


**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 +138,000 bpd last week. Demand for the latest 4-wk period averaged +147,000 bpd ahead of last year. Demand has exhibited both

seasonal growth and increase compared to the 5-year range.

Production declined -191,000 bpd on the week, but remains above the historic range. Imports also increased +229,000 bpd on the week.

The latest 4-wk average supply was +214,000 bpd above a year ago.

Stocks decreased -1.2 million barrels on the week. Stock levels in all regional markets, except PADD 1, were above the 5-year range for the period. The latest 4-wk stock draw East of the Rockies was -2 million barrels, compared to draws of -14 million barrels in 3 of the last 5 years.

Cash basis trended lower in all markets east of the Rockies last week. Basis levels ended the week near record lows in most markets. West Coast basis trended higher but remains below the historic range.

Expect basis to remain weak in the near term across all markets on excess supplies. Rising imports to the East Coast should improve supply in that region and allow modest strength in basis for other regional markets late in the quarter.

**RBOB**

*New York Harbor* basis to trade sideways on increase imports.

*Gulf Coast* basis to trade sideways in the near term on excess supply, then higher as the East Coast supply improves.

*West Coast (Los Angeles)* basis to remain weak on increased supply.

**Conventional**

*New York Harbor* basis to trade sideways on increased imports.

*Chicago basis* to remain weak on high levels of supply in the near term, then strength as PADD 1 supply improves.

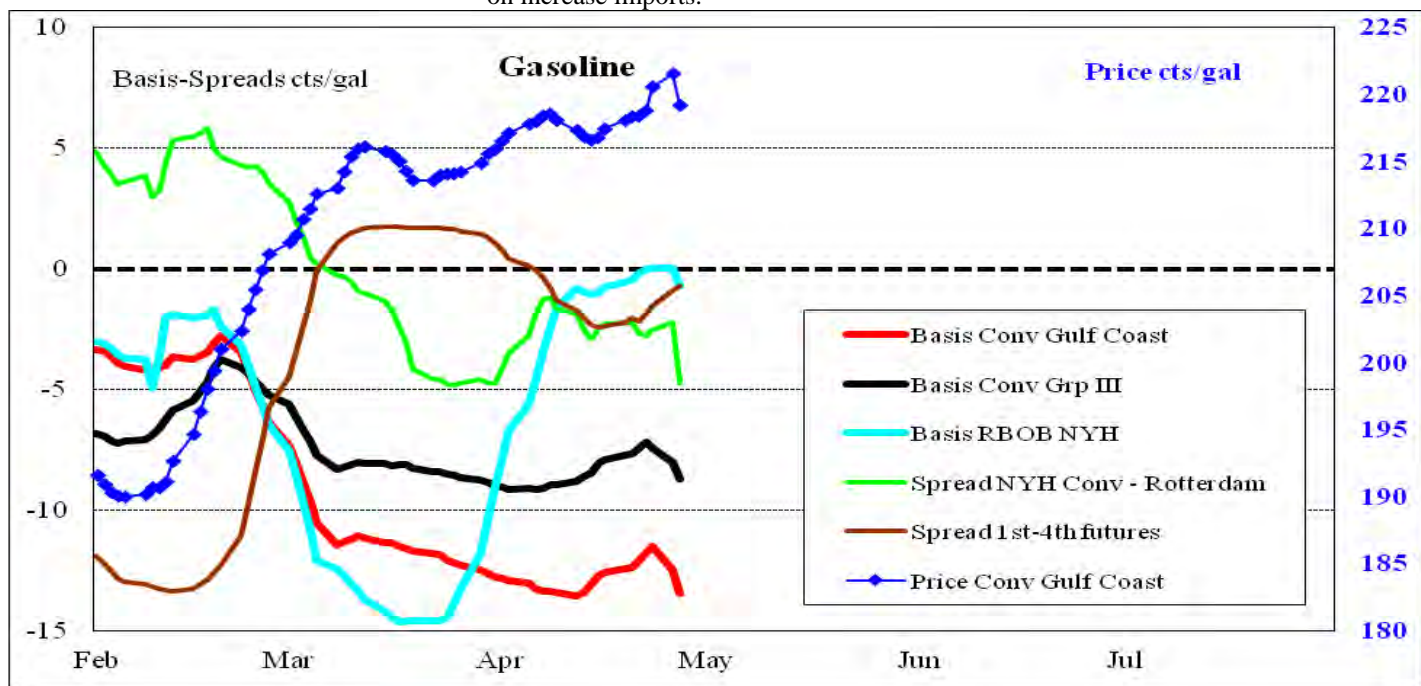
*Group III* basis to remain weak on high levels of supply in the near term, then strength as PADD 1 supply improves.

*Gulf Basis* basis to trade sideways in the near term on excess supply, then higher as the East Coast supply improves.

*West Coast (Los Angeles)* basis to remain weak on increased supply.

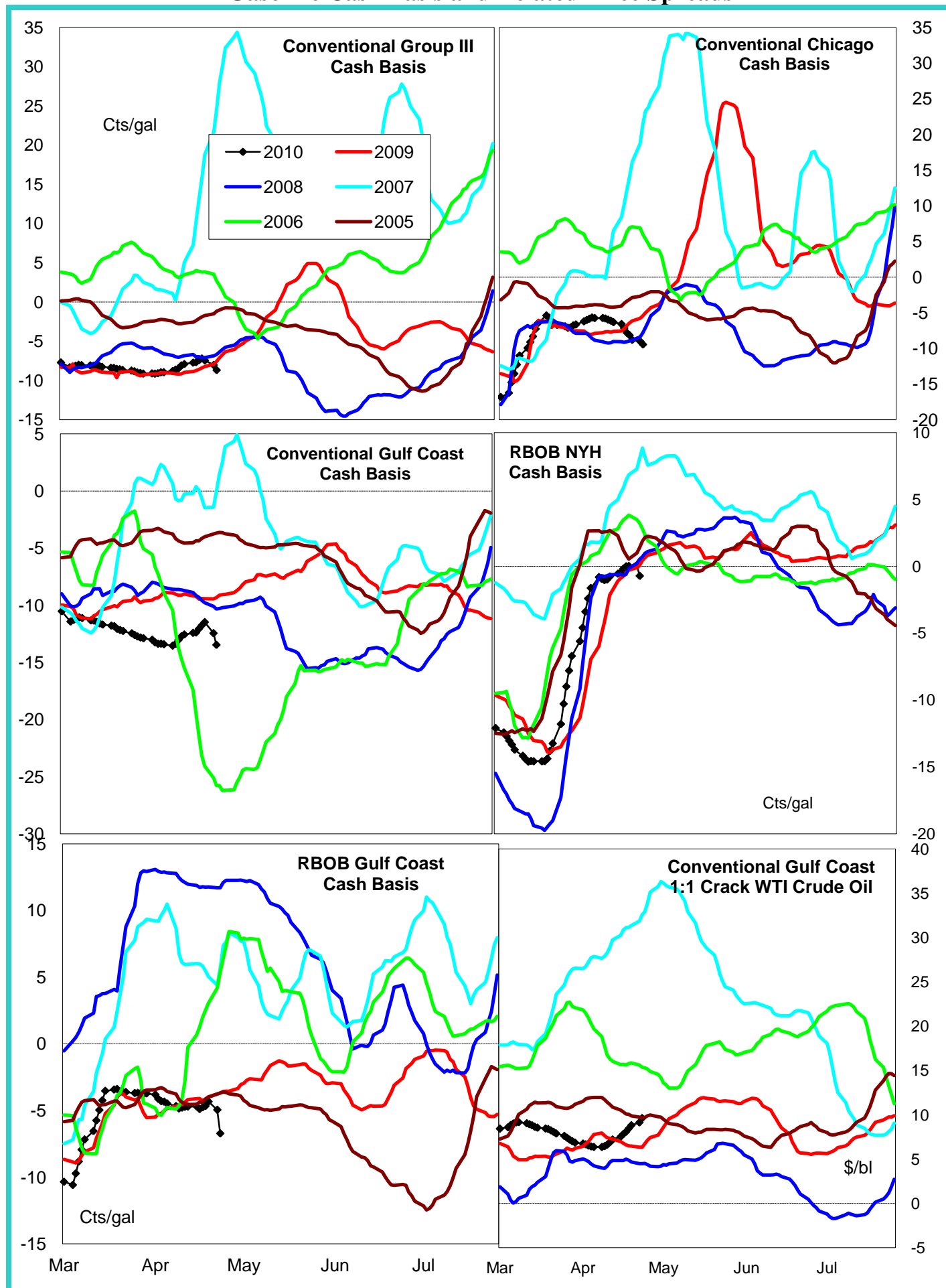
**Gulf Coast Price**

There is too much gasoline in nearly every regional market. The exception is PADD 1; however, increasing imports should improve supplies ahead of peak summer demand. There is a significant risk of a price pull back during the next 60-days. Unlike the distillate markets, the U.S. gasoline market is not driven by global gasoline demand growth.

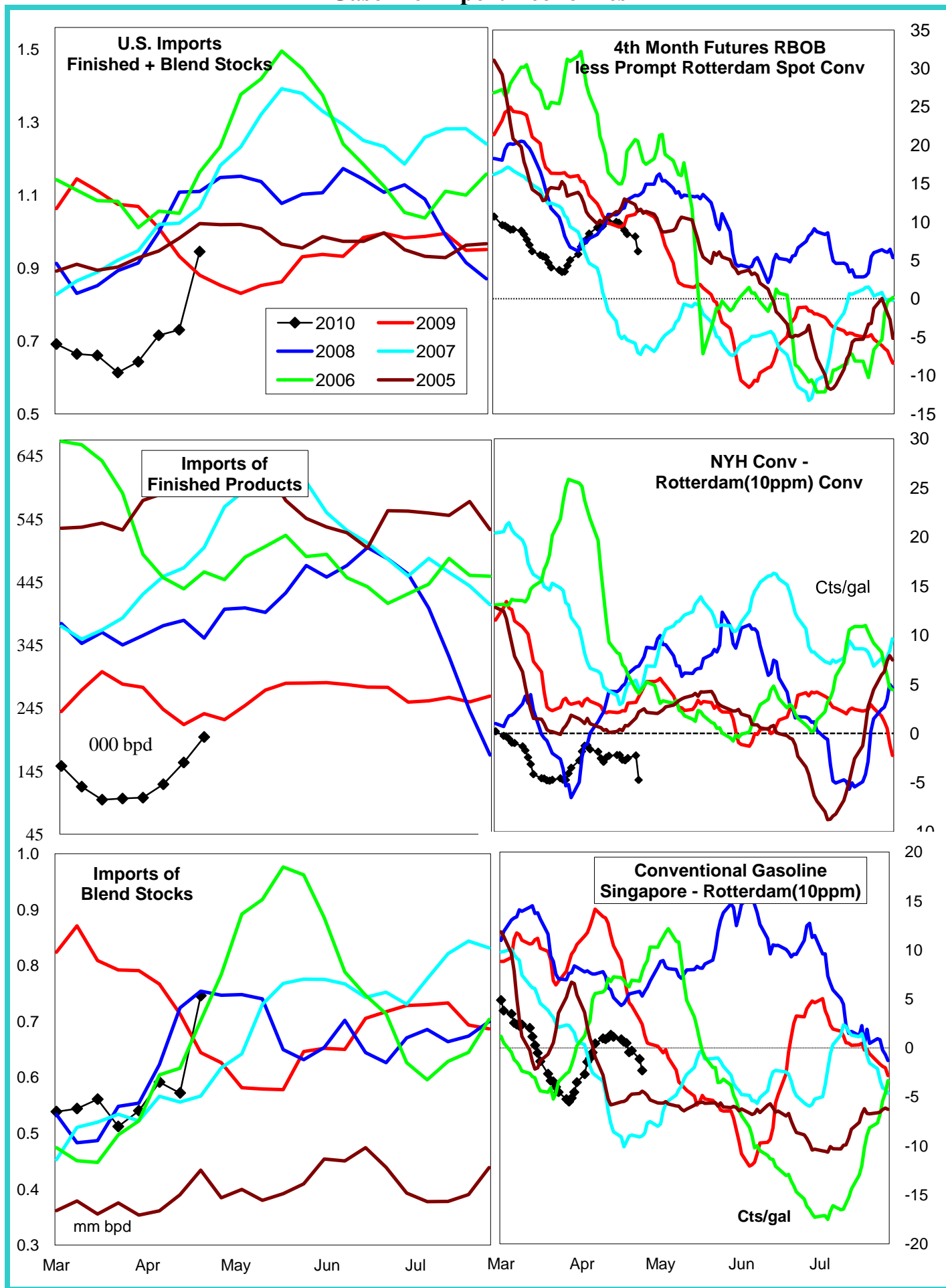


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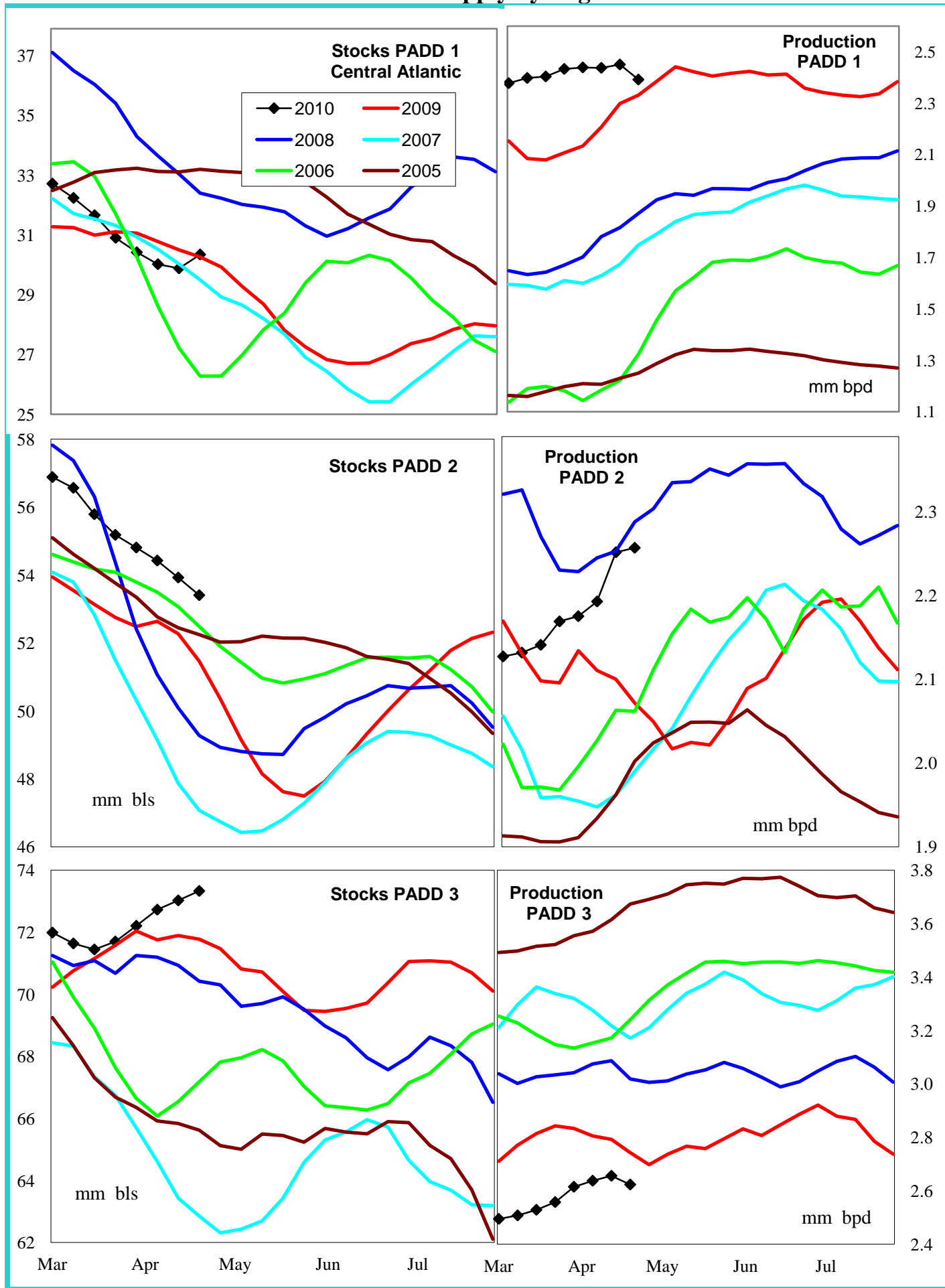
# Gasoline Cash Basis and Related Price Spreads



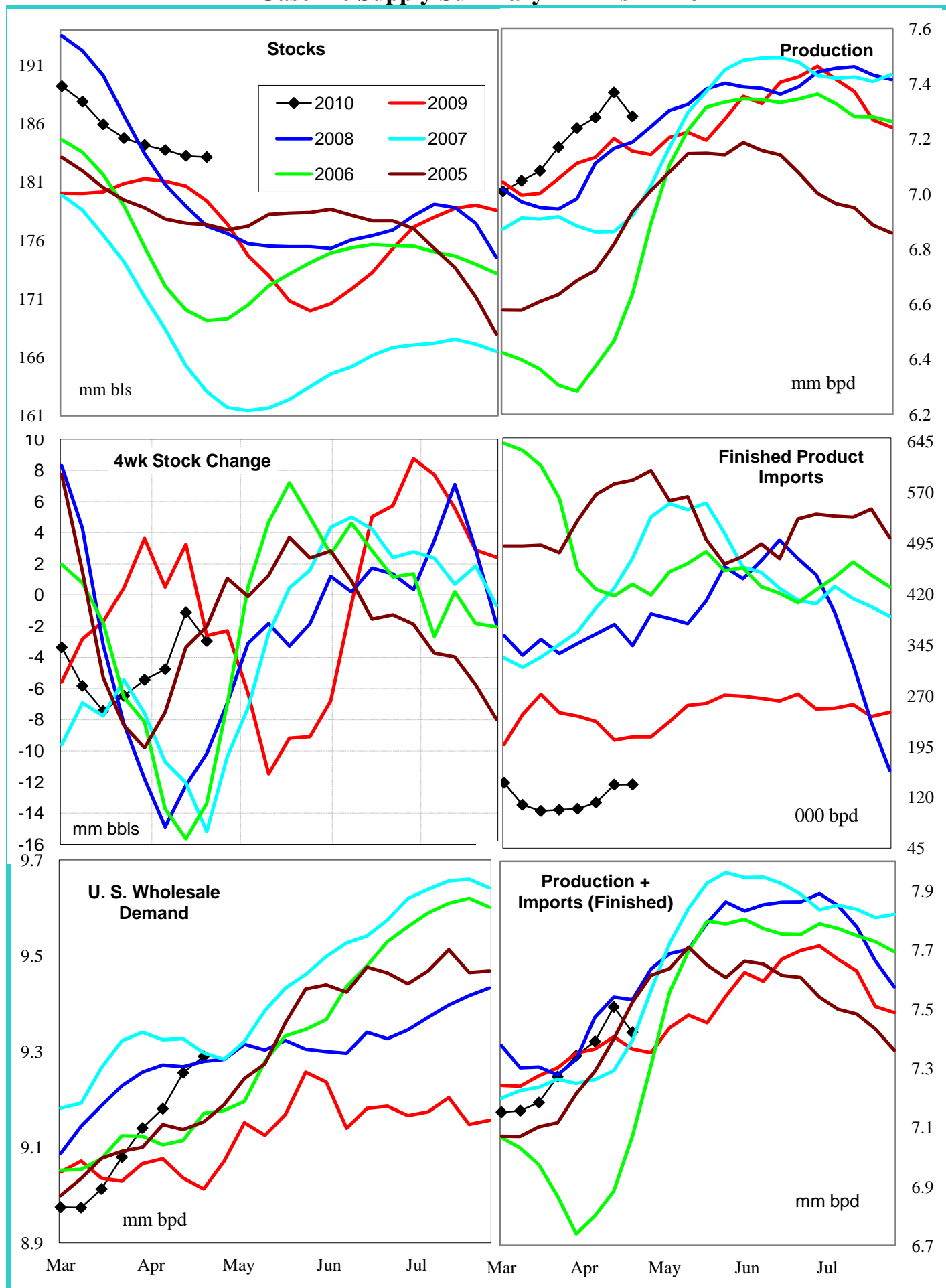
# Gasoline Import Economics



## Gasoline Supply by Region



# Gasoline Supply Summary PADDs 1+2+3



# PADD 5 Gasoline Supply

