


**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 +11,000 bpd last week. Monthly EIA data show ethanol blending was under estimated in prior years so that year-on-year growth in 2010 was less than indicated in the weekly data. The latest 4-wk average

demand was +179,000 bpd above last years' record low level.

Production declined -141,000 bpd, with the level still above the historic range. Imports decreased -268,000 bpd to the mid range.

The latest 4-wk average supply was +110,000 bpd above last year.

High production offset peak seasonal demand leaving stocks nearly unchanged on the week. Stocks increased +1.3 million barrels in PADD 1. The latest 4-wk stock change East of the Rockies was a +1.3 million barrel build, compared to an average -8 million barrel draw for this time of year.

Cash basis for all grades trended higher in markets East of the Rockies last week. West Coast basis extended the longer term downtrend. Imports to the West Coast are contributing to the downtrend.

Basis levels in most market East of the Rockies remain at/below the mid range. Levels on the West Coast slipped to the low end of the historic range.

Extreme over supply in the Central Atlantic Region of PADD 1 has allowed basis in other markets to strengthen on end of season purchases. Look for near term basis weakness on an end to peak summer demand and change to fall specification, followed by strength as fall maintenance

reduces supply and the oversupply on the East Coast.

#### RBOB

**New York Harbor** basis to trend lower after end of season demand and extremely high supply.

**Gulf Coast** basis to reverse recent uptrend after end of season demand, then higher on start of fall maintenance

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

#### Conventional

**New York Harbor** basis to trend lower after end of season demand and extremely high supply..

**Chicago basis** to pull back after end of season demand, then show strength on above normal FCCU maintenance.

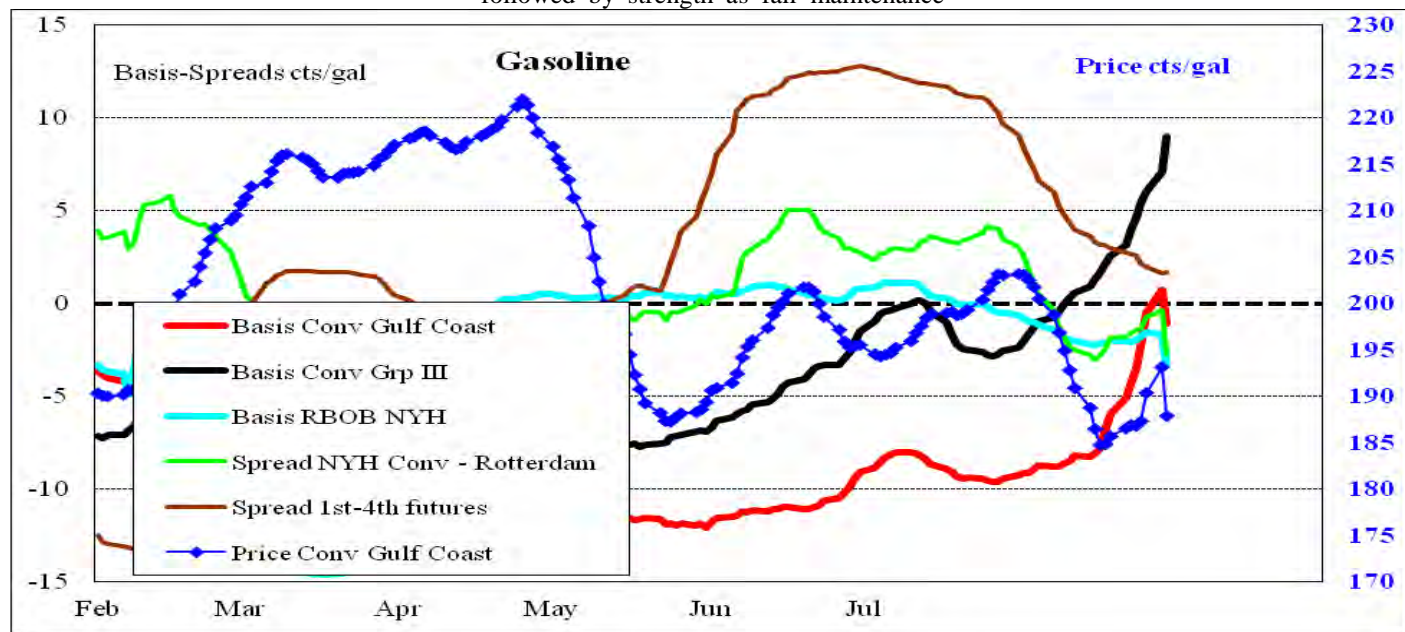
**Group III** to pull back after end of season demand, then show strength on above average maintenance.

**Gulf Basis** is to reverse recent uptrend after end of season demand, then higher on start of fall maintenance

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

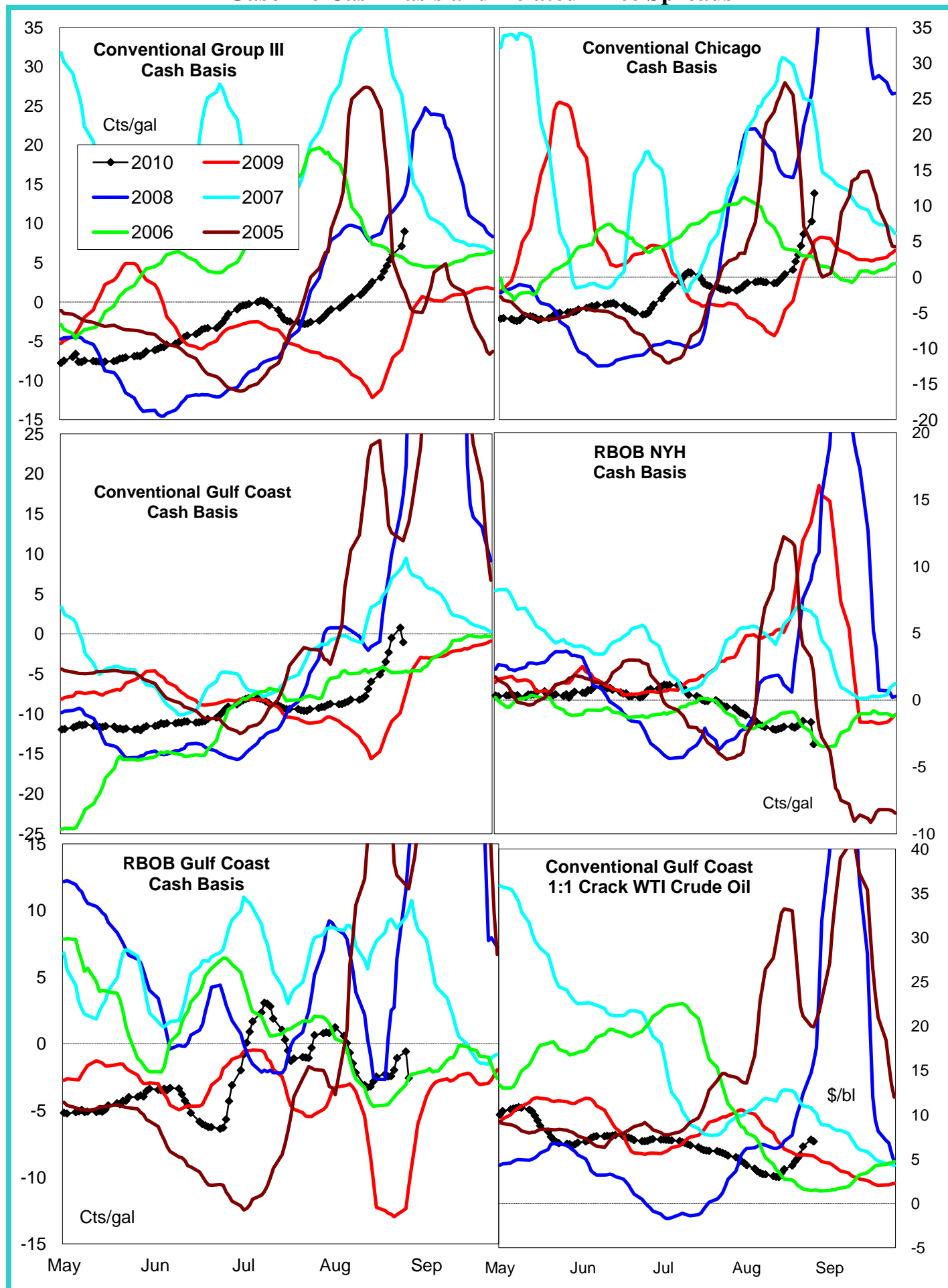
#### Gulf Coast Price

Exceptional over supplies in PADDs 1 and 3 combined with lower seasonal demand should depress prices into fall maintenance season.

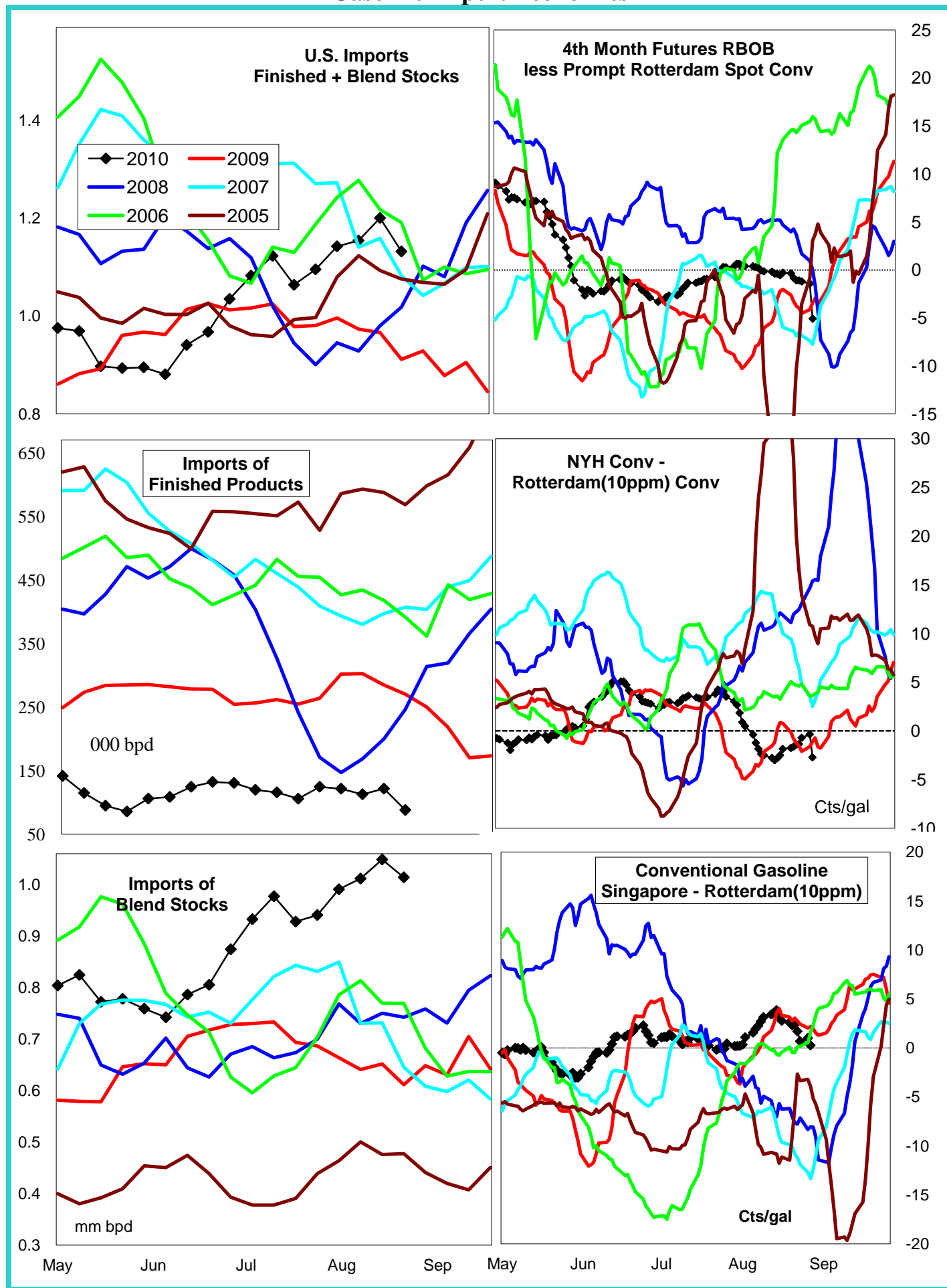


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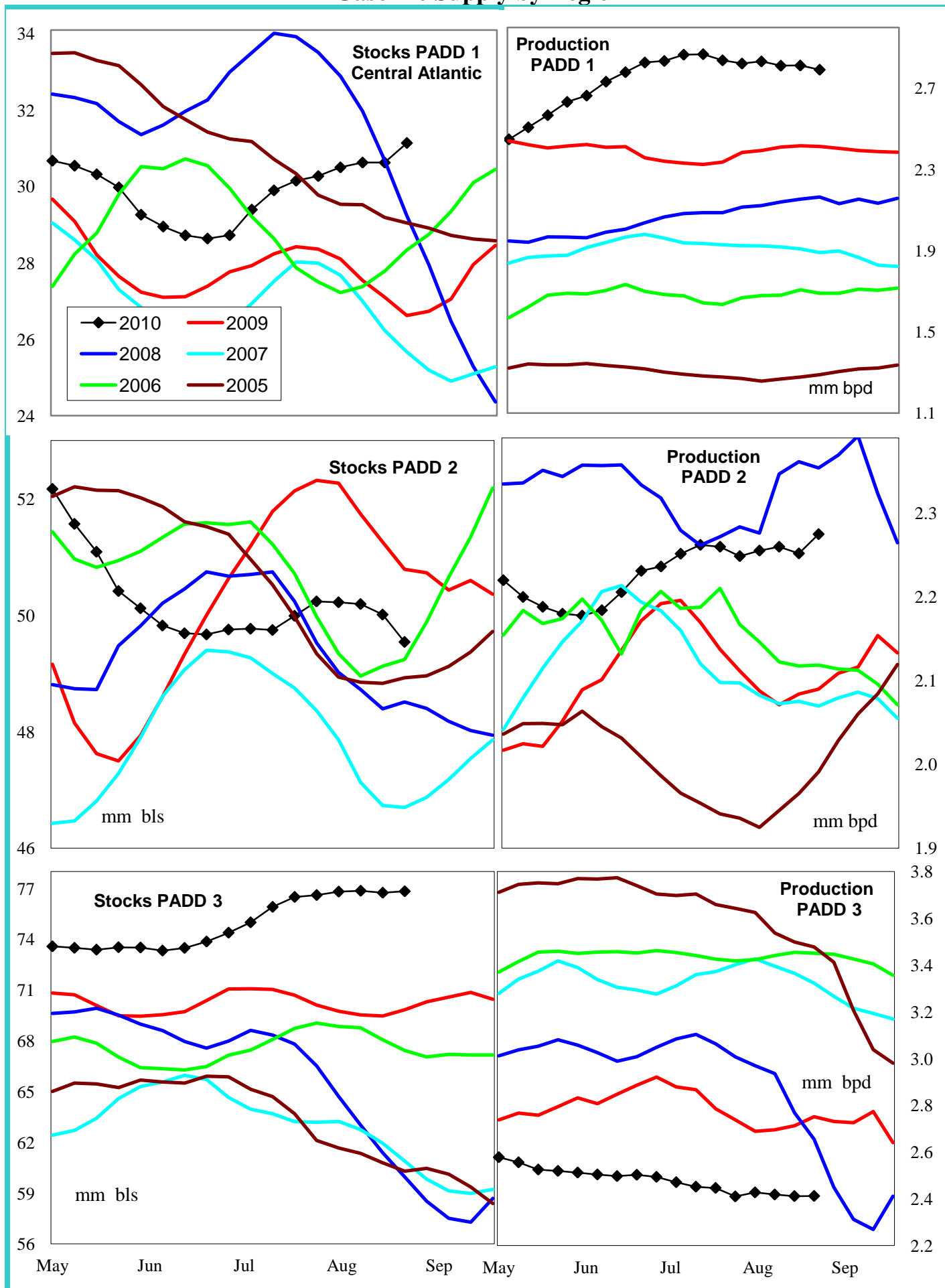
# Gasoline Cash Basis and Related Price Spreads



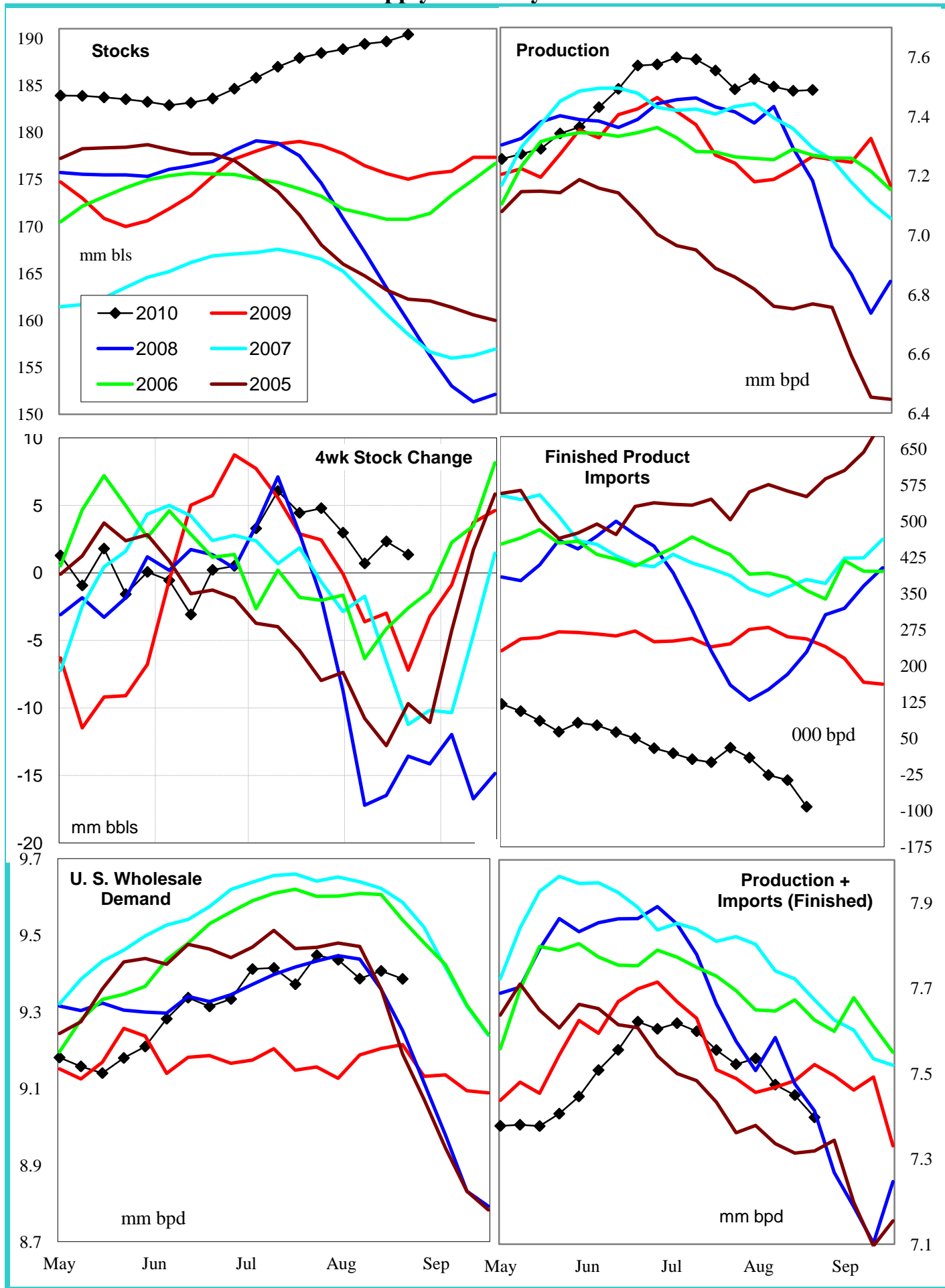
## Gasoline Import Economics



# Gasoline Supply by Region



# Gasoline Supply Summary PADDs 1+2+3





# PADD 5 Gasoline Supply

