

Report Card: Winter Delivers Disappointment for Gasoline Marketers

An exclusive OPIS winter report card for fuel data shows that the just-completed winter of 2016-2017 was a harsh one for most gasoline retailers due to attrition in volume and margins.

This tepid performance could indicate a slowdown in M&A activity or delay already-delayed plans for a few c-store roll-ups to execute initial public offerings (IPOs). Q1 2017 has seen limited price volatility restrict rack-to-retail margins in much of the country.



WINTER consists of all days between **winter solstice** and **vernal equinox**.

West category includes **ROCKY MOUNTAIN STATES**.

OPIS Winter Report Card

Region	2016-17 Margin	2015-16 Margin	Margin Change	Volume Change	Profit Change
Northeast	22.8cts	21.6cts	+5.7%	-1.8%	+3.8%
Southeast	14.0cts	14.4cts	-3.3%	-3.2%	-6.4%
Mid-Cont.	18.0cts	18.2cts	-1.0%	n/c	-1.0%
Southwest	13.0cts	14.7cts	-11.8%	-0.7%	-12.5%
West	27.7cts	33.4cts	-17.3%	+2.4%	-15.3%
USA	18.6cts	19.7cts	-5.2%	-1.2%	-6.4%

OPIS LOOKED AT JUST UNDER 130,000 GASOLINE FUELING SITES ALONG WITH VOLUME READINGS FROM ABOUT 10,000 STATIONS.



Winter Report Card Takeaways:

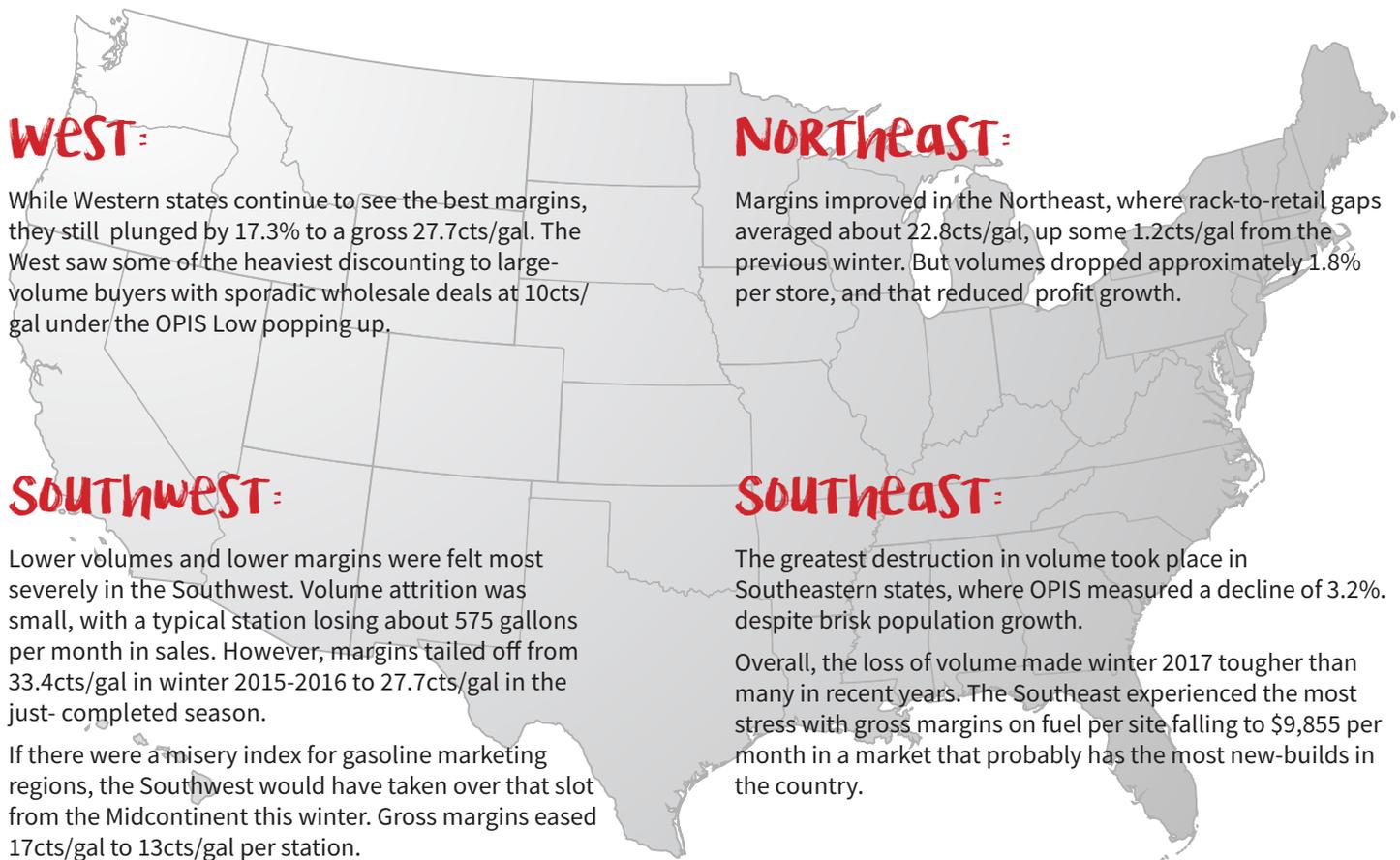
NATIONWIDE:

A strong last 11 days of 2016 gave way to demand destruction in Q1 2017. However, an OPIS private survey of actual gallons pumped suggested EIA was often overstating motor fuel demand for virtually all of 2016. So far in 2017, the OPIS demand statistics show EIA understating gasoline demand, though consumption has clearly declined.

The average price for the recently concluded winter was 2.304/gal, or some 43cts/gal above the winter 2015-2016 number.

The average U.S. gross margin was 18.6cts/gal, down from last year's 19.7cts/gal.

Volumes in every region showed attrition, but a less-harsh price environment in California and the Pacific Northwest may have helped the West.



Oil Price Information Service (OPIS)

OPIS, an IHS Markit company, is one of the world's most comprehensive sources for petroleum pricing and news information. It is also the leading U.S. worldwide provider of retail fuel prices. OPIS monitors over 3.5 million gasoline and diesel prices in real time for nearly 140,000 retail outlets across North America. And, through its OPISNAVX division, it reports fuel pricing at over 250,000 stations in 38 countries throughout Europe, South America, Japan, and Mexico. Most recently, OPIS entered the Australian retail fuel market and collects prices at over 90% of all stations.