

WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

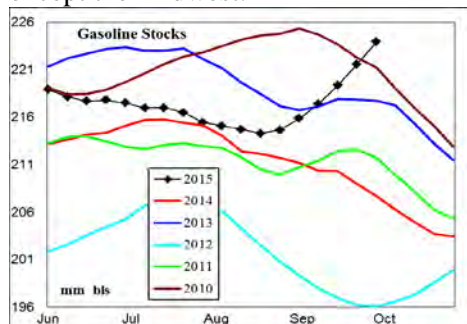
A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Wednesday, October 07, 2015

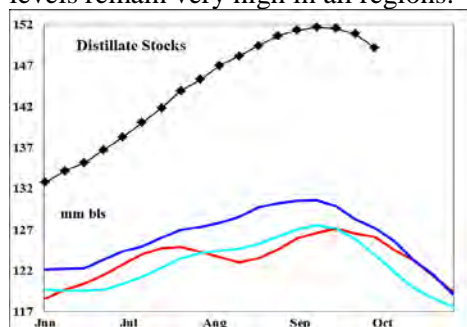


Major Fundamental Trends¹

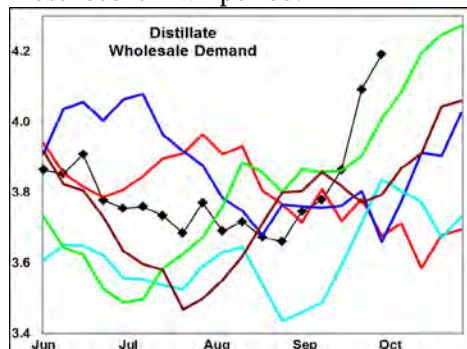
Gasoline stocks increased +3 million barrels on the East Coast last week, due in part to offloading of cargos delayed due to hurricane Joaquin. U.S. gasoline stocks ended the week at a 5-yr high with high levels in all regions except the Midwest.



Distillate stocks fell -2.5 million barrels, including a -1.6 million barrel draw in the Midwest. Distillate stock levels remain very high in all regions.

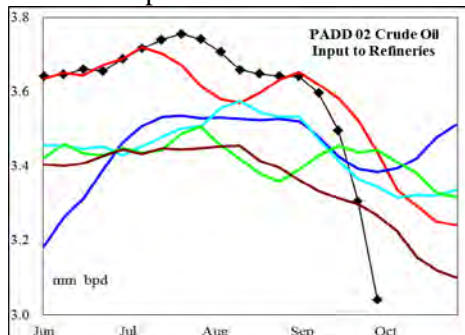


Distillate wholesale demand has recently turned higher, leading to a +141,000 bpd year-on-year rise for the most recent 4-wk period.



Refinery crude oil runs fell -0.4 million bpd last week, concentrated in the the

Midwest where runs fell to a record low for the period.



Wholesale Demand for distillate increased +0.4 million barrels on the week, while other transport fuels declined.

Wholesale demand, measured over the last four weeks compared to a year ago: gasoline increased +4%, distillate increased +3.7%, jet fuel increased +7%, while residual fuel decreased -50%.

Stocks forward coverage: Gasoline demand coverage increased last week on a +1.9 million barrel stock build, and lower wholesale demand. Coverage ended the week at a level well above the 3-yr mid range.

Distillate demand coverage fell on a -2.5 million barrel stock draw and sharply higher wholesale demand. Coverage ended the week at a level above the last 4-yrs.

Jet fuel coverage increased on a +0.2 million barrel stock build, and lower wholesale demand. Coverage levels were below the 5-yr range.

Refinery utilization rates fell on a -403,000 bpd decrease in crude oil runs last week. During the latest 4-wk period crude oil input was +119,000 bpd above last year.

Gasoline yield % on crude oil runs decreased on the week due to a -0.4 million bpd decline in output compared to the -0.4 million bpd decline in crude oil runs. Gasoline yield % on crude oil runs ended the week at a level that matched the 3-yr mid range.

Distillate yield % on crude oil runs increased on a +61,000 bpd rise in output compared to the drop in crude oil runs. The yield % on crude oil runs

were a record high for the period.

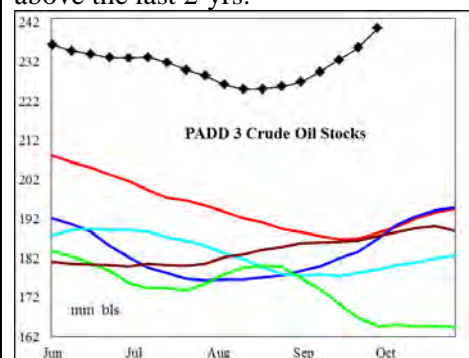
Jet fuel yield % on crude oil runs increased on a +8,000 bpd rise in output compared to the drop in crude oil runs, with yields near the 3-yr mid range.

Petroleum Imports/Exports: Crude oil imports fell -0.5 million bpd last week. Gasoline imports fell -0.4 million bpd on the week.

During the latest 4-wk period crude oil imports were -248,000 bpd below a year ago; distillate imports were -9,000 bpd lower; finished gasoline imports +24,000 bpd higher; gasoline blend stock imports were +226,000 bpd higher, jet fuel imports decreased -76,000 bpd, while residual fuel imports were +38,000 bpd higher.

Exports of distillate for the week ending 25Sep15 were +119,000 bpd above a year ago, gasoline +94,000 bpd higher, jet fuel -12,000 bpd lower and residual fuel oil was +36,000 bpd higher.

Crude Oil stocks increased +3.1 million barrels on the week. This included a +4.9 million barrel build in the Gulf – driven by increased receipts from the Midwest and an increase in imports. Stock levels in the Gulf are extremely high, +52 million barrels above the last 2-yrs.



Look for further declines in refinery runs as fall maintenance expands, driving continued stock building. Cushing stocks increased +0.1 million bpd on the week; due in part to a -0.3 million bpd drop in Midwest Crude oil runs.

¹ Source is latest EIA Weekly Statistics



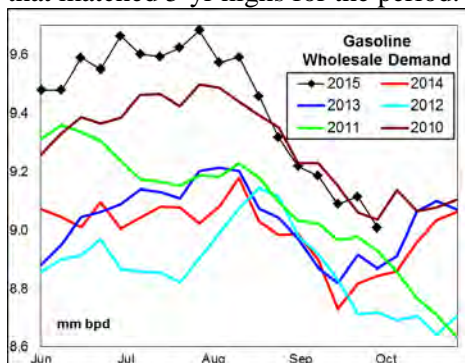
WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

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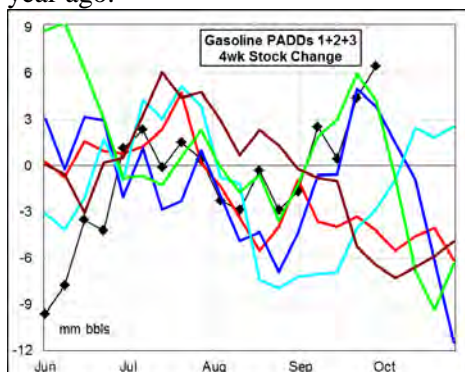
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Product Supply-Demand Trends

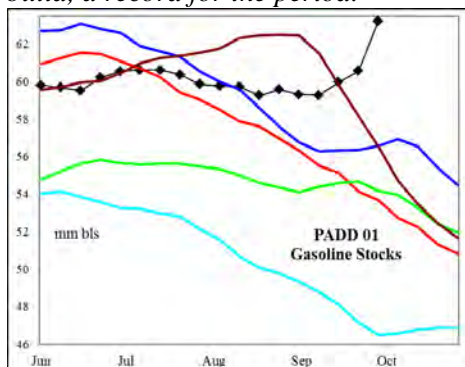
Gasoline wholesale demand decreased -0.1 million bpd on the week, to a level that matched 5-yr highs for the period.



Supply fell -0.8 million bpd last week, due in part to hurricane Joaquin that delayed offloading of cargos; with the 4-wk average +0.4 million bpd above a year ago.



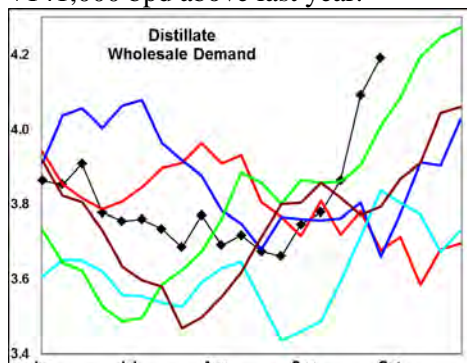
The latest 4-wk stock change East of the Rockies was a +6.5 million barrel build, a record for the period.



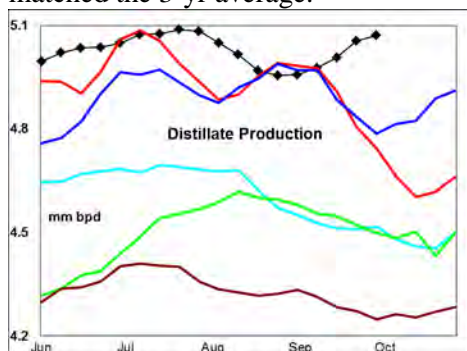
Stock levels ended the week at a new record high on the East Coast, due in part to limited travel caused by hurricane Joaquin. All markets except the midwest are very well supplied, with attractive import economics driving over supplied conditions on the East coast.

Distillate wholesale demand increased

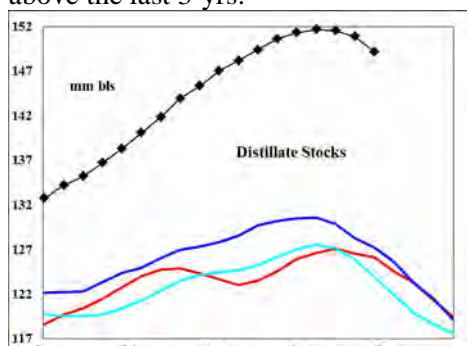
+0.4 million bpd last week, to a level well above the last 3-yr. The latest 4-wk average wholesale demand was +141,000 bpd above last year.



Supply increased +116,000 bpd last week, with the 4-wk average +191,000 bpd above a year ago. Imports matched the 3-yr average.



Stocks decreased -2.6 million barrels on the week, with decreases in all regions except the East Coast. Stocks ended the week +23 million barrels above the last 3-yr.

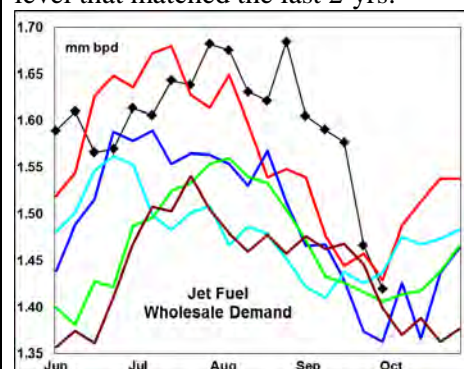


Look for the fall refinery maintenance to drive stock draws during the quarter. Stock levels remain extremely high in all regional markets.

Jet Fuel wholesale demand fell -0.2 million bpd on the week, to a level comparable with the 3-yr mid range.

The latest 4-wk average demand was +100,000 bpd above last year.

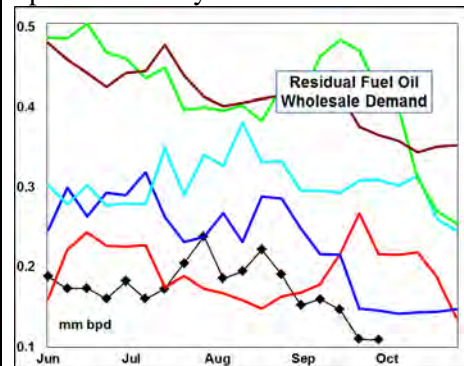
Supply increased +26,000 bpd on the week, driven by higher production; with the 4-wk average -146,000 bpd below a year ago. Stocks increased +0.2 million barrels on the week, to a level that matched the last 2-yr.



Look for sharply lower seasonal demand, offset by reduced output during maintenance season so that stock levels remain at the low end of the historic range.

A rebound in imports should assure ample supplies in coastal markets.

Residual fuel oil demand decreased -8,000 bpd on the week. Demand for the latest 4-wk period was -133,000 bpd below last year.



Supply (production + imports) increased +28,000 bpd on the week, due to higher imports. Stocks increased +0.6 million barrels, to a level above the 5-yr range. Production fell below the historic range on the week.



WEEKLY PETROLEUM SUPPLY-DEMAND TRENDS

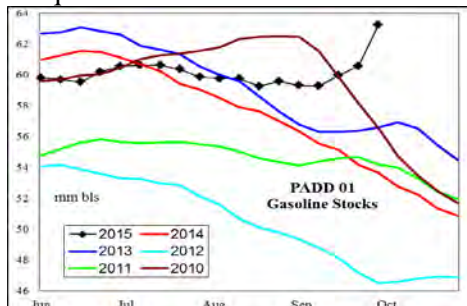
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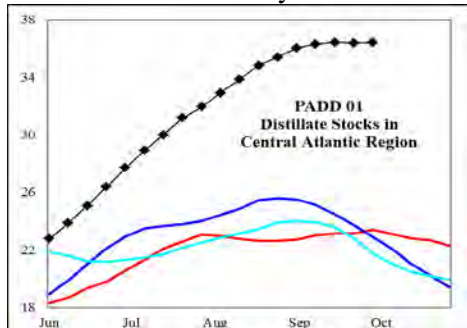
PADD Supply Trends

PADD 1 refinery crude oil runs decreased -17,000 bpd on the week to a level near the 3-yr mid range. The latest 4-wk average thru put was -121,000 bpd below last year.

Gasoline supplies plunged -0.5 million bpd as import cargos were prevented from offloading due to hurricane Joaquin. The 4-wk average gasoline supply was +132,000 bpd above last year. Stocks jumped +3 million barrels last week, as travel was constrained again due to hurricane Joaquin.



Distillate supply increased +72,000 bpd on the week, with the 4-wk average -33,000 bpd below last year. Production and imports were each near the 3-yr mid range for the period. Stocks increased +0.3 barrels to a level +39% above the last 3-yr.

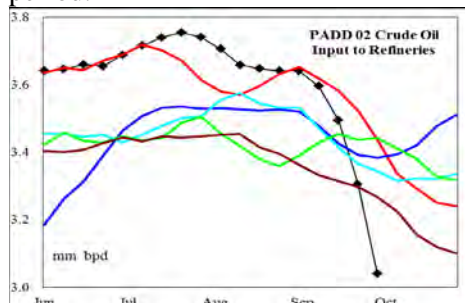


Jet fuel supply increased +9,000 bpd on the week, while stocks ended the week at a level below the 5-yr range.

PADD 2 crude oil refinery runs fell -301,000 bpd on the week, to a record low for the period. The latest 4-wk average thru put was -128,000 bpd below last year.

Crude oil stocks increased +0.5 million barrels last week. Cushing saw a +0.1 million barrel stock build for the week.

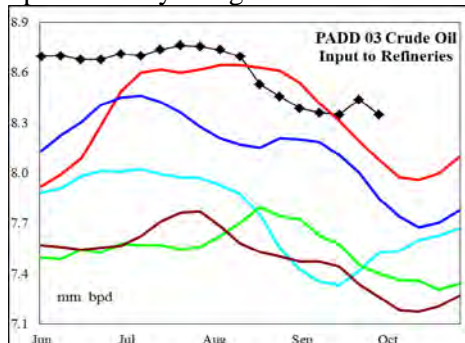
Gasoline supply increased +67,000 bpd on the week. Production for the most recent 4-wk period was -4,000 bpd below a year ago. Stocks fell -0.9 million barrels on the week, to a level that matched historic lows for the period.



Distillate supply increased +19,000 bpd on the week, to a level that matched 3-yr lows for the period. The latest 4-wk average production was -18,000 bpd below last year. Stocks fell -1.6 million barrels on the week, to a level that matched historic highs.

Jet fuel production was a record low for the 3rd consecutive week, with stock levels near 5-yr lows.

PADD 3 refinery runs decreased -157,000 bpd last week. During the latest 4-wk period, runs were +173,000 bpd above a year ago.



Crude oil imports were unchanged on the week, with the 4-wk average -0.4 million bpd below last year.

Crude oil stocks increased +4.9 million barrels, to a level +52 million barrels (+28%) above the prior high for the period.

Gasoline supply increased +352,000 bpd on the week, with the latest 4-wk average +291,000 bpd above a year ago. Stocks decreased -0.5 million barrels on the week, to a level near 5-yr highs.

Distillate supply decreased -11,000 bpd on the week, with the latest 4-wk average supply +171,000 bpd above a year ago. Stocks fell -0.7 million barrels to a level +14% above last year.

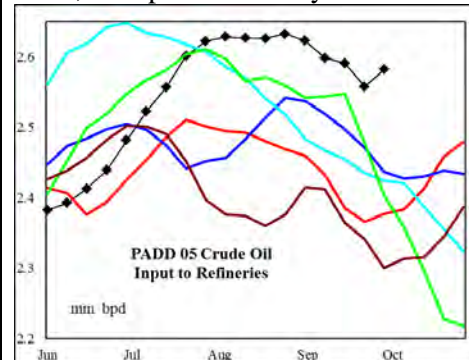
Jet fuel production increased +14,000 bpd on the week, to a level above the historic range. Stocks increased +0.3 million barrels on the week, to a level +20% above the last 2-yr.

PADD 4 refinery crude runs increased +16,000 bpd last week, to a level above last year. The latest 4-wk average was -29,000 bpd below last year.

Gasoline supply decreased -5,000 bpd on the week, with the 4-wk average -33,000 bpd below last year.


Distillate supply climbed +21,000 bpd on the week, to a level above the 5-yr range. Stocks ended the week at a level below the 3-yr mid range.

PADD 5 crude oil refinery runs increased +56,000 bpd on the week to a level above the historic range. The 4-wk average thru put rate was +224,000 bpd above last year.



Gasoline supply fell -141,000 bpd on lower production and imports; with the latest 4-wk average +37,000 bpd above last year. Production was +39,000 bpd above last year for the current week. Stocks increased +0.2 million barrels on the week, to a level near 5-yr highs.

Distillate supply increased +14,000 bpd on the week. The 4-wk average supply was +89,000 bpd above last year. Stocks fell -0.5 million barrels on the week, to a level that matched historic highs for the period.



FUNDAMENTAL

PETROLEUM TRENDS

PETROLEUM: Graph Link and Weekly Summary

A Fundamental Petroleum Trends Weekly Report

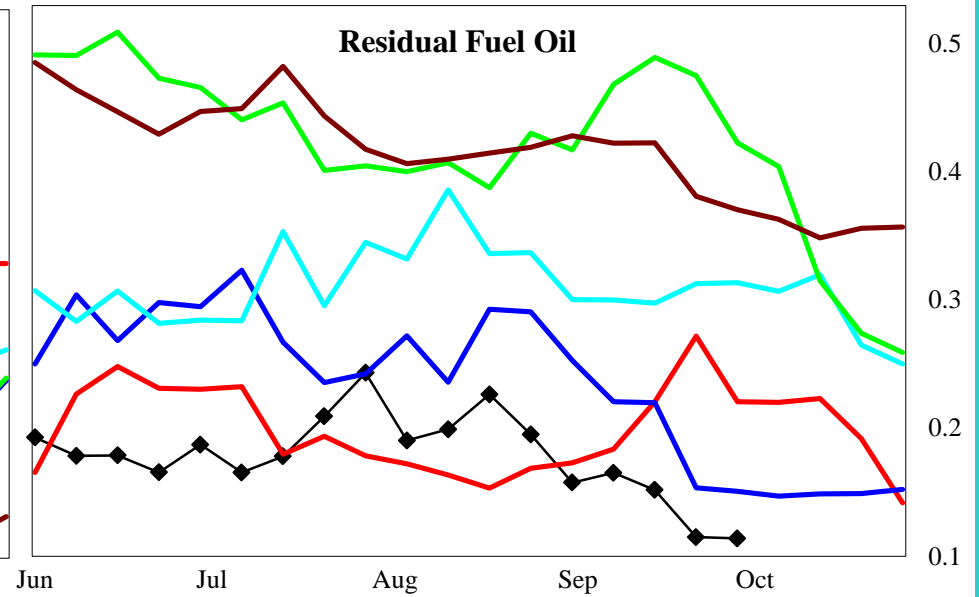
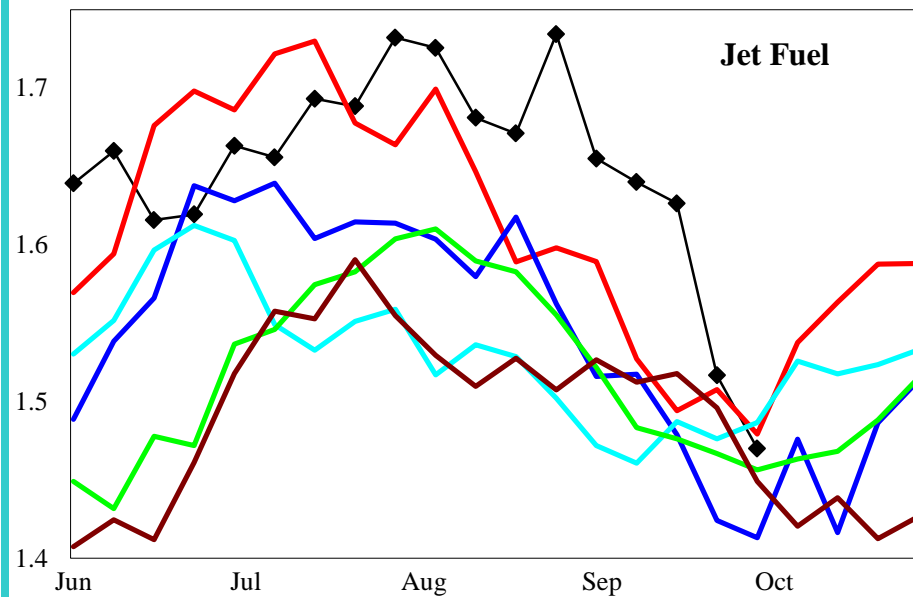
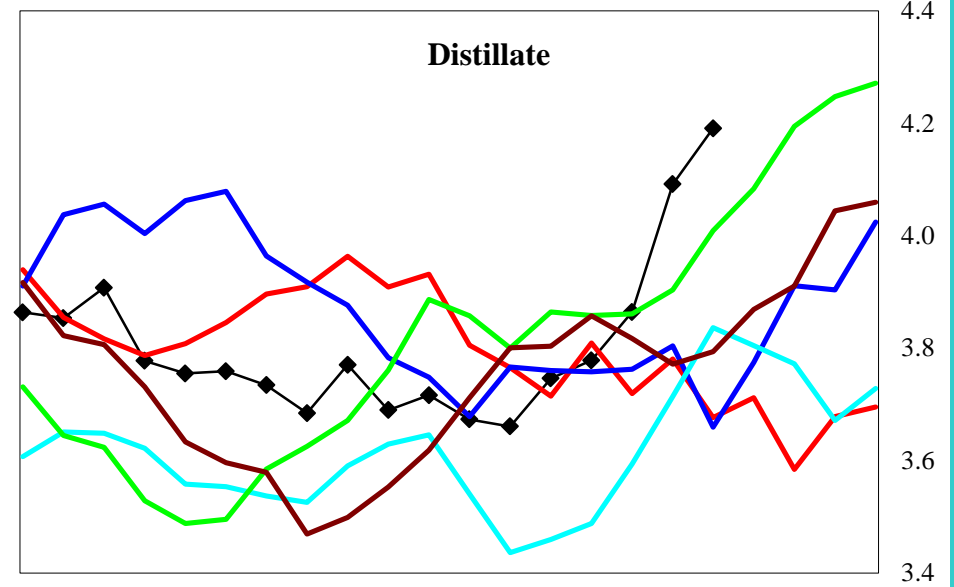
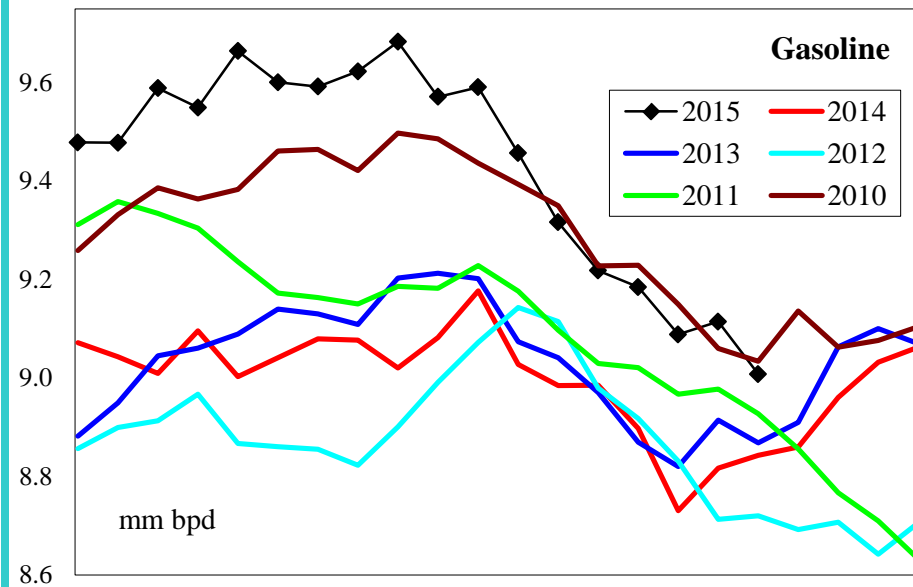
October 7, 2015

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Fundamental Trends	Wholesale Demand	Stocks Days Fwd Coverage	Refinery Utilization		Product Yield %		Imports
Supply/Demand Trends	2-Oct-15	EIA-DOE CHANGE FROM PRIOR WEEK					
	000 bpd stocks 000 bls	U. S. Total	PADD				
			1	2	3	4	5
Crude Oil	Stocks	3,073	-716	539	4,903	484	-2,138
	Imports	-486	40	-291	-7	-27	-201
	Input	-403	-17	-301	-157	16	56
	% Utilization	-2.30					
Gasoline	Stocks	1,910	2,986	-895	-469	68	220
	Production	-368	-107	66	341	-7	-90
	Imports	-447	-408	1	11	2	-51
	Supplied	-63					
Distillate	Stocks	-2,458	348	-1,563	-661	-56	-526
	Production	61	35	18	-11	21	-3
	Imports	55	37	1	0	0	17
	Supplied	429					
Jet Fuel	Stocks	162	-100	379	299	-26	-389
	Production	8	-8	-9	14	-9	19
	Imports	18	17	0	0	0	1
	Supplied	-185					
Residual Fuel Oil	Stocks	598	120	7	498	-14	-11
	Production	-42	6	-9	-41	2	3
	Imports	70	46	-2	-1	0	27
	Supplied	-8					

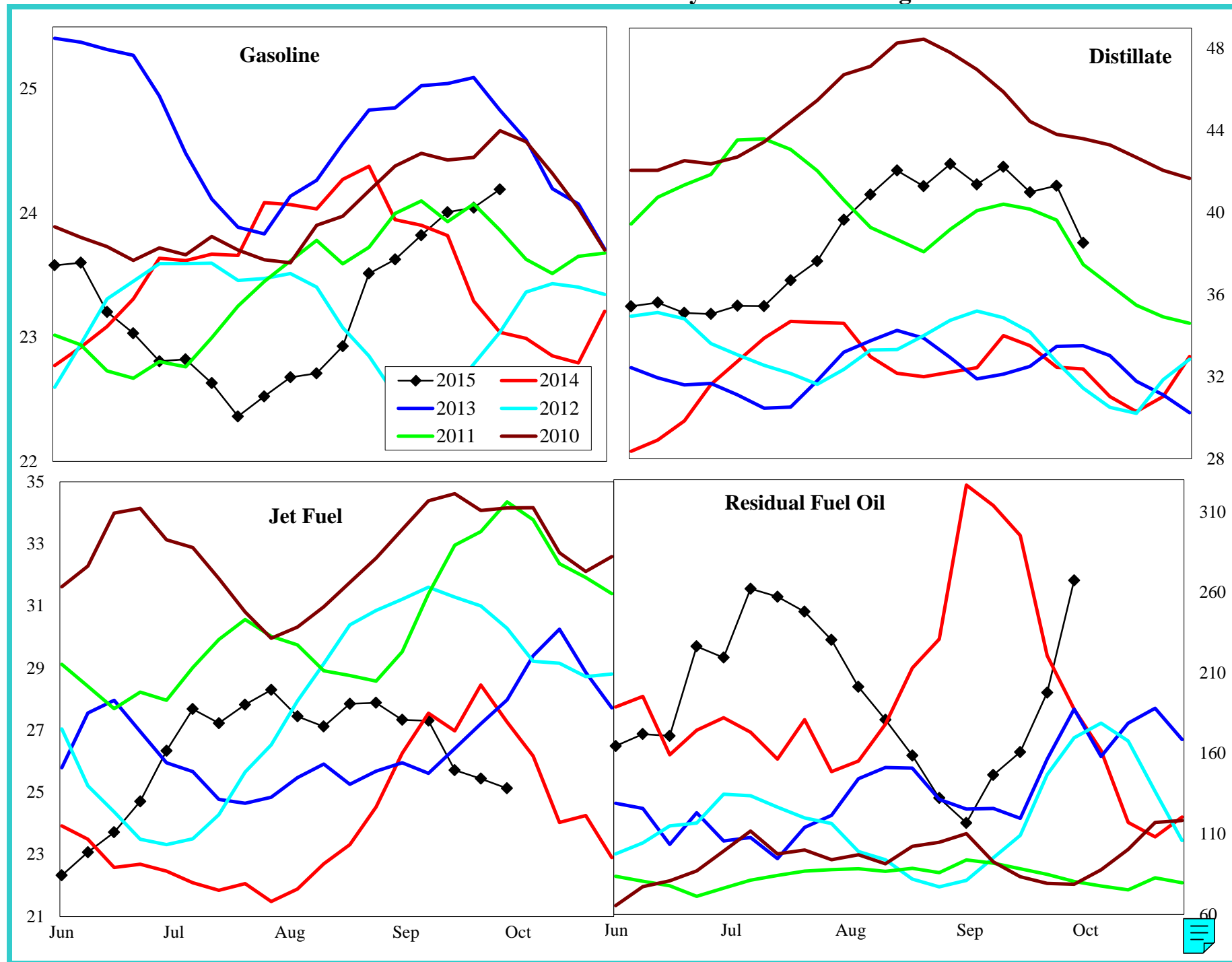
United States Wholesale Petroleum Demand



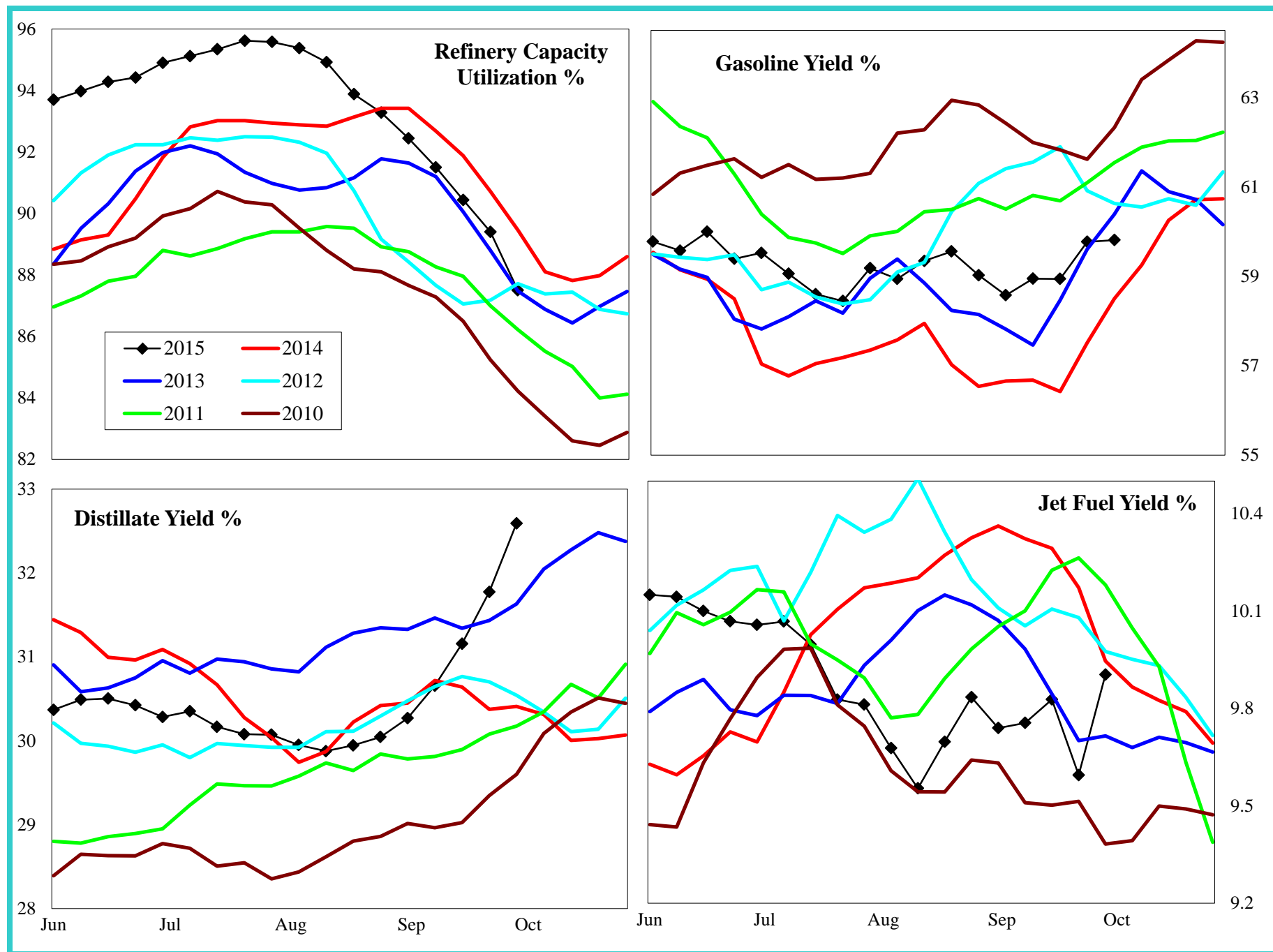
	000 bpd change from prior year				% change from prior year				
	4wk avg	Sep	Aug	Jul	4wk avg	Sep	Aug	Jul	
Gasoline	346	284	218	218	4.0	3.2	2.3	2.4	
Distillate	141	-126	-116	17	3.7	-3.2	-3.0	0.4	
Jet Fuel	100	139	90	94	6.9	9.4	5.9	6.1	
Resid	-133	-86	14	86	-49.8	-32.2	6.6	36.0	



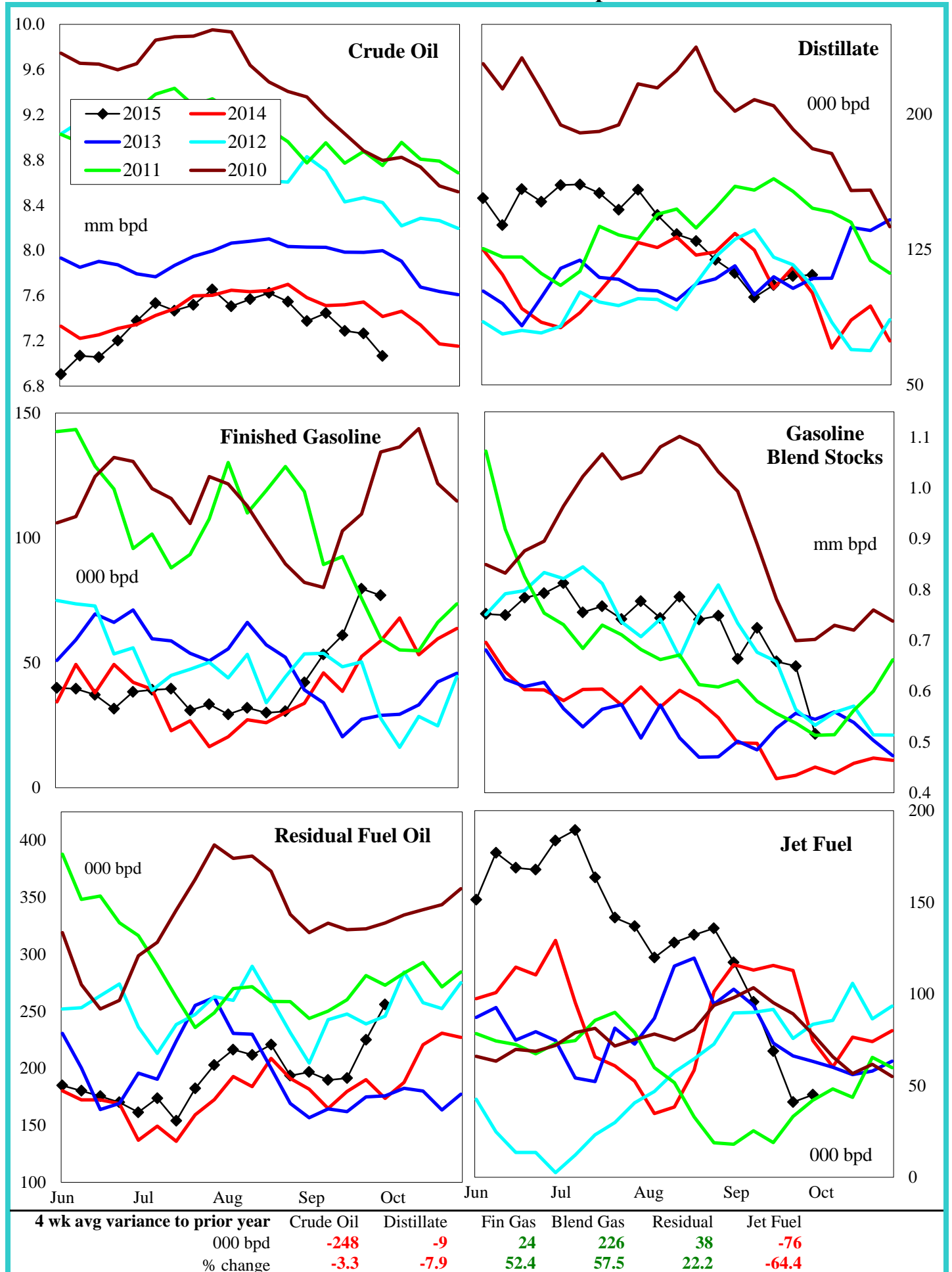
United States Product Stocks: Days Forward Coverage



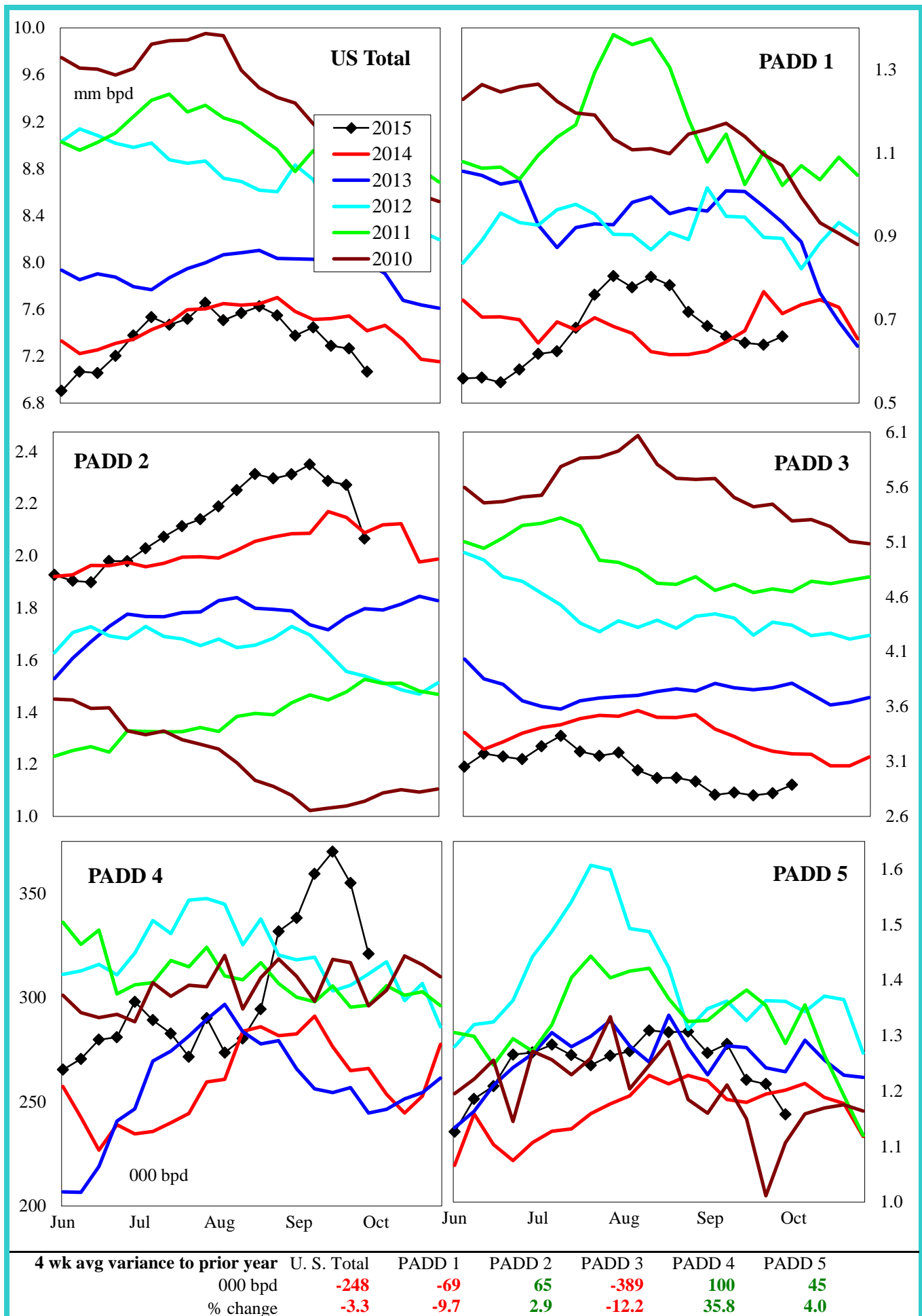
United States Refinery Percent Utilization Rate and Product Yields



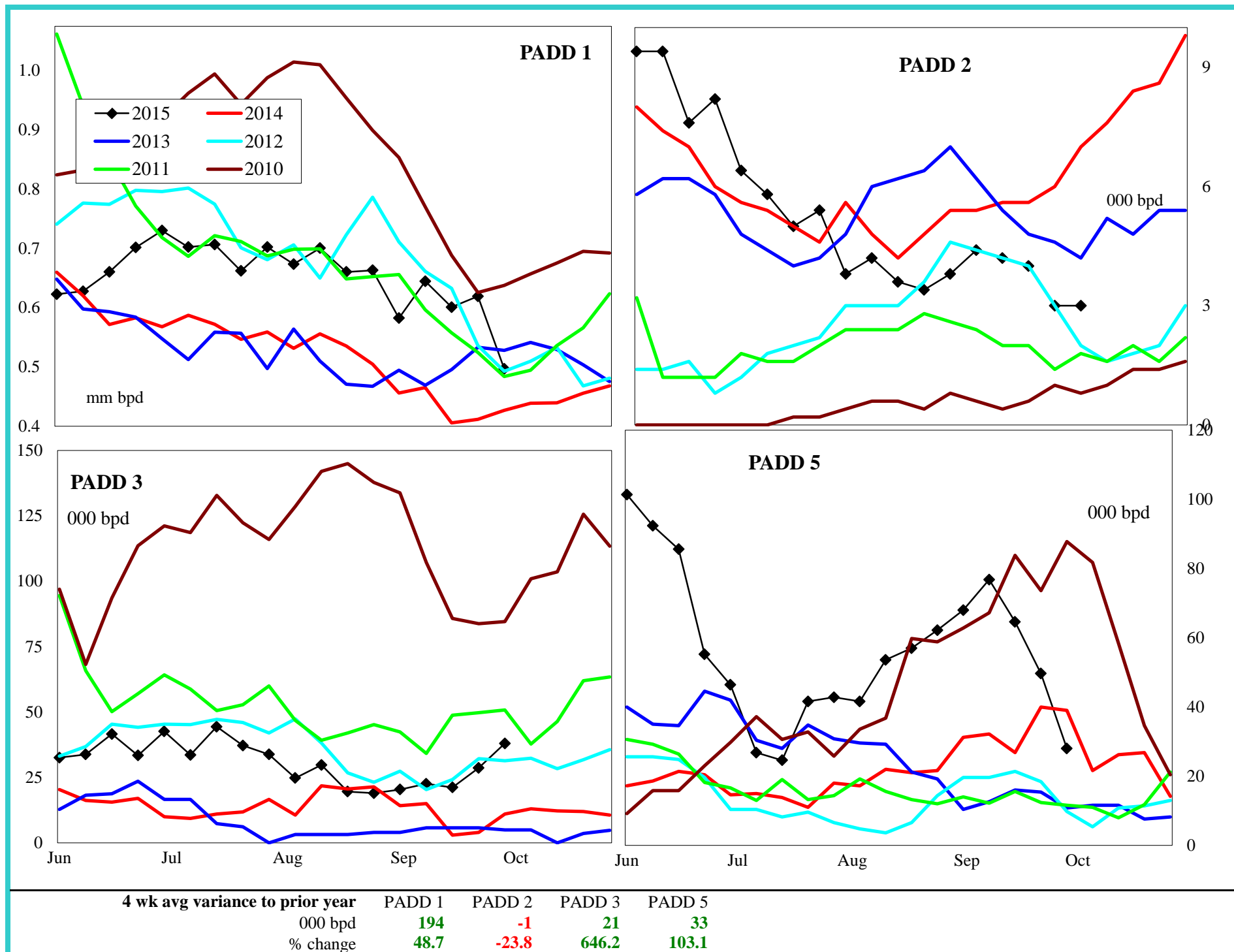
United States Petroleum Imports



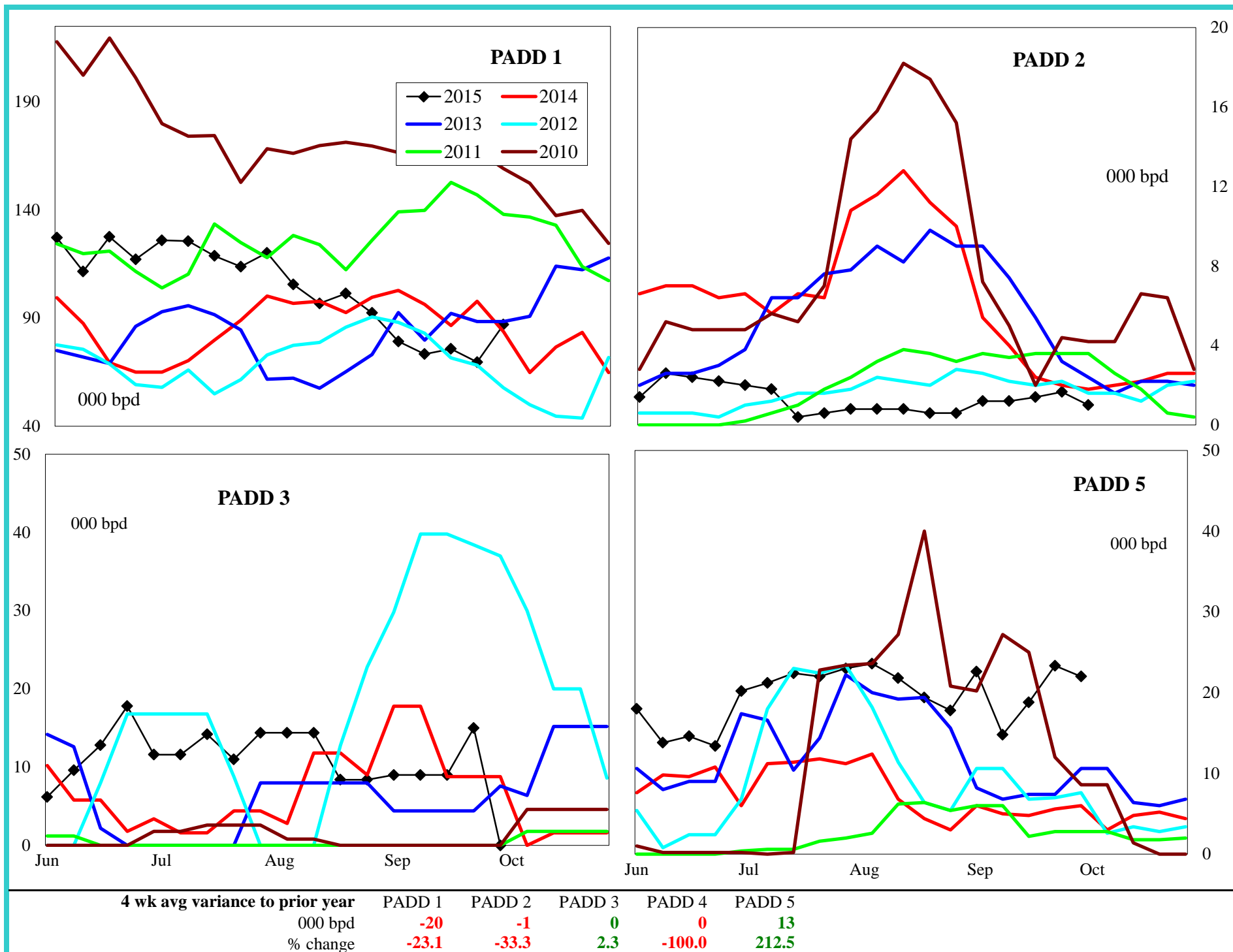
Crude Oil Imports by PADD



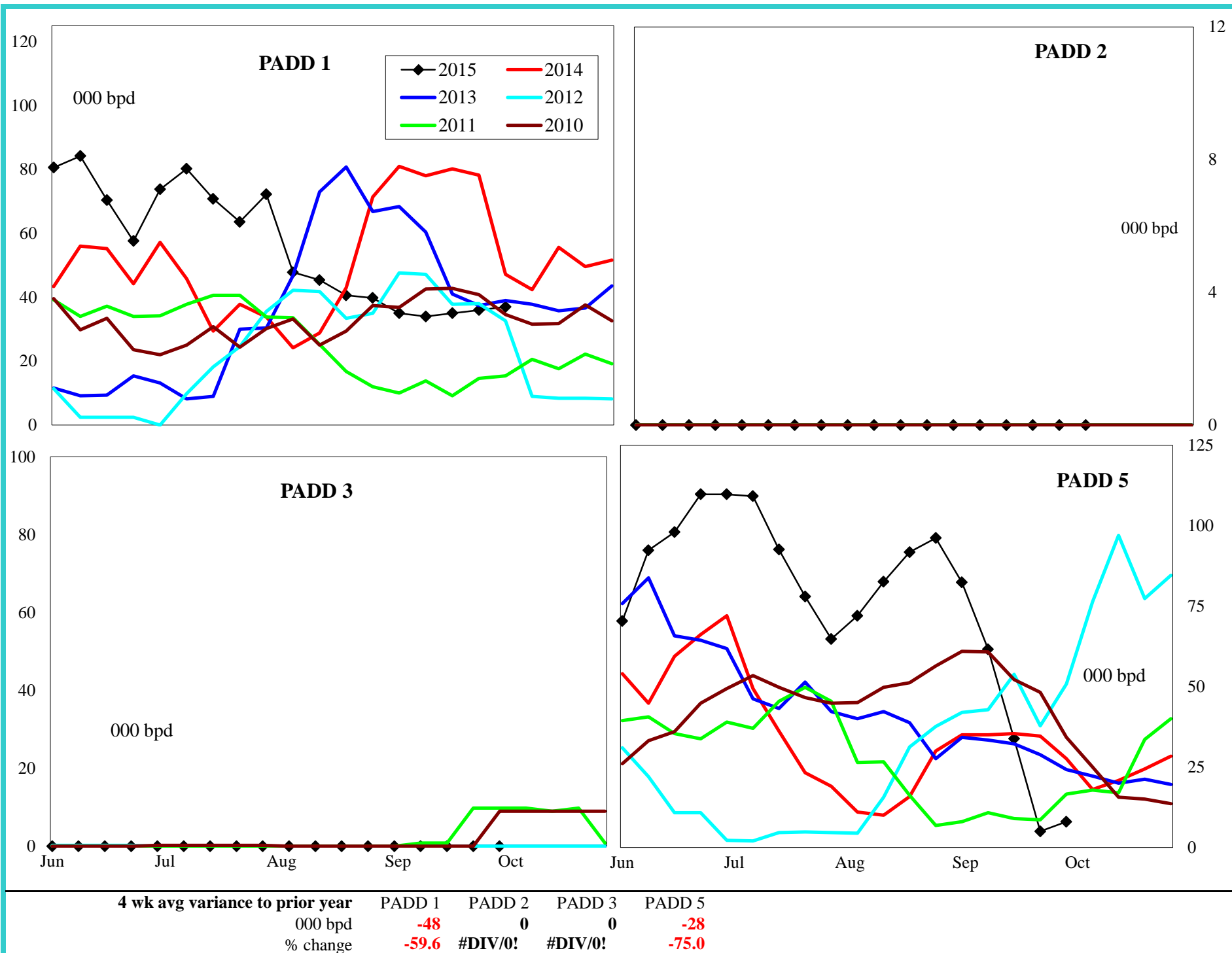
Gasoline Imports by PADD (Finished + Blend Stocks)



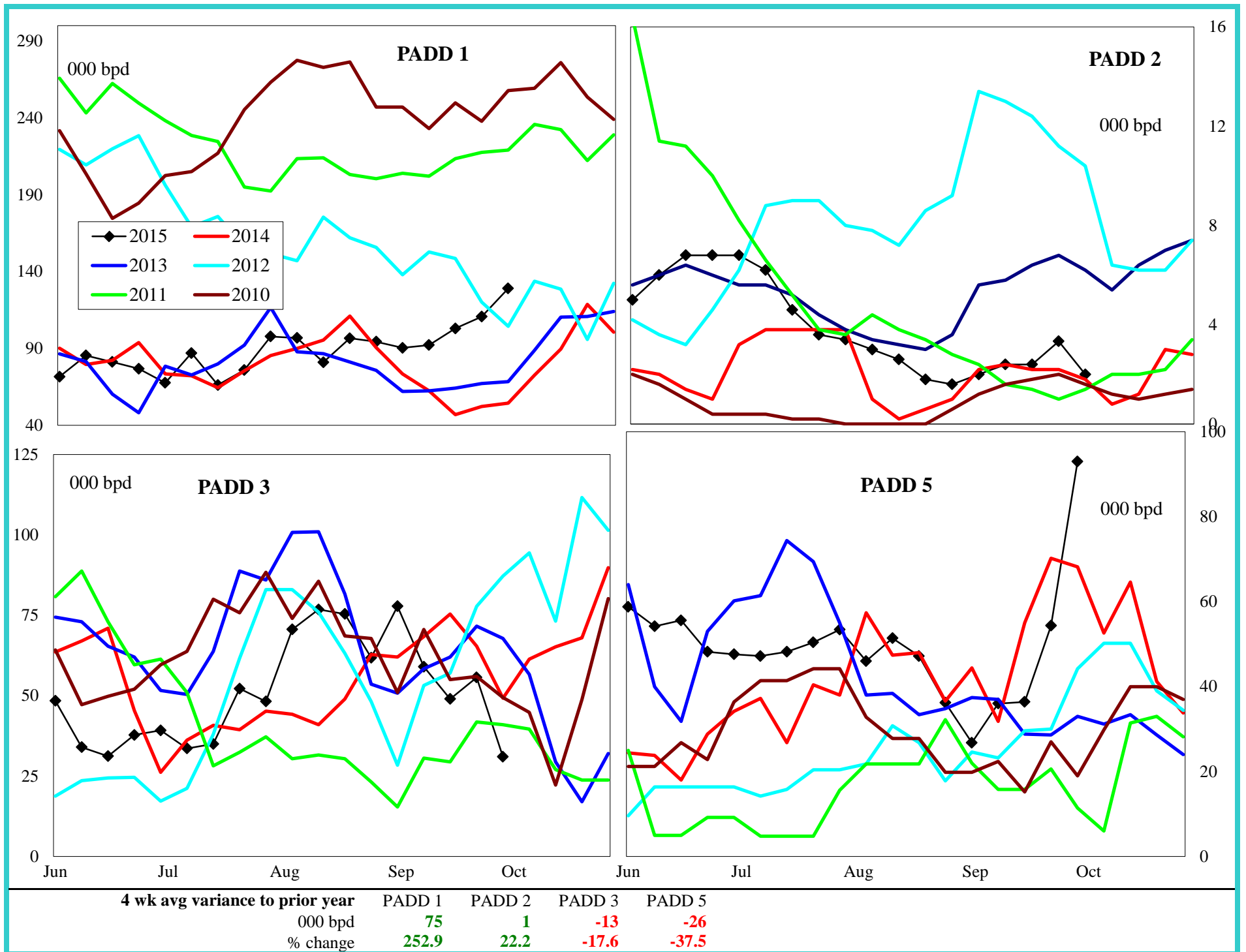
Distillate Imports by PADD



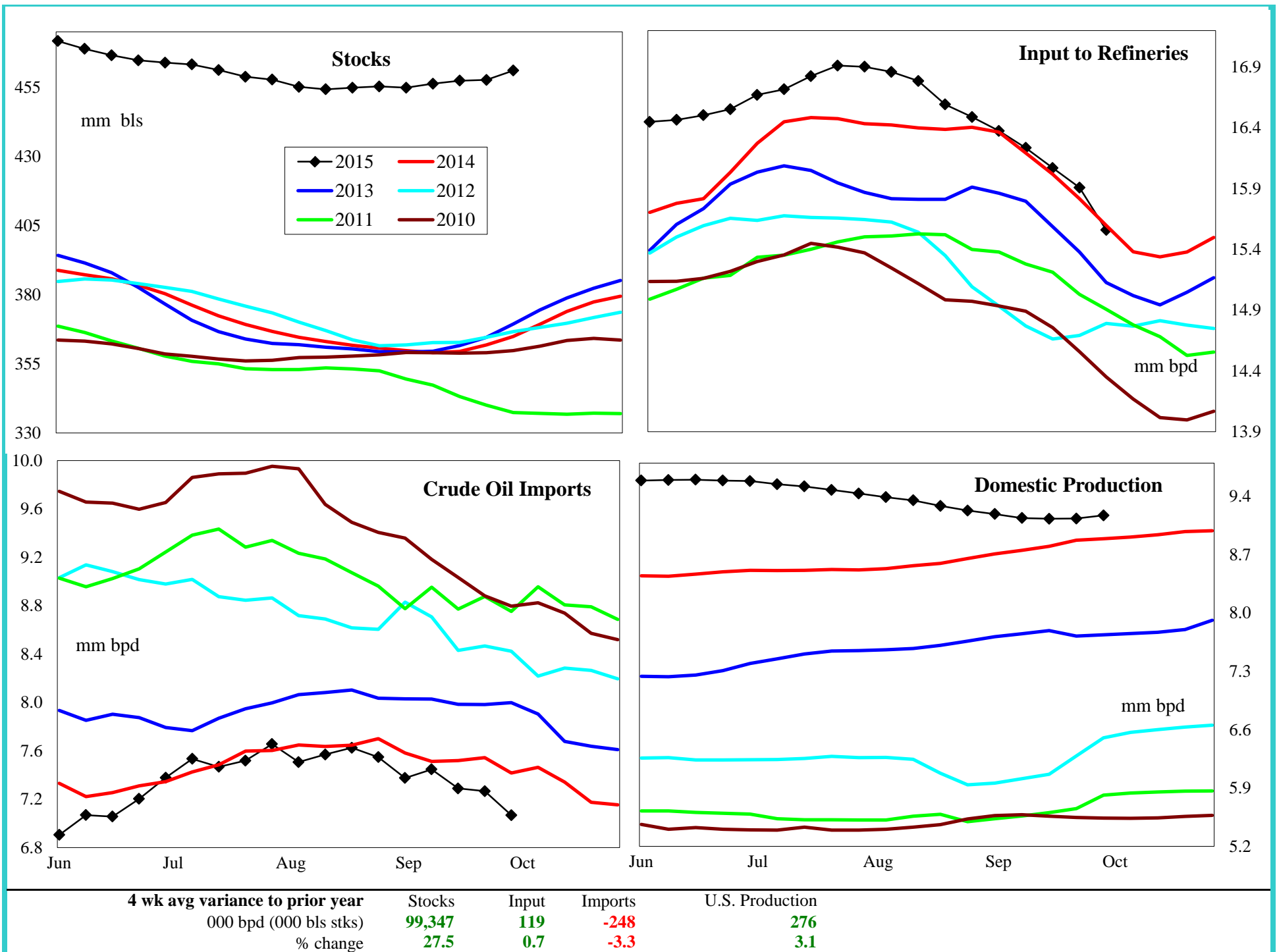
Jet Fuel Imports by PADD



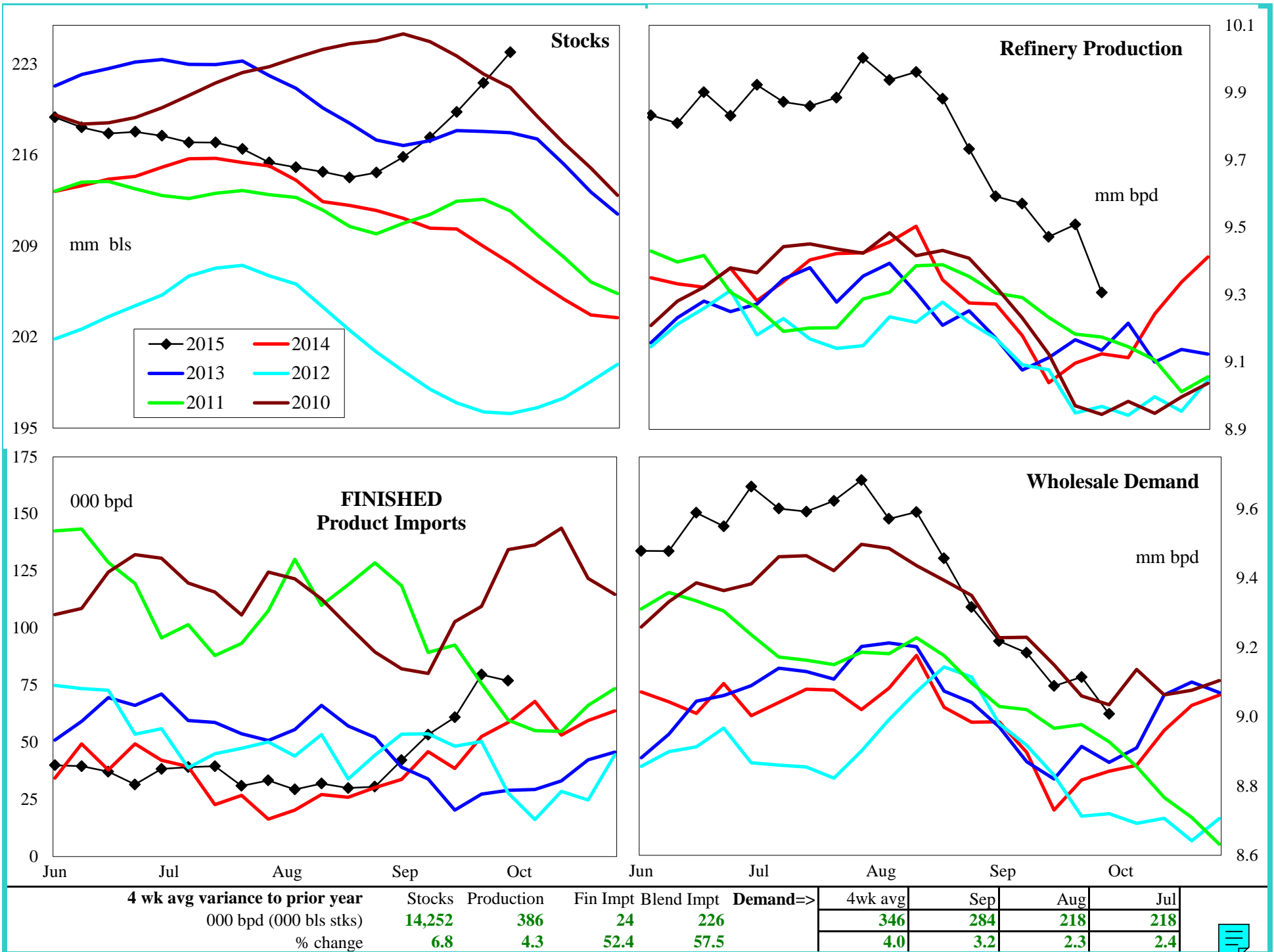
Residual Fuel Oil Imports by PADD



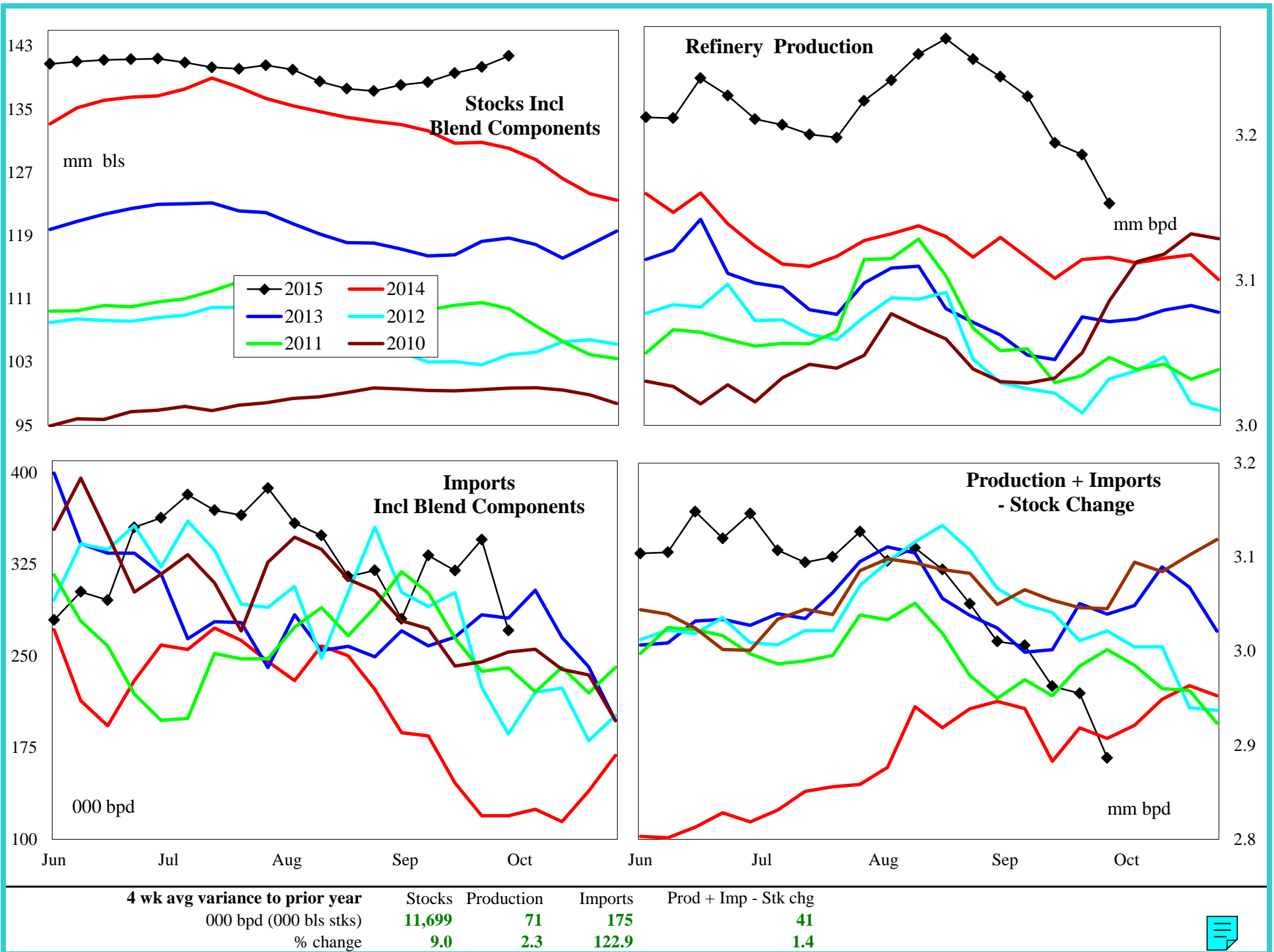
United States Crude Oil Supply and Demand Balance



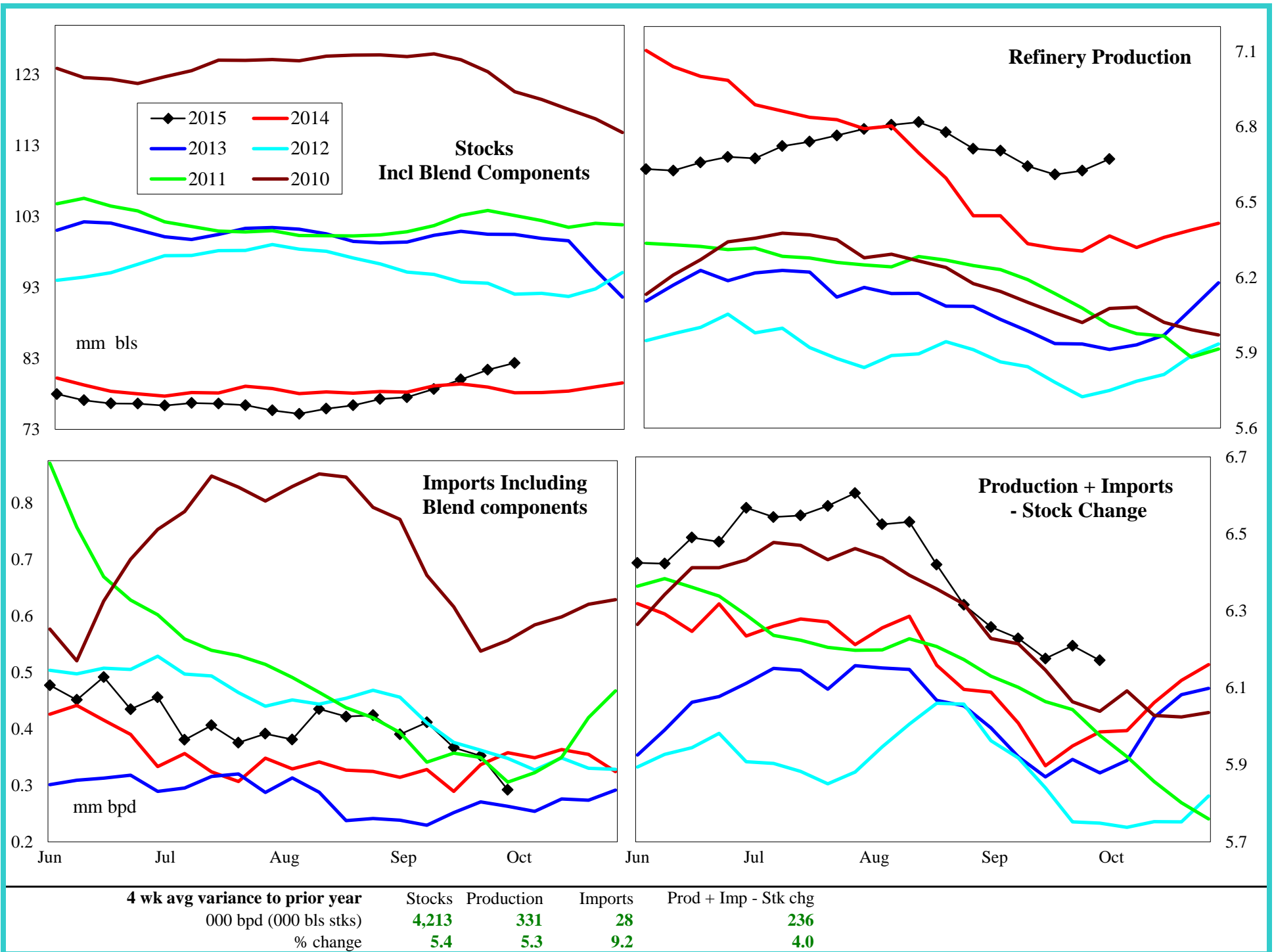
United States Gasoline Supply and Demand Balance



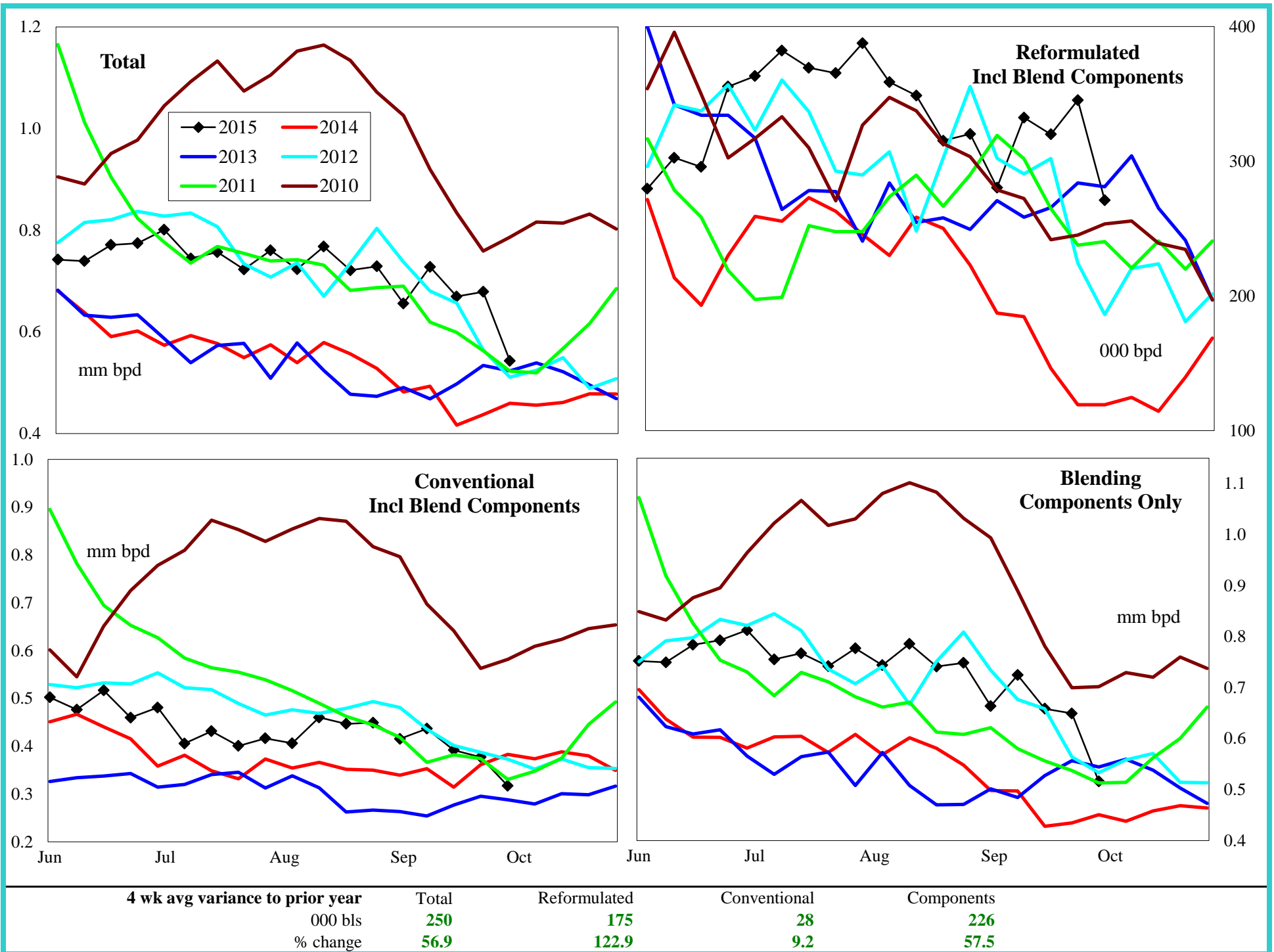
United States Reformulated Gasoline Supply



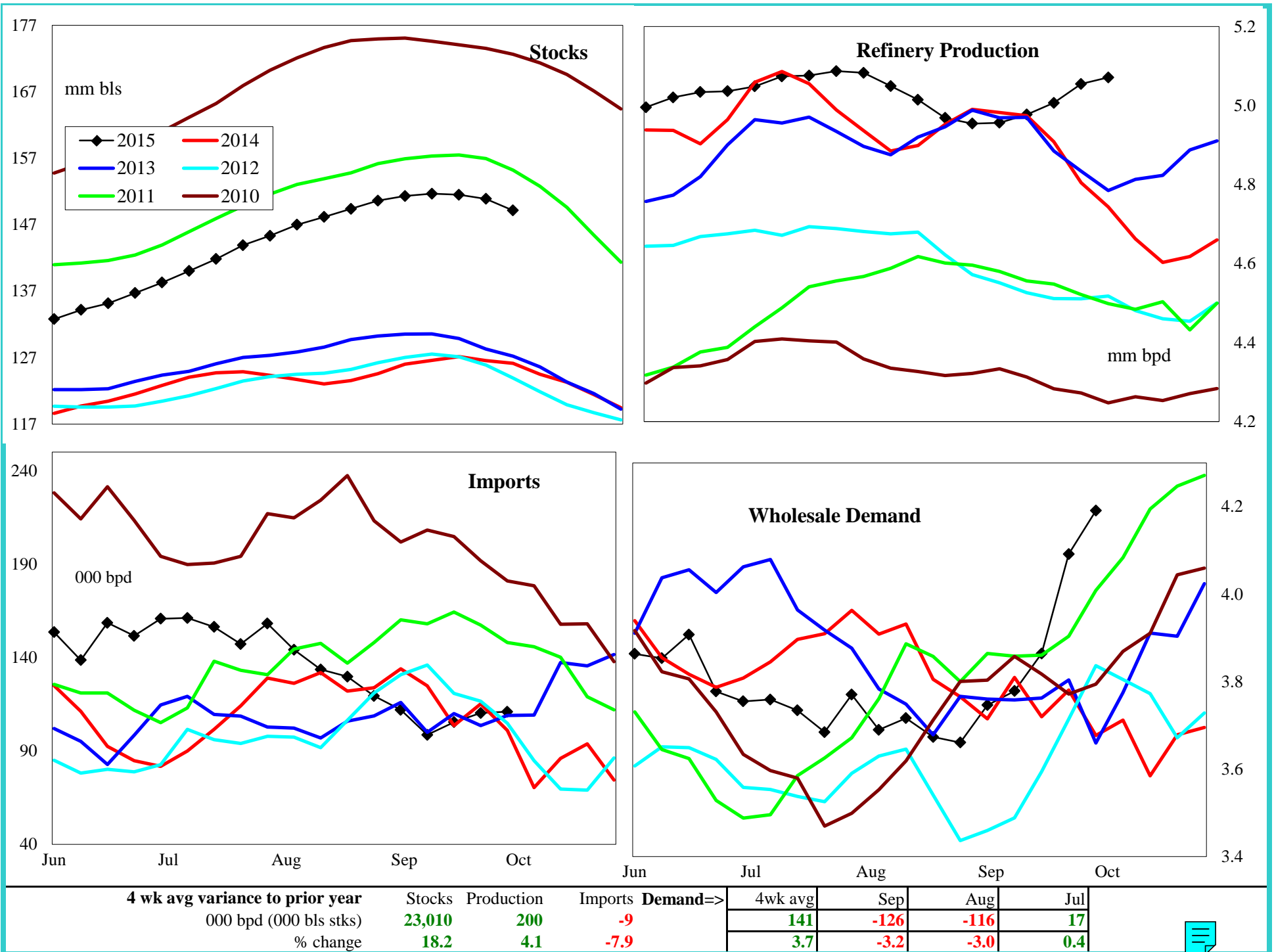
United States Conventional Gasoline Supply



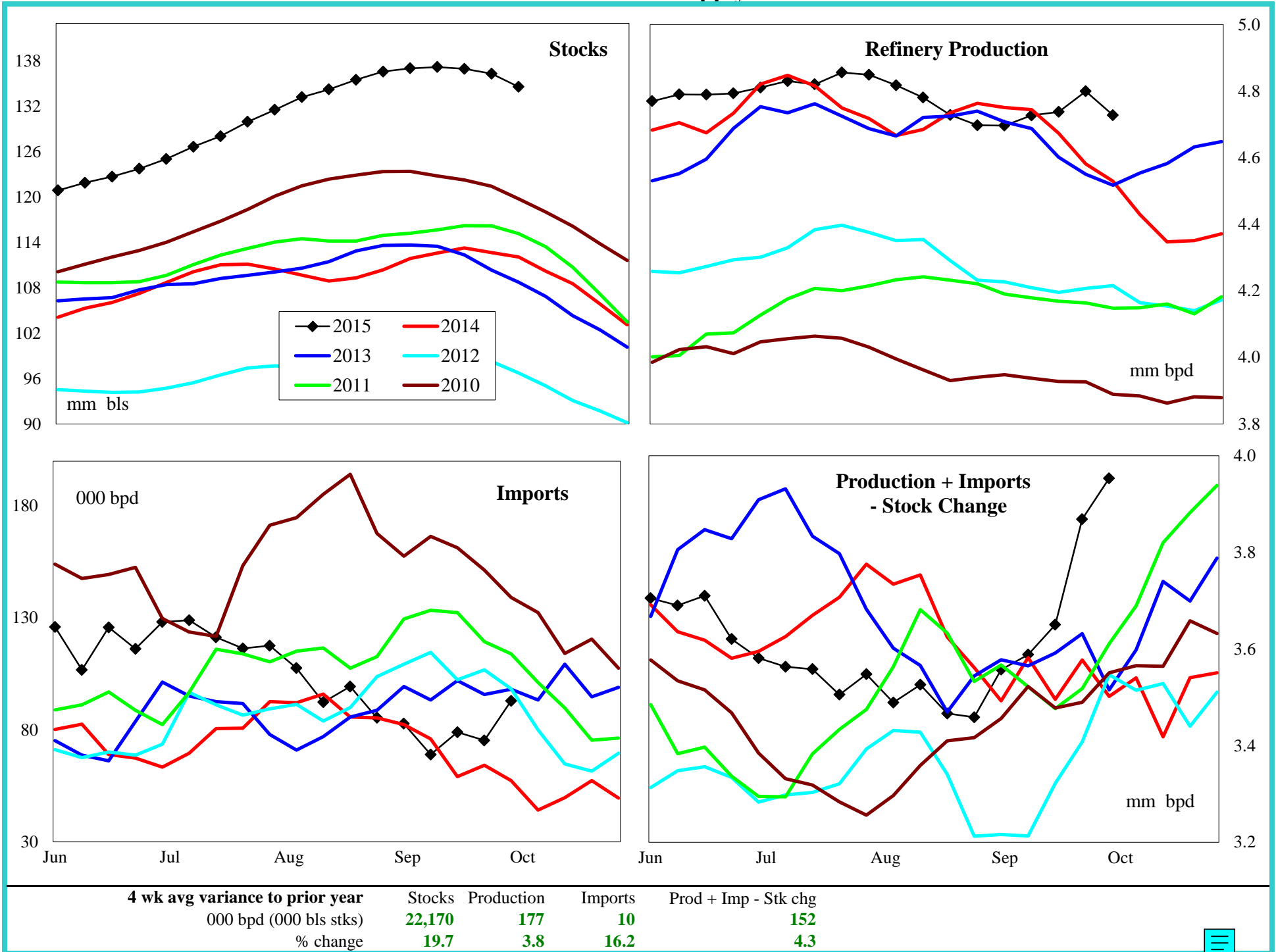
United States Gasoline Imports by Type



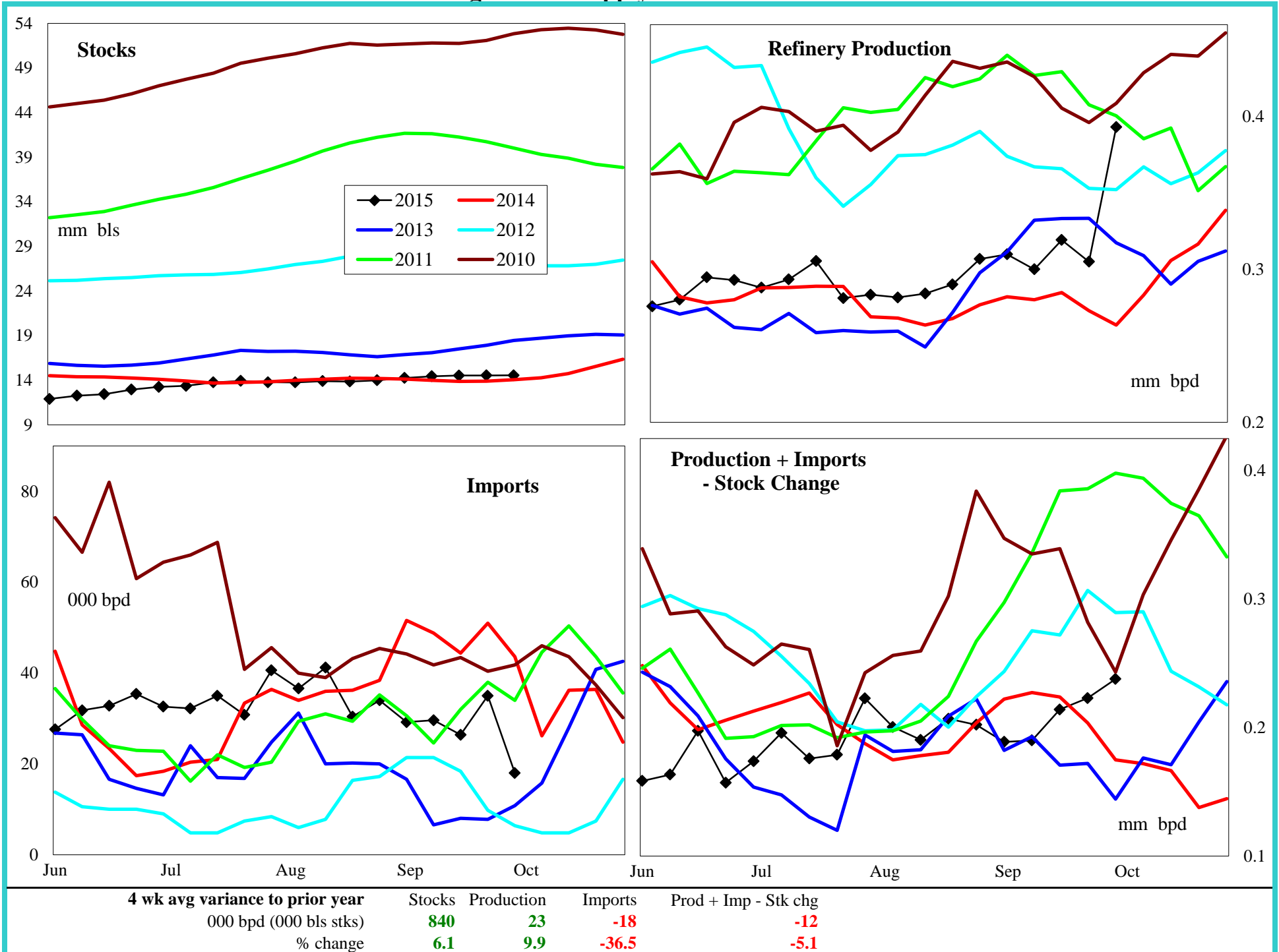
United States Distillate Supply and Demand Balance



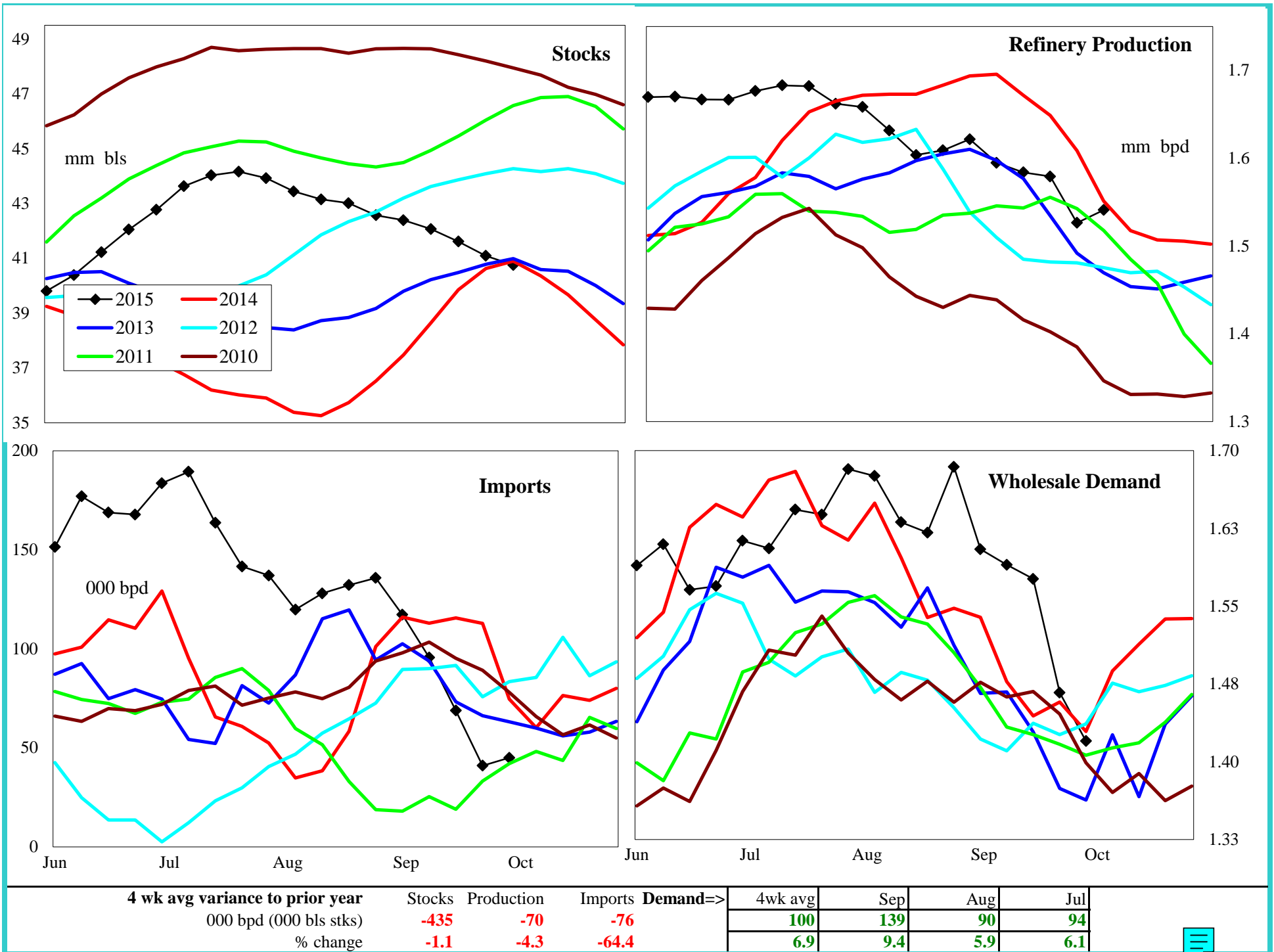
United States Low Sulfur Distillate Supply and Demand Balance



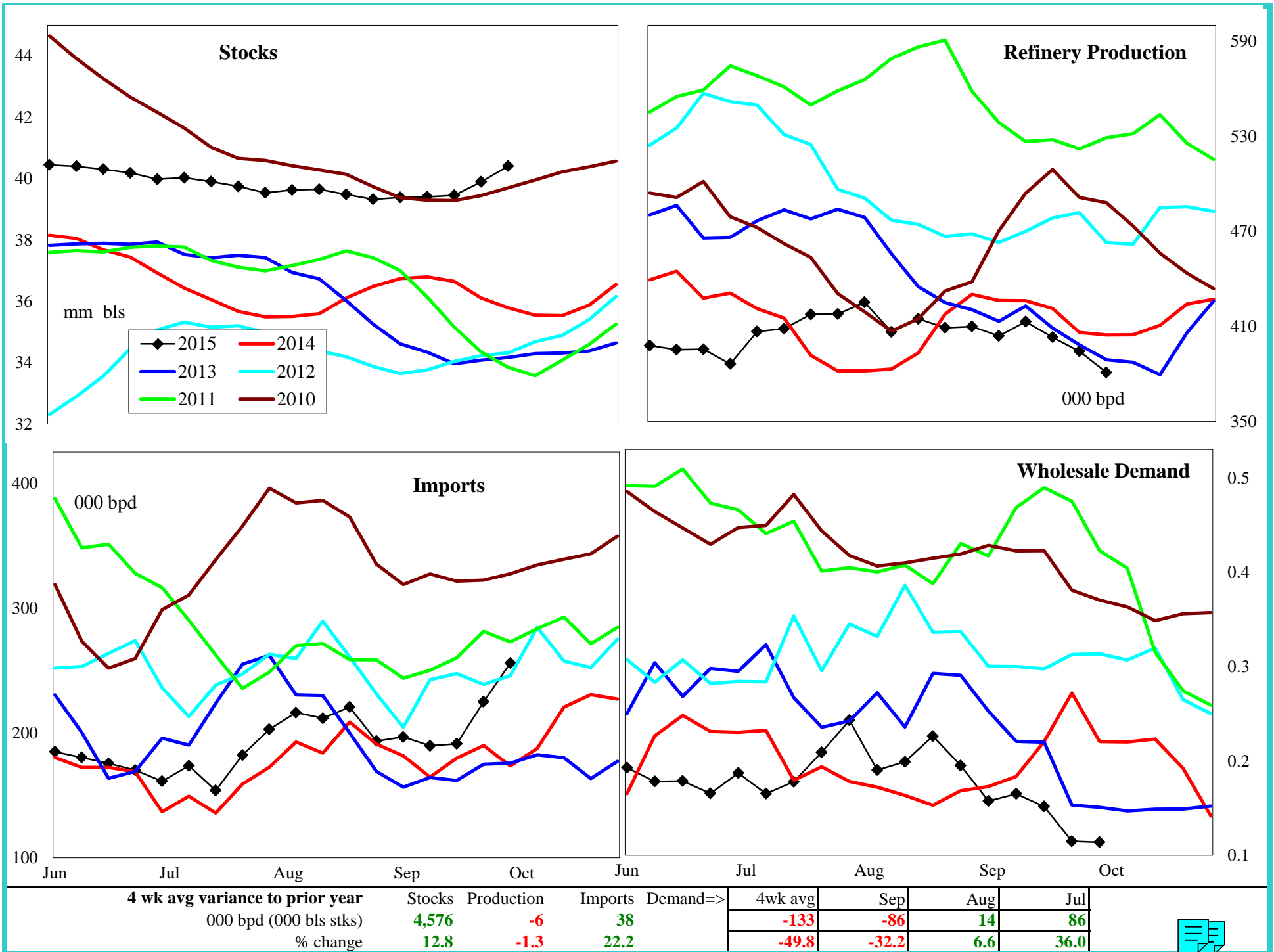
United States High Sulfur Supply Distillate and Demand Balance



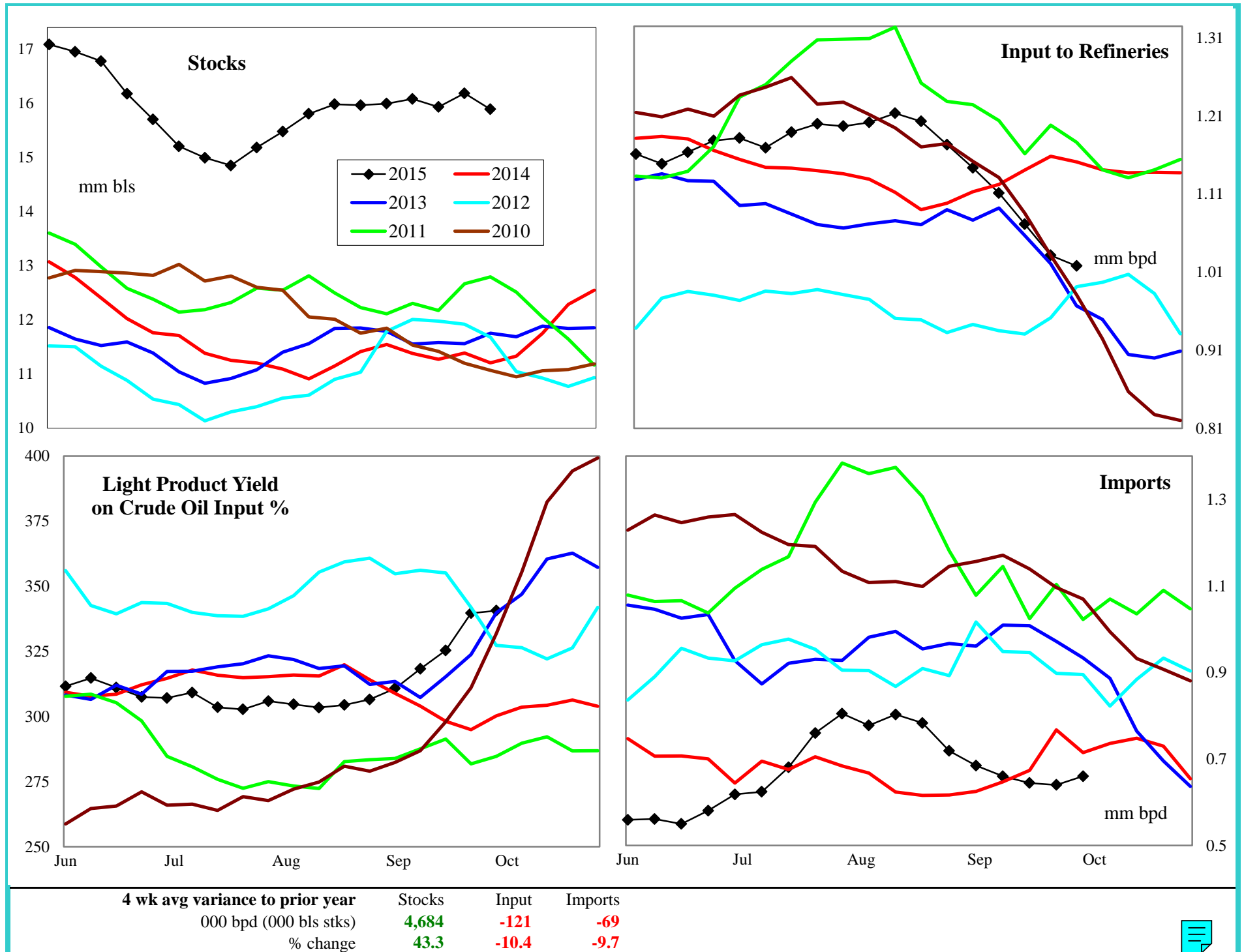
United States Jet Fuel Supply and Demand Balance



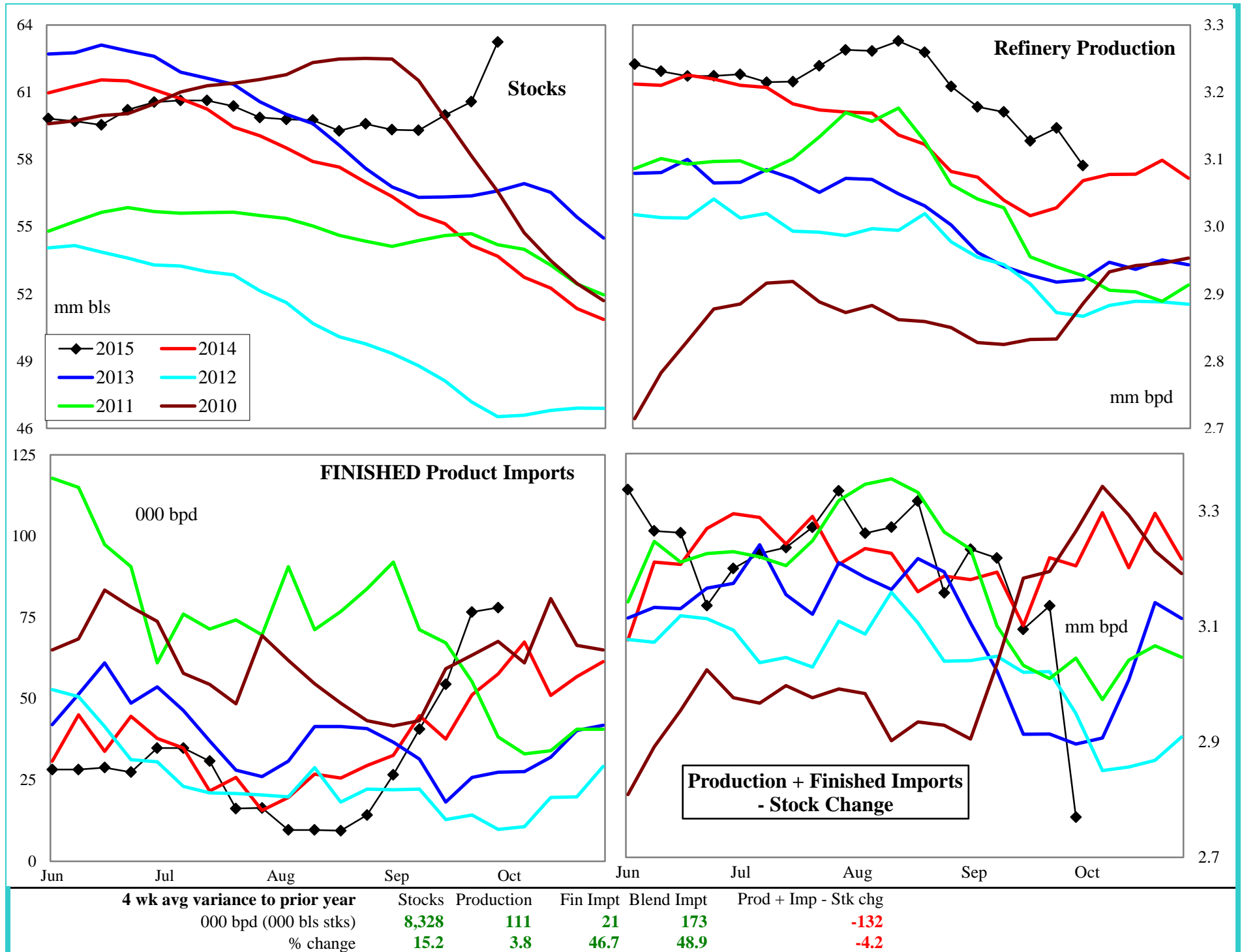
United States Residual Fuel Supply and Demand Balance



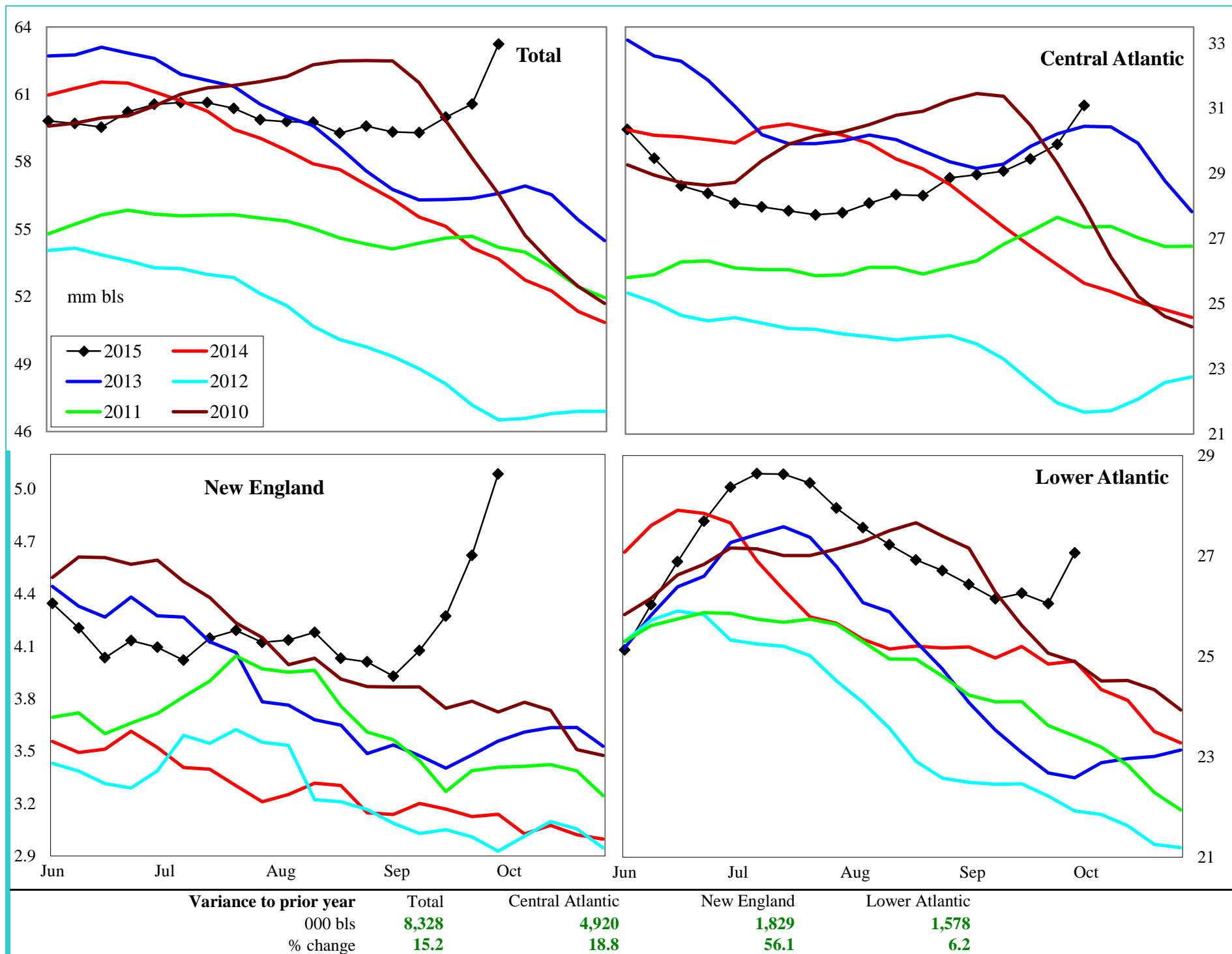
PADD 1 Crude Oil Supply and Refining



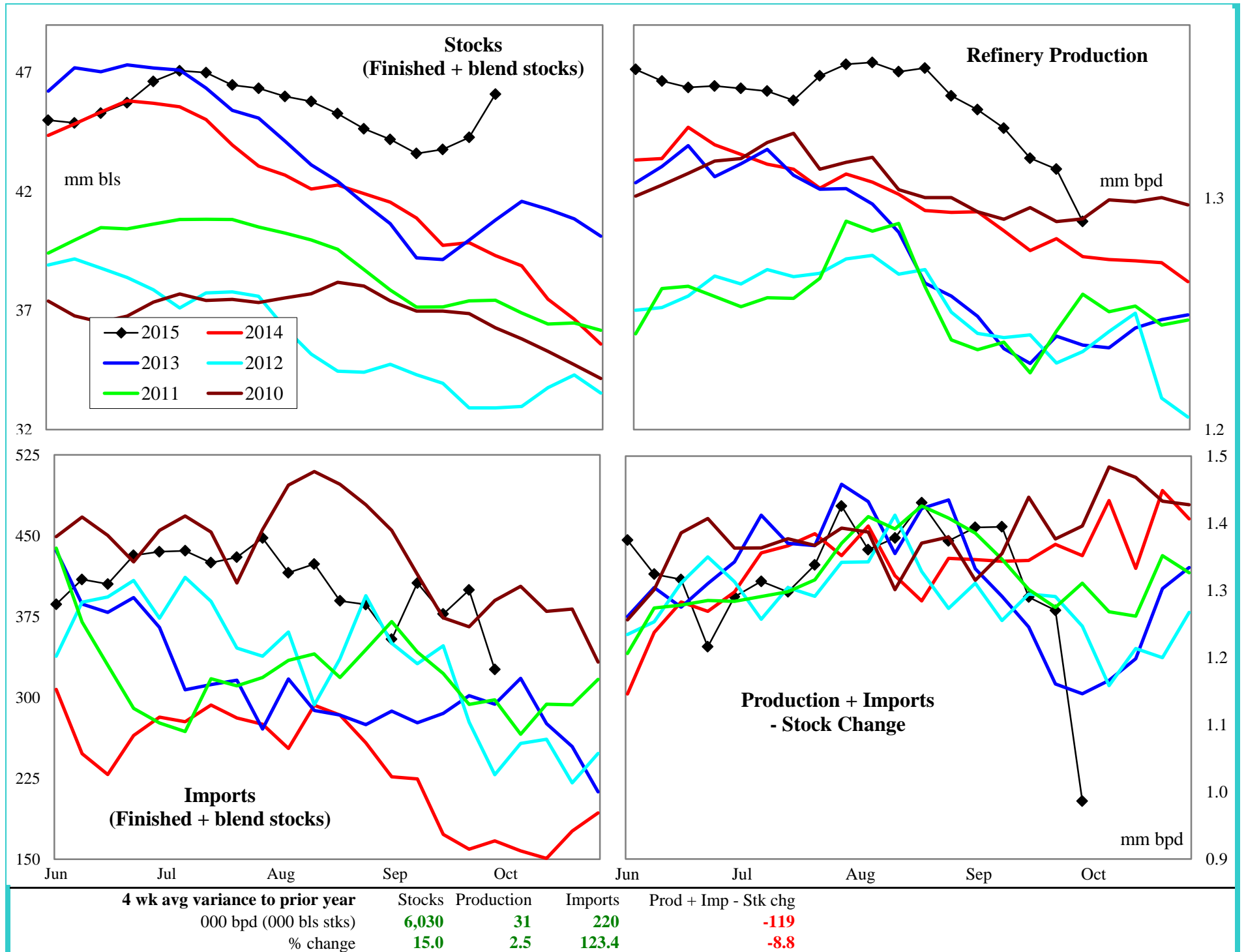
PADD 1 Gasoline Supply



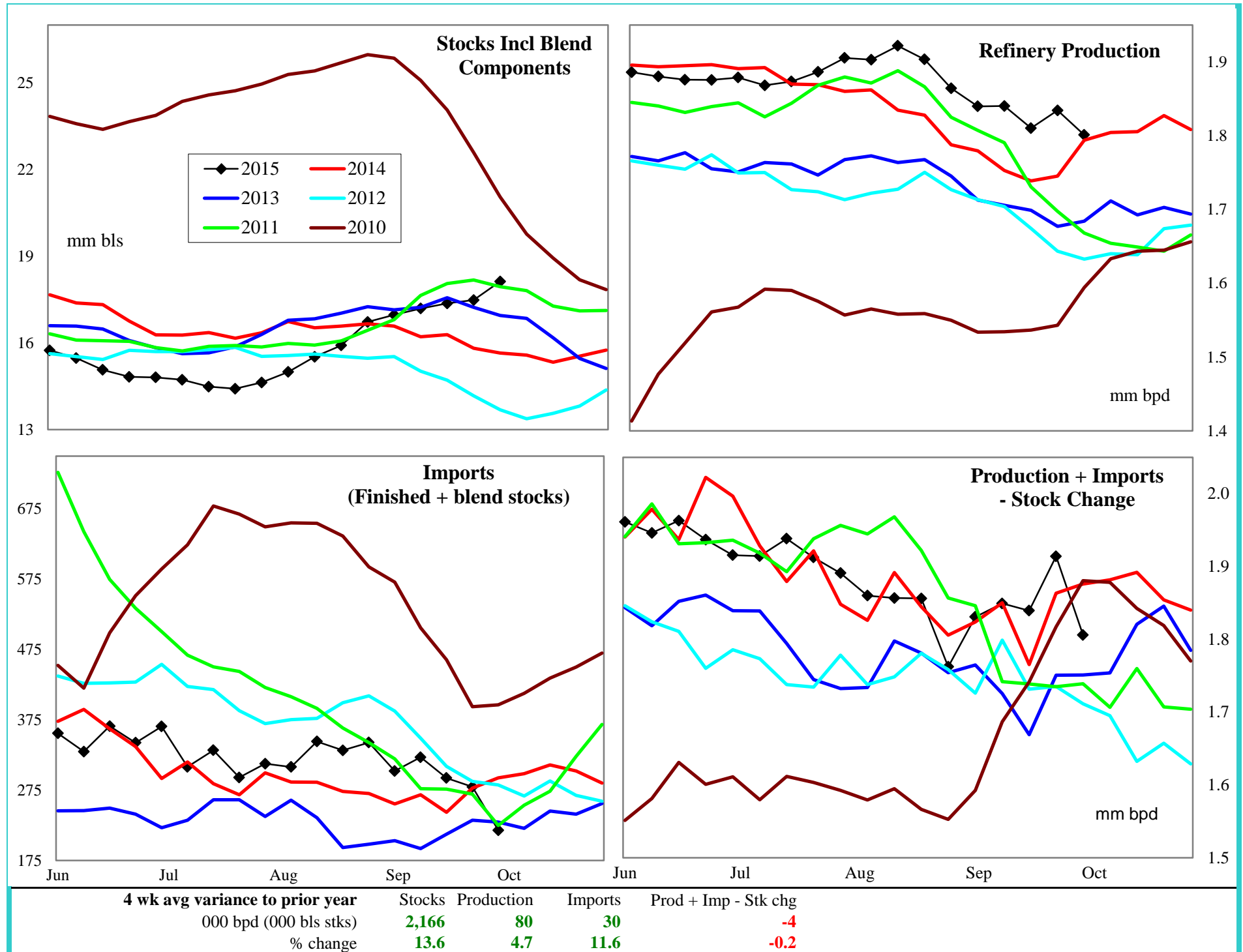
PADD 1 Gasoline Stocks by Region



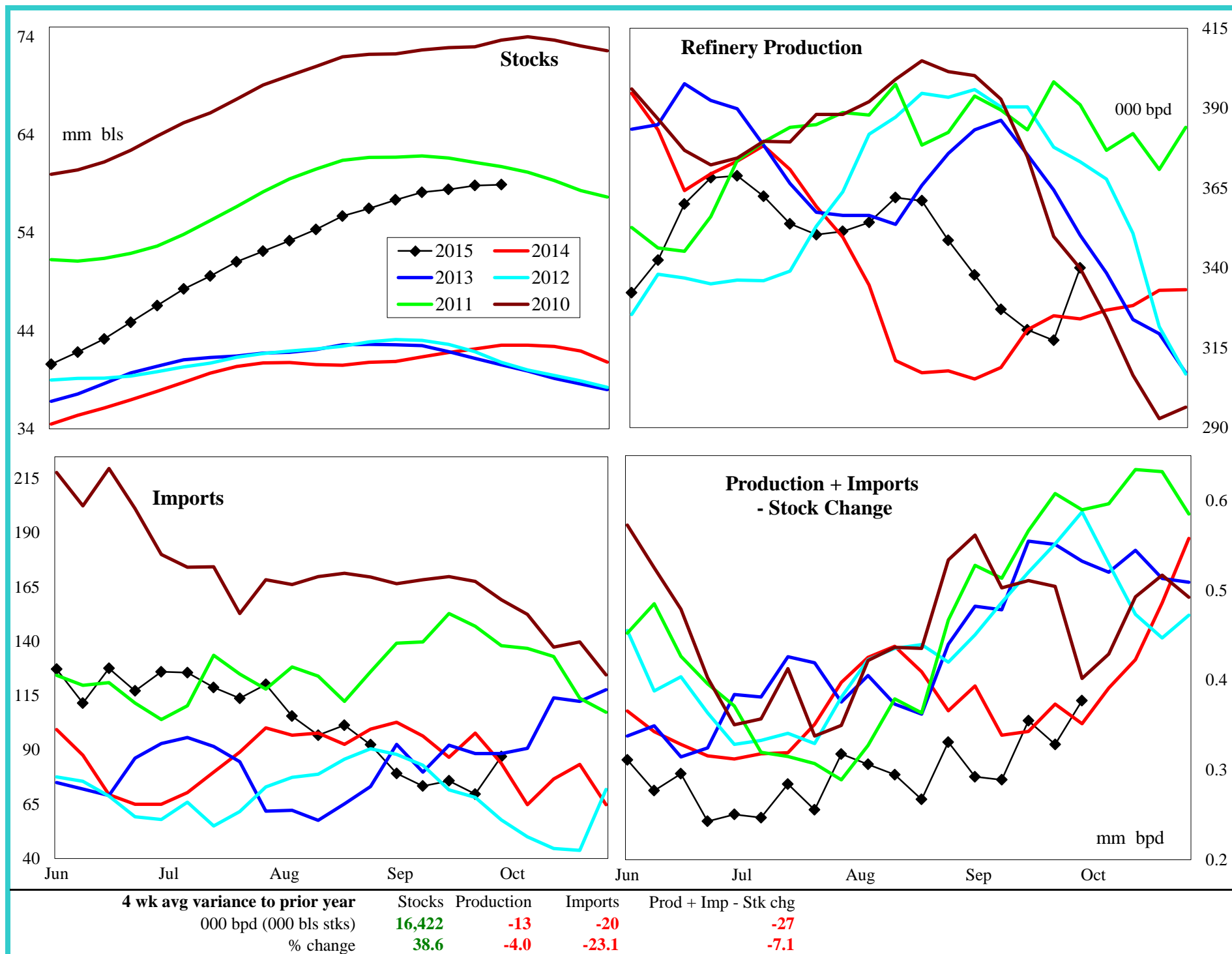
PADD 1 Reformulated Gasoline Supply



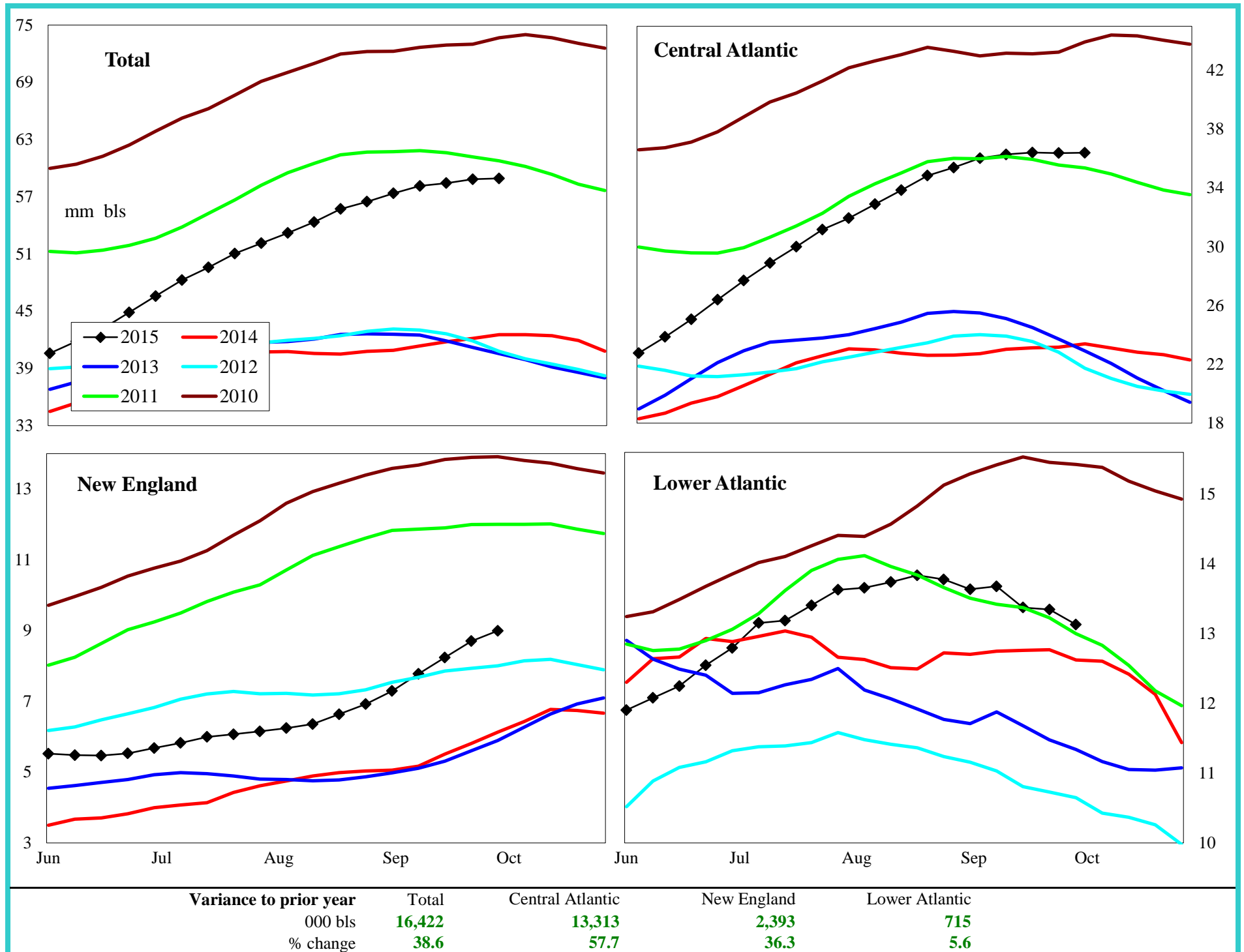
PADD 1 Conventional Gasoline Supply



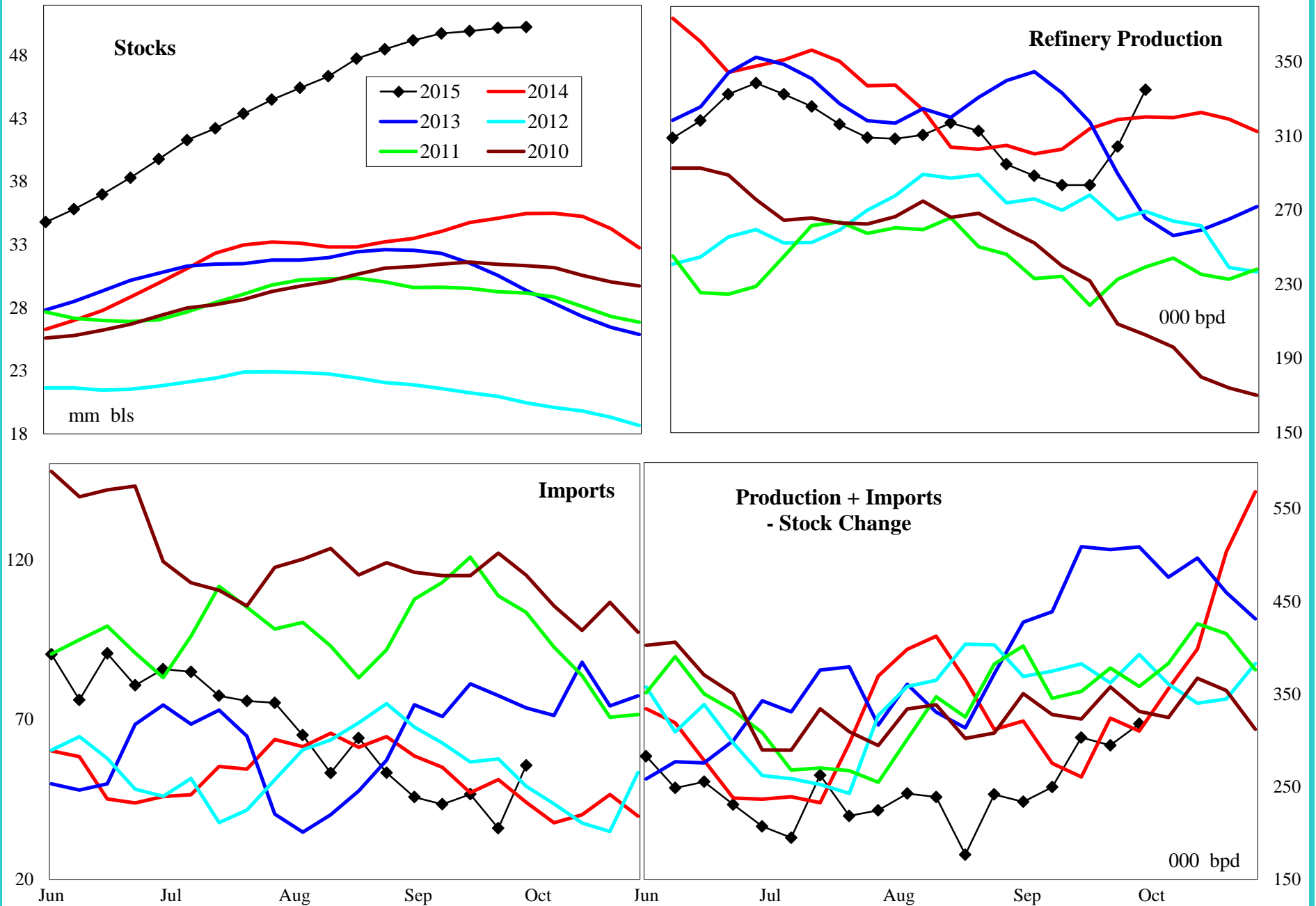
PADD 1 Distillate Supply



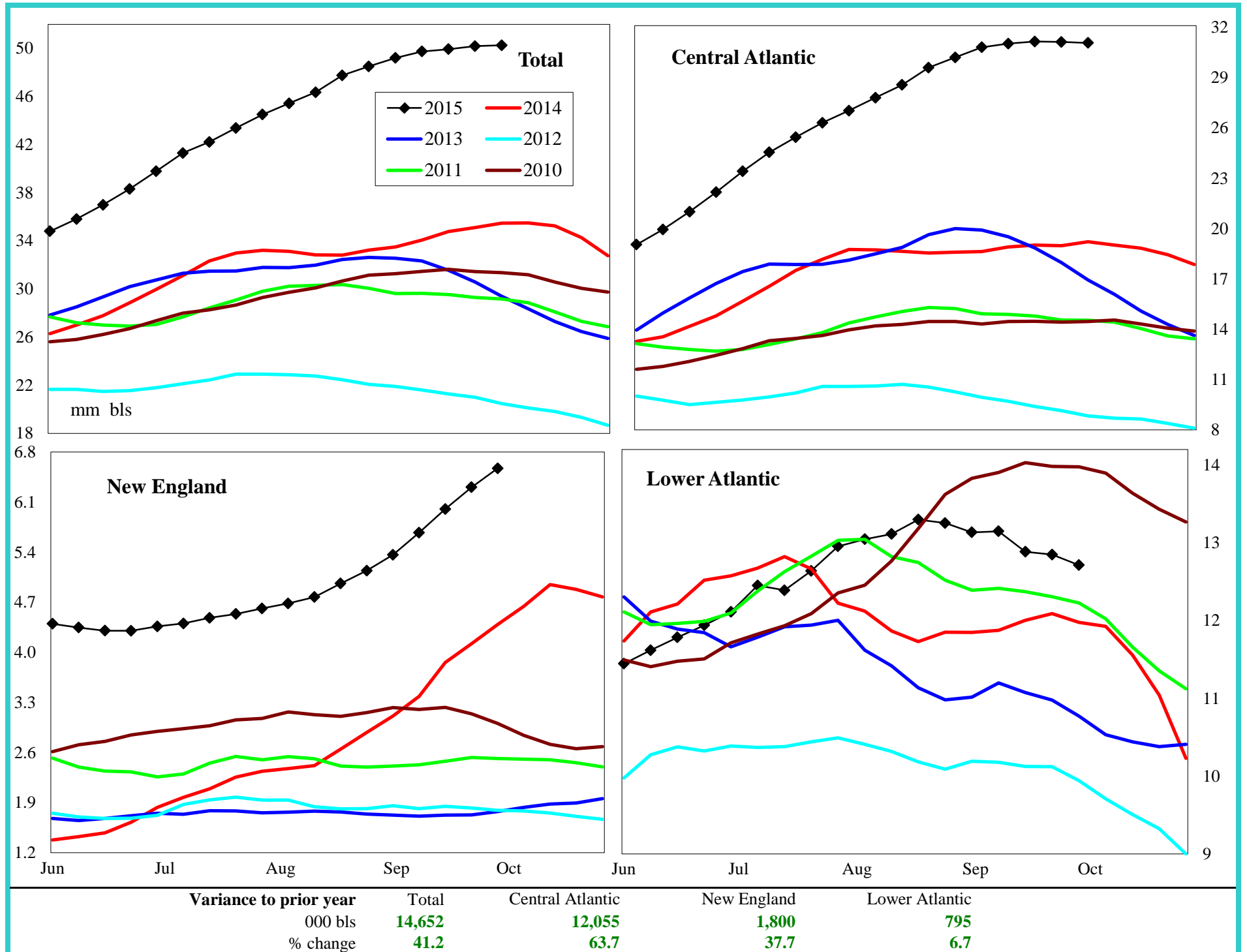
PADD 1 Distillate Stocks by Region



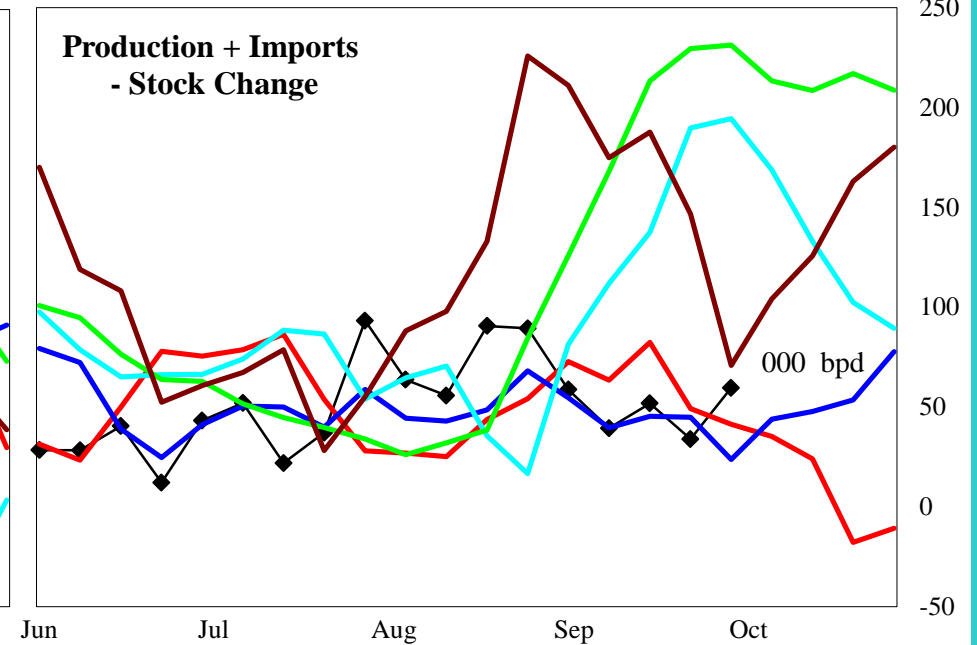
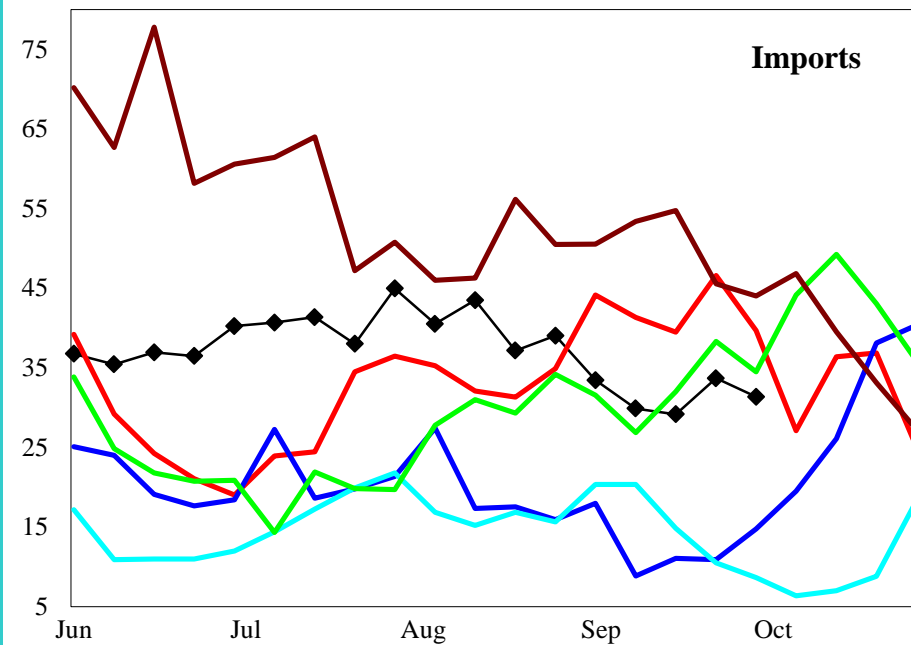
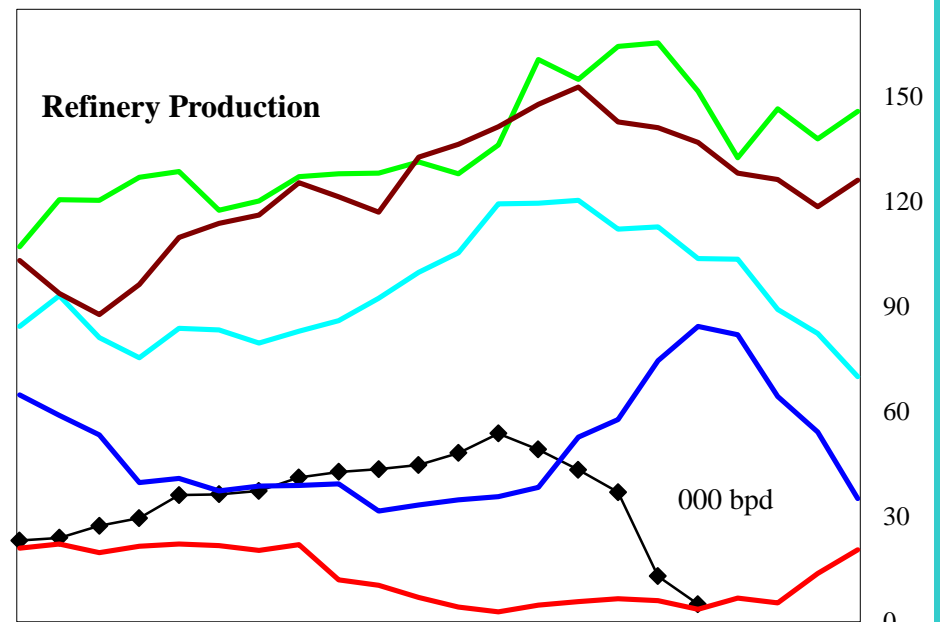
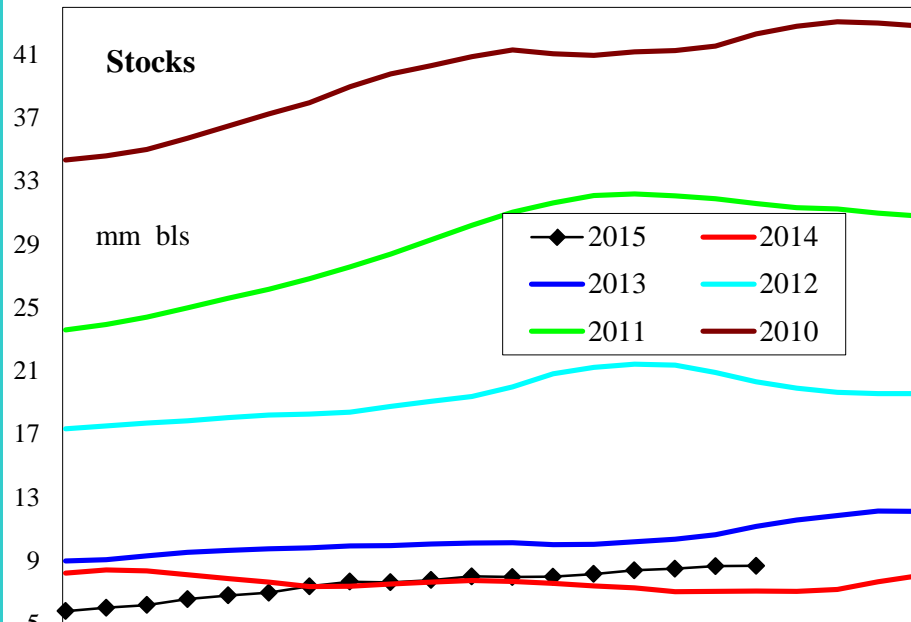
PADD 1 Low Sulfur Distillate Supply



PADD 1 Low Sulfur Distillate Stocks by Region



PADD 1 High Sulfur Distillate Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

1,770

25.7

Production

23

303.3

Imports

-12

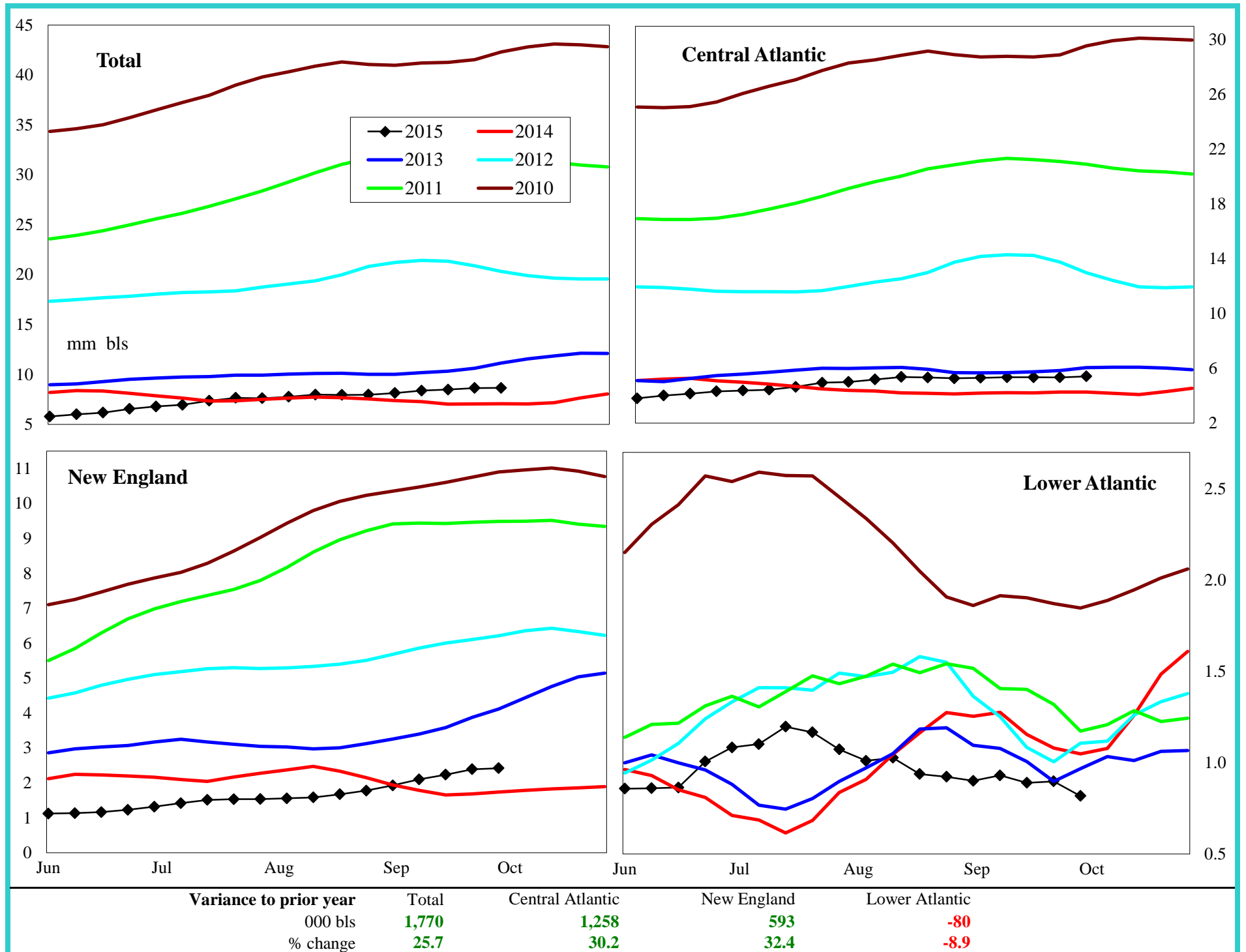
-28.7

Prod + Imp - Stk chg

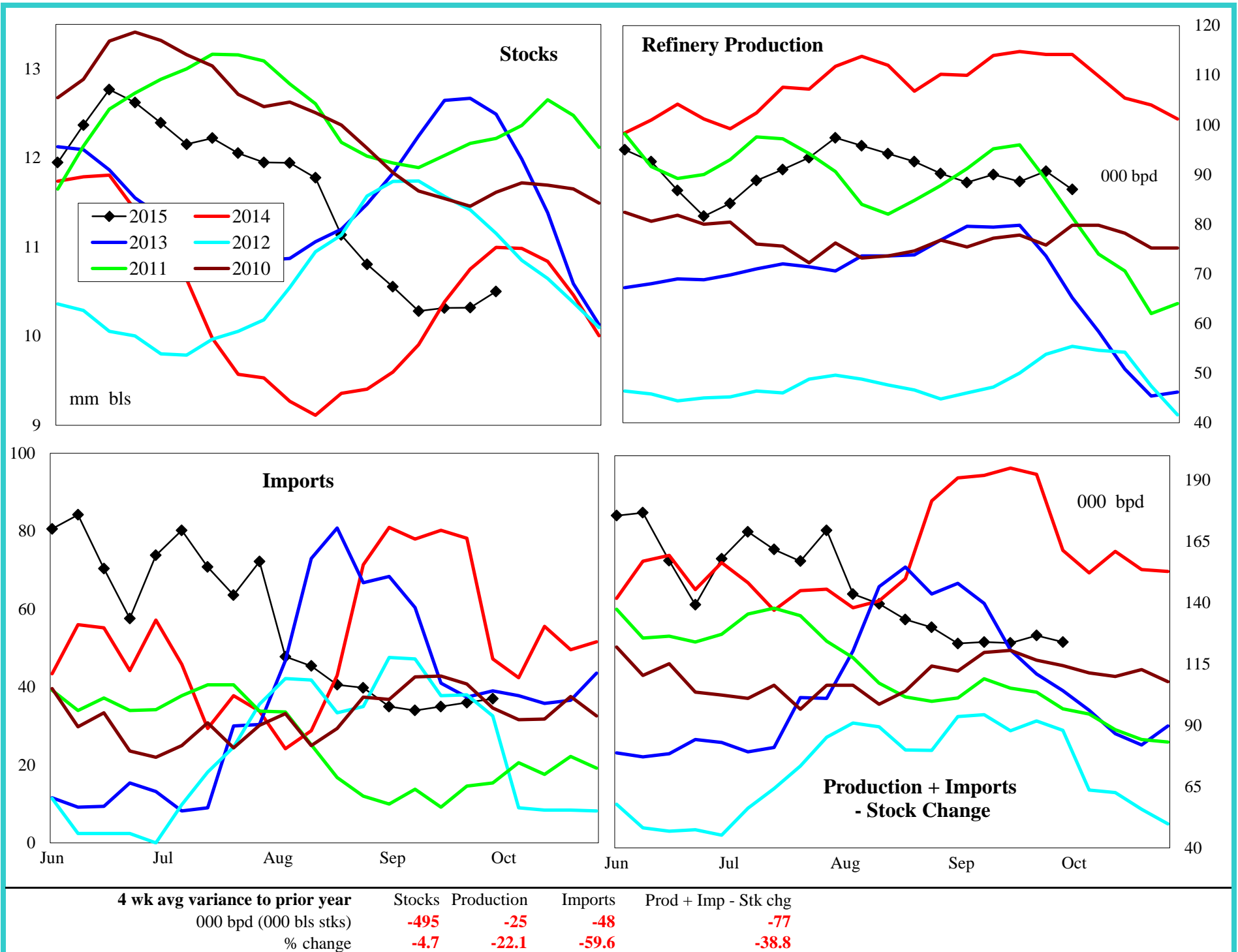
-16

-28.1

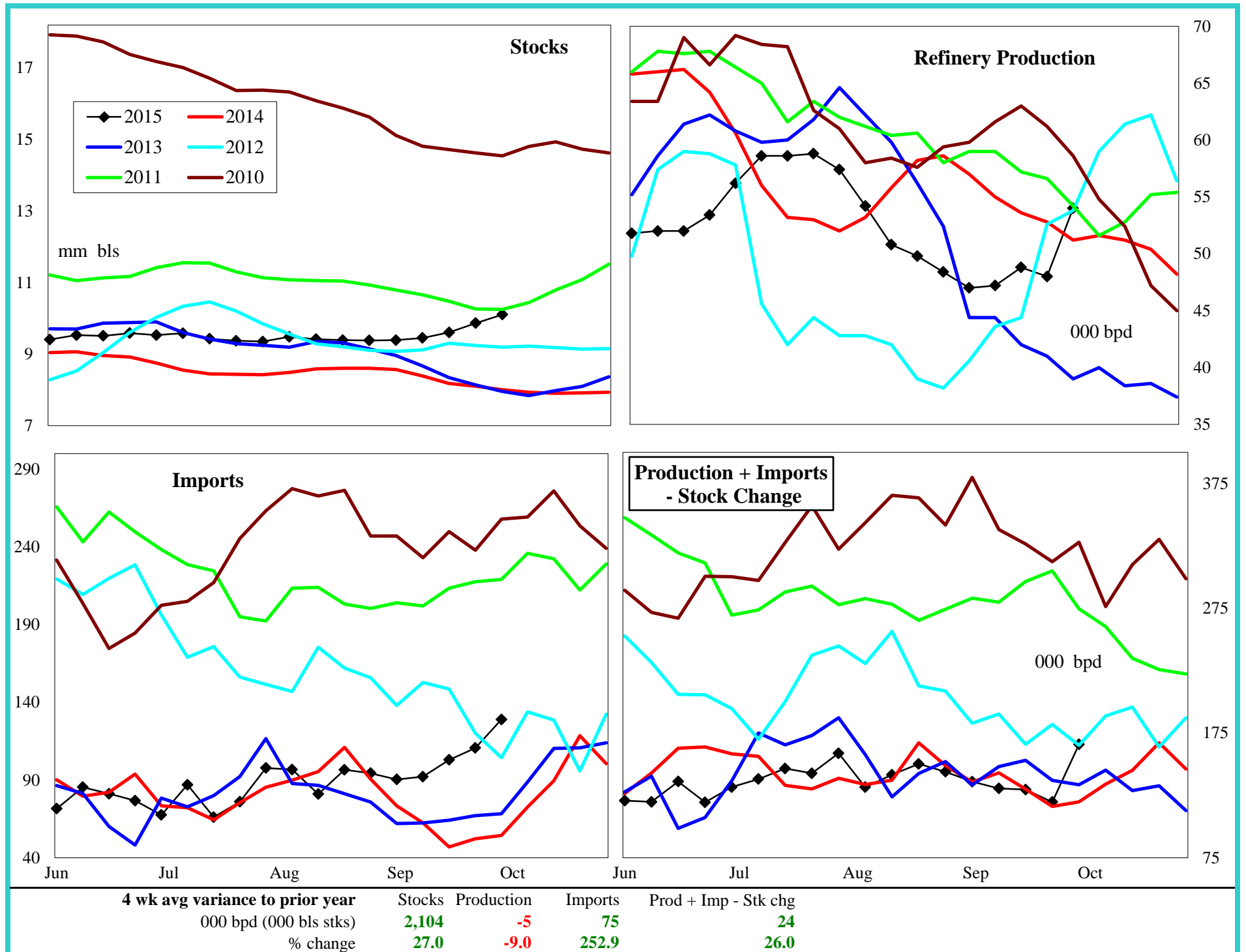
PADD 1 High Sulfur Distillate Stocks by Region



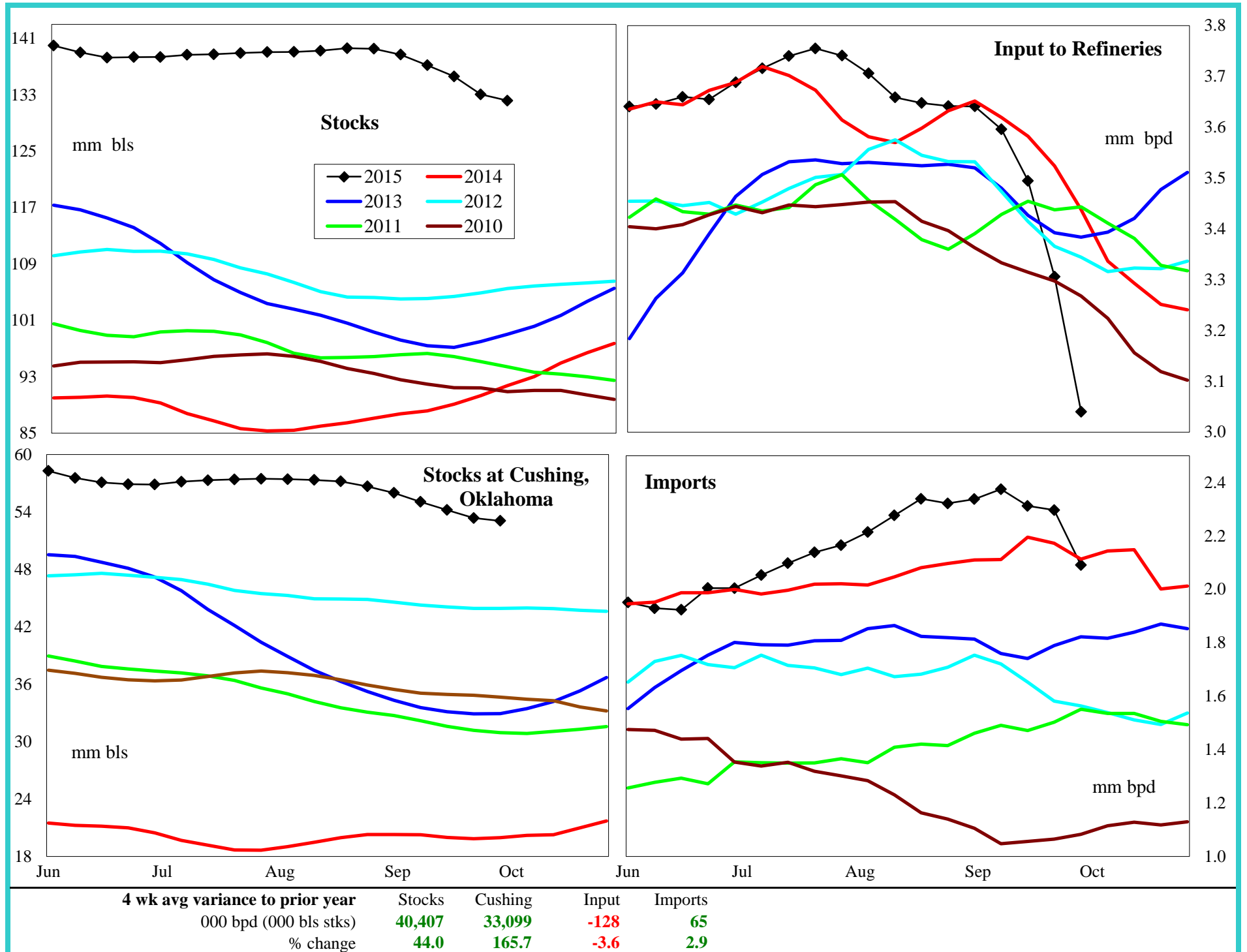
PADD 1 Jet Fuel Supply



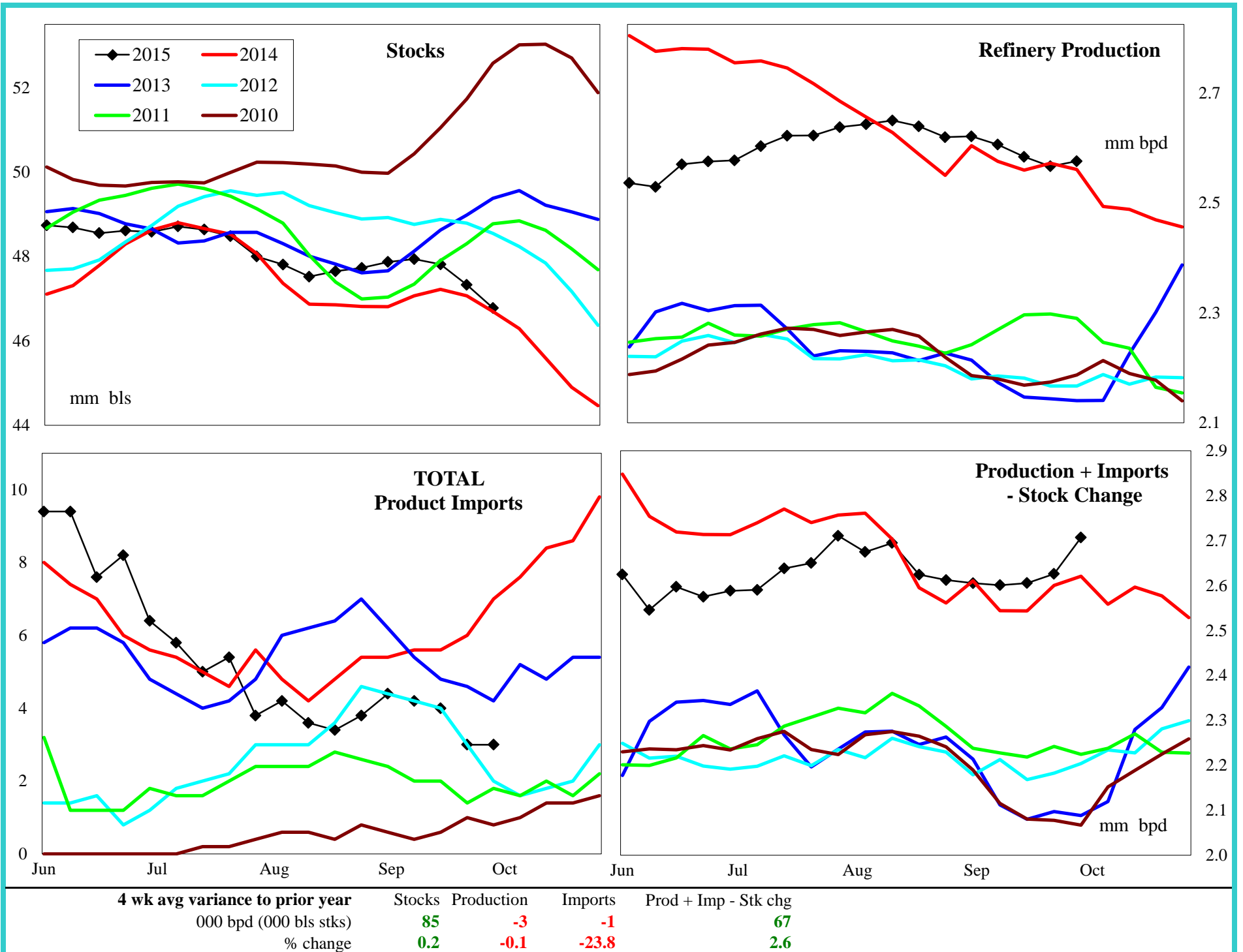
PADD 1 Residual Fuel Oil Supply



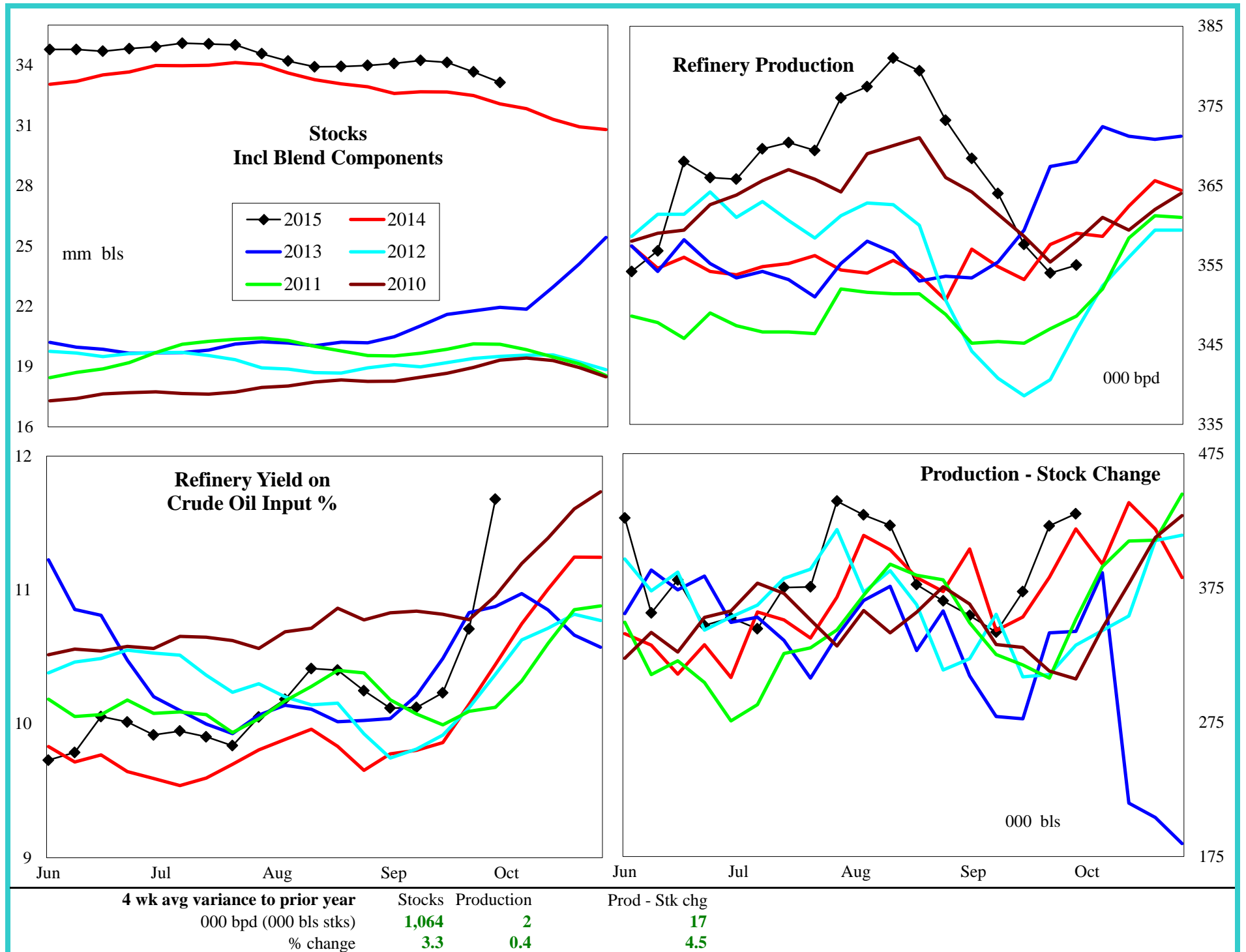
PADD 2 Crude Oil Supply and Refining



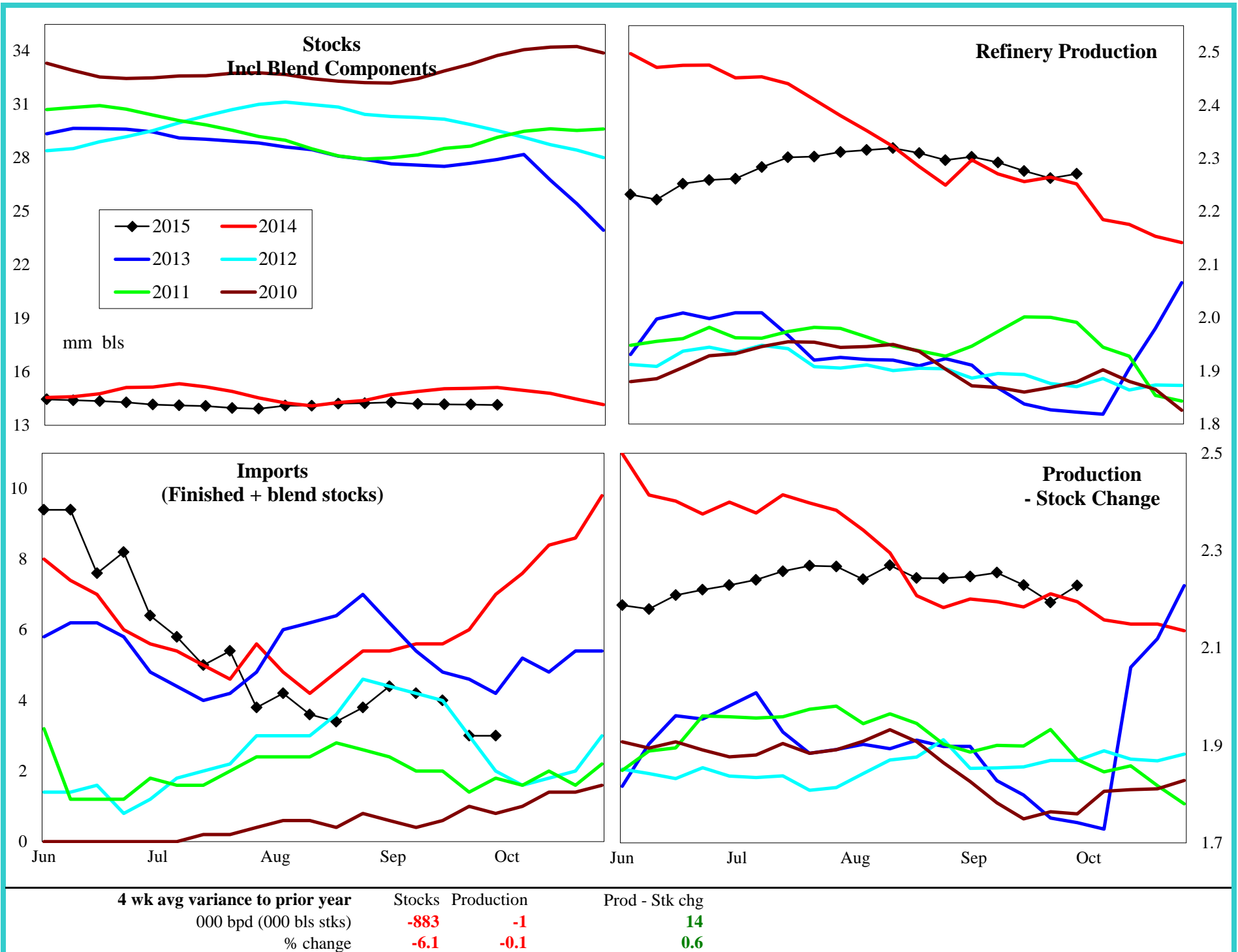
PADD 2 Gasoline Supply



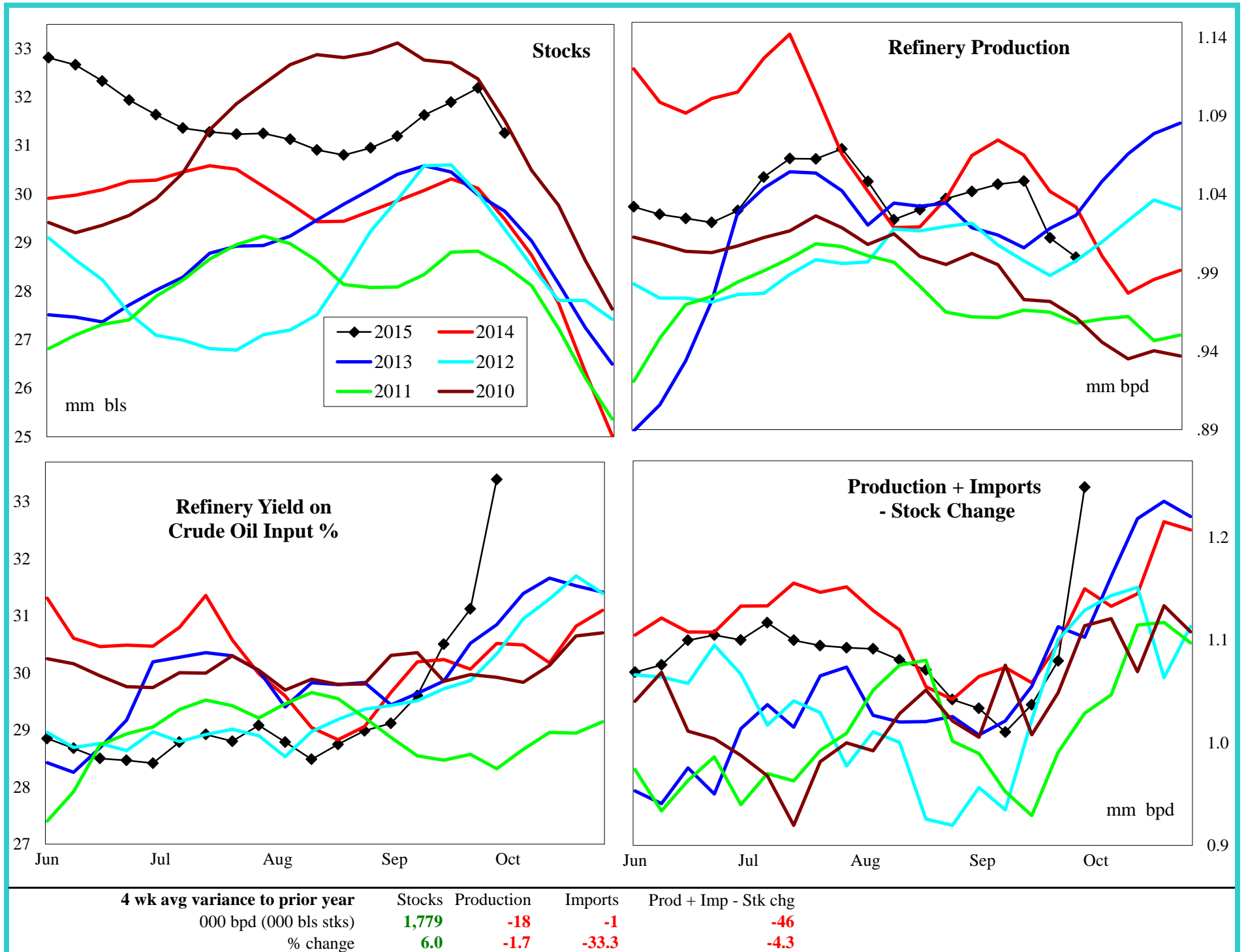
PADD 2 Reformulated Gasoline Supply



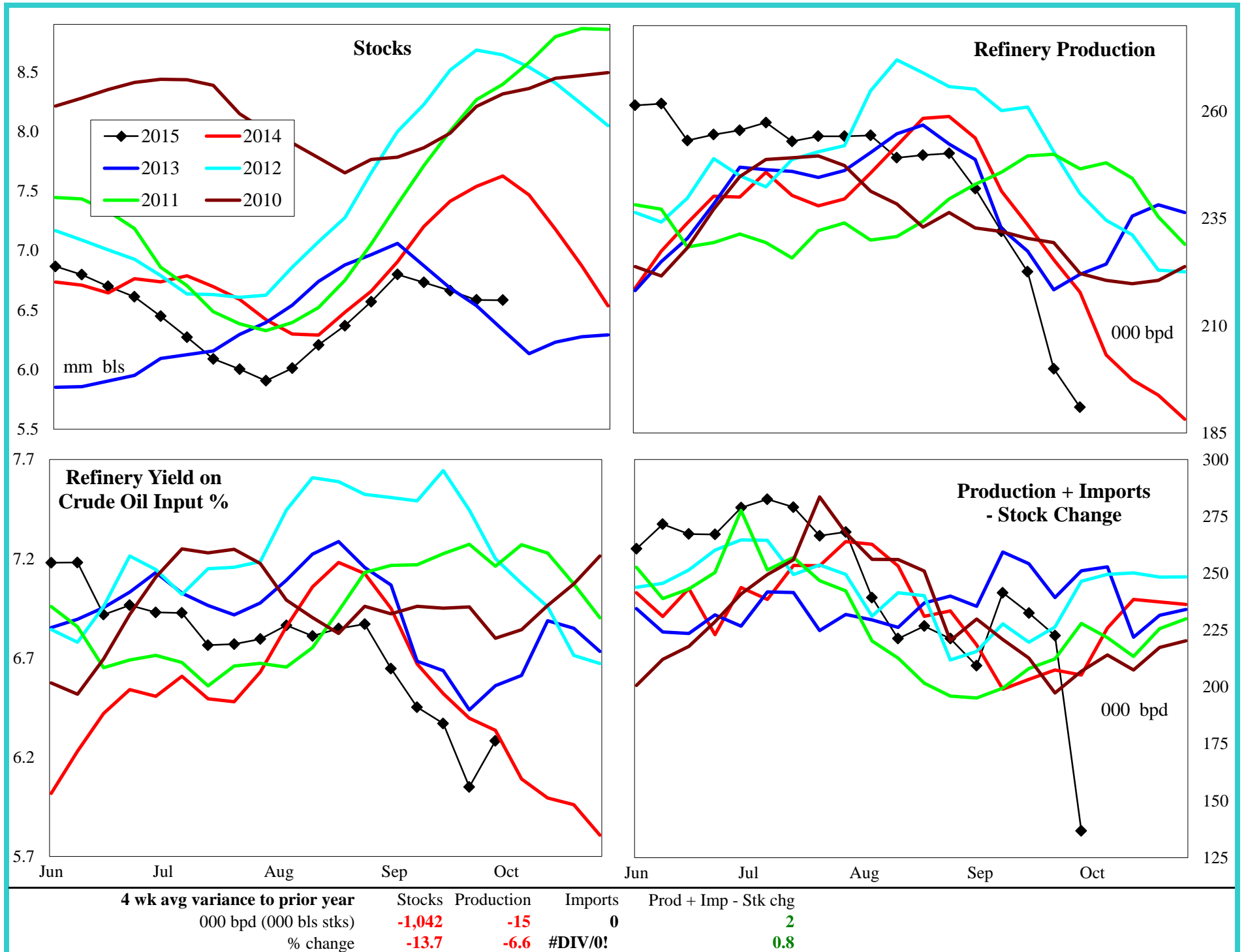
PADD 2 Conventional Gasoline Supply



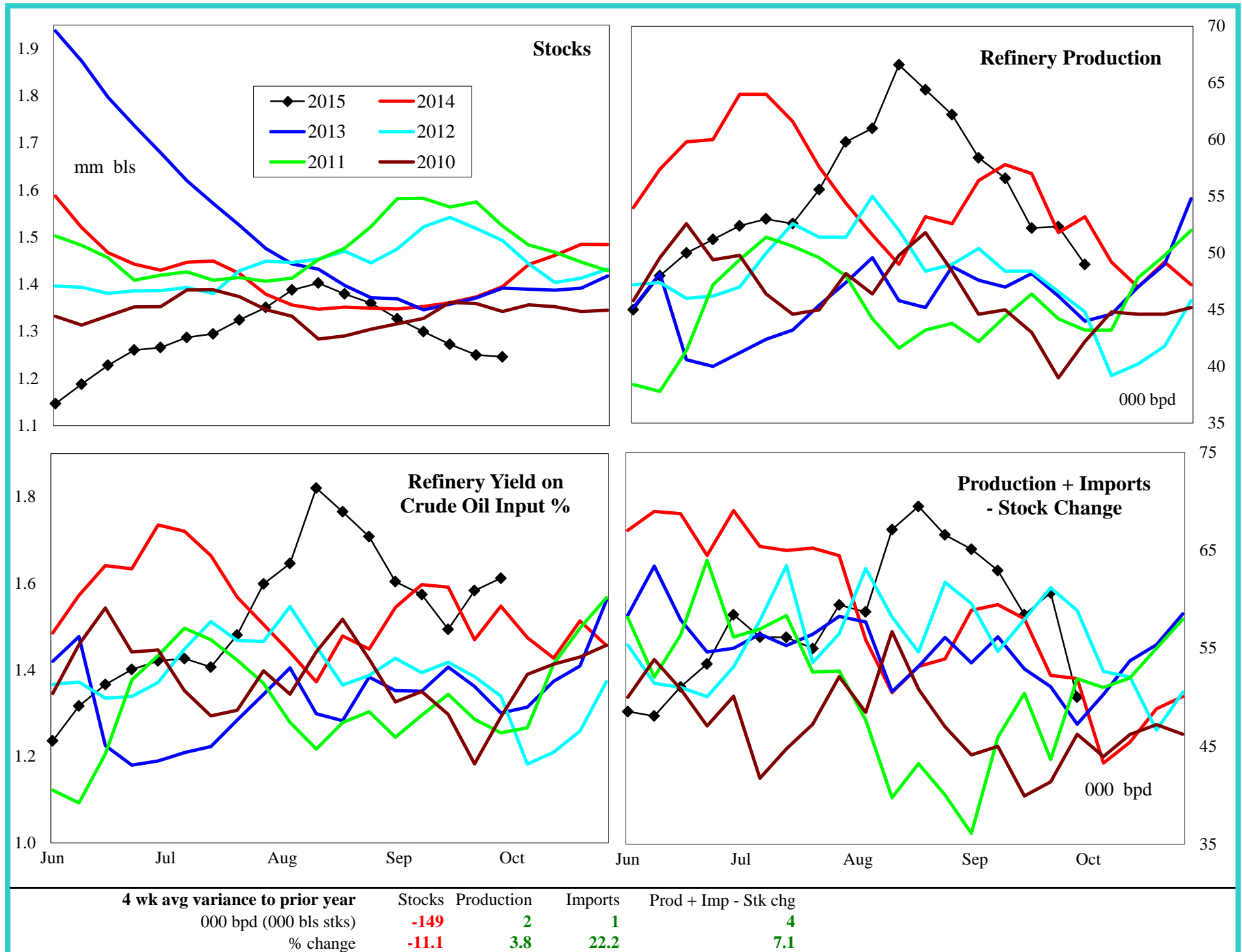
PADD 2 Distillate Supply



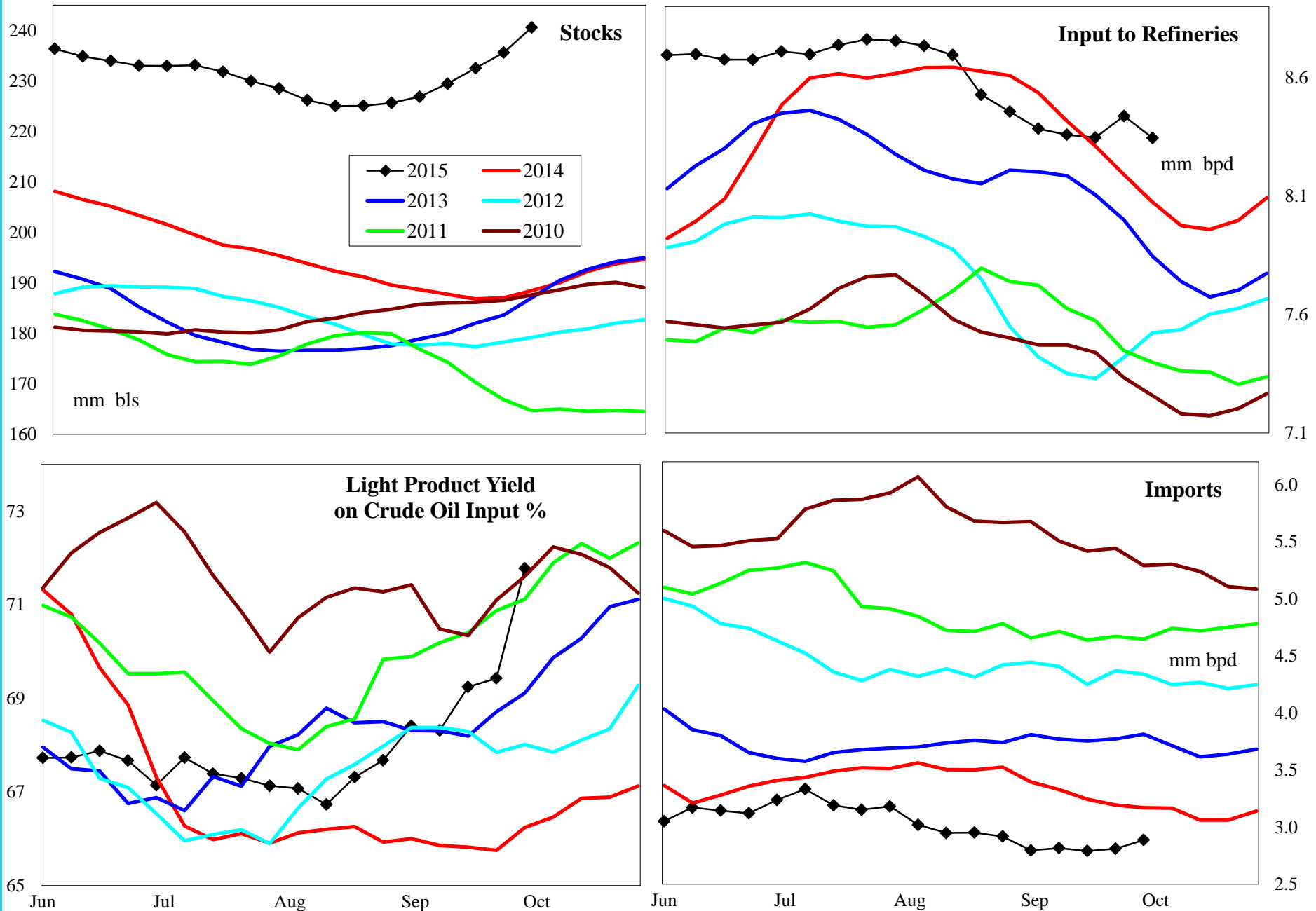
PADD 2 Jet Fuel Supply



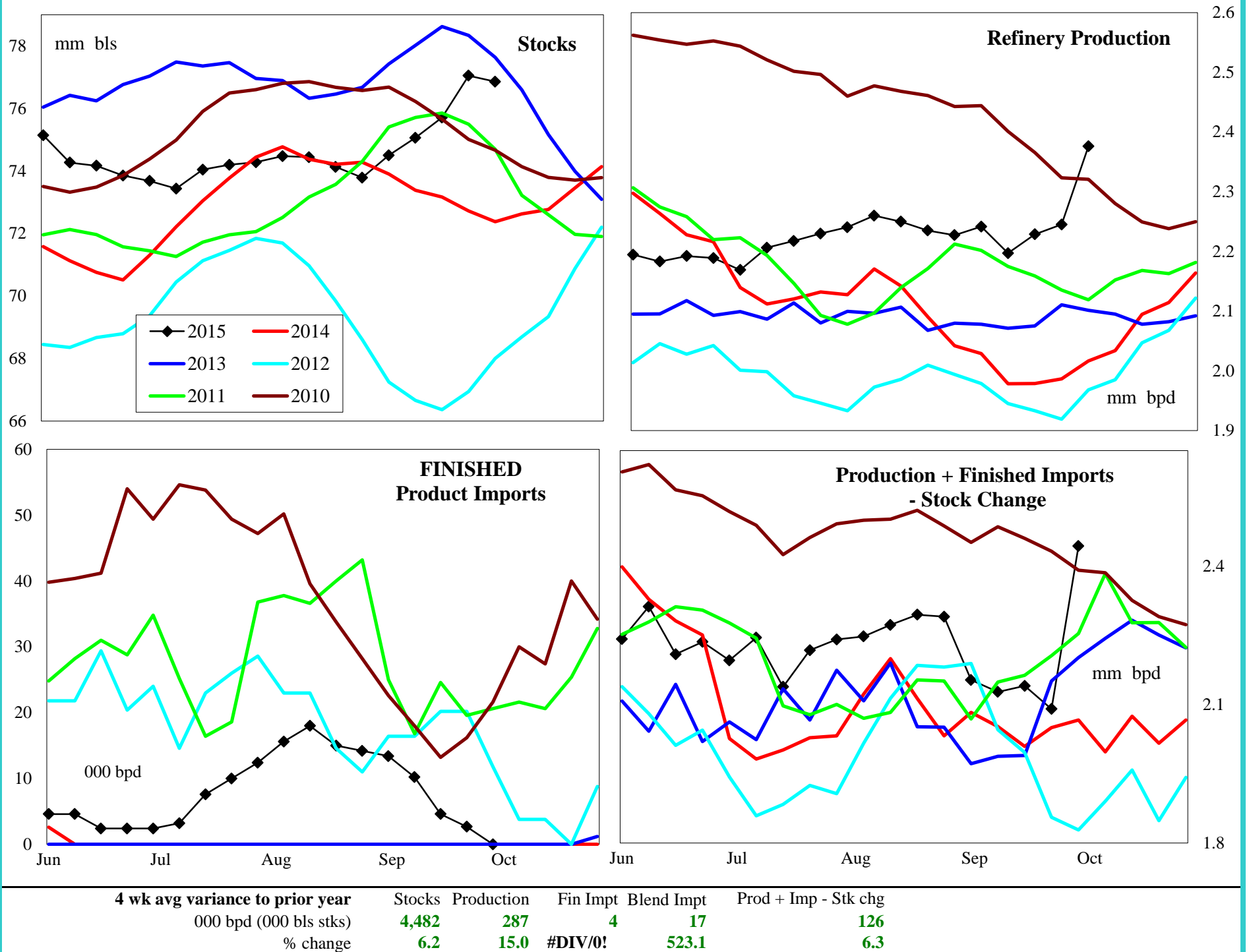
PADD 2 Residual Fuel Oil Supply



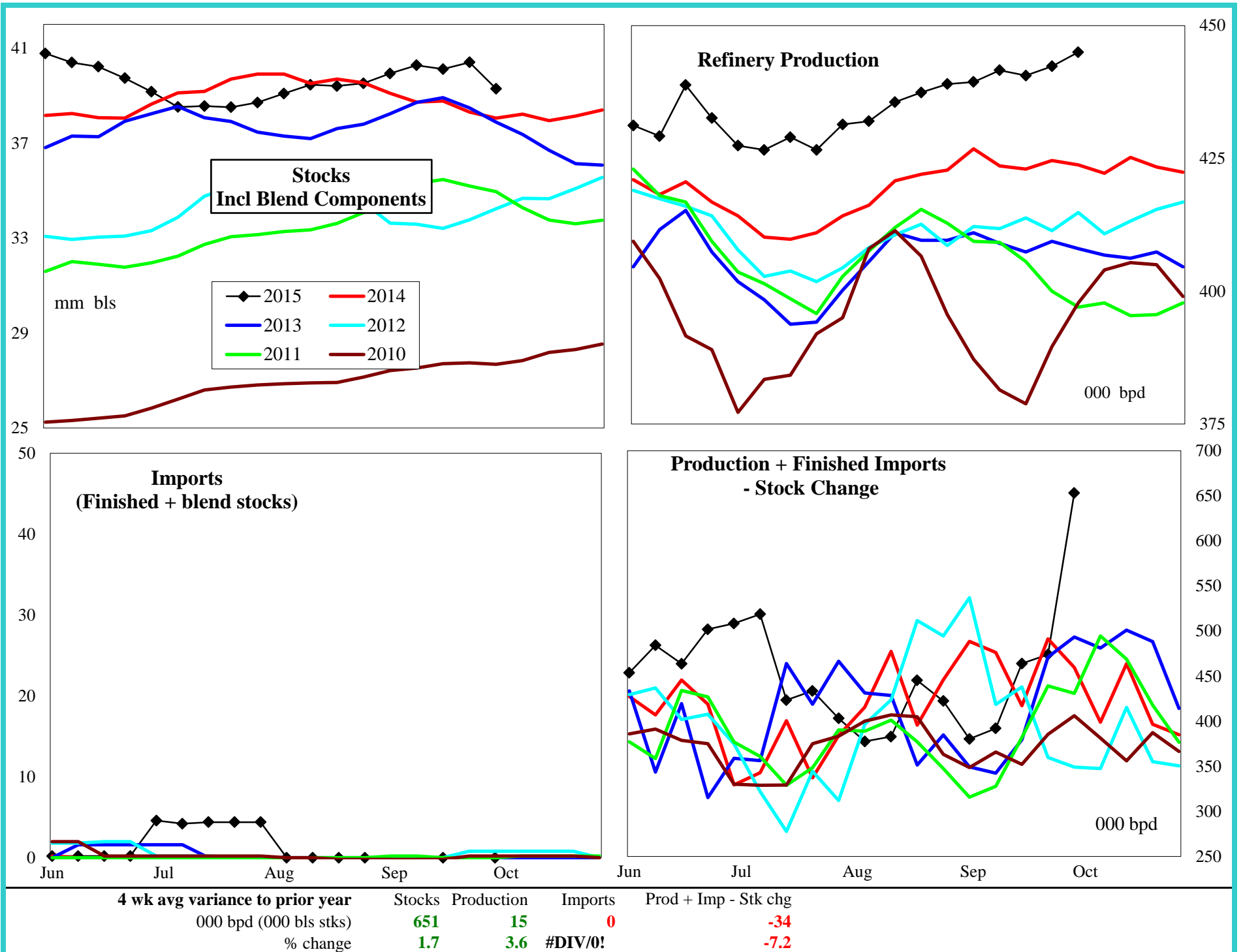
PADD 3 Crude Oil Supply and Refining



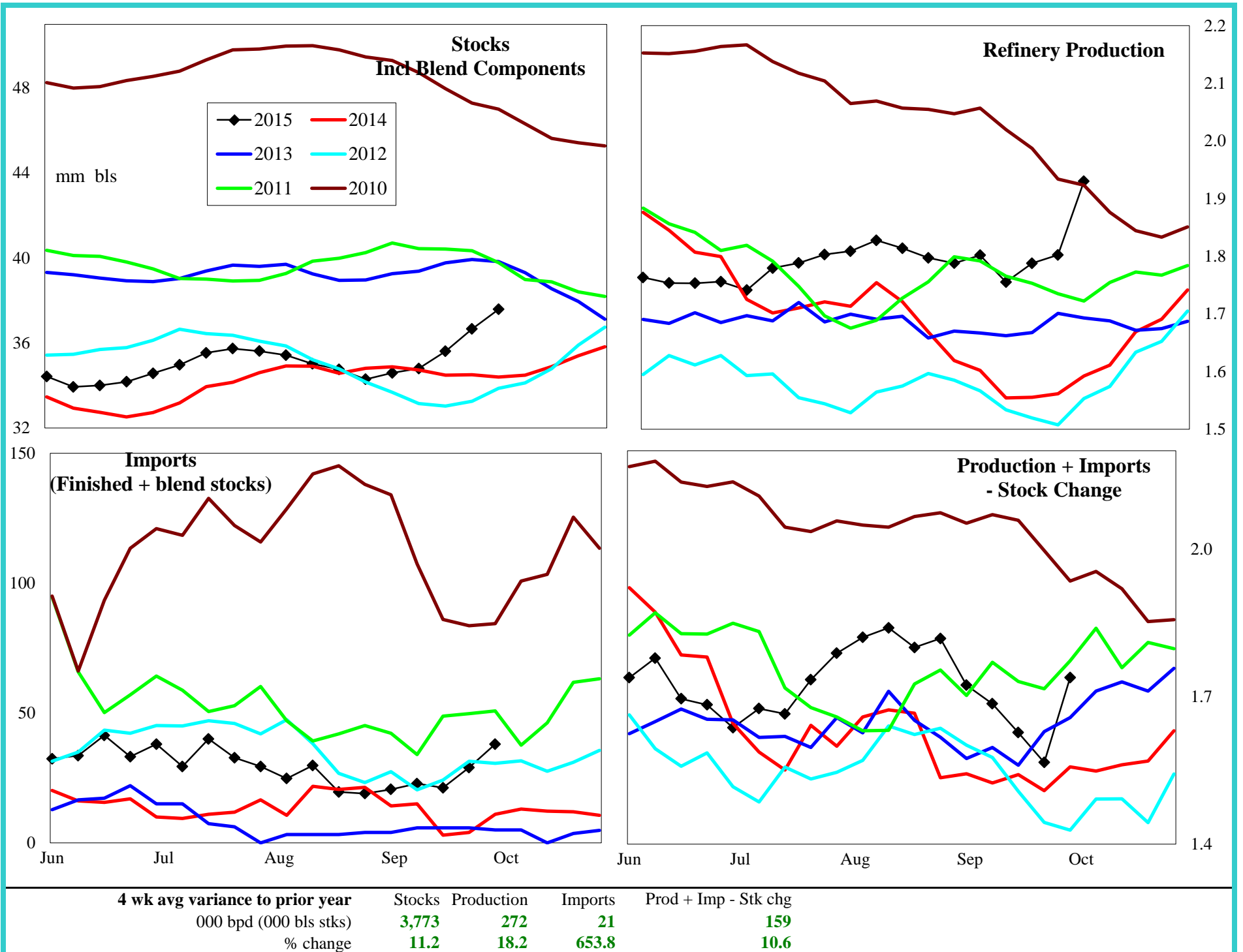
PADD 3 Gasoline Supply



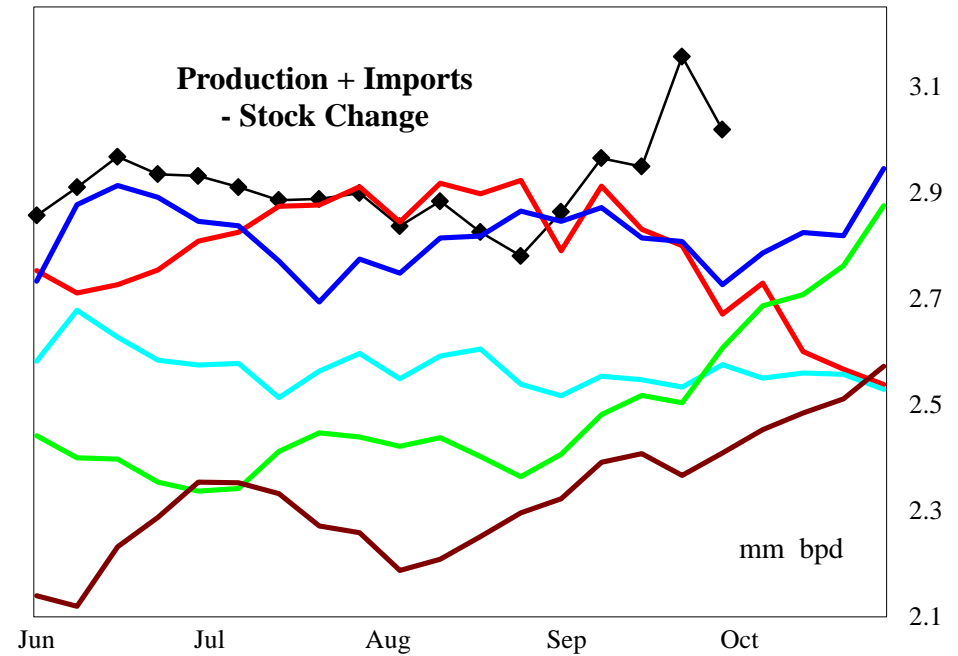
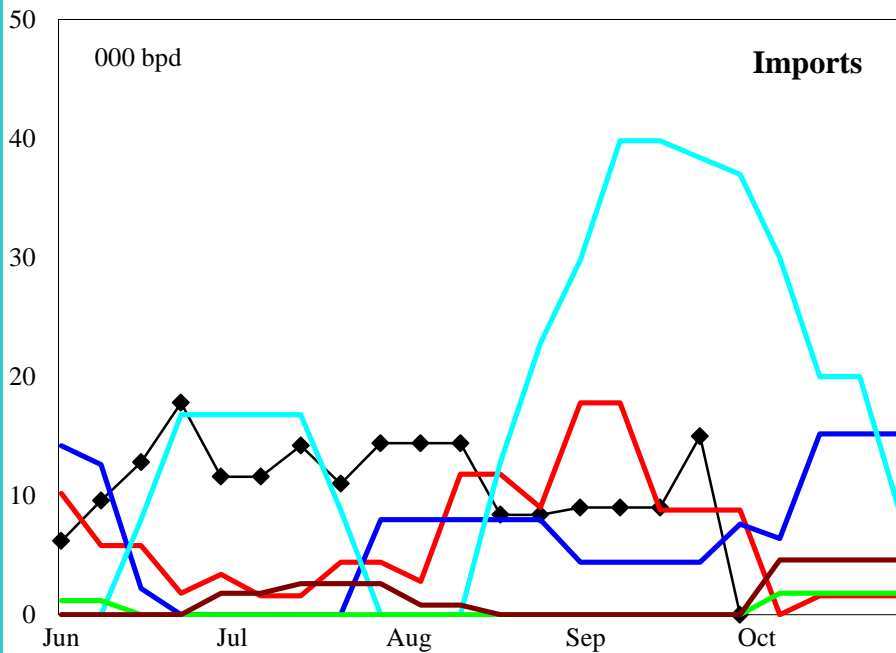
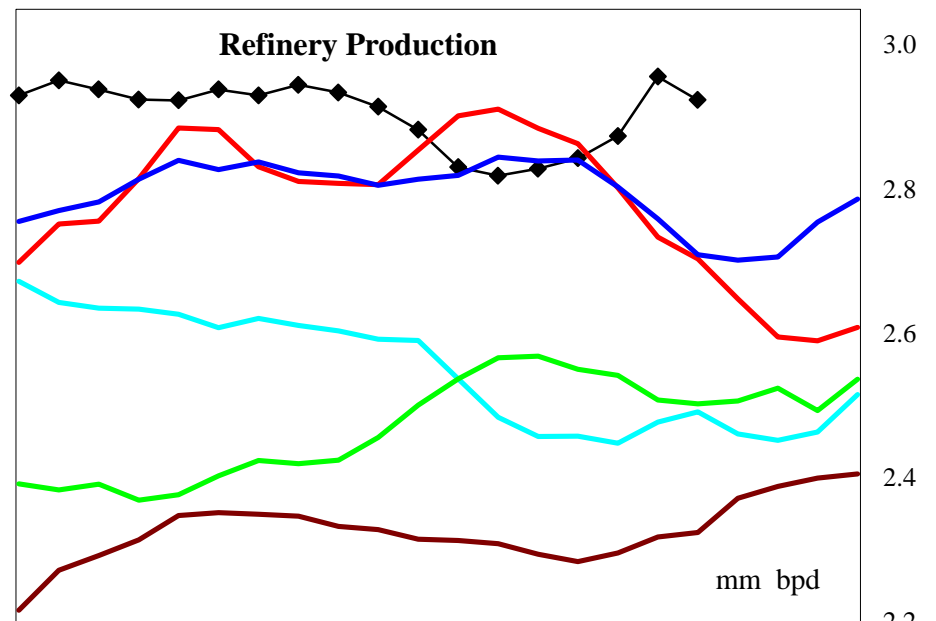
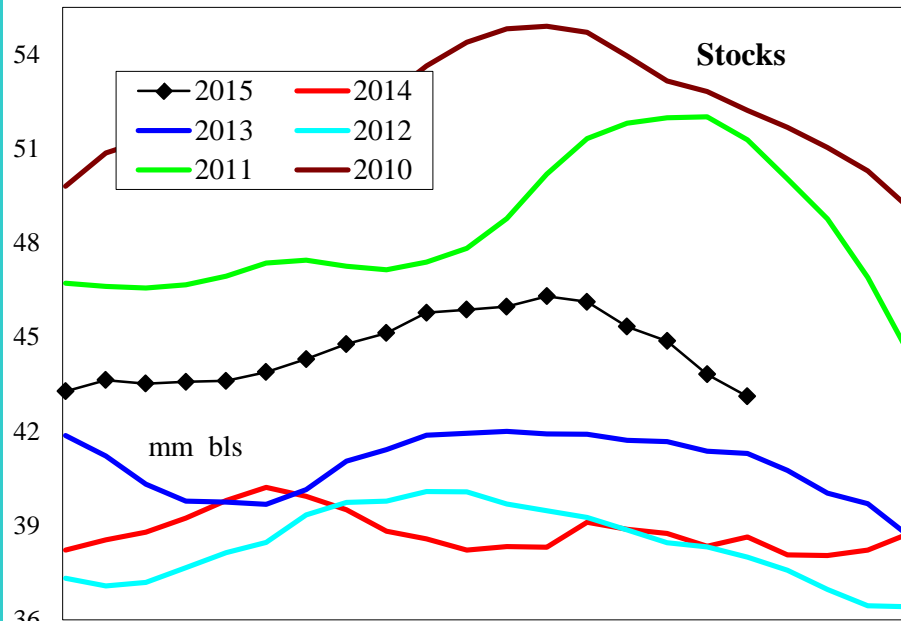
PADD 3 Reformulated Gasoline Supply



PADD 3 Conventional Gasoline Supply



PADD 3 Distillate Supply



4 wk avg variance to prior year

000 bpd (000 bbls stks)

% change

Stocks

5,177

13.8

Production

171

6.3

Imports

0

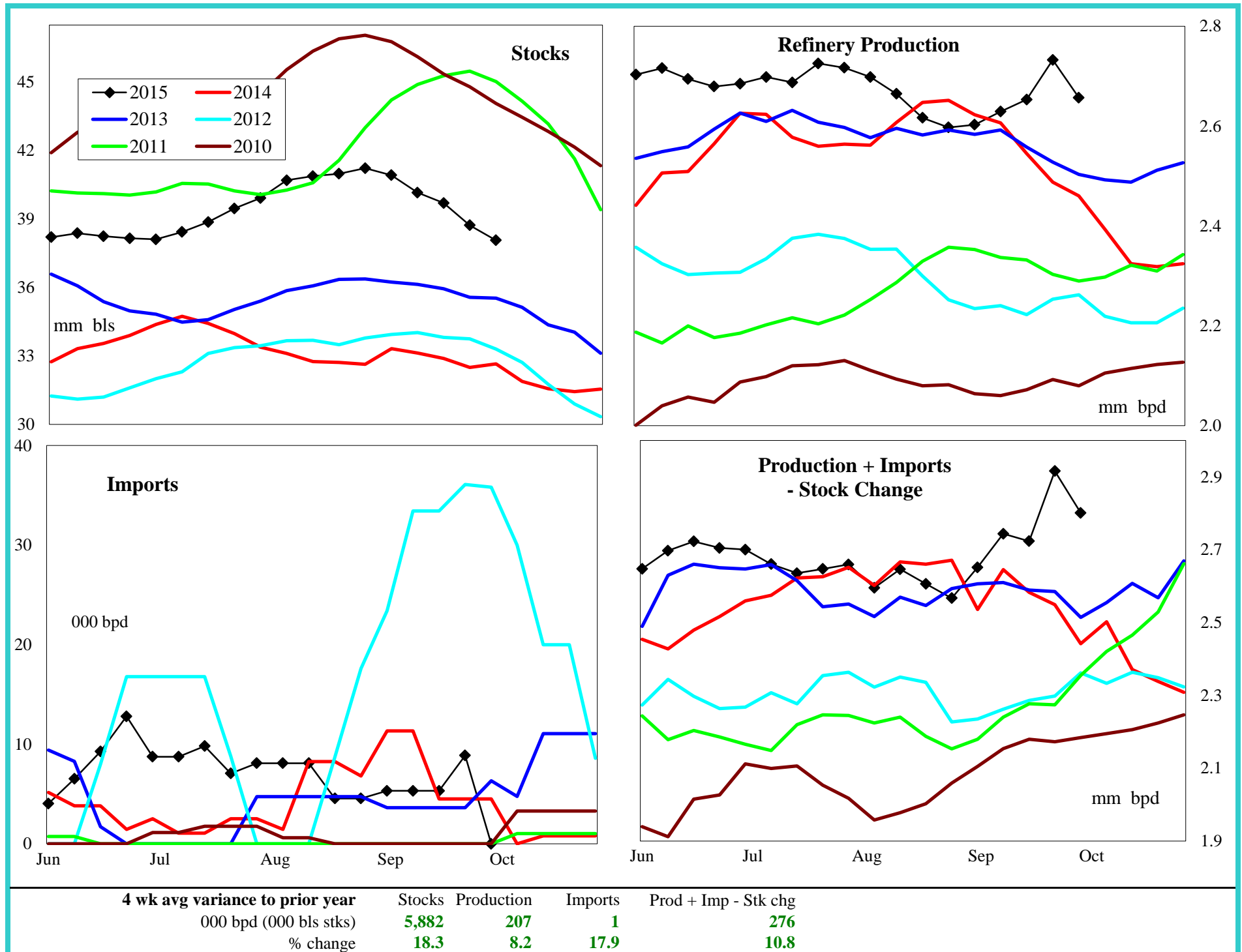
2.3

Prod + Imp - Stk chg

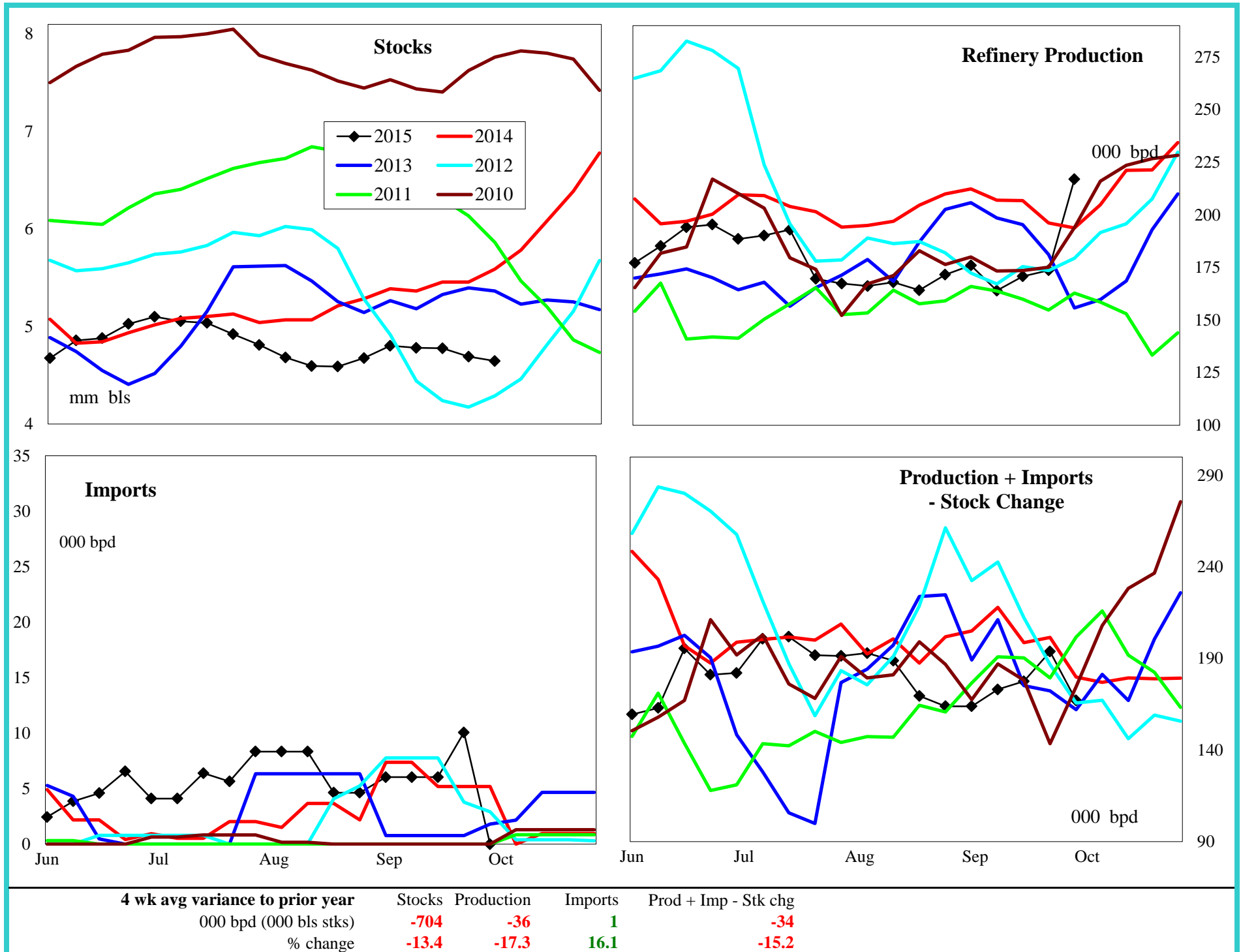
240

8.7

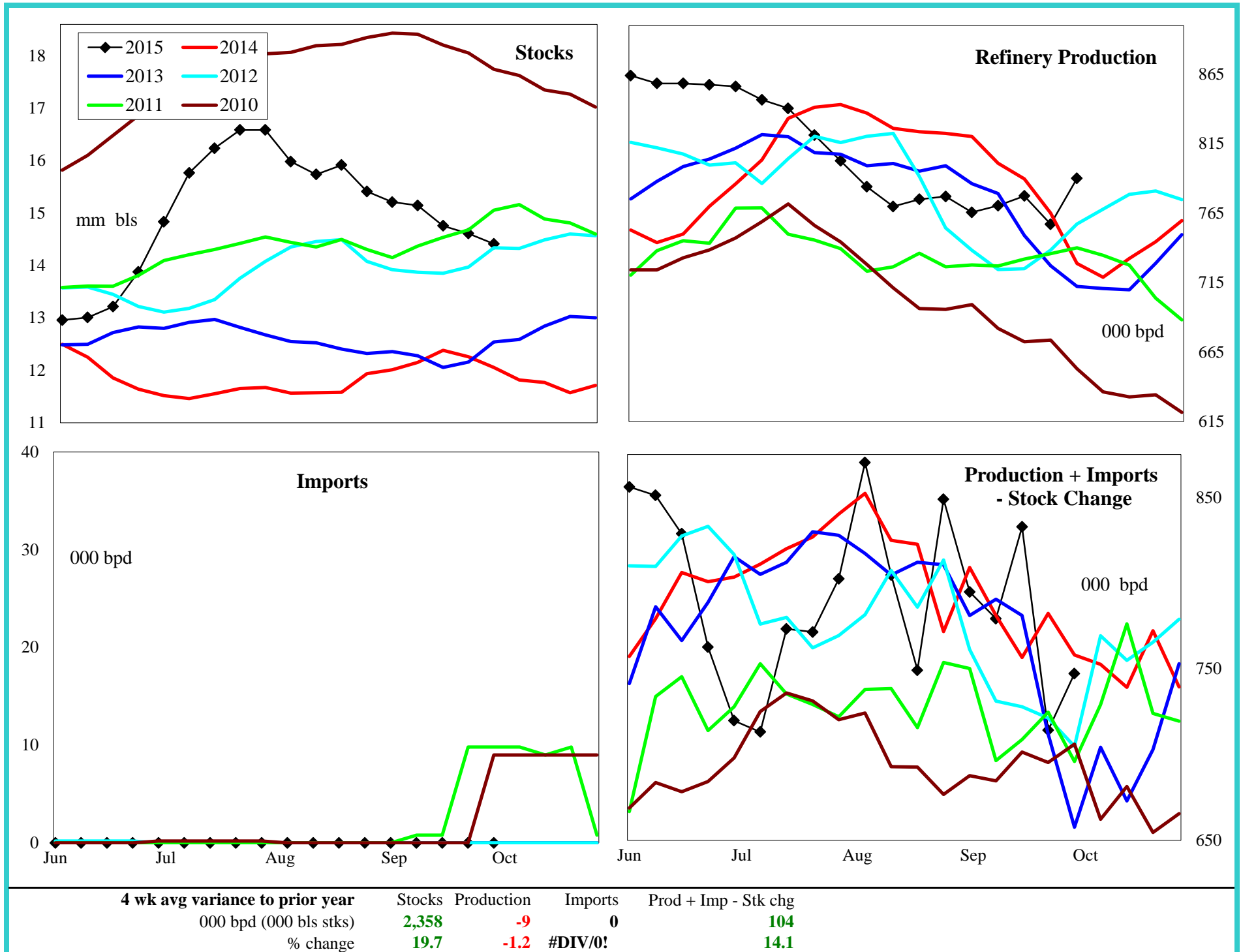
PADD 3 Low Sulfur Distillate Supply



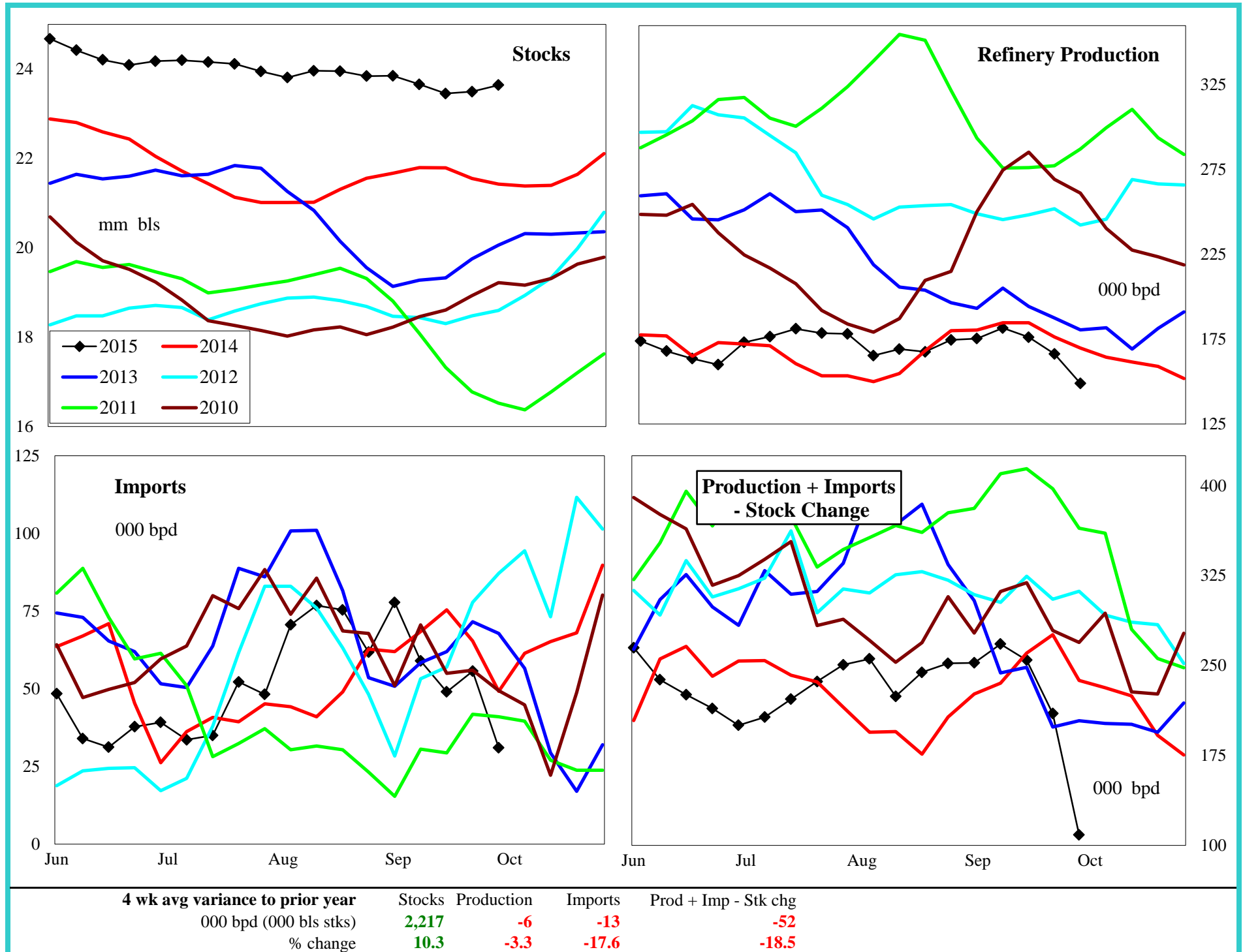
PADD 3 High Sulfur Distillate Supply



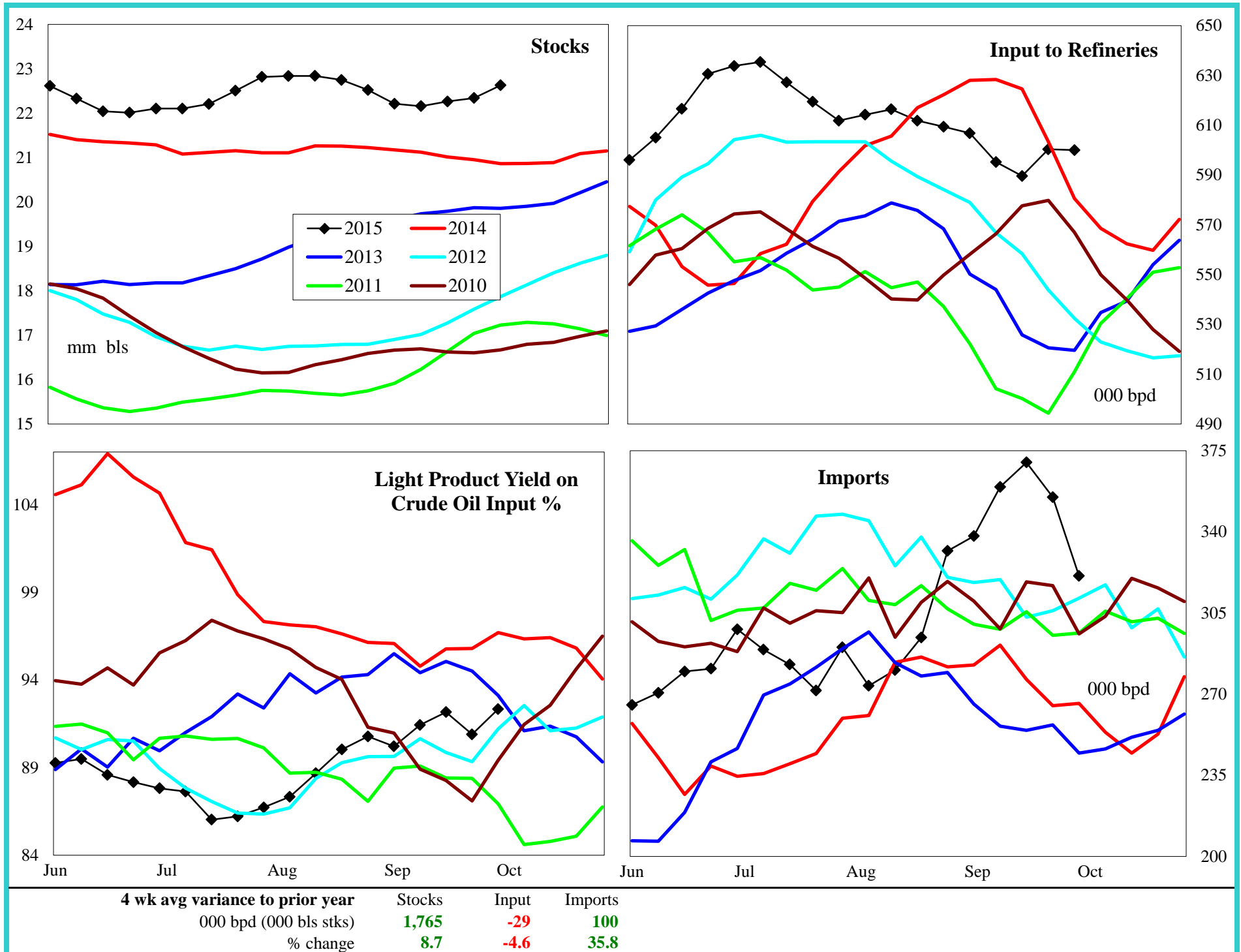
PADD 3 Jet Fuel Supply



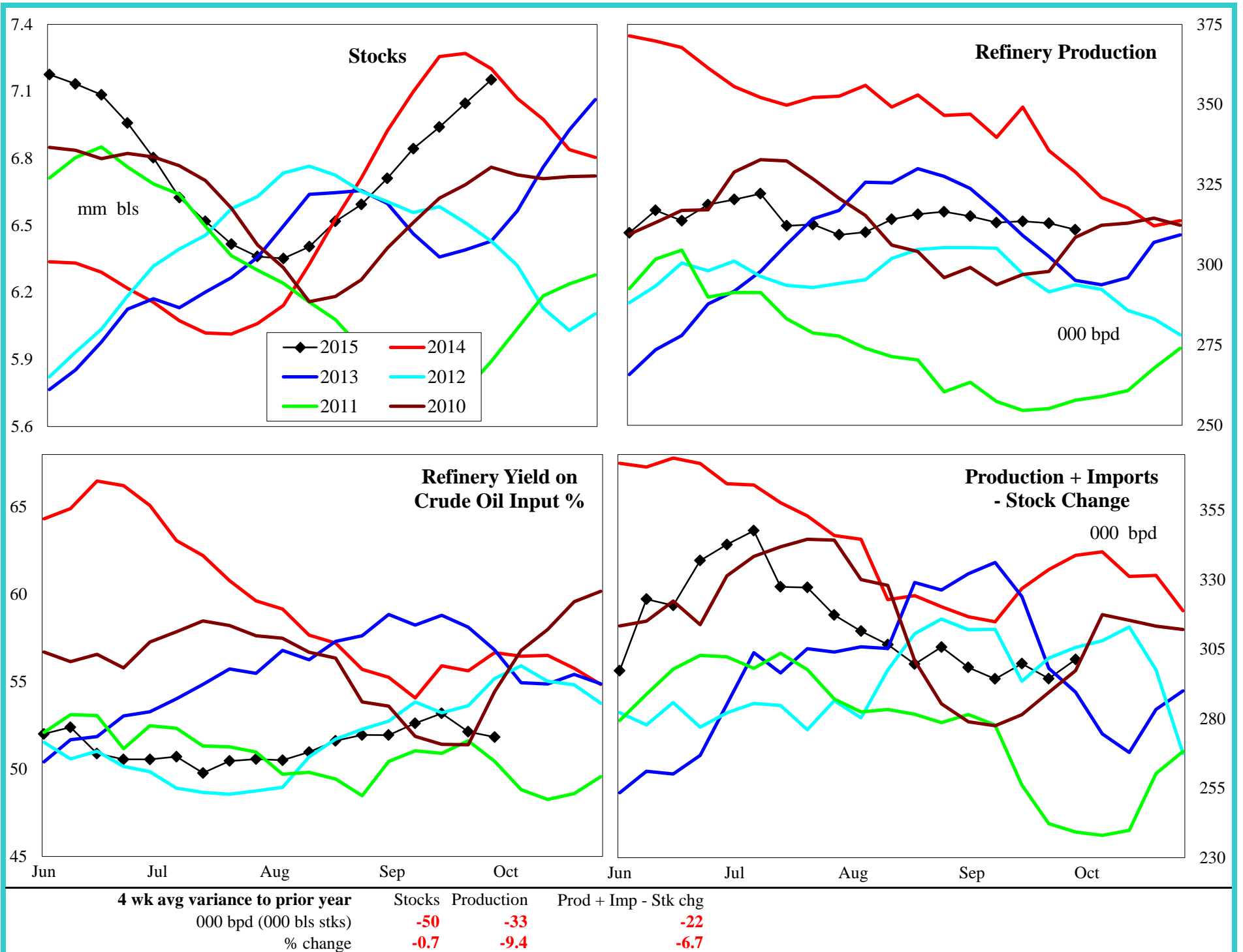
PADD 3 Residual Fuel Oil Supply



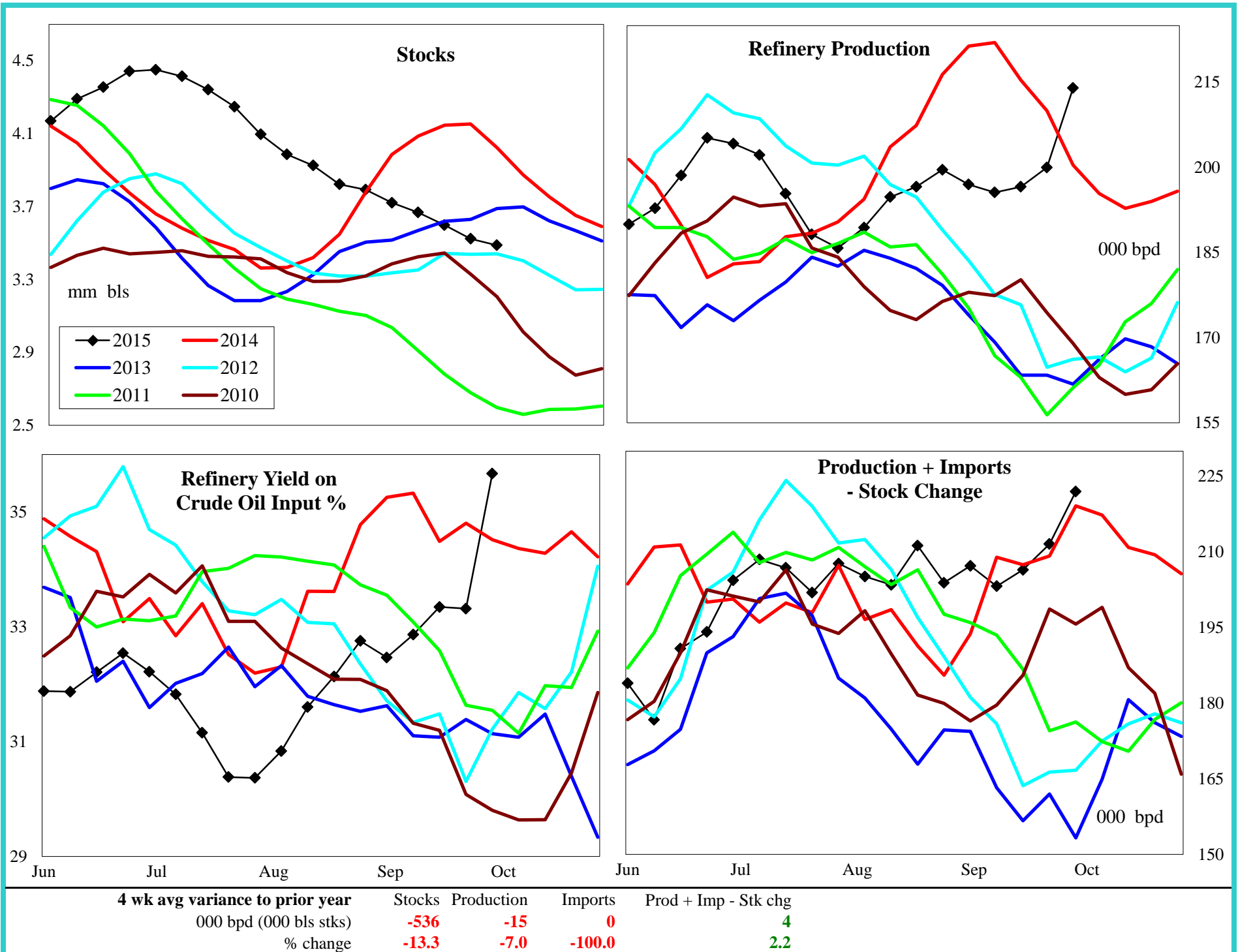
PADD 4 Crude Oil Supply and Refining



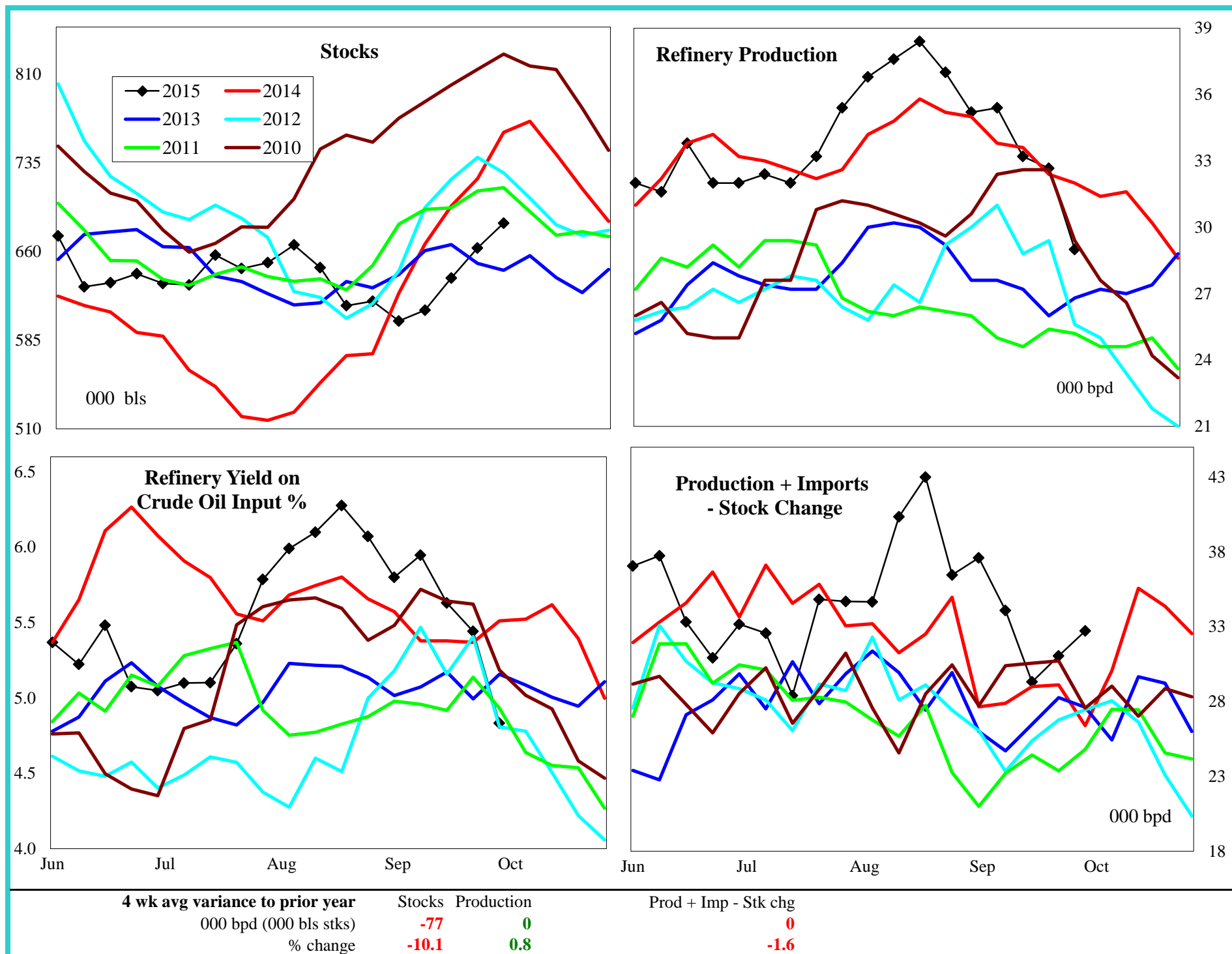
PADD 4 Gasoline Supply



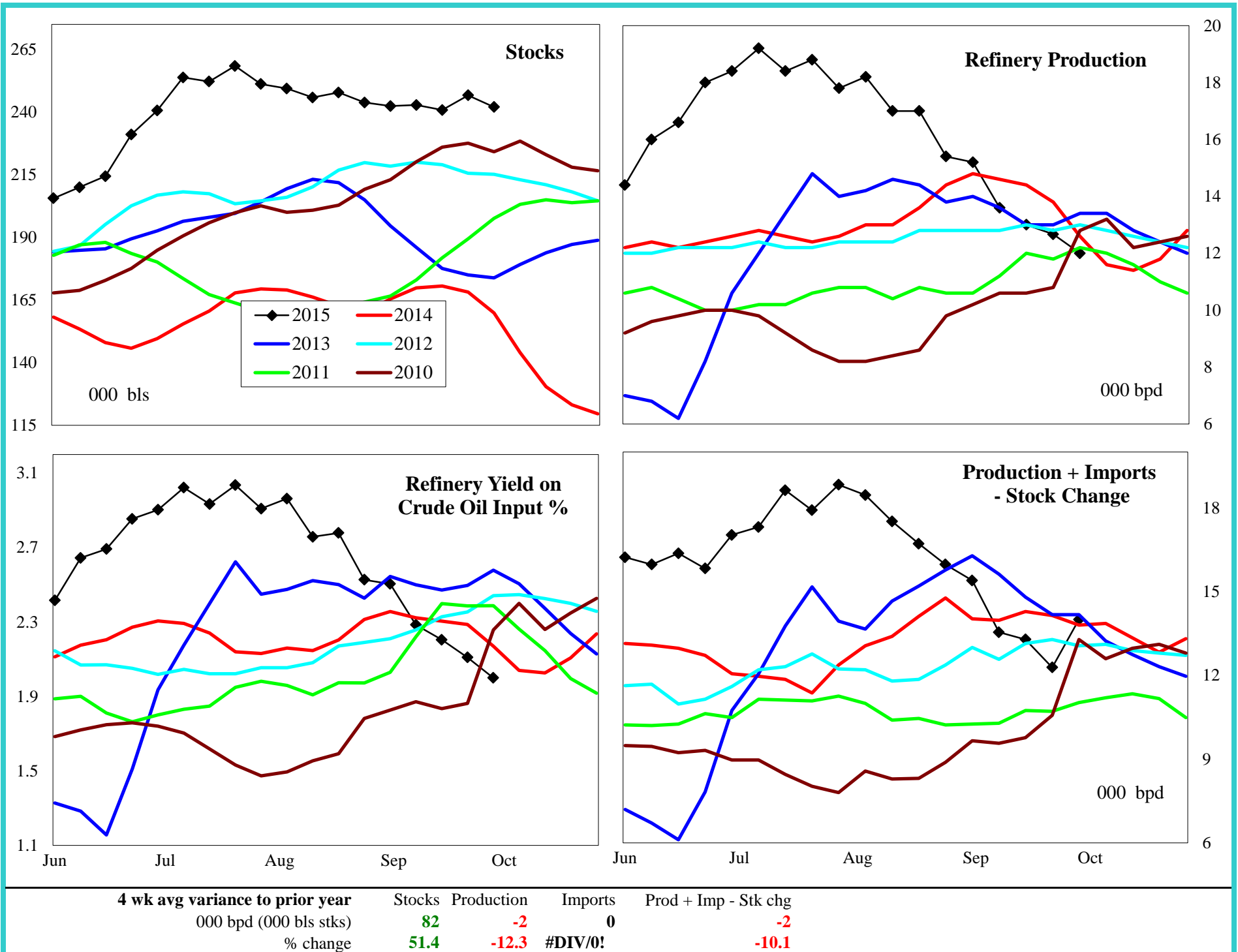
PADD 4 Distillate Supply



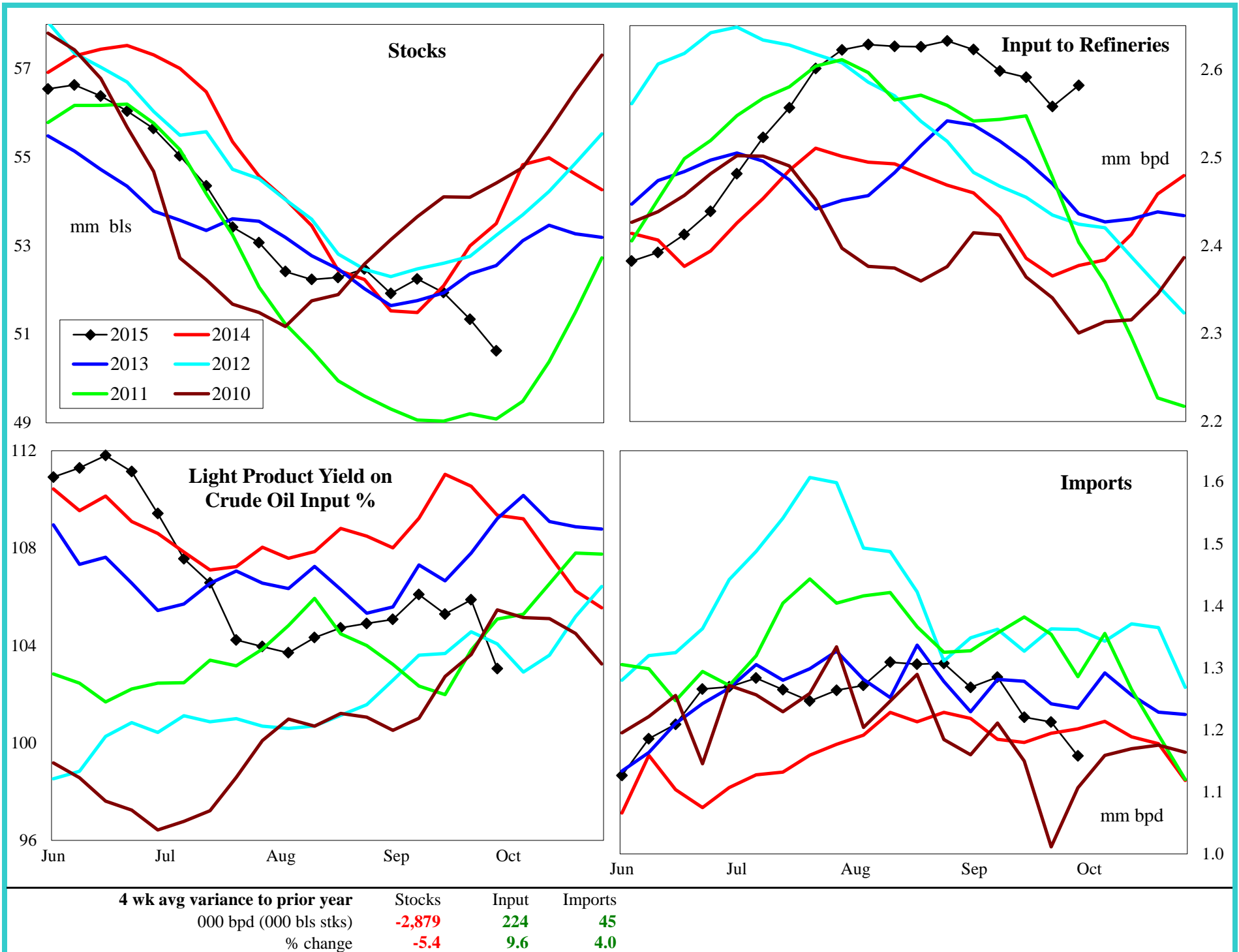
PADD 4 Jet Fuel Supply



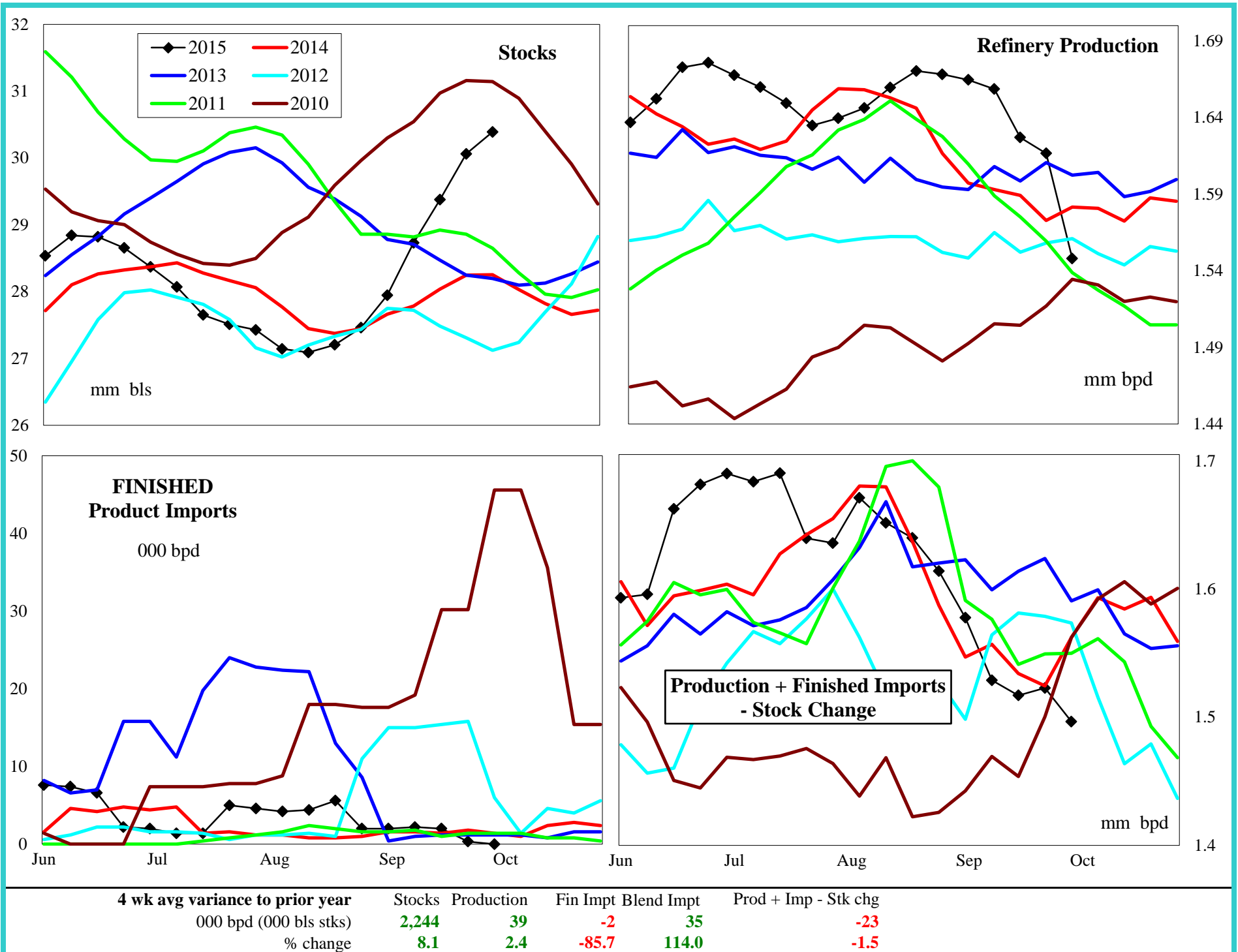
PADD 4 Residual Fuel Oil Supply



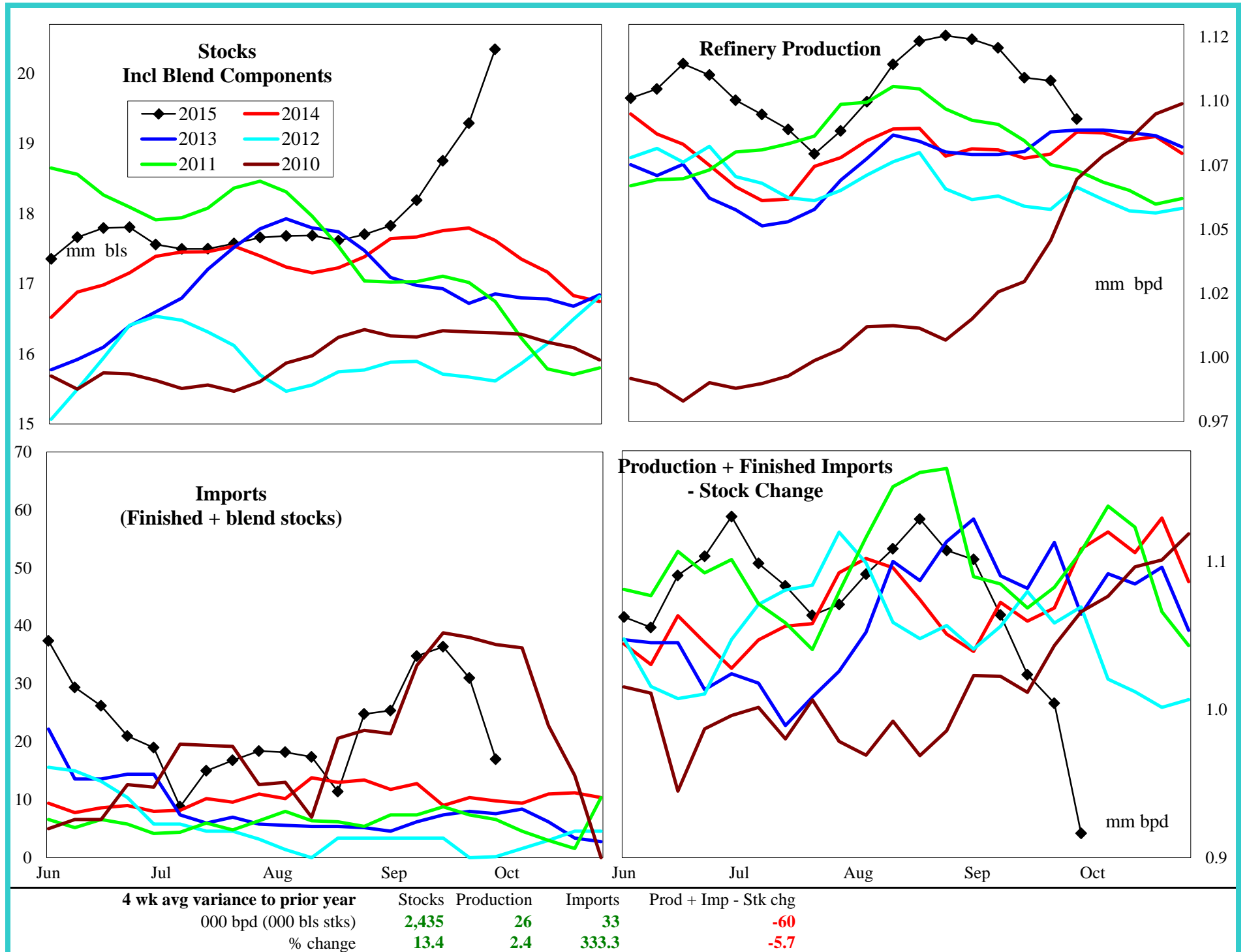
PADD 5 Crude Oil Supply and Refining



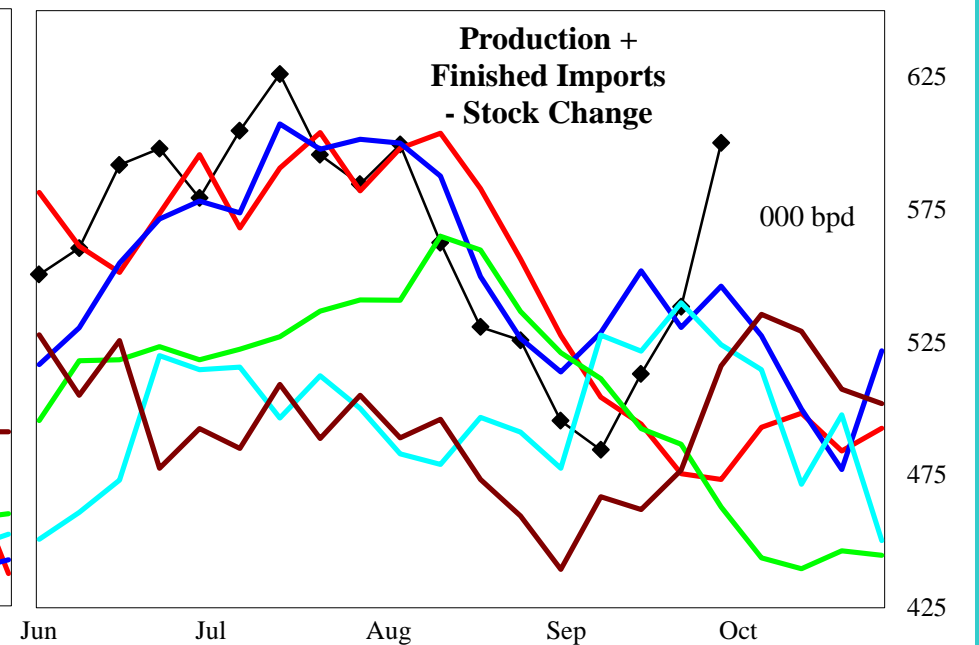
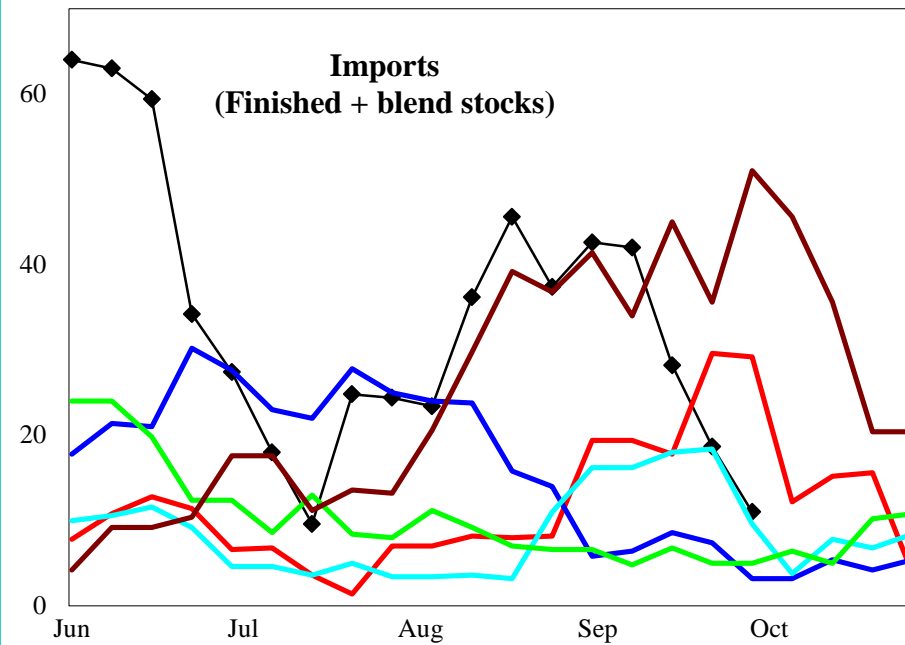
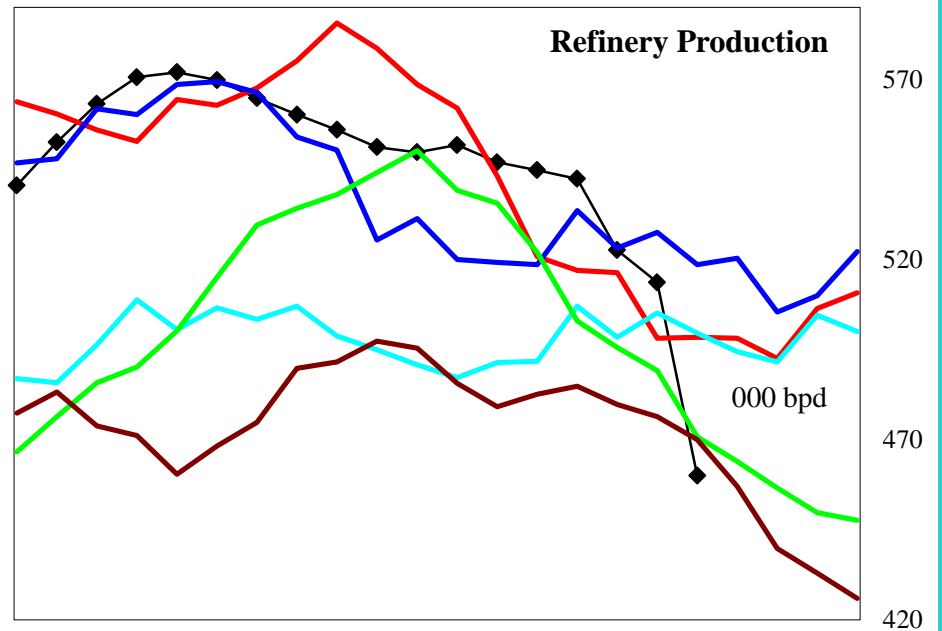
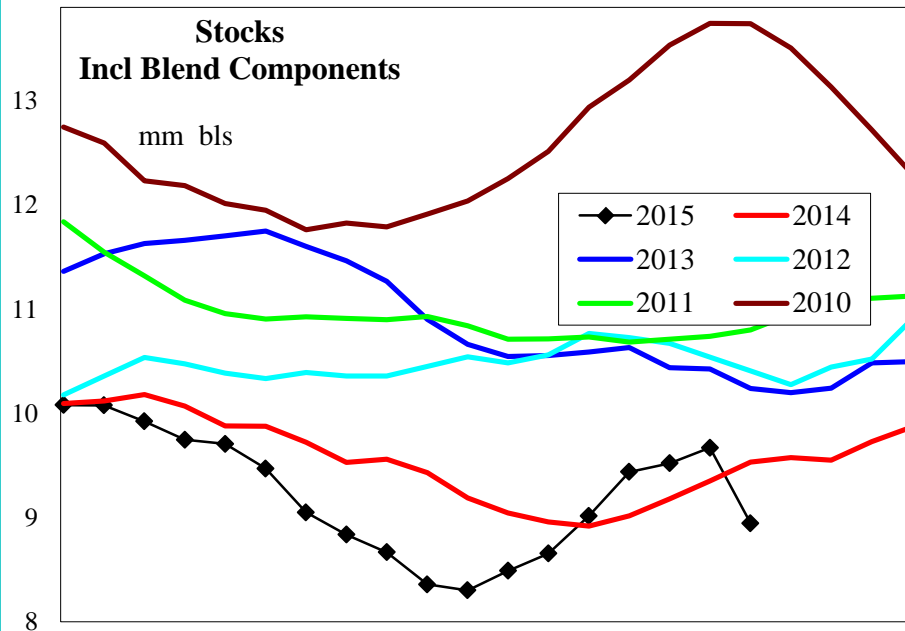
PADD 5 Gasoline Supply



PADD 5 Reformulated Gasoline Supply



PADD 5 Conventional Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

-191

-2.0

Production

13

2.5

Imports

1

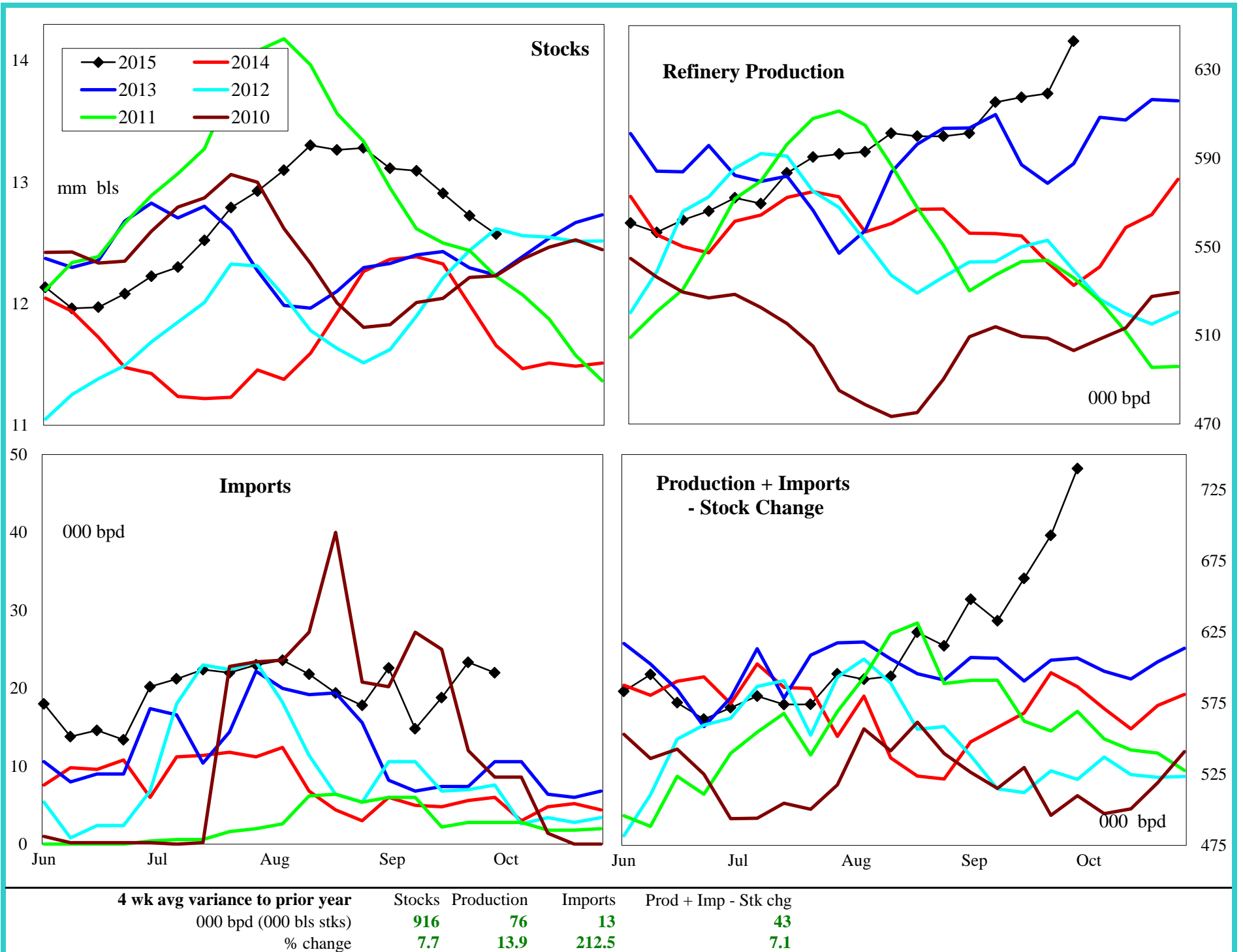
2.2

Prod + Imp - Stk chg

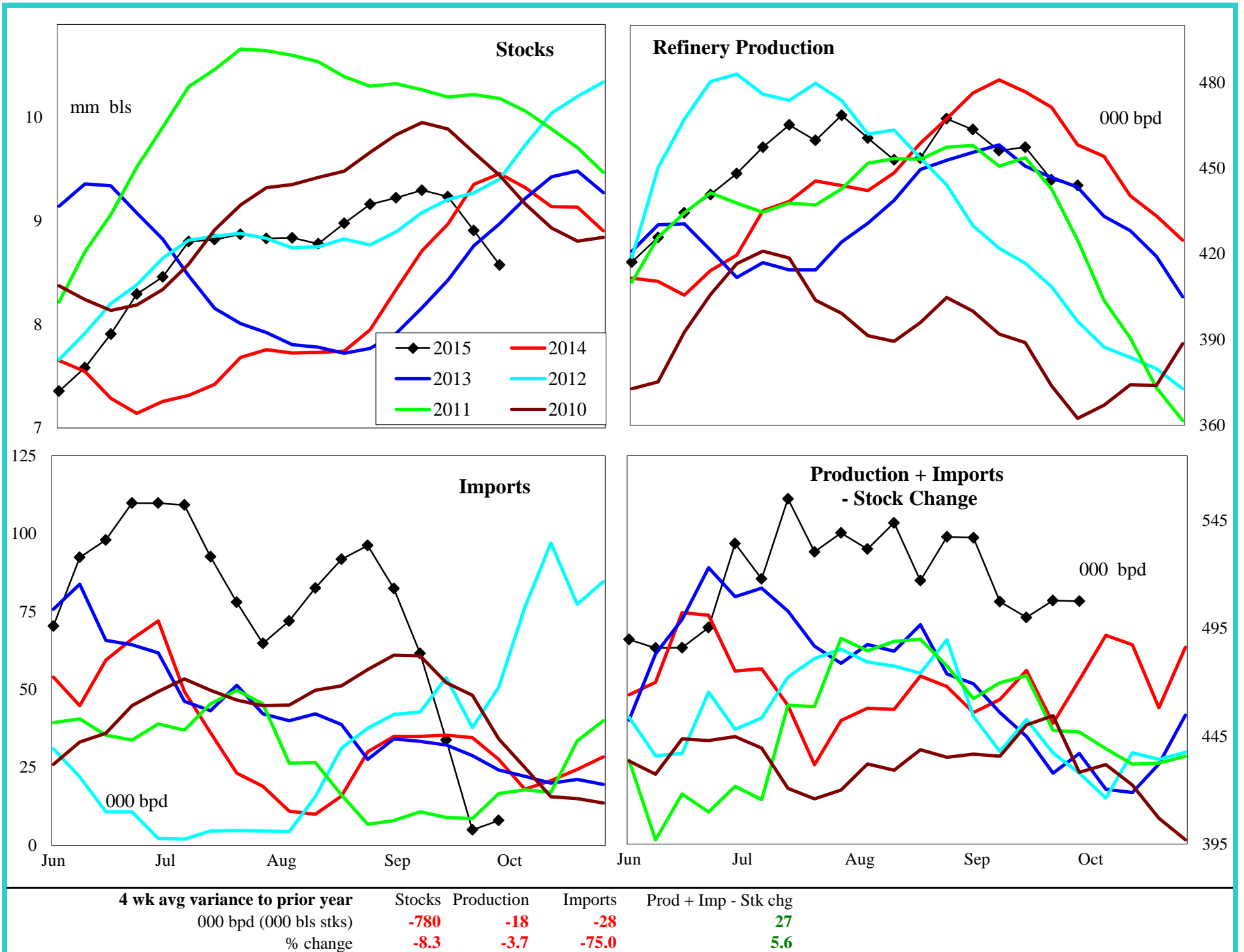
38

7.7

PADD 5 Distillate Supply



PADD 5 Jet Fuel Supply



PADD 5 Residual Fuel Oil Supply

