FUNDAMENTAL PETROLEUM TRENDS

WEEKLY GASOLINE FUNDAMENTAL-PRICE-BASIS OUTLOOK

A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Monday, May 18, 2015

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

Wholesale demand increased +416,000 bpd, last week, to a level above the historic range. The latest 4-wk average demand was +265,000 bpd above last year, a +3% increase.

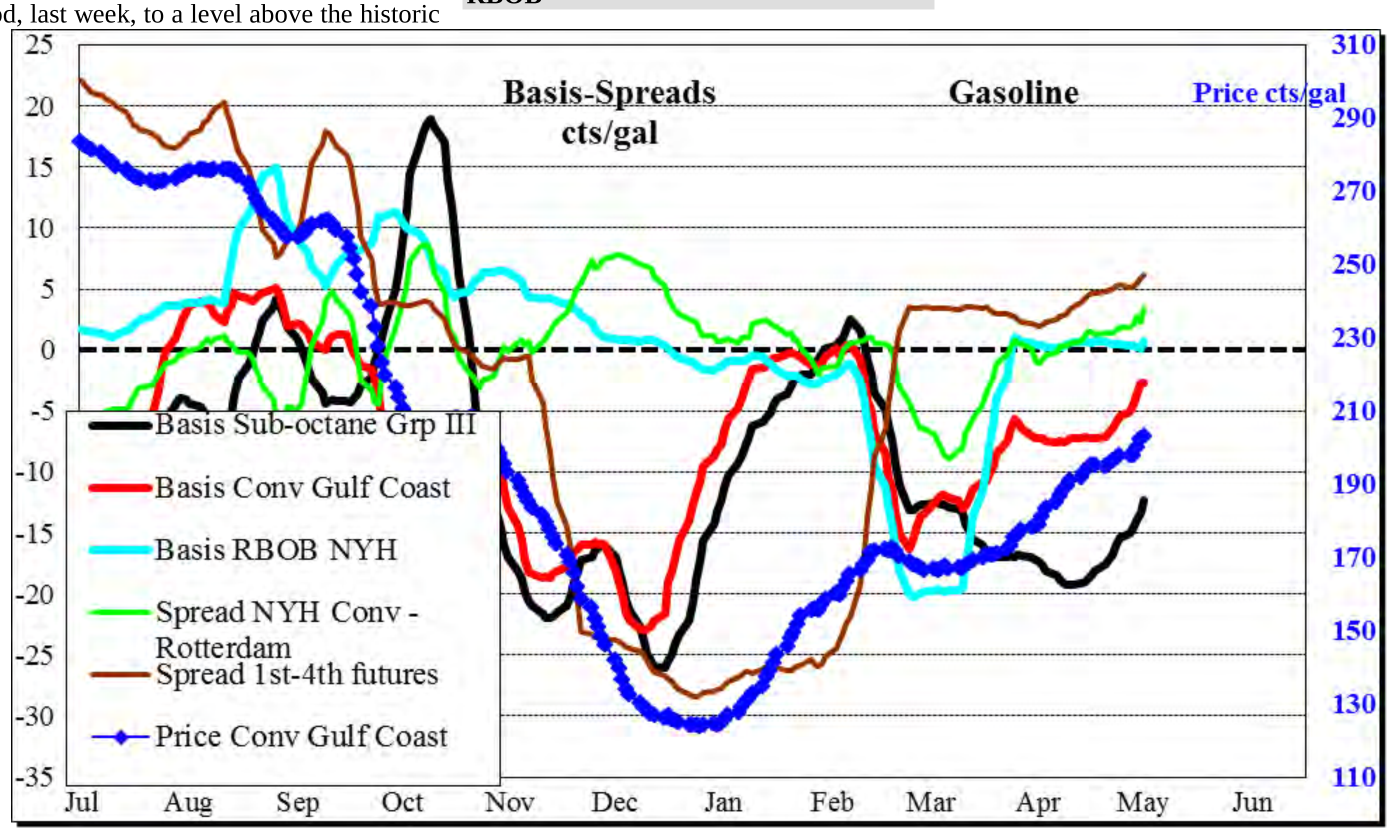
Supplies increased +0.7 million bpd last week, on higher production and imports. Supply for the most recent 4-wks was +0.5 million bpd above last year. Stocks decreased -1.1 million barrels on the week, with the draw concentrated on the East Coast and Midwest. Stock levels ended the week equal to or higher than the 5-yr range in all markets East of the Rockies. Extended maintenance on the ExxonMobil FCCU and lower imports has supported record cash basis in California.

Cash basis trended higher last week in all regional markets, other than NYH, on higher seasonal demand, and a very well supplied Central Atlantic Region.

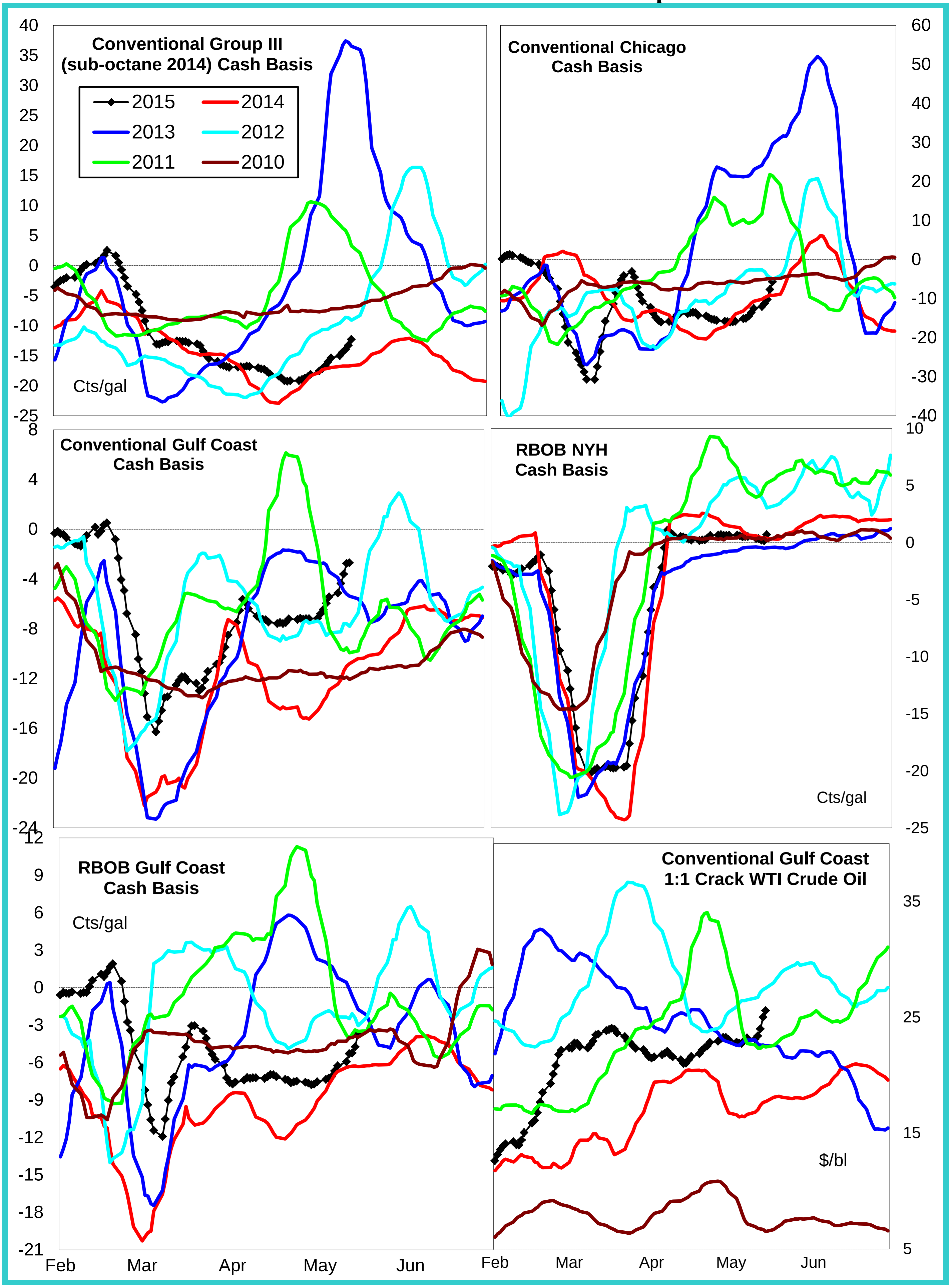
Look for basis to trend modestly higher in Midwest and Gulf markets on a seasonal increase in demand. West coast basis should collapse on arrival of import cargos.

RBOB

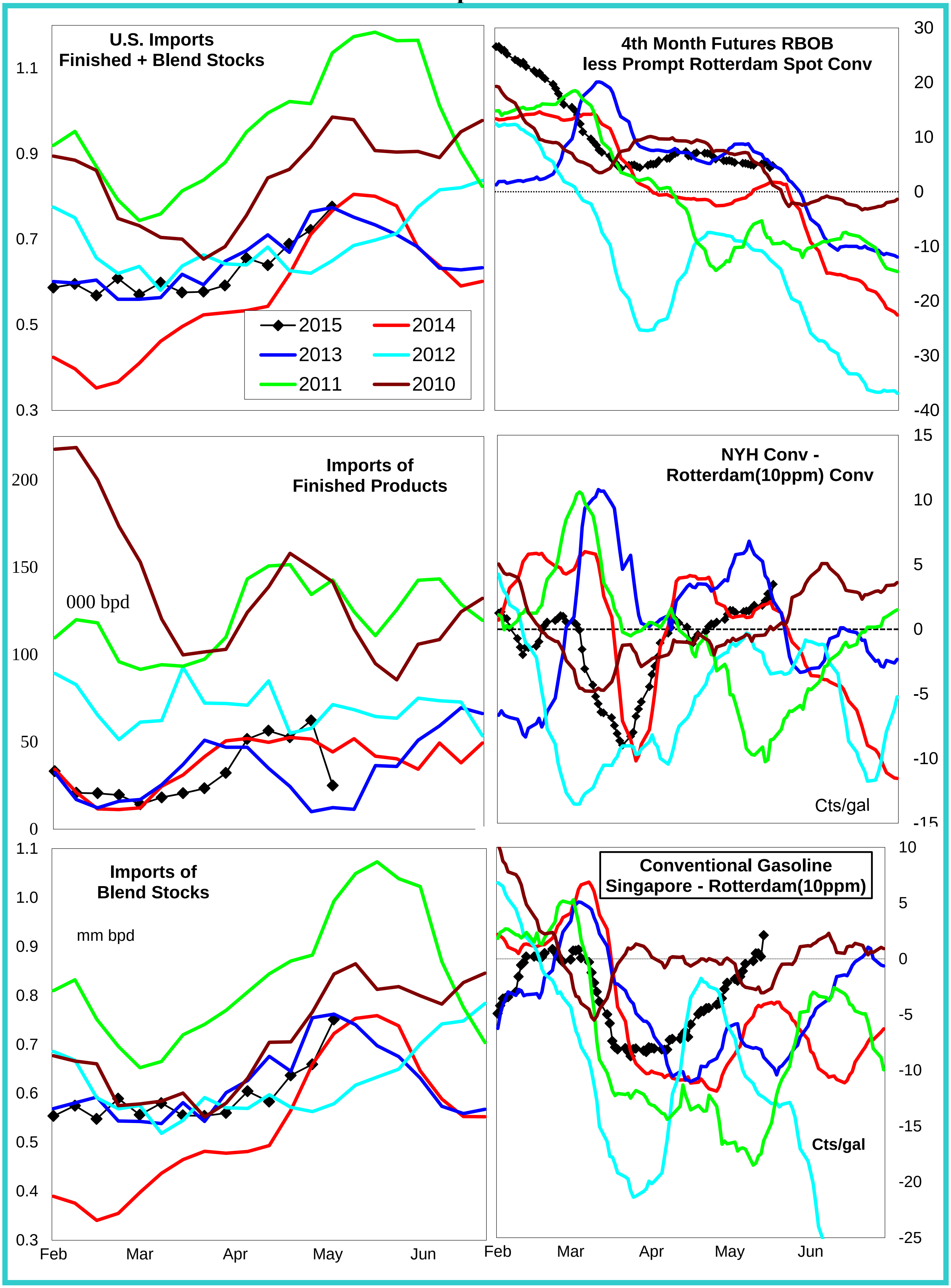
New York Harbor basis to trade sideways on high stock levels and production.
Chicago basis to trend higher on increased seasonal demand.
Group III basis to trend higher on increased seasonal demand.
Gulf Basis to trend higher on increased seasonal demand and a well supplied Central Atlantic Region.
West Coast (Los Angeles) basis to pull back on arrival of import cargos. Basis should trade at elevated levels on extended maintenance on the ExxonMobil FCCU.
Gulf Coast Price Look for wholesale prices to trend higher on a rebound in year-on-year growth in wholesale demand and Middle East tension driving global crude oil prices. Very high stock levels risk a price pull back in the 2nd half of the spring quarter as refiners operate at maximum output.



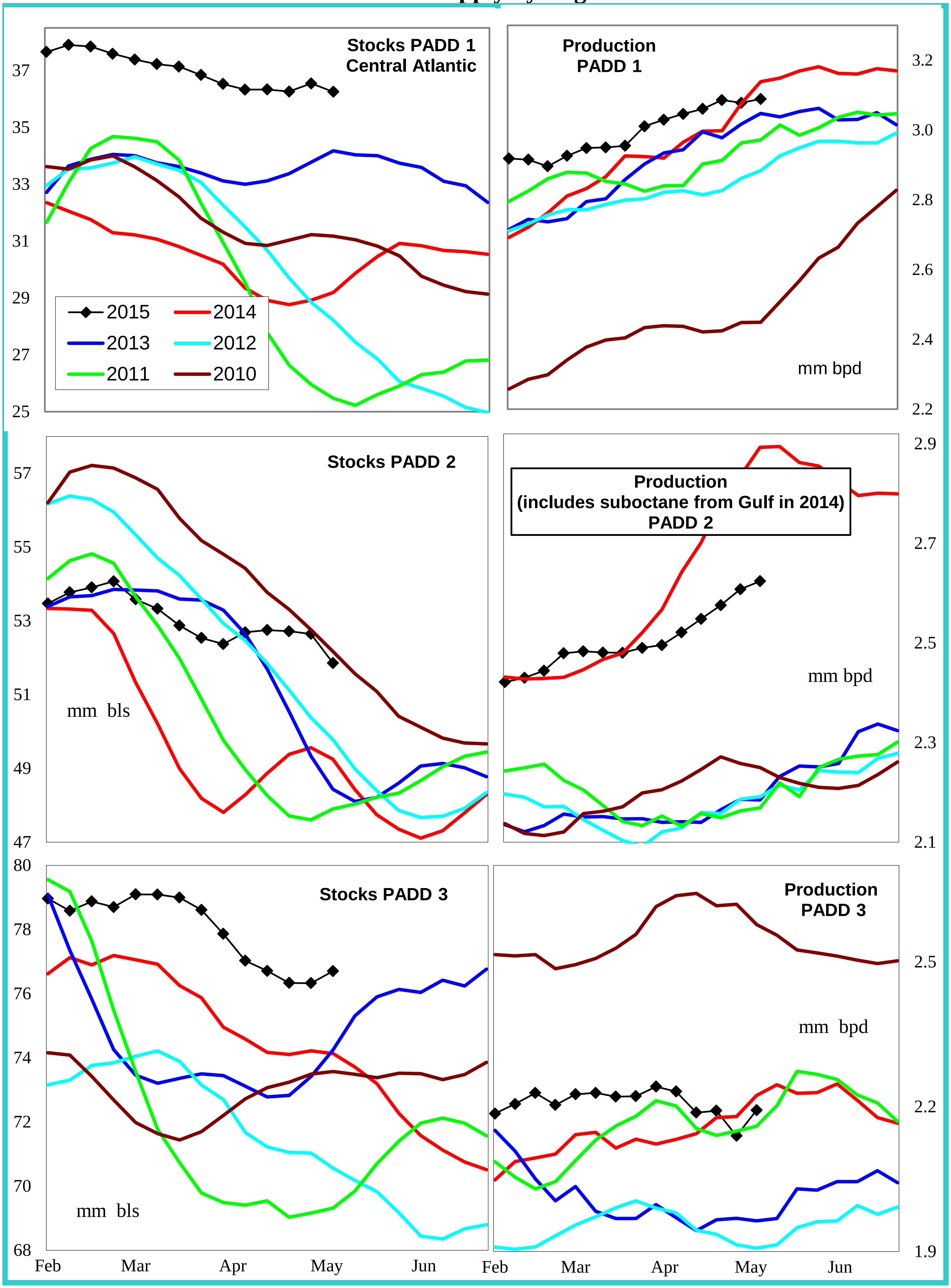
Gasoline Cash Basis and Related Price Spreads



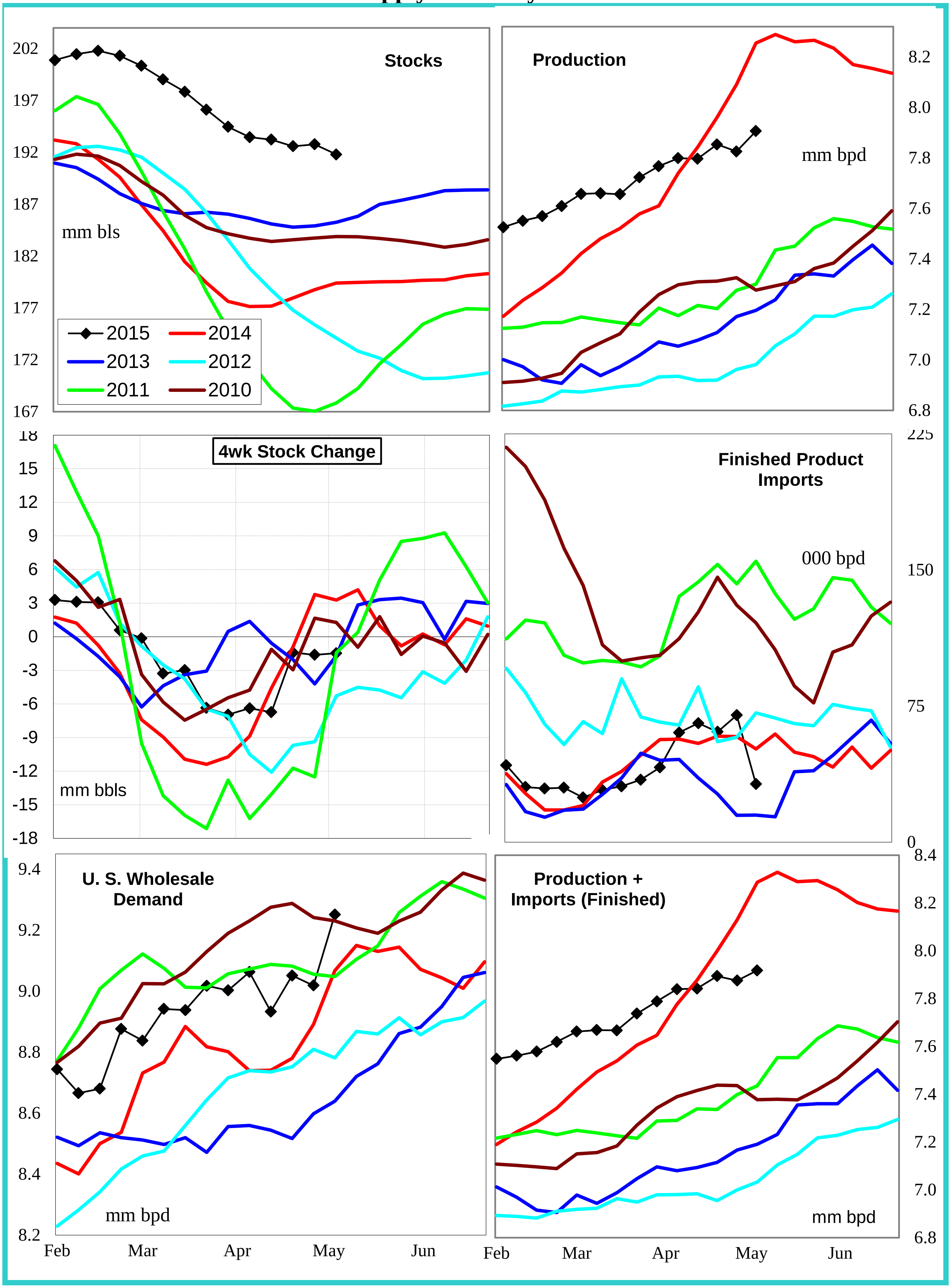
Gasoline Import Economics



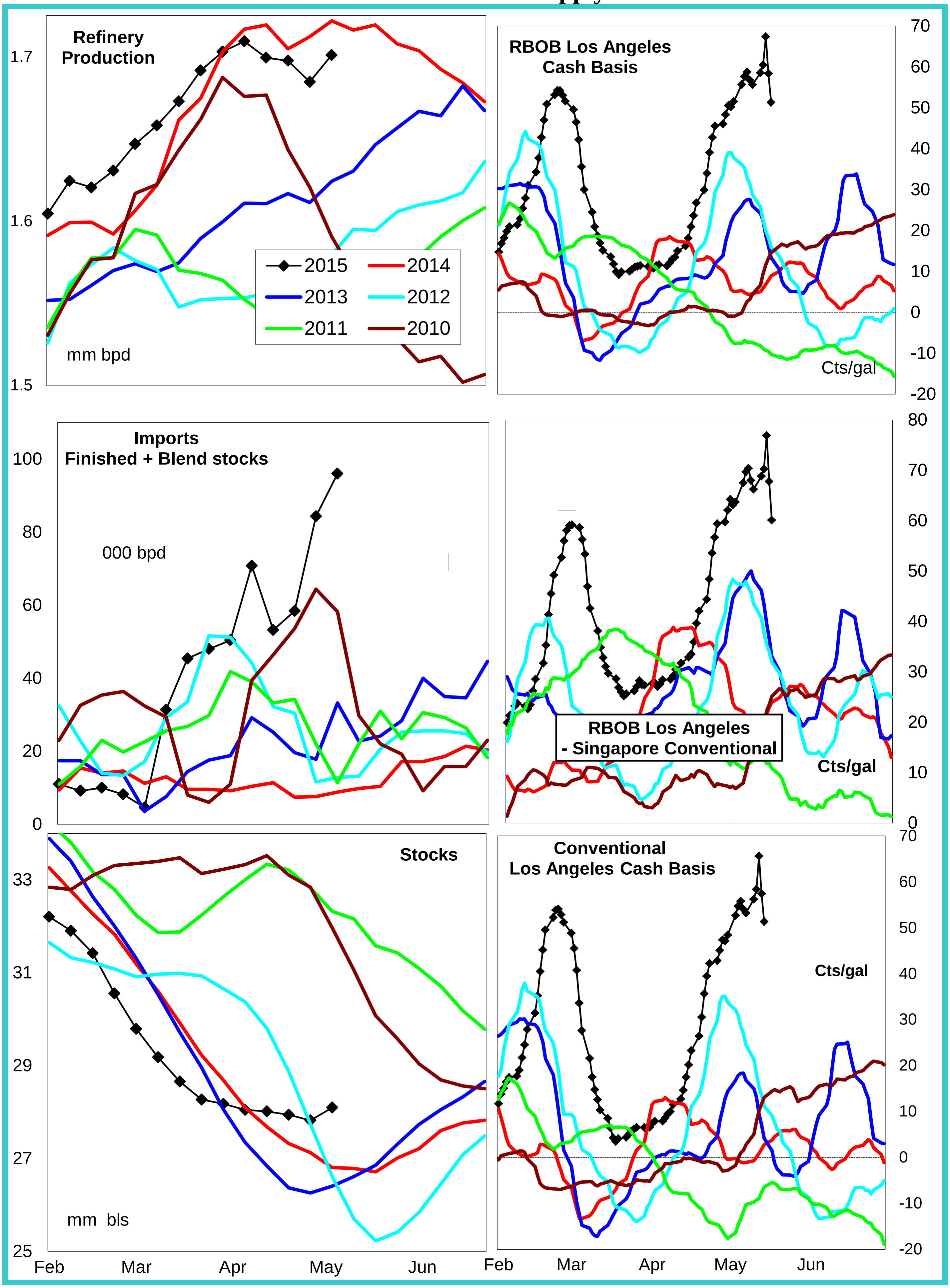
Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3



PADD 5 Gasoline Supply



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