



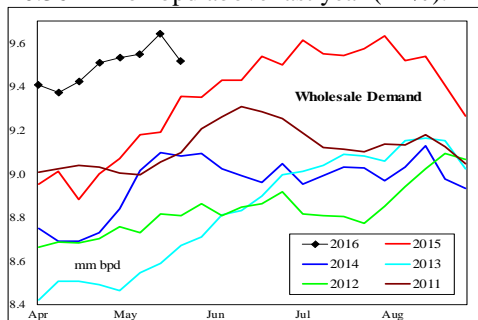
## WEEKLY GASOLINE FUNDAMENTAL-PRICE-BASIS OUTLOOK

### A Fundamental Petroleum Trends Weekly Report

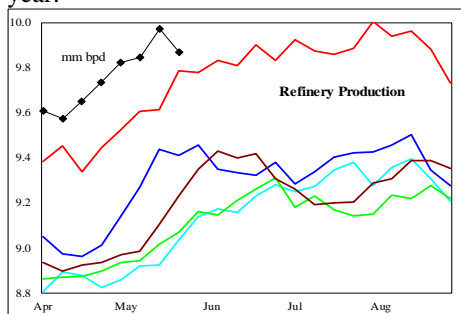
Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Wednesday, May 25, 2016

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 decreased -0.24 million bpd last week, to a level above the prior 5-yrs. The latest 4-wk average demand was +0.36 million bpd above last year (+4%).



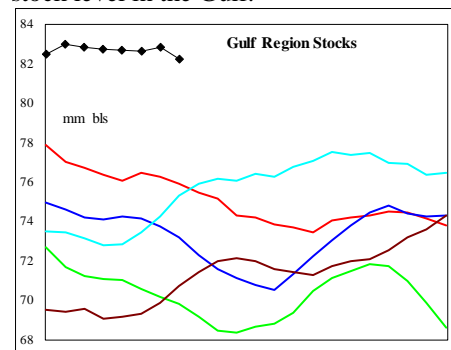
Supply increased +111,000 bpd on the week, driven by higher imports. The latest 4-wk supply 0.32 million bpd above last year.



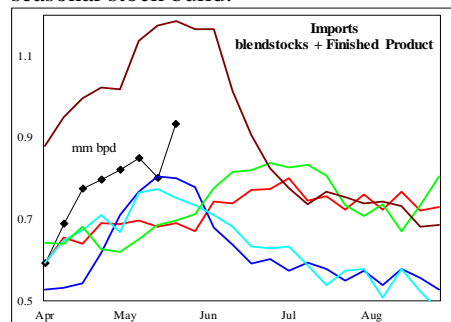
Stocks increased +2 million barrels with

the build concentrated on the East and West Coasts. Stocks ended the week +19 million barrels above prior 5-yr highs.

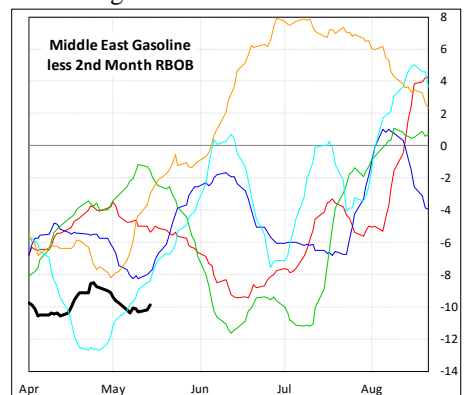
Stock levels in the Gulf region were +5.5 million barrels above last year, and a record for this time of year. High imports have maintained record stocks on the East Coast, contributing to the high stock level in the Gulf.



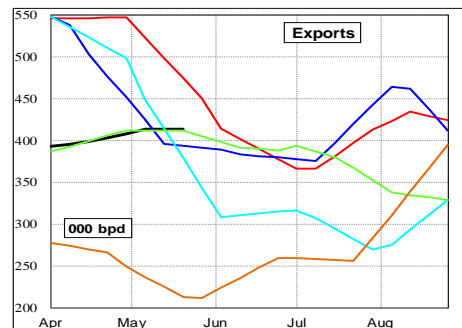
Imports jumped +242,000 bpd on the week, contributing to the counter seasonal stock build.



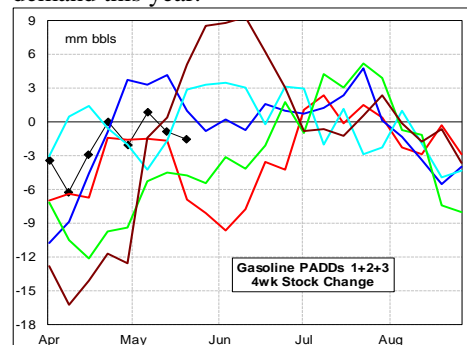
Gasoline basis in Asian and Middle East markets traded sideways last week, and remain at 5-yr lows for this time of year, indicating continued oversupply in the Pacific region.



Exports for the week ending 22Apr16 were 413,000 bpd, down -134,000 bpd from a year ago.



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 -1.5 million barrel draw, near 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 higher on increased seasonal demand and a large stock draw in the Group.

**Gulf Basis** to trend higher on increased seasonal demand and excess supply in the Northeast.

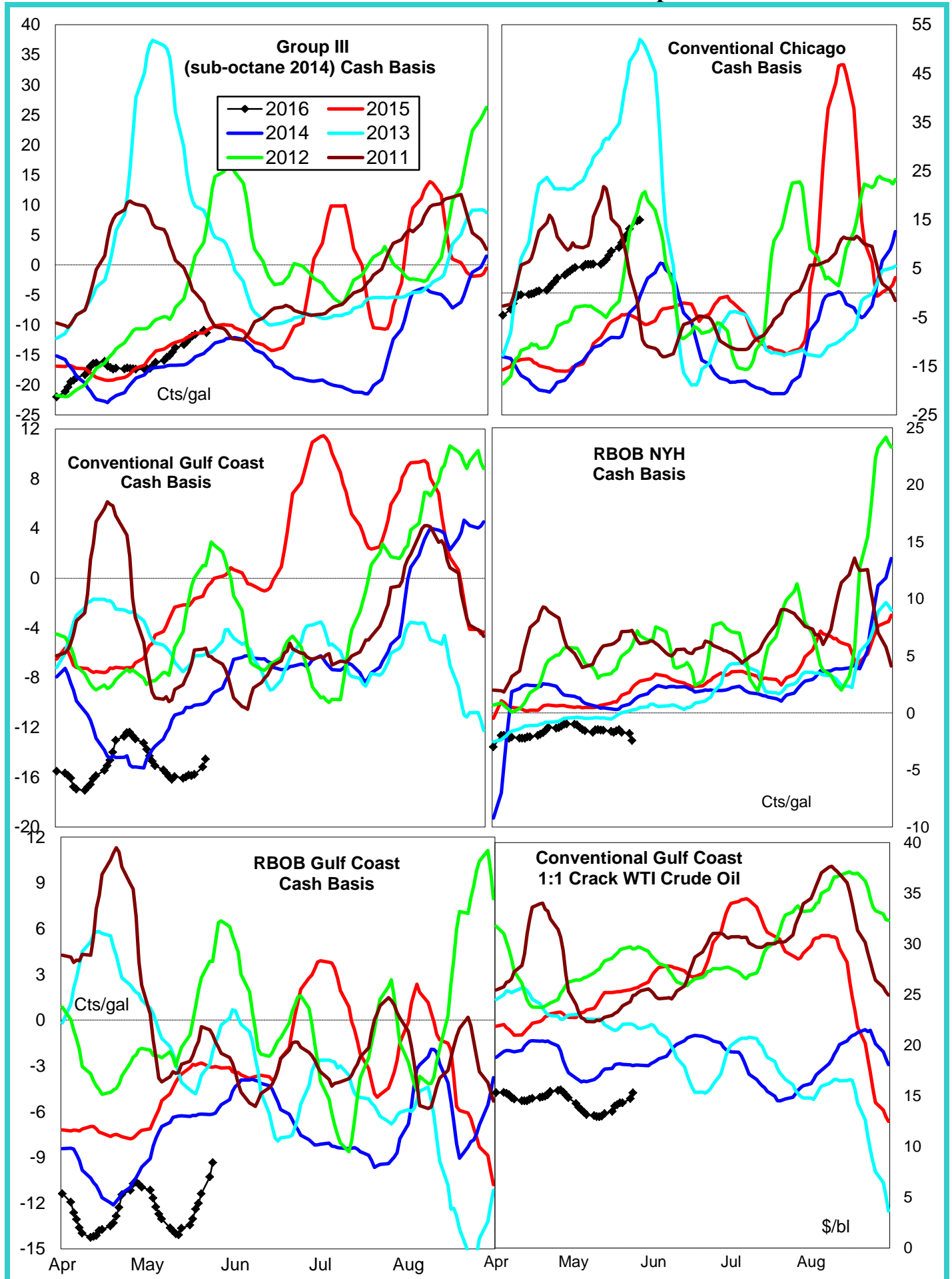
**West Coast (Los Angeles) basis** to trend higher from near historic lows on increased seasonal demand.

#### Gulf Coast Price

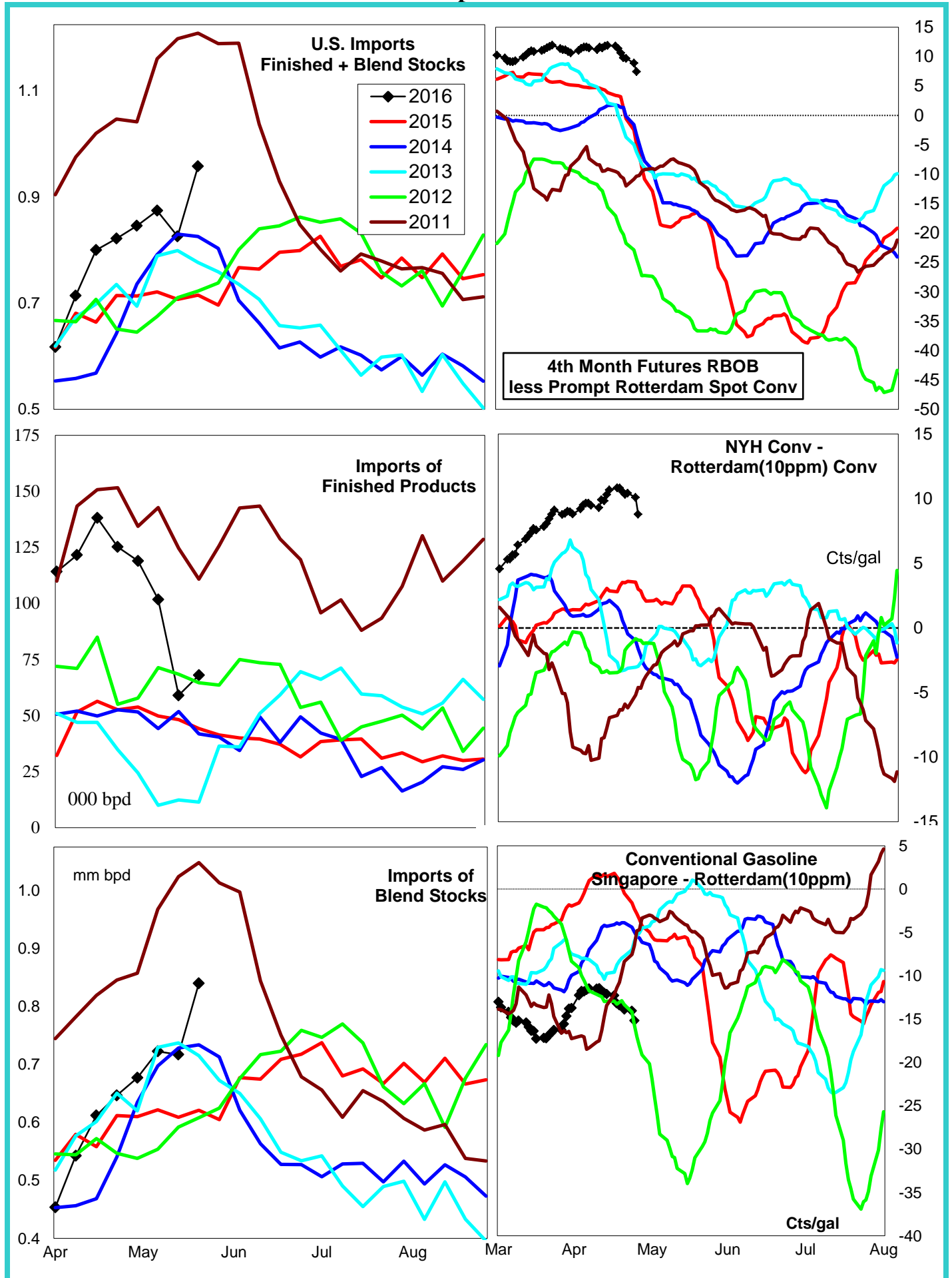
A surge in imports has kept the East Coast stock levels at record levels, contributing to very high levels in the Gulf region. All major markets remain well supplied in the run up to Memorial week. Spot market prices risk a pull back next month as refiners reach peak production and stocks remain high.

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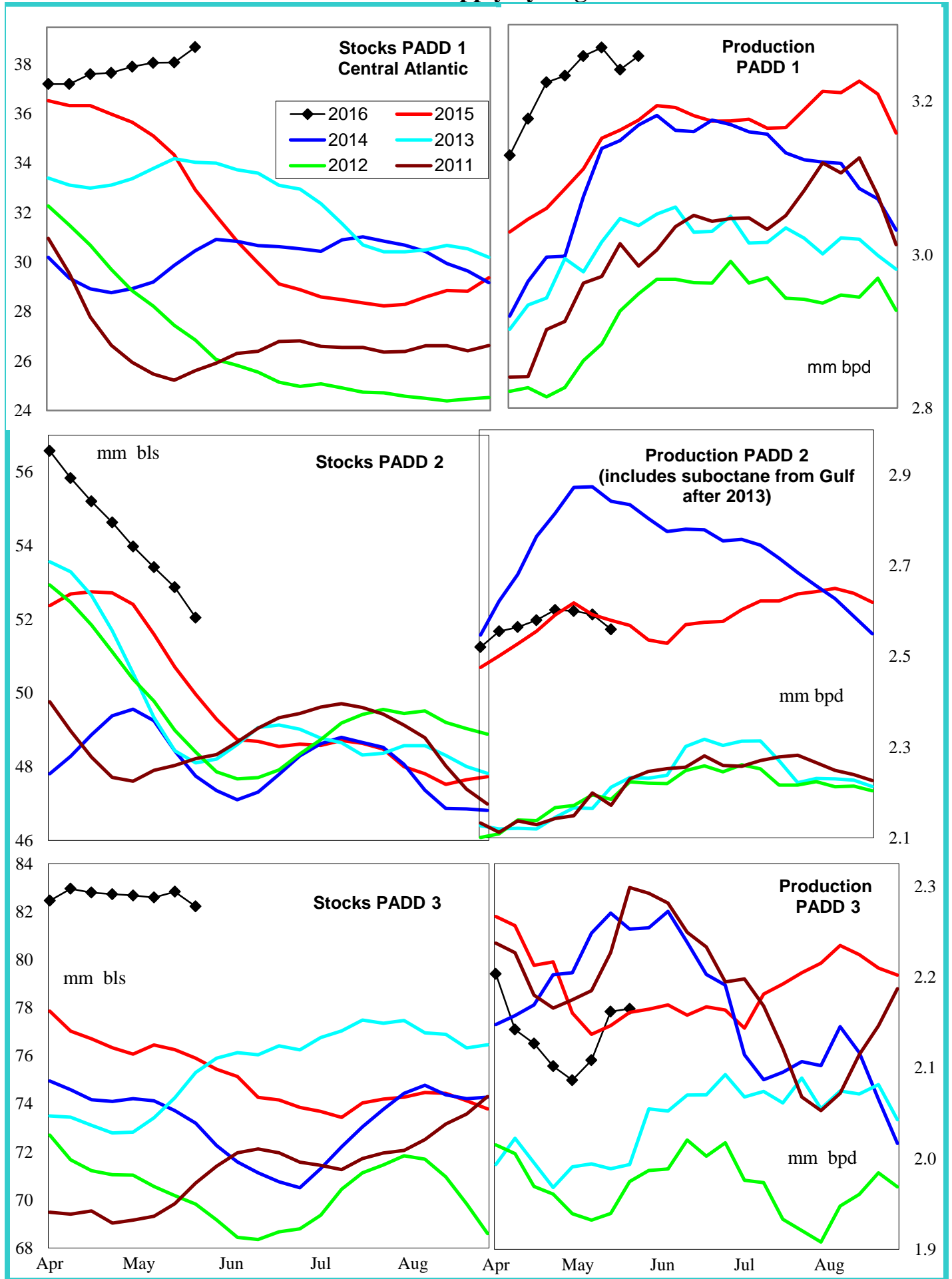
# Gasoline Cash Basis and Related Price Spreads



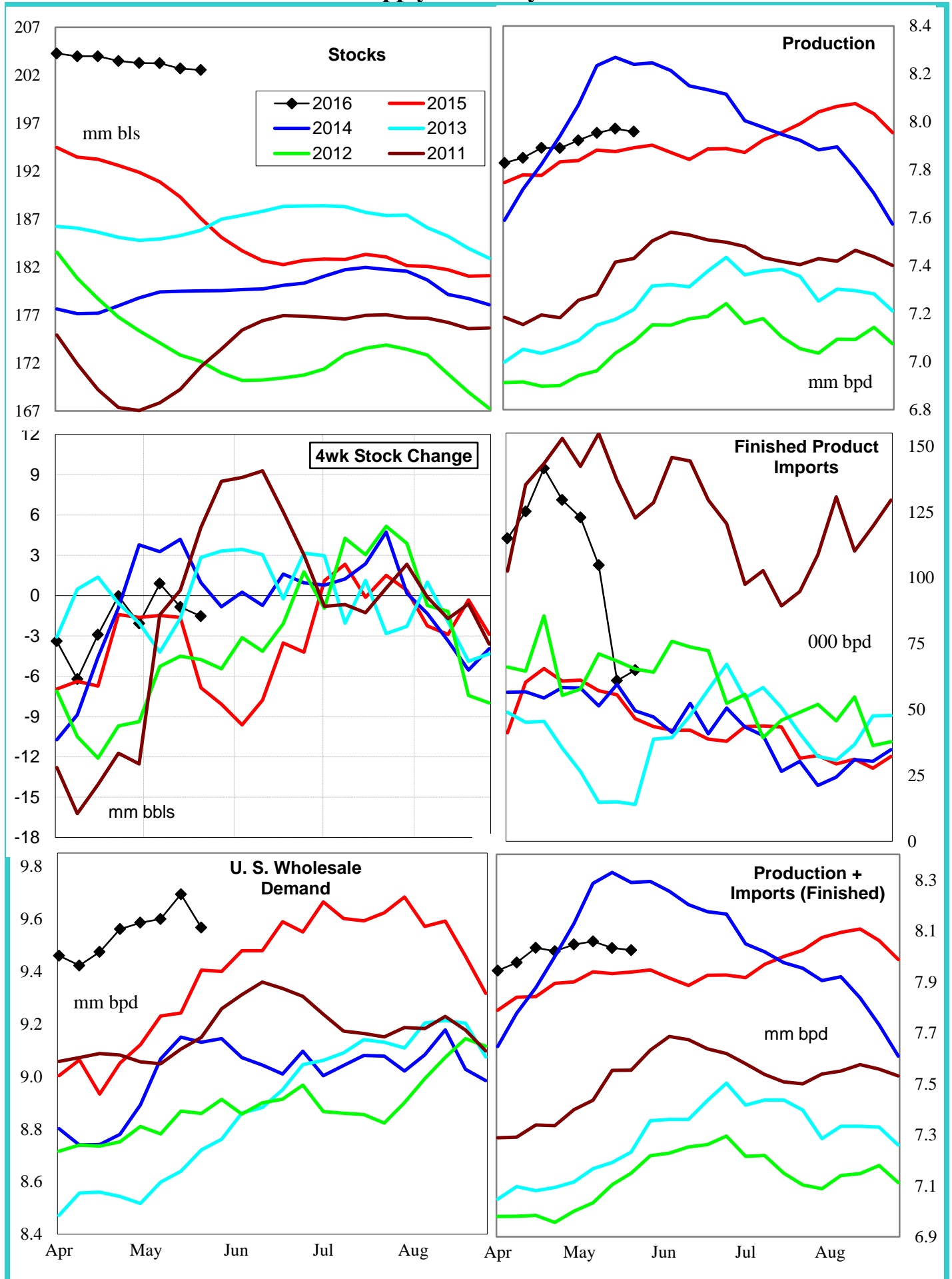
## Gasoline Import Economics



# Gasoline Supply by Region



## Gasoline Supply Summary PADDs 1+2+3



# PADD 5 Gasoline Supply

