

## Wholesale Gasoline Prices Get Hammered by Inventories, RIN Concerns

For the first time since December, there is hope among retail marketers that the first quarter of 2017 won't end with a margin squeeze. That would represent good news to retailers who report considerable year-on-year volume deterioration, as well as thin margins in February.

The hope comes on the heels of some stunning drops for wholesale winter gasoline prices. California has shifted to spring and summer blends, so it has been largely exempt from the downtrend, but left over winter gas stumbled in virtually every market. Daily losses of 2.5cts/gal to more than 4cts/gal were common in futures and wet markets, thanks mostly to inventories that need to be cleared to make way for summer blends.

There was some misinformation that refiner margins for gasoline descended thanks to the expectation that in a few months, processors wouldn't have to purchase Renewable Identification Numbers or RINs from blenders. That may have indeed contributed to some of the early

weakness in gasoline, but OPIS sources stress that acts of Congress may be necessary to change the point of obligation on any 2017 time table. Retailers who have been beneficiary of RINs – with some line iteming the benefits in publicly stated earnings – may indeed see lower numbers, but gasoline prices moved down largely because of too much inventory.

The largest wholesale price drops occurred in the Northeast, which has no doubt seen some of the largest declines in demand so far in 2017. In fact, many retailers surveyed by OPIS dispute the notion that December 2016 demand was understated by the Energy Information Administration (EIA). EIA's final data for December indicated the second highest demand for the twelfth month on record, and that does not jive with marketer sales figures.

February 2017 on the other hand, did indeed deliver a small price shock to some motorists. OPIS estimates

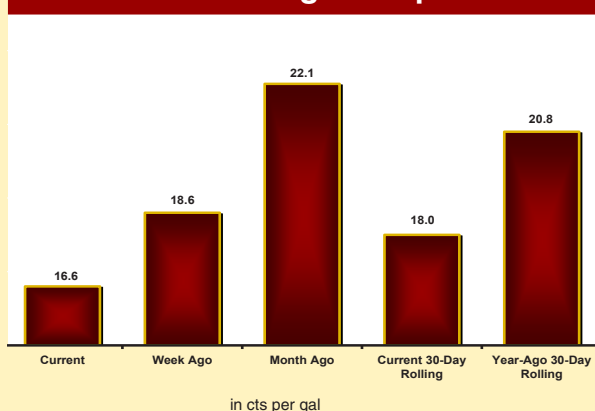
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### 12-Week National Fuel Price Trend

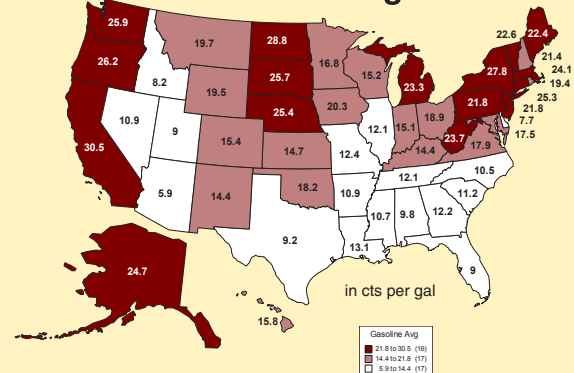
Date	GASOLINE					DIESEL				
	Retail	Net	Rack	Margin	%Profit	Retail	Net	Rack	Margin	%Profit
12/12	220.5	170.4	152.6	17.8	8.1%	242.6	186.5	164.7	21.8	9.0%
12/19	223.6	173.4	156.8	16.6	7.4%	244.3	188.1	168.4	19.7	8.1%
12/26	227.6	177.3	163.8	13.5	5.9%	246.4	190.2	170.0	20.1	8.2%
1/2	232.5	182.1	169.0	13.1	5.6%	249.1	192.6	175.2	17.3	6.9%
1/9	236.6	185.7	167.7	18.0	7.6%	252.9	195.5	173.9	21.6	8.5%
1/16	235.0	184.1	161.9	22.2	9.4%	253.2	195.8	168.8	27.0	10.7%
1/23	232.0	181.2	158.2	23.0	9.9%	252.6	195.2	167.2	28.0	11.1%
1/30	228.3	177.6	156.3	21.3	9.3%	251.5	194.1	166.3	27.8	11.1%
2/6	227.3	176.5	157.5	19.1	8.4%	250.8	193.5	168.5	25.0	10.0%
2/13	227.3	176.5	159.8	16.8	7.4%	250.9	193.5	169.2	24.3	9.7%
2/20	228.4	177.5	158.9	18.6	8.1%	251.4	194.0	170.1	23.9	9.5%
2/27	228.7	177.8	161.2	16.6	7.3%	251.8	194.4	172.1	22.3	8.9%

Retail = average retail price; Net = retail price less state, federal and local taxes and 1.5 cts/gal for freight; Rack = wholesale cost; Margin = difference between net and rack

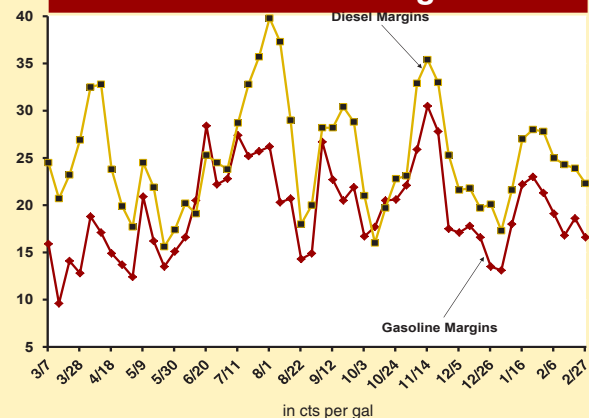
### Gasoline Margin Snapshot



### State-By-State Rack-To-Retail Gasoline Margins



### 52-Week National Margin Trend



	GASOLINE						DIESEL					
ST	Retail	Net	Rack	Margin	--Monthly Change--		Retail	Net	Rack	Margin	--Monthly Change--	
					Retail	Rack					Retail	Rack
AK	273.3	245.1	220.4	24.7	-3.1	2.6	282.3	248.1	230.3	17.8	1.1	-0.4
AL	206.0	164.3	154.6	9.8	-3.6	3.6	238.3	188.8	167.9	20.9	0.0	3.7
AR	210.1	168.2	157.4	10.9	-2.4	3.0	234.3	185.4	168.8	16.6	-0.3	2.8
AZ	218.8	179.7	173.8	5.9	0.9	5.4	252.7	199.6	184.0	15.7	-0.5	4.9
CA	292.7	234.7	204.1	30.5	12.8	22.6	295.7	226.7	188.7	38.0	3.4	1.1
CO	219.9	176.6	161.2	15.4	-3.0	0.2	238.4	190.5	170.1	20.4	-3.0	5.4
CT	240.5	181.7	156.4	25.3	-5.2	-2.9	268.9	201.1	172.1	29.0	-1.8	3.3
DE	221.1	174.6	166.9	7.7	-5.9	-1.9	249.4	197.7	169.9	27.7	-4.9	4.7
FL	227.7	171.1	162.2	9.0	-5.7	2.3	251.5	191.6	173.1	18.5	0.8	4.9
GA	219.5	166.7	154.5	12.2	-0.2	4.6	250.7	188.5	168.5	20.0	1.3	3.8
HI	310.1	246.0	230.2	15.8	3.1	4.5	407.6	334.5	243.5	91.0	-0.8	5.0
IA	230.2	179.4	159.2	20.3	-3.0	1.0	246.1	187.5	167.0	20.5	-1.3	0.9
ID	240.7	187.6	179.4	8.2	3.7	7.8	270.9	211.8	201.5	10.3	7.9	30.4
IL	231.6	170.2	158.1	12.1	-1.2	5.9	245.9	175.7	165.2	10.5	-0.7	5.6
IN	218.1	165.9	150.9	15.1	9.4	4.9	241.7	183.9	167.4	16.5	-1.7	10.6
KS	216.0	170.9	156.2	14.7	-3.1	1.7	239.4	186.3	164.5	21.8	-3.1	0.8
KY	218.8	172.7	158.3	14.4	1.2	2.2	242.6	193.5	174.1	19.4	-0.5	13.6
LA	212.2	171.1	158.0	13.1	-3.9	2.9	235.3	188.3	167.0	21.3	0.0	4.3
MA	226.6	180.0	155.8	24.1	-4.4	-2.7	254.9	202.2	173.5	28.7	-1.7	3.6
MD	228.1	174.4	156.9	17.5	-4.1	2.5	255.4	194.8	167.1	27.7	-1.5	2.9
ME	232.1	180.6	158.1	22.4	-7.6	-2.9	270.0	212.1	179.5	32.6	0.1	2.9
MI	231.6	173.9	150.6	23.3	6.6	4.8	255.3	189.2	166.4	22.8	-3.2	7.7
MN	224.7	174.0	157.1	16.8	-5.3	-1.0	249.1	192.3	164.4	27.9	-1.9	-1.8
MO	208.9	171.5	159.1	12.4	-4.8	2.6	227.2	183.8	167.4	16.4	-1.2	3.6
MS	207.7	168.9	158.1	10.7	-2.7	2.9	233.7	189.0	168.8	20.3	0.4	4.2
MT	232.6	184.7	165.0	19.7	1.6	2.7	251.3	196.7	176.3	20.4	1.8	3.2
NC	218.7	164.0	153.6	10.5	-2.4	4.1	246.0	185.3	167.7	17.6	1.2	3.8
ND	228.9	185.8	157.0	28.8	0.3	1.1	254.5	205.3	165.3	40.0	-1.6	2.4
NE	231.6	183.3	157.9	25.4	-4.5	0.9	242.3	188.6	166.8	21.8	-2.0	1.1
NH	221.6	177.7	156.3	21.4	-5.8	-2.8	253.6	203.7	175.5	28.3	-1.6	3.4
NJ	231.8	174.5	152.7	21.8	-7.7	-2.7	250.7	191.1	167.4	23.7	-2.7	3.2
NM	217.9	178.9	164.6	14.4	-4.5	4.6	245.6	196.6	180.7	15.9	-2.8	2.2
NV	255.7	191.9	181.0	10.9	9.4	15.5	269.7	206.1	180.6	25.5	3.8	6.6
NY	246.4	183.7	155.9	27.8	-5.4	-3.4	272.7	204.8	171.8	32.9	-1.9	3.3
OH	214.7	165.7	146.8	18.9	6.0	4.7	247.5	192.4	170.7	21.7	-0.6	12.4
OK	210.5	173.4	155.2	18.2	-1.9	1.4	225.6	185.5	163.4	22.1	-0.6	0.8
OR	255.2	202.5	176.3	26.2	1.8	17.9	267.5	208.7	177.9	30.8	-0.1	6.3
PA	252.3	172.9	151.0	21.8	-7.2	-2.7	293.9	193.1	168.8	24.4	-2.4	4.5
RI	226.9	172.7	153.2	19.4	-4.5	-3.1	256.3	196.1	172.4	23.6	-1.6	3.5
SC	203.3	166.4	155.2	11.2	-2.8	4.3	232.9	190.1	169.9	20.2	0.3	3.4
SD	233.1	183.0	157.3	25.7	-0.8	-0.1	251.1	195.0	167.3	27.6	-4.0	-1.2
TN	206.7	165.2	153.1	12.1	-2.8	2.6	234.5	190.0	168.8	21.3	0.2	4.9
TX	208.3	168.0	158.9	9.2	-3.3	3.6	235.6	189.4	171.3	18.1	-0.2	4.1
UT	233.1	183.0	174.0	9.0	7.1	8.7	262.6	206.4	203.1	3.3	15.3	36.4
VA	210.5	172.8	154.9	17.9	-6.6	3.7	240.3	192.5	167.2	25.3	-0.5	4.3
VT	231.1	180.5	157.9	22.6	-5.6	-3.4	272.0	213.9	179.9	34.0	-1.2	2.8
WA	275.1	202.8	176.9	25.9	1.4	14.1	286.6	208.3	179.3	29.0	0.6	1.7
WI	224.9	172.0	156.7	15.2	-5.1	3.6	251.1	192.0	166.0	26.0	-3.0	3.0
WV	227.8	175.5	151.8	23.7	-6.7	1.8	260.1	201.8	174.6	27.2	-0.7	14.5
WY	222.6	178.5	159.0	19.5	1.2	6.8	251.7	201.6	176.6	24.9	-0.2	14.1

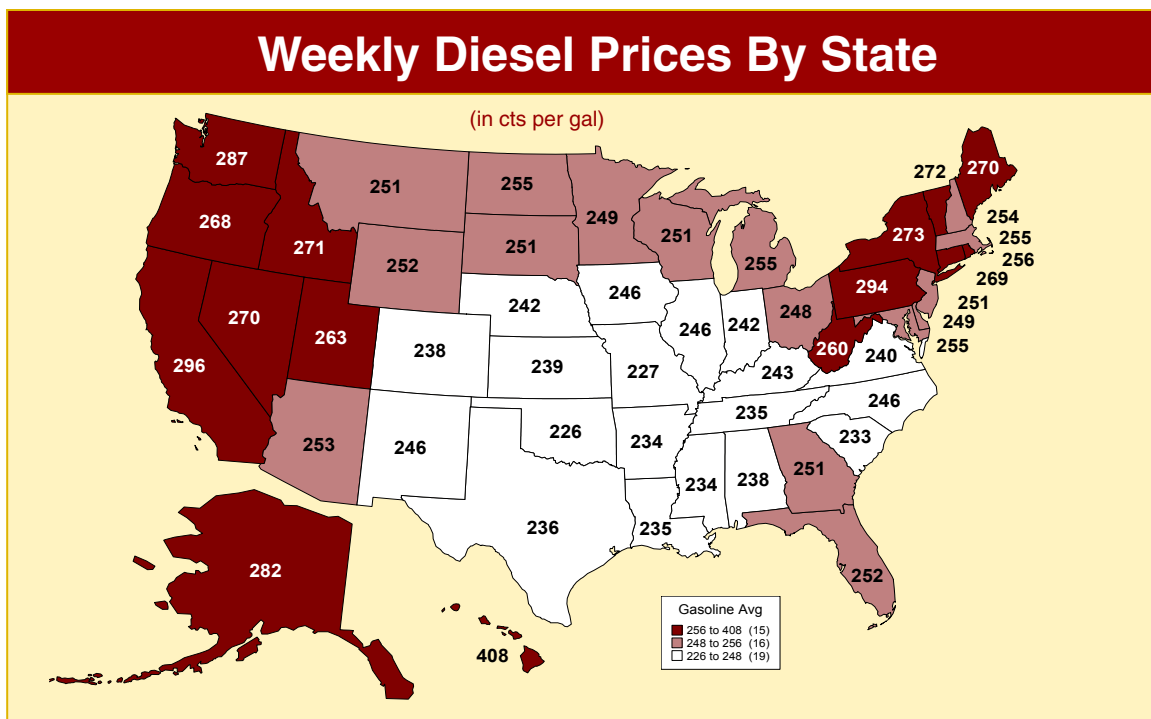
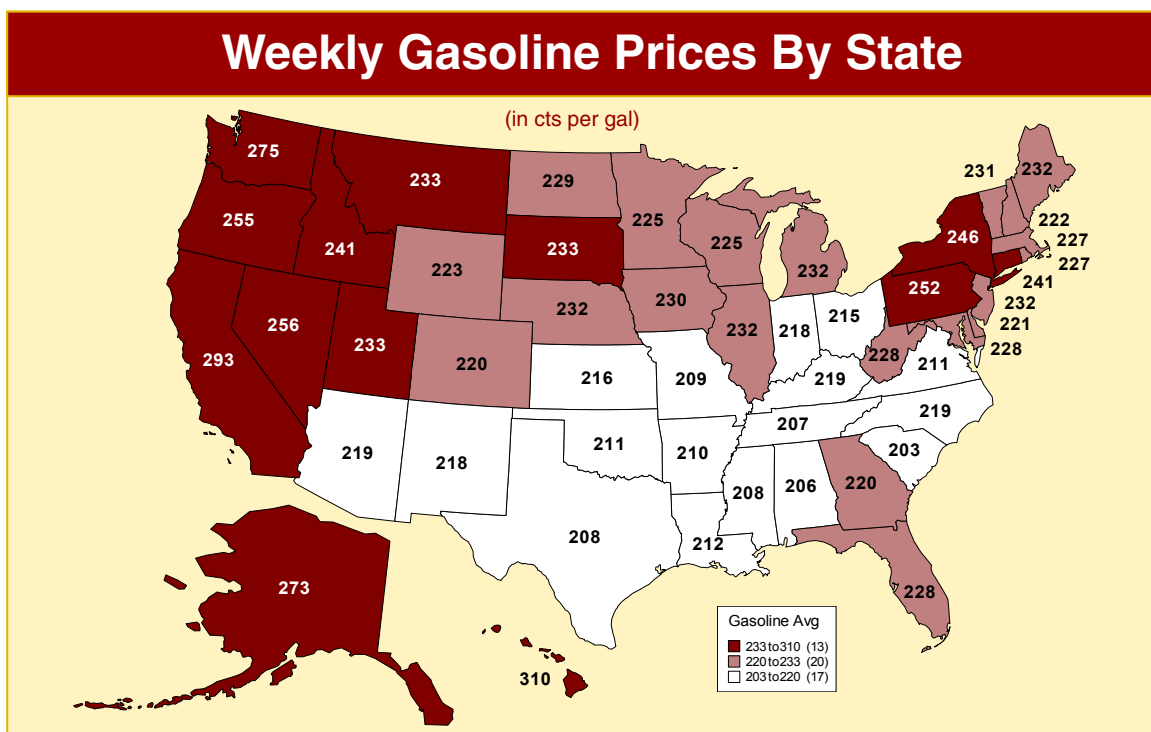
Current retail average based on reconciled credit card transactions received by OPIS from the 7-day period between the previous Tuesday through the most recent Monday. Due to the way credit card receipts are reconciled, a few additional transactions may be received for the dates that already comprise the current weekly average. Minor fluctuations in the actual average may occur as a result. Rack averages are based on the daily OPIS average for the individual stations during the time period for the appropriate product sold at the station. Branded stations are matched to the appropriate suppliers at the closest rack. If we are unable to match a brand to a supplier we use the branded average price from the closest rack. All retail brands determined to be unbranded use the unbranded average price at the closest rack. All prices are for regular unleaded gasoline or diesel only and are in cts per gal.

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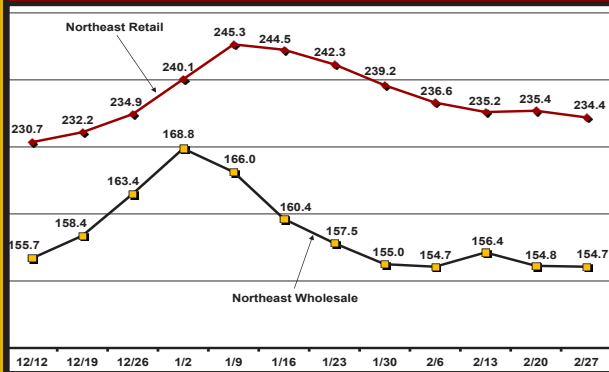
Weekly Gasoline Price By Region							--Monthly Change--	
Region	Retail	Net	Rack	Margin	%Profit		Retail	Rack
Northeast	234.4	177.2	154.7	22.5	9.6%		-6.1	-1.3
Great Lakes	224.3	169.5	152.3	17.2	7.7%		3.5	4.9
Midwest	219.4	174.4	157.9	16.6	7.6%		-3.7	1.3
Southwest	210.3	170.6	160.4	10.2	4.9%		-2.7	3.6
Southeast	216.2	167.8	156.7	11.0	5.1%		-2.9	3.3
West	270.6	213.7	189.5	24.3	9.0%		7.4	15.9

Weekly Diesel Price By Region							--Monthly Change--	
Region	Retail	Net	Rack	Margin	%Profit		Retail	Rack
Northeast	263.6	197.6	170.2	27.5	10.4%		-1.7	4.1
Great Lakes	248.4	186.6	167.3	19.2	7.7%		0.7	4.9
Midwest	239.5	188.2	166.5	21.7	9.1%		-1.7	8.3
Southwest	236.9	190.4	172.3	18.1	7.6%		-1.6	1.3
Southeast	243.7	189.4	169.9	19.6	8.0%		-0.3	3.8
West	279.8	215.8	186.5	29.3	10.5%		3.0	6.6

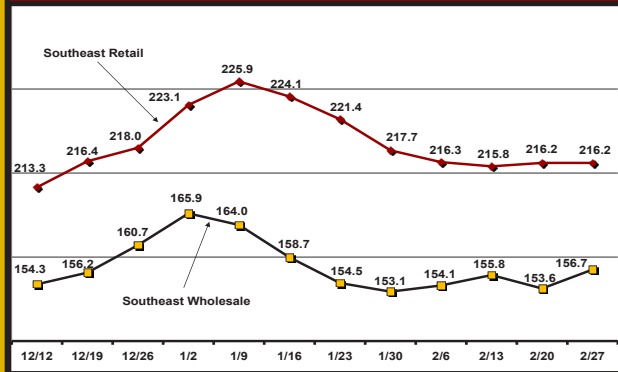
**Retail** = average retail price; **Net** = retail price less state, federal and local taxes and 1.5 cts/gal for freight; **Rack** = wholesale cost; **Margin** = the difference between net and wholesale; **Monthly Retail Change and Monthly Rack Change** = the change in the average retail and wholesale price from exactly one month ago



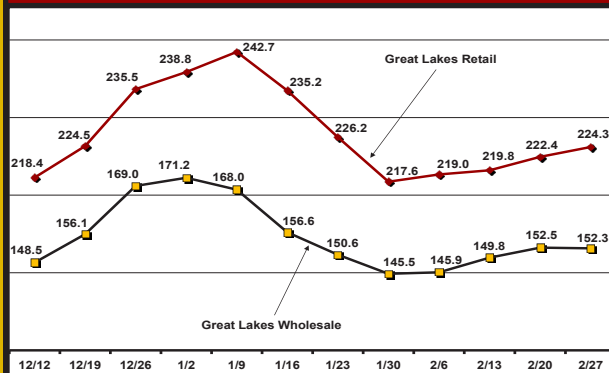
## Northeast Gasoline



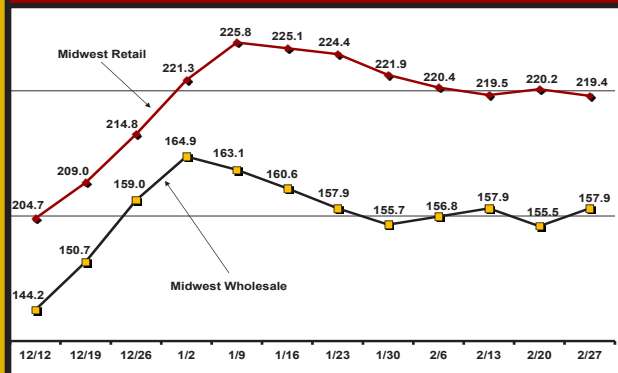
## Southeast Gasoline



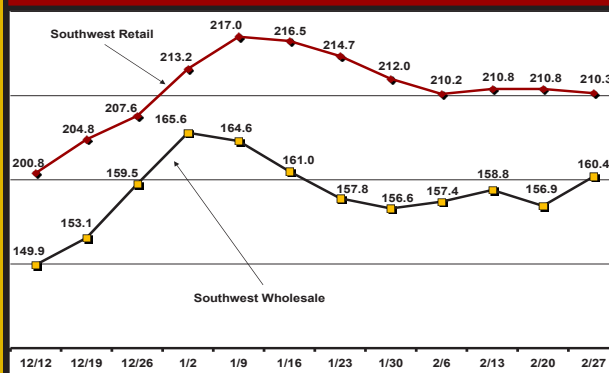
## Great Lakes Gasoline



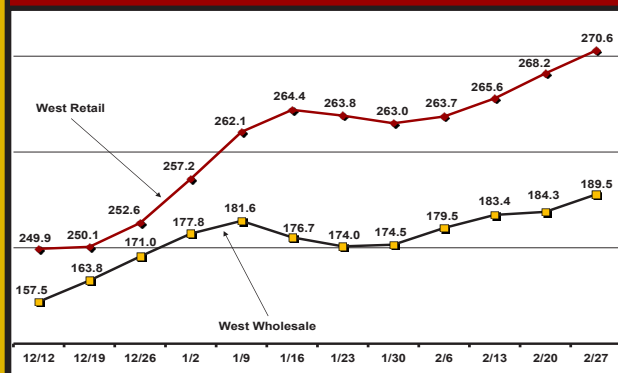
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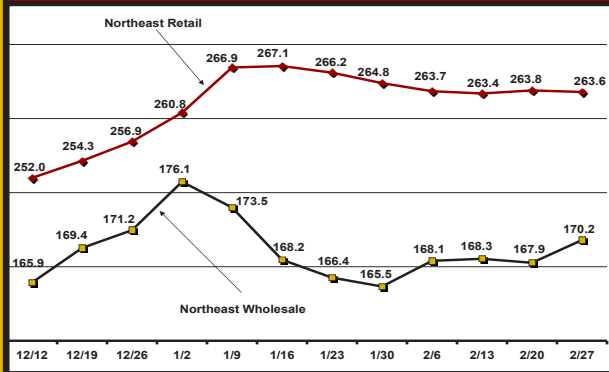
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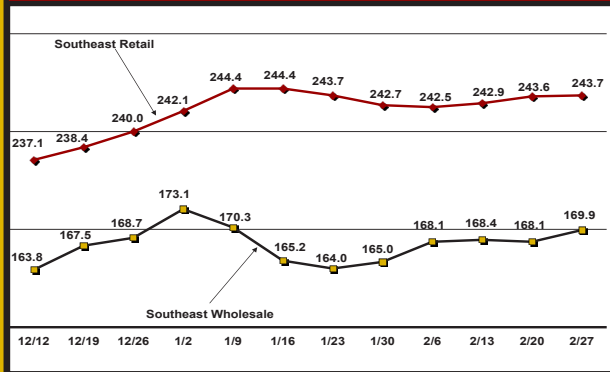
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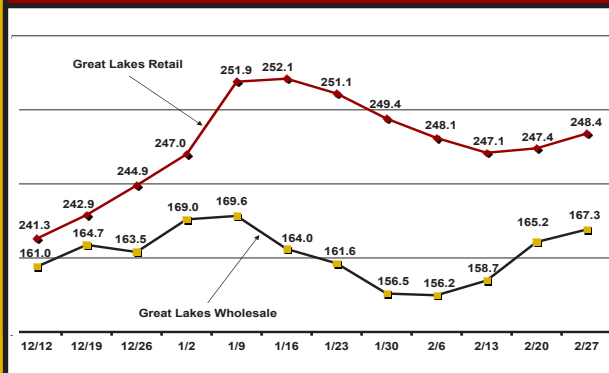
## Northeast Diesel



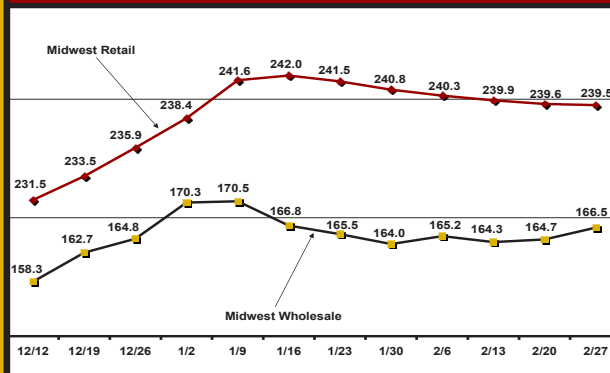
## Southeast Diesel



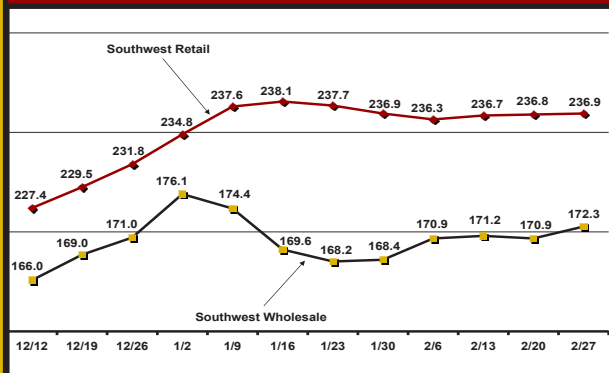
## Great Lakes Diesel



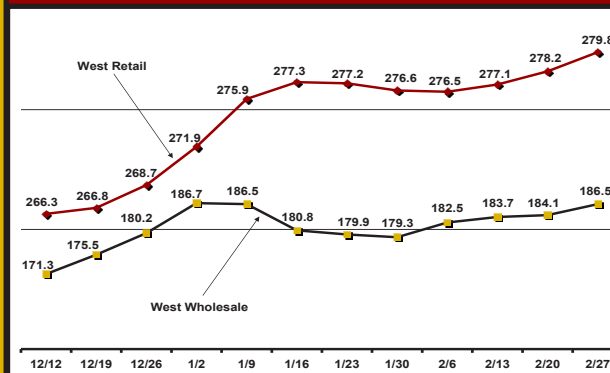
## Midwest Diesel



## Southwest Diesel



## West Diesel



Most Profitable Metros To Sell & Supply Gasoline (Current Week)						Monthly Retail	Monthly Rack
Rank	Metro	Retail	Net	Rack	Margin	Change	Change
1	Washington (DC Only)	247.4	203.8	156.8	47.0	-7.6	3.3
2	San Francisco CA	302.4	242.8	198.5	44.2	8.8	19.5
3	San Luis Obispo CA	306.7	249.5	206.0	43.5	13.4	21.6
4	New York NY	262.1	198.2	154.8	43.5	-4.0	-4.0
5	Santa Barbara CA	300.8	243.4	207.4	36.0	13.1	24.0
6	San Jose CA	292.5	233.4	197.9	35.5	11.2	19.2
7	Orange County CA	302.3	245.0	209.9	35.1	19.1	25.0
8	Santa Rosa CA	290.4	231.8	197.7	34.0	10.2	19.5
9	Ventura CA	299.0	242.9	209.0	33.9	15.1	25.2
10	Bridgeport CT	248.3	189.5	155.7	33.8	-5.9	-3.0

Least Profitable Metros To Sell & Supply Gasoline (Current Week)						Monthly Retail	Monthly Rack
Rank	Metro	Retail	Net	Rack	Margin	Change	Change
1	Yuma AZ	219.2	180.1	204.7	-24.6	0.8	22.9
2	Brownsville-Harlingen TX	202.3	162.0	166.0	-4.0	-10.3	2.8
3	Wilmington-Newark DE (MD Only)	220.4	166.6	169.9	-3.2	-5.9	-1.3
4	McAllen-Edinburg-Mission TX	202.4	162.2	164.0	-1.8	-9.1	2.9
5	Tucson AZ	212.9	173.8	175.4	-1.6	-1.4	6.8
6	Victoria TX	201.4	161.1	160.6	0.5	-6.6	2.8
7	Tampa-St. Petersburg FL	217.1	162.0	161.3	0.7	-9.6	1.7
8	El Paso TX	212.4	172.1	171.3	0.9	-7.5	3.9
9	San Angelo TX	200.3	160.0	158.8	1.2	-6.7	3.7
10	Orlando FL	218.7	164.5	162.9	1.7	-7.5	2.2

Most Profitable Metros To Sell & Supply Diesel (Current Week)						Monthly Retail	Monthly Rack
Rank	Metro	Retail	Net	Rack	Margin	Change	Change
1	New York NY	292.1	222.8	170.0	52.8	-1.2	3.4
2	Washington (DC Only)	265.8	216.2	167.2	49.0	-0.5	3.1
3	San Francisco CA	303.5	232.5	184.6	47.9	2.5	0.4
4	San Luis Obispo CA	305.9	236.9	193.0	43.9	0.3	1.7
5	Fresno CA	297.1	228.3	184.5	43.8	4.7	-1.1
6	San Jose CA	296.9	226.7	183.2	43.5	1.7	-0.6
7	Santa Rosa CA	297.3	227.4	184.1	43.3	4.0	0.7
8	Salinas CA	295.7	225.5	183.1	42.4	4.0	-0.3
9	Oakland CA	297.4	226.2	184.3	42.0	3.2	0.3
10	Burlington VT	278.2	220.1	178.8	41.3	-1.1	3.1

Least Profitable Metros To Sell & Supply Diesel (Current Week)						Monthly Retail	Monthly Rack
Rank	Metro	Retail	Net	Rack	Margin	Change	Change
1	Decatur IL	224.1	158.6	168.0	-9.4	-1.8	10.4
2	Provo-Orem UT	261.8	205.6	206.1	-0.4	18.3	40.6
3	Salt Lake City-Ogden UT	262.1	205.9	205.1	0.8	16.8	39.6
4	Champaign-Urbana IL	235.9	170.4	169.0	1.4	1.1	12.0
5	Tucson AZ	256.1	203.0	201.5	1.5	-1.6	-2.7
6	Springfield IL	233.9	169.8	168.1	1.7	1.1	10.9
7	Richland-Kennewick-Pasco WA	283.4	205.1	202.3	2.8	0.9	7.2
8	Bloomington-Normal IL	237.2	170.9	167.1	3.8	-0.1	5.4
9	Boise City ID	271.1	212.0	207.0	5.0	3.8	34.4
10	Yakima WA	287.9	209.6	203.1	6.5	1.0	7.6



The 50 Most Difficult Gasoline Markets To Make A Profit									Priced At The Market Avg	Priced With Low Cost Chains
Metro	Avg Retail	Low Retail	Avg Rack	Avg Taxes	Avg Freight	Avg Lading Cost	Avg Margin	Low Margin	Implied Avg Breakeven Cost	Implied Low Breakeven Cost
Brownsville-Harlingen TX	202.3	197.1	166.0	38.8	1.5	206.3	-4.0	-22.1	162.0	156.8
Mcallen-Edinburg-Mission TX	202.4	196.7	164.0	38.8	1.5	204.2	-1.8	-22.5	162.2	156.4
Tucson AZ	212.9	199.9	175.4	37.6	1.5	214.5	-1.6	-20.7	173.8	160.8
Tampa-St. Petersburg FL	217.1	198.3	161.3	54.6	1.5	217.4	0.7	-39.3	161.0	142.2
El Paso TX	212.4	199.4	171.3	38.8	1.5	211.5	0.9	-15.8	172.1	159.1
Orlando FL	218.7	207.0	162.9	53.8	1.5	218.2	1.7	-38.4	163.4	151.7
San Antonio TX	202.6	189.8	160.3	38.8	1.5	200.5	2.1	-12.5	162.3	149.5
Sarasota-Bradenton FL	223.1	209.0	161.8	57.6	1.5	220.8	2.3	-20.5	164.0	149.9
Charlotte-Gastonia (SC Only)	192.8	181.9	152.9	35.3	1.5	189.8	3.0	-9.4	155.9	145.1
Lakeland-Winter Haven FL	224.9	213.9	162.8	57.6	1.5	221.9	3.0	-29.9	165.8	154.8
Monroe LA	205.1	195.8	160.9	39.5	1.5	201.9	3.2	-7.3	164.1	154.8
Fort Myers-Cape Coral FL	223.5	217.3	161.2	57.6	1.5	220.3	3.2	-11.7	164.4	158.2
Phoenix-Mesa AZ	214.4	197.8	172.0	37.6	1.5	211.0	3.3	-22.2	175.3	158.7
Provo-Orem UT	227.2	220.8	173.5	48.6	1.5	223.7	3.6	-5.8	177.1	170.7
Austin-San Marcos TX	206.6	188.8	162.8	38.8	1.5	203.0	3.6	-14.1	166.4	148.5
Lubbock TX	198.5	191.0	154.6	38.8	1.5	194.8	3.7	-5.0	158.2	150.7
Hickory-Morganton NC	211.1	201.5	152.7	53.1	1.5	207.4	3.7	-6.9	156.4	146.9
Corpus Christi TX	202.7	192.3	158.6	38.8	1.5	198.9	3.8	-8.7	162.4	152.0
Fort Smith AR (AR Only)	202.3	195.3	156.7	40.4	1.5	198.6	3.8	-5.7	160.4	153.4
Florence AL	203.4	199.0	156.0	42.1	1.5	199.5	4.1	-2.3	159.8	155.4
Augusta-Aiken (GA Only)	210.6	197.8	153.3	51.4	1.5	206.3	4.3	-9.4	157.6	144.9
Wilmington NC	215.4	207.8	156.1	53.1	1.5	210.7	4.7	-8.8	160.8	153.2
Waco TX	204.4	192.7	159.3	38.8	1.5	199.5	4.8	-6.4	164.1	152.4
Richland-Kennewick-Pasco WA	257.9	248.1	180.6	70.6	1.5	252.6	5.2	-9.5	185.8	176.0
Daytona Beach FL	226.3	216.9	162.6	57.6	1.5	221.7	5.2	-16.6	167.2	157.8
Boise City ID	237.0	228.1	178.7	51.6	1.5	231.8	5.3	-6.6	184.0	175.0
Sherman-Denison TX	203.2	198.3	157.5	38.8	1.5	197.8	5.4	-2.8	163.0	158.0
Columbus GA (GA Only)	216.5	204.4	158.0	51.4	1.5	210.9	5.6	-8.8	163.6	151.5
Biloxi-Gulfport-Pascagoula MS	206.7	196.3	159.7	40.0	1.5	201.2	5.6	-7.1	165.2	154.8
Fayetteville-Rogers AR	205.7	194.2	158.1	40.4	1.5	200.0	5.6	-6.8	163.8	152.3
Macon GA	211.3	200.5	152.6	51.4	1.5	205.6	5.7	-6.4	158.4	147.6
Killeen-Temple TX	205.4	194.5	159.2	38.8	1.5	199.5	5.9	-4.9	165.1	154.2
Salt Lake City-Ogden UT	230.1	213.9	174.0	48.6	1.5	224.2	5.9	-11.0	179.9	163.8
Tyler TX	207.4	198.4	161.0	38.8	1.5	201.2	6.2	-3.0	167.2	158.1
St. Louis Mo (IL Only)	223.4	211.4	162.9	52.4	1.5	216.8	6.2	-6.1	169.5	157.5
Melbourne-Titusville FL	222.5	211.9	163.3	51.6	1.5	216.3	6.2	-20.0	169.4	158.8
Jackson MS	204.8	194.9	160.1	37.0	1.5	198.6	6.3	-6.4	166.3	156.4
Myrtle Beach SC	202.4	190.6	159.2	35.3	1.5	196.0	6.4	-8.3	165.5	153.8
Jacksonville FL	219.0	209.4	159.2	51.8	1.5	212.5	6.5	-7.1	165.7	156.1
Albuquerque NM	208.4	194.8	162.8	37.5	1.5	201.7	6.6	-11.4	169.4	155.8
Augusta-Aiken (SC Only)	197.0	185.6	153.5	35.3	1.5	190.3	6.7	-8.2	160.1	148.8
Chattanooga TN (GA Only)	212.3	203.5	152.6	51.4	1.5	205.6	6.7	-1.4	159.4	150.6
Appleton-Oshkosh WI	221.4	215.9	161.6	51.5	1.5	214.6	6.8	0.4	168.4	162.9
Laredo TX	205.0	197.7	157.9	38.8	1.5	198.2	6.8	-3.6	164.7	157.4
Wichita Falls TX	205.4	194.4	158.2	38.8	1.5	198.4	7.0	-4.6	165.1	154.1
Fayetteville NC	215.4	207.4	153.5	53.1	1.5	208.2	7.2	-2.0	160.7	152.8
Decatur AL	202.4	196.5	154.2	39.2	1.5	194.9	7.4	-0.3	161.7	155.8
Memphis TN (MS Only)	203.3	194.1	157.0	37.0	1.5	195.5	7.8	1.6	164.8	155.6
Dothan AL	204.5	196.9	155.7	40.6	1.5	197.8	7.9	-1.6	162.4	154.8
Wichita KS	208.5	199.2	155.3	43.6	1.5	200.4	8.1	-1.6	163.4	154.1

**Implied Average Breakeven Cost** = the price that a reseller would have to pay to break even if they sold product at the average retail price in the market

**Implied Low Breakeven Cost** = the price that a reseller would have to pay to break even if they sold product at the same price as the lowest chain in the market

**Average Retail** = average retail price; **Low Retail** = lowest average price for a particular chain in the market; **Average Rack** = average wholesale cost; **Average Taxes** = the average taxes in the market; **Average Freight** = OPIS assumes an average freight of 1.5 cts per gal; **Average Lading Cost** = the total of the average rack price, the average taxes and the average freight; **Average Margin** = the average profit margin in the market; **Low Margin** = the average profit margin for the chain selling retail at the lowest average price

*\*To qualify the market must have received retail prices from more than 85 stations*

**Top-35 Most Profitable Brands In The United States**

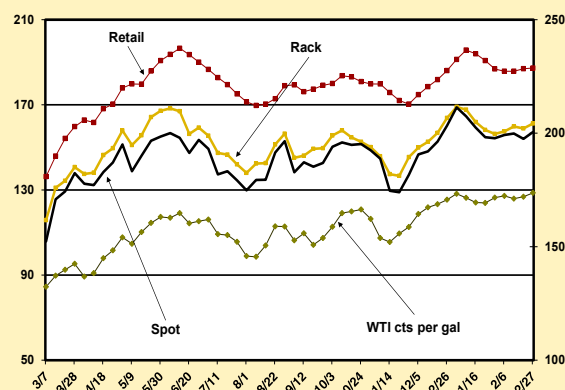
Top 35 Retail Gasoline Brands in The United States												
		Station				Current	Week Ago	Month Ago	Current 30-Day	Year-Ago	Monthly Retail	Monthly Rack
Rank	Brand	Count	Retail	Net	Rack	Margin	Margin	Margin	Rolling Margin	Rolling Margin	Change	Change
1	76	1907	287.4	226.9	198.3	28.6	31.7	39.4	31.3	42.5	8.6	19.2
2	Pac Pride	274	255.4	195.9	171.3	24.6	26.6	28.5	25.5	29.2	10.0	12.8
3	Chevron	6377	253.0	201.3	176.9	24.4	27.1	31.1	26.4	32.2	3.6	10.1
4	Getty	76	242.7	177.6	154.0	23.5	23.8	27.3	24.3	26.0	-6.9	-3.1
5	Go Mart	118	225.3	173.6	150.8	22.8	20.2	31.4	23.4	18.3	-5.5	3.0
6	Kum & Go	427	224.2	180.6	157.9	22.7	26.8	25.2	22.8	20.4	-0.6	1.9
7	Mobil	4692	241.5	186.1	163.4	22.7	23.6	27.7	23.5	27.5	-0.7	4.2
8	Lukoil	236	240.1	176.0	153.6	22.4	23.5	30.2	24.4	24.4	-10.6	-2.8
9	Get Go	203	234.3	171.2	149.1	22.1	18.2	24.7	20.2	11.4	1.2	3.8
10	Gulf	2161	232.8	177.5	155.5	21.9	22.7	24.7	22.4	22.6	-5.0	-2.1
11	Cenex	1759	228.2	180.0	158.2	21.8	23.6	25.8	23.1	24.1	-2.8	1.1
12	USA Gasoline	243	276.9	219.7	197.9	21.8	25.9	32.6	23.6	46.5	11.3	22.0
13	Irving	351	227.2	177.9	156.8	21.1	20.4	25.6	20.6	20.9	-6.6	-2.2
14	Stewarts	265	236.8	175.8	154.8	20.9	21.0	23.5	20.8	25.8	-6.0	-3.3
15	Admiral	128	229.4	172.5	152.3	20.2	14.4	14.1	16.5	20.3	11.9	4.9
16	Hy-Vee	142	226.5	178.0	158.4	19.6	23.1	23.6	19.9	24.1	-2.5	1.4
17	Meijer	205	226.4	171.2	151.6	19.6	13.7	14.0	15.8	17.9	11.4	5.1
18	Sunoco	5188	230.9	174.0	154.4	19.6	20.6	24.0	20.6	20.7	-4.0	0.3
19	Superamerica	281	224.4	173.7	154.0	19.6	22.3	22.6	20.9	23.0	-5.7	-2.7
20	Shell	14078	232.6	182.5	163.1	19.4	21.6	25.2	20.9	24.3	-0.7	5.1
21	Sheetz	539	234.3	170.9	152.0	18.9	20.2	24.5	19.4	16.7	-3.9	1.7
22	Sinclair	1515	232.3	184.7	165.7	18.9	21.2	22.8	20.8	27.7	1.1	4.7
23	Liberty	266	225.4	173.9	155.1	18.7	20.6	25.8	19.7	21.5	-5.4	2.0
24	Tops	61	239.6	176.3	158.0	18.3	17.1	21.7	18.4	20.5	-6.3	-2.8
25	Delta	212	226.4	169.0	151.0	18.0	18.3	24.3	19.2	19.2	-8.9	-2.7
26	Krist	70	233.0	177.6	159.7	17.8	17.1	23.3	18.3	20.2	-3.4	2.1
27	BP	6866	225.1	172.4	155.0	17.4	18.5	21.9	18.4	18.7	-1.9	2.6
28	Giant (Ahold)	76	248.4	169.0	151.7	17.3	17.0	21.6	16.5	14.7	-7.1	-2.8
29	Conoco	2225	222.2	177.9	160.7	17.2	19.5	21.2	18.5	20.5	-1.8	2.1
30	Stop & Shop (Ahold)	106	224.6	171.8	154.6	17.2	17.3	19.6	16.6	20.6	-4.9	-2.3
31	CountryMark	68	219.8	167.7	150.6	17.1	19.1	18.4	16.9	10.7	6.3	6.2
32	Tesoro	294	247.1	200.9	183.8	17.1	19.3	20.3	19.4	22.4	-0.4	2.8
33	Holiday	523	228.5	178.6	161.7	16.9	18.8	21.4	18.4	18.0	-4.2	0.2
34	Kwik Fill	281	240.7	172.1	155.4	16.7	16.6	22.7	17.9	16.4	-6.4	-0.4
35	Marathon	5549	221.3	169.7	153.1	16.6	17.4	19.4	17.5	N/A	1.3	3.9
Lowest	Frys	90	210.3	171.2	179.6	-8.4	-0.1	-4.6	-4.2	16.4	1.9	5.7

\*Must have received a price from a minimum of 60 stations

**12-Week Spot Price Trends**

Week	Gulf Conventional		NY RFG		LA CARBOB	
	Price	Basis to WTI	Price	Basis to WTI	Price	Basis to WTI
12/12	149.0	27.1	151.7	29.8	137.8	15.9
12/19	153.9	30.6	154.3	31.0	145.0	21.7
12/26	161.8	36.3	160.6	35.2	153.3	27.9
1/2	169.2	41.0	167.4	39.1	169.8	41.6
1/9	164.3	37.9	161.6	35.3	171.7	45.3
1/16	160.6	36.5	157.5	33.4	158.1	34.0
1/23	155.9	32.1	154.1	30.2	152.1	28.2
1/30	154.5	28.1	151.3	24.8	159.7	33.3
2/6	155.0	27.8	149.8	22.6	171.2	44.0
2/13	154.7	28.8	150.9	25.1	174.7	48.8
2/20	151.3	24.5	149.9	23.1	172.8	45.9
2/27	155.7	27.0	148.6	19.9	180.7	52.0

Source: OPIS Spot Ticker. For Real-Time Spot Differentials Call 1-888-301-2645

**Gasoline, Retail, Rack Spot & WTI Trend**


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## Top-25 Most Profitable Markets To Sell Gasoline In 2017 YTD

2017 Rank	Week Ago Rank	Market	ST	Retail	Net	Rack	Margin	Change From Week Ago	% Change From Week Ago
1	1	Washington (DC Only)	DC	254.0	210.4	156.8	53.6	-0.9	-1.7%
2	2	San Francisco CA	CA	295.3	235.8	186.5	49.3	-0.7	-1.4%
3	3	San Luis Obispo CA	CA	297.7	240.7	195.0	45.7	-0.3	-0.7%
4	4	New York NY	NY	264.9	200.9	159.4	41.5	0.3	0.7%
5	5	Santa Barbara CA	CA	291.6	234.5	194.7	39.8	-0.5	-1.2%
6	6	Medford-Ashland OR	OR	259.4	209.2	170.0	39.2	-0.9	-2.2%
7	7	San Jose CA	CA	283.8	225.0	186.0	39.0	-0.5	-1.3%
8	8	Santa Rosa CA	CA	282.4	224.0	185.9	38.1	-0.5	-1.3%
9	9	Seattle-Bellevue-Everett WA	WA	279.2	206.8	169.4	37.5	-0.8	-2.1%
10	10	San Diego CA	CA	287.8	230.7	193.3	37.4	-0.6	-1.6%
11	11	Ventura CA	CA	288.4	232.5	195.1	37.4	-0.5	-1.3%
12	12	Orange County CA	CA	290.2	233.2	196.0	37.2	-0.3	-0.8%
13	13	Oakland CA	CA	282.7	222.9	186.3	36.6	-0.7	-1.9%
14	14	Redding CA	CA	278.8	223.3	187.4	35.9	-1.1	-3.0%
15	15	Lincoln NE	NE	243.0	194.7	159.5	35.2	-0.6	-1.7%
16	17	Los Angeles-Long Beach CA	CA	290.4	230.8	195.6	35.2	-0.4	-1.1%
17	16	Salinas CA	CA	279.0	220.5	185.4	35.1	-0.7	-2.0%
18	18	Bellingham WA	WA	275.5	203.2	169.1	34.1	-0.8	-2.3%
19	20	Bridgeport CT	CT	252.6	193.4	159.7	33.8	0.0	0.0%
20	19	Portland-Vancouver (OR Only)	OR	255.6	199.7	166.4	33.2	-1.0	-2.9%
21	24	Fresno CA	CA	278.5	221.4	188.5	32.9	-0.6	-1.8%
22	22	Riverside-San Bernardino CA	CA	284.5	227.6	194.7	32.9	-0.6	-1.8%
23	21	Olympia WA	WA	274.9	202.6	169.8	32.8	-0.8	-2.4%
24	23	Eugene-Springfield OR	OR	255.5	202.2	169.6	32.6	-0.9	-2.7%
25	25	Tacoma WA	WA	274.0	201.7	169.6	32.1	-0.7	-2.1%

## Top-25 Least Profitable Markets To Sell Gasoline In 2017 YTD

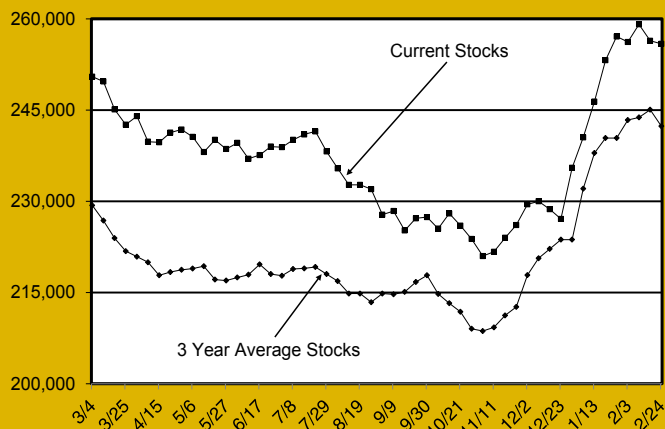
2017 Rank	Week Ago Rank	Market	ST	Retail	Net	Rack	Margin	Change From Week Ago	% Change From Week Ago
1	1	Yuma AZ	AZ	218.9	179.8	191.8	-11.9	-1.7	16.7%
2	2	Tucson AZ	AZ	212.9	173.8	172.4	1.4	-0.4	-22.2%
3	3	Phoenix-Mesa AZ	AZ	212.2	173.1	170.1	3.0	0.0	0.0%
4	4	Provo-Orem UT	UT	218.6	168.4	164.5	3.9	0.0	0.0%
5	5	Monroe LA	LA	206.2	165.2	161.2	4.0	-0.2	-4.8%
6	7	Brownsville-Harlingen TX	TX	209.7	169.4	165.2	4.2	-1.2	-22.2%
7	6	Jacksonville NC	NC	218.5	163.8	159.5	4.3	-0.2	-4.4%
8	9	McAllen-Edinburg-Mission TX	TX	209.0	168.7	163.1	5.6	-1.0	-15.2%
9	8	El Paso TX	TX	216.0	175.7	170.1	5.7	-0.6	-9.5%
10	10	Punta Gorda FL	FL	229.8	170.7	164.6	6.2	-0.6	-8.8%
11	12	Pocatello ID	ID	232.4	179.3	173.0	6.3	-0.6	-8.7%
12	11	Sherman-Denison TX	TX	204.9	164.7	158.1	6.6	-0.2	-2.9%
13	17	Victoria TX	TX	207.0	166.7	160.1	6.7	-0.8	-10.7%
14	15	Dover DE	DE	226.1	179.6	172.6	6.9	-0.3	-4.2%
15	13	Tyler TX	TX	208.4	168.1	161.1	7.0	-0.1	-1.4%
16	14	Salt Lake City-Ogden UT	UT	221.8	171.7	164.6	7.0	-0.2	-2.8%
17	19	Augusta-Aiken (GA Only)	GA	212.6	159.6	152.2	7.4	-0.4	-5.1%
18	18	Chattanooga TN (GA Only)	GA	213.0	160.1	152.6	7.4	-0.2	-2.6%
19	20	Florence AL	AL	207.0	163.7	156.2	7.4	-0.5	-6.3%
20	21	Hickory-Morganton NC	NC	214.2	159.5	152.0	7.5	-0.5	-6.3%
21	25	Pueblo CO	CO	216.3	173.0	165.5	7.5	-0.7	-8.5%
22	24	Lubbock TX	TX	202.3	162.0	154.4	7.6	-0.5	-6.2%
23	NR	San Antonio TX	TX	205.5	165.2	157.7	7.6	-0.7	-8.4%
24	NR	Fort Smith AR (AR Only)	AR	206.8	164.9	157.3	7.7	-0.5	-6.1%
25	NR	Wilmington NC	NC	218.4	163.8	156.0	7.8	-0.4	-4.9%

NR = Market was not ranked in the previous 25 least most/least profitable markets

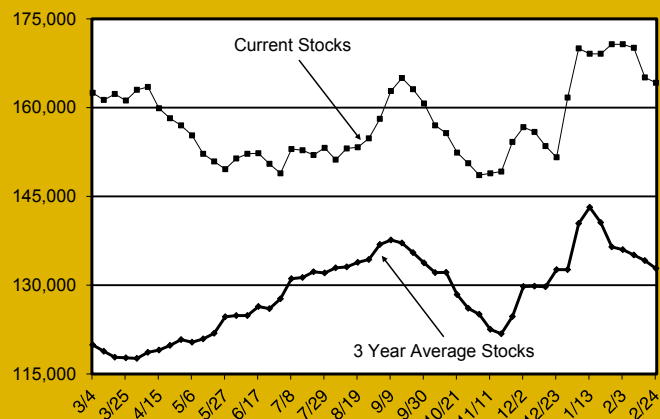
\*To qualify market must have received prices from 40 or more unique stations

\*Week-Ago rank was what the year-to-date rank was last week

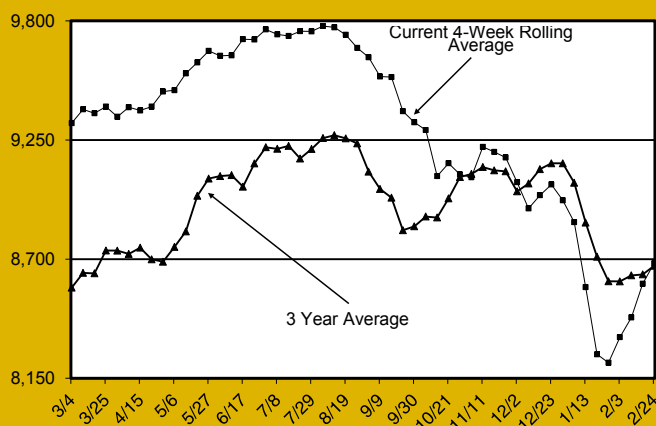
## Gasoline Supply



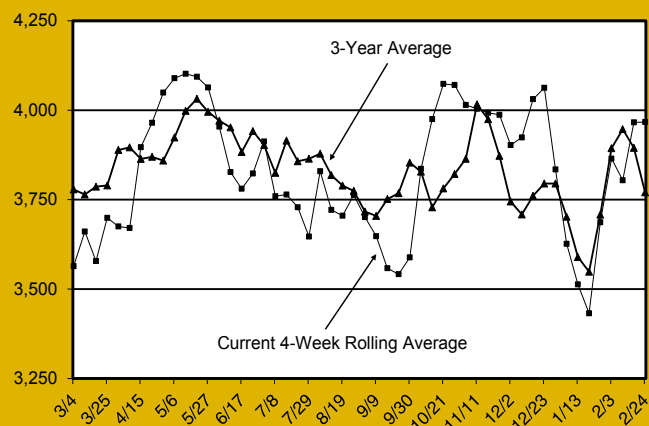
## Diesel Supply



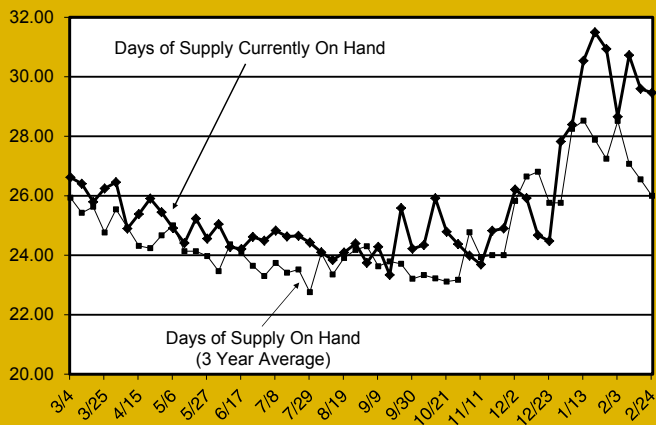
## Gasoline Demand



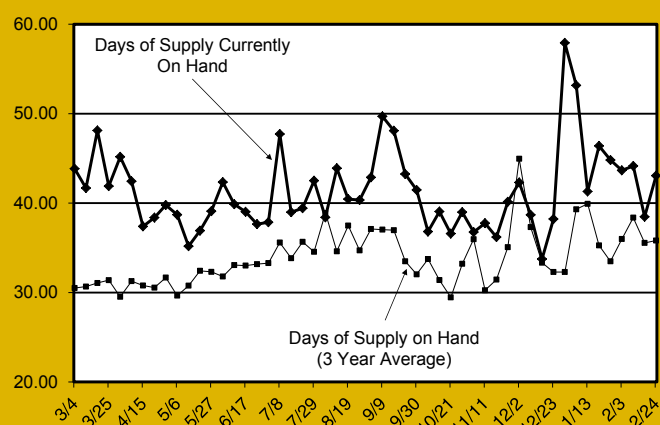
## Diesel Demand



## Number of Days Worth of Gasoline Supply on Hand

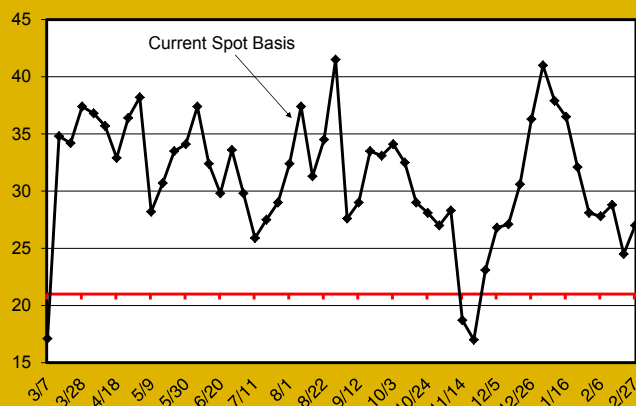


## Number of Days Worth of Diesel Supply on Hand

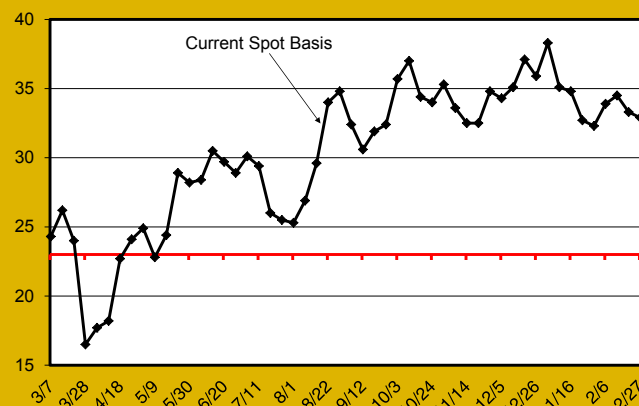


Number of days worth of supply on hand is derived by taking the current supply numbers and dividing them by the 4-week rolling average demand numbers. This indicates the balance between supply and demand and shows whether demand is outpacing stock builds or stocks are able to replenish at a faster rate.

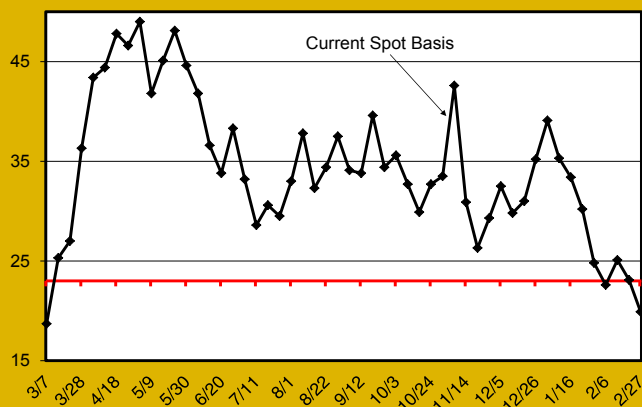
### Gulf Coast Conventional Gasoline Basis to WTI



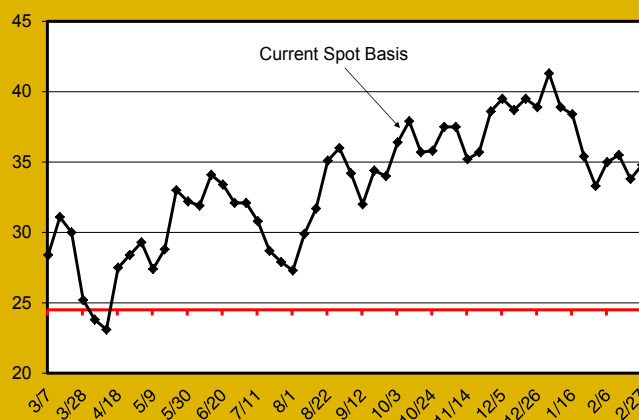
### Gulf Coast Ultra Low Sulfur Diesel Basis to WTI



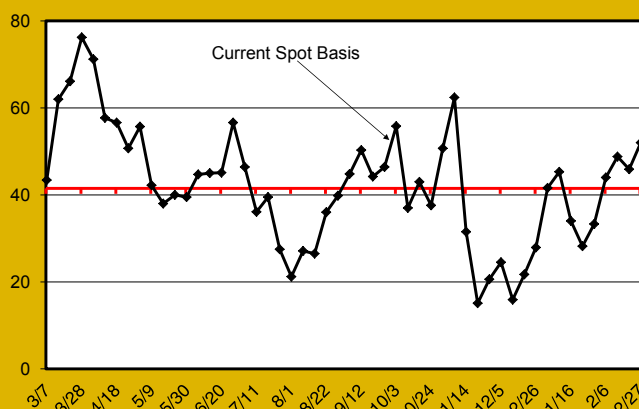
### New York Reformulated Gasoline Basis to WTI



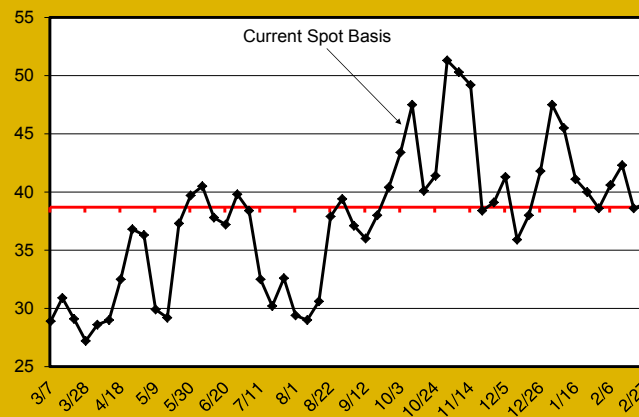
### New York Ultra Low Sulfur Diesel Basis to WTI



### Los Angeles Carbob Gasoline Basis to WTI



### Los Angeles Ultra Low Sulfur Carbob Diesel Basis to WTI



All prices in cents per gallon

Above is an estimated snapshot of refiner profitability in producing a gallon of the relevant fuel in a given region. The WTI crude price is converted to cents per gallon and subtracted from the closing spot price each day. The resulting number is then averaged for the week and charted against the average spread between 1/1/2004 and 12/31/2005 (the red line).

Top 10 Brands By Market Share					
Rank	Brand	Market Share	Outlet Share	Market Efficiency	Price Differential
1	Shell	12.96%	12.53%	1.03	3.73
2	Chevron	6.53%	5.67%	1.15	9.59
3	Exxon	6.18%	5.49%	1.13	1.52
4	Speedway	5.43%	2.45%	2.21	-2.42
5	BP	5.35%	6.13%	0.87	1.20
6	Mobil	4.68%	4.16%	1.12	3.01
7	Sunoco	4.20%	4.40%	0.96	0.81
8	Valero	3.76%	4.65%	0.81	-0.54
9	QuikTrip	3.19%	0.68%	4.67	-0.86
10	Marathon	2.74%	4.73%	0.58	0.56

Market Share based on volume from Wright Express Universal cards. Only those sites that accept Wright Express are included in the survey.

**Market Share** = % of volume sold by the brand

**Outlet Share** = % of stations for each brand

**Market Efficiency** = Market Share/Outlet Share

The higher the number indicates that the brand has a greater number of high volume stations

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### Continued from Page 1...

that the motor fuel bill last month tallied just above \$23 billion, compared to less than \$19 billion in February 2016, which had one more day of driving thanks to Leap Year.

It will be difficult for some wholesale prices to drop further without an accompanying drop in crude oil prices. U.S. crude oil has essentially been in a trading range where WTI has mostly been between \$53-\$55 bbl since early December, and it shows no signs of a breakout on either side. Northeastern gasoline dipped to only about \$4 bbl above Brent crude costs just before press time, and that type of a margin makes gasoline a loser for even the most complex refiner.

On a national basis, the usual pattern of a roller-coaster first quarter has prevailed. Nationwide rack-to-retail margins started on a distressed basis at 13cts/gal, then widened to beyond 20cts/gal in late January before compressing to margins in the teens during February. This week gave marketers east of the Rockies another 6-10cts/gal in wholesale price breaks, giving some relief to public and private companies.

Sales tied to liquidation of high RVP gasoline however, will not persist much beyond the next few weeks. So those wide discounts of 15-20cts/gal off April (low RVP) futures' values should give way to a summer blend rally in the second half of March, if not sooner.

On a regional basis, the West Coast has already made most of the RVP changes, and some refinery issues there have kept wholesale and retail prices about 30cts/gal

above other sections of the country. There were some lingering issues with refiners in Chicago that also kept a lid on margin improvement in the region.

California margins are still adequate by most standards. Margins there have held steady at 30.5cts/gal, well above national standards, despite a wholesale advance of 20-25cts/gal related to the RVP change. The Pacific Northwest on the other hand, has barely witnessed a retail move, despite a 15-17cts/gal gain witnessed in a wildly gyrating wholesale market.

Rocky Mountain states stood out in February and early March for an odd region. Late winter in recent years has seen widespread aggressive discounting for these states, but the big discounts have disappeared in several states, including Utah, Wyoming, and Idaho. Wholesale prices in Utah have been particularly stout thanks to refinery run cuts related to some crude oil pipeline issues.

Southwestern wholesale discounts however, have been typically large in February and March-to-date. Some very aggressive sales to clear winter gas have been observed in Arizona and Nevada.

Diesel has had a quiet winter, and one could make a case for a large wholesale drop, given the second consecutive winter where little distillate has gone to the heating business. Rack prices in Midcontinent markets are viewed as particularly vulnerable, and coastal wholesale numbers could stumble if there is any sign of export weakness.

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