

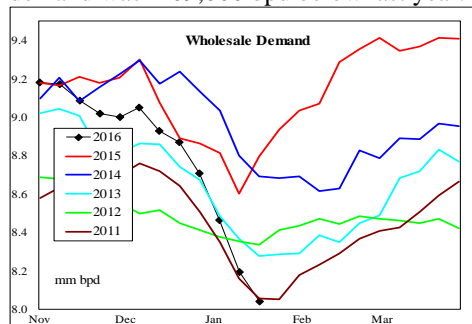


## WEEKLY GASOLINE FUNDAMENTAL-PRICE-BASIS OUTLOOK

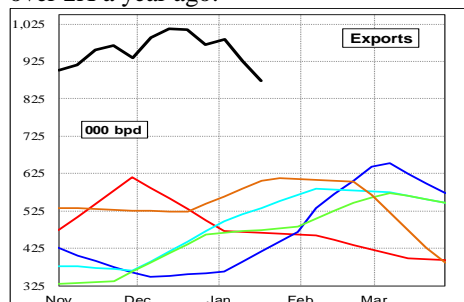
### A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Wednesday, January 25, 2017

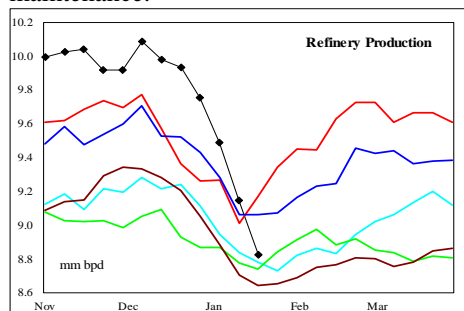
Wholesale demand was nearly unchanged last week, at a level that matched 5-yr lows for the period. The latest 4-wk average demand was -409,000 bpd below last year.



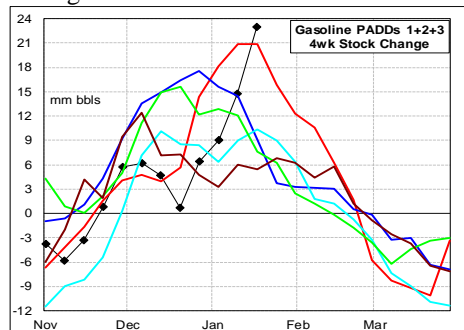
Exports were +0.9 million bpd last week, over 2X a year ago.



Supply decreased -0.1 million bpd on the week, as Gulf refiners expanded winter maintenance.

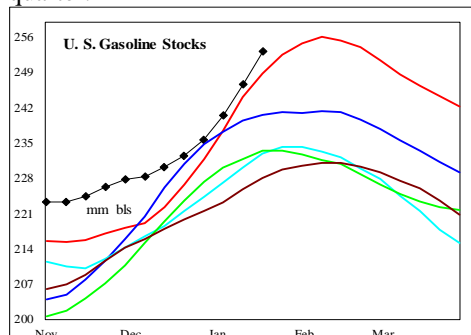


Imports were nearly unchanged on the week at a level comparable to the 2-yr average.

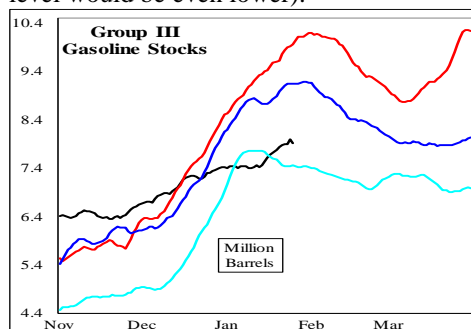


Stocks increased +6.8 million barrels on the week, with builds in all regions except

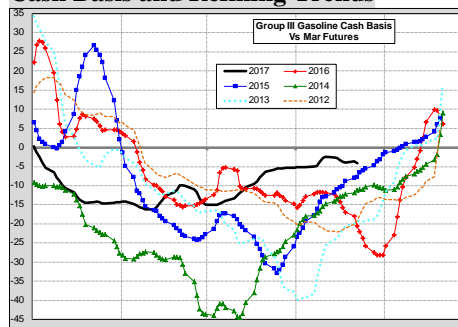
the Rockies. The latest 4-wk stock change for markets East of the Rockies a build of +23 million barrels, a record for the winter quarter.



Group III stocks increased +0.1 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

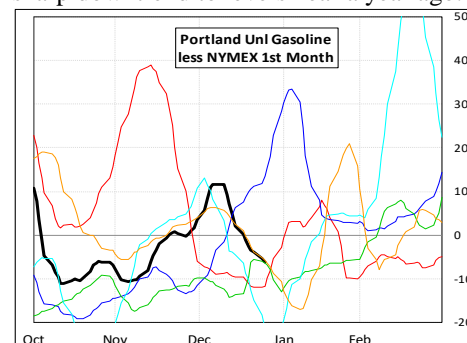


Cash basis for CBOB grade gasoline in the Group III was unchanged on the week. Chicago CBOB basis trended lower during the week but remains well above the 3-yr mid range.

Gulf CBOB basis traded near 3-yr highs for this time of year, driven the high export level and winter refinery maintenance.

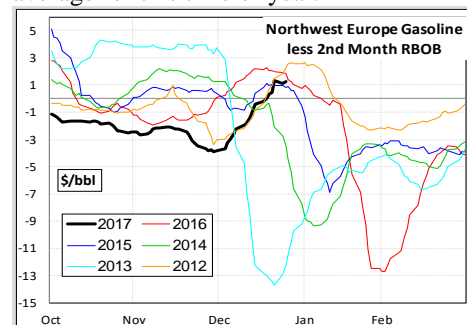
Basis in California markets trended higher last week to levels near a year ago.

Northwest markets reported a continued sharp downtrend to levels near a year ago.



Gasoline crack spreads in Europe extended a longer term uptrend to end at levels matching 3-yr highs for the period. Asian and Middle east crack spreads traded above the average of the last 2-yr for the period. NYMEX crack spreads traded near historic lows for this time of year.

Cash basis in all global gasoline markets extended a seasonal uptrend last week, ending at levels equal to the 2-yr average for this time of year.



### Gulf Coast Price

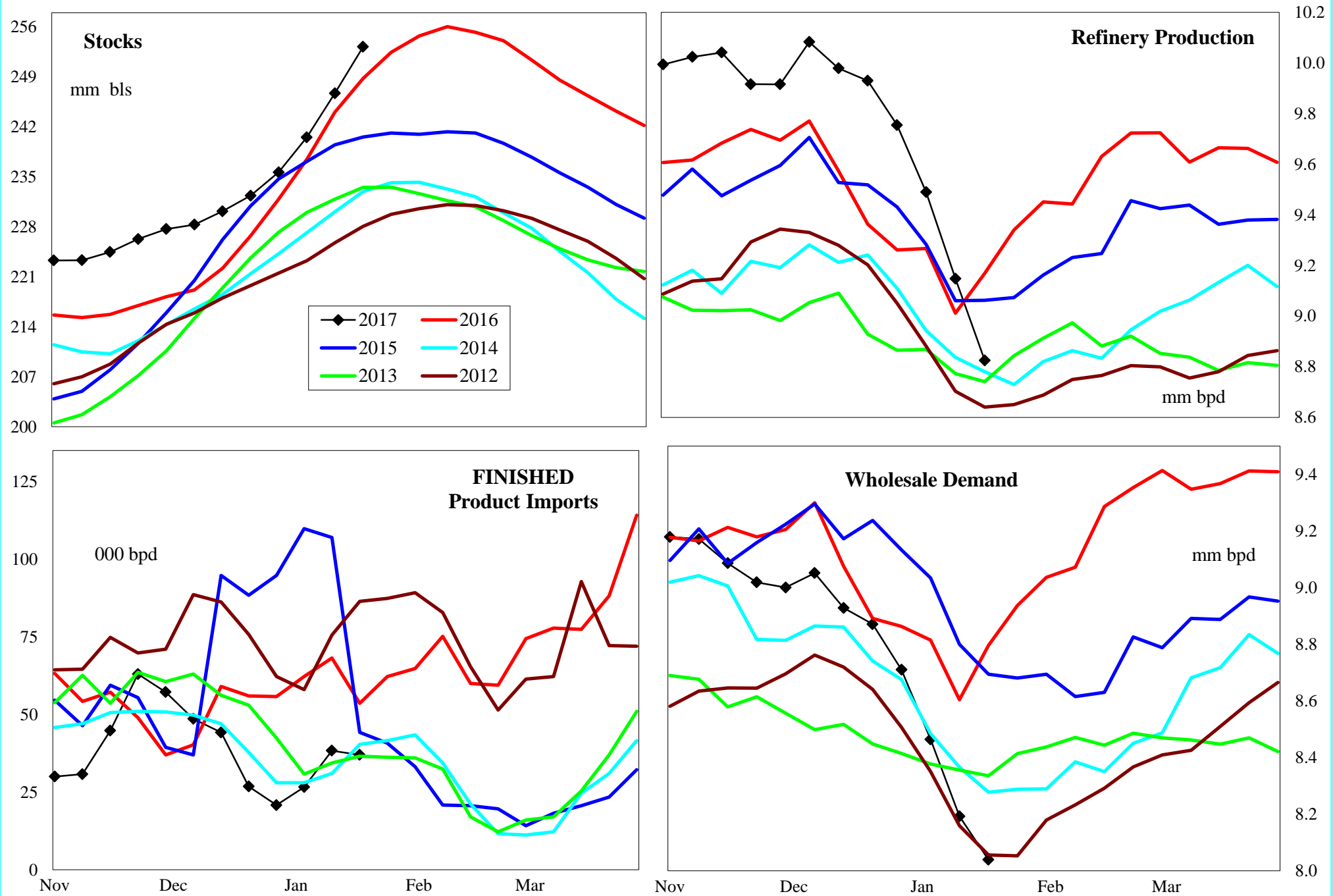
Exports continue at a very high level, more than 2X last year's rate. Wholesale demand is at a season low, as evidenced by lack of a rebound following the holiday period. Stock levels are at record highs in the Gulf, East Coast, Rockies and near 5-yr highs in the Midwest.

Winter refinery maintenance in the Gulf expanded last week to more than -0.9 million bpd off line.

Regional markets are very well supplied outside of the West Coast. The surge in exports should support cash basis in the Gulf and Midwest above historic averages 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

Production

Fin Impt

Blend Impt

Demand=>

4wk avg

Dec

Nov

Oct

4,759

124

-23

135

-409

-172

-89

-155

1.9

1.4

-42.3

28.2

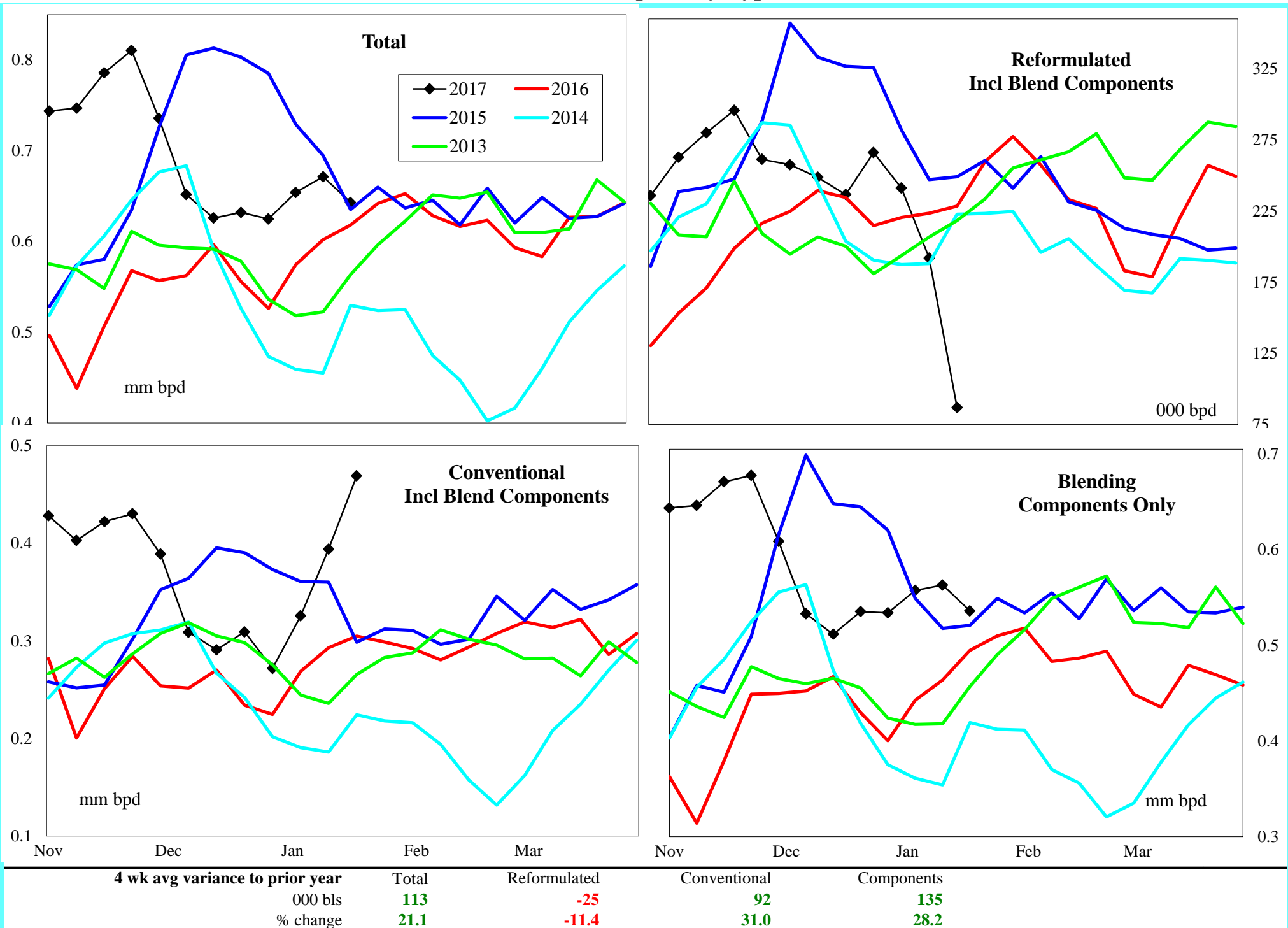
-4.7

-1.9

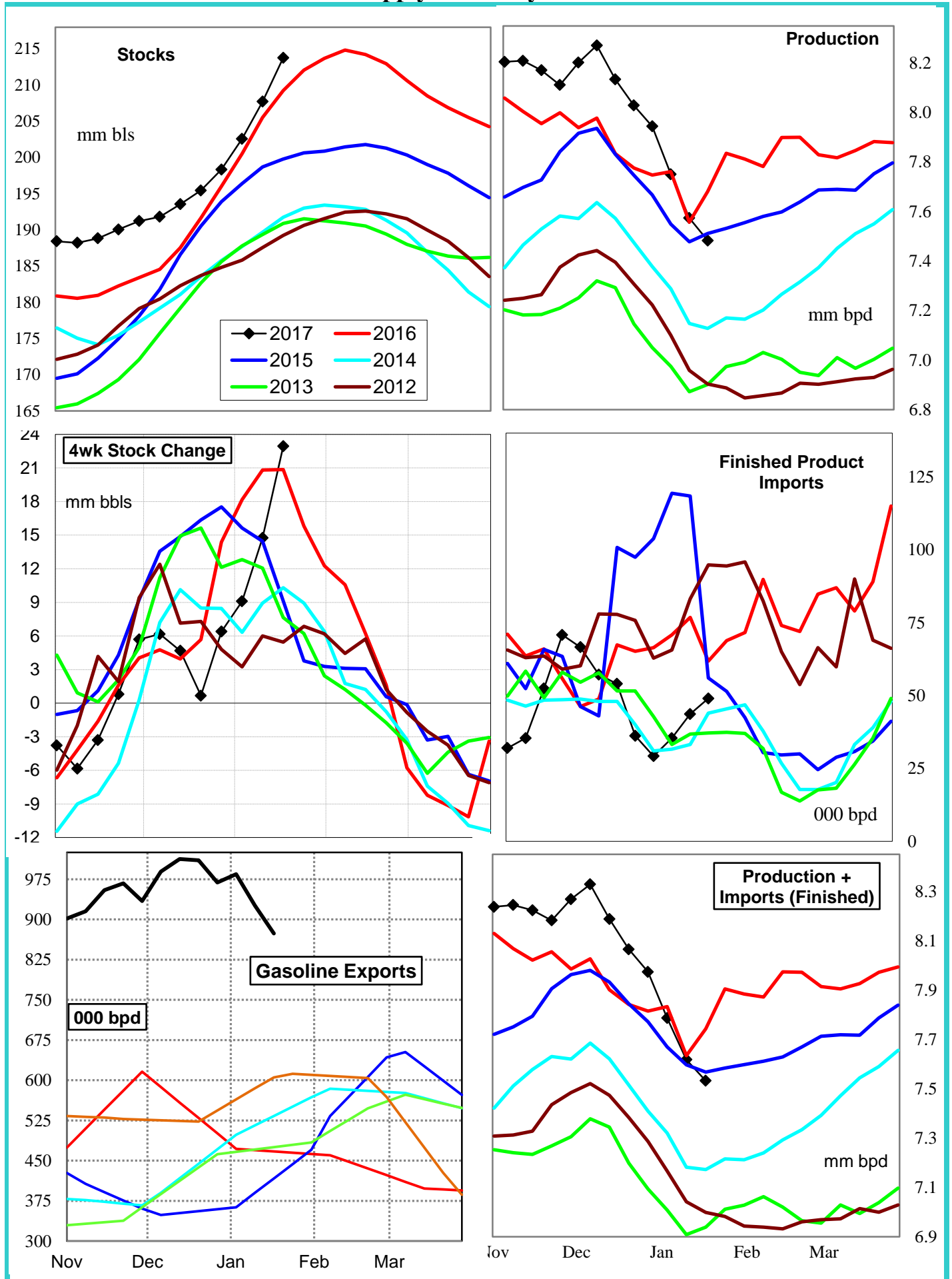
-1.0

-1.7

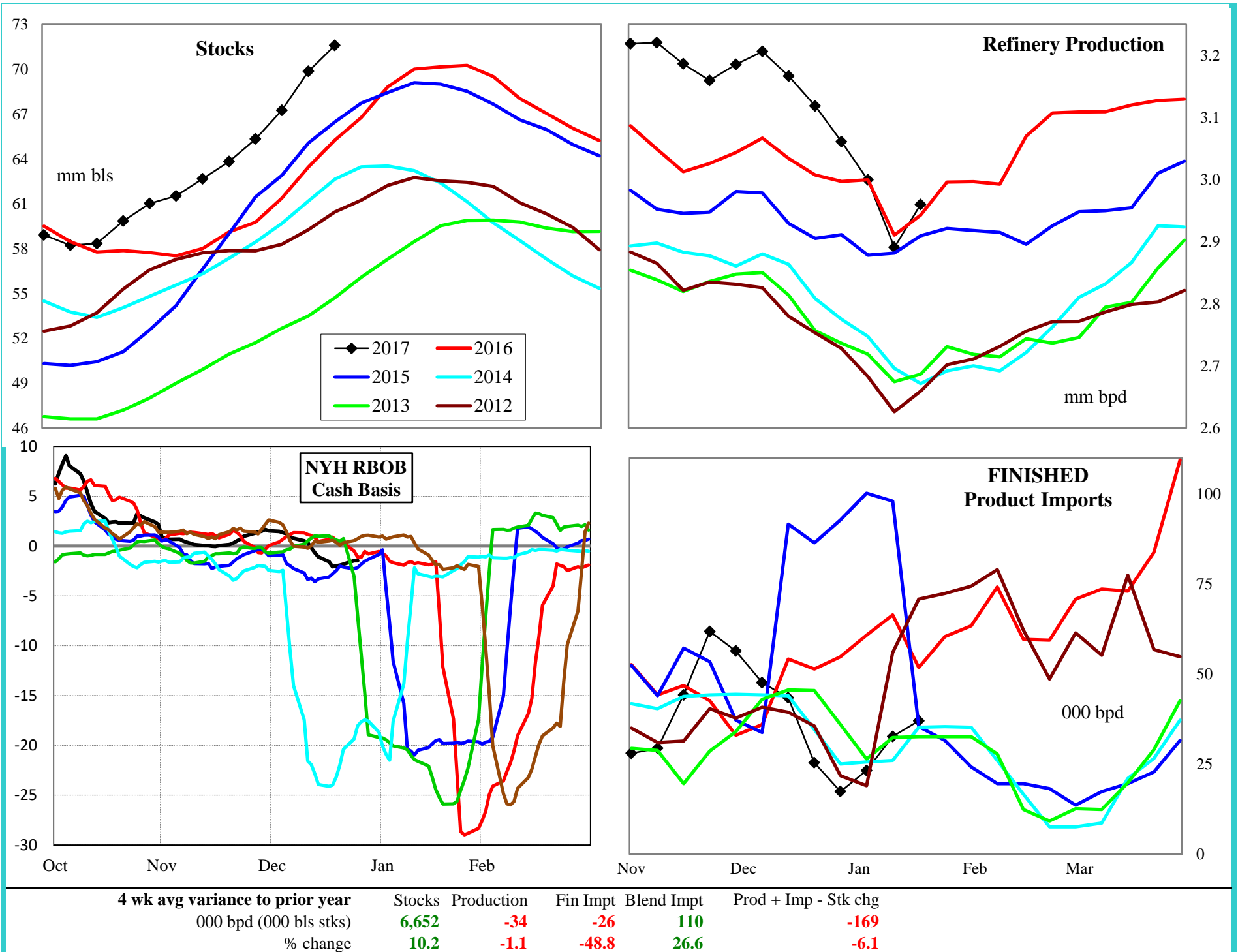
## Gasoline Imports by Type



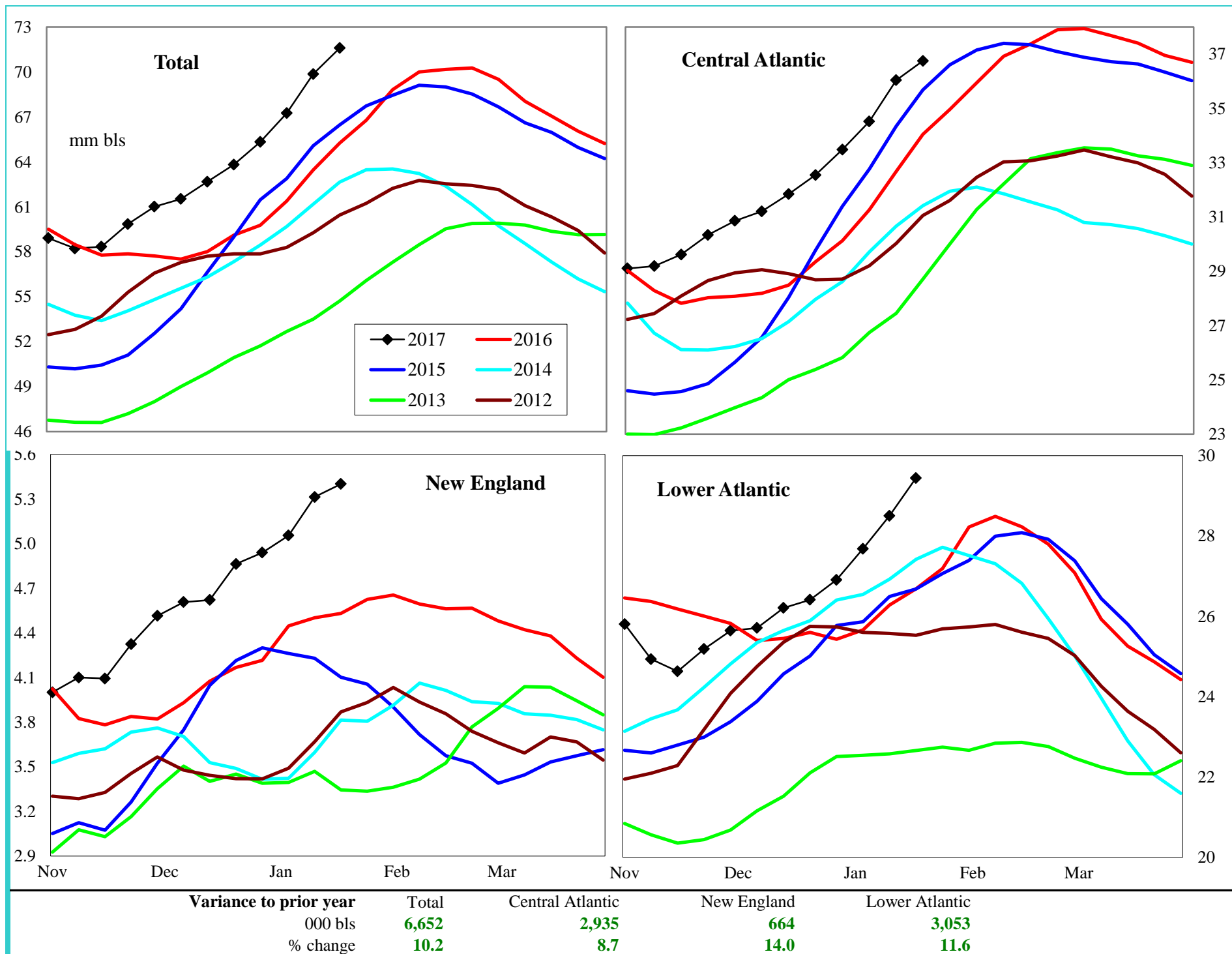
## Gasoline Supply Summary PADDs 1+2+3



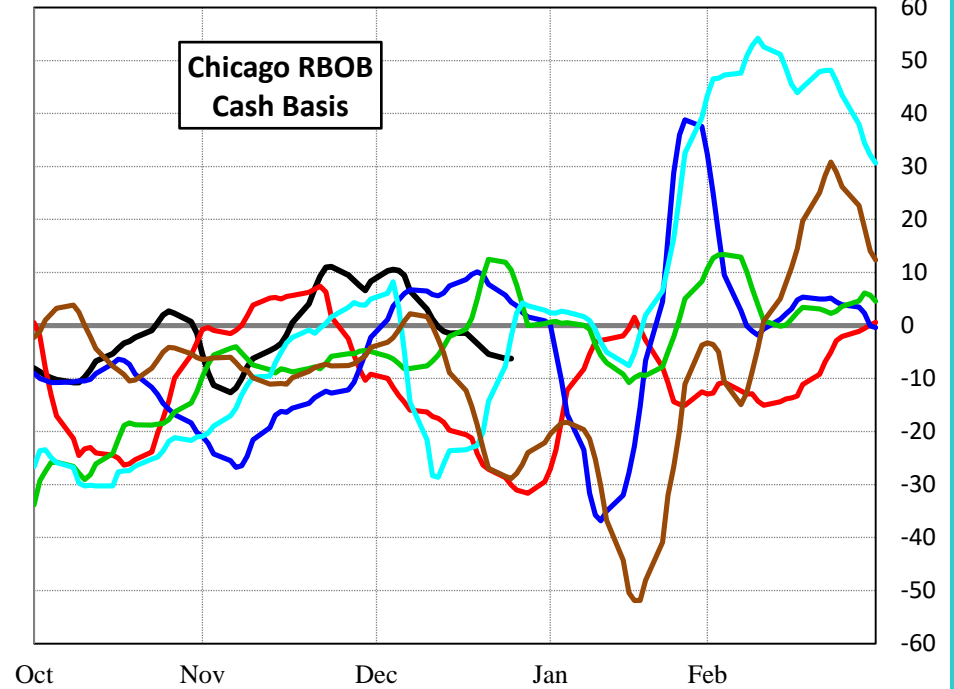
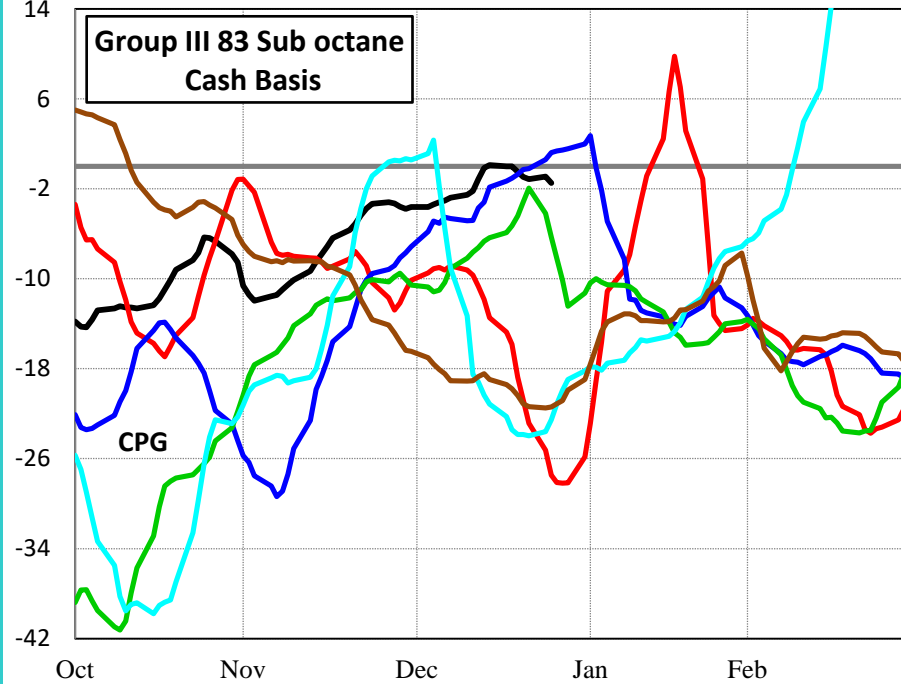
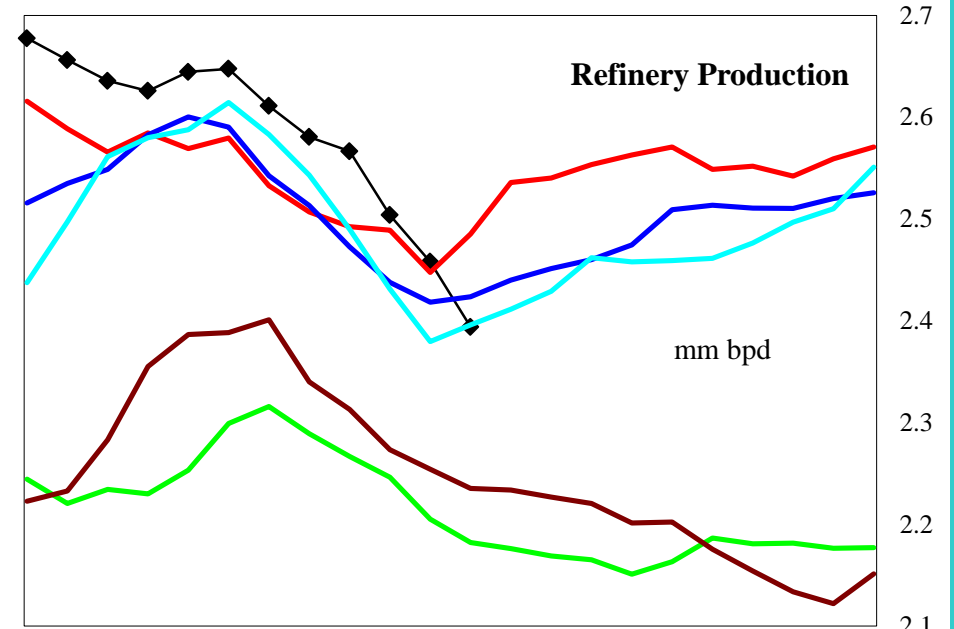
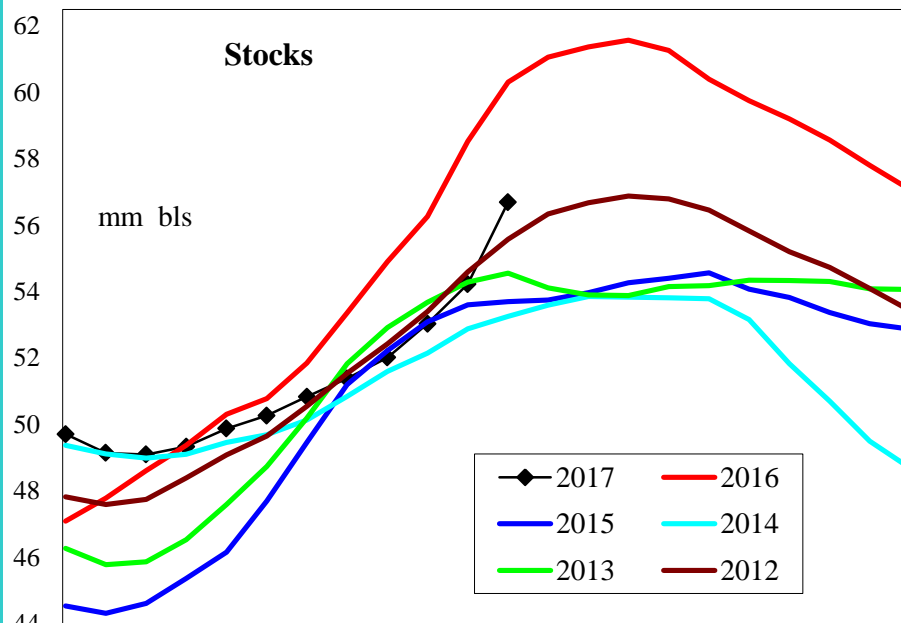
# PADD 1 Gasoline Supply



# PADD 1 Gasoline Stocks by Region



# PADD 2 Gasoline Supply



**4 wk avg variance to prior year**

000 bpd (000 bbls stks)

% change

Stocks

-3,613

-6.0

Production

3

0.1

Imports

2

23.1

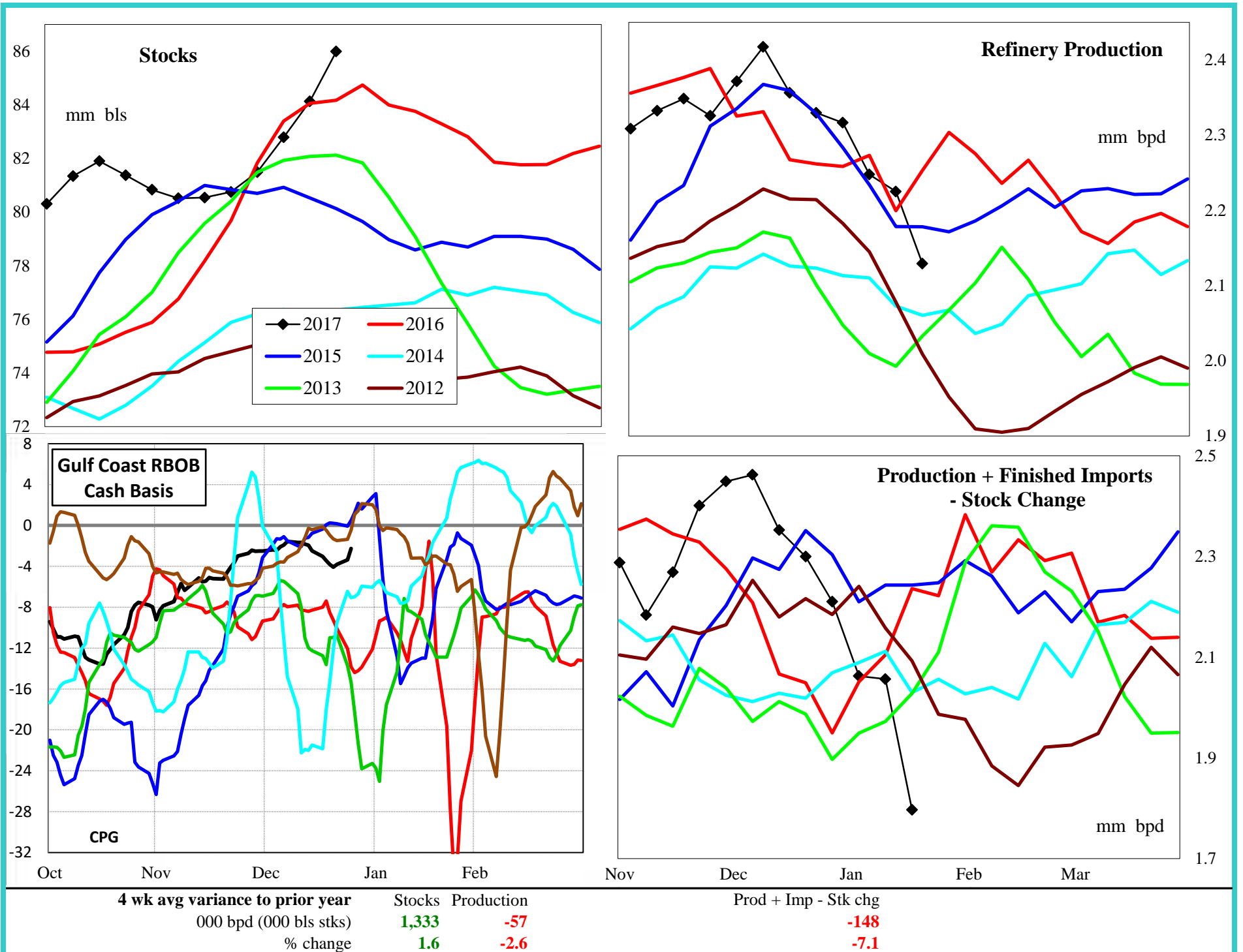
Prod + Imp - Stk chg

107

5.2

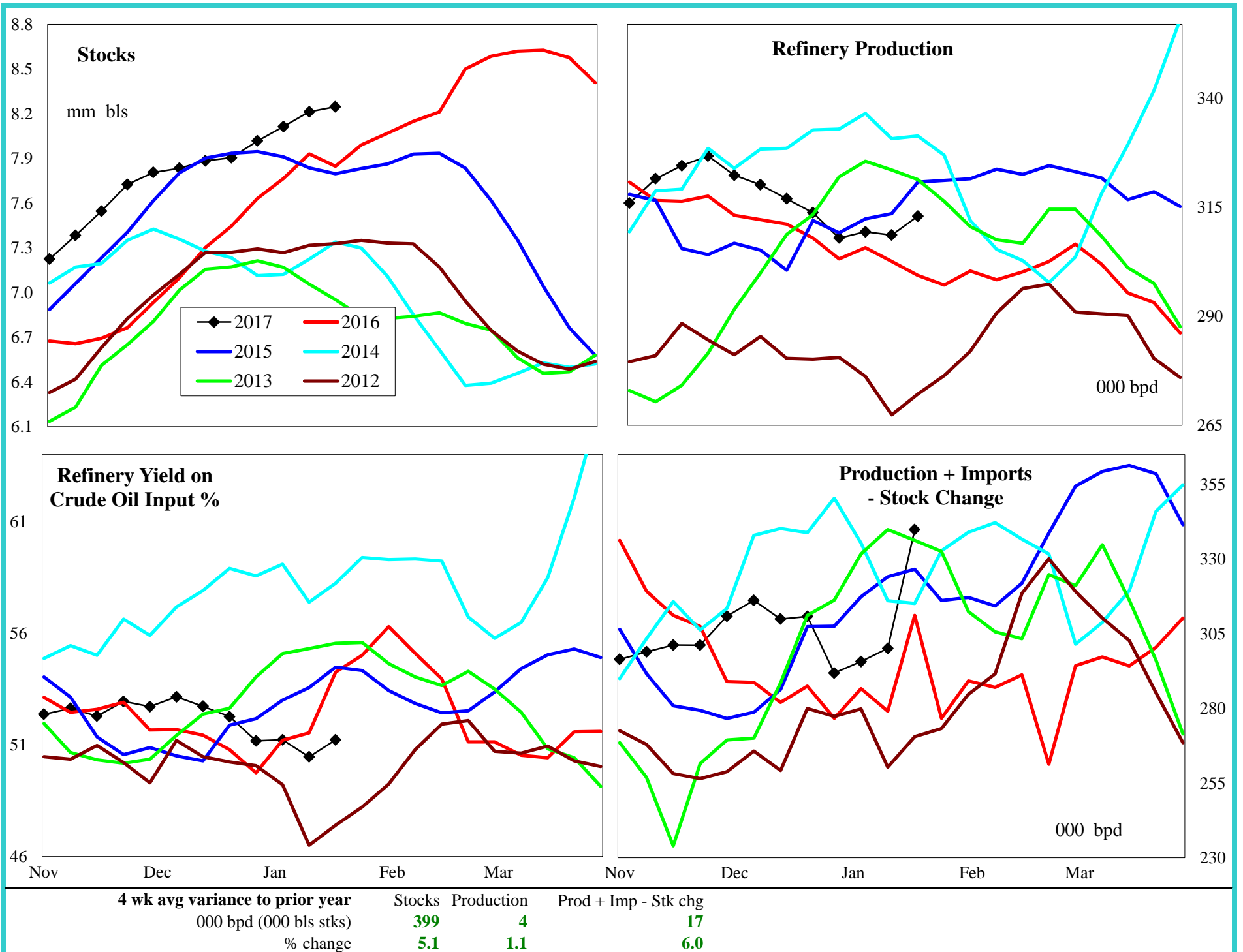


## PADD 3 Gasoline Supply

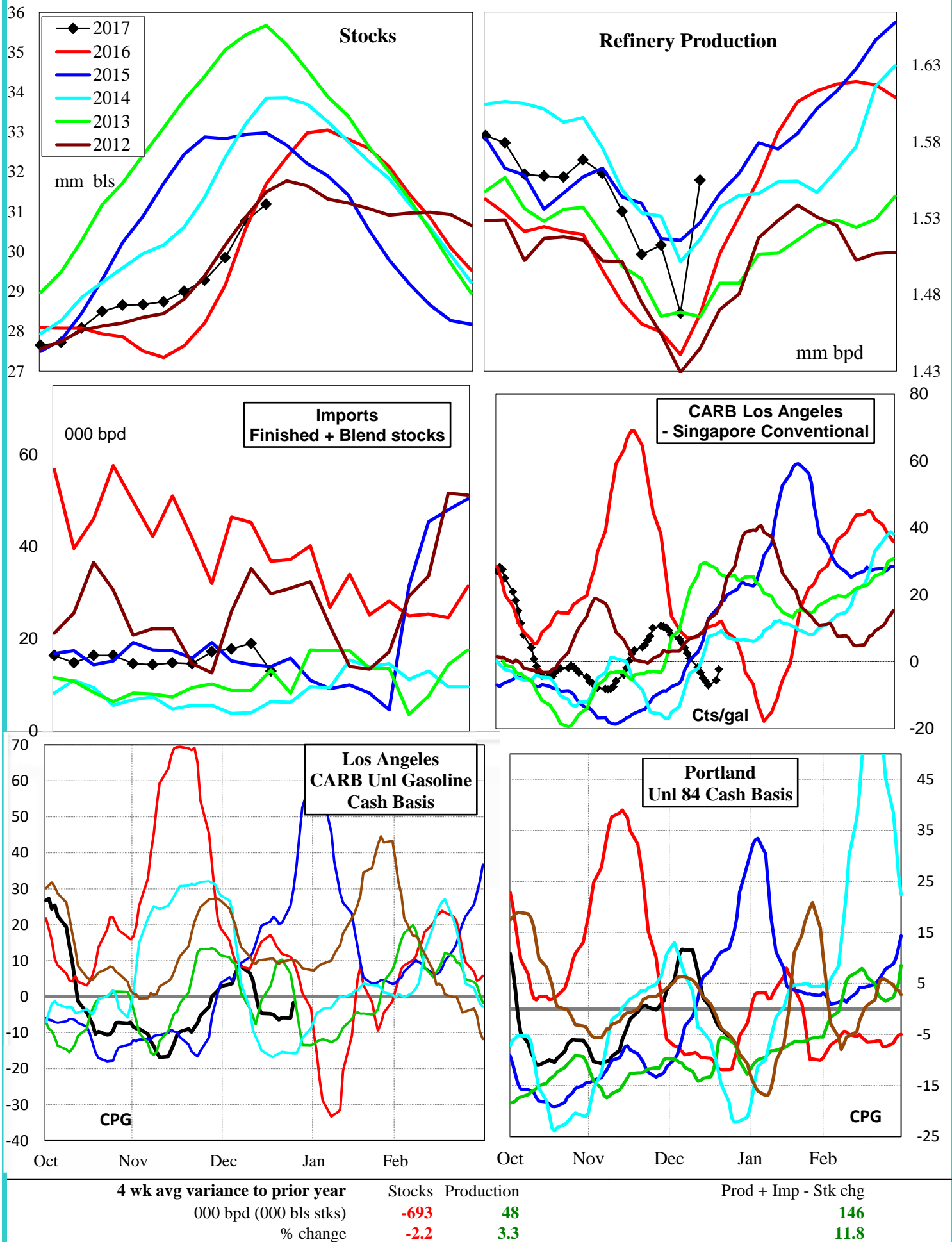




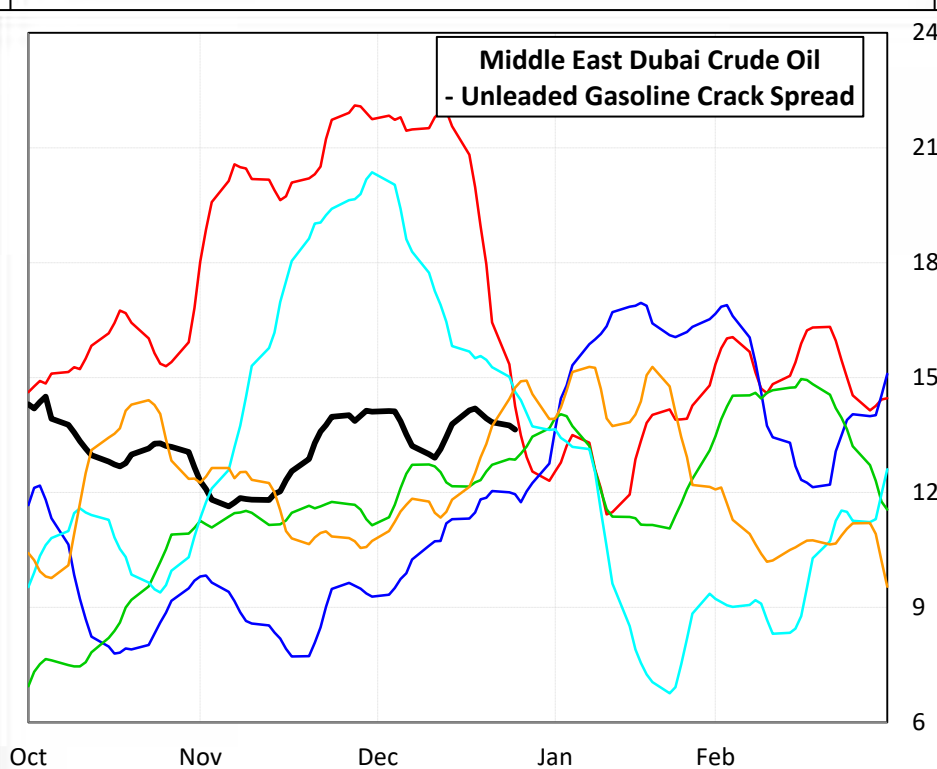
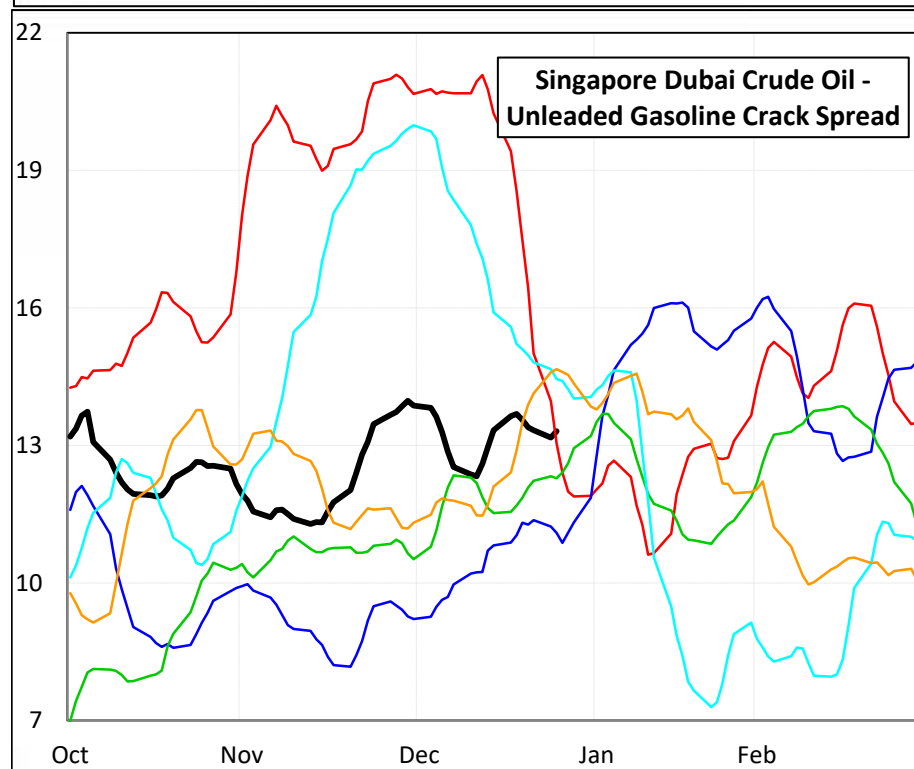
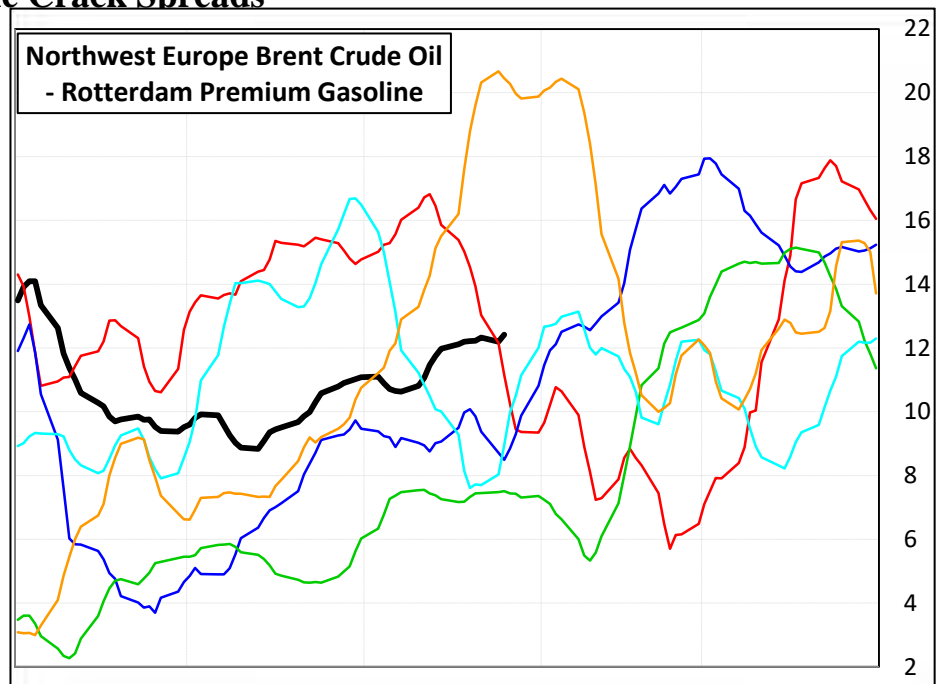
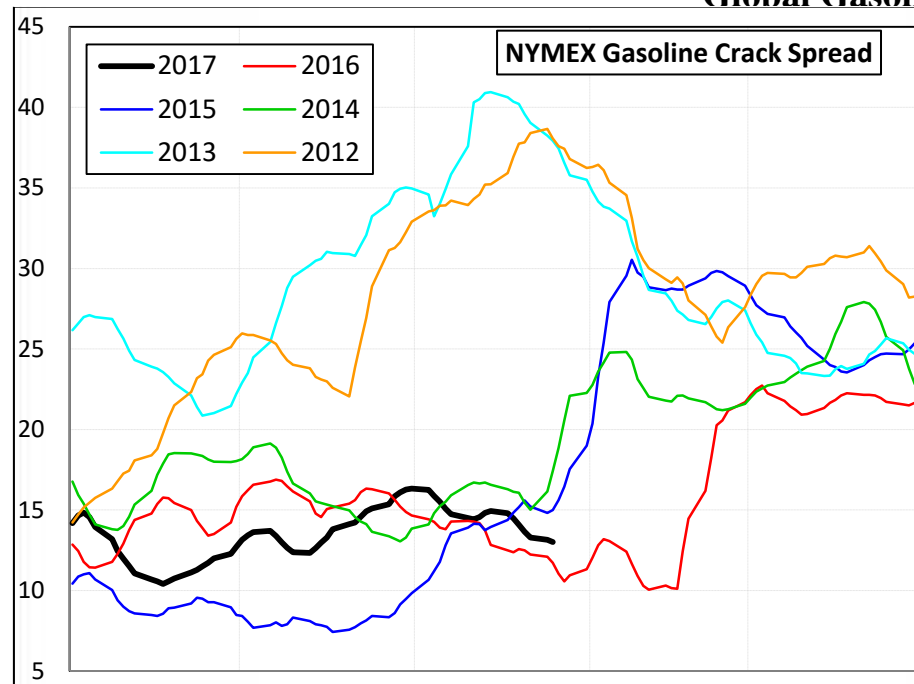
# PADD 4 Gasoline Supply



# PADD 5 Gasoline Supply



## Global Gasoline Crack Spreads



## Global Gasoline Cash Basis

