



## WEEKLY GASOLINE FUNDAMENTAL-PRICE-BASIS OUTLOOK

### A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Thursday, July 19, 2012

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 decreased -289,000 bpd last week, reflecting a mid summer pull back similar to last year. The latest 4-wk year-on-year decline was -306,000 bpd (-3.3%).

Production plunged -424,000 bpd on the week, as a result of unplanned

maintenance in several markets. Imports also fell -284,000 bpd on the week. Supplies were -572,000 bpd below last year in the combined markets East of the Rockies.

Stocks fell -1.8 million barrels, including a -1.2 million barrel draw on the East Coast.

Cash basis decreased in all regional markets, driven by the steeply inverted forward price curve of the NYMEX RBOB contract. Basis levels in NYH traded at the mid range, while all other markets traded at levels near last years' record lows.

Look for basis in regional markets outside of NYH to remain under pressure in the near term, then increase by mid August as the forward price curve in the RBOB contract declines on an end to peak summer demand.

#### RBOB

**New York Harbor** basis to trade at levels above the historic average on low stock levels, with risk of a pull back as peak summer demand comes to an end.

#### Conventional

**New York Harbor** basis to trade at levels above the historic average on low stock levels, with risk of a pull back as peak summer demand comes to an end.

**Chicago** basis to remain under pressure in the near term on tight East Coast supplies,

then trend higher as peak summer demand comes to an end.

**Group III** basis to remain under pressure in the near term on tight East Coast supplies, then trend higher as peak summer demand comes to an end.

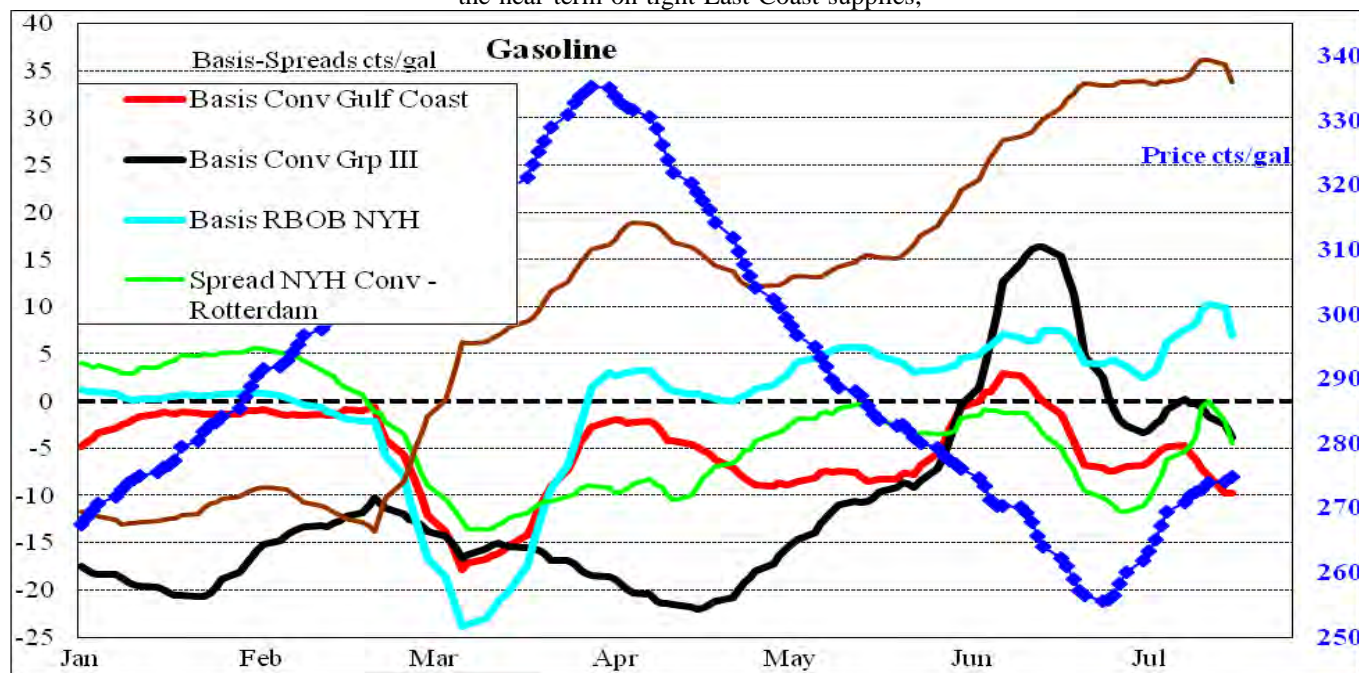
**Gulf Basis** to trade at the low end of the historic range on tight East Coast supplies in the near term, then trend higher as peak summer demand comes to an end.

**West Coast (Los Angeles)** basis to trade at the low end of the historic range on seasonal stock building, then higher as fall maintenance begins.

#### Gulf Coast Price

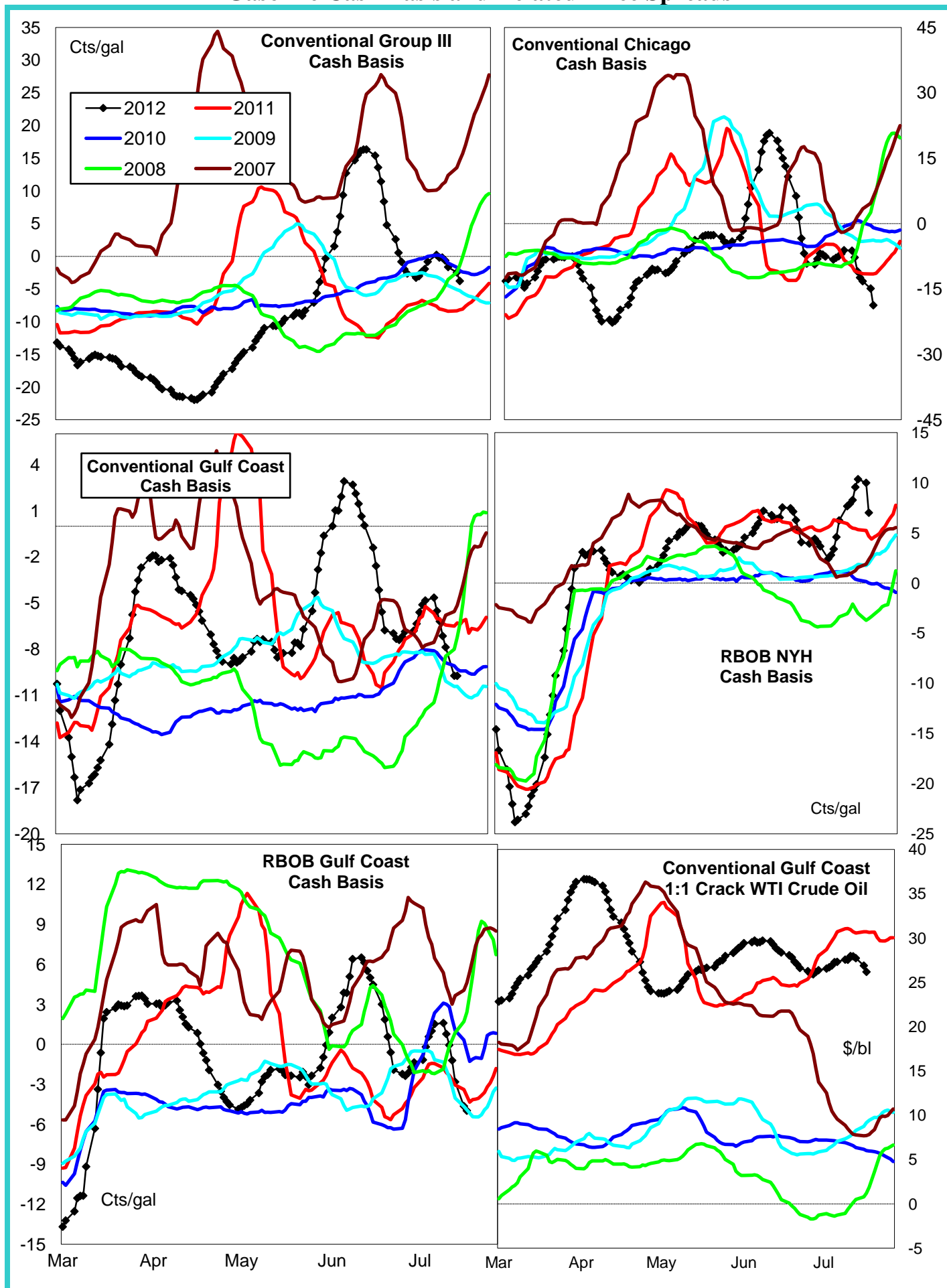
A lack of imports (due to European refinery closures) and local production, has kept supplies on the East Coast extremely tight for the summer quarter. The result has been a record inversion of the RBOB forward price curve. Partially offsetting the tight supplies has been lackluster demand in all regional markets.

Unrest in the Middle East underlies the recent energy price rebound, even on slower global economic growth. Gasoline prices should remain volatile for the balance of the summer quarter, with a pull back on an end to peak summer travel.

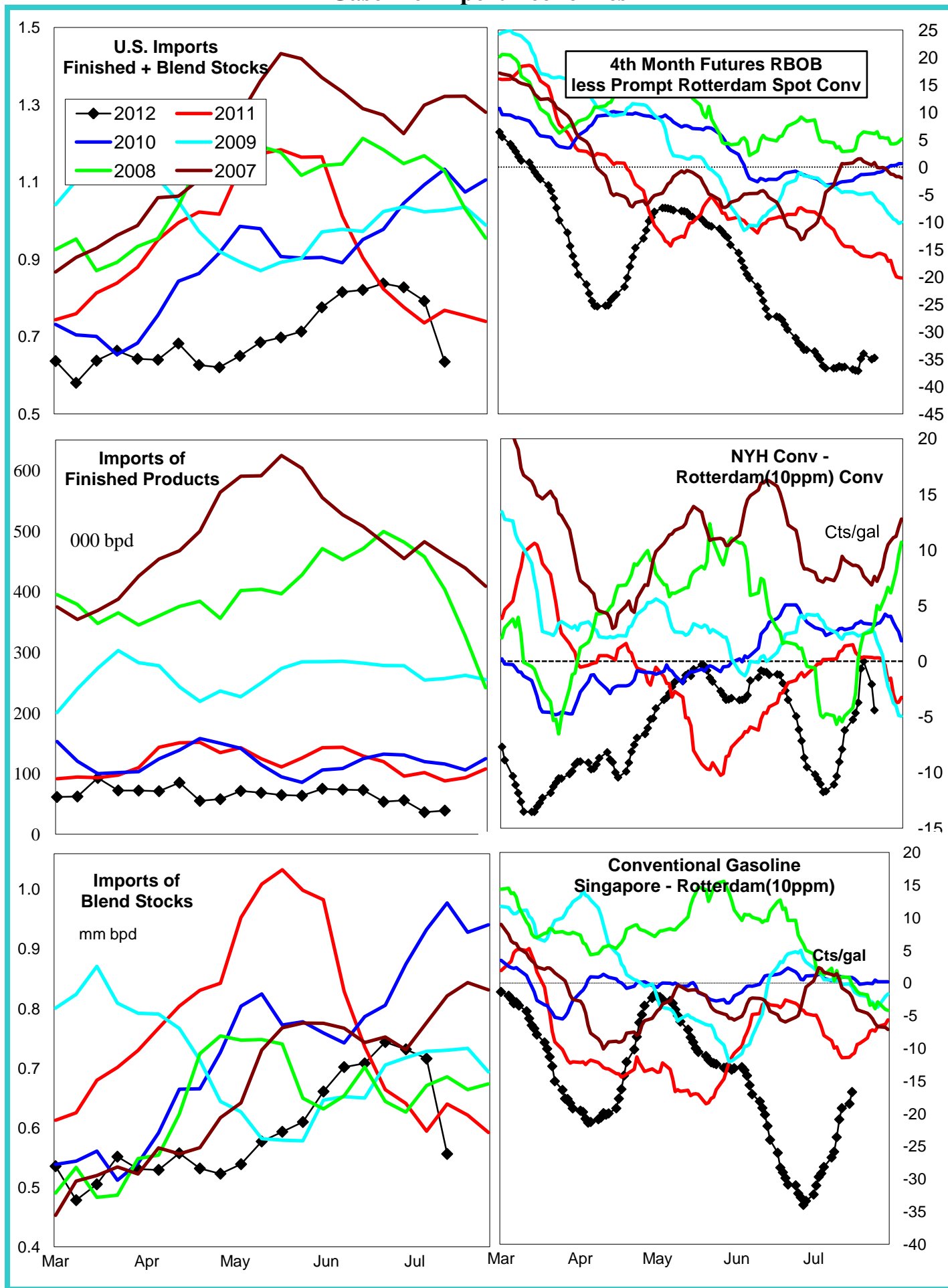


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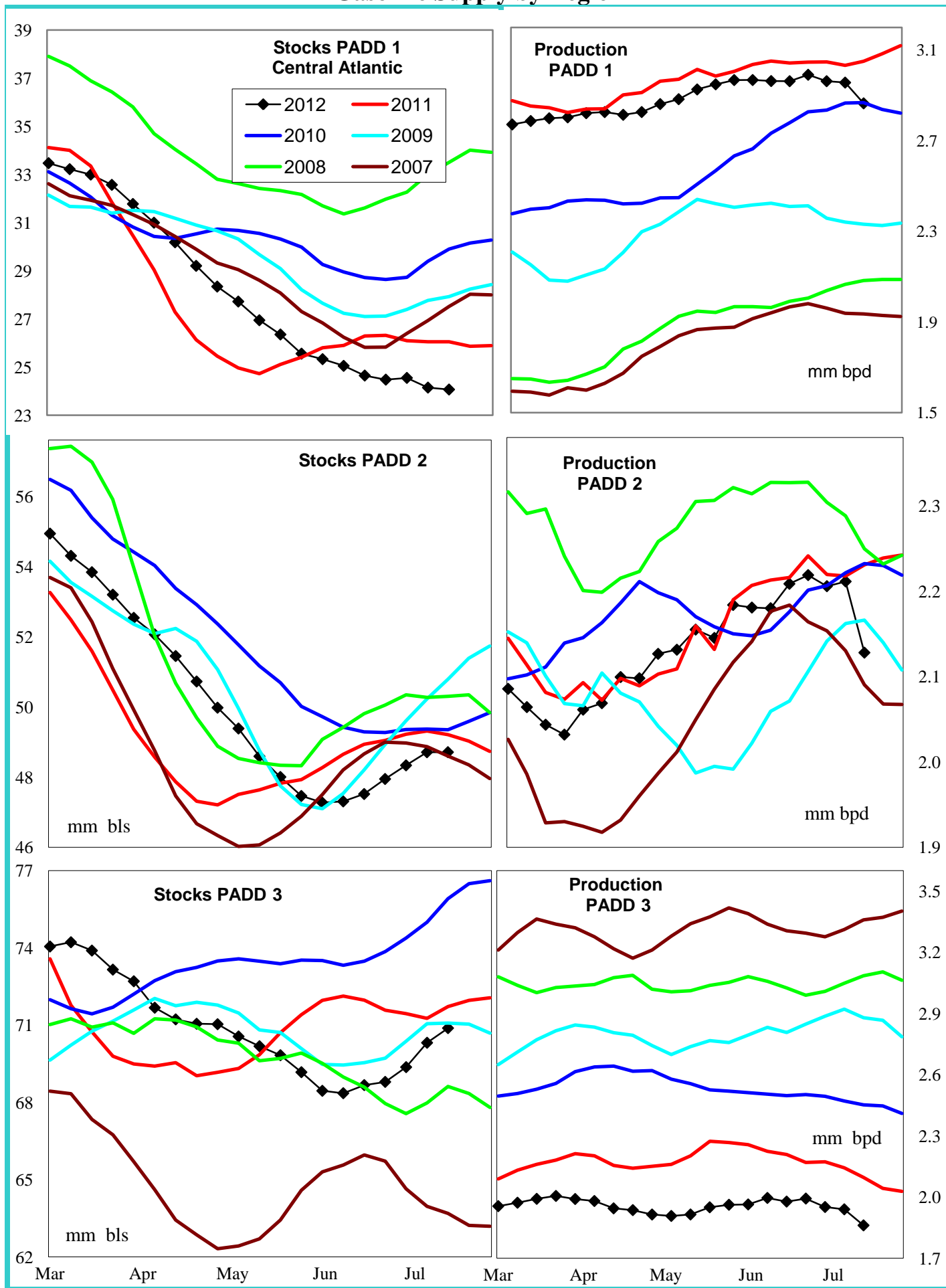
## Gasoline Cash Basis and Related Price Spreads



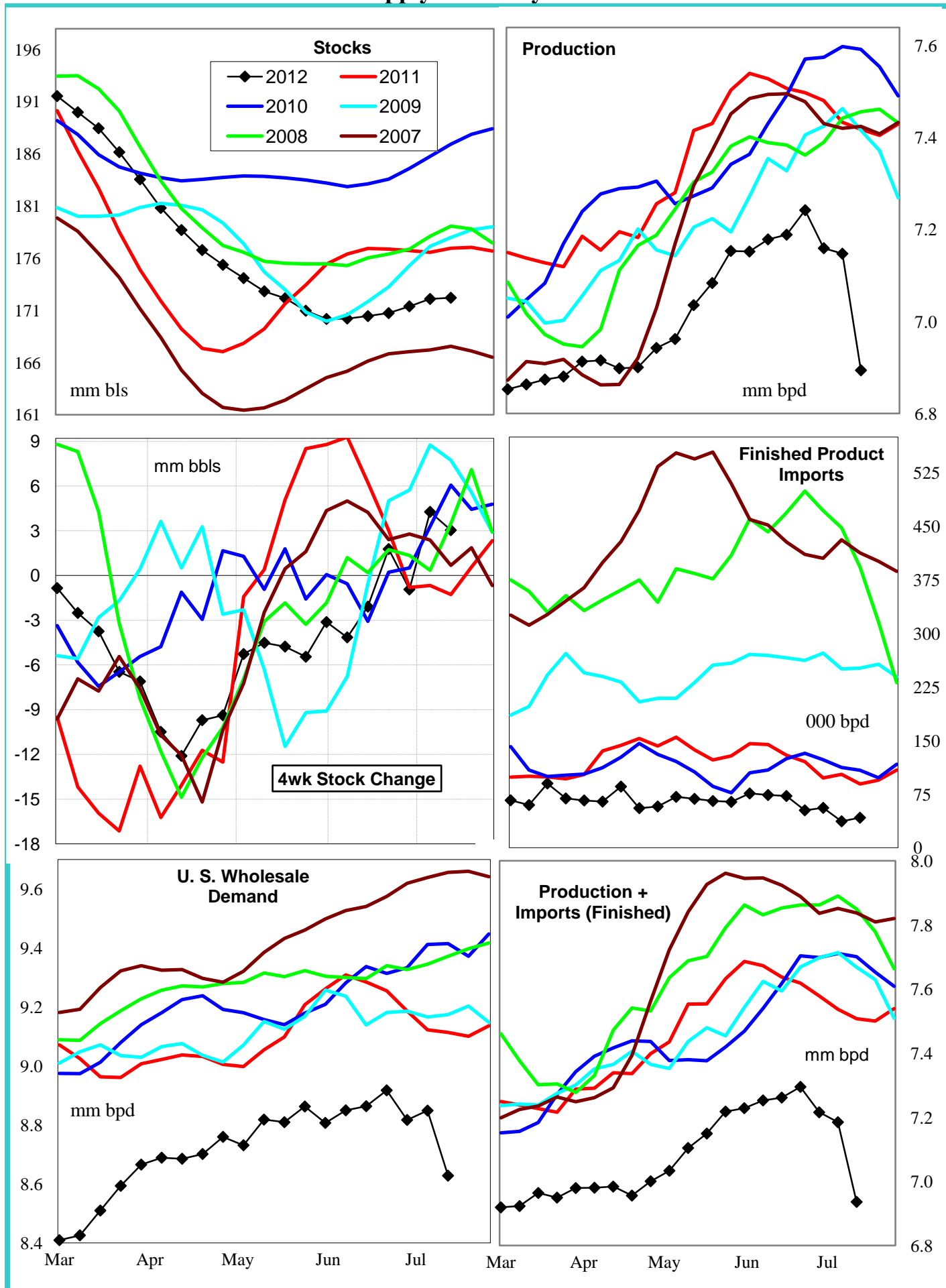
## Gasoline Import Economics



# Gasoline Supply by Region



# Gasoline Supply Summary PADDs 1+2+3





# PADD 5 Gasoline Supply

