



WEEKLY GASOLINE FUNDAMENTAL-PRICE-BASIS OUTLOOK

A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Thursday, November 17, 2011

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 declined -46,000 bpd last week; with the latest 4-wk average -

517,000 bpd below a year ago. This was a record year-on-year decrease

Supply reversed last weeks' decline, rising +332,000 bpd on the week. Very low demand and increased supply led to a +1 million barrel stock build for the week.

Cash basis fell last week in all regional markets. Basis levels ended the week near the mid range for this time of year in most regional markets. Chicago and Group III levels were at the low end of the historic range for the week.

Look for a holiday driven bounce in demand, and improving supplies on the East Coast, to result in modest increases in basis for most markets by month end. Rising stock levels and weak demand should then lead to a seasonal downtrend in basis through year end for nearly all regional markets.

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 see small uptick on improved East Coast supplies and holiday demand uptrend in demand, then trend seasonally lower.

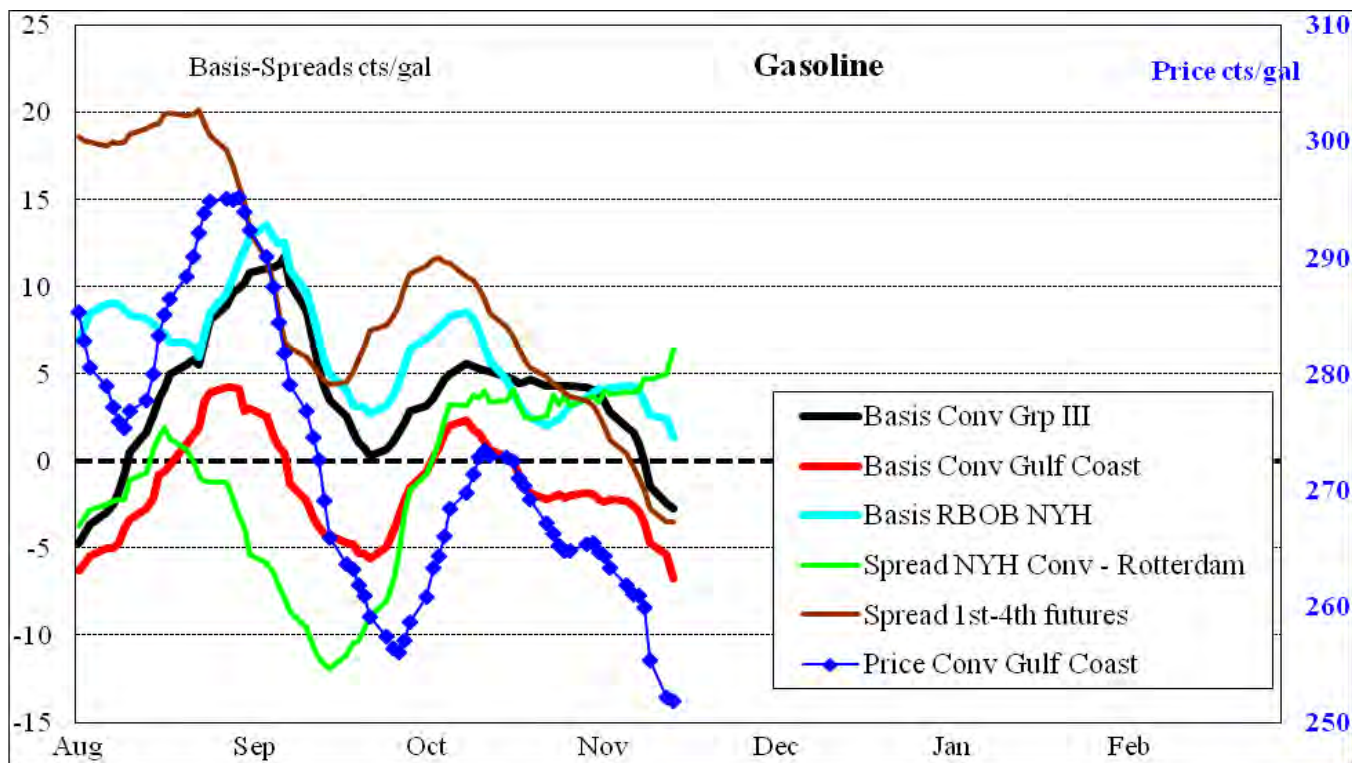
Gulf Basis to see modest uptrend from oversold conditions, then trend seasonally lower on winter stock building and lower demand.

West Coast (Los Angeles) basis to traded sideways, with seasonally volatility at low end of historic range on increased supplies.

Gulf Coast Price

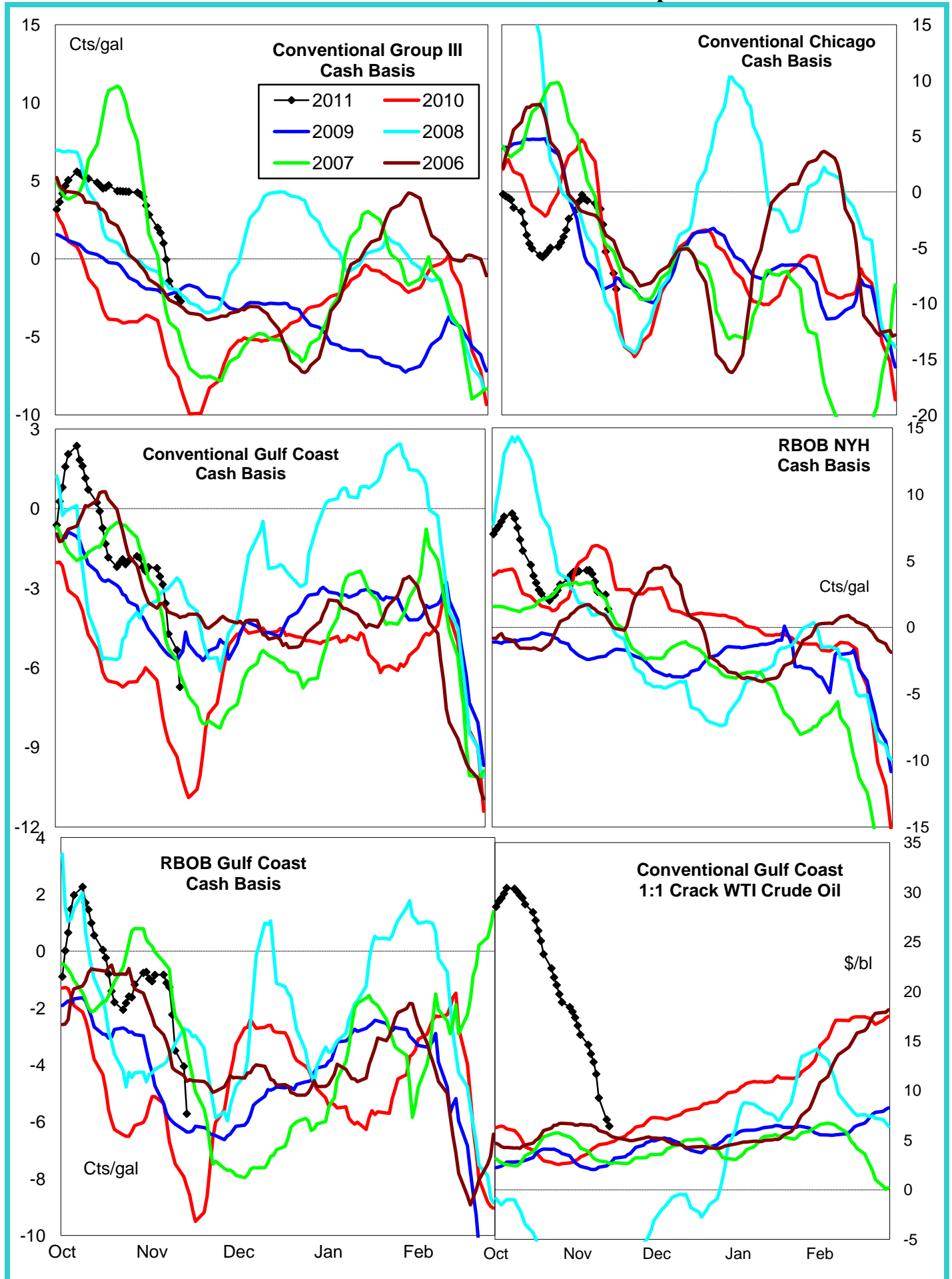
Asia and Middle East gasoline price premiums to U.S. markets were crushed last week as foreign markets sold off even more than U.S. markets. Gasoline refining crack spreads fell to negative levels in all global refining centers (based on global crude oil prices, excluding WTI).

Expect refiners to minimize gasoline production relative to middle distillates, although very weak demand should lead to seasonal stock building and continued weak prices compared to the overall energy complex.

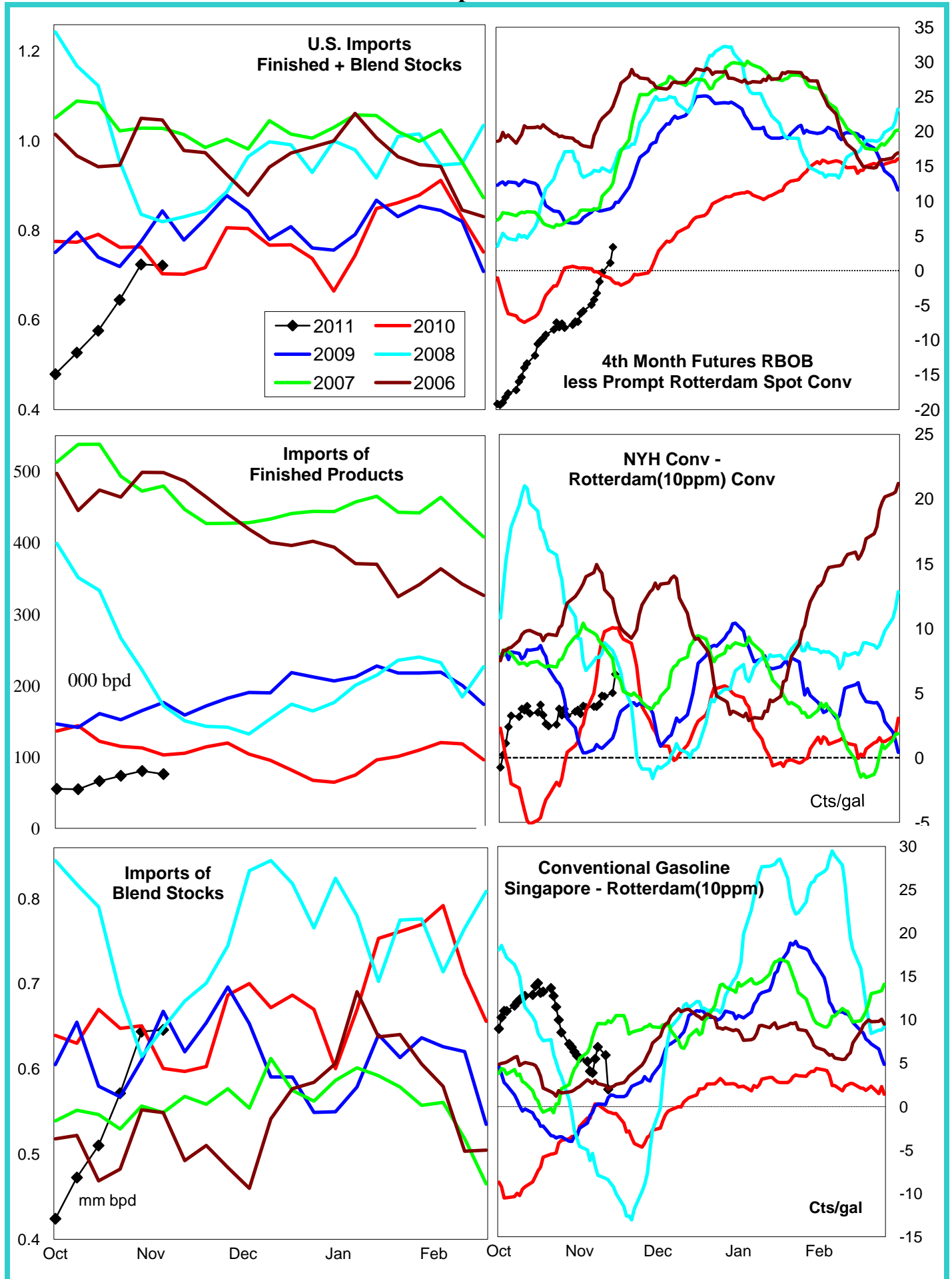


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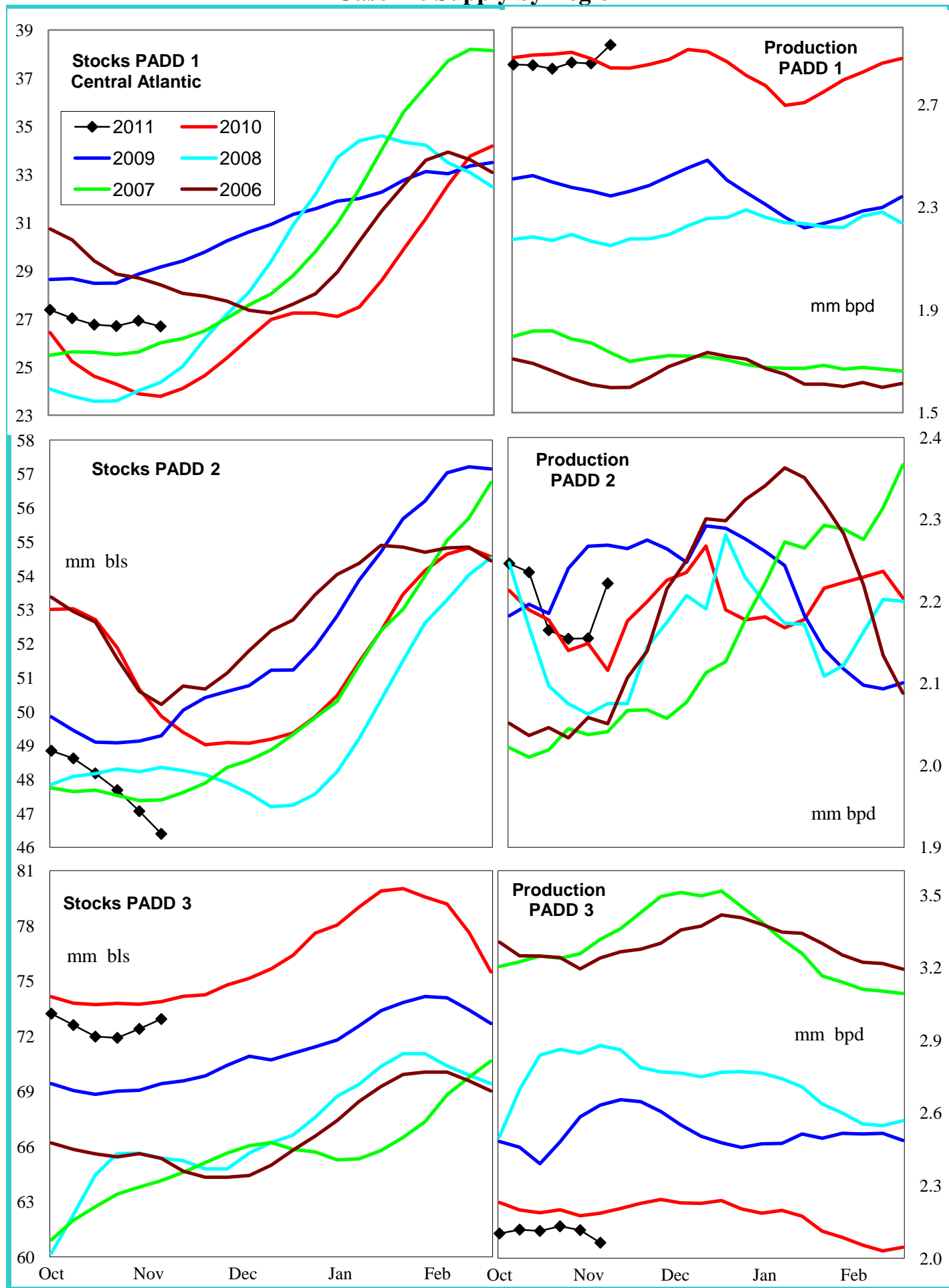
Gasoline Cash Basis and Related Price Spreads



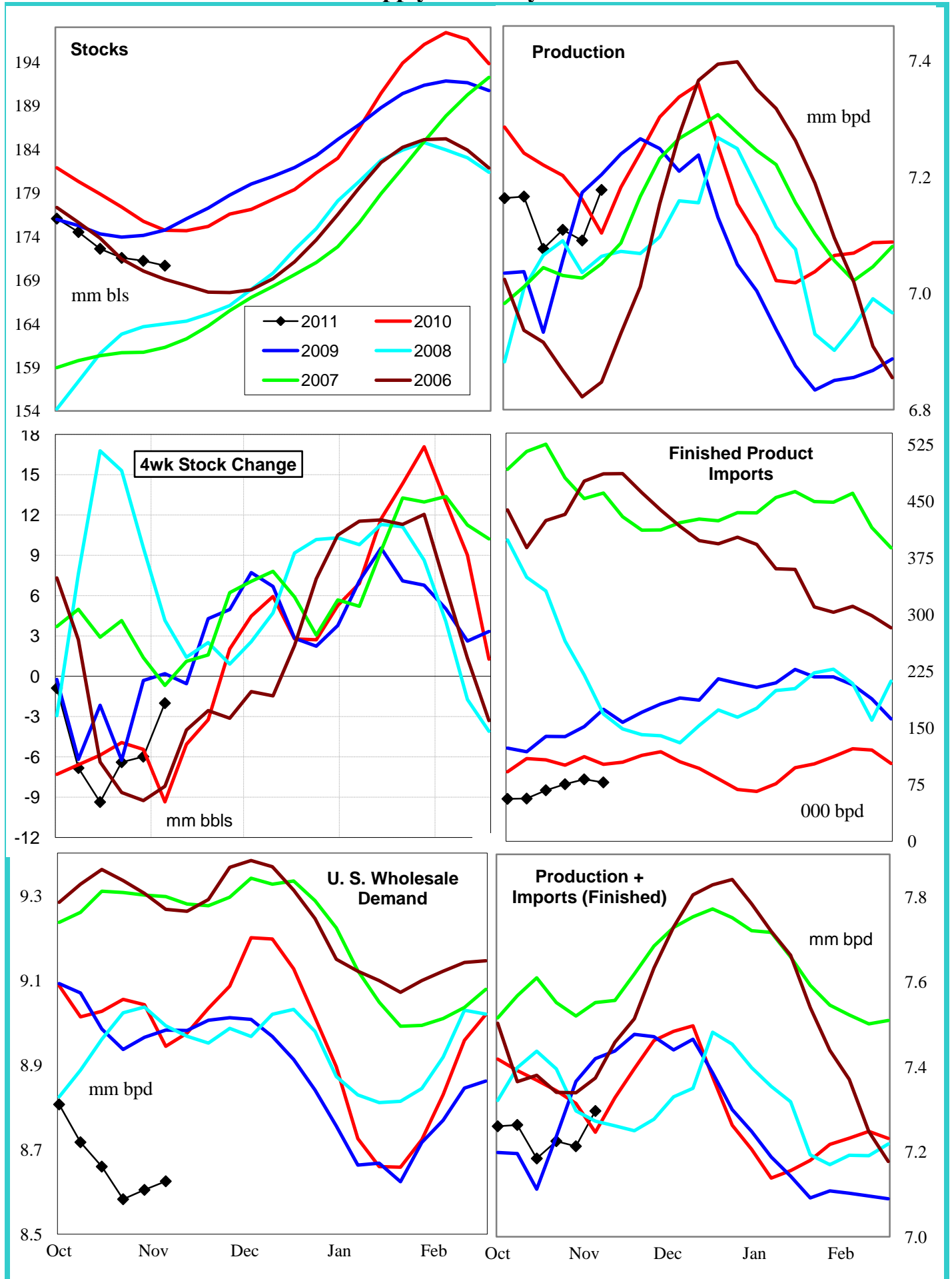
Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3



PADD 5 Gasoline Supply

