



## 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 -108,000 bpd last week extending the seasonal downtrend. The latest 4-wk average demand was -250,000 bpd below a year

ago, and below even the record lows during the recession.

Production increased +195,000 bpd last week, concentrated in the Gulf. Imports remain extremely low.

Stocks increased +1.9 million barrels with builds in all major markets except the Midwest. The latest 4-wk stock change East of the Rockies was a build of +2.3 million barrels, a level that matched 5-year highs for this time of year.

Stock levels matched 5-year highs in the Gulf and Southeast Region of PADD 1. Stock levels were near historic lows in New England, the Central Atlantic Region and PADD 2.

Cash basis extended the recent sharp decline in all regional markets except the Northwest.

Expect basis to trend lower, at a more modest rate, for the balance of the month, in markets East of the Rockies; on lower seasonal demand and improving supply balance.

#### 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.

*Gulf Basis* to trend seasonally lower on very high stock levels and lower seasonal demand.

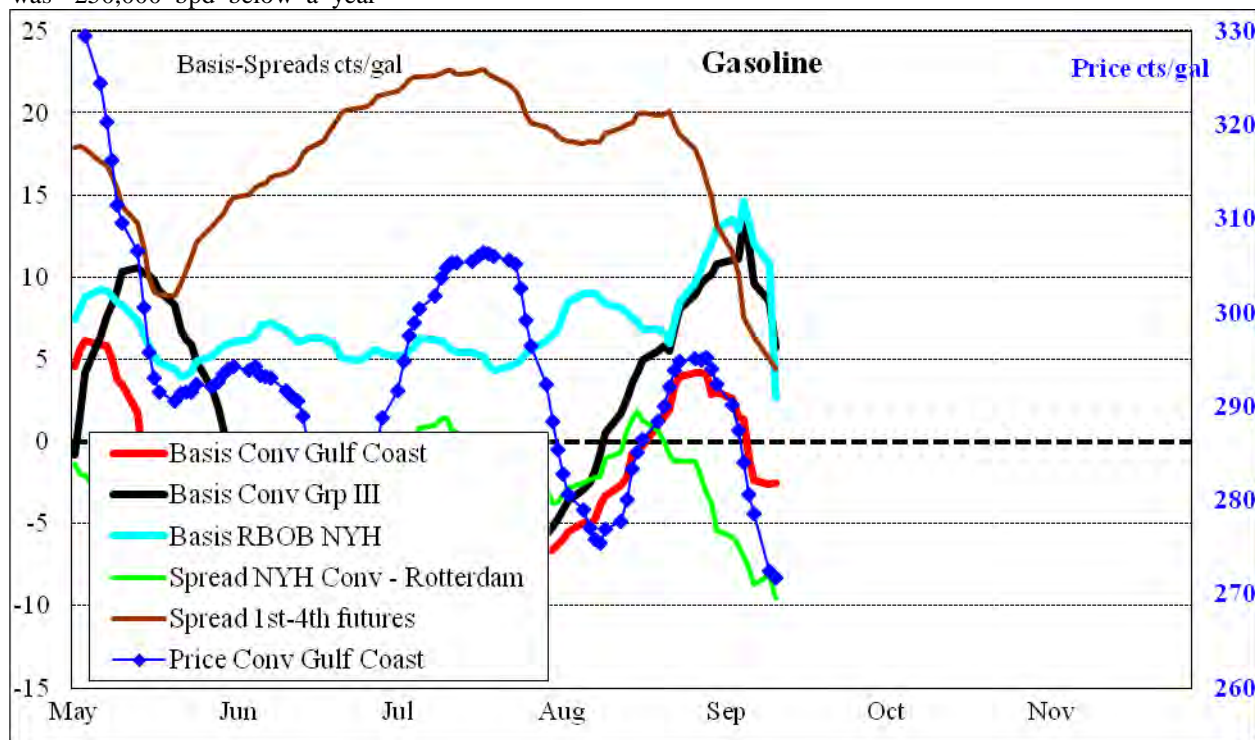
*West Coast (Los Angeles)* basis to trend lower on production rates above the last 3-years and lower seasonal demand.

#### Gulf Coast Price

The Gulf Coast market is over supplied with stocks at 5-year highs. The start of fall refinery maintenance should constrain output during the next 60-days. However seasonally low demand is likely to result in continued high stock levels.

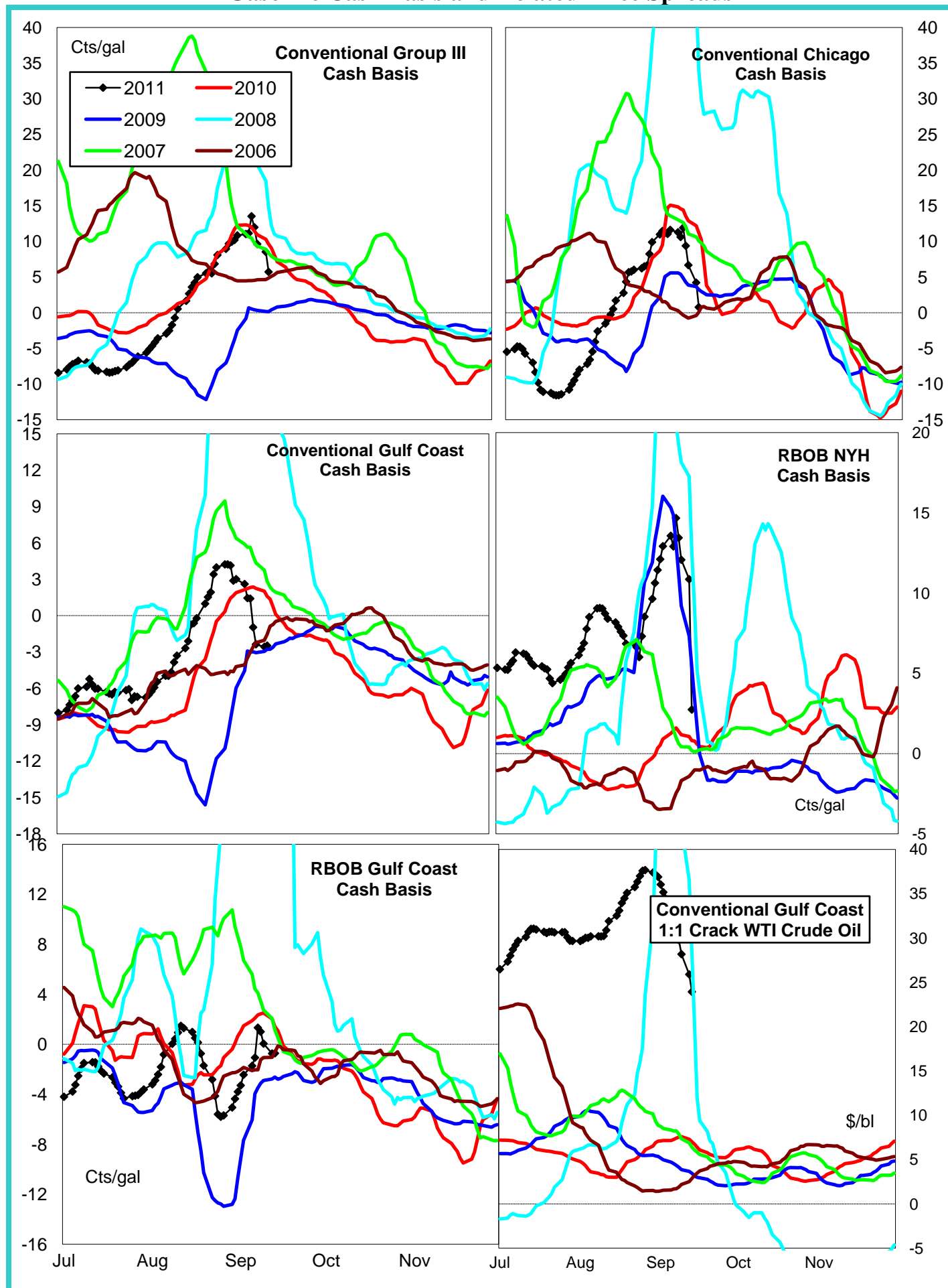
In the absence of hurricane disruptions to the Gulf region, expect price weakness on excess supplies as refiners convert to fall grades and seasonal demand trends lower.

Risk of hurricane disruptions on the Gulf continue for the next 45-days.

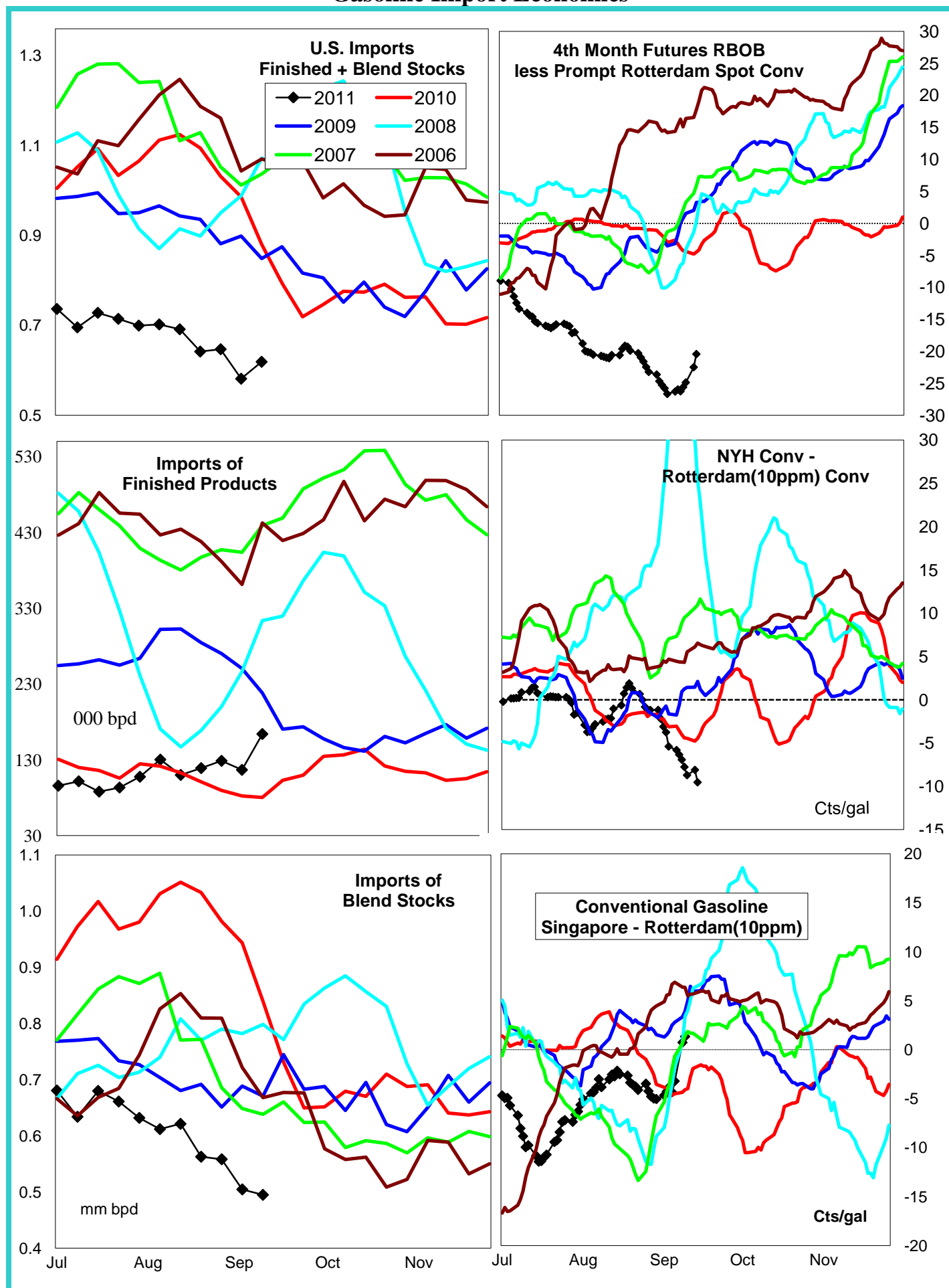


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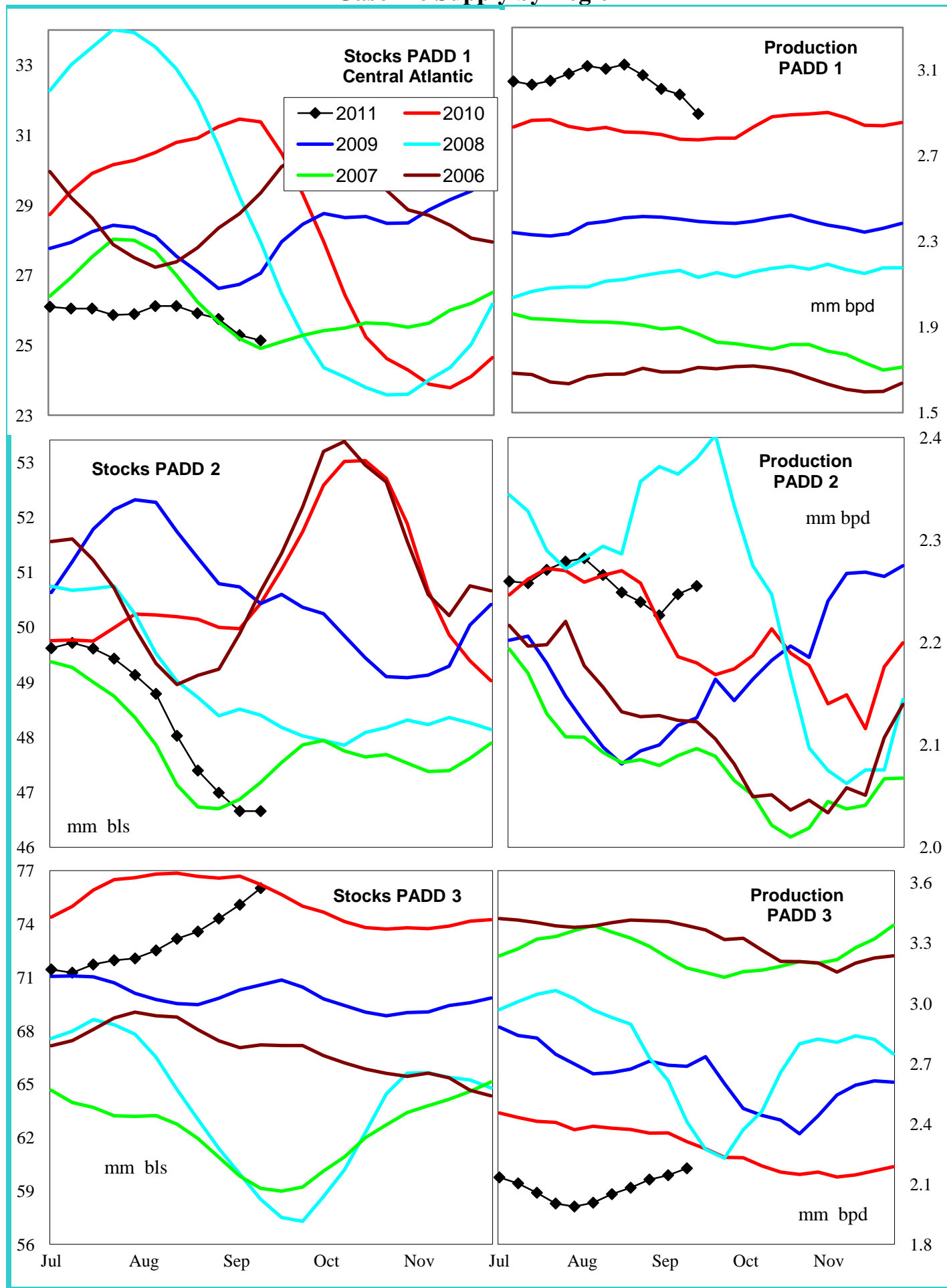
# Gasoline Cash Basis and Related Price Spreads



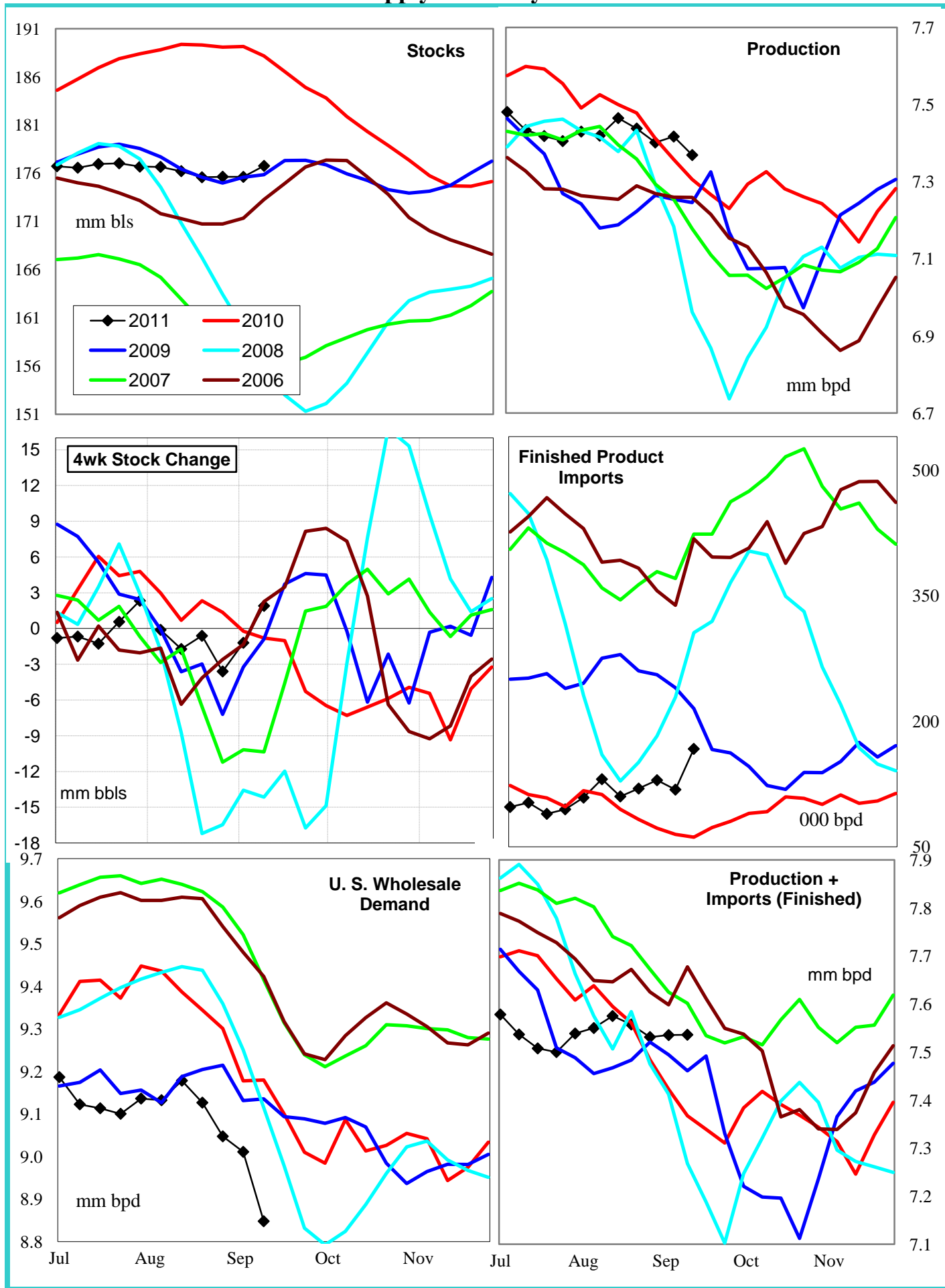
## Gasoline Import Economics



# Gasoline Supply by Region



# Gasoline Supply Summary PADDs 1+2+3



# PADD 5 Gasoline Supply

