



WEEKLY GASOLINE FUNDAMENTAL-PRICE-BASIS OUTLOOK

A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Thursday, December 06, 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 -73,000 bpd last week, continuing an earlier than normal seasonal decline. The latest 4-wk year-on-year change in demand was a +7,000 bpd increase.

Supplies increased +0.5 million bpd on the week, driven by sharply higher production.

The continued weak demand and jump in supply led to a +7.9 million barrel increase in stocks.

The nearly +12 million barrel stock build during the last 2-wks has driven basis sharply lower across all regional markets.

Basis levels remain below the 5-year range for this time of year in all markets except NYH and Chicago.

Global gasoline markets strengthened last week against the NYMEX RBOB contract, partially offsetting the impact of large stock builds in the U.S.

RBOB

New York Harbor basis to trade at levels comparable to the 5-year range on seasonal stock building.

Conventional

New York Harbor basis to trade at levels within the 5-year range on seasonal stock builds.

Chicago basis to trend seasonally lower, but remain within the historic range on extended refinery maintenance and resulting low stock levels.

Group III basis to trend lower in the near term on seasonal stock builds, then rebound on higher seasonal demand.

Gulf Basis to trend lower in the near term on seasonal stock builds, then rebound on higher seasonal demand.

West Coast (Los Angeles) basis to trade at record lows on extremely high stock levels and seasonal builds.

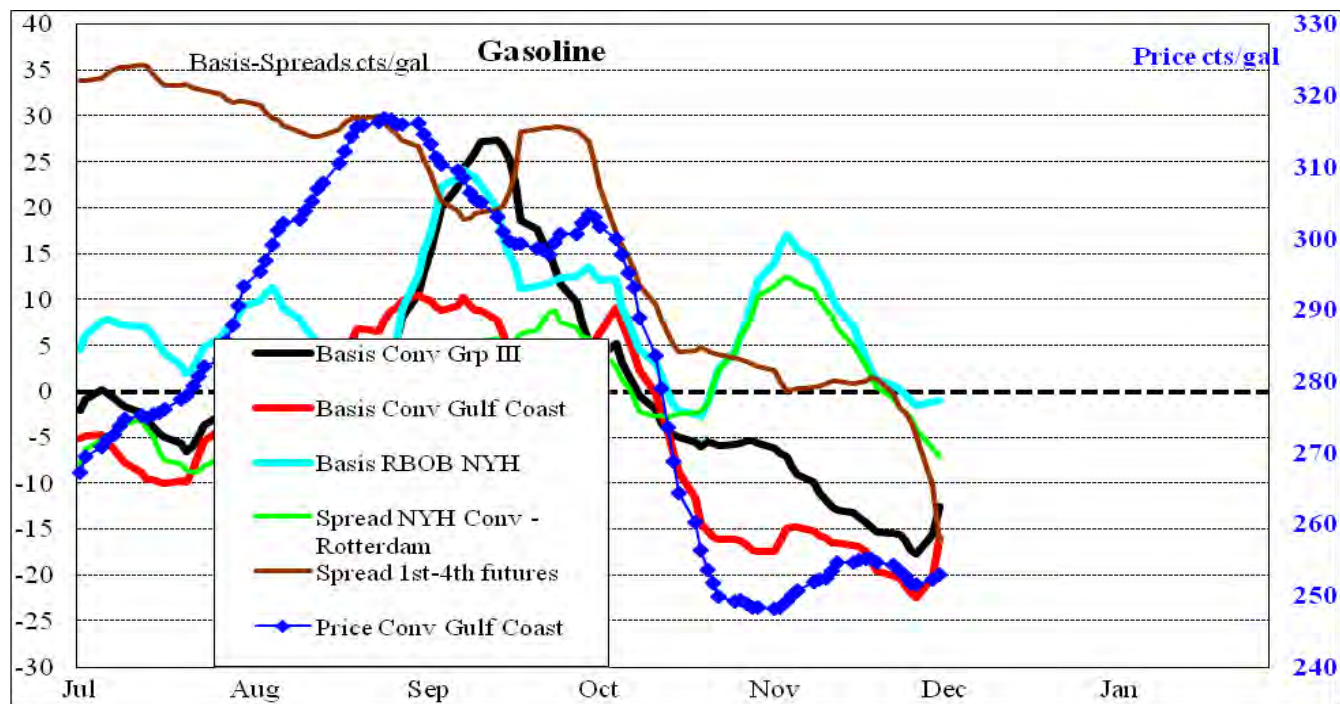
Gulf Coast Price

Global gasoline markets strengthened last week relative to the NYMEX RBOB contract, pointing to relative undervaluation of the U.S. gasoline cash markets where basis is at record lows for most markets.

Gasoline demand should see a short term bounce higher on holiday travel before making the season low in January. Even with an upturn, stock building should be significant over the next 60-days, lifting stock levels in markets East of the Rockies to the average of the last 3-years..

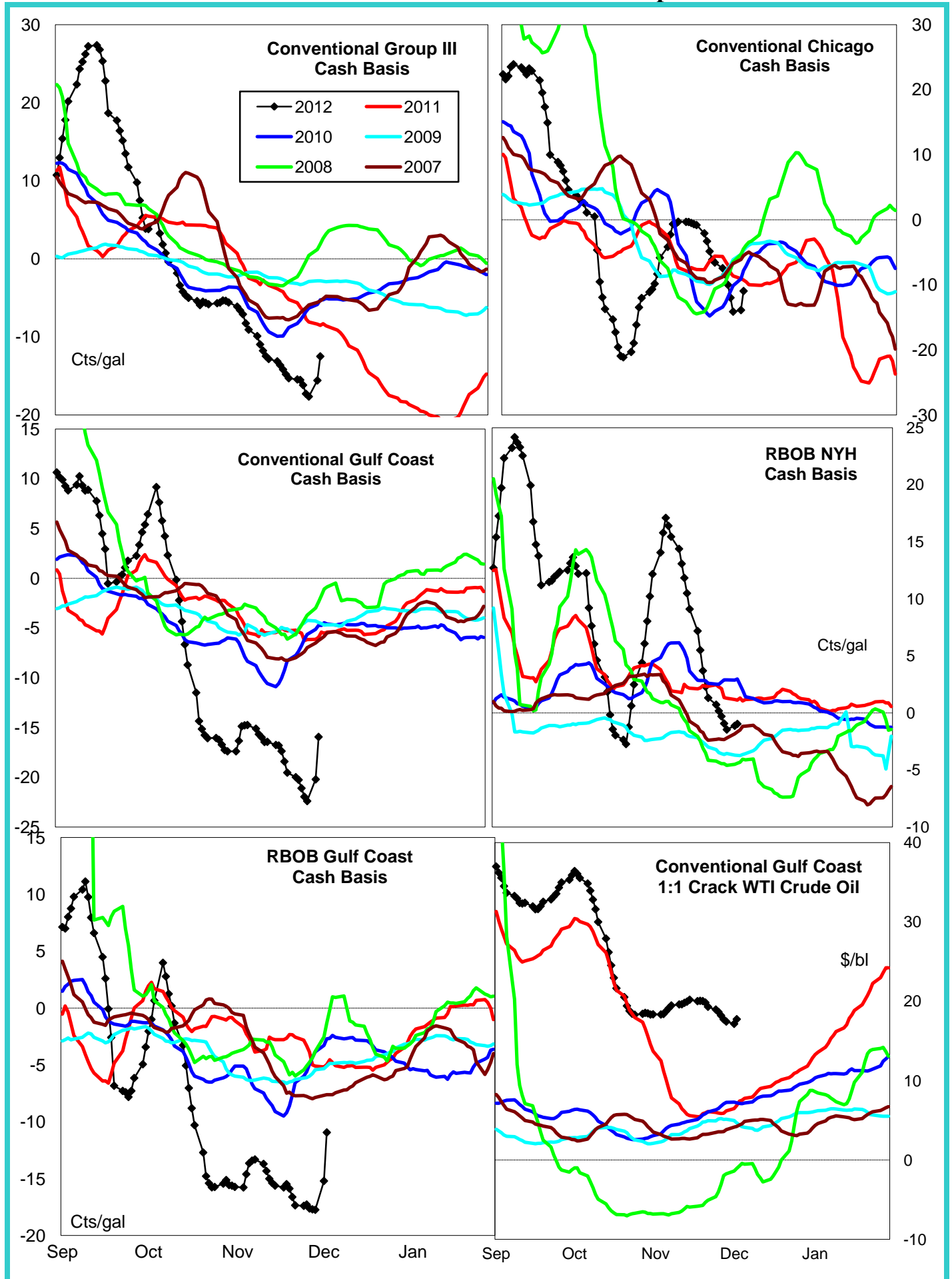
The deep recession in Europe and slow economic growth in Asia should lead to slower demand growth for energy during the 1st half of 2013.

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

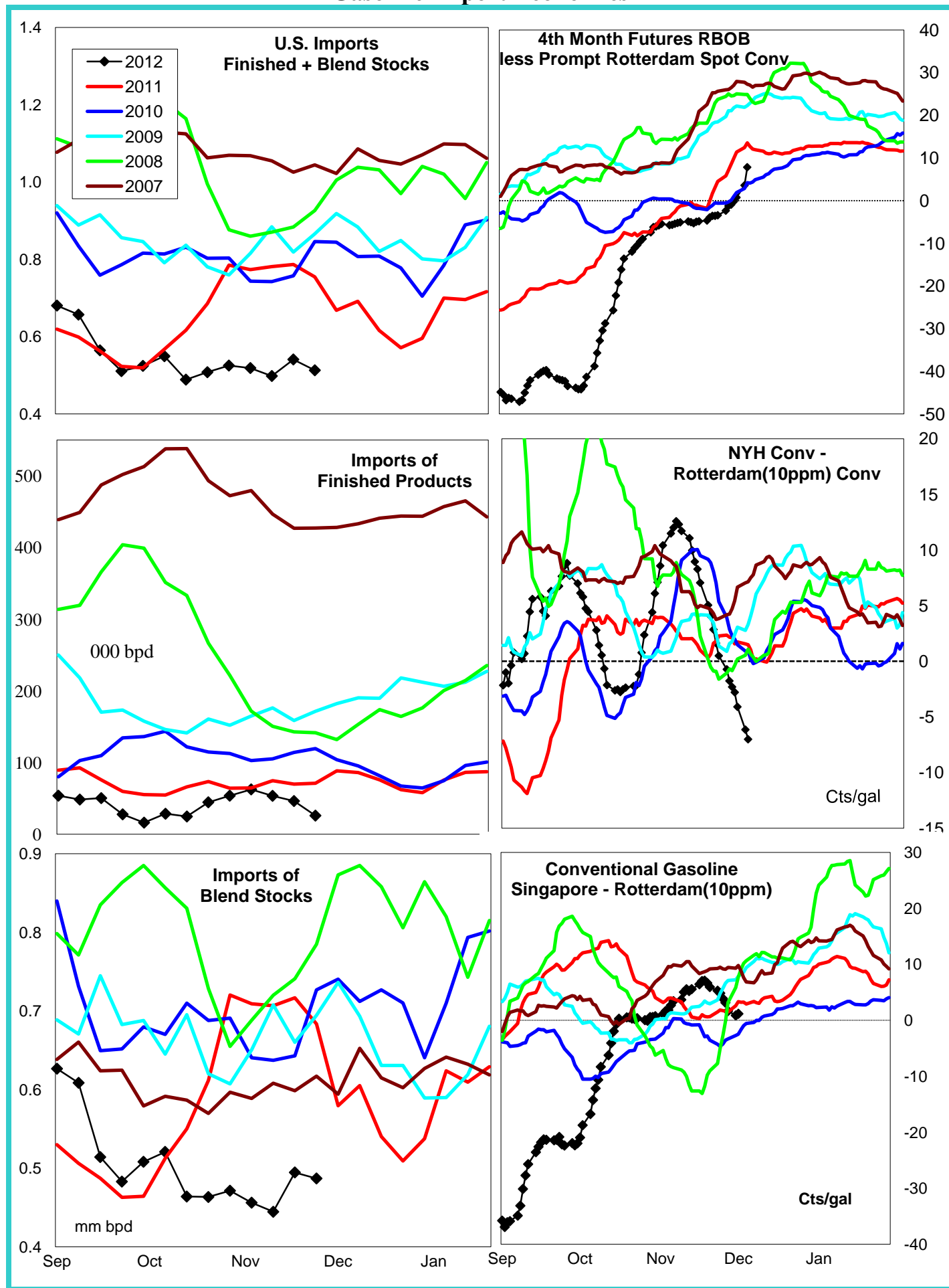


Disclaimer - The information contained on this website and in all its reports reflects the opinion of Fundamental Petroleum Trends. Futures and commodities trading involve significant risk and may not be suitable for every investor. Information contained herein is strictly the opinion of its author and is intended for informational purposes and is not to be construed as a recommendation to sell or buy, or trade in any commodity mentioned herein. Information is obtained from sources believed reliable, but is in no way guaranteed. Opinions, market data and recommendations are subject to change at any time. Past results are not indicative of future results. Charts are developed by Fundamental Petroleum Trends from EIA, NWS, other public data and proprietary models unless otherwise noted and credited.

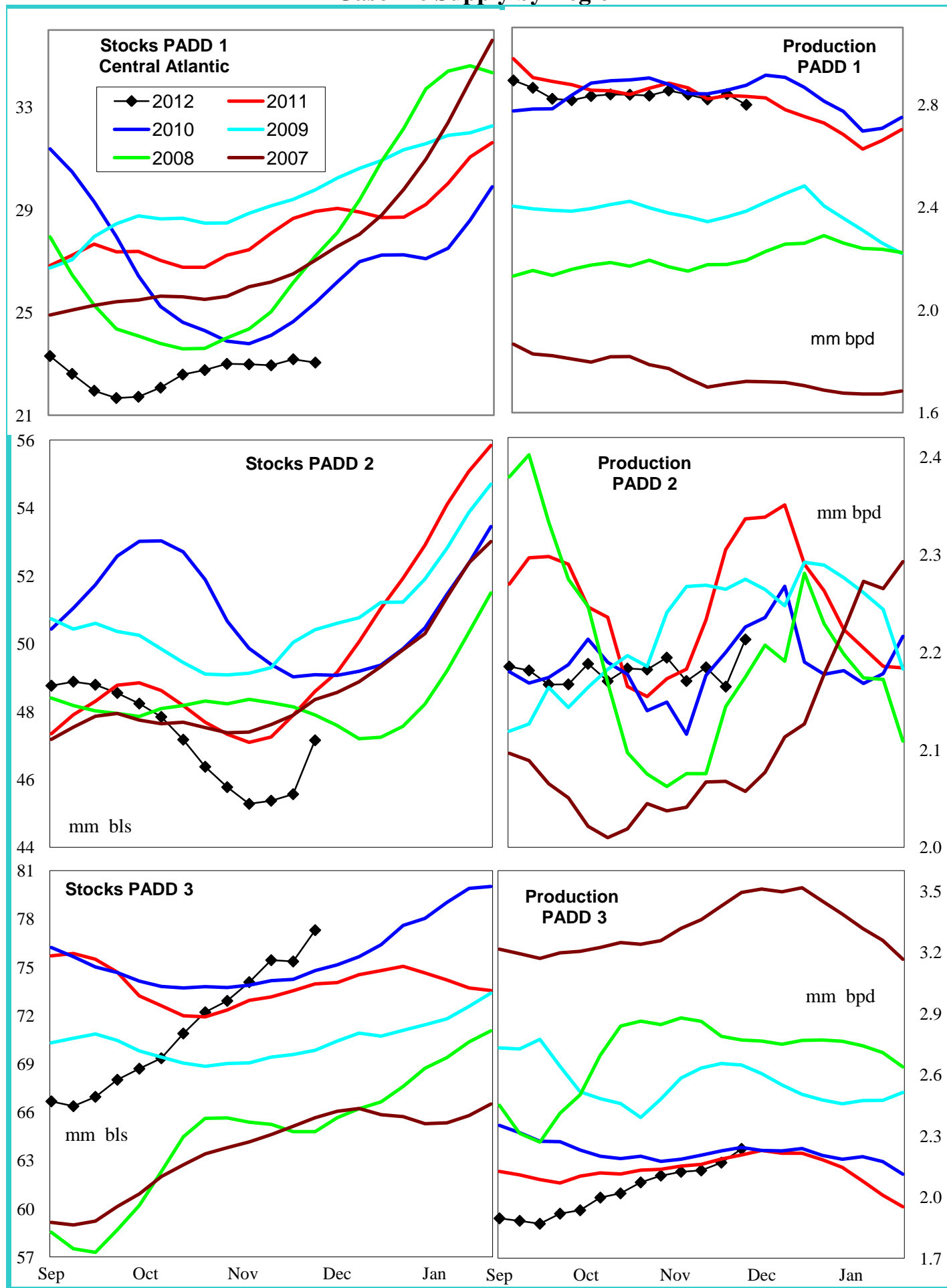
Gasoline Cash Basis and Related Price Spreads



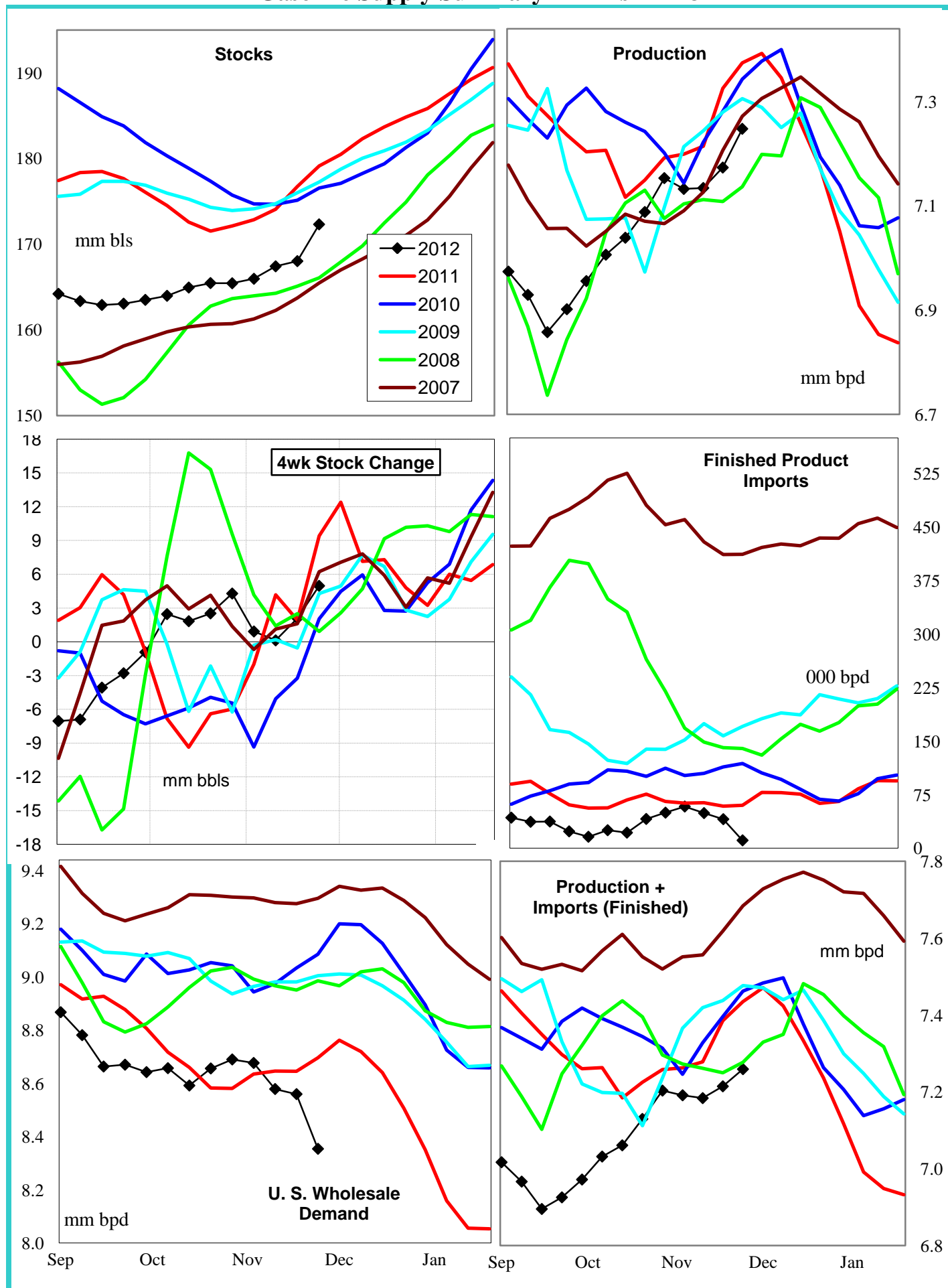
Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3



PADD 5 Gasoline Supply

