

Gasoline Report

a weekly summary



FOR THE WEEK ENDING MAY 7, 2018

- o **The Ontario retail price of regular unleaded gasoline declined by 0.7 cents from a 46-month high to 135.1 cents a litre, largely reflecting lower North American wholesale prices.** Prices fell by 4.5 cents in London (from a 46-month high), 1.4 cents in Toronto (from a 46-month high), and 1.2 cents in Sault Ste. Marie. Prices rose by 10.8 cents in North Bay (to a 46-month high), 6.6 cents in Sudbury, 2.1 cents in Windsor (to a 46-month high), and less than a cent in Ottawa (to a 46-month high) and Thunder Bay (to a 45-month high). The Ontario average retail diesel price increased for the fourth straight week, by 0.9 cents to 126.1 cents, the highest since September 2014. **The Canadian average retail regular unleaded gasoline price declined by 0.3 cents from a 46-month high to 138.4 cents.** Prices fell by 4.7 cents in Winnipeg (from a 46-month high), 1.7 cents in Quebec City, 1.6 cents in Vancouver (from a record high), 1.4 cents in Montreal, and less than a cent in Toronto (from a 46-month high) and Regina. Prices rose by 3.5 cents in Calgary (to a 59-month high), 2.1 cents in Saint John (to a 43-month high), 2.0 cents in St. John's (to a 12-month high), 1.3 cents in Edmonton (to a 59-month high), and 0.9 cents in Halifax (to a 43-month high). The Canadian average retail diesel price increased for the fourth straight week, by 0.4 cents to 128.9 cents, the highest since November 2014.
- o **Americans use about 15 times more fuel by weight than they do petroleum compounds in chemical products, but chemical products like lotions and paints produce about as much pollution as transportation does, says a study led by the U.S. National Oceanic and Atmospheric Administration (NOAA).** In the case of PM_{2.5} fine particulate matter, emissions of this compound from chemical products are about twice as high as those from transportation. According to the U.S. Environmental Protection Agency, vehicles account for about 75% of volatile organic compound (VOC) emissions by weight and chemical products account for 25%. The NOAA study says the actual proportions are closer to 50/50, reflecting government efforts in the United States and Europe to reduce VOC emissions from transportation fuels, thereby increasing the proportion attributed to volatile chemical products like pesticides, coatings, printing inks, adhesives, cleaning agents, and personal care products. Furthermore, VOC emissions from consumer and industrial products in the U.S. are two or three times greater than estimated by current air pollution inventories, which also overestimate vehicular sources. This reflects the fact that while gasoline is stored in closed containers and the VOCs in gasoline are burned for energy, the VOCs in common solvents and personal care products are designed to evaporate and provide a pleasing aroma, says the study (*Science*, <http://science.sciencemag.org/content/359/6377/760>, Green Car Congress).
- o **Fifty-five percent of British drivers, and 58% of European drivers, believe there is still much room for innovation and improvement to come for gasoline and diesel engines, according to a survey for Mazda Motor Europe by Ipsos MORI.** The survey of about 11,000 drivers in key European markets showed that 29% of British drivers hope that diesel cars will continue to exist as electric cars become more common, and 44% hope that gasoline cars will continue. Thirty-six percent of British drivers said they would prefer a gasoline or diesel car if running costs were the same as for an electric car. Only 29% of British drivers welcome the advent of self-driving cars. Europe-wide, 69% of drivers hope that future generations will continue to have the option to drive cars. Mazda's long-term vision is to combine the best of internal combustion engines (such as its SKYACTIV-X, which the company says is the world's first commercial gasoline engine to use compression ignition) with effective electrification technologies to allow drivers to enjoy driving with peace of mind (www.newspress.co.uk).
- o **The United States produced 151 million gasoline gallons equivalent (gge) of renewable natural gas (RNG) for transportation purposes in 2017, up from 125 million gge in 2016 and 90 million gge in 2015, says Argonne National Laboratory (ANL).** RNG emits up to 70% less carbon monoxide, up to 87% less NO_x, and up to 90% less particulate matter, while reducing truck or bus noise by up to 90%. RNG is made from organic waste and is chemically similar to fossil natural gas. In particular, RNG made from the anaerobic digestion of food waste is net-carbon negative over its lifecycle. RNG can reduce GHG emissions by more than 70% compared to gasoline or diesel, a better performance than any other transportation fuel (https://www.afdc.energy.gov/uploads/publication/cow_power_case_study.pdf, https://www.afdc.energy.gov/uploads/publication/waste_to_fuel.pdf, Green Car Congress).

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

Ontario	<u>Apr 30</u>	<u>May 7</u>	<u>+/-</u>
Ottawa	135.1	135.4	0.3
Toronto West	137.1	135.8	-1.3
Toronto East	136.7	135.2	-1.5
Windsor	133.0	135.1	2.1
London	134.7	130.2	-4.5
Sudbury	126.9	133.5	6.6
Sault Ste. Marie	133.4	132.2	-1.2
Thunder Bay	141.2	141.4	0.2
North Bay	124.3	135.1	10.8
Timmins	<u>139.9</u>	<u>139.9</u>	<u>0.0</u>
<i>Ontario Average</i>	<i>135.8</i>	<i>135.1</i>	<i>-0.7</i>
Canada	<u>May 1</u>	<u>May 8</u>	<u>+/-</u>
St. John's, Nfld	133.6	135.6	2.0
Charlottetown	130.0	130.0	0.0
Halifax	127.8	128.7	0.9
Saint John, N.B.	125.8	127.9	2.1
Quebec City	134.3	132.6	-1.7
Montreal	143.2	141.8	-1.4
Toronto	136.9	136.0	-0.9
Winnipeg	127.5	122.8	-4.7
Regina	120.9	120.7	-0.2
Edmonton	126.2	127.5	1.3
Calgary	128.3	131.8	3.5
Vancouver	<u>161.1</u>	<u>159.5</u>	<u>-1.6</u>
<i>Canada Average</i>	<i>138.7</i>	<i>138.4</i>	<i>-0.3</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>
Apr 27	85.35	70.52	14.83	77.78
May 4	83.95	69.22	14.73	77.75

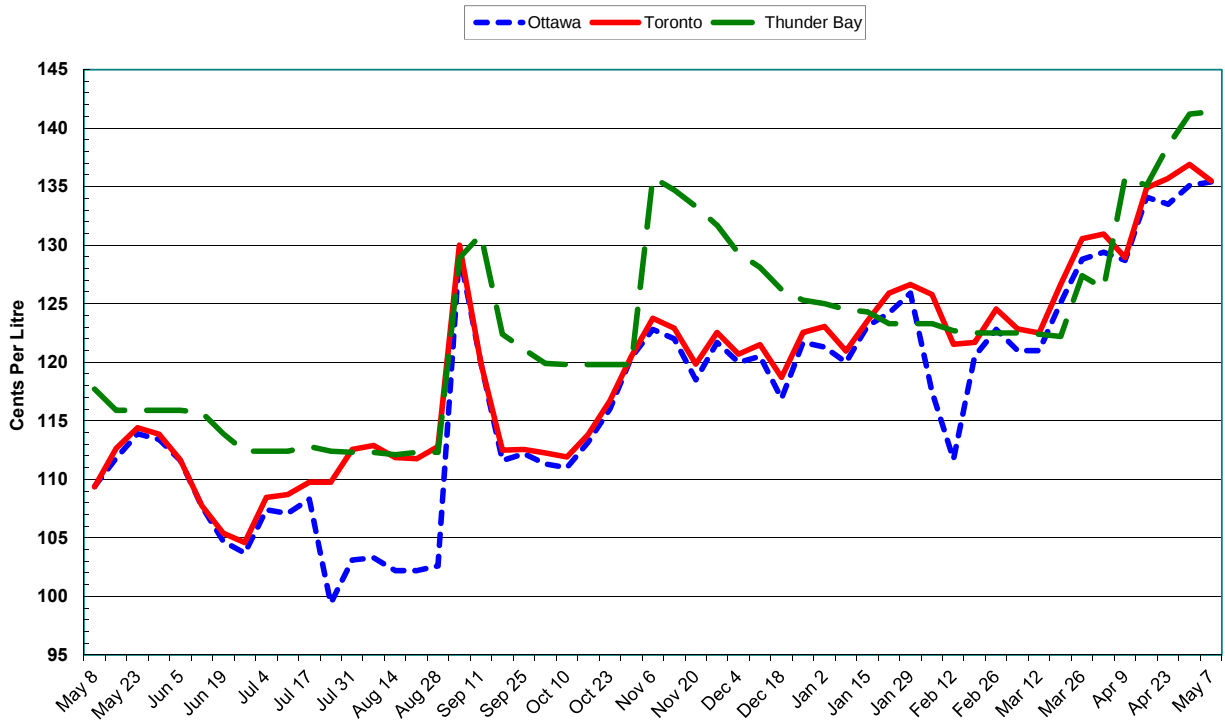
Source: Bloomberg Oil Buyer's Guide; Oil Price Information Service; Bank of Canada

Futures Prices**Petroleum Futures Prices**

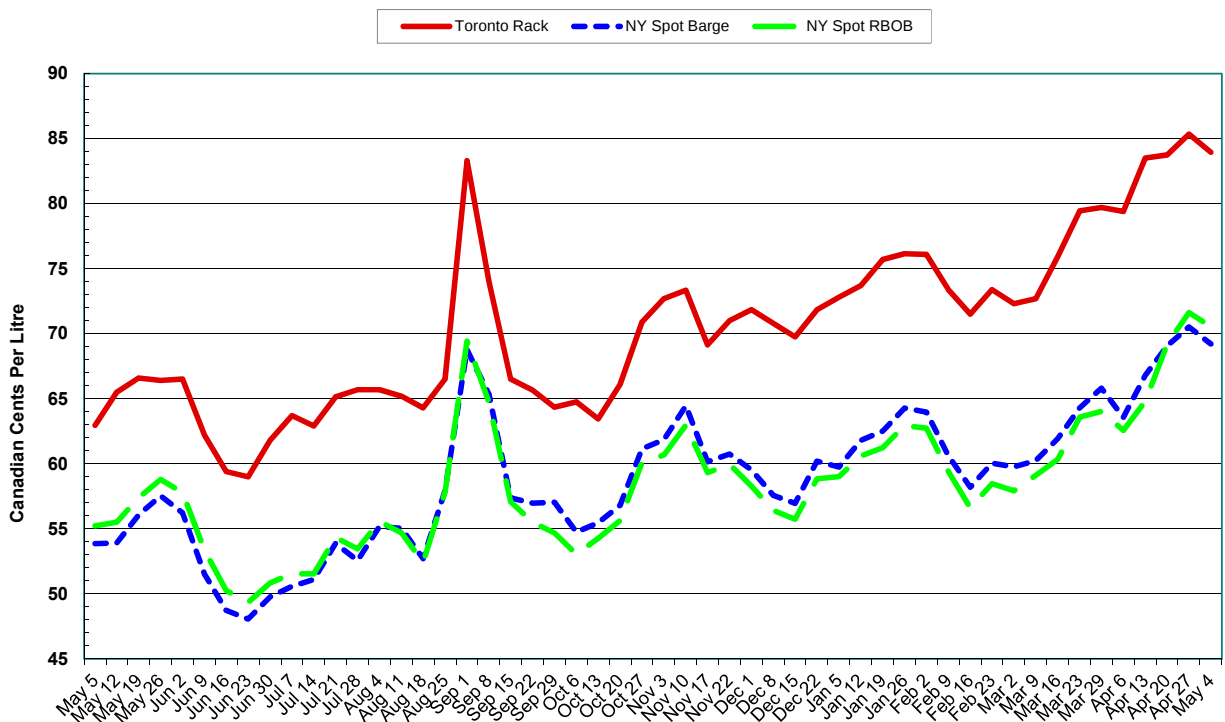
<u>Date</u>	<u>WTI Crude (NY) (US\$/bbl)</u>	<u>Reg.Unleaded RBOB (NY) (US¢/USgal)</u>	<u>Crack Spread (US\$/bbl)</u>
Apr 27	68.10	212.69	21.23
May 4	69.72	211.40	19.07

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)

