

Cash Basis Outlook			
Product	Market	Weeks Forward	
		1 - 2	3 - 6
RBOB	NYH	➡	➡
	Gulf	➡	➡
	W Coast	➡	➡
Conventional	NYH	➡	➡
	Gulf	➡	➡
	Grp III	➡	➡
	Chicago	➡	➡
	W Coast	➡	➡
Gulf Coast Price Outlook		➡	➡

latest 4-wk average demand was +50,000 bpd above last year.

Imports spiked +529,000 bpd last week to a record level. This increase points to an improvement in import economics. The increase in supply and low seasonal demand led to a +6.2 million barrel stock build. Stocks builds were significant in all major regional markets.

Basis declined across nearly all regional markets, due in part to the roll forward in futures contracts.

Basis levels ended the week near the mid range in most markets, with the exception of the Gulf and West Coast which were each at the low end of the historic range.

Expect basis weakness in NYH and Chicago markets as supplies improve, with near term weakness in the Gulf on excess supply. Basis levels in Group III should also trend lower as refiners return to operation and demand drops to a seasonal low.

**RBOB**

*New York Harbor* basis to trend lower on improved supplies and low seasonal demand.

*West Coast (Los Angeles)* basis to trend higher on winter refinery maintenance.

**Conventional**

*New York Harbor* basis trend lower on improved supplies and low seasonal demand.

*Chicago basis* to trend lower as supplies increase during a period of weak demand.

*Group III* to trend lower as refiners return to operation from unplanned maintenance.

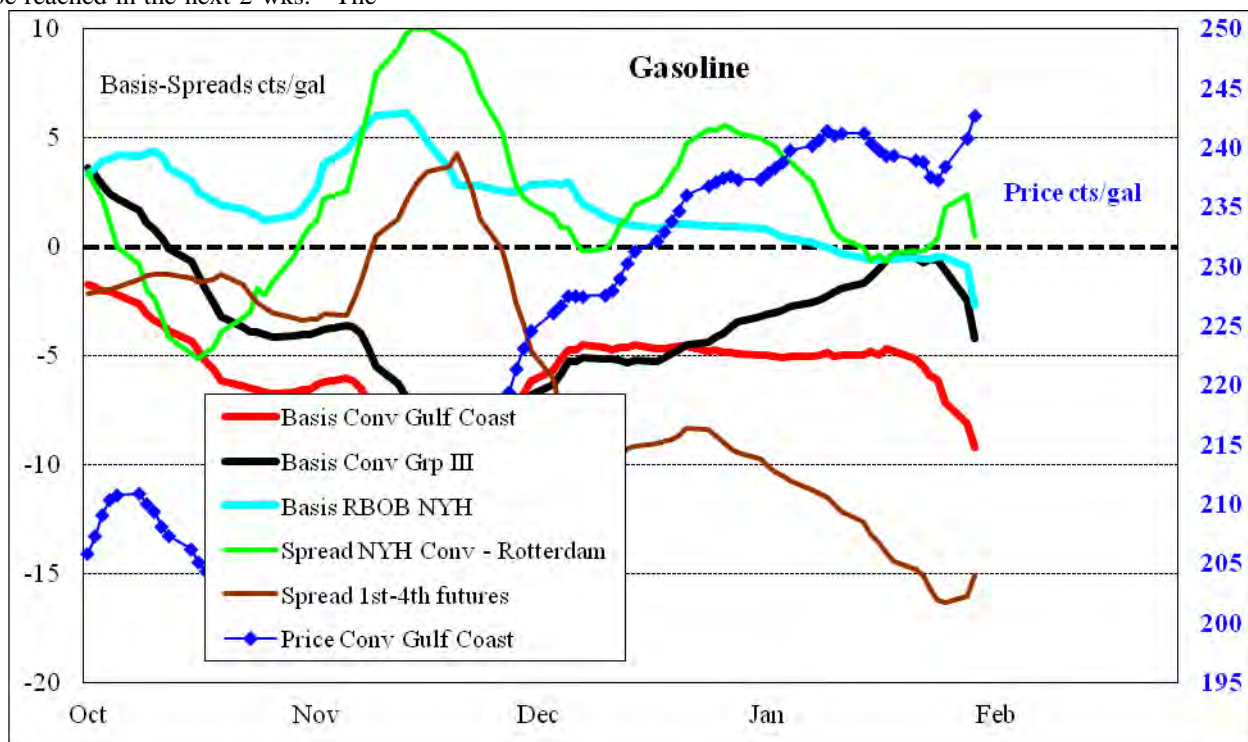
**Gulf Basis** to exhibit near term weakness on excess supplies, then trend higher.

*West Coast (Los Angeles)* basis to trend higher on winter refinery maintenance.

**Gulf Coast Price**

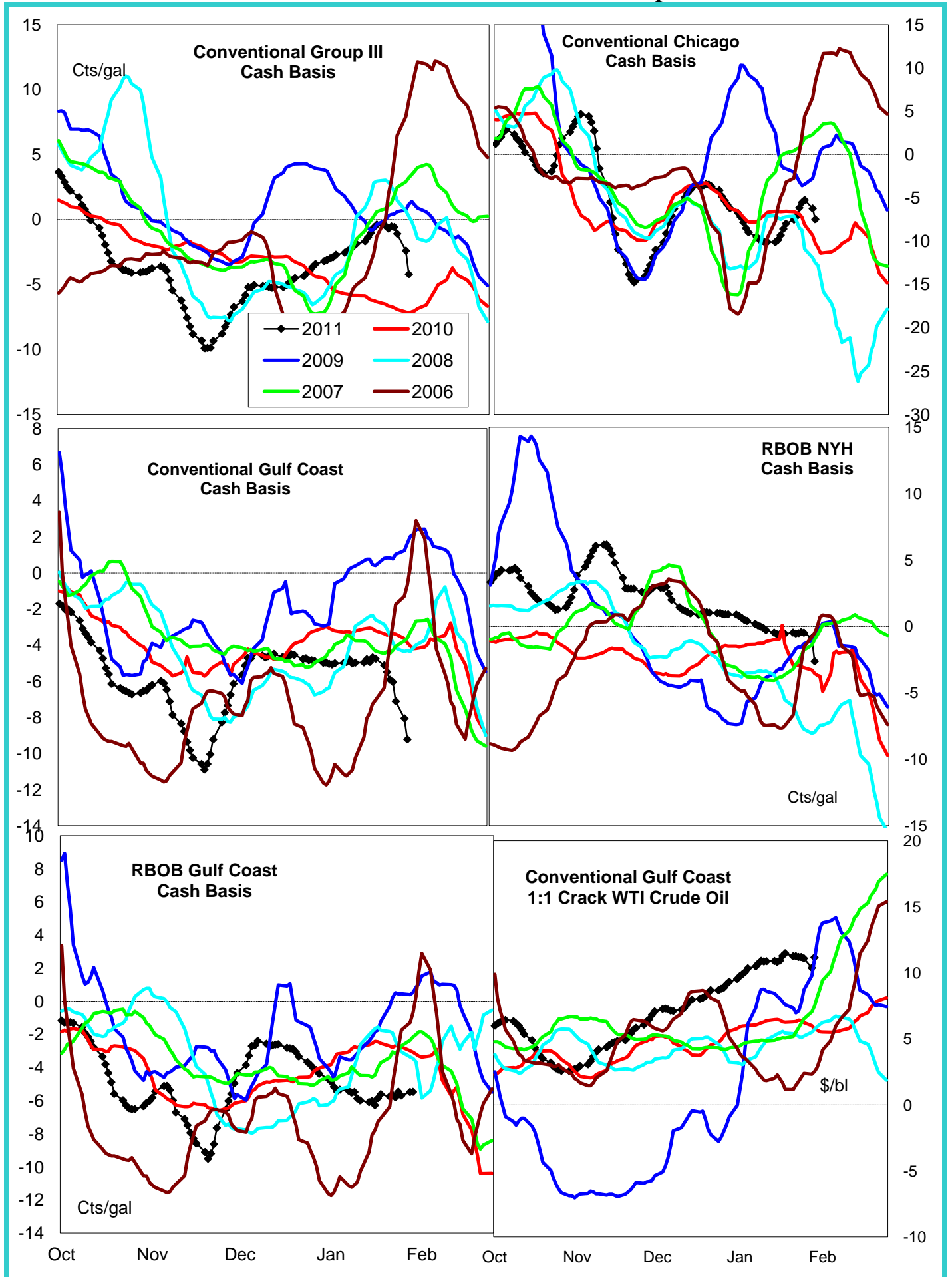
The spike in imports should point to a shift in the level of gasoline imports going forward, and indicate a significant improvement in East Coast supplies. Inclement weather should further reduce near term demand during the seasonal low. IF higher imports are indeed at hand then the gasoline market faces price weakness for the balance of the quarter.

Wholesale demand decreased -83,000 bpd last week, on the continued seasonal downturn. The seasonal low in demand should be reached in the next 2-wks. The

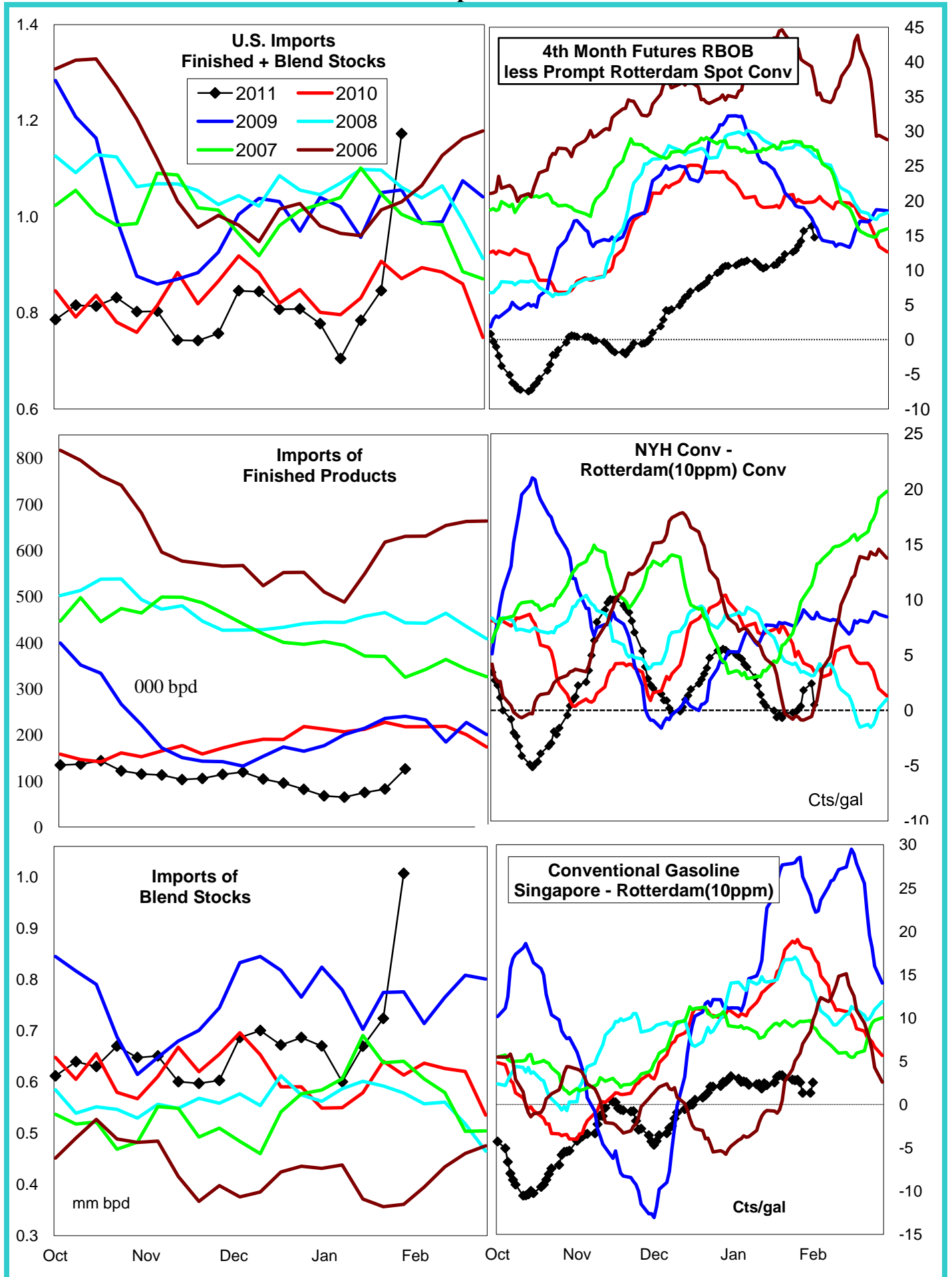


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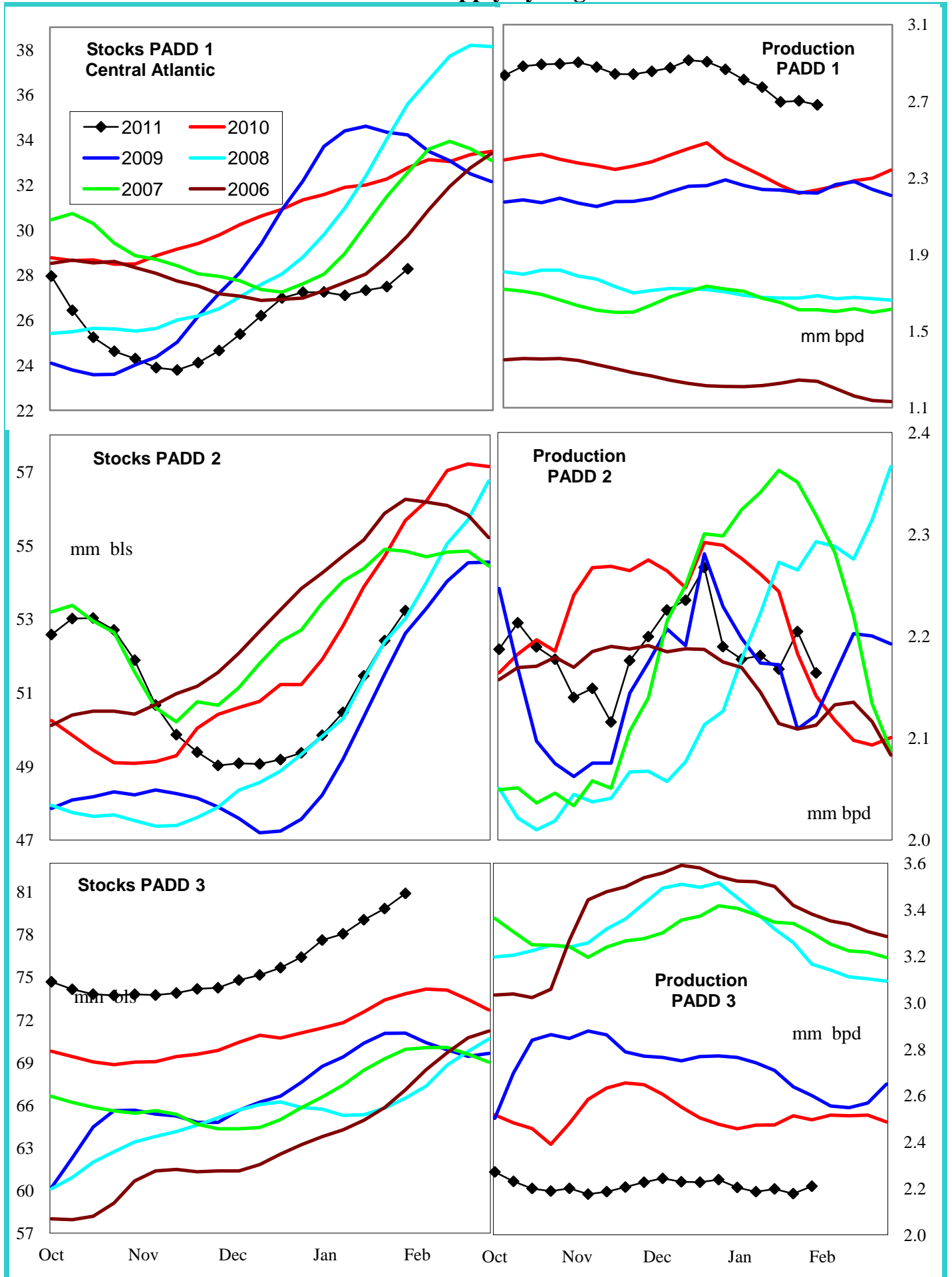
# Gasoline Cash Basis and Related Price Spreads



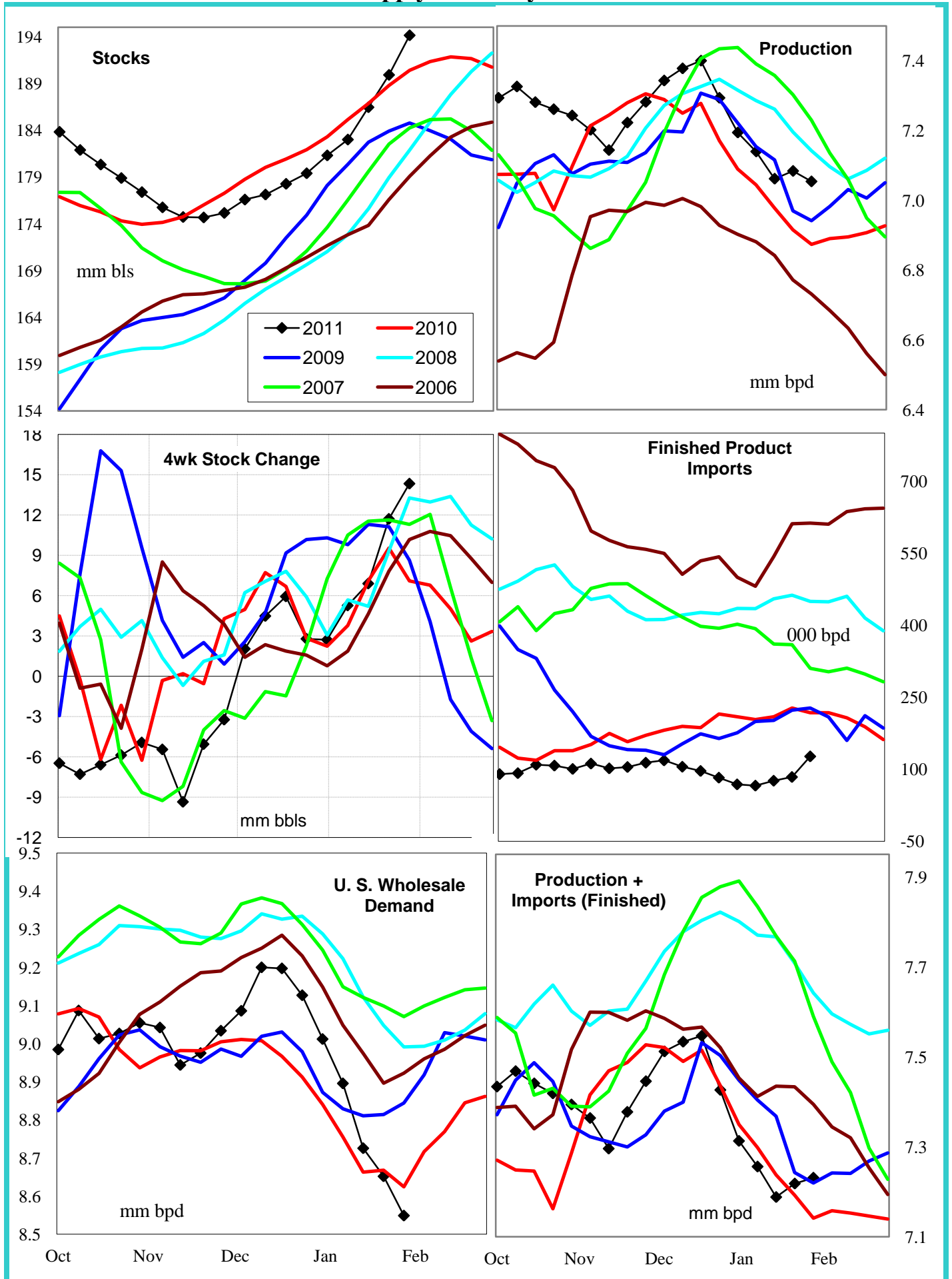
# Gasoline Import Economics



# Gasoline Supply by Region



### Gasoline Supply Summary PADDs 1+2+3



### PADD 5 Gasoline Supply

