

Gasoline Report

a weekly summary



FOR THE WEEK ENDING MARCH 12, 2018

- o **The Ontario retail price of regular unleaded gasoline declined by 0.4 cents to 121.7 cents a litre, despite a modest increase in crude oil prices and North American wholesale prices.** Prices fell by 4.2 cents in North Bay (to a three-month low), 1.3 cents in Windsor, and less than a cent in London, Sault Ste. Marie (to a four-month low), Toronto, Thunder Bay (to a four-month low), and Timmins (to a three-month low). Prices rose by 1.8 cents in Sudbury. Windsor had the lowest average price for the fourth straight week. The average Northern Ontario price was lower than the Southern price for the second straight week. The Ontario average retail diesel price declined by 1.0 cents to 122.3 cents, a two-month low. **The Canadian average retail regular unleaded gasoline price declined by 0.5 cents to 123.8 cents.** Prices fell by 4.1 cents in Calgary, 2.4 cents in Edmonton, 1.6 cents in Quebec City, 1.5 cents in Saint John, and less than a cent in Halifax, Montreal and Winnipeg. Prices rose by 1.0 cents in Vancouver (to the highest since July 2014) and less than a cent in Toronto and Regina. The Canadian average retail diesel price declined by 0.9 cents to 123.9 cents, a two-month low.
- o **A general call for the phase-out of all crop-based biofuels, as recently made by Dutch scientists, is ultimately counterproductive in the fight against climate change, according to Navigant Research.** The central complaint against crop-based biofuels is that indirect land-use change (ILUC), the effect that growing demand for biofuels can have on global agriculture, can result in land expansion and deforestation elsewhere, thereby increasing CO₂ emissions. A study for the European Commission by Navigant and the International Legal Alliance Summit & Awards found that ILUC impacts from sugar- and starch-based ethanol and wood- and straw-based biofuels are small. ILUC impacts are higher for European oil crop-based biofuels, but these are paid back within a few years by the savings made by replacing fossil fuels. ILUC emissions are very large for soybean and palm oil biofuels and the study recommends that volumes of such biofuels be reduced unless they are certified as being without ILUC. In tropical countries, the sources of ILUC emissions are mainly deforestation and peatland drainage caused by sectors that are not accountable to European Union biofuels standards. The main priority should therefore be to stop deforestation (globally) and agricultural expansion into peatland (mainly in Indonesia). The study says that crop-based biofuels can contribute to the greening of transport in a sustainable way and that it is possible to govern the sustainability performance and limit the ILUC impact (Navigant Research, <https://www.navigantresearch.com/blog/indirect-land-use-change-from-biofuels-explained>).
- o **Human emissions of vanadium, a trace metal found in many earth minerals such as petroleum and coal, have risen sharply since 2000 and potentially pose a growing risk to human health, according to Duke University.** The main reason for rising vanadium emissions is industry's growing use of heavy petroleum fuels like heavy oils, tar sands, bitumen and petroleum coke for energy. Vanadium is also emitted by mining, extraction and processing and by natural processes such as volcanic eruptions and rock weathering. Human emissions of vanadium to the atmosphere now exceed natural sources by 70%. Human emissions to the water have increased vanadium flux in rivers by 15%, while the budget of dissolved vanadium in the oceans is "remarkably" well-balanced. Excessive vanadium in the air and the water has potential, but poorly documented, consequences for human health. There is growing evidence that breathing vanadium-rich aerosols can impair respiratory functions and worsen conditions such as asthma and chronic obstructive pulmonary disease. Greater emissions of vanadium to the atmosphere in the near future are likely as interest in petroleum derived from unconventional deposits increases, says the study (<http://www.pnas.org/content/early/2017/12/05/1715500114>, *Proceedings of the National Academy of Sciences*, Green Car Congress).
- o **Liquefied natural gas (LNG) ships accounted for 11% of new ship build contracts in 2017, up sharply from about 4% in 2016, according to Titan LNG, which supplies LNG to marine and industrial customers in Northwest Europe.** The increase reflects the looming 2020 deadline for marine fuel sulphur content to be reduced to 0.5%, which can be achieved by using lower-sulphur marine gas oil, installing scrubbers on exhaust emission stacks (while continuing to use high-sulphur heavy fuel oil), or switching to LNG. Titan says scrubbers can only be a temporary option and that LNG-fuelled ships, combined with power-to-gas or biogas, offer a credible and cost-competitive path to decarbonization and improved air quality (Green Car Congress).

Retail Prices**Regular Unleaded Gasoline**
(Canadian Cents/Litre)

Ontario	<u>Mar 5</u>	<u>Mar 12</u>	<u>+/-</u>
Ottawa	121.0	121.0	0.0
Toronto West	123.3	123.0	-0.3
Toronto East	122.4	122.0	-0.4
Windsor	114.9	113.6	-1.3
London	122.6	121.8	-0.8
Sudbury	121.7	123.5	1.8
Sault Ste. Marie	123.8	123.2	-0.6
Thunder Bay	122.5	122.4	-0.1
North Bay	118.5	114.3	-4.2
Timmins	<u>129.0</u>	<u>128.9</u>	<u>-0.1</u>
<i>Ontario Average</i>	<i>122.1</i>	<i>121.7</i>	<i>-0.4</i>
Canada	<u>Mar 6</u>	<u>Mar 13</u>	<u>+/-</u>
St. John's, Nfld	120.6	120.6	0.0
Charlottetown	116.8	116.8	0.0
Halifax	113.7	113.0	-0.7
Saint John, N.B.	113.9	112.4	-1.5
Quebec City	122.7	121.1	-1.6
Montreal	130.8	130.4	-0.4
Toronto	123.1	123.4	0.3
Winnipeg	102.4	102.3	-0.1
Regina	104.0	104.2	0.2
Edmonton	103.4	101.0	-2.4
Calgary	111.1	107.0	-4.1
Vancouver	<u>148.3</u>	<u>149.3</u>	<u>1.0</u>
<i>Canada Average</i>	<i>124.3</i>	<i>123.8</i>	<i>-0.5</i>

Source: Ministry of Energy; Kent Group Ltd.

Rack & Spot Prices**Regular Unleaded Gasoline**
(Canadian Cents/Litre, Ex-Tax)

<u>Date</u>	<u>Toronto Rack</u>	<u>New York Spot Barge</u>	<u>Differential</u>	<u>Exchange (U.S.¢)</u>
Mar 2	72.30	59.76	12.54	77.57
Mar 9	72.70	60.25	12.45	77.88

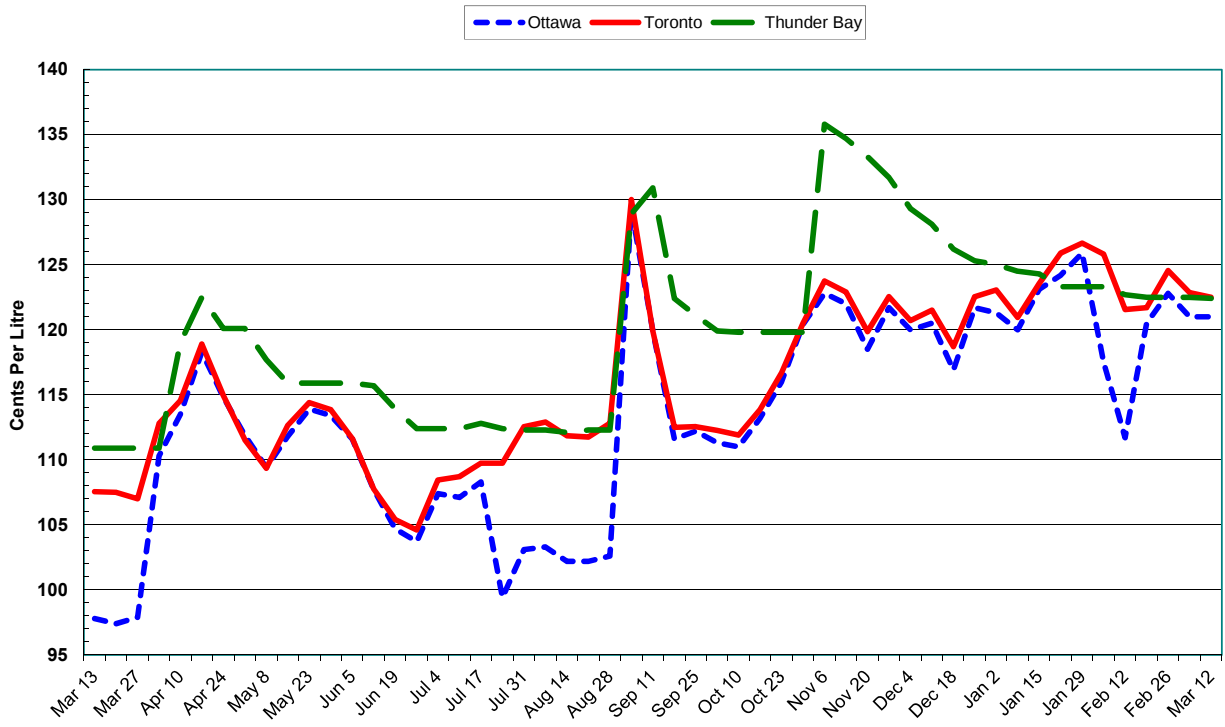
Source: Bloomberg Oil Buyer's Guide; Oil Price Information Service; Bank of Canada

Futures Prices**Petroleum Futures Prices**

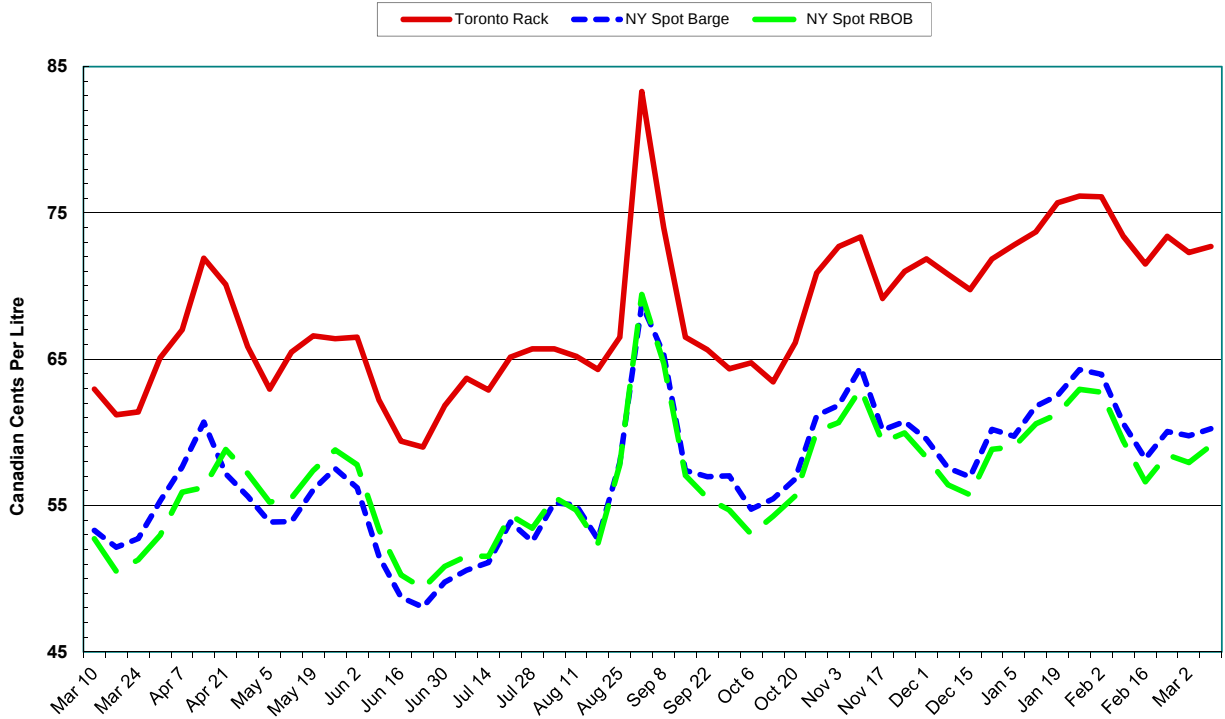
<u>Date</u>	<u>WTI Crude (NY) (US\$/bbl)</u>	<u>Reg.Unleaded RBOB (NY) (US¢/USgal)</u>	<u>Crack Spread (US\$/bbl)</u>
Mar 2	61.25	190.14	18.61
Mar 9	62.04	190.43	17.94

Source: CME Group (NYMEX)

Retail Gasoline Prices (2017-2018)
Regular Unleaded



Toronto Rack/NY Spot Barge/NY Spot RBOB (2017-2018)
Regular Unleaded



Petroleum Futures Prices (2017-2018)

