

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		→	→

years for this period. Imports were nearly unchanged on the week, but remain +326,000 bpd above last year for the most recent four week period.

The latest four week average supply (production + finished product imports) was -125,000 bpd below a year ago. This compares to the latest four week average demand that was -40,000 bpd below last year. The deficit between supply and demand continues to narrow as a result of very high imports of blend stock material.

Stocks declined -1.1 million barrels last week, with stock levels ending slightly below the mid range.

Looking forward, maintenance in PADD 2 should lead to further tightening of supply; partially offset by record supplies on the Gulf for shipment into the Midwest. Lower production in PADD 1 is likely to be offset by continued high imports which will maintain very ample supply in this region.

RBOB

New York Harbor basis to trade sideways in the near term on ample supply, then higher on rising seasonal demand.

Gulf Coast basis to trade sideways in the near term on high supply, then higher on rising seasonal demand.

West Coast (Los Angeles) basis to trend sideways in the near term on record imports, then remain at the low end of the historic range on weak demand.

Conventional

New York Harbor basis to trade sideways in the near term on ample supply, then higher on rising seasonal demand.

Group III and Chicago basis to strengthen on reduced production and rising seasonal demand.

Gulf Coast basis to trade sideways in the near term on high supply, then higher on rising seasonal demand.

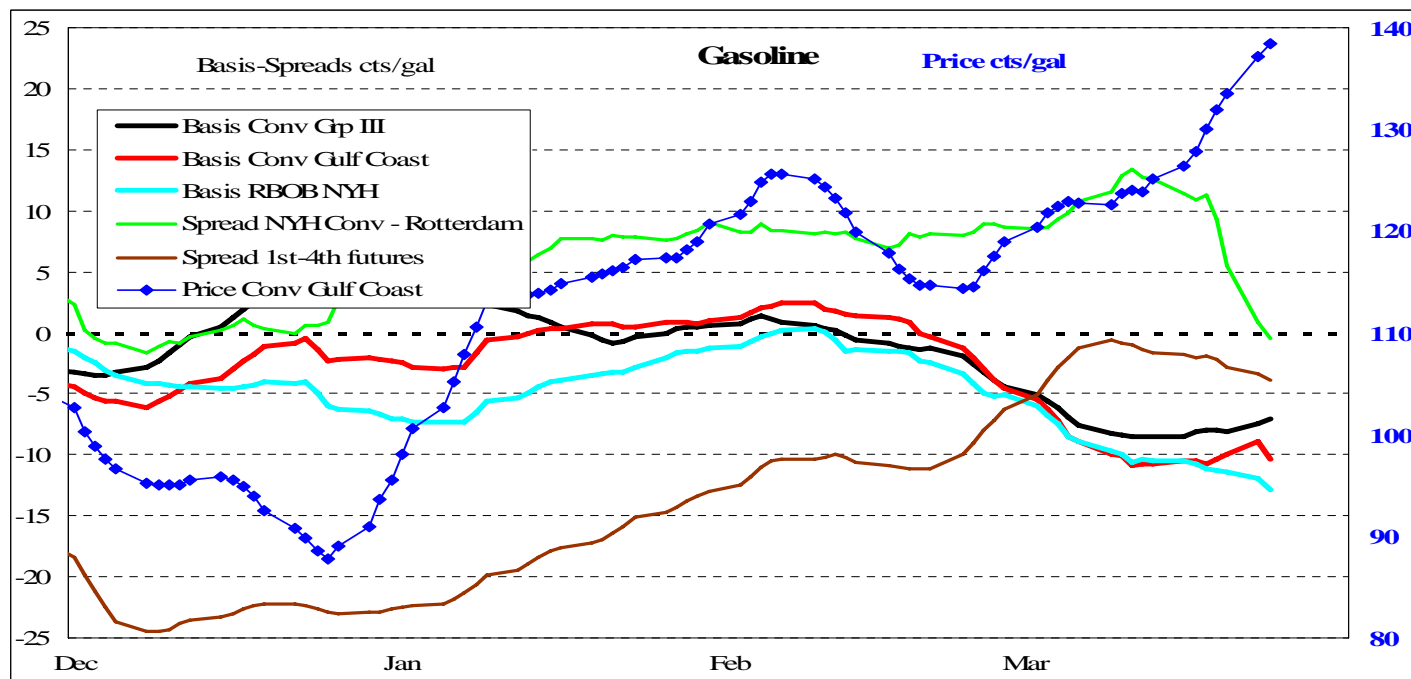
West Coast (Los Angeles) basis to trend sideways in the near term on record imports, then remain at the low end of the historic range on weak demand.

Gulf Coast Price

The recent strength in middle distillate refining margins, driven by sharp production cuts should limit crude oil run cuts other than for spring maintenance. An over supplied Atlantic Basin gasoline market is likely to result in continued high gasoline blend stock imports. These trends point to ample supplies during the 2nd quarter. Expect prices to follow the over all energy complex.

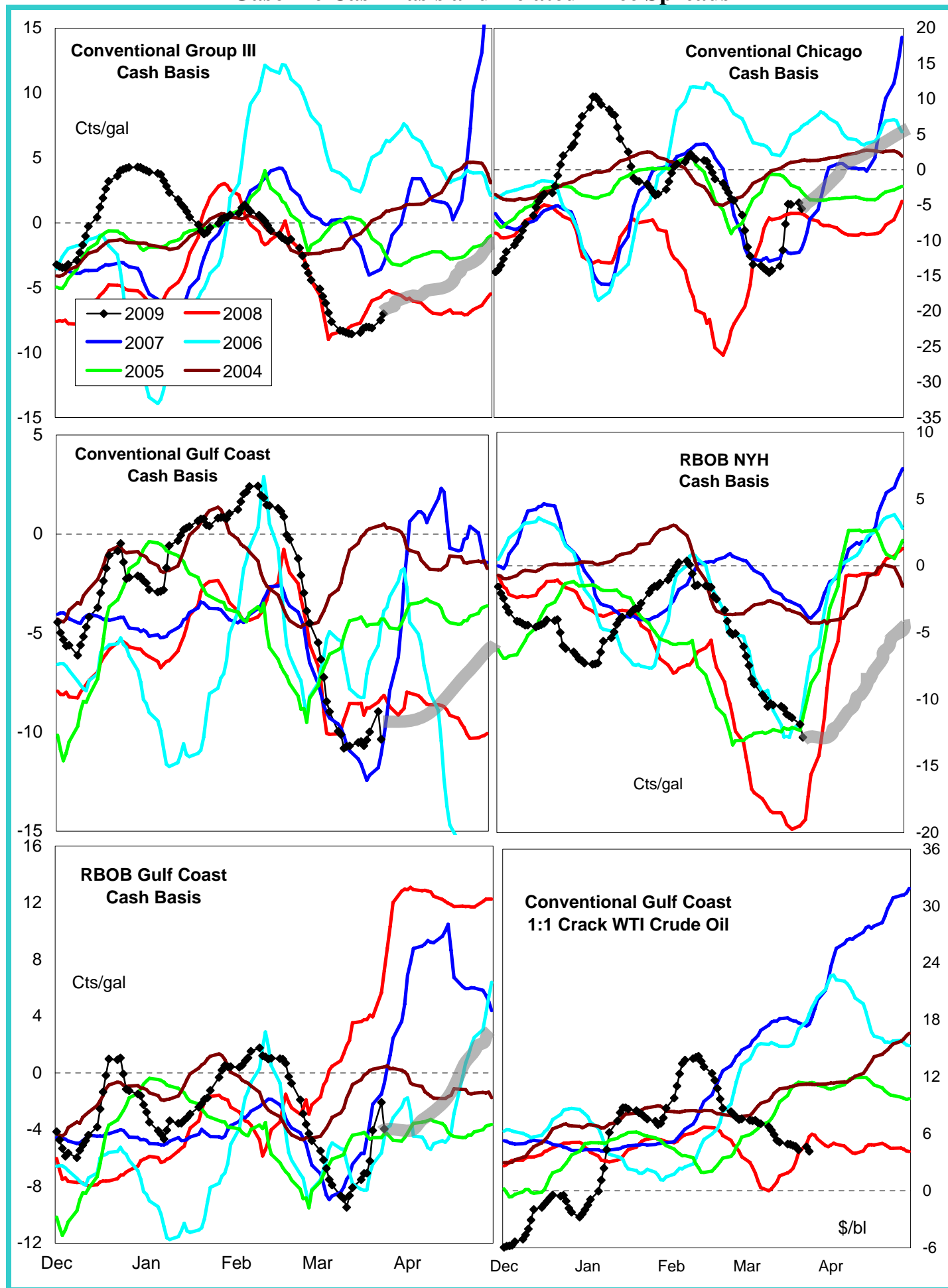
Wholesale demand, including exports, increased +145,000 bpd on the week, but remains below last year and significantly below the highs witnessed in 2007.

Production decreased -145,000 bpd last week, to match levels of the last two

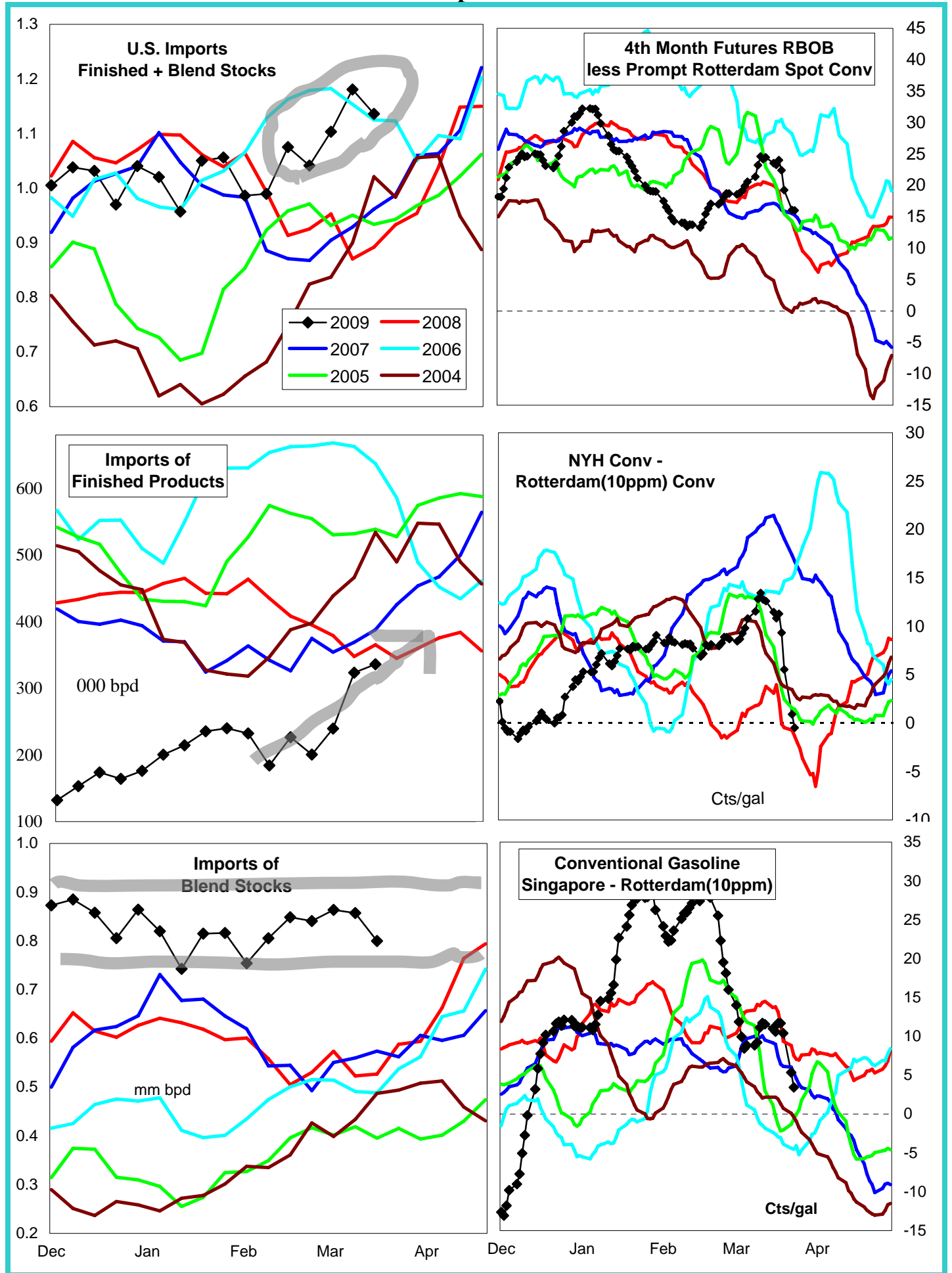


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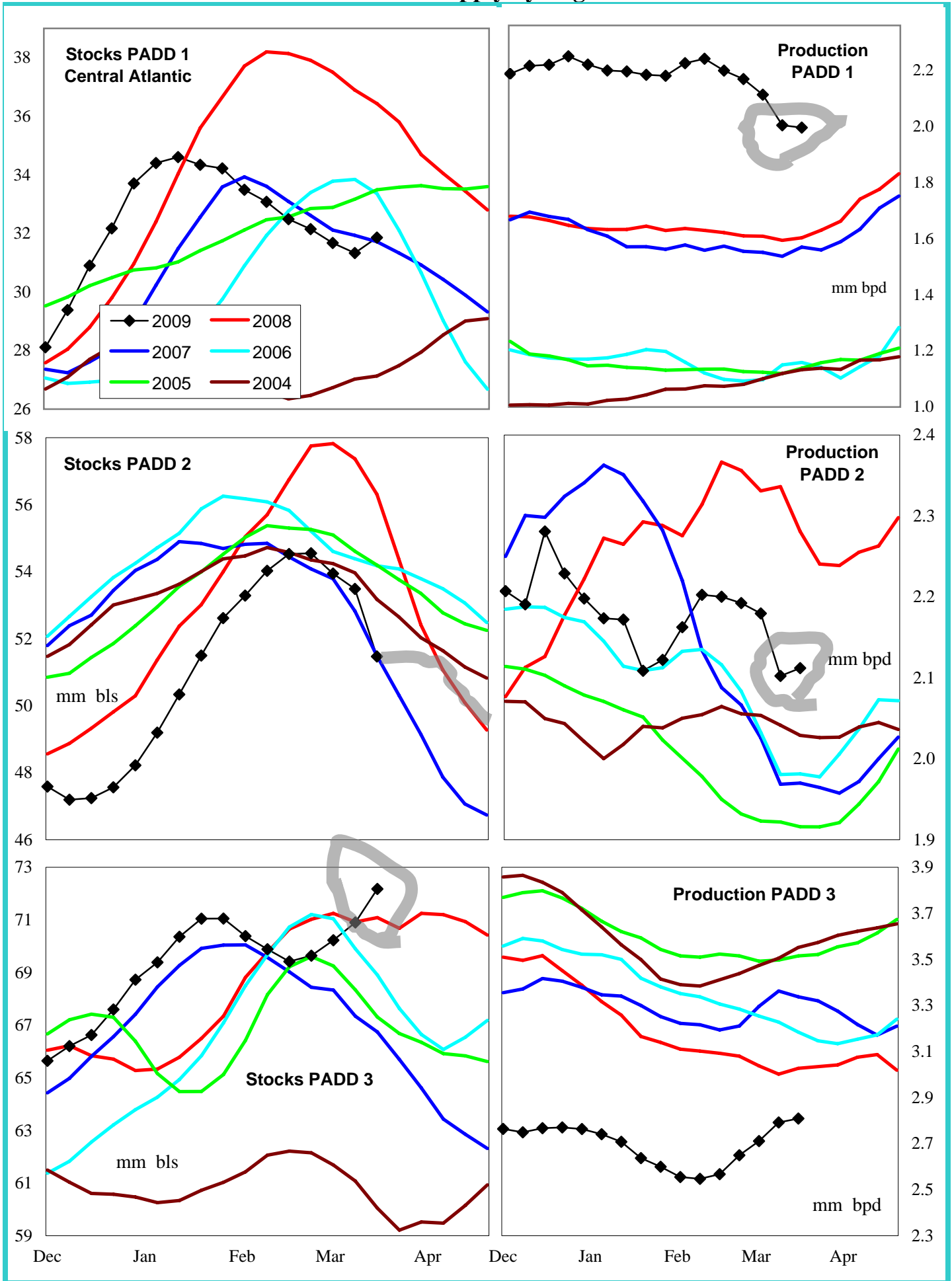
Gasoline Cash Basis and Related Price Spreads



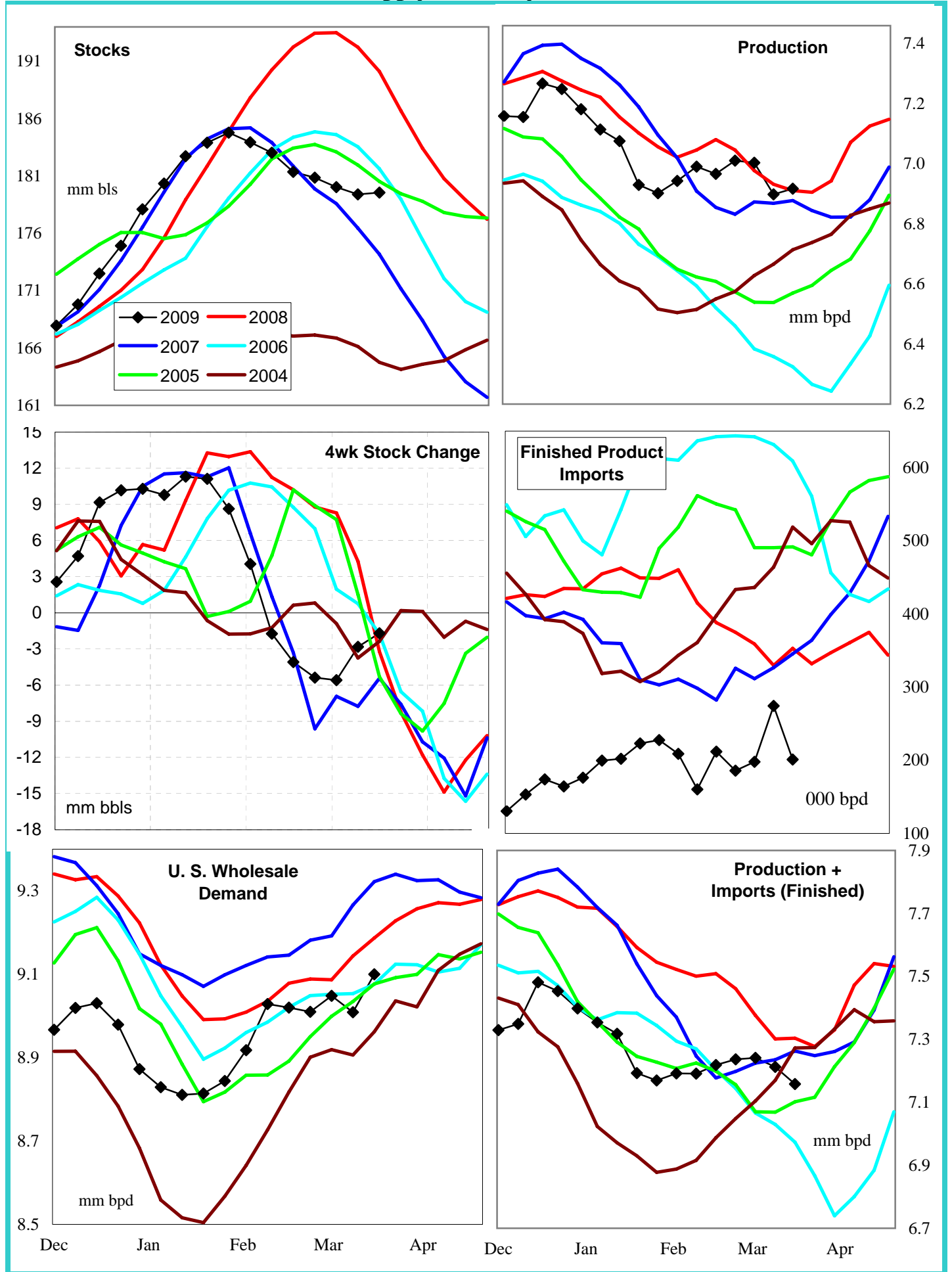
Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3



PADD 5 Gasoline Supply

