



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 increased +111,000 bpd last week, to a level above last year's record lows. The latest 4-wk year-on-year change in demand was a +113,000 bpd increase.

Production increased +0.3 million bpd on the week, with imports also higher.

Stocks decreased -1.7 million barrels on higher demand.

Basis extended the uptrend in Midwest markets, with the level still near prior year lows. West Coast basis increased late in week on refiner maintenance. Basis trended lower in the Gulf, ending the week at record lows.

Look for basis to trend higher in most markets on an upturn in demand and increased maintenance in the Gulf and West Coast regions. 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 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 lower against spring RBOB NYMEX grades.

Chicago basis to extend the uptrend, trading at the low end of the historic range. **Group III** basis trade at the low end of the historic range on stock building and relative tight East Coast supply.

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

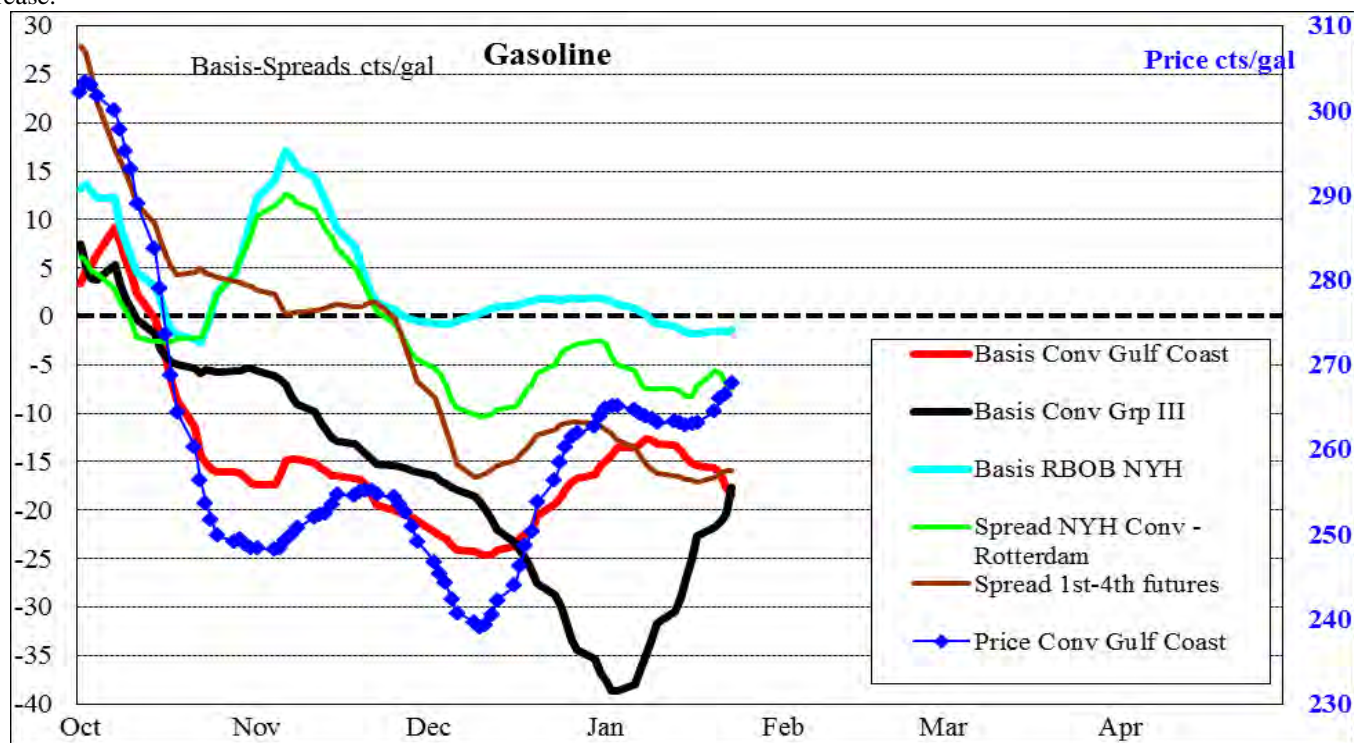
West Coast (Los Angeles) basis to extend the current uptrend on start of winter maintenance.

Gulf Coast Price

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

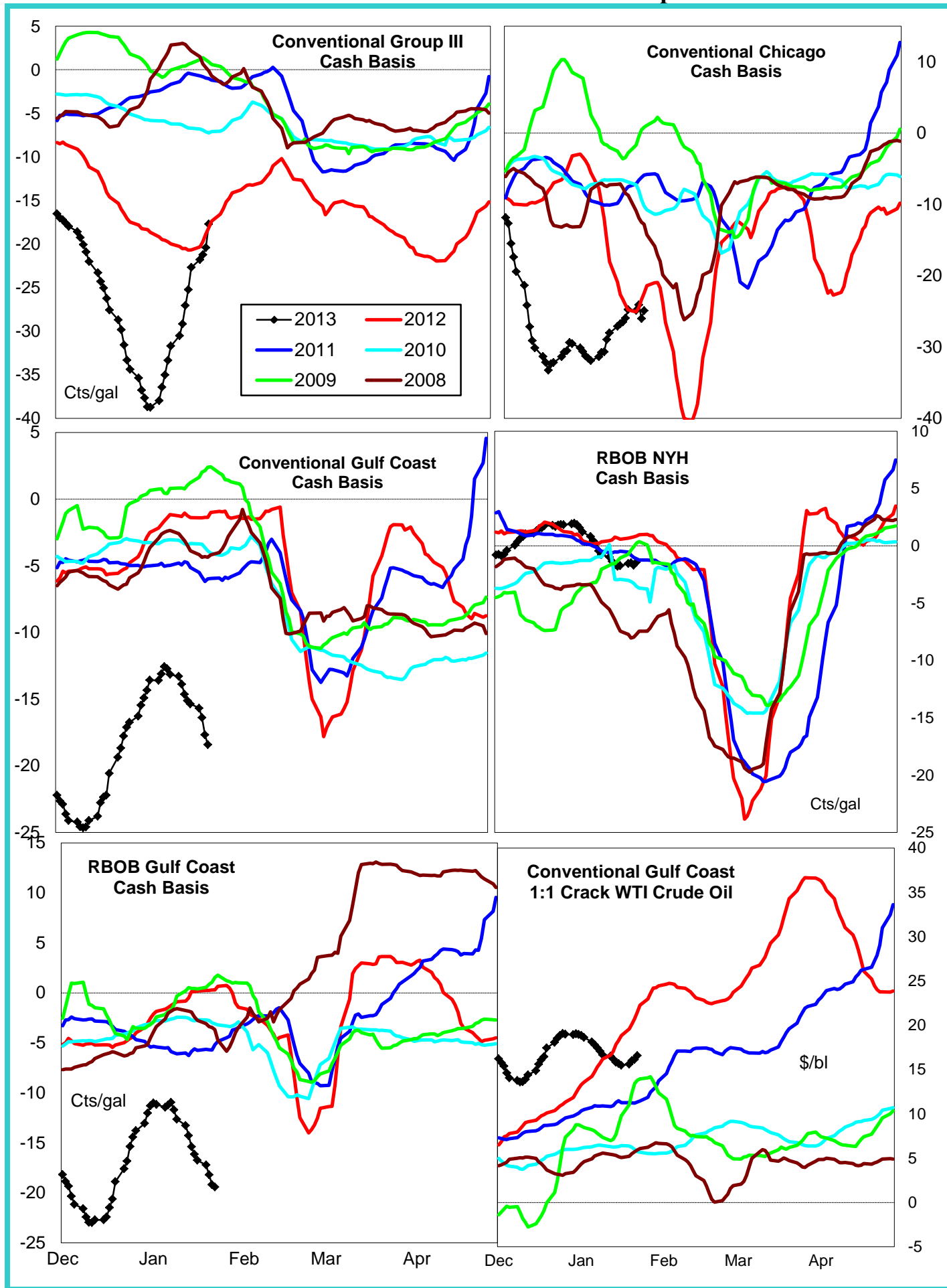
Start of refinery maintenance in the Gulf and West Coast regions, lower output in the midwest and higher seasonal demand should support an uptrend in wholesale prices ahead of the spring season.

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

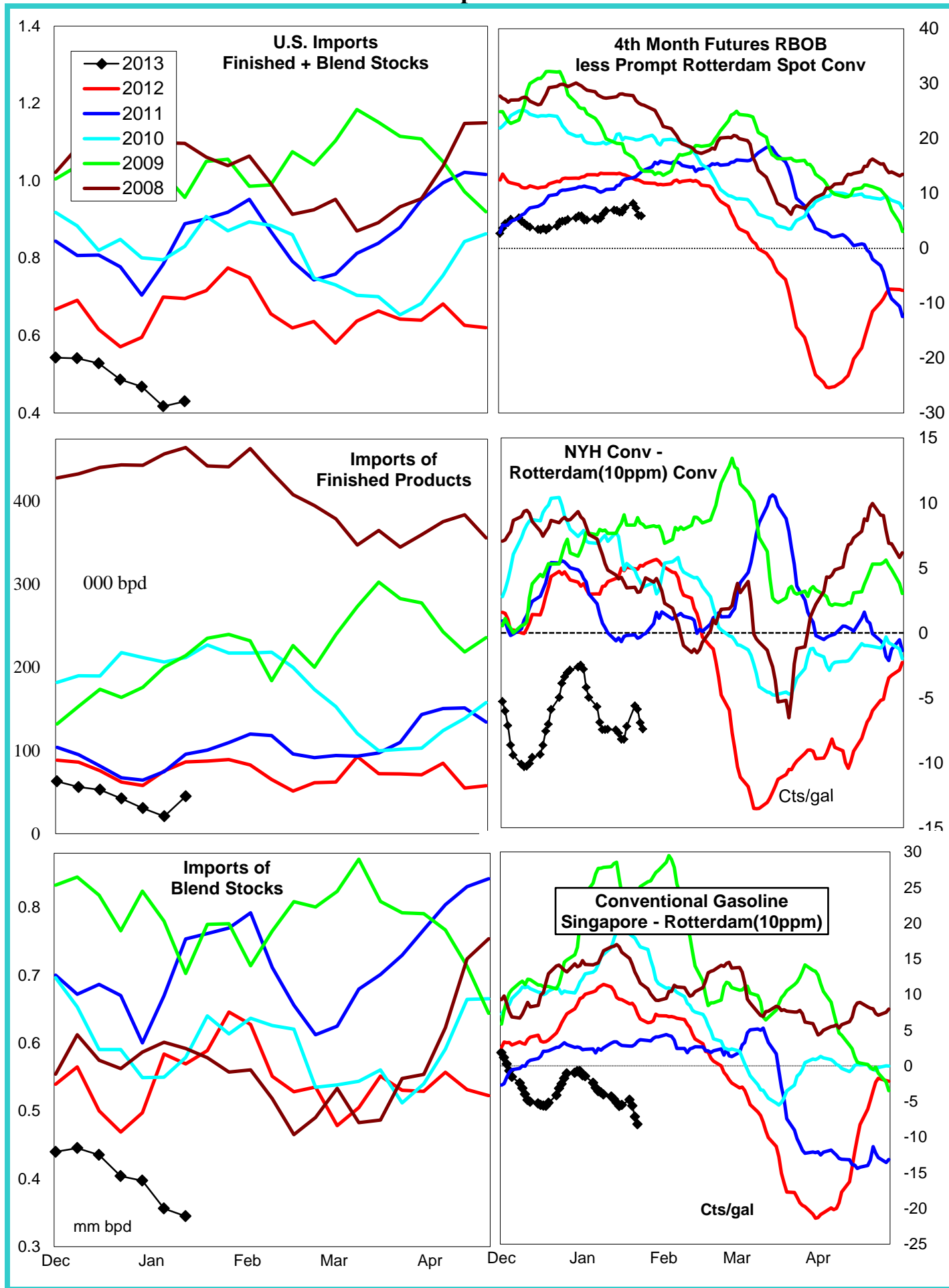


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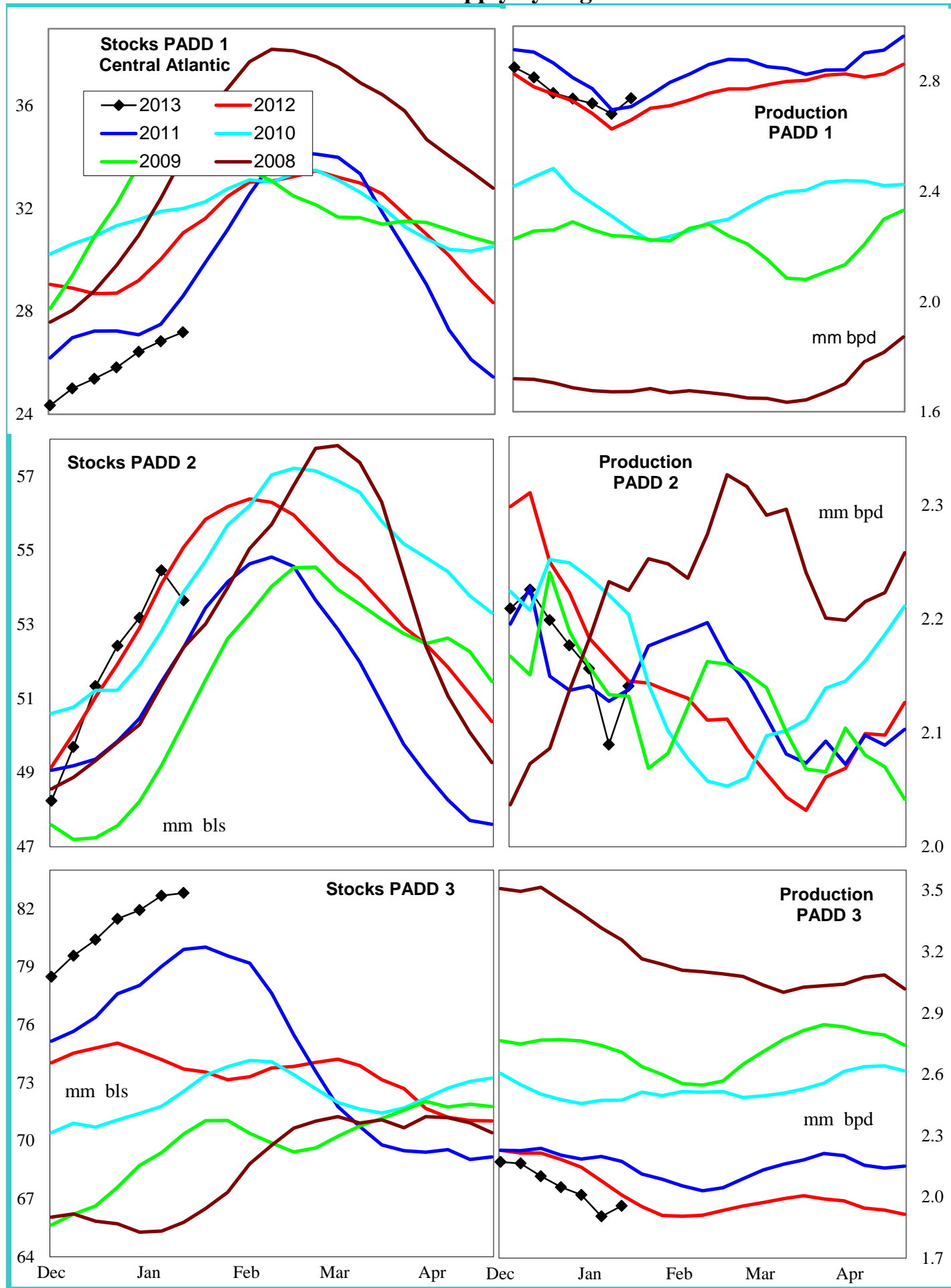
Gasoline Cash Basis and Related Price Spreads

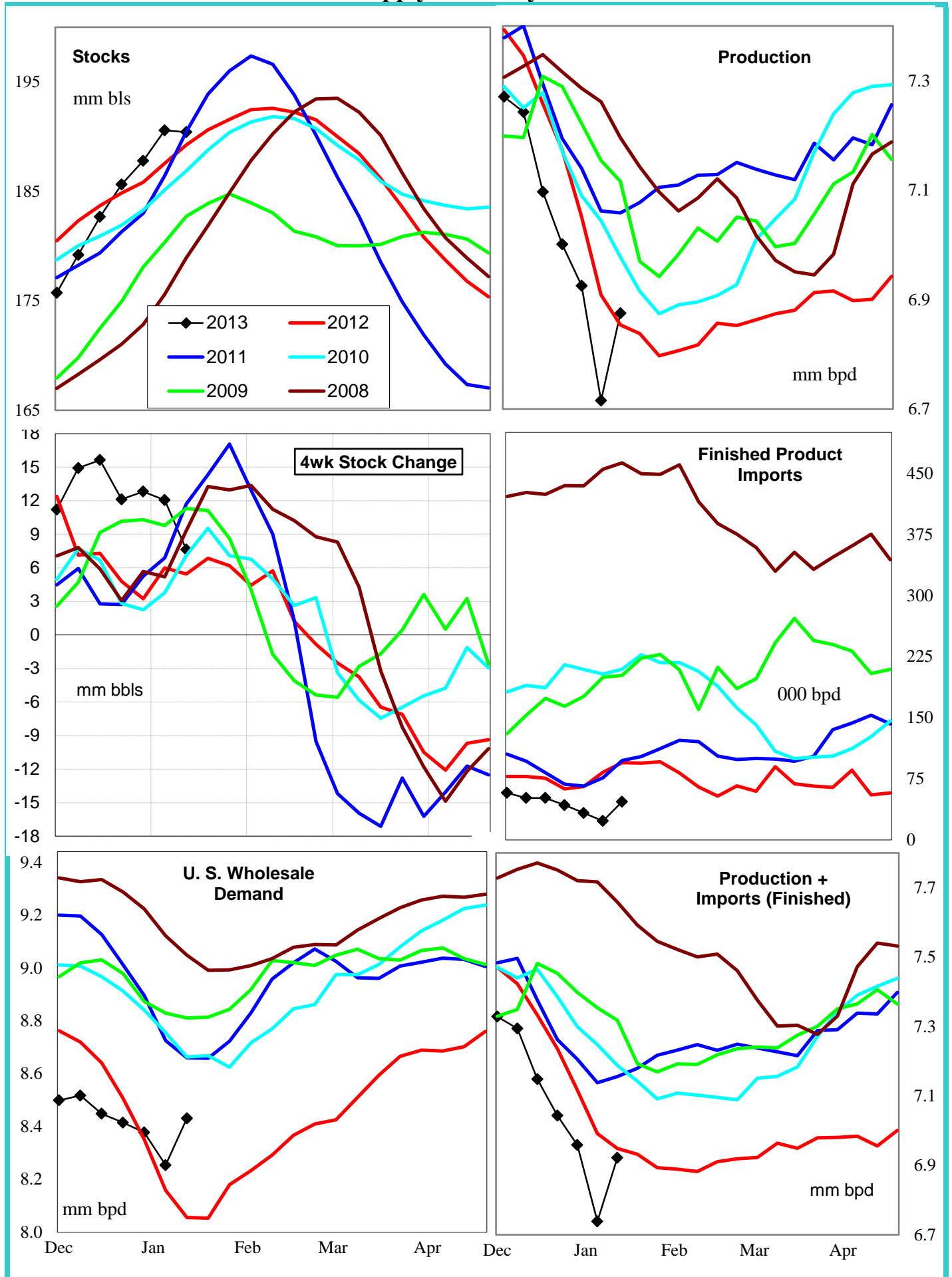


Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3

PADD 5 Gasoline Supply

