

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 decreased -97,000 bpd on the week. Demand has strengthened over the past month compared to the prior quarter, likely due in part to stock rebuilding by airlines.

Combined production and imports decreased -32,000 bpd on the week.

The latest four week average demand was -147,000 bpd below a year ago. Supply (production + imports) was -112,000 bpd below last year for the same period. These trends point to an improved supply / demand balance. Stocks have declined -2.2 million barrels during the past two weeks, with stock levels now slightly above the historic mid range.

Cash basis remains very weak in all regional markets, at levels well below the historic range.

Looking forward, current refinery maintenance and increased demand has led to seasonal stock draws in all regional markets. These trends should continue into the 2<sup>nd</sup> quarter, and combined with an end to winter heating season, should support higher cash basis in most regional markets.

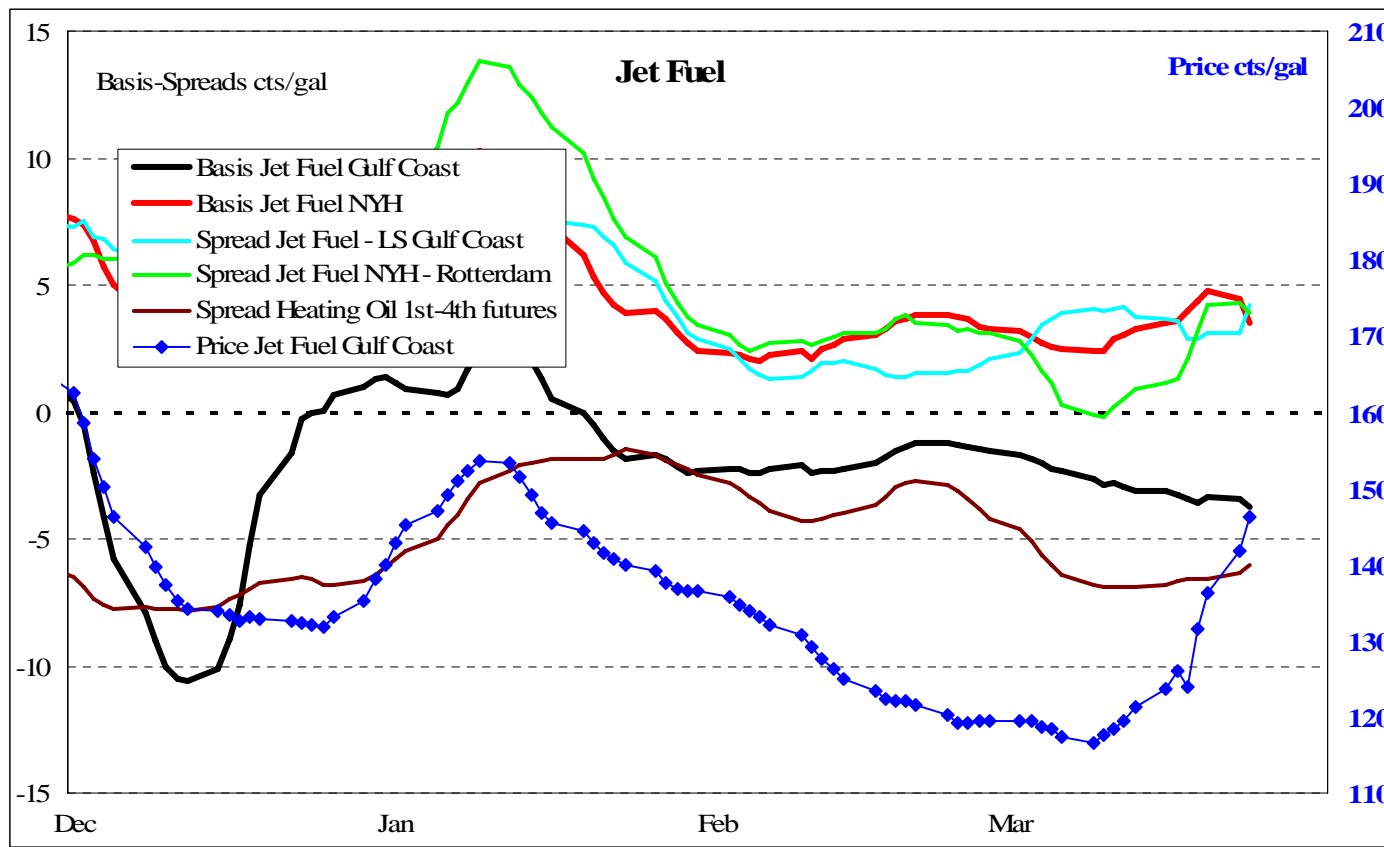
**New York Harbor** basis to trend seasonally higher, but remain weak on low demand.

**Gulf Coast** basis to trade at the low end of the historic range on weak demand until the heating season ends.

**West Coast (Los Angeles)** basis should remain very weak, but trend seasonally higher on falling stock levels.

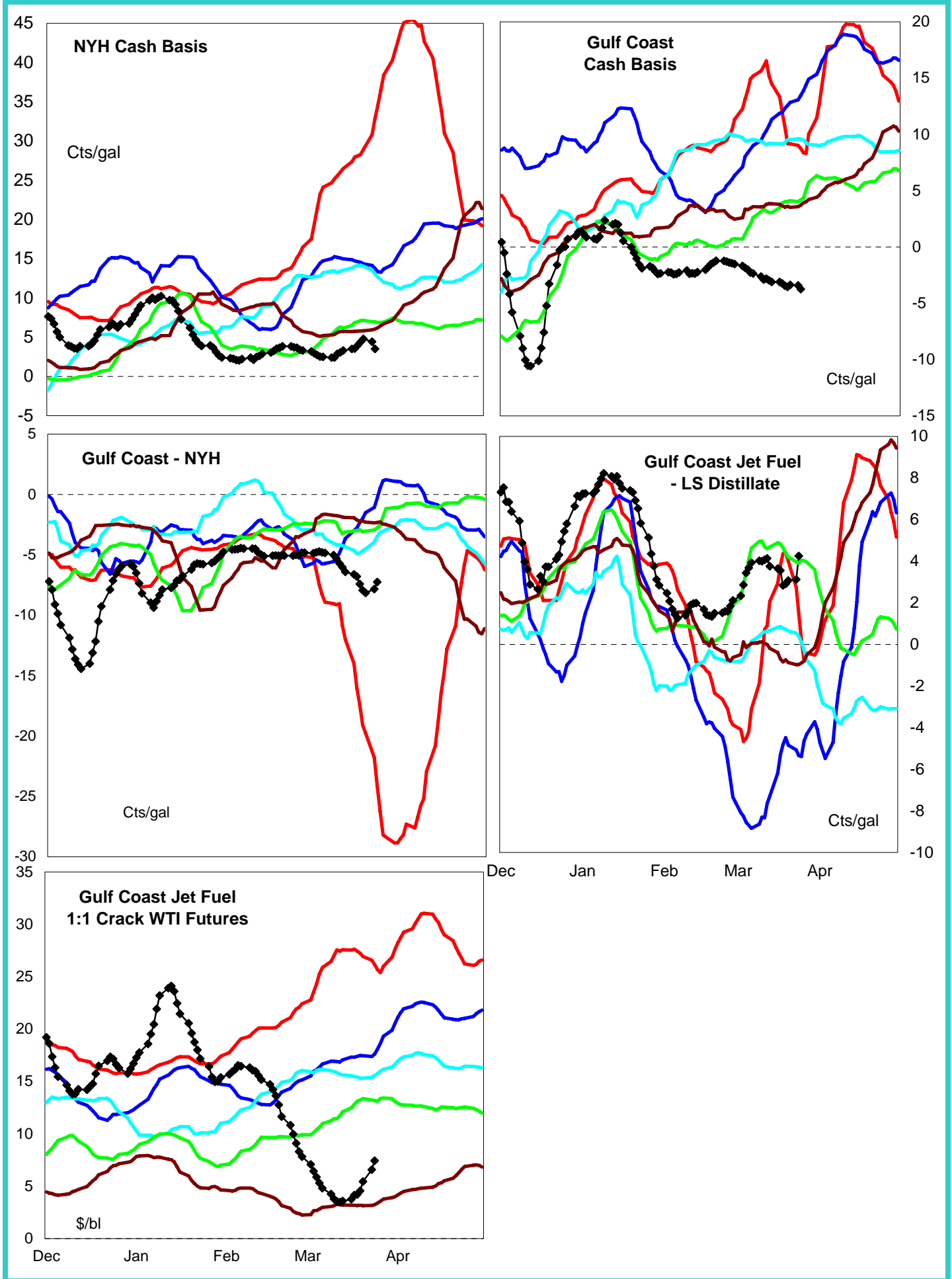
**Gulf Coast Price**

Recent sharp cuts in middle distillate were due to maintenance in PADDs 1 and 2, and low refining margins for distillates. Higher refining margins and completion of spring maintenance should lead to increased supply over the next month. Expect the over supply in middle distillates in the Atlantic Basin to weigh on jet fuel prices and refining margins during the 2<sup>nd</sup> quarter.

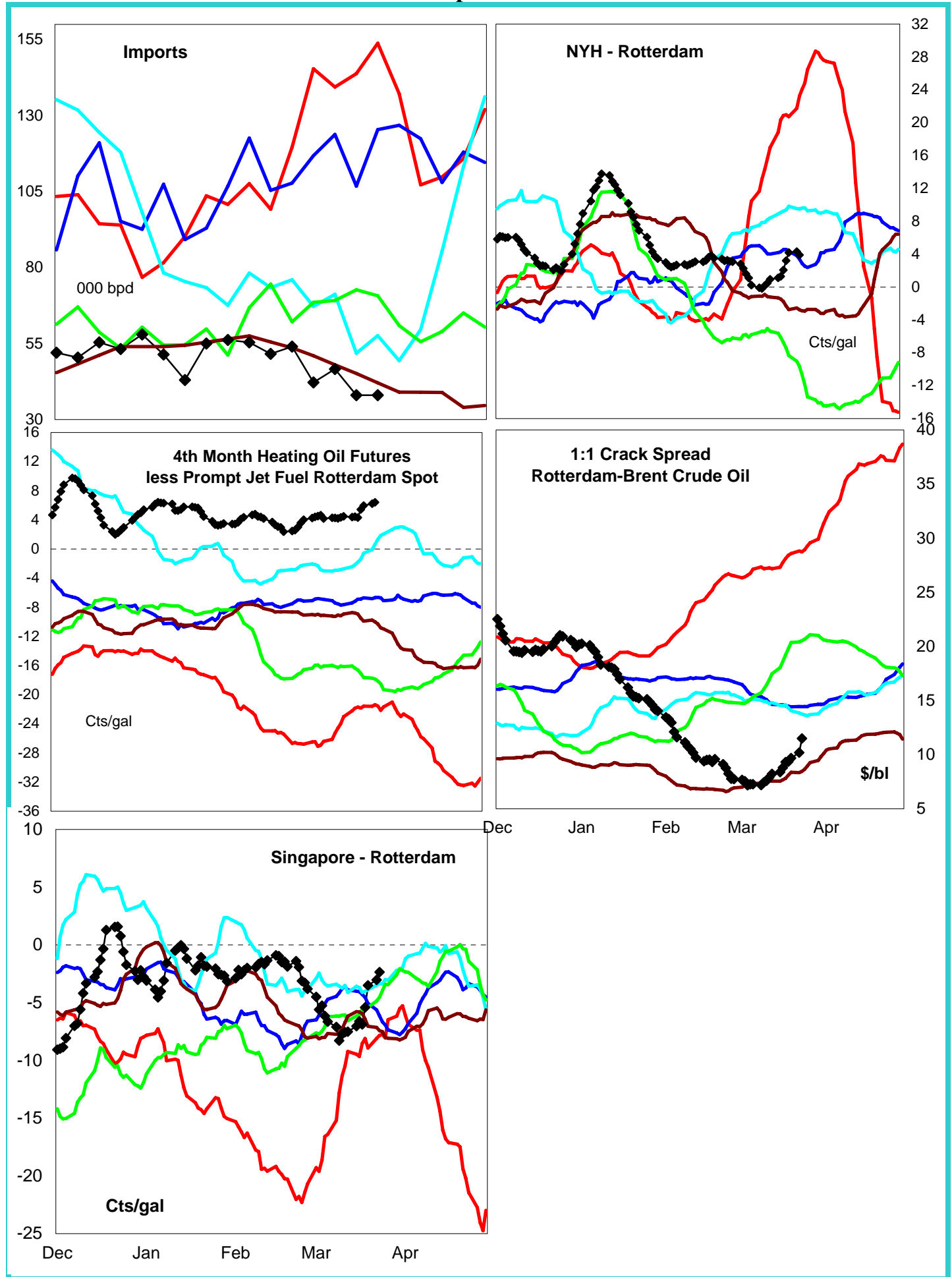


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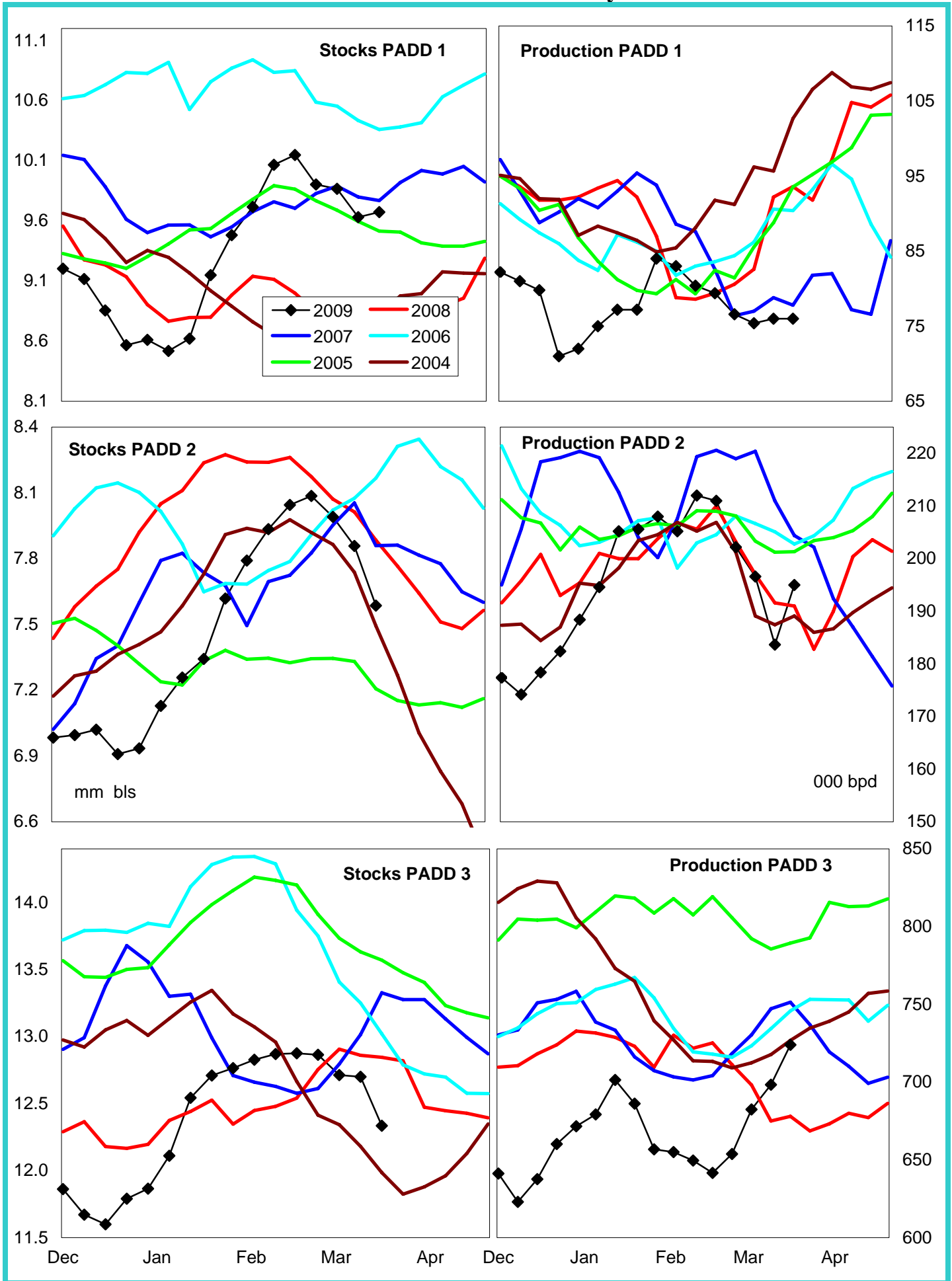
# Jet Fuel Cash Basis and Related Price Spreads



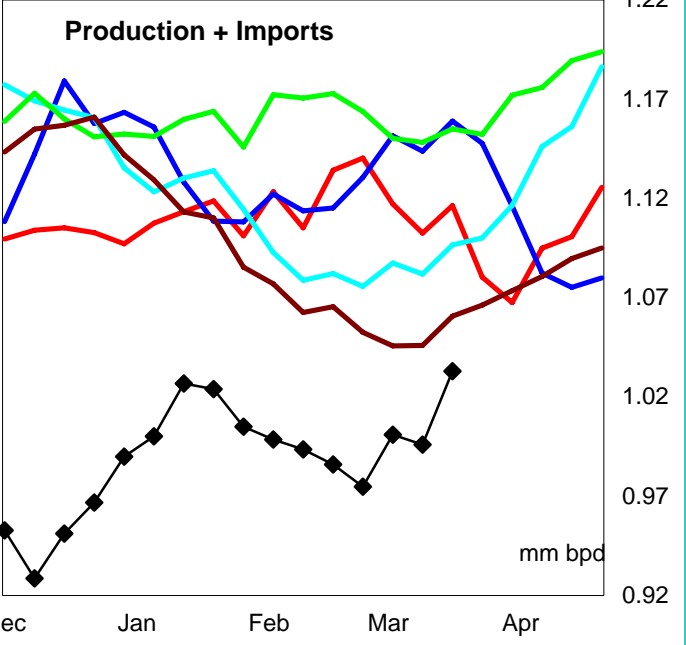
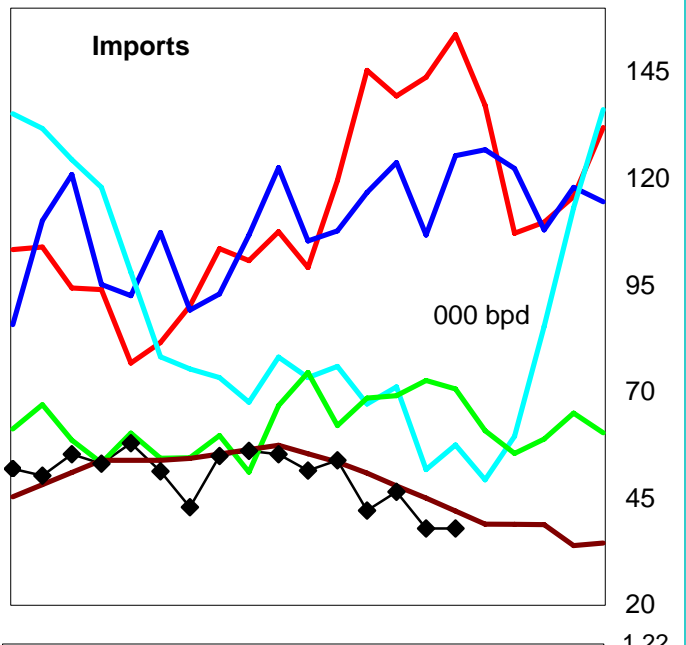
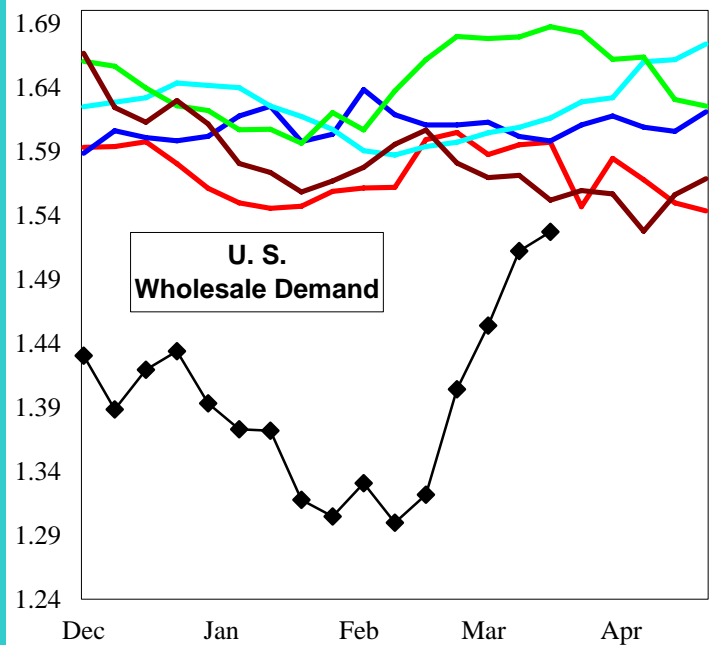
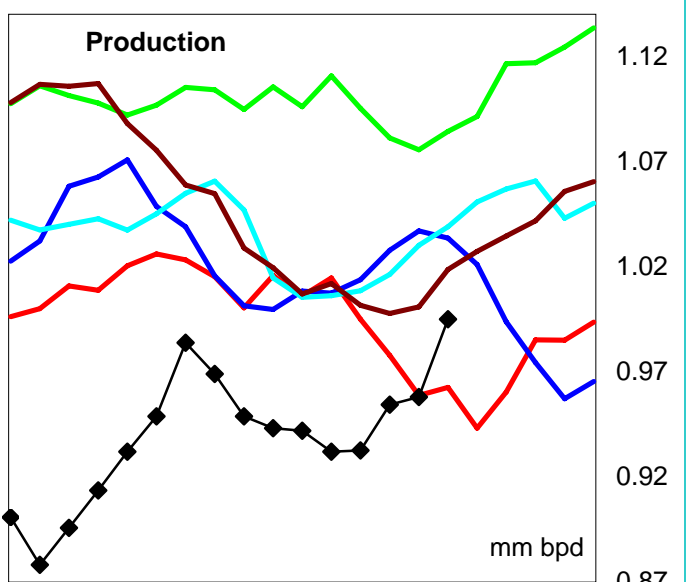
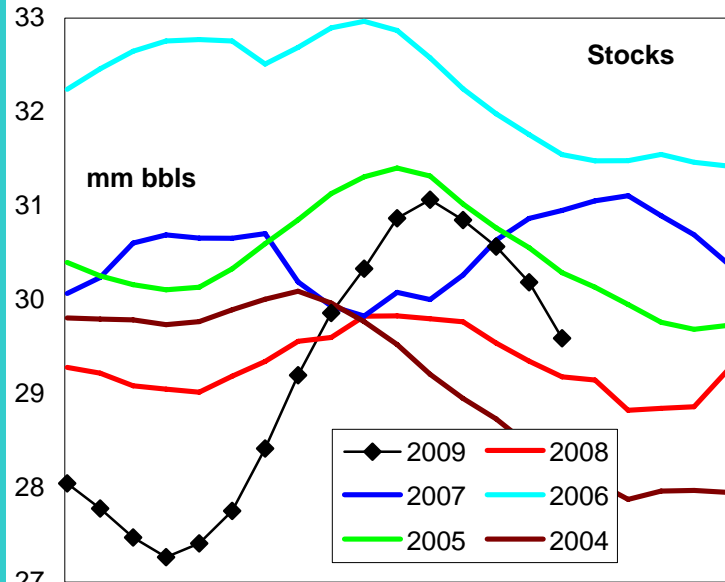
# Jet Fuel Import Economics



### Jet Fuel Production and Stocks by PADD



# Jet Fuel Supply - Demand PADDs 1 + 2 + 3



# PADD 5 Jet Fuel Supply

