


**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 +286,000 bpd last week, on improved weather and start of the seasonal upturn in demand. The latest 4-wk average demand was unchanged from a year ago.

Production increased +93,000 bpd on very high blending activity that offset the -0.5 million bpd drop in crude oil runs. Imports decreased -102,000 bpd to a level below the mid range. Stocks were nearly unchanged on the week. Stocks surged +2 million barrels in PADD 2, offset by a similar decline in the Gulf.

Basis trended lower in NYH and Chicago last week on improved supplies. The West Coast and to a lesser extent the Gulf saw basis move higher. Basis in the Midwest was near unchanged.

The roll to spring grade gasoline futures contracts will see basis decline from current levels against the March winter grade contract. The above chart of expected basis trends reflects the outlook relative to the current level against the historic range.

**RBOB**

**New York Harbor** basis to trend lower on improved supplies and pressure to liquidate winter grades.

**West Coast (Los Angeles)** basis to trend higher on winter refinery maintenance, followed by decline as refiners restart.

**Conventional**

**New York Harbor** basis trend lower on improved supplies and pressure to liquidate winter grades.

**Chicago basis** to trade sideways in near term on excess supply, then improve higher demand and spring refinery maintenance.

**Group III** to trade sideways in near term on excess supply, then improve higher demand and spring refinery maintenance..

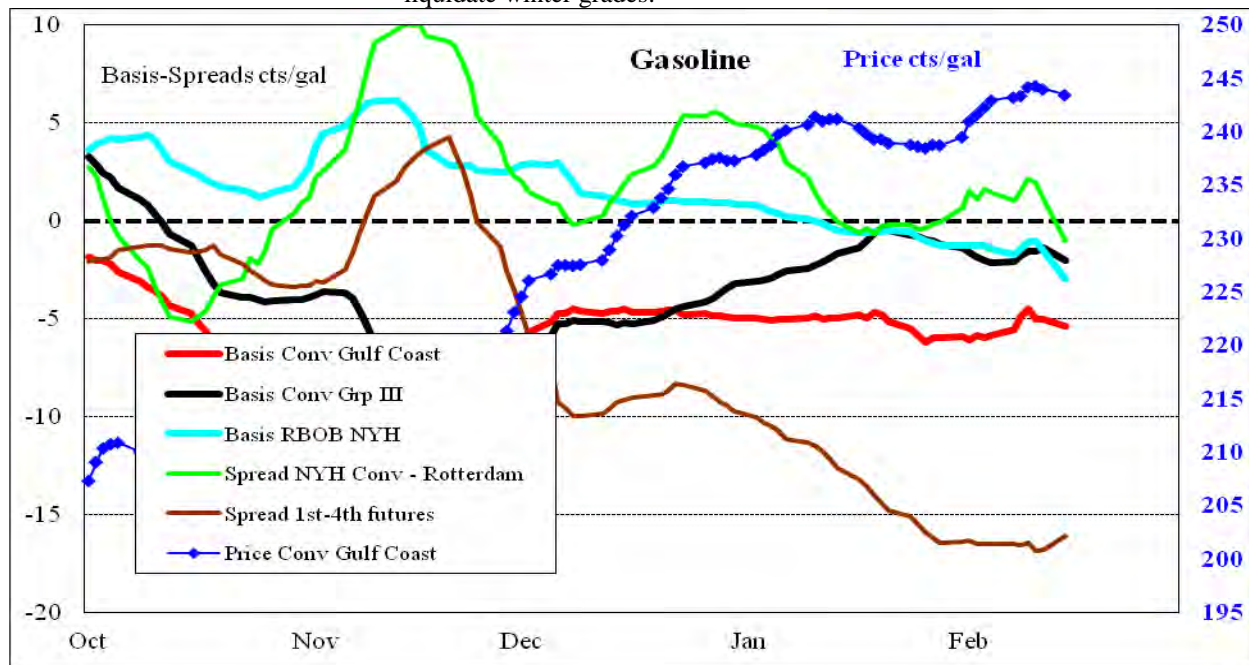
**Gulf Basis** to trade sideways on very high stock levels.

**West Coast (Los Angeles)** basis to trend higher on winter refinery maintenance, followed by decline as refiners restart.

**Gulf Coast Price**

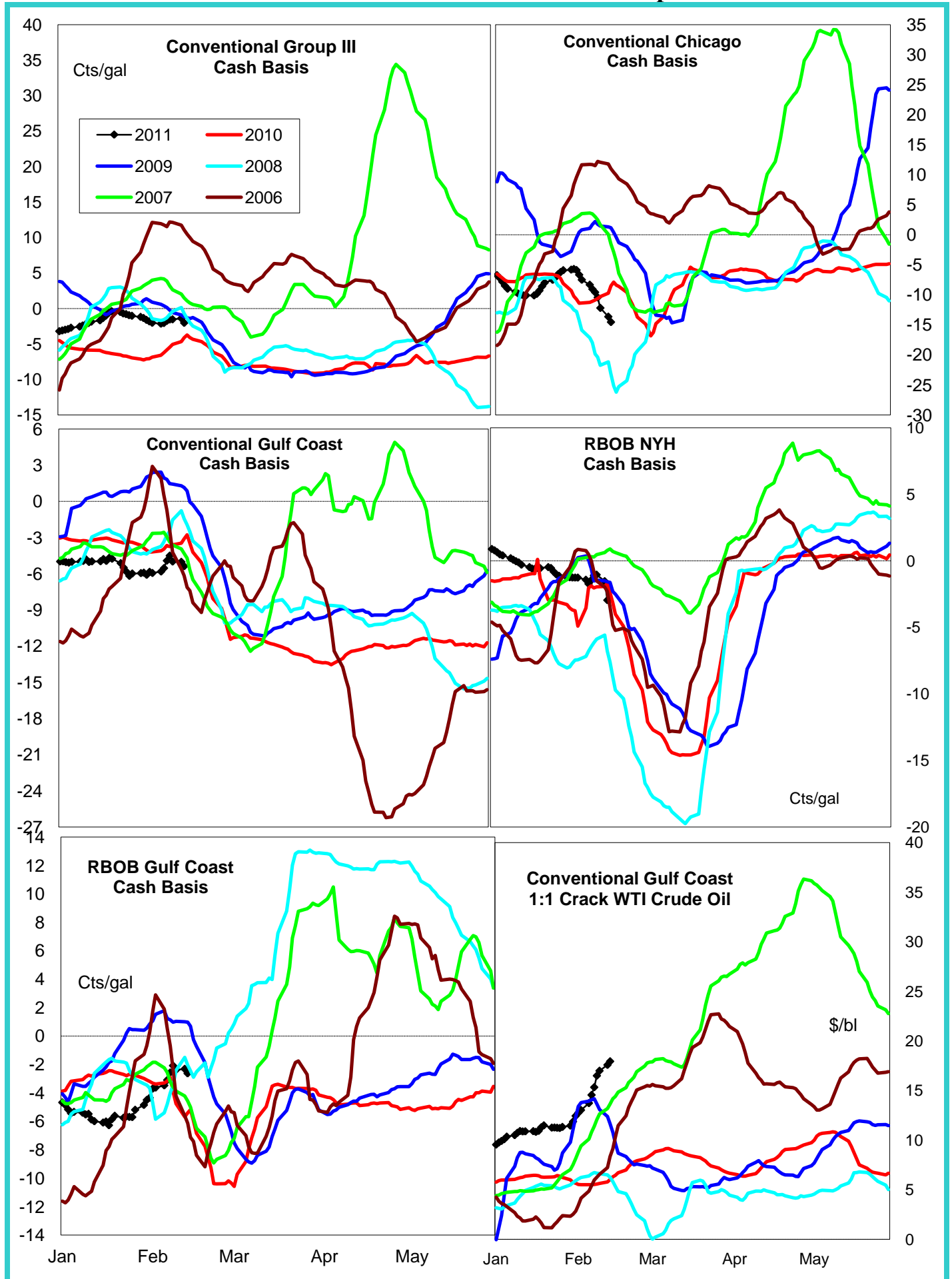
Gasoline production declines modestly in late winter as refiners conduct seasonal maintenance on FCCU's. Combined with rising spring demand, the result is a draw down in stock levels.

This season stock levels are at record highs and gasoline prices are also near record levels for this time of year. The result may be more modest demand growth and below normal stock draws; so that risk of a price pull back continues.

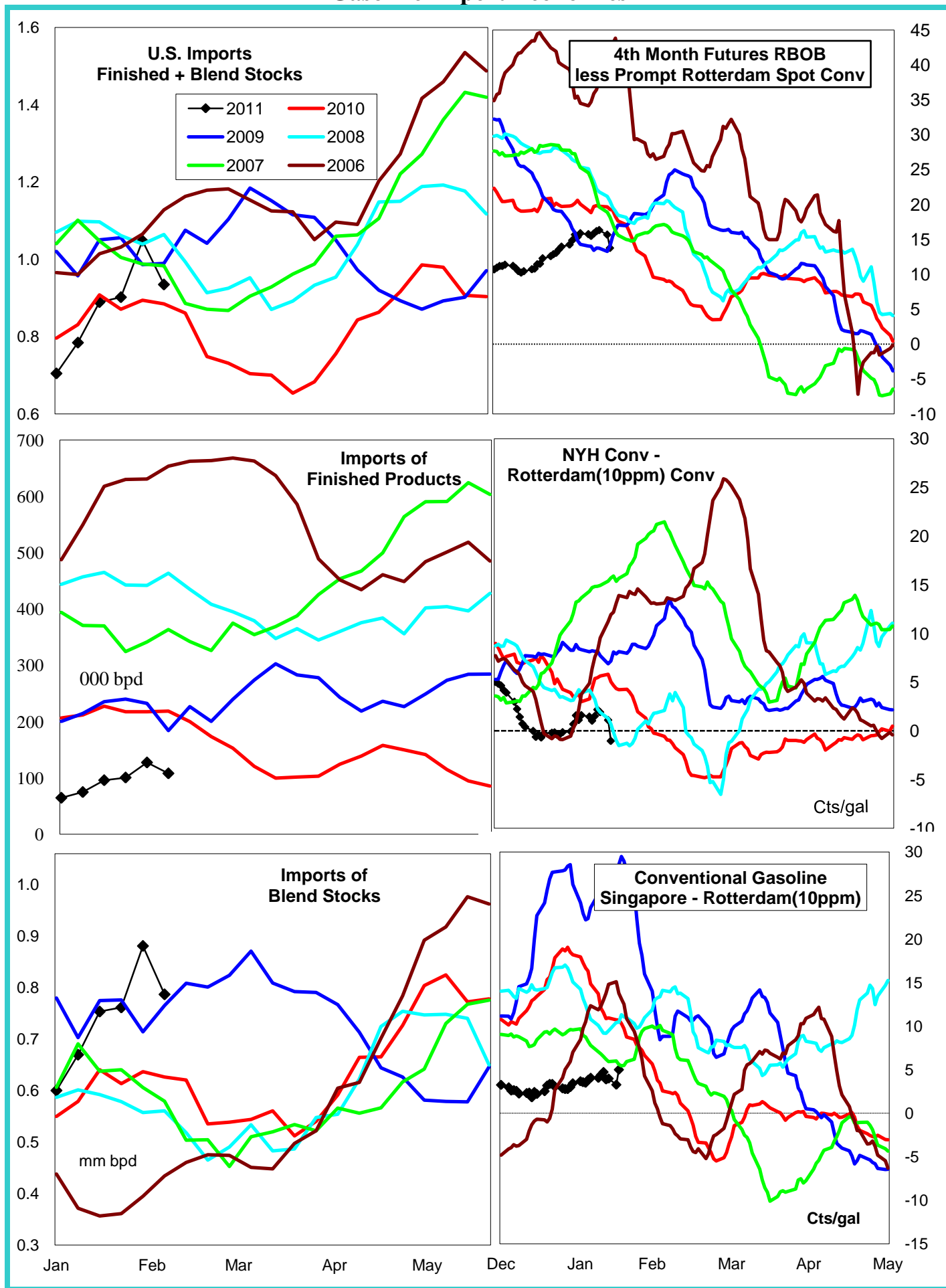


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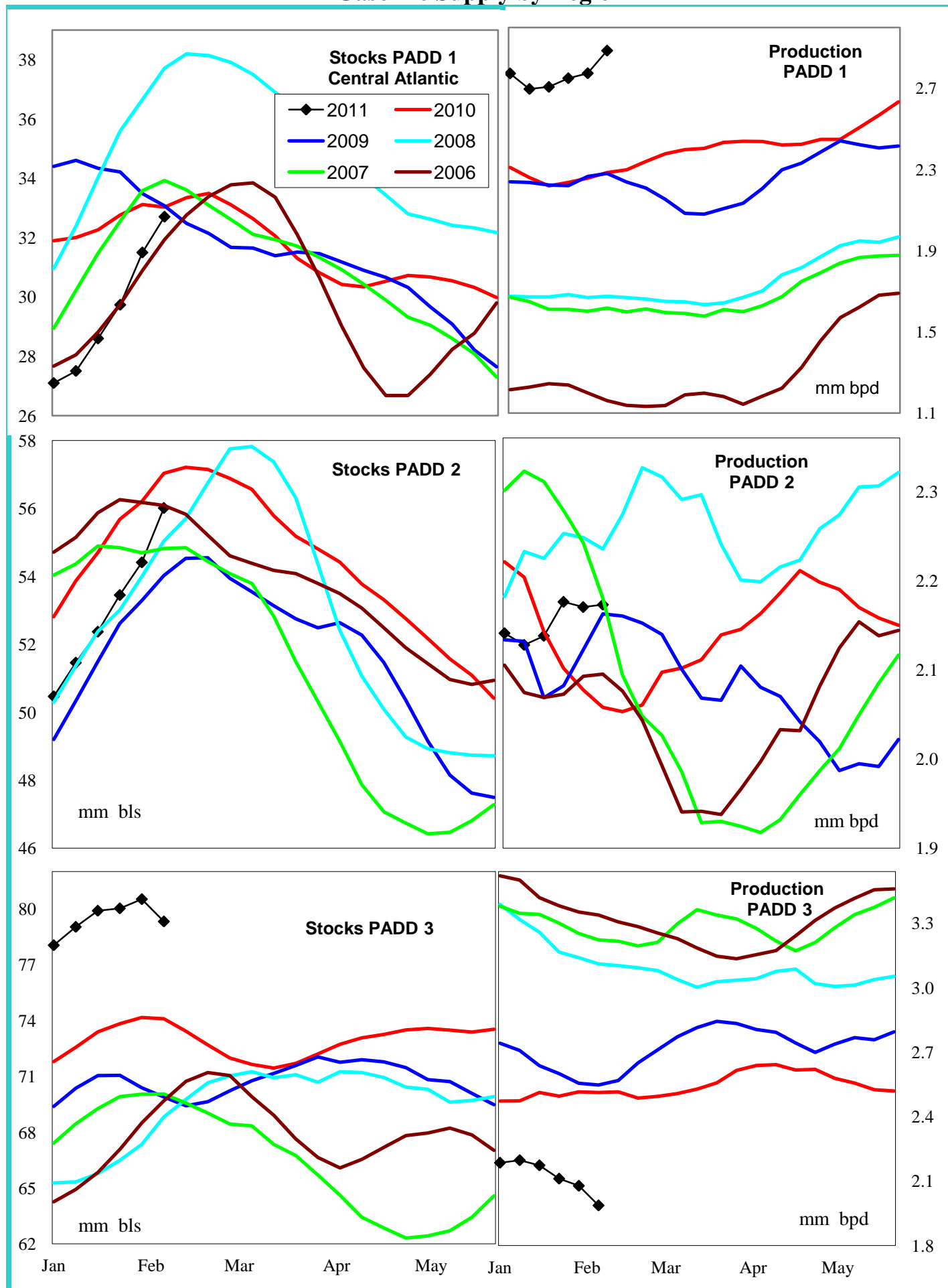
# Gasoline Cash Basis and Related Price Spreads



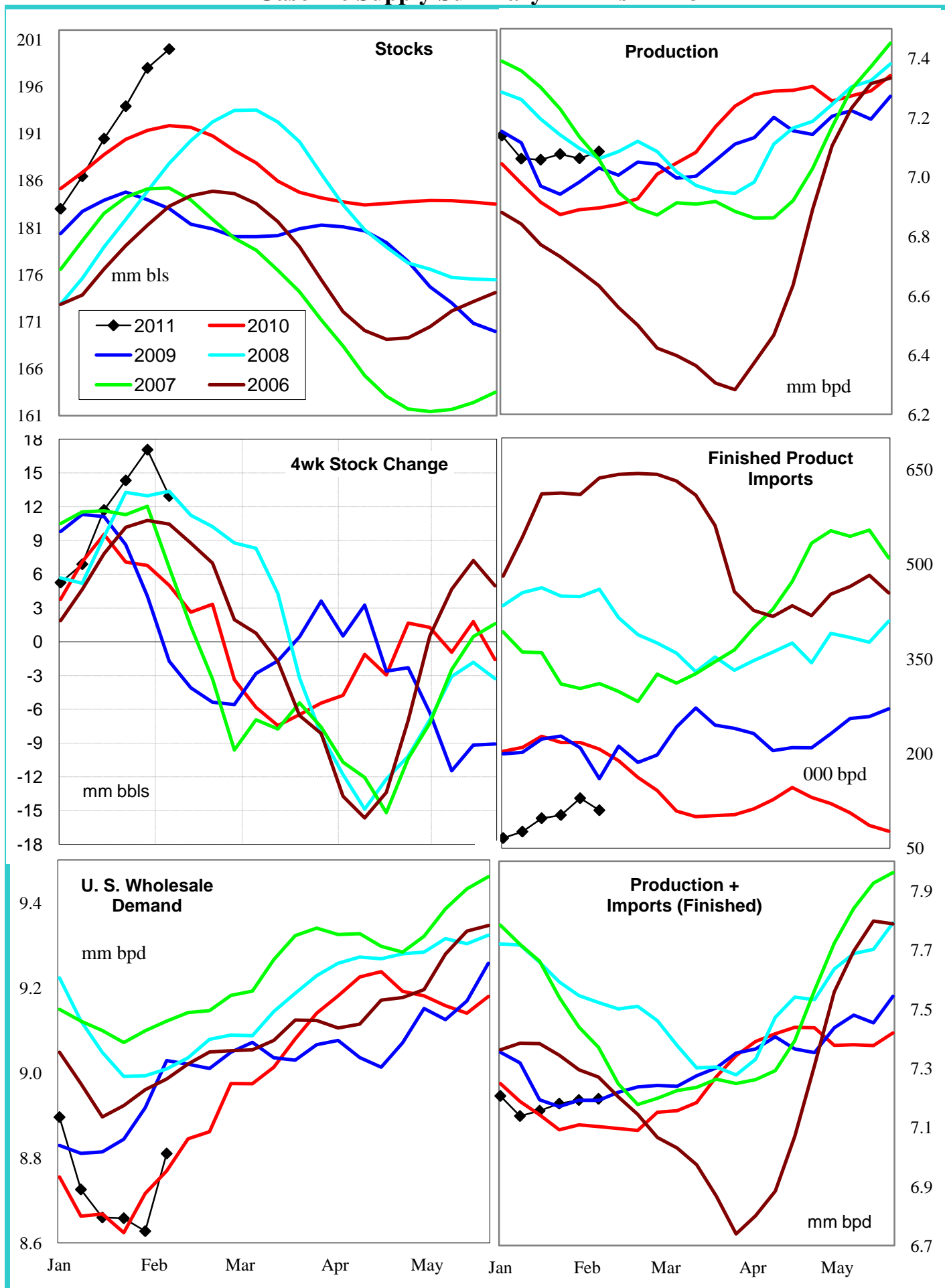
# Gasoline Import Economics



# Gasoline Supply by Region



# Gasoline Supply Summary PADDs 1+2+3



# PADD 5 Gasoline Supply

