

OPIS West Coast Spot Market Report

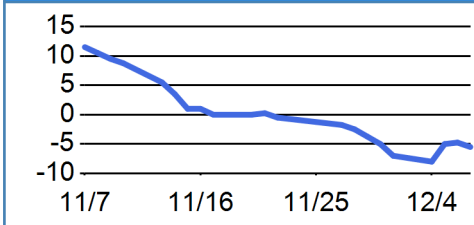
A Daily Report on U.S. West Coast Spot Prices plus News and Commentary



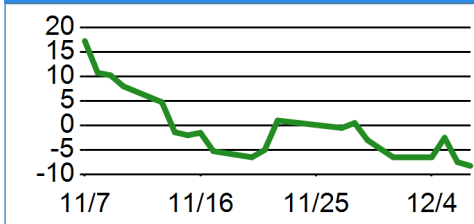
December 07, 2017

West Coast 30-Day Average Snapshot

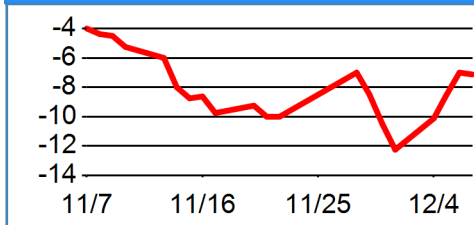
Los Angeles CARB No. 2 Basis (cts/gal)



Los Angeles CARBOB-R Basis (cts/gal)



Los Angeles Jet-Pipe LAX Basis (cts/gal)



L.A. JET DIFFERENTIALS STEADY; CALIFORNIA JET STOCKS UP
12/07/2017 - Oil futures increased across the slate on Thursday, pressured by one of Nigeria's oil unions threatening to strike.

West Texas Intermediate (WTI) for January delivery picked up 73cts, to \$56.69/bbl at closing, wiping away some of yesterday's losses. Also of note, WTI traded in a range of \$55.82/bbl-\$56.77/bbl today, finishing a touch below its intraday high.

London-based Brent also edged higher on Thursday, marching to \$62.20/bbl, a rise of 98cts at the close of Thursday's session. Brent closed 6cts off from its high mark of the day, which was \$62.26/bbl.

For comparison, both WTI and Brent crude oil prices tumbled by more than \$1.60/bbl yesterday. Most of Wednesday's declines were due to the U.S. Energy Information Administration (EIA) reporting that crude oil production moved above the 9.7-million-b/d mark for the first time since 1971.

January NYMEX RBOB futures hiked to \$1.70/gal, an upturn of 3.91cts, while the NYMEX January ultra-low-sulfur diesel futures contract was also nudged into the black by 3.57cts, at \$1.8970/gal at day's end.

--Andrew Atwal, aatwal@opisnet.com

CARB MOGAS STOCKS HIT 8.5-MO. HIGH; BLENDING COMPONENTS INV. UP: CEC

California's boutique gasoline inventories jumped over 11% last week, the fourth solid weekly build in the past five weeks, scaling the highest since the last week of March, the latest California Energy Commission (CEC) data showed.

The state's CARB reformulated gasoline (RFG) stocks jumped 0.6 million bbl, to 6.158 million bbl in the week ended Dec. 1, and were now about 12% higher year over year. Last week's level was almost 1.5 million bbl higher than the 4.827 million bbl for the week of Oct. 27, according to CEC.

Meanwhile, California gasoline blending components also jumped 11% to 6.793

(Continued on Page 3)

New York Mercantile Exchange at Settlement

WTI Crude Oil (\$/bbl)		
Month	Price	Change
JAN	56.69	0.73
FEB	56.75	0.72
MAR	56.76	0.71

RBOB Unleaded (cts/gal)		
Month	Price	Change
JAN	170.00	3.91
FEB	171.48	3.49
MAR	173.26	3.14

ULSD (cts/gal)		
Month	Price	Change
JAN	189.70	3.57
FEB	189.71	3.35
MAR	188.92	3.16

L.A. 3-2-1 Crack Spread*	
Price (\$/bbl)	Change
11.74	0.55

*Crack is based on midpoints for L.A. CARBOB Gasoline, CARB and ANS

Snapshot of OPIS Mean West Coast Prompt Month Spot Pipeline Prices and Basis Differentials (cts/gal)

Product	Los Angeles				Bay Area				Pacific Northwest			
	Physical Prices		Basis Diff.		Physical Prices		Basis Diff.		Physical Prices		Basis Diff.	
	Mean	Change	Mean	Change	Mean	Change	Mean	Change	Mean	Change	Mean	Change
ULS No. 2	183.700	3.820	-6.000	0.250	185.200	3.570	-4.500	0.000	186.950	4.820	-2.750	1.250
CARB No. 2	184.200	2.820	-5.500	-0.750	185.200	3.570	-4.500	0.000	---	---	---	---
Sub-oct Reg	161.750	3.160	-8.250	-0.750	159.500	3.910	-10.500	0.000	167.500	9.910	-2.500	6.000
Sub-oct Pre	184.250	2.660	14.250	-1.250	187.500	3.910	17.500	0.000	202.000	9.910	32.000	6.000
CARBOB-R**	161.750	3.160	-8.250	-0.750	164.000	3.910	-6.000	0.000	170.500	9.910	0.500	6.000
CARBOB-P**	184.250	2.660	14.250	-1.250	190.000	3.910	20.000	0.000	205.000	9.910	35.000	6.000
JET **	182.575	3.445	-7.125	-0.125	182.575	3.445	-7.125	-0.125	183.575	3.445	-6.125	-0.125
JET-WTG AVG	182.575	3.445	-7.125	-0.125	---	---	---	---	---	---	---	---
B5	---	---	---	---	---	---	---	---	187.450	4.820	-2.250	1.250
AZRBOB-R	166.750	3.160	-3.250	-0.750	---	---	---	---	---	---	---	---
AZRBOB-P	183.250	3.160	13.250	-0.750	---	---	---	---	---	---	---	---
CARB RFG-R	160.575	2.845	---	---	162.600	3.520	---	---	---	---	---	---
CARB RFG-P	180.825	2.395	---	---	186.000	3.520	---	---	---	---	---	---

Full price display on page 2. Note: **L.A. Jet Fuel is JET-PipeLAX, Bay Area Jet Fuel is JET-Pipe, PNW CARBOB-R is Suboctane-Reg (FOB Seattle), PNW CARBOB-P is Sub-octane-Pre (FOB Seattle).

OPIS West Coast Prompt Spot Pipeline Prices and Basis Differentials (cts/gal)

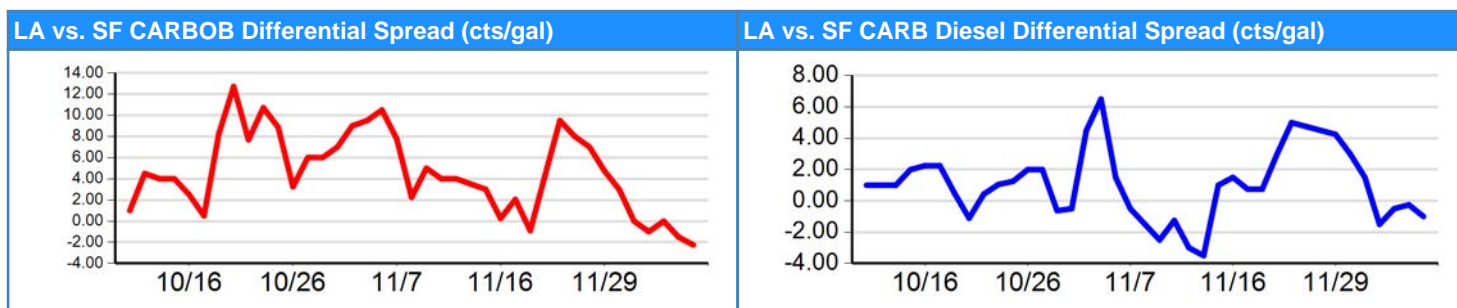
Los Angeles		Physical Prices				Basis Differentials				
Product	Timing	Low	High	Mean	Change	Low	High	Mean	Change	Wt. Avg
ULS NO. 2	DEC	183.20	184.20	183.700	3.820	-6.50	-5.50	-6.000	0.250	--
CARB No. 2	DEC	183.20	185.20	184.200	2.820	-6.50	-4.50	-5.500	-0.750	184.630
JET-PipeLAX	DEC	182.45	182.70	182.575	3.445	-7.25	-7.00	-7.125	-0.125	182.575
Sub-Oct Reg 12.5 RVP	DEC	161.50	162.00	161.750	3.160	-8.50	-8.00	-8.250	-0.750	--
Sub-Oct Pre 12.5 RVP	DEC	184.00	184.50	184.250	2.660	14.00	14.50	14.250	-1.250	--
AZRBOB-R 8.0 RVP	DEC	166.50	167.00	166.750	3.160	-3.50	-3.00	-3.250	-0.750	--
AZRBOB-P 8.0 RVP	DEC	183.00	183.50	183.250	3.160	13.00	13.50	13.250	-0.750	--
CARBOB-R 12.5 RVP	DEC	161.50	162.00	161.750	3.160	-8.50	-8.00	-8.250	-0.750	161.750
CARBOB-P 12.5 RVP	DEC	184.00	184.50	184.250	2.660	14.00	14.50	14.250	-1.250	--
CARB-RFG Reg	DEC	160.25	160.90	160.575	2.845	--	--	--	--	--
CARB-RFG Pre	DEC	180.50	181.15	180.825	2.395	--	--	--	--	--

San Francisco		Physical Prices				Basis Differentials				
Product	Timing	Low	High	Mean	Change	Low	High	Mean	Change	Wt. Avg
ULS NO. 2	DEC	184.70	185.70	185.200	3.570	-5.00	-4.00	-4.500	0.000	--
CARB No. 2	DEC	184.70	185.70	185.200	3.570	-5.00	-4.00	-4.500	0.000	185.200
JET-Pipe	DEC	182.45	182.70	182.575	3.445	-7.25	-7.00	-7.125	-0.125	--
Sub-Oct Reg 14.0 RVP	DEC	159.00	160.00	159.500	3.910	-11.00	-10.00	-10.500	0.000	--
Sub-Oct Pre 14.0 RVP	DEC	187.00	188.00	187.500	3.910	17.00	18.00	17.500	0.000	--
CARBOB-R 14.0 RVP	DEC	163.50	164.50	164.000	3.910	-6.50	-5.50	-6.000	0.000	164.000
CARBOB-P 14.0 RVP	DEC	189.50	190.50	190.000	3.910	19.50	20.50	20.000	0.000	--
CARB-RFG Reg	DEC	162.05	163.15	162.600	3.520	--	--	--	--	--
CARB-RFG Pre	DEC	185.45	186.55	186.000	3.520	--	--	--	--	--

Pacific Northwest		Physical Prices				Basis Differentials			
Product	Timing	Low	High	Mean	Change	Low	High	Mean	Change
ULS NO. 2	PMT DEC	186.70	187.20	186.950	4.820	-3.00	-2.50	-2.750	1.250
JET-Pipe	PMT DEC	183.45	183.70	183.575	3.445	-6.25	-6.00	-6.125	-0.125
B5	PMT DEC	187.20	187.70	187.450	4.820	-2.50	-2.00	-2.250	1.250
Sub-Oct Reg 15.0 RVP	PMT DEC	167.00	168.00	167.500	9.910	-3.00	-2.00	-2.500	6.000
Sub-Oct Pre 15.0 RVP	PMT DEC	201.50	202.50	202.000	9.910	31.50	32.50	32.000	6.000
Sub-Oct Reg 15.0 (Seattle)	PMT DEC	170.00	171.00	170.500	9.910	0.00	1.00	0.500	6.000
Sub-Oct Pre 15.0 (Seattle)	PMT DEC	204.50	205.50	205.000	9.910	34.50	35.50	35.000	6.000

Los Angeles Physical Forward Curve Prices		Physical Prices				Basis Differentials			
Product	Timing	Low	High	Mean	Change	Low	High	Mean	Change
CARBOB-R 12.5 RVP	JAN	171.48	172.48	171.980	2.490	0.00	1.00	0.500	-1.000
CARBOB-R 12.5 RVP	FEB	189.26	190.26	189.760	2.640	16.00	17.00	16.500	-0.500
CARBOB-R 5.99 RVP	MAR	192.27	193.27	192.770	3.020	1.50	2.50	2.000	0.000
CARB No. 2	JAN	186.71	187.71	187.210	3.350	-3.00	-2.00	-2.500	0.000
JET-PipeLAX	JAN	184.21	185.21	184.710	5.350	-5.50	-4.50	-5.000	2.000
JET-PipeLAX	FEB	180.42	181.42	180.920	3.160	-8.50	-7.50	-8.000	0.000

*NOTE: L.A. gasoline prices are WEST LINE, and S.F. gasoline prices are NORTH LINE-ZERO LINE. Las Vegas gasoline is represented by L.A. regular sub-octane and premium sub-octane. AZRBOB is the year around gasoline product for Arizona. Pacific Northwest gasoline and No.2 oil prices are FOB Portland Olympic Pipeline; PNW Jet Fuel is FOB Seattle Barge. CARB RFG-R and CARB RFG-P in L.A. and S.F. is not a fungible pipeline product, but a reflection of the value of blending CARBOB with 10% ethanol. Ethanol quotes on page 4 are for ethanol delivered rail car to West Coast locations.



L.A. Paper Forward Curve Basis Differential (cts/gal)

Product	Timing	Low	High	Mean	Change
CARBOB	JAN	1.00	2.00	1.500	0.000
CARBOB	FEB	14.50	15.50	15.000	0.000
CARBOB	Q1	-2.50	-1.50	-2.000	0.000
CARBOB	Q2	-0.50	0.50	0.000	0.000
CARB No. 2	JAN	-5.00	-4.00	-4.500	0.000
CARB No. 2	FEB	-0.50	0.50	0.000	0.000
CARB No. 2	Q1	0.00	1.00	0.500	0.000
JET-PipeLAX	JAN	-5.75	-5.50	-5.625	0.375
JET-PipeLAX	FEB	-8.00	-7.00	-7.500	0.000
JET-PipeLAX	Q1	-9.00	-8.00	-8.500	0.000

PADD 5 EIA Inventory - Week Ending 12/01

Location	This Week	Last Week	Last Year	Week Change	Year Change
Gasoline	29,749	28,812	29,190	937	559
No. 2 Oil	12,901	12,006	12,734	895	167
ULSD < 15ppm	11,868	11,209	11,731	659	137
Kerosene Jet	9,878	9,813	8,287	65	1,591
Residual Fuel	4,315	4,736	3,678	-421	637
Crude Oil	54,060	55,196	52,820	-1,136	1,240
Crude Input	2,521	2,387	2,232	134	289

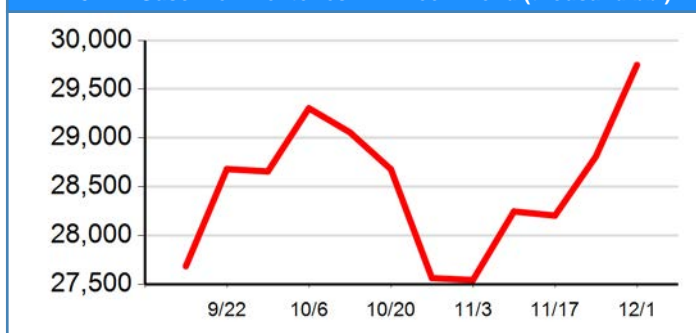
Note: Inventory levels are in thousands of barrels.

California CEC Inventory - Week Ending 12/01

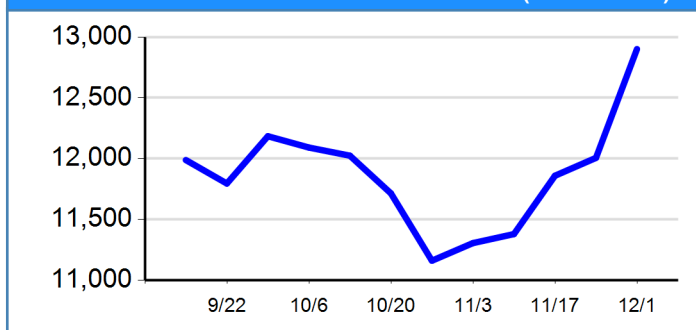
Location	This Week	Last Week	Last Year	Week Change	Year Change
CARB RFG	6,158	5,530	5,508	628	650
Non-Calif. Gasoline	1,522	1,366	1,390	156	132
Gasoline Blend. Components	6,793	6,102	5,086	691	1,707
CARB-Diesel	2,193	2,271	2,498	-78	-305
Other Diesel	1,127	1,081	1,179	46	-52
Kerosene Jet	3,139	3,011	3,072	128	67
Crude Oil	16,835	17,501	14,629	-666	2,206
Crude Input	12,319	12,151	10,340	168	1,979

Note: Inventory levels are in thousands of barrels.

PADD 5 EIA Gasoline Inventories - 12 Week Trend (thousand bbl)



PADD 5 EIA Distillate Inventories - 12 Week Trend (thousand bbl)



million bbl, the highest since the week of Feb. 26, 2016.

West Coast refineries have been running without major production glitches of late. The latest Energy Information Administration data showed West Coast (PADD5) refinery utilization jumped by nearly 7 percentage points to 91.1%, now more than 10 percentage points above the year-earlier level at 80.6%.

Looking at a geographical breakdown across the state, both Northern and Southern California CARB gasoline and blendstocks inventories are now above their five year averages.

Despite the sizable gasoline build, CARB RFG production was nearly flat at 6.746 million last week, CEC data showed.

Meanwhile, California jet stocks climbed about 4% to 3.139 million bbl, which were about 2% higher than the year-ago level, according to CEC. West Coast trading sources cited higher jet imports, which were confirmed by last week's EIA data.

At the distillates side, CARB diesel stocks shed about 3.5% to 2.193 million bbl, and were about 12% lower year over year. The draw in CARB diesel stocks was reported even though production of the California boutique diesel grade jumped about 19%.

--Frank Tang, ftang@opisnet.com

CALIFORNIA CAN MEET LCFS TARGETS BY ALLOWING E15 BLENDS: KOEHLER

SAN FRANCISCO -- California can easily meet its greenhouse gas emission reduction targets under the Low Carbon Fuel Standard (LCFS) if it would allow the sale E15 blends in the state, Pacific Ethanol CEO Neil Koehler said Thursday. Speaking at the 6th Annual OPIS LCFS & Carbon Markets Workshop here, Koehler urged the California Air Resources Board (CARB) to modify currently regulations that prohibit the sale of gasoline blends above a 10% ethanol content, with an exception for E85, which has a waiver.

"Failing to allow E15 means California is missing a tremendous opportunity," Koehler said. "The magnitude of making such an easy change would be so significant for the program, but not doing something about it could be even more significant."

Koehler said ethanol would need a carbon intensity (CI) score of 11.3 g/MJ or lower in 2018 in order to fully offset CARBOB deficits generated from E10. That number is far below the average CI score of 70.88 g/MJ for ethanol in the first half of 2017, CARB data shows.

But based on an E15 predictive model, Koehler said ethanol could have a CI score of 42 g/MJ and still allow CARBOB deficits to be fully offset. That difference could help put a significant dent in the current discrepancy between credit and deficit generation, Koehler said.

Koehler said virtually every car in the state is approved to run on E15, and that ethanol consumption could rise by as much as 50% if E15 sales were permitted.

"The ethanol industry has been a success story for the state of California and the LCFS because we've become increasingly efficient in our production methods," Koehler said. "Ethanol has been the workhorse for credit generation in the program so far."

Addressing figures shown by the previous speaker -- Stillwater Associates President Dave Hackett -- predicting LCFS credit prices could swell above \$200/credit by 2020 and could potentially blow past CARB's Credit Clearance Market cap, Koehler said E15 adoption could help ward off that scenario.

"If we're proactive as an industry and proactive in our policy, we can avoid that situation," Koehler said.

--Jordan Godwin, jgodwin@opisnet.com

(Continued on Page 4)

OPIS Spot Feedstocks	Range (cts/gal)		Diff to 70/30 (cts/gal)		Diff to WTI (\$/bbl)		Diff to ANS (\$/bbl)	
	Low	High	Low	High	Low	High	Low	High
Low Sulfur VGO	163.35	165.35	-5.00	-3.00	11.90	12.75	9.25	10.10
High Sulfur VGO	159.35	161.35	-9.00	-7.00	10.25	11.05	7.60	8.40
Light Cycle Oil	149.65	151.65	-34.05	-32.05	2.50	3.25	--	--

OPIS Spot NGL (cts/gal)		Propane		N.Butane		Butane Mix		Isobutane		N. Gasoline	
Market	Date	Low	High	Low	High	Low	High	Low	High	Low	High
Delivered LA Basis	12/07	113.50	116.50	146.50	147.50	146.50	147.50	147.25	148.25	--	--
Delivered Bakersfield	12/07	111.50	112.50	136.50	137.50	136.50	137.50	--	--	108.50	109.75
Delivered Bay Area	12/07	112.50	115.50	146.50	147.50	146.50	147.50	147.25	148.25	--	--

WC/WTI-NYMEX/Atlantic Basin Crude Values (\$/bbl)

Product	Low	High	Last	Change
Alaska North Slope	59.09	59.59	59.34	0.73
Line 63	55.09	55.59	55.34	0.73
THUMS	54.19	54.69	54.44	0.12

Product	Low	High	Last	Change
SJV	53.44	53.94	53.69	0.12
WTI	55.82	56.77	56.69	0.73
Brent	61.15	62.26	62.20	0.98

U.S. West Coast Crude Oil Postings (\$/bbl)

Location	API	Chev	API	PMTC	API	MOBIL
Buena Vista	26.0	62.67	26.0	61.40	26.0	63.41
Hunt. Beach	--	--	20.0	56.04	--	--
Kern River	--	--	13.0	53.04	--	--
Long Beach	--	--	27.0	59.49	--	--
Midway Sunset	13.0	58.12	13.0	56.53	13.0	58.74
Wilmington	--	--	17.0	53.79	--	--
Effective Date		12/06		12/05		12/06

Location	API	STUSCO	API	UNION 76
Buena Vista	26.0	63.30	26.0	58.10
Midway Sunset	13.0	58.75	13.0	52.80
Effective Date		12/06		12/06

Today's Closing Singapore Prompt Jet Kerosene Prices

Market	Low	High	Mean	Change
FOB Singapore (\$/bbl)	72.55	72.65	72.60	-1.090

OPIS Ethanol Prices (cts/gal)

Market	Timing	Low	High	Mean	Change
LA CI 79.90	PROMPT	149.00	151.00	150.000	0.000
LA CI 79.90	ANY	149.00	151.00	150.000	0.000
SF CI 79.90	PROMPT	149.00	151.00	150.000	0.000
SF CI 79.90	ANY	149.00	151.00	150.000	0.000
Oregon CI 69.89	PROMPT	140.00	141.00	140.500	-4.500
Washington Eth.	PROMPT	139.00	140.00	139.500	-4.500
Phoenix Eth.	PROMPT	137.00	139.00	138.000	-2.500

OPIS California Low Carbon Fuel Standard

Product	Low	High	Mean	Change
Carbon Credit (\$/MT)	107.000	109.000	108.0000	0.0000
CI Pts Ethanol (\$/CI)	0.00872	0.00888	0.008800	0.000000
CI Pts Biodiesel (\$/CI)	0.01350	0.01375	0.013625	0.000000
Carbon CPG Diesel (cts/gal)	5.14	5.23	5.185	0.000
Carbon CPG Dsl 95% (cts/gal)	4.88	4.97	4.925	0.000
Carbon CPG Gasoline (cts/gal)	6.09	6.20	6.145	0.000
Carbon CPG Gas 90% (cts/gal)	5.48	5.58	5.530	0.000

OPIS U.S. RIN Values (cts/RIN)

Product	Year	Low	High	Mean	Change
Corn Ethanol	2016	76.50	80.00	78.250	-1.250
Corn Ethanol	2017	77.00	80.50	78.750	-1.250
Corn Ethanol	2018	77.00	80.50	78.750	-1.250
Biodiesel	2016	84.00	88.00	86.000	-2.000
Biodiesel	2017	88.00	92.00	90.000	-2.000
Biodiesel	2018	88.00	92.00	90.000	-2.000
Cellulosic	2016	280.00	284.00	282.000	0.000
Cellulosic	2017	292.00	294.00	293.000	0.000
Cellulosic	2018	274.00	278.00	276.000	0.000
Adv. Biofuel	2016	83.00	87.00	85.000	-2.000
Adv. Biofuel	2017	87.00	91.00	89.000	-2.000
Adv. Biofuel	2018	87.00	91.00	89.000	-2.000

CALIF. CAP-AND-TRADE FUNDS ALLOCATED TO PROTECT AG LAND FROM DEVT

California's Strategic Growth Council (SGC) has awarded nearly \$34 million in cap-and-trade proceeds to fund 25 agricultural conservation easements and two strategy and outcome grants subsidized through the Sustainable Agricultural Lands Conservation (SALC) program, the group announced earlier this week.

The SGC awarded a total of \$33,962,403 to projects including 25 conservation easements in 19 counties. The grant awards will preserve some 46,000 acres of agricultural land by limiting development, and in turn reduce potential vehicle miles by nearly 55 billion over a 30-year period, according to the state.

"The SALC program is a crucial investment in California's future- preserving the vitality of the state's agricultural lands while also protecting its communities from sprawl development. Each of these innovative projects advances the Strategic Growth Council's goal of creating vibrant communities and landscapes across California," said Randall Winston, the SGC's executive director.

Established in 2014, the SALC program distributed \$42 million to land trusts and local governments in its first two years.

The SALC program is part of a two-pronged approach along with the Affordable Housing and Sustainable Communities program, through which the SGC invests in projects that reduce greenhouse gas emissions (GHG) and vehicle miles traveled by supporting compact, infill development patterns that increase affordable housing, encourage active transportation and protect agricultural land from sprawl development.

SALC projects are eligible for funding if they protect at-risk agricultural lands from conversion to more GHG-intensive land uses, such as urban or rural residential development.

Funding for the programs comes from the Greenhouse Gas Reduction Fund, an account established to receive cap-and-trade auction proceeds.

--Kylee West, kwest@opisnet.com

WEST COAST REFINED PRODUCTS LOGIC:

L.A. CARBOB-R 12.5 RVP: December prompt was assessed at NYMEX January RBOB contract minus 8.25cts/gal, based on trades from minus 8cts/gal to minus 8.5cts/gal.

(Continued on Page 5)

Calif. Carbon Allowance Assessments (\$/mt)

Vintage	Timing	Low	High	Mean
Previous Yr.	PMT DEC '17	14.81	15.06	14.935
Previous Yr.	FWD DEC '18	15.29	15.31	15.300
Current Yr.	PMT DEC '17	14.80	15.05	14.925
Current Yr.	FWD DEC '18	15.28	15.30	15.290
Next Yr.	PMT DEC '17	14.84	14.86	14.850
Next Yr.	FWD DEC '18	15.20	15.42	15.310

Prompt Calif. Cap-at-the-Rack Prices (cts/gal)

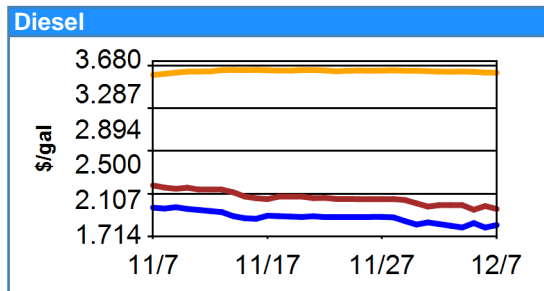
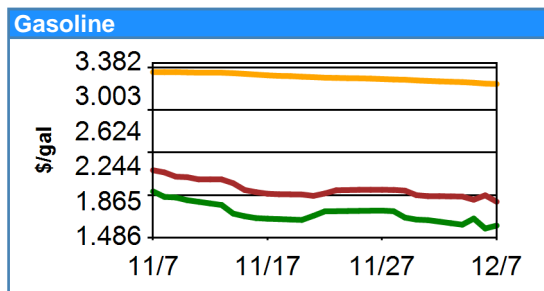
Product	Price	Wk Avg	30-Day Avg
Winter CARB RFG-R	12.00	12.146	12.189
Winter CARB RFG-M	12.00	12.146	12.189
Winter CARB RFG-P	12.01	12.160	12.202
CARB No.2	15.28	15.464	15.520
B5 Biodiesel	14.52	14.696	14.748
Propane	8.39	8.490	8.519
LNG (cts/DGE)	10.93	11.056	11.096

Today's Spot-to-Rack-to-Retail Snapshot

Gasoline (\$/gal)	Price	Change
Basket of Racks	1.876	-0.070
Retail Average	3.154	-0.004
L.A. CARBOB-R	1.618	0.032

Diesel (\$/gal)	Price	Change
Basket of Racks	2.022	-0.033
Retail Average	3.550	-0.001
L.A. CARB No. 2	1.842	0.028

30-Day Spot-to-Rack-to-Retail Trend



Legend

- L.A. CARBOB-R (Green line)
- Basket of Racks (Red line)
- L.A. CARB No. 2 (Blue line)
- Retail Average (Yellow line)

NOTE: The methodology for the Rack-to-Retail Trend Snapshot can be found at: <http://www.opisnet.com/about/methodology.aspx>.

L.A. CARB No. 2: December prompt was assessed at the NYMEX January ULSD contract minus 5.5cts/gal, based on trades from minus 6.5cts/gal and minus 4.5cts/gal.

L.A. ULSD No. 2: December prompt was assessed at the NYMEX January ULSD contract minus 6cts/gal, based on bids at minus 6.5cts/gal and no offers.

L.A. JET-Pipe LAX: December prompt was assessed at the NYMEX January ULSD contract minus 7.125cts/gal, based on trade at minus 7cts/gal to minus 7.25cts/gal.

S.F. CARBOB-R 14.0 RVP: December prompt was assessed at the NYMEX January RBOB contract minus 6cts/gal, unchanged for the day, based on a North-South assessment bid at flat to December L.A. CARBOB-R 12.5 RVP, and offer at minus 2cts/gal to the NYMEX January RBOB contract.

S.F. CARB No. 2: December prompt was assessed at the NYMEX January ULSD contract minus 2.5cts/gal, unchanged for the day, with no bids or offers heard.

PNW SUB-OCT Reg 15.0 RVP: December prompt was assessed at the NYMEX January RBOB contract minus 2.5cts/gal, based on a trade at that level.

PNW ULS No. 2: December prompt was assessed at the NYMEX January ULSD contract minus 2.75cts/gal, based on trades at minus 3cts/gal to minus 2.5cts/gal.

WEST COAST REFINED PRODUCTS ANALYSIS:

Basis differentials for Los Angeles physical jet fuel held steady Thursday, after data showed California's jet inventories built due to higher in-state production and stronger imports.

December any-timing L.A. jet traded at the NYMEX January ultra-low-sulfur diesel contract minus 7cts/gal to minus 7.25cts/gal, in line with Wednesday's trade range. Implied outright prices were last up around 3cts/gal, at \$1.83/gal, which were only pricier than those in the Gulf Coast among U.S. cash markets.

California jet stocks climbed about 4% to 3.139 million bbl for the week ended Dec. 1, which were about 2% higher than the year-ago level, according to the California Energy Commission (CEC).

West Coast trading sources cited higher jet imports, which were confirmed by last week's EIA data, which showed the region's jet imports increased more than fourfold to 588,000 bbl last week, up from 140,000 bbl in the previous week.

At the gasoline end, December L.A. CARBOB traded from the NYMEX January RBOB contract minus 8cts/gal to minus 8.5cts/gal.

Thursday marked the trade freeze for December's cycle two L.A. CARBOB deliveries, and a lack of trading interest might be attributed to relatively brisk pace in CARBOB earlier this week.

December San Francisco CARBOB was last at minus 6cts/gal, while Pacific Northwest prompt December sub-octane unleaded regular gasoline traded at minus 2.5cts/gal.

Meanwhile, December L.A. CARB diesel was last pegged at January ULSD futures minus 5cts/gal, and December Bay CARB diesel was at minus 4.5cts/gal. Pacific Northwest December ULSD was pegged at minus 3.25cts/gal, with bids at minus 3.5cts/gal and offers at minus 3cts/gal.

--Frank Tang, ftang@opisnet.com

OPIS West Coast Spot Market Deal Log

Los Angeles

Product	Timing	Differential	Reference	kbbl	Notes
CARBOB Regular 5.99 RVP Other	MAR	+2.00	Apr RBOB	25	
CARBOB Regular 12.5 RVP Any	JAN	+1.00	Feb RBOB	25	
CARBOB Regular 12.5 RVP Prompt	DEC	-8.00	Jan RBOB	50	
CARBOB Regular 12.5 RVP Prompt	DEC	-8.50	Jan RBOB	25	
CARBOB Regular 12.5 RVP Any	JAN	0	Feb RBOB	25	
CARB No2 Prompt	DEC	-6.50	Jan No2	10	
CARB No2 Prompt	DEC	-4.50	Jan No2	25	
Jet LAX Prompt	DEC	-7.00	Jan No2	25	
Jet LAX Prompt	DEC	-7.25	Jan No2	25	

San Francisco

No deals confirmed.

Pacific Northwest

Product	Timing	Differential	Reference	kbbl	Notes
Sub-Octane Unleaded 15.0 RVP Prompt	PMT DEC	-2.50	Jan RBOB	10	
ULS No2 Prompt	PMT DEC	-3.00	Jan No2	10	
ULS No2 Prompt	PMT DEC	-2.50	Jan No2	10	

Los Angeles Paper

Product	Timing	Differential	Reference	kbbl	Notes
Jet LAX Prompt	JAN	-5.50	Feb No2	25	
Jet LAX Prompt	JAN	-5.50	Feb No2	50	
Jet LAX Prompt	JAN	-5.75	Feb No2	25	
Jet LAX Prompt	JAN	-5.75	Feb No2	25	
Jet LAX Prompt	JAN	-5.75	Feb No2	50	
Jet LAX Prompt	JAN	-5.75	Feb No2	25	

U.S. West Coast Price Discovery Methodology

Editors confirm and record deals done for gasoline and distillate products with a minimum pipeline size of 10,000 bbl in California and 5,000 bbl in the Pacific Northwest. As the majority of the market is done on an EFP basis, we follow deals as basis discounts or premiums to the New York Mercantile Exchange. We consider fixed-price deals only if they fall within the full-day differential range based off the NYMEX at settlement. Fixed price deals in California spot markets are converted to an EFP when reported and confirmed and then reapplied to the NYMEX settlement price.

OPIS does publish "prompt" ranges, which are trades that reflect "any month / buyers option" transactions. "Buyers option" gives the buyer the choice of taking delivery in any of the four cycles in throughout the month. In Los Angeles, OPIS identifies the prompt Kinder Morgan cycle for timing clarity but ranges are buyer option/any month lifting.

OPIS works with the Kinder Morgan Pipeline to determine the timing of the various cycles throughout the month. Typically, each month has four pumping cycles. In cases where it is close to the end of the months trading cycle, OPIS reserves the right to roll coverage forward to the more liquid month.

For the Los Angeles market, OPIS follows the Kinder Morgan West Line, and in the Bay area the OPIS assessment is for the Kinder Morgan Zero Line. In the Pacific Northwest, prices are FOB Portland - Olympic Pipeline and jet fuel is FOB Seattle barge. For complete methodology, visit <http://www.opisnet.com/about/methodology.aspx>

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