



## 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 -283,000 bpd last week, terminal loadings fell during

Memorial week. The latest 4-wk year-on-year decline was -371,000 bpd (-4%).

Production decreased -97,000 bpd last week, partially offset by a +40,000 bpd increase in imports. Supplies were -517,000 bpd below last year in the combined markets East of the Rockies. Combined blend stock and finished product imports were at the highest level of the year, driven by very attractive import economics.

Stocks surged +3.3 million barrels, with builds in all regions except the Midwest. *The higher level of imports to the East Coast reduces the risk of a supply squeeze in that market during the summer quarter.*

Cash basis increased sharply last week in all markets East of the Rockies, driven by the futures roll and sharply lower flat price. Basis has also strengthened in the Midwest on unplanned refinery maintenance and record low stock levels.

#### RBOB

*New York Harbor* basis to traded at elevated levels on low stock levels and the need to attract increased receipts from the Gulf.

#### Conventional

*New York Harbor* basis to pull back from elevated levels on increased imports.

*Chicago* basis to trend lower from elevated levels as unplanned maintenance is completed.

*Group III* basis to trend lower on increased production as unplanned maintenance is completed.

*Gulf Basis* basis to trend lower on increased seasonal production and weak demand.

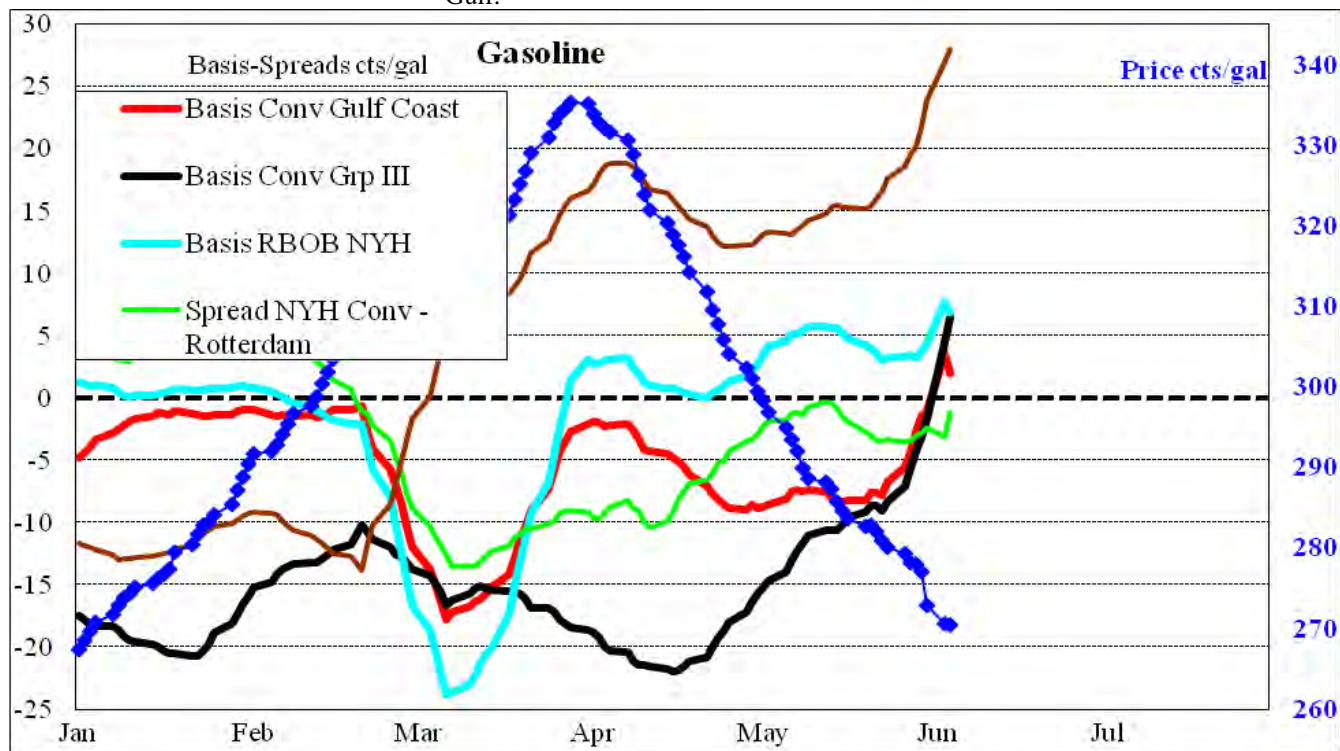
*West Coast (Los Angeles)* basis to extend the current downtrend on increased supply.

#### Gulf Coast Price

The roll from June to July futures and collapse in flat price led to the bounce in cash basis across all markets East of the Rockies last week.

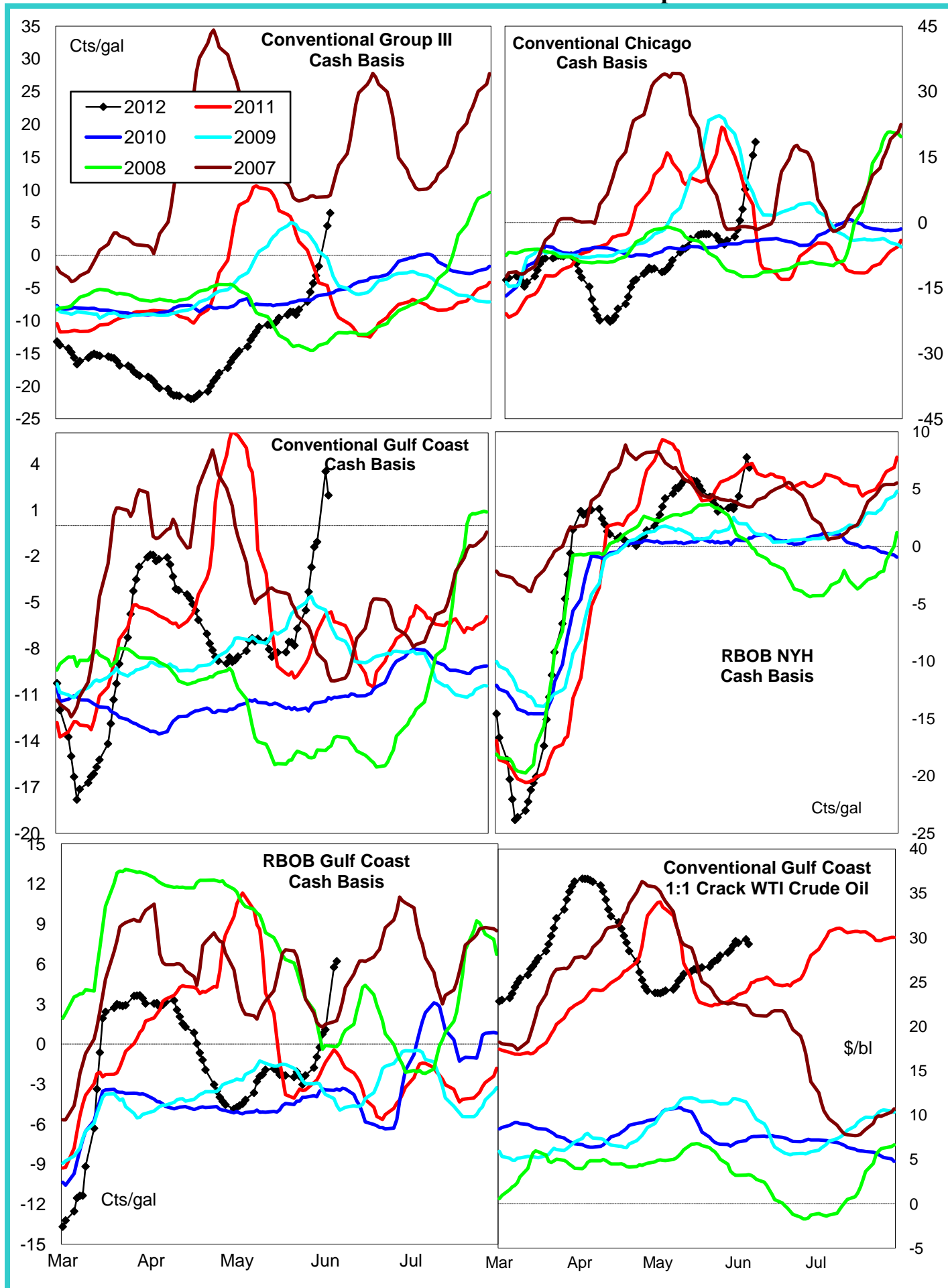
Demand remains particularly weak, off -4% from a year ago for the most recent 4-wk period. High production led to widespread stock building, which should continue into the summer quarter.

Slower global economic growth as a result of the European debt crisis and a slowdown in Asian economies increases the risk for further price weakness.

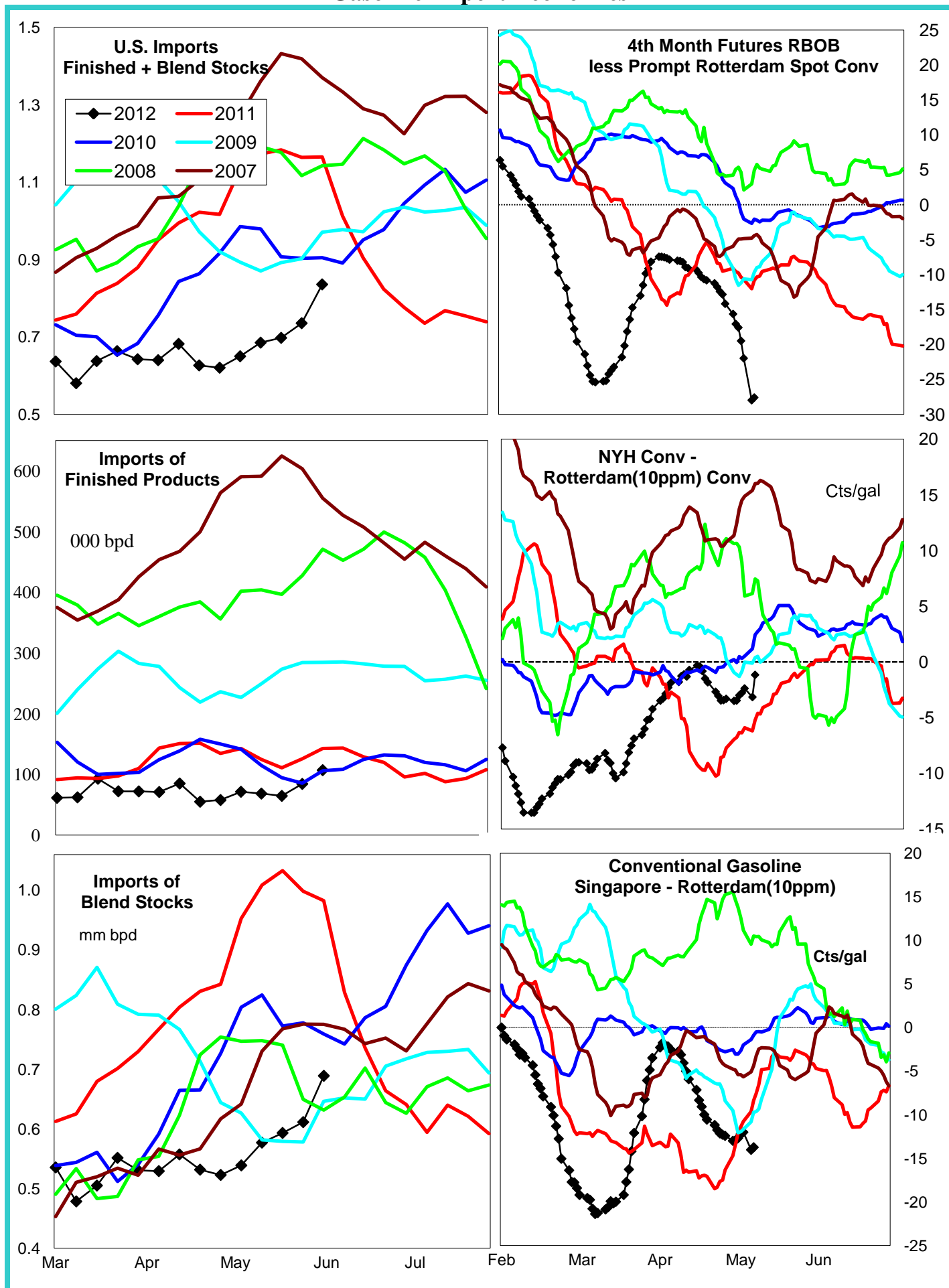


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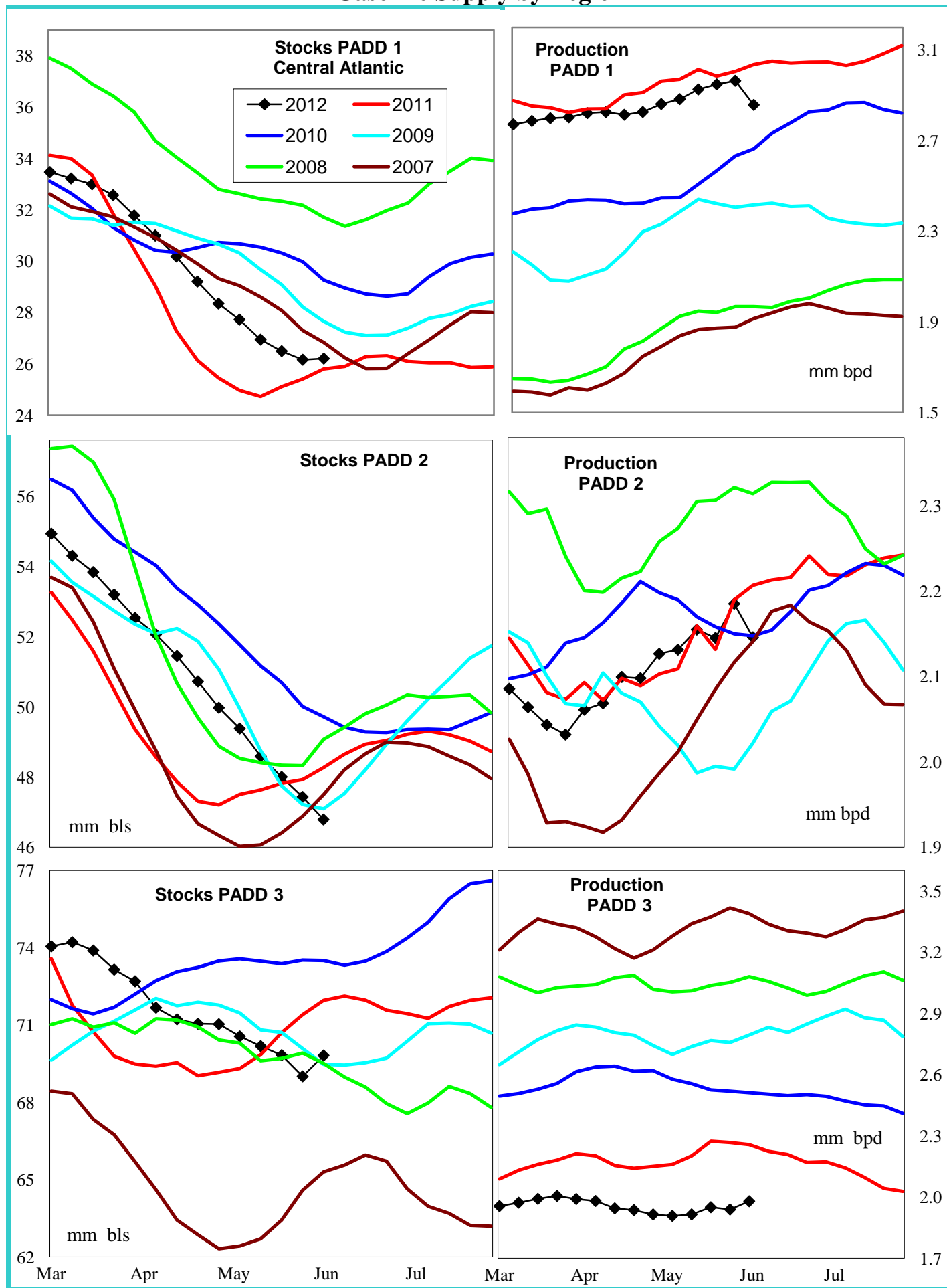
# Gasoline Cash Basis and Related Price Spreads



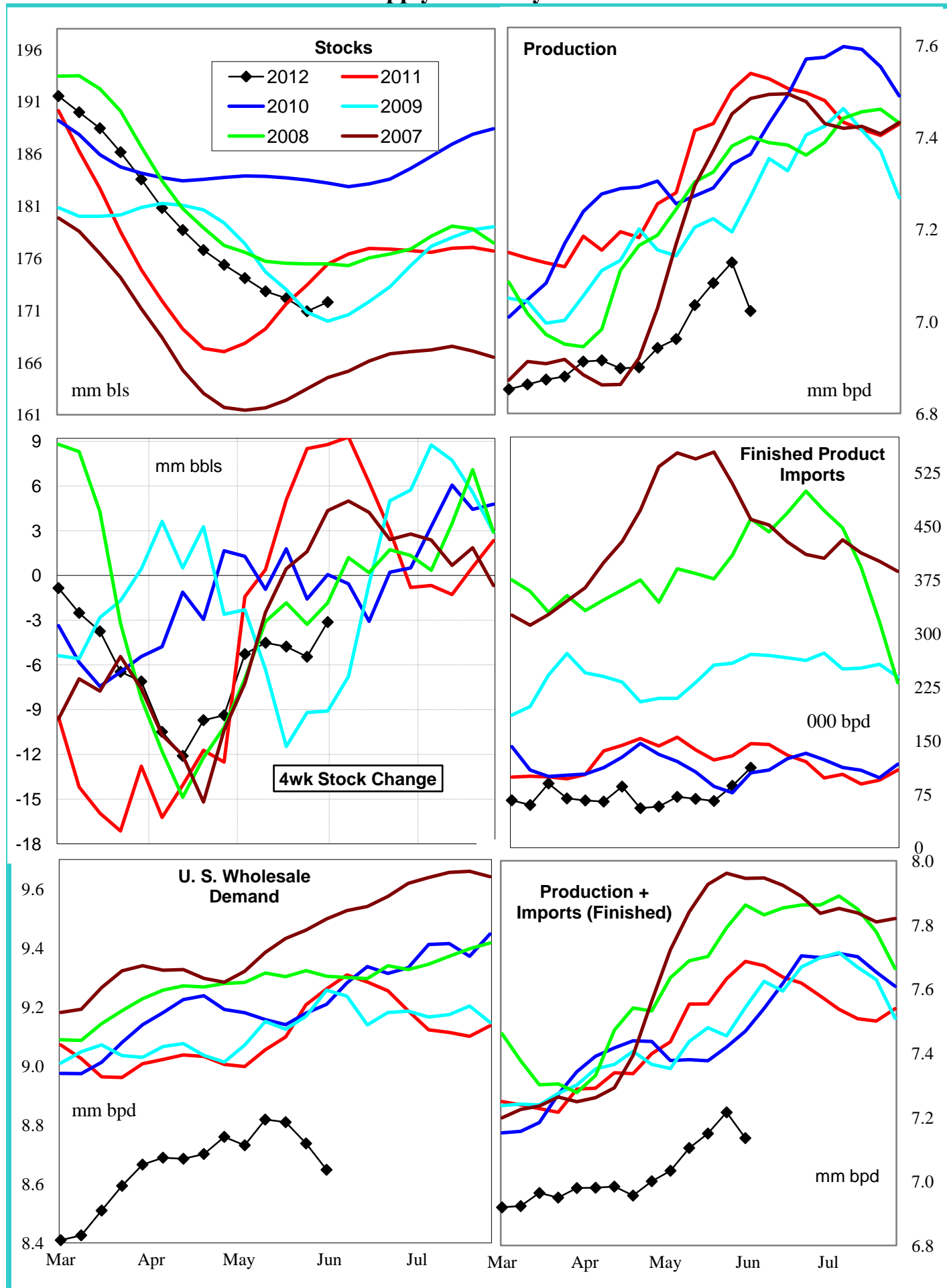
# Gasoline Import Economics



# Gasoline Supply by Region



# Gasoline Supply Summary PADDs 1+2+3



# PADD 5 Gasoline Supply

