

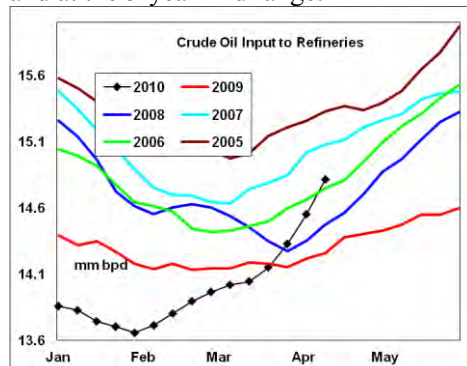
FUNDAMENTAL PETROLEUM TRENDS WEEKLY CRUDE OIL FUNDAMENTAL - PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

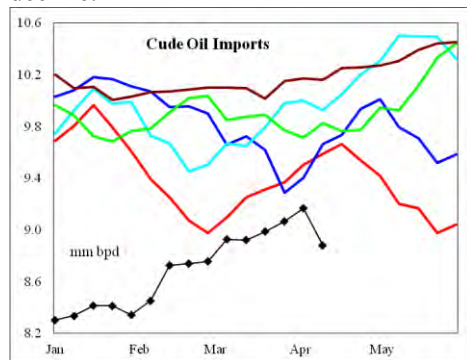
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Wednesday, April 14, 2010

Supply & Refinery Input

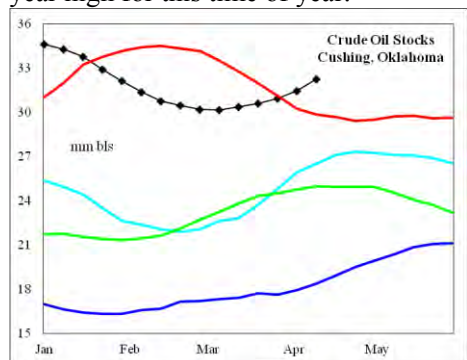
Refinery crude oil input increased +209,000 bpd last week, with the 4-wk average +282,000 bpd above last year, and at the 5-year mid range.



Crude oil imports decreased -681,000 bpd on the week, a counter seasonal decline.



Crude oil stocks decreased -2.2 million barrels last week, with draws in all regions except the Midwest. Stocks increased +1.2 million barrels in Cushing, lifting stock levels to a new 5-year high for this time of year.

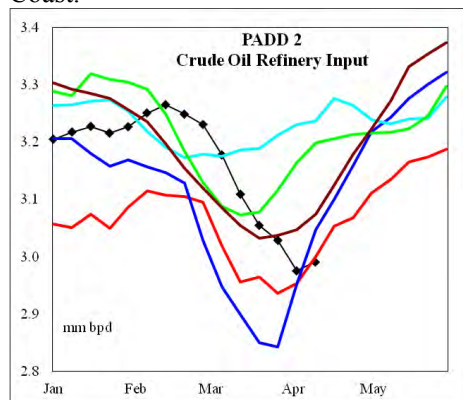


Regional Markets

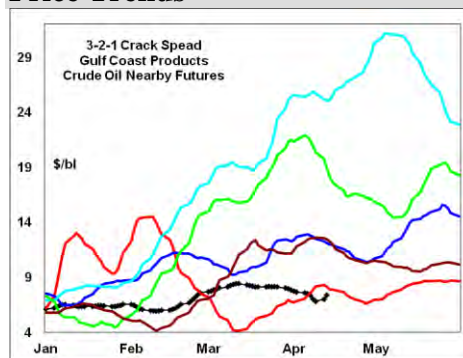
Crude oil runs increased modestly in all regions last week. Runs are at record highs in PADD 3, while PADD 2 runs

remain near historic lows. Spring maintenance in PADD 2 should wind down over the next 2-3 weeks, leading to a +250,000 bpd rise in runs. Expect high run rates in PADDs 2 and 3 over the next month to drive a strong seasonal draw in crude oil stocks.

Run rates in PADDs 1 and 5 remain at the low end of the historic range, due to refinery closures on the East Coast and weak product demand on the West Coast.



Price Trends

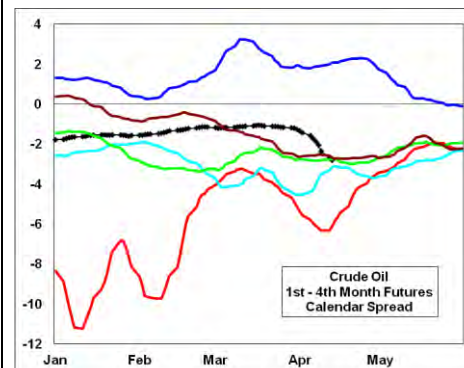


WTI crude oil prices declined -\$2.75/bbl for the week ending 13Apr10. Gulf Coast conventional gasoline fell -\$2.25/bbl and diesel was off -\$3.75/bbl for the week. These price trends caused the Gulf refining margin to trend lower during the week. The margin remains at the low end of the historic range.

The forward crude oil price curve (1st to 4th month calendar spread) trended lower on the week, in favor of the deferred contact. The spread ended the week at the historic mid range.

The WTI - Brent crude oil price spread declined on the week, in favor of

Brent, ending the week near the historic mid range.



Global Crude Price Differentials

WTI prices, compared to other global crude oil grades, trended higher on the week. WTI prices continued to trade at the high end of the historic range compared to Asian grades, at the mid range versus Middle East and Eastern European grades and at the low end of the historic range against heavy crude oil streams.

Refined Product Trends

Gasoline demand has increased +476,000 bpd during the last 4-wks, the steepest increase in this period of the last 5-years. Inclement weather during February, followed by unusually warm temperatures during March contributed to the increase. However, an improving U.S. economy is also an underlying factor.

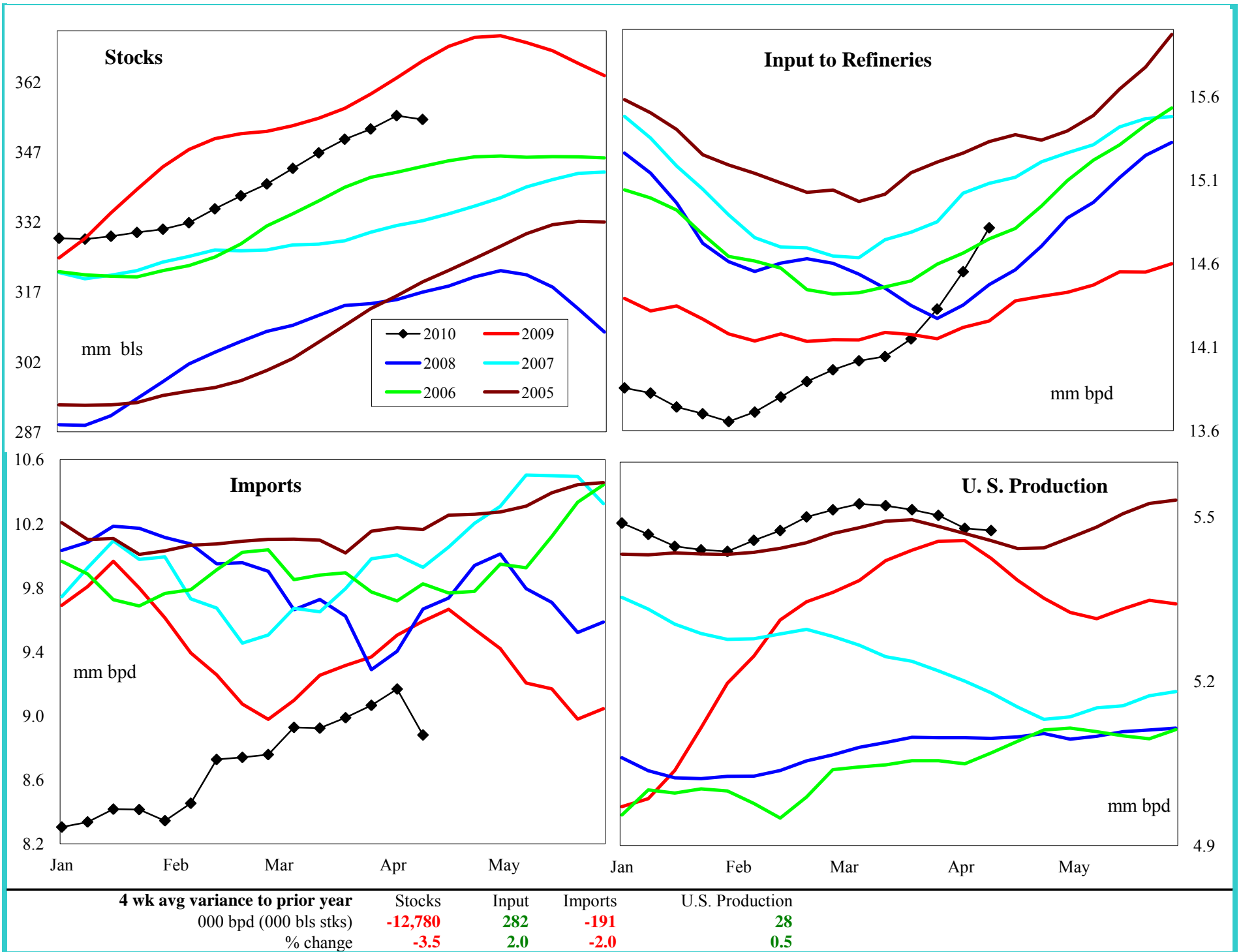
Distillate demand remains extremely week, due in part to unusually warm temperatures in the Northeast that limited heating fuel use last month. Economic growth may have partially offset this drop in heating oil use, but distillate and jet fuel demand each remain below year ago levels.

Emerging Trends

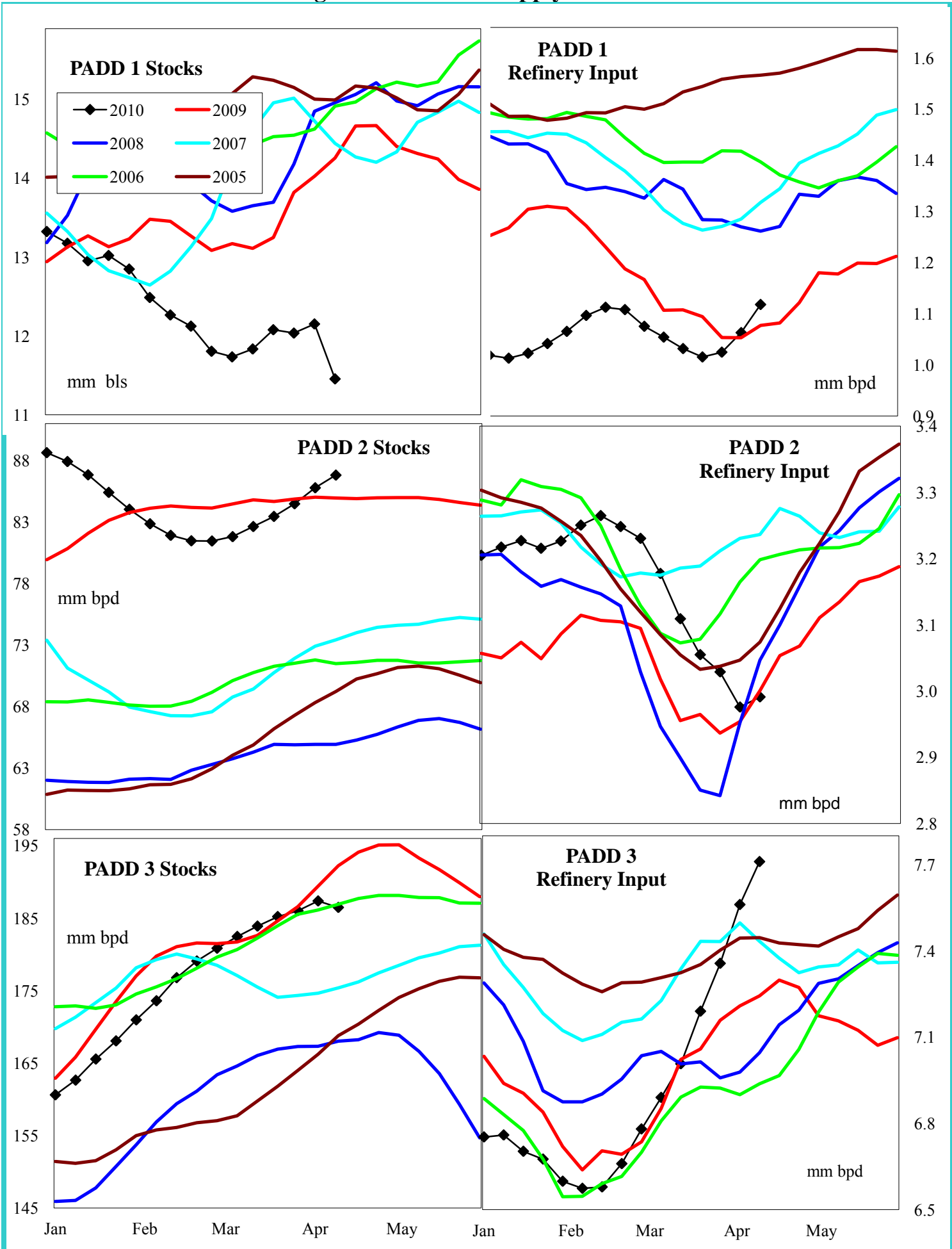
High crude oil run rates should lead to a seasonal crude oil stock draw during the remainder of the 2nd quarter. This should lead to renewed strength in the prompt versus deferred month price spread. Extremely high transport fuel stocks may drive a price pull back during the 2nd quarter.

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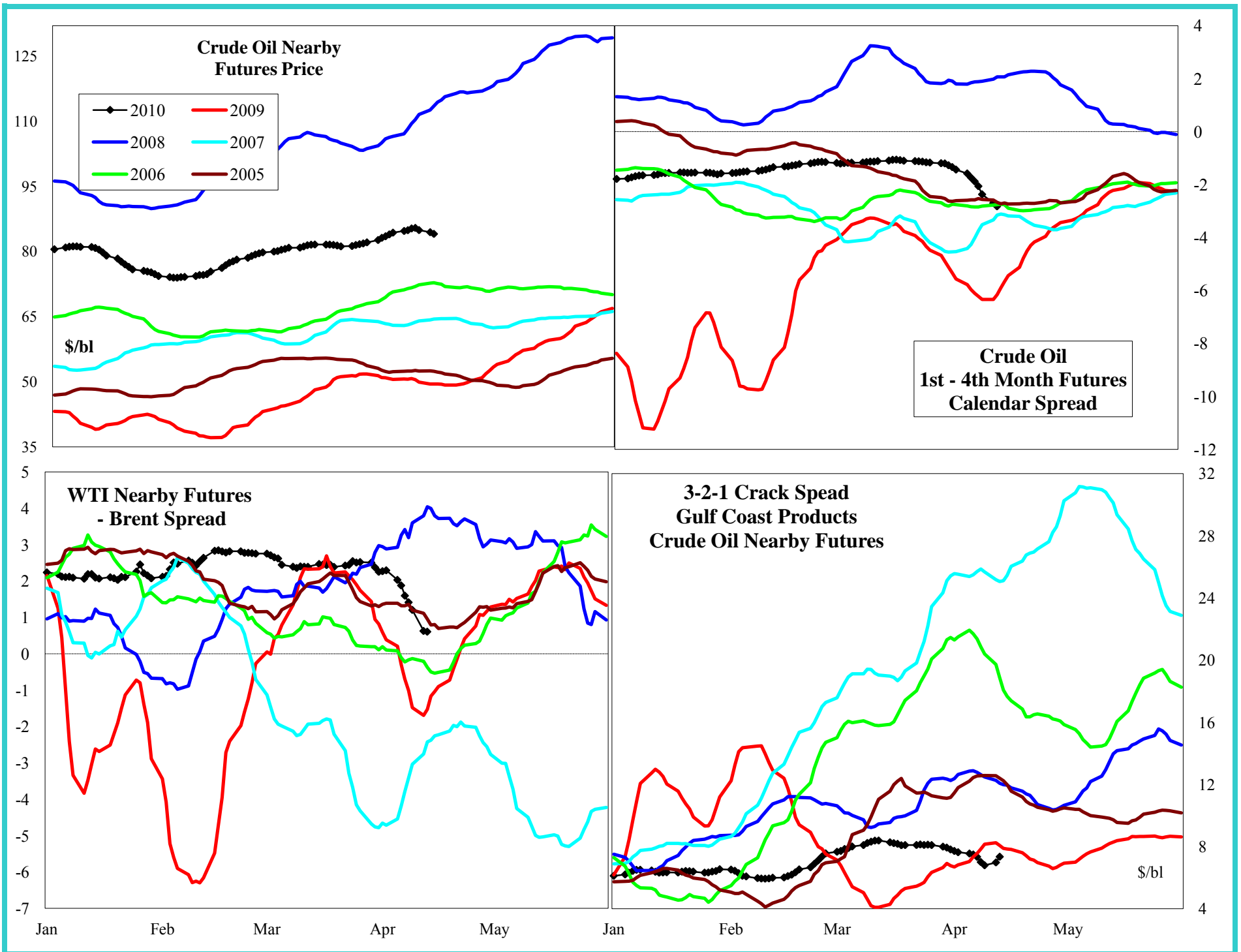
United States Crude Oil Supply and Demand Balance



Regional Crude Oil Supply / Demand



Crude Oil Price and Margin Trends



WTI Price Spread to Global Crude Oil Grades

