

# Control Your Fuel Budget



When it comes to your fuel needs, unpredictable prices and supply issues can derail your fuel budget. **Go with your gut** and start buying better and gain a competitive advantage. Guttman designs a wide selection of fuel pricing programs to minimize risks and help you gain control.

**Go with your gut.  
Go with Guttman.**

## PRICING PROGRAMS

- ▶ **FIXED PRICE PROGRAM** Assures availability of supply at a set price for a set period of time. A good fit for customers with a fixed budget objective.
- ▶ **FIXED PRICE PROGRAM WITH A FLOATING "TRIGGER PRICE"** Assures availability of supply for a set period of time. A fixed differential is locked in vs NYMEX, not the actual price. Your price is not determined until you 'pull the trigger,' at which time the differential is added to the NYMEX price for the benchmark commodity. A good hedge when the NYMEX is in backwardation or when it is believed that NYMEX prices are going to fall.
- ▶ **OPIS INDEX PRICING PROGRAM** Tie your price to the 'going rate' in your market as defined by the Oil Price Information Service (OPIS). You pay a fixed differential over or under the OPIS reference price you establish. This allows for buying as close to the local market price as possible.
- ▶ **PLATTS CASH MARKET INDEX PRICING PROGRAM** Price is indexed to the cash market price in New York, Chicago or the Gulf Coast. You pay the current cash price (as reported by the Platts Pricing Service) plus or minus a fixed differential. This may be the right program if local rack economics are unfavorable.
- ▶ **ARGUS CASH MARKET INDEX PRICING PROGRAM** Price is indexed to New York, Chicago or the Gulf Coast cash market prices. You pay current cash price (as reported by Argus Media) plus or minus a fixed differential. This may be the right program if local rack economics are unfavorable.



## PRICING PROGRAMS (continued)

- **NEW YORK MERCANTILE EXCHANGE INDEX PRICING PROGRAM** Price is indexed to the benchmark commodity in the New York Mercantile Exchange (NYMEX) futures market. You pay a fixed differential over or under the NYMEX price. A good hedge when the NYMEX is in backwardation or when it is believed NYMEX prices are going to fall.
- **IN-TANK FORWARD SALES PROGRAM** Store Guttman inventory in your tank until a predetermined future date. We cover the cost of money during this time. Price is structured using a fixed NYMEX differential for a future month. Trigger the differential at any time to lock in the price. You will own the physical product in your tank. A great hedge for times when supply is historically tight and subject to volatile cash market swings.
- **CAP PROGRAM** Establish a “cap” or maximum price for a specific volume of product and time period. If prices fall, your price will also fall. For this protection against rising prices, there is an up-front premium based on the cap price desired and duration of protection.
- **COLLAR PROGRAM** Establishes a maximum and minimum price for a specific volume of product and time period. The price you pay is always within the agreed-upon price range. There is an up-front premium, but it is generally less than the cap premium.

## CASE STUDY

### *Lock and Cap Prices Protect Budget*

**R**isk management and assured supply are critical challenges when fuel markets continuously ebb and flow. When market-wide demand spikes—like in the cold winter months—fleets often struggle to secure diesel fuel supply.

A transportation fleet of over 200 trucks for a large Mid-Atlantic grocery store chain needed protection from fuel market volatility. Guttman was able to craft a pricing strategy that offered the customer a competitive price that fit within their budget constraints. Based on market dynamics current at the time, Guttman experts recommended a fixed price and cap-collar program and analyzed the market to pinpoint the precise time to lock in a price that was near the historical low point in the market.



## WHY GO WITH GUTTMAN?

### *Experience*

Guttman Energy brings over 85 years of experience in fuel markets and our customers' industries to every single customer interaction. Our supply team has decades of experience at major integrated oil companies and commodity trading houses.

### *Expertise*

Our supply and sales teams work closely with you to help you buy better, leveraging a sophisticated infrastructure of supply points, strategic partnerships and innovative pricing programs.

### *Reliability*

Customers choose—and stay with—Guttman because we deliver. On quality. On safety. On commitments. *On time.*

Discover how Guttman Energy can help you buy better and control your fuel budget. Visit us online to learn more.

[guttmanenergy.com](http://guttmanenergy.com)