
**FUNDAMENTAL  
PETROLEUM  
TRENDS?**
**WEEKLY GASOLINE FUNDAMENTAL-PRICE-BASIS OUTLOOK**
**A Fundamental Petroleum Trends Weekly Report**

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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		→	→

Wholesale demand fell -333,000 bpd on the week, in line with the seasonal trend, although, inclement weather may have reduced wholesale deliveries to the downstream supply chain.

Production increased +43,000 bpd on the week, and imports climbed +31,000 bpd.

The latest 4-wk average supply was -10,000 bpd below a year ago. This

compares to the latest demand that was -79,000 bpd below last year.

The seasonal drop in demand and high production led to a +3.7 million barrel stock build; with the build concentrated in PADDs 2 and 5.

Stock levels are at record highs for this period. This overall level reflects very high stocks in the Gulf, and above average levels in other major regions. The latest 4-wk stock build of +2.2 million barrels in regions East of the Rockies was at the low end of the historic range.

Cash basis declined in all markets this week; the result of the roll from January to February futures and increased supply in the midwest and West Coast markets.

Basis levels were at or above the mid range in markets east of the Rockies and at the low end of the historic range on the West Coast.

Expect a sharp seasonal decline in demand over the next 45-days. Year-over-year demand remains weak which will add to the decline.

Above average refining margins in the near term should keep gasoline yield % on crude runs high. Reduced crude runs in Europe have limited imports, which should continue.

Basis should trend lower in markets east of the Rockies during the next several weeks as seasonal demand trends sharply lower and stocks build.

**RBOB**

**New York Harbor** basis to trade sideways on low demand offset by very low imports.

**Gulf Coast** basis to trend lower on high stocks and weak seasonal demand.

**West Coast (Los Angeles)** basis to trend seasonally higher on lower output as winter maintenance begins.

**Conventional**

**New York Harbor** basis to trade sideways on low demand offset by very low imports.

**Group III** basis to decline on very production and weak demand.

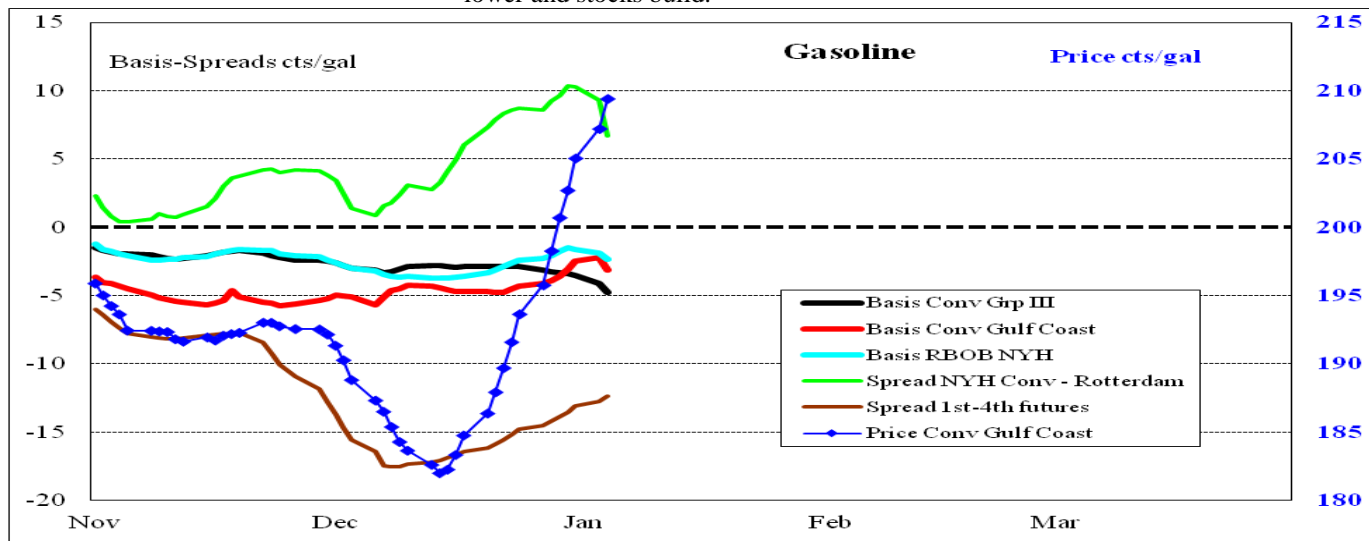
**Chicago** basis to decline on high production and weak demand.

**Gulf Basis** to trend lower on high stocks and weak seasonal demand.

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

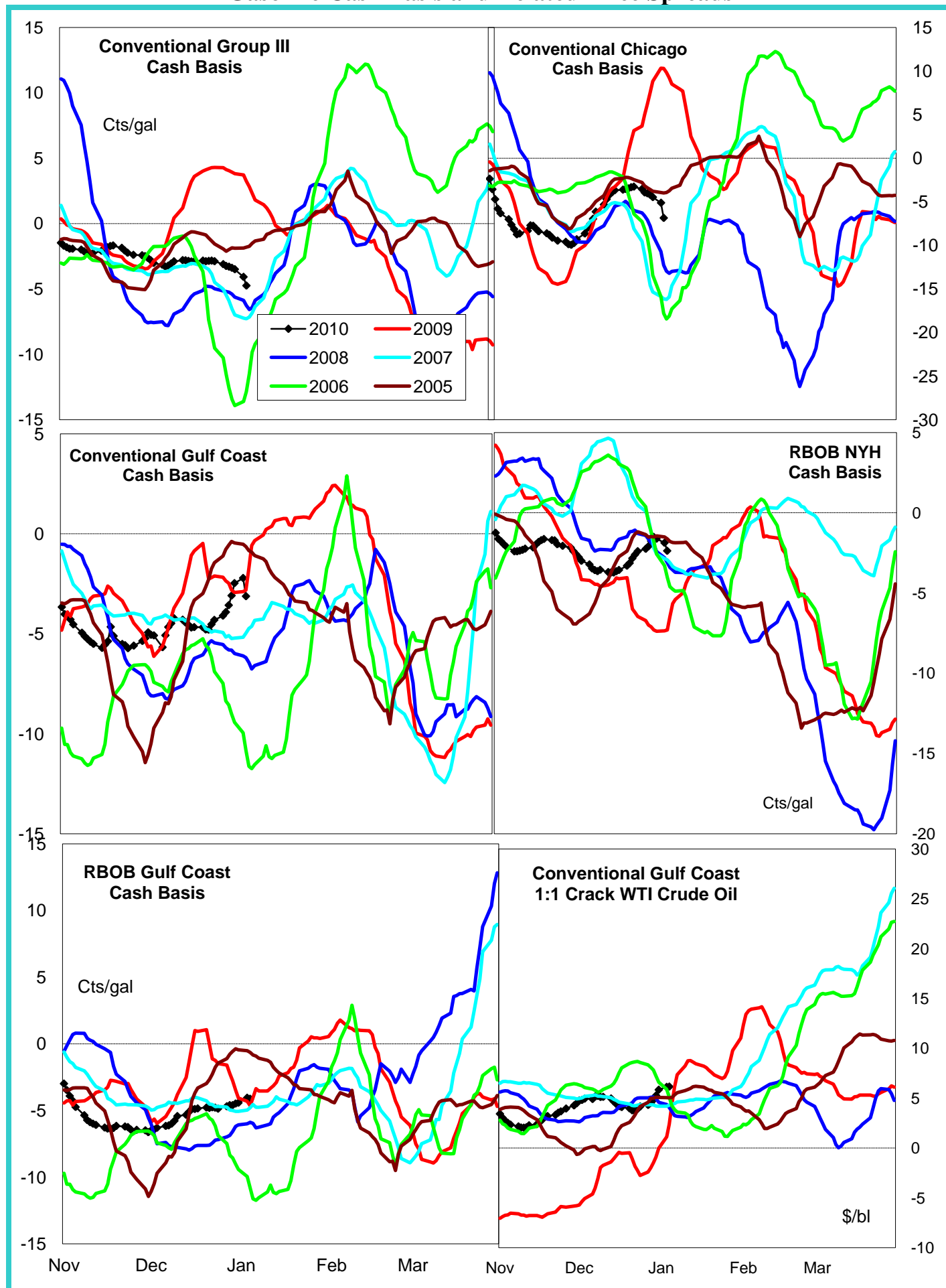
**Gulf Coast Price**

Gasoline supplies are very ample, as evidenced by higher production in the midwest and West Coast driving stocks sharply higher last week. Imports remain very low which should keep East Coast seasonal stock levels below record highs. Demand weakness and over all record stock levels provides fundamental trends for a pull back in prices during the 1st quarter.

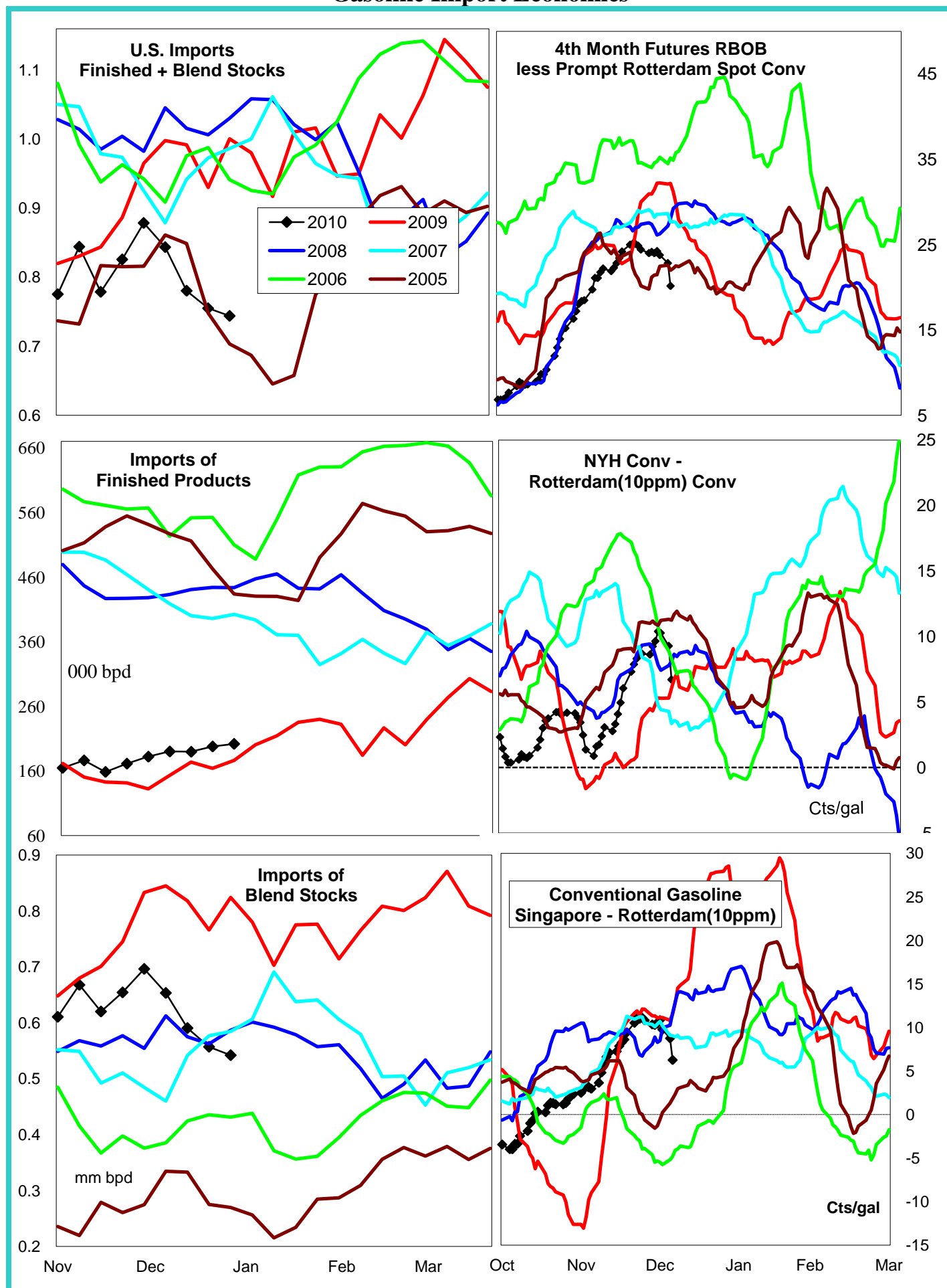


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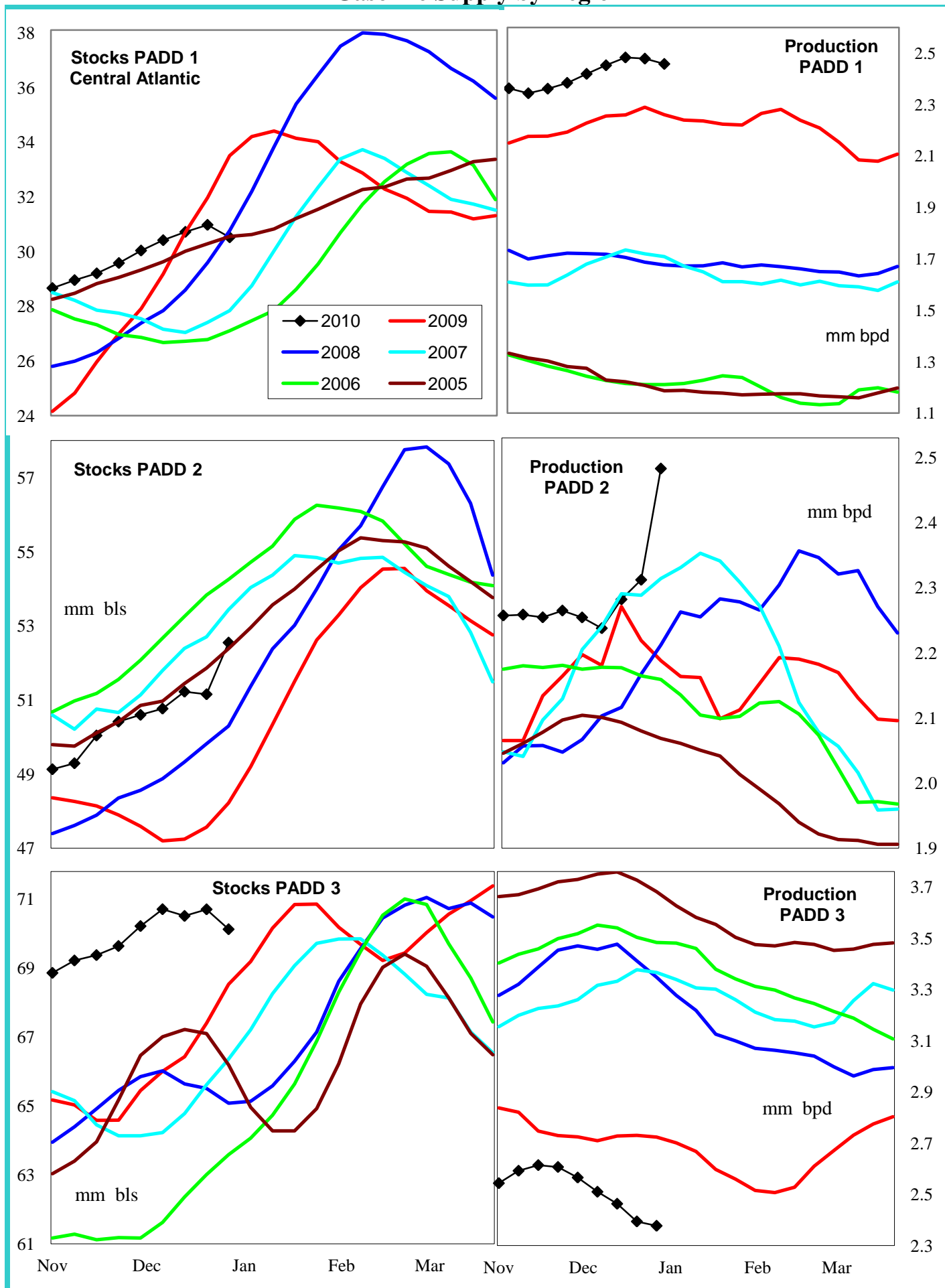
# Gasoline Cash Basis and Related Price Spreads



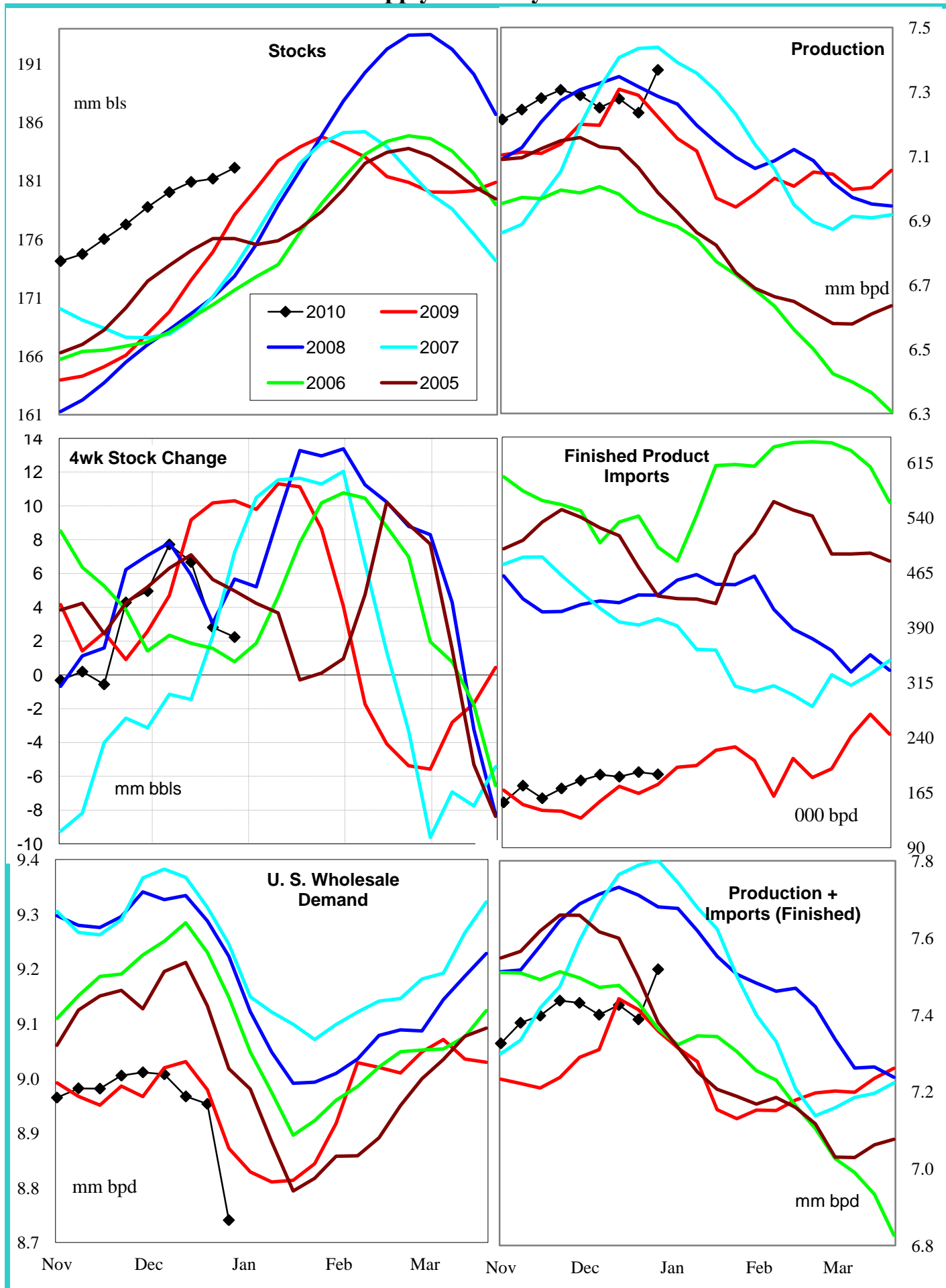
# Gasoline Import Economics



# Gasoline Supply by Region



# Gasoline Supply Summary PADDs 1+2+3



# PADD 5 Gasoline Supply

