

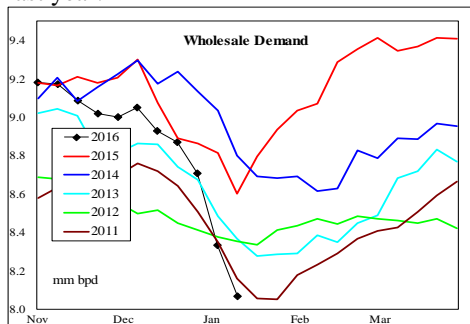


## WEEKLY GASOLINE FUNDAMENTAL-PRICE-BASIS OUTLOOK

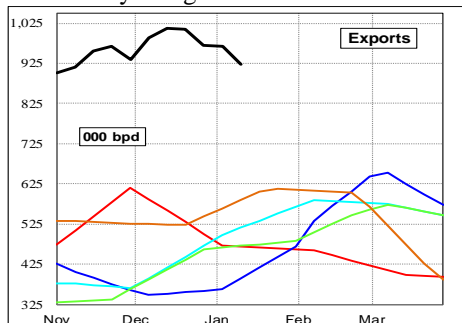
### A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Thursday, January 19, 2017

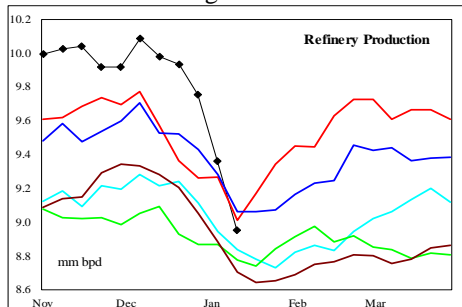
Wholesale demand fell -0.4 million bpd to near a season low. The latest 4-wk average demand was -213,000 bpd below last year.



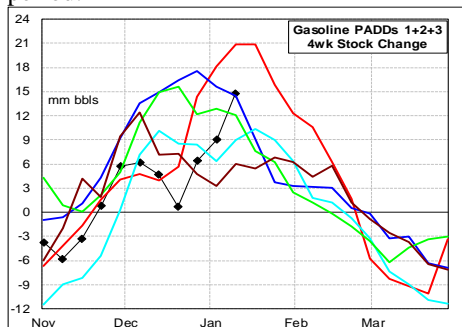
Exports were +0.9 million bpd last week, over 2X a year ago.



Supply fell -0.8 million bpd on the week, as Gulf refiners began winter maintenance.

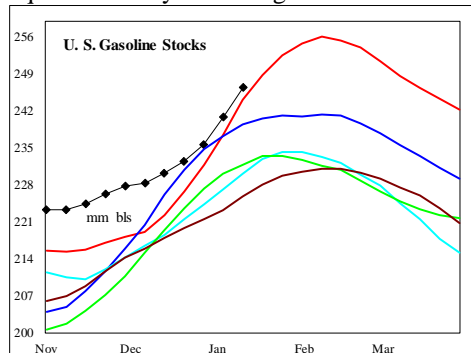


Imports decreased -95,000 bpd on the week to a level the 2-yr average for the period.

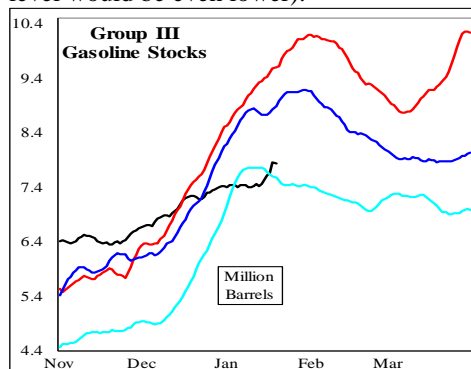


Stocks increased +6 million barrels on the week, with builds in all regions. The latest

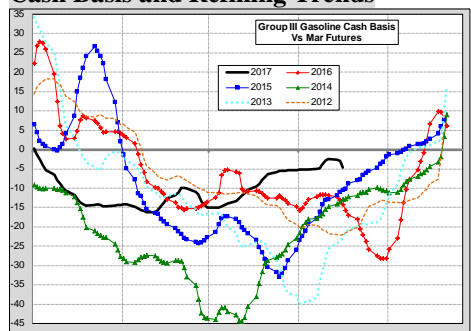
4-wk stock change for markets East of the Rockies a build of +14.5 million barrels equal to the 3-yr mid range.



Group III stocks increased +0.5 million barrels last week, still -1.8 million barrels below a year ago, (with consideration for added line fill to Little Rock, the stock level would be even lower).



#### Cash Basis and Refining Trends

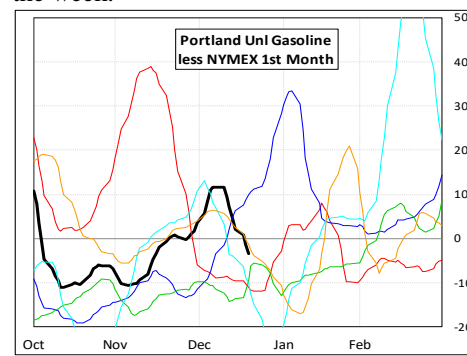


Cash basis for CBOB grade gasoline in Midwest markets pulled back late in the week, although the level remains above the 5-yr range for the period.

Gulf CBOB basis traded near a 1-month low on very high stocks in the region. Compared to prior years, basis levels matched 3-yr highs for the period.

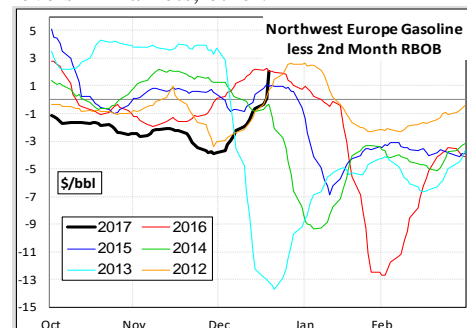
Basis in West Coast markets extended the recent downtrend last week. Los Angeles ended the week at a level sharply

below the last 2-yr. Northwest markets reported basis near the 2-yr mid range for the week.



Gasoline crack spreads trended higher in all global markets last week, excluding the NYMEX futures contracts. The gasoline crack in Northwest Europe traded near a year ago and well above the 3-yr average for the period.

Cash basis in all global gasoline markets trended higher last week, due in part to inter day timing between NYMEX futures and foreign cash markets. . Basis levels in markets, other.



#### Gulf Coast Price

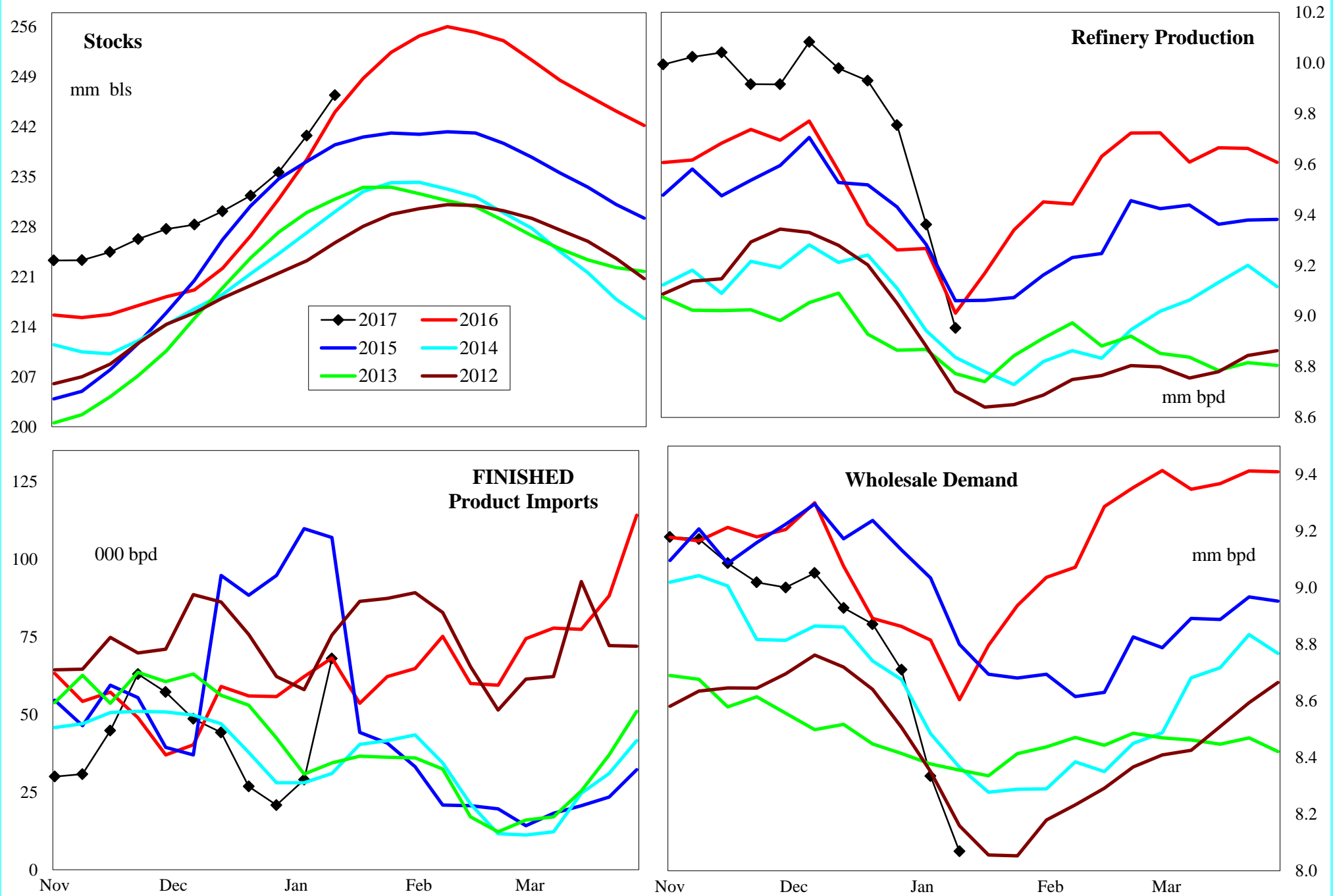
Exports continue at a very high level, more than 2X last year's rate. Wholesale demand is near a season low, as evidenced by lack of a rebound following the holiday period. Stock levels are at record highs in the Gulf and East Coast regions.

Winter refinery maintenance in the Gulf has begun with crude oil input down - 542,000 bpd last week, in turn reducing gasoline output.

Regional markets are very well supplied outside of the West Coast; however the surge in exports should support cash basis in the Gulf and Midwest above historic trends and reduce the risk of a sharp drop in cash prices during the winter quarter.

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# United States Gasoline Supply and Demand



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

1,427

Production

416

Fin Impt

-41

Blend Impt

136

Demand=>

4wk avg

-213

Dec

-172

Nov

-89

Oct

-155

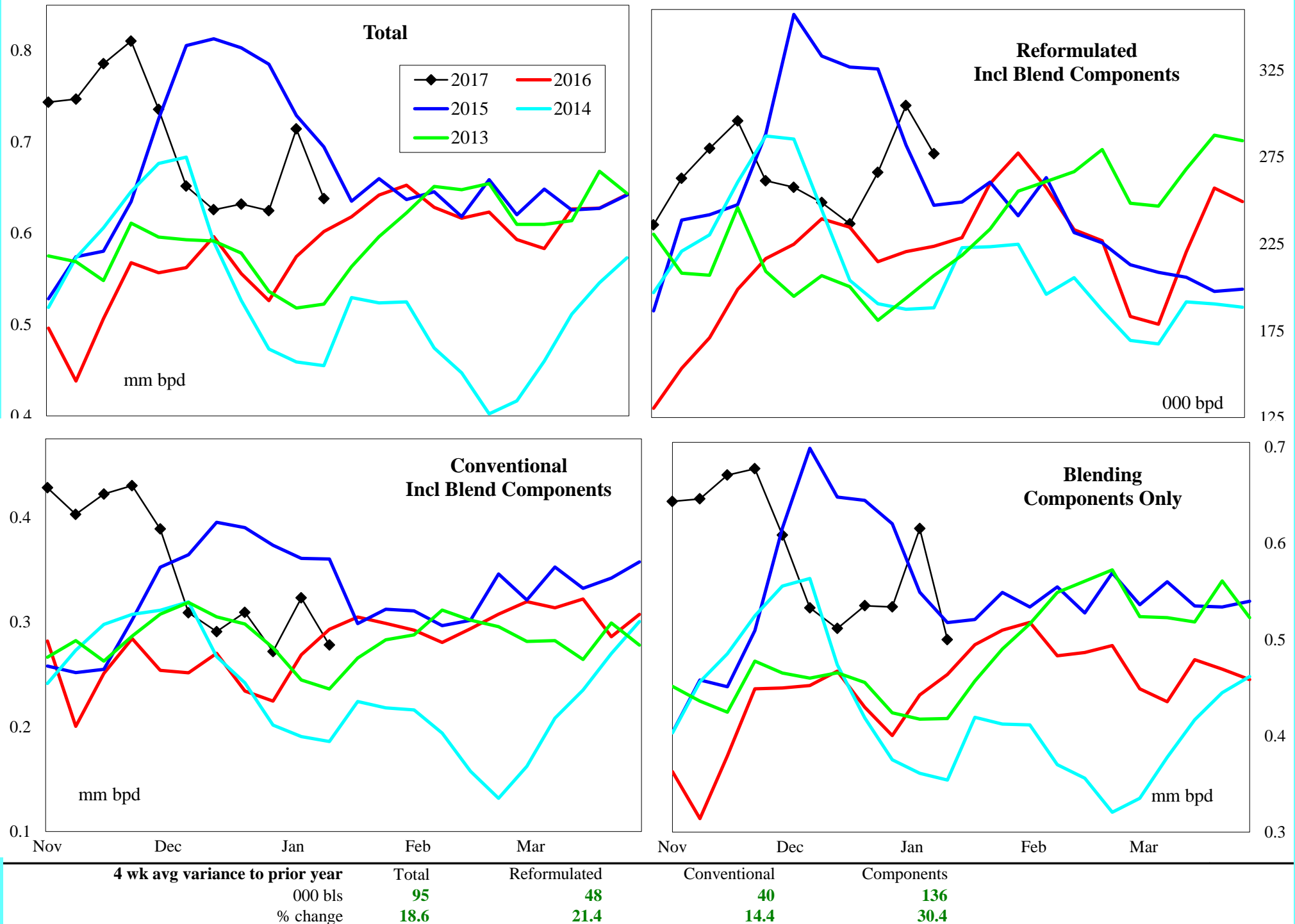
-2.4

-1.9

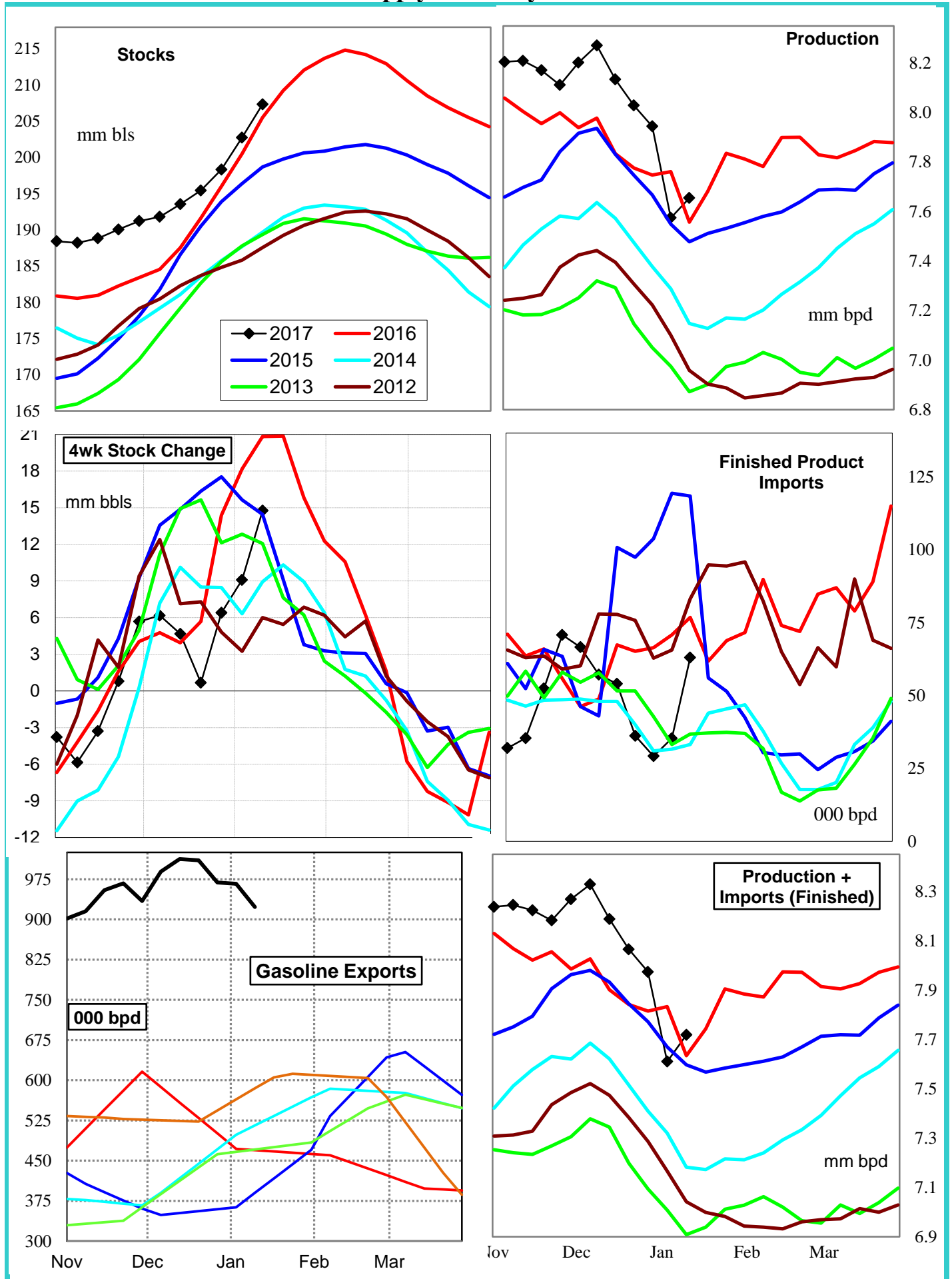
-1.0

-1.7

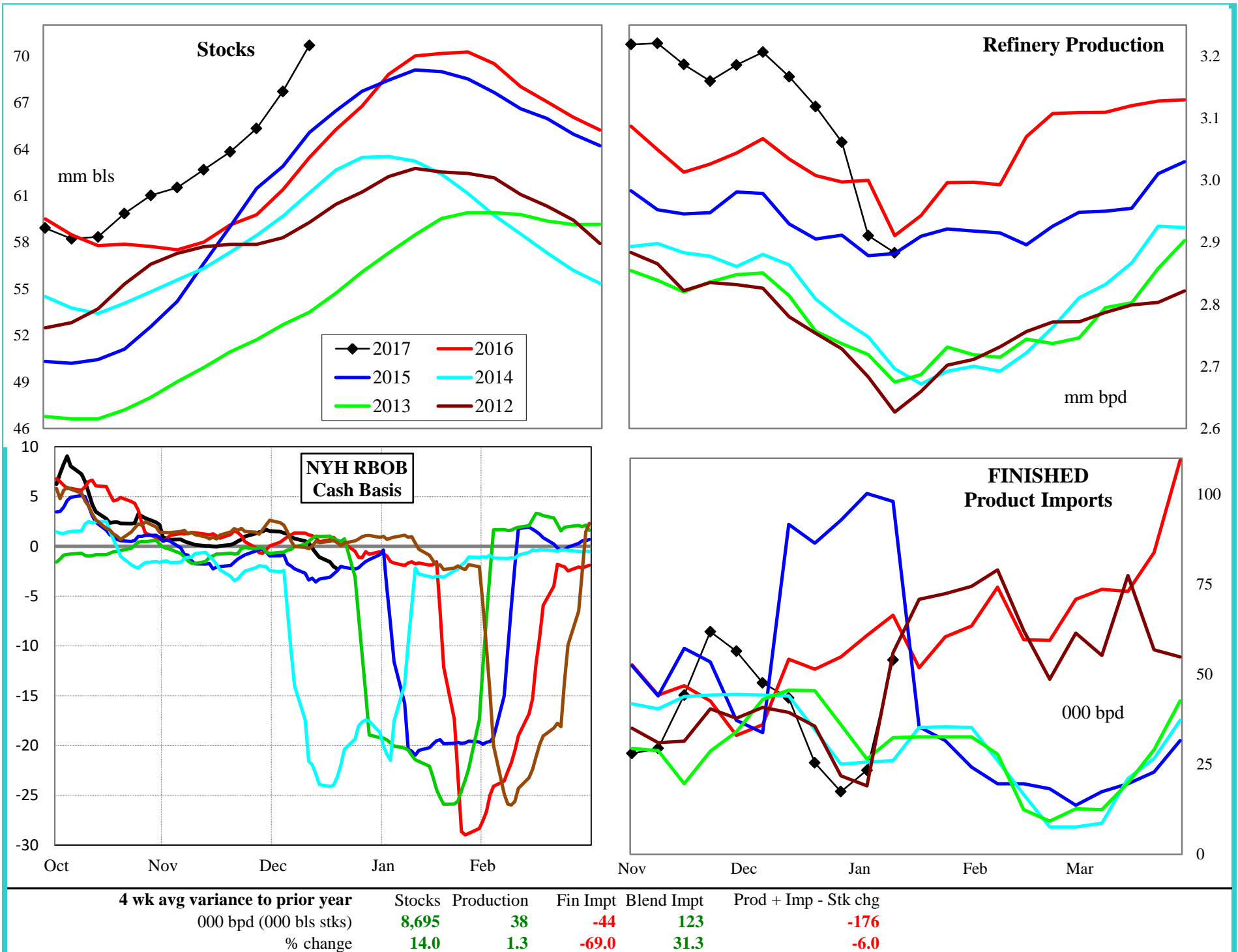
# Gasoline Imports by Type



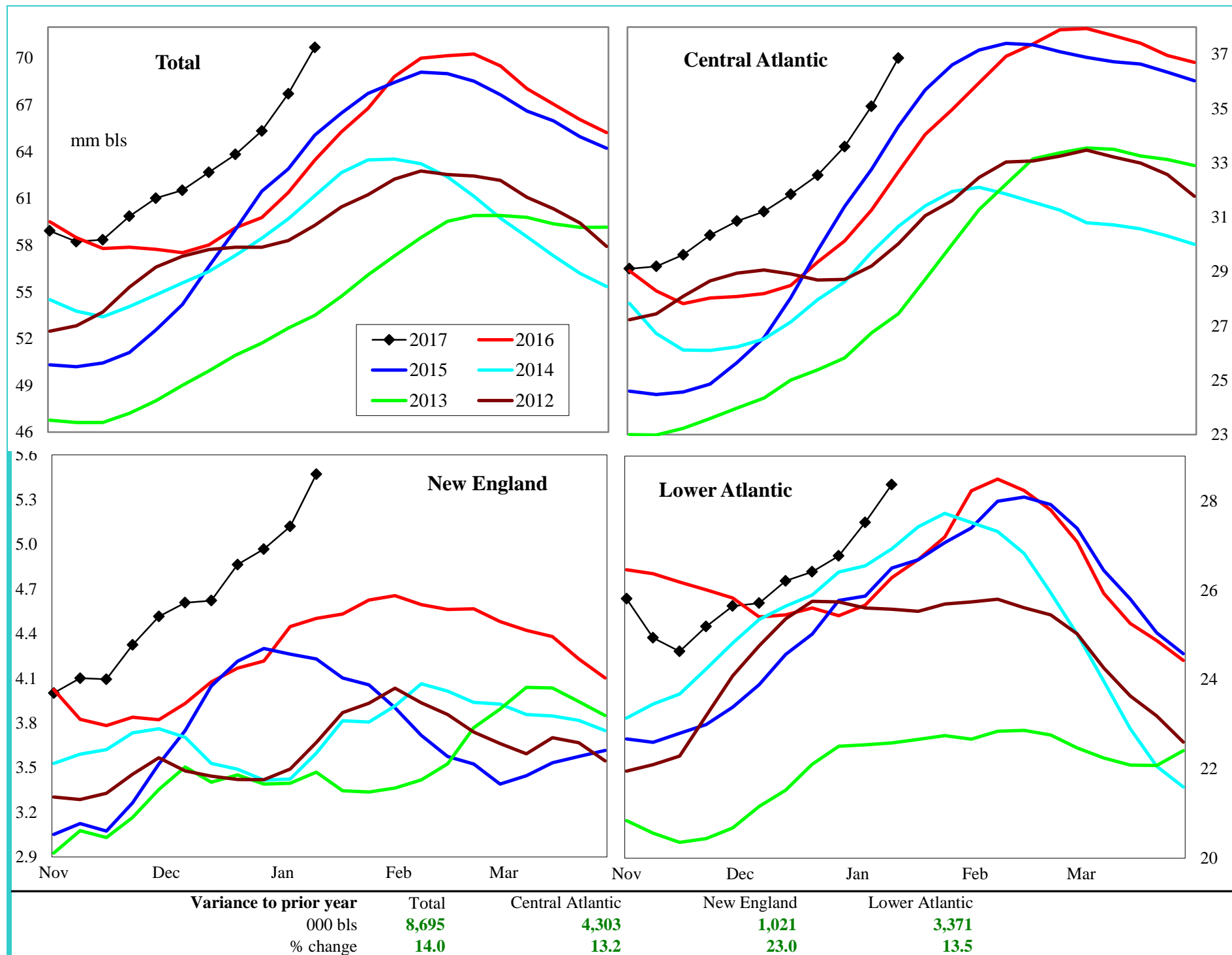
# Gasoline Supply Summary PADDs 1+2+3



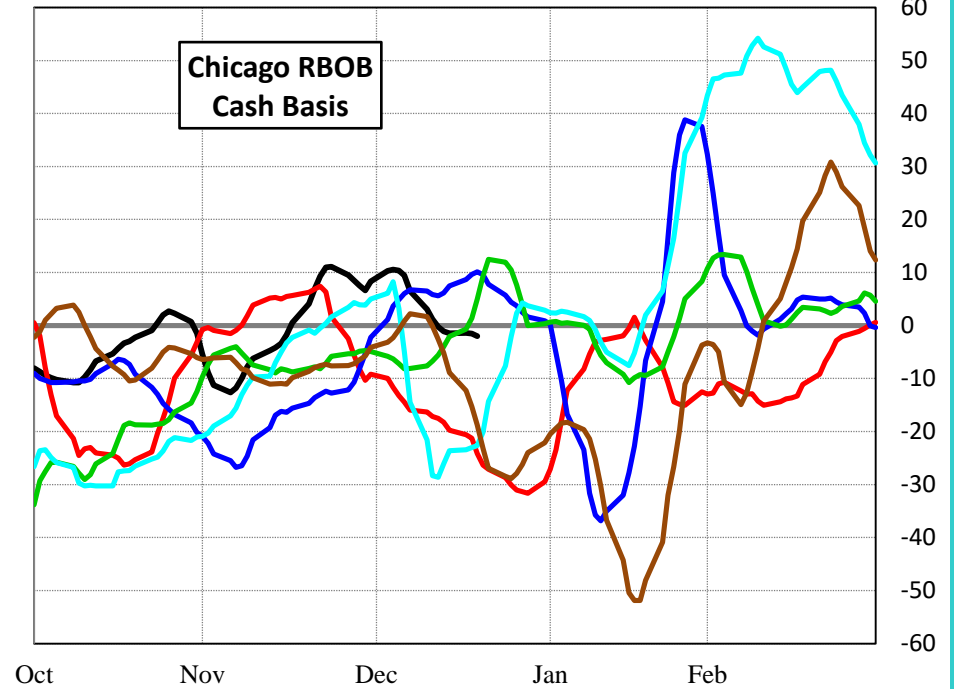
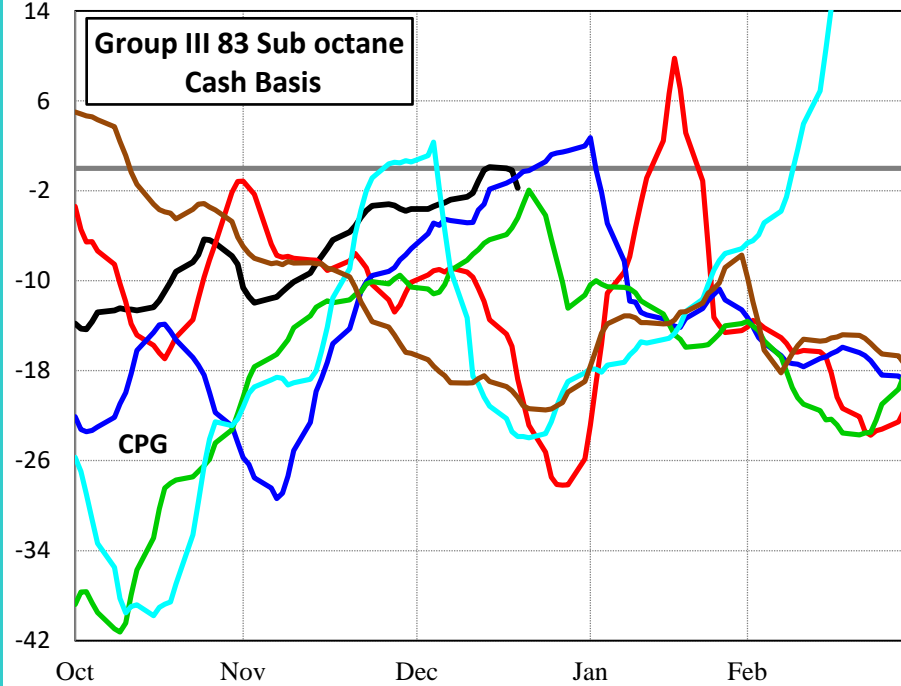
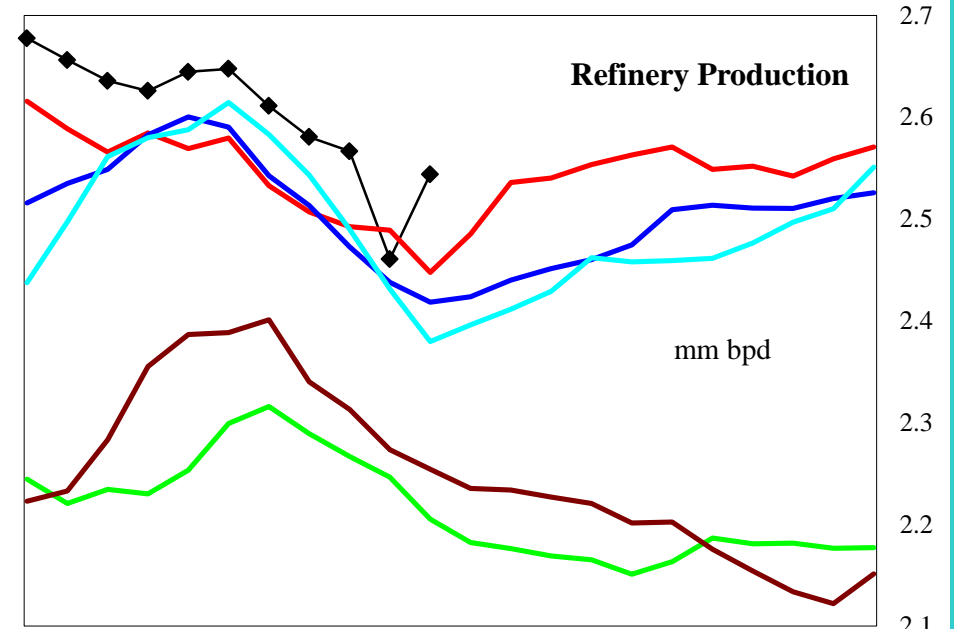
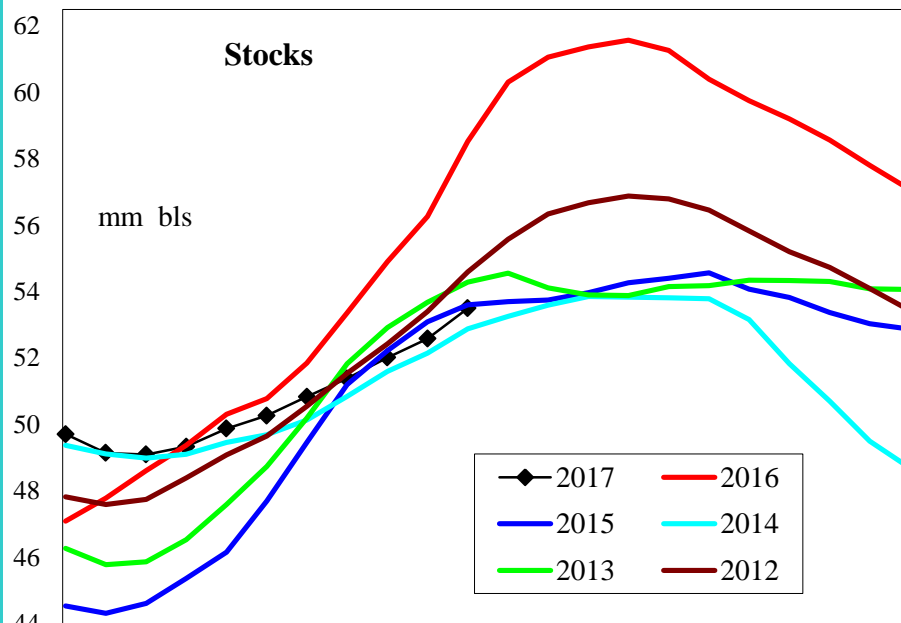
# PADD 1 Gasoline Supply



# PADD 1 Gasoline Stocks by Region



# PADD 2 Gasoline Supply



**4 wk avg variance to prior year**

000 bpd (000 bls stks)

% change

Stocks

-5,028

-8.7

Production

47

1.9

Imports

1

6.5

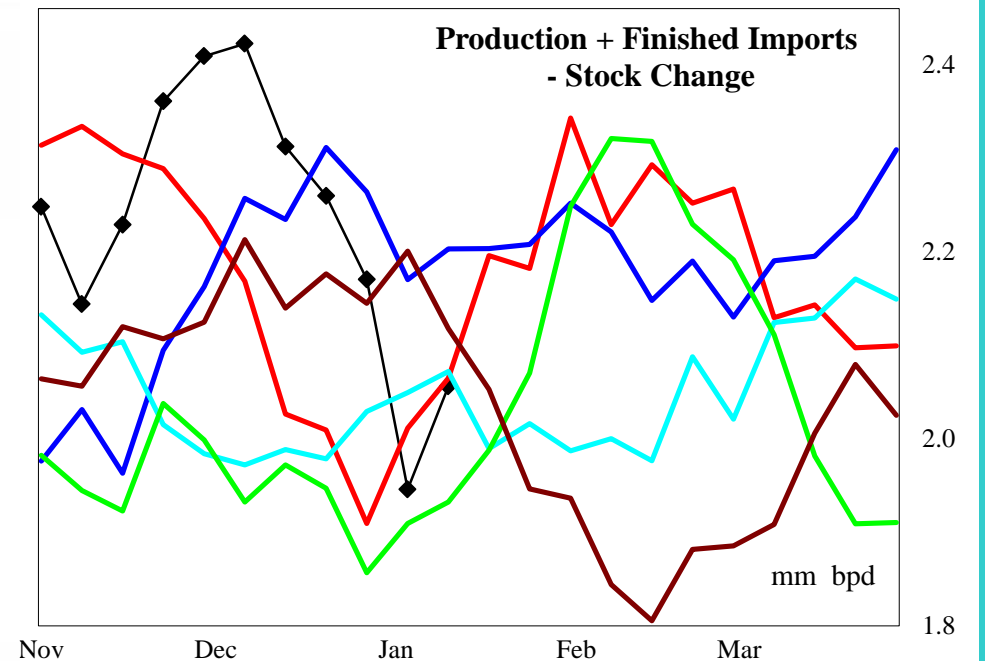
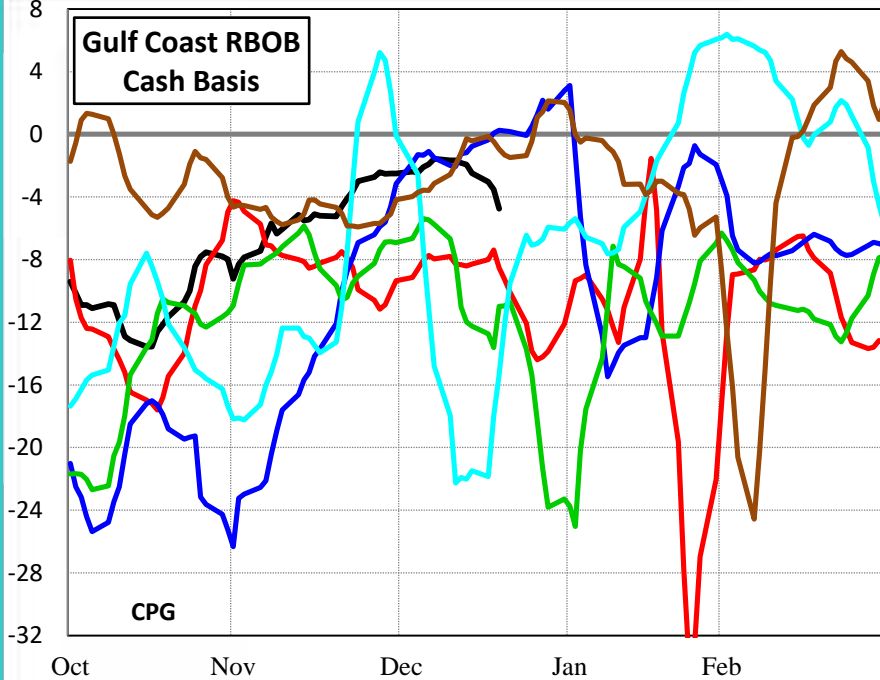
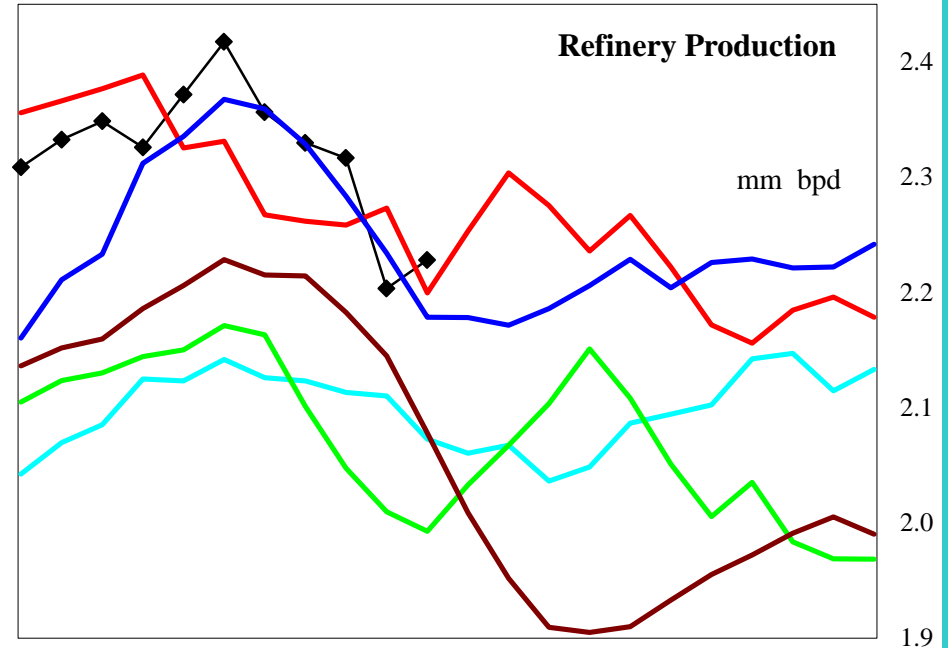
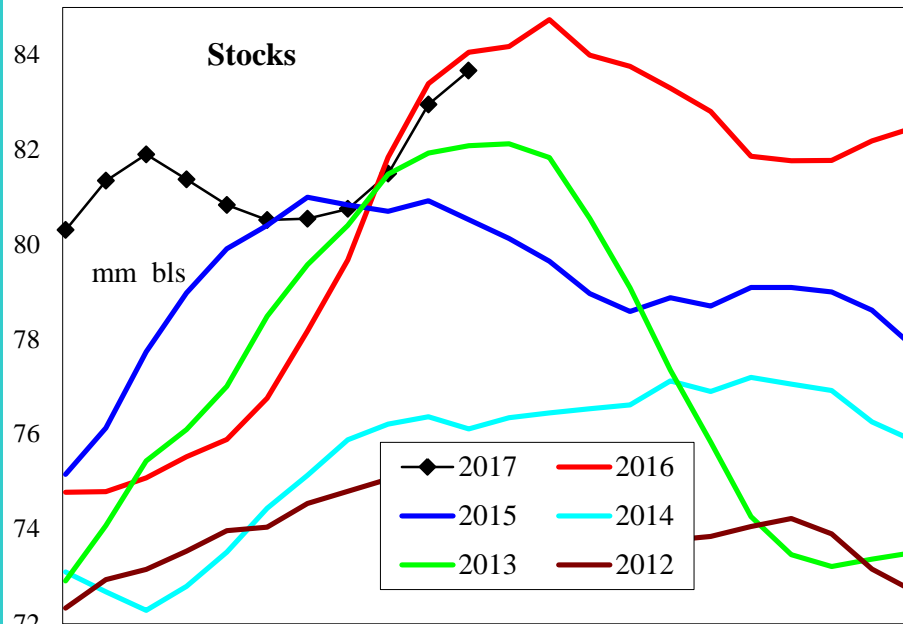
Prod + Imp - Stk chg

207

9.3



## PADD 3 Gasoline Supply



4 wk avg variance to prior year

000 bpd (000 bls stks)

% change

Stocks

-2,611

-3.0

Production

8

0.3

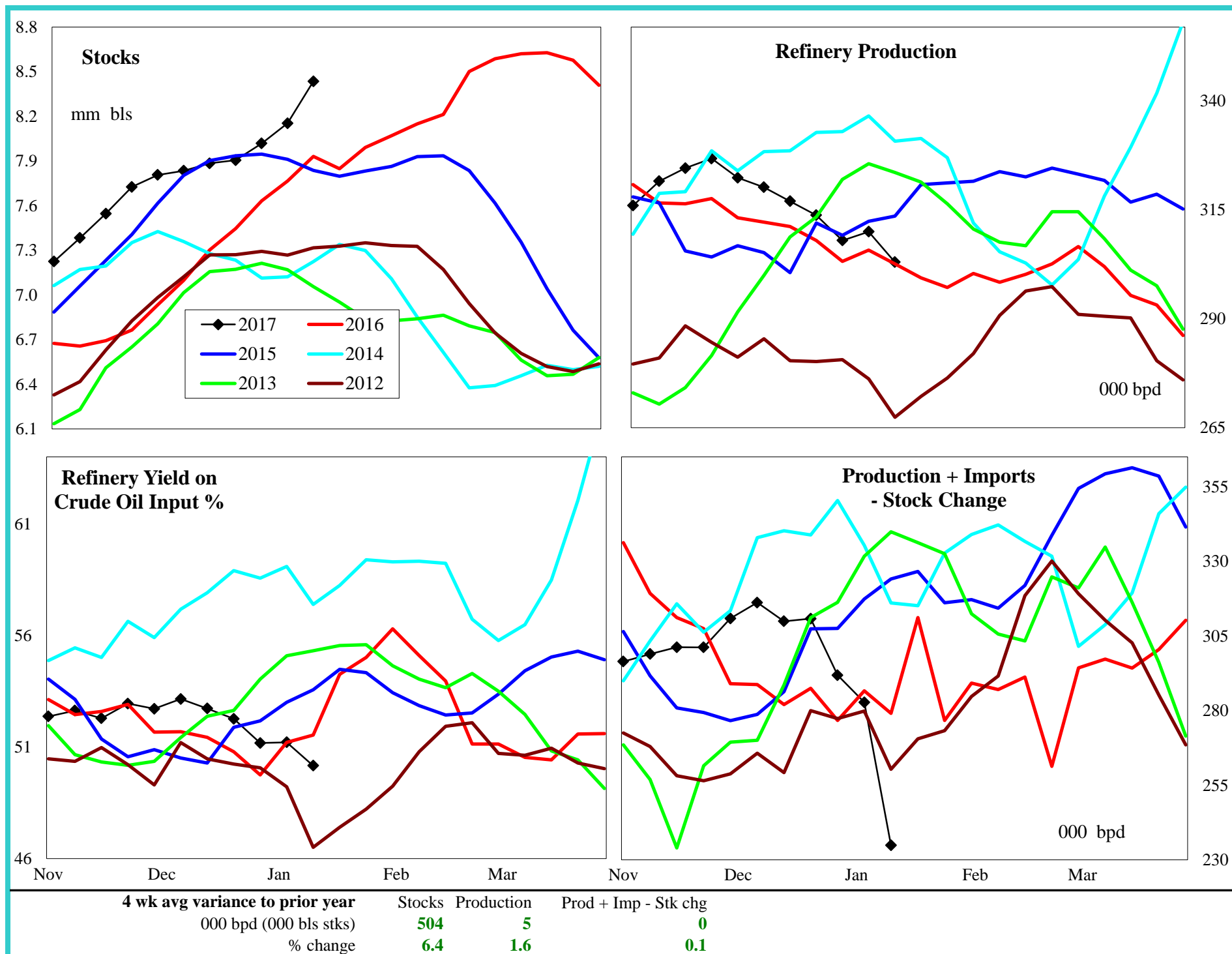
Prod + Imp - Stk chg

194

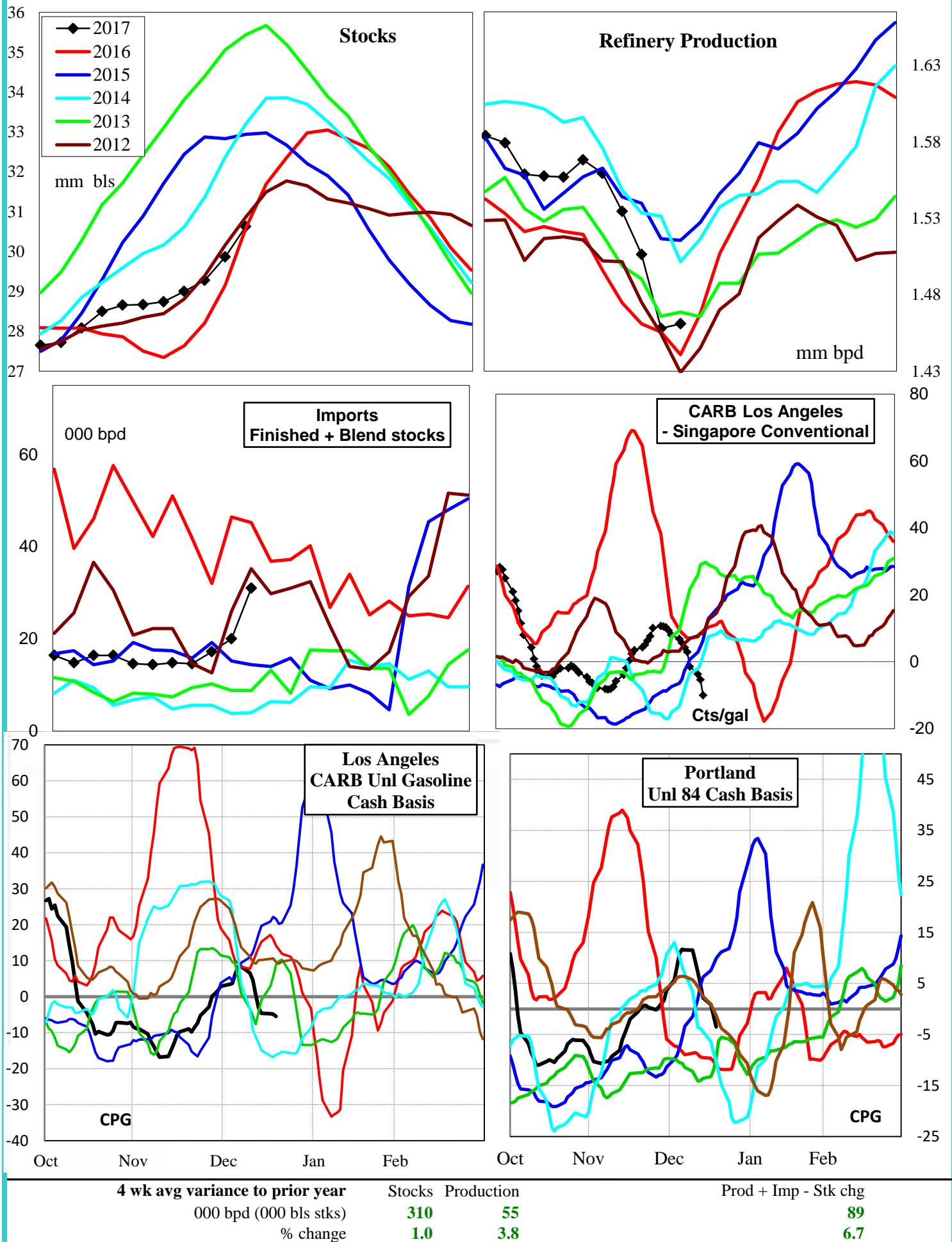
10.0



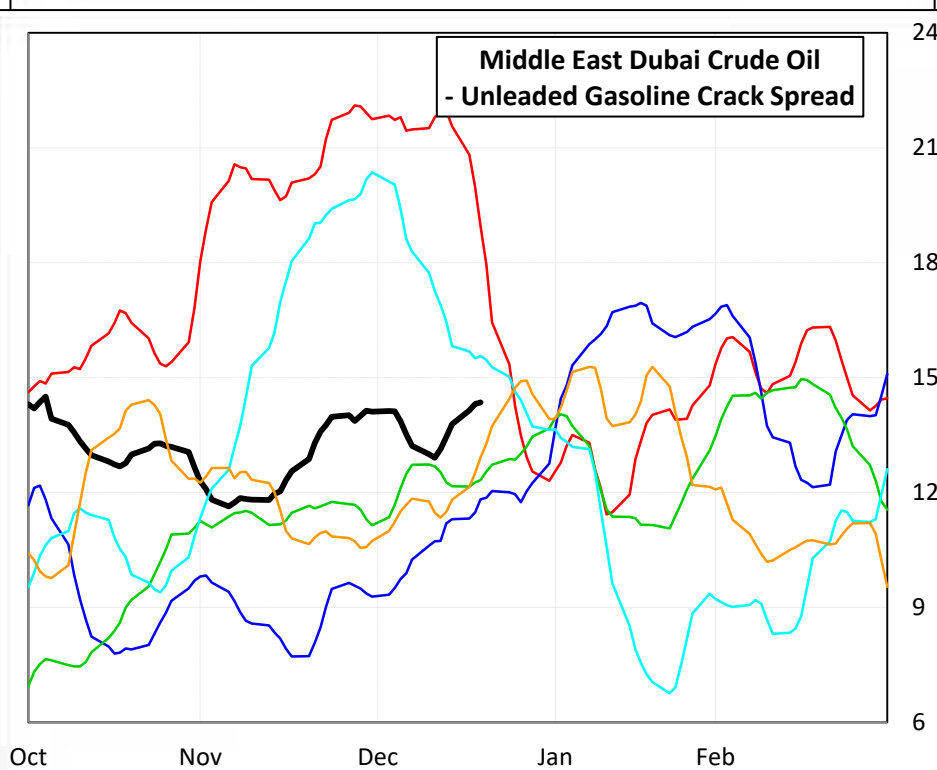
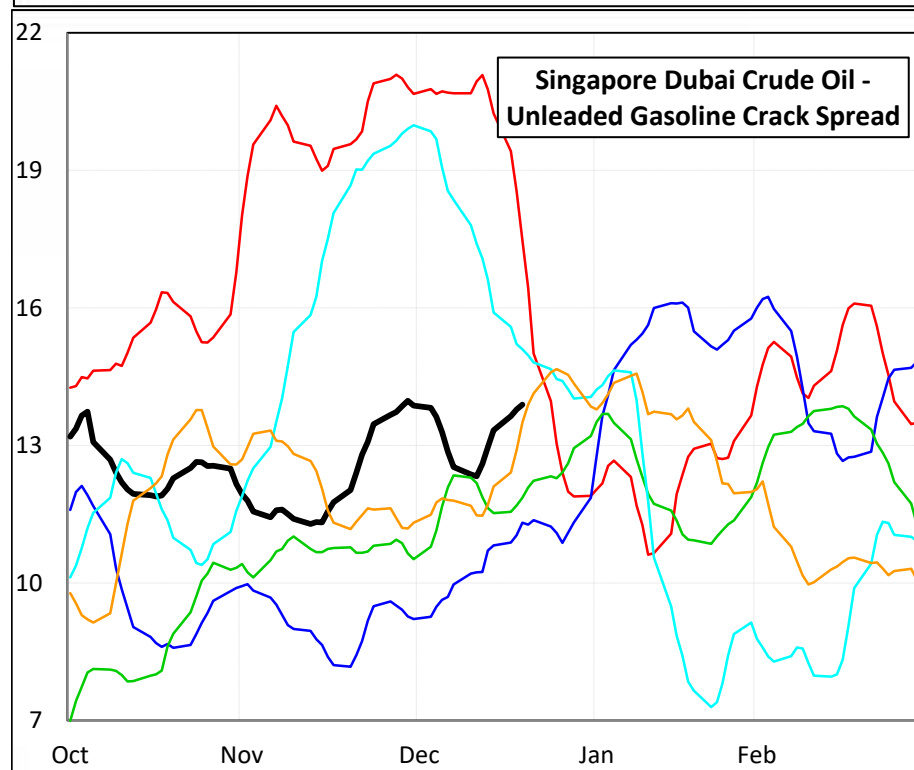
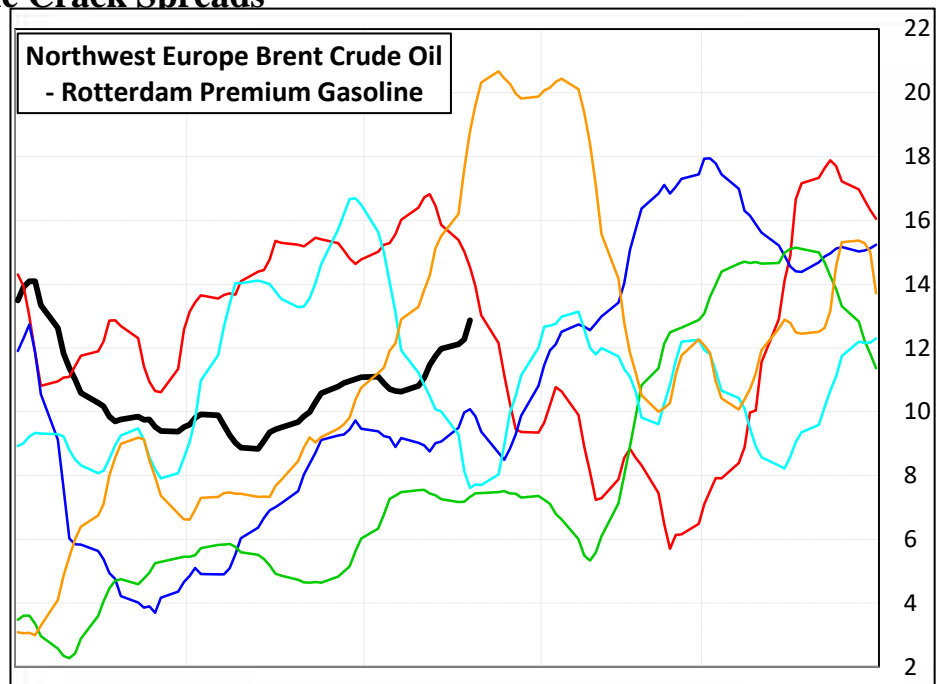
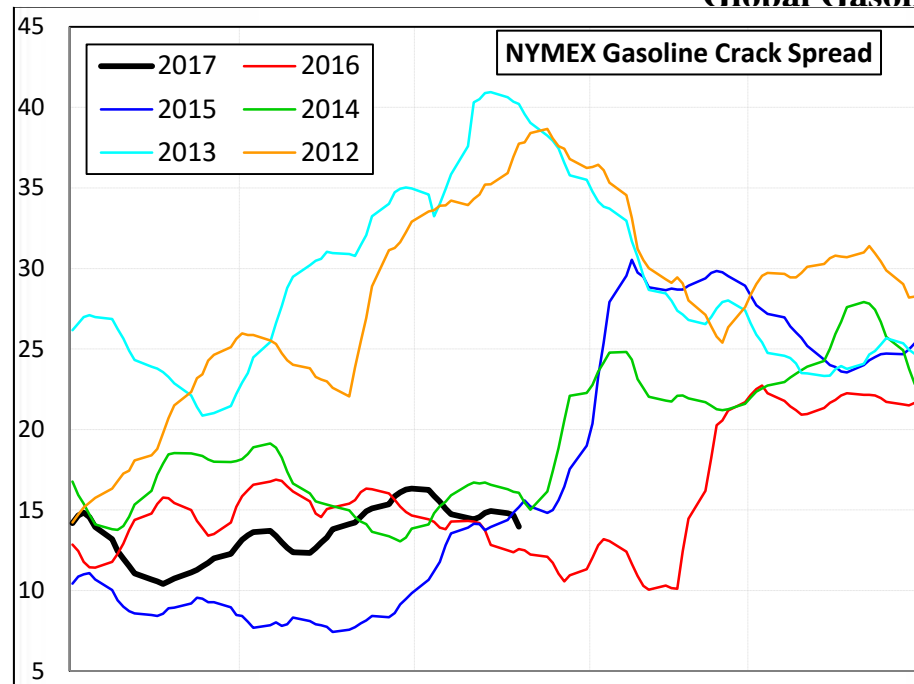
## PADD 4 Gasoline Supply



# PADD 5 Gasoline Supply



## Global Gasoline Crack Spreads



## Global Gasoline Cash Basis

