



## 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, December 24, 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 was nearly unchanged last week, matching levels of a year ago. The latest 4-wk average demand was +60,000 bpd above last year.

Supplies fell -0.7 million bpd last week on lower production and imports. Supply for the most recent 4-wks was +135,000 bpd above a year ago.

Stocks increased +1.1 million barrels on the week, including a -1.8 million barrel draw on the East Coast.

Stocks ended the week at a level below the 3-yr mid range. Stocks were -17% below a year ago on the West coast and at all time record lows for the fall – winter quarters on extensive refinery maintenance.

Cash basis trended higher in nearly all regional markets last week. Basis levels in west coast markets were at extremely high levels on very tight supply.

The Gulf and NYH markets traded near the 3-yr mid range while Chicago traded above the 5-yr range for this time of year

#### RBOB

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

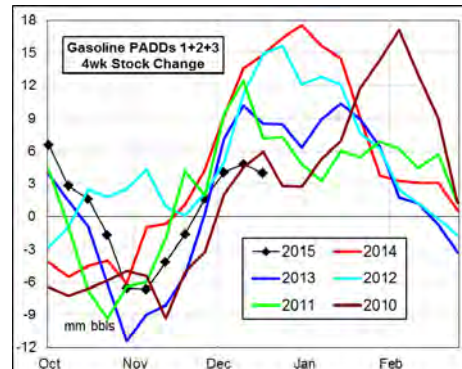
**Chicago** basis to trade sideways as demand falls to a season low and production reaches a winter peak, then trend seasonally higher.

**Group III** basis to trade sideways as demand falls to a season low and production reaches a winter peak, then trend seasonally higher.

**Gulf Basis** to traded sideways as demand falls to a season low and production reaches a winter peak, then trend higher as winter refinery maintenance begins.

**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

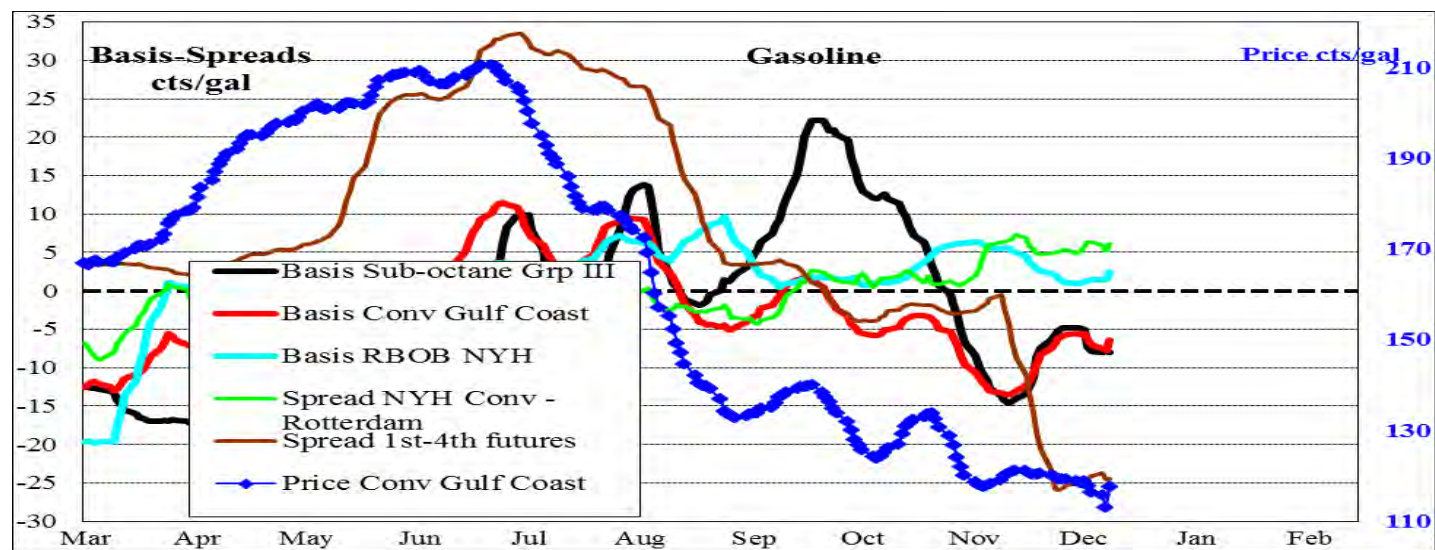


Stocks continue to build at an extremely low rate in markets East of the Rockies, due largely to a sharp drop in blend stock imports during the last 2-months. West Coast stocks have experienced a counter seasonal draw on very high maintenance.

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

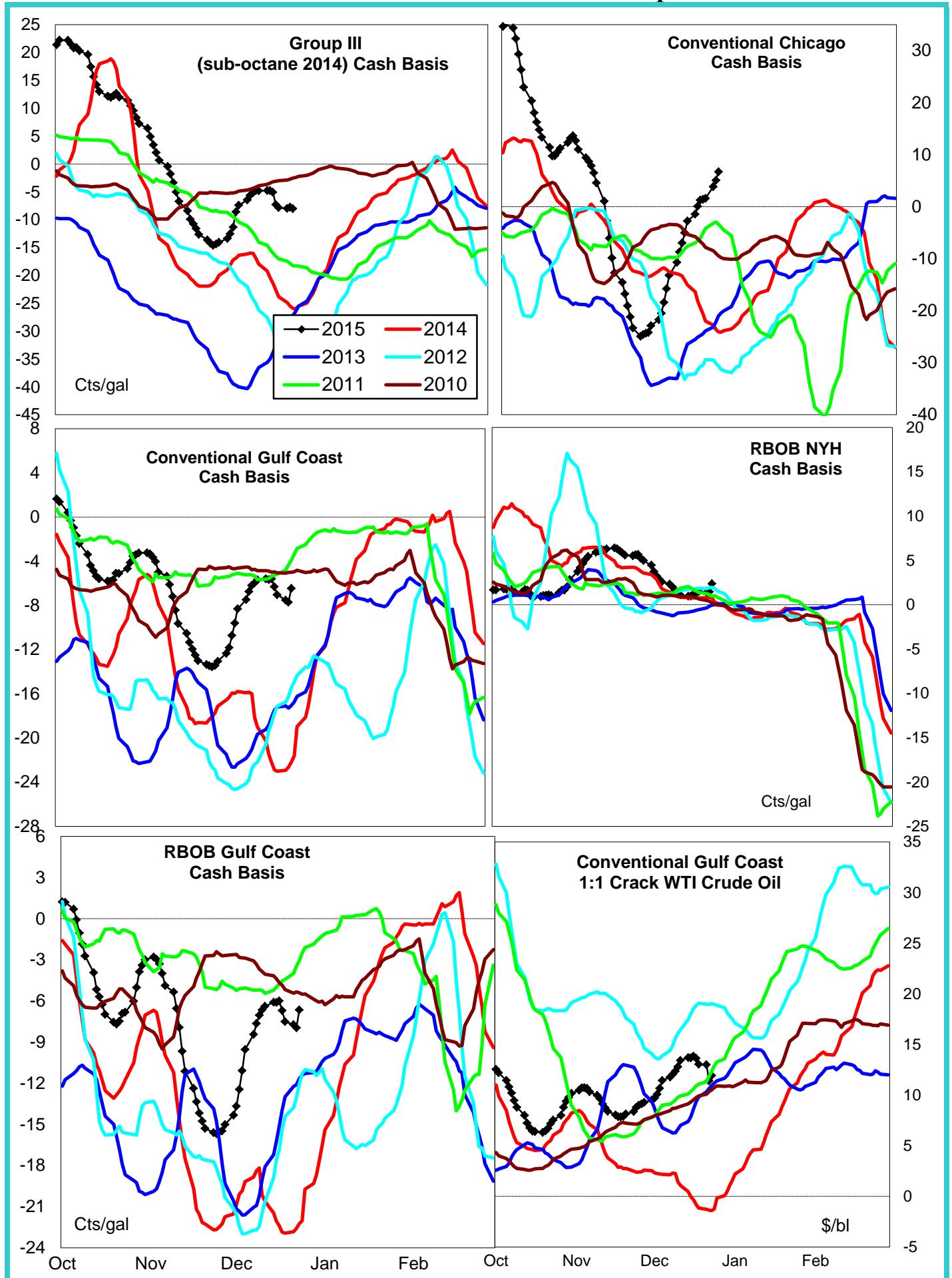
Look for continued relative strength in gasoline prices during the 1<sup>st</sup> quarter on low stock builds and significant year on year demand growth.

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

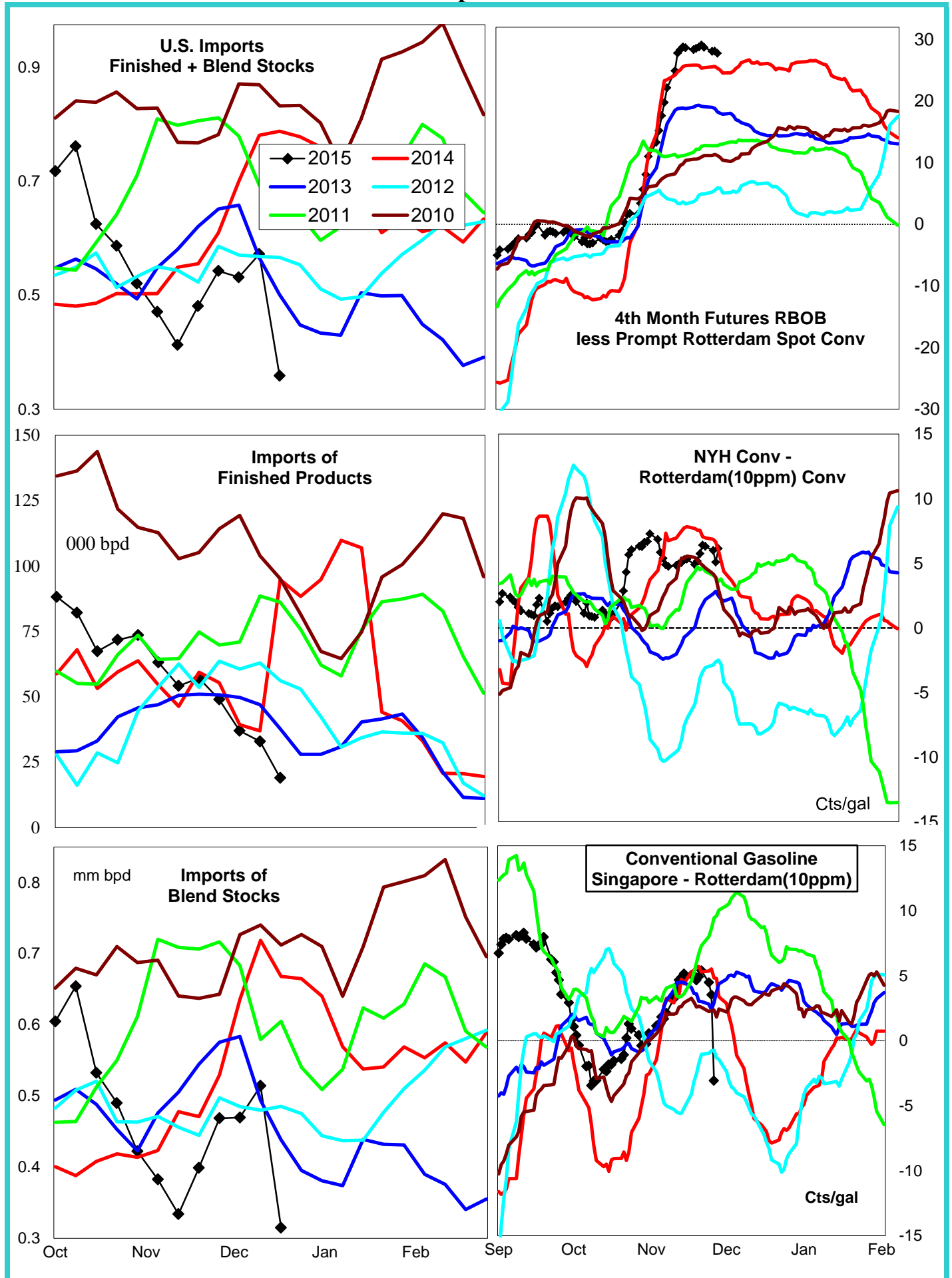


**Disclaimer** - The information contained on this website and in all its reports reflects the opinion of Fundamental Petroleum Trends. Futures and commodities trading involve significant risk and may not be suitable for every investor. Information contained herein is strictly the opinion of its author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

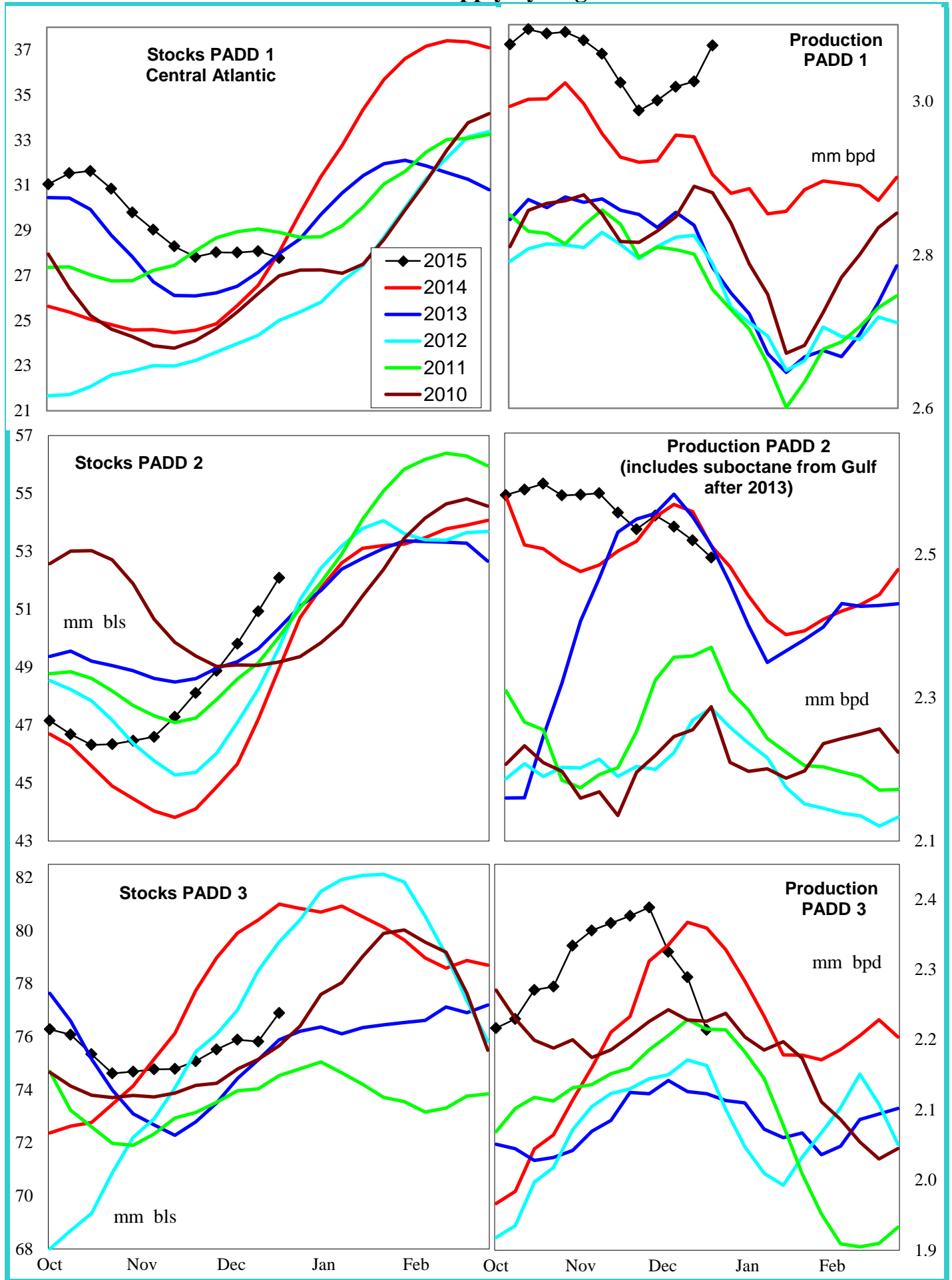
# Gasoline Cash Basis and Related Price Spreads

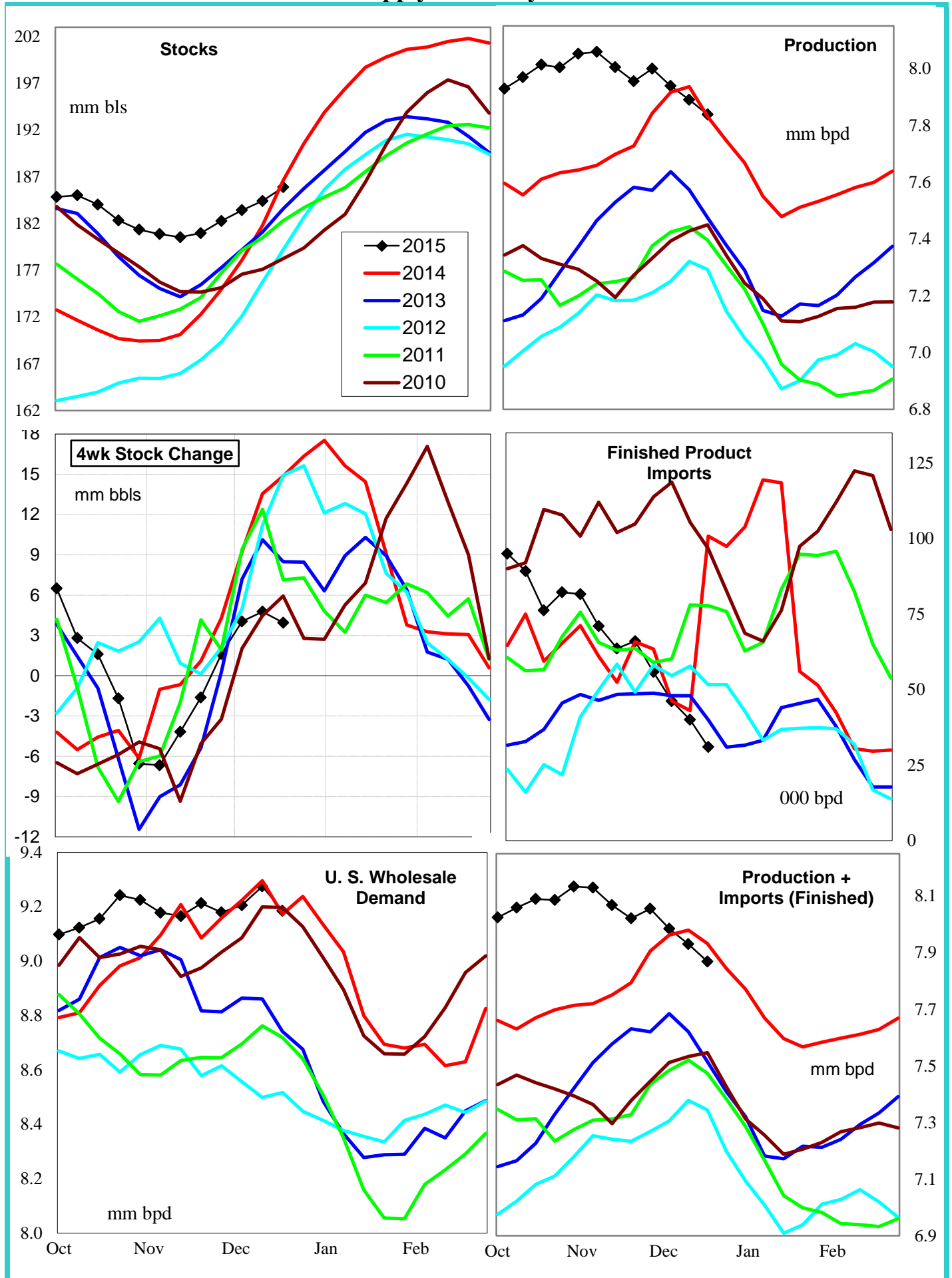


## Gasoline Import Economics



# Gasoline Supply by Region



**Gasoline Supply Summary PADDs 1+2+3**



# PADD 5 Gasoline Supply

