



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 continues to exhibit extreme weakness; -362,000 bpd below a year ago for the most recent 4-wk average.

Monthly data for July and August shows demand fell an average of -415,000 bpd for the 2-month period.

Combined production and imports increased +252,000 bpd on the week. Imports reached the low end of the historic range. Stocks increased +1.4 million barrels on the week, driven by a +2.2 million build in the Gulf.

Cash basis spiked last week on the West Coast, as a result of above average refinery maintenance. Basis trended higher in NYH, and Chicago; while trading flat in the Group and lower in the Gulf and Northwest. Basis levels remain at the upper end of the historic range for this time of year in most markets, except Chicago which is at the mid range.

Look for basis to trade sideways in most regional markets for the near term on fall refinery maintenance then lower as demand sees further seasonal declines.

RBOB

New York Harbor basis to trade sideways on increased imports and lower seasonal demand in the near term, then lower on improved supply.

Conventional

New York Harbor basis to trade sideways on increased imports and lower seasonal demand in the near term, then lower on improved supply.

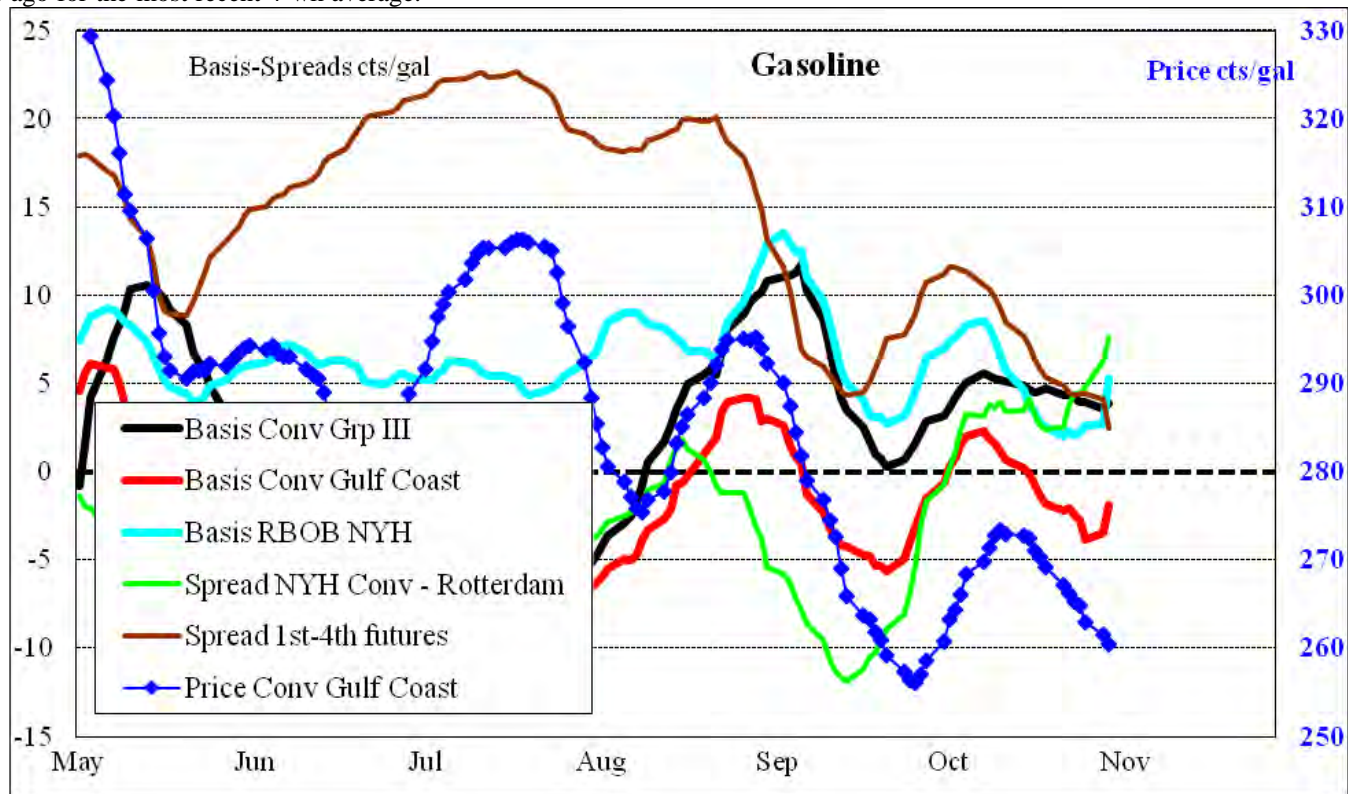
Chicago & Group III basis to trade sideways on low stocks, then seasonally lower as increased production leads to stock building.

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

West Coast (Los Angeles) basis to trade in volatile range until refinery maintenance is completed in the LA basin, then correct sharply lower.

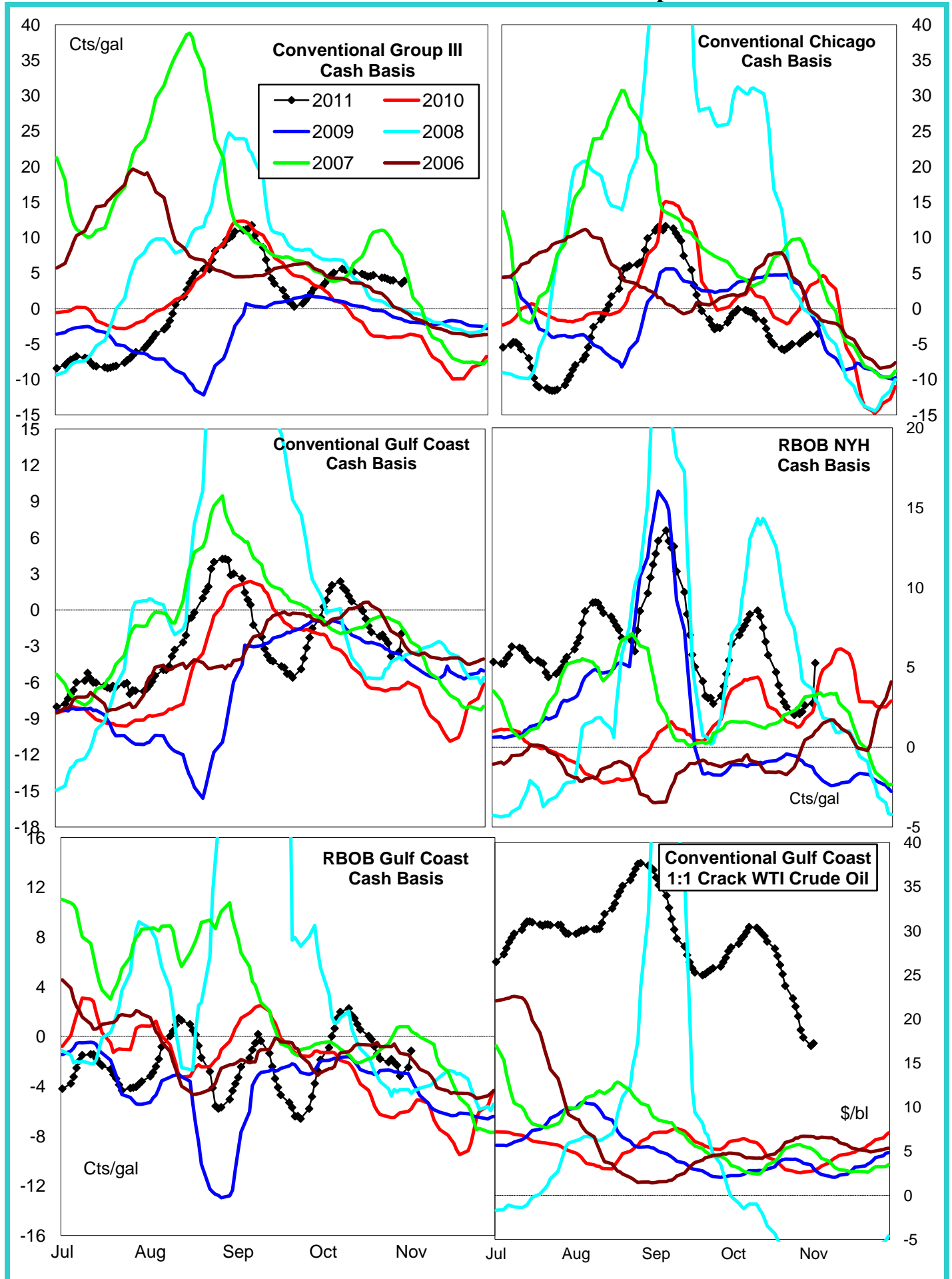
Gulf Coast Price

Asia and Middle East gasoline price premiums to U.S. markets continue to trend lower, but remain above the historic range. Look for lower seasonal demand to lead to stock building; limited by refiners efforts to maximize distillate output. Expect gasoline prices to exhibit significant weakness compared to the overall energy complex.

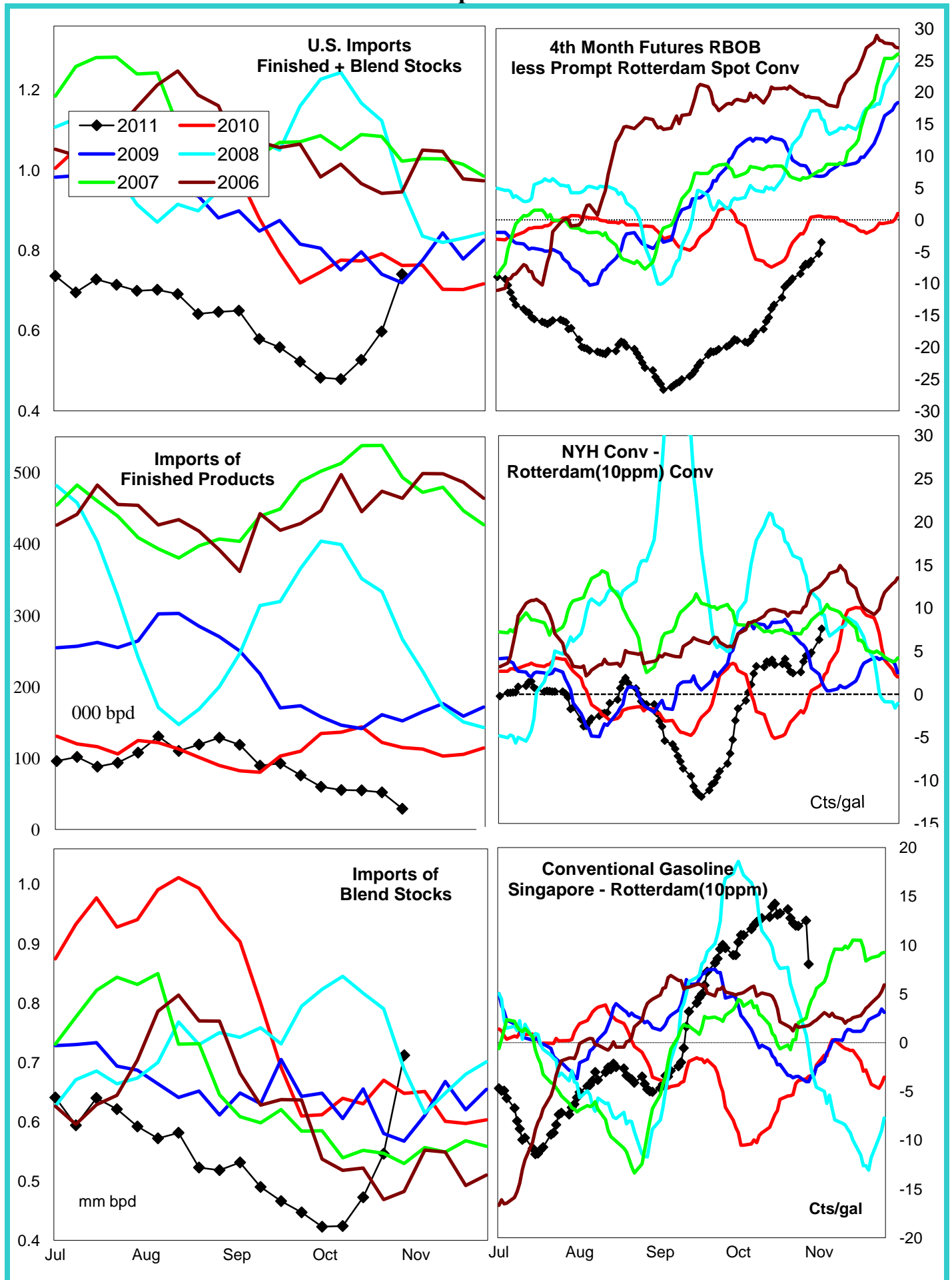


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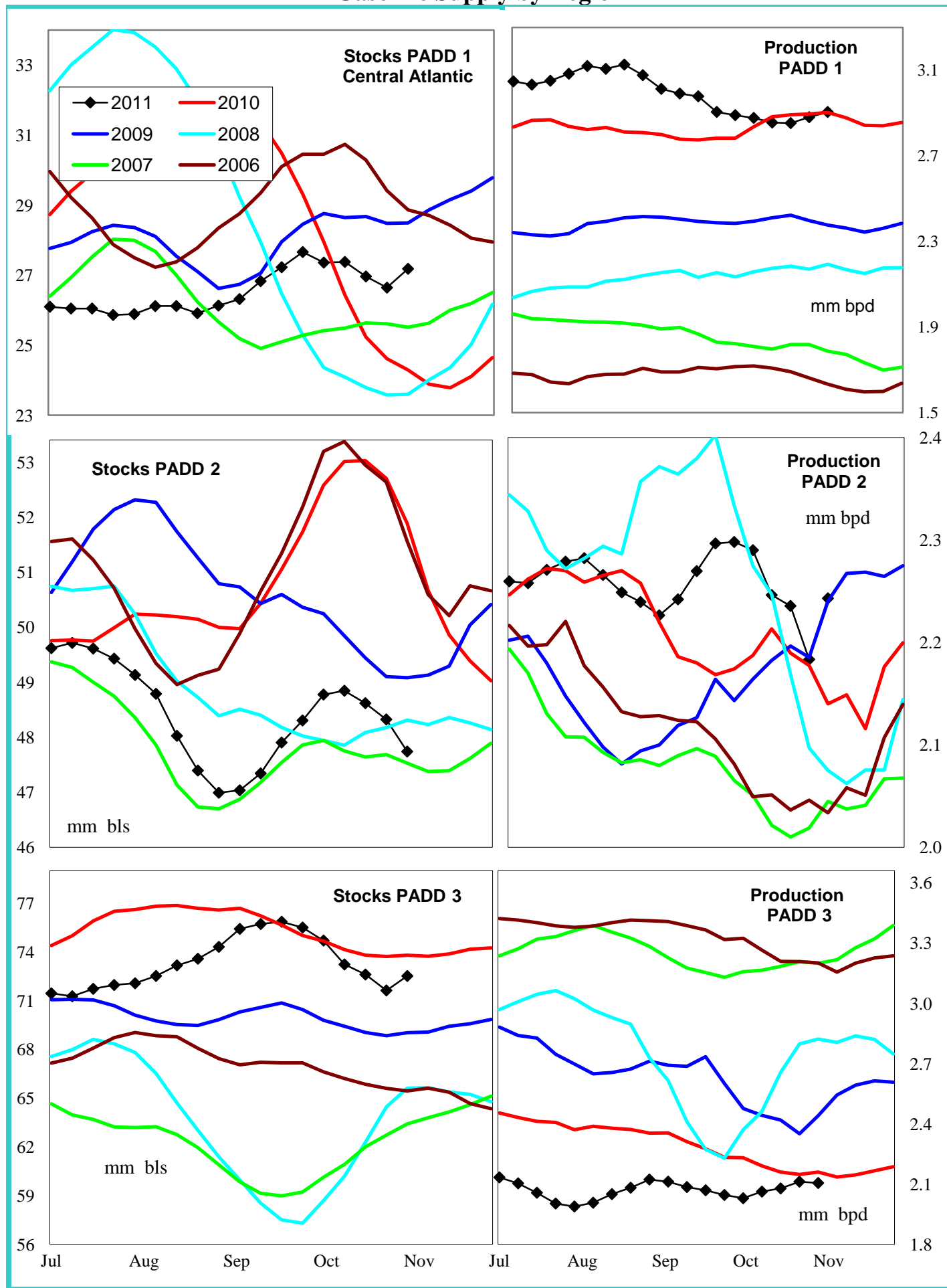
Gasoline Cash Basis and Related Price Spreads



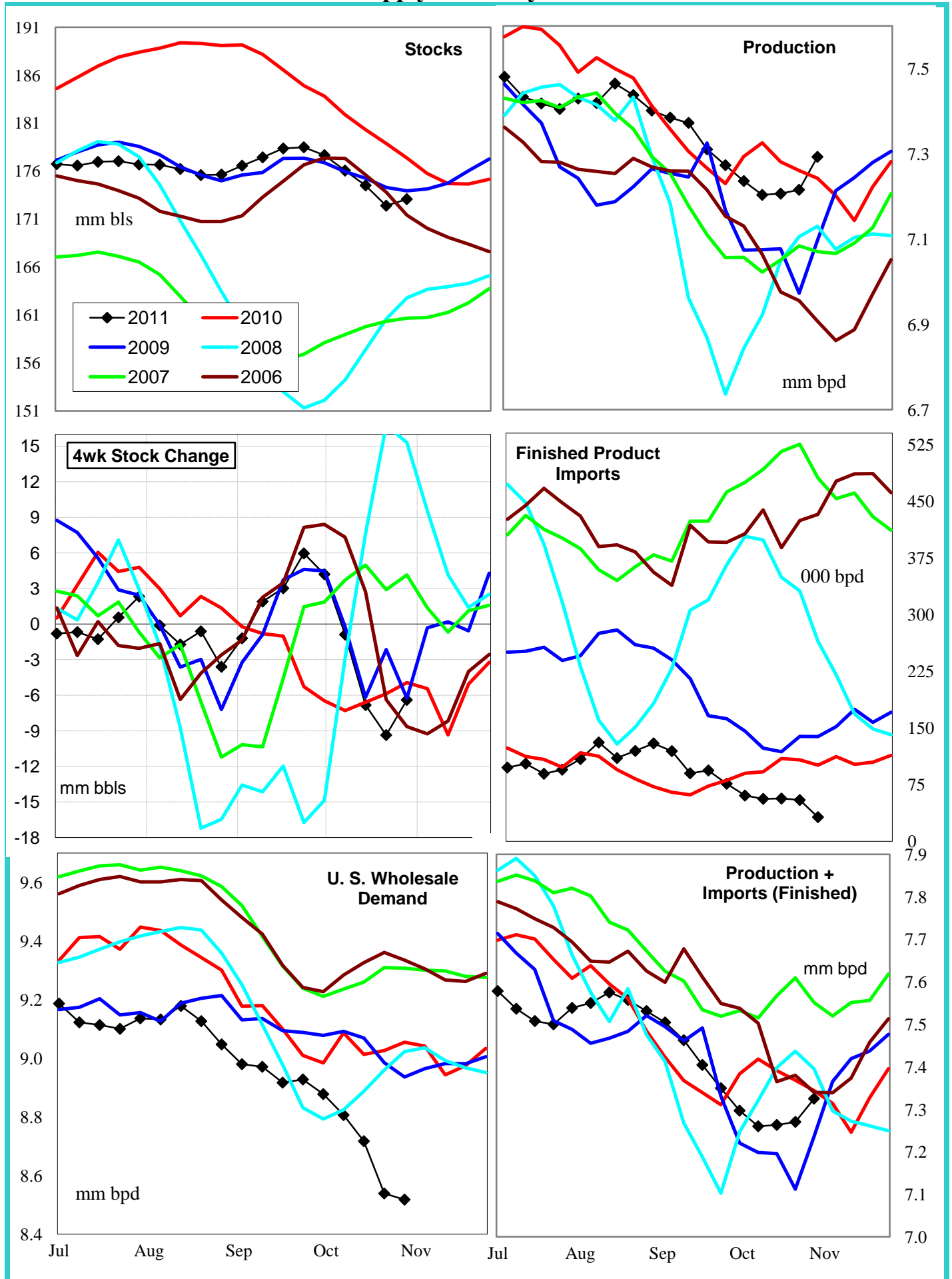
Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3



PADD 5 Gasoline Supply

