FUNDAMENTAL PETROLEUM TRENDS

WEEKLY GASOLINE FUNDAMENTAL-PRICE-BASIS OUTLOOK

A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Thursday, September 17, 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 decreased -34,000 bpd last week as the seasonal downtrend continued. The latest 4-wk average demand was +0.2 million bpd above last year, a +2% increase.

Supplies fell -0.2 million bpd last week on lower production. Supply for the most recent 4-wks was +0.3 million bpd above last year.

Stocks surged +2.8 million barrels on the week, including a +3.4 million barrel build on the East Coast.

Cash basis collapsed in NYH on the counter seasonal stock build in the area. Basis fell seasonally in the Northwest and Los Angeles.

Basis increased in Midwest markets on FCCU maintenance in the Chicago area; where basis traded above the 5-yr range for this time of year.

All markets except Chicago and San Francisco are well supplied; where local refinery maintenance has tightened supplies.

RBOB

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

Chicago basis to remain elevated until FCCU maintenance is completed, then trend seasonally lower.

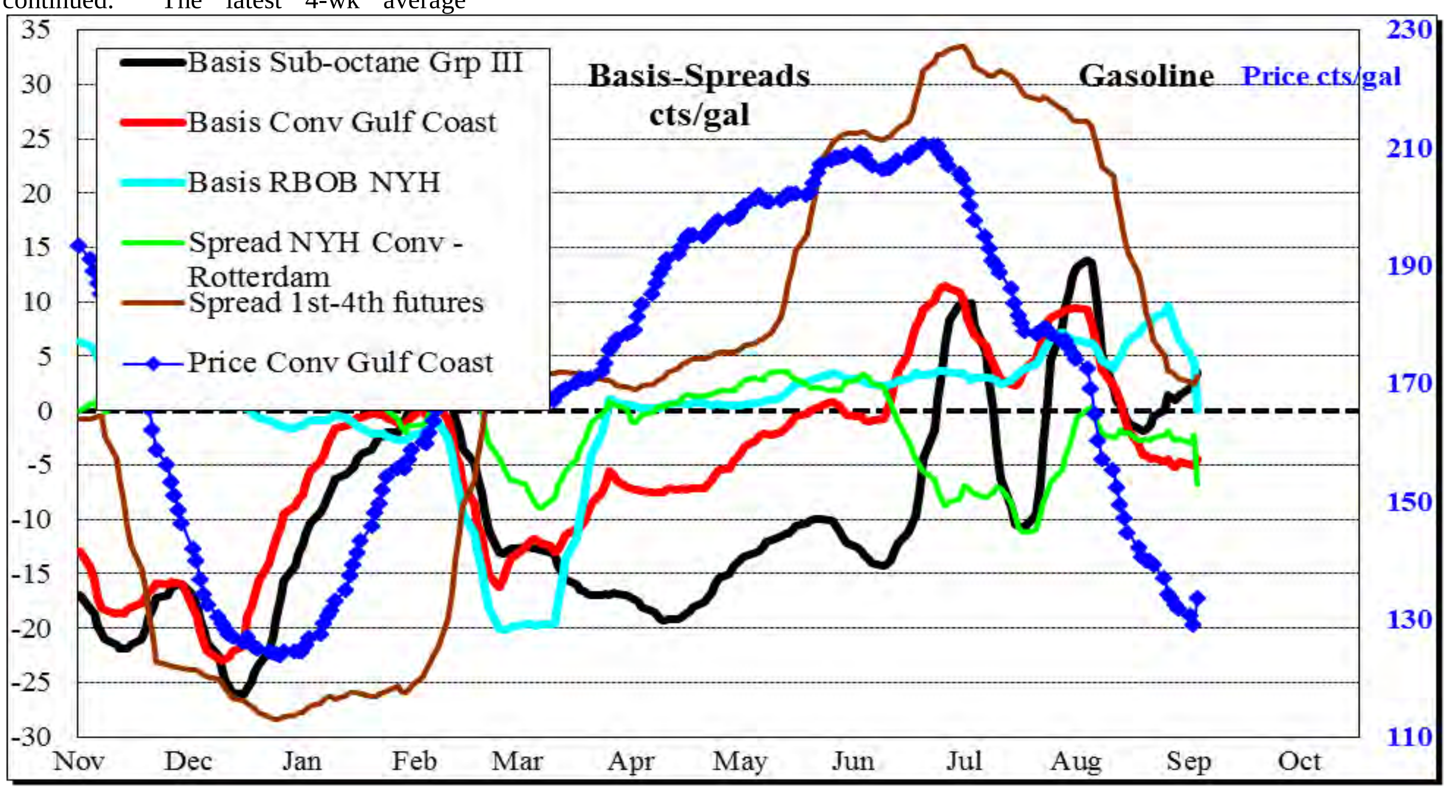
Group III basis to trade at the upper end of the historic range on maintenance in the Chicago area, followed by a seasonal downtrend.

Gulf Basis to trend seasonally lower, at a level near the average of the last 2-yrs.

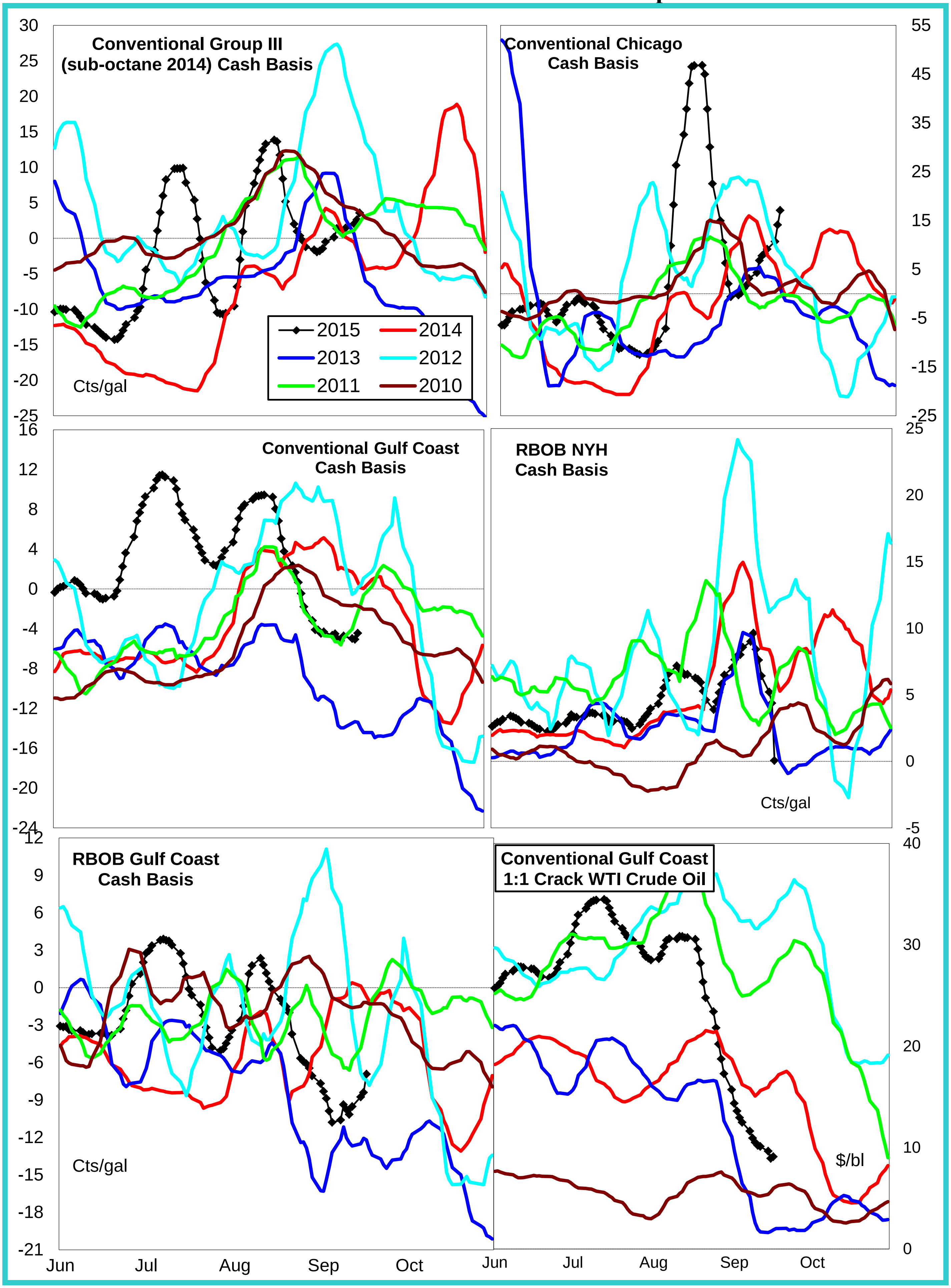
West Coast (Los Angeles) basis to trend seasonally lower on above average stock levels and high production.

Gulf Coast Price The counter seasonal stock build last week points to a very well supplied market (over supplied on the East Coast) ahead of the start of fall refinery maintenance.

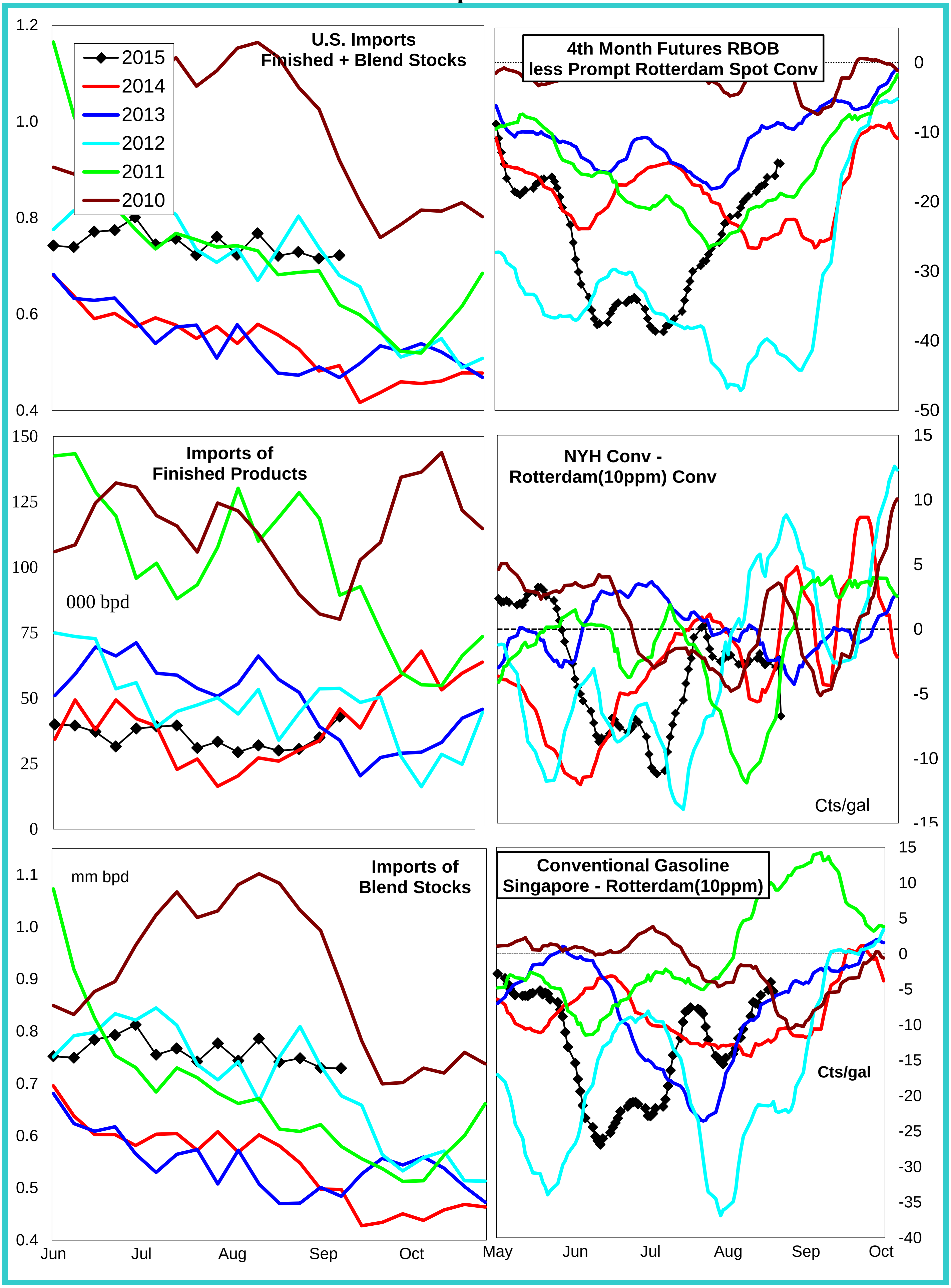
In the absence of Gulf weather disruptions during the next quarter, combined with economic recessions in many emerging markets, gasoline prices are likely to remain weak.



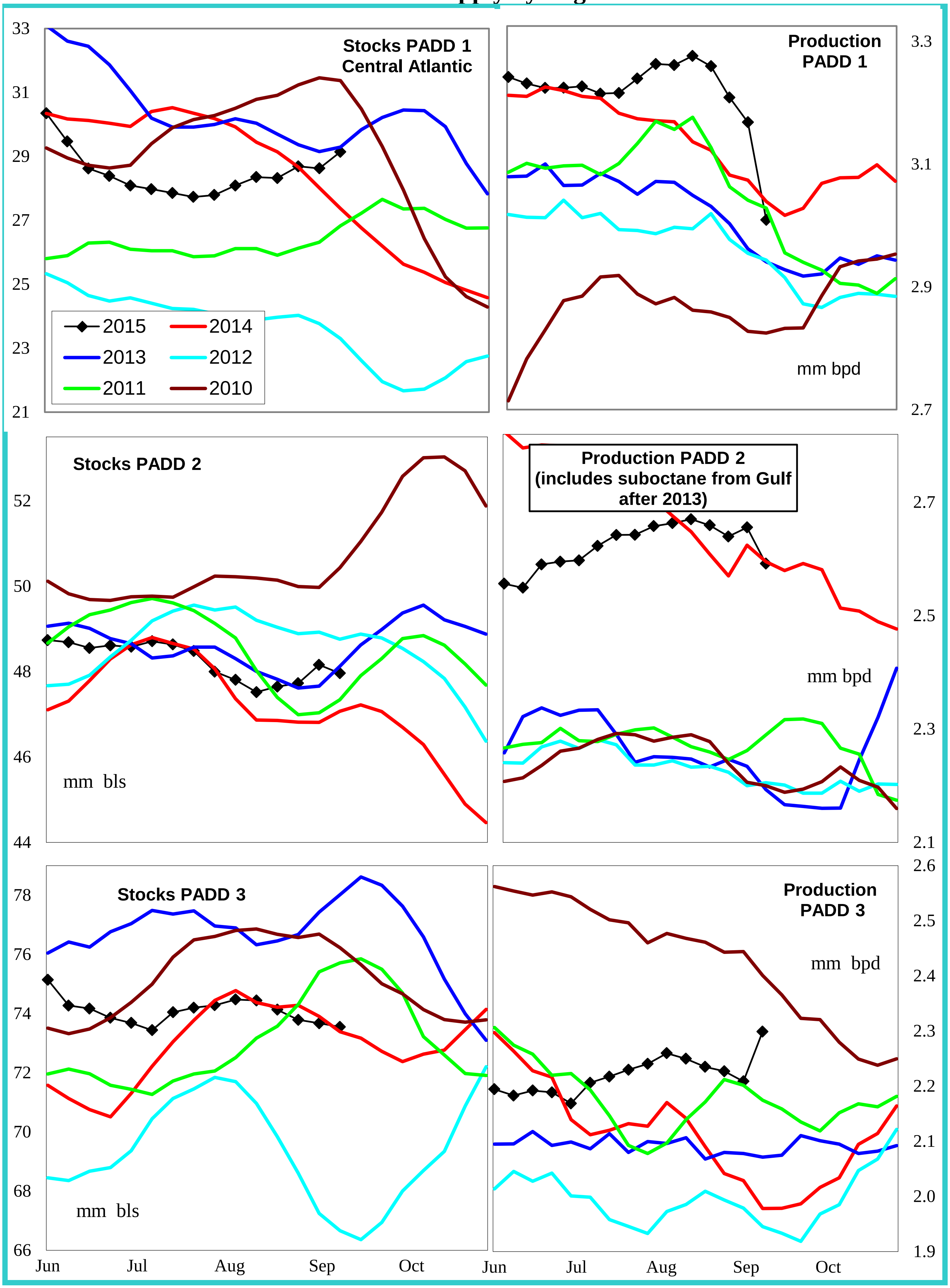
Gasoline Cash Basis and Related Price Spreads



Gasoline Import Economics



Gasoline Supply by Region



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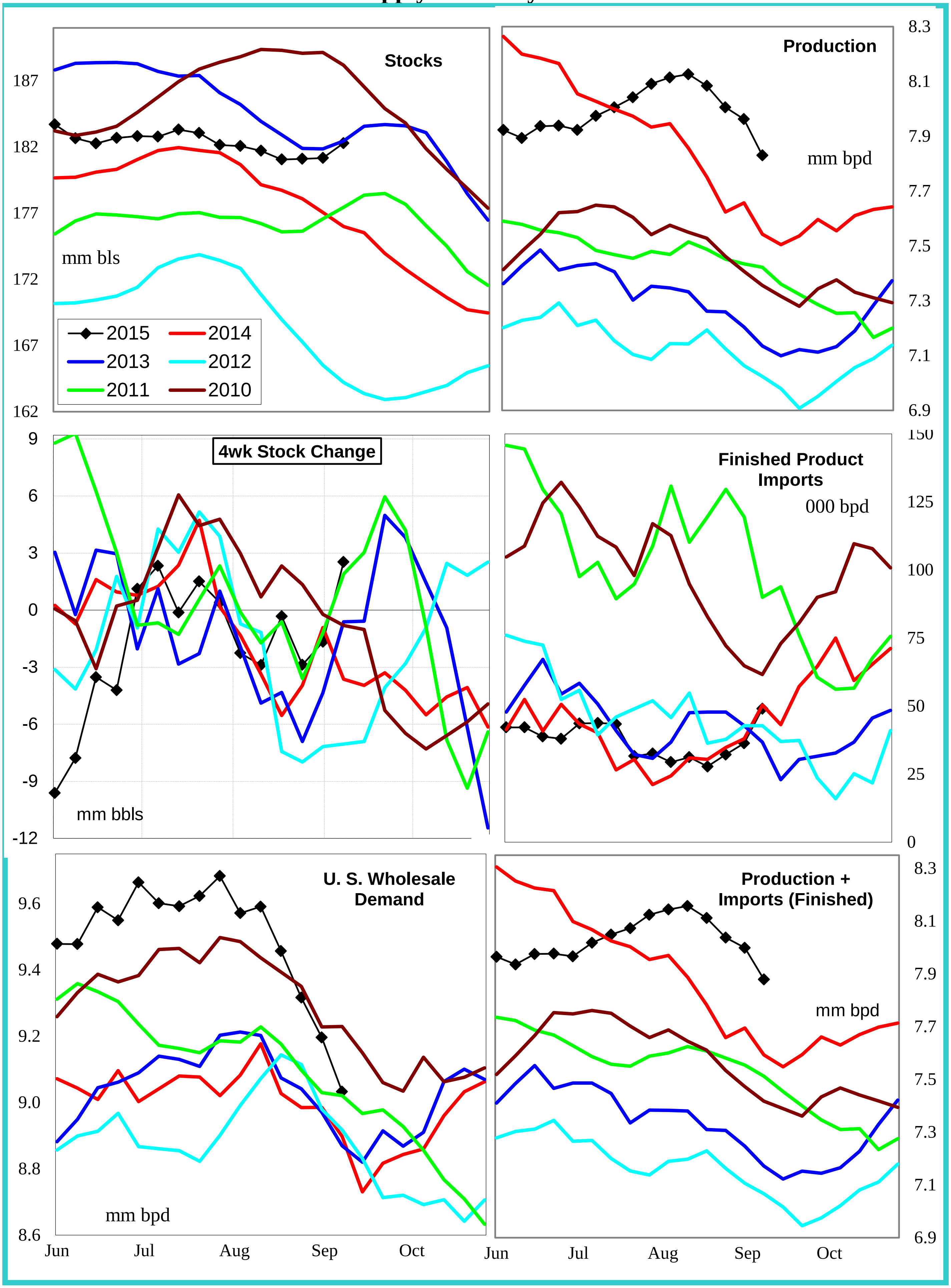
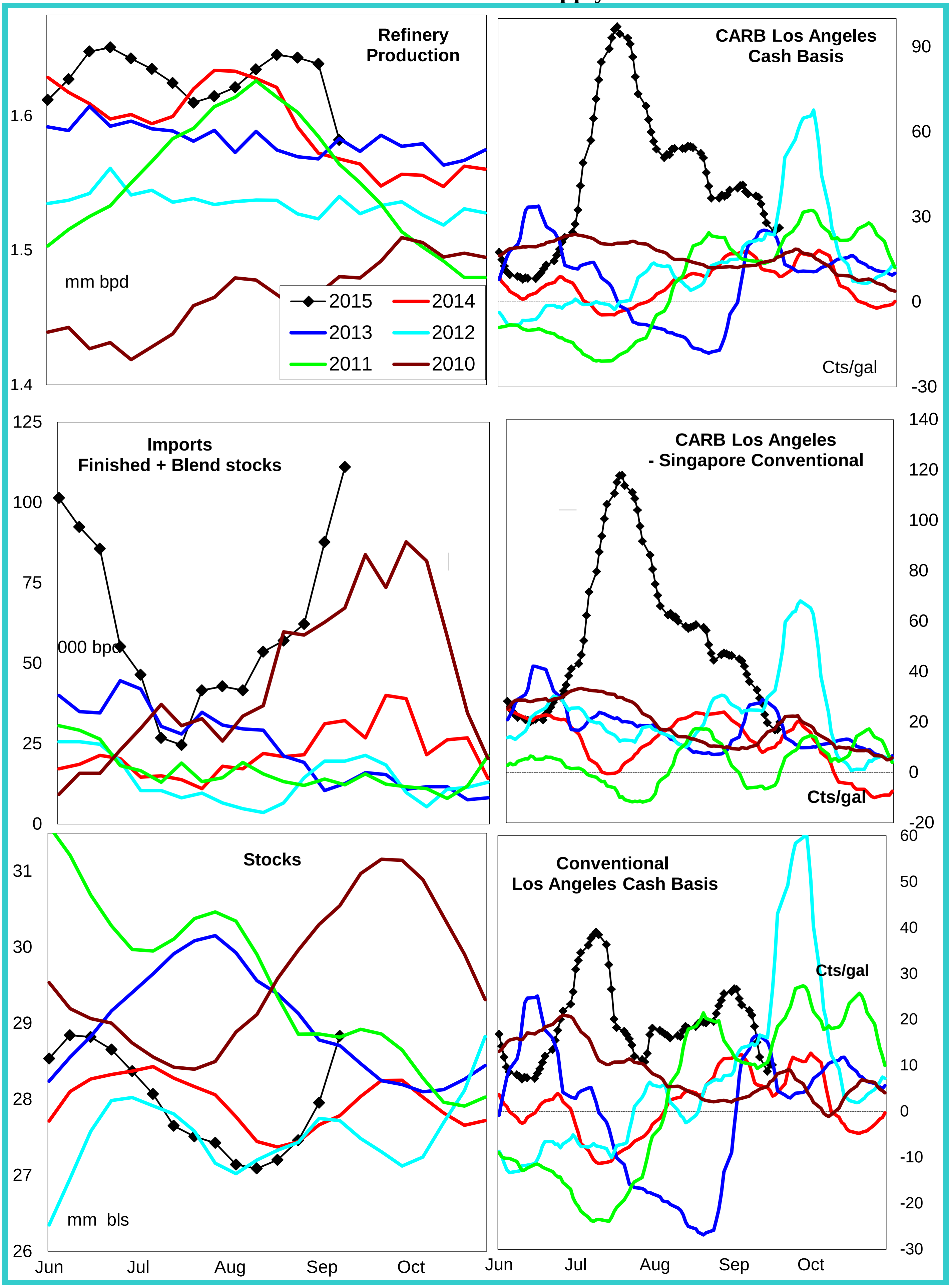
Gasoline Supply Summary PADDs 1+2+3



PADD 5 Gasoline Supply



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