

6 May 2013

The RACQ monthly fuel price report presents a summary of the fuel price trends in Queensland for April 2013.

Key points

- Prices of ULP and diesel fell in Brisbane and most regional centres compared to March.
- ULP prices in SEQ averaged 141.1cpl, a drop of 7.4cpl compared to March.
- The Sunshine Coast was cheapest place to buy ULP in April, with an average price of 138.1cpl.
- ULP retail margins were stable in SEQ, but increased in regional Queensland. The highest increase was Cairns, up 7.1cpl on March to 22cpl.
- Gympie was cheapest place to buy diesel in April.
- There were substantial increases in diesel retail margins throughout Queensland. Diesel retail margins in Brisbane were up 4.5cpl, to 14.3cpl. The highest increase was Cairns, up 6.9cpl to 22.9cpl.
- Brent crude oil reached a nine month record low of US\$99.02 (A\$95.62) on 17 April and Brisbane ULP dropped to a nine and a half month low of 131.2cpl on 23 April.

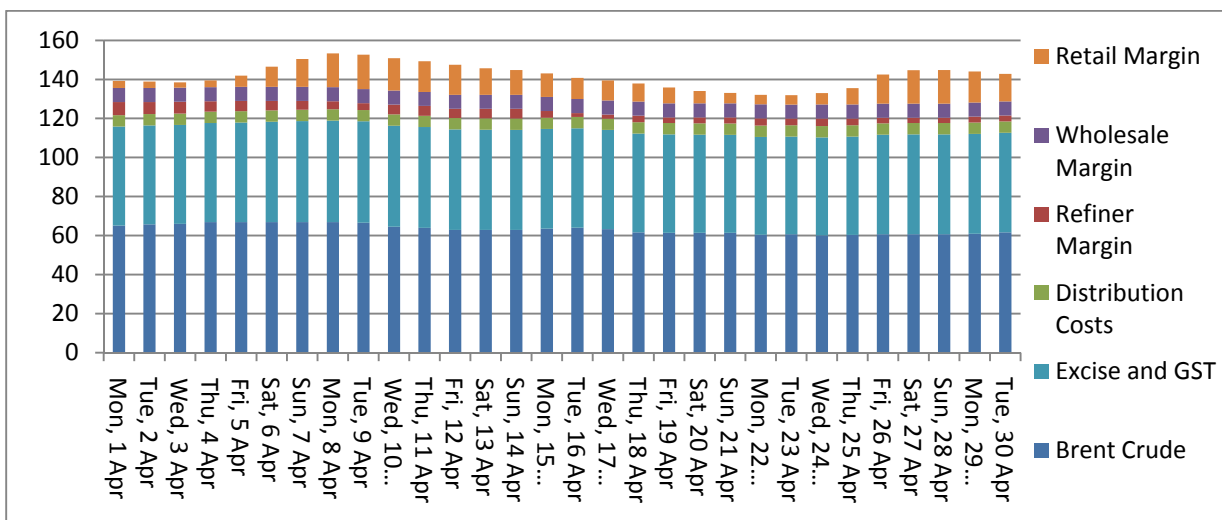
ULP prices and margins in Brisbane

The price of ULP in Brisbane fell substantially in April 2013. Indicative retail margins remained stable and total margins fell compared to March.

Brisbane’s monthly average ULP retail price and the Terminal Gate Price (TGP) fell by 7.4cpl in April 2013. Total margins fell by 1.9cpl. Compared to the 2013 first quarter average, retail margins in April were 1.5cpl higher at 9.6cpl.

Date	Average ULP Retail Price (cpl)	Average TGP (cpl)	Brent Crude Oil (A\$/bbl)	MOGAS Price (A\$/bbl)	Exchange Rate (A\$/US\$)	Average Retail Margin (cpl)	Average Total Margin (cpl)
Apr 2013	141.1	130.9	99.3	109.7	1.0384	9.6	21.1
Mar 2013	148.5	138.3	109.4	121.1	1.0333	9.6	23.0
Feb 2013	149.6	141.2	112.6	128.0	1.0319	7.7	21.4
Q1 2013	146.3	137.5	108.4	121.7	1.0388	8.1	21.7
Apr 2012	153.1	143.4	116.5	130.7	1.0346	9.0	21.3
Apr 2011	144.0	136.3	nd	122.1	1.0579	7.0	nd

During April 2013, Brisbane ULP prices were 5.1cpl higher than Melbourne, 4.2cpl higher than Sydney, 3.9cpl higher than Adelaide and 2.1cpl higher than Perth.





As the chart above shows, the majority of the cost of a litre of ULP is in the crude oil component, the fuel excise and GST. Indicative ULP refiner margins in April were 4.3cpl and lower than March (6.2cpl).

On 23 April the daily average ULP price in Brisbane fell to 131.2cpl. This was the lowest price in nine and a half months. The average daily price was last this low on 10 July 2012, and before that on 21 January 2011.

The falling oil price and TGP supported retail margins throughout March and April. The Brisbane average TGP reached a low of 126.4cpl on 23 April, the lowest since 16 July 2012.

Price cycles in Brisbane

Brisbane only had one complete price cycle in April 2013. This cycle started on 4 April and lasted until 23 April. This cycle was 20 days long and longer than the year-to-date average. The previous cycle had been the longest Brisbane price cycle on record, at 28 days.

Diesel prices in Brisbane

The April average price of diesel in Brisbane was 0.7cpl lower than March and the average TGP was 5.2cpl lower. Subsequently, retail margins in April increased by 4.5cpl. This followed a 2.0cpl increase in March.

Date	Average Diesel Retail Price (cpl)	Average TGP Price (cpl)	Brent Crude Oil (A\$/bbl)	Singapore Gasoil Price (A\$/bbl)	Average Retail Margin (cpl)	Average Total Margin (cpl)
Apr 2013	148.5	133.5	99.3	114.2	14.3	28.6
Mar 2013	149.2	138.7	109.4	123.4	9.8	26.7
Feb 2013	150.3	141.8	112.6	129.7	7.8	22.9
Q1 2013	150.1	138.8	108.4	124.4	10.6	25.2
Apr 2012	152.3	143.3	116.5	131.9	8.3	21.4
Apr 2011	153.2	144.0	nd	133.2	8.5	nd

Average total margins on diesel increased in April by 1.9cpl, following a 3.8cpl increase in March. The total margins in April 2013 were 7.2cpl higher than April 2012.

Comparison to other capital cities

Last month, ULP in Brisbane was more expensive than Melbourne, Sydney, Adelaide and Perth. Melbourne ULP was 5.1cpl cheaper than Brisbane. Canberra, Hobart and Darwin were more expensive than Brisbane. The price of diesel in Adelaide, Melbourne and Sydney was cheaper than Brisbane. Diesel sold in Adelaide was 5.4cpl cheaper than Brisbane. Perth, Canberra, Hobart and Darwin were more expensive than Brisbane.

City	Average ULP Price (cpl)	ULP Retail Margin* (cpl)	Average Diesel Price (cpl)	Diesel Retail Margin* (cpl)
Adelaide	137.2	5.8	143.1	9.7
Brisbane	141.1	9.6	148.5	14.3
Canberra	153.4	21.7	149.4	15.3
Darwin	163.6	33.1	164.3	27.8
Hobart	154.0	18.2	155.3	17.8
Melbourne	136.0	4.9	144.3	11.4
Perth	139.0	8.5	149.1	16.6
Sydney	136.9	5.1	146.1	12.1

* The retail margin is the average retail price minus the average local TGP and local shipping costs (assumed to be 0.7cpl). The TGP varies between cities.



Terminal Gate Price in Queensland

Six Queensland port cities have liquid fuel terminals: Brisbane, Cairns, Gladstone, Mackay, Townsville and Weipa. The tables below show the regional TGP for April 2013.

ULP Terminal Gate Price (cpl)							
City	BP	Shell	Caltex	Mobil	United	Neumann	Average TGP
Brisbane	128.5	128.6	133.5	130.5	128.0	131.8	130.9
Gladstone	133.4	131.7	134.8	133.8	131.9		133.1
Mackay	135.3	132.7	134.3	134.7	132.8		133.9
Townsville	133.6	132.1	134.2	133.8	132.2		133.2
Cairns	134.9	130.9	134.2	133.8	130.9		132.9
Weipa		144.2					144.2

Diesel Terminal Gate Price (cpl)							
City	BP	Shell	Caltex	Mobil	United	Neumann	Average TGP
Brisbane	130.3	130.1	135.1	132.1	130.4	133.0	133.5
Gladstone	134.4	132.4	136.1	134.8	132.4		134.0
Mackay	135.3	132.5	136.3	135.1	132.5		134.3
Townsville	134.4	131.8	135.8	134.9	131.8		133.7
Cairns	133.8	132.9	135.8	134.5	132.9		134.0
Weipa		138.0					138.0

Of all the Queensland east coast cities, Mackay has the highest average TGP. The ULP TGP was 3.0cpl and diesel 0.8cpl, higher than Brisbane. These price differences remain stable from month to month.

Retail margins in Queensland cities

The table below presents the average April 2013 retail margins on ULP and diesel for Queensland's larger coastal cities, with the change compared to March 2013 in parentheses. The Gold and Sunshine Coasts, which have no terminals, are included in the analysis as they are major population centres and are close to the fuel terminals in Brisbane.

City	Average ULP Price (cpl)	ULP Retail Margin* (cpl)	Average Diesel Price (cpl)	Diesel Retail Margin* (cpl)
Brisbane	141.1 (-7.4)	9.6 (0.0)	148.5 (-0.7)	14.3 (4.5)
Gold Coast	140.2 (-7.4)	8.6 (0.0)	149.4 (-2.5)	15.2 (2.7)
Sunshine Coast	138.1 (-6.6)	6.5 (0.8)	148.3 (-3.3)	14.1 (1.9)
Gladstone	148.9 (-3.9)	15.1 (3.5)	151.2 (-3.2)	17.4 (4.2)
Mackay	151.8 (-3.5)	17.2 (4.1)	152.6 (-3.2)	18.0 (3.7)
Townsville	150.4 (-2.6)	16.5 (5.1)	148.2 (-3.3)	14.3 (3.6)
Cairns	155.6 (-0.4)	22.0 (7.1)	156.5 (-0.1)	22.9 (6.9)

* The retail margin is the average retail price minus the average local TGP and local shipping costs (assumed to be 0.7cpl). The TGP varies between cities.

Retail margins in Cairns, Townsville, Mackay and Gladstone increased substantially in April. The largest increase and subsequently the highest retail margins were in Cairns. Cairns ULP retail margins increased by 7.1cpl, to 22.0cpl, and diesel margins increased by 6.9cpl to 22.9cpl.

Queensland retail margins on ULP were at their lowest on the Sunshine Coast (6.5cpl compared to the Brisbane margin of 9.6cpl), followed by the Gold Coast, where retail margins were 1.0cpl lower than Brisbane. Retail margins in other centres were greater than Brisbane.



For diesel, Townsville had the cheapest diesel, followed by the Sunshine Coast, which also had the lowest retail margins. All the other centres were dearer than Brisbane.

Queensland retail prices

The table below displays the average April retail fuel prices for Queensland localities, with the change compared to March in parentheses, and prices cheaper than or the same as Brisbane shaded in blue.

Locality	ULP (cpl)	Diesel (cpl)	Locality	ULP (cpl)	Diesel (cpl)
Atherton	152.5 (-1.0)	147.8 (-6.4)	Ingham	152.8 (-2.1)	152.9 (-1.9)
Ayr	152.3 (-3.6)	149.9 (-1.7)	Innisfail	155.9 (0.0)	156.9 (-0.1)
Biloela	151.9 (-2.2)	154.1 (-1.7)	Ipswich	141.9 (-7.9)	148.4 (-1.0)
Blackall	161.1 (-3.4)	162.5 (-3.0)	Kingaroy	148.6 (-0.8)	151.8 (-1.6)
Blackwater	153.6 (-2.0)	152.2 (-2.3)	Longreach	156.3 (-1.6)	157.2 (-2.8)
Bowen	153.0 (-3.0)	148.7 (-3.7)	Mackay	151.8 (-3.5)	152.6 (-3.3)
Bundaberg	149.2 (-0.6)	150.6 (-2.1)	Mareeba	155.1 (-0.3)	155.1 (-0.4)
Cairns	155.6 (-0.3)	156.5 (-0.2)	Maryborough	145.6 (-4.1)	147.4 (-4.4)
Charleville	157.9 (0.0)	161.9 (0.0)	Miles	158.0 (-3.3)	154.5 (-3.7)
Charters Towers	151.5 (-4.6)	151.3 (-2.2)	Moranbah	153.4 (-7.4)	153.8 (-6.0)
Childers	148.8 (-2.6)	148.5 (-3.8)	Mt Isa	157.3 (-1.6)	159.5 (-1.9)
Cloncurry	170.7 (0.1)	174.6 (0.3)	Rockhampton	151.8 (-4.2)	152.7 (-2.5)
Cunnamulla	162.9 (0.0)	168.4 (0.0)	Roma	150.9 (-0.9)	152.0 (-2.2)
Gold Coast	140.2 (-7.4)	149.4 (-2.5)	Sunshine Coast	138.1 (-6.6)	148.3 (-3.3)
Dalby	149.8 (-0.3)	150.4 (-1.9)	Toowoomba	145.4 (-1.4)	149.0 (-2.8)
Emerald	155.8 (-2.1)	152.2 (-3.0)	Townsville	150.4 (-2.6)	148.2 (-3.4)
Gladstone	148.9 (-3.9)	151.2 (-3.2)	Tully	155.8 (0.0)	154.7 (0.1)
Goondiwindi	150.9 (-1.9)	148.8 (-4.4)	Warwick	143.4 (-4.0)	146.9 (-3.7)
Gympie	144.5 (-6.0)	145.9 (-5.1)	Whitsunday	nd	150.5 (-0.4)
Hervey Bay	146.8 (-2.1)	150.1 (-2.3)	Yeppoon	150.3 (-4.0)	152.4 (-1.6)

In April prices of ULP and diesel in most regional centres decreased compared to March prices. The average decrease in the ULP price was 2.4cpl, with the largest decrease (7.9cpl) in Ipswich.

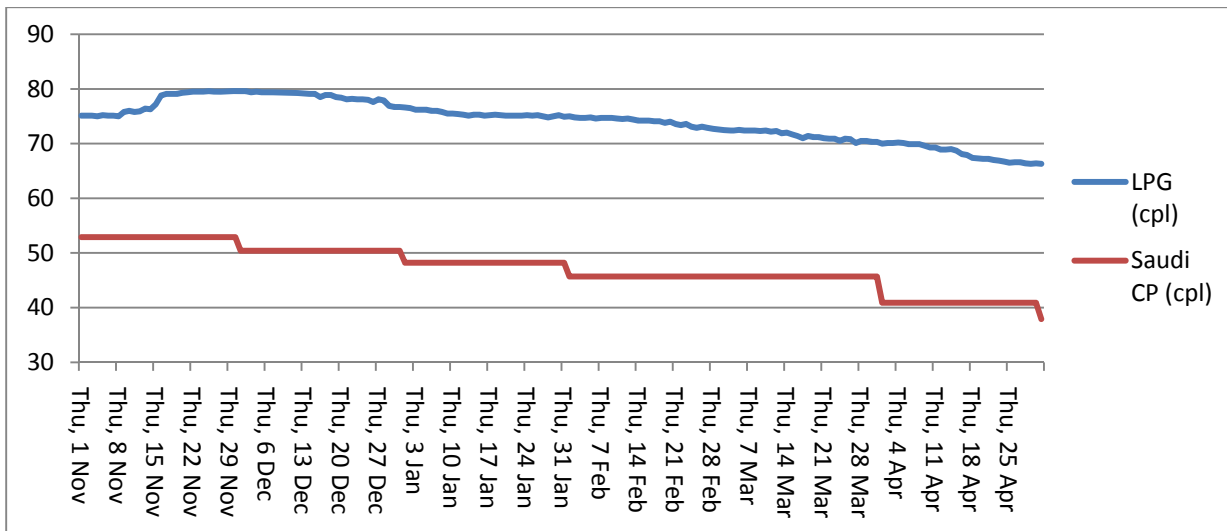
The reduction in the retail price in many regional centres has been substantially less than the reduction in the TGP. Subsequently retail margins in regional Queensland increased in April.

The Sunshine Coast had Queensland's cheapest ULP in April 2013 (3.0cpl cheaper than Brisbane). The next cheapest was the Gold Coast, with an average April ULP price 0.9cpl lower than Brisbane. All the other centres were dearer than Brisbane.

Gympie had the cheapest diesel in Queensland (2.6cpl cheaper than Brisbane). Diesel in Warwick, Maryborough, Atherton, Townsville, the Sunshine Coast and Ipswich, were all cheaper than Brisbane.

Liquid Petroleum Gas (LPG)

The chart below displays the retail price of LPG in Brisbane (the blue line) and the international benchmark price – the Saudi contract price (Saudi CP), the red line.



The average retail price of LPG in Brisbane decreased throughout April. The average difference between the Brisbane retail LPG price (excluding excise and GST) and the Saudi CP was 16.2cpl, an increase of 1.9cpl compared to March.

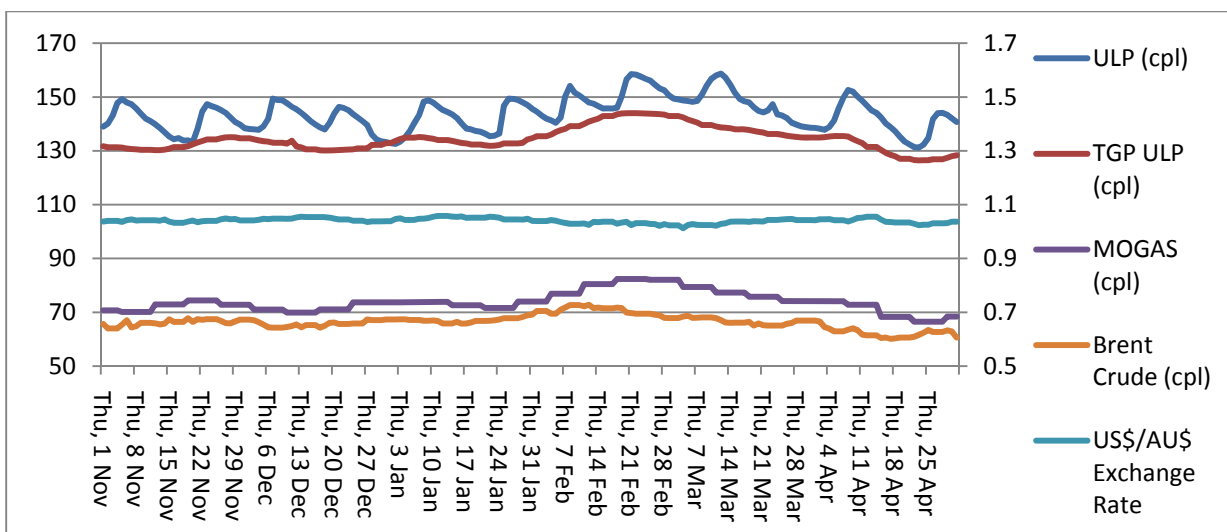
The Saudi CP fell by 3.0cpl on 1 May, in the coming weeks the retail price of LPG in Queensland should fall by a similar amount.

Global trends, oil price and the benchmark petrol price

The price of the global Brent crude oil benchmark softened throughout the first half of April. Starting the month at US\$110.69 (A\$105.85), the Brent price then fell to a nine month record low of US\$99.02 (A\$95.62) on 17 April. The Brent price was last this low on 10 July 2012. In the second half of April the Brent price strengthened slightly, ending the month at US\$103.65 (A\$99.97).

MOGAS and GASOIL (Singapore wholesale petrol and diesel) and the Brisbane TGP followed the trend set by Brent during April 2013 (with the usual 7 to 10 day lag).

The graph below displays the average Brisbane retail (the blue line) and TGP (the red line) prices, the daily Brent crude oil price (the orange line) the weekly MOGAS price (the purple line) and the US\$/A\$ exchange rate (the teal line) for the past six months. The ULP retail and wholesale, Brent and MOGAS prices are plotted against the left axis in cents per litre (A\$) and the exchange rate is plotted against the right-hand axis in A\$ per US\$.





Outlook

In the next month the price of Brent Crude oil is likely to slowly soften or stabilise. The Brisbane average TGP and the retail price are likely to follow this trend. The softening oil price has been caused by overseas economic uncertainty and increasing oil production, especially in the US.

The length of fuel price cycles in south-east Queensland and other Australian capitals is difficult to predict. There has been a trend of lengthening price cycles. The 20 day cycle in April was longer than the year-to-date average, but shorter than the record-long 28 day March cycle it followed.

Data sources

All data presented in this report are RACQ calculations using MotorMouth.com.au, FUELtrac, RBA, ATO, AIP, Bloomberg.com, BP, Shell, Caltex, Mobil, United and Neumann data.