


**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 +79,000 bpd last week, but the level remains near

historic lows for the period. The latest 4-wk average demand was -132,000 bpd below last year.

Production increased +319,000 bpd on the week, to match record highs for the period. Imports remain extremely low.

The latest 4-wk average supply was -30,000 bpd below last year.

Stocks increased +1.2 million barrels on the week, with significant builds in PADDs 2 and 3.

Refinery maintenance and low imports continue to tighten supply in PADD 1, while supplies are extremely high in all other regions.

Cash basis trended lower across all regional markets for major products last week on lackluster demand and high stock levels.

With weak demand and high stock levels in all markets outside the Northeast, look for continued seasonal weakness in basis.

RBOB

New York Harbor basis to trade sideways in the near term on refiner

maintenance, then lower as plants return to operation.

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

Conventional

New York Harbor basis to trade sideways in the near term on refiner maintenance, then lower as plants return to operation.

Chicago basis to trade sideways on high stock levels that offset FCCU maintenance.

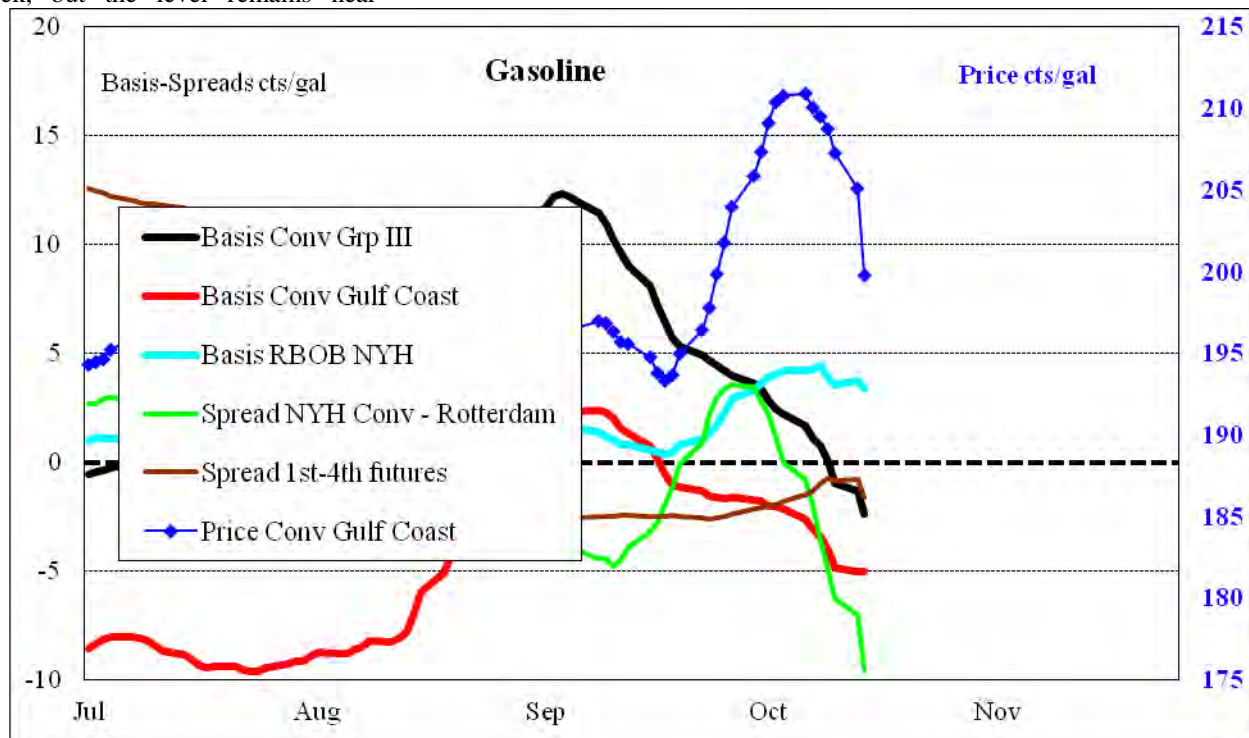
Group III to trend lower on high stock levels that offset refinery maintenance.

Gulf Basis to remain weak as seasonal demand slows.

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

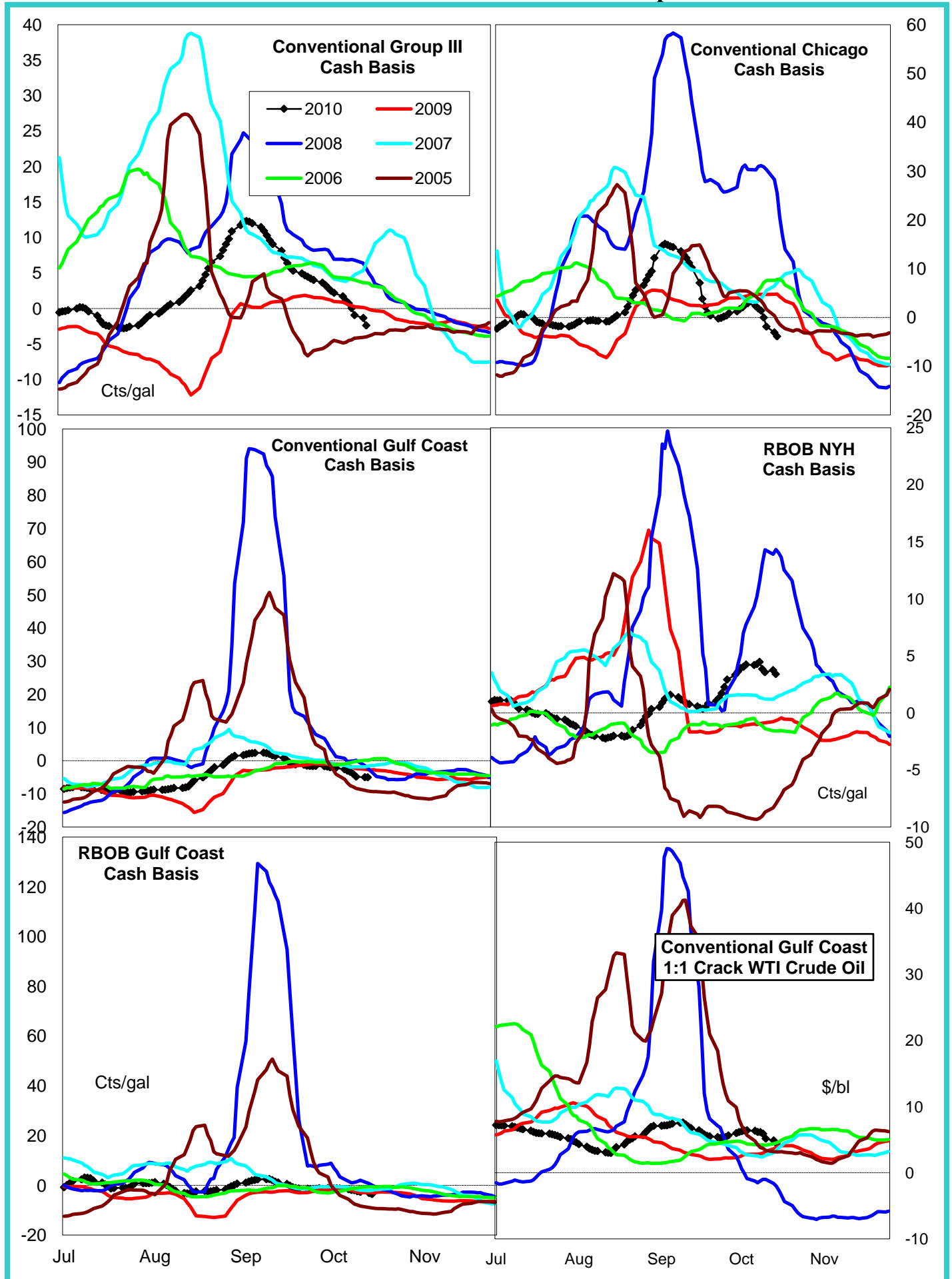
Gulf Coast Price

Very soft demand has offset the supply tightness in PADD 1, so that while basis levels are at the upper end of the historic range, flat prices have been weak compared to the overall energy complex. Expect continued relative weakness for gasoline.

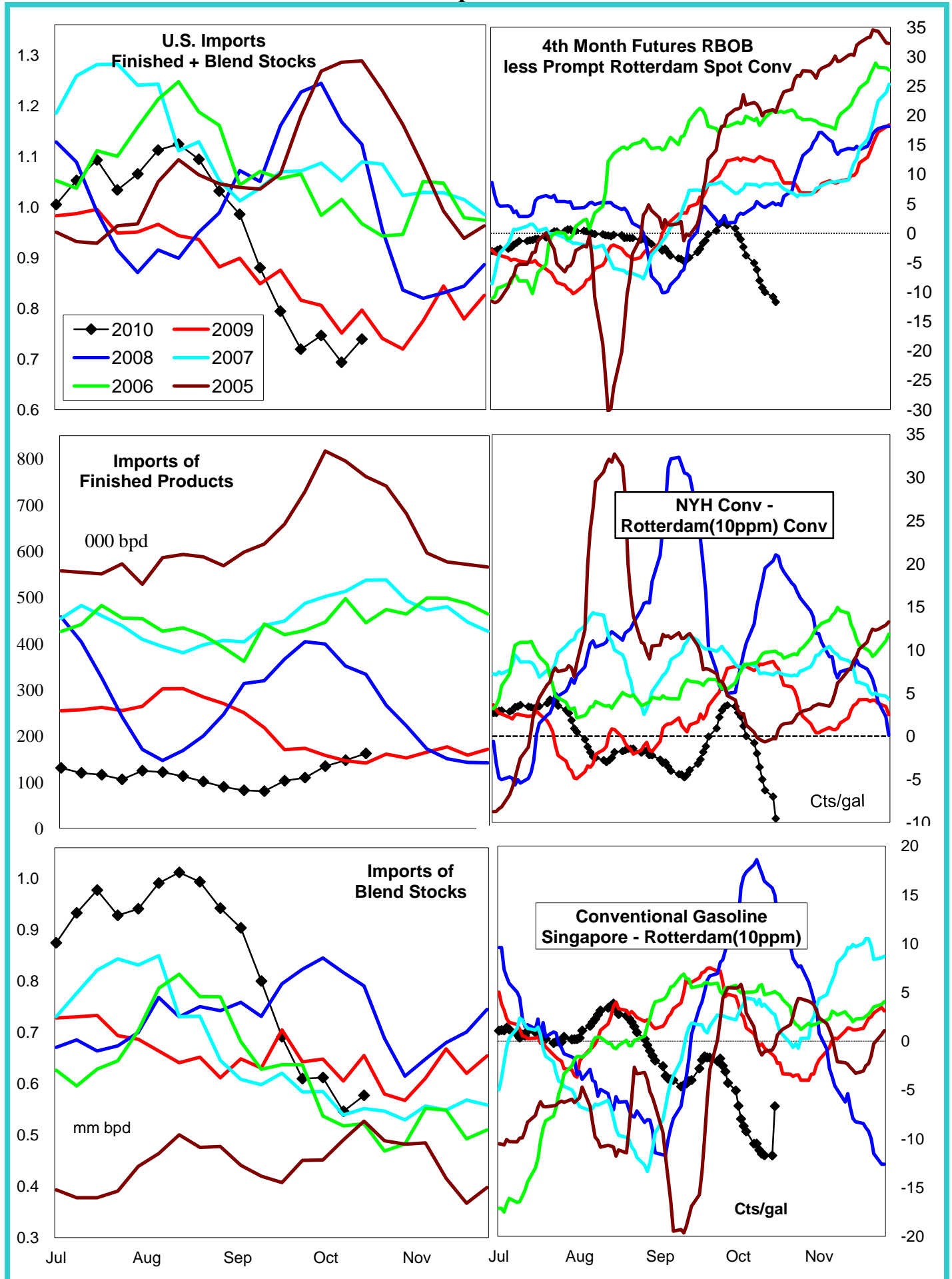


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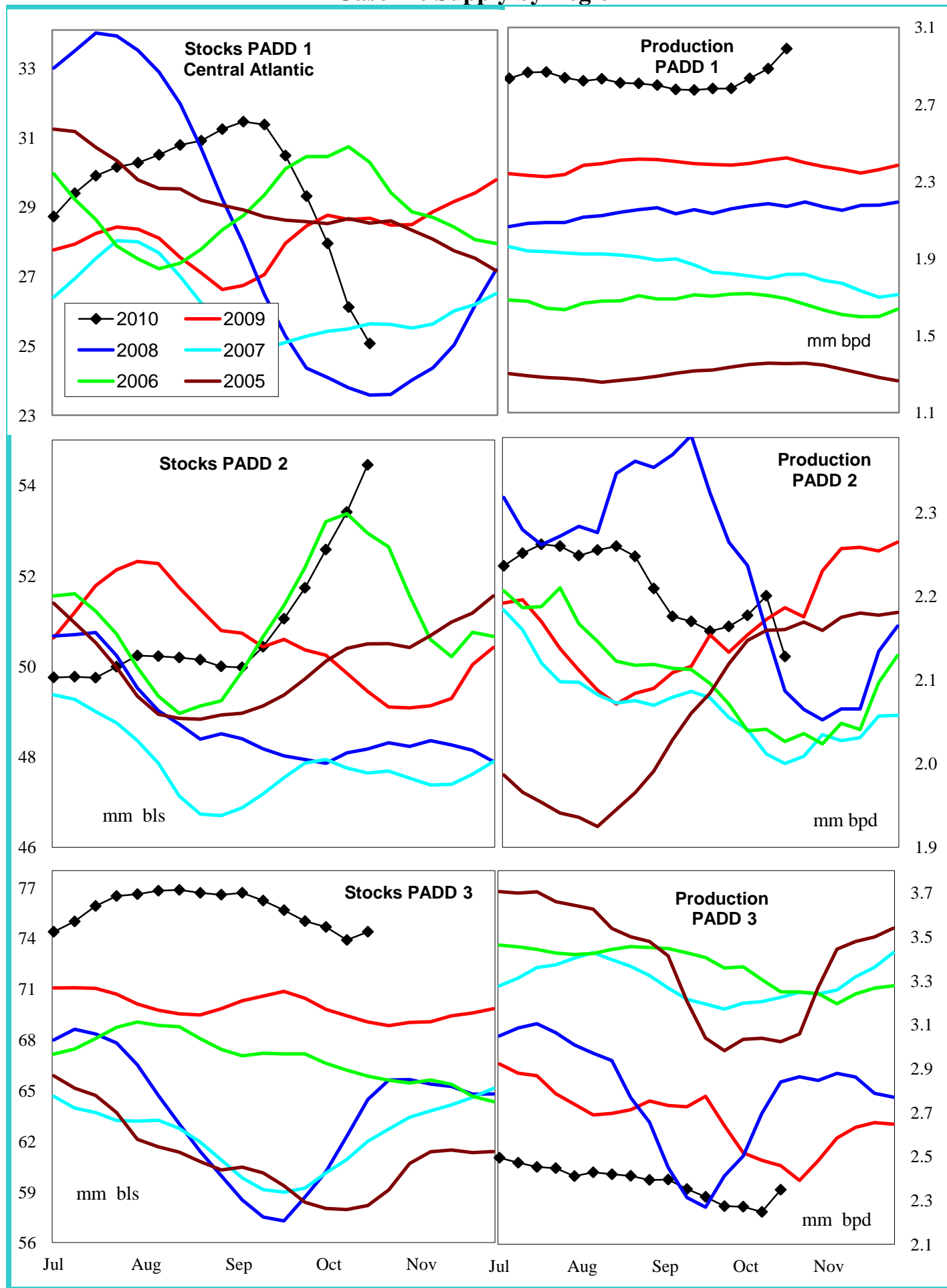
Gasoline Cash Basis and Related Price Spreads



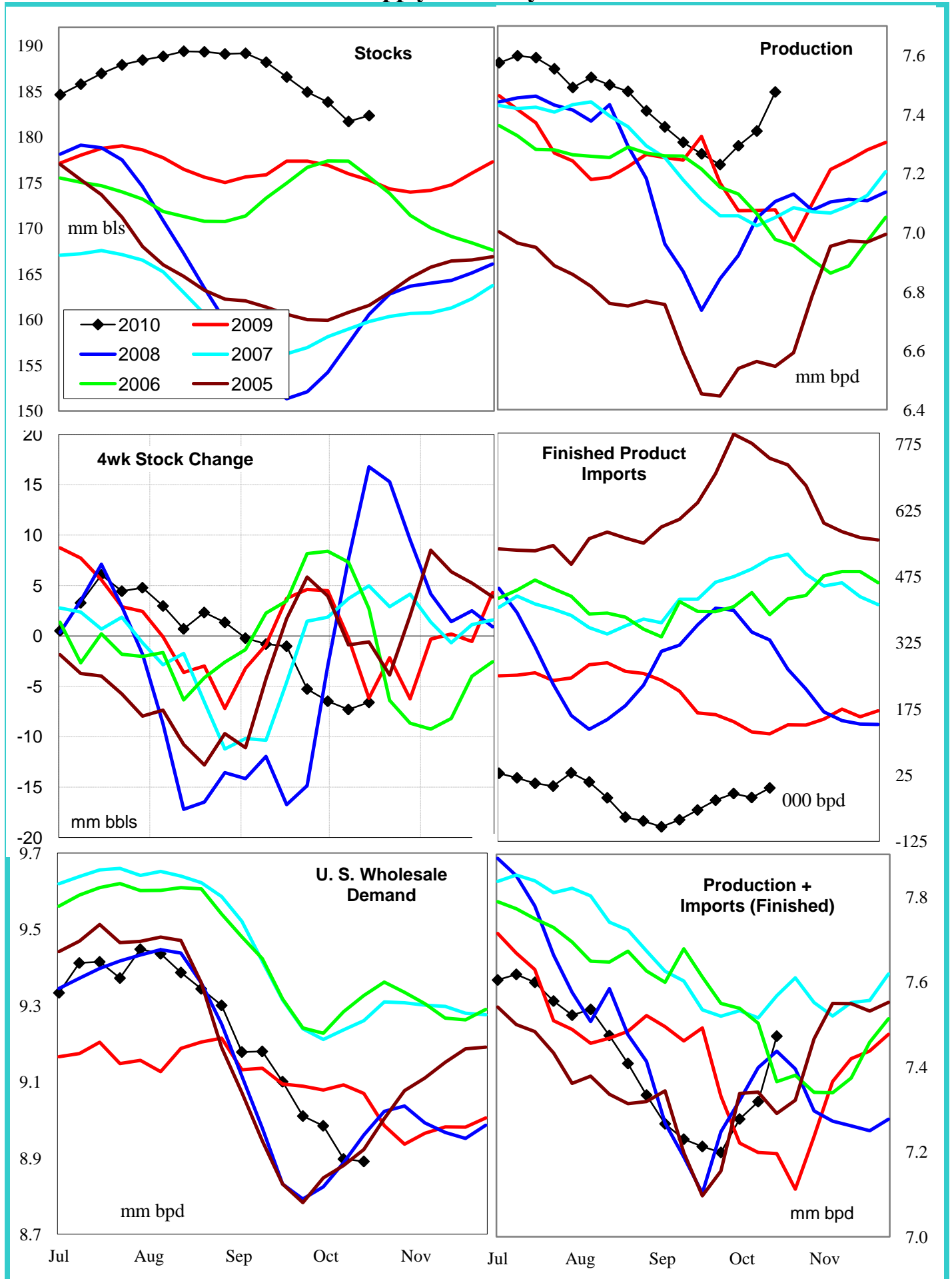
Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3



PADD 5 Gasoline Supply

