



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 spiked +482,000 bpd last week. The surge was due in part to a comparison with extremely low terminal loadings during the previous Memorial

week. The latest 4-wk year-on-year decline was -412,000 bpd (-4.5%).

Production jumped +495,000 bpd on the week as downstream refinery units returned to operation. Supplies were 350,000 bpd below last year in the combined markets East of the Rockies. Combined blend stock and finished product imports fell -152,000 bpd, partially offsetting the surge in production.

Stocks decreased -1.7 million barrels, with draws in all regions except the West Coast which reported a +1.2 million barrel build.

Cash basis pulled back from elevated levels in all markets last week, with the exception of the Group where unplanned refinery maintenance has led to a physical supply squeeze.

Look for declines in cash basis from current elevated levels in markets East of the Rockies as refiners return from unplanned maintenance, and high output replenishes stock levels. West Coast basis should deteriorate further on record production.

RBOB

New York Harbor basis to trade at levels above the historic average on low stock levels.

Conventional

New York Harbor basis to pull back from elevated levels on higher imports, which remain extremely attractive.

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.

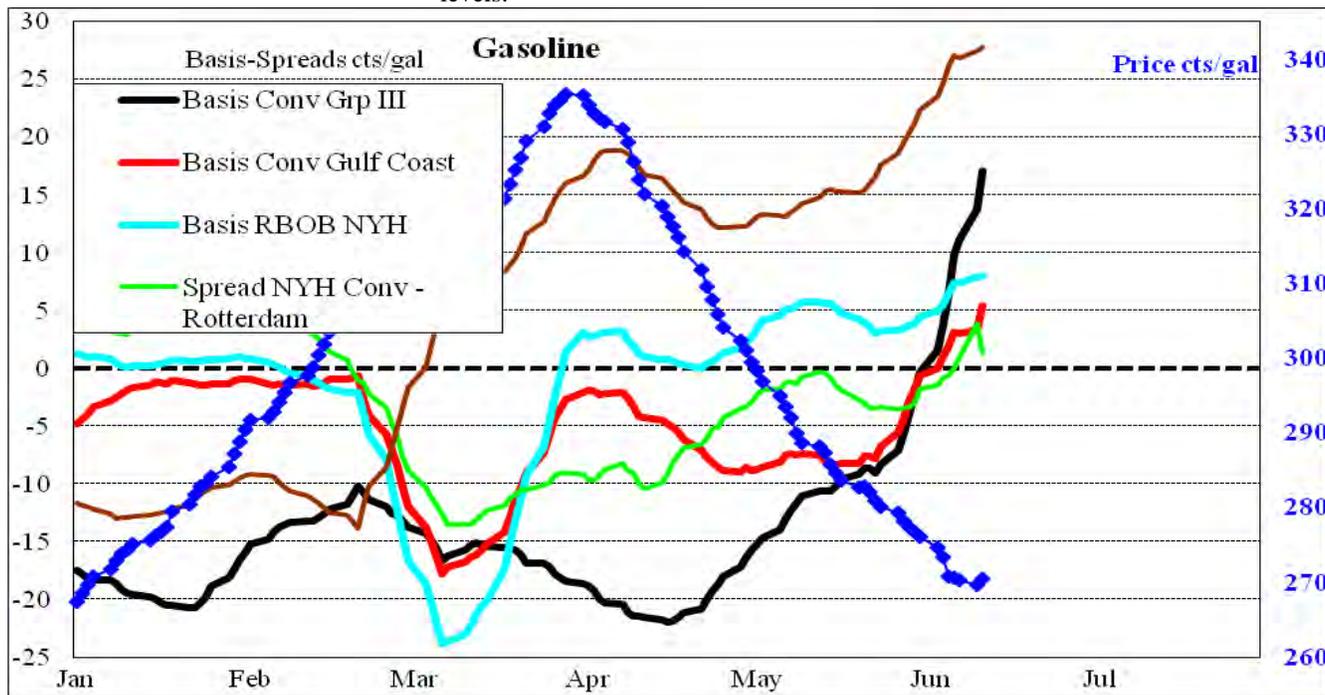
Gulf Basis basis to trend lower on increased seasonal production and weak demand.

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

Gulf Coast Price

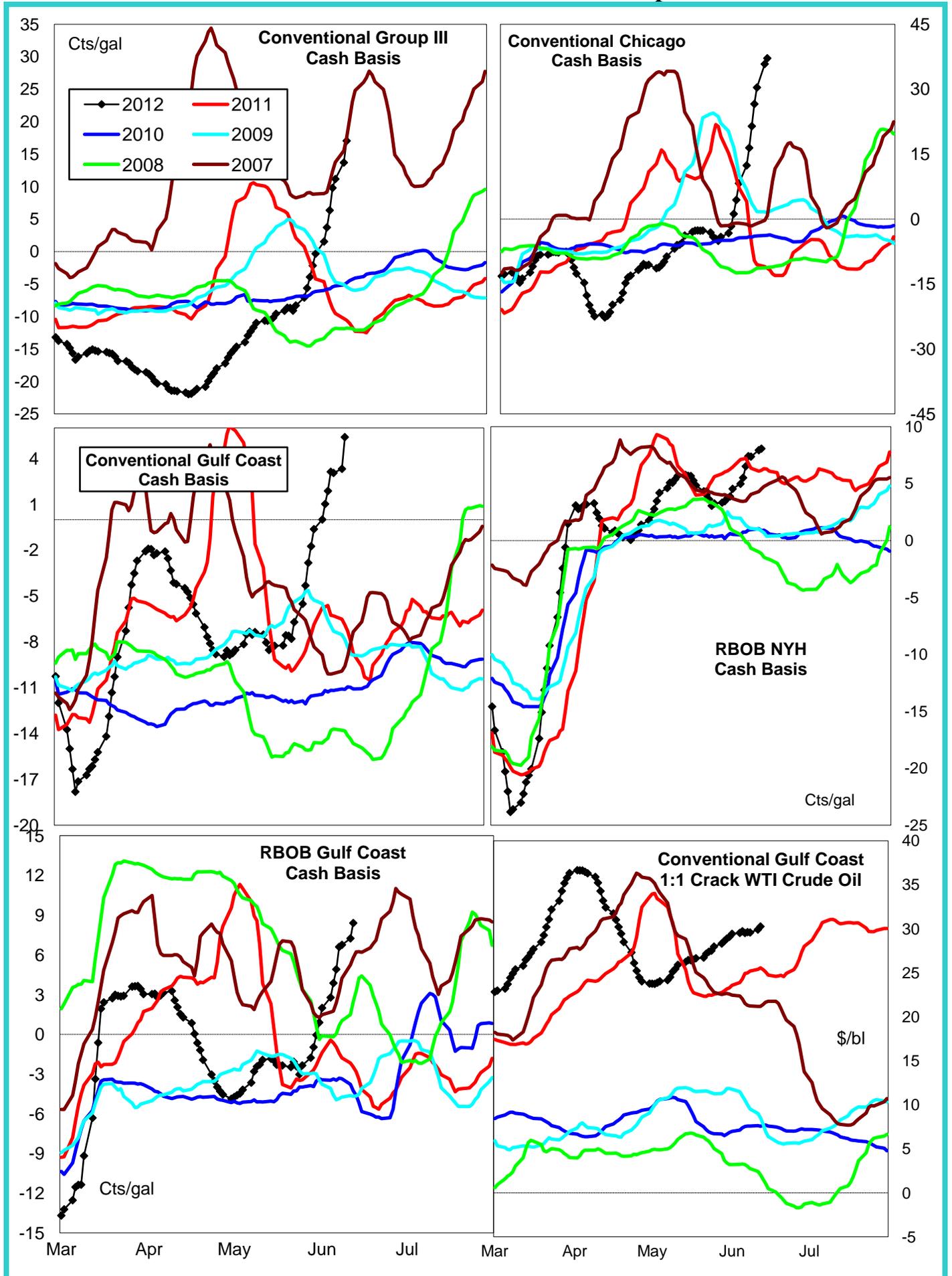
Even with last weeks' demand surge, the latest 4-wk average remains -4.5% below last year. Expect a pull back in demand during the current week from last weeks' elevated level. Look for season high production to continue as refiners return from unplanned maintenance in several markets. These trends should drive seasonal stock builds during the next 45-days.

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.

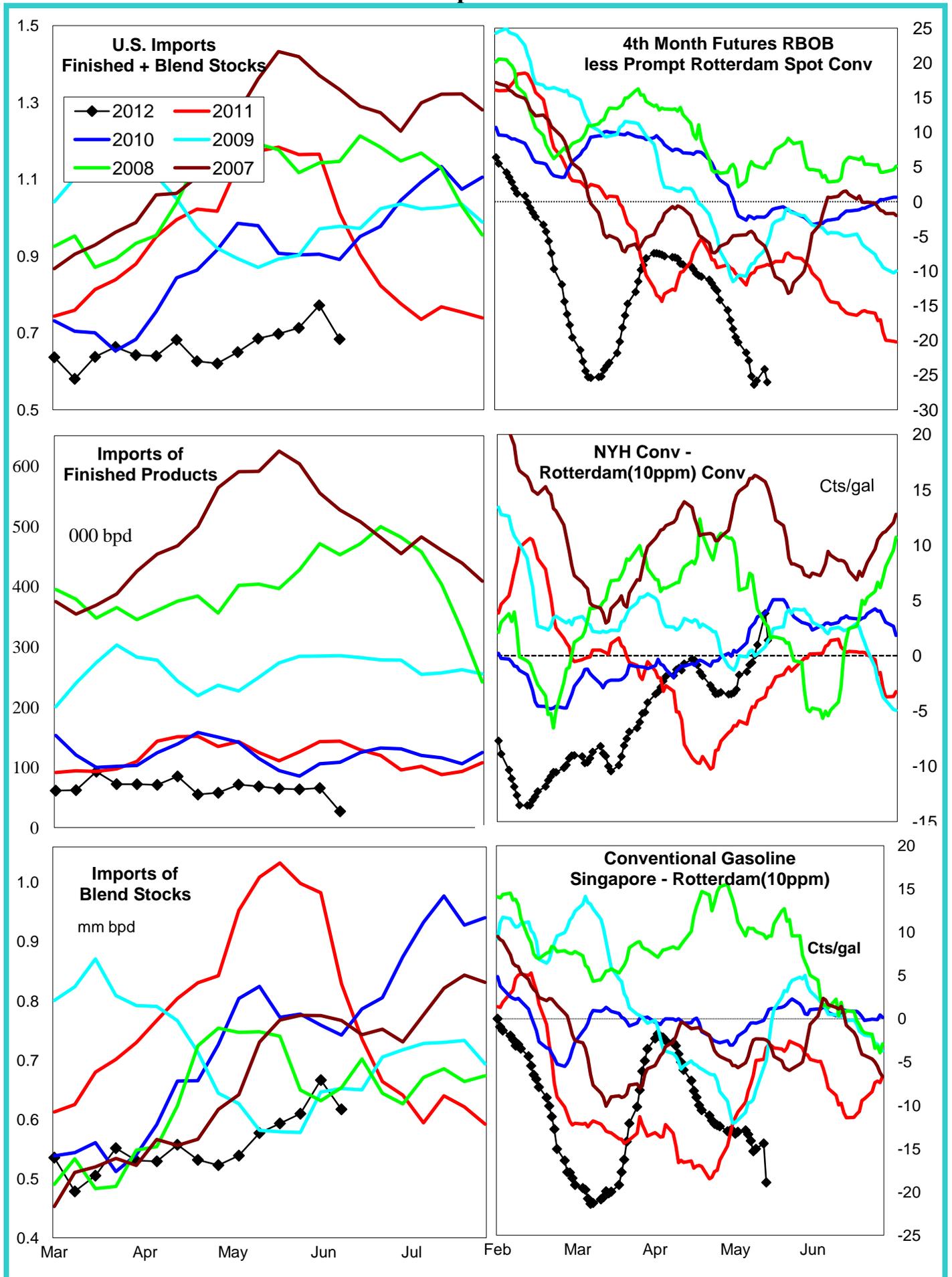


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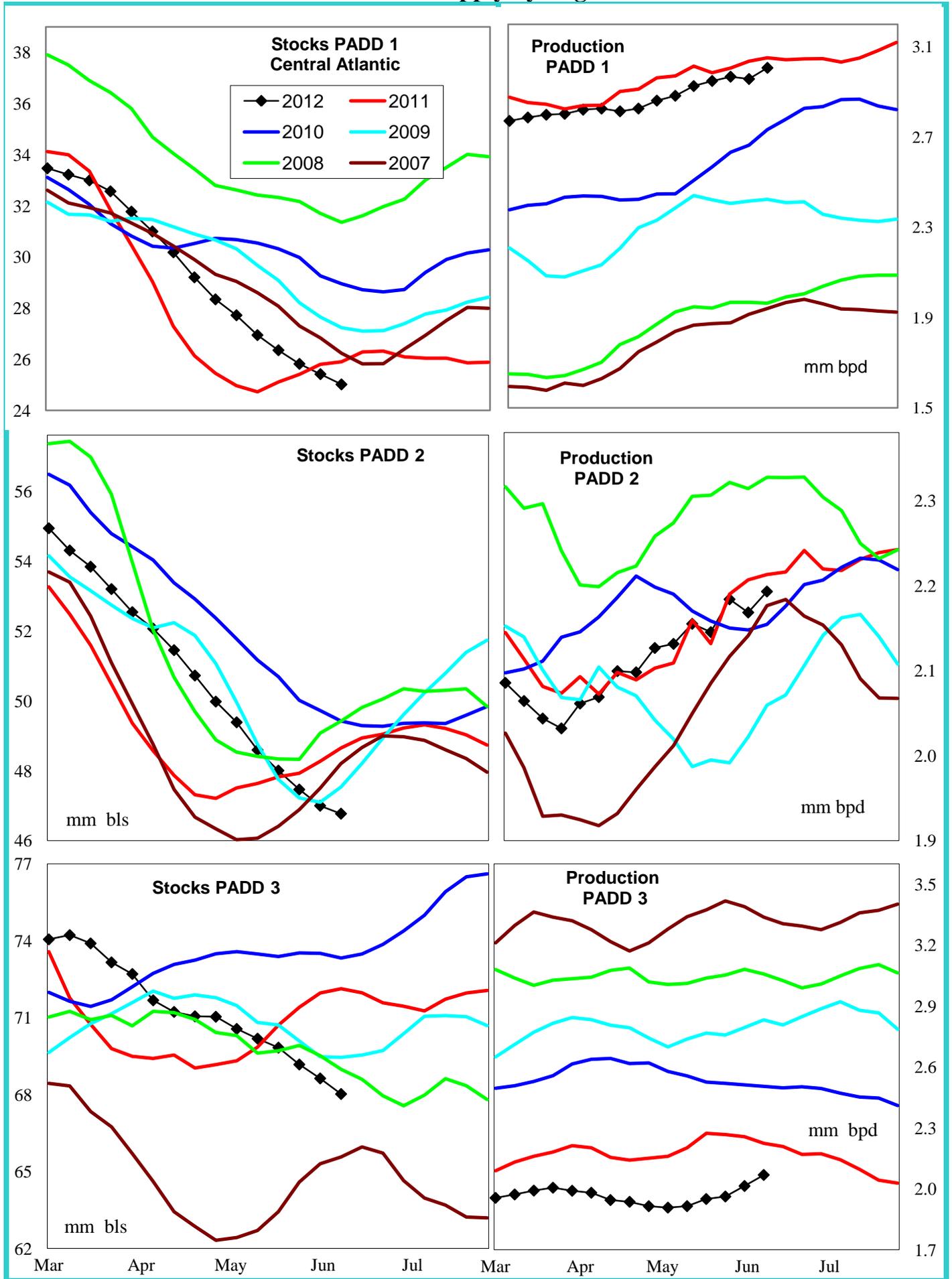
Gasoline Cash Basis and Related Price Spreads



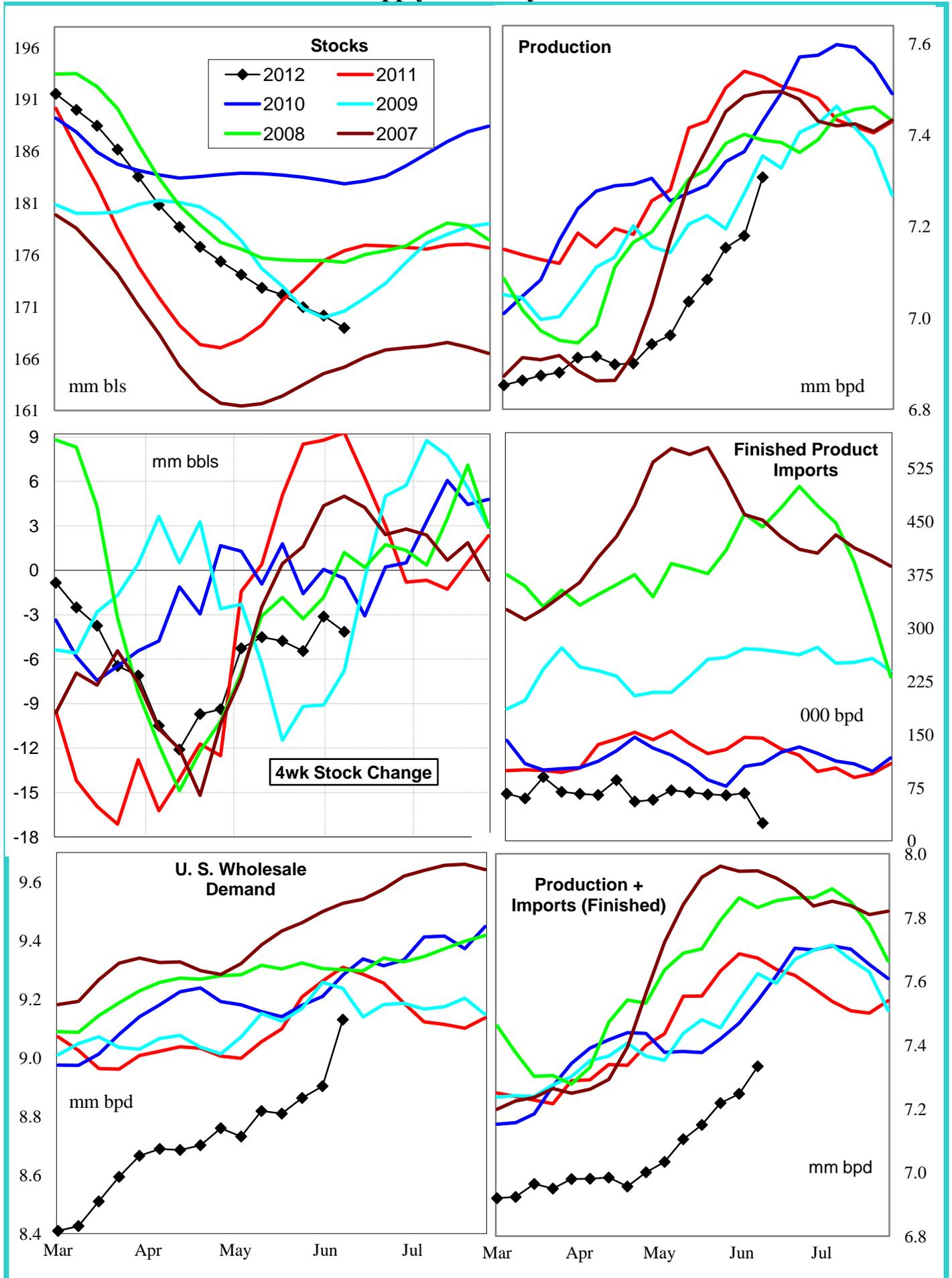
Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3



PADD 5 Gasoline Supply

