

Gasoline Report

a weekly summary



FOR THE WEEK ENDING JUNE 4, 2018

- o **The Ontario retail price of regular unleaded gasoline declined by 2.6 cents to 133.3 cents a litre, a two-month low, as crude oil and North American wholesale prices fell and price wars broke out in several cities.** Prices fell by 8.1 cents in Thunder Bay (to a two-month low), 7.1 cents in Ottawa (to a two-month low), 6.8 cents in Windsor (to a two-month low), 4.3 cents in North Bay, 1.5 cents in Sault Ste. Marie, 1.3 cents in Toronto, and 0.6 cents in London (to a three-month low). Prices rose by 2.8 cents in Sudbury and 1.8 cents in Timmins (both to a 46-month high). London had the lowest average price for the fifth straight week. The average price gap between northern and southern Ontario widened to 3.7 cents, a two-month high. The Ontario average retail diesel price increased for the eighth straight week, by 0.3 cents to 131.0 cents, the highest since July 2014. **The Canadian retail regular unleaded gasoline price declined for the third straight week, by 1.7 cents to 135.9 cents, a two-month low.** Prices fell by 3.8 cents in Edmonton (to a two-month low), 3.1 cents in Vancouver (to a two-month low), 2.7 cents in Halifax (from a 44-month high), 2.5 cents in Quebec City and Calgary (the latter to a two-month low), 2.4 cents in Montreal (to a two-month low), 1.3 cents in Toronto (to a two-month low), and 0.3 cents in St. John's (from a 17-month high) and Saint John (from a 45-month high). Prices rose by 4.2 cents in Winnipeg. The Canadian retail diesel price, after rising seven straight weeks, declined by 0.6 cents from a 47-month high to 133.6 cents.
- o **New cars registered in the European Union in 2017 emitted an average of 118.1 grams of CO₂ per kilometre, up 0.3 g/km from 2016, the first increase in 10 years, says JATO Dynamics, an automotive business intelligence firm.** Emissions were 26% lower than in 2007. The increase in 2017 was primarily the result of a decline in diesel car registrations and an increase in SUV registrations. The average new diesel car emitted 117.9 g/km, 4.5% less than the average new gasoline car. The average new diesel car had output of 142 horsepower, while the average new gasoline car had output of 123 hp, which JATO said shows that diesels are chosen by buyers who prioritize power output and torque. Diesel car registrations fell by 7.9% in 2017 and their share of total registrations dropped to 43.8%, the lowest since 2003, while gasoline car registrations jumped by 10.9%, boosting their market share to 50%, the highest since 2003. JATO says that the shift to gasoline vehicles and SUVs will make it very difficult for the EU to achieve its 2021 CO₂ target of 95 g/km unless electric vehicle sales increase rapidly soon. Norway had the cleanest new cars, averaging 83.6 g/km, reflecting its strong support for EVs, while Switzerland had the most carbon-intensive, averaging 133.2 g/km (www.newspress.co.uk).
- o **Indian trucks could consume 12 million tonnes of liquefied natural gas (LNG) annually within 7-8 years if governments supported the move, says H-Energy, a new firm that plans to build its first LNG regasification terminal this year.** H-Energy notes that LNG is cheaper than diesel, and LNG trucks require less lubricants and engine oil than diesel trucks. In Mumbai, compressed natural gas for trucks costs about \$13 per million British thermal units compared to \$28 for diesel, according to Bloomberg. Cedigaz, a French research group, says that world demand for LNG in transportation could grow from virtually nothing several years ago to 45 million tonnes by 2025; this volume would have accounted for 15% of world LNG demand in 2017, according to Bloomberg calculations of Shell data. Wood Mackenzie, an energy consulting firm, says the two biggest challenges in promoting LNG as a transportation fuel are developing a network and supply chain for LNG refuelling stations, and the lack of local on-board cryogenic storage tank manufacturers, which has pushed up total ownership costs for LNG trucks. Shell says that about 70,000 LNG trucks were sold in China in 2017, bringing the total Chinese LNG fleet to about 200,000 trucks (Bloomberg, JWN).
- o **Canadian petroleum product sales grew by 2.3% to 108 billion litres in 2017, the highest in six years and just short of the 2011 record of 108.2 billion litres.** Sales of gasoline edged up by 0.2% to 47 billion litres, the second consecutive annual record, but their share of total product sales fell to 43.5% from 2016's record 44.5%. Diesel sales grew by 7.9% to 31.2 billion litres, up from a four-year low, and their share of Canadian product sales rose to 28.9%, a record high. Jet fuel sales increased for the fifth straight year, by 5.2% to a record 8.1 billion litres, and accounted for 7.5% of product sales, a record high. All told, Canadian transportation fuel sales grew by 3.3% to a record 86.3 billion litres and accounted for 79.9% of product sales, the highest ever. Other product sales declined by 1.9% to 23.8 billion litres, the lowest in seven years (Statistics Canada, Ministry of Energy).

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

Ontario	<u>May 28</u>	<u>Jun 4</u>	<u>+/-</u>
Ottawa	136.2	129.1	-7.1
Toronto West	137.2	135.8	-1.4
Toronto East	136.7	135.6	-1.1
Windsor	135.5	128.7	-6.8
London	125.6	125.0	-0.6
Sudbury	135.6	138.4	2.8
Sault Ste. Marie	137.7	136.2	-1.5
Thunder Bay	145.3	137.2	-8.1
North Bay	129.8	125.5	-4.3
Timmins	<u>140.1</u>	<u>141.9</u>	<u>1.8</u>
<i>Ontario Average</i>	<i>135.9</i>	<i>133.3</i>	<i>-2.6</i>
Canada	<u>May 29</u>	<u>Jun 5</u>	<u>+/-</u>
St. John's, Nfld	138.9	138.6	-0.3
Charlottetown	132.3	132.3	0.0
Halifax	133.5	130.8	-2.7
Saint John, N.B.	130.1	129.8	-0.3
Quebec City	137.5	135.0	-2.5
Montreal	138.6	136.2	-2.4
Toronto	137.2	135.9	-1.3
Winnipeg	122.1	126.3	4.2
Regina	124.5	124.5	0.0
Edmonton	125.1	121.3	-3.8
Calgary	126.2	123.7	-2.5
Vancouver	<u>158.5</u>	<u>155.4</u>	<u>-3.1</u>
<i>Canada Average</i>	<i>137.6</i>	<i>135.9</i>	<i>-1.7</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>
May 25	86.90	75.49	11.41	77.08
Jun 1	84.95	72.53	12.42	77.14

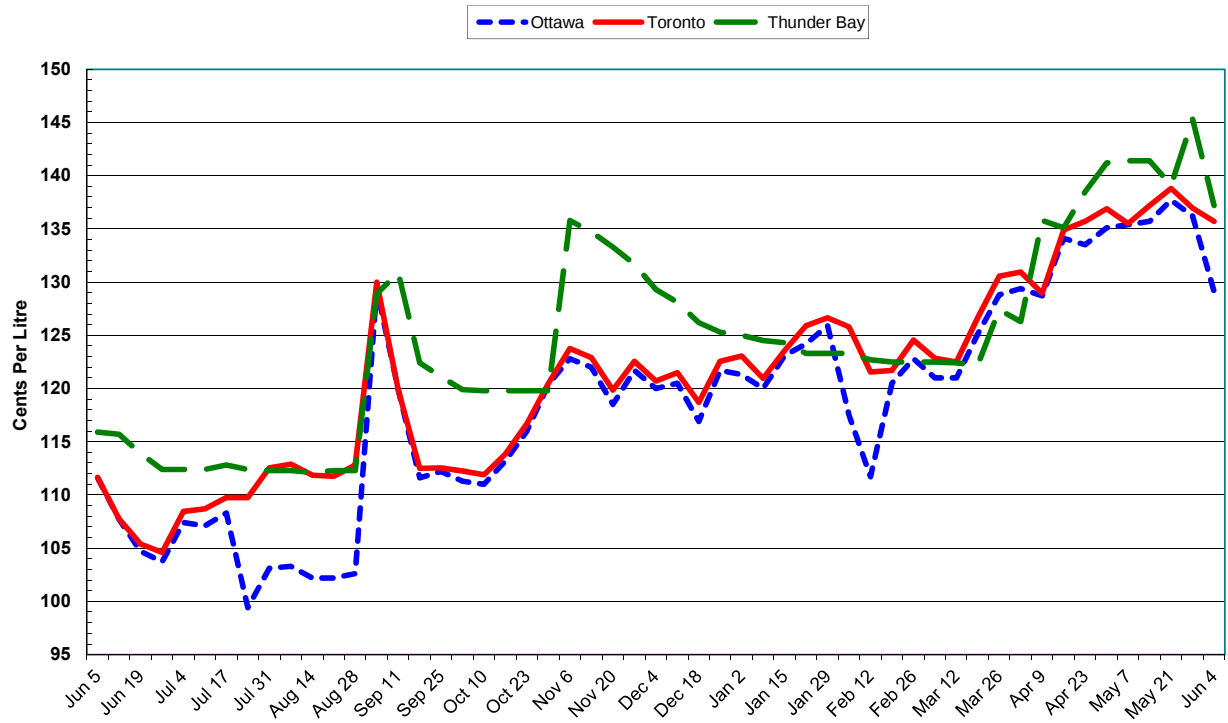
Source: Bloomberg Oil Buyer's Guide; Oil Price Information Service; Bank of Canada

Futures Prices**Petroleum Futures Prices**

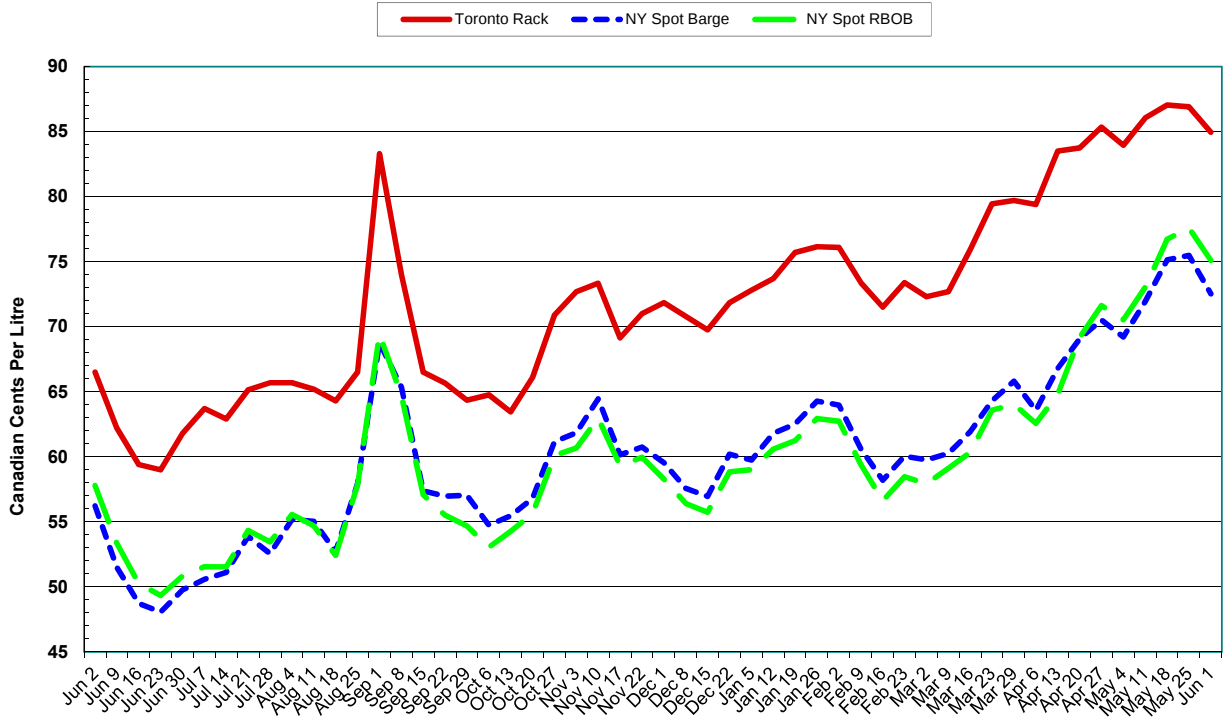
<u>Date</u>	<u>WTI Crude (NY) (US\$/bbl)</u>	<u>Reg.Unleaded RBOB (NY) (US¢/USgal)</u>	<u>Crack Spread (US\$/bbl)</u>
May 25	67.88	218.14	23.74r
Jun 1	65.81	214.34	24.21

Source: CME Group (NYMEX)
r = revised

Retail Gasoline Prices (2017-2018)
Regular Unleaded



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



Petroleum Futures Prices (2017-2018)

