
**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 fell -546,000 bpd last week on inclement weather in the eastern 1/2 of the country that limited travel and resupply of the downstream supply chain.

The latest 4-wk average demand was +248,000 bpd above last year. Estimates of retail demand remain near year ago levels, in contrast to the wholesale growth.

Production fell -361,000 bpd, due largely to a -262,000 bpd drop in blend stock imports. Production levels matched the 5-year mid range.

Stocks increased +3.3 million barrels, with builds in all regions.

Stock levels remain particularly low in PADDs 1 and 2; with levels in other regional markets at record highs.

NYH basis remains above the historic range on record low imports and stock levels. Basis levels are particularly weak in Chicago and the West Coast.

Expect basis to trend lower in the midwest/Chicago markets on rising seasonal stock levels and low demand. The Rotterdam to NYH spread is declining in favor of NYH which should lead to increased imports during the 1st quarter.

#### RBOB

**New York Harbor** basis to trend lower on improved supply.

**West Coast (Los Angeles)** basis to bounce off season lows as winter maintenance limits supply.

#### Conventional

**New York Harbor** basis trend lower on improved supply.

**Chicago basis** to trend lower as supplies increase during a period of weak demand.

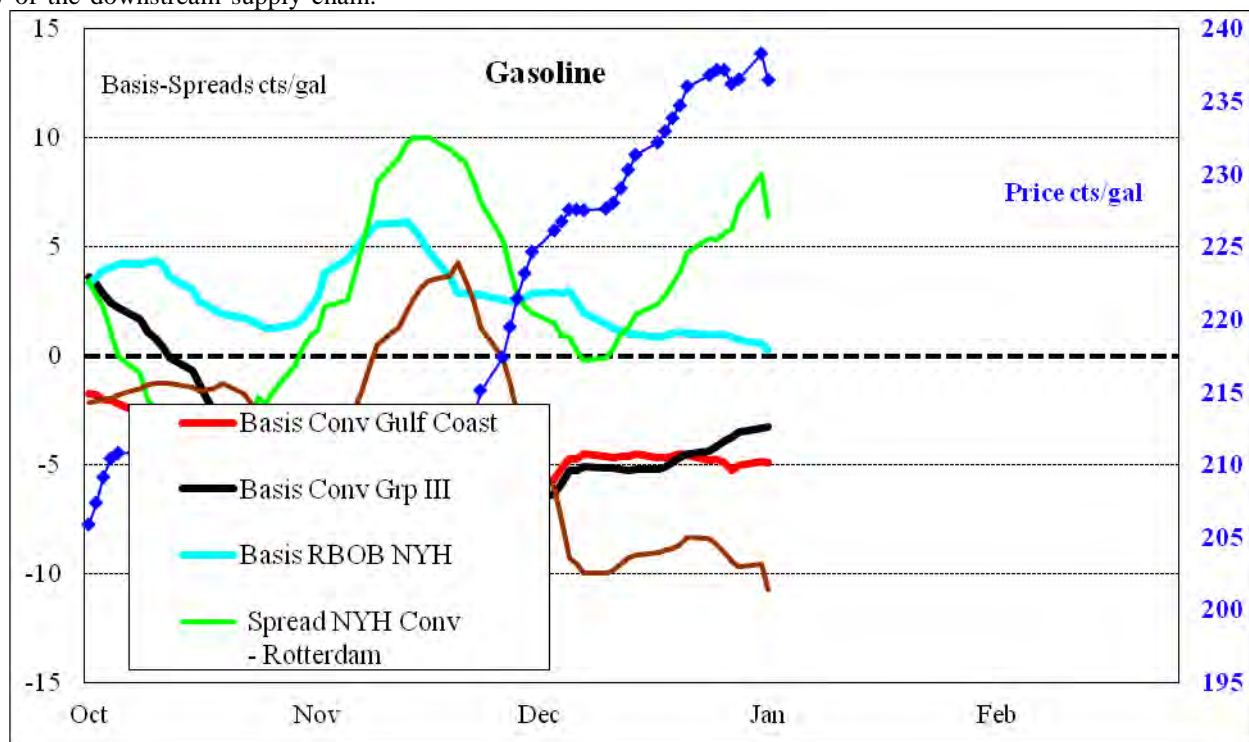
**Group III** to trend lower on low seasonal demand and stock building.

**Gulf Basis** to trade sideways on increased supply and low seasonal demand.

**West Coast (Los Angeles)** basis to trend lower on a seasonal decline in demand and stock builds.

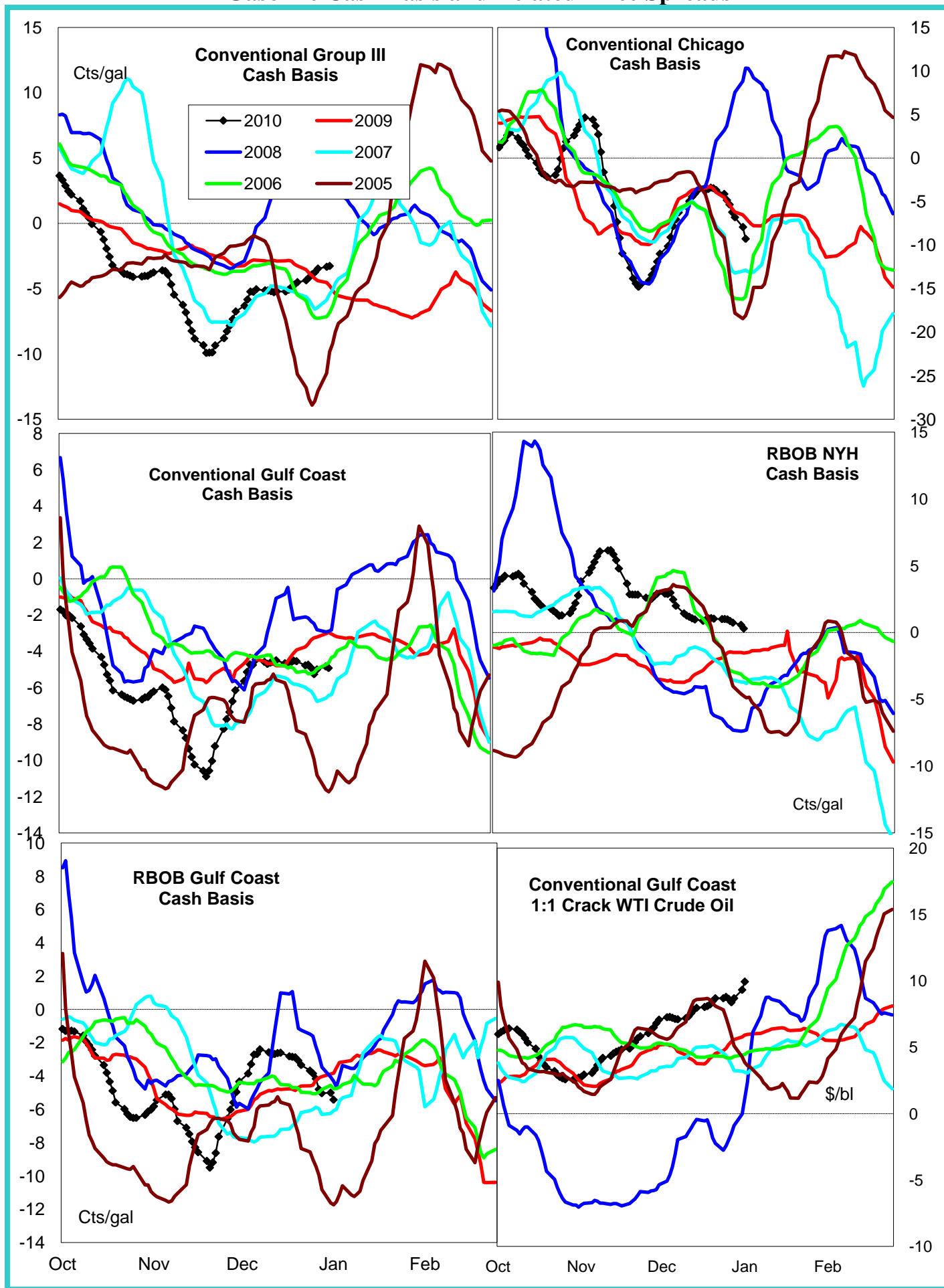
#### Gulf Coast Price

Tight supplies on the East Coast should begin to improve on low seasonal demand and more favorable import economics during the 1st quarter. Very favorable refining margins and a light winter maintenance schedule should lead to increased production, which will drive seasonal stock builds in the midwest and East Coast. A pull back in prices is likely based on these trends during the 1st quarter.

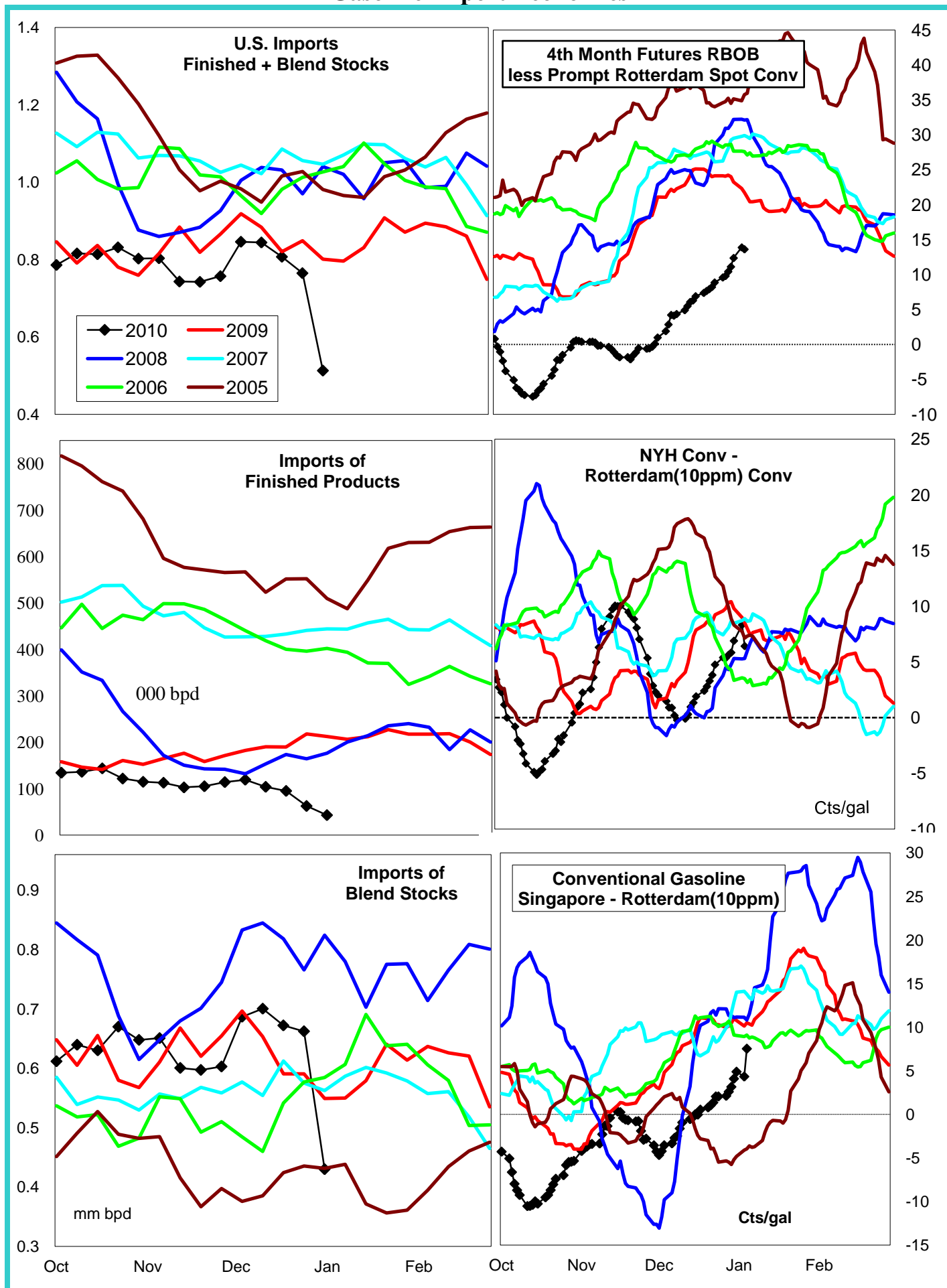


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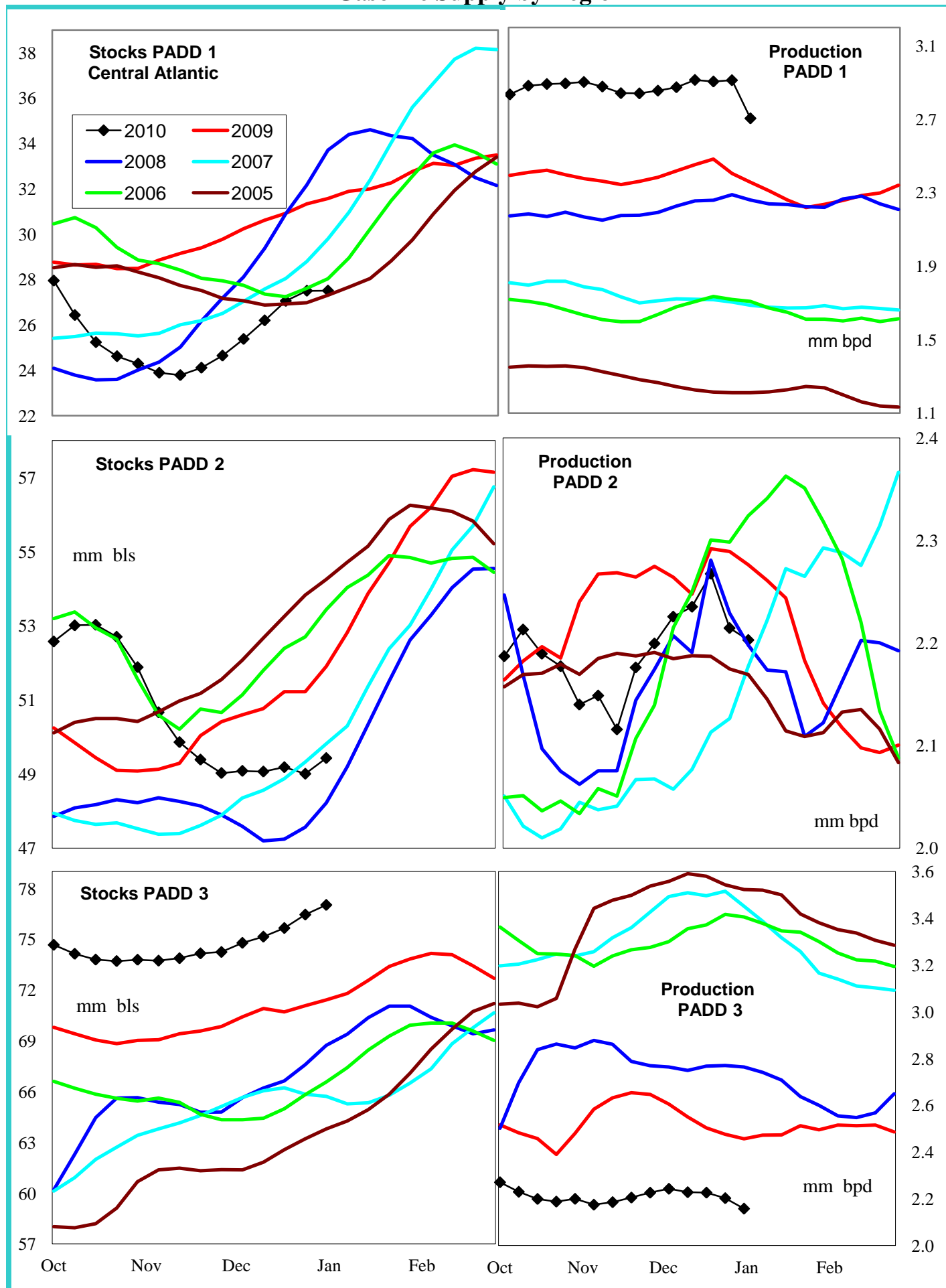
# Gasoline Cash Basis and Related Price Spreads



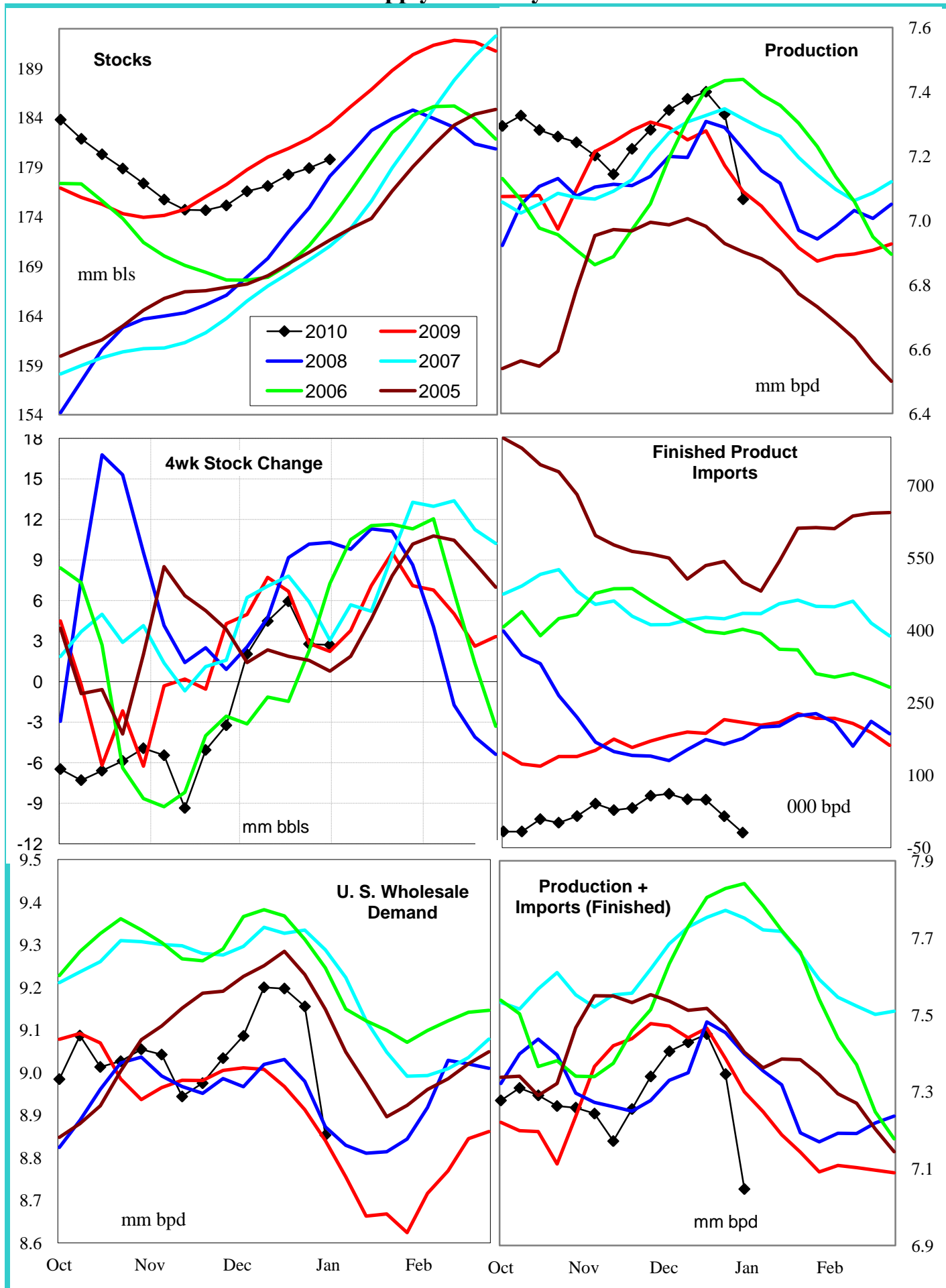
# Gasoline Import Economics



# Gasoline Supply by Region



# Gasoline Supply Summary PADDs 1+2+3



# PADD 5 Gasoline Supply

