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Real-time spot markets: What do the numbers tell you?

Real-time spot market transparency

Downstream fuel distributors and marketers need to know the value of gasoline first thing in the morning and throughout the day. You need to know whether to lift more fuel or less, based on where you think the market is heading.

But what source should you trust? And do the numbers tell you what you need to know?

Some companies in the downstream fuel distribution business watch free delayed Nymex feeds, available on various websites. But this only tells you the price of an RBOB barge in New York Harbor, not the price of CBOB in Chicago or premium RBOB in Houston. Spreads between spot markets are becoming more volatile due to an overloaded infrastructure. Referencing the Nymex alone will only give you false signals.

How the markets work

The physical markets for gasoline and diesel trade throughout the day, at a differential to that free futures price. Those differentials move completely independently, sometimes 10¢/USG against futures over the course of a day. Many of these markets trade only sporadically over the day, with huge gaps of time between transactions.

The Argus Spot Ticker – a real-time transparency tool – now publishes real-time prices for cash markets.

Argus actively assesses the price by discovering the executable value at a moment in time. Argus’ Spot Ticker ticker team is in constant contact with the trading community, gathering differential bids and offers and applying them to the moving Nymex price.

Argus intelligently assesses the value of rarely traded grades relative to their more active sister grades in order to ensure

that our ticker price is where it should be when the next deal is done. It provides an accurate real-time price that is never stale.

Methodology matters

The different spot tickers out there use different methodologies, and produce different prices. Some assess prices based on the last deal done, which is often stale and lags the value that can be executed at any given moment.

This passive approach simply does not work. Once the next deal is done, the price you see will leap or fall to the next level – creating volatility that isn’t real – and leaving you both surprised and exposed. A stale price gives you a false signal and could lead to a misallocation of volume or equipment.

Argus assesses the spot differentials in the market from 8:00 am – 4:00 pm Central Time, right through the Nymex close and includes afternoon trading. And we keep the Argus Spot Ticker moving overnight so that you can wake up and understand the impacts before the trading day begins.

On top of this, Argus publishes real-time spreads between markets, between premium and regular grades, and publishes benchmark prices at 1:30 and 2:30 Central Time. The Argus Spot Ticker is not just another ticker. It is a real-time transparency tool.

Regional spreads	New York-Houston	Chicago-Houston	Tulsa-Houston
CBOB	0.0984	0.2059	0.2459
RBOB	0.0834	0.2434	-
Ethanol	0.03	-0.085	-
ULSD	0.065	0.33	0.095

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Argus Spot Ticker
illuminating the markets

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Pricing your bulk supply

Most companies in the US downstream are now pricing much of their supply using prices published in the *Argus US Products* report. That report has risen to dominate bulk market indexation because it represents the low and high of deals done throughout the trading day, and applies the low and high differential to the Nymex settlement price. Once again, the methodology for determining prices really matters.

The Argus Spot Ticker methodology is very different from the Argus US Products methodology.

The Argus Spot Ticker changes second to second based on what can be executed at that moment. The *Argus US Products* report publishes a once-a-day price that encapsulates the entire day into a single value. You use the *Argus US Products* price to index large supply deals that need to be based on the broadest market indicator backed by the greatest possible liquidity.

The Argus Spot Ticker also published prices in the afternoon, at 1:30 and 2:30 Central Time, but these are executable values across all the product grades at an exact moment in time.

The precision of these numbers allows you to understand at that moment the exact spread between market centers, between premium and regular grades, between conventional and reformulated. And the timing of these market calls allows you to make decisions earlier in the afternoon.

The complete package

Argus is focused on its customers, not on a dogmatic approach to markets. We have developed the Argus Spot Ticker by listening to our clients, who have been using the Argus US Products price because it is based on all day activity.

The company that brought you all-day indexation now brings you all-day transparency.

Trust what you see

Real-time spot market transparency is only available to subscribers of [Argus Spot Ticker](#).

- Go [here](#) to trial Argus Spot Ticker
- Go [here](#) to read more about the methodology

NEW YORK	RVP	Price	Price Change	Basis	Diff	Open	Low	High	Close	1:30 CST	2:30 CST
GASOLINE											
87 conv M offline	13.5	1.467	+0.0031 ▲	Dec	0.064	1.519	1.449	1.524	1.465	1.454	1.464
Reg CBOB	14.5	1.446	+0.0031 ▲	Dec	0.043	1.504	1.433	1.509	1.444	1.437	1.443
Reg RBOB	15	1.445	+0.0031 ▲	Dec	0.041	1.499	1.431	1.505	1.442	1.433	1.441
93 conv V offline	13.5	1.579	+0.0031 ▲	Dec	0.175	1.634	1.561	1.639	1.576	1.567	1.575
Prem CBOB	14.5	1.539	+0.0031 ▲	Dec	0.135	1.596	1.524	1.601	1.536	1.529	1.538
Prem RBOB	15	1.539	+0.0031 ▲	Dec	0.135	1.596	1.524	1.601	1.536	1.529	1.538
DISTILLATE											
ULSH	-	1.462	+0.0001 ▲	Dec	-0.053	1.519	1.458	1.520	1.462	1.461	1.460
ULSD	-	1.494	+0.0001 ▲	Dec	-0.020	1.544	1.477	1.545	1.494	1.479	1.484
ULSH offline	-	1.467	+0.0001 ▲	Dec	-0.048	1.521	1.455	1.522	1.467	1.456	1.465
ULSD offline	-	1.504	+0.0001 ▲	Dec	-0.010	1.547	1.492	1.559	1.504	1.494	1.503
BUCKEYE											
GASOLINE											
Reg CBOB	14.5	1.446	+0.0031 ▲	Dec	0.043	1.504	1.433	1.509	1.444	1.437	1.443
Reg RBOB	15	1.445	+0.0031 ▲	Dec	0.041	1.499	1.431	1.505	1.442	1.433	1.441
Prem CBOB	14.5	1.539	+0.0031 ▲	Dec	0.135	1.596	1.524	1.601	1.536	1.529	1.538
Prem RBOB	15	1.539	+0.0031 ▲	Dec	0.135	1.596	1.524	1.601	1.536	1.529	1.538
DISTILLATE											
ULSH	-	1.462	+0.0001 ▲	Dec	-0.053	1.519	1.458	1.520	1.462	1.461	1.460
ULSD	-	1.495	+0.0001 ▲	Dec	-0.020	1.544	1.477	1.545	1.494	1.479	1.484

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