

OPIS West Coast Spot Market Report

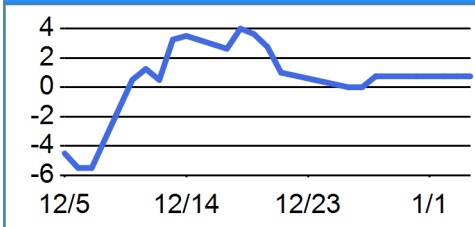
A Daily Report on U.S. West Coast Spot Prices plus News and Commentary



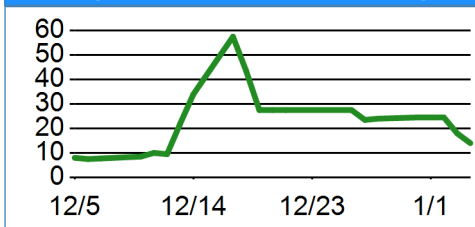
January 04, 2019

West Coast 30-Day Average Snapshot

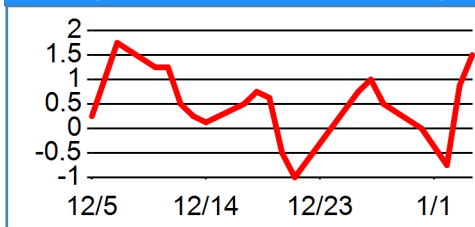
Los Angeles CARB No. 2 Basis (cts/gal)



Los Angeles CARBOB-R Basis (cts/gal)



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



L.A. CARBOB PREMIUMS WEAKEN AFTER MOGAS STOCKS BUILD
1/04/2019 - The runway was cleared for a big rally in oil markets this morning, and with a strong December jobs report and equities market that was also off to the races clearing the path.

Crude oil and refined products topped out at roughly two-week highs this morning, but a bearish EIA report that showed large product builds and mostly flat crude oil inventories helped push prices back from the morning highs.

RBOB took the biggest hit after being up about a nickel at one point today as February ended the day down 17 points at \$1.3478/gal. Gasoline inventories grew, with Gulf Coast inventories reaching record levels. Meanwhile, the gasoline demand reading from the EIA was one of the weakest of the year and down 8.4% week on week.

While RBOB futures gave back gains, WTI and Brent were able to stick to positive territory, though the morning gains were cut by more than half as both contracts were up by more than \$2 today. Inventories were flat when a draw was expected, which pressured oil to give back most if not all the gains.

The equities markets more or less saved the day for crude oil bulls as gains of 3% in U.S. equities kept crude oil from pulling back any further.

A bit of a fade, though, was seen with February WTI closing the day at \$47.96/bbl and March Brent up just over \$1 at \$57.06/bbl. Since settlement, both contracts have added about 30cts.

While distillate had the biggest build and the biggest drop in demand, ULSD futures had solid gains and were able to keep up with crude oil. ULSD futures picked up 2.72cts to close at \$1.7692/gal.

Since settlement, both RBOB and ULSD are up by about a penny.

--Denton Cinquegrana, dcinquegrana@opisnet.com

JET FUEL DELIVERIES SLOWER IN RECENT WEEKS

It is evident from the weekly data that deliveries of jet fuel to the market have

(Continued on Page 3)

New York Mercantile Exchange at Settlement

WTI Crude Oil (\$/bbl)		
Month	Price	Change
FEB	47.96	0.87
MAR	48.28	0.88
APR	48.65	0.88

RBOB Unleaded (cts/gal)		
Month	Price	Change
FEB	134.78	-0.17
MAR	136.18	0.31
APR	155.29	1.16

ULSD (cts/gal)		
Month	Price	Change
FEB	176.92	2.72
MAR	176.10	2.84
APR	174.76	2.84

L.A. 3-2-1 Crack Spread*	
Price (\$/bbl)	Change
12.44	-1.90

*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	177.420	2.720	0.500	0.000	171.420	2.720	-5.500	0.000	171.920	2.720	-5.000	0.000
CARB No. 2	177.670	2.720	0.750	0.000	171.420	2.720	-5.500	0.000	---	---	---	---
Sub-oct Reg	148.780	-4.170	14.000	-4.000	142.530	-2.170	7.750	-2.000	144.780	-2.170	10.000	-2.000
Sub-oct Pre	157.780	-4.170	23.000	-4.000	168.530	-2.170	33.750	-2.000	169.280	-2.170	34.500	-2.000
CARBOB-R**	148.780	-4.170	14.000	-4.000	144.280	-2.170	9.500	-2.000	144.780	-2.170	10.000	-2.000
CARBOB-P**	157.780	-4.170	23.000	-4.000	170.280	-2.170	35.500	-2.000	169.280	-2.170	34.500	-2.000
JET **	178.420	3.345	1.500	0.625	178.420	3.345	1.500	0.625	178.420	3.345	1.500	0.625
JET-WTG AVG	178.420	3.345	1.500	0.625	---	---	---	---	---	---	---	---
B5	---	---	---	---	---	---	---	---	175.920	2.720	-1.000	0.000
AZRBOB-R	154.780	-4.170	20.000	-4.000	---	---	---	---	---	---	---	---
AZRBOB-P	163.780	-4.170	29.000	-4.000	---	---	---	---	---	---	---	---
CARB RFG-R	148.900	-3.610	---	---	144.850	-1.810	---	---	---	---	---	---
CARB RFG-P	157.000	-3.610	---	---	168.250	-1.810	---	---	---	---	---	---

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)

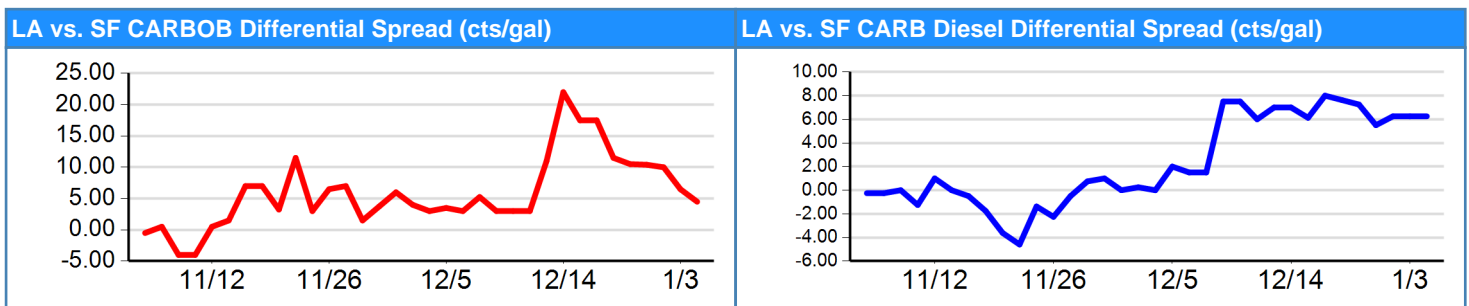
Los Angeles		Physical Prices				Basis Differentials				
Product	Timing	Low	High	Mean	Change	Low	High	Mean	Change	Wt. Avg
ULS NO. 2	JAN	176.92	177.92	177.420	2.720	0.00	1.00	0.500	0.000	-- --
CARB No. 2	JAN	177.42	177.92	177.670	2.720	0.50	1.00	0.750	0.000	177.670
JET-PipeLAX	JAN	178.17	178.67	178.420	3.345	1.25	1.75	1.500	0.625	178.420
Sub-Oct Reg 12.5 RVP	JAN	147.78	149.78	148.780	-4.170	13.00	15.00	14.000	-4.000	-- --
Sub-Oct Pre 12.5 RVP	JAN	156.78	158.78	157.780	-4.170	22.00	24.00	23.000	-4.000	-- --
AZRBOB-R 8.0 RVP	JAN	153.78	155.78	154.780	-4.170	19.00	21.00	20.000	-4.000	-- --
AZRBOB-P 8.0 RVP	JAN	162.78	164.78	163.780	-4.170	28.00	30.00	29.000	-4.000	-- --
CARBOB-R 12.5 RVP	JAN	147.78	149.78	148.780	-4.170	13.00	15.00	14.000	-4.000	148.780
CARBOB-P 12.5 RVP	JAN	156.78	158.78	157.780	-4.170	22.00	24.00	23.000	-4.000	-- --
CARB-RFG Reg	JAN	147.90	149.90	148.900	-3.610	-- --	-- --	-- --	-- --	-- --
CARB-RFG Pre	JAN	156.00	158.00	157.000	-3.610	-- --	-- --	-- --	-- --	-- --

San Francisco		Physical Prices				Basis Differentials				
Product	Timing	Low	High	Mean	Change	Low	High	Mean	Change	Wt. Avg
ULS NO. 2	JAN	170.92	171.92	171.420	2.720	-6.00	-5.00	-5.500	0.000	-- --
CARB No. 2	JAN	170.92	171.92	171.420	2.720	-6.00	-5.00	-5.500	0.000	171.420
JET-Pipe	JAN	178.17	178.67	178.420	3.345	1.25	1.75	1.500	0.625	-- --
Sub-Oct Reg 15.0 RVP	JAN	142.03	143.03	142.530	-2.170	7.25	8.25	7.750	-2.000	-- --
Sub-Oct Pre 15.0 RVP	JAN	168.03	169.03	168.530	-2.170	33.25	34.25	33.750	-2.000	-- --
CARBOB-R 14.0 RVP	JAN	143.78	144.78	144.280	-2.170	9.00	10.00	9.500	-2.000	144.280
CARBOB-P 14.0 RVP	JAN	169.78	170.78	170.280	-2.170	35.00	36.00	35.500	-2.000	-- --
CARB-RFG Reg	JAN	144.30	145.40	144.850	-1.810	-- --	-- --	-- --	-- --	-- --
CARB-RFG Pre	JAN	167.70	168.80	168.250	-1.810	-- --	-- --	-- --	-- --	-- --

Pacific Northwest		Physical Prices				Basis Differentials				
Product	Timing	Low	High	Mean	Change	Low	High	Mean	Change	
ULS NO. 2	PMT JAN	171.42	172.42	171.920	2.720	-5.50	-4.50	-5.000	0.000	
JET-Pipe	PMT JAN	178.17	178.67	178.420	3.345	1.25	1.75	1.500	0.625	
B5	PMT JAN	175.42	176.42	175.920	2.720	-1.50	-0.50	-1.000	0.000	
Sub-Oct Reg 15.0 RVP	PMT JAN	142.78	146.78	144.780	-2.170	8.00	12.00	10.000	-2.000	
Sub-Oct Pre 15.0 RVP	PMT JAN	167.28	171.28	169.280	-2.170	32.50	36.50	34.500	-2.000	
Sub-Oct Reg 15.0 (Seattle)	PMT JAN	142.78	146.78	144.780	-2.170	8.00	12.00	10.000	-2.000	
Sub-Oct Pre 15.0 (Seattle)	PMT JAN	167.28	171.28	169.280	-2.170	32.50	36.50	34.500	-2.000	

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	FEB	155.68	156.68	156.180	-1.690	19.50	20.50	20.000	-2.000	
CARBOB-R 5.99 RVP	MAR	161.79	162.29	162.040	1.910	6.50	7.00	6.750	0.750	
CARBOB-R 5.99 RVP	APR	163.82	165.07	164.445	1.915	7.00	8.25	7.625	0.625	
CARB No. 2	FEB	177.10	178.10	177.600	2.590	1.00	2.00	1.500	-0.250	
JET-PipeLAX	FEB	177.10	178.10	177.600	2.840	1.00	2.00	1.500	0.000	
JET-PipeLAX	MAR	175.76	176.76	176.260	2.840	1.00	2.00	1.500	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	FEB	19.50	20.50	20.000	-4.000
CARBOB	MAR	6.50	7.50	7.000	0.000
CARBOB	Q2	24.00	25.00	24.500	0.000
CARBOB	Q3	4.00	5.00	4.500	0.000
CARB No. 2	FEB	-1.00	0.00	-0.500	0.000
CARB No. 2	MAR	0.50	1.50	1.000	0.000
CARB No. 2	Q2	-0.50	0.50	0.000	0.000
JET-PipeLAX	FEB	1.00	2.00	1.500	0.000
JET-PipeLAX	MAR	1.00	2.00	1.500	0.000
JET-PipeLAX	Q2	1.75	2.75	2.250	0.000

PADD 5 EIA Inventory - Week Ending 12/28

Location	This Week	Last Week	Last Year	Week Change	Year Change
Gasoline	28,263	27,059	32,861	1,204	-4,598
No. 2 Oil	12,573	11,822	13,709	751	-1,136
ULSD < 15ppm	11,613	10,992	12,937	621	-1,324
Kerosene Jet	9,528	9,440	9,960	88	-432
Residual Fuel	4,637	4,529	4,495	108	142
Crude Oil	45,701	48,644	51,024	-2,943	-5,323
Crude Input	2,528	2,457	2,548	71	-20

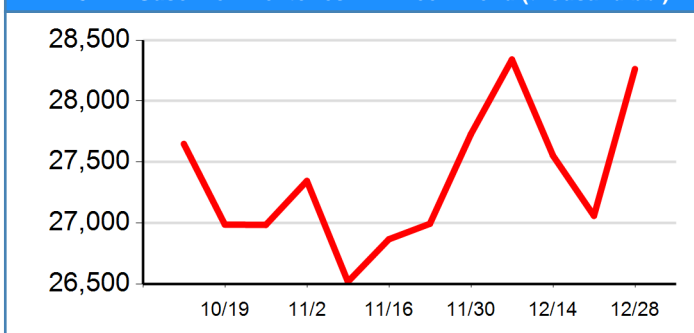
Note: Inventory levels are in thousands of barrels.

California CEC Inventory - Week Ending 12/28

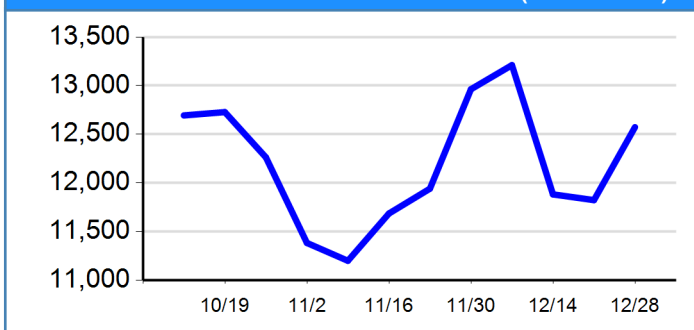
Location	This Week	Last Week	Last Year	Week Change	Year Change
CARB RFG	5,052	4,795	6,656	257	-1,604
Non-Calif. Gasoline	1,016	1,352	1,238	-336	-222
Gasoline Blend. Components	6,255	6,009	6,198	246	57
CARB-Diesel	1,796	2,082	2,601	-286	-805
Other Diesel	1,732	1,432	906	300	826
Kerosene Jet	3,257	3,190	3,366	67	-109
Crude Oil	12,068	15,438	15,476	-3,370	-3,408
Crude Input	12,311	12,027	12,368	284	-57

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)



slowed in recent weeks, so much so that jet fuel's year-to-date demand growth, which was tops among transportation products, has slipped to just 1.1% to end 2018, just a fraction more than diesel's 1% growth rate but double gasoline's 0.5% rate. Notably, jet fuel's pace of growth up until the last six weeks all year had been several percentage points with a sizable lead over diesel and gasoline.

The Department of Energy numbers show weekly deliveries at 1.621 million b/d, among the lowest weekly numbers for 2018. This marks the third week the pace of deliveries has been slow (less than 1.7 million b/d). Two reasons might account for the drop. Typically, companies take on less inventory at the end of the year for tax purposes, and this year prices in December dropped, providing even less incentive to absorb barrels.

Slower deliveries have not stopped U.S. producers from making lots of fuel. The latest numbers show national output at just under 1.9 million b/d, the highest weekly number since Labor Day. Production rose the most in the East (back to over 100,000 b/d for the first time since August) and on the West Coast, where production climbed back to over 500,000 b/d for just the second time since September. Gulf Coast jet output stayed relatively flat week over week.

Higher production resulted in jet fuel stocks expanding 260,000 bbl nationwide to 40.7 million with growth seen in the East, the Midwest and the West Coast and declines in the Gulf and the Rockies.

Producers are making lots of jet to meet the export demand that again this week was strong at 255,000 b/d, five times greater than a year ago and putting the four-week average pace 2.25 times greater than last year. Six of the final nine months of 2018, including December, saw U.S. jet exports exceed 200,000 b/d.

Higher domestic production of jet has calmed imports, which have slowed dramatically in the past six weeks.

Jet fuel spot prices are higher on the day despite distillate supplies growing and U.S. refinery rates kicking up more than 2 percentage points.

--Ben Brockwell, bbrockwell@opisnet.com

WC MOGAS STK. POST BIGGEST BUILD SINCE JAN. 2018; REF. RATES UP: EIA

West Coast gasoline stocks posted their biggest one-week build in about a year, and the region's refinery utilization climbed for a second-straight week, the latest U.S. Energy Information Administration data showed.

Total PADD5 motor gasoline stocks increased by 1.2 million bbl, to 28.3 million bbl for the week ended Dec. 28, their biggest one-week build since the 1.23-million-build during the week of Jan. 12, 2018.

Year on year, they were still 4.6 million bbl lower than the 32.9 million bbl in the year-ago period.

Also weighing on SoCal spot mogas sentiment was that PADD5 refinery utilization percentage jumped to 94.6%, up from 91.8% in the previous week.

Higher refinery runs often stir worries that extra product supply will overwhelm the cash market in the near term.

Meanwhile, total West Coast distillate stocks climbed by 800,000 bbl, to 12.6 million bbl. Year on year, they were 1.1 million bbl lower than the 13.7 million bbl, however.

Total jet fuel inventories posted a small build of 100,000 bbl, to 9.5 million bbl. Year on year, they were down 500,00 bbl from the 10 million bbl at the same time last year.

--Frank Tang, ftang@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	152.35	154.35	-5.00	-3.00	16.05	16.90	9.90	10.75
High Sulfur VGO	148.35	150.35	-9.00	-7.00	14.35	15.20	8.25	9.05
Light Cycle Oil	144.50	146.50	-32.90	-30.90	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	1/04	124.88	127.88	112.75	113.25	112.75	113.25	114.75	115.25	--	--
Delivered Bakersfield	1/04	124.88	126.88	100.75	101.25	100.75	101.25	--	--	111.75	114.25
Delivered Bay Area	1/04	123.88	124.88	112.75	113.25	112.75	113.25	114.75	115.25	--	--

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

Product	Low	High	Last	Change
Alaska North Slope	53.84	54.34	54.09	1.11
Line 63	49.84	50.34	50.09	1.11
THUMS	45.76	46.26	46.01	1.14

Product	Low	High	Last	Change
SJV	45.01	45.51	45.26	1.14
WTI	47.16	49.22	47.96	0.87
Brent	55.34	58.31	57.06	1.11

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

Location	API	Chev	API	PMTc	API	MOBIL
Buena Vista	26.0	55.64	26.0	52.97	26.0	56.79
Hunt. Beach	--	--	20.0	47.61	--	--
Kern River	--	--	13.0	44.61	--	--
Long Beach	--	--	27.0	51.06	--	--
Midway Sunset	13.0	51.09	13.0	48.10	13.0	52.11
Wilmington	--	--	17.0	45.36	--	--
Effective Date		01/03		01/02		01/03

Location	API	STUSCO	API	UNION 76
Buena Vista	26.0	56.75	26.0	53.25
Midway Sunset	13.0	52.20	13.0	47.95
Effective Date		01/03		01/03

Today's Closing Singapore Prompt Jet Kerosene Prices

Market	Low	High	Mean	Change
FOB Singapore (\$/bbl)	68.81	68.91	68.86	2.310

OPIS Ethanol Prices (cts/gal)

Market	Timing	Low	High	Mean	Change
LA CI 79.90	PROMPT	149.00	151.00	150.000	1.500
LA CI 79.90	ANY	149.00	151.00	150.000	1.500
SF CI 79.90	PROMPT	149.00	151.00	150.000	1.500
SF CI 79.90	ANY	149.00	151.00	150.000	1.500
Oregon CI 69.89	PROMPT	149.00	151.00	150.000	1.500
Washington Eth.	PROMPT	140.00	143.50	141.750	-1.750
Phoenix Eth.	PROMPT	139.00	141.00	140.000	-0.500

OPIS California Low Carbon Fuel Standard

Product	Low	High	Mean	Change
Carbon Credit (\$/MT)	192.000	194.000	193.0000	-0.5000
CI Pts Ethanol (\$/CI)	0.01565	0.01581	0.015730	-0.000045
CI Pts Biodiesel (\$/CI)	0.02422	0.02447	0.024345	-0.000060
Carbon CPG Diesel (cts/gal)	16.21	16.38	16.295	-0.045
Carbon CPG Dsl 95% (cts/gal)	15.40	15.56	15.480	-0.040
Carbon CPG Gasoline (cts/gal)	17.42	17.60	17.510	-0.045
Carbon CPG Gas 90% (cts/gal)	15.68	15.84	15.760	-0.040

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

Product	Year	Low	High	Mean	Change
Corn Ethanol	2017	14.00	15.00	14.500	-0.500
Corn Ethanol	2018	17.50	18.00	17.750	-0.250
Corn Ethanol	2019	20.00	21.00	20.500	-0.500
Biodiesel	2017	49.00	51.00	50.000	-0.750
Biodiesel	2018	55.50	57.50	56.500	0.000
Biodiesel	2019	56.50	58.00	57.250	-0.500
Cellulosic	2017	185.00	189.00	187.000	0.000
Cellulosic	2018	190.00	194.00	192.000	0.000
Cellulosic	2019	191.00	195.00	193.000	0.000
Adv. Biofuel	2017	46.00	49.00	47.500	0.500
Adv. Biofuel	2018	51.00	54.00	52.500	0.500
Adv. Biofuel	2019	53.00	56.00	54.500	-1.000

THE SHOW WILL GO ON AT DOE, EIA DESPITE U.S. PARTIAL GOV'T SHUTDOWN

As the U.S. partial government shutdown continues to drag on into the second week, the Department of Energy and the Energy Information Administration, among the majority of the government agencies, will continue to operate as per normal, industry sources told OPIS on Friday.

Normal operations at DOE and EIA mean both agencies will continue to perform normal functions, including data collections and publishing. EIA weekly data are closely monitored by the oil industry, offering valuable clues to ongoing oil and gas market developments in the U.S.

The DOE and EIA are able to work normally due to a careful budget planning, allowing both agencies to pay all employees even when the federal government shuts down.

The U.S. government has faced intermittent shutdowns in the past few years, some of which lasted only a few days.

The longest-ever federal government shutdown is 21 days in 1995-96, according to national media reports.

The current DOE budget, which should last several more months through summer, is expected to outlast the ongoing government shutdown, sources said.

The Republicans and Democrats are currently locking horns on the controversial issue of building a \$5 billion wall along the U.S.-Mexico border, which led to the federal government shutdown by President Donald Trump.

An estimated one-quarter of the federal government employees at some important agencies, including Securities Exchange Commission and Internal Revenue Service, are not working due to the shutdown, sources said. Many essential employees, including those at the Department of Homeland Security, continue to work without pay.

It is noted that Trump signed an executive order a few days ago to freeze salaries for all federal government employees in 2019.

Also, all federal employees are expected to receive retroactive pay when the shutdown ends.

--Edgar Ang, eang@opisnet.com

WEST COAST REFINED PRODUCTS LOGIC:

L.A. CARBOB-R 12.5 RVP: January prompt was assessed at the NYMEX February RBOB contract plus 14cts/gal, based on trades at plus 15cts/gal to plus 13cts/gal.

(Continued on Page 5)

Calif. Carbon Allowance Assessments (\$/mt)

Vintage	Timing	Low	High	Mean
Previous Yr.	PMT JAN '19	15.68	15.70	15.690
Previous Yr.	FWD DEC '19	16.40	16.42	16.410
Current Yr.	PMT JAN '19	15.68	15.71	15.695
Current Yr.	FWD DEC '19	16.39	16.40	16.395
Next Yr.	PMT JAN '19	15.68	15.70	15.690
Next Yr.	FWD DEC '19	16.39	16.41	16.400

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

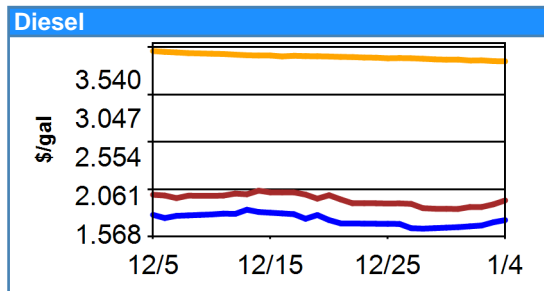
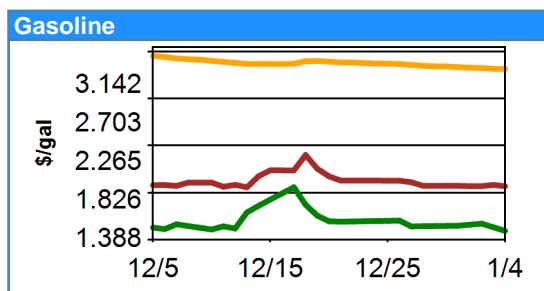
Product	Price	Wk Avg	30-Day Avg
Winter CARB RFG-R	12.62	12.598	12.540
Winter CARB RFG-M	12.62	12.598	12.540
Winter CARB RFG-P	12.63	12.614	12.555
CARB No.2	16.07	16.048	15.971
B5 Biodiesel	15.27	15.240	15.171
LPG	9.13	0.091	0.091
LNG (cts/DGE)	11.49	11.468	11.416

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

Gasoline (\$/gal)	Price	Change
Basket of Racks	1.996	-0.016
Retail Average	3.330	-0.003
L.A. CARBOB-R	1.488	-0.042

Diesel (\$/gal)	Price	Change
Basket of Racks	2.028	0.050
Retail Average	3.803	-0.003
L.A. CARB No. 2	1.777	0.027

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



Legend			
—	L.A. CARBOB-R	—	Basket of Racks
—	L.A. CARB No. 2	—	Retail Average

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: January prompt was assessed at plus 75pts/gal to the NYMEX February ULSD contract, based on offers at plus 1ct/gal and no bids.

L.A. ULS No. 2: January prompt was assessed at was assessed at plus 50pts/gal to the NYMEX February ULSD contract, unchanged on the day, with no bids or offers heard.

L.A. JET-Pipe LAX: December prompt was assessed at the NYMEX January ULSD contract plus 1.5ct/gal, based on trades from plus 1.25ct/gal to plus 1.75ct/gal.

S.F. CARBOB-R 14 RVP: January prompt was assessed at the NYMEX February RBOB contract plus 9.5cts/gal, based on offers at plus 10cts/gal and no bids.

S.F. CARB No. 2: January prompt was assessed at the NYMEX February ULSD contract minus 5.5cts/gal, unchanged on the day, based on offers at minus 4.5cts/gal and no bids heard.

PNW SUB-OCT Reg 15 lb. RVP: January prompt was assessed at the NYMEX February RBOB contract plus 10cts/gal, based on trades at plus 12cts/gal to plus 8cts/gal.

PNW ULS No. 2: December prompt was assessed at the NYMEX February ULSD contract minus 5cts/gal, unchanged on the day, with no bids or offers heard.

WEST COAST REFINED PRODUCTS ANALYSIS:

Cash differentials for Los Angeles CARBOB gasoline weakened solidly for a second straight day Friday, after the U.S. Energy Information Administration data showed a decent build-up in mogas inventories following a two-week draw.

January any-timing L.A. CARBOB changed hands at plus 15cts/gal to plus 13cts/gal above the February NYMEX RBOB futures, weakening by around 4cts/gal from Thursday's mean differential settlement. Outright prices settled at around \$1.5/gal.

For the week, L.A. CARBOB premiums were weakened by about 10cts/gal from last Friday's diffs settlement at plus 24.5cts/gal.

Looking forward, February L.A. CARBOB traded at plus 20cts/gal above March NYMEX futures. In addition, March L.A. CARBOB was done at plus 6.5cts/gal and was last bid at plus 7cts/gal, and April L.A. CARBOB transacted from plus 7cts/gal to plus 8.25cts/gal to May futures.

January-delivered San Francisco CARBOB was last assessed at plus 9.5cts/gal, and prompt January Pacific Northwest sub-octane unleaded regular gasoline was last confirmed done at plus 12cts/gal to plus 8cts/gal.

Turning to jet fuel, January L.A. jet traded from February NYMEX ultra-low-sulfur diesel futures plus 1.25cts/gal to 1.75cts/gal, up by around 1ct/gal from the previous day's mean diffs and strengthening notably for a second consecutive day.

At the distillates end, January L.A. CARB diesel was last assessed at plus 75pts/gal to the February ULSD futures, January-delivered S.F. CARB diesel was last at minus 5.5cts/gal. Prompt Pacific Northwest ULSD was last at minus 5cts/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	APR	+7.00	May RBOB	25	
CARBOB Regular 5.99 RVP Other	APR	+8.00	May RBOB	25	
CARBOB Regular 5.99 RVP Other	APR	+8.25	May RBOB	25	
CARBOB Regular 5.99 RVP Other	MAR	+6.50	Apr RBOB	25	
CARBOB Regular 12.5 RVP Any	FEB	+20.00	Mar RBOB	25	
CARBOB Regular 12.5 RVP Prompt	JAN	+15.00	Feb RBOB	25	
CARBOB Regular 12.5 RVP Any	FEB	+20.00	Mar RBOB	25	
CARBOB Regular 12.5 RVP Prompt	JAN	+13.00	Feb RBOB	10	
Jet LAX Prompt	JAN	+1.25	Feb No2	25	
Jet LAX Prompt	JAN	+1.50	Feb No2	25	
Jet LAX Prompt	JAN	+1.75	Feb No2	25	

San Francisco

No deals confirmed.

Pacific Northwest

Product	Timing	Differential	Reference	kbbl	Notes
Sub-Octane Unleaded 15.0 RVP Prompt	PMT JAN	+12.00	Feb RBOB	5	
Sub-Octane Unleaded 15.0 RVP Prompt	PMT JAN	+8.00	Feb RBOB	25	

Los Angeles Paper

Product	Timing	Differential	Reference	kbbl	Notes
CARBOB Reg Prompt	FEB	+20.00	Mar RBOB	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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