



RETAIL DIESEL FUEL OUTLOOK

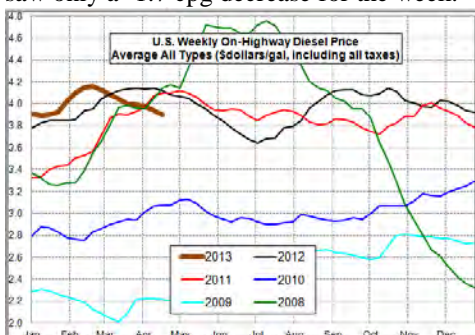
A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Monday, April 15, 2013

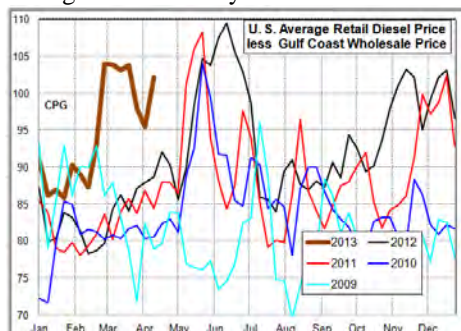
Region	Actual Price 1/			Forecast 2/	Change from week ago
	01Apr13	08Apr13	15Apr13	22Apr13	
U.S.	3.993	3.977	3.942	3.906	-0.036
East Coast	4.025	4.009	3.977	3.939	-0.038
New England	4.148	4.134	4.105	4.065	-0.040
Central Atlantic	4.083	4.062	4.032	3.994	-0.038
Lower Atlantic	3.958	3.946	3.911	3.875	-0.036
Midwest	3.970	3.956	3.923	3.915	-0.008
Gulf Coast	3.915	3.888	3.852	3.826	-0.026
Rocky Mountain	3.922	3.899	3.882	3.825	-0.057
West Coast	4.116	4.117	4.066	4.036	-0.030
California	4.200	4.196	4.147	4.098	-0.049

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

Diesel Fuel Price Trends U. S. retail diesel prices decreased -3.5 cpg for the week, ending 15Apr13. Prices on the West Coast fell over -5 cpg while the Rockies saw only a -1.7 cpg decrease for the week.



The U.S. average retail diesel price compared Gulf Coast wholesale market climbed +7 cpg week-on-week. The spread ended the week +14 cpg above the average of the last 2-years.



The national average on-highway price ended the week -19 cpg below a year ago.

The highest retail prices were in California and New England at \$4.15/gal and \$4.11/gal, respectively. The lowest prices were in the Gulf at \$3.85/gal and the Rockies which ended the week at

\$4.88/gal. Prices in the Rockies remain near the lowest in the country on continued excess supplies. Look for increases in the Rockies, compared to other regional markets on above normal refinery turnarounds over the next 30-days.

The spread between the U.S. average price and prices in regional markets including the Central Atlantic, Gulf and Rocky Mountain regions remain below the 5-year range - pointing to very ample supplies in these areas.

Gulf Coast wholesale distillate prices fell -21 cpg last week, to the lowest level of the last 9-months.

U.S. average retail prices ended the week -19 cpg below a year ago for the period.



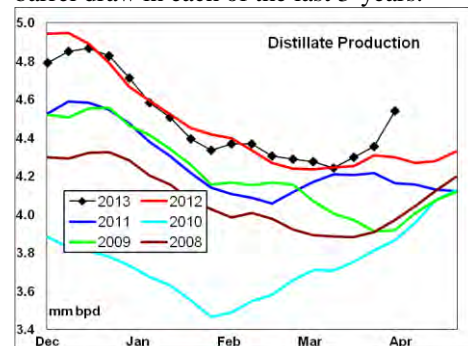
The spread between Gulf wholesale and U.S. average retail prices increased +7 cpg to +103 cpg last week. Look for the retail to wholesale price spread to decline over the next 30-days on improving wholesale supplies.

Supply - Demand Fundamental Trends

Distillate wholesale demand decreased -29,000 bpd last week, to a level near the average of the last 2-years. Demand for the six months prior to the winter heating season saw year-on-year declines that averaged -5%, driven by more efficient fleet, substitution of alternative fuels for fixed based fleets and flat transport miles traveled.

Supplies jumped +271,000 bpd on higher production and imports. Production for the latest 4-wk period was +54,000 bpd above last year, on record crude oil runs. Distillate output remains lower than expected given the record crude oil runs; due in part to record jet fuel production, made favorable on a lack of bio-diesel RINS credits needed to market jet fuel.

Stocks were nearly unchanged last week. The latest 4-wk stock change in markets East of the Rockies was -6.2 million barrels, compared to a -3 million barrel draw in each of the last 3-years.



Global Trends Driving Diesel Prices

Slower growth in China, a deep recession in Europe and risk of a recession in the U.S., combined with high global crude oil production has led to the recent price pull back.

U.S. distillate demand is likely to witness year-on-year declines in the 2nd quarter, similar to the -5% decreases reported during the last 6-months of 2013. Record high crude oil runs should lead to increased distillate production and stock building. Risk continues for further weakness in prices during the 2nd quarter.

Diesel Price Outlook Look for price strength, compared to the average U.S. price, in the Rockies as refinery maintenance leads to a tightening of supplies. Exports should provide support to the Gulf region, limited by very high production.

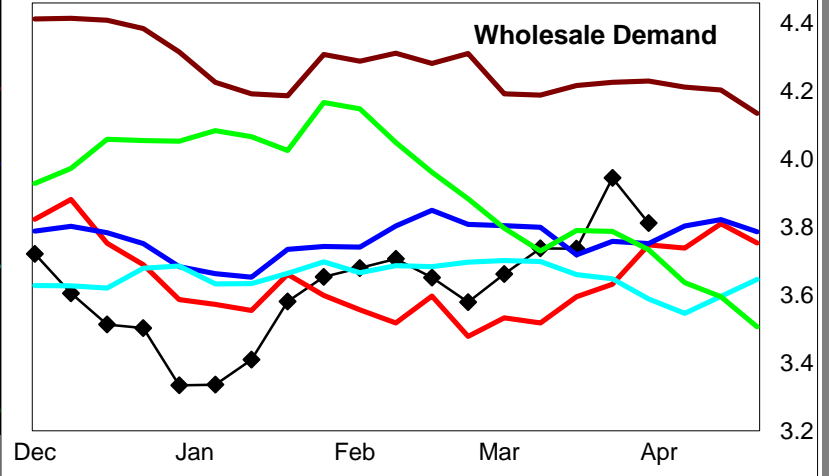
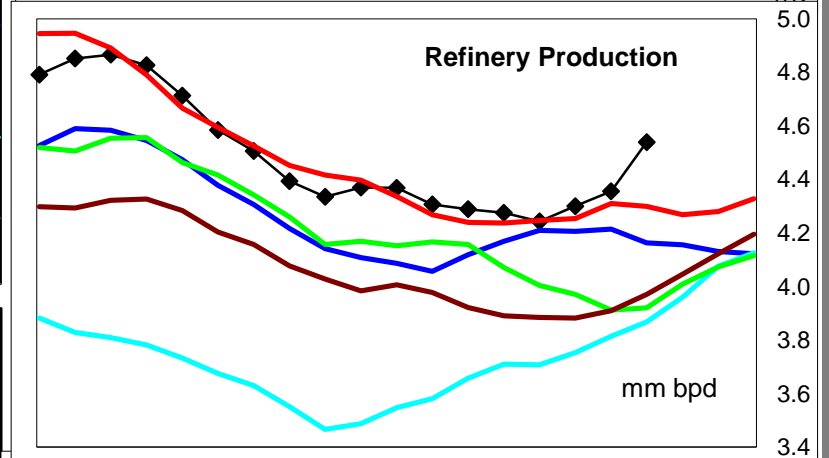
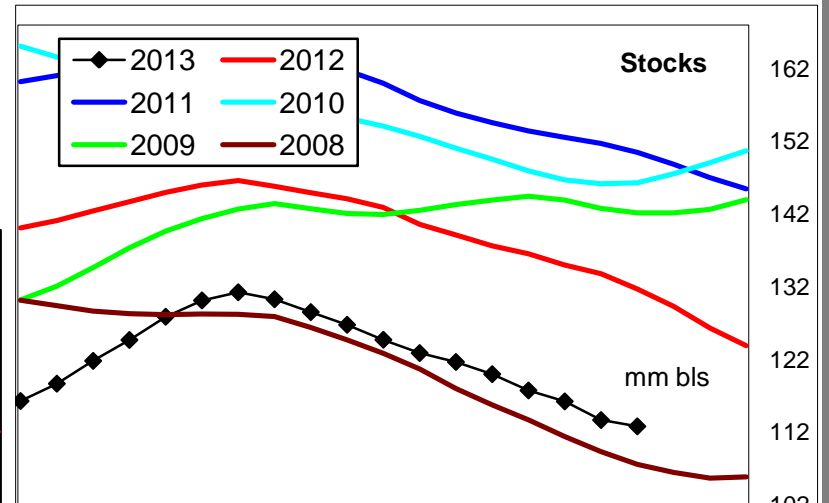
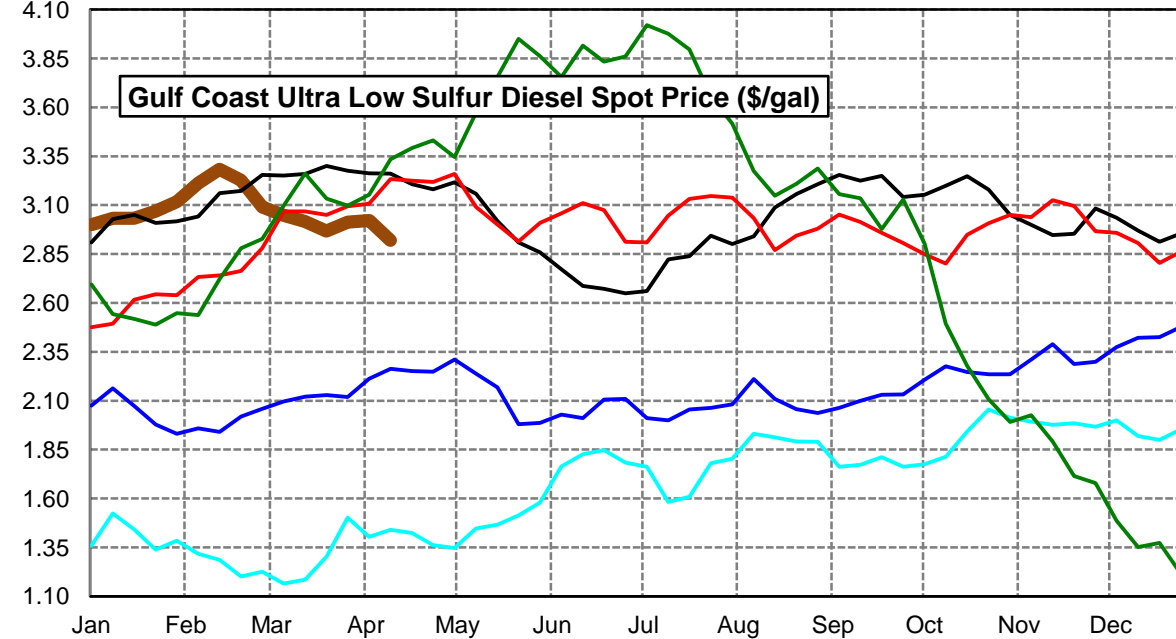
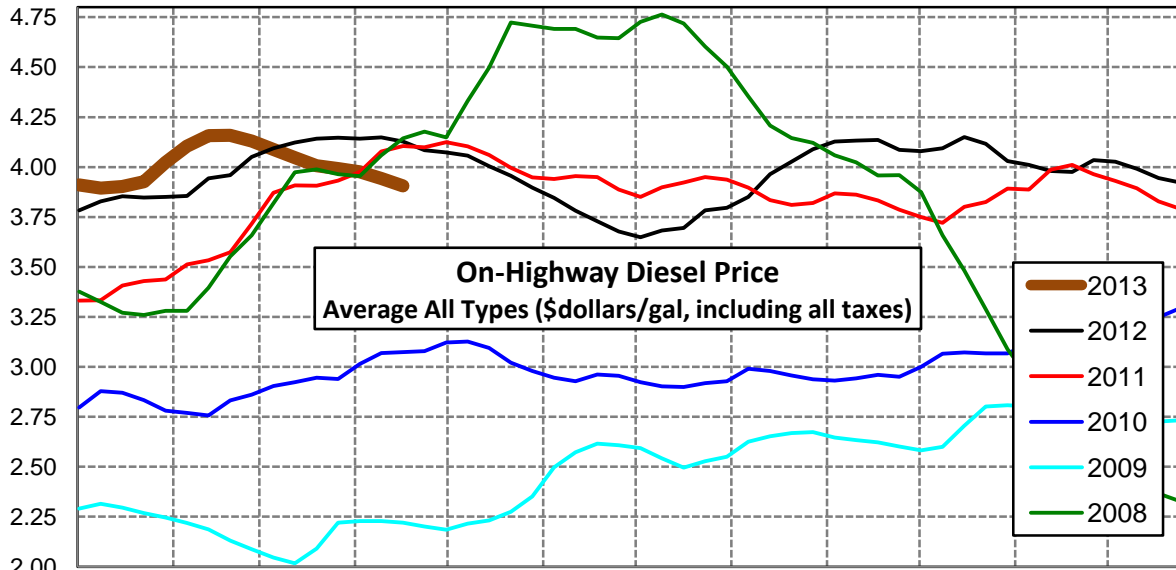
Retail on-highway diesel prices should fall sharply during the 2nd half of April on lower wholesale prices and a decrease in the spread between wholesale and retail prices.

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



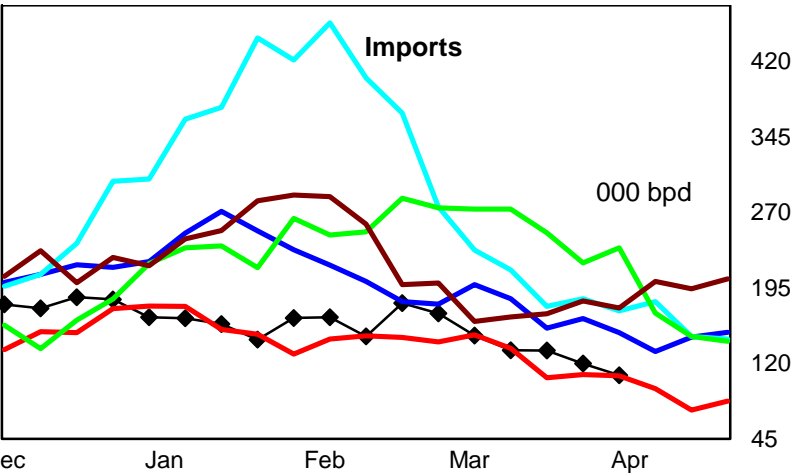
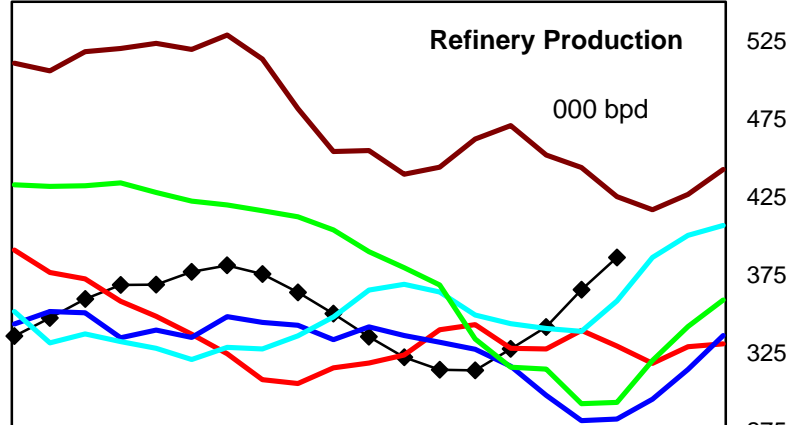
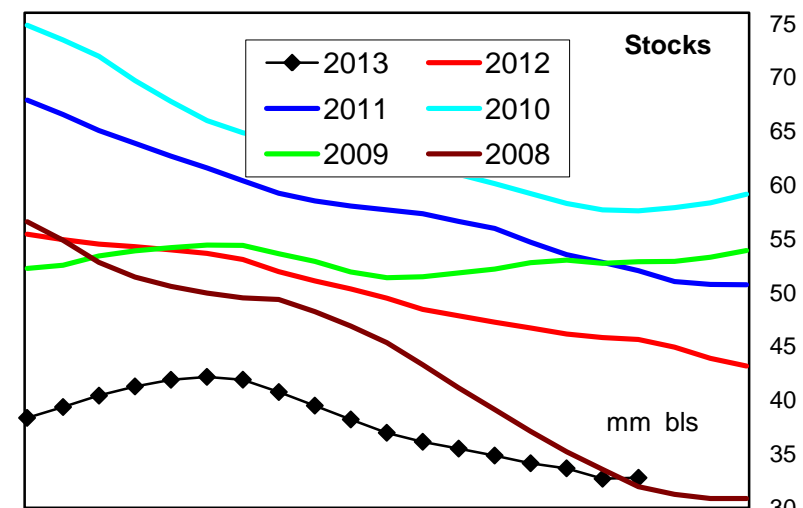
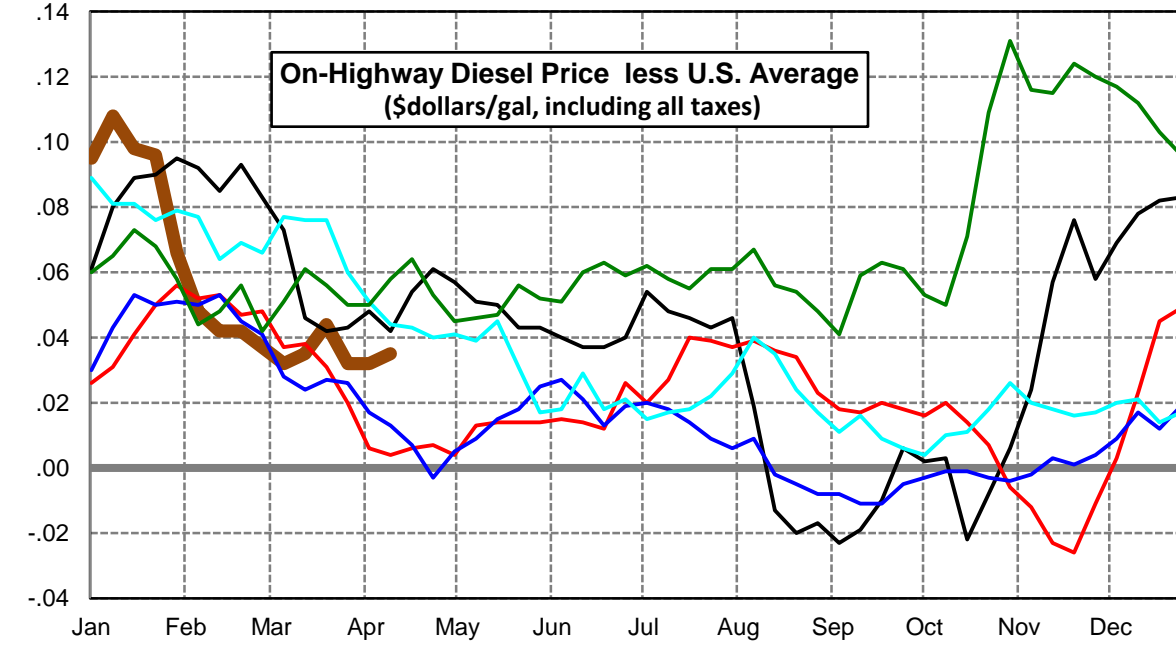
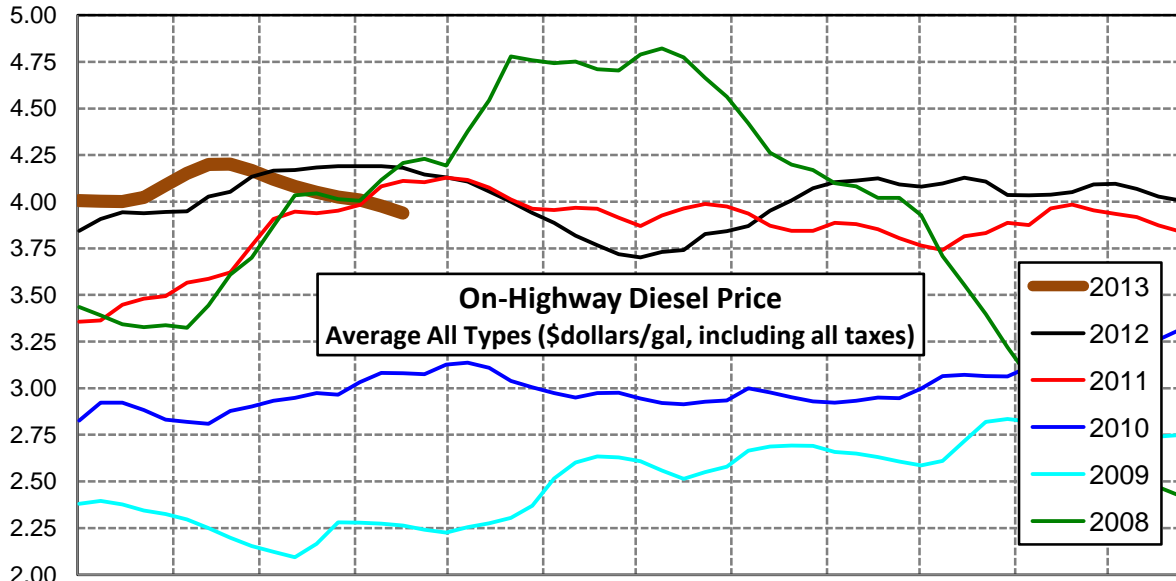
U. S. Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	01Apr13	08Apr13	15Apr13	22Apr13	
United States Avg	\$3.993	\$3.977	\$3.942	\$3.906	-\$0.036
1/ Source: U.S. Energy Information Administration					
2/ Source: Fundamental Petroleum Trends Reports					



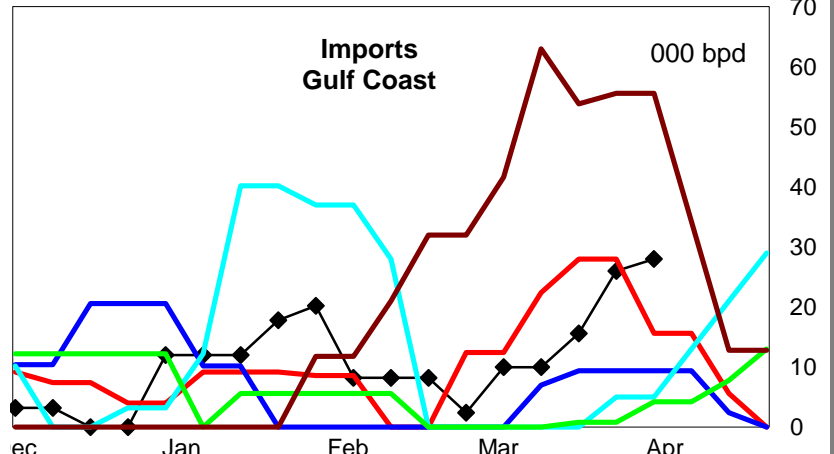
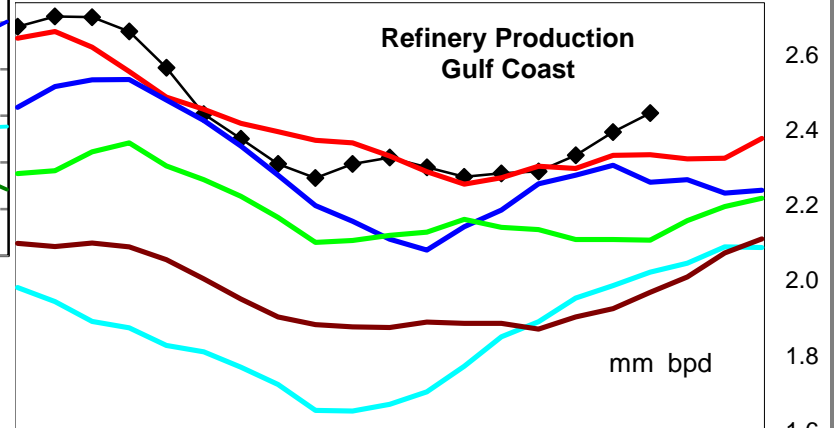
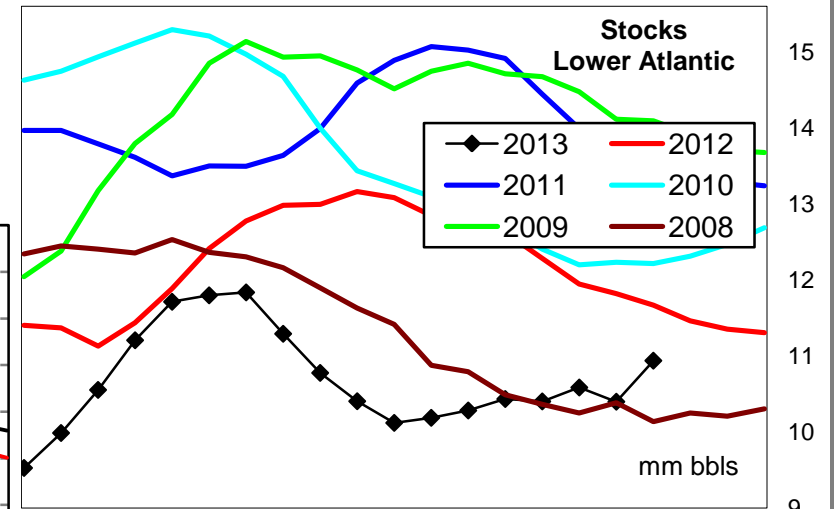
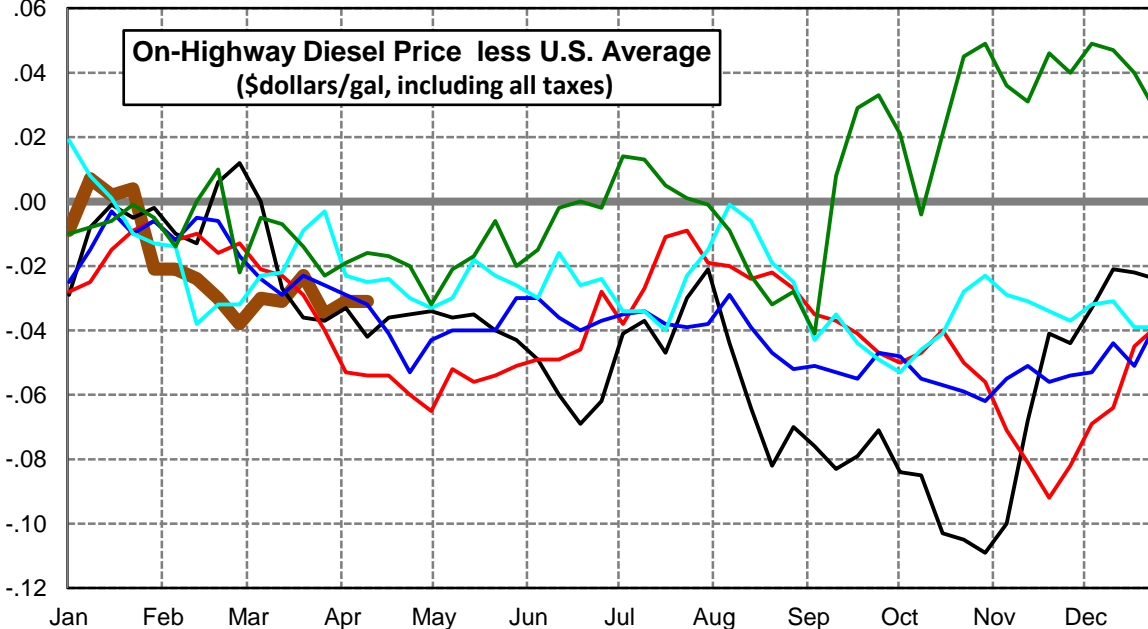
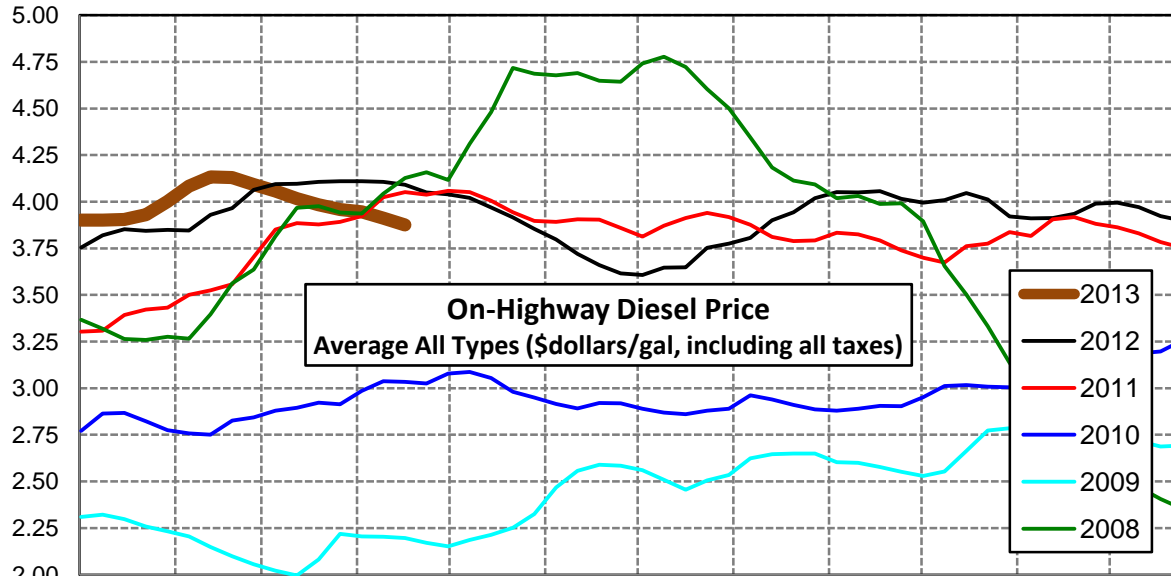
East Coast Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	01Apr13	08Apr13	15Apr13	22Apr13	
East Coast	\$4.025	\$4.009	\$3.977	\$3.939	-\$0.038
1/ Source: U.S. Energy Information Administration					
2/ Source: Fundamental Petroleum Trends Reports					



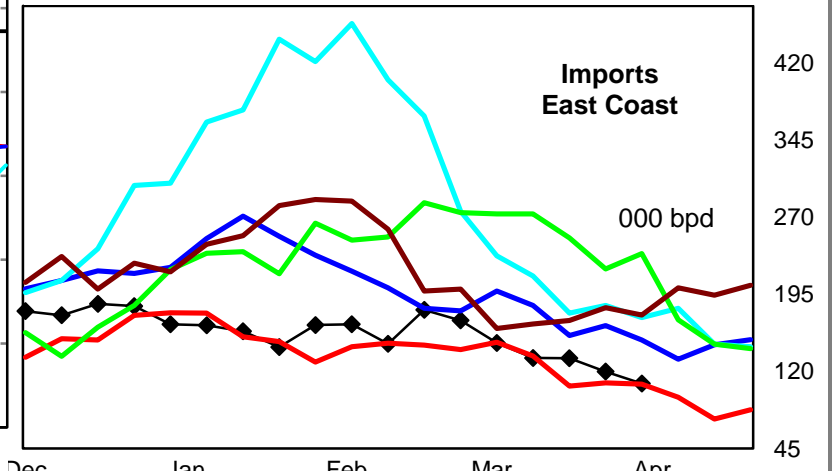
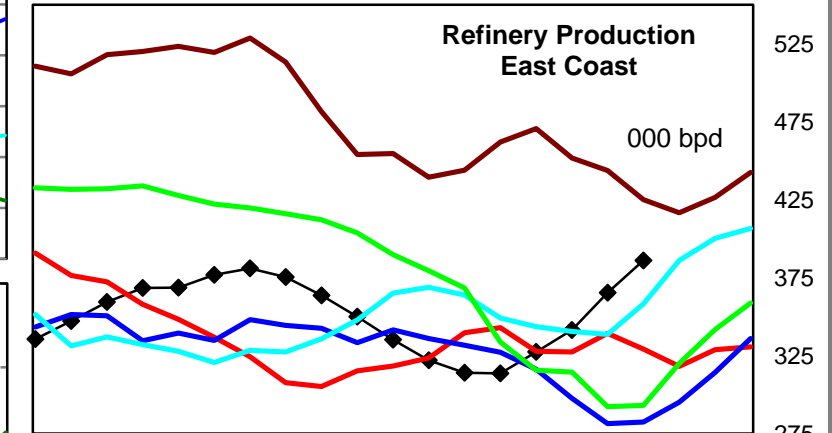
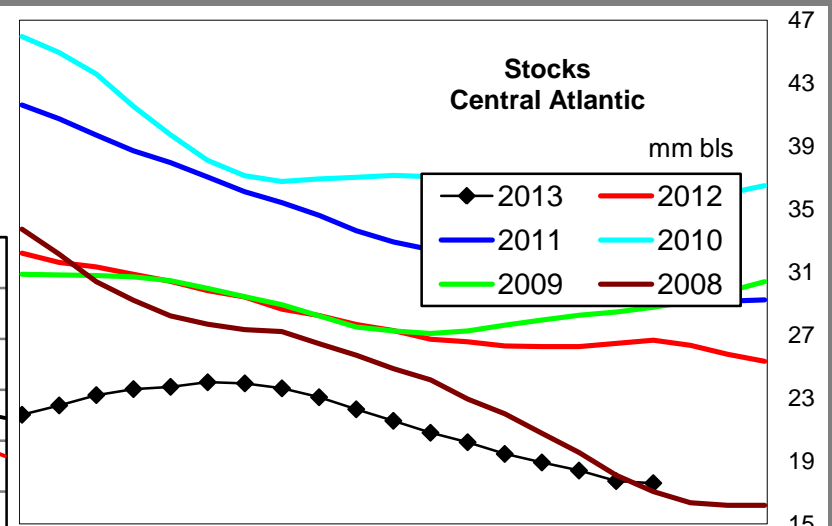
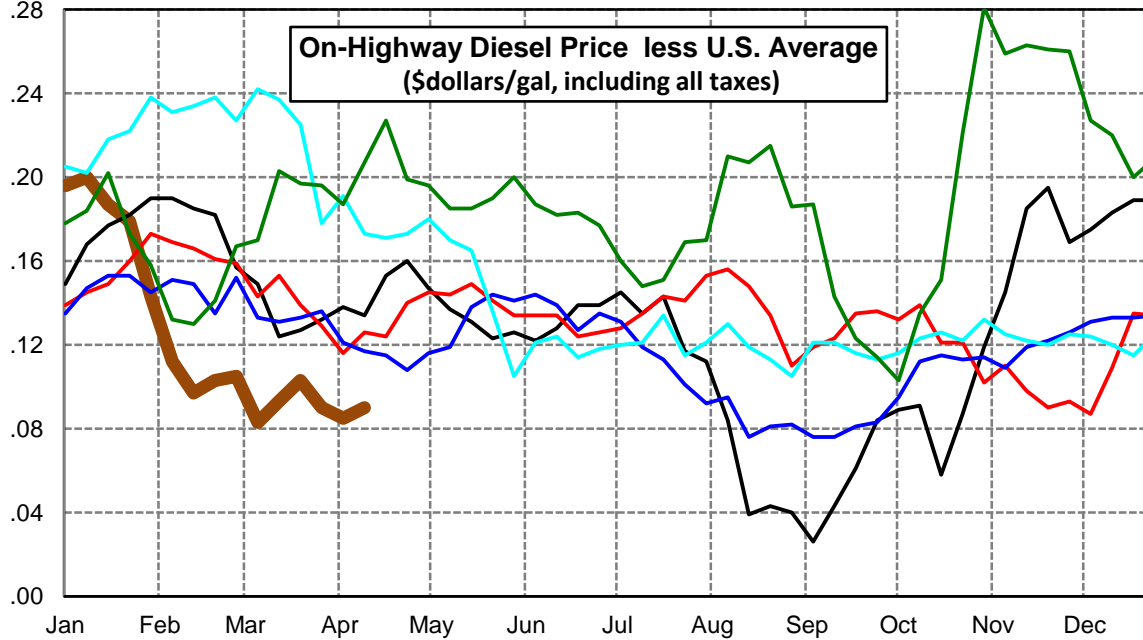
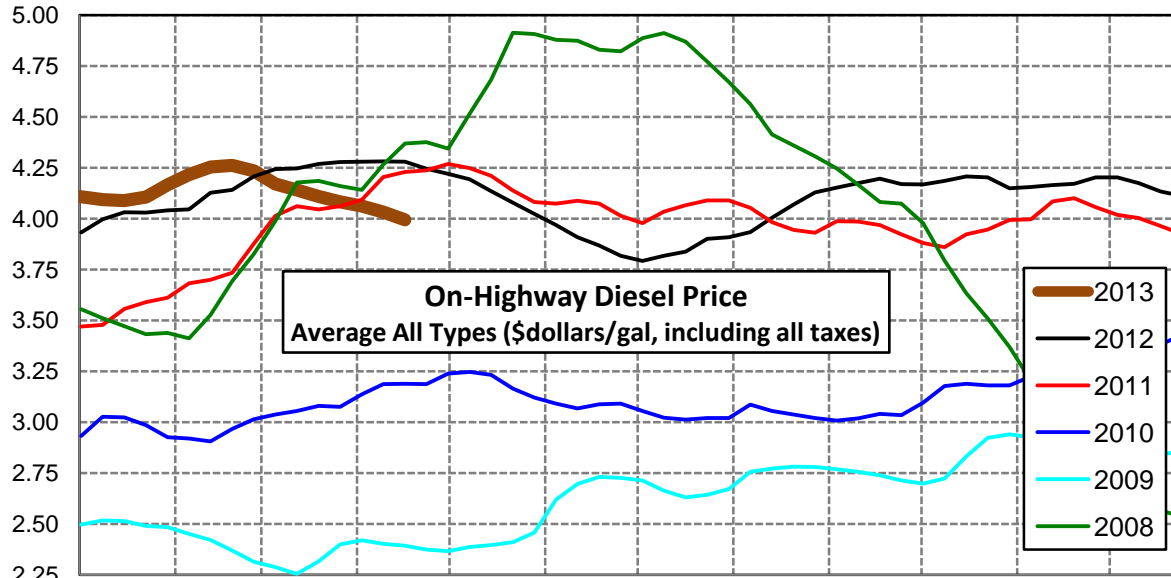
Lower Atlantic Region Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	01Apr13	08Apr13	15Apr13	22Apr13	
Lower Atlantic	\$3.958	\$3.946	\$3.911	\$3.875	-\$0.036
1/ Source: U.S. Energy Information Administration					
2/ Source: Fundamental Petroleum Trends Reports					



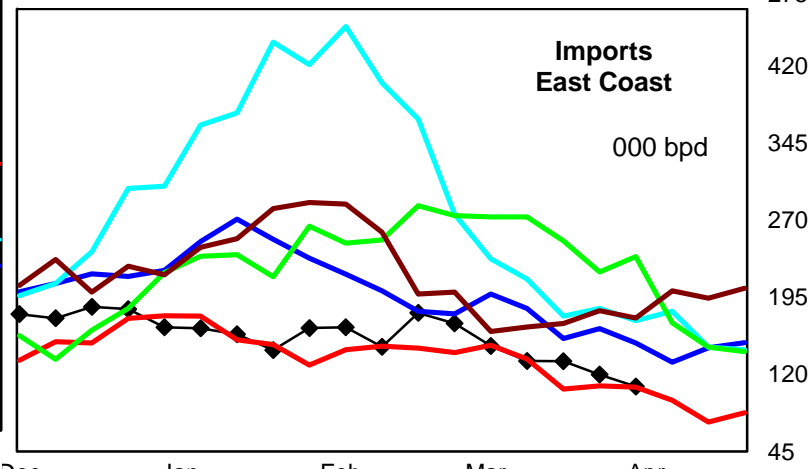
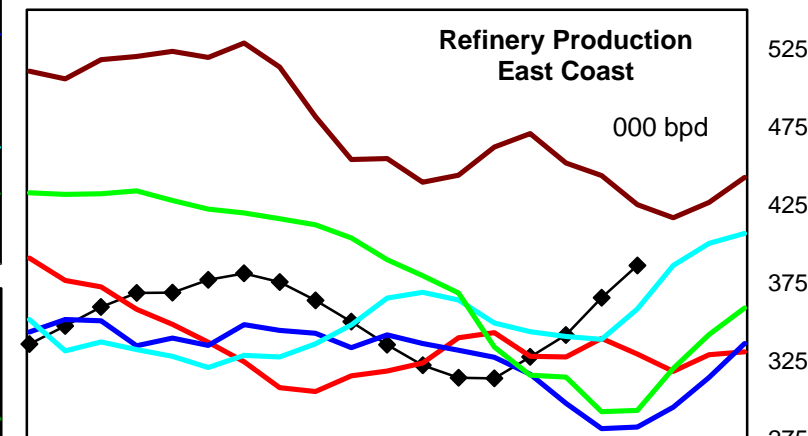
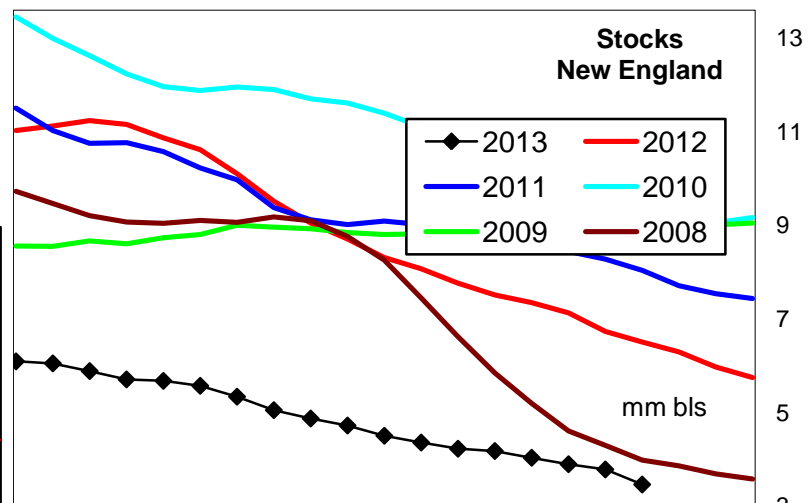
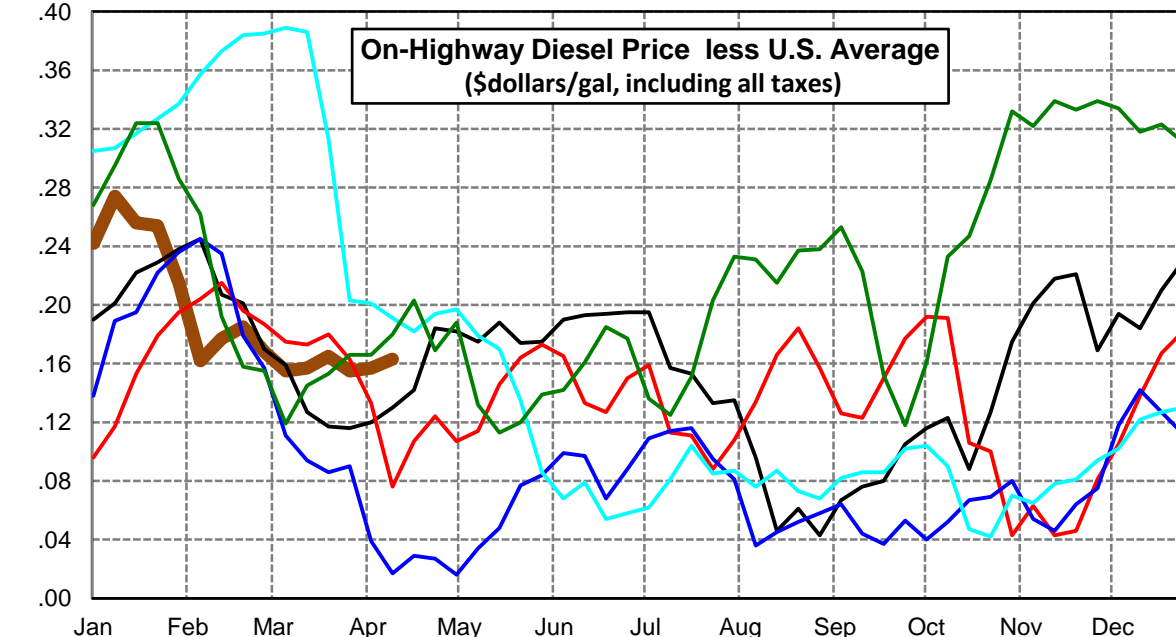
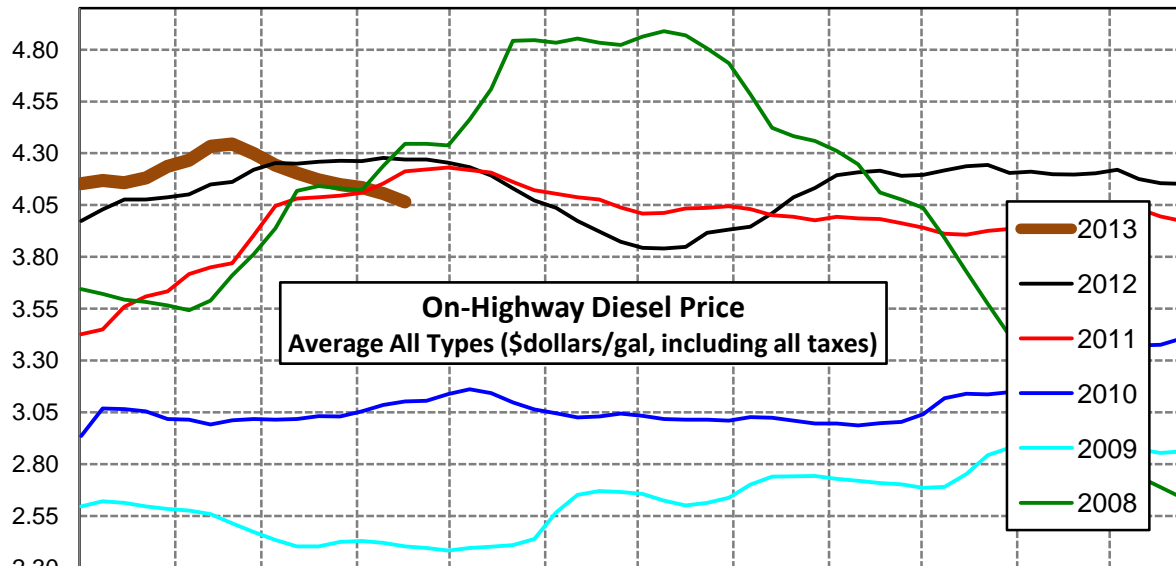
Central Atlantic Region Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	01Apr13	08Apr13	15Apr13	22Apr13	
Central Atlantic	\$4.083	\$4.062	\$4.032	\$3.994	-\$0.038
1/ Source: U.S. Energy Information Administration					
2/ Source: Fundamental Petroleum Trends Reports					



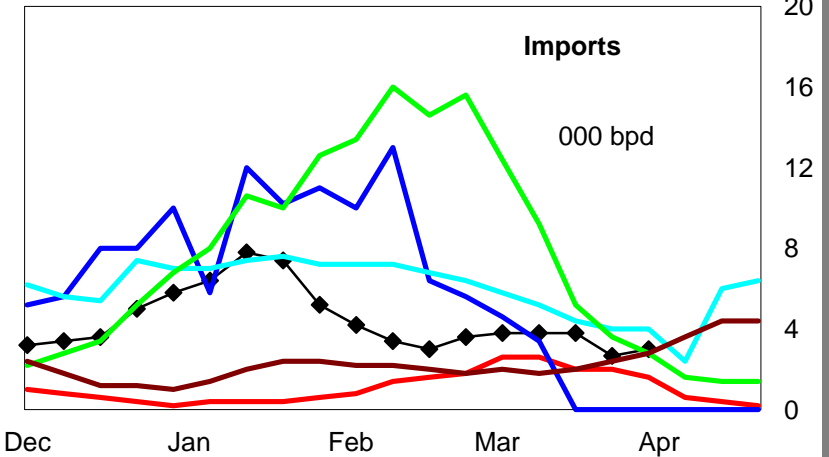
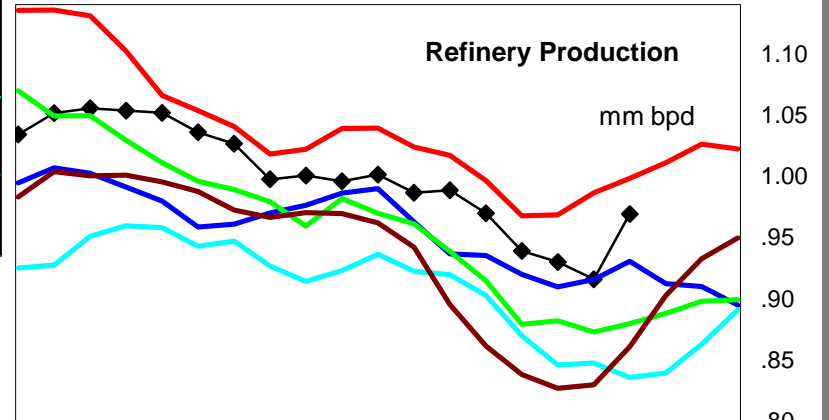
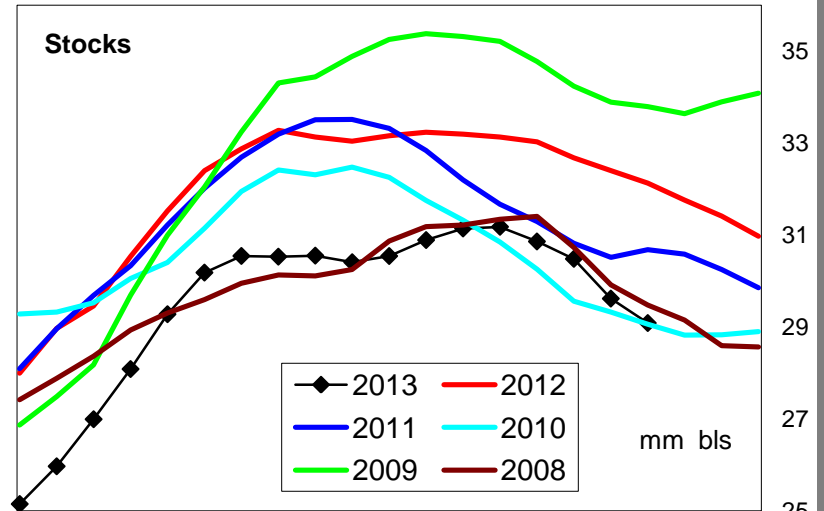
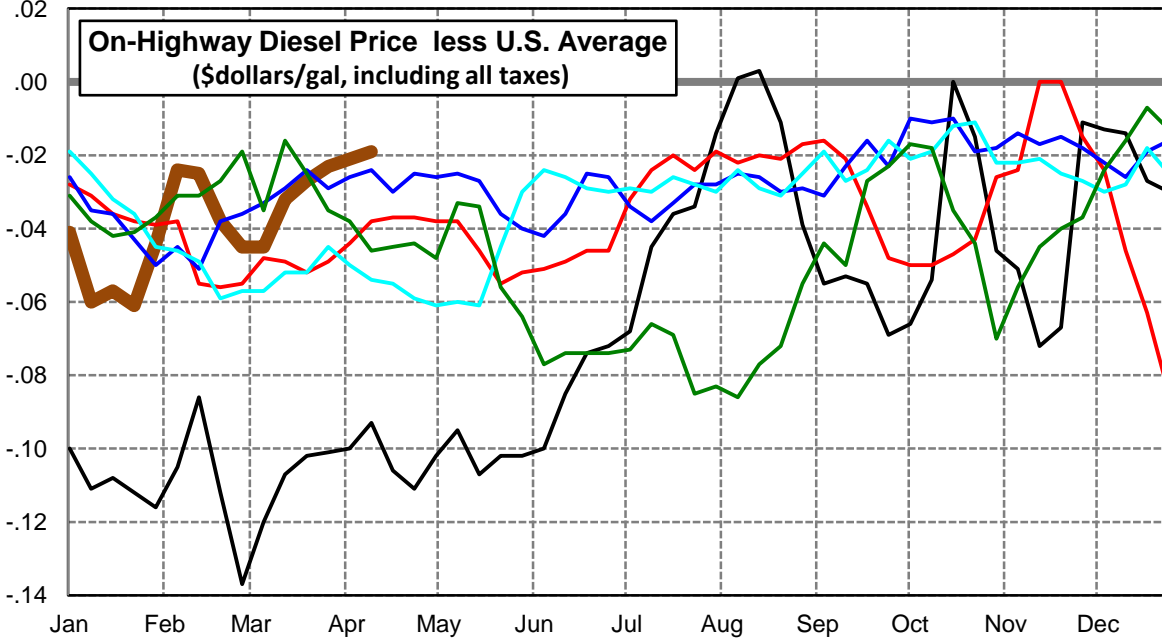
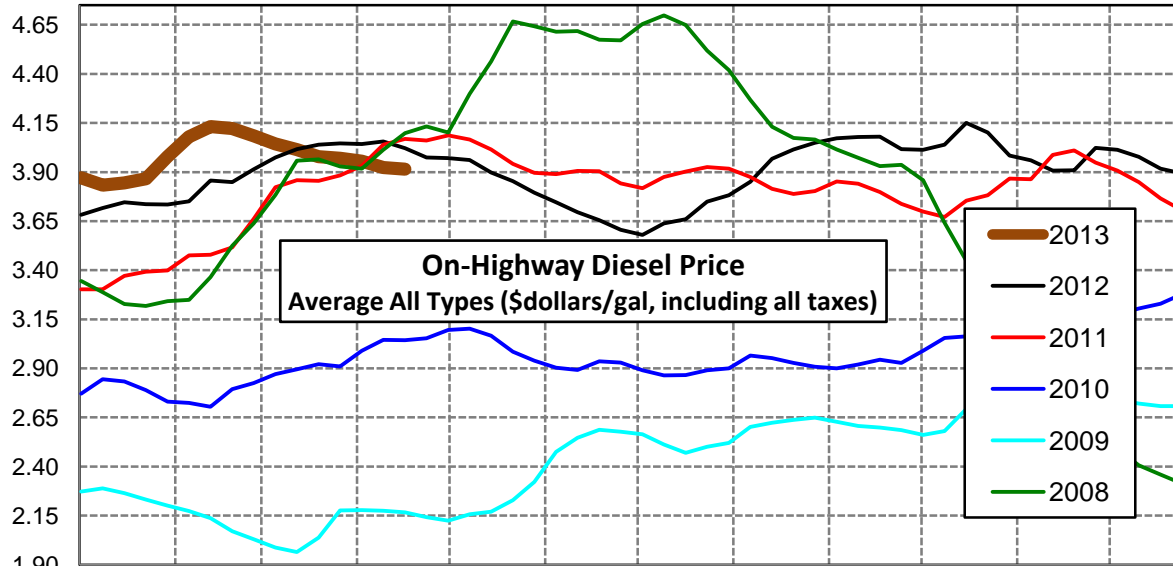
New England Region Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	01Apr13	08Apr13	15Apr13	22Apr13	
New England	\$4.148	\$4.134	\$4.105	\$4.065	-\$0.040
1/ Source: U.S. Energy Information Administration					
2/ Source: Fundamental Petroleum Trends Reports					



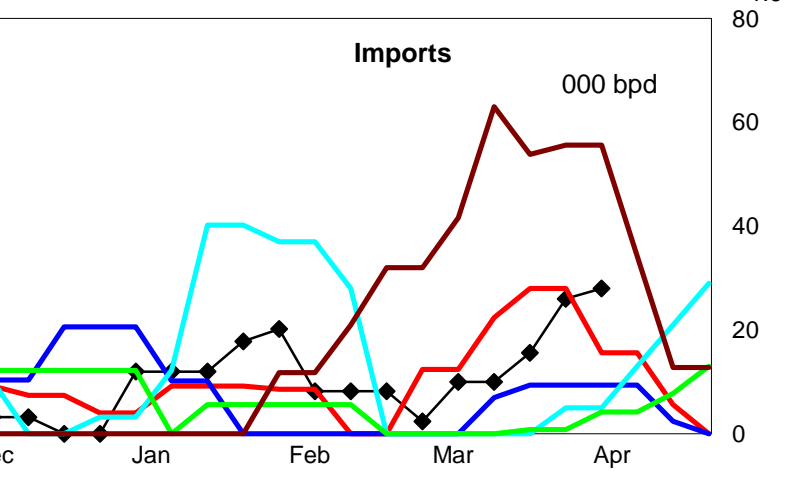
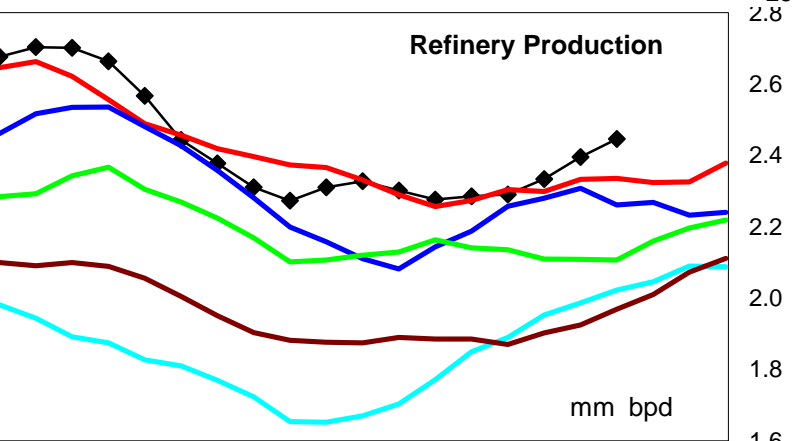
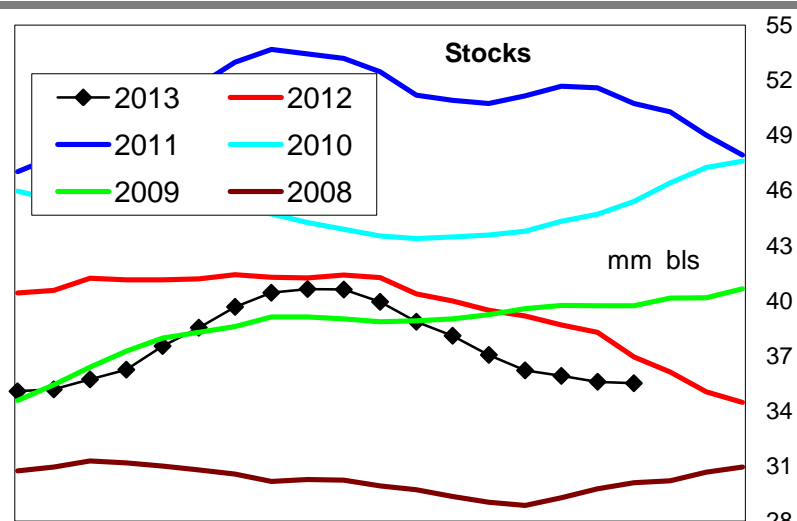
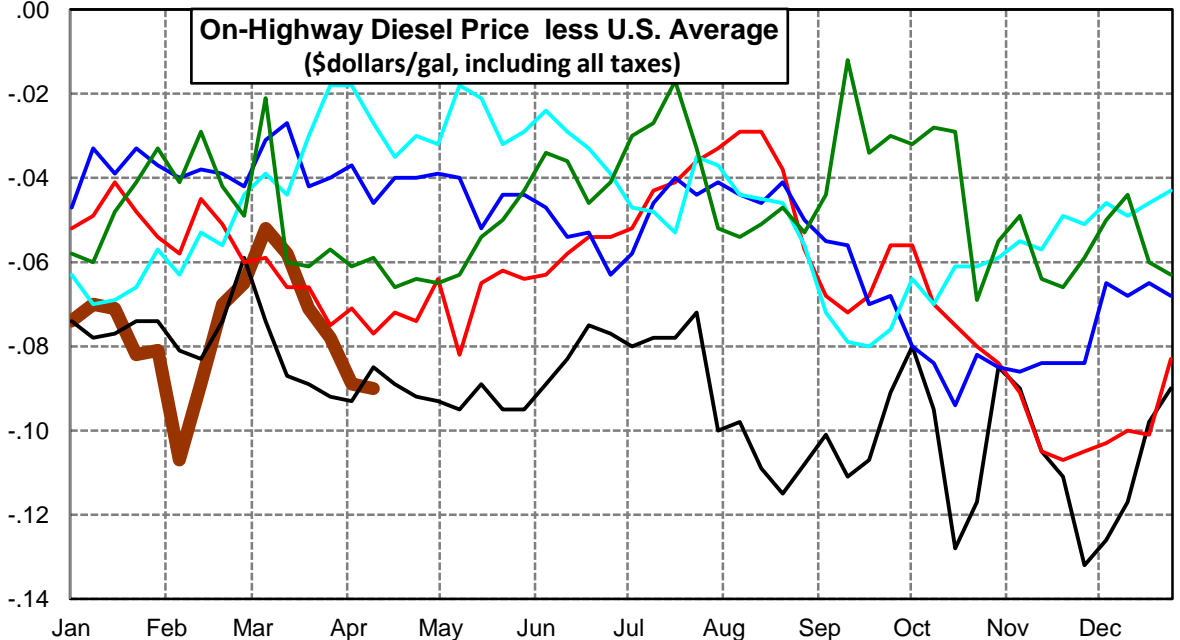
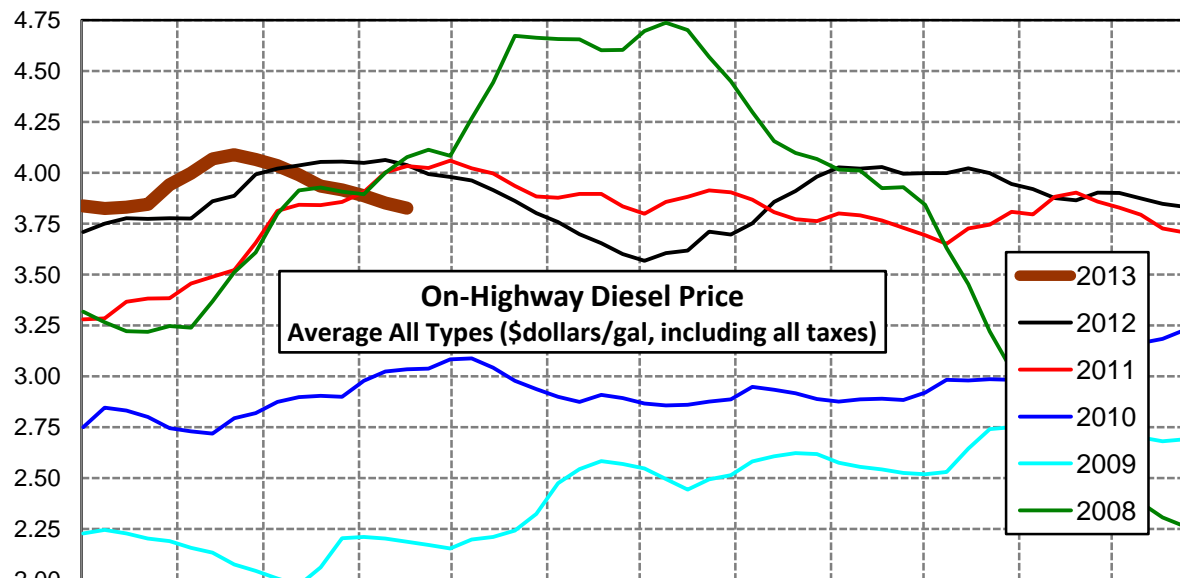
Midwest Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	01Apr13	08Apr13	15Apr13	22Apr13	
Midwest	\$3.970	\$3.956	\$3.923	\$3.915	-\$0.008
1/ Source: U.S. Energy Information Administration					
2/ Source: Fundamental Petroleum Trends Reports					



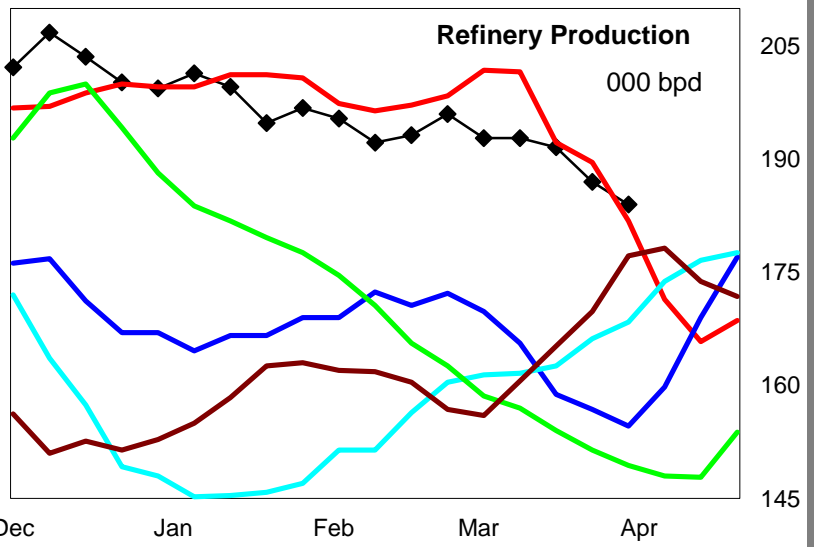
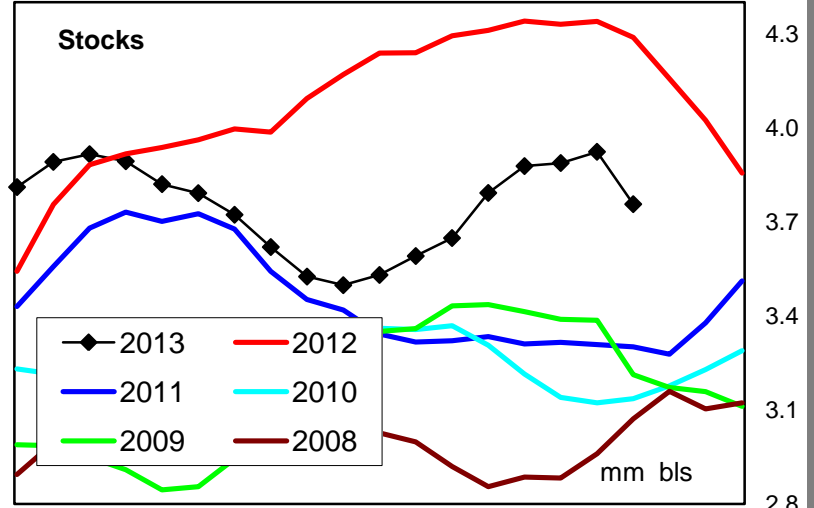
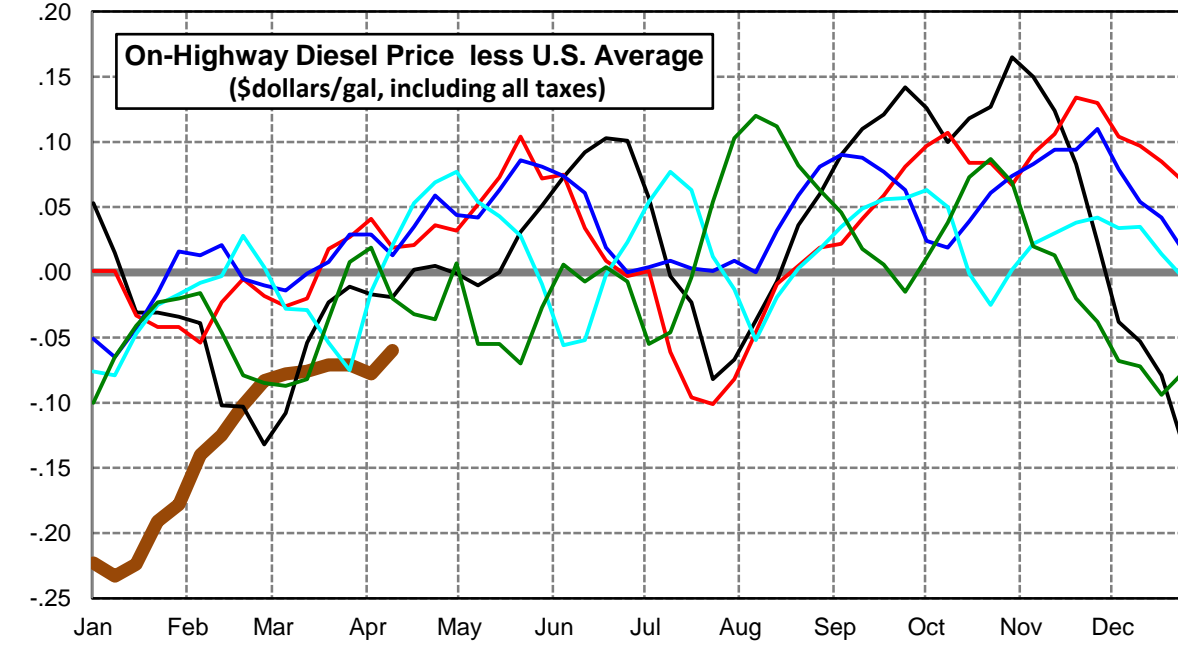
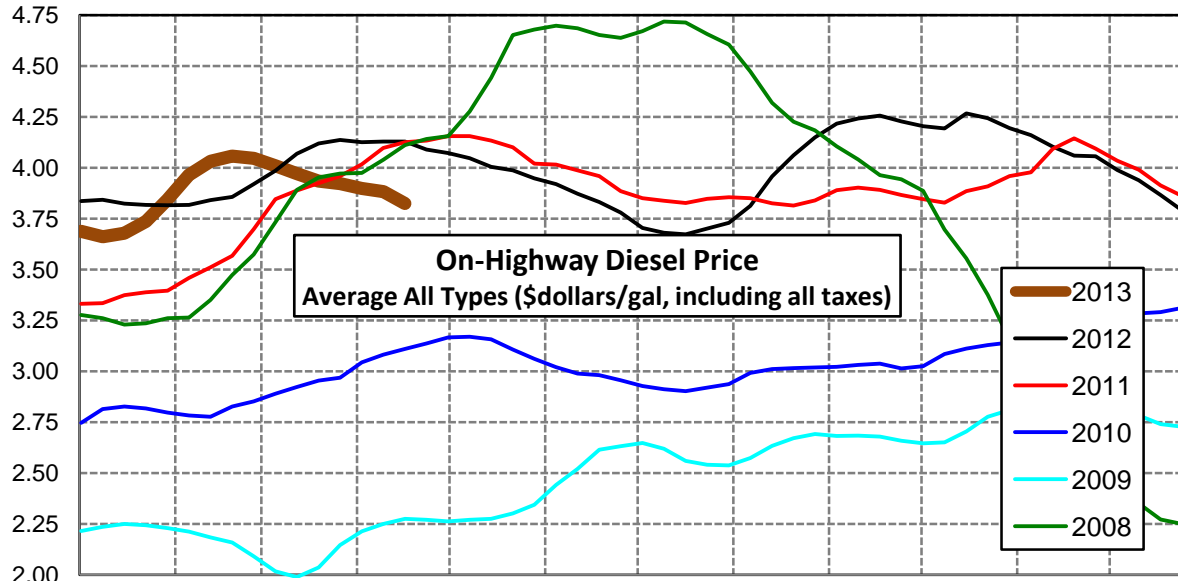
Gulf Coast Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	01Apr13	08Apr13	15Apr13	22Apr13	
Gulf Coast	\$3.915	\$3.888	\$3.852	\$3.826	-\$0.026
1/ Source: U.S. Energy Information Administration					
2/ Source: Fundamental Petroleum Trends Reports					



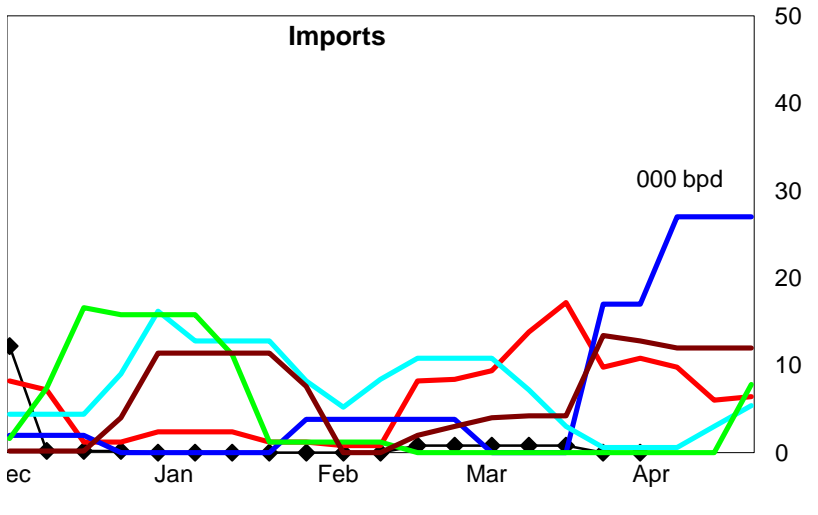
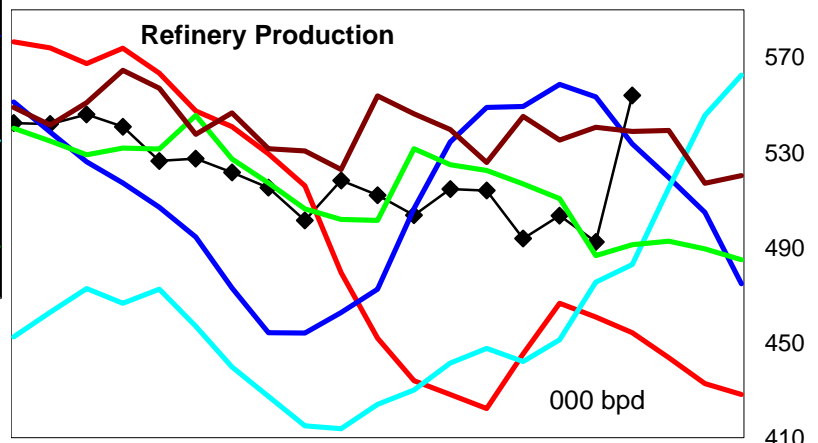
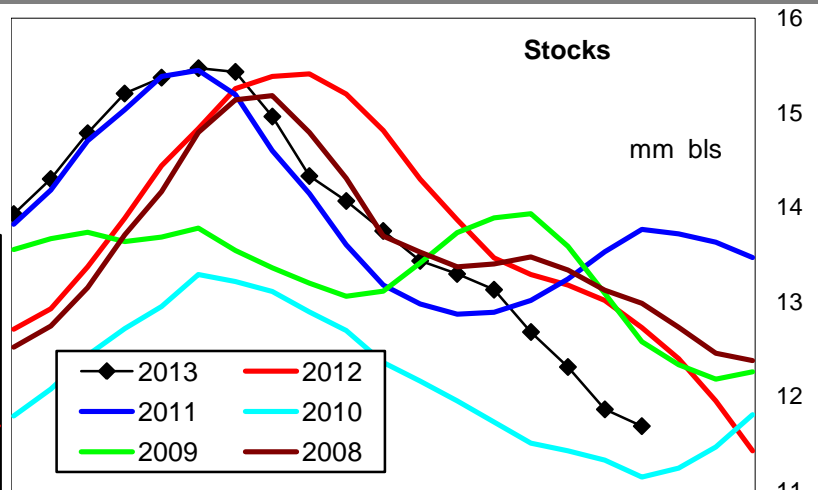
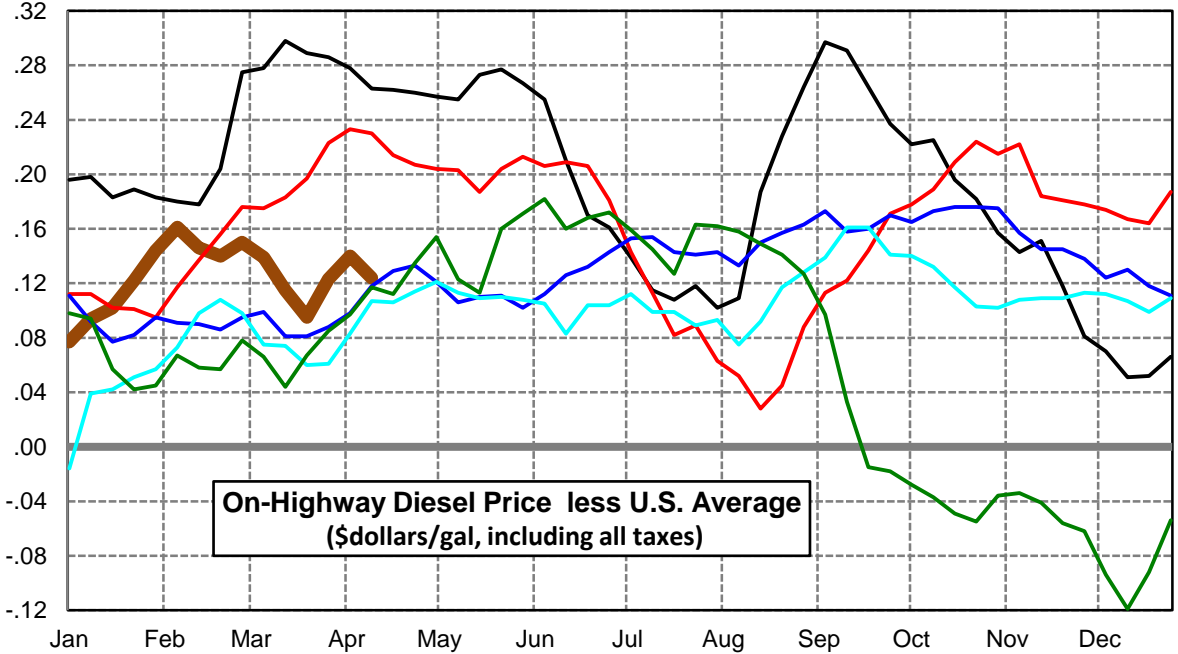
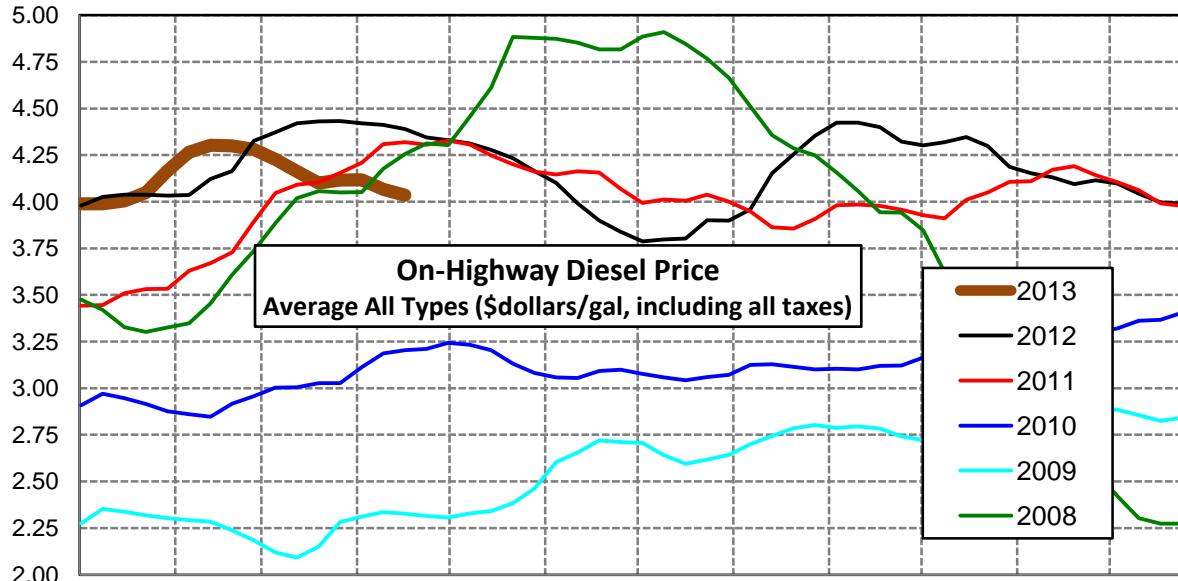
Rocky Mountain Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	01Apr13	08Apr13	15Apr13	22Apr13	
Rocky Mountain	\$3.922	\$3.899	\$3.882	\$3.825	-\$0.057
1/ Source: U.S. Energy Information Administration					
2/ Source: Fundamental Petroleum Trends Reports					



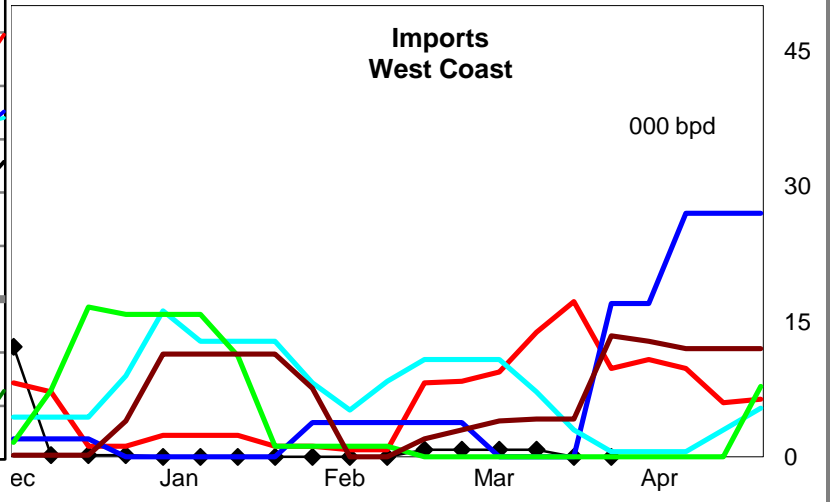
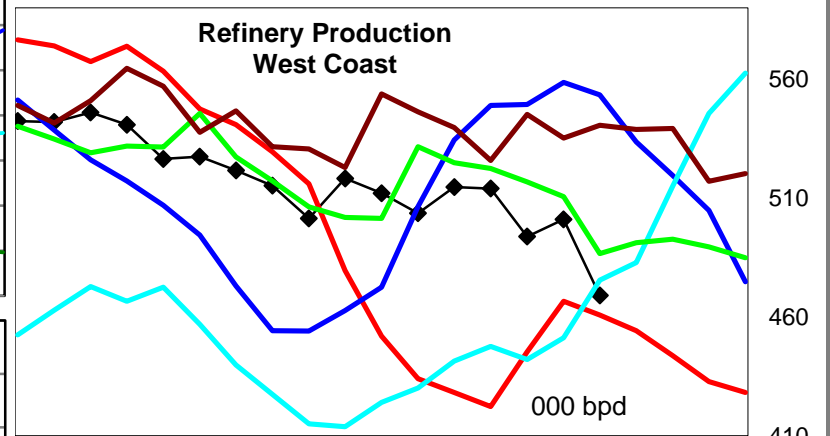
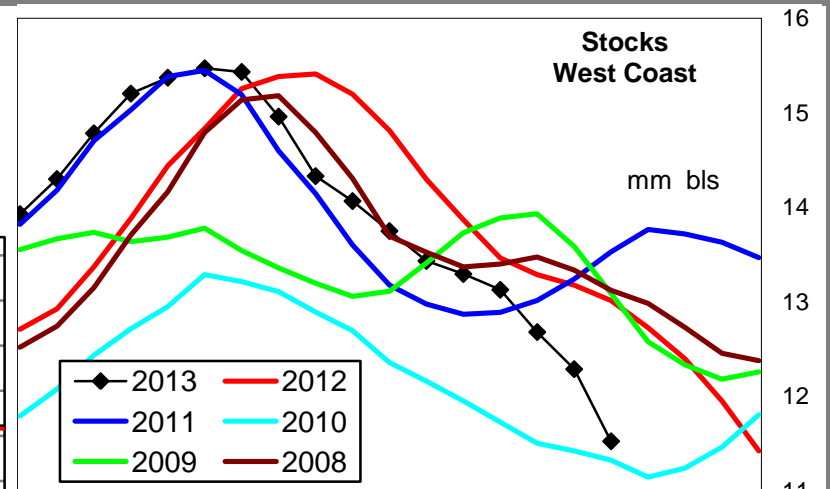
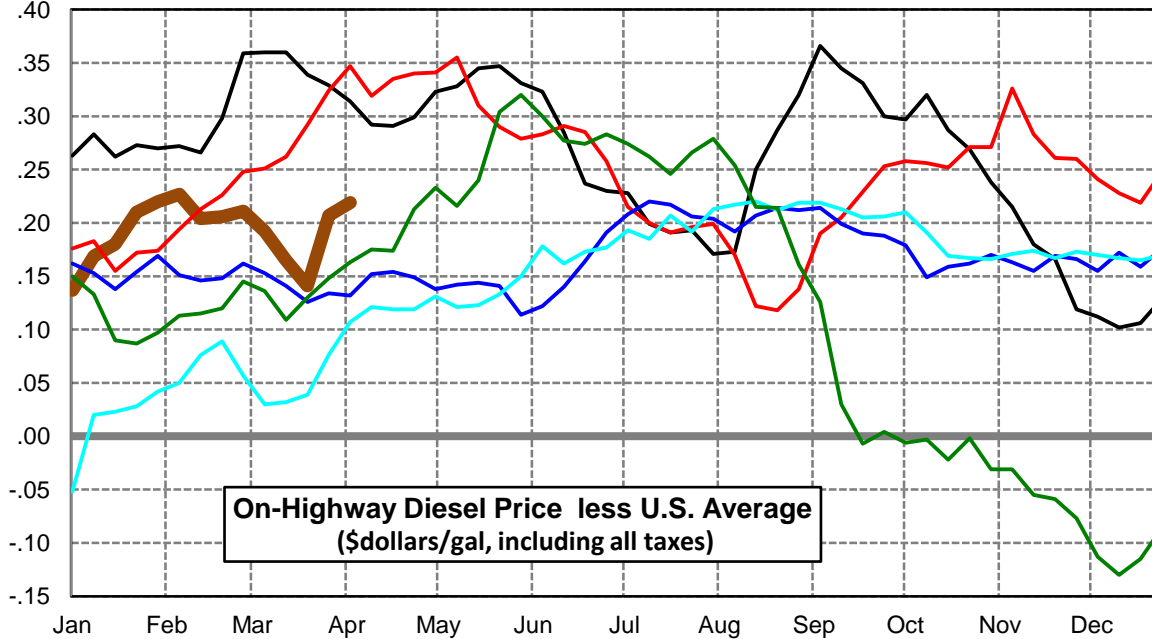
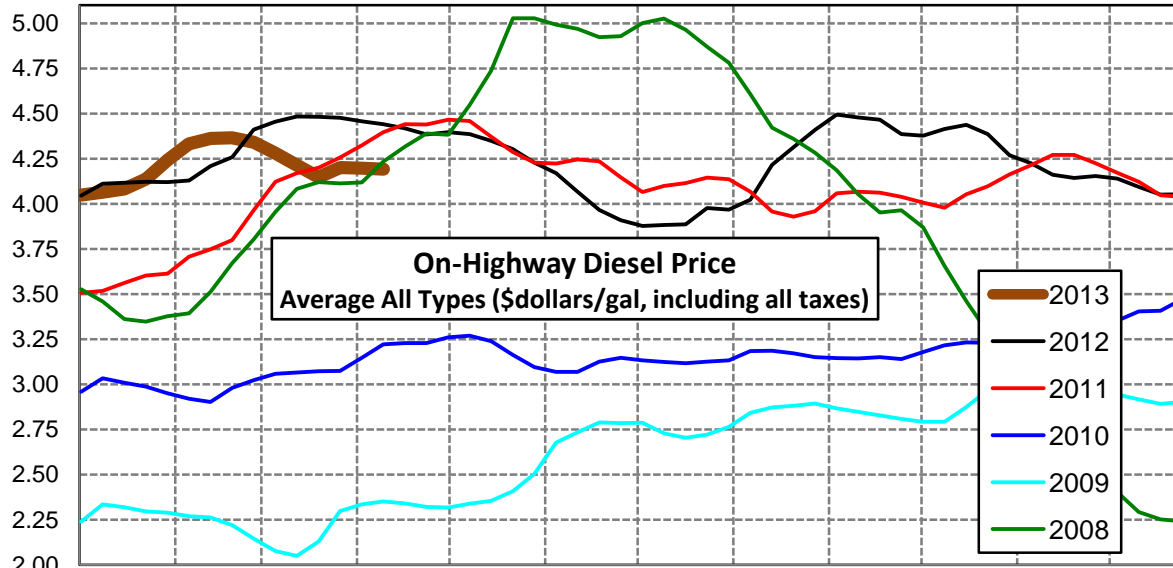
West Coast Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	01Apr13	08Apr13	15Apr13	22Apr13	
West Coast	\$4.116	\$4.117	\$4.066	\$4.036	-\$0.030
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
	25Mar13	01Apr13	08Apr13	15Apr13	
California	\$4.147	\$4.200	\$4.196	\$4.192	-\$0.004
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-07-May-12	4.057	4.108	4.232	4.194	4.021	3.962	3.962	4.047	4.312	4.385
Mon-14-May-12	4.004	4.054	4.192	4.135	3.969	3.897	3.915	4.004	4.277	4.349
Mon-21-May-12	3.956	3.999	4.130	4.079	3.916	3.854	3.861	3.987	4.233	4.303
Mon-28-May-12	3.897	3.940	4.072	4.023	3.854	3.795	3.802	3.948	4.164	4.228
Mon-04-Jun-12	3.846	3.886	4.036	3.968	3.797	3.746	3.757	3.919	4.101	4.169
Mon-11-Jun-12	3.781	3.818	3.974	3.909	3.721	3.696	3.698	3.873	3.991	4.066
Mon-18-Jun-12	3.729	3.766	3.923	3.868	3.660	3.655	3.654	3.832	3.899	3.966
Mon-25-Jun-12	3.678	3.718	3.873	3.817	3.616	3.606	3.601	3.779	3.839	3.908
Mon-02-Jul-12	3.648	3.702	3.843	3.793	3.607	3.580	3.568	3.705	3.787	3.876
Mon-09-Jul-12	3.683	3.731	3.840	3.818	3.646	3.638	3.605	3.680	3.798	3.882
Mon-16-Jul-12	3.695	3.741	3.848	3.838	3.648	3.659	3.617	3.672	3.803	3.886
Mon-23-Jul-12	3.783	3.826	3.916	3.900	3.753	3.749	3.711	3.701	3.901	3.976
Mon-30-Jul-12	3.796	3.842	3.931	3.908	3.775	3.782	3.696	3.729	3.898	3.967
Mon-06-Aug-12	3.850	3.869	3.946	3.934	3.806	3.851	3.752	3.813	3.959	4.023
Mon-13-Aug-12	3.965	3.952	4.011	4.004	3.901	3.968	3.856	3.958	4.152	4.215
Mon-20-Aug-12	4.026	4.006	4.087	4.069	3.944	4.015	3.911	4.062	4.254	4.313
Mon-27-Aug-12	4.089	4.072	4.132	4.129	4.019	4.050	3.981	4.149	4.353	4.409
Mon-03-Sep-12	4.127	4.104	4.194	4.153	4.051	4.072	4.026	4.217	4.424	4.493
Mon-10-Sep-12	4.132	4.113	4.208	4.175	4.049	4.079	4.021	4.242	4.423	4.477
Mon-17-Sep-12	4.135	4.125	4.215	4.196	4.056	4.080	4.028	4.256	4.399	4.466
Mon-24-Sep-12	4.086	4.092	4.191	4.170	4.015	4.017	3.995	4.228	4.323	4.386
Mon-01-Oct-12	4.079	4.081	4.195	4.168	3.995	4.013	3.999	4.205	4.301	4.376
Mon-08-Oct-12	4.094	4.097	4.217	4.185	4.009	4.040	3.999	4.194	4.319	4.414
Mon-15-Oct-12	4.150	4.128	4.238	4.208	4.047	4.150	4.022	4.268	4.346	4.437
Mon-22-Oct-12	4.116	4.108	4.243	4.203	4.011	4.101	3.999	4.243	4.298	4.385
Mon-29-Oct-12	4.030	4.036	4.205	4.149	3.921	3.984	3.945	4.195	4.187	4.268
Mon-05-Nov-12	4.010	4.034	4.211	4.155	3.910	3.959	3.920	4.160	4.153	4.225
Mon-12-Nov-12	3.980	4.037	4.198	4.165	3.912	3.908	3.875	4.104	4.131	4.160
Mon-19-Nov-12	3.976	4.052	4.197	4.171	3.935	3.909	3.865	4.059	4.094	4.142
Mon-26-Nov-12	4.034	4.092	4.203	4.203	3.990	4.023	3.902	4.057	4.115	4.153
Mon-03-Dec-12	4.027	4.096	4.221	4.202	3.994	4.014	3.901	3.989	4.097	4.139
Mon-10-Dec-12	3.991	4.069	4.175	4.174	3.970	3.977	3.874	3.938	4.042	4.093
Mon-17-Dec-12	3.945	4.027	4.155	4.134	3.923	3.918	3.847	3.866	3.997	4.051
Mon-24-Dec-12	3.923	4.006	4.153	4.112	3.899	3.893	3.833	3.791	3.989	4.052
Mon-31-Dec-12	3.918	4.006	4.154	4.105	3.904	3.885	3.830	3.746	3.991	4.045
Mon-07-Jan-13	3.911	4.006	4.153	4.107	3.902	3.870	3.837	3.688	3.988	4.048
Mon-14-Jan-13	3.894	4.002	4.168	4.094	3.901	3.834	3.824	3.661	3.988	4.063
Mon-21-Jan-13	3.902	4.000	4.158	4.089	3.904	3.845	3.831	3.678	4.004	4.082
Mon-28-Jan-13	3.927	4.023	4.181	4.106	3.931	3.866	3.845	3.736	4.049	4.137
Mon-04-Feb-13	4.022	4.088	4.237	4.165	4.001	3.978	3.941	3.844	4.166	4.242
Mon-11-Feb-13	4.104	4.152	4.266	4.216	4.083	4.080	3.997	3.964	4.265	4.331
Mon-18-Feb-13	4.157	4.199	4.334	4.254	4.133	4.132	4.068	4.032	4.303	4.361
Mon-25-Feb-13	4.159	4.201	4.344	4.262	4.129	4.121	4.089	4.057	4.299	4.365
Mon-04-Mar-13	4.130	4.167	4.298	4.235	4.092	4.085	4.065	4.047	4.280	4.341
Mon-11-Mar-13	4.088	4.120	4.243	4.171	4.058	4.043	4.036	4.010	4.227	4.280
Mon-18-Mar-13	4.047	4.082	4.204	4.140	4.016	4.015	3.989	3.971	4.162	4.212
Mon-25-Mar-13	4.006	4.050	4.171	4.109	3.983	3.979	3.935	3.935	4.101	4.147
Mon-01-Apr-13	3.993	4.025	4.148	4.083	3.958	3.970	3.915	3.922	4.116	4.200
Mon-08-Apr-13	3.977	4.009	4.134	4.062	3.946	3.956	3.888	3.899	4.117	4.196
Mon-15-Apr-13	3.942	3.977	4.105	4.032	3.911	3.923	3.852	3.882	4.066	4.147
Mon-22-Apr-13	3.906	3.939	4.065	3.994	3.875	3.915	3.826	3.825	4.036	4.098
Mon-29-Apr-13										
Mon-06-May-13										
Mon-13-May-13										
Mon-20-May-13										

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.