

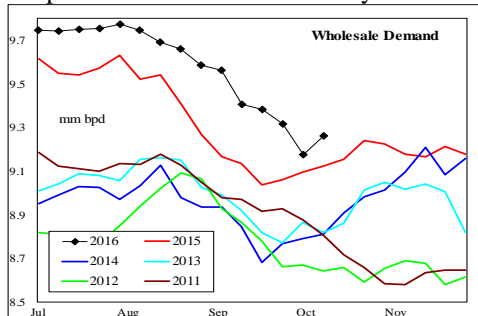


WEEKLY GASOLINE FUNDAMENTAL-PRICE-BASIS OUTLOOK

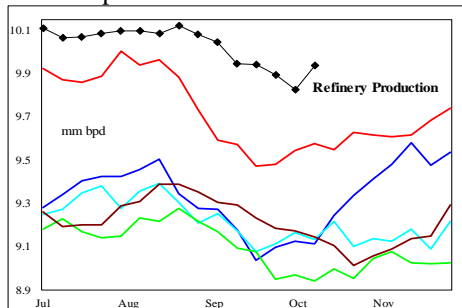
A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Thursday, October 13, 2016

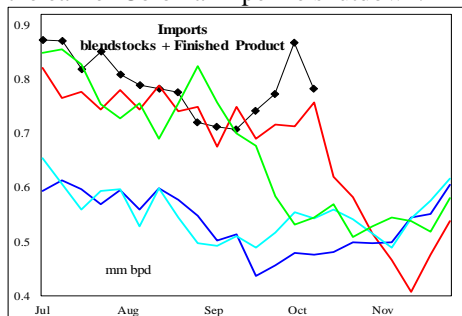
Wholesale demand for the most recent 4-wk period was +2.7% above last year.



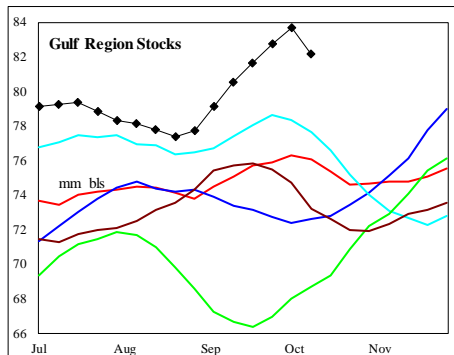
Supply fell -294,000 bpd last week on lower imports.



Even with the drop in imports, the level remains above the last 4-yr; due in part to the earlier Colonial Pipeline shutdown.



Stocks decreased -1.9 million barrels on the week; concentrated in the Gulf and on the East Coast; with a +1.4 million barrel build in the Midwest.

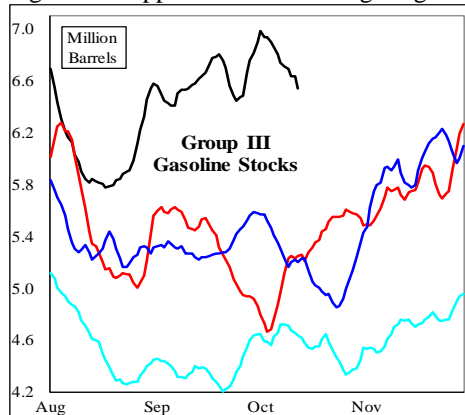


Stock levels ended the week extremely high in the Midwest and Gulf regions.

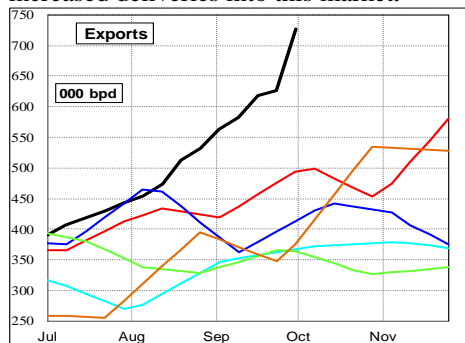
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Stock levels in the key Central Atlantic region were below the 3-yr mid range.

Group III stocks decreased -0.4 million barrels on the week, but remain extremely high. Stock levels are also very high in the upper Midwest/Chicago region.



During the Colonial pipeline shutdown, gulf refiners increased exports by more than +50% compared to a year ago. The surge in Midwest stocks during the same period, indicates Gulf refiners also increased deliveries into this market.

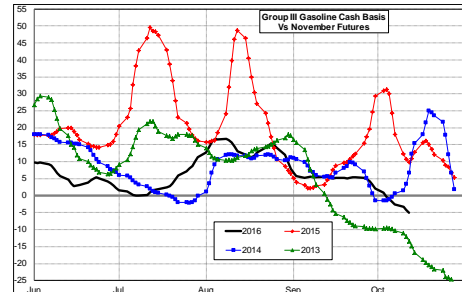


Exports for the week ending 30Sep16 were 727,000 bpd.

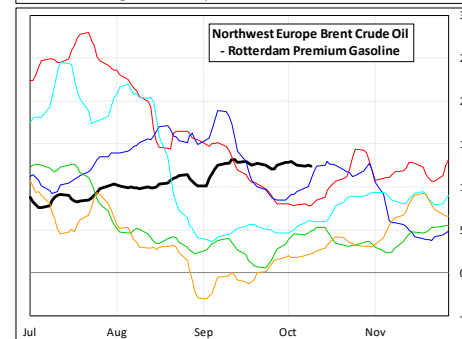
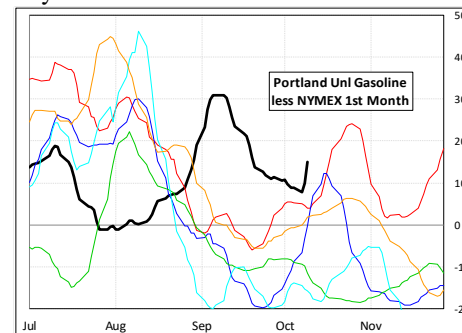
Cash Basis and Refining Trends

Cash basis for CBOB grade gasoline in the Group III and Chicago has seen a sharp decline during the last 2-wks; trading at levels near 3-yr lows; due in part to below normal refinery maintenance in the region and an increase in receipts from the Gulf during the Colonial Pipeline shutdown.

Concurrently, CBOB cash basis in the Gulf region continues to trade above the last 3-yr on a sharp drawdown in stocks, higher exports and demand to rebuild stocks in the Southeast.



Basis in all west coast markets trended higher last week; with the Northwest trading above the 5-yr range for this time of year.

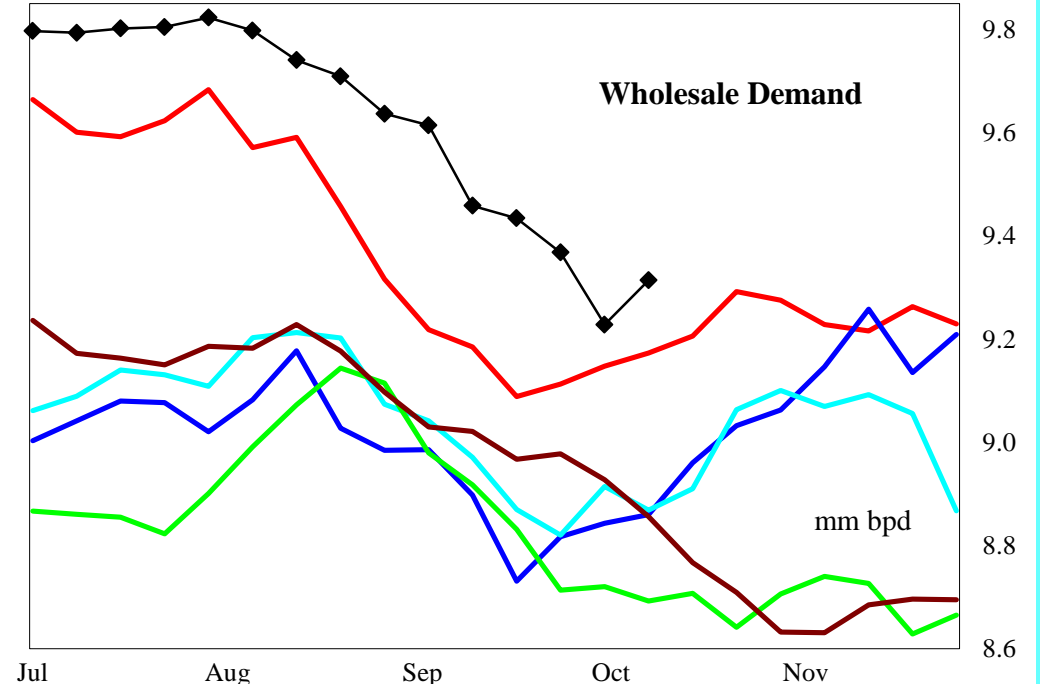
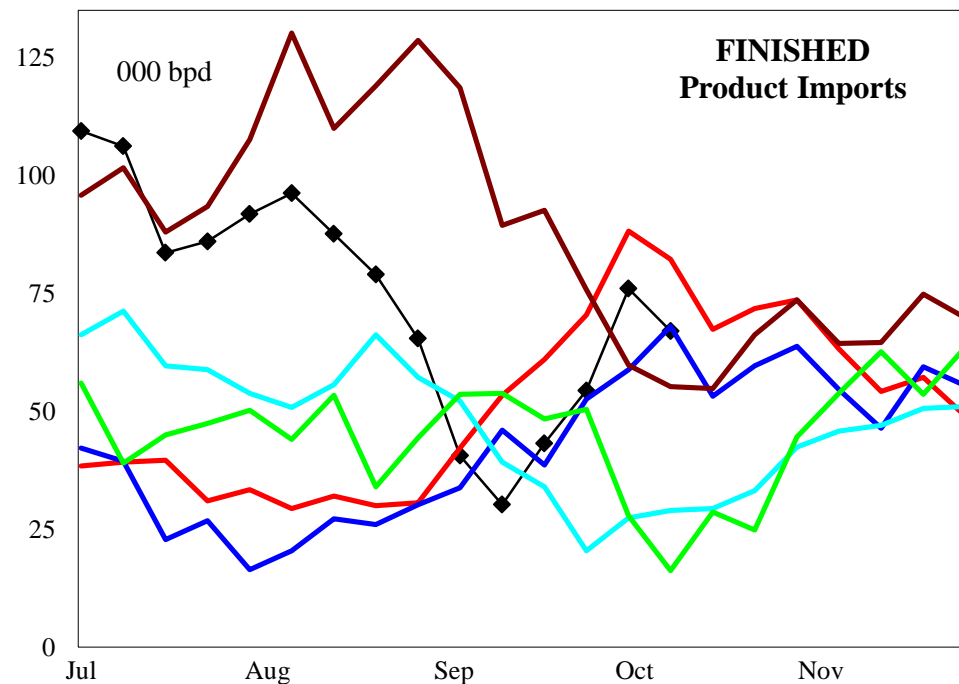
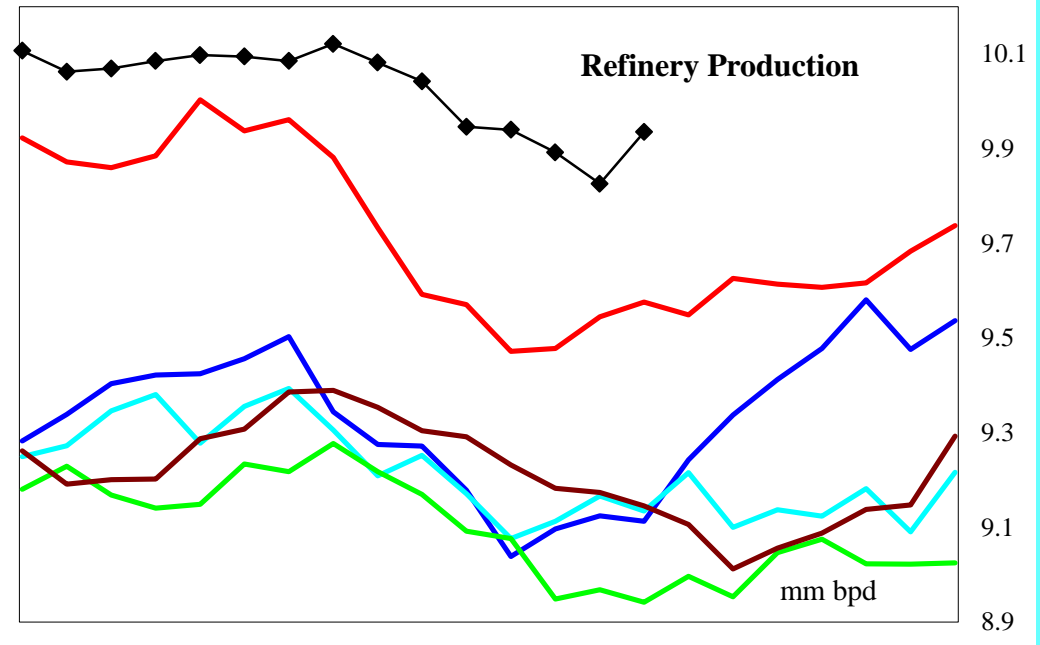
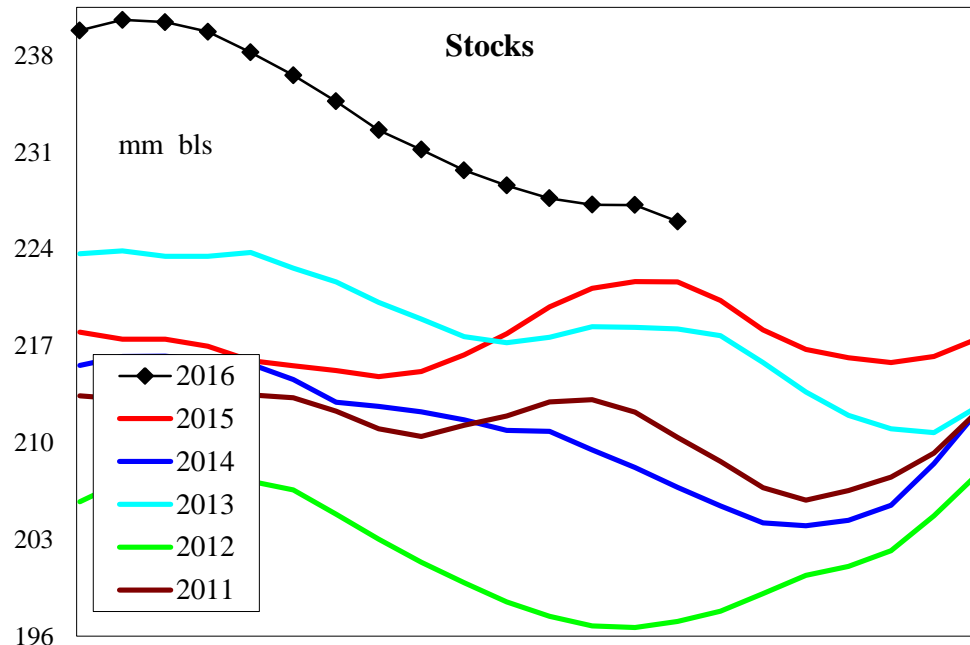


Gasoline crack spreads traded mostly sideways in global markets last week at levels above the last 2-yr in the Atlantic Basin, and below the last 2-yr in the Pacific Rim.

Gulf Coast Price

Record imports, record production for this time of year and lower seasonal demand should support continued ample supplies east of the Rockies. Look for a fall pull back in gasoline prices on over supply East of the Rockies.

United States Gasoline Supply and Demand



4 wk avg variance to prior year

000 bpd (000 bls stks)

Stocks Production Fin Impt Blend Impt Demand=>

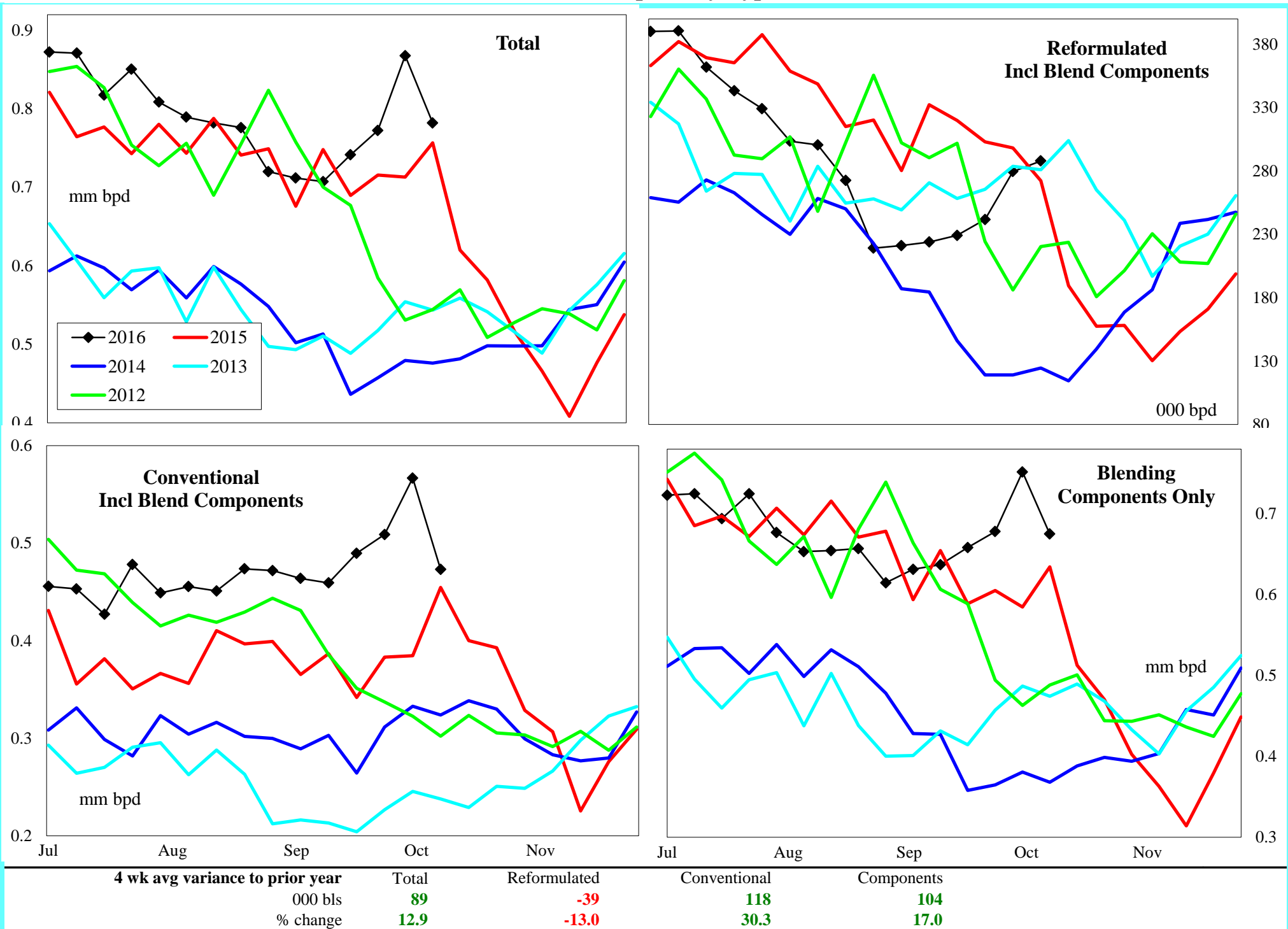
4,196 354 -15 104

% change

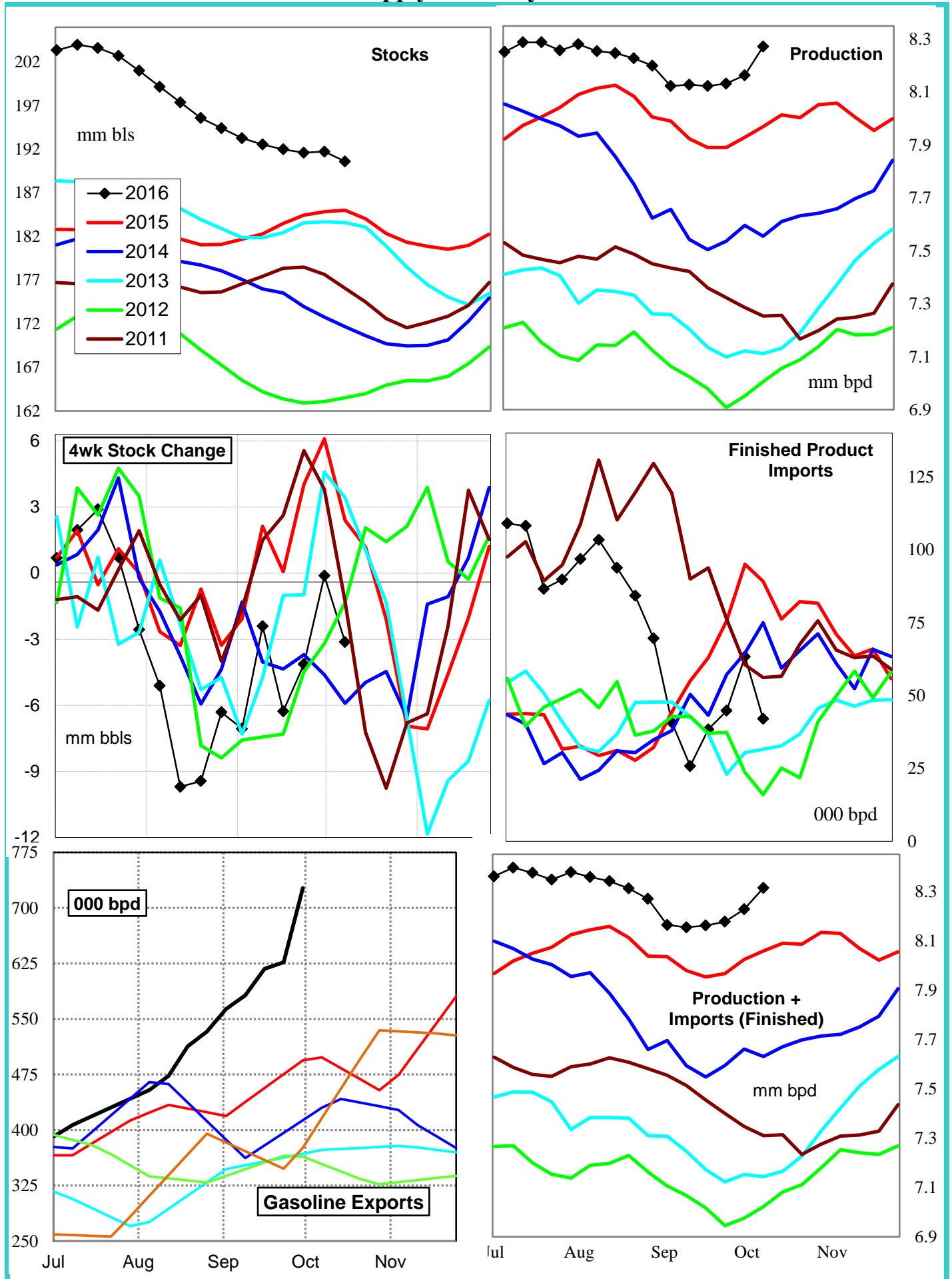
1.9 3.7 -19.4 17.0

4wk avg	Sep	Aug	Jul
249	57	165	159
2.7	0.6	1.7	1.7

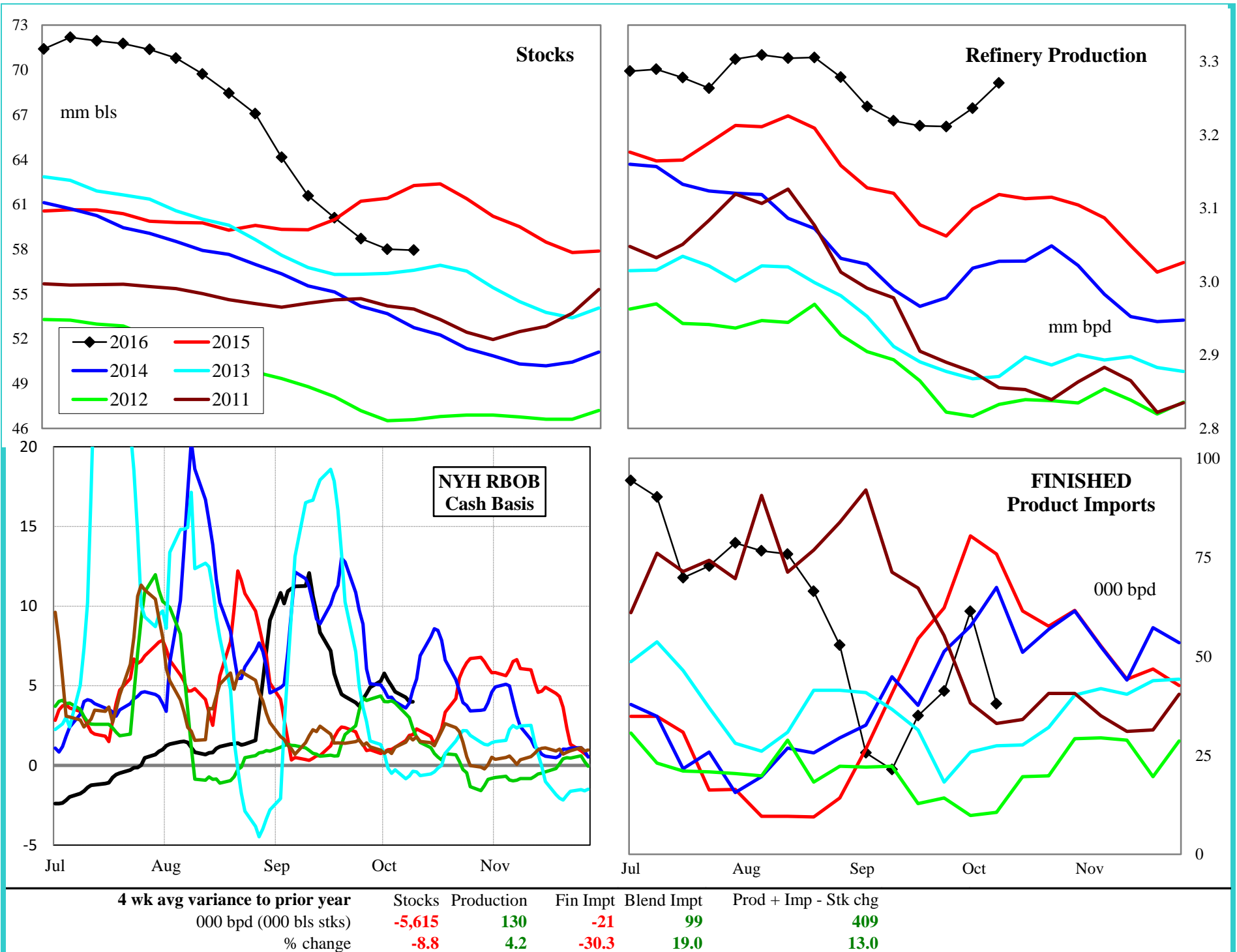
Gasoline Imports by Type



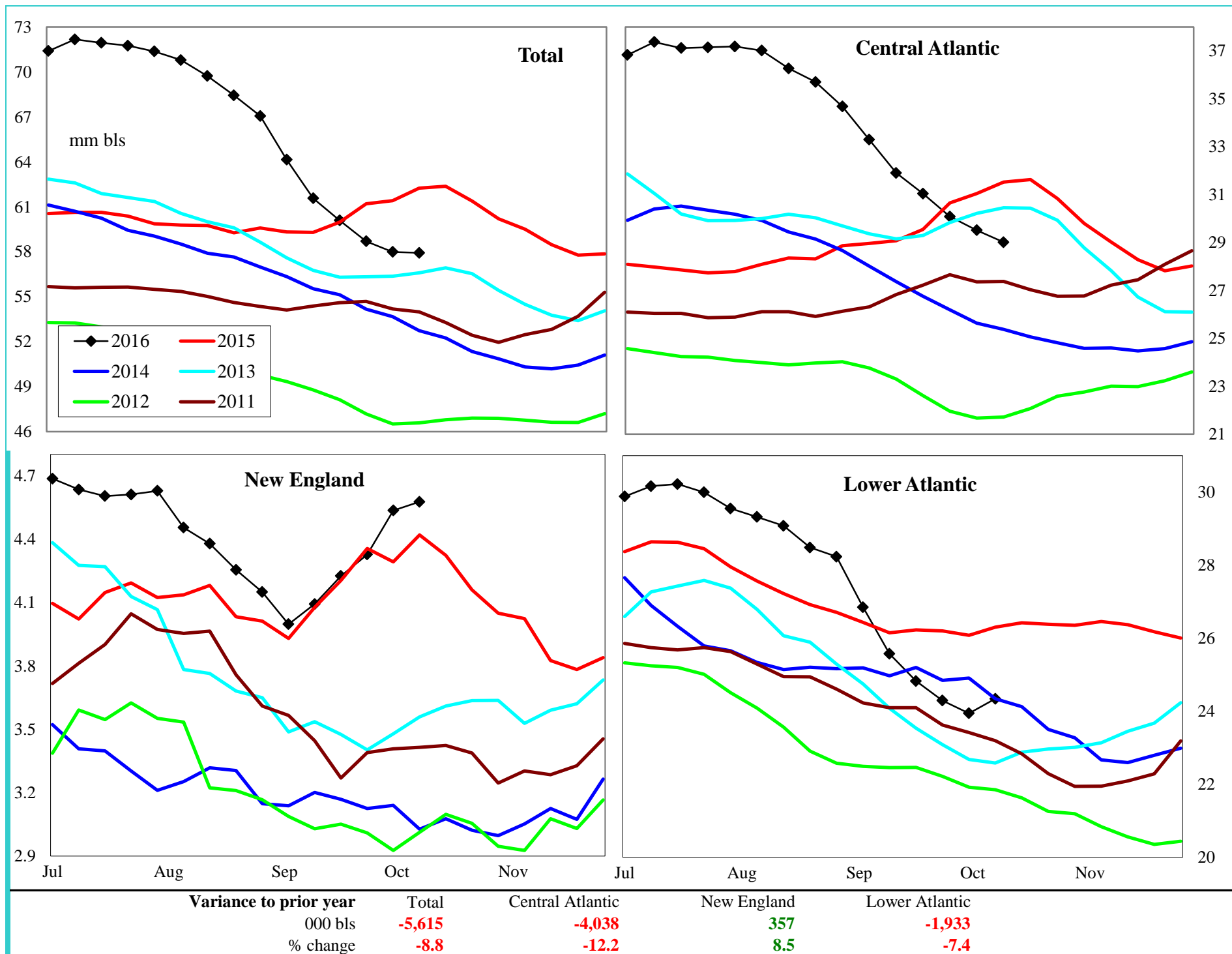
Gasoline Supply Summary PADDs 1+2+3



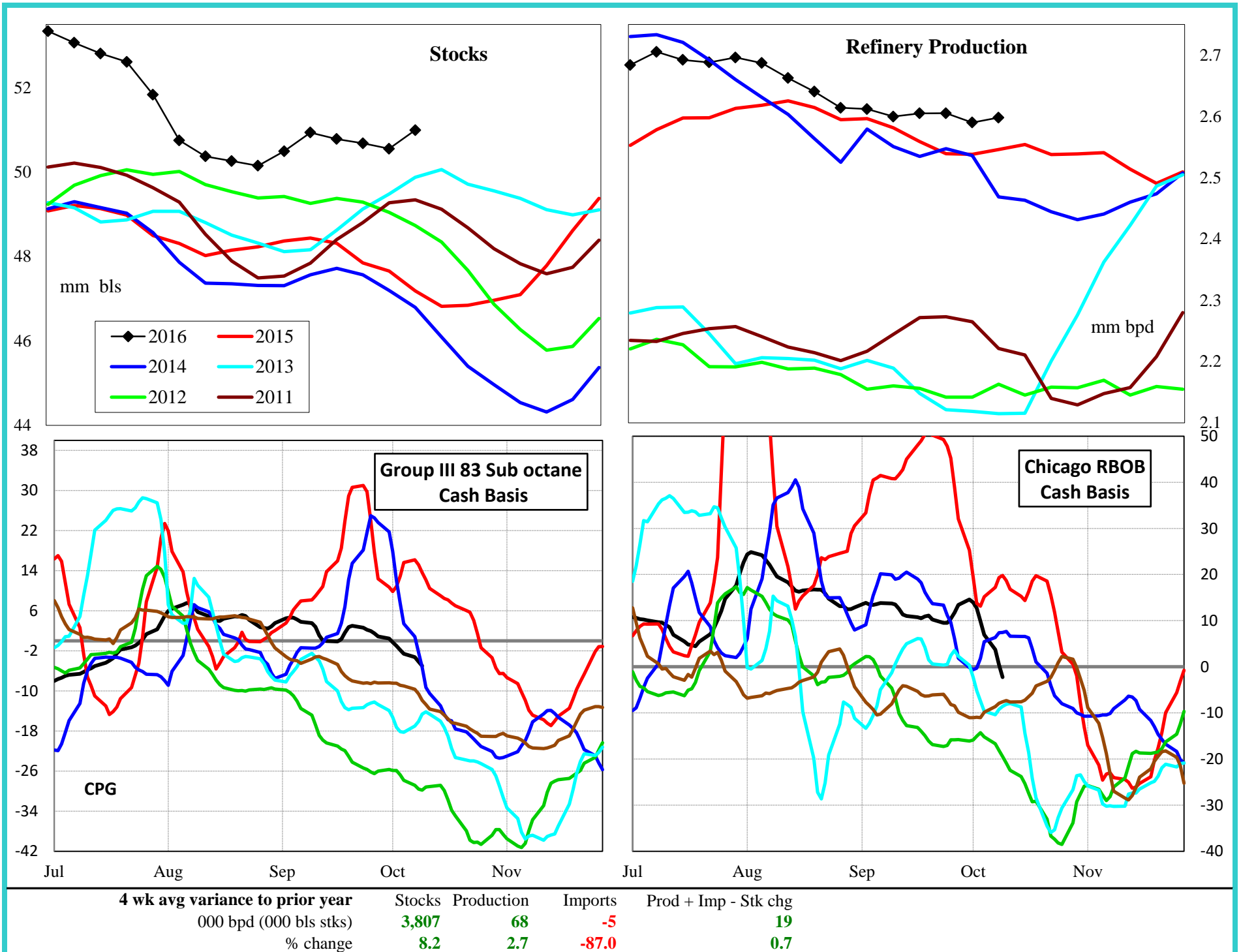
PADD 1 Gasoline Supply



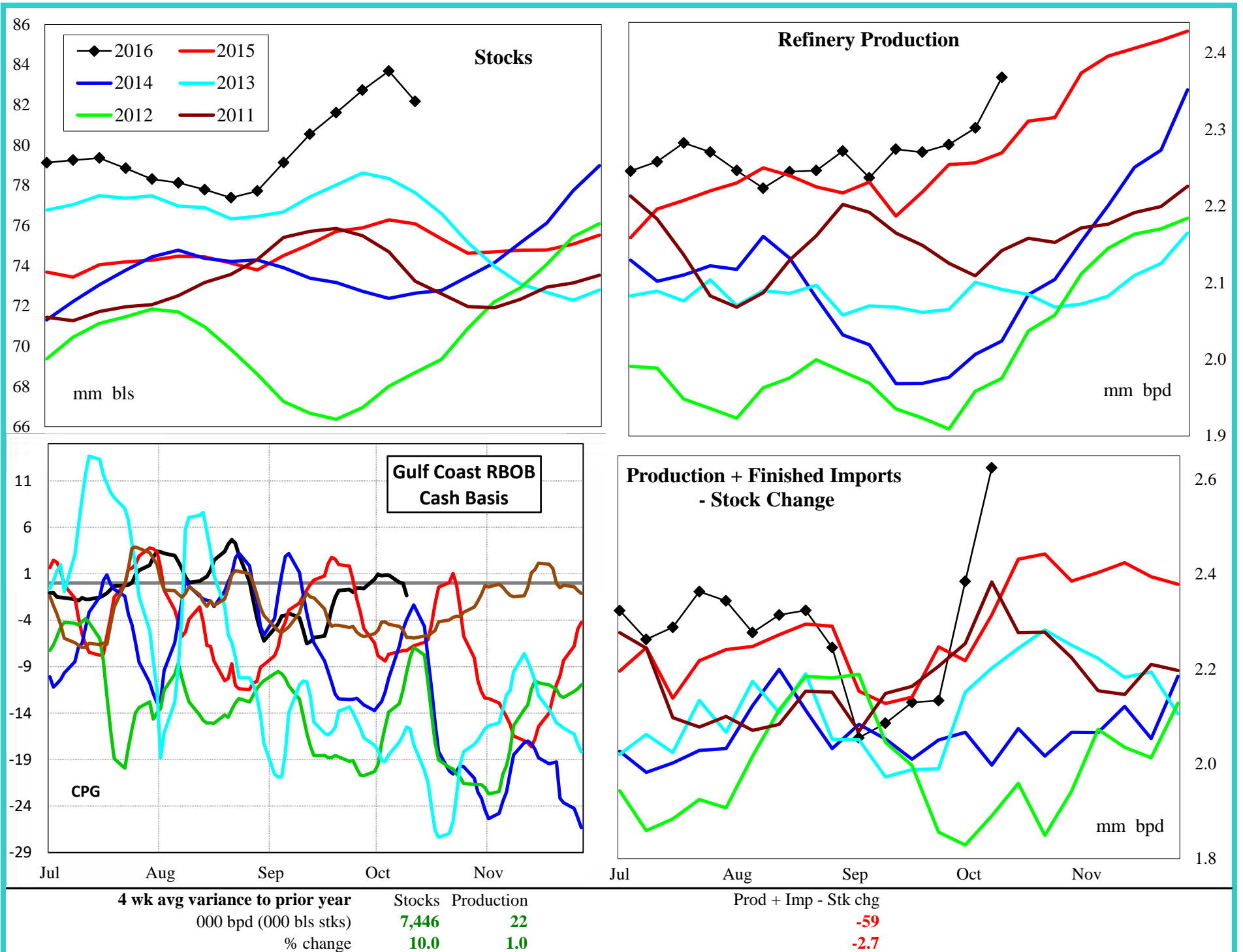
PADD 1 Gasoline Stocks by Region



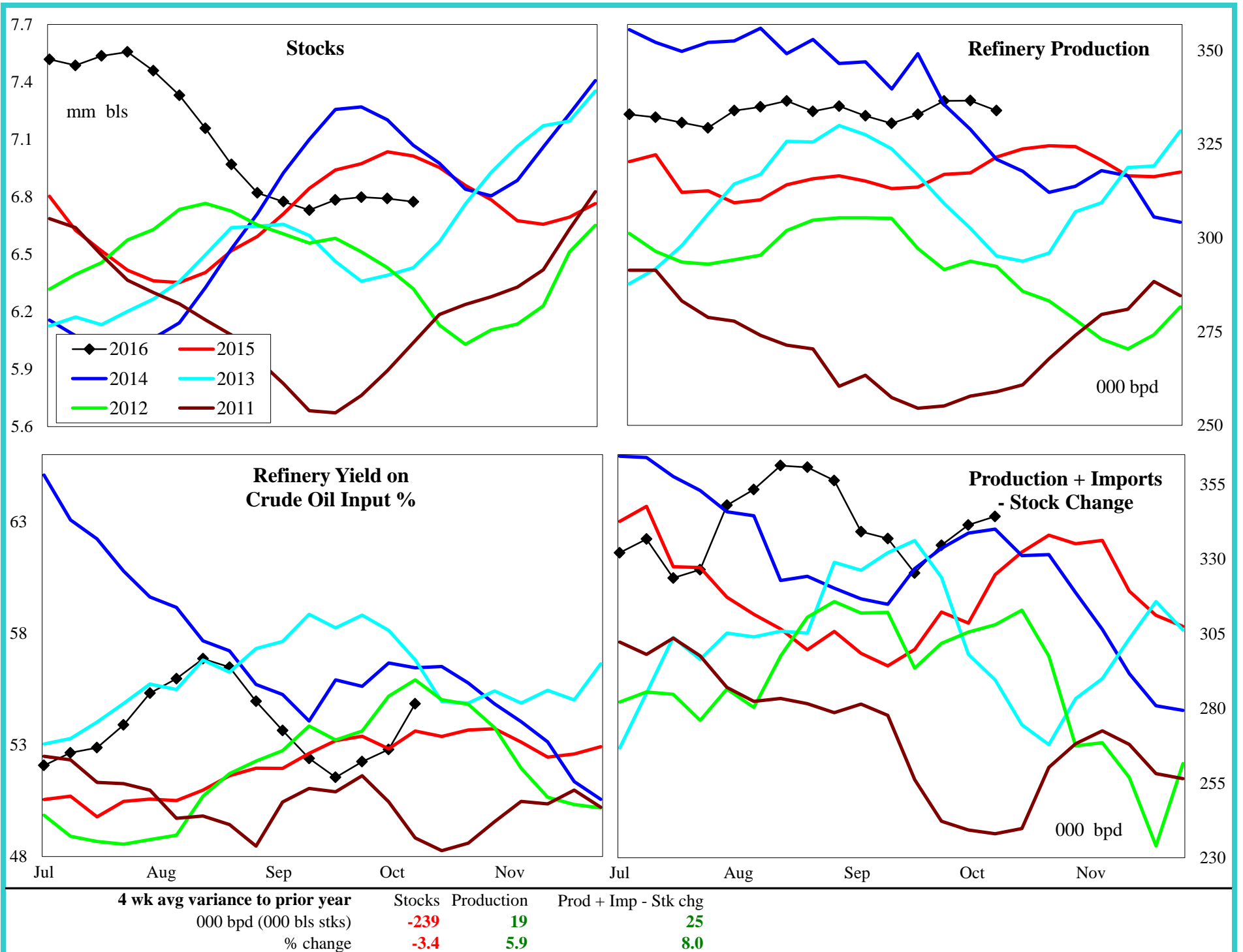
PADD 2 Gasoline Supply



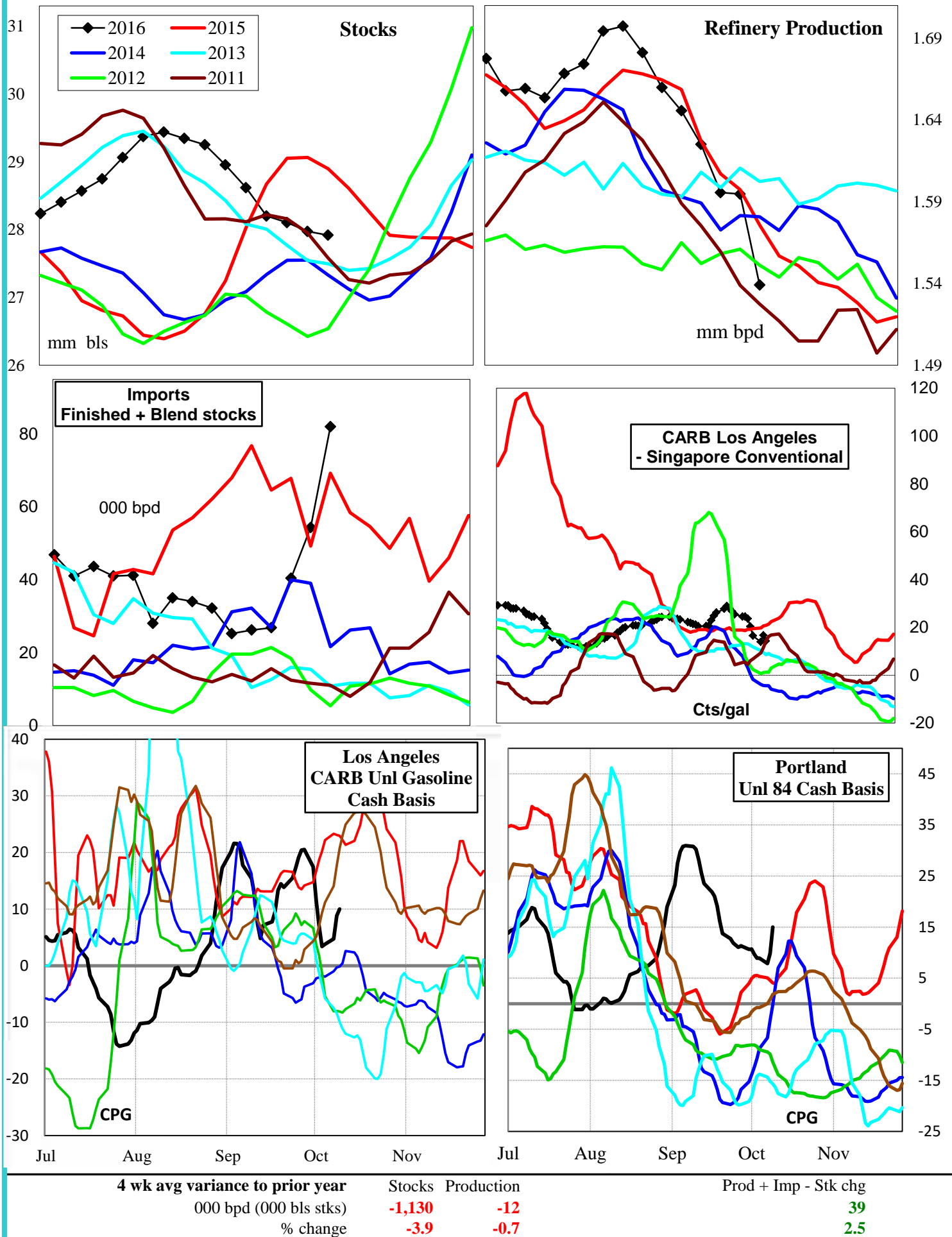
PADD 3 Gasoline Supply



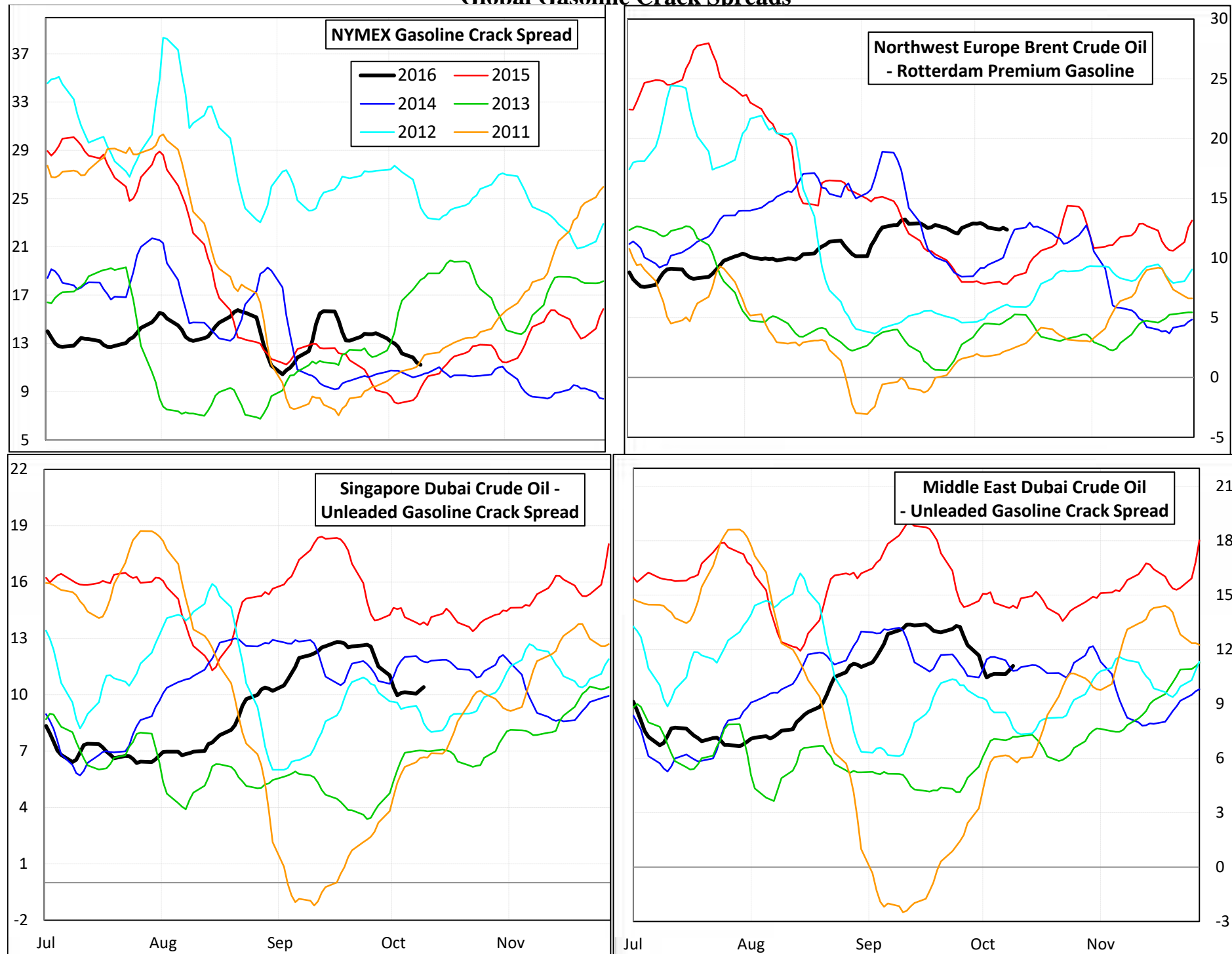
PADD 4 Gasoline Supply



PADD 5 Gasoline Supply



Global Gasoline Crack Spreads



Global Gasoline Cash Basis

