



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 +153,000 bpd last week; although the latest 4-wk average was -508,000 bpd below a year

ago, and a record year-on-year decline. The decrease was even larger than the monthly decline in August of -459,000 bpd.

Combined production and imports fell -298,000 bpd on the week; including a -267,000 bpd drop in production. Stocks decreased -2.1 million barrels on the week, including decreases in all markets East of the Rockies.

Cash basis trended higher last week in NYH and Chicago markets. Other regional markets traded sideways to lower. Basis levels remain at the upper end of the historic range for this time of year in nearly all markets.

Look for basis to trend lower from current elevated levels as refiners return from maintenance and demand trends seasonally lower. Poor refining margins for refiners processing imported light sweet crude oil grades (particularly the East Coast) may limit production in the next quarter.

RBOB

New York Harbor basis to trend lower on seasonal stock builds and lower demand.

Conventional

New York Harbor basis to trend lower on seasonal stock building and reduced demand.

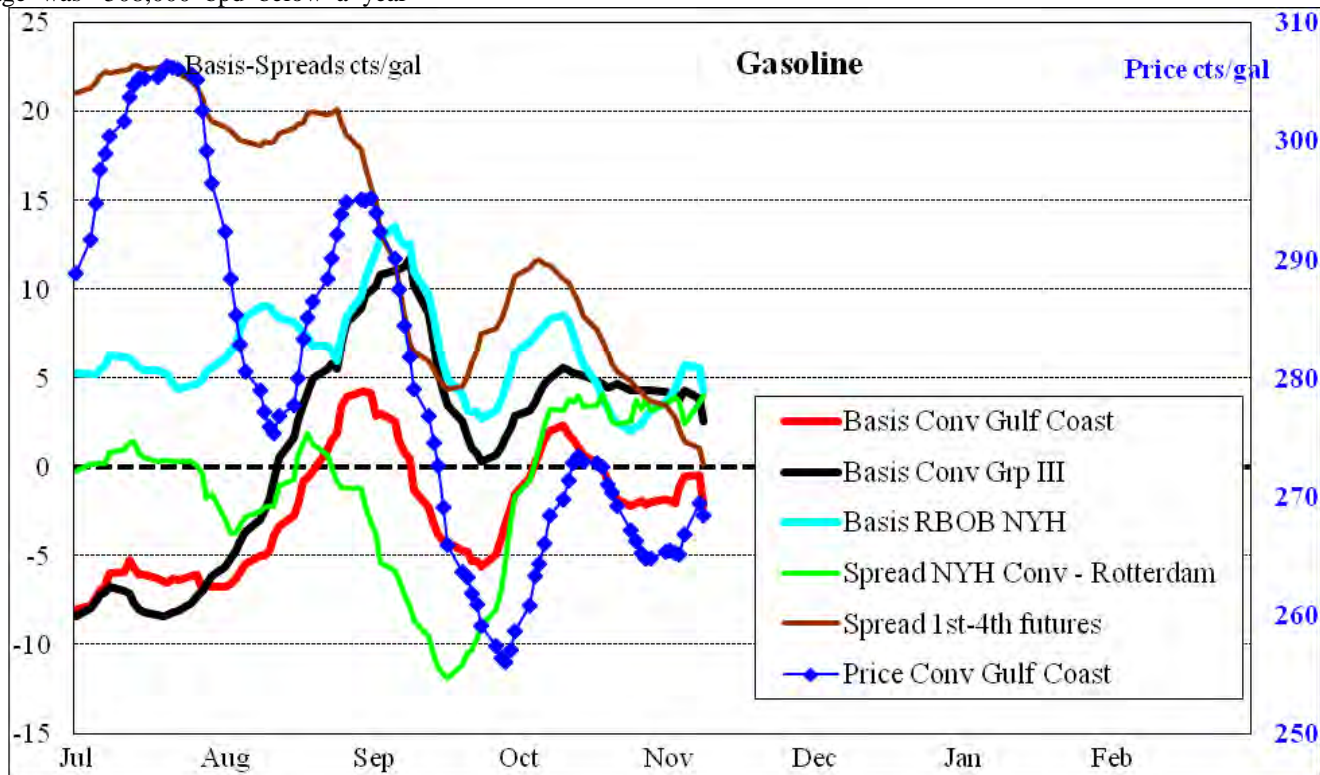
Chicago & Group III basis to trade sideways on record low stocks and production, then lower as refiners return from maintenance and seasonal stock building begins.

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

West Coast (Los Angeles) basis to trend seasonally lower as refiners return from maintenance and stock building begins.

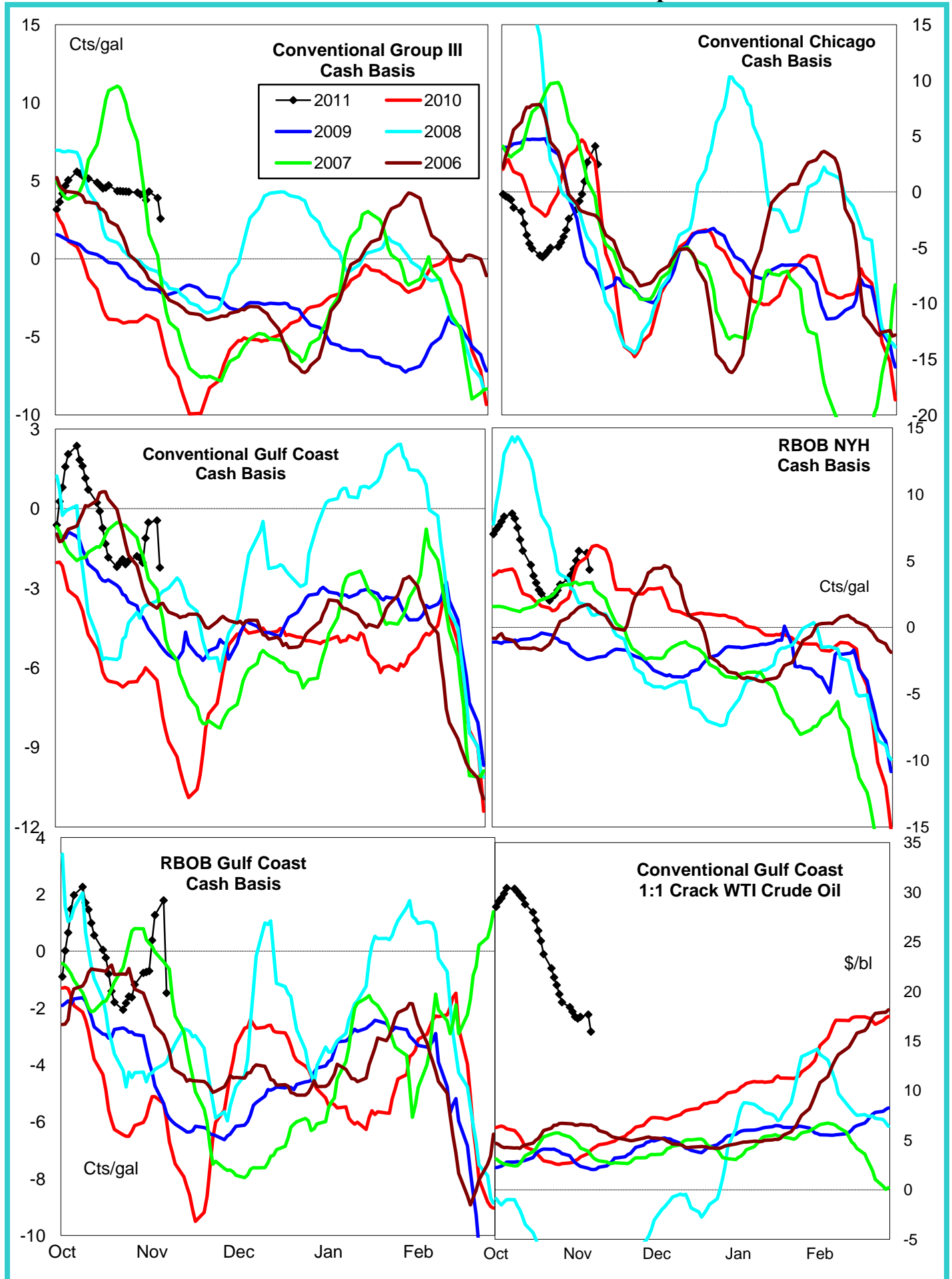
Gulf Coast Price

Asia and Middle East gasoline price premiums to U.S. markets remain above the historic range, providing some support to an otherwise extremely weak domestic market. Look for lower seasonal demand to lead to stock building; limited by refiners efforts to maximize distillate output. Expect gasoline prices to exhibit ongoing weakness compared to the overall energy complex.

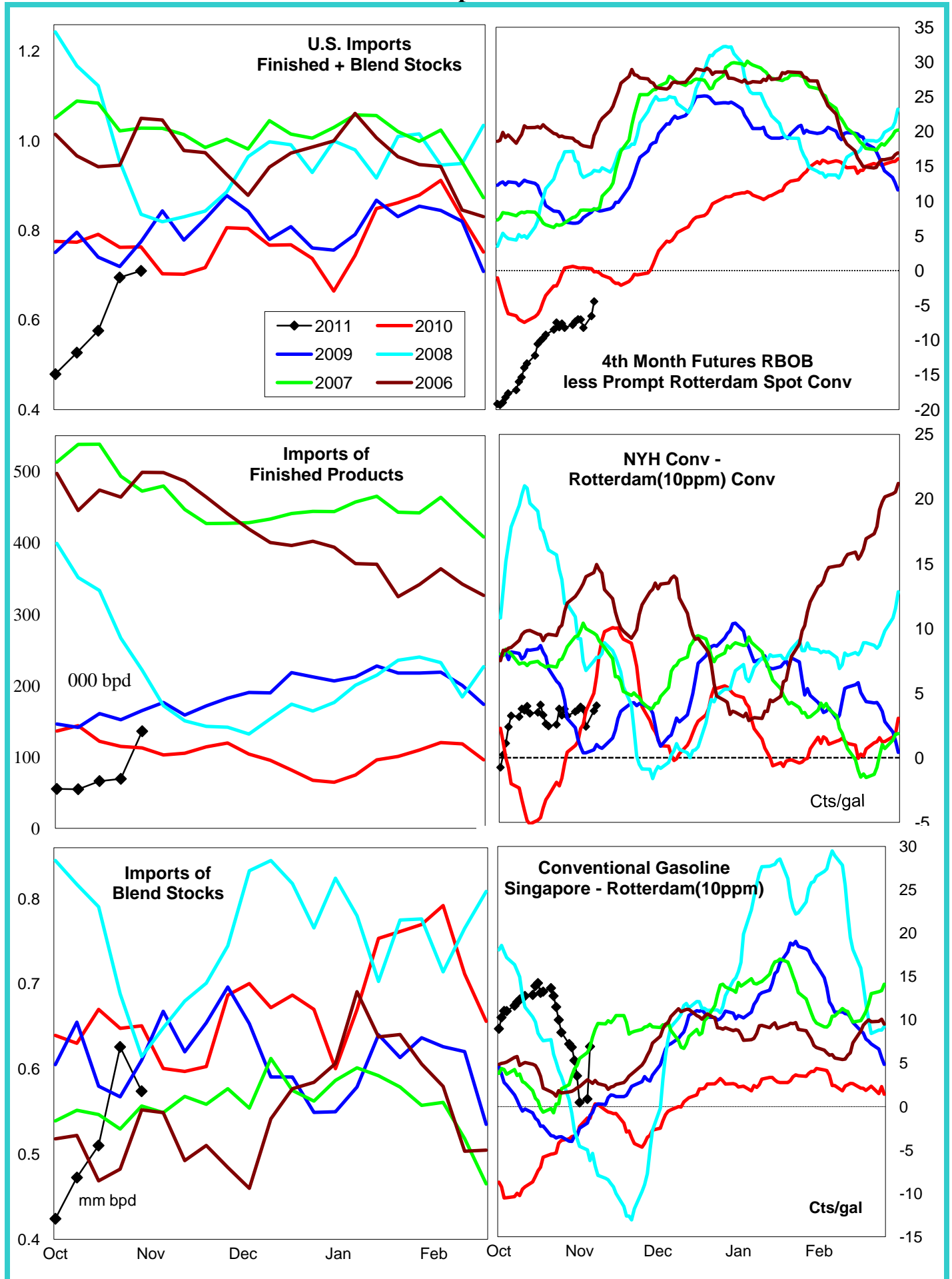


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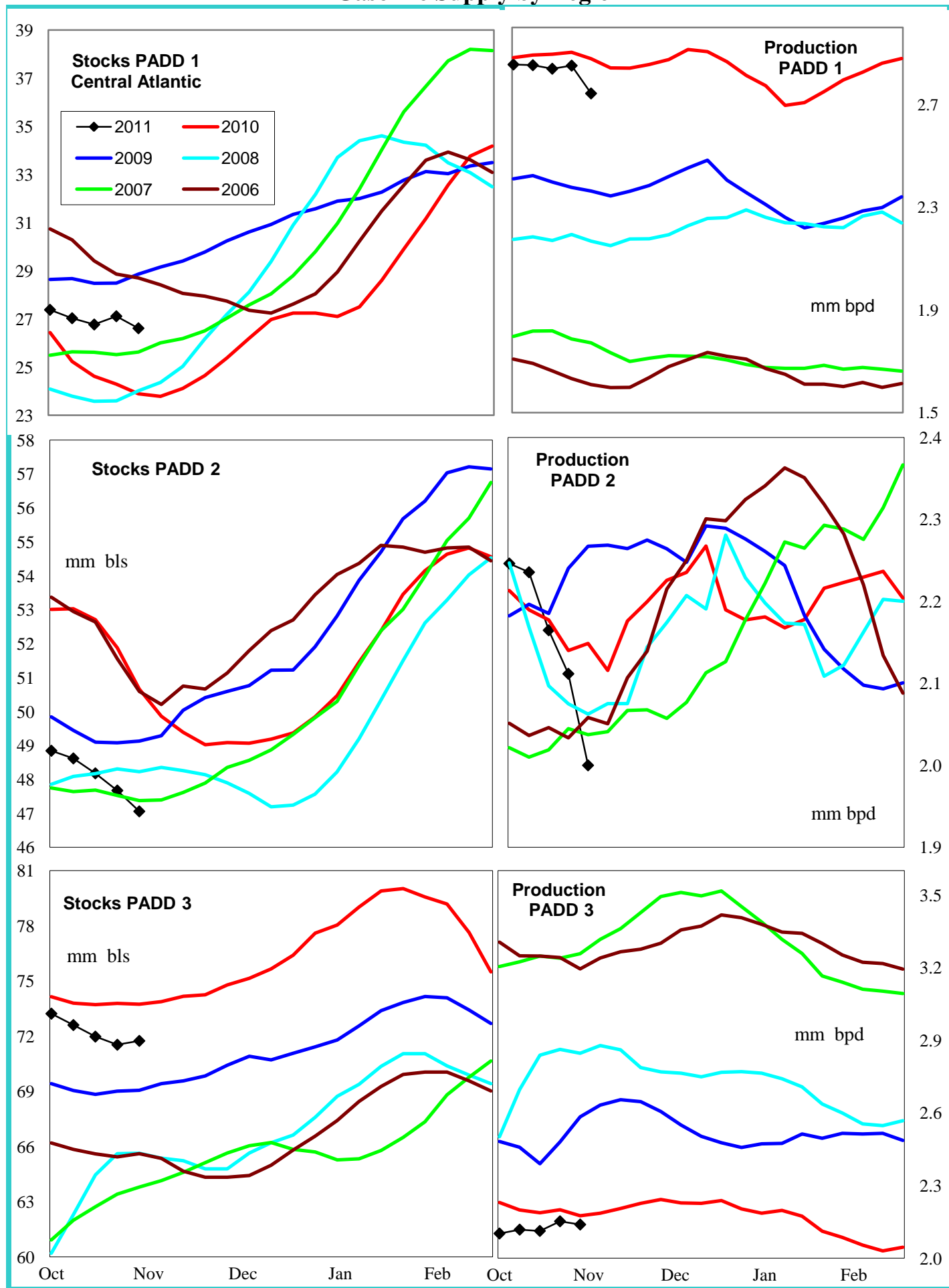
Gasoline Cash Basis and Related Price Spreads



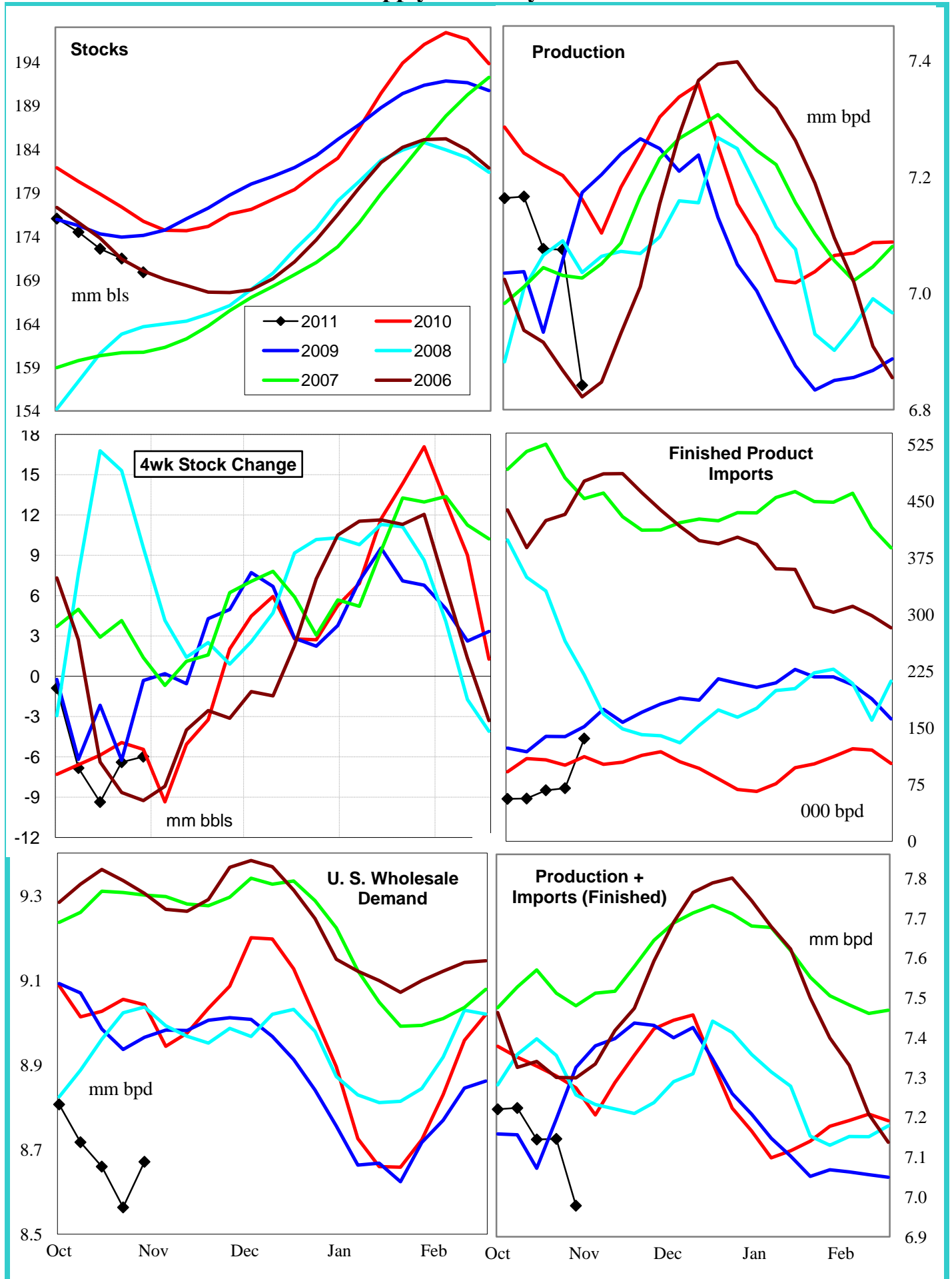
Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3



PADD 5 Gasoline Supply

