



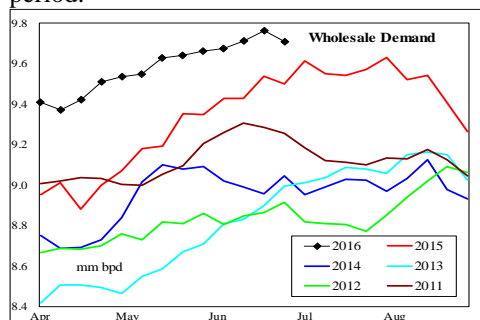
WEEKLY GASOLINE FUNDAMENTAL-PRICE-BASIS OUTLOOK

A Fundamental Petroleum Trends Weekly Report

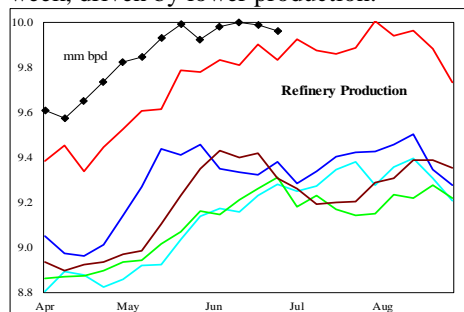
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Thursday, June 30, 2016

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 -0.1 million bpd last week, with the level +0.17 million bpd above a year ago for the latest 4-wk period.



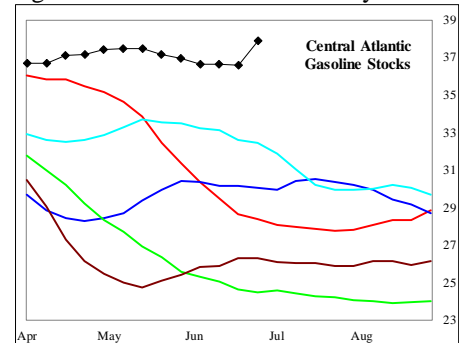
Supply decreased -0.3 million bpd on the week, driven by lower production.



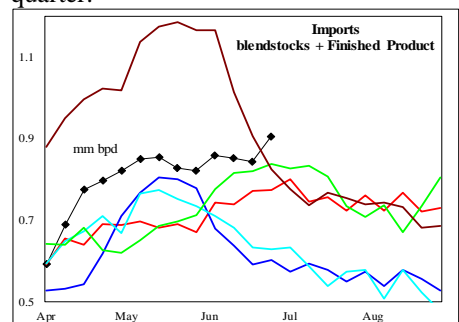
Stocks increased +1.4 barrels, including a

+3.8 million barrel build on the East Coast. Stock levels are above the 5-yr range in all regions, except the West coast.

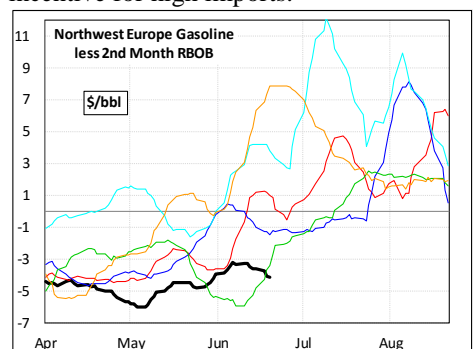
Stock levels in the Central Atlantic region are now +34% above last year.



The over supplied East Coast is due to very high imports of both blend stocks and finished product during the last quarter.



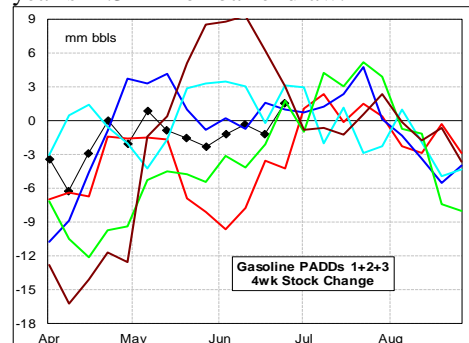
Northwest European gasoline prices compared to the CME RBOB futures are at a 5-yr low for the period, providing the incentive for high imports.



Exports for the week ending 24June16 were 395,000 bpd, +30,000 bpd above a year ago.

The latest 4-wk stock change in markets East of the Rockies was a +1.8 million barrel build, slightly above the 3-yr

mid range and significantly above last year's -4.3 million barrel draw.



Cash Basis and Refining Trends

New York Harbor basis to exhibit continued weakness on extreme over supply in the region; driven favorable import economics.

Chicago basis to trade sideways in the near term on recent weakness, then trend higher during the peak summer driving season.

Group III basis to trend lower on very high stock levels, then trend higher during peak summer driving season.

Gulf Basis to extend a recent uptrend on above average stock draws, then pull back as refiners complete unplanned maintenance.

West Coast (Los Angeles) basis to extend the recent downtrend, then strengthen on peak summer driving season.

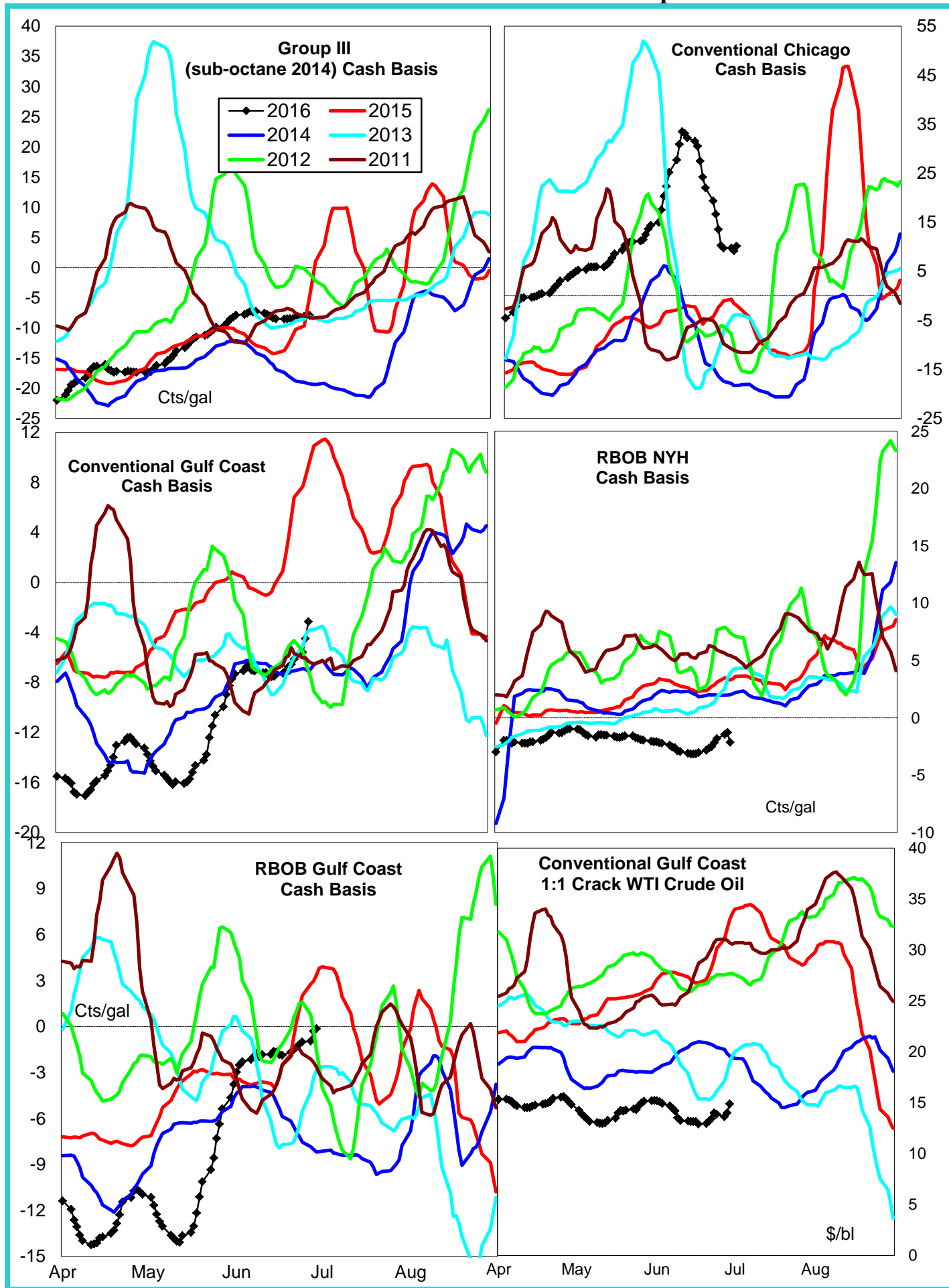
Gulf Coast Price

Dumping of Atlantic Basin gasoline on the East Coast has lifted stocks to exceptionally high levels. Combined with stock levels above the 5-yr range in all regions except the West Coast, there is significant risk of an earlier than normal 'end of summer' pull back in wholesale prices

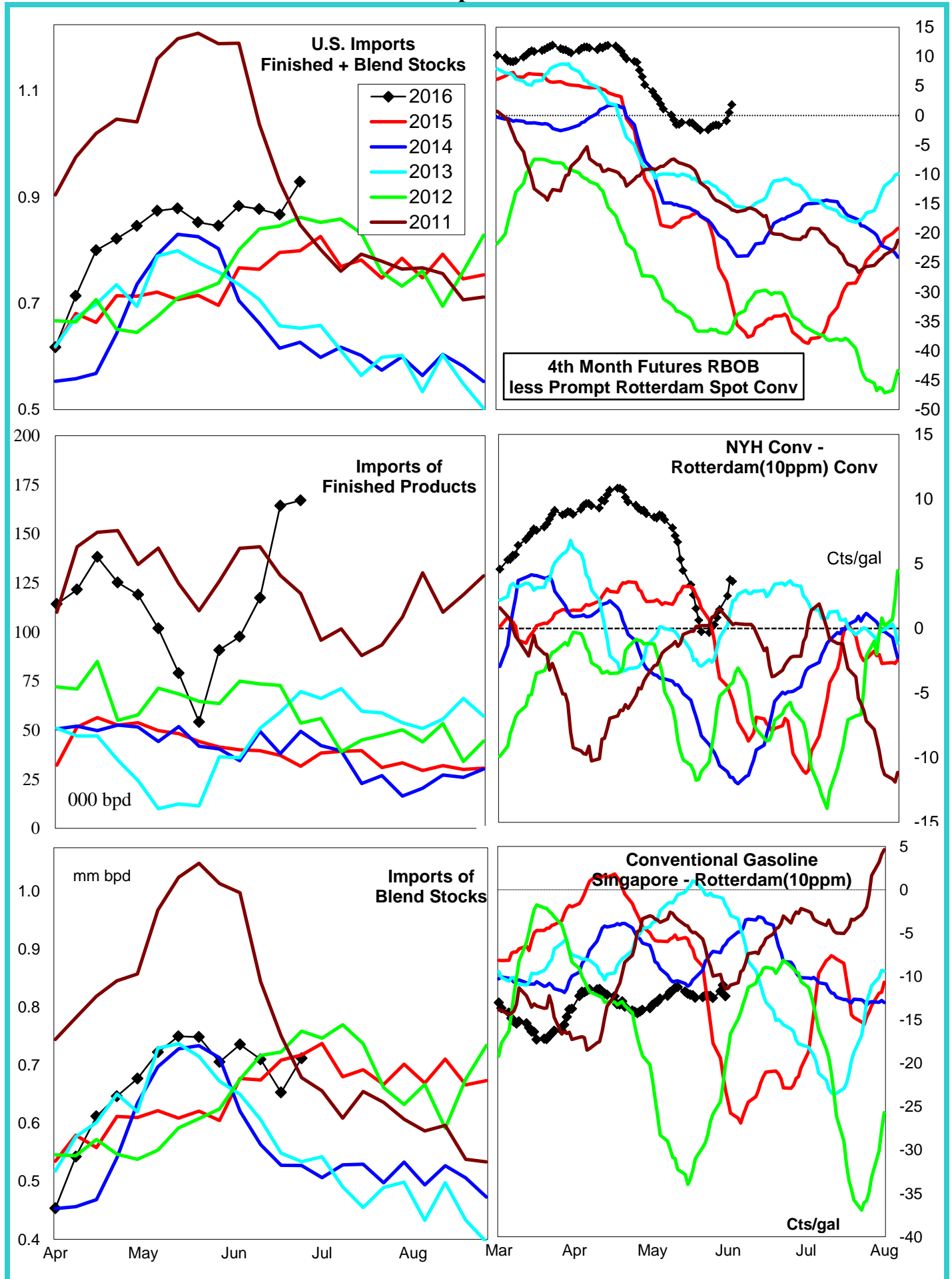
The return to operation of downstream process units in the Chicago area risk record low cash basis in the region.

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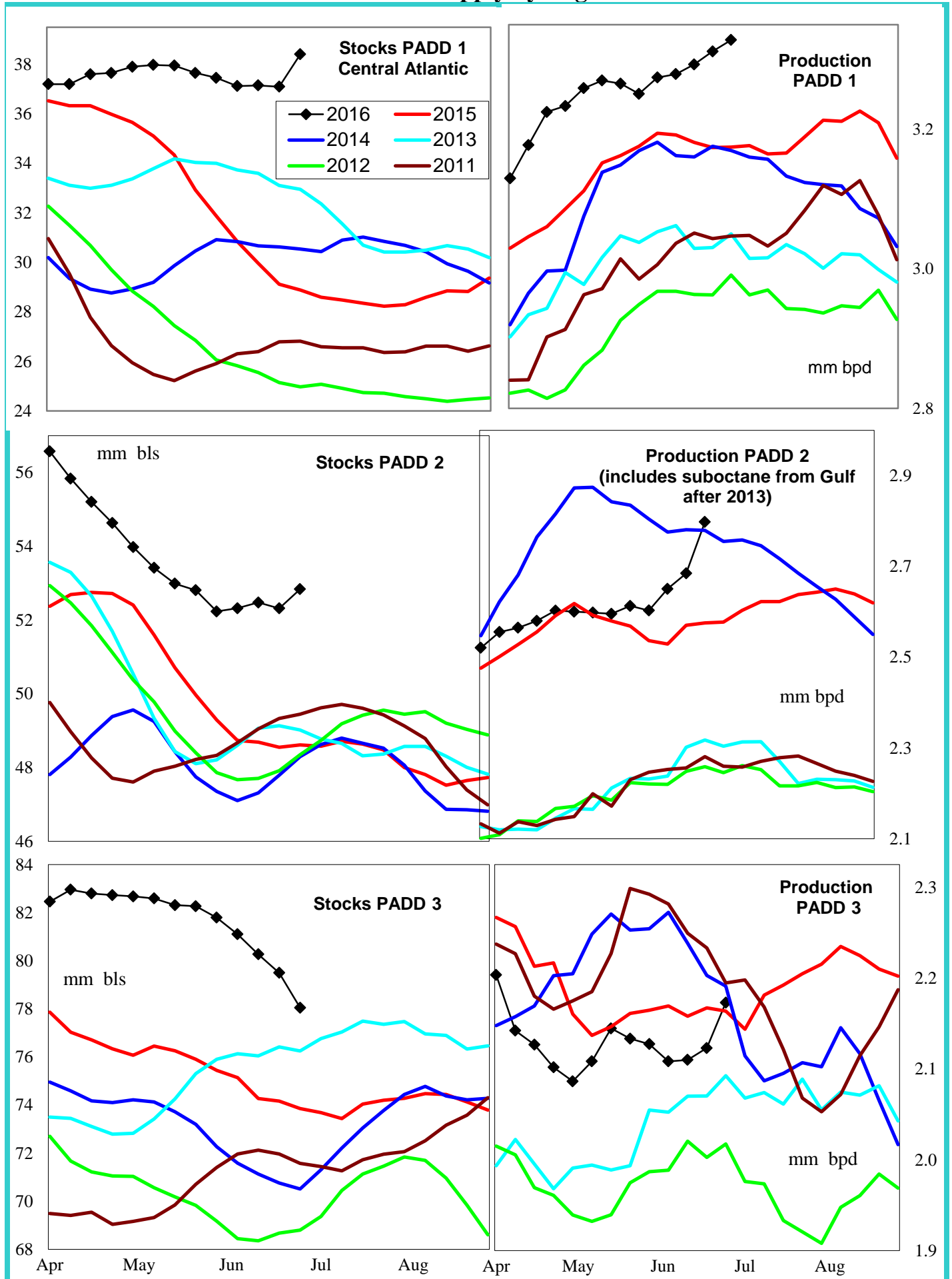
Gasoline Cash Basis and Related Price Spreads



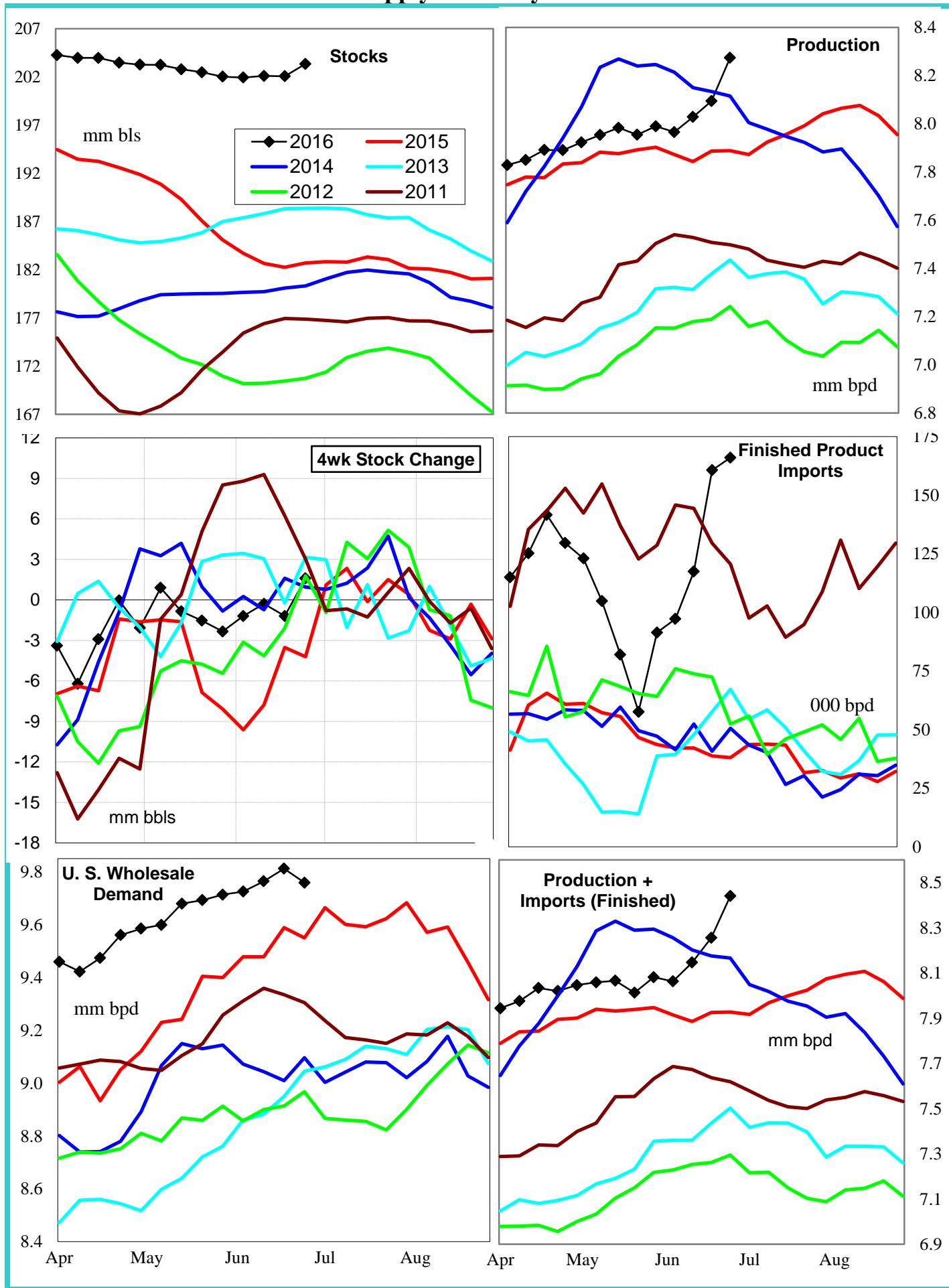
Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3



PADD 5 Gasoline Supply

