

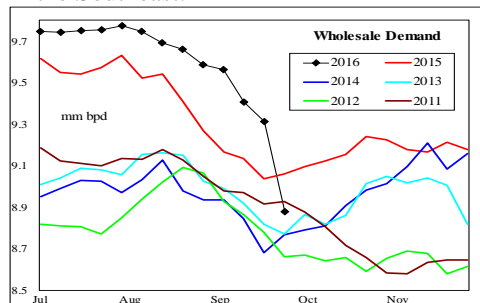


## WEEKLY GASOLINE FUNDAMENTAL-PRICE-BASIS OUTLOOK

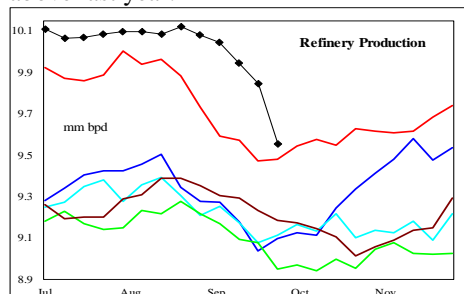
### A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Wednesday, September 28, 2016

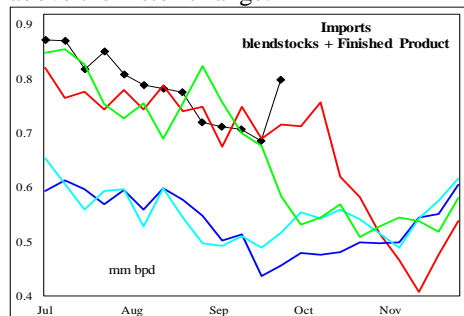
Wholesale demand fell -0.8 million bpd on the week, due to the seasonal decrease in travel Colonial pipeline supply constraints in the Southeast.



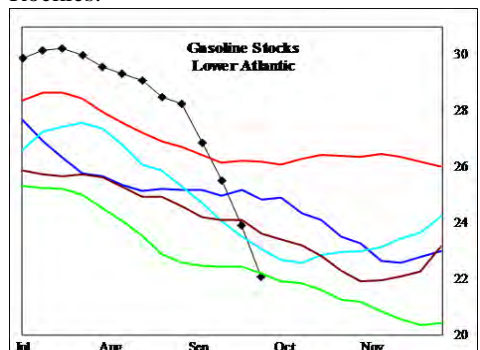
Supply decreased -320,000 bpd on lower production. Production fell -528,000 bpd, with the latest 4-wk average +415,000 bpd above last year.



Imports jumped +209,000 bpd to a level above the historic range.



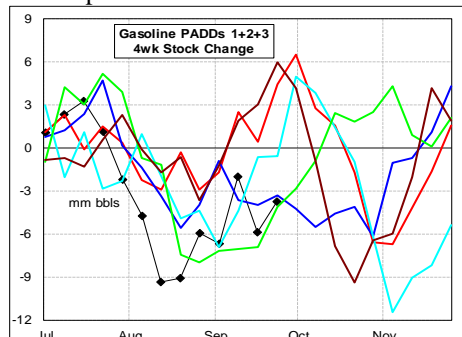
Stocks increased +2 million barrels on the week; with builds in all regions East of the Rockies.



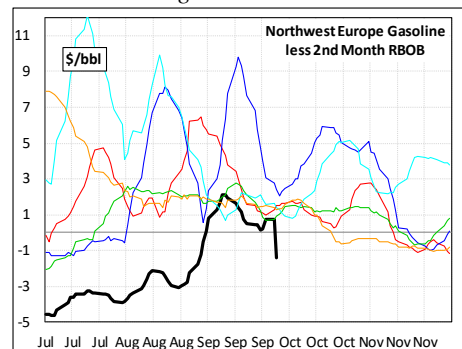
Stock levels ended the week at 5-yr lows in

the Lower Atlantic region, driven the by Colonial Pipeline shutdown.

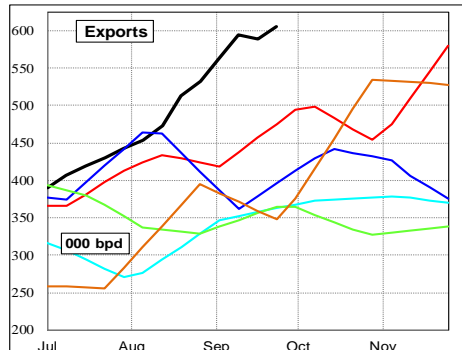
Stock change in the combined markets East of the Rockies for the latest 4-wk period was a draw of -3.3 million barrels, matching the largest draw of the last 3-yrs for the period.



Refinery maintenance at Irving Oil St Johns, Canada and Phillips 66 Linden NJ refineries risk a supply squeeze in the Northeast during October.



Gasoline basis versus CME RBOB futures in all global markets trended lower last week, trading below the 5-yr range; 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.

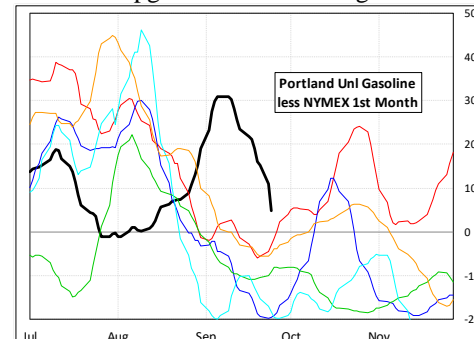


Exports for the week ending 16Sep16 were 606,000 bpd, +187,000 bpd above a year ago.

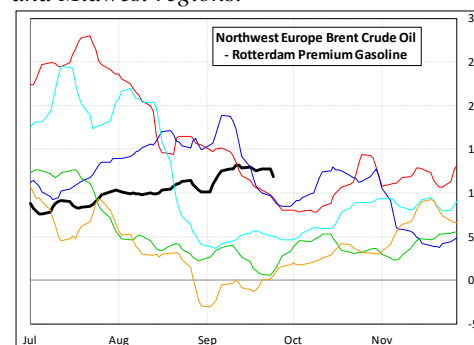
### Cash Basis and Refining Trends

Cash basis for CBOB grade gasoline was trended lower in Chicago last week, the Group III was unchanged and the Gulf rebounded from earlier lows caused by the Colonial pipeline shutdown.

Basis in California markets traded sideways near historic highs for the period. Northwest basis levels extended a sharp downtrend on the week; driving Portland within +5 cpg of 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.



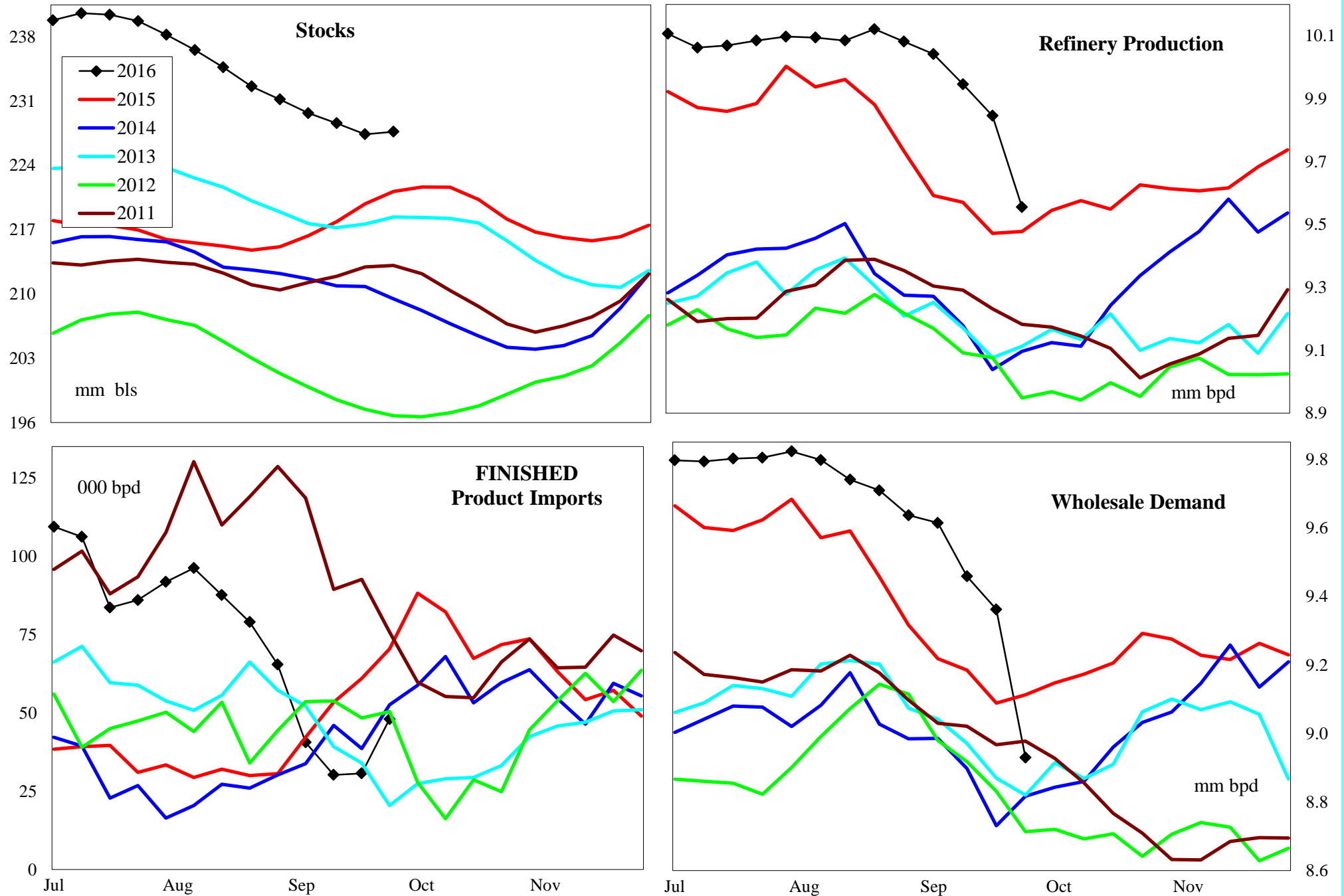
Gasoline crack spreads were mostly unchanged in global markets last week. Pacific Rim markets traded near the mid range of the last 2-yrs, while Atlantic Basin markets traded above the last 2-yrs.

### Gulf Coast Price

Irving Oil and Phillips 66 refinery maintenance may keep supplies in the Northeast tight during the next several weeks; partially offset by imports. 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

5,173

2.3

Production

415

4.4

Fin Impt

-31

-54.8

Blend Impt

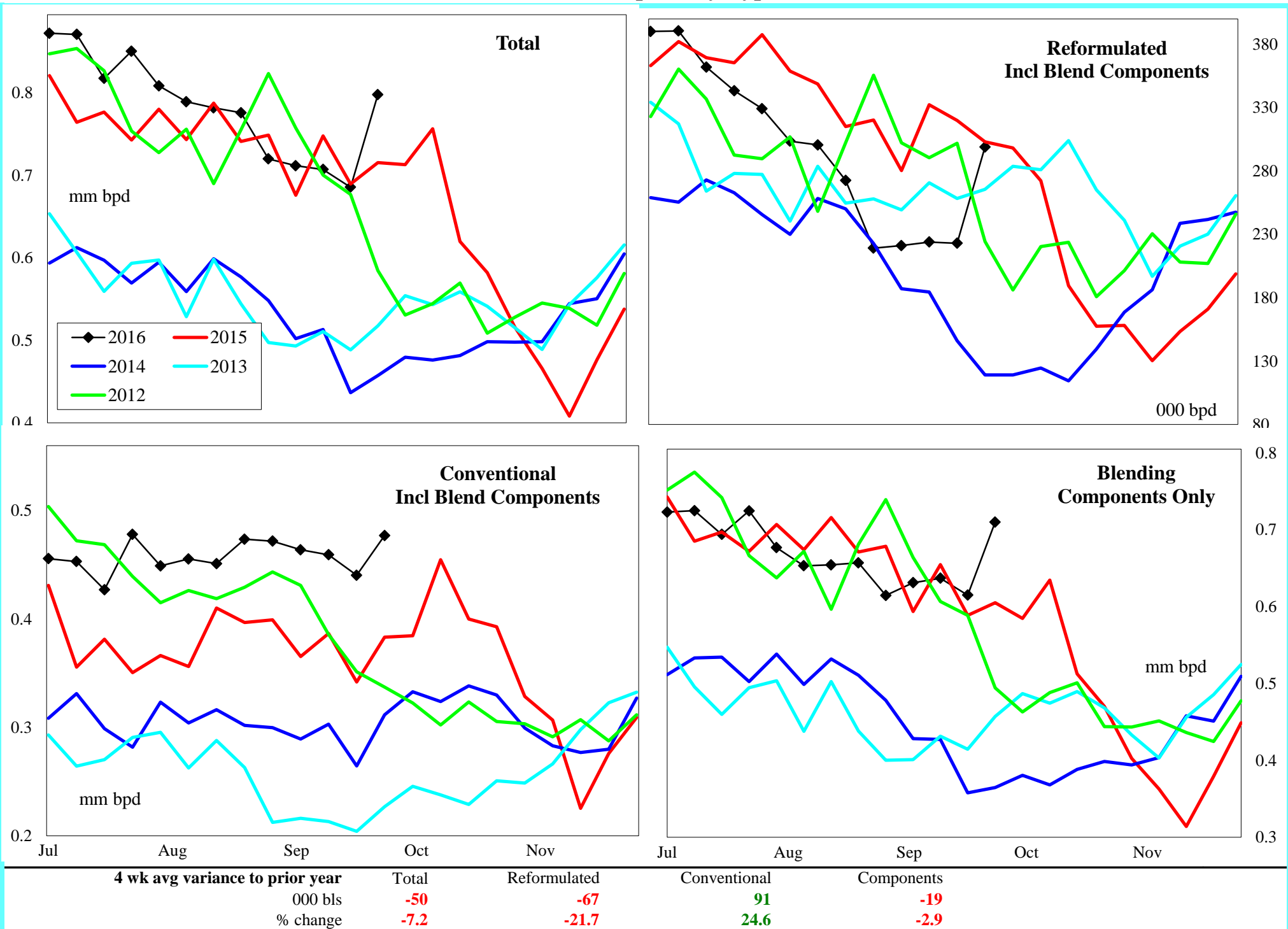
-19

-2.9

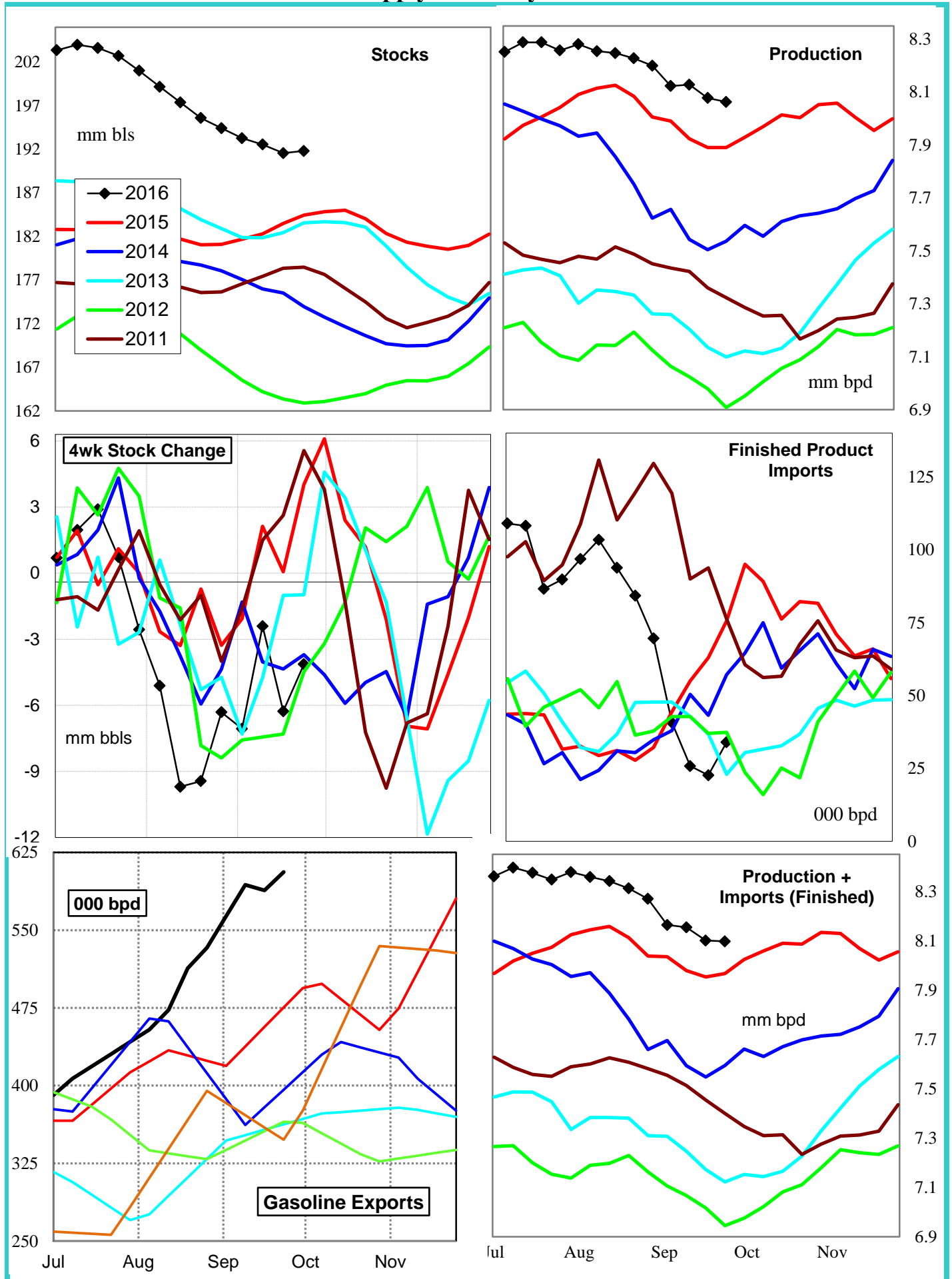
Demand=>

4wk avg	Aug	Jul	Jun
324	165	313	273
3.6	1.7	3.3	2.9

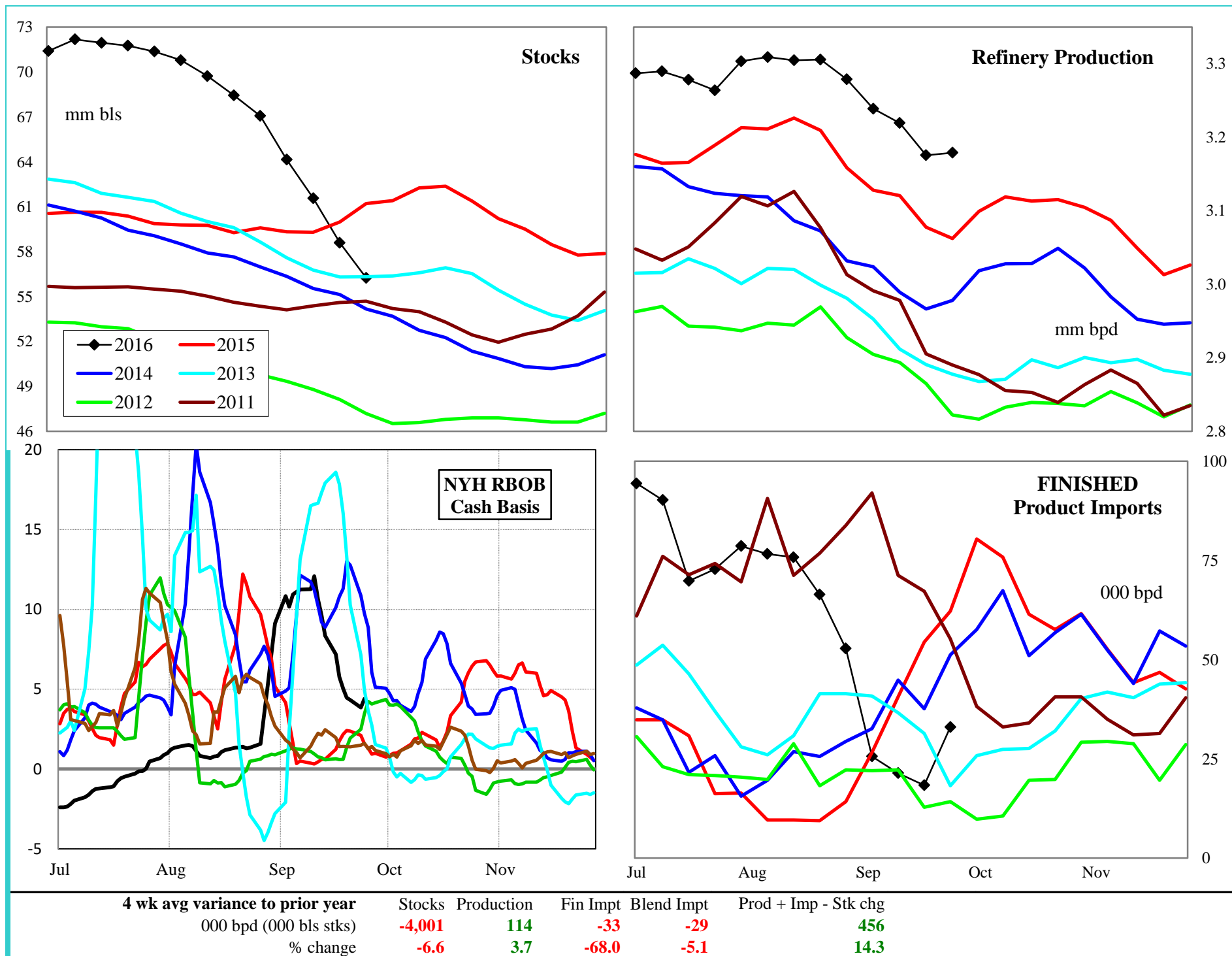
## Gasoline Imports by Type



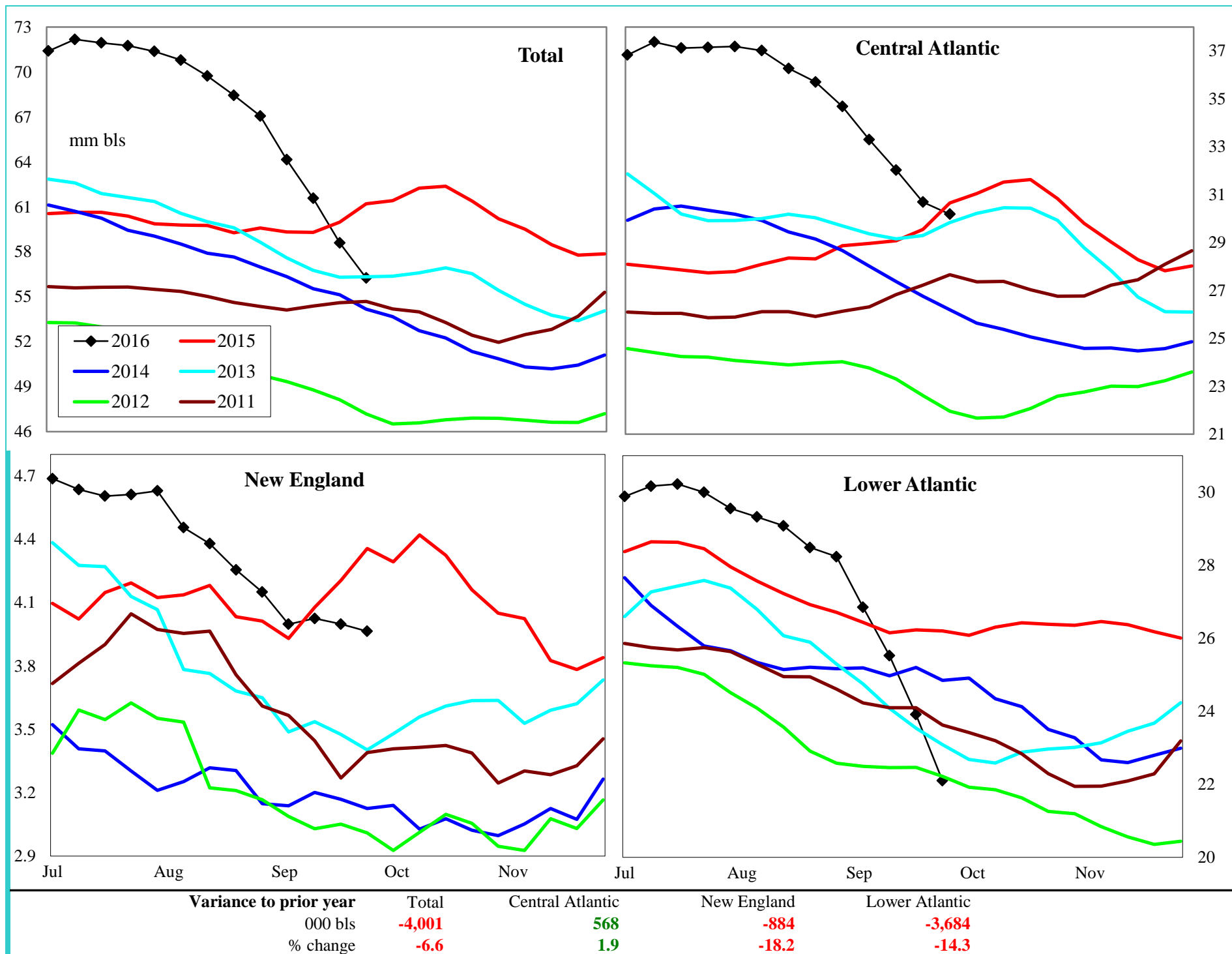
## Gasoline Supply Summary PADDs 1+2+3



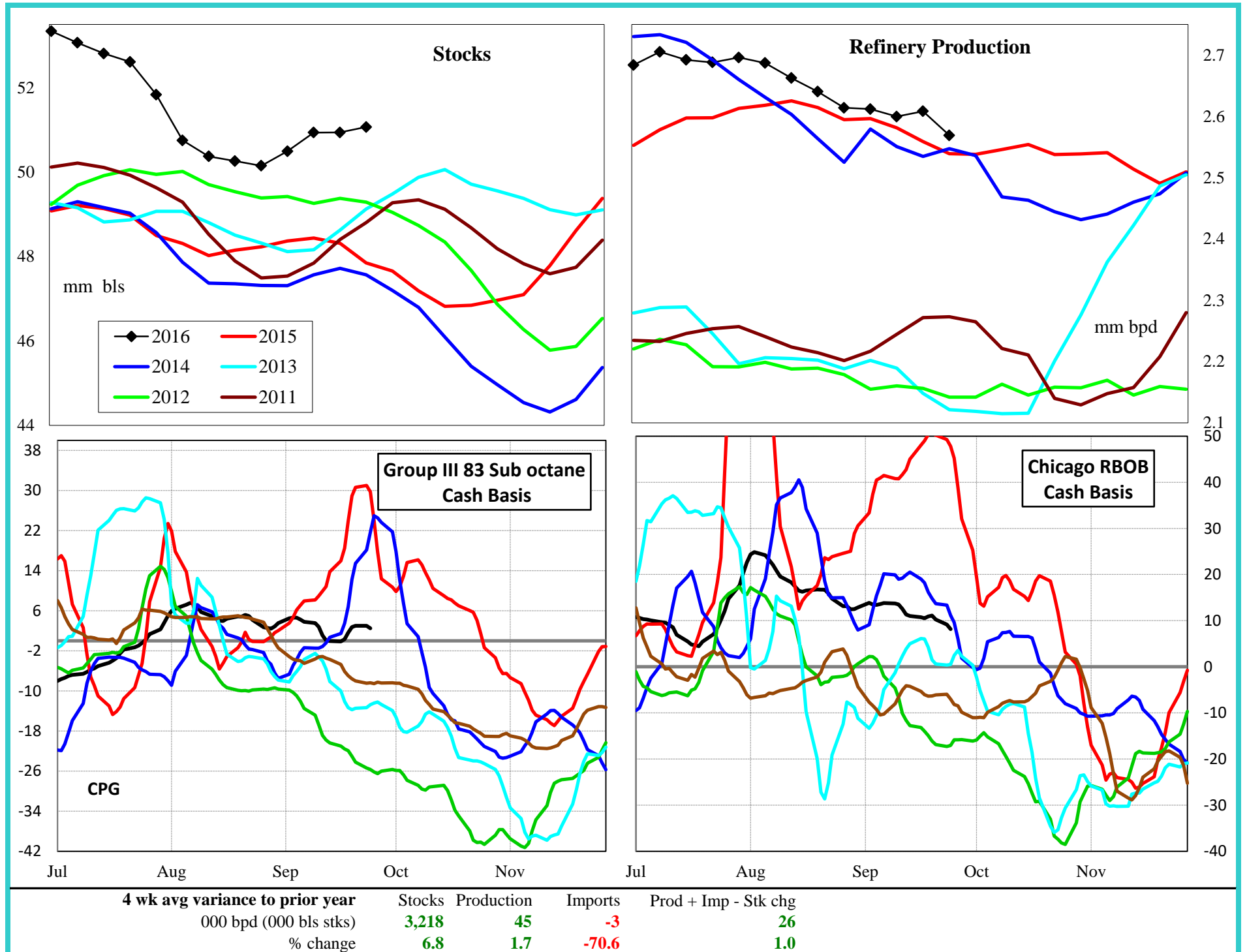
## PADD 1 Gasoline Supply



# PADD 1 Gasoline Stocks by Region

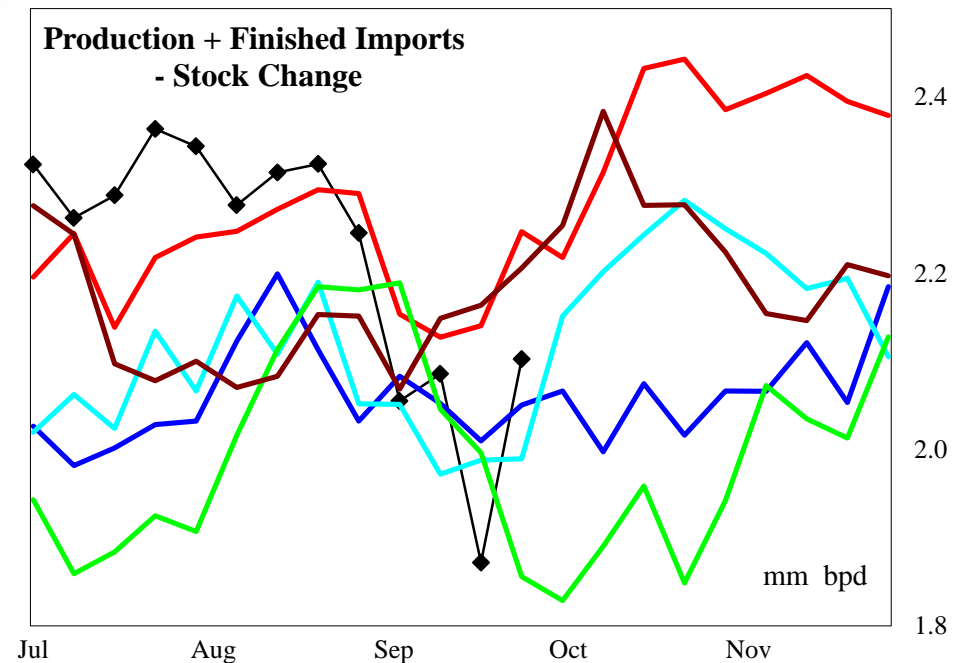
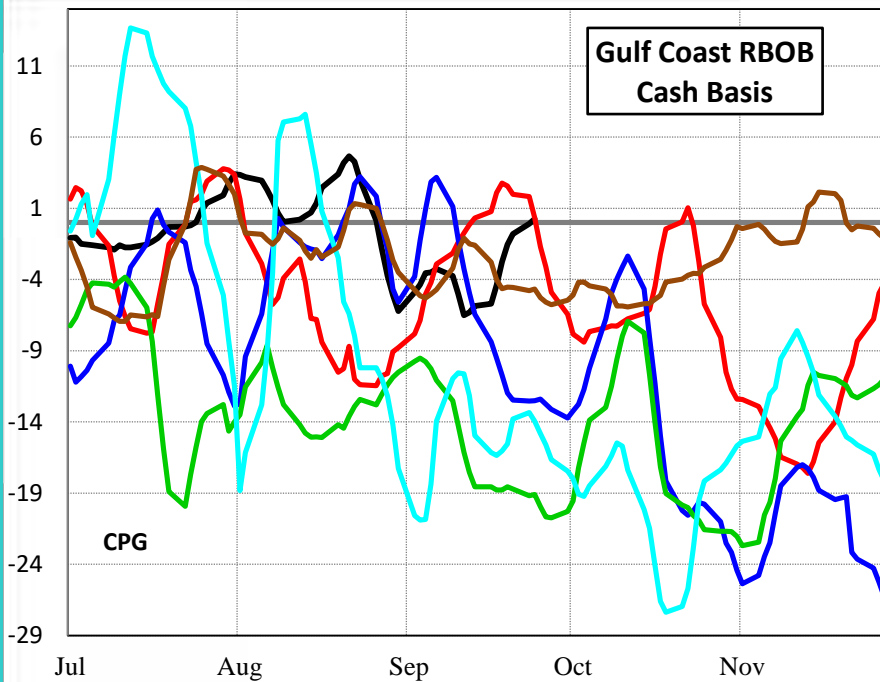
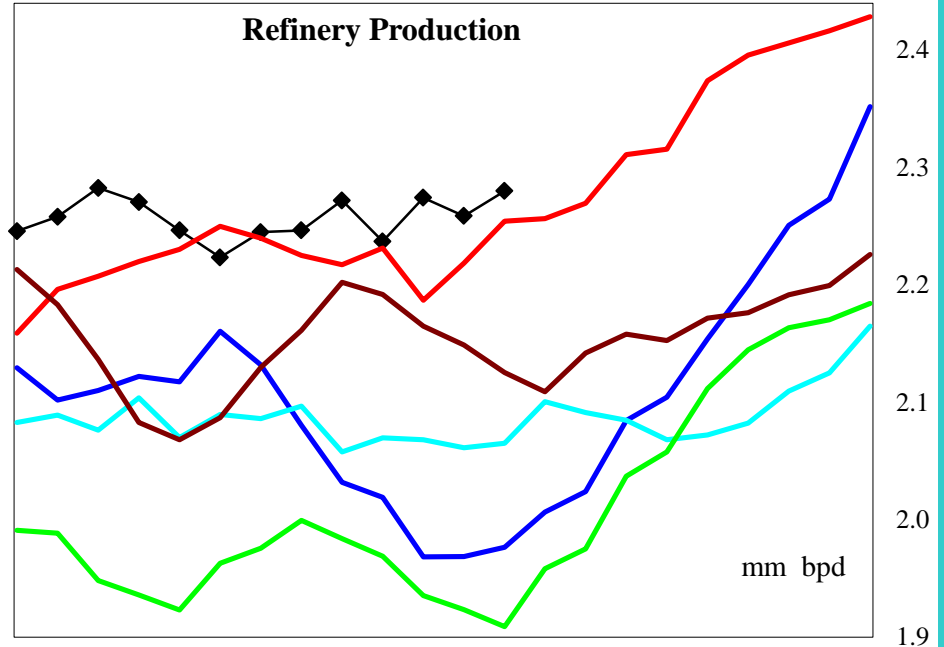
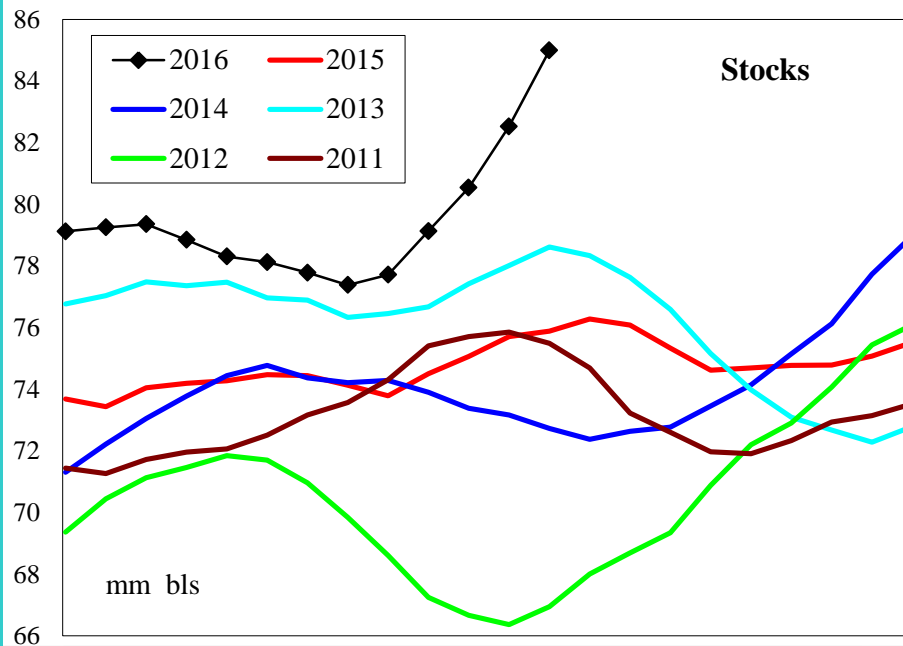


## PADD 2 Gasoline Supply





# PADD 3 Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks Production

7,666 92

9.9 4.3

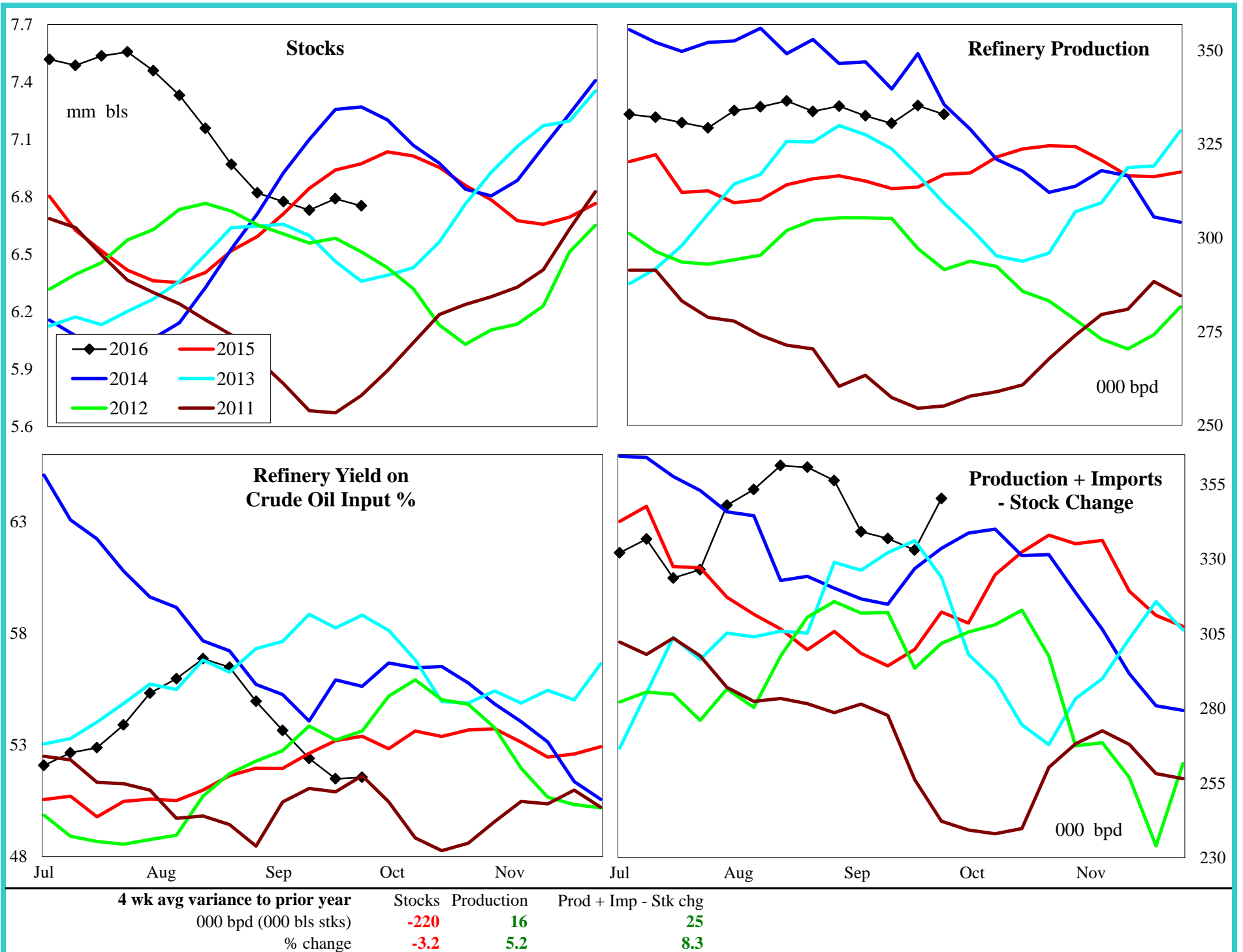
Prod + Imp - Stk chg

-10

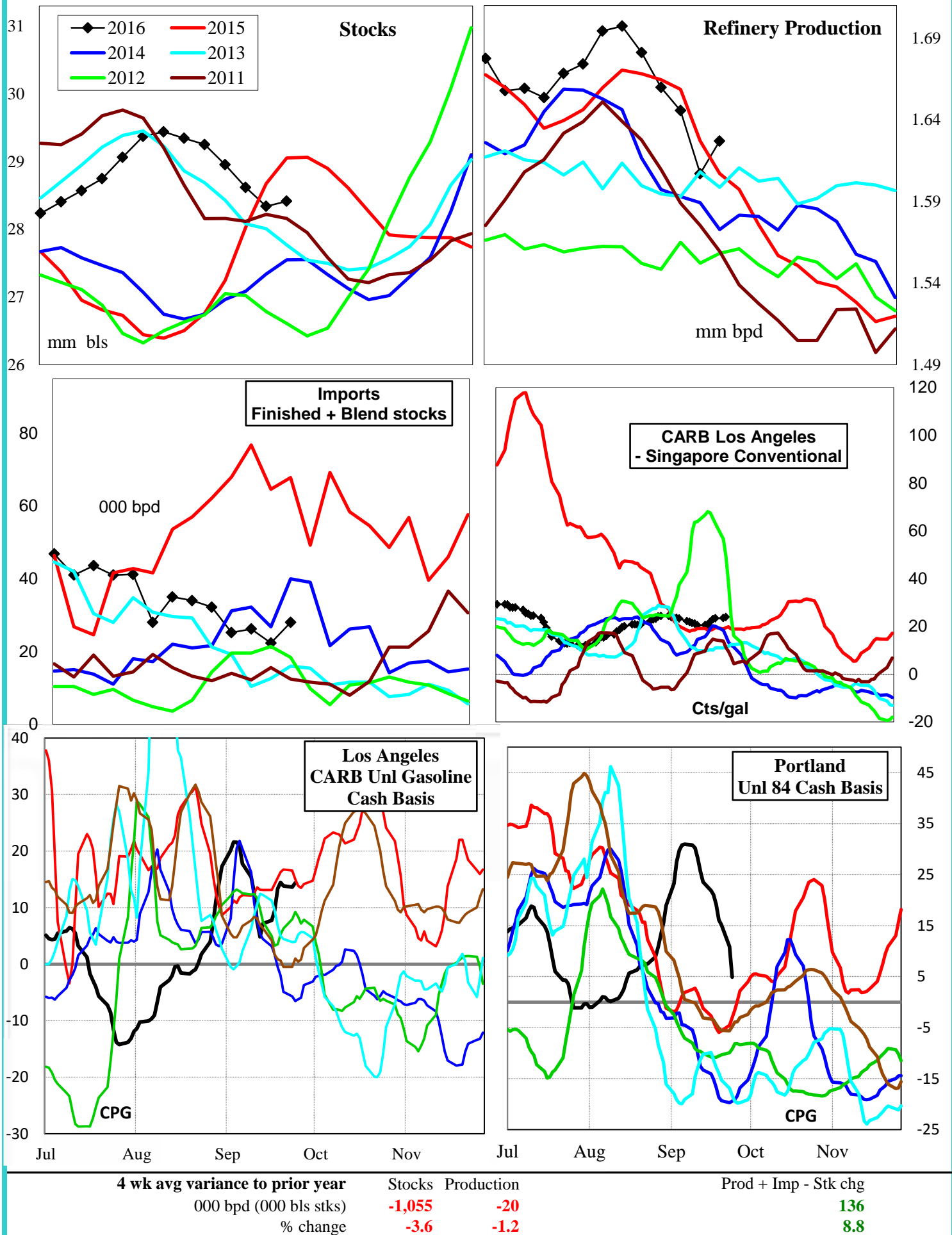
-0.5



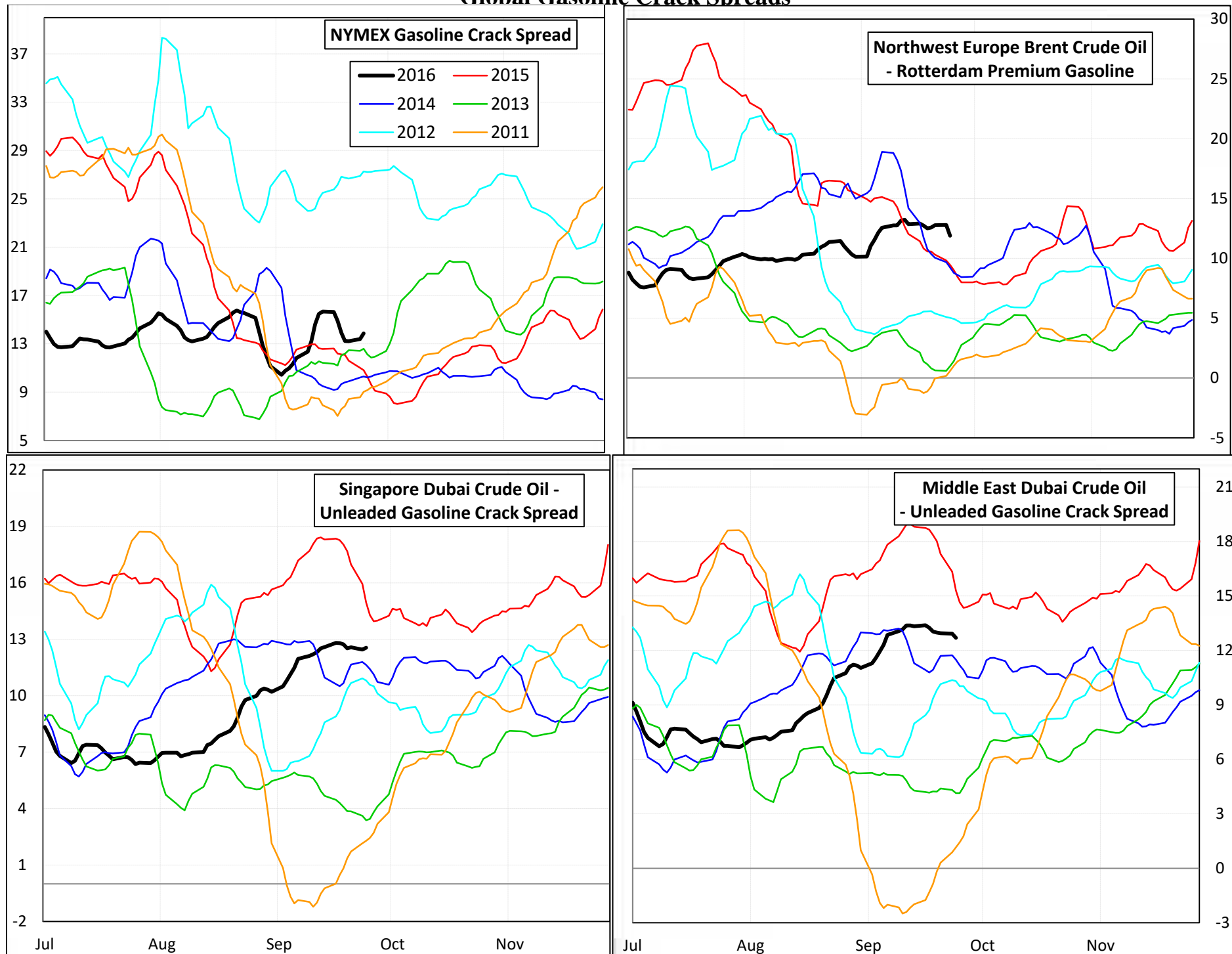
## PADD 4 Gasoline Supply



# PADD 5 Gasoline Supply



## Global Gasoline Crack Spreads



## Global Gasoline Cash Basis

