



US Market Conditions

June 2022

2022 Lubricant Price Increases

Lubricant Price Increases Announced as of May 13, 2022

Company	Announced	Increase	Effective Date	Announced	Increase	Effective Date
Valvoline	1/4/2022	8% on average	2/1/2022	3/3/2022	up to 20%	4/4/2022
Sinclair Lubricants	2/7/2022	up to 15%	3/1/2022	3/10/2022	up to 15%	4/1/2022
SOPUS (Shell)	2/1/2022	up to 15%	3/1/2022	3/11/2022	up to 25%	4/15/2022
Safety-Kleen	2/23/2022	up to 15%	3/1/2022	n/a		
Phillips 66	2/7/2022	up to 15%	3/7/2022	n/a		
Highline Warren	2/11/2022	up to 15%	3/7/2022	3/14/2022	up to 15%	4/4/2022
Petro-Canada America Lubricants	2/10/2022	up to 15%	3/14/2022	n/a		
Reliance Fluid Technologies	2/11/2022	up to 15%	3/14/2022	n/a		
Nu-Tier Brands/Gulf	2/14/2022	up 15% to 18%	3/14/2022	n/a		
Old World Industries	2/11/2022	up to 15%	3/14/2022	n/a		
Calumet Branded Products (a)	2/18/2022	up to 15%	3/14/2022	n/a		
PennStar Lubricants	2/18/2022	up to 15%	3/14/2022	3/11/2022	up to 18%	3/28/2022
Omni Industries	2/22/2022	up to 15%-b	3/15/2022	n/a		
ExxonMobil	2/4/2022	up to 15%	3/16/2022	n/a		
Warren Oil	2/16/2022	up to 15%	3/16/2022	n/a		
Pinnacle Oil	2/15/2022	up to 15%	3/17/2022	n/a		
Chemlube International	2/17/2022	up to 15%	3/17/2022	n/a		
Pinnacle Oil Holdings	2/17/2022	up to 15%	3/17/2022	n/a		
Advanced Lubrication Specialties	2/16/2022	up to 15%	3/18/2022	n/a		
CAM2 International	2/25/2022	up to 15%	3/21/2022	3/16/2022	up to 15%	4/11/2022
Smitty's Supply	2/25/2022	up to 15%	3/21/2022	3/16/2022	up to 15%	4/11/2022
Chevron	2/24/2022 (Recalled)	up to 15%	3/28/2022	Revised	up to 30%	3/28/2022
BP Lubricants USA	3/1/2022	up to 20%	4/1/2022	n/a		

n/a - Not available. Not known by JW if price increase occurred at this time.

a- Excludes TruFuel® products.

b- Brake fluid and chemicals to increase up to 10%.

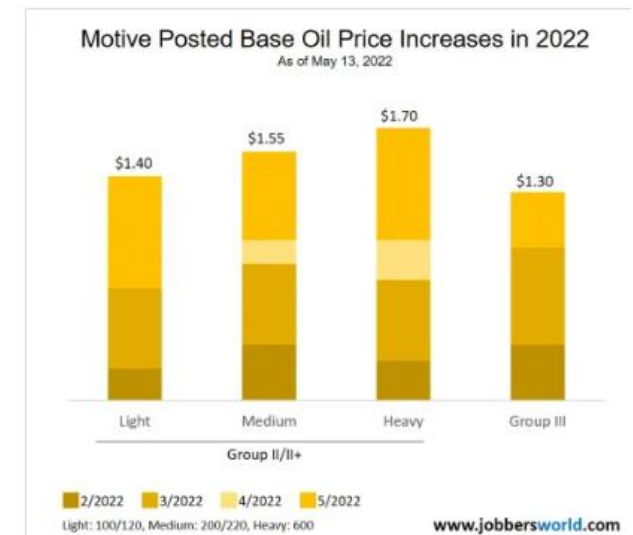
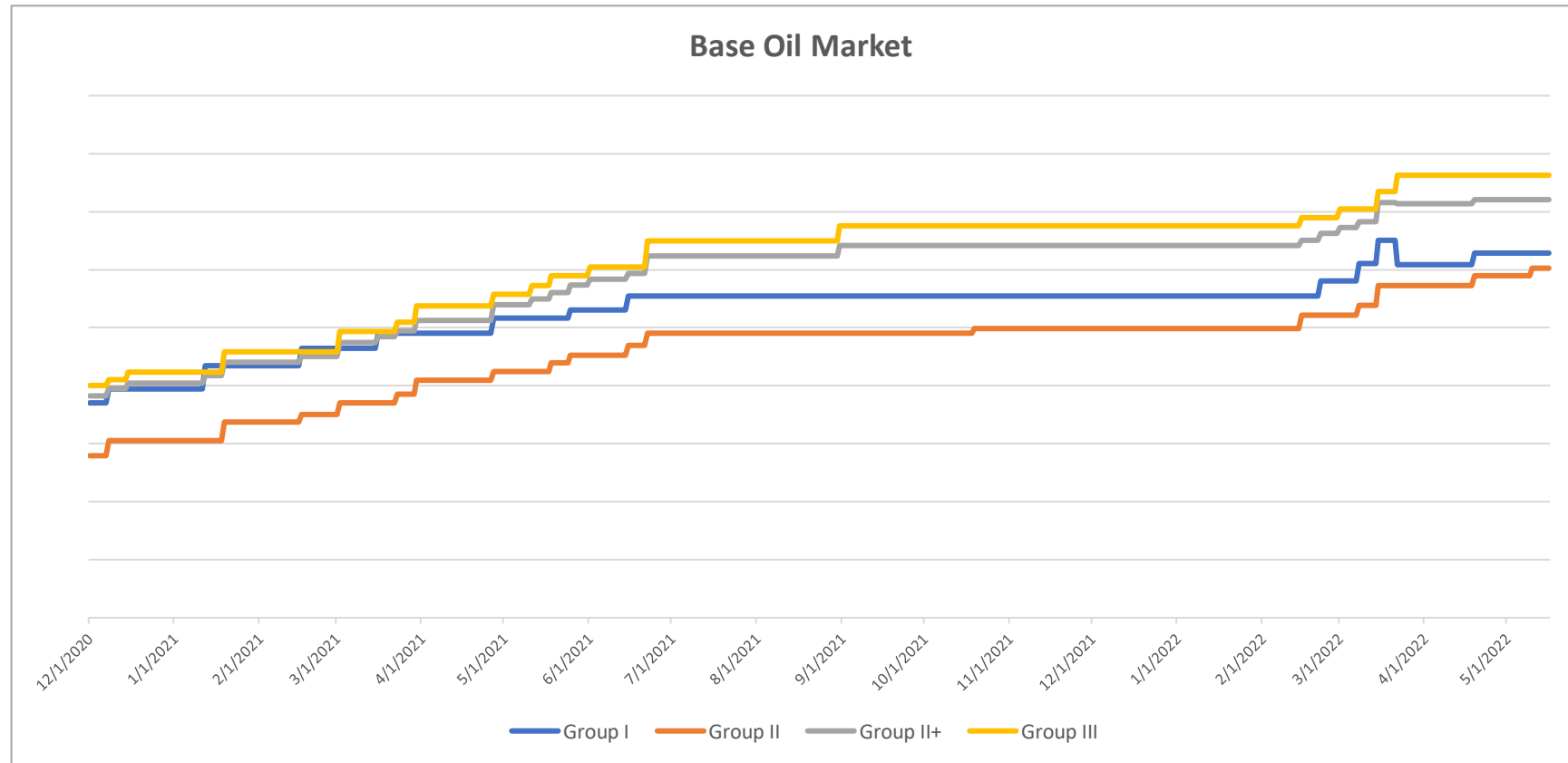
www.jobbersworld.com

Most Recent Price Increase Announcements

- Reliance Fluid Technologies (RFT) will implement a price increase of 8 to 12% effective June 13.
- Chemlube International will implement a price increase up to 8% effective June 1.
- Advanced Lubrication Specialties announced a price increase of 8 to 12% effective June 1.
- Highline Warren revised its May 9th increase from up to 8% effective June 1 to up to 12% effective June 8.

Increases in Base Oil Cost

- There have been 9 base oil price increases since 2021. There have already been 4 base oil price increases in 2022 with the most recent announcement from Motiva effective May 13, 2022.
- Refiners continue to prioritize production of fuels versus base oils per the higher margin opportunity, limiting supply of Gr I and Gr II light grades.
- Other costs affecting blenders are increases in pails, bottles, drums, pallets, and other materials.



- Filters are also experiencing pressure due to surging steel prices as well as non-steel raw materials such as rubber (styrene-butadiene rubber) and resins.

Increases in Lubricant Additives Cost

Lubricant Additives Price Increases

Supplier	Effective Date	Increase	Effective Date	Increase
Infineum	1/31/2022	up to 15%	3/31/202	up to 15%
Afton	2/21/2022	up to 15%	4/15/2022	up to 15%
Lubrizol	4/18/2022	12% (varies in select cases)		

Sources: jobbersworld

There were four lubricant additive increases in 2021 and there have already been two significant additive increases in 2022.

Rising costs impacting the additives market...

- Increasing Raw Material Cost especially Base Oil, Butane, Caustic soda, Sulphur, Benzene, and Propylene, amongst others
- Increasing Freight Costs driven by global oil price surges, geopolitical challenges, infrastructure bottlenecks, tight vessel availability, driver shortages, and rail congestion/tightness
- Increasing Utilities Costs: rising energy costs, resulting in higher costs to manufacture and distribute additives
- Additive Market Shortness: The global additives market continues to be short, resulting in higher prices for additives, and premiums required to secure incremental volumes

Transportation Outlook

TRANSPORTATION MARKET

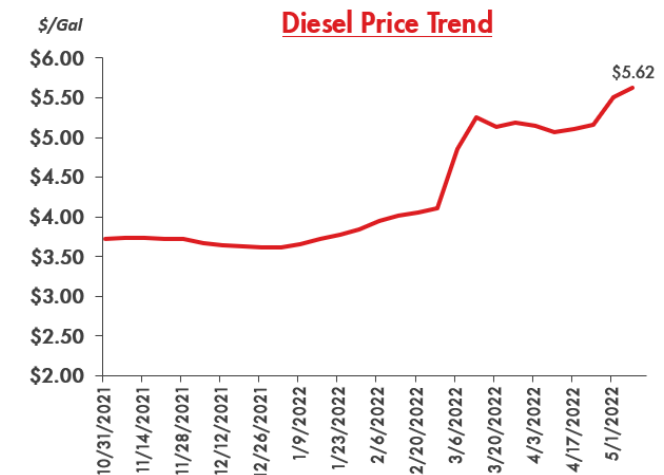
- **Pack (Dry Van):** Most pack transport rate indexes show the market has reached an inflection point where spot rates have dropped and are now inline with contract rates across the US. Capacity is starting to loosen due to several macro-economic factors such as softening consumer demand, inflation, and higher interest rates. This downward pressure on spot pricing has not yet materially impacted contract rates. Contract rates typically lag spot rates by 3-6 months in most cycles. However, this part of the market cycle can still lead to cost and performance improvement for shippers as carriers are no longer as enticed to dedicate assets to spot lanes at higher rates and they migrate back to contracted lanes. This is already being seen in the pack market as the national average tender rejection rate has fallen from 25% to 10%. While the market is loosening nationally, the gulf coast region remains tight (as shown below in the map). Opportunities to negotiate lower contracted rates sourced out of this region will be limited under current conditions.



- **Bulk:** Market conditions are premised to remain tight as they are not connected to the same supply and consumer demand dynamics as pack. Driver and capacity availability continues to pressure rates.

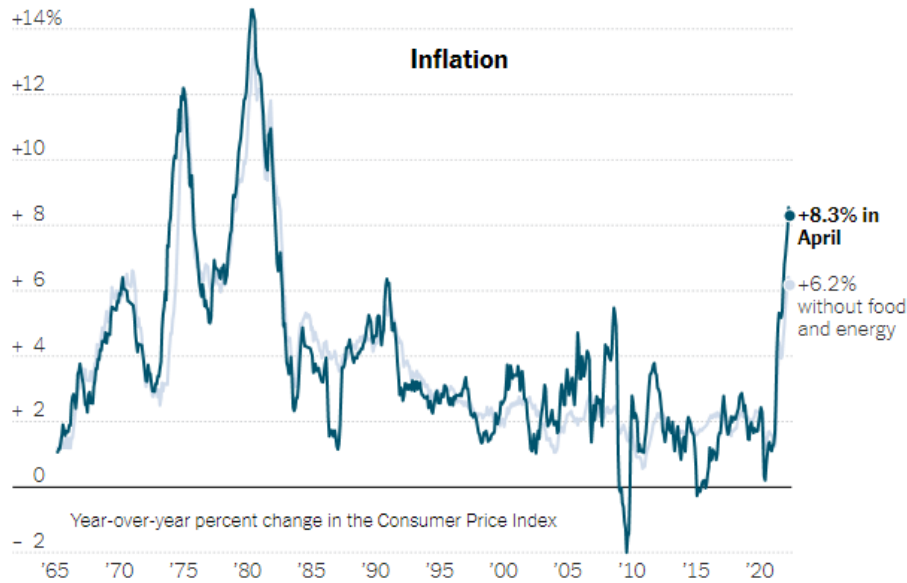
FUEL UPDATE

- **Fuel Surcharge Summary:** The current price of diesel fuel nationally has risen to over \$5.60/gal. This headwind continues to offset linehaul savings on pack transport and drive up the cost structure on bulk. As a reminder, pack transport surcharges are based on mile driven, while bulk is based on the linehaul rate. Since bulk fuel surcharge is calculated against the line haul rate, the fuel burden is even more dramatic for bulk shippers in the current tight market. This compounding effect becomes more prominent when sourcing freight via the spot market and it's contributing factor to bulk CPG increases.



Consumer Price Index

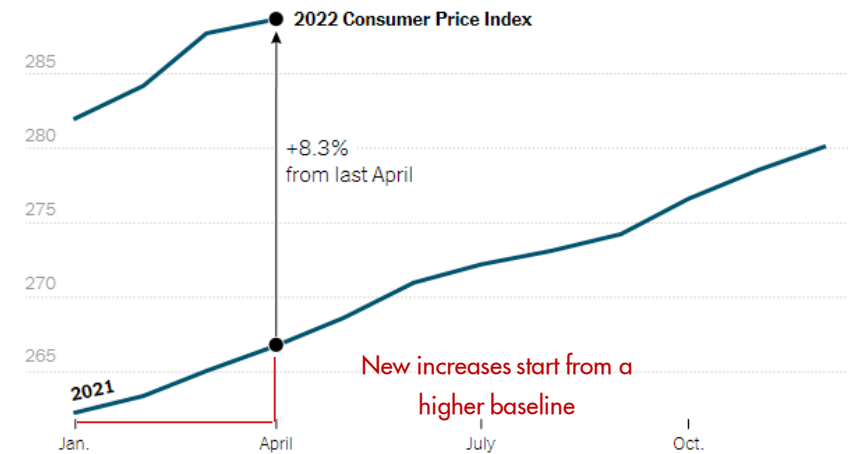
- Consumer price index continues to climb at an uncomfortable rate
- Core inflation went up by 0.6 percent in April versus prior month. A lot higher than the 0.3 percent increase in March. This could be attributed to the increases in airfare as people start to travel after the last wave of coronavirus.



Source: Bureau of Labor Statistics • By Ella Koeze

Inflationary pressures still strong...

- Continue Supply Shortages in commodities, and other important products as a result of China lockdowns and war in Ukraine.
- Car companies struggle to complete vehicles due to shortage of computer chips. New car prices climbed 1.7 percent from prior month.
- Rent increased by 0.6 percent and owned housing climbed by 0.5 percent, up from 0.4 percent from the prior month. Housing costs make up about one third of the overall inflation index.



Notes: C.P.I. of 100 is equal to prices in 1984. • Source: Bureau of Labor Statistics • By Ella Koeze

