

## Petrol prices hit 22-week highs

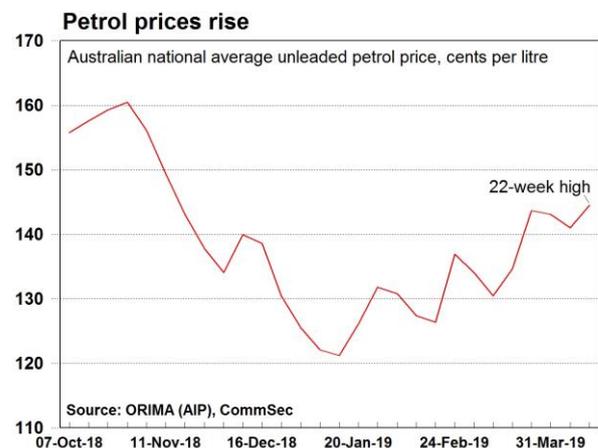
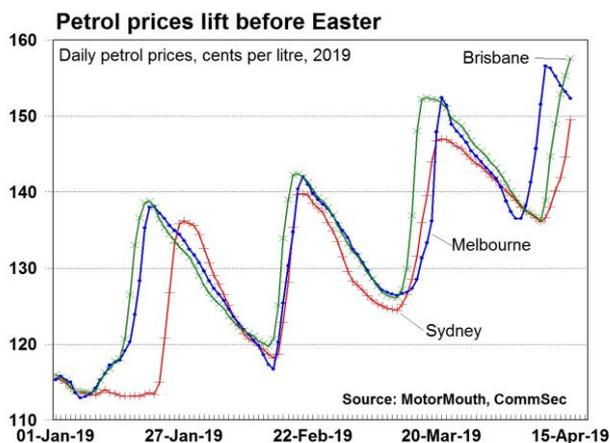
### Weekly Petrol Prices

- **Weekly Petrol Price:** According to the Australian Institute of Petroleum, the national average price of unleaded petrol rose by 3.5 cents in the past week to 144.5 cents a litre – the highest level since mid-November.

*The petrol figures have implications for retailers, especially petrol marketing groups.*

### What does it all mean?

- The school holidays are underway with the Easter-Anzac Day block of public holidays encouraging most Aussies to take some extended time off. Those who have hit the road would've noticed that petrol prices have lifted.
- Across capital cities, unleaded petrol prices are currently in a range of \$1.35-\$1.58 a litre. Just two months ago, prices were around \$1.20 a litre. But the end of the discounting cycle in Brisbane, Sydney and Melbourne has seen pump prices lift by 7-21 cents a litre in the last week. Melbourne prices have begun falling in recent days, but remain elevated.
- Crude oil prices have risen for six consecutive weeks, supported by continued OPEC-Russian production cuts and supply disruptions in Venezuela, Libya and Sudan, which have pushed up prices by 40 per cent this year.
- Oil sentiment also lifted after US 'super major', Chevron, announced a US\$33 billion deal for Anadarko Petroleum on Friday. Should the takeover clear the regulatory hurdles and be approved by shareholders, Chevron will become the third largest global oil producer after Exxon Mobil and Royal Dutch Shell.
- Last week, Brent crude rose by 1.7 per cent to US\$71.55 a barrel and US Nymex rose by 1.3 per cent to US\$63.89 a barrel. And the key regional Singapore gasoline price rose by 7.5 per cent to a 6-month high of US\$82.90 a barrel, signalling a likely continued lift in Aussie pump prices.



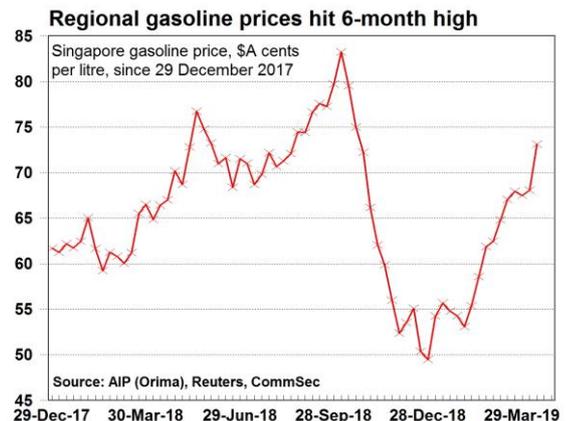
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## What do the figures show?

### Petrol prices

- According to the Australian Institute of Petroleum, the **national average price of unleaded petrol** rose by 3.5 cents to 144.5 cents a litre in the past week – the highest level in 22 weeks.
- The **metropolitan** petrol price rose by 4.9 cents to 145.3 cents per litre, and the **regional** price rose by 0.7 cents to 142.8 cents per litre.
- **Average unleaded petrol prices across states and territories over the past week were:** Sydney (up by 0.2 cents to 139.1 c/l), Melbourne (up by 14.8 cents to 153.8 c/l), Brisbane (up by 5.5 cents to 144.9 c/l), Adelaide (down by 6.2 cents to 140.1 c/l), Perth (up by 0.7 cents to 143.9 c/l), Darwin (down by 0.5 cents to 139.3 c/l), Canberra (up by 0.9 cents to 142.9 c/l) and Hobart (up by 1.5 cents to 147.7 c/l).
- **The smoothed gross retail margin** for unleaded petrol rose from a 2½-year low of 9.54 cents a litre to 10.64 cents a litre last week.
- The **national average diesel petrol price** rose by 0.3 cents a litre to 149.5 cents a litre over the week. The **metropolitan** price rose by 0.1 cents to 148.7 cents a litre with the **regional** price up by 0.3 cents to 150.0 cents a litre.
- Today, the **national average wholesale (terminal gate) unleaded petrol price** stands at 134.6 cents a litre, up by 2.2 cents over the week. The **terminal gate diesel price** stands at 137.6 cents a litre, up by 1.6 cents over the past week.
- Last week, the **key Singapore gasoline price** rose by US\$5.80 or 7.5 per cent to a 6-month high of US\$82.90 a barrel. In Australian dollar terms, the Singapore gasoline price rose by \$8.03 or 7.4 per cent last week to 6-month highs of \$116.24 a barrel or 73.10 cents a litre.
- **MotorMouth records the following average retail prices for capital cities today:** Sydney 149.5c; Melbourne 152.3c; Brisbane 157.6c; Adelaide 156.2c; Perth 135.1c; Canberra 144.1c; Darwin 138.0c; Hobart 147.7c.

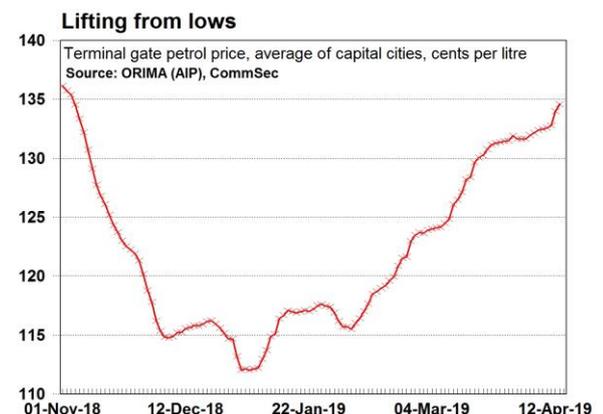


## What is the importance of the economic data?

- **Weekly figures on petrol prices** are compiled by ORIMA Research on behalf of the Australian Institute of Petroleum (AIP). National average retail prices are calculated as the weighted average of each State/Territory metropolitan and non-metropolitan retail petrol prices, with the weights based on the number of registered petrol vehicles in each of these regions. AIP data for retail petrol prices is based on available market data supplied by MotorMouth.

## What are the implications for interest rates and investors?

- Aussie motorists are faced with higher petrol prices as they head off on road trips for the Easter/Anzac Day holidays. Unleaded petrol prices are set to remain around \$1.50 a litre in the near term.
- Global oil prices are hovering around 6-month highs. And the average terminal gate price for Aussie capital cities has been on an upward trajectory since bottoming at \$1.12 a litre at the beginning of the year.
- But there could be some respite from rising oil prices in the second half of this year. Russia may withdraw from its supply-cut pact with Saudi Arabia, while US drilling activity and production are likely to lift – responding to higher crude prices – over the Northern Hemisphere summer period.
- Aussie consumers are likely to stay cautious about their discretionary spending. Announced tax cuts from July 1 could boost consumption, but the strength of the jobs market remains key to the interest rate outlook.
- CommSec expects interest rates to be unchanged for the foreseeable future. But the loss of momentum across global economies means central banks are skewed to more accommodative monetary policies.



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