million bpd decrease in crude oil runs. Gasoline yield % on crude oil runs ended the week at a level well above the last 2-yrs.

Distillate yield % on crude oil runs was unchanged on a -129,000 bpd

decline in output compared to the drop in crude oil runs. The yield % on crude oil runs was well below the last 3-yrs.

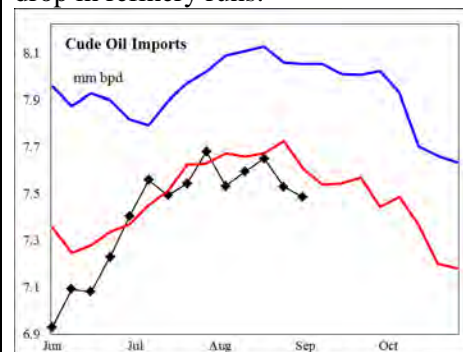
Jet fuel yield % on crude oil runs jumped on a +97,000 bpd rise in output compared to the lower crude oil runs, with yields near 5-yr highs.

Petroleum Imports/Exports: Crude oil imports fell -0.4 million bpd last week, with imports for gasoline also lower.

During the latest 4-wk period crude oil imports +41,000 bpd above a year ago; distillate imports were +18,000 bpd higher; finished gasoline imports were +3,000 bpd higher; gasoline blend stock imports were +150,000 bpd higher, jet fuel imports increased +105,000 bpd, while residual fuel imports were +4,000 bpd higher.

Exports of distillate for the week ending 21Aug15 were +26,000 bpd above a year ago, gasoline +15,000 bpd higher, jet fuel -1,000 bpd lower and residual fuel oil was +34,000 bpd higher.

Crude Oil stocks increased +2.6 million barrels on the week, with imports down -0.4 million bpd partially offset by a -0.3 million bpd drop in refinery runs.



With fall maintenance expanding, look for crude oil stocks to continue a seasonal build in major regions. Cushing stocks declined -0.9 million bpd on record refinery runs in the Midwest.

¹ Source is latest EIA Weekly Statistics



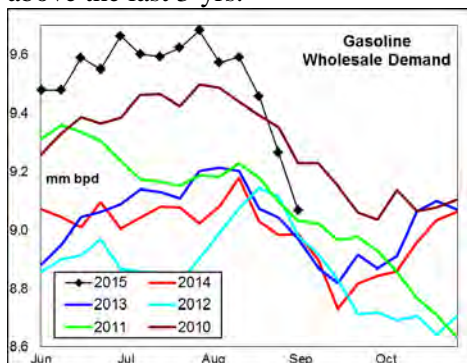
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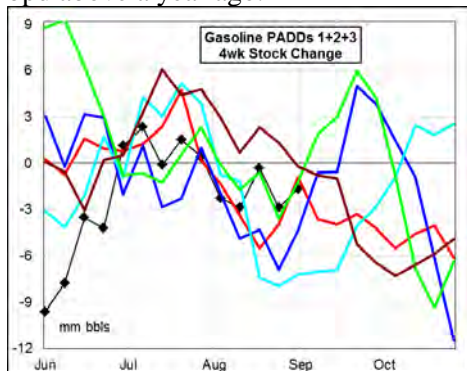
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Product Supply-Demand Trends

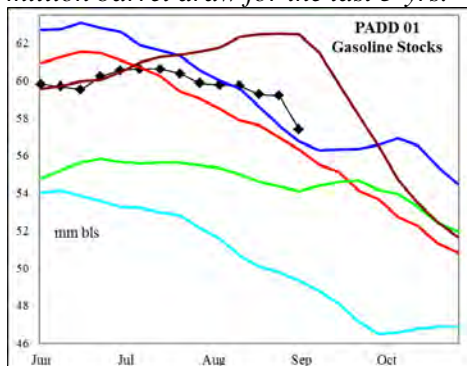
Gasoline wholesale demand fell -0.4 million bpd on the week, to a level above the last 3-yr.



Supply fell -0.5 million bpd last week, with the 4-wk average +0.6 million bpd above a year ago.



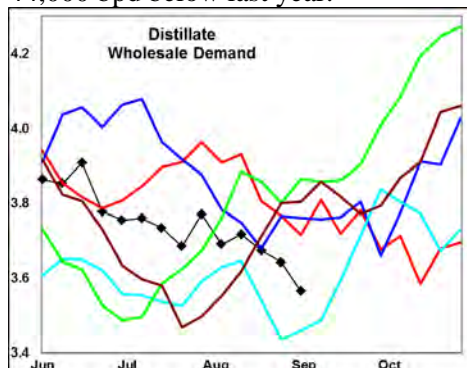
The latest 4-wk stock change East of the Rockies was a -1.2 million barrel draw, compared to an average -4.2 million barrel draw for the last 3-yr.



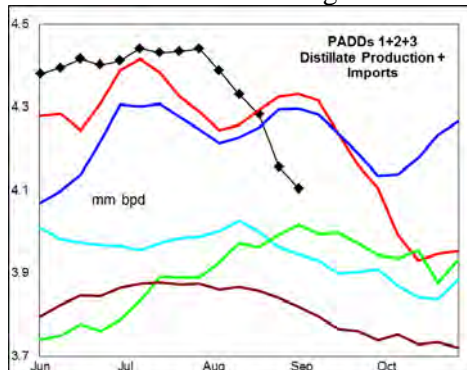
Stock levels were equal to or higher than the 3-yr mid range in all regional markets last week. Look for a seasonal drop in production as fall maintenance begins, combined with robust year on year wholesale demand growth to drive above average stock draws during the next 60-days.

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

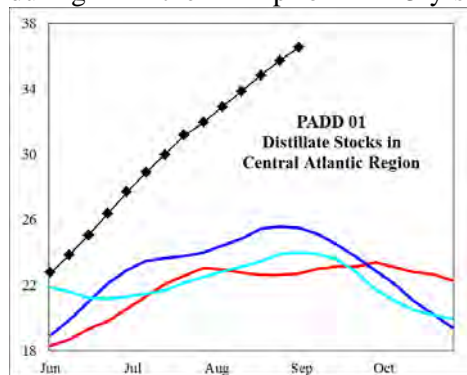
historic lows for the period. The latest 4-wk average wholesale demand was -44,000 bpd below last year.



Supply decreased -76,000 bpd last week, with the 4-wk average +69,000 bpd above a year ago. Supply East of the Rockies has dropped -211,000 bpd below the average of the last 2-yr, concentrated in the Gulf region.



Stock levels in the key Central Atlantic Region ended the week +61% above last year as the industry continued to fill storage that has not been used during the prior 3-yr.

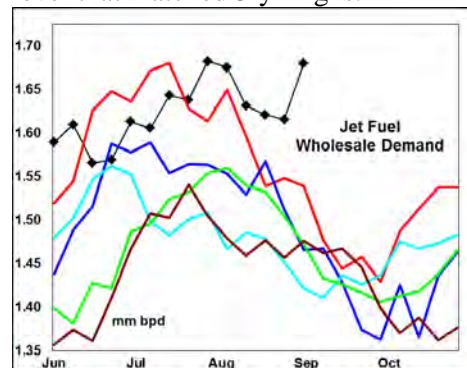


Start of refinery maintenance should lead to stock draws beginning by month end, partially offset by weak wholesale demand. Stock levels should remain very high in most

regional markets during the next quarter.

Jet Fuel wholesale demand increased +0.2 million bpd on the week, to a level above the 5-yr range. The latest 4-wk average demand was +116,000 bpd above last year.

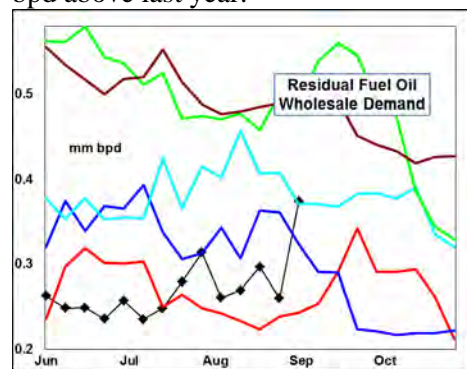
Supply increased +94,000 bpd on the week, driven by higher production; with the 4-wk average +28,000 bpd above a year ago. Stocks increased +0.2 million barrels on the week, to a level that matched 3-yr highs.



Look for a sharp drop in seasonal demand, partially offset by lower production as fall maintenance begins.

Record imports should assure ample supplies in all coastal markets.

Residual fuel oil demand increased +123,000 bpd last week. Demand for the latest 4-wk period was +101,000 bpd above last year.



Supply (production + imports) decreased -161,000 bpd on the week, due to lower imports. Stocks fell -1.5 million barrels, to a level +2% above last year. Production fell sharply in the Midwest on restart of the BP Whiting crude oil unit.



WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

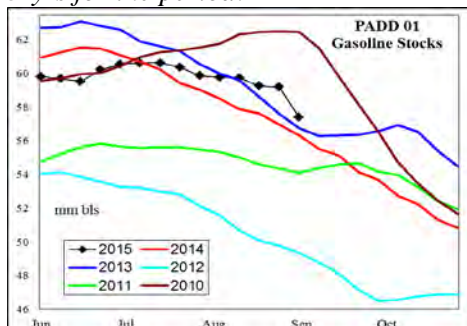
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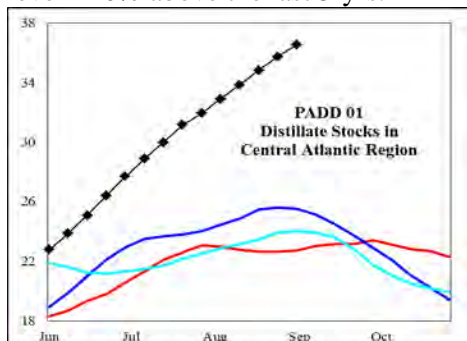
PADD Supply Trends

PADD 1 refinery crude oil runs decreased -38,000 bpd on the week with the level near 5-yr highs for the period. The latest 4-wk average thru put was +117,000 bpd above last year.

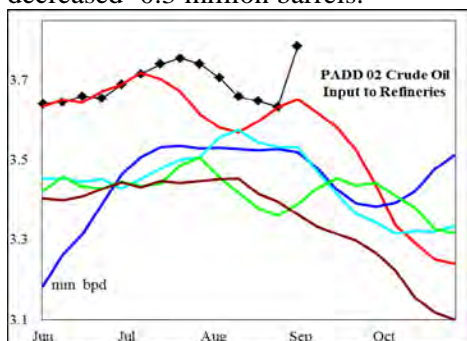
Gasoline supply fell -0.3 million bpd on the week, with the 4-wk average +136,000 bpd above last year. *Stocks fell -2.4 million barrels last week, ending at a level above the last 3-yrs for the period.*



Distillate supply was nearly unchanged on the week, with the 4-wk average +74,000 bpd above last year. Stocks increased +0.5 million barrels to a level +40% above the last 3-yrs.



Jet fuel supply increased +8,000 bpd on the week, while stocks decreased -0.3 million barrels.



PADD 2 crude oil refinery runs jumped +239,000 bpd on the week, as BP's Whiting unit returned to

operation. The latest 4-wk average was -19,000 bpd below last year.

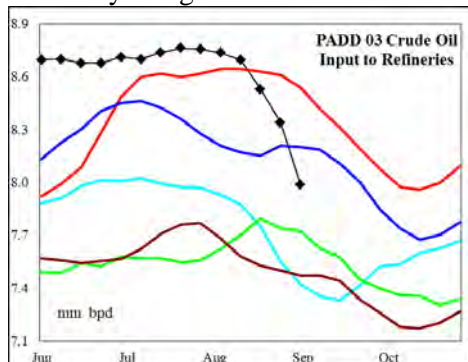
Crude oil stocks increased +0.4 million barrels last week. Cushing saw a -0.9 million barrel draw for the week.

Gasoline supply decreased -39,000 bpd on the week. Production for the most recent 4-wk period was +80,000 bpd above a year ago. Stocks increased +1.7 million barrels on the week, to a level above the 3-yr range.

Distillate supply increased +107,000 bpd on the week, to a level above the 5-yr range. The latest 4-wk average production was -11,000 bpd below last year. Stocks increased +0.8 million barrels on the week, to a level above the last 3-yrs.

Jet fuel stocks decreased -0.4 million barrels to a level below the 5-yr range.

PADD 3 refinery runs decreased -0.4 million bpd last week, to a level below the last 2-yrs. During the latest 4-wk period, runs were -0.2 million bpd below a year ago.



Crude oil imports decreased -0.3 million bpd on the week, with the 4-wk average -0.6 million bpd below last year.

Crude oil stocks increased +2.7 million barrels, to a level +39 million barrels (+21%) above the prior high for the period.

Gasoline supply fell -145,000 bpd on the week, with the latest 4-wk average +162,000 bpd above a year ago. Stocks increased +0.2 million barrels on the week, to a level that matched the 3-yr mid range.

Distillate supply decreased -169,000 bpd on the week, with the

latest 4-wk average supply -140,000 bpd below a year ago. Stocks increased +0.5 million barrels to a level +18% above last year.

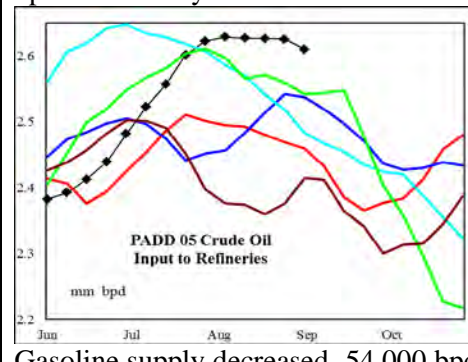
Jet fuel production increased +70,000 bpd on the week, to a level that matched 5-yr highs for the period. Stocks increased +0.1 million barrels to a level +37% above last year.

PADD 4 refinery crude runs decreased -54,000 bpd last week, to a level near the 3-yr mid range. The latest 4-wk average was unchanged from last year.

Gasoline supply decreased -3,000 bpd on the week, with the 4-wk average -36,000 bpd below last year.

Distillate supply decreased -20,000 bpd on the week, to a level near the 3-yr mid range. Stock levels ended the week at a level above the 3-yr mid range.


PADD 5 crude oil refinery runs decreased -8,000 bpd on the week to a level above the 5-yr range. The 4-wk average thru put rate was +136,000 bpd above last year.



Gasoline supply decreased -54,000 bpd on the week; with the latest 4-wk average +49,000 bpd above last year. Production levels remain above the 5-yr range. Stocks increased +0.7 million barrels on the week, to a level above the 3-yr mid range.

Distillate supply was unchanged on the week. The 4-wk average supply was +45,000 bpd above last year. Stocks fell -0.8 million barrels on the week, with the level above four of the last 5-yrs.

Jet fuel imports averaged +101,000 bpd for the last 4-wks. Stocks increased +0.8 million barrels on the week, a level above the last 3-yrs.



FUNDAMENTAL
 PETROLEUM TRENDS

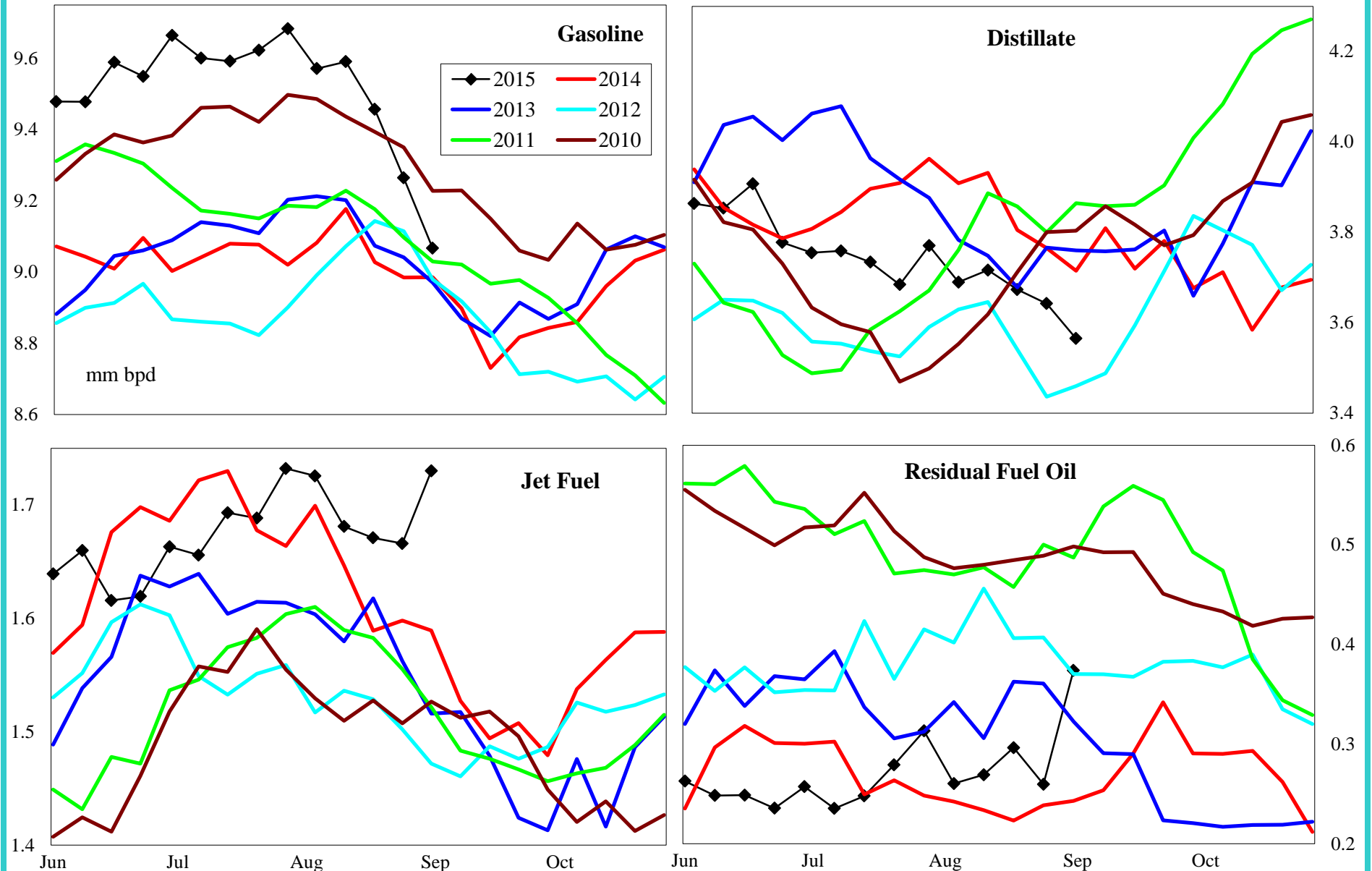
PETROLEUM: Graph Link and Weekly Summary

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Fundamental Trends	Wholesale Demand	Stocks Days Fwd Coverage	Refinery Utilization		Imports		
Supply/Demand Trends	4-Sep-15	EIA-DOE CHANGE FROM PRIOR WEEK					
	000 bpd stocks 000 bls	U. S. Total	PADD				
			1	2	3	4	5
Crude Oil	Stocks	2,570	-901	437	2,689	10	336
	Imports	-396	-75	131	-296	61	-219
	Input	-279	-38	239	-418	-54	-8
	% Utilization	-1.90					
Gasoline	Stocks	384	-2,409	1,721	241	130	700
	Production	-212	-117	-39	-109	-1	-28
	Imports	-246	-181	0	-36	-2	-26
	Supplied	-421					
Distillate	Stocks	952	492	849	517	-141	-765
	Production	-129	-27	106	-169	-20	-18
	Imports	53	35	1	0	0	17
	Supplied	-196					
Jet Fuel	Stocks	169	-292	-430	93	1	797
	Production	97	-4	17	70	-5	19
	Imports	-3	12	0	0	0	-15
	Supplied	192					
Residual Fuel Oil	Stocks	-1,549	-182	-118	-1,274	-22	48
	Production	-28	7	-26	-3	0	-6
	Imports	-133	20	-1	-74	0	-79
	Supplied	123					

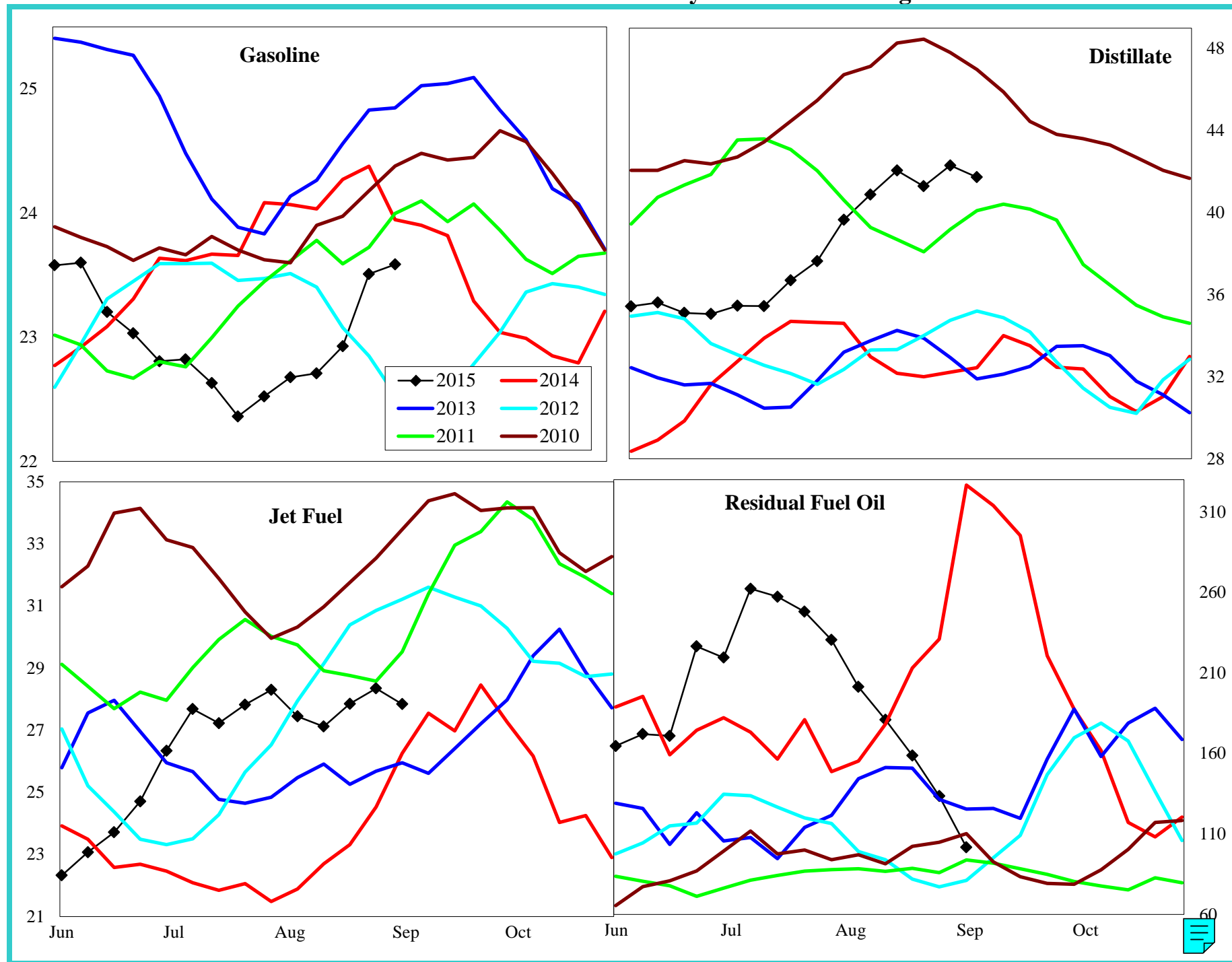
United States Wholesale Petroleum Demand



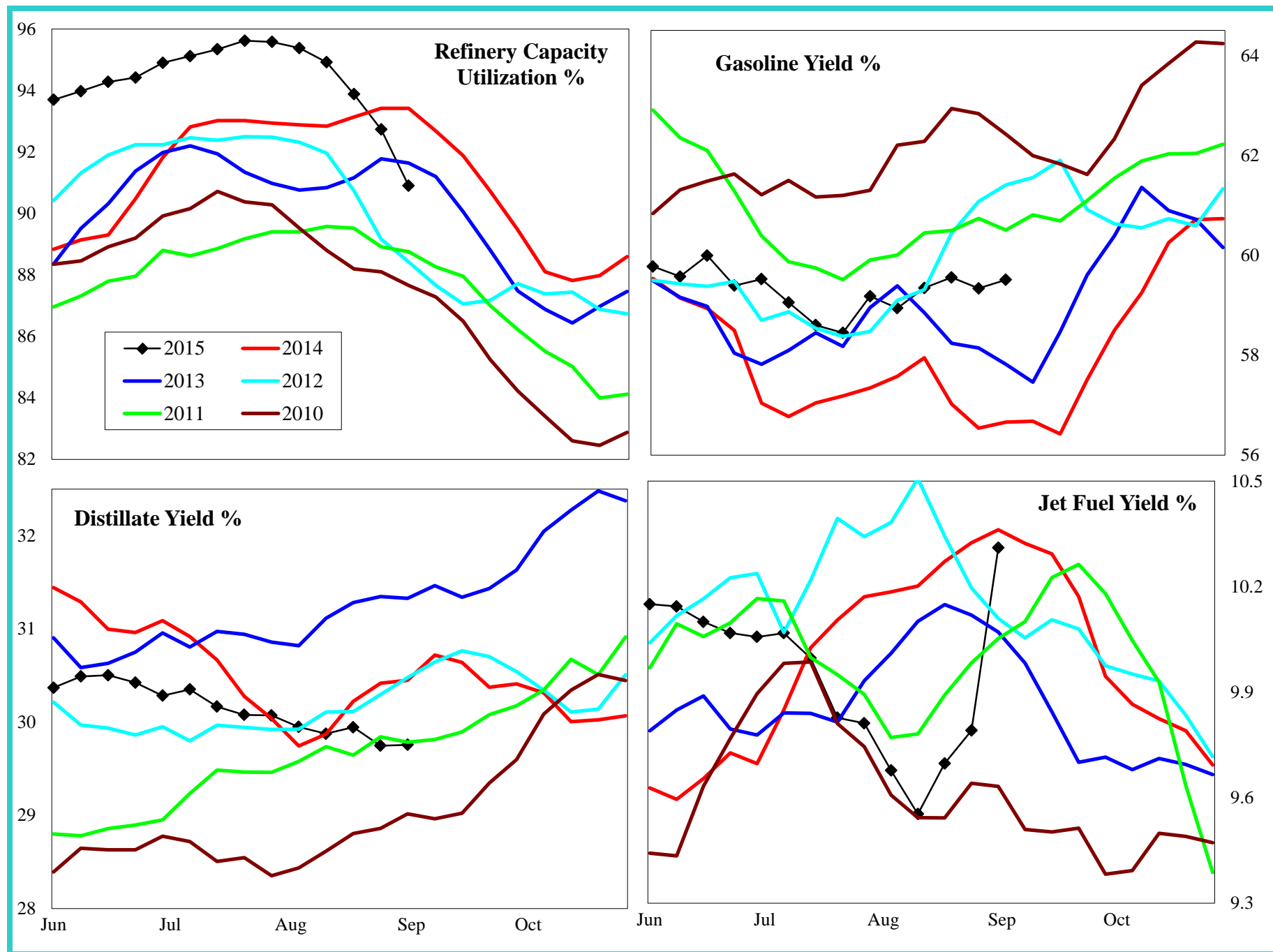
	000 bpd change from prior year				% change from prior year				
	4wk avg	Jul	Jun	Jan	4wk avg	Jul	Jun	May	
Gasoline	346	286	507	235	3.8	3.1	5.6	2.6	
Distillate	-44	-137	56	-144	-1.2	-3.5	1.4	-3.7	
Jet Fuel	116	79	20	103	7.5	5.1	1.3	7.3	
Resid	101	-38	-45	-1	74.5	-15.9	-17.2	-0.4	



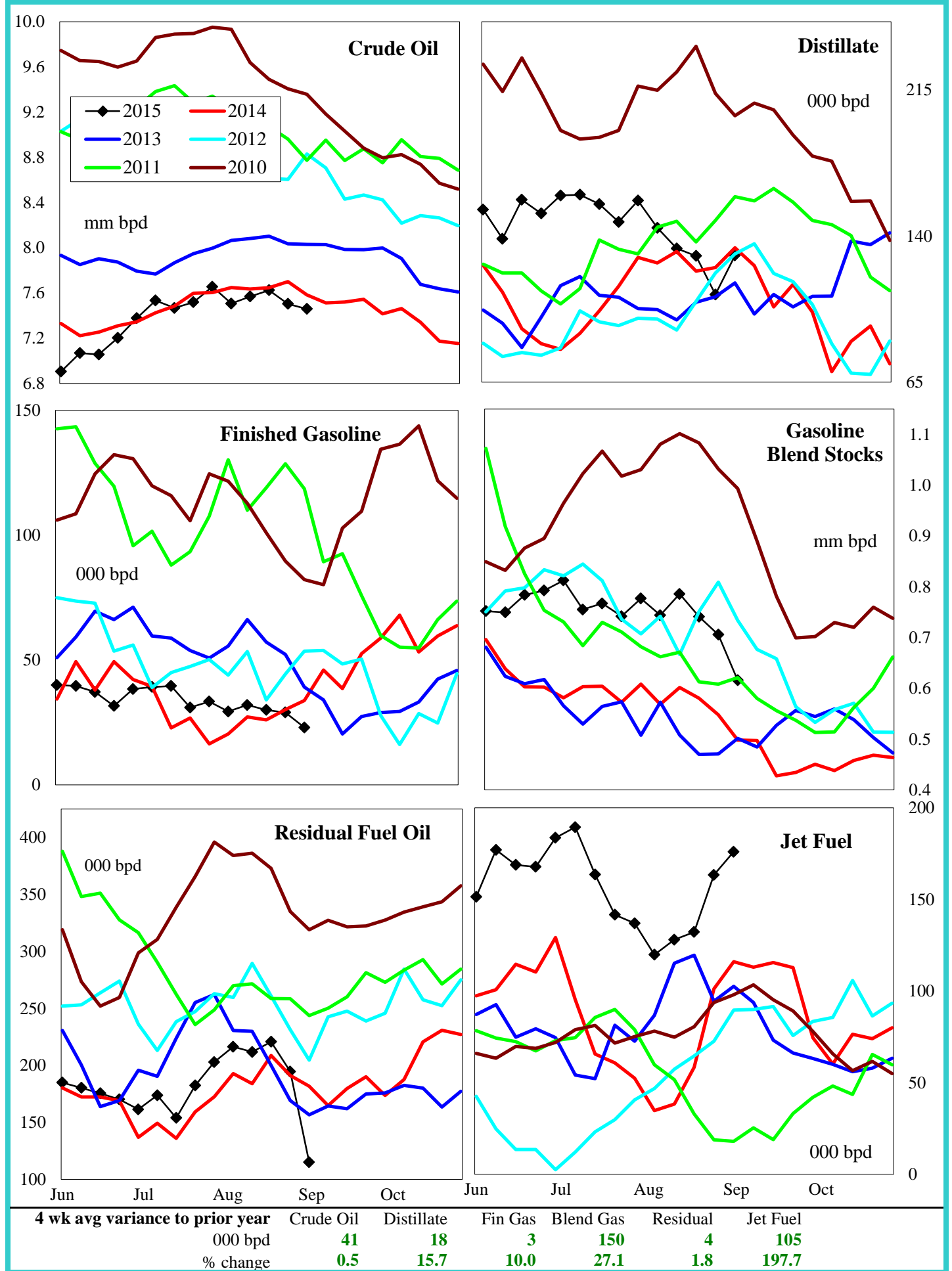
United States Product Stocks: Days Forward Coverage



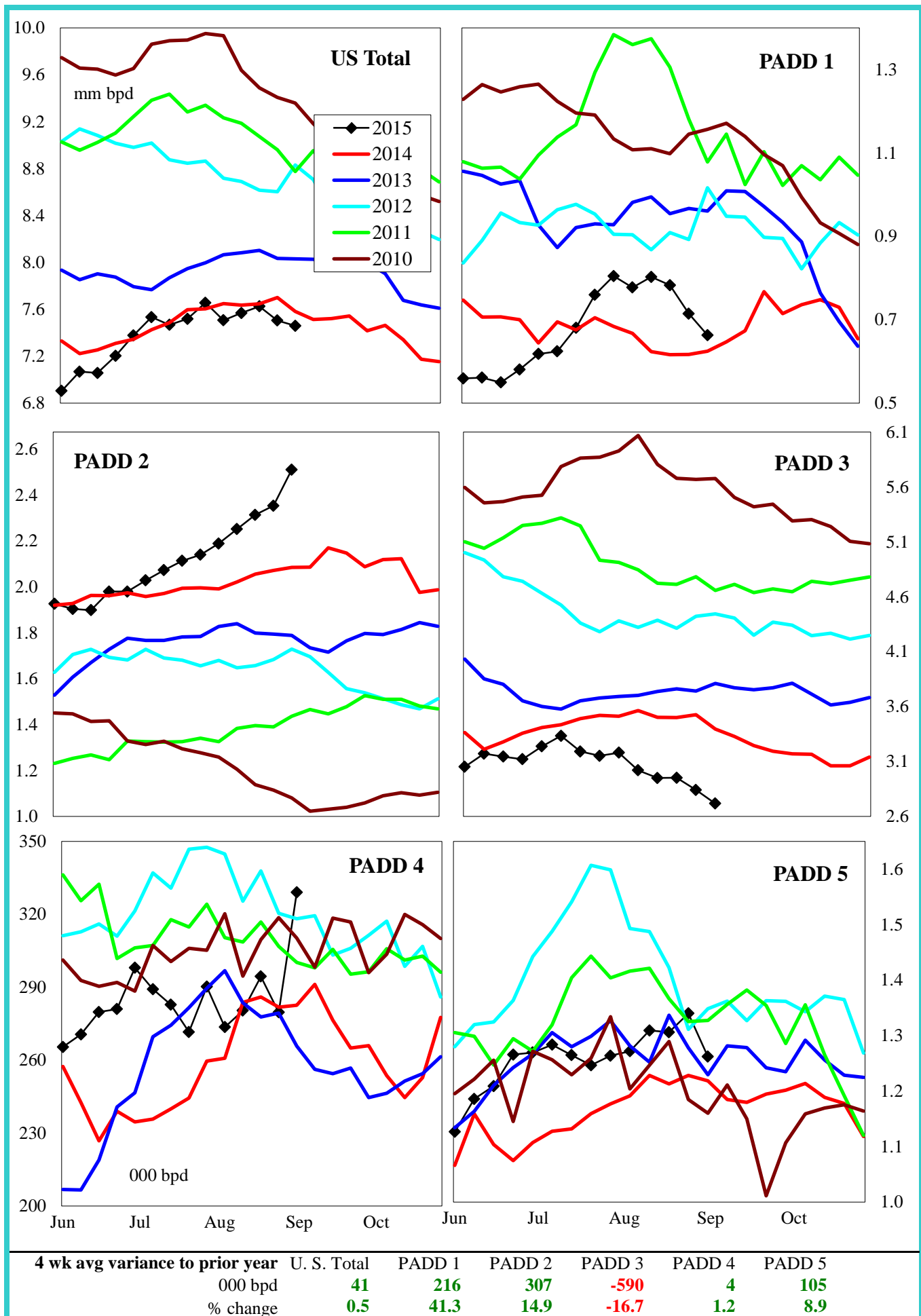
United States Refinery Percent Utilization Rate and Product Yields



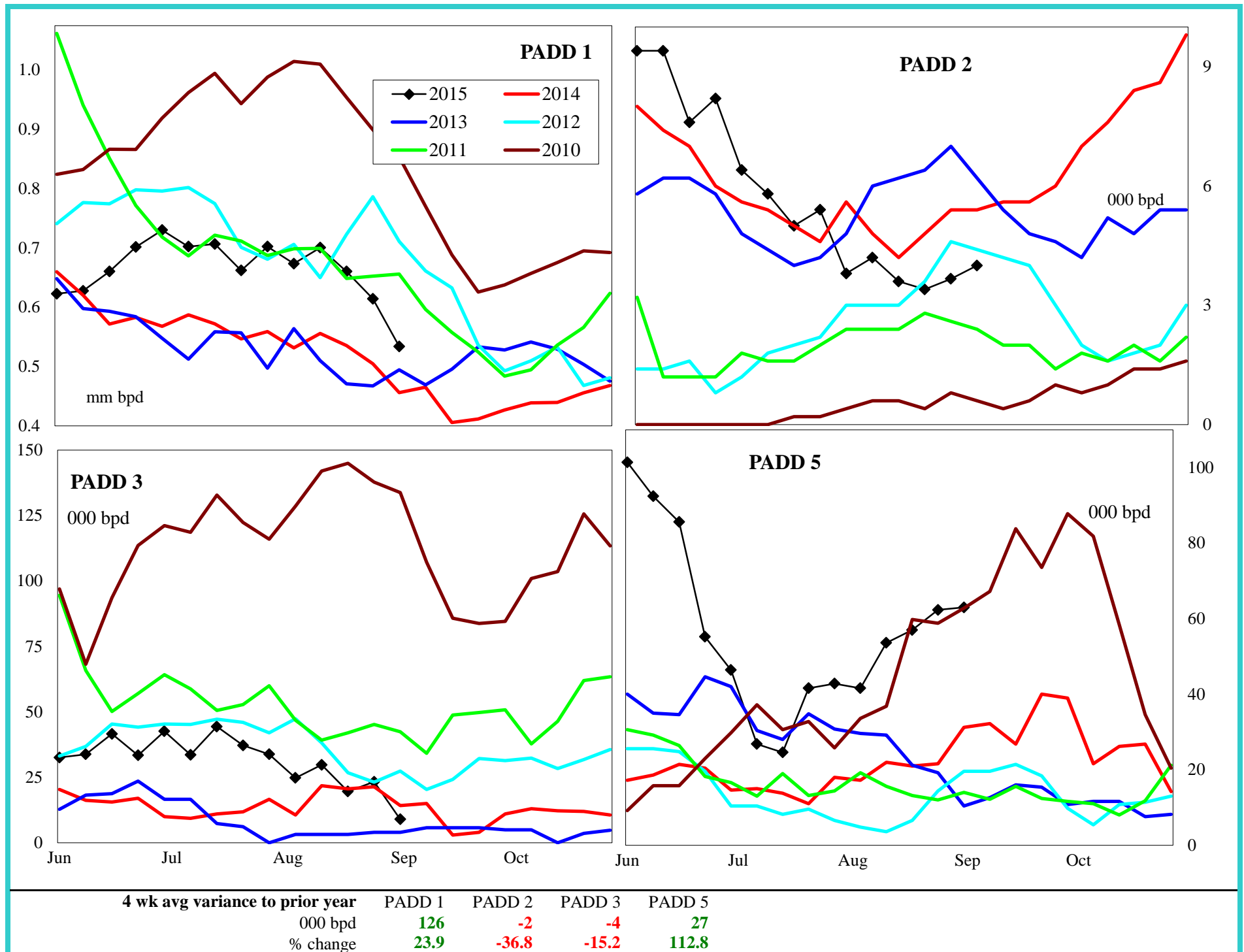
United States Petroleum Imports



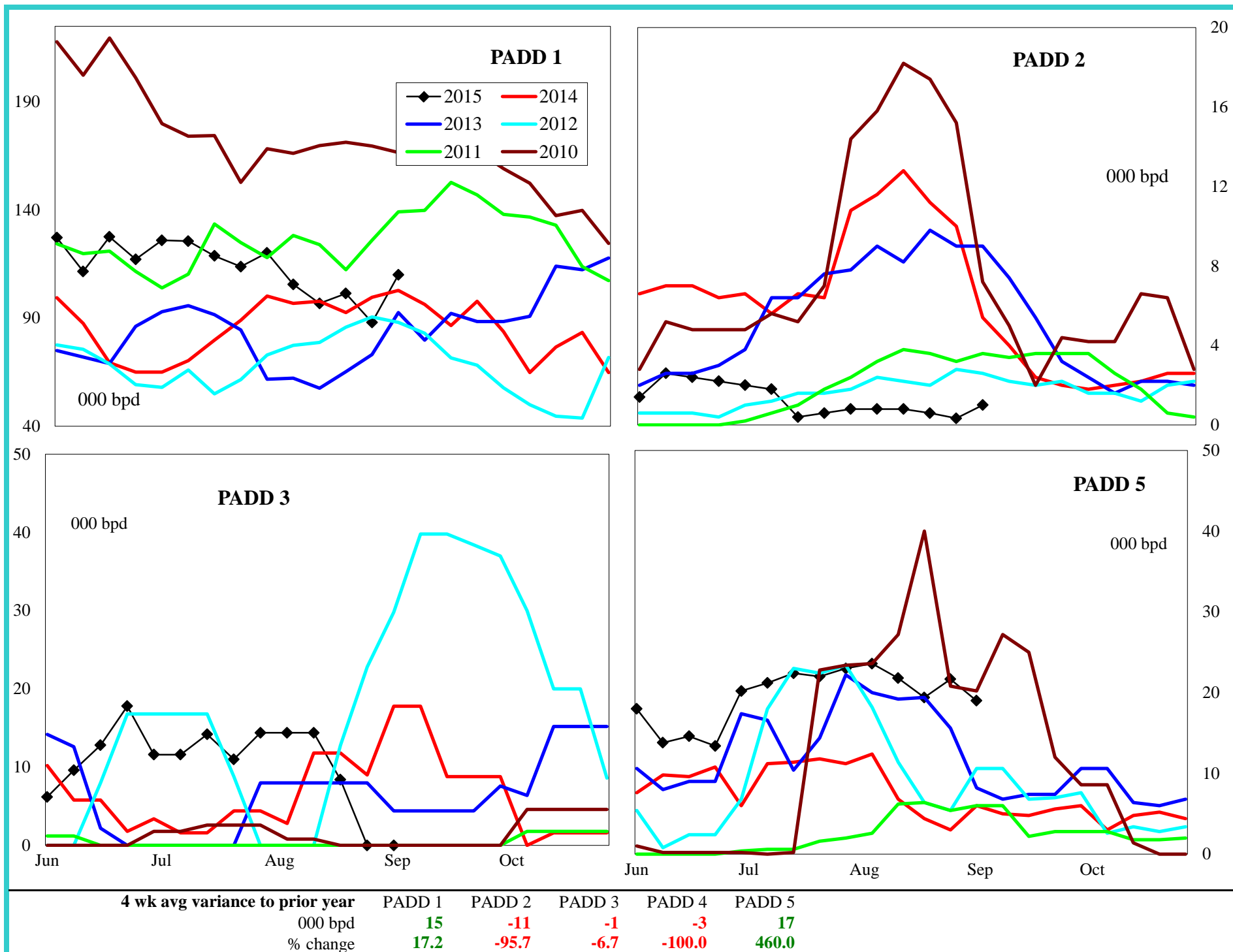
Crude Oil Imports by PADD



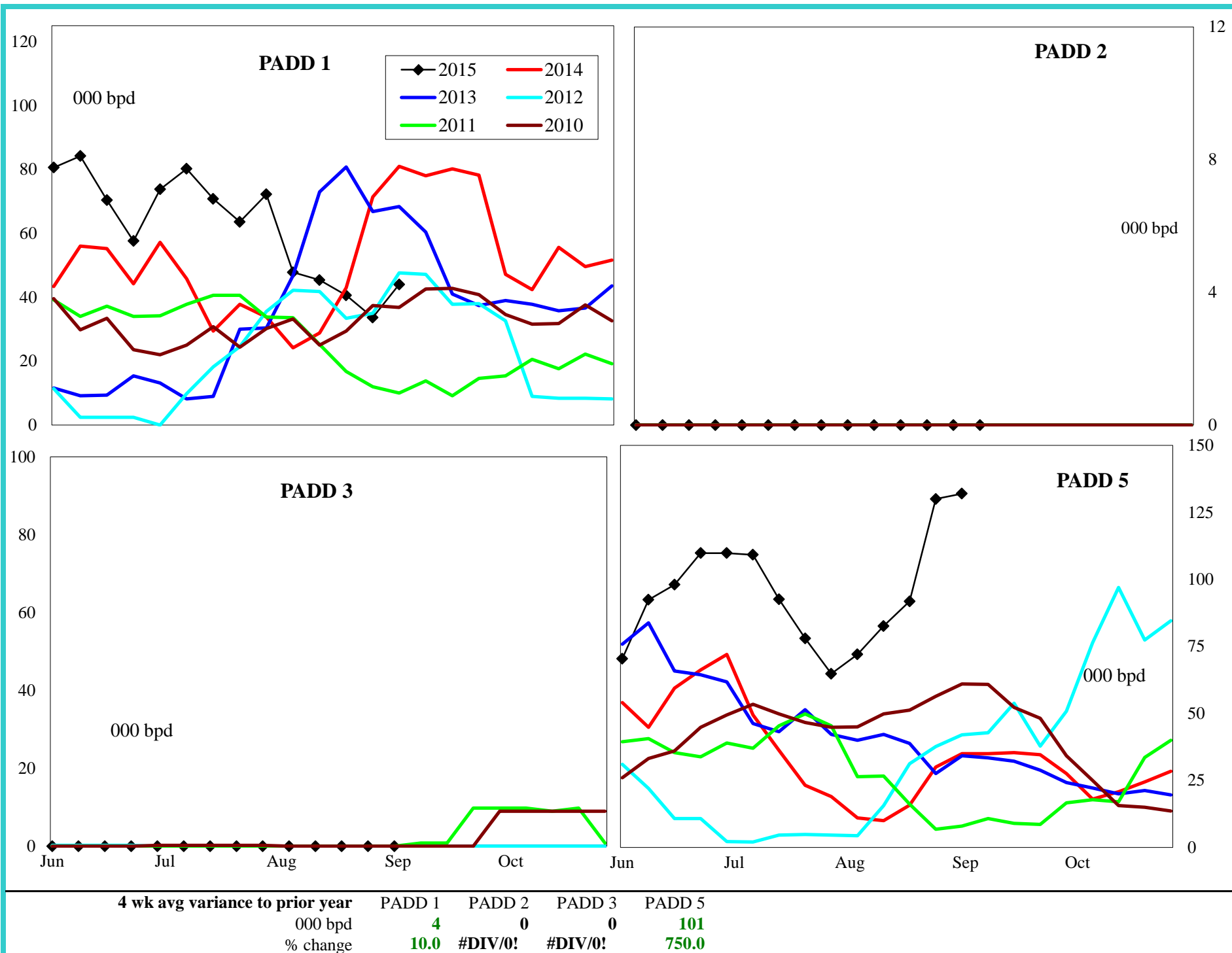
Gasoline Imports by PADD (Finished + Blend Stocks)



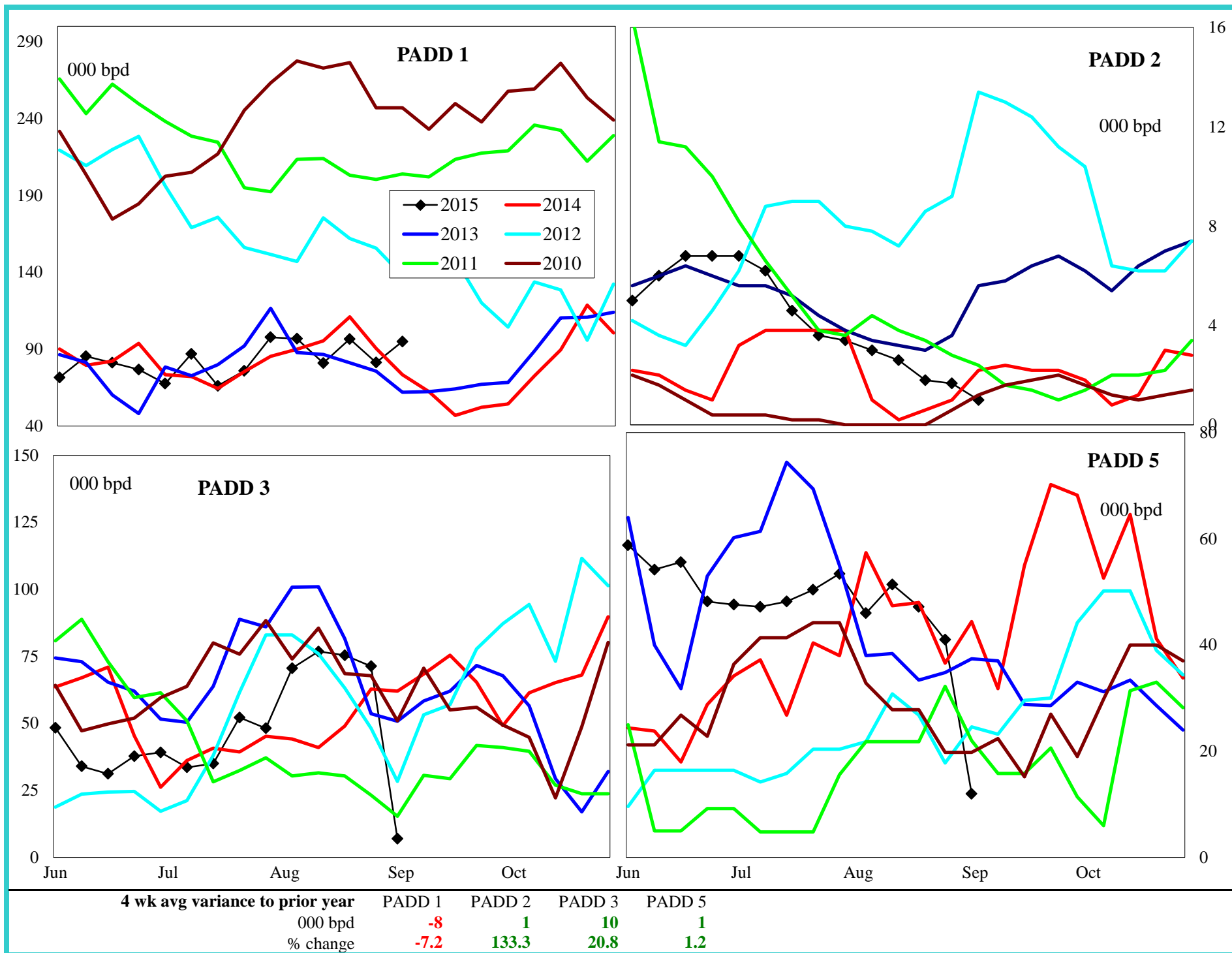
Distillate Imports by PADD



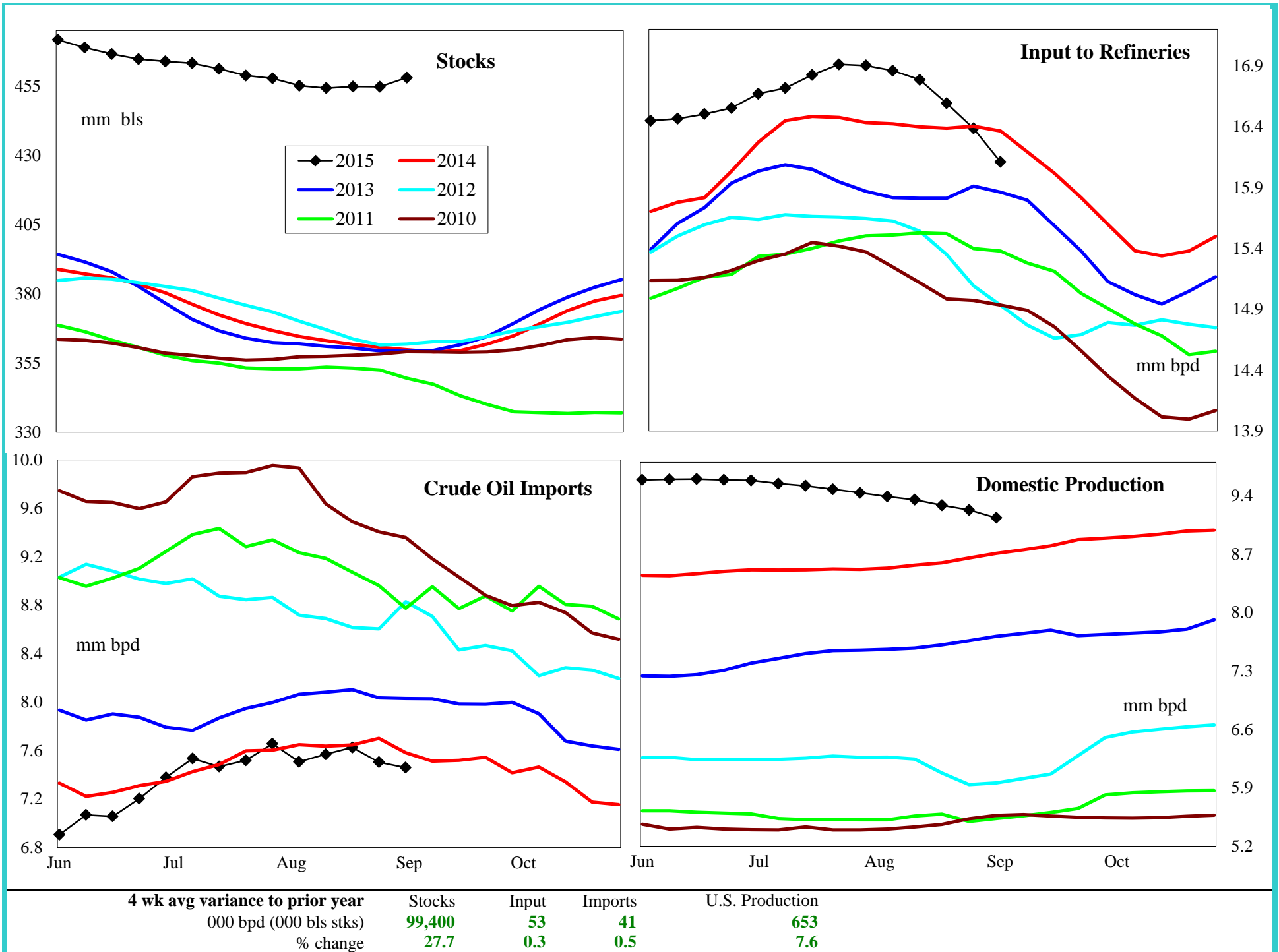
Jet Fuel Imports by PADD



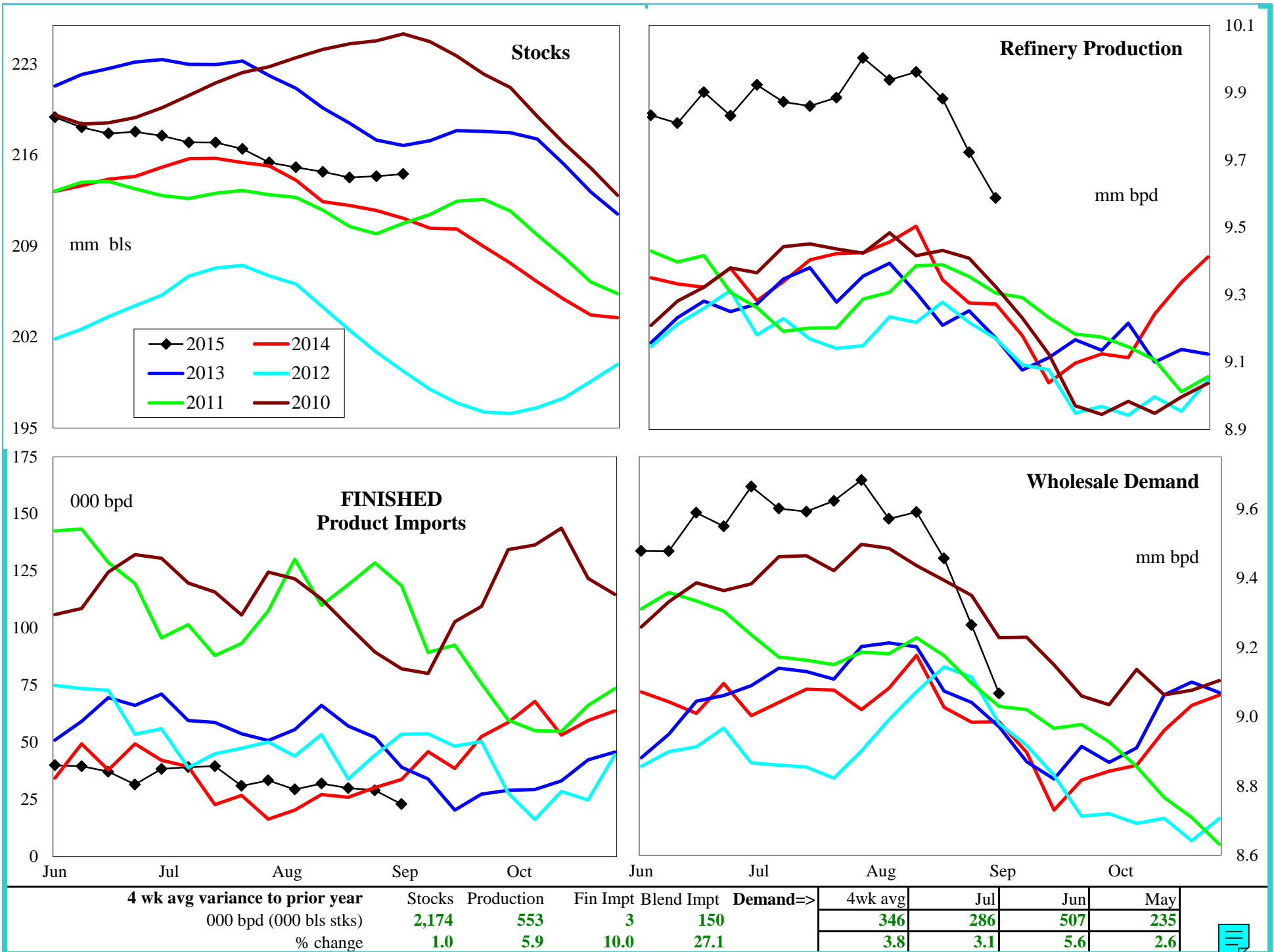
Residual Fuel Oil Imports by PADD



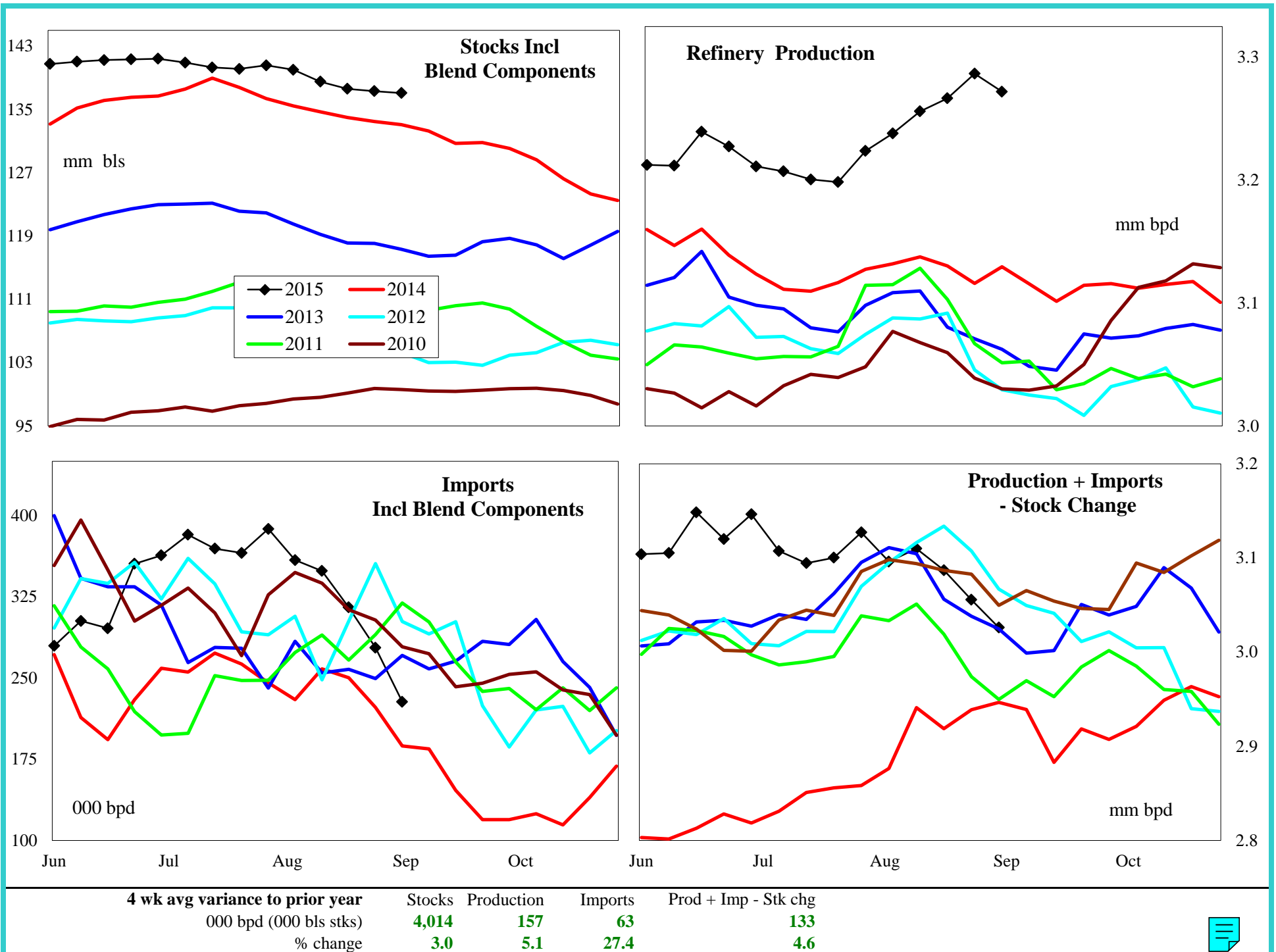
United States Crude Oil Supply and Demand Balance



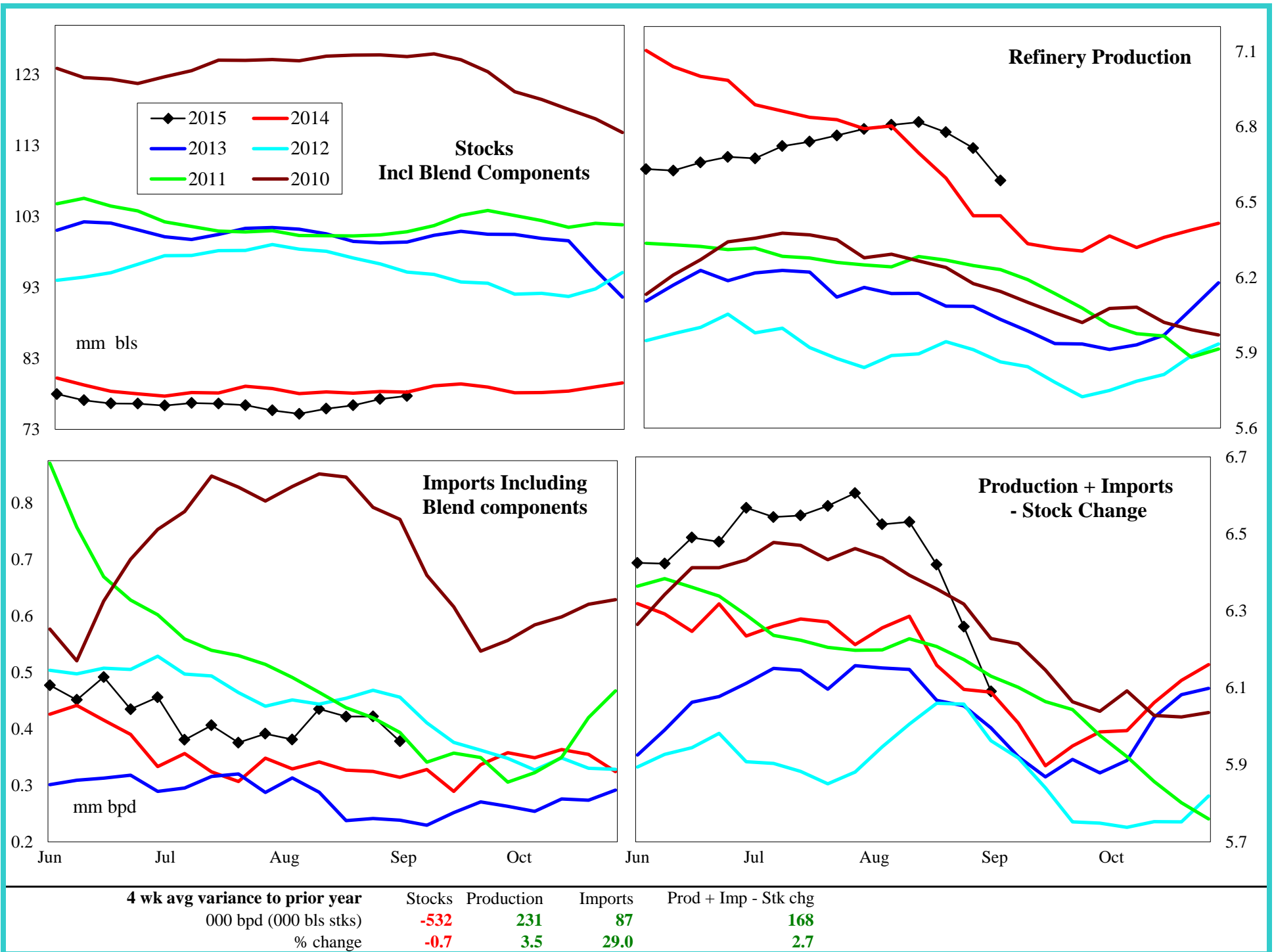
United States Gasoline Supply and Demand Balance



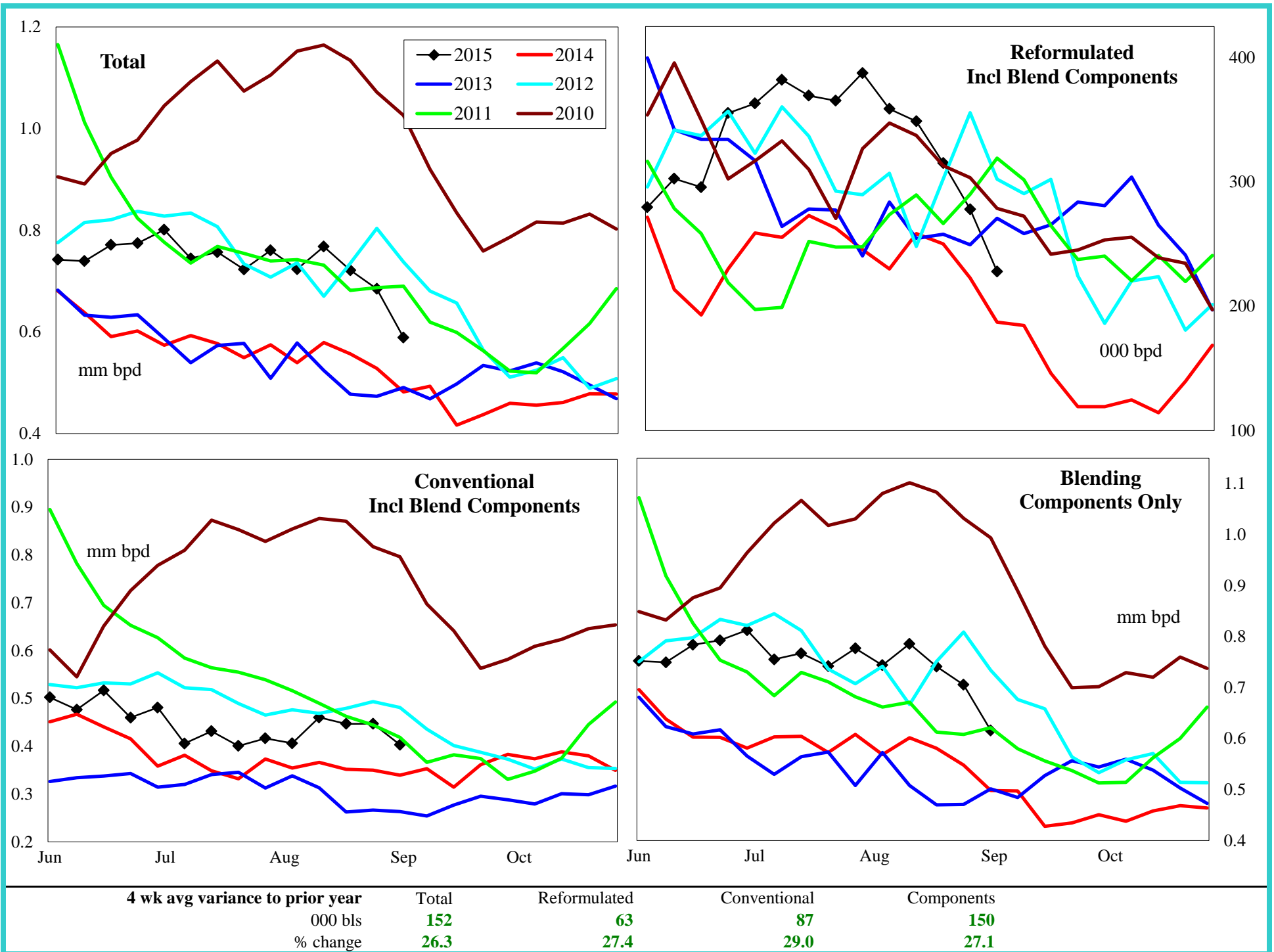
United States Reformulated Gasoline Supply



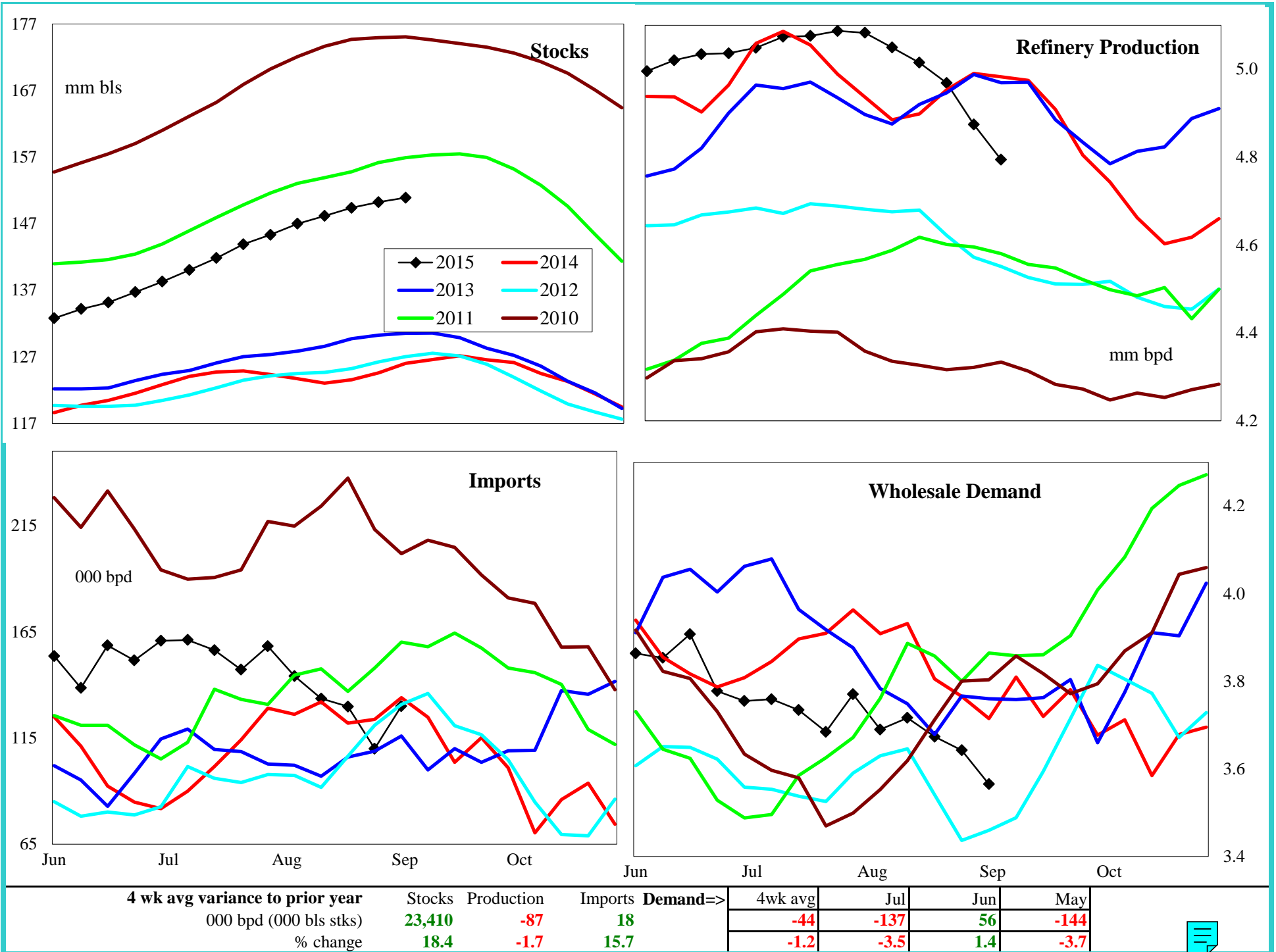
United States Conventional Gasoline Supply



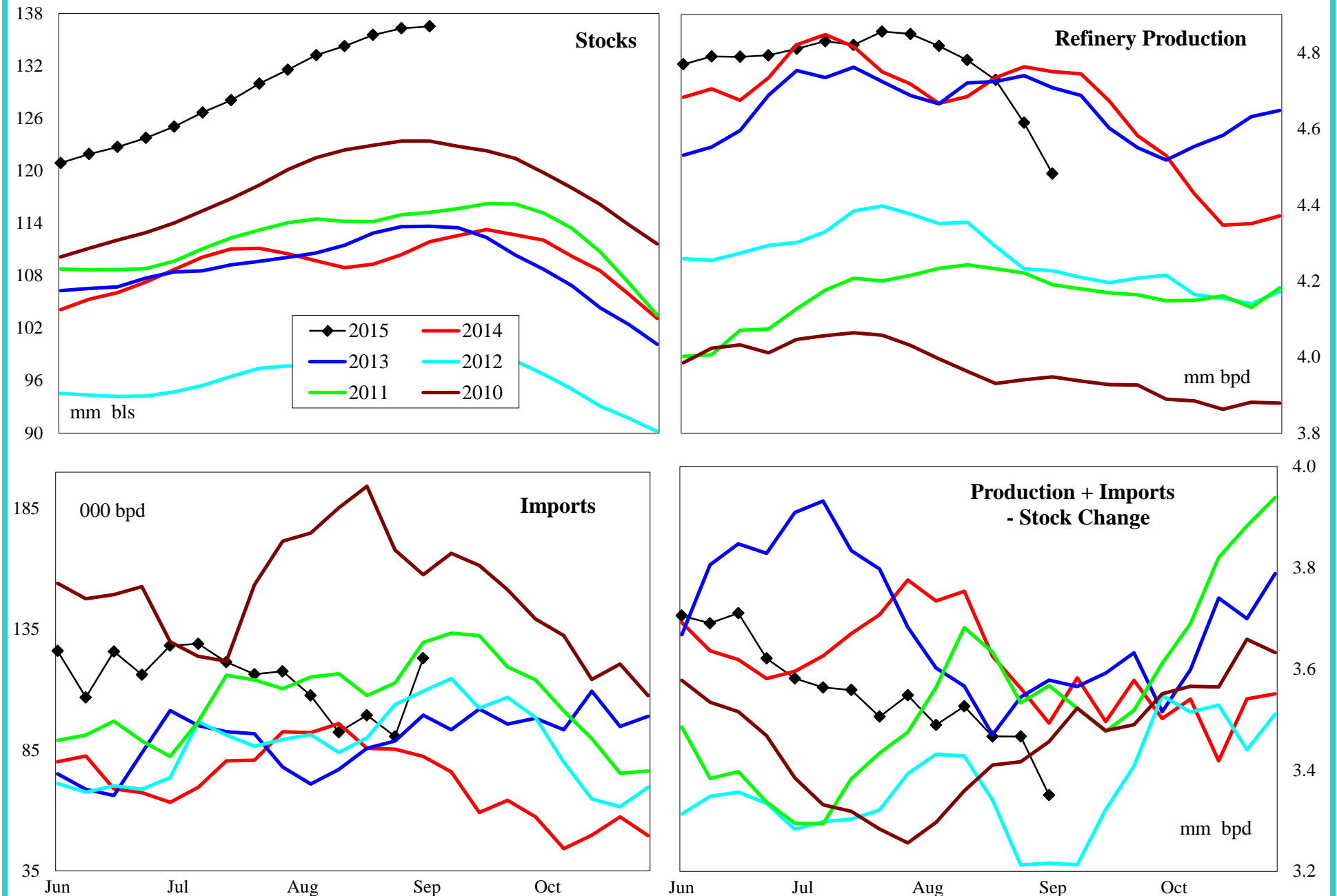
United States Gasoline Imports by Type



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

23,111

20.4

Production

-120

-2.5

Imports

7

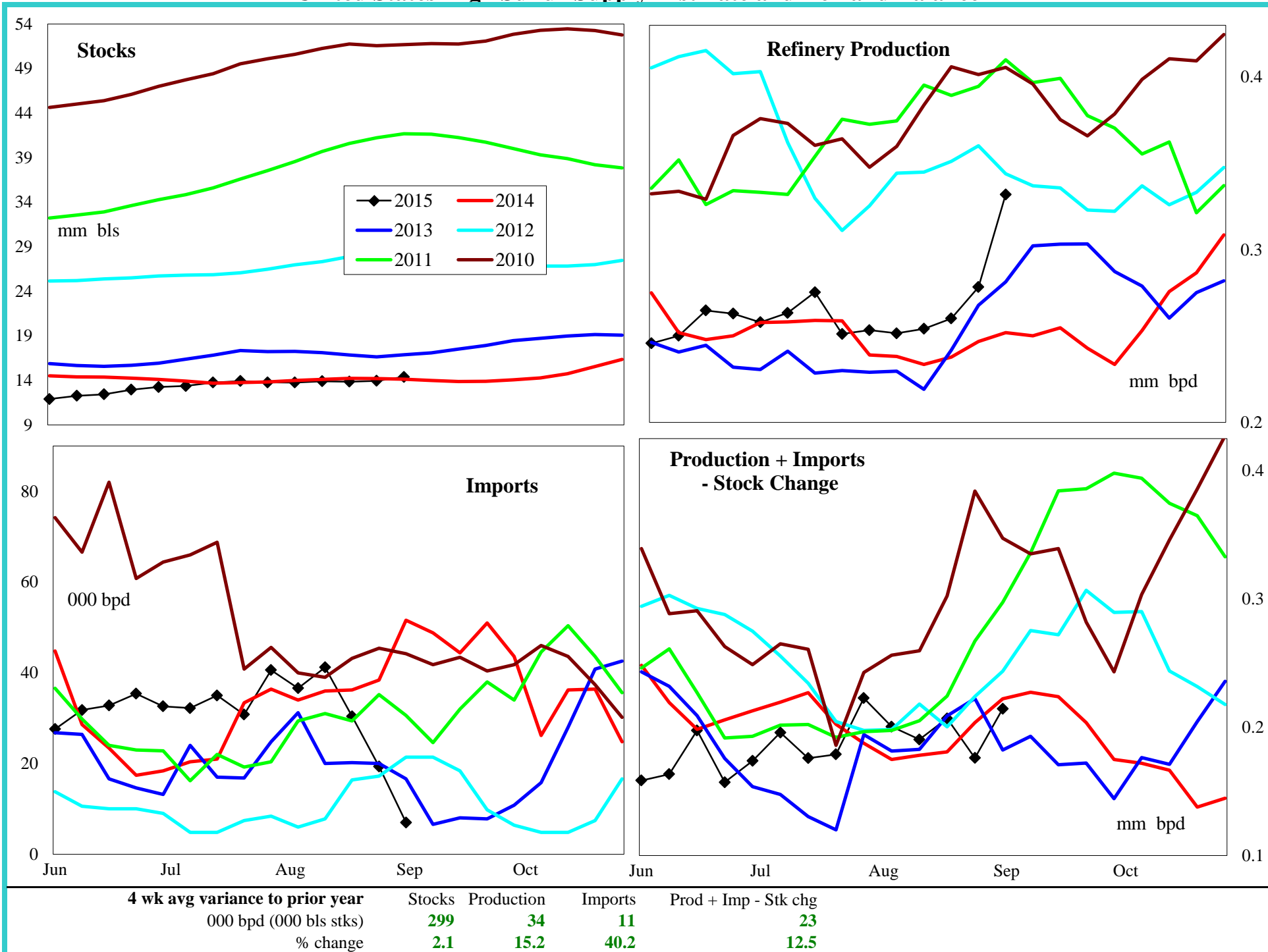
8.2

Prod + Imp - Stk chg

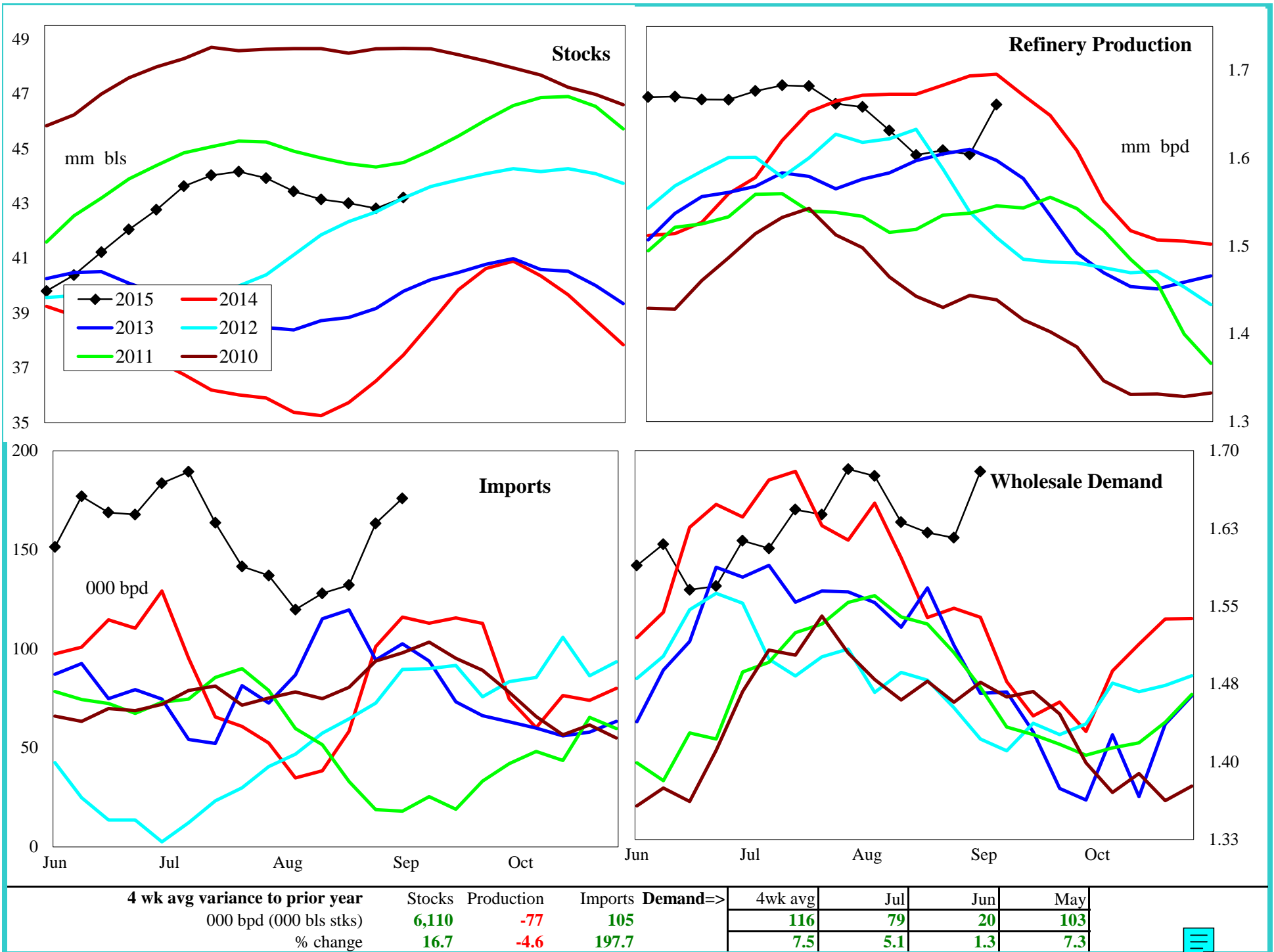
-67

-1.9

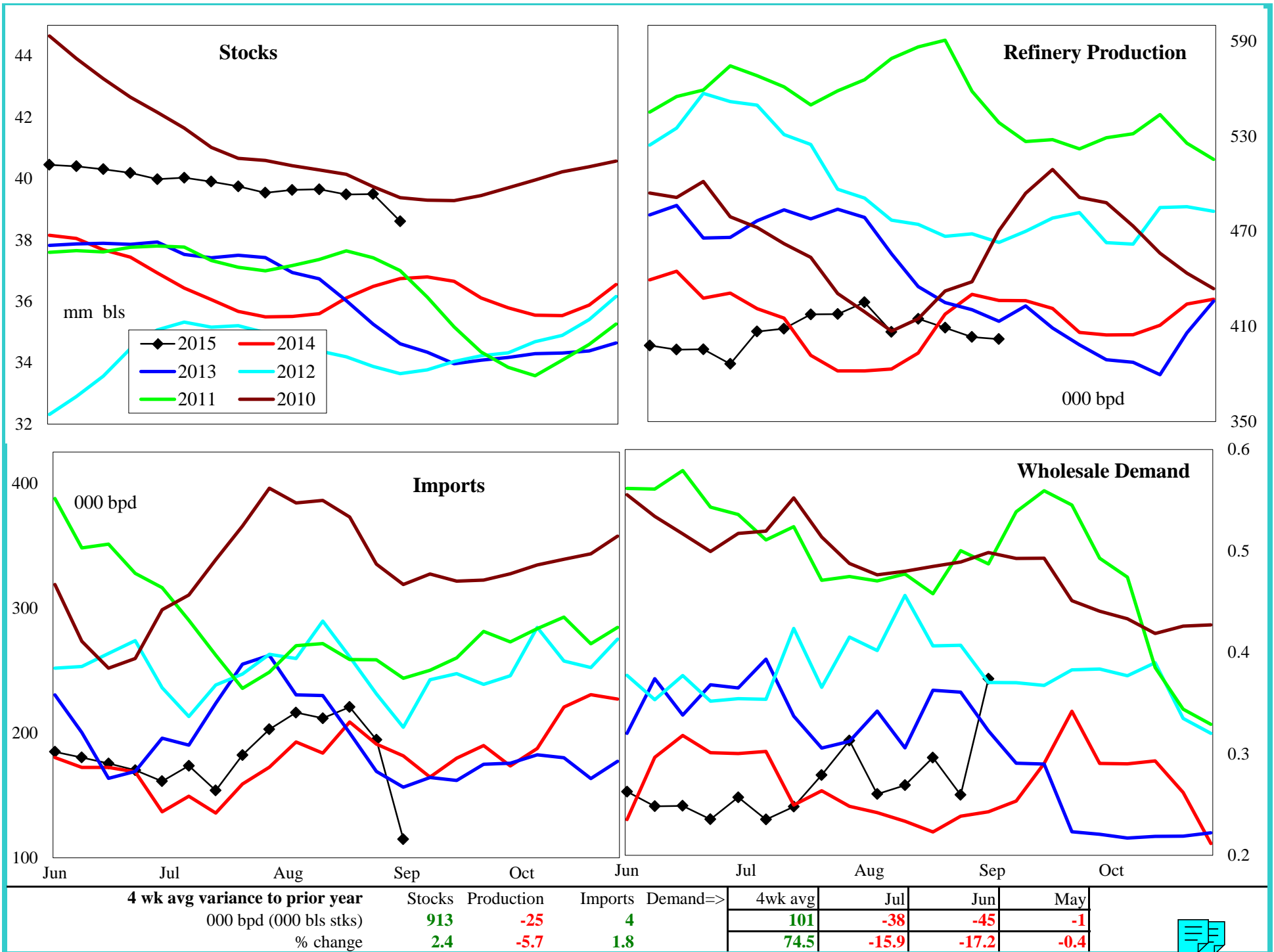
United States High Sulfur Supply Distillate and Demand Balance



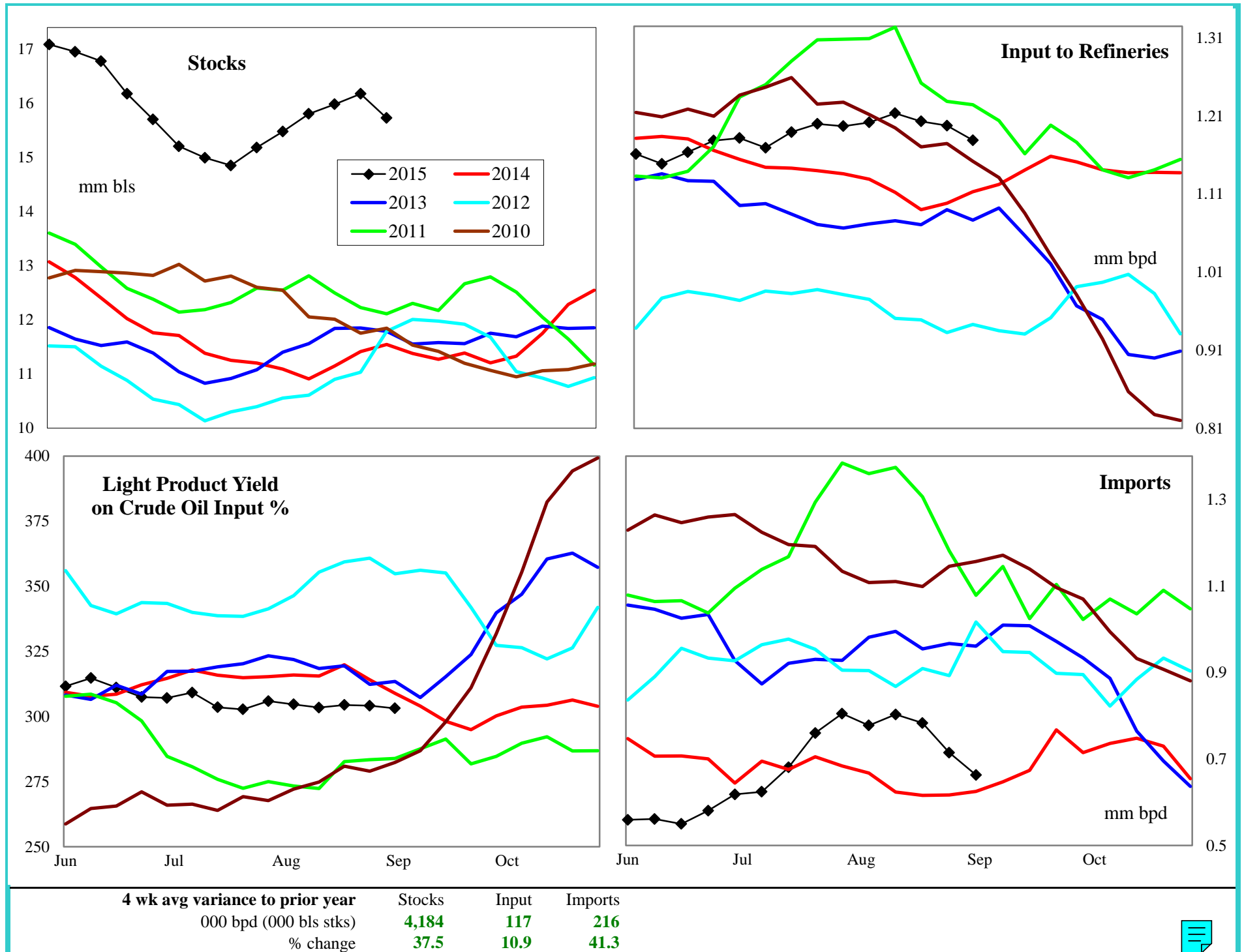
United States Jet Fuel Supply and Demand Balance



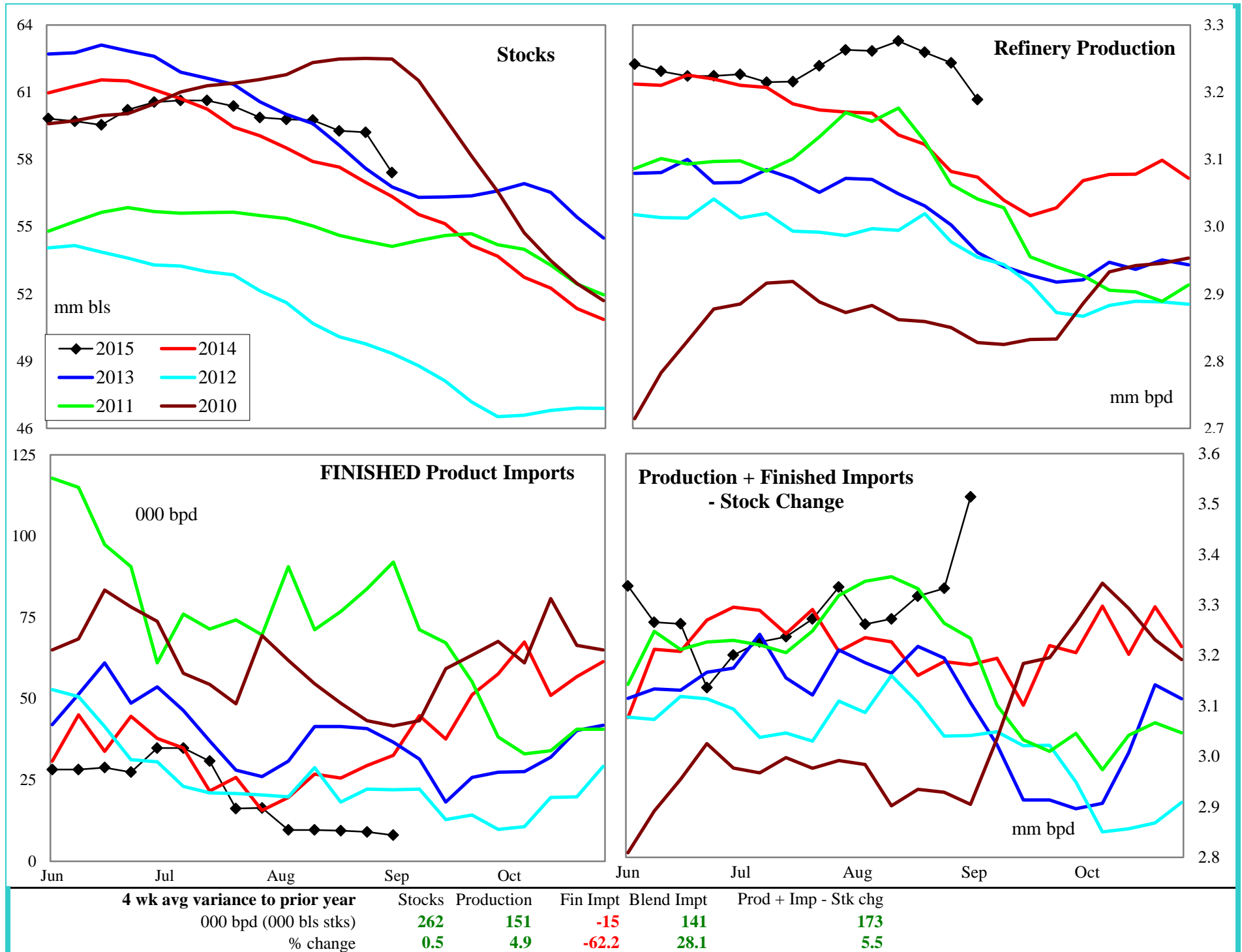
United States Residual Fuel Supply and Demand Balance



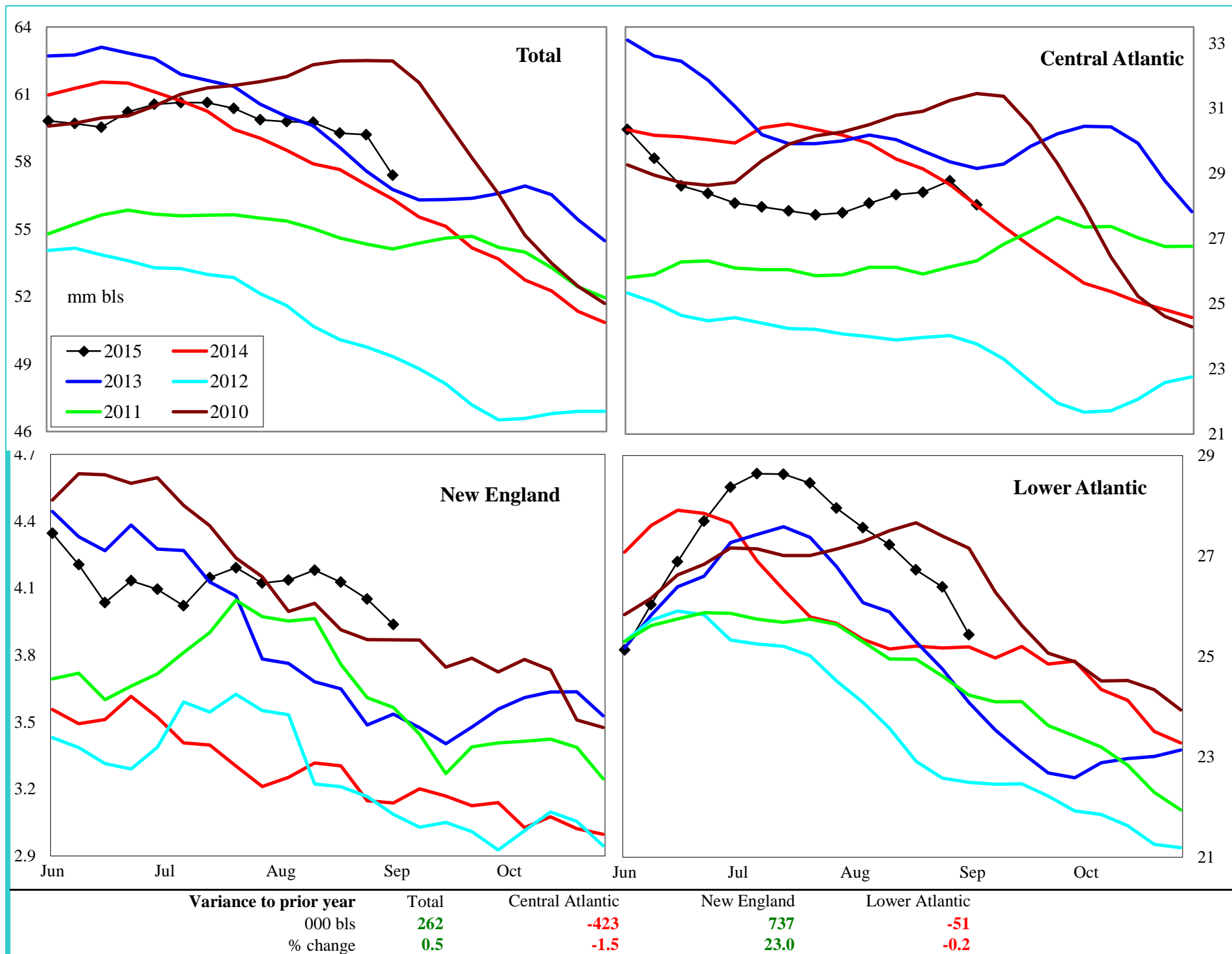
PADD 1 Crude Oil Supply and Refining



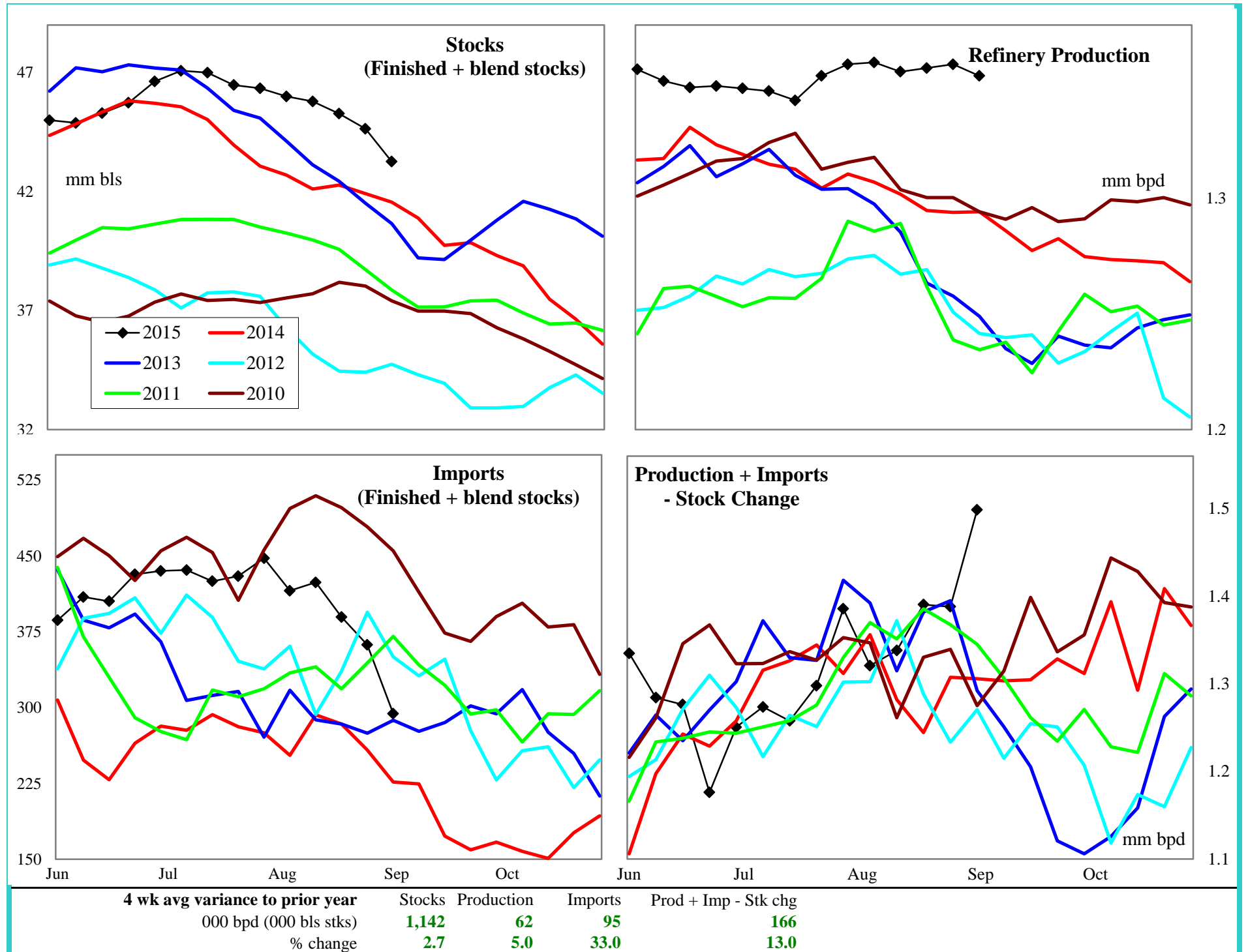
PADD 1 Gasoline Supply



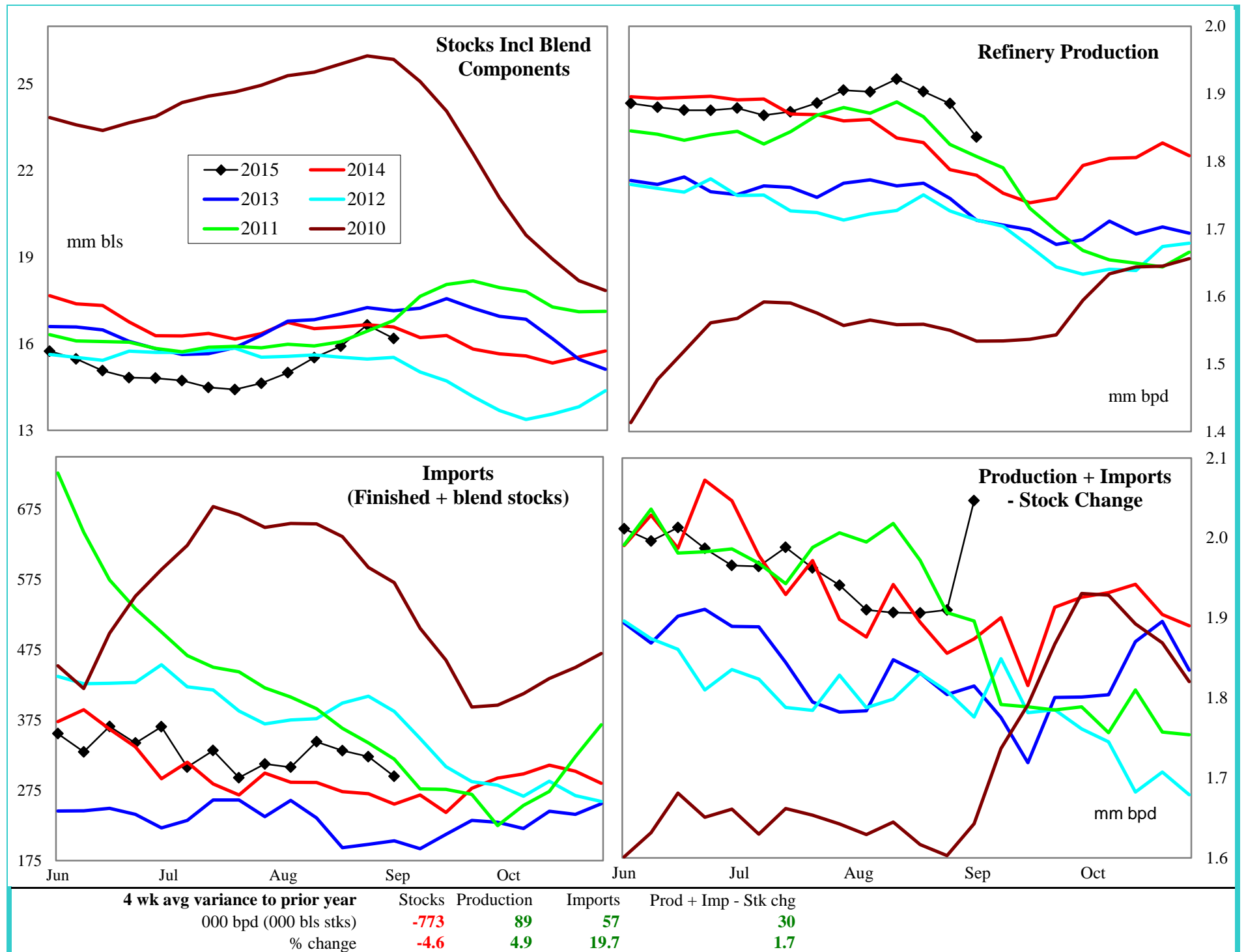
PADD 1 Gasoline Stocks by Region



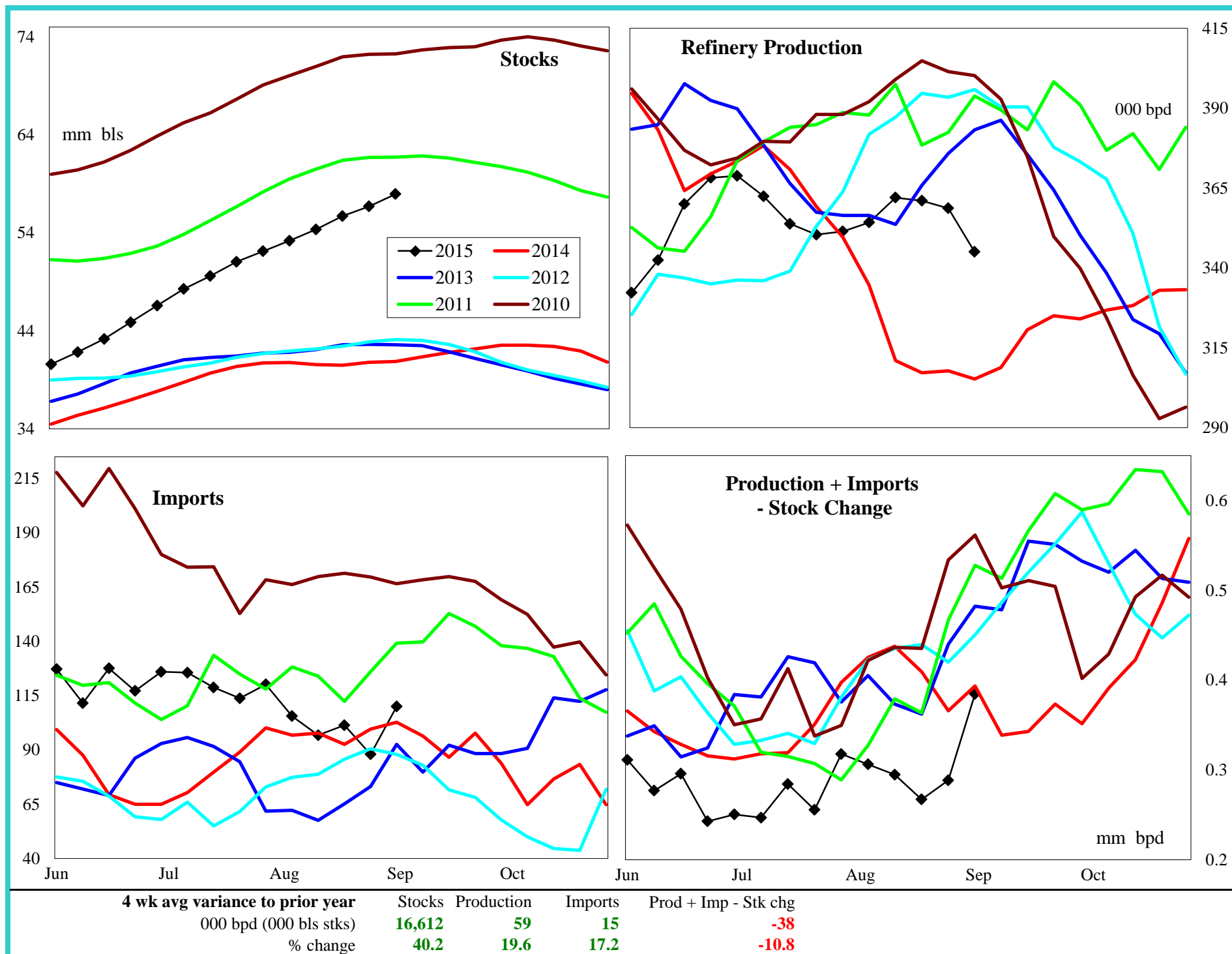
PADD 1 Reformulated Gasoline Supply



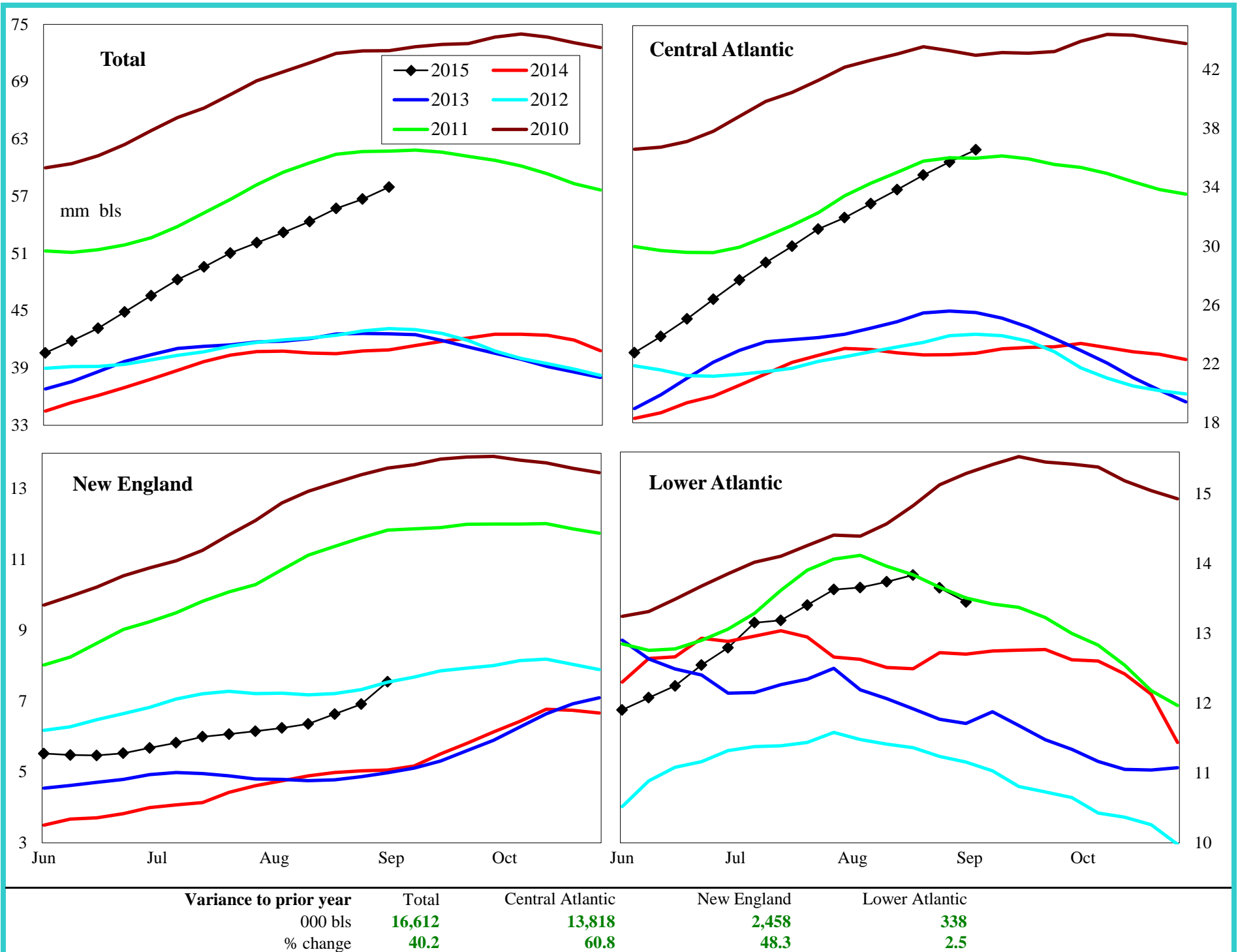
PADD 1 Conventional Gasoline Supply



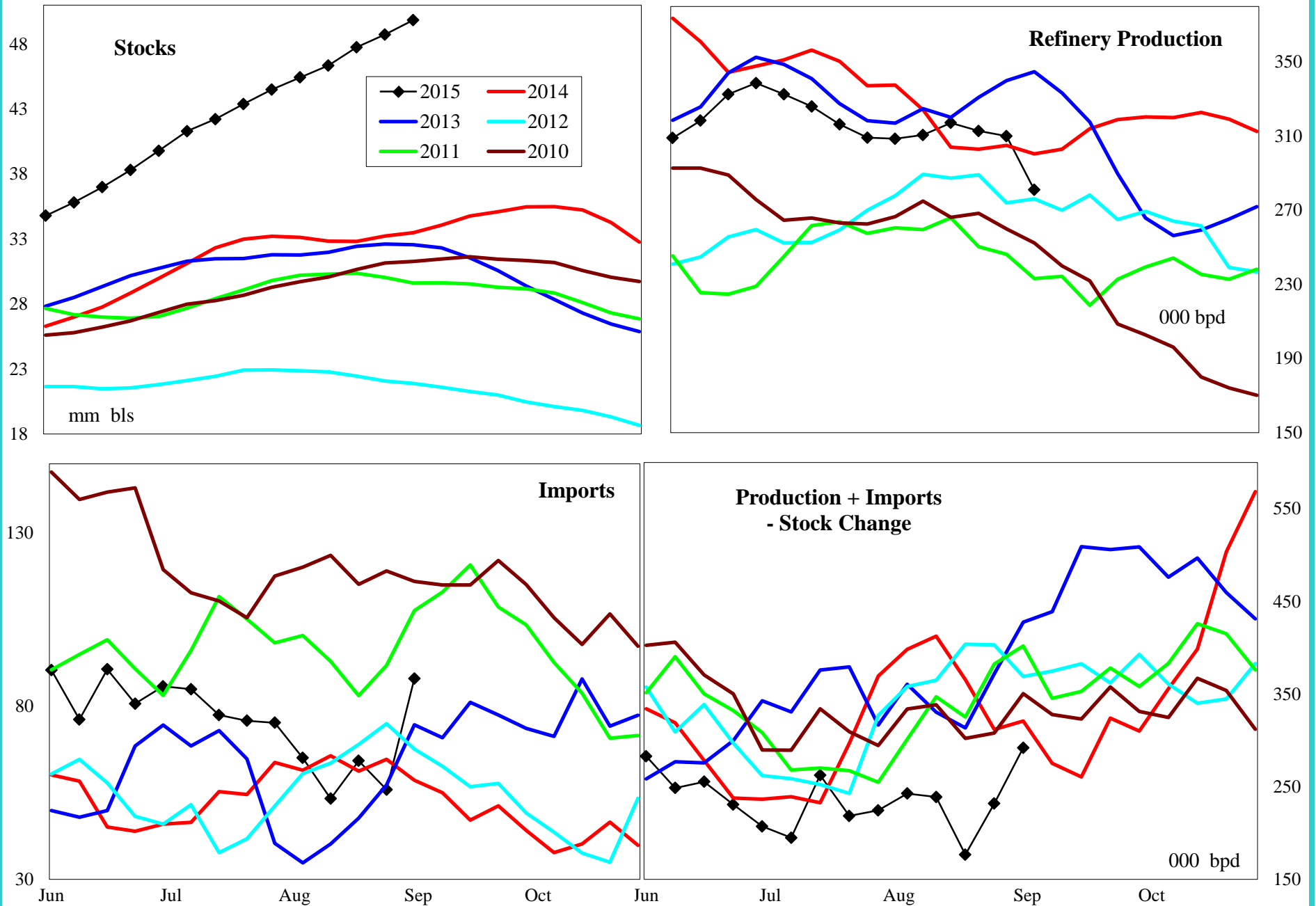
PADD 1 Distillate Supply



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

Production

Imports

Prod + Imp - Stk chg

15,587

13

-5

-91

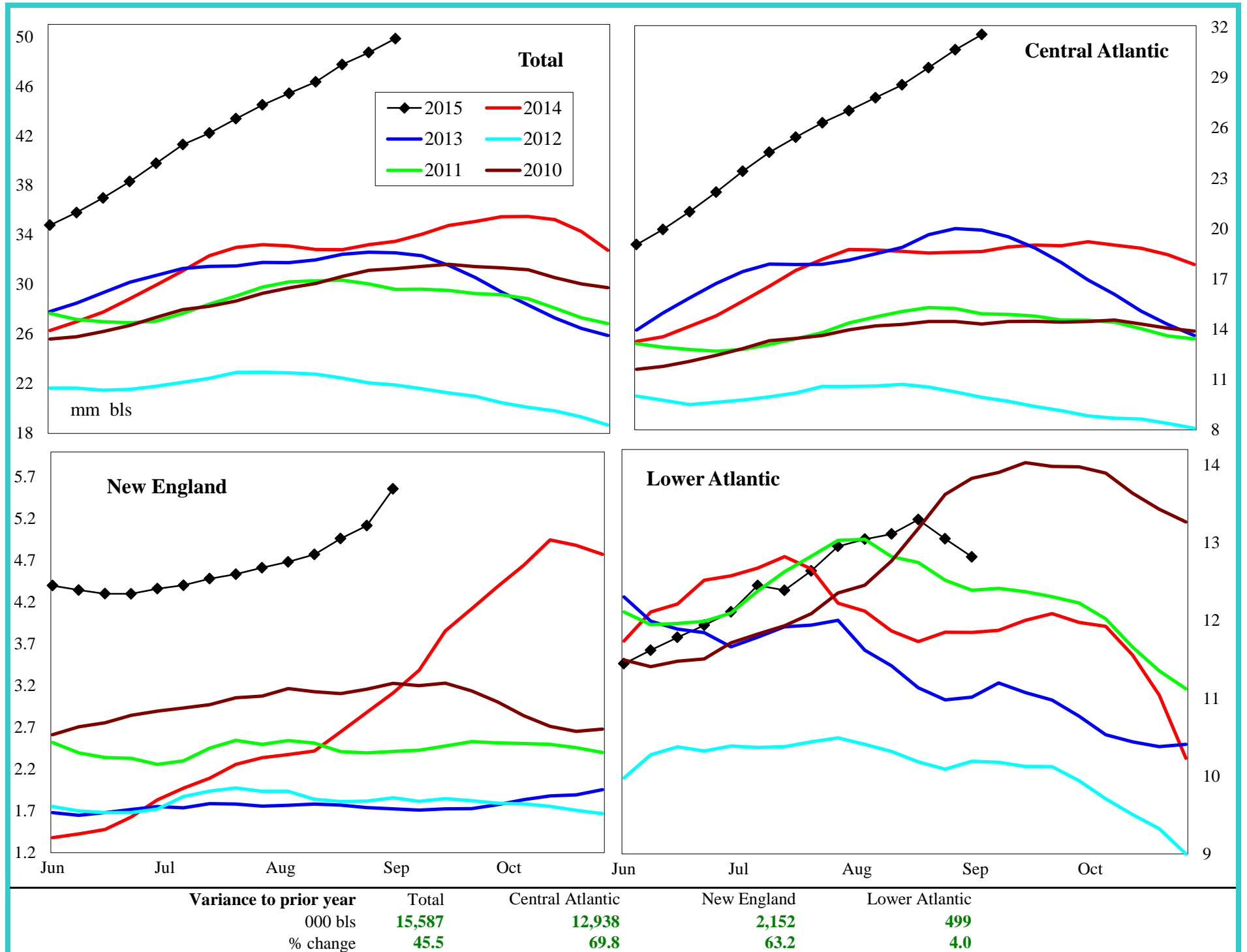
45.5

4.2

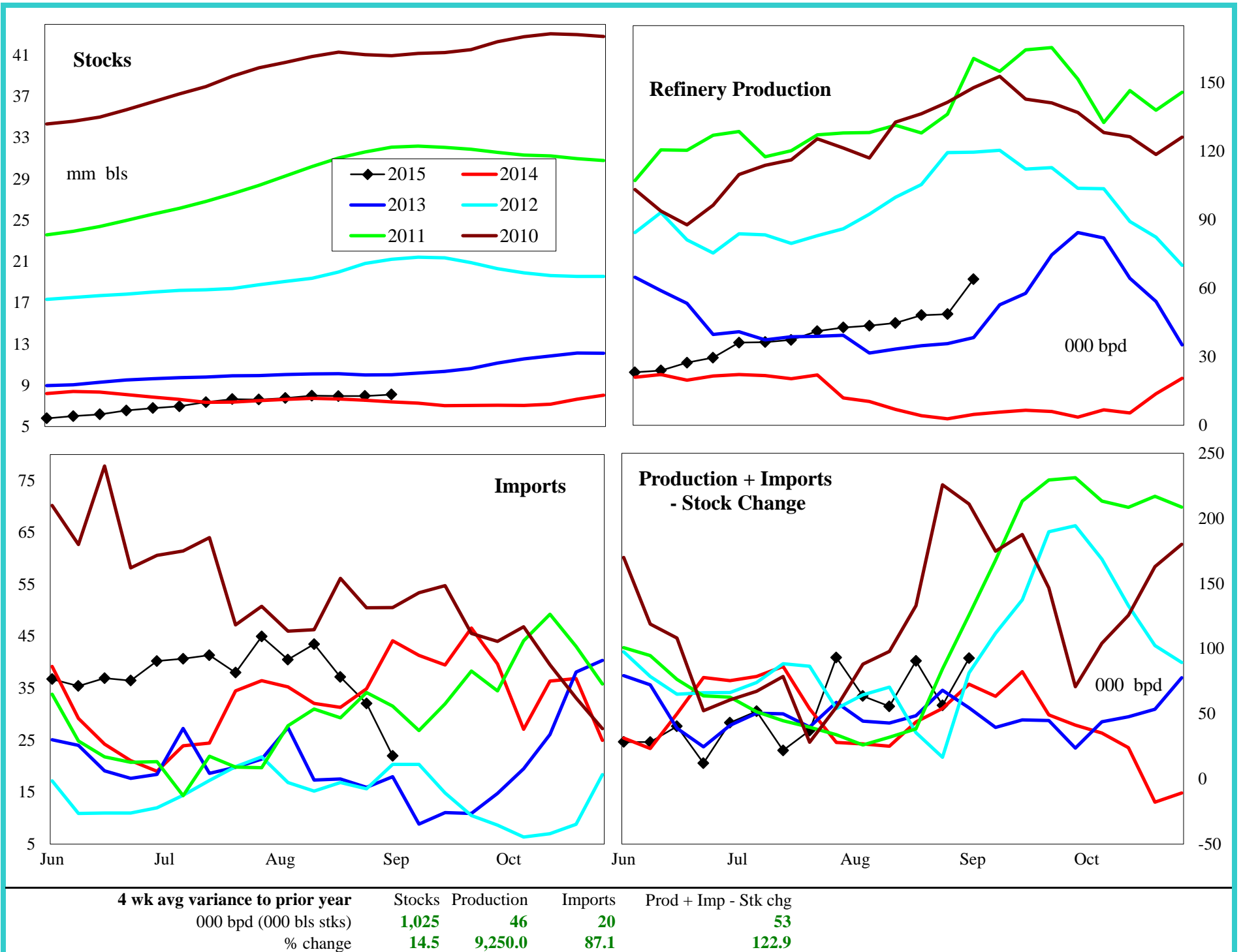
-8.5

-29.4

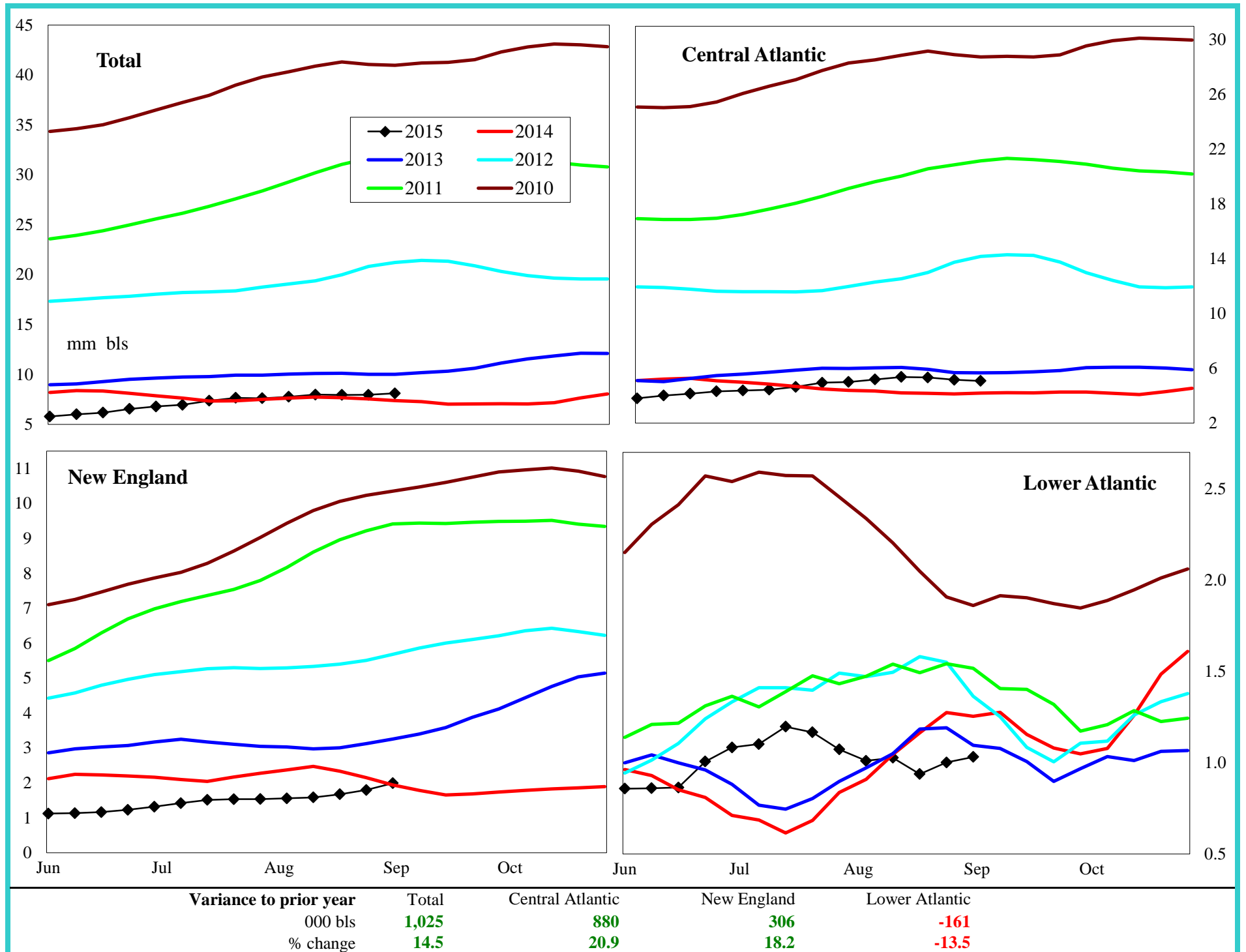
PADD 1 Low Sulfur Distillate Stocks by Region



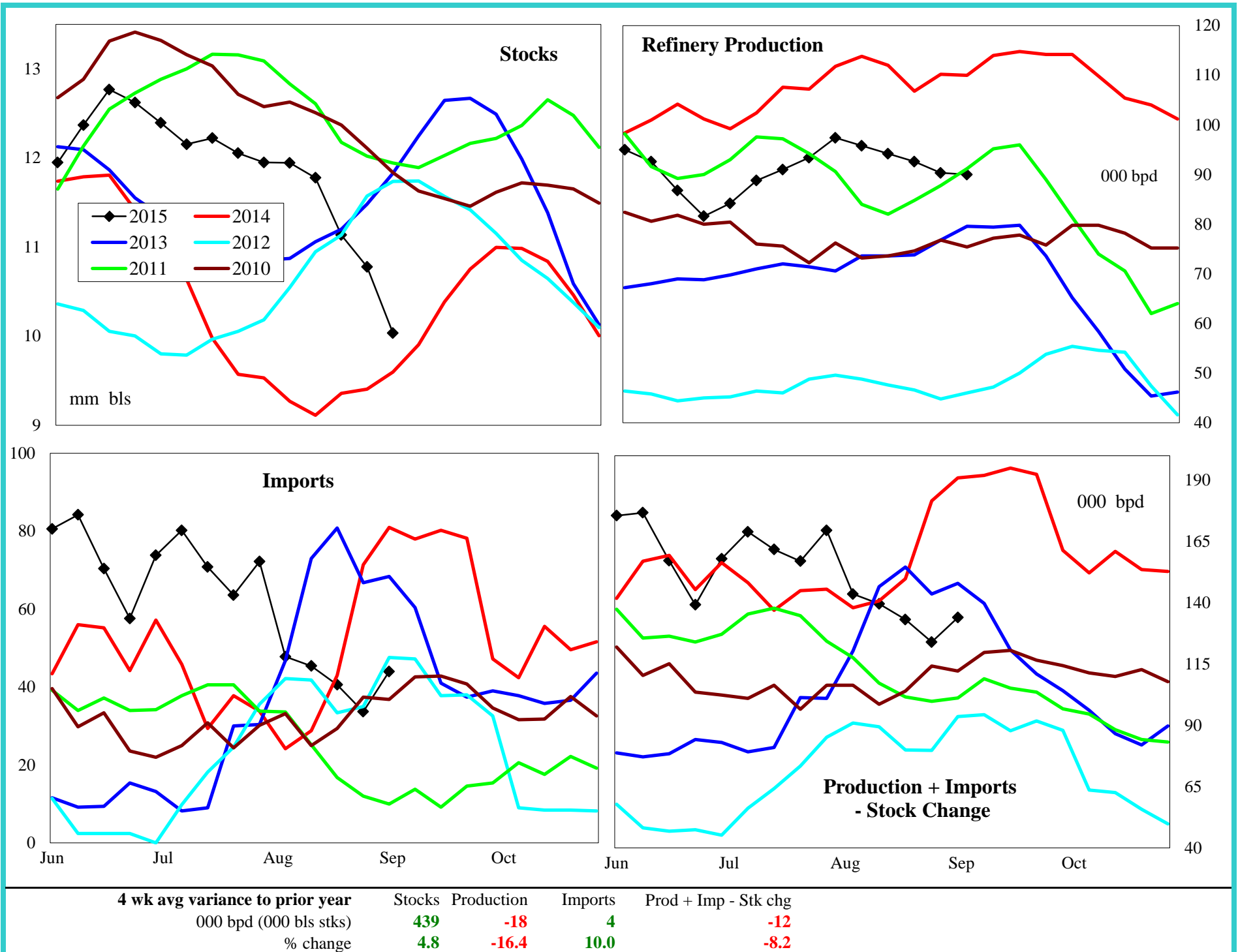
PADD 1 High Sulfur Distillate Supply



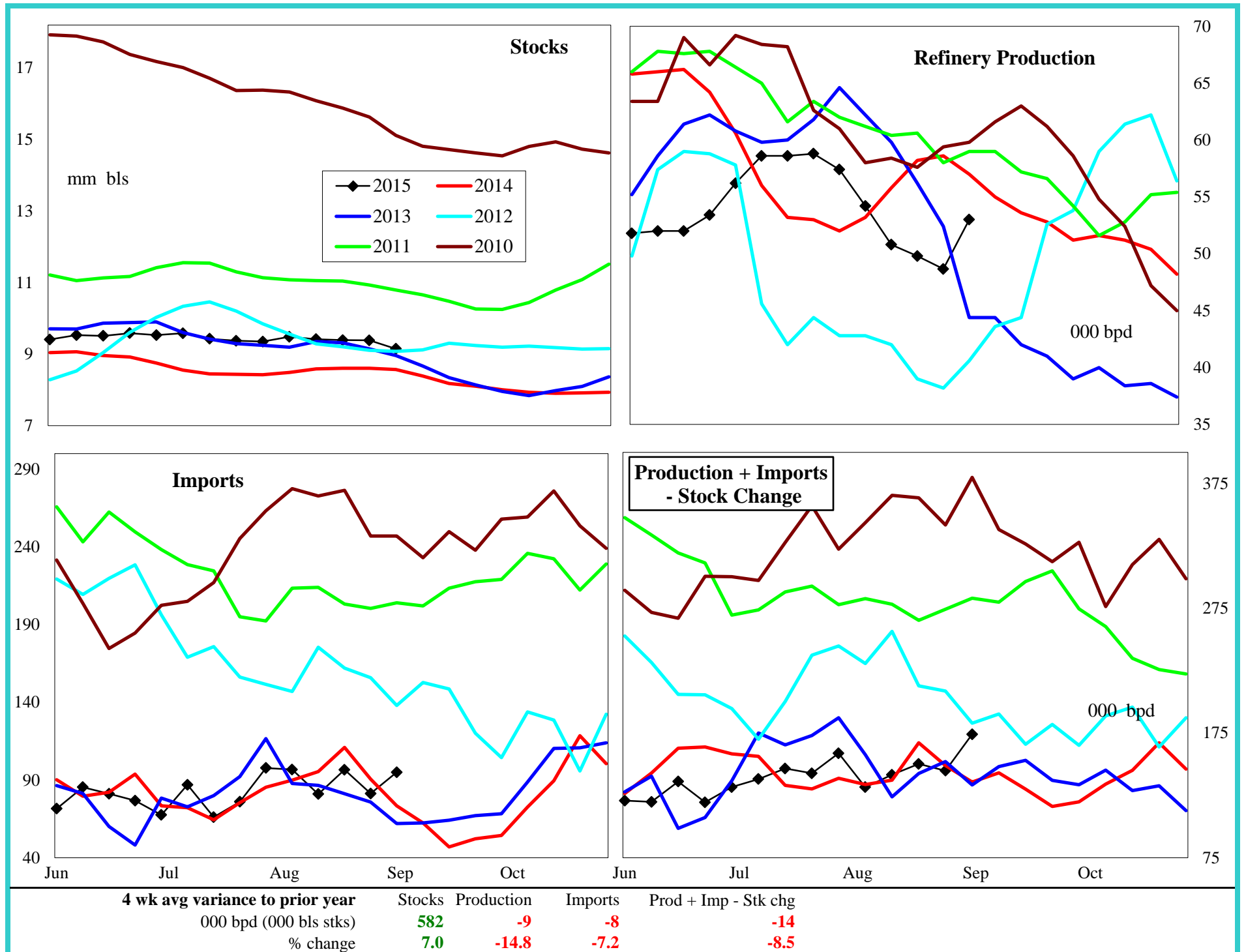
PADD 1 High Sulfur Distillate Stocks by Region



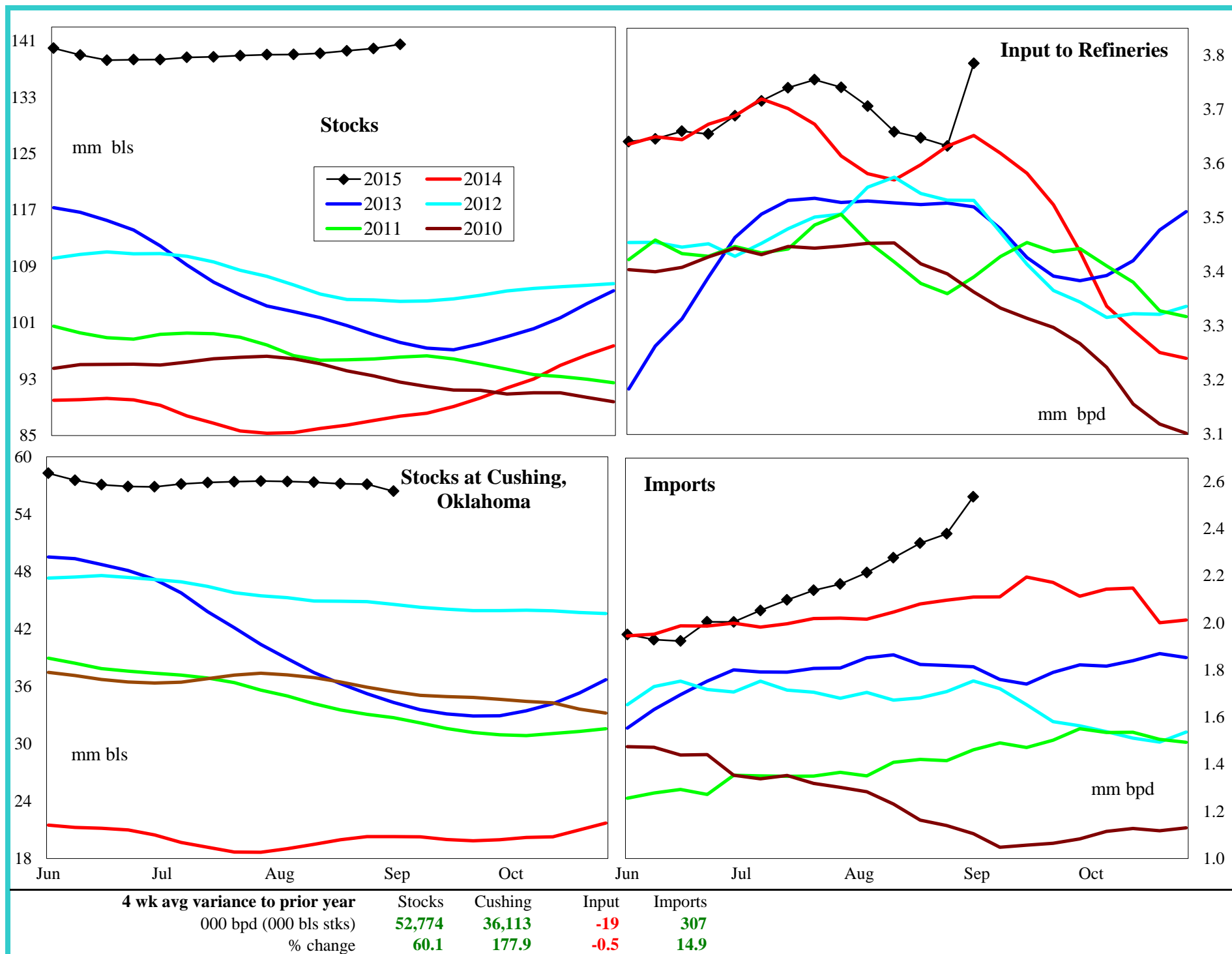
PADD 1 Jet Fuel Supply



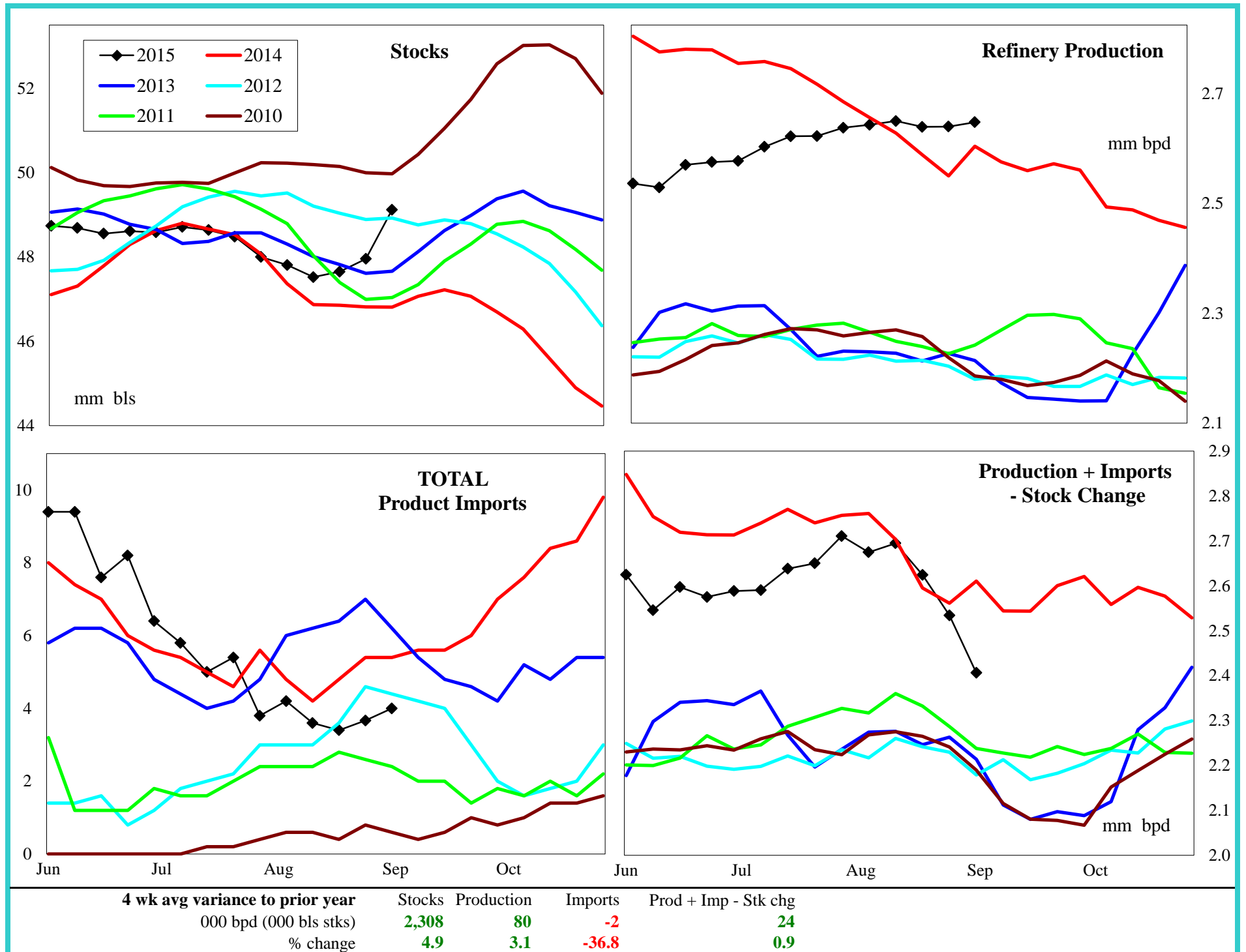
PADD 1 Residual Fuel Oil Supply



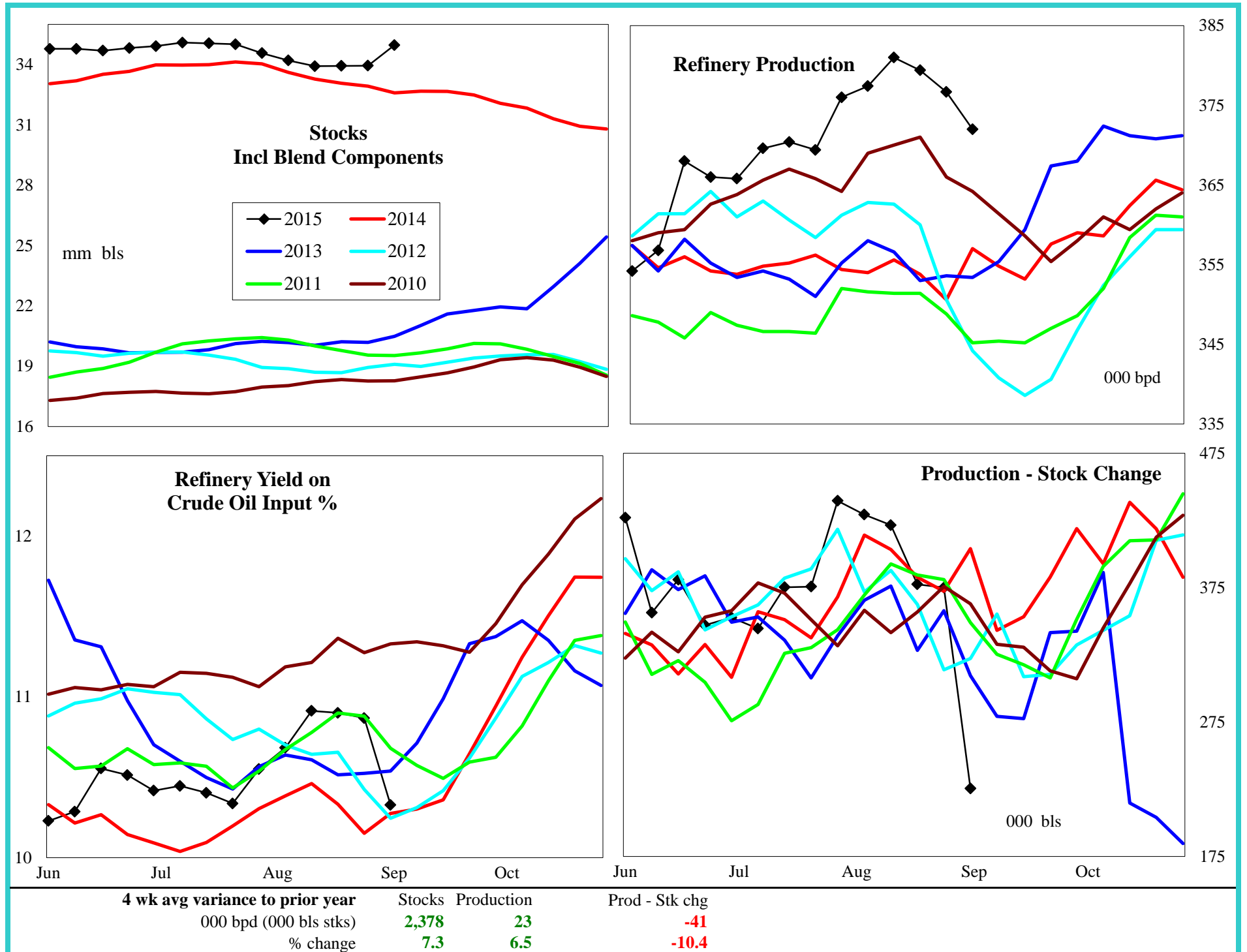
PADD 2 Crude Oil Supply and Refining



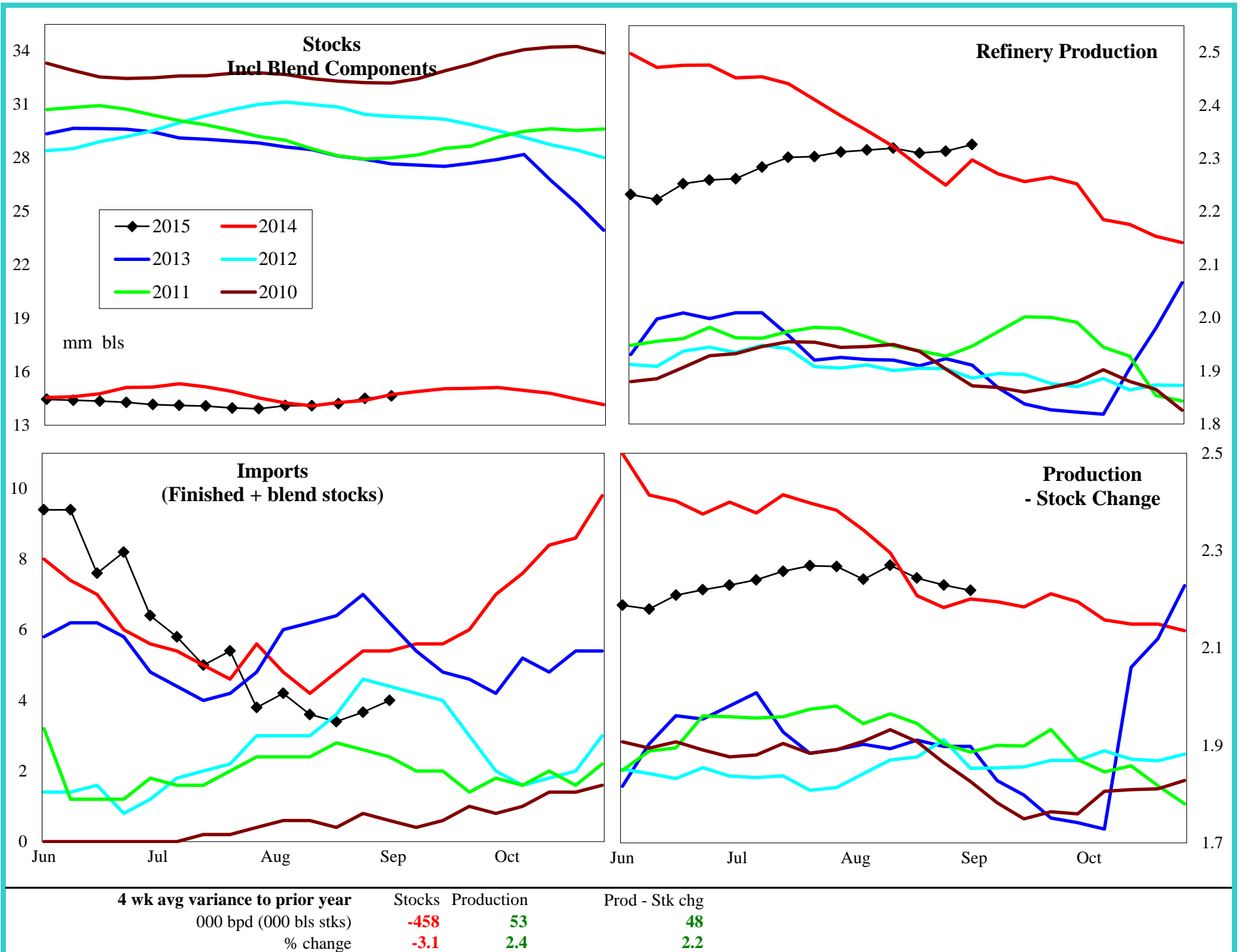
PADD 2 Gasoline Supply



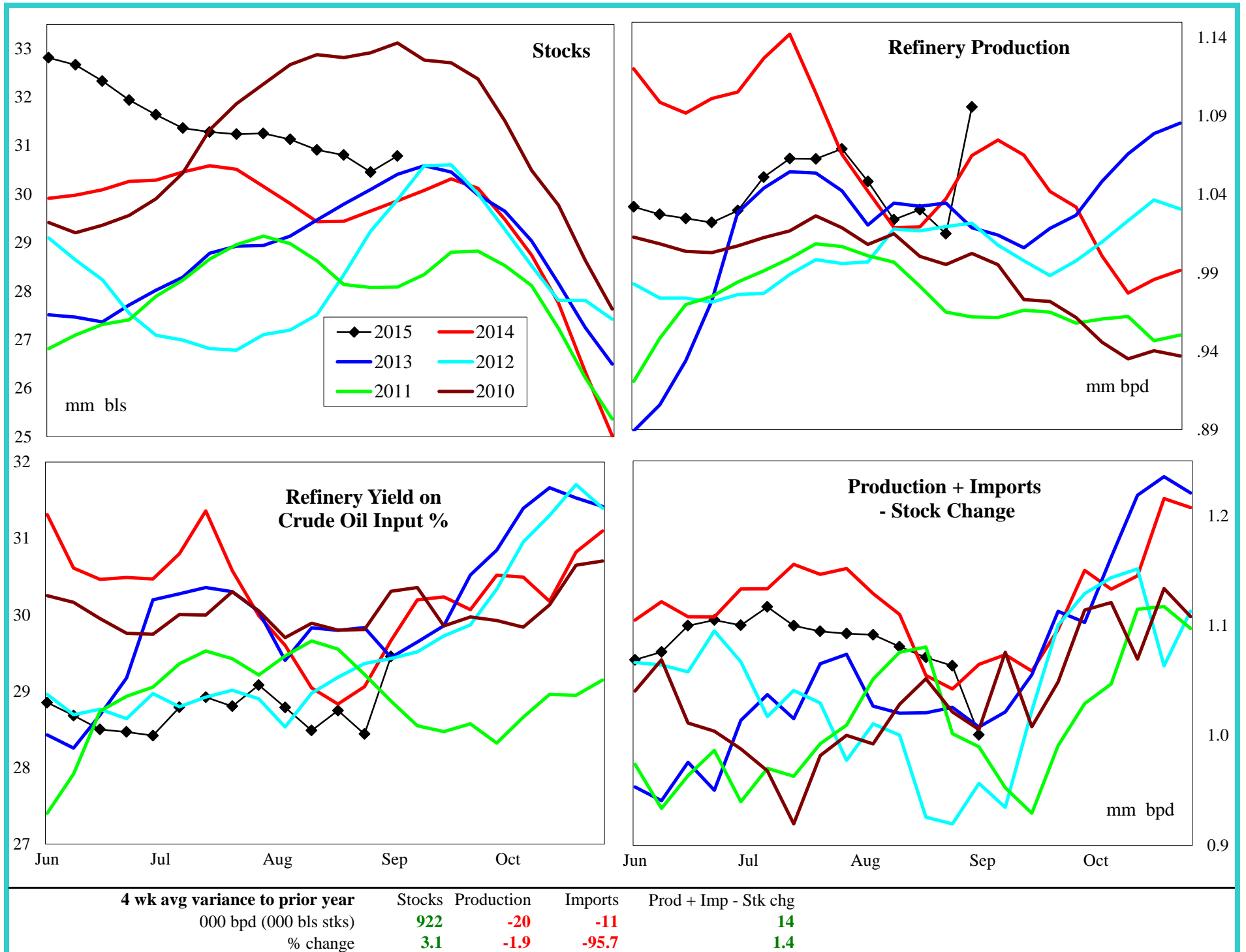
PADD 2 Reformulated Gasoline Supply



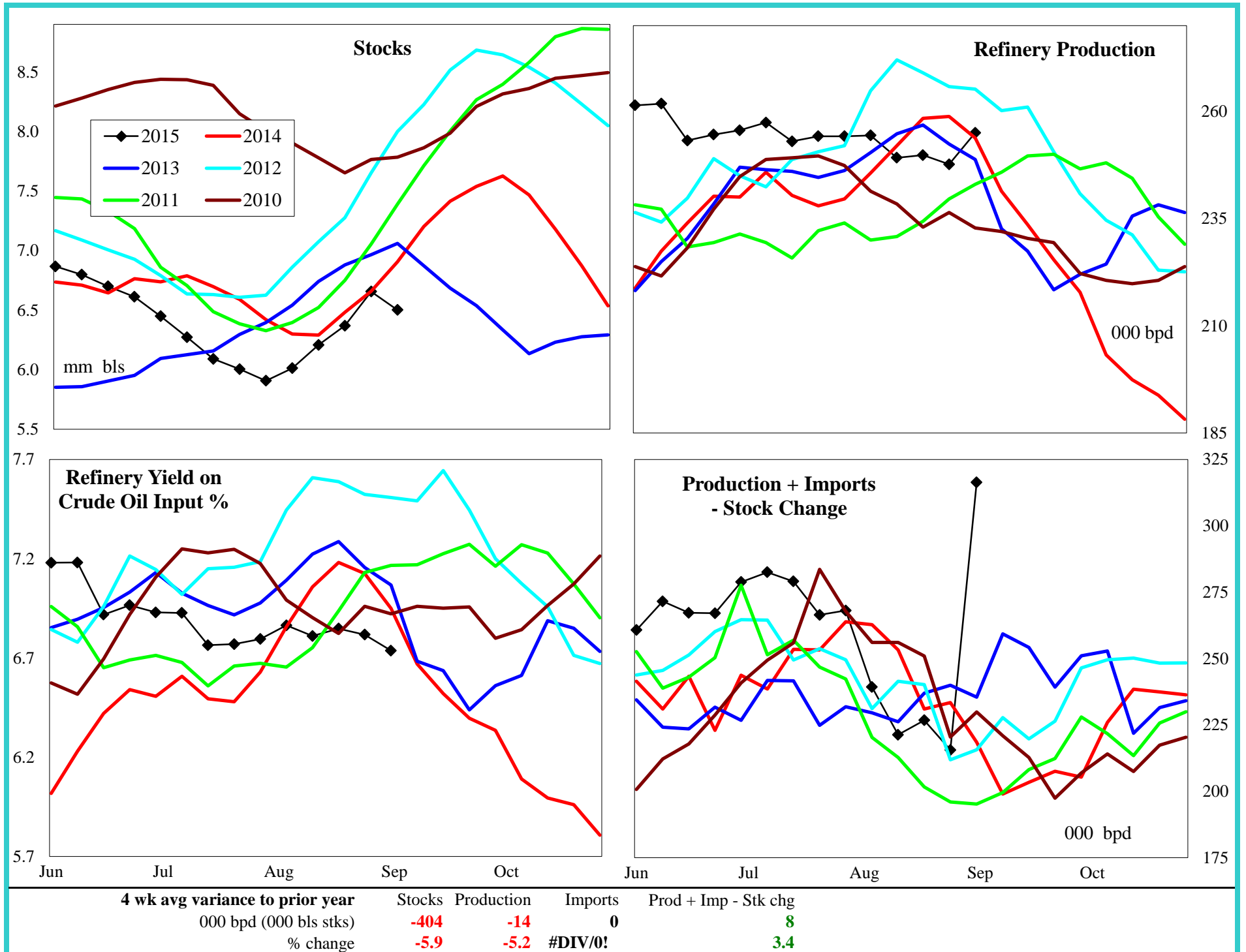
PADD 2 Conventional Gasoline Supply



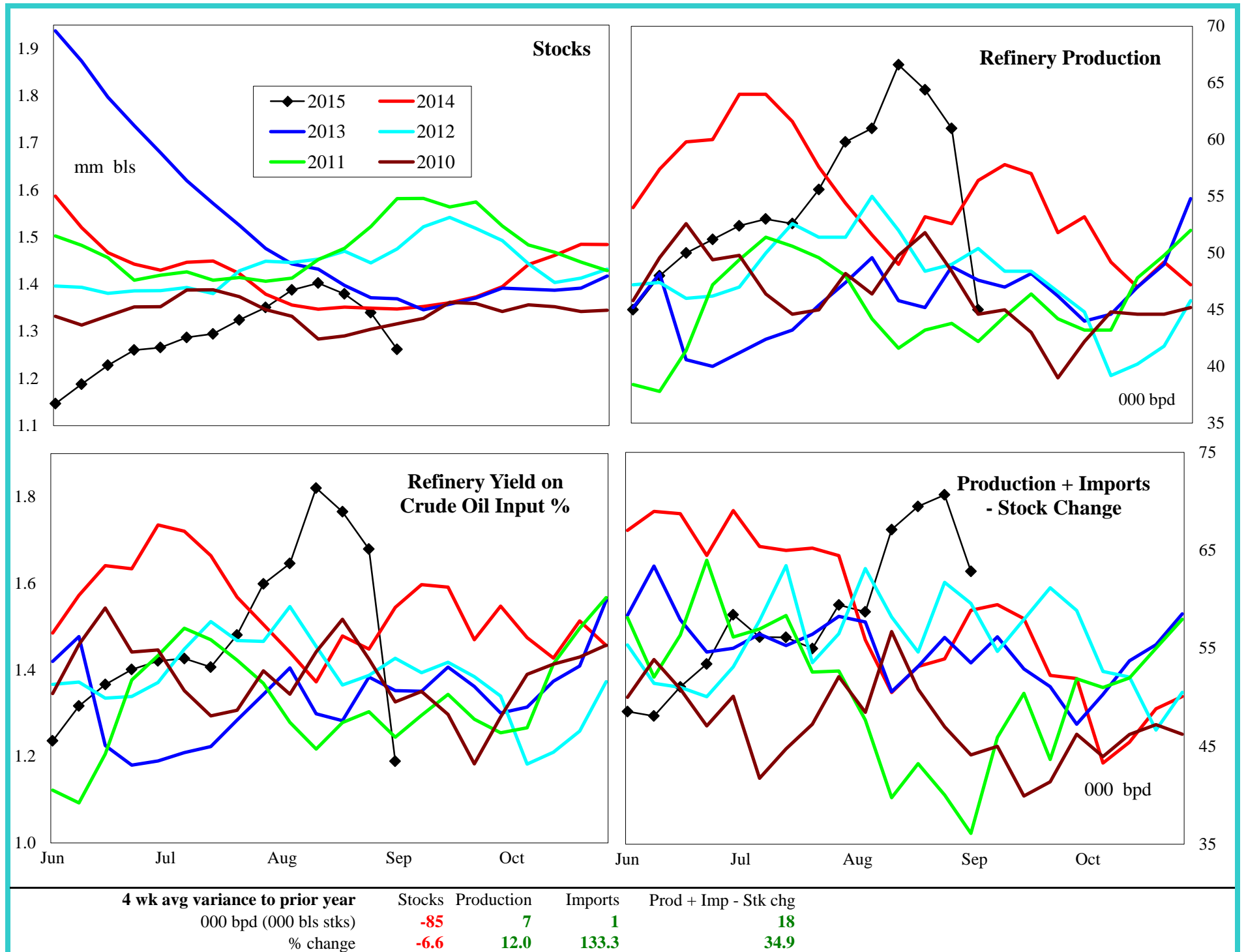
PADD 2 Distillate Supply



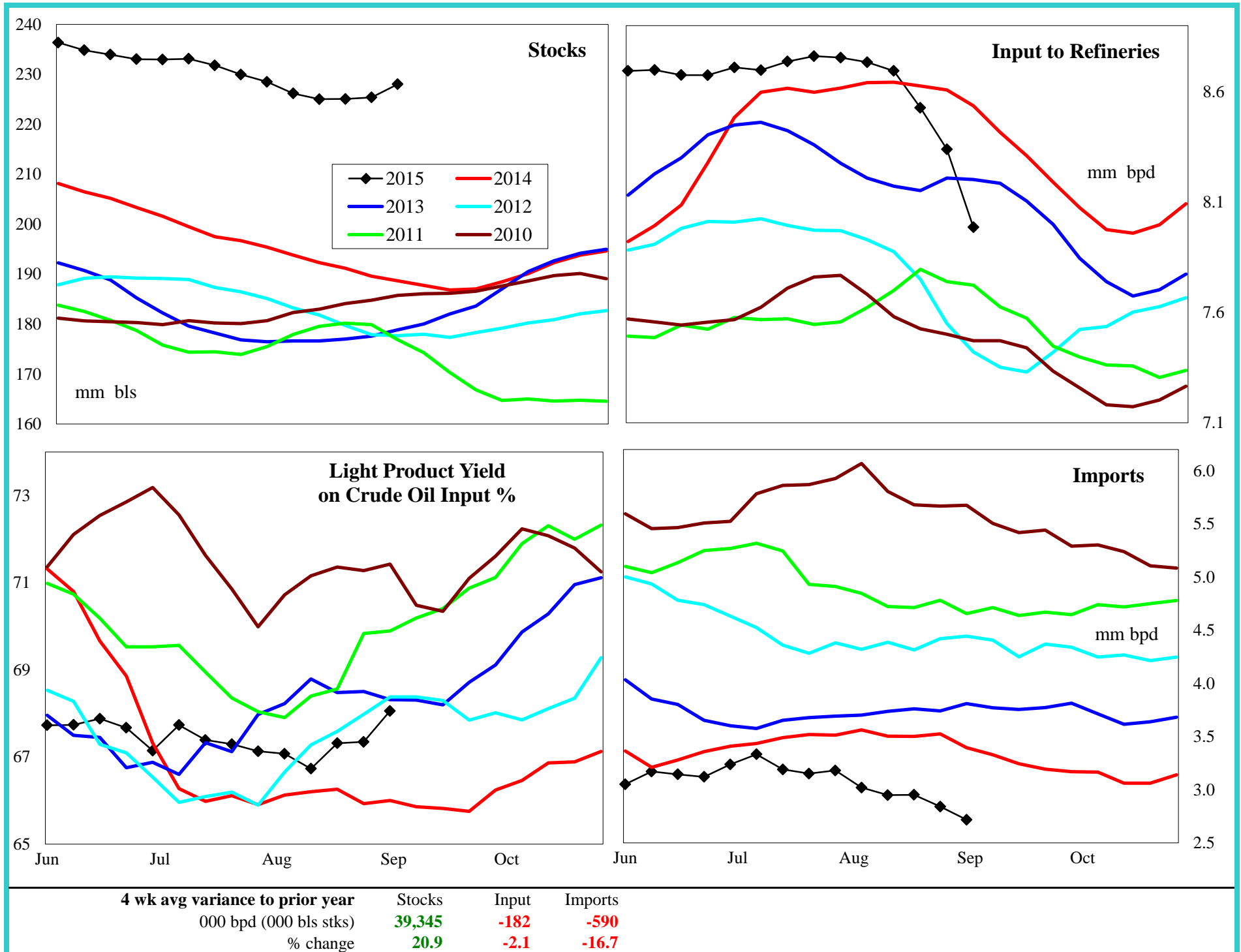
PADD 2 Jet Fuel Supply



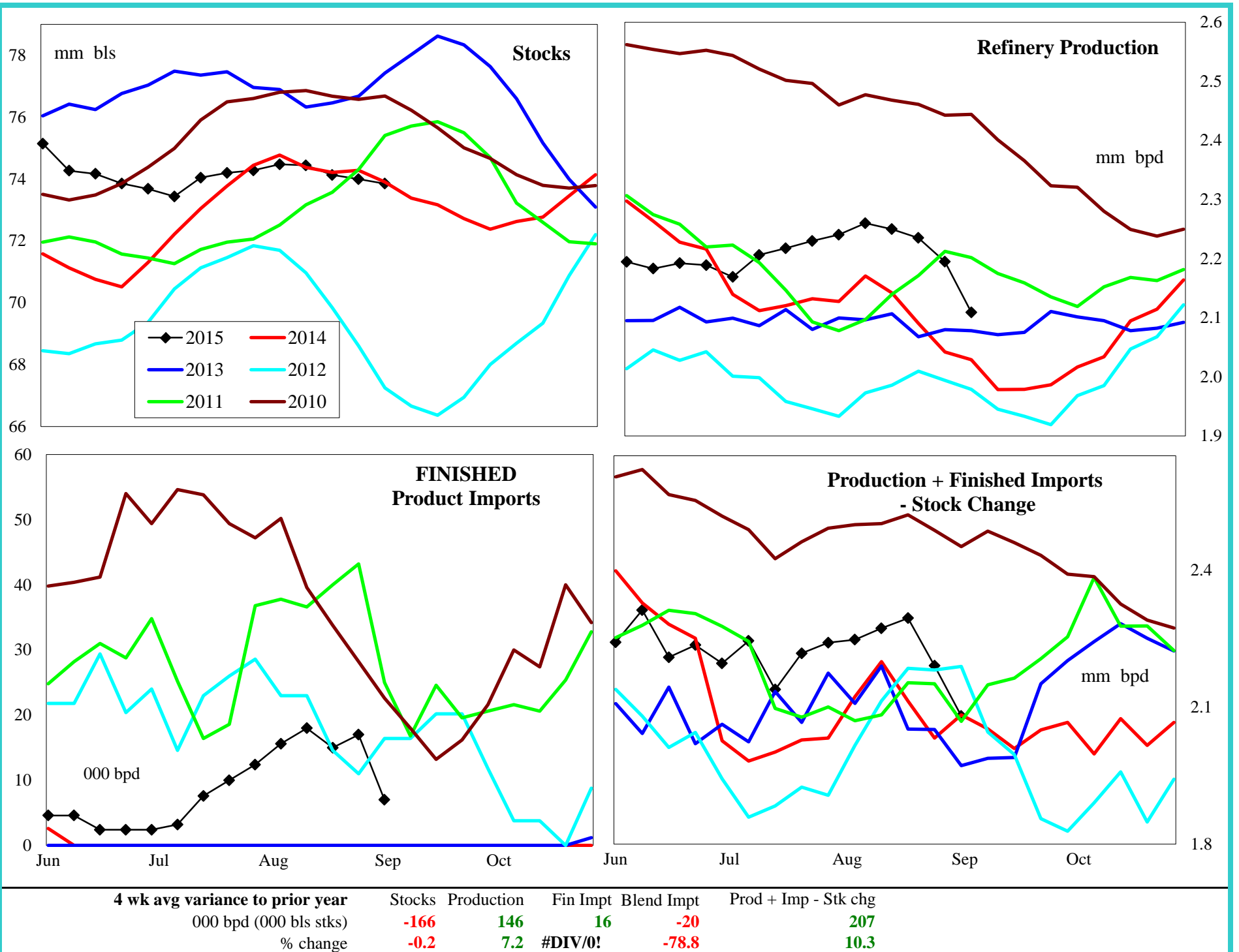
PADD 2 Residual Fuel Oil Supply



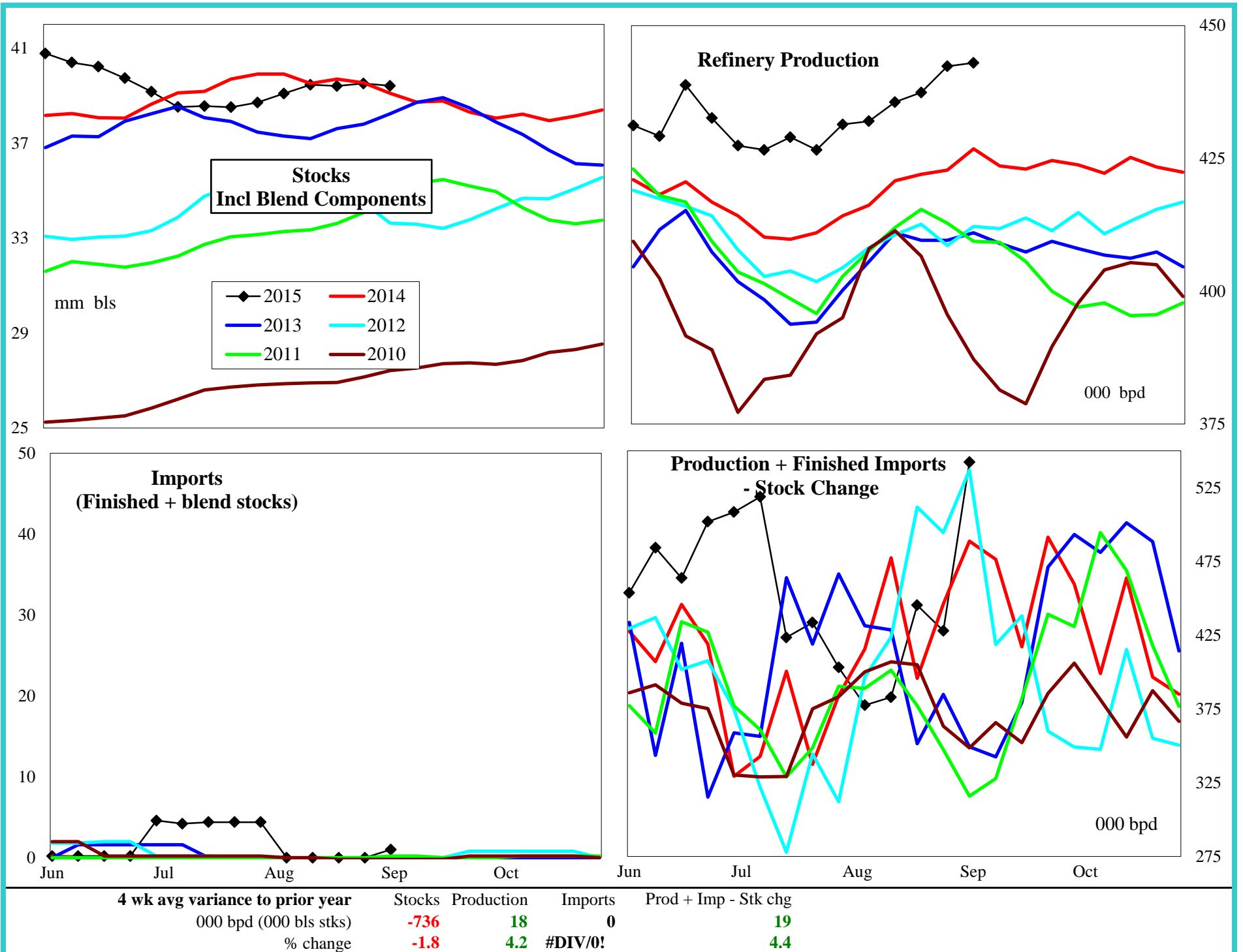
PADD 3 Crude Oil Supply and Refining



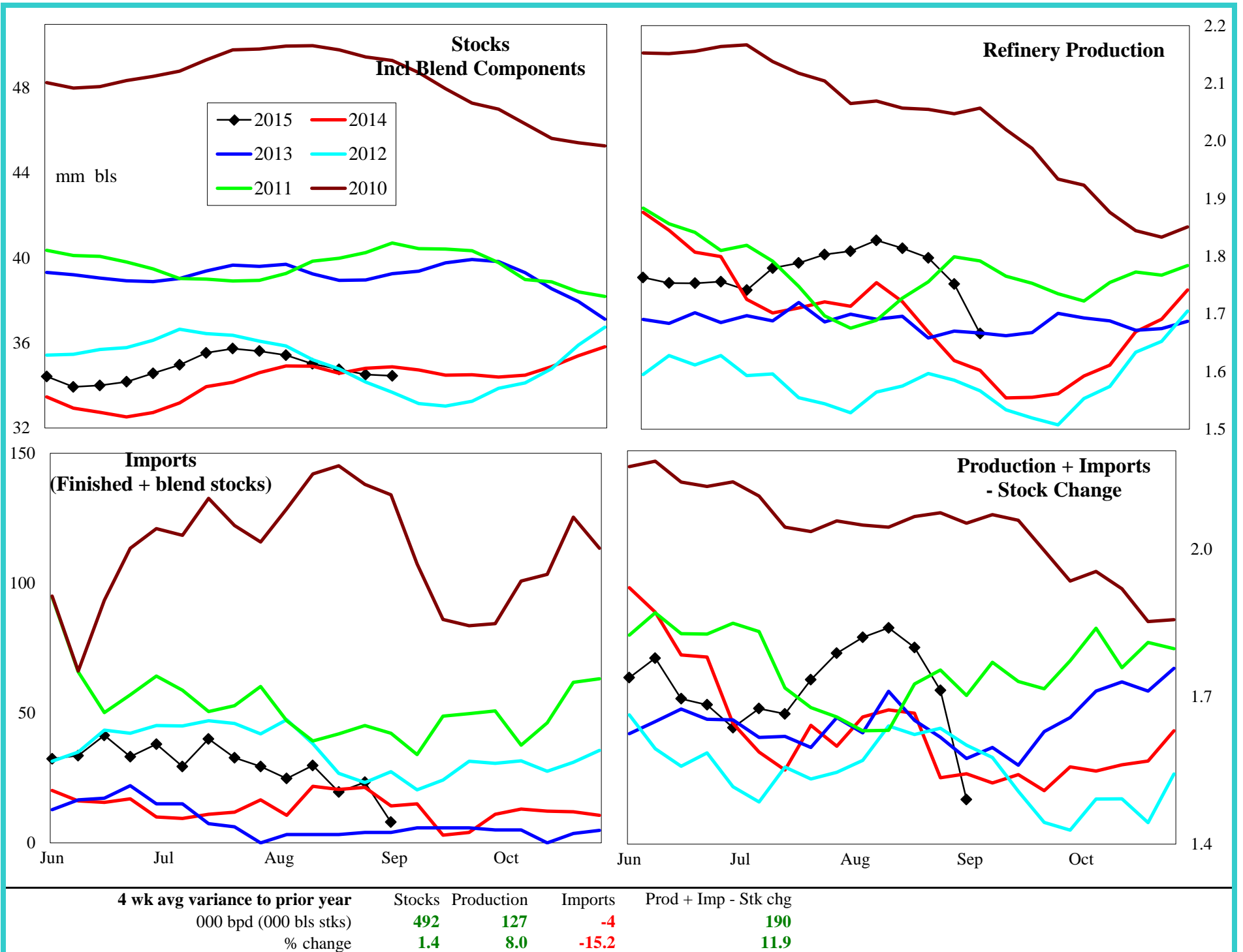
PADD 3 Gasoline Supply



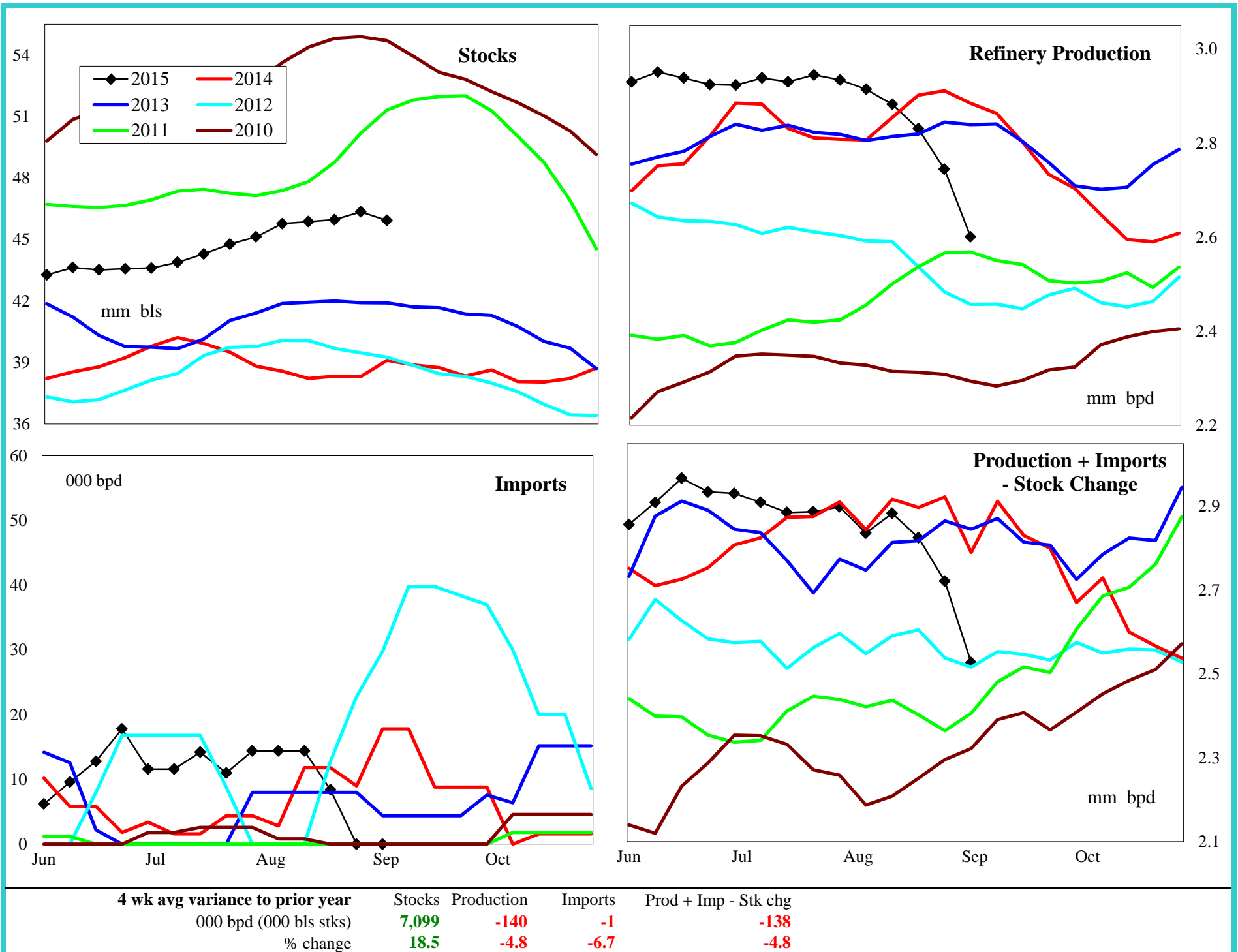
PADD 3 Reformulated Gasoline Supply



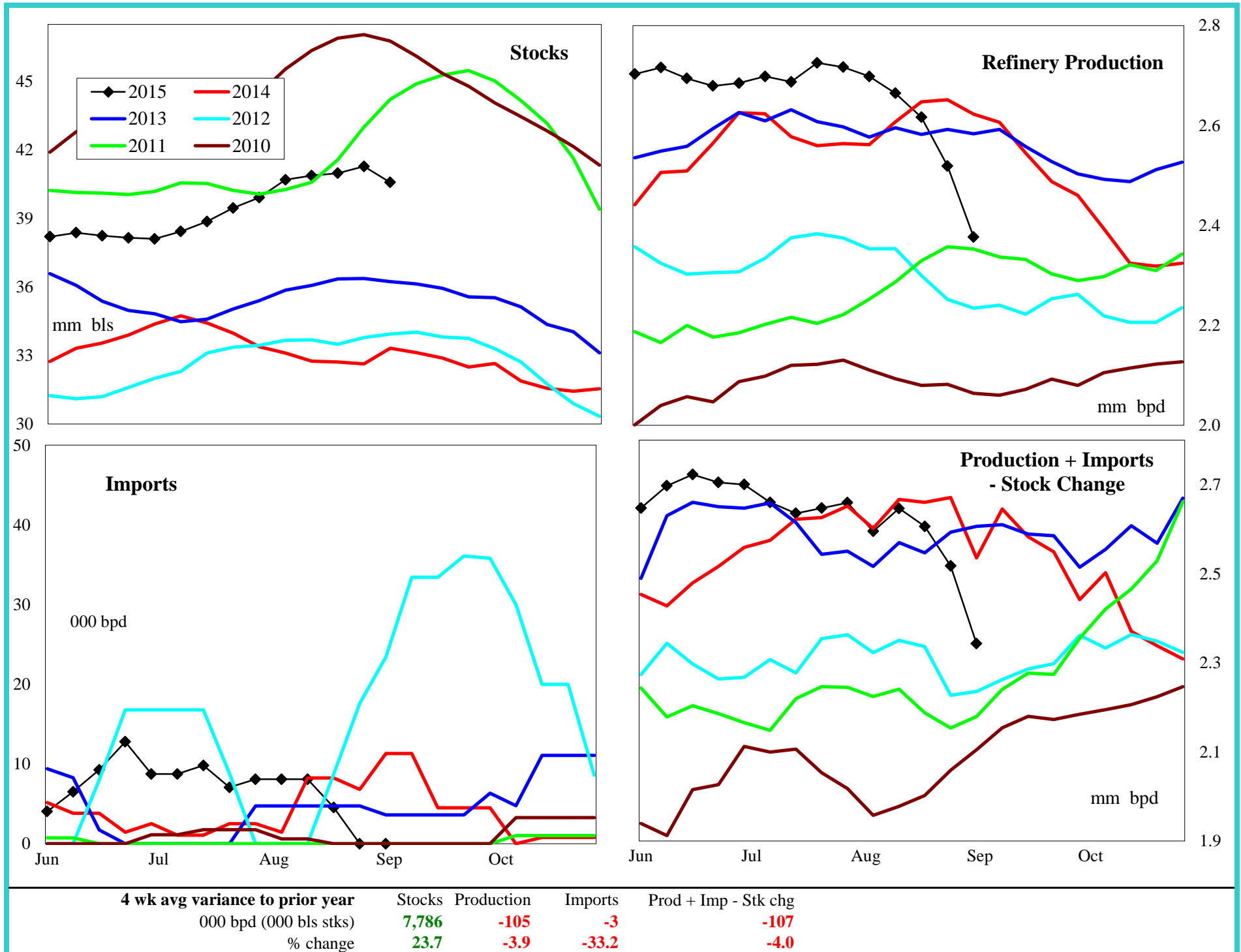
PADD 3 Conventional Gasoline Supply



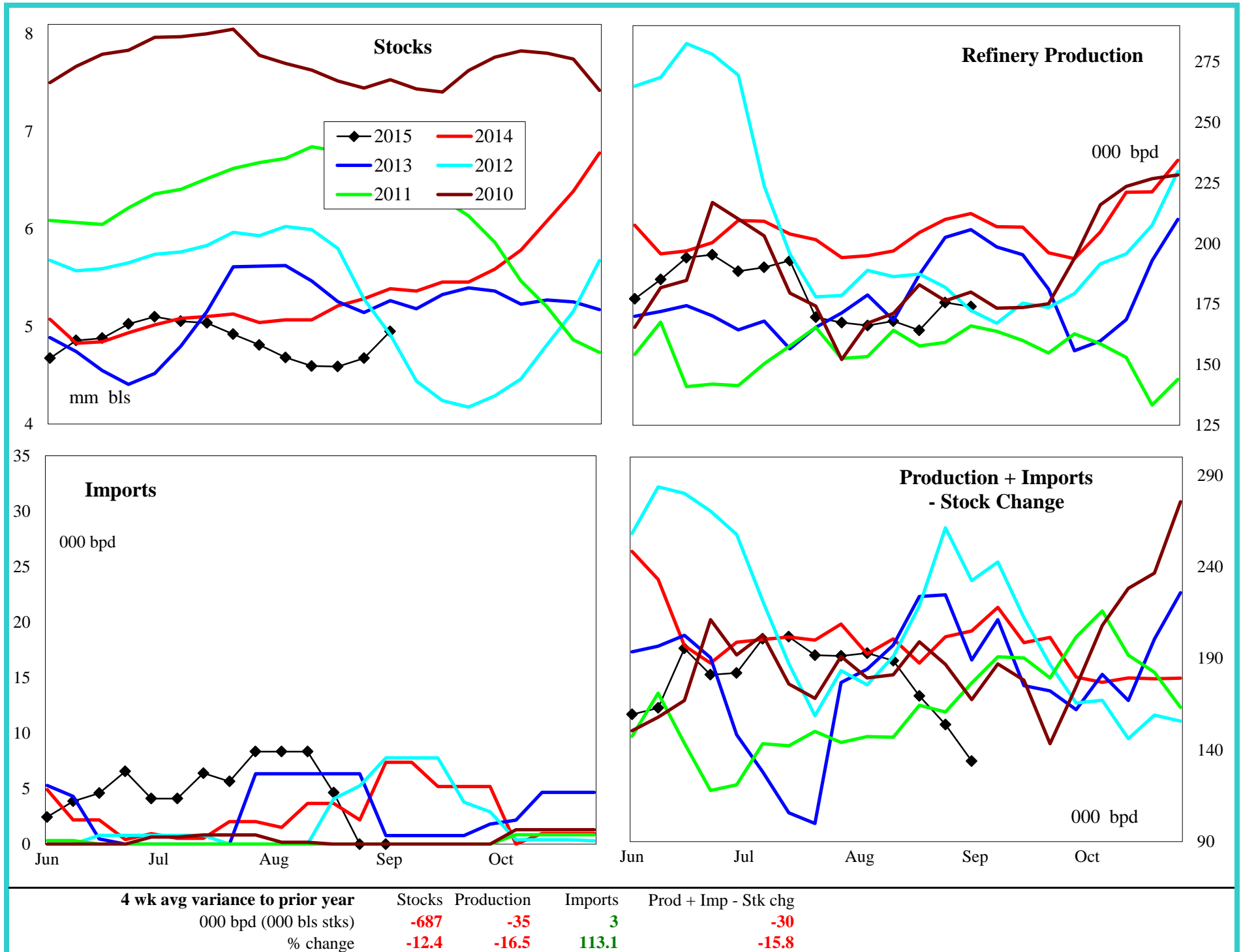
PADD 3 Distillate Supply



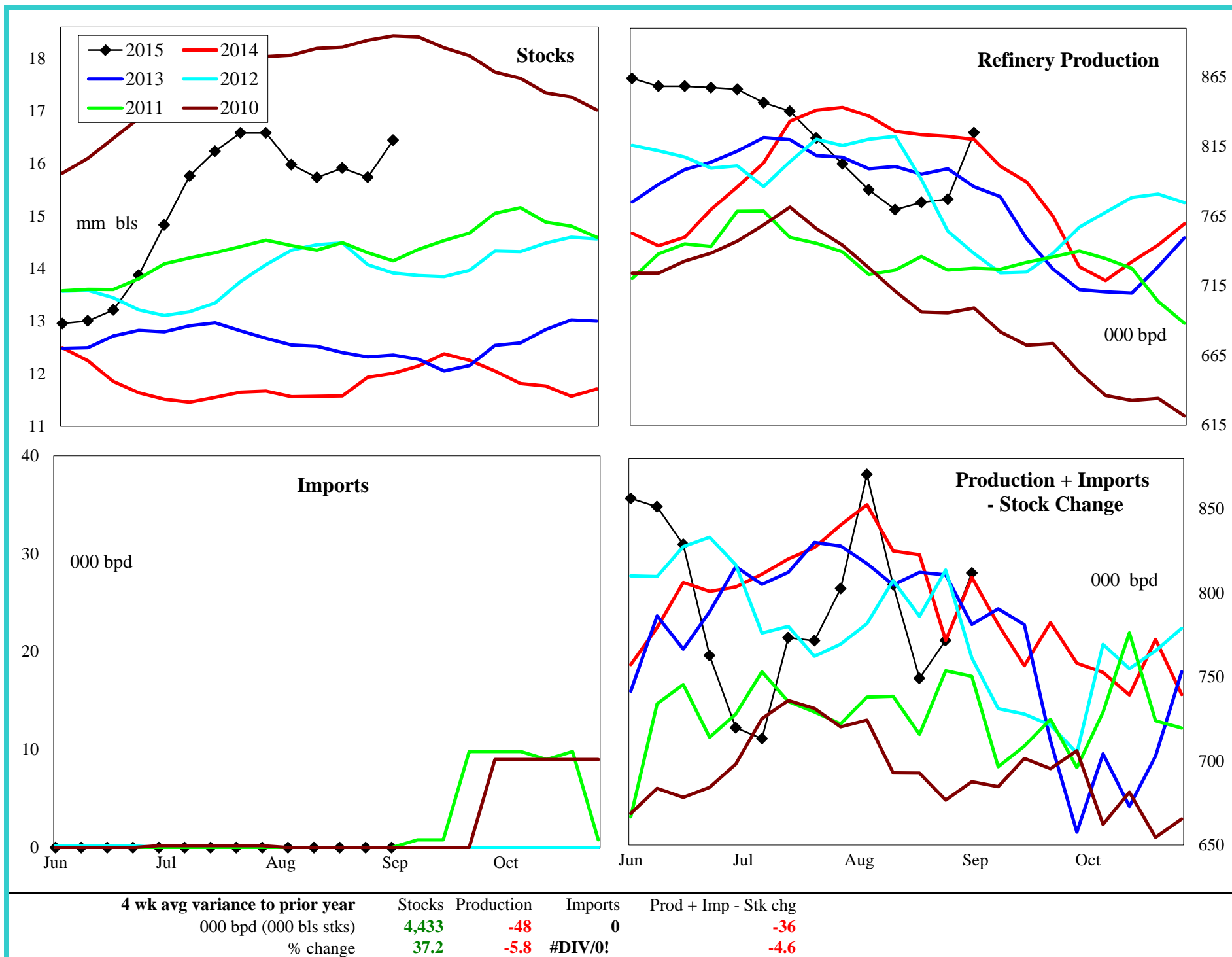
PADD 3 Low Sulfur Distillate Supply



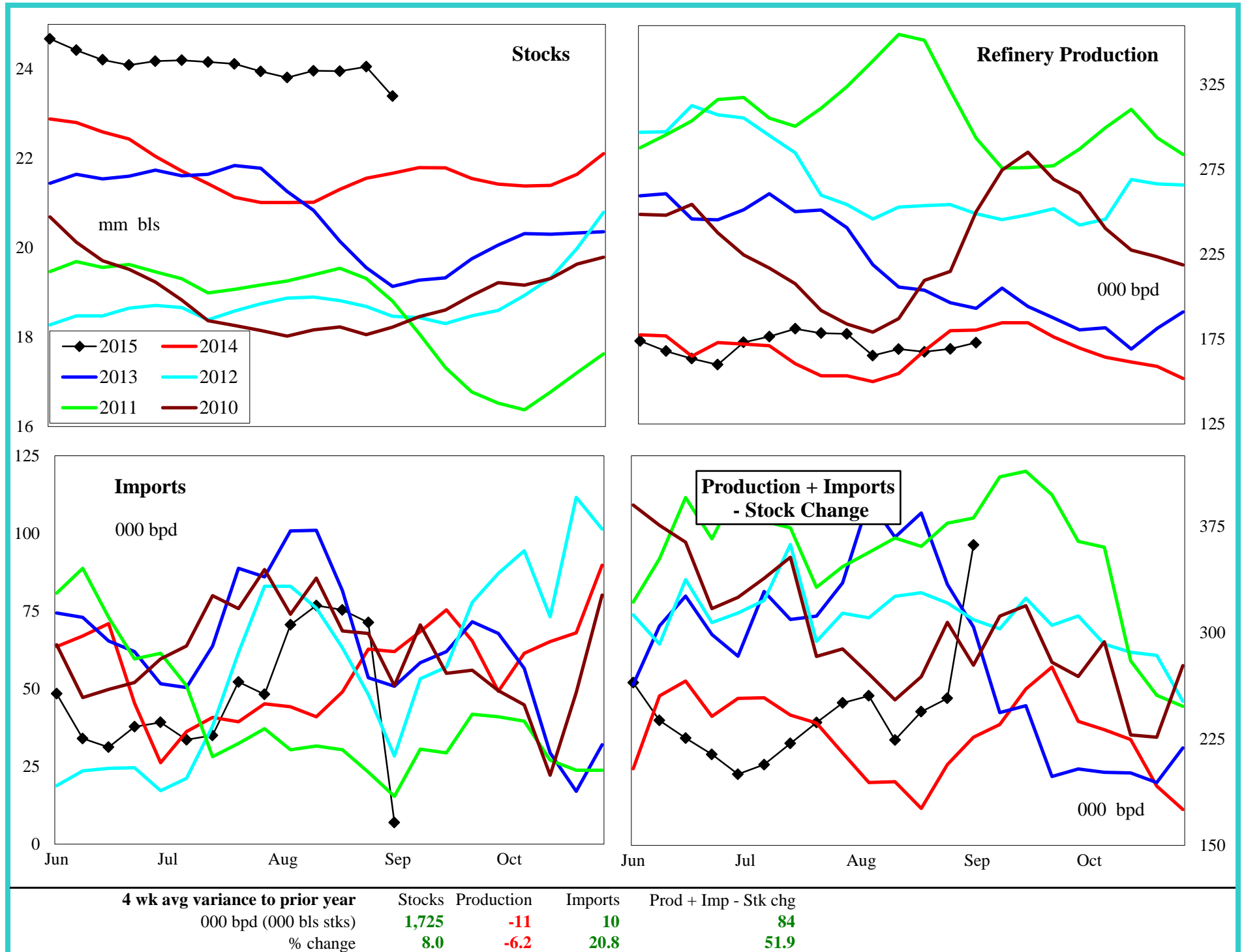
PADD 3 High Sulfur Distillate Supply



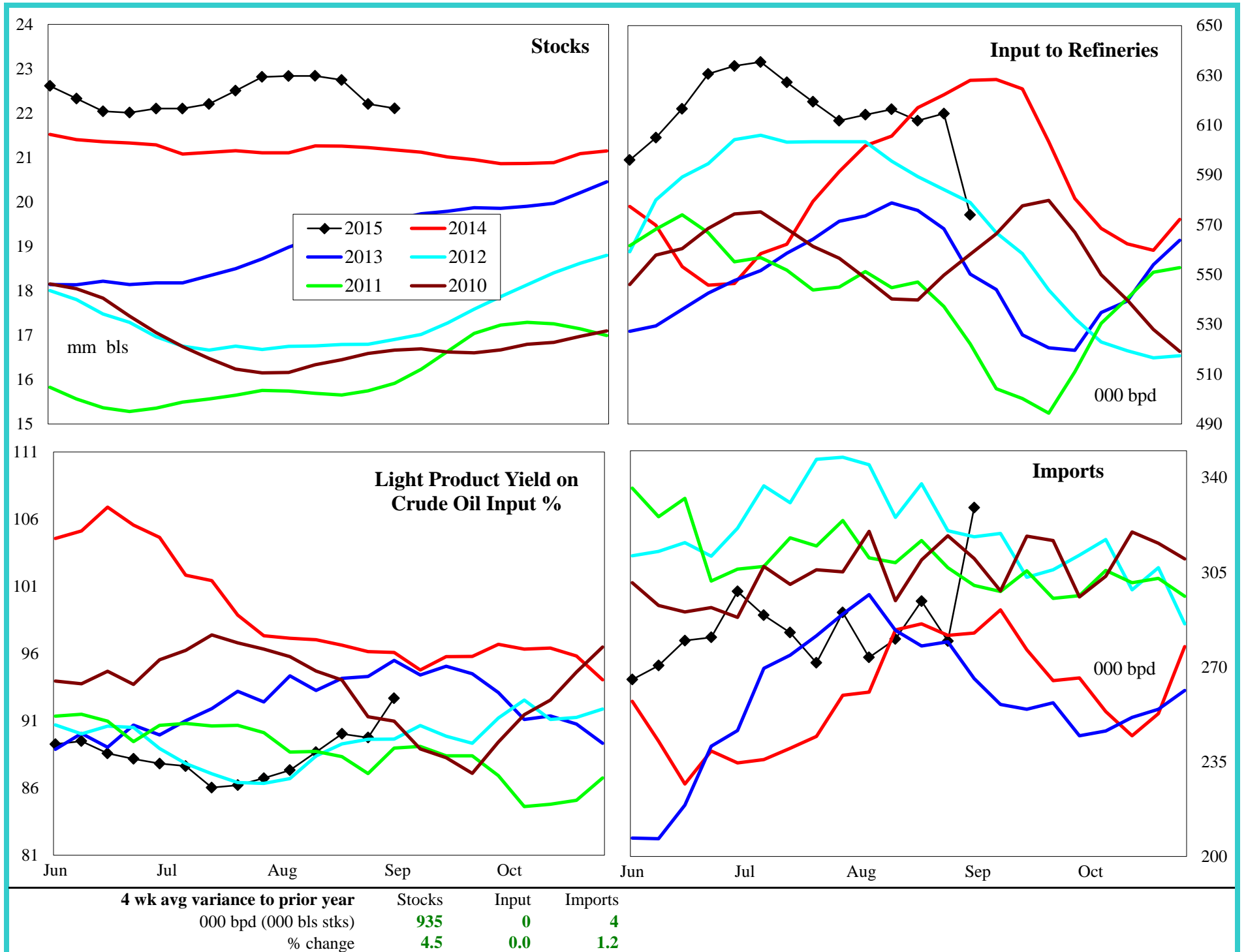
PADD 3 Jet Fuel Supply



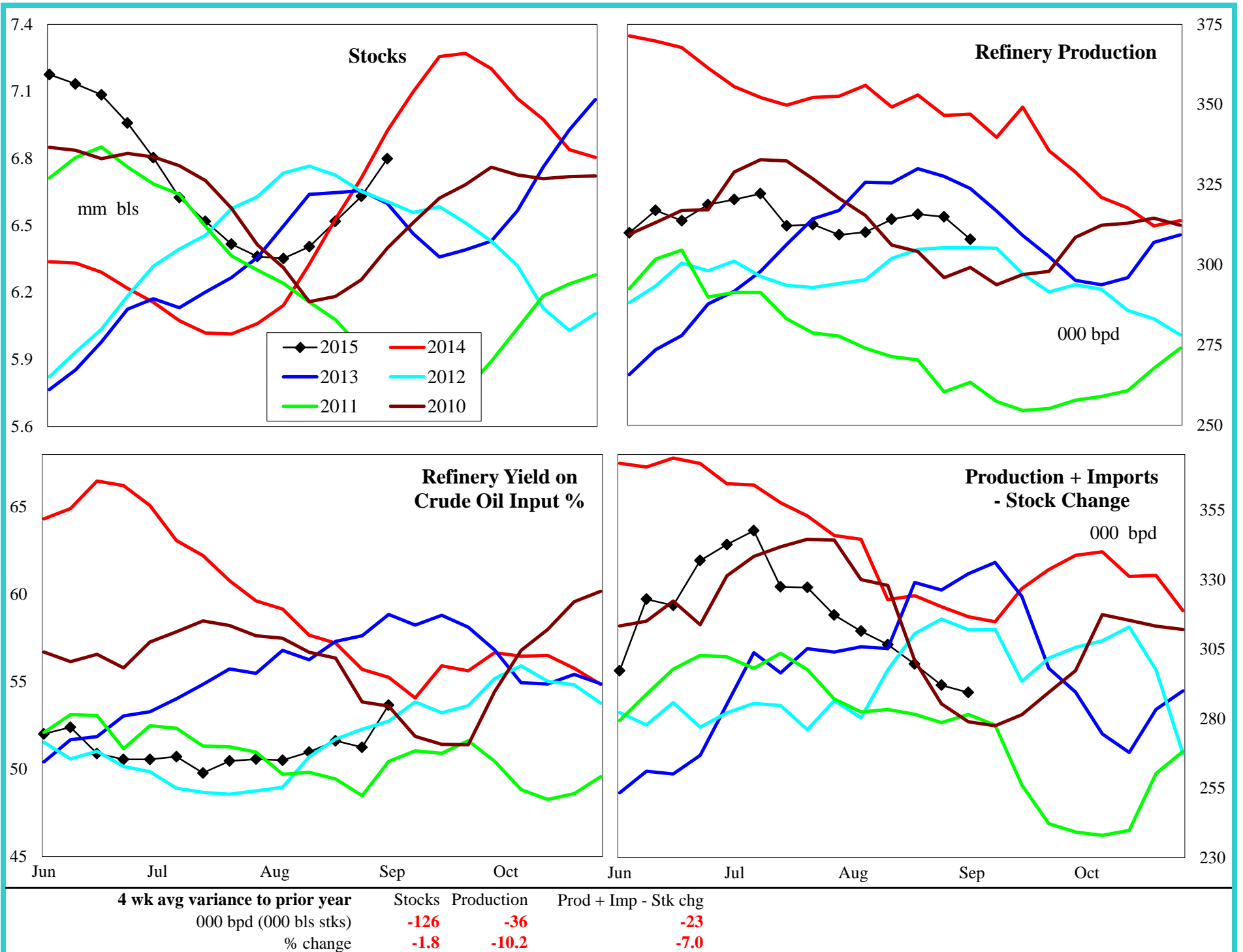
PADD 3 Residual Fuel Oil Supply



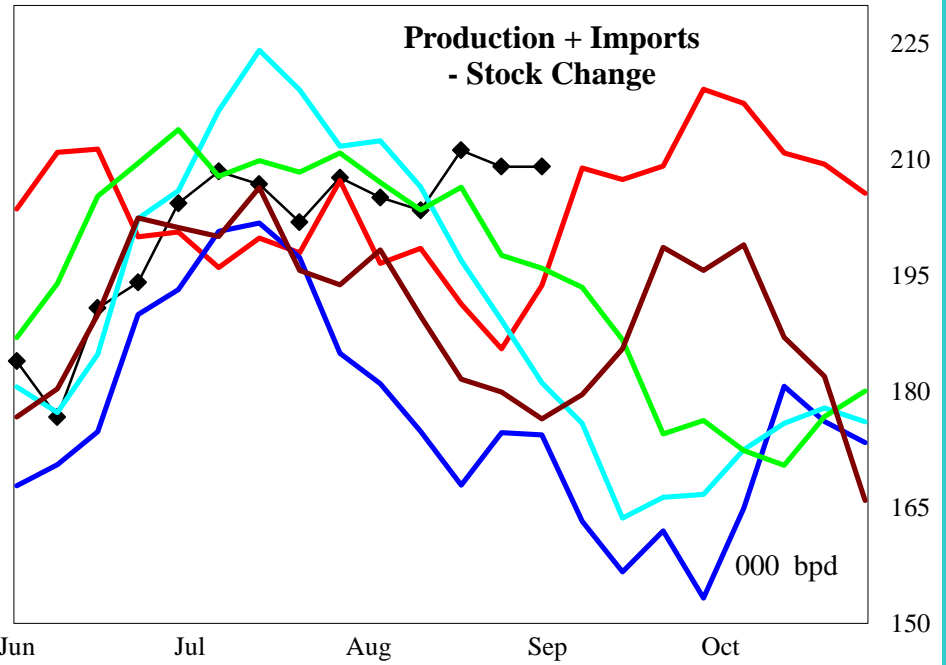
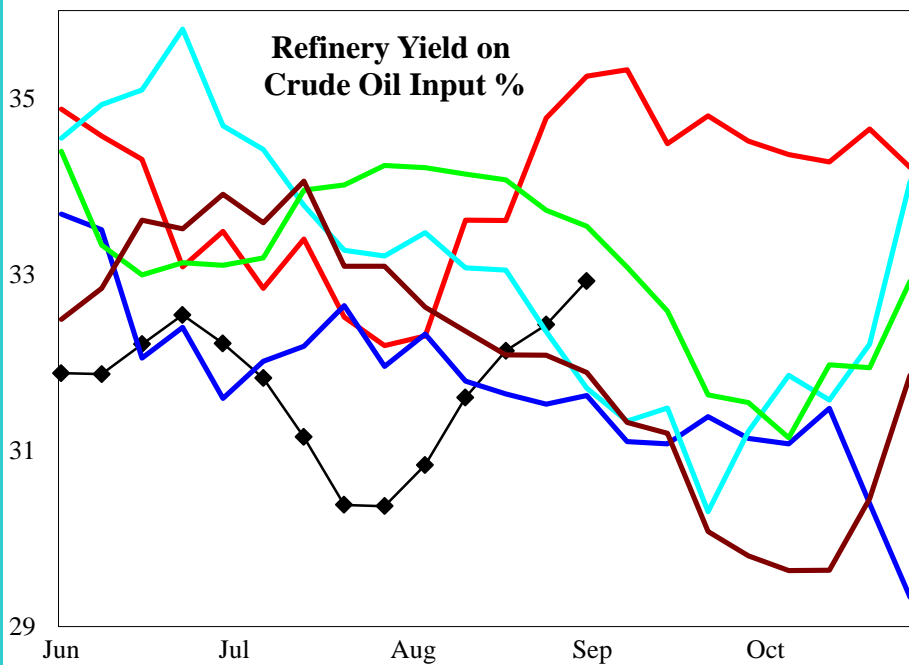
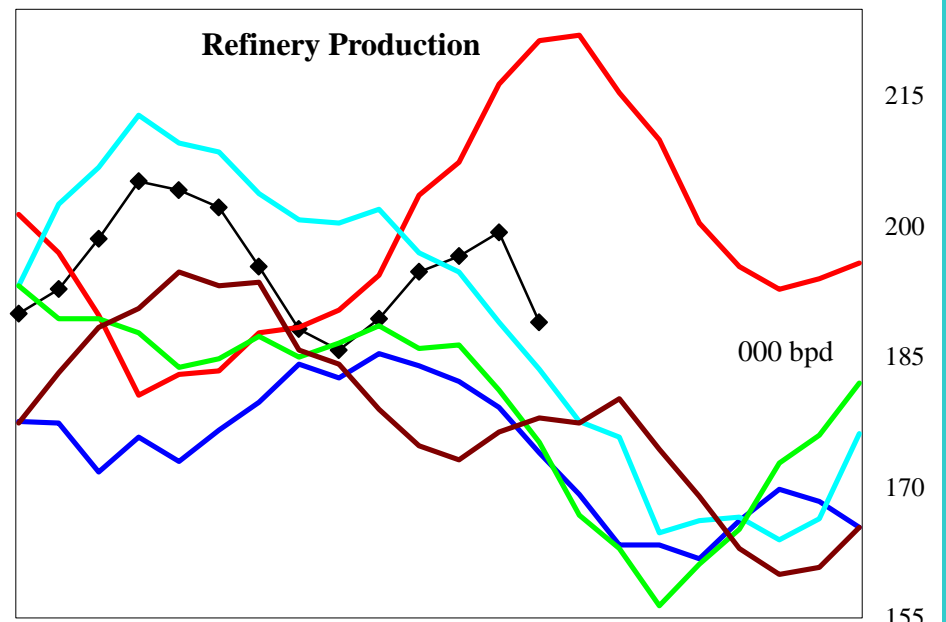
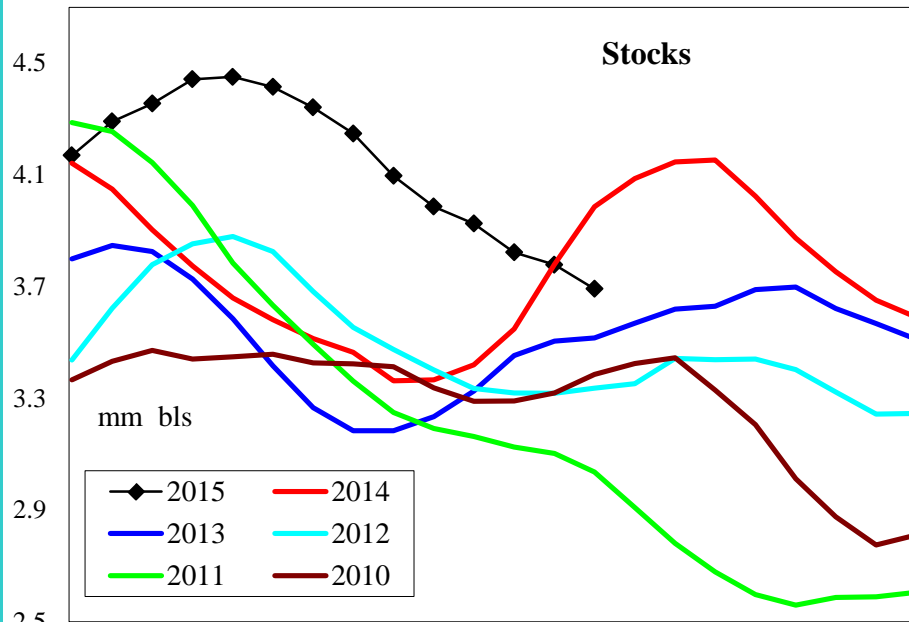
PADD 4 Crude Oil Supply and Refining



PADD 4 Gasoline Supply



PADD 4 Distillate Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

Production

Imports

Prod + Imp - Stk chg

-294

-13

-3

10

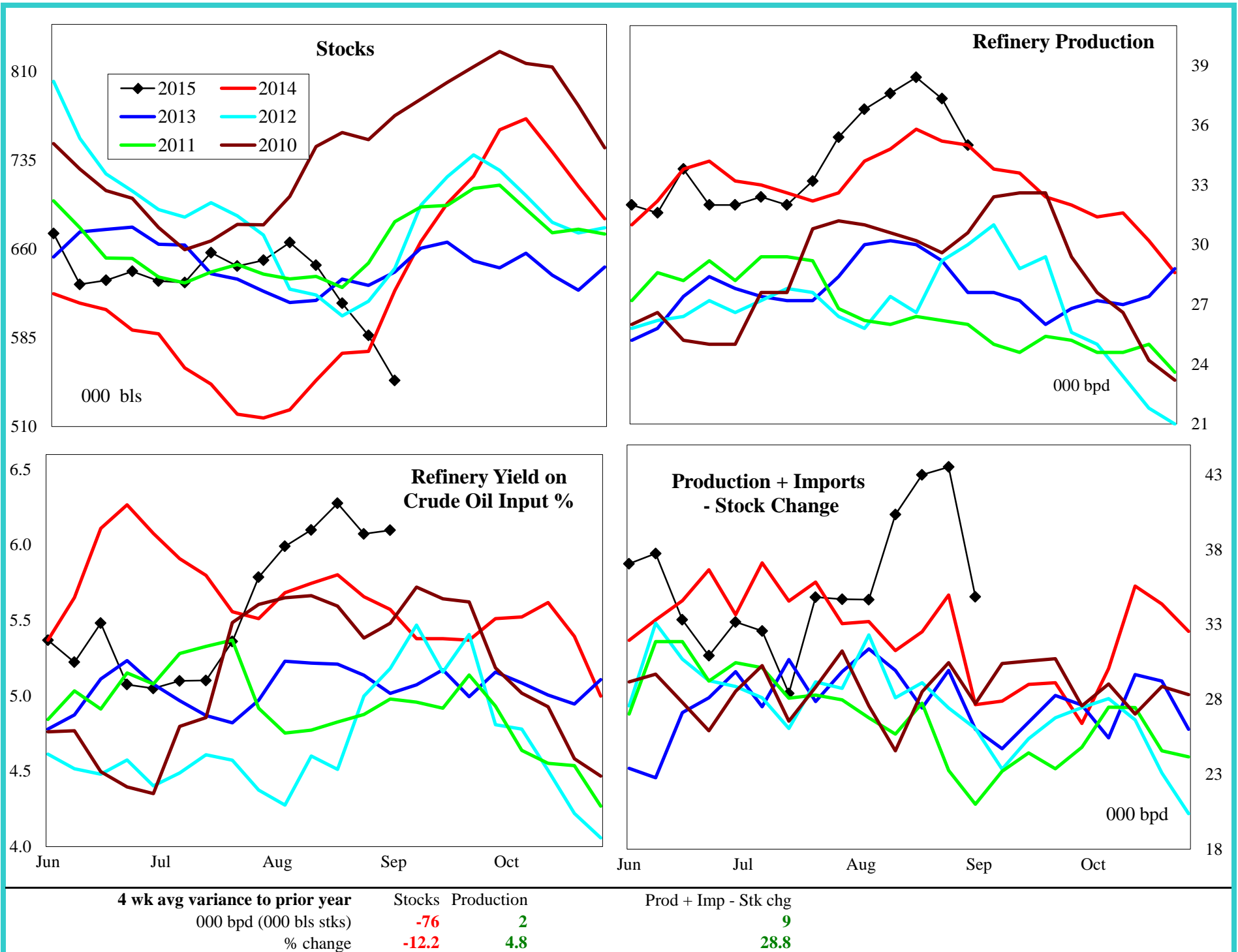
-7.4

-6.2

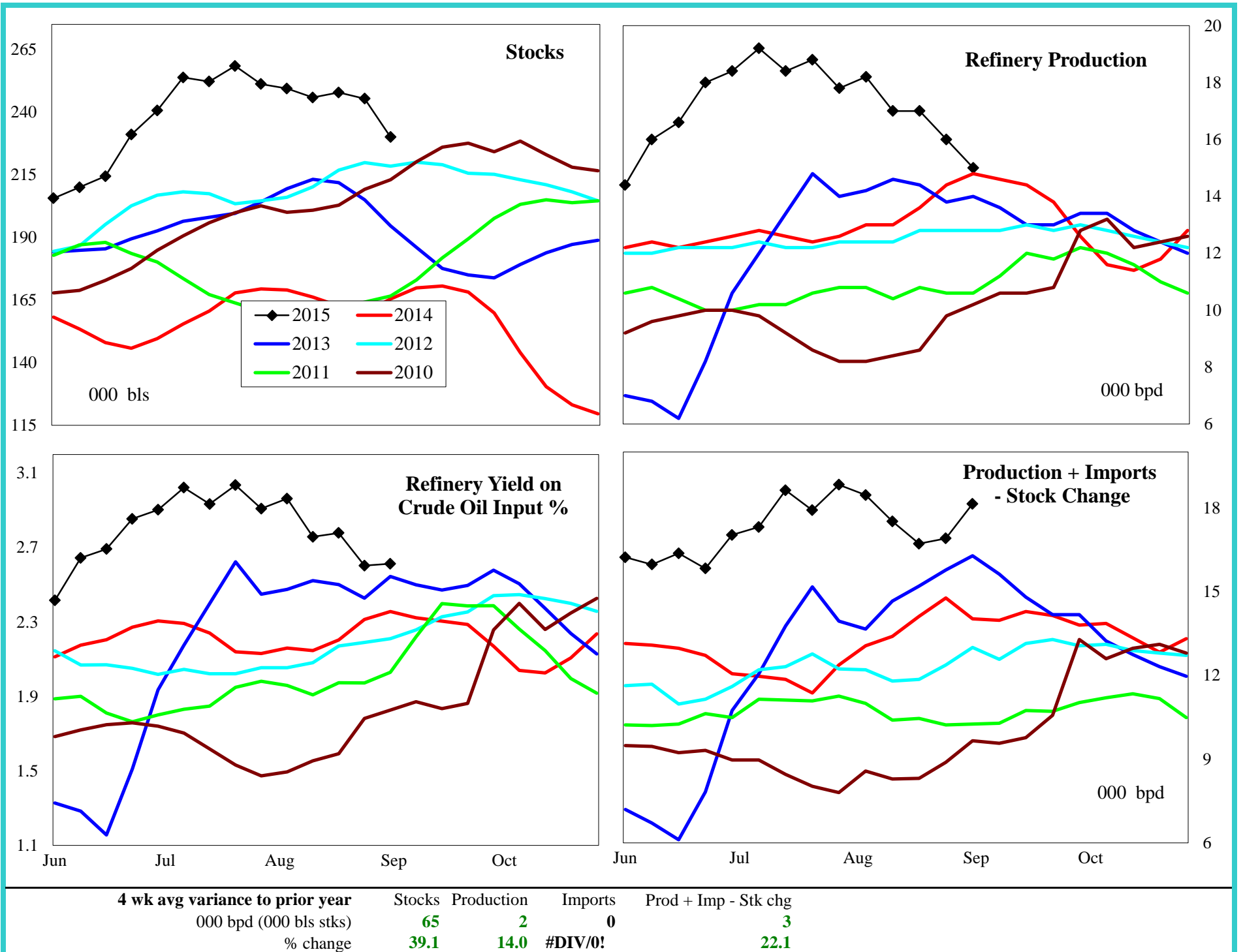
-100.0

5.1

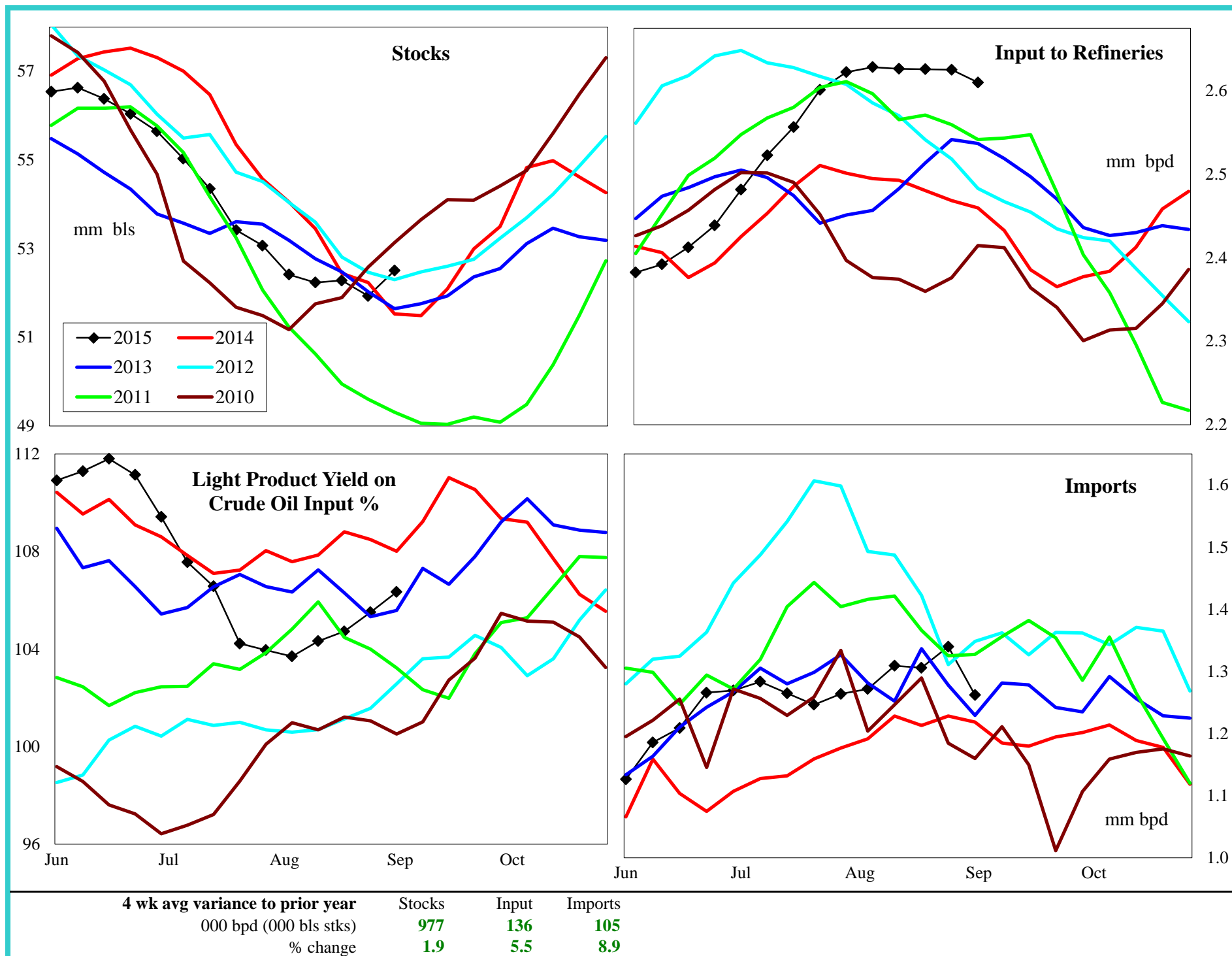
PADD 4 Jet Fuel Supply



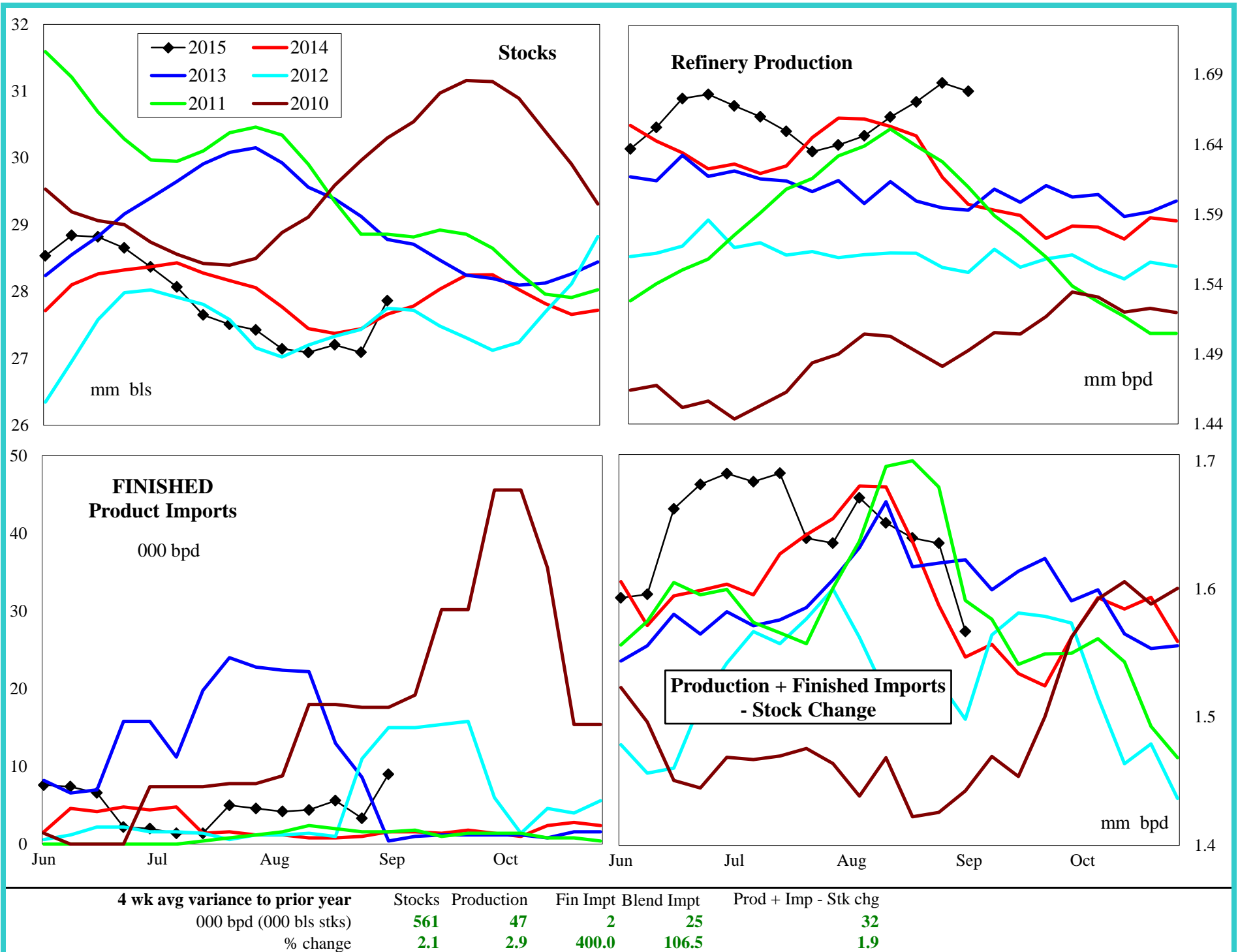
PADD 4 Residual Fuel Oil Supply



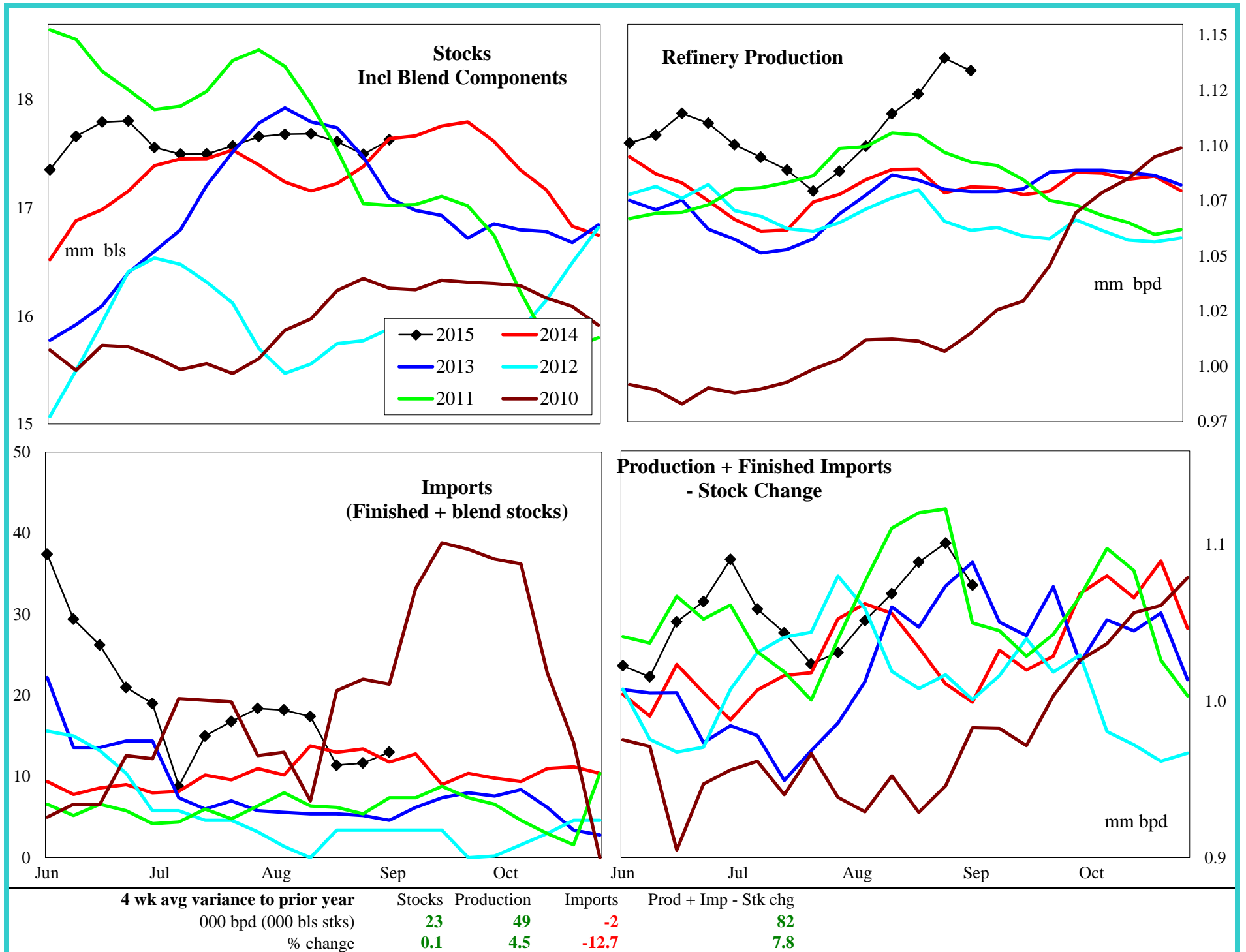
PADD 5 Crude Oil Supply and Refining



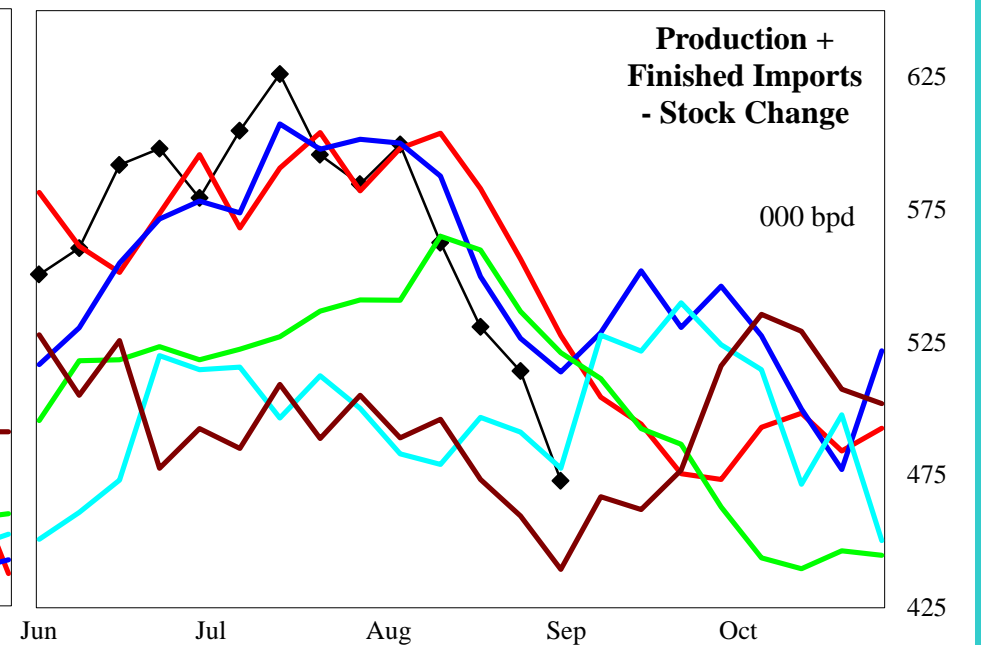
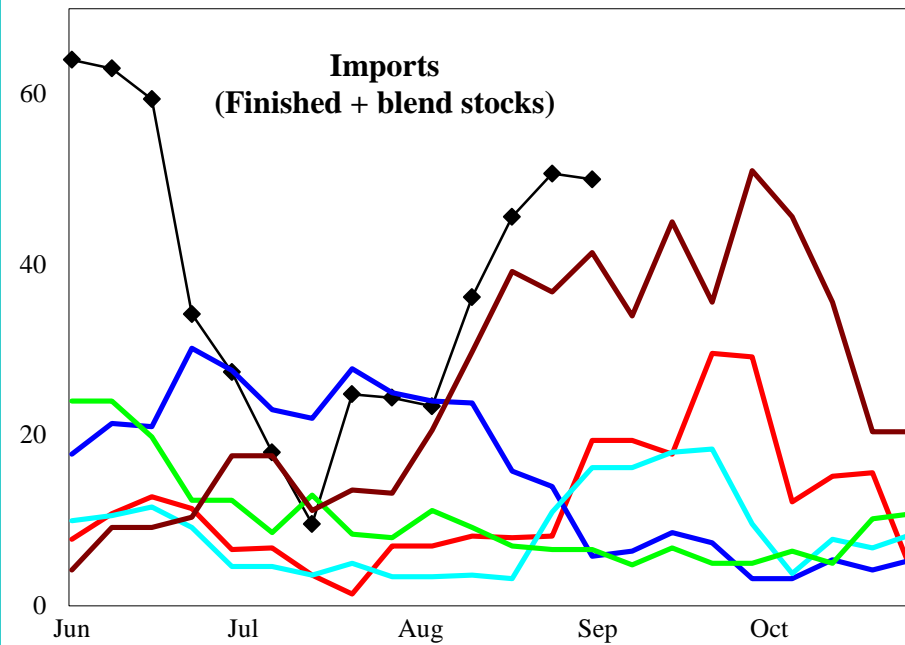
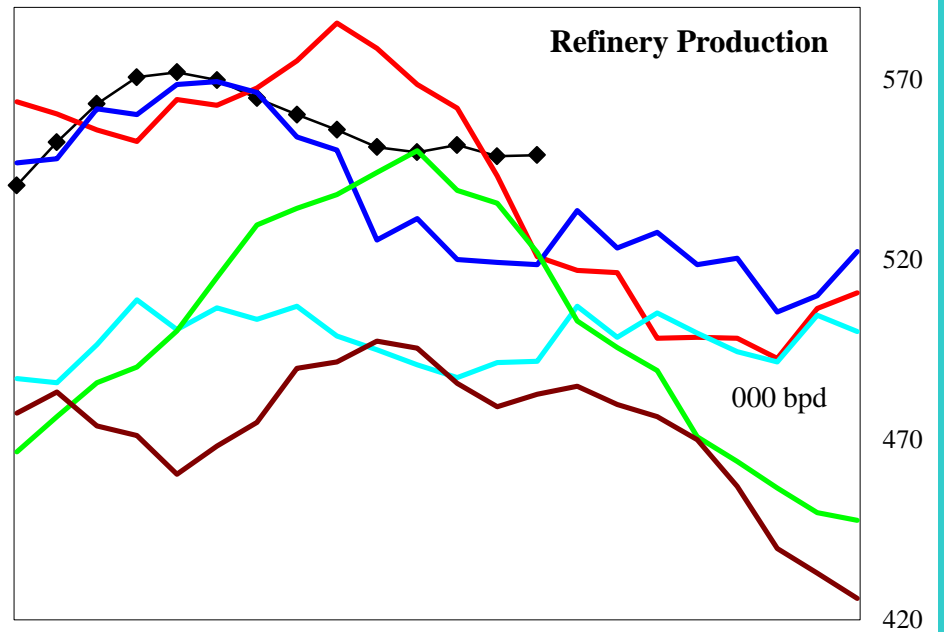
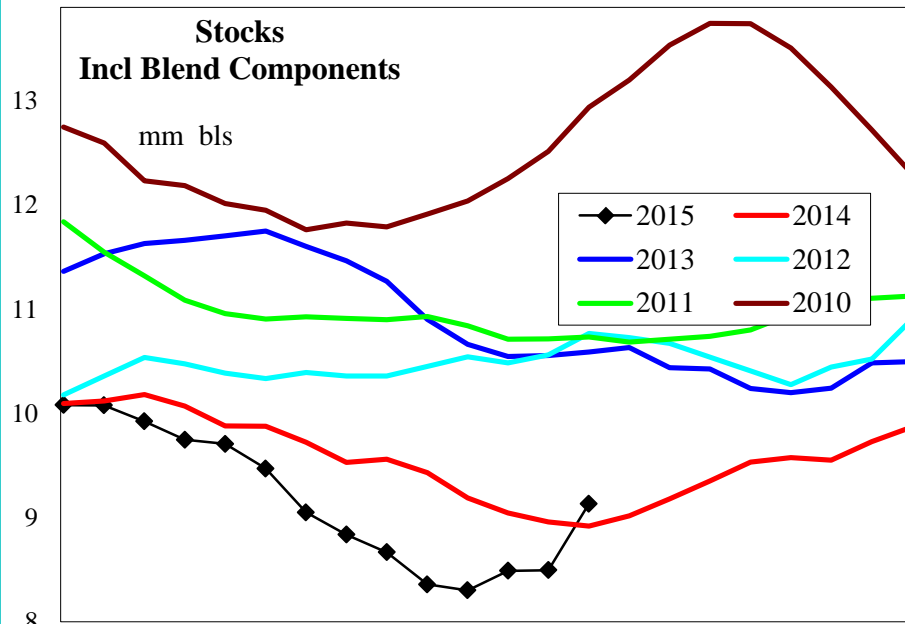
PADD 5 Gasoline Supply



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

538

-3

28

-51

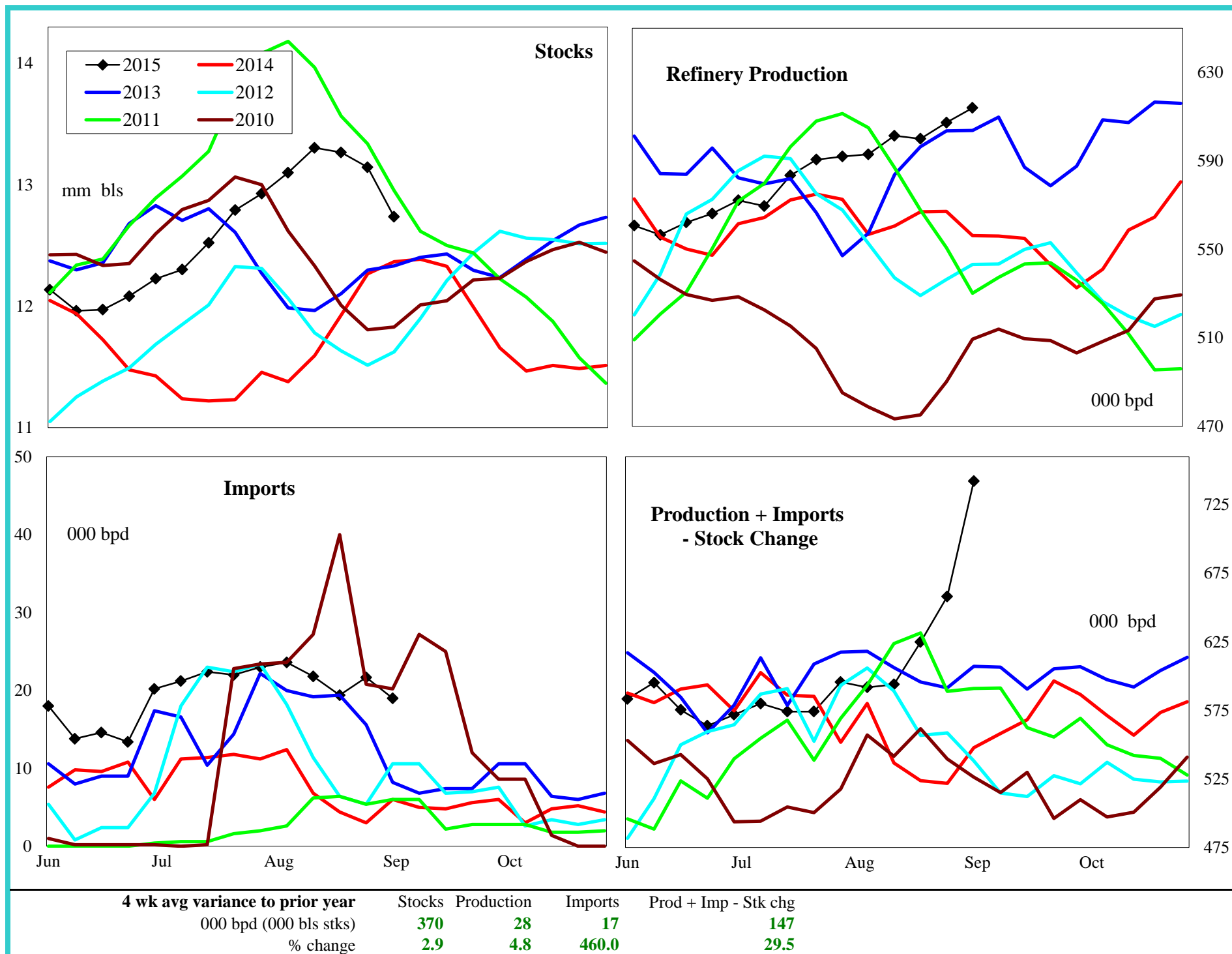
6.0

-0.5

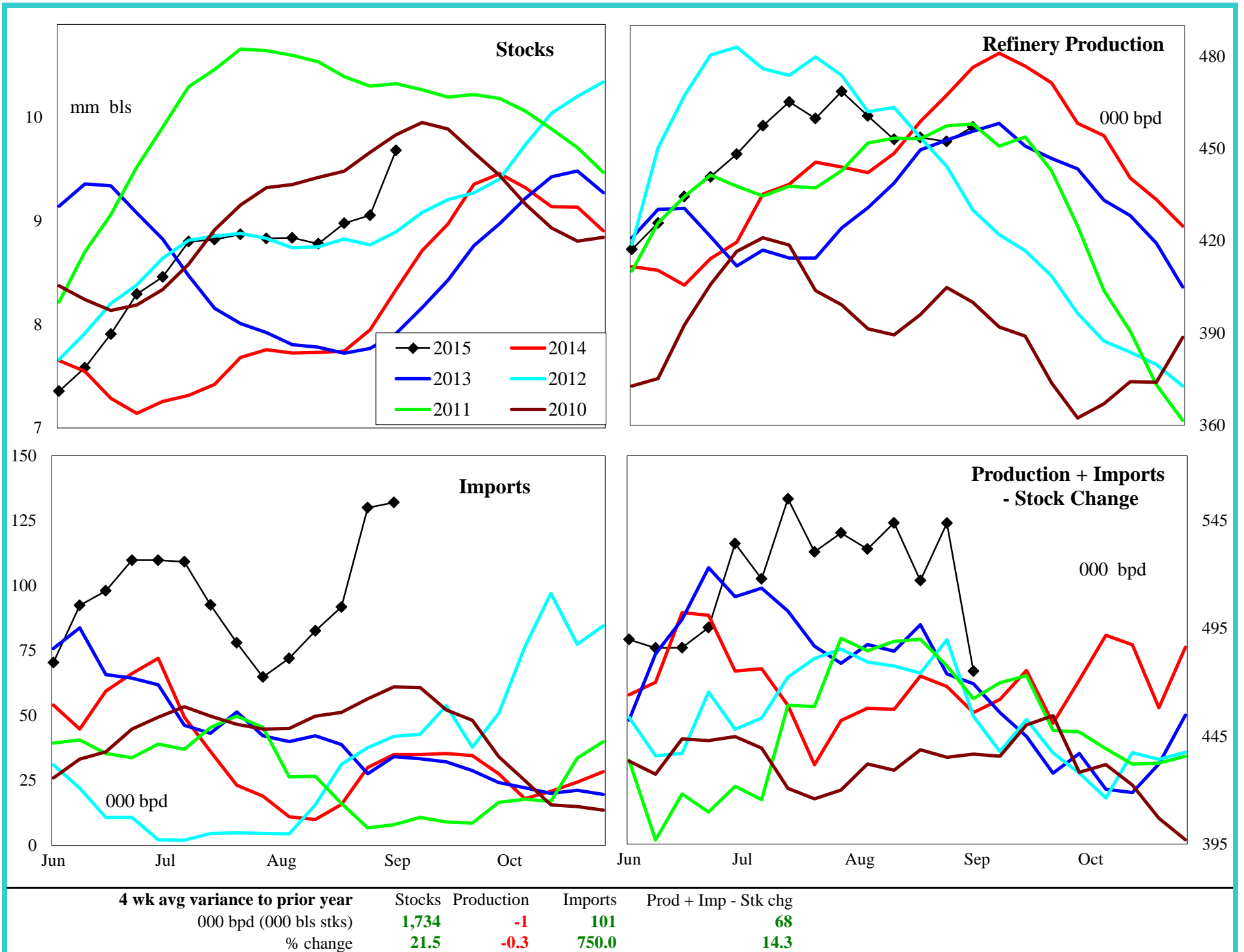
289.7

-8.7

PADD 5 Distillate Supply



PADD 5 Jet Fuel Supply



PADD 5 Residual Fuel Oil Supply

