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

 Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Wednesday, March 30, 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 fell -208,000 bpd last week. The latest 4-wk average demand was -7,000 bpd below a year ago. The recent pull back in wholesale demand to

unusually low levels, should bounce higher in the near term.

Production fell - 330,000 bpd on the week, with declines in all regions. Imports increased +189,000 bpd, but remains at the low end of the historic range.

Stocks fell -2.7 million barrels, with declines in all markets except the West Coast. The latest 4-wk stock draw East of the Rockies was -17.1 million barrels, which was a record draw for this time of year.

Basis trended higher in nearly all markets, although the Midwest saw very limited increases.

RBOB basis levels in NYH and all grades in the Midwest remain very weak. Strong Gulf basis levels reflect robust exports to Central and South American countries.

Low stock levels in PADD 2 risk a supply squeeze in the 2nd quarter. Expect a near term bounce in demand to lift basis across most regional markets.

RBOB

New York Harbor basis to trend higher on a tightening of supply and higher demand.

Conventional

New York Harbor basis to trend higher on tightening supply and improved seasonal demand.

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

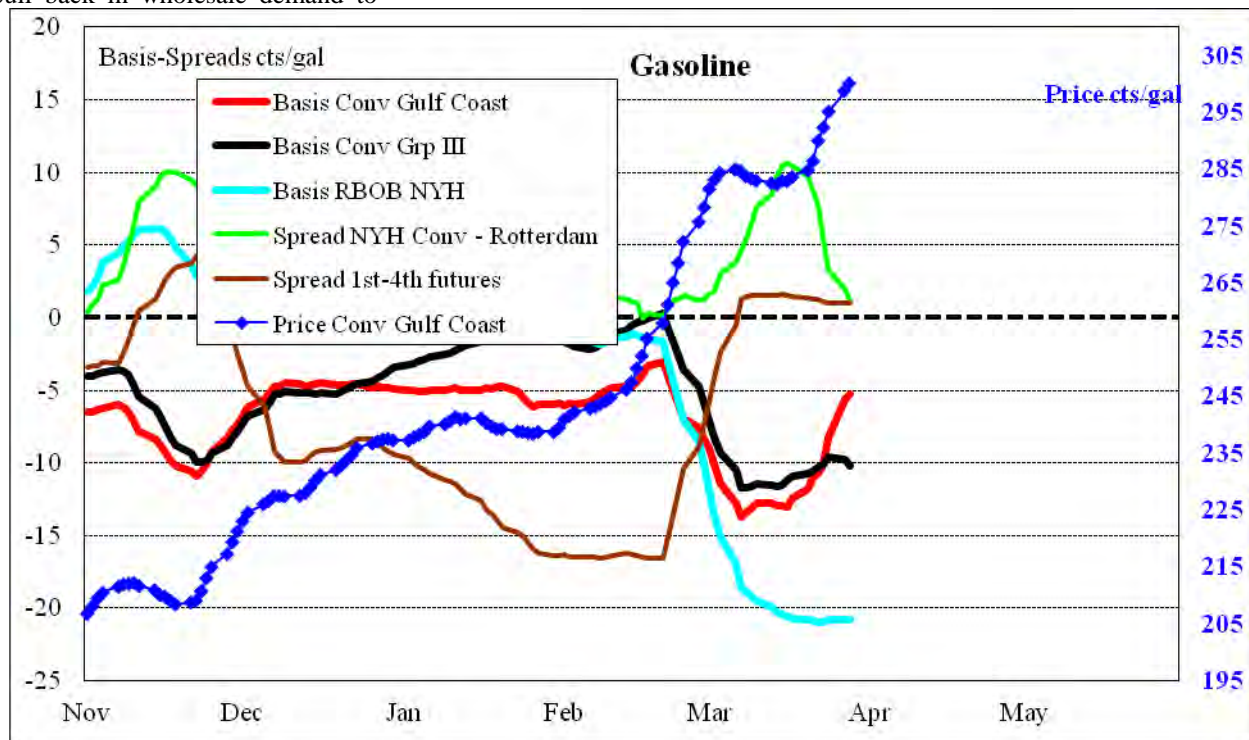
Group III to trend higher on low stock levels, increased seasonal demand and spring refinery maintenance.

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

West Coast (Los Angeles) basis to trend sideways with risk of a pull back on seasonal increase in production and ample stocks.

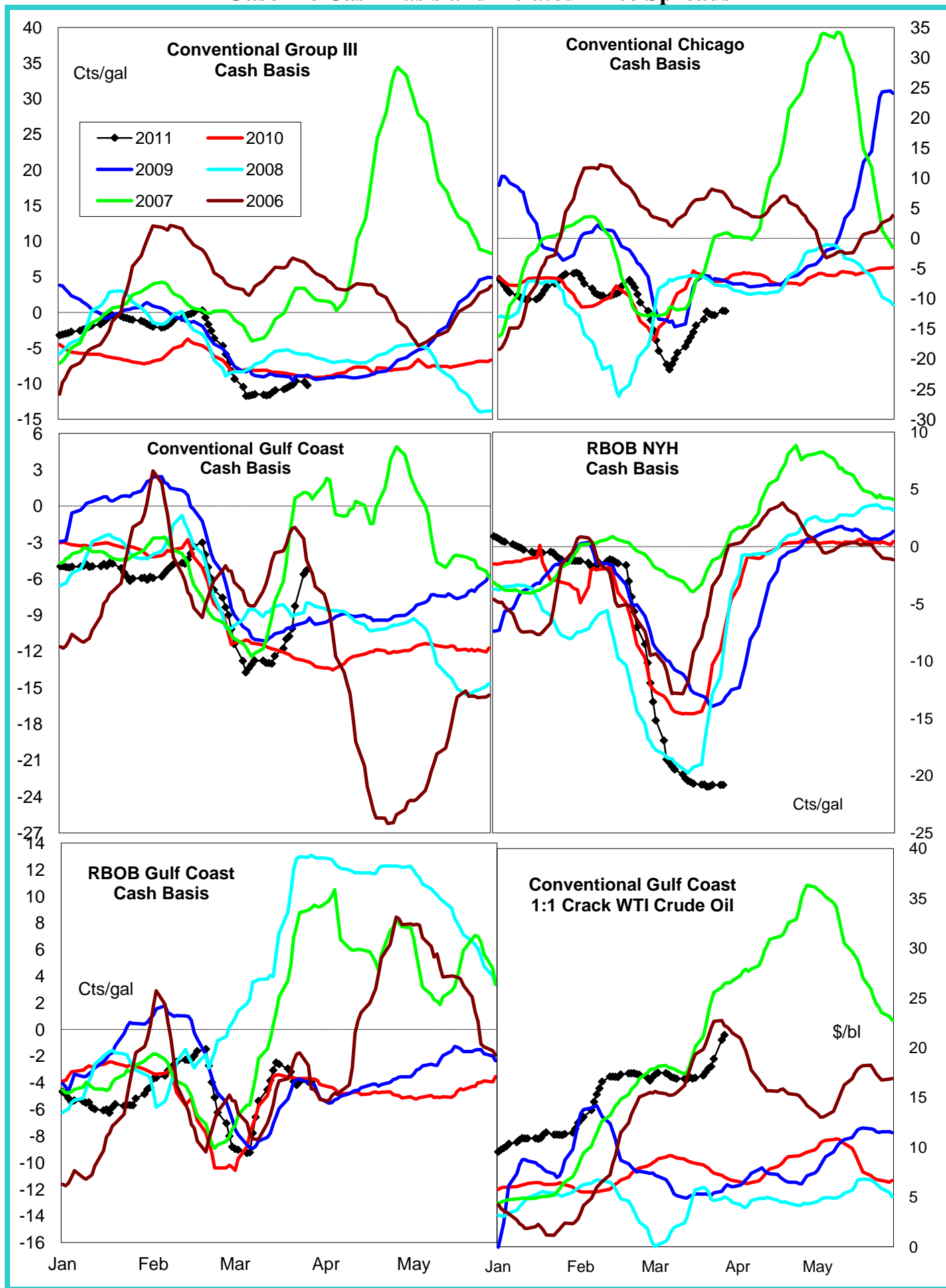
Gulf Coast Price

Rising seasonal demand, continued low imports into the Central Atlantic Region and robust exports from the Gulf should support cash prices. Risk of a supply squeeze in markets East of the Rockies exists due to strong exports from the Gulf and refiners maximizing middle distillate output.

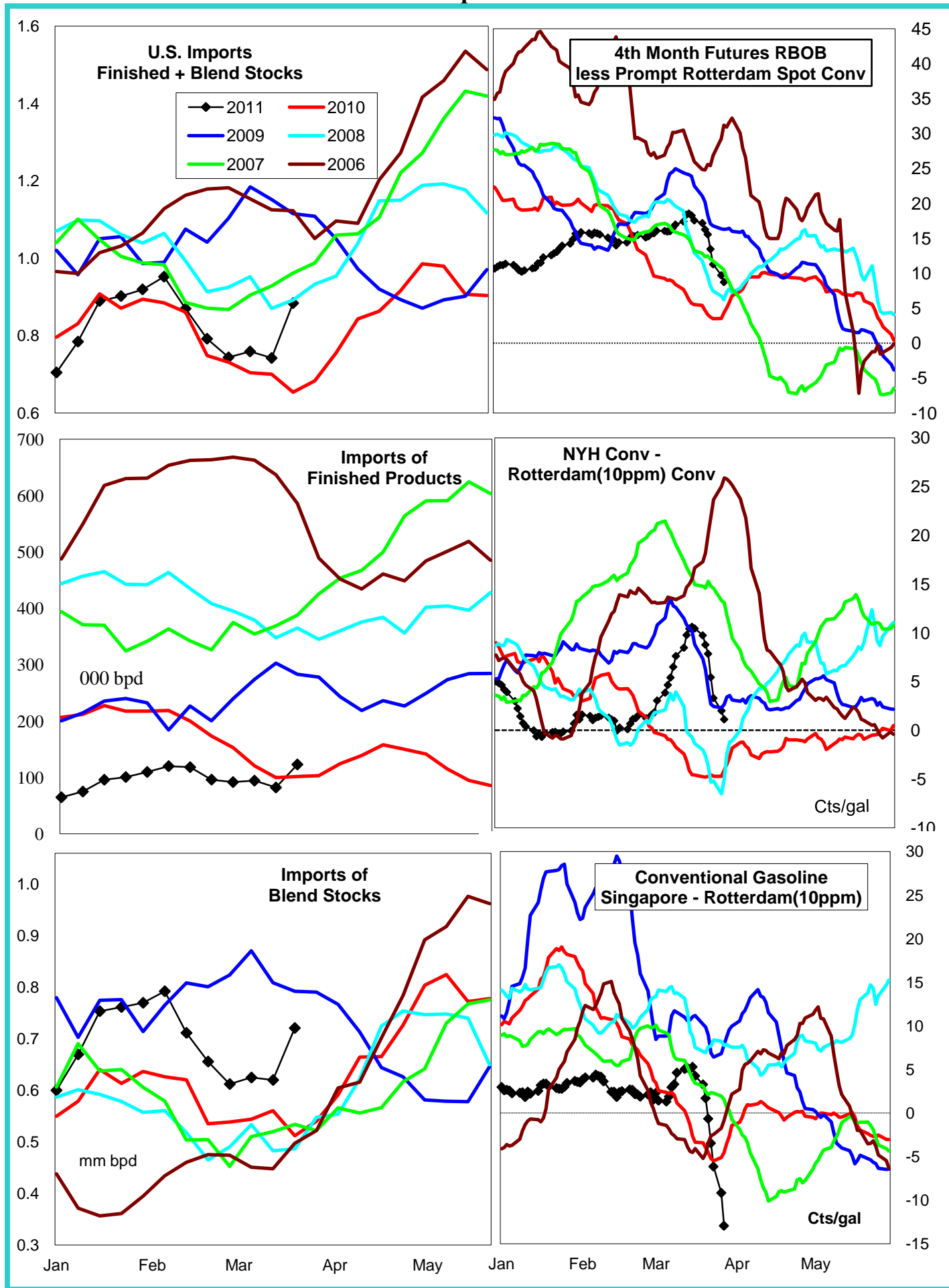


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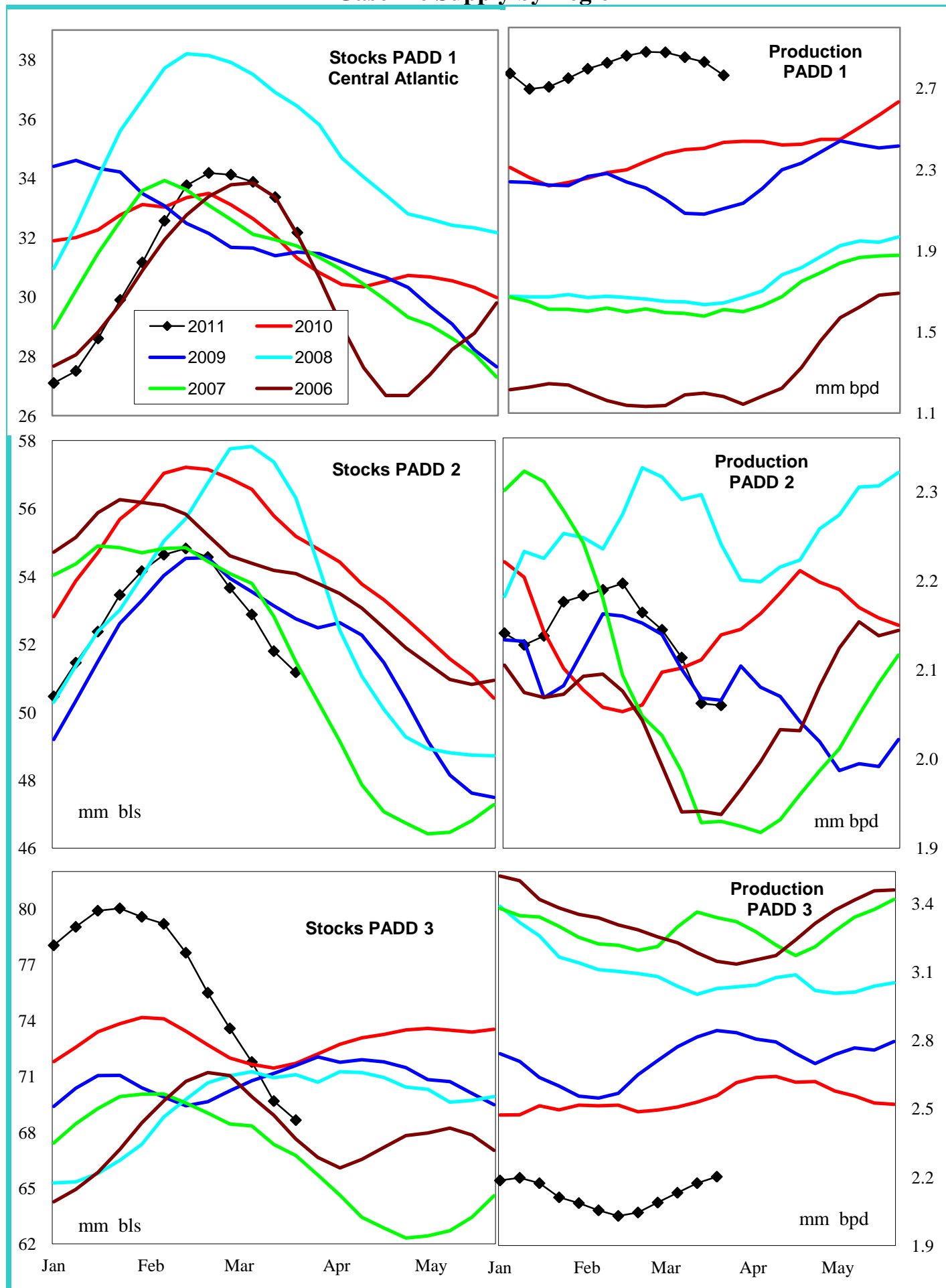
Gasoline Cash Basis and Related Price Spreads



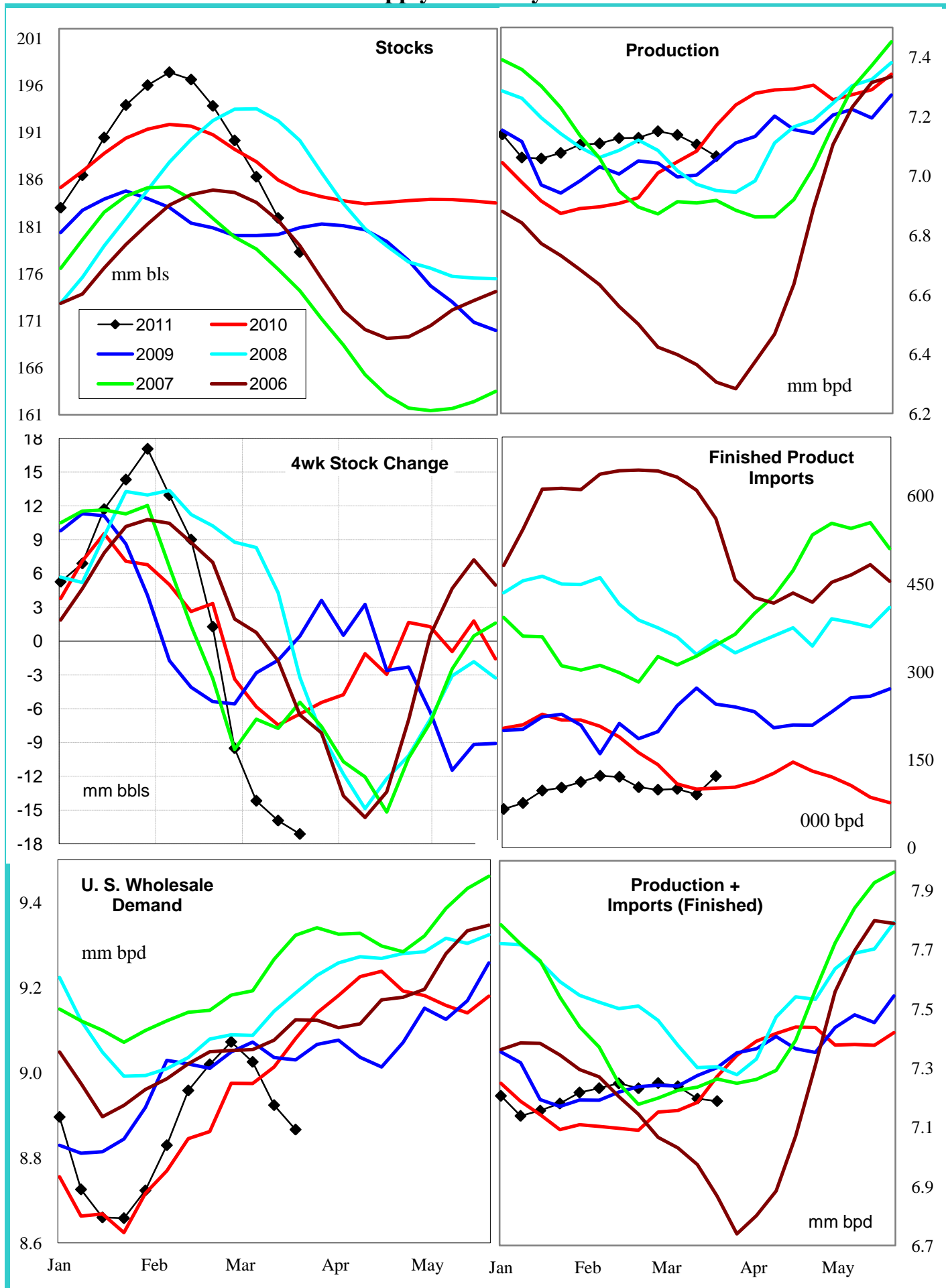
Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3



PADD 5 Gasoline Supply

