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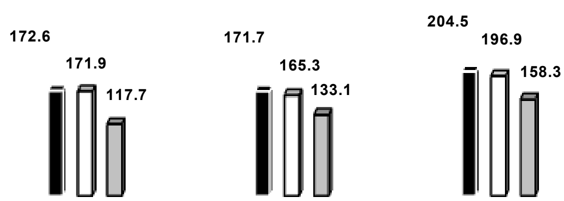
OPIS Oil Price Information Service

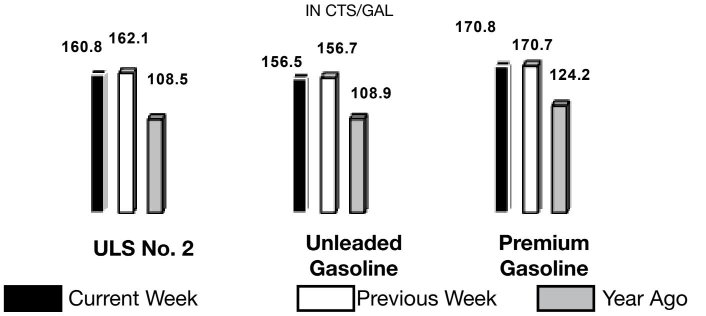
Independent Refined Products Prices and Comprehensive Analysis for All US Markets

Inside Every Issue...

AVERAGE U.S. CONTRACT PRICES
IN CTS/GAL



AVERAGE U.S. SPOT PRICES
IN CTS/GAL



Source: Oil Price Information Service

U.S. PETROLEUM PRODUCT AVERAGES

Product	Spot	▲ Last Wk.	Rack	▲ Last Wk.
Gasoline	156.47	-0.22	171.74	6.45
ULS No.2	160.78	-1.31	172.64	0.78
Jet	157.94	-1.44	169.78	0.96
Ethanol	155.86	-1.27	168.78	-0.81
Curr RIN	37.50	-10.25		
Pre RIN	37.00	-10.50		
MTBE	152.50	-5.00		
Propane	57.97	-4.30	70.84	-4.61
Resid	47.92	1.18		
Naphtha	134.30	-4.65		
Med.VGO	138.00	1.19		

Note: All price averages in cts/gal except resid ($/bbl)

NATIONAL SPOT-RACK-RETAIL MARGINS

National Index	Gasoline	▲ Last Wk.	Diesel	▲ Last Wk.
Retail	227.03	1.62	252.13	0.41
Net	176.25	1.60	201.05	1.12
Wholesale	161.32	5.08	172.29	1.15
Rack-Retail Margin	**14.93**	**-3.48**	**28.77**	**-0.03**
Spot	156.47	-0.22	160.78	-1.31
Spot-Retail Margin	**19.78**	**1.82**	**40.28**	**2.44**

Note: All price averages in cts/gal

Market Overview:

Knives Are Out, but RINsolution is a Long Way Off

Last week reports spread that the Trump Administration had reached a deal that would push the RFS point of obligation from the refinery gate and import terminal to the rack. No deal was confirmed, but many believe this is the direction the new president wants to take.

Markets reacted swiftly, sending ethanol RIN prices plummeting. RBOB futures tumbled because a shift in the RIN obligation beyond refiners and importers would revalue the gasoline crack spread. The prospect raises a lot of questions to which, at this point, there are few answers.

The alleged deal included an RVP waiver to sell 15%-ethanol blended (E15) gasoline all year, but that would require an Act of Congress. Additionally, without the "lever" afforded by relatively higher RINs values in an E10-constrained market, E15 in many cases doesn't make much sense from an economic or retail roll-out standpoint. Moving the RFS obligation would remake the landscape of winners and losers.

Pure merchant refiners would conceivably be winners in terms of RIN compliance expense, with inland refiners lacking downstream systems the biggest winners. An integrated refiner with downstream wholesale and a dedicated retail system would be less of a winner. Additionally, importers could bring in gasoline from offshore and not face additional RIN costs.

The biggest losers would appear to be large chain retailers which ship gasoline, blend it and then sell the RIN back to the refiner. Traditionally these companies have passed along the RIN benefit and lower wholesale price in the form of lower retail prices. However, some smaller retailers have argued that the current system is inequitable.

Further, there could be unintended consequences from a shift. For example, entities which have in the past shipped and blended renewable fuel into blendstock to create E10 may choose instead to just buy gasoline for distribution at the rack. Several have argued that such an outcome would reduce fuel market competition because only refiners and the largest blenders would continue to ship and blend.

Some theorize the change would effectively cap D6 ethanol RIN values by stifling that market's liquidity. Making blenders obligated parties means they would need (for RFS compliance) many of the RINs they create, whereas before they could sell those RINs.

The road ahead for a controversy that has raged for months is not likely a short one. Legal experts say an Act of Congress rather than an executive order is required to move the point

continued on page 3

In Cash Markets

Weekly Averages Spot Report

GULF COAST

	Gulf Coast Pipeline Wk Avg.	Gulf Coast Waterborne Wk Avg.
Reg Unl	155.178	154.778
Mid Unl	159.878	160.138
Pre Unl	166.928	168.178
RBOB	153.878	N/A
Pre RBOB	171.678	N/A
CBOB	151.853	N/A
Pre CBOB	168.153	N/A
CPL 01	-4.550	N/A
CPL 02	-1.395	N/A
Alkylate	N/A	180.978
ULSD	159.392	160.392
ULSD63	N/A	N/A
ULS HO	154.022	155.022
ITT ETH	N/A	N/A
LSHO	N/A	N/A
HS No2	148.172	149.422
LS2OFF	N/A	149.922
Jet 54	153.992	155.492
ULS Kero	155.492	N/A
55Kero	154.242	155.742
B100 SME	303.000	N/A

NORTHEAST

N.Y. Harbor Barge Wk Avg.	N.Y. Harbor Cargo Wk Avg.	Linden Wk Avg.	Boston Cargo Wk Avg.
N/A	152.516	152.116	N/A
N/A	156.516	156.156	N/A
N/A	162.516	162.216	N/A
146.416	146.916	148.716	148.416
154.516	155.016	N/A	156.516
147.016	N/A	148.716	N/A
154.716	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
161.386	161.886	161.836	163.386
N/A	N/A	161.836	N/A
157.486	N/A	157.686	N/A
157.650	N/A	N/A	N/A
156.186	N/A	156.186	N/A
152.086	N/A	152.086	N/A
N/A	N/A	N/A	N/A
156.686	157.186	156.686	N/A
180.786	N/A	N/A	N/A
165.386	N/A	N/A	N/A
313.000	N/A	N/A	N/A

MIDWEST

	Chicago Pipeline Wk Avg.	Group 3 Pipeline Wk Avg.
Sub-oct REG	N/A	156.764
Mid Unl	161.219	177.070
Pre Unl	165.719	185.164
Pre RBOB	181.219	N/A
RBOB	156.869	N/A
CBOB	153.719	N/A
ULSD	158.836	158.318
Jet 54	159.486	157.668
B100 SME	313.000	N/A

BUCKEYE/LAUREL

	Buckeye Pipeline Wk Avg.	Laurel Pipeline Wk Avg.
RBOB	146.416	146.416
Pre RBOB	154.516	154.516
CBOB	147.016	147.016
Pre CBOB	154.716	154.716
ULSD	161.536	160.636
ULS HO	157.486	N/A
LSHO	156.186	N/A
Jet 54	156.686	156.186
55Kero	165.386	N/A

WEST COAST

	Los Angeles Pipeline Wk Avg.	San Francisco Pipeline Wk Avg.	Pac Northwest Pipeline Wk Avg.
CARBOB-R	183.703	185.178	N/A
CARBOB-P	207.703	210.178	N/A
AZRBOB-R	180.703	N/A	N/A
AZRBOB-P	204.703	N/A	N/A
Sub-oct REG	179.703	185.178	177.528
Sub-oct Pre	207.703	210.178	203.528
SEA Sub	N/A	N/A	180.528
SEA SubPre	N/A	N/A	206.528
CARB No.2	164.242	160.992	N/A
ULS No.2	163.942	160.992	167.292
Jet	162.867	N/A	N/A
B5	N/A	N/A	168.792

Methodology: OPIS spot weekly averages are calculated by averaging the daily averages, adding each low and high for each business day and dividing by the total.

Cash market basis differentials for gasoline took a wide turn lower last week strictly on the shift from March RBOB to April RBOB futures. The April RBOB contract represents a low-RVP summer specification and lifted futures prices above $1.70/gal when the contract first took over the front-month position.

Through the middle of last week gasoline futures were under significant pressure as sellers had hammered the April contract by nearly 10cts/gal at presstime. Disappointment in gasoline market fundamentals was weighing heavily on prices. Although total gasoline inventories fell, according to the latest weekly EIA data, most of the decline came on the East Coast where product levels in storage were already considered heavy.

Basis discounts were deep for gasoline east of the Rockies, with the widest seen in the New York Harbor at 24-25cts/gal under NYMEX, largely due to the reflection of a still high RVP specification. Outright prices in the Northeast lagged Midwest and Gulf Coast levels by as much as 5-10cts/gal. The weak Harbor market kept Colonial line space values in negative territory for all of February and they are starting March at discounts of around 4.25cts/gal.

Despite weaker futures, West Coast gasoline was on firm footing; Los Angeles and San Francisco CARBOB premiums were in the mid-teens, putting outright prices just over $1.80/gal as of presstime.

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GROUP 3 SPOT MARKET FORWARD INDEX

Month	ULSD Spot Midpoint	Sub-OCT R Spot Midpoint	Sub-Oct R Spot Midpoint	Sub-Oct R Buy x Sell
Pmt Mar	154.66	-3.5 x -3	152.33	-12.25 x -11.75
Any Mar	155.66	-2.75 x -1.75	153.33	-11.5 x -10.5
Pmt Apr	157.10	-2.5 x -1.5	155.76	-12 x -11
Any Apr	158.35	-1.5 x 0	156.51	-11.5 x -10
Pmt May	159.21	-2 x 0	157.64	-12 x -10

of RFS obligation, and that trajectory – with all of its moving parts – is not something likely to result in a resolution in 2017 and possibly not even in 2018.

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Gasoline Demand in 2016 Tops 2007 Record High

The U.S. Energy Information Administration's (EIA) final reckoning of gasoline demand in the last month of 2016 stood more than 350,000 b/d above weekly estimates and took the year's average decisively past the 9.3-million-b/d mark that was debated for most of 2016.

The higher-than-expected December figure raised the average for all of 2016 to 9.327 million b/d, which exceeds the 2007 all-time record of 9.286 million b/d by 41,000 b/d or 0.44%.

Gasoline demand this year is not likely to repeat 2016's advance, according to analysis by OPIS.

According to monthly EIA data issued on Feb. 28, U.S. gasoline in December averaged 9.310 million b/d. The level is 369,000 b/d, or 4.1%, higher compared to a monthly number (8.941 million b/d) based on weekly estimates issued during December. Compared to the last month of 2015, the final December 2016 figure is 162,000 b/d, or 1.8%, higher.

During 2016, U.S. gasoline demand grew year on year in every month except October, resulting in annual growth of 149,000 b/d (or 1.6%). However, initial indications are that 2017 may not see similar growth.

OPIS notes that expectations among petroleum researchers at investment banks are for nominal growth this year – maybe 60,000 b/d at most.

The 2016 record high could stand the test of time as a ceiling for demand, but the same statements were made after the 2007 year of 9.286 million b/d.

Expected to crimp 2017 demand is a combination of an aging population, full employment and retail gasoline prices that are some 40-70cts/gal above 2016 levels, according to OPIS.

Some large retailers tell OPIS that demand is down by something close to the 6% that EIA is showing on a year-to-date basis in their "admittedly" flawed weekly estimates.

In addition, fuel mileage for new vehicles finally improved in January, according to a continuing study by the University of Michigan, thanks to tightening CAFE standards but also to higher prices motivating choices for more efficient vehicles.

In any case, an OPIS analysis concludes that for 2017 gasoline demand is expected to be very "lumpy."

The winter months – thanks in part to older driving groups – tend to see little 'lift' versus year-ago levels in driving. And it is important to note that 2016 had such incredible fuel price savings versus previous years that extra driving was certainly motivated.

OPIS predicts that driving will surge in the daylight savings' time months, although it could be tough to beat the levels seen last year.

Other notable points in the EIA's final monthly data report include:

- Exports of U.S. gasoline in December registered an average of 927,000 b/d, up from 584,000 b/d in December 2015.
- Distillate demand in December was also revised higher by 253,000 b/d, with the final monthly number pegged at 4.059 million b/d. The latter figure represents a year-on-year increase of just less than 6% compared to December 2015.
- During 2016, U.S. distillate demand contracted year on year for nine of 12 months; beginning with October, the metric grew compared to the same fourth-quarter months of 2015.
- Distillate demand for all of 2016 averaged 3.878 million b/d, standing 117,000 b/d (or 2.9%) below the 2015 average.
- U.S. exports of distillate hit 1.207 million b/d in the last month of 2016, which was about 100,000 b/d lower compared to the level seen in December 2015.

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Some Firms Pay Hefty Premium to Supply Fuel into Mexico

The gradual opening of the Mexican oil products market is offering opportunities for U.S. refiners, trading companies, wholesalers and retailers to sell products south of the border via trucks and rail, and possibly pipelines later.

However, the road to the pot of gold at the end of the rainbow in Mexico is paved with challenges and obstacles, which may result in significant losses for entrepreneurial products sellers.

So far, major U.S. refiners are not rushing into the Mexican oil products market, but some U.S. companies have started selling and delivering oil products into Mexico via rail and trucks. These U.S. trading companies are taking some precautions to protect themselves against potential contract defaults and trading losses. A few traders told OPIS that they have negotiated with their suppliers or refiners in the U.S. to include a backdoor clause in their fuel supply contracts in the event their buyers in Mexico back out of their purchase contracts.

CHICAGO SPOT MARKET FORWARD INDEX

Month	ULSD Spot Midpoint	ULSD Diesel Buy x Sell	CBOB Spot Midpoint	CBOB Regular Buy x Sell
Pmt Mar	156.41	-2 x -1	149.58	-15 x -14.5
Any Mar	156.91	-2 x 0	151.33	-14 x -12
Pmt Apr	158.10	-2 x 0	157.26	-11 x -9
Any Apr	158.10	-2 x 0	158.26	-10 x -8
Pmt May	160.71	-2 x 3	159.64	-10 x -8

The clause is a price premium of 3-5cts/gal on top of a regular fuel supply contract price, they said. OPIS notes that a 3cts/gal premium is considered significant at the racks where buyers in U.S. would switch to another unbranded rack for a fraction of a penny to gain a competitive edge.

"We think of that price premium as buying a put option (as with oil futures contract for protection against falling prices) or fire insurance," a supplier said.

He notes that the hefty price premium could affect the arbitrage economics for delivering fuel into Mexico and ultimately, Mexican consumers would incur the higher prices on the street.

Sources said that they had experienced contract defaults with buyers in Mexico, especially after Pemex, the state-owned oil company which still has the monopoly of oil supply in Mexico, cut its domestic prices to compete with private importers.

Faced with a comparatively lower Pemex price, a private importer is then forced to buy products from Pemex and dump its private import contract in order to stay competitive on the streets, they said.

"The competition with Pemex is real, and it is hard to compete with a company which has no profit motivation. It is not a level playing field," a second source said. Mexico is slowly weening itself off fuel subsidies which are a major financial burden to the country.

"Some buyers in Mexico are short-sighted to default contracts with U.S. sellers because Pemex may not keep the lowest price all the time ... but buyers are willing to take that chance," he said.

OPIS notes that the liberalization of the Mexican oil import market is a paradox. Sources in Mexico had told OPIS in the past year that Pemex, which is a state-owned company, will defend its domestic market share amid the liberalization of oil imports into Mexico, which appears to go against the government's effort to break Pemex's monopoly of the domestic market and encourage private imports. Pemex has been adjusting prices to stay competitive in the domestic market, as seen in the Mexican liquefied petroleum gas sector last year.

Flexibility Is Key

U.S. companies said that they have to tread carefully in the Mexican market, and the key to a successful business deal in Mexico is optionality and flexibility. That is in addition to a price premium paid to U.S. refiners for supplies.

One source said that it is important to build a network of buyers in Mexico to protect against contract defaults.

"We had a buyer back out of our deal and the unit train was already on the way into Mexico. We had to find another buyer in another area in Mexico, and the first buyer would pay for the extra freight cost to the second buyer to get out of our contract," he said.

Sources also said that optionality helps mitigate some of the risk linked to hefty demurrage costs of railcars in Mexico.

Demurrage cost for one railcar is $300 per day, and that cost for a total of 50 railcars can add up quickly over several days.

"Sometimes, buyers in Mexico were slow to offload the fuel from the rail cars because they were buying from Pemex at a cheaper price. ... The rail cars were used as storage for the buyers. The high demurrage cost could wipe out sellers' profits," another source said.

Besides potential contract defaults, some sources said that contract term and price negotiations with some Mexican buyers remain ongoing even though a contract is signed. Also, few Mexican companies would agree to pre-pay for oil supplies.

Window Spot-to-Rack Netback Spreads

Downstream netbacks are determined by subtracting the Average Rack price from the Delivered Spot price (total of the Spot Average and Delivery Costs).

New York Harbor Wholesale Netbacks

	Diesel			Unleaded Gasoline		
	spot average		161.96	conventional spot avg		149.19
				reformulated spot avg		147.94
	Delivered Spot	Average Rack	Netback	Delivered Spot	Average Rack	Netback
Albany	165.61	172.82	7.21	152.84	155.75	2.91
Boston	164.81	173.91	9.10	150.79	159.35	8.56
Newark	163.26	167.70	4.44	149.24	155.54	6.30
New Haven	163.96	171.55	7.59	149.94	158.02	8.08
Portland	165.46	179.04	13.58	152.69	160.34	7.65

Gulf Coast Colonial Pipeline Wholesale Netbacks

	Diesel			Unleaded Gasoline		
	spot average		159.86	spot average		154.09
	Delivered Spot	Average Rack	Netback	Delivered Spot	Average Rack	Netback
Atlanta	162.75	166.98	4.23	157.58	155.35	-2.23
Baltimore	163.27	166.90	3.63	157.50	159.02	1.52
Fairfax	163.27	167.44	4.17	157.50	158.23	0.73
Greensboro	163.02	165.82	2.80	157.85	187.48	29.63
Philadelphia	163.34	166.74	3.40	157.57	155.08	-2.49
Chicago	163.86	166.85	2.99	0.00	0.00	0.00
St. Louis	162.86	172.50	9.64	157.69	165.43	7.74
Birmingham	163.27	167.02	3.75	158.10	153.69	-4.41
Dallas	162.26	169.67	7.41	156.49	160.24	3.75
Houston	161.36	167.47	6.11	155.59	160.21	4.62

Group 3 Williams Pipeline Wholesale Netbacks

	Diesel			Unleaded Gasoline		
	spot average		159.46	spot average		154.19
	Delivered Spot	Average Rack	Netback	Delivered Spot	Average Rack	Netback
Kansas City	162.06	166.64	4.58	156.79	177.92	21.13
Minnesota	163.82	165.79	1.97	158.55	181.19	22.64
Omaha	162.76	168.44	5.68	157.49	181.58	24.09
Tulsa	160.71	162.97	2.26	155.44	176.49	21.05
Denver	162.46	171.33	8.87	157.19	164.18	6.99

West Coast Netbacks

	Diesel			Unleaded Gasoline		
	spot average		163.49	spot average		182.32
	Delivered Spot	Average Rack	Netback	Delivered Spot	Average Rack	Netback
Los Angeles	165.09	182.41	17.32	187.92	208.46	20.55
Phoenix	167.24	179.45	12.21	186.07	171.97	-14.10
San Francisco	164.09	180.34	16.25	190.54	205.89	15.35

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Despite the numerous potential contractual issues, some sources said that the legal route is not an option for dealing with flaky buyers.

Sources said that it would be hard to bring Mexican buyers to court for contract defaults. The legal costs could be significant without a guaranteed result, and some lawyers would not take these cases.

Besides contract issues, another real threat to potential players planning to invest in Mexico is potential nationalization of assets in Mexico in the future, some sources said.

"U.S. investors will need to break even on their investments in Mexico as soon as possible in order to minimize the risk of a nationalization," one source said.

In January, OPIS reported that market participants and industry watchers in Mexico were monitoring closely the ongoing buildup to the looming Mexican presidential election in 2018, which could have implications on the domestic energy industry. One leading candidate on the Mexican presidential election radar could present a risk to the fruits of the ongoing energy reform.

Andres Manuel Lopez Obrador is seen in Mexico as a nationalist and a follower of ex-President Lazaro Cardenas, who was credited for nationalizing the Mexican oil industry in 1938.

Sources in Mexico said that Lopez Obrador, an ex-mayor of Mexico City, is seen as a leading candidate and that he has gained some momentum following the election of President Trump in the U.S.

Some U.S. companies are not shying away from dealing with Mexico despite these obstacles. They are understanding and learning a different way to ensure a successful oil supply deal in Mexico.

Some U.S. companies are delivering limited volumes of products, especially diesel, to northern Mexico and some areas in Mexico where Pemex's supplies are seen as inefficient. Some areas in Mexico face sporadic supply shortages.

"We can chalk it down as cultural difference," one source said while explaining the differences between U.S. and Mexican oil supply deals.

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Fuels America Cuts Ties With RFA over Purported RFS Deal

The Renewable Fuels Association's (RFA) reported support for a deal that would see the Trump White House move the Renewable Fuel Standard's (RFS) point of obligation from refiners and fuel importers to the fuel terminal rack in exchange for an RVP waiver that would allow E15 to be sold year-round is dividing the U.S. biofuels industry.

Fuels America, which represents a wide swath of the U.S. biofuels sector, said last week it had "severed ties" with RFA in the wake of reports that the ethanol trade group had reached a deal with Carl Icahn, President Donald Trump's regulatory adviser.

In a statement on March 1, RFA President and CEO Bob Dinneen said he continues to "have great respect for the Fuels America coalition and its members, and I believe deeply in its mission. RFA continues to support the goals of the coalition, which is to defend and support the RFS, a program for which the RFA worked awfully hard to pass in the first place. There seems to be some misinformation about our discussions involving an Executive Order emanating from The White House. RFA's only objective is to expand market opportunities for ethanol. We will continue to work toward that goal, while continuing to protect the integrity of the RFS."

Early the day before Dinneen had said a pending White House executive order would shift the RFS compliance obligation from refiners to position holders at the terminal, adding that his organization was told the directive is "not negotiable."

"We received a call from an official with the Trump administration, informing us that a pending executive order would change the point of obligation from refiners to position holders at the terminal, a potentially small increase in the number of obligated parties, but one which would distribute the obligation more equitably," Dinneen said in a statement. "Despite our continued opposition to the move, we were told the executive order was not negotiable."

"Our top priority this year is to ensure consumers have year-round access to E15 (15% ethanol) and we would like the Trump administration to help cut through the red tape on this unnecessary regulation," Dinneen said in the statement.

"Consumers are being denied access to the fuel blend due to EPA's nonsensical disparate treatment of E10 and E15 with regard to volatility regulations, preventing E15 from being sold during the summer. We will continue to do everything we can to ensure consumers have access to the lowest cost, cleanest, highest octane source of fuel in the world, and to ensure a strong RFS is maintained."

The White House, however, said Tuesday afternoon that there is no pending executive order on the RFS.

In a statement, Fuels America said it "has resolved to reject a play by Carl Icahn, owner of CVR Refining, to permanently destabilize the [RFS] and has severed ties with [RFA]."

The group said it "represents a diverse coalition, from farmers to scientists, working to protect America's Renewable Fuel Standard and promote the adoption of homegrown biofuels that are good for the U.S. economy, for our nation's energy security, and for the environment. In keeping with our mission, we adamantly oppose any effort to derail the RFS by shifting the point of obligation and exempting certain refiners and fuel importers from their responsibility to deliver cleaner, more affordable biofuel options to consumers.

"Carl Icahn, in his conflicted role as owner of CVR Refining and special White House adviser, has sought to mislead biofuel advocates into accepting rewrites to the RFS in exchange for changes to outdated EPA regulations that limit summertime sales of ethanol. Yet, Mr. Icahn has no authority to dictate

EPA policy, and a waiver to Reid Vapor Pressure (RVP) limits would be meaningless if retailers lost the incentive to sell higher biofuel blends, as Icahn proposes. "

The group said that despite its opposition, RFA "has elected to lend its support to Mr. Icahn's efforts. Accordingly, RFA's position is no longer aligned with America's biofuel industry and the Fuels America coalition has resolved to sever ties with the group."

Fuels America members include the Biotechnology Innovation Organization, the National Farmers Union, POET, the American Coalition for Ethanol, Archer Daniels Midland, Monsanto, Growth Energy, the National Corn Growers Association and the Advanced Biofuels Business Council.

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Indigo Energy to Expand into New Southeast Markets

Gainesville, Ga.-based Indigo Energy said today that it will be offering product in four new markets, adding to its already extensive U.S. Southeast footprint.

Indigo Energy already ships on the Colonial and Plantation pipelines and will be adding barrels into the Birmingham, Ala.; Charlotte, N.C.; Spartanburg S.C.; and Roanoke, Va., markets starting in mid-March. The company will be offering all grades of gasoline as well as an ethanol-free gasoline when supply is available.

The expansion into the new markets is part of the company's plan to augment its distribution services in the Southeast, a region where the company is already well known, Indigo said. The company also said that it will continue to add new markets in the Southeast throughout 2017.

"Our company has built a solid reputation in this region of the U.S. because of our commitment to customers and our ability to be creative when it comes to fuel delivery, even in the face of natural disasters or fuel shortages," John Mansfield, Indigo Energy Chief Executive Officer said.

"The expanded terminals in Alabama, Virginia and the Carolinas will give us even more flexibility [while] positioning us to offer the most competitive pricing to our customers," he added.

Though the new markets have a variety of suppliers, the OPIS Bottom Line report shows that large discounts to the OPIS low are rather infrequent in the four new markets Indigo is entering. With operation advantages, such as its own fleet, Indigo can offer competitive rates to customers for delivered loads or as a common carrier.

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First U.S. Offshore Sour Crude Cargo Heads to S. Korea

The record-high U.S. crude exports in January will be followed by a rare U.S. offshore crude export to South Korea in March, industry sources in the U.S. told OPIS last week.

Hyundai Oil Bank, a refiner in South Korea, has bought a 500,000-bbl cargo of Southern Green Canyon crude slated for March loading for delivery to South Korea.

The Southern Green Canyon cargo will represent the first U.S. crude cargo to head to South Korea this year. In 2016, GS Caltex, another refiner in South Korea, was an active buyer of U.S. crude. This will also be the first Southern Green Canyon crude cargo ever to go to South Korea.

The cargo will be loaded on a 2-million-bbl-capacity Very Large Crude Carrier on the Gulf Coast in March. Hyundai booked the VLCC, Bunga Kasturi Enam, for March 21-25 loading on the east coast of Mexico, at a lump sum of $5.3 million. The ship is expected to load an oil cargo in Mexico before heading to load the U.S. crude cargo in Texas for delivery to South Korea.

A larger ship like a VLCC offers economies of scale. Some traders said that an Aframax tanker delivery of U.S. crude to South Korea would not be economical.

There are a few suppliers of Southern Green Canyon crude, a crude produced in an offshore field in the Gulf of Mexico, but traders said that the seller of that cargo to Hyundai could be BP. Southern Green Canyon is a sour crude grade, comparable to Mars and Poseidon, and the sour grades are typically traded at a significant price discount to U.S. benchmark West Texas Intermediate (WTI) crude.

Meanwhile, the January crude export push from the U.S. was attributed to a relatively wide Brent-WTI price spread of about $3/bbl, but that benchmark crude gap had narrowed to about $2.47/bbl as of presstime. The arbitrage economics for U.S. crude exports are now less favorable than a month ago.

South Korean refiners, along with Asian refiners, could look into buying U.S. crude if Brent crude is more expensive than the Dubai benchmark. However, the Dubai crude price could be more expensive than WTI. So far this year, U.S. crude exports have gone to China and possibly Europe, in addition to normal flows to Canada, Venezuela and Mexico.

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In Crude Oil Markets

U.S. Crude Oil Buying Prices ($bbl)

	West Texas Intermediate	West Texas Sour	Louisiana Sweet	Change in Week	Effective Date
Plains Marketing	50.25	46.20	48.75	0.00	3/1
Conoco/Phillips	50.45	47.32	49.20	0.24	3/1
Sunoco	50.25	45.25	48.75	0.25	3/1
Shell Trading	50.40	50.74	48.75	0.20	3/1

Crude Oil Crack Spreads

			Crack Value	Crack Spread	Change from Last Week
NY Harbor	Brent 3:2:1	Apr	$64.54	$8.95	$1.80
	Bakken 3:2:1	Apr	$64.54	$1.53	$0.93
	NYMEX 3:2:1	Apr	$71.38	$17.37	$6.60
Chicago	WTI 2:1:1	Apr	$67.66	$13.65	$3.47
	WCS 2:1:1	Apr	$67.66	$20.98	$2.97
USGC	LLS 3:2:1	Apr	$65.82	$7.66	$2.56
	WTI 3:2:1	Apr	$65.82	$8.49	$2.43
USWC	ANS 3:2:1	Apr	$75.13	$22.32	$3.21

Note: Prompt Crack Spreads calculated as of 2/28/17

Current EIA Statistics

Gasoline	Current	Last Week	3-Yr Avg
PADD 1 Inventories	75,000	75,500	67,667
PADD 2 Inventories	60,200	60,100	55,467
PADD 3 Inventories	81,600	81,700	79,300
PADD 4 Inventories	8,500	8,600	7,567
PADD 5 Inventories	30,500	30,500	32,333

ULSD	Current	Last Week	3-Yr Avg
PADD 1 Inventories	50,900	50,500	30,633
PADD 2 Inventories	33,900	34,000	30,633
PADD 3 Inventories	40,200	41,700	37,367
PADD 4 Inventories	3,700	3,500	3,400
PADD 5 Inventories	13,600	13,900	13,100

Crude Oil	Current	Last Week	3-Yr Avg
PADD 1 Inventories	17,200	17,700	14,833
PADD 2 Inventories	151,000	149,700	128,767
Cushing Inventories	63,500	63,000	49,533
PADD 3 Inventories	277,600	275,300	215,933
PADD 4 Inventories	24,400	24,100	21,700
PADD 5 Inventories	50,100	51,800	53,467

Inventories	Current	Last Week	3-Yr Avg
Crude	520,200	518,700	434,700
Gasoline	255,900	256,400	242,367
ULSD	142,300	143,700	115,167
HS Distillate	13,600	13,400	15,033

Oil Output (b/d)	Current	Last Week	3-Yr Avg
Lower 48	8,515	8,483	8,311
Alaska	517	518	505

Refinery (b/d)	Current	Last Week	3-Yr Avg
Gross Input	15,886	15,570	15,696
Mogas Output	9,541	9,236	9,495
ULSD Output	4,390	4,133	4,297

Exports (b/d)	Current	Last Week	3-Yr Avg
Weekly Mogas*	891	848	572
Weekly Distillate*	1,284	1,007	1,227
Monthly Mogas	927	828	568
Monthly Distillate	1,207	1,154	1,205

Imports (b/d)	Current	Last Week	3-Yr Avg
Crude	7,589	7,286	7,373
Mogas	457	367	470
Distillate	210	129	303

Demand (b/d)	Current	Last Week	3-Yr Avg
Mogas	8,686	8,663	9,009
4-week Avg	8,681	8,587	8,669
Distillate	3,813	4,292	3,868
4-Week Avg	3,967	3,966	3,770

Statistics are in thousands of bbl or thousands of b/d. *Weekly figures are EIA estimates.

Small Moves In Stocks, Gasoline Demand Disappoints

A solid jump in U.S. refinery utilization to 86% of capacity in the week ended Feb. 24, as reported by the EIA, points to the possibility that the heaviest of the seasonal maintenance could be in the rear-view mirror. However, the market may want to see a rising trend for utilization before coming to that conclusion. The last two years saw utilization bottom in February, but in the previous three years the nadir wasn't reached until March.

Midwest and Gulf Coast refineries accounted for most of the higher crude and feedstock throughput.

Higher refinery runs manifested in gasoline output that rose 305,000 b/d (to 9.541 million b/d), while another 300,000 b/d or so was added to distillate production (to 4.755 million b/d).

Meanwhile, U.S. gasoline inventories drew down by 500,000 bbl, leaving stocks still at an almost-1-million-bbl surplus to last year.

Gasoline inventories are going to be closely watched over the next four weeks. A year ago the same period witnessed draws that totaled more than 12 million bbl. Some of that decline may have represented "dumping" sales of winter higher-RVP material ahead of the transition to summer-spec fuel, but winter 2016 gasoline demand was very strong because of historically low retail prices.

By contrast, gasoline demand so far in 2017 has been relatively flat, according to the EIA. The latest week saw a gain of just 22,000 b/d to 8.686 million b/d.

U.S. distillate inventories fell 900,000 bbl, with the largest portion of that focused on the Gulf Coast and likely attributable to a bump-up in exports. The third decline in as many weeks has narrowed the year-on-year surplus to just 600,000 bbl. At 1.284 million b/d, outbound distillate shipments were the highest seen since the week ended Dec. 23, 2016.

Crude oil in storage rose 1.5 million bbl, hitting a new record of 520.2 million bbl and now hold a 33.5-million-bbl surplus to a year ago. Domestic oil production increased once again and, at 9.032 million b/d, compares with the mid-March levels of 2016 when output was on the way down. Adding to higher output were lower runs at refineries and a 300,000 b/d tick higher in imports (to 7.589 million b/d).

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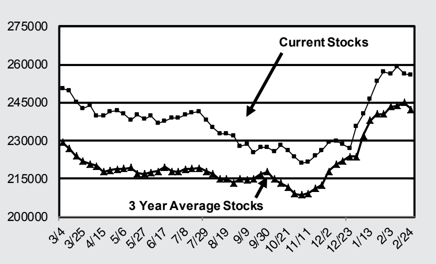
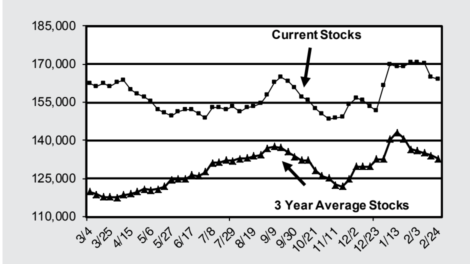
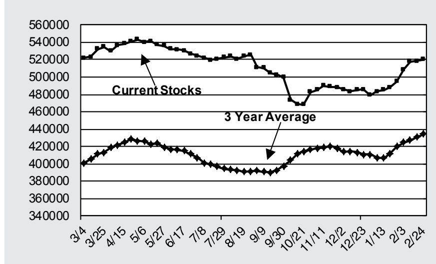
Gasoline Stocks



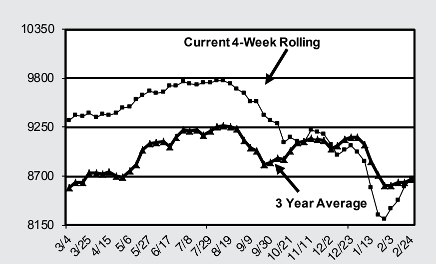
Distillate Stocks



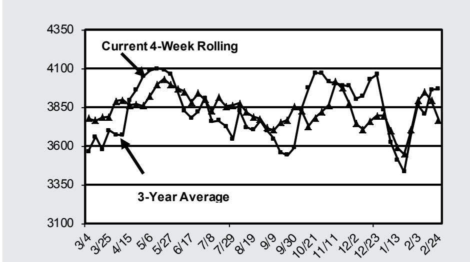
Crude Stocks



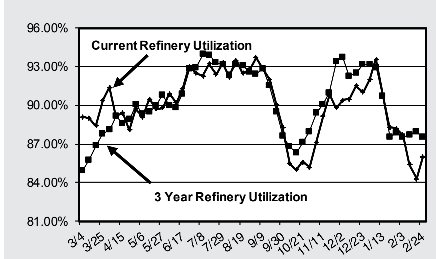
Gasoline Consumption



Distillate Consumption



Refinery Utilization



Regional Downstream Profitability Analysis

PADD 1 Northeast

NORTHEAST SPOT-RACK-RETAIL MARGINS

National Index	Gasoline	▲ Last Wk.	Diesel	▲ Last Wk.
Retail	237.93	-1.08	268.43	0.47
Net	177.37	-1.05	214.18	1.15
Wholesale	156.04	2.13	171.34	1.32
Rack-Retail Margin	21.33	-3.17	42.84	-0.18
NY Spot	144.55	-3.28	160.91	-1.05
Regional Spot-Rack Margin	11.49	5.41	10.43	2.37
Regional Spot-Retail Margin	32.82	2.23	53.27	2.20

Note: All prices are averages in cts/gal

- Gasoline crack spreads for Northeast refiners who run Brent crude flirted with just $4/bbl toward week's end, a level low enough to inspire run cuts.
- Inventories of gasoline in the Middle Atlantic finally dipped, but at 40.3 million bbl they are still 8 million bbl to 10 million bbl above previous years in the decade.
- Distillate stocks in the Middle Atlantic remain at around 32.5 million bbl. Inventories drew down by about 3 million bbl in March 2016 but that appears unlikely this year given mild temperatures.

PADD 1 Southeast

SOUTHEAST SPOT-RACK-RETAIL MARGINS

National Index	Gasoline	▲ Last Wk.	Diesel	▲ Last Wk.
Retail	221.46	1.43	252.37	0.32
Net	168.92	1.45	201.90	-0.22
Wholesale	159.00	4.27	170.95	-0.03
Rack-Retail Margin	9.92	-2.82	30.96	-0.18
NY Spot	144.55	-3.28	160.91	-1.05
Regional Spot-Rack Margin	14.45	7.55	10.04	1.02
Regional Spot-Retail Margin	24.37	4.73	40.99	0.83

Note: All prices are averages in cts/gal

- February 2017 produced retail gasoline prices that were up 27% to 32% in Lower Atlantic states. Year-on-year increases ranged from 47cts/gal in North Carolina to 53cts/gal in Virginia.
- Premium-regular spreads have widened out to about 20cts/gal for spot numbers at the Gulf Coast, but they are three times as wide for some majors downstream.
- Southeast gasoline inventories stand at 29.3 million bbl, which is about 1.6 million bbl above last year and 1.3 million bbl above 2015 levels.

PADD 2 Midwest

MIDWEST SPOT-RACK-RETAIL MARGINS

National Index	Gasoline	▲ Last Wk.	Diesel	▲ Last Wk.
Retail	222.24	2.03	246.46	0.18
Net	172.65	2.01	195.75	1.37
Wholesale	157.62	5.35	168.92	1.42
Rack-Retail Margin	15.02	-3.33	26.84	-0.04
Chicago Spot	158.55	6.72	160.66	4.95
Regional Spot-Rack Margin	-0.93	-1.37	8.26	-3.53
Regional Spot-Retail Margin	14.10	-4.71	35.09	-3.58

Note: All prices are averages in cts/gal

- Phillips 66's Wood River, Ill., refinery reported a unit upset early on March 2, according to a regulatory filing. A company spokesman said planned maintenance continued.
- ExxonMobil Inc.'s Joliet refinery in Illinois reported an unspecified equipment malfunction on Feb. 28, a regulatory filing showed. A company spokeswoman said that severe weather caused minor operational impacts, and that operations were stable.
- Midwest gasoline inventories climbed 100,000 bbl to 60.2 million bbl, in the latest EIA reporting week. Distillate stocks also eased by 100,000 bbl, to 35 million bbl.

PADD 3 Gulf Coast

GULF COAST SPOT-RACK-RETAIL MARGINS

National Index	Gasoline	▲ Last Wk.	Diesel	▲ Last Wk.
Retail	210.35	1.58	242.45	0.38
Net	169.88	1.59	192.52	0.37
Wholesale	160.36	4.78	171.76	0.35
Rack-Retail Margin	9.52	-3.19	20.76	0.01
Gulf Coast Spot	151.68	-2.03	159.01	-1.30
Regional Spot-Rack Margin	8.69	6.81	12.75	1.65
Regional Spot-Retail Margin	18.20	3.62	33.51	1.67

Note: All prices are averages in cts/gal

- Gulf Coast gasoline basis levels tumbled last week following RVP and reference month shifts. Notably, cash values for CBOB and RBOB hit their lowest levels in a little over a week.
- Regional gasoline stocks fell to 81.6 million bbl, still well ahead of the five-year average, according to the EIA. Distillate inventories fell to their lowest level of the year.
- Freight for oil tankers hauling USGC diesel cargoes to Europe rebounded, while gasoline tanker rates slipped to their lowest levels this year, according to Wells Fargo Securities.

PADD 4 Rockies

National Index	Gasoline	▲ Last Wk.	Diesel	▲ Last Wk.
Retail	228.58	2.04	257.47	1.94
Net	181.60	2.03	214.33	4.54
Wholesale	169.36	4.22	188.00	4.49
Rack-Retail Margin	12.24	-2.19	26.33	0.05
Group 3 Spot	157.05	3.72	158.91	1.95
Regional Spot-Rack Margin	12.31	0.50	29.09	2.54
Regional Spot-Retail Margin	24.55	-1.69	55.42	2.59

Note: All prices are averages in cts/gal

- Wholesale price increases in Utah and Idaho from the Salt Lake City crude pipeline issue slowed in the latest week. Various racks saw moves of 2-5cts/gal for both gasoline and diesel. SLC refiner downtime helped lift refining margins by some $2 to $12/bbl, according to Barclays.
- Rockies fuel prices have generally been moving higher, but futures markets under pressure are likely to flatten rack prices and provide some ease in rack-to retail margins.

PADD 5 West Coast

National Index	Gasoline	▲ Last Wk.	Diesel	▲ Last Wk.
Retail	278.79	4.18	278.74	-0.07
Net	221.32	4.08	219.92	0.94
Wholesale	198.83	10.39	185.31	0.85
Rack-Retail Margin	22.49	-6.31	34.61	0.09
LA Spot	178.55	4.72	162.91	-3.00
Regional Spot-Rack Margin	20.28	5.67	22.40	3.85
Regional Spot-Retail Margin	42.77	-0.64	57.01	3.94

Note: All prices are averages in cts/gal

- Last week saw the San Francisco regular and premium CARBOB spot markets begin pricing a 5.99-lb RVP summer barrel, resulting in pipeline product prices increasing about 14cts/gal to range between $1.83/gal and $1.89/gal.
- PBF Energy said on Feb. 27 that it had completed repairs at its 155,000-b/d refinery in Torrance, Calif., following the fire that broke out in a crude unit nine days earlier.

Salt Lake City Refineries Continue at Reduced Rates

The crude supply issue in Salt Lake City, Utah, has dragged on for more than two weeks, and there is no end to the problem in sight, industry sources told OPIS on March 2.

Some sources said that Plains All-American has been unable to work on its shut 100,000-b/d Wahsatch pipeline in the past two weeks due to unsuccessful negotiations over land access to the repair site. The limited crude supply issue is expected to persist in the near term. The lack of crude supply flowing into Salt Lake City has forced refiners in the region to cut operating rates and rely on crude delivery by trucks and possibly rail.

Reduced Salt Lake City fuel production has caused a gradual, but significant, price increase for gasoline and diesel in the Southwest. Some rack players told OPIS last week that there is still no panic buying at the wholesale level after two weeks of lower refinery production. This is due to excess seasonal gasoline supply in Salt Lake City and the fact that other Southwest markets can draw supply from other markets, including California.

Rack prices for products, especially diesel, have risen in Salt Lake City, Boise, Las Vegas and even Los Angeles due to the run cuts at Salt Lake City, with some rack sellers raising diesel prices by more than 30cts/gal and gasoline prices by more than 10cts/gal. However, the weaker NYMEX front-month RBOB futures price at the start of March has helped blunt the rack price spike.

Plains All-American has remained mum on the Salt Lake City crude pipeline restart and repair since Feb. 17 when it said that the Wahsatch pipeline was expected to be down for several days due to indications of soil movement identified by Plains monitoring systems in a mountainous area east of Ogden. The line is a buried pipeline constructed in 2007. It receives crude oil from locations near Evanston, Wyo.

As of presstime, Plains spokespeople were unavailable for an update on the pipeline situation.

Some Salt Lake City refiners, including Tesoro and HollyFrontier, have cut output due to lower crude supplies. Other refiners in Salt Lake City include Chevron, Silver Eagle and Big West Oil.

"The Tesoro Salt Lake Refinery is running at reduced capacity following a crude oil supply disruption and the completion of planned maintenance. During this event, we are utilizing our integrated refining and logistics system to meet the ongoing needs of our customers," a Tesoro spokeswoman told OPIS on March 2.

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Phillips 66: Maintenance Underway at Humber Refinery

Scheduled maintenance is underway at the Phillips 66-operated Humber refinery in the U.K., but the extent of the work is unclear, sources told OPIS last week.

A spokesman for Phillips 66 confirmed that maintenance at the 221,000-b/d refinery has begun but declined to give further details. Sources suggested that a 30,000-b/d catalytic reformer is undergoing maintenance.

The refinery is the third U.K. refinery heard by OPIS to be undergoing Q1 turnarounds.

Maintenance work at the Ineos-operated 200,000-b/d Grangemouth plant, Scotland's only refinery, will occur for up to two months beginning in the middle of March. Grangemouth is currently recruiting maintenance workers for contracts that will last six to eight weeks and commence on March 20. The work is connected to a planned outage, according to a source.

Maintenance work taking place over the next few months at the ExxonMobil-operated Fawley plant, the U.K.'s largest refinery, will have a "minimal" effect on production, sources have told OPIS.

"The impact on production will be minimal," said a source. "Procedures are in place to limit" the effect, the source added, referring to maintenance work involving crude distillation units 2 and 3 between February and the beginning of May. The two units have a maximum processing capacity of 270,000 b/d.

Turnarounds were expected to reduce European throughput capacity by 794,000 b/d in February, 1.141 million b/d in March and 424,000 b/d in April, according to London-based energy consultancy Energy Aspects.

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SELECTED REFINERY FEEDSTOCKS PRICES

	U.S. Gulf Coast	West Coast (Los Angeles Basis)
	Wk. Avg	**Wk. Avg**
NAPHTHA	136.740	N/A
DOM. NAPHTHA	137.240	N/A
PAR. NAPHTHA#	484.620	N/A
DOM. FR NAPHTHA	134.240	N/A
LT.CYCLE	143.420	139.350
LS LT CYCLE	145.795	N/A
ST.RUN H.S.*	44.850	N/A
ST.RUN L.S.*	53.900	N/A
CARGO L.S. VGO	140.235	N/A
CARGO Med. VGO	137.850	N/A
CARGO H.S. VGO	135.480	N/A
BARGE L.S. VGO	139.515	173.770
BARGE Med. VGO	137.255	N/A
BARGE H.S. VGO	135.000	169.770

Prices U.S. cts/gal except where noted.
*Prices shown in U.S. $/bbl. # Prices shown in U.S. $/MT

Methodology: OPIS spot weekly averages are calculated by averaging the daily averages, adding each low and high for each business day and dividing by the total.

SPOT MARKET PRICES

ETHANOL
(in U.S. $/gal.)

	Wk Avg.
Chicago	1.4883
Chicago Rule 11	1.4878
New York	1.5765
Gulf Coast	1.5410
Dallas	1.5440
Tampa	1.6900
Nebraska	1.3865
Los Angeles	1.6830
San Francisco	1.6830
Pac NW	1.6090
Phoenix	1.5580

MTBE/ALKYLATES

	Wk Avg.
MTBE	1.5550
Alkylate	1.8098

U.S. ETHANOL RIN VALUES
(in U.S. $/gal.)

	Wk Avg.
Current	0.40950
Previous	0.40500

Methodology: OPIS spot weekly averages are calculated by averaging the daily averages, adding each low and high for each business day and dividing by the total.

For more detailed daily Ethanol, RIN and MTBE pricing, please see OPIS Ethanol and Biodiesel Information Service or call 1-888-301-2645.

Ethanol Rally Subsides From Rumor-Filled Week

Last week began as a wild one for the U.S. biofuels industry amid rumors, apparent confirmations and ultimately denials that the Trump administration was set to shift RFS compliance. Downstream RIN credit values contracted but also whipped ethanol around.

Most ethanol bulk markets were quiet, but trading in the Chicago-area had nearby in-tank spot prices exiting February with a rally of more than a nickel on trade talks that touched $1.54/gal. As the RIN price swings flattened, ethanol again worked lower and by presstime Chicago volume that could be transferred during the current week again moved south of $1.50/gal. Late word of $1.4925/gal getting done on volume available early this week had prices sinking back by 50-75 points in the week-to-week comparison.

It should also be noted that at $1.50/gal, dead-prompt Chicago ethanol was still a few cents lower than the going rate for any-March volume.

Ethanol price moves occurred after Washington rumors of a grand bargain that would have the administration issuing an executive order to move the RFS point of obligation from refiners to rack blenders in exchange for a 1-lb RVP waiver from EPA for E15 ethanol blends. The reports quickly crushed RIN values by more than 35% in the course of a morning. Trades for the 2017 D6 ethanol credit slid to 30cts/RIN before rumors were quashed – for now – by the White House. Values recovered into the 37-40cts/RIN area by midweek.

However, ethanol players had more to consider than the RFS question. Amid what might be described as a tug-of-war between rallying corn prices and ever-heavier inventory depicted by weekly EIA industry data, ethanol prices seemed to waffle. Outside Chicago, bulk markets remained very thin as many ethanol traders largely stood pat.

By midweek, corn markets continued to storm higher: front-month March CBOT contracts exited February up 6.5cts and settled the first day of March by adding another 9cts, to $3.7575/bu. The paper rally, however, was mostly pegged to commodity fund buying ahead of the start of growing season and remained less evident in the cash corn market, trade sources noted. Some also pointed to the possibility of changes in EPA rules that might open a wider door for using more of the higher ethanol blends such as E15 in summer.

The pressure from corn had a counterweight in billowing ethanol inventory that added another 422,000 bbl to reach 23.091 million bbl. The total is 2.1% higher versus a year ago and the third-highest level on record. However, most of the build came from Gulf Coast inventories which swelled by 557,000 bbl to 4.393 million bbl.

Sources point out that Gulf Coast ethanol inventory can be very volatile because it is a jumping-off point for exports; they expect the supply rise was mostly due to shipping delays that will be quickly resolved.

Plants collectively kept output steady for the week, at 1.034 million b/d. However, blender inputs ticked up 14,000 b/d, to 882,000 b/d, right where EIA had it at the same time last year, despite implied gasoline demand that slumped 4.8% below 2016 levels.

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L.A. E10 Tops $1.75/gal, Chicago Gets Biggest Boost

Los Angeles blendstock values got another lift last week, rising past $1.80/gal and helping push 10%-ethanol blended gasoline (E10) over $1.75. Chicago didn't reach those heights, but did see one of the biggest gains.

L.A. CARBOB jumped nearly 4.75cts week on week, surpassing $1.80/gal for the first time in two and a half weeks. Ethanol prices there saw one of the only declines, shaking off 2cts to $1.68/gal, but still posted the highest price in the nation by nearly a dime.

Likewise, E10 prices in the region soared, picking up a nickel to just over $1.75/gal – the highest price in the nation by some 25cts. However, L.A. blenders saw margins lose 25pts to 4.95cts/gal.

Meanwhile, Chicago blendstock values saw the biggest gain. CBOB in the Windy City moved more than 6.25cts higher to $1.5430/gal, the most expensive market east of the Rockies. Chicago ethanol remained the least expensive in the U.S. at just over $1.50/gal, little changed on the week. E10 prices in Chicago jumped 6.7cts to just over $1.50/gal. Like L.A., Chicago blending margins came in a little bit, dropping about 40pts to 4.17cts/gal.

RIN values' decline of more than a dime dropped E10 prices by a bit under 4cts, exerting much less influence on blending values than when RINs were more than double the week's value.

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USGC Gets First New Ethane Cracker On Line; More to Come

Ingleside Ethylene, the 50/50 joint venture between Occidental Chemical Corp., a subsidiary of Occidental Petroleum Corp., and Mexichem, said last week that it has begun first operations at its new ethylene cracker at Occidental Chemical's Ingleside, Texas, complex on schedule and on budget.

The ethylene cracker is in a production stabilization phase, Ingleside Ethylene said.

OPIS notes that Ingleside Ethylene is the first of a few ethylene crackers projects coming onstream in the U.S. this year and over the next few years. The new crackers, together with growing U.S. ethane exports, will be supported by the rapidly increasing ethane production. Four other U.S. ethane cracker projects – ExxonMobil, CP Chem, Dow Chemical and Formosa – are underway. The market is split on future U.S. ethane market fundamentals and price outlook as it is unclear whether demand growth would outpace rising production growth or vice versa.

Industry sources said the new cracker will slowly ramp up its production throughput during the year, and the price impact on ethane would be gradual. The slow ramp-up is attributed to the stabilization process for the new facility's operations.

"The new Ingleside cracker, which will be operated by Oc-

U.S. & CANADA LP-GAS WEEKLY AVERAGES

Mont Belvieu

	PROPANE*	I. BUTANE*	N. BUTANE*	ISOBUTANE*	N. GASOLINE*
Weekly Average	63.1750	88.0250	81.6250	84.2500	118.4875

	PROPANE**	N. BUTANE**	ISOBUTANE**	N. GASOLINE**
Weekly Average	63.1250	90.9250	84.2500	115.6625

	OTHER PROPANE**	OTHER N.BUTANE**	OTHER ISOBUTANE**
Weekly Average	63.7875	88.7250	82.7500

	E-P MIX	N.G. (RIVER)	PURITY ETHANE	OTHER N.GASOLINE
Weekly Average	21.2750	121.6625	23.0125	117.2625

Conway InWell

	PROPANE	N. BUTANE	ISOBUTANE	N. GASOLINE	ETHANE (in E-P)
Weekly Average	56.2250	77.1500	88.9625	119.7000	18.4750

Conway In-Line

	PROPANE	N. BUTANE	ISOBUTANE	N. GASOLINE	ETHANE (in E-P)
Weekly Average	56.2250	77.1500	88.9625	119.7000	18.4750

Bushton

	PROPANE KM	N.BUTANE KM	ISOBUTANE KM	N.GAS KM	ETHANE KM
Weekly Average	56.2250	77.1500	90.9625	119.7000	18.4750

NOTE: MAPC prices are now designated as In-Well, **NON-TET, *TET=LDH

Louisiana

FOB Napoleonville Area

	PROPANE	N. BUTANE	ISOBUTANE	N. GASOLINE	PUR. ETHANE	E-P MIX
Weekly Average	56.6250	97.9250	93.2500	113.5375	20.5125	19.7750

FOB Geismer/Sorrento Area

	PROPANE	N. BUTANE	ISOBUTANE	N. GASOLINE	PUR. ETHANE
Weekly Average	61.1250	95.9250	91.2500	121.4125	25.5125

Los Angeles

	PROPANE	N. BUTANE	BUTANE MIX	ISOBUTANE
Weekly Average	115.2750	79.4375	79.4375	109.3000

Bakersfield

	PROPANE	N. BUTANE	BUTANE MIX	N. GASOLINE
Weekly Average	118.3750	90.9500	90.9500	91.0250

San Franscisco

	PROPANE	N. BUTANE	BUTANE MIX	ISOBUTANE
Weekly Average	121.0750	79.4375	79.4375	109.3000

Other LP-Gas Markets

Sarnia

	PROPANE	N. BUTANE	ISOBUTANE
Weekly Average	71.8500	86.6250	86.2500

Edmonton

	PROPANE	N. GASOLINE	FIELD GRADE BUTANE***
Weekly Average	33.7250	128.6974	76.3500

Hattiesburg

	IN-LINE PROPANE	STORAGE PROPANE
Weekly Average	59.2000	58.6000

Methodology: OPIS LP-Gas spot weekly averages are calculated by averaging the daily "Any" averages, Friday - Thursday. ***Formerly N. BUTANE cidental Chemical, has the capacity to produce 1.2 billion pounds (550,000 cubic meters) of ethylene per year and provide Occidental Chemical with an ongoing source of ethylene for manufacturing vinyl chloride monomer (VCM), which Mexichem will use to produce polyvinyl chloride (PVC resin) and PVC piping systems," both companies said.

The companies have a 20-year supply agreement.

The project also includes a pipeline and storage facility at Markham, Texas, the companies said.

Total investment in the project was about $1.5 billion and the facility is said to provide 150 permanent jobs.

Construction began in the second quarter of 2014. In December 2013, Ingleside Ethylene awarded CB&I the engineering and construction contract to build the cracker.

Mexichem, one of the world's largest chemical and petrochemical companies, manufactures and supplies plastic piping.

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Sunoco Logistics to Build Twin Mariner East 2 NGL Pipelines

Sunoco Logistics said recently during the company's fourth-quarter earnings call that its new Mariner East 2 natural gas liquids pipeline will start up in the third quarter, slightly later than the original commissioning date in the first half of 2017.

Also, Sunoco Logistics has finalized plans to go ahead with its Mariner East 2x, a parallel pipeline to Mariner East 2, after receiving environmental permits from the Pennsylvania Department of Environmental Protection in mid-February.

OPIS notes that Mariner East 2, an expansion of the Mariner East system with origin points in Ohio, West Virginia and western Pennsylvania, will add additional off-take points for propane shippers in central and eastern Pennsylvania. The Mariner East 2 project is being built by Sunoco Logistics, which is also the owner of Mariner East 1.

Mariner East 2 will add capacity of about 275,000 b/d of natural gas liquids, primarily propane and butane, from both the Marcellus and Utica shales.

Mariner East 2 will provide both interstate service and intrastate service within Pennsylvania and has the potential to expand to 450,000 b/d.

Separately, the Mariner East 2x will add 250,000 b/d, said Michael Hennigan, CEO of Sunoco Logistics. He said the decision to build Mariner East 2x does not mean that Mariner East 2 is already fully committed at the potential maximum capacity of 450,000 b/d.

Hennigan said Sunoco Logistics always planned to build the twin lines for Mariner East 2. The twin line offers flexibility to the company and it also reflects Sunoco Logistics' bullish view on the NGL export and production market in the longer term, he added.

OPIS notes the total delivery capacity for all three Mariner East pipelines is pegged at 595,000 b/d, and that total increases to 770,000 b/d after adding the potential 175,000 b/d expansion on Mariner East 2.

Hennigan also said that Mariner East pipelines will serve the domestic and export markets, and the final destinations of the products lie with the shippers, not Sunoco Logistics. He noted that the U.S. Northeast, including New York, Pennsylvania and Delaware, has a greater winter demand for propane versus summer.

Sunoco Logistics does not anticipate any storage issues for its Mariner East NGL pipeline system.

"Mariner 1 has been on since the end of 2014 into the early part of 2015. We have not had one storage issue. We've been moving propane for as long as, what's now, over two years. We've not had one storage issue there. We've been moving ethane for quite some time now," Hennigan said in response to a question on potential storage issues in light of significantly larger NGL volume heading east via Mariner East.

Hennigan also said NGLs deliveries from the Marcellus and Utica shales to the East Coast should have an edge over deliveries to competing Gulf Coast destinations.

"We've been a believer for a long time that the best economics are the shorter route and not going all the way to the Gulf Coast, because in our view we've maintained that the NGL supply-demand balance in the U.S. is essentially long; all the hydrocarbons. So if you believe that, and I know there's some debate on it, I don't think there's much debate on propane or butane, but ethane there's been some debate," he said.

"In our view, U.S. NGLs will be long, so it doesn't make a lot of sense going through the Gulf Coast on a macro basis, and the Northeast offers some more flexibilities, more markets, more options for the shippers to have flexibility. So we do think it's a better option for us and that's partly why we've wanted to make sure we have growth potential in our system," he added.

Mariner East 2x would be in service for transportation of ethane, propane, butane C3+ and natural gasoline in 2017 and condensate in 2017-2018, according to Sunoco Logistics' website. However, Hennigan said that there could be some delay for this project. He declined to comment on the details of the Mariner East 2x project, including the potential NGL products mix, because of the ongoing open season for the project.

However, Hennigan said the Mariner East 2 and Mariner East 2x pipelines will be laid in the ground sequentially within the same project construction timetable.

Mariner East 1, originating in Washington County, Pa., southwest of Pittsburgh, began shipping propane in December 2014, serving local and regional propane shippers as well as the international market. The 70,000 b/d of ethane and propane capacity for Mariner East 1 is available for intrastate and interstate service.

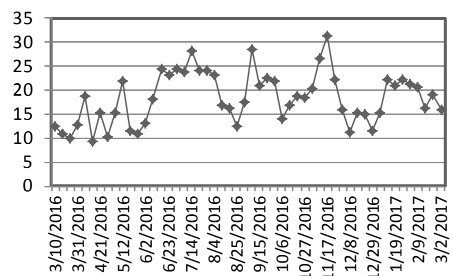
"We're excited to announce that we are moving forward with two pipes in the ME 2 project at this point. We've received enough commitments to move forward, but we still have that open season still open because we didn't know when the DEP would issue the permit," Hennigan said.

"In the meantime, the Marcus Hook portion of the project has been under construction and we are expecting that one of the additional cryogenic propane tanks will be completed

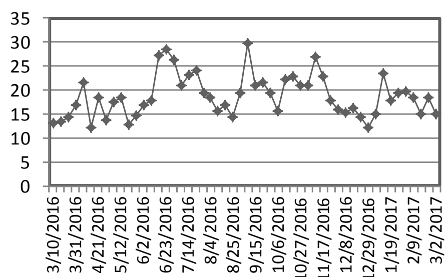
Current Margins By PADD vs Year-to-Date Margins

	---Current Week---				---Year-To-Date---			
PADD	**Retail**	**Net**	**Rack**	**Margin**	**Retail**	**Net**	**Rack**	**Margin**
PADD 1	228.39	173.26	157.44	15.82	232.34	177.16	157.78	19.38
PADD 2	222.24	172.65	157.62	15.02	223.28	173.75	155.60	18.14
PADD 3	210.35	169.88	160.36	9.52	211.93	171.45	157.93	13.52
PADD 4	228.58	181.60	169.36	12.24	225.79	178.82	164.02	14.80
PADD 5	278.79	221.32	198.83	22.49	270.01	212.76	184.08	28.68
National	**227.03**	**176.25**	**161.32**	**14.93**	**227.83**	**177.09**	**158.41**	**18.67**

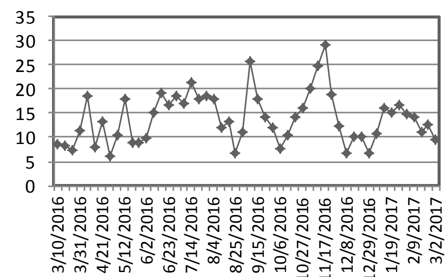
PADD 1
Rack-To-Retail Margins



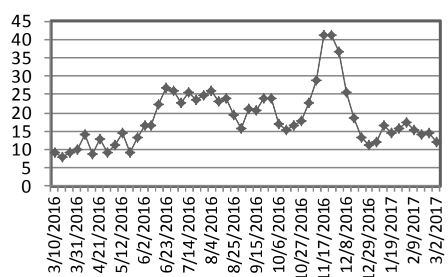
PADD 2
Rack-To-Retail Margins



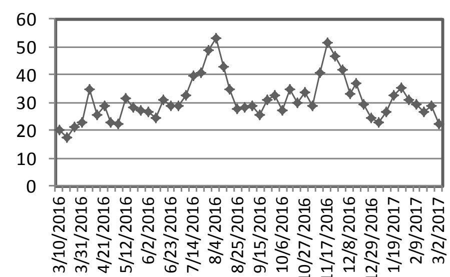
PADD 3
Rack-To-Retail Margins



PADD 4
Rack-To-Retail Margins



PADD 5
Rack-To-Retail Margins



in June, and the butane cryogenic tank will be completed in July," he said.

Once the Mariner East 2 tanks are operational, Sunoco Logistics expects to bring in additional natural gas liquids via its expanded rail system in Marcus Hook and Eagle Point until the pipeline construction is complete, Hennigan said.

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Venture Global to Build LNG Export Terminal in U.S.

Venture Global LNG said its subsidiaries Venture Global Plaquemines LNG and Venture Global Gator Express have completed the preliminary review process with the Federal Energy Regulatory Commission and have submitted the formal application requesting the commission's authorization to site, construct and operate the Plaquemines LNG export terminal and the Gator Express pipeline system in Louisiana.

The 20 million-tons-per-year Plaquemines LNG facility will be built on a 632-acre site in Plaquemines Parish, at river mile marker 55 on the Mississippi River, about 30 miles south of New Orleans. The export facility includes more than 7,000 feet of Mississippi River frontage with three LNG loading docks.

OPIS notes that Cheniere Energy's Sabine Pass terminal is the first LNG export terminal to come onstream in the United States. Several more LNG terminal projects are under construction, under consideration or awaiting federal permits. Most LNG terminal projects are concentrated on the Gulf Coast, with some on the East and West coasts. It is understood that not all projects would materialize due to increased competition domestically and internationally.

Working with GE Oil & Gas as a strategic partner, Plaquemines LNG is utilizing GE's plantwide LNG process system, incorporating a power, pretreatment and LNG liquefaction system.

Venture Global LNG said it developing LNG export terminals at Plaquemines and Calcasieu Pass, totaling 30 million tons per year of capacity.

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U.S. Reseller Propane Prices

Wkly Propane Contract Avgs.

CONWAY, KS
AVERAGE 60.40

DIXIE PL
ALBANY, GA
AVERAGE 65.45

ALMA, GA
AVERAGE 66.08

CHERAW, SC
AVERAGE 66.96

DEMOPOLIS, AL
AVERAGE 63.94

HATTIESBURG, MS
AVERAGE 62.62

LEXINGTON, SC
AVERAGE 66.34

MILNER, GA
AVERAGE 65.28

OPELIKA, AL
AVERAGE 64.69

RALEIGH/APEX, NC
AVERAGE 68.26

ONEOK PL
BUSHTON, KS
AVERAGE 60.56

CLEAR LAKE, IA
AVERAGE 67.09

CORALVILLE, IA
AVERAGE 66.27

DES MOINES, IA
AVERAGE 65.39

LEMONT, IL
AVERAGE 64.08

MORRIS, IL
AVERAGE 64.17

PLATTSMOUTH, NE
AVERAGE 63.33

ROBINSON, IL
AVERAGE 62.00

ROCKFORD, IL
AVERAGE 68.52

TAMPICO, IL
AVERAGE 66.99

TUSCOLA, IL
AVERAGE 65.75

EAST TEXAS, TX
AVERAGE 78.50

CALVERT CITY, KY
AVERAGE 89.00

MT. VERNON, IN
AVERAGE 89.00

KANEB PL
GENEVA, NE
AVERAGE 63.35

NORFOLK, NE
AVERAGE 64.82

Wkly Propane Contract Avgs.

NORTH PLATTE, NE
AVERAGE 65.36

ROCK RAPIDS, IA
AVERAGE 65.55

WOLSEY, SD
AVERAGE 66.49

YANKTON, SD
AVERAGE 64.75

SUPERIOR, WI
AVERAGE 70.00

CHEROKEE PL
MT. VERNON, MO
AVERAGE 67.00

ST. LOUIS, MO
AVERAGE 69.75

WOOD RIVER, IL
AVERAGE 62.00

WOOD RIVER REF, IL
AVERAGE 62.00

LINDEN NJ - LINDEN
AVERAGE 64.50

LINDEN NJ
AVERAGE 64.50

LOS ANGELES, CA
AVERAGE 119.60

ARCADIA, TX
AVERAGE 78.50

ELKHORN, PA
AVERAGE 80.50

SPARTA, NJ
AVERAGE 96.00

MT. LAUREL, MT
AVERAGE 60.00

MAPCO PL
CANTRIL, IA
AVERAGE 65.56

CLAY CENTER, KS
AVERAGE 61.78

COFFEYVILLE, KS
AVERAGE 66.50

DUBUQUE, IA
AVERAGE 67.22

FARMINGTON, IL
AVERAGE 66.90

GREENWOOD, NE
AVERAGE 63.06

IOWA CITY, IA
AVERAGE 66.36

JACKSON, MN
AVERAGE 67.31

JANESVILLE, WI
AVERAGE 68.33

KEARNEY, MO
AVERAGE 63.25

LECOMPTON, KS
AVERAGE 62.86

Wkly Propane Contract Avgs.

MANKATO, MN
AVERAGE 66.14

MOBERLY, MO
AVERAGE 64.55

MONEE, IL
AVERAGE 65.50

OGDEN, IA
AVERAGE 65.41

PINE BEND, MN
AVERAGE 67.28

PINE BEND REF, MN
AVERAGE 67.00

ROSEMOUNT, MN
AVERAGE 67.25

SANBORN, IA
AVERAGE 65.05

WHITING, IA
AVERAGE 64.07

WILLOW SPRINGS, MO
AVERAGE 76.25

GRANGER, WY
AVERAGE 72.00

HILITE, WY
AVERAGE 61.00

MENTOR, MN
AVERAGE 57.50

IGNACIO, CO
AVERAGE 76.50

OPAL, WY
AVERAGE 71.50

FT. LUPTON, CO
AVERAGE 70.75

SALT LAKE CITY, UT
AVERAGE 71.00

MT. BELVIEU, TX
AVERAGE 73.67

FAIRFAX, VA
AVERAGE 86.00

PONCA CITY, OK
AVERAGE 63.00

PACIFIC NORTHWEST -
ANACORTES
AVERAGE 88.00

PACIFIC NORTHWEST -
FERNDALE
AVERAGE 98.00

PACIFIC NORTHWEST -
TACOMA
AVERAGE 92.00

PACIFIC NOR
AVERAGE 92.67

TEPPCO
COSHOCTON, OH
AVERAGE 85.80

DUBOIS, PA
AVERAGE 81.40

Wkly Propane Contract Avgs.

GREENSBURG, PA
AVERAGE 80.67

LIGHT, AR
AVERAGE 78.50

ONEONTA, NY
AVERAGE 84.49

PRINCETON, IN
AVERAGE 79.54

SELKIRK, NY
AVERAGE 85.91

SEYMOUR, IN
AVERAGE 85.75

TODHUNTER, OH
AVERAGE 83.69

WATKINS GLEN, NY
AVERAGE 82.51

TIOGA, ND
AVERAGE 58.38

WEST TEXAS -
SLAUGHTER
AVERAGE 91.75

WEST TEXAS
AVERAGE 91.75

WILLIAMS PL
CANTON, SD
AVERAGE 62.00

CARTHAGE, MO
AVERAGE 70.50

RAPID RIVER, MI
AVERAGE 73.75

WATERTON, AB
AVERAGE 59.00

LEBANON, IN
AVERAGE 78.13

COCHIN
BENSON, MN
AVERAGE 56.50

LITTLE KNIFE, ND
AVERAGE 56.75

MANDAN, ND
AVERAGE 56.75

SARNIA, ON
AVERAGE 75.25

ST. CLAIR, MI
AVERAGE 75.00

MARYSVILLE, MI
AVERAGE 65.88

BAKERSFIELD, CA
AVERAGE 121.00

HUTCHINSON, KS
AVERAGE 64.87

Wkly Propane Contract Avgs.

JUNCTION CITY, WI
AVERAGE 68.92

SHEERIN, TX
AVERAGE 62.00

TOPEKA, KS
AVERAGE 61.76

VANCOUVER, WA
AVERAGE 75.25

SAN FRANCISCO, CA
AVERAGE 126.00

ROCKIES - BILLINGS
AVERAGE 60.25

ROCKIES - CASPER
AVERAGE 63.50

ROCKIES
AVERAGE 61.33

TULSA, OK
AVERAGE 67.25

WOODHAVEN, MI
AVERAGE 68.00

CORPUS CHRISTI, TX
AVERAGE 78.75

BALTIMORE, MD
AVERAGE 86.00

FT. MADISON, IA
AVERAGE 64.91

CATLETTSBURG, KY
AVERAGE 71.50

SILOAM, KY
AVERAGE 71.25

TOLEDO, OH
AVERAGE 65.00

LIMA, OH
AVERAGE 65.69

HOBBS, NM
AVERAGE 78.38

CALUMET, OK
AVERAGE 67.50

INVER GROVE HEI, MN
AVERAGE 67.12

HUNTINGTON, IN
AVERAGE 64.34

BRIDGEPORT, TX
AVERAGE 72.50

CHEYENNE, WY
AVERAGE 61.75

GREEN BAY, WI
AVERAGE 68.50

Wkly Propane Contract Avgs.

WARREN, PA
AVERAGE 80.50

GREELEY, CO
AVERAGE 67.75

SPINDLE, CO
AVERAGE 68.00

Prices shown are for FOB terminal in cts/gal excluding taxes and discounts

U.S. Residual Fuel Prices

OPIS Weekly Residual Fuel (No.6 Oil) Spot Market Periscope

NY Harbor Barge Cargo

All values are cargo quantity

	Friday (02/24)	Monday (02/27)	Tuesday (02/28)	Wednesday (03/01)	Thursday (03/02)	Wk Avg.
NO.6 Oil 0.3% High Pour	59.45-59.55	59.90-60.00	60.15-60.25	59.35-59.45	58.25-58.35	59.470
NO.6 Oil 1.0%	49.35-49.45	49.80-49.90	50.05-50.15	49.25-49.35	48.15-48.25	49.370
NO.6 Oil 3.0%	48.35-48.45	48.80-48.90	49.05-49.15	48.25-48.35	47.15-47.25	48.370

Gulf Coast Cargo

All prices are in $/bbl

	(02/24)	(02/27)	(02/28)	(03/01)	(03/02)	Wk Avg.
NO.6 Oil 3.0%	47.30-47.40	48.05-48.15	48.55-48.65	47.50-47.60	46.00-46.10	47.530

U.S.-Canadian Rack Comparisons

	UNL	ULSD No.2	ULSD No.1
Albany, NY	-- --	168.00	200.10
Buffalo, NY	161.12	168.20	188.34
Warren, PA	-- --	156.42	-- --
Detroit, MI	181.50	165.90	232.86
Grand Forks, ND	172.00	161.65	170.50
Seattle, WA	202.75	162.00	187.15

	UNL	ULSD No.2	ULSD No.1
Montreal	165.78	201.26	208.36
Toronto	171.17	197.86	208.36
Sarnia	171.17	196.44	206.94
Winnipeg	173.16	198.99	206.09
Vancouver	207.22	189.62	202.40

U.S. net rack low market posting in cts/gal vs. Canadian low rack market postings in cts/gal after conversion by currency/volume factors. Approximately 3.785 liters comprise a U.S. gallon. Divide U.S. terms by 2.37 to convert to Canadian cts/liter. Canadian rack postings are offered as a barometer of market values and rarely reflect actual transacted prices.

Residual Fuel Rack Postings

All prices are in $/bbl, rack, unless otherwise noted. (B) indicates barge quantities, (C) indicates cargo quantities. Percent signs (%) indicate sulfur levels.

Company	%	No.4	%	No.5	%	No.6
BOSTON, MA						
Global	0.50%	75.80			0.50%	69.60
	1.00%	74.20			1.00%	66.50
					1.50%	57.25
					2.00%	56.50
					2.20%	52.75
Quincy						
Sprague	0.50%	83.53			0.50%	78.54
NEW HAVEN, CT						
Buckley					0.50%	95.70
	1.00%	95.94			1.00%	89.20
PORTLAND, ME						
Global	1.00%	74.40			2.00%	56.70
PROVIDENCE, RI						
Sprague	1.00%	78.94			1.00%	72.20

Monthly U.S. Crude Production

All volumes shown in thousands of b/d. Source: Form EIA-914

Region/State	Dec-16	Nov-16	Dec-15
PADD1			
Pennsylvania	15	16	19
W. Virginia	21	22	21
PADD2			
Kansas	93	96	116
N. Dakota	944	1,033	1,145
Ohio	47	48	79
Oklahoma	408	411	396
PADD3			
Arkansas	14	14	16
Louisiana	141	145	162
N.Mexico	419	417	359
Texas	3,155	3,172	3,348
Offshore GOM	1,728	1,681	1,605
PADDs 4,5			
California	493	501	539
Colorado	295	306	327
Montana	58	61	71
Utah	84	83	89
Wyoming	188	192	228

Note: Weekly EIA production estimates for Alaska and Lower 48 can be found in the table on page 7.

In Jet Markets

U.S. Jet Fuel Stocks Hit 11-Month High: EIA

The amount of jet fuel in U.S. storage has hit some of its highest levels in a year, dating to April 2016, according to the U.S. Energy Information Administration.

The latest numbers from the EIA show stocks at 44.6 million bbl, up 300,000 bbl week on week, which is good for a 4 million-bbl stock build in four weeks, one of the quickest increases in months.

The largest build last week came in the Gulf Coast, which now houses 16.5 million bbl of product, marking the highest inventories have been in about a month, according to the EIA.

Meantime, implied demand for jet fuel, as measured by the EIA, remains lackluster, but did rebound to 1.564 million b/d last week, which is in line with year-to-date supply levels. However, the current pace of demand trails year-ago numbers by 4.7% on a four-week average basis, and is 0.5% ahead of prior-year levels year-to-date, according to the EIA.

Demand for jet fuel in the U.K. dropped 107,000 tons last year, to 11.265 million tons, according to British government data. Demand for jet has been relatively steady, hovering between 11.2 million to 11.4 million tons per year since 2012, after airlines invested in fuel efficiency. U.K. jet fuel demand peaked at 12.6 million tons a year in 2006.

Also of note, the U.K.'s deficit in jet fuel has deteriorated, with refinery production easing by 510,000 tons last year, to 4.46 million tons. Currently, the U.K. makes only 39% of its jet fuel needs.

Elsewhere, jet fuel cargo sales disclosed to the market in February amounted to its highest weekly average since September, when 18 trades were reported, according to broker data compiled by OPIS.

Andrew Atwal, aatwal@opisnet.com

In Jet Markets

Aviation Gasoline U.S. Price Index

(Avgas prices in U.S. cts/gal)

Location	Price
Akron/Canton, OH	323.06
Albuquerque, NM	304.47
Amarillo, TX	293.81
Ardmore, OK	308.60
Argo, IL	290.00
Bar Harbor, ME	302.22
Baton Rouge, LA	278.51
Burlington, VT	286.65
Colorado Springs, CO	309.21
Columbia, MO	305.48
Columbus, OH	304.00
Dallas Metro, TX	269.68
Dallas/Ft. Worth, TX	270.40
Des Moines, IA	306.52
Ft. Dodge, IA	318.56
Ft. Smith, AR	289.57
Harlingen, TX	279.45
Jefferson City, MO	307.26
Kansas City, KS	288.00
Knoxville, TN	293.67
Laredo, TX	282.12
Lexington, KY	323.12
Louisville, KY	325.08
Lubbock, TX	296.95
Mason Cty/Clr.Lk., IA	315.10
Minneapolis, MN	275.00
Missoula, MT	337.70
Muskegon, MI	298.52
Omaha, NE	309.20
Orlando, FL	281.86
Paducah, KY	303.82
Pasco, WA	335.32
Phoenix, AZ	296.82
Pierre, SD	327.38
Pn Bnd/FlntHlsRs, MN	275.00
Ponca City, OK	304.67
Rapid City, SD	326.63
Salt Lake City, UT	324.50
San Angelo, TX	297.25
Shreveport, LA	266.79
Springfield, MO	298.00
Tulsa, OK	306.07
Tyler, TX	254.05
Wichita, KS	304.00
National Average	299.87

Commercial Airline Jet Fuel Ranges

(Contract prices into major airline storage in cts/gal, ex-taxes and discounts)

	LOW	HIGH	AVG	DEL. SPOT
ALBANY, NY	174.59	174.59	174.59	----
ATLANTA, GA	158.64	165.05	161.85	161.60
AUSTIN, TX	162.62	162.62	162.62	160.85
BALTIMORE, MD	160.79	161.55	161.17	161.60
BANGOR, ME	170.08	170.08	170.08	----
BATON ROUGE, LA	165.05	190.17	177.61	160.60
BIRMINGHAM, AL	----	----	----	162.60
BOND-MIAMI, FL	162.55	162.55	162.55	----
BOSTON, MA	165.08	165.08	165.08	163.60
BUFFALO, NY	168.58	171.08	169.83	168.67
CHARLESTON, SC	161.74	161.74	161.74	161.10
CHARLOTTE, NC	160.54	165.05	162.80	161.10
DALLAS METRO, TX	161.05	161.05	161.05	160.10
DC/DULLES, VA	161.05	161.05	161.05	160.95
FT. LAUDERDALE, FL	162.05	175.10	167.37	165.60
GREENSBORO, NC	160.74	165.05	162.90	161.60
GULF COAST, TX	194.42	194.42	194.42	158.85
HARTFORD, CT	166.99	166.99	166.99	163.67
HOOKER'S PT., FL	161.05	161.55	161.30	163.60
HOUSTON, TX	161.05	183.85	172.45	160.60
JFK, NY	163.08	163.08	163.08	163.60
LINDEN, NJ	----	----	----	162.85
LITTLE ROCK, AR	171.73	171.73	171.73	161.60
MIAMI, FL	162.05	162.05	162.05	166.10
MOBILE, AL	165.84	172.05	168.95	162.60
NASHVILLE, TN	----	----	----	161.85
NEW ORLEANS, LA	160.55	160.55	160.55	160.85
NEWARK, NJ	162.58	162.58	162.58	162.85
NEWBURGH, NY	170.08	170.08	170.08	168.67
NORFOLK, VA	165.05	165.05	165.05	161.85
ORLANDO, FL	162.55	192.23	172.53	166.60
PHILADELPHIA, PA	164.83	164.83	164.83	162.10
PITTSBURGH, PA	166.08	166.08	166.08	164.92
PORTLAND, ME	173.23	173.23	173.23	166.92
PT. EVERGLADES, FL	----	----	----	162.60
RALEIGH/APEX, NC	165.25	165.25	165.25	161.60
RICHMOND, VA	162.74	165.55	164.15	160.85
ROANOKE, VA	166.05	166.05	166.05	162.10
ROCHESTER, NY	169.33	169.33	169.33	168.67
SAN ANTONIO, TX	162.73	162.73	162.73	160.60
SAVANNAH, GA	161.84	161.84	161.84	155.60
SHREVEPORT, LA	186.90	186.90	186.90	162.60
SYRACUSE, NY	----	----	----	168.42
TAMPA, FL	170.38	170.38	170.38	163.10
WILMINGTON, NC	----	----	----	155.60
Contract Avg. East/Gulf Coast			**167.30**	
AKRON/CANTON, OH	190.98	190.98	190.98	163.60
CHATTANOOGA, TN	169.05	169.05	169.05	155.60
CHICAGO, IL	----	----	----	166.10
CINCINNATI, OH	163.14	163.14	163.14	163.15
CLEVELAND, OH	162.31	162.31	162.31	162.60
COLUMBIA, MO	192.31	192.31	192.31	162.85
COLUMBUS, OH	161.73	189.26	175.50	163.85
DAYTON, OH	162.08	162.08	162.08	162.10
DES MOINES, IA	157.59	157.59	157.59	163.10
DETROIT, MI	165.36	167.36	166.19	165.10
FARGO, ND	----	----	----	155.60
GREEN BAY, WI	----	----	----	165.60
INDIANAPOLIS, IN	160.49	160.49	160.49	165.10
KANSAS CITY, KS	156.59	156.59	156.59	162.85
LEXINGTON, KY	----	----	----	----
LOUISVILLE, KY	166.29	166.29	166.29	164.10
MEMPHIS, TN	161.98	161.98	161.98	162.10
MILWAUKEE, WI	161.09	161.09	161.09	164.60
MINNEAPOLIS, MN	162.29	162.29	162.29	165.85
OKLAHOMA CITY, OK	166.93	185.92	176.43	162.10
OMAHA, NE	156.84	189.21	173.03	163.60
RAPID CITY, SD	199.62	199.62	199.62	155.60
SALINA, KS	----	----	----	155.60
SIOUX FALLS, SD	----	----	----	155.60
ST. LOUIS, MO	186.79	186.79	186.79	162.20
TOPEKA, KS	----	----	----	155.60
TULSA, OK	156.49	166.23	161.36	161.35
WICHITA, KS	169.73	169.73	169.73	155.60
Contract Avg. Midwest			**170.23**	
AMARILLO, TX	185.46	185.46	185.46	----
ANCHORAGE, AK	168.71	168.71	168.71	174.45
BOISE, ID	182.49	182.49	182.49	----
BROWNSVILLE, TX	193.58	193.58	193.58	----
COLORADO SPRINGS, CO	191.37	191.37	191.37	----
DALLAS/FT. WORTH, TX	158.79	187.60	173.20	----
DENVER, CO	----	----	----	166.10
EL PASO, TX	166.05	167.83	166.94	----
HONOLULU, HI	166.04	166.04	166.04	176.70
LAS VEGAS, NV	162.98	162.98	162.98	171.20
LOS ANGELES, CA	175.32	177.36	176.34	167.30
LUBBOCK, TX	189.89	189.89	189.89	----
PHOENIX, AZ	164.37	181.22	172.80	171.20
PORTLAND, OR	----	----	----	170.20
SALT LAKE CITY, UT	181.55	181.55	181.55	182.60
SAN DIEGO, CA	----	----	----	169.70
SAN FRANCISCO, CA	165.74	165.74	165.74	170.45
SEATTLE, WA	160.72	166.99	163.86	172.70
SPARKS/RENO, NV	170.19	170.19	170.19	----
SPOKANE, WA	176.99	176.99	176.99	----
TUCSON, AZ	171.33	171.33	171.33	172.70
Contract Avg. Rocky Mt/West Coast			**175.52**	

U.S. Jet Fuel Inventory Picture

(figures in 1,000 b/d)

	Current Week	**Last Week**	**Last Year**
	02/24/17	**02/17/17**	**02/26/16**
Total Imports	156	138	241
Total US Distillates	164,200	165,100	163,597
Total Jet Kero Stocks (1000 bbls)			
U.S. Total	44,600	44,300	42,430
PADD 1	9,900	10,300	10,319
PADD 2	8,000	7,900	7,370
PADD 3	16,500	15,500	14,656
PADD 4	600	700	837
PADD 5	9,700	9,900	9,247