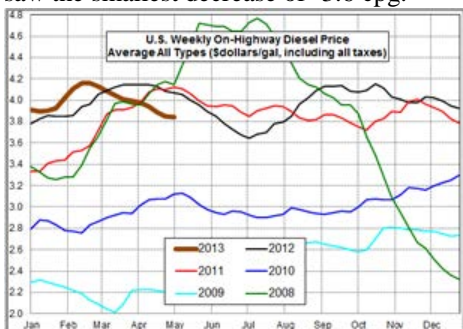


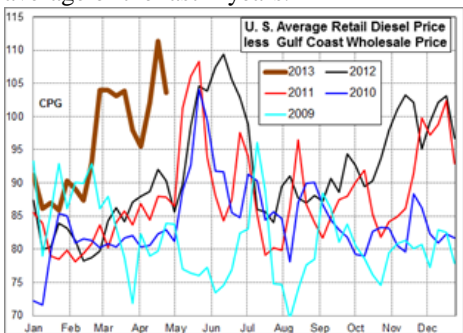
Region	Actual Price 1/			Forecast 2/	Change from week ago
	15Apr13	22Apr13	29Apr13	06May13	
<b>U.S.</b>	3.942	3.887	3.851	3.841	-0.010
East Coast	3.977	3.924	3.886	3.888	0.002
New England	4.105	4.027	3.993	4.019	0.026
Central Atlantic	4.032	3.982	3.934	3.941	0.007
Lower Atlantic	3.911	3.862	3.831	3.799	-0.032
Midwest	3.923	3.868	3.839	3.884	0.045
Gulf Coast	3.852	3.802	3.757	3.748	-0.009
Rocky Mountain	3.882	3.846	3.810	3.828	0.018
West Coast	4.066	3.999	3.949	3.927	-0.022
California	4.147	4.079	4.047	3.999	-0.048

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

**Diesel Fuel Price Trends** U. S. retail diesel prices decreased -3.6 cpg for the week, ending 29Apr13. Prices in the Central Atlantic and California regions fell nearly -5 cpg, while the Midwest saw a decrease of less than -3 cpg. The Rockies saw the smallest decrease of -3.6 cpg.



The U.S. average retail diesel price compared to Gulf Coast wholesale market decreased -7.8 cpg week-on-week. The spread ended the week +15 cpg above the average of the last 2-years.



The national average on-highway price ended the week -22 cpg below a year ago.

The highest retail prices were in California and New England at \$4.05/gal and \$3.99/gal; respectively. The lowest prices were in the Gulf at \$3.76/gal and the Rockies which ended the week at \$3.81/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 turnaround.

The spread between the U.S. average price and prices in regional markets including the Central Atlantic and Rocky Mountain regions remain below the 5-year range. The spread between the U.S. average price and prices in the Midwest were above the 5-year range on tight supplies in that region.

Gulf Coast wholesale distillate prices increased +4 cpg last week, near the lowest level of the last 9-months.



The spread between Gulf wholesale and U.S. average retail prices fell -8 cpg to +113 cpg last week. Look for the retail to wholesale price spread to decline over the next 30-days on improving wholesale supplies.

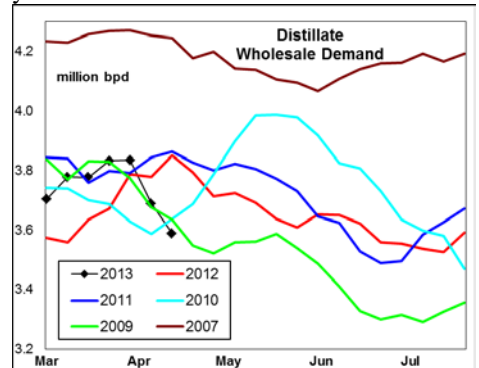
### Supply - Demand Fundamental Trends

Distillate wholesale demand decreased -38,000 bpd last week, to a level near 5-year lows for the period. Demand for the latest 4-wk period was -99,000 bpd below a year ago, as the impact of a colder than normal winter ended, so that the longer term downtrend continued.

Supply fell 380,000 bpd on unplanned maintenance in the Gulf, and lower imports. Production for the latest 4-wk period was +103,000 bpd above last year, on higher 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 increased +0.1 million barrels last week on low demand, even with the drop in supply. The latest 4-wk stock change in markets East of the Rockies was a +0.5 million barrel build, compared to a -7 million barrel draw during the last 2-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 has returned to seeing year-on-year declines with associated unseasonably low stock draws.

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 retail prices to see very modest declines on the recent uptick in wholesale market this week.

Regional markets including the Rockies and Midwest should exhibit relative strength on refinery maintenance and peak agriculture demand. Weakness is likely to continue on the West coast as Chevron restarts the 245,000 bpd crude unit in Richmond. Following an end to a late winter heating season and spike in imports, retail prices on the East Coast should exhibit relative weakness.

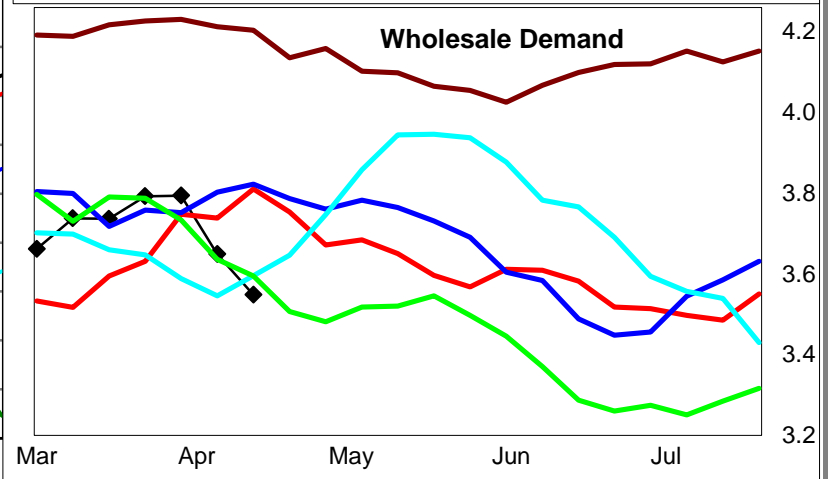
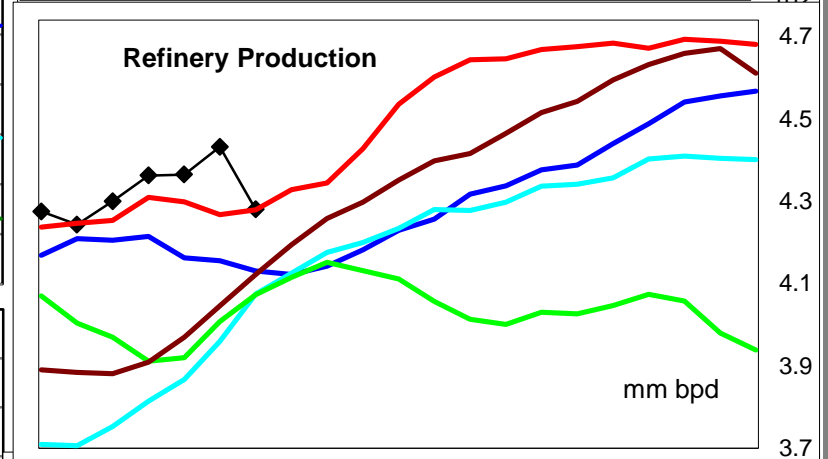
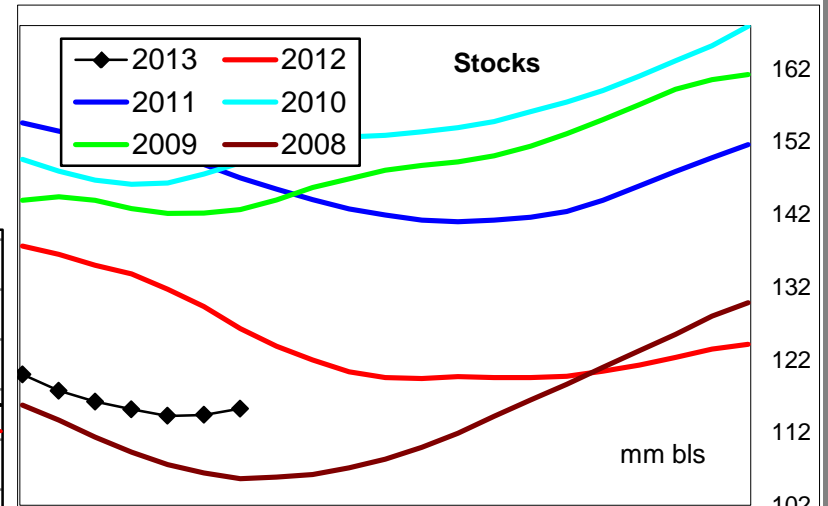
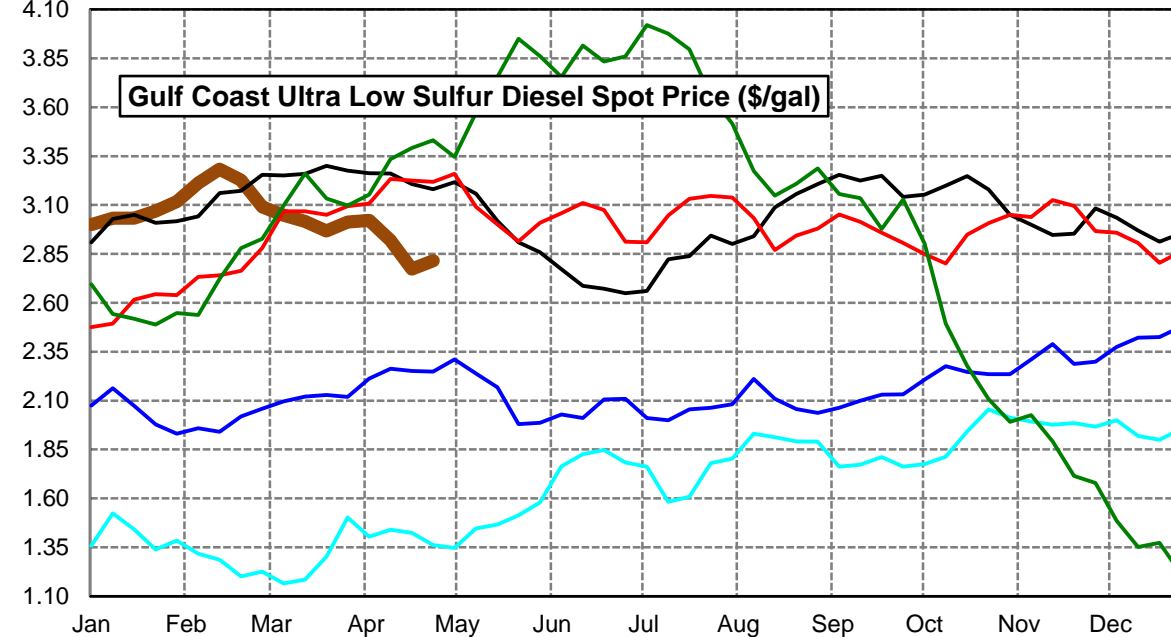
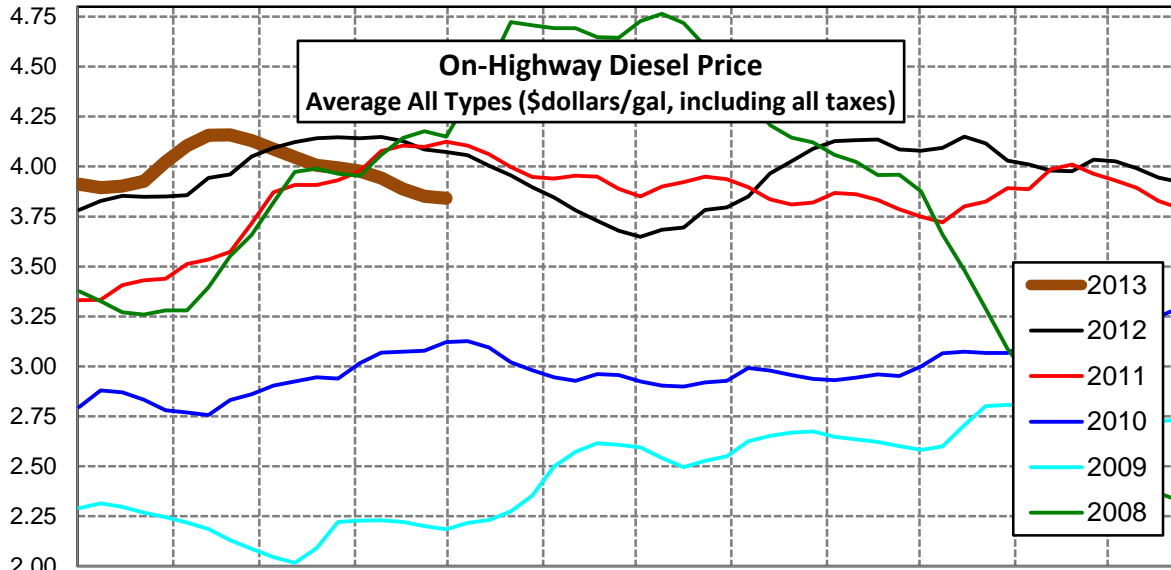
Click [Blue Icon](#) on Map to view Regional Price & Fundamental Trends

## U. S. Petroleum Administrative for Defense Districts (PADDs)



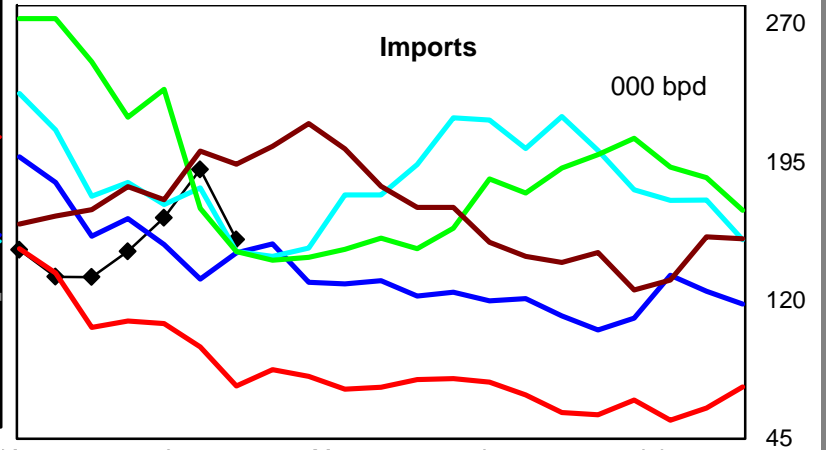
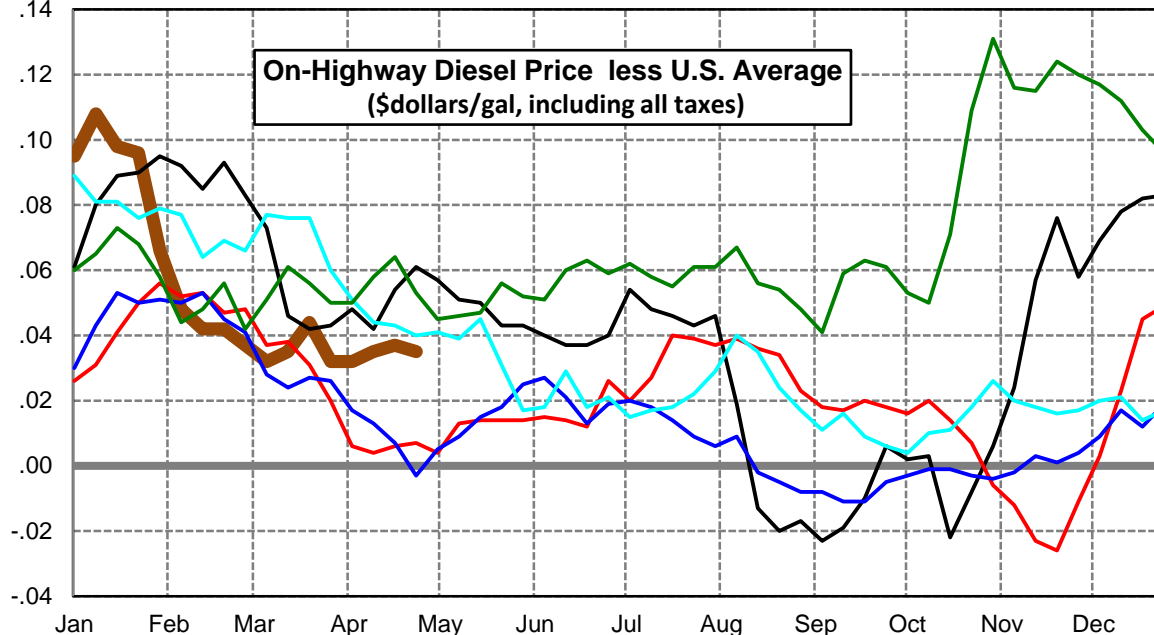
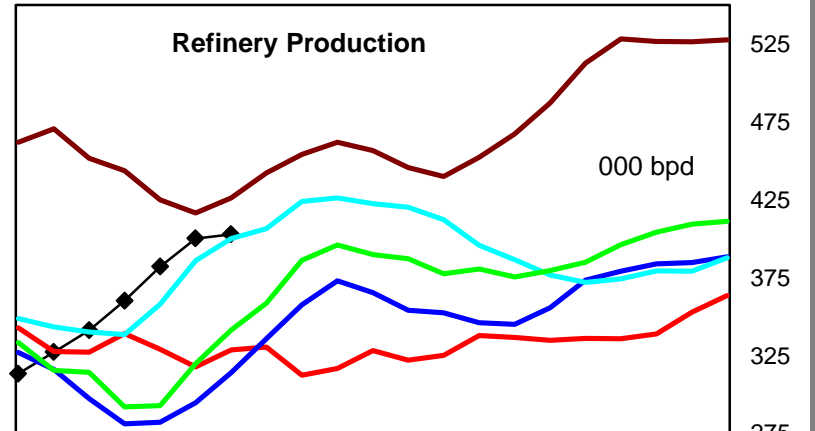
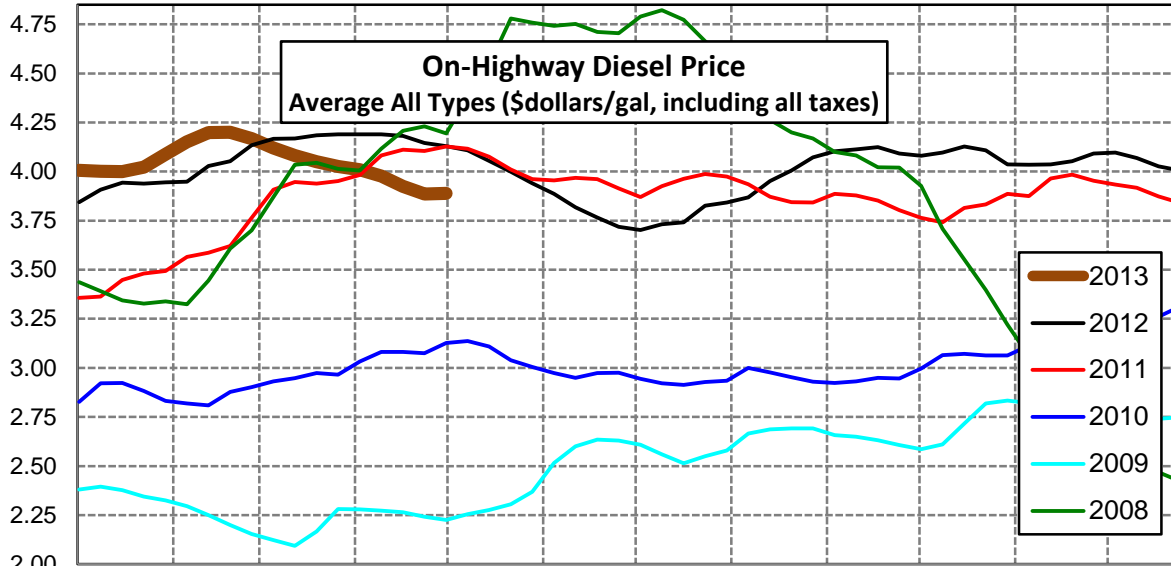
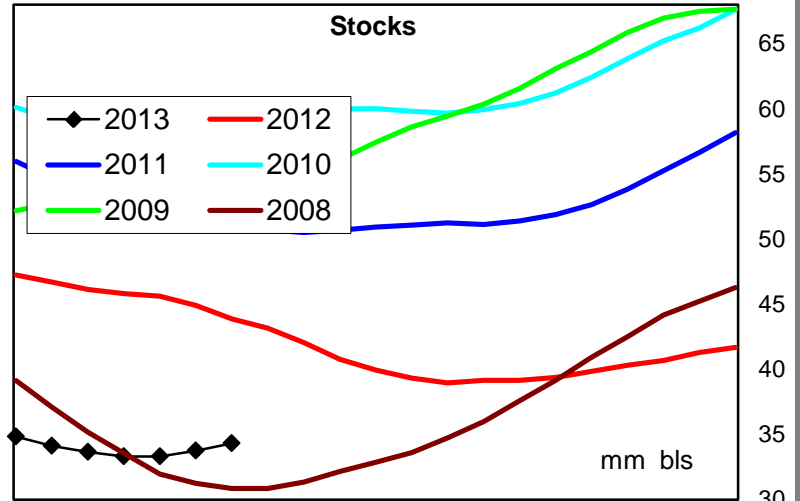
# U. S. Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	15Apr13	22Apr13	29Apr13	06May13	
<b>United States Avg</b>	\$3.942	\$3.887	\$3.851	<b>\$3.841</b>	-\$0.010
1/ Source: U.S. Energy Information Administration					
2/ Source: Fundamental Petroleum Trends Reports					



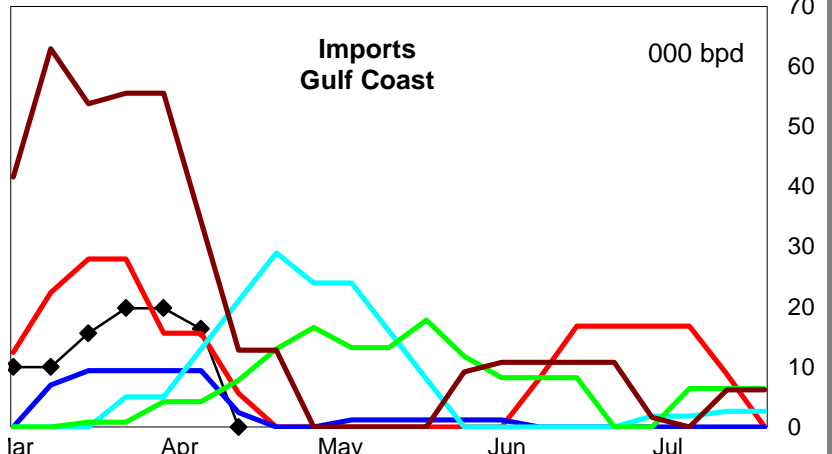
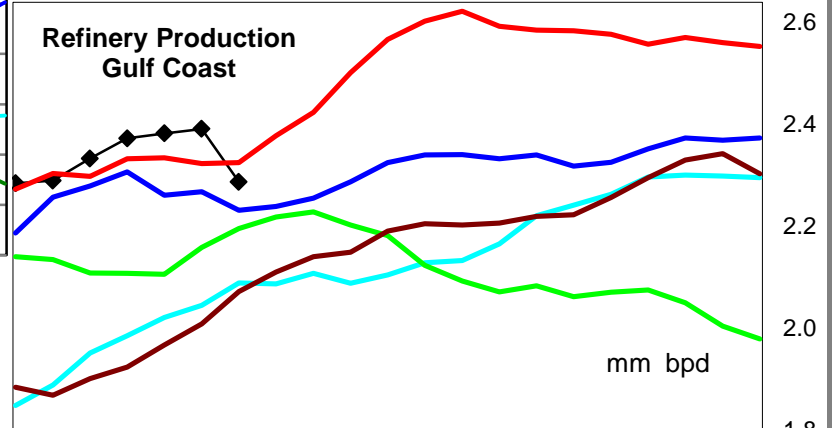
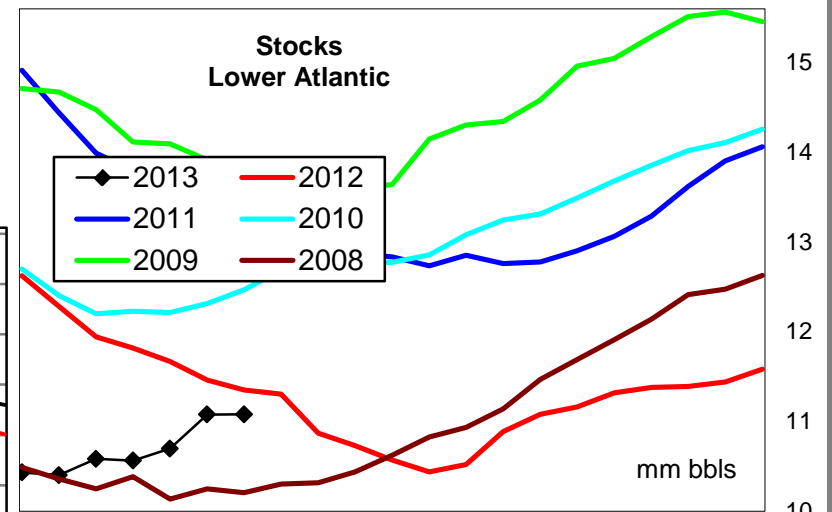
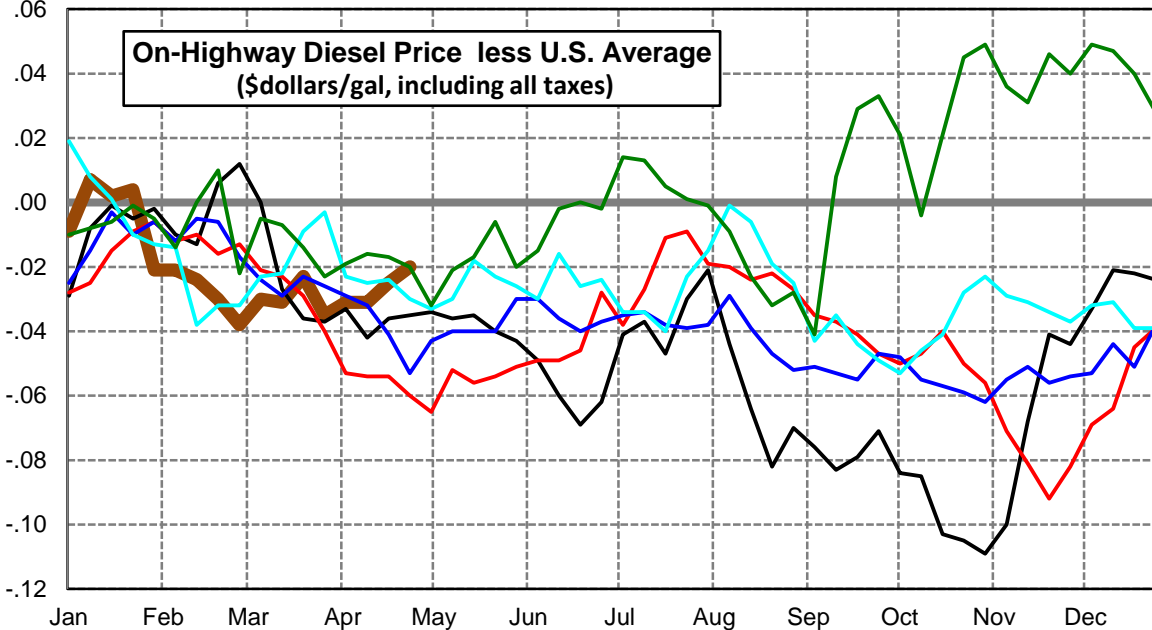
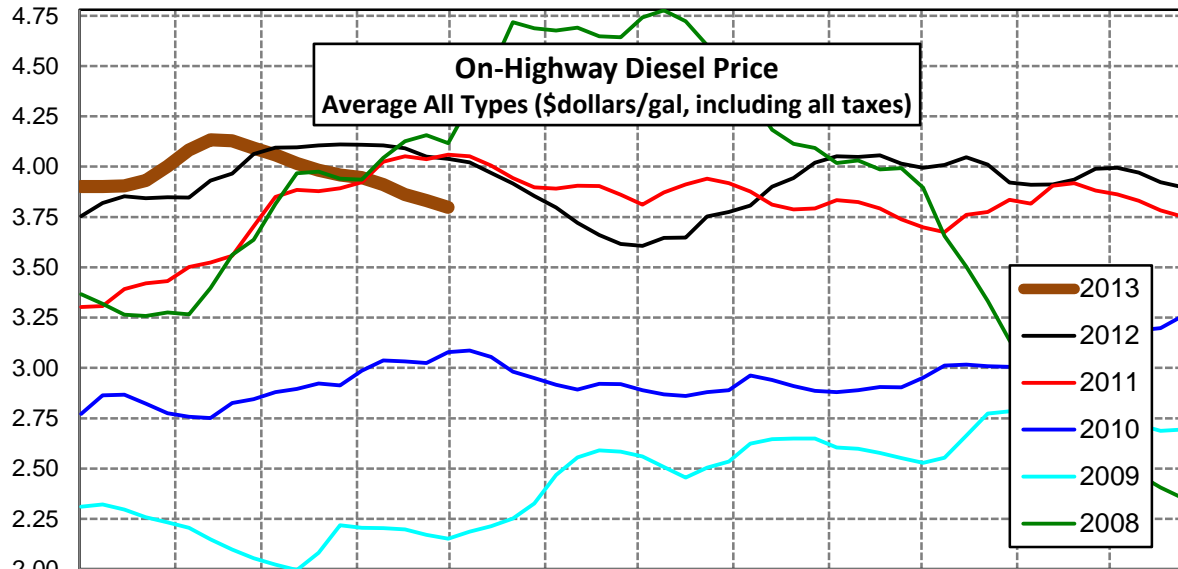
# East Coast Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	15Apr13	22Apr13	29Apr13	06May13	
<b>East Coast</b>	\$3.977	\$3.924	\$3.886	<b>\$3.888</b>	\$0.002
1/ Source: U.S. Energy Information Administration					
2/ Source: Fundamental Petroleum Trends Reports					



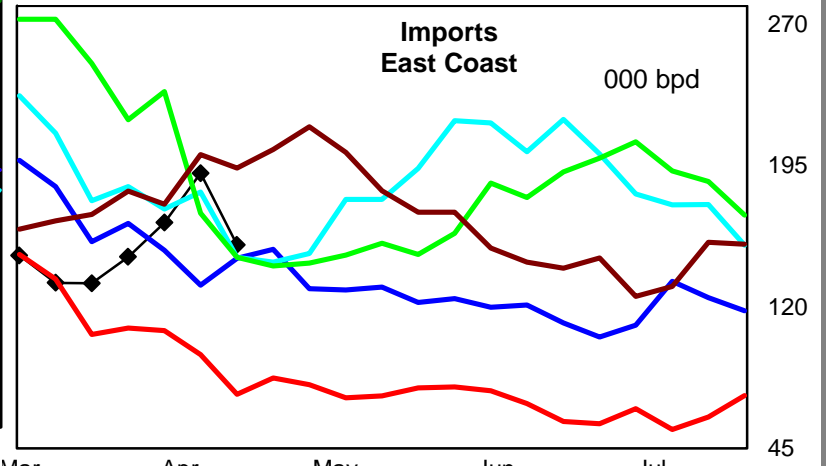
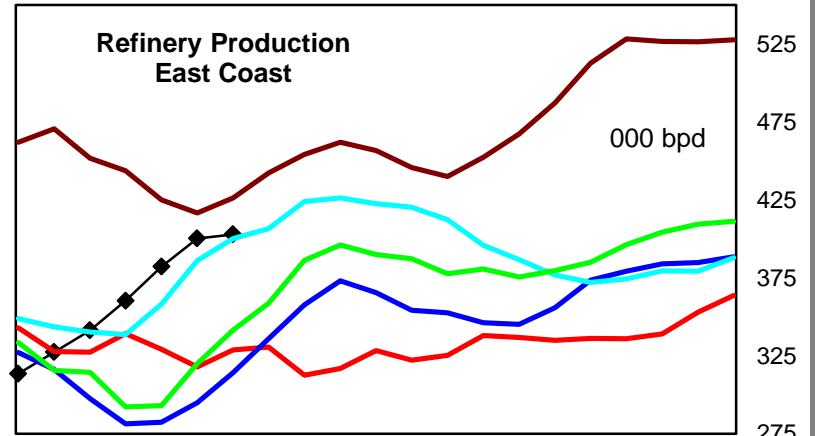
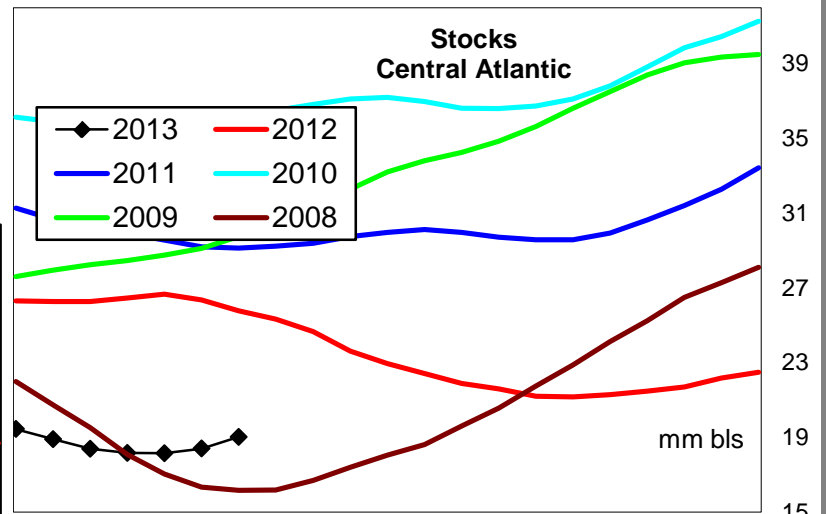
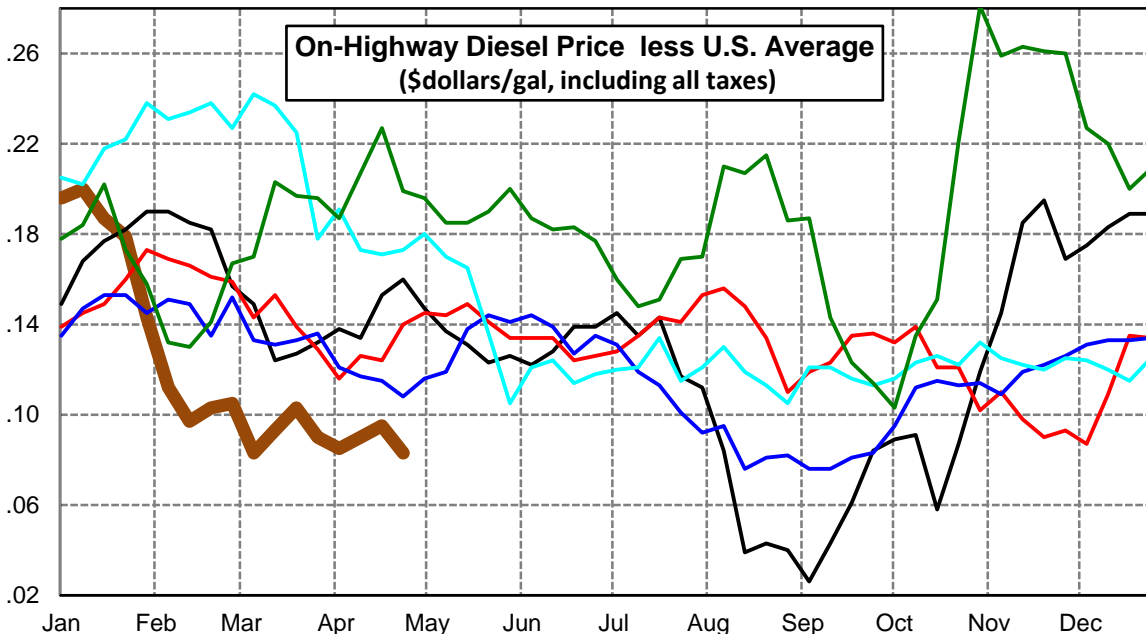
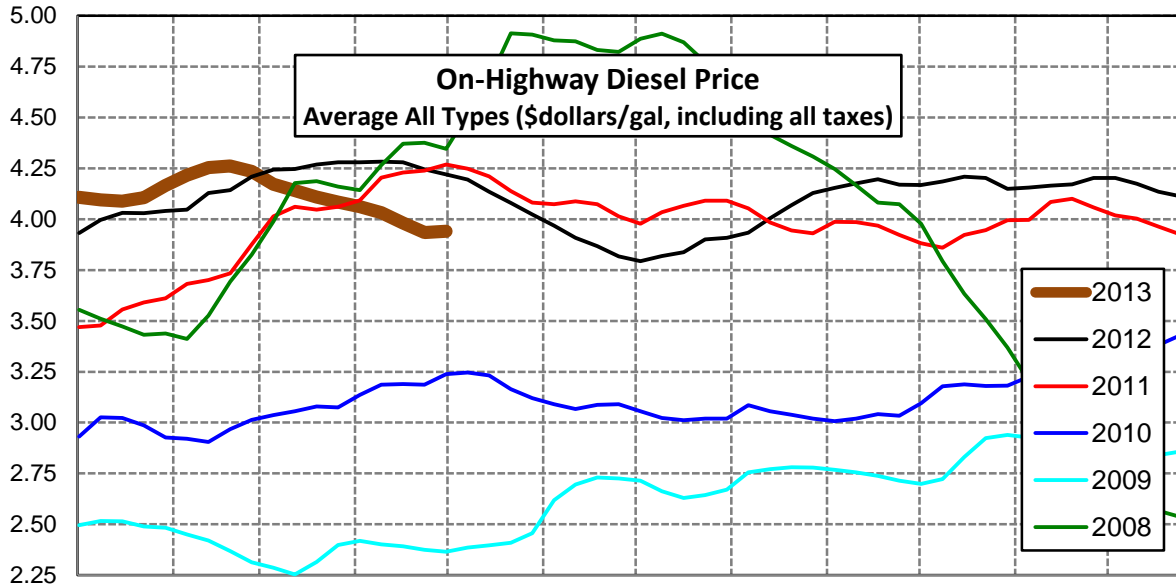
# Lower Atlantic Region Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	15Apr13	22Apr13	29Apr13	06May13	
<b>Lower Atlantic</b>	\$3.911	\$3.862	\$3.831	<b>\$3.799</b>	-\$0.032
1/ Source: U.S. Energy Information Administration					
2/ Source: Fundamental Petroleum Trends Reports					



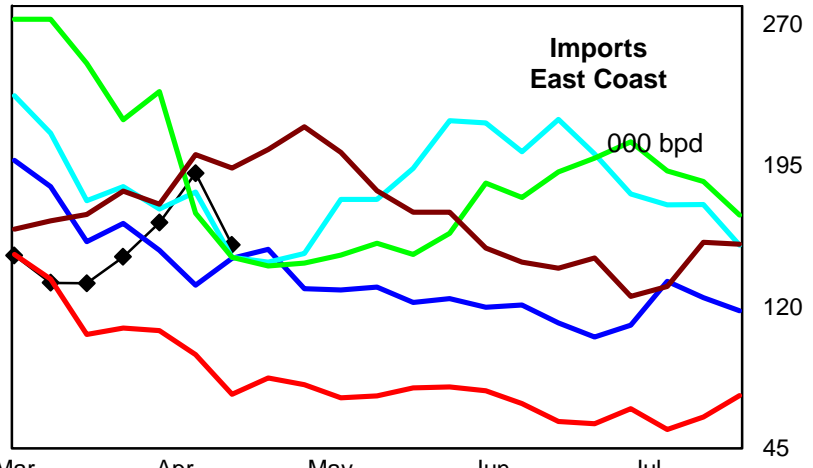
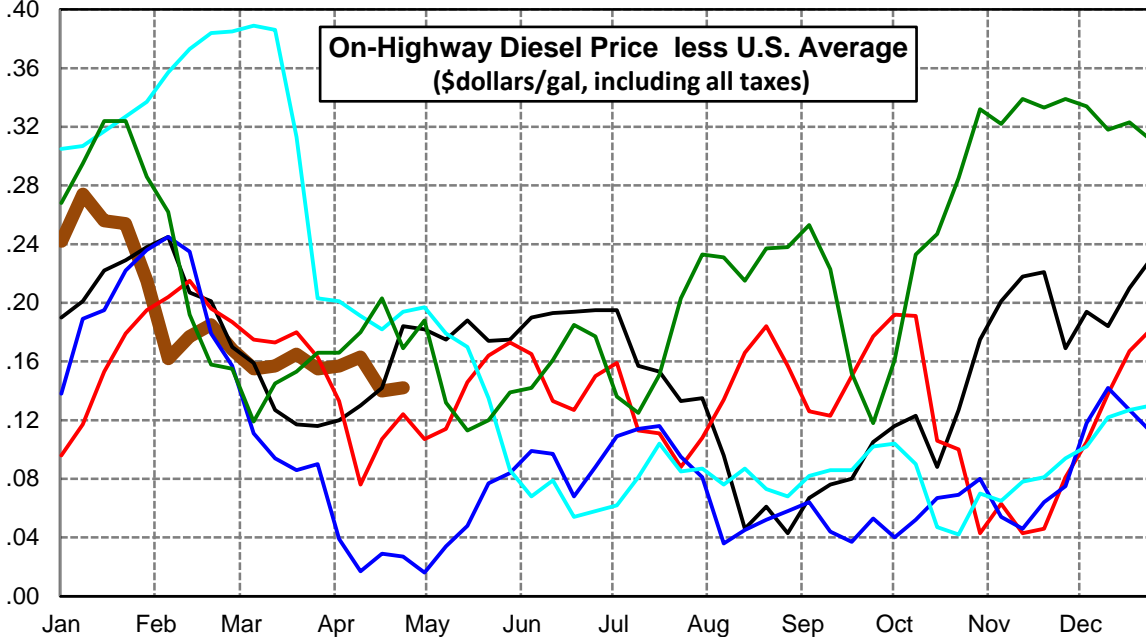
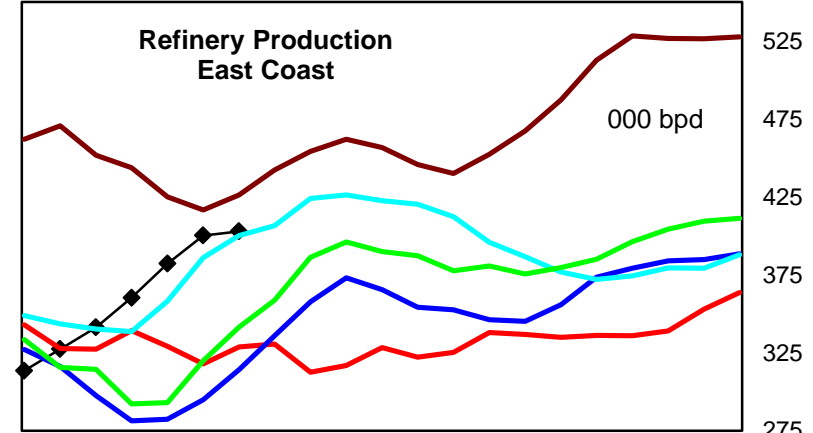
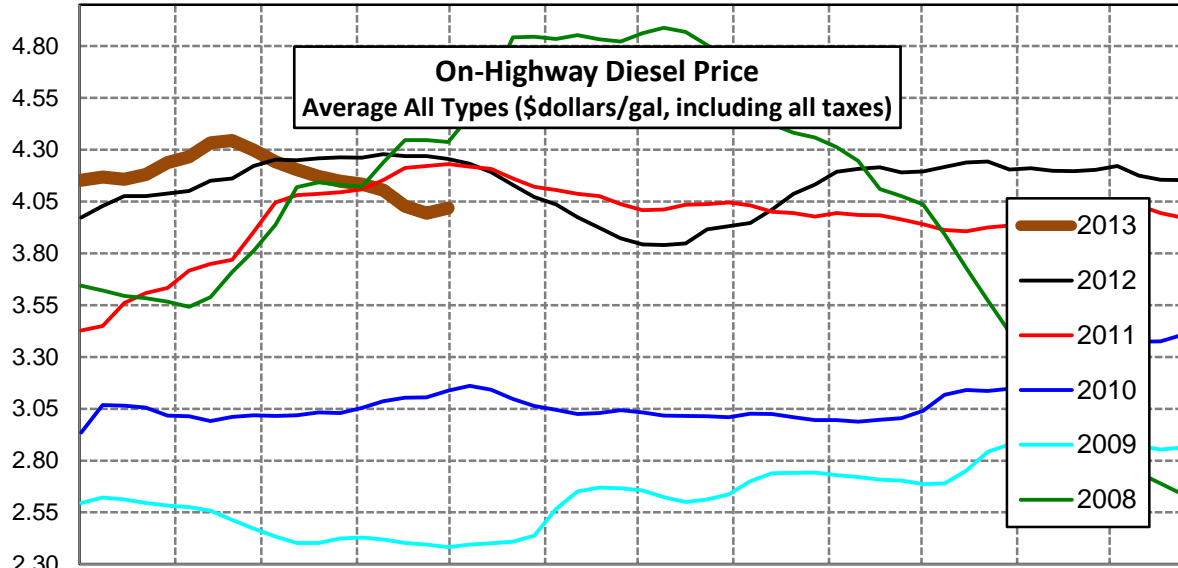
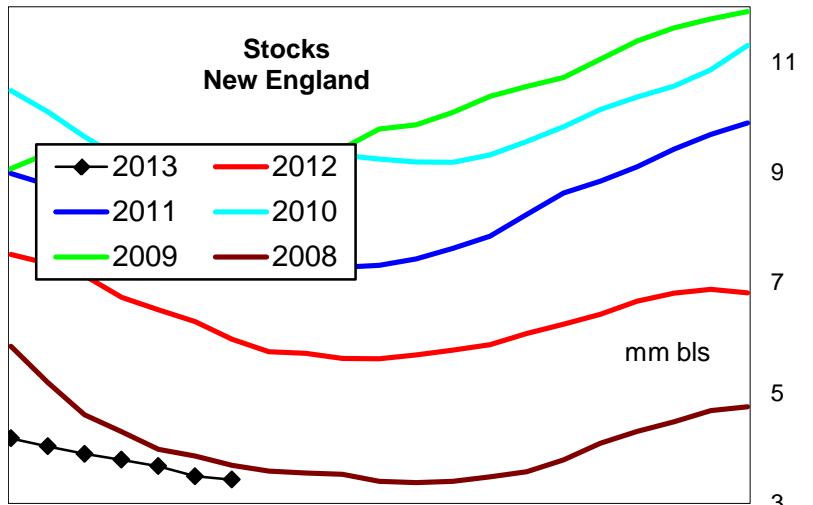
# Central Atlantic Region Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	15Apr13	22Apr13	29Apr13	06May13	
<b>Central Atlantic</b>	\$4.032	\$3.982	\$3.934	<b>\$3.941</b>	\$0.007
1/ Source: U.S. Energy Information Administration					
2/ Source: Fundamental Petroleum Trends Reports					



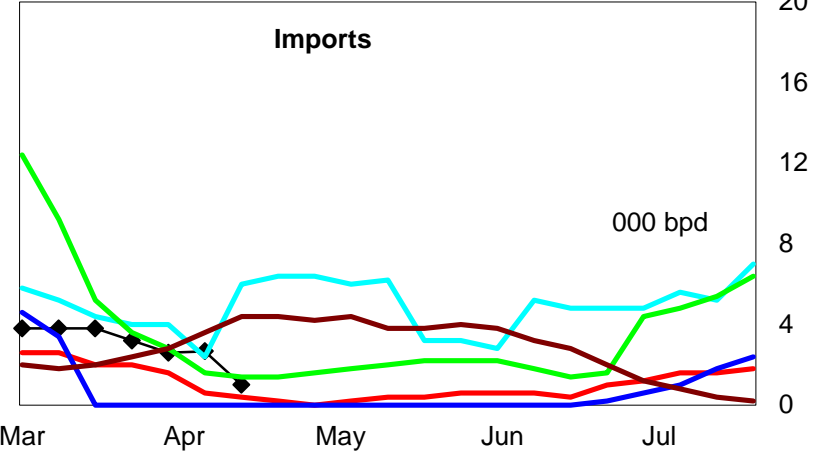
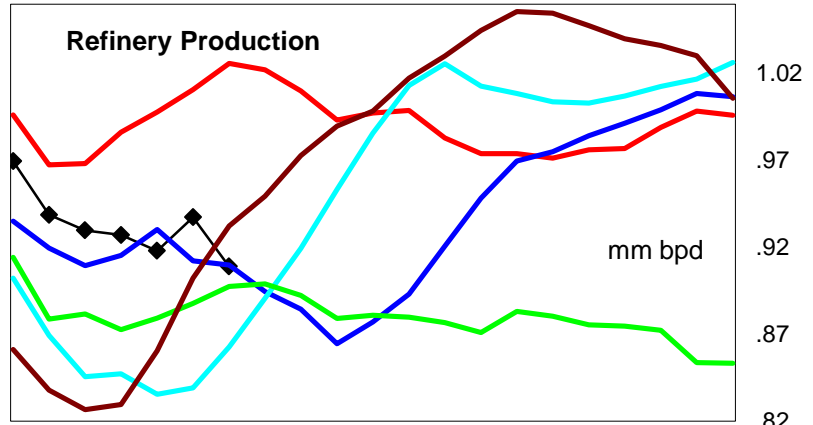
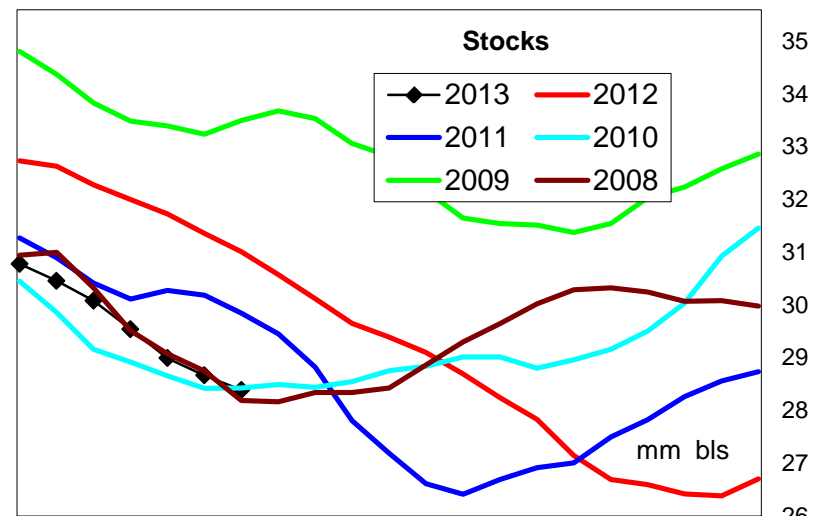
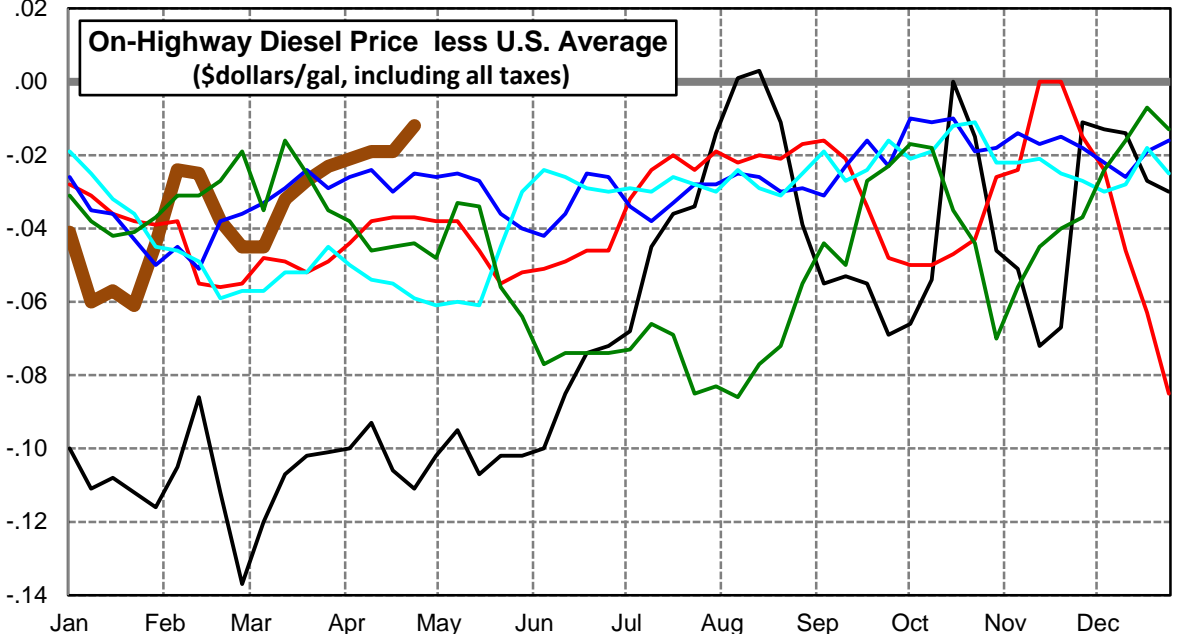
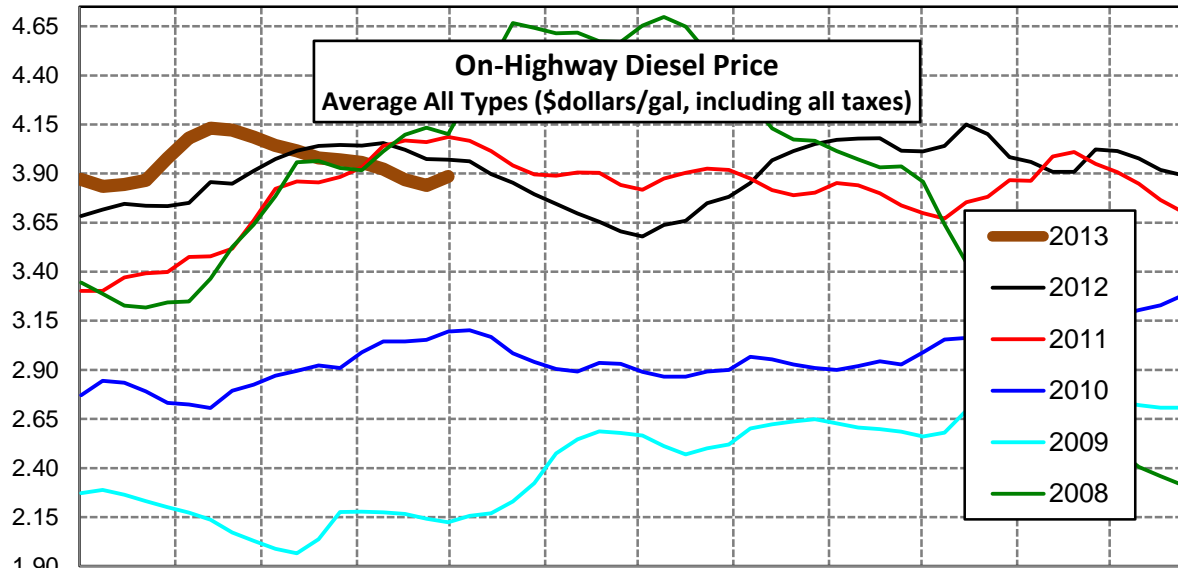
# New England Region Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	15Apr13	22Apr13	29Apr13	06May13	
<b>New England</b>	\$4.105	\$4.027	\$3.993	<b>\$4.019</b>	\$0.026
1/ Source: U.S. Energy Information Administration					
2/ Source: Fundamental Petroleum Trends Reports					



# Midwest Diesel Supply Fundamentals and On-Highway Price Trends

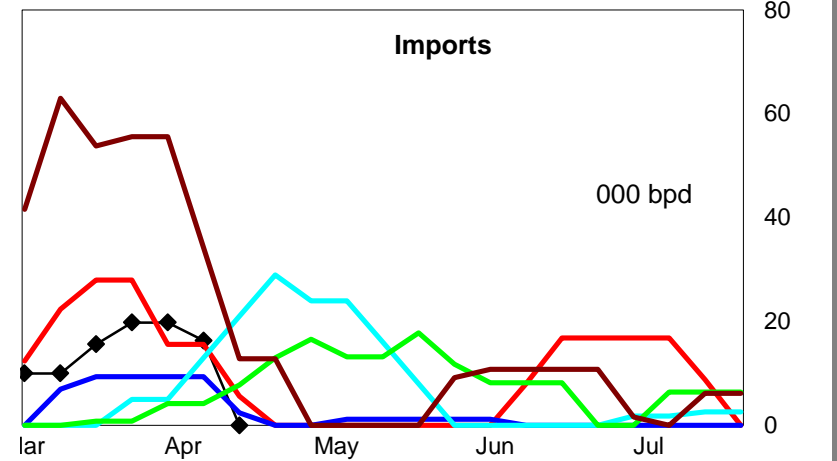
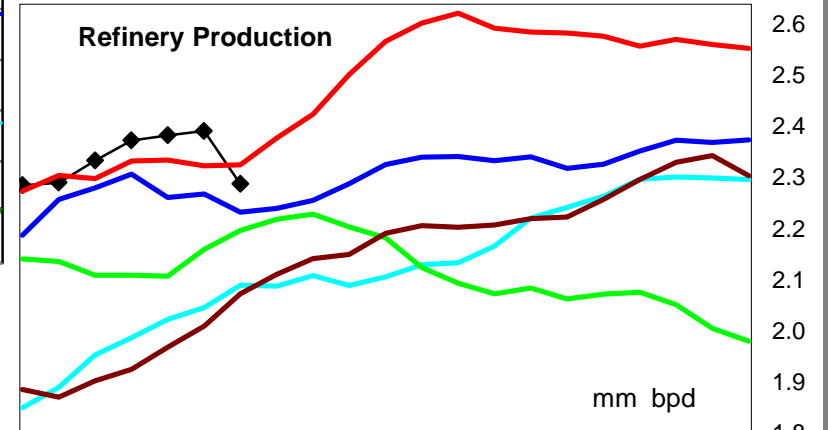
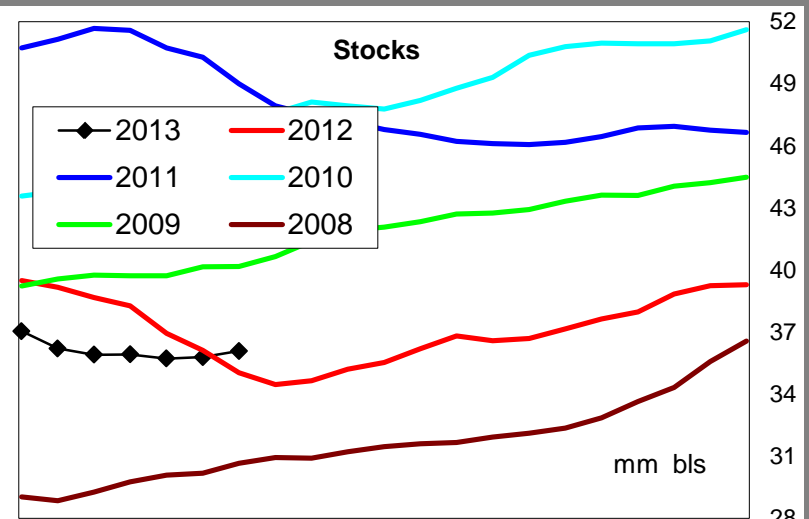
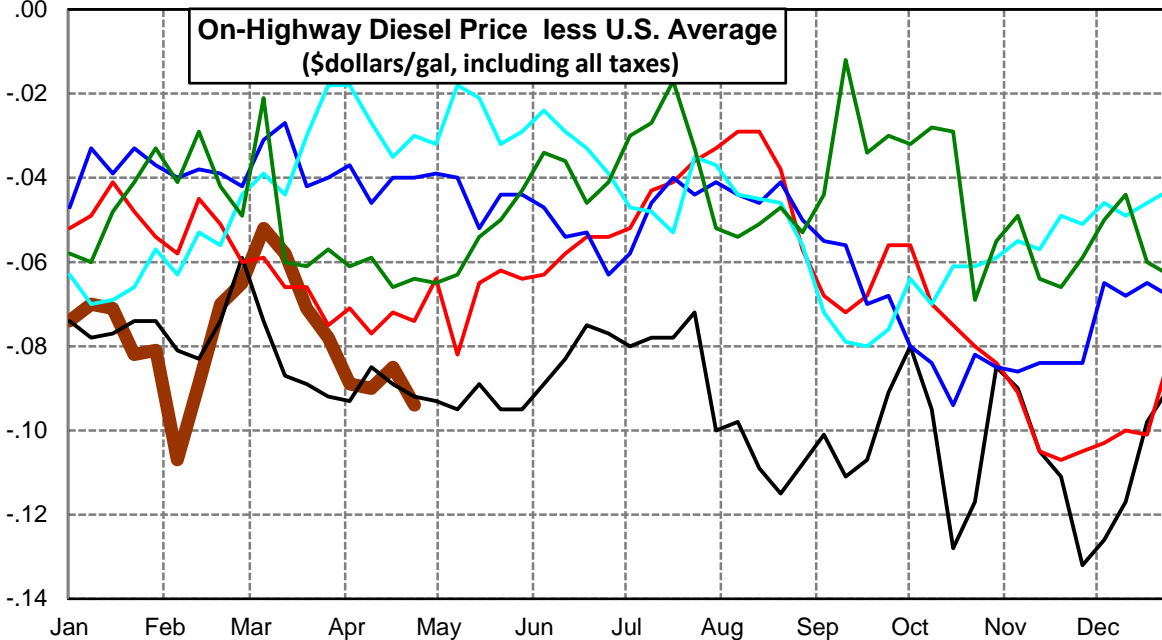
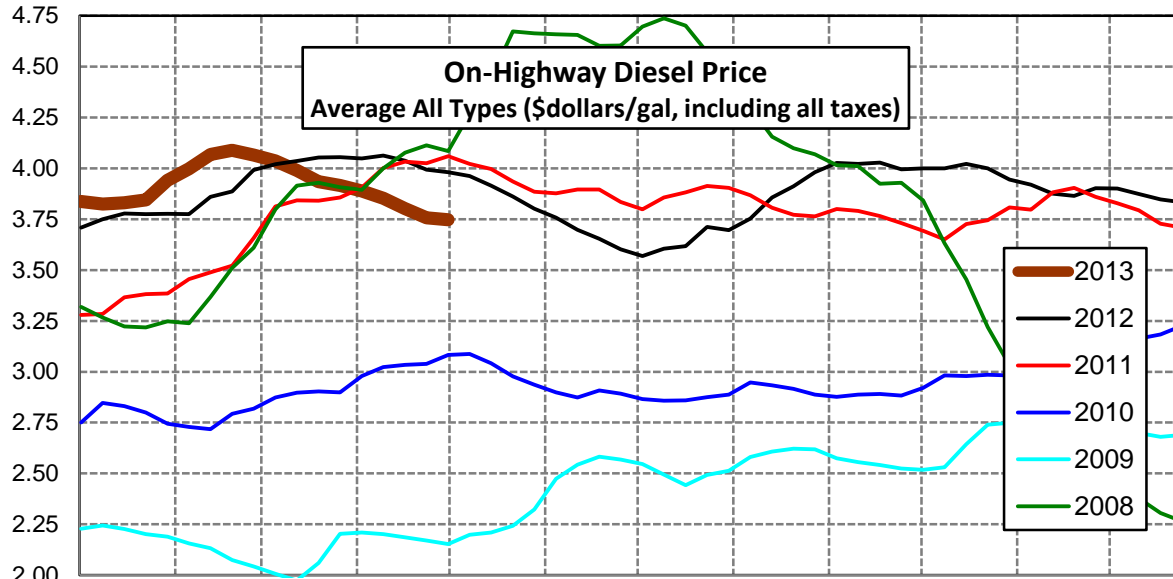
Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	15Apr13	22Apr13	29Apr13	06May13	
<b>Midwest</b>	\$3.923	\$3.868	\$3.839	<b>\$3.884</b>	\$0.045
1/ Source: U.S. Energy Information Administration					
2/ Source: Fundamental Petroleum Trends Reports					





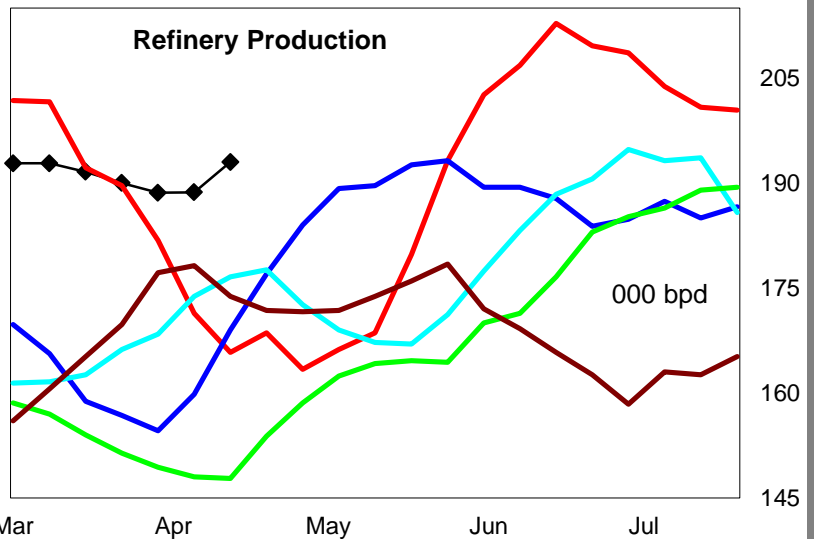
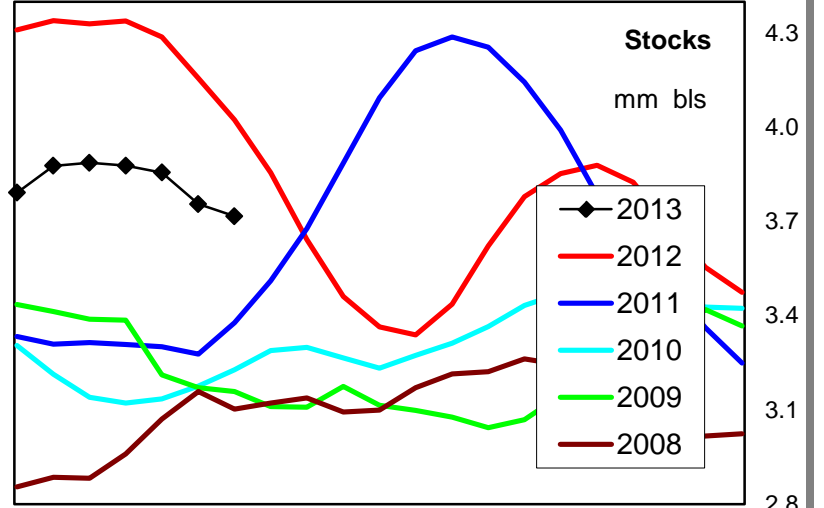
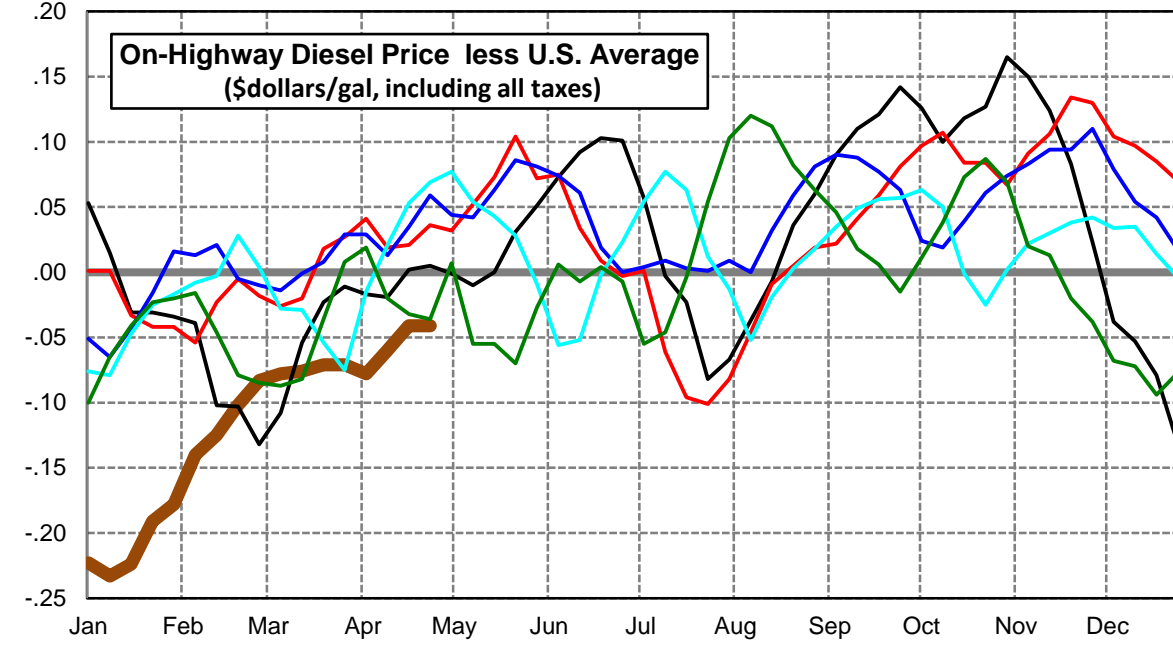
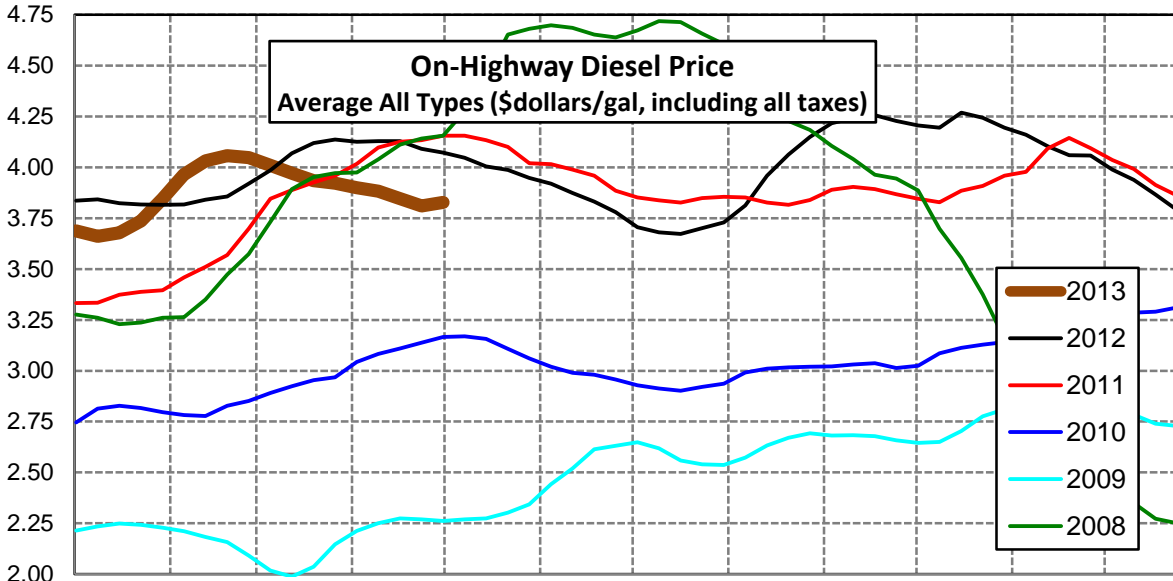
# Gulf Coast Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	15Apr13	22Apr13	29Apr13	06May13	
<b>Gulf Coast</b>	\$3.852	\$3.802	\$3.757	<b>\$3.748</b>	-\$0.009
1/ Source: U.S. Energy Information Administration					
2/ Source: Fundamental Petroleum Trends Reports					



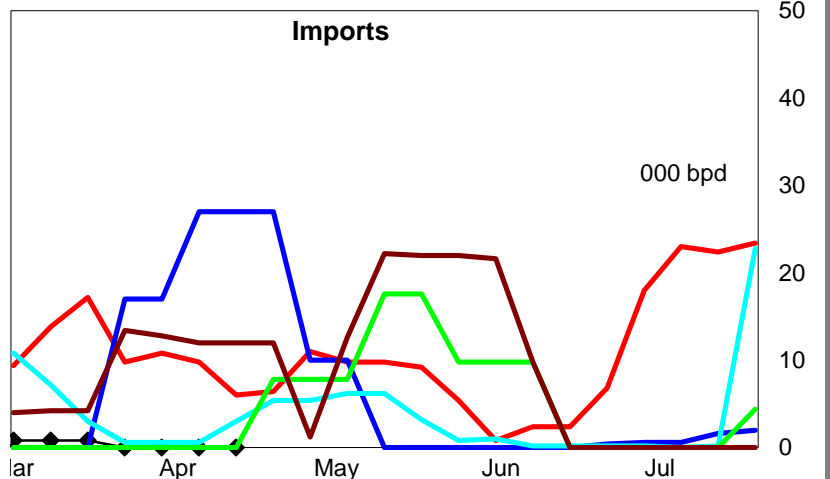
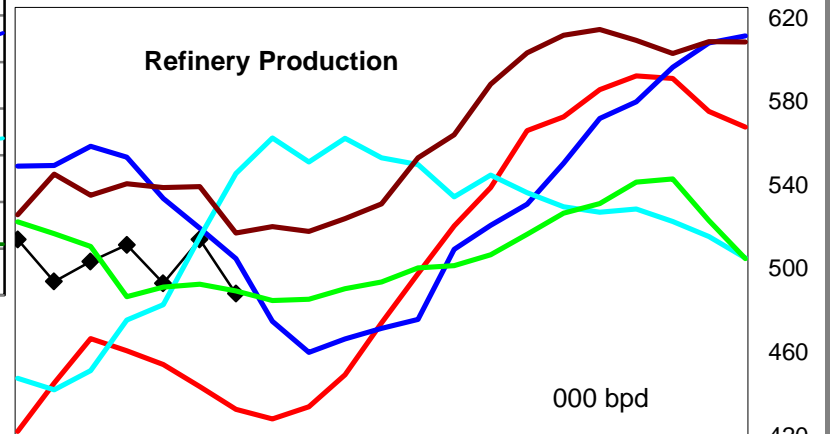
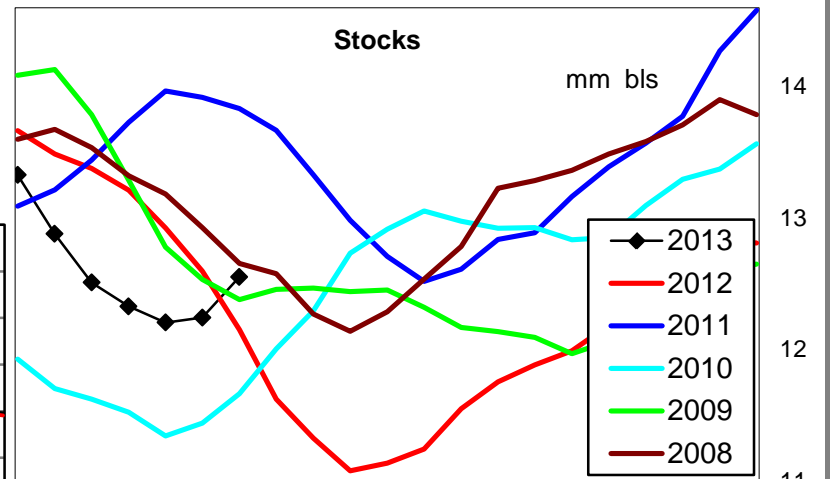
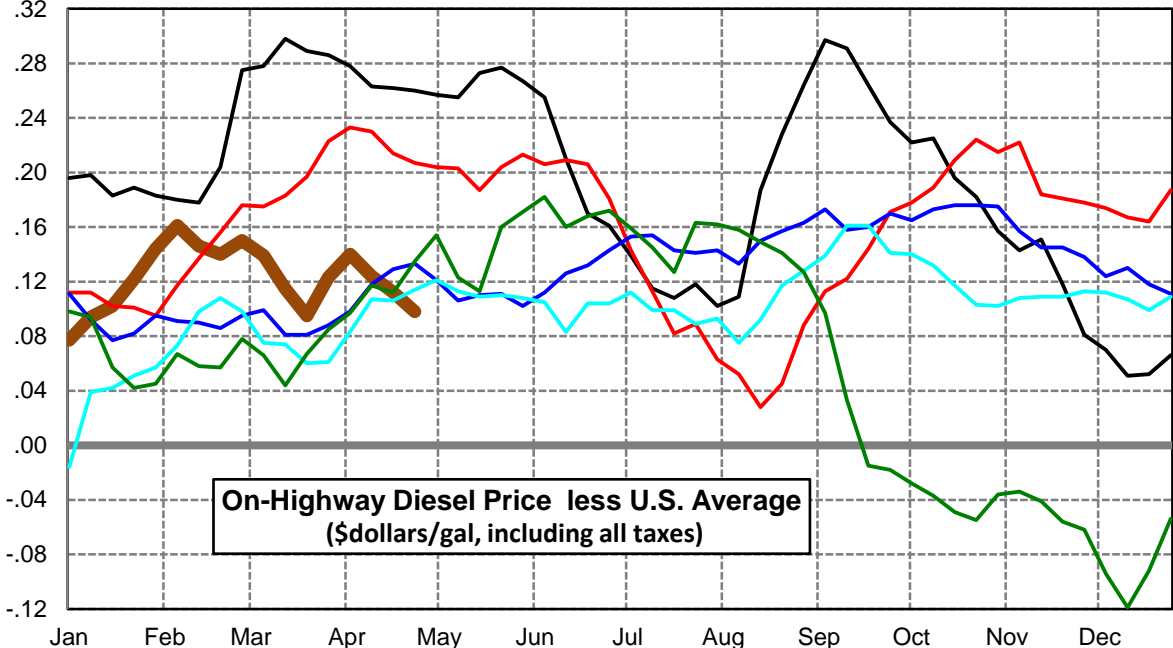
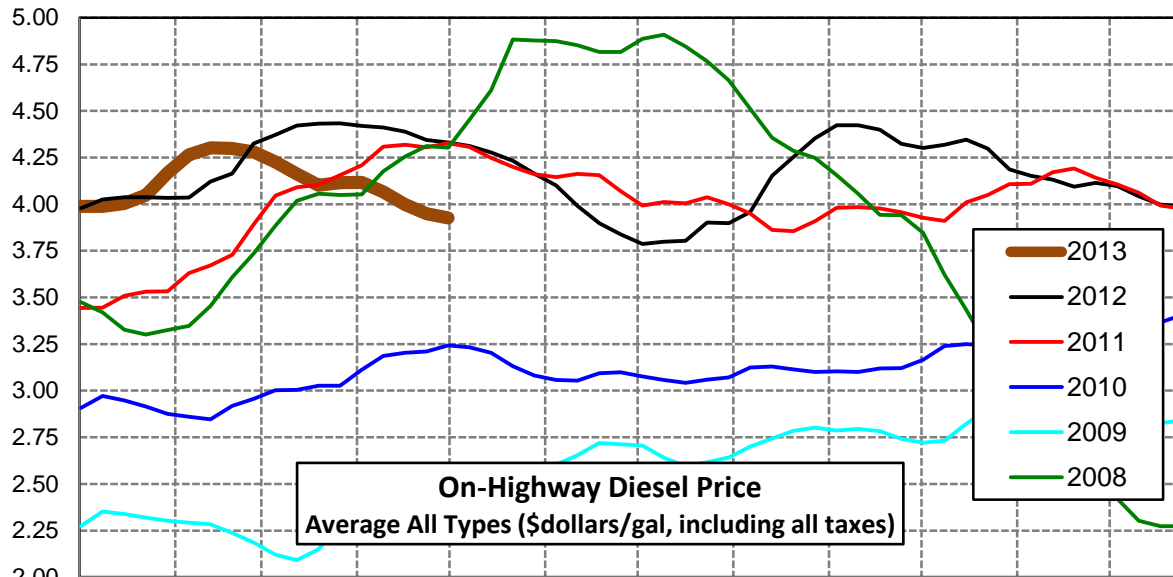
# Rocky Mountain Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	15Apr13	22Apr13	29Apr13	06May13	
<b>Rocky Mountain</b>	\$3.882	\$3.846	\$3.810	<b>\$3.828</b>	\$0.018
1/ Source: U.S. Energy Information Administration					
2/ Source: Fundamental Petroleum Trends Reports					



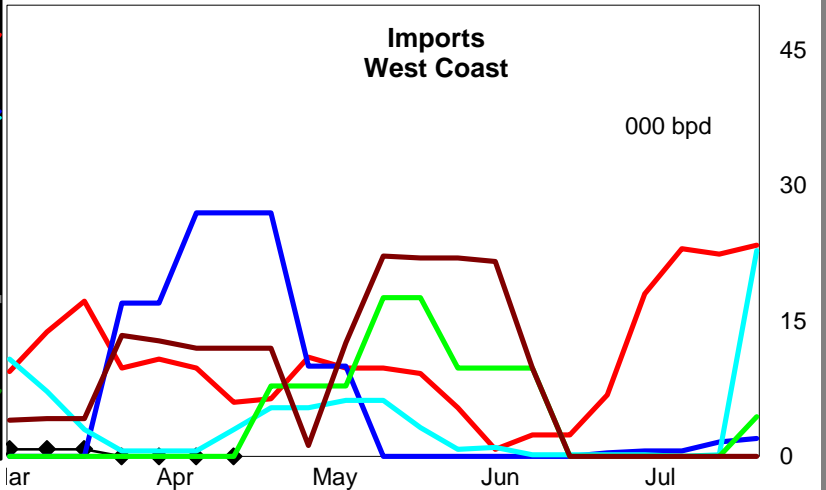
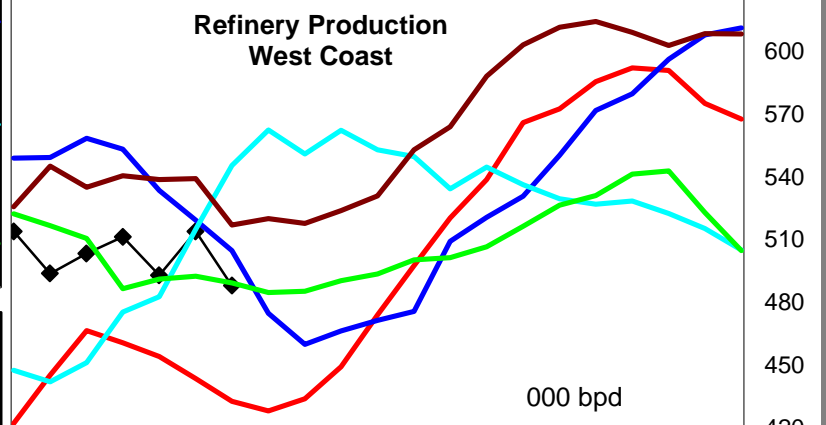
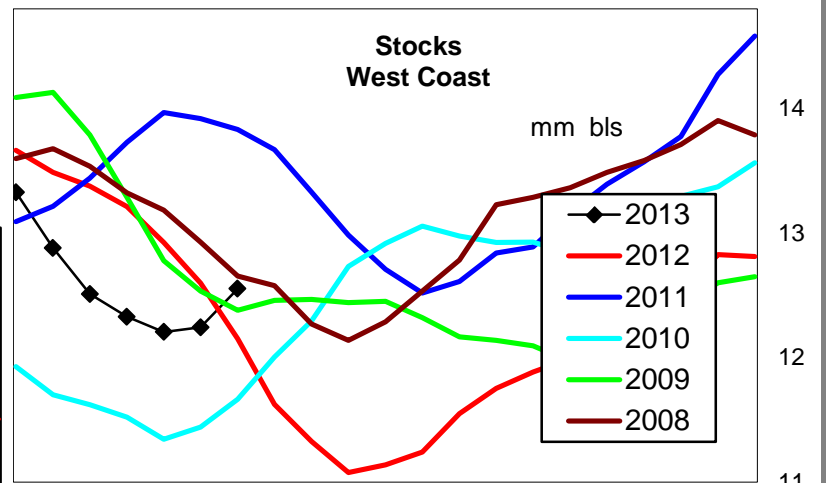
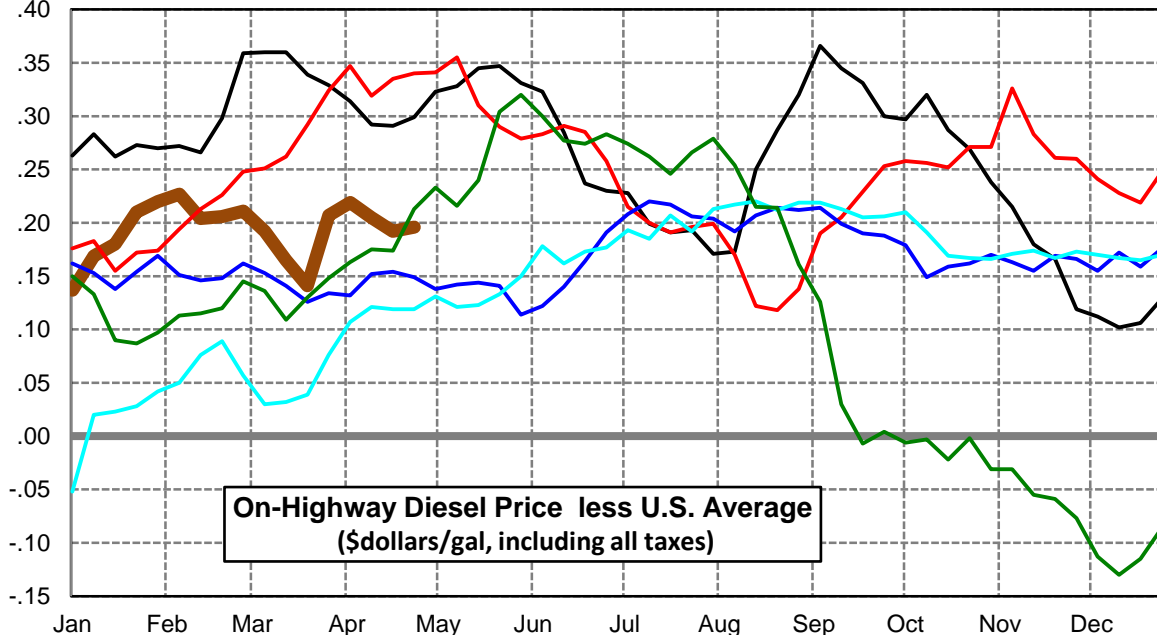
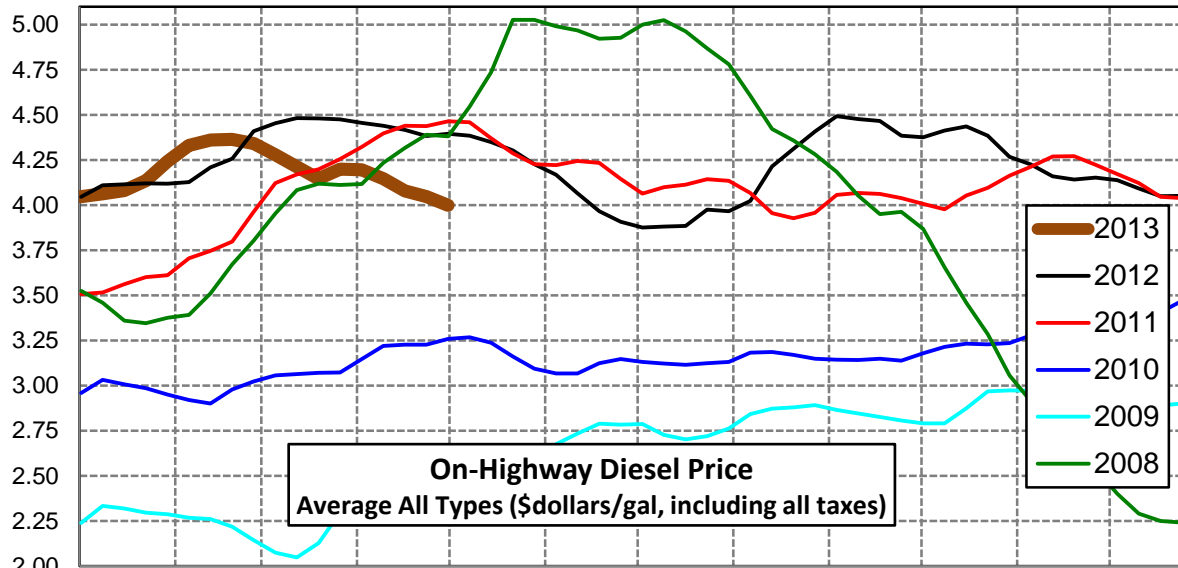
# West Coast Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/		Forecast 2/	Change from week	
	15Apr13	22Apr13	06May13		
<b>West Coast</b>	\$4.066	\$3.999	\$3.949	<b>\$3.927</b>	-\$0.022
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
	15Apr13	22Apr13	06May13	
<b>California</b>	\$4.147	\$4.079	\$4.047	<b>\$3.999</b> - \$0.048
1/ Source: U.S. Energy Information Administration				
2/ Source: Fundamental Petroleum Trends Reports				





## **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.