


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

 Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Thursday, August 05, 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 decreased -155,000 last week. Demand remains robust, at the mid range of pre recession levels. The latest 4-wk average year-over-year increase of

+2.3% was the most robust growth since the beginning of the recession.

Production decreased -75,000 bpd, but remains above the 5-year range. Blend stock imports increased +151,000 bpd to a new all time high.

The latest 4-wk average supply was +168,000 bpd above last year.

Record demand was offset by record levels of production, leading to a +0.7 million barrel counter seasonal stock build. The latest 4-wk stock change East of the Rockies was +4.8 million barrel build, a record build for the period.

Cash basis was broadly lower on the week, recognizing the roll to September futures. Basis levels ended the week at the low end of the historic range for NYH and Gulf markets, with the midwest at the mid range. After an earlier pull back, West Coast basis strengthened late in the week.

Stock levels remain extremely high in the Gulf and southeast. Imports to the Central Atlantic region and production in the midwest are offsetting slightly lower relative stock levels. These markets are all very oversupplied. Production is now above the last 2-years on the West Coast.

RBOB

New York Harbor basis to trade at the low end of the historic range on very high imports.

Gulf Coast basis to trade sideways / lower on extreme over supply.

West Coast (Los Angeles) basis to trend lower as process units return to operation and imports arrive.

Conventional

New York Harbor basis to trade at the low end of the historic range on high imports.

Chicago basis to trend lower on high production and increased receipts from the Gulf.

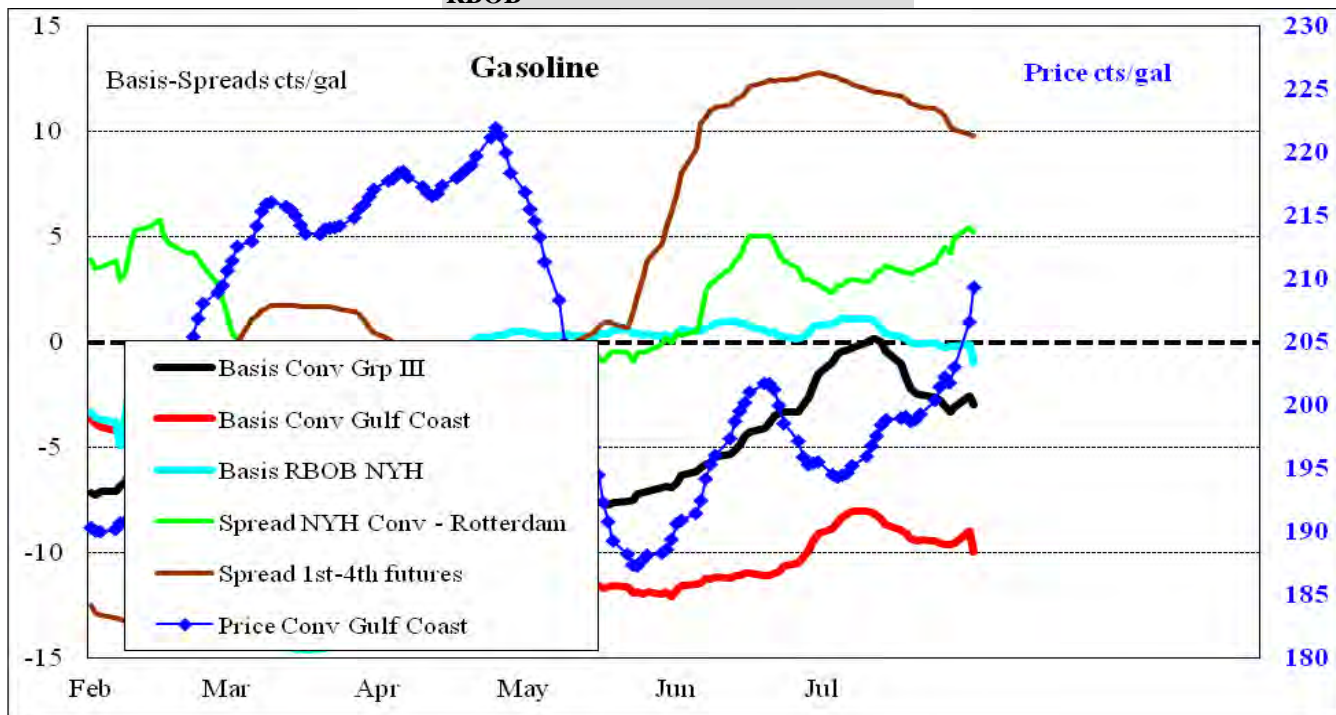
Group III basis to trend lower on high production and increased receipts from the Gulf.

Gulf Basis is to trend lower on extreme over supply

West Coast (Los Angeles) to trend lower as process units return to operation and imports arrive.

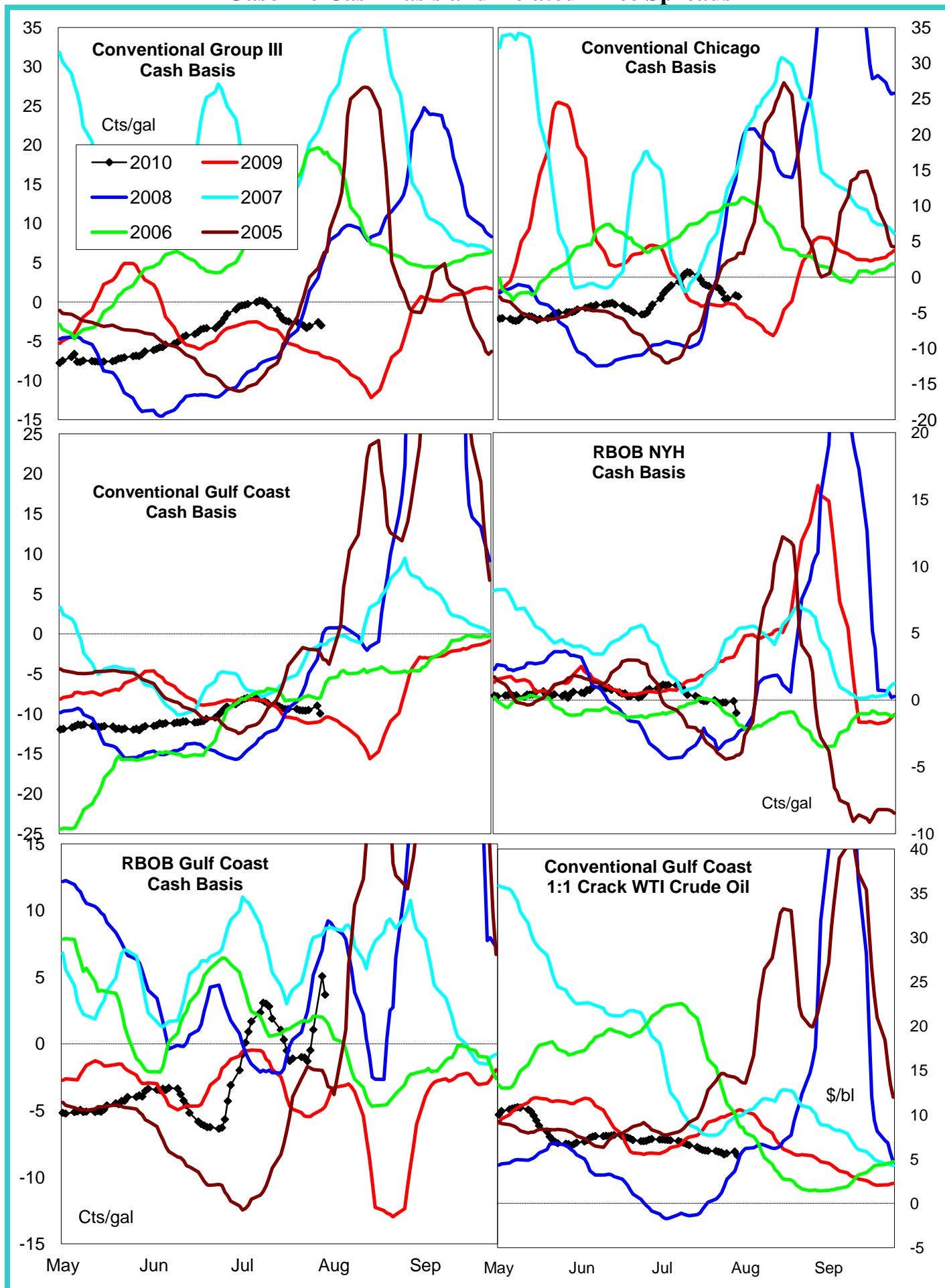
Gulf Coast Price

Stocks continue to build to new record levels during the peak summer driving season points to the extreme over supply. Expect weakness in prices on excess supply during the balance of the month.

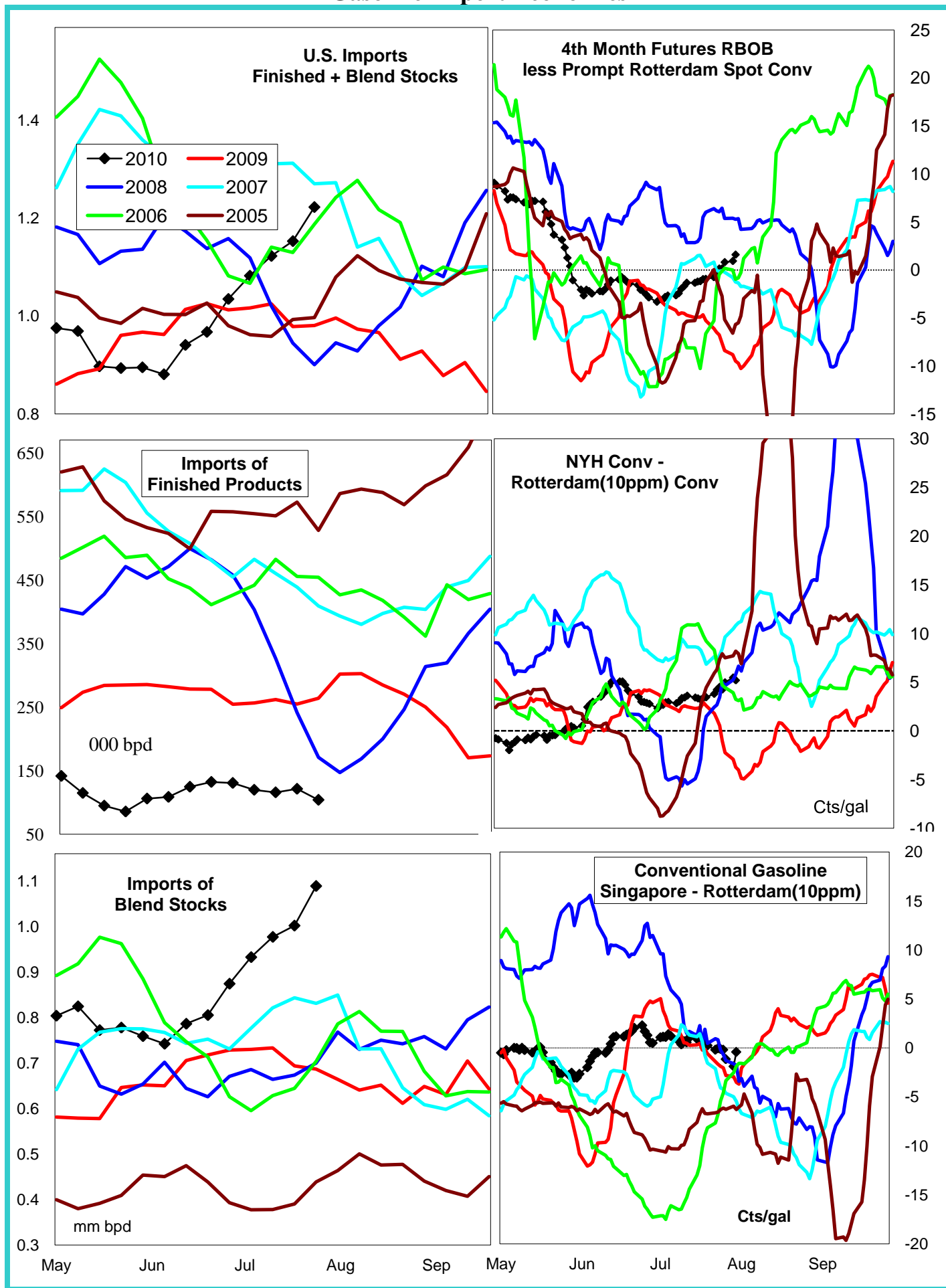


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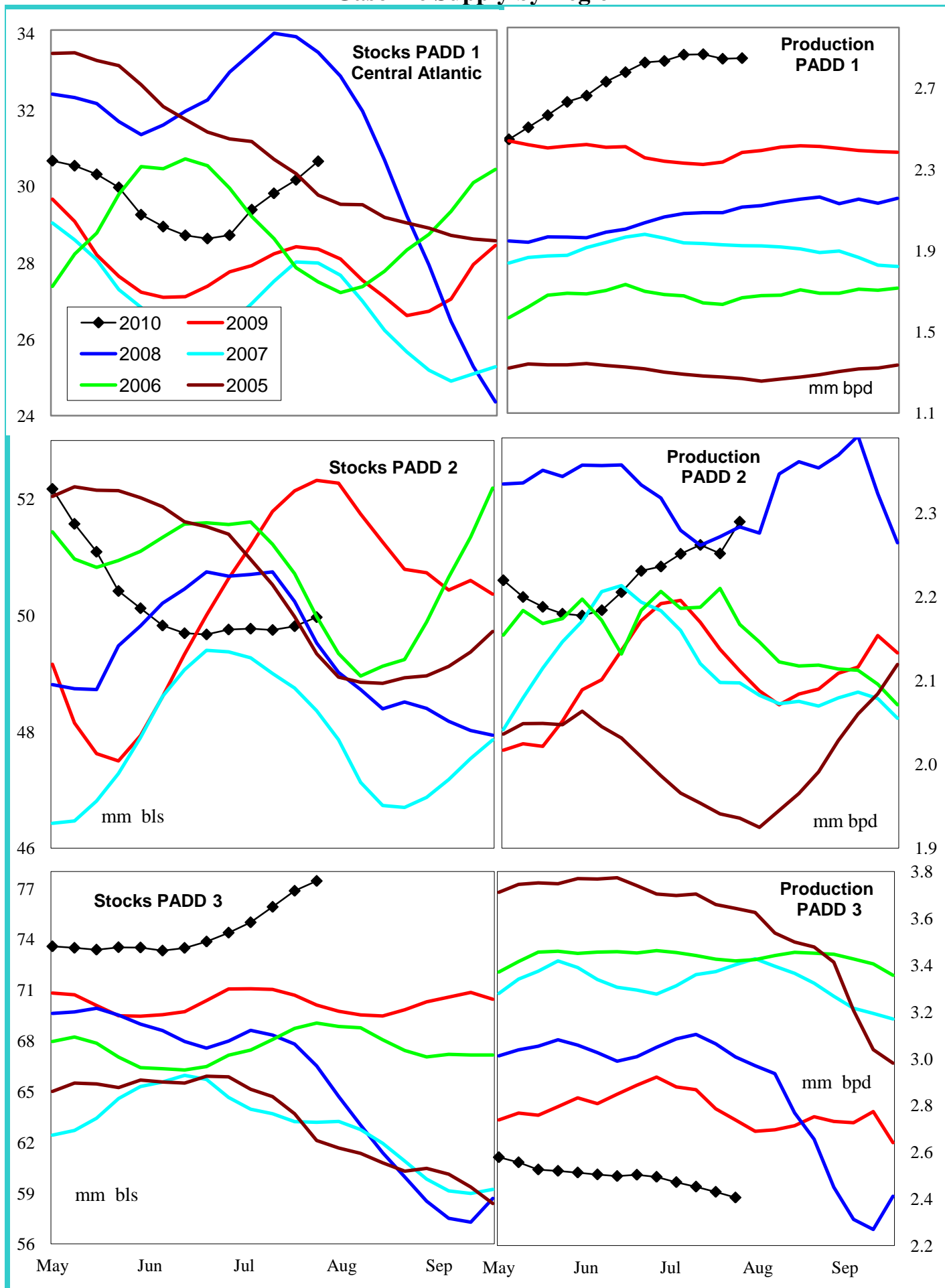
Gasoline Cash Basis and Related Price Spreads



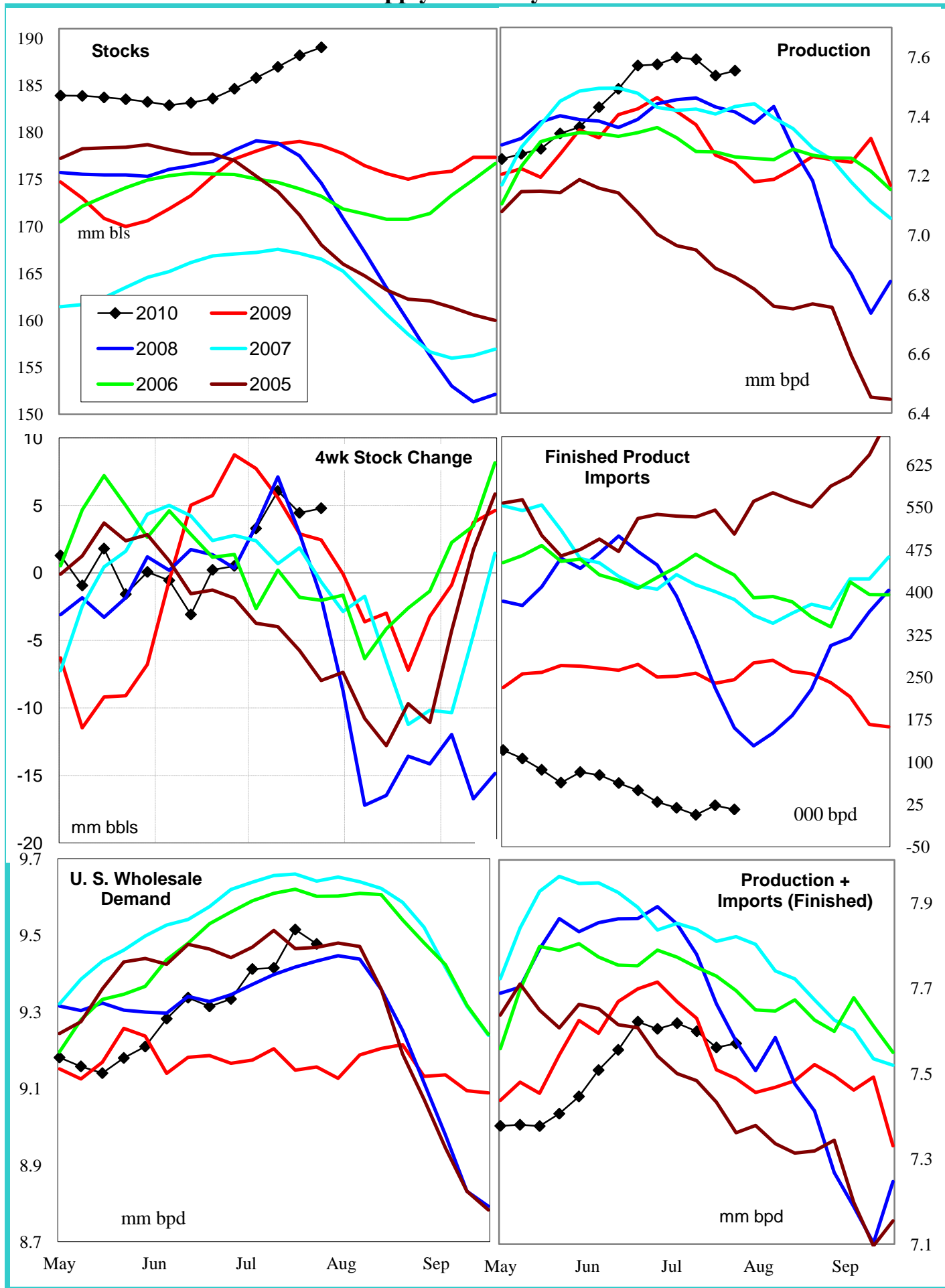
Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3



PADD 5 Gasoline Supply

