

# Annual Gasoline Price Outlook 2012



Patrick DeHaan, Senior Petroleum Analyst  
Gregg Laskoski, Senior Petroleum Analyst

# About our Annual Outlook

[GasBuddy](#) has become a highly recognized forecaster in recent years, having made appearances on/in NBC's Today Show, ABC World News Tonight, [ABC Nightline](#), CBS Evening News, [Fox Business](#), Fox, NBC's Evening News, [NPR](#), L.A .Times, and many others. Accuracy, reliability, and neutrality are GasBuddy's mission with price forecasting, and it is achieved with independent analysis featured in this outlook.

GasBuddy's service has won multiple awards from publications- Time Magazine, PC World, and the GasBuddy app has been mentioned in dozens of print publications as well as most major media outlets (CBS, NBC, CNN, MSNBC, etc.)

Past analysis: GasBuddy accurately forecasted the U.S. national average for last Memorial Day as early as January, 2011. GasBuddy also accurately forecasted Thanksgiving Day 2011 prices in August, 2011.

It should be noted that this outlook is not indicative of what will happen, rather what we believe could happen, given specific inputs and different impacts and scenarios on production, supply, and demand.

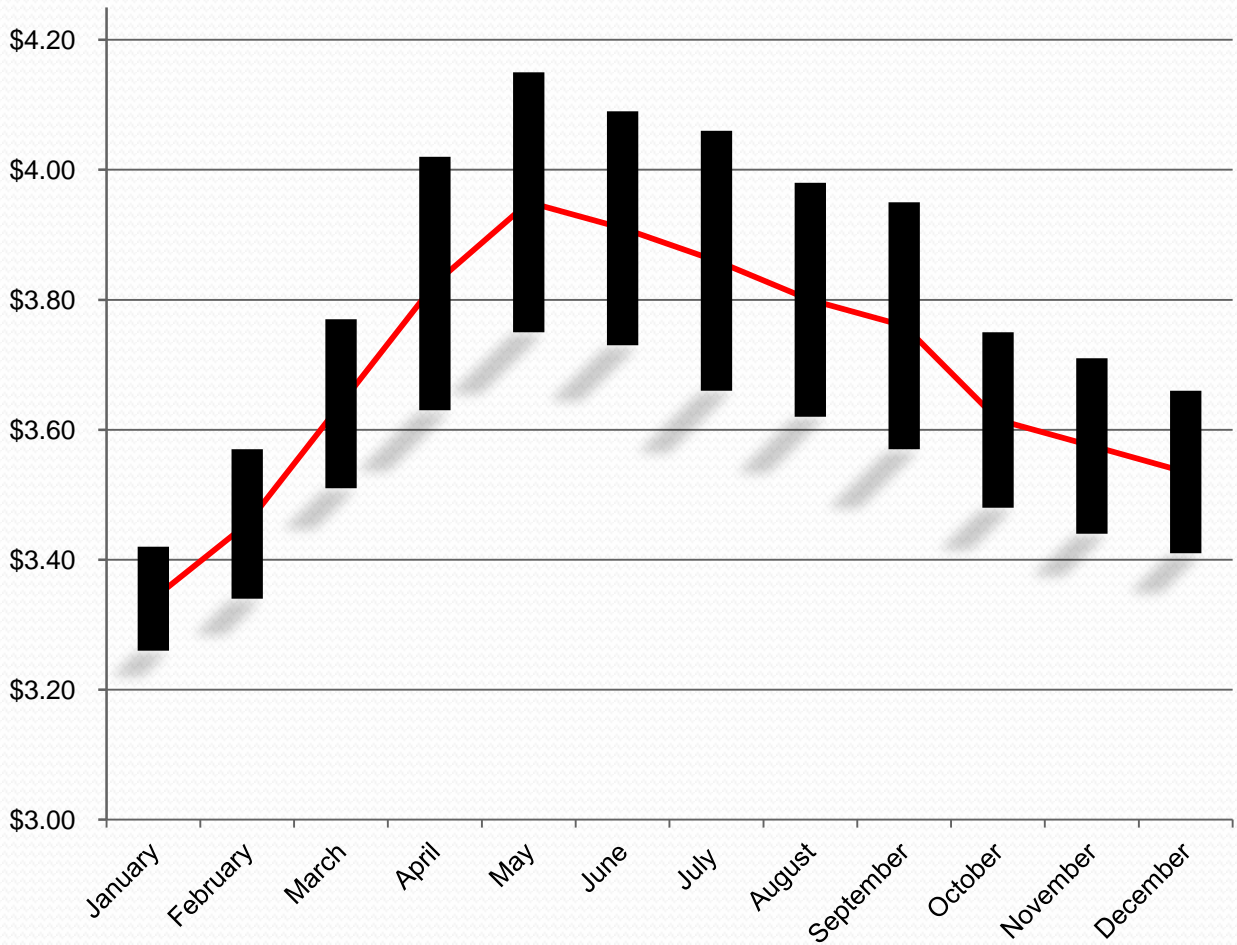
Gasoline markets are complex, and this analysis is intended to take current factors and speculate on how today's events may impact gasoline prices in the future. GasBuddy has worked to make these forecasts as reliable as possible and to be understood by anyone with little or no background on oil and petroleum markets and economics.

# 2012 Forecast (text)

Month	Lowest	Highest	Median
January	\$3.26	\$3.42	<b>\$3.34</b>
February	\$3.34	\$3.57	<b>\$3.46</b>
March	\$3.51	\$3.77	<b>\$3.64</b>
April	\$3.63	\$4.02	<b>\$3.83</b>
May	\$3.75	\$4.15	<b>\$3.95</b>
June	\$3.73	\$4.09	<b>\$3.91</b>
July	\$3.66	\$4.06	<b>\$3.86</b>
August	\$3.62	\$3.98	<b>\$3.80</b>
September	\$3.57	\$3.95	<b>\$3.76</b>
October	\$3.48	\$3.75	<b>\$3.62</b>
November	\$3.44	\$3.71	<b>\$3.58</b>
December	\$3.41	\$3.66	<b>\$3.54</b>

Numbers reflect bottom, top, and median U.S. average for given month

# 2012 Forecast (graph)



Red line represents middle of expected range for each respective month. Black vertical boxes represent expected range for each month.

# 2012 Memorial Day Forecast (Selected Major Cities)

Atlanta	\$4.25-\$4.60**
Boston	\$4.10-\$4.35**
Charlotte	\$4.00-\$4.35**
Chicago	\$4.60-\$4.95**
Columbus	\$4.20-\$4.55**
Dallas	\$3.80-\$4.15**
Denver	\$3.85-\$4.05
Detroit	\$4.15-\$4.50**
Houston	\$3.95-\$4.25**
Indianapolis	\$3.90-\$4.25
Jacksonville	\$3.95-\$4.20**
Los Angeles	\$4.45-\$4.70
Memphis	\$3.95-\$4.30**
Miami	\$4.05-\$4.40**
Minneapolis	\$4.15-\$4.45**
New York City	\$4.30-\$4.55**
Philadelphia	\$4.15-\$4.40**
Phoenix	\$3.90-\$4.20
San Francisco	\$4.50-\$4.85**
Seattle	\$4.40-\$4.65**

Averages expected for regular unleaded gasoline.

\*\* Prices would represent new all time records

# 2012 Forecast Quotes

“While the 2012 outlook isn’t what I’d call rosy, we can look to Europe at their \$6-\$9/gallon gasoline and be happy that we’re still not paying as much as some countries,” said Patrick DeHaan, Senior Petroleum Analyst.

“2012’s Iran situation isn’t 2011’s Libya situation- not by any means- **it’s far worse**. Consumers who think the Iran situation is over-hyped clearly don’t understand the high stakes behind not only the Strait of Hormuz, but behind the Iran’s feud with the West,” said Patrick DeHaan, Senior Petroleum Analyst.

“Motorists who drive a SUV may want to consider calling their banking institution and obtain **a credit limit increase** so they can afford this summer’s fuel expenses,” said Patrick DeHaan, Senior Petroleum Analyst.

“The data in these projections, specifically those price levels that are specific to the top 20 metro markets in the country, illustrate well where fuel price trends can be expected to hit hardest. But more importantly, it offers a narrative that explains these numbers,” said Gregg Laskoski, Senior Petroleum Analyst.



# 2012 Forecast

## Expected Volatility

Volatility is a given for any gasoline price forecast as unpredictable geopolitical issues arise, as well as refinery outages and problems, and weather impacts production of products.

**We can expect extreme volatility** in gasoline prices during 2012, but most notably during the following periods for the following reasons:

**April 15 through May 31:** Refineries begin producing cleaner burning summer gasoline and perform maintenance. Problems typically arise from plant restarts and low supply of mandated blends.

**August 1 through September 15:** Hurricane season has brought significant harm to oil infrastructure in the last decade, and while hurricanes are not guaranteed to impact such facilities, such an event could interrupt notable infrastructure: Louisiana Offshore Oil Port (LOOP), Gulf Coast refineries, Strategic Petroleum Reserve, Offshore oil drilling. The fear of a storm impacts oil prices.

**October 15-November 15:** Winter gasoline phase in will likely lead to some downward direction, but could also result in some volatility surrounding refinery maintenance. This time frame will likely see lower volatility in prices compared to the previous two timeframes listed.

# 2012 Forecast Energy Issues

Issues likely to have a significant impact on gasoline prices:

➤Iran: Continued destabilization of Iran, and perhaps other parts of the Middle East will make a strong impact on gasoline prices. **Continued threats will haunt the market and could drive prices higher. Iran continues to be a major factor that could result in higher gasoline prices in 2012.**

➤**Record gasoline and distillate exports** have kept pressure on domestic prices. As of January, 2012, the Energy Information Administration reports that **distillate exports amount to almost 25% of all domestic production.** Refineries may elect to send material out of the U.S. as margins become slim on gasoline during the cooler months.

➤Keystone XL: **The proposed new pipeline has the potential to shake up prices** in either direction. Taking a cheap source of crude away and subjecting it to international markets will likely mean higher prices for Canadian Sour, a grade of oil used nearly exclusively by Midwest refiners. **Approval could mean higher prices for Canadian Sour crude, thus an increase being passed on to motorists.** It could also result in slimmer margins for refineries that have long enjoyed profitability using the oil.



# About GasBuddy

GasBuddy was founded in 2000 to save motorists money at the pump and has become a leading source of gasoline price data. Pricing data is derived from both its large number of volunteer price spotters and stations that participate by sending pricing data directly to GasBuddy.

Average gasoline prices are continuously updated using new data inputs, and GasBuddy is the only source of near real-time pricing data, 24 hours a day, 7 days a week.

GasBuddy runs over 250 gasoline price-tracking websites covering all of the United States and Canada. In addition, GasBuddy offers free smartphone apps for mobile phone users, and has seen over 20 million downloads since its release for iPhone, Android, Blackberry, and Windows phones. The app has consistently been the top travel app downloaded by smartphone users.



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