

Cash Basis Outlook			
Product	Market	Weeks Forward	
		1 - 2	3 - 6
Jet Fuel	NYH	→	→
	Gulf	→	→
	W Coast	→	→
Gulf Coast Price Outlook		↔	→

Jet Fuel Cash Basis

Wholesale demand, including exports, has declined -304,000 bpd in during the last two weeks as holiday travel came to an end.

Combined production and imports decreased -31,000 bpd on the week, to the low end of the historic range.

The latest four week average demand was +19,000 bpd above last year's record low level.

Supply (production + imports) was +94,000 bpd above last year for the same period. Lower demand led to a +1.3 million barrel stock build for the week. Stock levels are near the five year high for this time of year.

Cash basis declined late in the week across all regional markets last week, driven by exceptionally weak demand and high stock levels. Basis levels match the five year low for this period in all major markets.

Stock levels should reach new five year highs during the next 60-days on low seasonal demand and a weak level of demand versus prior years.

Based on these fundamental trends, expect basis levels to remain very weak in all major markets.

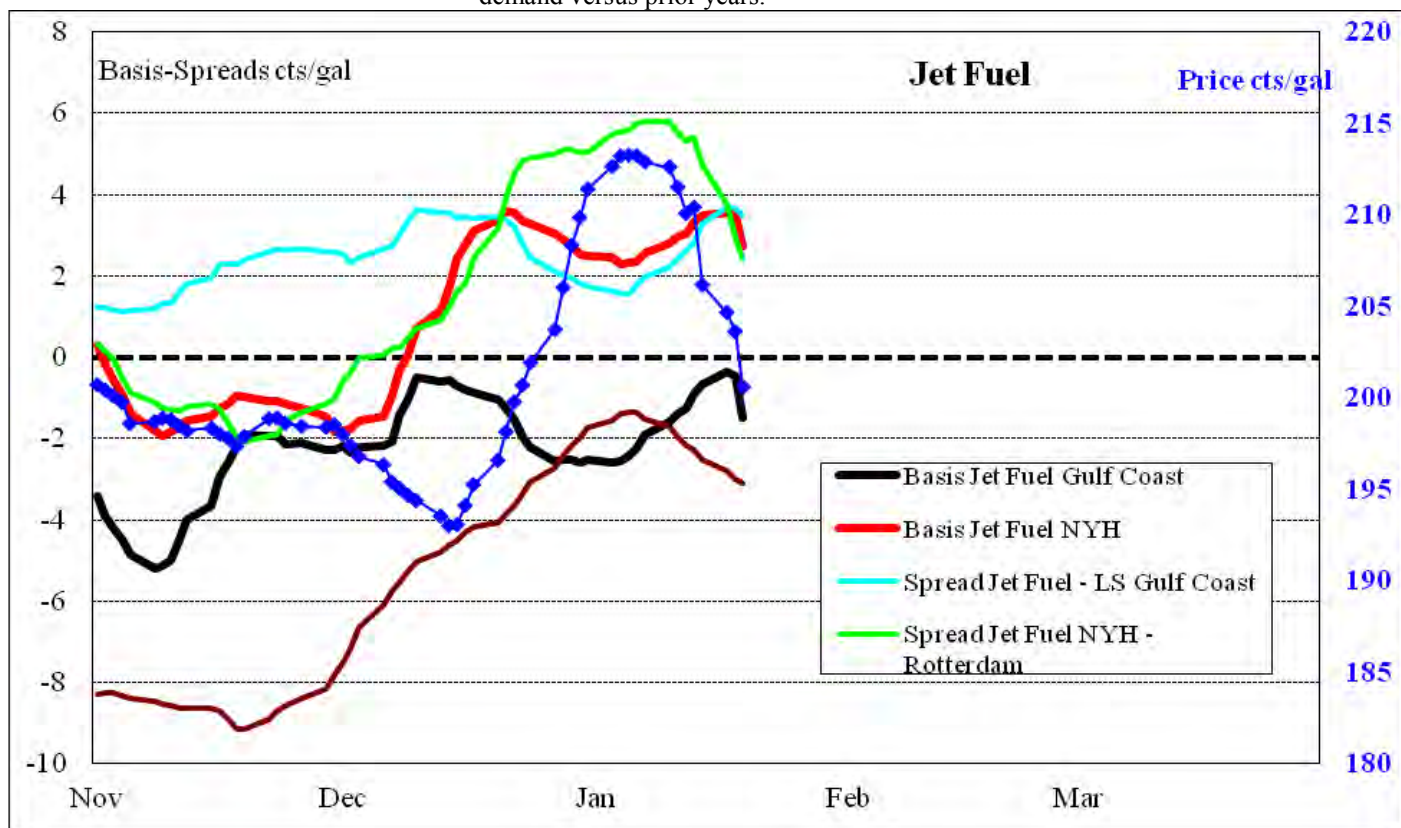
New York Harbor basis to trade flat on ample supply and weak demand.

Gulf Coast basis to trade at the low end of the historic range on weak demand and ample supplies.

West Coast (Los Angeles) basis to trade flat to lower on very high supply, followed by modest increase as winter refinery maintenance reduces production.

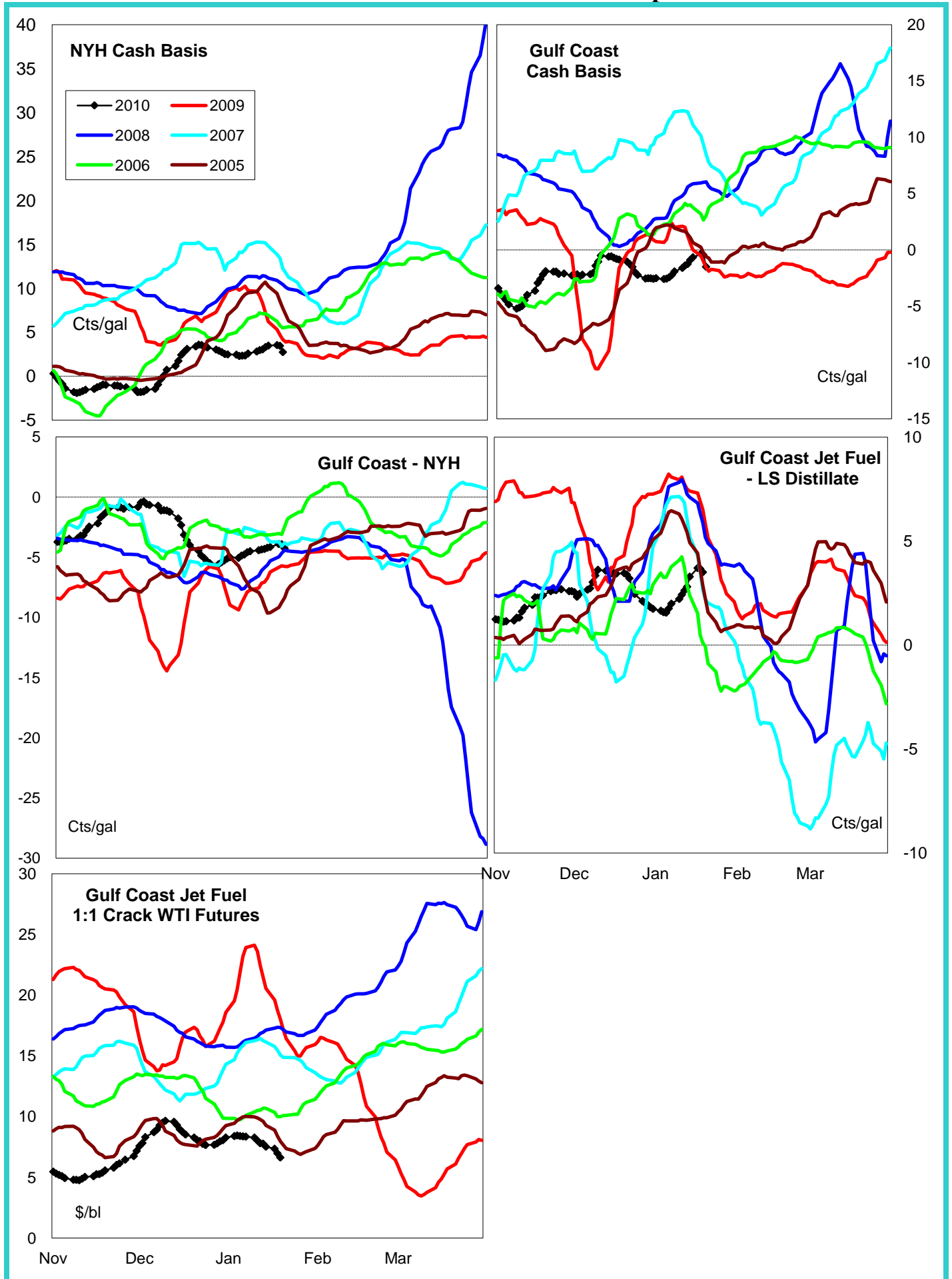
Gulf Coast Price

The jet fuel market is very well supplied with near record high stocks and seasonally low demand. The level of demand is also near last years' record low. These fundamentals should lead to price weakness compared to the overall energy complex during the quarter.

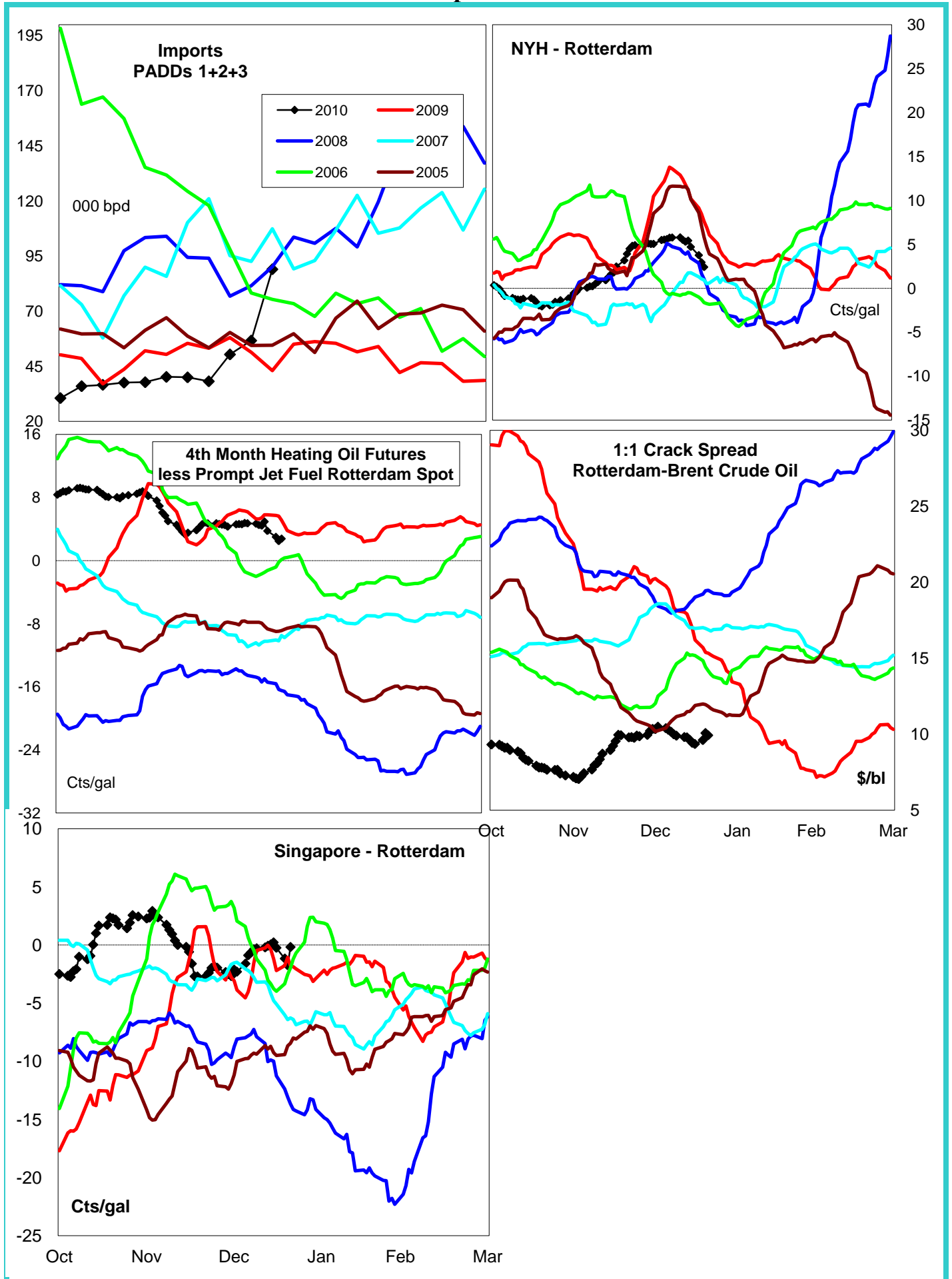


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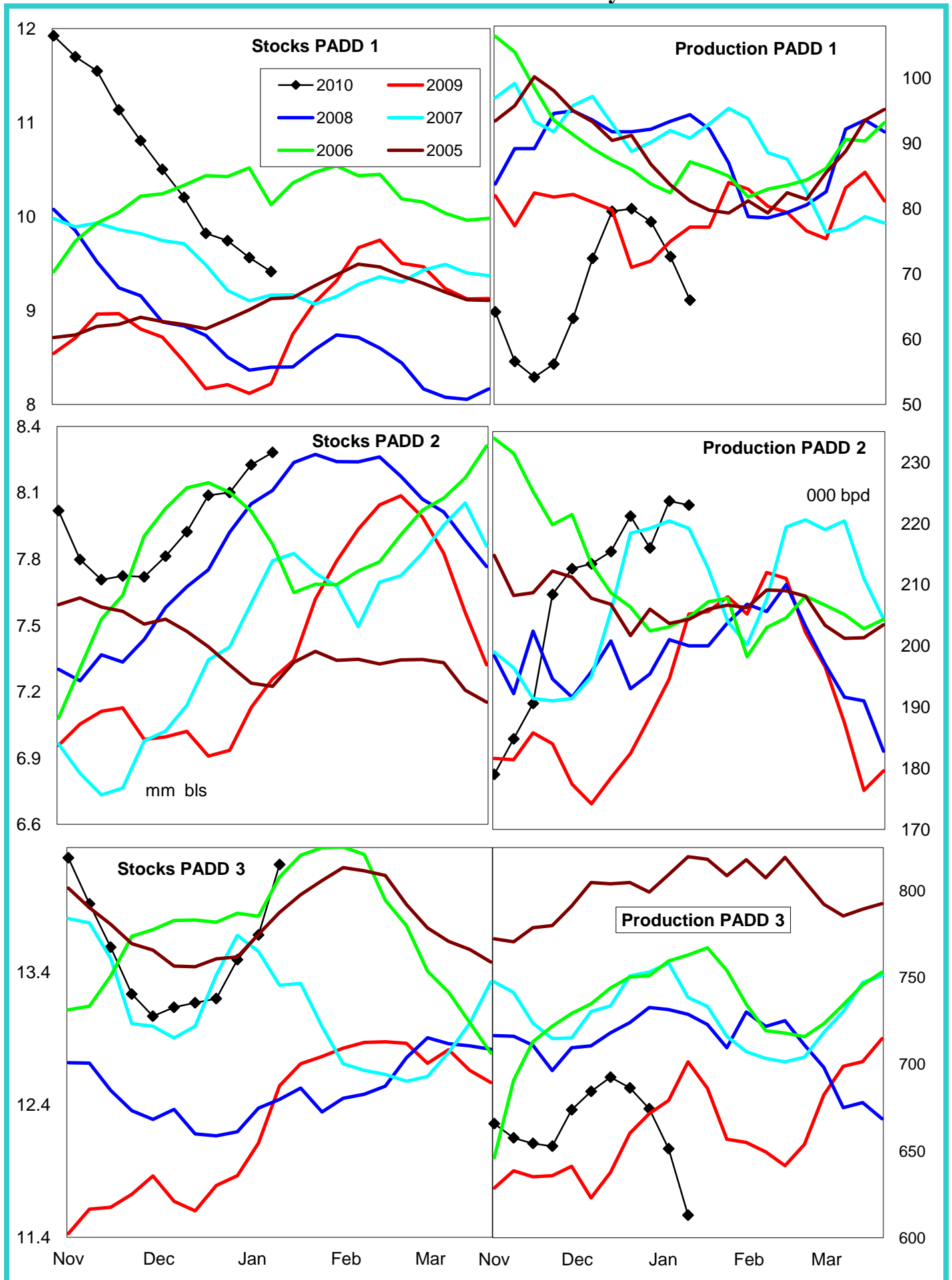
Jet Fuel Cash Basis and Related Price Spreads



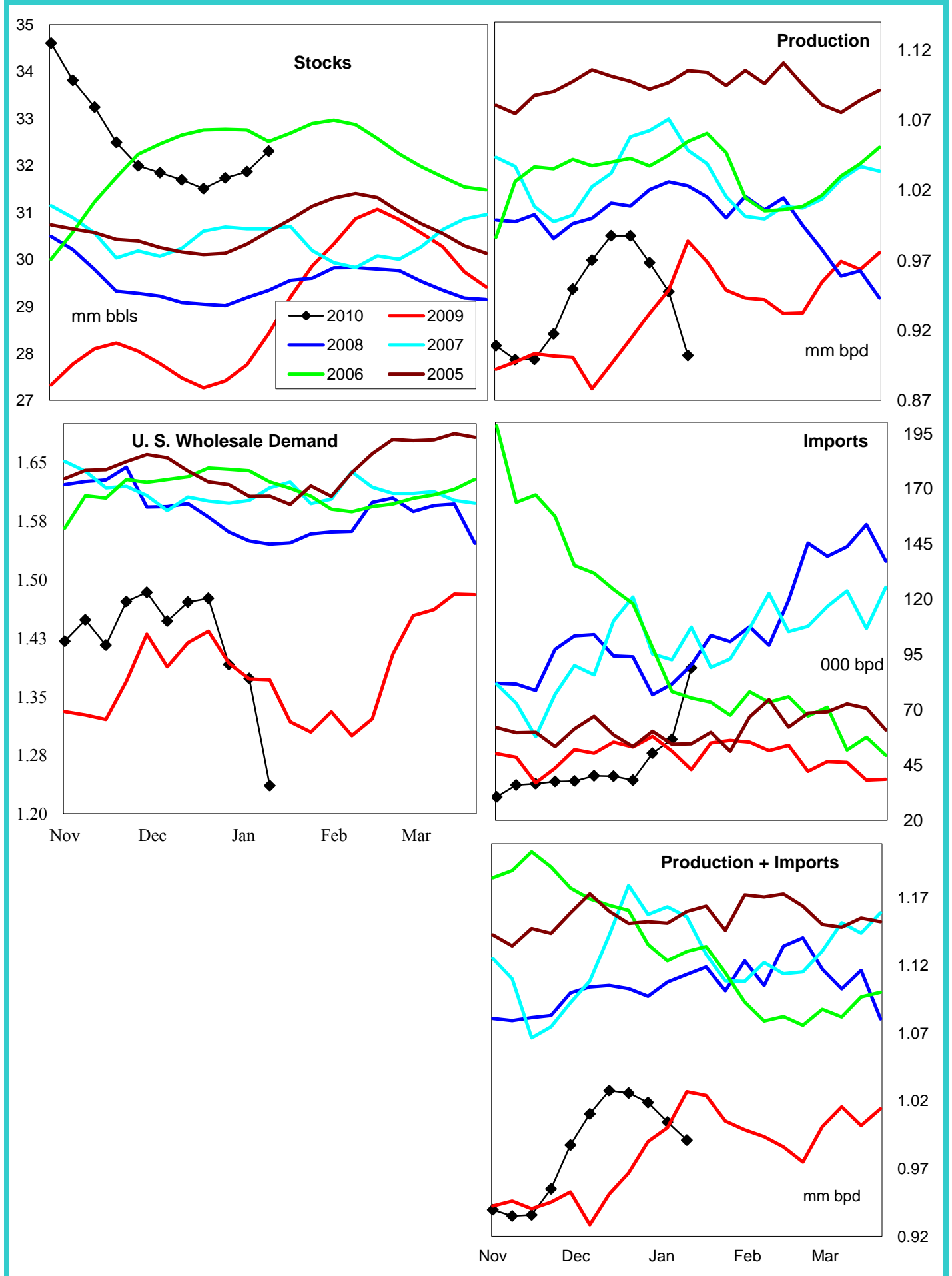
Jet Fuel Import Economics



Jet Fuel Production and Stocks by PADD



Jet Fuel Supply - Demand PADDs 1 + 2 + 3



PADD 5 Jet Fuel Supply

