



## 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, October 29, 2015

Cash Basis Outlook			
Product	Market	Weeks Forward	
		1 - 2	3 - 6
RBOB	NYH	→	→
	Gulf	→	→
	W Coast	→	→
Conventional	NYH	→	→
	Gulf	→	→
	Grp III	→	→
	Chicago	→	→
	W Coast	→	→
Gulf Coast Price Outlook		→	→

Wholesale demand increased +0.2 million bpd last week, to a level above the last 5-yrs. The latest 4-wk average demand was +0.3 million bpd above last year, a +3.4% increase.

Supplies increased +137,000 bpd last week. Supply for the most recent 4-wks was +0.45 million bpd above last year.

Stocks fell -1.1 million barrels on the week, concentrated in the Midwest region.

Stock levels ended the week +15 million barrels above last year and a record high. Stock levels ended the week above the 5-yr range in the East and Gulf regions. Stock levels in the Midwest were near 5-yr lows.

Cash basis was nearly unchanged in most regional markets last week, except San Francisco and Chicago where basis trended lower.

Basis levels were elevated in the West Coast and Midwest regions on balanced supplies compared to an extremely over supplied East Coast.

#### RBOB

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

*Chicago* basis to trend lower as refiners return FCCU units to operation.

*Group III* basis to trend lower, from record levels for this time of year, as refinery maintenance is completed.

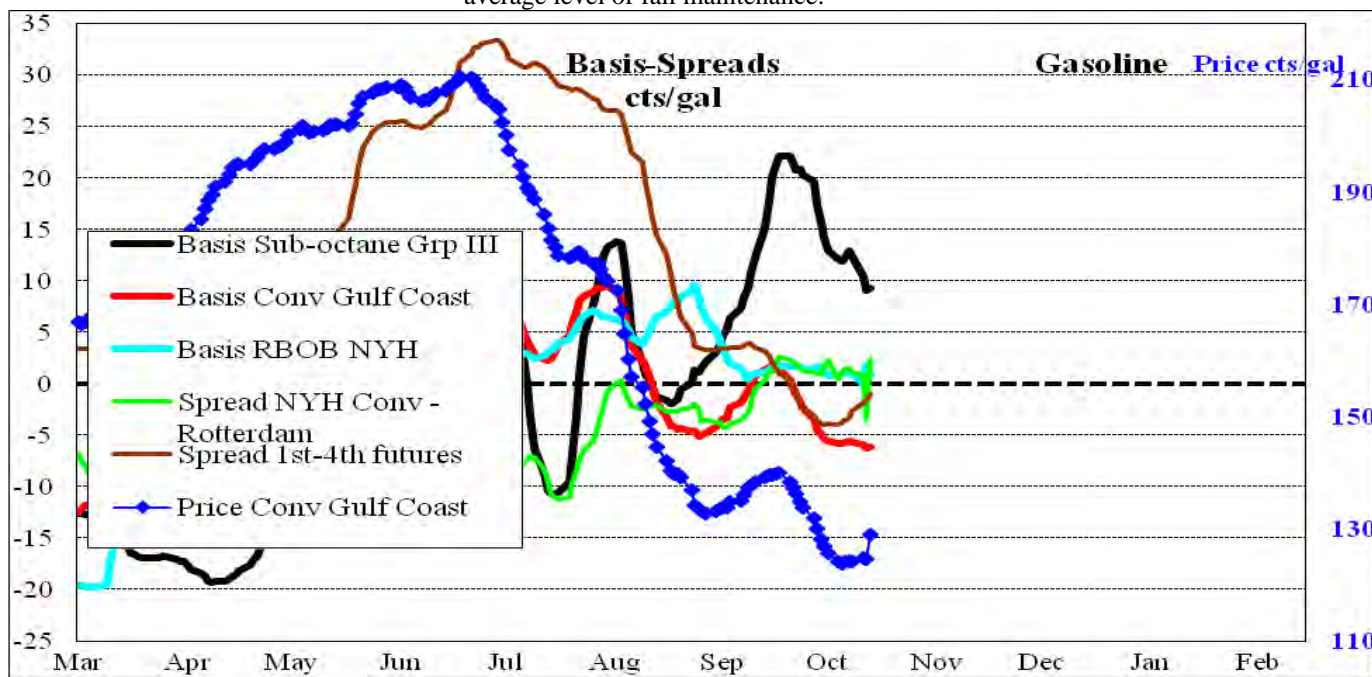
*Gulf Basis* to trend lower on the very high stock levels on the East Coast and below average level of fall maintenance.

*West Coast (Los Angeles)* basis to trend lower as refiners complete maintenance and stocks begin a seasonal build.

**Gulf Coast Price** Stock levels are extremely high in the East and Gulf regions. Refinery maintenance has been below Gulf average in these regions, contributing to high stock levels.

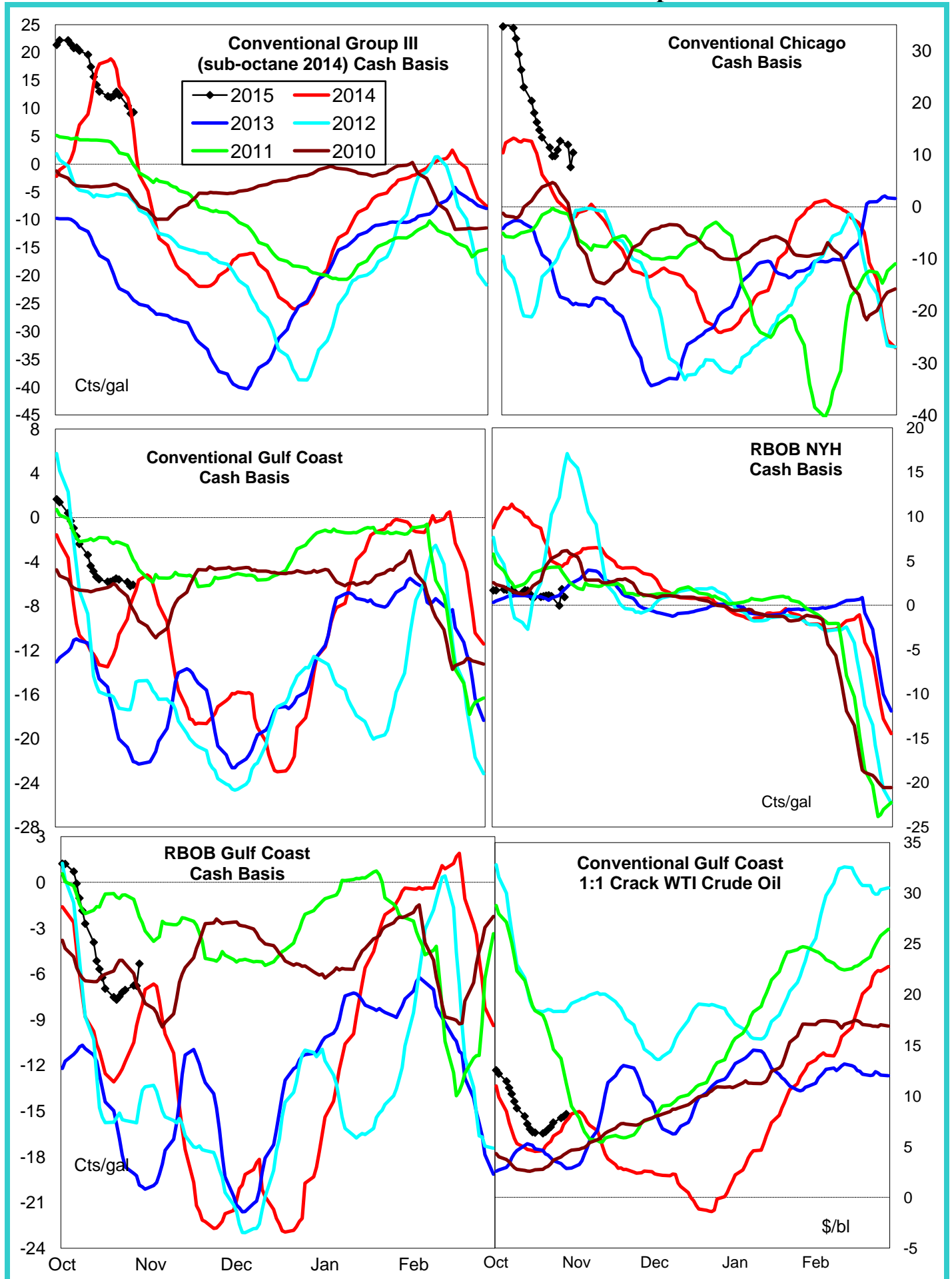
The record stock levels on the East Coast have supported cash basis in other regions where supplies are more balanced. Look for improving supplies in all regional markets to lead to a seasonal downtrend in cash basis during the 4th quarter.

Increased Middle East political tension has led to a global uptrend in oil prices, lifting domestic wholesale prices. 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 relative to other oil products.

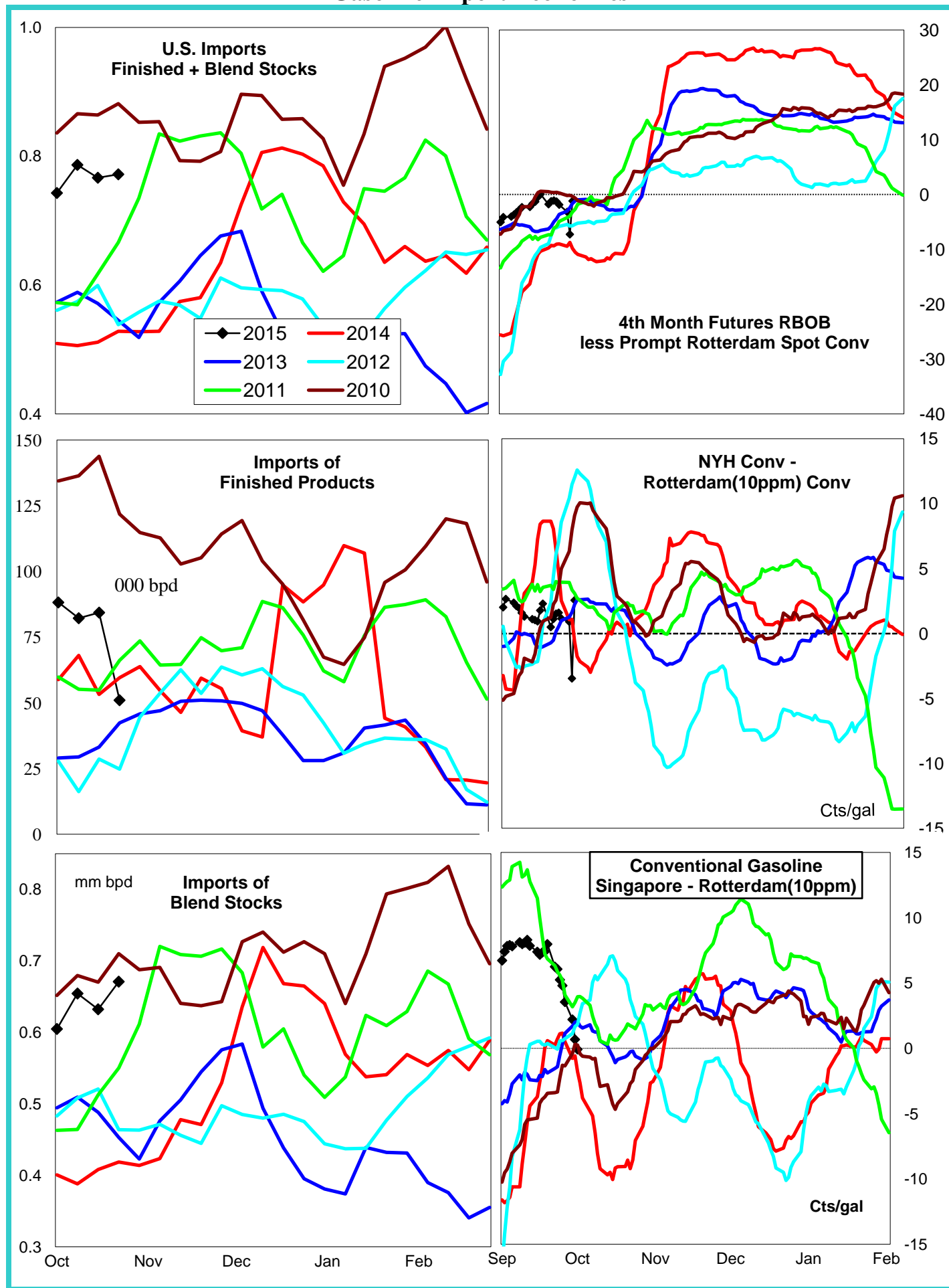


**Disclaimer** - The information contained on this website and in all its reports reflects the opinion of Fundamental Petroleum Trends. Futures and commodities trading involve significant risk and may not be suitable for every investor. Information contained herein is strictly the opinion of its author and is intended for informational purposes and is not to be construed as a recommendation to sell or buy, or trade in any commodity mentioned herein. Information is obtained from sources believed reliable, but is in no way guaranteed. Opinions, market data and recommendations are subject to change at any time. Past results are not indicative of future results. Charts are developed by Fundamental Petroleum Trends from EIA, NWS, other public data and proprietary models unless otherwise noted and credited.

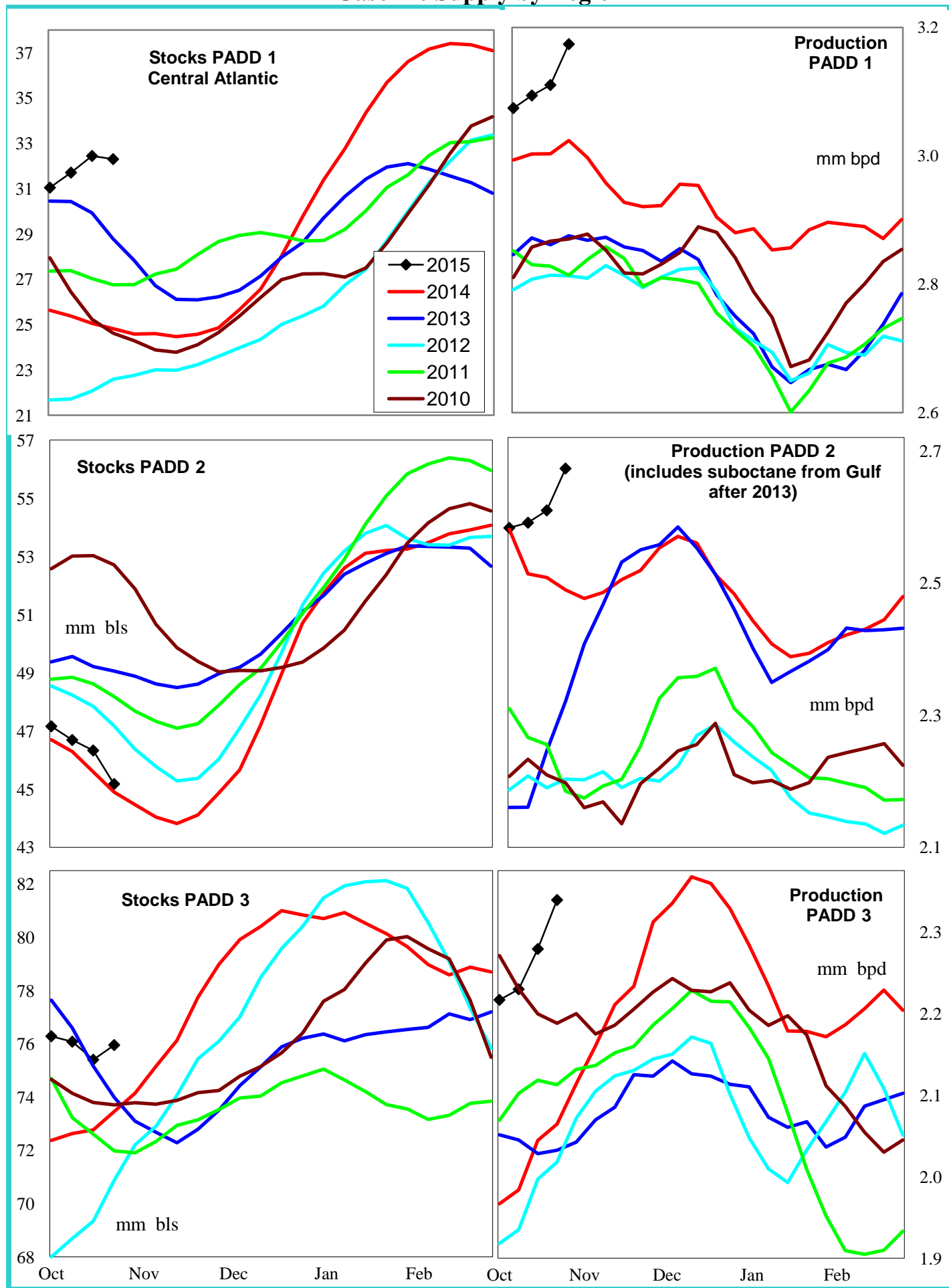
## Gasoline Cash Basis and Related Price Spreads



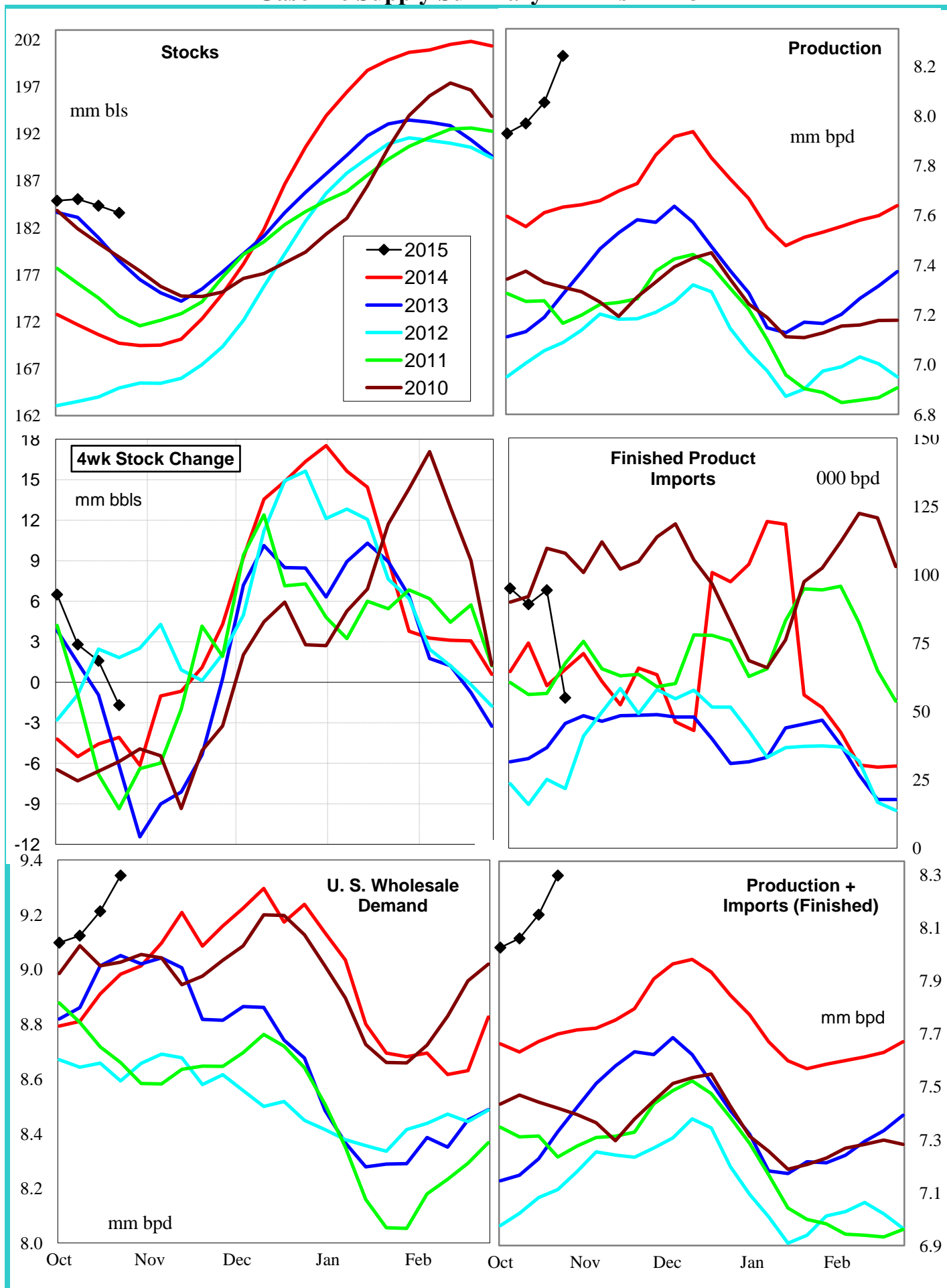
## Gasoline Import Economics



# Gasoline Supply by Region



# Gasoline Supply Summary PADDs 1+2+3



# PADD 5 Gasoline Supply

