



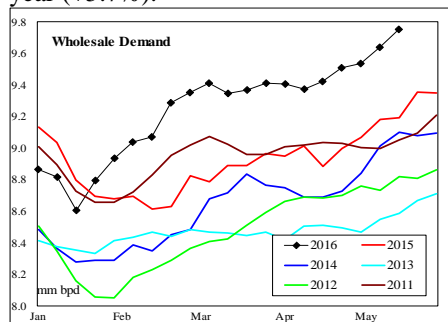
## WEEKLY GASOLINE FUNDAMENTAL-PRICE-BASIS OUTLOOK

### A Fundamental Petroleum Trends Weekly Report

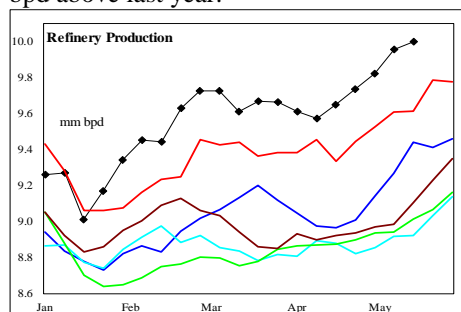
Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Thursday, May 19, 2016

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 +0.1 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 (+5.7%).



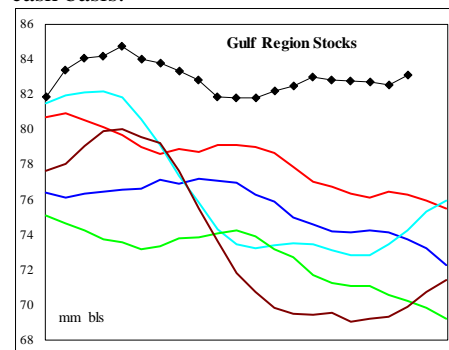
Supply decreased -142,000 bpd on the week. The latest 4-wk supply 0.41 million bpd above last year.



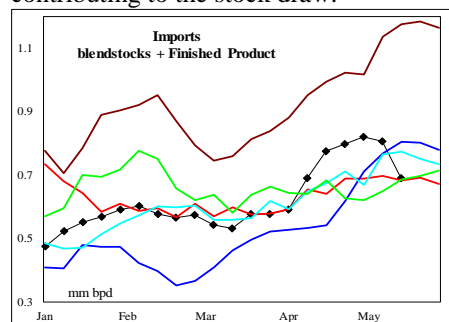
Stocks declined -2.5 million barrels with

the draw concentrated in the Midwest, partially offset by a build in the Gulf. Stocks ended the week +14 million barrels above prior 5-yr highs.

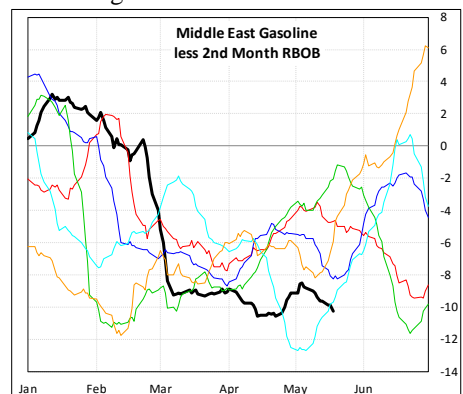
Stock levels in the Gulf region were +6.5 million barrels above last year, and a record for this time of year. Extremely high stocks in the Gulf are depressing cash basis.



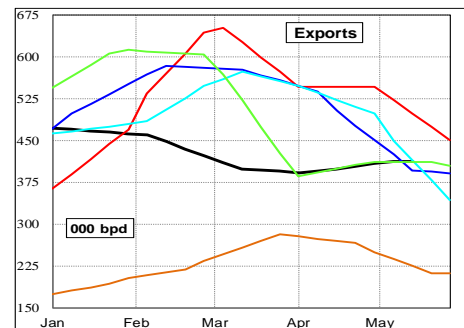
Imports fell -88,000 bpd on the week, contributing to the stock draw.



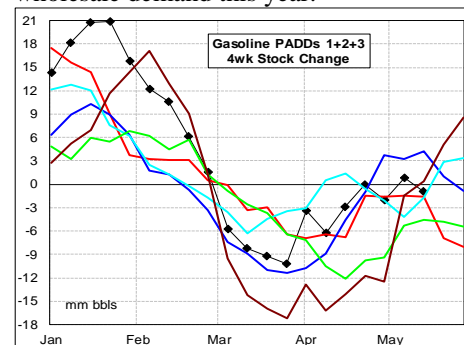
Gasoline basis in Asian and Middle East markets trended lower last week, and remain at 5-yr lows for this time of year, indicating continued oversupply in the Pacific region.



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 change in markets East of the Rockies was a -1.7 million barrel draw, comparable to the 3-yr mid range.

#### Cash Basis and Refining Trends

**New York Harbor basis** to trade sideways on 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 trade at record lows for this time of year on extremely high stock levels, with potential for an uptrend on any unplanned maintenance.

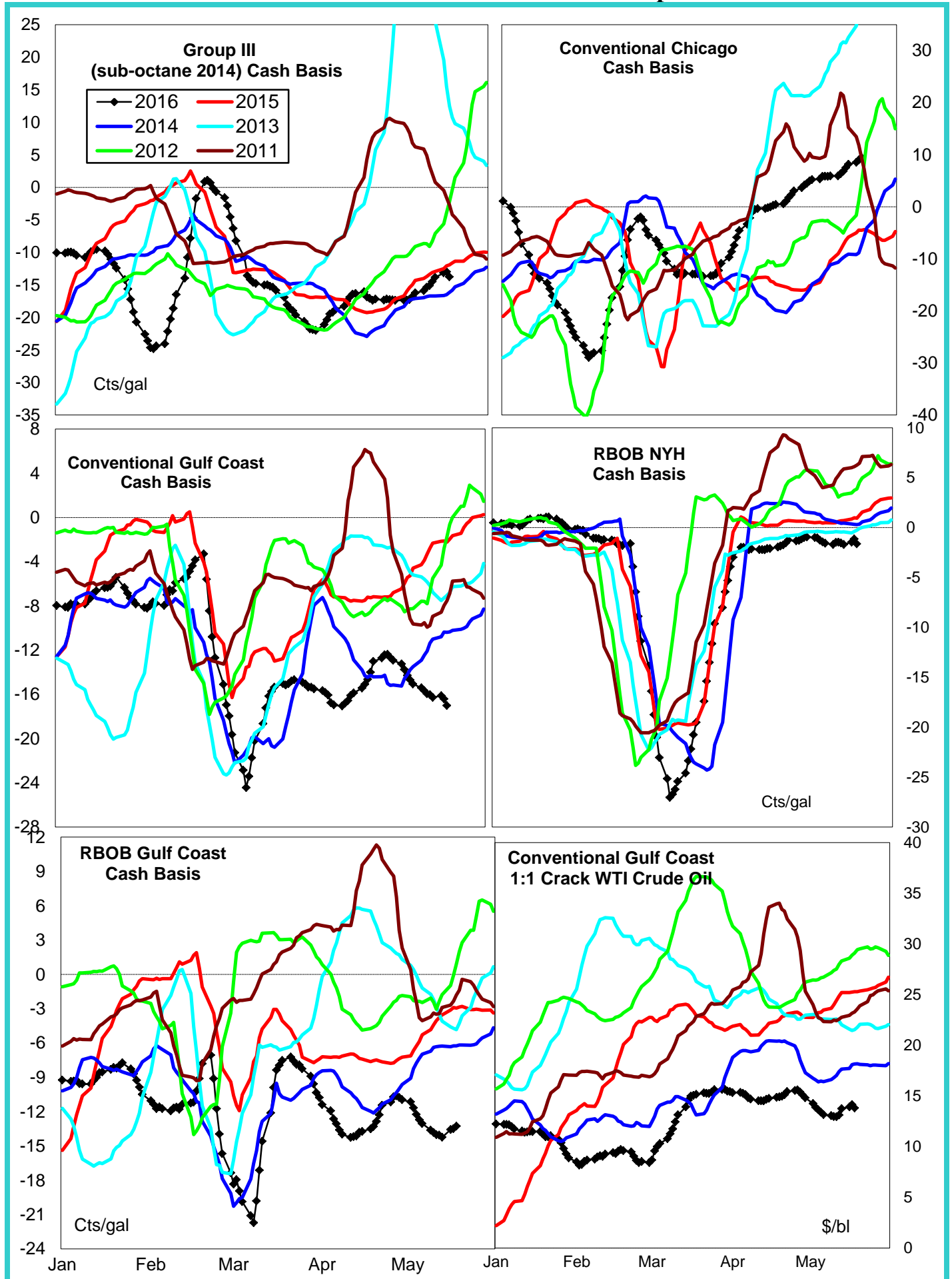
**West Coast (Los Angeles) basis** to extend the current downtrend on high stock levels, then trend higher from near record lows for this time of year.

#### Gulf Coast Price

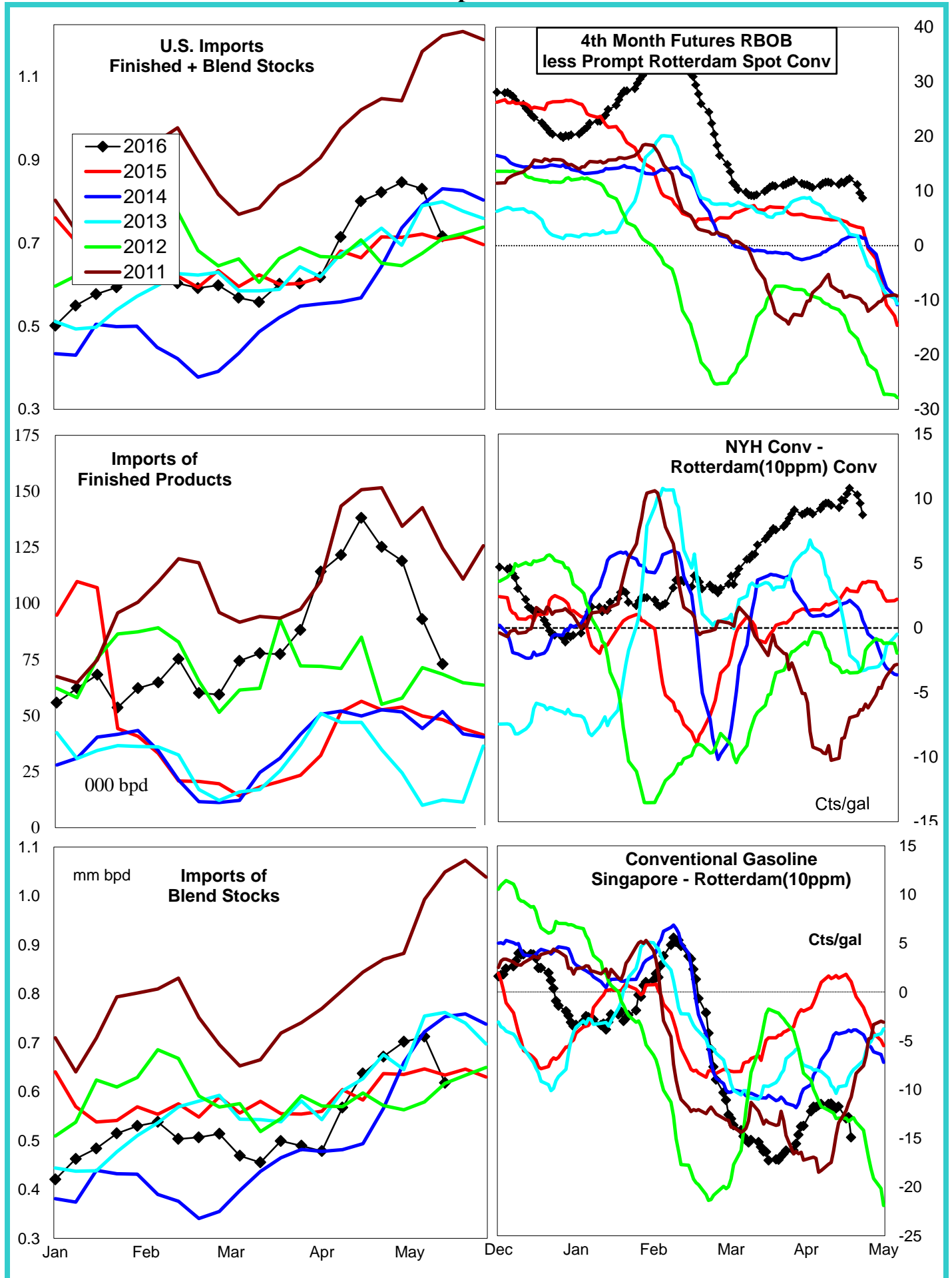
Robust wholesale demand is being offset by record production and imports that continue to maintain stock levels above the 5-yr range in all markets except the West Coast, where stocks are above four of the last 5-yrs. There is risk of a price pull back following the Memorial week peak travel.

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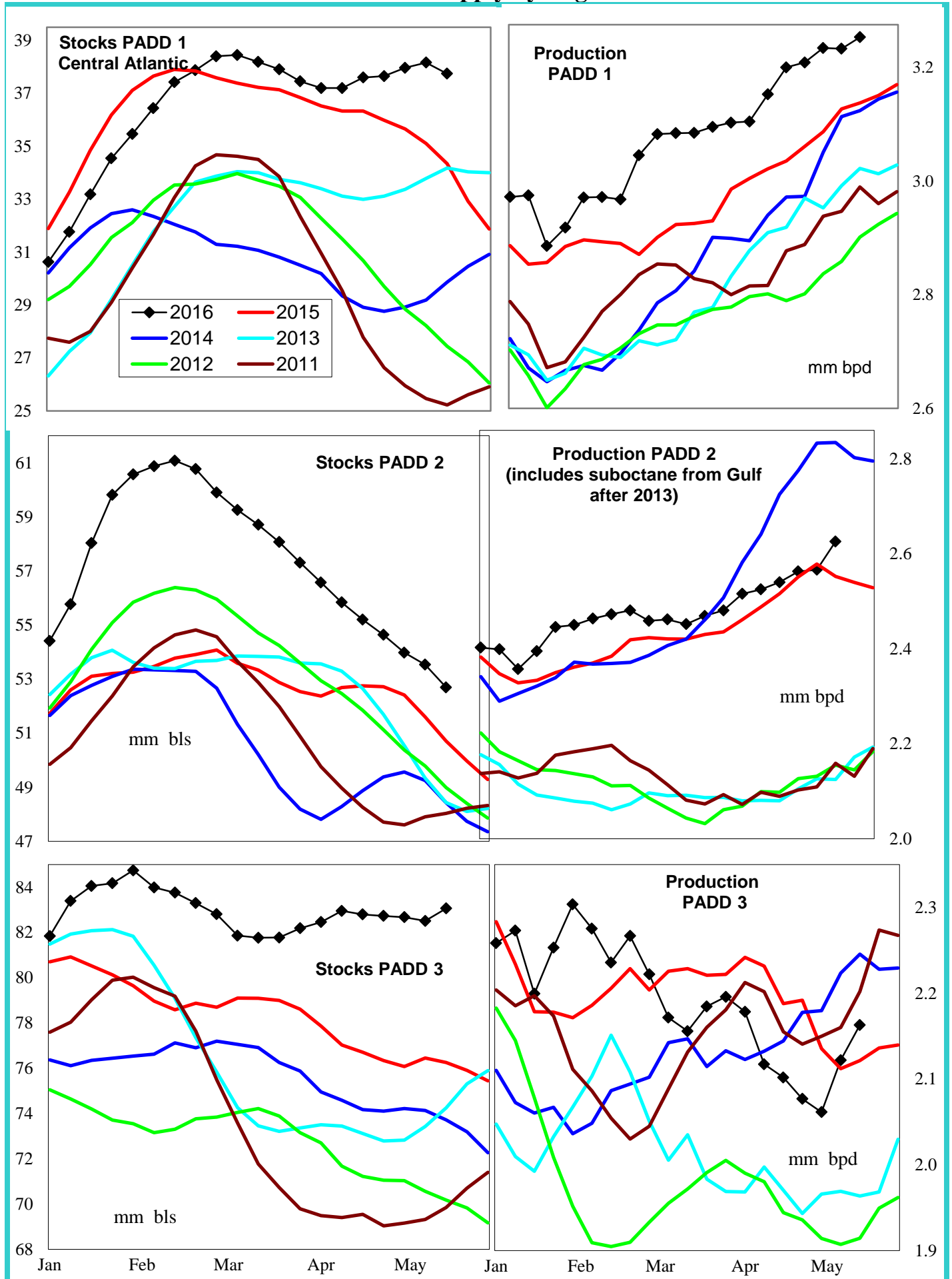
# Gasoline Cash Basis and Related Price Spreads



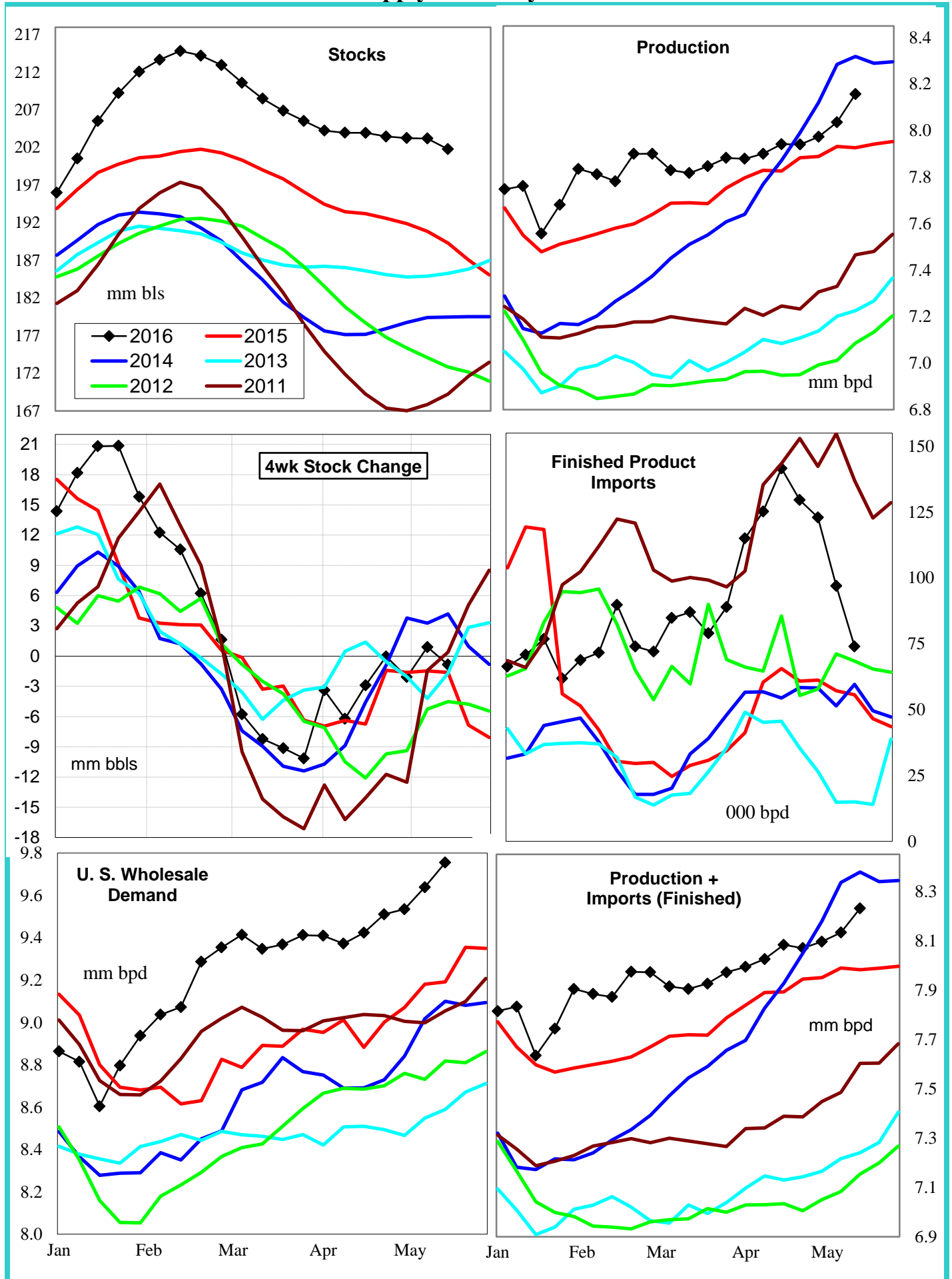
# Gasoline Import Economics



# Gasoline Supply by Region



## Gasoline Supply Summary PADDs 1+2+3



**PADD 5 Gasoline Supply**