



U.S. GASOLINE AND DISTILLATE FUELS UPDATE - JANUARY 9, 2019

PRICE TRENDS – Monday, January 7

Gasoline

According to the Energy Information Administration (EIA), the average U.S. retail price for regular grade of gasoline fell this week, down by 2.9 cents (1.3 percent) from the previous Monday's price to \$2.237 per gallon. This week's price was below the year-ago price, down by 28.5 cents (11.3 percent) from \$2.522 per gallon. This price was \$1.88 (45.6 percent) below the record price of \$4.114 per gallon set on 7/7/08.

Gasoline prices remained above \$2.00 in twenty-two of the twenty-seven sub-areas monitored by the EIA, and were above \$3.00 in five sub-areas. There were twenty-five areas that posted week-over-week price declines, while one posted increases. Washington posted the largest decrease of 7.4 cents from last week, while Ohio posted the largest increase of

6.9 cents. The average price for regular-grade gasoline for this week ranged from a low of \$1.863 per gallon in Texas to a high of \$3.348 per gallon in San Francisco.

Gasoline prices generally track crude oil prices; however, historically there has often been a lag before crude oil price changes are reflected in retail gasoline prices. Other factors can also affect this correlation such as seasonal factors, changes in supply or demand for gasoline, refinery outages, and transportation problems.

U.S. Retail Gasoline Prices										
	Jan 7	Dec 31	Year Ago	Change from Last Week	% Change from Last Week	Change from Last Year	% Change from Last Year	Record Price	Record Date	Change from Record
U.S. Average	\$2.237	\$2.266	\$2.522	-2.9 cents	-1.3%	-28.5 cents	-11.3%	\$4.114	7/7/2008	-\$1.877
REGIONS										
East Coast	\$2.216	\$2.251	\$2.500	-3.5 cents	-1.6%	-28.4 cents	-11.4%	\$4.079	7/7/2008	-\$1.863
New England	\$2.378	\$2.422	\$2.557	-4.4 cents	-1.8%	-17.9 cents	-7.0%	\$4.143	7/7/2008	-\$1.765
Central Atlantic	\$2.396	\$2.420	\$2.639	-2.4 cents	-1.0%	-24.3 cents	-9.2%	\$4.115	7/7/2008	-\$1.719
Lower Atlantic	\$2.055	\$2.097	\$2.379	-4.2 cents	-2.0%	-32.4 cents	-13.6%	\$4.033	7/7/2008	-\$1.978
Midwest	\$2.003	\$2.005	\$2.428	-0.2 cents	-0.1%	-42.5 cents	-17.5%	\$4.066	7/14/2008	-\$2.063
Gulf Coast	\$1.886	\$1.926	\$2.242	-4.0 cents	-2.1%	-35.6 cents	-15.9%	\$3.971	7/14/2008	-\$2.085
Rocky Mountain	\$2.373	\$2.429	\$2.441	-5.6 cents	-2.3%	-6.8 cents	-2.8%	\$4.105	7/21/2008	-\$1.732
West Coast	\$3.012	\$3.053	\$3.011	-4.1 cents	-1.3%	0.1 cents	0.0%	\$4.460	6/23/2008	-\$1.448
STATES										
California	\$3.183	\$3.219	\$3.199	-3.6 cents	-1.1%	-1.6 cents	-0.5%	\$4.659	10/8/2012	-\$1.476
Colorado	\$2.169	\$2.236	\$2.388	-6.7 cents	-3.0%	-21.9 cents	-9.2%	\$4.030	7/14/2008	-\$1.861
Florida	\$2.097	\$2.140	\$2.419	-4.3 cents	-2.0%	-32.2 cents	-13.3%	\$4.057	7/7/2008	-\$1.960
Massachusetts	\$2.435	\$2.483	\$2.548	-4.8 cents	-1.9%	-11.3 cents	-4.4%	\$4.066	7/7/2008	-\$1.631
Minnesota	\$2.050	\$2.083	\$2.414	-3.3 cents	-1.6%	-36.4 cents	-15.1%	\$4.292	5/20/2013	-\$2.242
New York	\$2.485	\$2.513	\$2.602	-2.8 cents	-1.1%	-11.7 cents	-4.5%	\$4.281	7/7/2008	-\$1.796
Ohio	\$1.935	\$1.866	\$2.373	6.9 cents	3.7%	-43.8 cents	-18.5%	\$4.112	5/2/2011	-\$2.177
Texas	\$1.863	\$1.901	\$2.239	-3.8 cents	-2.0%	-37.6 cents	-16.8%	\$3.966	7/14/2008	-\$2.103
Washington	\$2.915	\$2.989	\$2.886	-7.4 cents	-2.5%	2.9 cents	1.0%	\$4.370	7/7/2008	-\$1.455
CITIES										
Boston	\$2.447	\$2.512	\$2.541	-6.5 cents	-2.6%	-9.4 cents	-3.7%	\$4.058	7/7/2008	-\$1.611
Chicago	\$2.118	\$2.125	\$2.658	-0.7 cents	-0.3%	-54.0 cents	-20.3%	\$4.470	3/26/2012	-\$2.352
Cleveland	\$1.941	\$1.941	\$2.412	0.0 cents	0.0%	-47.1 cents	-19.5%	\$4.127	5/2/2011	-\$2.186
Denver	\$2.115	\$2.174	\$2.357	-5.9 cents	-2.7%	-24.2 cents	-10.3%	\$4.013	7/14/2008	-\$1.898
Houston	\$1.919	\$1.954	\$2.190	-3.5 cents	-1.8%	-27.1 cents	-12.4%	\$3.915	7/21/2008	-\$1.996
Los Angeles	\$3.157	\$3.211	\$3.301	-5.4 cents	-1.7%	-14.4 cents	-4.4%	\$4.736	10/8/2012	-\$1.579
Miami	\$2.196	\$2.239	\$2.669	-4.3 cents	-1.9%	-47.3 cents	-17.7%	\$4.178	7/14/2008	-\$1.982
New York City	\$2.398	\$2.409	\$2.589	-1.1 cents	-0.5%	-19.1 cents	-7.4%	\$4.179	7/7/2008	-\$1.781
San Francisco	\$3.348	\$3.376	\$3.206	-2.8 cents	-0.8%	14.2 cents	4.4%	\$4.675	10/8/2012	-\$1.327
Seattle	\$3.122	\$3.146	\$2.957	-2.4 cents	-0.8%	16.5 cents	5.6%	\$4.355	6/23/2008	-\$1.233

Source: Energy Information Administration

Diesel

According to the EIA, the average U.S. retail diesel price (including taxes) fell this week, down by 3.5 cents (1.1 percent) from last week to \$3.013 per gallon. The national average diesel price was above year-ago levels, up by 1.7 cents (0.6 percent) from last year's price of \$2.996 per gallon. It was \$1.75 (36.8 percent) below the record price of \$4.764 per gallon set on 7/14/08. Diesel prices were down in all five regions of the U.S.: the East Coast (4.1 cents), the Midwest (3.8 cents), the Gulf Coast (2.0 cents), the Rocky Mountains (4.5 cents) and the West Coast (3.4 cents). Diesel prices in California were down from last week by 0.8 cents to \$3.805 per gallon.

U.S. Retail Diesel Prices										
	Jan 7	Dec 31	Year Ago	Change from Last Week	% Change from Last Week	Change from Last Year	% Change from Last Year	Record Price	Record Date	Change from Record
DIESEL										
U.S. Average	\$3.013	\$3.048	\$2.996	-3.5 cents	-1.1%	1.7 cents	0.6%	\$4.764	7/14/2008	-\$1.751
REGIONS										
East Coast	\$3.069	\$3.110	\$3.025	-4.1 cents	-1.3%	4.4 cents	1.5%	\$4.822	7/14/2008	-\$1.753
New England	\$3.216	\$3.234	\$3.077	-1.8 cents	-0.6%	13.9 cents	4.5%	\$4.889	7/14/2008	-\$1.673
Central Atlantic	\$3.242	\$3.286	\$3.209	-4.4 cents	-1.3%	3.3 cents	1.0%	\$4.913	5/27/2008	-\$1.671
Lower Atlantic	\$2.921	\$2.965	\$2.887	-4.4 cents	-1.5%	3.4 cents	1.2%	\$4.777	7/14/2008	-\$1.856
Midwest	\$2.869	\$2.907	\$2.947	-3.8 cents	-1.3%	-7.8 cents	-2.6%	\$4.698	7/14/2008	-\$1.829
Gulf Coast	\$2.821	\$2.841	\$2.785	-2.0 cents	-0.7%	3.6 cents	1.3%	\$4.737	7/14/2008	-\$1.916
Rocky Mountains	\$3.026	\$3.071	\$2.974	-4.5 cents	-1.5%	5.2 cents	1.7%	\$4.718	7/14/2008	-\$1.692
West Coast	\$3.528	\$3.562	\$3.394	-3.4 cents	-1.0%	13.4 cents	3.9%	\$4.909	7/14/2008	-\$1.381
STATES										
California	\$3.805	\$3.813	\$3.638	-0.8 cents	-0.2%	16.7 cents	4.6%	\$5.027	5/27/2008	-\$1.222

Source: Energy Information Administration

Diesel fuel prices generally track those of crude oil. The price of crude oil is the main factor in the price of diesel fuel, and fluctuations in the crude oil market greatly influence changes in diesel prices. Short-run factors that can cause divergences from this correlation include supply shortages resulting from refinery outages, transportation issues, adverse weather conditions, and pipeline problems.

Heating Oil

The national average residential heating oil price fell from last week, down by 0.4 cents (0.1 percent) to \$3.097 per gallon, according to EIA. This was 7.9 cents (2.5 percent) below last year's price of \$3.176 per gallon. This is below the record price of \$4.245 per gallon by \$1.15.

According to the Bureau of Labor Statistics' Consumer Price Index, the national residential heating oil price fell in November, down by 9.5 cents (2.8 percent) from October's price of \$3.381 per gallon to \$3.286 per gallon. The current price was 65.3 cents (24.8 percent) above last year's price of \$2.633 per gallon, and \$1.36 below the record price of \$4.649 per gallon set in July 2008.

The National Oceanic and Atmospheric Administration's (NOAA's) Climate Prediction Center reported that the weather across the nation was milder this past week. The number of heating degree days in the U.S. fell by 4.5 percent from the previous week to 193 heating degree days. Weather was milder in New England and milder in the Mid-Atlantic last week, with heating degree days down by 2.2 percent and down by 1.5 percent from the previous week, respectively. Compared to last year, the weather was milder across the nation, with heating degree days down by 47.8 percent. Last week's heating degree days were below the "normal" heating degree days around this time of the year, lower by 24.6 percent.

U.S. Heating Degree Day Data							
	Week Ending Jan 5	Week Ending Dec 29	% Change from Last Week	Year Ago	% Change from Last Year	Normal	% Change from Normal
U.S.	193	202	-4.5%	370	-47.8%	256	-24.6%
New England	225	230	-2.2%	394	-42.9%	279	-19.4%
Mid-Atlantic	192	195	-1.5%	375	-48.8%	257	-25.3%

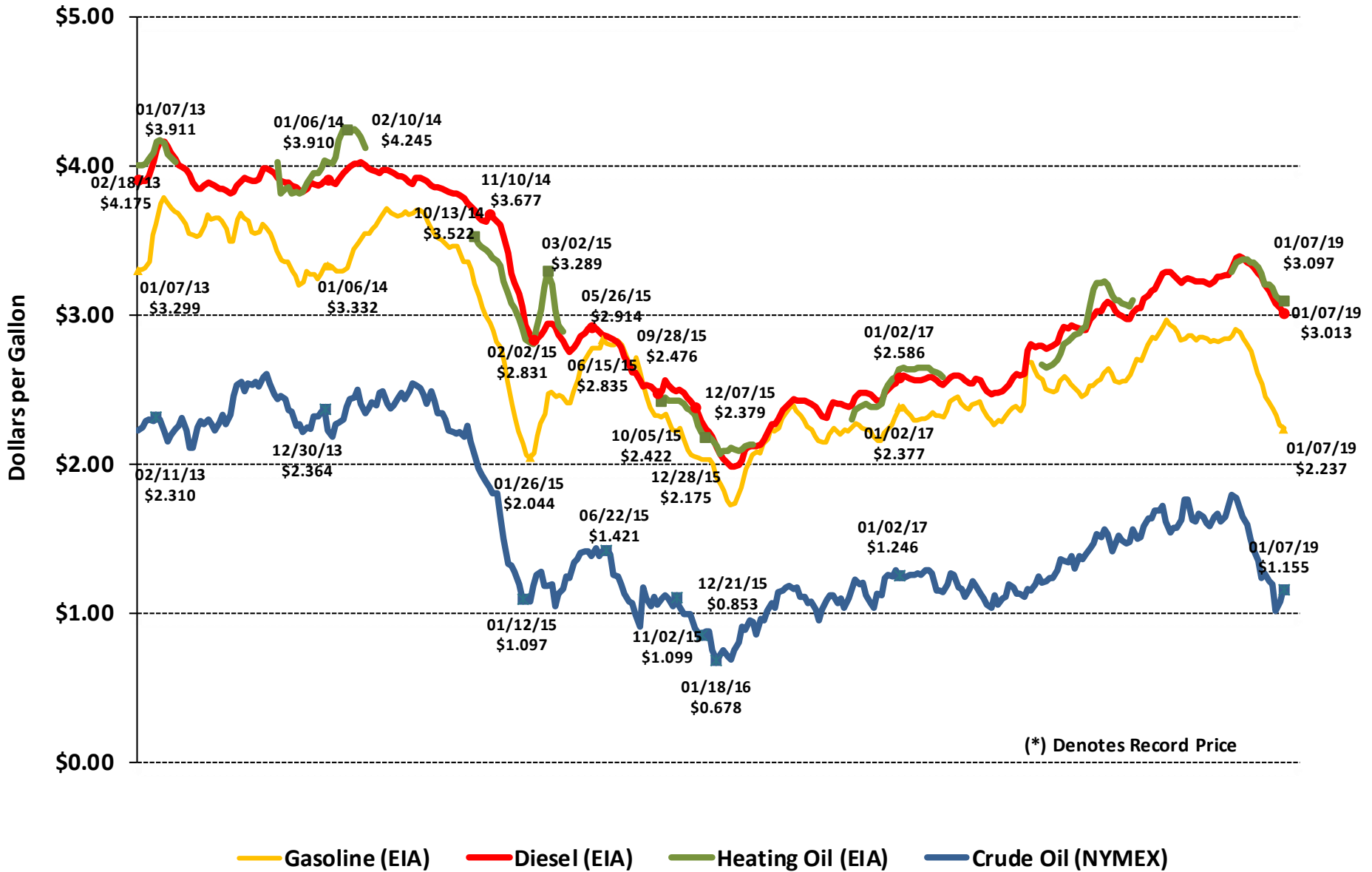
Source: National Oceanic and Atmospheric Climate Prediction Center

Crude Oil

NYMEX crude prices were up by \$3.11 from last week's price to \$48.52 per barrel (\$1.155 per gallon) on Monday. The current price is \$13.21 per barrel (\$0.31 per gallon) below last year's price of \$61.73 per barrel (\$1.47 per gallon). This week's price was \$96.77 per barrel (\$2.30 per gallon) below the record price of \$145.29 per barrel (\$3.46 per gallon) set on 7/7/08.

Fluctuations in crude oil prices are the most significant cause of gasoline price swings over the long term. However, in the short term, the price of gasoline can also be affected by gasoline-specific supply and demand developments. Another factor affecting U.S. gasoline markets is the varying fuel specifications across the country. These specialized regional and local gasoline formulas reduce the flexibility of refiners and distributors to respond to supply disruptions.

Gasoline, Diesel, Heating Oil and Crude Oil Prices



REFINERY OPERATIONS – WEEK ENDING FRIDAY, January 4

According to the American Petroleum Institute's (API's) Weekly Statistical Bulletin (WSB) data, the average daily input to distillation fell this week by 40,000 barrels from last week to a daily average of 17.8 million barrels. The estimated capacity utilization rate was at 95.6 percent, down by 0.2 percentage points from last week and down by 1.4 percentage points from last year's utilization rate of 97.0 percent.

PRODUCTION LEVELS – WEEK ENDING FRIDAY, January 4*Gasoline*

Gasoline production fell by 564,000 barrels per day from last week to 9.3 million barrels per day. This was below last year's production level by 55,000 barrels per day. Production of reformulated gasoline was down from last week by 174,000 barrels per day and production of conventional gasoline was down by 390,000 barrels per day. Production of conventional-type gasoline was below the five-year average by 0.9 percent.

Distillate Fuel Oil

Distillate fuel production rose by 112,000 barrels per day (2.0 percent) from last week to about 5.6 million barrels per day. This was up by 225,000 barrels per day from last year's output of 5.4 million barrels per day. Approximately 97.1 percent of the low sulfur diesel was in the form of ultra-low sulfur diesel (ULSD). Production of ULSD rose by 120,000 barrels per day (2.4 percent) from last week to 5.2 million barrels per day. ULSD production is up from last year by 4.0 percent. U.S. production of high sulfur distillate (heating oil) was up by 22.3 percent from last year's production level.

U.S. Refinery Operations							
	Week Ending Jan 4	Week Ending Dec 28	% Change from Last Week	Year Ago	% Change from Last Year	Average 2013-2017	% Change from Average
<i>U.S. Industry Operations</i>							
Gross Inputs	17,776	17,816	-0.2%	17,948	-1.0%	16,876	5.3%
Percent Operated	95.6	95.8	-0.2%	97.0	-1.4%	93.0	2.8%
<i>Total Gasoline Production (Million Barrels per day)</i>							
U.S. Total	9.3	9.9	-5.7%	9.3	-0.6%	9.3	0.2%
Reformulated	2.9	3.1	-5.6%	2.9	3.2%	2.9	2.7%
Conventional	6.4	6.7	-5.8%	6.5	-2.2%	6.4	-0.9%
<i>Distillate Fuel Oil Production (Million Barrels per day)</i>							
U.S. Total	5.6	5.5	2.0%	5.4	4.2%	5.2	8.3%
Low Sulfur	5.3	5.2	2.1%	5.1	3.4%	4.9	8.2%
ULSD	5.2	5.0	2.4%	5.0	4.0%	4.8	8.4%
High Sulfur	0.3	0.3	1.5%	0.2	22.3%	0.2	13.9%

Source: API's Weekly Statistical Bulletin

INVENTORY LEVELS – WEEK ENDING FRIDAY, January 4

Gasoline

According to the API's WSB report, gasoline inventories rose this week from the prior week to 244.7 million barrels, an increase of 2.3 percent. Gasoline inventories were 3.8 percent higher than year ago levels but 5.3 percent higher than the five-year average. Gasoline blendstocks were up this week by 6.1 million (2.9 percent) and up by 7.8 million (3.7 percent) from last year's levels. Stocks of RBOB were down from last year's levels by 1.8 million.

U.S. Gasoline Inventories							
	Week Ending Jan 4	Week Ending Dec 28	% Change from Last Week	Year Ago	% Change from Last Year	Average 2013-2017	% Change from Average
Total Gasoline Inventories (Million Barrels)							
U.S. Total	244.7	239.2	2.3%	235.8	3.8%	232.3	5.3%
East Coast	63.0	62.0	1.7%	59.6	5.7%	61.3	2.8%
New England	5.5	5.0	9.4%	6.0	-8.8%	6.0	-8.6%
Central Atlantic	33.5	33.2	1.0%	31.6	6.0%	31.9	5.1%
Lower Atlantic	24.0	23.8	1.1%	22.0	9.1%	23.4	2.6%
Midwest	56.4	54.9	2.7%	52.4	7.5%	52.8	6.7%
Gulf Coast	87.0	86.3	0.8%	83.4	4.2%	79.6	9.2%
Mountain	7.8	7.6	2.8%	7.4	5.2%	7.5	4.0%
West Coast	30.5	28.5	7.1%	32.9	-7.2%	31.0	-1.5%
Reformulated Gasoline (RFG) Inventories (Thousand Barrels)							
U.S. Total	46	46	0.0%	50	-8.0%	52	-11.5%
East Coast	16	16	0.0%	30	-46.7%	29	-44.8%
Midwest	0	0	0.0%	0	0.0%	0	0.0%
Gulf Coast	0	0	0.0%	0	0.0%	0	0.0%
Mountain	0	0	0.0%	0	0.0%	0	0.0%
West Coast	30	30	0.0%	20	50.0%	23	29.3%
Total Gasoline Blendstock Inventories (Million Barrels)							
U.S. Total	219.5	213.3	2.9%	211.7	3.7%	201.8	8.7%
East Coast	58.1	57.1	1.7%	54.6	6.5%	55.4	5.0%
Midwest	49.5	47.7	3.9%	45.6	8.5%	44.4	11.5%
Gulf Coast	78.2	76.9	1.6%	75.1	4.0%	68.8	13.7%
Mountain	5.7	5.5	4.2%	5.5	3.1%	4.9	17.3%
West Coast	28.0	26.2	6.8%	30.8	-9.2%	28.4	-1.6%
Reformulated Blendstock for Oxygenate Blending (RBOB) Inventories (Million Barrels)							
U.S. Total	48.7	48.5	0.4%	50.5	-3.6%	49.6	-1.8%
East Coast	18.7	18.9	-0.9%	17.5	6.8%	18.7	0.0%
Midwest	6.2	5.7	9.1%	6.0	2.9%	5.9	4.2%
Gulf Coast	9.3	10.6	-12.4%	12.2	-23.6%	11.3	-17.8%
Mountain	0.0	0.0	0.0%	0.0	0.0%	0.0	0.0%
West Coast	14.5	13.3	8.8%	14.8	-2.2%	13.6	6.6%

Source: API's Weekly Statistical Bulletin

INVENTORY LEVELS (CONT'D)

Distillate Fuel Oil

U.S. total distillate inventories rose this week to 135.6 million barrels, up by 10.2 million barrels (8.2 percent) from last week, according to API's WSB report. The current level was below the year-ago but below the 5-year average level, down by 3.8 percent and down by 6.2 percent respectively. This was 50.6 million barrels greater than the National Petroleum Council's estimate of lower operational level of 85 million barrels. High sulfur distillate inventories were up by 9.5 percent from last year's level of 9.6 million barrels. ULSD inventories were up this week by 9.8 million barrels to 121.4 million barrels.

U.S. Distillate Fuel Oil Data							
	Week Ending Jan 4	Week Ending Dec 28	% Change from Last Week	Year Ago	% Change from Last Year	Average 2013-2018	% Change from Average
Total Distillate Fuel Oil Inventories (Million Barrels)							
U.S. Total	135.6	125.4	8.2%	141.0	-3.8%	144.5	-6.2%
East Coast	42.1	39.0	8.0%	50.4	-16.4%	51.0	-17.5%
New England	7.6	7.3	3.4%	7.8	-2.6%	8.7	-12.9%
Central Atlantic	22.2	21.3	4.5%	29.7	-25.3%	29.5	-24.7%
Lower Atlantic	12.3	10.4	18.5%	12.8	-4.1%	12.8	-4.0%
Midwest	33.5	30.3	10.7%	27.6	21.5%	30.5	9.9%
Gulf Coast	42.9	39.9	7.6%	45.2	-5.2%	45.0	-4.6%
Mountain	4.2	3.9	6.0%	3.8	8.8%	4.2	0.0%
West Coast	12.9	12.3	5.0%	14.0	-7.9%	13.8	-6.6%
High Sulfur Distillate Inventories (Million Barrels)							
U.S. Total	10.5	10.2	2.4%	9.6	9.5%	14.4	-27.2%
East Coast	4.5	4.4	1.2%	4.4	2.9%	7.6	-41.2%
New England	0.8	0.6	35.2%	1.1	-29.1%	2.2	-64.0%
Central Atlantic	3.0	3.0	0.2%	2.6	18.4%	4.5	-32.2%
Lower Atlantic	0.6	0.8	-20.6%	0.7	-2.0%	0.9	-29.4%
Midwest	0.4	0.4	0.8%	0.4	8.7%	0.5	-23.9%
Gulf Coast	4.8	4.6	4.6%	4.2	14.7%	5.4	-11.3%
Mountain	0.1	0.1	-4.3%	0.1	53.4%	0.1	0.9%
West Coast	0.7	0.7	-2.4%	0.6	17.2%	0.7	-6.1%
Ultra-low Sulfur Diesel Inventories (Million Barrels)							
U.S. Total	121.4	111.6	8.8%	125.2	-3.0%	123.9	-2.0%
East Coast	36.3	33.2	9.3%	42.5	-14.4%	39.9	-9.0%
New England	6.4	6.4	0.9%	3.7	73.3%	3.9	63.6%
Central Atlantic	18.5	17.5	5.3%	26.6	-30.7%	24.2	-23.8%
Lower Atlantic	11.5	9.4	22.6%	12.1	-5.6%	11.8	-2.8%
Midwest	32.7	29.5	11.0%	26.7	22.5%	29.5	11.2%
Gulf Coast	36.5	33.9	7.6%	39.3	-7.1%	37.8	-3.5%
Mountain	4.0	3.8	6.1%	3.7	8.9%	4.0	0.2%
West Coast	11.9	11.3	5.7%	13.1	-8.9%	12.7	-6.6%

Source: API's Weekly Statistical Bulletin

IMPORTS LEVELS– WEEK ENDING FRIDAY, January 4*Gasoline*

Imports of finished gasoline were down by 2,000 barrels per day to 34,000 barrels per day this week. Imports of gasoline blending components were up by 10,000 barrels per day to 383,000 barrels per day.

Distillate Fuel Oil

U.S. distillate imports fell by 4,000 barrels per day from last week to 283,000 barrels per day. ULSD imports were up for the week by 2,000 barrels per day (0.8 percent) to 249,000 barrels per day.

U.S. Import Levels (Thousand Barrels per day)							
	Week Ending Jan 4	Week Ending Dec 28	% Change from Last Week	Year Ago	% Change from Last Year	Average 2013-2017	% Change from Average
Total Motor Gasoline							
U.S. Total	417	409	2.0%	314	32.8%	518	-19.4%
Finished MoGas	34	36	-5.6%	0	0.0%	31	9.7%
Blending Comp.	383	373	2.7%	314	22.0%	487	-21.3%
Distillate Fuel Oil							
U.S. Total	283	287	-1.4%	369	-23.3%	226	25.0%
Low Sulfur	249	247	0.8%	173	43.9%	134	85.3%
ULSD	249	247	0.8%	173	43.9%	123	102.8%
High Sulfur	34	40	-15.0%	196	-82.7%	92	-63.0%

Source: API's Weekly Statistical Bulletin

MONTHLY DATA - November 2018*Gasoline*

The latest available API information indicates that gasoline deliveries (a measure of demand) for November 2018 rose by 1.2 percent from the prior year, to average 9.2 million barrels per day. Year to date for 2018, gasoline demand was down by 0.2 percent, to average 9.3 million barrels per day.

Distillate Fuel Oil

Distillate Fuel deliveries for November 2018 fell by 2.5 percent to 4.1 million barrels per day. Year to date for 2018, distillate fuel demand was up by 5.1 percent, to average 4.1 million barrels per day.

API Monthly Data						
	November 2018	November 2017	% Change	YTD 2018	YTD 2017	% Change
Deliveries (Thousand Barrels)						
Gasoline	9,223	9,110	1.2%	9,334	9,349	-0.2%
Distillate Fuel	4,053	4,157	-2.5%	4,116	3,918	5.1%
Production (Thousand Barrels)						
Gasoline	10,184	10,220	-0.4%	10,057	9,940	1.2%
Distillate Fuel	5,202	5,362	-3.0%	5,116	4,989	2.5%

API Monthly Data					
	November 2018	October 2018	November 2017	% Change (Month Ago)	% Change (Year Ago)
Stocks (Million Barrels)					
Gasoline	227.9	226.5	224.9	0.6%	1.3%
Distillate Fuel	124.8	124.8	133.4	0.0%	-6.4%

Source: API's Weekly Statistical Bulletin