

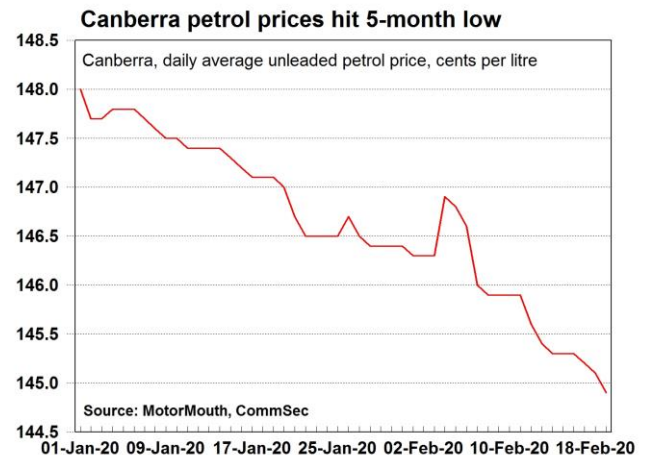
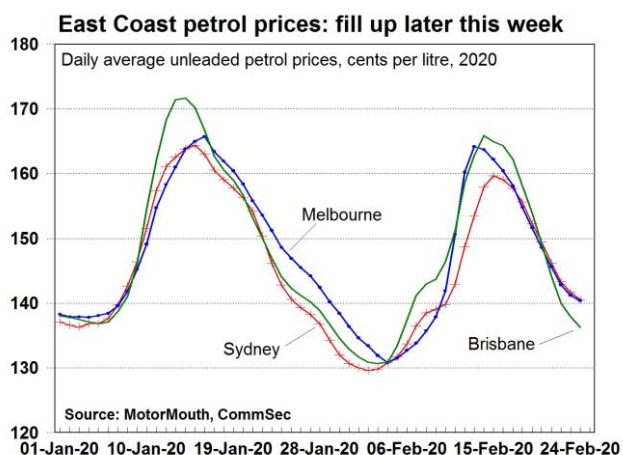
East Coast petrol prices to hit \$1.20-\$1.30 a litre Canberra, Darwin & Perth petrol prices fall Weekly Petrol Prices

- **Petrol prices:** According to the Australian Institute of Petroleum, the national average price of unleaded petrol fell by 2.2 cents to 146.1 cents a litre last week.
- **East Coast petrol prices fall:** According to data from MotorMouth, average daily unleaded retail petrol prices have fallen by between 19-30 cents a litre in Brisbane, Sydney and Melbourne from recent highs on February 13-15. Pump prices have fallen to \$1.36-\$1.40 a litre and will likely decline further to between \$1.20-\$1.30 a litre due to the discounting cycle.
- **Capital city petrol prices:** Today, average daily unleaded retail petrol prices have hit 5-month lows in Canberra (144.7 c/l); 7-month lows in Perth (126.5 c/l); and 11-month lows in Darwin (136.6 c/l).

The petrol price data have implications for retailers, especially petrol marketing groups.

What does it all mean?

- Aussie motorists can look forward to lower petrol prices over the coming week. The retail discounting cycle is underway on the East Coast. Unleaded pump prices are averaging \$1.36-\$1.40 a litre in Brisbane, Sydney and Melbourne today, according to real-time fuel app MotorMouth. If drivers can delay filling up until later in the week, they can expect prices of \$1.30 a litre or lower. In fact, some retailers in the ultra-competitive fuel markets of Sydney's west and Brisbane's southside are already offering motorists prices around \$1.20-\$1.30 a litre.
- And the lower prices at the bowser continue to broaden to the smaller and less competitive fuel markets of Canberra, Darwin and Perth with unleaded pump prices currently between 5-11 month lows.
- This morning the Brent crude futures fell as much as 3.3 per cent to US\$56.56 a barrel - the biggest fall in two weeks – as risk sentiment deteriorated. The increasing spread of novel coronavirus (COVID-19) infections globally - particularly to South Korea, Italy and the Middle East - unnerved investors.



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- Concerns over China's oil demand - the world's largest energy buyer – have also re-intensified. The ongoing disruption to China-dependent supply chains led the International Monetary Fund (IMF) to downgrade its forecast for Chinese economic (GDP) annual growth from 6 per cent to 5.6 per cent and global GDP growth by 0.1 percentage point to 3.2 per cent in 2020.

What do the figures show?

Petrol prices

- According to the **Australian Institute of Petroleum**, the national **average price of unleaded petrol** fell by 2.2 cents to 146.1 cents a litre last week. The metropolitan price fell by 4.0 cents to 146.7 cents a litre, but the regional price rose by 1.4 cents to 144.9 cents a litre.
- Average unleaded petrol prices across states and territories over the past week were:** Sydney (down 2.2 cents to 149.5 c/l), Melbourne (down by 8.7 cents to 149.0 c/l), Brisbane (down by 9.9 cents to 149.3 c/l), Adelaide (up by 12.3 cents to 143.2 c/l), Perth (down by 1.0 cent to 134.6 c/l), Darwin (down by 0.3 cents to 136.7 c/l), Canberra (down by 0.6 cents to 144.9 c/l) and Hobart (down by 0.2 cents to 154.6 c/l).
- The smoothed gross retail margin (2-month rolling average)** for unleaded petrol rose from 14.79 cents a litre to a 13-month high of 15.94 cents (24-month average: 13.1 cents a litre).
- The **national average diesel petrol price** fell by 0.5 cents to 148.0 cents a litre over the past week. The **metropolitan** price fell by 0.4 cents to 146.9 cents a litre and the **regional** price was down by 0.6 cents to 148.9 cents a litre.
- Today, the **national average wholesale (terminal gate) unleaded petrol price** stands at 127.2 cents a litre, up 1.1 cents over the week. The **terminal gate diesel price** stands at 128.5 cents a litre, up by 0.8 cents over the past week.
- MotorMouth** records the following average retail prices for **unleaded fuel** in capital cities today: Sydney 140.5c; Melbourne 140.4c; Brisbane 136.3c; Adelaide 162.0c; Perth 126.5c; Canberra 144.7c; Darwin 136.6c; Hobart 154.8c.
- The **key Singapore gasoline price** rose by US50 cents or 0.8 per cent last week to US\$66.50 a barrel. In Australian dollar terms, the Singapore gasoline price rose by \$2.45 or 2.5 per cent to \$100.68 a barrel or 63.32 cents a litre.

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?

- The East Coast retail discounting cycle is well underway. Drivers should 'fill up' before the weekend with unleaded petrol prices likely to hit the bottom of the cycle. Pump prices are expected to begin lifting again in Brisbane from early next week with Sydney and Melbourne prices to eventually follow.
- Once the discounting cycle ends, East Coast motorists can expect unleaded pump prices to jump by around 40 cents a litre – if Adelaide petrol prices are any guide. Last week in the 'City of Churches' prices at the bowser lifted to around 165.60 cents a litre after bottoming at 124.50 cents a litre.
- Drivers should be on the lookout for retailers charging well over the wholesale petrol price. The Terminal Gate Price (TGP) currently averages \$1.27 a litre nationally. While pump prices are currently 'fairly' priced around \$1.40 a litre on the East Coast, the 2-month average of the gross retail margin – the difference between retail and wholesale petrol prices - rose by 1.2 cents to a 13-month high of 15.94 cents a litre last week.
- The direction of international crude oil prices - the biggest influence over Aussie pump prices - remains uncertain. Concerns about global oil demand due to the impact of COVID-19 are weighing on oil prices. That said, OPEC and its allies stand ready to support crude prices by cutting oil production.

