



WEEKLY DIESEL PRICE - FUNDAMENTAL TRENDS

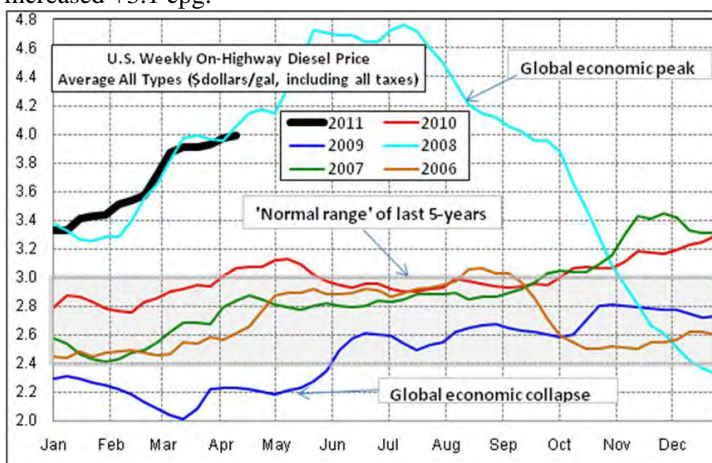
A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Monday, April 04, 2011

Region	Actual Price 1/			Forecast 2/	Change from week ago
	21Mar11	28Mar11	04Apr11	11Apr11	
U.S.	3.907	3.932	3.976	3.991	0.015
East Coast	3.938	3.952	3.982	3.977	-0.005
New England	4.087	4.095	4.109	4.111	0.002
Central Atlantic	4.046	4.061	4.092	4.096	0.004
Lower Atlantic	3.878	3.892	3.923	3.936	0.013
Midwest	3.855	3.883	3.932	3.960	0.028
Gulf Coast	3.841	3.857	3.905	3.895	-0.010
Rocky Mountain	3.925	3.959	4.017	4.019	0.002
West Coast	4.104	4.155	4.209	4.250	0.041
California	4.199	4.256	4.323	4.336	0.013

1/ Source: U.S. Energy Information Administration
2/ Source: Fundamental Petroleum Trends Reports

Diesel Fuel Price Trends U.S. retail diesel prices increased +4.4 cpg for the week ending 04Apr11 versus 28Mar11. The national average price continues to track the five year high for this time of year. Prices increased +6.7 cpg in California and +5.8 cpg in the Rocky Mountains last week. The New England Region increased +1.4 cpg while other Regions on the East Coast increased +3.1 cpg.



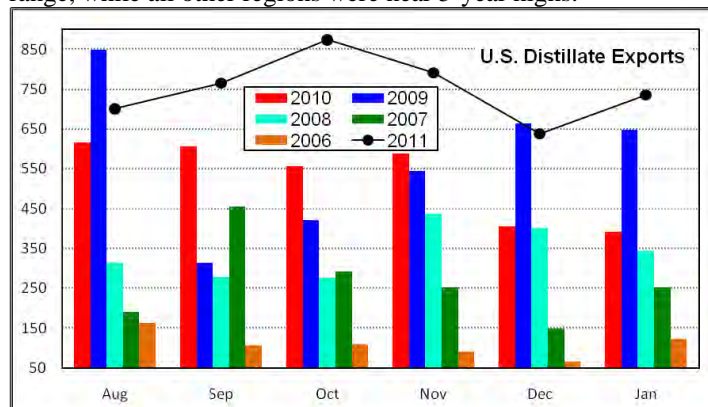
Gulf Coast ULSD spot distillate prices jumped +13.4 cpg for the week ending 04Apr11 versus 28Mar11. Spot prices broke out to new highs last week after trading in a narrow range for the prior month.

Wholesale markets strengthened, compared to the national average, last week on the West Coast, while seeing modest weakness in New England. Robust West Coast exports continue to lift prices in the region, while increased imports to the Northeast limited gains in the region.

Supply - Demand Fundamental Trends U.S. weekly distillate demand declined -134,000 bpd last week on a seasonal drop in heating fuel use. Demand during the latest 4-wk period was +4.5% above a year ago, modest growth in terms of an economic recovery.

Distillate production decreased -85,000 bpd last week, partially offset by a +51,000 bpd rise in imports. Production, compared to a year ago for the latest 4-wk period increased +504,000 bpd (+13.7%), to a level above the prior 5-year high. Imports also increased +17,000 bpd.

Stocks increased +0.7 million barrels on the week with the level 8.7 million barrels (+6%) above the previous record high for this time of year. Stock levels in the Midwest were at the mid range, while all other regions were near 5-year highs.



Distillate exports from the U.S. increased +56% over a year ago for the 4th quarter of 2010 on strong demand from Central and South American countries. Exports are expected to be sharply higher following the shutdown of Japanese refiners that served markets on the West Coast of Central and South America.

Gas oil prices in Europe, the Middle East and Asia are near record premiums to U.S. heating oil futures, pointing to significant strength in demand for distillates outside the U.S. domestic market.

Downside fundamental risks to prices include slower economic growth in China, the U.S. and other developed countries. Consumer confidence indexes have seen sharp declines in many developed nations since the Japan earthquake, a leading indicator of consumer spending.



Diesel Price Outlook U.S. average retail prices are forecast to increase +1.5 cpg this week, in response to the previous week rise in wholesale markets. Markets in the Midwest and the West Coast should see increases of nearly +3 cpg and +4 cpg; respectively.

Expect prices to be volatile during the next quarter in response to political unrest in the Middle East, inflationary actions of the U.S. Federal Reserve and uncertainty about the rate of economic growth. On balance prices should extend the current uptrend.

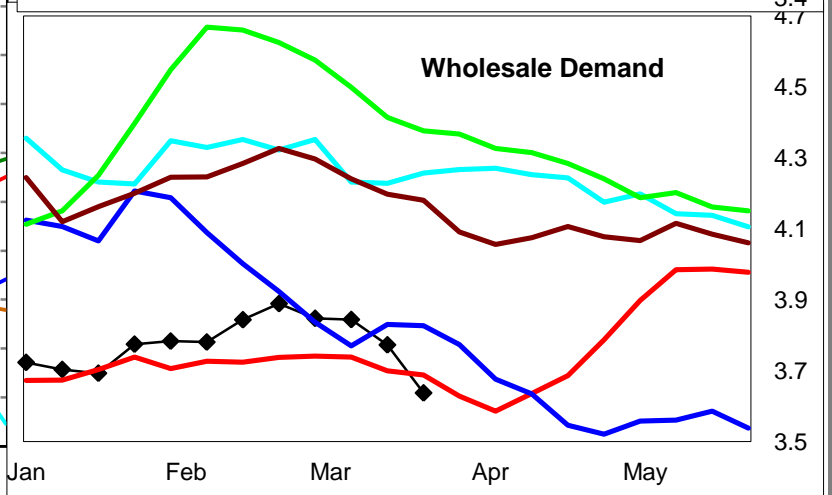
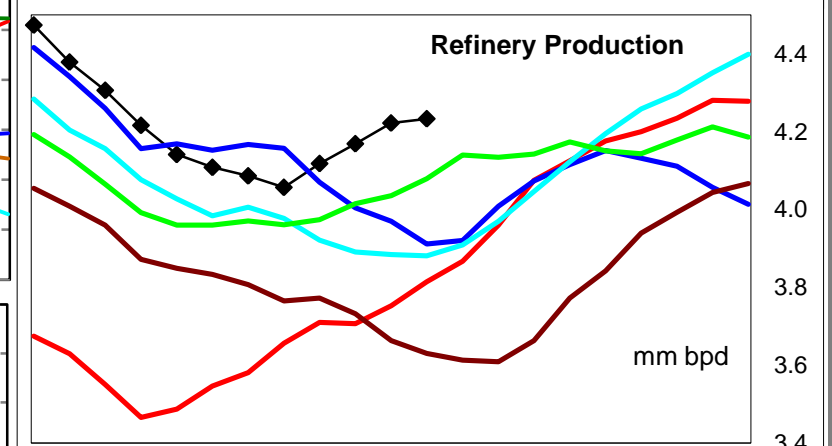
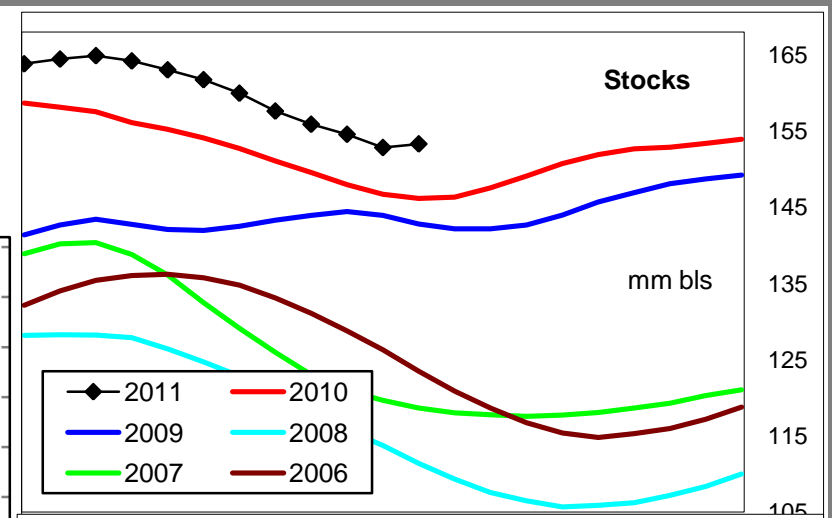
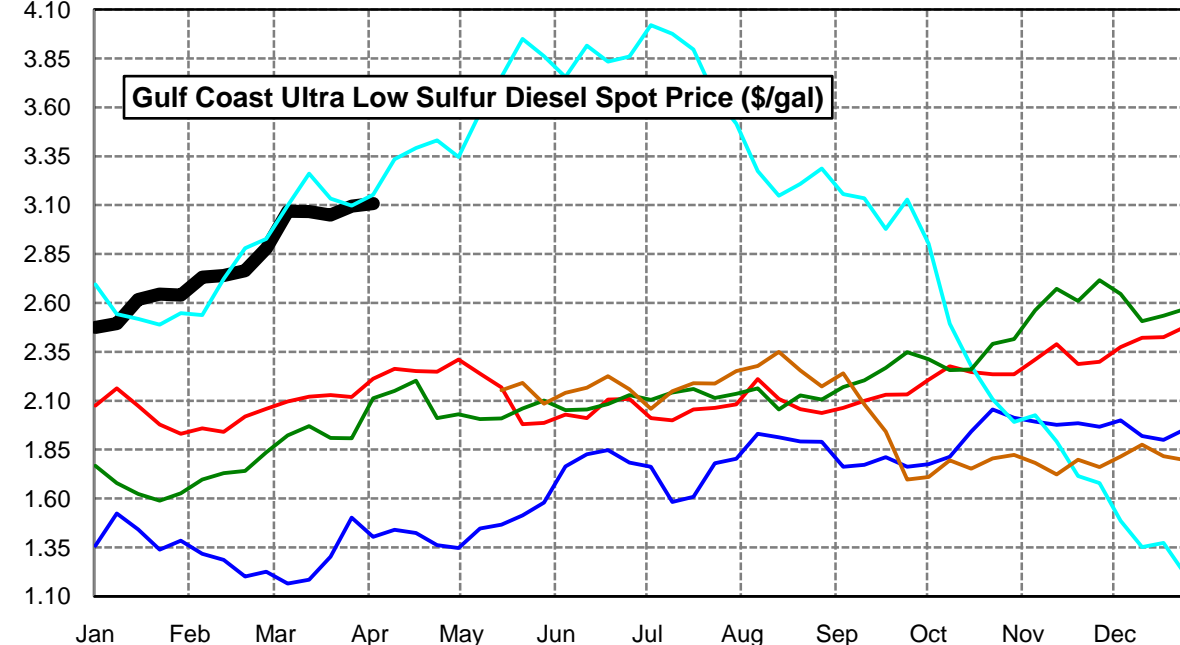
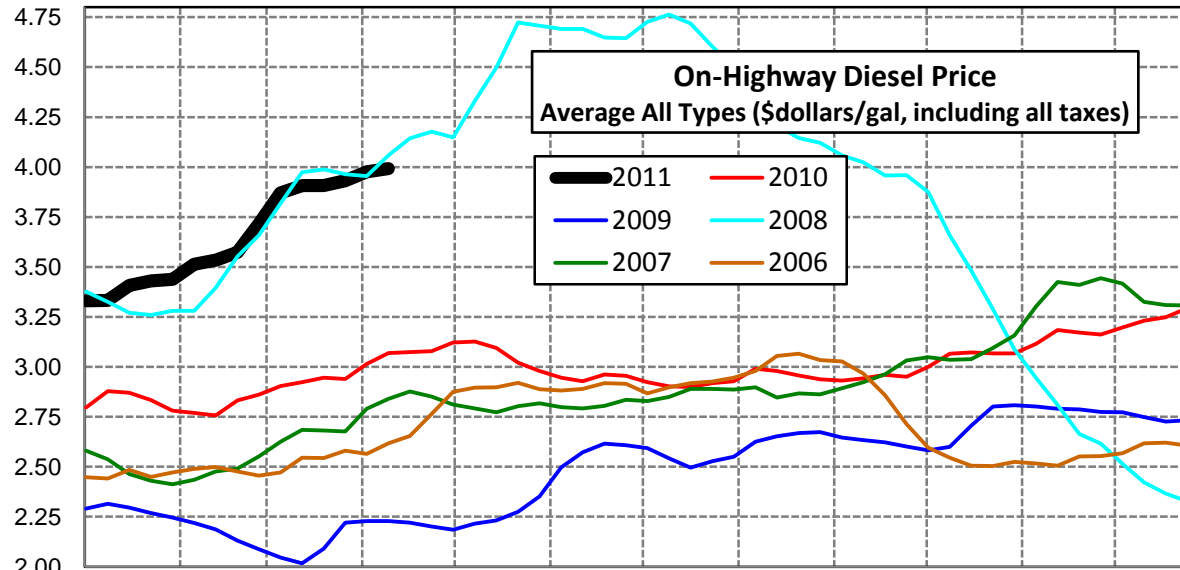
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Click [Blue Icon](#) on Map to view Regional Price & Fundamental Trends



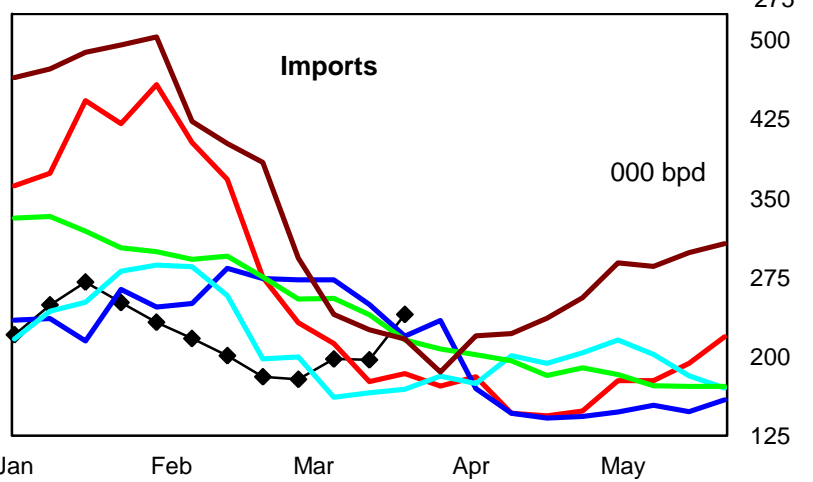
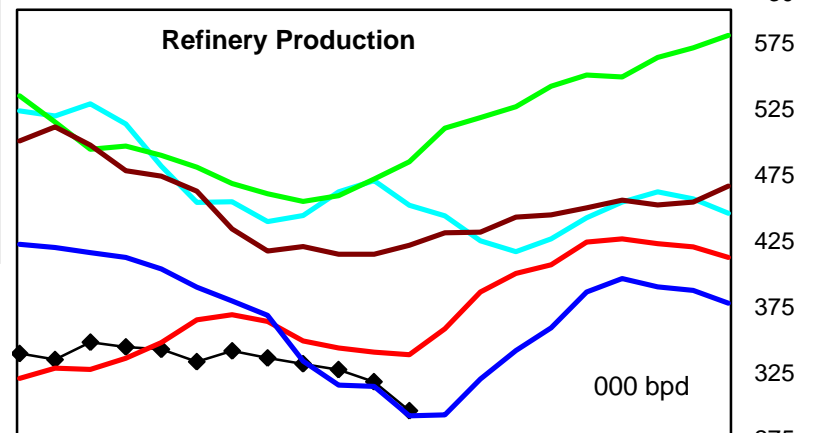
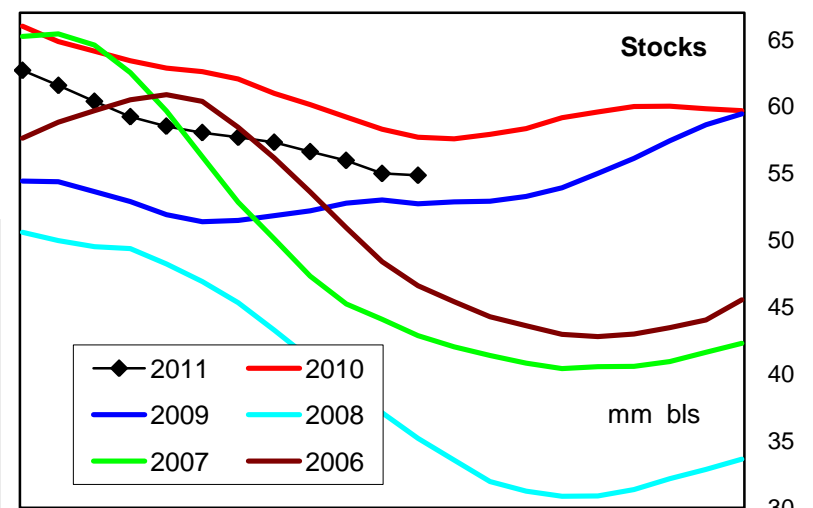
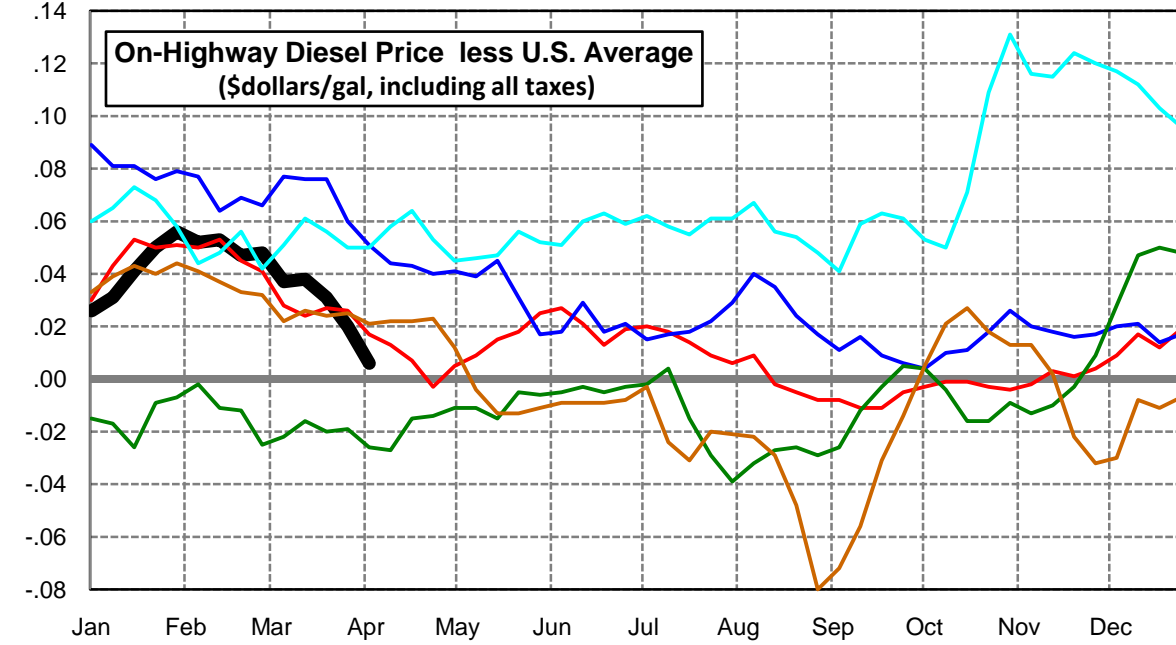
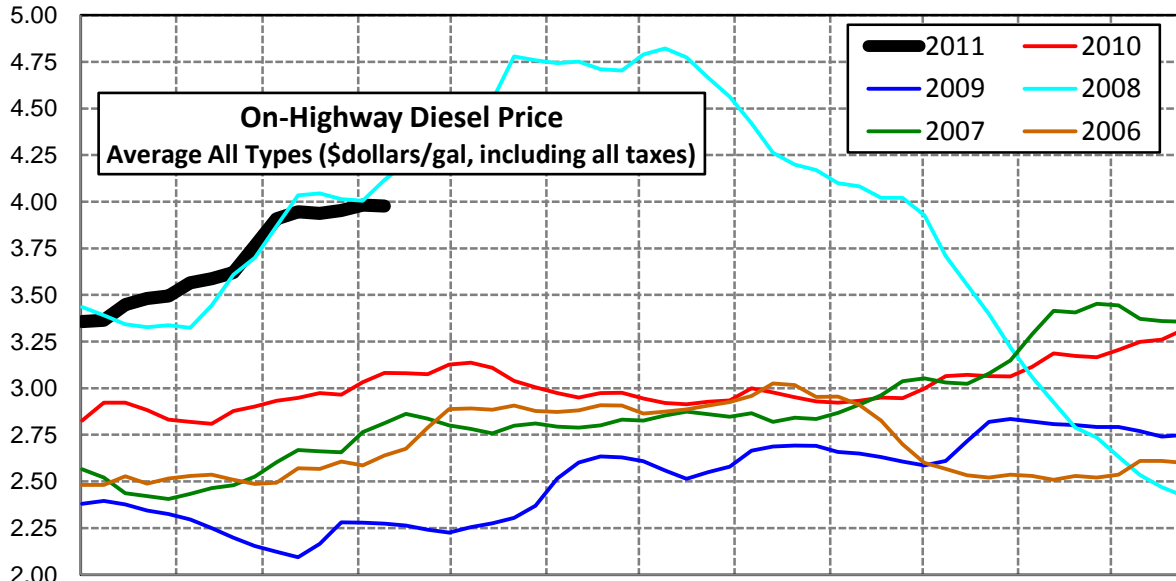
U. S. Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	21Mar11	28Mar11	04Apr11	11Apr11	
United States Avg	\$3.907	\$3.932	\$3.976	\$3.991	\$0.015
1/ Source: U.S. Energy Information Administration					
2/ Source: Fundamental Petroleum Trends Reports					



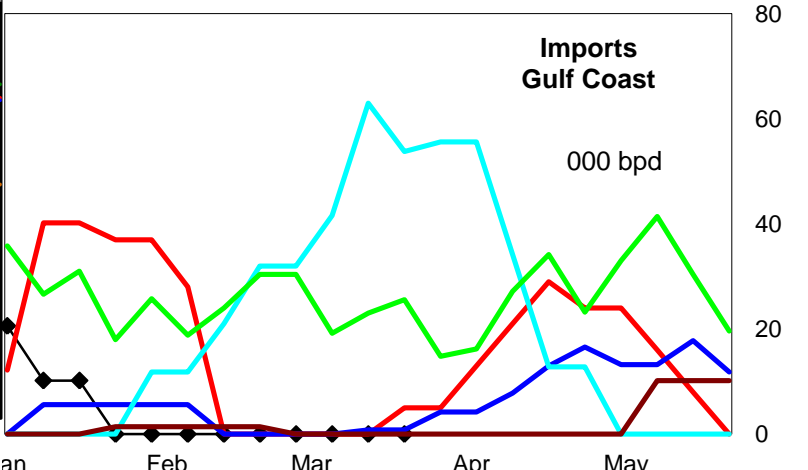
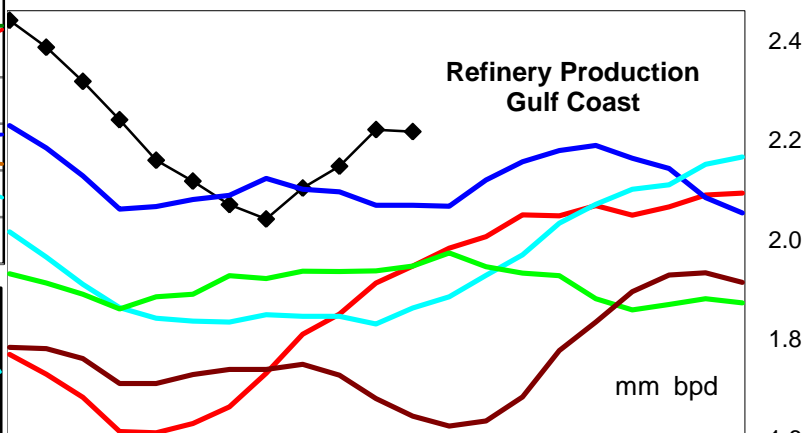
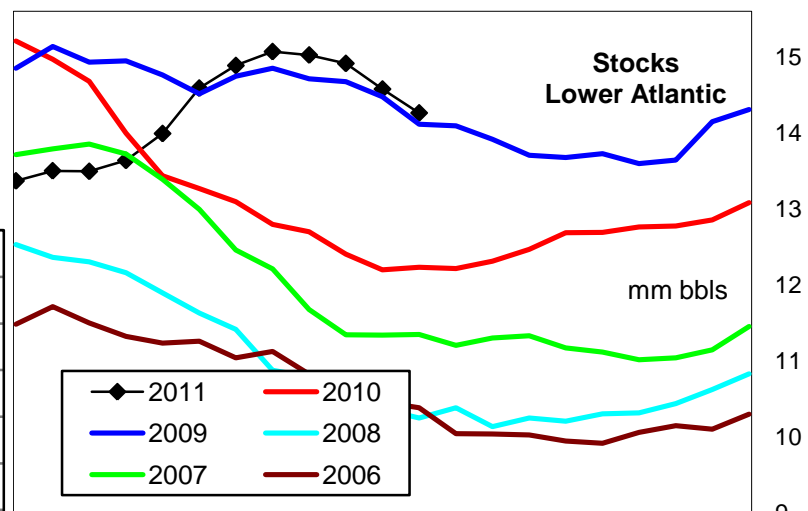
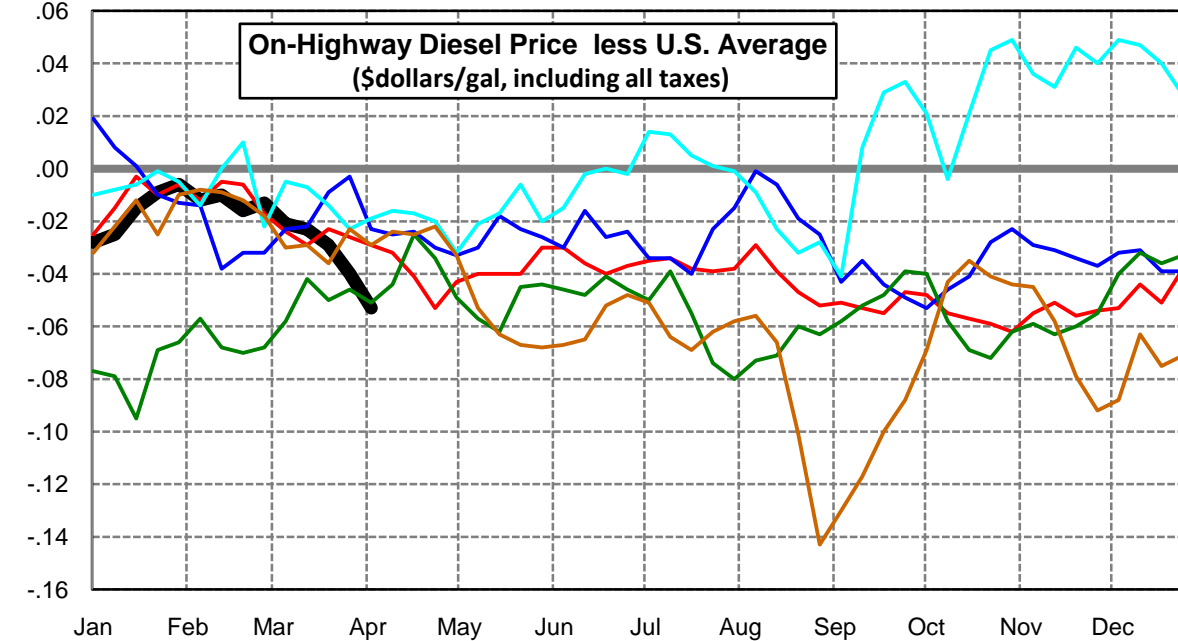
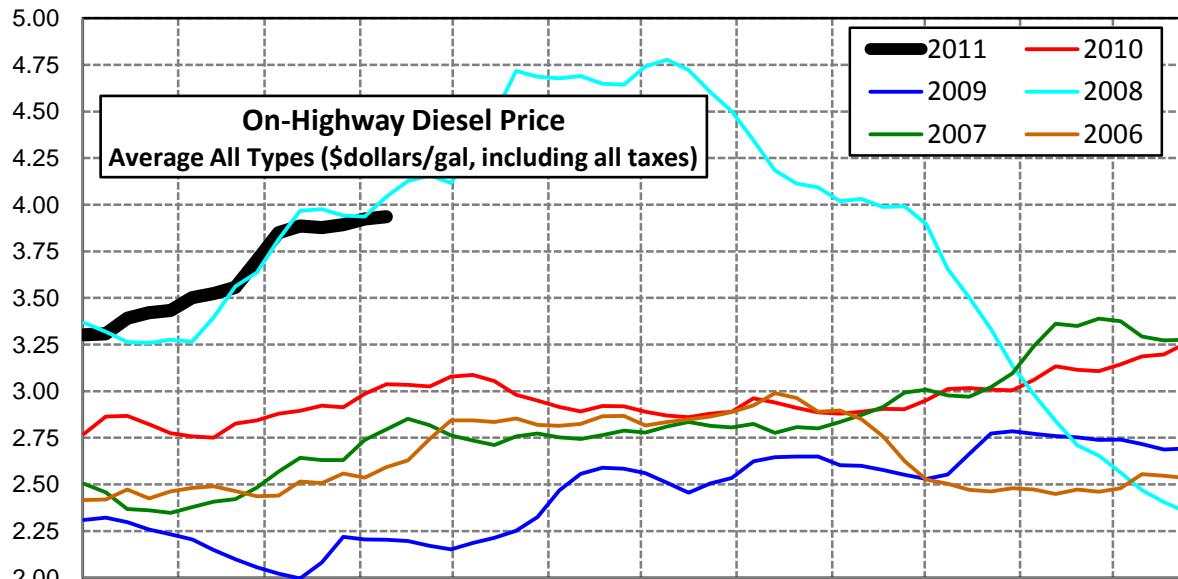
East Coast Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	21Mar11	28Mar11	04Apr11	11Apr11	
East Coast	\$3.938	\$3.952	\$3.982	\$3.977	-\$0.005
1/ Source: U.S. Energy Information Administration					
2/ Source: Fundamental Petroleum Trends Reports					



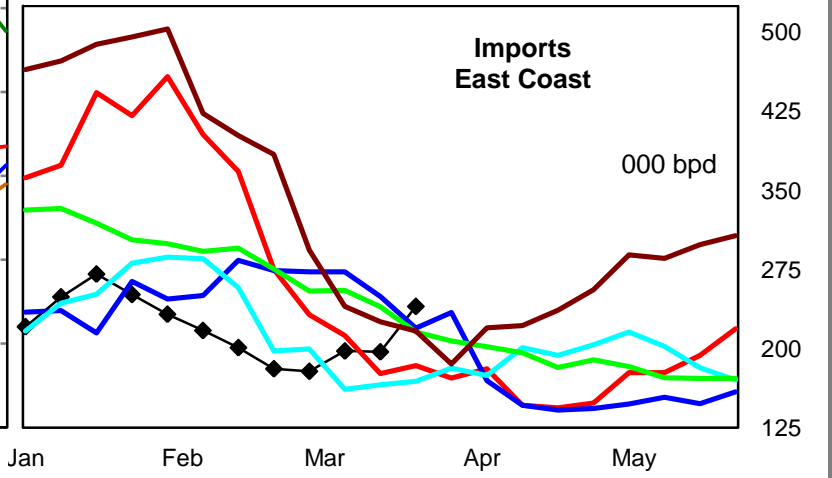
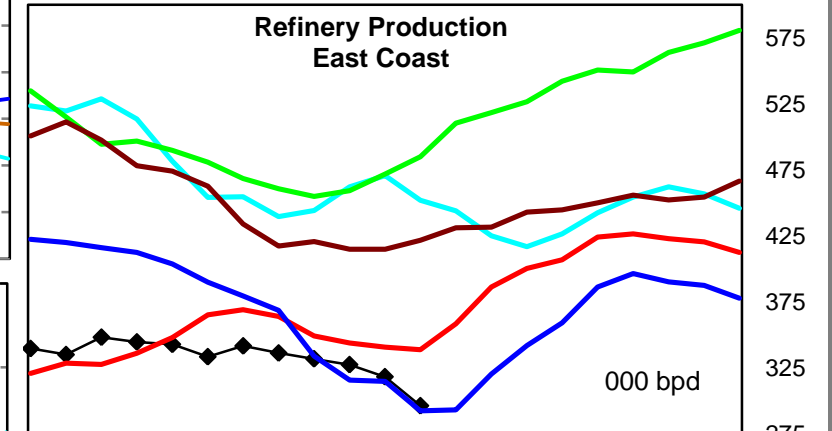
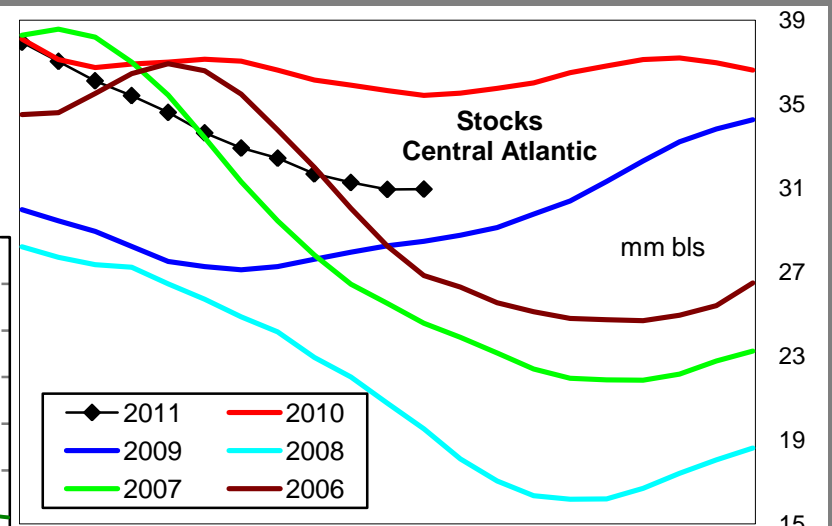
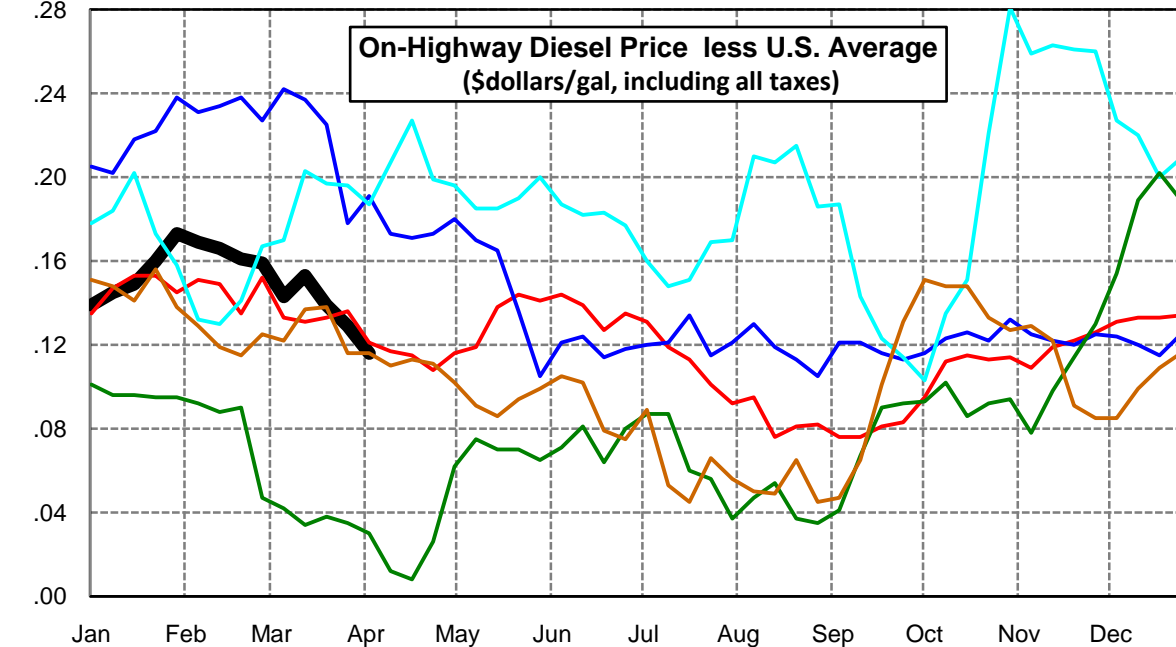
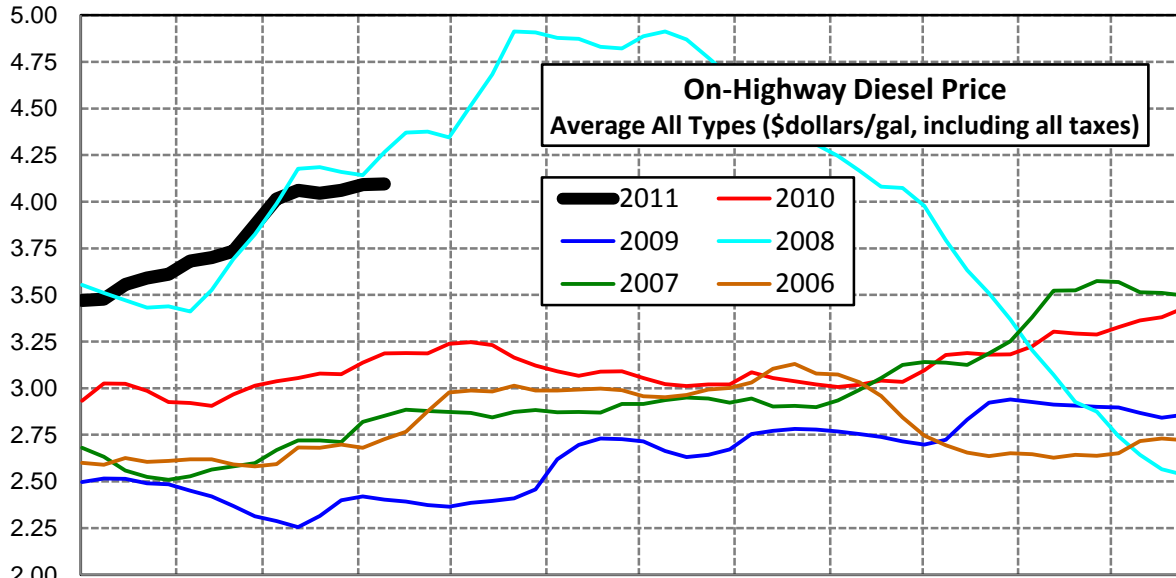
Lower Atlantic Region Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	21Mar11	28Mar11	04Apr11	11Apr11	
Lower Atlantic	\$3.878	\$3.892	\$3.923	\$3.936	\$0.013
1/ Source: U.S. Energy Information Administration					
2/ Source: Fundamental Petroleum Trends Reports					



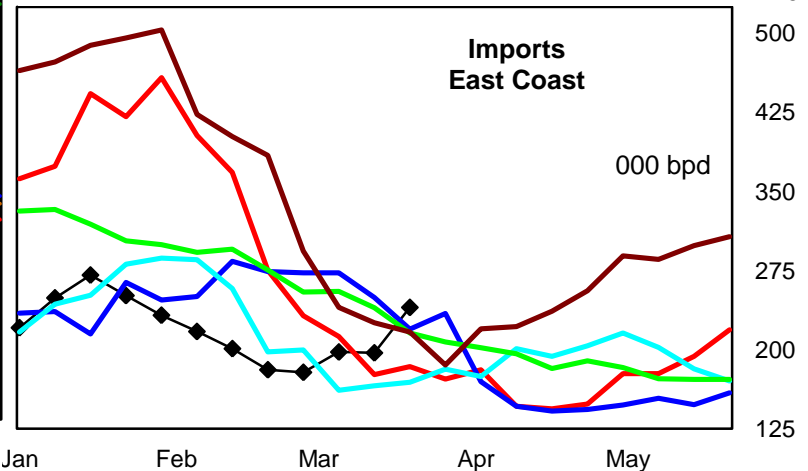
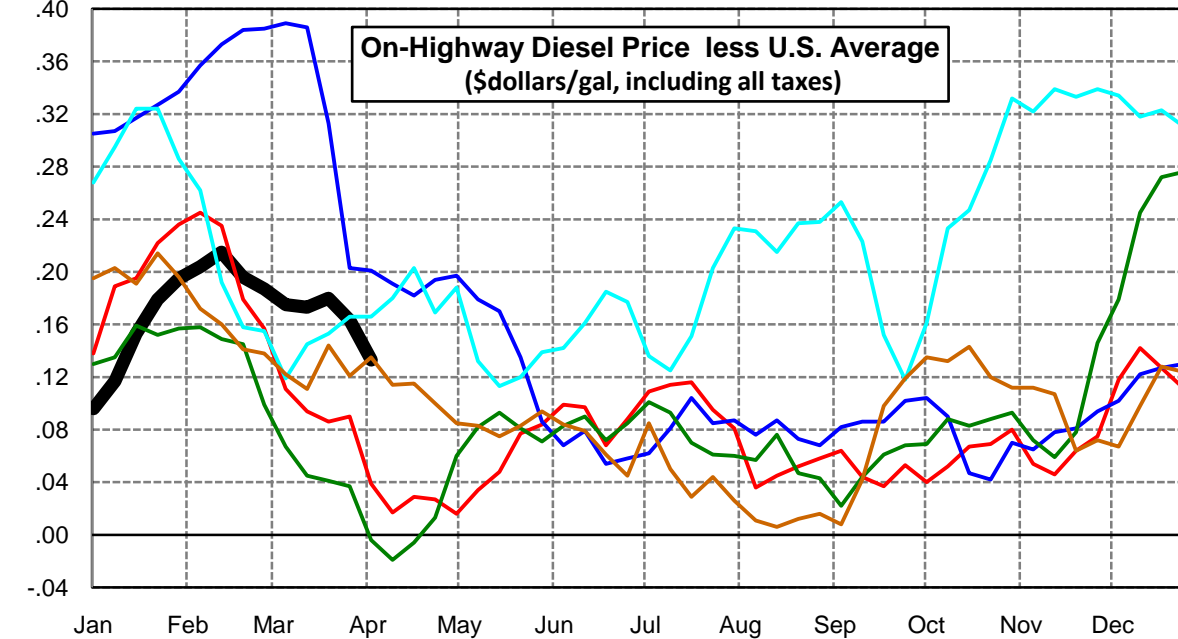
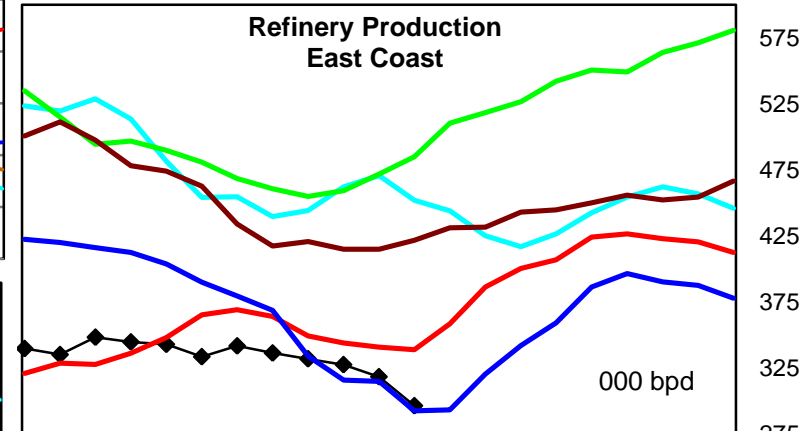
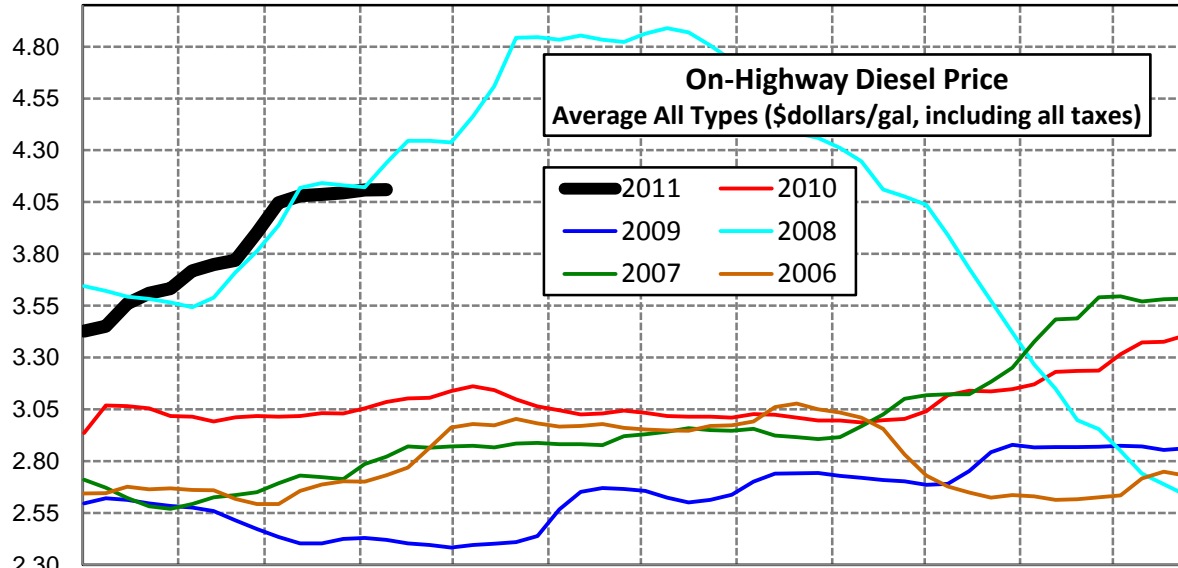
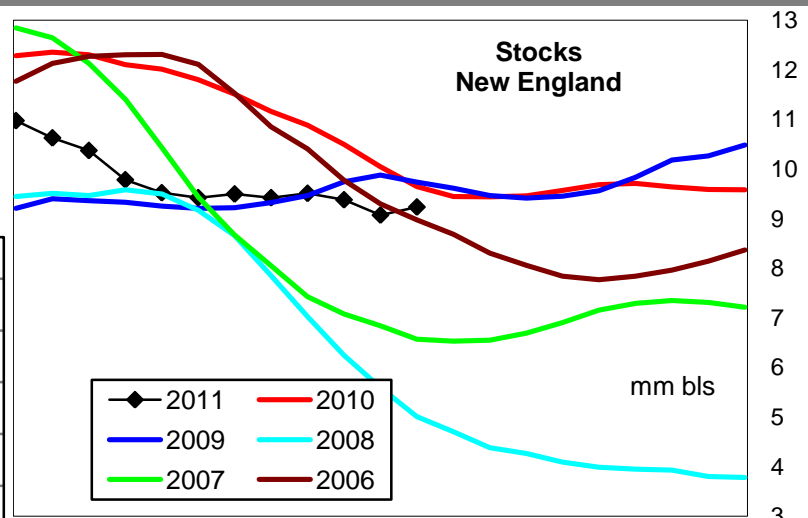
Central Atlantic Region Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	21Mar11	28Mar11	04Apr11	11Apr11	
Central Atlantic	\$4.046	\$4.061	\$4.092	\$4.096	\$0.004
1/ Source: U.S. Energy Information Administration					
2/ Source: Fundamental Petroleum Trends Reports					



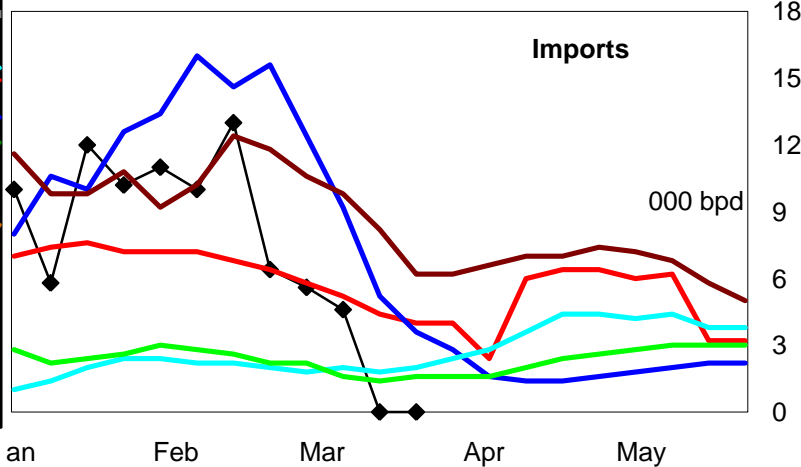
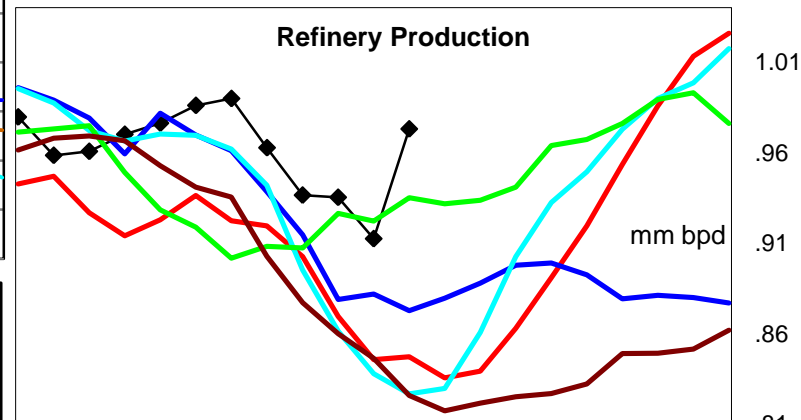
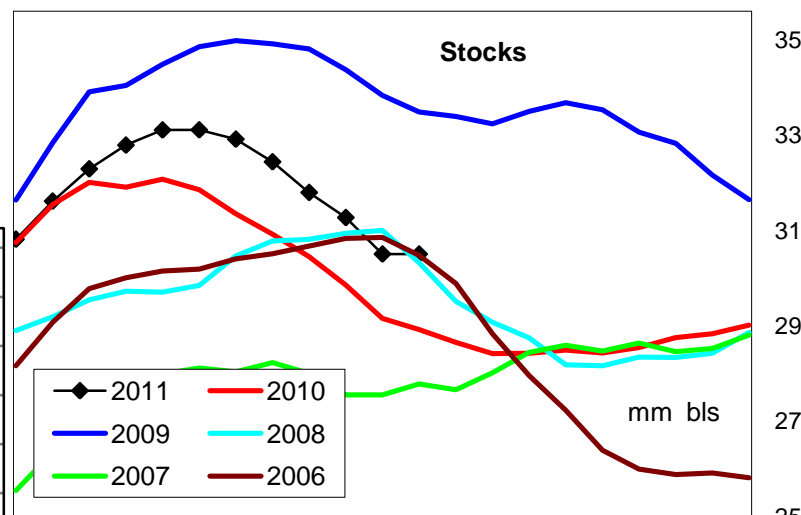
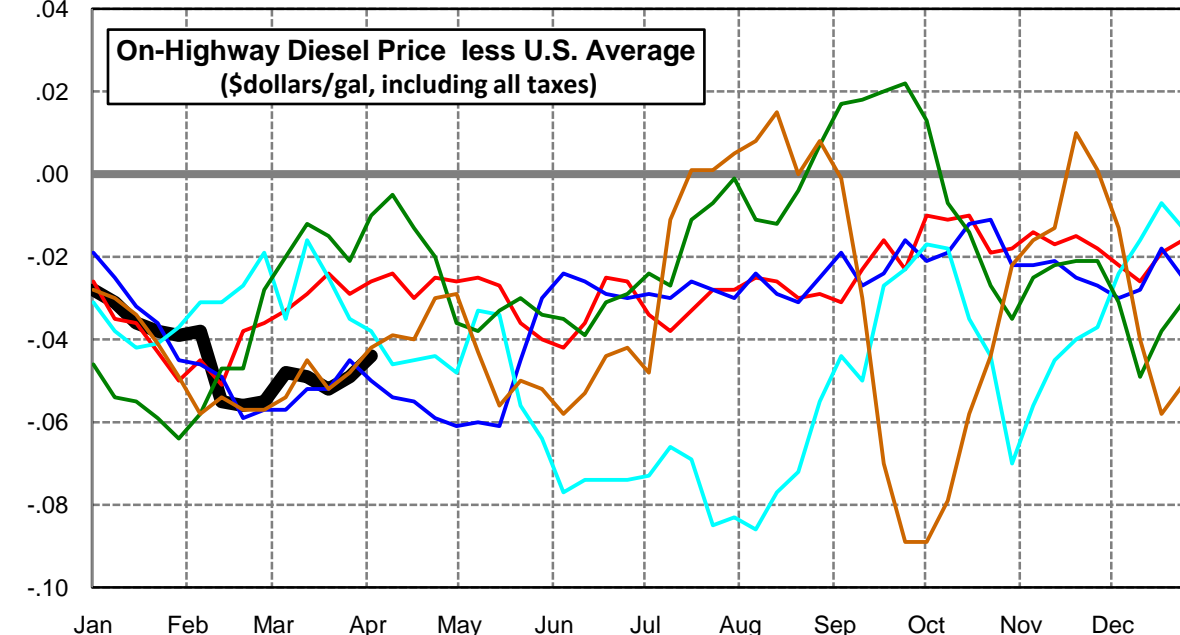
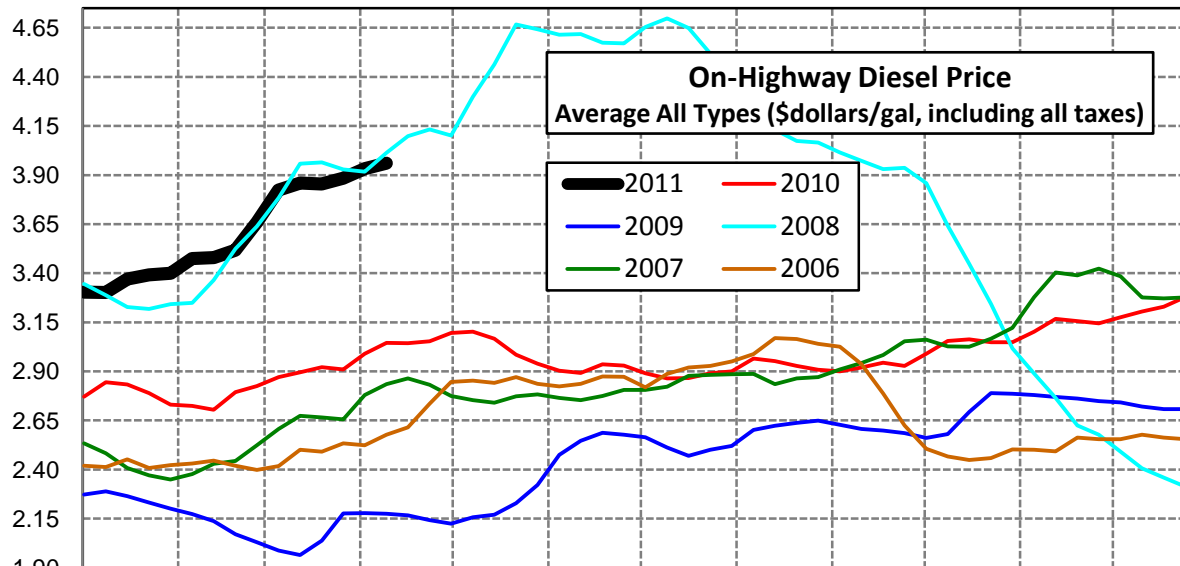
New England Region Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	21Mar11	28Mar11	04Apr11	11Apr11	
New England	\$4.087	\$4.095	\$4.109	\$4.111	\$0.002
1/ Source: U.S. Energy Information Administration					
2/ Source: Fundamental Petroleum Trends Reports					



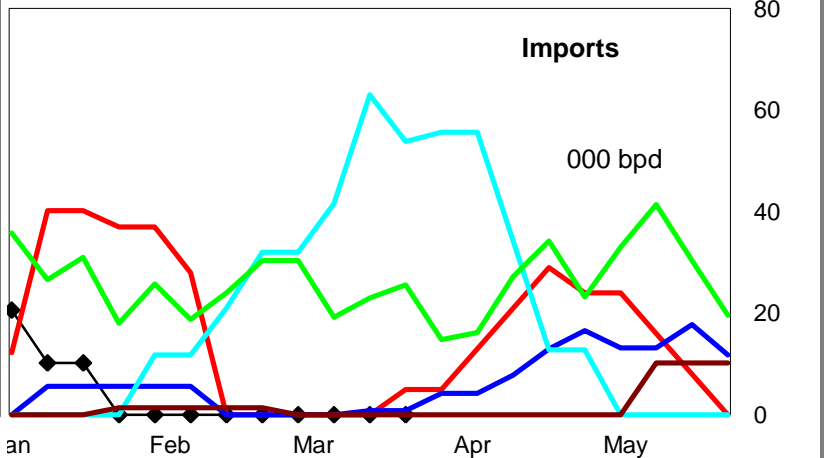
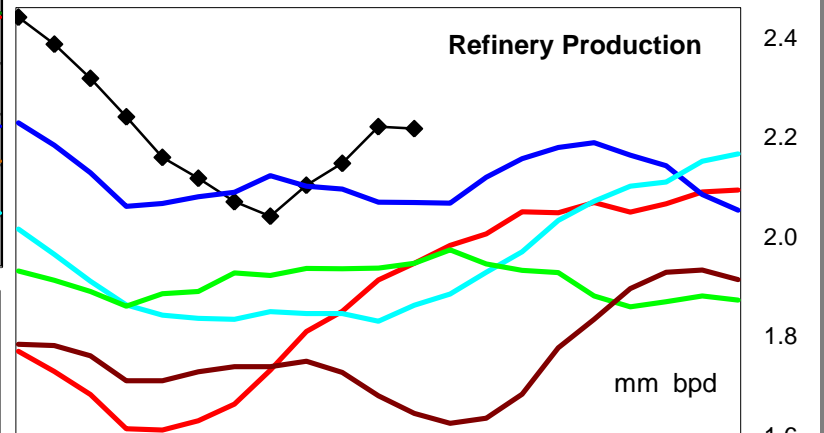
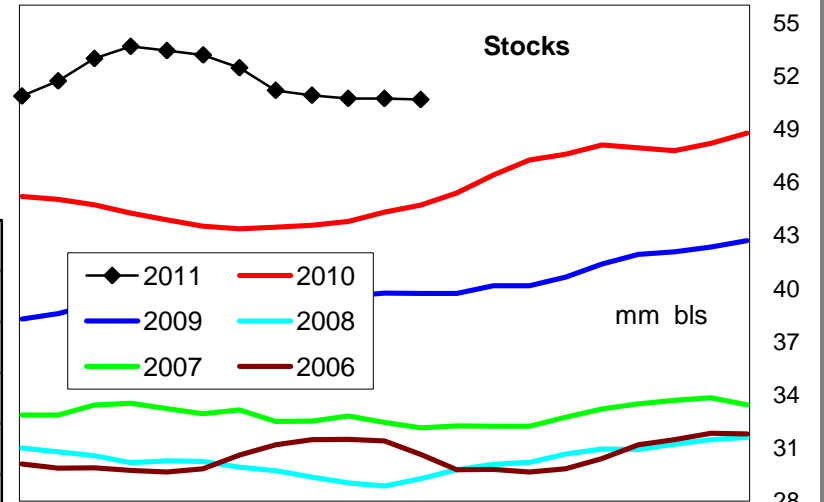
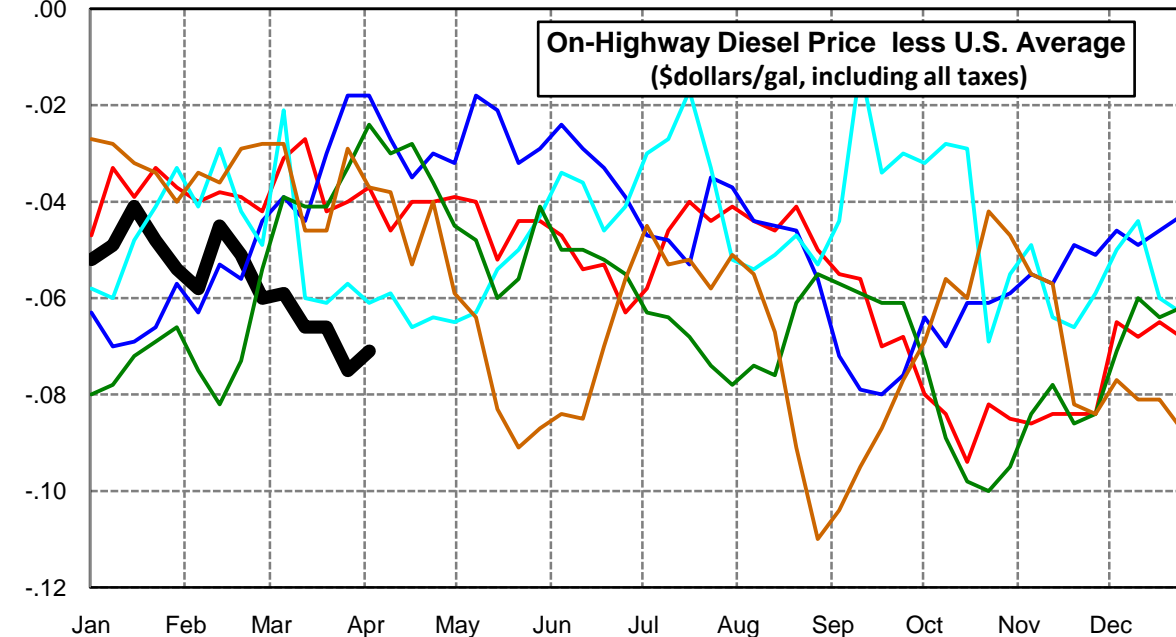
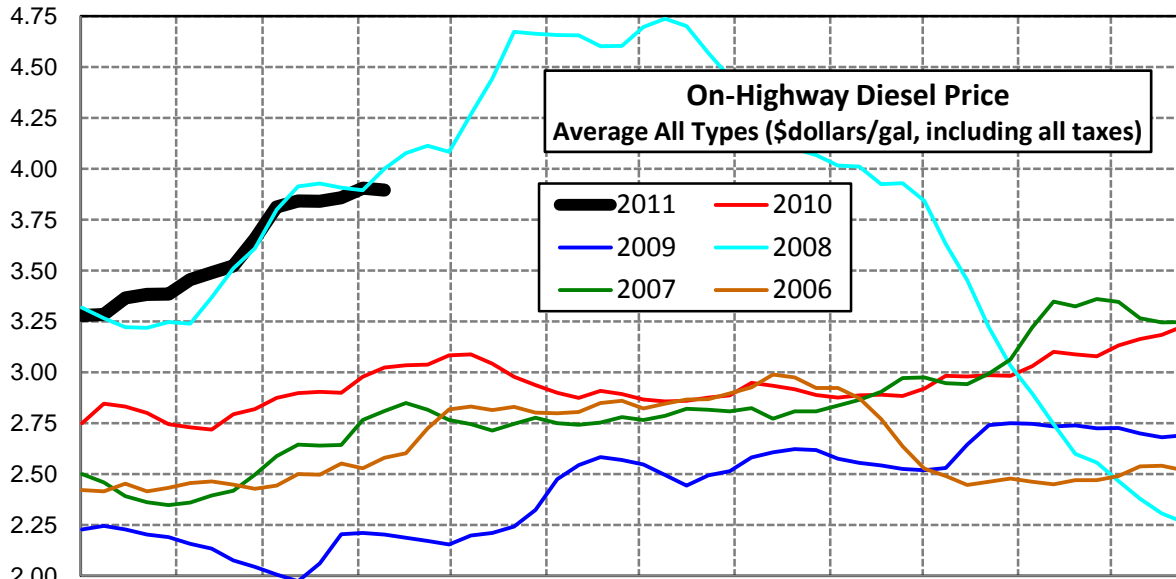
Midwest Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	21Mar11	28Mar11	04Apr11	11Apr11	
Midwest	\$3.855	\$3.883	\$3.932	\$3.960	\$0.028
1/ Source: U.S. Energy Information Administration					
2/ Source: Fundamental Petroleum Trends Reports					



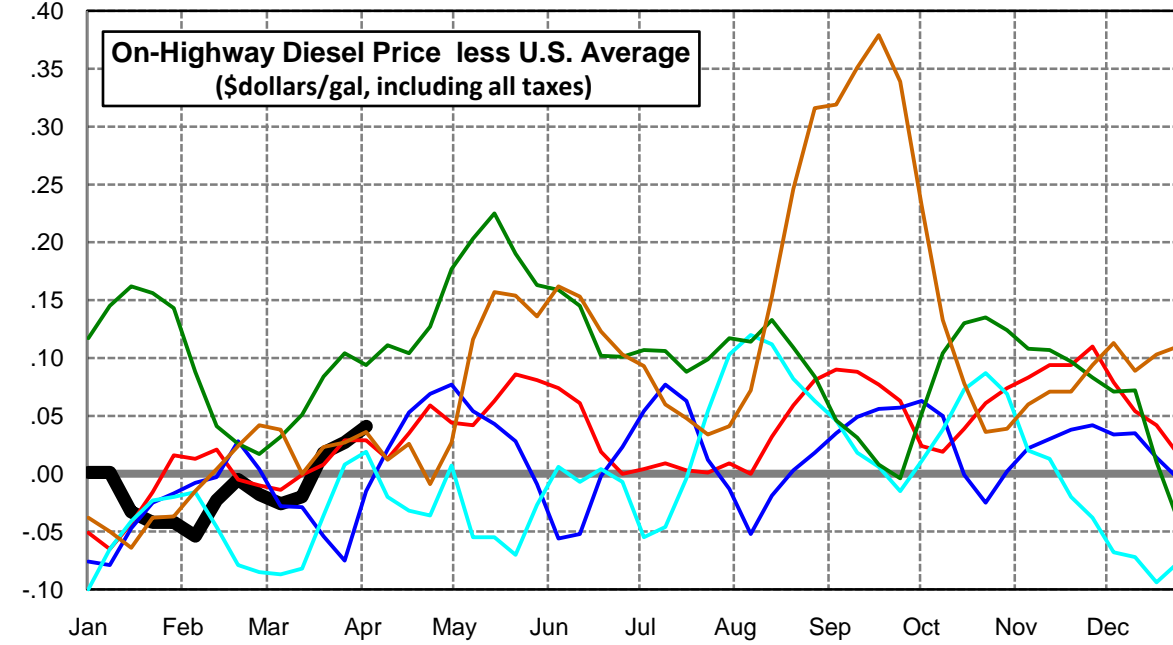
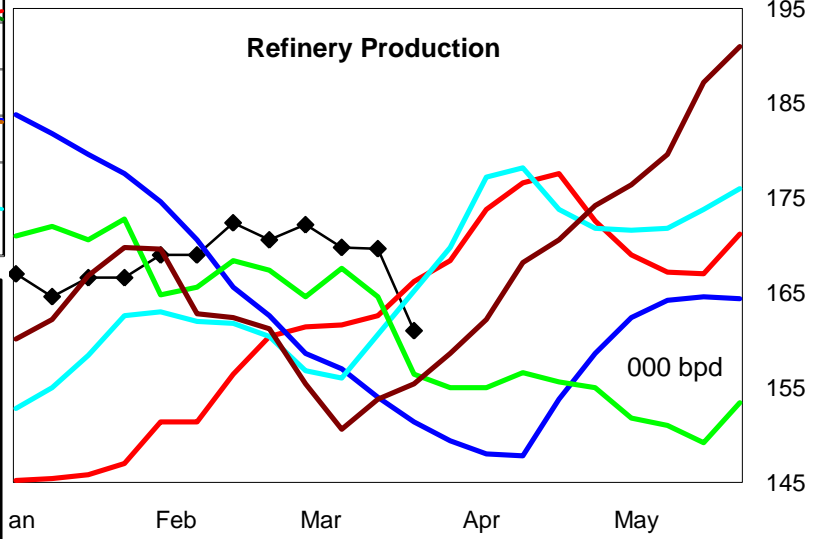
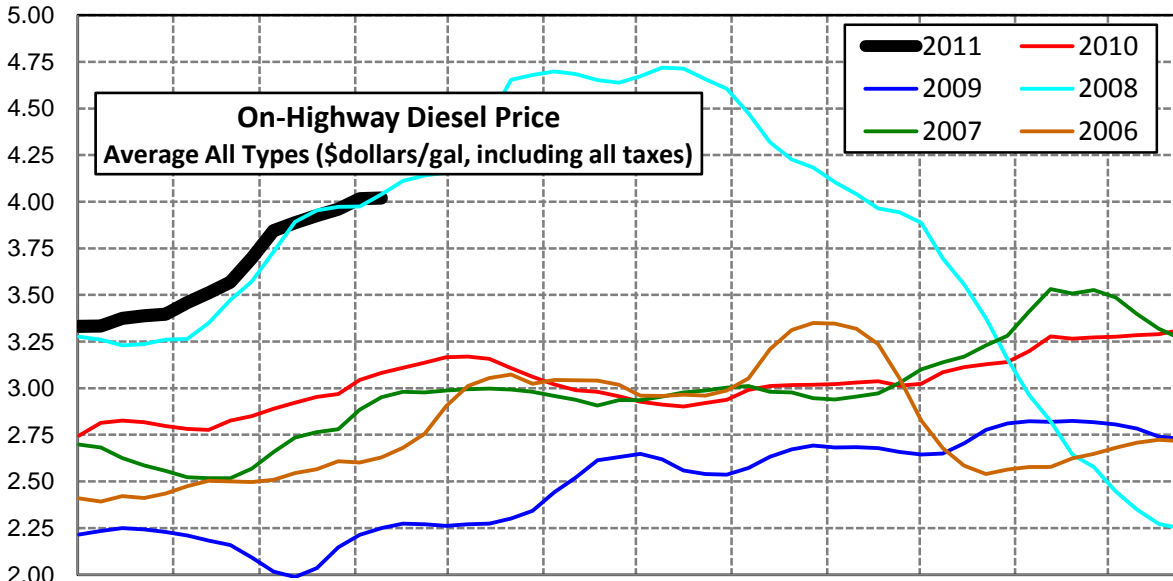
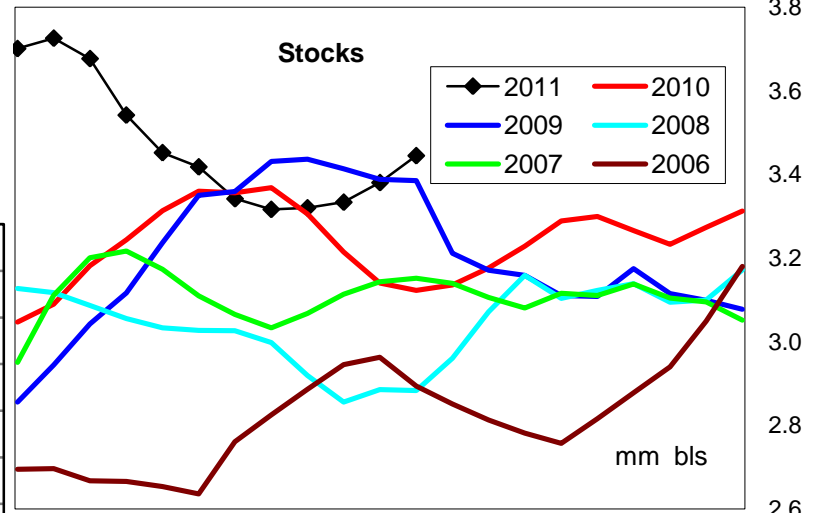
Gulf Coast Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	21Mar11	28Mar11	04Apr11	11Apr11	
Gulf Coast	\$3.841	\$3.857	\$3.905	\$3.895	-\$0.010
1/ Source: U.S. Energy Information Administration					
2/ Source: Fundamental Petroleum Trends Reports					



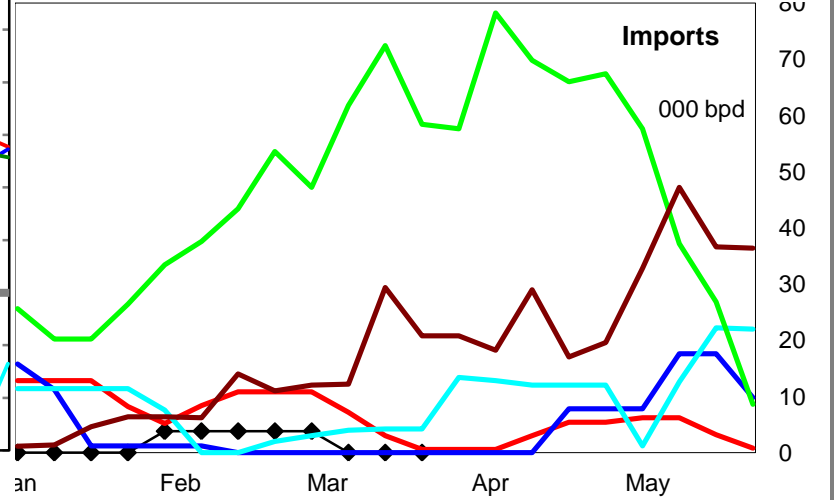
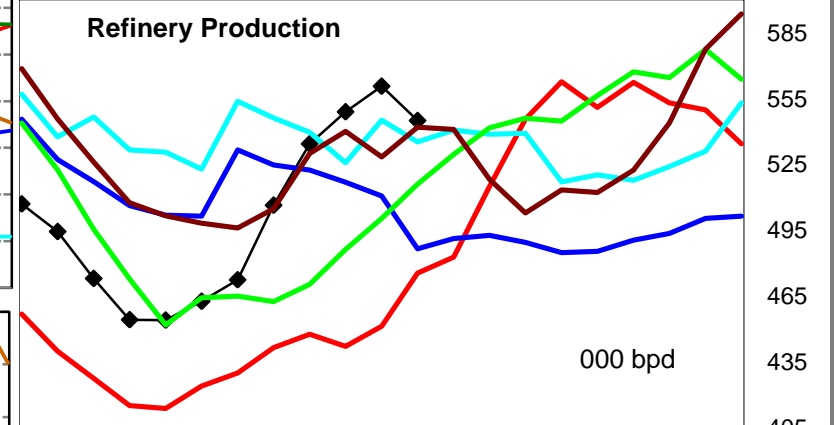
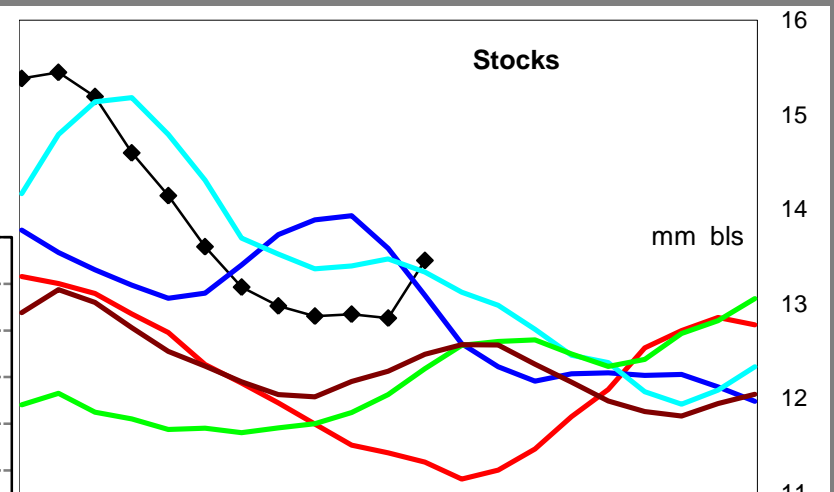
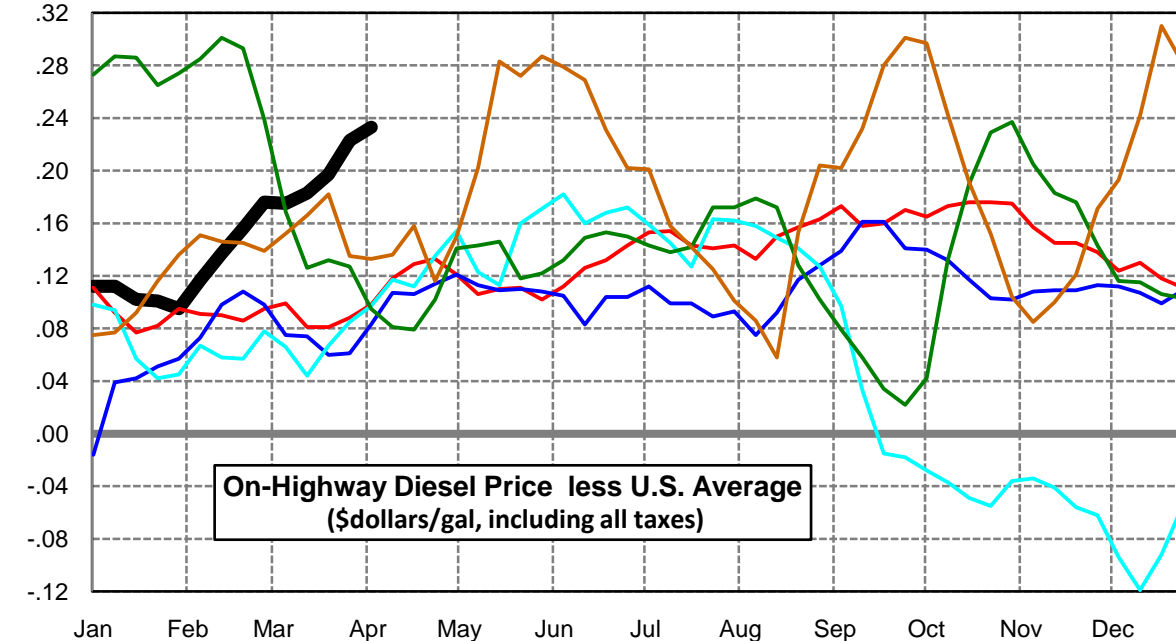
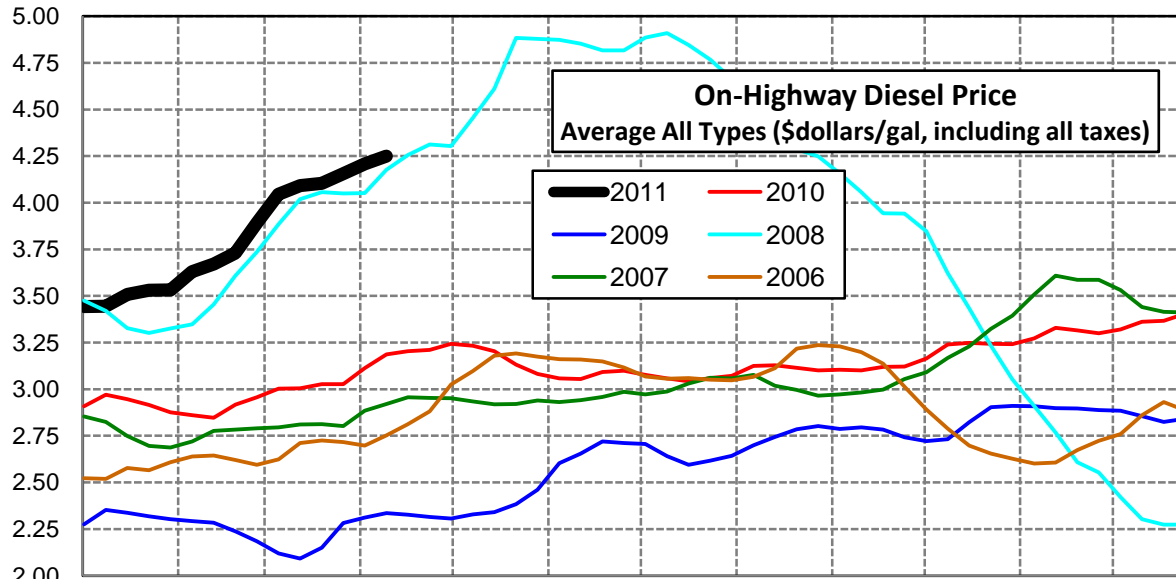
Rocky Mountain Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	21Mar11	28Mar11	04Apr11	11Apr11	
Rocky Mountain	\$3.925	\$3.959	\$4.017	\$4.019	\$0.002
1/ Source: U.S. Energy Information Administration					
2/ Source: Fundamental Petroleum Trends Reports					



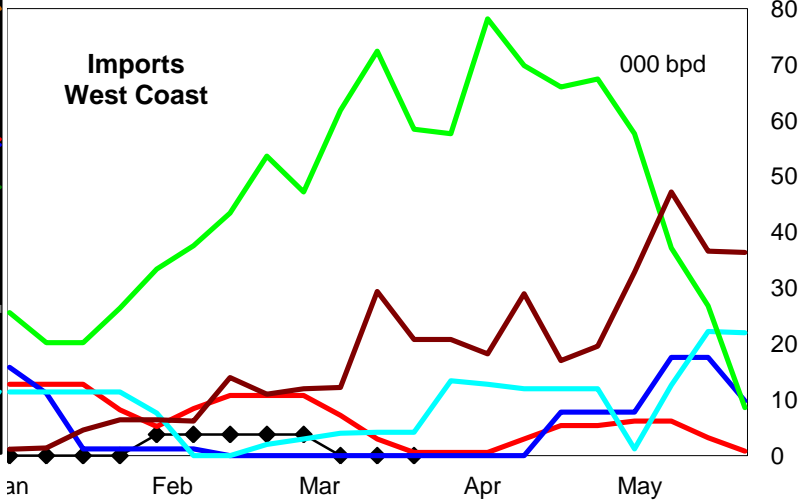
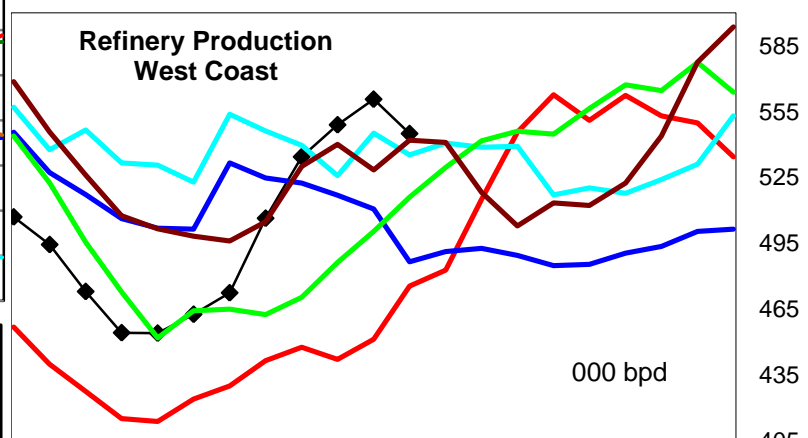
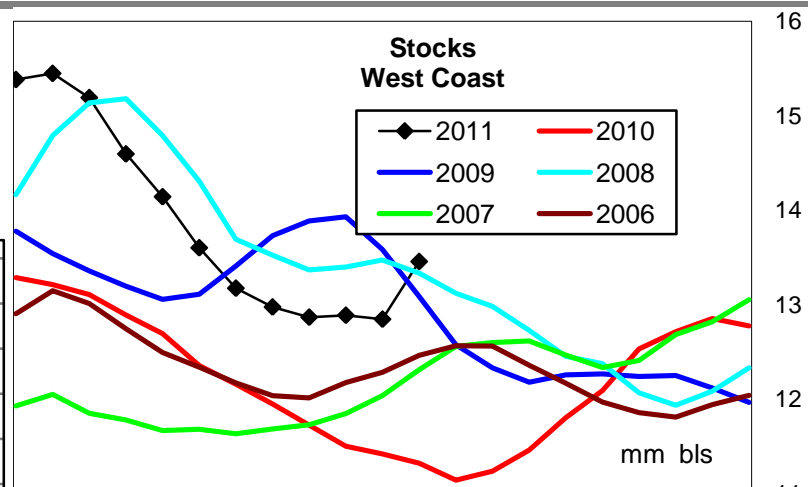
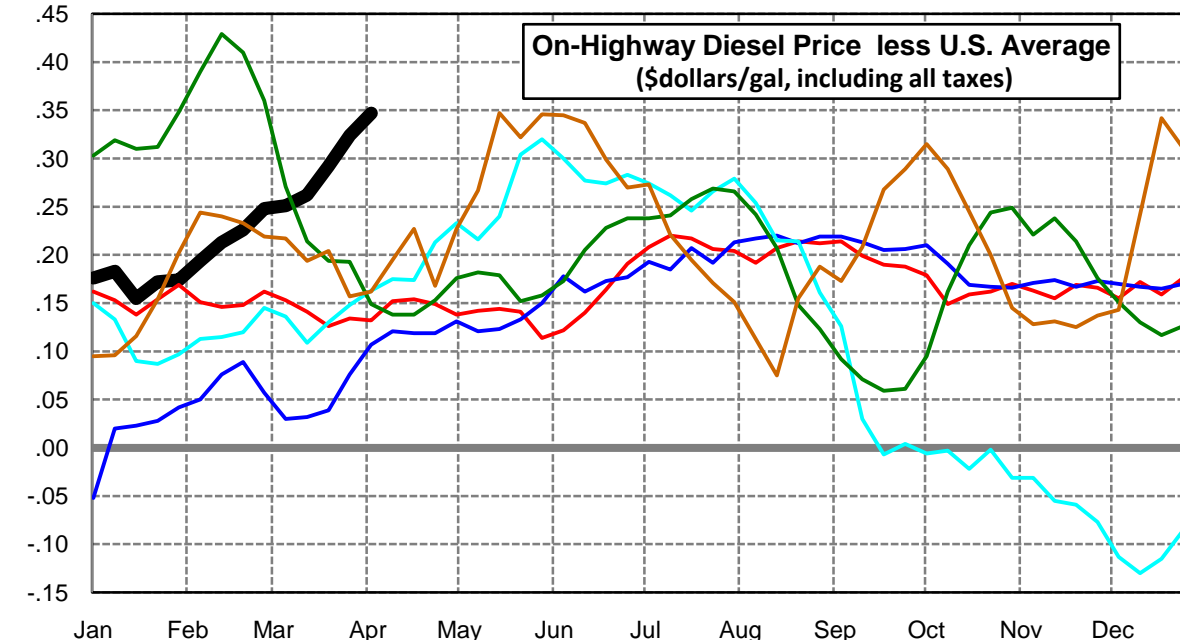
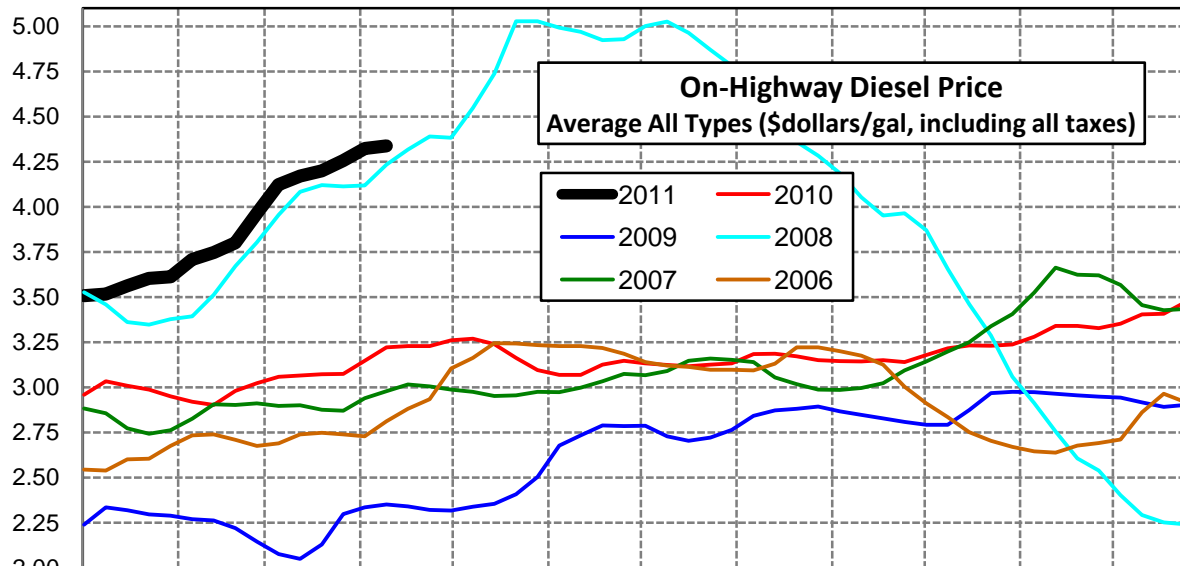
West Coast Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	21Mar11	28Mar11	04Apr11	11Apr11	
West Coast	\$4.104	\$4.155	\$4.209	\$4.250	\$0.041
1/ Source: U.S. Energy Information Administration					
2/ Source: Fundamental Petroleum Trends Reports					



California Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	21Mar11	28Mar11	04Apr11	11Apr11	
California	\$4.199	\$4.256	\$4.323	\$4.336	\$0.013
1/ Source: U.S. Energy Information Administration					
2/ Source: Fundamental Petroleum Trends Reports					



Week ending	Weekly On-Highway Diesel Prices									
	Average All Types (\$dollars/gal, including all taxes)									
Week ending	United States	East Coast	New England	Central Atlantic	Lower Atlantic	Mid West	Gulf Coast	Rocky Mtn	West Coast	California
Mon-04-Oct-10	3.000	2.997	3.040	3.095	2.952	2.990	2.920	3.024	3.165	3.179
Mon-11-Oct-10	3.066	3.065	3.118	3.178	3.011	3.055	2.982	3.085	3.239	3.215
Mon-18-Oct-10	3.073	3.072	3.140	3.188	3.016	3.063	2.979	3.112	3.249	3.232
Mon-25-Oct-10	3.067	3.064	3.136	3.180	3.008	3.048	2.985	3.128	3.243	3.229
Mon-01-Nov-10	3.067	3.063	3.147	3.181	3.005	3.049	2.982	3.141	3.242	3.237
Mon-08-Nov-10	3.116	3.114	3.170	3.225	3.061	3.102	3.030	3.199	3.273	3.279
Mon-15-Nov-10	3.184	3.187	3.230	3.303	3.133	3.167	3.100	3.278	3.329	3.339
Mon-22-Nov-10	3.171	3.172	3.235	3.293	3.115	3.156	3.087	3.265	3.316	3.340
Mon-29-Nov-10	3.162	3.166	3.237	3.288	3.108	3.144	3.078	3.272	3.300	3.328
Mon-06-Dec-10	3.197	3.206	3.315	3.328	3.144	3.175	3.132	3.276	3.321	3.352
Mon-13-Dec-10	3.231	3.248	3.373	3.364	3.187	3.205	3.163	3.285	3.361	3.403
Mon-20-Dec-10	3.248	3.260	3.375	3.381	3.197	3.229	3.183	3.290	3.366	3.407
Mon-27-Dec-10	3.294	3.313	3.406	3.428	3.256	3.278	3.226	3.311	3.405	3.470
Mon-03-Jan-11	3.331	3.357	3.427	3.470	3.303	3.303	3.279	3.332	3.443	3.507
Mon-10-Jan-11	3.333	3.364	3.450	3.478	3.308	3.302	3.284	3.334	3.445	3.516
Mon-17-Jan-11	3.407	3.448	3.560	3.556	3.392	3.371	3.366	3.374	3.509	3.562
Mon-24-Jan-11	3.430	3.480	3.609	3.590	3.421	3.392	3.382	3.388	3.531	3.602
Mon-31-Jan-11	3.438	3.494	3.633	3.611	3.432	3.399	3.384	3.396	3.533	3.612
Mon-07-Feb-11	3.513	3.565	3.717	3.682	3.501	3.475	3.455	3.459	3.630	3.707
Mon-14-Feb-11	3.534	3.587	3.749	3.700	3.524	3.479	3.489	3.511	3.671	3.747
Mon-21-Feb-11	3.573	3.620	3.769	3.734	3.557	3.517	3.522	3.568	3.729	3.799
Mon-28-Feb-11	3.716	3.764	3.903	3.875	3.703	3.661	3.656	3.698	3.892	3.964
Mon-07-Mar-11	3.871	3.908	4.046	4.014	3.850	3.823	3.812	3.845	4.046	4.122
Mon-14-Mar-11	3.908	3.946	4.081	4.061	3.885	3.859	3.842	3.888	4.091	4.170
Mon-21-Mar-11	3.907	3.938	4.087	4.046	3.878	3.855	3.841	3.925	4.104	4.199
Mon-28-Mar-11	3.932	3.952	4.095	4.061	3.892	3.883	3.857	3.959	4.155	4.256
Mon-04-Apr-11	3.976	3.982	4.109	4.092	3.923	3.932	3.905	4.017	4.209	4.323
Mon-11-Apr-11	3.991	3.977	4.111	4.096	3.936	3.960	3.895	4.019	4.250	4.336
Mon-18-Apr-11										
Mon-25-Apr-11										
Mon-02-May-11										
Mon-09-May-11										
Mon-16-May-11										
Mon-23-May-11										
Mon-30-May-11										

Glossary and Definitions - Weekly Diesel Price - Fundamental Trends Report

U.S. Energy Information Administration: Source of weekly supply - demand diesel (distillate) fundamental data gathered through weekly survey of refiners, blenders, marketers, distributors.

Weekly Retail On-Highway Diesel Prices: Prepared by the EIA through a weekly survey of retail diesel marketers conducted each Monday. Many transportation firms use this data source to set fuel surcharge rates.

Gulf Coast ULSD (ultra low sulfur distillate) Spot Market Prices: Daily price data provided to the EIA by Thomson Reuters. Weekly data is an un weighted average of the daily prices.

Regional Markets: The EIA has defined five regions called PADD's for Petroleum Administration for Defense Districts which are used to aggregate weekly supply - demand fundamental statistics as well as retail On-Highway diesel prices. Those regions are illustrated on the U.S. Map, Page 2 of this report. In addition the EIA provides prices for the state of California, and three sub regions of PADD 1; New England, Central Atlantic and Lower Atlantic.

On-Highway Diesel Price less U.S. Average: This is the difference between the specific regional market and the U.S. Average price. The variance reflects differences in refining cost, wholesale distribution cost, product grade specifications, taxes, and market power by marketers to set prices.

Temporary variations also reflect the relative supply - demand balance; for example during periods that Eastern Canadian refiners are down for maintenance diesel supplies in the New England Region may become very tight, thus driving up the premium that New England prices have over the U.S. average price.

This difference also reflects the '**basis risk**' which a transport firm operating in a specific region experiences if using the U.S. Average price to hedge fuel cost or set fuel surcharge rates.

Week ahead On-Highway Retail Diesel Price Forecast: Prepared by Fundamental Petroleum Trends Reports using spot and futures market prices as reported by the EIA, and seasonal indices in proprietary statistical models.