



## 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 +220,000 bpd last week, with the level comparable to the 2009 lows. The latest 4-wk average demand was -195,000 bpd below a year

ago, matching the record lows during the recession.

Production jumped +241,000 bpd on the week, to a level above the historic range. The increase in production was offset by a -286,000 bpd drop in imports, which fell to new record low levels.

Stocks fell -2.8 million barrels on the week, but still remain at a level above four of the last 5-years. The latest 4-wk stock change was a draw of -2.6 million barrels, less than the historic mid range.

Stock levels fell to record lows in the Midwest on unplanned refinery maintenance and low receipts from the Gulf. Stock levels have declined sharply on the West Coast, although production remains at record highs.

Cash basis jumped in all regional markets on the roll from the September to October Contract. Expect basis to trade sideways in the very near term on seasonally high holiday demand, then trend lower as fall grades expand supply and demand trends seasonally lower. A very weak demand level should also contribute to lower basis levels.

#### RBOB

*New York Harbor* basis to trend lower on reduced seasonal demand, partially offset by record low imports.

#### Conventional

*New York Harbor* basis to trend lower on reduced seasonal demand, partially offset by record low imports.

*Chicago & Group III* basis to trend seasonally lower on increased supply and return to operation of process units down for unplanned maintenance.

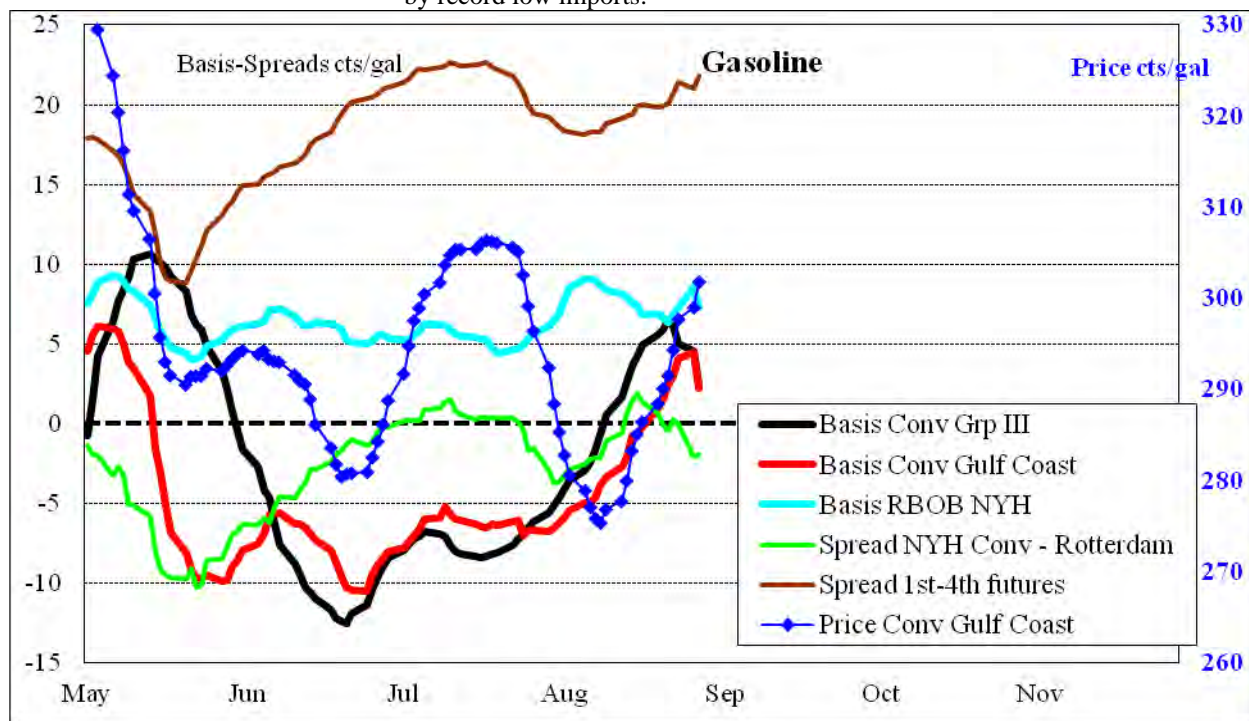
*Gulf Basis* to trend seasonally lower on increased supply and lower seasonal demand.

*West Coast (Los Angeles)* basis to trend lower on high supply and lower seasonally demand.

#### Gulf Coast Price

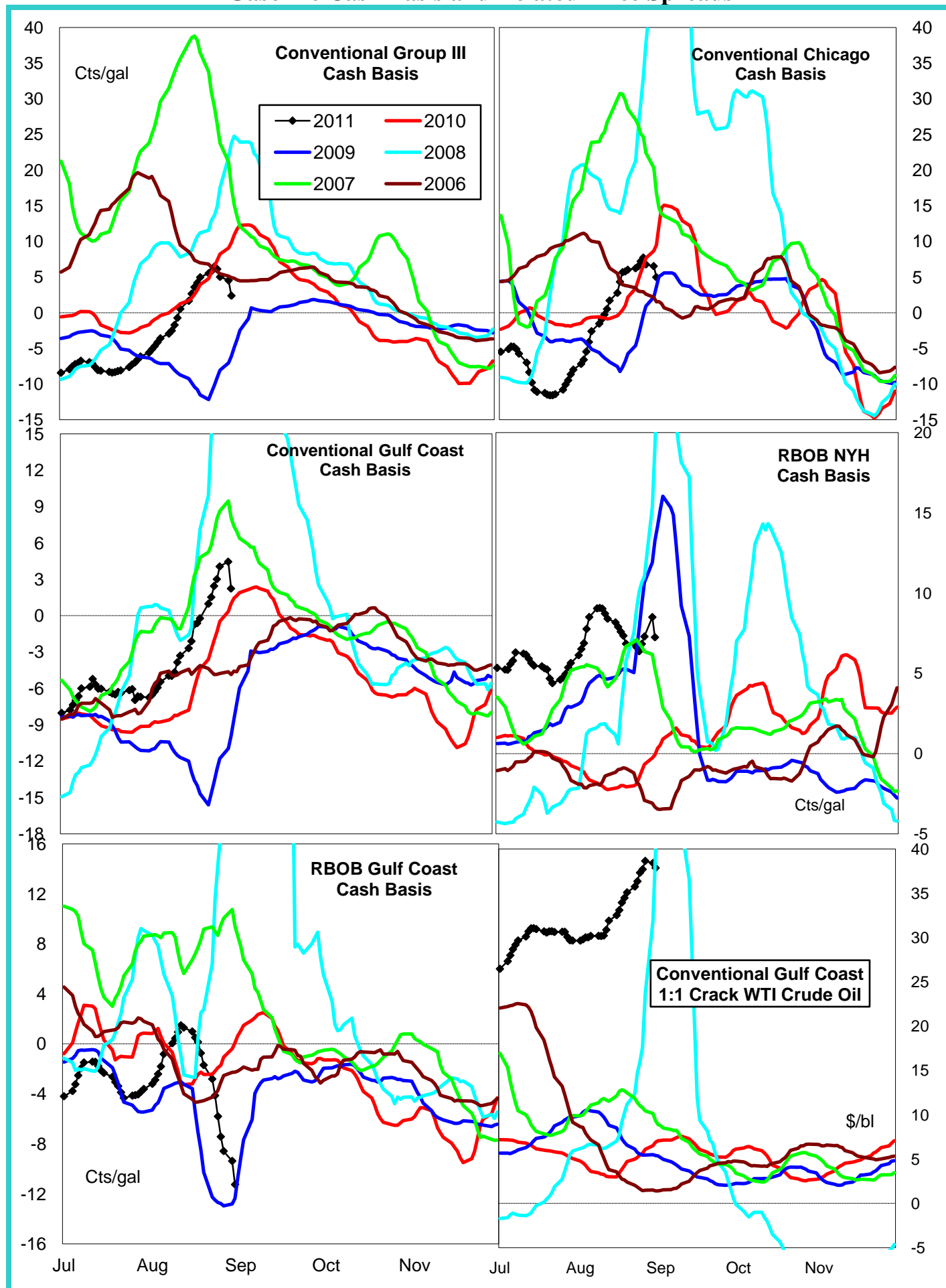
Refinery maintenance in the Midwest and record low imports to the East Coast should support prices in the very near term. However as fall grades increase supply, demand trends seasonally lower and the year on year decrease in demand limits demand levels, expect a price pull back during the next quarter.

Risk of hurricane disruptions on the Gulf continue for the next 60-days.

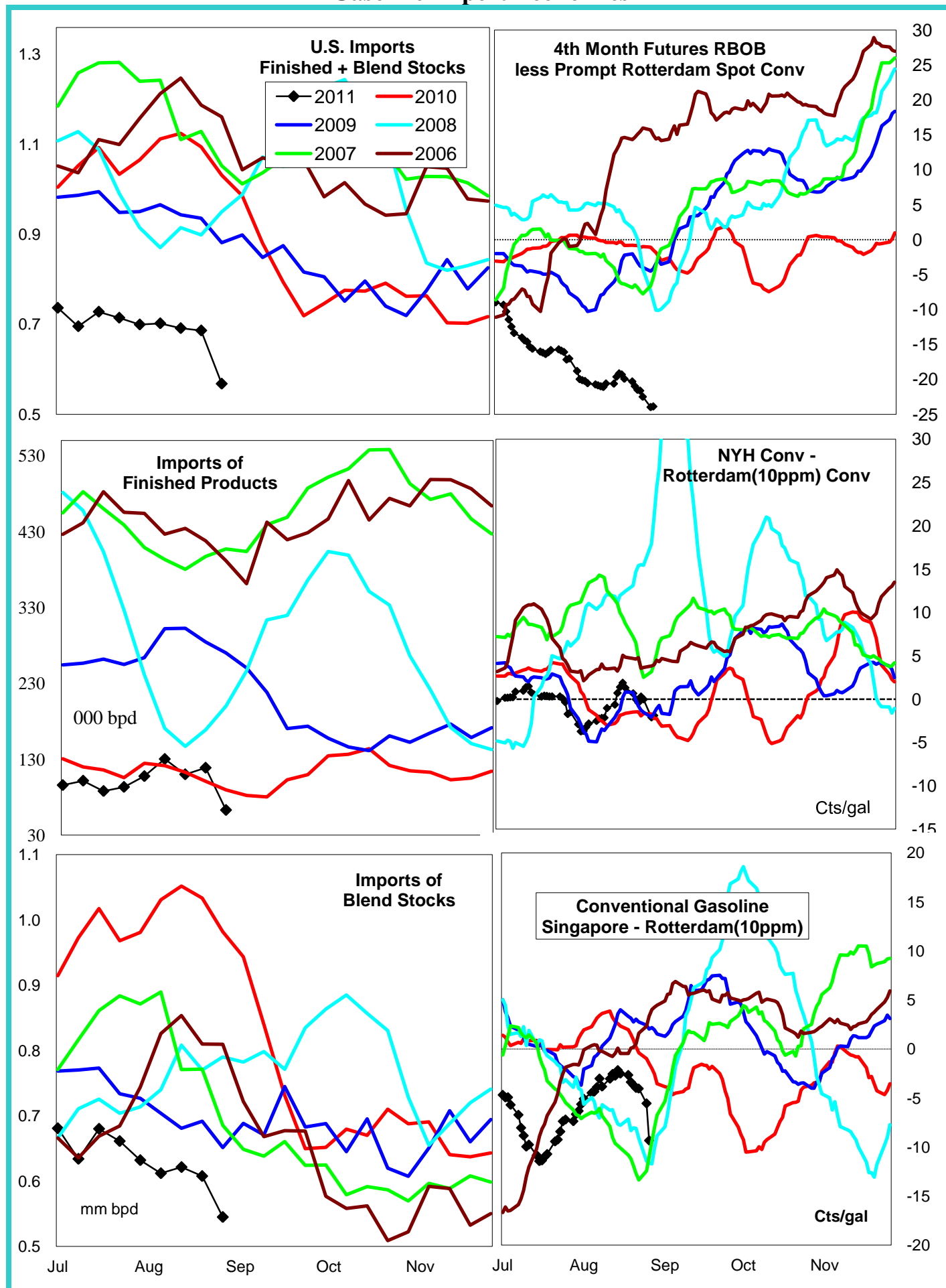


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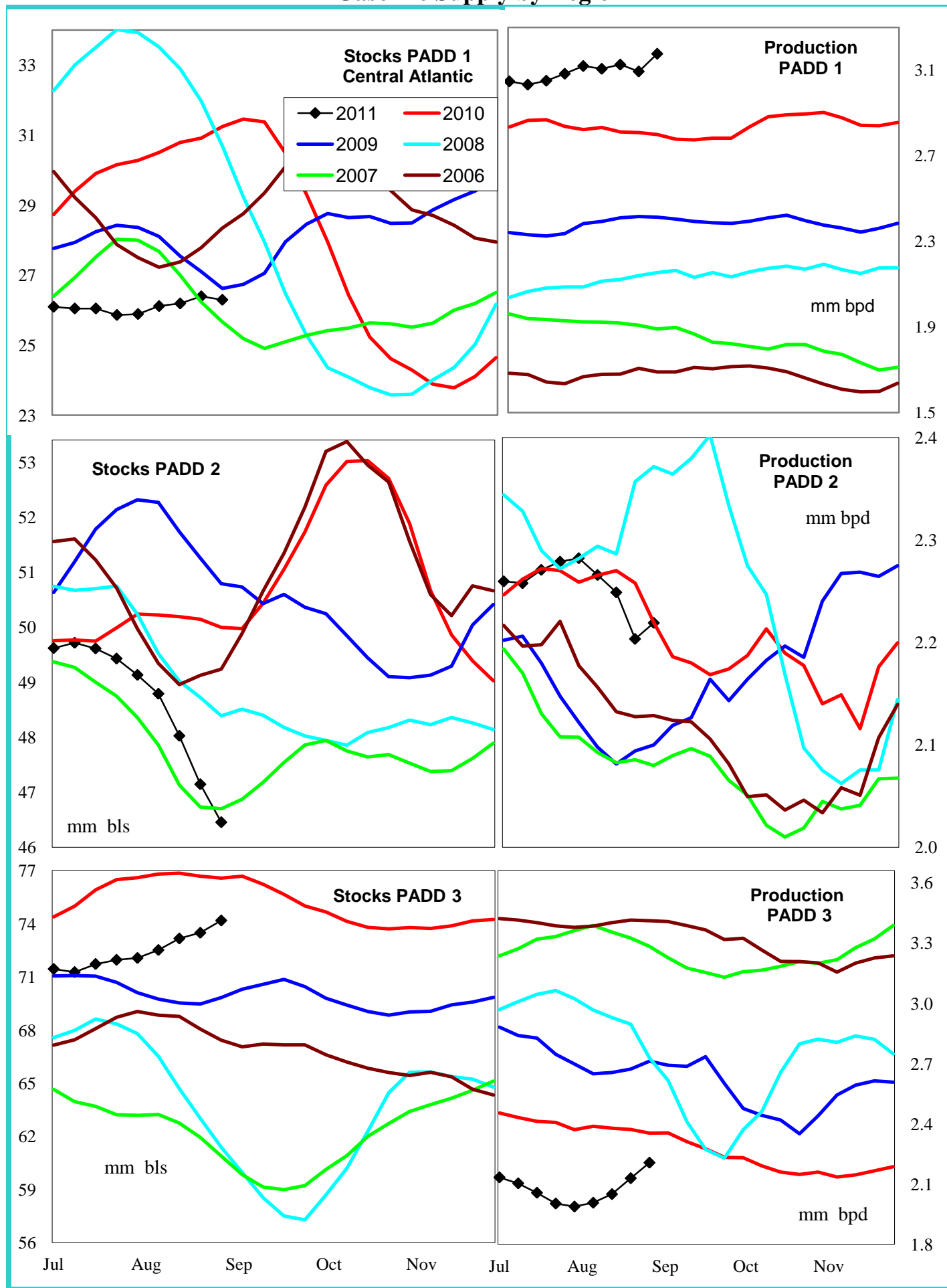
# Gasoline Cash Basis and Related Price Spreads



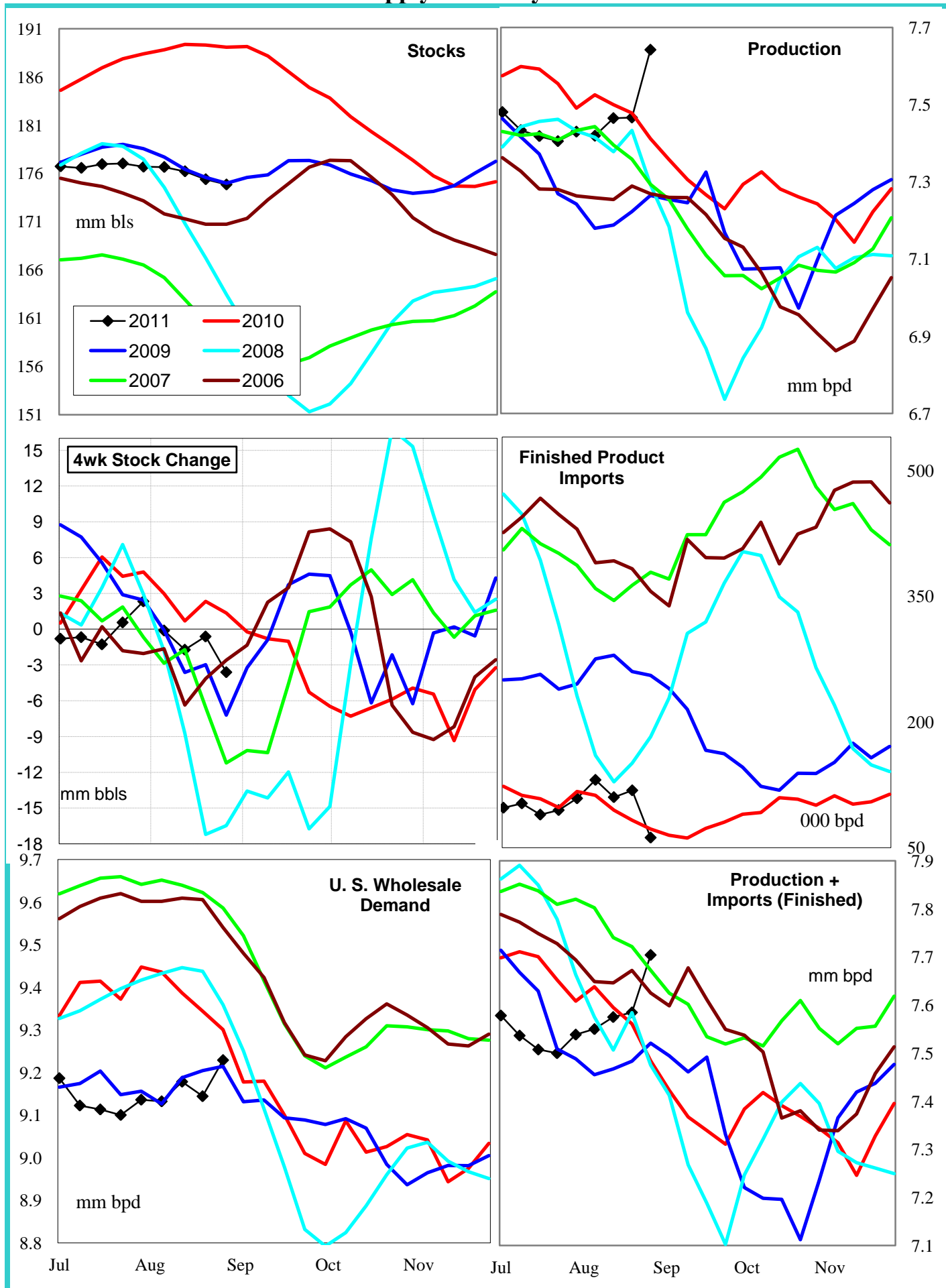
# Gasoline Import Economics



# Gasoline Supply by Region



# Gasoline Supply Summary PADDs 1+2+3



# PADD 5 Gasoline Supply

