



Petroleum Market Report

April 30, 2001

Energy Information Administration
Office of Oil & Gas

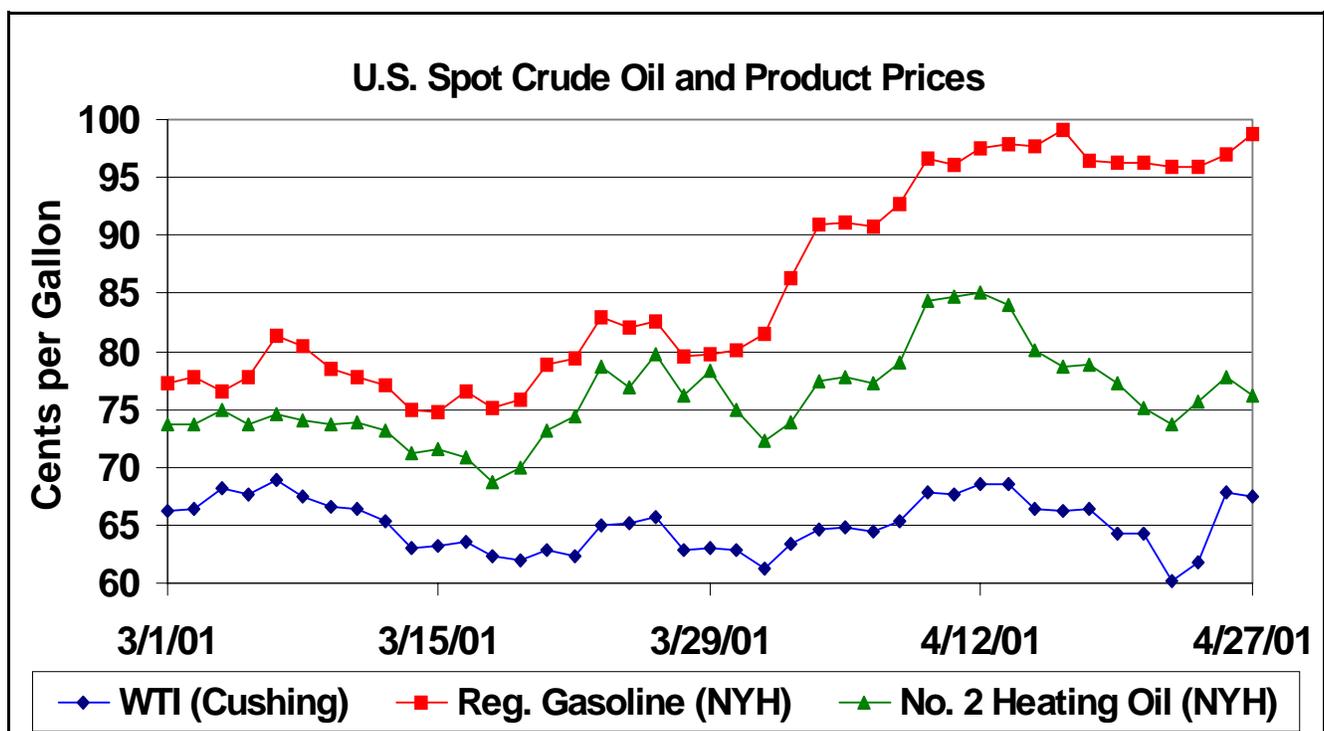
MARKET SUMMARY

U.S. petroleum spot and futures market movements varied last week, with crude oil and gasoline prices posting solid gains, while distillates declined for a second week. Gasoline remained the strongest element, with the May NYMEX contract setting successive all-time record highs on Thursday and Friday, ahead of expiration the following Monday. Crude oil prices were relatively active, as spot WTI varied over a \$3-per-barrel range during the week, pressured by product markets, an unexpected stockdraw, and conflicting statements from OPEC ministers.

Crude oil - prices began the week flat, with little news to move markets, then dropped to the week's low on Tuesday amid expectations of a further stockbuild. An unexpected, though modest, stockdraw for the week ending April 20 drove prices higher starting at midweek, and apparent OPEC inclination not to increase output quotas at its June meeting kept upward pressure on markets through Thursday. The week's price rise was trimmed on Friday by a Saudi promise of adequate summer supply, encouraging pre-weekend profit-taking.

Gasoline - markets remained generally firm throughout the week, supported by an ongoing series of refinery incidents that have limited gasoline production leading up to the traditional start of the driving season over Memorial Day weekend. Although Valero's Corpus Christi plant returned to normal after the previous week's unexpected outage, a fire at Tosco's Carson, California refinery added to regional concerns there. Record NYMEX prices were partially attributed to traders' reluctance, given tight market conditions, to sell ahead of May contract expiration on April 30.

Distillate - prices continued to take direction from crude oil, with seasonal weakness outweighing strong agricultural demand to pull prices lower for the week.



CHRONOLOGY OF RECENT MARKET EVENTS

- 4/27 - mixed** - crude oil and distillate prices fell in profit-taking after two days of gains, while NYMEX gasoline struck another all-time record high. Saudi oil minister Ali al-Naimi, in Washington to meet with U.S. Energy Secretary Spencer Abraham, promised adequate oil supplies this summer.
- 4/26 - rising** - spot and futures prices rose marketwide, led by crude oil, and taking NYMEX gasoline to an all-time record high. Impending Monday expiration of the May NYMEX gasoline contract was seen as a major factor, while OPEC's apparent reluctance to raise output at its June meeting helped underpin generally bullish market sentiment.
- 4/25 - mixed** - most prices moved higher following an unexpected crude oil stockdraw in the weekly supply reports, with some spot product prices showing small declines. A larger-than-expected gasoline stockbuild prompted selling, but late shortcovering pushed futures prices to a net gain.
- 4/24 - falling** - all prices dropped, led by crude oil, ahead of weekly API and EIA supply reports expected to show crude and gasoline stockbuilds. A fire at Tosco's Carson, California refinery initially pushed gasoline prices upward, but gains were later reversed by the supply expectations and further information indicating that the fire's impact on gasoline output may not be large.
- 4/23 - mixed** - crude oil futures and gasoline prices moved upward, while others fell, amid relatively little in the way of fundamental developments. NYMEX gasoline reached a 10-month high, despite the restarting of Valero's Corpus Christi heavy oil cracker after an unexpected shutdown last week.
- 4/20 - falling** - spot and futures prices dropped marketwide in profit-taking ahead of the weekend and May NYMEX contract expiration at the close of trading. Gasoline prices were the least affected, remaining relatively strong in the wake of recent refinery problems.
- 4/19 - mixed** - price movements were varied, with most markets moderately higher, but crude oil futures and some gasoline spot prices lower. An unexpected shutdown of a gasoline-making unit at Valero's Corpus Christi refinery brought new concerns about summer gasoline supplies.
- 4/18 - mixed** - crude oil and distillate prices fell, while gasoline rose, following release of the API and EIA weekly supply data. A sixth consecutive crude oil stockbuild was the major influence on markets, while gasoline stocks were reported dropping slightly last week.
- 4/17 - mixed** - most prices moved lower ahead of the weekly API and EIA supply reports, amid expectations of a further increase in crude oil inventories. Only gasoline futures prices ended higher, aided by Conoco's announcement that its U.K. refinery would be down for several weeks.
- 4/16 - rising** - all prices moved higher, primarily attributed to problems at a number of refineries, most prominently an explosion at a Conoco refinery in Great Britain that exports gasoline components to the U.S. Other refineries under maintenance or repair included plants on the U.S. East and Gulf coasts, and one in Aruba.