



## 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 decreased -17,000 bpd last week, with the level comparable to a

year ago. The latest 4-wk year-on-year decline was -96,000 bpd (-1%).

Supplies decreased -225,000 bpd on lower imports and production.

Stocks decreased -1.5 million barrels, including -1 million barrel draws in PADDs 2 & 3.

Cash basis for conventional grades spiked last week in most markets East of the Rockies on hurricane Isaac threat.

West Coast California basis continued to trade at the low end of the 5-year range; driven by a +1.2 million barrel stock build last week.

Look for basis to jump on the roll to October RBOB futures next week, then trend lower on an end to peak seasonal demand across markets.

#### RBOB

**New York Harbor** basis to trade higher on the futures RBOB roll then trend lower as peak summer demand ends and RVP changes increase supplies.

#### Conventional

**New York Harbor** basis to trend higher in the near term on the futures roll to October and tight supplies caused by refiners closing for hurricane Isaac, then pull back on an end to peak summer

demand, with a higher than average level due to tight supplies.

**Chicago** basis increase on the roll, the pull back on an end to summer demand.

**Group III** basis trend higher on the roll, then trend lower on an end to peak summer demand.

**Gulf Basis** to remain elevated until refiners return to operation, then trend seasonally lower.

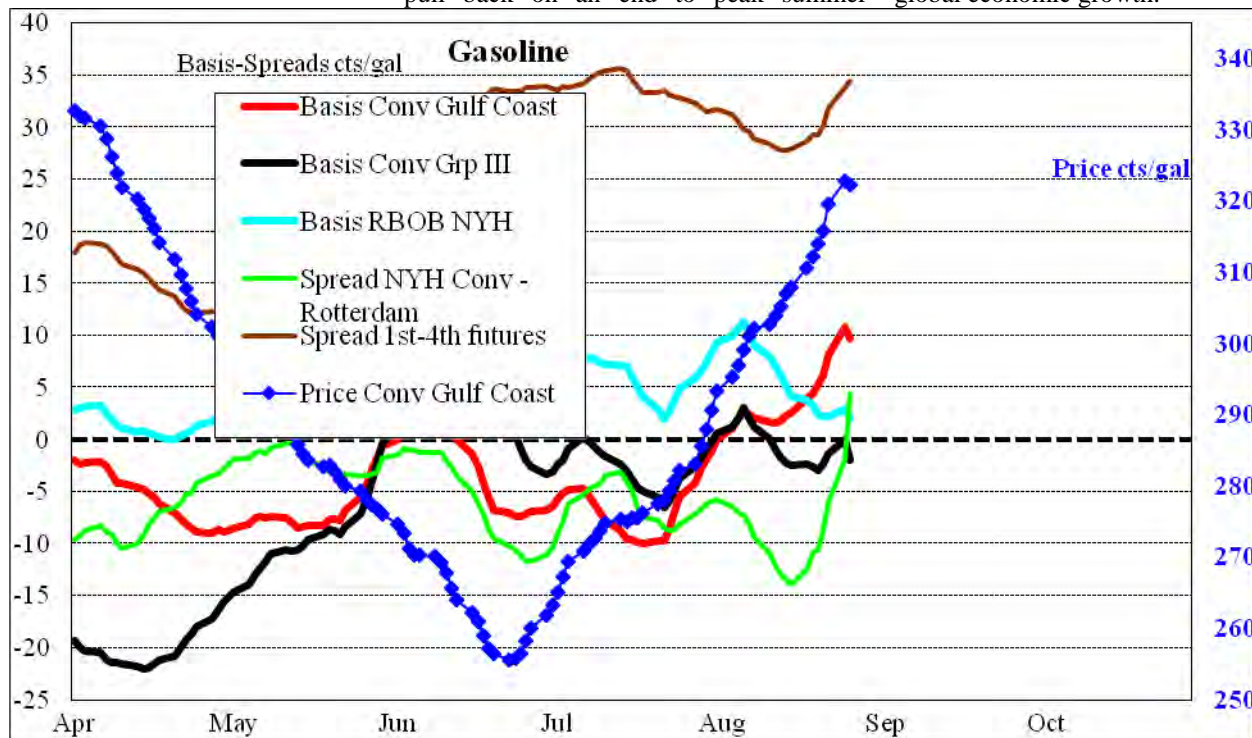
**West Coast (Los Angeles)** basis to trend higher from current low levels as forward price curve inversion declines.

#### Gulf Coast Price

Temporary refinery closures in the eastern Gulf has disrupted supplies to east coast and inland pipeline markets. As refiners return to operation, peak seasonal demand comes to an end and increased RVP allows supplies to increase, look for a seasonal pull back in gasoline prices. Tight supplies on the East Coast may limit the pull back.

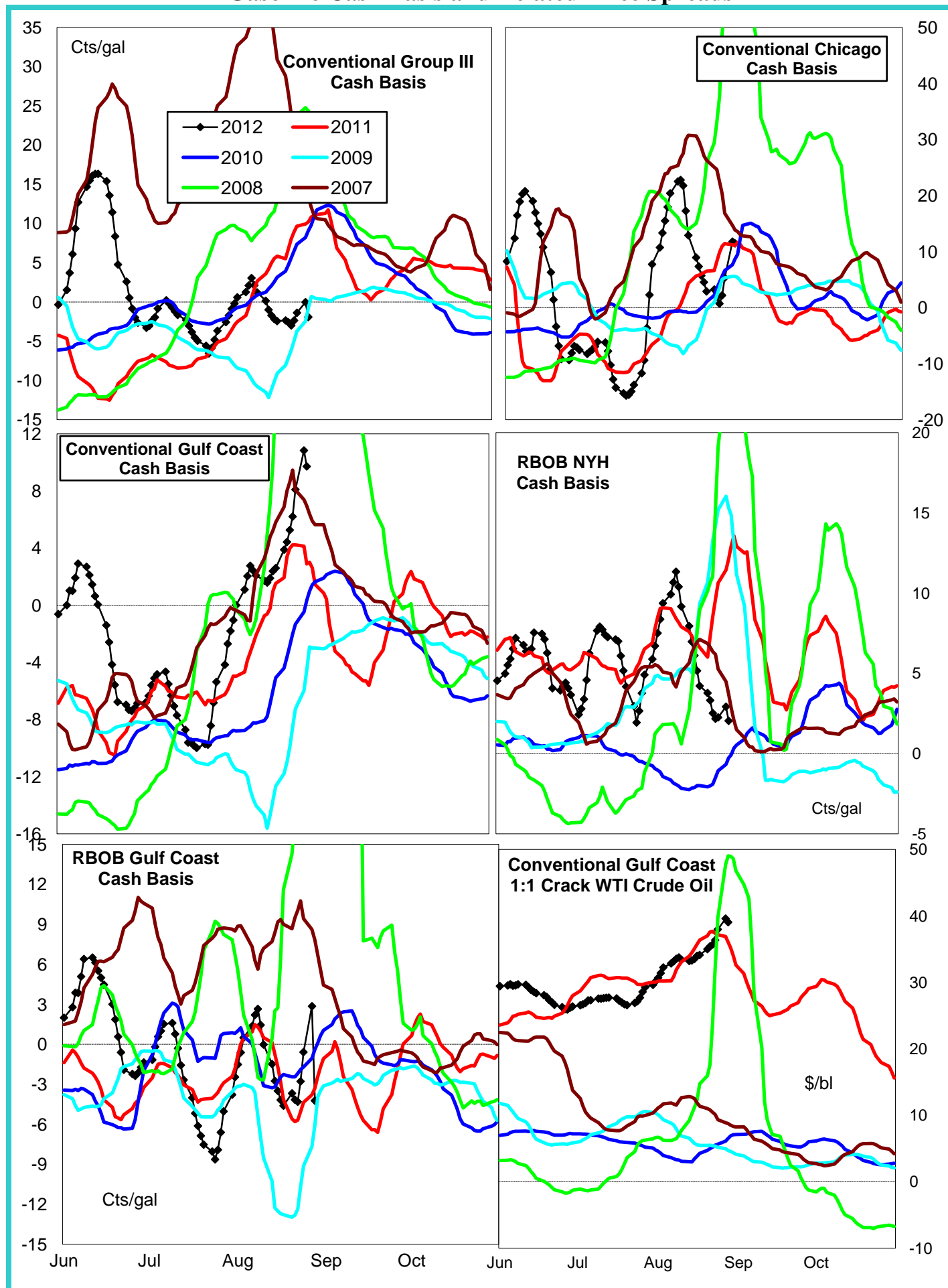
A rise in Middle East tension risk further upside in energy prices. This risk is offset by a continued slowdown in global economic growth.

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

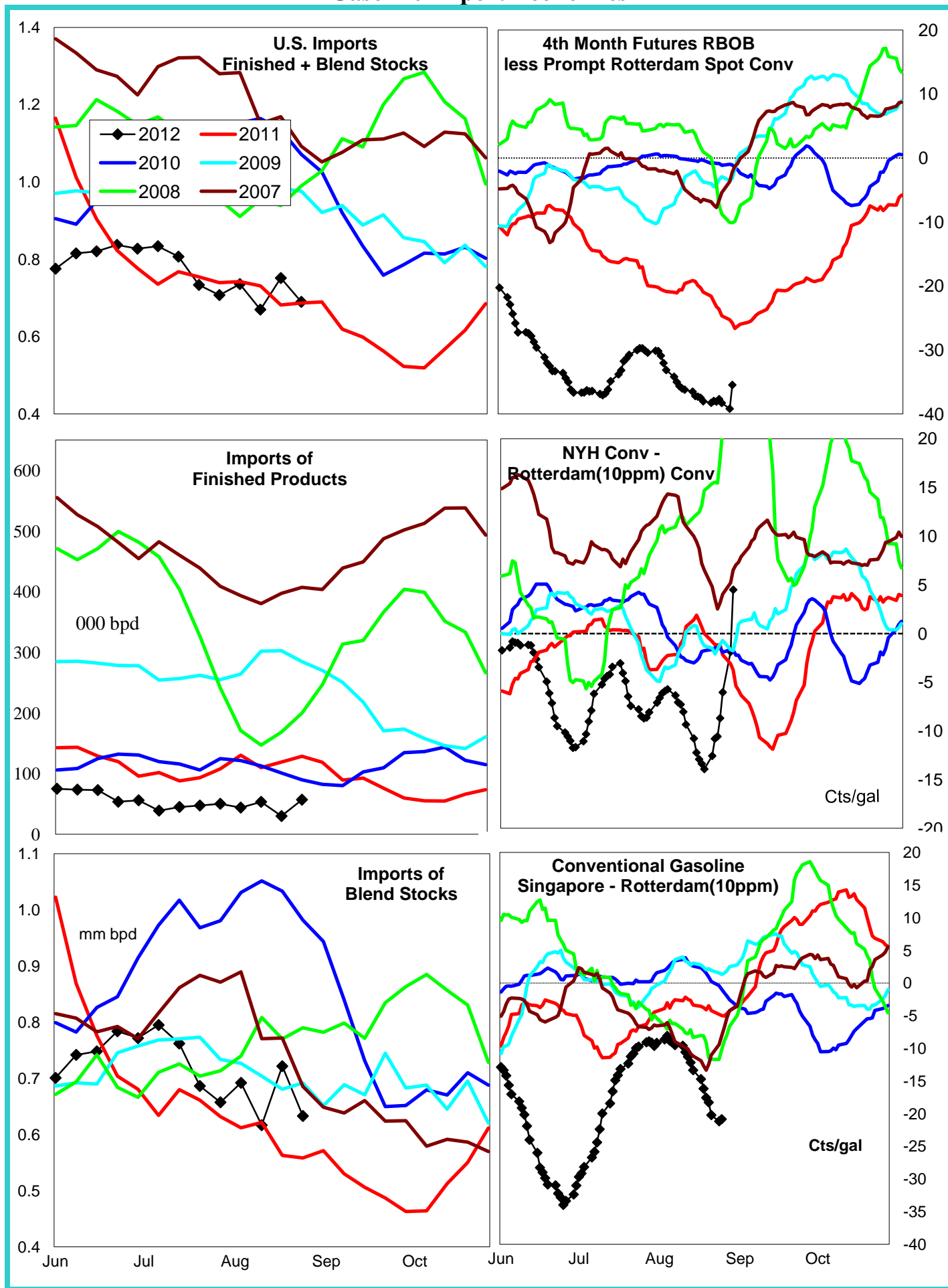


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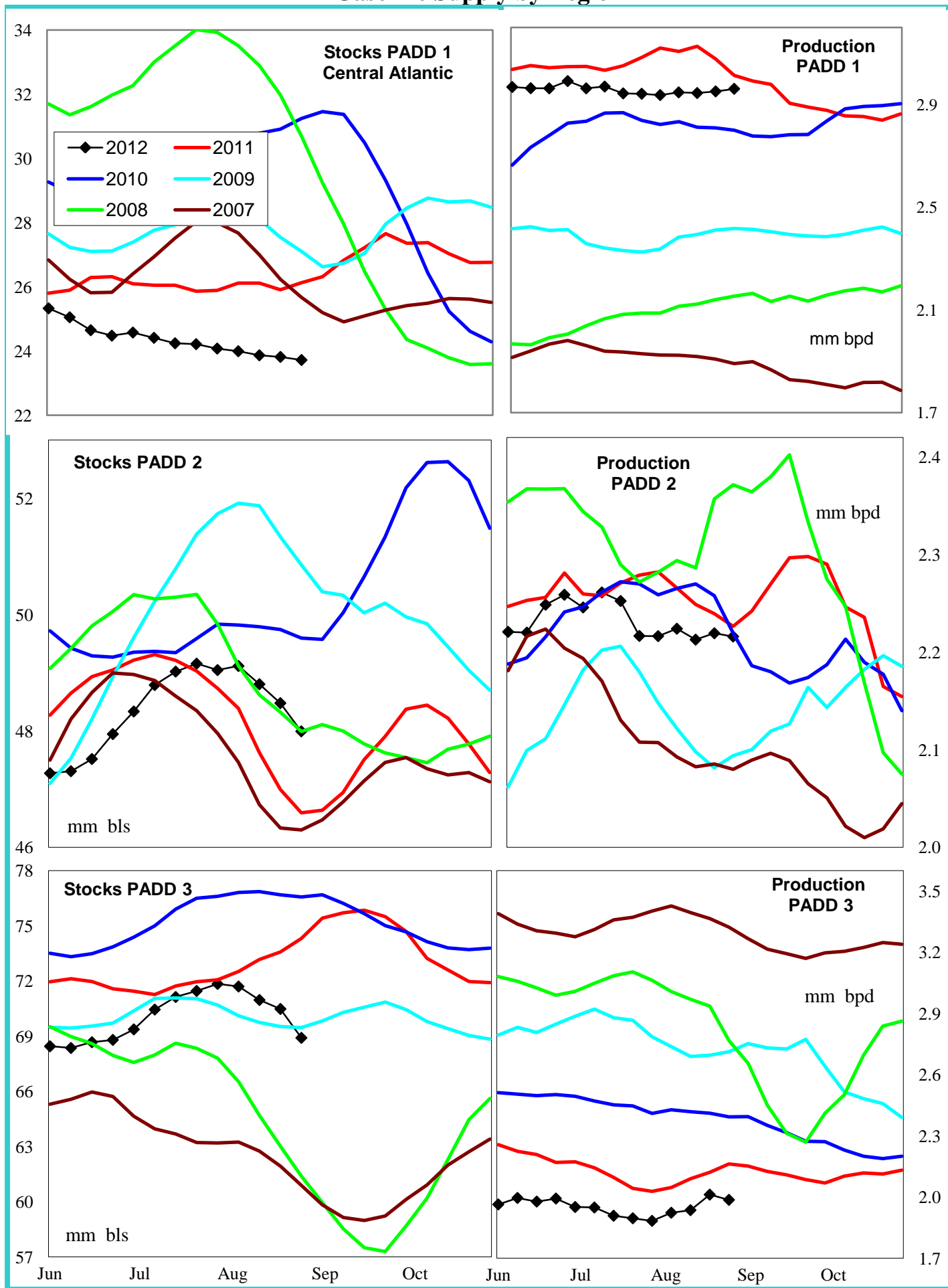
# Gasoline Cash Basis and Related Price Spreads



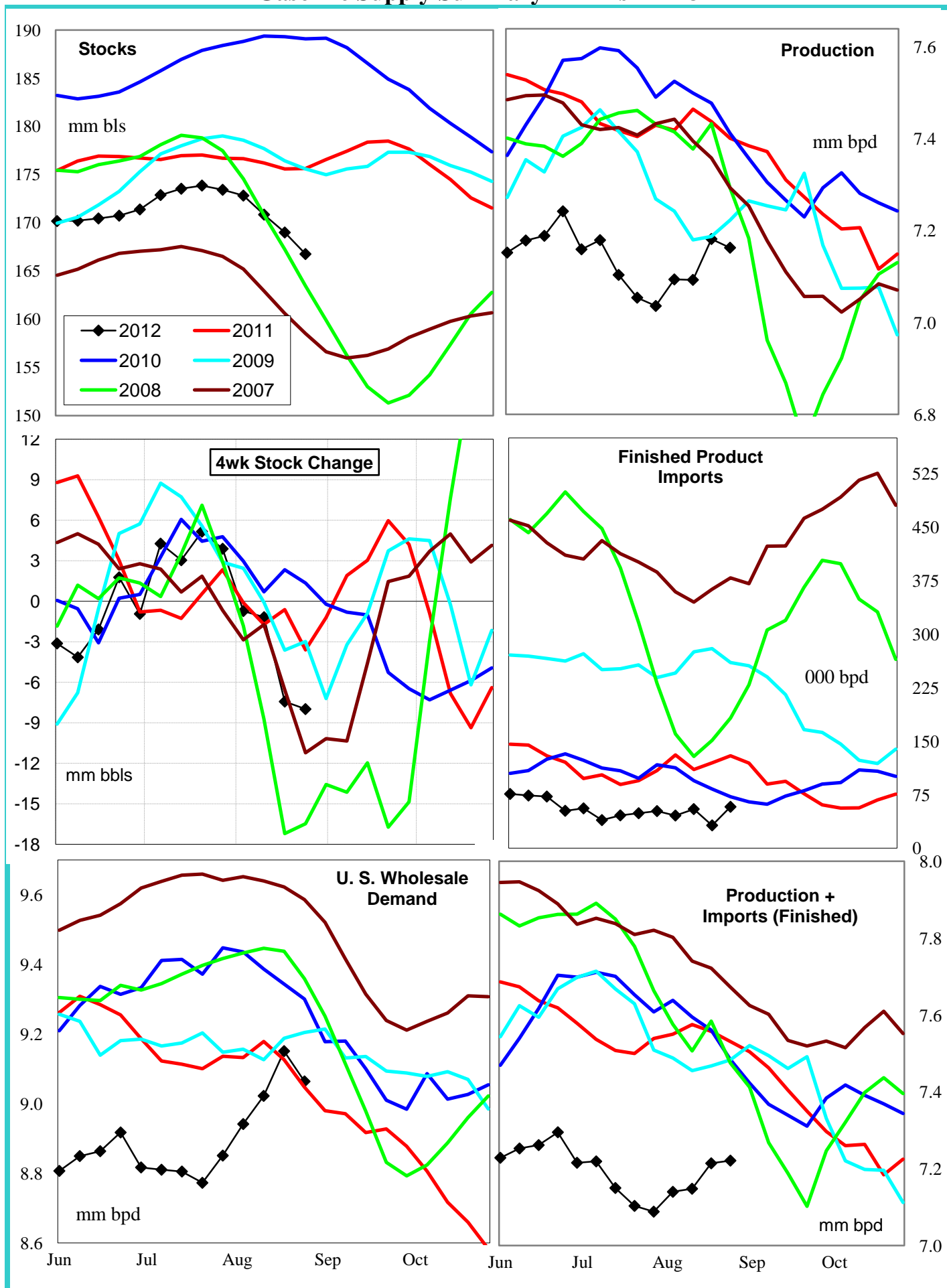
## Gasoline Import Economics



# Gasoline Supply by Region



# Gasoline Supply Summary PADDs 1+2+3



# PADD 5 Gasoline Supply

