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European Gasoil Little Changed; Diesel Falls as Supplies Gain

By Bill Murray

May 16 (Bloomberg) -- European gasoil was little changed, while diesel and jet fuel prices declined after higher refinery output in the U.S. and increased exports of oil products from Europe eased concern that supplies will fall short.

U.S. gasoline inventories last week rose 1.76 million barrels to 195.2 million, while refinery utilization also gained, according to a report by the U.S. Energy Department published today. Gasoline imports rose 306,000 barrels a day to 1.53 million, the highest level of imports since in a year.

"The imports numbers for gasoline are as high as they were last year, and refinery runs are coming back," said Hakan Kocayusufpasaoglu, the director of commodity derivatives at Credit Suisse in London. "If the price differential between the U.S. and Europe stays the same then there may be enough imports to avoid a major problem."

In the past two weeks, fires and unplanned halts in Sweden, Canada and the U.S. states of Texas, Utah, Washington and Wyoming have hampered production of fuels. U.S. refinery utilization last week was 89.5 percent, 0.3 percentage points below last year's level.

Gasoil for immediate delivery in the Amsterdam-Rotterdam-Antwerp area rose \$1.25, or 0.2 percent, to \$594.50 a metric ton at 6:00 p.m. in London, according to the energy broker PVM.

Gasoil for delivery in June fell \$4.75, or 0.8 percent, to \$588.50 on the Intercontinental Exchange in London. Gasoil is the European equivalent of heating oil.

Jet fuel fell \$4.75 to \$654.50 a ton. Ultra-low-sulfur diesel, a car and truck fuel, fell \$4.75 to \$616.50 a ton for delivery in Germany.

Crude and distillate supplies also rose last week. Distillates, which include diesel and heating oil, rose 992,000 barrels to 119.8 million, leaving it 8.2 percent above the five-year average, according to the department.

--Editor: King (tw)