

Analysis of Rack Prices in California

August 21, 2024

1 Tracing Chain of Prices

Generally, there are 4 ‘stages’ of prices that we can trace out in gasoline markets:

1. NYMEX Gasoline Futures

National-level

2. Spot Prices

Spot Market-level. California has 2 spot markets: Los Angeles and San Francisco. Spot prices don’t have to publicly reported, so data on San Francisco, the less significant spot market of the two, is sparse and not as reliable. Thus, for this analysis, I focus on Los Angeles spot prices.

3. Rack prices

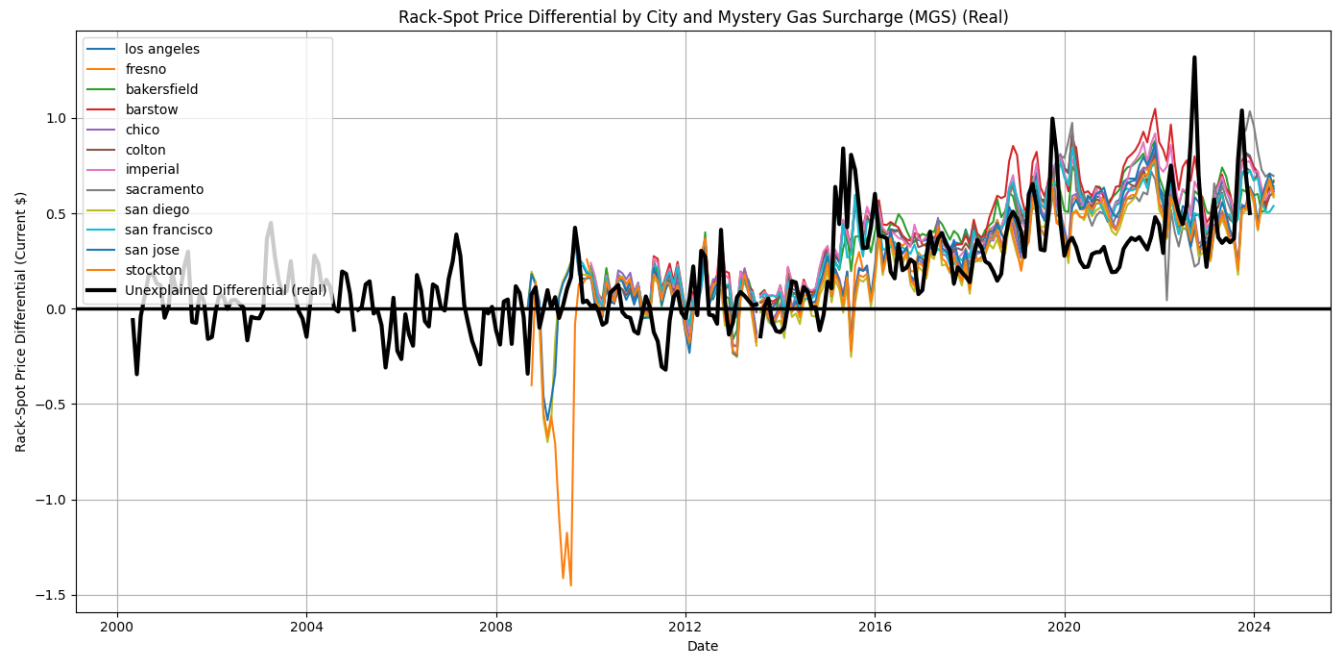
These are located at distribution points between retail gasoline stations and spot markets. There are 12 rack fuel locations in CA, with varying degrees of importance.

4. Retail gasoline prices

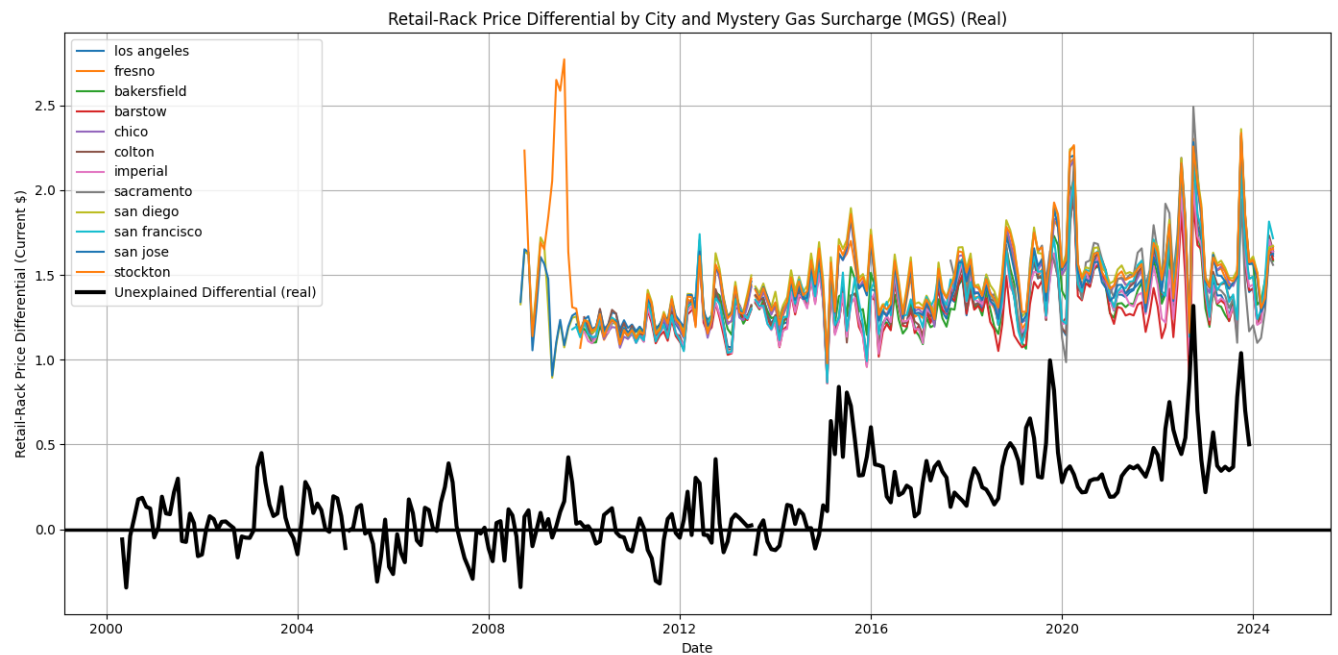
These vary gas-station-to-gas-station and are ‘composed’ of all prices from earlier in the supply chain.

1.1 Spot-Gasoline Futures Differential

1.2 Rack-Spot Differential



1.3 Retail-Rack Differential



2 Detailed City-by-City Analysis of Rack Prices

