



WEEKLY GASOLINE FUNDAMENTAL-PRICE-BASIS OUTLOOK

A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Thursday, December 17, 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 decreased -0.2 million bpd last week, to match a year ago. The latest 4-wk average demand was +60,000 bpd above last year.

Supplies increased +106,000 bpd last week on higher production and imports. Supply for the most recent 4-wks was +265,000 bpd above a year ago.

Stocks increased +1.7 million barrels on the week, including a -0.8 million barrel draw on the West Coast.

Stock levels ended the week at a level equal to the 3-yr mid range. Stocks were at record lows on the West Coast.

Cash basis surged to record highs on the West Coast due to refinery maintenance and resulting low stocks. Other markets outside NYH experienced price weakness late in the week.

Basis levels traded at the upper end of the 3-yr range in markets East of the Rockies.

RBOB

New York Harbor basis to trade within the 3-yr range on ample supplies.

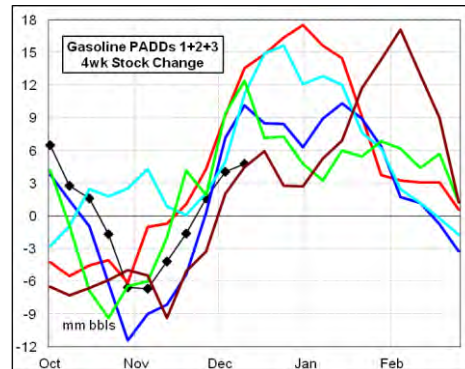
Chicago basis to trend lower as demand falls to a season low and production reaches a winter peak.

Group III basis to trend lower as demand falls to a season low and production reaches a winter peak.

Gulf Basis to extend the recent downtrend as demand falls to a season low and production reaches a winter peak.

West Coast (Los Angeles) basis to trade at elevated levels until maintenance is completed then fall sharply to the low end of the historic range on increased production.

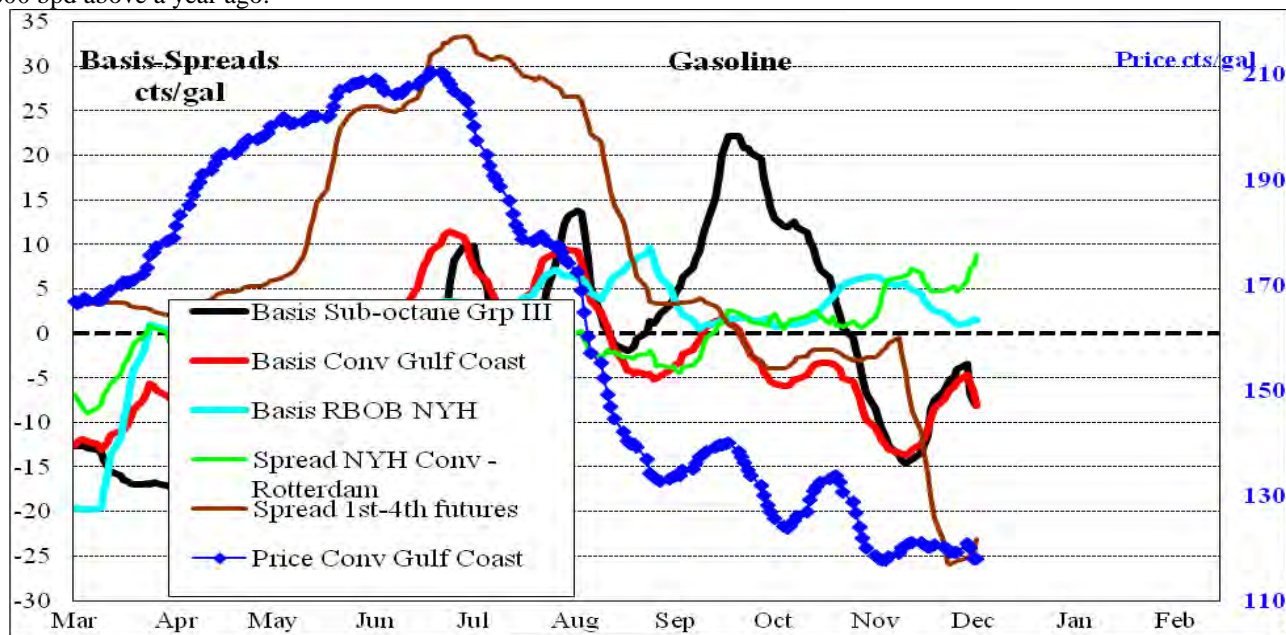
Gulf Coast Price



Stocks have been building at a record low rate in markets East of the Rockies, while West Coast stocks have experienced a counter seasonal draw on very high maintenance.

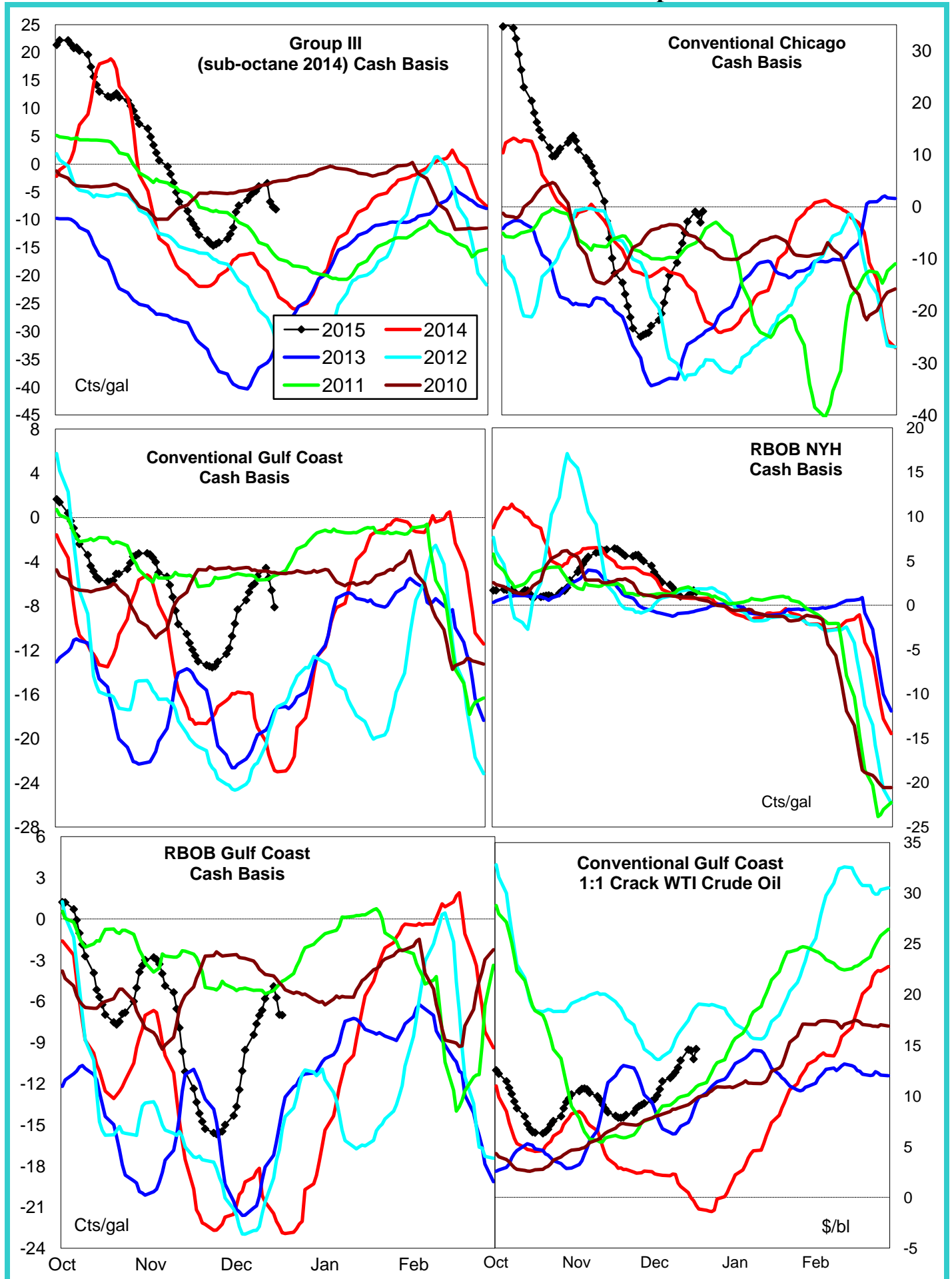
Wholesale demand continues to be very robust on favorable weather and low retail prices.

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.

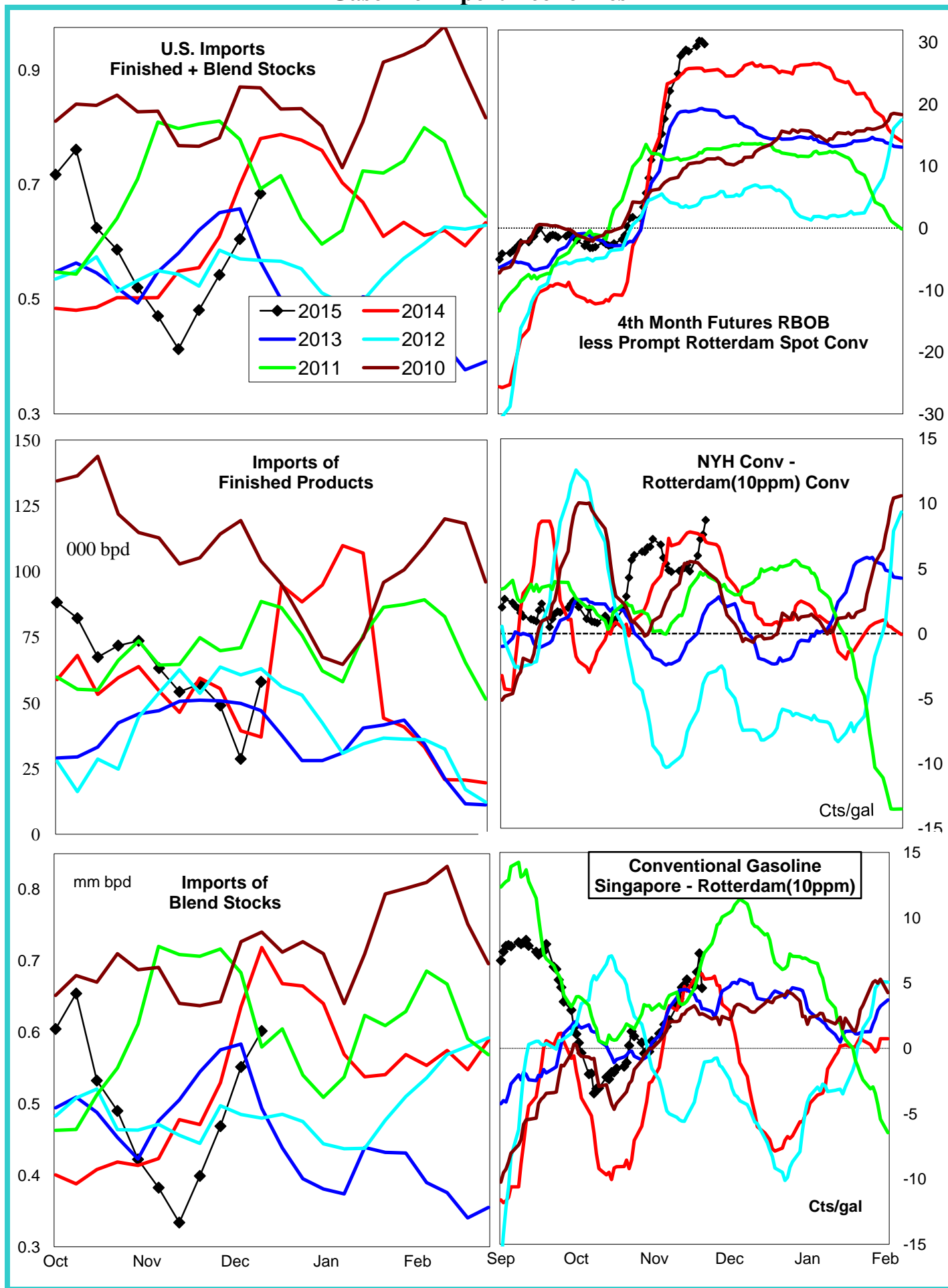


Disclaimer - The information contained on this website and in all its reports reflects the opinion of Fundamental Petroleum Trends. Futures and commodities trading involve significant risk and may not be suitable for every investor. Information contained herein is strictly the opinion of its author and 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.

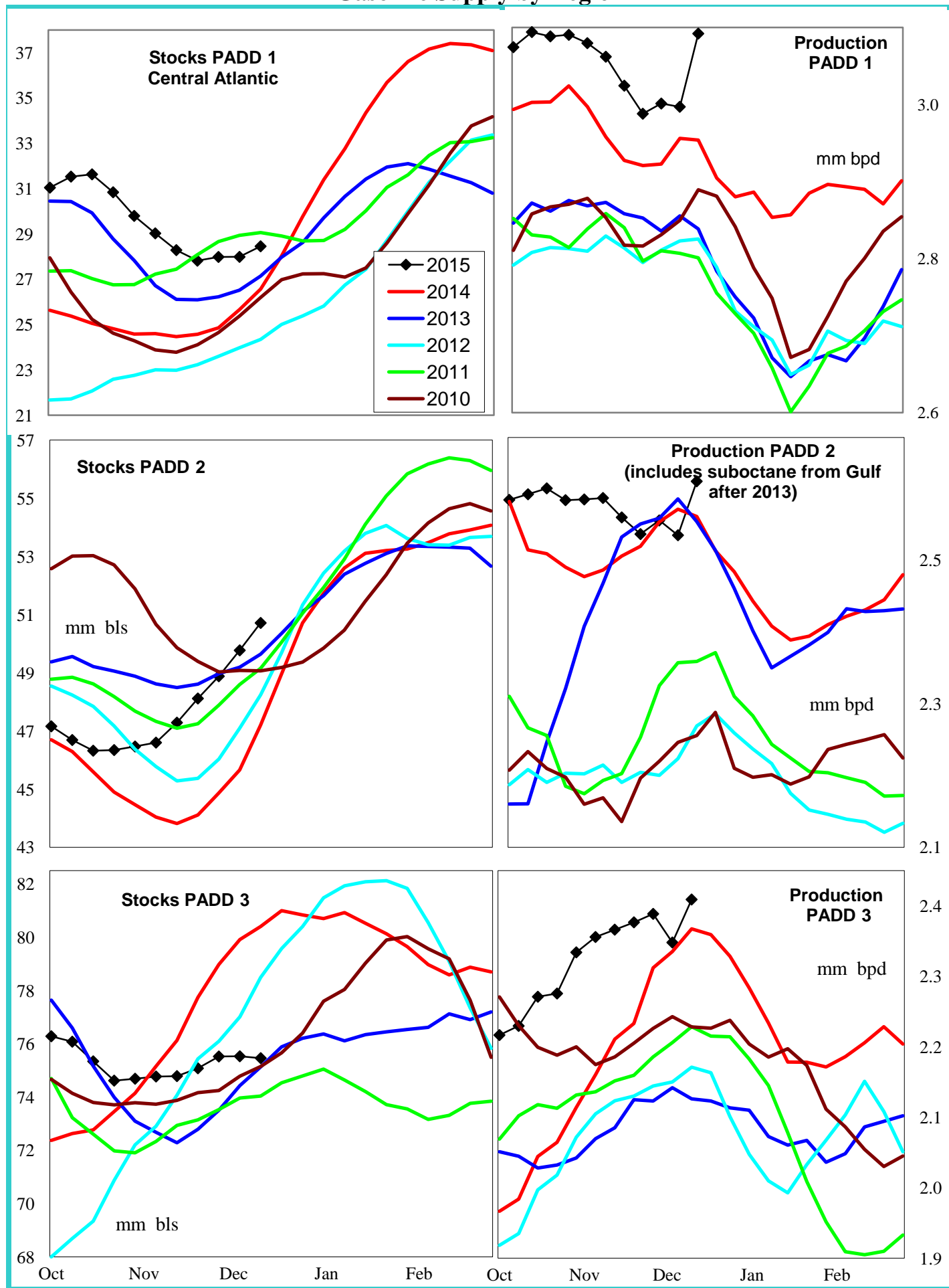
Gasoline Cash Basis and Related Price Spreads



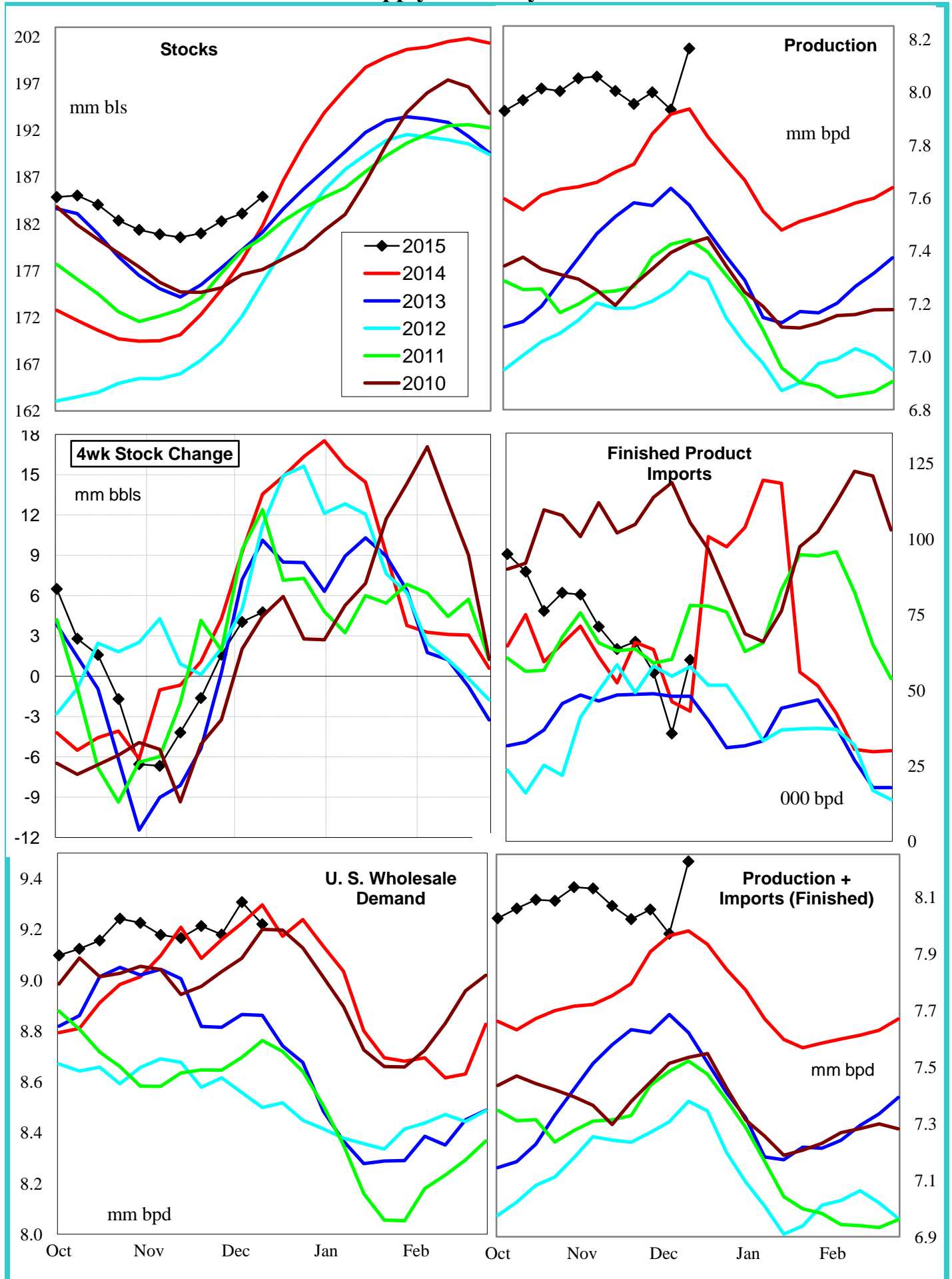
Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3



PADD 5 Gasoline Supply

