



## 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 +222,000 bpd last week, reversing consecutive

weekly declines. The latest 4-wk average demand was -210,000 bpd below a year ago. Demand destruction continues in response to high retail prices.

Production jumped +255,000 bpd on the week to a level at the upper end of the historic range. Imports fell -351,000 bpd, to a level below each of the last 2-years.

Stocks increased +0.1 million barrels on the week. Stock levels East of the Rockies remain below four of the last 5-years. West Coast stock levels are above the 5-year range.

Basis fell sharply in all markets East of the Rockies last week as fears of major supply disruptions from the Mississippi River flood were reduced when the Corp of Engineers opened gates to the Morganza floodway. This action reduced flooding in southern Louisiana urban areas and petrochemical - refining centers.

Basis levels ended the week near the 5-year mid range in most markets except Group III and NYH RBOB where basis remains above the mid range.

Basis levels increased on the West Coast, but remain well below the 5-year range.

Expect basis levels on the East Coast and Midwest to trend lower on improved supply, while trending higher on the West Coast from record lows.

#### RBOB

**New York Harbor** basis to trend lower on improving supply

#### Conventional

**New York Harbor** basis to trade sideways on improved supply

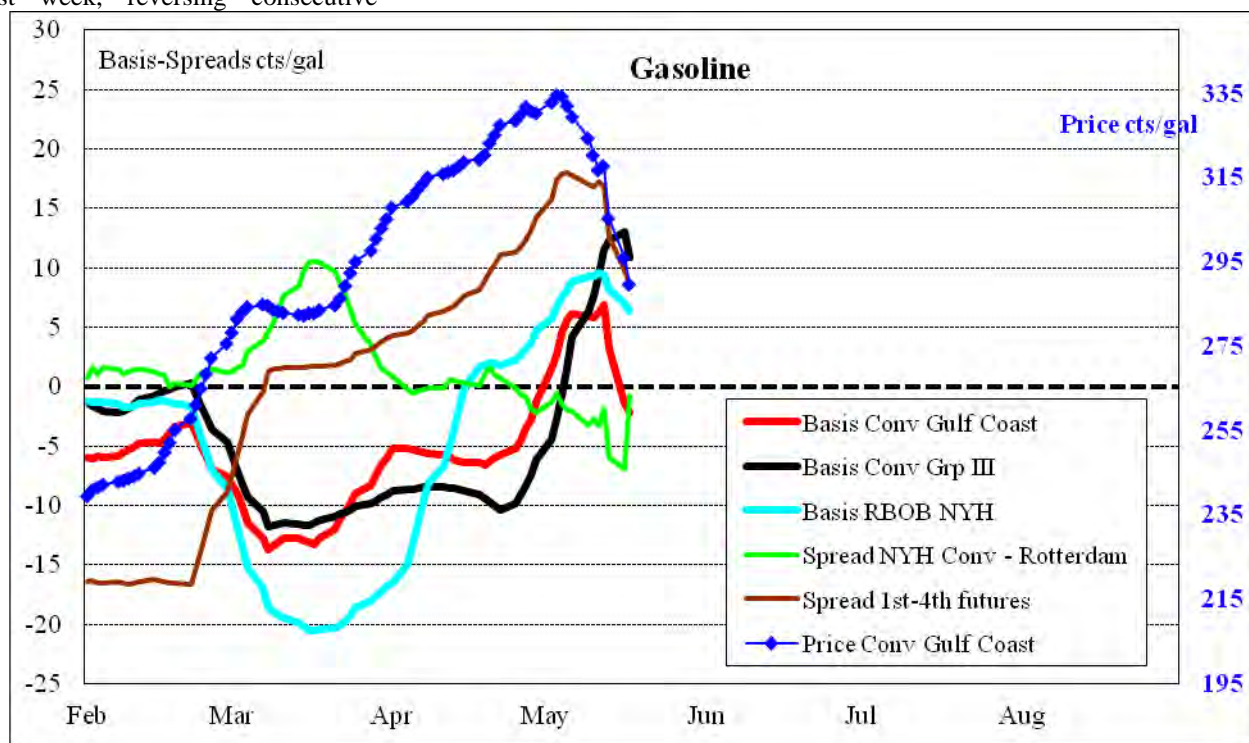
**Chicago & Group III** basis to trade sideways to lower on higher production.

**Gulf Basis** to trade sideways on improved supply.

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

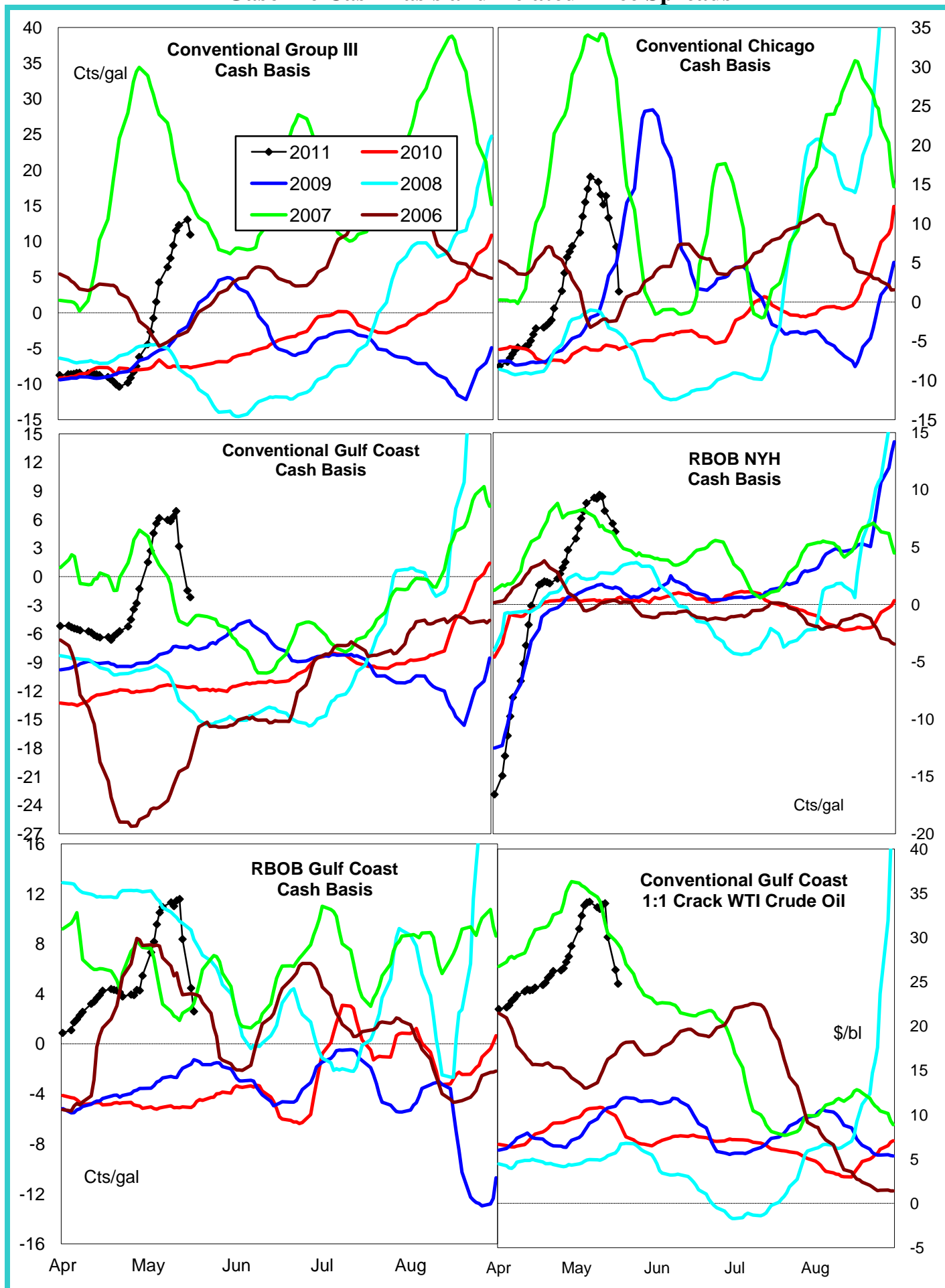
#### Gulf Coast Price

Expect supplies to increase as refiners return from maintenance and imports peak. Combined with lackluster demand, and slower global economic growth, further price weakness is likely.

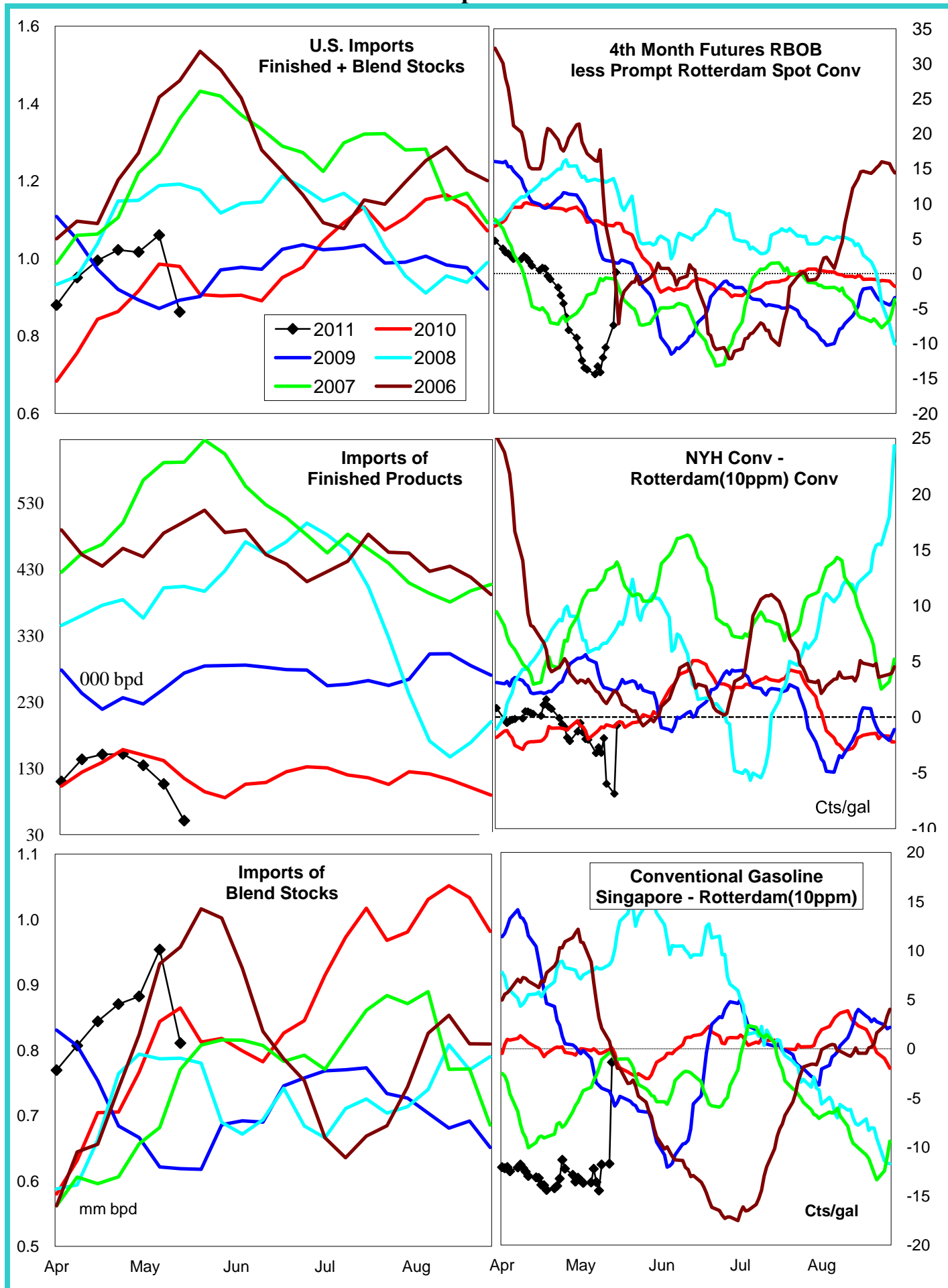


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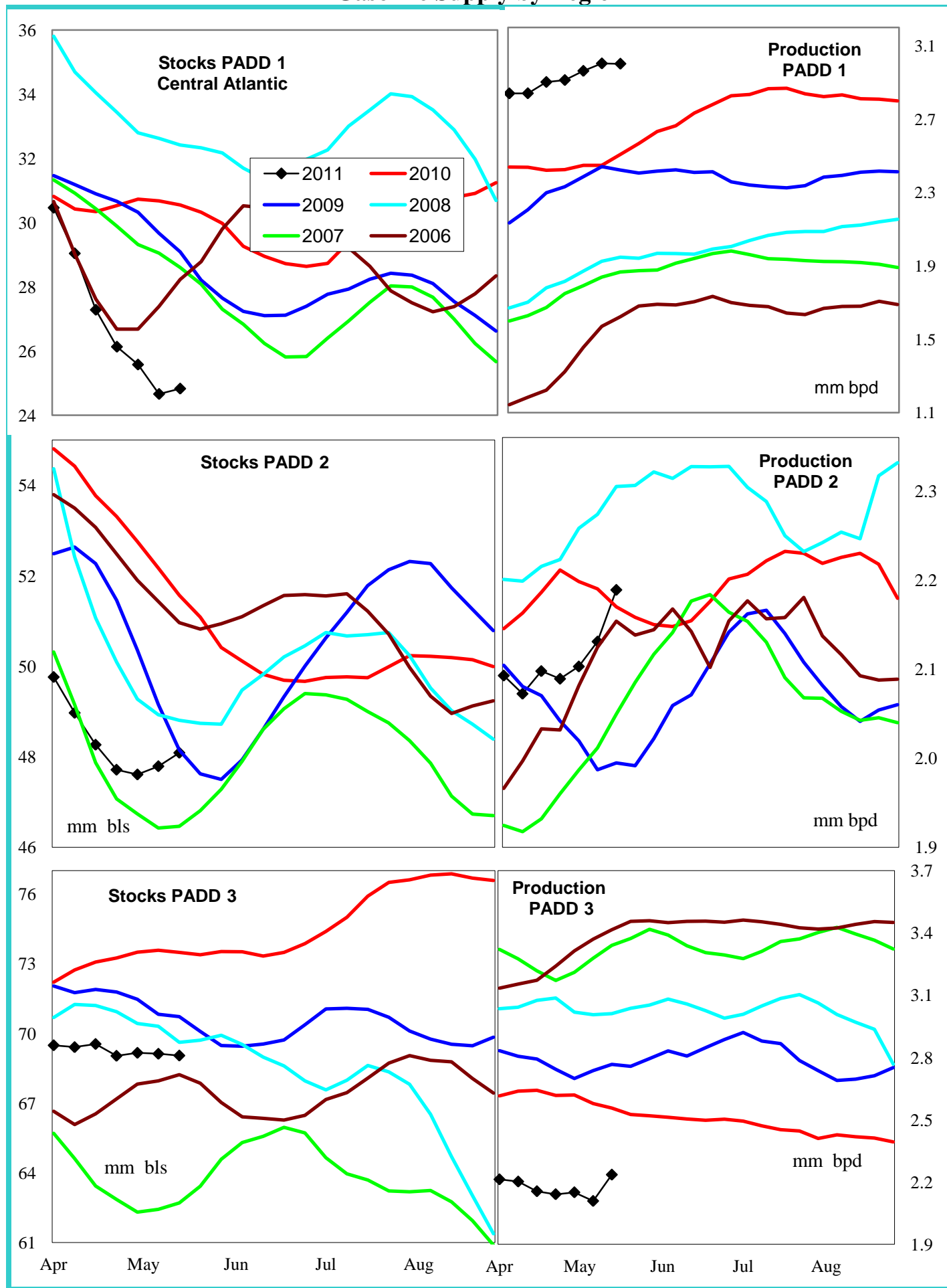
# Gasoline Cash Basis and Related Price Spreads



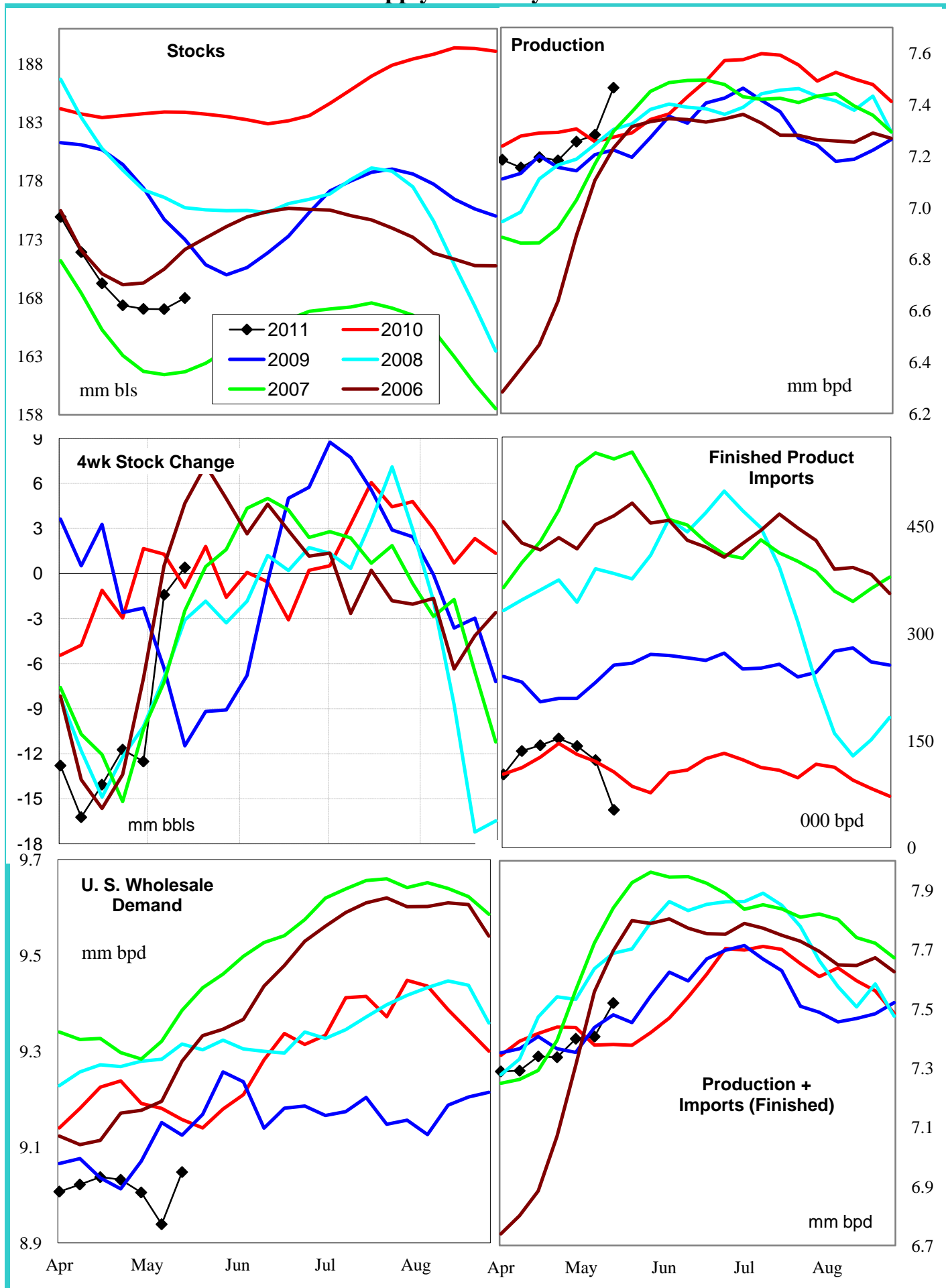
# Gasoline Import Economics



# Gasoline Supply by Region



# Gasoline Supply Summary PADDs 1+2+3



# PADD 5 Gasoline Supply

