



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 jumped +0.6 million bpd last week as terminals were restocked and travel returned to more normal levels in the area hit by Hurricane Sandy. The latest 4-wk year-on-year change in demand was a +59,000 bpd increase (+0.7%).

Supplies surged +0.5 million bpd on higher production and imports.

Stocks decreased -0.4 million barrels last week, including draws over -1 million barrels in PADDs 1 & 2.

Basis continued to trade at record levels for this time of year in NYH, which depressed basis in all other regional markets.

Basis levels remain exceptionally low in the Gulf, Group III, Northwest and northern California markets. Extended refinery maintenance in Chicago has supported basis in that region.

Look for declines in NYH basis as receipts from the Gulf and imports resupply the market. Other markets should see basis trade at levels comparable to the last 3-years on adequate supplies and lower seasonal demand.

RBOB

New York Harbor basis to pull back from elevated levels as pipeline receipts return to normal and imports rise sharply with waiver of the Jones Act.

Conventional

New York Harbor basis to pull back from elevated levels pipeline receipts return to normal and imports rise.

Chicago basis to traded at the upper end of the historic range, with extended refinery

maintenance in the winter quarter providing support.

Group III basis to trend seasonally lower on reduced demand and start of stock builds during the next few weeks.

Gulf Basis to trend higher from depressed levels as shipments to the northeast return to normal rates.

West Coast (Los Angeles) basis to trade at the low end of the historic range on seasonal stock builds.

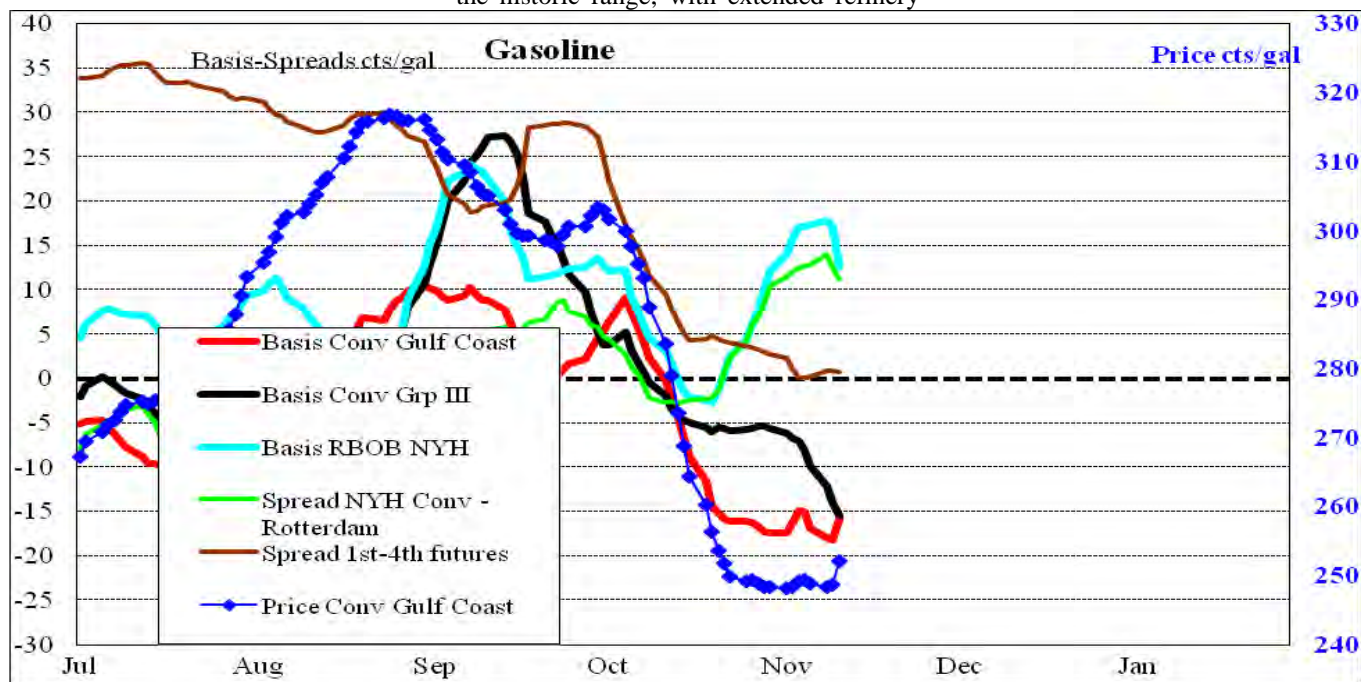
Gulf Coast Price

Continued higher imports to the northeast and increased pipeline deliveries from the Gulf should further improved gasoline supplies to the Central Atlantic Region in the very near term.

A uptrend of production following an end to maintenance and lower seasonal demand should drive stock building during the balance of the year.

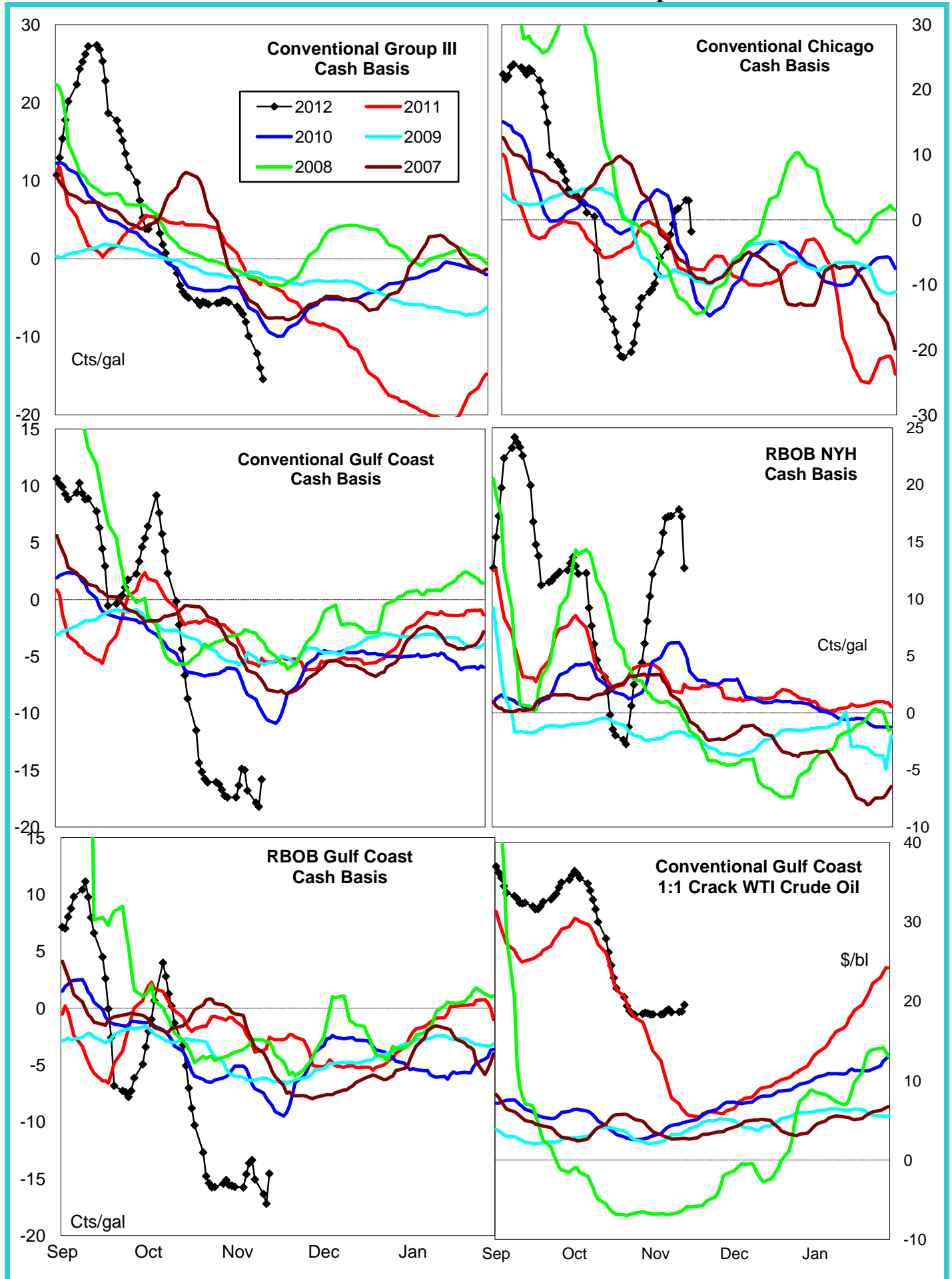
The deep recession in Europe and slow economic growth in Asia should lead to slower demand growth for energy during the 1st half of 2013.

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

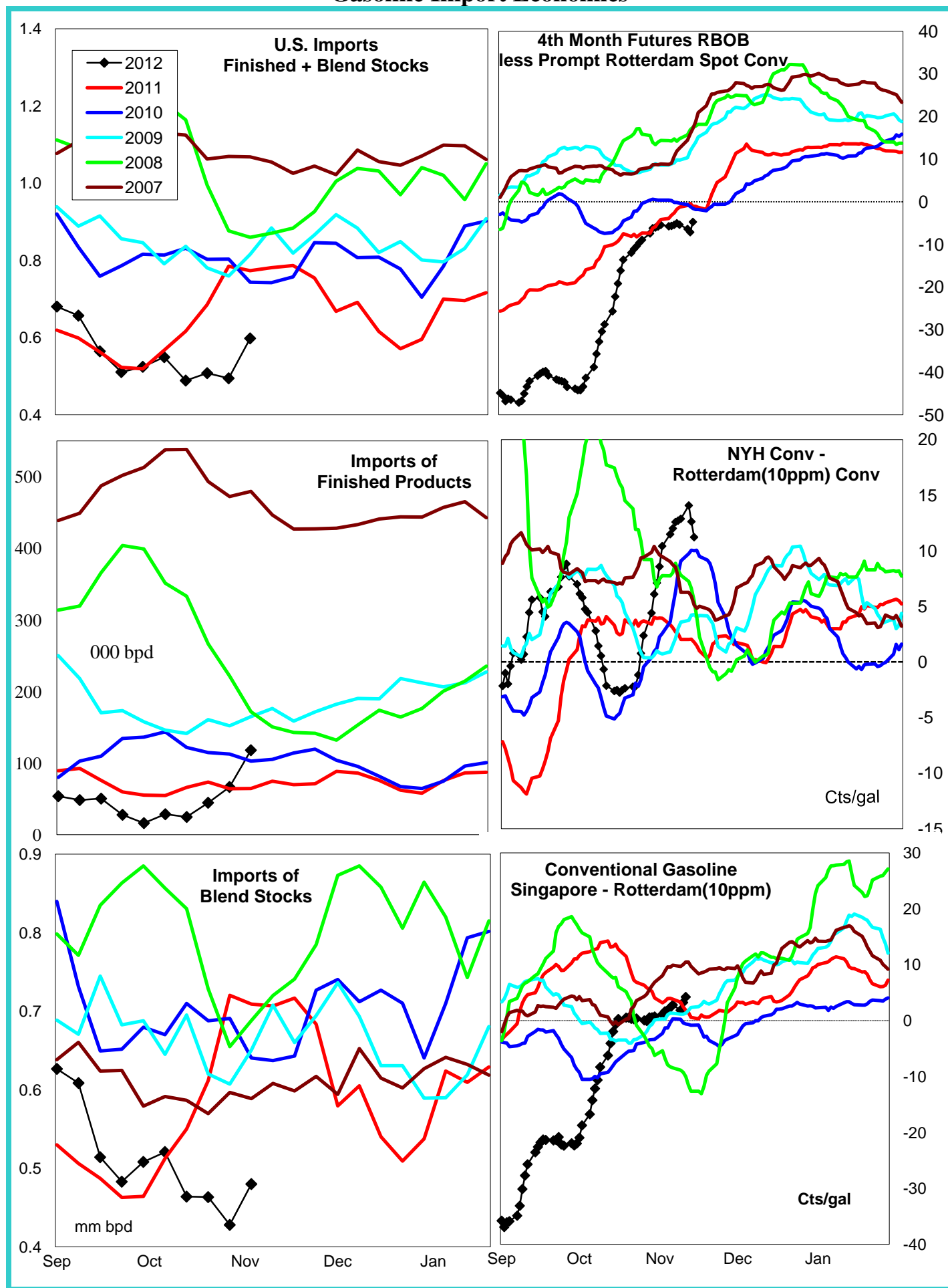


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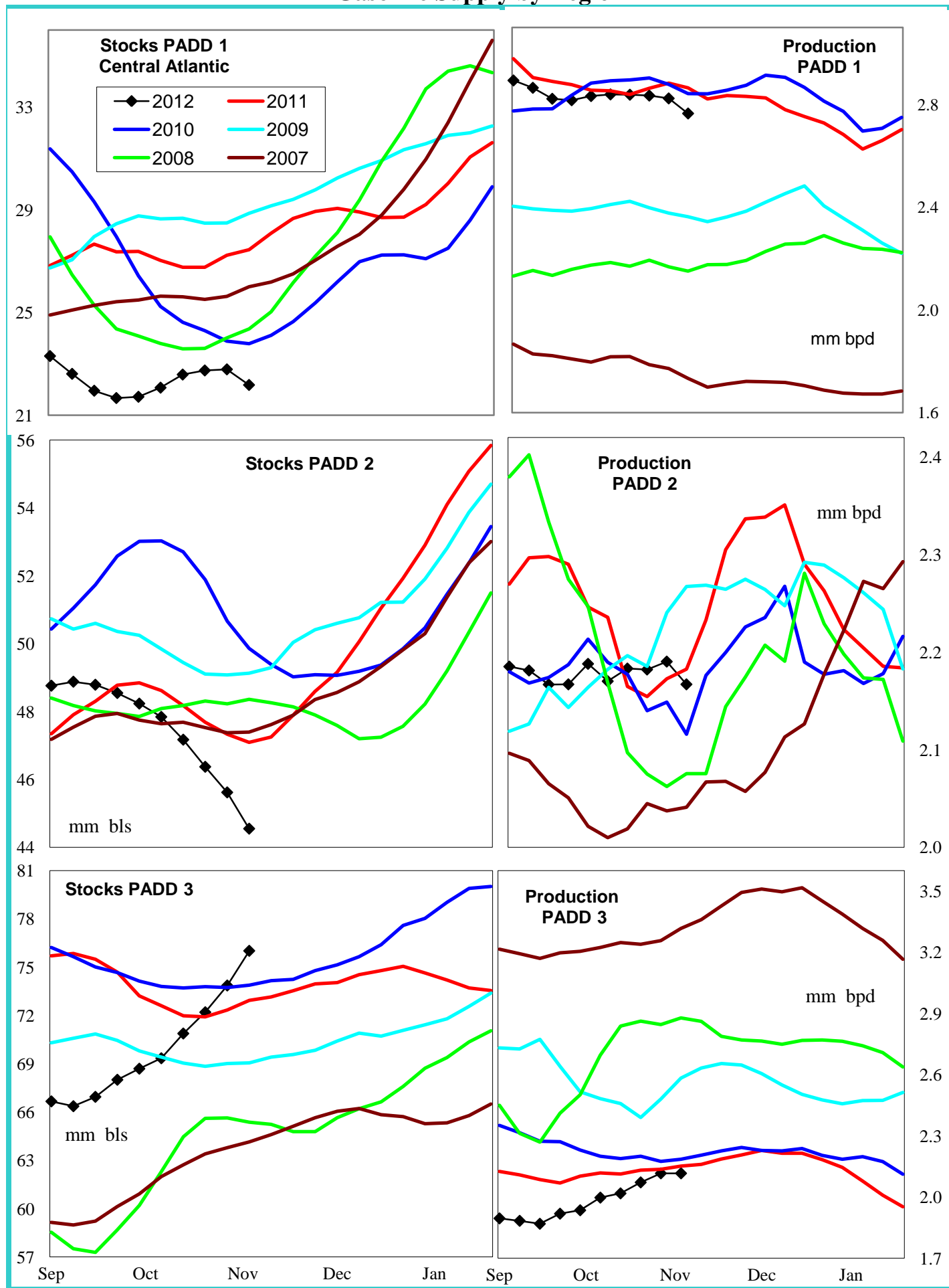
Gasoline Cash Basis and Related Price Spreads



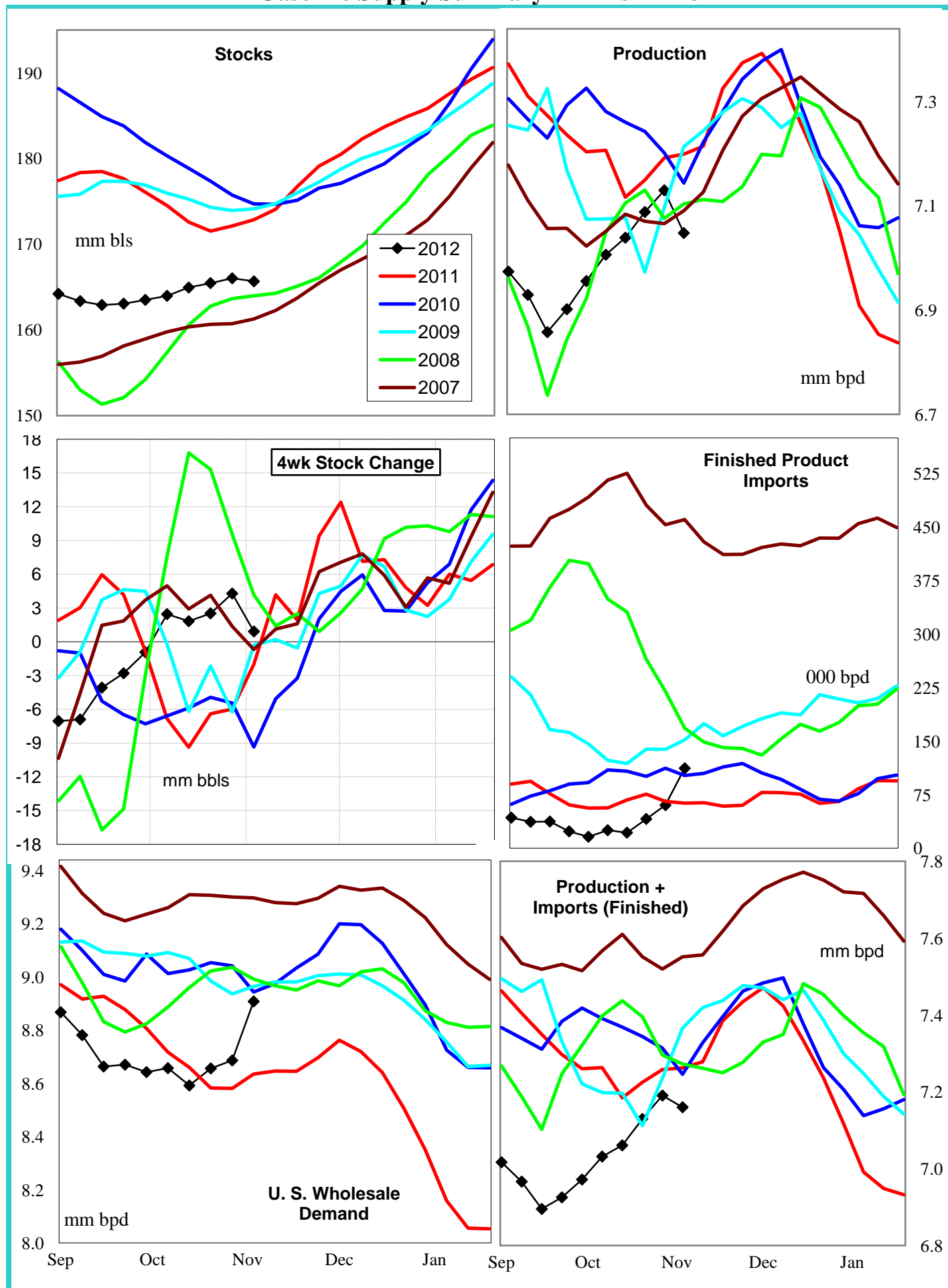
Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3



PADD 5 Gasoline Supply

