

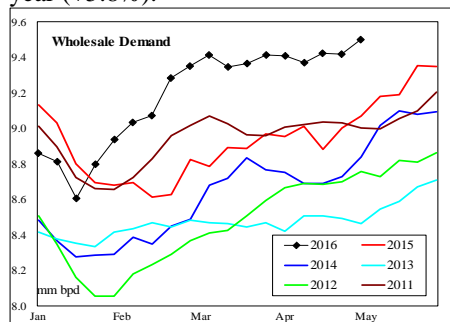
WEEKLY GASOLINE FUNDAMENTAL-PRICE-BASIS OUTLOOK

A Fundamental Petroleum Trends Weekly Report

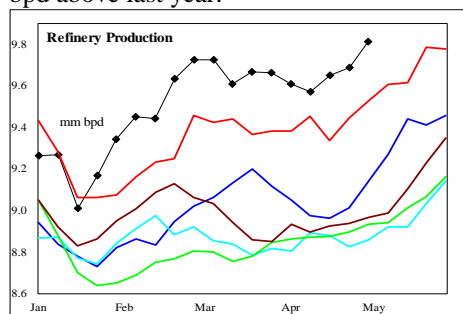
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Wednesday, May 04, 2016

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

Wholesale demand increased +0.2 million bpd last week, to a level well above the prior 5-yrs. The latest 4-wk average demand was +0.5 million bpd above last year (+5.8%).



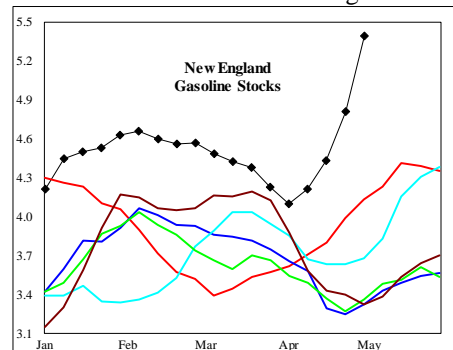
Supply increased +0.35 million bpd on the week. The latest 4-wk supply 0.36 million bpd above last year.



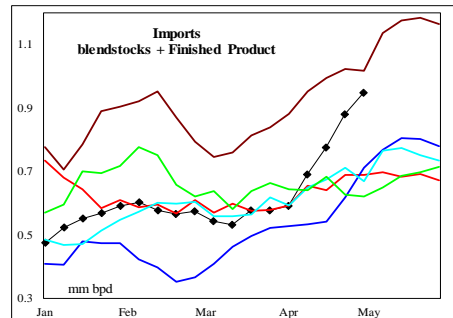
Stocks saw the 2nd consecutive weekly

counter seasonal build, increasing +0.5 million barrels on the week, driven by near record imports. Stocks ended the week +13.9 million barrels above prior 5-yr highs.

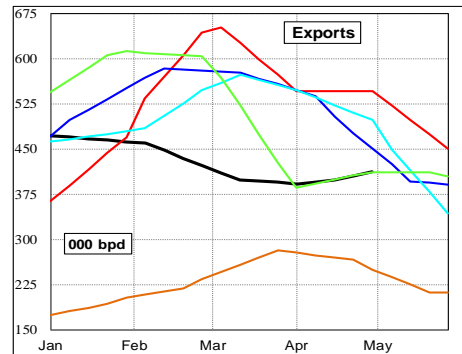
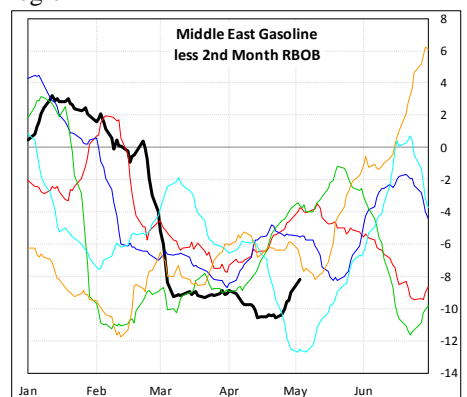
The high stock levels included a +2.4 million barrel build on the East Coast where stocks in the New England region climbed to an all time record high.



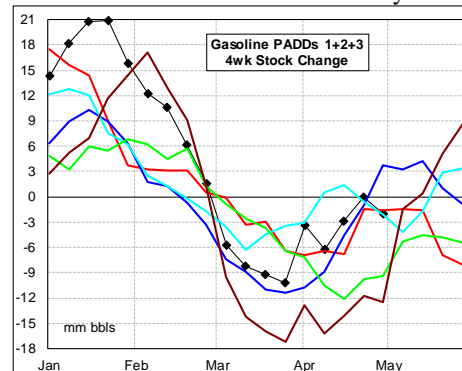
Imports increased +48,000 bpd on the week, contributing to the counter seasonal stock build.



Gasoline basis in Asian and Middle East markets trended higher last week, but remain at the low end of the historic range, pointing to oversupply in the Pacific region



Exports for the week ending 22Apr16 were 413,000 bpd, down -134,000 bpd from a year ago. Sharply lower exports have contributed to supply to meet the increase in domestic wholesale demand this year.



The latest 4-wk stock draw in markets East of the Rockies matched the 3-yr mid range.

Cash Basis and Refining Trends

New York Harbor basis to trade sideways on very high stock levels.

Chicago basis to trend higher in the near term on the run up to Memorial weekend.

Group III basis to trend modestly higher on increased seasonal demand, limited by high stock levels.

Gulf Basis to extend the uptrend from earlier lows, limited by very high stocks.

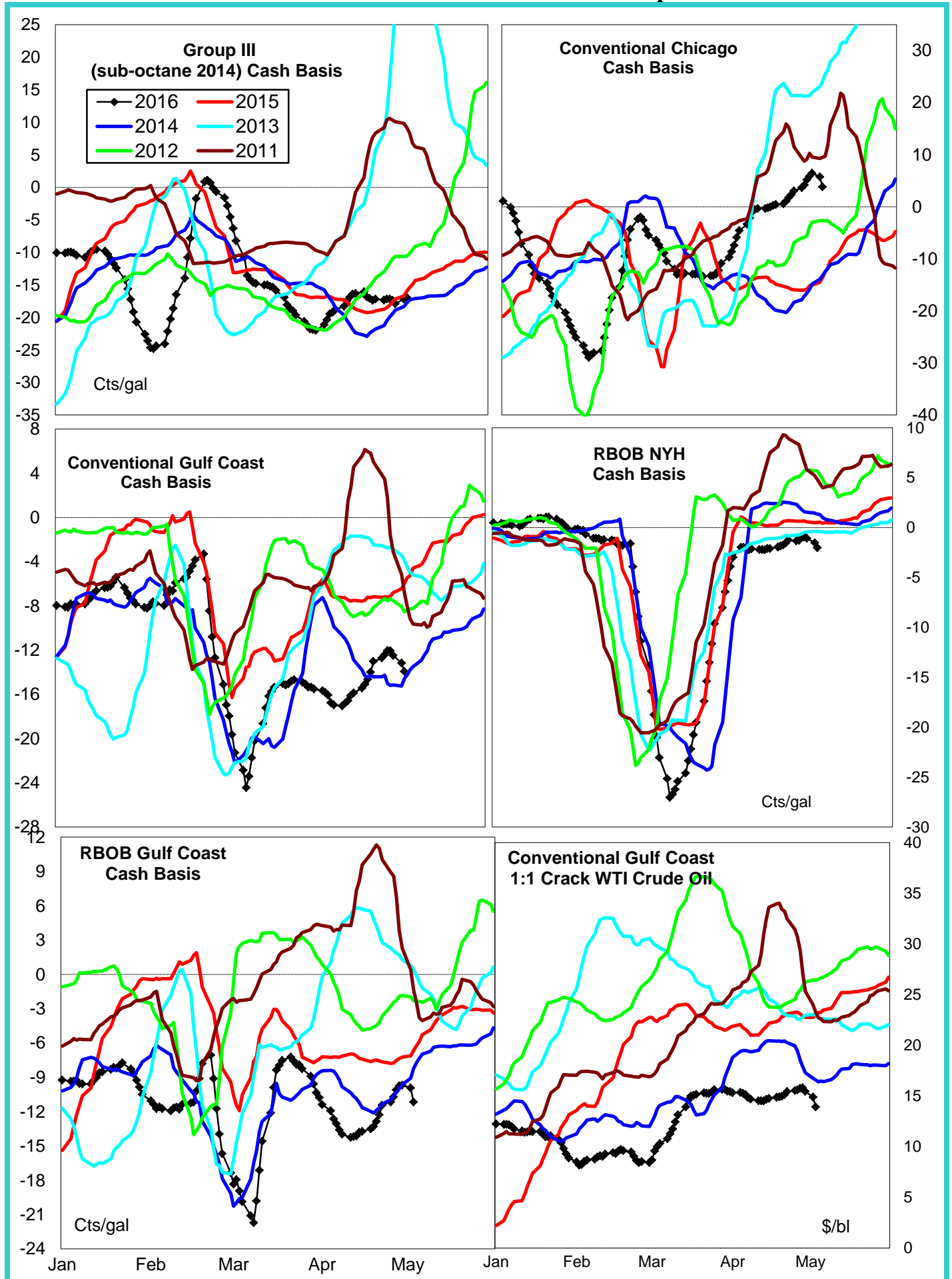
West Coast (Los Angeles) basis trend higher on higher seasonal demand, limited by very high stocks.

Gulf Coast Price

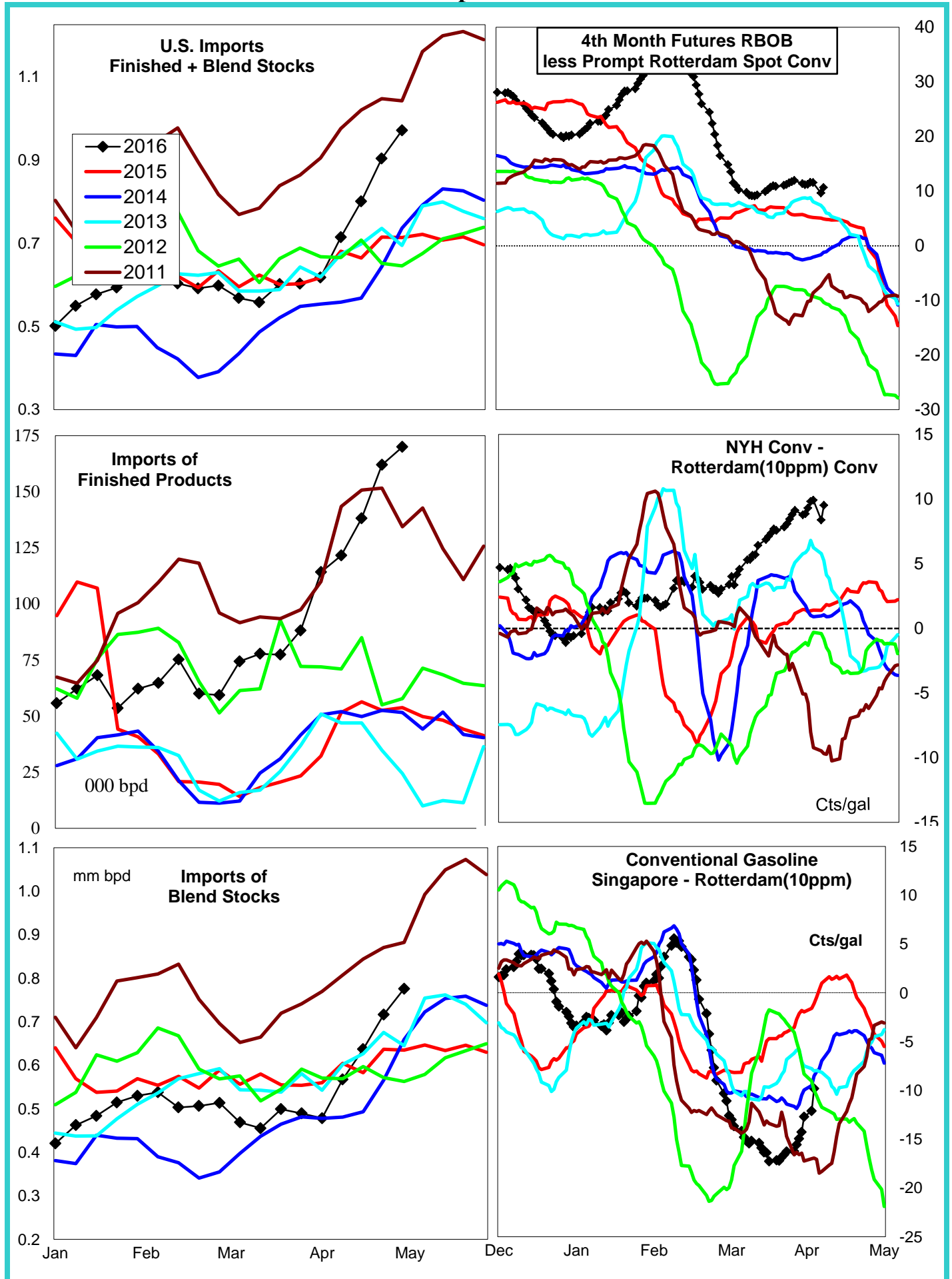
Robust wholesale demand is being offset by very high production and imports that has led to over supply in markets East of the Rockies. As Midwest refiners return to operation and marketers see ample supplies in the run up to Memorial weekend, further price weakness is likely.

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.

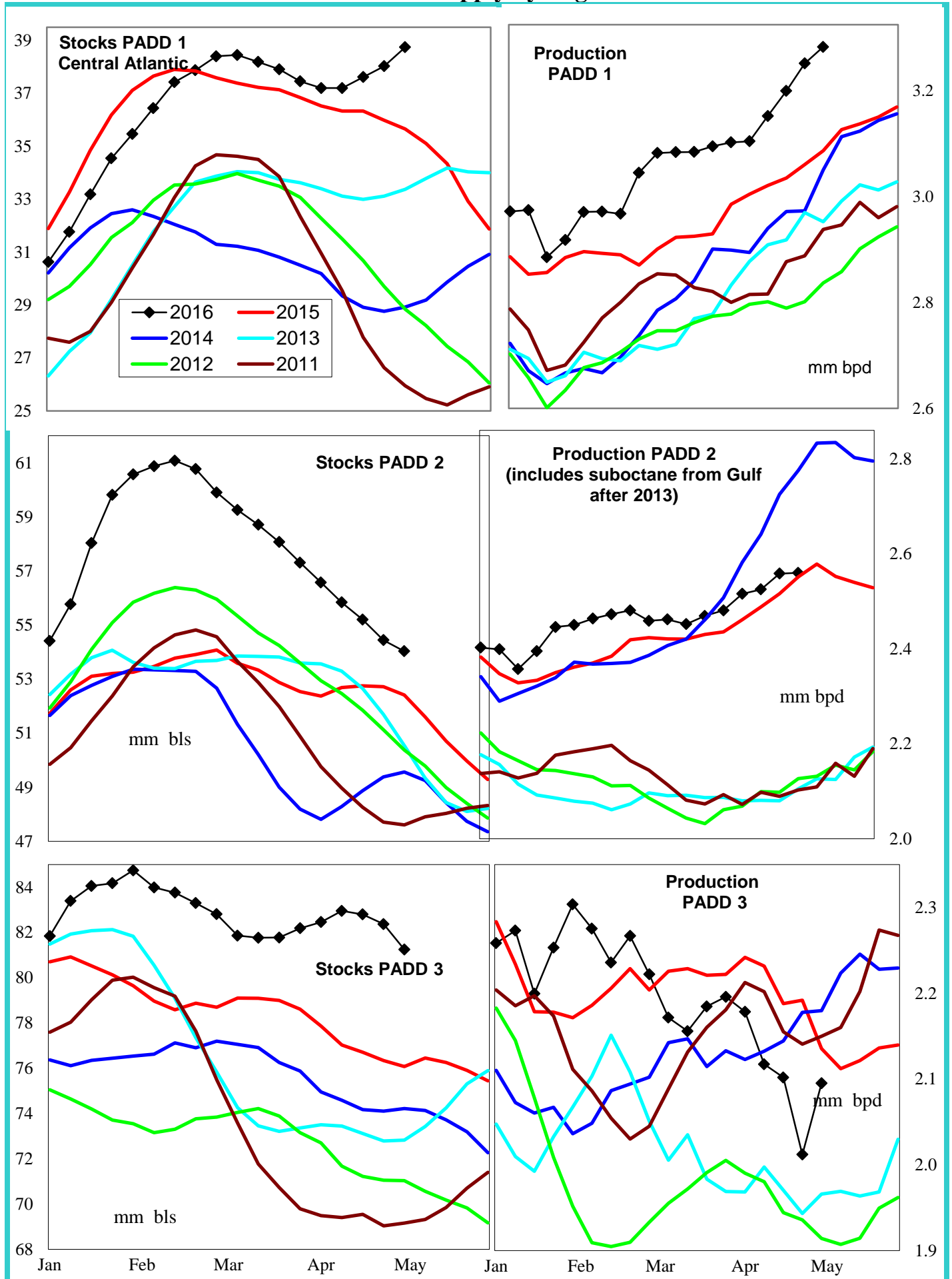
Gasoline Cash Basis and Related Price Spreads



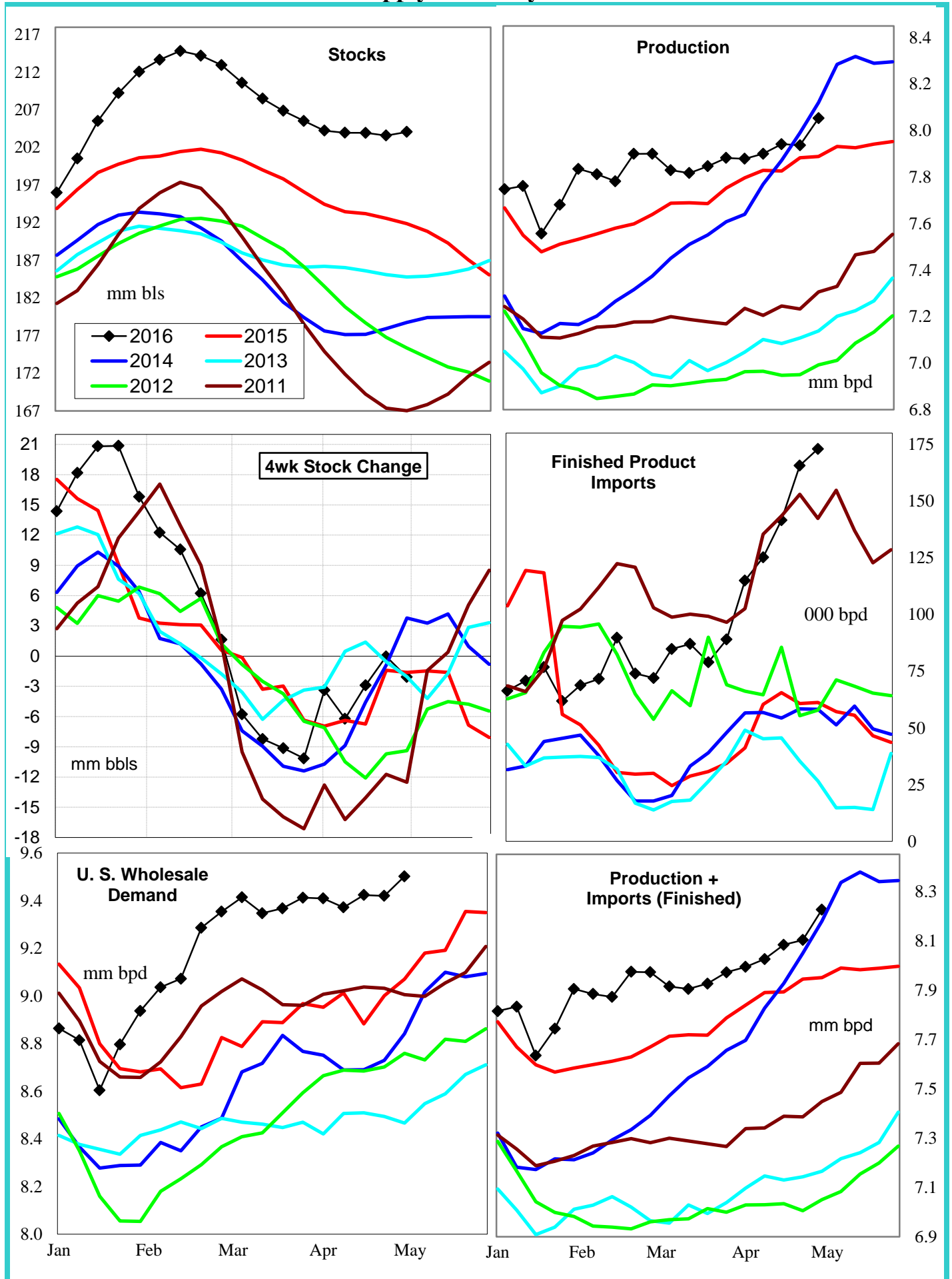
Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3



PADD 5 Gasoline Supply

