


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

 Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Thursday, March 24, 2011

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 +244,000 bpd last week on rising seasonal demand.

The latest 4-wk average demand was +112,000 bpd above a year ago.

Production increased +282,000 bpd on the week, with increases in all regions. Imports remain at 5-year lows.

Stocks fell -5.3 million barrels, with declines in all regional markets. The latest 4-wk stock draw East of the Rockies was -15.9 million barrels, which was a record draw for this time of year.

Basis was flat to lower in all markets East of the Rockies last week. Basis trended higher on the West Coast.

Basis levels remain depressed for RBOB grades in NYH and Chicago. Conventional grade basis was also depressed in all East of Rockies markets, except NYH last week. West Coast basis levels ended the week near the mid range.

Very low stock levels in PADD 2 risk a supply squeeze in the 2nd quarter. Expect basis to trend higher in markets East of the Rockies as spring demand, including exports from the Gulf, tighten the supply balance.

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 trend higher in improving seasonal demand and seasonal stock draw.

Conventional

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

Chicago basis to trend higher on low stock levels and higher seasonal demand.

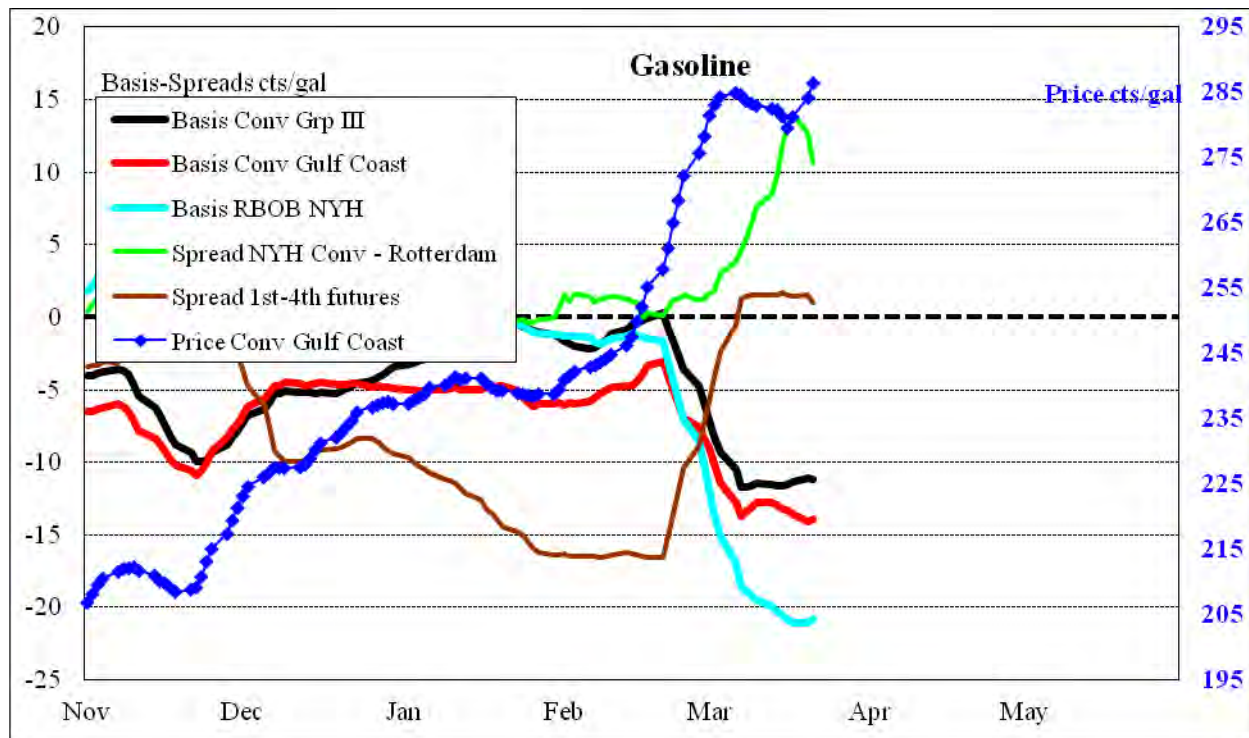
Group III to trend higher on low stock levels, increased seasonal demand and spring refinery maintenance.

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

West Coast (Los Angeles) basis to trend higher in improving seasonal demand and seasonal stock draw.

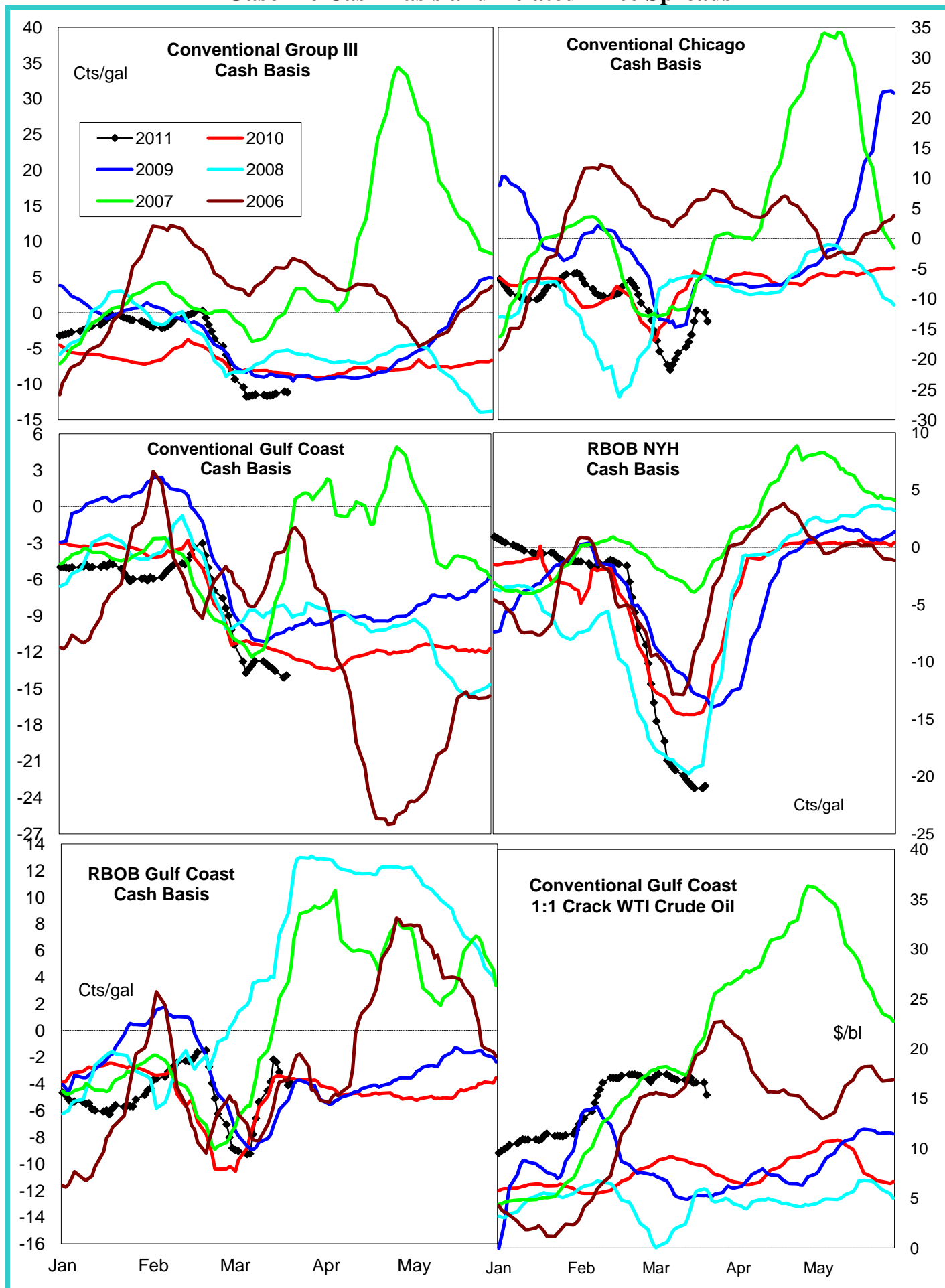
Gulf Coast Price

Rising seasonal demand, continued low imports into the Central Atlantic Region and robust exports from the Gulf should support cash prices.

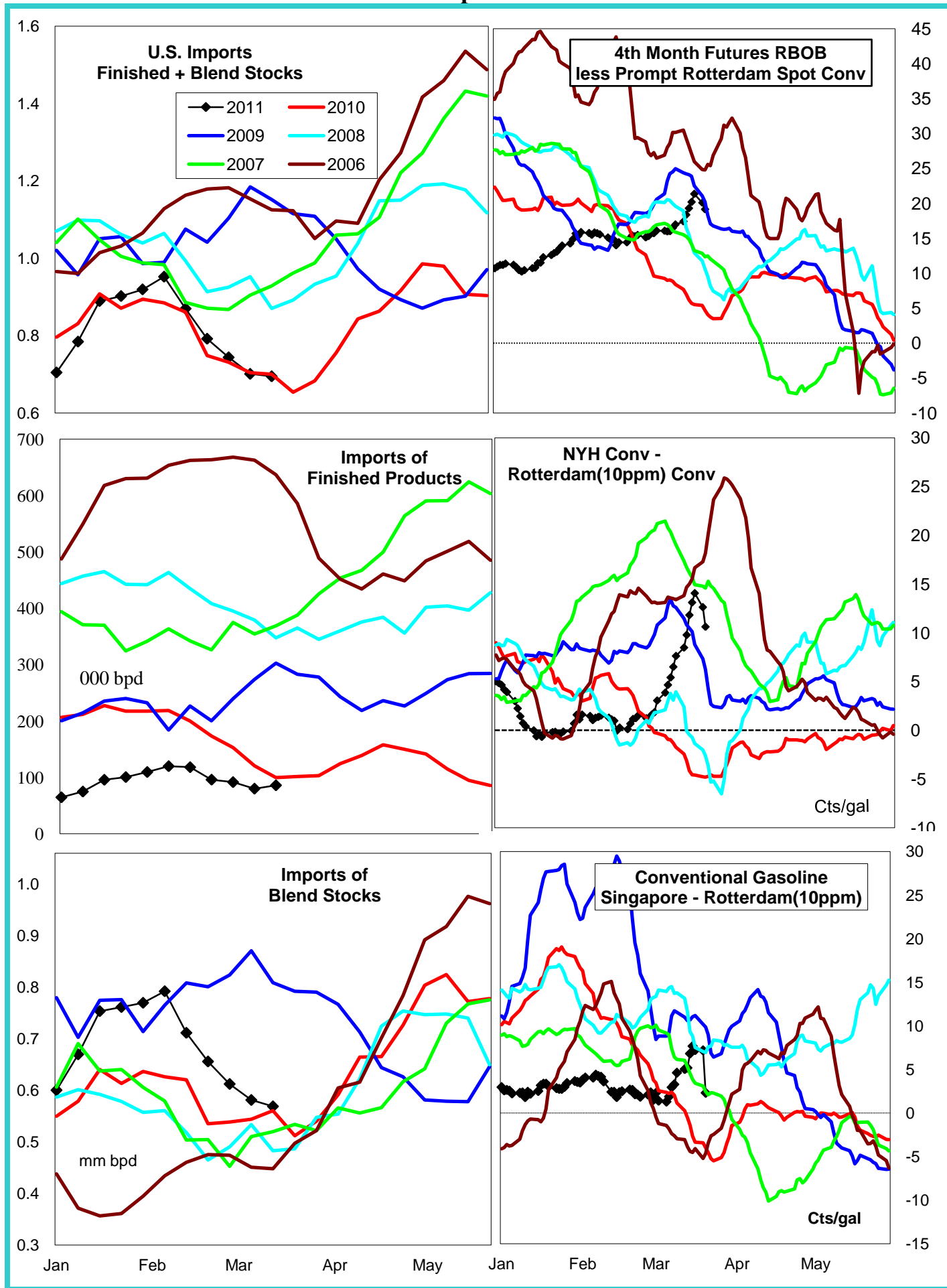


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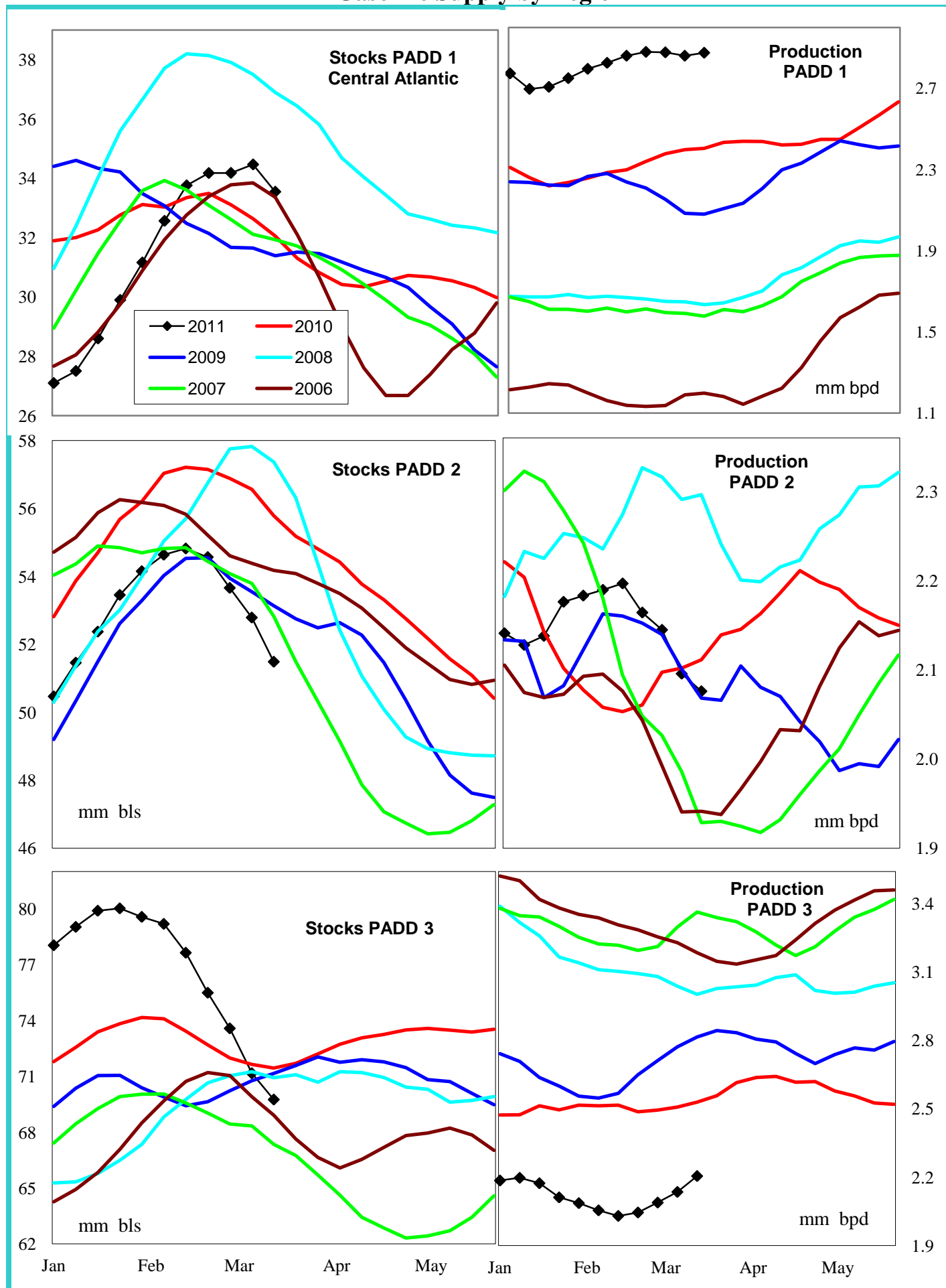
Gasoline Cash Basis and Related Price Spreads



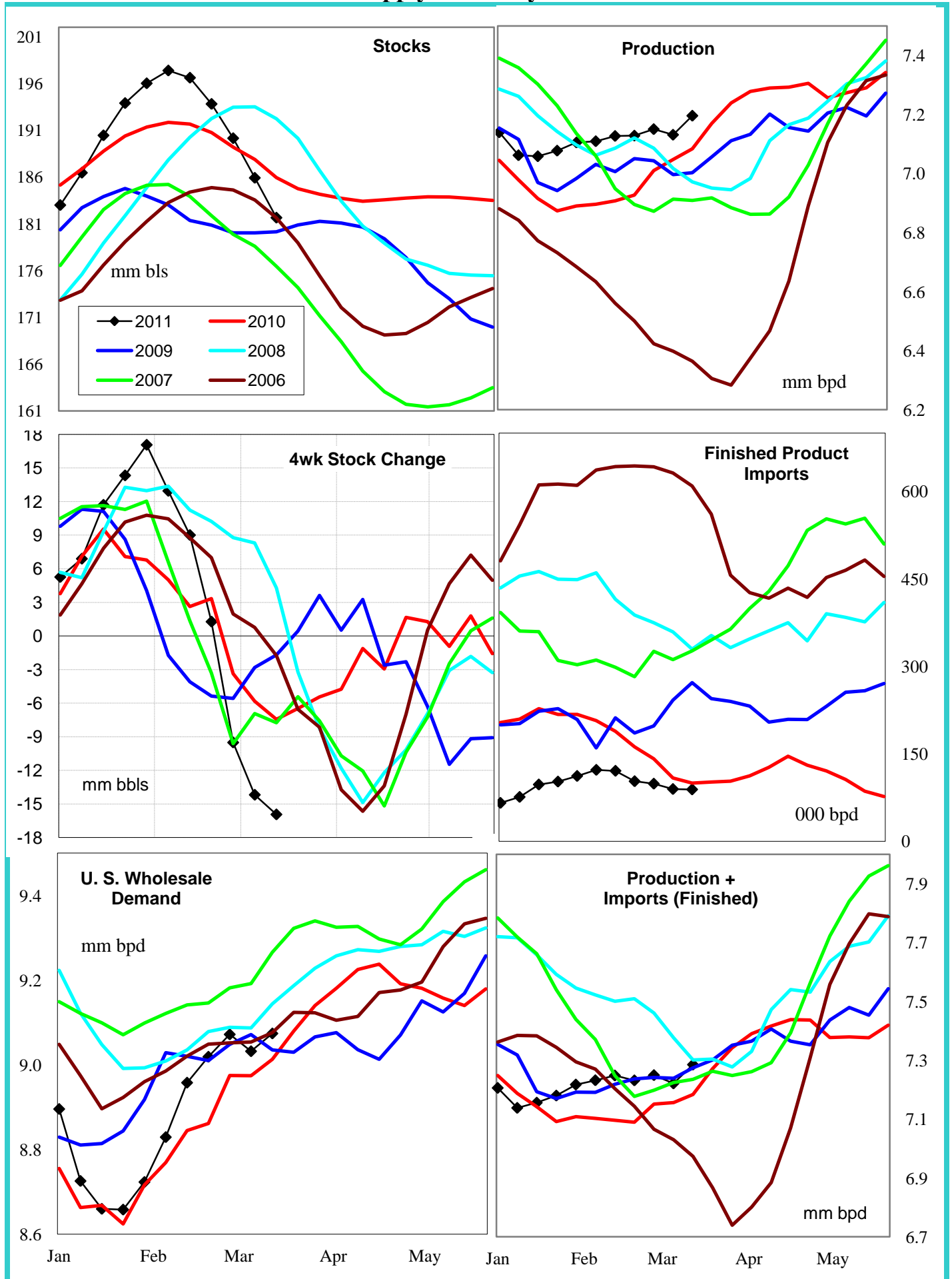
Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3



PADD 5 Gasoline Supply

