



RETAIL DIESEL FUEL OUTLOOK

A Fundamental Petroleum Trends Weekly Report

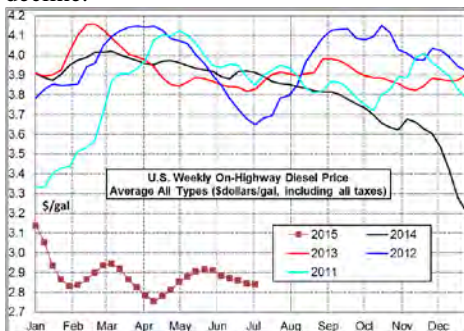
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Tuesday, June 30, 2015

Weekly Retail On-Highway Diesel Prices

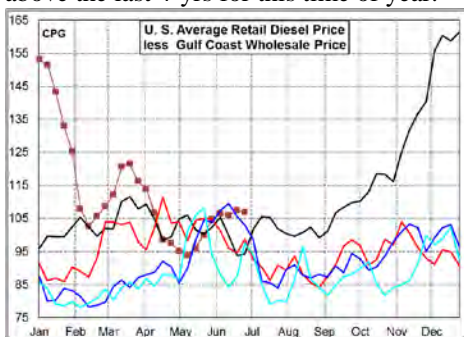
Region	Actual Price 1/			Forecast 2/	Change from week ago
	15Jun15	22Jun15	29Jun15	06Jul15	
U.S.	2.870	2.859	2.843	2.840	-0.003
East Coast	2.968	2.959	2.954	2.938	-0.016
New England	3.073	3.085	3.071	3.057	-0.014
Central Atlantic	3.117	3.102	3.094	3.082	-0.012
Lower Atlantic	2.834	2.824	2.823	2.816	-0.007
Midwest	2.754	2.746	2.731	2.725	-0.006
Gulf Coast	2.777	2.755	2.730	2.728	-0.002
Rocky Mountain	2.808	2.799	2.776	2.766	-0.010
West Coast	3.101	3.097	3.068	3.064	-0.004
California	3.182	3.170	3.141	3.137	-0.004

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

Diesel Fuel Price Trends U. S. retail diesel prices decreased -1.6 cpg last week. Prices decreased in all regions last week. The largest decrease of -2.9 cpg occurred on the West Coast, while the Lower Atlantic region saw just a -1/10 cpg decline.



The U.S. average retail diesel price compared to the Gulf Coast wholesale market decreased -0.5 cpg on the week. The spread ended the week at a level above the last 4-yrs for this time of year.

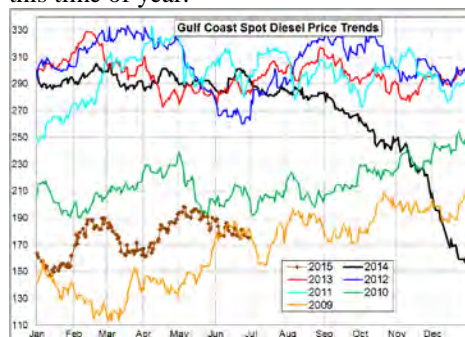


The national average on-highway price ended the week -\$1.08/gal below a year

ago. The highest retail prices were in California at \$3.14/gal and the Central Atlantic at \$3.09/gal. The lowest prices were in the Midwest and Gulf regions at \$2.73/gal.

The retail price compared to the U.S. average was above the historic range in each of the East Coast regions, and on the West Coast. The retail price compared to the U.S. average was below the historic range in the Midwest, Gulf and Rocky Mountain Regions - indicating ongoing over supply in these areas.

Gulf spot prices decreased -2 cpg last week, with a -24 cpg decrease during the last 60-days. Gulf Coast spot distillate prices traded comparable to 5-yr lows for this time of year.

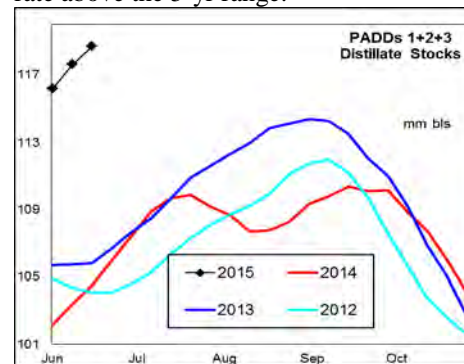


The spread between the Gulf wholesale price and the U.S. average retail price increased +0.5 cpg last week, ending at a level above the last 4-yrs for the period.

Look for the retail to wholesale price differential to trend seasonally lower during the summer quarter. The spread is currently +10 cpg above the historic average for the period.

Supply - Demand Fundamental Trends Distillate wholesale demand fell -0.5 million bpd last week, to a level comparable with 3-yr lows for the period. The latest 4-wk average demand was -34,000 bpd below last year. .

Supply decreased -60,000 bpd last week, on lower imports and production. During the latest 4-wk period, production was +97,000 bpd above last year while imports were +11,000 bpd higher. For the current week, production continued at a rate above the 5-yr range.



Stocks increased +1.8 million barrels on the week, to a level +15 million barrels above the last 3-yrs (+12%). Stock change in markets East of the Rockies increased +6.8 million barrels during the last 4-wks; a record build for this time of year.

Global Trends Driving Diesel Prices Distillate stock builds at a record rate East of the Rockies point to increased risk of over supply during the next quarter. Wholesale demand at a level below a year ago, combined with record production underlie the stock build.

Diesel Price Outlook Continued global over supply of crude oil with rapid distillate stock building in key U.S. markets risk price weakness during the next quarter.

The wholesale to retail price spread should see a seasonal decline during the next quarter by -10 to -20 cpg.

West coast prices should trend lower compared to the U. S. average as refiners return from maintenance.

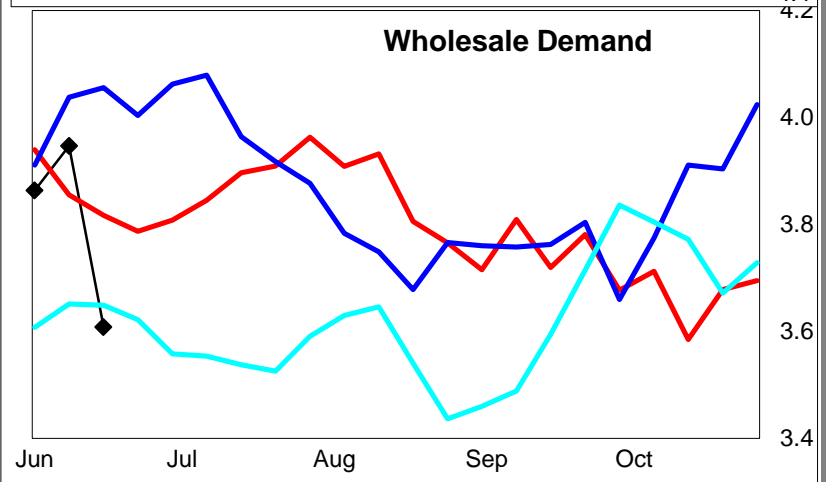
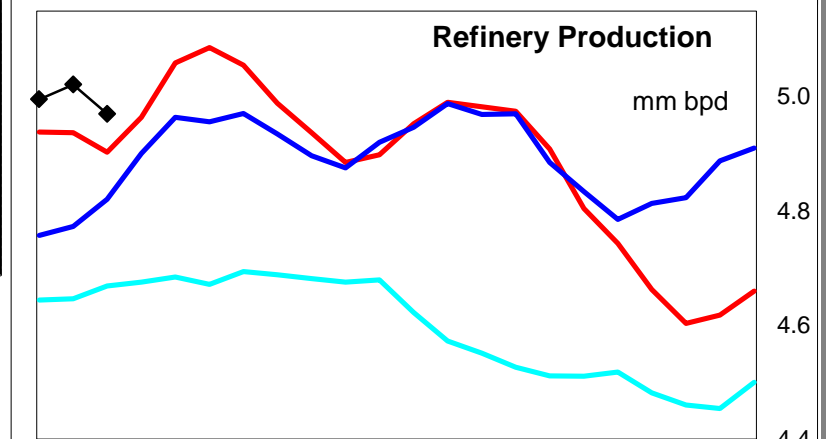
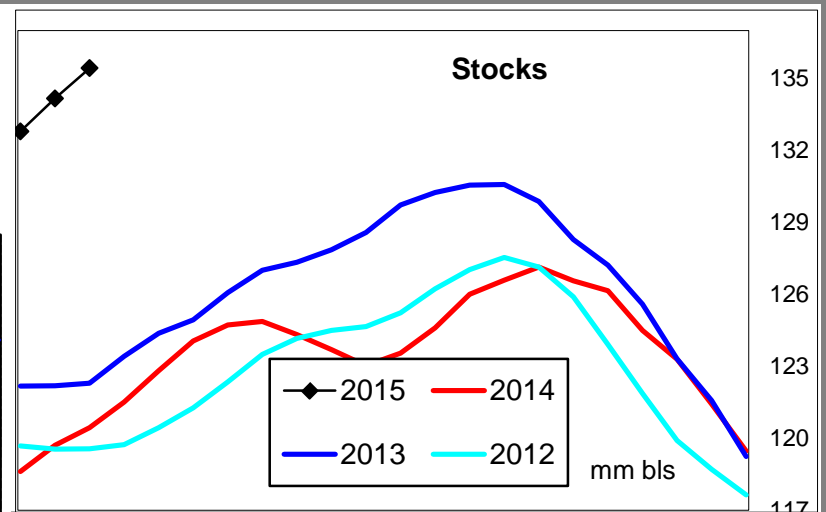
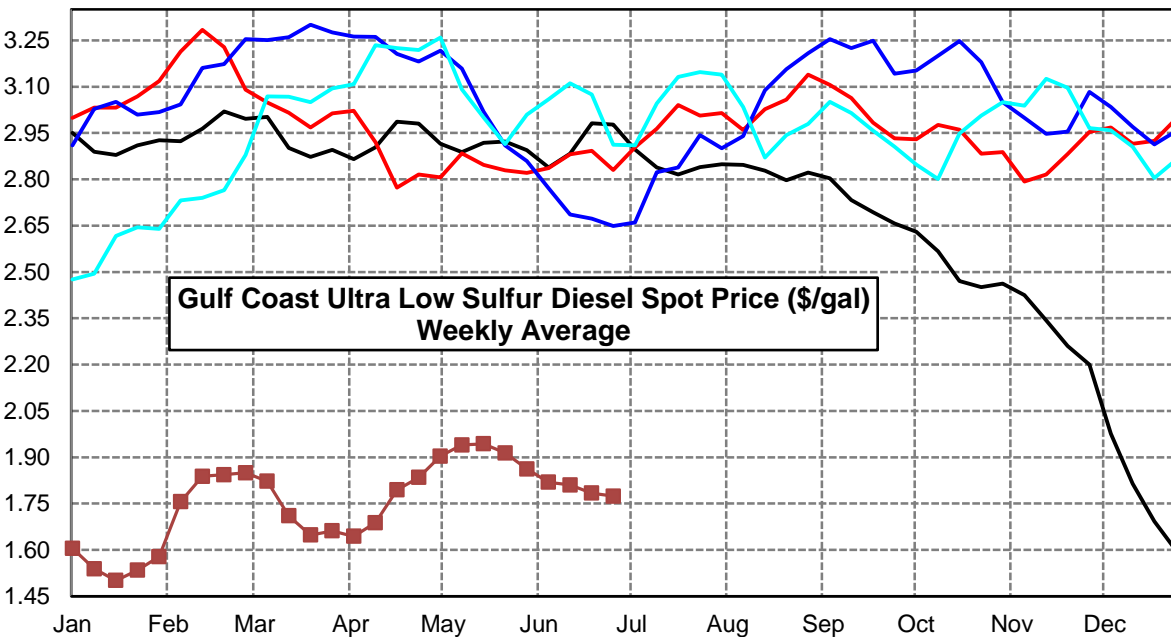
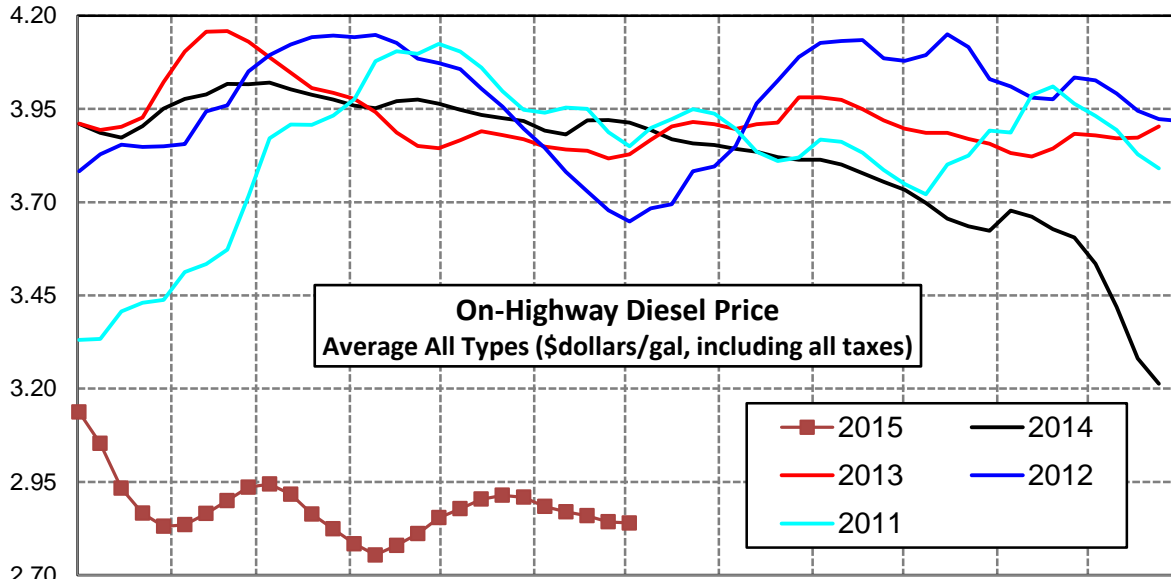
Extreme over supply of diesel in the Midwest and Rockies continues to depress retail prices compared to the U.S. average, expect this fundamental trend to remain in place for the next quarter.

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



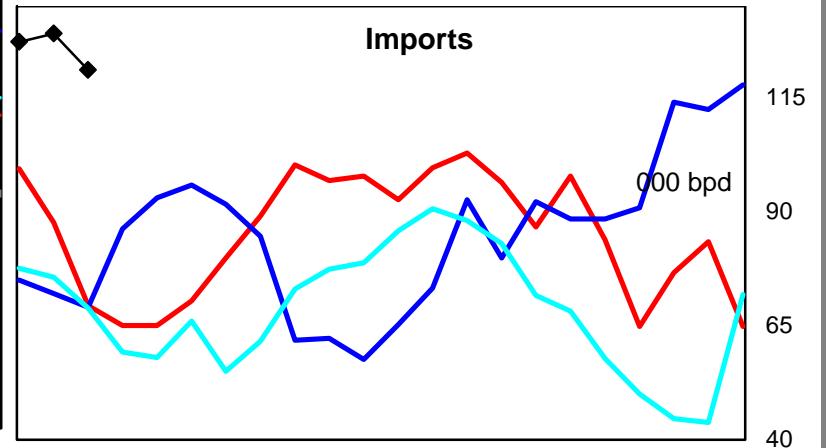
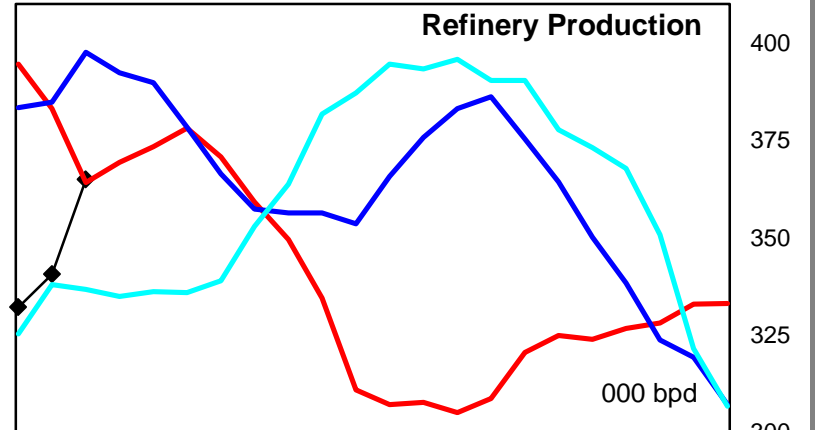
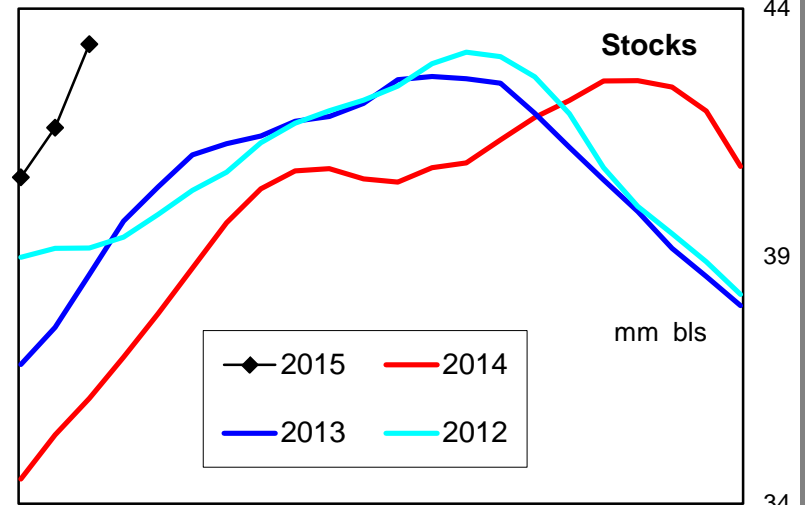
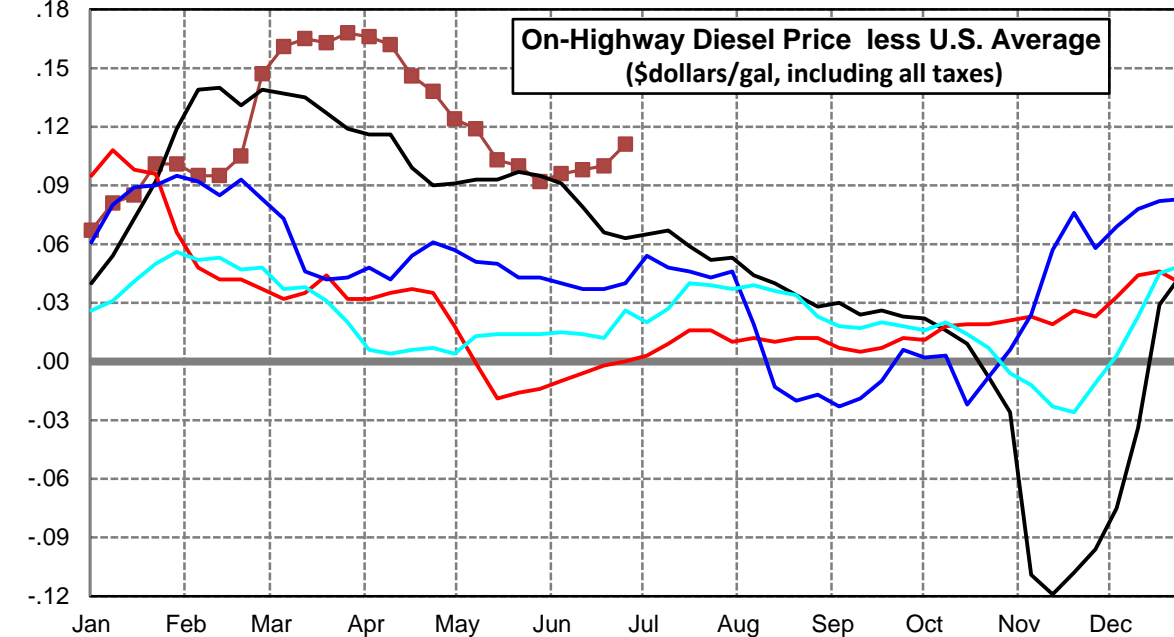
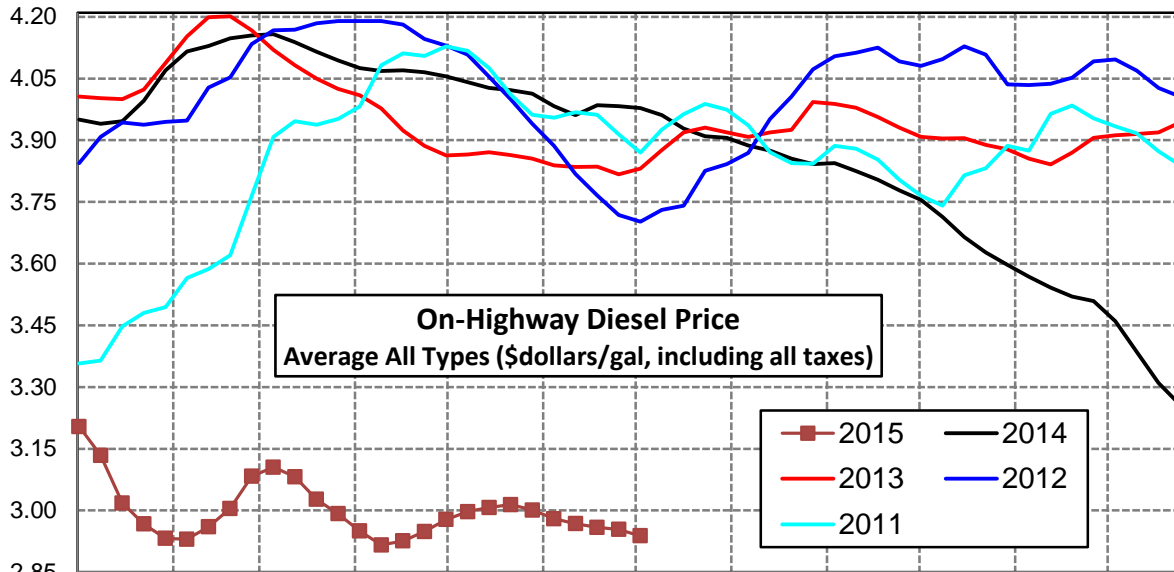
U. S. Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	15Jun15	22Jun15	29Jun15	06Jul15	
United States Avg	\$2.870	\$2.859	\$2.843	\$2.840	-\$0.003
1/ Source: U.S. Energy Information Administration					
2/ Source: Fundamental Petroleum Trends Reports					



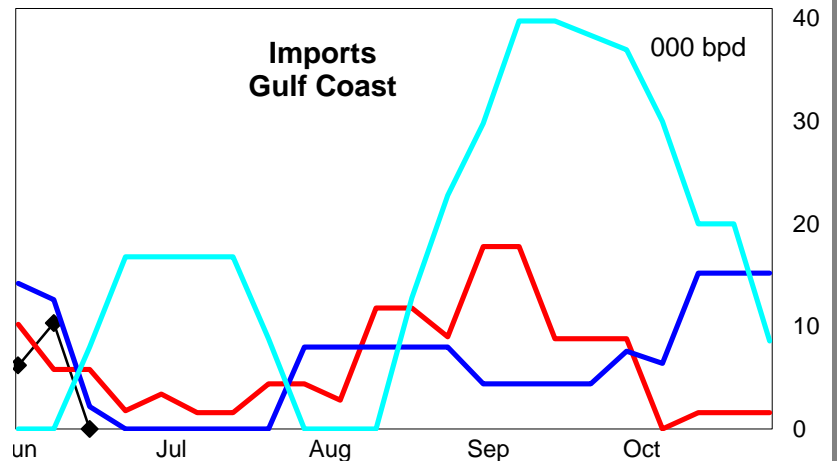
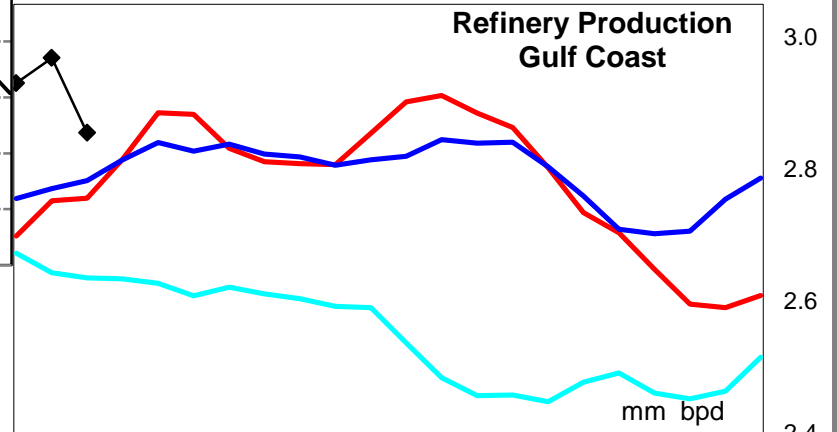
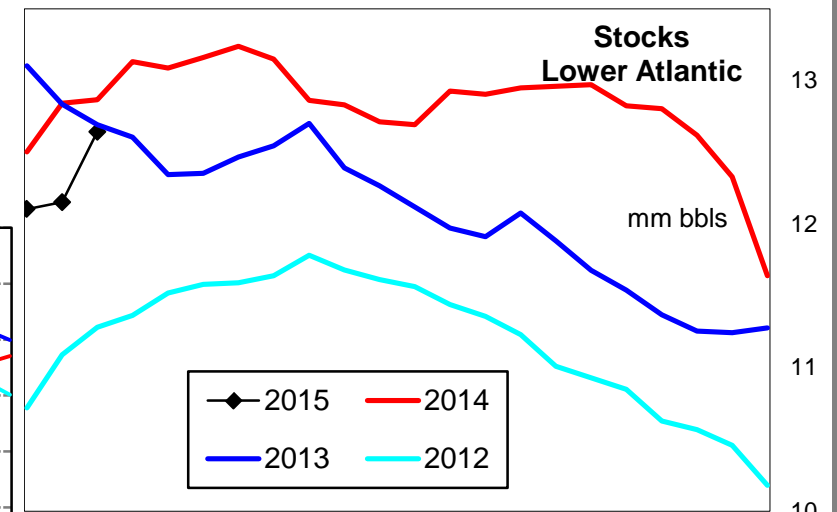
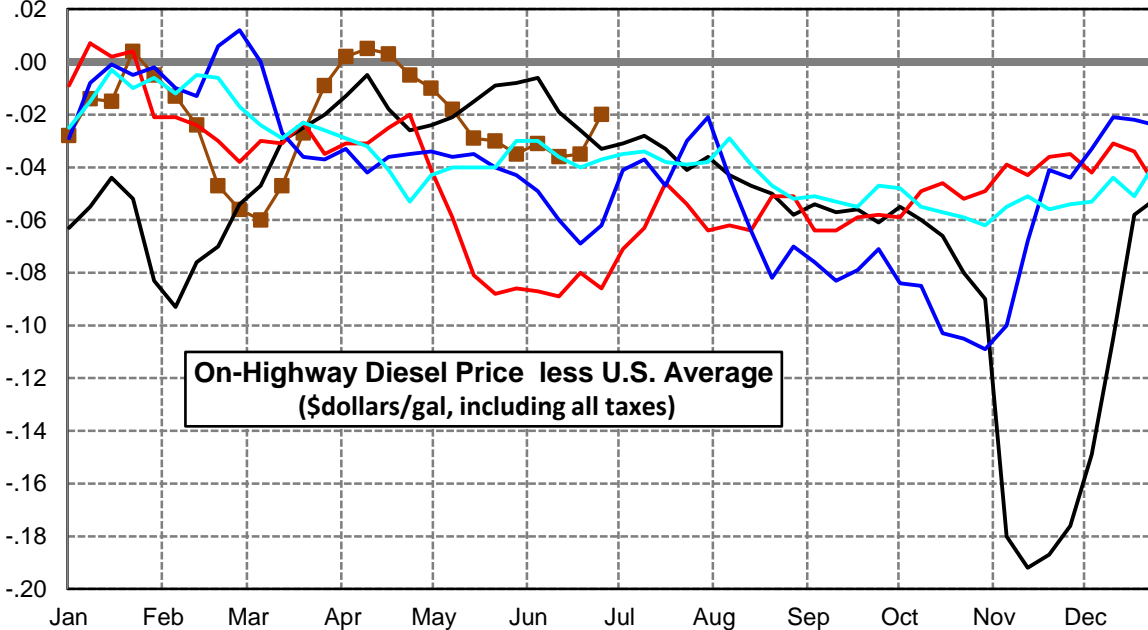
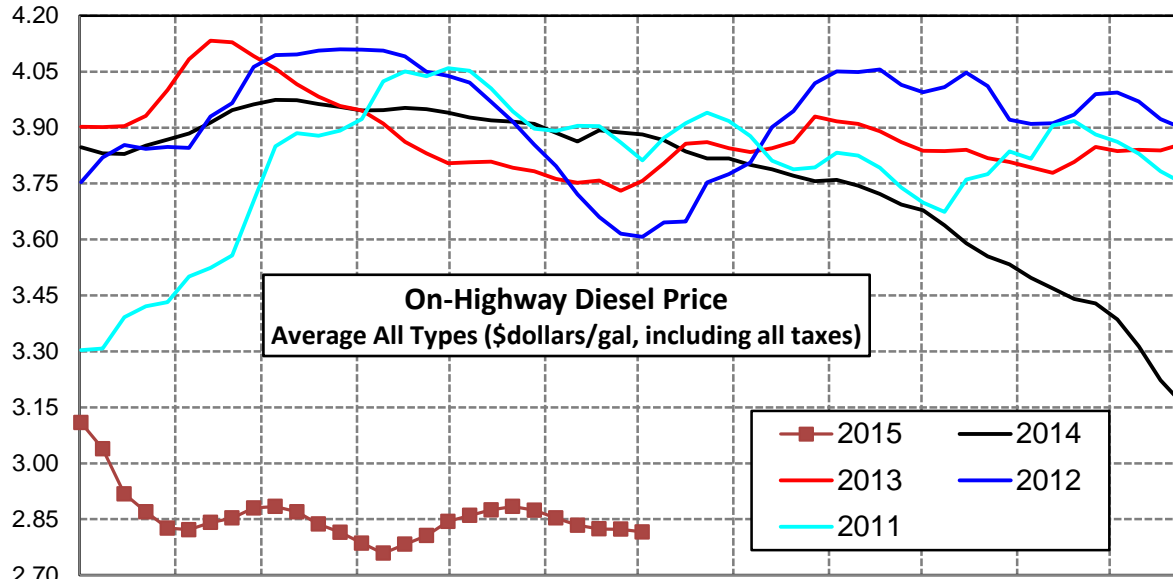
East Coast Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	15Jun15	22Jun15	29Jun15	06Jul15	
East Coast	\$2.968	\$2.959	\$2.954	\$2.938	-\$0.016
1/ Source: U.S. Energy Information Administration					
2/ Source: Fundamental Petroleum Trends Reports					



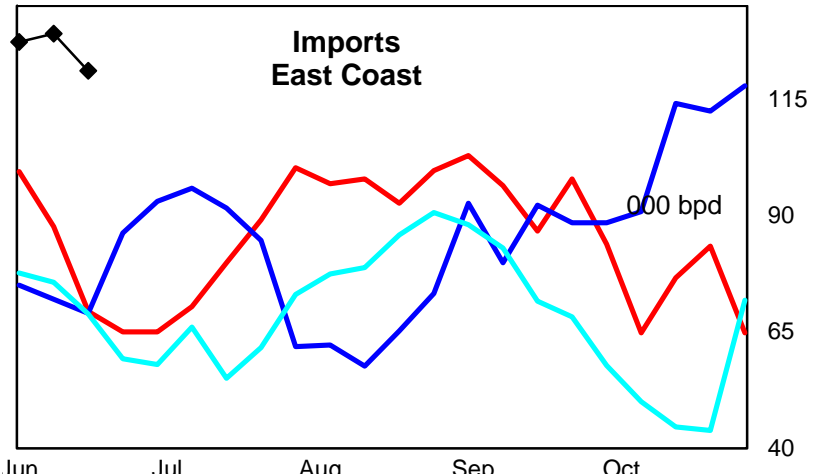
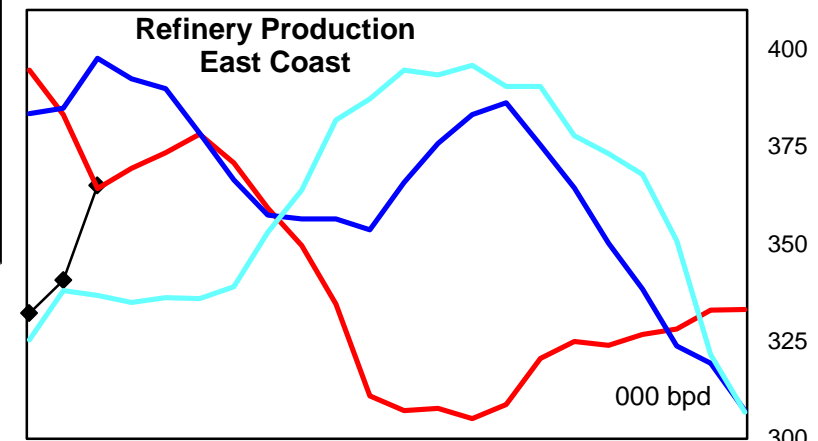
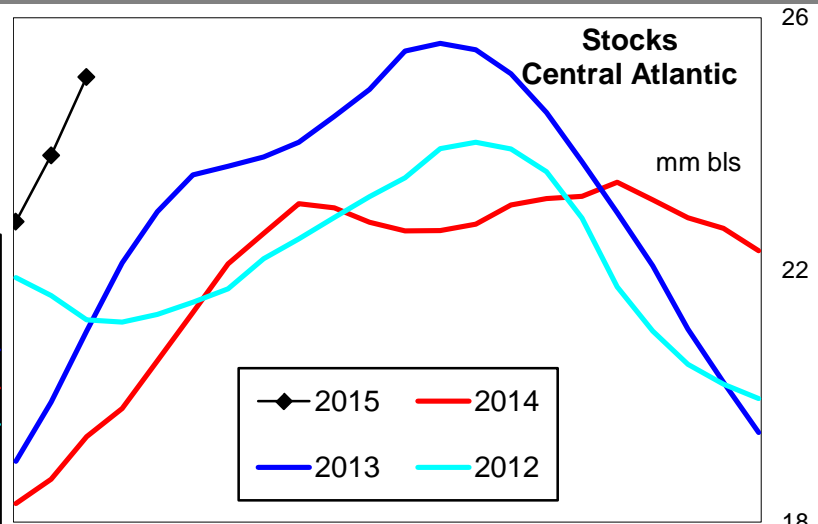
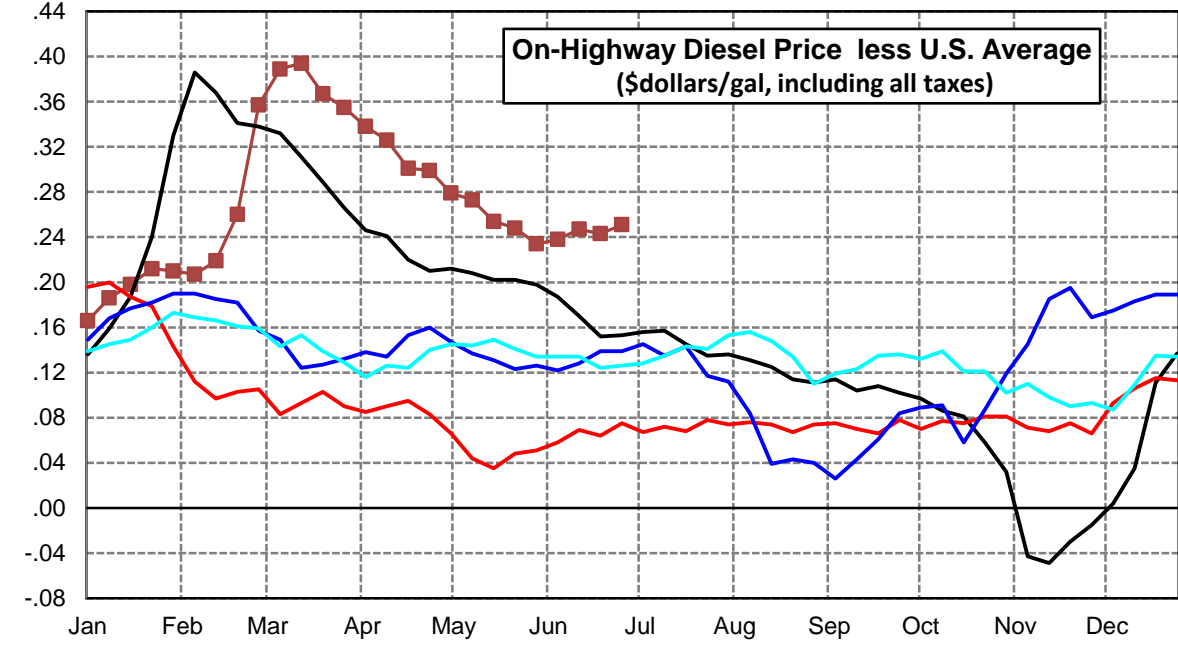
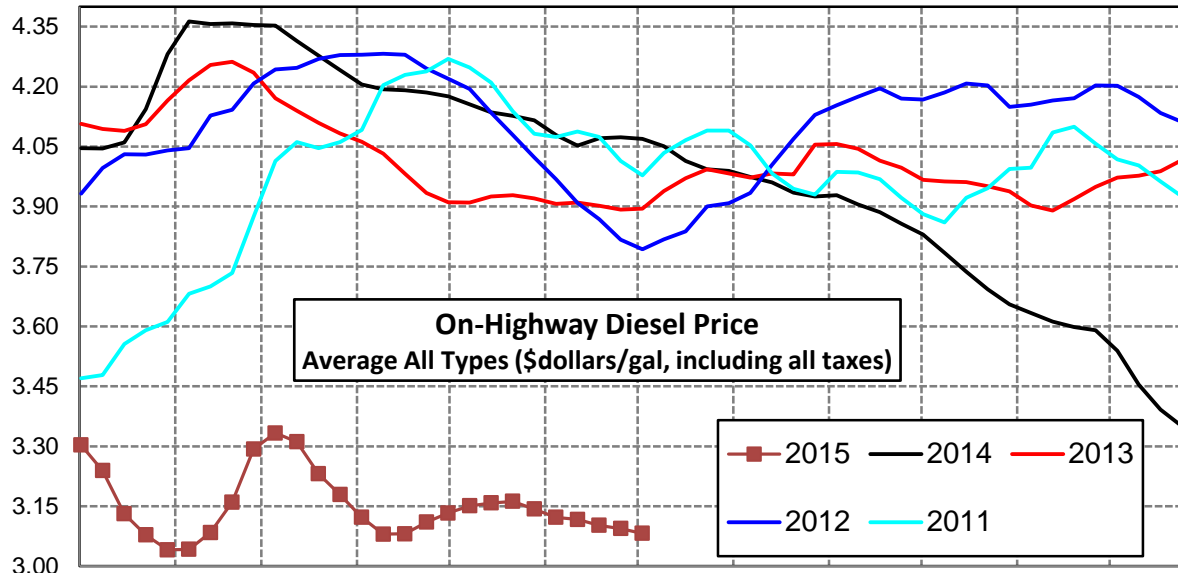
Lower Atlantic Region Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	15Jun15	22Jun15	29Jun15	06Jul15	
Lower Atlantic	\$2.834	\$2.824	\$2.823	\$2.816	-\$0.007
1/ Source: U.S. Energy Information Administration					
2/ Source: Fundamental Petroleum Trends Reports					



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

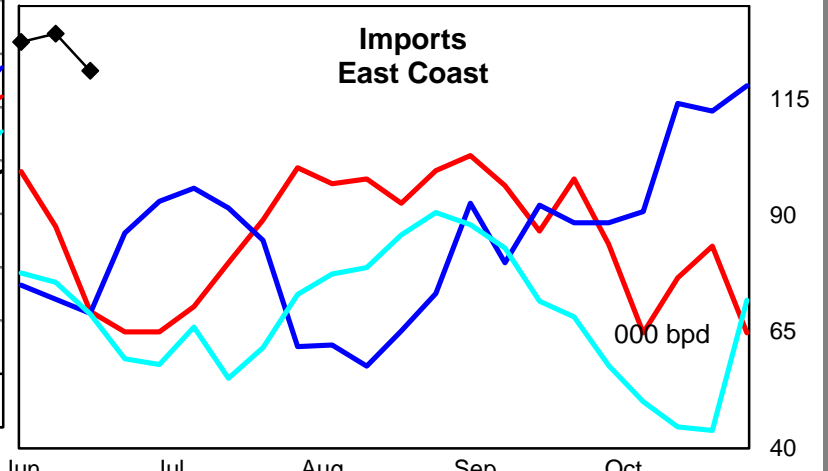
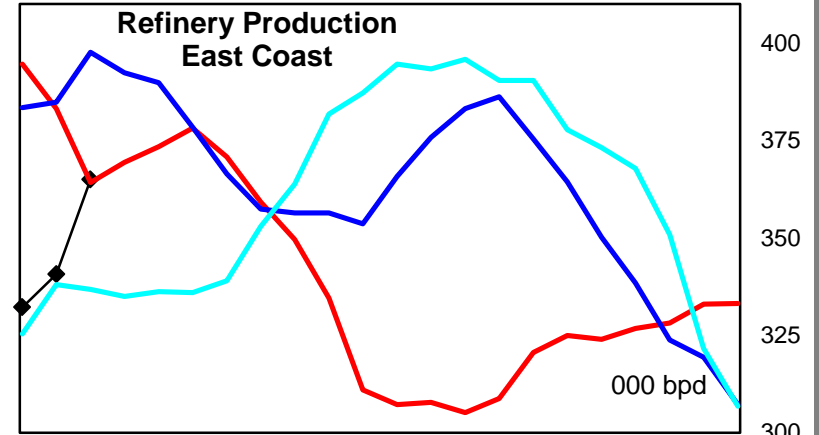
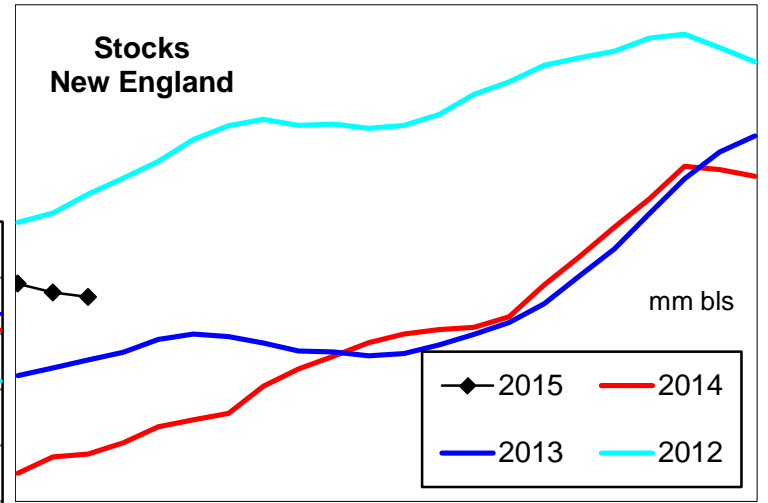
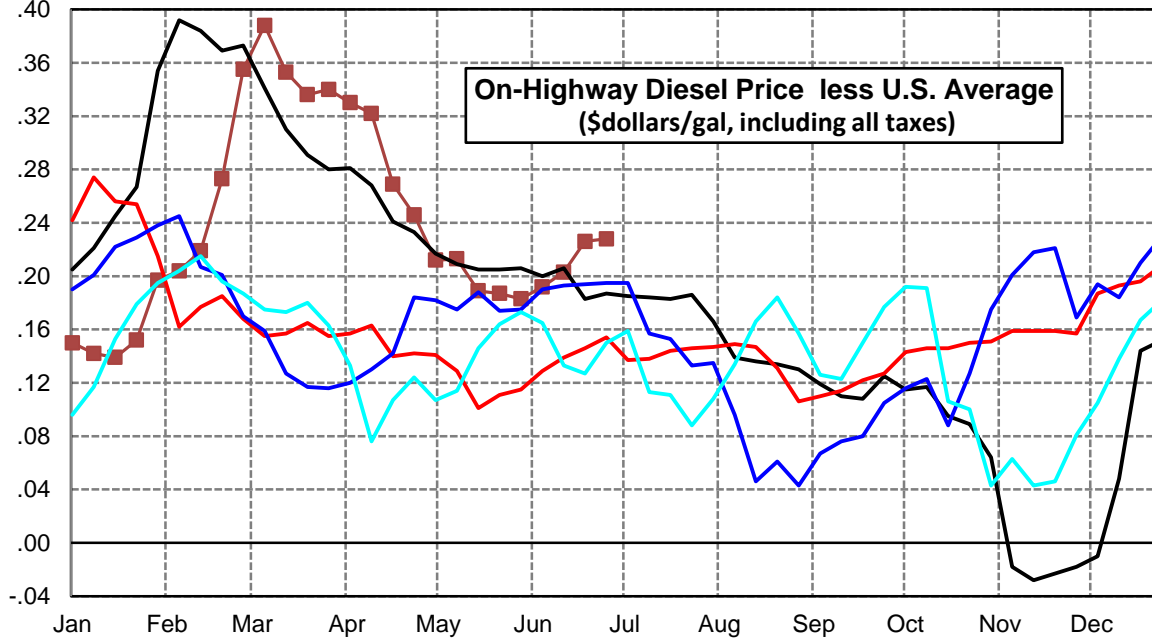
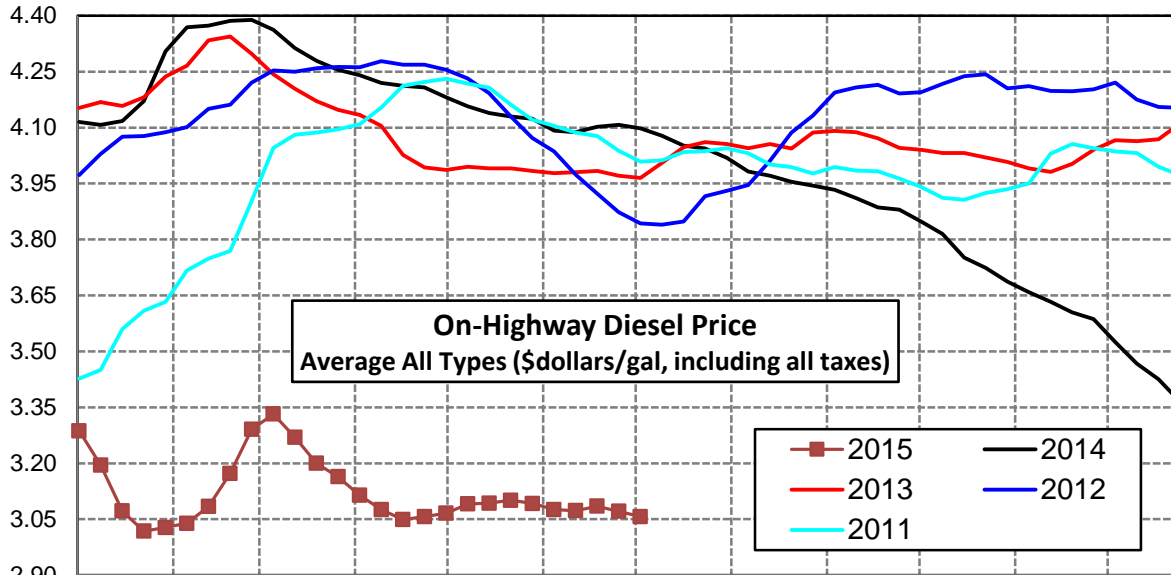
Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	15Jun15	22Jun15	29Jun15	06Jul15	
Central Atlantic	\$3.117	\$3.102	\$3.094	\$3.082	-\$0.012
1/ Source: U.S. Energy Information Administration					
2/ Source: Fundamental Petroleum Trends Reports					



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

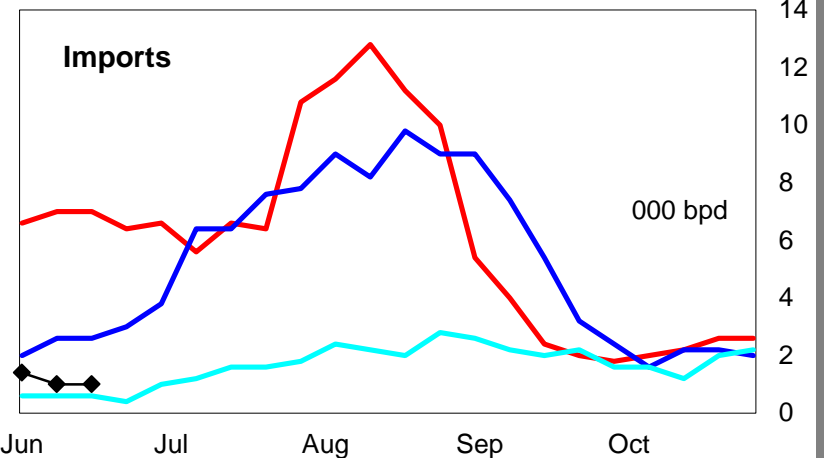
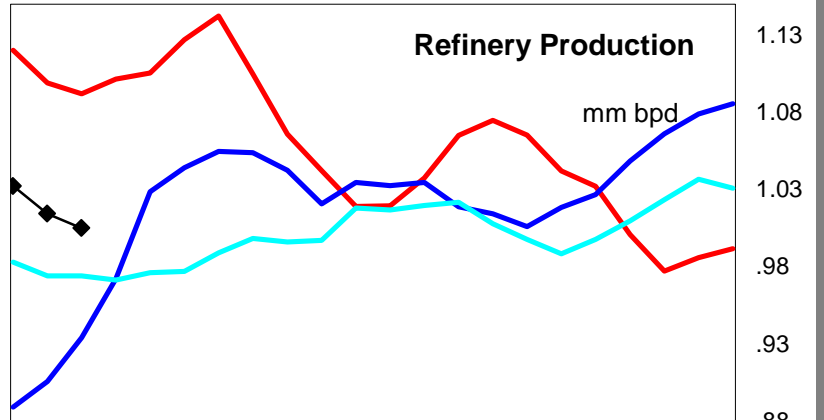
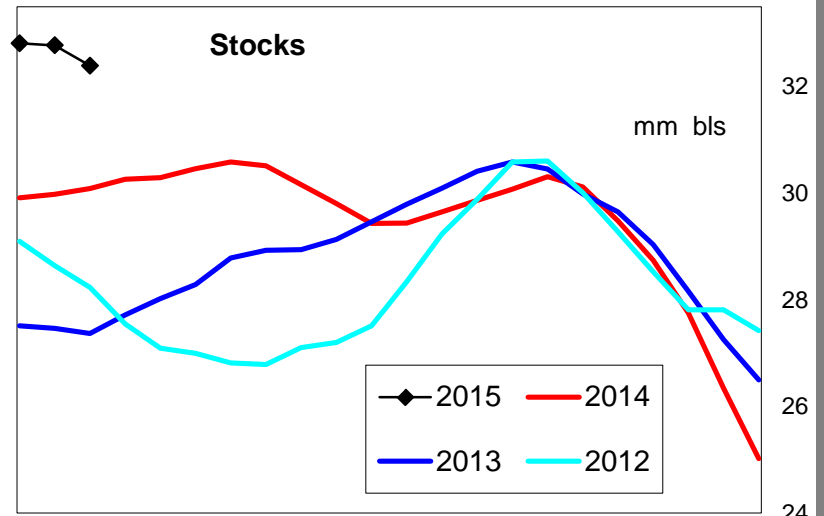
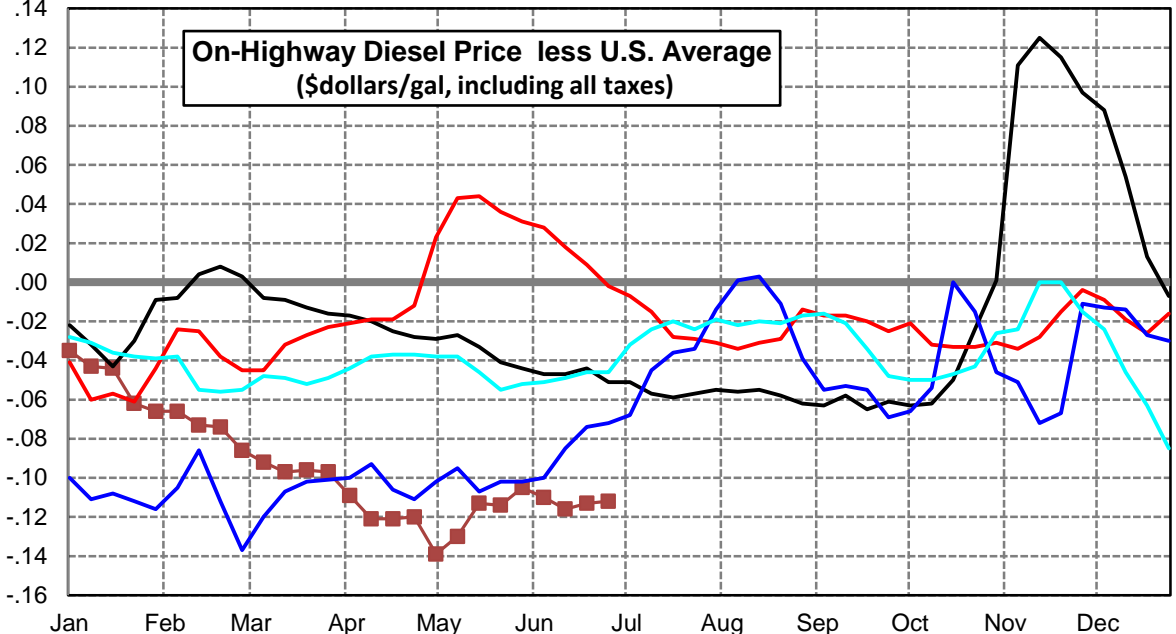
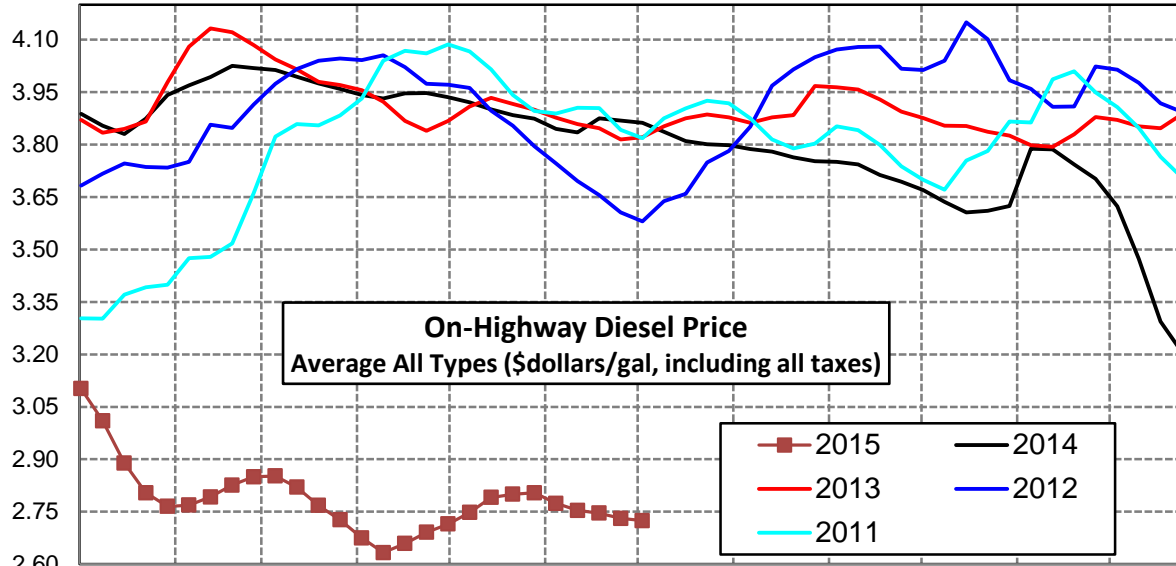
Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	15Jun15	22Jun15	29Jun15	06Jul15	
New England	\$3.073	\$3.085	\$3.071	\$3.057	-\$0.014

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



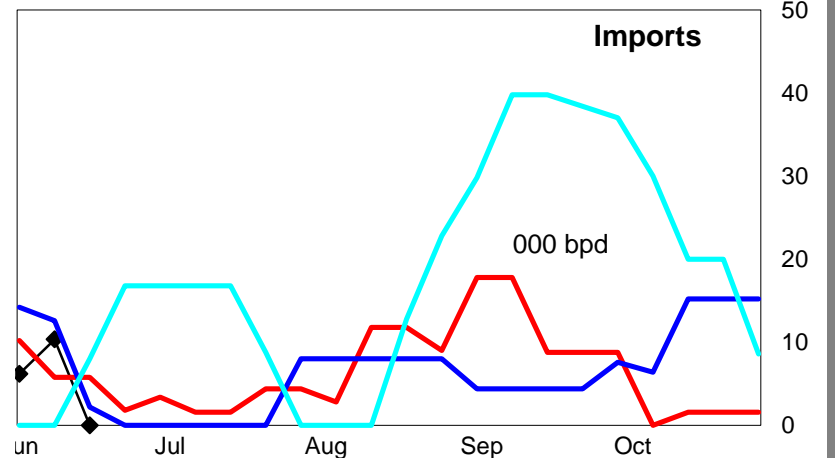
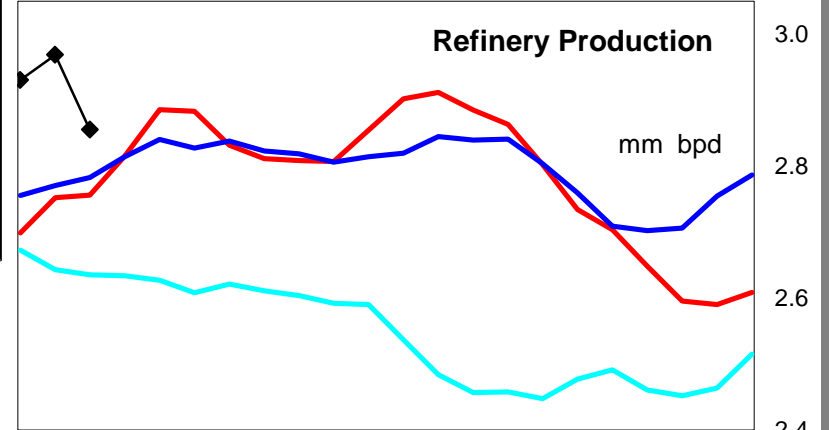
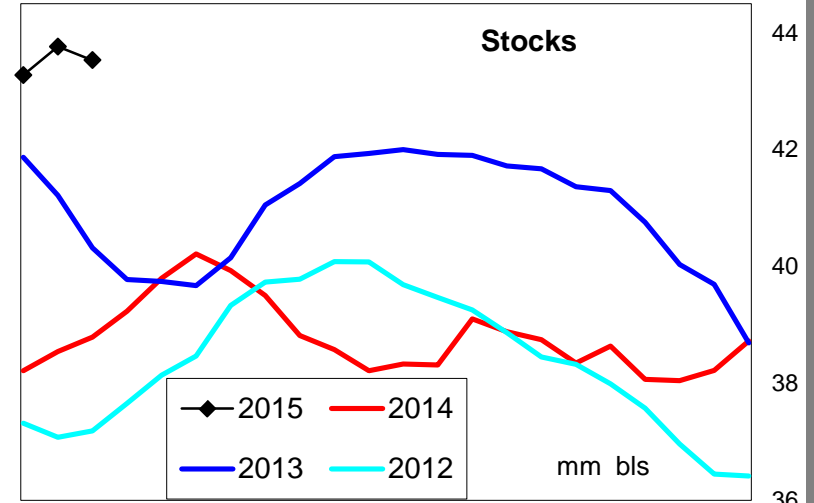
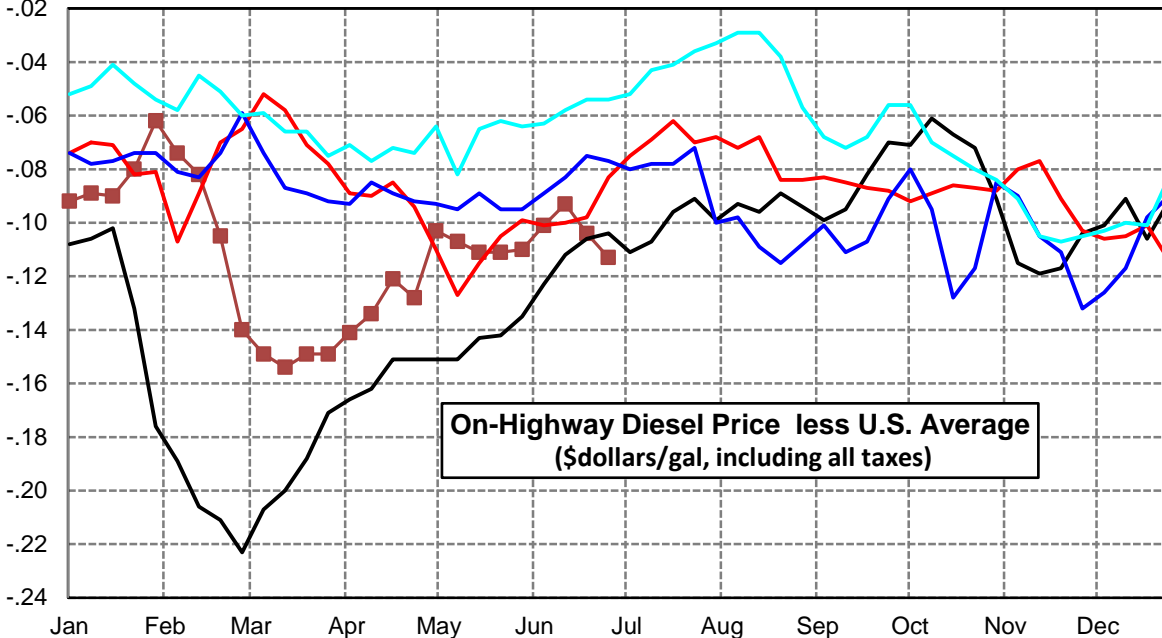
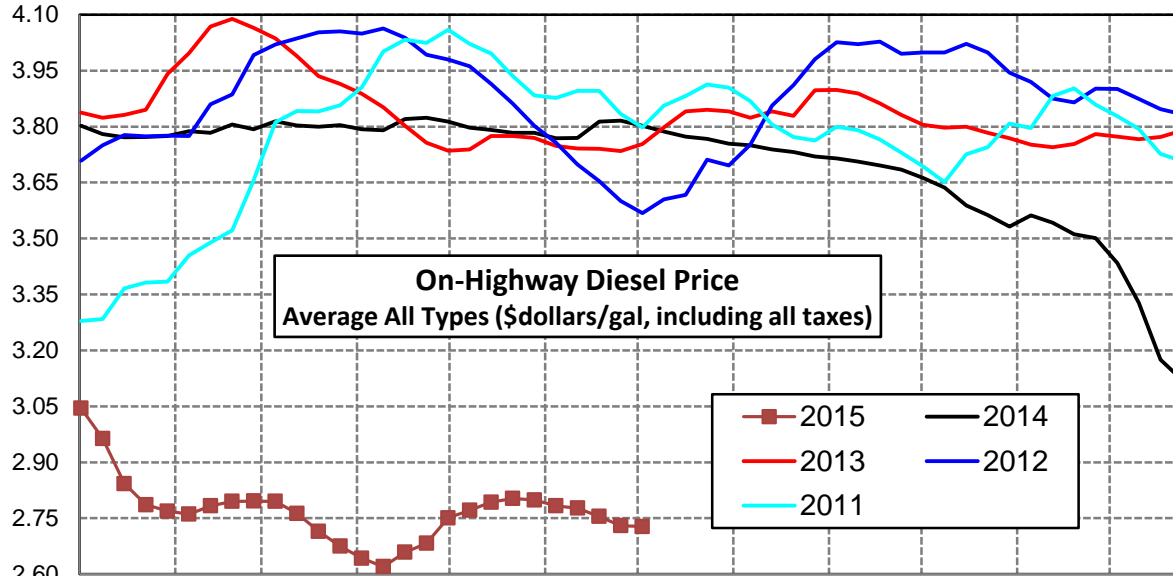
Midwest Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	15Jun15	22Jun15	29Jun15	06Jul15	
Midwest	\$2.754	\$2.746	\$2.731	\$2.725	-\$0.006
1/ Source: U.S. Energy Information Administration					
2/ Source: Fundamental Petroleum Trends Reports					



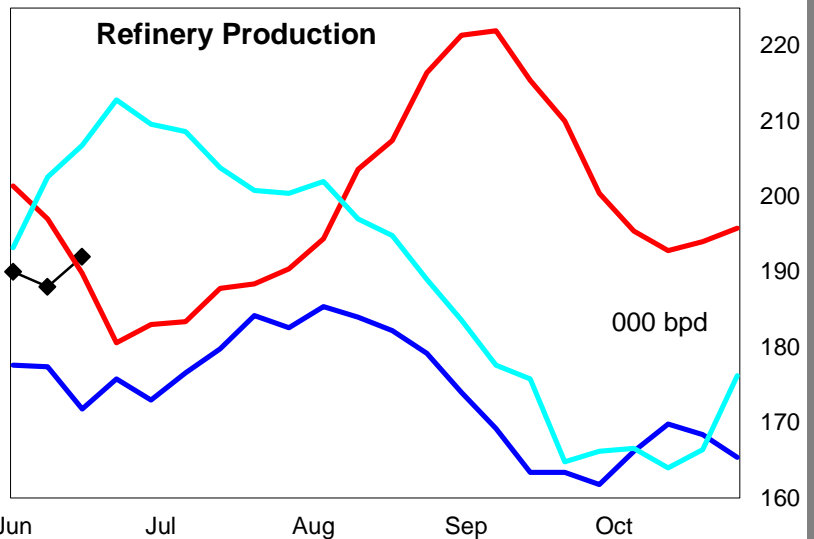
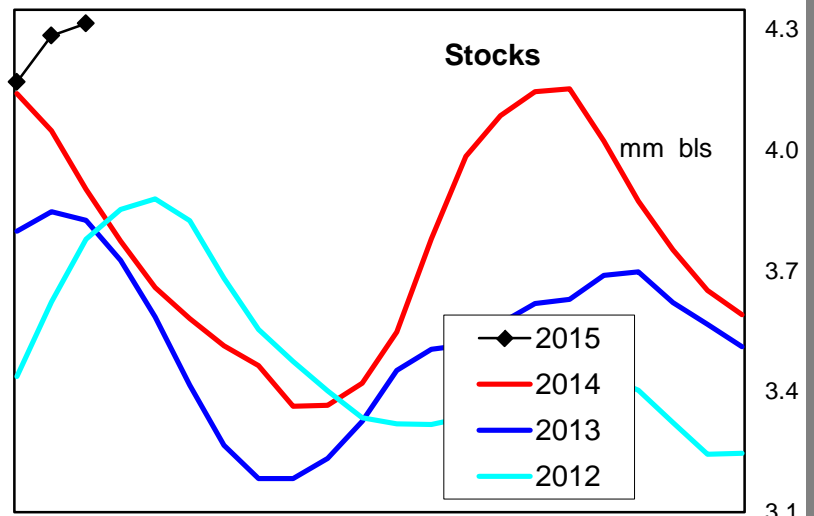
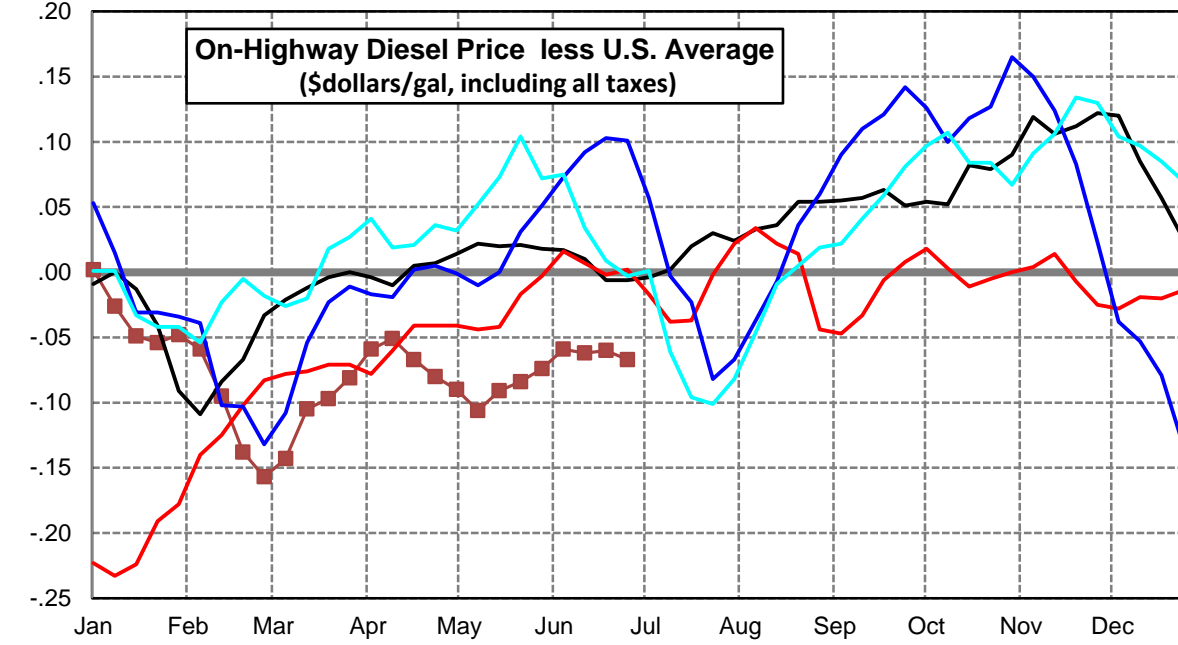
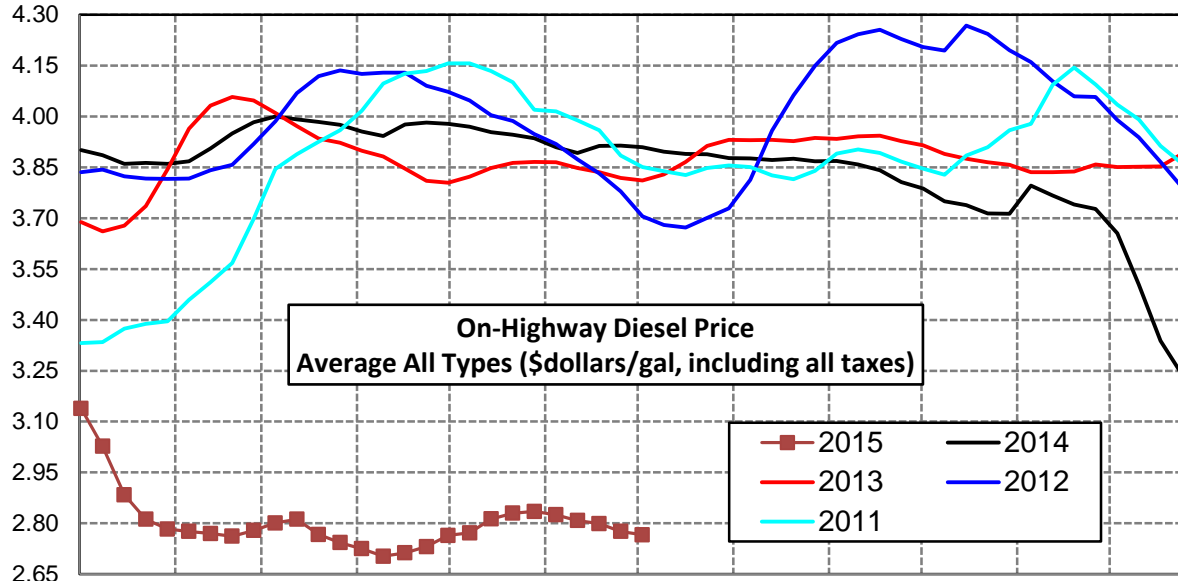
Gulf Coast Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	15Jun15	22Jun15	29Jun15	06Jul15	
Gulf Coast	\$2.777	\$2.755	\$2.730	\$2.728	-\$0.002
1/ Source: U.S. Energy Information Administration					
2/ Source: Fundamental Petroleum Trends Reports					



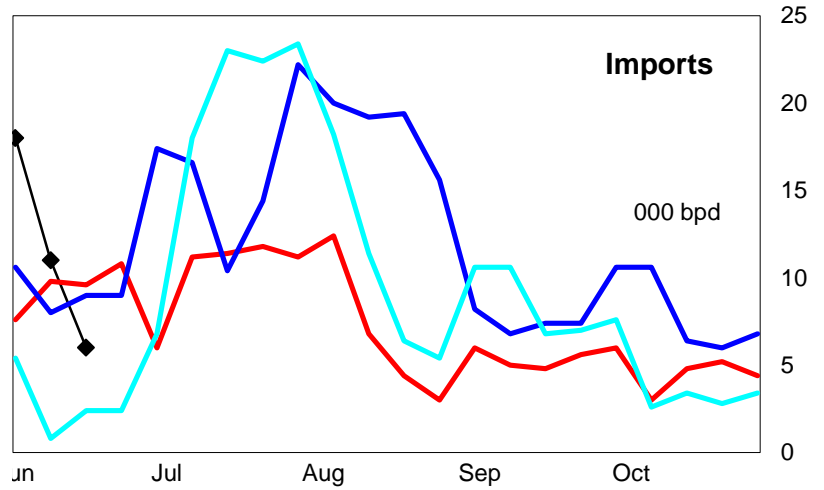
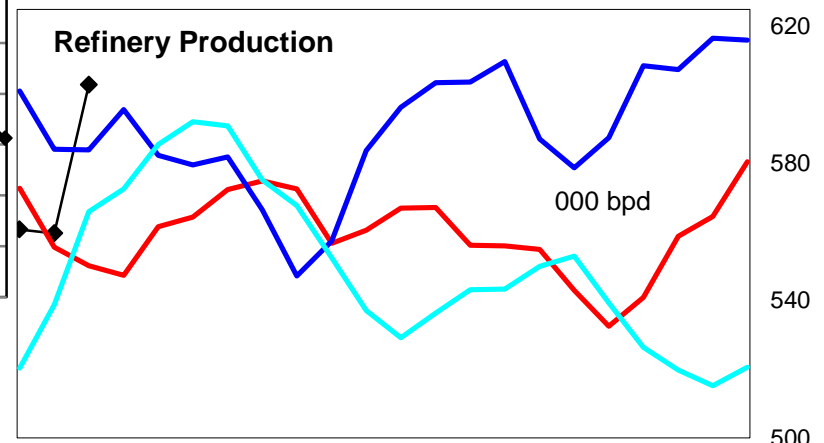
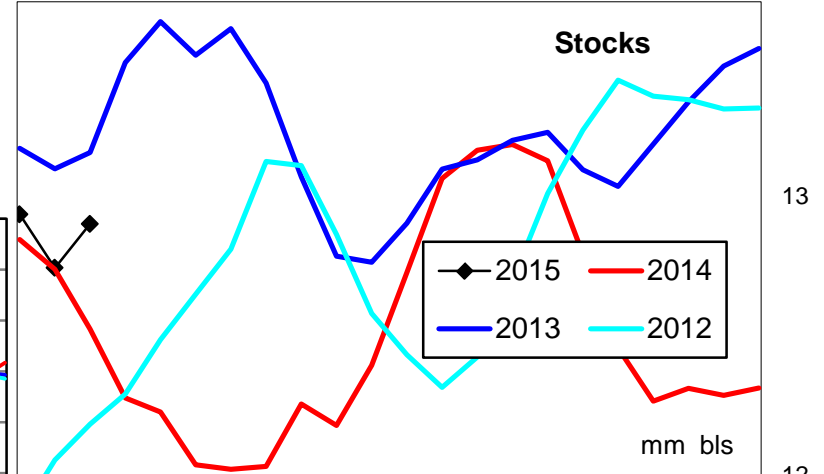
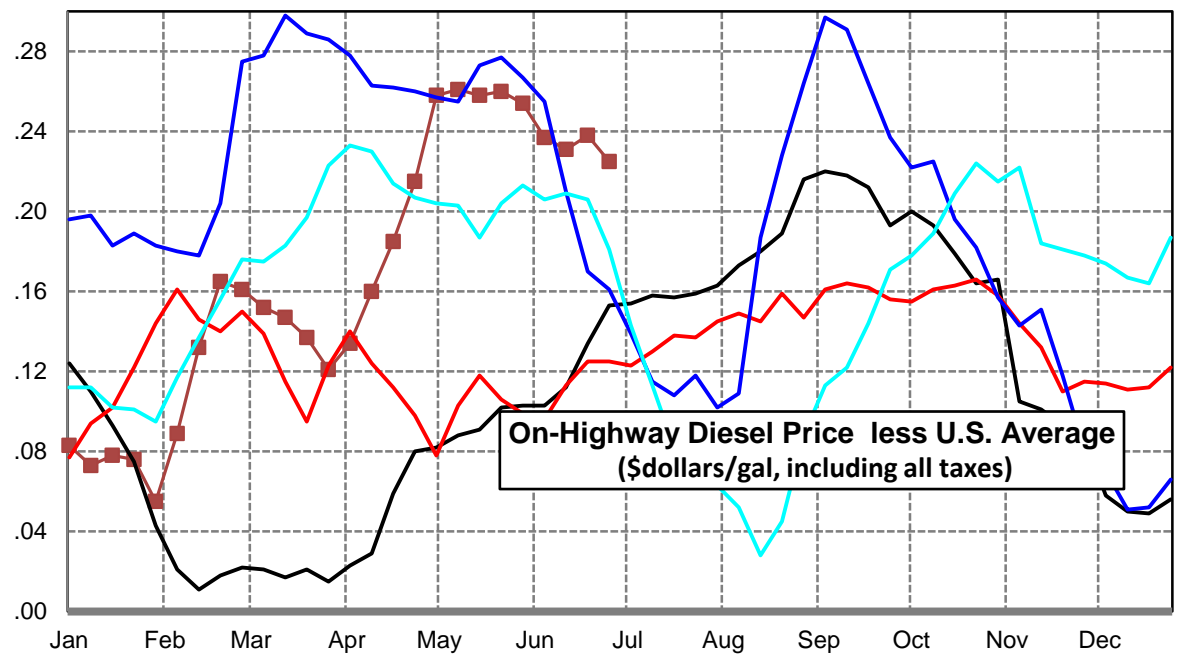
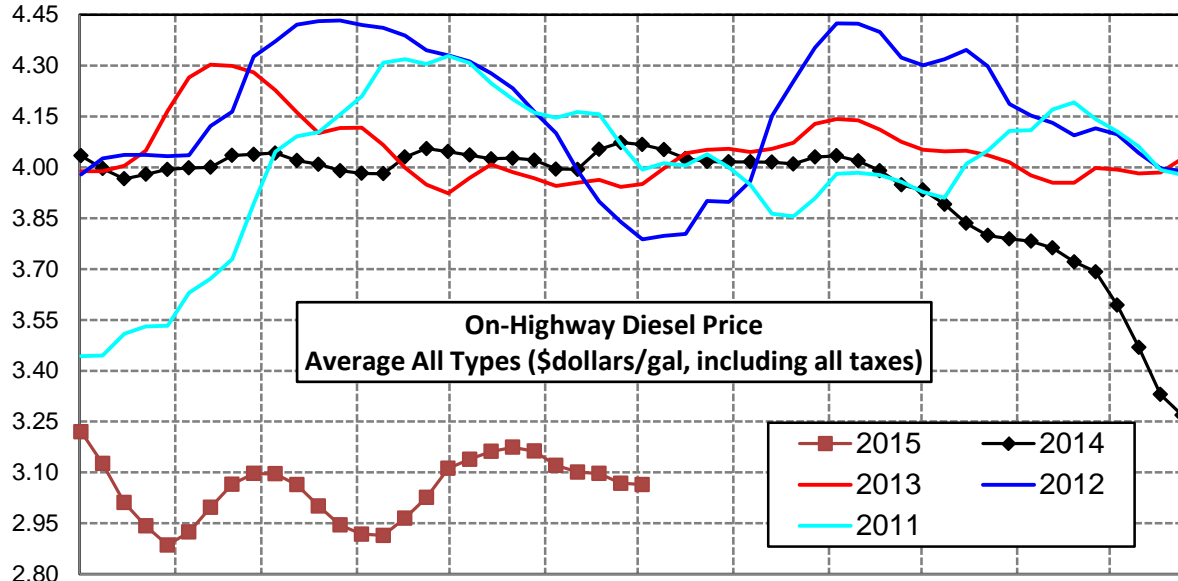
Rocky Mountain Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	15Jun15	22Jun15	29Jun15	06Jul15	
Rocky Mountain	\$2.808	\$2.799	\$2.776	\$2.766	-\$0.010
1/ Source: U.S. Energy Information Administration					
2/ Source: Fundamental Petroleum Trends Reports					



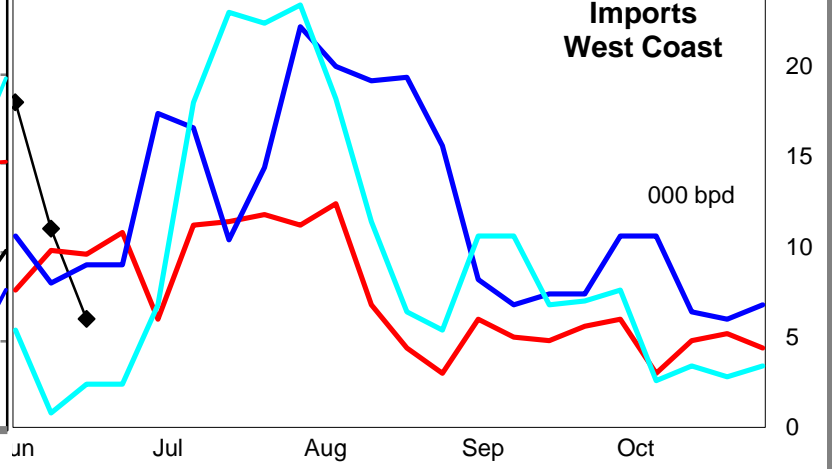
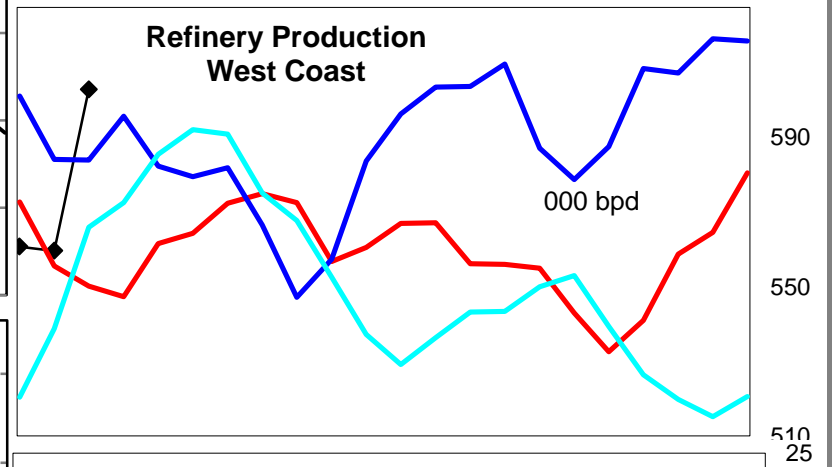
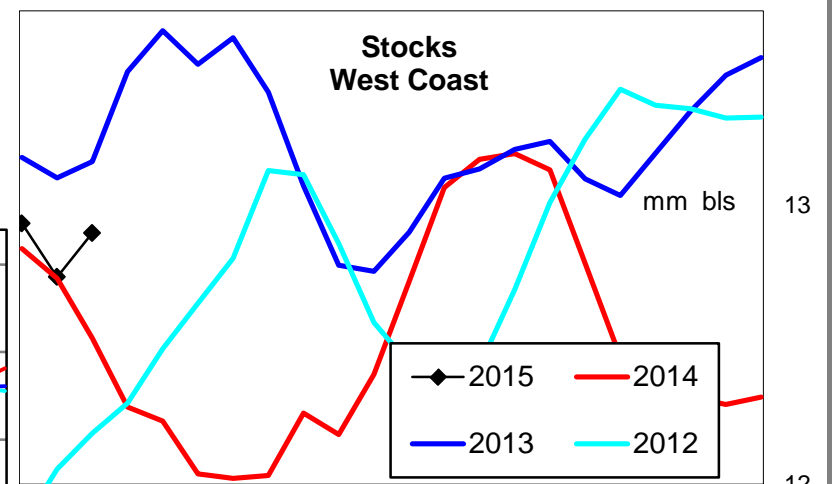
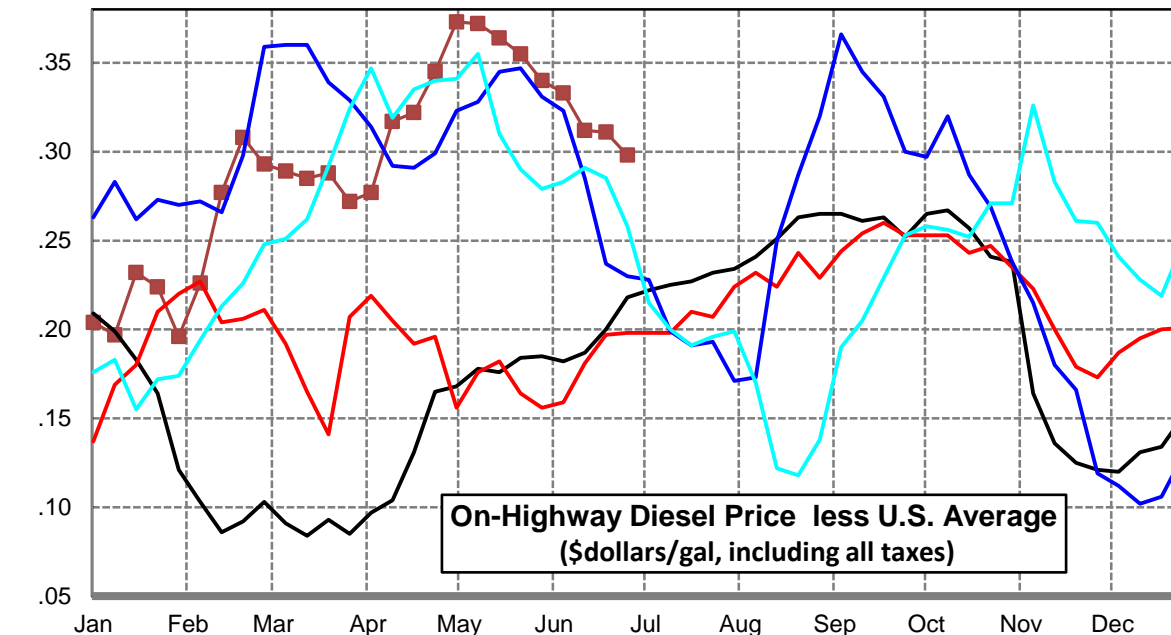
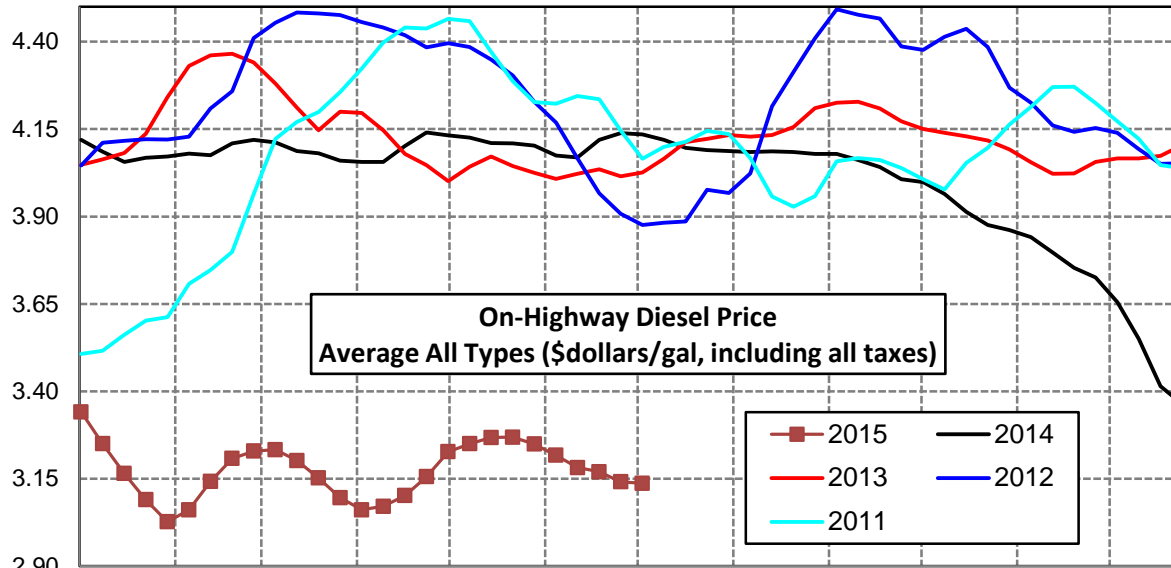
West Coast Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	15Jun15	22Jun15	29Jun15	06Jul15	
West Coast	\$3.101	\$3.097	\$3.068	\$3.064	-\$0.004
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
	15Jun15	22Jun15	29Jun15	06Jul15	
California	\$3.182	\$3.170	\$3.141	\$3.137	-\$0.004
1/ Source: U.S. Energy Information Administration					
2/ Source: Fundamental Petroleum Trends Reports					



Week ending	Weekly On-Highway Diesel Prices									
	Average All Types (\$dollars/gal, including all taxes)									
Week ending	United States	East Coast	New England	Central Atlantic	Lower Atlantic	Mid West	Gulf Coast	Rocky Mtn	West Coast	California
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	2.878	2.997	3.091	3.151	2.860	2.748	2.771	2.772	3.139	3.250
Mon-18-May-15	2.904	3.007	3.093	3.158	2.875	2.791	2.793	2.813	3.162	3.268
Mon-25-May-15	2.914	3.014	3.101	3.162	2.884	2.800	2.803	2.830	3.174	3.269
Mon-01-Jun-15	2.909	3.001	3.092	3.143	2.874	2.804	2.799	2.835	3.163	3.249
Mon-08-Jun-15	2.884	2.980	3.076	3.122	2.853	2.774	2.783	2.825	3.121	3.217
Mon-15-Jun-15	2.870	2.968	3.073	3.117	2.834	2.754	2.777	2.808	3.101	3.182
Mon-22-Jun-15	2.859	2.959	3.085	3.102	2.824	2.746	2.755	2.799	3.097	3.170
Mon-29-Jun-15	2.843	2.954	3.071	3.094	2.823	2.731	2.730	2.776	3.068	3.141
Mon-06-Jul-15	2.840	2.938	3.057	3.082	2.816	2.725	2.728	2.766	3.064	3.137
Mon-13-Jul-15										
Mon-20-Jul-15										
Mon-27-Jul-15										
Mon-03-Aug-15										
Mon-10-Aug-15										
Mon-17-Aug-15										
Mon-24-Aug-15										
Mon-31-Aug-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.