


**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 has been flat at a season low for the past three weeks, and at a level -1% below last year.

Production declined -52,000 bpd while imports, primarily blend stocks, increased +103,000 bpd.

The latest 4-wk average supply was -149,000 bpd below a year ago. This compares to the latest demand that was -123,000 bpd below last year.

Stocks declined -1.3 million barrels. The latest 4-wk stock build East of the Rockies was +7.1 million barrels, a smaller build than four of the last five years.

Stock levels are below the last three years in PADD 1 (due to low imports), while other major markets are at or near record high levels.

Cash basis trended sideways to lower in the Midwest and Gulf last week (due in part to the roll to next month futures). Basis increased on the East and West Coasts. Basis levels remain very weak in the Group III, Chicago and West Coast markets. Basis was at the upper end of the historic range in NYH.

Expect an immediate increase in demand from winter lows. Production should remain low on winter maintenance. Imports should remain low on limited production in other Atlantic Basin markets.

These trends should support modest basis increases in markets outside NYH; limited by high stock levels, excess refining capacity, relatively weak demand and tightness in Central Atlantic and New England Regions.

**RBOB**

**New York Harbor** basis to experience lower basis decline on transition from winter to spring grades due to low stock levels.

**Gulf Coast** basis to trend higher on improving demand, then lower on change over from winter grade product.

**West Coast (Los Angeles)** basis to trend seasonally higher on rising demand and seasonal stock draws.

**Conventional**

**New York Harbor** basis to experience lower basis decline on transition from winter to spring grades due to low stock levels

**Chicago basis** to trend modestly higher in near term on increased demand then lower on change from winter to spring grade product.

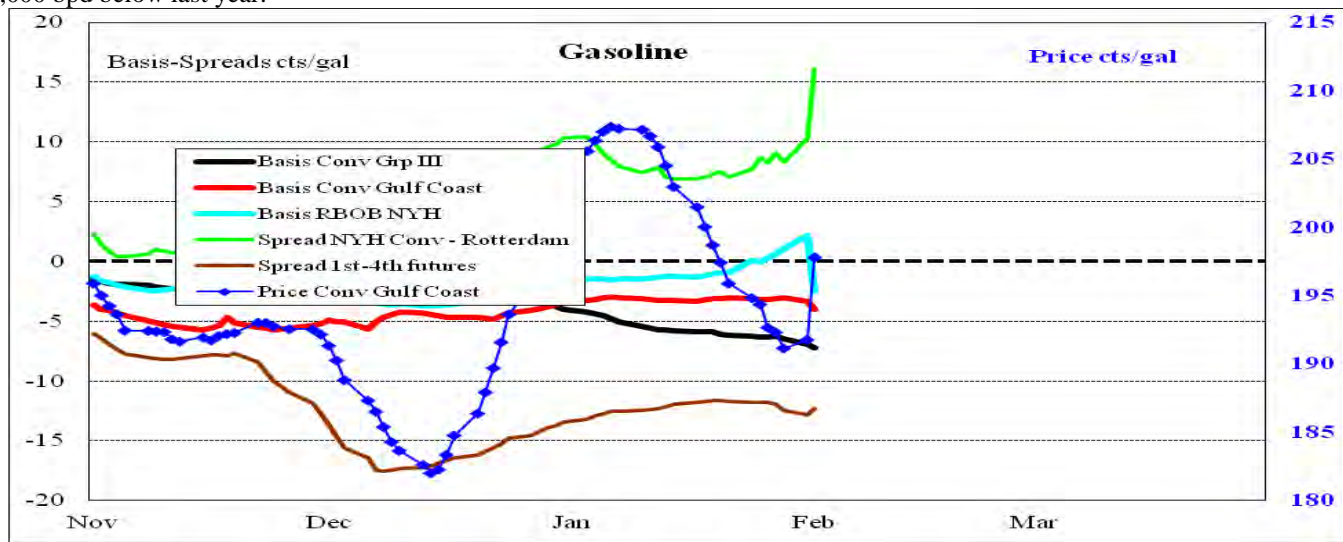
**Group III** to trend modestly higher in near term on increased demand but remain at low end of historic range on excess supplies.

**Gulf Basis** to trend higher on improving demand, then lower on change over from winter grade product.

**West Coast (Los Angeles)** basis to trend seasonally higher on rising demand and seasonal stock draws.

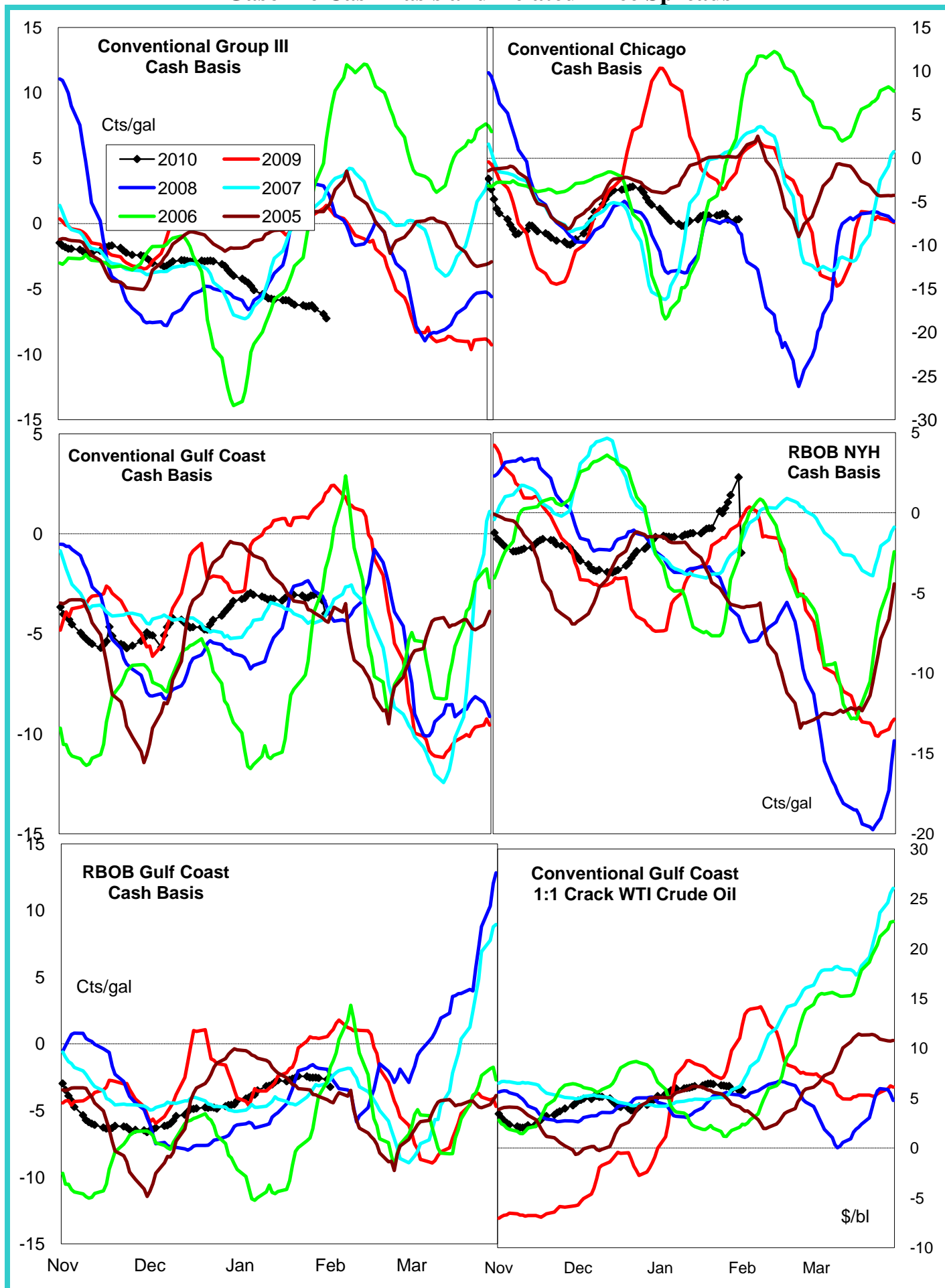
**Gulf Coast Price**

Expect demand to increase on seasonal upturn in the near term. Combined with relatively tight supplies in the northeast, gasoline prices should lead the overall energy complex.

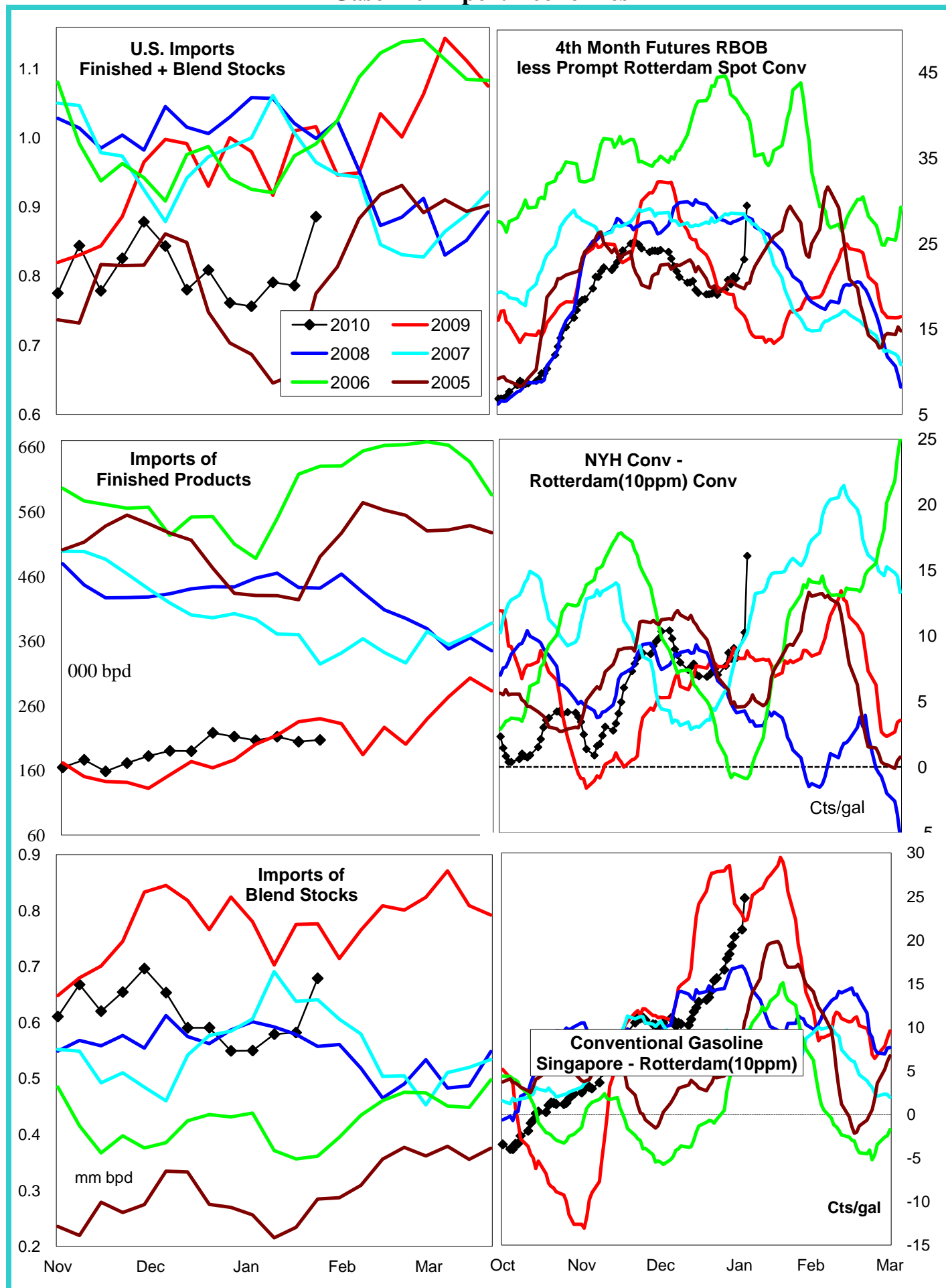


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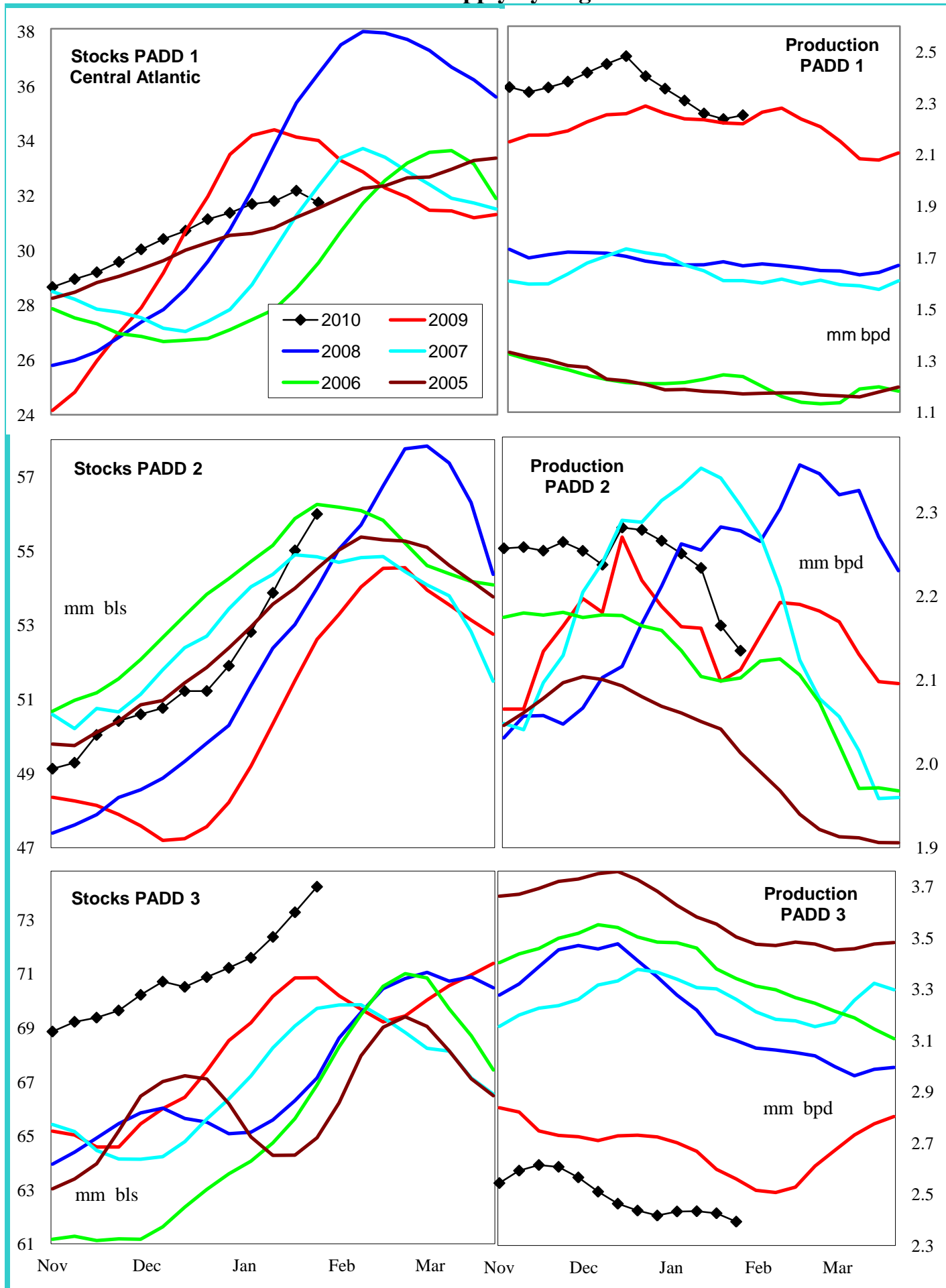
# Gasoline Cash Basis and Related Price Spreads



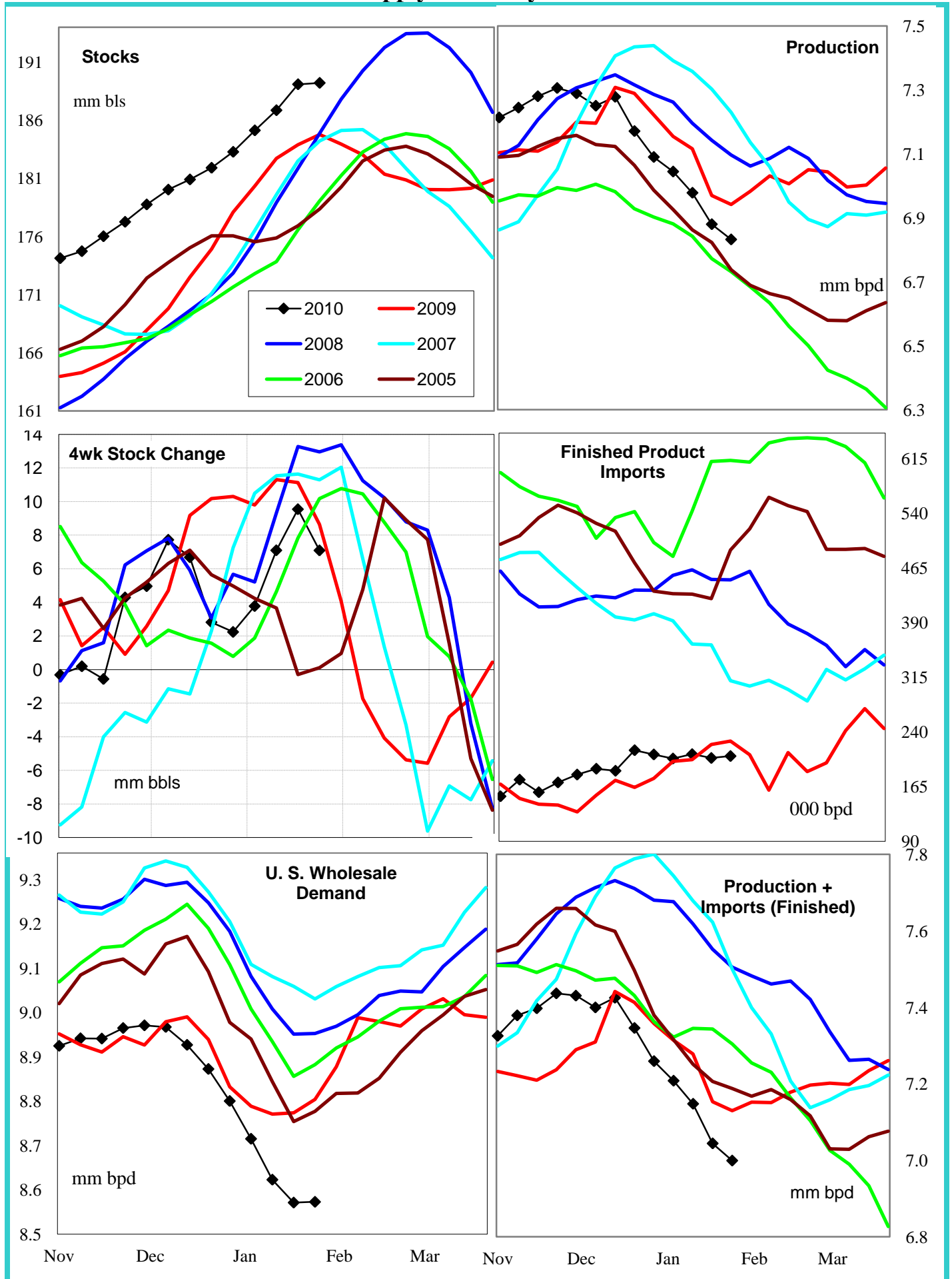
# Gasoline Import Economics



# Gasoline Supply by Region



# Gasoline Supply Summary PADDs 1+2+3



# PADD 5 Gasoline Supply

