


**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, April 21, 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 decreased -119,000 bpd last week, reversing a portion of the prior week surge. The latest 4-wk average

demand was -163,000 bpd below a year ago. Demand destruction is occurring in response to high retail prices.

Production increased +198,000 bpd on the week. Imports decreased -36,000 bpd, to match 5-year lows.

Stocks decreased -1.6 million barrels, with the decline concentrated in PADDs 1 and 2. Stocks on the West Coast reached record highs for this time of year.

Basis traded sideways to lower in most markets last week, with the exception of Chicago which extended the uptrend. Conventional grade basis in the Group III and Gulf markets remain very weak. West Coast basis levels were record lows for this time of year on extremely high stock levels.

Demand destruction has thus far mitigated the impact of very low gasoline stocks in markets East of the Rockies. While risk of a supply squeeze continues; weak demand and the near term restart of refiners on the East Coast, including a previously closed plant, may improve supply as the peak driving season arrives.

RBOB

New York Harbor basis to trade sideways on expected increased production.

Conventional

New York Harbor basis to trend higher later in the quarter on rising seasonal demand.

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

Group III to trend higher on low stock levels and higher seasonal demand.

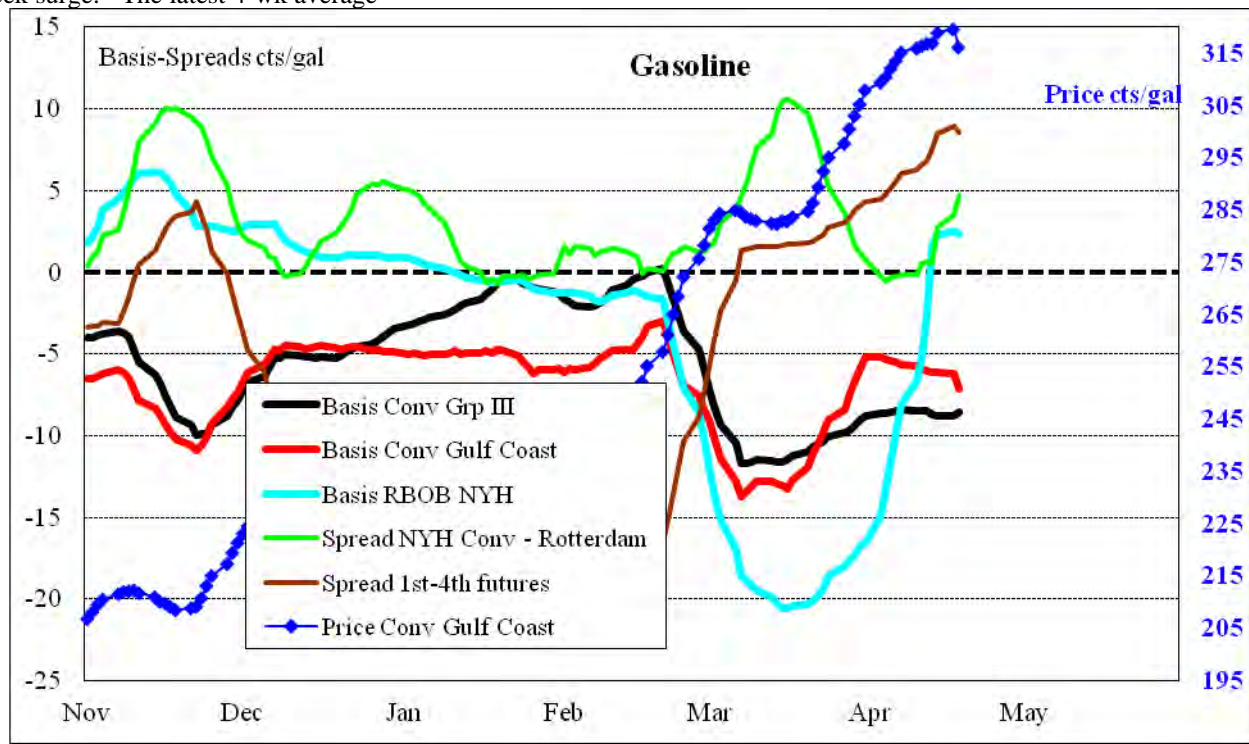
Gulf Basis to trend higher during the 2nd quarter on improved seasonal demand.

West Coast (Los Angeles) basis to trend higher from record lows on seasonal stock drawdown.

Gulf Coast Price

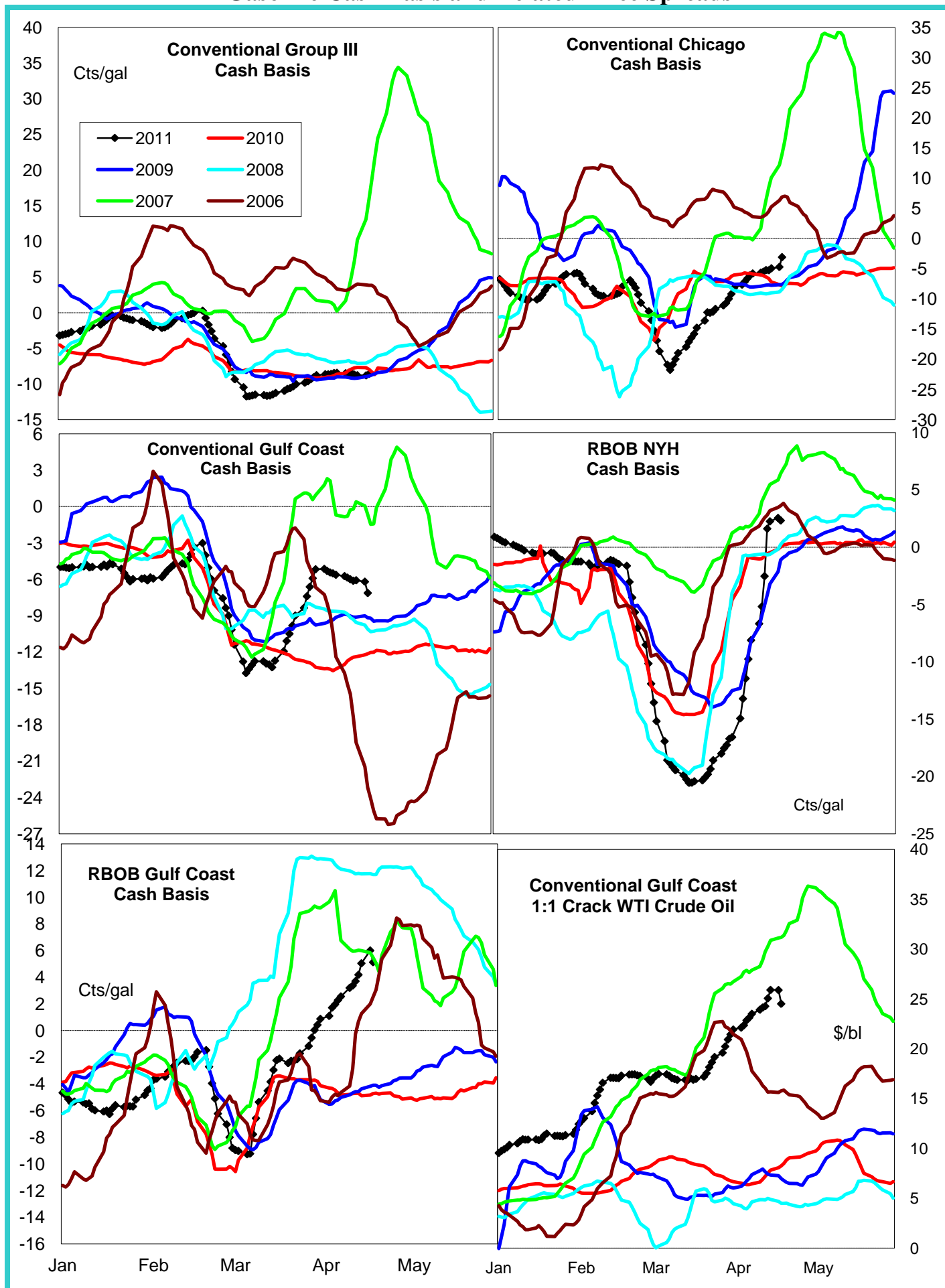
Demand remains lackluster and has reduced the impact on basis of very low stock levels in markets East of the Rockies.

Unusually high refinery maintenance in PADDs 1 and 3 has contributed to the very large stock drawdown in markets East of the Rockies. As these refiners return to operation, and demand remains weak, the severity of a supply squeeze may be mitigated.

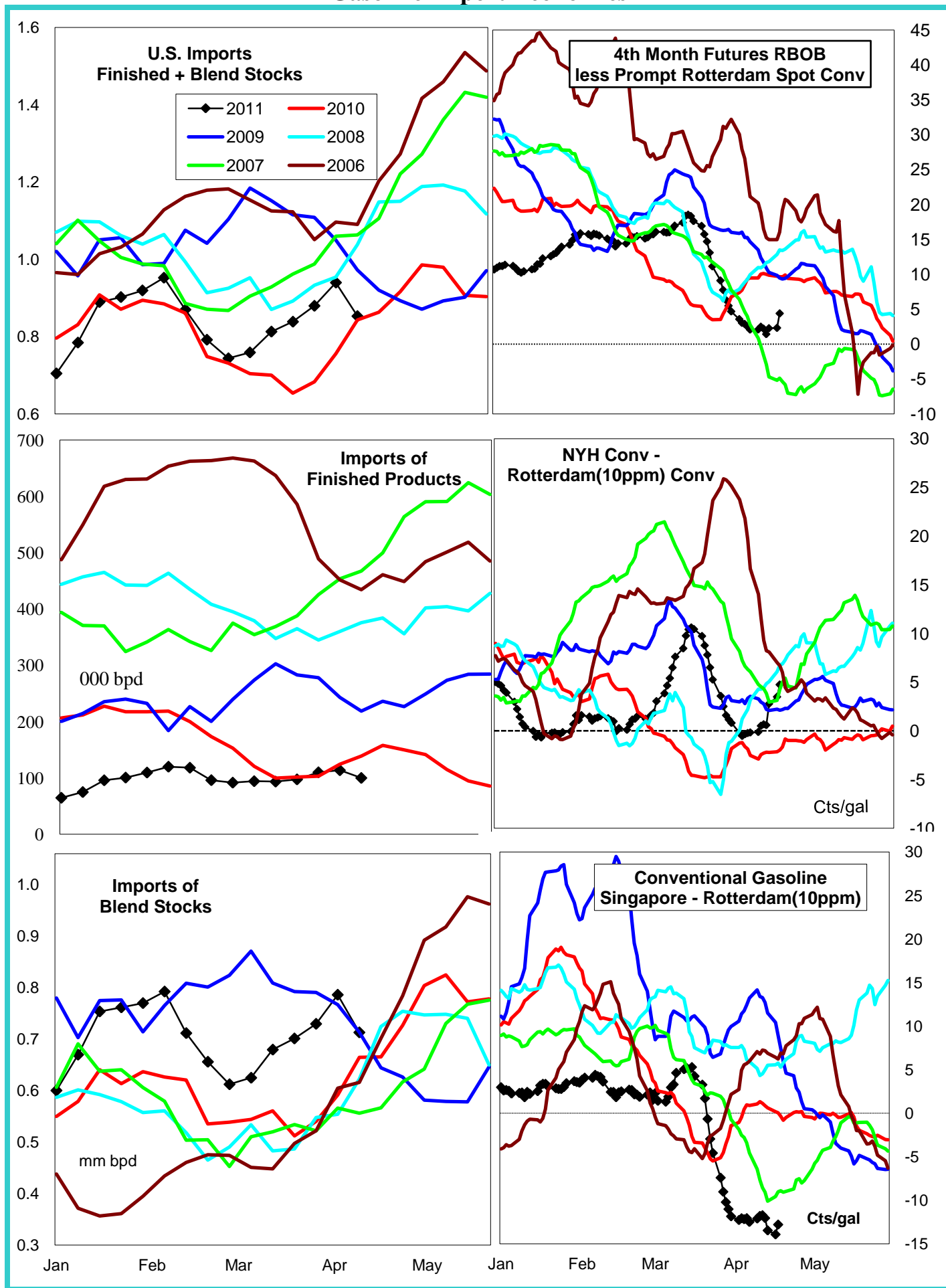


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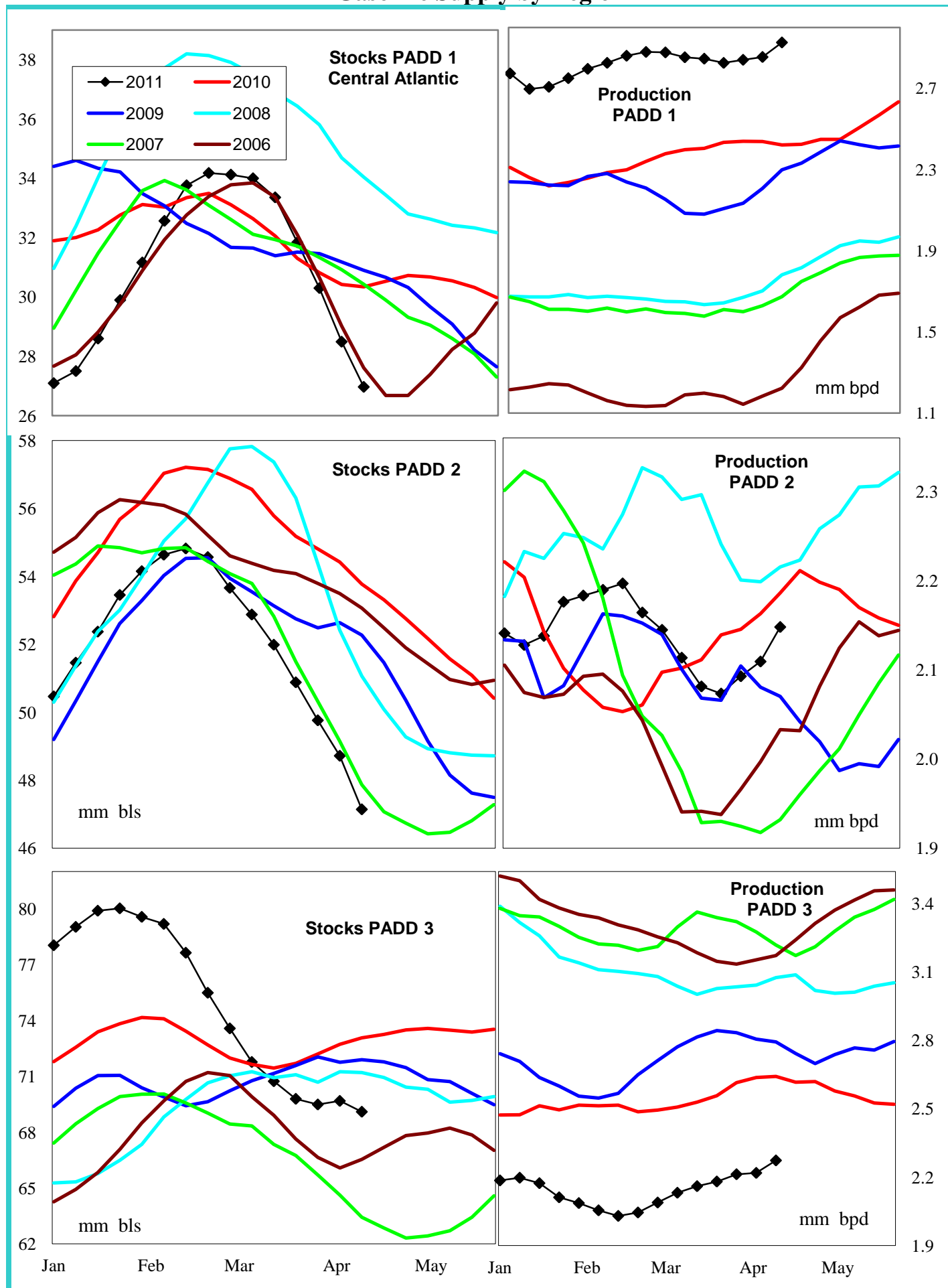
Gasoline Cash Basis and Related Price Spreads



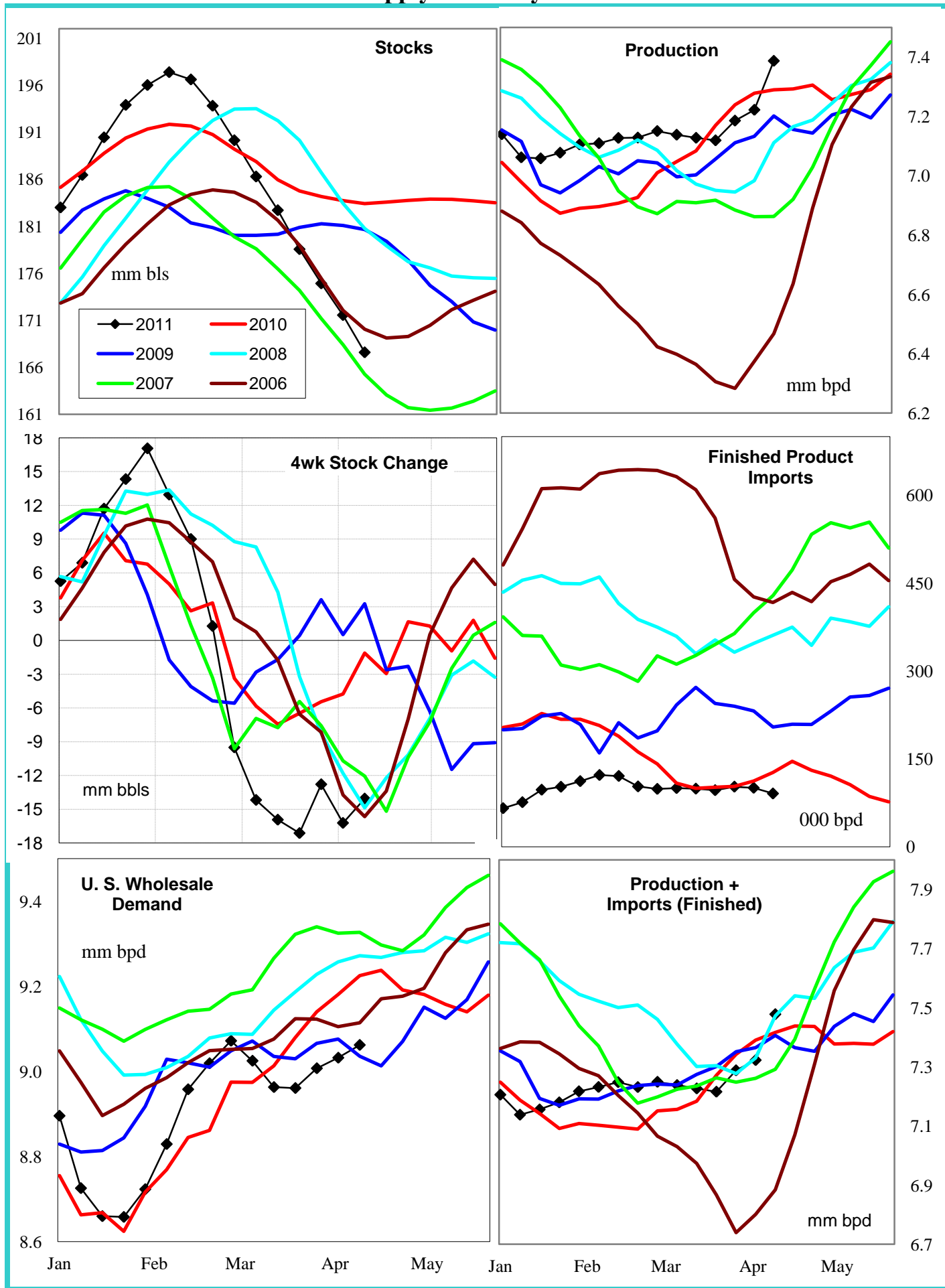
Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3



PADD 5 Gasoline Supply

