



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 fell -338,000 bpd last week, a counter seasonal pull back in the run up to Memorial week. The latest 4-wk year-on-year decline was -171,000 bpd (-1.9%).

Production fell -153,000 bpd on the week, with imports also lower by -100,000 bpd. Supplies were 314,000 bpd below last year in the combined markets East of the Rockies; and should trend seasonally higher, limited by very low imports. Import economics for naphtha are extremely attractive, which should lead to higher imports over the next month.

Stocks fell -3.3 million barrels, including draws above -1.2 million barrels in the Gulf and West Coast. *Stock levels in the key Central Atlantic Region of PADD 1 have dropped to the low end of the 5-year range.*

Basis for RBOB grades in NYH and Chicago are elevated, Gulf basis ended the week at the low end of the historic range. Conventional grade basis fell in all regions East of the Rockies, with the Gulf hitting record lows for the period. Basis collapsed in the Los Angeles market on record production.

RBOB

New York Harbor basis to trade sideways at levels near historic highs on increased dependence for Gulf supplies.

Conventional

New York Harbor basis to trade sideways on modest tightness, at levels above the last 3-years.

Chicago basis to trend modestly higher on increased seasonal demand, partially offset by increased production.

Group III basis to trend modestly higher on increased seasonal demand, limited by increased production.

Gulf Basis Conventional grade to bounce back from the recent collapse, trading at the low end of the historic range.

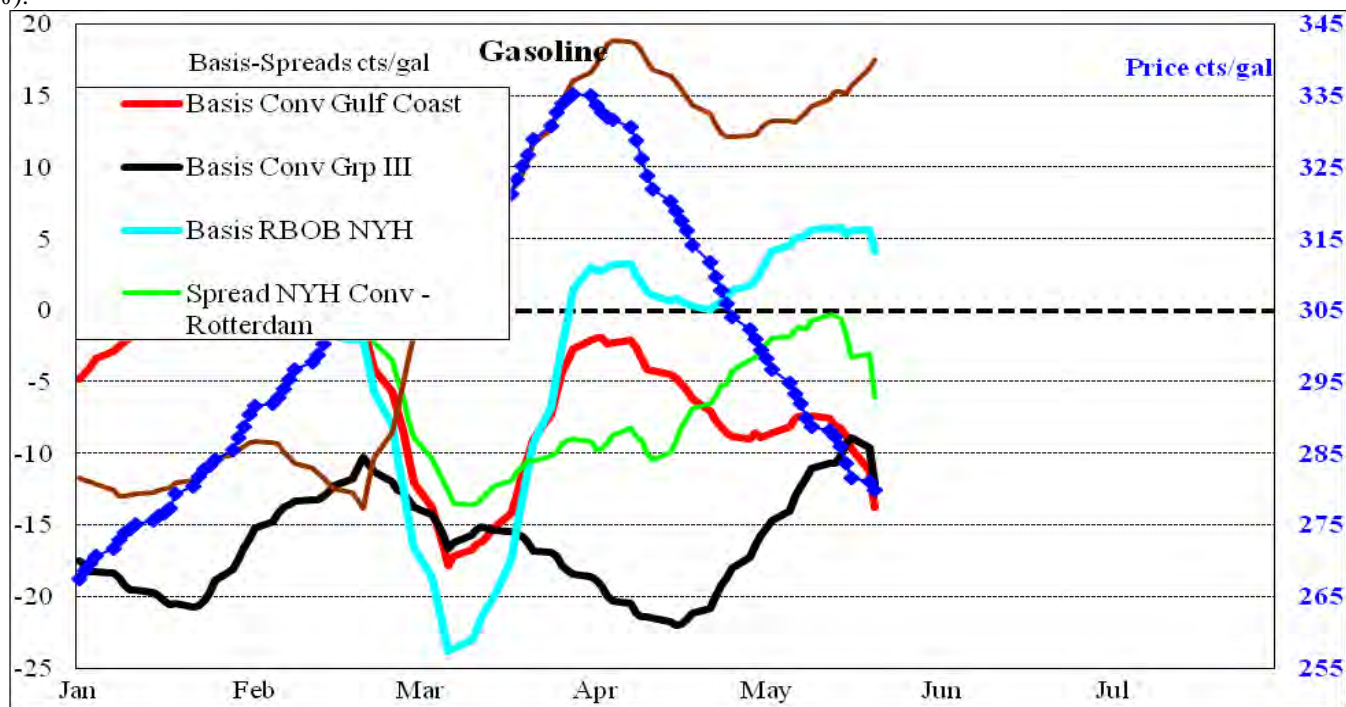
West Coast (Los Angeles) basis to extend the current downtrend on increased supply.

Gulf Coast Price

Gasoline supplies in markets East of the Rockies should trend higher on increased production as refiners complete maintenance of gasoline process units.

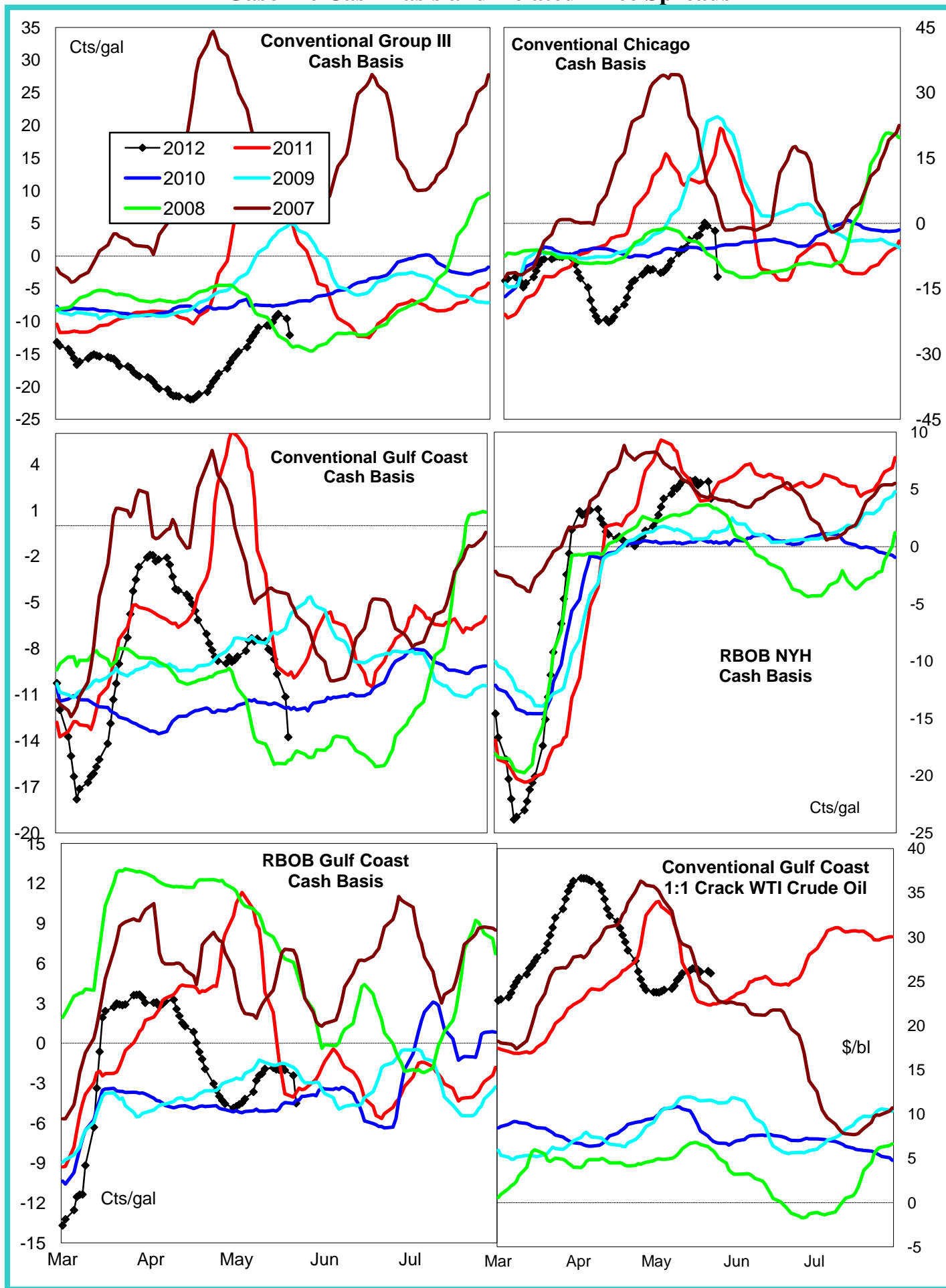
Demand remains lackluster in the run up to Memorial week. Structural change in a more efficient auto fleet and low employment continues to driven year on year declines in demand.

Look for higher seasonal demand, continued low imports and strength in the Pacific Basin markets to support a bounce in prices following the current global decline in energy prices.

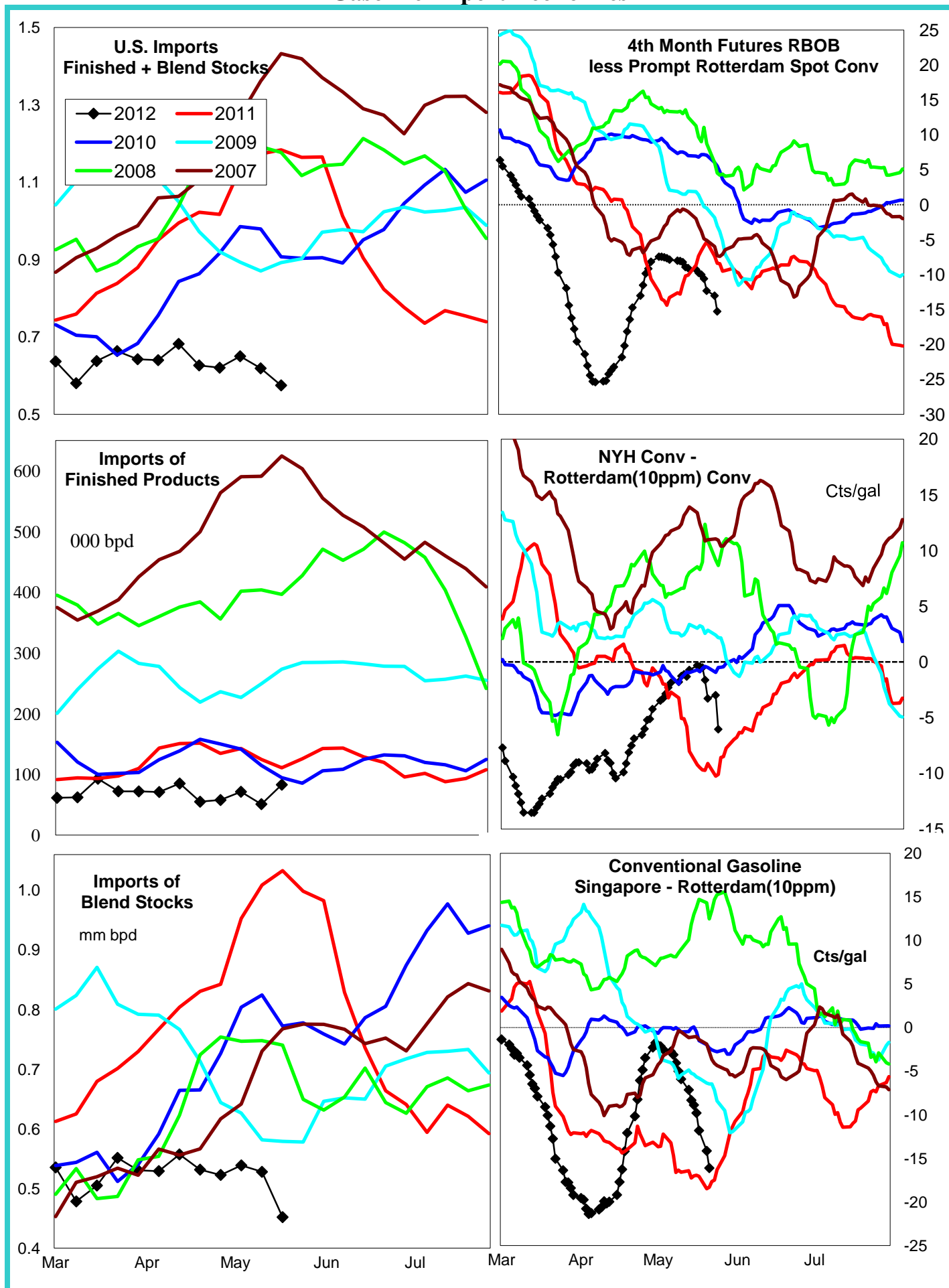


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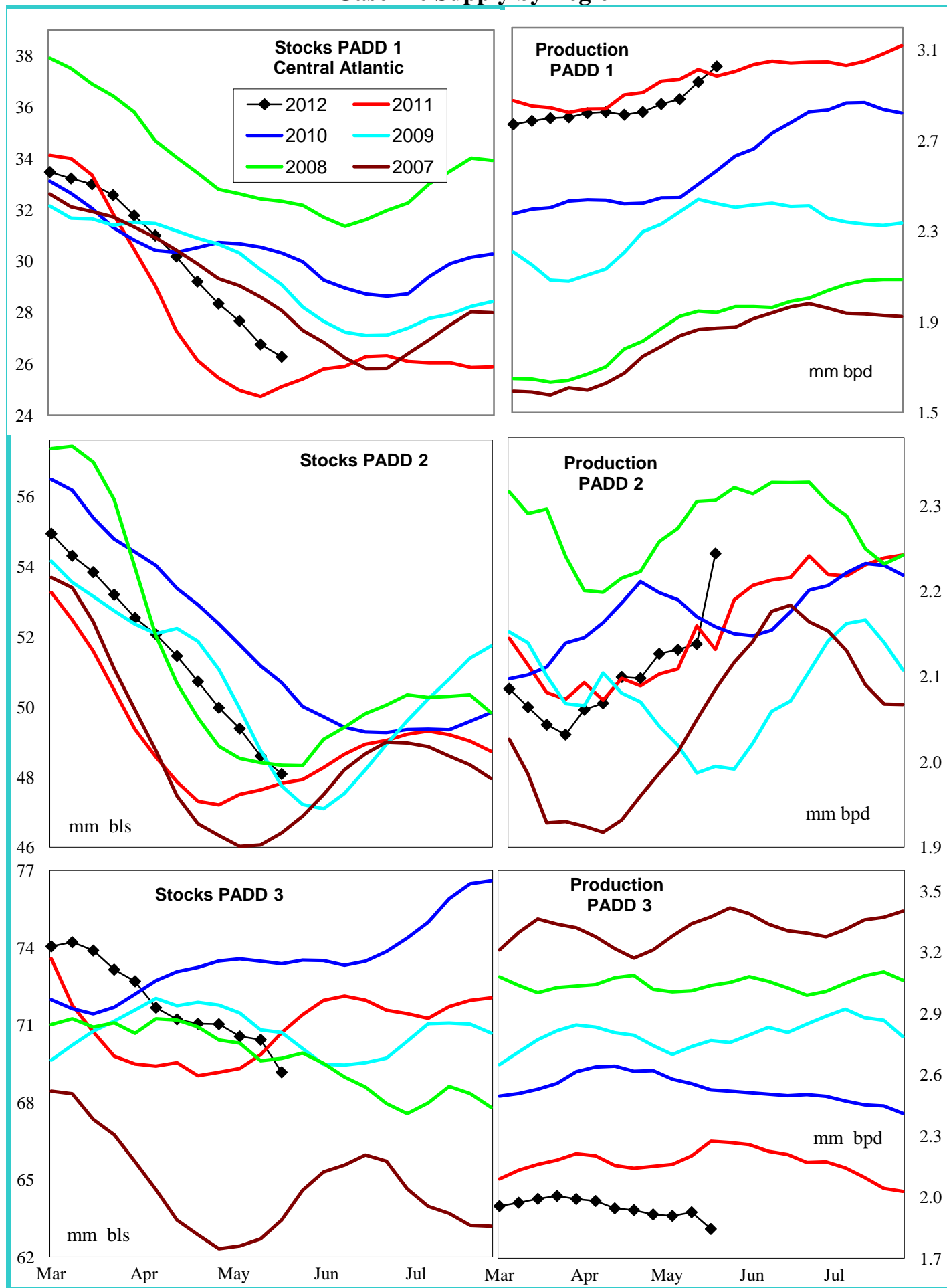
Gasoline Cash Basis and Related Price Spreads



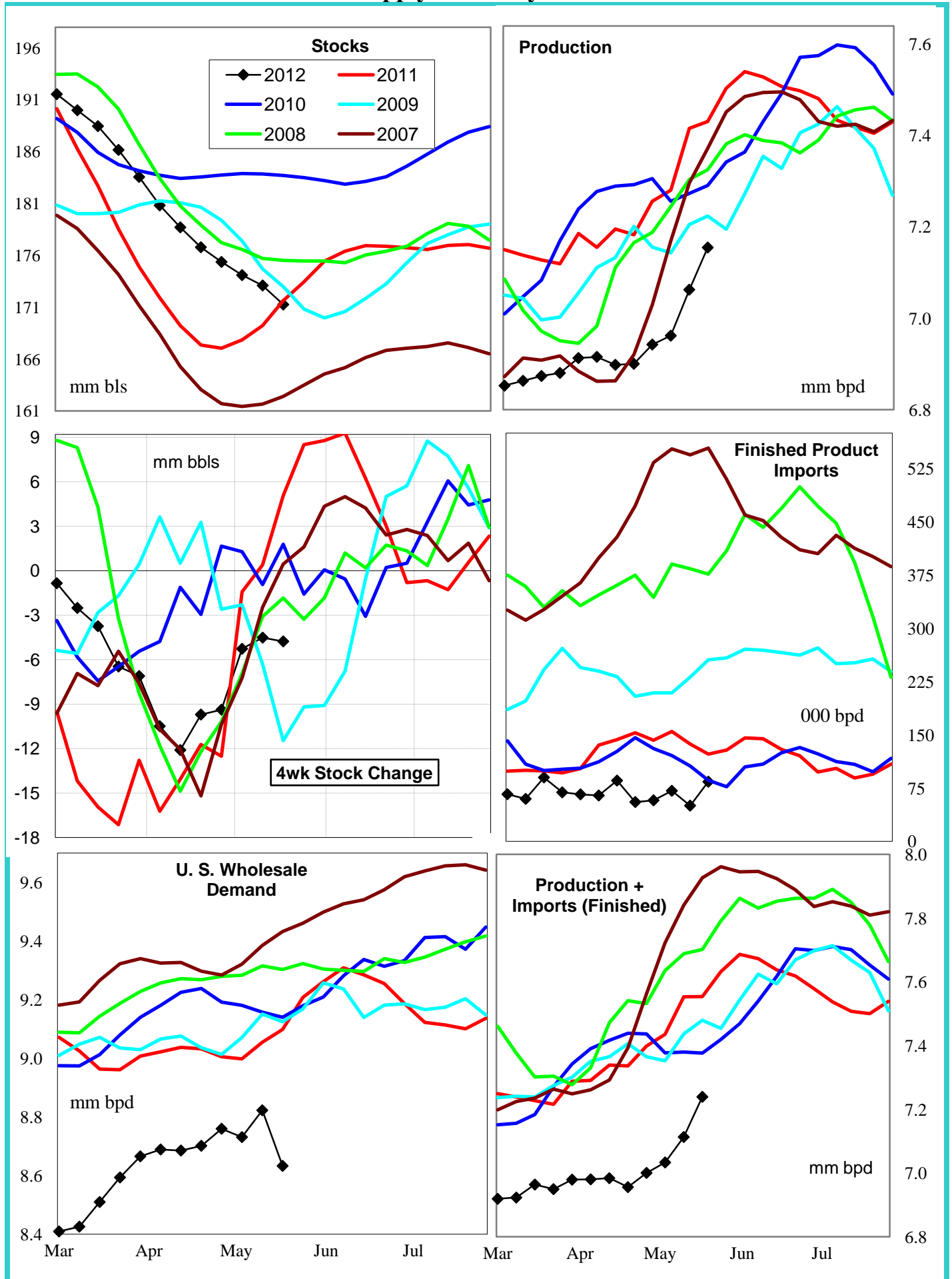
Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3



PADD 5 Gasoline Supply

