



## 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 declined -46,000 bpd last week with the level below the 5-year range. The latest 4-wk year-on-year change in demand was a -292,000 bpd decrease (-3.3%).

Supplies fell -0.5 million bpd on lower production and imports.

Stocks decreased -0.5 million barrels on the week, including a -1 million barrel draw on the East Coast.

Stocks remain extremely tight on the East Coast, due to low imports and earlier refinery closures. The restart of the Trainer PA refinery should add local supply over the next several months, while lower seasonal demand and increased output of winter grades should improve stock levels before year end. West coast production is at a record level, which combined with a waiver for winter grades should improve supplies in the very near term.

Basis levels fell sharply in all regional markets last week on lower demand and a switch to winter grades in most markets. Basis levels remain elevated on the West Coast and to a lesser extent NYH. Levels in the Midwest and Gulf traded at the low end of the historic range for this time of year.

#### RBOB

**New York Harbor** basis to trend lower as imports and receipts from the Gulf resupply the market.

#### Conventional

**New York Harbor** basis to trend lower as imports and receipts from the Gulf lift stock levels.

**Chicago** basis trade sideways at the low end of the historic range due to tight East Coast supply.

**Group III** basis to trade sideways at the low end of the historic range due to tight East Coast supply

**Gulf Basis** to trend lower on reduced seasonal demand.

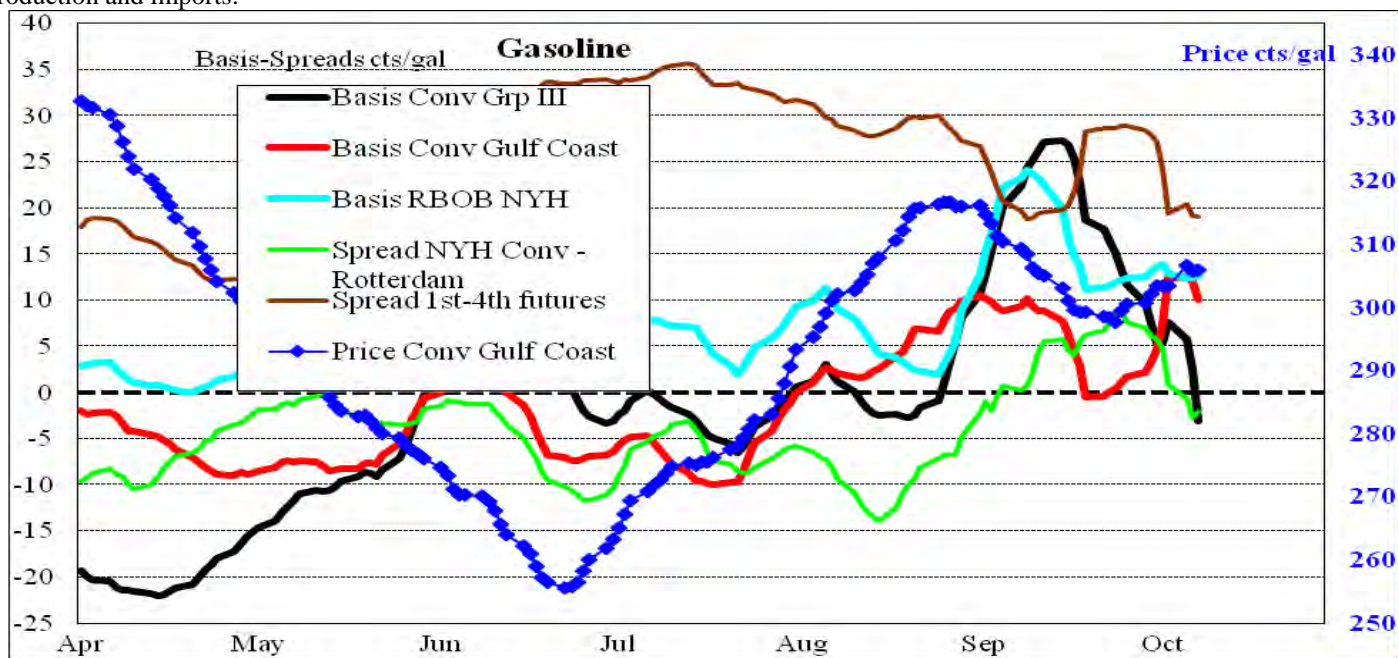
**West Coast (Los Angeles)** basis to extend the downtrend on high production and improving stock levels.

#### Gulf Coast Price

Look for an end to the supply squeeze on the east coast on an increase in imports, lower seasonal demand and increased production of winter grade product. However, stock rebuilding on the East Coast will likely be modest due to a lack of local refining capacity. The long term year-on-year downtrend in gasoline demand should continue, allowing offseason stock rebuilding to occur in other regional markets by year end.

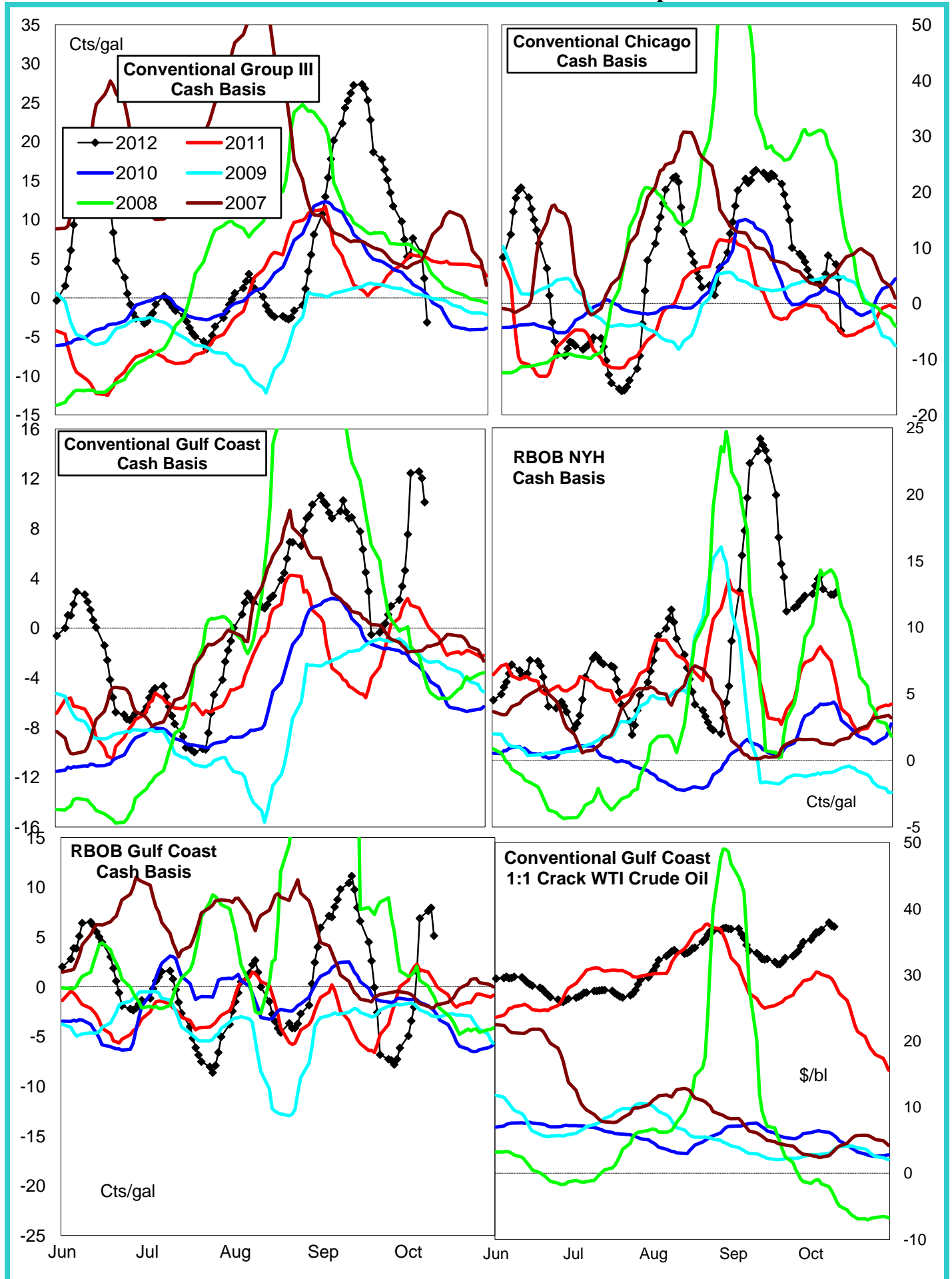
A financial crisis in Iran increases oil supply uncertainty in the region. This risk is partially offset by a continued slowdown in global economic growth.

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

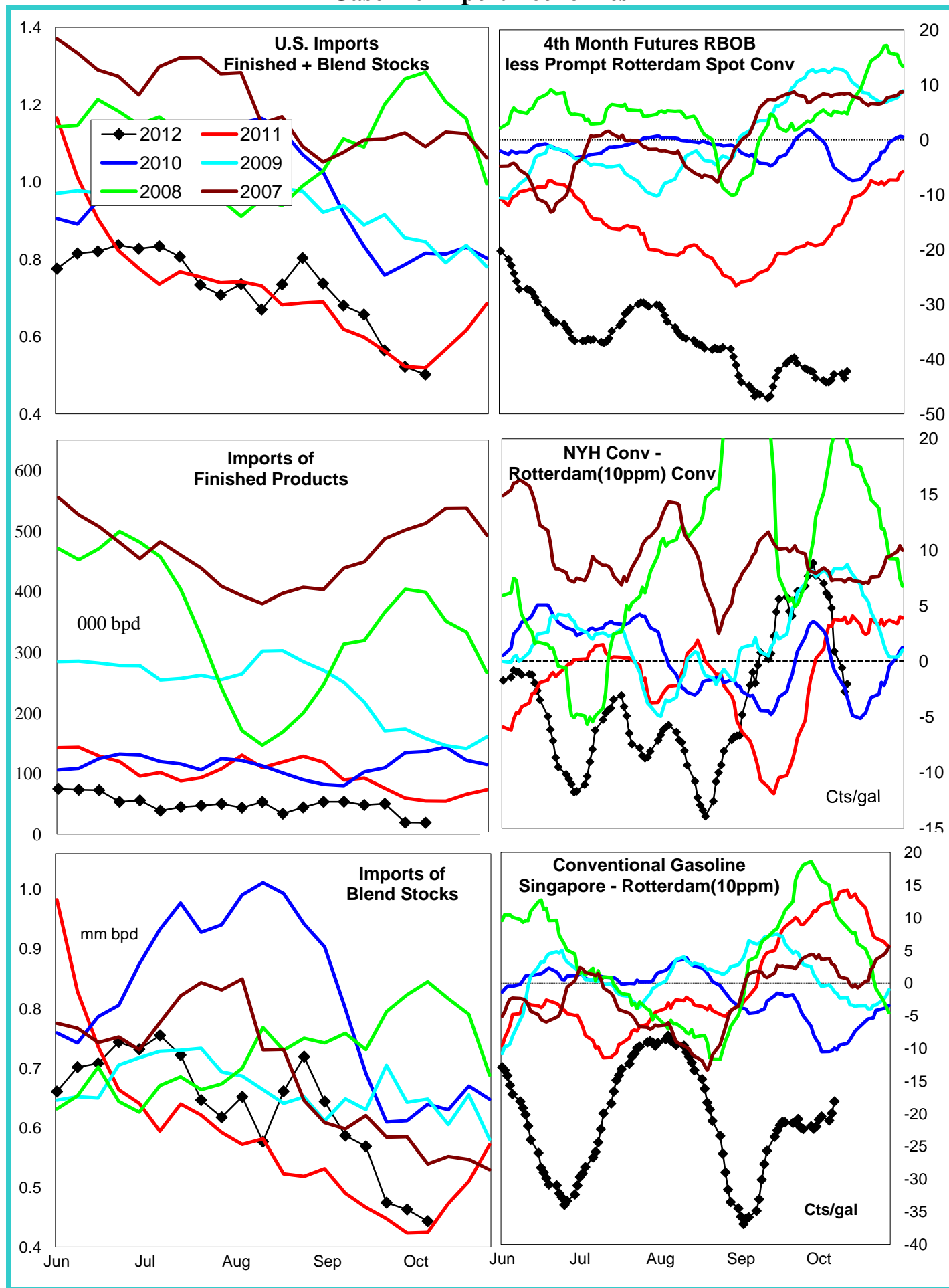


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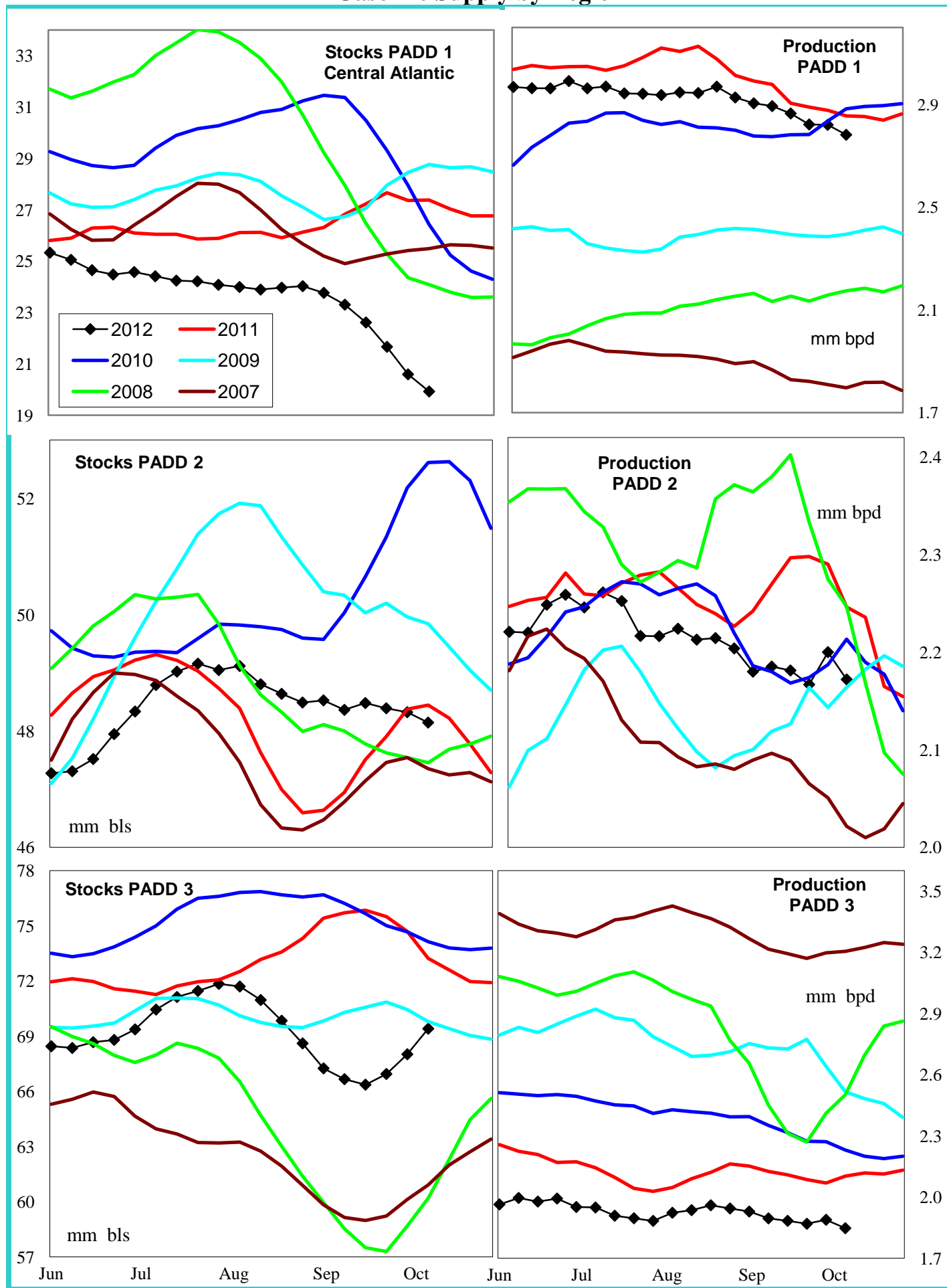
# Gasoline Cash Basis and Related Price Spreads



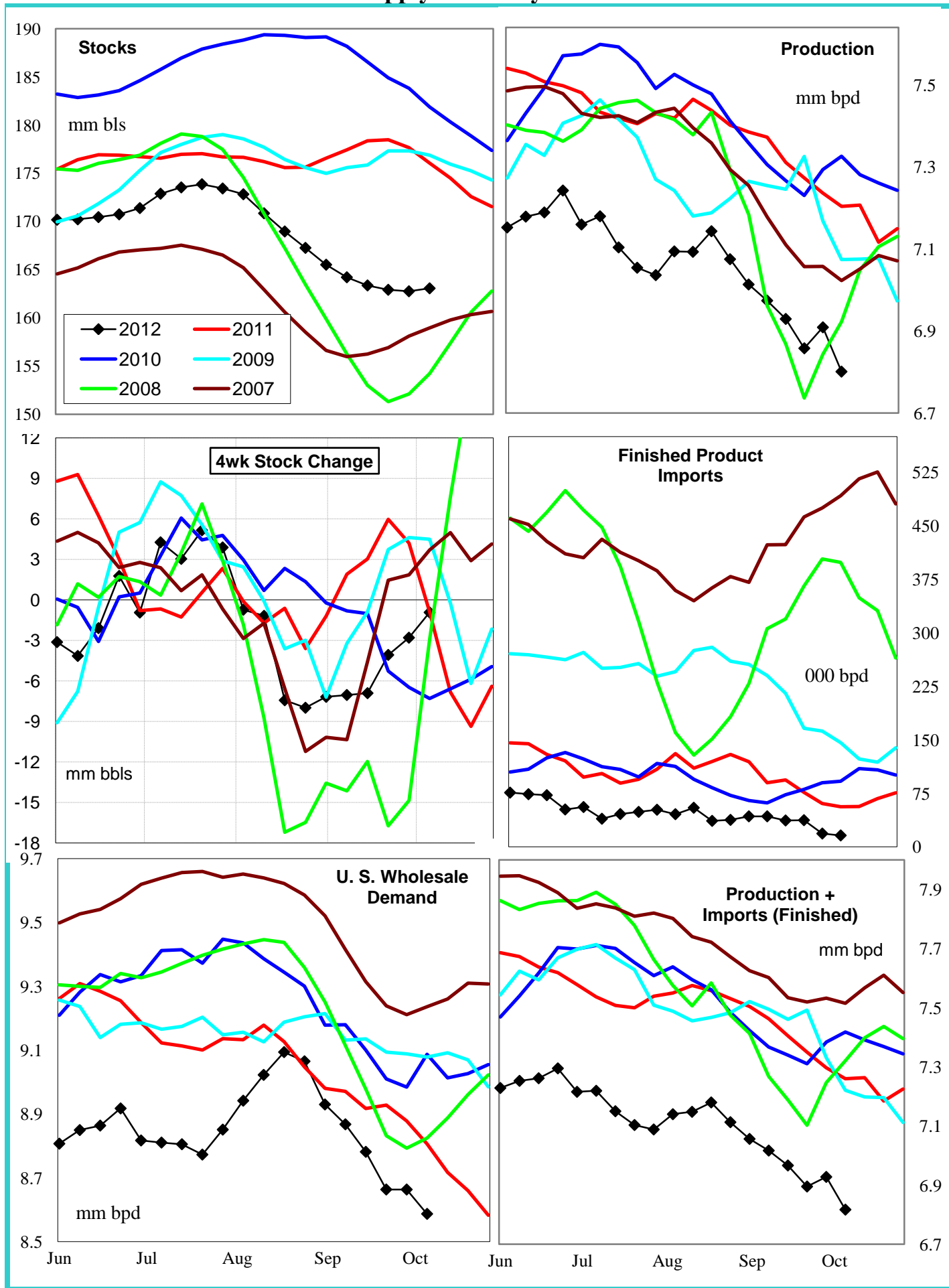
# Gasoline Import Economics



# Gasoline Supply by Region



# Gasoline Supply Summary PADDs 1+2+3





# PADD 5 Gasoline Supply

