
**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, April 14, 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		→	→

Wholesale demand increased +249,000 bpd last week, leading to a +476,000 bpd increase over the latest 4-wk period. Inclement weather in February was replaced with unusually warm temperatures during the last 4-wks. Economic growth has also supported higher demand during this period.

Production increased +156,000 bpd on the week, to a new 5-yr high for the period. Imports fell -185,000 bpd to a new record low level.

The latest 4-wk average supply was +47,000 bpd above a year ago. This compares to the latest demand that was +89,000 bpd above last year.

Stocks decreased -1 million barrels on the week. Stock levels in all major markets other than PADD 1 are at record highs for this time of year. The latest 4-wk stock draw East of the Rockies was -4.8 million barrels, less than four of the last five years. East of the Rockies, supply has increased to the upper end of the historic range for the period.

Cash basis extended the recent weakness in all markets other than Chicago. Basis levels remain extremely low.

The gasoline supply balance should improve in regions outside of PADD 1 over the next 60-days. Poor refining gasoline refining margins and the switch from high to low RVP grades should limit further increases in supply. Demand should increase both seasonally and relative to the historic range.

Expect basis to move broadly higher during the next 30-days; limited by an ongoing relatively tight supply in the Central Atlantic and New England Regions of PADD 1 on low imports.

RBOB

New York Harbor basis to trend higher on increased demand and tightening supply.

Gulf Coast basis to strengthen on higher demand and flat production.

West Coast (Los Angeles) basis to trend higher on a seasonal decline in output and higher demand.

Conventional

New York Harbor basis to trend higher on increased demand and tightening supply

Chicago basis to strengthen further on supply limitations and increased demand.

Group III basis to strengthen on increased seasonal demand.

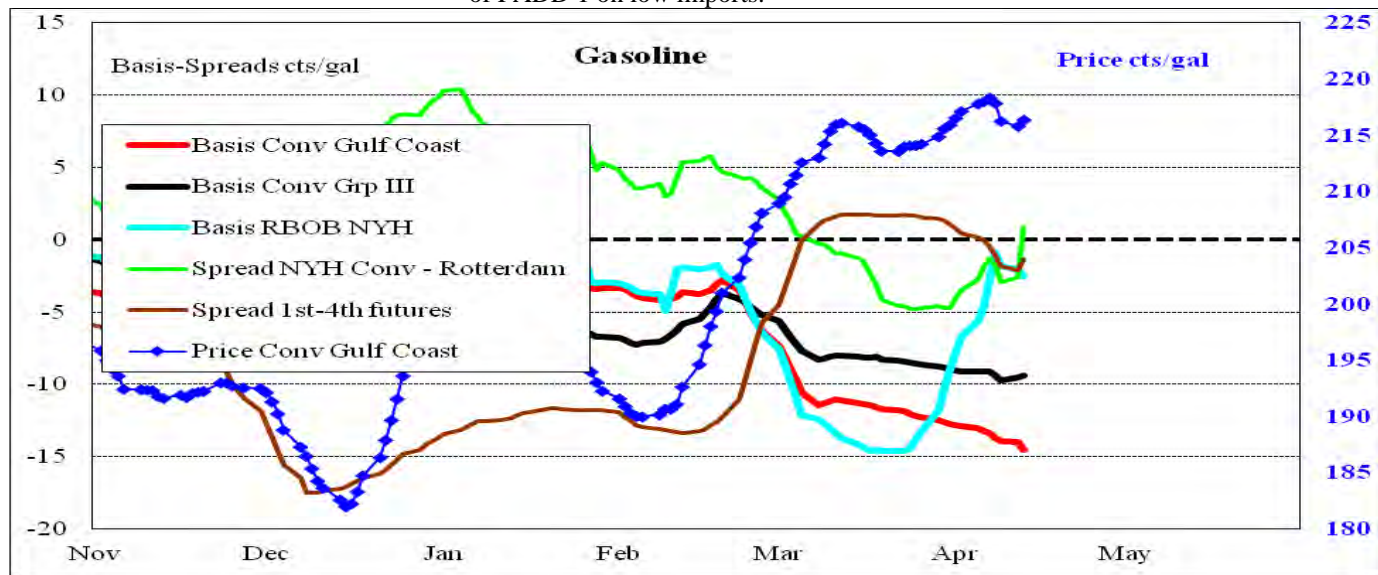
Gulf Basis basis to strengthen on higher demand and flat production.

West Coast (Los Angeles) basis to trend higher on a seasonal decline in output and higher demand.

Gulf Coast Price

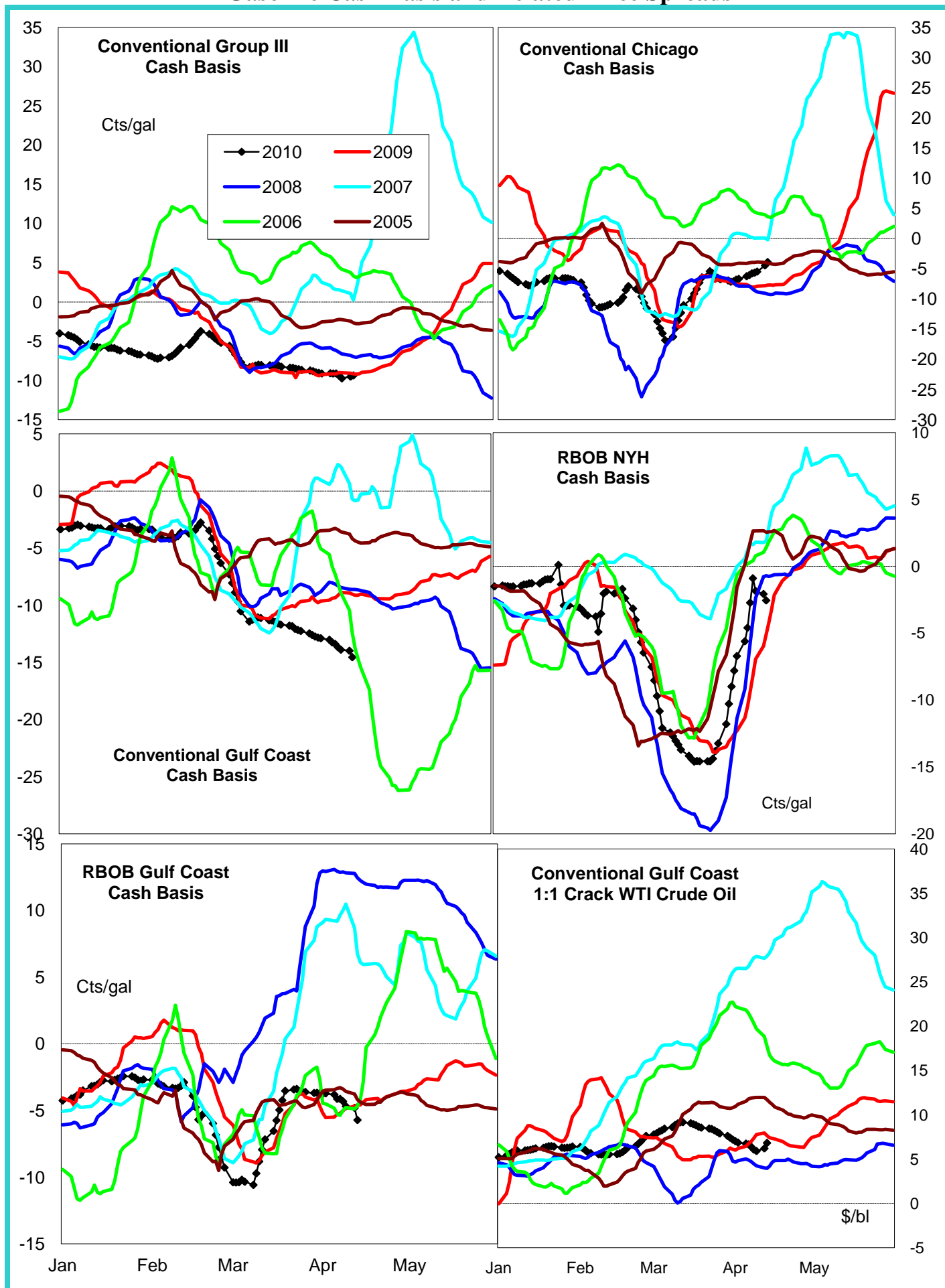
Production spiked in part do to refiners running up in process stocks following maintenance, so that the current levels are at a high for the 2nd quarter. Demand has surged in two of the last three weeks, which points to strength in the economy, beyond a weather boost compared to late winter.

Expect gasoline supply balance to improve over the next 60-days, leading to strength in basis and processing margins.

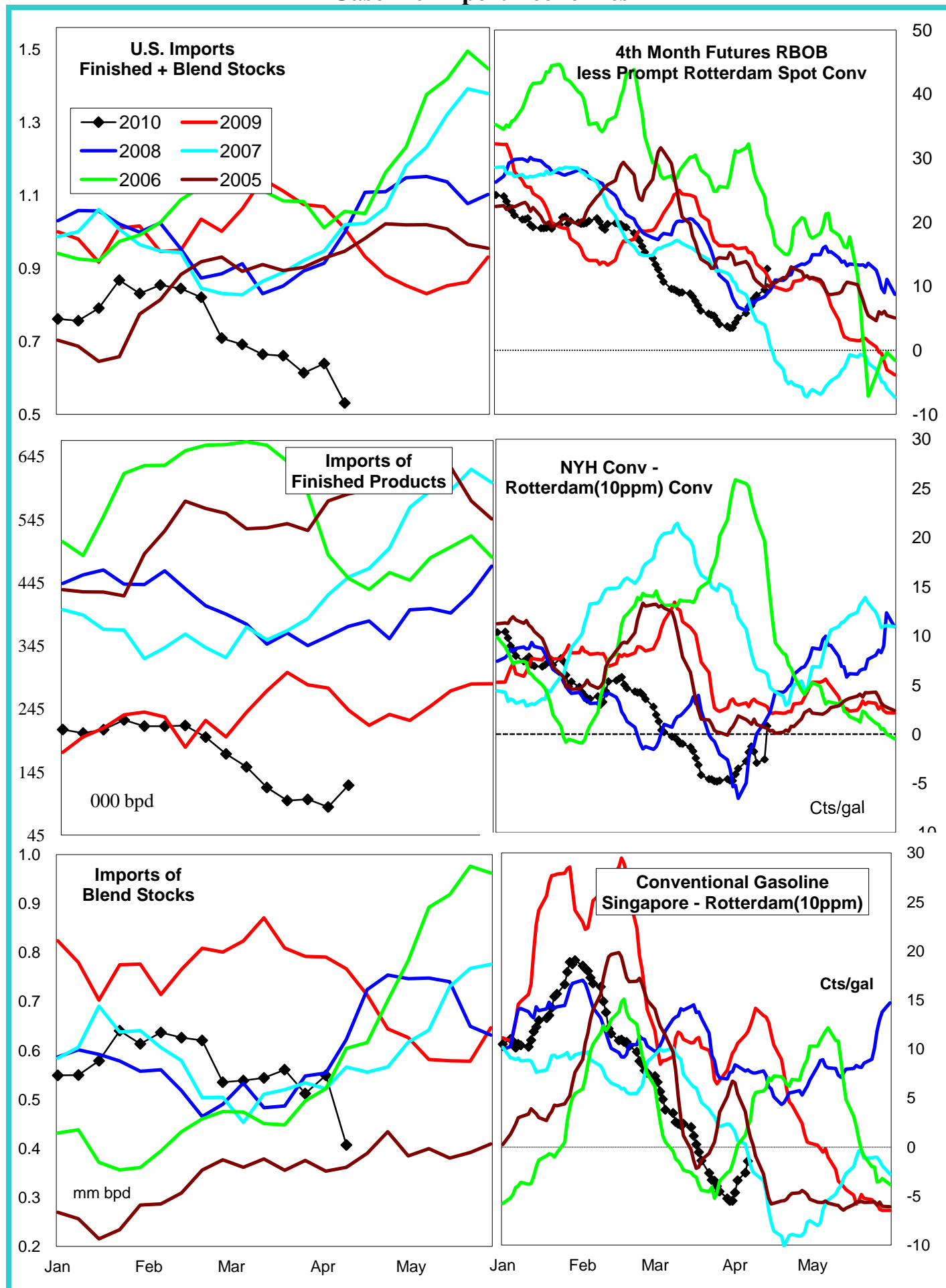


Disclaimer - The information contained on this website and in all its reports reflects the opinion of Fundamental Petroleum Trends. Futures and commodities trading involve significant risk and may not be suitable for every investor. Information contained herein is strictly the opinion of its author and 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.

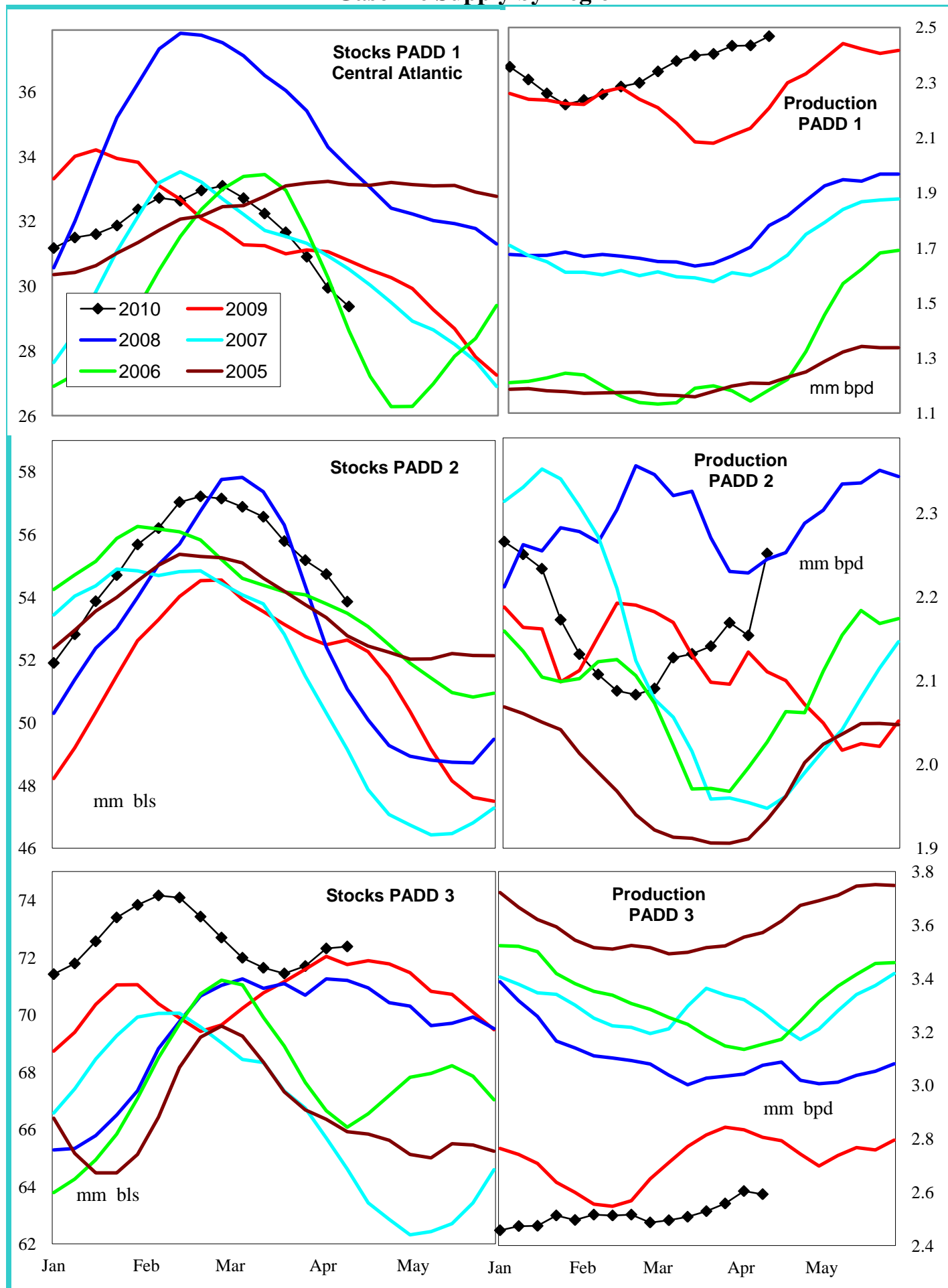
Gasoline Cash Basis and Related Price Spreads



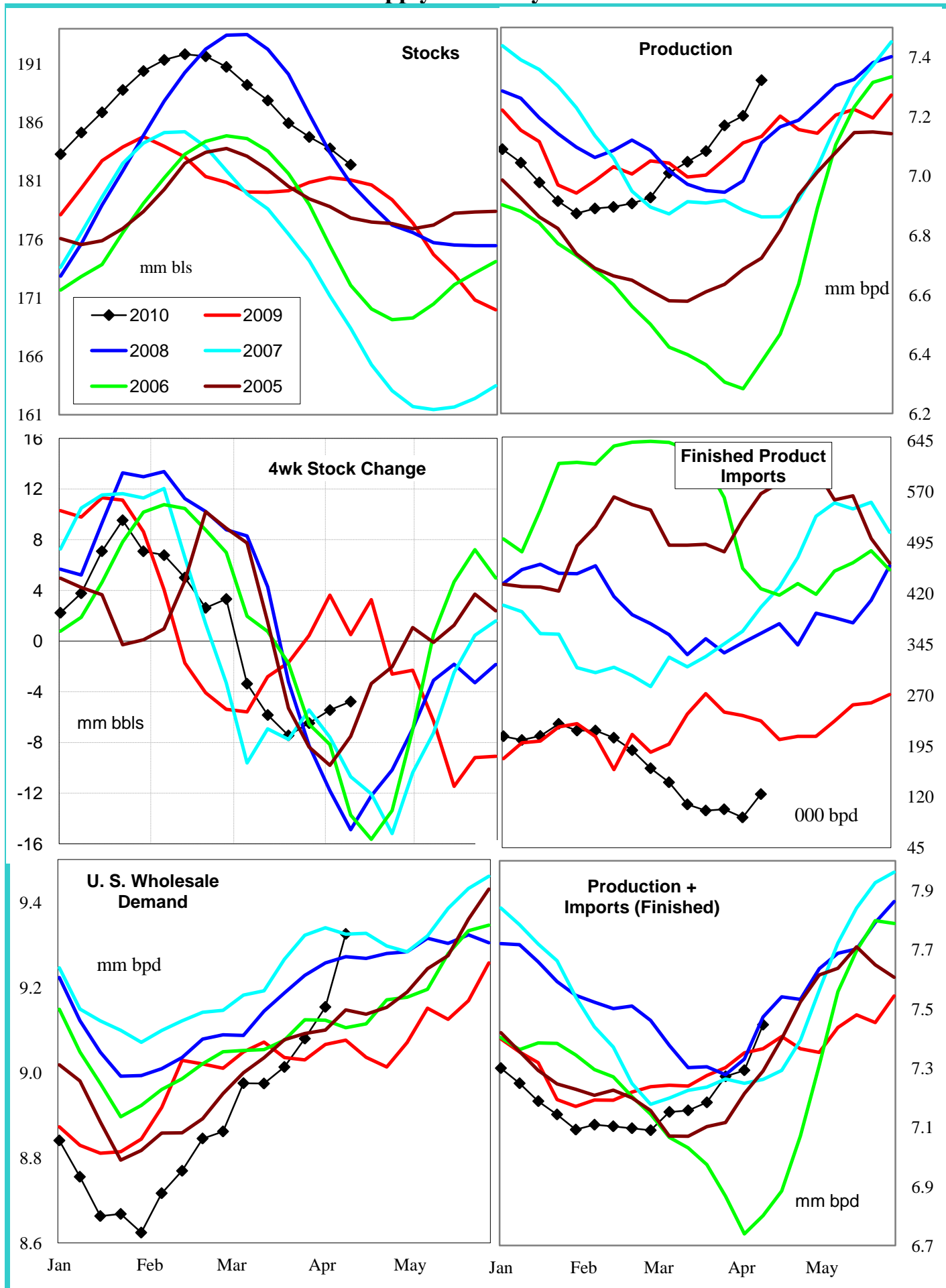
Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3



PADD 5 Gasoline Supply

