



RETAIL DIESEL FUEL OUTLOOK

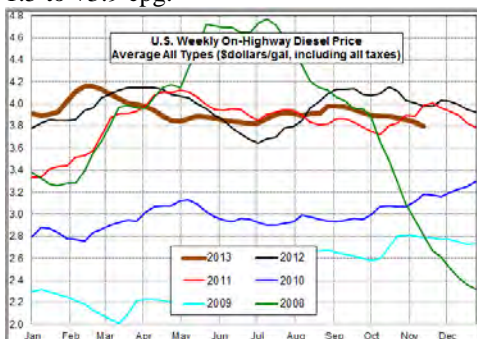
A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Wednesday, November 13, 2013

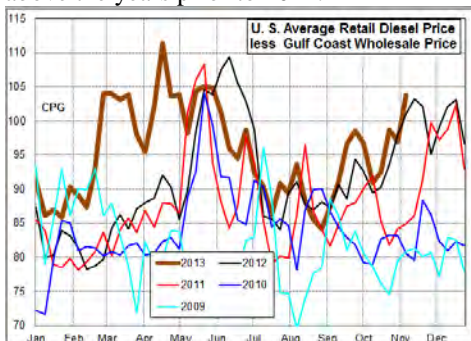
Region	Actual Price 1/			Forecast 2/	Change from week ago
	28Oct13	04Nov13	11Nov13	18Nov13	
U.S.	3.870	3.857	3.832	3.795	-0.037
East Coast	3.889	3.878	3.855	3.828	-0.027
New England	4.020	4.008	3.991	3.951	-0.040
Central Atlantic	3.951	3.938	3.903	3.899	-0.004
Lower Atlantic	3.818	3.808	3.793	3.729	-0.064
Midwest	3.837	3.826	3.798	3.765	-0.033
Gulf Coast	3.783	3.769	3.752	3.703	-0.049
Rocky Mountain	3.865	3.857	3.836	3.793	-0.043
West Coast	4.036	4.015	3.976	3.933	-0.043
California	4.117	4.092	4.055	4.007	-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 -2.5 cpg for the week, ending 11Nov13. Prices were lower in all regional markets with decreases of -1.5 to +3.9 cpg.



The U.S. average retail diesel price compared to Gulf Coast wholesale market increased +6.9 cpg on the week. The spread ended the week at a level +20 cpg above the years prior to 2012.



The national average on-highway price ended the week -15 cpg below a year ago. The highest retail prices were in California and New England at \$4.06/gal and

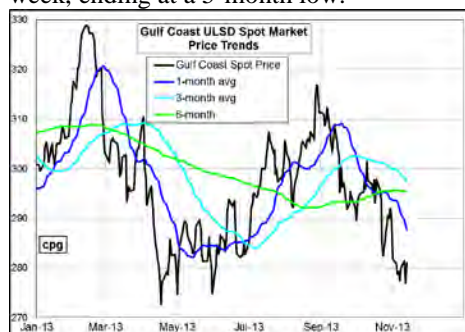
\$3.99/gal; respectively.

The lowest prices were in the Gulf at \$3.75/gal,

Midwest and lower Atlantic at \$3.79 gal. Prices in these regions are lowest in the country due to very high production.

The spread between the U.S. average price and regional prices in the Central Atlantic and Rocky Mountain regions were at 5-yr lows for this time of year on high production in the Gulf and high stock levels in the Rockies. The spread between the U.S. average price and regional prices in the Lower Atlantic, Gulf and California were above each of the last 3-yrs

Gulf spot prices decreased -2 cpg last week, ending at a 5-month low.



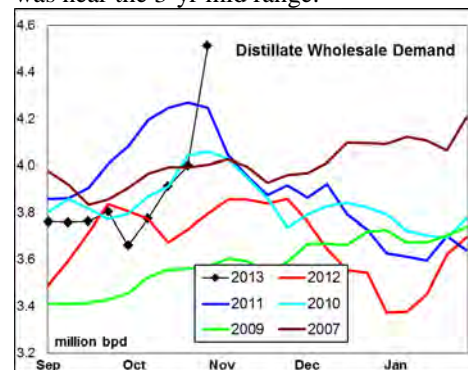
The spread between the Gulf wholesale price and the U.S. average retail price increased +6.9 cpg to 104 cpg last week. This differential was a record differential for this time of year. The wide spread points to very favorable retail diesel fuel margins.

Supply - Demand Fundamental Trends

Distillate wholesale demand increased +0.4 million bpd last week. The recent volatility in wholesale demand estimates was due to incomplete data following the earlier shutdown of the government. Demand for the latest 4-wk period was +298,000 bpd above a year ago.

Supply increased +93,000 bpd on the week, due to higher imports and production. During the latest 4-wk period, production was +390,000 bpd above last year while imports were +79,000 bpd higher.

Stocks fell -4.9 million barrels last week on the spike in demand. The latest 4-wk stock draw of -8.7 million barrels was near the 3-yr mid range.



Global Trends Driving Diesel Prices

Crude oil stocks in the Midwest and Gulf regions remain extremely high, driven by increased domestic supplies and fall refinery maintenance that has reduced demand. However, even with the fall maintenance lowering thru put, stock levels are very burdensome.

As refiners return from maintenance, over supply of distillate will occur in nearly all inland regions that lack access to export markets; driven by capacity expansion and favorable refining margins.

The lack of weather disruptions in the Gulf this hurricane season has improved the distillate supply balance East of the Rockies.

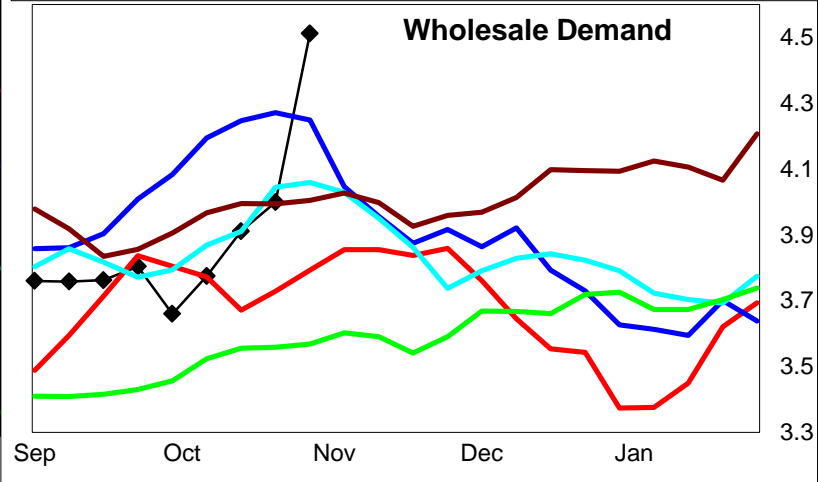
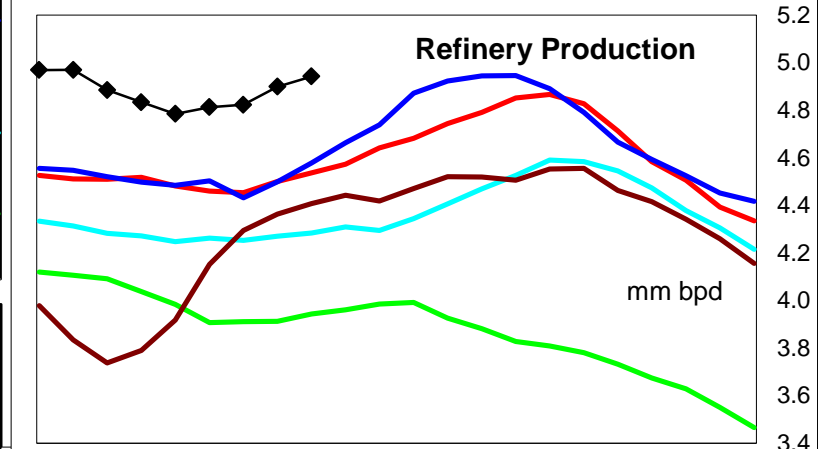
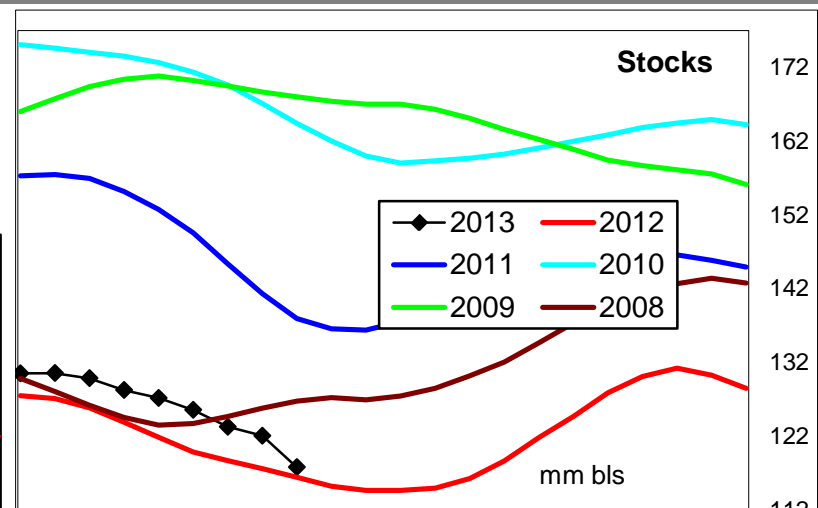
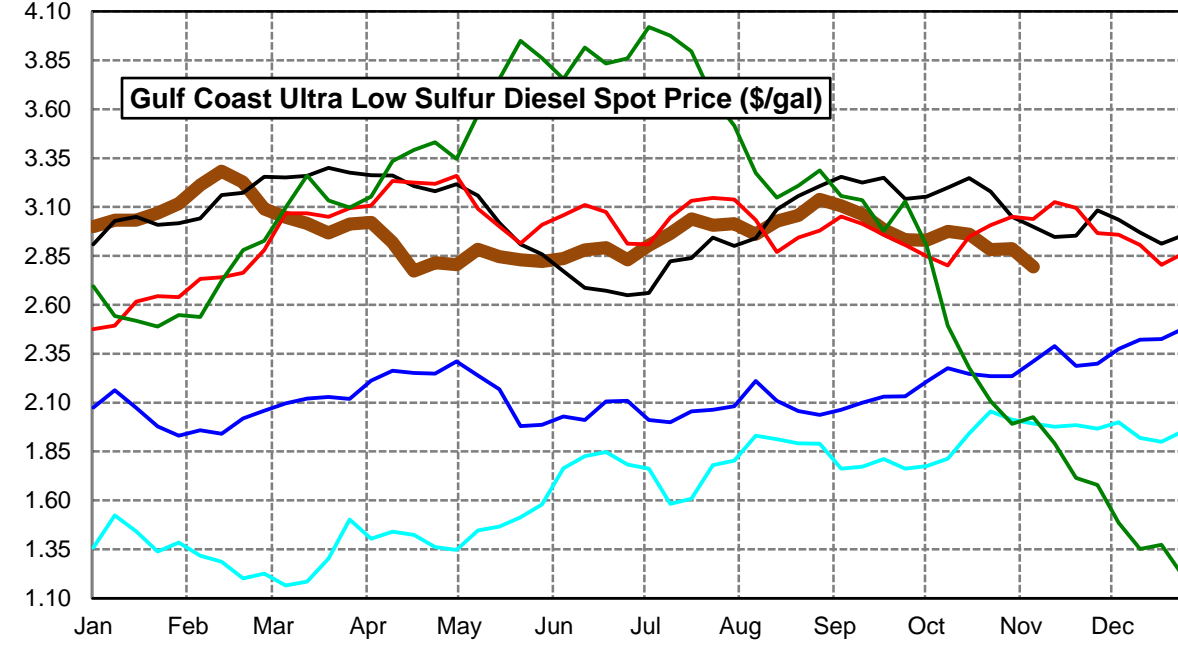
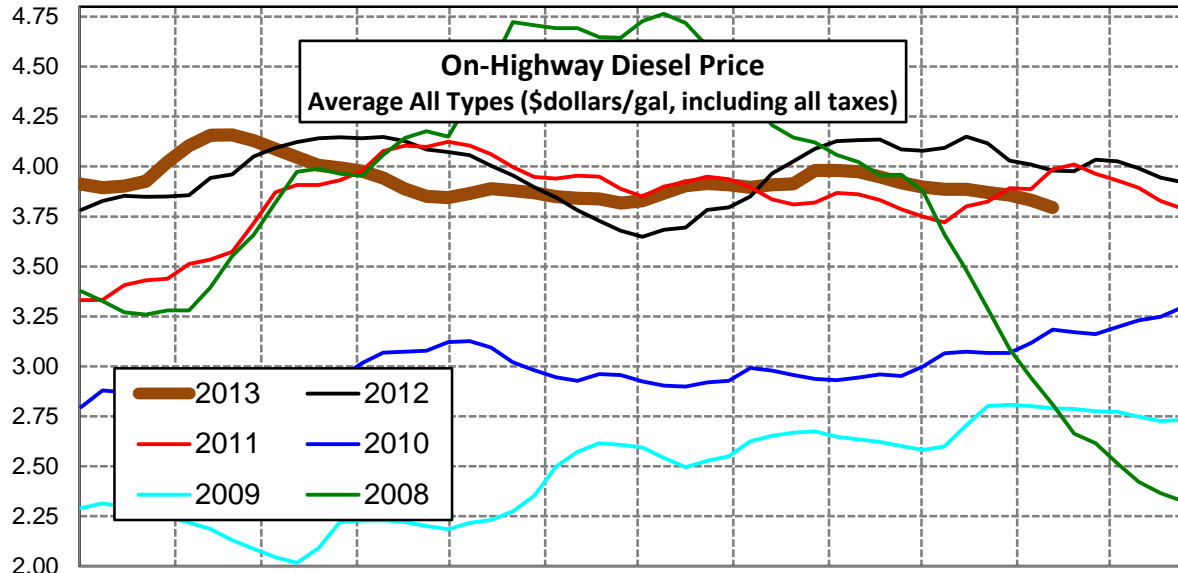
Diesel Price Outlook Retail prices are forecast to decrease in the near term on lower wholesale prices. Retail to wholesale price spreads are likely to remain extremely wide through year end, inline with the last 2-yrs. Look for relative price weakness in inland markets which lack access to export markets on excess winter supply; including the Rockies, Midwest and Chicago regions.

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



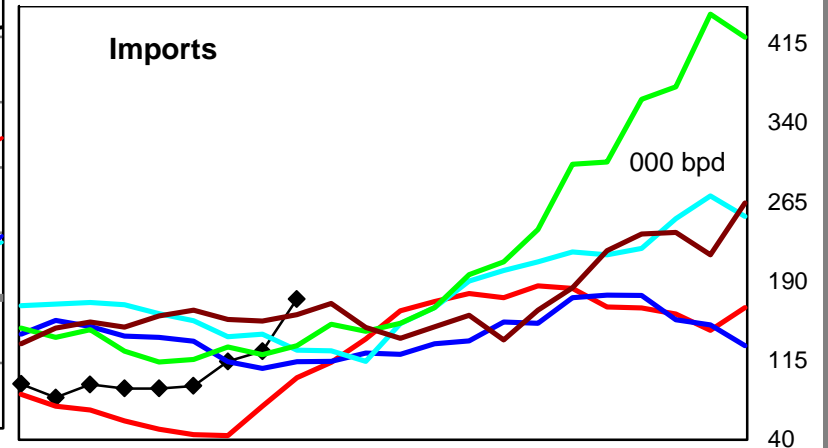
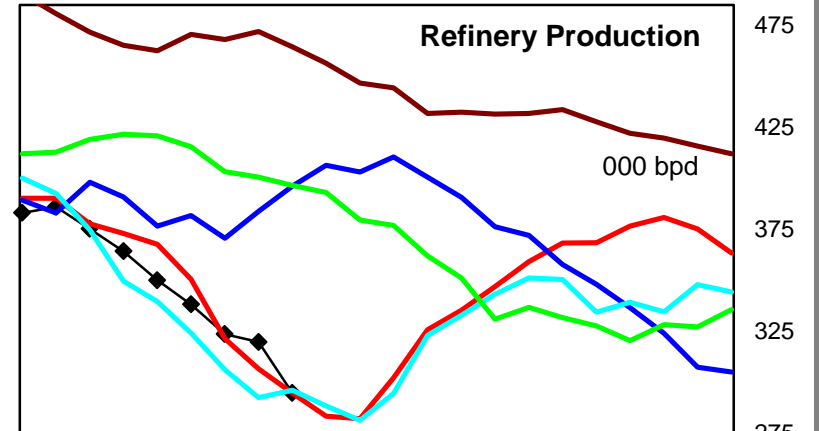
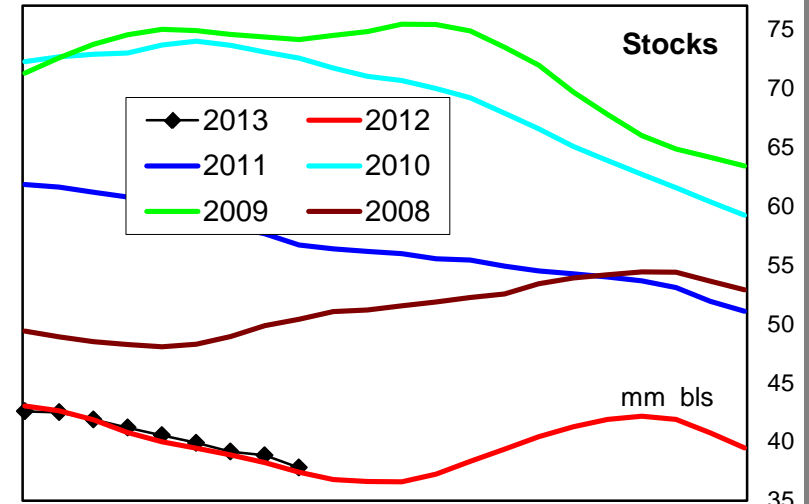
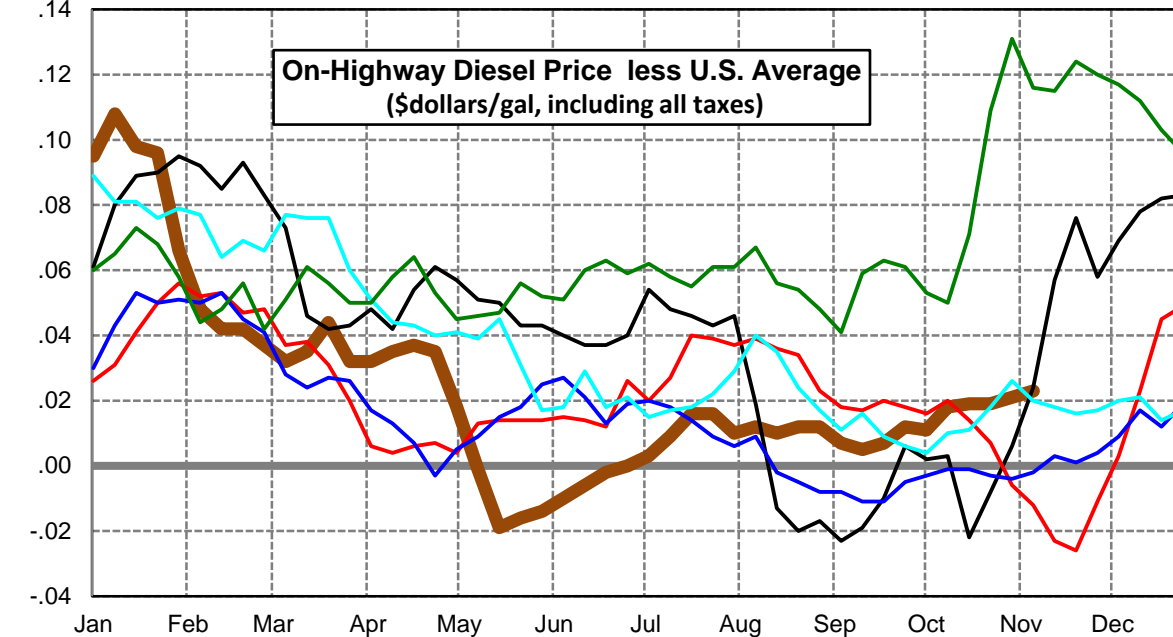
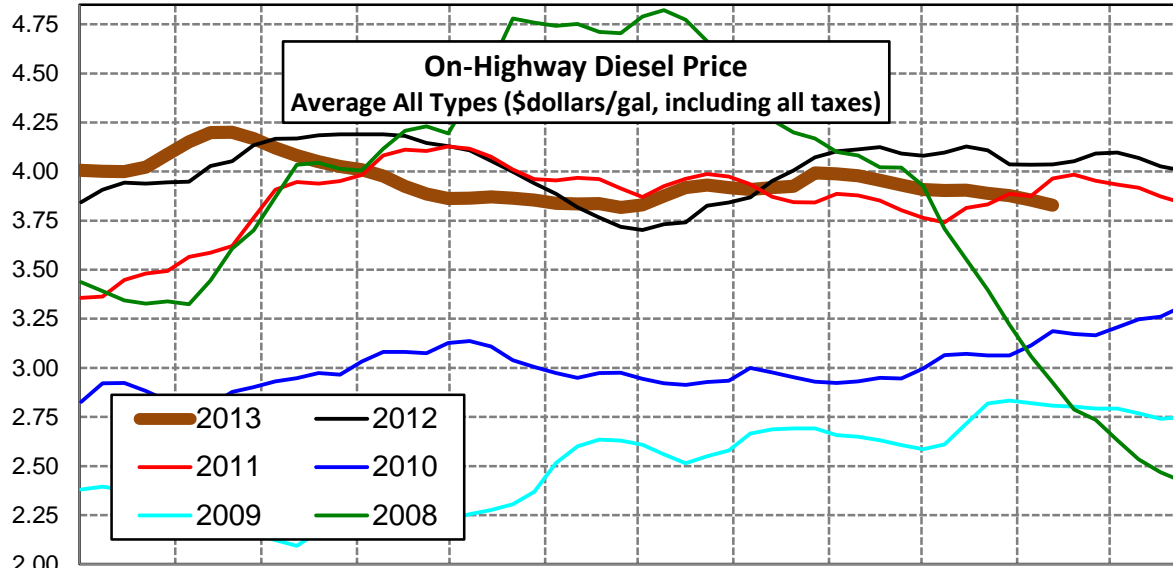
U. S. Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	28Oct13	04Nov13	11Nov13	18Nov13	
United States Avg	\$3.870	\$3.857	\$3.832	\$3.795	-\$0.037
1/ Source: U.S. Energy Information Administration					
2/ Source: Fundamental Petroleum Trends Reports					



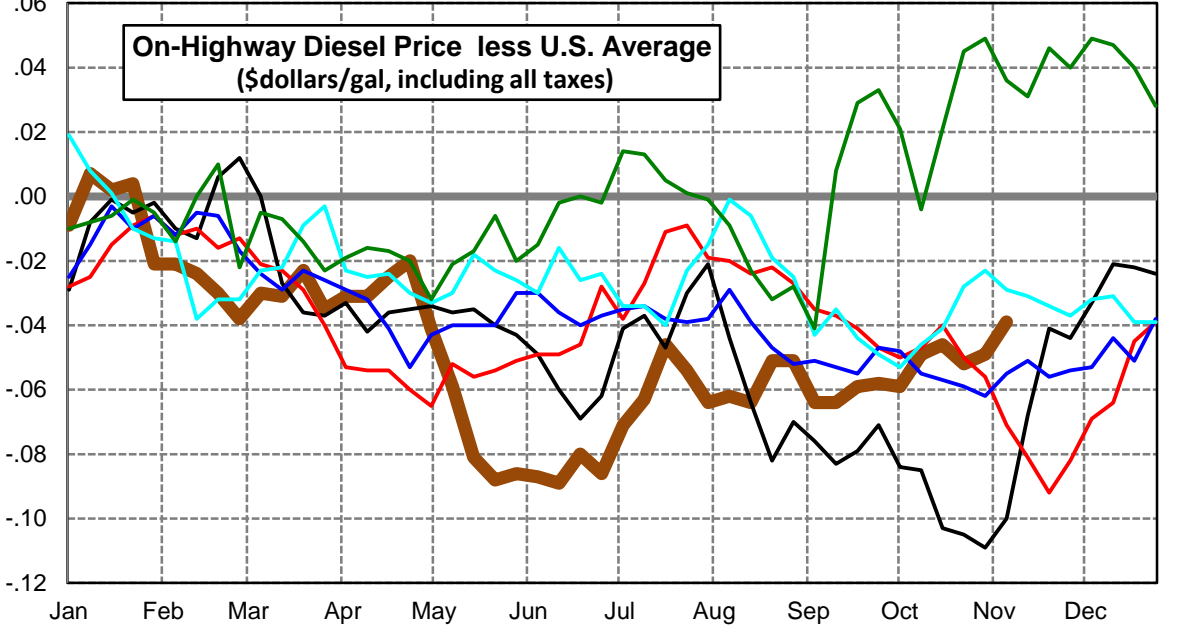
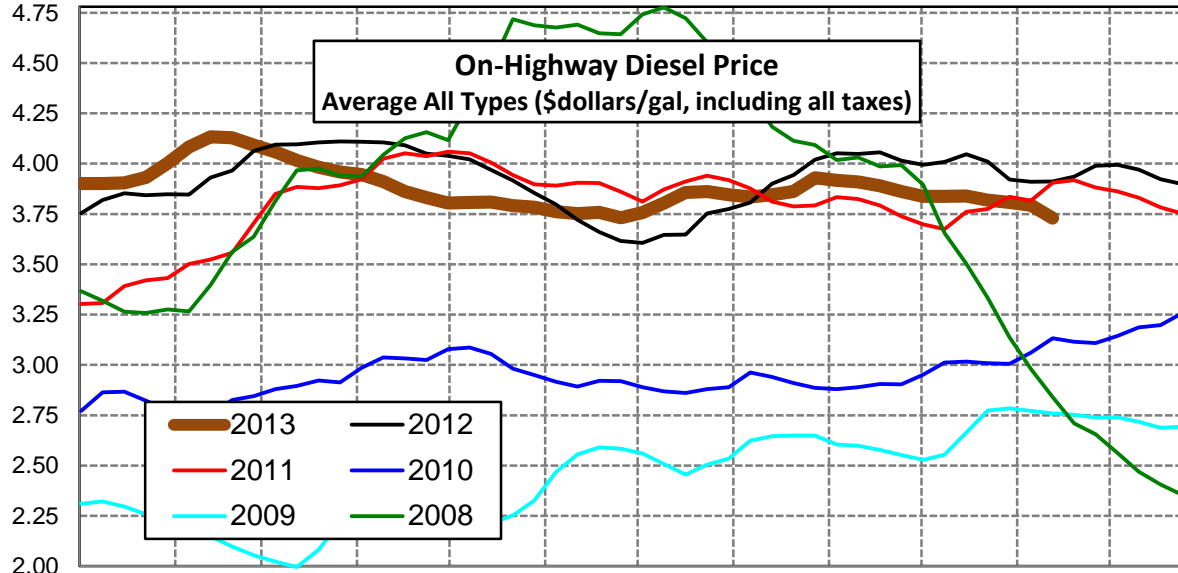
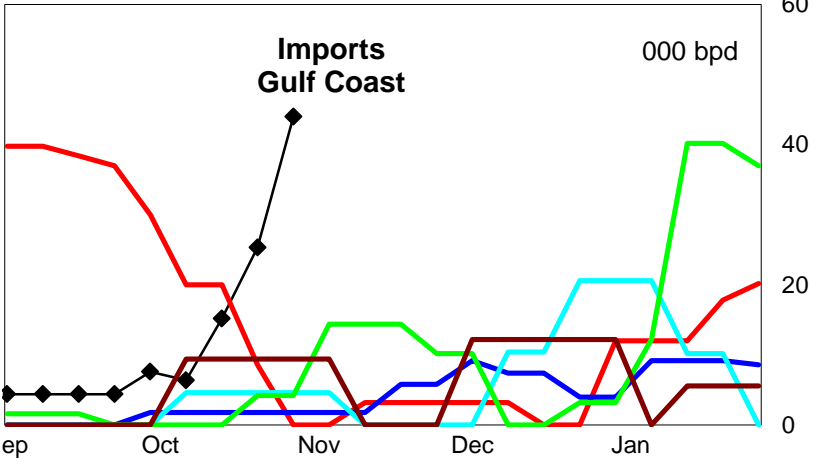
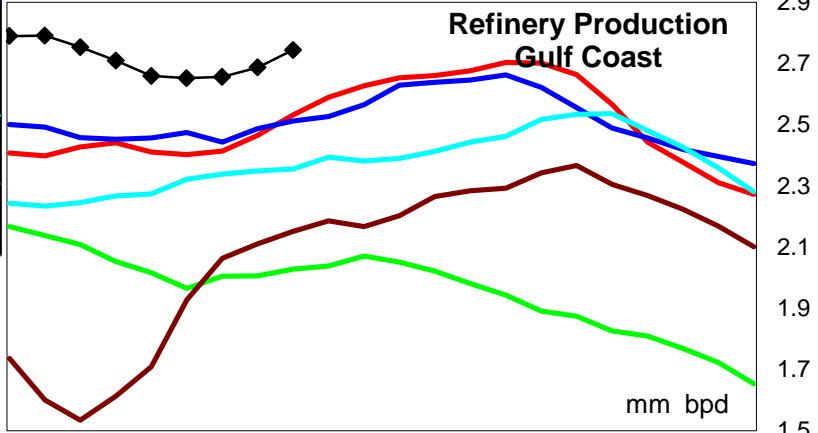
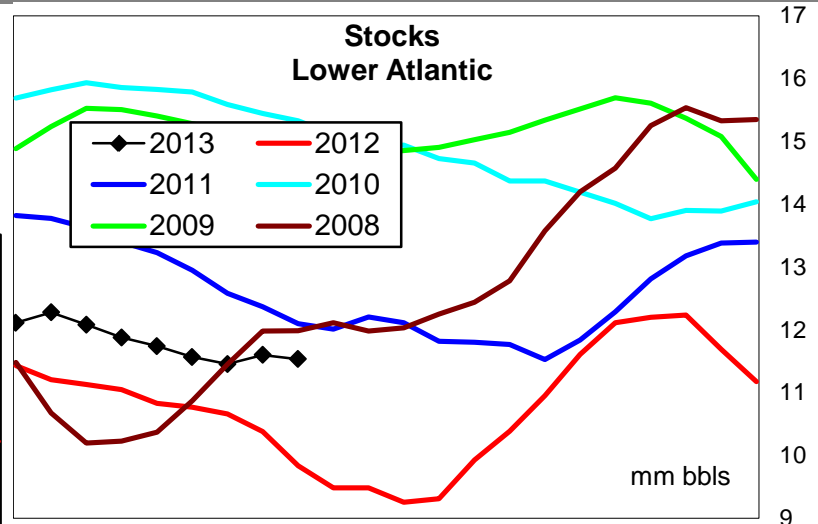
East Coast Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	28Oct13	04Nov13	11Nov13	18Nov13	
East Coast	\$3.889	\$3.878	\$3.855	\$3.828	-\$0.027
1/ Source: U.S. Energy Information Administration					
2/ Source: Fundamental Petroleum Trends Reports					



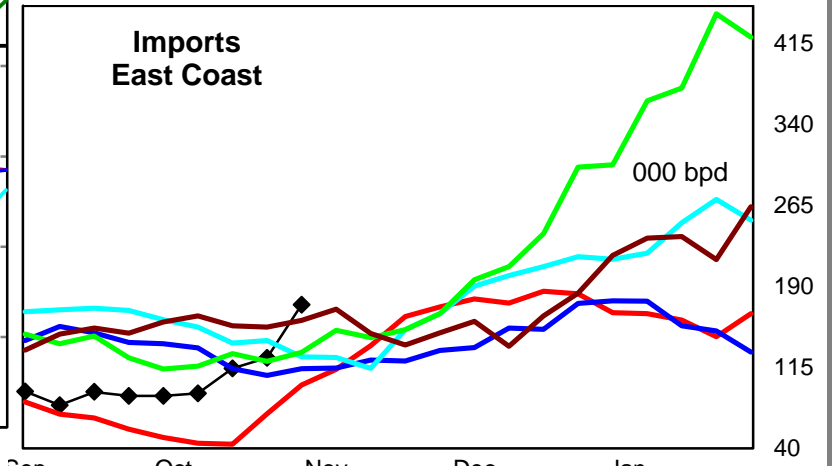
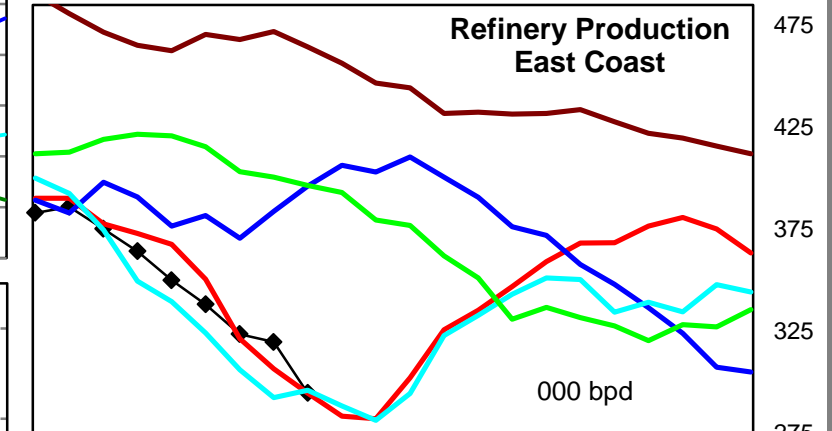
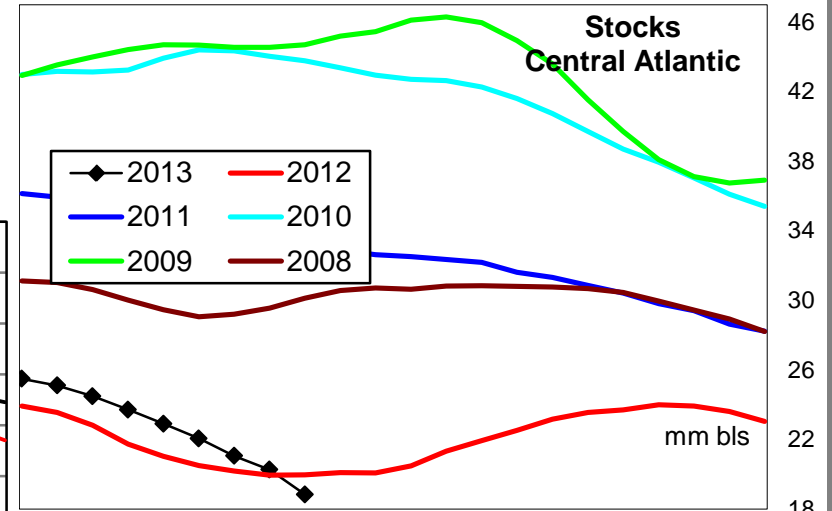
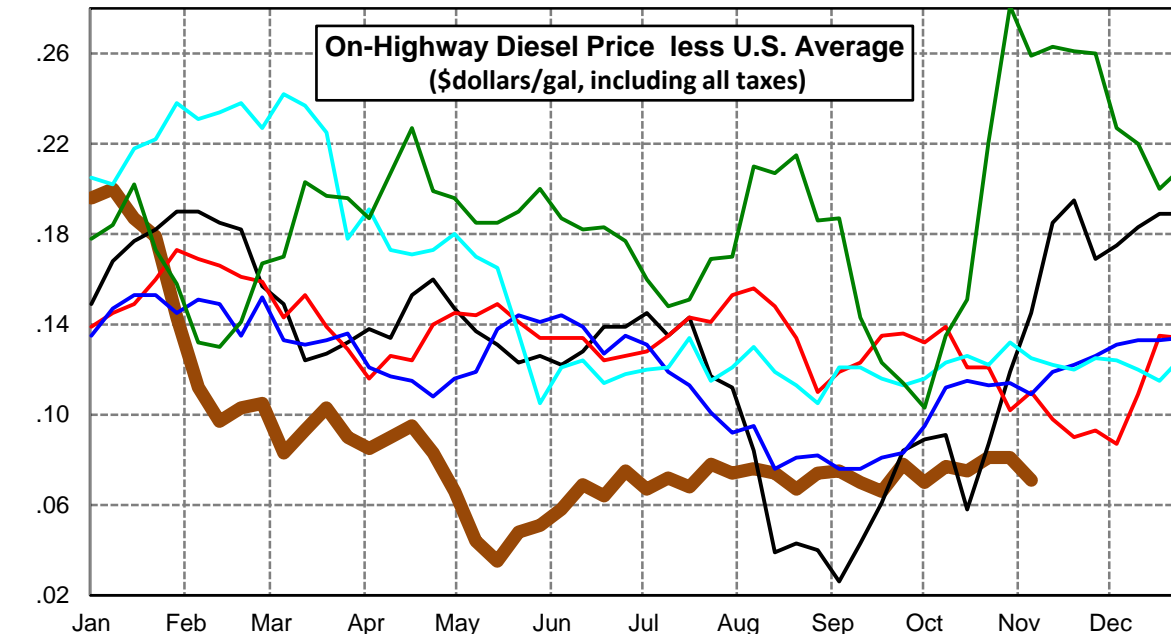
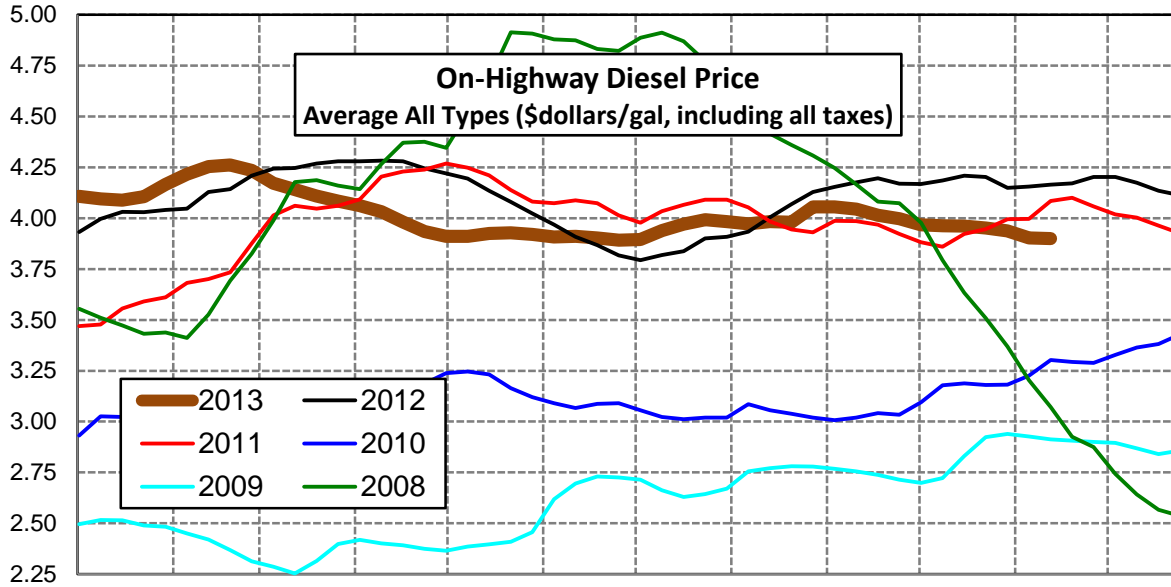
Lower Atlantic Region Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	28Oct13	04Nov13	11Nov13	18Nov13	
Lower Atlantic	\$3.818	\$3.808	\$3.793	\$3.729	-\$0.064
1/ Source: U.S. Energy Information Administration					
2/ Source: Fundamental Petroleum Trends Reports					



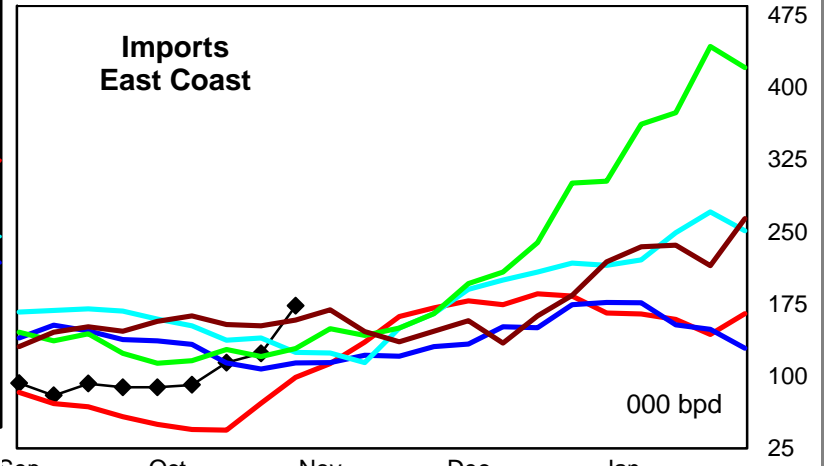
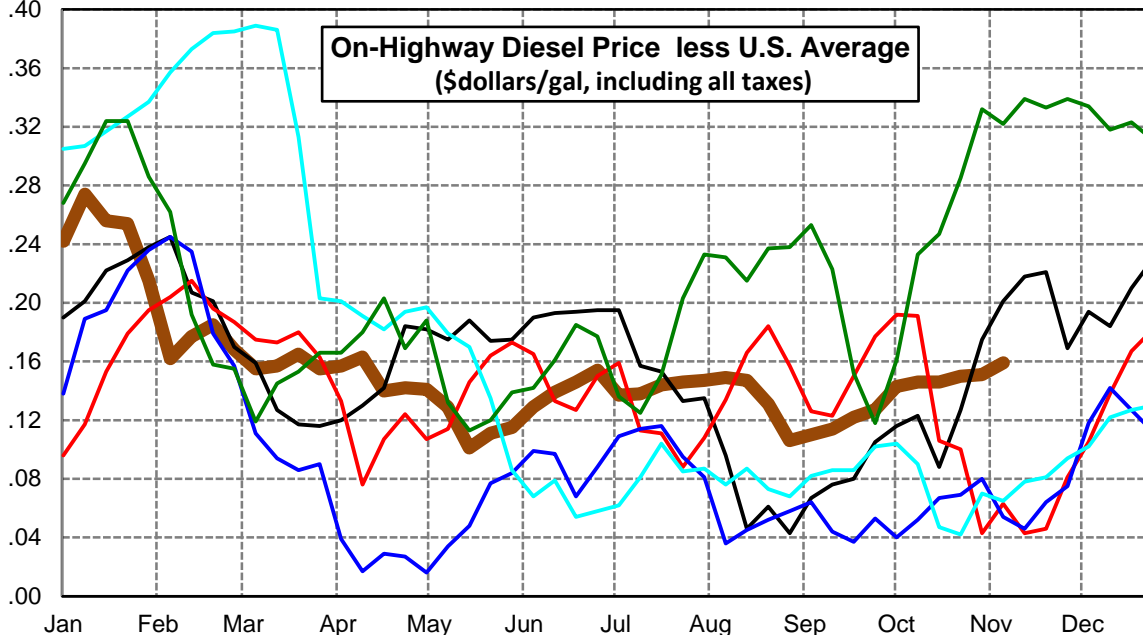
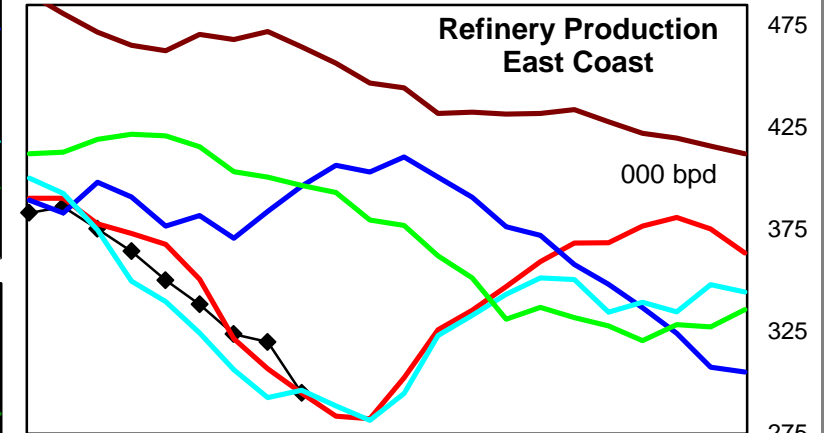
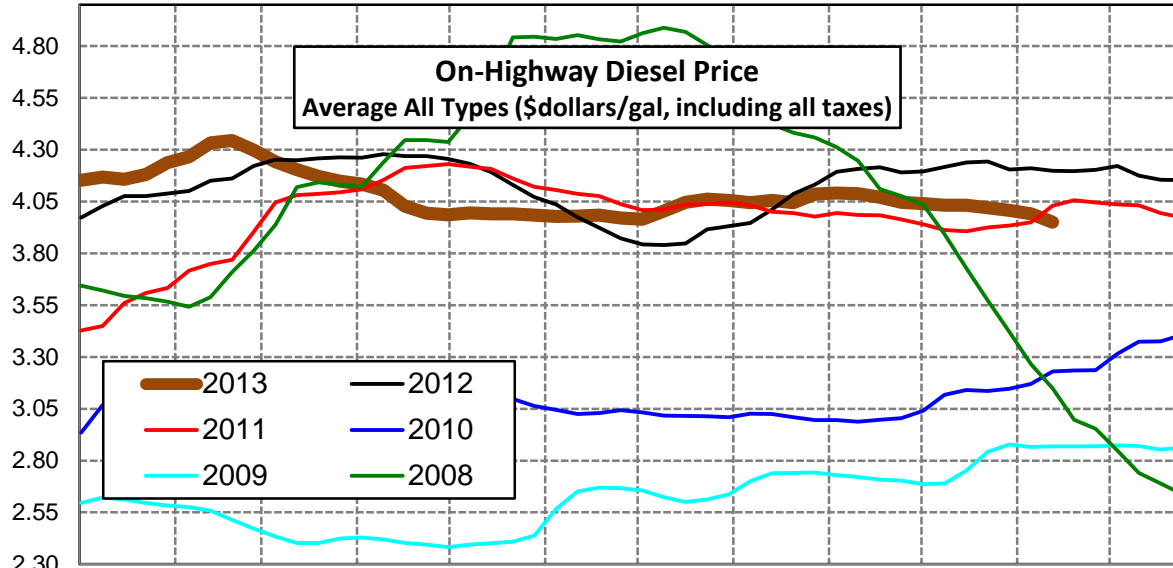
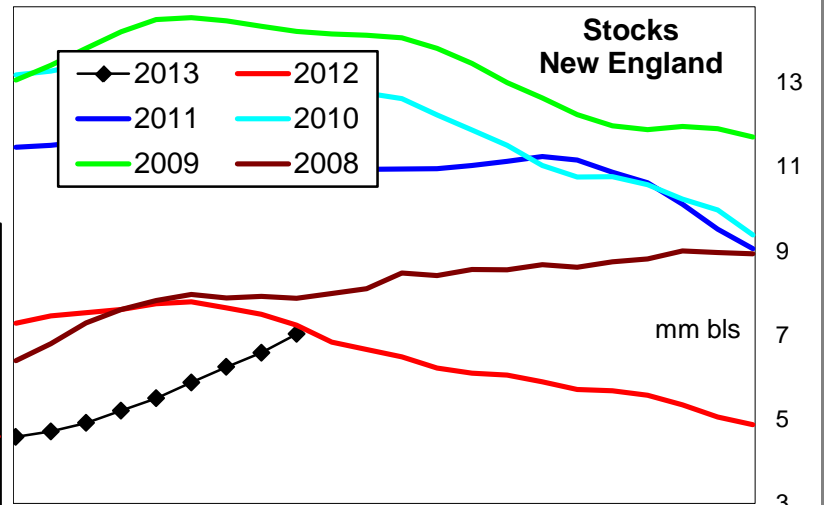
Central Atlantic Region Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	28Oct13	04Nov13	11Nov13	18Nov13	
Central Atlantic	\$3.951	\$3.938	\$3.903	\$3.899	-\$0.004
1/ Source: U.S. Energy Information Administration					
2/ Source: Fundamental Petroleum Trends Reports					



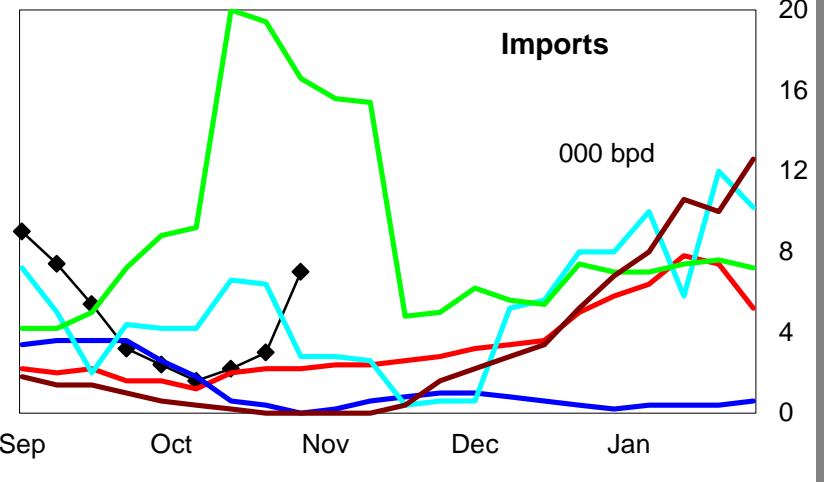
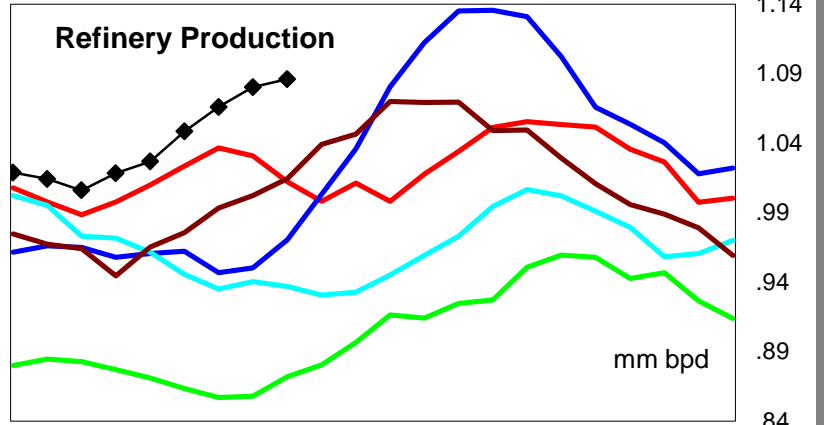
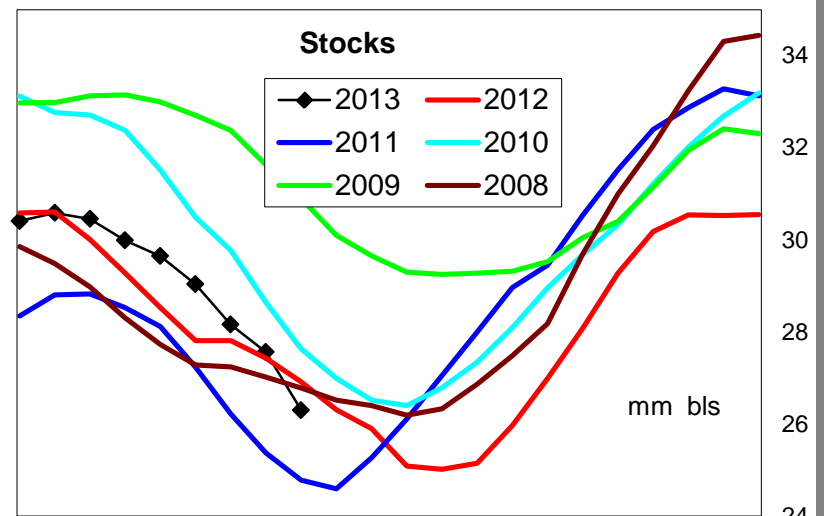
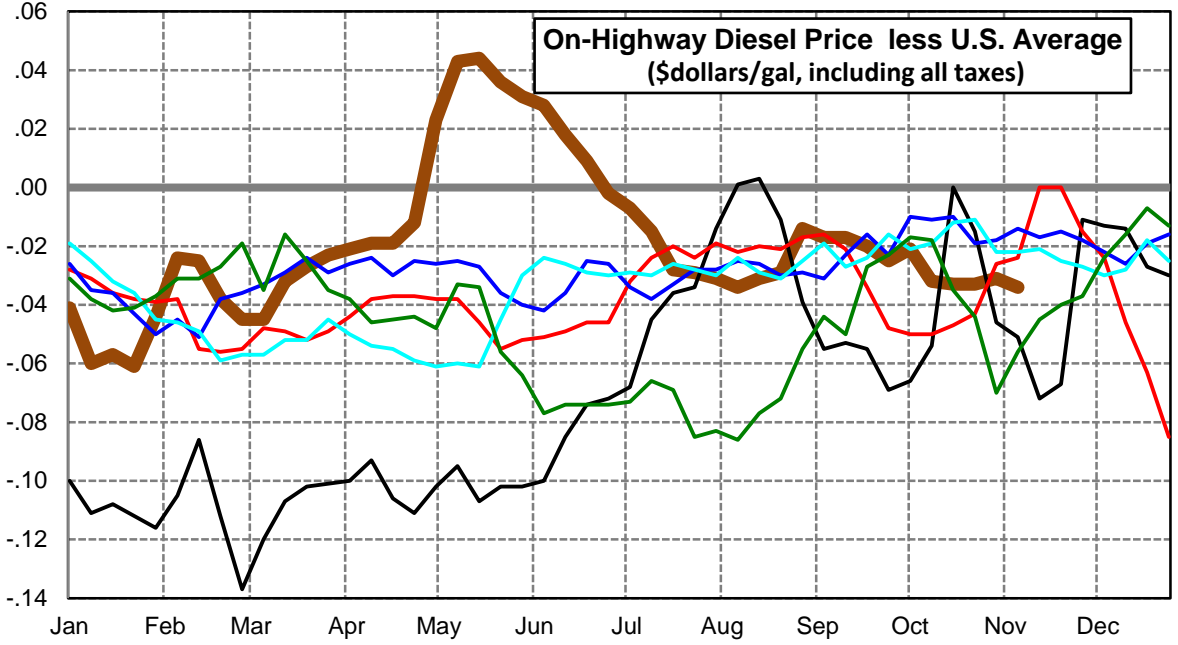
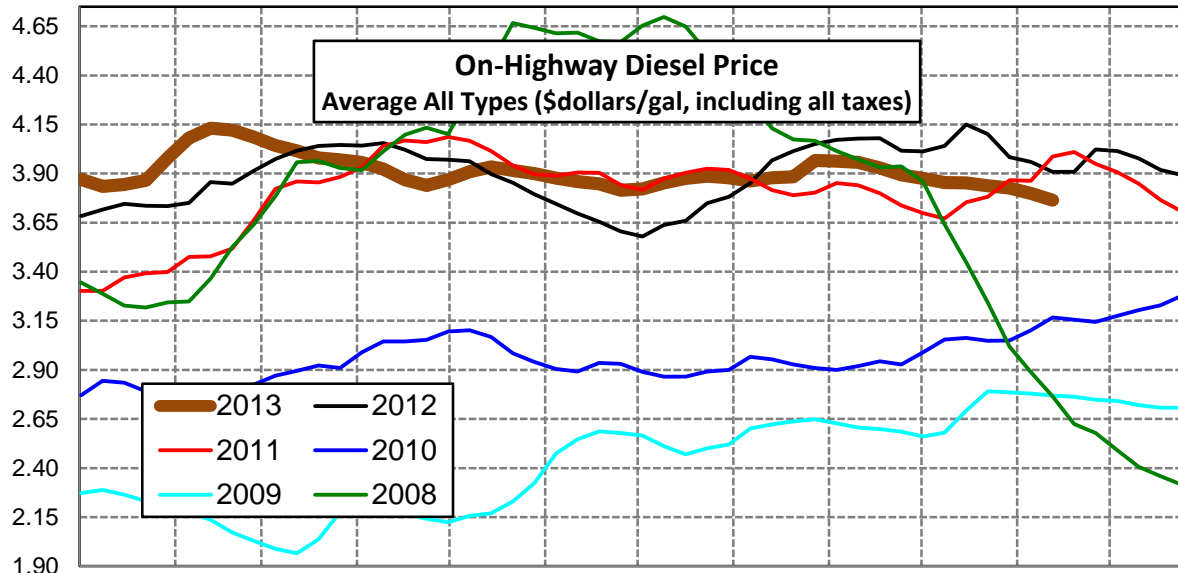
New England Region Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	28Oct13	04Nov13	11Nov13	18Nov13	
New England	\$4.020	\$4.008	\$3.991	\$3.951	-\$0.040
1/ Source: U.S. Energy Information Administration					
2/ Source: Fundamental Petroleum Trends Reports					



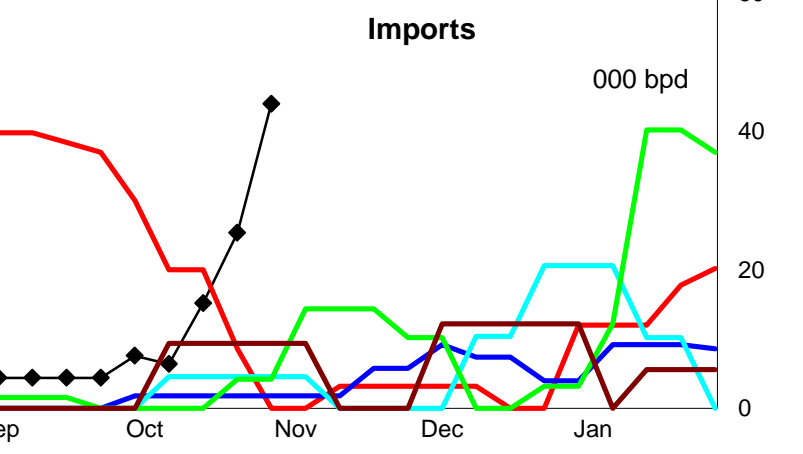
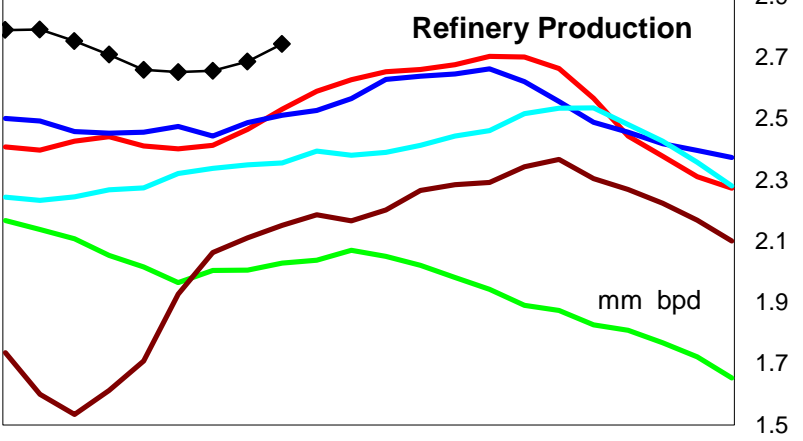
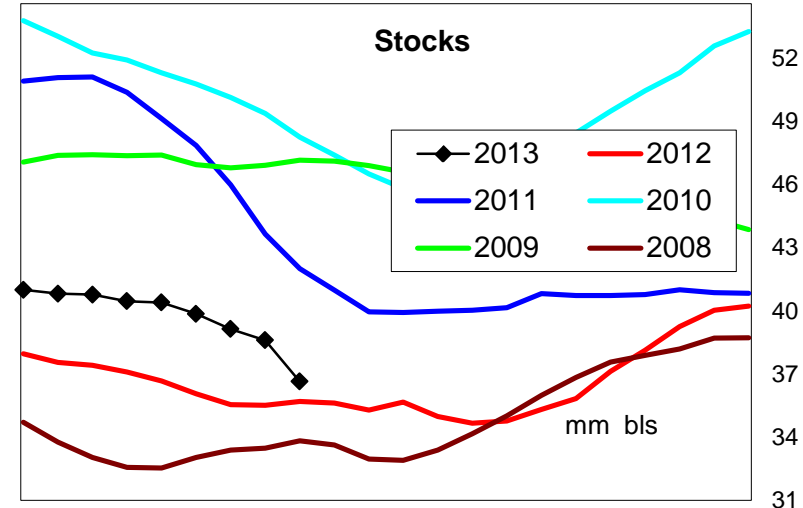
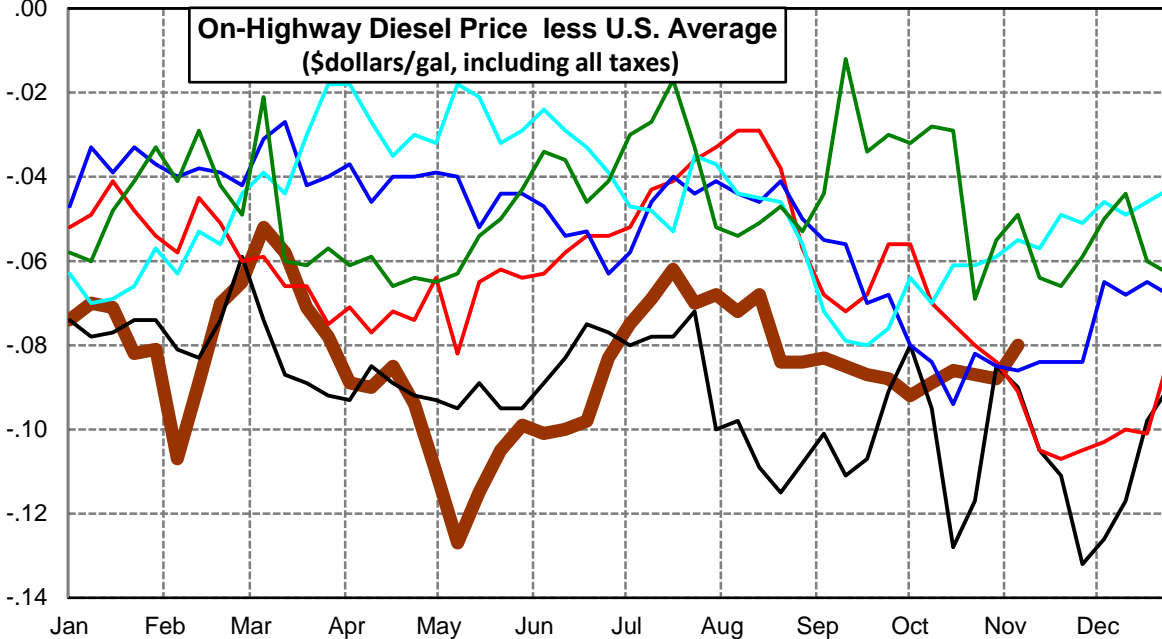
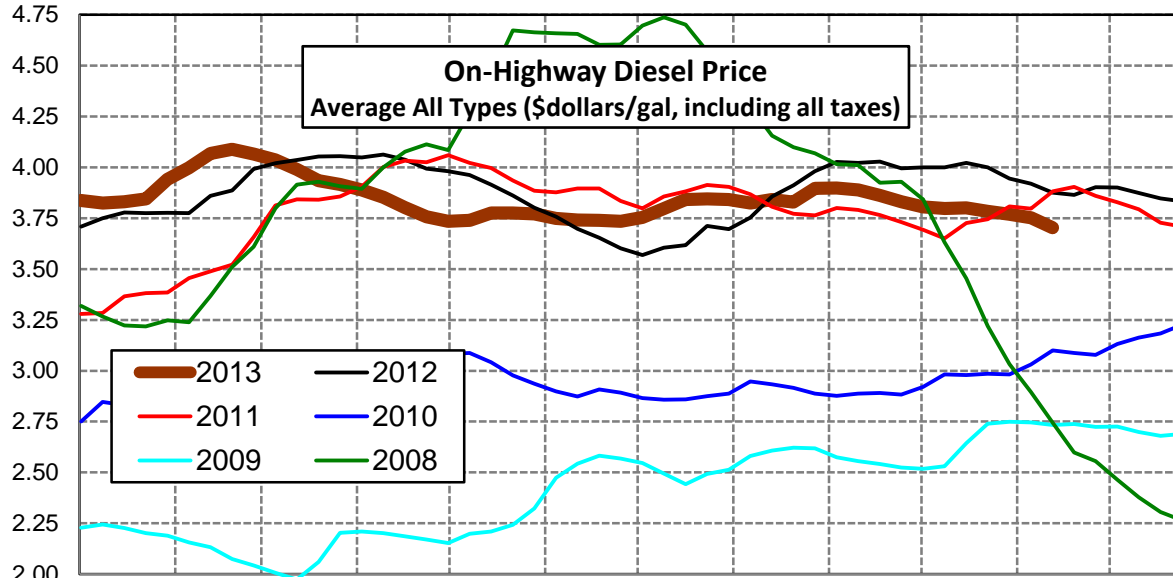
Midwest Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	28Oct13	04Nov13	11Nov13	18Nov13	
Midwest	\$3.837	\$3.826	\$3.798	\$3.765	-\$0.033
1/ Source: U.S. Energy Information Administration					
2/ Source: Fundamental Petroleum Trends Reports					



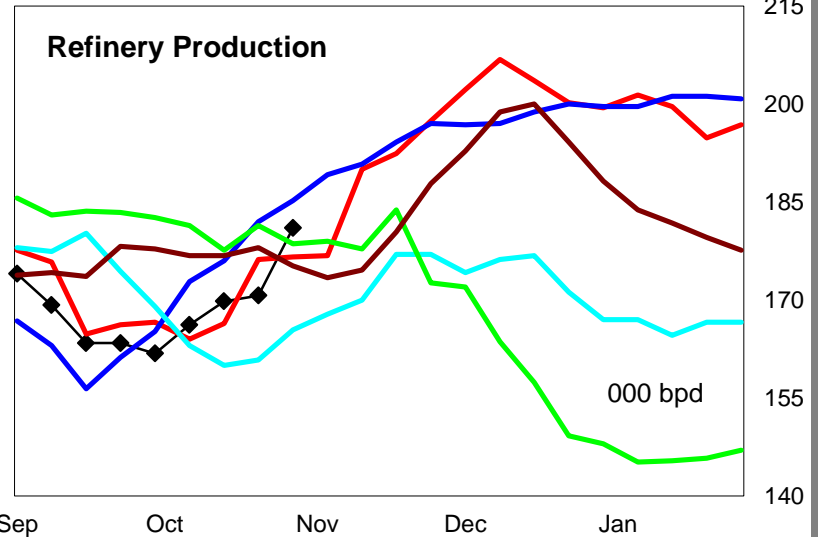
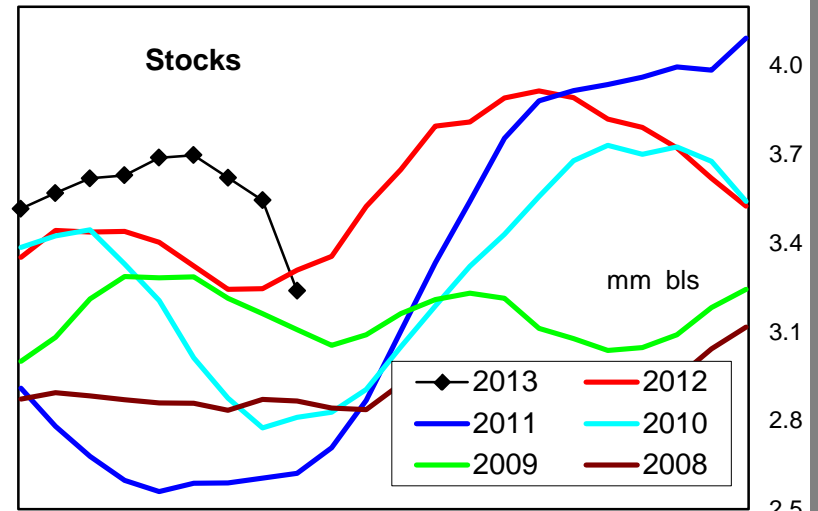
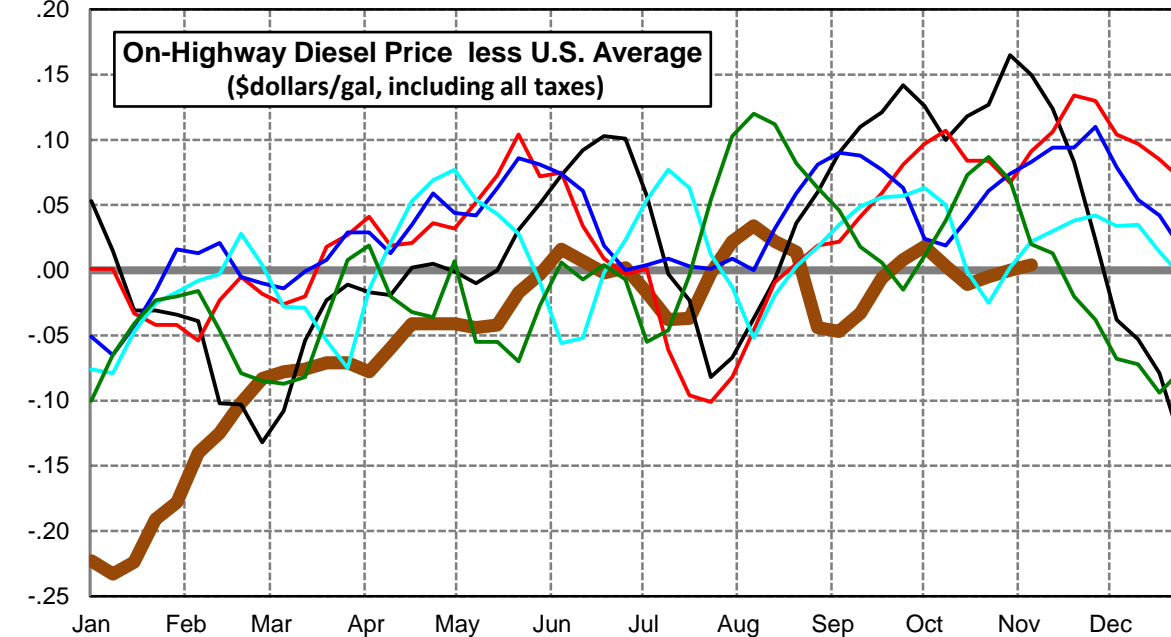
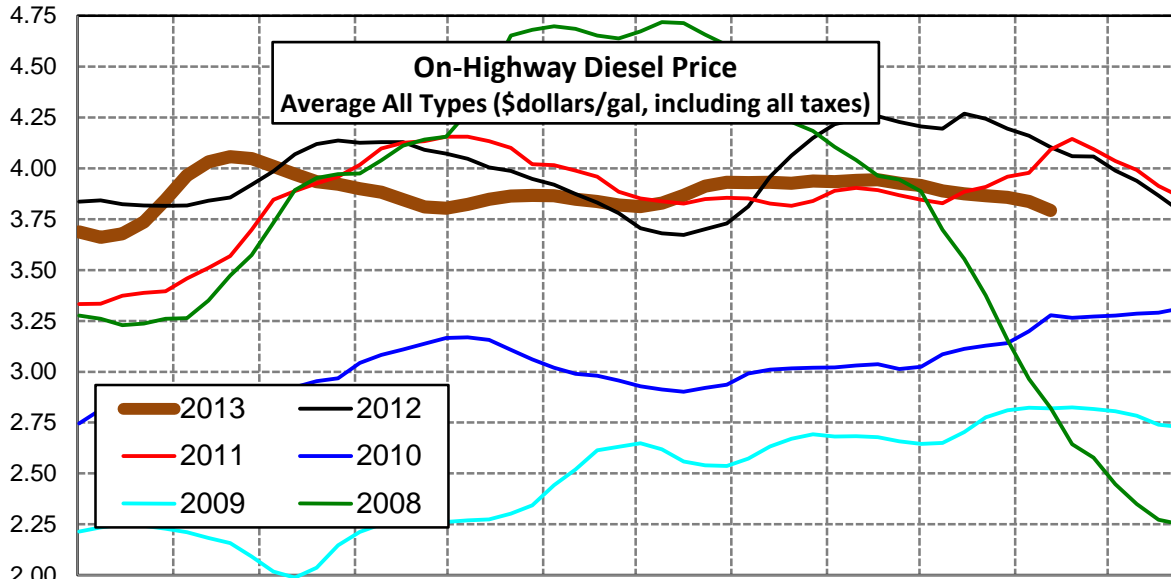
Gulf Coast Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	28Oct13	04Nov13	11Nov13	18Nov13	
Gulf Coast	\$3.783	\$3.769	\$3.752	\$3.703	-\$0.049
1/ Source: U.S. Energy Information Administration					
2/ Source: Fundamental Petroleum Trends Reports					



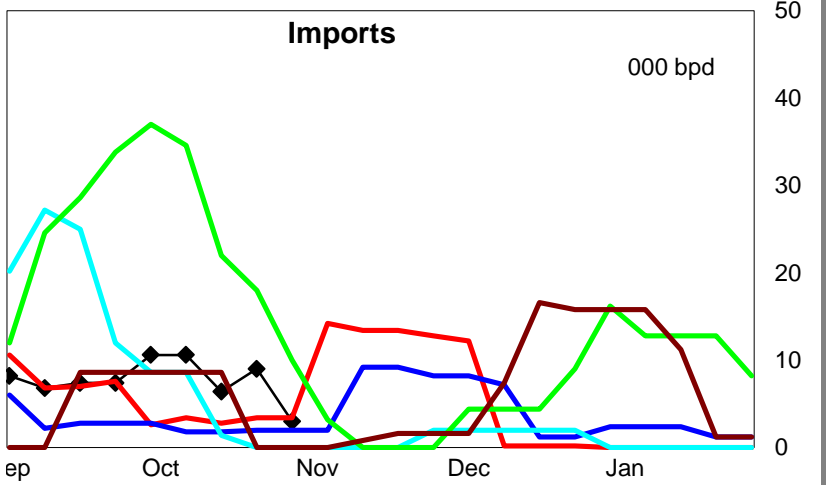
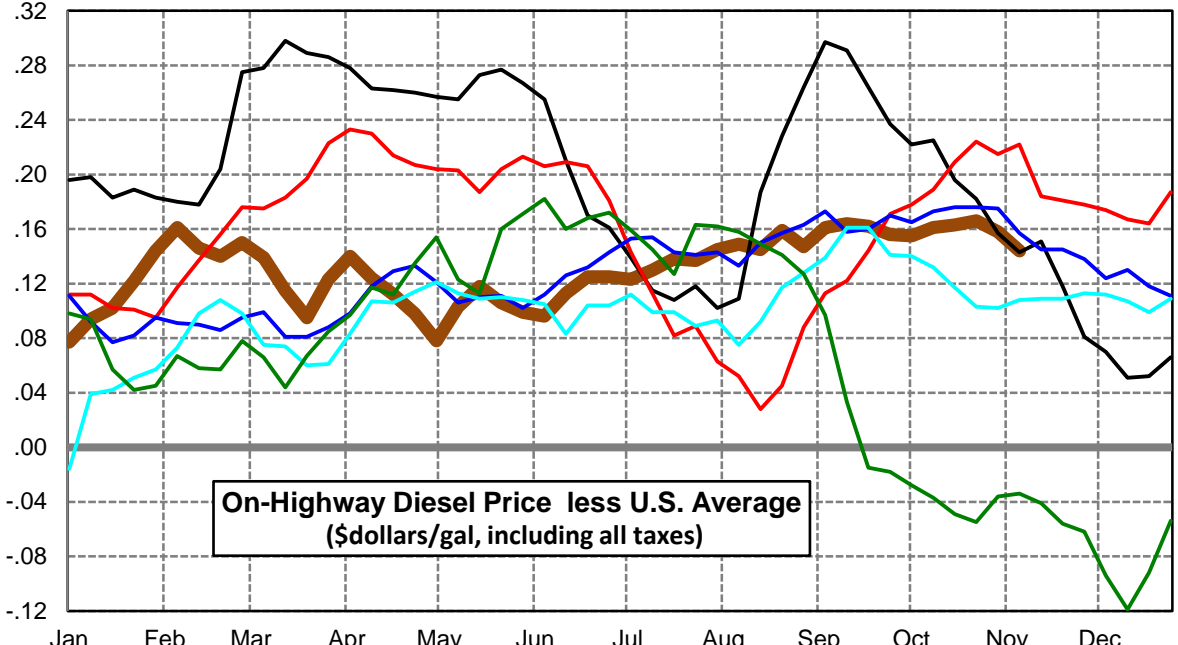
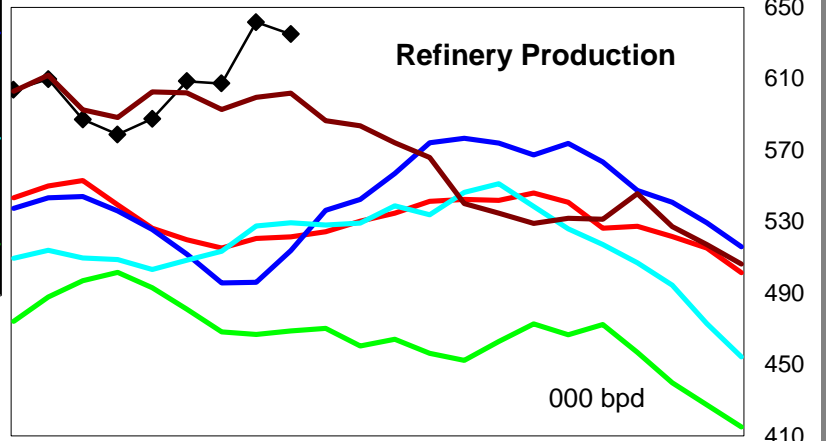
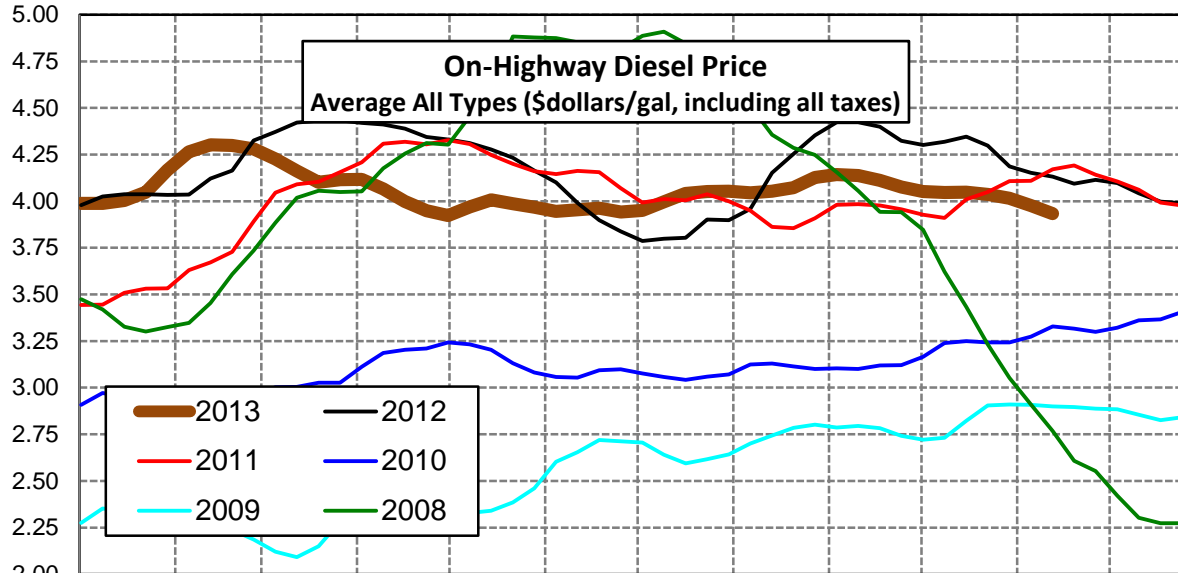
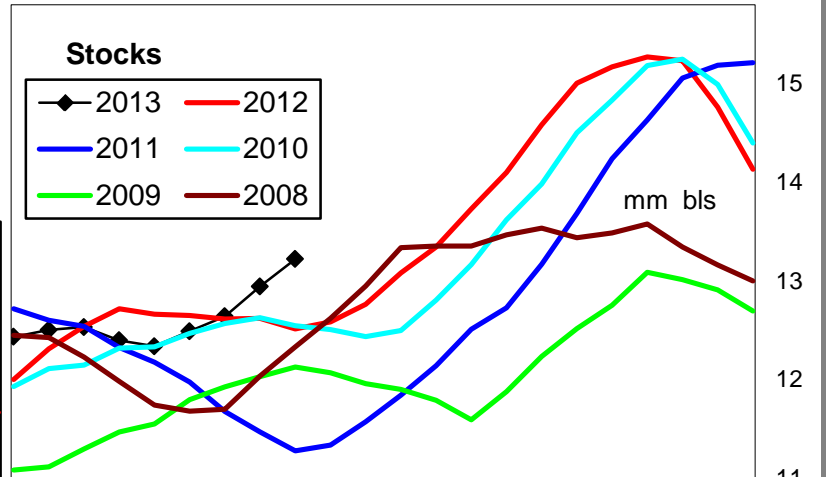
Rocky Mountain Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	28Oct13	04Nov13	11Nov13	18Nov13	
Rocky Mountain	\$3.865	\$3.857	\$3.836	\$3.793	-\$0.043
1/ Source: U.S. Energy Information Administration					
2/ Source: Fundamental Petroleum Trends Reports					



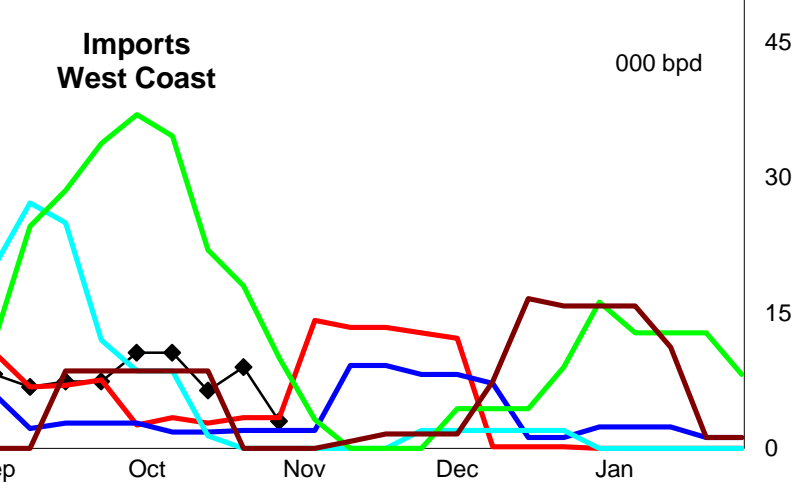
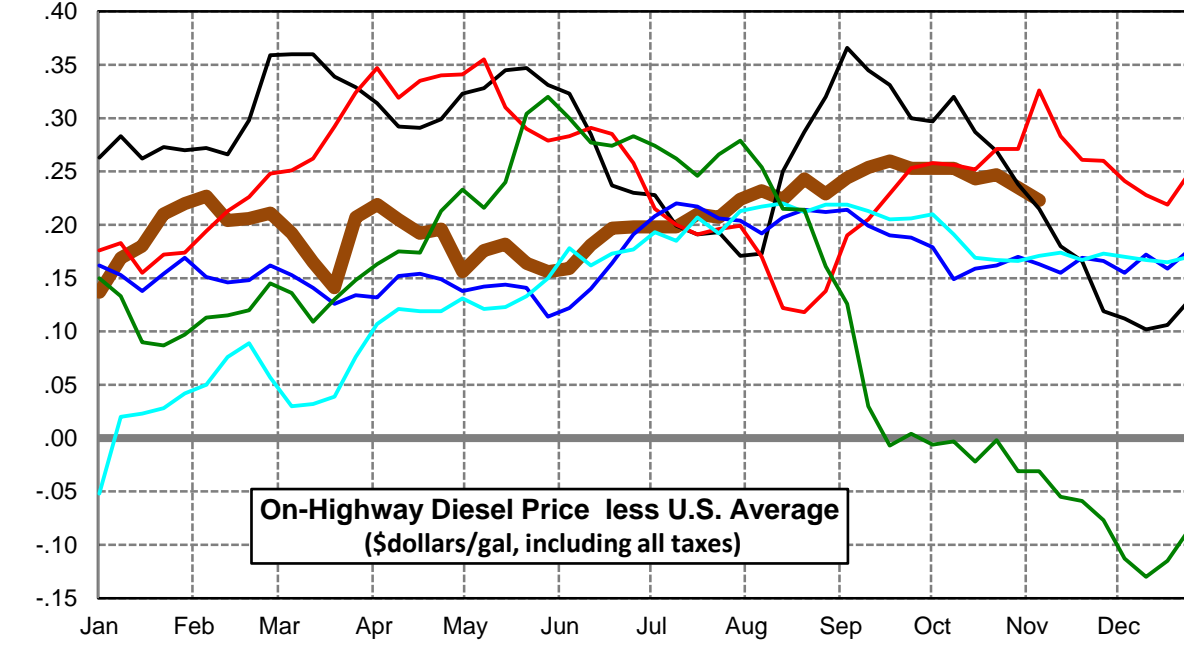
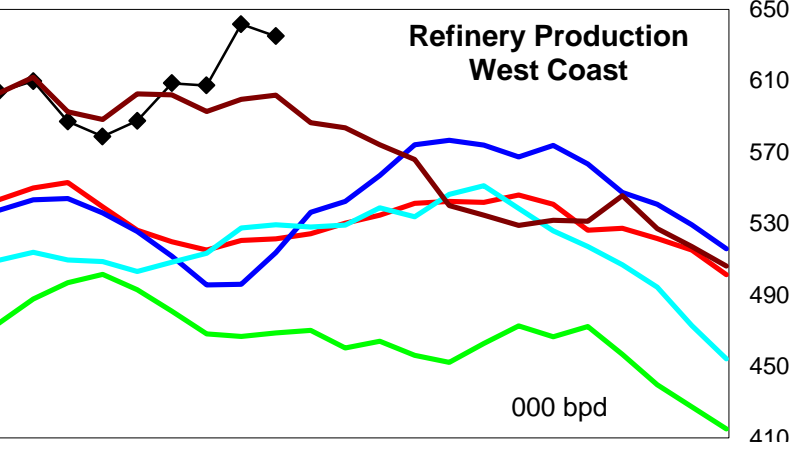
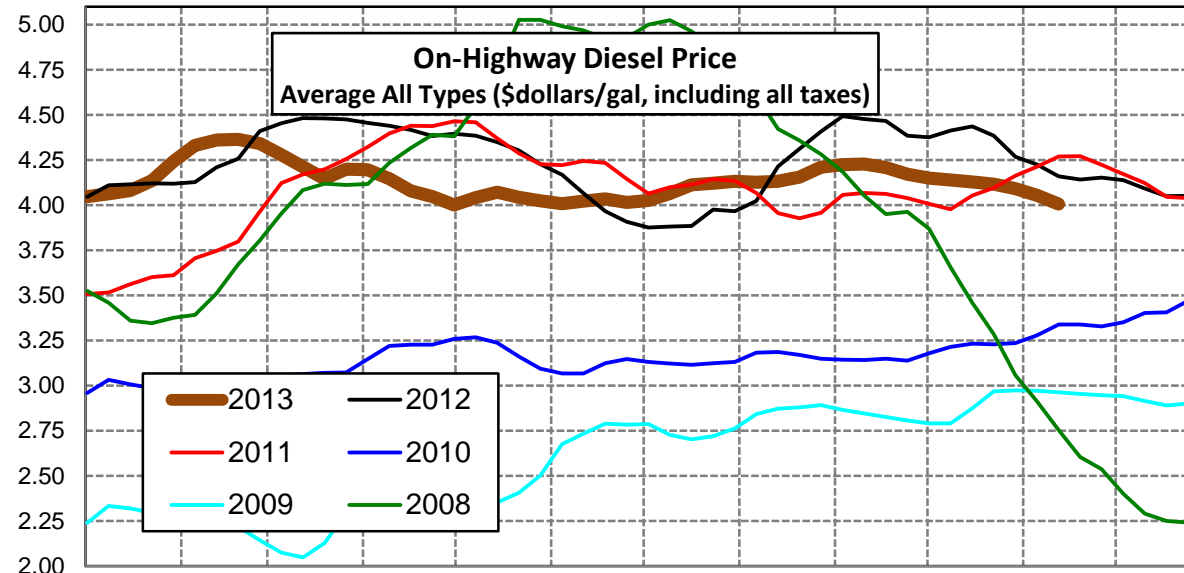
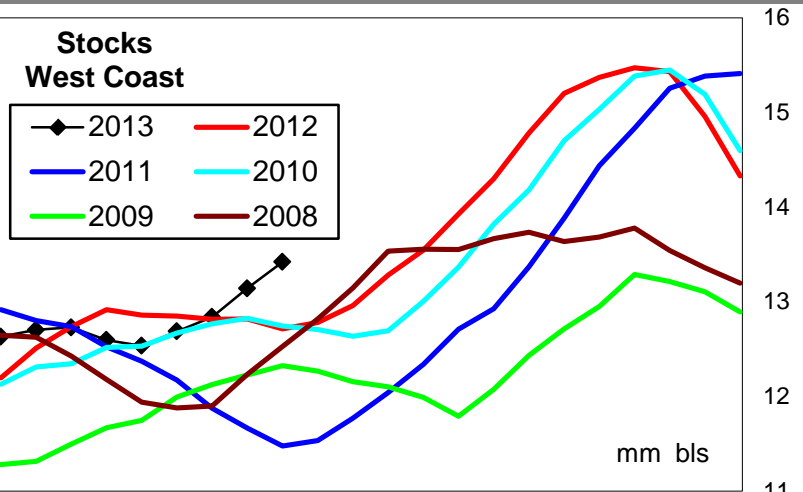
West Coast Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	28Oct13	04Nov13	11Nov13	18Nov13	
West Coast	\$4.036	\$4.015	\$3.976	\$3.933	-\$0.043
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
	28Oct13	04Nov13	11Nov13	18Nov13	
California	\$4.117	\$4.092	\$4.055	\$4.007	-\$0.048
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-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	3.887	3.924	4.027	3.982	3.862	3.868	3.802	3.846	3.999	4.079
Mon-29-Apr-13	3.851	3.886	3.993	3.934	3.831	3.839	3.757	3.810	3.949	4.047
Mon-06-May-13	3.845	3.863	3.986	3.911	3.804	3.868	3.735	3.804	3.923	4.001
Mon-13-May-13	3.866	3.865	3.995	3.910	3.807	3.909	3.739	3.822	3.969	4.042
Mon-20-May-13	3.890	3.871	3.991	3.925	3.809	3.934	3.775	3.848	4.008	4.072
Mon-27-May-13	3.880	3.864	3.991	3.928	3.792	3.916	3.775	3.863	3.986	4.044
Mon-03-Jun-13	3.869	3.855	3.984	3.920	3.783	3.900	3.770	3.866	3.968	4.025
Mon-10-Jun-13	3.849	3.839	3.978	3.907	3.762	3.877	3.748	3.865	3.945	4.008
Mon-17-Jun-13	3.841	3.835	3.980	3.910	3.752	3.859	3.741	3.848	3.954	4.022
Mon-24-Jun-13	3.838	3.836	3.984	3.902	3.758	3.847	3.740	3.836	3.963	4.035
Mon-01-Jul-13	3.817	3.817	3.971	3.892	3.731	3.815	3.734	3.819	3.942	4.015
Mon-08-Jul-13	3.828	3.831	3.965	3.895	3.757	3.821	3.753	3.811	3.951	4.026
Mon-15-Jul-13	3.867	3.876	4.005	3.939	3.804	3.852	3.798	3.829	3.997	4.065
Mon-22-Jul-13	3.903	3.919	4.047	3.971	3.857	3.875	3.841	3.866	4.041	4.113
Mon-29-Jul-13	3.915	3.931	4.061	3.993	3.861	3.886	3.845	3.913	4.052	4.122
Mon-05-Aug-13	3.909	3.919	4.056	3.983	3.845	3.878	3.841	3.931	4.054	4.133
Mon-12-Aug-13	3.896	3.908	4.045	3.972	3.834	3.862	3.824	3.930	4.045	4.128
Mon-19-Aug-13	3.909	3.919	4.056	3.983	3.845	3.878	3.841	3.931	4.054	4.133
Mon-26-Aug-13	3.913	3.925	4.044	3.980	3.862	3.884	3.829	3.927	4.072	4.156
Mon-02-Sep-13	3.981	3.993	4.087	4.055	3.930	3.967	3.897	3.937	4.128	4.210
Mon-09-Sep-13	3.981	3.988	4.091	4.056	3.917	3.964	3.898	3.934	4.142	4.225
Mon-16-Sep-13	3.974	3.979	4.088	4.044	3.910	3.957	3.889	3.941	4.138	4.228
Mon-23-Sep-13	3.949	3.956	4.071	4.015	3.890	3.929	3.862	3.943	4.111	4.209
Mon-30-Sep-13	3.919	3.931	4.046	3.997	3.861	3.894	3.831	3.927	4.075	4.172
Mon-07-Oct-13	3.897	3.908	4.040	3.967	3.838	3.876	3.805	3.915	4.052	4.150
Mon-14-Oct-13	3.886	3.904	4.032	3.963	3.837	3.854	3.797	3.889	4.047	4.139
Mon-21-Oct-13	3.886	3.905	4.032	3.961	3.840	3.853	3.800	3.875	4.049	4.129
Mon-28-Oct-13	3.870	3.889	4.020	3.951	3.818	3.837	3.783	3.865	4.036	4.117
Mon-04-Nov-13	3.857	3.878	4.008	3.938	3.808	3.826	3.769	3.857	4.015	4.092
Mon-11-Nov-13	3.832	3.855	3.991	3.903	3.793	3.798	3.752	3.836	3.976	4.055
Mon-18-Nov-13	3.795	3.828	3.951	3.899	3.729	3.765	3.703	3.793	3.933	4.007
Mon-25-Nov-13										
Mon-02-Dec-13										
Mon-09-Dec-13										
Mon-16-Dec-13										
Mon-23-Dec-13										
Mon-30-Dec-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.