



RETAIL DIESEL FUEL OUTLOOK

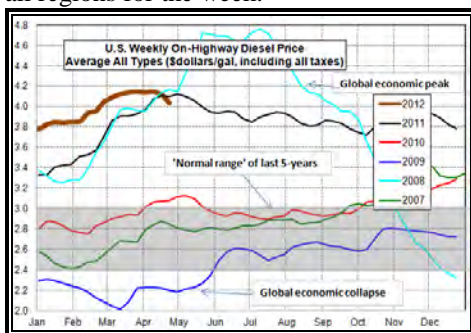
A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Tuesday, April 17, 2012

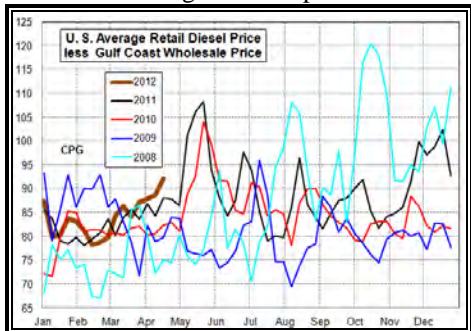
Region	Actual Price 1/			Forecast 2/	Change from week ago
	02Apr12	09Apr12	16Apr12	23Apr12	
U.S.	4.142	4.148	4.127	4.033	-0.094
East Coast	4.190	4.190	4.181	4.095	-0.086
New England	4.262	4.278	4.269	4.209	-0.060
Central Atlantic	4.280	4.282	4.280	4.202	-0.078
Lower Atlantic	4.109	4.106	4.091	4.048	-0.043
Midwest	4.042	4.055	4.021	3.973	-0.048
Gulf Coast	4.049	4.063	4.038	4.011	-0.027
Rocky Mountain	4.125	4.129	4.129	4.045	-0.084
West Coast	4.420	4.411	4.389	4.204	-0.185
California	4.456	4.440	4.418	4.268	-0.150

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

Diesel Fuel Price Trends U. S. retail diesel prices decreased -2.1 cpg for the week ending 16Apr12. Prices decreased -3.4 cpg in the Midwest, and -2.5 cpg in the Gulf region. Prices were flat or lower in all regions for the week.



The U.S. average retail diesel price compared to the Gulf Coast wholesale price increased +3.4 cpg week-on-week. The spread ended the week at a level above historic highs for the period.



The national average on-highway price ended the week \$0.07/gal **above** the 5-year high, for this time of year, set in 2008.

A surge in the Chicago area distillate production led to price weakness in the Midwest last week, while slower exports pressured Gulf prices lower. Weak demand on the West coast also pressured

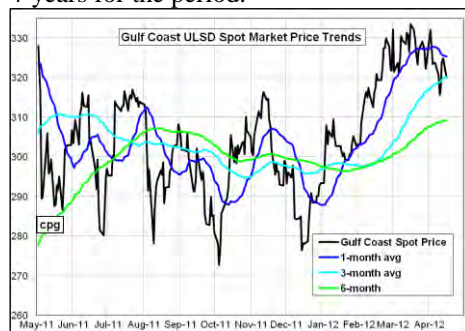
prices lower in the area.

West Coast prices are again the highest in the country, \$4.39/gal last week while the Midwest remains the lowest at \$4.02/gal.

Gulf Coast wholesale distillate prices were unchanged last

week ending 16Apr12. Gulf wholesale prices ended the week at the low end of the trading range over the last 60-days.

U.S. average retail prices are now +41 cpg above the lows set in early October 2011. The spread between retail and wholesale spot prices increased last week, with the level well above highs of the last 4-years for the period.



The spread between wholesale and retail prices was +12 cpg above the last 2-years, with the differential rising to +92 cpg. Look for retail prices to closely track wholesale market trends.

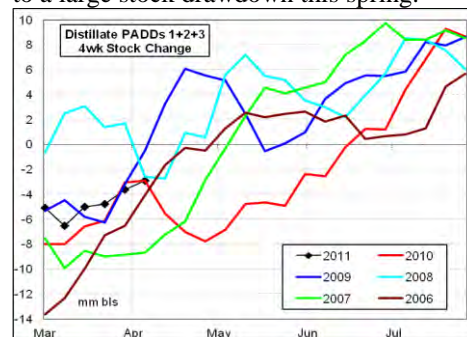
Supply - Demand Fundamental Trends

Distillate wholesale demand jumped last week as distributors built stocks following the price pull back. The latest 4-wk average demand was -135,000 bpd below a year ago; still a significant year-on-year decline.

Supply fell -239,000 bpd last week on lower production and imports. Stocks declined -4 million barrels last week, ending at a level -19 million barrels below last year.

The latest 4-wk stock draw in markets East of the Rockies was -2.6 million barrels, comparable with two of the last 3-years. This means that strong exports and

lower output has been offset with weak demand, so the supply balance has not led to a large stock drawdown this spring.



Global Trends Driving Diesel Prices

Current negotiations with Iran have led to a modest pull back in global crude oil prices; slightly reducing the risk premium due to Middle East tension and labor unrest in African producing regions.

Slower economic growth in China has slowed for housing, manufacturing and finance; as well as the recession in Europe should limit global demand growth for distillates going forward.

Refinery closures in Europe, announced closures in the Caribbean and U.S. East Coast has lifted exports to record highs, supporting distillate prices at elevated levels for this time of year.

On balance, prices are likely to remain elevated and volatile for the next quarter; with risk of a modest pull back during the 2nd quarter.

Diesel Price Outlook U.S. retail prices are forecast to decrease -9 cpg this week, driven by the recent pull back in wholesale prices. Because of 'sticky' retail prices, expect this decrease to be spread over the balance of April. On a regional level, look for retail prices to pull back on the West Coast as supplies are restored, with more modest declines on the East Coast.

Above average refinery maintenance in the Rocky Mountain region should drive prices higher in the area over the next several weeks.

A pull back in gasoline prices is likely during the next 45-days on very weak demand, completion of refinery maintenance and increased imports. Such a pull back is likely to also pressure distillate prices lower.

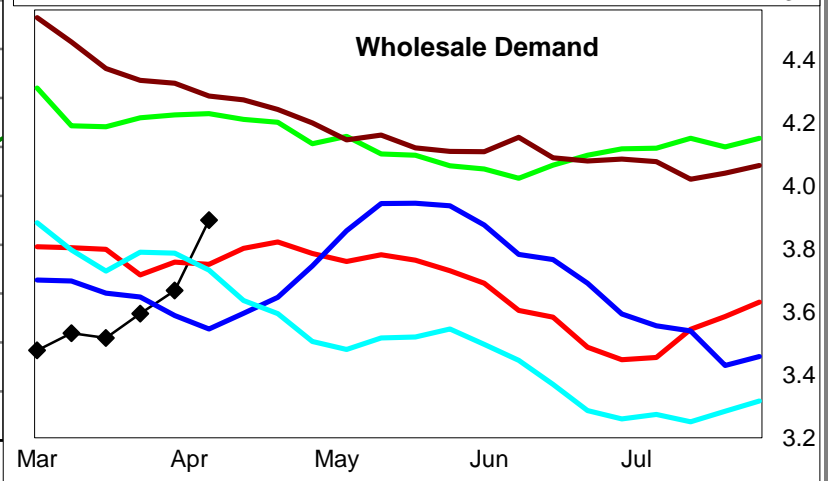
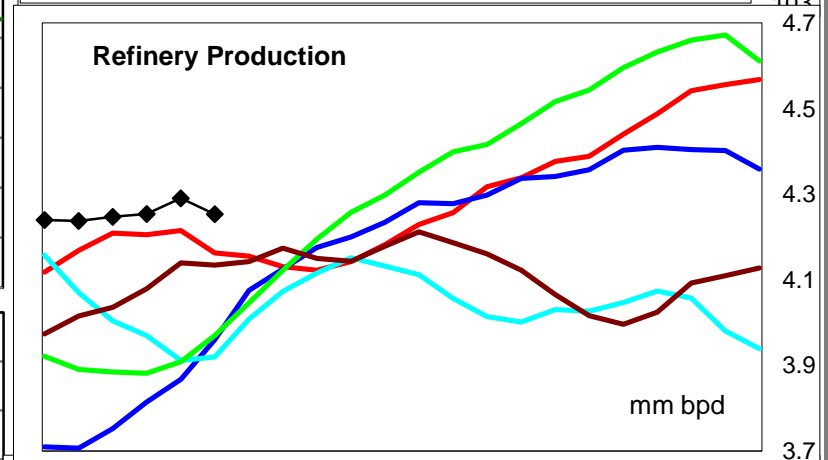
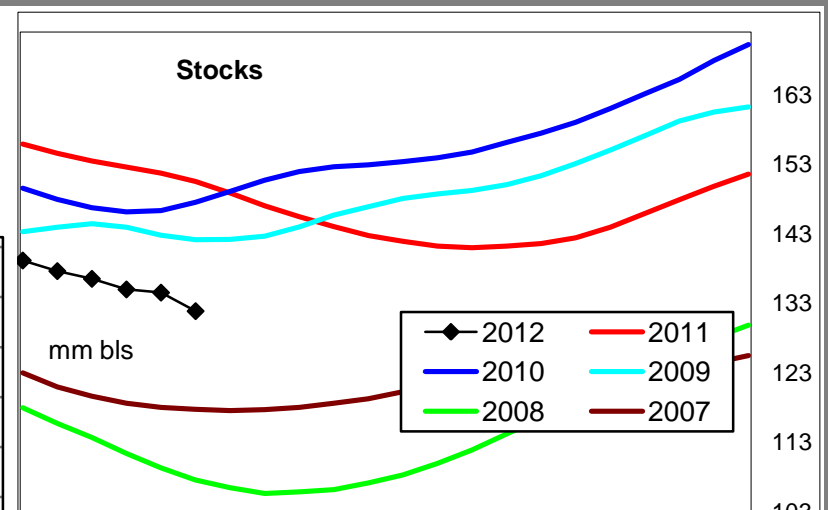
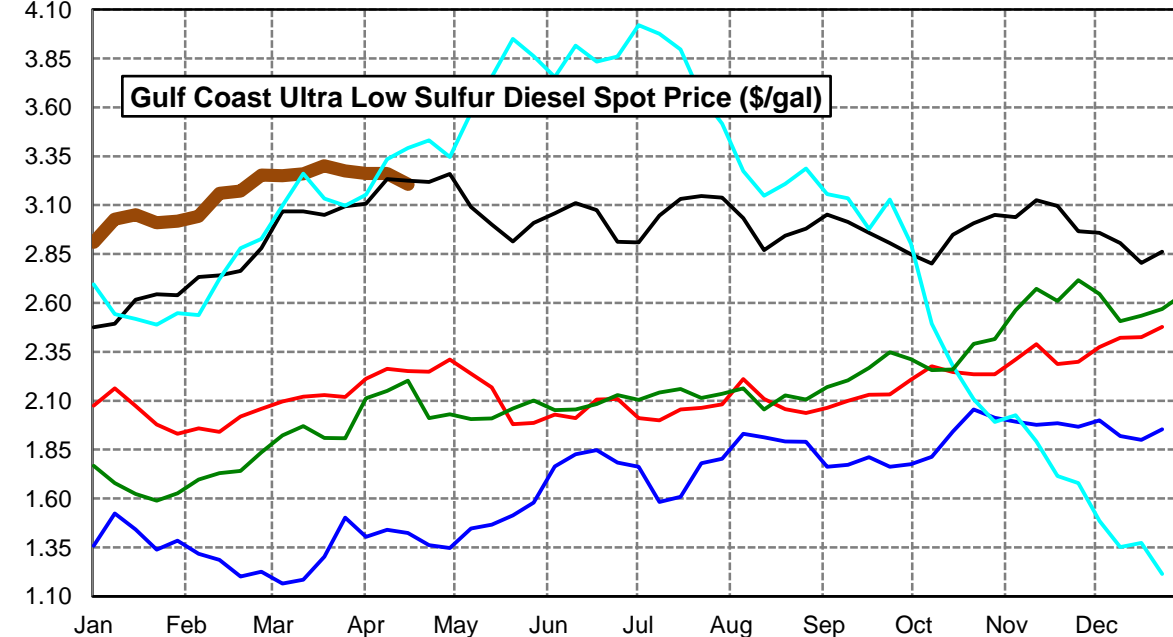
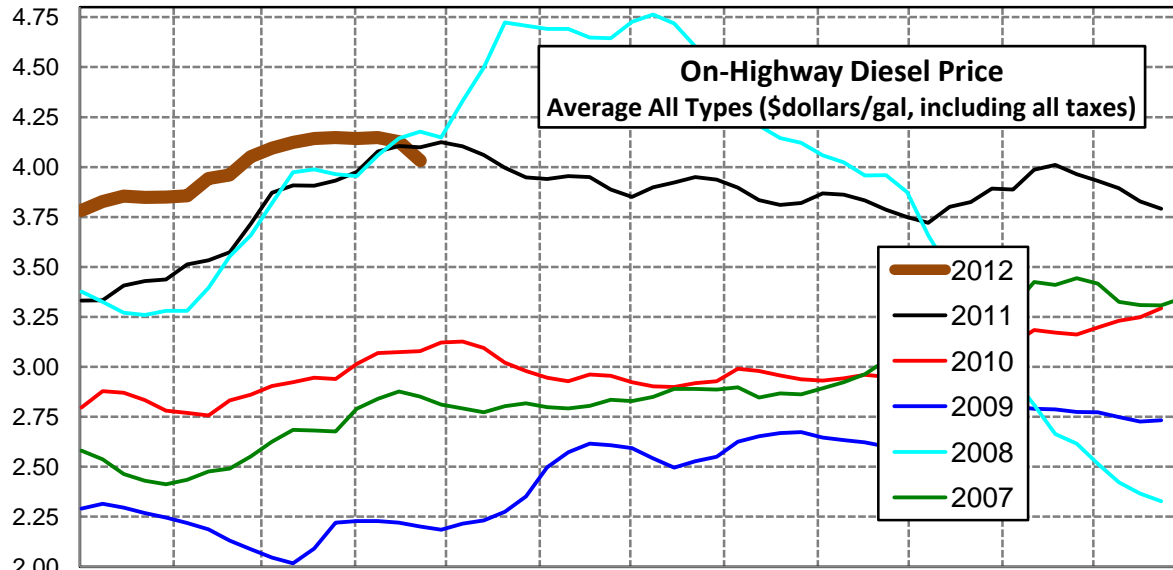
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Click [Blue Icon](#) on Map to view Regional Price & Fundamental Trends



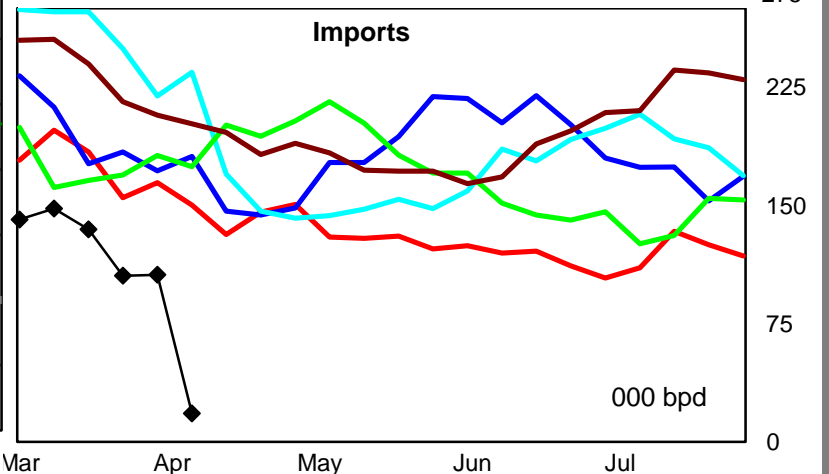
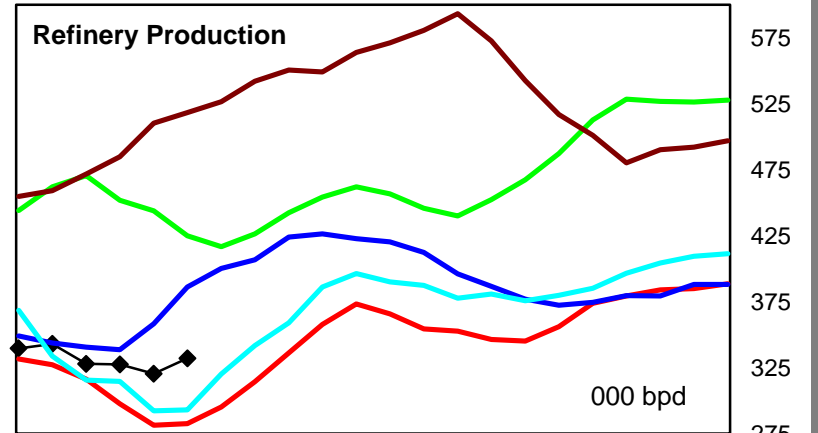
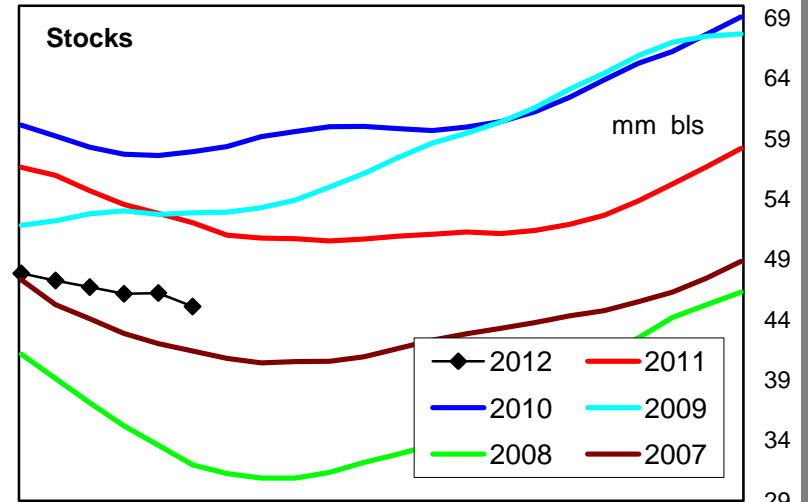
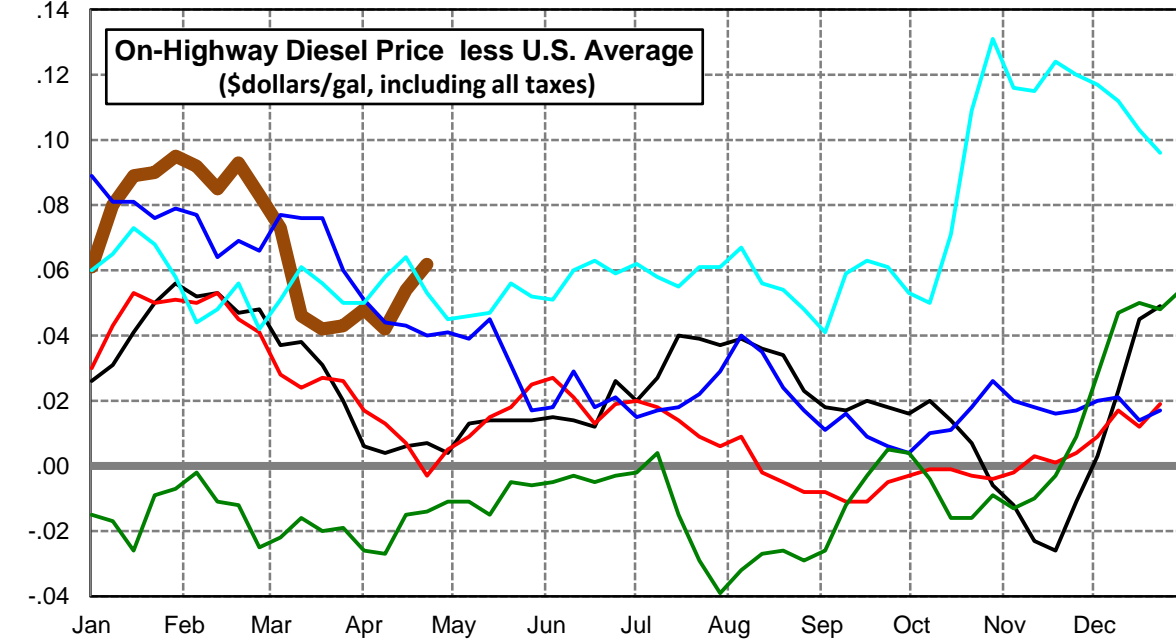
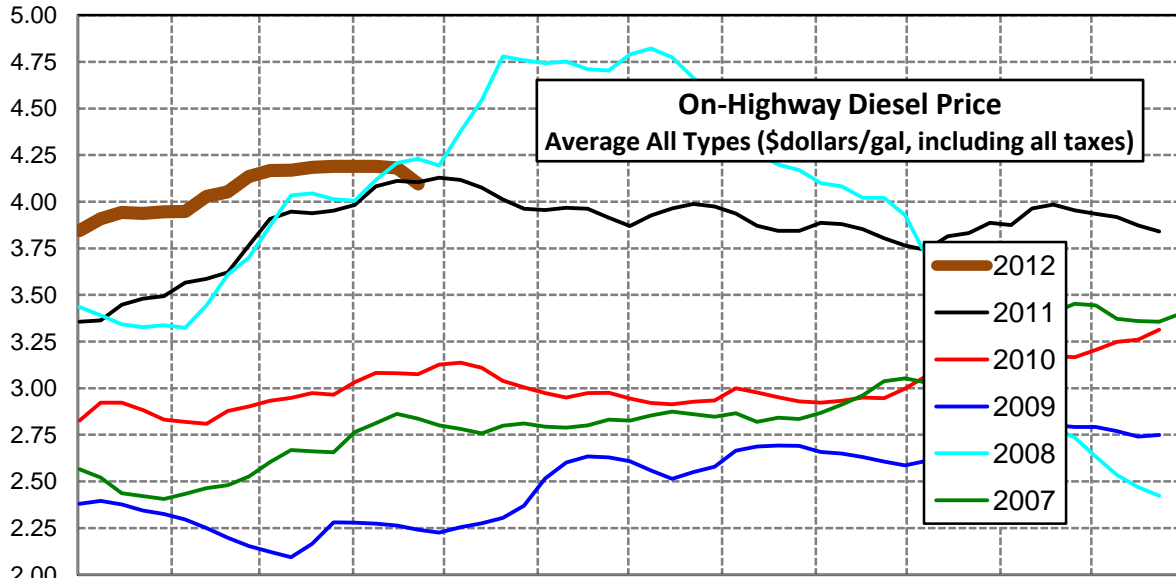
U. S. Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	02Apr12	09Apr12	16Apr12	23Apr12	
United States Avg	\$4.142	\$4.148	\$4.127	\$4.033	-\$0.094
1/ Source: U.S. Energy Information Administration					
2/ Source: Fundamental Petroleum Trends Reports					



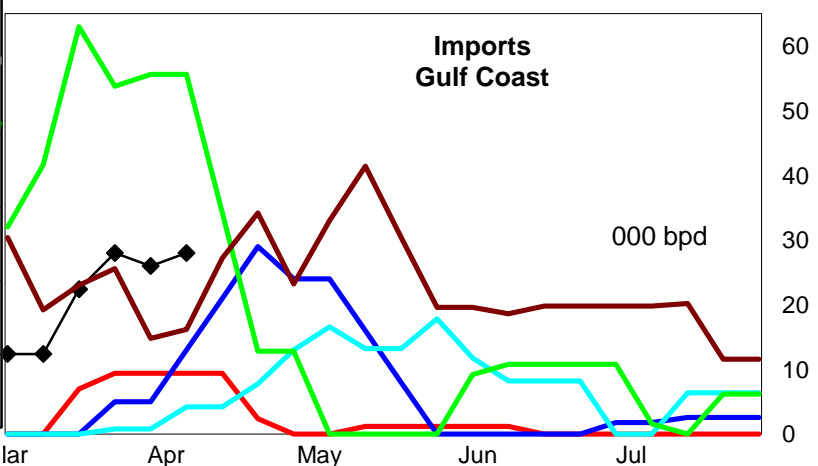
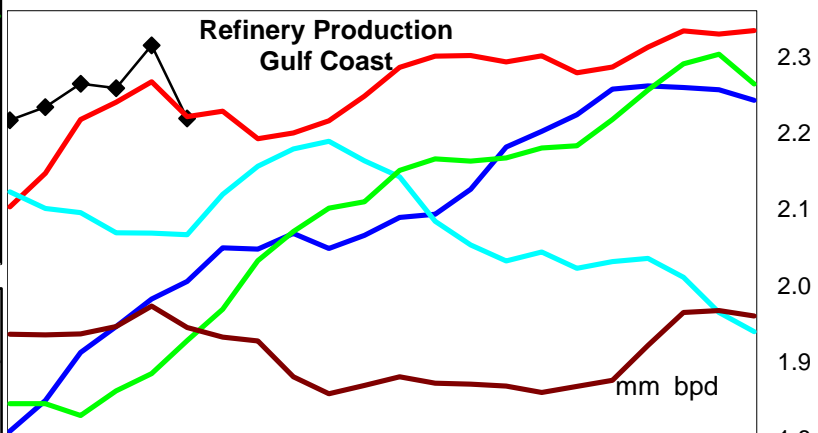
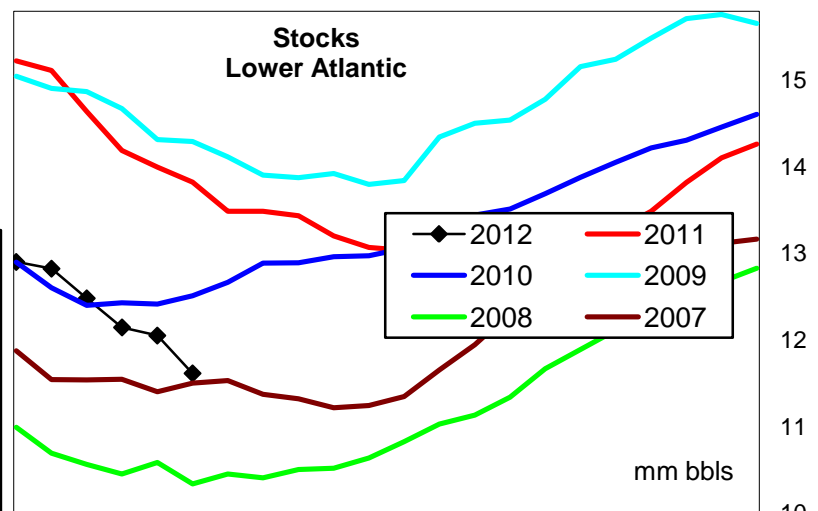
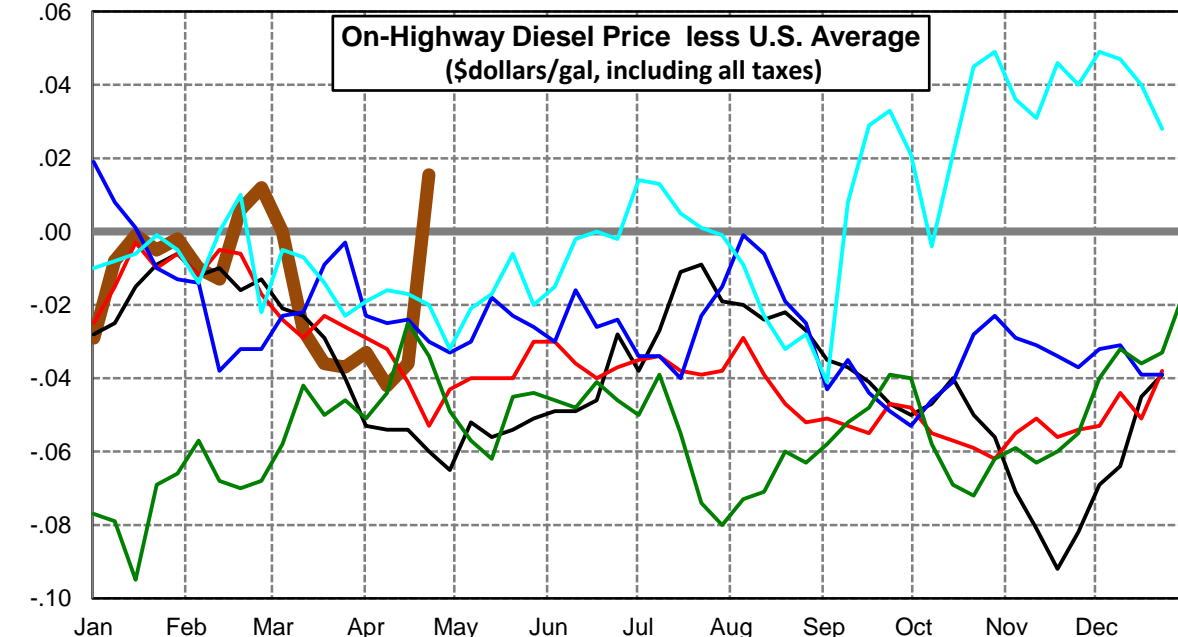
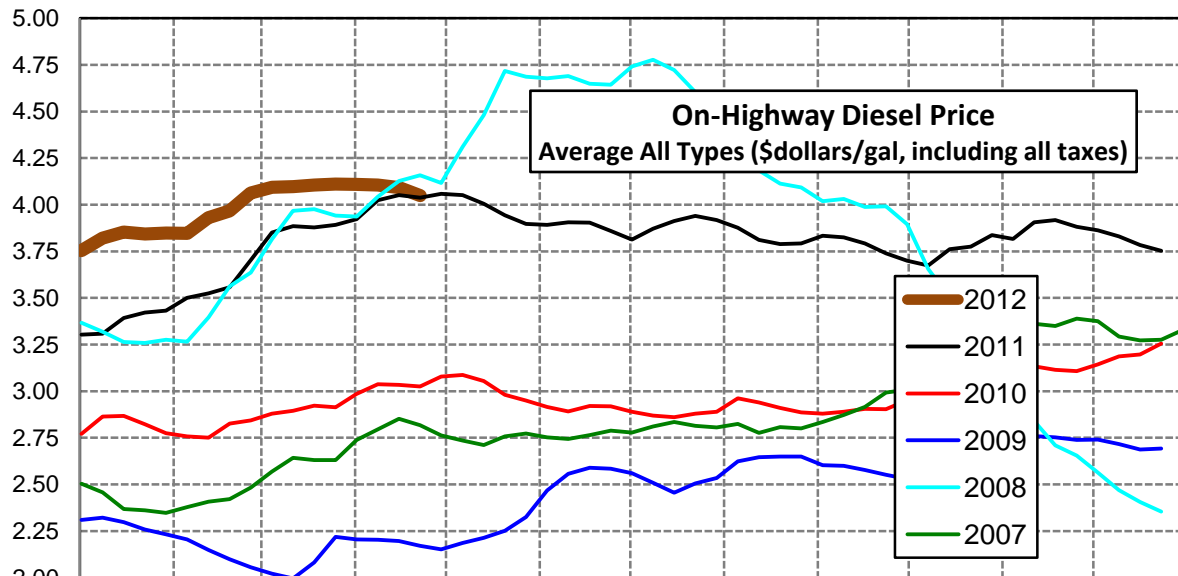
East Coast Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	02Apr12	09Apr12	16Apr12	23Apr12	
East Coast	\$4.190	\$4.190	\$4.181	\$4.095	-\$0.086
1/ Source: U.S. Energy Information Administration					
2/ Source: Fundamental Petroleum Trends Reports					



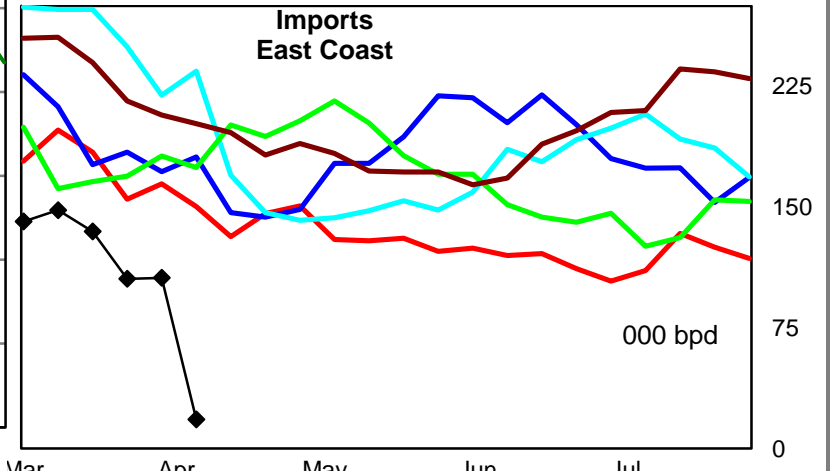
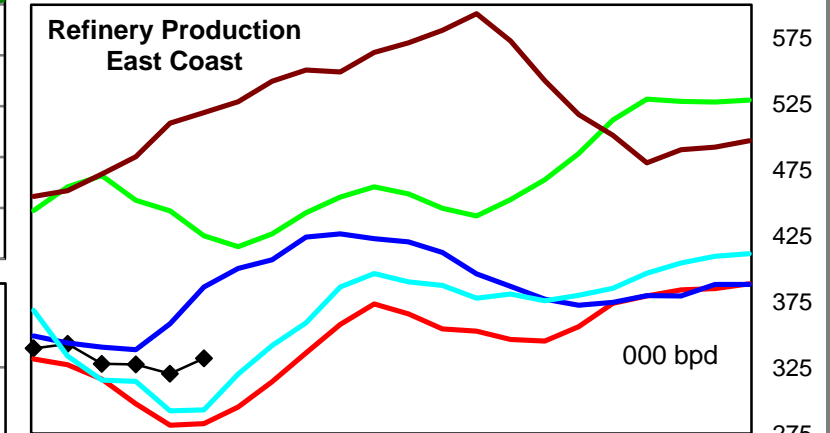
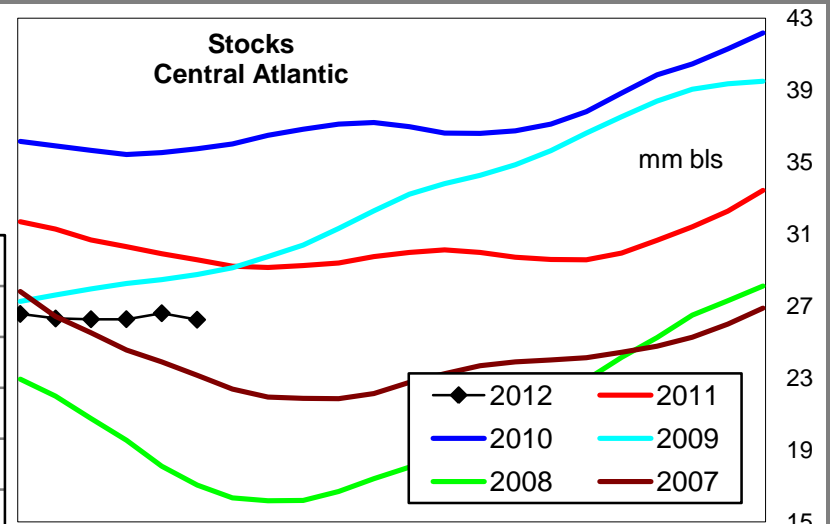
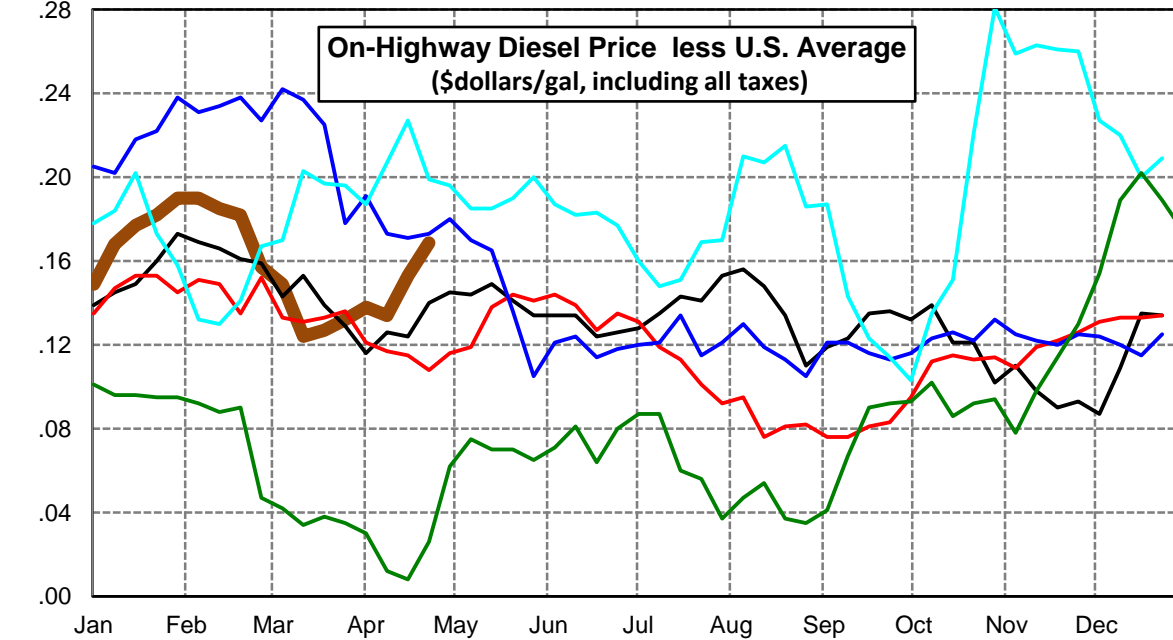
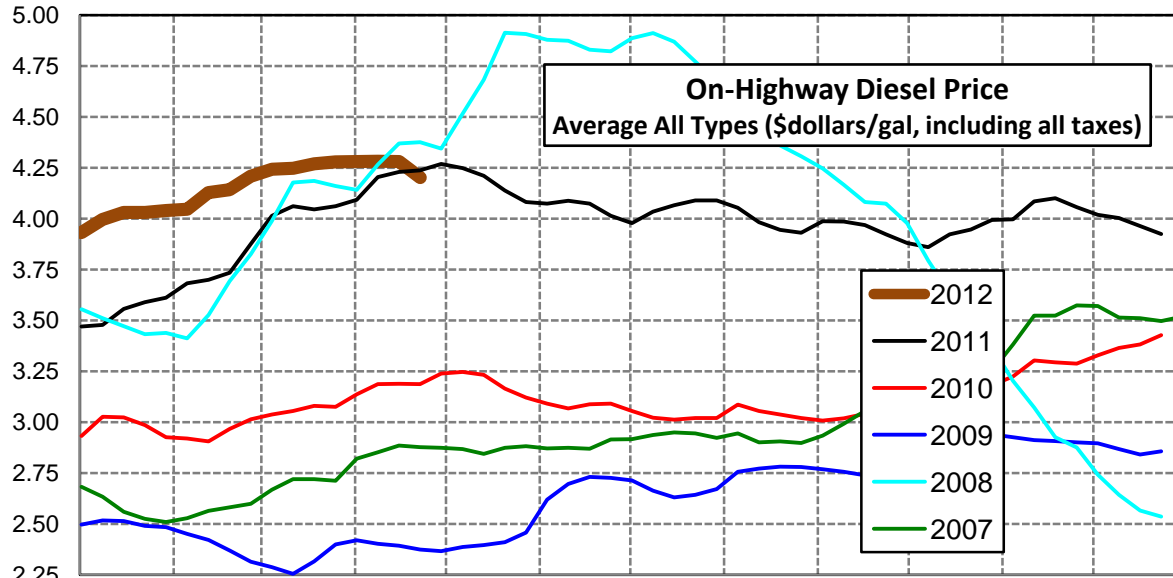
Lower Atlantic Region Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	02Apr12	09Apr12	16Apr12	23Apr12	
Lower Atlantic	\$4.109	\$4.106	\$4.091	\$4.048	-\$0.043
1/ Source: U.S. Energy Information Administration					
2/ Source: Fundamental Petroleum Trends Reports					



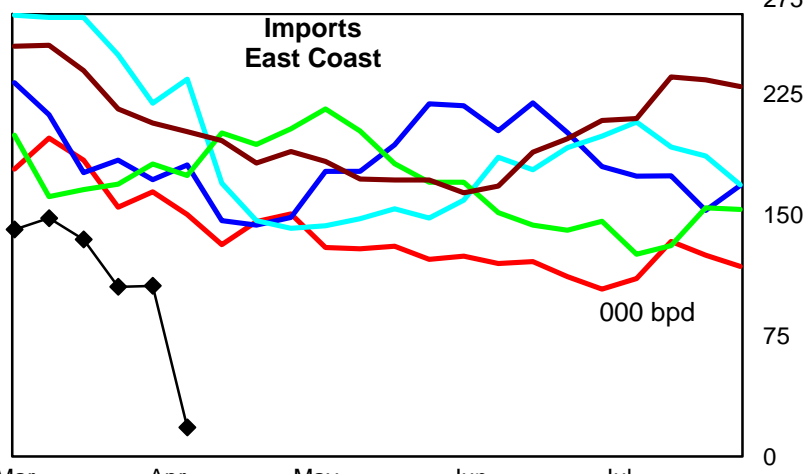
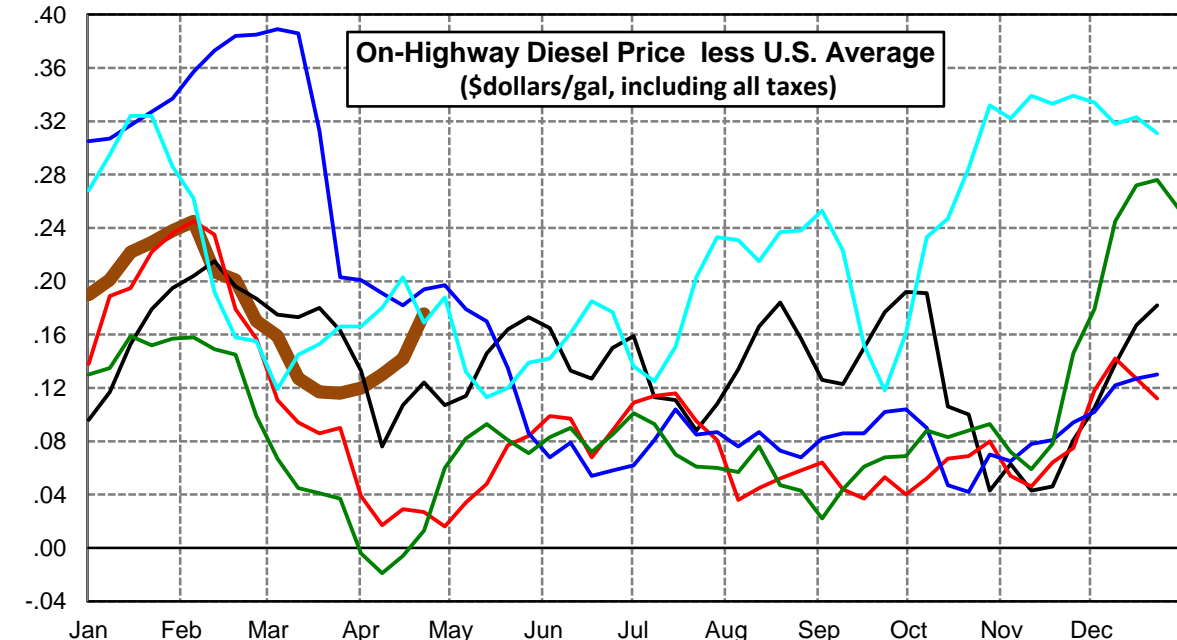
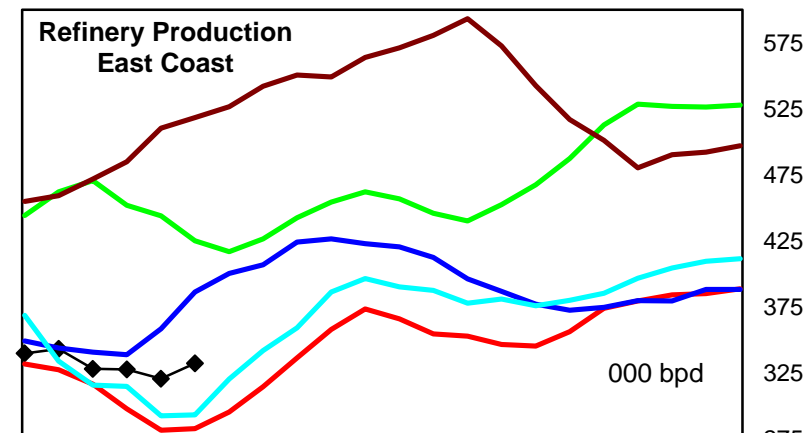
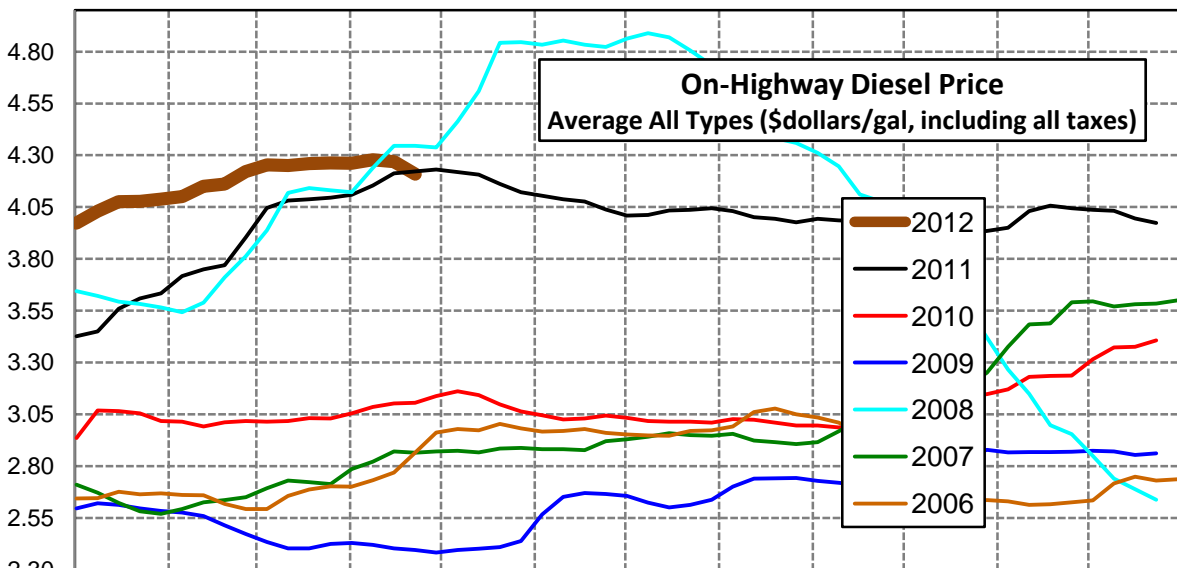
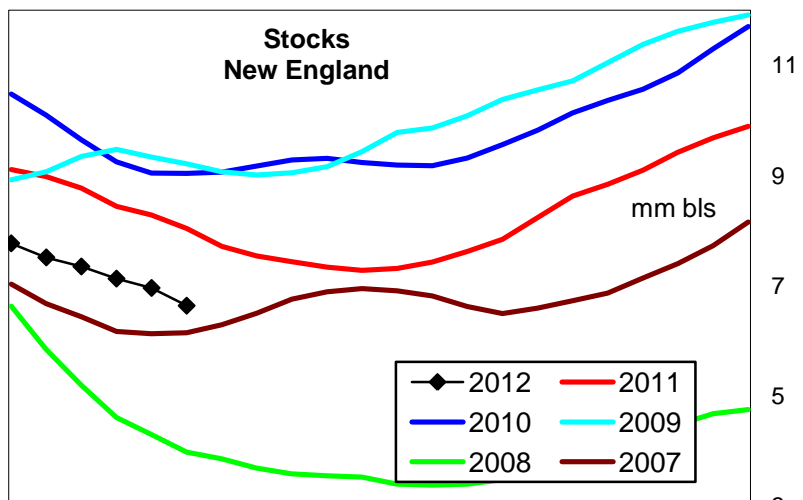
Central Atlantic Region Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	02Apr12	09Apr12	16Apr12	23Apr12	
Central Atlantic	\$4.280	\$4.282	\$4.280	\$4.202	-\$0.078
1/ Source: U.S. Energy Information Administration					
2/ Source: Fundamental Petroleum Trends Reports					



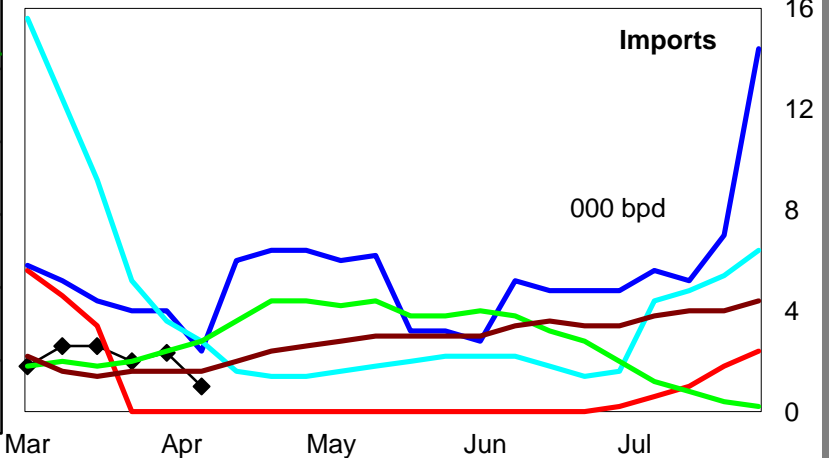
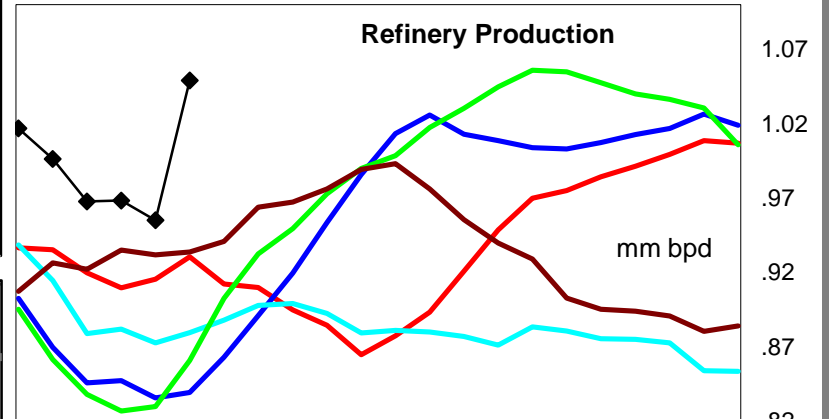
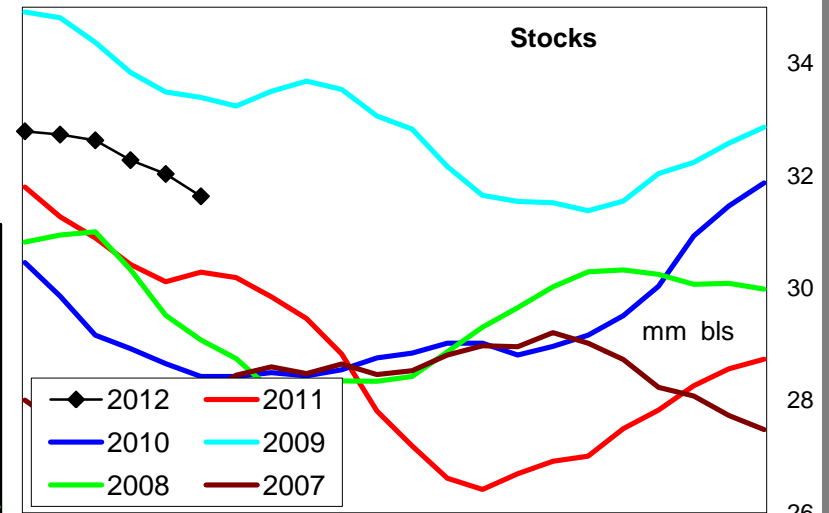
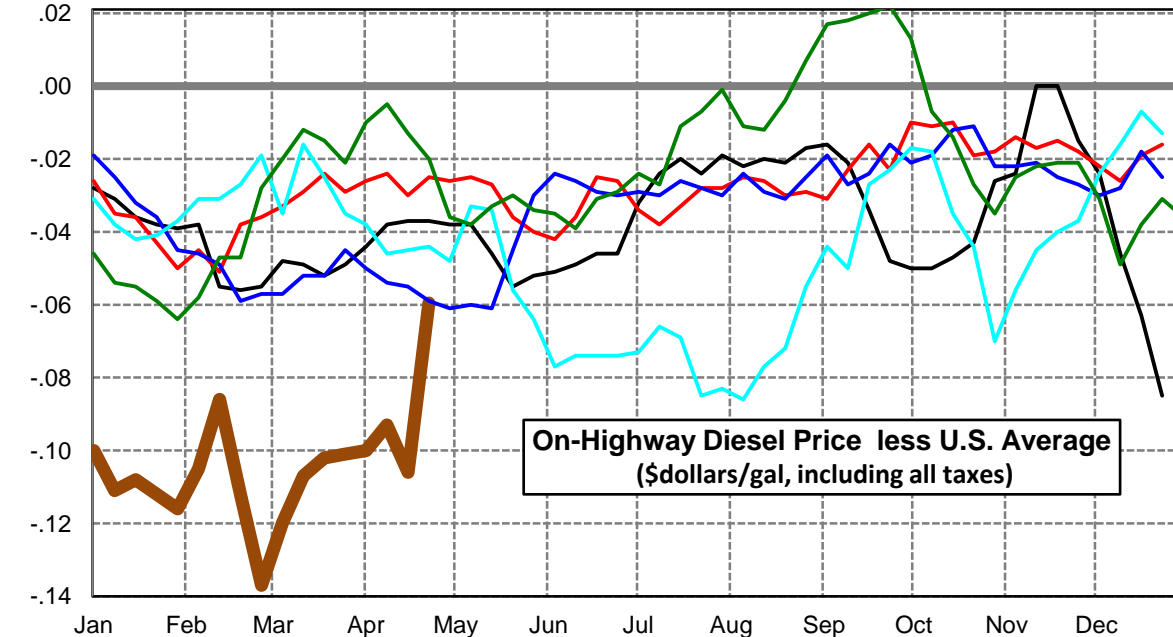
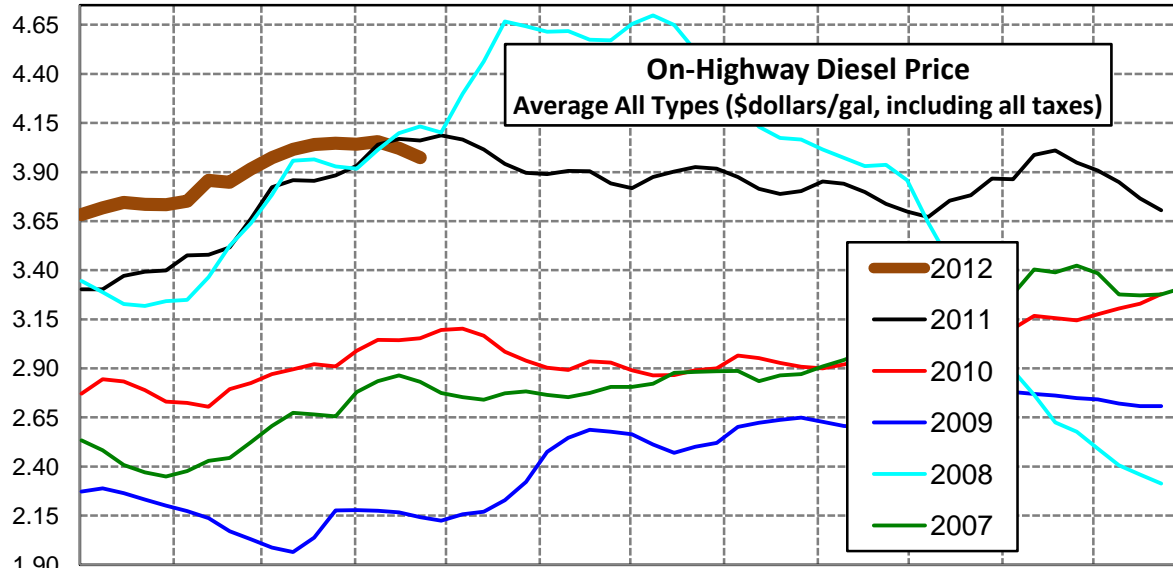
New England Region Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	02Apr12	09Apr12	16Apr12	23Apr12	
New England	\$4.262	\$4.278	\$4.269	\$4.209	-\$0.060
1/ Source: U.S. Energy Information Administration					
2/ Source: Fundamental Petroleum Trends Reports					



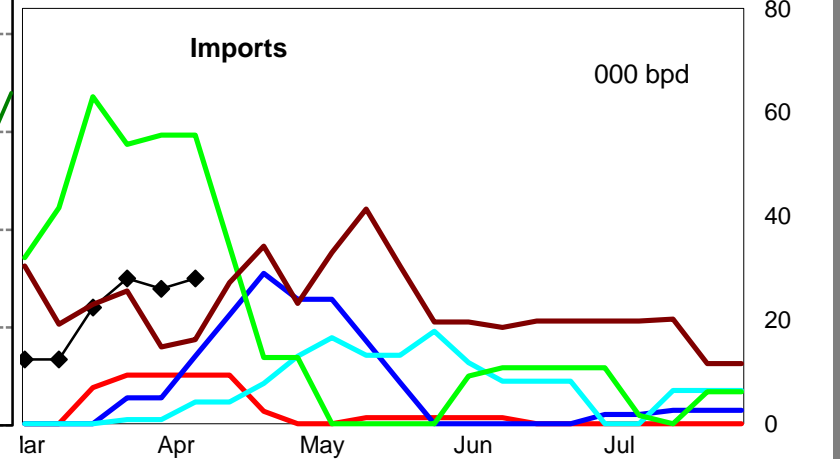
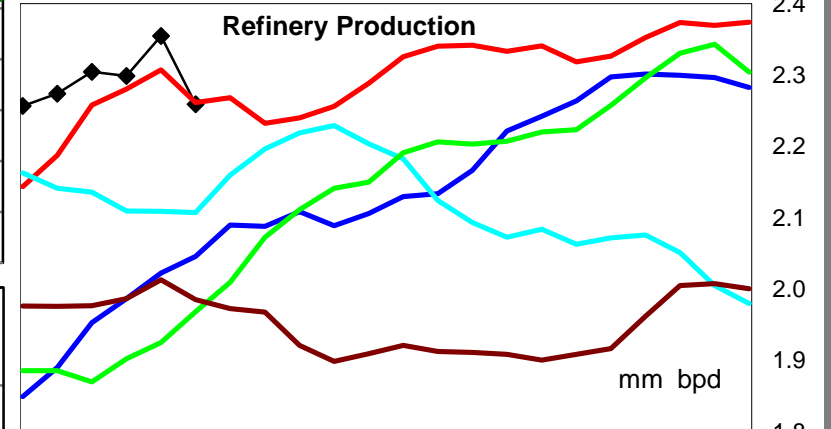
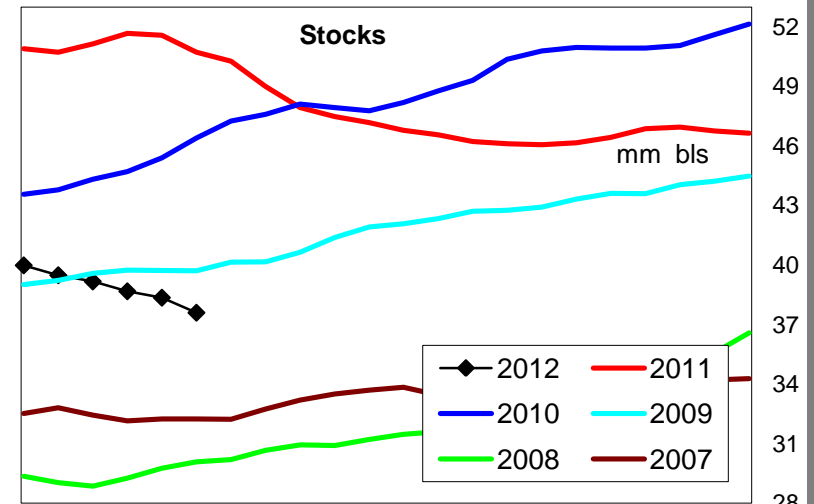
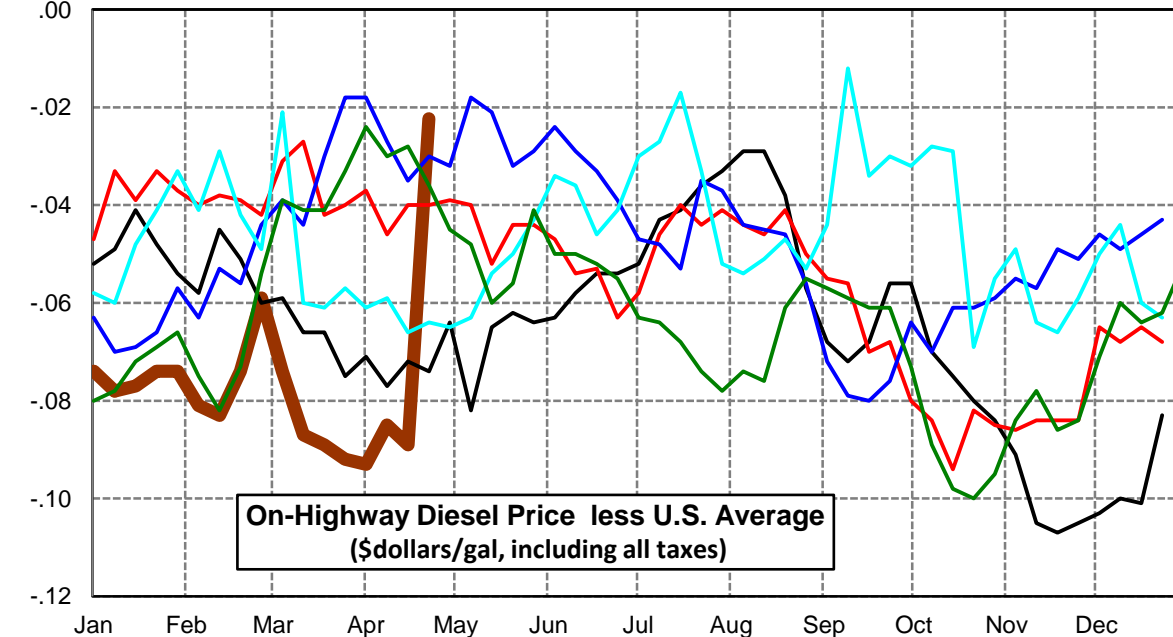
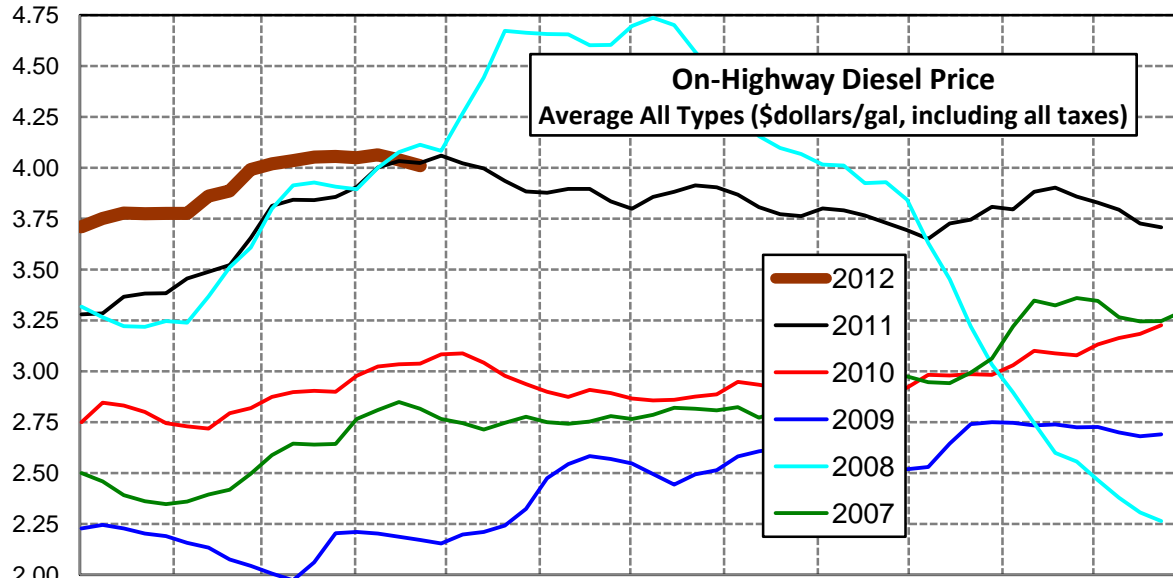
Midwest Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	02Apr12	09Apr12	16Apr12	23Apr12	
Midwest	\$4.042	\$4.055	\$4.021	\$3.973	-\$0.048
1/ Source: U.S. Energy Information Administration					
2/ Source: Fundamental Petroleum Trends Reports					



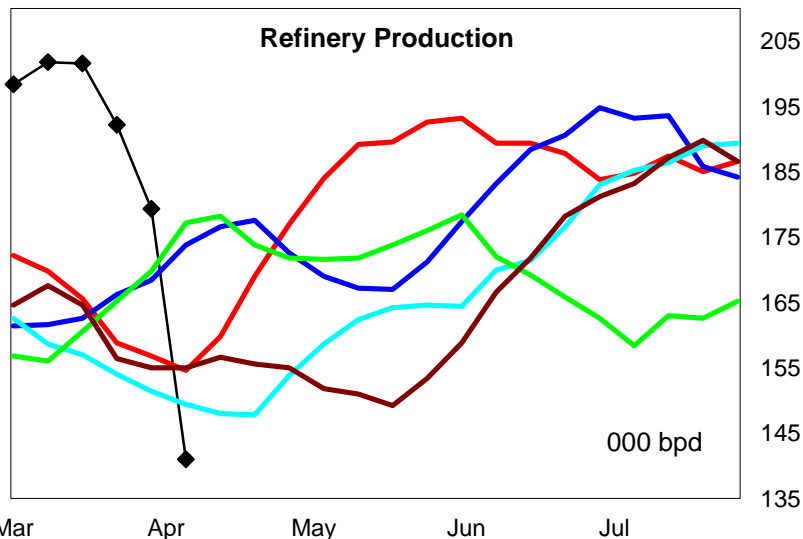
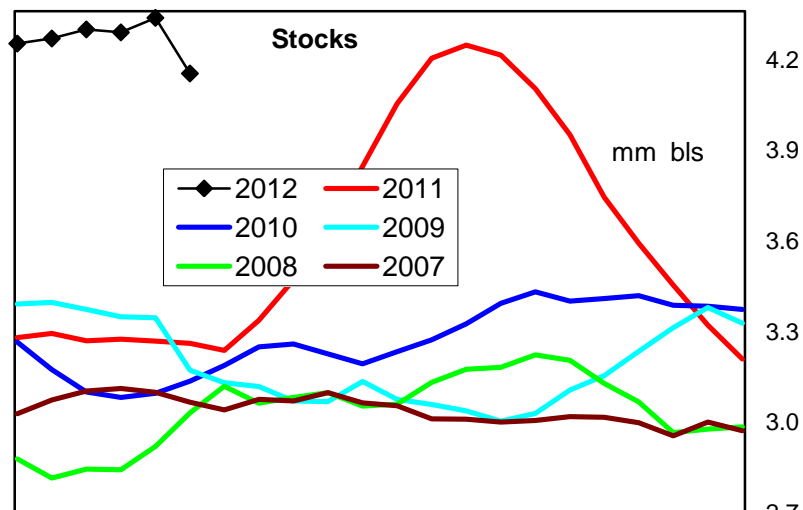
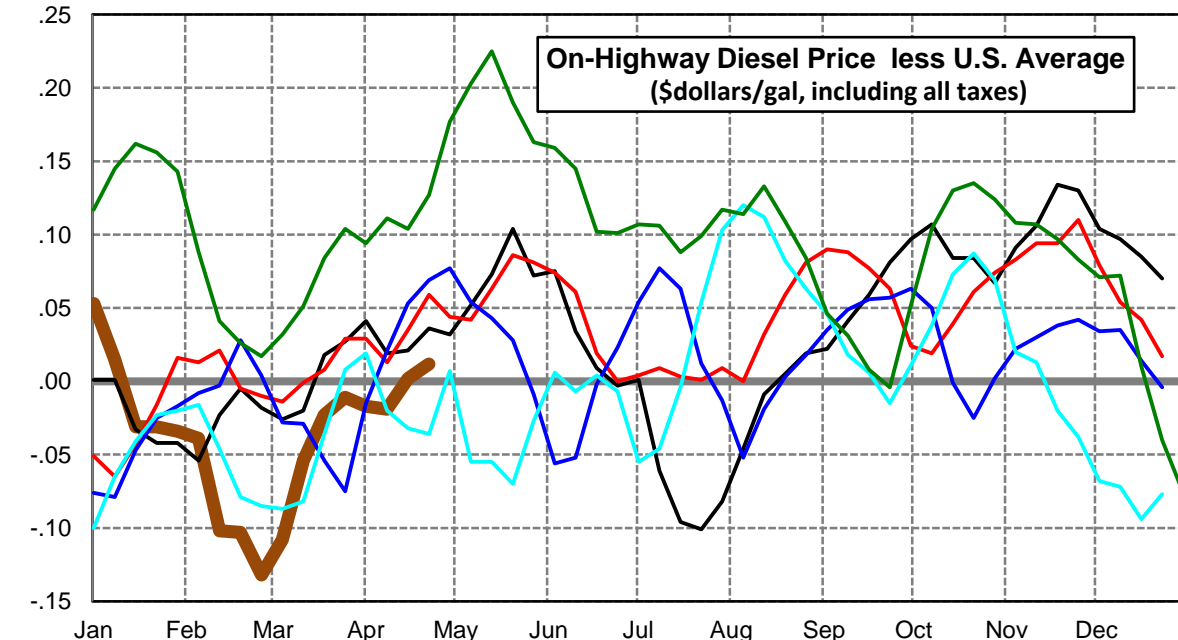
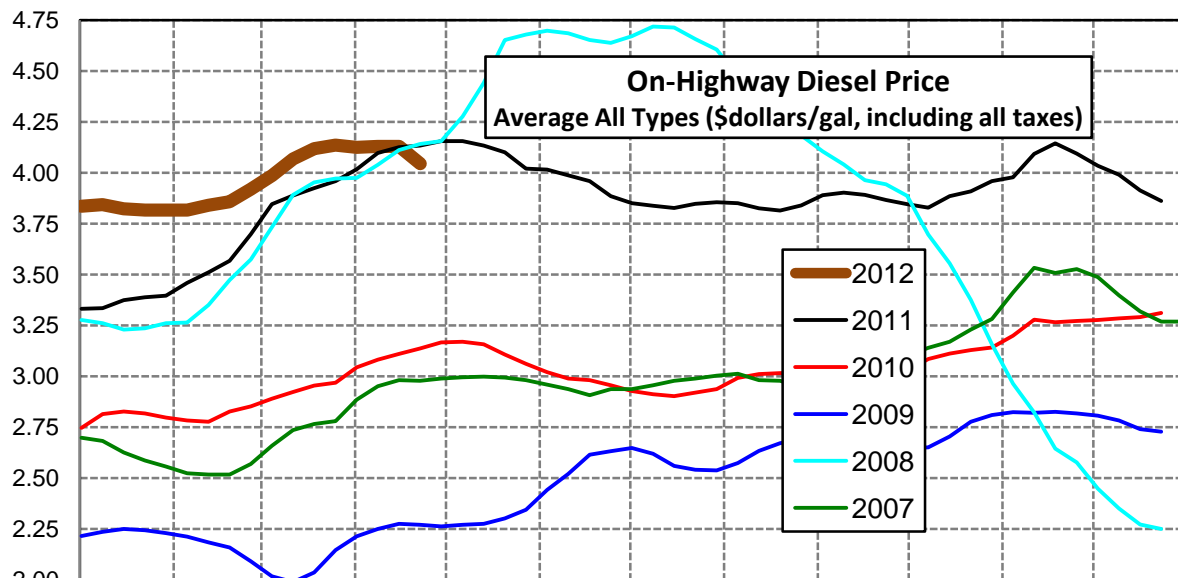
Gulf Coast Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	02Apr12	09Apr12	16Apr12	23Apr12	
Gulf Coast	\$4.049	\$4.063	\$4.038	\$4.011	-\$0.027
1/ Source: U.S. Energy Information Administration					
2/ Source: Fundamental Petroleum Trends Reports					



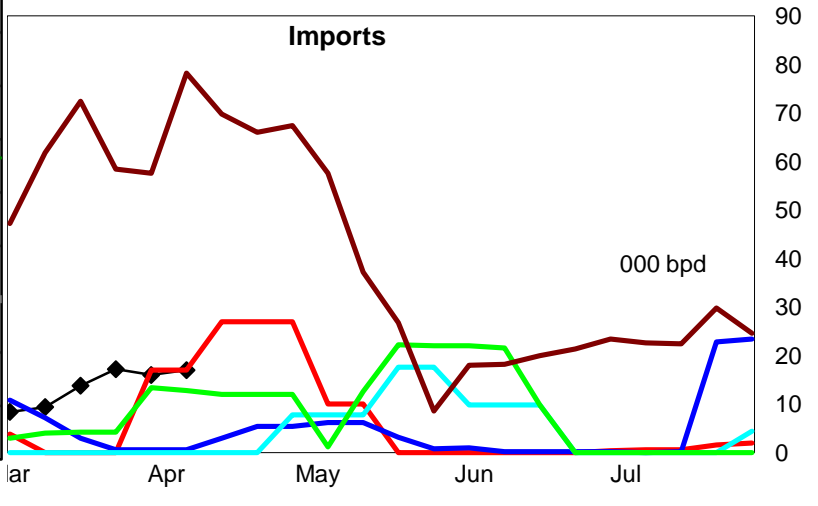
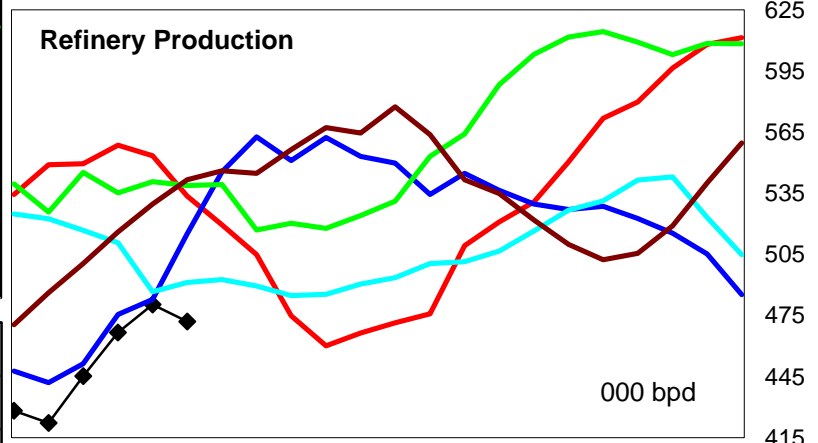
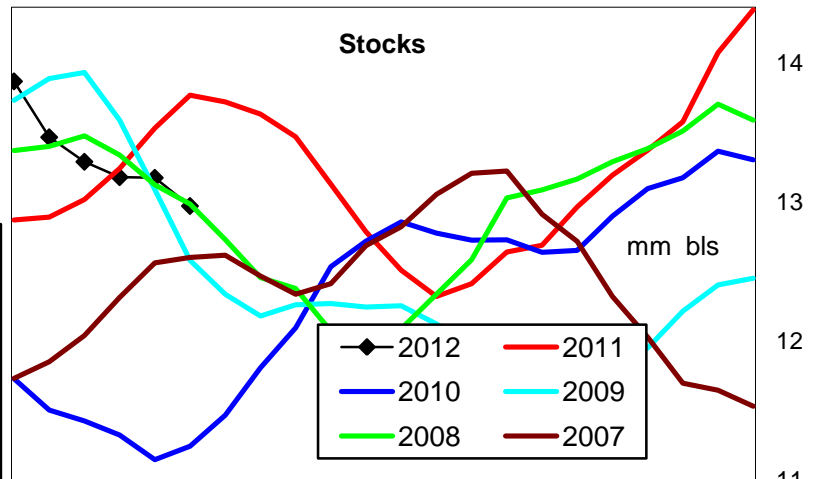
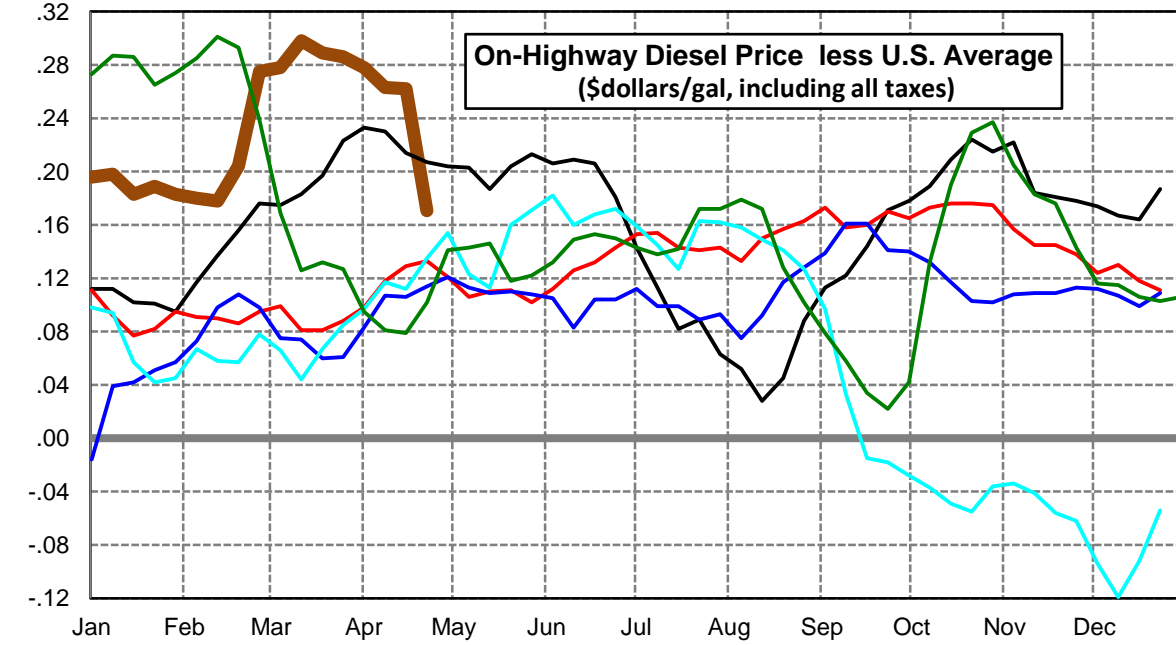
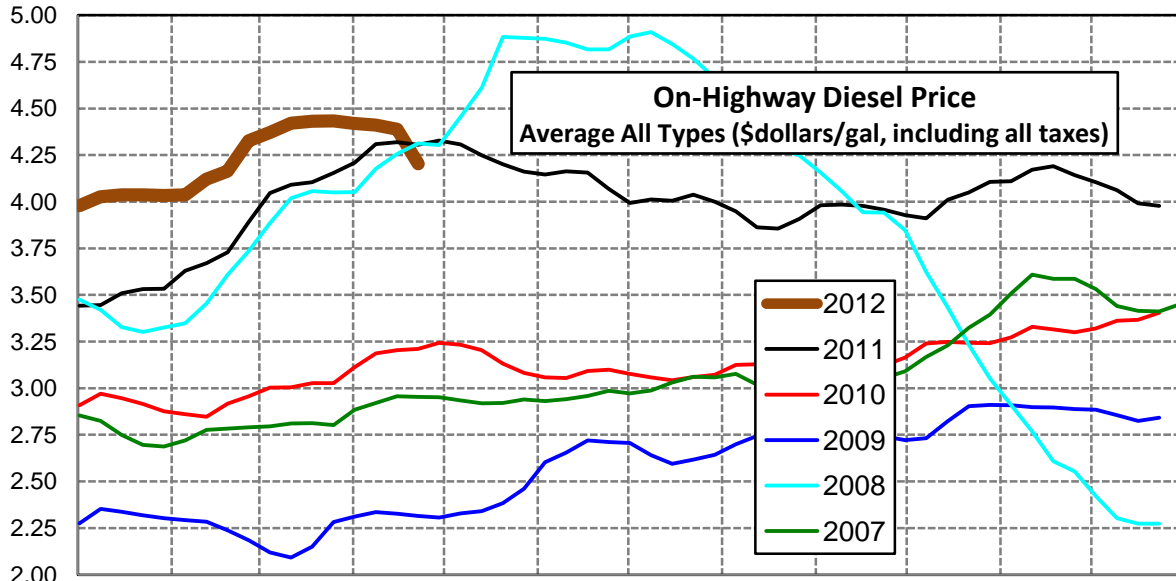
Rocky Mountain Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	02Apr12	09Apr12	16Apr12	23Apr12	
Rocky Mountain	\$4.125	\$4.129	\$4.129	\$4.045	-\$0.084
1/ Source: U.S. Energy Information Administration					
2/ Source: Fundamental Petroleum Trends Reports					



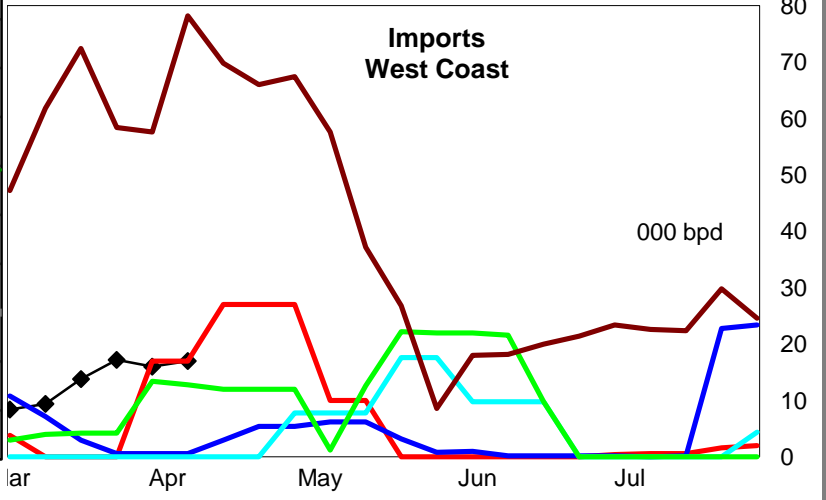
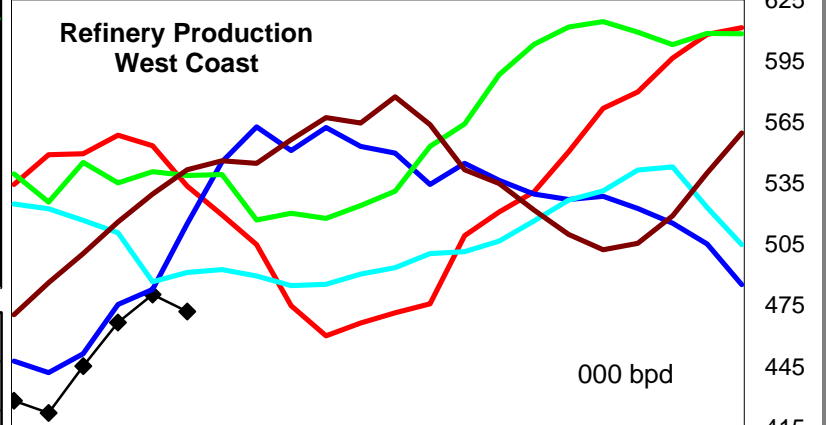
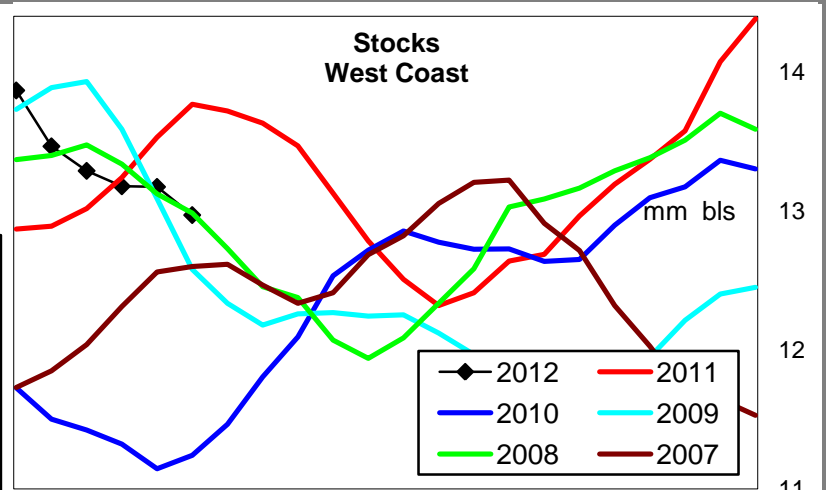
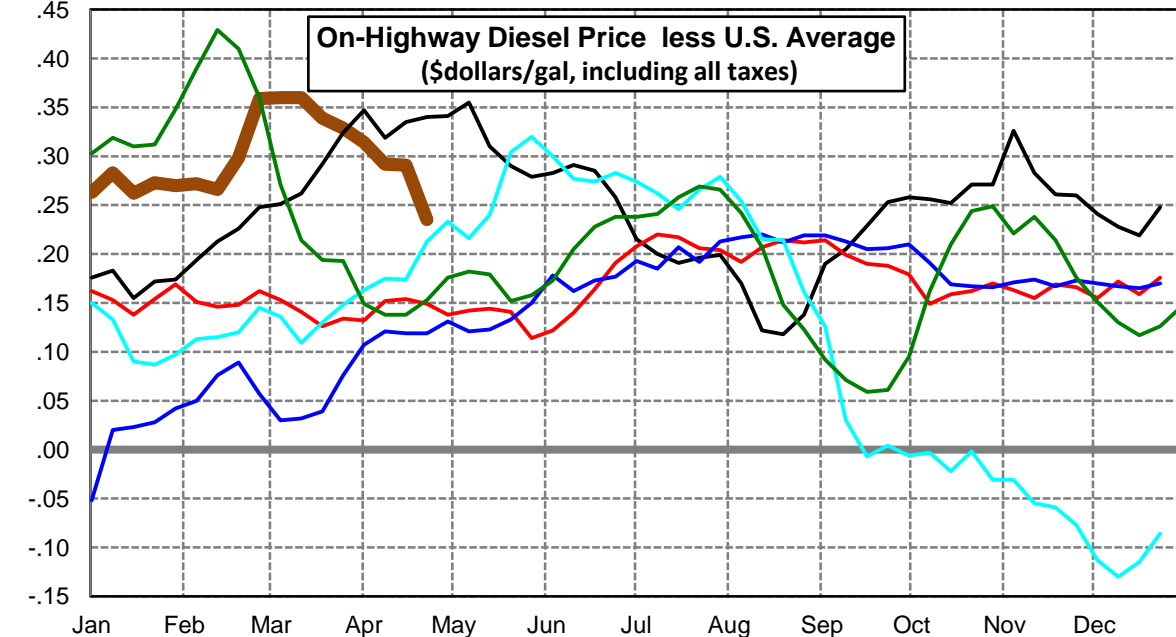
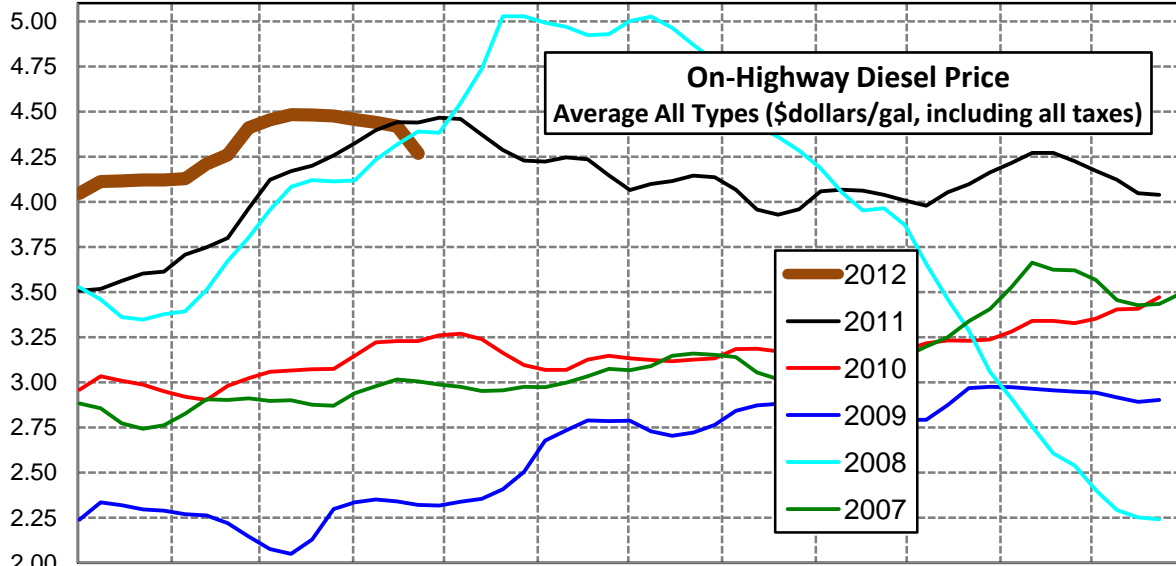
West Coast Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	02Apr12	09Apr12	16Apr12	23Apr12	
West Coast	\$4.420	\$4.411	\$4.389	\$4.204	-\$0.185
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
	02Apr12	09Apr12	16Apr12	23Apr12	
California	\$4.456	\$4.440	\$4.418	\$4.268	-\$0.150
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)									
	United States	East Coast	New England	Central Atlantic	Lower Atlantic	Mid West	Gulf Coast	Rocky Mtn	West Coast	California
Mon-02-May-11	4.124	4.128	4.231	4.269	4.059	4.086	4.060	4.156	4.328	4.465
Mon-09-May-11	4.104	4.117	4.218	4.248	4.052	4.066	4.022	4.156	4.307	4.459
Mon-16-May-11	4.061	4.075	4.207	4.210	4.005	4.015	3.996	4.134	4.248	4.371
Mon-23-May-11	3.997	4.011	4.161	4.138	3.943	3.942	3.935	4.101	4.201	4.287
Mon-30-May-11	3.948	3.962	4.121	4.082	3.897	3.896	3.884	4.020	4.161	4.227
Mon-06-Jun-11	3.940	3.955	4.105	4.074	3.891	3.889	3.877	4.015	4.146	4.223
Mon-13-Jun-11	3.954	3.968	4.087	4.088	3.905	3.905	3.896	3.988	4.163	4.245
Mon-20-Jun-11	3.950	3.962	4.077	4.074	3.904	3.904	3.896	3.959	4.156	4.235
Mon-27-Jun-11	3.888	3.914	4.038	4.014	3.860	3.842	3.834	3.885	4.069	4.146
Mon-04-Jul-11	3.850	3.870	4.009	3.978	3.812	3.818	3.798	3.851	3.993	4.065
Mon-11-Jul-11	3.899	3.926	4.012	4.034	3.872	3.875	3.856	3.838	4.012	4.099
Mon-18-Jul-11	3.923	3.963	4.034	4.066	3.912	3.903	3.882	3.827	4.005	4.114
Mon-25-Jul-11	3.949	3.988	4.037	4.090	3.940	3.925	3.913	3.848	4.038	4.145
Mon-01-Aug-11	3.937	3.974	4.045	4.090	3.918	3.918	3.904	3.855	4.000	4.136
Mon-08-Aug-11	3.897	3.936	4.031	4.053	3.877	3.875	3.868	3.851	3.949	4.067
Mon-15-Aug-11	3.835	3.871	4.001	3.983	3.811	3.815	3.806	3.826	3.863	3.957
Mon-22-Aug-11	3.810	3.844	3.994	3.944	3.788	3.789	3.772	3.815	3.855	3.928
Mon-29-Aug-11	3.820	3.843	3.977	3.930	3.793	3.803	3.763	3.839	3.908	3.958
Mon-05-Sep-11	3.868	3.886	3.994	3.987	3.833	3.852	3.800	3.890	3.981	4.058
Mon-12-Sep-11	3.862	3.879	3.985	3.985	3.825	3.841	3.790	3.903	3.984	4.067
Mon-19-Sep-11	3.833	3.853	3.983	3.968	3.792	3.799	3.765	3.892	3.977	4.062
Mon-26-Sep-11	3.786	3.804	3.963	3.922	3.739	3.738	3.730	3.867	3.957	4.039
Mon-03-Oct-11	3.749	3.765	3.941	3.881	3.699	3.699	3.693	3.846	3.927	4.007
Mon-10-Oct-11	3.721	3.741	3.912	3.860	3.674	3.671	3.651	3.828	3.910	3.977
Mon-17-Oct-11	3.801	3.815	3.907	3.922	3.761	3.754	3.726	3.885	4.01	4.053
Mon-24-Oct-11	3.825	3.832	3.925	3.946	3.775	3.782	3.745	3.909	4.049	4.096
Mon-31-Oct-11	3.892	3.886	3.935	3.994	3.836	3.866	3.808	3.959	4.107	4.163
Mon-07-Nov-11	3.887	3.875	3.950	3.997	3.816	3.863	3.796	3.978	4.109	4.213
Mon-14-Nov-11	3.987	3.964	4.030	4.085	3.906	3.987	3.882	4.093	4.171	4.270
Mon-21-Nov-11	4.010	3.984	4.056	4.100	3.918	4.010	3.903	4.144	4.191	4.271
Mon-28-Nov-11	3.964	3.953	4.045	4.057	3.882	3.949	3.859	4.094	4.142	4.224
Mon-05-Dec-11	3.931	3.934	4.036	4.018	3.862	3.907	3.828	4.035	4.105	4.172
Mon-12-Dec-11	3.894	3.917	4.032	4.003	3.830	3.848	3.794	3.991	4.061	4.122
Mon-19-Dec-11	3.828	3.873	3.995	3.963	3.783	3.765	3.727	3.913	3.992	4.047
Mon-26-Dec-11	3.791	3.840	3.973	3.925	3.752	3.706	3.708	3.861	3.978	4.039
Mon-02-Jan-12	3.783	3.844	3.973	3.932	3.754	3.683	3.709	3.836	3.979	4.046
Mon-09-Jan-12	3.828	3.908	4.029	3.996	3.820	3.717	3.750	3.843	4.026	4.111
Mon-16-Jan-12	3.854	3.943	4.076	4.031	3.853	3.746	3.777	3.823	4.037	4.116
Mon-23-Jan-12	3.848	3.938	4.077	4.030	3.843	3.736	3.774	3.817	4.037	4.121
Mon-30-Jan-12	3.850	3.945	4.088	4.040	3.848	3.734	3.776	3.816	4.033	4.120
Mon-06-Feb-12	3.856	3.948	4.101	4.046	3.846	3.751	3.775	3.817	4.036	4.128
Mon-13-Feb-12	3.943	4.028	4.150	4.128	3.930	3.857	3.860	3.841	4.121	4.209
Mon-20-Feb-12	3.960	4.053	4.161	4.142	3.966	3.848	3.886	3.857	4.164	4.258
Mon-27-Feb-12	4.051	4.134	4.221	4.208	4.063	3.914	3.992	3.919	4.326	4.410
Mon-05-Mar-12	4.094	4.167	4.253	4.243	4.094	3.974	4.020	3.986	4.372	4.454
Mon-12-Mar-12	4.123	4.169	4.250	4.247	4.096	4.016	4.036	4.069	4.421	4.483
Mon-19-Mar-12	4.142	4.184	4.259	4.269	4.106	4.040	4.053	4.119	4.431	4.481
Mon-26-Mar-12	4.147	4.190	4.263	4.279	4.110	4.046	4.055	4.136	4.433	4.476
Mon-02-Apr-12	4.142	4.190	4.262	4.280	4.109	4.042	4.049	4.125	4.420	4.456
Mon-09-Apr-12	4.148	4.190	4.278	4.282	4.106	4.055	4.063	4.129	4.411	4.440
Mon-16-Apr-12	4.127	4.181	4.269	4.280	4.091	4.021	4.038	4.129	4.389	4.418
Mon-23-Apr-12	4.033	4.095	4.209	4.202	4.048	3.973	4.011	4.045	4.204	4.268
Mon-30-Apr-12										

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.