



Fuel Focus

National Overview

Canadian Retail Gasoline Prices increased by 2 cents Over the Last Two Weeks

For the **two-week period** ending April 26, 2016, the Canadian average retail gasoline price was \$1.03 per litre. This is an increase of 2 cents over the two-week period ending April 12, 2016. Prices are 8 cents per litre lower than the same period last year.

Average retail diesel prices increased by 1 cent per litre over the two week period ending April 12, 2016 to reach \$0.91 per litre. This is 20 cents less compared to the same period last year. Over the same period, furnace oil prices decreased by 1 cent to reach \$0.93, 15 cents per litre less than a year ago.

Recent Developments

- Gasoline and Diesel Taxes to Increase in Newfoundland and Labrador**

On April 14, 2016, the Government of Newfoundland and Labrador tabled its 2016 Budget. The Budget included two tax changes that will directly impact gasoline prices: an increase to the harmonized sales tax (HST) and a doubling of the gasoline tax. On July 1st, the HST will rise by 2 percentage points to 15%. In June, fuel taxes will increase, with the tax on gasoline rising from 16.5 to 33 cents per litre and the tax on diesel rising from 16.5 to 21.5 cents per litre.

Source: Government of Newfoundland

<http://www.budget.gov.nl.ca/budget2016/highlights/default.htm>

- Gasoline Prices Continue to Moderate the Rise in the Consumer Price Index**

On April 22, 2016, Statistics Canada released the Consumer Price Index (CPI) for March 2016. The CPI rose by 1.3% in the 12 months leading up to March 2016. When gasoline prices are excluded, the CPI increased by 1.9% in March. Statistics Canada notes that despite a 5.7% increase in gasoline prices in March, the gasoline component of the CPI was down 13.6% compared to last year.

Source: Statistics Canada

<http://www.statcan.gc.ca/daily-quotidien/160422/dq160422a-eng.htm>

- International Energy Agency (IEA) Medium-Term Oil Market Report**

On April 13, 2016, the IEA released its *Monthly Oil Market Report* for April. The report notes that the increase in global oil demand is projected to fall from 1.8 million barrels per day (bpd) in 2015 to 1.2 million bpd in 2016. This is largely due to softening demand growth in the U.S., China and Europe. The IEA notes that Canada is among the few non-OPEC countries that are expected to increase their crude oil production this year, along with Russia, Brazil and Congo.

Source: IEA

<https://www.iea.org/oilmarketreport/omrpublic/>

Figure 1: Crude Oil and Regular Gasoline Price Comparison (National Average)

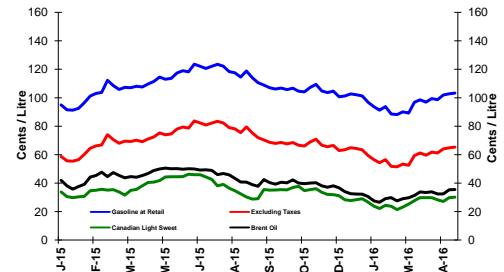
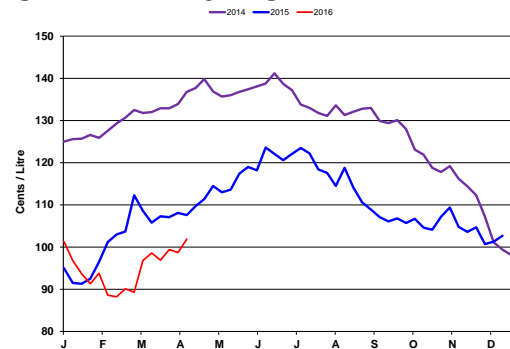


Figure 2: Weekly Regular Gasoline Prices



Changes in Fuel Prices

	Two week average ending:	Change from:	
		2 Weeks Ago	Last Year
¢/L	2016-04-26		
Gasoline	102.7	+2.4	-7.9
Diesel	91.1	+0.8	-19.9
Furnace Oil	93.0	-0.5	-15.0
Natural Gas Prices in \$CA/GJ			
Alberta (AECO)	1.04	+0.04	-1.36
Ontario (Dawn)	2.52	+0.06	-0.74

Source: NRCan, Bloomberg

Natural Gas Prices for Vehicles

2016-04-26	¢/kilogram	¢/L gasoline equivalent	¢/L diesel equivalent
Vancouver	120.1	79.2	82.1
Edmonton	115.0	75.9	78.7
Toronto	128.4	84.7	87.8

Source: ¢/kg Kent Marketing Services Limited

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Retail Gasoline Overview

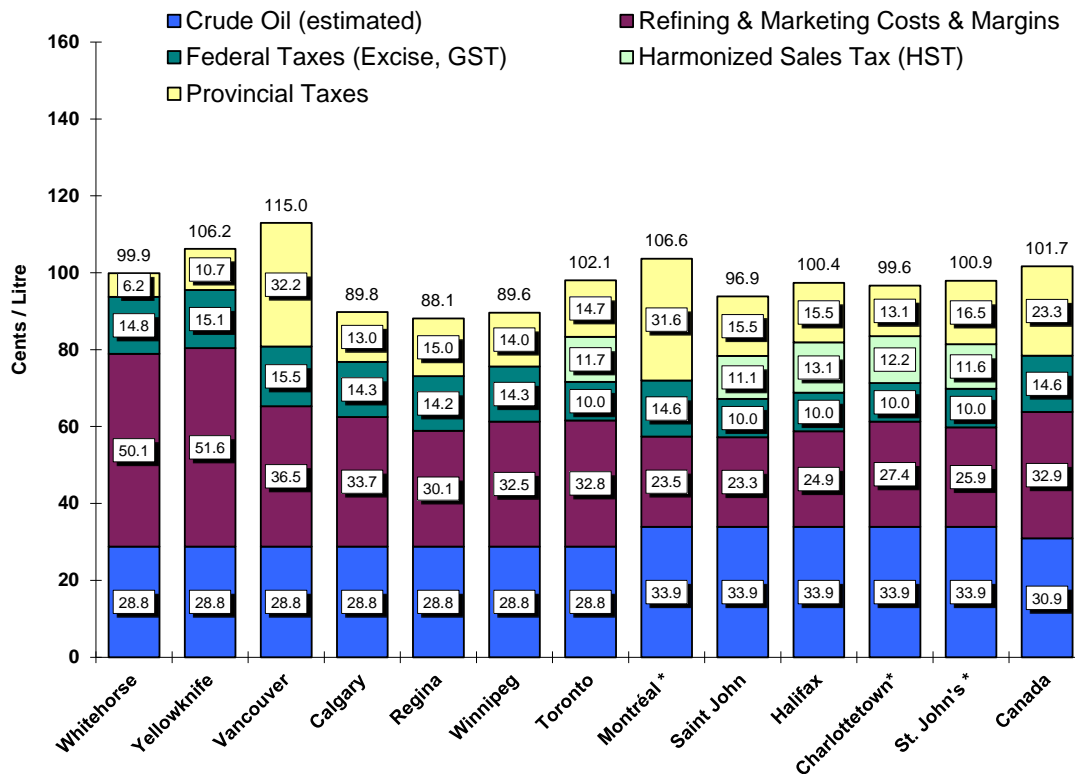
For the period ending April 26, 2016, the **four-week-average** regular gasoline pump price in selected cities across Canada increased by 2 cents per litre to \$1.02 per litre compared to the previous report of April 15, 2016. Compared to the same period in 2015, the average Canadian pump price is 6 cents per litre lower.

The **four-week-average** crude oil component remained at an average of 31 cents over the period. The crude oil price component of gasoline is 13 cents per litre lower than this time last year.

Retail gasoline prices in Western centres increased by 1 cent per litre compared to the previous report and ranged from \$0.88 per litre to \$1.15 per litre. Average prices in Eastern cities increased by 4 cents and ranged from \$0.97 to \$1.07 per litre.

At the national level, refining and marketing costs and margins were 33 cents per litre, an increase of 2 cents from the previous report and 8 cents higher than this time last year.

**Figure 3: Regular Gasoline Pump Prices in Selected Cities
Four-Week Average (April 5 to 26, 2016)**



Source: NRCan

* Regulated Markets

An estimate of crude oil transportation costs is included in the crude oil estimate for Vancouver (2 cents per litre), Toronto, (4 cents per litre), and Atlantic Canada and Quebec (3 cents per litre)



Wholesale Gasoline Prices

For the two week period ending April 21, 2016, wholesale gasoline prices were higher in all the selected North American cities below.

Wholesale gasoline prices for the two week period ended between 51 and 58 cents per litre. This compares to the previous two week period where prices were in the 45 and 56 cents per litre range.

In Western cities, wholesale gasoline prices increased between 1 and 4 cents per litre ending in the 51 to 58 cents per litre range.

Wholesale gasoline prices in Eastern markets of Canada and the U.S. increased between 3 and 4 cents per litre ending in the 52 to 57 cents per litre range.

Wholesale prices remain lower than last year in all these markets.

Figure 4: Wholesale Gasoline Prices
Rack Terminal Prices for Selected Canadian and American Cities Ending April 21, 2016
(CAN ¢/L)



Sources: NRCan, Bloomberg Oil Buyers Guide



Gasoline Refining and Marketing Margins

Four-week rolling averages are used for gasoline refining and marketing margins.

Gasoline refining margins refer to the difference between the price of crude oil and the wholesale price at which the refiner can sell gasoline. The margin includes the costs associated with refining the product as well as a profit for the refiner.

Nationally, the **four-week rolling average** refining margin for the period ending April 26, 2016 was 24

cents per litre, an increase of 1 cent from the previous report of April 15, 2016. Compared to the same time last year, margins in Canada are 2 cent per litre lower.

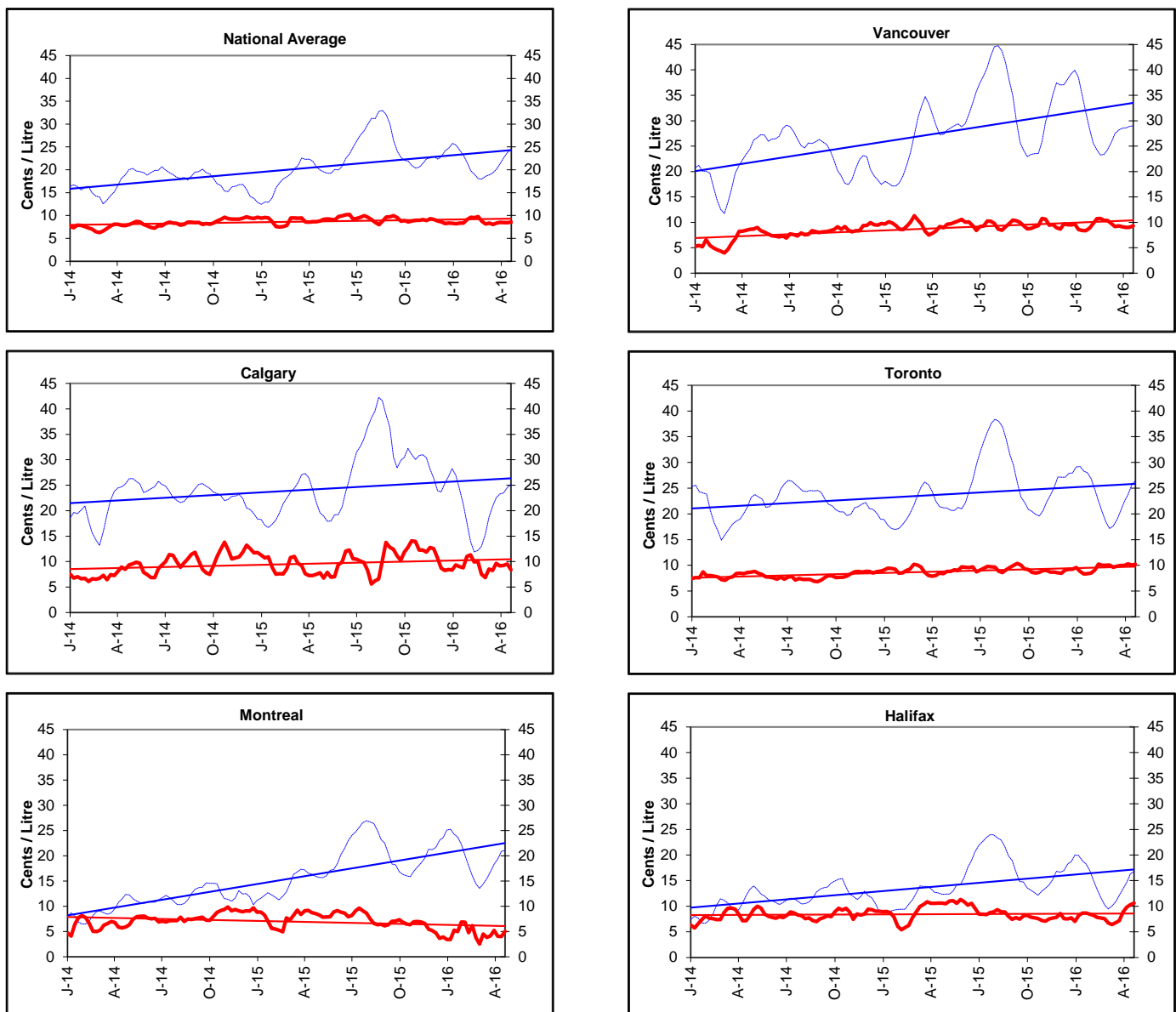
The gasoline marketing margins represent the difference between the wholesale and retail prices of gasoline. This margin pays for the costs associated with operating a service station.

Overall, the national average for marketing margins were at 9 cents per litre.

Figure 5: Gasoline Refining and Marketing Margins

Four-Week Rolling Average Ending April 26, 2016

----- Refining Margin — Marketing Margin



Source: NRCan



Crude Oil Overview

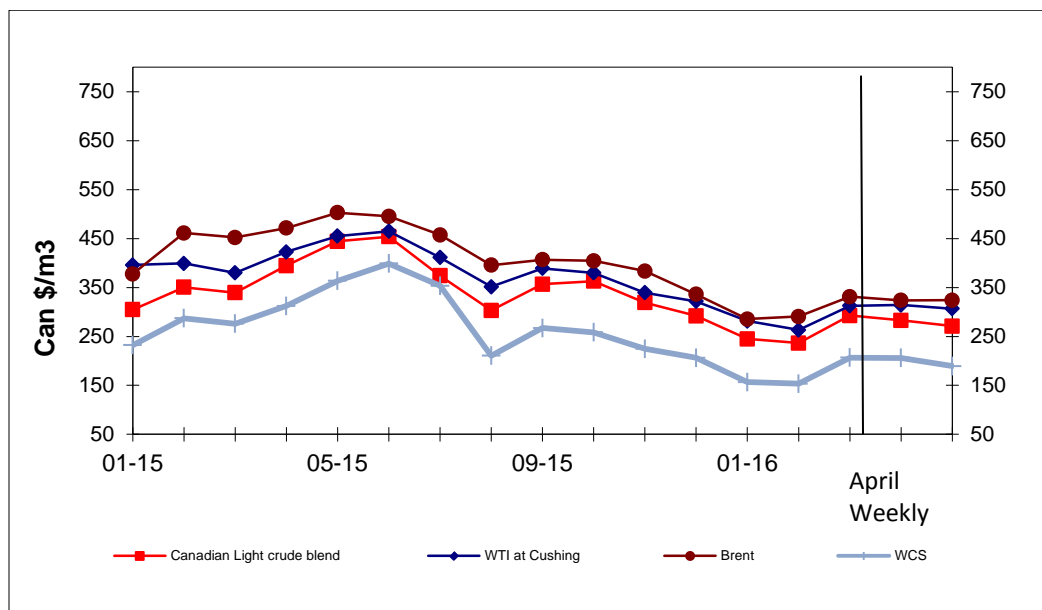
For the two weeks ending April 26, 2016, prices for the three light crude benchmarks averaged between CAD\$305.35 /m³ and CAD\$355.28/m³ (U.S.\$38.16 and U.S.\$44.39 per barrel).

Canadian light crude oil prices at Edmonton increased by CAD\$26.72/m³ (U.S.\$4.10 per barrel) from two weeks ago, West Texas Intermediate (WTI) increased by CAD\$21.18/m³ (U.S.\$3.50 per barrel) and Brent increased by CAD\$26.84/m³ (U.S.\$4.25 per barrel). The price of Western Canada Select increased by CAD \$27.41/ m³ (U.S.\$3.97) from two weeks ago.

The discount for Canadian heavy oil, as measured by the Western Canadian Select price differential to WTI averaged CAD\$107.64/m³ (U.S.\$13.44 per barrel) for the two weeks ending April 26, 2016.

For the week ending April 22, 2016, the U.S. Energy Information Administration (EIA) data showed a 2.0 million barrel increase in U.S. commercial crude inventories week-over-week, with total stocks now at 540.6 million barrels. U.S. crude oil inventories are at historically high levels for this time of year. EIA data also showed an increase in U.S. refinery utilization, with rates declining by 1.3 percentage points to 88.1%.

Figure 6: Crude Oil Price Comparisons



Changes in Crude Oil Prices

Crude Oil Types	Two Weeks Ending: 2016-04-26		Change From:			
			2 Weeks Prior		Last Year	
	\$Can/ m ³	\$US/ bbl	\$Can/ m ³	\$US/ bbl	\$Can/ m ³	\$US/ bbl
Canadian Light	305.35	38.16	26.72	4.10	-104.22	-15.23
WTI	333.99	41.73	21.18	3.50	-99.93	-14.83
Brent	355.28	44.39	26.84	4.25	-129.58	-18.81
WCS	226.36	28.29	27.41	3.97	-119.82	-16.83

Source: NRCan