


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

 Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Wednesday, October 06, 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 declined nearly -0.4 million bpd last week, reversing much of the prior week surge. The latest 4-wk

average demand was +13,000 bpd above last year.

Production decreased -105,000 bpd, a level that still exceeds the 5-year range. Imports decreased -168,000 bpd to a new record low for the period.

The latest 4-wk average supply was -128,000 bpd below last year.

Stocks decline -2.6 million barrels on the week. The latest 4-wk stock change East of the Rockies was a draw of -6.5 million barrels, a record draw for the period.

Low imports, refinery maintenance in PADD 1 and Eastern Canada have led to significant tightening of supply on the East Coast. Stock levels in all other regions remain extremely high.

Cash basis trended sharply higher in NYH on tightness in supply. Basis also increased in Chicago and on the West Coast from recent lows for the period. Gulf basis levels remain at the low end of the historic range while the Group was at the mid range.

Expect further strength in basis for NYH and the midwest on refinery maintenance and low imports to the East Coast.

RBOB

New York Harbor basis to trend higher on refiner maintenance, including Eastern Canada; and low imports.

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

Conventional

New York Harbor basis to trend higher on refiner maintenance, including Eastern Canada; and low imports.

Chicago basis to exhibit strength in October on high FCCU maintenance.

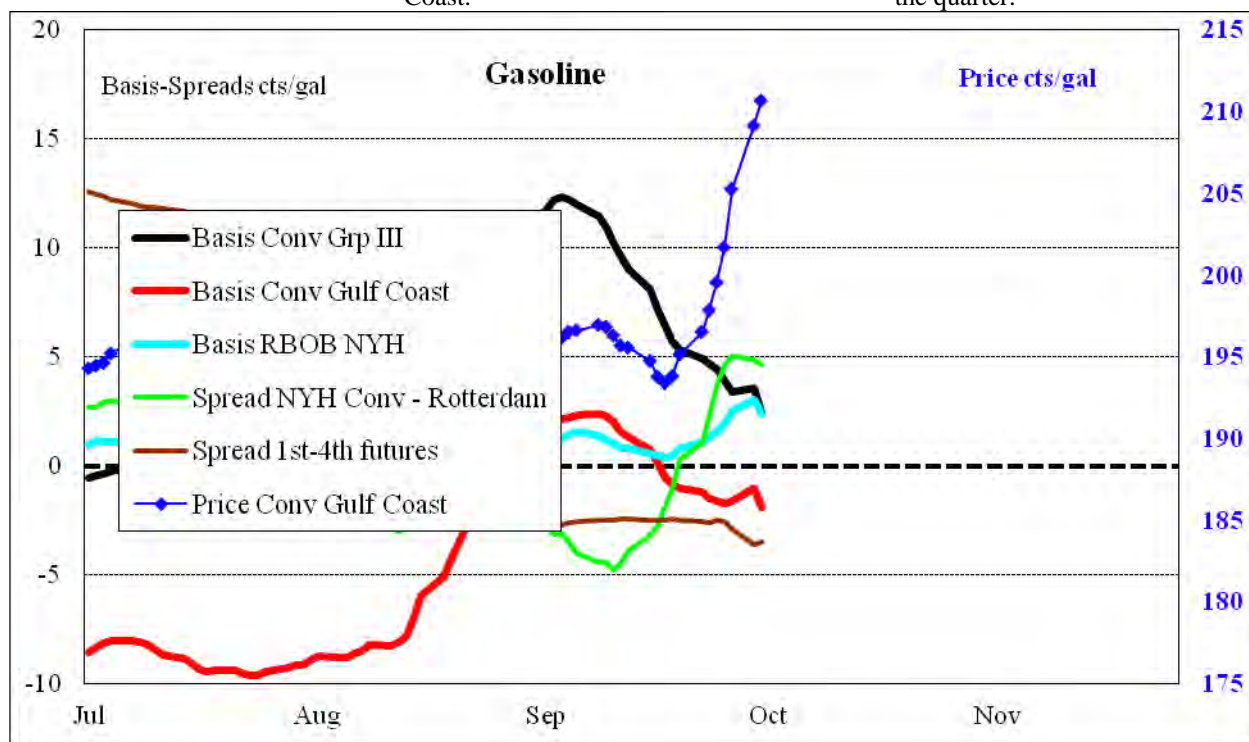
Group III to exhibit modest strength in October on refinery maintenance and Chicago tightness.

Gulf Basis to remain weak as seasonal demand slows.

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

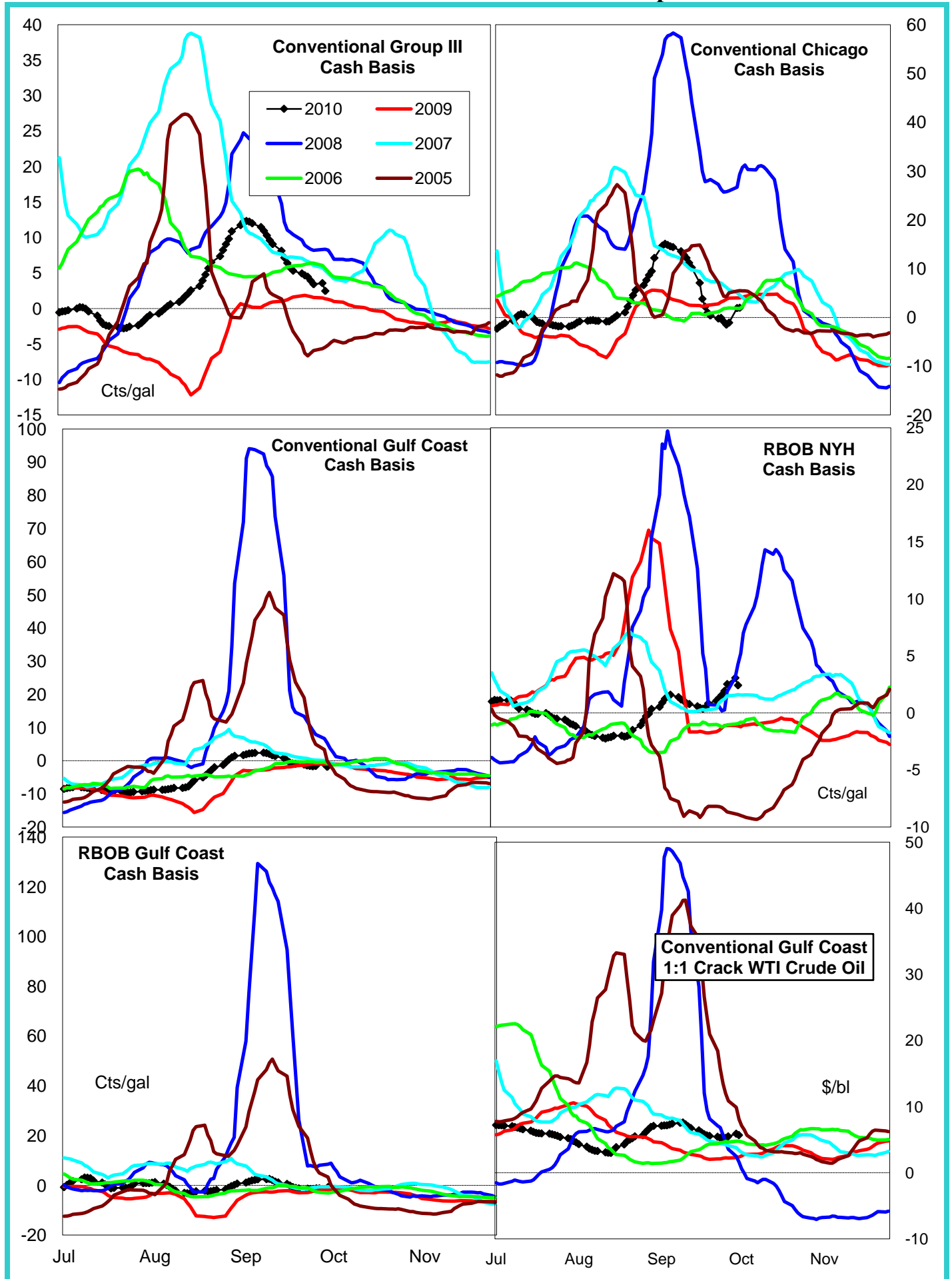
Gulf Coast Price

Stocks remain very high in all regions except the East Coast where low imports and refinery maintenance has led to sharply lower stock levels. Expect near term strength in prices, with declines as refiners return from maintenance later in the quarter.

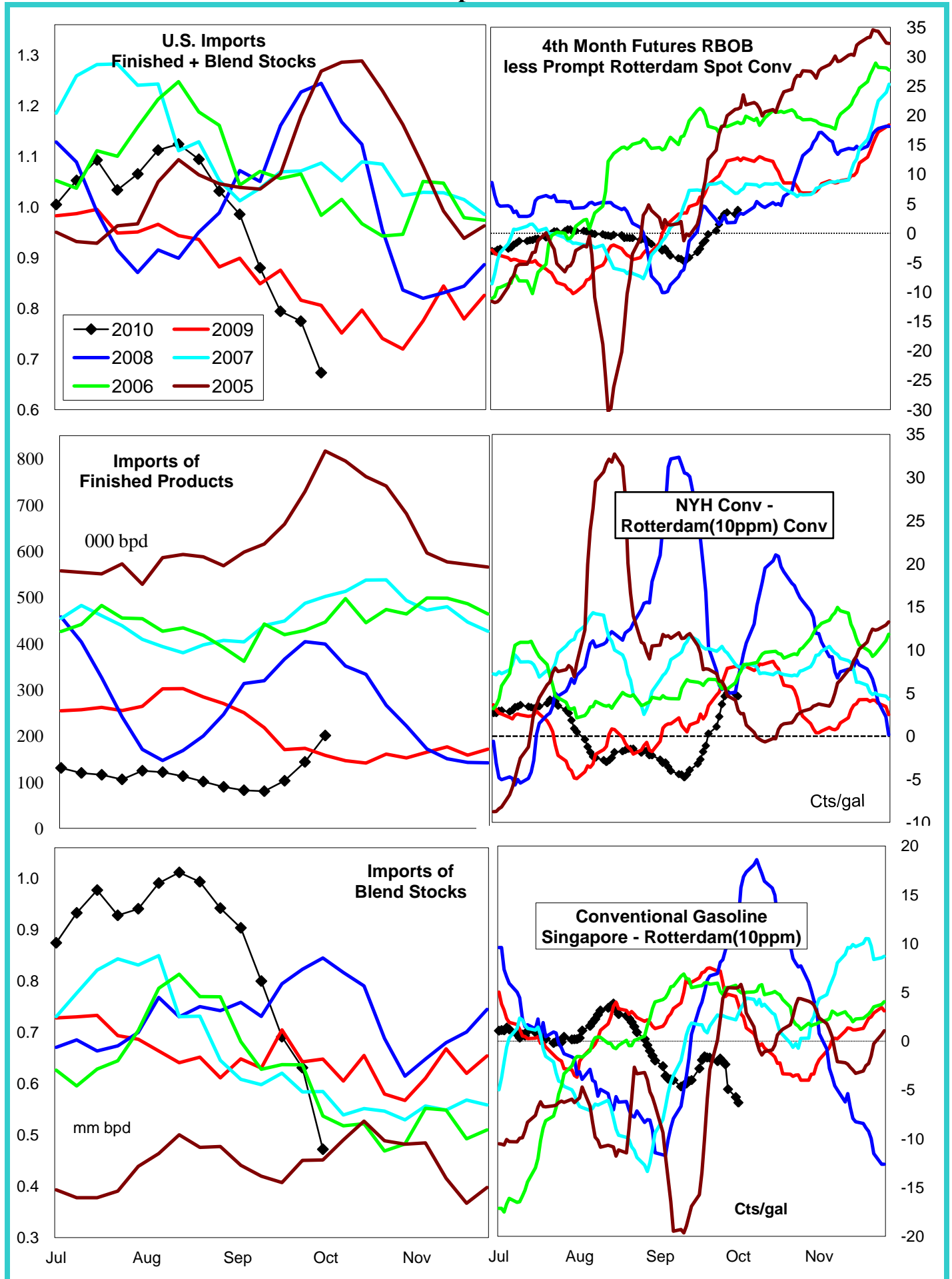


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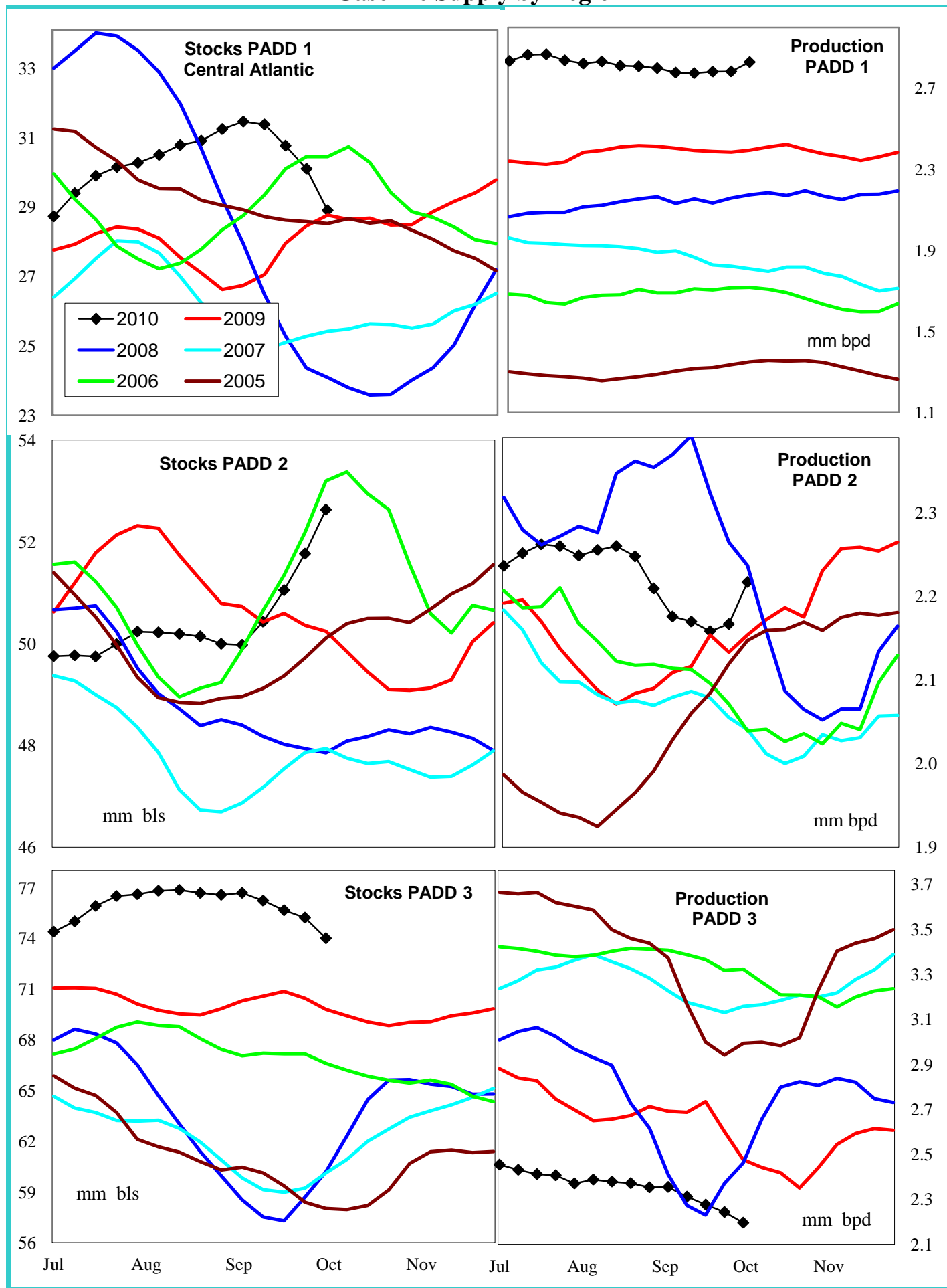
Gasoline Cash Basis and Related Price Spreads



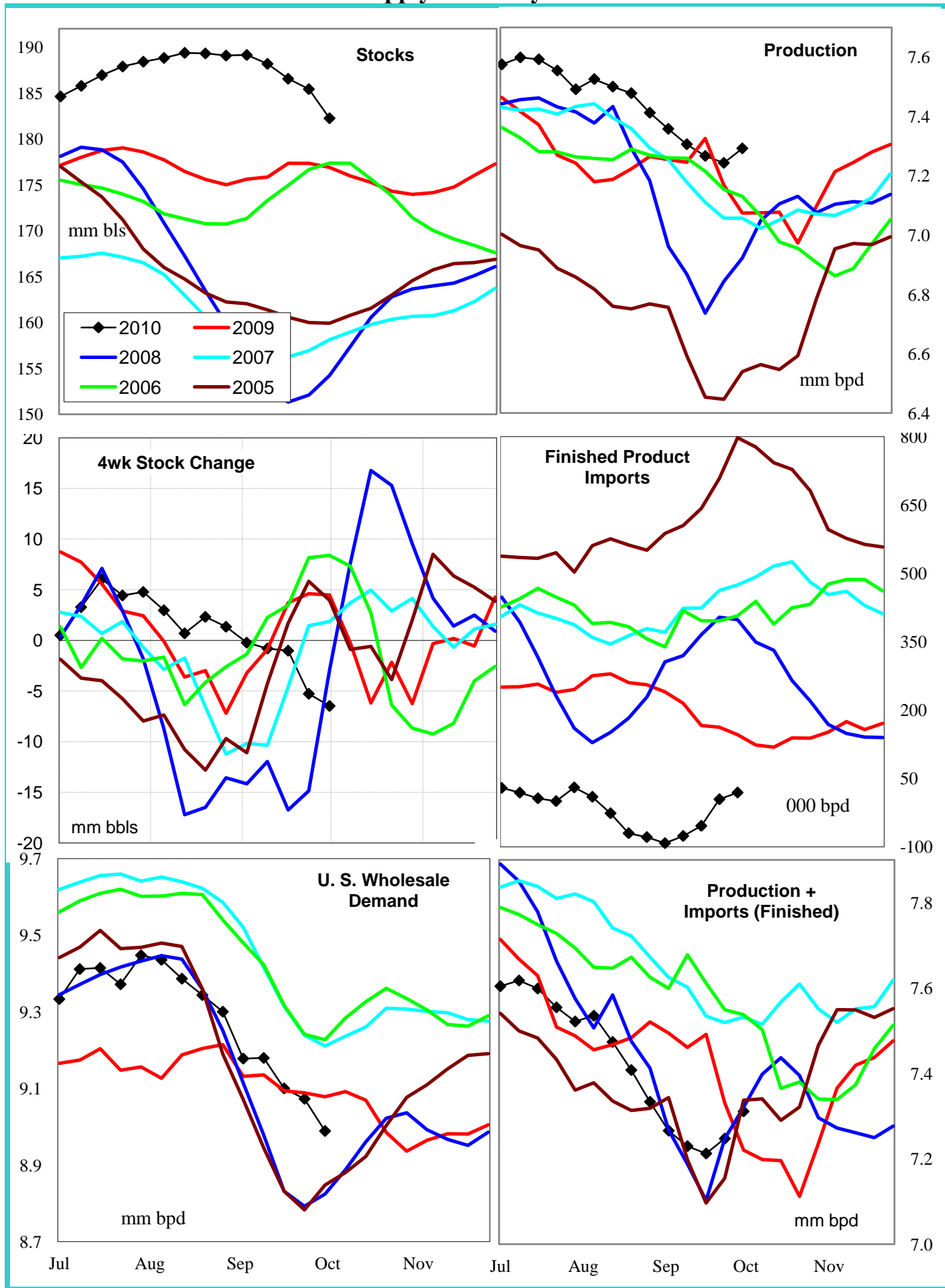
Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3



PADD 5 Gasoline Supply

