FUNDAMENTAL PETROLEUM TRENDS

WEEKLY GASOLINE FUNDAMENTAL-PRICE-BASIS OUTLOOK

A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Friday, September 25, 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 +232,000 bpd last week, with the level above the last 5-yrs. The latest 4-wk average demand was +0.3 million bpd above last year, a +3% increase.

Supplies increased +0.1 million bpd last week on higher production. Supply for the most recent 4-wks was +0.35 million bpd above last year.

Stocks increased +1.4 million barrels on the week, including a +3.4 million barrel build in the Gulf.

Cash basis trended higher last week in Midwest, Gulf and West Coast markets. Basis in each of these reginal markets traded at the upper end of the historic range for the period. Basis remains weak in the NYH area on excess stocks.

Stock levels in the Midwest are that the low end of the historic range, supporting elevated basis levels for this time of year.

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.

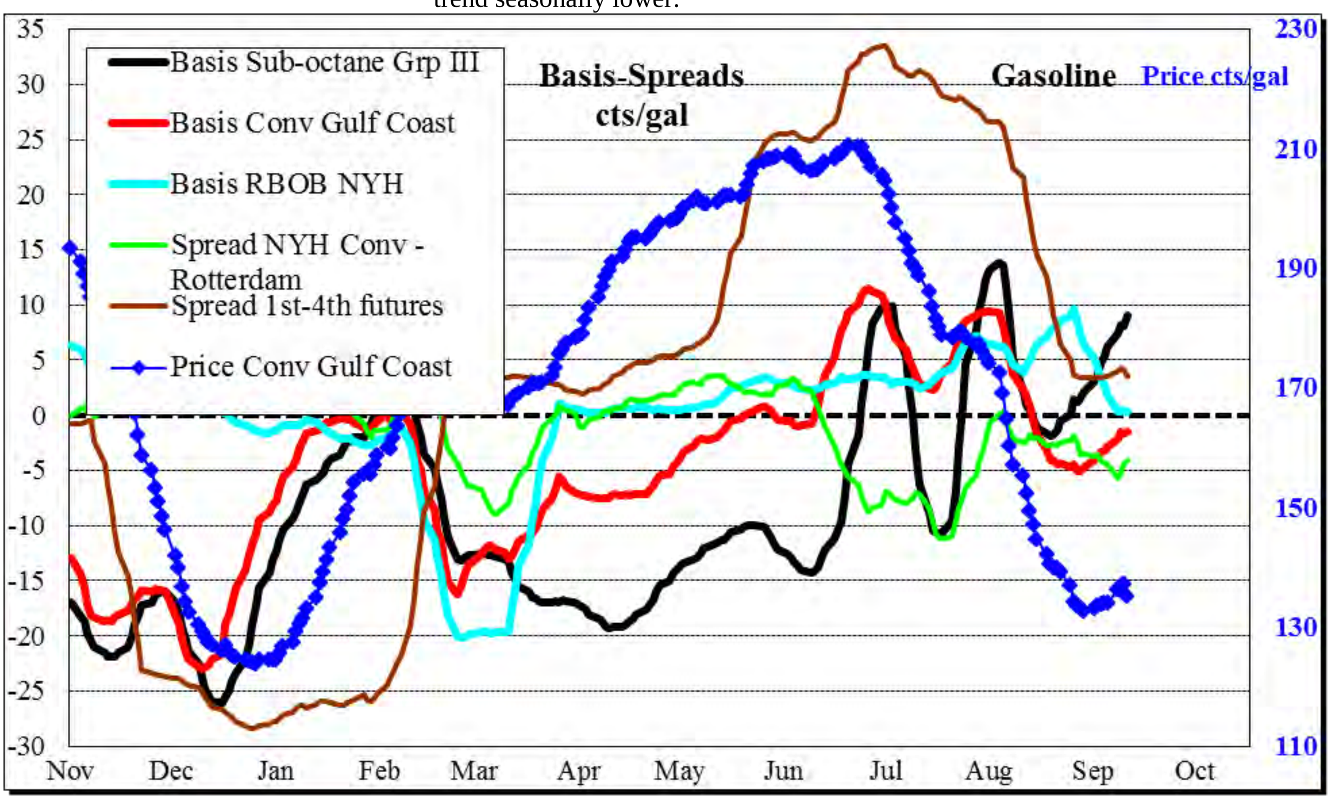
Group III basis to trade at the upper end of the historic range on maintenance in the Chicago area, followed by a seasonal downtrend.

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

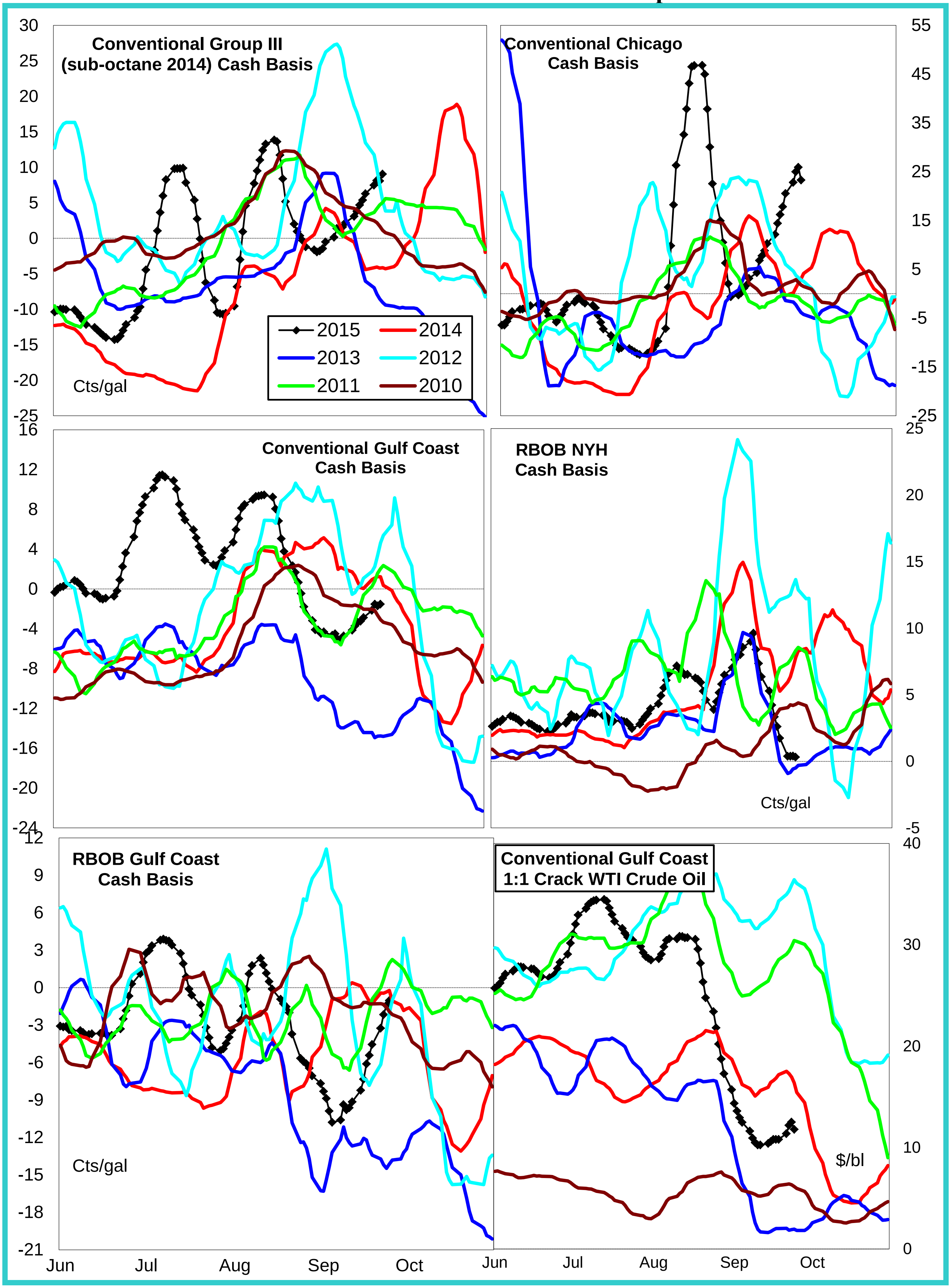
West Coast (Los Angeles) basis to trend seasonally lower on high stock levels and record production.

Gulf Coast Price Counter seasonal stock builds have pushed the level to above the last 4-yrs for this time of year. Regional refinery maintenance levels will impact local basis trends during the quarter.

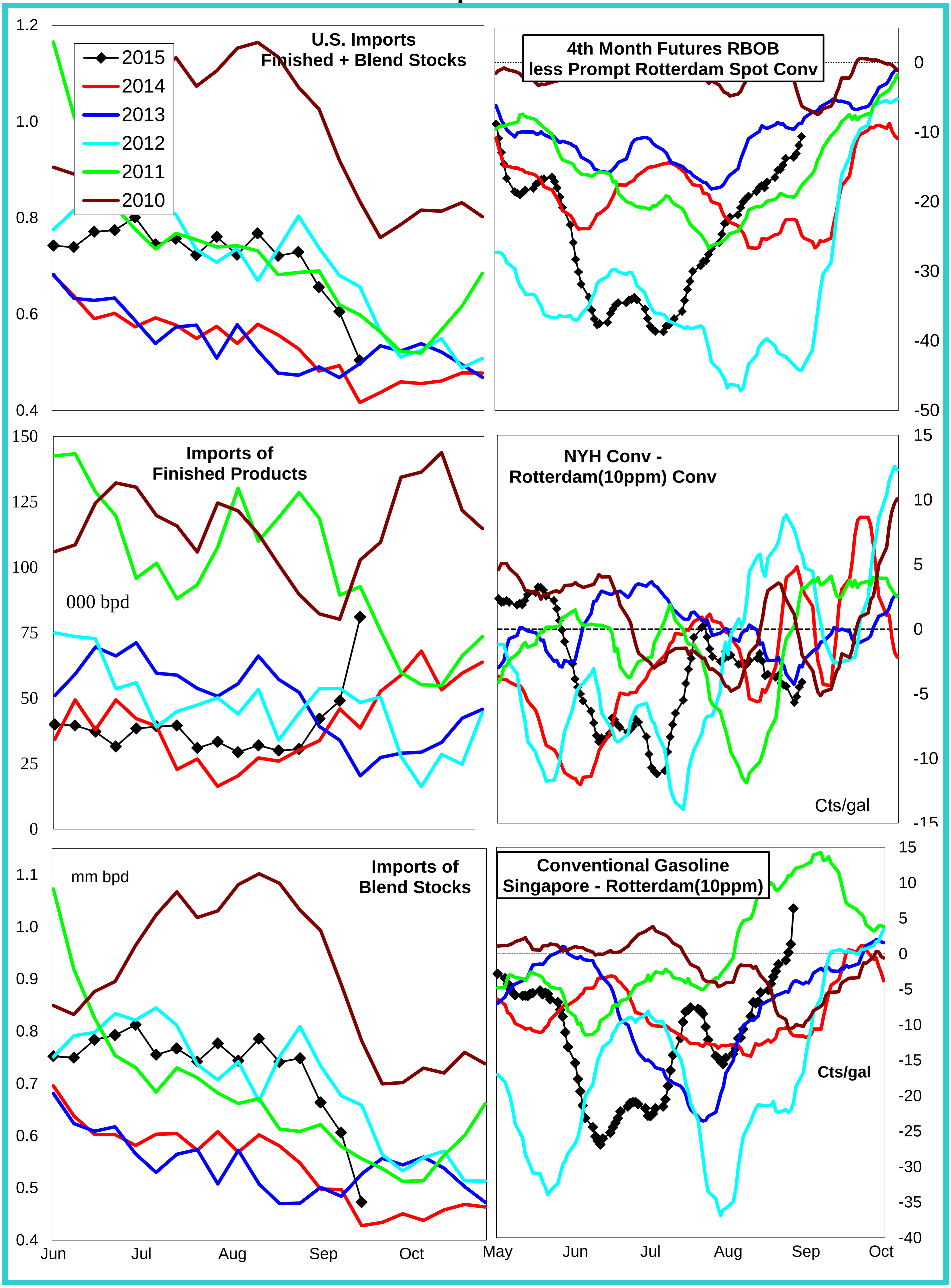
In the absence of Gulf weather disruptions during the next quarter, combined with economic recessions in many emerging markets, gasoline prices are likely to remain weak.



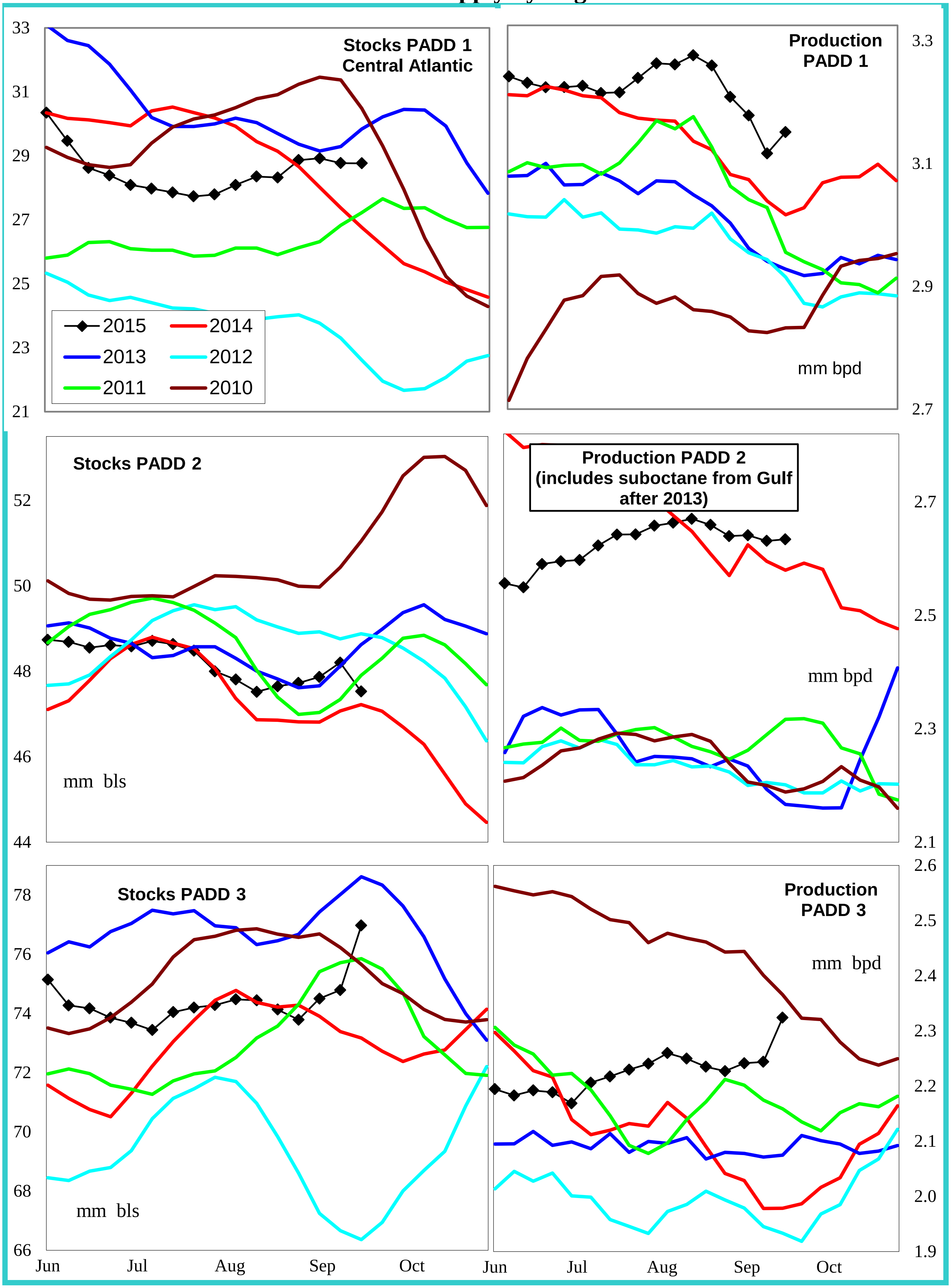
Gasoline Cash Basis and Related Price Spreads



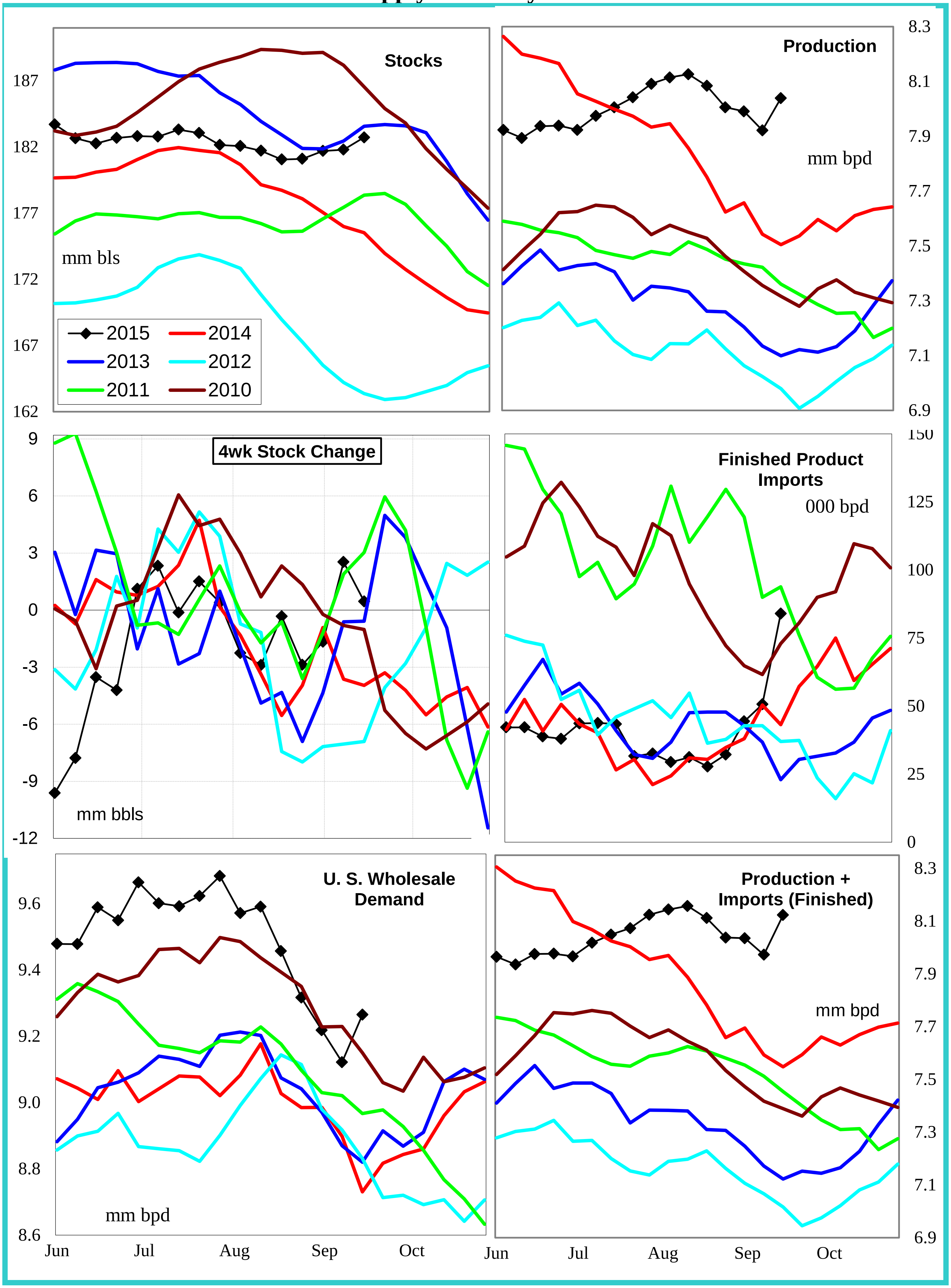
Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3



  Lehi German Tel: 816.505.0980

PADD 5 Gasoline Supply