



## 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 fell -293,000 bpd last week, due in part to reduced transport and tanker loadings during the holiday shortened work week. The latest 4-wk average demand was -82,000 bpd below a year ago, a lackluster rate.

Production fell -631,000 bpd on earlier declines in blend stock imports. Imports were nearly unchanged at record low levels.

Stocks decreased -0.8 million barrels, as the 4-wk stock change of -0.7 million barrel decline in markets East of the Rockies, matched historic lows for the period.

A supply squeeze continues in the Central Atlantic Region of PADD 1 where stock levels are below the historic range - driven by extremely low imports and robust exports from the Gulf. This squeeze, combined with lackluster demand, has depressed cash basis in other regional markets having a more adequate supply balance.

NYH RBOB cash basis remains above the historic range on tight supply of this grade. Basis trended higher last week for conventional grades in NYH and sideways for Gulf RBOB.

Basis declined in all other markets. Basis levels on the West Coast and Midwest conventional grades were at record lows for this time of year. Basis levels in NYH and Gulf RBOB were above the historic mid range, or with the case of NYH RBOB, at record levels.

#### RBOB

**New York Harbor** basis to trend lower on improving supply over the next 6-wks.

#### Conventional

**New York Harbor** basis to trend higher on tight supplies and rising seasonal demand.

**Chicago & Group III** basis to trend higher on higher seasonal demand, and improved East Coast supplies.

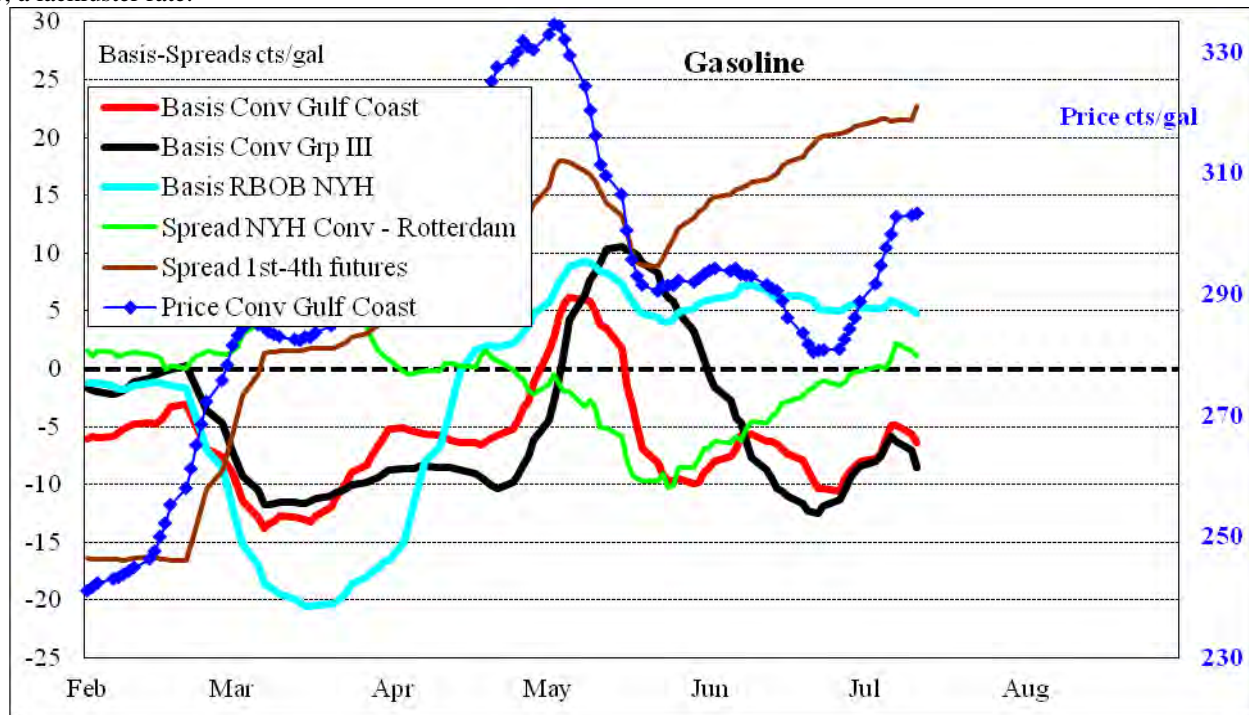
**Gulf Basis** to trend higher on peak seasonal demand and improved East Coast supplies.

**West Coast (Los Angeles)** basis to trend higher on increased exports and improved East Coast supplies, but remain weak compared to the historic range.

#### Gulf Coast Price

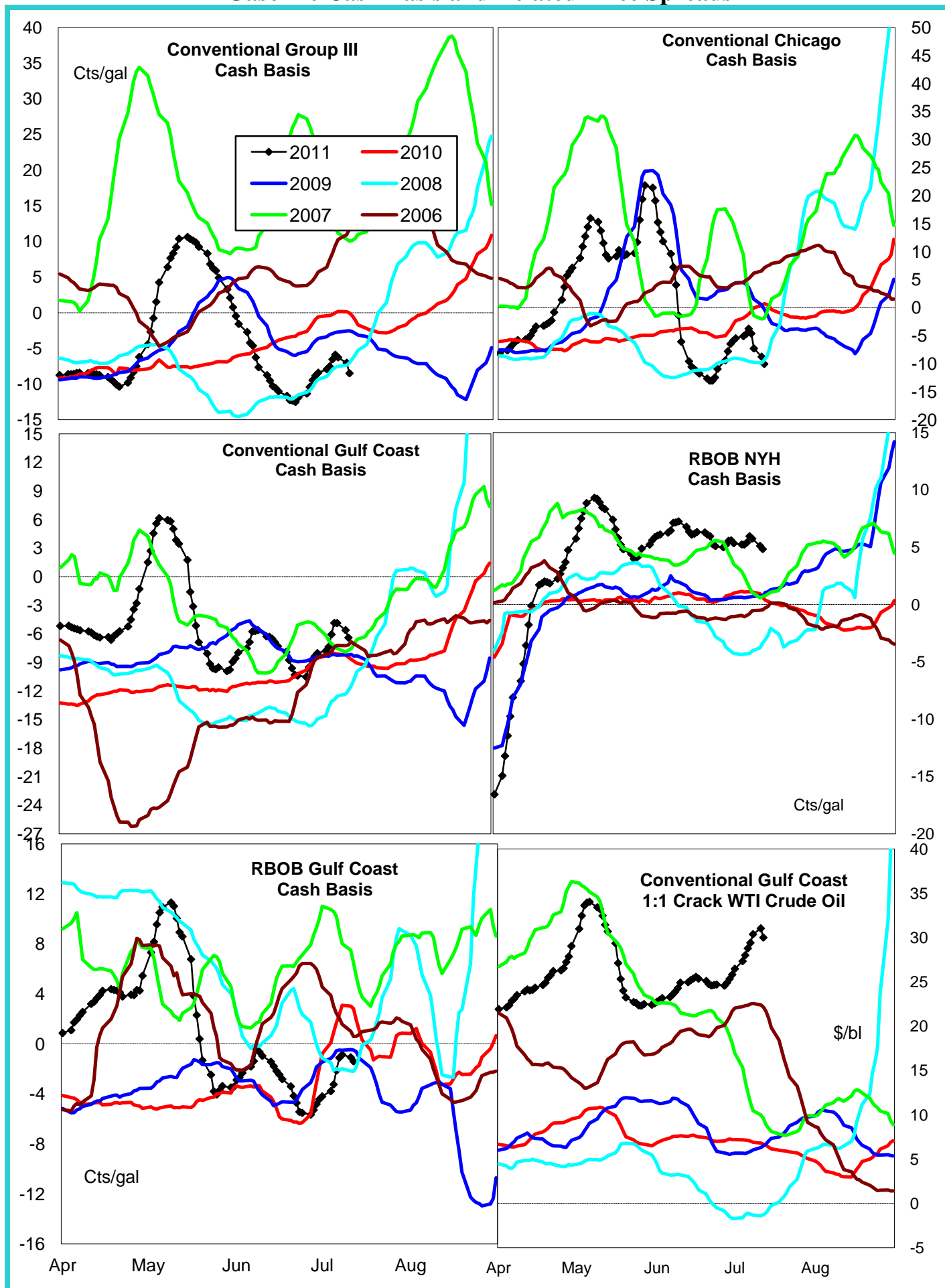
East Coast supplies should improved on a return to operation of refiners serving this market in the Central Atlantic Region, eastern Canada, and attractive import economics. As supplies improve in the key Central Atlantic Region, cash basis will trend higher in other regions.

With lackluster demand, and in the absence of hurricanes on the Gulf, the market may become over supplied, pressuring prices lower after mid summer.

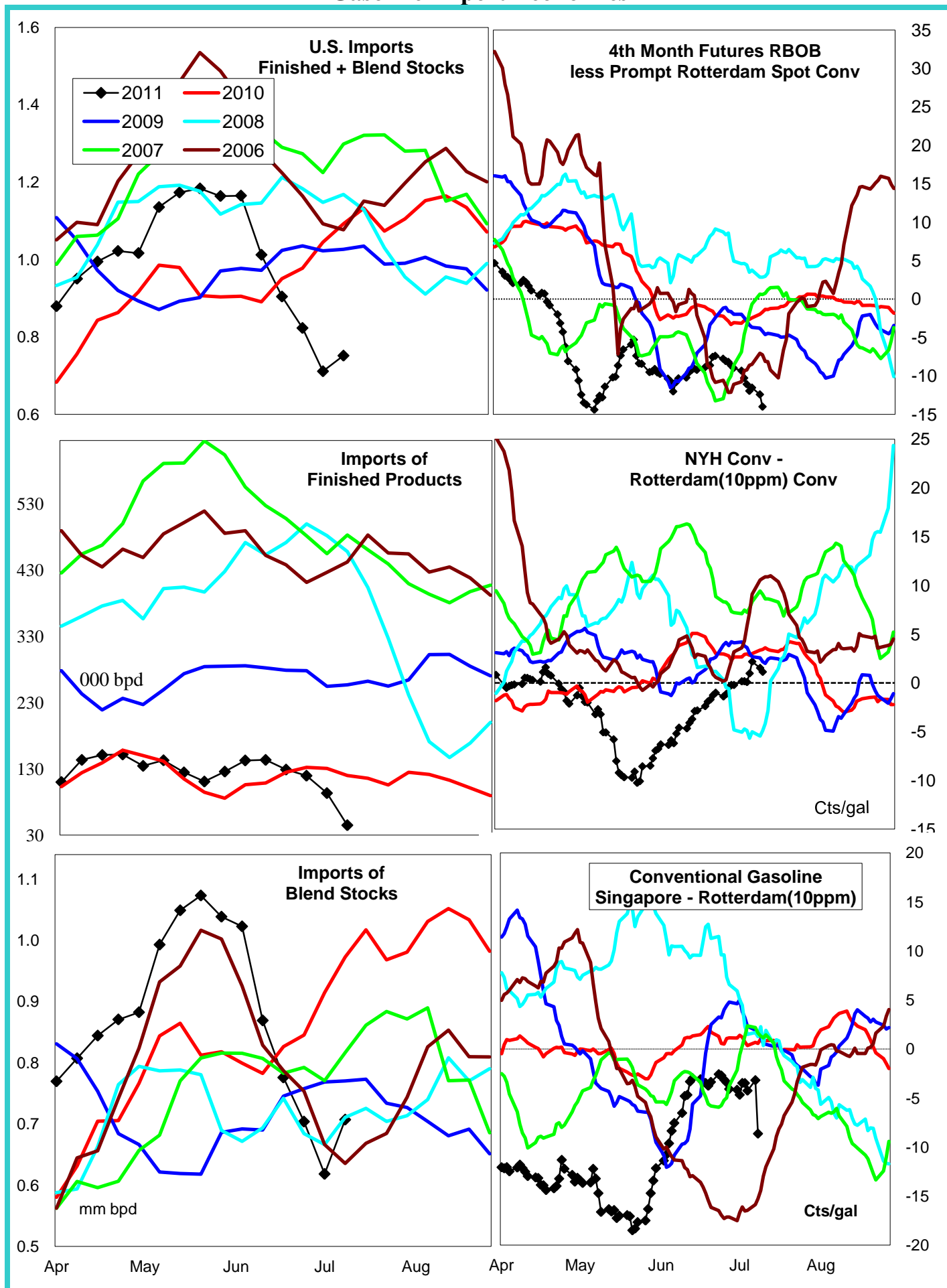


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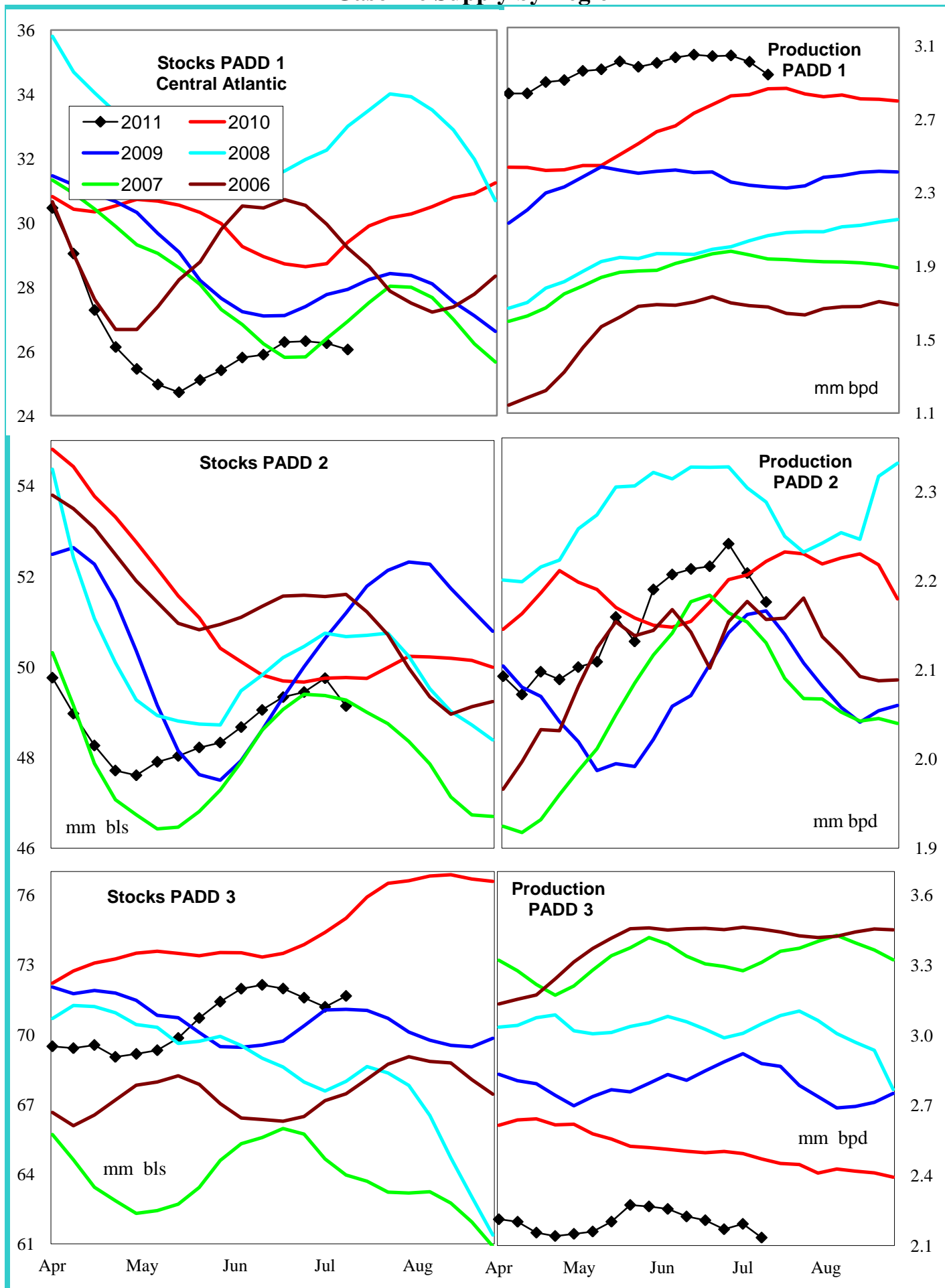
# Gasoline Cash Basis and Related Price Spreads



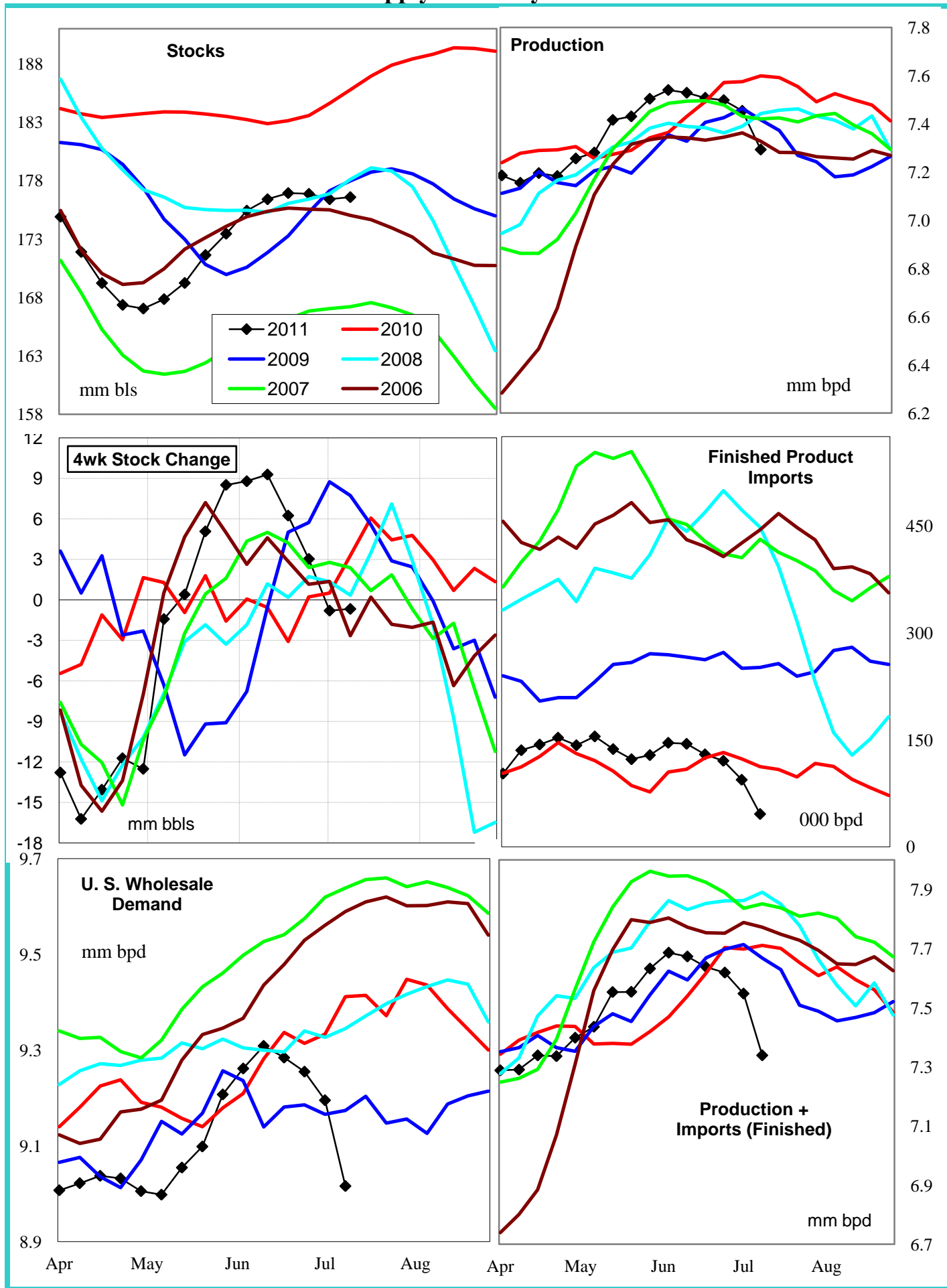
# Gasoline Import Economics



# Gasoline Supply by Region



# Gasoline Supply Summary PADDs 1+2+3



# PADD 5 Gasoline Supply

