



TODAY'S DOE REPORT

April 16, 2008

From: Ricardo Garay • Phone: 800-547-3835 • E-mail: ricardo.garay@chsinc.com

DOE Inventory Report

Crude oil imports did not rebound as expected, gasoline had another large draw, and refinery utilization fell off. Distillate inventories were the only bright spot with a slight build reported.

All Values in Bbls	CRUDE	GASOLINE	DISTILLATES
API	↑ 2.5Million	↓ 2.4Million	↓ 939,000
DOE	↓ 2.3Million	↓ 5.5Million	↑ 0.1Million
Expectations	↑ 1.5 Million	↓ 1.8Million	↓ 1.6 Million

Refinery Utilization: Decrease of 1.6% to 81.4% of total refinery capacity - Expectation was for 0.7% increase.

4-Week Average Demands: Gasoline – 9.27 million bpd – up 0.8% over last year
Distillates – 4.25 million bpd – down 0.9% over last year

Weekly Demands: Gasoline – 9.338 million bpd – up from 9.286 million bpd
Distillates – 4.068 million bpd – down from 4.465 million bpd

Imports: Gasoline – 950,000 bpd – up from 907,000 last week
Distillates – 260,000 bpd – up from 161,000 last week
Crude – 8.879 million bpd – down from 8.912 million last week

Market Outlook

The biggest story is the low refinery utilization rate. Refining capacity has fallen to 81.4%, which is the lowest run rate seen since October '05 after Hurricanes Katrina and Rita ravaged U.S. refineries in the Gulf Coast region. If refining capacity continues to be at record low levels, we can expect to see gasoline inventories continue to experience large draws and be supportive of NYMEX RBOB values despite higher than normal U.S. inventory levels. Speaking of those “higher than normal” inventory levels, look out, because another large draw next week and we are knocking at the door of 5 year average range. It’s amazing how quickly that can happen.

Distillate “beat the street” and is bearish on the surface. However, we are still near the bottom of the 5 year average for stocks; therefore don’t look for today’s slight build to be the cure all for the bullish run we have experienced. Strong world demand is likely to keep values supported.

Crude oil may be somewhat stymied today due to a build of 900,000 barrels at the delivery point in Cushing, OK, but the U.S. dollar index is weaker today, which is of course supportive for crude oil and its associated products.

Current Trade

Contract:	NYMEX as of 10:20 am:		1 st Level Support	2 nd Level Support	1 st Level Resistance	2 nd Level Resistance
May RBOB	↑	311 pts @ 2.9121	2.8740	2.8200	2.9000	3.0000
May Heating Oil	↓	121 pts @ 3.2618	3.2600	3.2100	3.31	3.3204
May Crude Oil	↑	\$0.50 @ 114.29	109.50	108.30	112.21	114.80



OUR ENERGY COMES THROUGH®