



RETAIL DIESEL FUEL OUTLOOK

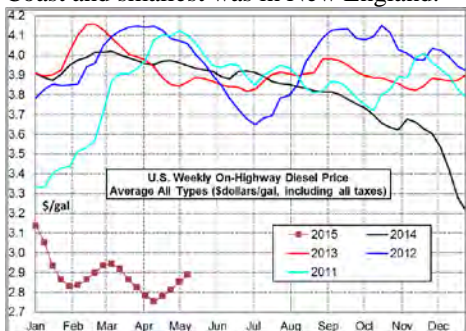
A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Tuesday, May 05, 2015

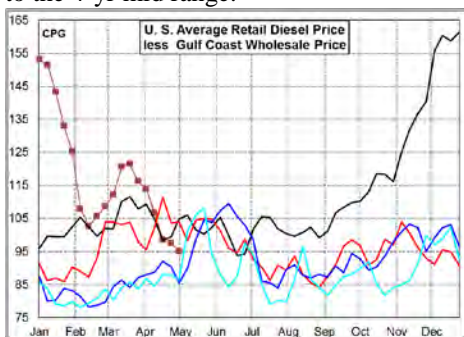
Weekly Retail On-Highway Diesel Prices					
Region	Actual Price 1/			Forecast 2/	Change from week ago
	20Apr15	27Apr15	04May15	11May15	
U.S.	2.780	2.811	2.854	2.887	0.033
East Coast	2.926	2.949	2.978	3.015	0.037
New England	3.049	3.057	3.066	3.108	0.042
Central Atlantic	3.081	3.110	3.133	3.170	0.037
Lower Atlantic	2.783	2.806	2.844	2.879	0.035
Midwest	2.659	2.691	2.715	2.748	0.033
Gulf Coast	2.659	2.683	2.751	2.784	0.033
Rocky Mountain	2.713	2.731	2.764	2.804	0.040
West Coast	2.965	3.026	3.112	3.145	0.033
California	3.102	3.156	3.227	3.269	0.042

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

Diesel Fuel Price Trends U. S. retail diesel prices increased +.3 cpg last week. All regional markets reported increases. Increases varied from +0.9 cpg to +8.6 cpg. The largest occurred on the West Coast and smallest was in New England.



The U.S. average retail diesel price compared to the Gulf Coast wholesale market decreased -2.6 cpg on the week. The spread ended the week at a level equal to the 4-yr mid range.



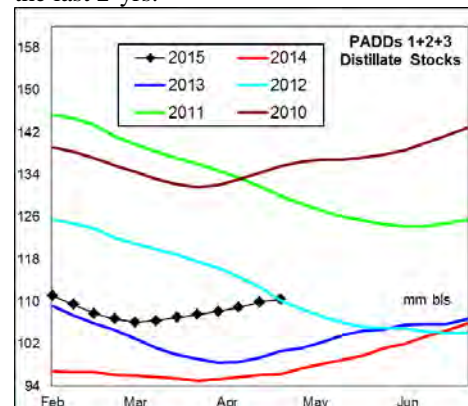
The national average on-highway price ended the week -\$1.11/gal below a year ago. The highest retail prices were in California regions at \$3.23/gal and the Central Atlantic at \$3.13/gal. The lowest prices were in the Midwest (\$2.72/gal) and

Gulf (\$2.75/gal) regions.

The retail price compared to the U.S. average was above the historic range in New England, Central Atlantic and California. The retail price compared to the U.S. average was below the historic range in the Rockies and

on the East Coast. Stock levels ended the week +13% above last year, and at a 3-yr high for the period.

Stock change in markets East of the Rockies increased +2.8 million barrels during the last 4-wks; just above each of the last 2-yrs.



Global Trends Driving Diesel Prices Distillate stocks ended last week at extremely high levels in all regions except the East Coast, where stock levels were at the low end of the 5-yr range.

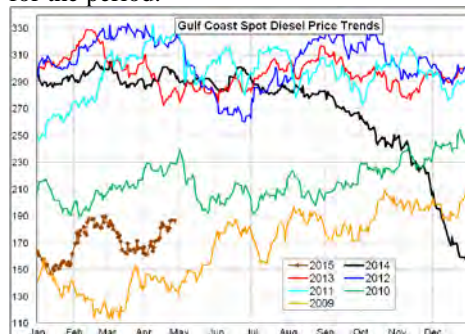
A seasonal slowdown in the U.S. rate of crude oil stock building and Middle East political tension has lifted global oil prices. **Diesel Price Outlook** Look for a continued uptrend in retail prices, in response to the increase in wholesale prices, during the 1st half of May. The wholesale to retail price spread has dropped below the last 2-yrs, driven by the rapid uptrend in wholesale prices and very high stock levels in regions other than the East Coast.

Look for a spring rebound in retail prices in the Rockies on higher seasonal demand. West coast prices should increase further compared to the U. S. average on expanded refinery maintenance in the 2nd quarter.

Extreme over supply of diesel in the Midwest has driven retail prices to below all other regions. Look for continued over supply in the Midwest to constrain prices in the region to the lowest level in the country.

Midwest Regions.

Gulf spot prices have increased +32 cpg during the last month, due to a seasonal slowdown U.S. crude oil stock builds and Middle East political tension. Gulf Coast spot distillate prices traded midway between prices in 2009 and 2010 for the period.



The spread between the Gulf wholesale price and the U.S. average retail price declined -2.6 cpg last week to a level comparable to the 4-yr mid range.

Look for the retail to wholesale price differential to strengthen during the next months as retail prices 'catch up' to the increase in wholesale prices.

Supply - Demand Fundamental Trends Distillate wholesale demand increased +138,000 bpd last week to a level well above the 3-yr mid range. Demand for the latest 4-wk period was +9,000 bpd above last year.

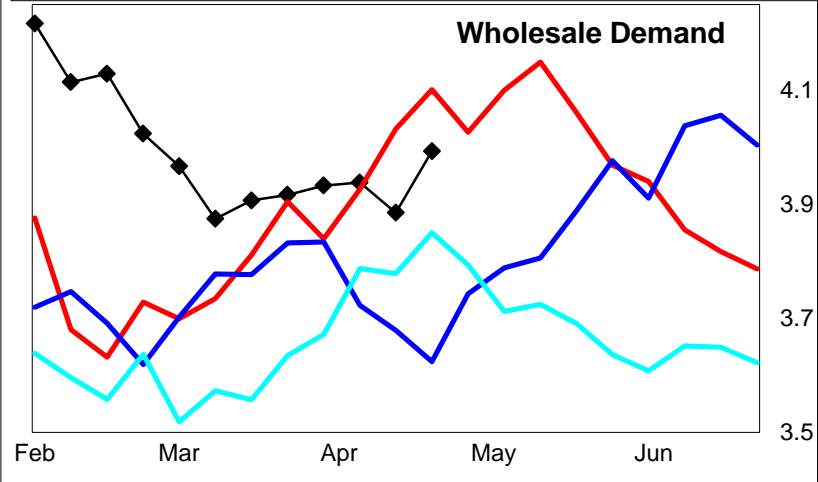
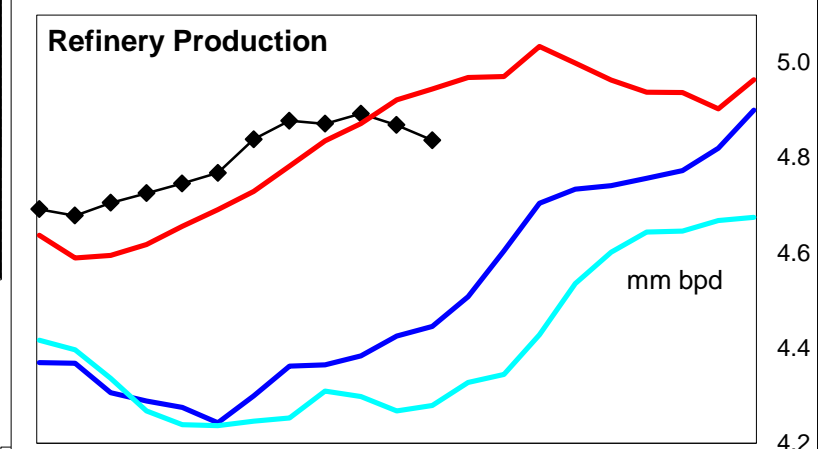
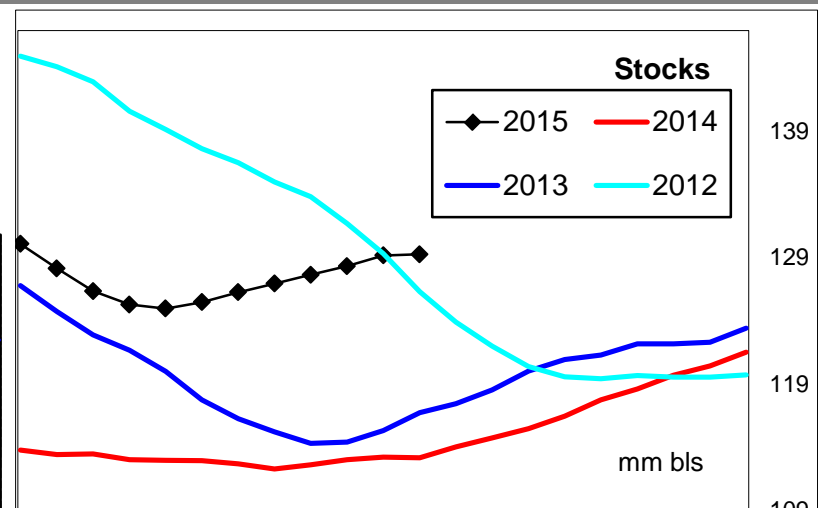
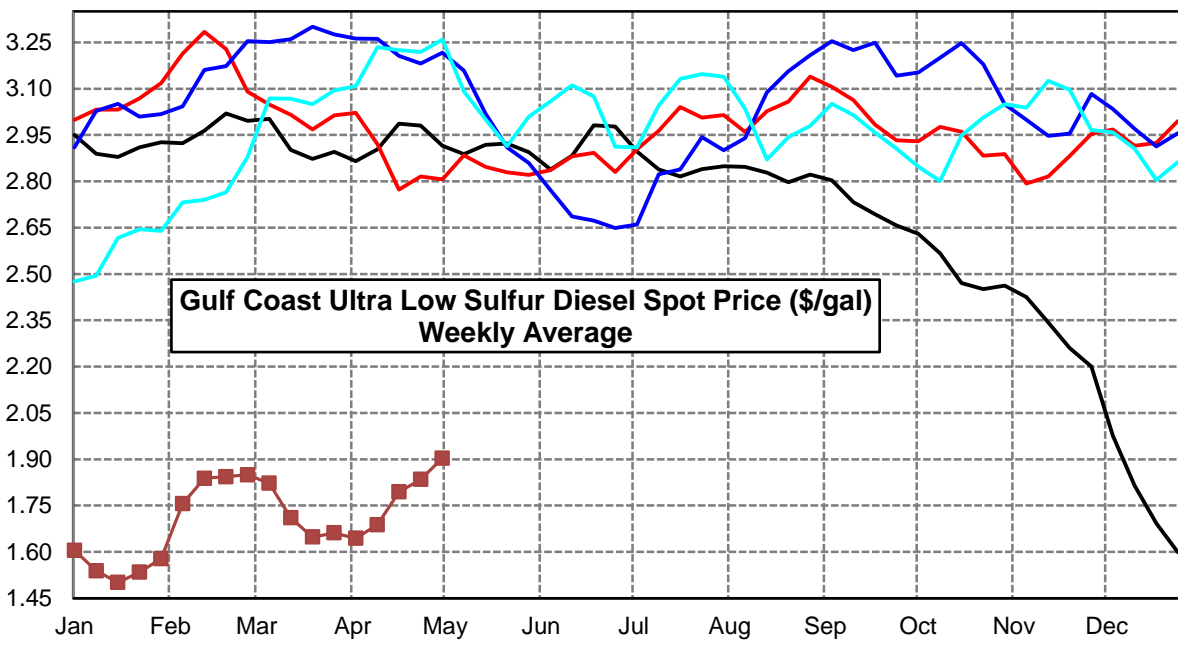
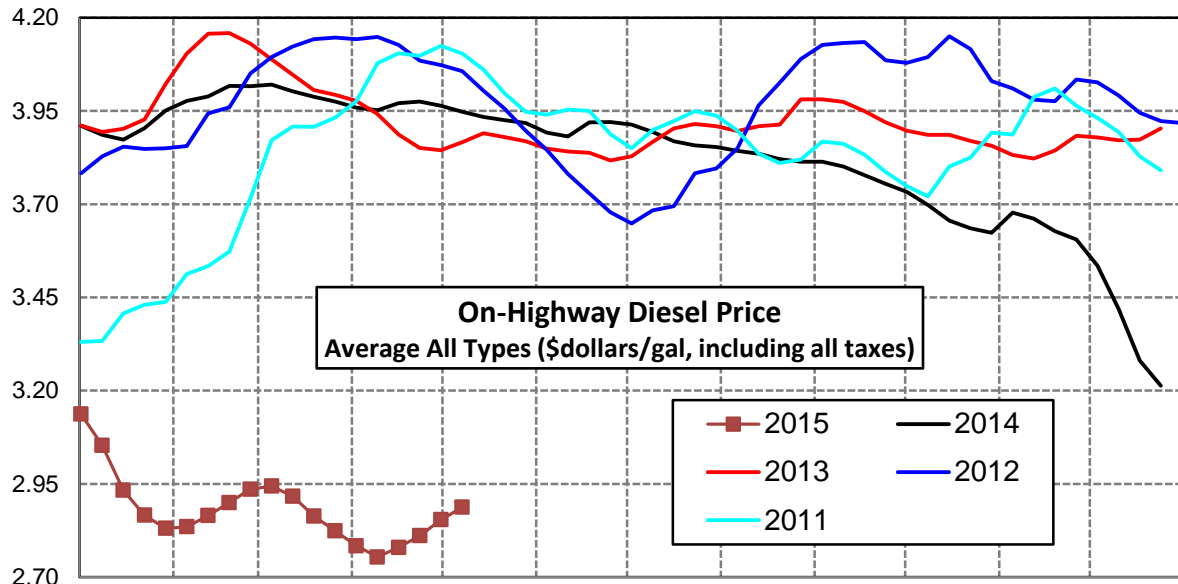
Supply decreased -58,000 bpd, driven by lower imports. During the latest 4-wk period, production was +9,000 bpd above last year while imports were +16,000 bpd higher. Stocks were unchanged on the week, including a +2.5 million barrel build

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



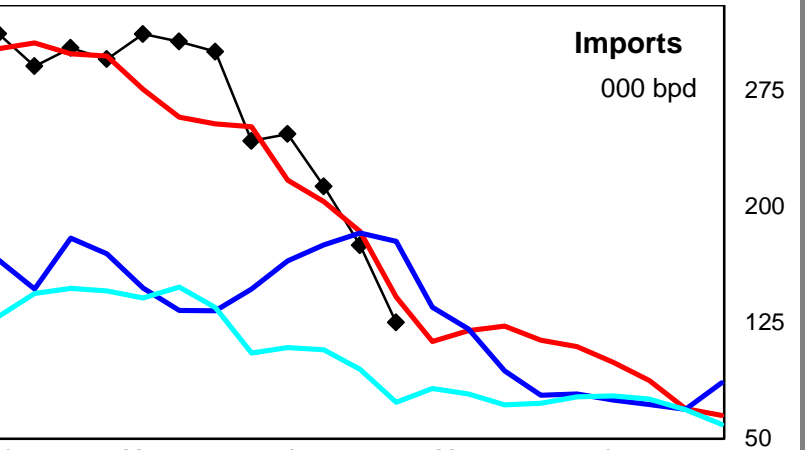
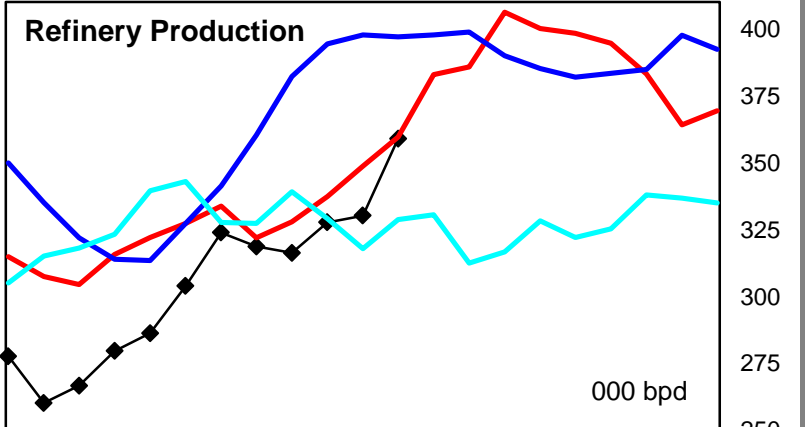
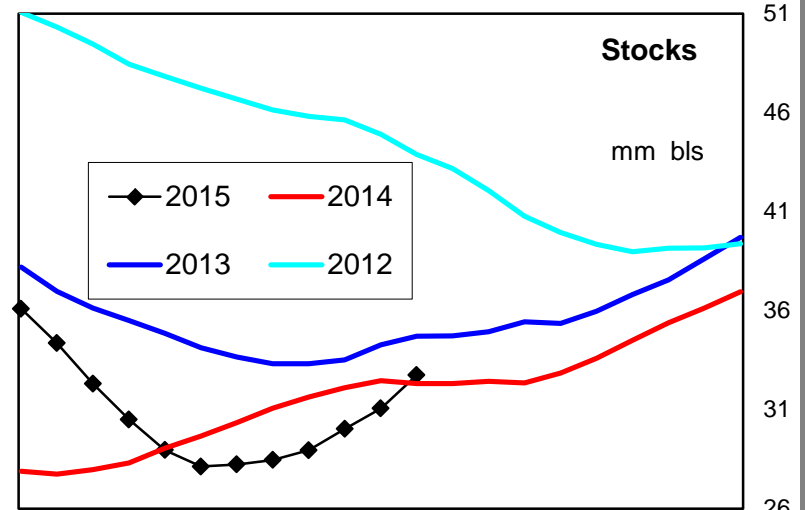
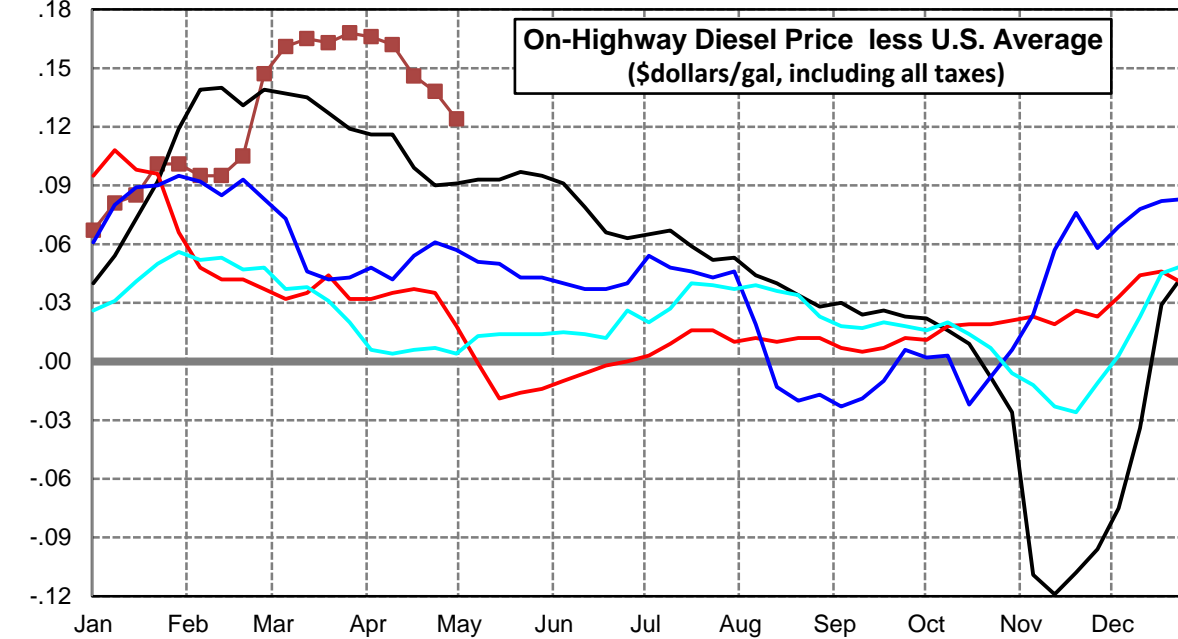
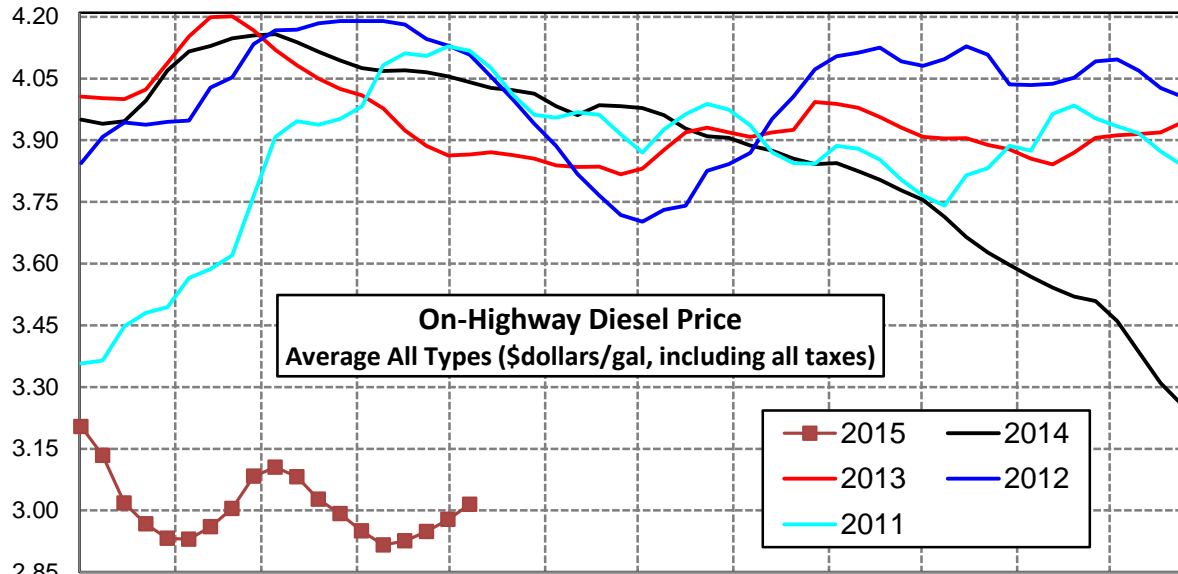
U. S. Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/		Forecast 2/	Change from week	
	20Apr15	27Apr15	11May15		
United States Avg	\$2.780	\$2.811	\$2.854	\$2.887	\$0.033
1/ Source: U.S. Energy Information Administration					
2/ Source: Fundamental Petroleum Trends Reports					



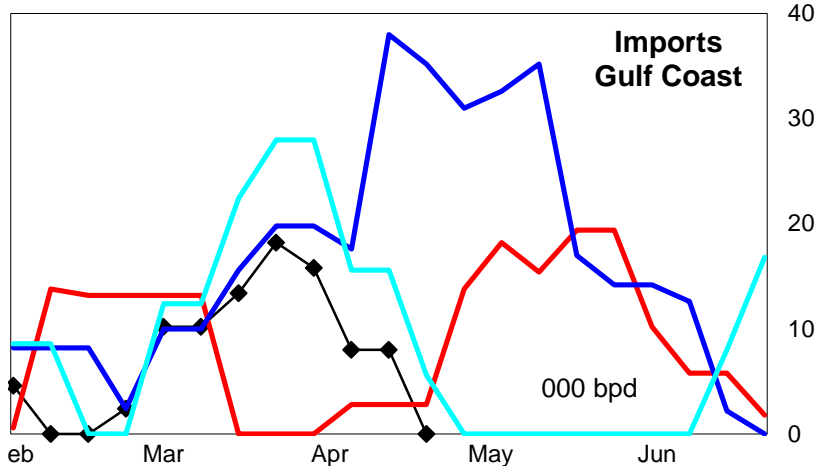
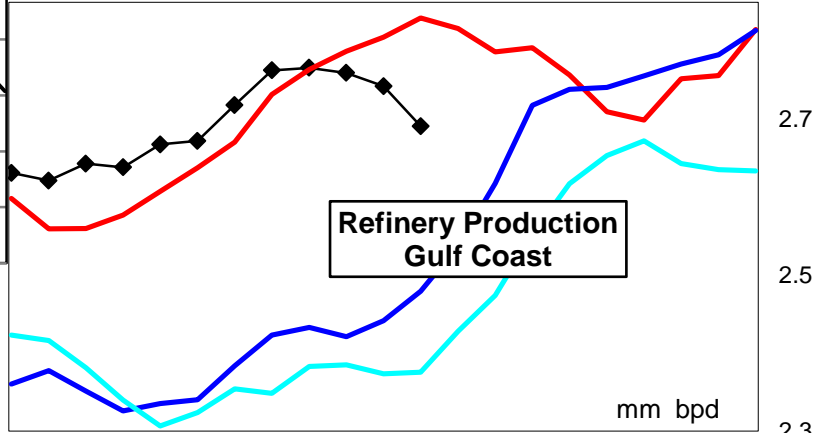
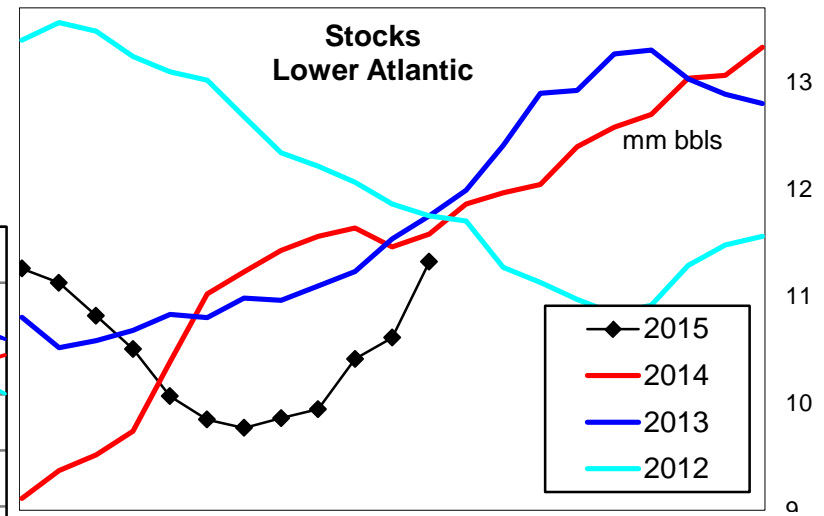
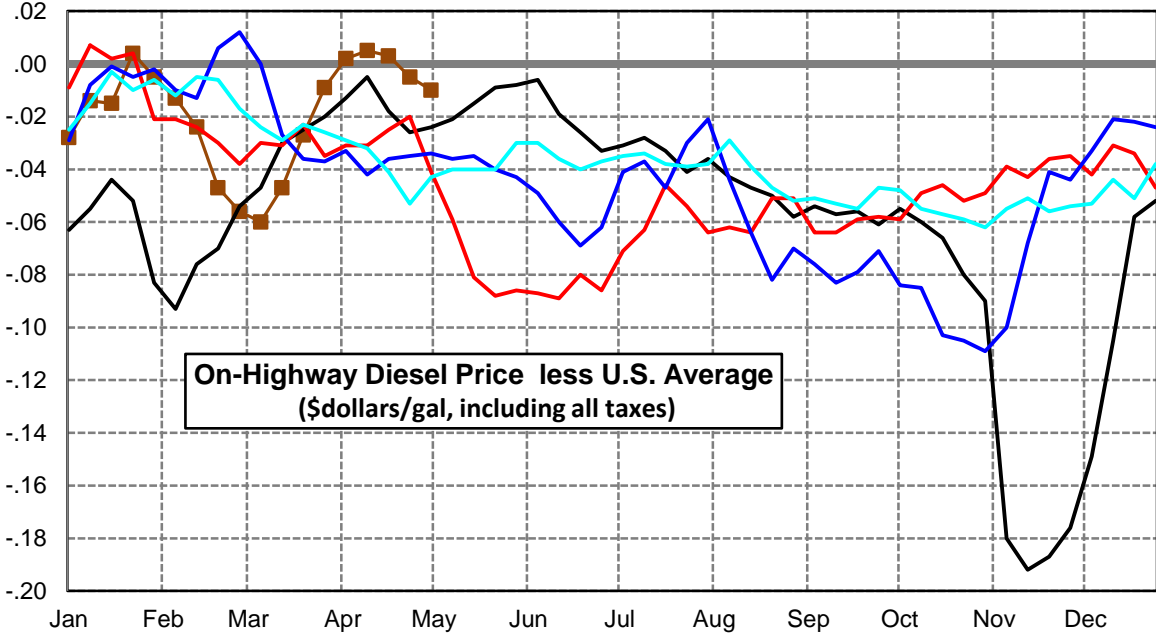
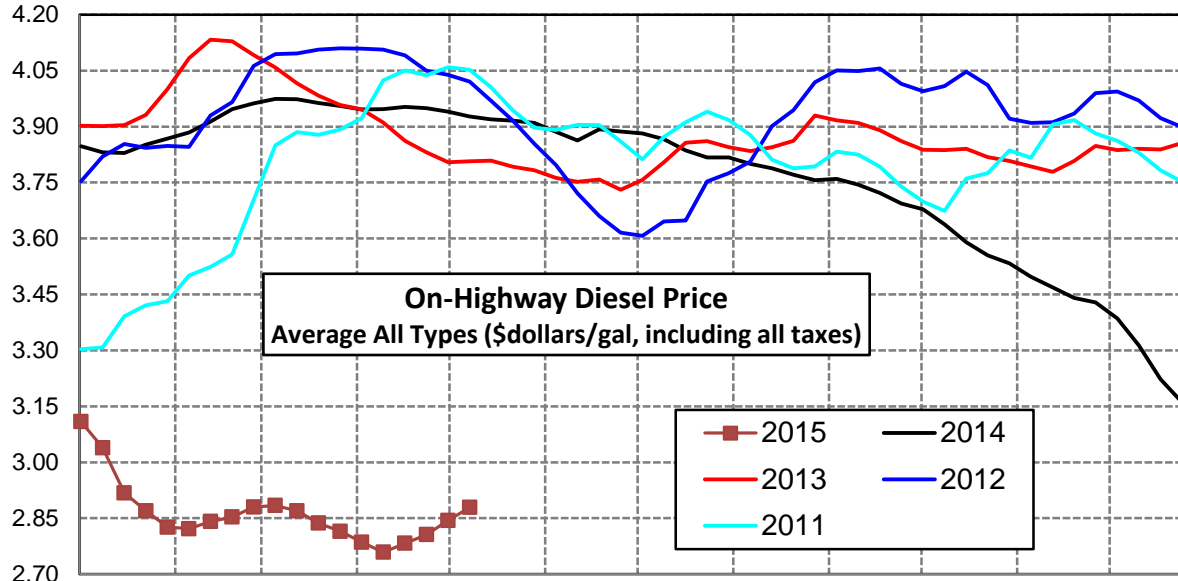
East Coast Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	20Apr15	27Apr15	04May15	11May15	
East Coast	\$2.926	\$2.949	\$2.978	\$3.015	\$0.037
1/ Source: U.S. Energy Information Administration					
2/ Source: Fundamental Petroleum Trends Reports					



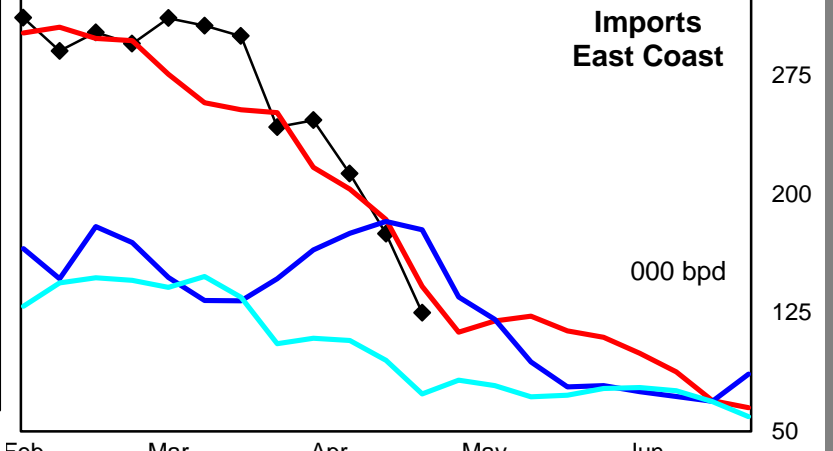
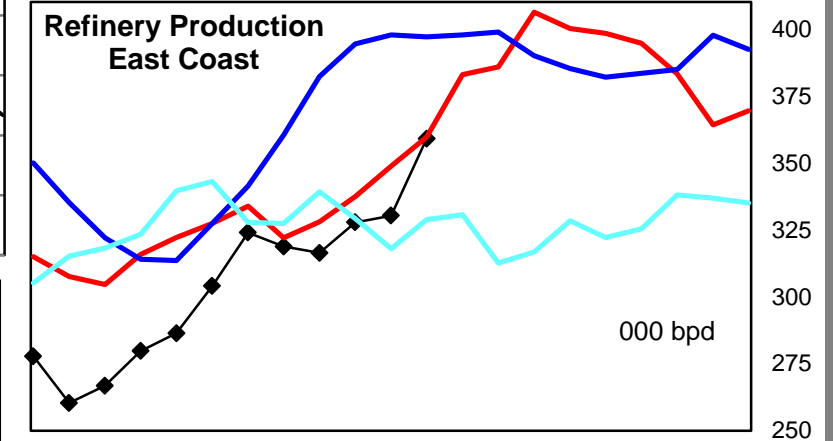
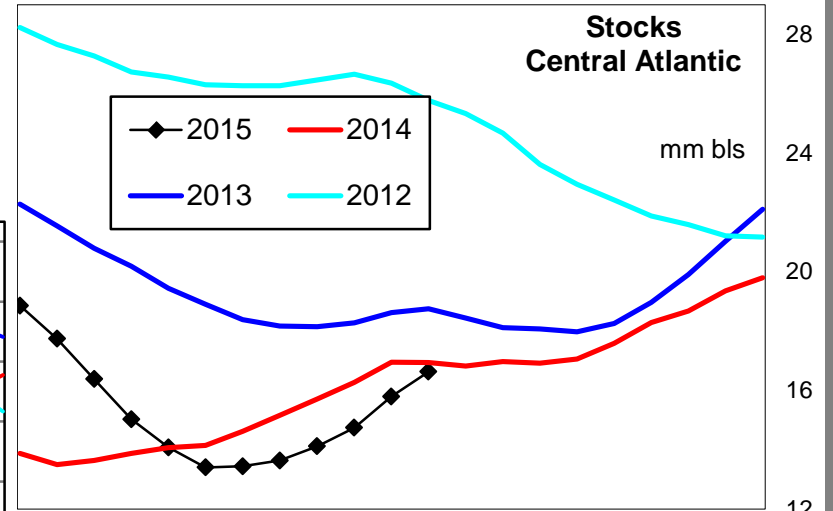
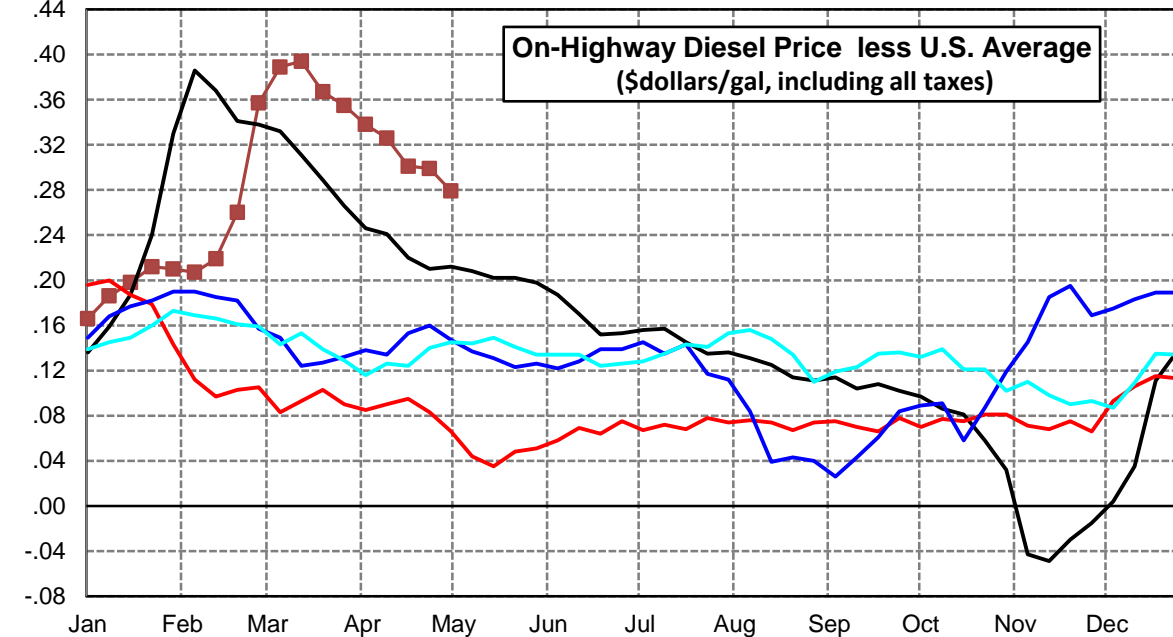
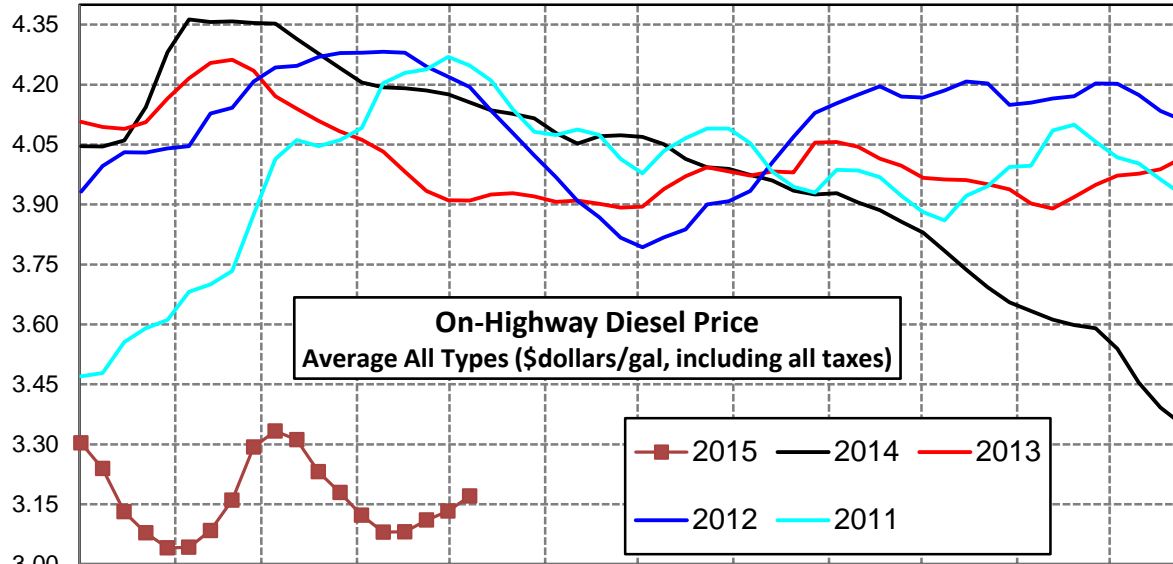
Lower Atlantic Region Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	20Apr15	27Apr15	04May15	11May15	
Lower Atlantic	\$2.783	\$2.806	\$2.844	\$2.879	\$0.035
1/ Source: U.S. Energy Information Administration					
2/ Source: Fundamental Petroleum Trends Reports					



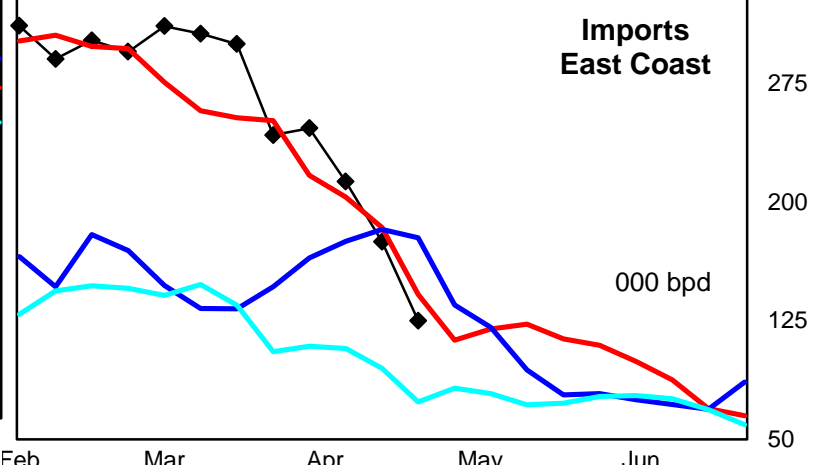
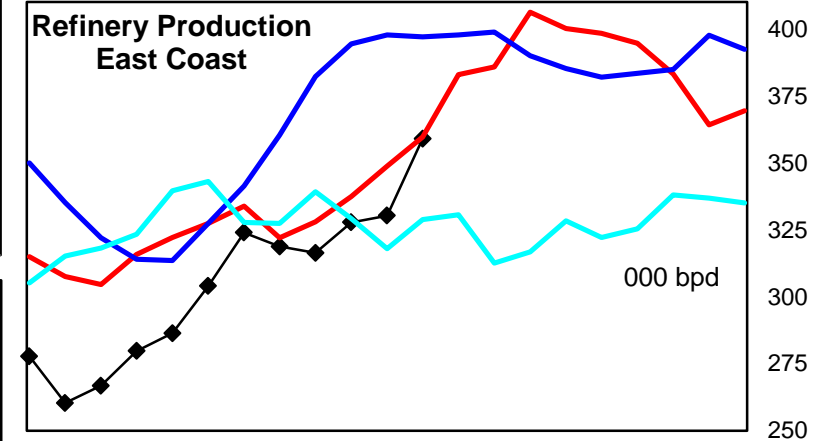
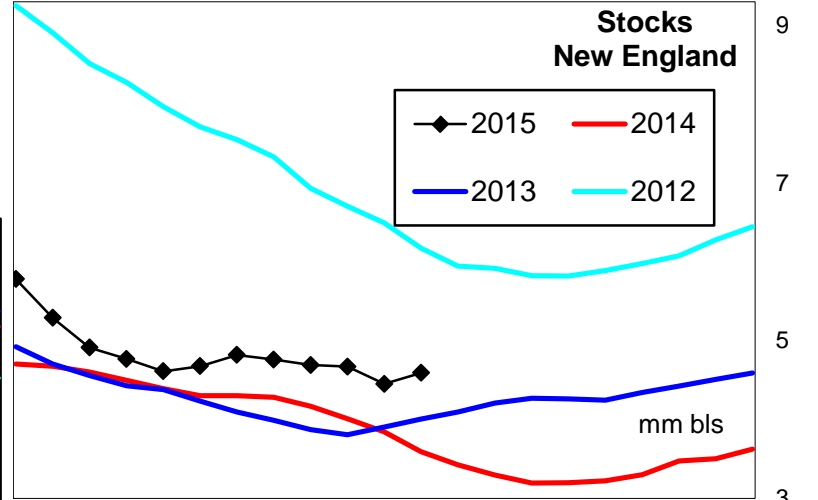
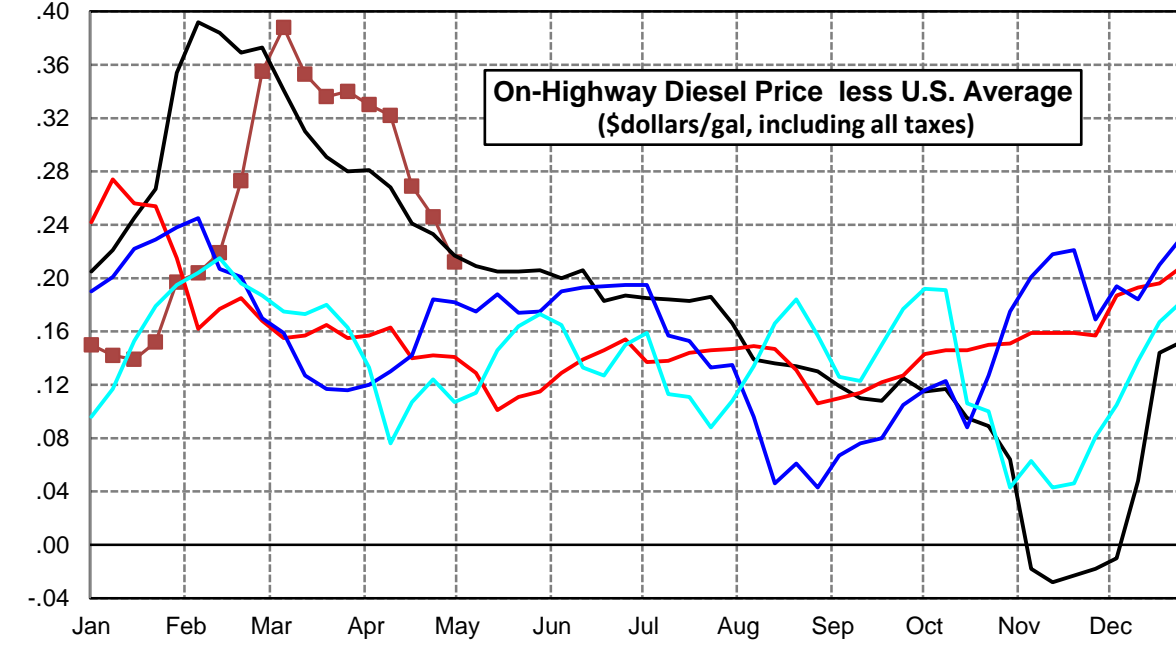
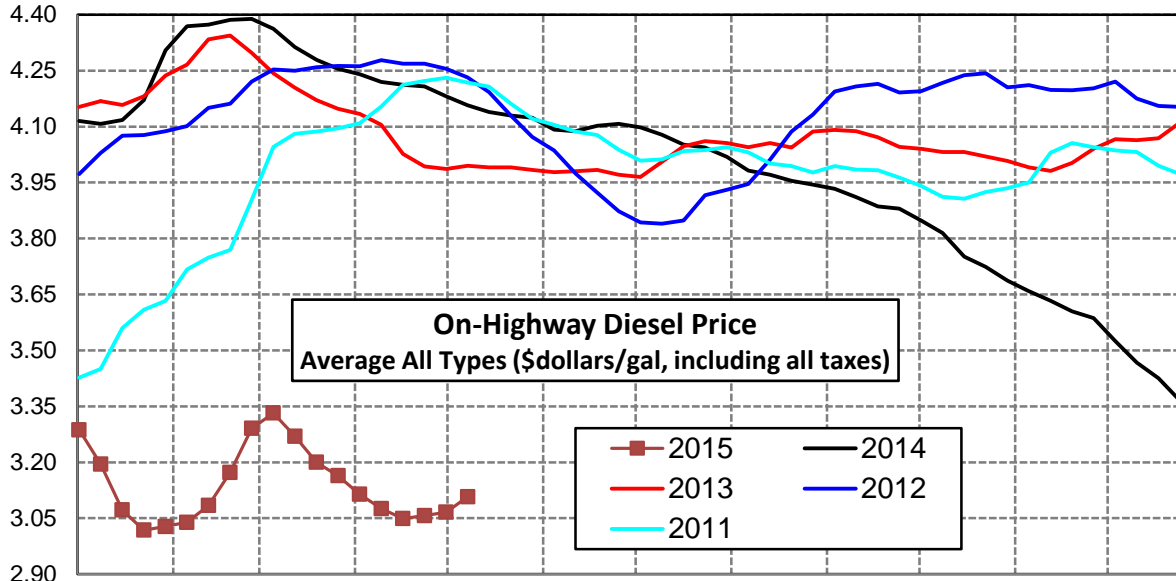
Central Atlantic Region Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	20Apr15	27Apr15	04May15	11May15	
Central Atlantic	\$3.081	\$3.110	\$3.133	\$3.170	\$0.037
1/ Source: U.S. Energy Information Administration					
2/ Source: Fundamental Petroleum Trends Reports					



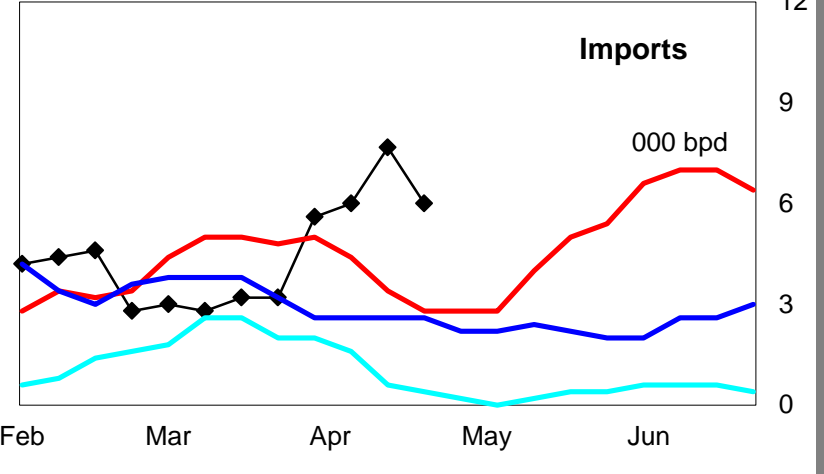
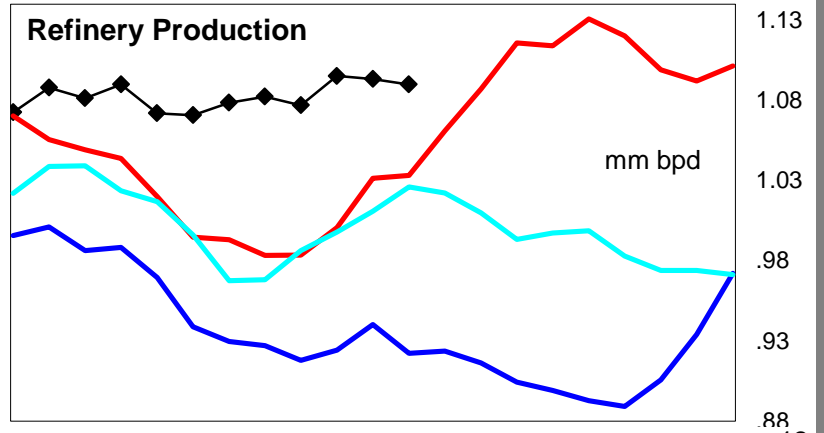
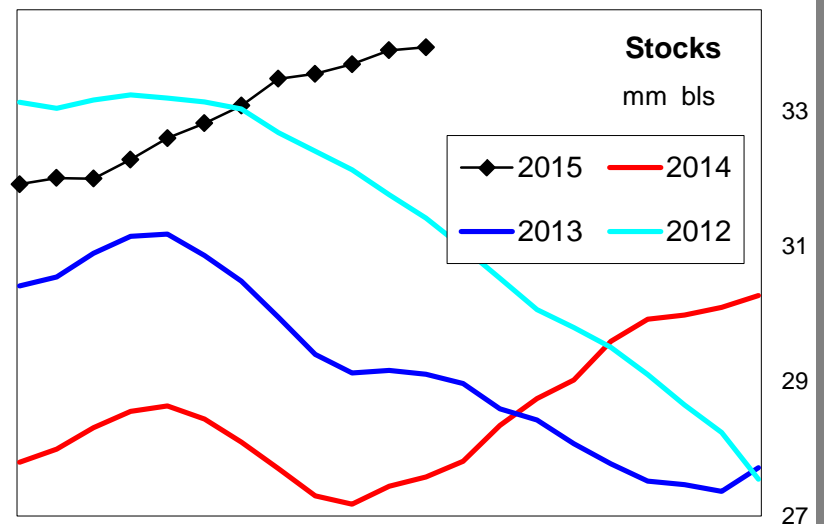
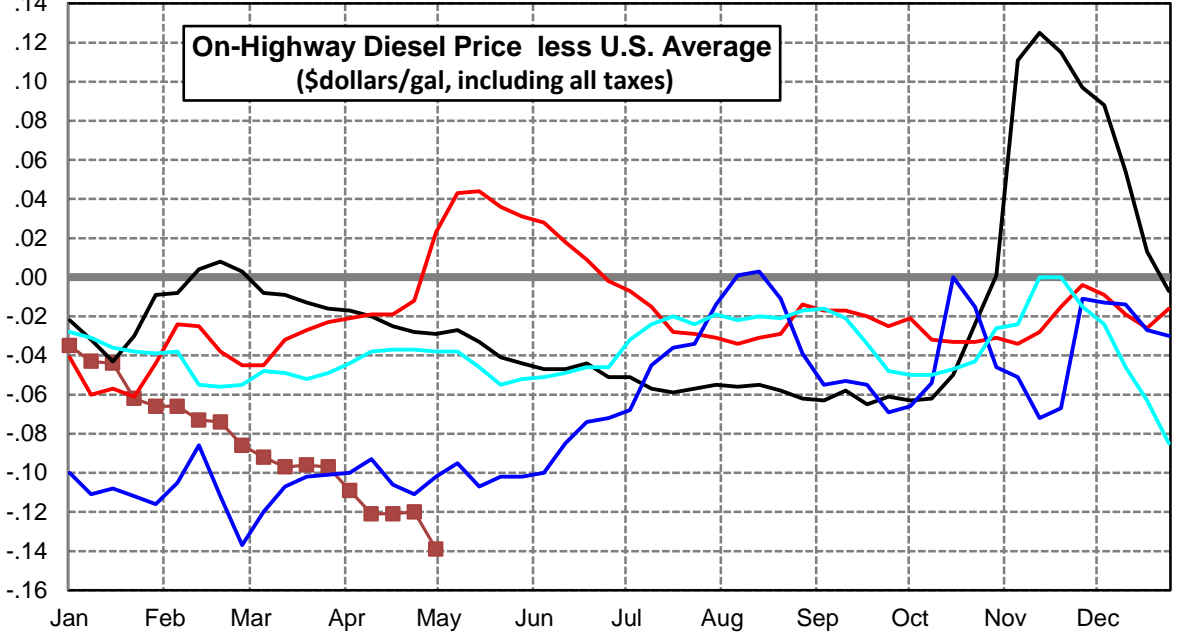
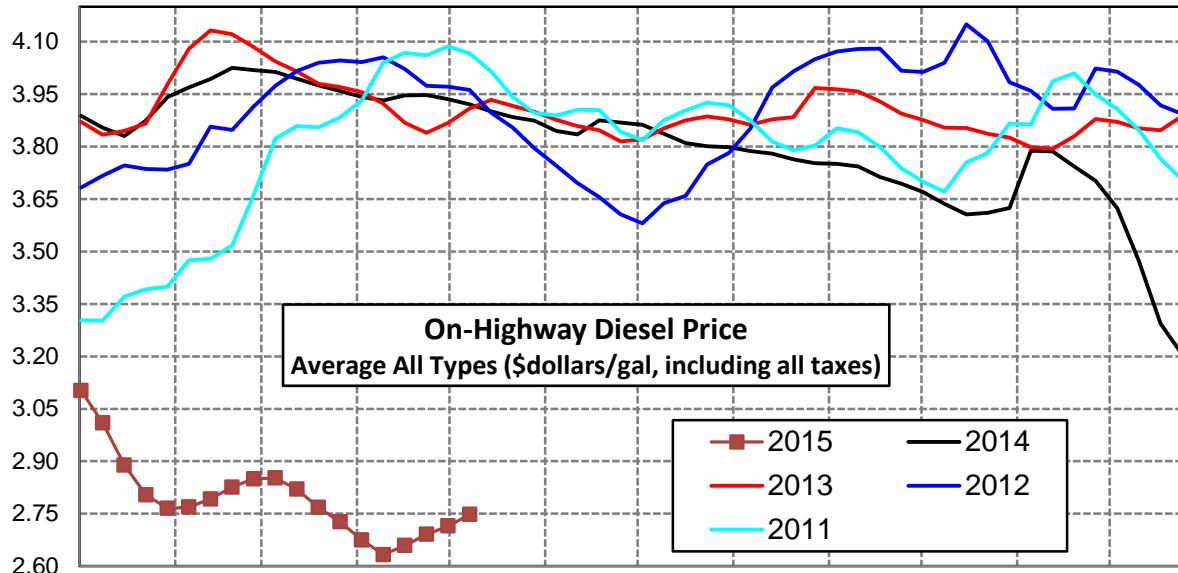
New England Region Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	20Apr15	27Apr15	04May15	11May15	
New England	\$3.049	\$3.057	\$3.066	\$3.108	\$0.042
1/ Source: U.S. Energy Information Administration					
2/ Source: Fundamental Petroleum Trends Reports					



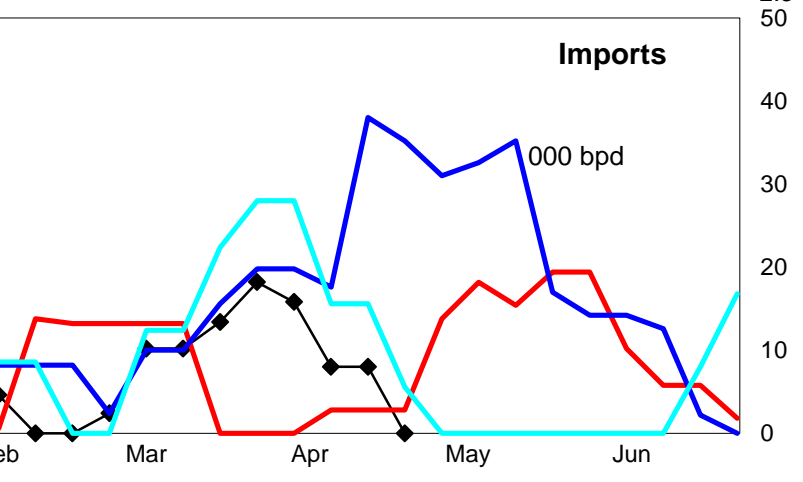
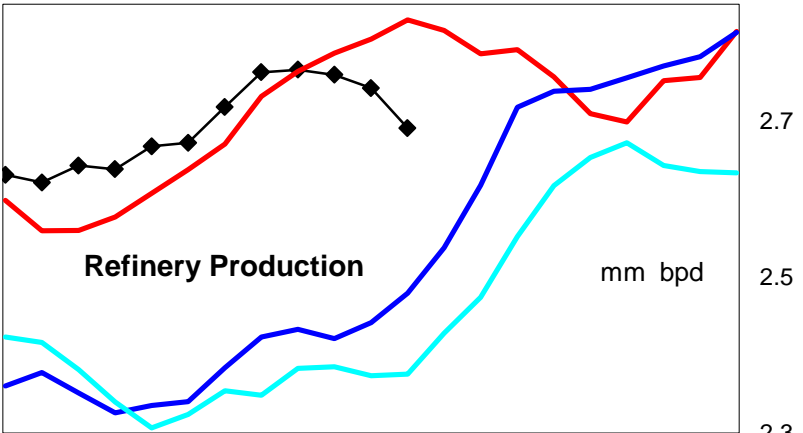
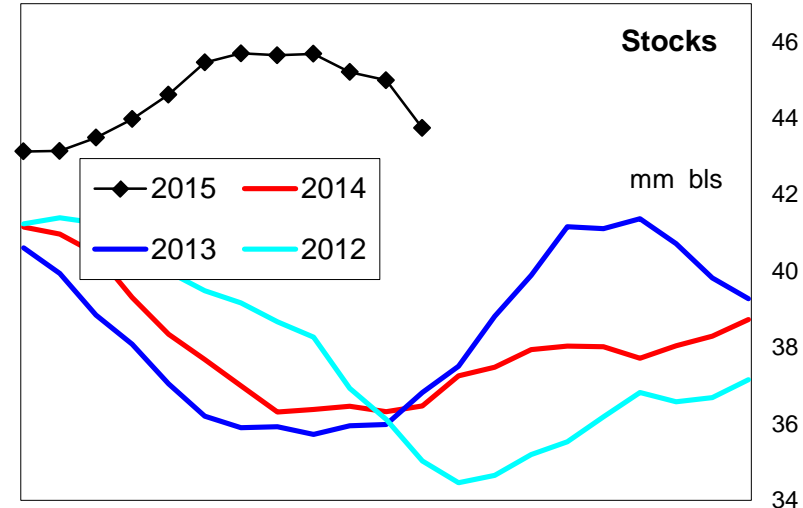
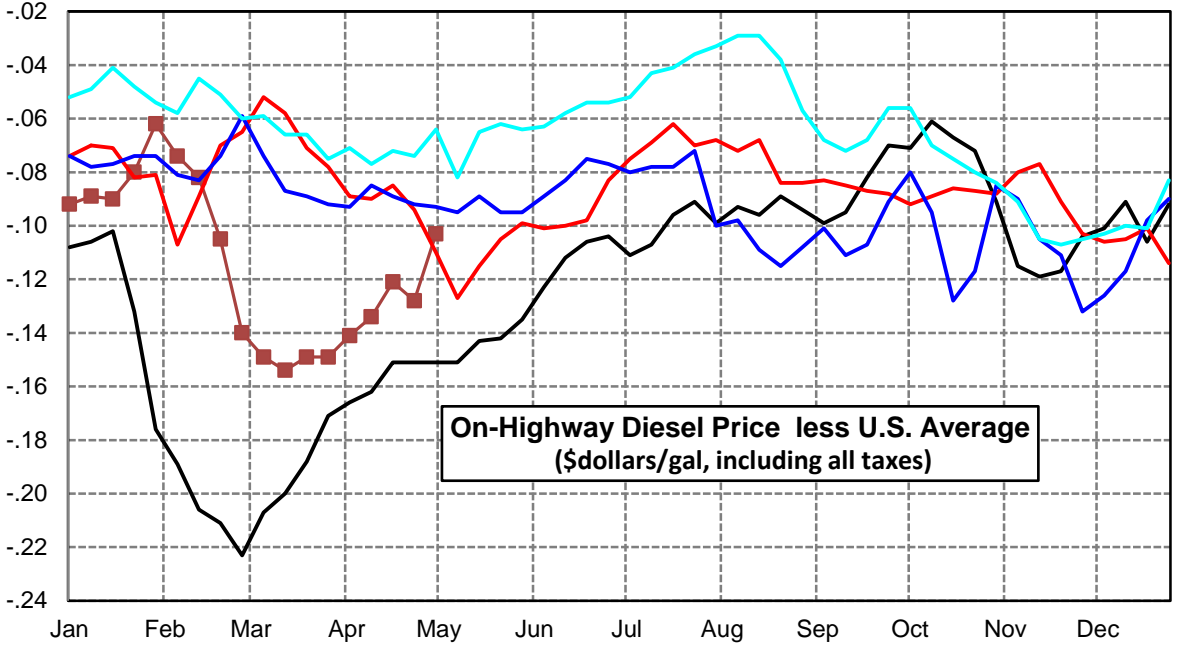
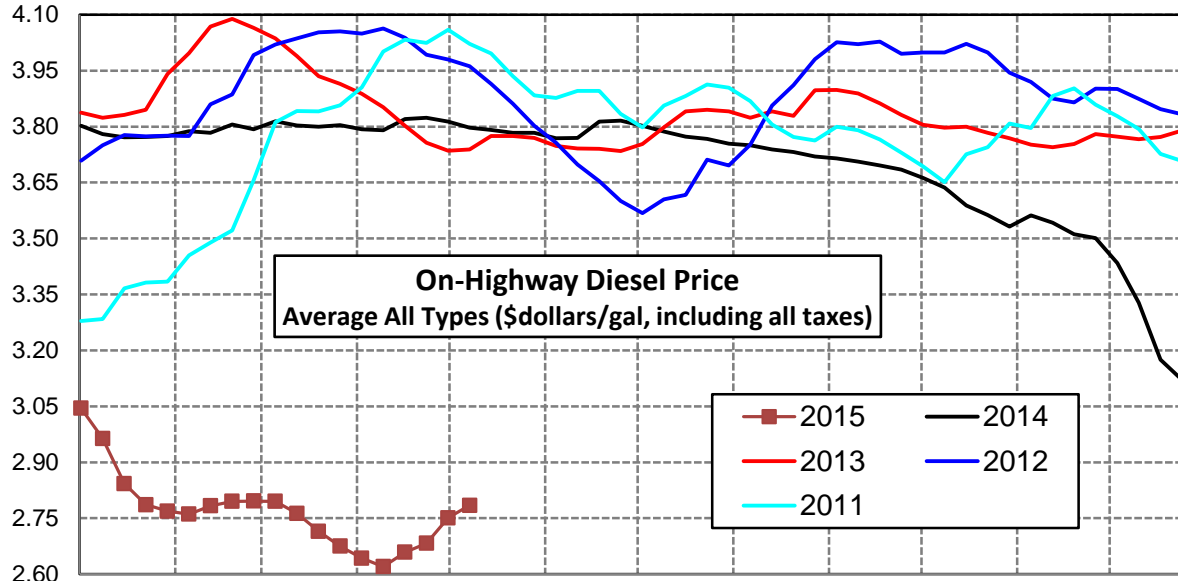
Midwest Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	20Apr15	27Apr15	04May15	11May15	
Midwest	\$2.659	\$2.691	\$2.715	\$2.748	\$0.033
1/ Source: U.S. Energy Information Administration					
2/ Source: Fundamental Petroleum Trends Reports					



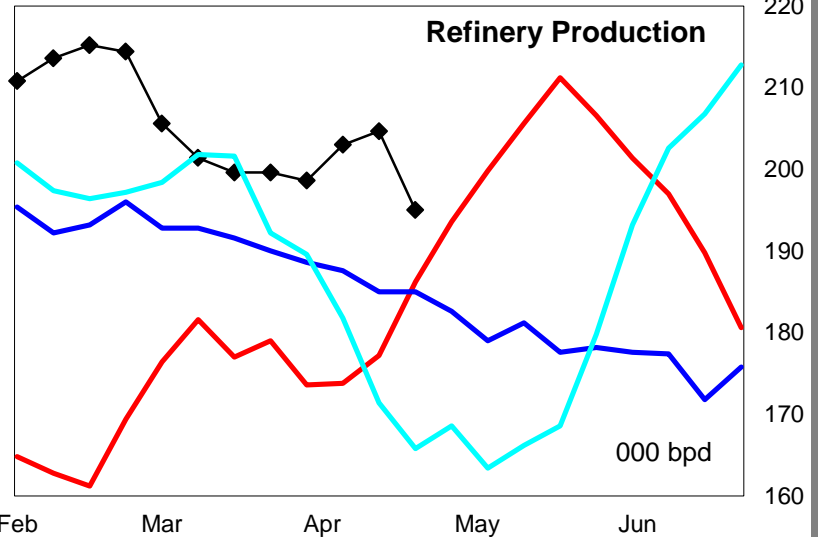
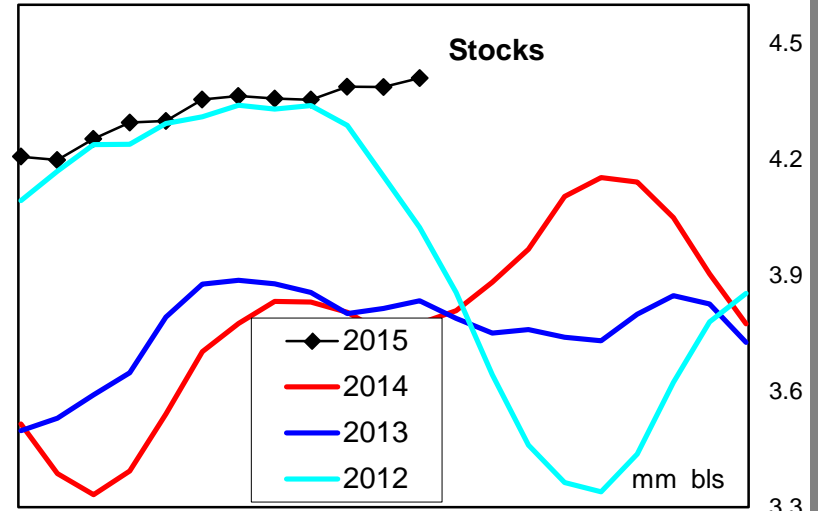
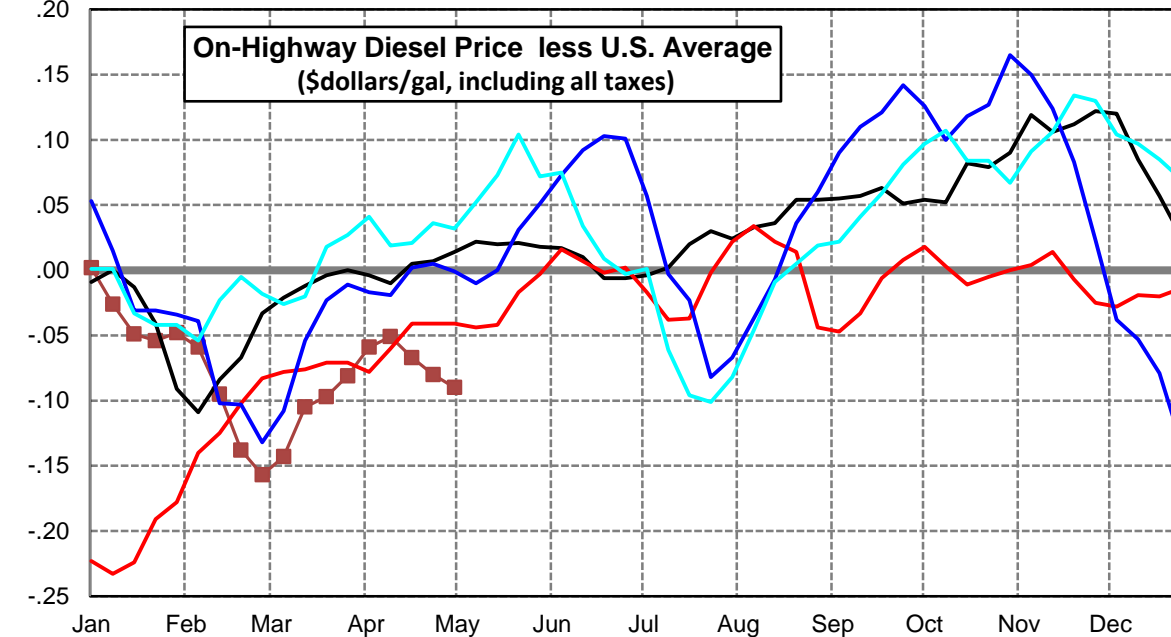
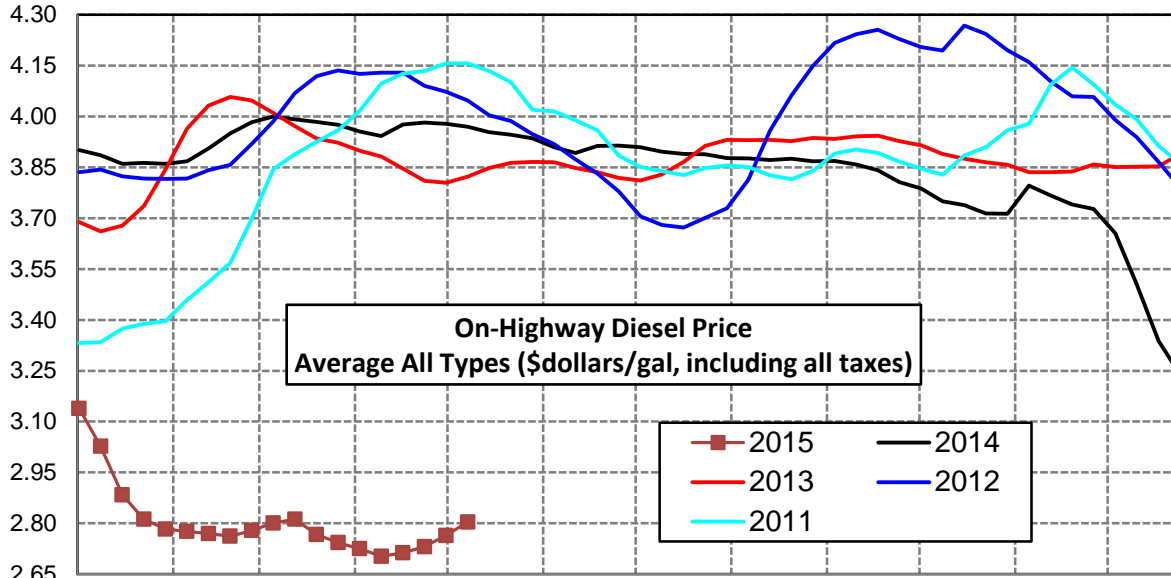
Gulf Coast Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	20Apr15	27Apr15	04May15	11May15	
Gulf Coast	\$2.659	\$2.683	\$2.751	\$2.784	\$0.033
1/ Source: U.S. Energy Information Administration					
2/ Source: Fundamental Petroleum Trends Reports					



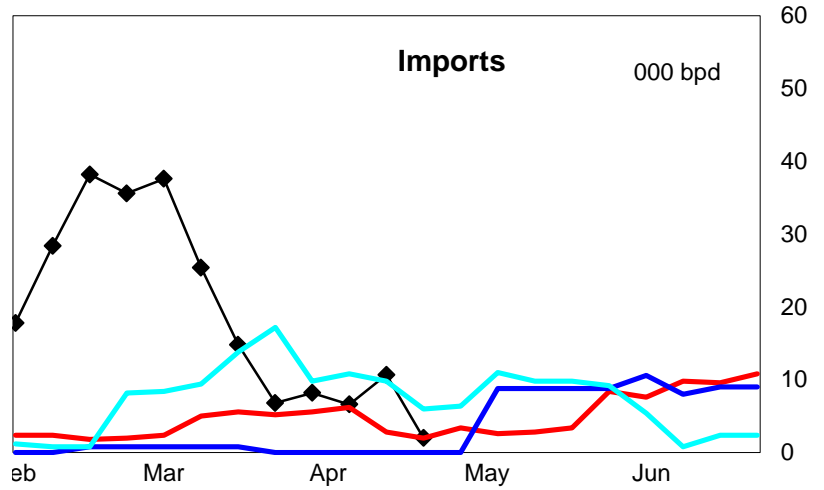
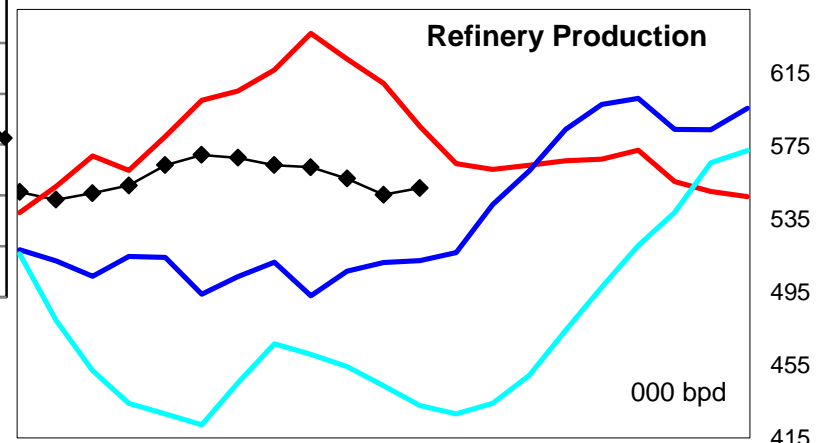
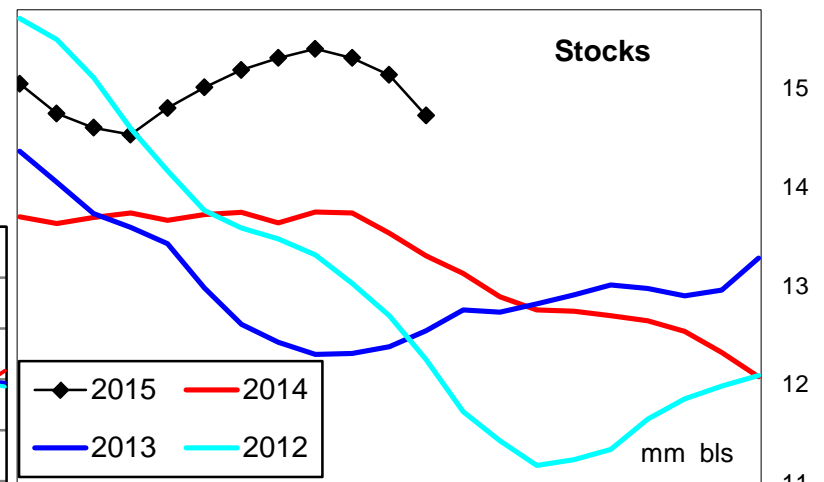
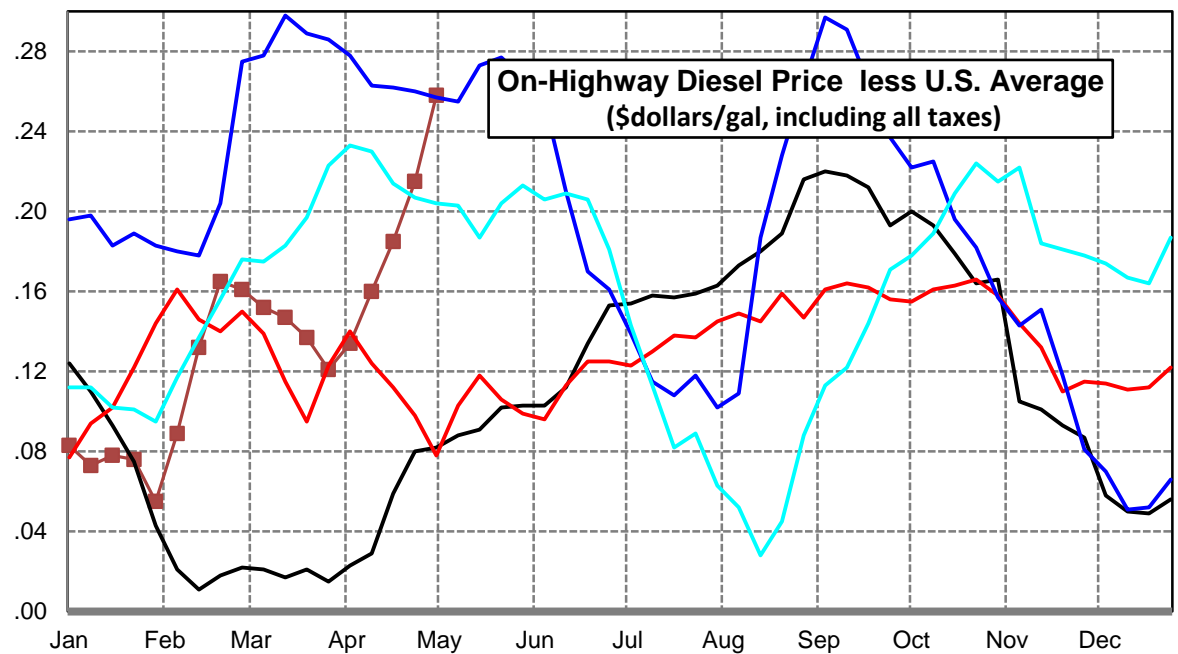
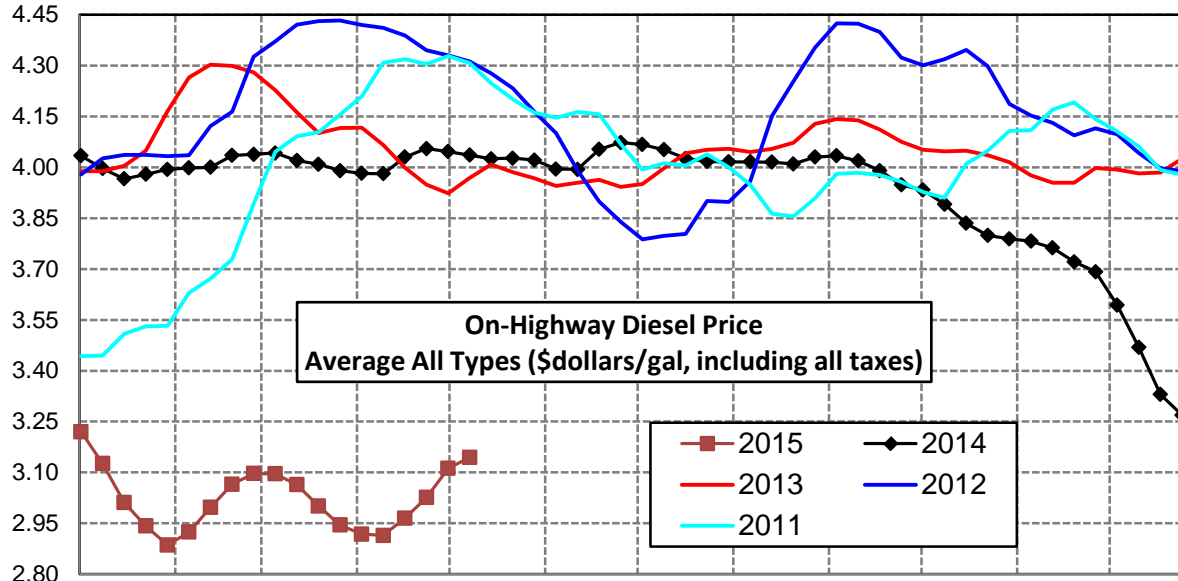
Rocky Mountain Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	20Apr15	27Apr15	04May15	11May15	
Rocky Mountain	\$2.713	\$2.731	\$2.764	\$2.804	\$0.040
1/ Source: U.S. Energy Information Administration					
2/ Source: Fundamental Petroleum Trends Reports					



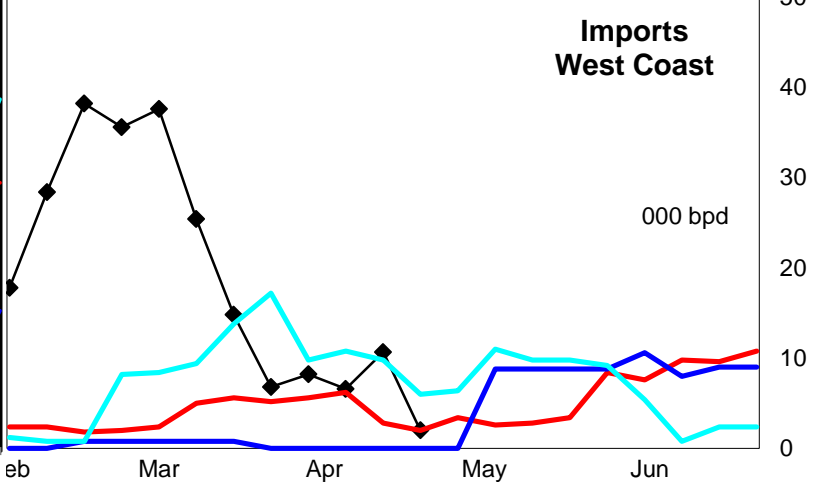
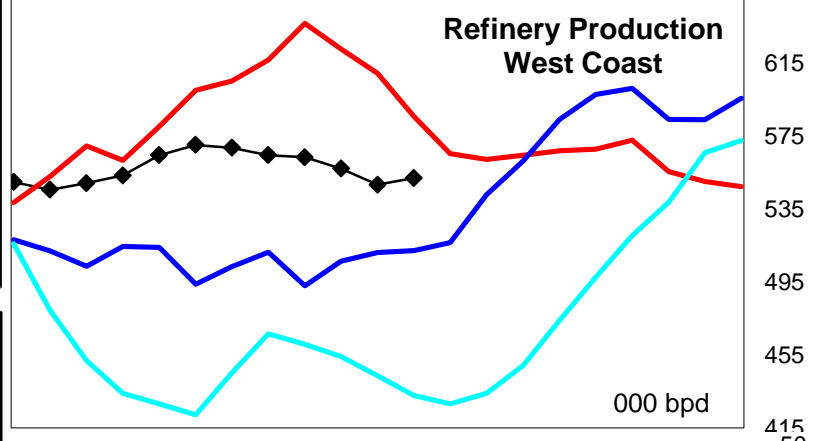
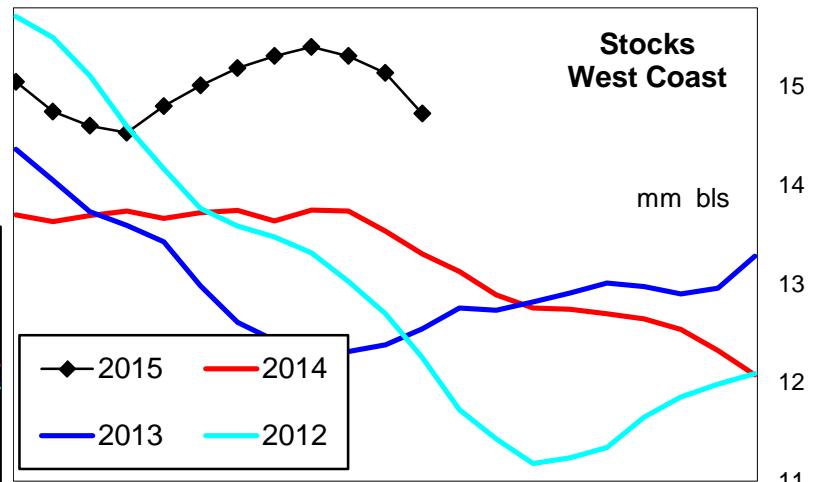
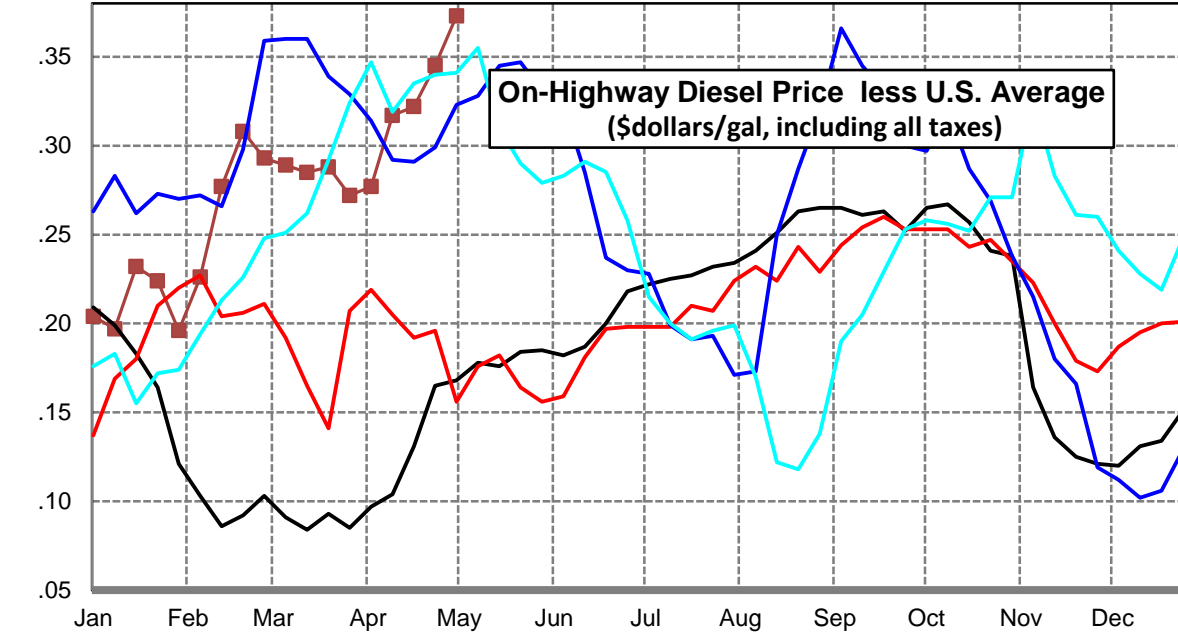
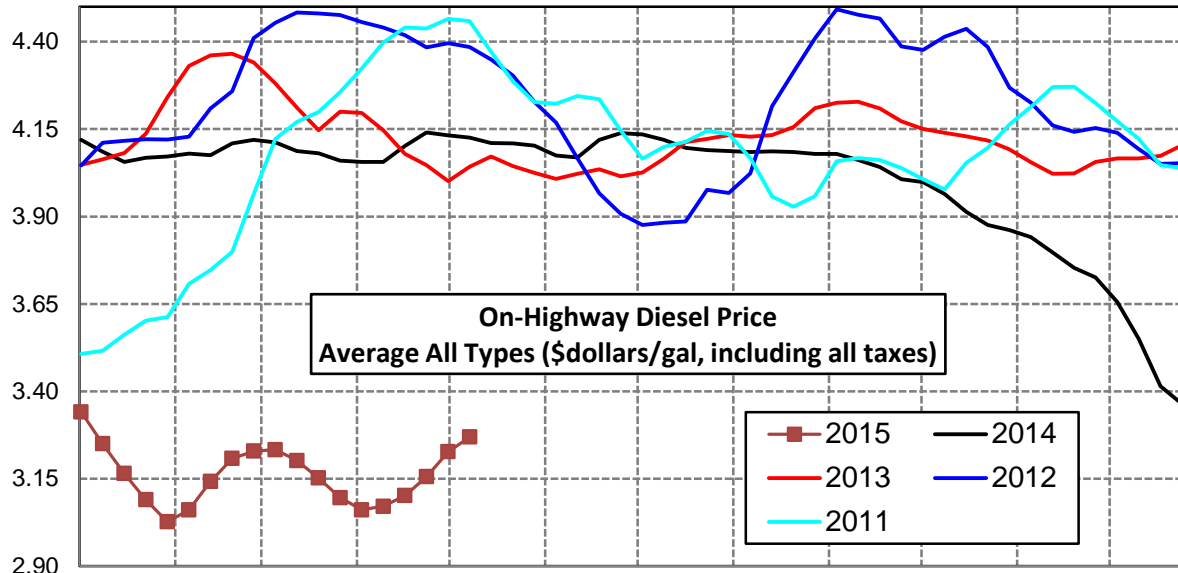
West Coast Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	20Apr15	27Apr15	04May15	11May15	
West Coast	\$2.965	\$3.026	\$3.112	\$3.145	\$0.033
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
	20Apr15	27Apr15	04May15	11May15	
California	\$3.102	\$3.156	\$3.227	\$3.269	\$0.042
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-05-May-14	3.964	4.055	4.181	4.176	3.940	3.935	3.813	3.978	4.046	4.132
Mon-12-May-14	3.948	4.041	4.157	4.156	3.927	3.921	3.797	3.970	4.036	4.126
Mon-19-May-14	3.934	4.027	4.139	4.136	3.919	3.901	3.791	3.954	4.025	4.110
Mon-26-May-14	3.925	4.022	4.130	4.127	3.916	3.884	3.783	3.946	4.027	4.109
Mon-02-Jun-14	3.918	4.013	4.124	4.116	3.910	3.874	3.783	3.936	4.021	4.103
Mon-09-Jun-14	3.892	3.983	4.092	4.079	3.886	3.845	3.769	3.909	3.995	4.074
Mon-16-Jun-14	3.882	3.961	4.088	4.052	3.863	3.835	3.770	3.892	3.994	4.069
Mon-23-Jun-14	3.919	3.985	4.102	4.071	3.893	3.875	3.813	3.913	4.053	4.119
Mon-30-Jun-14	3.920	3.983	4.107	4.073	3.887	3.869	3.816	3.914	4.073	4.138
Mon-07-Jul-14	3.913	3.978	4.098	4.069	3.882	3.862	3.802	3.909	4.067	4.135
Mon-14-Jul-14	3.894	3.961	4.078	4.051	3.866	3.837	3.787	3.896	4.052	4.119
Mon-21-Jul-14	3.869	3.928	4.052	4.014	3.836	3.810	3.773	3.889	4.026	4.096
Mon-28-Jul-14	3.858	3.910	4.044	3.993	3.817	3.801	3.767	3.888	4.017	4.090
Mon-04-Aug-14	3.853	3.906	4.019	3.989	3.817	3.798	3.754	3.877	4.016	4.087
Mon-11-Aug-14	3.843	3.887	3.982	3.974	3.800	3.787	3.750	3.876	4.016	4.084
Mon-18-Aug-14	3.835	3.875	3.971	3.960	3.788	3.780	3.739	3.871	4.015	4.086
Mon-25-Aug-14	3.821	3.855	3.955	3.935	3.771	3.763	3.732	3.875	4.010	4.084
Mon-01-Sep-14	3.814	3.842	3.944	3.925	3.756	3.752	3.720	3.868	4.030	4.079
Mon-08-Sep-14	3.814	3.844	3.933	3.928	3.760	3.751	3.715	3.869	4.034	4.079
Mon-15-Sep-14	3.801	3.825	3.911	3.905	3.744	3.743	3.706	3.858	4.019	4.062
Mon-22-Sep-14	3.778	3.804	3.886	3.886	3.722	3.713	3.696	3.841	3.990	4.041
Mon-29-Sep-14	3.755	3.778	3.880	3.857	3.694	3.694	3.685	3.806	3.948	4.007
Mon-06-Oct-14	3.733	3.755	3.848	3.830	3.678	3.670	3.662	3.787	3.933	3.998
Mon-13-Oct-14	3.698	3.714	3.815	3.784	3.638	3.636	3.637	3.750	3.891	3.965
Mon-20-Oct-14	3.656	3.665	3.751	3.737	3.590	3.606	3.589	3.738	3.835	3.913
Mon-27-Oct-14	3.635	3.627	3.724	3.693	3.555	3.611	3.563	3.714	3.799	3.876
Mon-03-Nov-14	3.623	3.597	3.687	3.655	3.533	3.624	3.532	3.713	3.789	3.861
Mon-10-Nov-14	3.677	3.568	3.659	3.634	3.497	3.788	3.562	3.796	3.782	3.841
Mon-17-Nov-14	3.661	3.542	3.633	3.612	3.469	3.786	3.542	3.767	3.762	3.797
Mon-24-Nov-14	3.628	3.520	3.605	3.598	3.441	3.743	3.511	3.740	3.721	3.753
Mon-01-Dec-14	3.605	3.509	3.587	3.590	3.429	3.702	3.501	3.727	3.692	3.726
Mon-08-Dec-14	3.535	3.460	3.525	3.539	3.386	3.623	3.434	3.655	3.593	3.655
Mon-15-Dec-14	3.419	3.385	3.467	3.454	3.314	3.473	3.328	3.504	3.469	3.550
Mon-22-Dec-14	3.281	3.310	3.425	3.392	3.223	3.294	3.175	3.338	3.330	3.415
Mon-29-Dec-14	3.213	3.257	3.365	3.350	3.161	3.206	3.121	3.239	3.269	3.364
Mon-05-Jan-15	3.137	3.204	3.287	3.303	3.109	3.102	3.045	3.139	3.220	3.341
Mon-12-Jan-15	3.053	3.134	3.195	3.239	3.039	3.010	2.964	3.027	3.126	3.250
Mon-19-Jan-15	2.933	3.018	3.072	3.131	2.918	2.889	2.843	2.884	3.011	3.165
Mon-26-Jan-15	2.866	2.967	3.018	3.078	2.870	2.804	2.786	2.812	2.942	3.090
Mon-02-Feb-15	2.831	2.932	3.028	3.041	2.826	2.765	2.769	2.783	2.886	3.027
Mon-09-Feb-15	2.835	2.930	3.039	3.042	2.822	2.769	2.761	2.776	2.924	3.061
Mon-16-Feb-15	2.865	2.960	3.084	3.084	2.841	2.792	2.783	2.770	2.997	3.142
Mon-23-Feb-15	2.900	3.005	3.173	3.160	2.853	2.826	2.795	2.762	3.065	3.208
Mon-02-Mar-15	2.936	3.083	3.291	3.293	2.880	2.850	2.796	2.779	3.097	3.229
Mon-09-Mar-15	2.944	3.105	3.332	3.333	2.884	2.852	2.795	2.801	3.096	3.233
Mon-16-Mar-15	2.917	3.082	3.270	3.311	2.870	2.820	2.763	2.812	3.064	3.202
Mon-23-Mar-15	2.864	3.027	3.200	3.231	2.837	2.768	2.715	2.767	3.001	3.152
Mon-30-Mar-15	2.824	2.992	3.164	3.179	2.815	2.727	2.675	2.743	2.945	3.096
Mon-06-Apr-15	2.784	2.950	3.114	3.122	2.786	2.675	2.643	2.725	2.918	3.061
Mon-13-Apr-15	2.754	2.916	3.076	3.080	2.759	2.633	2.620	2.703	2.914	3.071
Mon-20-Apr-15	2.780	2.926	3.049	3.081	2.783	2.659	2.659	2.713	2.965	3.102
Mon-27-Apr-15	2.811	2.949	3.057	3.110	2.806	2.691	2.683	2.731	3.026	3.156
Mon-04-May-15	2.854	2.978	3.066	3.133	2.844	2.715	2.751	2.764	3.112	3.227
Mon-11-May-15	2.887	3.015	3.108	3.170	2.879	2.748	2.784	2.804	3.145	3.269
Mon-18-May-15										

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.