



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 extended the recent collapse by falling another -97,000 bpd last week, to a record low level. The latest 4-wk average demand was -246,000 bpd below a year ago.

Production reversed the previous week surge, falling -377,000 bpd last week. The decrease was partially offset by a +217,000 bpd rise in imports; although import levels remain extremely low. Stocks decreased -1.4 million barrels on the week, with draws concentrated in PADDs 2 and 3. The latest 4-wk stock change East of the Rockies was a draw of -9.3 million barrels, a record draw for this time of year.

Cash basis trended lower in the Gulf and West Coast last week, while other regional markets saw mostly sideways trends. Basis levels remain at the upper end of the historic range in NYH, Group III and the Northwest.

Look for basis to traded sideways in most regional markets for the near term on fall refinery maintenance and a rebound in wholesale demand, then lower as refiners return from maintenance.

RBOB

New York Harbor basis to trade sideways on increased imports and lower seasonal demand, then lower as refiners complete maintenance.

Conventional

New York Harbor basis to trade sideways on increased imports and lower seasonal

demand, then lower as refiners return from maintenance.

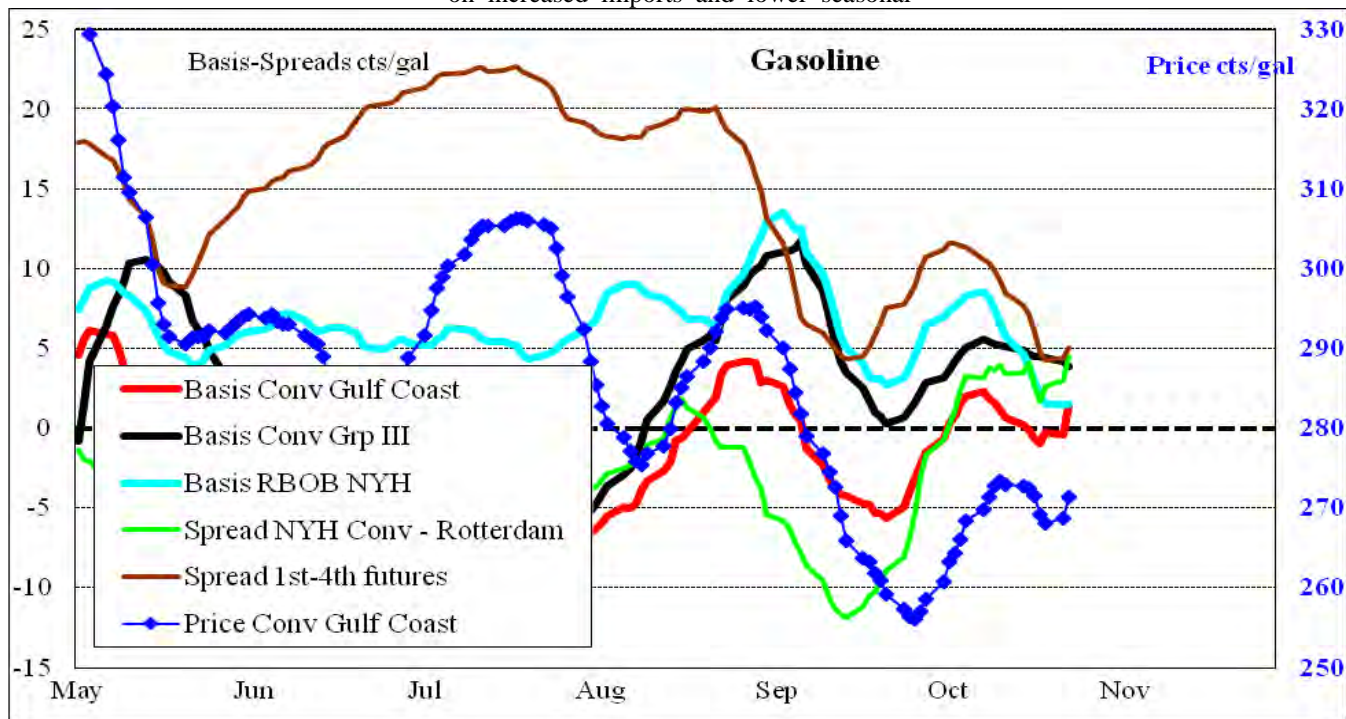
Chicago & Group III basis to trade sideways on sharply reduced supply, then seasonally lower as refiners return from maintenance.

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

West Coast (Los Angeles) basis to trend modestly lower from current very high levels as refinery maintenance in the Northwest ends, then sharply lower as Los Angeles refiners complete maintenance.

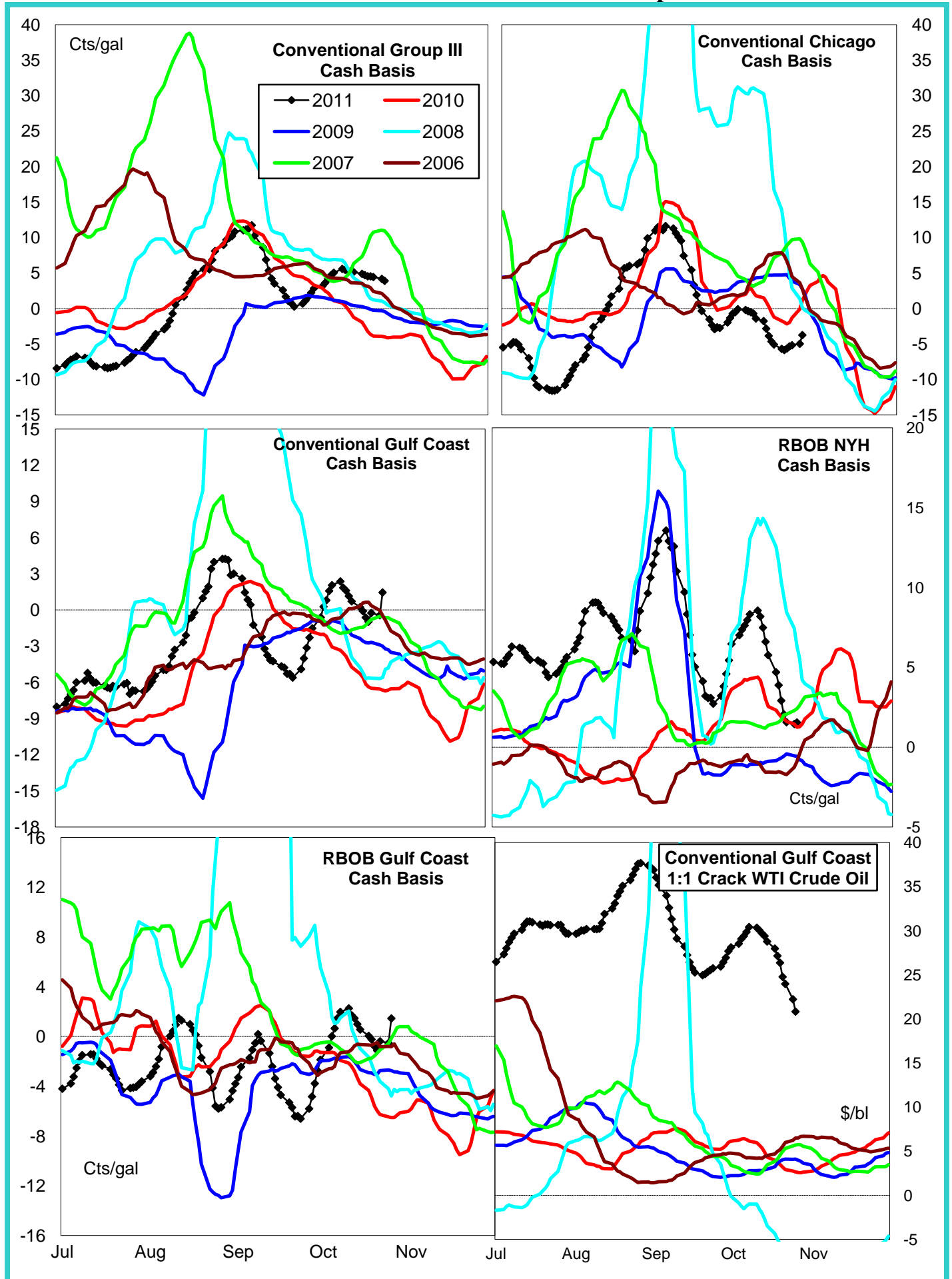
Gulf Coast Price

Asia and Middle East gasoline price premiums to U.S. markets are trending lower, but remain unusually high. Robust demand in the Pacific Region and unplanned refinery maintenance support the price premiums. Improved import economics to the East Coast should lead to increased imports from record low levels. Lower seasonal demand and a return to operation by refiners from maintenance should lead to seasonal price weakness during the current quarter.

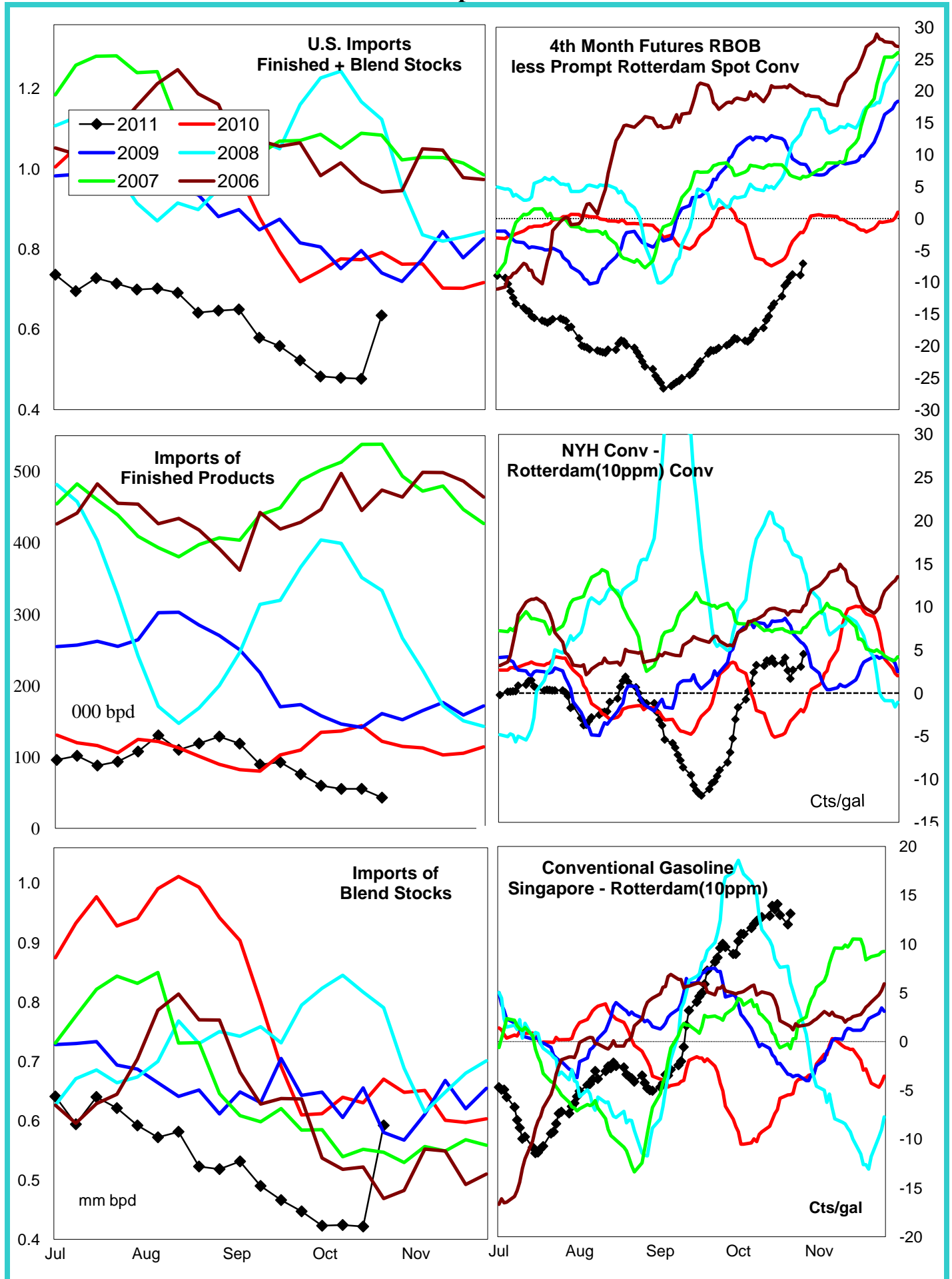


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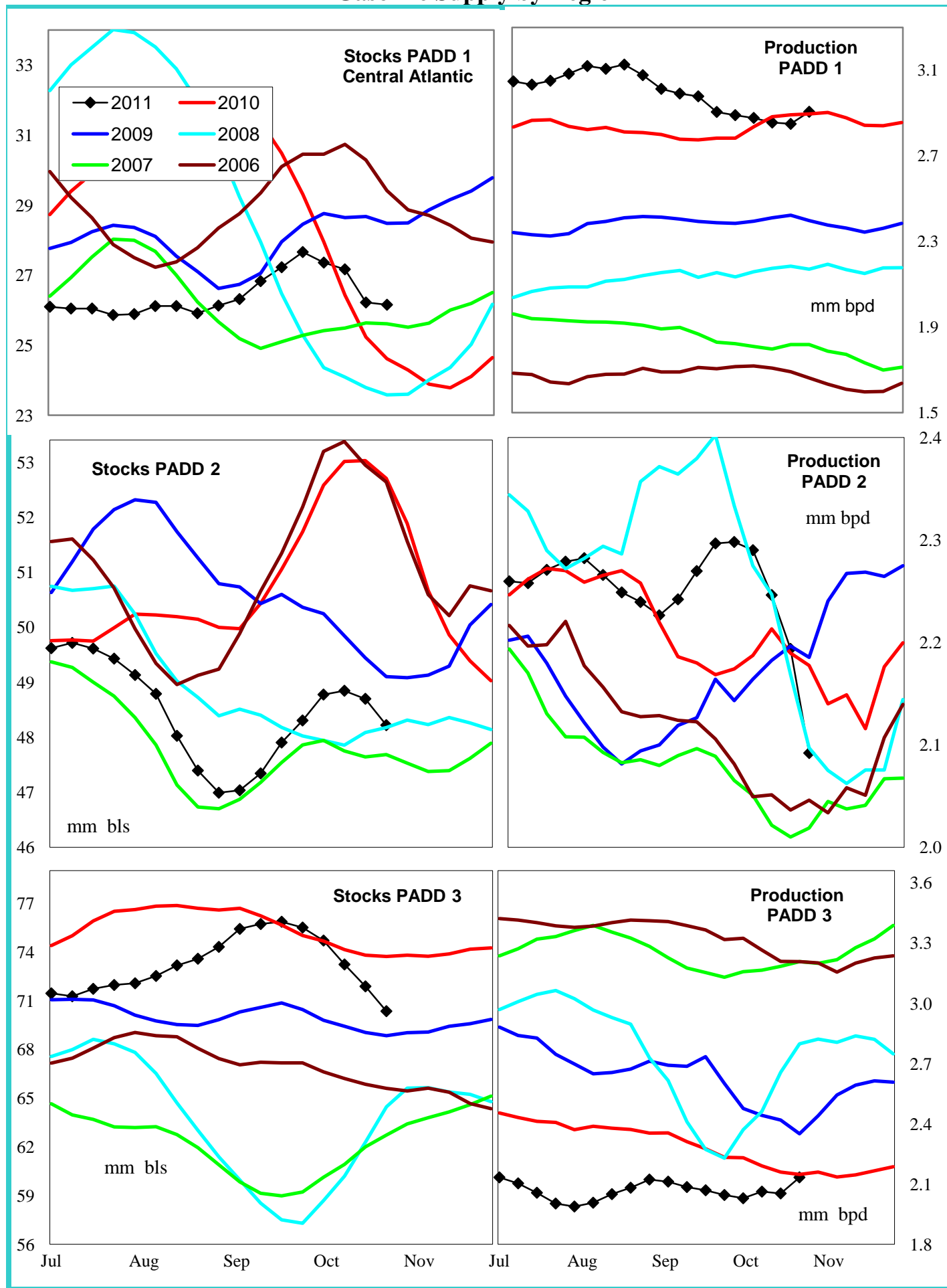
Gasoline Cash Basis and Related Price Spreads



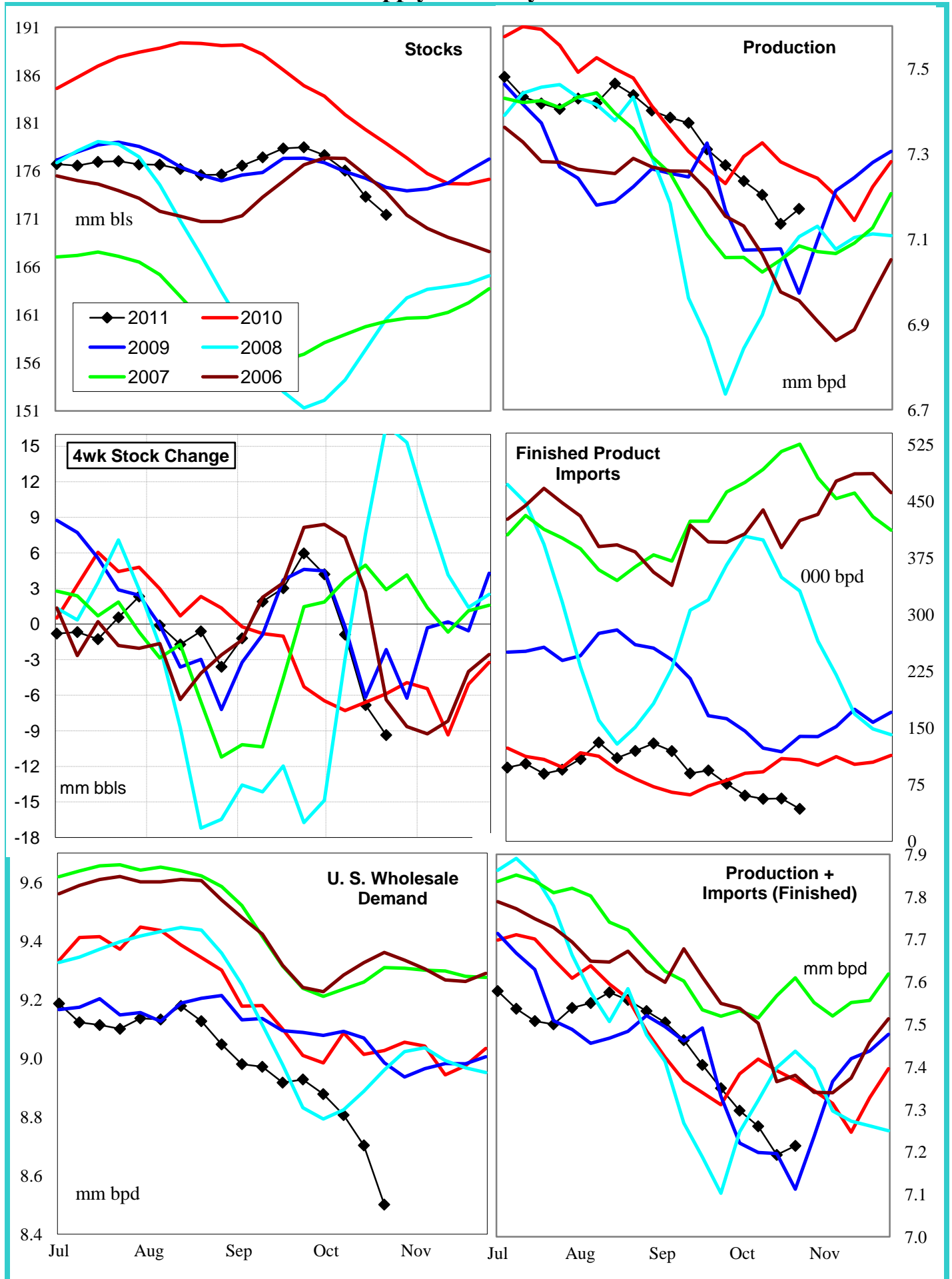
Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3



PADD 5 Gasoline Supply

