



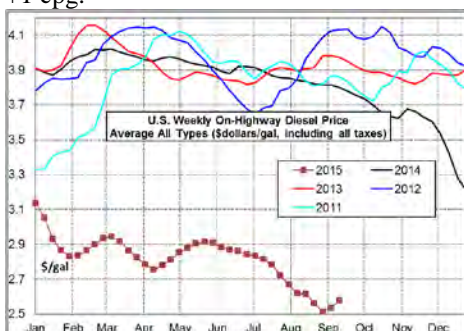
RETAIL DIESEL FUEL OUTLOOK

A Fundamental Petroleum Trends Weekly Report

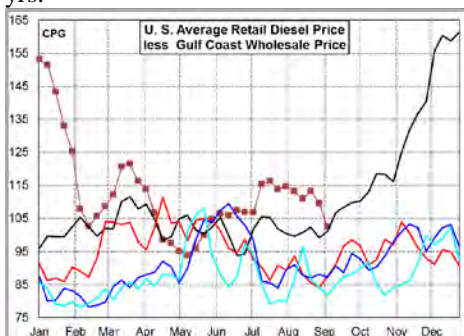
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Wednesday, September 09, 2015

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price 1/		Forecast 2/		Change from week ago
	24Aug15	31Aug15	07Sep15	14Sep15	
U.S.	2.561	2.514	2.534	2.580	0.046
East Coast	2.647	2.590	2.594	2.648	0.054
New England	2.739	2.673	2.663	2.721	0.058
Central Atlantic	2.777	2.714	2.716	2.756	0.040
Lower Atlantic	2.529	2.478	2.489	2.529	0.040
Midwest	2.487	2.443	2.483	2.509	0.026
Gulf Coast	2.414	2.376	2.385	2.429	0.044
Rocky Mountain	2.592	2.562	2.567	2.615	0.048
West Coast	2.767	2.723	2.746	2.779	0.033
California	2.894	2.851	2.872	2.903	0.031
1/ Source: U.S. Energy Information Administration					
2/ Source: Fundamental Petroleum Trends Reports					

Diesel Fuel Price Trends U. S. retail diesel prices increased +2 cpg last week. Prices increased in all regions last week except New England. The largest increase of +4 cpg occurred in New England. The Gulf, Rocky Mountain and Central Atlantic regions each increased less than +1 cpg.



The U.S. average retail diesel price compared to the Gulf Coast wholesale market decreased -7 cpg on the week. The spread ended the week at a level equal to last year, but +17 cpg above the prior 3-yrs.



The national average on-highway price ended the week -\$1.28/gal below a year ago. The highest retail prices were in California at \$2.87/gal and the Central Atlantic at \$2.72/gal. The lowest prices were in the Gulf and Midwest regions at

\$2.39/gal and \$2.48/gal; respectively.

The retail price compared to the U.S. average was above the historic range in the Lower and Central Atlantic regions. The retail price compared to the U.S. average was below the historic range in the Gulf

Region - indicating continued over supply in this area.

Gulf spot prices decreased -10 cpg last week, following an earlier sharp rebound from late August lows. Gulf Coast spot distillate prices remain well below each of the last 5-yrs for this time of year.



The spread between the Gulf wholesale price and the U.S. average retail price decreased -7 cpg last week, ending at a level equal to a year ago, but well above prior years.

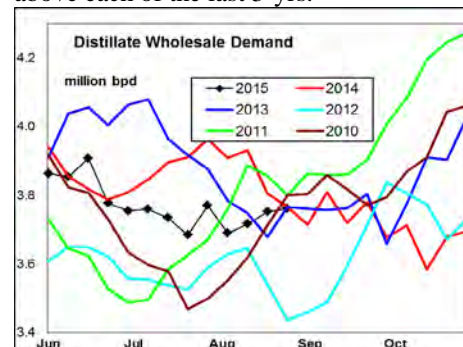
Look for the retail to wholesale price differential to trend lower from record highs for this time of year. The spread is currently +17 cpg above the prior 3-yr average.

Supply - Demand Fundamental Trends Distillate wholesale demand increased +0.16 million bpd last week, to a level near the average of the last 2-yrs. The latest 4-wk average demand was -206,000 bpd below last year.

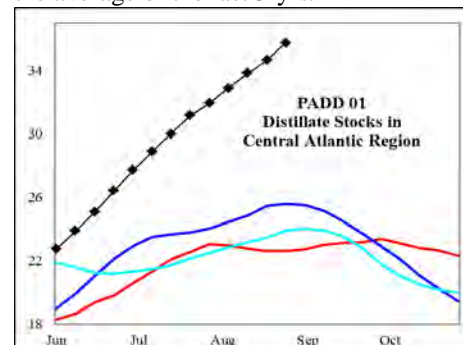
Supply decreased -29,000 bpd last week, on lower imports. During the latest 4-wk period, production was +97,000 bpd above last year while imports were -1,000 bpd lower. Production fell below the last 2-yrs for the week, by -65,000 bpd.

Stocks increased +0.1 million barrels on the week, including a +2.8 million

barrel build in the Northeast. Stocks increased +5 million barrels in markets East of the Rockies during the last 4-wks; above each of the last 3-yrs.



Global Trends Driving Diesel Prices Distillate stocks continue to build at a record pace in the key Central Atlantic region. Stock levels are now +50% above the average of the last 3-yrs.



This unusual build reflects lackluster exports and domestic demand, with Gulf refiners place product into storage in lieu of reducing production.

A slowdown in economic growth for emerging markets that depend on trade with China, combined with surplus global crude oil production is depressing energy prices.

Stock levels in every regional market, except the Midwest, are above the last 3-yrs. These fundamental trends point to risk of exceptional over supply during the next quarter.

Diesel Price Outlook: The wholesale to retail price spread remains wide as retail prices are 'sticky' in the rate of decline compared to wholesale fuel cost. Look for a gradual decline of -15 cpg in the spread during the next quarter.

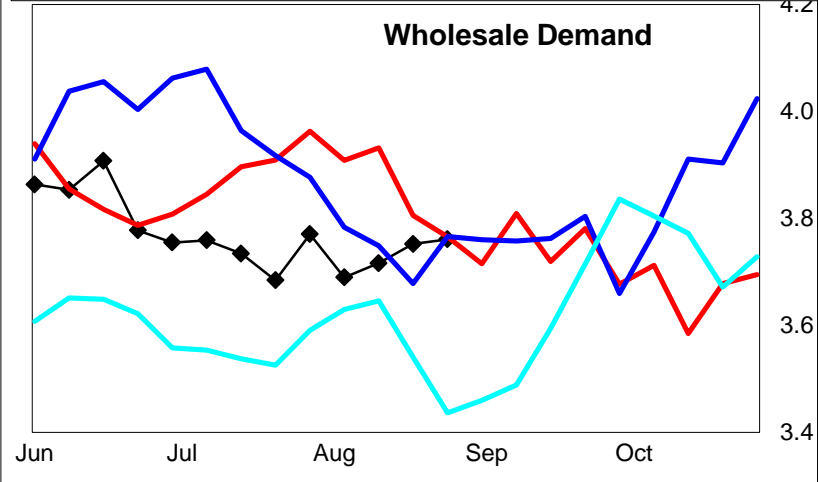
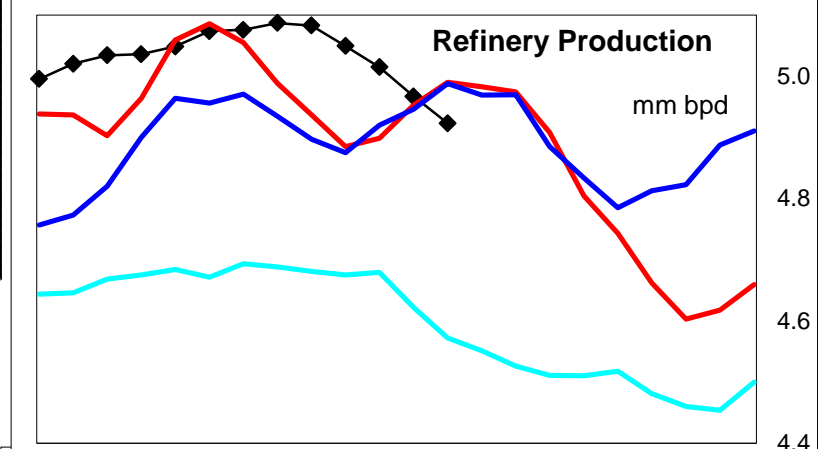
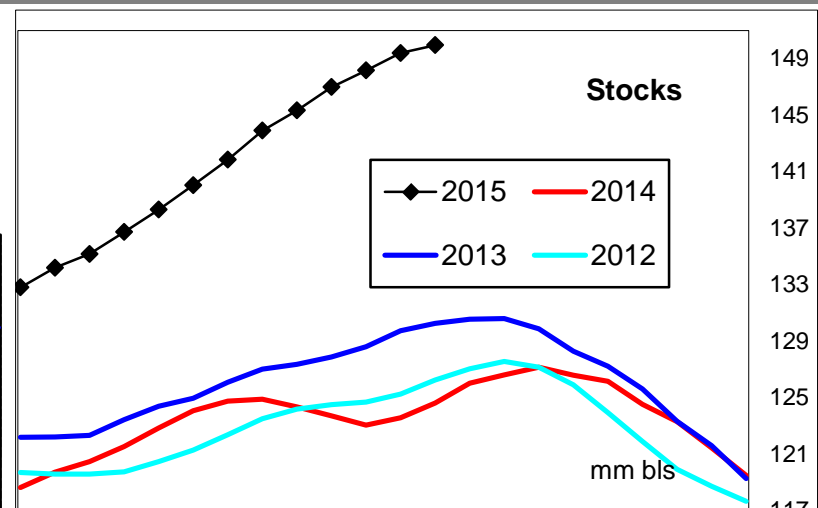
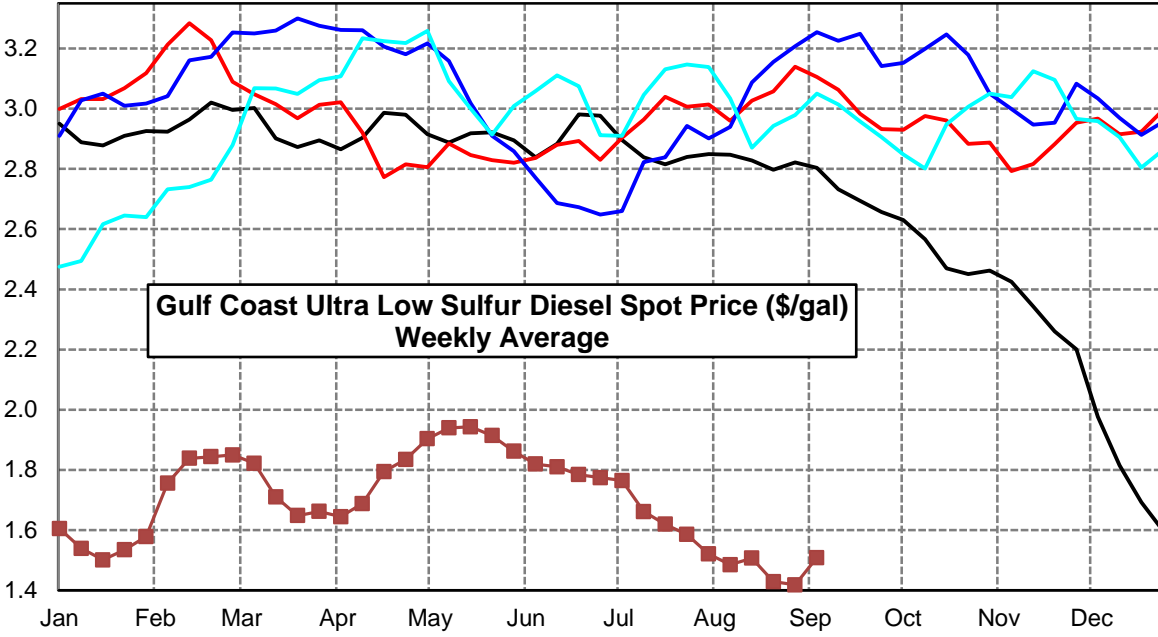
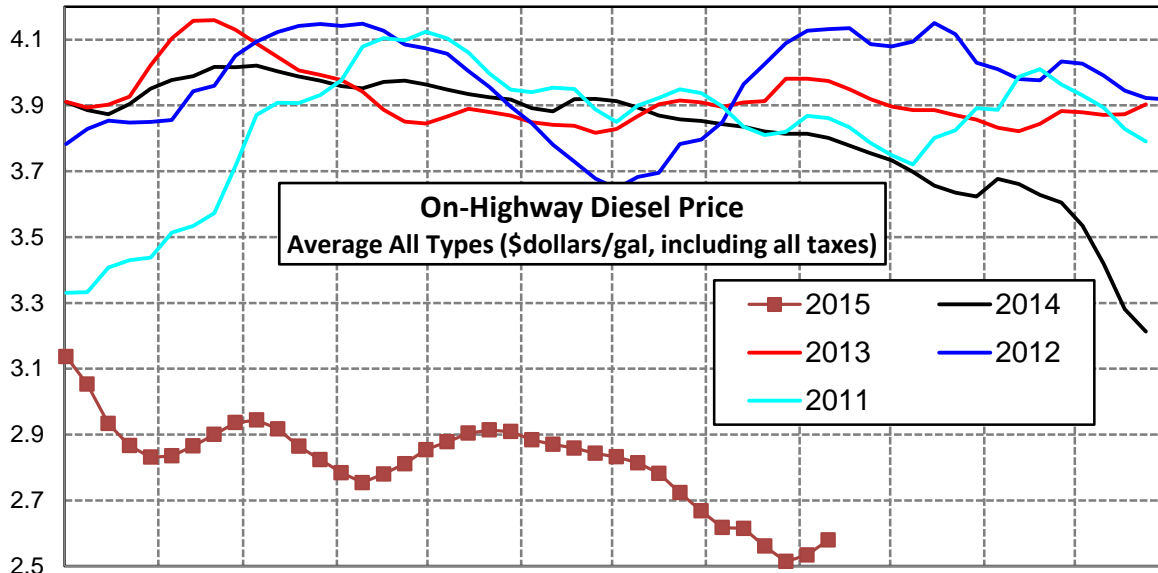
Very high stock levels in the Northeast should pressure retail prices in the area compared to the national average.

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



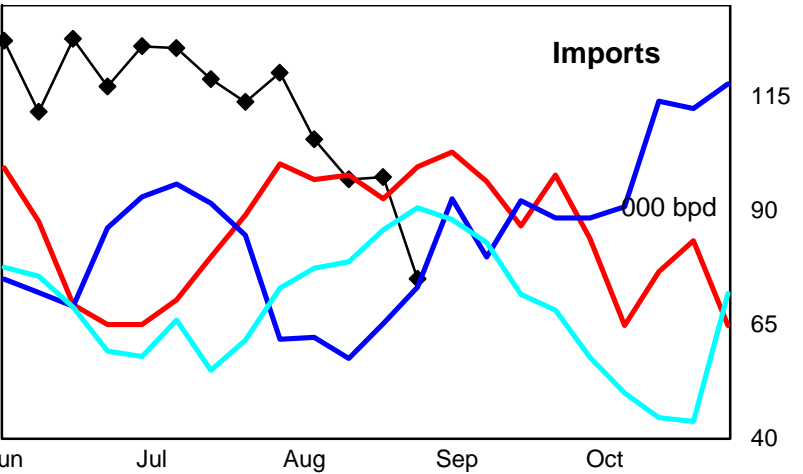
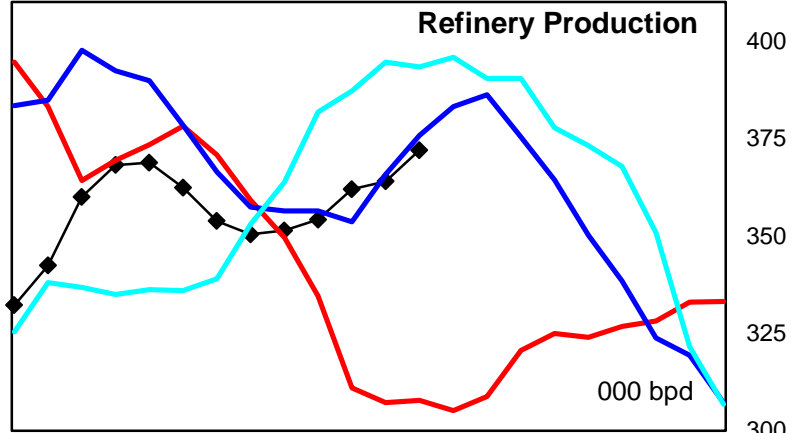
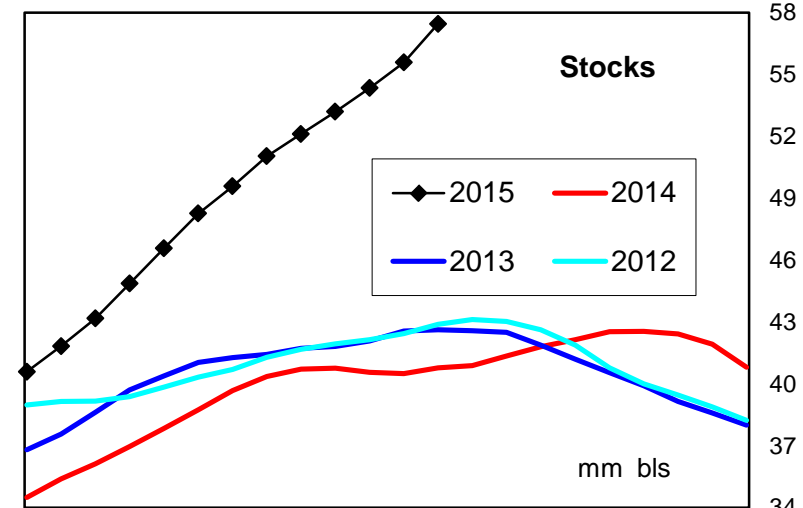
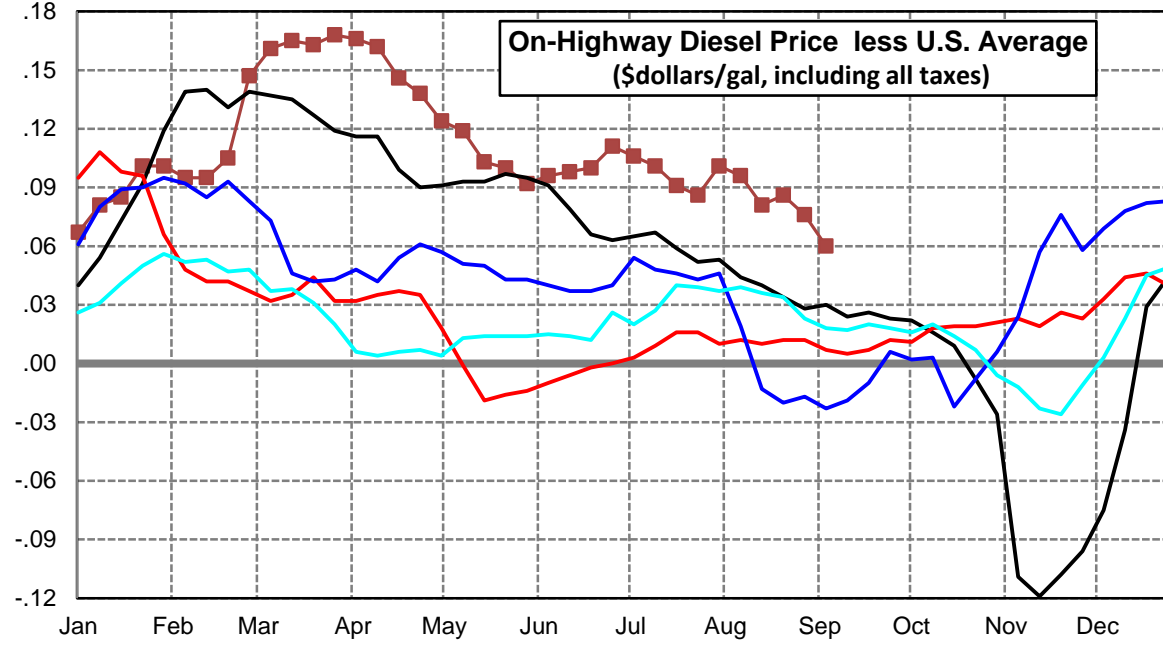
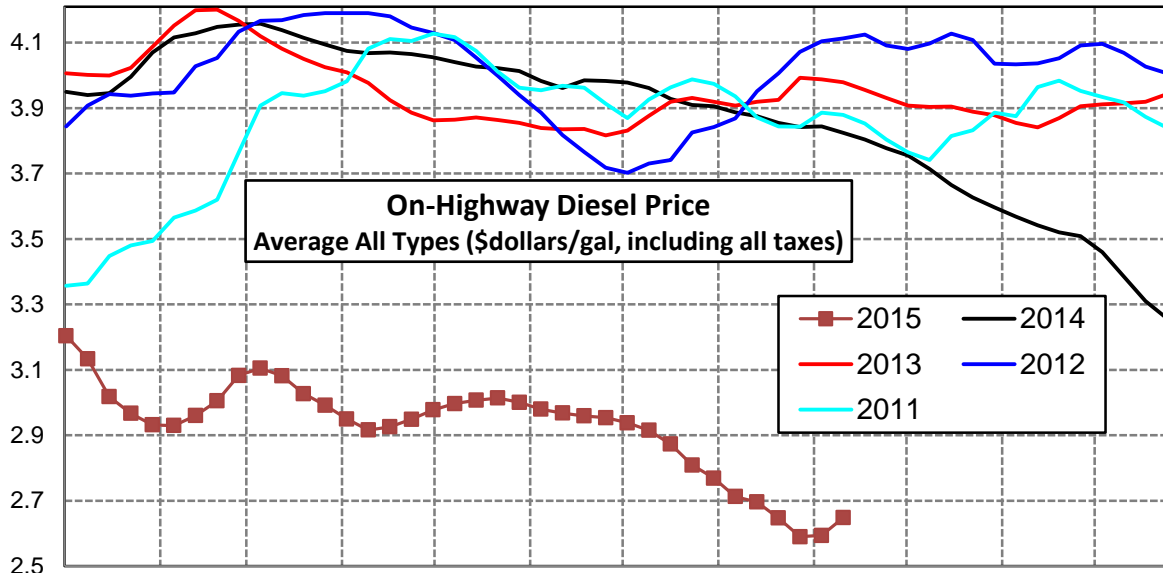
U. S. Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	24Aug15	31Aug15	07Sep15	14Sep15	
United States Avg	\$2.561	\$2.514	\$2.534	\$2.580	\$0.046
1/ Source: U.S. Energy Information Administration					
2/ Source: Fundamental Petroleum Trends Reports					



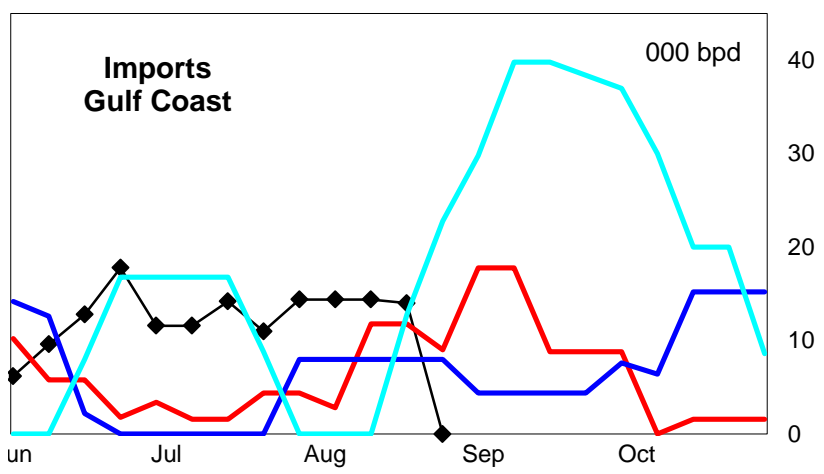
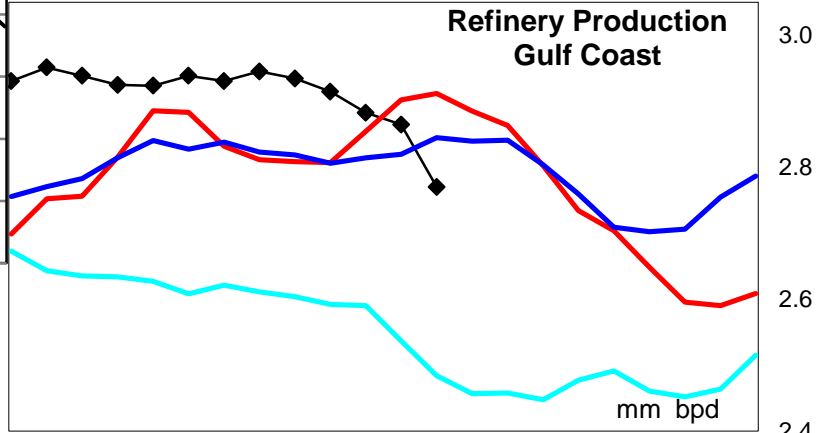
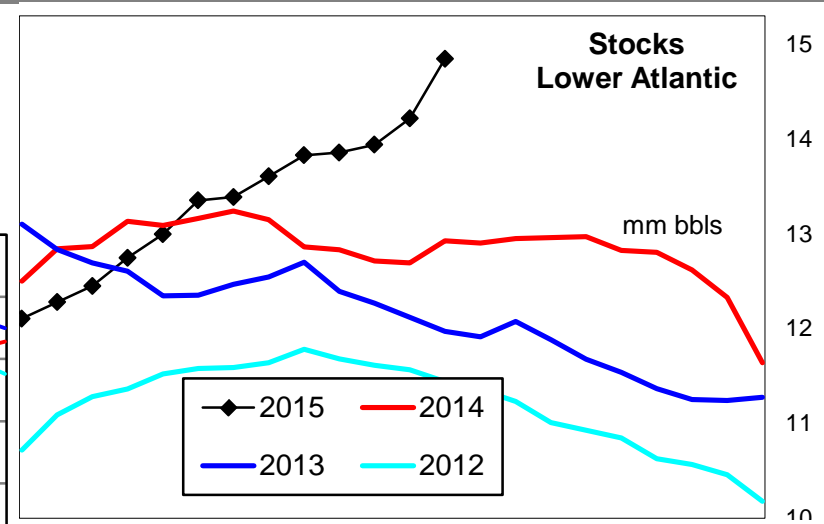
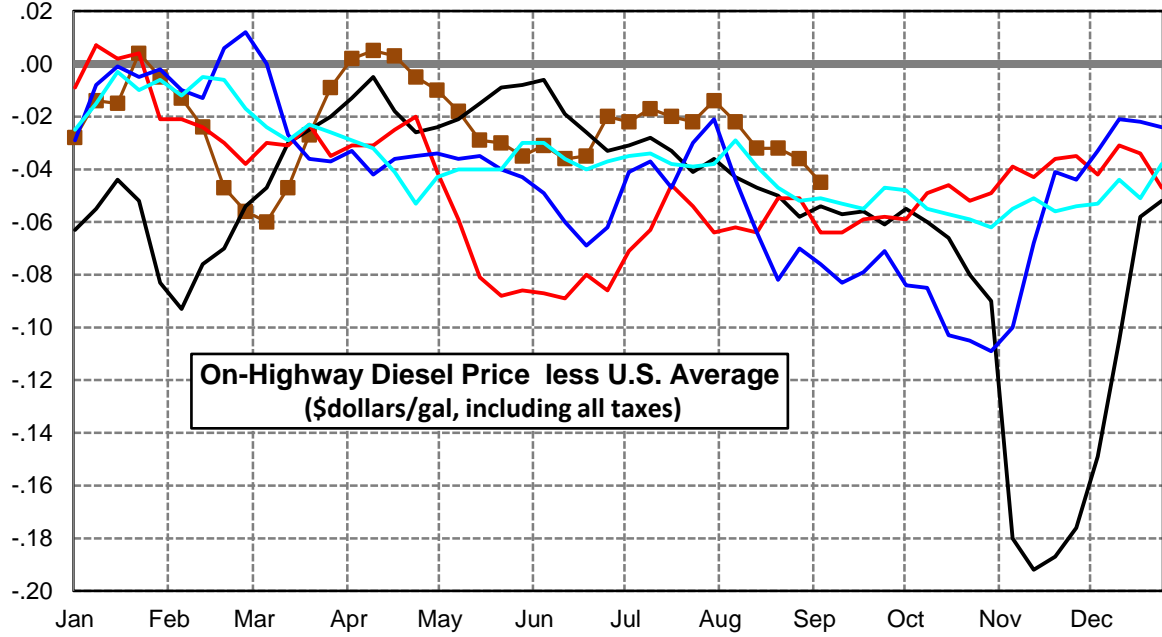
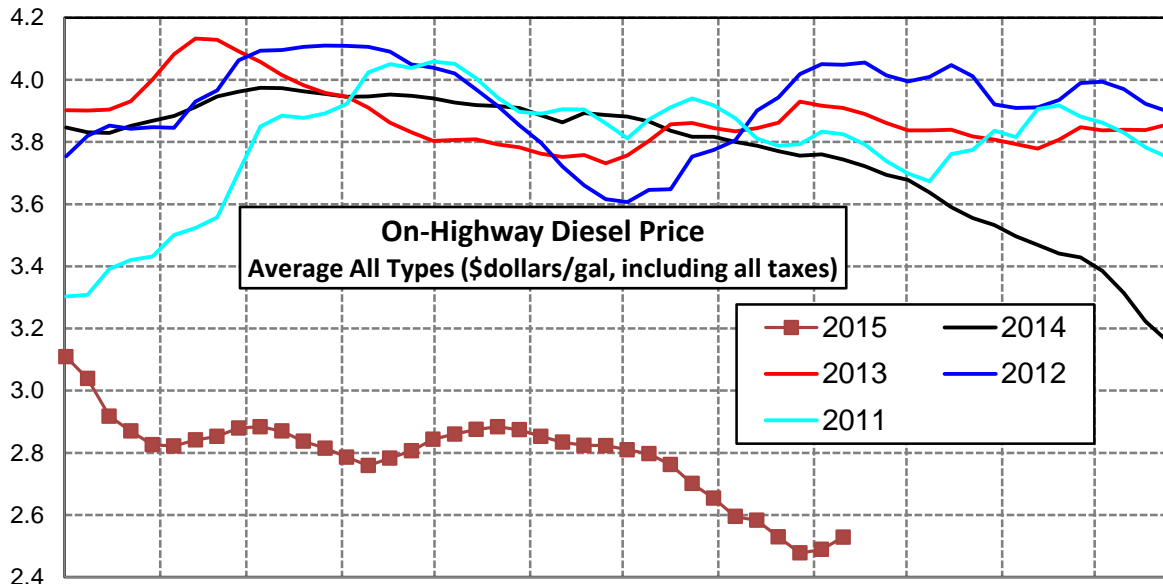
East Coast Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	24Aug15	31Aug15	07Sep15	14Sep15	
East Coast	\$2.647	\$2.590	\$2.594	\$2.648	\$0.054
1/ Source: U.S. Energy Information Administration					
2/ Source: Fundamental Petroleum Trends Reports					



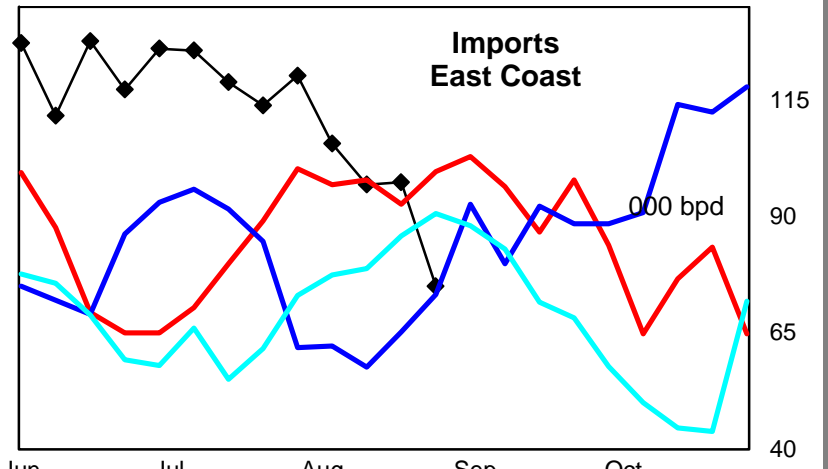
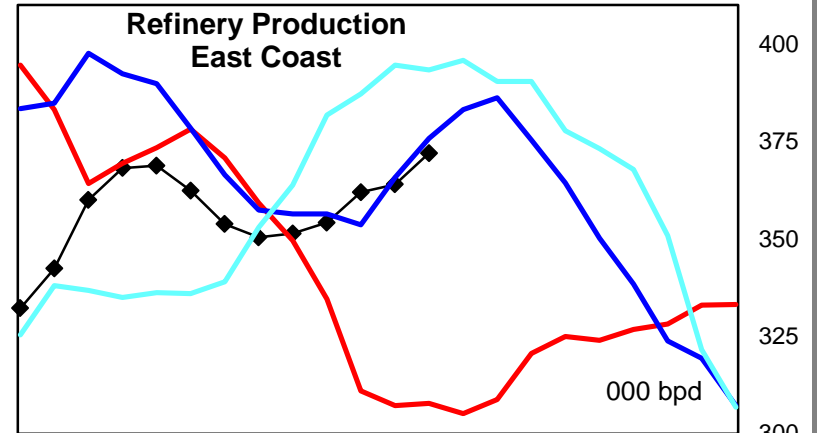
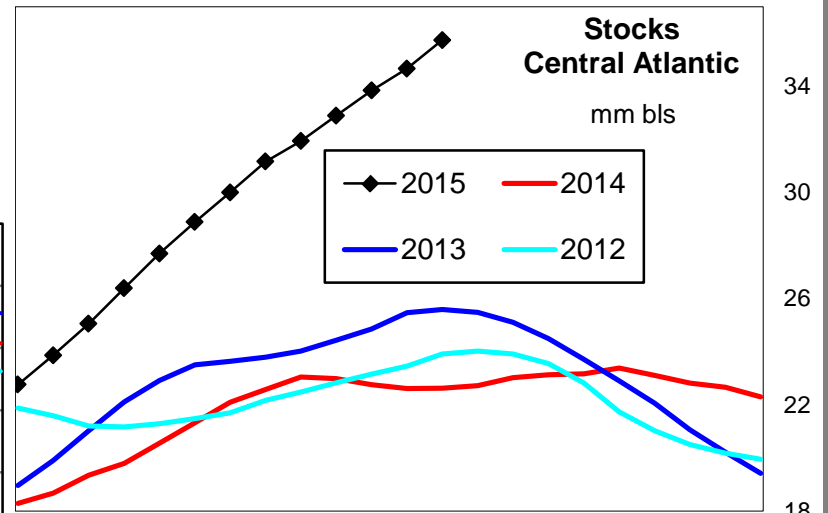
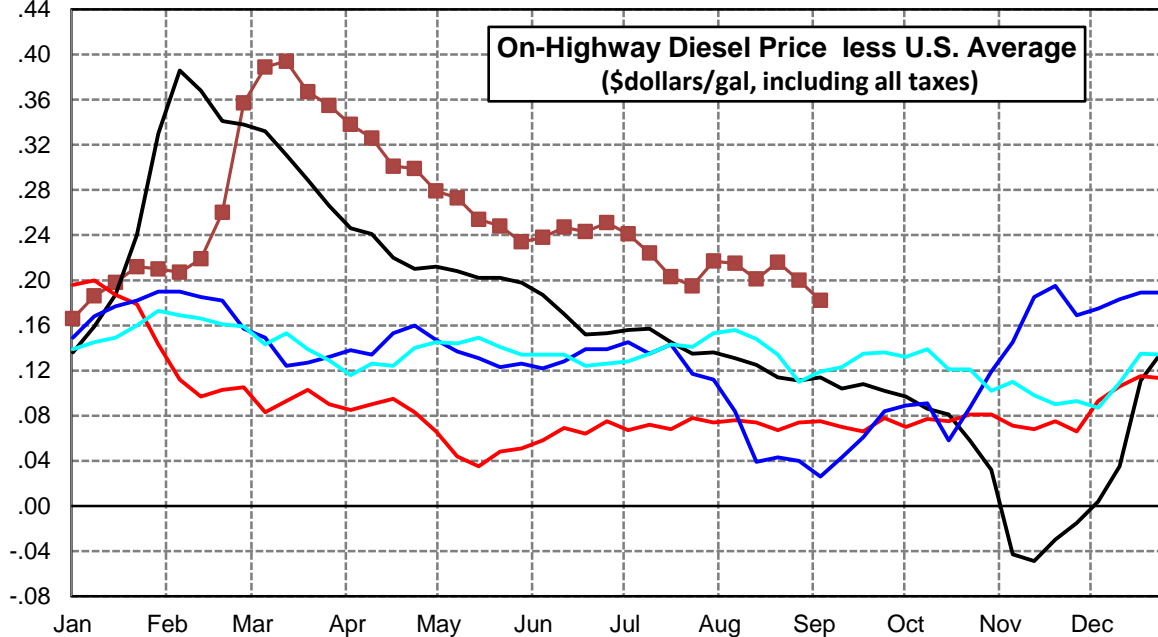
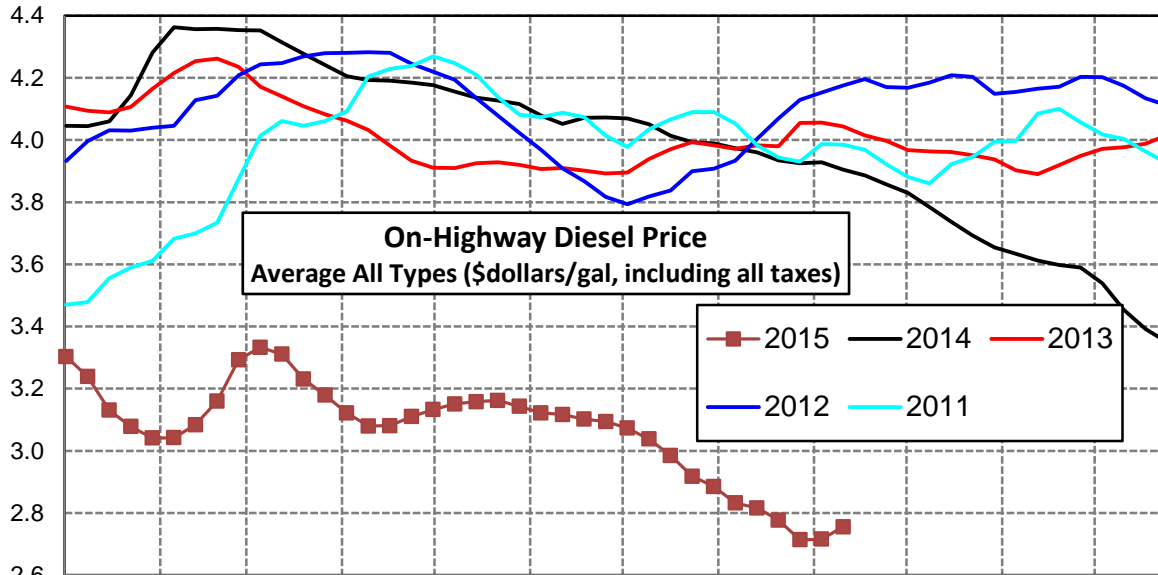
Lower Atlantic Region Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	24Aug15	31Aug15	07Sep15	14Sep15	
Lower Atlantic	\$2.529	\$2.478	\$2.489	\$2.529	\$0.040
1/ Source: U.S. Energy Information Administration					
2/ Source: Fundamental Petroleum Trends Reports					



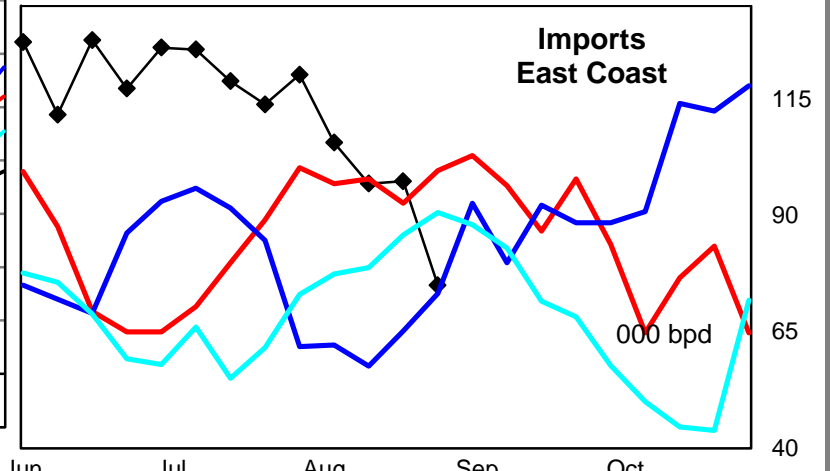
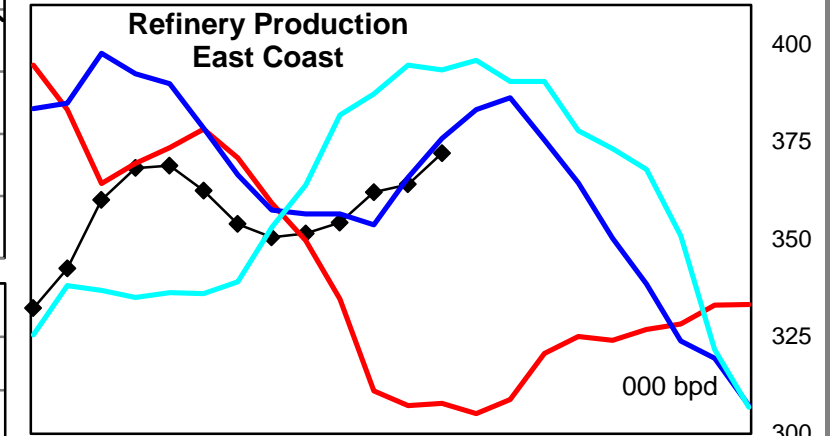
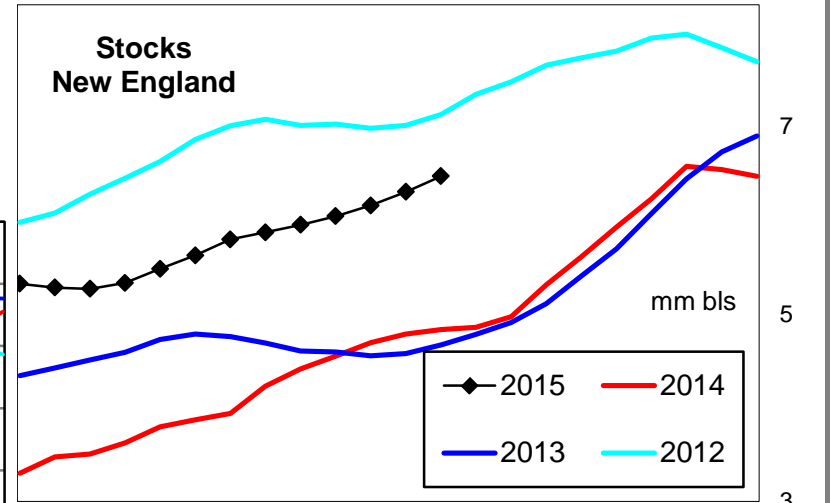
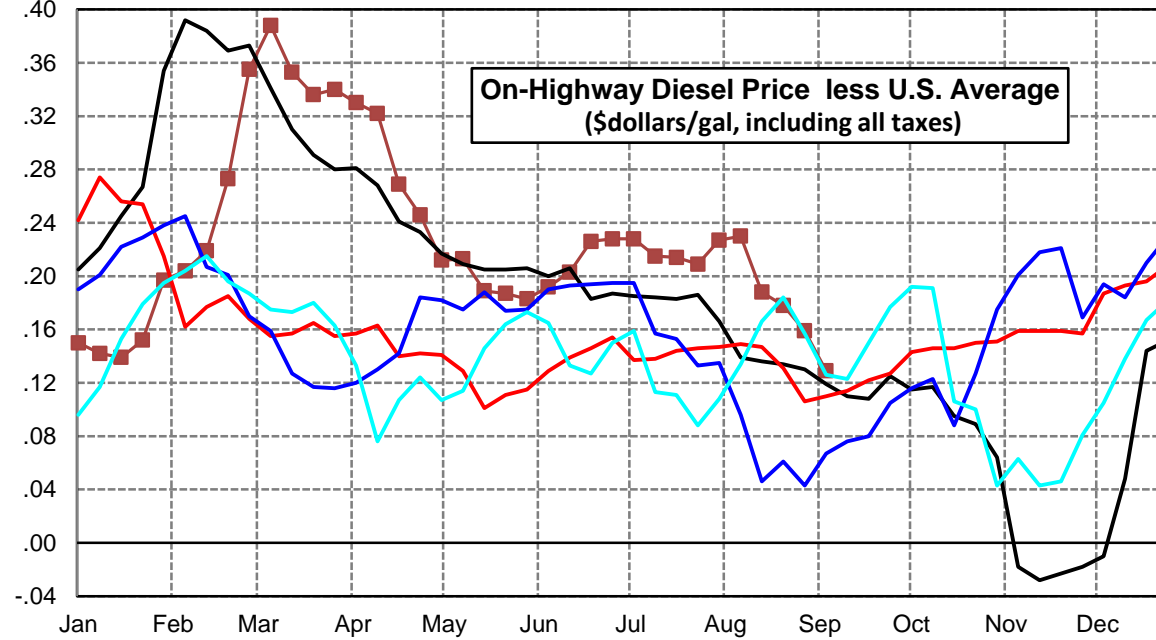
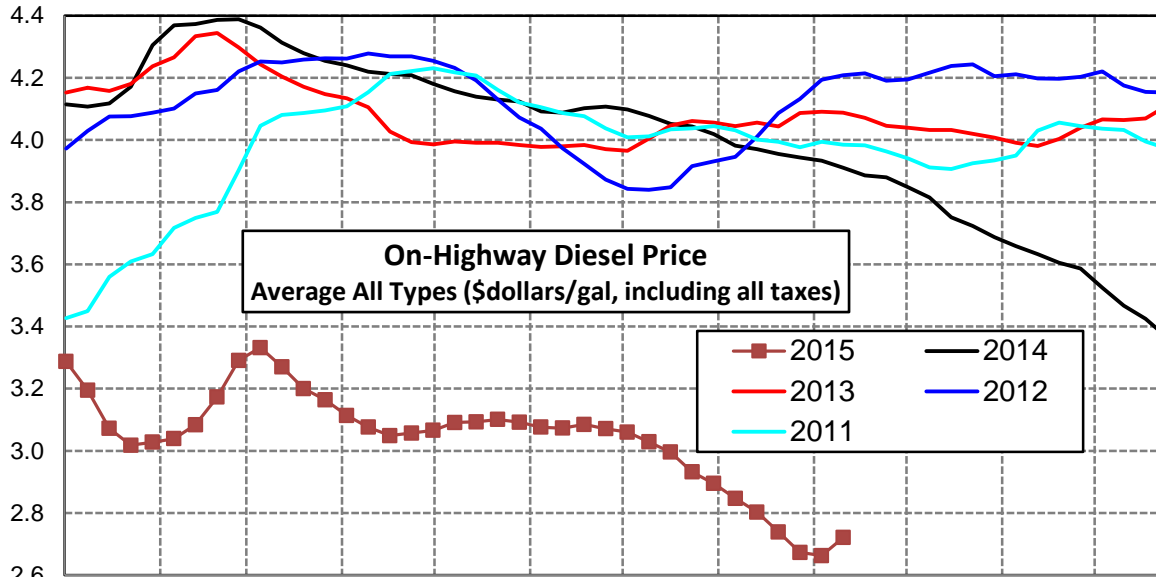
Central Atlantic Region Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	24Aug15	31Aug15	07Sep15	14Sep15	
Central Atlantic	\$2.777	\$2.714	\$2.716	\$2.756	\$0.040
1/ Source: U.S. Energy Information Administration					
2/ Source: Fundamental Petroleum Trends Reports					



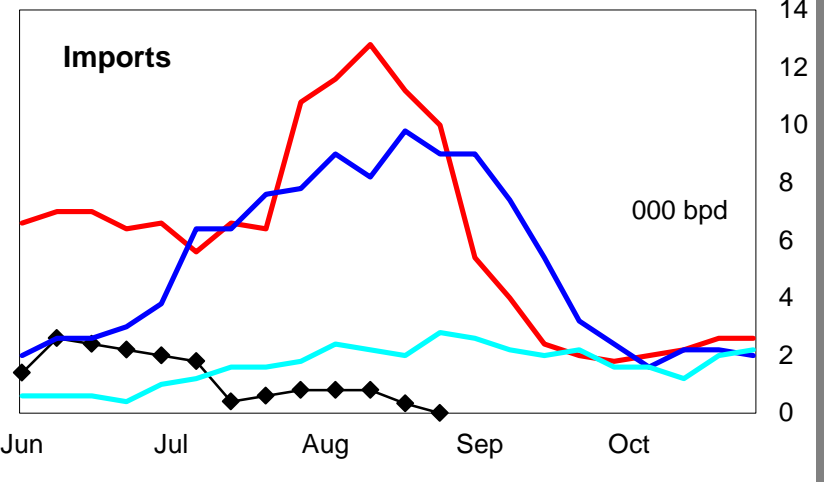
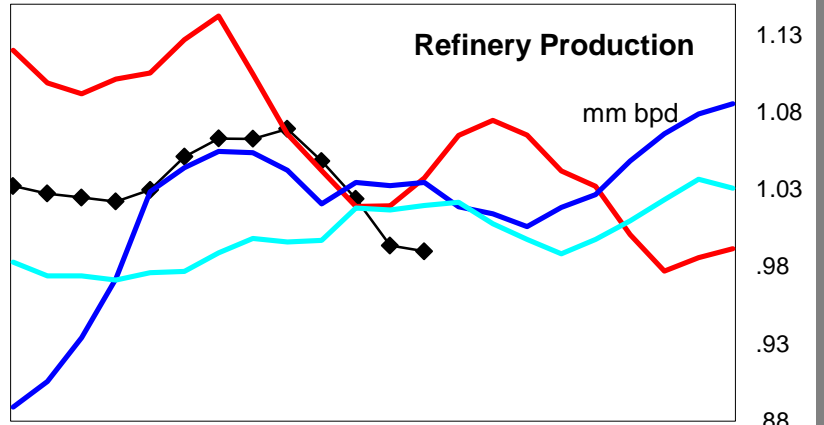
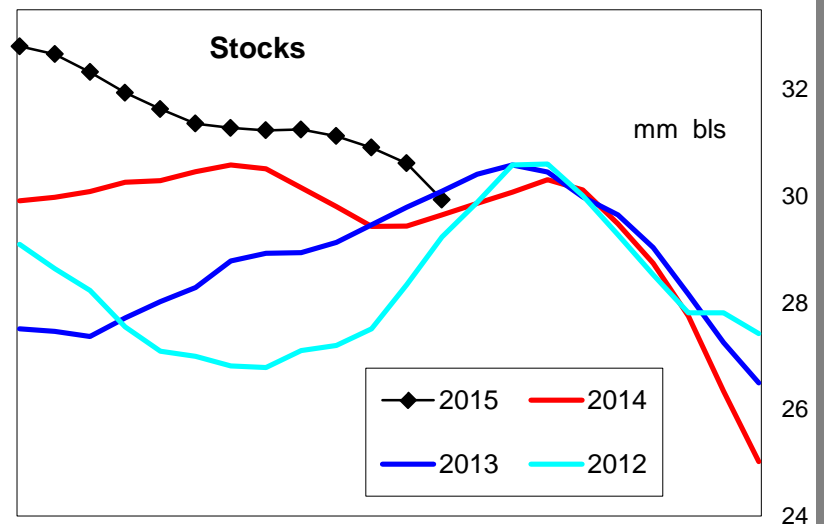
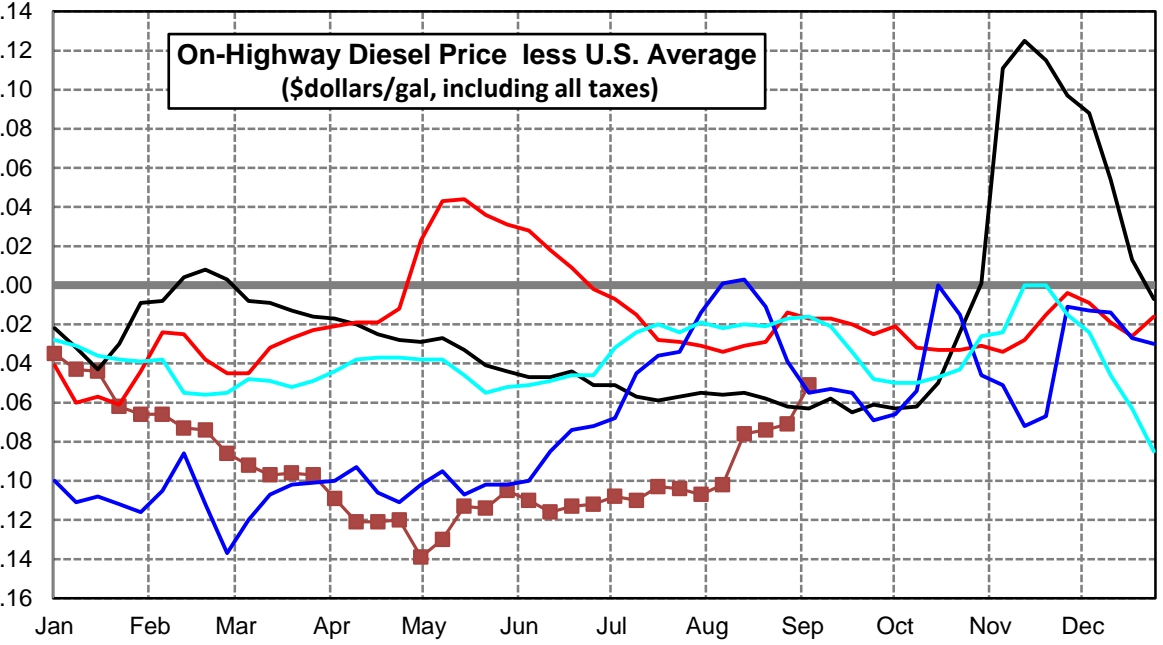
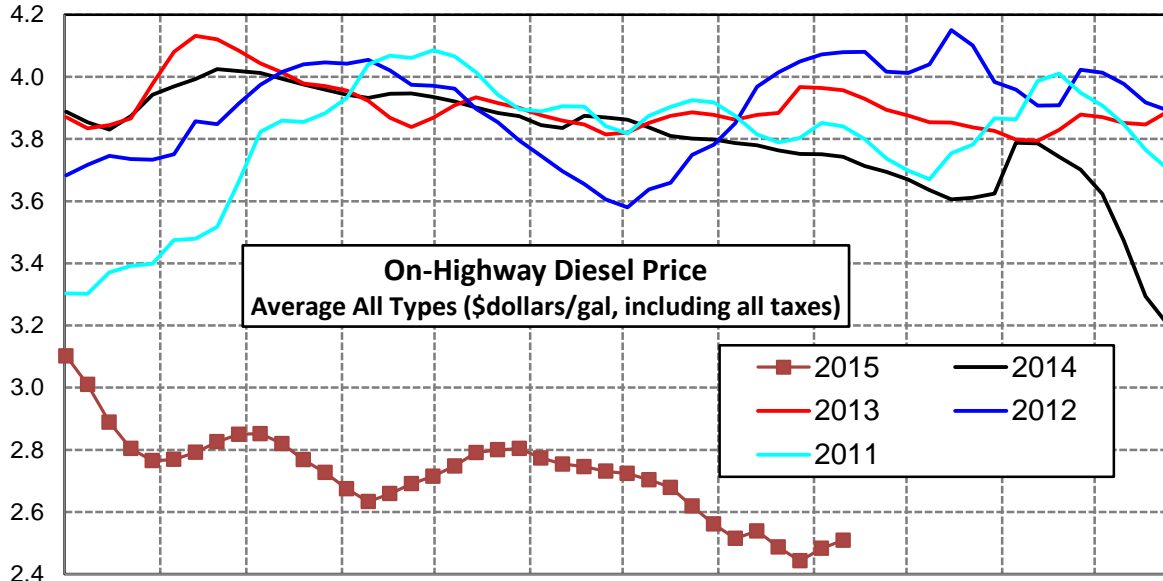
New England Region Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	24Aug15	31Aug15	07Sep15	14Sep15	
New England	\$2.739	\$2.673	\$2.663	\$2.721	\$0.058
1/ Source: U.S. Energy Information Administration					
2/ Source: Fundamental Petroleum Trends Reports					



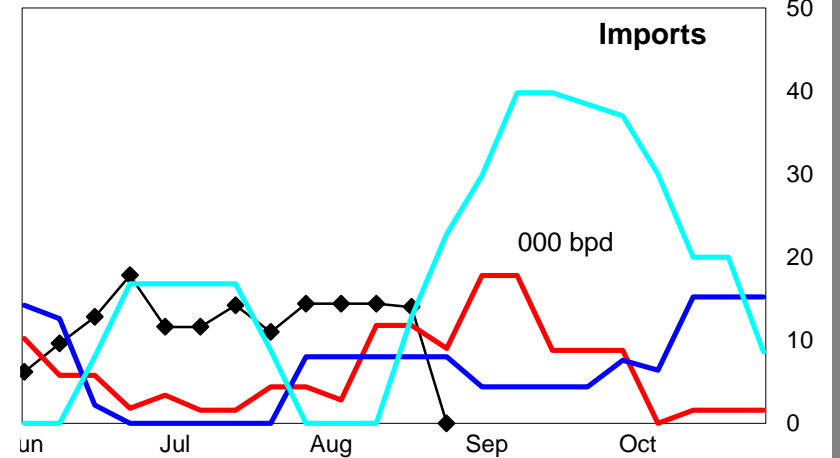
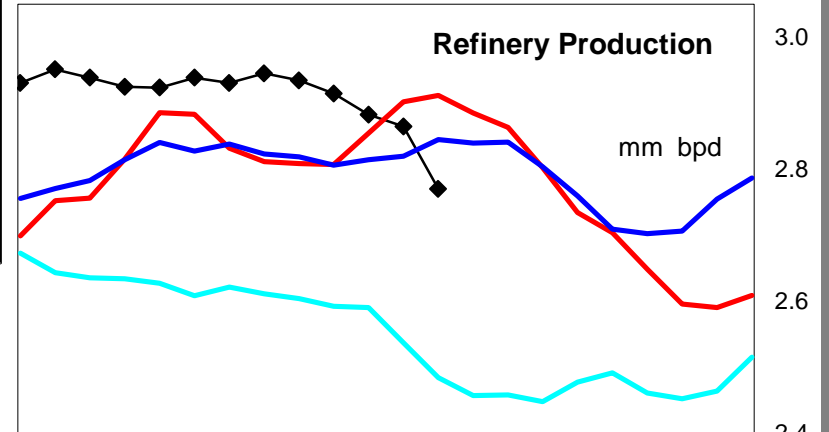
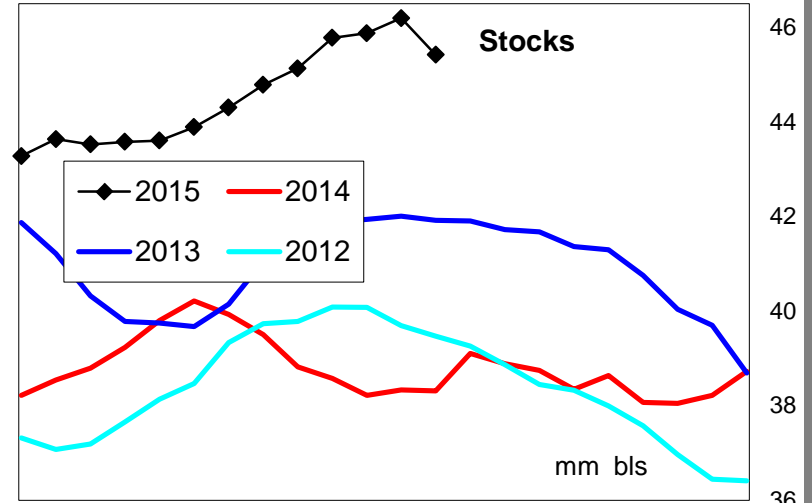
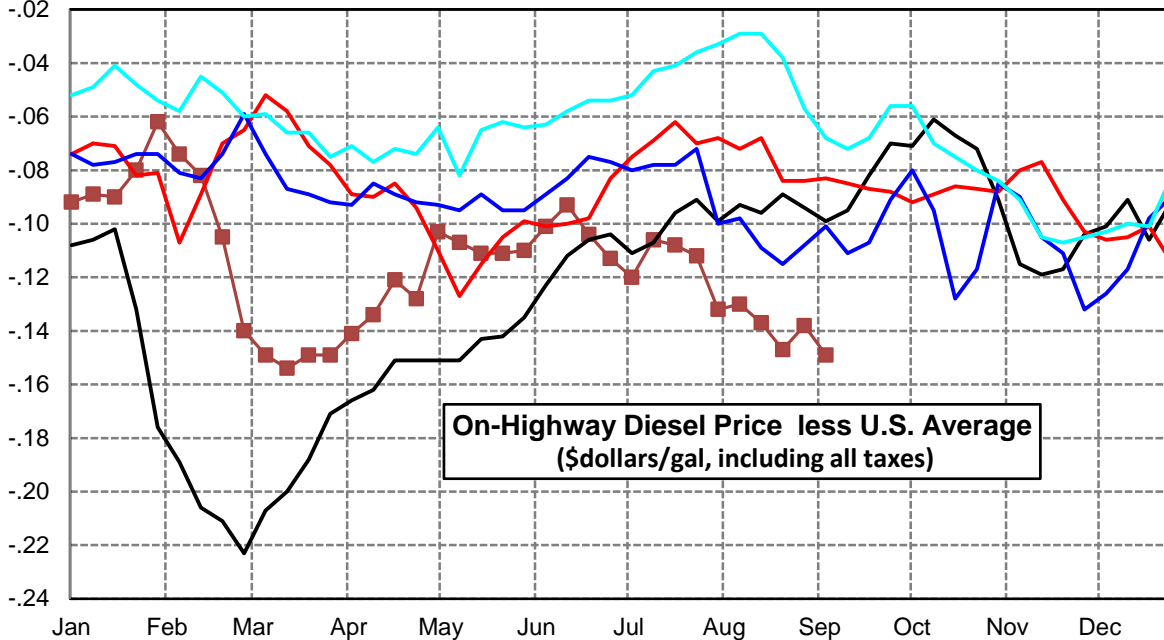
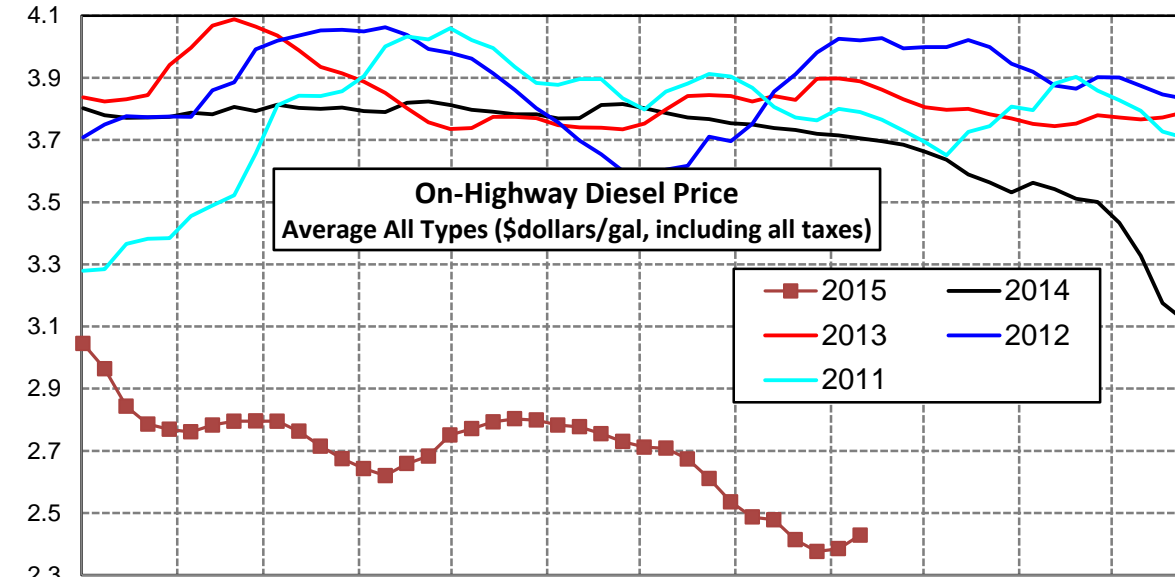
Midwest Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	24Aug15	31Aug15	07Sep15	14Sep15	
Midwest	\$2.487	\$2.443	\$2.483	\$2.509	\$0.026
1/ Source: U.S. Energy Information Administration					
2/ Source: Fundamental Petroleum Trends Reports					



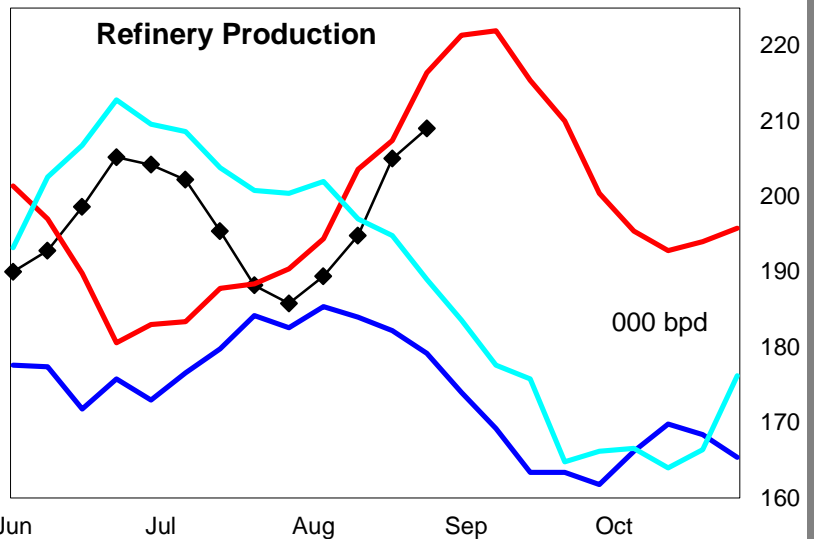
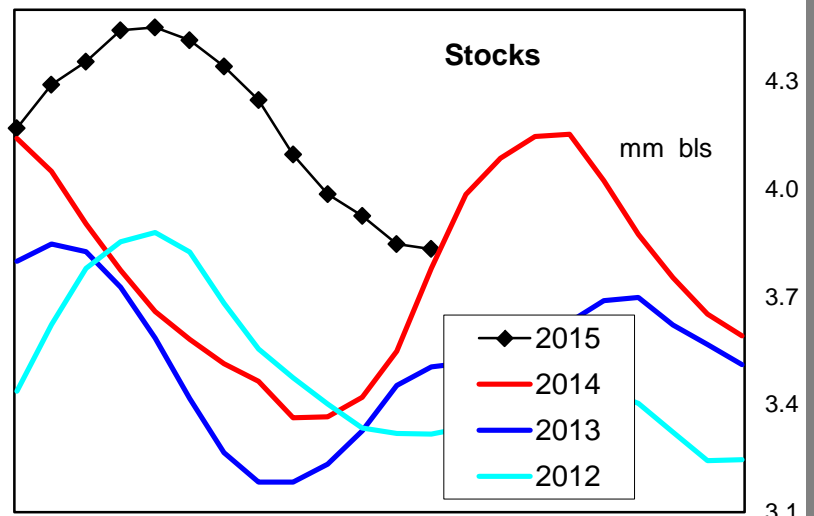
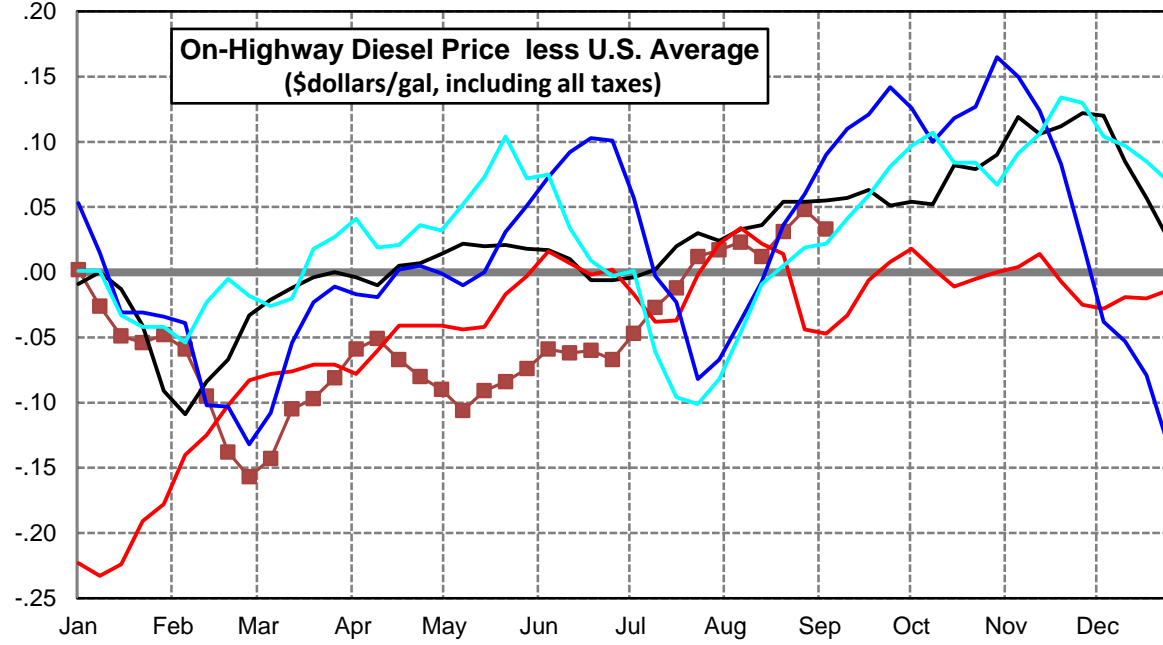
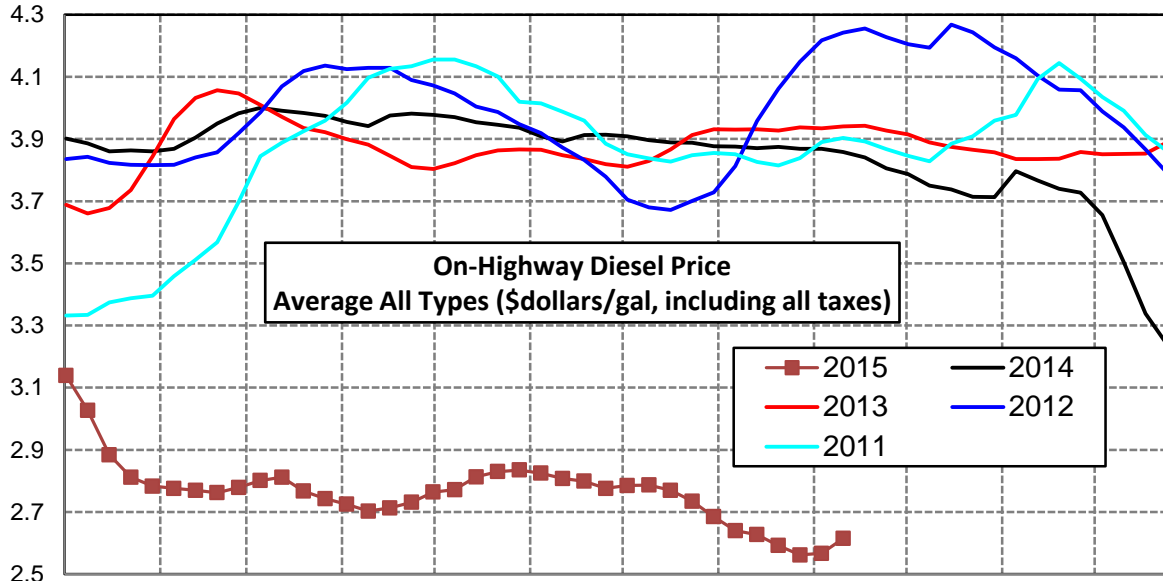
Gulf Coast Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	24Aug15	31Aug15	07Sep15	14Sep15	
Gulf Coast	\$2.414	\$2.376	\$2.385	\$2.429	\$0.044
1/ Source: U.S. Energy Information Administration					
2/ Source: Fundamental Petroleum Trends Reports					



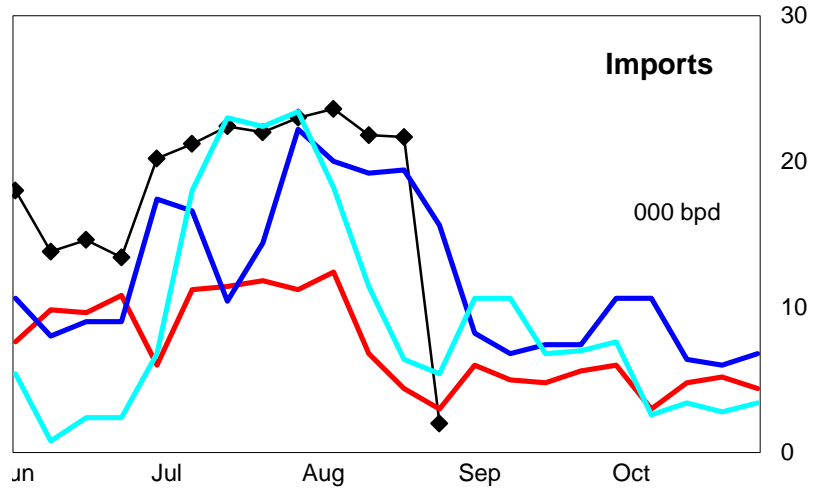
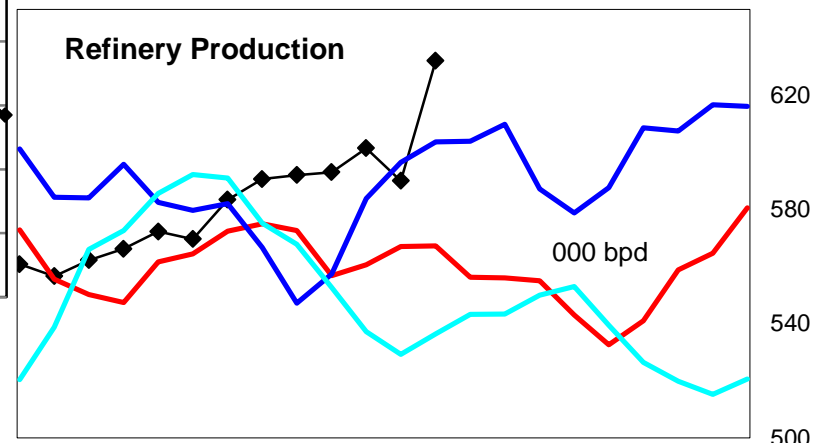
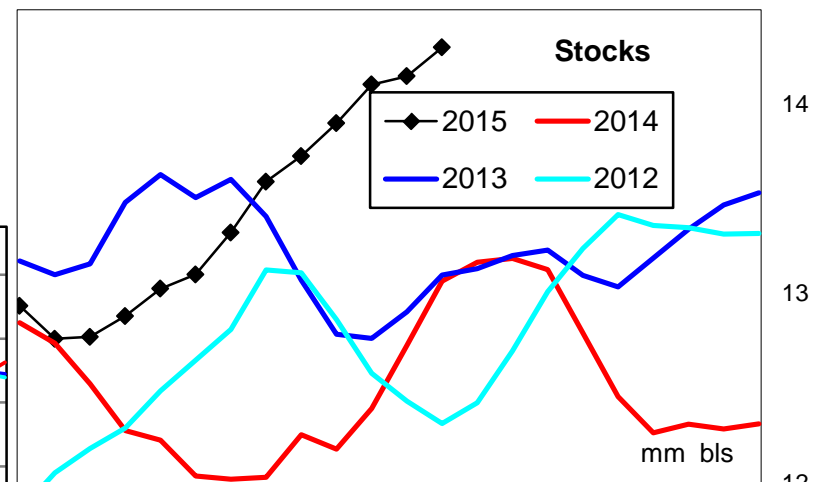
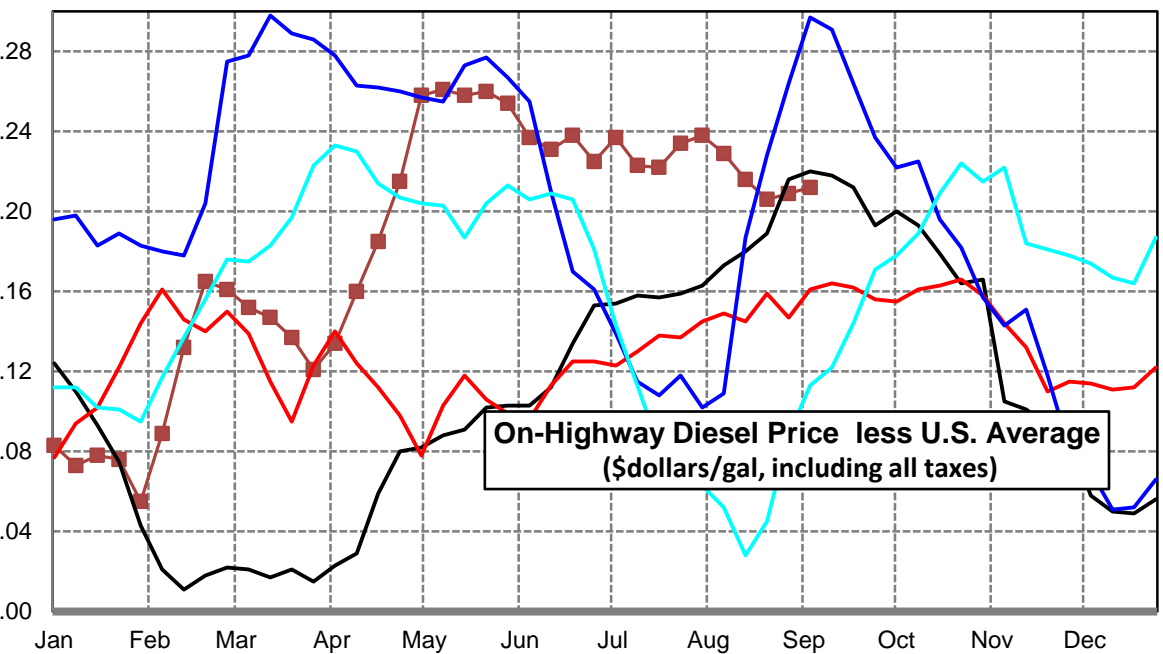
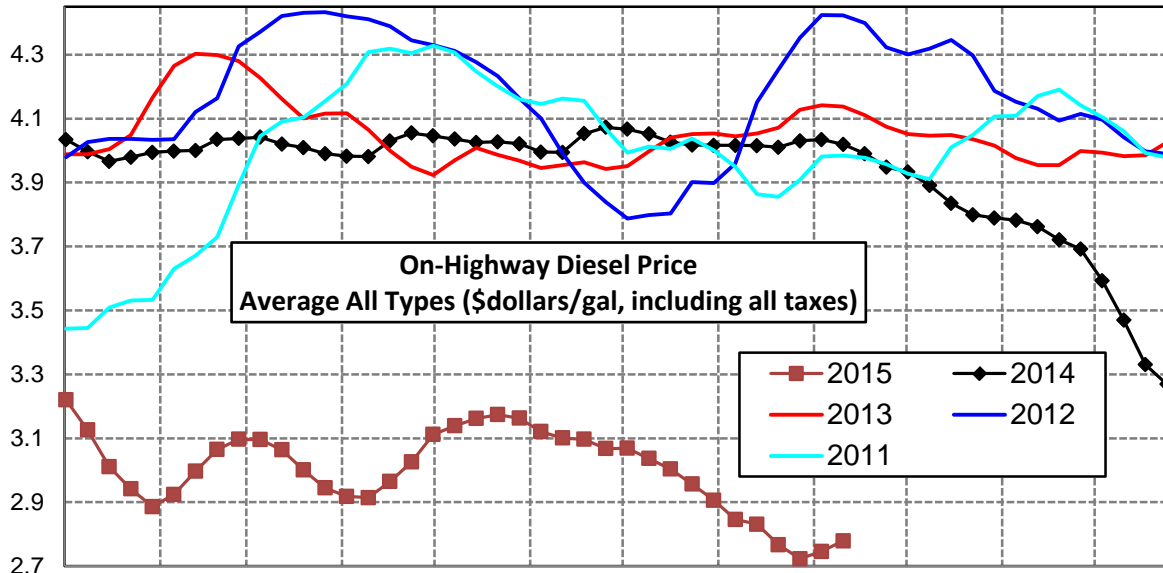
Rocky Mountain Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/			Forecast 2/	Change from week
	24Aug15	31Aug15	07Sep15	14Sep15	
Rocky Mountain	\$2.592	\$2.562	\$2.567	\$2.615	\$0.048
1/ Source: U.S. Energy Information Administration					
2/ Source: Fundamental Petroleum Trends Reports					



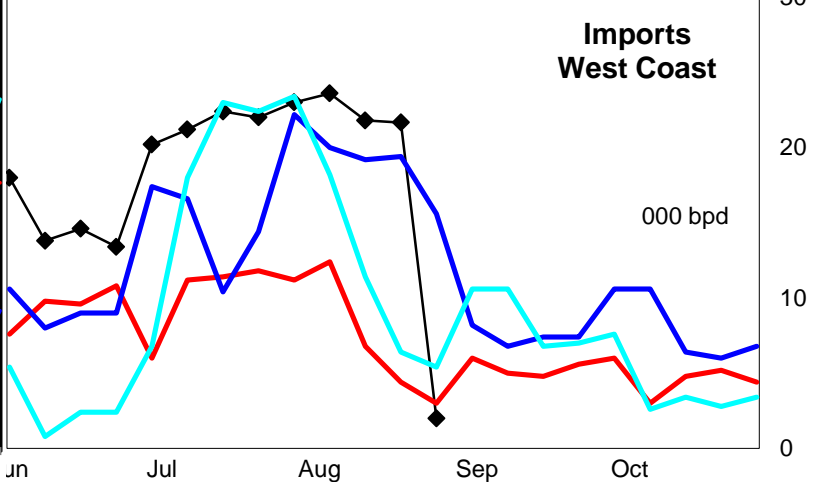
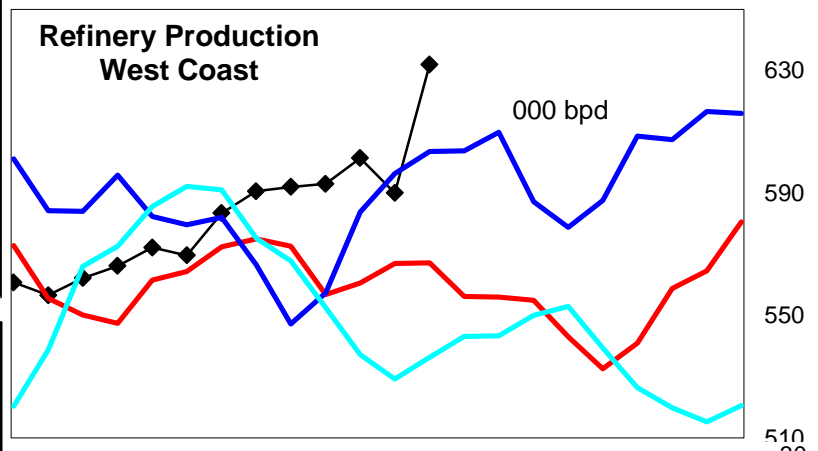
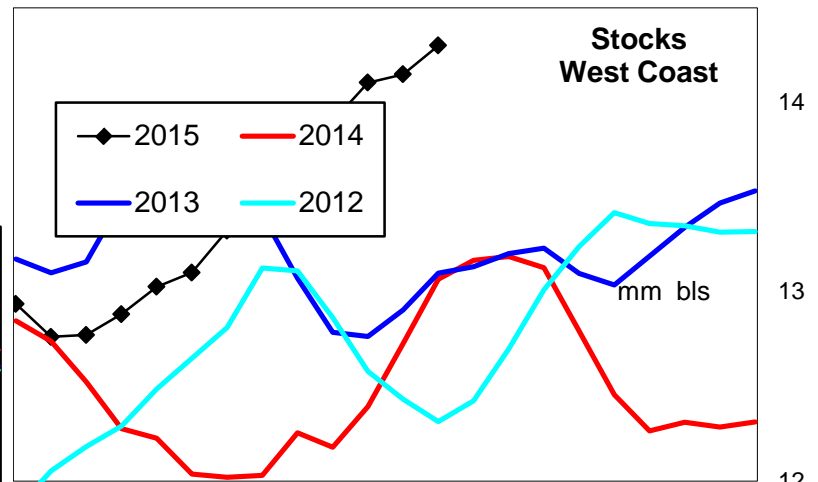
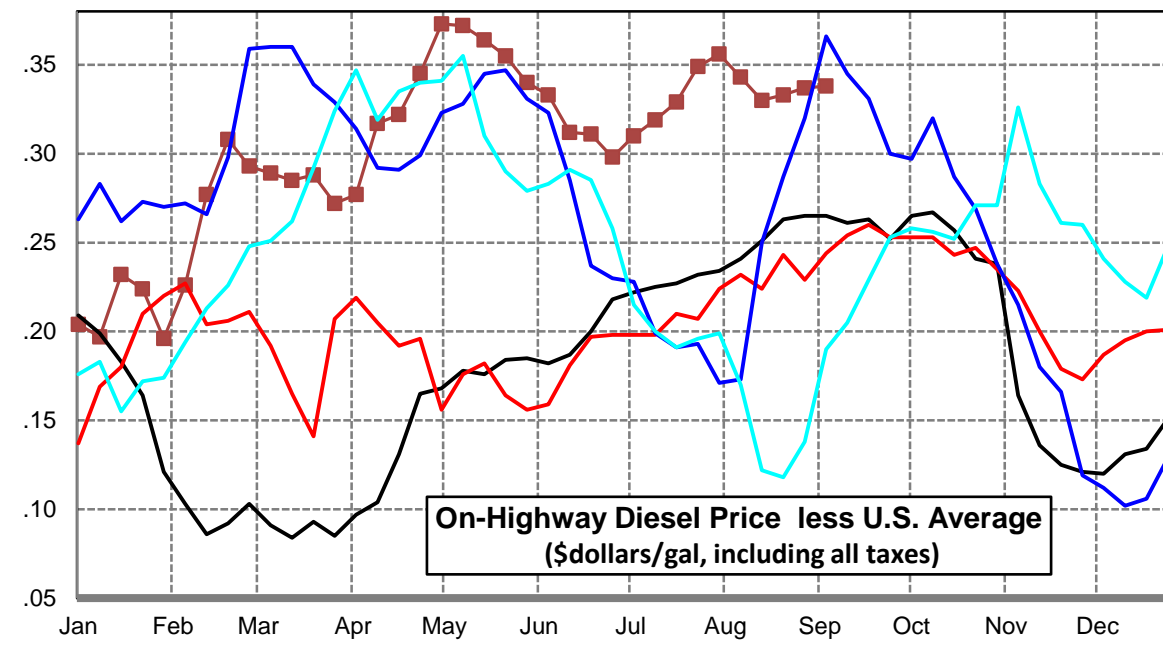
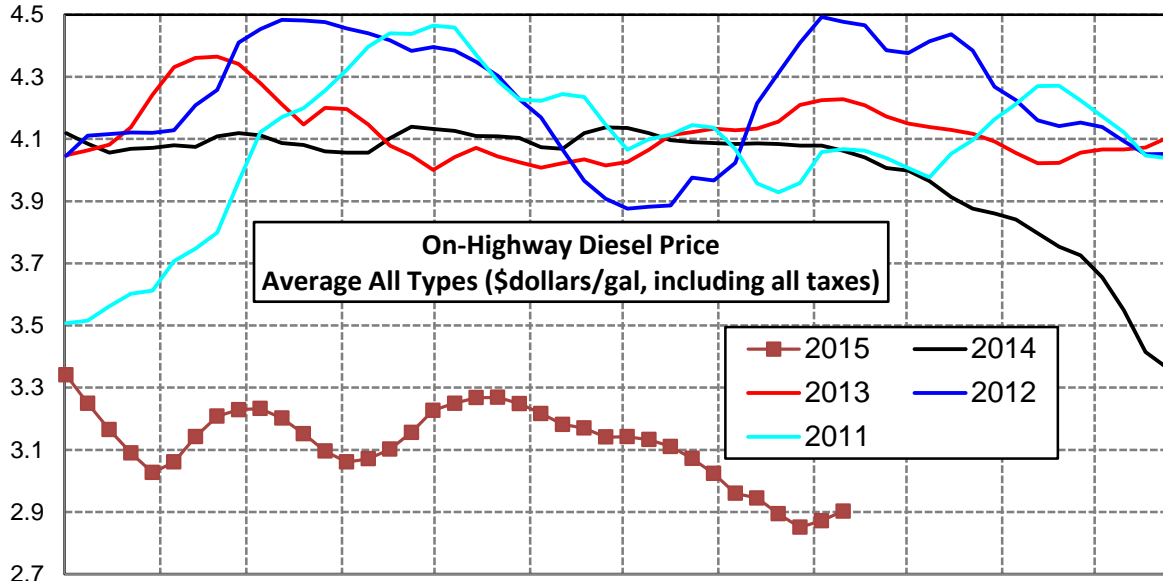
West Coast Diesel Supply Fundamentals and On-Highway Price Trends

Weekly Retail On-Highway Diesel Prices					
Region	Actual Price week ending 1/		Forecast 2/	Change from week	
	24Aug15	31Aug15	14Sep15		
West Coast	\$2.767	\$2.723	\$2.746	\$2.779	\$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
	24Aug15	31Aug15	07Sep15	14Sep15	
California	\$2.894	\$2.851	\$2.872	\$2.903	\$0.031
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-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	2.832	2.938	3.060	3.073	2.810	2.724	2.712	2.785	3.069	3.142
Mon-13-Jul-15	2.814	2.915	3.029	3.038	2.797	2.704	2.708	2.787	3.037	3.133
Mon-20-Jul-15	2.782	2.873	2.996	2.985	2.762	2.679	2.674	2.77	3.004	3.111
Mon-27-Jul-15	2.723	2.809	2.932	2.918	2.701	2.619	2.611	2.735	2.957	3.072
Mon-03-Aug-15	2.668	2.769	2.895	2.885	2.654	2.561	2.536	2.685	2.906	3.024
Mon-10-Aug-15	2.617	2.713	2.847	2.832	2.595	2.515	2.487	2.64	2.846	2.96
Mon-17-Aug-15	2.615	2.696	2.803	2.816	2.583	2.539	2.478	2.627	2.831	2.945
Mon-24-Aug-15	2.561	2.647	2.739	2.777	2.529	2.487	2.414	2.592	2.767	2.894
Mon-31-Aug-15	2.514	2.590	2.673	2.714	2.478	2.443	2.376	2.562	2.723	2.851
Mon-07-Sep-15	2.534	2.594	2.663	2.716	2.489	2.483	2.385	2.567	2.746	2.872
Mon-14-Sep-15	2.580	2.648	2.721	2.756	2.529	2.509	2.429	2.615	2.779	2.903
Mon-21-Sep-15										
Mon-28-Sep-15										
Mon-05-Oct-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.