OPIS INTERNATIONAL FEEDSTOCKS INTELLIGENCE

Daily Products and Feedstocks Wire

Daily report on spot price assessment and cargo movements of refinery feedstocks and finished prices

To align the following data, change the font size to 9 in Courier New

April 04, 2012

LATEST MARKET ASSESSMENTS (CENTS PER GALLON EXCEPT WHERE NOTED)

	U.S.GULF	U.S.W.C. (Los Angeles)	U.S.E.C.
70/30 SPLIT*	328.1790	321.3040	- - -
UNLEADED REGULAR	334.110	320.110**	- - -
NO. 2 OIL	314.340	324.090	- - -
WTI (MAY)	101.47	101.47	
WTI (JUN)	102.03		
ANS		118.72	

* 70/30 Split is based on Gulf Coast Waterborne values.
** Los Angeles CARBOB
(WTI and ANS prices shown in dollars per bbl)

VGO ASSESSMENTS

VGO (LOW SULFUR) CARGO*	325.50-330.30	- - -	- - -
LOW SUL. DIFF. TO SPLIT	(-2.65/ 2.10)	- - -	- - -
LOW SUL. DIFF. TO WTI	(35.25/ 37.25)	- - -	- - -
VGO (MED SULFUR) CARGO	321.95-324.35	- - -	- - -
MED SUL. DIFF. TO SPLIT	(-6.25/ -3.85)	- - -	- - -
MED SUL. DIFF. TO WTI	(33.75/ 34.75)	- - -	- - -
VGO (HIGH SULFUR) CARGO	319.00-321.35	- - -	- - -
HIGH SUL. DIFF. TO SPLIT	(-9.20/ -6.80)	- - -	- - -
HIGH SUL. DIFF. TO WTI	(32.50/ 33.50)	- - -	- - -

*all cargo prices are on a delivered, ex-duty basis
(All VGO differentials to WTI or ANS shown in dollars per bbl)

VGO (LOW SULFUR) BARGE	323.75-326.10	316.30-318.30	- - -
LOW SUL. DIFF. TO SPLIT	(-4.45/ -2.05)	(-5.00/ -3.00)	- - -
LOW SUL. DIFF. TO WTI	(34.50/ 35.50)	(31.40/ 32.20)	- - -
LOW SUL. DIFF. TO ANS	- - -	(14.15/ 14.95)	- - -
VGO (MED SULFUR) BARGE	317.80-322.55	- - -	- - -
MED SUL. DIFF. TO SPLIT	(-10.40/ -5.65)	- - -	- - -
MED SUL. DIFF. TO WTI	(32.00/ 34.00)	- - -	- - -
VGO (HIGH SULFUR) BARGE	315.40-317.80	311.80-312.80	- - -
HIGH SUL. DIFF. TO SPLIT	(-12.75/-10.40)	(-9.50/ -8.50)	- - -
HIGH SUL. DIFF. TO WTI	(31.00/ 32.00)	(29.50/ 29.90)	- - -
HIGH SUL. DIFF. TO ANS	- - -	(12.25/ 12.65)	- - -

FORWARD VGO ASSESSMENTS

VGO (LOW SULFUR) CARGO*	326.85-331.60	- - -	- - -
LOW SUL. DIFF. TO WTI	(35.25/ 37.25)	- - -	- - -
VGO (MED SULFUR) CARGO	323.30-325.65	- - -	- - -
MED SUL. DIFF. TO WTI	(33.75/ 34.75)	- - -	- - -
VGO (HIGH SULFUR) CARGO	320.30-322.70	- - -	- - -
HIGH SUL. DIFF. TO WTI	(32.50/ 33.50)	- - -	- - -

*all cargo prices are on a delivered, ex-duty basis
(All VGO differentials to WTI or ANS shown in dollars per bbl)

VGO (LOW SULFUR) BARGE	325.05-327.45	- - -	- - -
LOW SUL. DIFF. TO WTI	(34.50/ 35.50)	- - -	- - -
VGO (MED SULFUR) BARGE	319.10-323.90	- - -	- - -
MED SUL. DIFF. TO WTI	(32.00/ 34.00)	- - -	- - -
VGO (HIGH SULFUR) BARGE	316.75-319.10	- - -	- - -

HIGH SUL. DIFF. TO WTI	(31.00/ 32.00)	- - -	- - -

OTHER FEEDSTOCK ASSESSMENTS

LT. CYCLE OIL	310.35-311.35	274.50-276.50	- - -
LT. CYCLE DIFF TO NO.2	(-4.00/ -3.00)	(-49.60/-47.60)	- - -
LS LT. CYCLE OIL	313.85-314.85	- - -	- - -
LS LT. CYCLE DIFF TO NO.2	(-0.50/ 0.50)	- - -	- - -
NAPHTHA (OFFSHORE 40N+A)	292.60-294.60	- - -	- - -
DIFF. TO W-BORNE UNL	(-41.50/-39.50)	- - -	- - -
NAPHTHA (DOMESTIC 40N+A)	293.10-295.10	- - -	- - -
DIFF. TO W-BORNE UNL	(-41.00/-39.00)	- - -	- - -
PARAFFINIC NAPHTHA ($/MT)	1011.75-1012.25	- - -	- - -
N. GASOLINE ($/MT)	940.25-960.65	- - -	- - -
ALKYLATE	376.11-376.61	- - -	- - -

ST. RUN RESID (LO SUL)	127.95-129.95	- - -	- - -
LOW SUL. DIFF. TO WTI	(+26.50/+28.50)	- - -	- - -
ST. RUN RESID (HI SUL)	111.45-112.45	- - -	- - -
HIGH SUL. DIFF. TO WTI	(+10.00/+11.00)	- - -	- - -

(All St. Run prices and differentials shown in dollars per bbl)

NO. 6 OIL .3% HIGH POUR	- - -	- - -	129.95-130.15
NO. 6 OIL 1.0%	- - -	- - -	121.00-121.20
NO. 6 OIL 3%	109.25-109.40	- - -	109.60-109.80

(All heavy fuels prices shown in dollar per bbl)

PROMPT REFINED PRODUCTS	(WATERBORNE)		
UNLEADED REGULAR	333.86-334.36	- - -	- - -
NO. 2 OIL	314.09-314.59	- - -	- - -
JET 54	322.59-323.09	- - -	- - -

FORWARD REFINED PRODUCTS	(WATERBORNE)		
UNLEADED REGULAR	330.26-331.26	- - -	- - -
NO. 2 OIL	314.39-314.89	- - -	- - -

PROMPT REFINED PRODUCTS	(COLONIAL PIPE)		
UNLEADED REGULAR	322.11-322.61	319.36-320.86	332.86-333.86
NO. 2 OIL	312.84-313.34	323.59-324.59	314.59-315.59
JET 54	321.09-321.59	- - -	324.59-325.59

FORWARD REFINED PRODUCTS	(COLONIAL PIPE)		
UNLEADED REGULAR	319.11-319.36	317.28-319.28	327.36-328.36
NO. 2 OIL	313.04-313.54	- - -	314.59-315.59

ANY CURRENT MONTH NGL ASSESSMENTS*

N. GASOLINE (RIVER) ANY	239.000-244.125	- - -	- - -
N. GASOLINE (RIVER) OUT	239.000-244.125	- - -	- - -
PROPANE TET	118.250-120.500	- - -	- - -
NORMAL BUTANE TET	177.500-182.000	- - -	- - -
ISOBUTANE TET	203.500-205.500	- - -	- - -

* Except where noted as out month

MARKET OVERVIEW:

4/4/2012 - Oil futures let off steam for a second consecutive day after the U.S. Department of Energy reported a much larger-than-anticipated crude oil build.

This morning’s DOE report showed a 9-million bbl build in crude stocks by the end of last week versus the prior week, bringing total inventories to 364.2 million bbl. That’s the highest volume of crude on hand in the United States since mid-June of last year. The build far surpassed the 2-2.5-million bbl increase that many analysts expected yesterday and was even higher than the 7.8-million bbl jump reported by the American Petroleum Institute.

The build sent futures swiftly turning lower mid-morning, compounding the already present weakness seen in the crude and heating oil ring.

May WTI shed $2.54 to settle at $101.47/bbl, dropping to the lowest point since mid-February on a second consecutive session of decreasing values. Market watchers mused today that WTI could test support at $100/bbl in the coming sessions but likely would not settle in the double digits.

RBOB started the day with gains of more than a penny and looked poised to make another run past the $3.4210/gal resistance point. But, once the DOE report was released, contracts reversed course and sank. Settlements came in at $3.3336/gal, down 6.18cts on the day.

Adding to pressure, gasoline funds long in the market were selling heavily and there was additional pressure from the $40/bbl-plus gas crack spreads earlier today, based on WTI.

All that doesn't mean RBOB has peaked for the season, said one market watcher who called today's slide "just part of the wave." The source went on to say there needs to be additional long length quelled and the market needs to move a bit lower before a buying opportunity would arise that would push futures higher. OPIS historical data shows similar to the activity seen in prior years before the early spring peak.

News also broke today of the price tag on Delta's bid for ConocoPhillips Trainer, Pa., plant. OPIS reported earlier this week Delta was a bidder for the shuttered Delaware River facility. Today, news reports said Delta was bidding over $100 million for the facility. The airline hopes to reduce fuel costs by refining oil themselves. The plant is capable of producing 23,000 b/d of jet fuel.

FEEDSTOCKS:

The USGC 70/30 crack weakened by 56cts/bbl today to $36.37/bbl versus May WTI.

The USGC waterborne unleaded crack was off by 63cts/bbl to $38.86/bbl.

The USGC waterborne high sulfur No. 2 crack came off by 40cts/bbl to $30.55/bbl.

Trading sources today said that with low sulfur cargoes expected to land in the Gulf Coast in the second half of April there could be a lull in that market until then. However, barge sweet VGO trading continues.

A low sulfur barge deal was done at May WTI plus $35.00/bbl for 90,000-115,000 bbl on one or two bottoms delivered Houston-area basis April 11-15. Specs on the product included 0.49% sulfur, 176 aniline, and 760 nitrogen.

Meanwhile, cargo sweet VGO cargo is said to be fetching as much as $37/bbl or a little more over WTI in some cases.

In high sulfur, the PDVSA sell tender for two 300,000-bbl high sulfur cargoes was settled today, with a trader buying versus OPIS high sulfur VGO assessments with delivery slated for the U.S. Gulf Coast, U.S. East Coast, or the Caribbean. Loading dates are April 5-7 and April 10-12 for the 2.2% maximum sulfur cargoes.

Another high sulfur barge was purchased by a Houston-area refiner at WTI plus $31.25/bbl for "Lake Charles quality" VGO.

Heavy 40 N+A naphtha values continue to hover around 40cts/gal under USGC waterborne unleaded.

A major today purchased a barge volume of 36 N+A, 142 IBP, 3.25 RVP naphtha at USGC waterborne unleaded minus 41.00cts/gal delivered Houston-area basis.

Better-quality naphtha (46 N+A, 17 ppm sulfur) traded at USGC waterborne unleaded minus 37.00cts/gal delivered basis and was viewed as having garnered a hefty quality premium.

REFINED PRODUCTS:

IN GASOLINE

U.S. GULF COAST gasoline trading either inched higher or fell noticeably amid the downpour in RBOB futures trading Wednesday, with all grades losing serious value but a pricing divergence erupting between 9.0-lb. and 7.8-lb. RVP specs.

The 9.0-lb. M2 conventional unleaded scaled upwards to 10.75-11cts under the May RBOB futures index to continue running near some of the highest differentials of the season. Prices that had flirted with $3.30/gal earlier this week lost about 5.50cts on the day to approximately $3.2250/gal.

The 7.8-lb. M1 clear grade, however, saw at least one aggressive seller lower offers to 0.75cts over the Merc before persuading a buyer. That's 1.50cts lower than where Tuesday's M1 market closed. It serves to show how erratic trading levels can become for this increasingly boutique fuel, especially on low liquidity days in the spot market. Prices plunged nearly 7.75cts by day's end to almost $3.34/gal.

Physical RBOB inched higher like M2, with Cycle 21 trade occurring at 4-4.50cts over the futures contract printing a full-day mean down nearly 6cts to almost $3.3750/gal. It was just this week that prices touched $3.45-$3.47/gal. Its premium-grade counterpart changed hands at 33-33.50cts over the NYMEX, or some $3.67/gal tonight.

Gulf gasoline has generally been supported by continued refinery snags that have persistently cropped up in March and now into April, plus other major markets relying more heavily this year on Gulf refiners despite relatively retarded demand.

NEW YORK HARBOR gasoline prices took a hit Wednesday and plummeted 6.5-8.5cts/gal. A big chunk of losses came from underlying futures weakness, but some selling pressure up front helped facilitate the trend lower.

VOC-controlled gasoline saw one of the biggest drops on the day, falling nearly 9cts/gal and ripping away from the $3.50/gal mark touched earlier this week. Prices closed Wednesday's session just barely over $3.40/gal. Cash differentials weakened some 3cts/gal on the day in trade, with prompt levels beginning Wednesday at a dime over the Merc and closing at just 7cts over.

CBOB 7.8-lb. gasoline prices closed just shy of $3.40/gal, with cash diffs slipping a penny to end at 6cts over the Merc. That premium fades quickly just a few days out, as a deal was confirmed at 4cts over for April 9 delivery.

Conventional unleaded has held a premium to RBOB and CBOB all through autumn and winter, but that dynamic has changed with summer-grade product. Conventional unleaded 9.0-lb. RVP prices closed more than 6.5cts lower on the day at $3.3336/gal, putting it roughly 7cts lower than RBOB and 6cts cheaper than CBOB.

Bulk gasoline prices in CHICAGO plunged Wednesday, as refiner selling compounded steep futures losses.

Prompt Cycle 1 CBOB traded from 15-30cts/gal below the May NYMEX RBOB contract. Implied prices crashed more than 22cts/gal to close at $3.0286/gal.

Trade sources said multiple refiners were offering CBOB in Chicago, pressuring the market sharply lower even as futures values crumbled.

Refineries throughout the Midwest had dialed back production in recent weeks during spring maintenance, though PADD2 capacity utilization rebounded to 92.3% last week, according to stats released today by the U.S. Department of Energy.

At the same time, total gasoline stocks in PADD2 climbed 300,000 bbl, boosting already ample stockpiles and setting the stage for further weakness, sources said.

GROUP 3 conventional unleaded N-grade prices finished 9cts/gal lower at $3.1236/gal, with the prompt market closing at 21cts/gal below May futures.

April any-timing N-grade was pricing flat to prompt.

IN DISTILLATES

Futures losses Wednesday stripped down U.S. GULF COAST distillate prices against some erratic basis movements.

On one hand, ultra-low-sulfur diesel rallied to last Friday's 7ct premiums - matching a three and a half year high. Movements were subtle in early trading, with Cycle 20 barrels trading at 5.25-5.35cts over the Merc, but late afternoon action found diffs soaring to 6-7ct premiums. Late buying interest helped boost basis on the heels of a scheduling deadline for Cycle 20 material.

ULSD basis climbed 1.50cts today, but cash prices withdrew more than a nickel with futures. Cycle 20 prices saw a five-day low at about $3.23/gal last while the mean slipped into $3.22/gal territory. This is about 8.50cts decreased from Monday's closing price.

Conversely, jet fuel trading slid 0.75cts to 5-5.50cts above the May NYMEX. Freshly-prompt Cycle 21 jet printed at $3.2159/gal last, a dime below the start of the week, with today's basis weakening plus heating oil losses.

NEW YORK HARBOR diesel fuel spot prices closed 6.5cts/gal lower on the day, thanks mostly to the sell-off on the NYMEX futures complex. Heating oil futures shed more than 6.5cts in value, and thinly traded spot diesel followed.

ULSD, closing just above $3.25/gal, was last talked 9cts over the NYMEX. An offline deal was confirmed at 9cts over for April 25 delivery.

Heating oil closed a penny below futures or just over $3.15/gal.

CHICAGO ULSD prices crumbled to $3.1609/gal, with spot premiums holding at 25pts above the May NYMEX heating oil contract.

GROUP 3 ULSD X-grade prices slipped to $3.2119/gal, with a deal heard done at 5.1cts/gal over May futures.

RESIDUAL FUEL:

NYMEX May WTI settled $2.54/bbl lower today at $101.47/bbl, and spot residual fuel oil values were weaker across the board.

On the East Coast, Vitol sold 120,000 bbl of 1% sulfur resid to Cargill at $121.10/bbl delivered New York Harbor basis in an April 16-20 window.

Also on the East Coast, Sunoco sold 120,000 bbl of 0.3% sulfur high pour resid to Trafigura at 1% sulfur resid assessments plus $8.95/bbl delivered New York Harbor basis in an April 14-18 window.

Also on the East Coast, Macquarie sold 120,000 bbl of 3% sulfur resid to Glencore at $109.70/bbl delivered New York Harbor basis in an April 14-18 window.

In the Gulf Coast market, 3% sulfur resid traded on the front end at $109.25/bbl and $109.40/bbl fob Houston basis.

In the derivatives market, East Coast 1% swaps were last seen at $120.15/bbl, $118.55/bbl and $117.50/bbl for April, May and June, and the corresponding months for Gulf Coast 3% swaps were last seen at $109.45/bbl, $109.05/bbl and $108.70/bbl.

NEWS:

***SYNCRUDE CANADA MARCH OIL SANDS OUTPUT DOWN 21% AT 252,300 B/D: COST

Production of oil sands from the Syncrude project in Fort McMurray, Alberta, in March stood at 252,300 b/d, down some 21% from the month prior, according its largest equity owner, Canadian Oil Sands Trust (COST).

The decline was tied to maintenance on the facility’s coker 8-1, COST said in its report Wednesday.

The repairs are set to complete in mid-April, the company said.

The latest figure represents an 18.5% or 57,400 b/d decline from total production registered in March 2011, based on COST data.

The Syncrude project is administered by Syncrude Canada for co-owners: COST (36.74%), Imperial Oil (25%), Suncor Energy (12%), Sinopec Oil Sands (9.03%), Nexen Oil Sands (7.23%), Mocal Energy (5%) and Murphy Oil (5%).

The Syncrude operation mines oil sand, extracts the raw oil known as bitumen and upgrades it into high-quality, sweet light crude oil. The upgrading process subjects the bitumen to fluid coking, hydroprocessing, hydrotreating and re- blending.

--Sheela Tobben, stobben@opisnet.com

PRODUCT SPECIFICATIONS:

The 70/30 Split and the Refined Spot prices for the U.S. Gulf Coast are based on the Gulf Coast Waterborne Unleaded Regular 7.8PSI Full Day Average Prompt and Gulf Coast Waterborne High Sulfur No2 Full Day Average Prompt prices. The differentials for Naphtha and Light Cycle Oil prices are always against the Gulf Coast Waterborne Prompt Unleaded and No2 spot prices respectively. The 70/30 Split and the Refined Spot prices for the U.S. West Coast are based on the Los Angeles CARBOB Regular Unleaded Full Day Average Prompt and Los Angeles Ultra Low Sulfur No 2 Full Day Average Prompt prices. The Refined Spot prices for the U.S. East Coast are based on the NY Harbor Barge Unleaded Regular Full Day Average Prompt and NY Harbor Barge High Sulfur No2 Full Day Average Prompt prices. The midgrade and premium prices, where applicable, also refer to the same gasoline Spot products.