



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 +469,000 bpd last week, representing a late summer

surge following very weak demand in the prior month. The latest 4-wk year-on-year decline was -257,000 bpd (-2.8%).

Supplies jumped +438,000 bpd on higher imports and production.

Stocks fell -2.4 million barrels, including a -1.8 million barrel draw on the East Coast.

Cash basis trended lower in all markets last week, except the Northwest. The decrease was driven by very tight East Coast supplies that pushed the forward price curve to a record inversion for this time of year.

West Coast basis has pulled back in California after an initial spike on the Chevron fire.

Look for basis in most regional markets to trend lower on very tight Central Atlantic Region supplies, a sharp drop in seasonal demand, and higher RVP grades in early September.

RBOB

New York Harbor basis to trend lower on an end to peak summer travel.

Conventional

New York Harbor basis to trend higher from current very low levels.

Chicago basis to trend lower on an end to peak summer demand.

Group III basis to trend lower on an end to peak summer demand.

Gulf Basis to trend lower on an end to peak summer demand and plants returning to operation in the Midwest.

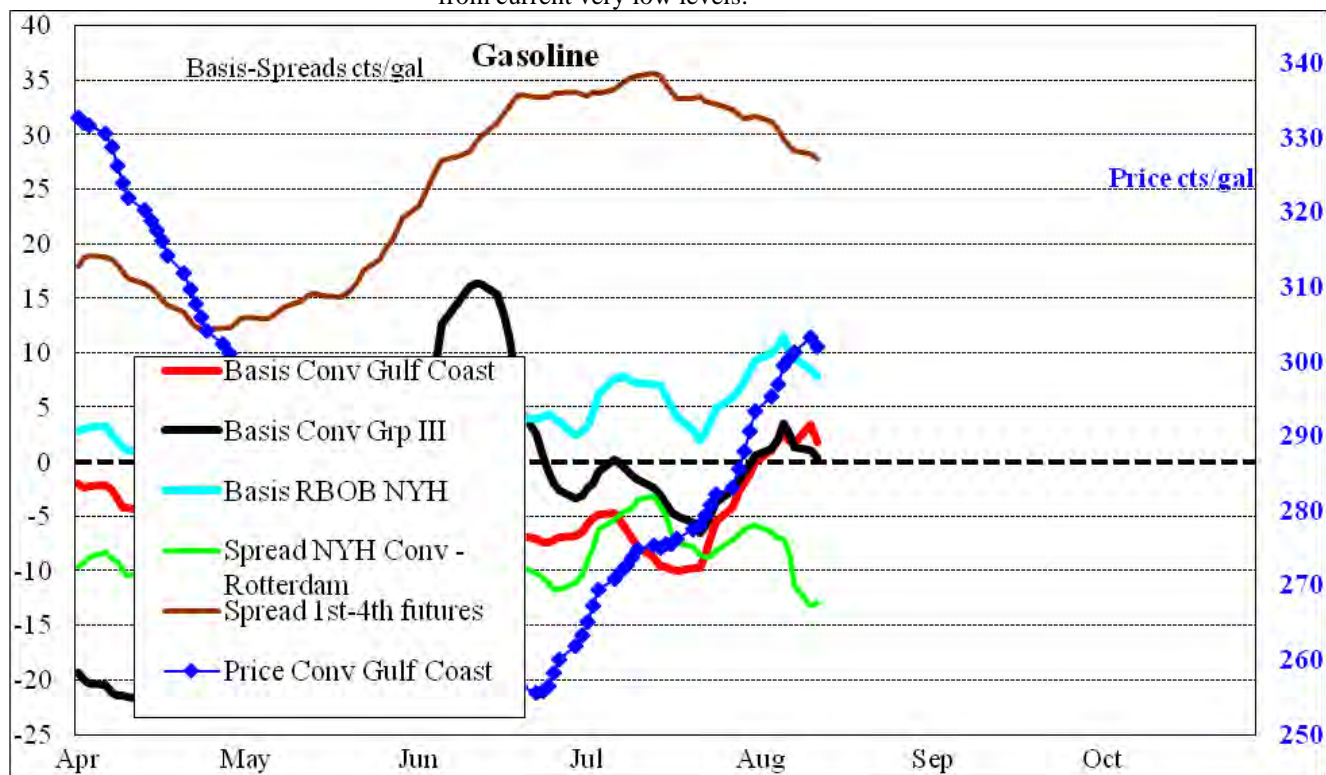
West Coast (Los Angeles) basis to trend lower in SF and Northwest markets on imports to displace the lost Chevron volume.

Gulf Coast Price

Look for an end to peak summer wholesale demand and higher RVP grades in early September to lead to price weakness by early next month. Very tight supplies on the East Coast may limit the pull back.

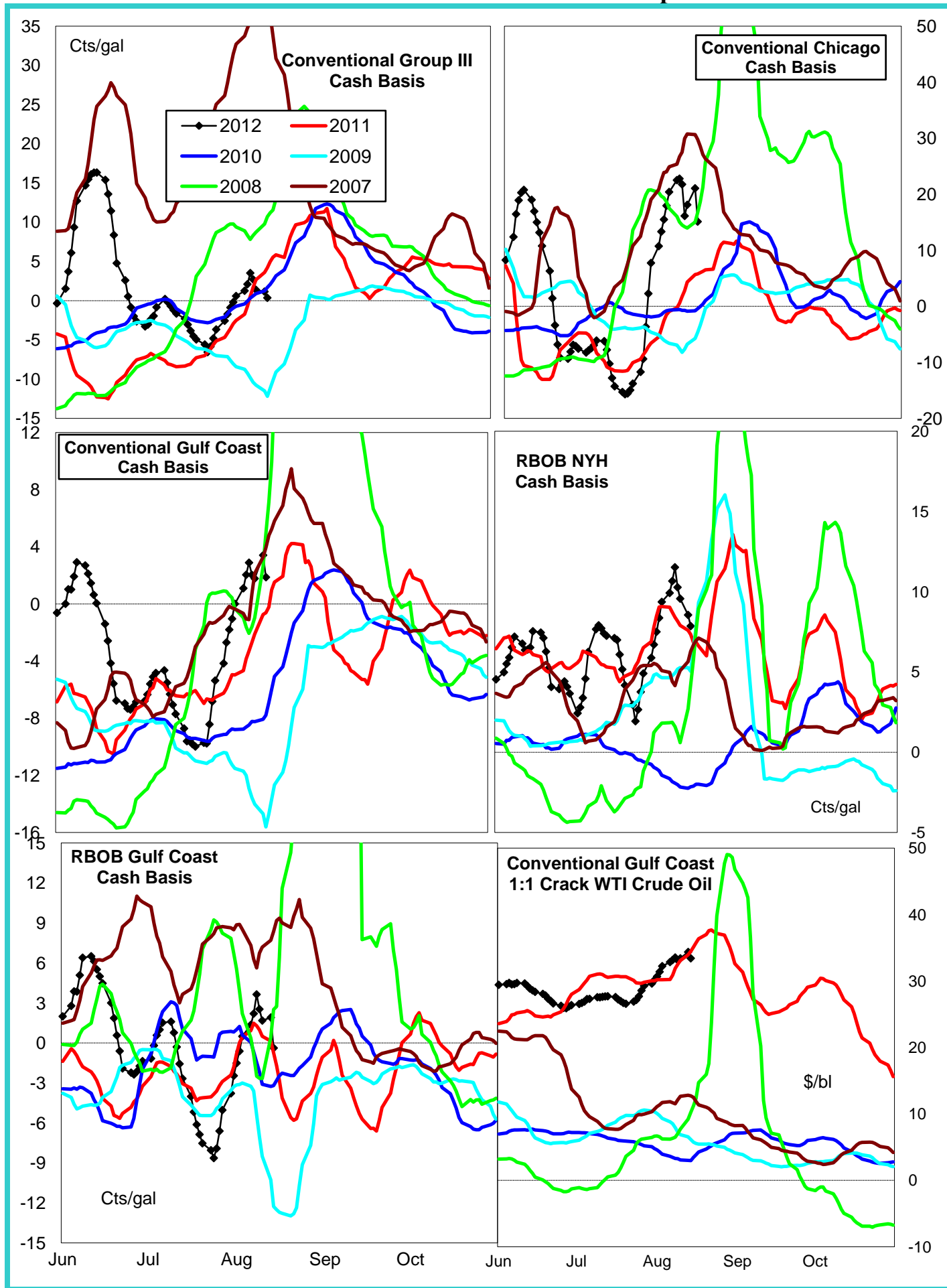
A rise in Middle East tension risk further upside in energy prices. This risk is offset by a continued slowdown in global economic growth.

Look for volatile energy prices with longer term downside risk due to slow global economic growth.

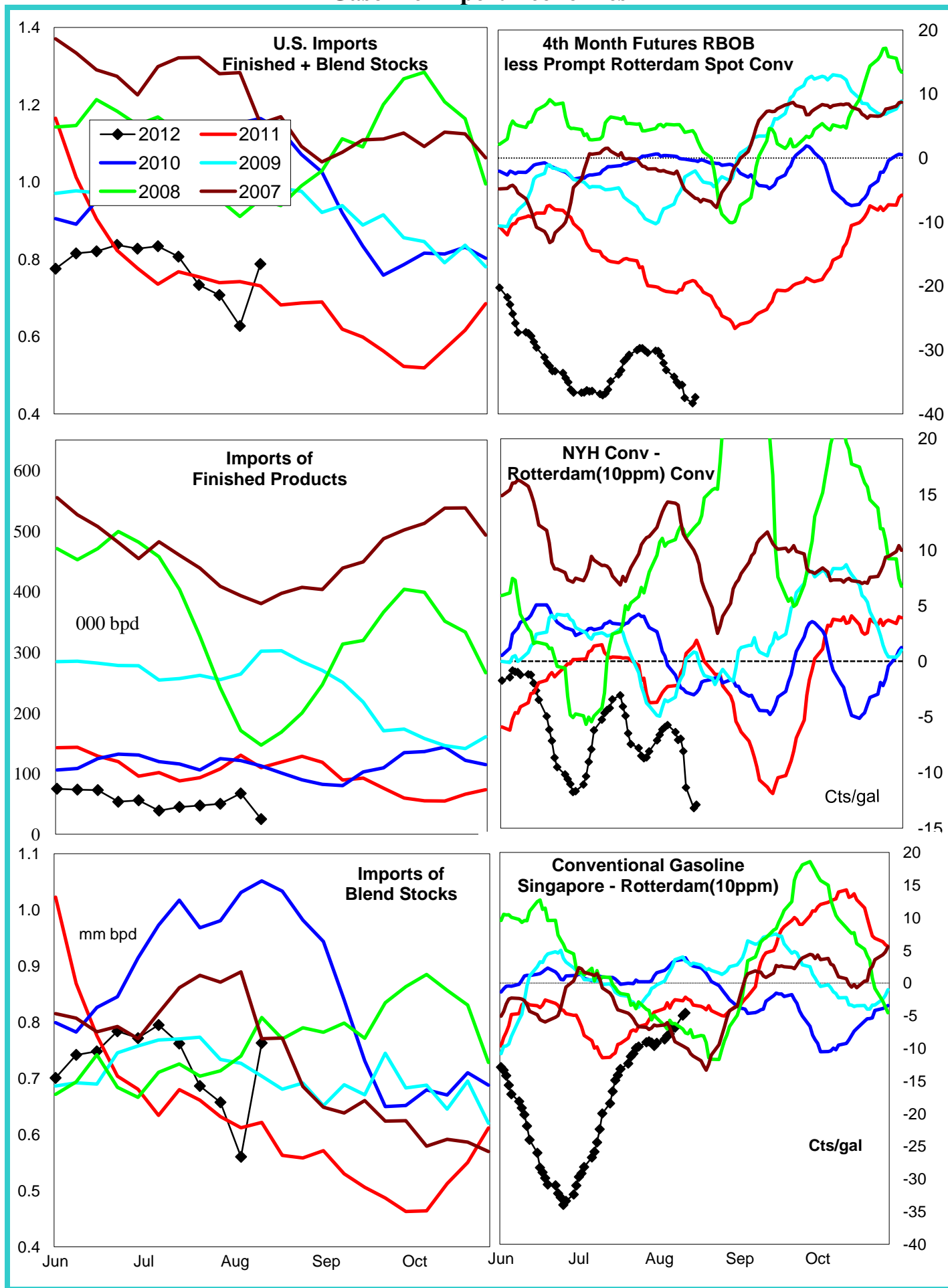


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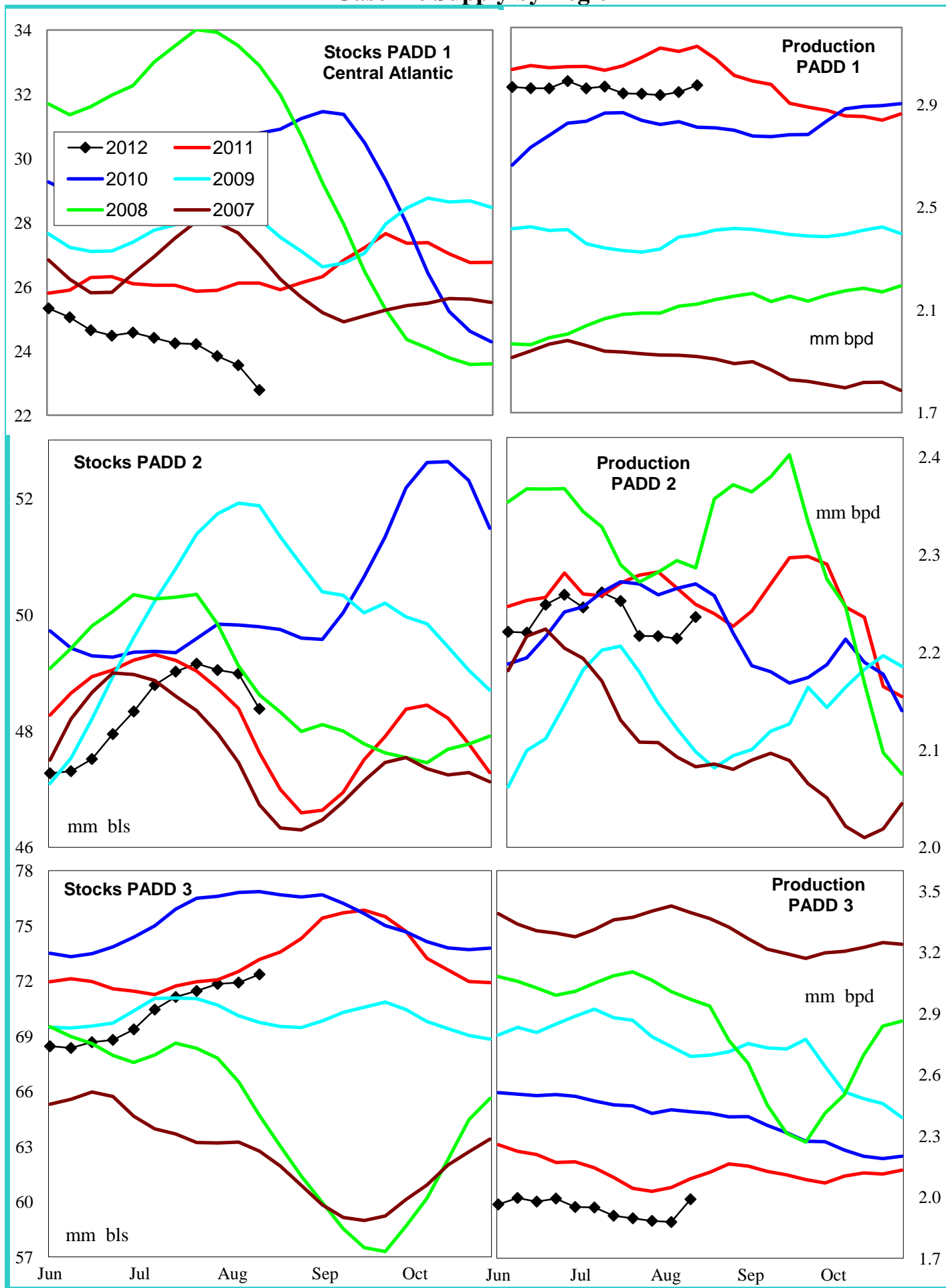
Gasoline Cash Basis and Related Price Spreads



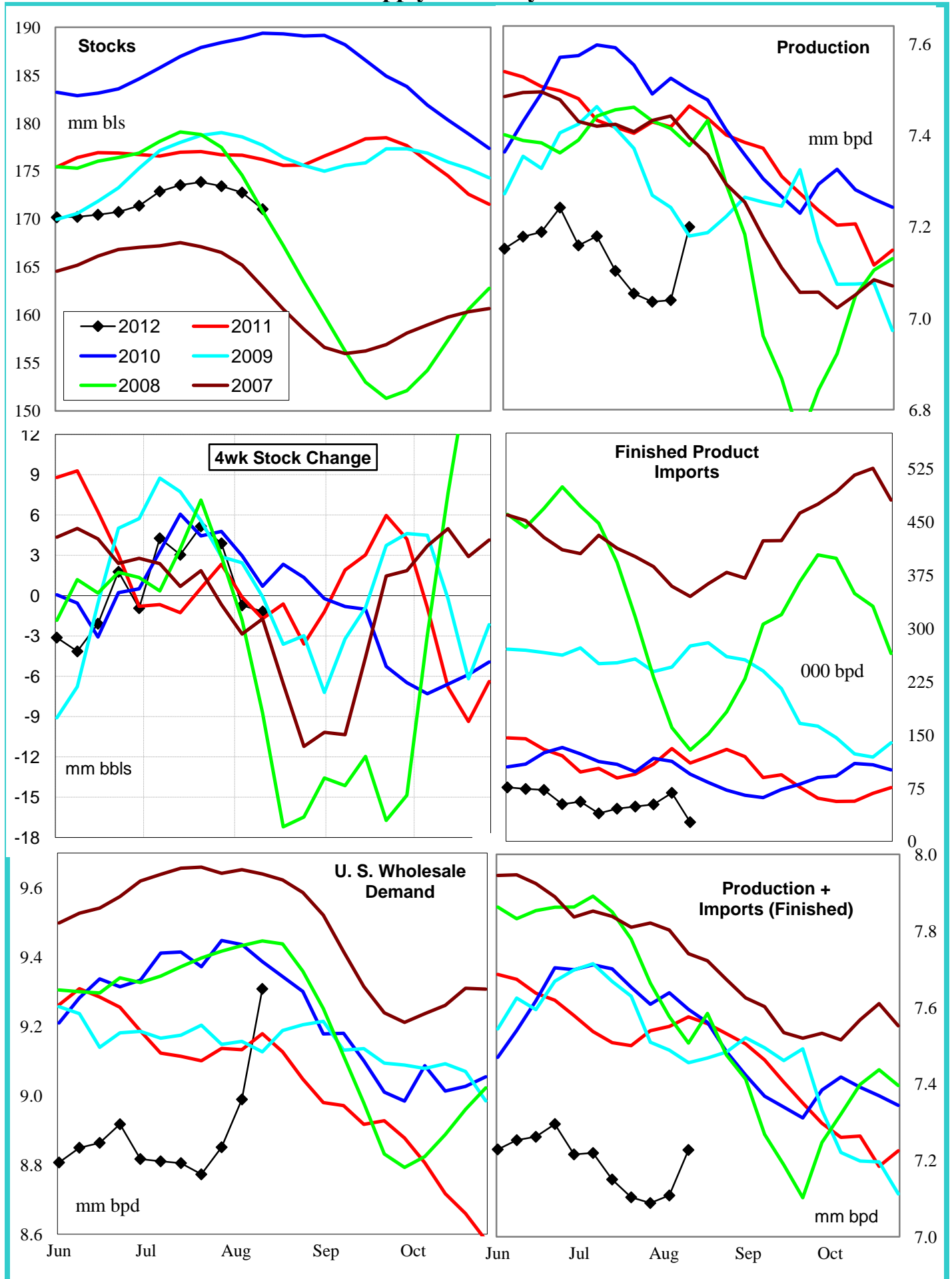
Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3



PADD 5 Gasoline Supply

