


**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 +30,000 bpd last week, to a level that matched 5-year highs for the period. Exports of gasoline, included in weekly demand estimates, were over 0.5 million bpd in December, and this high level of demand points to new record high exports. The latest 4-wk

average demand was +202,000 bpd above a year ago.

Production fell -200,000 bpd on the week, as output responded to lower crude oil runs and blend stock imports. Imports declined -46,000 bpd last week, to very low levels. The high demand level and lower supply led to a -5.5 million bpd drop in stocks.

The latest 4-wk stock draw East of the Rockies was -9.6 million barrels, a level that matched the record draw.

Basis strengthened in the Gulf last week, pointing to robust gasoline exports. Basis traded sideways in other regional markets East of the Rockies. West Coast basis trended higher on the week. Basis levels in NYH and the Midwest remain extremely weak for this time of year.

Very weak basis in markets outside the Gulf region (supported by exports) points to a dampening effect of sharply higher flat prices. Expect a seasonal upturn in basis from current low levels as demand trend higher.

**RBOB**

**New York Harbor** basis to trade sideways in the near term on expected higher imports, then higher on increased demand.

**West Coast (Los Angeles)** basis to trade sideways as plants return to operation, then higher on improved seasonal demand.

**Conventional**

**New York Harbor** basis to trade sideways in the near term on expected higher imports, then higher on increased demand

**Chicago basis** to trade sideways in the short term as winter grades are liquidated, then seasonally higher.

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

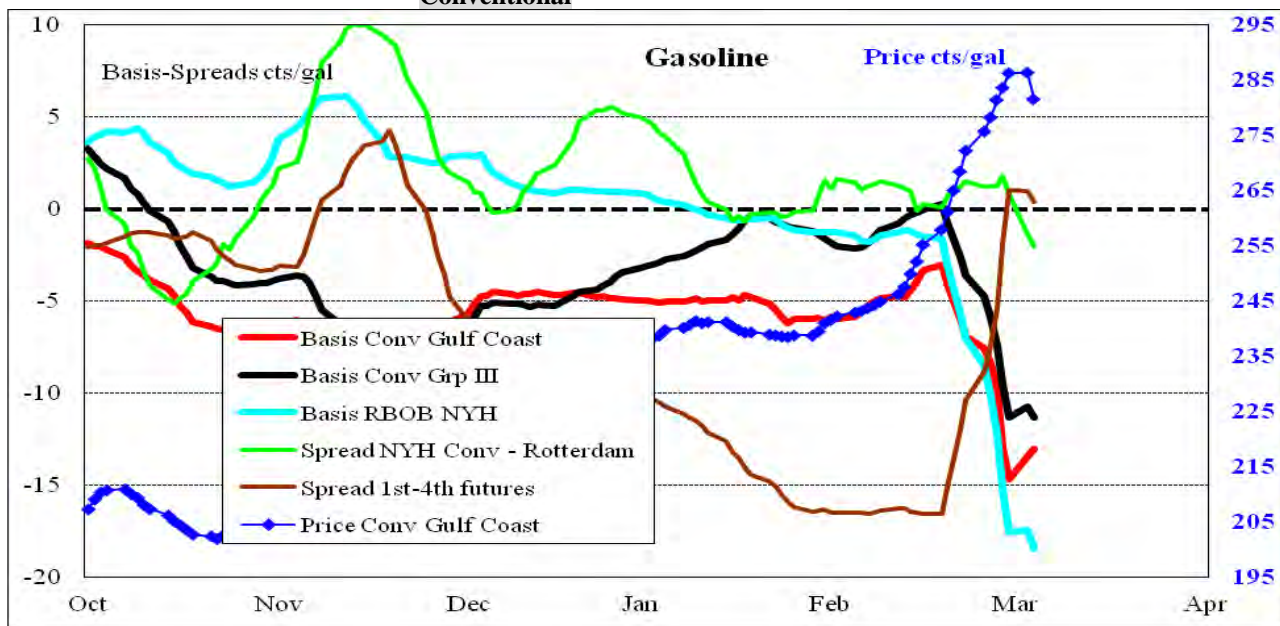
**Gulf Basis** to trend higher on robust exports, and higher seasonal demand.

**West Coast (Los Angeles)** basis to trade sideways as plants return to operation, then higher on improved seasonal demand.

**Gulf Coast Price**

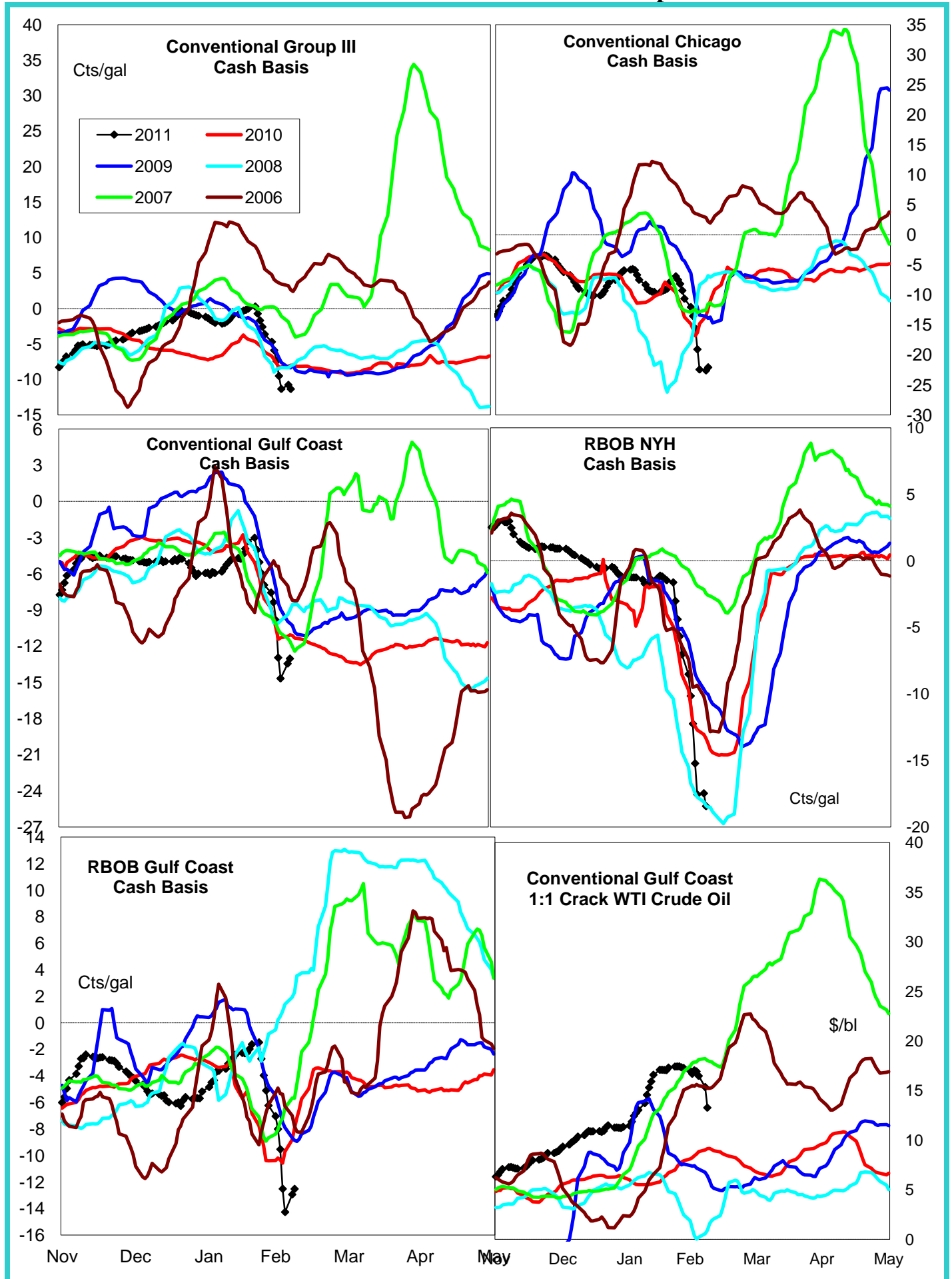
Gasoline basis strengthened last week in the Gulf region, while trading flat to lower in other regional markets; which points to the support of robust exports. Expect strong exports to further tighten the supply balance in the Gulf market.

The spike in global energy prices and a seasonal tightening in gasoline supplies should provide ongoing support to prices during the quarter.

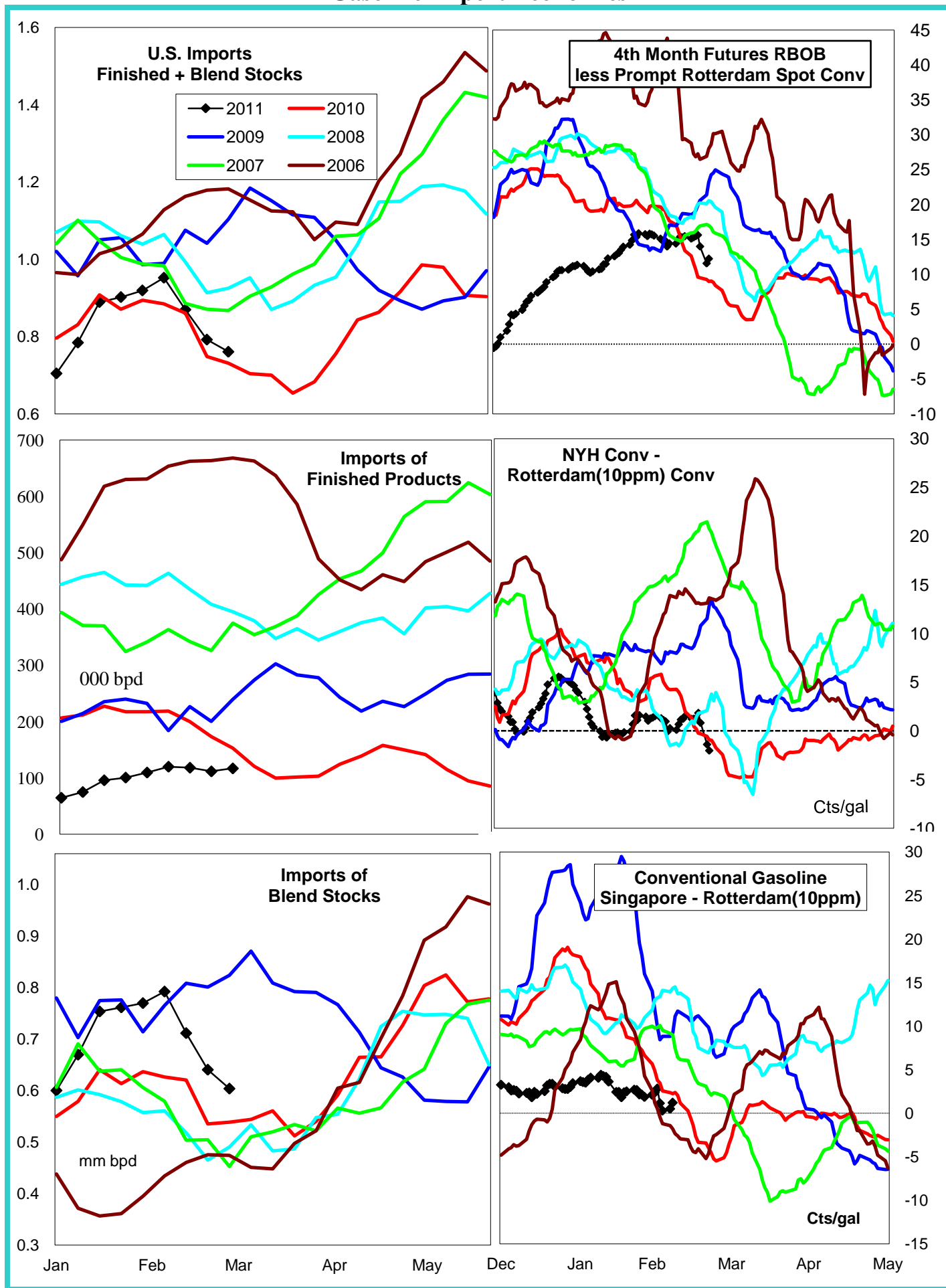


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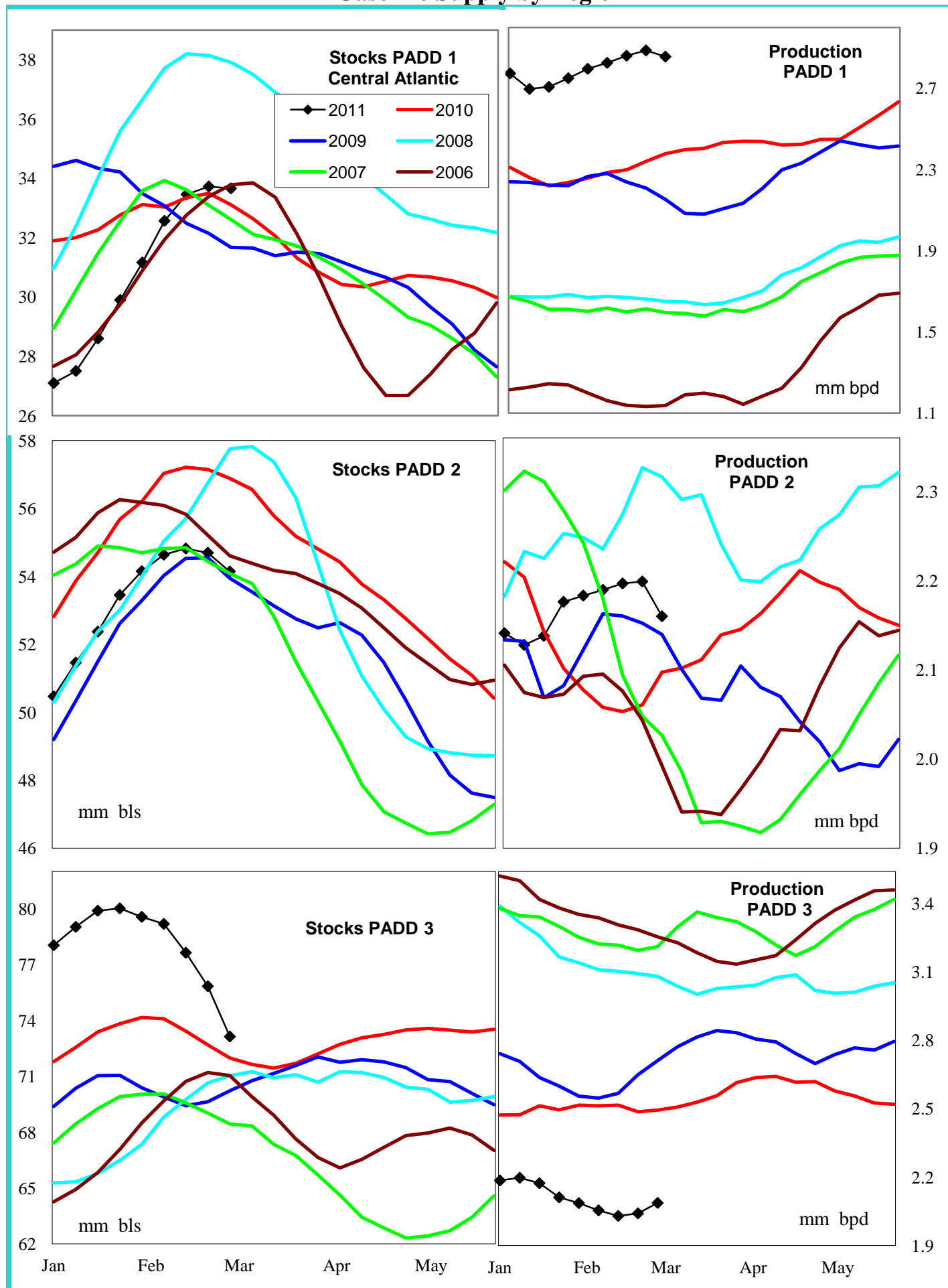
## Gasoline Cash Basis and Related Price Spreads



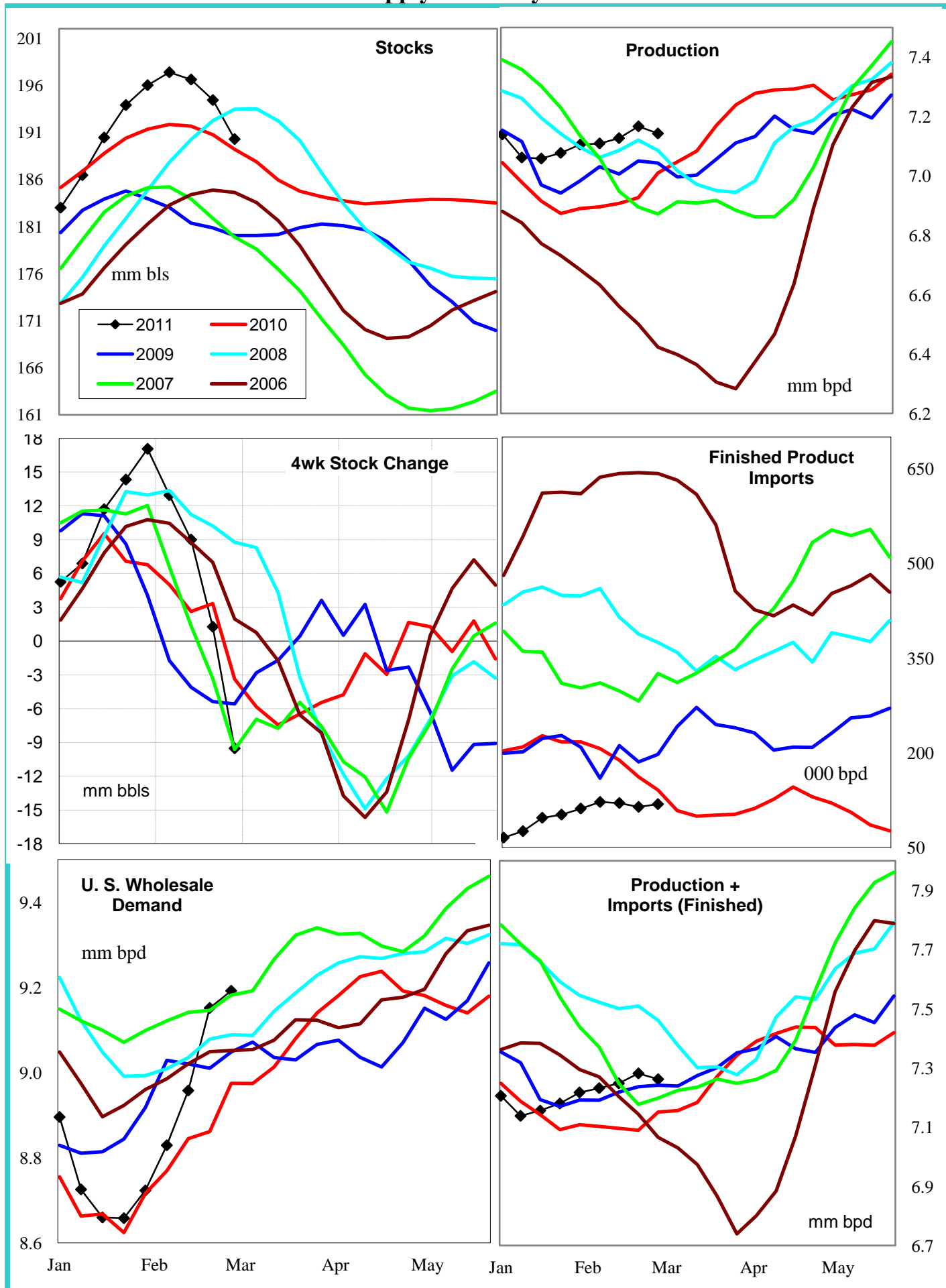
# Gasoline Import Economics



# Gasoline Supply by Region



# Gasoline Supply Summary PADDs 1+2+3



# PADD 5 Gasoline Supply

