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

 Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Wednesday, March 31, 2010

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		→	→

The latest 4-wk average supply was +8,000 bpd above a year ago. This compares to the latest demand that was -41,000 bpd below last year.

Stocks increased +0.3 million barrels on the week. The latest 4-wk stock draw East of the Rockies was -6.5 million barrels, matching the mid range for the period. East of the Rockies, supply remains below the mid range.

Cash basis remains particularly weak across all regional markets because stock levels are at 5-yr record highs in all markets except New England and the Central Atlantic Regions of PADD 1. Stock levels in these regions are near record lows.

Expect basis strength on rising seasonal demand, liquidation of winter grades and some increase in imports to the East Coast.

RBOB

New York Harbor basis to strengthen on liquidation of winter RVP grades, partially offset by some increase imports.

Gulf Coast basis to strengthen on liquidation of winter RVP grades and increased dependence by PADD 1 on receipts from the Gulf to offset low imports.

West Coast (Los Angeles) basis to remain weak on record high production and stock levels.

Conventional

New York Harbor basis to strengthen on liquidation of winter RVP grades, partially offset by some increase imports.

Chicago basis to strengthen on liquidation of winter RVP grades and 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 offset low imports.

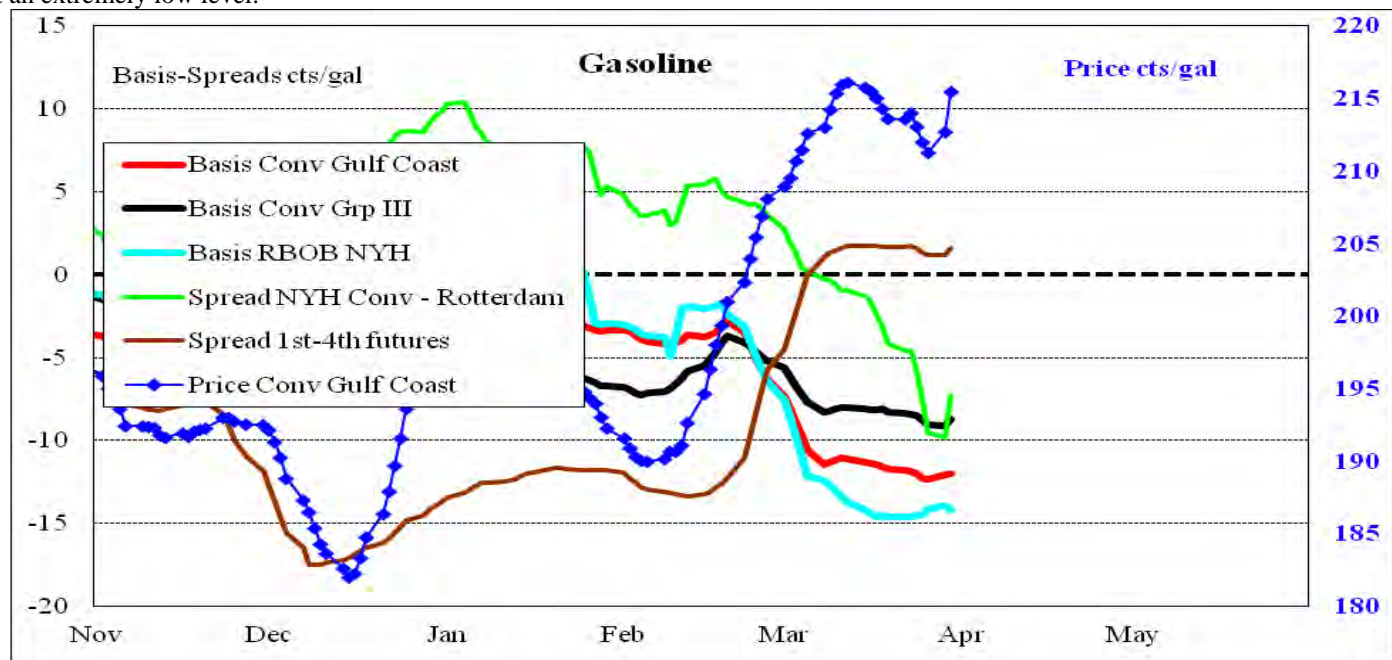
West Coast (Los Angeles) basis to remain weak on record high production and stock levels.

Gulf Coast Price

Extremely favorable ethanol blend economics has encouraged marketers to maximize ethanol blending, offsetting low imports of blend stocks and contributing to record gasoline output. Very high stocks in regions outside PADD 1, and rising production may limit the spring uptrend in gasoline prices.

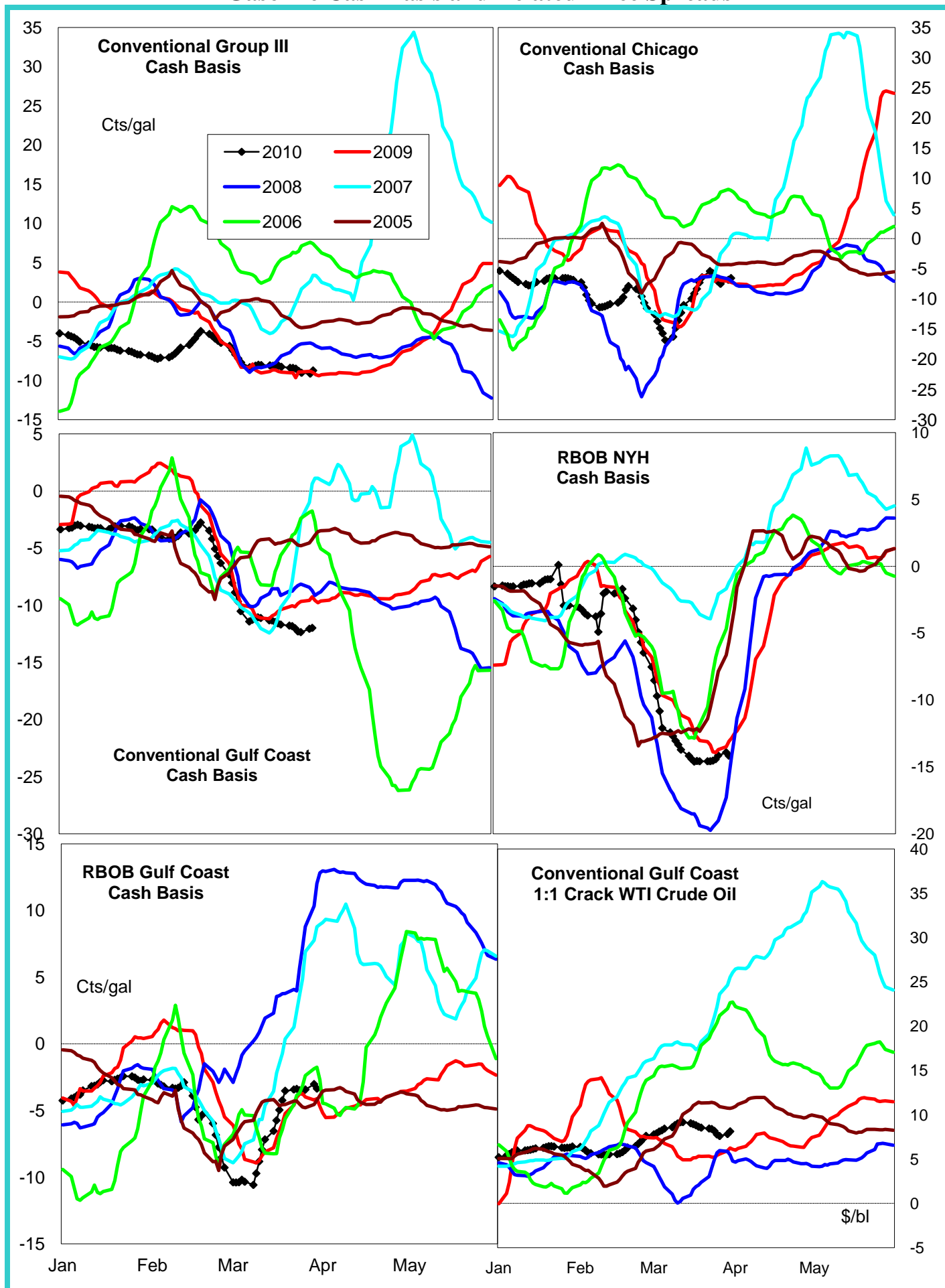
Wholesale demand decreased -27,000 bpd last week, after the prior week surge.

Production increased +12,000 bpd on the week, to a new 5-yr high for the period. Imports increased +87,000 bpd, but remain at an extremely low level.

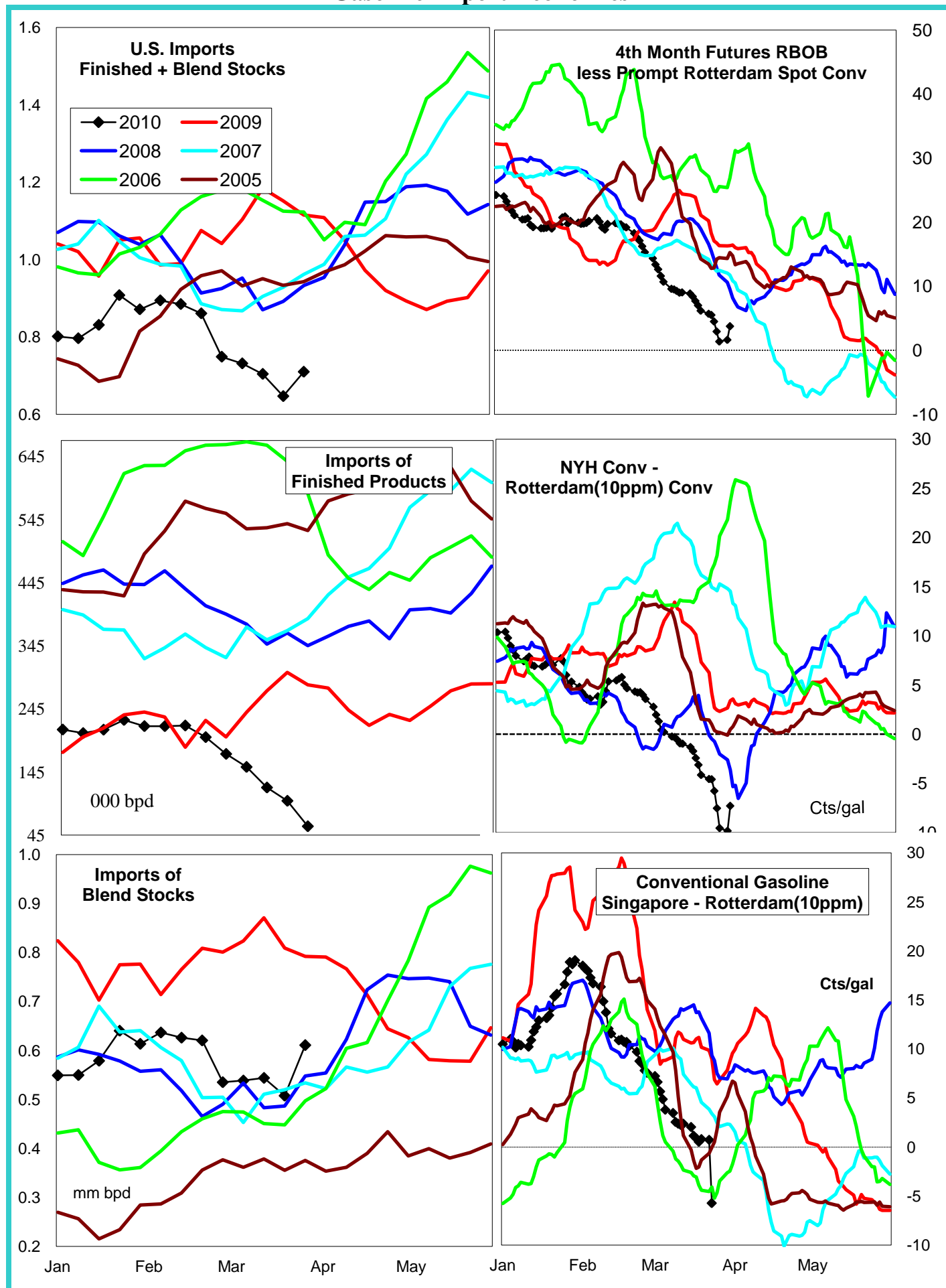


Disclaimer - The information contained on this website and in all its reports reflects the opinion of Fundamental Petroleum Trends. Futures and commodities trading involve significant risk and may not be suitable for every investor. Information contained herein is strictly the opinion of its author and is intended for informational purposes and is not to be construed as a recommendation to sell or buy, or trade in any commodity mentioned herein. Information is obtained from sources believed reliable, but is in no way guaranteed. Opinions, market data and recommendations are subject to change at any time. Past results are not indicative of future results. Charts are developed by Fundamental Petroleum Trends from EIA, NWS, other public data and proprietary models unless otherwise noted and credited.

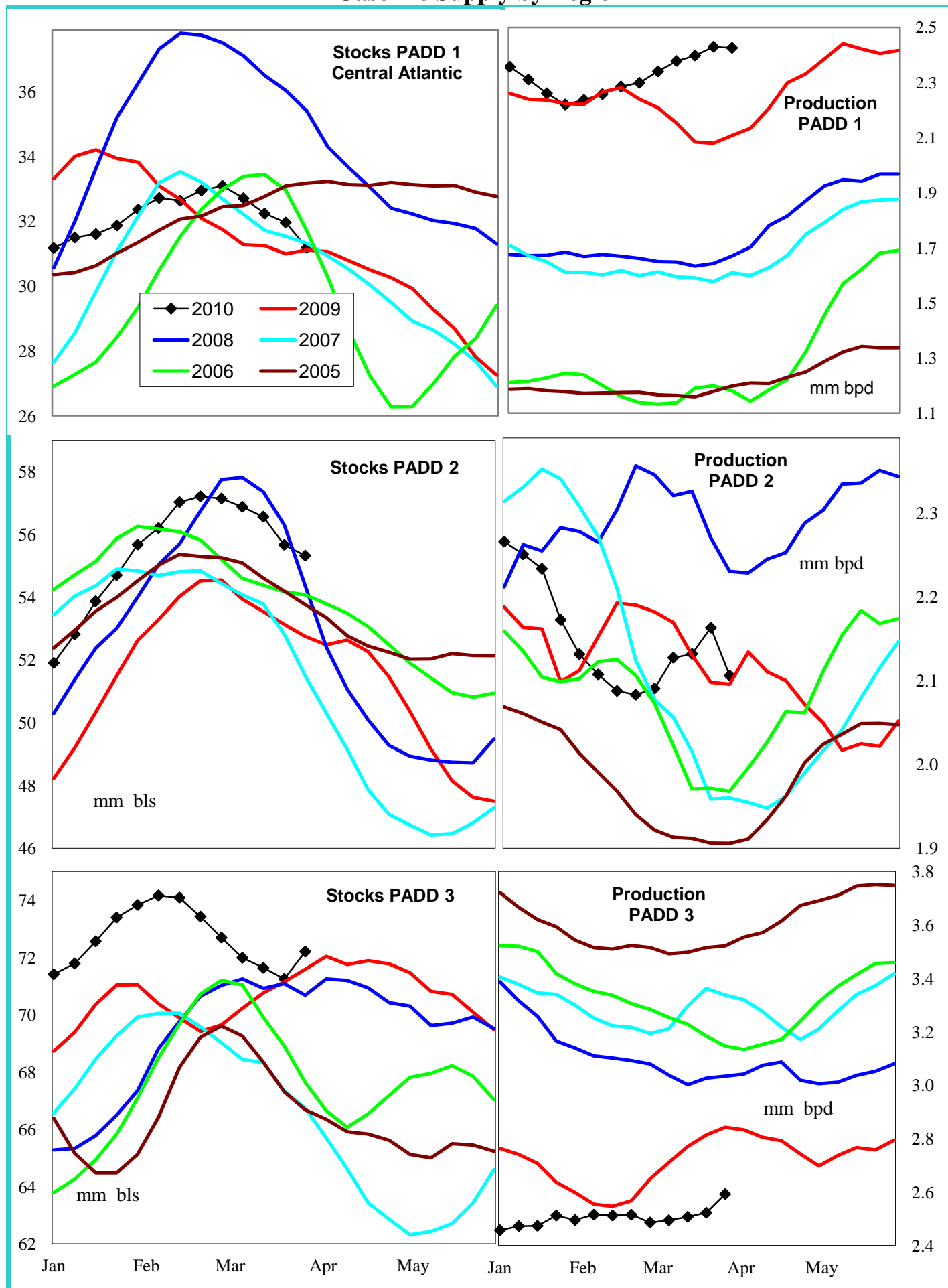
Gasoline Cash Basis and Related Price Spreads



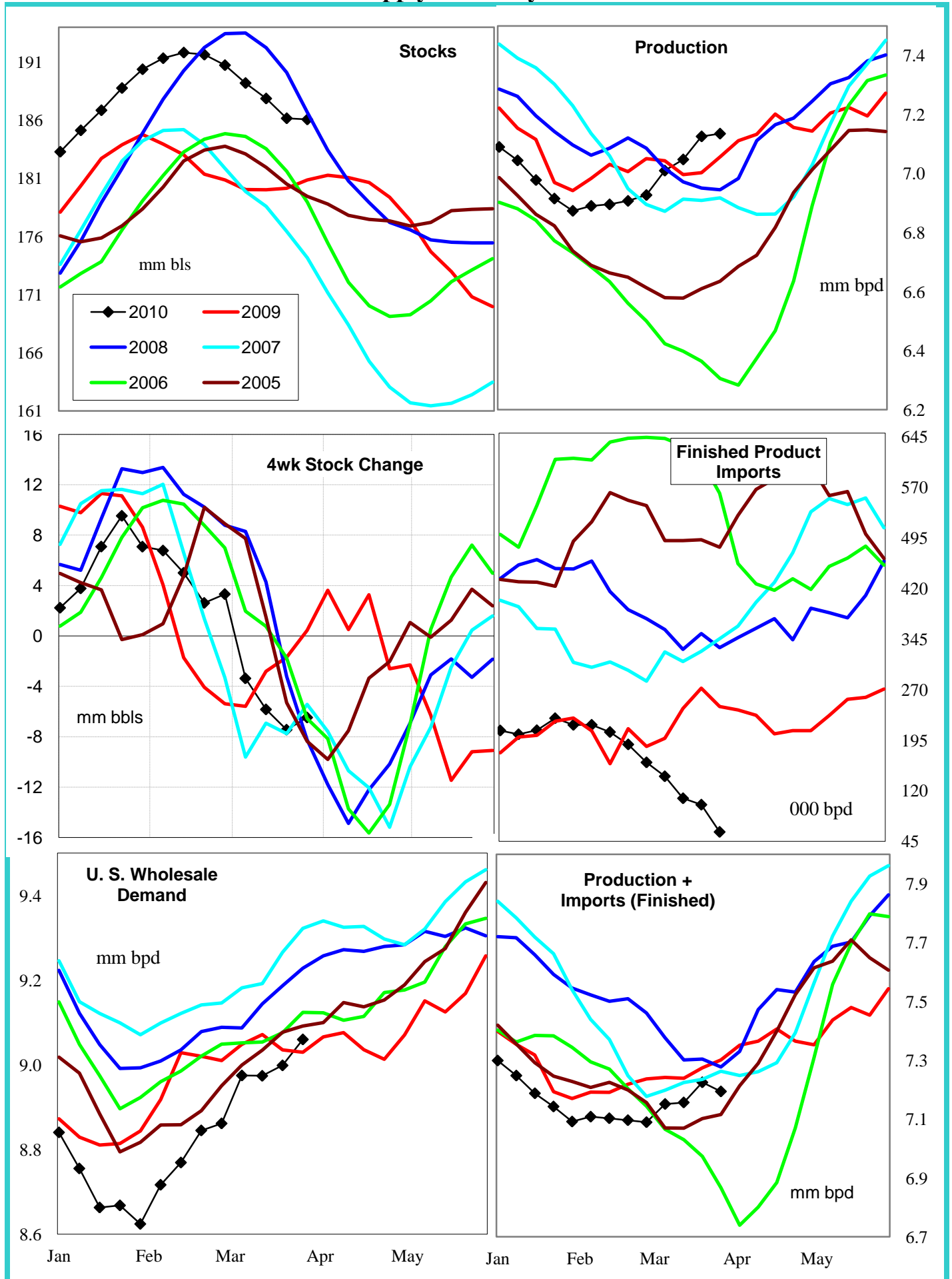
Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3



PADD 5 Gasoline Supply