



## 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 Rockies; but should trend higher as refiners return from maintenance and imports increase.

Stocks declined -2 million barrels, including large draws in PADDs 1, 2 and 5. Stock levels in the key Central Atlantic Region of PADD 1 ended the week at levels below two of the last 3-years.

Pacific Basin markets continued to strengthen compared to Atlantic Basin markets last week, with spreads above the 5-year range in favor of Pacific Basin markets.

Basis trends were mixed across regional markets last week, reflecting local supply conditions. West Coast and basis surged to record highs for the period on refinery maintenance. The Midwest markets saw modest improvement. NYH and the Gulf traded sideways to lower.

Group III basis remains at record lows for this time of year.

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 trade sideways on increased supply from the Gulf and higher imports.

Chicago basis to trend modestly higher on increased seasonal demand.

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

Gulf Basis Conventional grade to trade sideways on higher seasonal demand.

West Coast (Los Angeles) basis to trade sideways at elevated levels higher until refiners return from maintenance, then see a sharp pull back.

#### Gulf Coast Price

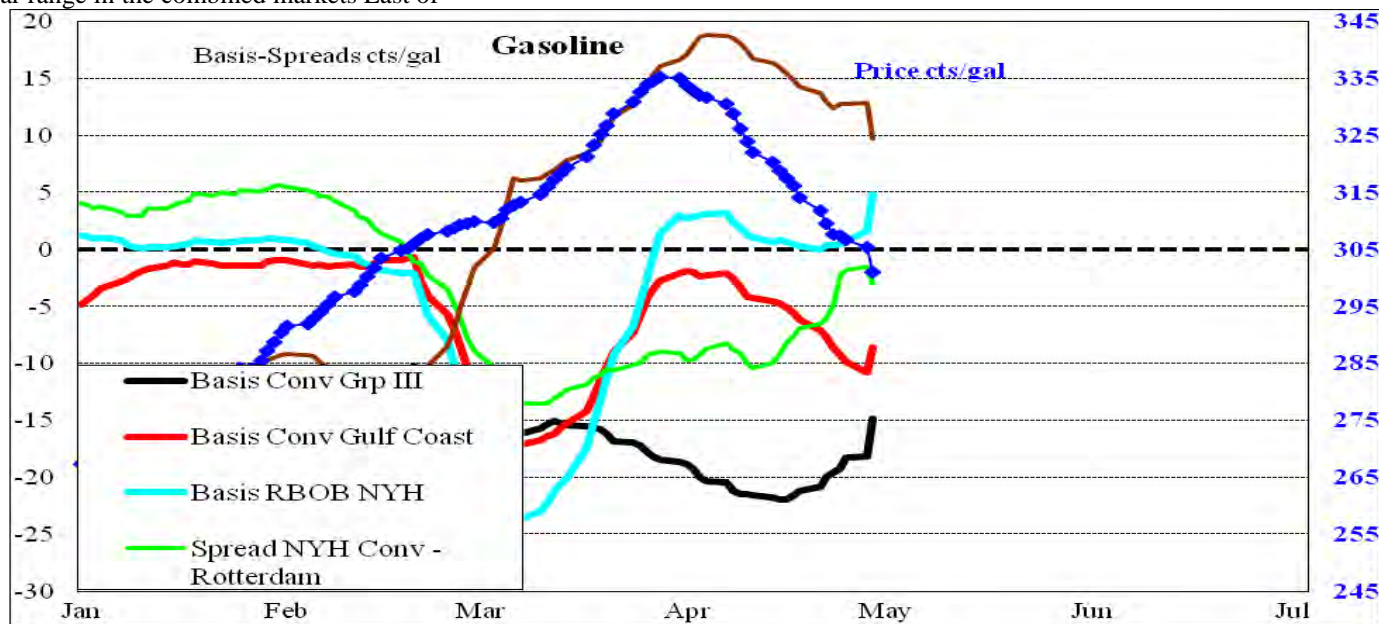
Gasoline supplies in markets East of the Rockies remain unusually low, primarily due to reduced production in the Gulf and imports to the East Coast. Low supplies are driven by the weak demand, refinery maintenance, and poor refining margins on waterborne crude oil supplies.

Look for supplies to improve on higher refinery crude oil runs as plants complete maintenance and increased imports.

Increased seasonal demand, although at lower levels, and strength in the Pacific Basin market should provide modest support to prices, even with improving supplies over the next 45-days.

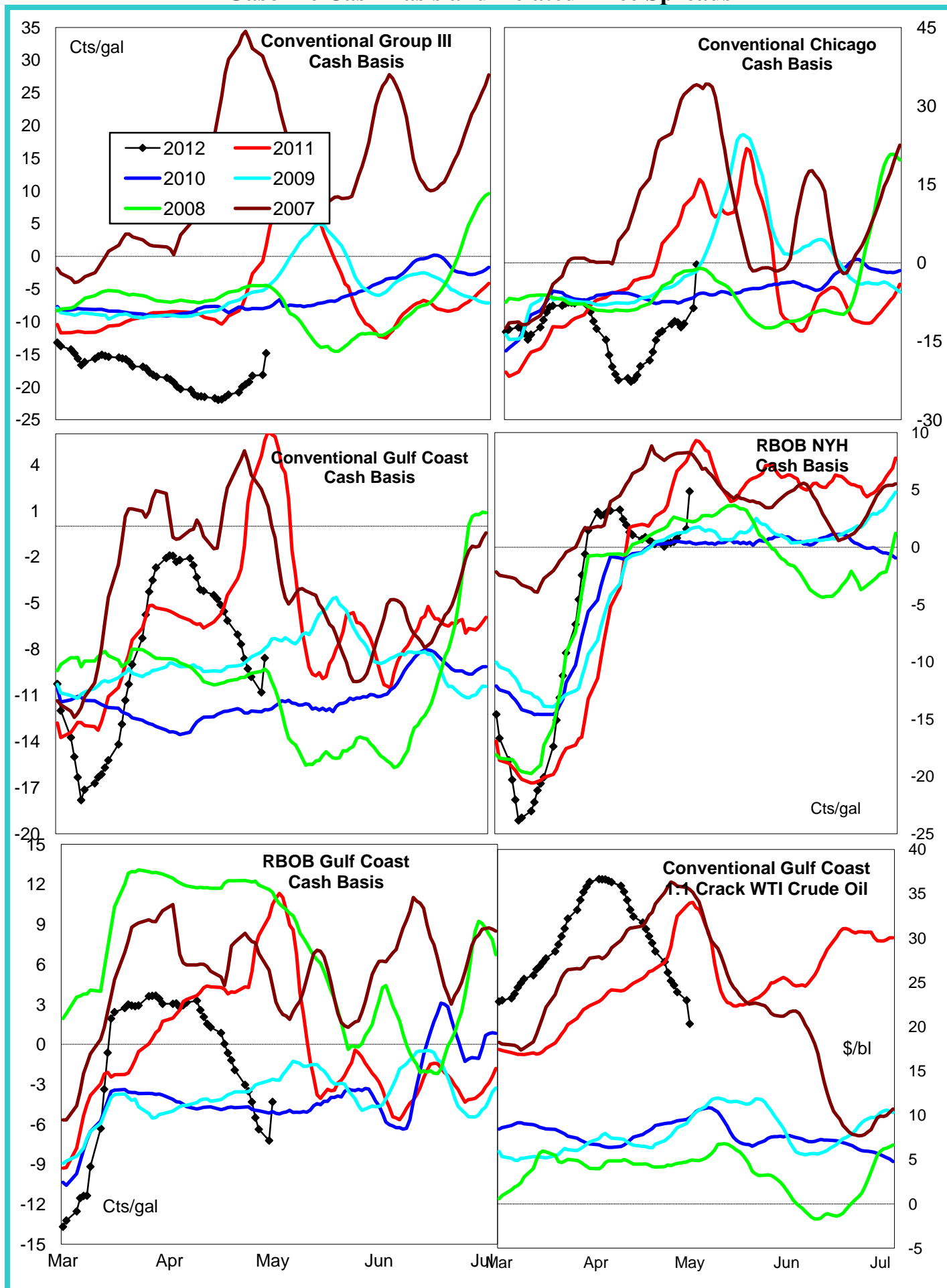
Wholesale demand increased +196,000 bpd last week, still a very lackluster level. The latest 4-wk year-on-year decline was -423,000 bpd (-4.7%).

Production was unchanged last week while imports climbed +154,000 bpd. Supplies were 455,000 bpd below the 5-year range in the combined markets East of

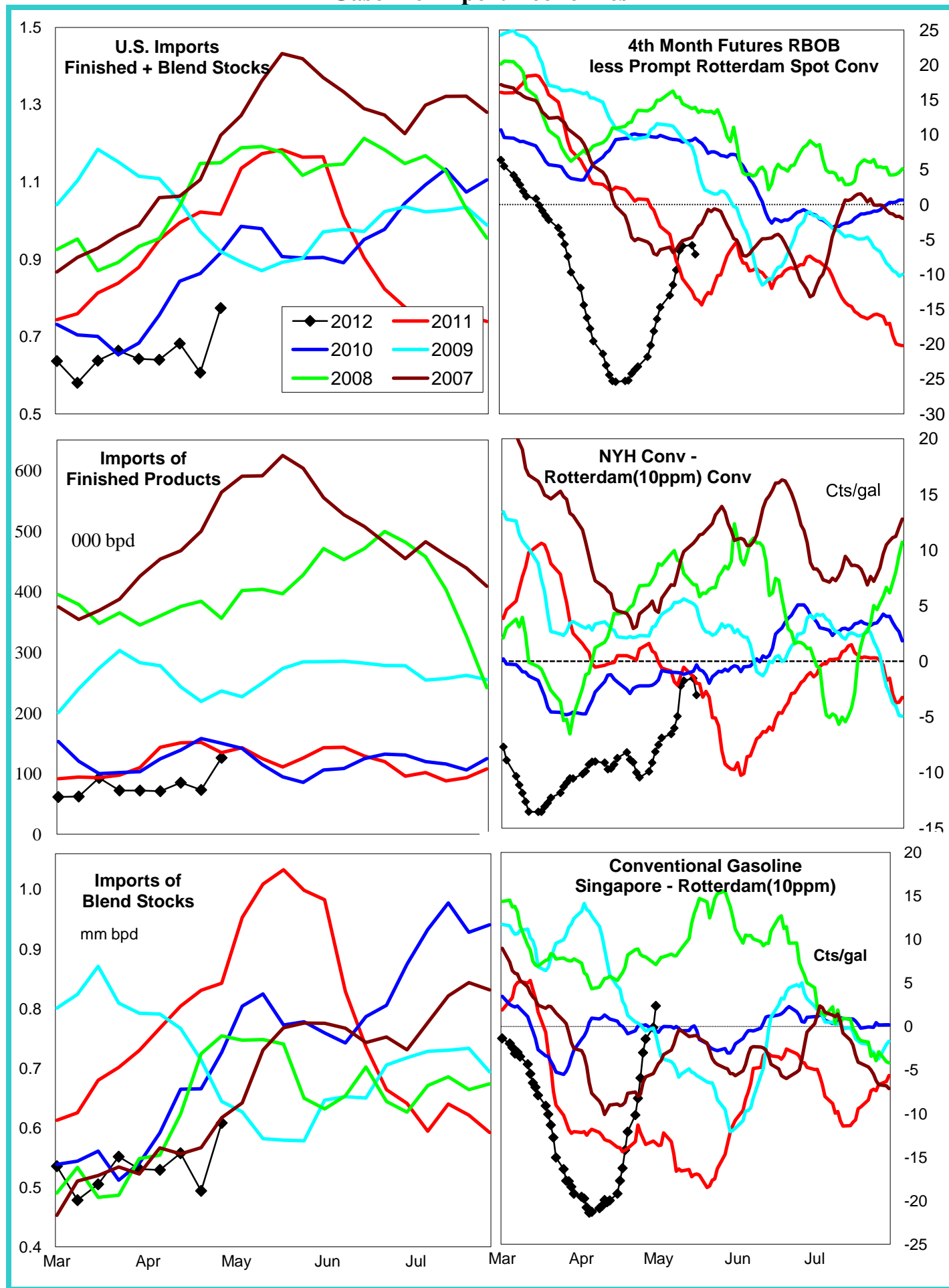


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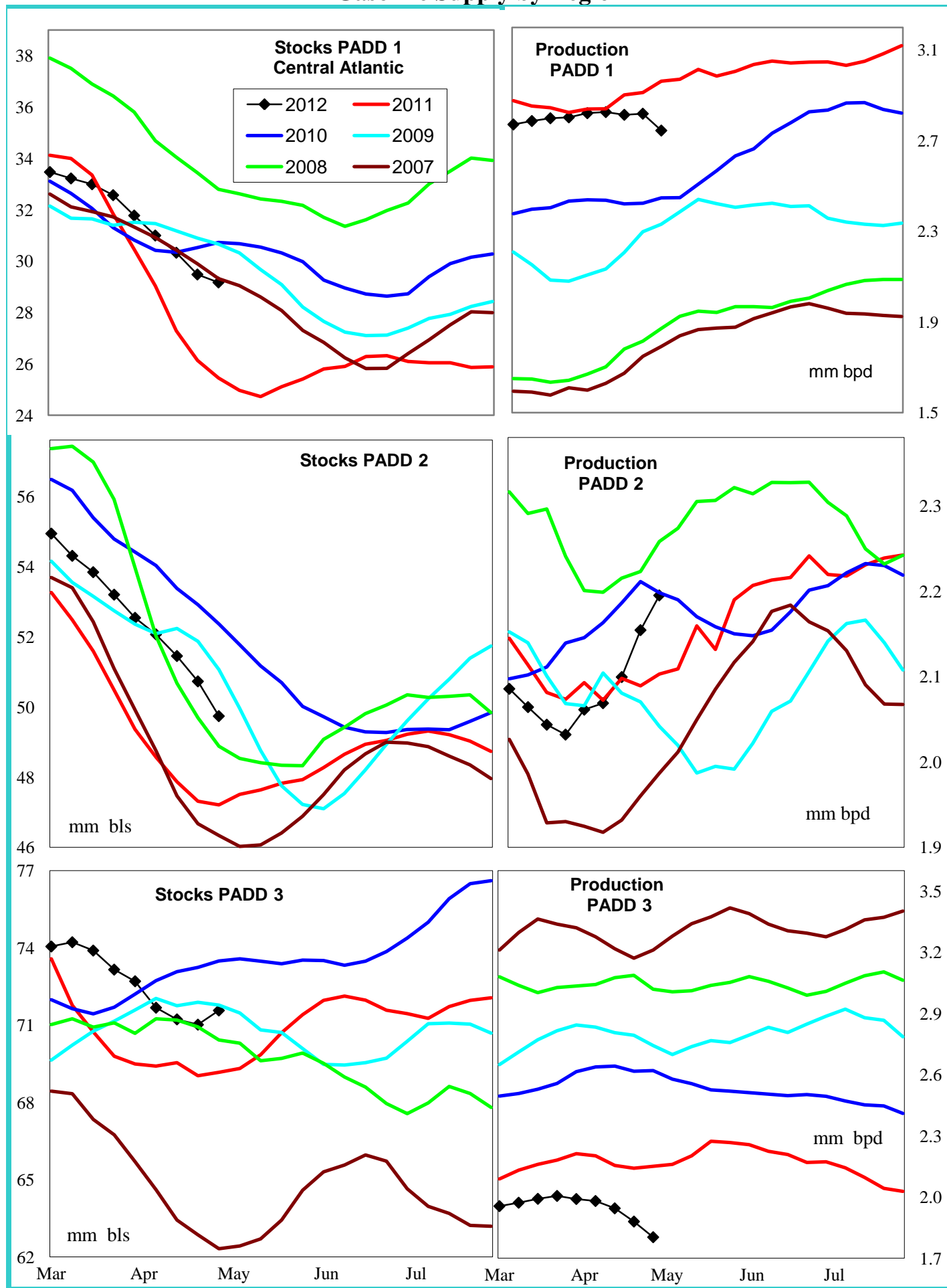
# Gasoline Cash Basis and Related Price Spreads



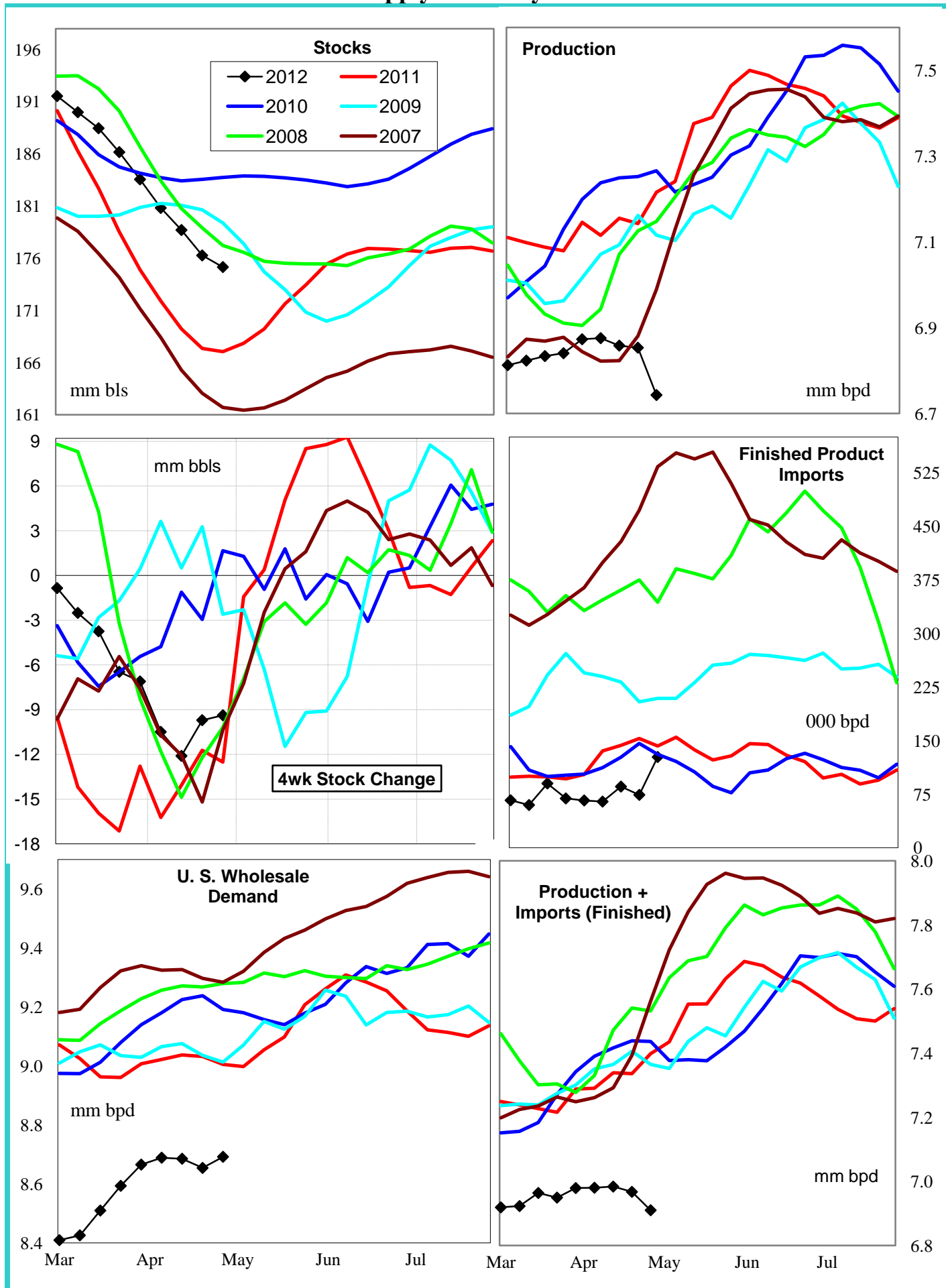
# Gasoline Import Economics



# Gasoline Supply by Region



# Gasoline Supply Summary PADDs 1+2+3



# PADD 5 Gasoline Supply

