
OPIS JET FUEL REPORT

A Daily Report on Jet Fuel Contract and Spot Prices, plus News and Commentary

JET PRICES PLUNGE AS EQUITIES, WEAK DEMAND TAKE HOLD OF FUTURES

3/30/2009 - Petroleum prices plunged to start the week as weakness in financial markets once again took the helm and steered commodities futures sharply lower.

Purveyors of financial malaise got their second wind today as increased economic uncertainty and financial pressure tugged markets down around the globe. Much of the downshift in equities came after the Obama administration announced a plan for U.S. carmakers General Motors and Chrysler that was far from reassuring. The plan forced GM CEO Rick Wagoner out of his leadership position and gave the struggling automakers one last chance to "fundamentally restructure." The fact that Obama mentioned the word "bankruptcy" didn't help garner support for the distressed car industry.

As a result, U.S. equities markets tumbled more than 3.5% for the day, and petroleum futures went along for the ride. The dollar strengthened against the euro, expanding the losses for oil futures by making commodities a less-attractive buy.

The run-up in equities over the past couple of weeks left a lot of room for adjustment to the downside, so today's losses were not completely unexpected. A similar spike in oil prices over the last few weeks also left oil futures open to today's steep losses.

With economic recovery still dubious, the recent rally in oil prices seemed premature to some oil analysts. One recent look at current activity in the oil options market suggested crude oil futures could dip to the low-\$40/bbl range or even the high \$30/bbl range before they make another run at the \$60/bbl mark.

Oil prices were well on their way to those levels after today's session. Crude oil dropped back to the \$48/bbl range, closing down nearly \$4/bbl at \$48.41/bbl. Since Thursday, May WTI futures have lost more than 10% of value.

RBOB futures pulled off losses of more than a dime, falling to \$1.38/gal. Heating oil futures fell by 9cts to \$1.3426/gal. RBOB and heating oil futures have lost more than 9% in value in just two trading sessions. Refined products prices especially were hammered today due to sentiment that there is no way gasoline and diesel supply will be snug in April. Analysts expect this week's Department of Energy petroleum status report to show very little evidence of any supply tightness.

Today's pricing downshift helps solidify the first quarter of 2009 as the cheapest quarter to purchase jet fuel since the end of 2004. Prices dropped at least 7cts/gal across the country today, and some markets lost more than a dime due to the NYMEX losses and lower basis levels. March jet fuel prices in the U.S. Gulf Coast are set to average \$1.26/gal, roughly on par with the February average and bringing the first quarter average to the low \$1.30/gal range.

U.S. Gulf Coast cash differentials kept the sinking trend going today. Last Tuesday, Gulf Coast jet fuel was trading at a 3ct premium to the Merc. By Friday, basis levels had fallen to Merc-level, and today they shifted back into negative territory. Trading was confirmed at 0.75cts, 1ct and 1.25cts under futures and finished today at a penny discount to April heating oil. Implied cash prices moved to about \$1.3325/gal, 10cts under Friday's close and the lowest closing value in a week and a half.

New York Harbor jet fuel prices fell by nearly 9.3cts. Trading shifted to a 5ct premium to May heating oil, off 0.25cts from last week's trading levels. Implied cash prices dropped to about \$1.3850/gal, the lowest price in a week and a half.

Los Angeles jet fuel prices fell back about 9.5cts to about \$1.3920/gal by close. Trades were confirmed done at premiums of 5cts, 4.75cts, 3.75cts and 3.5cts over May heating oil futures. Like in New York and the Gulf, LAX prices are the lowest in a week and a half, but trading differentials are within the range seen over the last few weeks.

Midwest cash prices saw the most minimal losses in the country at basis levels strengthened. Pegged 6.5cts over April heating oil, Group 3 jet fuel dropped about 8.6cts to right around 1.4075/gal.

Chicago jet remained moved to a 2ct premium to May futures. Implied cash prices fell to just under \$1.37/gal, off 7cts from Friday.

Jet fuel prices fell in Asia and Europe as well. In Singapore, jet fuel prices weakened for the first time in two weeks, to about \$1.4425/gal. Northwest Europe jet fuel prices pulled back by about 4cts/gal to the equivalent of \$1.4450/gal, weighted down by losses for ICE gasoil futures but kept from greater losses by stronger trading differentials.

Today's Jet Fuel Spot Prices, Excluding Superfund

Market	Low	High	Close	Change	5 Day Avg	30 Day Avg	ULS2 Close	ULS2/Jet Diff
NY Harbor	139.46	140.46	139.96	-9.34	150.08	130.72	142.46	-2.50
Gulf Coast	133.01	133.51	133.26	-10.02	144.87	124.99	135.01	-1.75
Group 3	140.26	141.26	140.76	-8.62	148.16	123.12	135.76	5.00
Chicago	136.46	137.46	136.96	-7.09	144.69	123.36	132.96	4.00
Los Angeles	138.46	139.96	139.21	-9.47	149.00	129.40	137.84	1.37
San Francisco	137.46	138.96	138.21	-9.47	148.00	128.78	137.96	0.25
Pacific NW	138.46	139.96	139.21	-9.47	149.00	129.41		
NW Europe	143.95	144.95	144.45	-4.05	149.28	-- --		
Singapore	143.75	144.75	144.25	-7.05	149.42	-- --		
U.S. Spot Avg	137.52	138.60	138.06	-9.00	147.46	126.73		
World Spot Avg	139.10	140.16	139.63	-8.14	147.94	126.73		

Current Refined Products Price Table

Market	Jet	WtgAvg	55Kero	HS#2	LS#2	ULS#2	Unl	Pre	WTI
NY Harbor	139.96	-- --	143.46	133.51	134.26	142.46	124.99	138.99	48.41
Gulf Coast	133.26	133.26	135.26	129.46	134.26	135.01	129.03	137.03	
Group 3	140.76	-- --	-- --	-- --	135.76	135.76	128.99	137.49	
Chicago	136.96	-- --	-- --	-- --	127.96	132.96	132.63	145.63	
Los Angeles	139.21	139.06	-- --	-- --	-- --	137.84	137.63	150.63	
San Francisco	138.21	-- --	-- --	-- --	-- --	137.96	137.63	146.63	
Pacific NW	139.21	-- --	-- --	-- --	135.26	138.26	-- --	161.18	

Jet Fuel Cash Differentials

Market	Gulf	NY	Chicago	Group 3	LA	NYMEX	Next
3/9/2009	-7.50	2.00	-6.00	-4.50	-0.75	121.54	122.79
3/10/2009	-6.25	1.25	-7.00	-4.50	-1.00	119.87	121.22
3/11/2009	-1.50	1.75	-7.00	-6.00	0.00	113.31	114.71
3/12/2009	-2.00	3.00	-6.00	-6.00	1.75	122.64	123.76
3/13/2009	-2.50	4.00	-6.00	-6.00	2.00	119.72	120.76
Wk Avg	-3.95	2.40	-6.40	-5.40	0.40	119.42	120.65
3/16/2009	-5.00	4.50	-6.00	-5.00	1.75	121.30	122.55
3/17/2009	-5.00	5.00	-6.00	-5.00	2.75	127.47	128.82
3/18/2009	-2.25	4.50	-5.00	-4.50	3.38	126.40	127.92
3/19/2009	-2.75	4.50	-4.50	-5.00	3.75	135.63	137.13
3/20/2009	-3.00	4.50	-4.50	-4.00	4.50	138.34	139.98
Wk Avg	-3.60	4.60	-5.20	-4.70	3.23	129.83	131.28
3/23/2009	-2.25	4.50	-4.50	-4.00	4.00	147.07	148.49
3/24/2009	-1.00	5.00	-2.00	-0.50	2.50	149.96	151.38
3/25/2009	3.00	5.25	-2.00	0.50	2.50	146.47	147.53
3/26/2009	2.50	5.50	0.00	6.10	4.25	148.13	148.94
3/27/2009	0.00	5.25	0.00	6.10	4.63	143.28	144.05
Wk Avg	0.45	5.10	-1.70	1.64	3.58	146.98	148.08
3/30/2009	-1.00	5.00	2.00	6.50	4.25	134.26	134.96
3/31/2009							
4/1/2009							
4/2/2009							
4/3/2009							
Wk Avg	-1.00	5.00	2.00	6.50	4.25	134.26	134.96

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Commercial Airline Jet Fuel Ranges

Contract Prices for jet fuel delivered into major airline storage in cts/gal, ex-taxes and discounts but excluding superfund line item.

	LOW	HIGH	AVG	DEL. SPOT		LOW	HIGH	AVG	DEL. SPOT
ALBANY, NY	148.58	148.58	148.58	—	AKRON/CANTON, OH	143.40	143.40	143.40	153.01
ATLANTA, GA	129.57	151.08	138.58	150.11	CHATTANOOGA, TN	139.10	139.10	139.10	—
AUSTIN, TX	132.39	132.39	132.39	150.26	CHICAGO, IL	152.81	152.81	152.81	150.61
BALTIMORE, MD	131.60	148.97	140.29	150.37	CINCINNATI, OH	133.84	133.84	133.84	152.51
BANGOR, ME	144.85	144.85	144.85	—	CLEVELAND, OH	126.75	133.59	130.17	152.01
BATON ROUGE, LA	135.10	162.55	148.83	149.11	COLUMBIA, MO	168.80	168.80	168.80	152.76
BIRMINGHAM, AL	155.92	155.92	155.92	151.26	COLUMBUS, OH	133.19	142.15	137.67	153.26
BOND-MIAMI, FL	132.60	132.60	132.60	—	DAYTON, OH	133.24	133.24	133.24	153.51
BOSTON, MA	139.85	139.85	139.85	153.01	DES MOINES, IA	156.25	156.25	156.25	152.51
BUFFALO, NY	143.35	145.85	144.60	158.65	DETROIT, MI	129.13	131.13	129.96	154.86
CHARLESTON, SC	157.32	160.53	158.93	150.51	FARGO, ND	156.35	156.35	156.35	—
CHARLOTTE, NC	135.10	148.02	141.56	150.11	GREEN BAY, WI	—	—	—	155.01
DALLAS METRO, TX	130.99	163.45	141.85	149.51	INDIANAPOLIS, IN	151.62	151.62	151.62	151.51
DC/DULLES, VA	131.10	148.62	139.86	150.36	KANSAS CITY, KS	134.79	134.79	134.79	152.26
FT. LAUDERDALE, FL	132.10	164.50	145.68	151.26	LEXINGTON, KY	—	—	—	—
GREENSBORO, NC	135.10	149.07	142.09	151.01	LOUISVILLE, KY	134.44	134.44	134.44	153.51
GULF COAST, TX	159.30	159.30	159.30	148.26	MEMPHIS, TN	131.14	131.14	131.14	151.51
HARTFORD, CT	142.58	142.58	142.58	155.65	MILWAUKEE, WI	132.04	132.04	132.04	154.01
HOOVER'S PT., FL	131.10	131.60	131.35	151.61	MINNEAPOLIS, MN	133.14	133.14	133.14	155.26
HOUSTON, TX	131.10	159.30	145.52	149.51	OKLAHOMA CITY, OK	132.83	165.50	149.17	151.51
JFK, NY	136.28	137.85	137.07	151.26	OMAHA, NE	129.23	167.00	146.28	153.01
LINDEN, NJ	—	—	—	150.26	RAPID CITY, SD	156.70	156.70	156.70	—
LITTLE ROCK, AR	152.52	161.95	157.09	151.01	SALINA, KS	169.45	169.45	169.45	—
MIAMI, FL	132.10	156.47	144.29	151.26	SIOUX FALLS, SD	157.10	157.10	157.10	—
MOBILE, AL	135.83	142.10	138.97	151.26	ST. LOUIS, MO	161.70	161.70	161.70	151.61
NASHVILLE, TN	—	—	—	151.26	TOPEKA, KS	—	—	—	—
NEW ORLEANS, LA	130.60	130.60	130.60	150.26	TULSA, OK	144.77	163.70	157.33	150.76
NEWARK, NJ	137.35	137.35	137.35	151.11	WICHITA, KS	135.63	135.63	135.63	—
NEWBURGH, NY	144.85	144.85	144.85	159.40					
NORFOLK, VA	135.10	135.10	135.10	151.26	Contract Avg. Midwest			145.28	
ORLANDO, FL	132.60	171.35	145.60	153.51	ALBUQUERQUE, NM	166.25	166.25	166.25	—
PHILADELPHIA, PA	139.60	139.60	139.60	151.76	AMARILLO, TX	163.35	163.35	163.35	—
PITTSBURGH, PA	140.85	140.85	140.85	156.90	ANCHORAGE, AK	135.65	145.55	140.60	155.00
PORTLAND, ME	145.23	145.23	145.23	158.90	BOISE, ID	150.05	150.05	150.05	—
PT. EVERGLADES, FL	—	—	—	152.01	BROWNSVILLE, TX	165.70	172.45	169.08	—
RALEIGH/APEX, NC	135.30	135.30	135.30	151.01	COLORADO SPRINGS, CO	152.49	168.40	160.45	—
RICHMOND, VA	135.60	153.32	144.46	150.18	DALLAS/FT. WORTH, TX	129.64	163.45	146.55	—
ROANOKE, VA	136.10	136.10	136.10	151.51	DENVER, CO	128.13	128.13	128.13	152.51
ROCHESTER, NY	144.10	154.05	149.08	158.15	EL PASO, TX	135.64	145.15	138.96	—
SAN ANTONIO, TX	130.89	161.34	145.08	150.01	HONOLULU, HI	132.45	132.45	132.45	155.00
SAVANNAH, GA	156.52	156.52	156.52	—	LAS VEGAS, NV	130.20	163.32	146.76	153.50
SHREVEPORT, LA	144.70	144.70	144.70	152.01	LOS ANGELES, CA	130.05	164.65	152.65	151.60
SYRACUSE, NY	158.00	158.00	158.00	158.15	LUBBOCK, TX	139.50	139.50	139.50	—
TAMPA, FL	134.34	167.10	150.72	152.01	PHOENIX, AZ	134.05	167.30	150.85	153.10
WILMINGTON, NC	161.59	161.59	161.59	—	PORTLAND, OR	—	—	—	150.00
Contract Avg. East/Gulf Coast			144.13		SALT LAKE CITY, UT	151.60	151.60	151.60	172.01
					SAN DIEGO, CA	133.10	133.10	133.10	152.00
					SAN FRANCISCO, CA	130.90	160.68	141.63	150.25
					SEATTLE, WA	131.84	164.61	143.67	155.00
					SPARKS/RENO, NV	137.75	160.32	149.04	—
					SPOKANE, WA	144.55	170.83	157.69	—
					TUCSON, AZ	141.25	141.25	141.25	153.65
					Contract Avg. Rocky Mt/West Coast			147.79	

**National Regional DOE Supply Production Data
(Statistics in 1,000 bbl for week ending 3/20/2009)**

Jet Fuel Stocks

Stocks	East			Midwest			Gulf			Rockies			West			Nation		
Year	2009	2008	Change	2009	2008	Change	2009	2008	Change	2009	2008	Change	2009	2008	Change	2009	2008	Change
3/20	9,700	8,000	1,700	7,600	8,000	-400	12,300	12,500	-200	600	500	100	9,200	9,100	100	39,400	38,100	1,300
3/13	9,400	8,700	700	7,800	7,900	-100	12,700	13,500	-800	600	500	100	9,700	8,900	800	40,200	39,500	700
3/6	9,800	8,400	1,400	8,100	8,200	-100	13,100	12,900	200	500	500	0	10,000	8,800	1,200	41,500	38,800	2,700
2/27	10,100	8,500	1,600	8,200	8,200	0	13,100	13,000	100	500	500	0	9,700	9,100	600	41,600	39,300	2,300
4wkAvg	9,750	8,400	1,350	7,925	8,075	-150	12,800	12,975	-175	550	500	50	9,650	8,975	675	40,675	38,925	1,750

Jet Fuel Output

Output	East			Midwest			Gulf			Rockies			West			Nation		
Year	2009	2008	Change	2009	2008	Change	2009	2008	Change	2009	2008	Change	2009	2008	Change	2009	2008	Change
3/20	76.0	79.0	-3.0	195.0	183.0	12.0	724.0	643.0	81.0	23.0	17.0	6.0	375.0	440.0	-65.0	1,393.0	1,362.0	31.0
3/13	68.0	89.0	-21.0	154.0	172.0	-18.0	712.0	641.0	71.0	25.0	14.0	11.0	367.0	467.0	-100.0	1,326.0	1,383.0	-57.0
3/6	84.0	93.0	-9.0	202.0	218.0	-16.0	659.0	729.0	-70.0	22.0	19.0	3.0	401.0	420.0	-19.0	1,368.0	1,479.0	-111.0
2/27	71.0	93.0	-22.0	223.0	204.0	19.0	675.0	677.0	-2.0	26.0	22.0	4.0	454.0	396.0	58.0	1,449.0	1,392.0	57.0
4wkAvg	74.8	88.5	-13.8	193.5	194.3	-0.8	692.5	672.5	20.0	24.0	18.0	6.0	399.3	430.8	-31.5	1,384.0	1,404.0	-20.0

4-Week Price Comparisons at NY, Gulf, & LA

