



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 +94,000 bpd last week, continuing the seasonal uptrend. The latest 4-wk year-on-year decline was -253,000 bpd (-2.8%).

Production was nearly unchanged on the week while imports fell -278,000 bpd. Supplies remain more than -250,000 bpd below the 5-year range in the combined markets East of the Rockies; but should trend higher as refiners return from maintenance.

Stocks fell -3.7 million barrels, including a -2.3 million barrel draw on the East Coast. *Stock levels in the key Central Atlantic Region of PADD 1 ended the week at levels below four of the last 5-years.*

Northwest Europe gasoline market decreased compared to NYMEX RBOB last week, pointing to an improving supply balance in the Atlantic Basin.

Basis for all grades declined last week in NYH and the Gulf. Basis strengthened in Chicago and on the West Coast. Group basis traded lower on the week at record low levels.

As refiners ramp up production following spring maintenance in Atlantic Basin refining centers, look for basis levels to decline further in the region, allowing basis in the depressed regions to strengthen.

RBOB

New York Harbor basis to trade sideways on increased supplies from the Gulf and higher imports.

Conventional

New York Harbor basis to trend lower on increased supply from the Gulf and higher imports.

Chicago basis to trade sideways at the low end of the historic range; with risk of additional dips on persistent over supply.

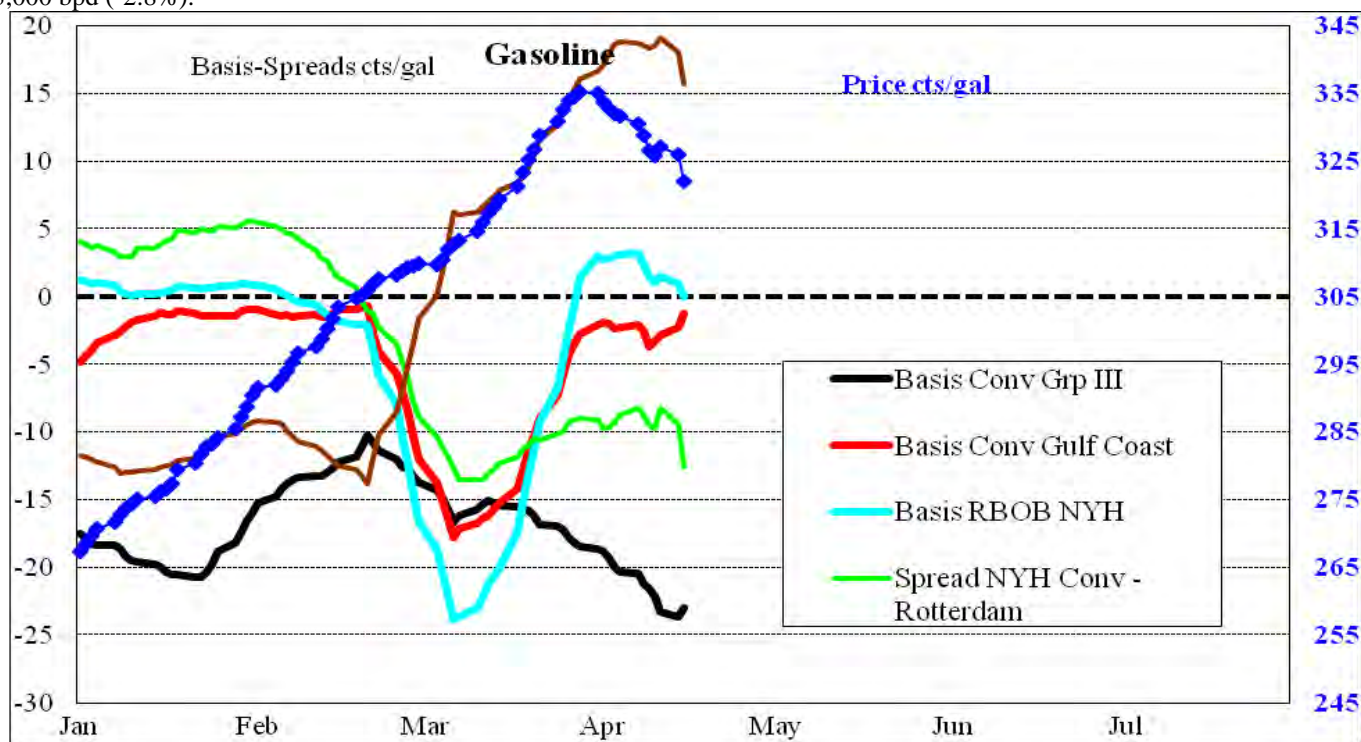
Group III basis to trend modestly higher on increased seasonal demand and improving supplies in the Atlantic Basin.

Gulf Basis Conventional grade to trend lower as refiners return from maintenance.

West Coast (Los Angeles) basis to trend higher until refiners return from maintenance, then trade sideways to lower.

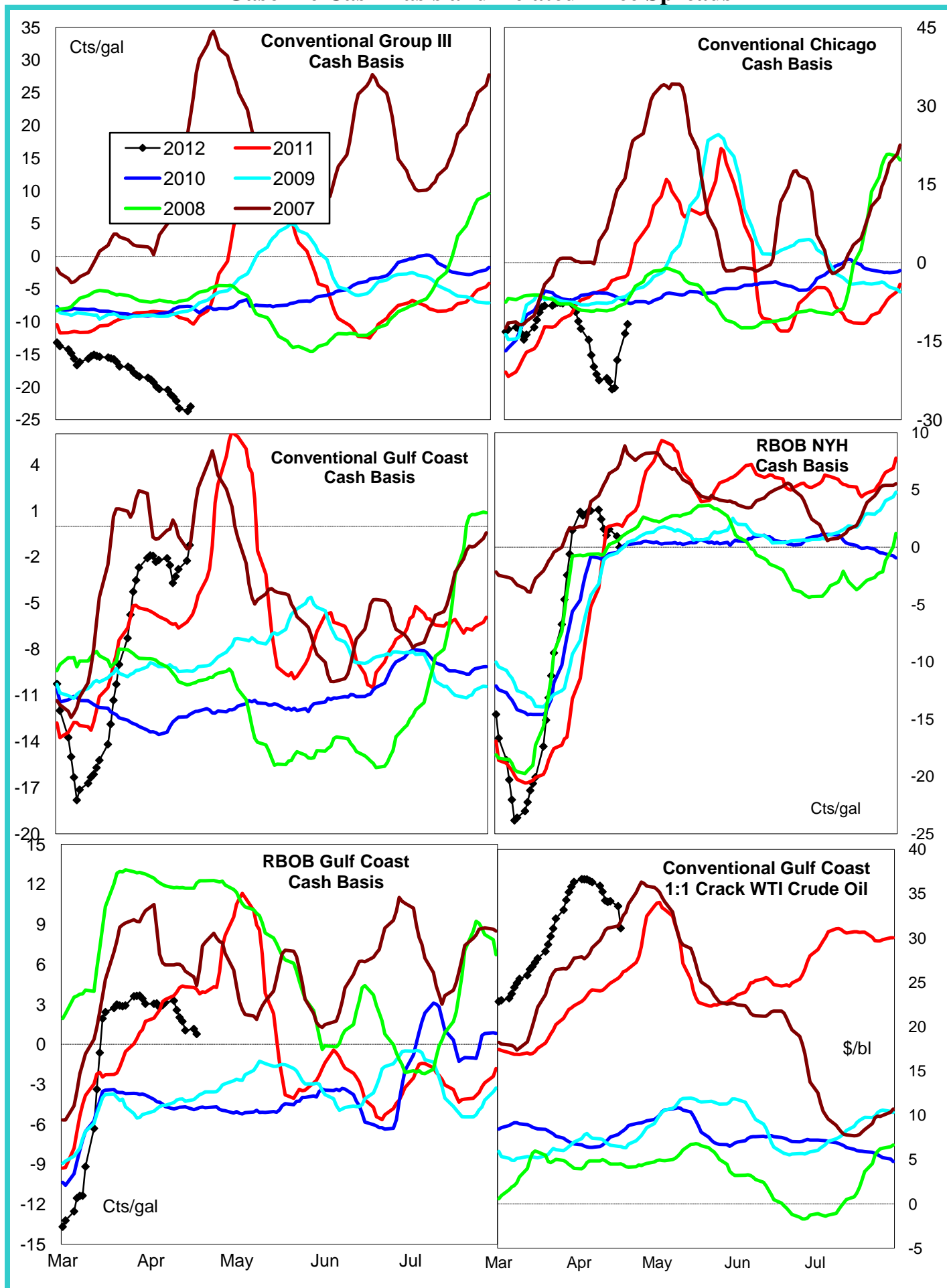
Gulf Coast Price

The Northwest Europe to NYMEX RBOB spread trended lower last week, and reports indicate a jump in imports to the East Coast during the next 30-days. Refiners should increase crude oil runs going forward by +1 million bpd, or more as new capacity comes on line. An improving supply balance should lead to further price weakness.

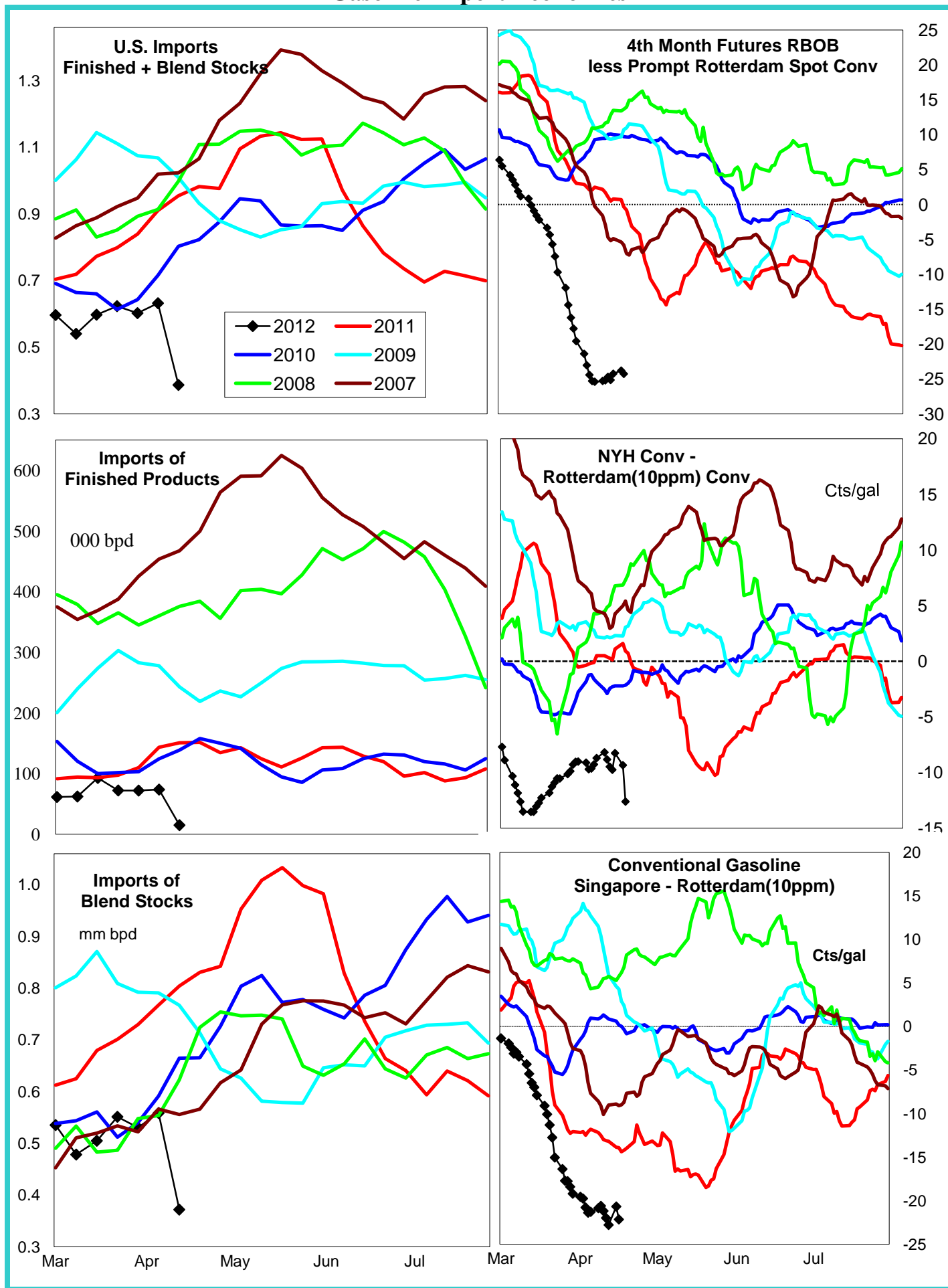


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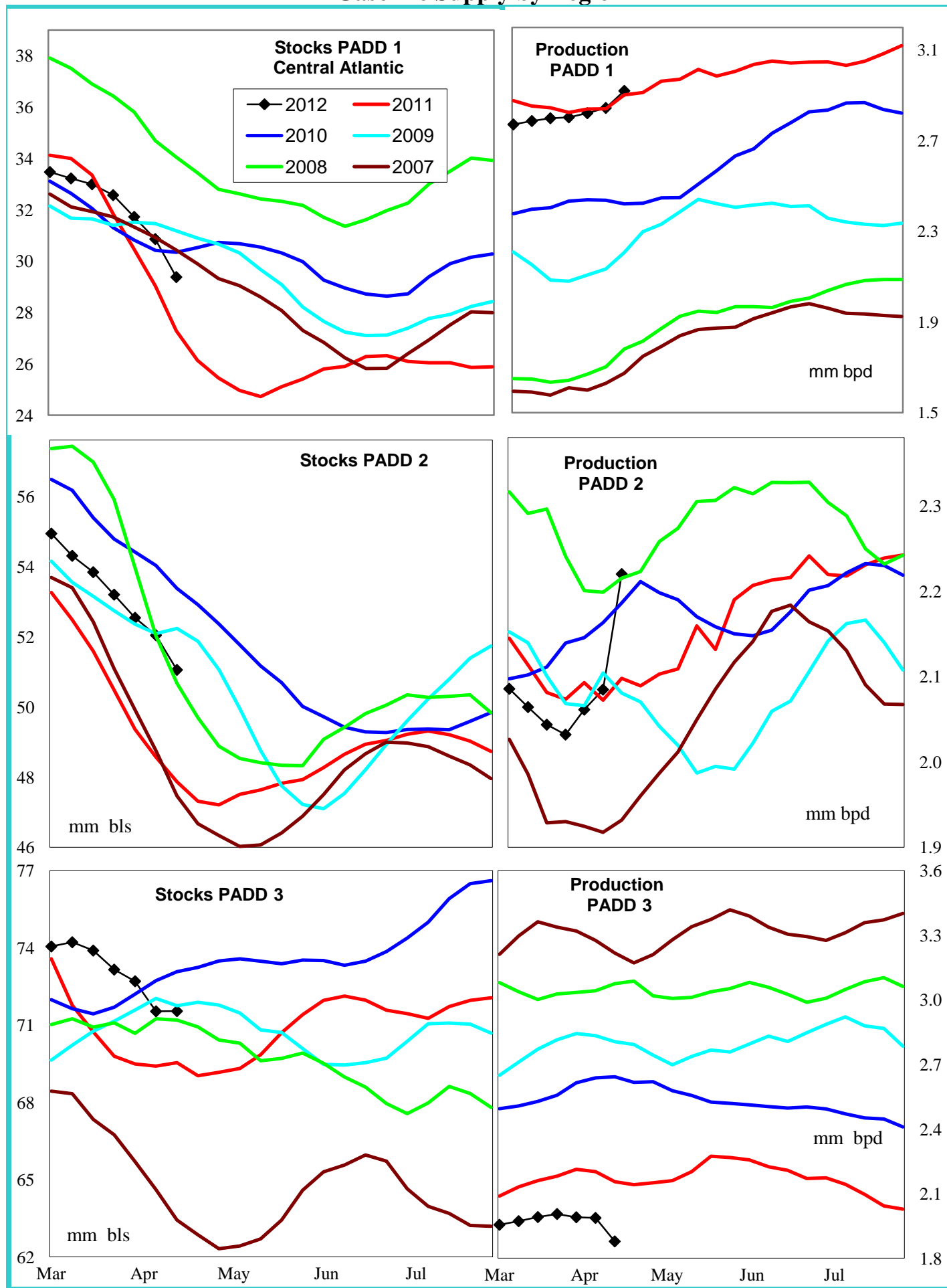
Gasoline Cash Basis and Related Price Spreads



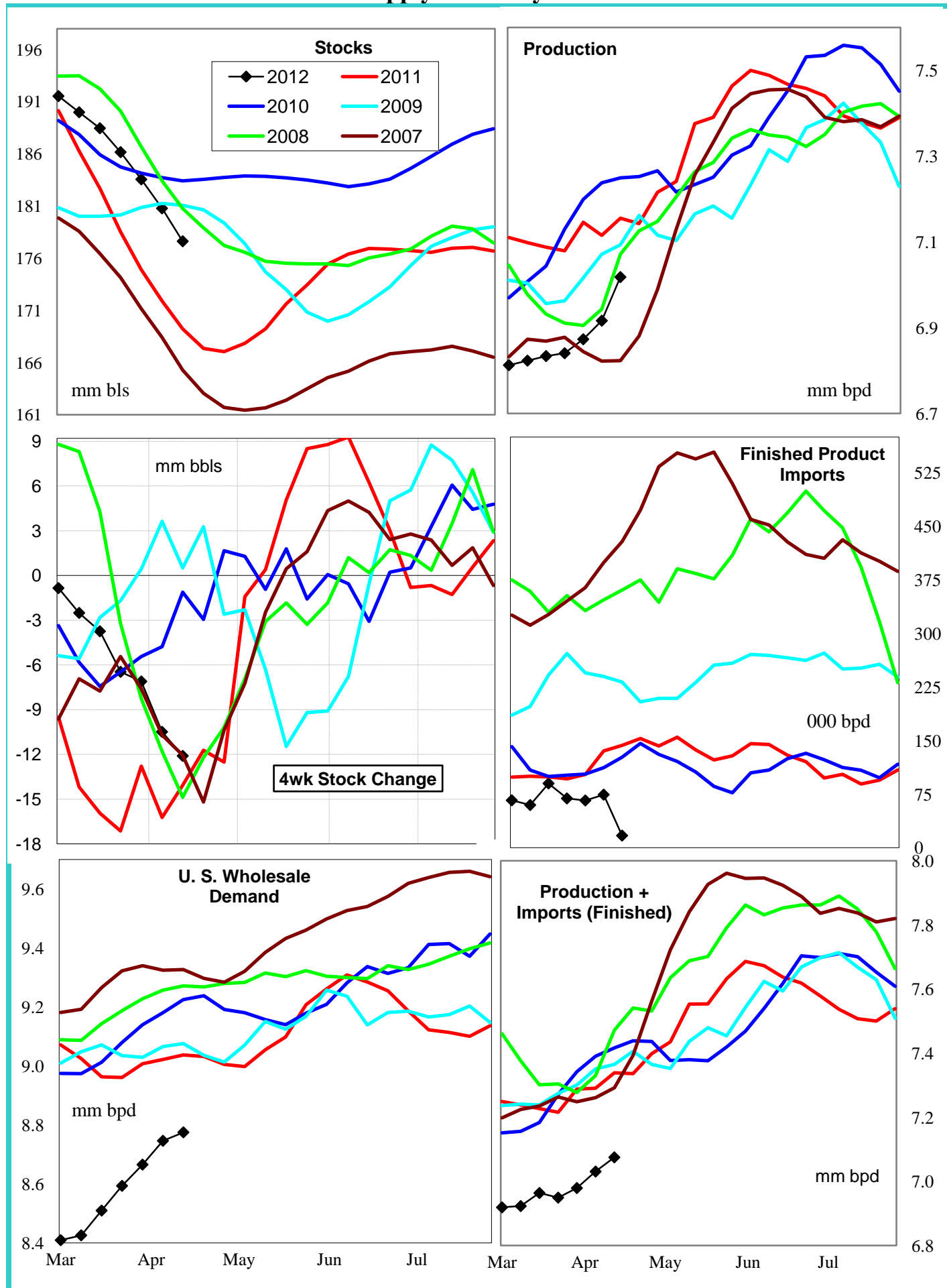
Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3



PADD 5 Gasoline Supply

