

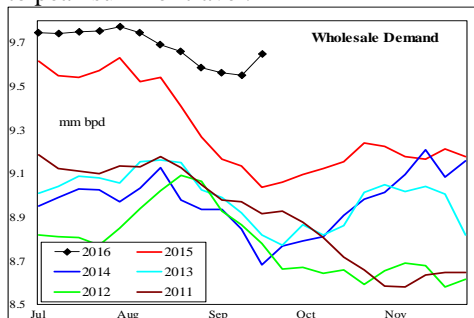


## WEEKLY GASOLINE FUNDAMENTAL-PRICE-BASIS OUTLOOK

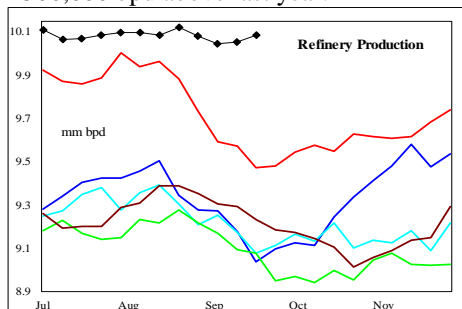
### A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Wednesday, September 21, 2016

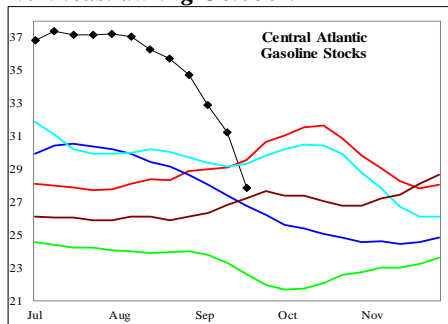
Wholesale demand increased +0.2 million bpd on the week. Look for a sharp decrease during the next month on an end to peak summer travel.



Supply increased +102,000 bpd on higher production. Production increased +183,000 bpd, with the latest 4-wk average +500,000 bpd above last year.



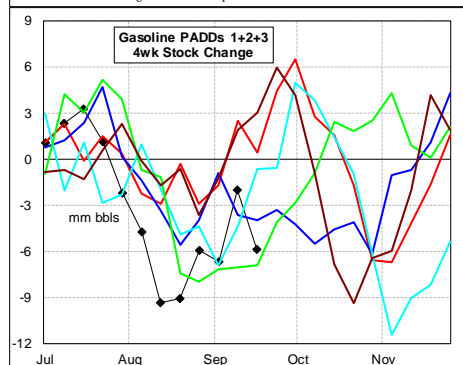
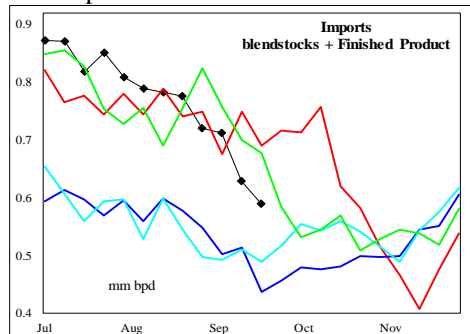
Stocks fell -3.2 million barrels on the week; including a -8.5 million barrel draw on the East Coast which was due to Colonial Pipeline unplanned maintenance. Stock levels remain very high in the Midwest and Gulf regions. **Planned refinery maintenance at Irving Oil St Johns, Canada and Phillips 66 Linden NJ refineries risk a supply squeeze in the Northeast during October.**



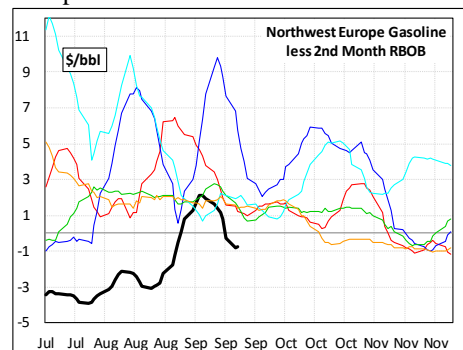
Imports decreased -81,000 bpd last week, concentrated in the Gulf region.

Stock change in the combined markets East of the Rockies for the latest 4-wk

period was a draw of -5.9 million barrels, equal to the largest draw of the last 5-yrs for the period.



Gasoline basis versus CME RBOB futures in all global markets traded below the 5-yr range last week; due in part to shutdown of the Colonial Pipeline. Weak basis in global markets should support a high level of exports to U.S. coastal markets.

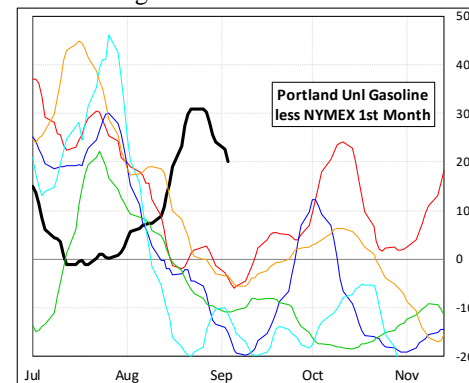


Exports for the week ending 26Aug16 were 549,000 bpd, +130,000 bpd above a year ago.

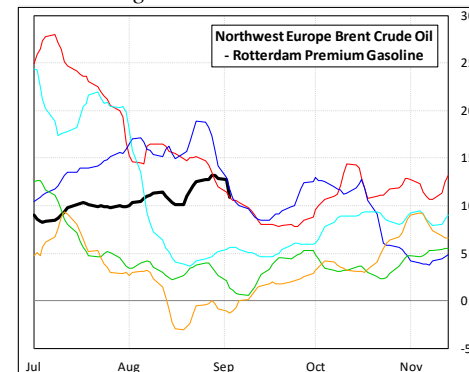
#### Cash Basis and Refining Trends

Cash basis for CBOB grade gasoline was nearly unchanged in the Group III last week, while Chicago and the Gulf trended higher.

Basis in California markets trended higher late in the week, with the level near historic highs for this time of year. Northwest basis levels extended a sharp continued on the week; although Portland continued to trade +20 cpg above the historic range.



Start of fall refinery maintenance is behind prior years, with crude oil runs +0.4 million bpd above the last 2-yrs for the period; risking over supply in the Gulf and Midwest regions.



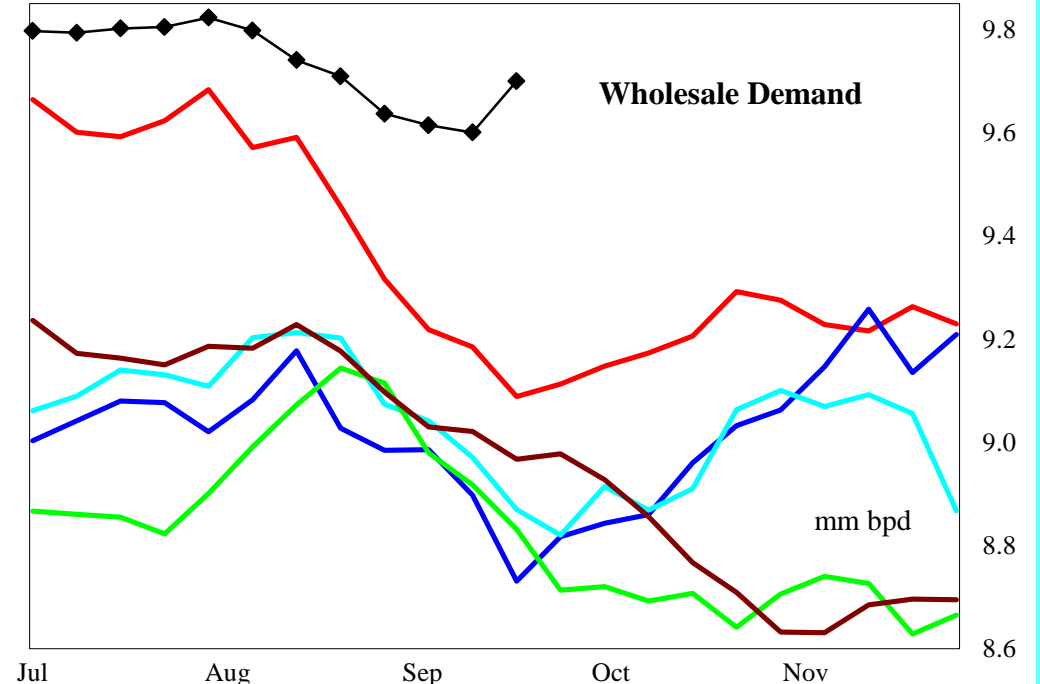
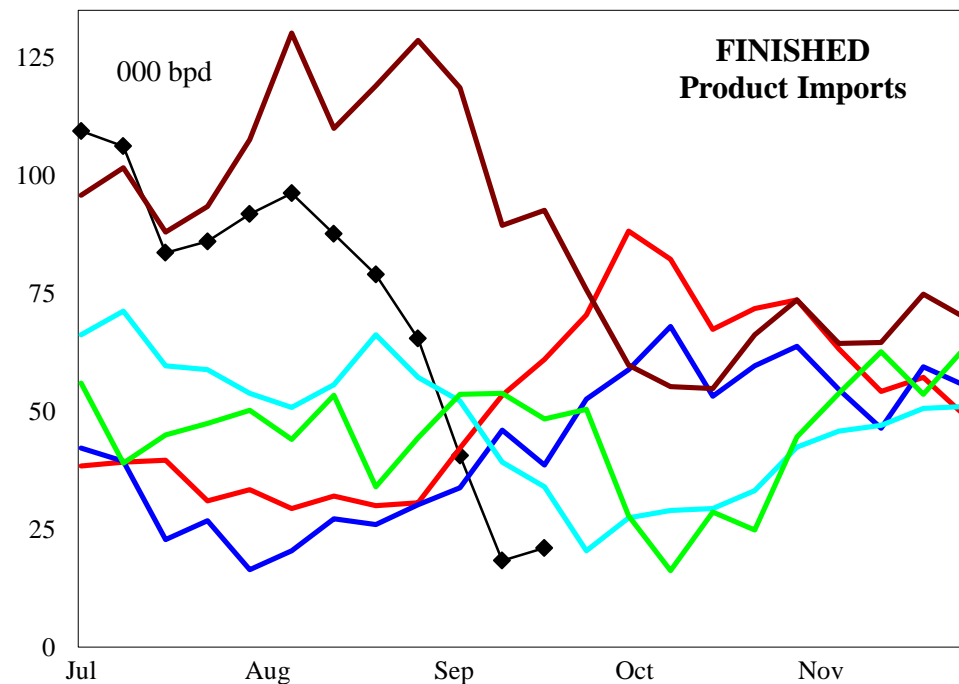
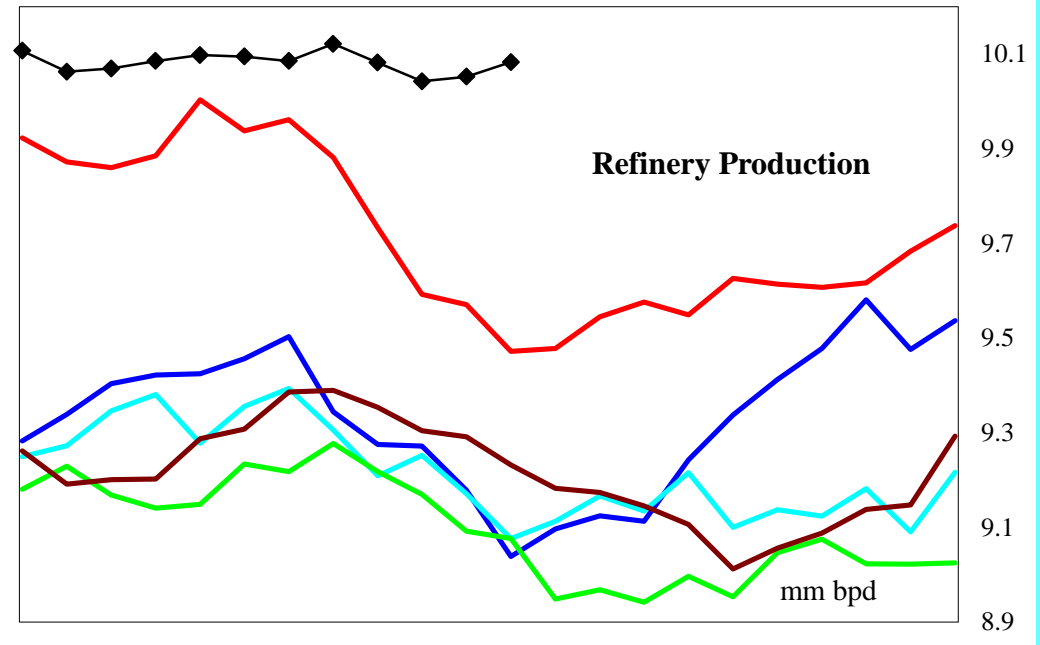
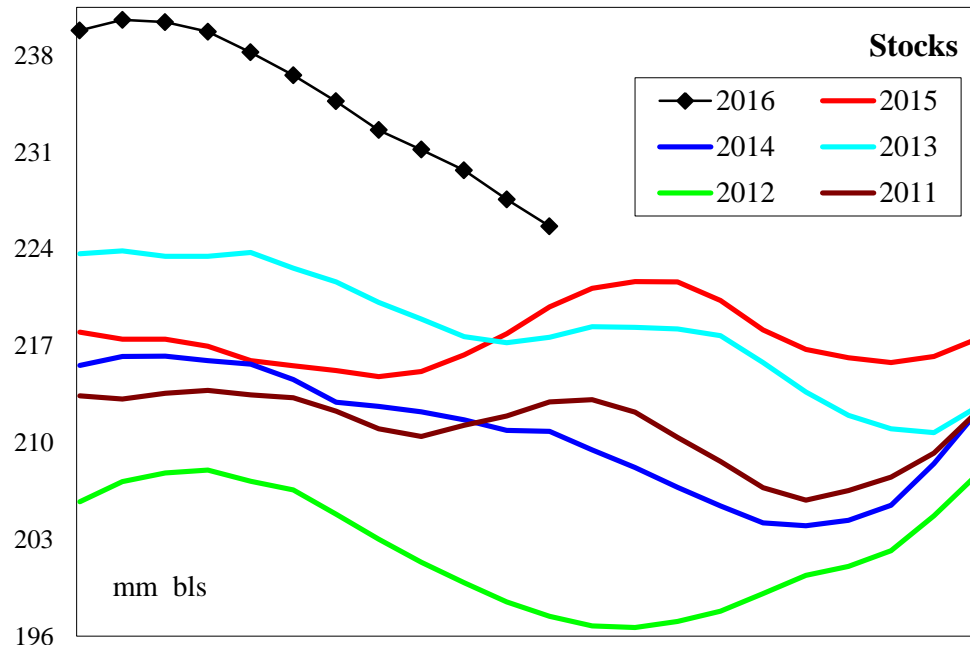
Gasoline crack spreads trended lower in Europe and Pacific Rim global markets last week. The level ended the week near the 2-yr average for the period.

#### Gulf Coast Price

Irving Oil and Phillips 66 refinery maintenance may keep supplies in the Northeast tight during the next several weeks. Favorable import economics, lower seasonal demand and very high stock levels in the Gulf should limit overall price strength in the Gulf region

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# United States Gasoline Supply and Demand



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

Production

Fin Impt

Blend Impt

Demand=>

4wk avg

Aug

Jul

Jun

6,400

500

-21

23

377

165

313

273

2.9

5.2

-44.6

3.7

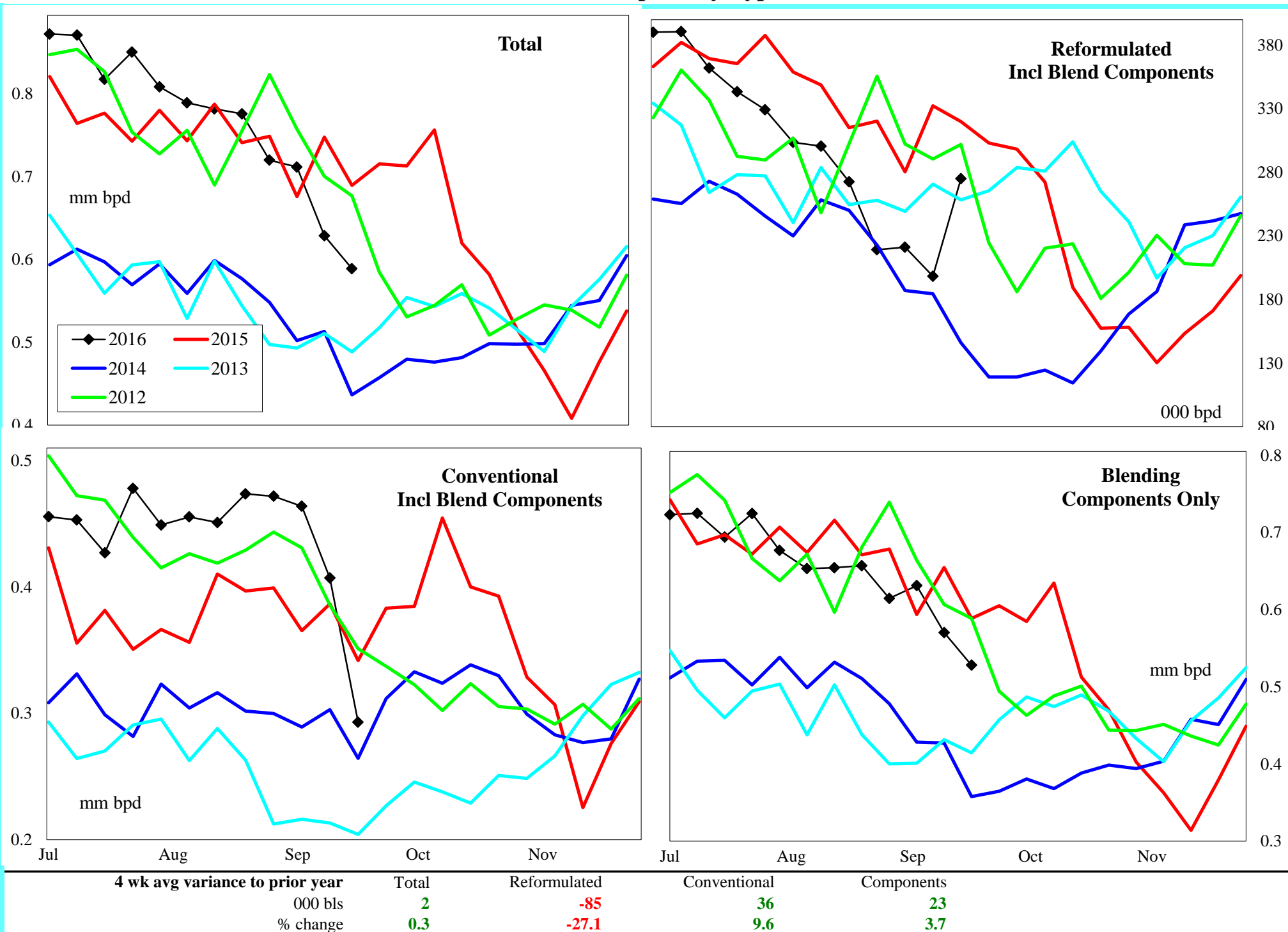
4.1

1.7

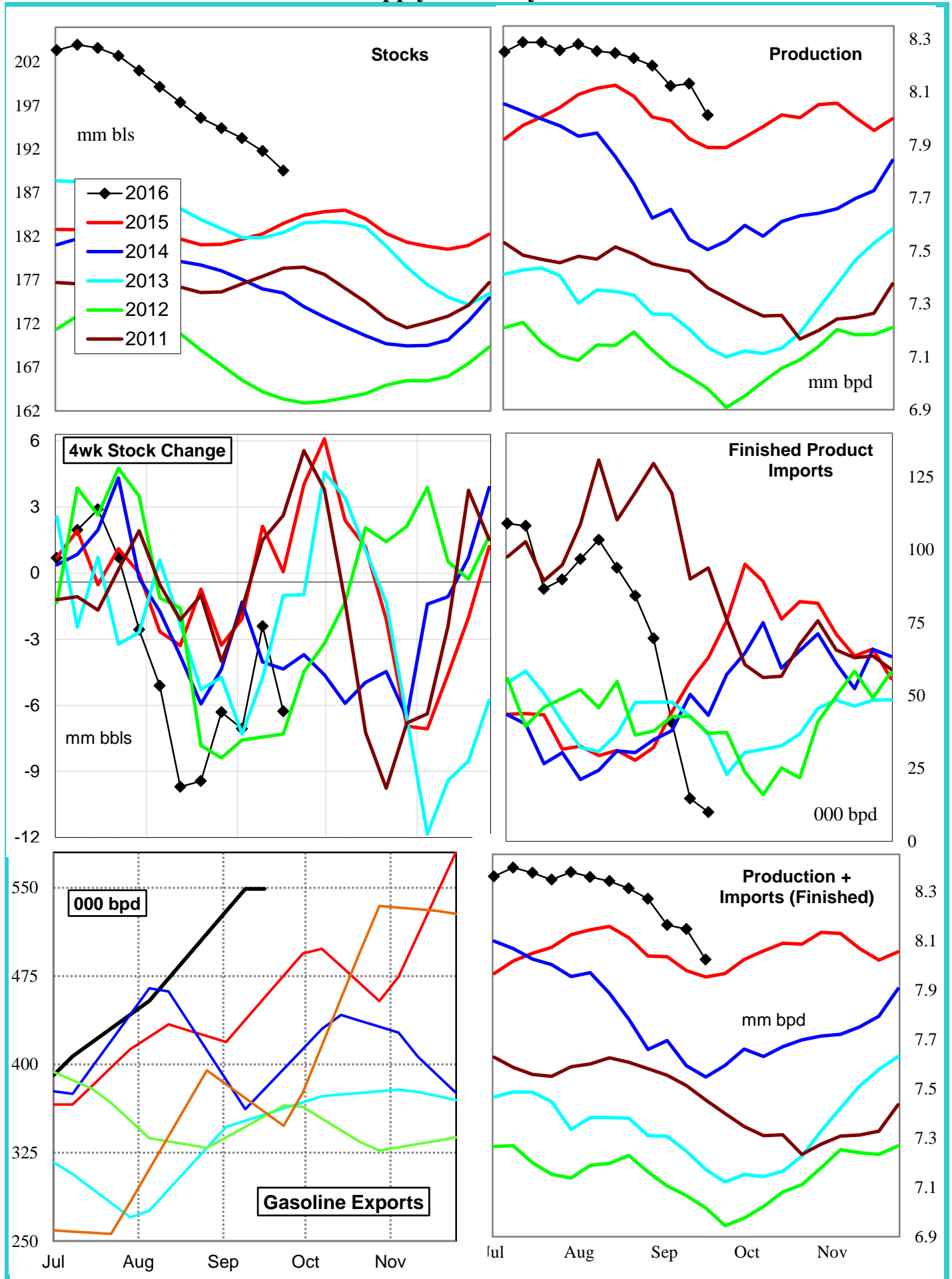
3.3

2.9

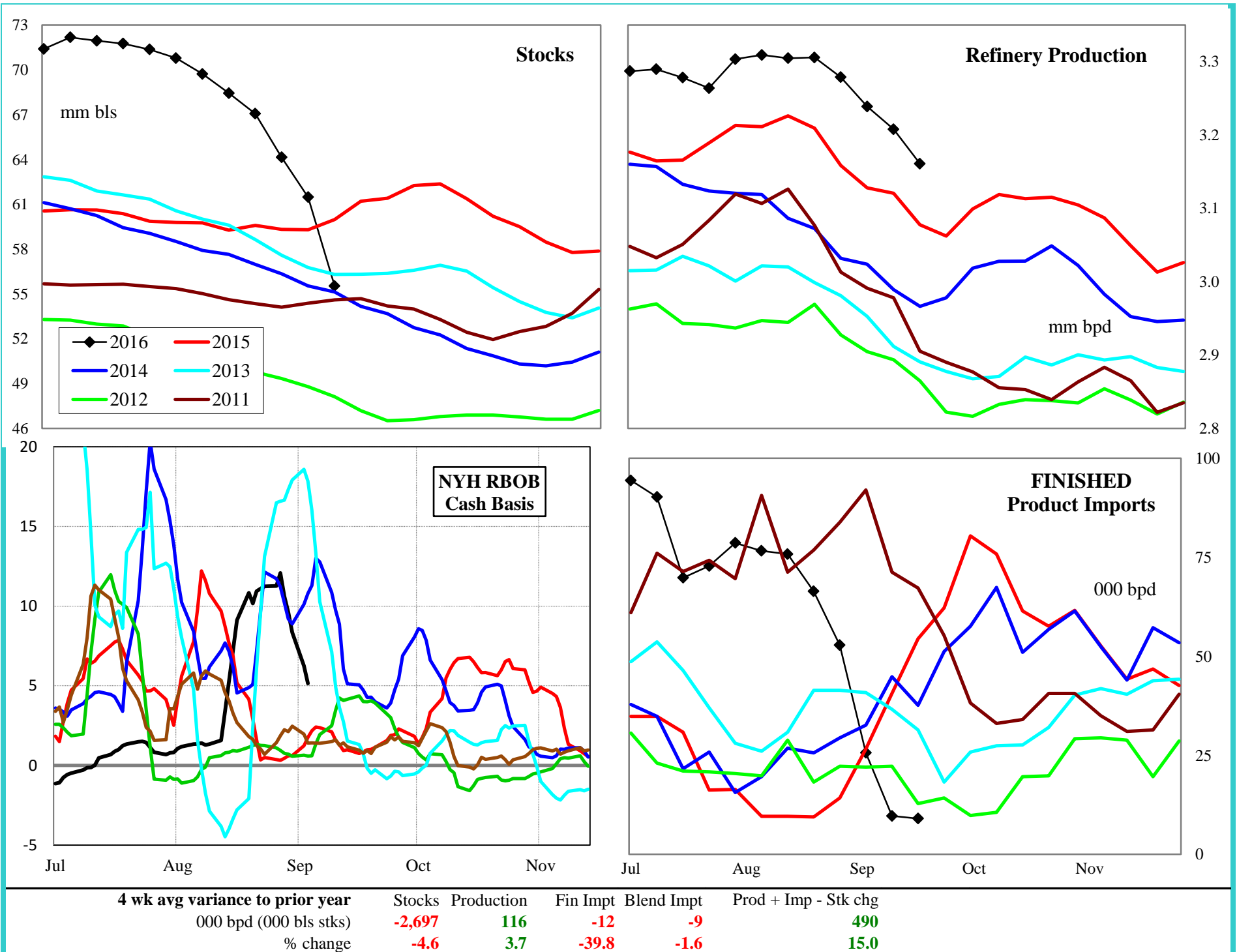
## Gasoline Imports by Type



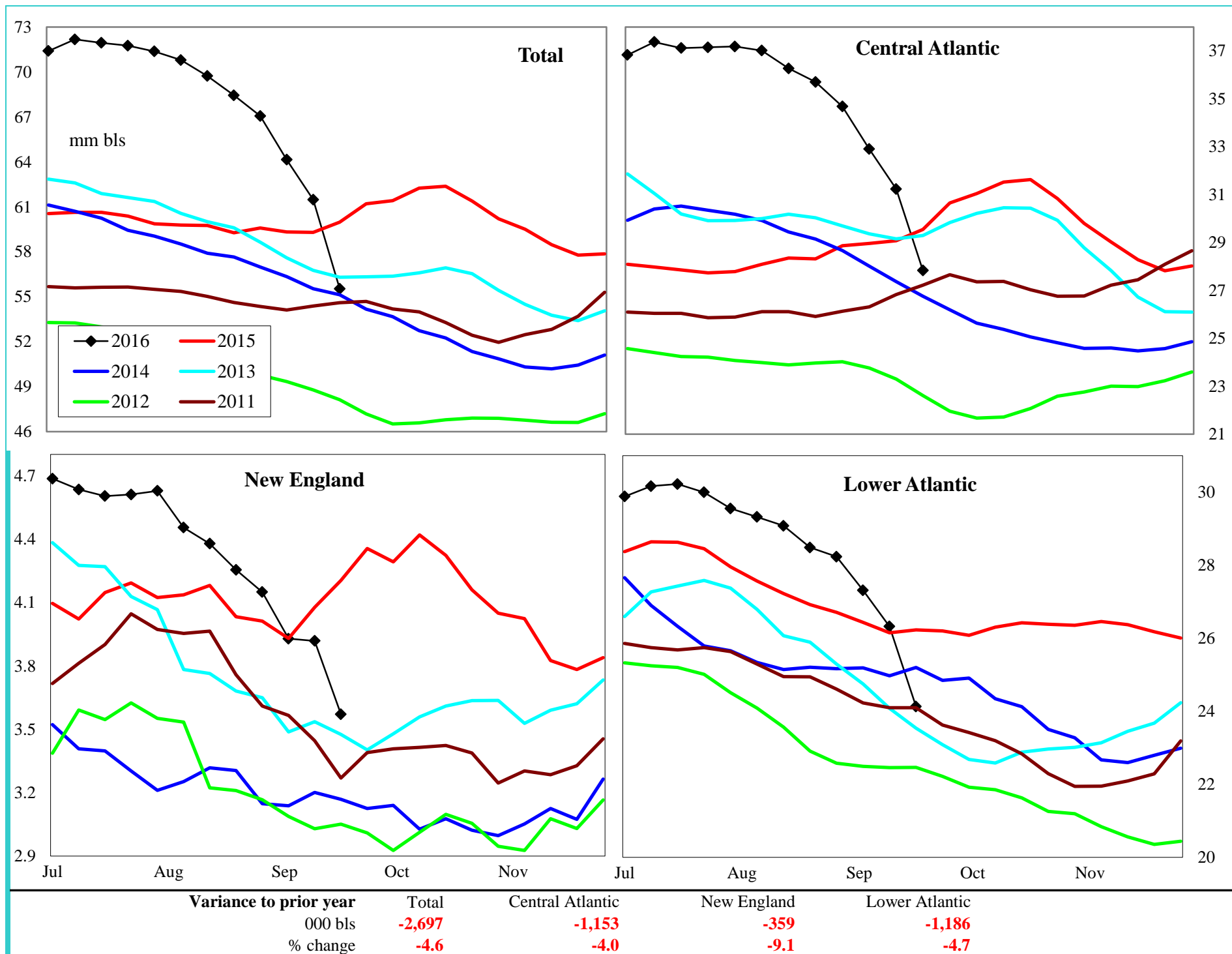
## Gasoline Supply Summary PADDs 1+2+3



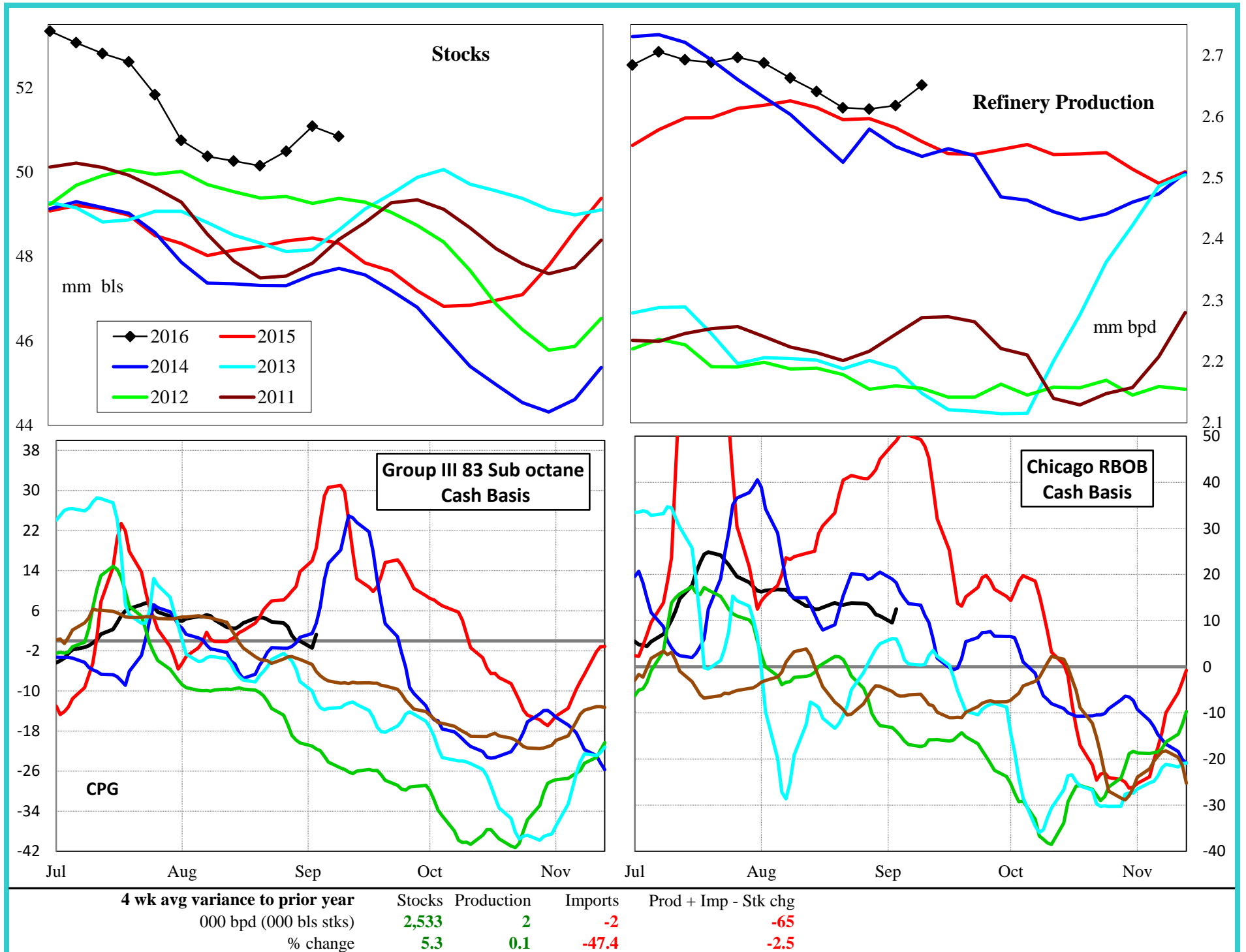
## PADD 1 Gasoline Supply



## PADD 1 Gasoline Stocks by Region

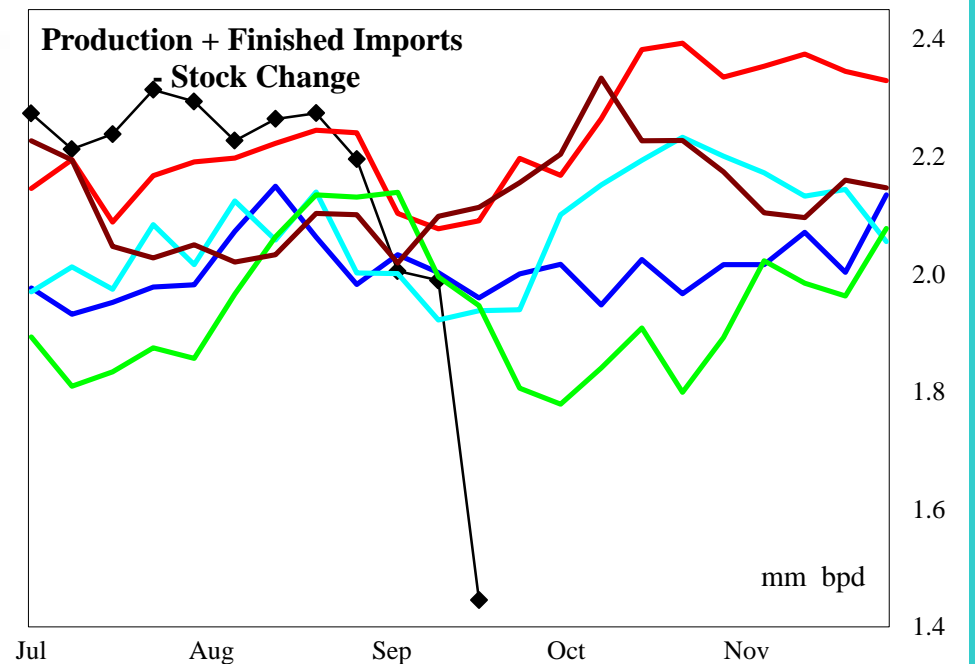
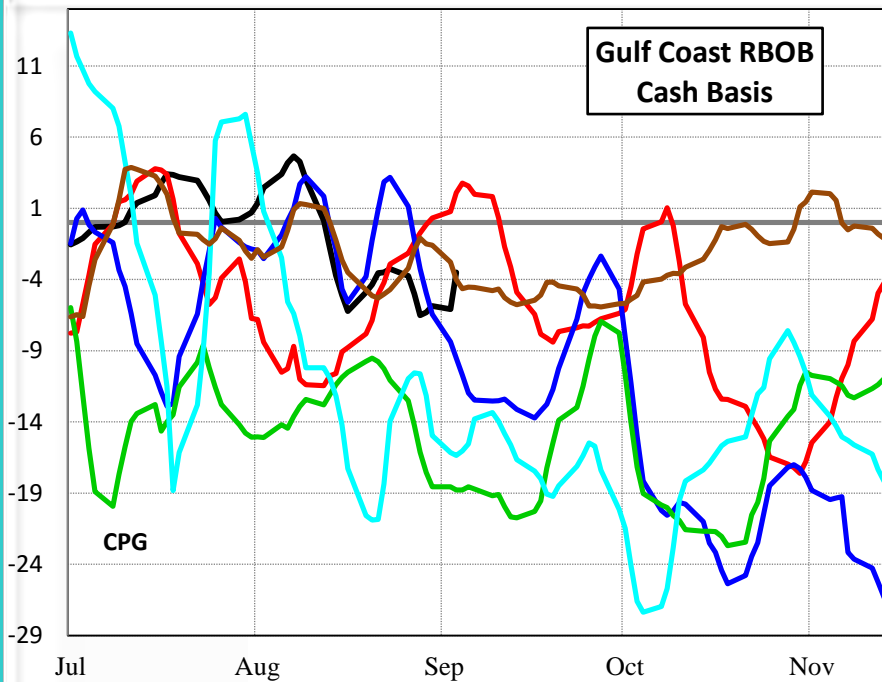
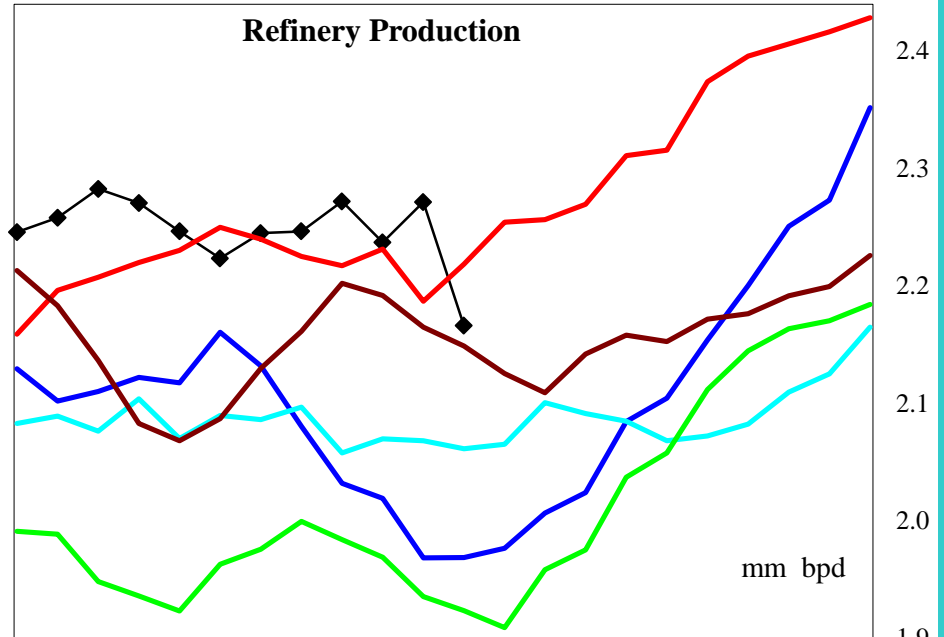
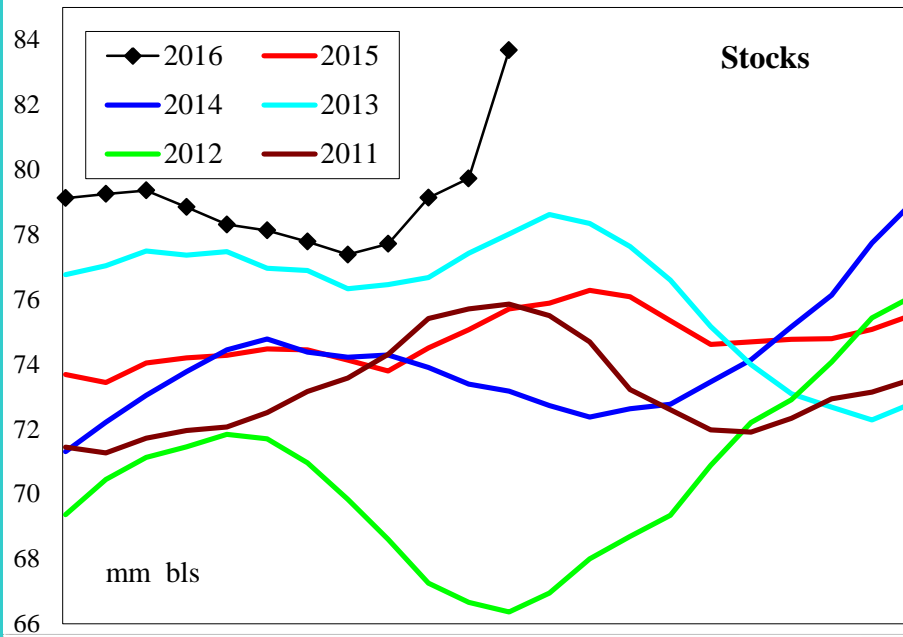


# PADD 2 Gasoline Supply





# PADD 3 Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks Production

6,713 45

8.7 2.1

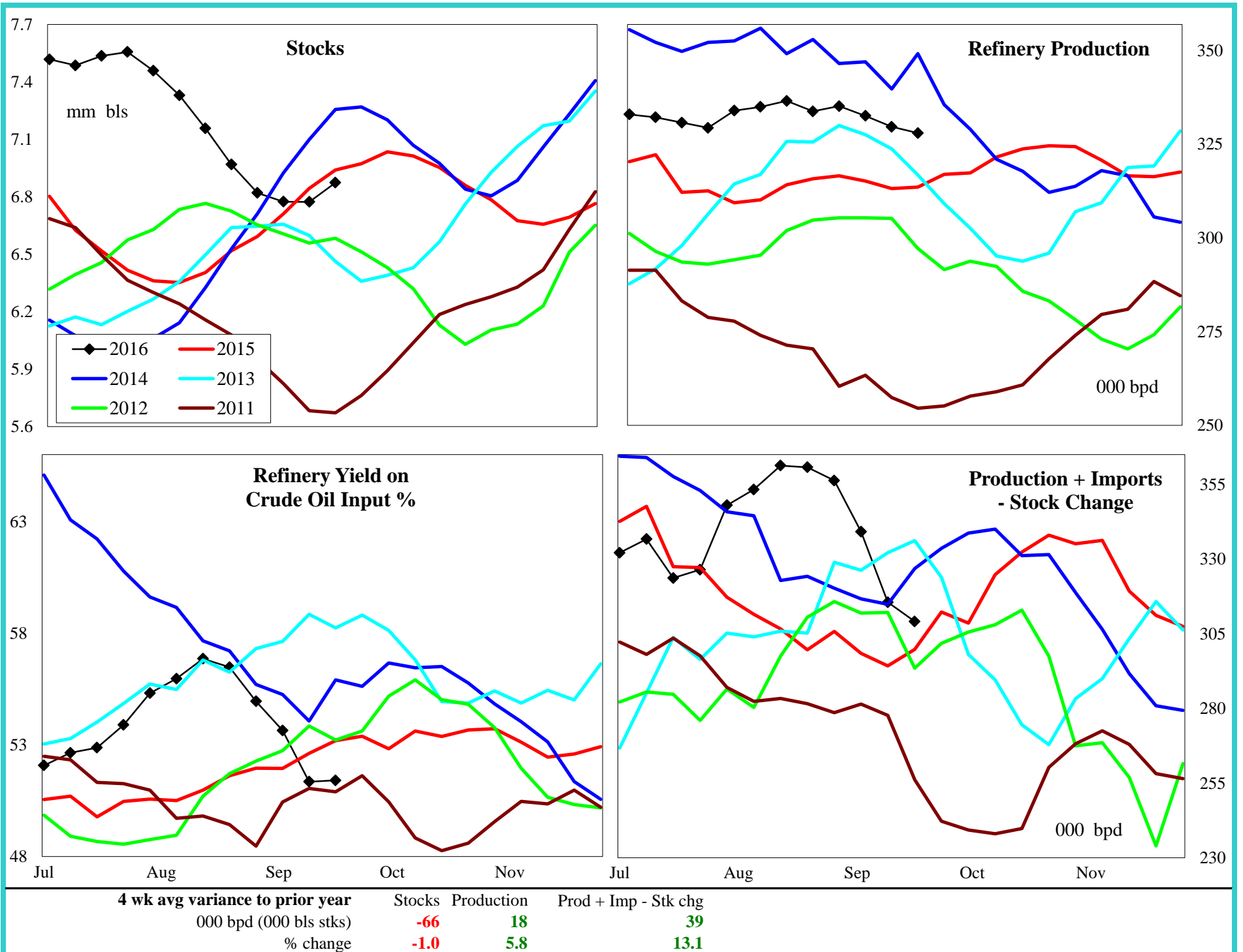
Prod + Imp - Stk chg

-82

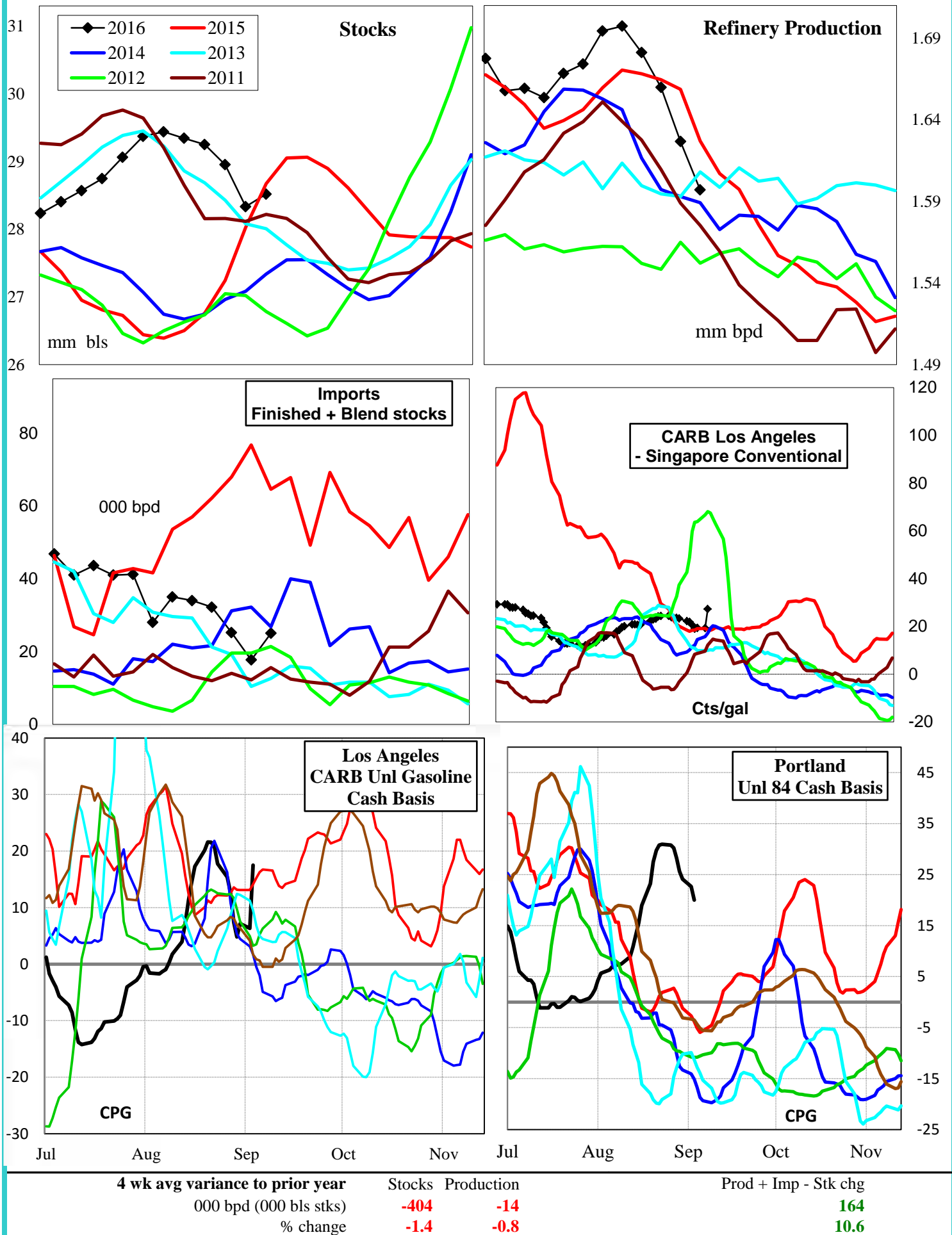
-3.9



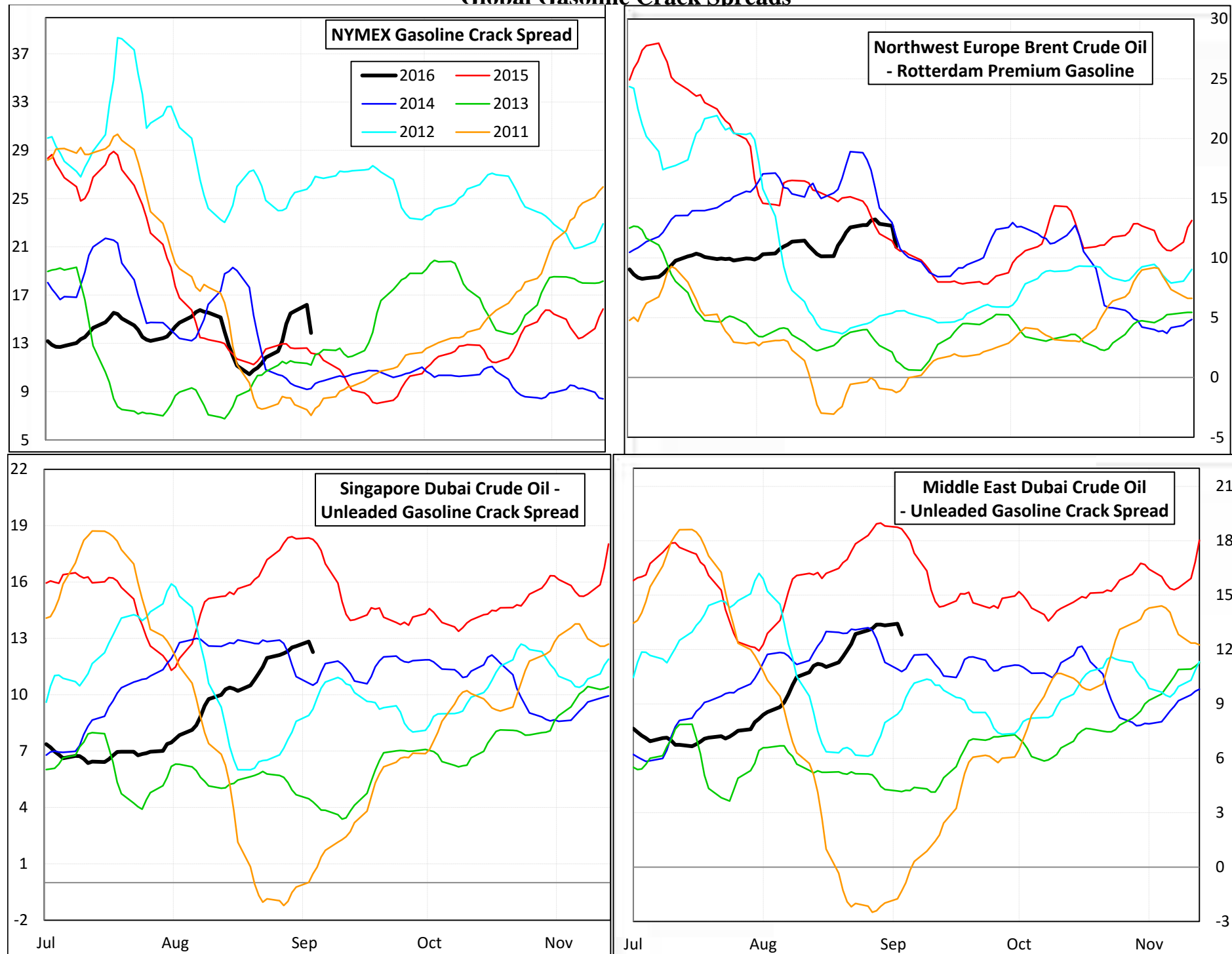
## PADD 4 Gasoline Supply



# PADD 5 Gasoline Supply



## Global Gasoline Crack Spreads



## Global Gasoline Cash Basis

