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European Gasoil, Jet Fuel Rise After Refinery Operations Slip

By Bill Murray

April 26 (Bloomberg) -- European gasoil and jet fuel prices rose after a report showed unplanned shutdowns were making it hard for U.S. refiners to build up stockpiles. Diesel prices also rose.

U.S. refineries operated at 87.8 percent of capacity last week, down 2.9 percentage points from the week before, the Energy Department said yesterday. Gasoline supplies in the U.S., the world's largest oil consumer, fell by 2.8 million barrels in the week, an 18-month low, the Energy Department said yesterday.

A strike planned by Belgian refinery workers for next month could take as much as 600,000 barrels of refining capacity offline, at a time when European refiners usually export gasoline to the U.S. The workers' two largest unions voted for a strike, which would be the first in the Belgium petroleum industry.

"If that kind of thing happens in Europe, it will have a serious impact on U.S. supplies," said Hakan Kocayusufpasaoglu, the director of commodity derivatives at Credit Suisse in London. Refinery problems in the U.S. are "what is causing the gasoline rally and that is pushing up everything else."

European gasoil for immediate delivery rose \$2.75, or 0.6 percent, to \$592.50 a metric ton at 5:08 p.m. in London, according to the energy broker PVM. Gasoil for May delivery rose \$2.75 to \$593. Gasoil is the European equivalent of heating oil.

The price differential between gasoil delivered in the Antwerp-Rotterdam-Amsterdam area and the barge shipment price was unchanged at \$2.75, according to PVM.

Kerosene, the benchmark for aviation fuel, rose \$2.75 to \$655.25 a ton for delivery at Rotterdam, Bloomberg data showed.

Ultra-low-sulfur diesel, a car and truck fuel, rose \$2.75 to \$616.25 a ton for delivery in Germany.

The profit margin, or "crack," for turning Brent crude oil into equal parts of heating oil and gasoline has more than doubled since the beginning of the year this year. It's now \$18.223, according to data from the New York Mercantile Exchange.

--Editor: King