



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 +172,000 bpd last week, extending the seasonal uptrend. The latest 4-wk year-on-year decline was -288,000 bpd (-3.2%).

Production jumped +301,000 bpd last week as process units returned from maintenance; partially offset by a -167,000 bpd decrease in imports. Supplies were 445,000 bpd below the 5-year range in the combined markets East of the Rockies; but should trend higher as refiners return from maintenance.

Stocks declined -2.6 million barrels, including a -2.1 million barrel draw on the West Coast. *Stock levels in the key Central Atlantic Region of PADD 1 remain near the mid range of the last 3-years.*

Stocks fell to record lows on the West Coast as a supply squeeze spiked basis in the area; the result of unplanned refinery maintenance.

Basis trends were mixed across regional markets last week, reflecting local supply conditions. West Coast and basis spiked to new highs. The Midwest markets saw modest improvement. NYH trended modestly higher while the Gulf traded slightly lower.

Midwest basis for conventional grades remains below the 5-year range.

A sharp drop in PADD 2 output should support basis improvement in the region.

RBOB

New York Harbor basis to trade sideways at levels above the mid range on modest supply tightness.

Conventional

New York Harbor basis to trade sideways on modest tightness, at levels above the last 2-years.

Chicago basis to trend modestly higher on increased seasonal demand.

Group III basis to trend modestly higher on increased seasonal demand.

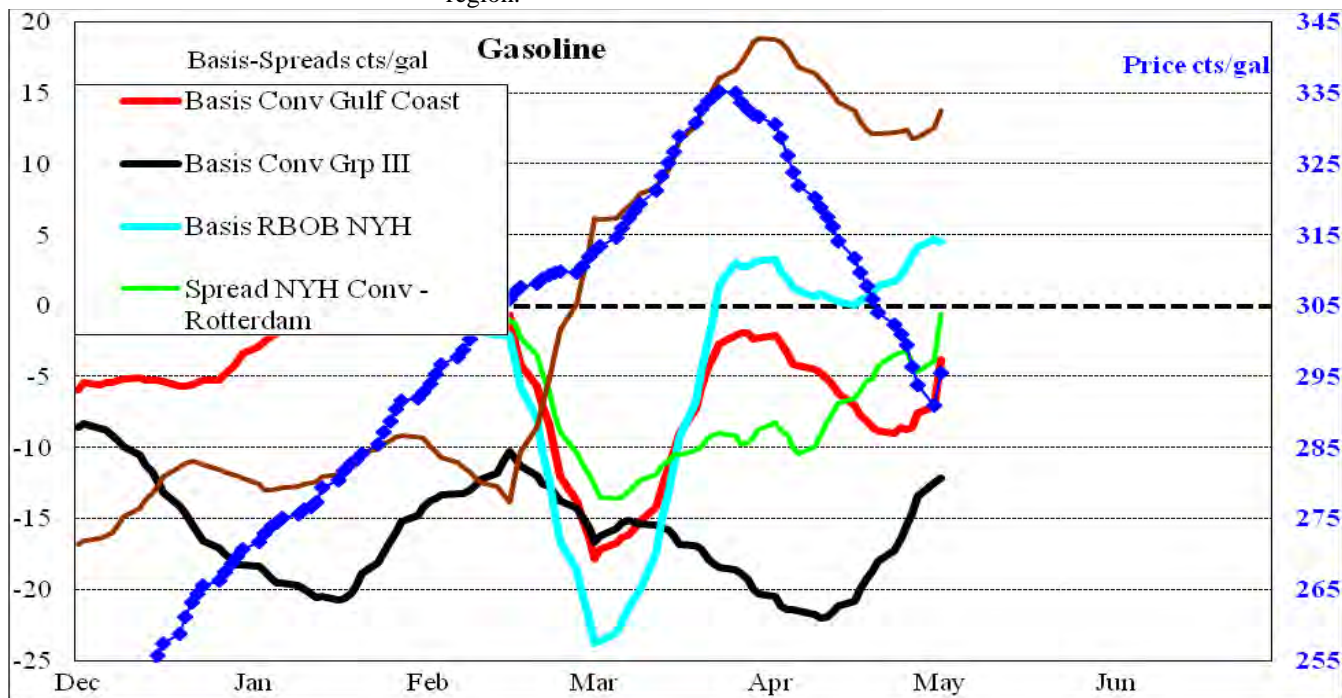
Gulf Basis Conventional grade to trade sideways on higher seasonal demand, offset by higher production.

West Coast (Los Angeles) basis to trend sharply lower as refiners complete maintenance.

Gulf Coast Price

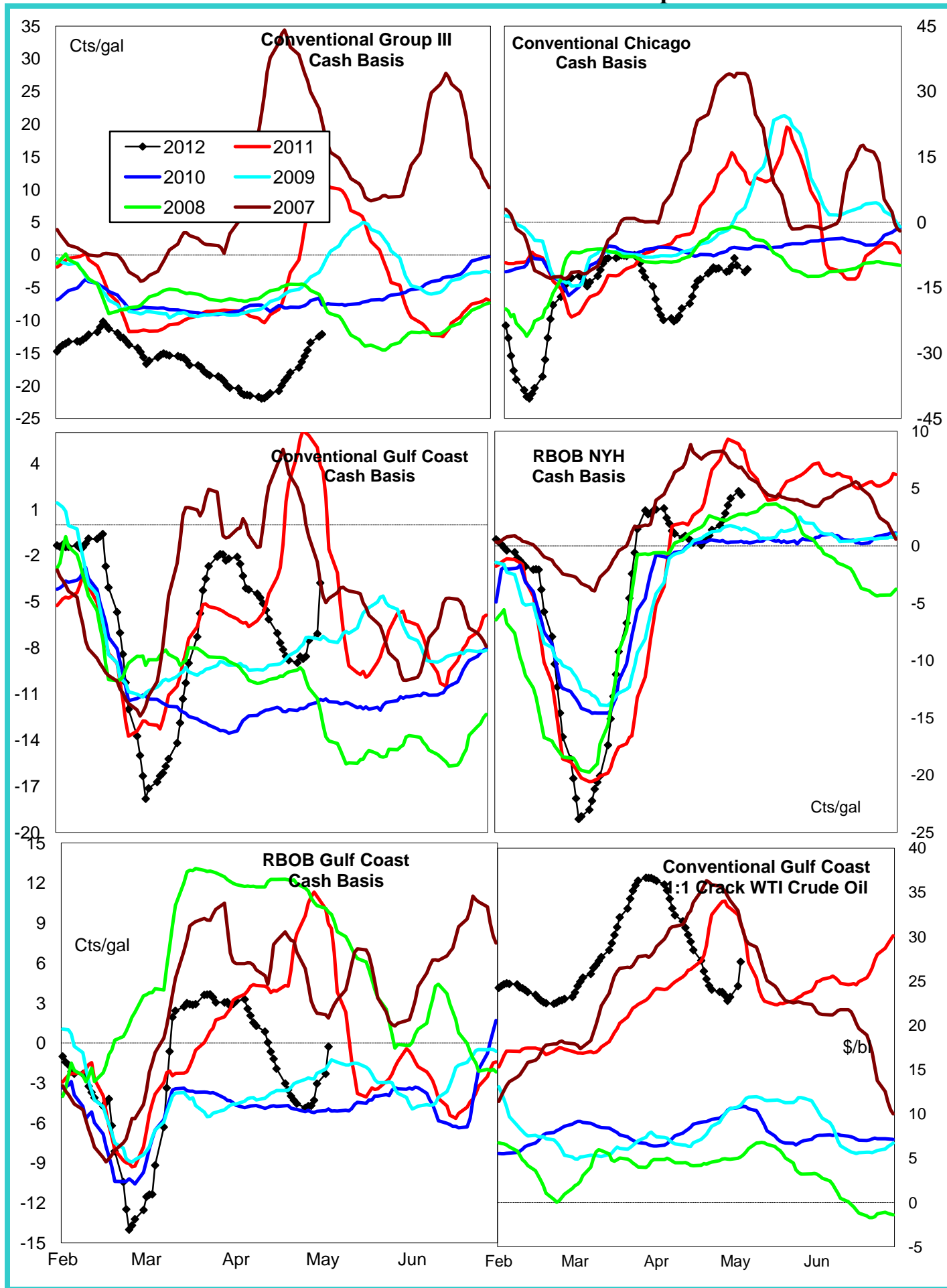
Gasoline supplies in markets East of the Rockies should trend significantly higher on increased production as refiners complete maintenance of gasoline process units. Low imports are partially offset by lower year-on-year demand.

Look for higher seasonal demand, continued low imports and strength in the Pacific Basin markets to support prices ahead of peak summer travel.

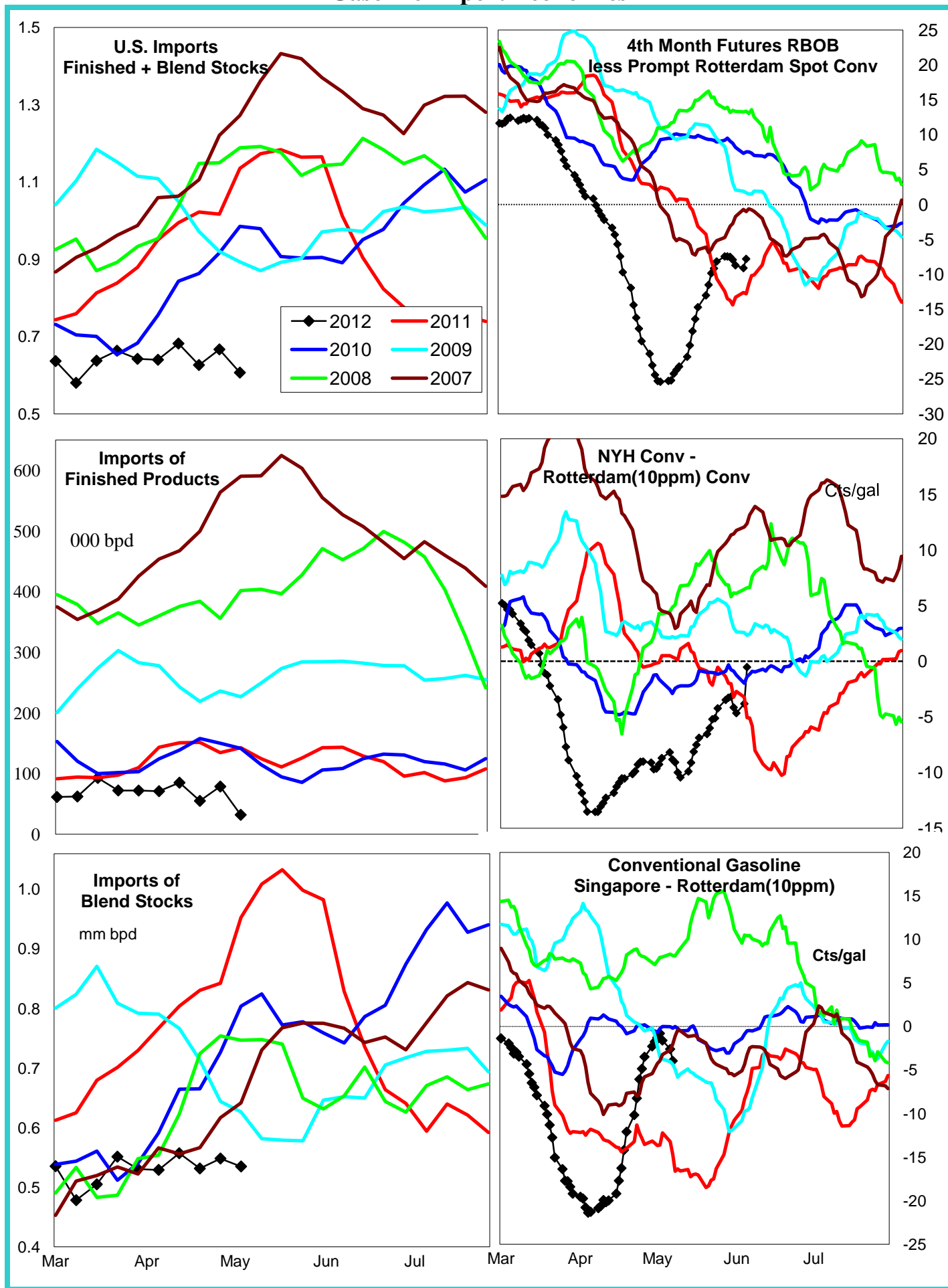


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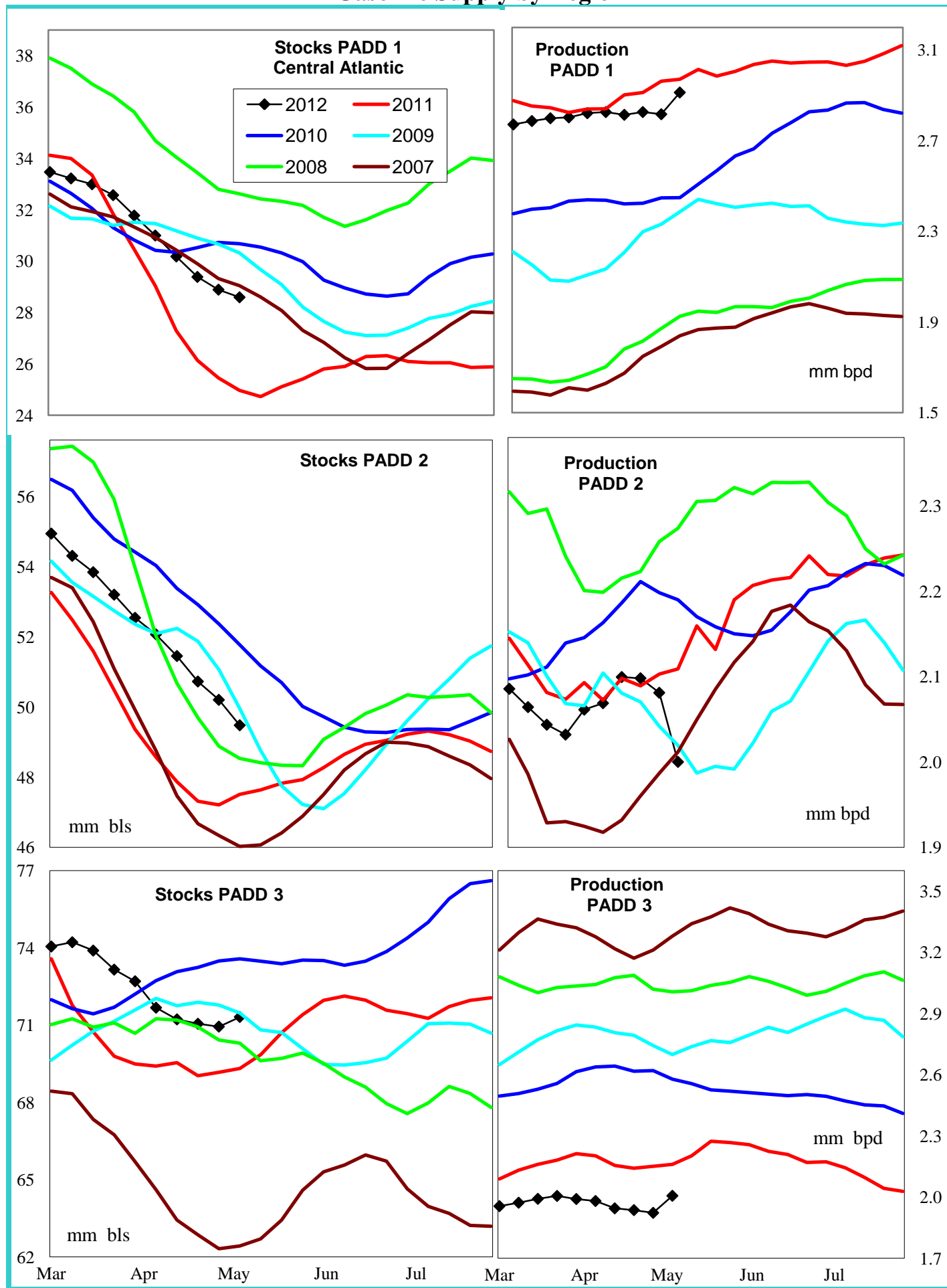
Gasoline Cash Basis and Related Price Spreads



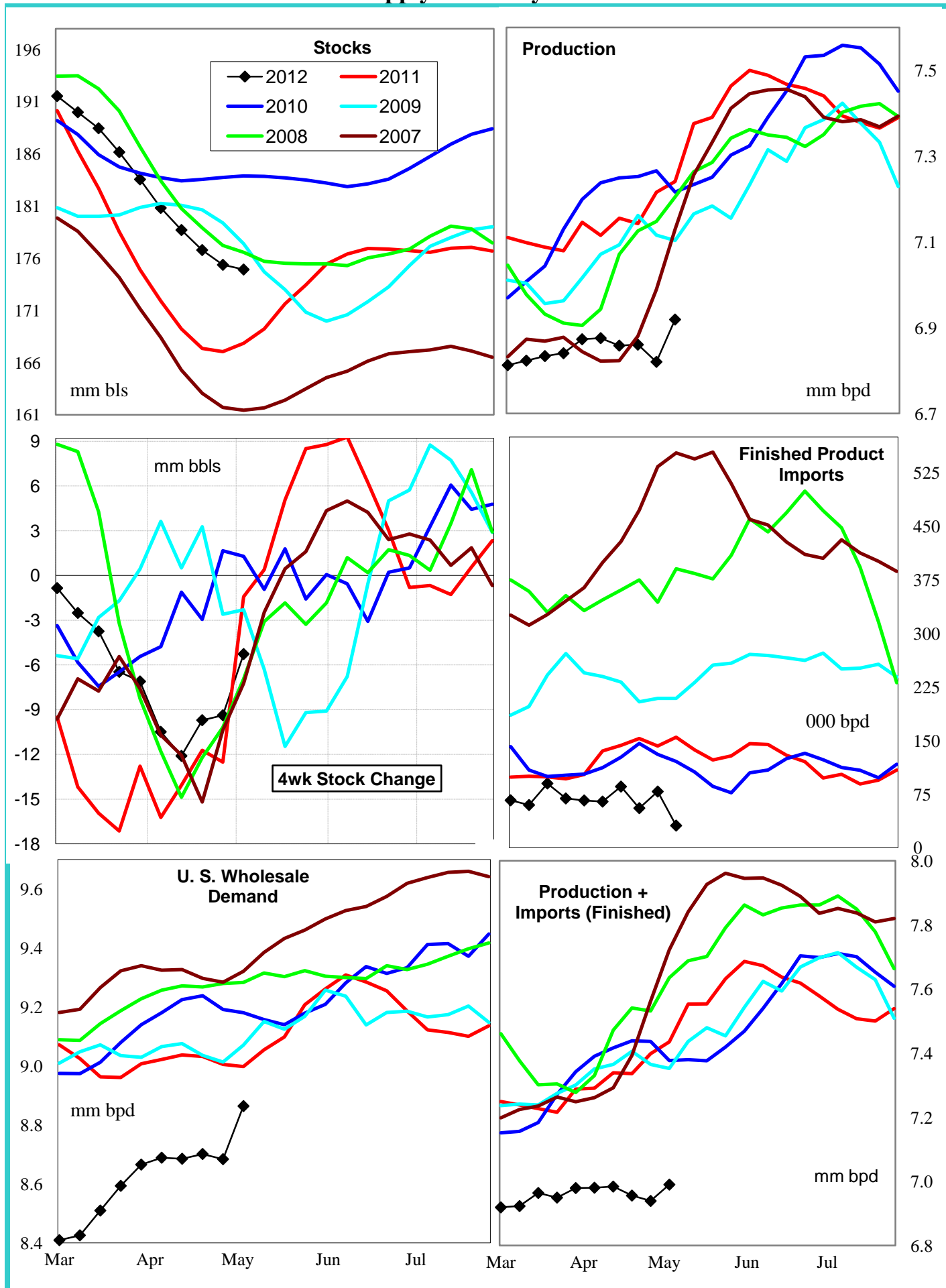
Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3



PADD 5 Gasoline Supply

