



## 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		→	→

the 5-year range in the combined markets East of the Rockies; but should trend higher as refiners return from maintenance and expected imports arrive.

Stocks fell -2.2 million barrels, including a -1.6 million barrel draw on the Gulf Coast. *Stock levels in the key Central Atlantic Region of PADD 1 ended the week at levels below four of the last 5-years.*

*The Northwest Europe gasoline market extended the recent pull back compared to NYMEX RBOB last week, pointing to an improving supply balance in the Atlantic Basin.*

Basis for all grades extended the recent downtrend in NYH and the Gulf last week, falling to levels at the low end of the historic range. Basis for RBOB grade spiked in Chicago on an octane squeeze. Group basis remains near -20 cpg, the lowest in the country.

The moderating basis in NYH and the Gulf should allow improvement in conventional grade basis in the Midwest markets.

#### RBOB

**New York Harbor** basis to trade sideways in the near term on expected arrival of cargos, then modestly higher from current lows on higher seasonal demand.

#### Conventional

**New York Harbor** basis to trend lower on increased supply from the Gulf/expected imports, then sideways on adequate supplies.

**Chicago** basis to trade sideways at the low end of the historic range in the near term, then higher as East/Gulf markets are balanced.

**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 see a sharp pull back.

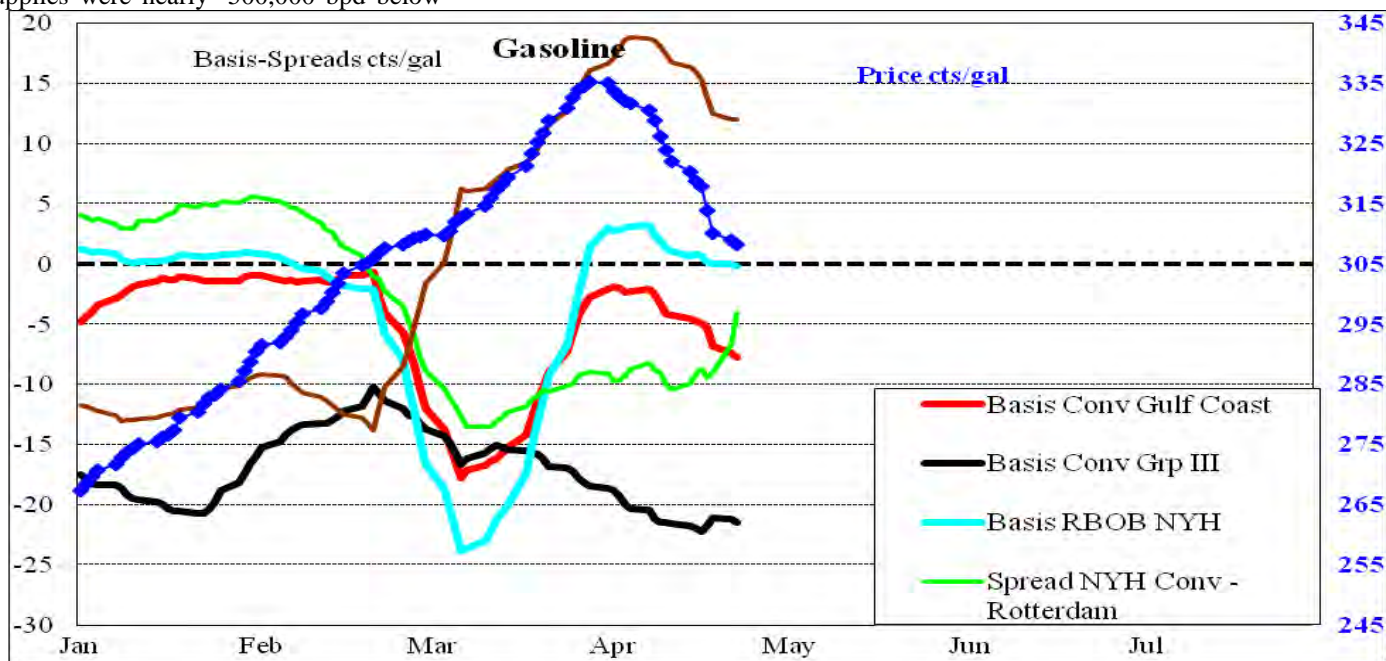
#### Gulf Coast Price

The Northwest Europe to NYMEX RBOB spread fell last week to levels within the 5-year range. Concurrently, Asian/Middle East markets strengthened to 5-year highs for this time of year against U.S. markets. These price spread trends point to significant improvement in the Atlantic Basin market supply balance.

Refiners should increase crude oil runs going forward by +1 million bpd, or more as new capacity comes on line. An improving supply balance, and continued weak demand in the U.S. market should lead to further price weakness.

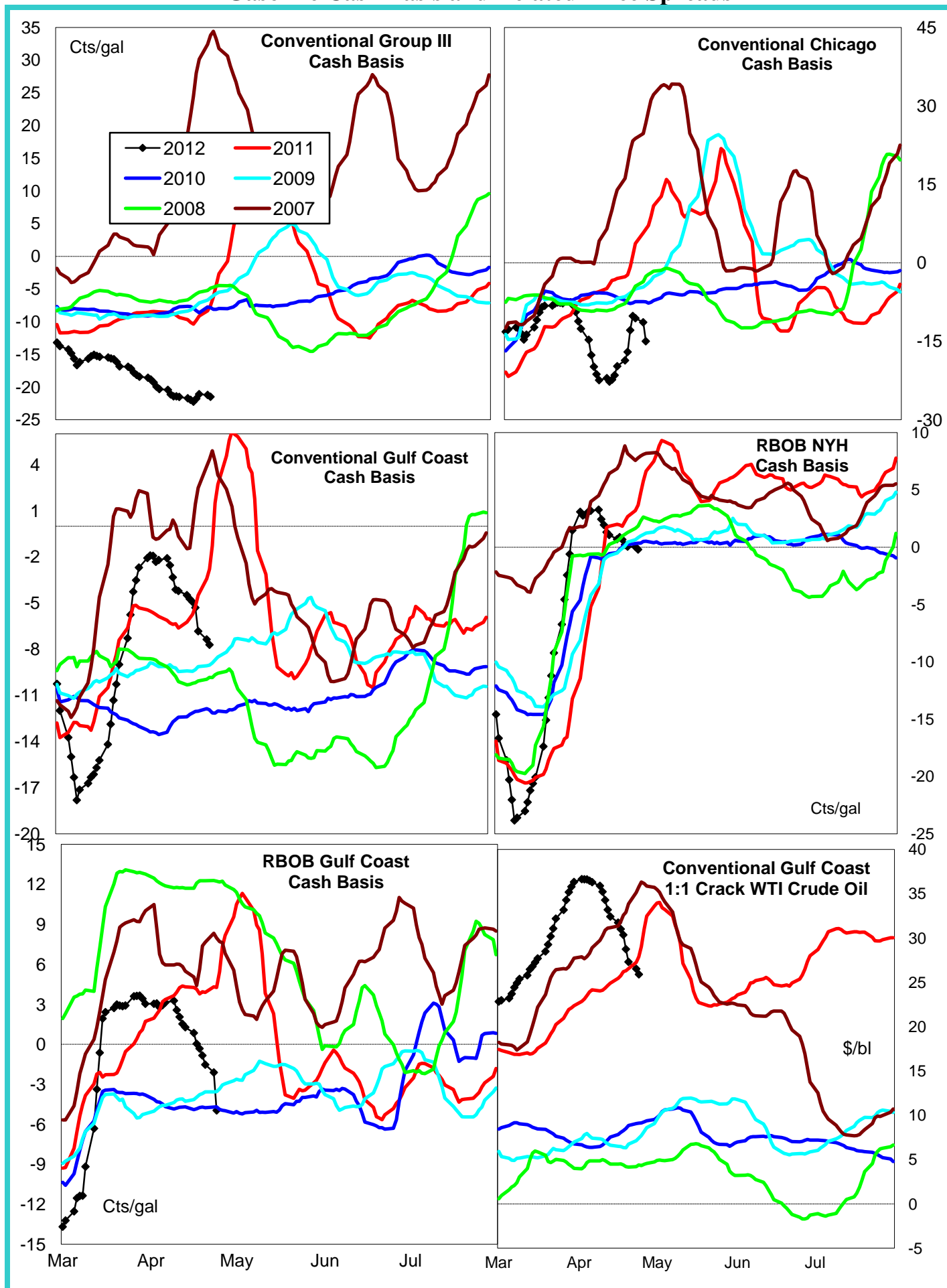
Wholesale demand fell -279,000 bpd last week, pointing to lack of a robust spring demand season. The latest 4-wk year-on-year decline was -377,000 bpd (-4.2%).

Production fell -126,000 bpd last week while imports climbed +193,000 bpd. Supplies were nearly -500,000 bpd below

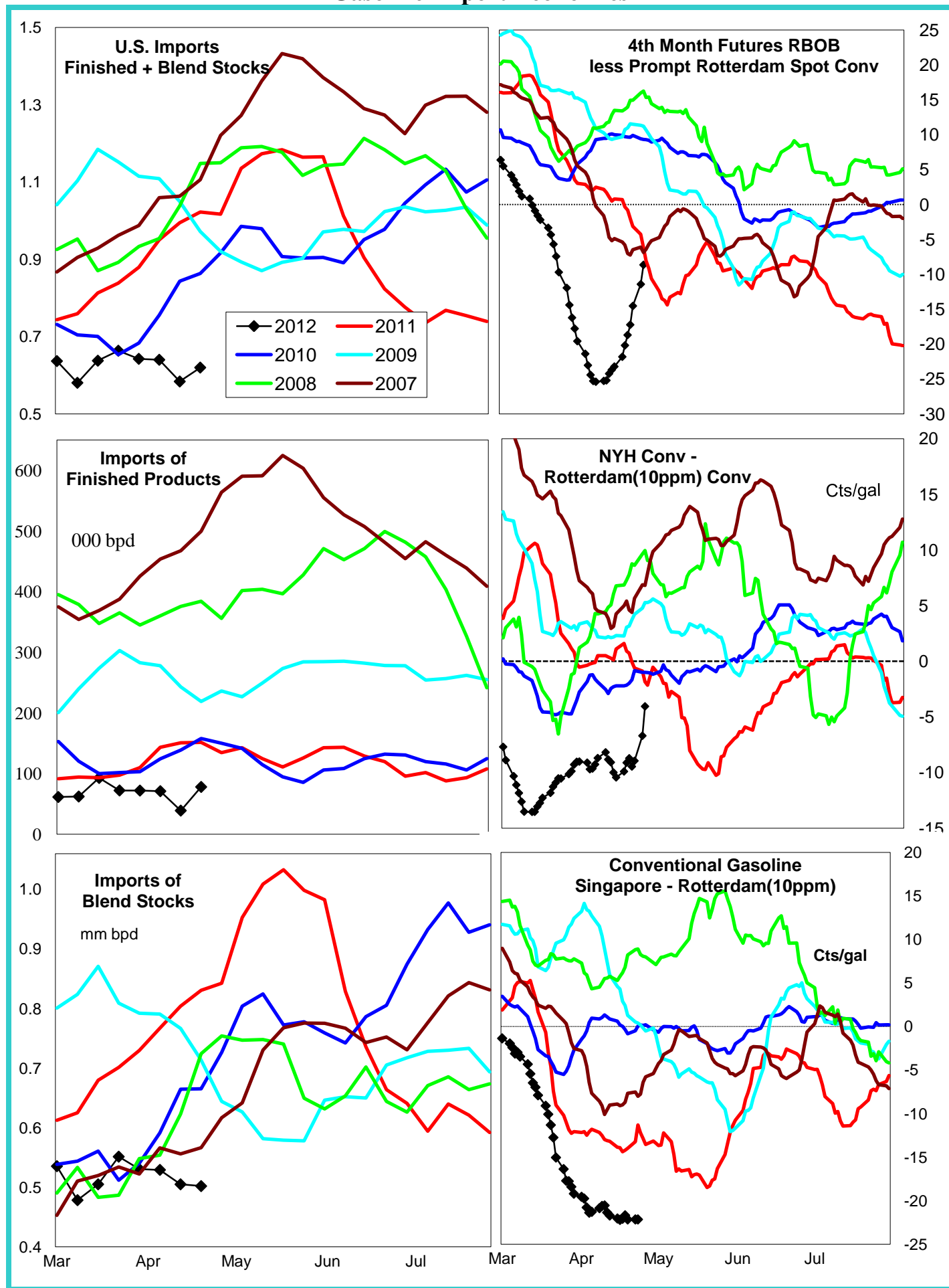


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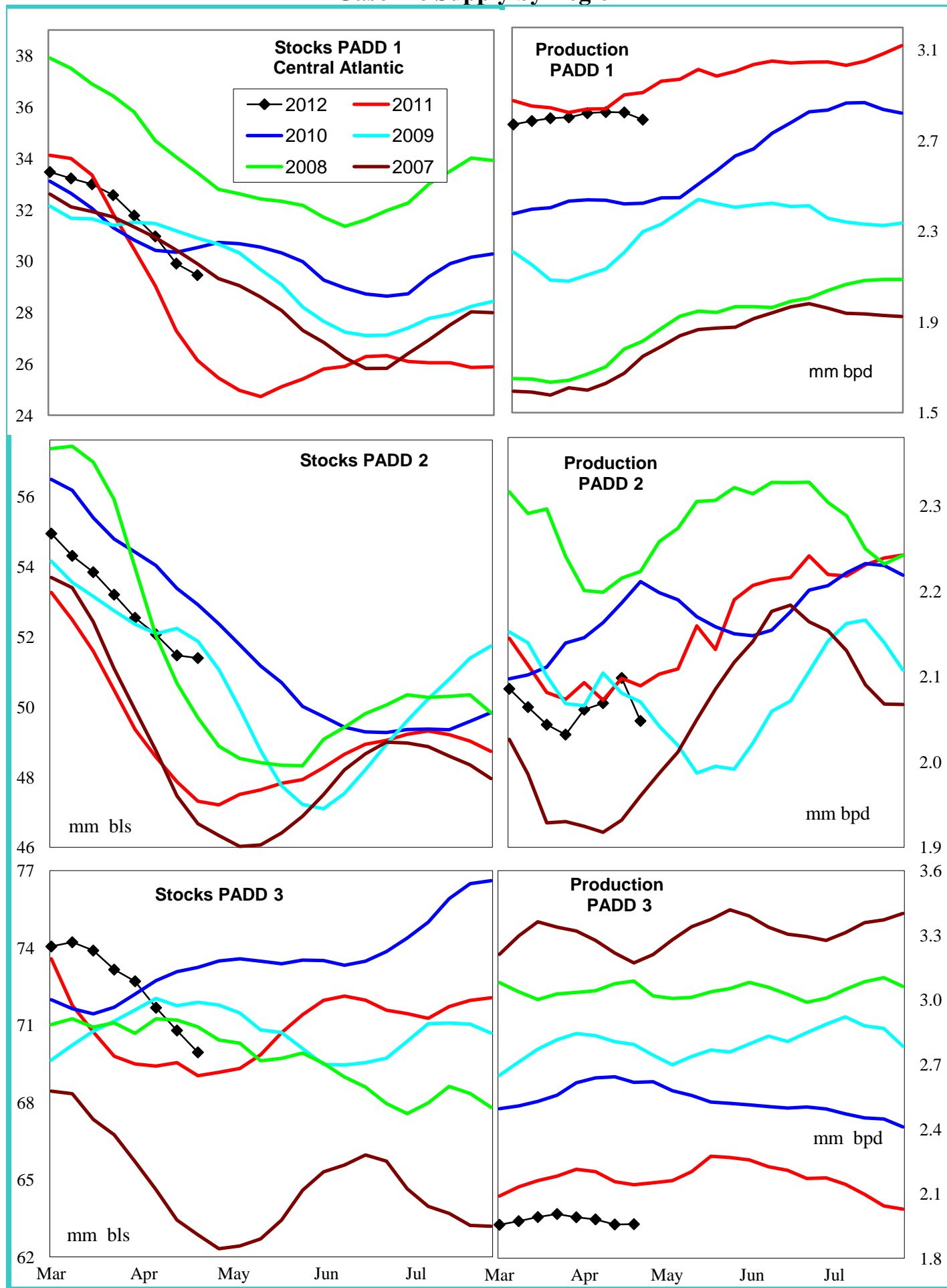
# Gasoline Cash Basis and Related Price Spreads



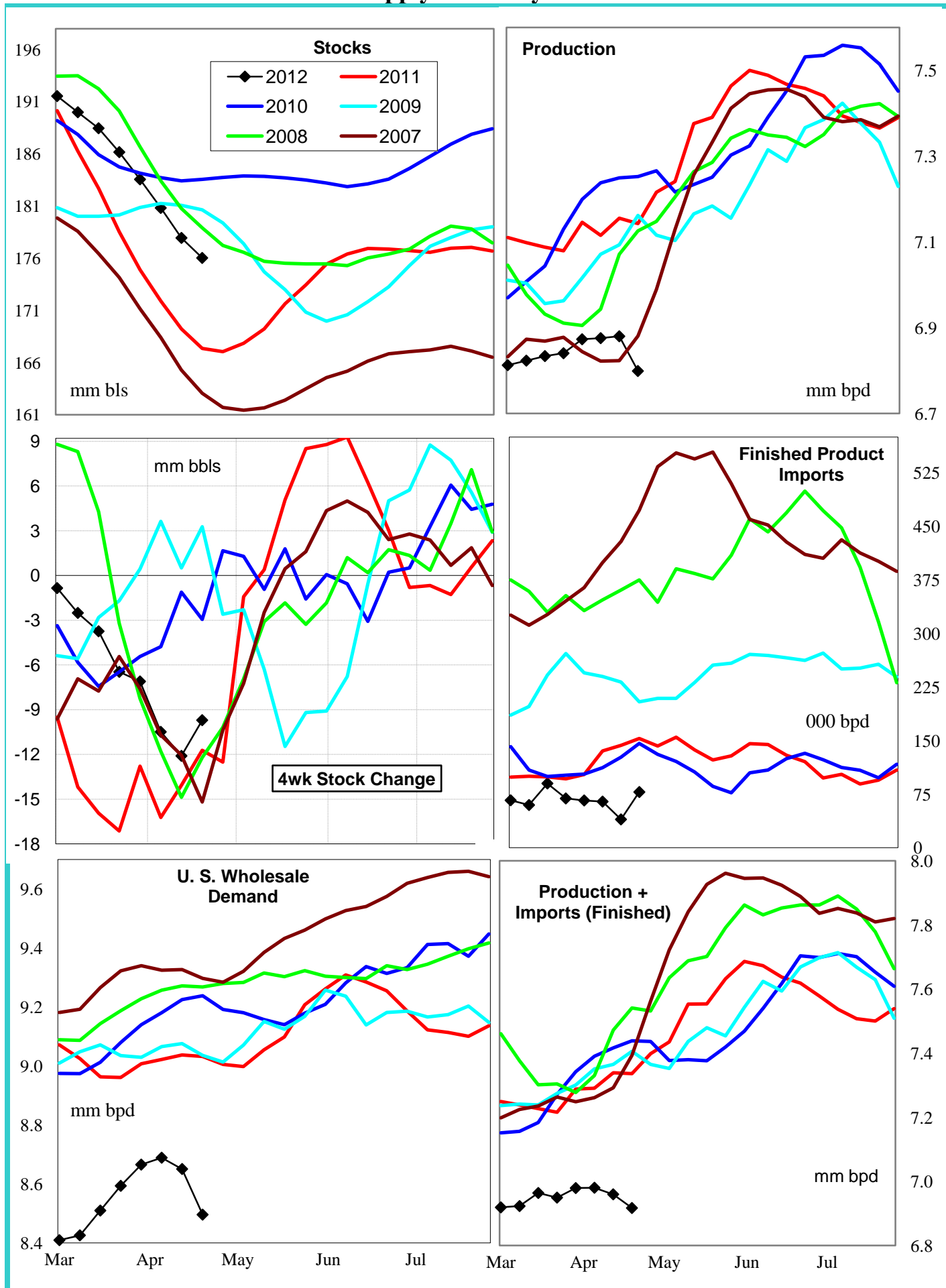
# Gasoline Import Economics



## Gasoline Supply by Region



# Gasoline Supply Summary PADDs 1+2+3



# PADD 5 Gasoline Supply

