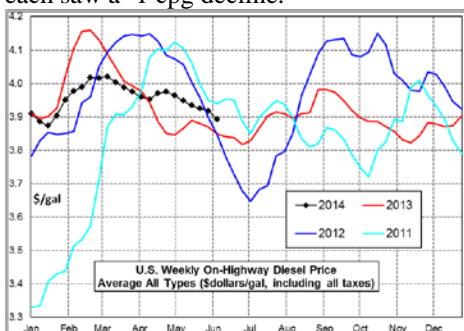
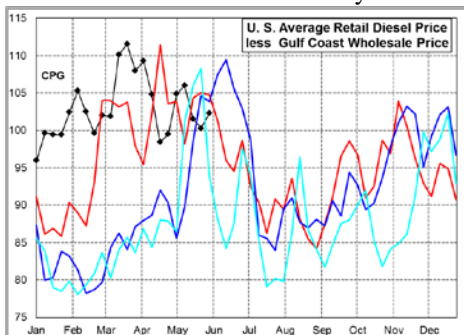


Weekly Retail On-Highway Diesel Prices					
Region	Actual Price 1/			Forecast 2/	Change from week ago
	19May14	26May14	02Jun14	09Jun14	
U.S.	3.934	3.925	3.918	3.892	-0.026
East Coast	4.027	4.022	4.013	4.001	-0.012
New England	4.139	4.130	4.124	4.117	-0.007
Central Atlantic	4.136	4.127	4.116	4.094	-0.022
Lower Atlantic	3.919	3.916	3.910	3.898	-0.012
Midwest	3.901	3.884	3.874	3.855	-0.019
Gulf Coast	3.791	3.783	3.783	3.768	-0.015
Rocky Mountain	3.954	3.946	3.936	3.916	-0.020
West Coast	4.025	4.027	4.021	4.001	-0.020
California	4.110	4.109	4.103	4.084	-0.019
1/ Source: U.S. Energy Information Administration					
2/ Source: Fundamental Petroleum Trends Reports					

Diesel Fuel Price Trends U. S. retail diesel prices decreased -0.7 cpg for the week ending 02Jun14. Prices were lower in all regional markets, except the Gulf which was unchanged. The Central Atlantic, Midwest and Rocky Mtn regions each saw a -1 cpg decline.



The U.S. average retail diesel price compared to Gulf Coast wholesale market increased +2 cpg on the week. The spread ended the week below the last 2-yr.



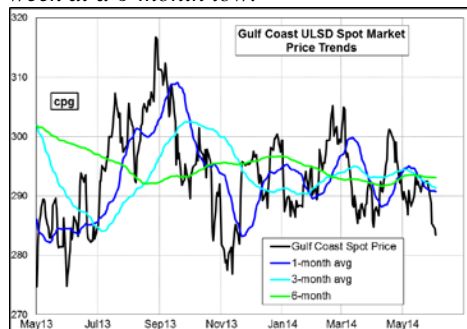
The national average on-highway price ended the week +5 cpg above a year ago. The highest retail prices were in New England and Central Atlantic at \$4.12/gal.

The lowest prices were in the Gulf at \$3.78/gal and the Midwest at \$3.87/gal. Very low prices in the Gulf and Midwest are driven by extremely high production.

The spread between the U.S. average price compared to all East

Coast regions remain above the last 3-yr on tight supplies in these regions. The spread between the U.S. average price and regional prices in the Gulf remain below the last 3-yr.

Gulf spot average prices declined -8 cpg last week. *The price level ended the week at a 6-month low.*



The spread between the Gulf wholesale price and the U.S. average retail price increased +2 cpg to 102 cpg last week. This differential is below the last 2-yr for this time of year, driven by ongoing tight supplies on the East Coast.

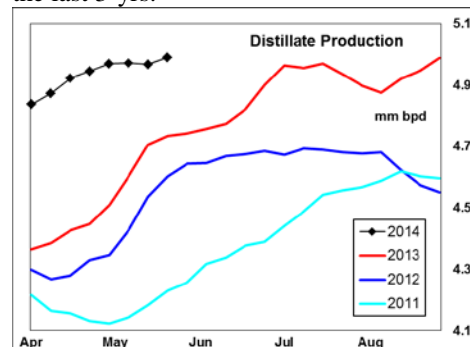
Supply - Demand Fundamental Trends Distillate wholesale rebounded +0.4 million bpd on the week, driven by higher exports. Demand for the latest 4-wk period was +328,000 bpd above last year.

Supply declined -40,000 bpd on the week, driven by lower production and imports.

During the latest 4-wk period, production was +305,000 bpd above last year while imports were -3,000 bpd lower.

Stocks saw a -0.2 million barrel draw last week, concentrated in the Gulf region.

Stock levels ended the week -4.6 million barrels below a year ago. The latest 4-wk stock change East of the Rockies was a +2.1 million barrel build, above two of the last 3-yr.



Global Trends Driving Diesel Prices

Exports of distillates from Russia, the Middle East and the U.S. to Europe are depressing margins for European refiners, pointing to increased global supplies. With U.S. refiners approaching peak seasonal crude oil thruput, look for significant stock builds during the next quarter.

Look for record high global production of distillates and high North American crude oil stock levels to constrain distillate prices during the next quarter.

Diesel Price Outlook Retail prices are forecast to trend lower in most regional markets this week, following the sharp pull back in wholesale prices. The current downtrend in the spot to retail spread in the Northeast should continue. The Gulf and Midwest regional markets remain very well supplied, which should lead to continued below average retail prices in the region. Record distillate production in the Rockies should drive an above average price downtrend during the summer quarter.

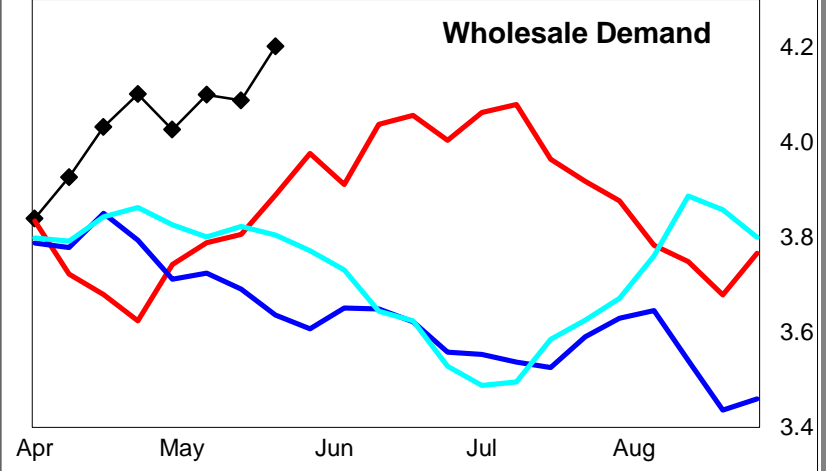
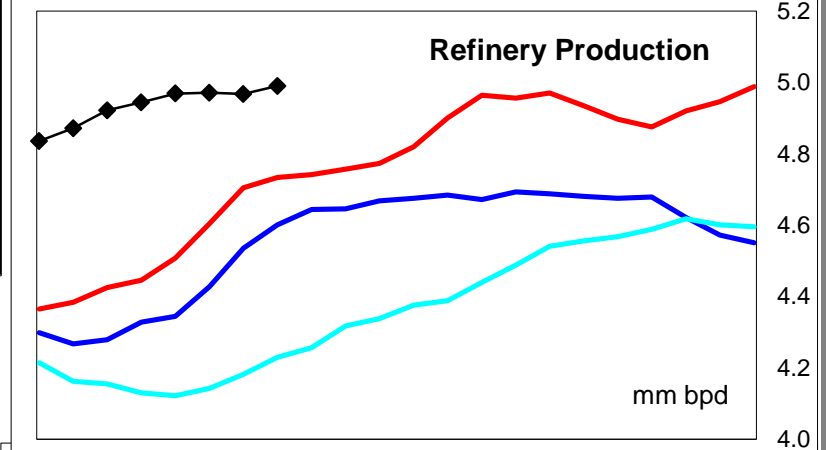
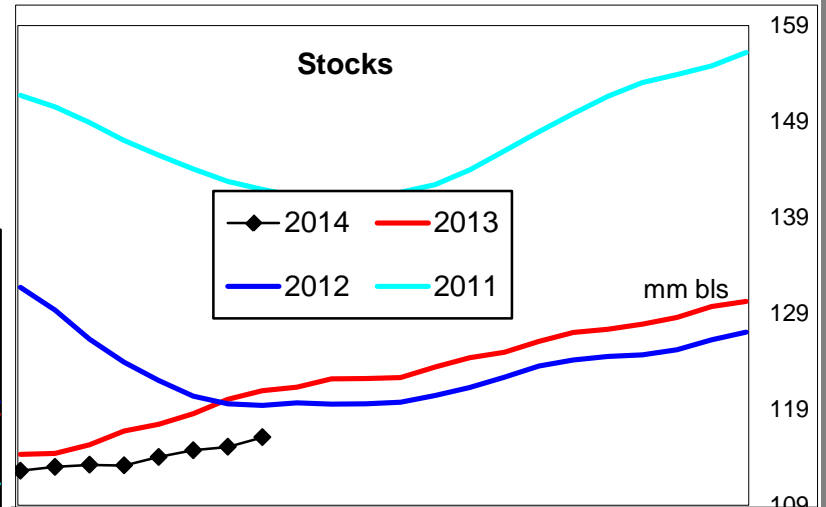
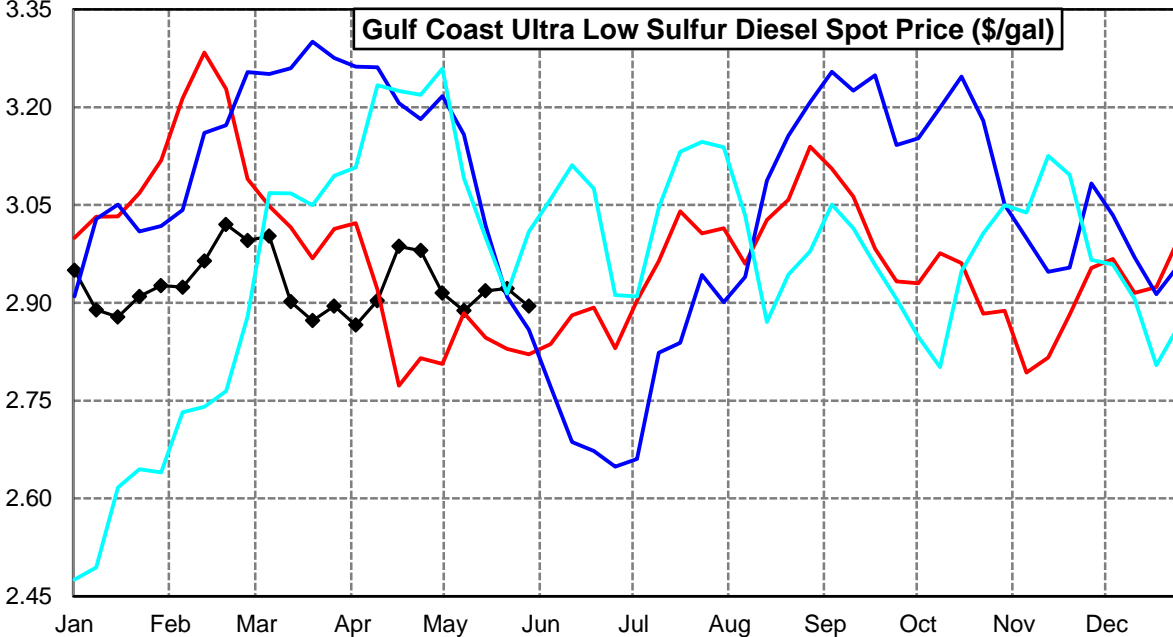
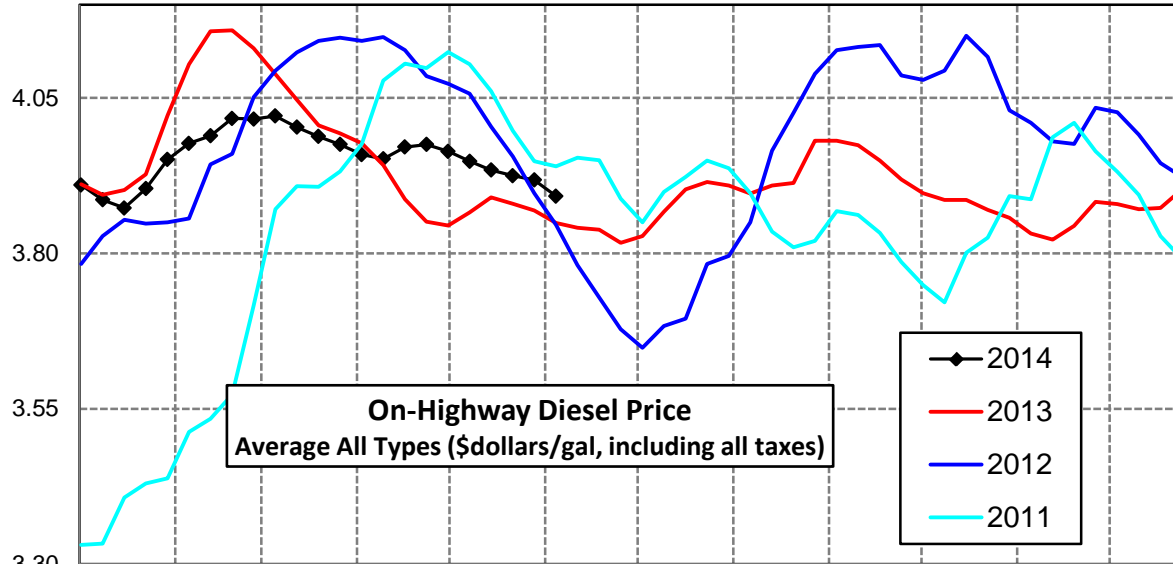
[Click Blue Icon on Map to view Regional Price & Fundamental Trends](#)

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



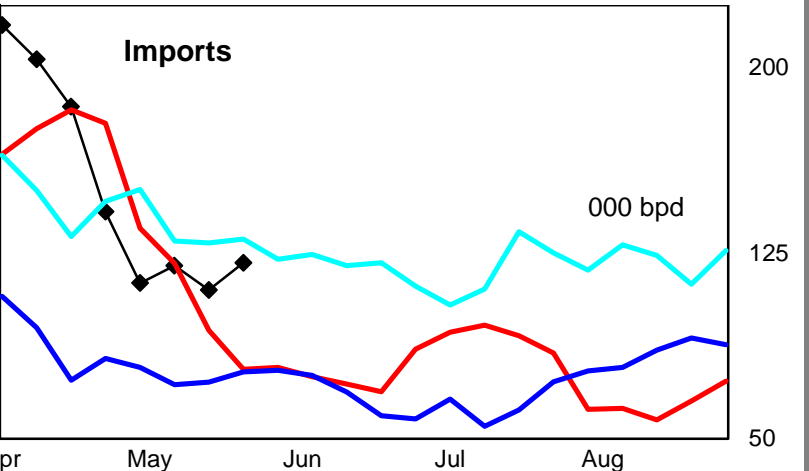
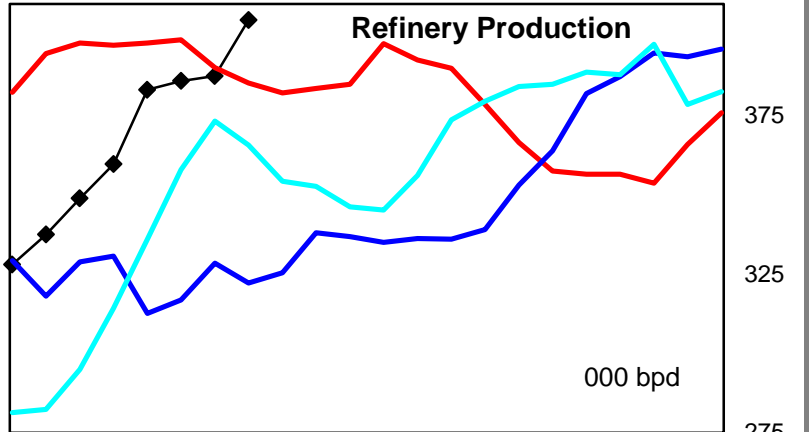
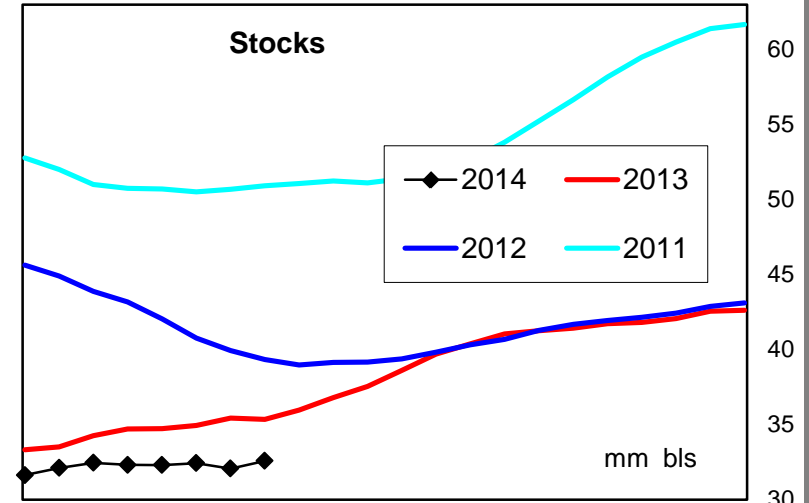
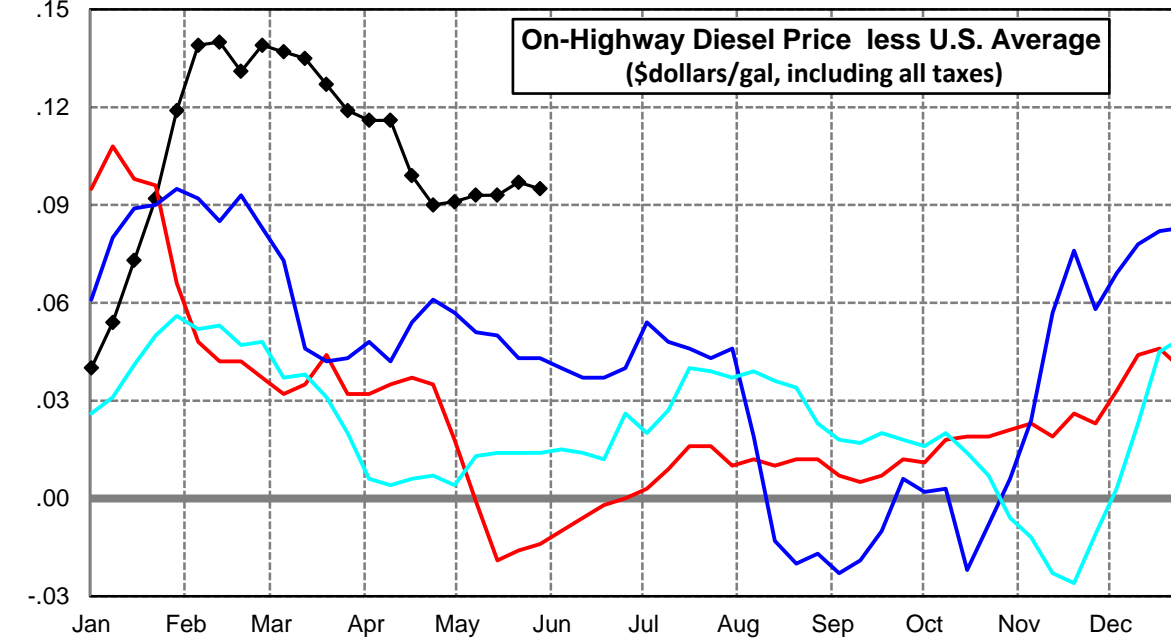
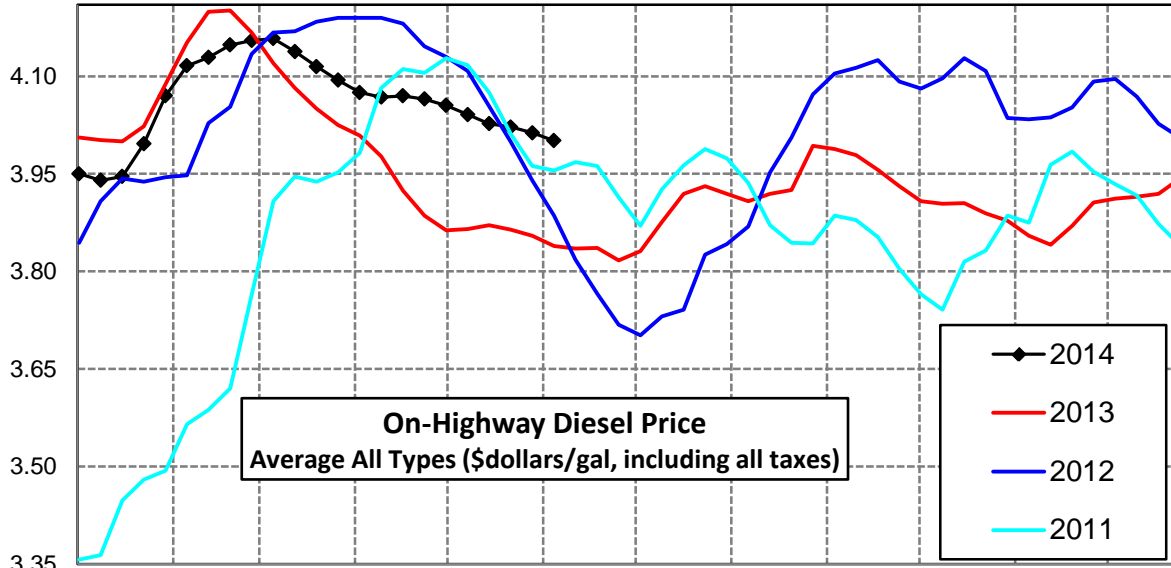
U. S. Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	19May14	26May14	02Jun14	09Jun14	
United States Avg	\$3.934	\$3.925	\$3.918	\$3.892	-\$0.026
1/ Source: U.S. Energy Information Administration					
2/ Source: Fundamental Petroleum Trends Reports					



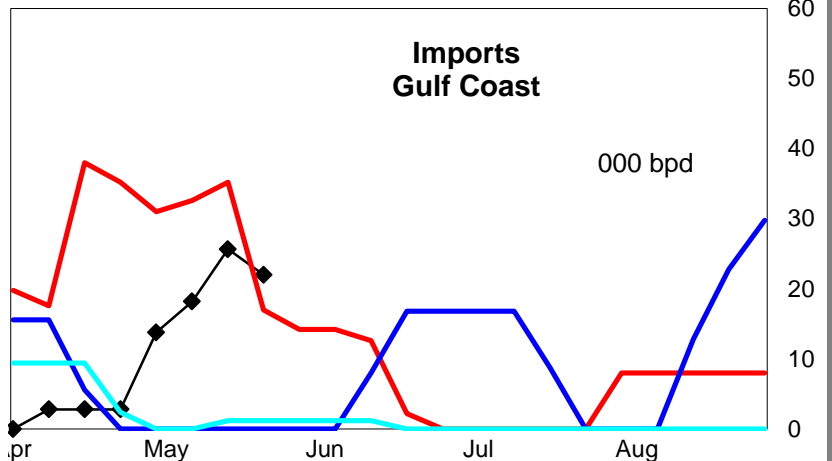
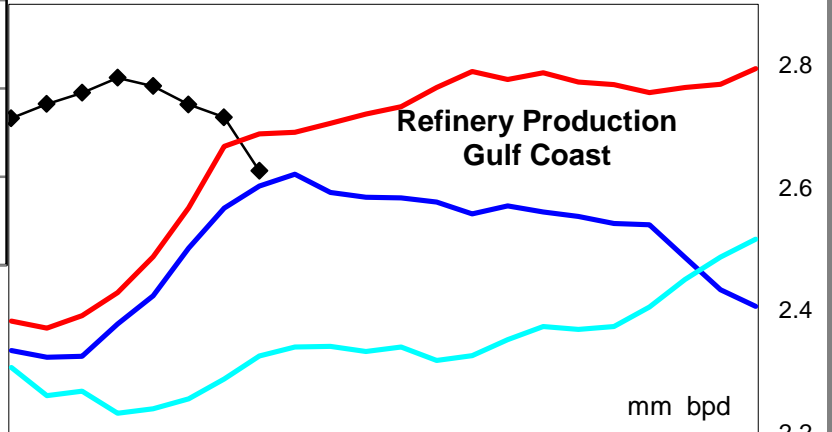
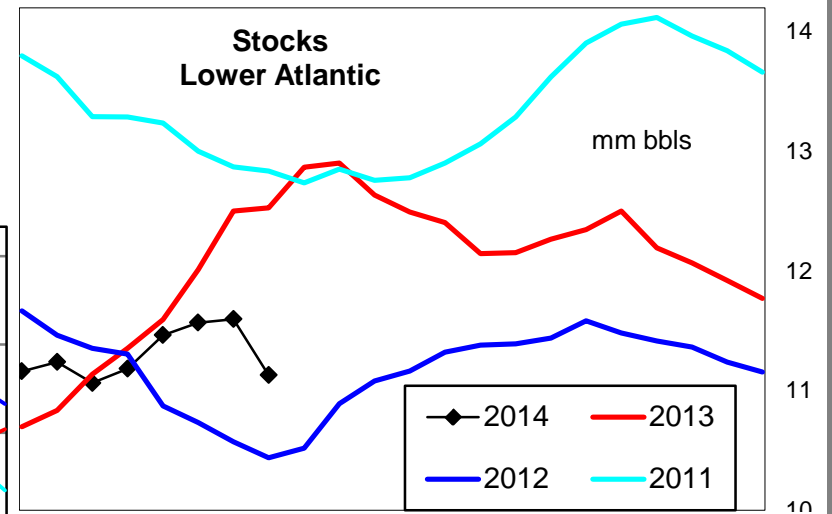
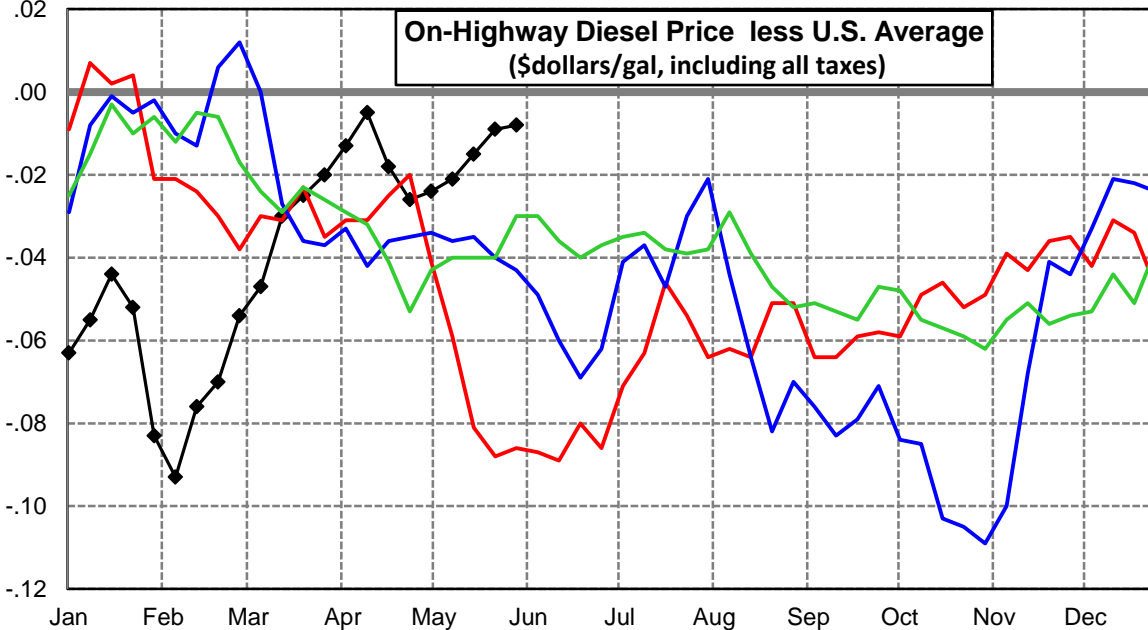
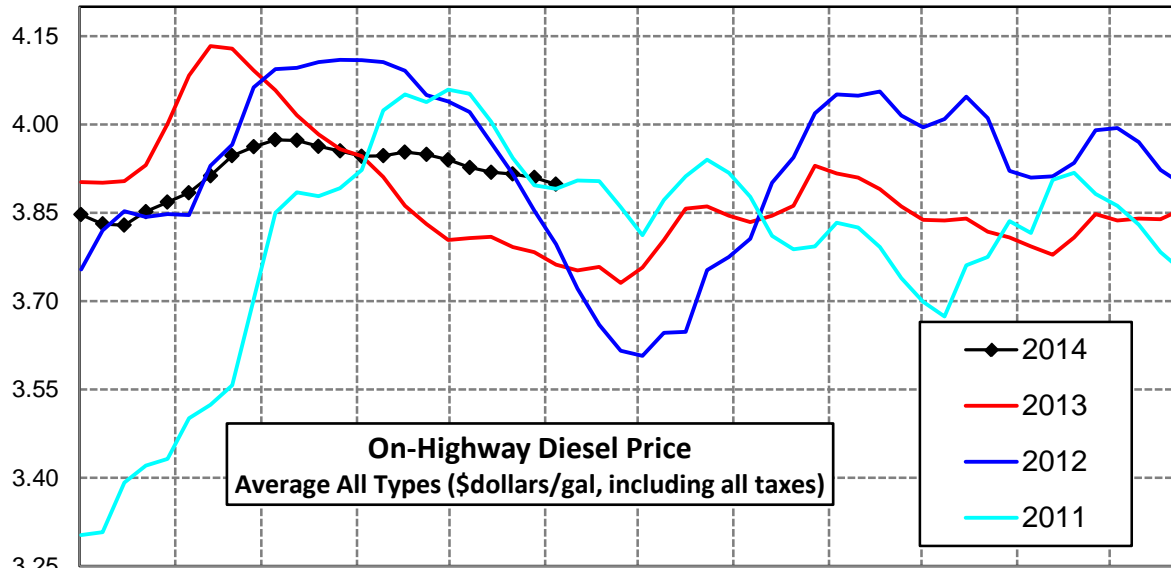
East Coast Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	19May14	26May14	02Jun14	09Jun14	
East Coast	\$4.027	\$4.022	\$4.013	\$4.001	-\$0.012
1/ Source: U.S. Energy Information Administration					
2/ Source: Fundamental Petroleum Trends Reports					



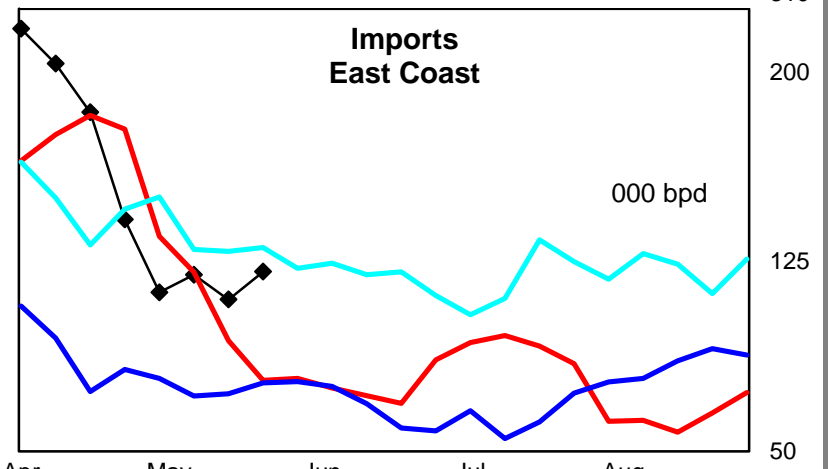
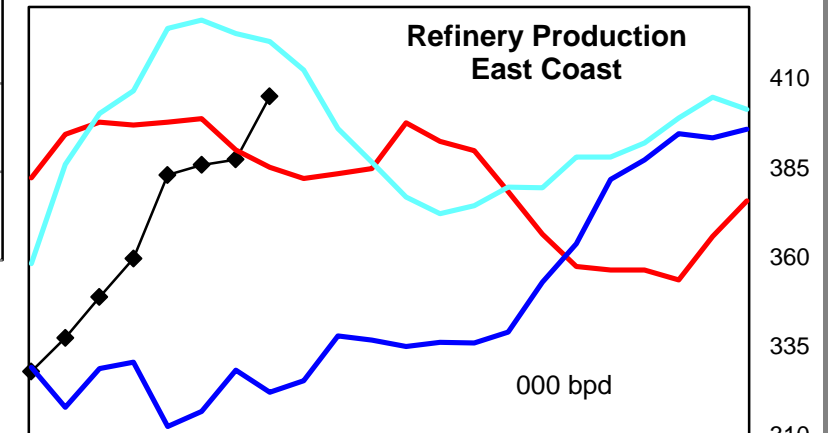
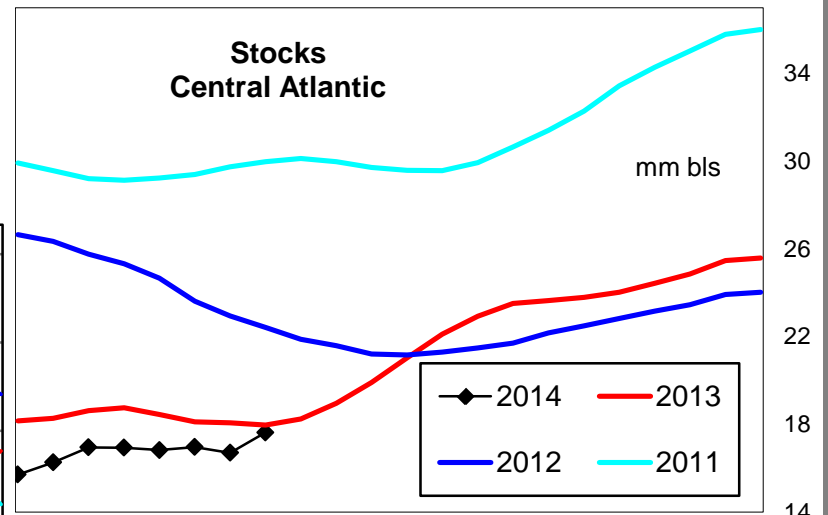
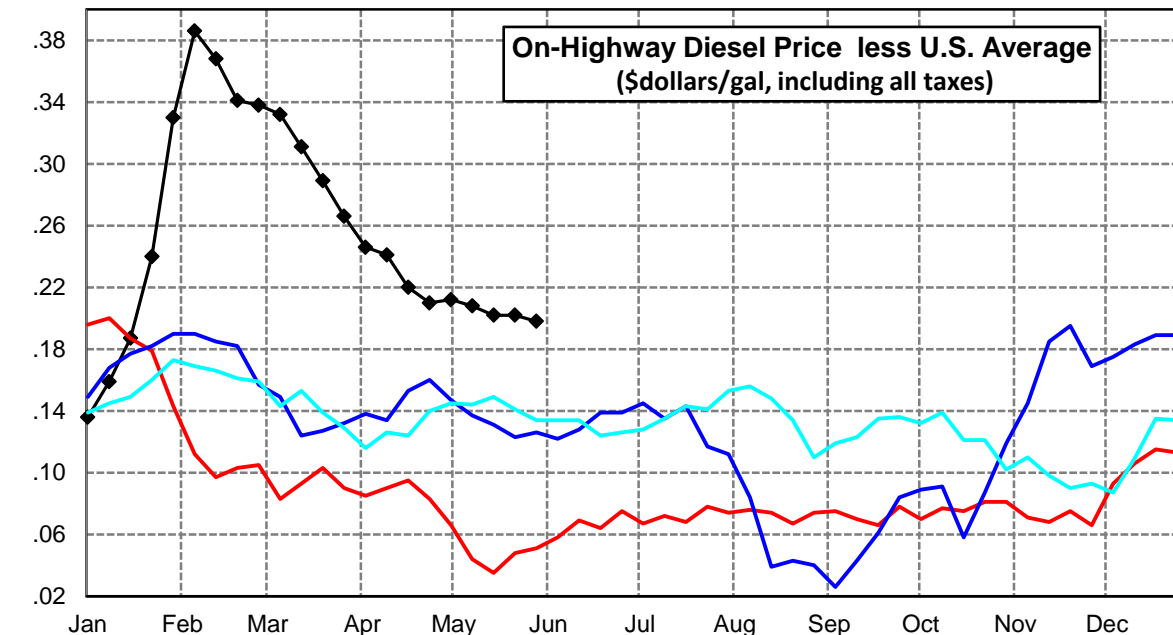
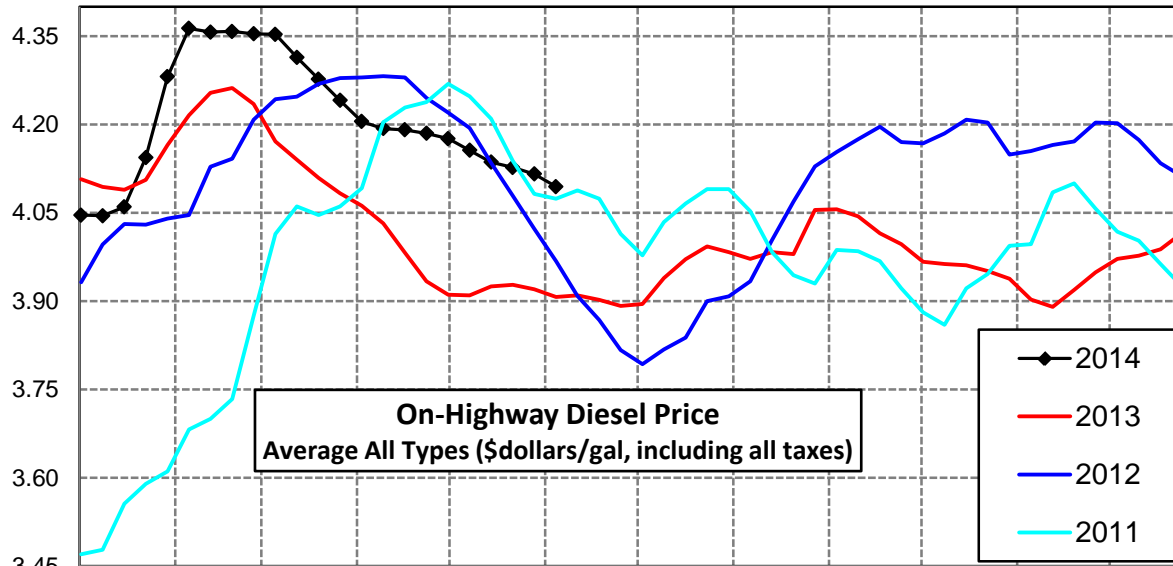
Lower Atlantic Region Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	19May14	26May14	02Jun14	09Jun14	
Lower Atlantic	\$3.919	\$3.916	\$3.910	\$3.898	-\$0.012
1/ Source: U.S. Energy Information Administration					
2/ Source: Fundamental Petroleum Trends Reports					



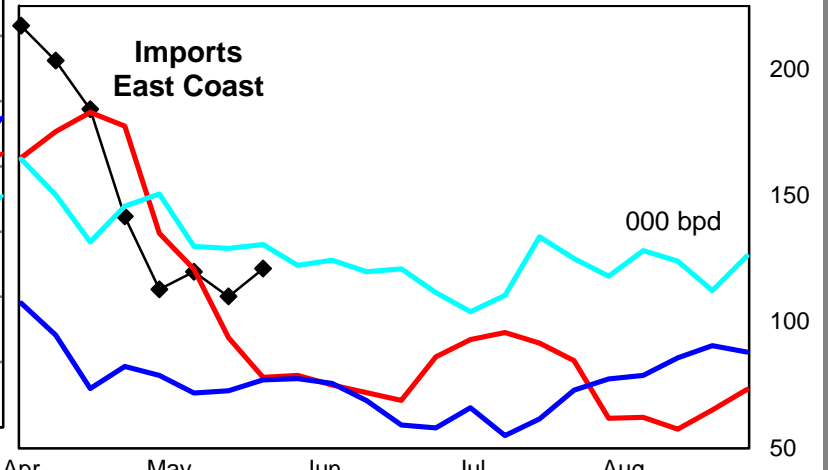
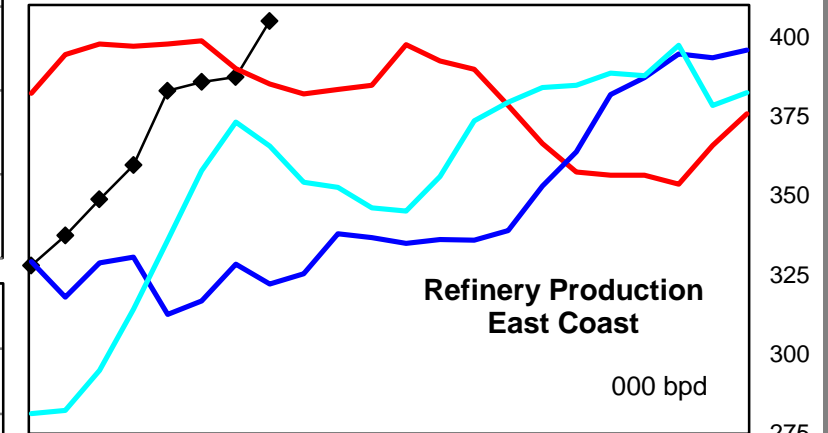
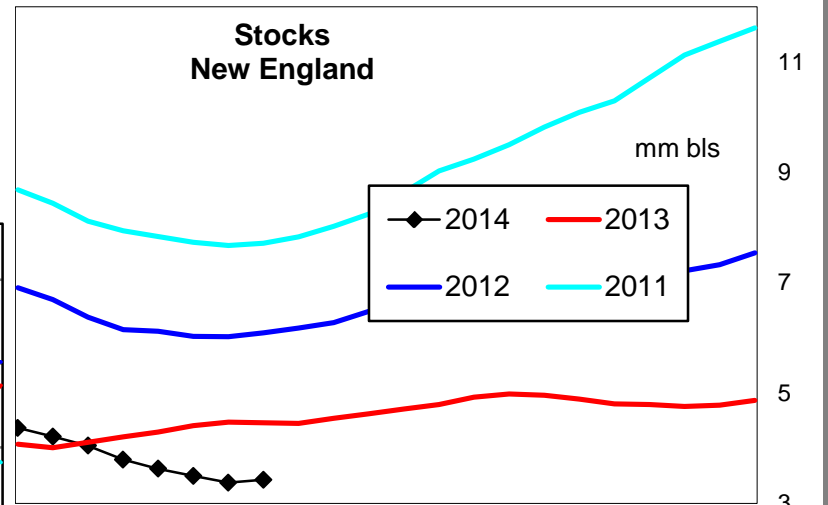
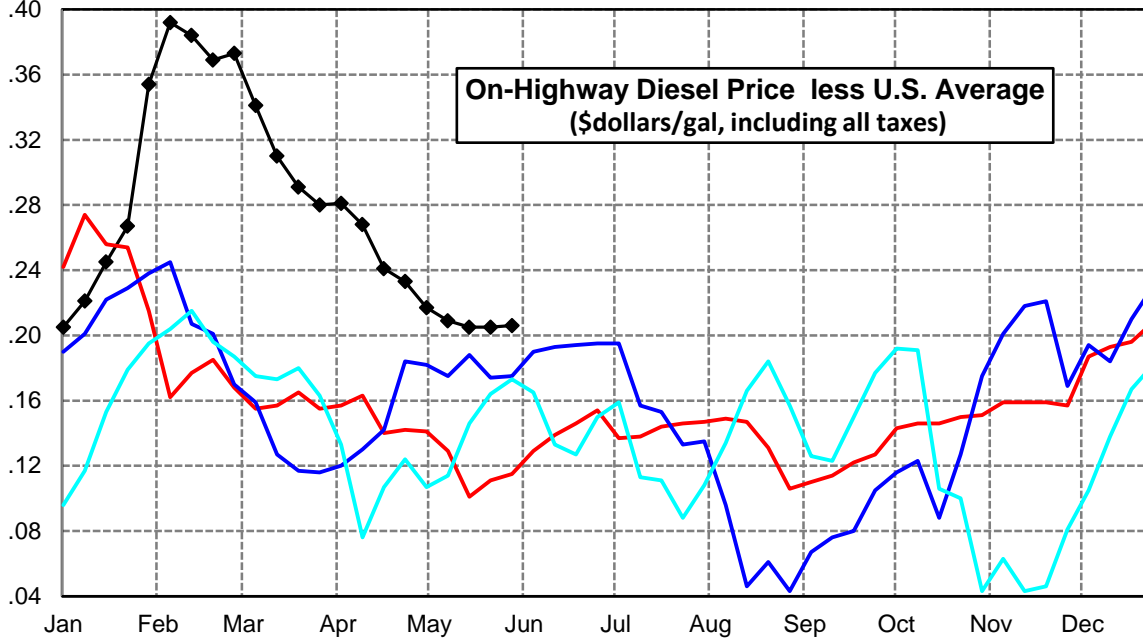
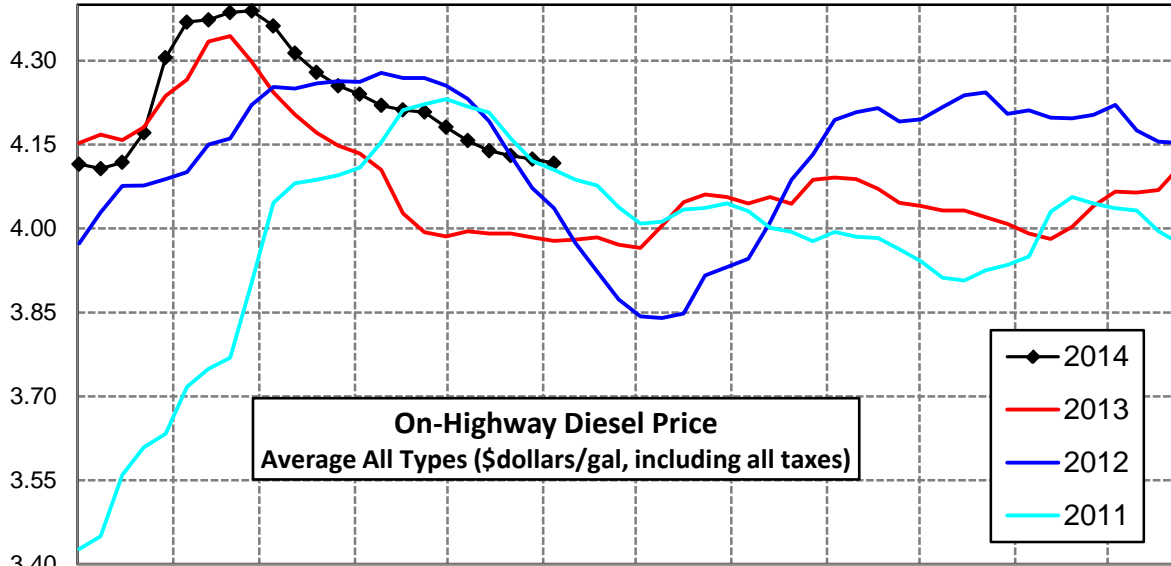
Central Atlantic Region Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	19May14	26May14	02Jun14	09Jun14	
Central Atlantic	\$4.136	\$4.127	\$4.116	\$4.094	-\$0.022
1/ Source: U.S. Energy Information Administration					
2/ Source: Fundamental Petroleum Trends Reports					



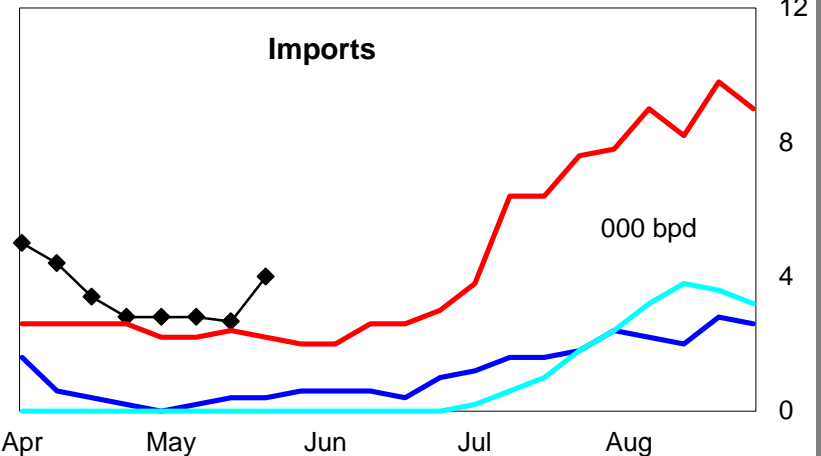
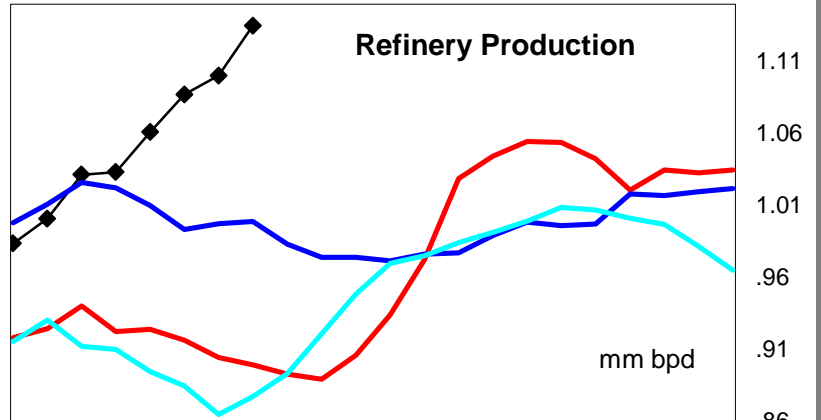
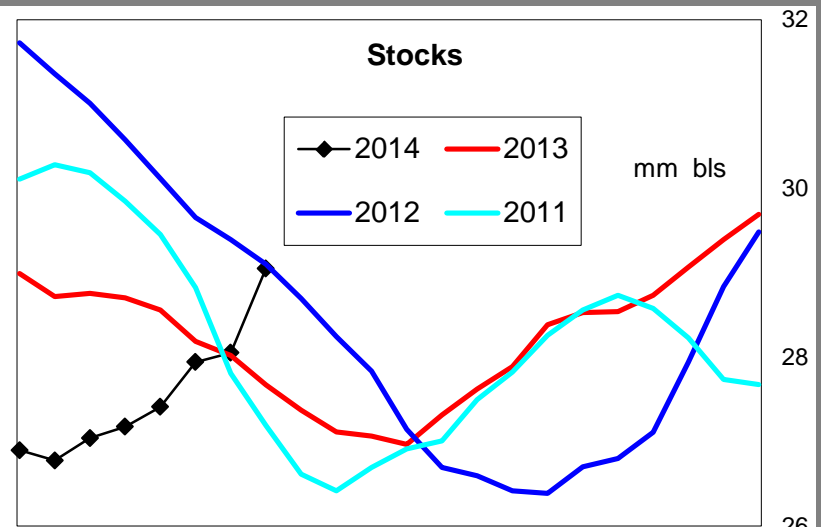
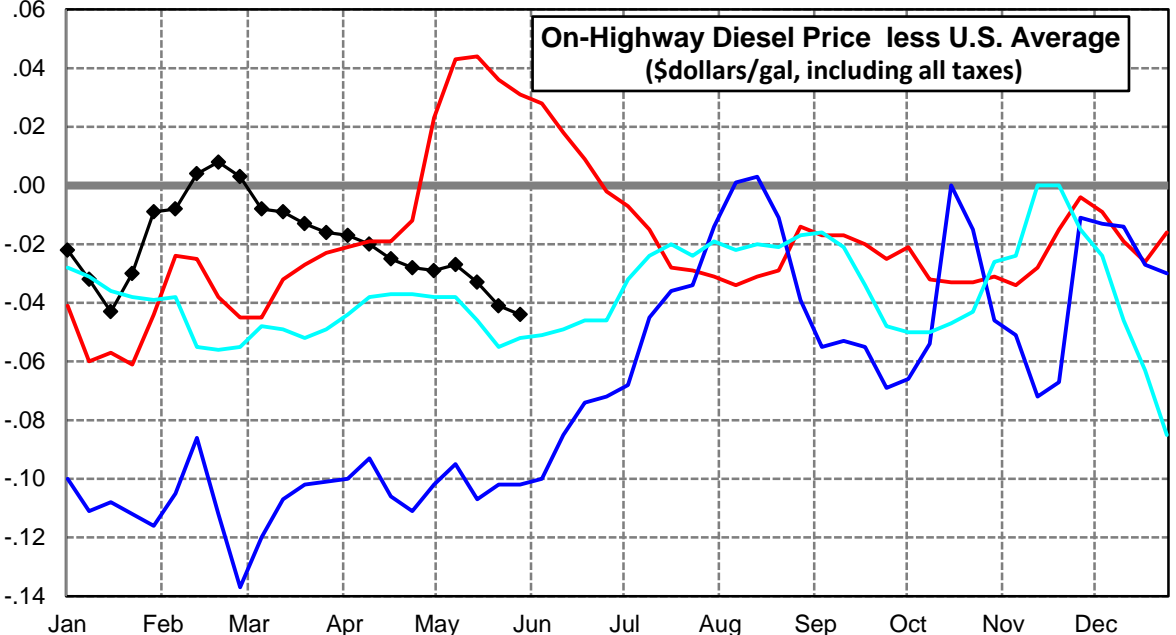
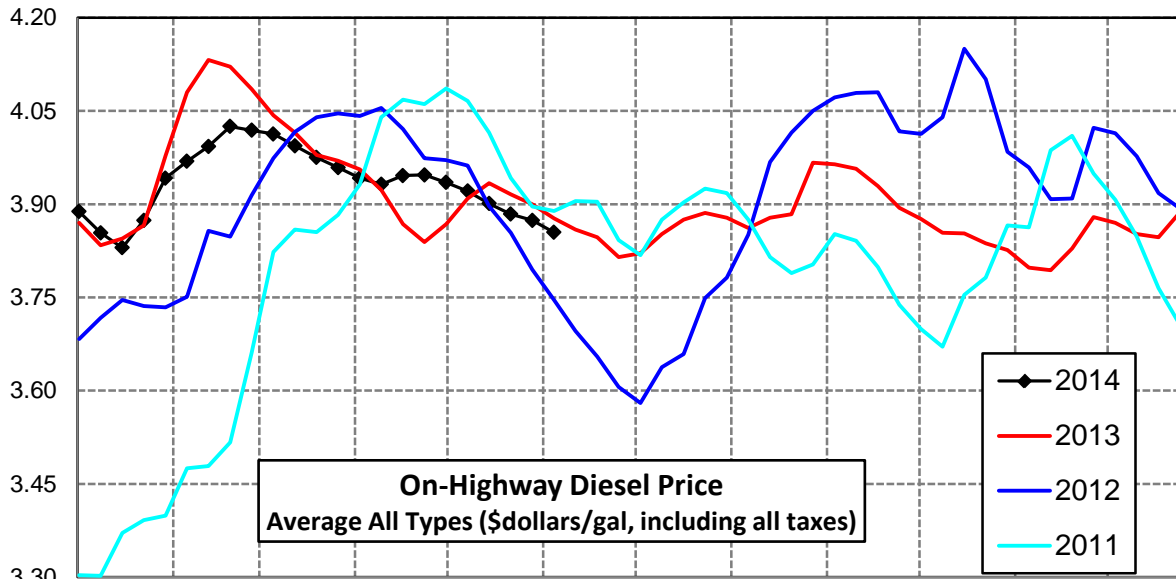
New England Region Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	19May14	26May14	02Jun14	09Jun14	
New England	\$4.139	\$4.130	\$4.124	\$4.117	-\$0.007
1/ Source: U.S. Energy Information Administration					
2/ Source: Fundamental Petroleum Trends Reports					



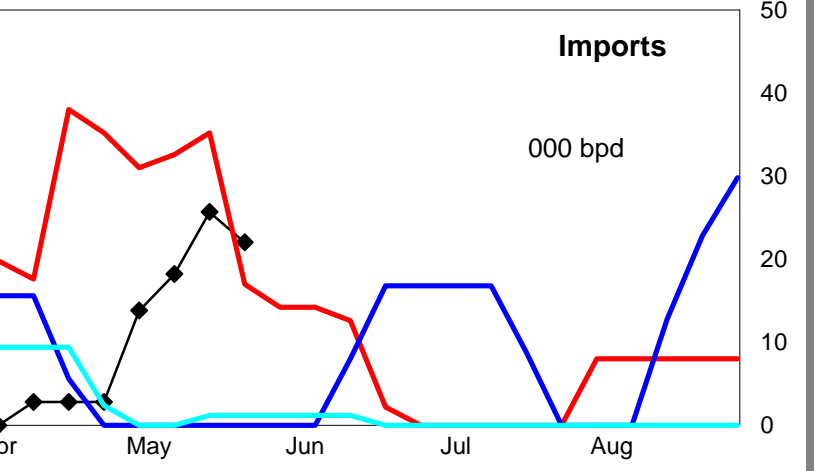
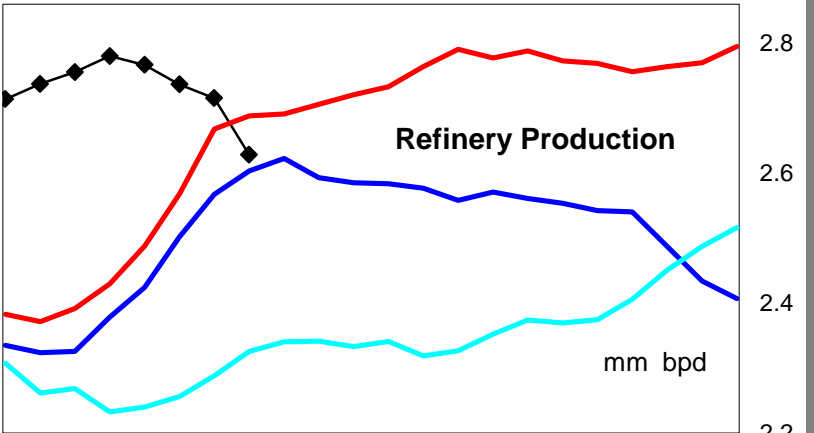
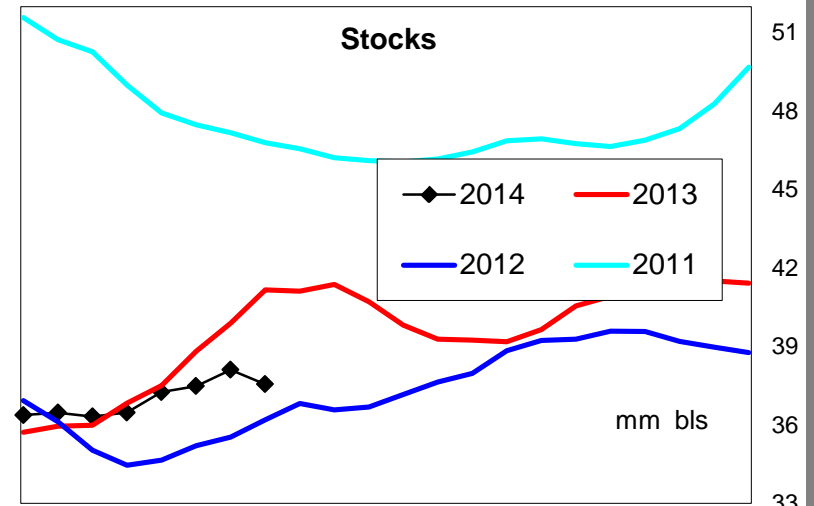
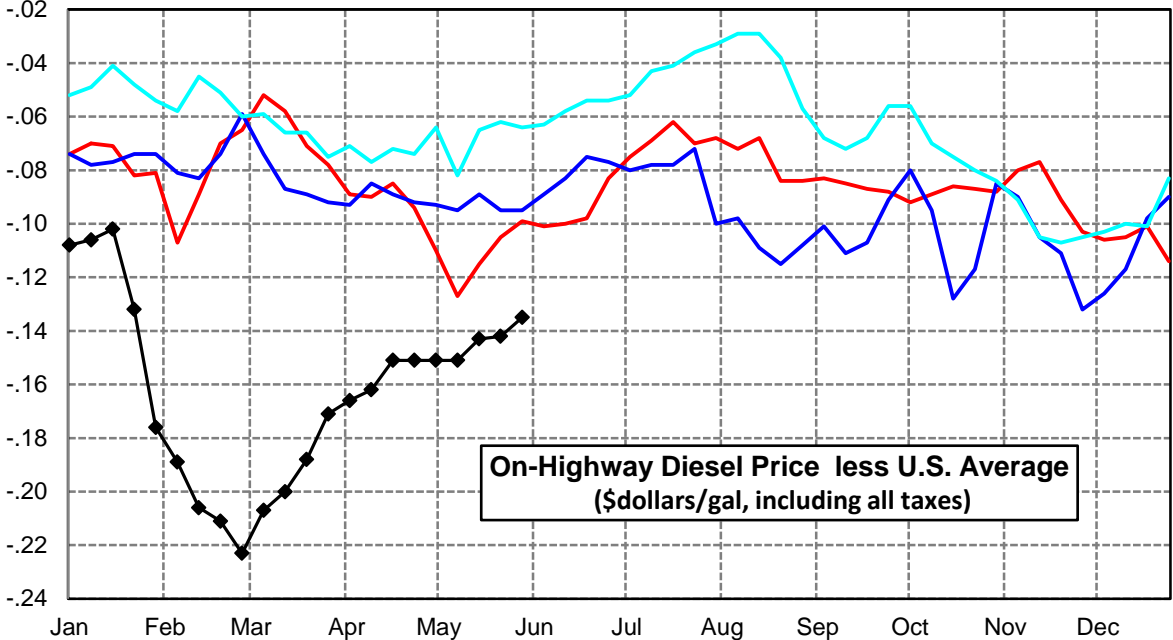
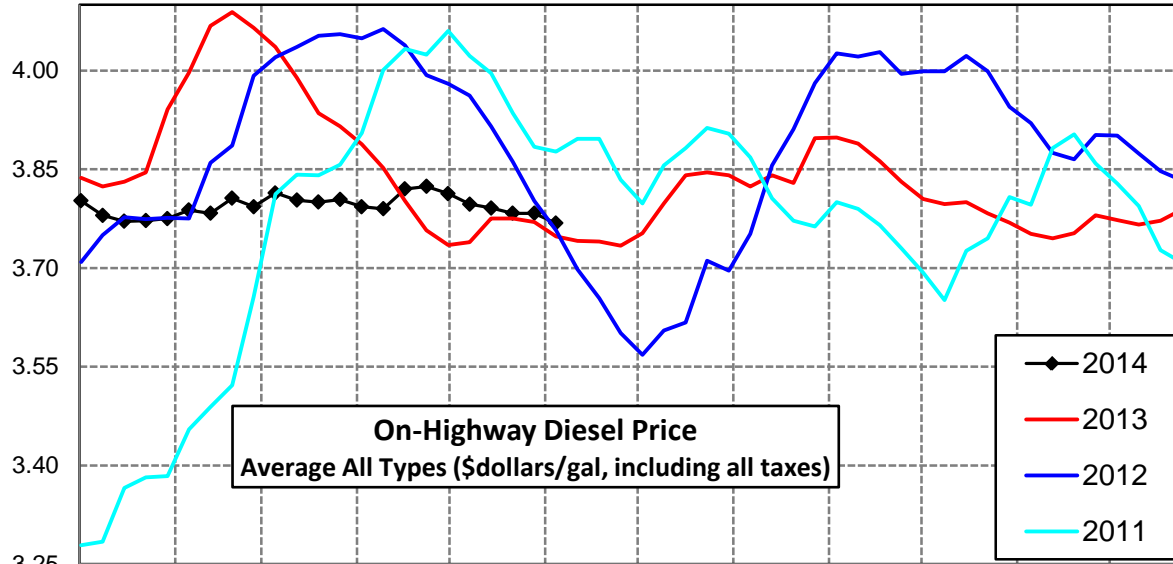
Midwest Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	19May14	26May14	02Jun14	09Jun14	
Midwest	\$3.901	\$3.884	\$3.874	\$3.855	-\$0.019
1/ Source: U.S. Energy Information Administration					
2/ Source: Fundamental Petroleum Trends Reports					



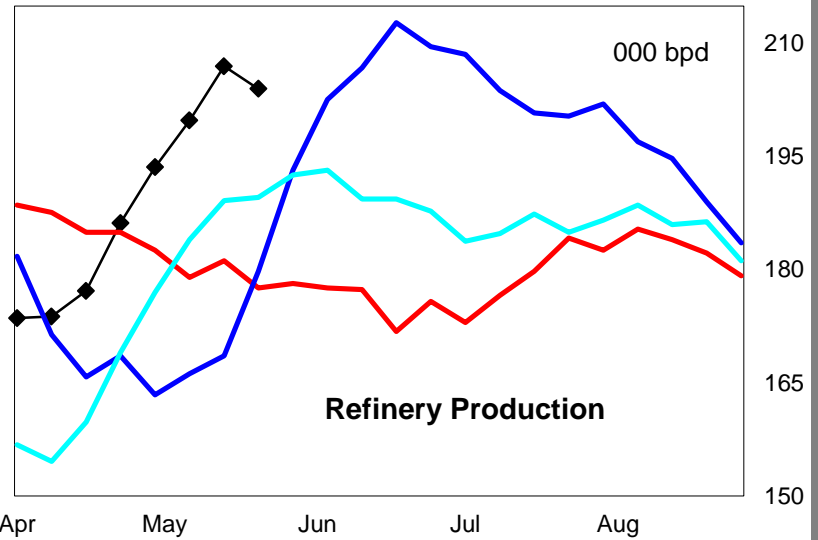
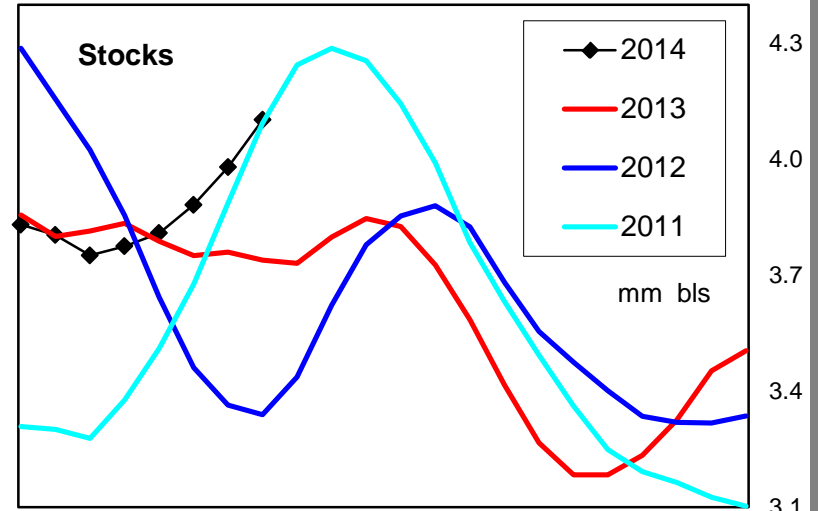
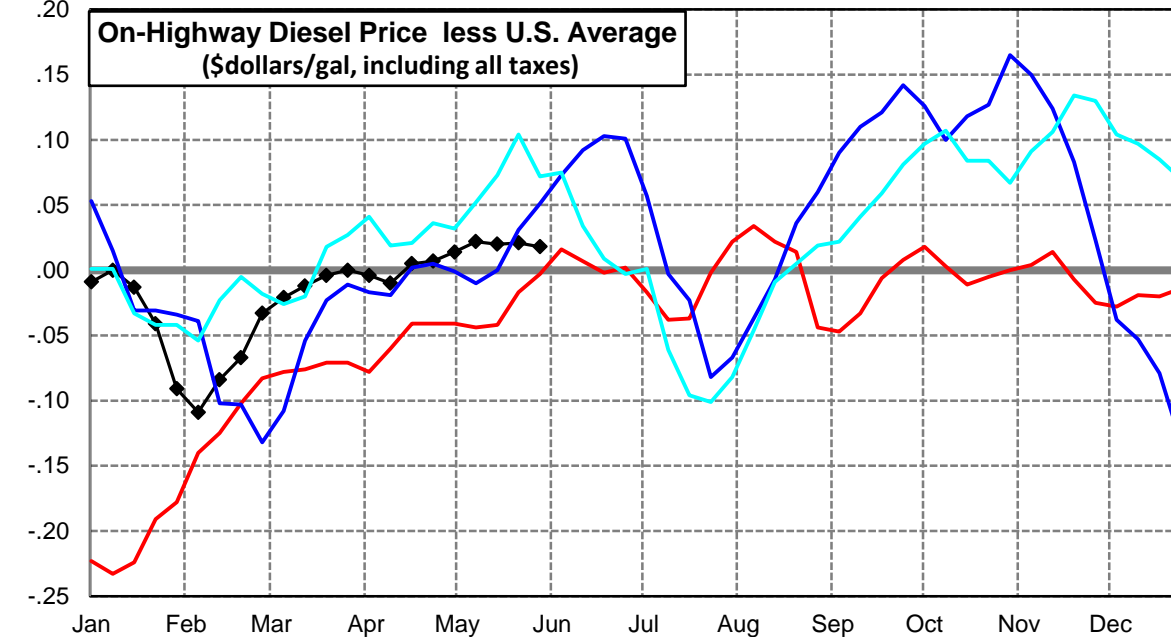
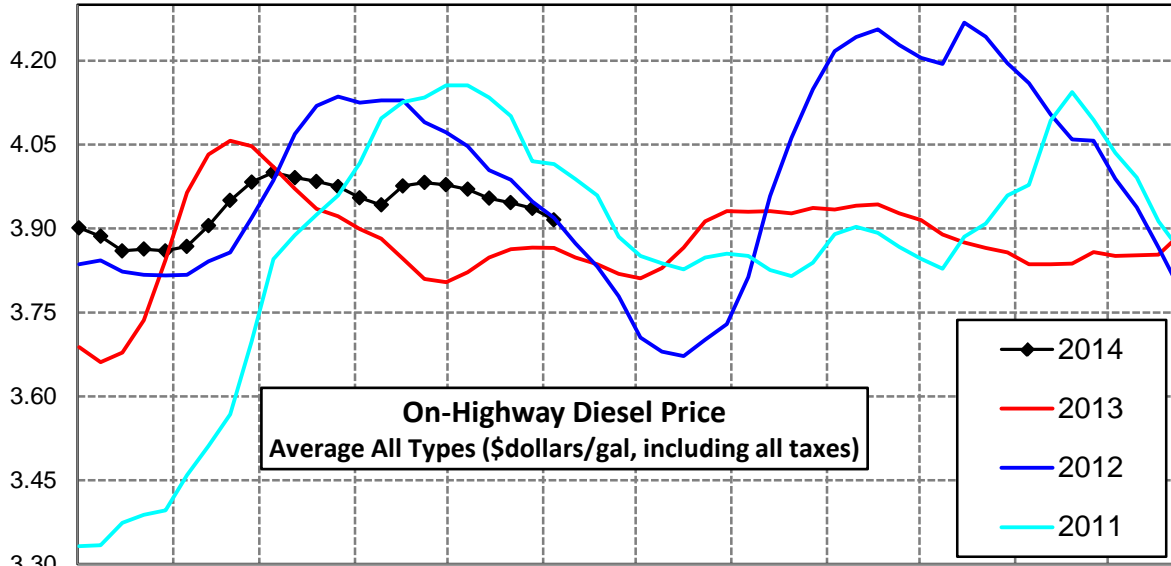
Gulf Coast Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	19May14	26May14	02Jun14	09Jun14	
Gulf Coast	\$3.791	\$3.783	\$3.783	\$3.768	-\$0.015
1/ Source: U.S. Energy Information Administration					
2/ Source: Fundamental Petroleum Trends Reports					



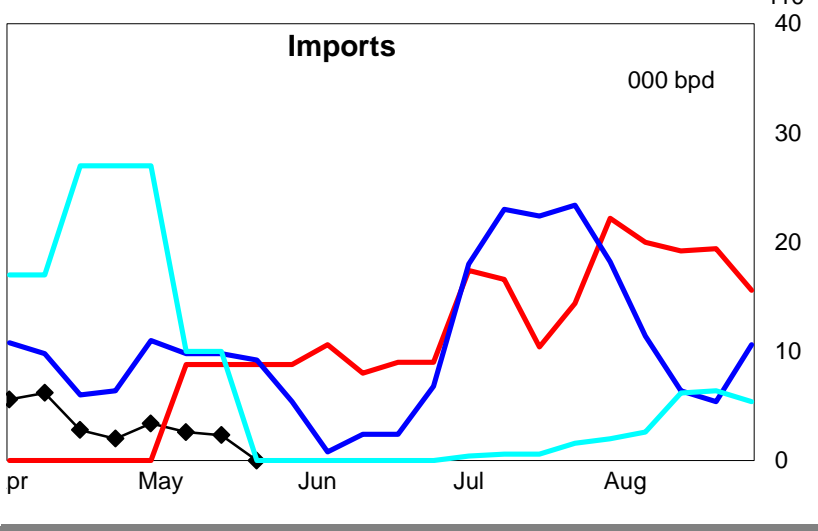
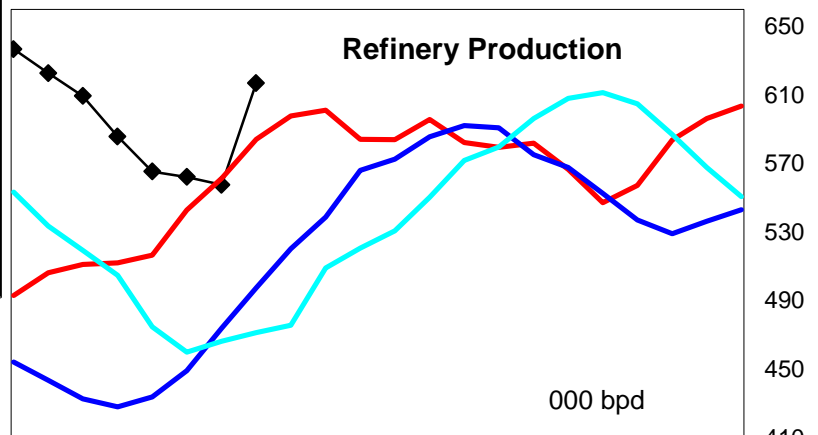
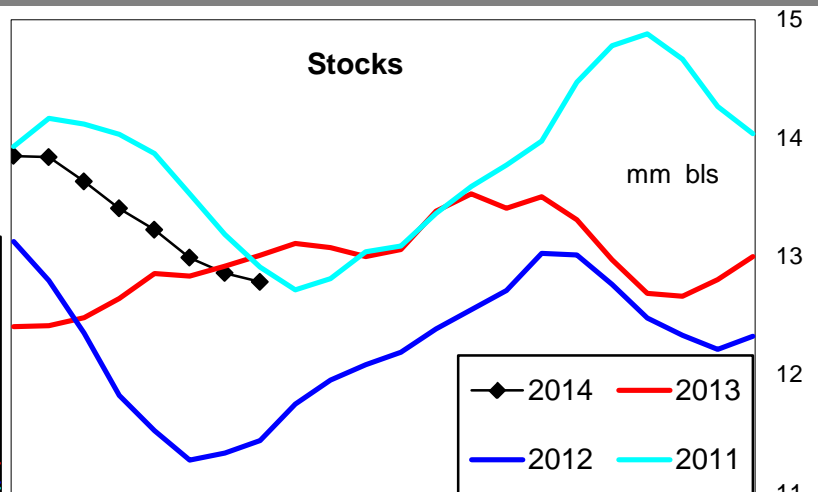
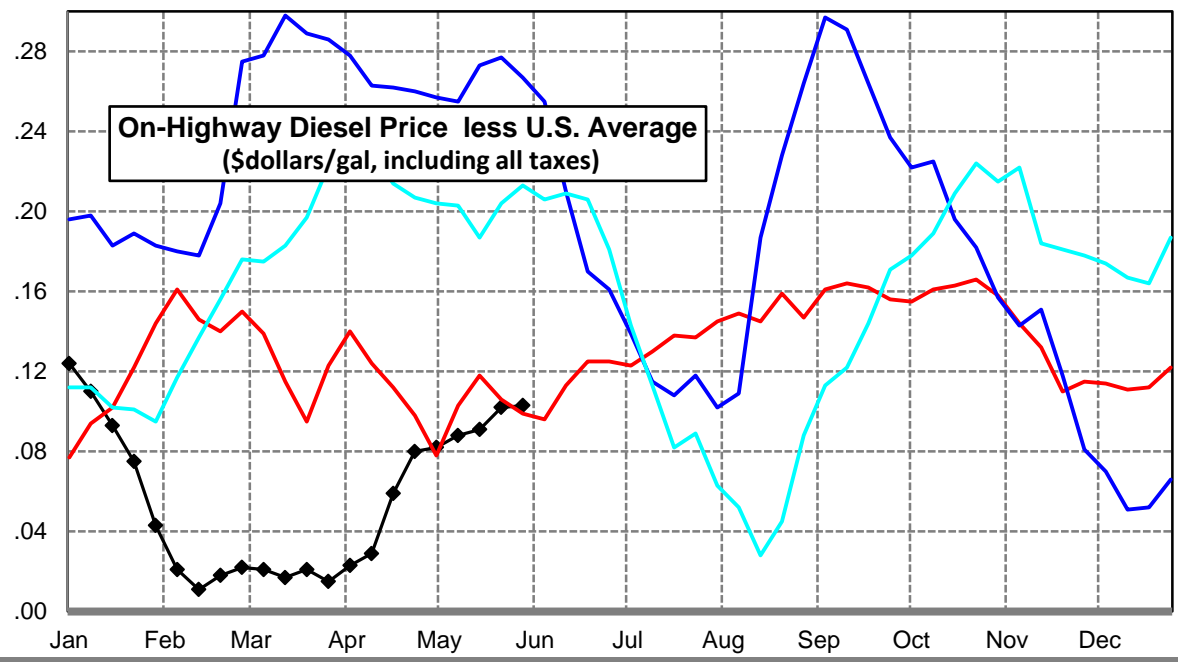
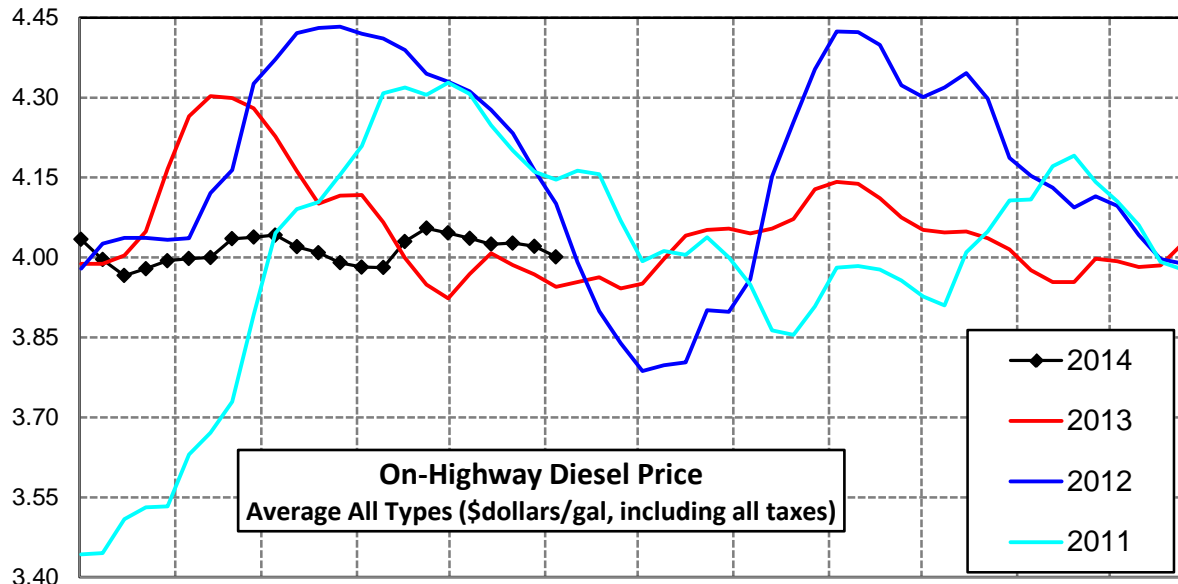
Rocky Mountain Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	19May14	26May14	02Jun14	09Jun14	
Rocky Mountain	\$3.954	\$3.946	\$3.936	\$3.916	-\$0.020
1/ Source: U.S. Energy Information Administration					
2/ Source: Fundamental Petroleum Trends Reports					



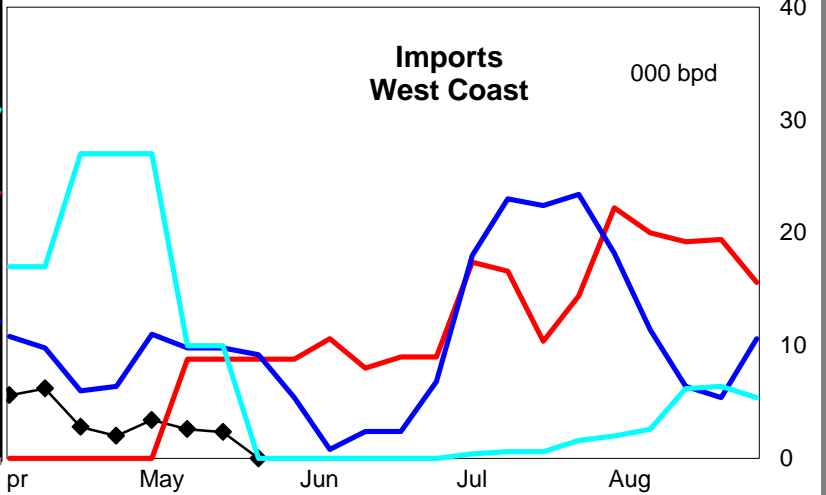
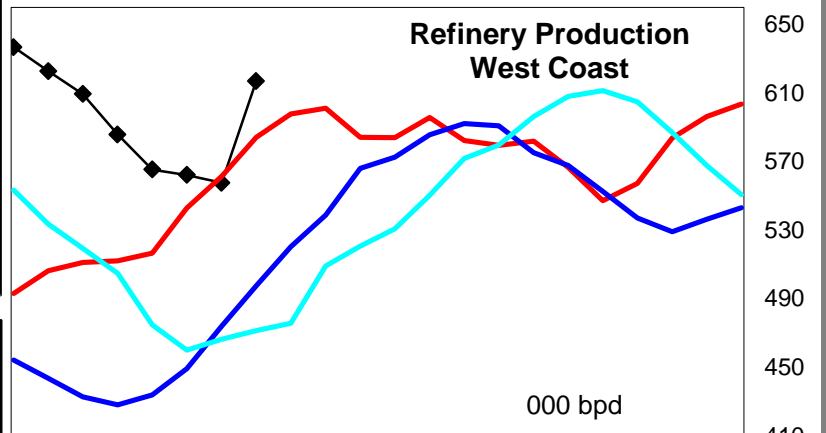
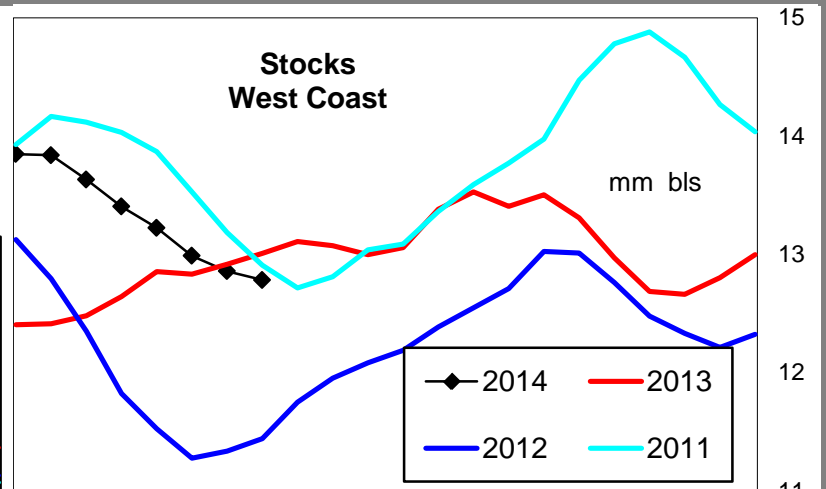
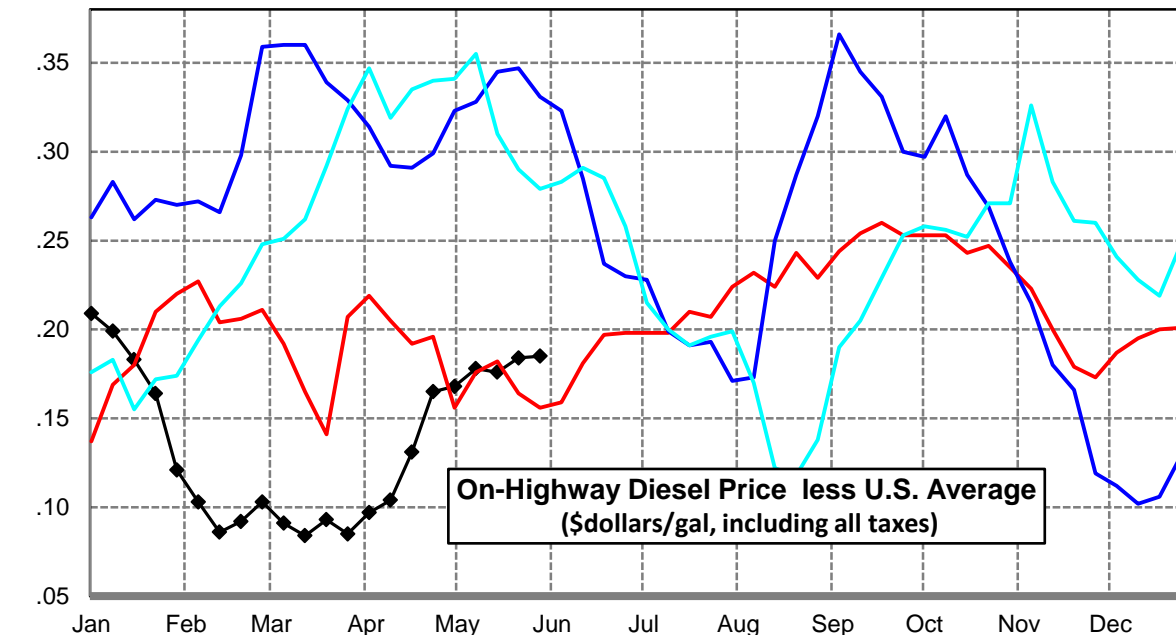
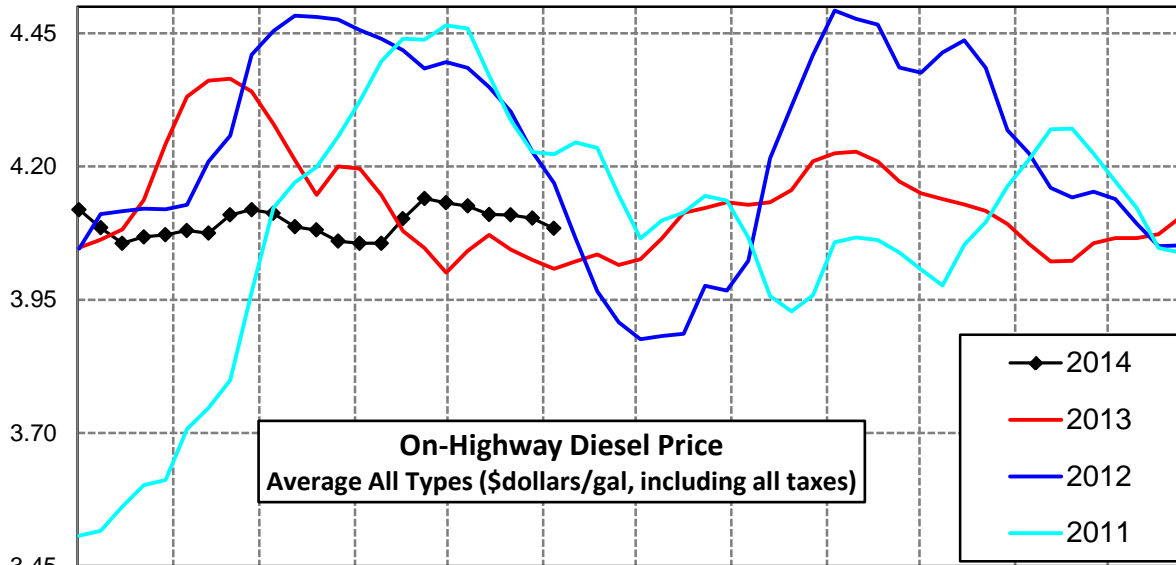
West Coast Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	19May14	26May14	02Jun14	09Jun14	
West Coast	\$4.025	\$4.027	\$4.021	\$4.001	-\$0.020
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
	19May14	26May14	02Jun14	09Jun14	
California	\$4.110	\$4.109	\$4.103	\$4.084	-\$0.019
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.