
**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 +86,000 bpd last week, with the level at the low end of

the historic range. The latest 4-wk average demand was -150,000 bpd below a year ago. Demand destruction is occurring in response to high retail prices.

Production fell -327,000 bpd on the week to a level at the low end of the last 3-years. Imports increased +197,000 bpd, to a level above the last 2-years.

Stocks decreased -2.5 million barrels, with the decline concentrated in PADDs 1 and 5. Stocks on the West Coast match 5-year highs.

Basis trended lower in nearly all markets last week. Basis levels were extremely low on the West Coast and weak on the Gulf and Group III for conventional grades.

*Demand destruction has led to record stocks and record low basis on the West Coast. Increased conversion to ROBOB grades in the midwest and Gulf has depressed demand and therefore basis for conventional grades in these markets.*

**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.

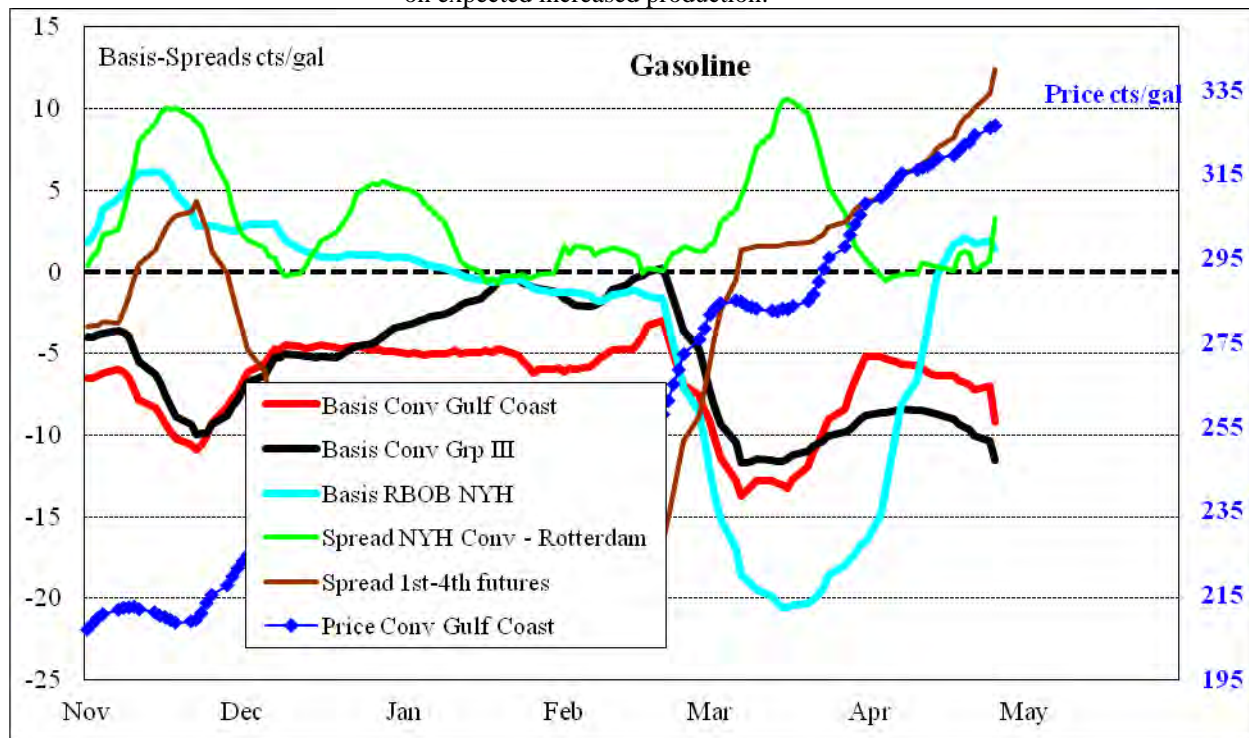
**Gulf Basis** to trend higher during the 2nd quarter on improved seasonal demand.

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

**Gulf Coast Price**

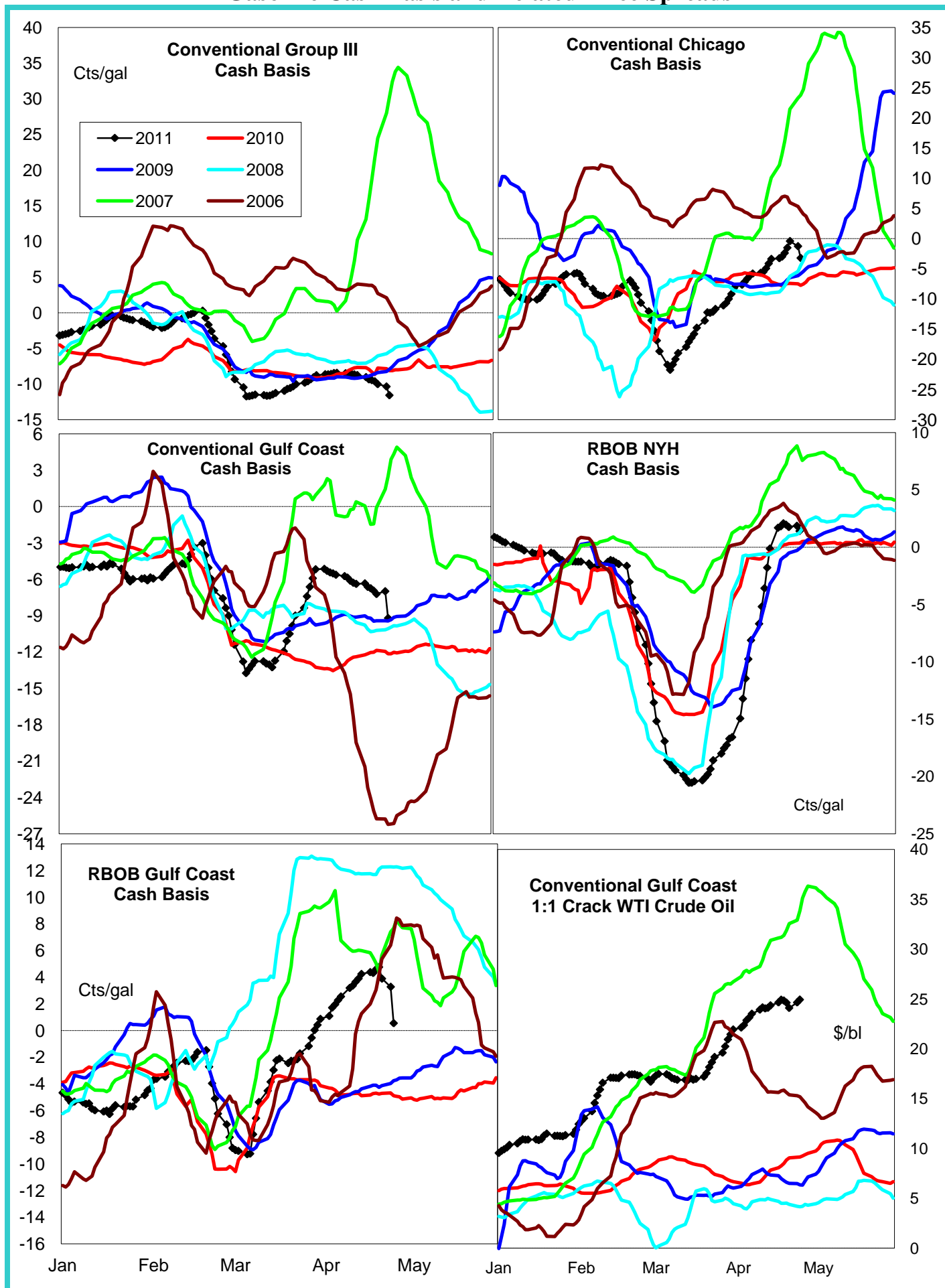
Demand remains lackluster and has reduced the impact on basis of very low stock levels in markets East of the Rockies, with excess stocks on the West Coast driving basis to record lows.

Unusually high refinery maintenance in PADDs 1 and 3 has contributed to the very large stock drawdown in markets East of the Rockies. A ramp up of output in these markets will likely be too late to avoid a supply squeeze during the next 60-days.

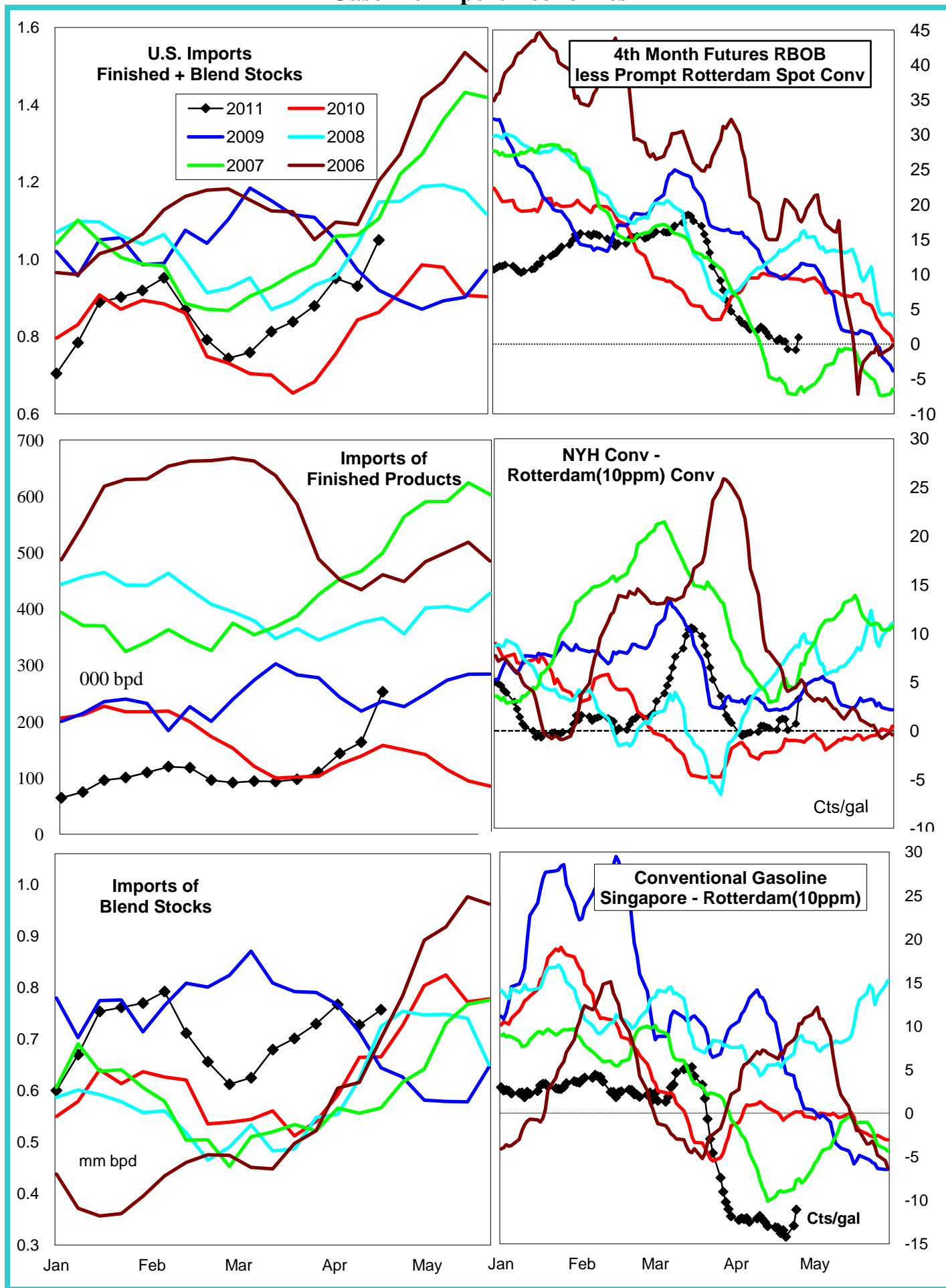


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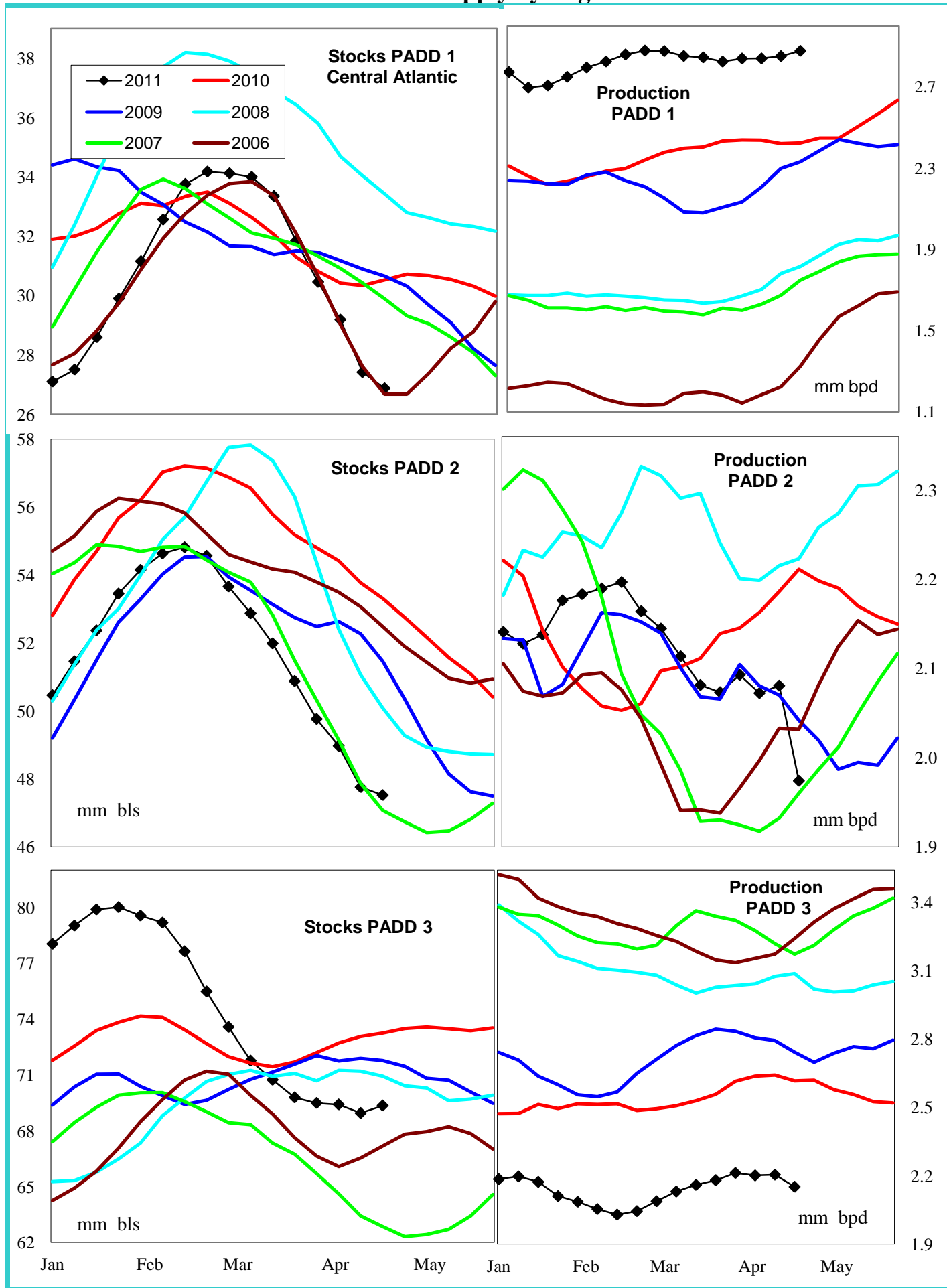
# Gasoline Cash Basis and Related Price Spreads



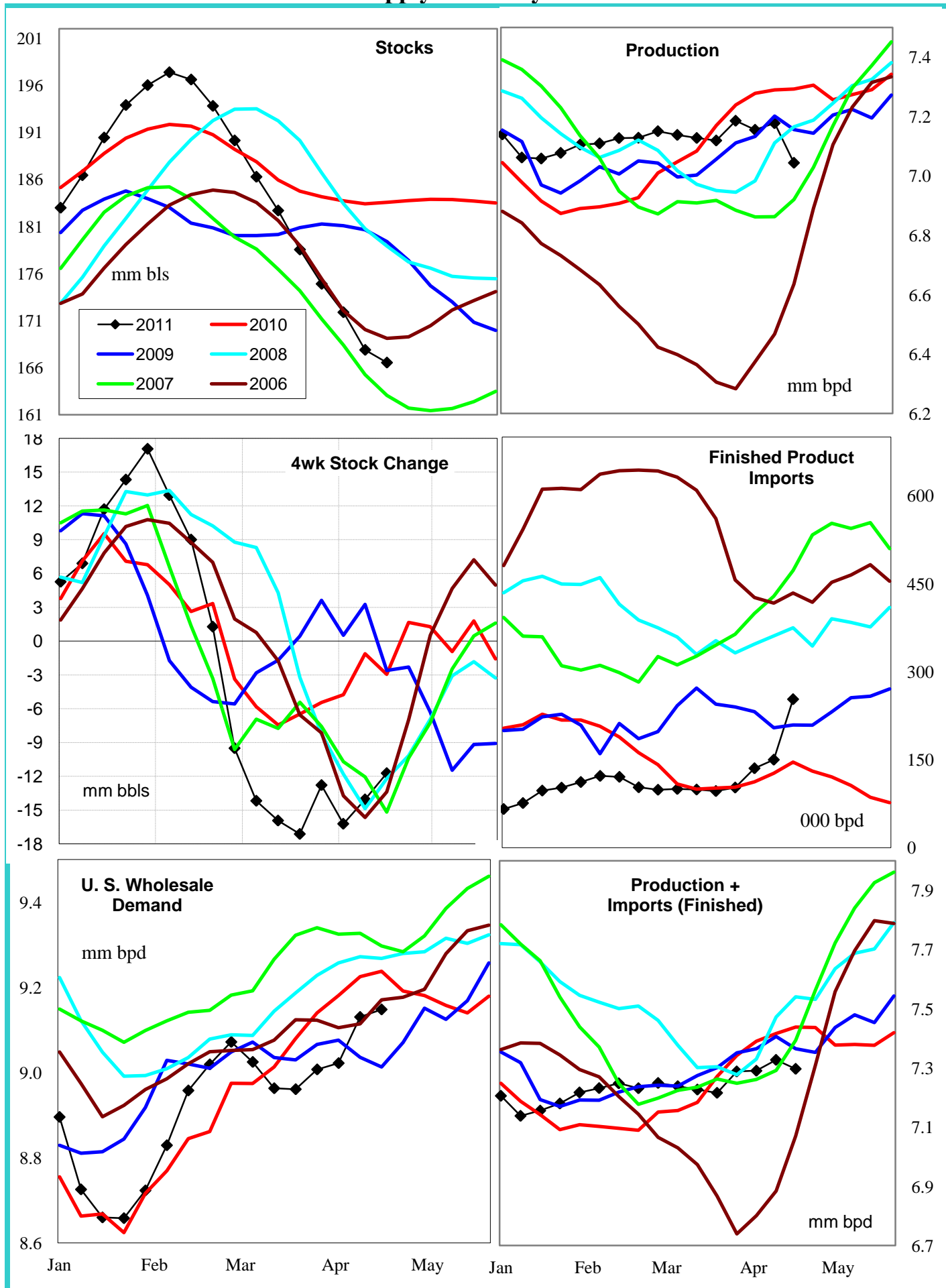
## Gasoline Import Economics



# Gasoline Supply by Region



# Gasoline Supply Summary PADDs 1+2+3



# PADD 5 Gasoline Supply

