


**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 decreased -244,000 bpd last week continuing the summer seasonal downtrend. The latest 4-wk average demand was +44,000 bpd above last year.

Production declined -348,000 bpd, with declines across all regions. Imports fell -439,000 bpd to well below the historic range.

The latest 4-wk average supply was -101,000 bpd below last year.

Stocks decreased only -0.7 million barrels, on the -787,000 bpd drop in supply. The latest 4-wk stock change East of the Rockies was a draw of -1.7 million barrels, less than the mid range.

Cash basis trended lower late in the week across all regional markets. Basis levels for RBOB grades were at the low end of the historic range in NYH and the Gulf. All grades were very low on the West Coast. Basis levels for other grades East of the Rockies ended the week above the 5-year mid range.

In the near term, seasonal weakness in gasoline demand and restoration of crude supplies to Chicago area refiners should drive further weakness in basis for regional markets East of the Rockies.

Looking forward, exceptional strength in the European gasoline market has shut down imports which should tighten East Coast supplies over the next 30-days. Above normal maintenance in PADD 2 FCCU units should also lead to tightness in that region. A seasonal

uptrend in gasoline demand by early October should support basis in these two regional markets.

**RBOB**

**New York Harbor** basis to trend lower in the near term on lower demand, then strengthen on low imports.

**Gulf Coast** basis to trend lower as seasonal demand slows.

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

**Conventional**

**New York Harbor** basis to trade sideways on lower demand offset by lower imports.

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

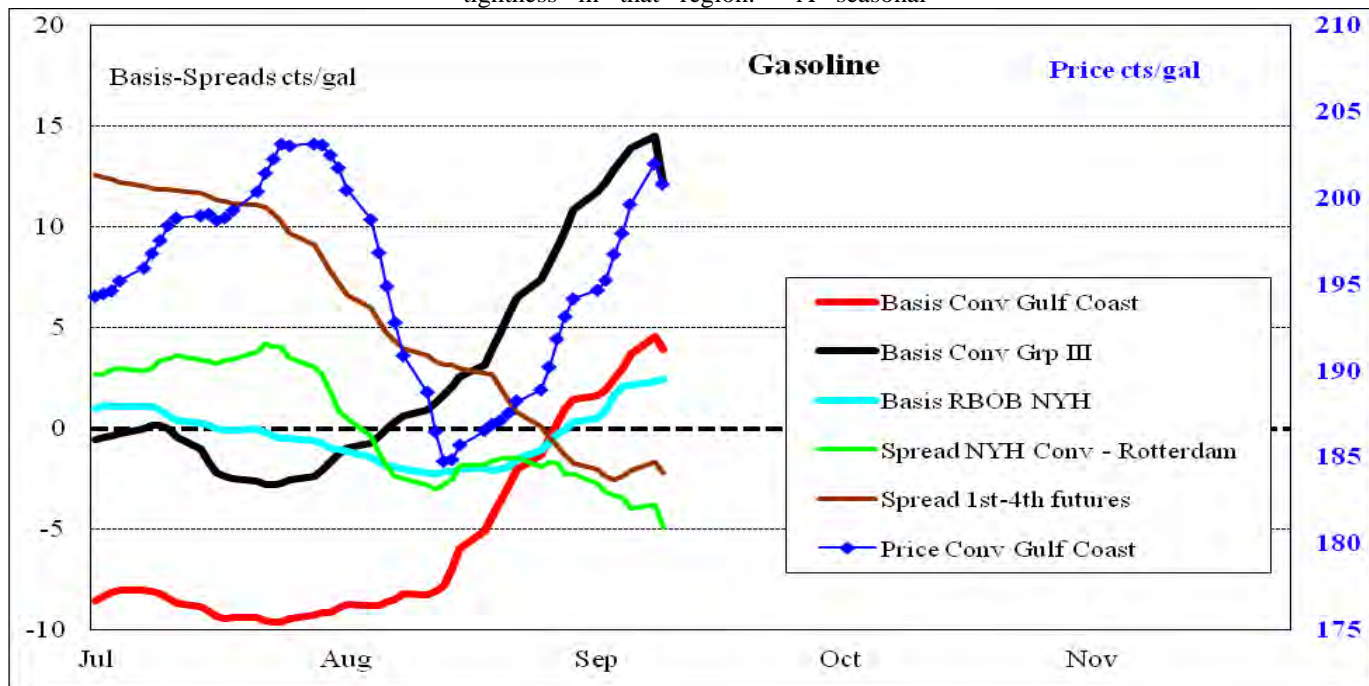
**Group III** to remain at above average level on larger than normal maintenance.

**Gulf Basis** is to trend lower as seasonal demand slows.

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

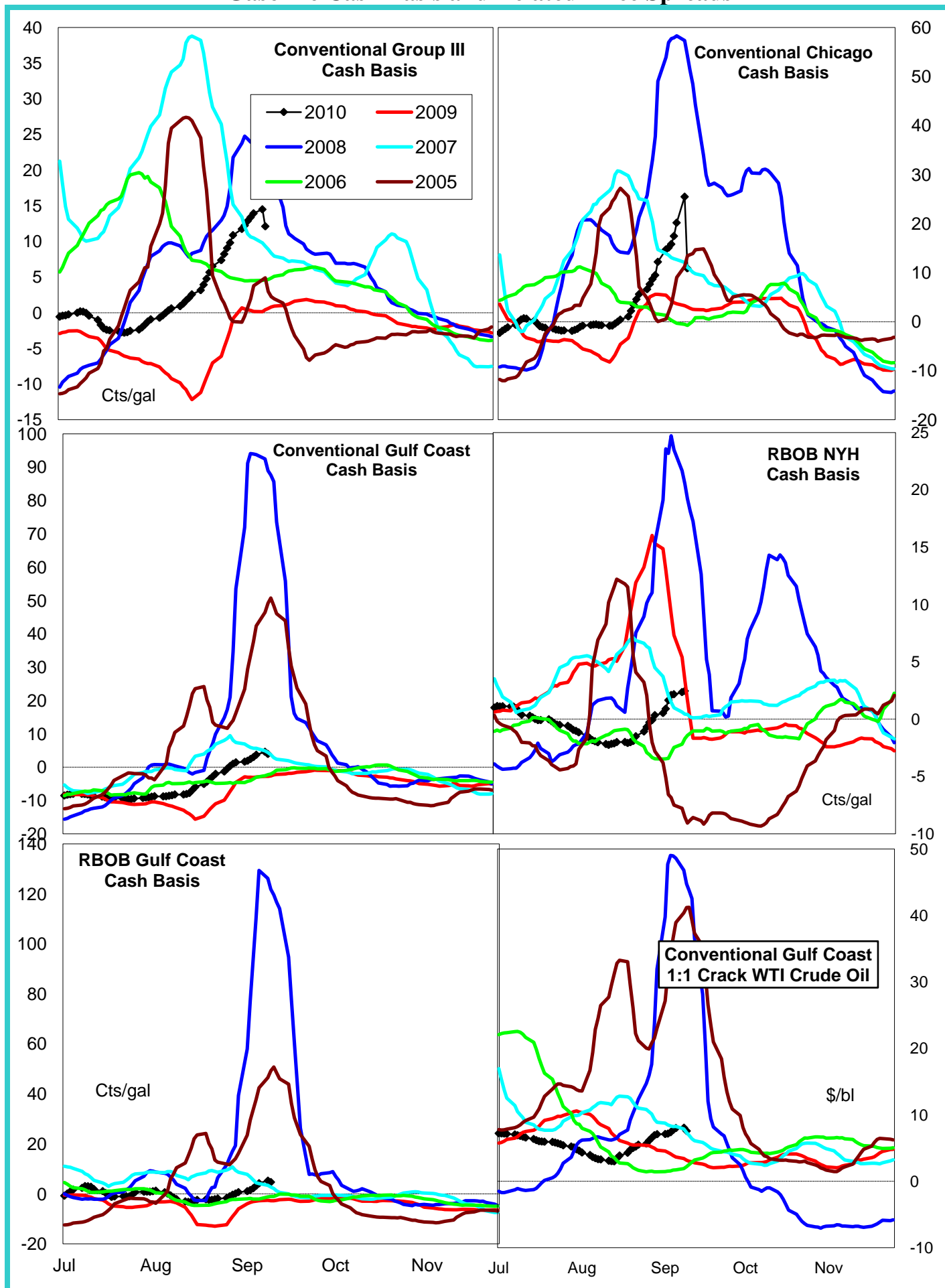
**Gulf Coast Price**

Sharply lower imports and cuts in refinery output should improve the supply balance, offset by extremely high stock levels and a seasonal decline in demand keep downside price risk in place.

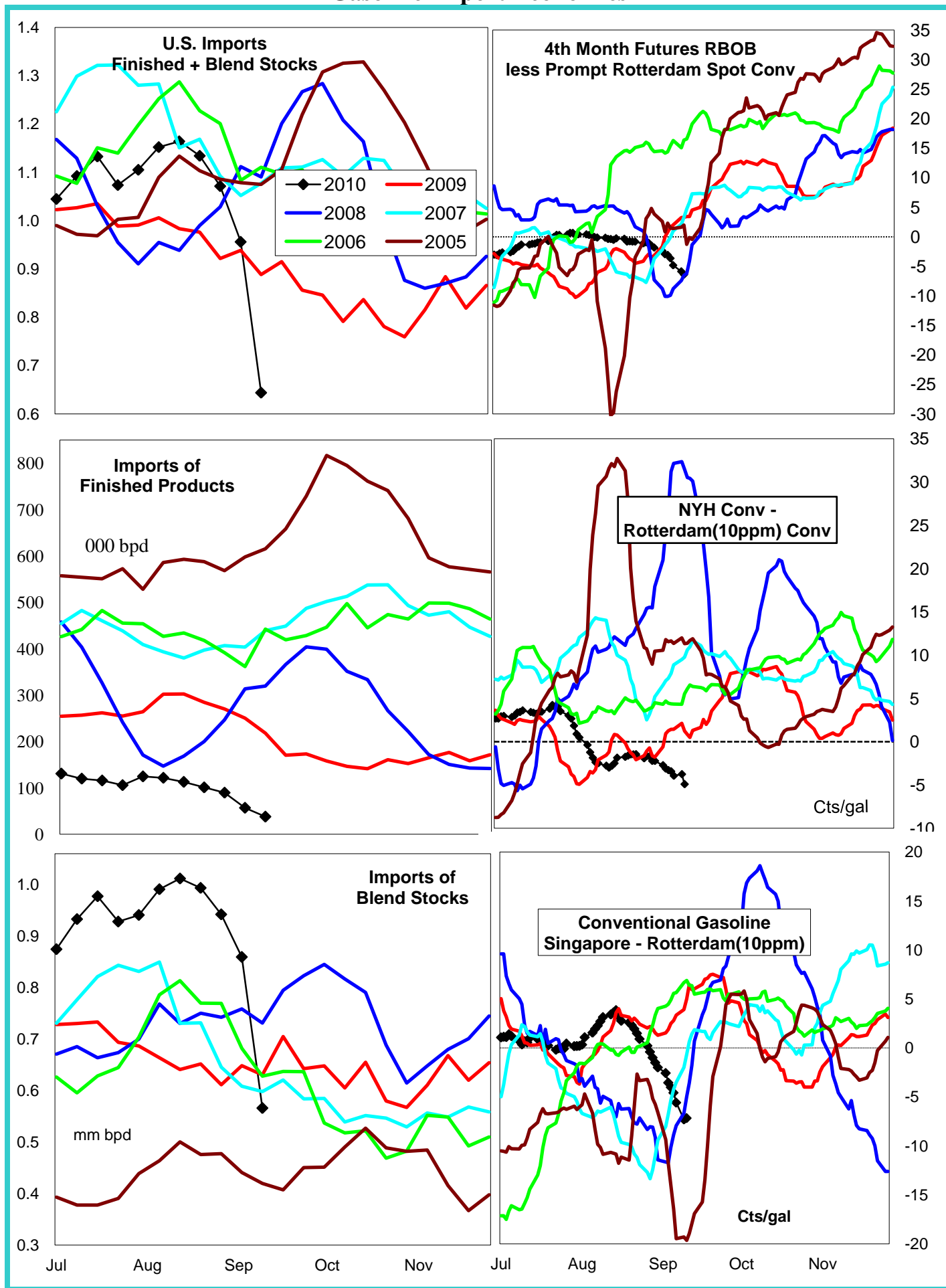


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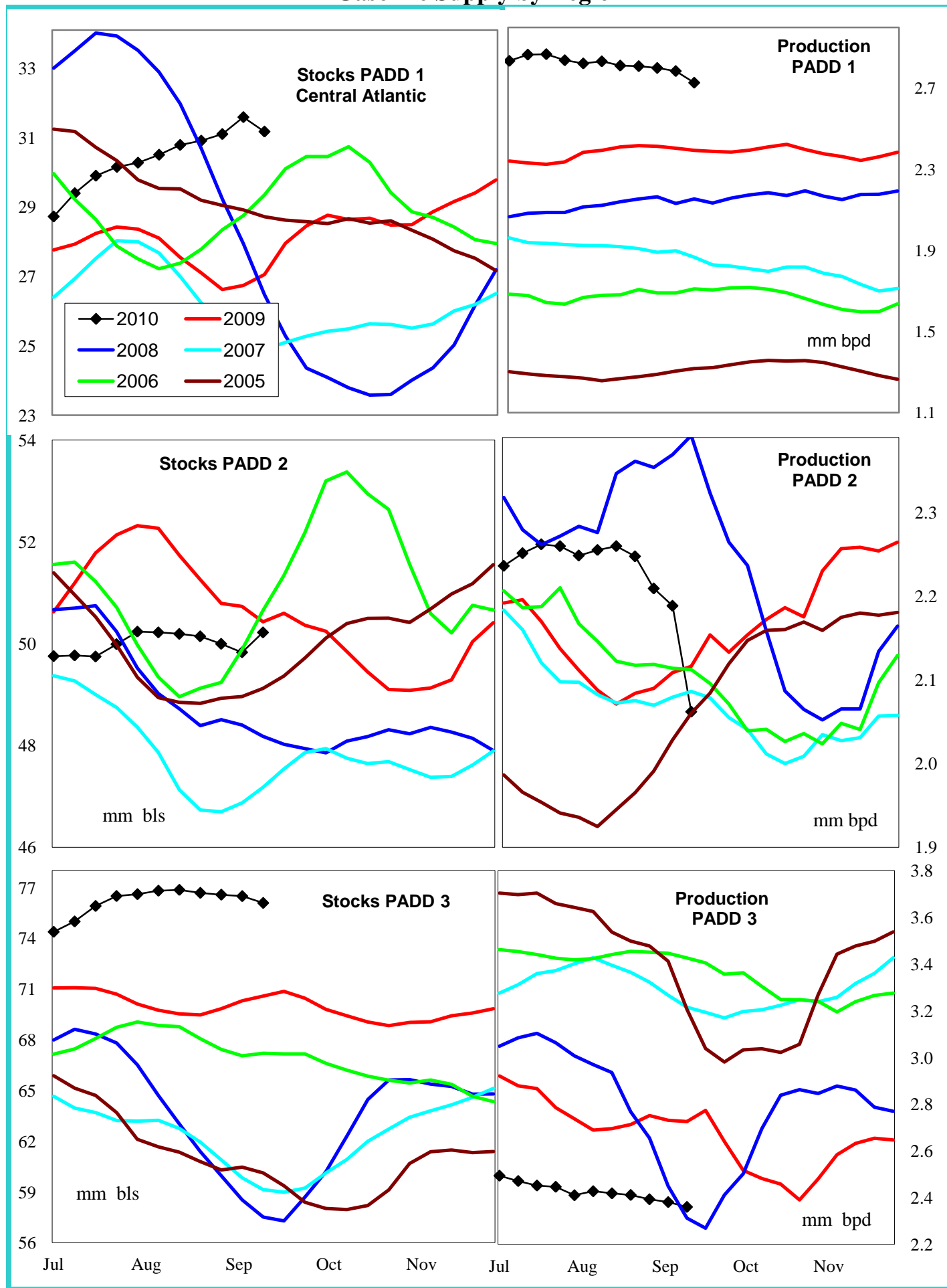
# Gasoline Cash Basis and Related Price Spreads



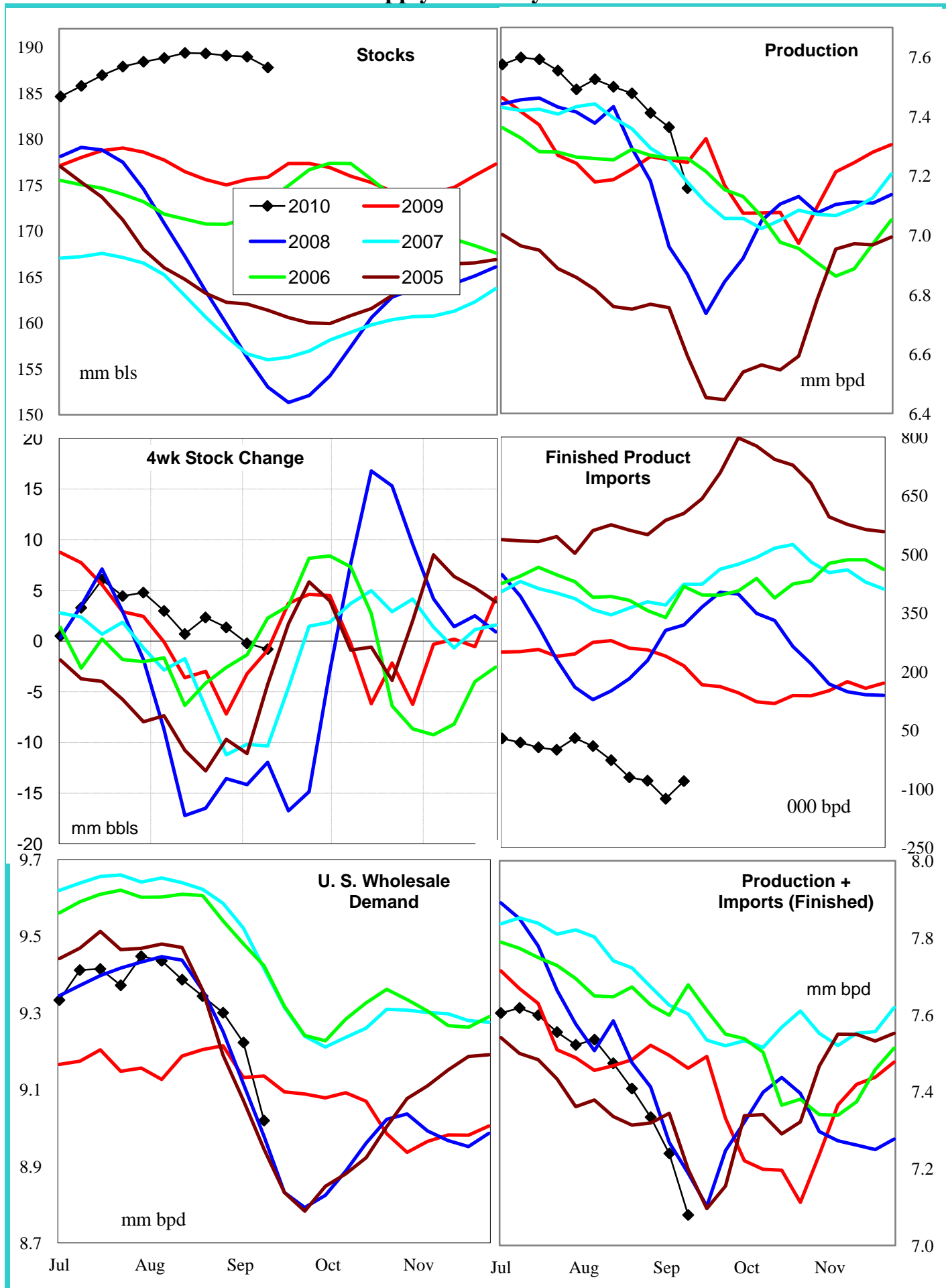
# Gasoline Import Economics



# Gasoline Supply by Region



# Gasoline Supply Summary PADDs 1+2+3



# PADD 5 Gasoline Supply

