


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

 Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Friday, September 10, 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 -123,000 bpd last week with the beginning of end of summer seasonal downtrend. The latest 4-wk average demand was +103,000 bpd above last year.

Production declined -67,000 bpd, with the level still above the historic range. Imports decreased -59,000 bpd to the mid range.

The latest 4-wk average supply was -7,000 bpd below last year.

Stocks decreased -0.2 million barrels on continued high production. The latest 4-wk stock change East of the Rockies was a draw of -0.2 million barrels, the lowest draw of the past 5-years for the period.

Cash basis trended higher across nearly all markets East of the Rockies last week. The increase was due in part to the roll from September to October futures, an over supplied Central Atlantic Region in PADD 1 and heavy buying by refiners in the midwest ahead of fall maintenance.

Basis levels in most market East of the Rockies reached the mid range or higher.

West Coast basis was nearly unchanged on the week, at the low end of the historic range. Record imports offset lower production and lifted stock levels to near 5-year highs.

A seasonal slowdown in demand and the switch to fall grades should lead to lower basis in East and Gulf Coast

markets. Fall maintenance in the midwest should support basis in the Group and Chicago.

RBOB

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

Gulf Coast basis to trend lower as seasonal demand slows.

West Coast (Los Angeles) basis to trend lower on high imports and increased production.

Conventional

New York Harbor basis to trend lower on reduced seasonal demand and excess supply.

Chicago basis to remain at above average level on larger than normal FCCU maintenance.

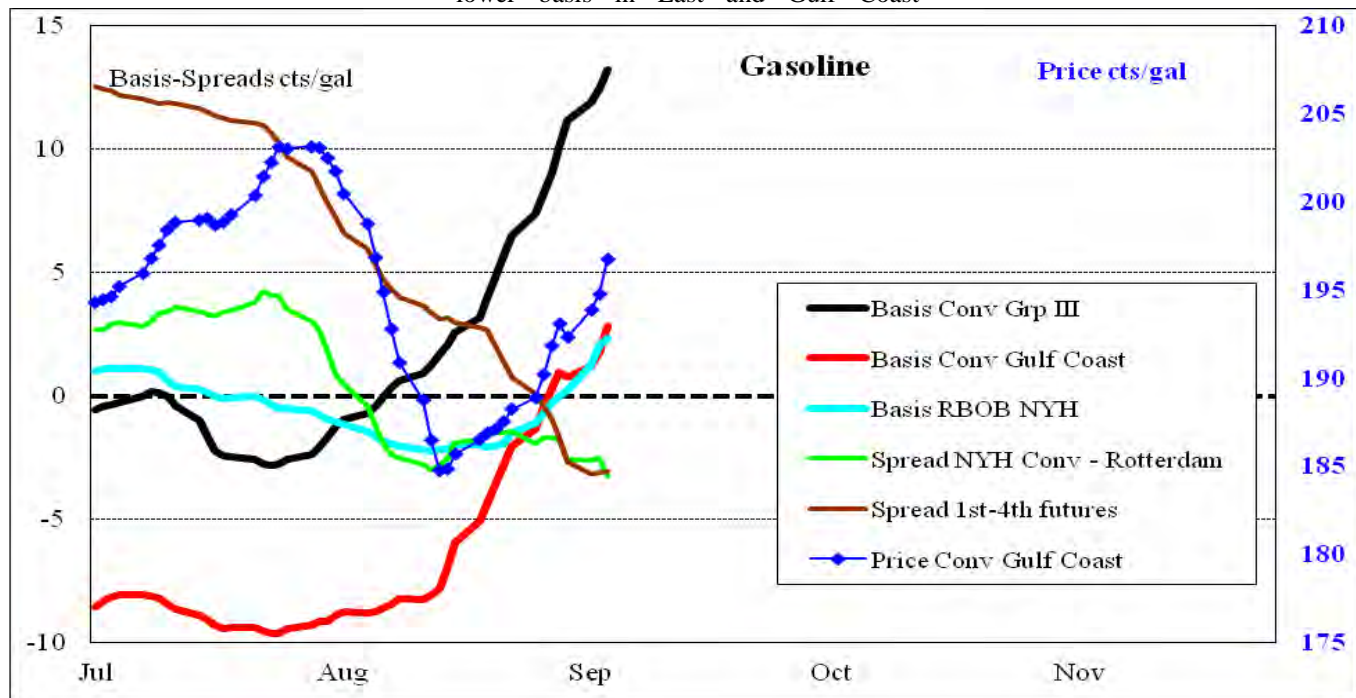
Group III to remain at above average level on larger than normal maintenance.

Gulf Basis is to trend lower as seasonal demand slows.

West Coast (Los Angeles) to trend lower on high imports and increased production.

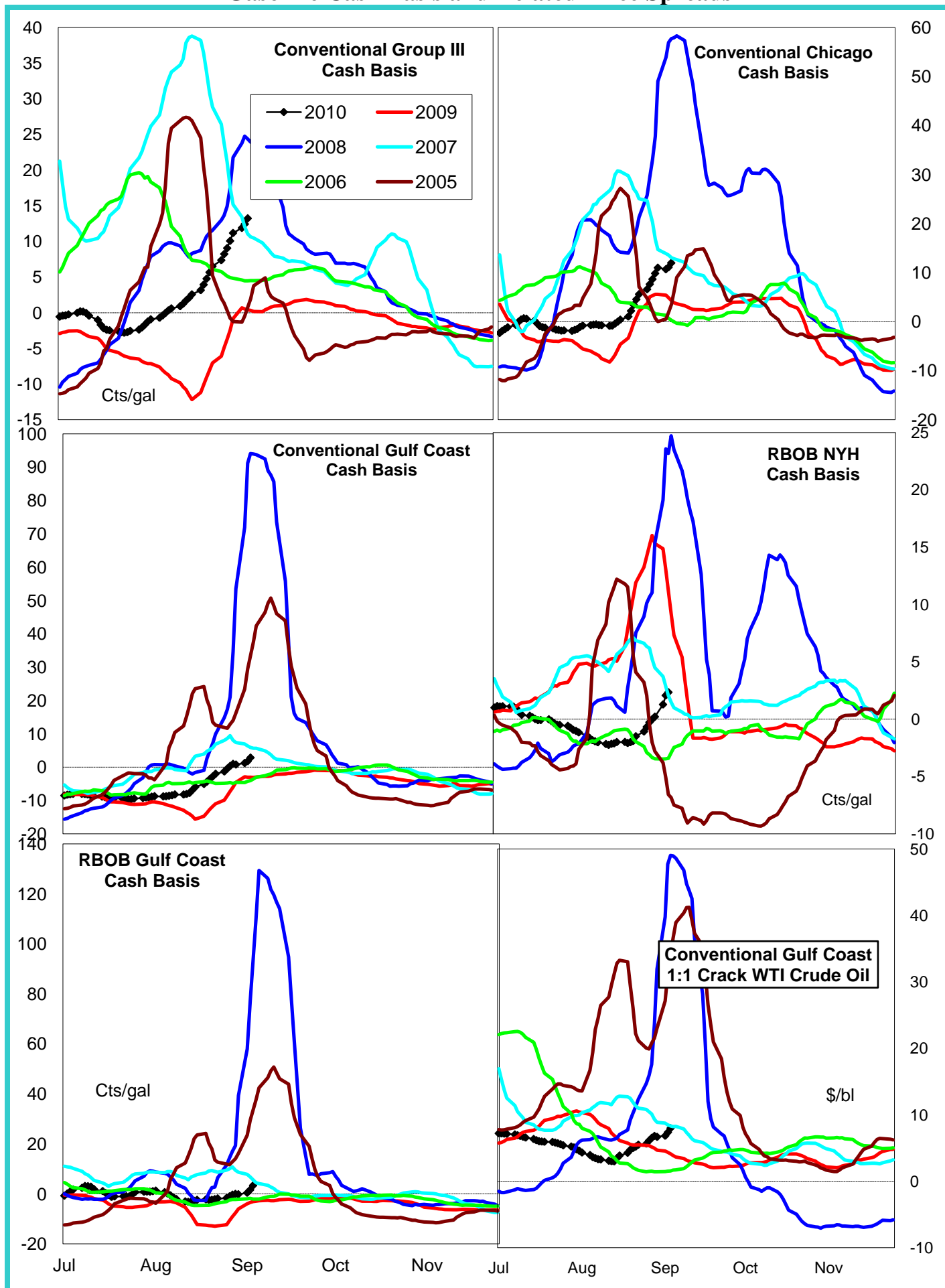
Gulf Coast Price

The end to peak summer driving, very high stock levels, switch to fall grades, and a lighter than normal maintenance outside the Midwest should pressure prices lower.

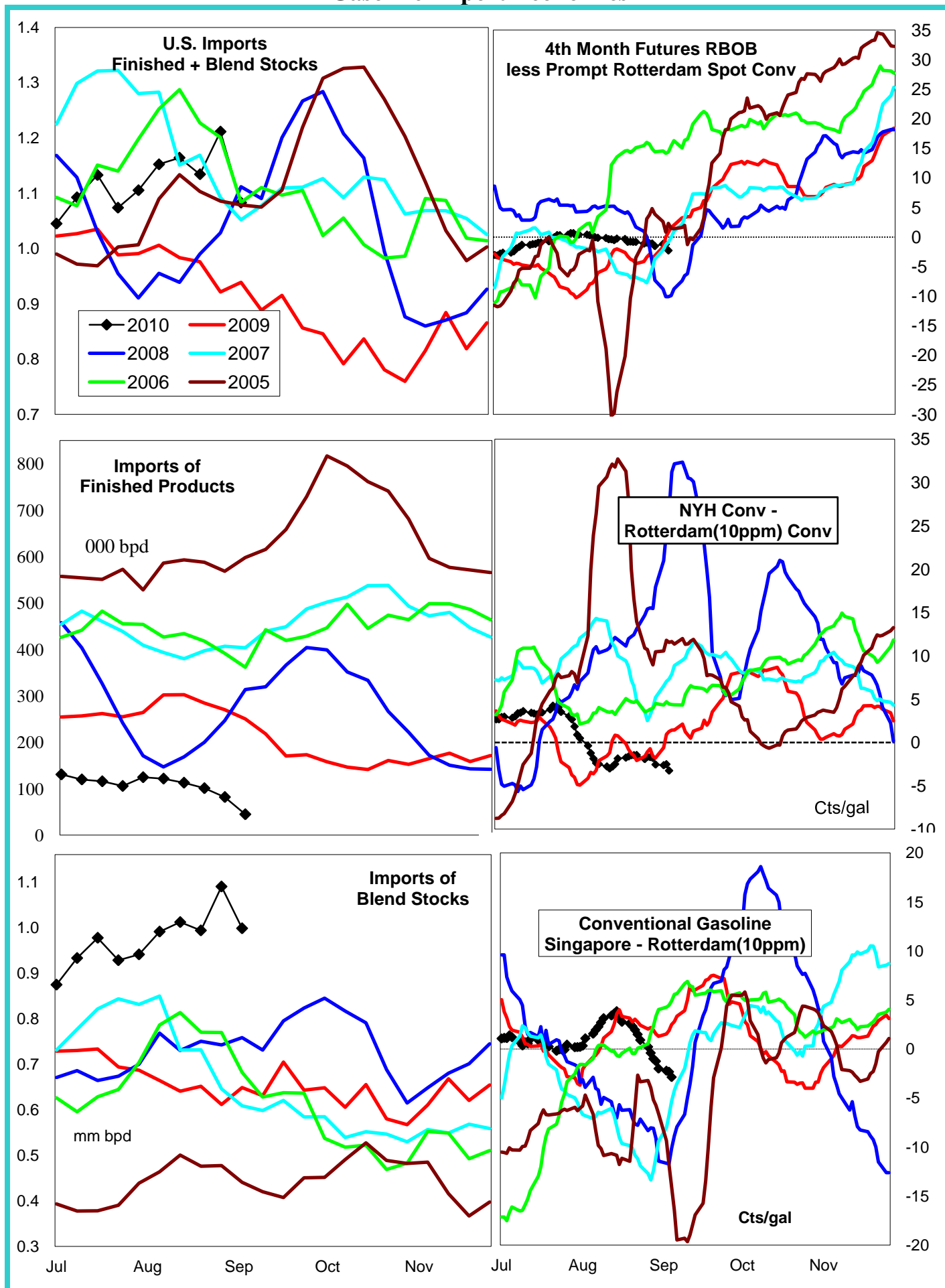


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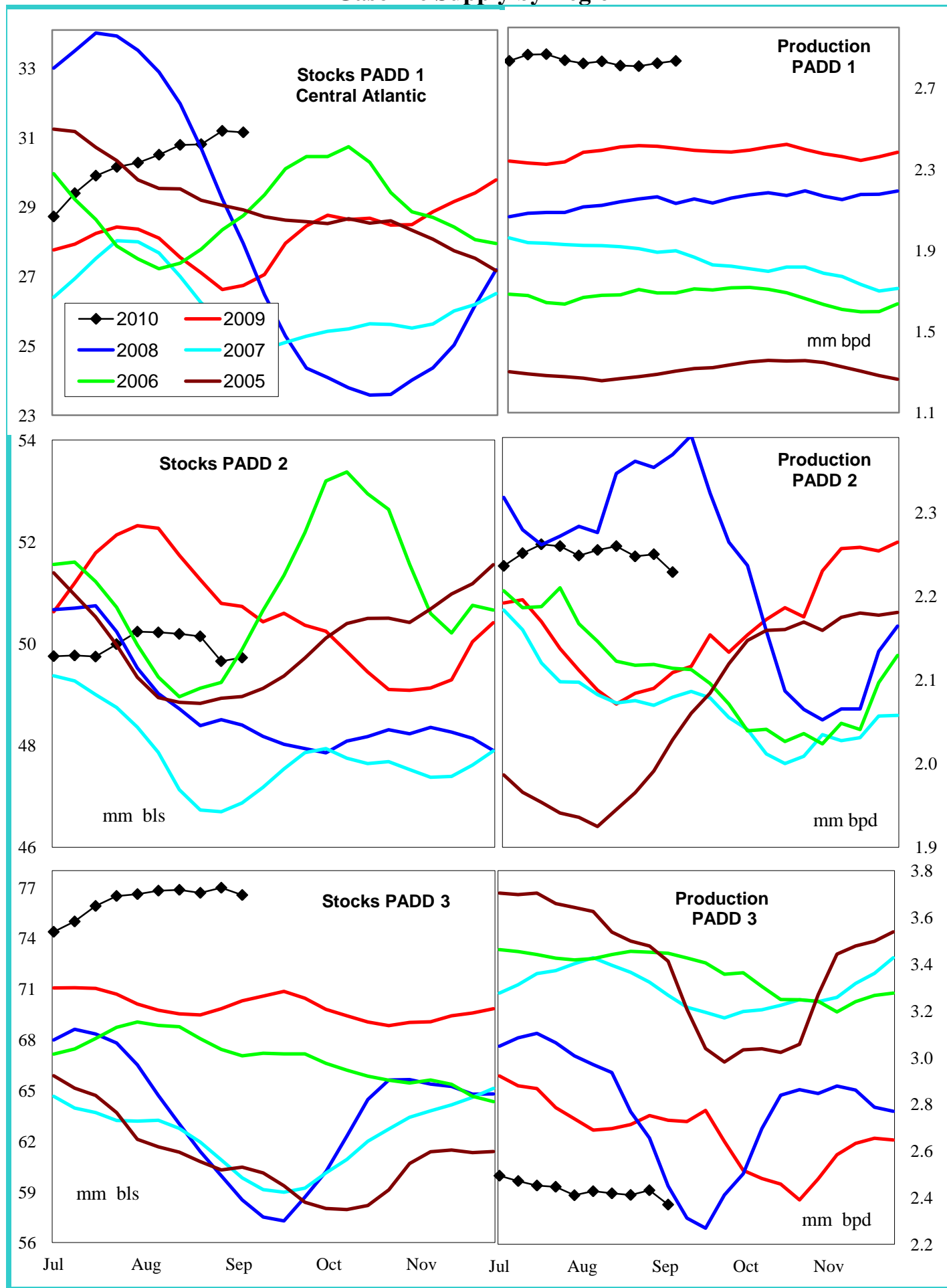
Gasoline Cash Basis and Related Price Spreads



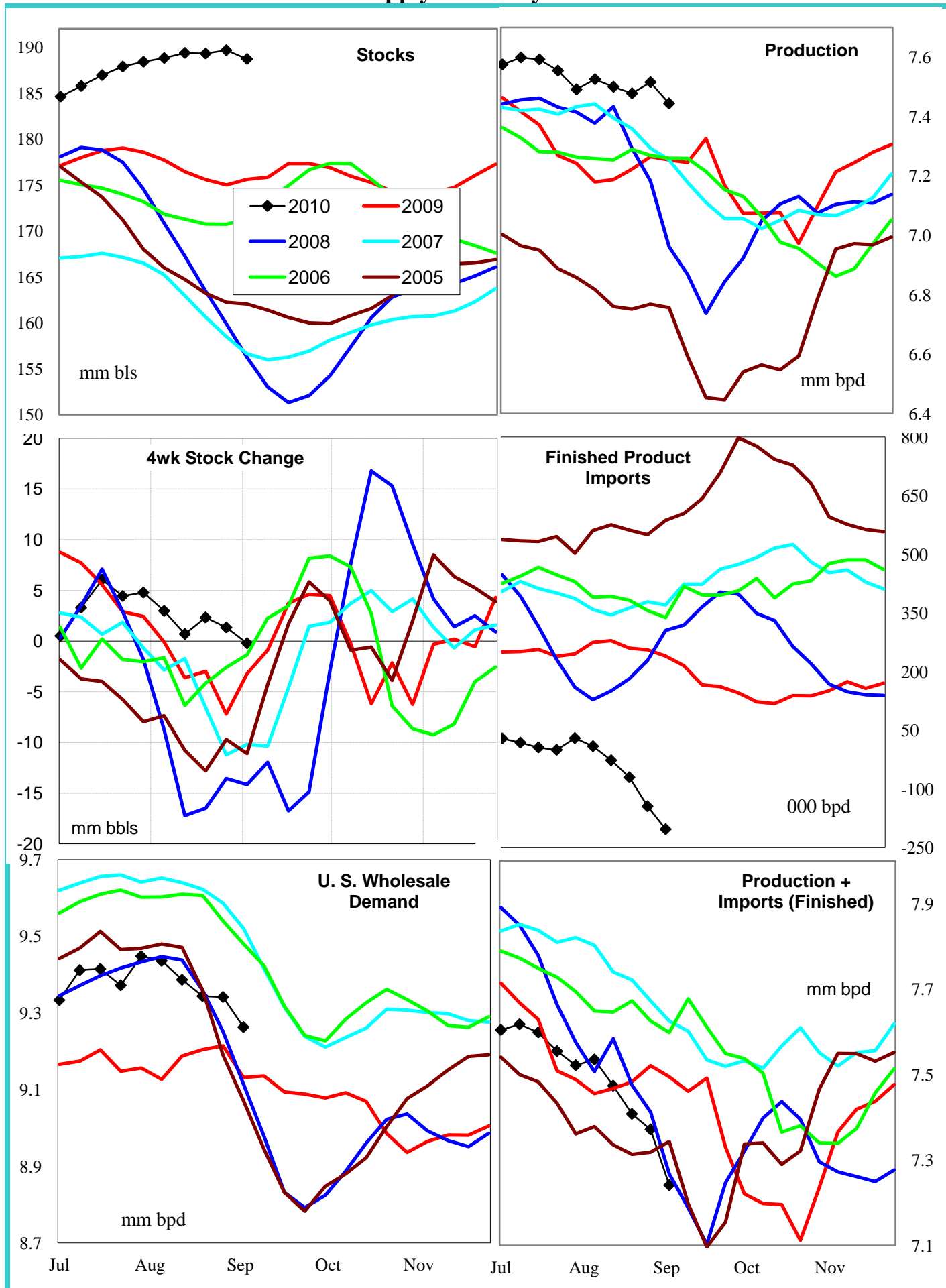
Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3



PADD 5 Gasoline Supply

