



## 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		→	→

Production decreased -61,000 bpd on the week, offset by a +201,000 bpd rise in exports. Lower demand and high production rates led to a +5.1 million barrel stock build for the week. The latest 4-wk stock build East of the Rockies was a record build for this time of year.

Cash basis traded sideways to lower across all regional markets last week.

Basis levels ended the week a very low levels on the West Coast and Midwest markets. Basis levels were near the mid range in the Gulf and at the upper end of the historic range in NYH. Exports from the Gulf and closure of refiners on the East Coast are supporting these regional markets.

Expect basis to trade at the low end of the historic range in Midwest and West Coast markets; markets without significant exports. The East Coast should experience support on refinery capacity closures, low imports and robust exports.

#### RBOB

**New York Harbor** basis to trend seasonally lower on reduced demand, although at a level above the mid range.

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**Chicago** basis to trend lower on seasonal over supply

**Group III** basis to trade at record lows on over supply and above average stock building.

**Gulf Basis** to trade sideways at a level near the mid range on robust exports.

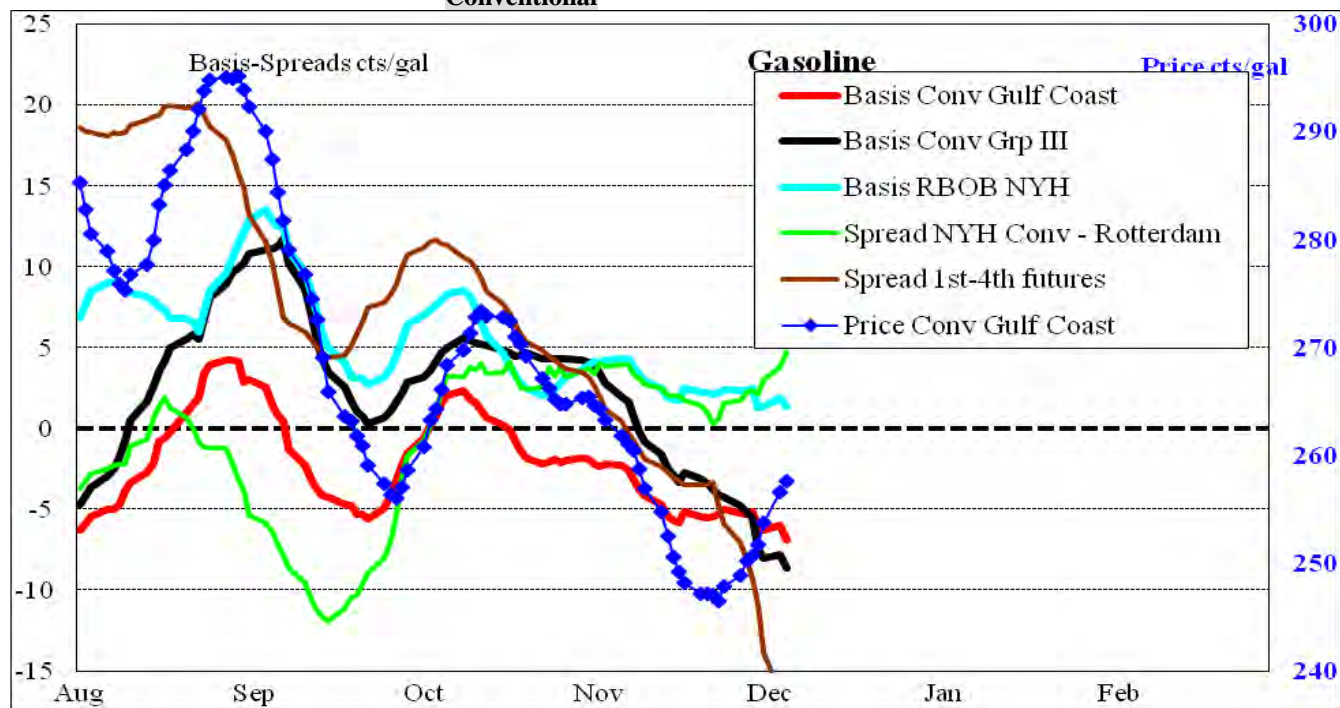
**West Coast (Los Angeles)** basis to trend lower on seasonal stock building.

#### Gulf Coast Price

Closure of East Coast refining capacity, low imports from Europe, continued exports from the East and Gulf Coast refining centers should support NYMEX RBOB futures during the next quarter. Combined with a seasonal build in stocks, expect weak cash basis in Midwest and western markets. The slowdown in European and Asian economic growth risk a pull back in energy prices during the 1st quarter of 2012.

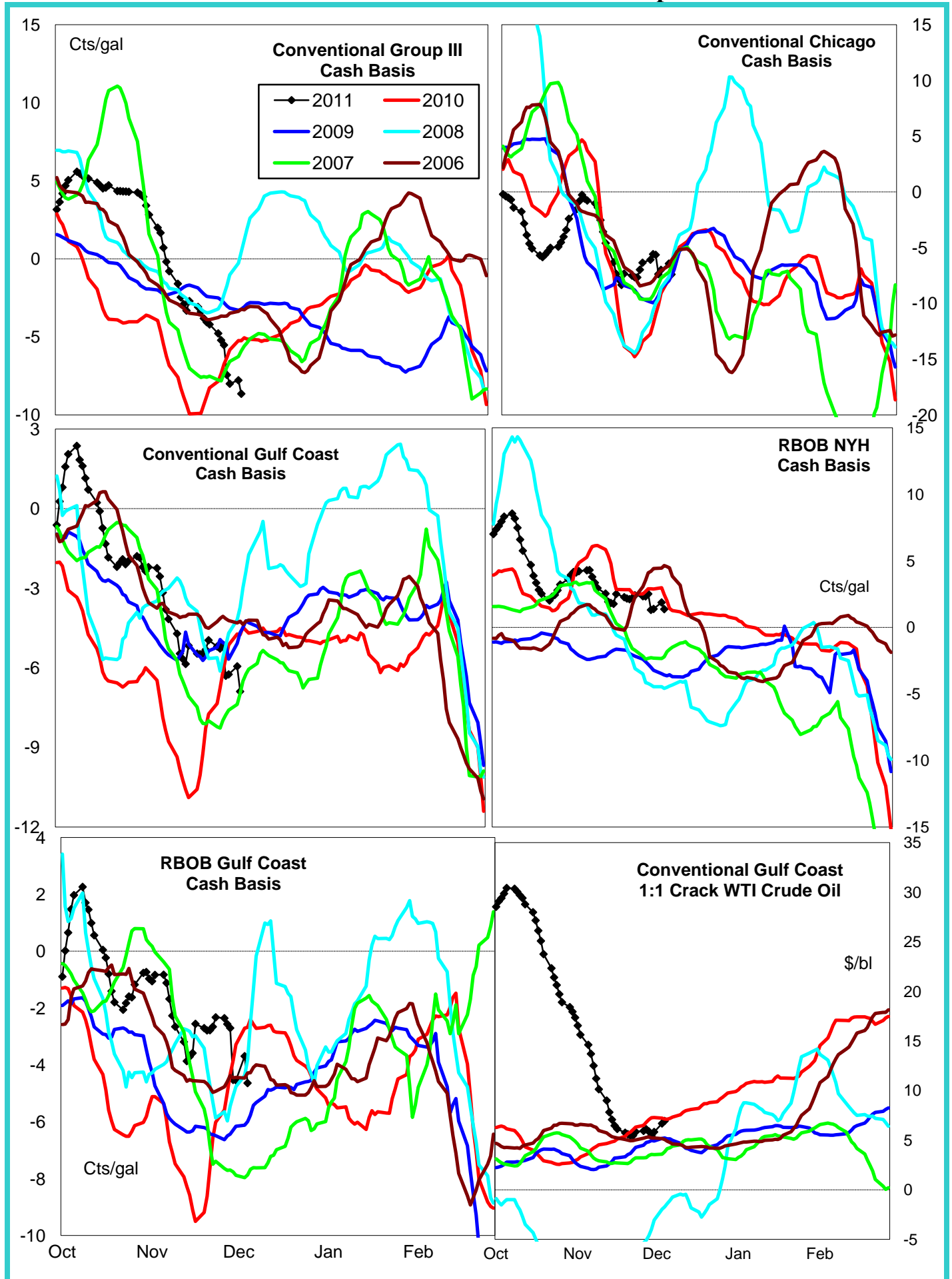
Wholesale demand fell -195,000 bpd last week on lower travel after the holiday week, with the latest 4-wk average - 315,000 bpd below a year ago. Demand remains weak.

#### Conventional

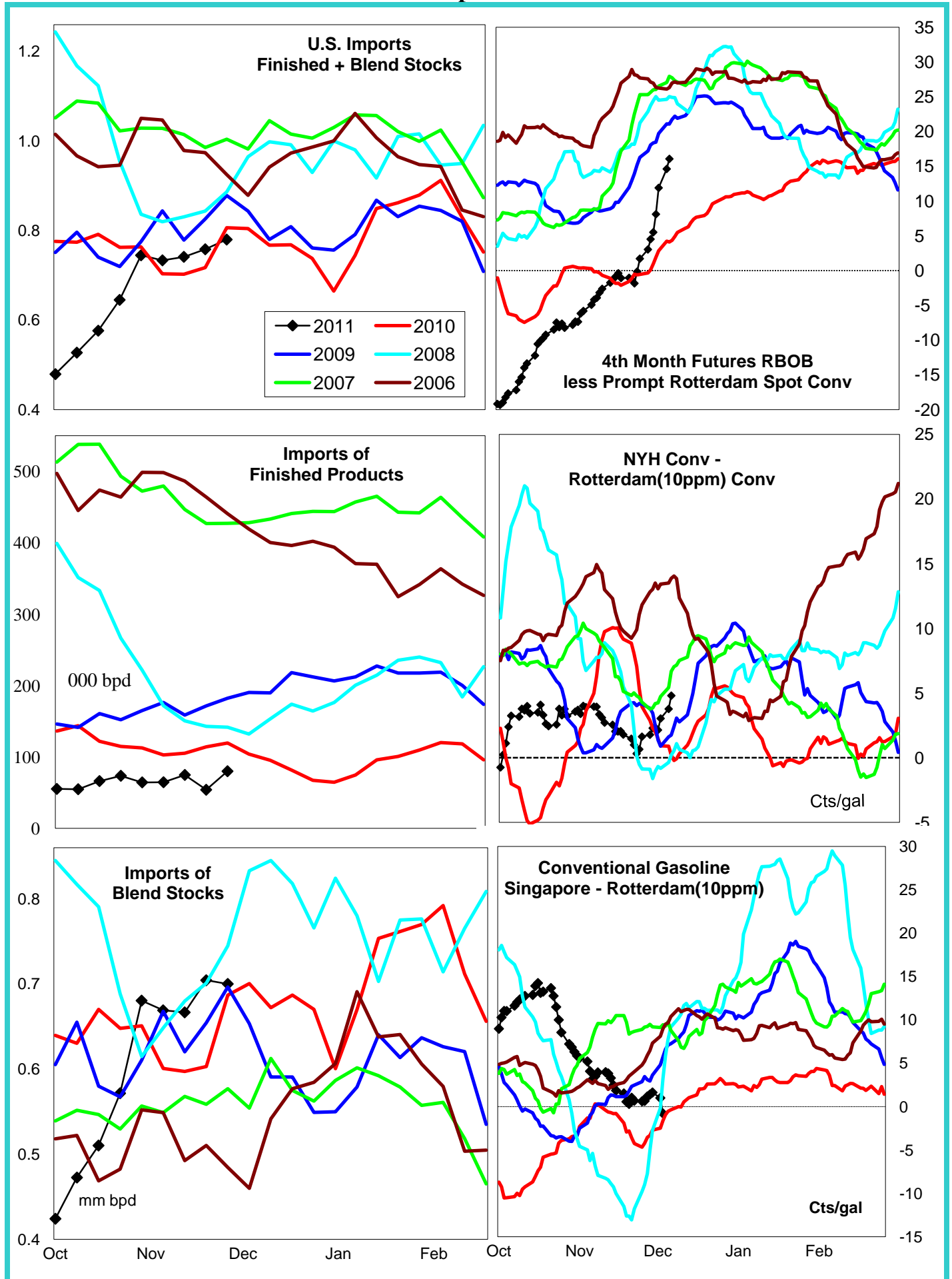


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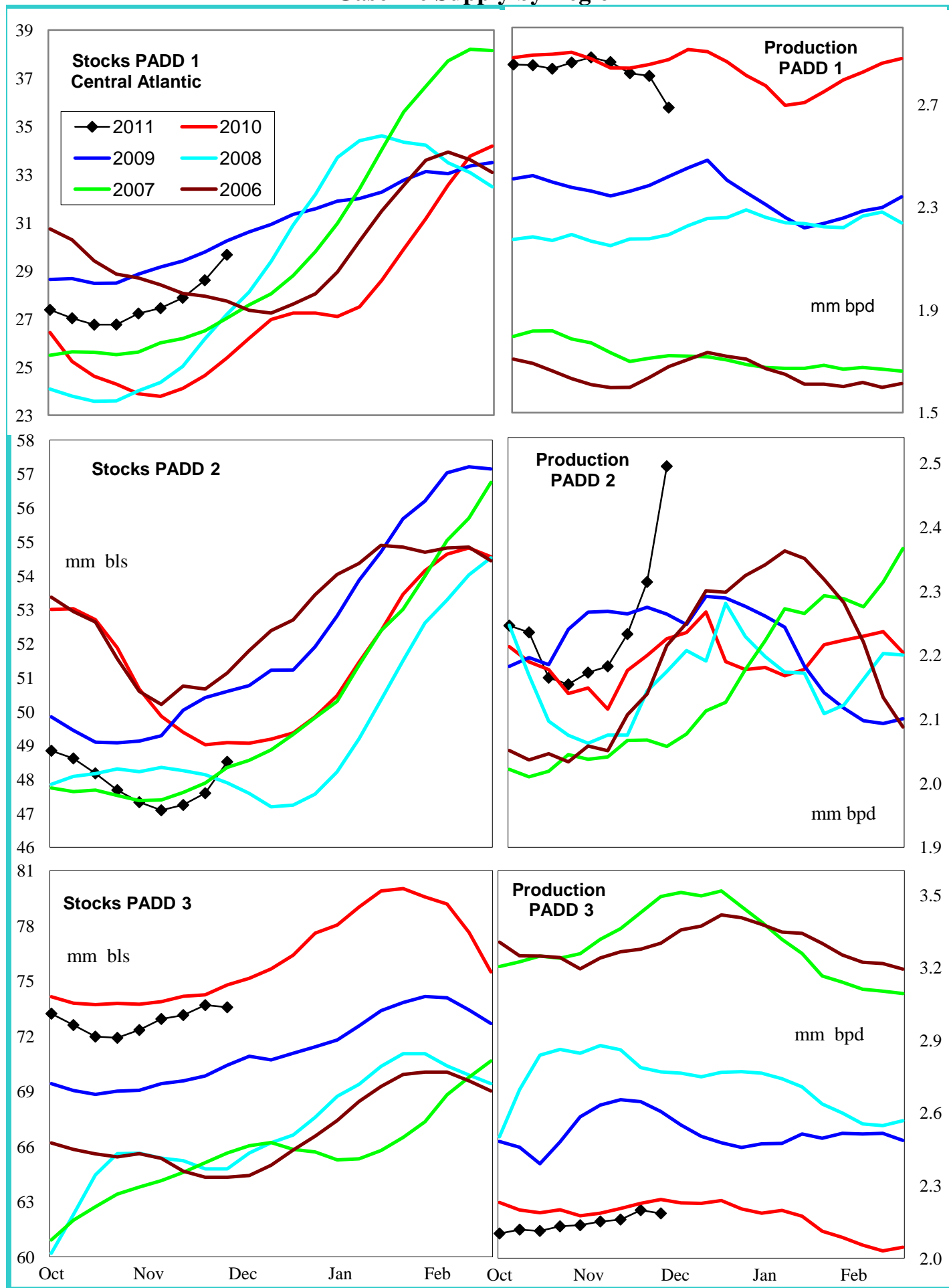
# Gasoline Cash Basis and Related Price Spreads



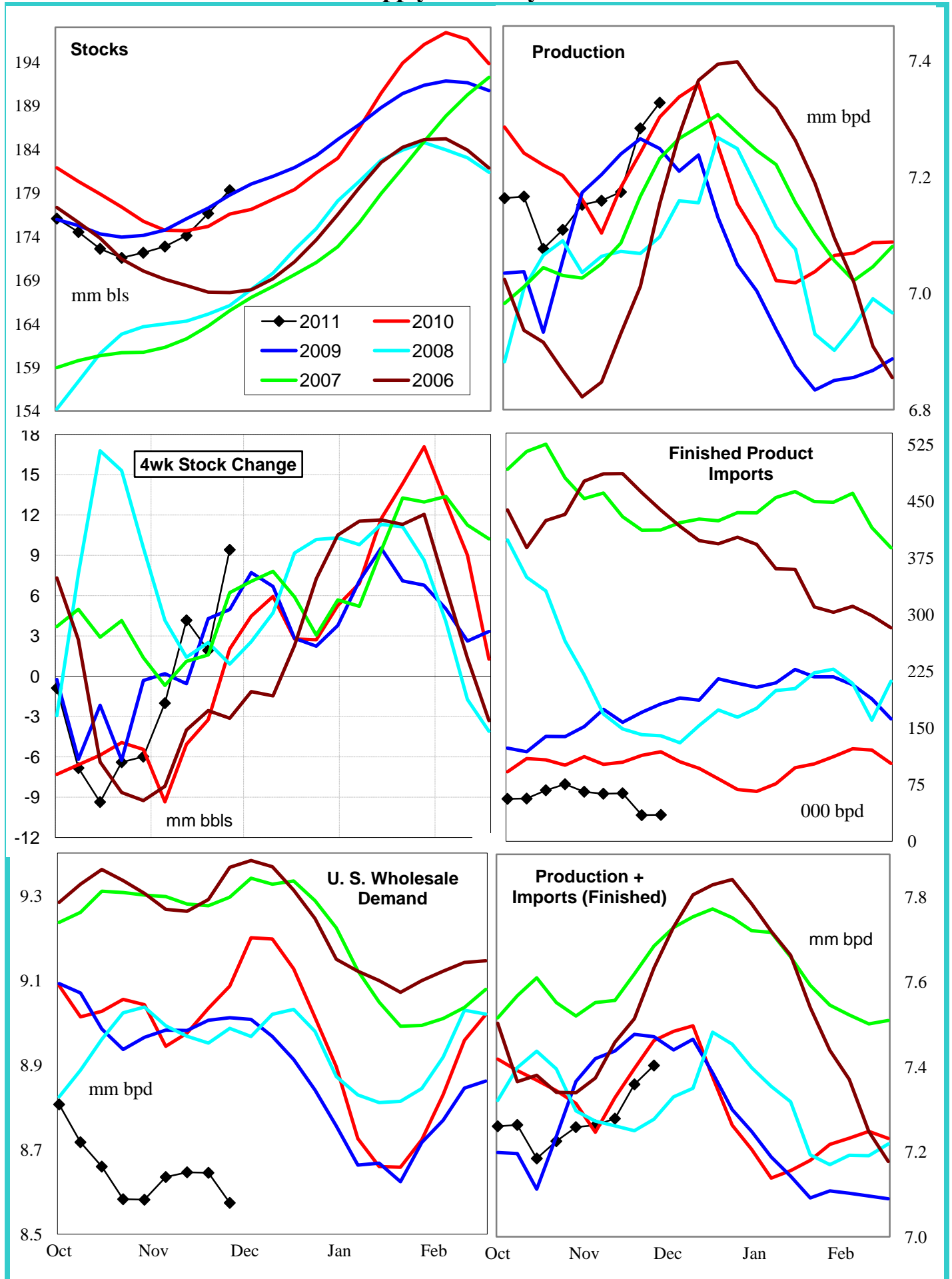
# Gasoline Import Economics



# Gasoline Supply by Region



# Gasoline Supply Summary PADDs 1+2+3



# PADD 5 Gasoline Supply

