



WEEKLY GASOLINE FUNDAMENTAL-PRICE-BASIS OUTLOOK

A Fundamental Petroleum Trends Weekly Report

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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 +0.1 million bpd last week, to a level above the historic range. The latest 4-wk average demand was +64,000 bpd above last year.

Supplies increased +332,000 bpd last week on higher production and imports. Supply for the most recent 4-wks was +156,000 bpd above a year ago.

Stocks increased +0.8 million barrels on the week, including a -0.9 million barrel draw in the Gulf region.

Stock levels ended the week above the 5-yr range in the Midwest and East regions. Stocks were at 5-yr lows on the West Coast.

Cash basis increased in all regions last week except NYH and Los Angeles.

Basis levels traded above the 5-yr range for this time of year in the Northwest. Other regions traded well above the last 2-yr on robust demand and unplanned maintenance.

RBOB

New York Harbor basis to trade at par with futures on ample supplies.

Chicago basis to pull back by year end as demand falls to a season low and production reaches a winter peak.

Group III basis to pull back by year end as demand falls to a season low and production reaches a winter peak.

Gulf Basis to pull back by year end as demand falls to a season low and production reaches a winter peak.

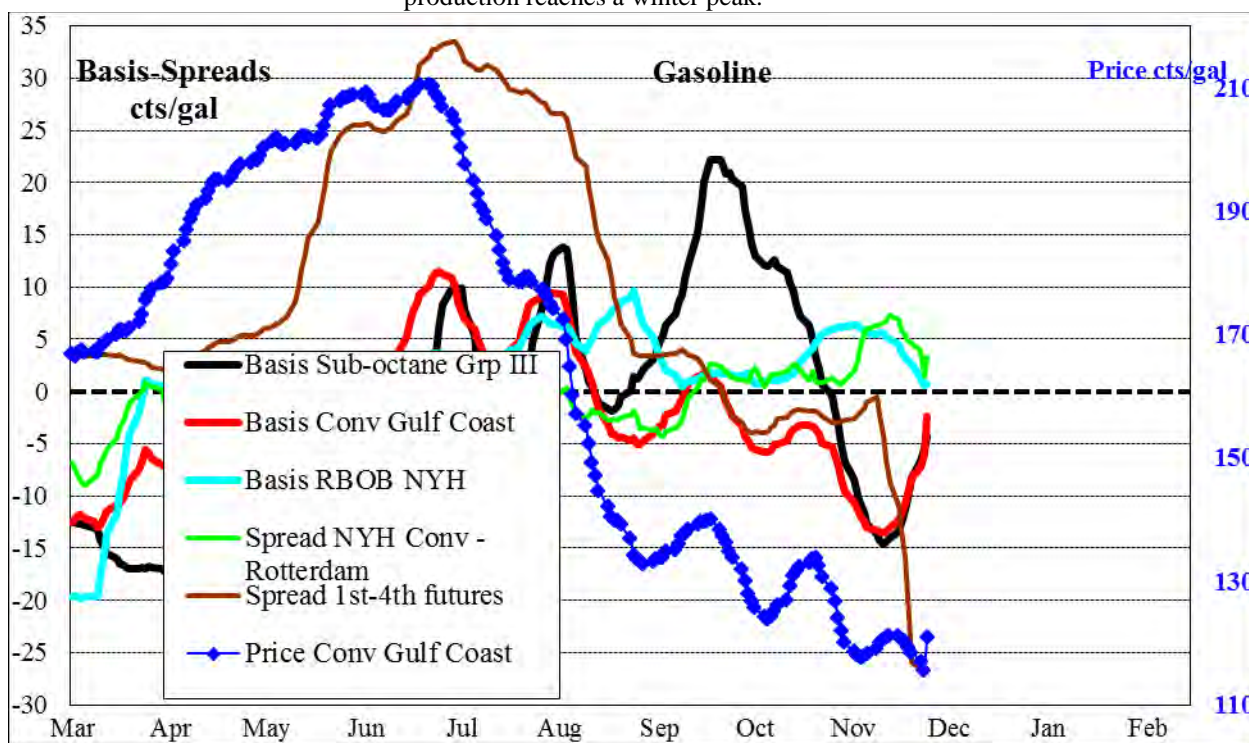
West Coast (Los Angeles) basis to trend lower on higher imports and the restart of refinery operations following unplanned maintenance.

Gulf Coast Price Stocks should see significant builds on lower seasonal demand and completion of unplanned maintenance in the Gulf and West regions.

Very favorable weather and low retail prices has contributed to recent strength in cash basis across most regional markets.

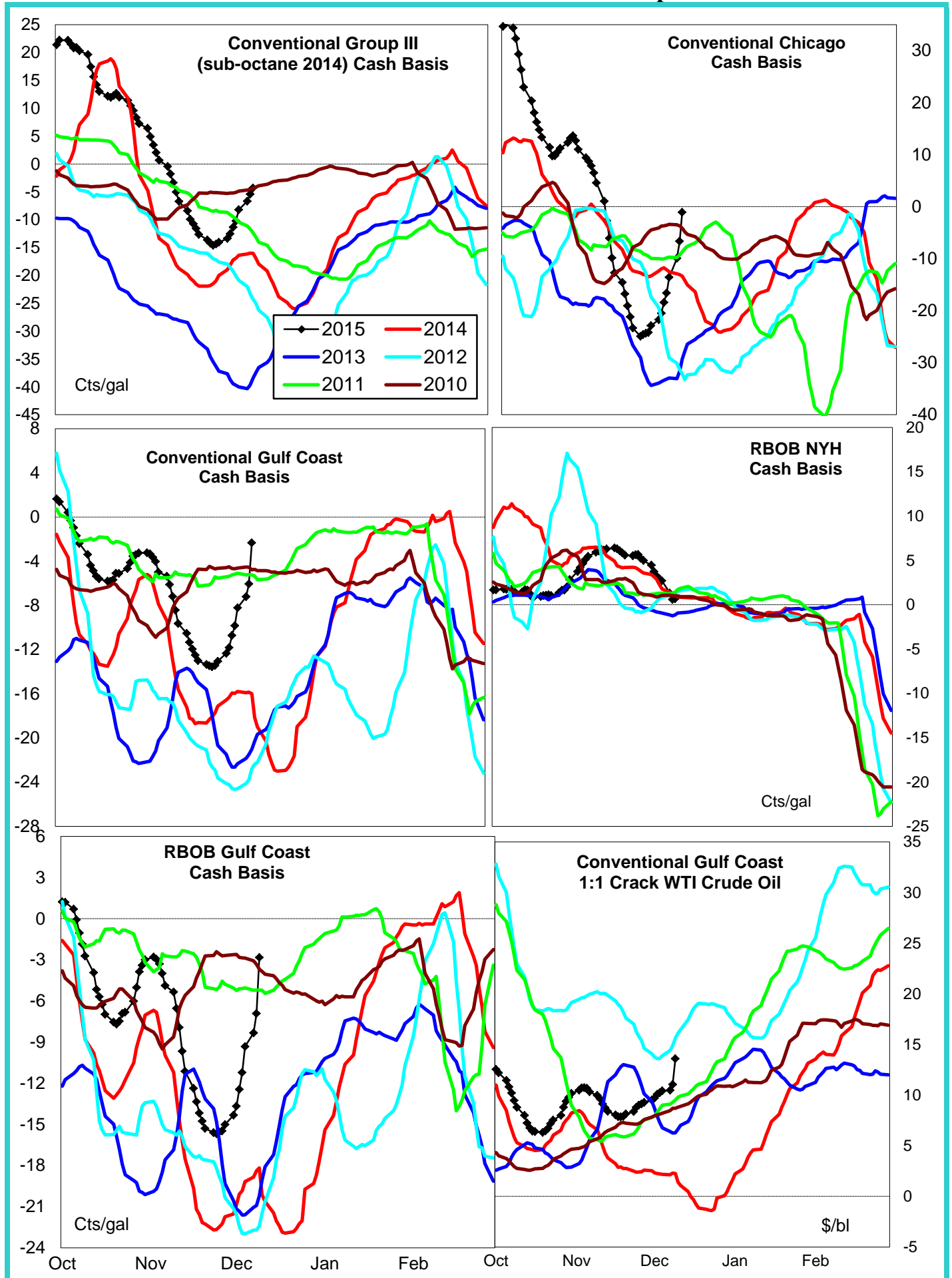
A strengthening \$dollar and over supplied global crude oil market underlies the continued weak oil prices. Combined with a seasonal increase in gasoline production and stock builds, gasoline prices are likely to remain weak during the next 60-days.

Extreme over supply of distillates may lead to an above average maintenance season during the 1st quarter, which in turn risk a gasoline supply squeeze during the 2nd quarter of 2016.

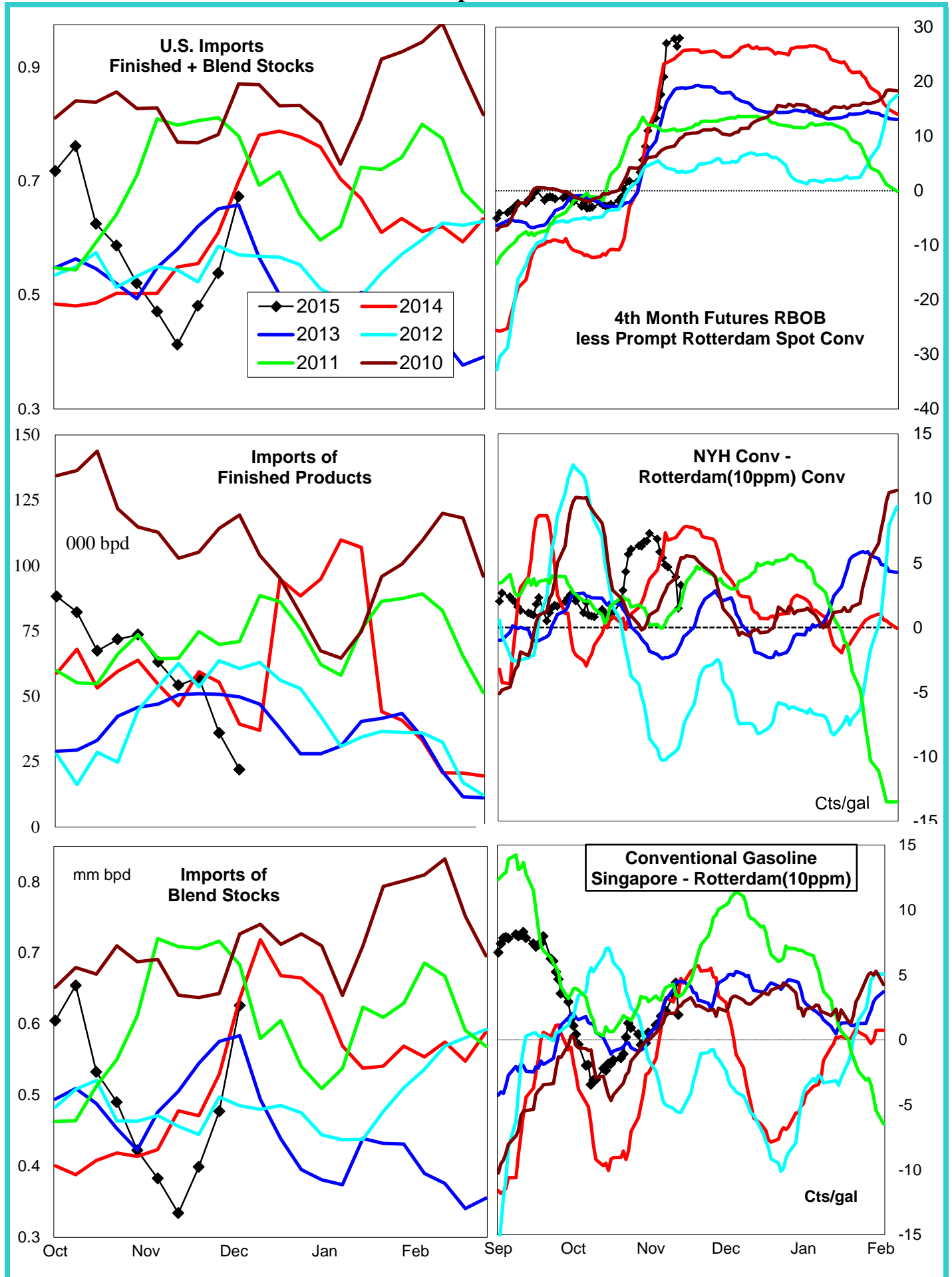


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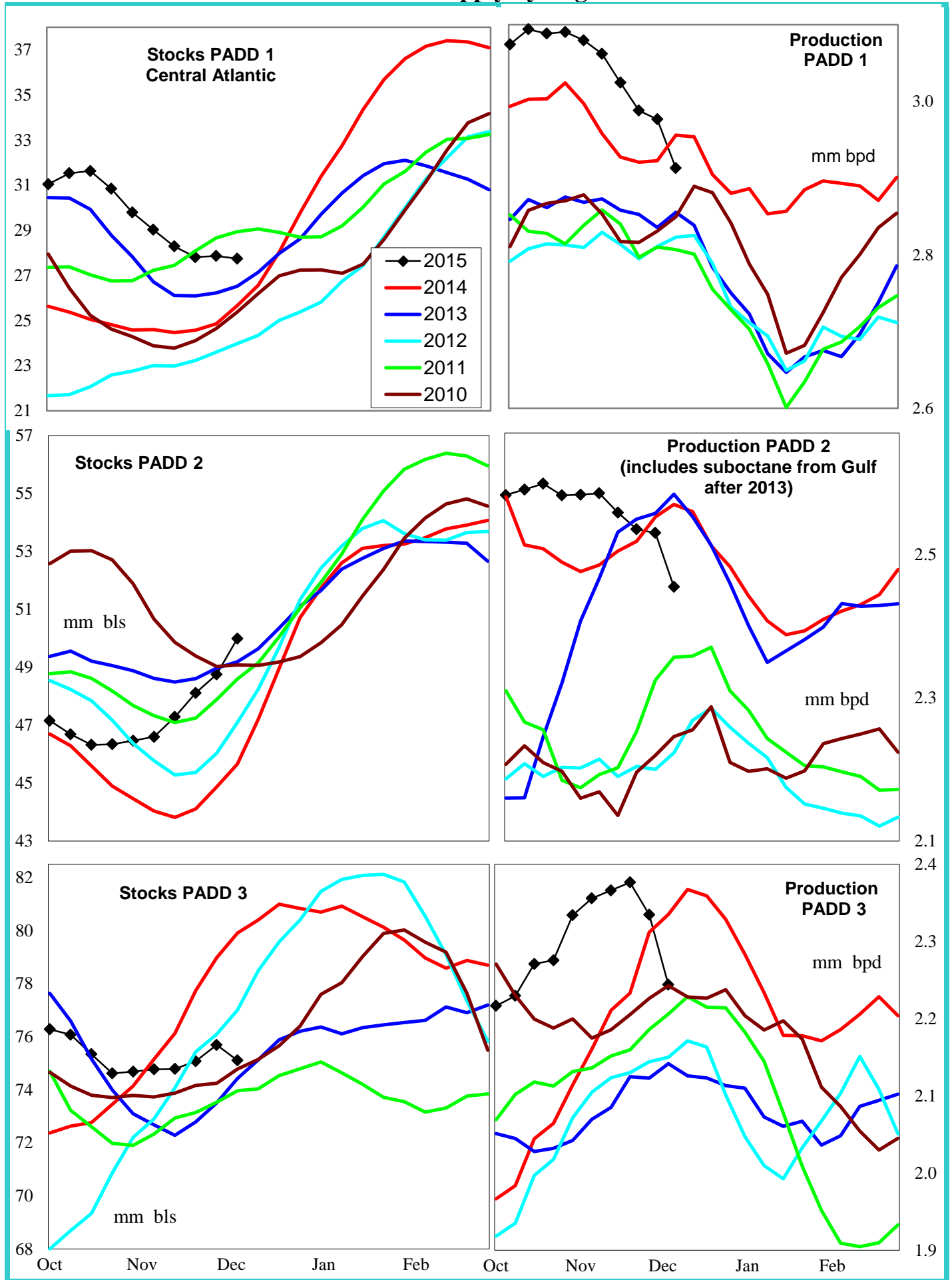
Gasoline Cash Basis and Related Price Spreads

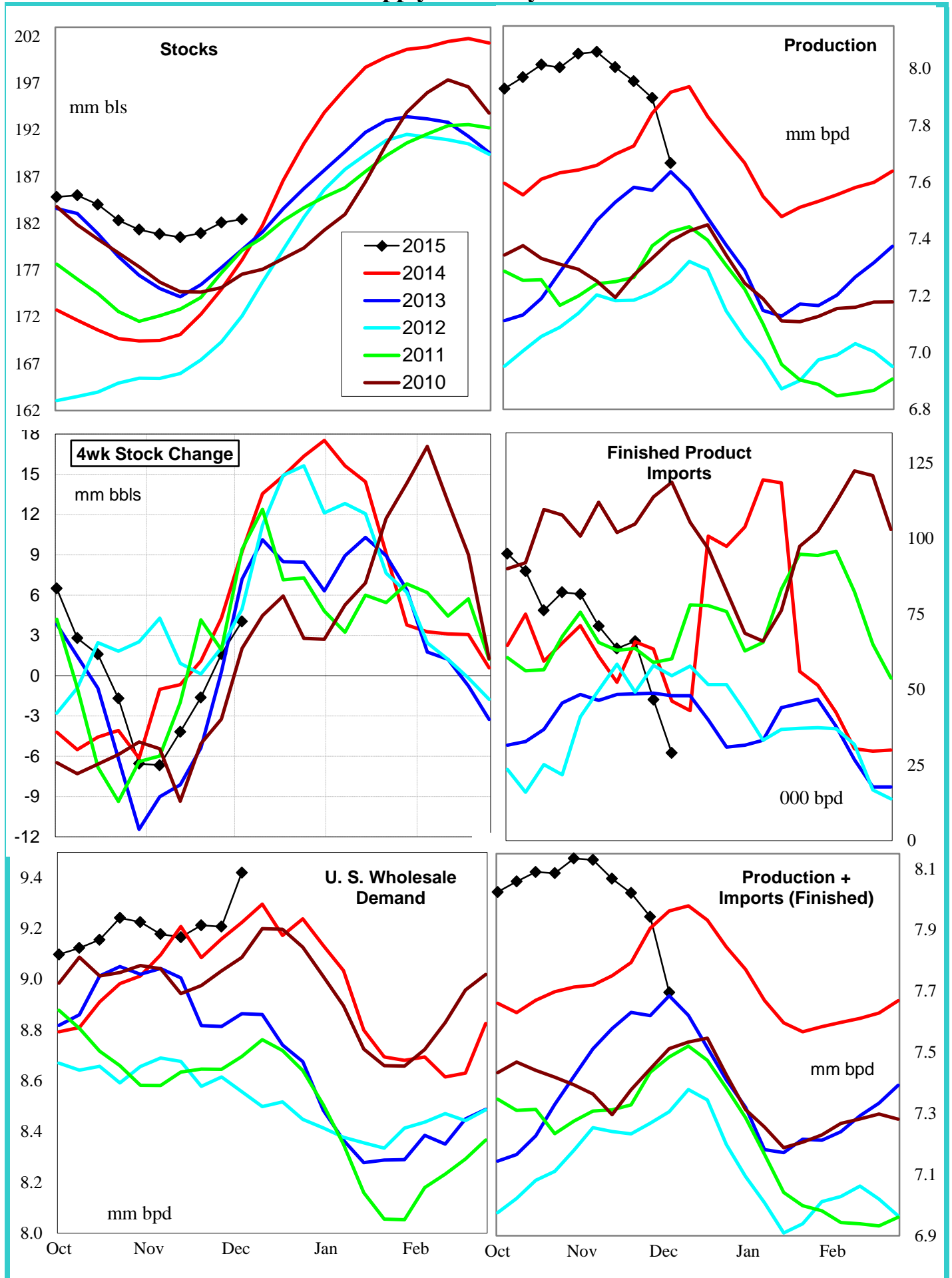


Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3

PADD 5 Gasoline Supply

