



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 +0.2 million bpd last week, to a record high for the period. The latest 4-wk average demand was +42,000 bpd above last year.

Supplies jumped +0.6 million bpd last week reversing the prior week decline. Supply for the most recent 4-wks was +53,000 bpd above a year ago.

Stocks increased +0.9 million barrels on the week, including a +3.4 million barrel build on the Gulf.

Stocks ended the week at a level below the 3-yr mid range. Stocks were -18% 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 all regional markets last week, except the Northwest. Basis levels on the West Coast and Midwest traded above the historic range for the period.

RBOB

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

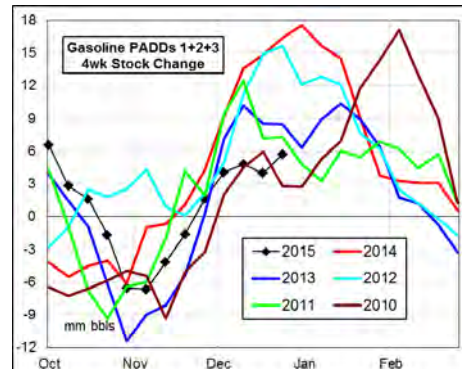
Chicago basis to trade sideways as demand falls to a season low and production reaches a winter peak, then trend seasonally higher.

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 trade 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

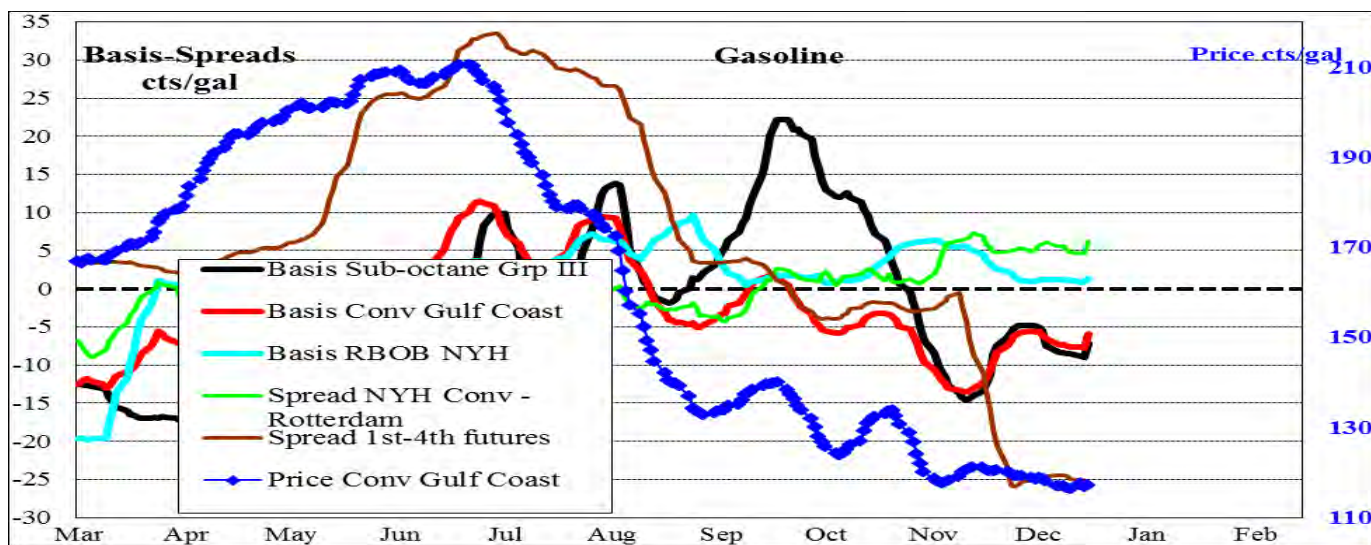


Stocks continue to build at a very low rate in markets East of the Rockies, due largely to a sharp drop in blend stock imports during the last 2-months. West Coast stocks have experienced a counter seasonal draw to extremely low levels on high unplanned maintenance.

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

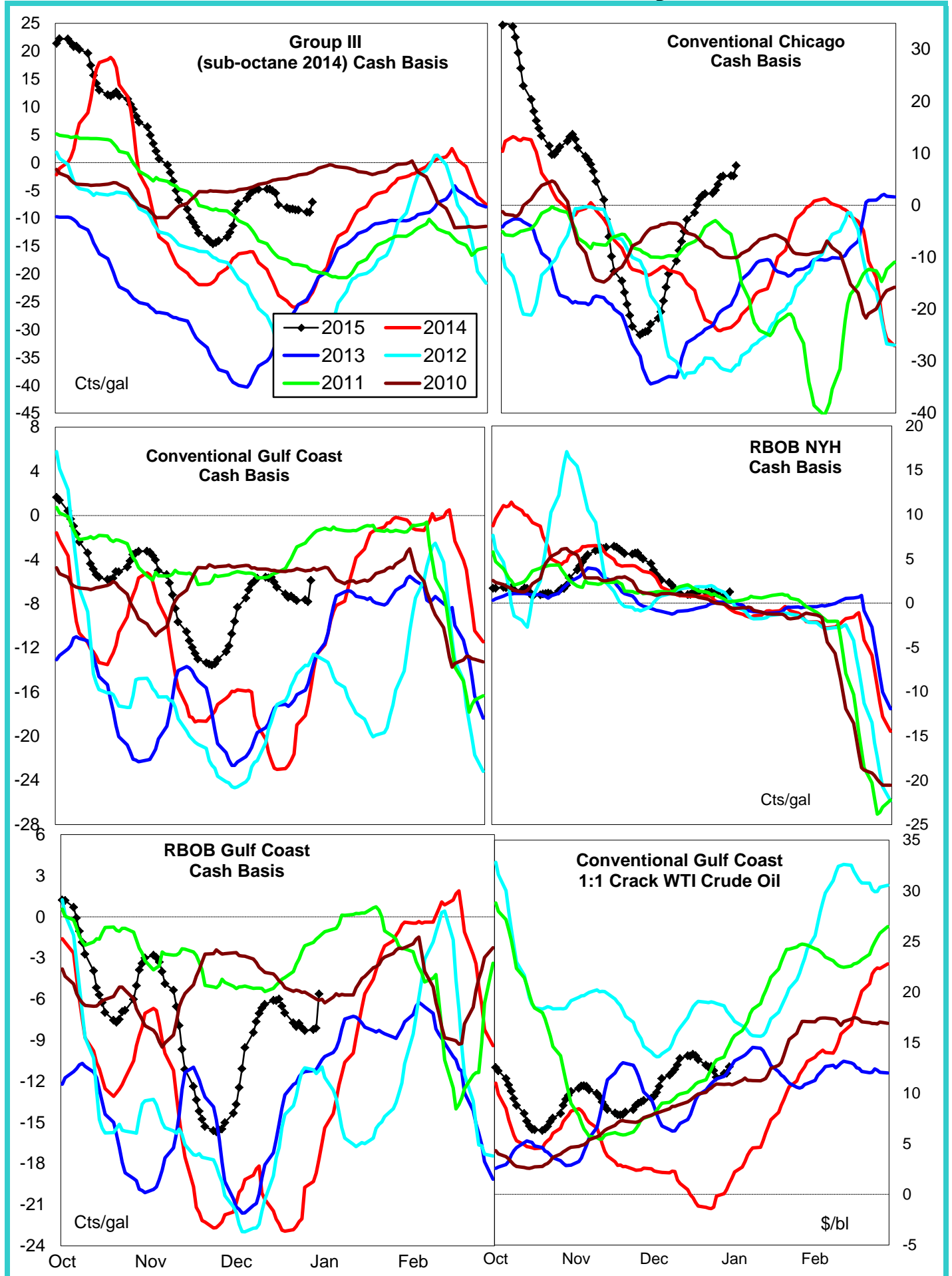
Look for continued relative strength in gasoline prices during the 1st quarter on low stock builds and significant year on year demand growth.

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

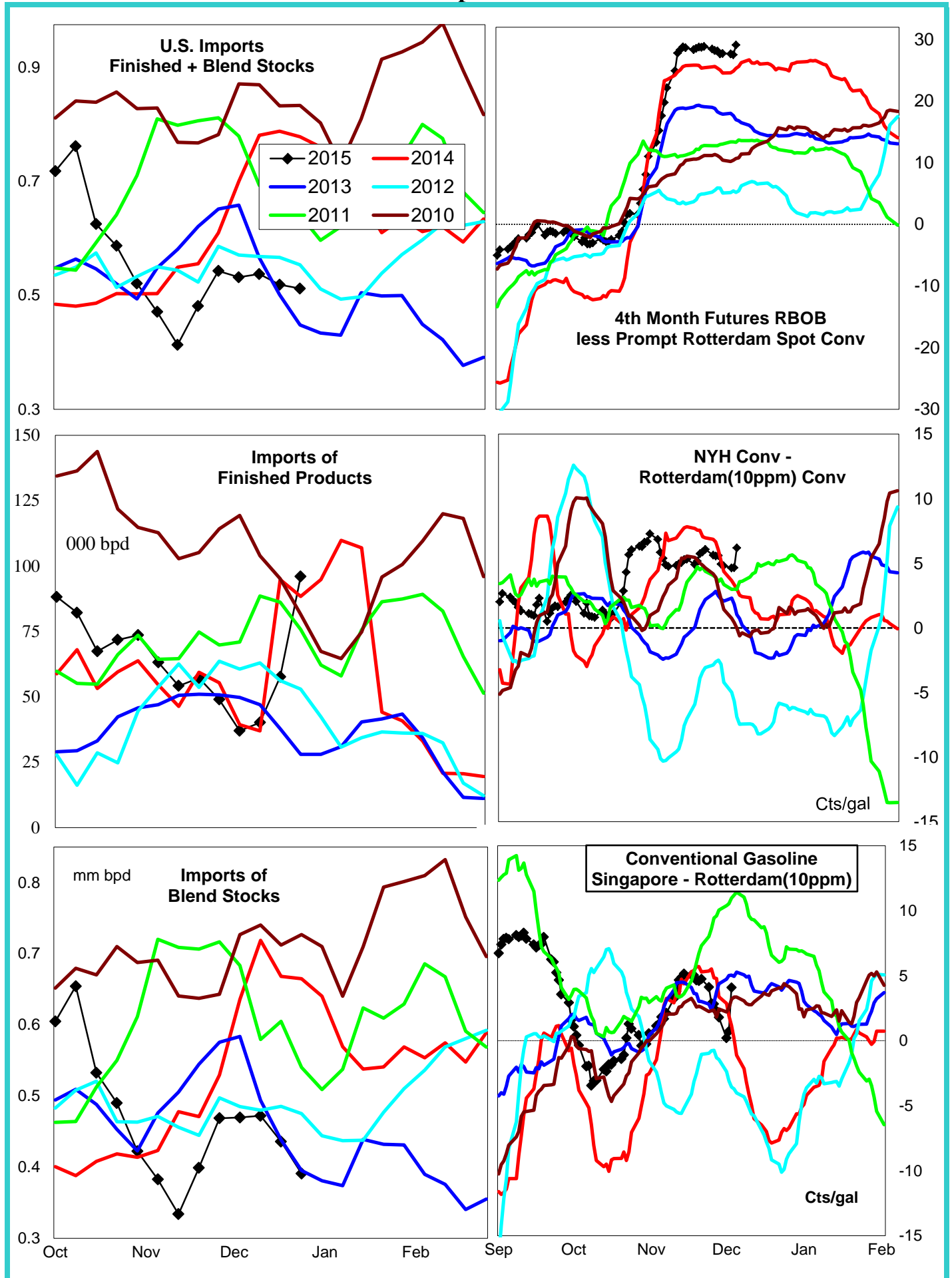


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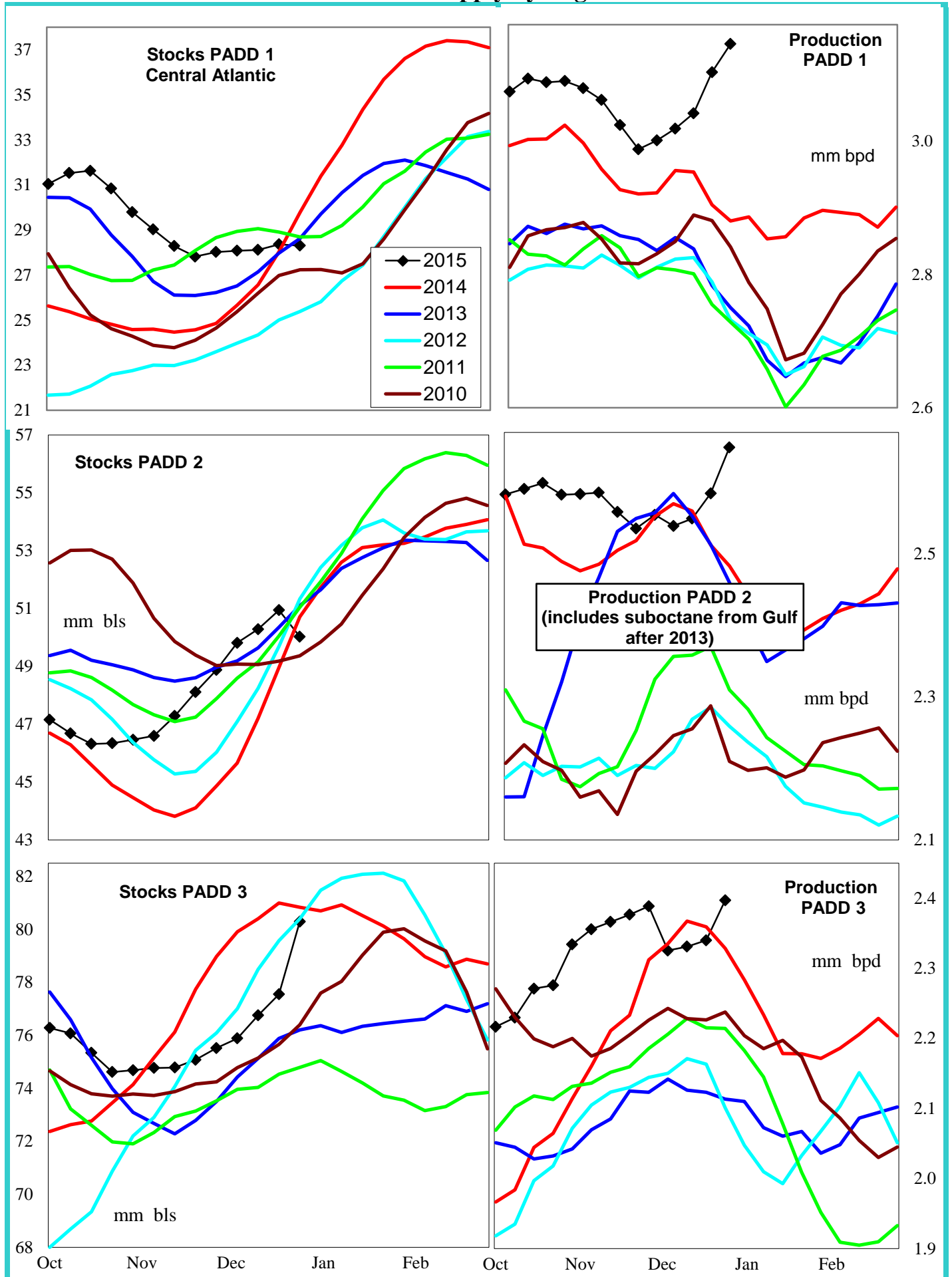
Gasoline Cash Basis and Related Price Spreads



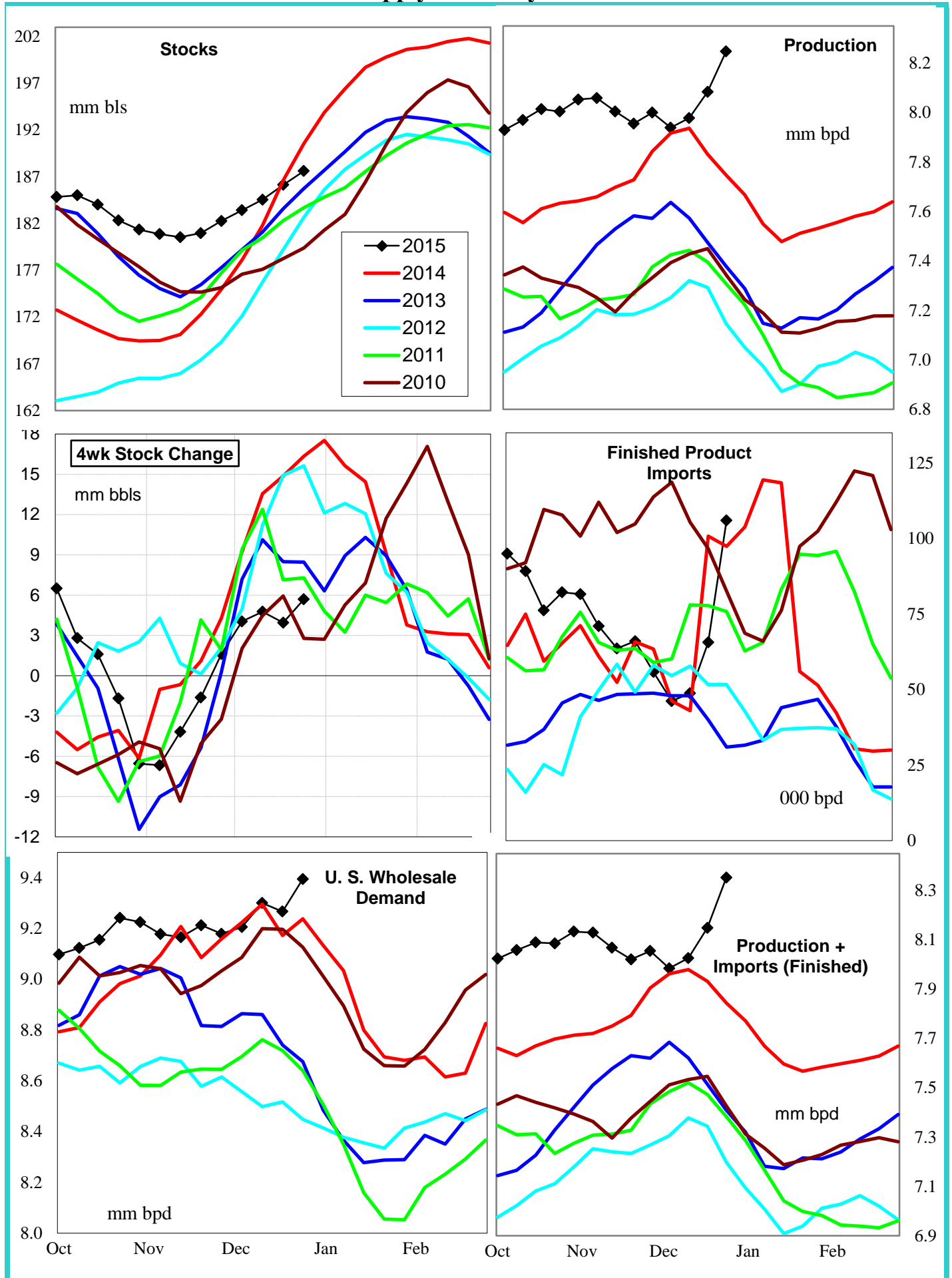
Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3



PADD 5 Gasoline Supply

