



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 decreased -268,000 bpd last week, reversing much of the prior week surge. The latest 4-wk average

demand was +27,000 bpd above a year ago.

Production increased +13,000 bpd to a new 5-year high. Imports decreased -81,000 bpd but the level remains above the last 3-years.

Stocks increased +2.2 million barrels on the week, lifting the level above four of the last 5-years. The latest 4-wk stock build East of the Rockies was +8.8 million barrels, a record for this time of year.

Basis trended lower in most major markets last week, with the exception of NYH and the West Coast where basis trended higher.

Basis levels traded near the mid range in most markets other than NYH where levels were above the historic range. West Coast basis levels were mixed with the Bay Area near the mid range while LA was still below the historic range.

Expect East Coast RBOB basis to trend lower while other markets trade near the 5-year mid range on improving supplies and lackluster demand.

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 following the collapse from elevated levels that were driven by unplanned refinery maintenance.

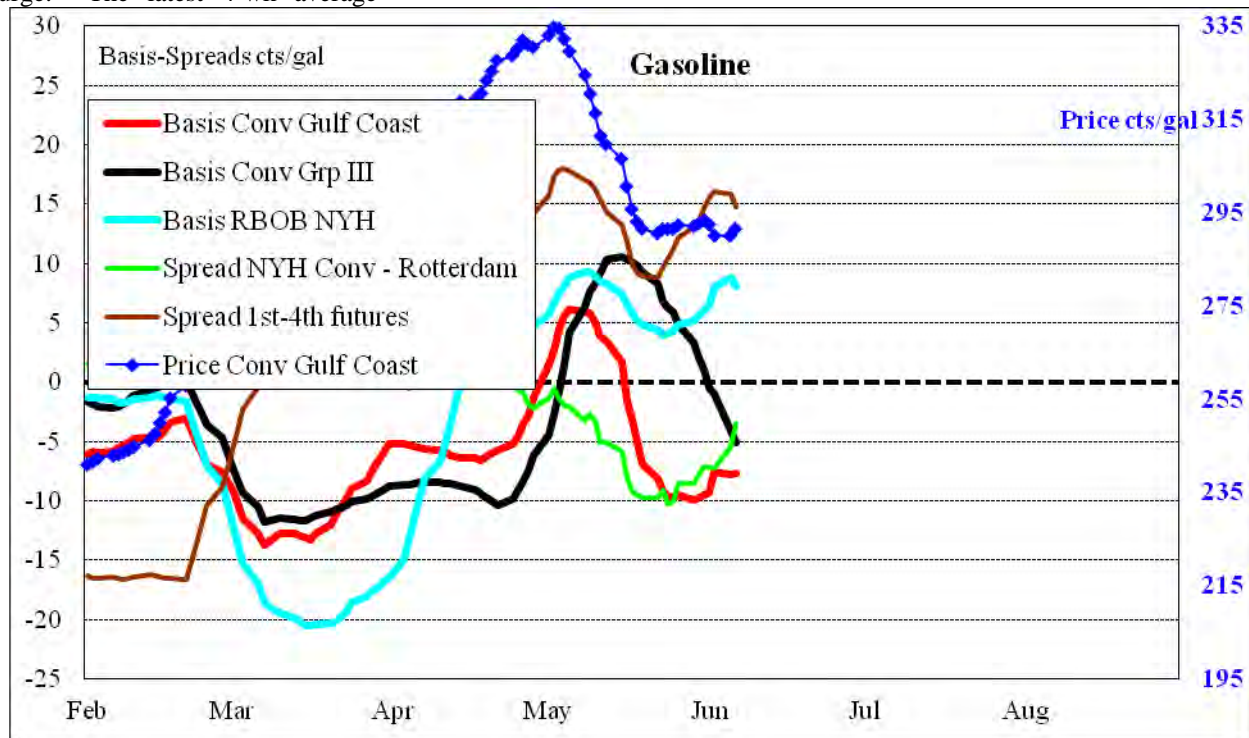
Gulf Basis to trade sideways on improved supply.

West Coast (Los Angeles) basis to trend higher as stocks extend a seasonal draw down.

Gulf Coast Price

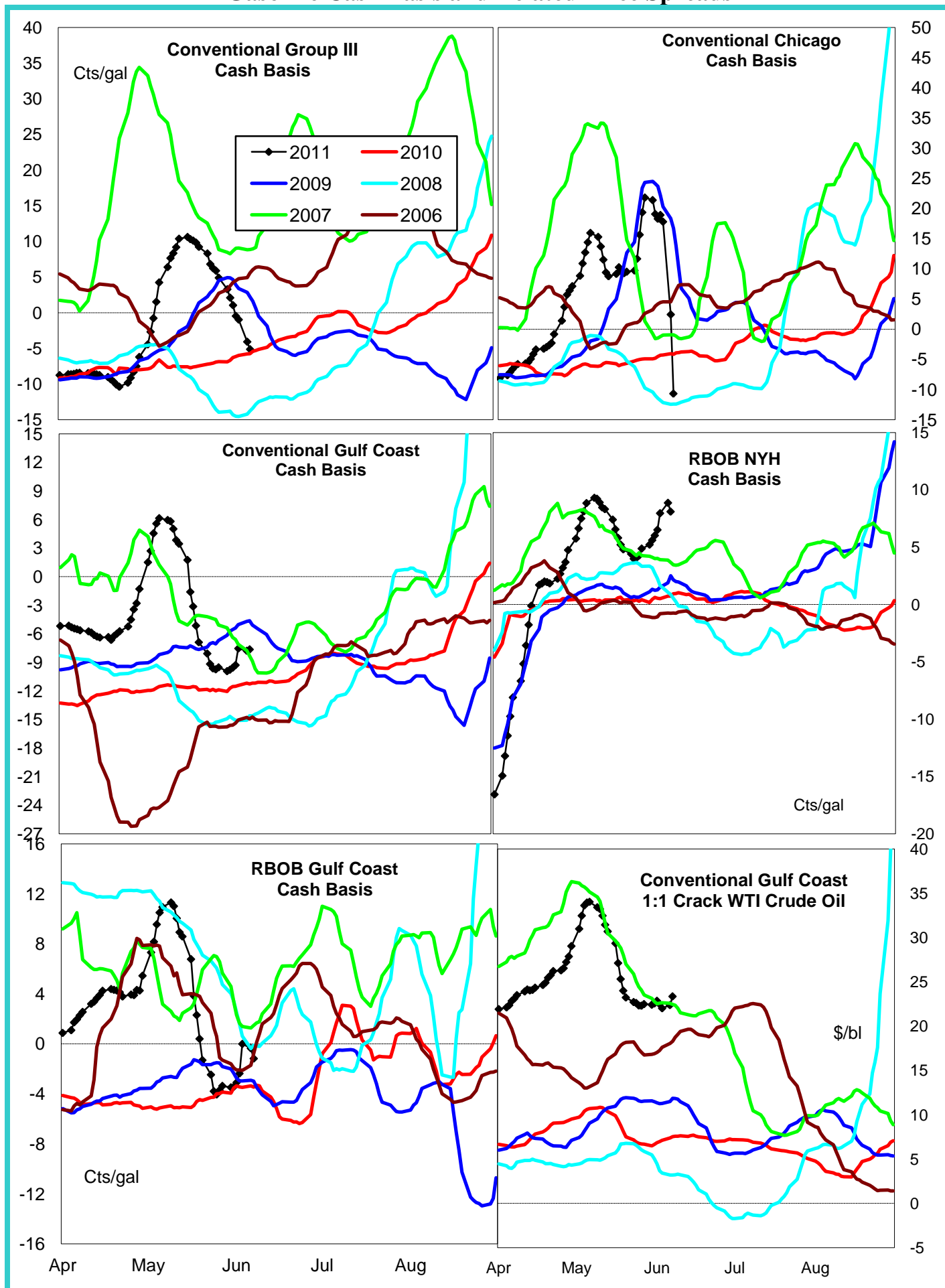
Gasoline demand remains lackluster on weak economic growth, high unemployment and high retail prices. Production has reached 5-year highs and import levels are above the last 3-years. These trends have led to record stock builds during the latest 4-wk period.

Expect the supply balance to improve further on peak seasonal production, with the risk of oversupply by late summer in the absence of hurricane disruptions.

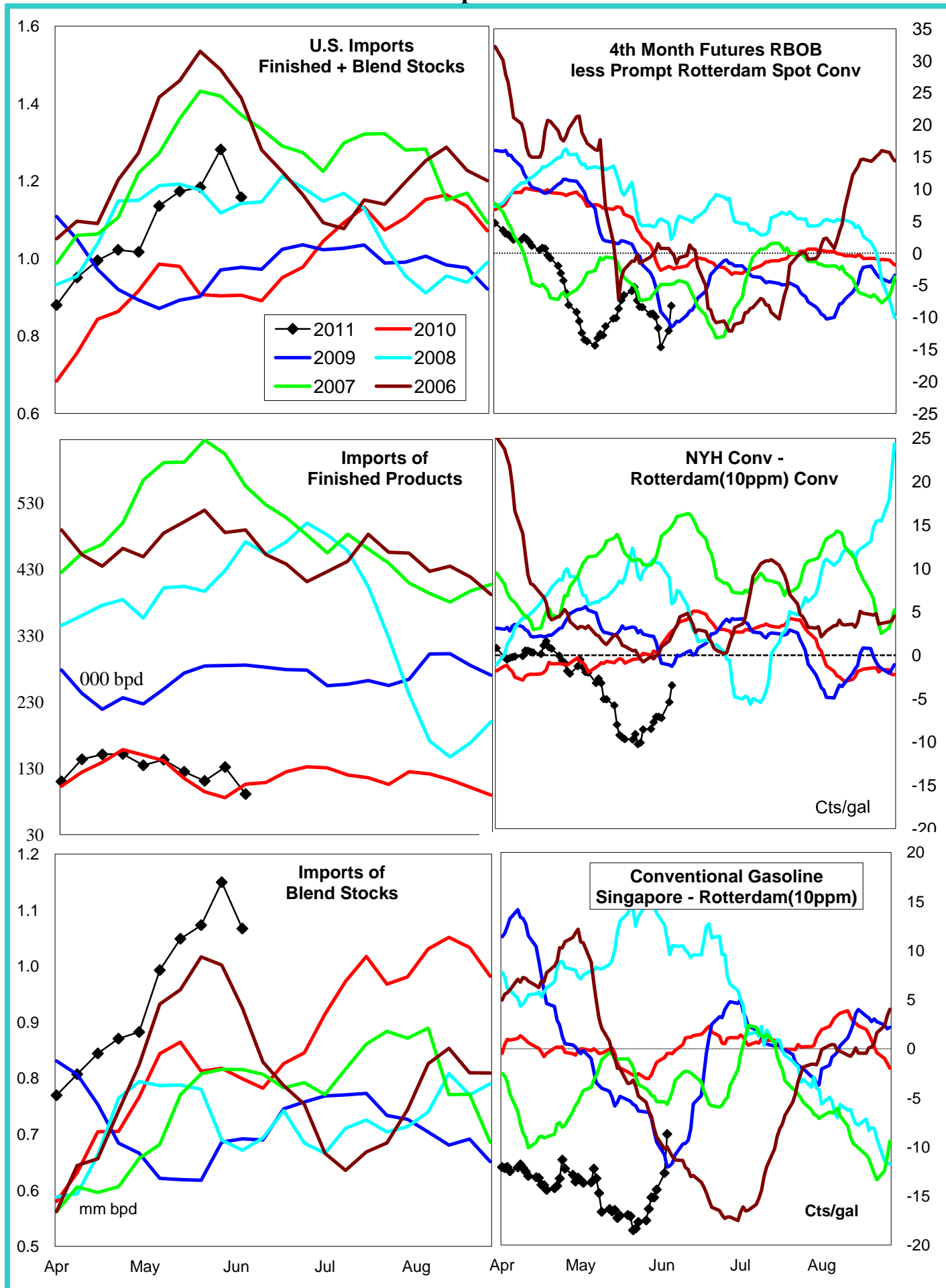


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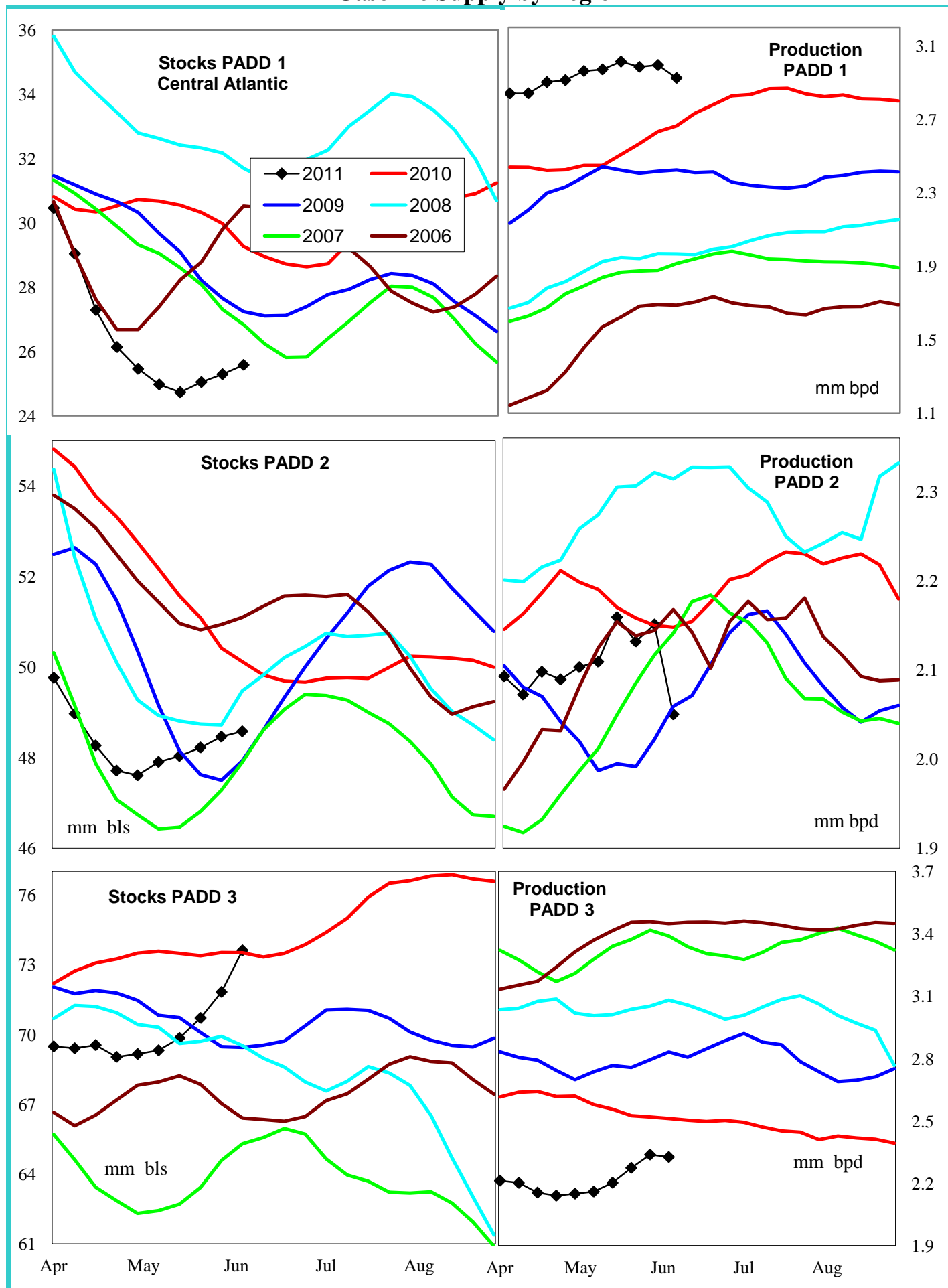
Gasoline Cash Basis and Related Price Spreads



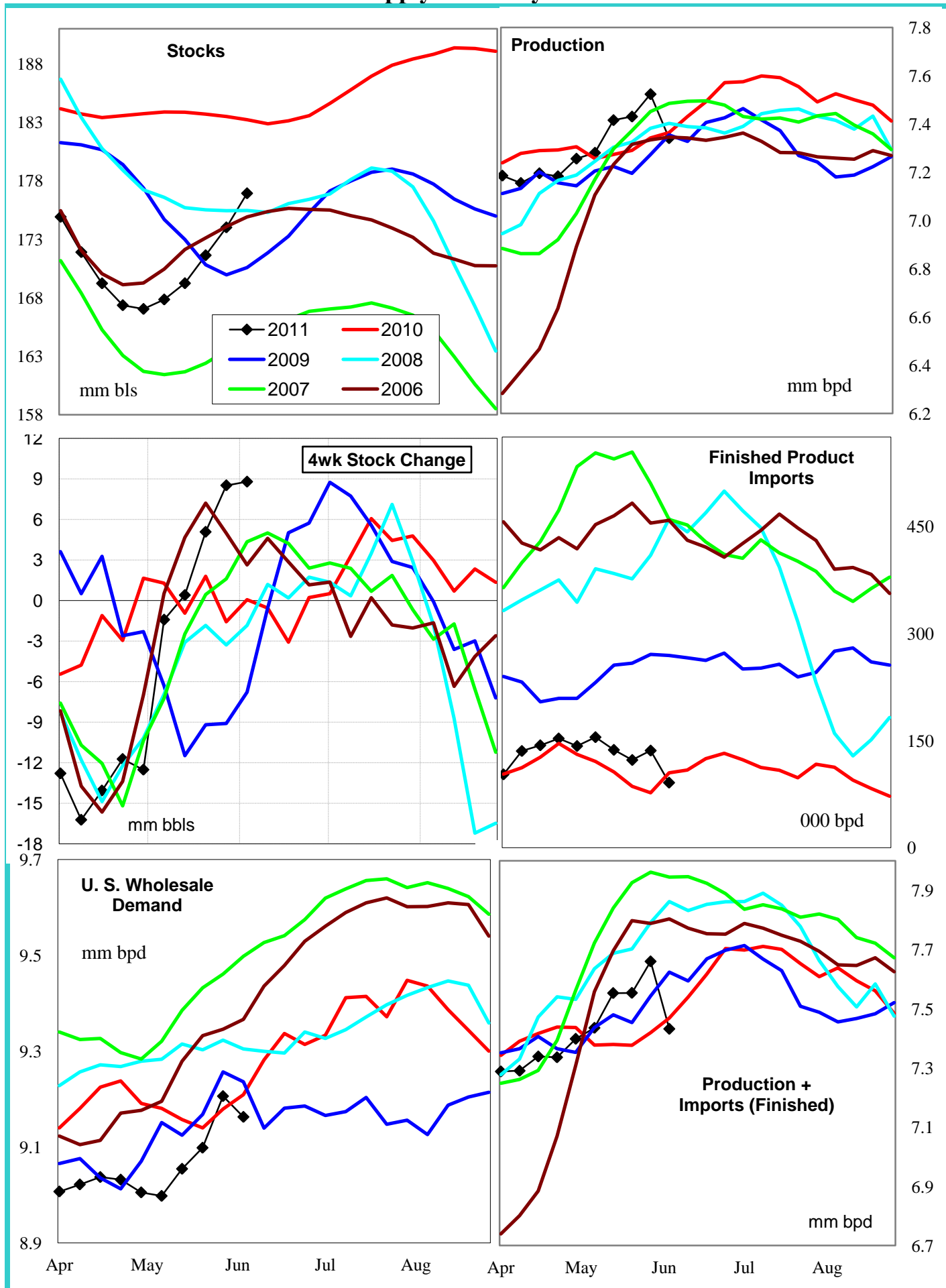
Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3



PADD 5 Gasoline Supply

