

WEEKLY GASOLINE FUNDAMENTAL-PRICE-BASIS OUTLOOK

A Fundamental Petroleum Trends Weekly Report

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

Wholesale demand increased +0.3 million bpd last week. The latest 4-wk average

demand was +0.6 million bpd above last year.

Supplies increased +0.4 million bpd on the week, with the most recent 4-wk supply +0.3 million bpd above last year.

Stocks decreased -4.5 million barrels last week, above the average for this time of year. Stocks ended the week +11 million barrels above prior 5-yr highs.

Cash basis trended sharply higher in the Gulf last week on the roll to lower RVP grades.

Cash basis ended the week at levels below the historic range this time of year in California, NYH and the Gulf.

Look for markets with unusually low basis levels to trend higher on the switch to low RVP grades and refinery maintenance.

RBOB

New York Harbor basis to trend higher from unusually low levels.

Chicago basis to trend higher refinery maintenance and roll to summer RVP grades.

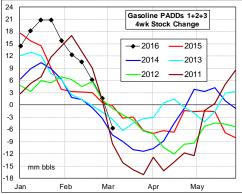
Group III basis to trade sideways at

levels comparable to the average of the last 2-yr on high stock levels.

Gulf Basis to extend the uptrend from low levels on switch to summer RVP grades.

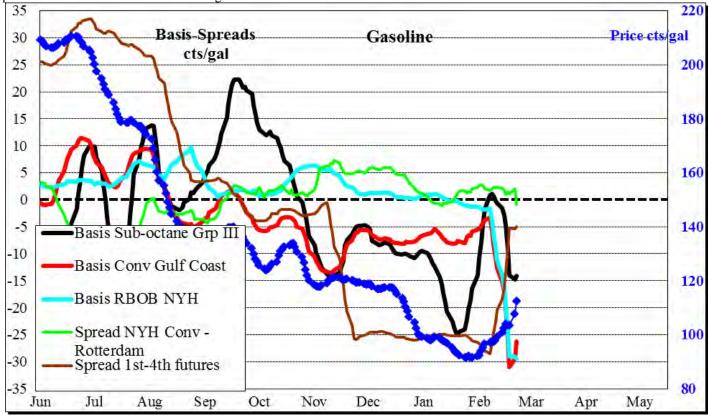
West Coast (Los Angeles) basis to trend higher from very low levels on switch to summer RVP grades.

Gulf Coast Price



The latest 4-wk stock change East of the Rockies was near 3-yr lows for the period.

Robust wholesale demand combined with spring maintenance and higher global oil prices should support an uptrend in gulf gasoline prices.



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www.fundamentalpetroleumtrends.com 03/09/2016 **Gasoline Cash Basis and Related Price Spreads** 25 **Conventional Chicago** 30 **Group III** 20 **Cash Basis** (sub-octane 2014) Cash Basis 15 -2016 2015 20 10 2013 2014 2011 2012 10 5 0 0 -5 -10 -10 -15 -20 -20 -25 -30 -30 Cts/gal -35 8 -40 10 **RBOB NYH Conventional Gulf Coast** 4 **Cash Basis** 5 **Cash Basis** 0 0 -4 -5 -12 -10 -16 -15 -20 -20 -24 -25 -28 Cts/gal -32₂ -30 40 **RBOB Gulf Coast Conventional Gulf Coast** 9 **Cash Basis** 1:1 Crack WTI Crude Oil 6 35 3 0 30 -3 -6 25 -9 -12 20 -15 -18 15 -21 -24 10 -27

Mar

Apr

-30

-33

-36

Jan

Cts/gal

Feb

May

Jan

Feb

Mar

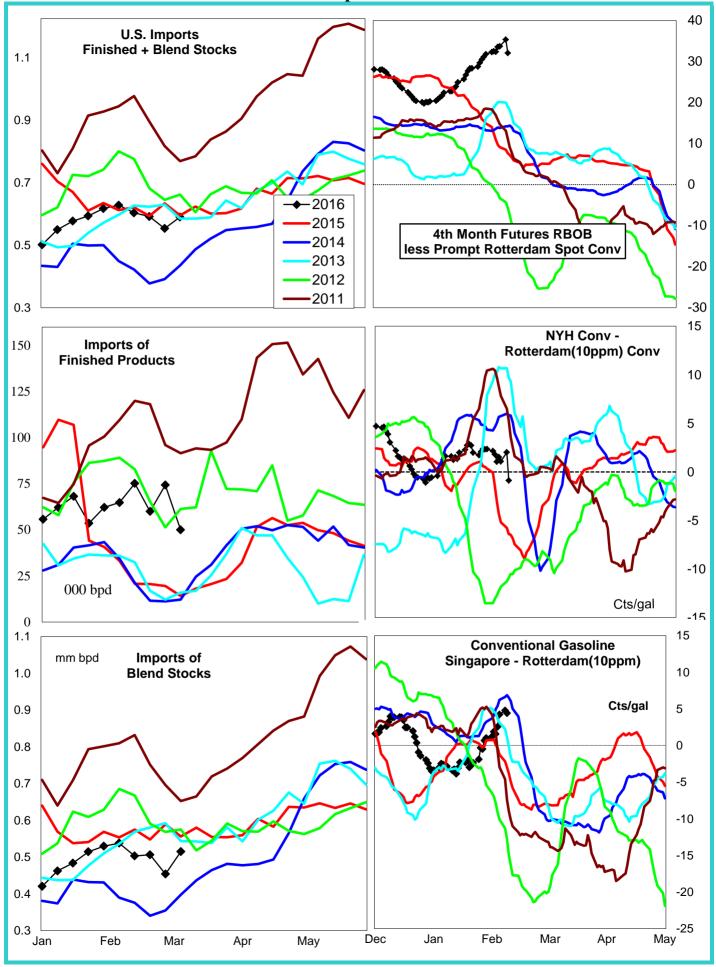
Apr

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May

5

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03/09/2016 **Gasoline Supply by Region Production** Stocks PADD 1 PADD 1 **Central Atlantic** 37 35 3.0 33 31 2.8 29 2016 2015 2014 2013 27 2012 2011 mm bpd 2.6 25 **Production PADD 2** 2.8 Stocks PADD 2 61 (includes suboctane from Gulf after 2013) 59 2.6 57 55 2.4 53 mm bpd 51 mm bls 2.2 49 2.0 47 **Production** 84 Stocks PADD 3 PADD 3 2.3 82 80 2.2 78 76 2.1 mm bpd 74 72 2.0 70

Mar

Apr

mm bls

Feb

68

Jan

Jan

Feb

Mar

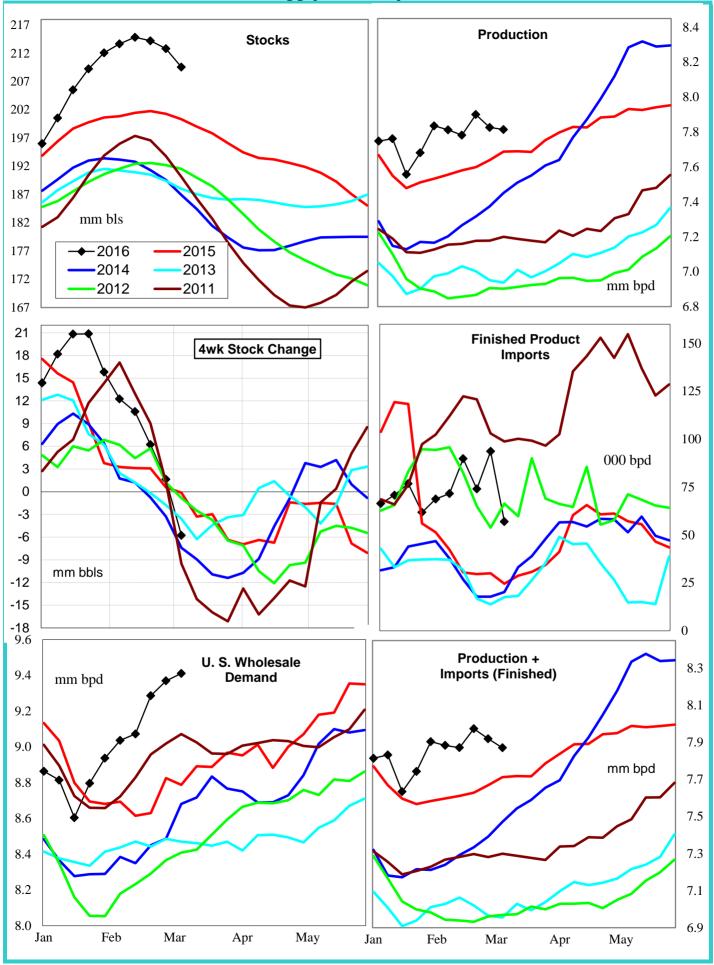
Apr

May

May

1.9

Gasoline Supply Summary PADDs 1+2+3



PADD 5 Gasoline Supply

