


**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 increased +110,000 bpd last week, extending the seasonal uptrend.

Production decreased -73,000 bpd on the week and imports remained below the historic range. Closure of 1.2 million bpd crude oil refining capacity in the Atlantic Basin (outside of the U.S.) last year has reduced available supplies of gasoline for import.

The latest 4-wk average supply was - 117,000 bpd below a year ago. This compares to the latest demand that was - 159,000 bpd below last year.

Stocks decreased -3 million barrels on the week, including decreases of -2 million barrels each in PADDs 2 and 3. The latest 4-wk stock draw East of the Rockies was -3.4 million barrels, a larger than average draw.

Combined production and finished product imports were below the historic range last week, in markets East of the Rockies.

Cash basis extended the recent sharp drop in all markets as pressure to liquidate winter RVP gasoline grades pushed basis to the low end of the historic range for the period.

Spring refinery maintenance in regions outside the Gulf, low refinery operating rates and rising seasonal demand should provide basis strength during the 2nd half of the month. However, low imports to the East Coast should provide support to NYMEX futures limiting basis strength in other regional markets.

**RBOB**

**New York Harbor** basis to strengthen on liquidation of winter RVP grades and low imports.

**Gulf Coast** basis to strengthen on liquidation of winter RVP grades and increased dependence by PADD 1 on

receipts from the Gulf to replace lower imports.

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

**Conventional**

**New York Harbor** basis to strengthen on liquidation of winter RVP grades and low imports.

**Chicago basis** to strengthen on liquidation of winter RVP grades, and above average spring refinery maintenance.

**Group III** basis to strengthen on above average refinery maintenance.

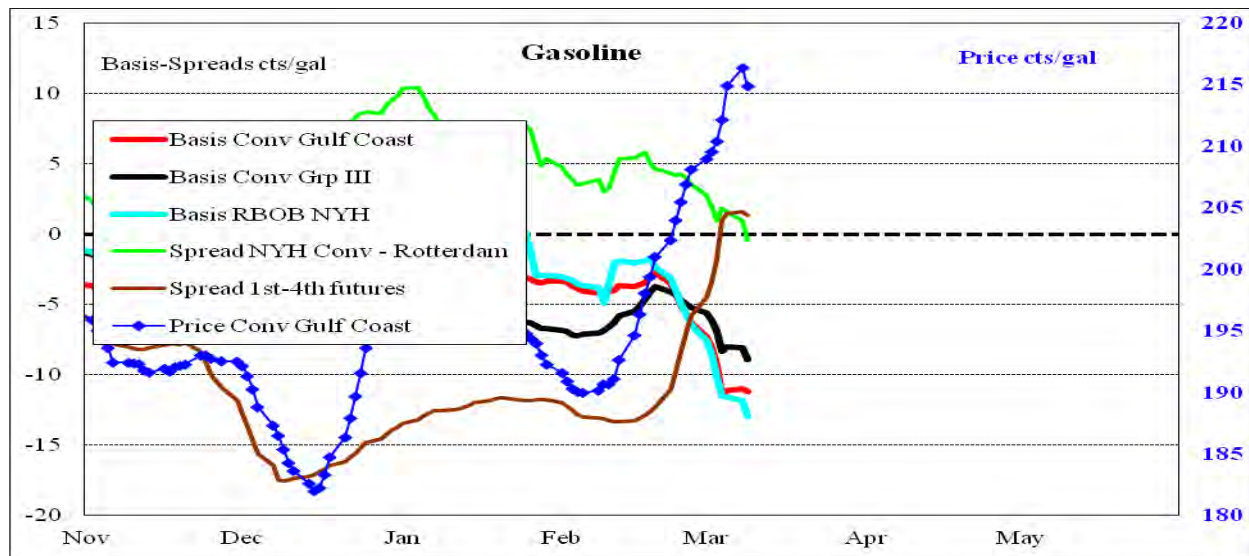
**Gulf Basis** basis to strengthen on liquidation of winter RVP grades and increased dependence by PADD 1 on receipts from the Gulf to replace lower imports.

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

**Gulf Coast Price**

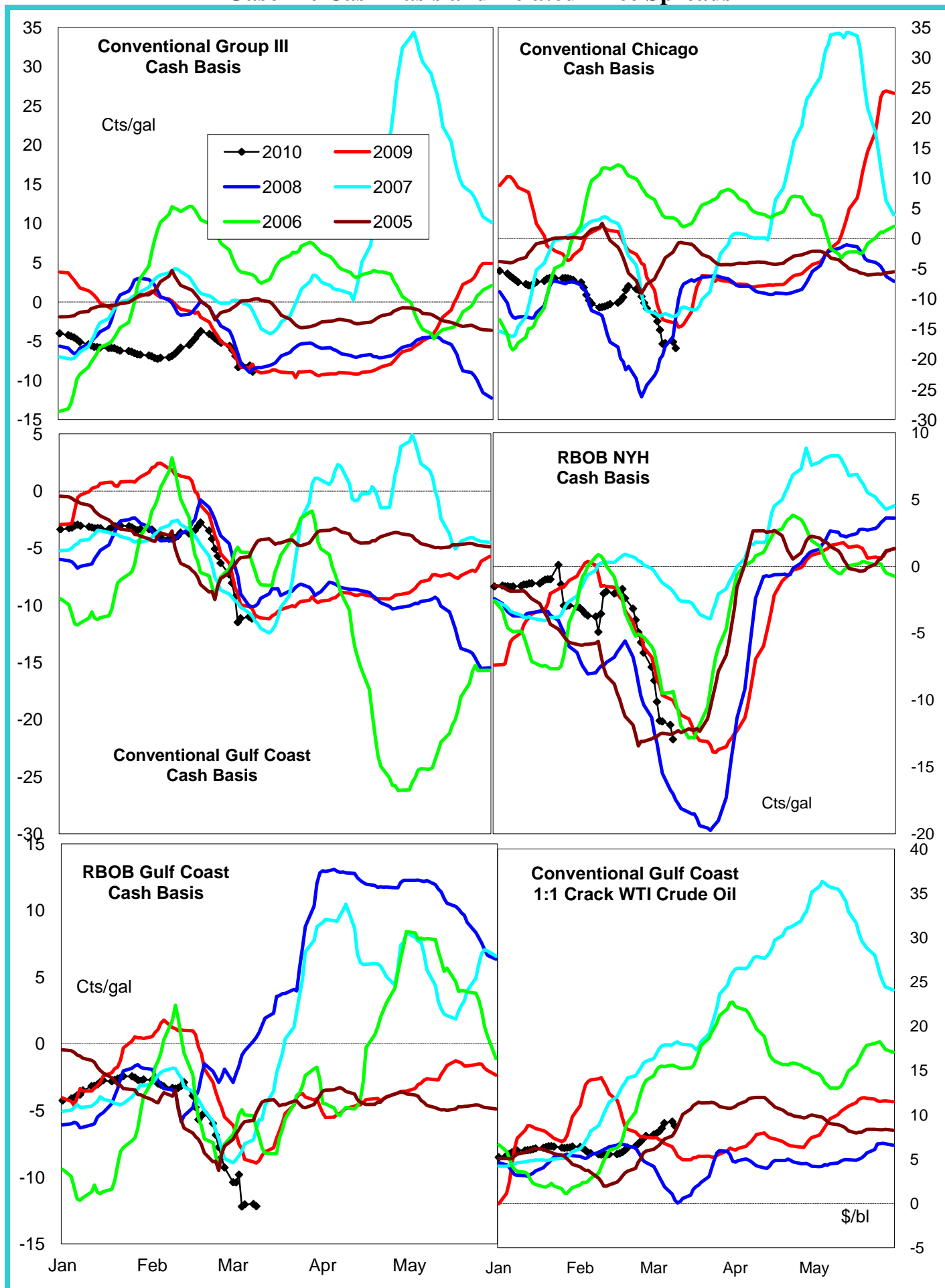
Inclement weather during the 1st quarter depressed gasoline demand and resulted in very high stock levels of winter grade gasoline.

The gasoline market should experience significant tightening during the next 60-days on above average spring refinery maintenance outside the Gulf, reduced level of imports to the East Coast and rising seasonal demand.

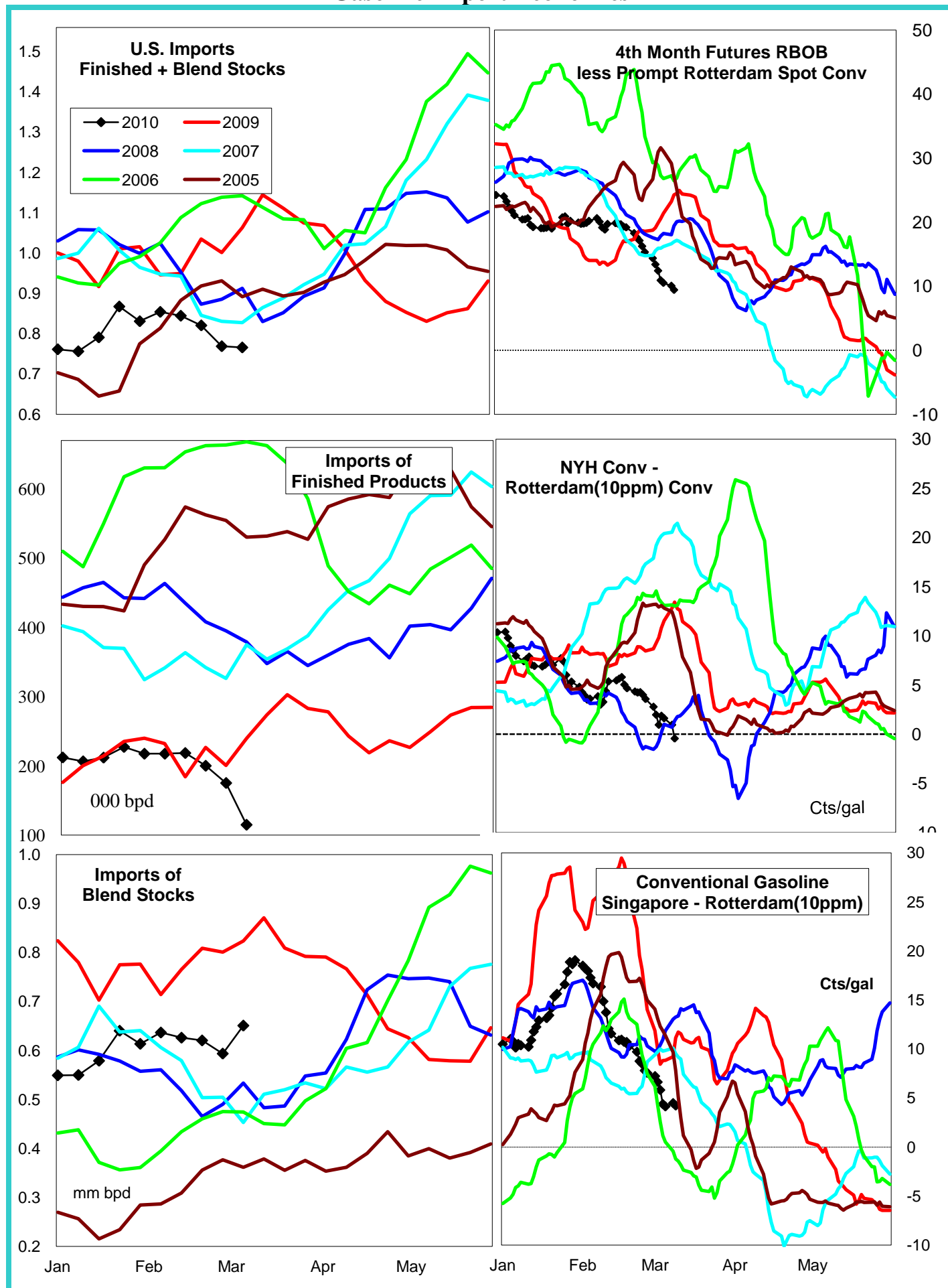


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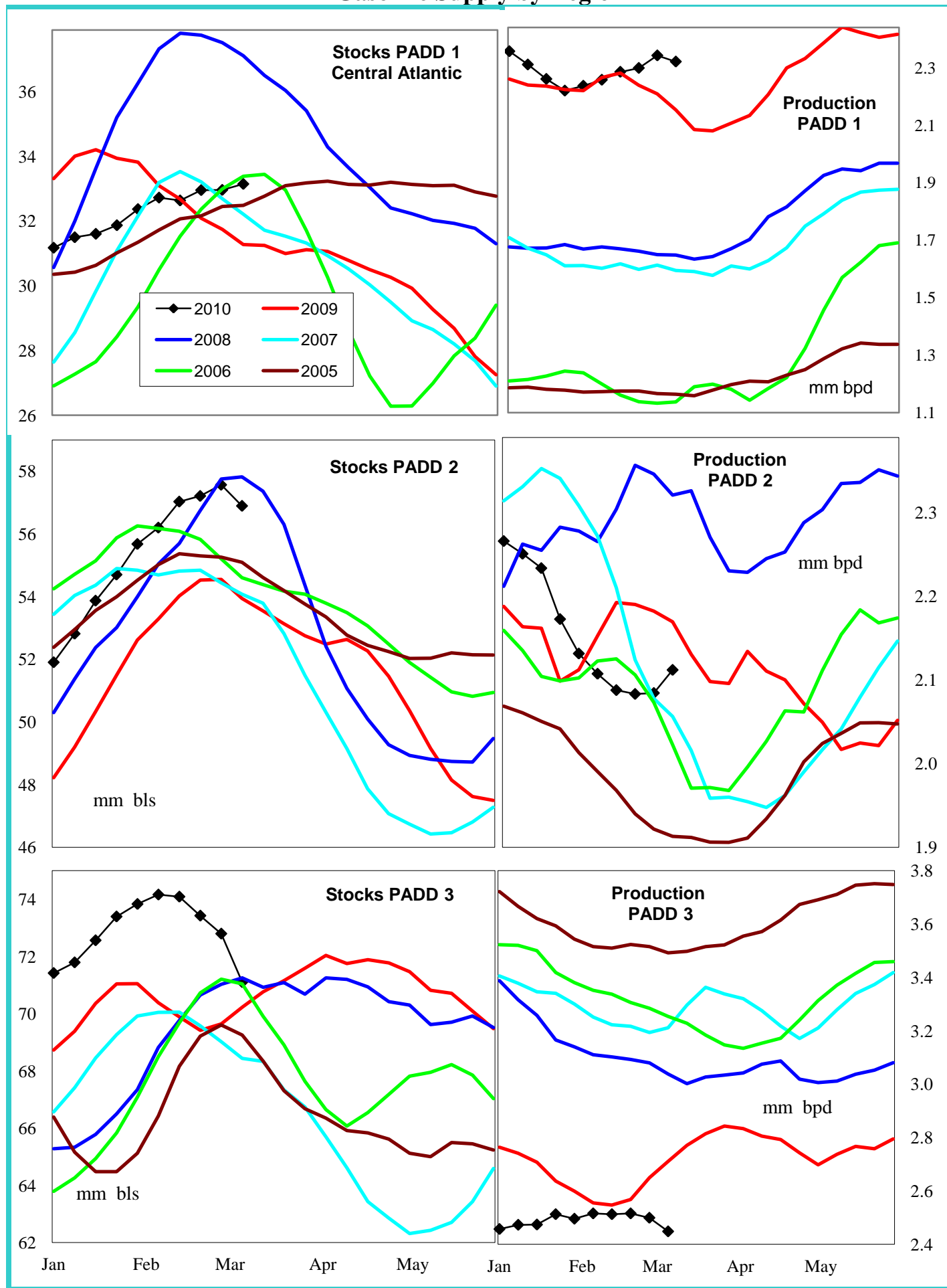
# Gasoline Cash Basis and Related Price Spreads



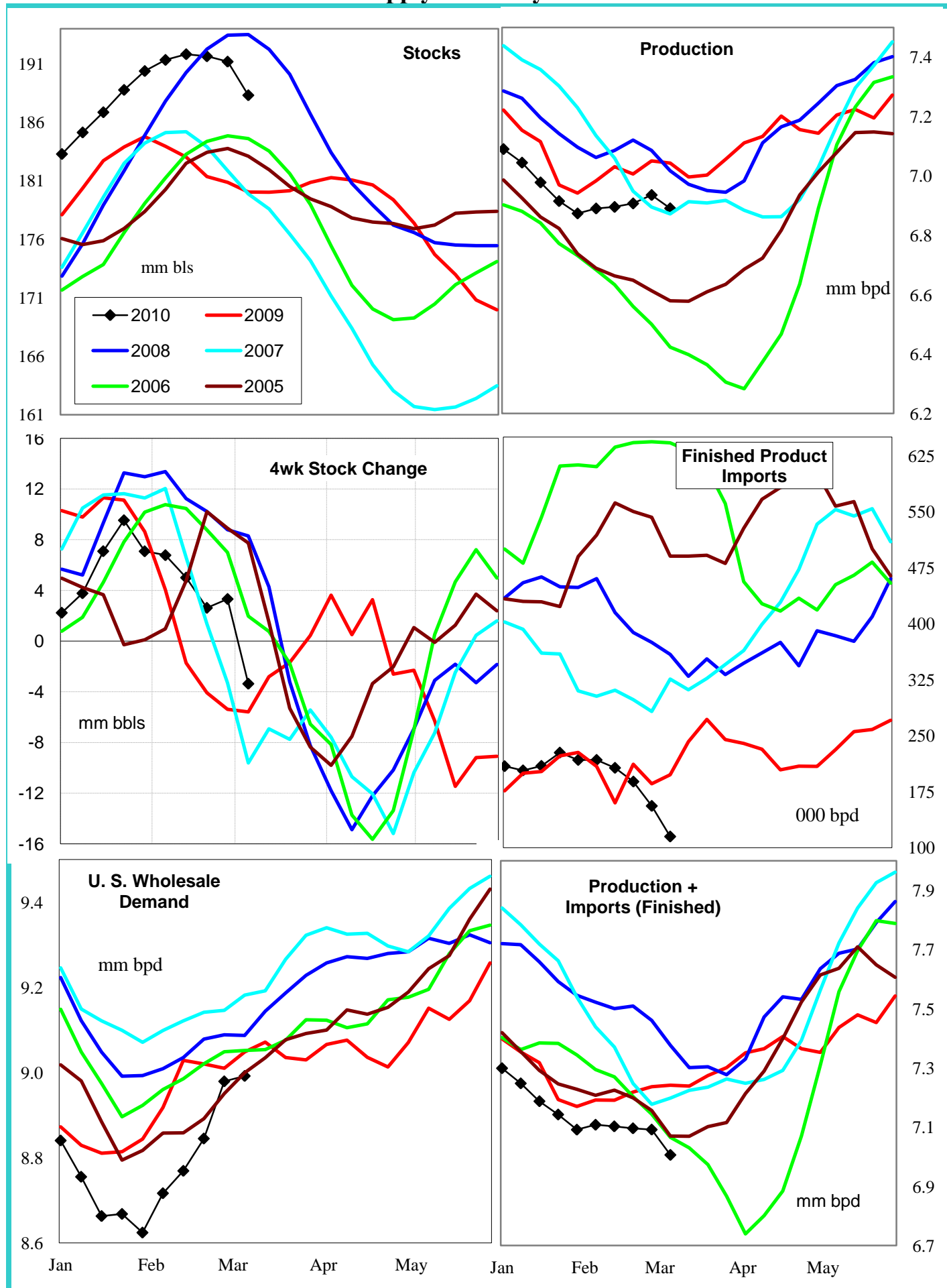
# Gasoline Import Economics



# Gasoline Supply by Region



# Gasoline Supply Summary PADDs 1+2+3



# PADD 5 Gasoline Supply

