



WEEKLY GASOLINE FUNDAMENTAL-PRICE-BASIS OUTLOOK

A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Friday, January 18, 2013

| 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 increased +0.3 million bpd last week, to a level comparable with last years' 5-year lows. The latest 4-wk year-on-year change in demand was a -50,000 bpd decline.

Production increased +0.2 million bpd on the week, partially offset by record low imports.

Seasonally weak demand led to a +1.9 million barrel increase in stocks, now at a record season high.

Basis trended higher from record lows in the Group and Chicago markets on reduced production. Basis traded sideways to lower in the Gulf and West Coast markets, where stock levels reached new all time highs.

Look for basis to trend higher in the midwest on reduced production, with a sharp uptrend on the West Coast as refiners begin winter maintenance over the next 30-days. Basis levels in the Midwest and Gulf regions should remain depressed on high stock levels and relatively tight supplies in the Northeast.

RBOB

New York Harbor basis to trade at levels comparable to the 5-year mid range on seasonal stock building, then trend seasonally lower against spring RBOB NYMEX grades.

Conventional

New York Harbor basis to trade at levels within the 5-year range on seasonal stock builds, then seasonally lower against spring RBOB NYMEX grades.

Chicago basis to trend higher from very low levels, but remain weak on low demand above average stock levels.

Group III basis to extend the current uptrend on reduced production and some shipments into PADD 3.

Gulf Basis to trade sideways on low seasonal demand, exceptionally high stocks, offset by start of winter refinery maintenance.

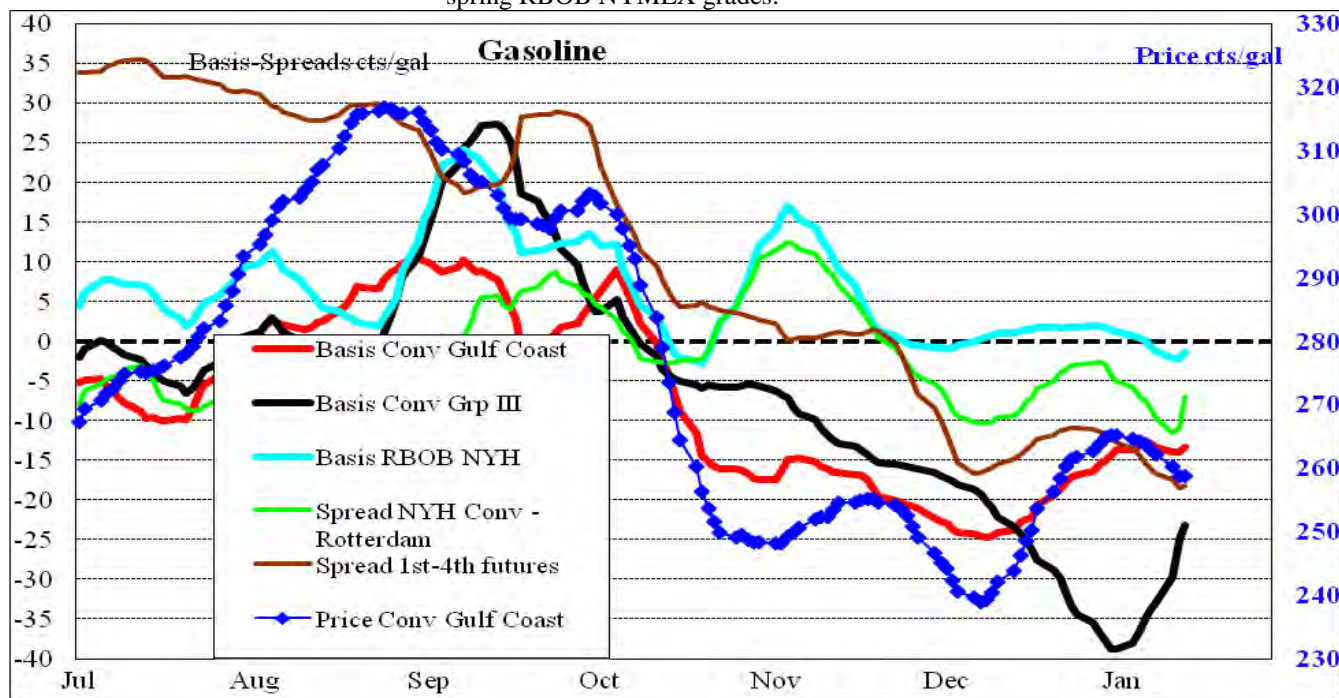
West Coast (Los Angeles) basis to rebound over the next few weeks as refiners began winter maintenance.

Gulf Coast Price

Tight supplies in Northwest Europe, and record low imports to the Northeast, continue to support the NYMEX RBOB contract.

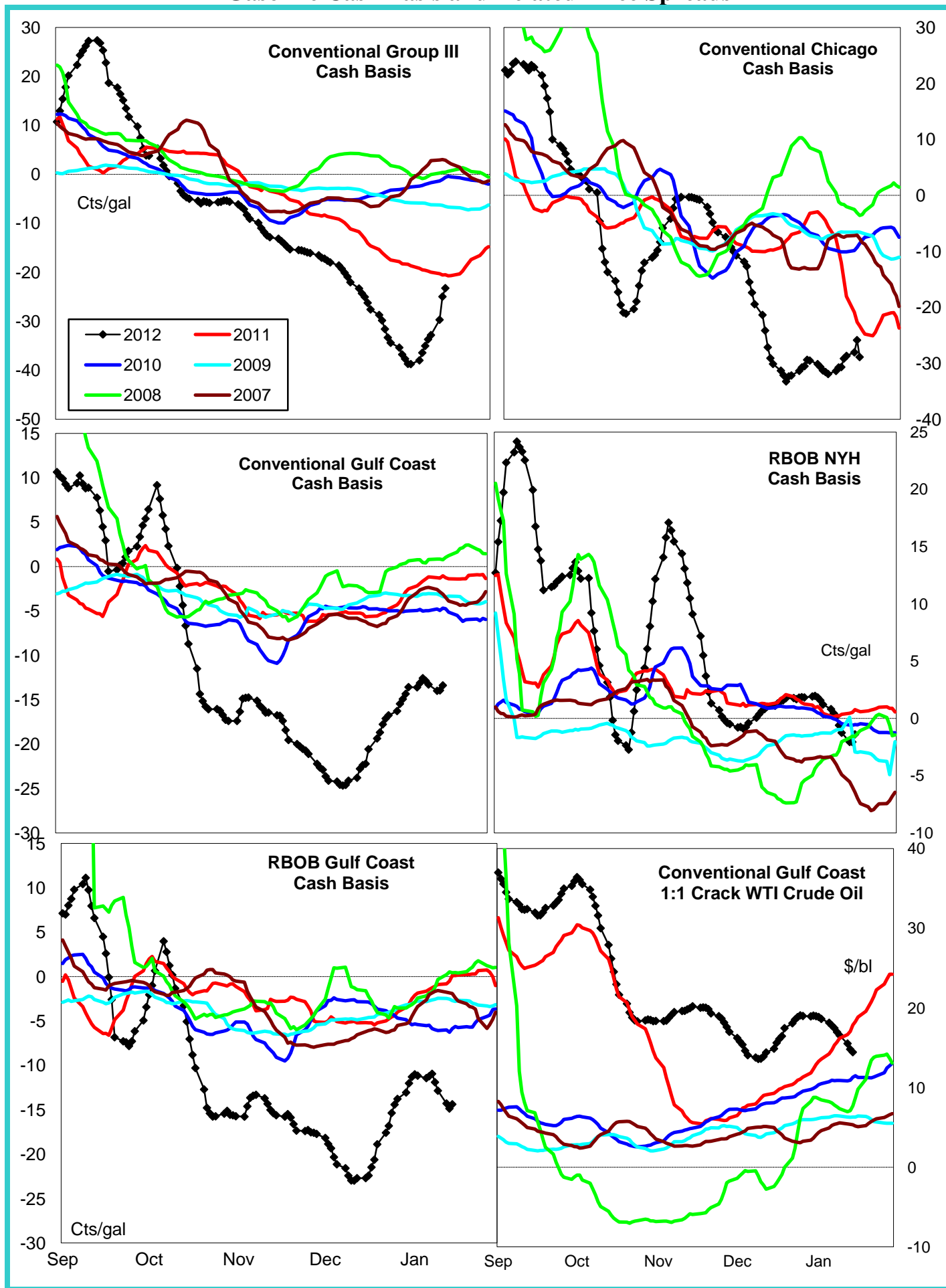
Start of refinery maintenance in the Gulf and West Coast regions, lower output in the midwest and higher seasonal demand should support an uptrend in wholesale prices ahead of the spring season.

Inland markets, including the Rockies, Group III and Chicago, should witness improved basis levels as supplies are reduced and seasonal demand trends higher.

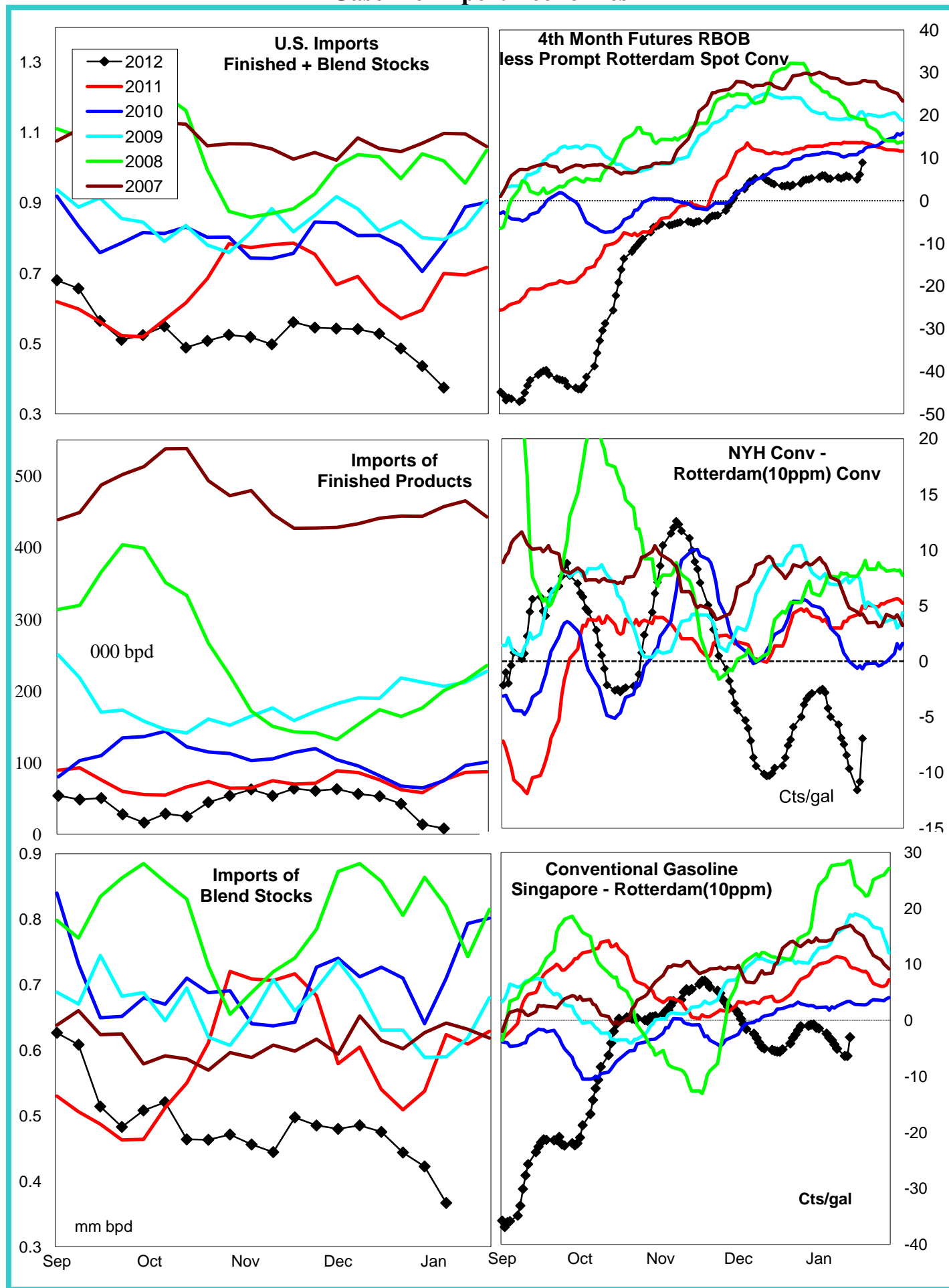


Disclaimer - The information contained on this website and in all its reports reflects the opinion of Fundamental Petroleum Trends. Futures and commodities trading involve significant risk and may not be suitable for every investor. Information contained herein is strictly the opinion of its author and 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.

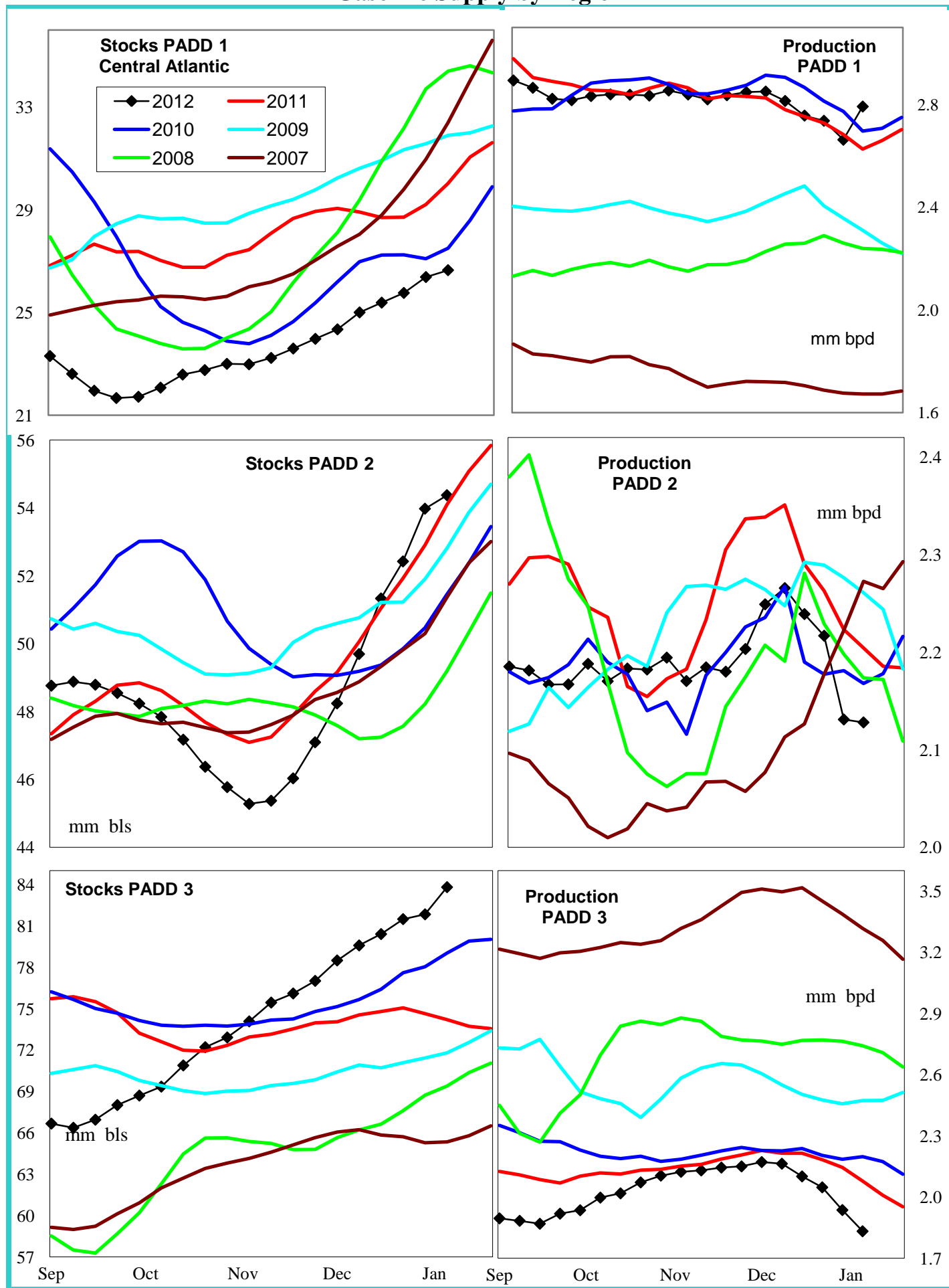
Gasoline Cash Basis and Related Price Spreads

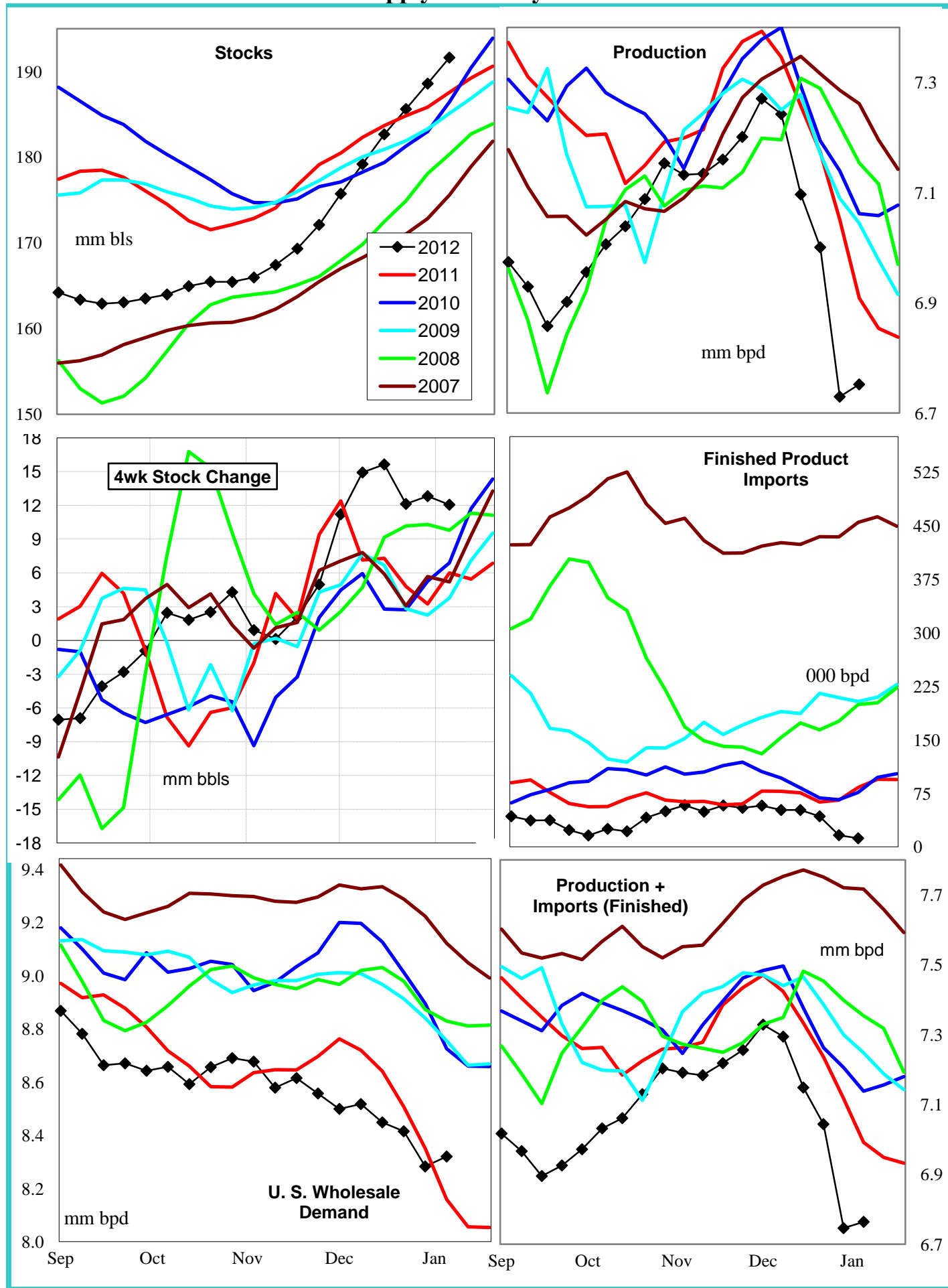


Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3

PADD 5 Gasoline Supply

