Gasoline Report

a weekly summary

Ontario

FOR THE WEEK ENDING APRIL 16, 2018

- **Higher crude oil and North American wholesale prices helped push up the Ontario retail price of regular unleaded gasoline by 5.2 cents to 134.1 cents a litre, the highest since July 2014.** Prices rose by 6.5 cents in North Bay (to a 43-month high), 6.0 cents in Toronto (to a 45-month high), 5.7 cents in Windsor (to a 43-month high), 5.4 cents in Ottawa (to a 45-month high), 4.0 cents in London (to a 45-month high), and 2.0 cents in Sudbury (to a 42-month high), Prices fell by 2.9 cents in Sault Ste. Marie and less than a cent in Thunder Bay (from a five-month high) and Timmins. Sault Ste. Marie ended Windsor's three-week reign as the lowest-priced market, and, counter to the usual trend, the average Northern Ontario price was lower than the Southern price. The Ontario average retail diesel price increased by 0.3 cents to 123.5 cents. **The Canadian average retail regular unleaded gasoline price increased by 3.8 cents to 135.1 cents, the highest since July 2014.** Prices rose by 9.7 cents in Quebec City (to a 43-month high), 8.6 cents in Winnipeg (to a 43-month high), 7.7 cents in Calgary (to a 58-month high), 6.7 cents in Edmonton (to a 46-month high), 5.4 cents in Toronto (to a 45-month high), 4.1 cents in Charlottetown (to a 42-month high), and 2.9 cents in Vancouver. Prices fell by 1.6 cents in Saint John (from a 42-month high), 1.3 cents in St. John's (from a seven-month high), and 0.5 cents in Montreal. The Canadian average retail diesel price increased by 0.4 cents to 126.1 cents.

- **Ontario motorists spent $17.3 billion buying gasoline in 2017, up 13% from a six-year low of $15.3 billion in 2016 and a three-year high.** The increase was due to higher pump prices, which offset slightly lower gasoline consumption. Ontario retail gasoline sales declined by 0.1% to 15.1 billion litres. The Ontario average retail price of all three grades of gasoline rose by 13% from a six-year low to 114.1 cents a litre, a three-year high. The increase in pump prices reflected higher crude oil costs, higher retail margins, and higher wholesale (refining) margins, which offset a stronger Canadian dollar relative to the U.S. dollar (the stronger dollar kept wholesale prices lower than they otherwise would have been). Retail margins increased for the fifth straight year; at 10.8 cents a litre, they were the highest since records began in 1992. For the second straight year, retail margins accounted for 9.5% of the all-grade Ontario pump price, the highest since 1999, when the share was 11.5%. Wholesale margins (which include the carbon price resulting from Ontario's new cap and trade system) averaged 24.0 cents a litre, second only to 2012's record 25.0 cents. Wholesale margins accounted for 21.1% of the all-grade Ontario pump price, a record high. The Canadian retail gasoline bill in 2017 grew by 11% from a six-year low to $48.4 billion, a three-year high. The increase was the result of an 11% rise in the average all-grade price of gasoline, from a seven-year low, to 115.6 cents a litre, a three-year high, and a slight uptick in Canadian retail gasoline sales, to a record 41.9 billion litres (Ministry of Energy).

- **California is on track to meet or exceed its target of having 1.5 million zero-emission vehicles (ZEVs) on the road by 2025, says think tank Next 10.** This target has been superseded by a new one, that 5 million ZEVs be on California's roads by 2030. There were about 337,500 ZEVs in California as of October 2017. ZEV sales grew by 29% in 2017 and accounted for 4.5% of California new light-duty vehicle sales, up from 3.6% in 2016. California has 16,549 public and non-residential private-sector chargers, but there are 20 ZEVs per public charger, one of the lowest ratios in the United States. California will need 125,000-220,000 public and private chargers by 2020 to provide adequate infrastructure. In 2016, there was one charger for about every six electric cars in the U.S. There are 150 plug-in hybrid and battery electric vehicle models in the world (of which 75 are Chinese) and this will increase to more than 240 by 2021. ZEV battery costs declined by 74% from more than $1,000/kWh in 2010 to $273/kWh in 2016, with energy density increasing by 5% annually. Bloomberg New Energy Finance expects battery costs to fall by nearly 10% by 2025, at which time ZEVs will achieve price parity with internal combustion engine vehicles (http://next10.org/sites/next10.org/files/ca-zev-brief.pdf, Green Car Congress).

- **The Western Contra Costa Transit Authority (WestCAT) in the San Francisco Bay area has switched its fleet of 45 heavy duty buses from petroleum diesel to Neste MY Renewable Diesel.** Neste, a Finnish petroleum refiner and renewable fuel producer, says MY Renewable Diesel is a low-carbon drop-in fuel produced from 100% renewable and sustainable raw materials that reduces GHG emissions by up to 80%, significantly lowers engine-out emissions, and enhances fleet performance. WestCAT says that switching to MY Renewable Diesel has made its bus engines operate much more cleanly and reduced maintenance for the emissions equipment and internal engine components (Neste US, Energy Overviews).

Retail Prices

Regular Unleaded Gasoline
(Canadian Cents/Litre)

Ontario	**Apr 9**	**Apr 16**	**+/-**
Ottawa	128.7	134.1	5.4
Toronto West	129.3	135.0	5.7
Toronto East	128.6	134.8	6.2
Windsor	123.3	129.0	5.7
London	128.6	132.6	4.0
Sudbury	130.7	132.7	2.0
Sault Ste. Marie	130.7	127.8	-2.9
Thunder Bay	135.8	135.1	-0.7
North Bay	124.2	130.7	6.5
Timmins	137.8	137.2	-0.6
Ontario Average	*128.9*	*134.1*	*5.2*

Canada	**Apr 10**	**Apr 17**	**+/-**
St. John's, Nfld	130.9	129.6	-1.3
Charlottetown	121.3	125.4	4.1
Halifax	123.4	123.4	0.0
Saint John, N.B.	122.6	121.0	-1.6
Quebec City	126.6	136.3	9.7
Montreal	136.6	136.1	-0.5
Toronto	129.7	135.1	5.4
Winnipeg	115.3	123.9	8.6
Regina	112.5	112.5	0.0
Edmonton	118.8	125.5	6.7
Calgary	121.0	128.7	7.7
Vancouver	151.6	154.5	2.9
Canada Average	*131.3*	*135.1*	*3.8*

Source: Ministry of Energy; Kent Group Ltd.

Rack & Spot Prices

Regular Unleaded Gasoline
(Canadian Cents/Litre, Ex-Tax)

Date	**Toronto Rack**	**New York Spot Barge**	**Differ-ential**	**Exchange (U.S.¢)**
Apr 6	79.40	63.57	15.83	78.35
Apr 13	83.50	66.81	16.69	79.38

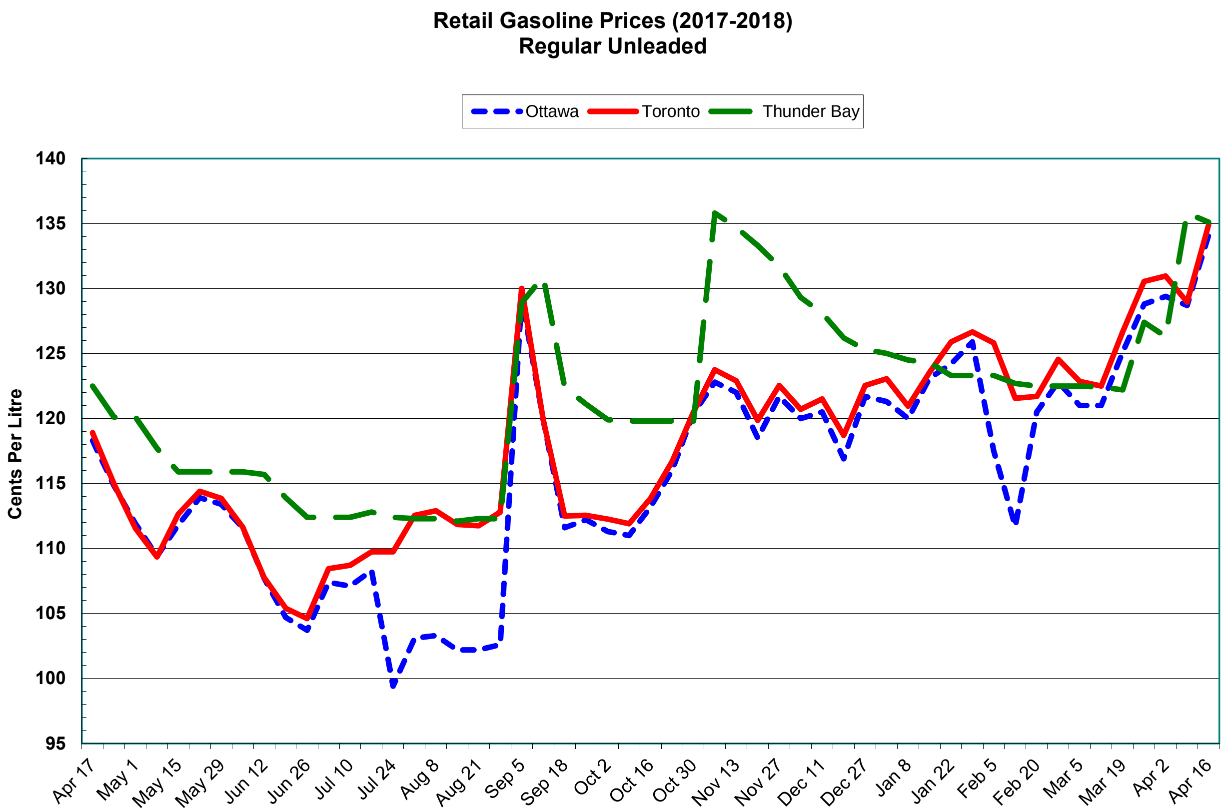
Source: Bloomberg Oil Buyer's Guide; Oil Price Information Service; Bank of Canada

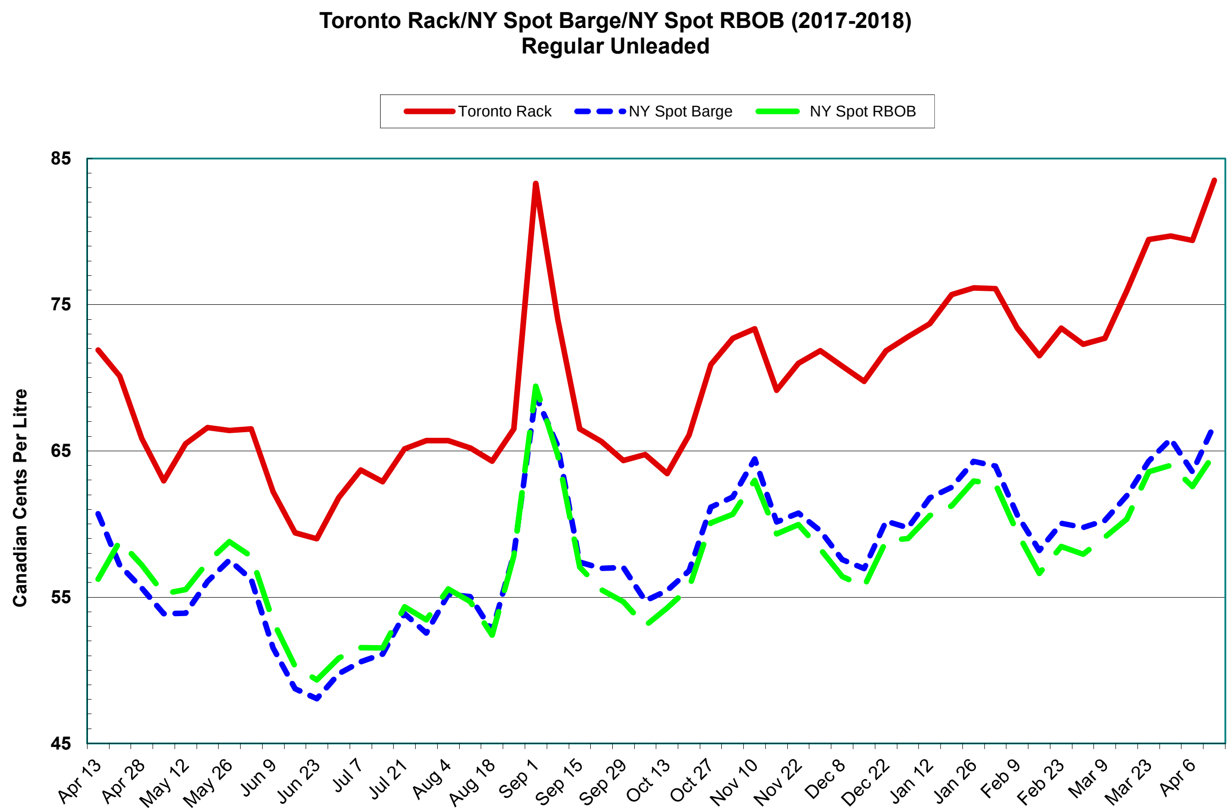
Futures Prices

Petroleum Futures Prices

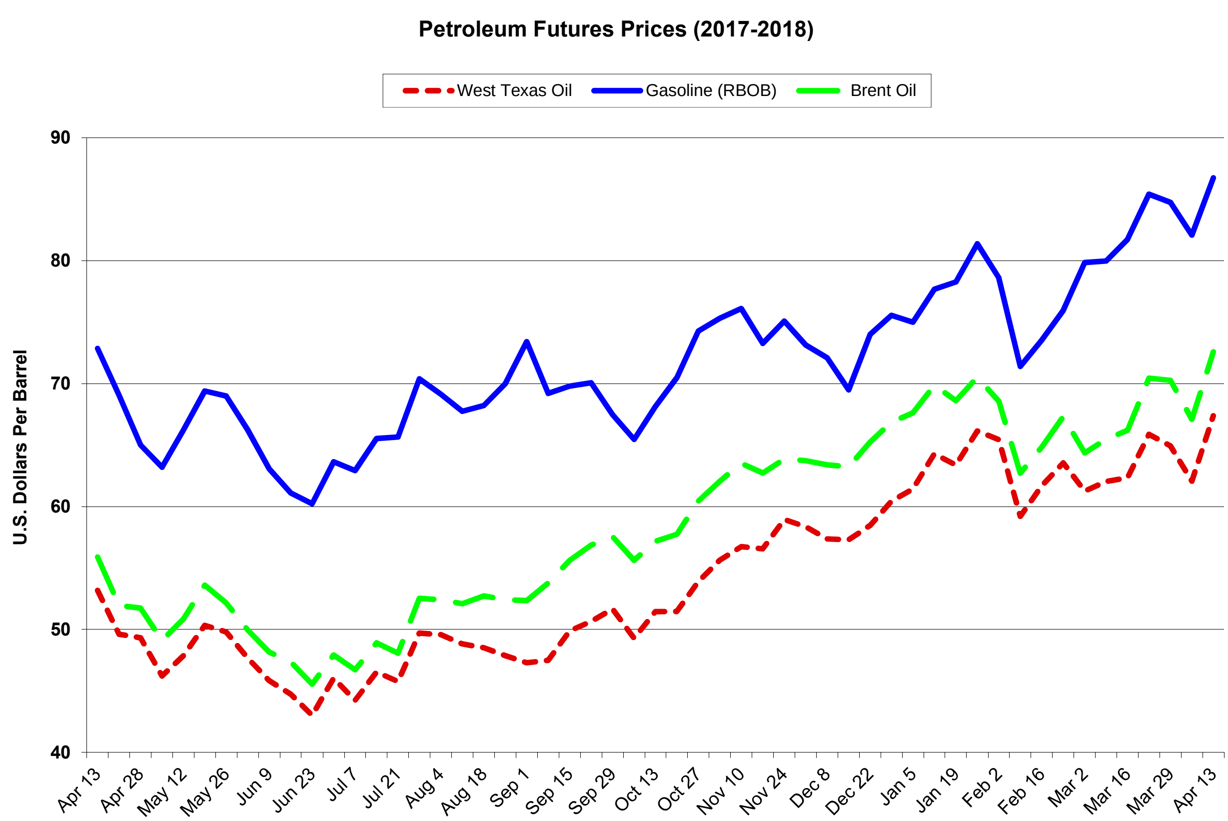
Date	**WTI Crude (NY) (US$/bbl)**	**Reg.Unleaded RBOB (NY) (US¢/USgal)**	**Crack Spread (US$/bbl)**
Apr 6	62.06	195.47	20.04
Apr 13	67.39	206.54	19.36

Source: CME Group (NYMEX)


Retail Gasoline Prices (2017-2018)
Regular Unleaded
Ottawa
Toronto
Thunder Bay
Cents Per Litre
140
135
130
125
120
115
110
105
100
95
Apr 17
May 1
May 15
May 29
Jun 12
Jun 26
Jul 10
Jul 24
Aug 8
Aug 21
Sep 5
Sep 18
Oct 2
Oct 16
Oct 30
Nov 13
Nov 27
Dec 11
Dec 27
Jan 8
Jan 22
Feb 5
Feb 20
Mar 5
Mar 19
Apr 2
Apr 16



Toronto Rack/NY Spot Barge/NY Spot RBOB (2017-2018)
Regular Unleaded
Toronto Rack
NY Spot Barge
NY Spot RBOB
Canadian Cents Per Litre
85
75
65
55
45
Apr 13
Apr 28
May 12
May 26
Jun 9
Jun 23
Jul 7
Jul 21
Aug 4
Aug 18
Sep 1
Sep 15
Sep 29
Oct 13
Oct 27
Nov 10
Nov 22
Dec 8
Dec 22
Jan 12
Jan 26
Feb 9
Feb 23
Mar 9
Mar 23
Apr 6



Petroleum Futures Prices (2017-2018)
West Texas Oil
Gasoline (RBOB)
Brent Oil
U.S. Dollars Per Barrel
90
80
70
60
50
40
Apr 13
Apr 28
May 12
May 26
Jun 9
Jun 23
Jul 7
Jul 21
Aug 4
Aug 18
Sep 1
Sep 15
Sep 29
Oct 13
Oct 27
Nov 10
Nov 24
Dec 8
Dec 22
Jan 5
Jan 19
Feb 2
Feb 16
Mar 2
Mar 16
Mar 29
Apr 13