



## 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 declined -183,000 bpd last week, extending the seasonal downtrend. A more efficient auto fleet and fewer miles traveled has led to further

year-on-year decline in demand with the latest 4-wk average -548,000 bpd below a year ago.

Supply increased +158,000 bpd last week on higher imports and production. Supply in markets East of the Rockies fell to a 5-year low last week while stock levels reached a new 5-year high for this time of year. The rate of stock building East of the Rockies matched 5-year lows; driven by extremely low imports that offset weak demand.

Cash basis levels remain elevated in NYH. Over supply in the Midwest pushed basis in the Group and Chicago to record lows. West Coast basis extended the downtrend as stocks continued above average rate of builds.

Look for basis levels to remain elevated in NYH on uncertainty about spring supply, and a rebound in the Midwest as refiners cut output.

#### RBOB

*New York Harbor* basis to trade sideways on low imports that offset lower seasonal demand and uncertainty about spring supplies.

#### Conventional

*New York Harbor* basis trend seasonally lower on reduced demand, although at the upper end of the historic range.

*Chicago* basis to trend higher as refiners cut output on record stock levels.

*Group III* basis to reverse the extreme decline as refiners cut output.

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

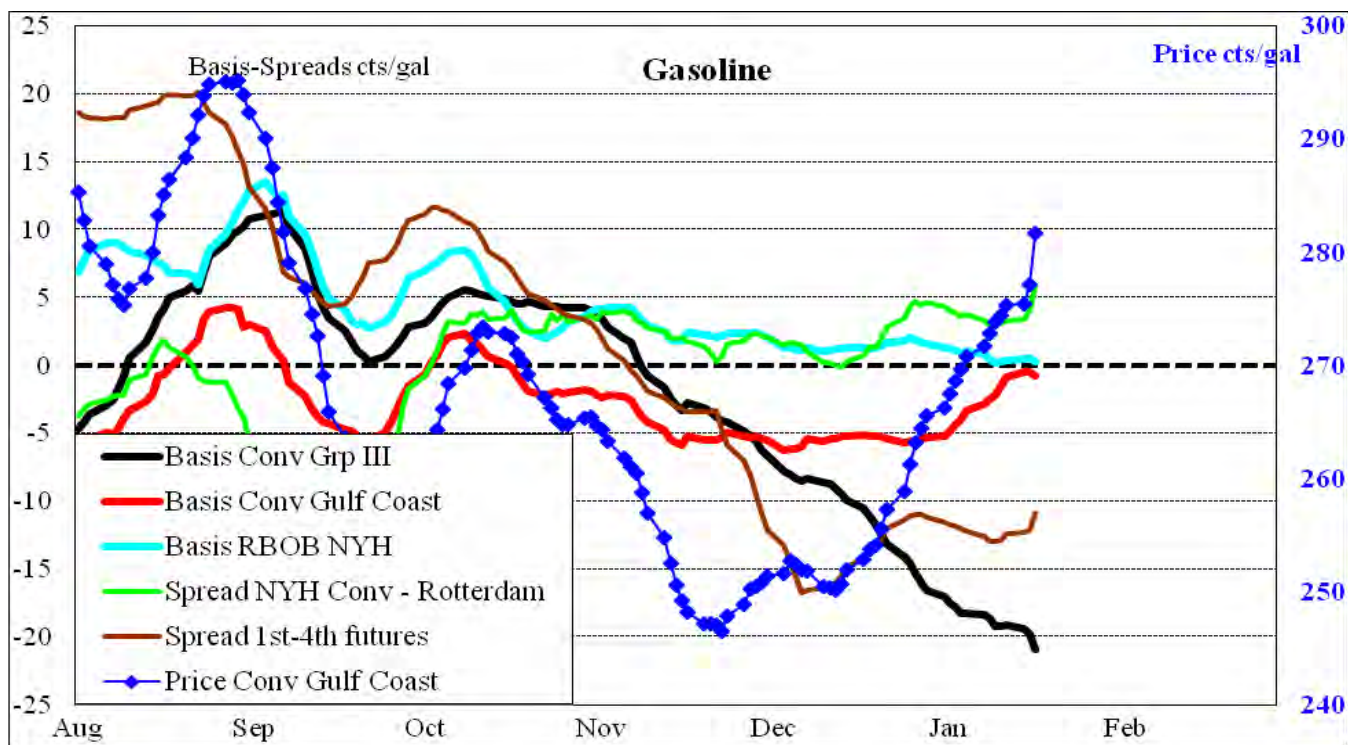
*West Coast (Los Angeles)* basis to trend lower in the near term on seasonal stock builds and weak demand, then higher as winter maintenance continues.

#### Gulf Coast Price

Refinery closures in the Atlantic Basin risk a supply squeeze on the East Coast during the peak spring demand season. This has led to strength in the NYMEX RBOB contract, pressuring basis lower in other regional markets that are experiencing weak demand and high stock levels.

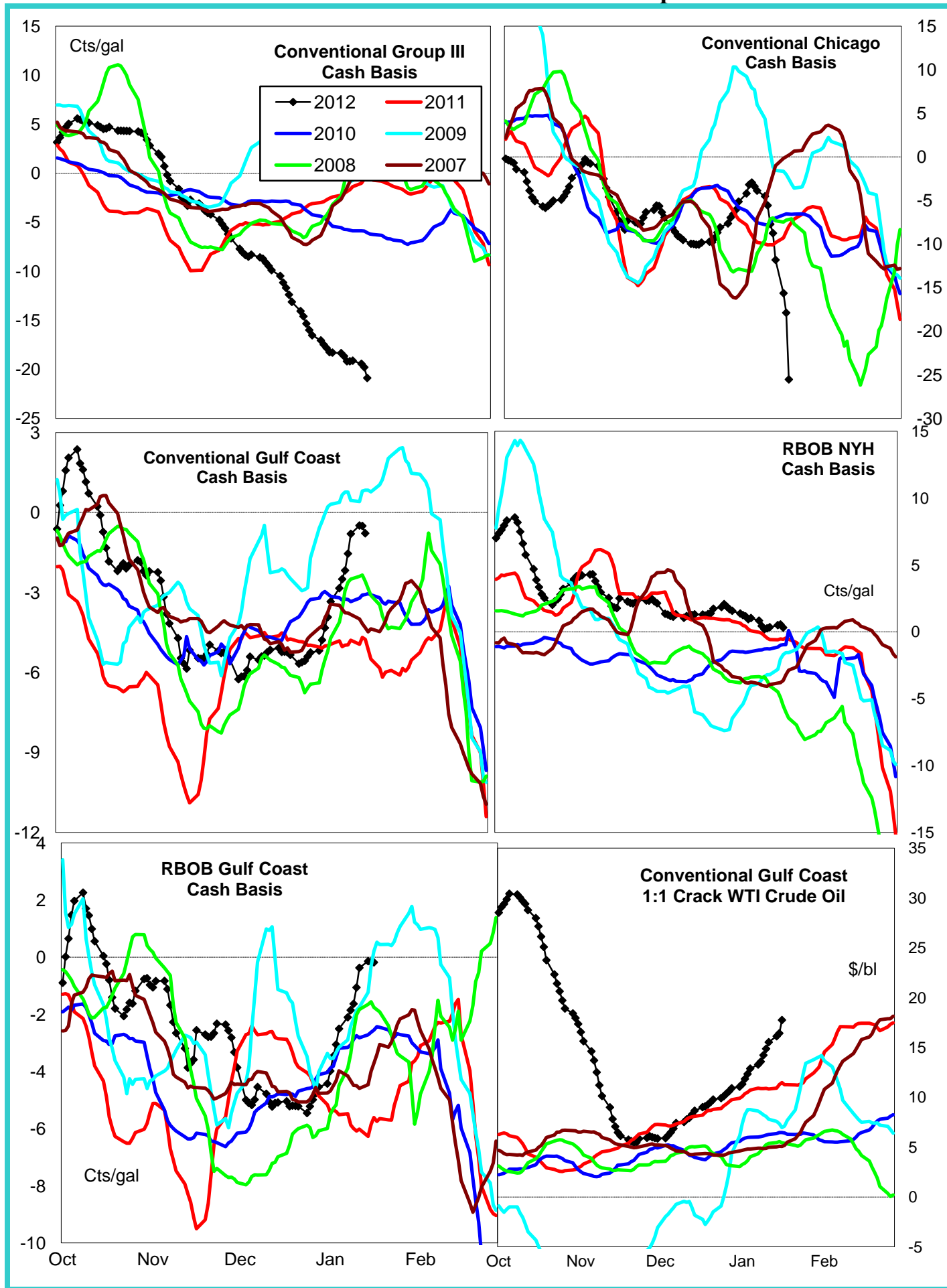
Demand destruction is likely to continue as a result of a more efficient auto fleet, fewer miles traveled and record high retail prices for this time of year.

Risk of a price pull back continues on very weak demand during the next 45-days, seasonal stock building and a deepening financial crisis in Europe.

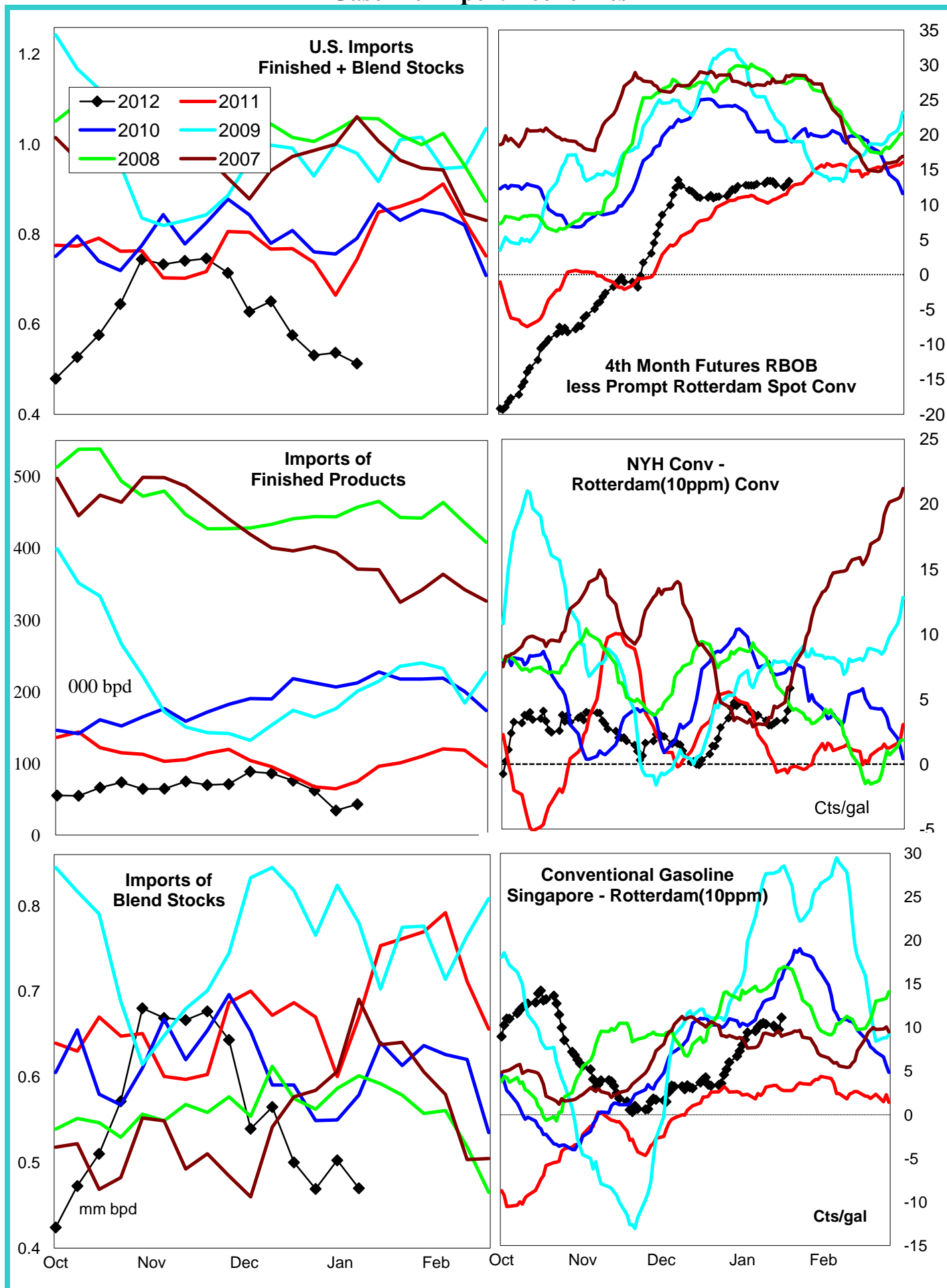


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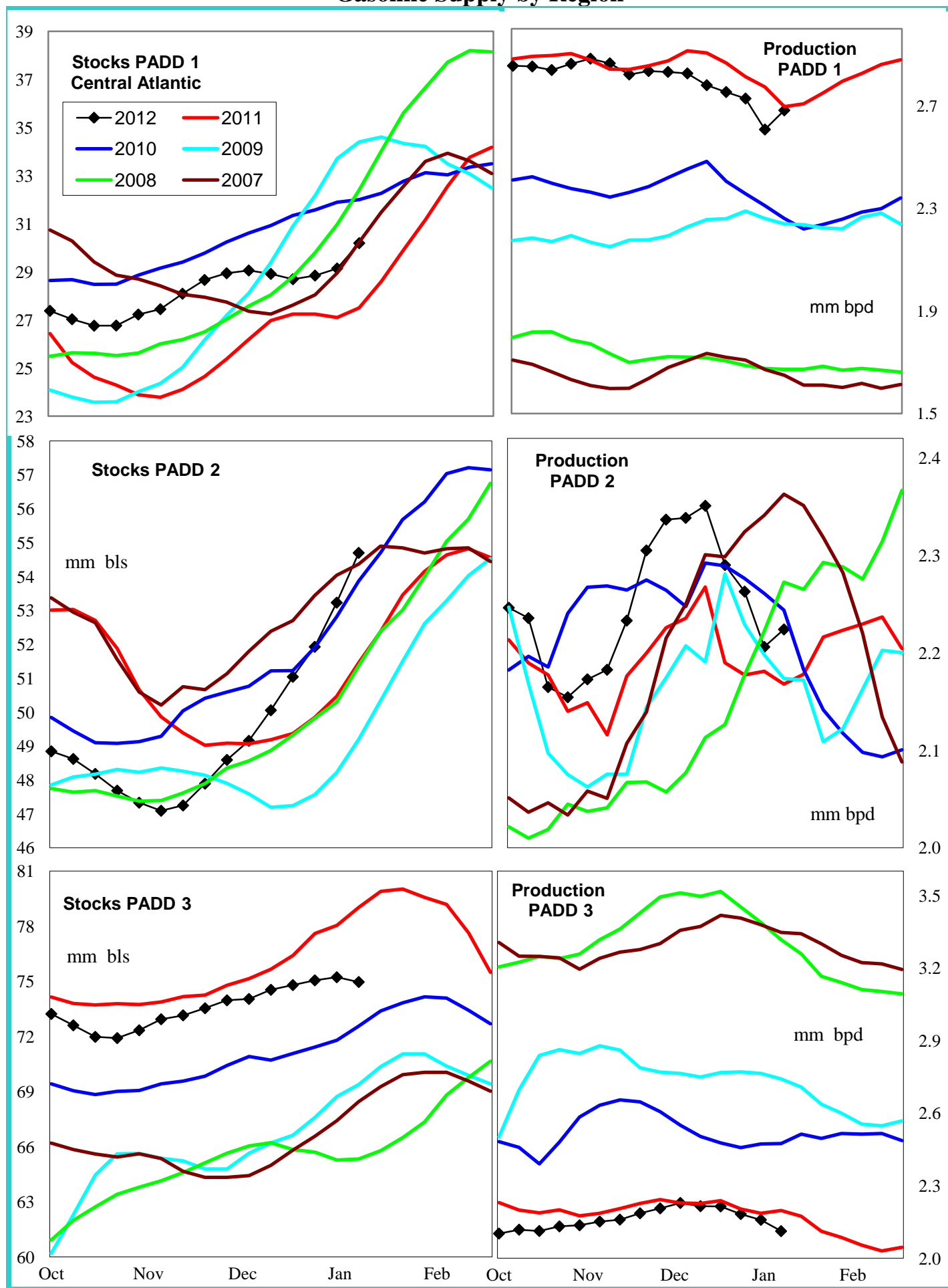
# Gasoline Cash Basis and Related Price Spreads



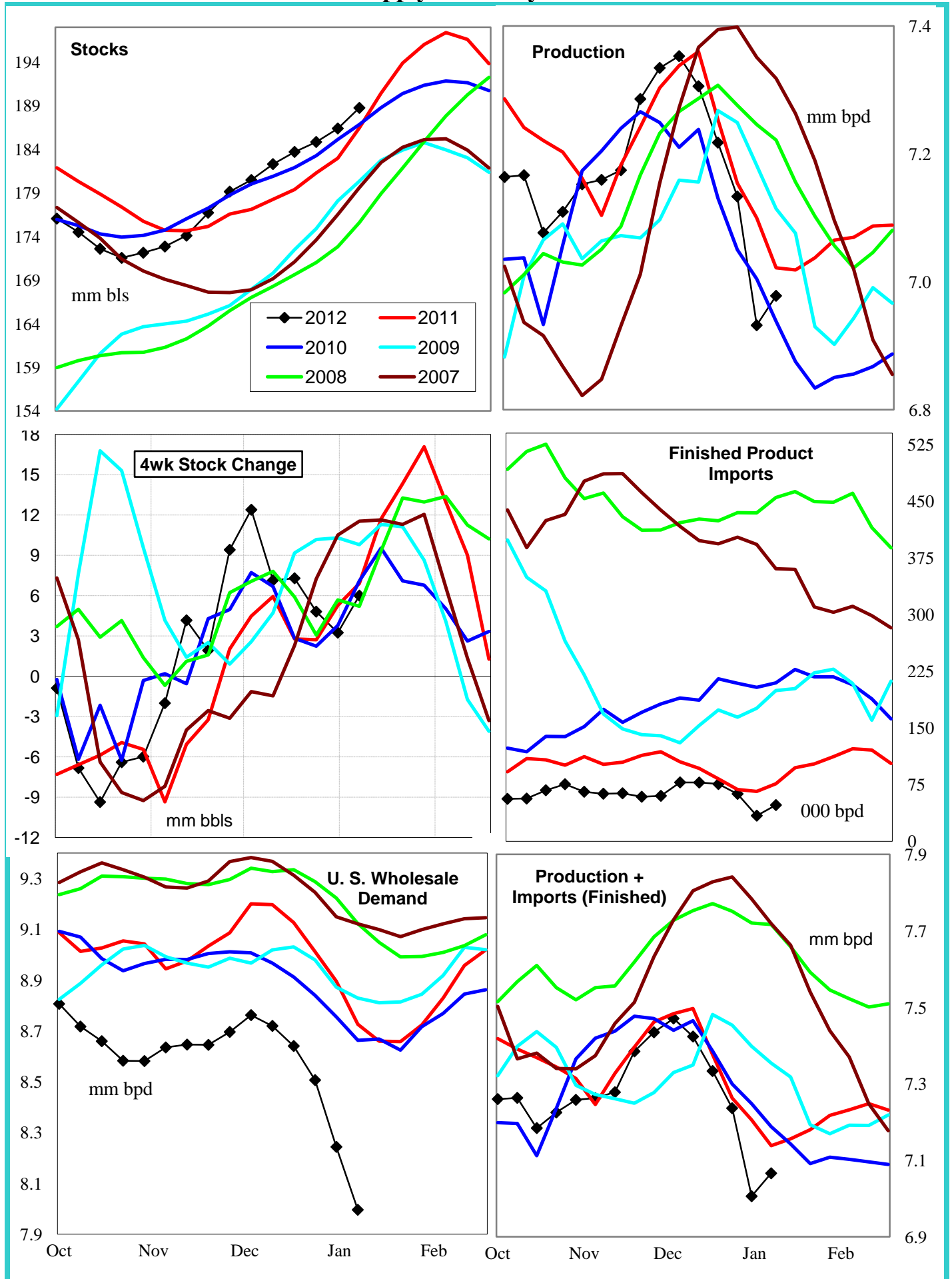
# Gasoline Import Economics



## Gasoline Supply by Region



# Gasoline Supply Summary PADDs 1+2+3





# PADD 5 Gasoline Supply

