



## WEEKLY GASOLINE FUNDAMENTAL-PRICE-BASIS OUTLOOK

### A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Thursday, August 25, 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		→	→

221,000 bpd below a year ago, matching the record lows during the recession.

Production was nearly unchanged on the week, at a level near last years' record high. Imports increased but remain below the 5-year range.

Stocks increased +1.4 million barrels on the week, and remain at a level above four of the last 5-years. The latest 4-wk stock change was a draw of -0.5 million barrels, less than four of the last 5-years.

The East Coast is now on hurricane watch; with stock levels at record lows in the Central Atlantic region, precautionary refinery closures will squeeze physical supplies.

Cash basis increased across all regional markets last week. Tightening supplies in the Midwest and West Coast have supported sharply higher basis in these markets. *Basis is being pressured lower on a spike in futures due to risk of hurricane supply disruptions in the Central Atlantic Region.*

Expect short term basis increases on refining problems in the midwest and

peak summer travel. Shipment of higher RVP grades and an end to summer travel should depress basis by early next month.

#### RBOB

*New York Harbor* basis to be driven by hurricane activity.

#### Conventional

*New York Harbor* basis to be driven by hurricane activity.

*Chicago & Group III* basis to be driven by hurricane activity on the East Coast, and unplanned maintenance in the region.

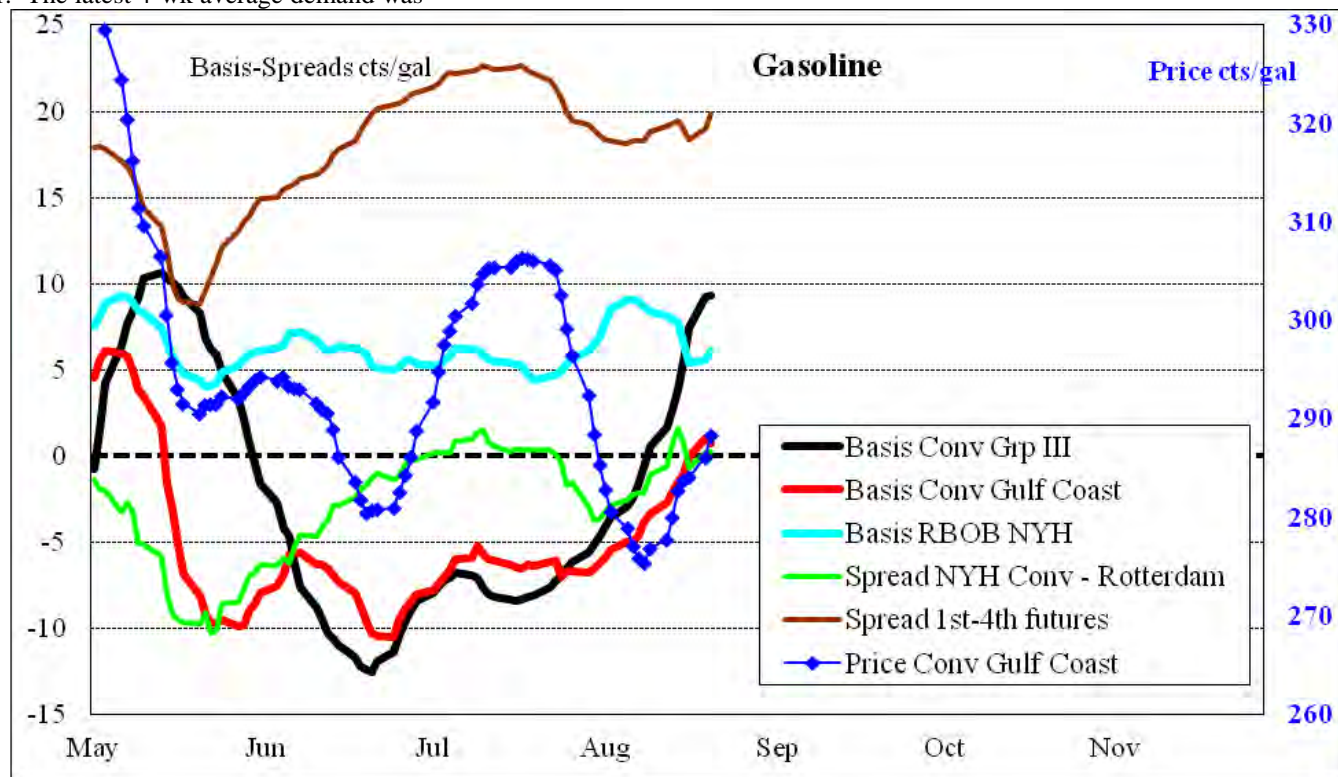
*Gulf Basis* to be driven by hurricane activity.

*West Coast (Los Angeles)* basis to be driven by hurricane activity on the East Coast.

#### Gulf Coast Price

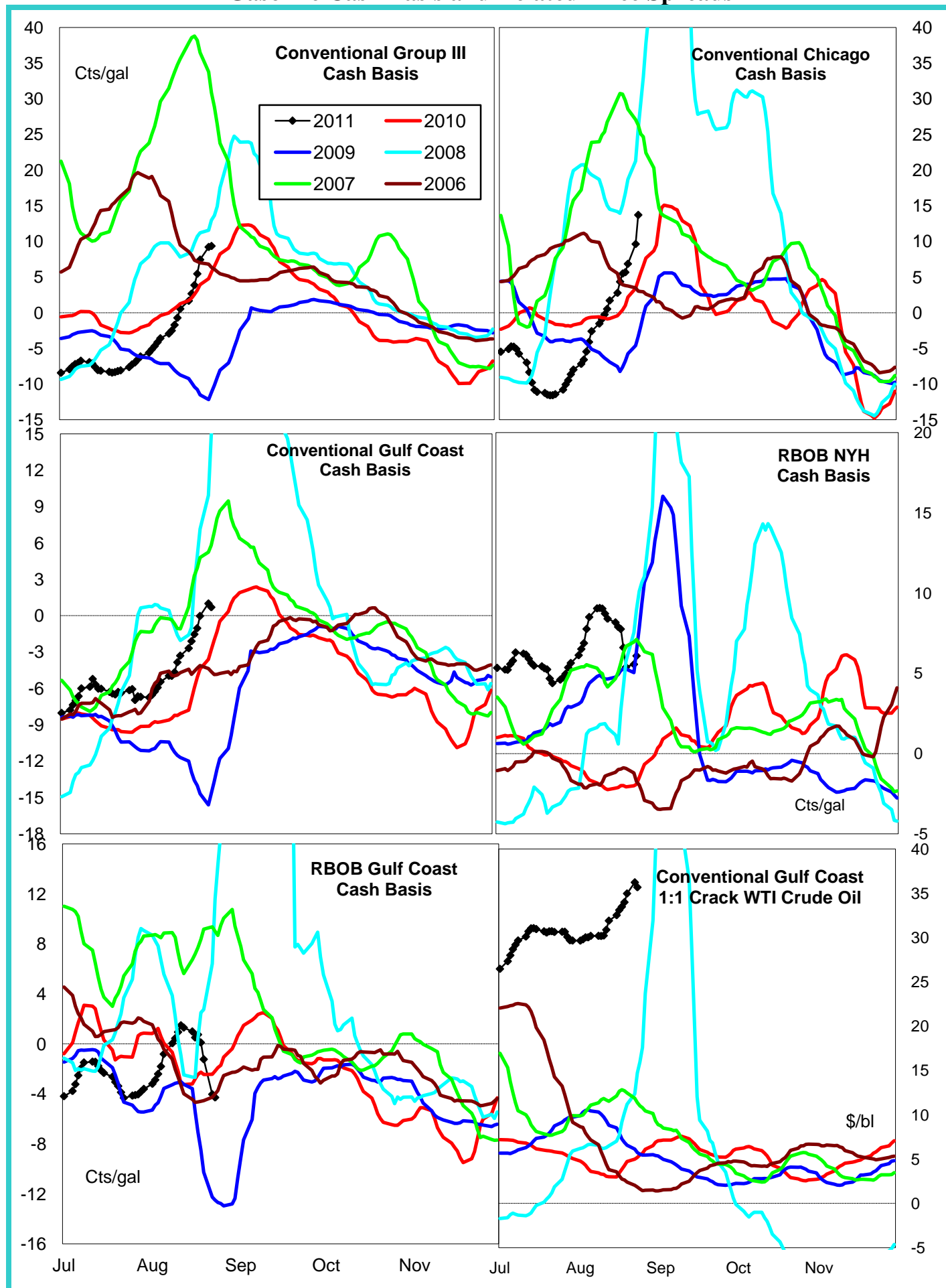
The gasoline market is under hurricane watch; with the magnitude of supply disruption unpredictable. Damage to the refining and distribution infrastructure could impact supplies for several weeks up to several months.

Wholesale demand fell -186,000 bpd last week, to a record low level for this time of year. The latest 4-wk average demand was

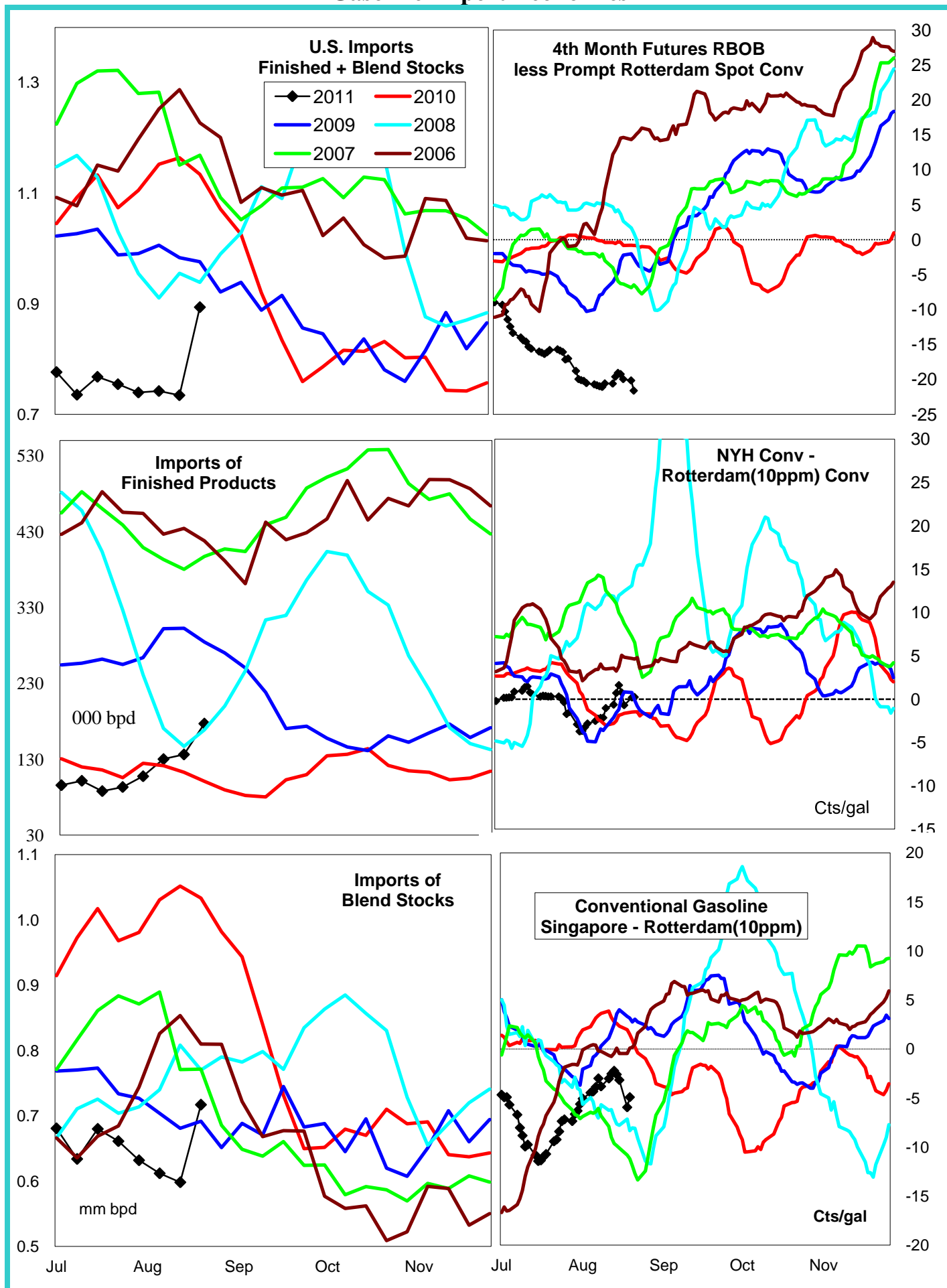


**Disclaimer** - The information contained on this website and in all its reports reflects the opinion of Fundamental Petroleum Trends. Futures and commodities trading involve significant risk and may not be suitable for every investor. Information contained herein is strictly the opinion of its author and is intended for informational purposes and is not to be construed as a recommendation to sell or buy, or trade in any commodity mentioned herein. Information is obtained from sources believed reliable, but is in no way guaranteed. Opinions, market data and recommendations are subject to change at any time. Past results are not indicative of future results. Charts are developed by Fundamental Petroleum Trends from EIA, NWS, other public data and proprietary models unless otherwise noted and credited.

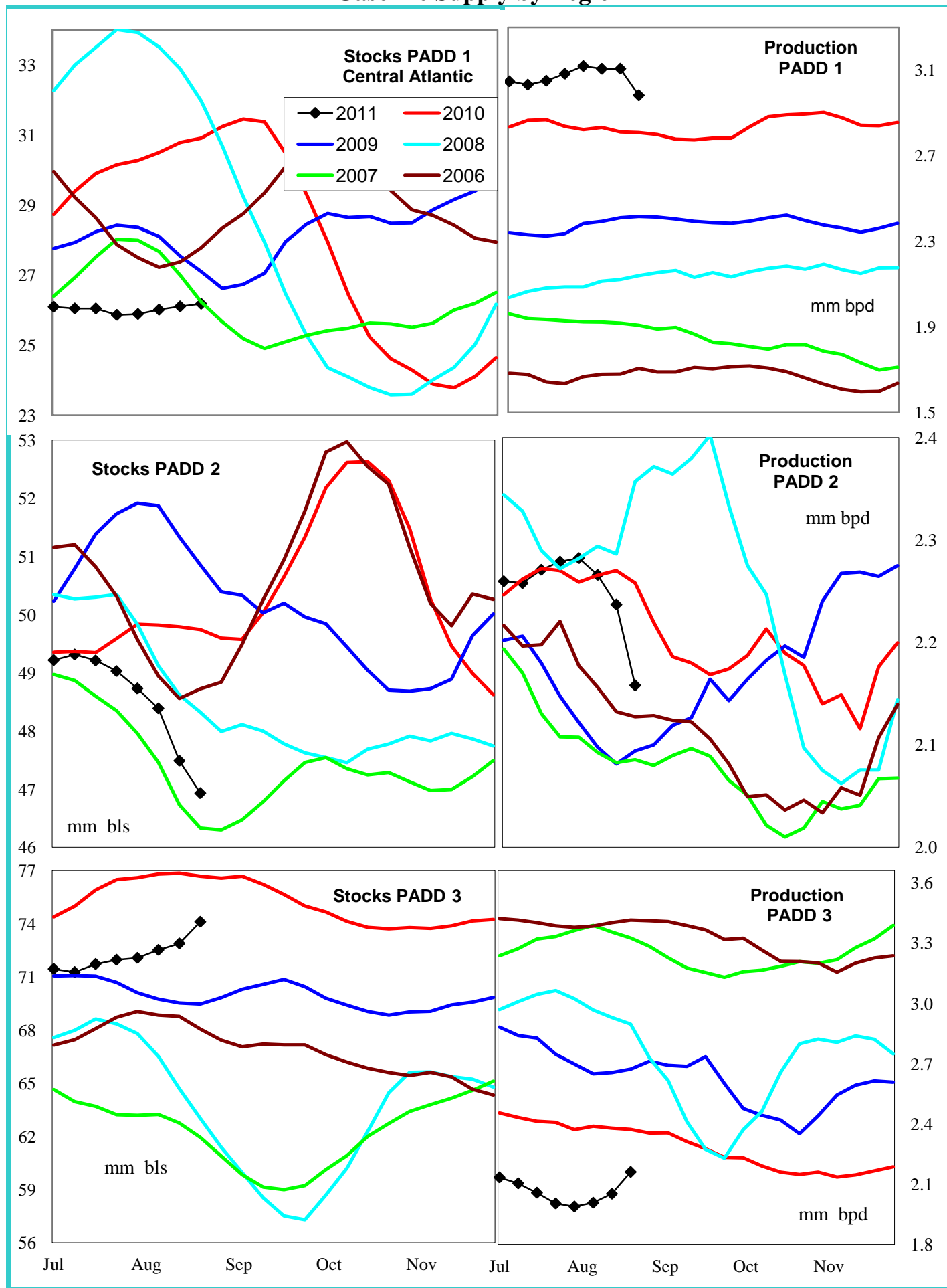
# Gasoline Cash Basis and Related Price Spreads



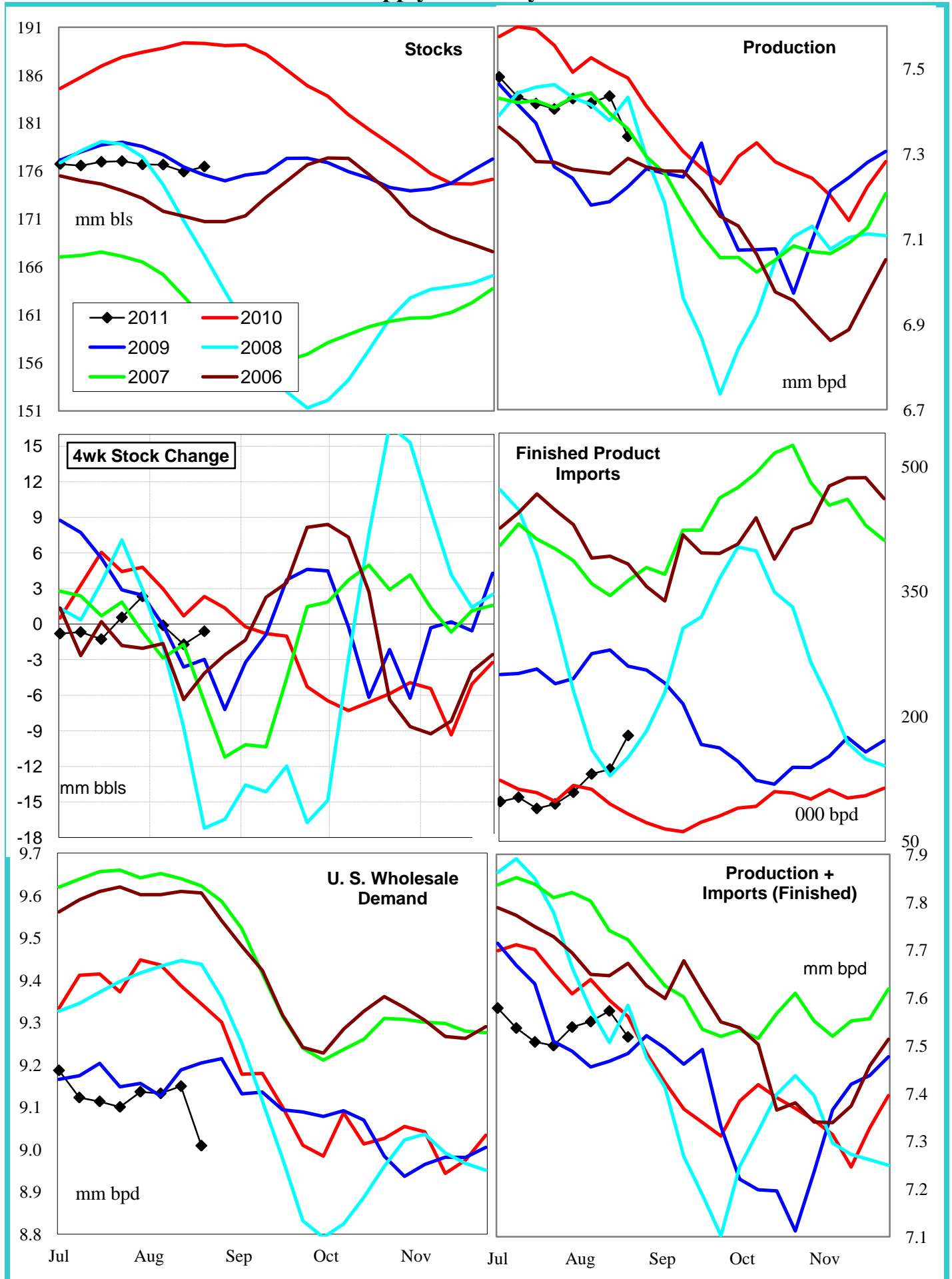
# Gasoline Import Economics



# Gasoline Supply by Region



# Gasoline Supply Summary PADDs 1+2+3



# PADD 5 Gasoline Supply

