

## CANADIAN REPORT

01-07-2019 - Crude oil and refined product futures prices were buoyant on Monday, with markets appearing to refocus on indications of output restraint by major producing countries and suggestions of steady demand, building on Friday's gains.

February West Texas Intermediate crude was up by more than \$1/bbl ahead of the formal session, and March Brent's gain was outpacing it. Increases in February RBOB and ultra-low-sulfur diesel prices were proportionately stronger than crude at better than 3.50cts/gal.

EIA's depiction Friday of sizable gains in U.S. product inventories and little changed crude stocks during the last full week of December trimmed some froth from the early rally that day inspired by a strong U.S. labor report.

However, lower U.S. oil drilling activity reported by Baker Hughes later in the day appeared to embolden bulls, with aftermarket action taking prices higher, even for RBOB which had settled a fraction of a cent lower on the day.

If U.S. oil production continues to slow its ascent, and OPEC+ compliance with its 2019 cut is as sturdy as it was two years ago, "the oil market is likely to be rebalanced during the first half of the year," analysts at Commerzbank noted in a morning note to investors.

Action early Monday shows February ULSD with the greatest gains - 4.12cts/gal to \$1.8104 - followed by February RBOB at \$1.3874/gal, up 3.96cts. March Brent has climbed by \$1.40 to \$58.46/bbl and February WTI by \$1.20, to \$49.16/bbl.

## CASH MARKET OVERVIEW . . .

U.S. spot fuel prices diverged Friday, with ultra-low-sulfur diesel (ULSD) marking sturdy increases (2cts to 3.5cts/gal) in all but one major bulk market and spot gasoline falling across the board.

RBOB futures rallied to begin the day, leading bulk prices higher, but then succumbed to data-inspired selling and a negative close. Weaker gasoline basis in most U.S. markets compounded the downtrend in underlying futures, resulting in outright price losses of 50pts to 1.5cts/gal east of the Rockies and 2cts to 5cts/gal in the West.

Chicago saw the largest basis weakness of any U.S. market, in both gasoline and ULSD. Prompt CBOB and RBOB discounts to NYMEX futures widened by 1.25cts/gal, taking the CBOB differential to minus 13.50cts and RBOB's to minus 10cts/gal.

The Windy City discount for prompt ULSD widened by more than a nickel, reaching almost 30cts/gal, or triple the discount of Group 3 (the next weakest market) after basis in that Midwest region weakened by 75pts on the day.

Spot gasoline outright-price losses for Group 3, Gulf Coast and New York Harbor were moderate compared to Chicago, at some 40pts to 80pts/gal. In contrast to weakening Chicago RBOB, New York and Gulf Coast RBOB differentials strengthened (by a quarter cent in USGC's case).

Basis premiums in Western bulk gasoline markets shed several cents per gallon. While Los Angeles CARBOB lost the most (a nickel, to 13cts over the screen), the outright price remained the highest for West Coast markets at nearly \$1.48/gal. Basis decline of 4cts/gal in Pacific Northwest sub-octane took both basis and outright values below San Francisco's.

As noted above, the Midwest saw most of Friday's spot ULSD action (to the downside). Gulf Coast ULSD basis strengthened by almost a penny to minus 8.40cts/gal and New York Harbor held at par with February heating oil futures.

Distillate markets in the West saw no change in basis. Los Angeles spot ULSD continued to command a half-cent premium to the screen, while San Francisco held at minus 5.50cts/gal and Pacific Northwest at a nickel discount.

Los Angeles CARB diesel held steady at 75pts over February futures and San Francisco CARB diesel was unchanged at minus 5.50cts versus NYMEX.

The average U.S. retail price of regular gasoline fell in half-penny stepdowns over the weekend, slowing its recent pace of descent, to reach \$2.237/gal. Monday's level marks a difference of 1.3cts since Friday, according to AAA. Compared to a week ago, the average price has fallen by 2.9cts, and the price is down by 19.9cts compared to a month ago. One year ago, the average pump price of gasoline was \$2.491, or 25.4cts higher compared to today.

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Sarnia spot LP-Gas weekly ranges*				Edmonton spot LP-Gas weekly ranges*			
(Prices U.S./U.S. cts/gal)							
Propane	N. Butane	Isobutane		Propane	Field Grade	Butane	

79.75-80.25    64.50-66.50    77.25-77.75    23.50-27.25    11.00-11.50

\*Prices as of 01/03/19

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Carbon Compliance Allowance (CCA) Spot Ranges*(Prices in U.S. \$/mt)			
Low	High	Mean	

Current Year            15.68            15.71            15.70

\*References prompt Current Yr. vintage California Carbon Allowance Assessments

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Quebec Cap-at-the-Rack Prices\*

Prices in U.S. cts/gal

Prices in Canadian cts/liter

Unl.				Unl.			
Unl.	Mid	Prem.	Eth 10%	Unl.	Mid	Prem.	Eth 10%
14.03	14.03	14.03	12.63	5.00	5.00	5.00	4.50
ULSD	HS No2	Furn.	Stove	ULSD	HS No2	Furn.	Stove
17.86	17.86	16.24	16.24	6.38	6.38	5.81	5.81
ULS No1	ULSFUM	ULSD WNT		ULS No1	ULSFUM	ULSD WNT	
17.86	16.24	17.86		6.38	5.81	6.38	

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U.S.-Canadian racks compared

\*\*U.S. net rack low postings from OPIS as of 11 a.m. EDT, 01/07/19 exchange column indicates change from previous day's low rack price. In the Canadian column, changes affecting a market's low number don't occur every day, so the change posted indicates the difference from the previous change after the data is converted from liters into gallons. Current conversion factor: US gallon / 2.82

Regular Unleaded Gasoline	vs.	Regular Unleaded Gasoline
Albany NY.... 49.88cts/lit FOB( 0.00)		Montreal... 59.60cts/lit FOB(+0.10)
Buffalo NY... 51.70cts/lit FOB( 0.00)		Toronto.... 55.50cts/lit FOB(+0.10)
Warren PA.... 43.49cts/lit FOB( 0.00)		Toronto.... 55.50cts/lit FOB(+0.10)
Syracuse NY.. 52.25cts/lit FOB( 0.00)		Ottawa..... 54.90cts/lit FOB(+0.10)
Detroit MI... 42.44cts/lit FOB( 0.00)		Sarnia..... 54.00cts/lit FOB(+0.10)
Grand Forks.. 47.11cts/lit FOB( 0.00)		Winnipeg... 58.50cts/lit FOB( 0.00)
Seattle WA... 52.52cts/lit FOB( 0.00)		Vancouver.. 71.50cts/lit FOB( 0.00)

HS No. 2 oil (U.S.)                    vs.                    Furnace oil (Canada)

Albany NY.... 64.74cts/lit FOB( 0.00)	Montreal... 78.10cts/lit FOB( 0.00)
Buffalo NY... 63.23cts/lit FOB( 0.00)	Toronto.... 70.90cts/lit FOB( 0.00)
Warren PA.... 52.08cts/lit FOB( 0.00)	Toronto.... 70.90cts/lit FOB( 0.00)
Syracuse NY.. 65.58cts/lit FOB(+0.55)	Ottawa..... 74.30cts/lit FOB( 0.00)
Detroit MI... 00.00cts/lit FOB( 0.00)	Sarnia..... 68.40cts/lit FOB(-0.50)
Grand Forks.. 00.00cts/lit FOB( 0.00)	Winnipeg... 69.70cts/lit FOB( 0.00)
Seattle WA... 00.00cts/lit FOB( 0.00)	Vancouver.. 74.70cts/lit FOB( 0.00)

ULS No. 2 oil (U.S.)		vs.	ULS No. 2 oil (Canada)	
Albany NY.... 64.58cts/lit FOB( 0.00)	Montreal... 79.10cts/lit FOB( 0.00)			
Buffalo NY... 65.51cts/lit FOB( 0.00)	Toronto.... 71.40cts/lit FOB( 0.00)			
Warren PA.... 52.96cts/lit FOB( 0.00)	Toronto.... 71.40cts/lit FOB( 0.00)			
Syracuse NY.. 66.00cts/lit FOB(+0.04)	Ottawa..... 74.80cts/lit FOB( 0.00)			
Detroit MI... 49.40cts/lit FOB( 0.00)	Sarnia..... 68.90cts/lit FOB( 0.00)			
Grand Forks.. 59.39cts/lit FOB( 0.00)	Winnipeg... 69.70cts/lit FOB( 0.00)			
Seattle WA... 57.04cts/lit FOB(-0.64)	Vancouver.. 74.60cts/lit FOB( 0.00)			

ULS No. 1 oil (U.S.)		vs.	ULS No. 1 oil (Canada)	
Albany NY.... 73.33cts/lit FOB( 0.00)	Montreal... 84.10cts/lit FOB( 0.00)			
Buffalo NY... 77.27cts/lit FOB( 0.00)	Toronto.... 75.10cts/lit FOB( 0.00)			
Warren PA.... 00.00cts/lit FOB( 0.00)	Toronto.... 75.10cts/lit FOB( 0.00)			
Syracuse NY.. 71.55cts/lit FOB( 0.00)	Ottawa..... 78.30cts/lit FOB( 0.00)			
Detroit MI... 71.47cts/lit FOB( 0.00)	Sarnia..... 72.60cts/lit FOB( 0.00)			
Grand Forks.. 71.92cts/lit FOB( 0.00)	Winnipeg... 72.20cts/lit FOB( 0.00)			
Seattle WA... 66.92cts/lit FOB( 0.00)	Vancouver.. 79.20cts/lit FOB( 0.00)			

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AVAILABLE CANADIAN PRICES

(3.785 LITERS/U.S GALLON) Most recent currency factor: \$1 Canadian = \$0.75 American  
(01/07/19) To convert cts/Liter to U.S. cts/U.S. gal multiply Canadian  
liter prices by 2.82

DOMESTIC GASOLINE

CALGARY

		Unl.	Chg.	Midgrade	Chg.	Prem.	Chg.	Date
Esso Cana	u	58.20	- 0.60	62.20	- 0.60	67.20	- 0.60	01/06
Shell	u	58.20	- 1.00	62.70	- 1.00	67.20	- 1.00	01/05
Suncor	u	58.20	- 0.80	62.70	- 0.80	67.20	- 0.80	01/05

EDMONTON

		Unl.	Chg.	Midgrade	Chg.	Prem.	Chg.	Date
Esso Cana	u	55.80	- 0.60	59.80	- 0.60	64.80	- 0.60	01/06
Shell	u	55.80	- 1.00	60.30	- 1.00	64.80	- 1.00	01/05
Suncor	u	55.80	- 0.80	60.30	- 0.80	64.80	- 0.80	01/05

EDMONTON

		Eth 5%		Eth 10%			
		Mid	Chg.	Unl	Chg.	Date	
Esso Cana	u	-- --	-- --	55.80	- 0.60	01/06	
Shell	u	-- --	-- --	55.80	- 1.00	01/05	
Suncor	u	-- --	-- --	55.80	- 0.80	01/05	

BARE POINT

		Unl.	Chg.	Midgrade	Chg.	Prem.	Chg.	Date
Shell	u	73.10	- 0.70	78.60	- 0.70	83.10	- 0.70	01/07

HATCH POINT

		Unl.	Chg.	Midgrade	Chg.	Prem.	Chg.	Date
Parkland	u	73.20	+ 2.00	78.70	+ 2.00	83.20	+ 2.00	01/03

HATCH POINT

		Eth 5%		Eth 10%			
		Mid	Chg.	Unl	Chg.	Date	
Parkland	u	-- --	-- --	73.20	+ 2.00	01/03	

KAMLOOPS

		Unl.	Chg.	Midgrade	Chg.	Prem.	Chg.	Date
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Shell	u	68.30	- 1.00	72.80	- 1.00	77.30	- 1.00	01/05
Suncor	u	68.30	- 0.80	72.80	- 0.80	77.30	- 0.80	01/05
Esso Cana	u	-- --	-- --	-- --	-- --	77.30	- 0.60	01/06
Parkland	u	-- --	-- --	-- --	-- --	78.60	+ 3.10	01/05

KAMLOOPS		Eth 5%		Eth 10%				
		Mid	Chg.	Unl	Chg.	Date		
Esso Cana	u	-- --	-- --	68.30	- 0.60	01/06		
Shell	u	-- --	-- --	68.30	- 1.00	01/05		
Suncor	u	72.80	- 0.80	68.30	- 0.80	01/05		
Parkland	u	-- --	-- --	68.60	+ 3.10	01/05		

NANAIMO								
		Unl.	Chg.	Midgrade	Chg.	Prem.	Chg.	Date
Esso Cana	u	73.10	- 1.00	78.60	- 1.00	83.10	- 1.00	01/05
Suncor	u	73.60	- 0.60	78.60	- 0.60	83.60	- 0.60	01/05

PRINCE GEORGE								
		Unl.	Chg.	Midgrade	Chg.	Prem.	Chg.	Date
Shell	u	59.40	- 1.00	63.90	- 1.00	68.40	- 1.00	01/05
Esso Cana	u	62.50	- 0.60	-- --	-- --	71.50	- 0.60	01/06
Suncor	u	62.50	- 0.80	-- --	-- --	71.50	- 0.80	01/05

PRINCE GEORGE		Eth 5%		Eth 10%				
		Mid	Chg.	Unl	Chg.	Date		
Shell	u	-- --	-- --	59.40	- 1.00	01/05		
Esso Cana	u	-- --	-- --	62.50	- 0.60	01/06		
Suncor	u	67.00	- 0.80	62.50	- 0.80	01/05		

TERRACE								
		Unl.	Chg.	Midgrade	Chg.	Prem.	Chg.	Date
Suncor	u	63.25	- 0.80	67.75	- 0.80	72.25	- 0.80	01/05

TERRACE		Eth 5%		Eth 10%				
		Mid	Chg.	Unl	Chg.	Date		
Suncor	u	-- --	-- --	63.25	- 0.80	01/05		

VANCOUVER								
		Unl.	Chg.	Midgrade	Chg.	Prem.	Chg.	Date
Esso Cana	u	71.50	- 1.00	77.00	- 1.00	81.50	- 1.00	01/05
Parkland	u	71.50	+ 2.00	77.00	+ 2.00	81.50	+ 2.00	01/03
Shell	u	71.50	- 0.70	77.00	- 0.70	81.50	- 0.70	01/07
Suncor	u	72.00	- 0.60	-- --	-- --	82.00	- 0.60	01/05

VANCOUVER		Eth 5%		Eth 10%				
		Mid	Chg.	Unl	Chg.	Date		
Esso Cana	u	-- --	-- --	71.50	- 1.00	01/05		
Parkland	u	-- --	-- --	71.50	+ 2.00	01/03		
Shell	u	-- --	-- --	71.50	- 0.70	01/07		
Suncor	u	77.00	- 0.60	72.00	- 0.60	01/05		

WINNIPEG								
		Unl.	Chg.	Midgrade	Chg.	Prem.	Chg.	Date
Shell	u	58.50	- 1.00	63.00	- 1.00	67.50	- 1.00	01/05
Suncor	u	58.50	- 0.80	-- --	-- --	67.50	- 0.80	01/05
Esso Cana	u	-- --	-- --	-- --	-- --	67.50	- 0.60	01/06

WINNIPEG		Eth 5%		Eth 10%				
		Mid	Chg.	Unl	Chg.	Date		
Esso Cana	u	-- --	-- --	58.50	- 0.60	01/06		
Shell	u	-- --	-- --	58.50	- 1.00	01/05		
Suncor	u	63.00	- 0.80	58.50	- 0.80	01/05		

SAINT JOHN								
		Unl.	Chg.	Midgrade	Chg.	Prem.	Chg.	Date
Suncor	u	53.20	- 0.40	55.95	- 0.40	59.20	- 0.40	01/05
Esso Cana	u	53.70	- 0.50	-- --	-- --	59.70	- 0.50	01/06

Irving	u	--	--	--	--	--	--	59.67	-	0.35	01/05
Valero	u	--	--	--	--	--	--	59.70	-	0.30	01/05
Wilsons	u	--	--	--	--	--	--	60.20	-	0.50	01/06

SAINT JOHN		Eth 5%		Eth 10%		
		Mid	Chg.	Unl	Chg.	Date
Suncor	u	--	--	53.20	-	0.40 01/05
Irving	u	--	--	53.69	-	0.34 01/05
Esso Cana	u	--	--	53.70	-	0.50 01/06
Valero	u	--	--	53.70	-	0.30 01/05
Wilsons	u	--	--	54.20	-	0.50 01/06

ST. JOHN'S		Unl.	Chg.	Midgrade	Chg.	Prem.	Chg.	Date
Irving	u	54.09	-	0.34	--	--	--	60.07 - 0.35 01/05
Esso Cana	u	54.10	-	0.50	56.10	-	0.50	60.10 - 0.50 01/06
Valero	u	54.30	-	0.70	--	--	--	60.30 - 0.70 01/04

HALIFAX		Unl.	Chg.	Midgrade	Chg.	Prem.	Chg.	Date
Suncor	u	53.90	-	0.40	56.65	-	0.40	59.90 - 0.40 01/05
Irving	u	53.99	-	0.34	--	--	--	60.02 - 0.35 01/05
Esso Cana	u	54.00	-	0.50	56.00	-	0.50	60.00 - 0.50 01/06
Valero	u	54.00	-	0.20	--	--	--	60.00 - 0.20 01/05
Wilsons	u	54.50	-	0.50	--	--	--	60.50 - 0.50 01/06

HAY RIVER		Unl.	Chg.	Midgrade	Chg.	Prem.	Chg.	Date
Esso Cana	u	62.50	-	0.60	66.50	-	0.60	71.50 - 0.60 01/06
Shell	u	62.50	-	1.00	67.00	-	1.00	71.50 - 1.00 01/05
Suncor	u	62.50	-	0.80	66.50	-	0.80	71.50 - 0.80 01/05

BELLEVILLE		Unl.	Chg.	Midgrade	Chg.	Prem.	Chg.	Date
Shell	u	56.20	+	0.10	61.20	+	0.10	66.20 + 0.10 01/07
Suncor	u	56.70	-	0.30	61.70	-	0.30	66.70 - 0.30 01/05
Esso Cana	u	--	--	--	--	--	--	66.20 - 0.60 01/06
Valero	u	--	--	--	--	--	--	66.30 - 0.30 01/05

BELLEVILLE		Eth 5%		Eth 10%		
		Mid	Chg.	Unl	Chg.	Date
Esso Cana	u	--	--	56.20	-	0.60 01/06
Shell	u	--	--	56.20	+	0.10 01/07
Valero	u	--	--	56.30	-	0.30 01/05
Suncor	u	--	--	56.70	-	0.30 01/05

BRONTE		Unl.	Chg.	Midgrade	Chg.	Prem.	Chg.	Date
Shell	u	55.50	+	0.10	60.50	+	0.10	65.50 + 0.10 01/07
Suncor	u	55.50	-	0.30	--	--	--	65.50 - 0.30 01/05
Esso Cana	u	--	--	--	59.50	-	0.60	65.50 - 0.60 01/06

BRONTE		Eth 5%		Eth 10%			
		Mid	Chg.	Unl	Chg.	Date	
Esso Cana	u	--	--	55.50	-	0.60 01/06	
Shell	u	--	--	55.50	+	0.10 01/07	
Suncor	u	60.50	-	0.30	55.50	-	0.30 01/05

HAMILTON		Unl.	Chg.	Midgrade	Chg.	Prem.	Chg.	Date
Shell	u	55.50	+	0.10	60.50	+	0.10	65.50 + 0.10 01/07
Suncor	u	55.50	-	0.30	--	--	--	65.50 - 0.30 01/05

HAMILTON		Eth 5%		Eth 10%			
		Mid	Chg.	Unl	Chg.	Date	
Shell	u	--	--	55.50	+	0.10 01/07	
Suncor	u	60.50	-	0.30	55.50	-	0.30 01/05

## KINGSTON

		Unl.	Chg.	Midgrade	Chg.	Prem.	Chg.	Date
Shell	u	56.50	+ 0.10	61.50	+ 0.10	66.50	+ 0.10	01/07
Suncor	u	56.50	- 0.30	61.50	- 0.30	66.50	- 0.30	01/05
Esso Cana	u	-- --	-- --	-- --	-- --	66.50	- 0.60	01/06
Valero	u	-- --	-- --	-- --	-- --	66.50	- 0.30	01/05

## KINGSTON

		Eth 5%		Eth 10%		
		Mid	Chg.	Unl	Chg.	Date
Esso Cana	u	-- --	-- --	56.50	- 0.60	01/06
Shell	u	-- --	-- --	56.50	+ 0.10	01/07
Suncor	u	-- --	-- --	56.50	- 0.30	01/05
Valero	u	-- --	-- --	56.50	- 0.30	01/05

## LONDON

		Unl.	Chg.	Midgrade	Chg.	Prem.	Chg.	Date
Shell	u	54.00	+ 0.10	59.00	+ 0.10	64.00	+ 0.10	01/07
Suncor	u	54.00	- 0.30	-- --	-- --	64.00	- 0.30	01/05
Esso Cana	u	-- --	-- --	-- --	-- --	64.00	- 0.60	01/06
Valero	u	-- --	-- --	-- --	-- --	64.20	- 0.30	01/05

## LONDON

		Eth 5%		Eth 10%		
		Mid	Chg.	Unl	Chg.	Date
Esso Cana	u	-- --	-- --	54.00	- 0.60	01/06
Suncor	u	59.00	- 0.30	54.00	- 0.30	01/05
Valero	u	-- --	-- --	54.20	- 0.30	01/05

## MAITLAND

		Unl.	Chg.	Midgrade	Chg.	Prem.	Chg.	Date
Esso Cana	u	55.80	- 0.60	59.80	- 0.60	65.80	- 0.60	01/06
Valero	u	-- --	-- --	-- --	-- --	64.90	- 0.30	01/05

## MAITLAND

		Eth 5%		Eth 10%		
		Mid	Chg.	Unl	Chg.	Date
Valero	u	-- --	-- --	54.90	- 0.30	01/05
Esso Cana	u	-- --	-- --	55.80	- 0.60	01/06

## NANTICOKE

		Unl.	Chg.	Midgrade	Chg.	Prem.	Chg.	Date
Esso Cana	u	54.00	- 0.60	58.00	- 0.60	64.00	- 0.60	01/06
Valero	u	54.20	- 0.30	-- --	-- --	64.20	- 0.30	01/05
Suncor	u	55.00	- 0.30	60.00	- 0.30	65.00	- 0.30	01/05

## OTTAWA

		Unl.	Chg.	Midgrade	Chg.	Prem.	Chg.	Date
Shell	u	54.90	+ 0.10	59.90	+ 0.10	64.90	+ 0.10	01/07
Suncor	u	54.90	- 0.30	59.90	- 0.30	64.90	- 0.30	01/05
Esso Cana	u	-- --	-- --	-- --	-- --	64.90	- 0.60	01/06
Valero	u	-- --	-- --	-- --	-- --	64.90	- 0.30	01/05

## OTTAWA

		Eth 5%		Eth 10%		
		Mid	Chg.	Unl	Chg.	Date
Esso Cana	u	-- --	-- --	54.90	- 0.60	01/06
Shell	u	-- --	-- --	54.90	+ 0.10	01/07
Suncor	u	-- --	-- --	54.90	- 0.30	01/05
Valero	u	-- --	-- --	54.90	- 0.30	01/05

## SARNIA

		Unl.	Chg.	Midgrade	Chg.	Prem.	Chg.	Date
Esso Cana	u	54.00	- 0.60	58.50	- 0.60	64.00	- 0.60	01/06
Shell	u	54.00	+ 0.10	59.00	+ 0.10	64.00	+ 0.10	01/07
Suncor	u	54.00	- 0.30	59.00	- 0.30	64.00	- 0.30	01/05
Valero	u	54.20	- 0.30	-- --	-- --	64.20	- 0.30	01/05