



WEEKLY GASOLINE FUNDAMENTAL-PRICE-BASIS OUTLOOK

A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Sunday, January 25, 2015

| Cash Basis Outlook | | | |
|--------------------------|---------|---------------|-------|
| Product | Market | Weeks Forward | |
| | | 1 - 2 | 3 - 6 |
| RBOB | NYH | → | → |
| | Gulf | → | → |
| | W Coast | → | → |
| Conventional | NYH | → | → |
| | Gulf | → | → |
| | Grp III | → | → |
| | Chicago | → | → |
| | W Coast | → | → |
| Gulf Coast Price Outlook | | → | → |

sharply above the historic range. The latest 4-wk average demand was +1 million bpd above last year, driven by higher retail demand and restocking in the downstream supply chain.

Supplies increased +261,000 bpd on the week, driven by higher imports. Stocks were +0.6 million barrels higher on the week, lifting the overall level to a fresh record high for the winter quarter.

Cash basis was sharply higher in Midwest, Gulf and California markets. Only the NYH and Northwest regional markets were unchanged. Basis levels ended the week equal to or, above the mid range of the last 3-yr in in markets East of the Rockies.

Look for basis to extend the recent uptrend on an over supplied NYH cash market, unplanned maintenance in the Midwest, and expanded maintenance in the Gulf region.

RBOB

New York Harbor basis to trend seasonally lower on increased imports and lower winter quarter demand.

Conventional

New York Harbor basis to trade lower on increased imports and lower winter quarter demand.

Chicago basis to trend higher on unplanned maintenance in the region.

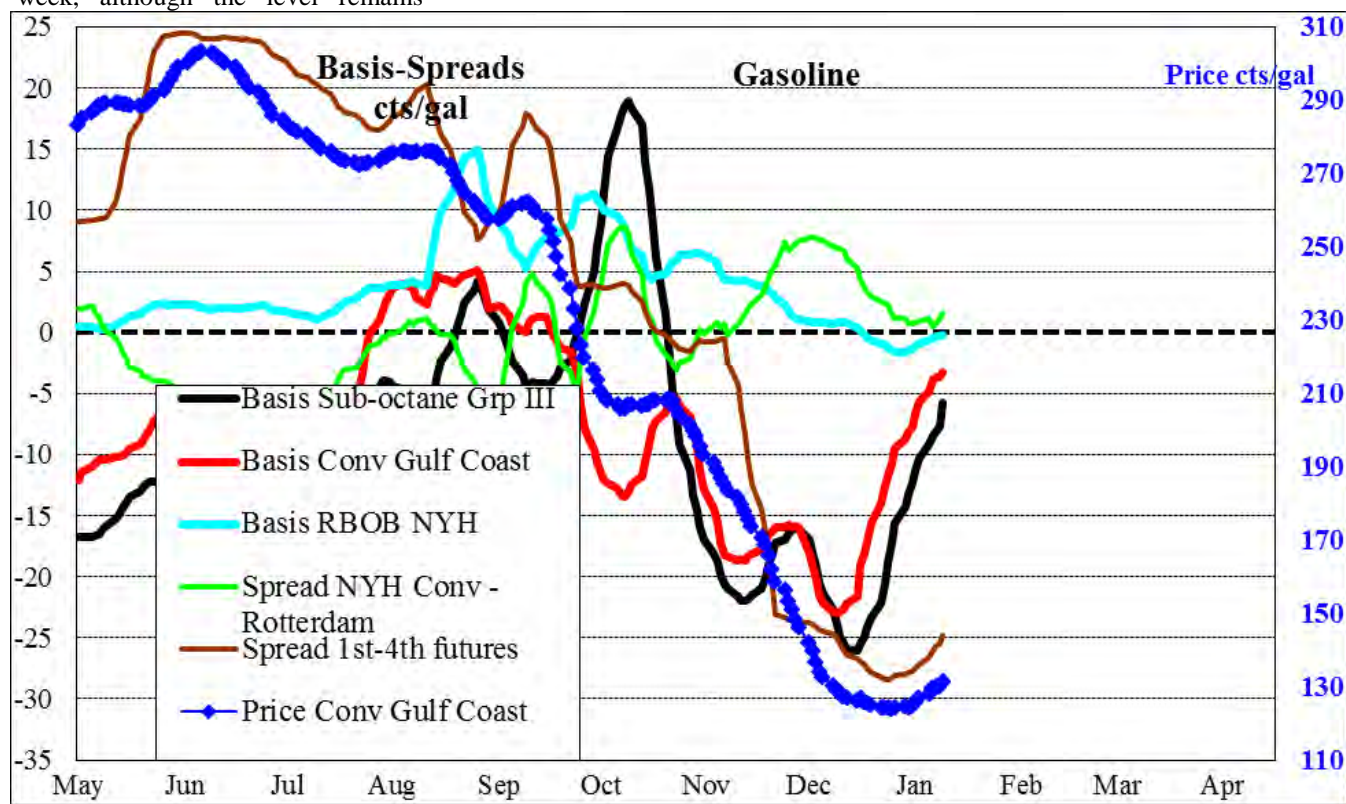
Group III basis to trend higher on unplanned maintenance in the Chicago area and expanded maintenance in the Gulf region.

Gulf Basis to trend higher on expanded winter maintenance.

West Coast (Los Angeles) basis to trend higher on a seasonal decline in production and start of RVP blend down.

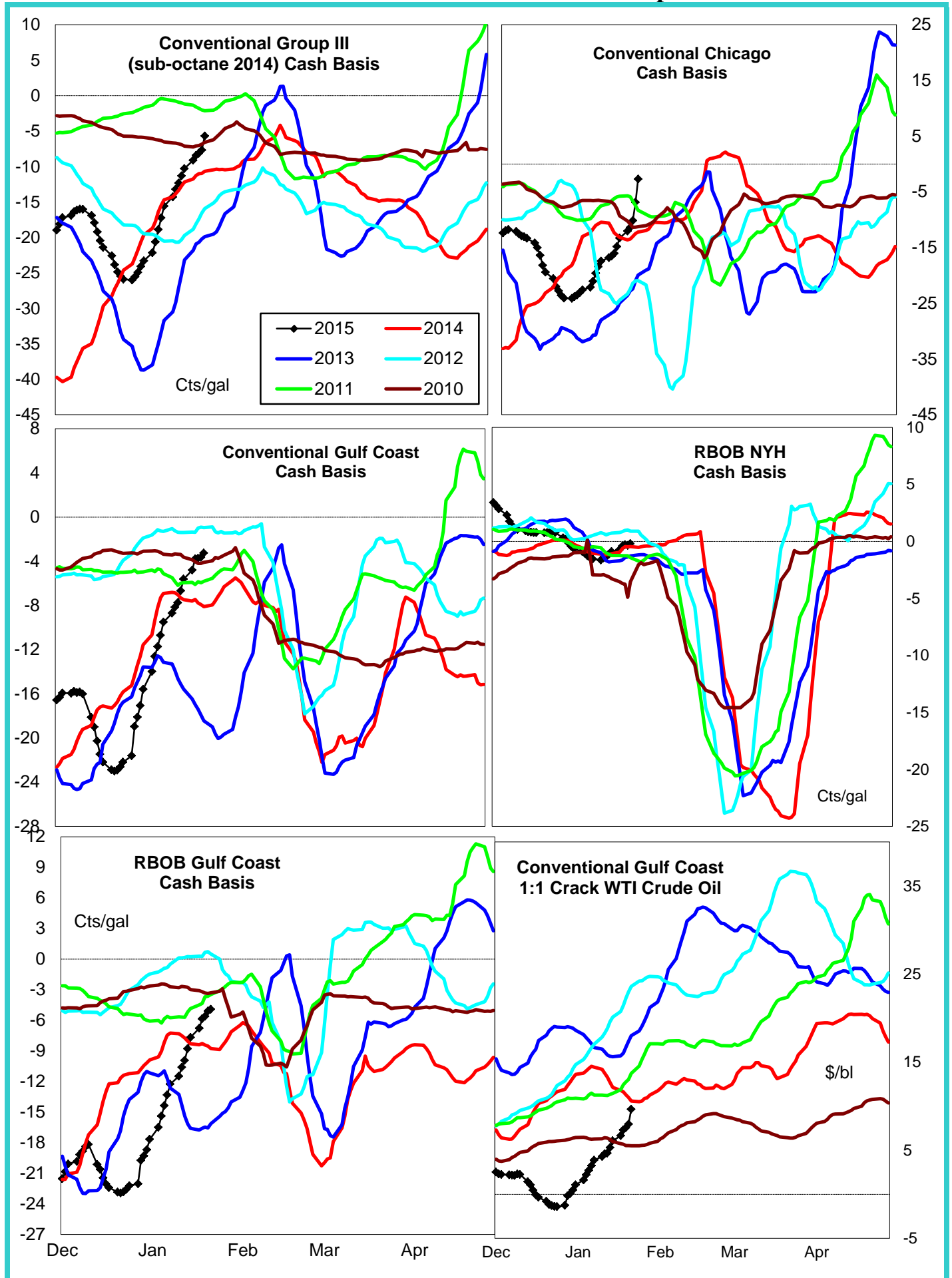
Gulf Coast Price Robust year-on-year growth in wholesale demand, unplanned refinery maintenance in the Midwest and expanded refinery maintenance in the Gulf region should support a spring uptrend in gasoline prices; limited by global over supply of crude oil.

Wholesale demand decreased -24,000 bpd last week, although the level remains

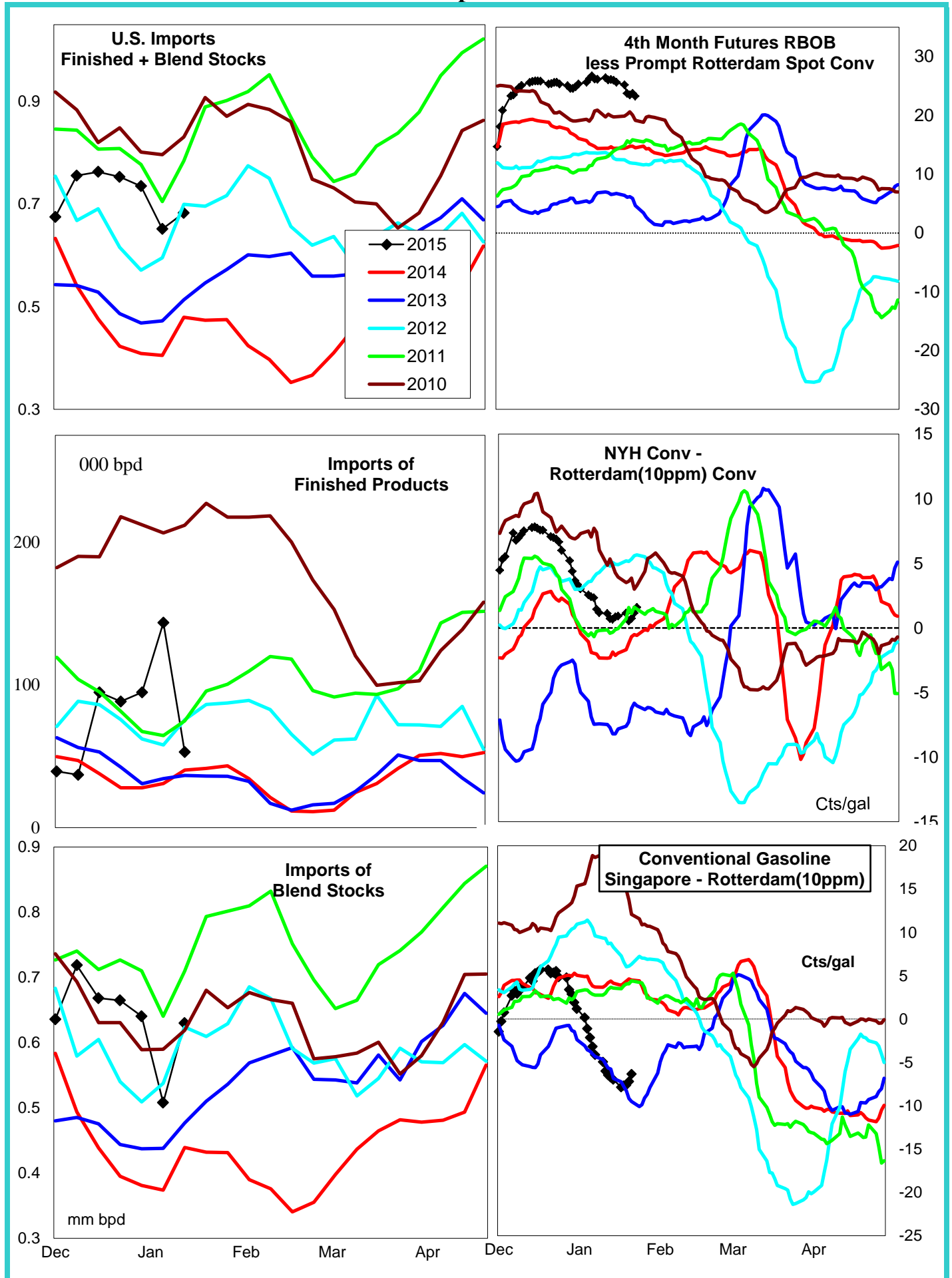


Disclaimer - The information contained on this website and in all its reports reflects the opinion of Fundamental Petroleum Trends. Futures and commodities trading involve significant risk and may not be suitable for every investor. Information contained herein is strictly the opinion of its author and is intended for informational purposes and is not to be construed as a recommendation to sell or buy, or trade in any commodity mentioned herein. Information is obtained from sources believed reliable, but is in no way guaranteed. Opinions, market data and recommendations are subject to change at any time. Past results are not indicative of future results. Charts are developed by Fundamental Petroleum Trends from EIA, NWS, other public data and proprietary models unless otherwise noted and credited.

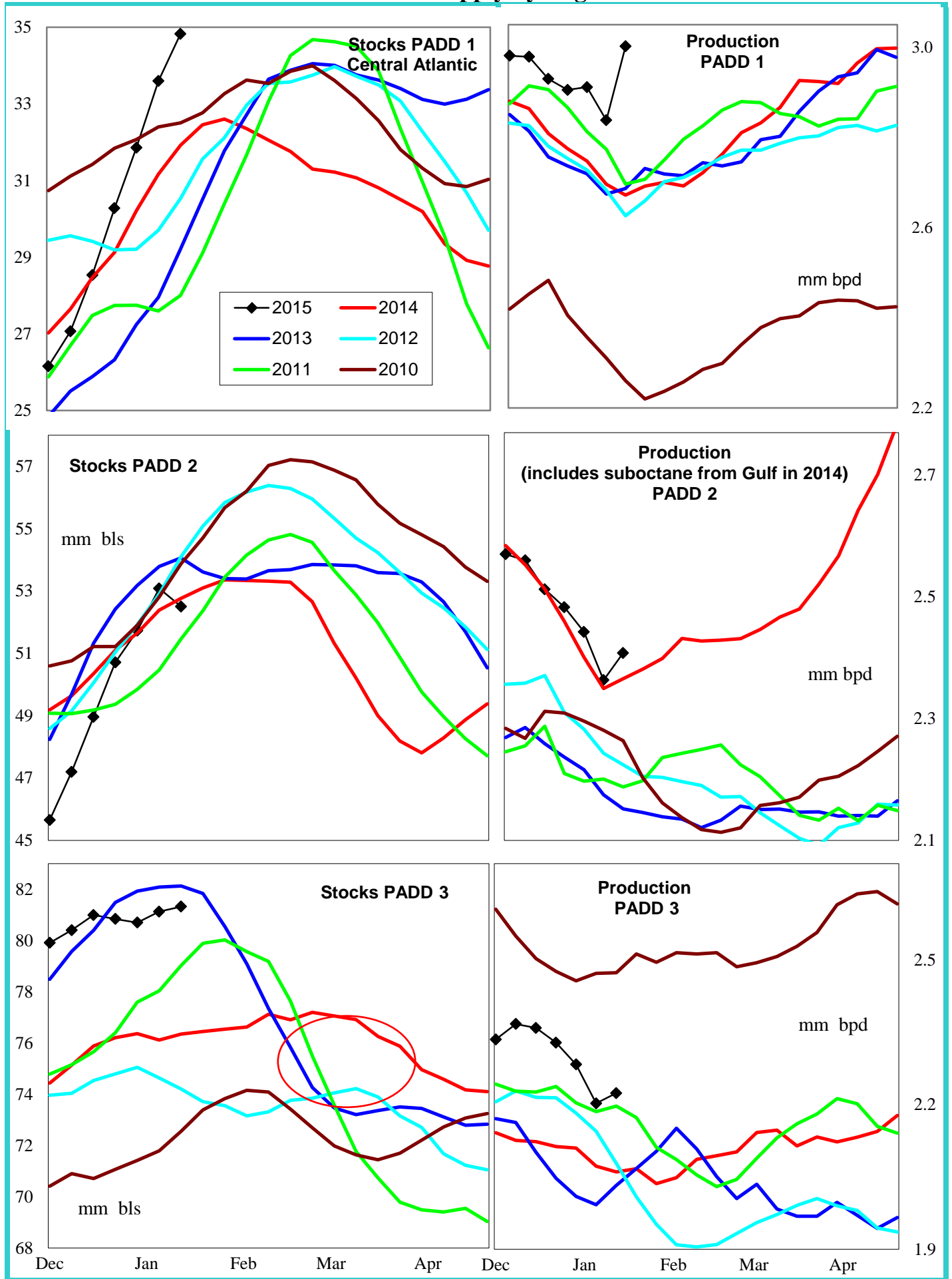
Gasoline Cash Basis and Related Price Spreads

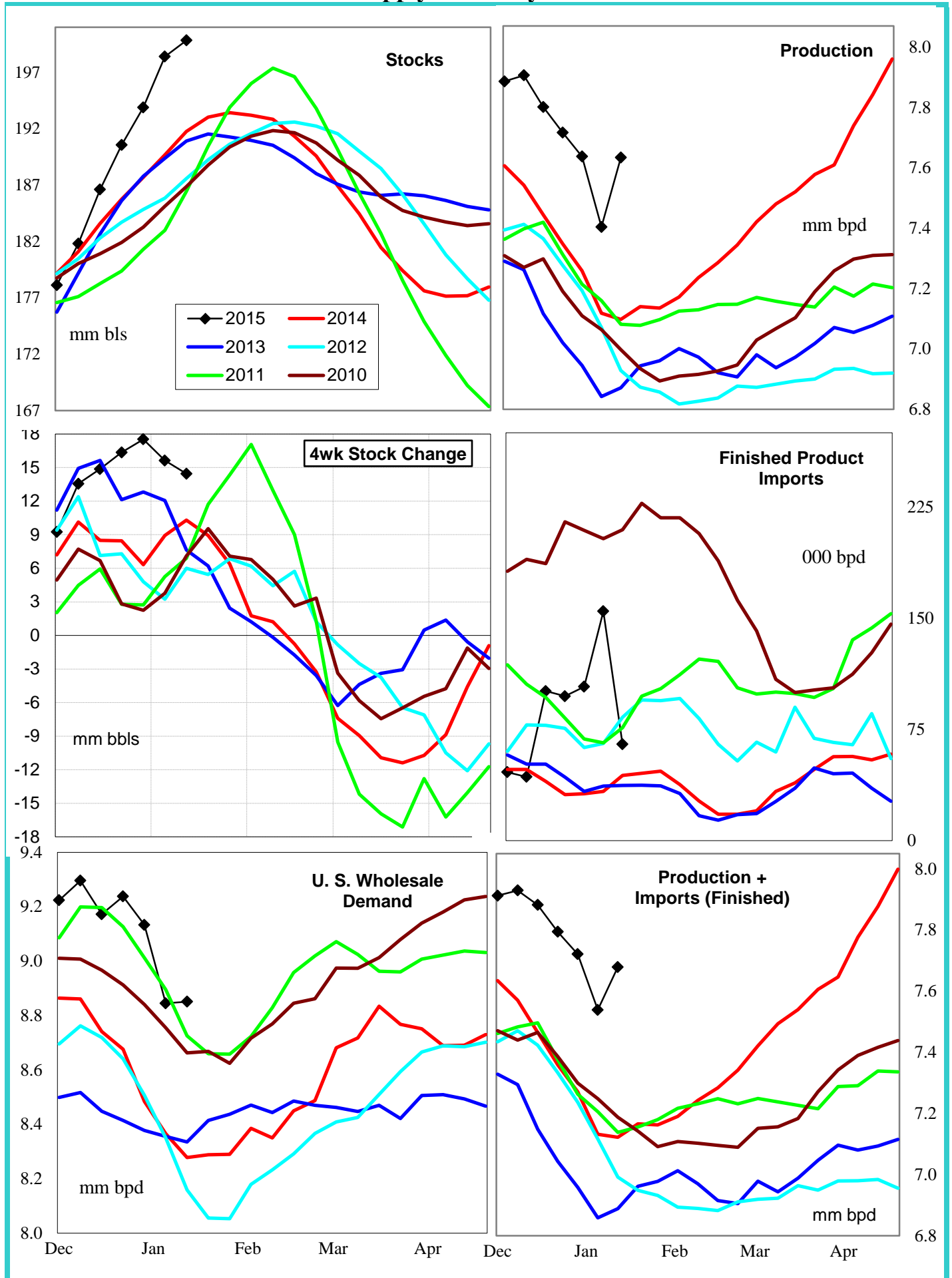


Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3

PADD 5 Gasoline Supply