



OPIS Newsletter

Filter the noise in oil industry news and focus on what you really need to know for long-term strategic decisions

For almost 40 years, the weekly OPIS Newsletter has reported on the fuel market with greater insight, context and attention to what comes next than other competitive news sources.

WHO WE HELP

Refiners & Suppliers

Wholesalers & Jobbers

Retailers

Financial Institutions

COMMODITIES

Gasoline

Diesel

Jet Fuel

LP/NGL

Renewables

Crude Oil

MARKET SEGMENTS

Spot

Rack

Retail

Market Challenge

The fuel market is constantly evolving, shaped by supply and demand shifts and changing regulations. There's more downstream energy news published 24/7 than most players can possibly track or sift for importance. Repackaged company press releases can't offer the breadth of insight the market needs, while specialized news often comes with a premium price tag that erodes its overall value.

How We Help

OPIS Newsletter delivers weekly petroleum industry developments in a way that other sources don't – with more meaningful analysis and interpretation of market trends, at an affordable price. Our coverage includes the entire fuel supply chain including benchmark pricing and data snapshots of market moves.

Benefits

- Learn operational and supply issues that go beyond corporate statements from refiners, distributors and midstream infrastructure operators
- Discover best practices for optimizing fuel purchases and sales
- Spot trends before investors do
- Estimate the effect on regional supply & demand of changes to U.S. infrastructure and company strategy
- Anticipate the future direction of the downstream market for competitive advantage
- Get weekly benchmark pricing by PADD

OPIS Newsletter

Key Feature-Benefit Overview

Key Feature	Benefit to Customer
Weekly Spot Prices, Averages & Margins	<ul style="list-style-type: none"> At-a-glance information right on the first page to give you a quick sense of market direction
PADD Reports	<ul style="list-style-type: none"> Weekly wholesale rack pricing report featuring critical price discovery for your region
Petroleum Inventory & Consumption Stats	<ul style="list-style-type: none"> View industry trends in easy-to-read charts and graphs, accompanied by analysis of market impact
Market Overview Column	<ul style="list-style-type: none"> Unique OPIS perspective on market activity and downstream implications
New Year Preview	<ul style="list-style-type: none"> Annual year-end review with a look ahead to what's coming
Regional Profitability Analysis	<ul style="list-style-type: none"> Spot-rack-retail margins, along with commentary to provide context

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OPIS Oil Price Information Service

Independent Refined Products Prices and Comprehensive Analysis for All US Markets

Inside Every Issue...

- Regional Petroleum Market Prices and Analysis
- Petroleum Markets Prices
- Gasoline and Diesel Spot-to-Rack Margins by Market
- Crack Oil Energy Prices, Crack Spreads and Analysis
- U.S. Petroleum Data Log
- Regional Consumption Probability Analysis
- Refinery Production Prices and Analysis
- Regional Oil Refining
- Natural Gas Liquids Prices and Analysis
- By Product
- U.S. Refiner Purchase Prices
- Refined Fuel Prices
- U.S. vs. Canada Gasoline/Diesel Rack Comparisons
- Monthly U.S. Crude Production
- Jet Fuel Contract Prices, Inventory and Analysis

AVERAGE U.S. CONTRACT PRICES

AVERAGE U.S. SPOT PRICES

U.S. PETROLEUM PRODUCT AVERAGES

Product	Spot	A Last Wk.	Rack	A Last Wk.
Crude Oil	71.8	-2.22	71.78	0.58
Gasoline	2.17	-0.01	2.17	0.28
Diesel	2.17	-0.01	2.17	-0.81
Crack Oil	12.54	-1.44	12.54	0.28
Ethanol	1.58	-0.02	1.58	0.28
Propene	37.27	-4.32	37.27	-4.61
Butane	47.02	1.18	47.02	1.18
Heptane	134.32	-4.82	134.32	-4.82
Met Oils	138.02	1.18	138.02	1.18

NATIONAL SPOT-TO-RACK MARGINS

National Index	Gasoline	A Last Wk.	Diesel	A Last Wk.
Total	277.23	1.82	282.13	0.41
West	176.25	1.60	201.05	1.12
Wholesale	181.22	2.58	172.23	1.12
Rack-Retail Margin	14.22	-3.48	28.77	-8.03
Spot	106.41	-2.22	102.76	-1.41
Spot-Retail Margin	75.74	1.82	76.25	2.44

Market Overview:

Knives Are Out, but RINsolution is a Long Way Off

Last week's 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.

Market reacted swiftly, sending ethanol RIN prices plummeting. RBOB futures tumbled because a shift in the RIN obligation beyond refiners and importers would reduce 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 RIN values in an E15-constrained market, E15 in many cases doesn't make much sense from an economic or retail sell-off 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 E10 ethanol RIN values by capping the market's liquidity. Making blenders obligated parties means they would need (for RFS compliance) many of the RIN they consume, 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

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