



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 +92,000 bpd last week on increased travel due in part to favorable weather. The latest 4-wk

average demand was -404,000 bpd below a year ago.

Production surged +417,000 bpd on the week, due in part to favorable gas liquid blend economics. Lower demand and high production rates led to a +3.8 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 trended lower last week in Midwest markets, sideways on the Gulf and NYH, and higher on the West Coast.

Basis levels ended the week near historic highs in NYH, below the mid range on the West Coast, at the low end of the historic range on the Gulf and at record lows in Midwest markets.

Exports continue to support NYH and Gulf basis, while short term refinery maintenance supported the West Coast, and record output is depressing the Midwest basis.

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.

Conventional

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

Chicago basis to trend lower on seasonal over supply

Group III basis to trend lower on excess supply.

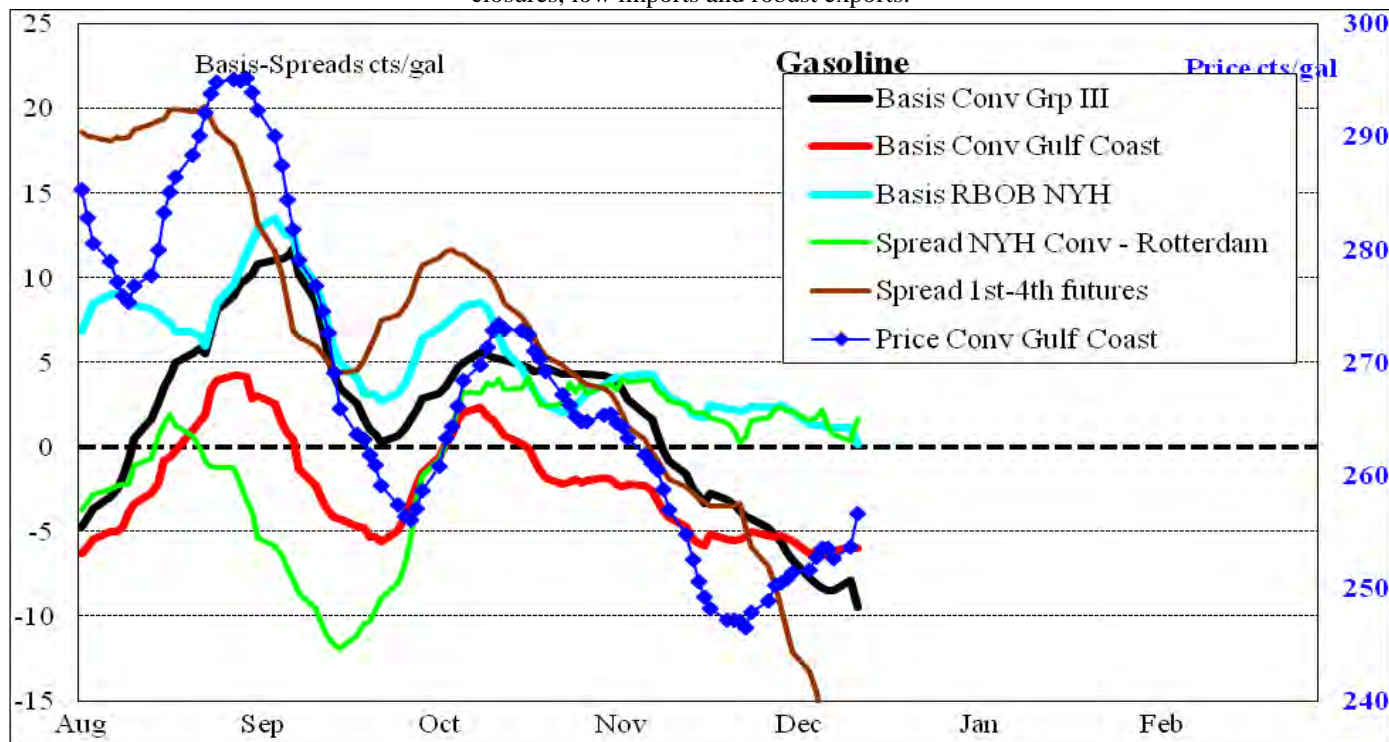
Gulf Basis to trade sideways at a level near the mid range on robust exports.

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

Gulf Coast Price

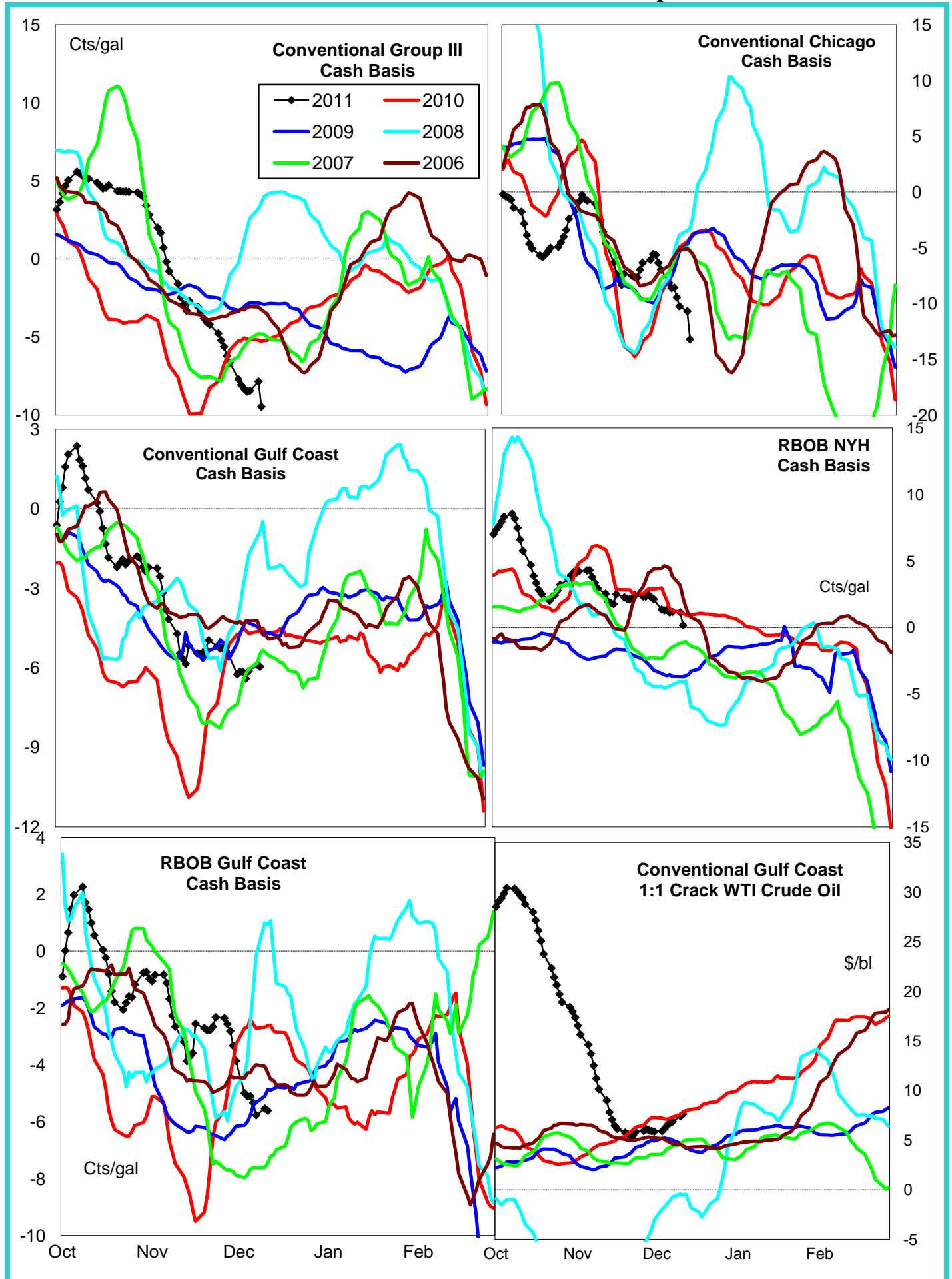
Basis levels remain elevated in NYH on closure of East Coast refining capacity, low imports from Europe, and continued exports from the East and Gulf Coast refining centers.

Very weak demand, record stock levels and slower global growth should pressure prices lower during the next quarter.

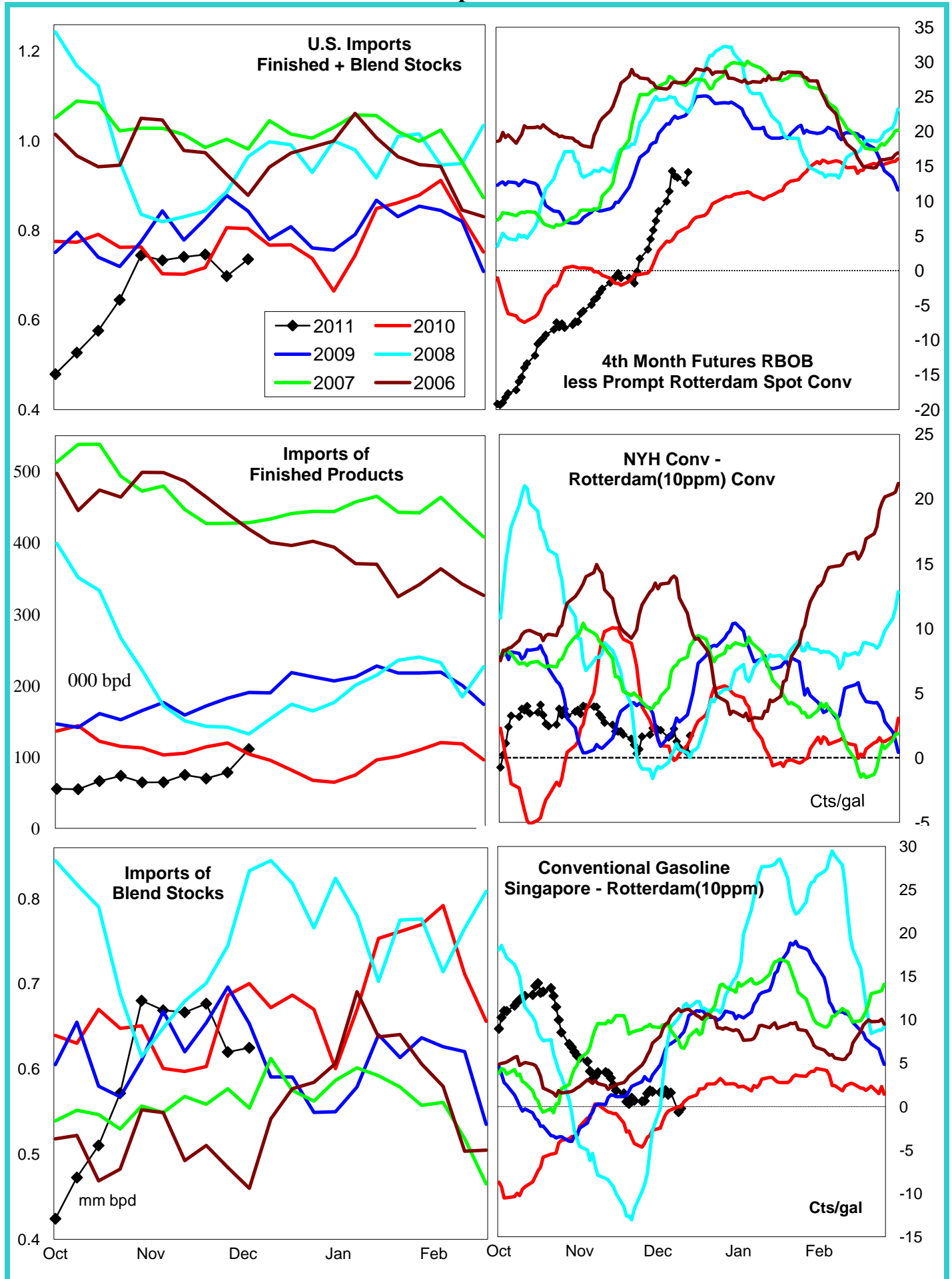


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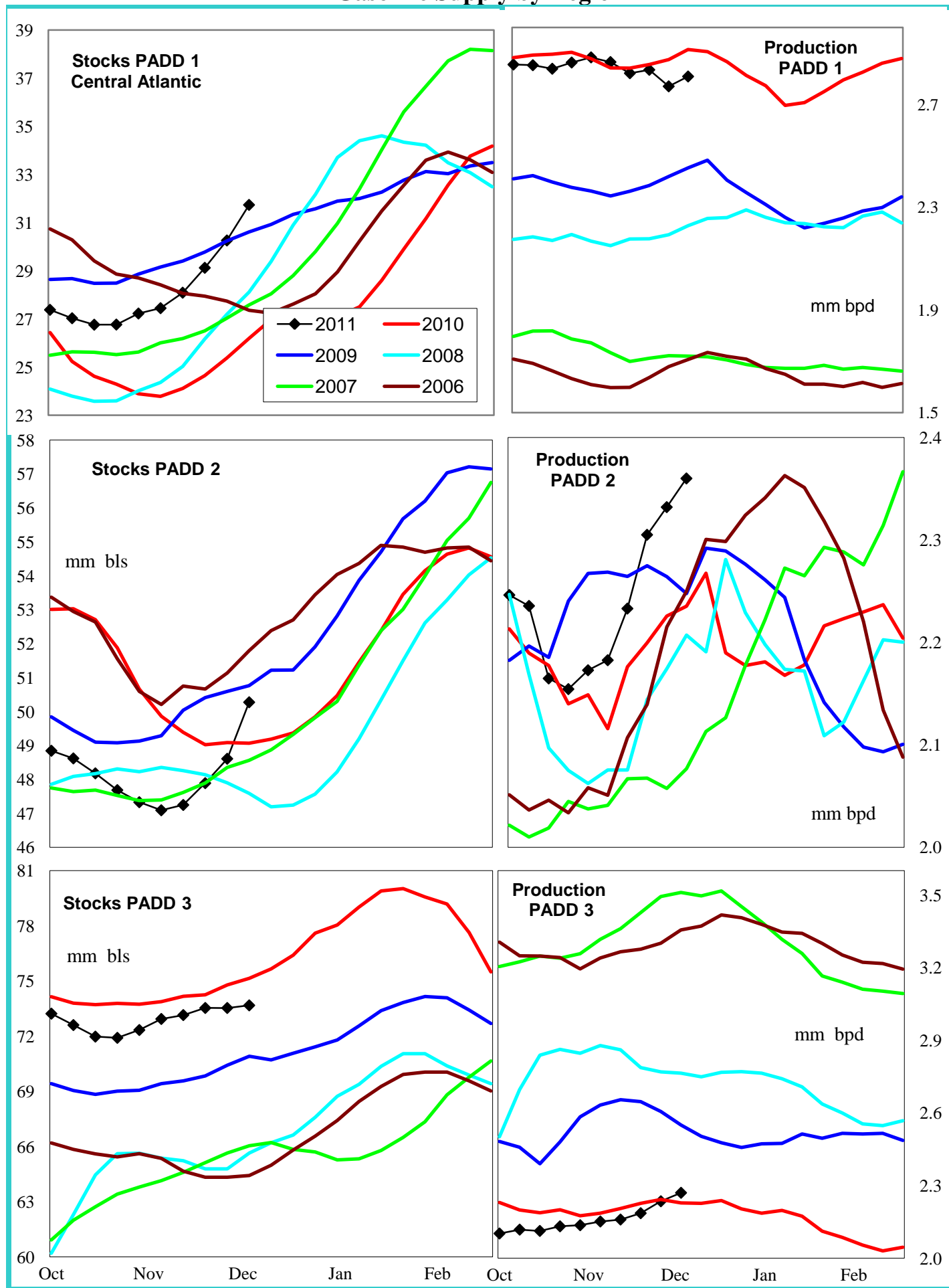
Gasoline Cash Basis and Related Price Spreads



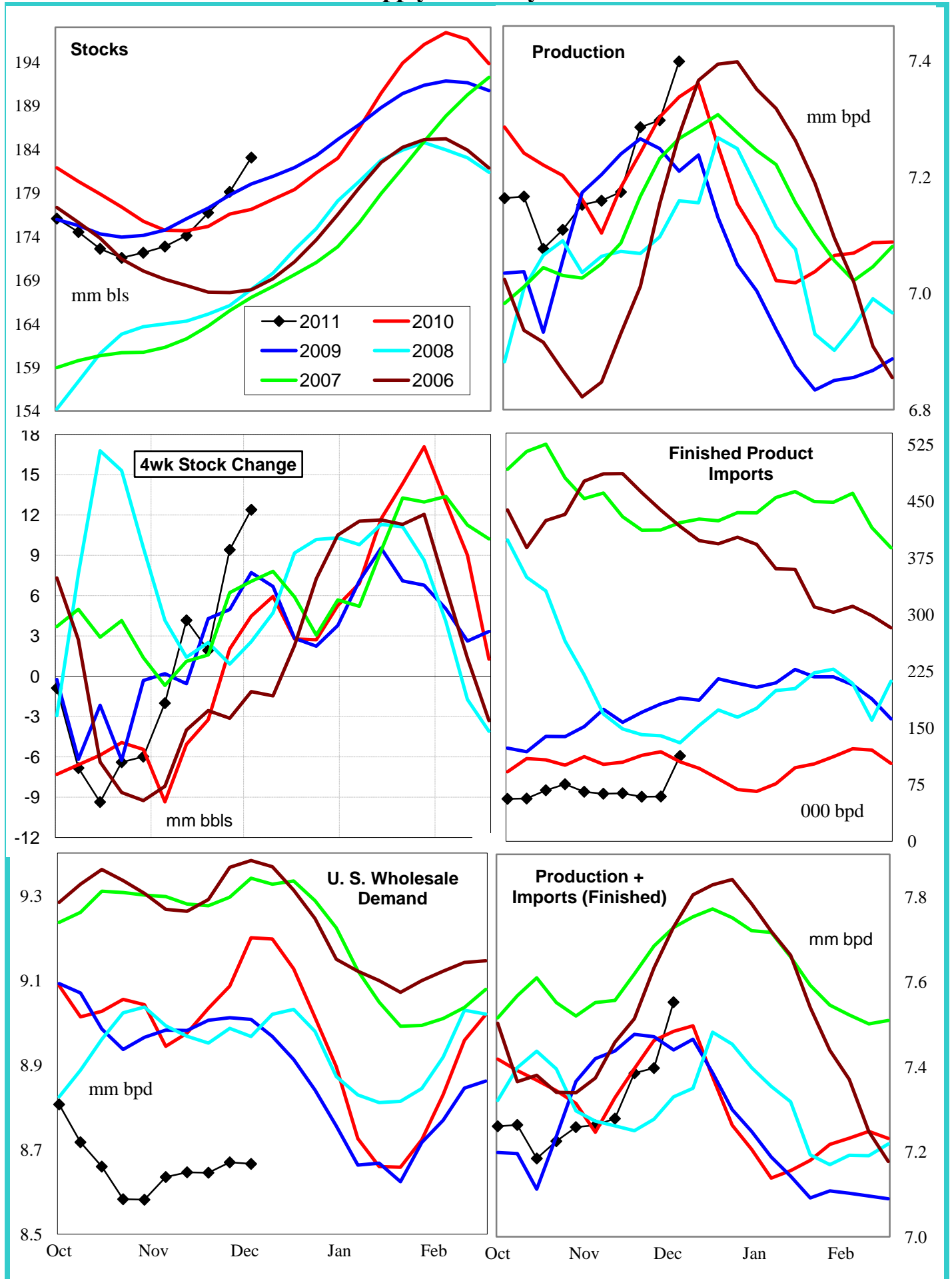
Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3



PADD 5 Gasoline Supply

