



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 +70,000 bpd last week, to a level well above last year's record lows. The latest 4-wk change in demand was a +256,000 bpd increase, the largest year-on-year increase since the recession.

Supplies increased 0.3 million bpd on the week with both production and imports higher.

Stocks decreased -1 million barrels on higher demand.

Basis extended the uptrend in Midwest markets while rebounding on the West Coast from record lows. The Gulf and NYH saw basis trading sideways for the week.

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 at the low end of the historic range 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 historic mid range with

maintenance ongoing at the BPAmoco plant.

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 high stocks, offset by start of winter refinery maintenance.

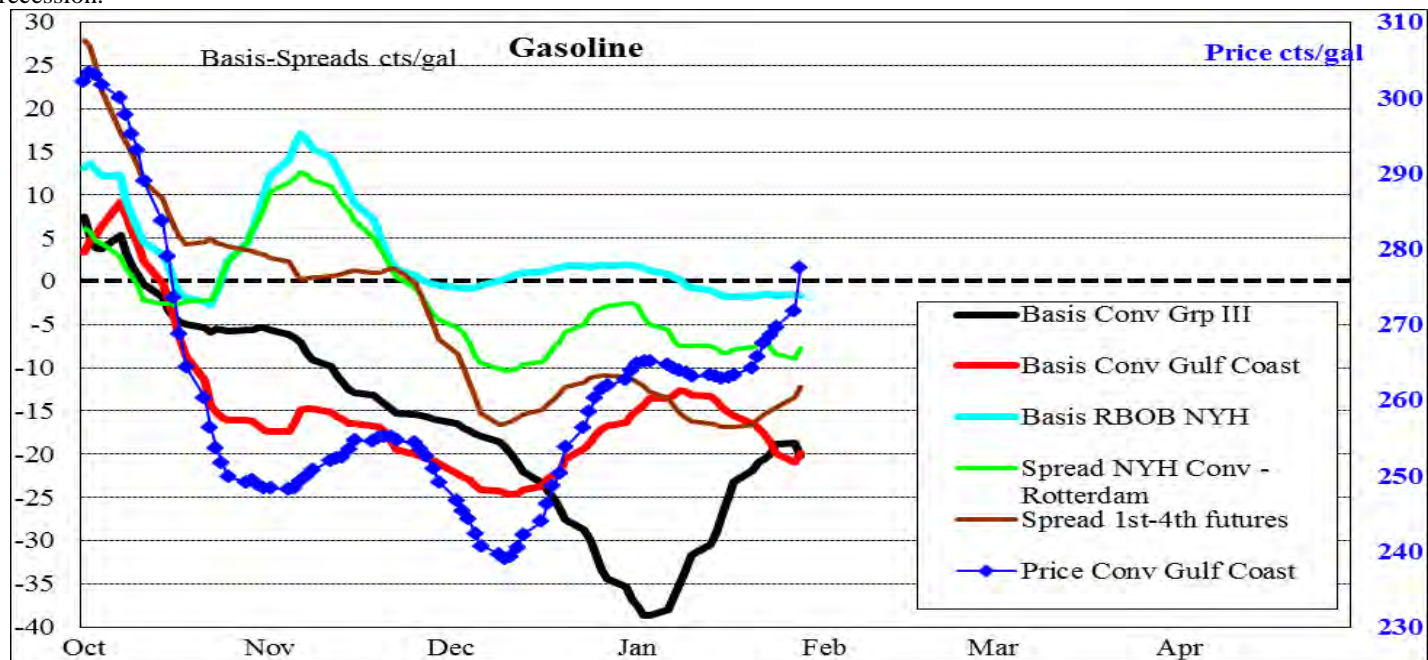
West Coast (Los Angeles) basis to extend the current uptrend on start of winter maintenance.

Gulf Coast Price

Tight supplies in Northwest Europe, announced closure of the Hess refinery in PADD 1 and record low imports to the Northeast, continue to support the NYMEX RBOB contract.

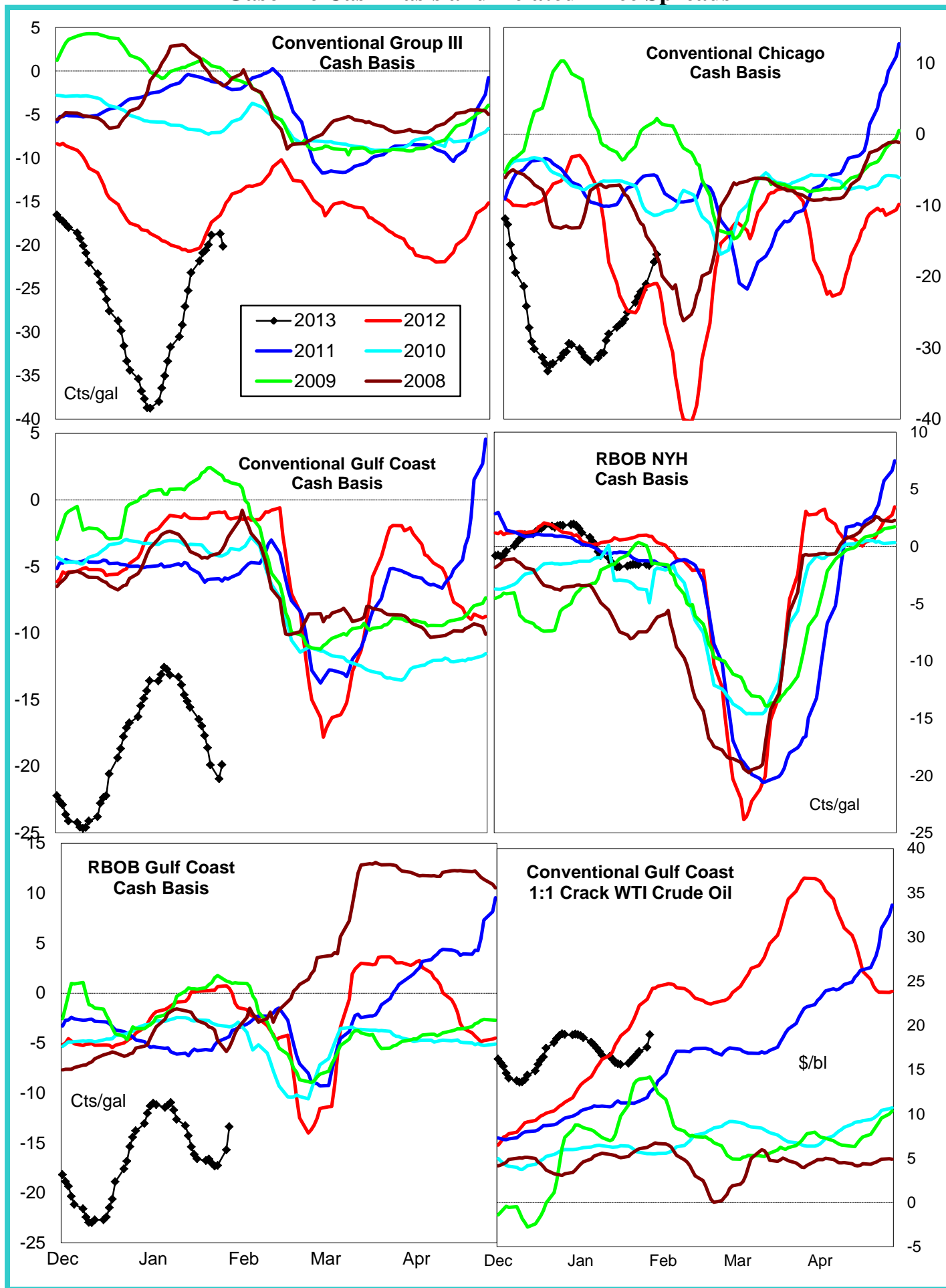
Start of refinery maintenance in the Gulf and West Coast regions, a marked slowdown in seasonal stock builds and higher seasonal demand should support an uptrend in wholesale prices ahead of the spring season.

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

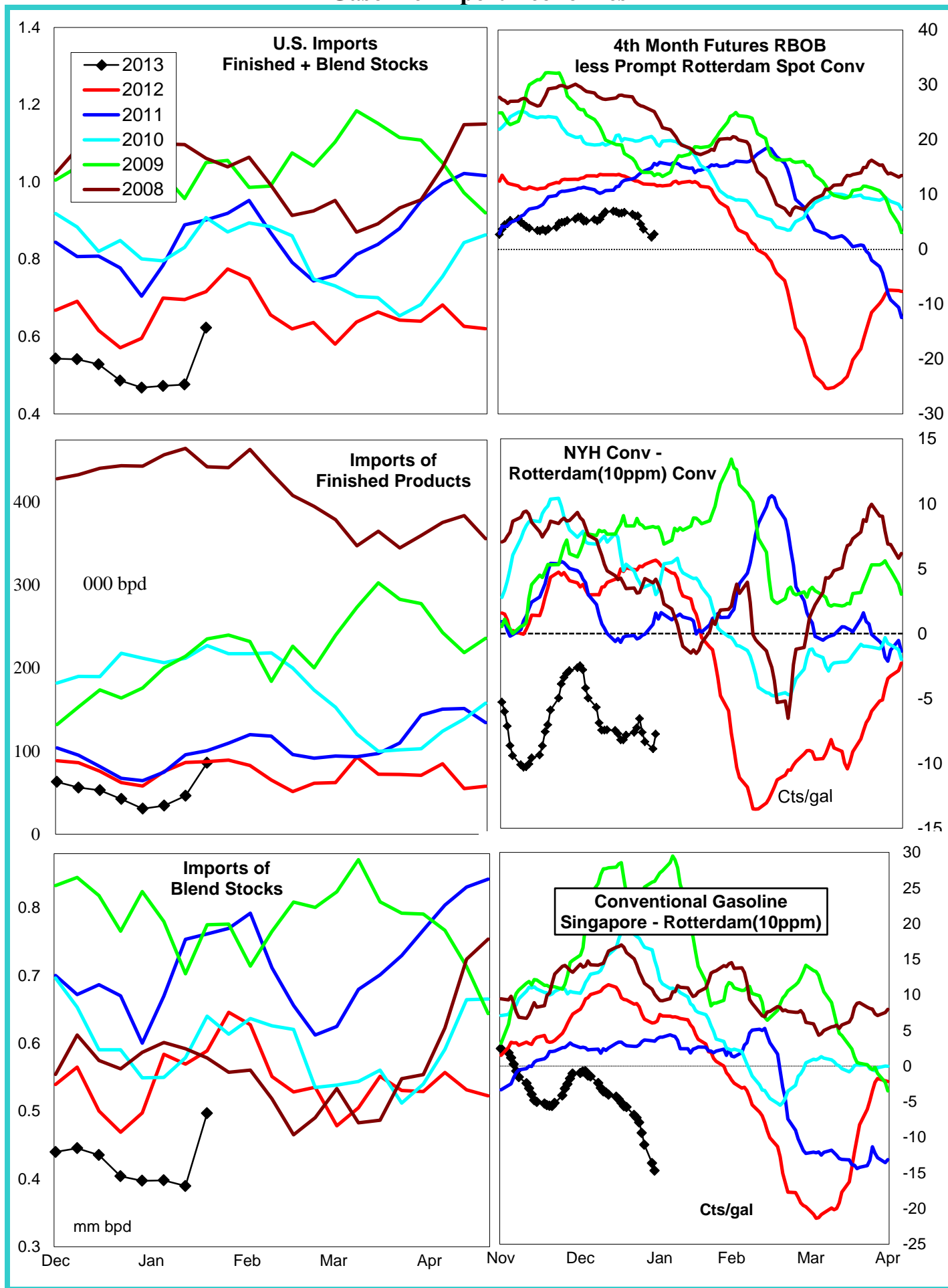


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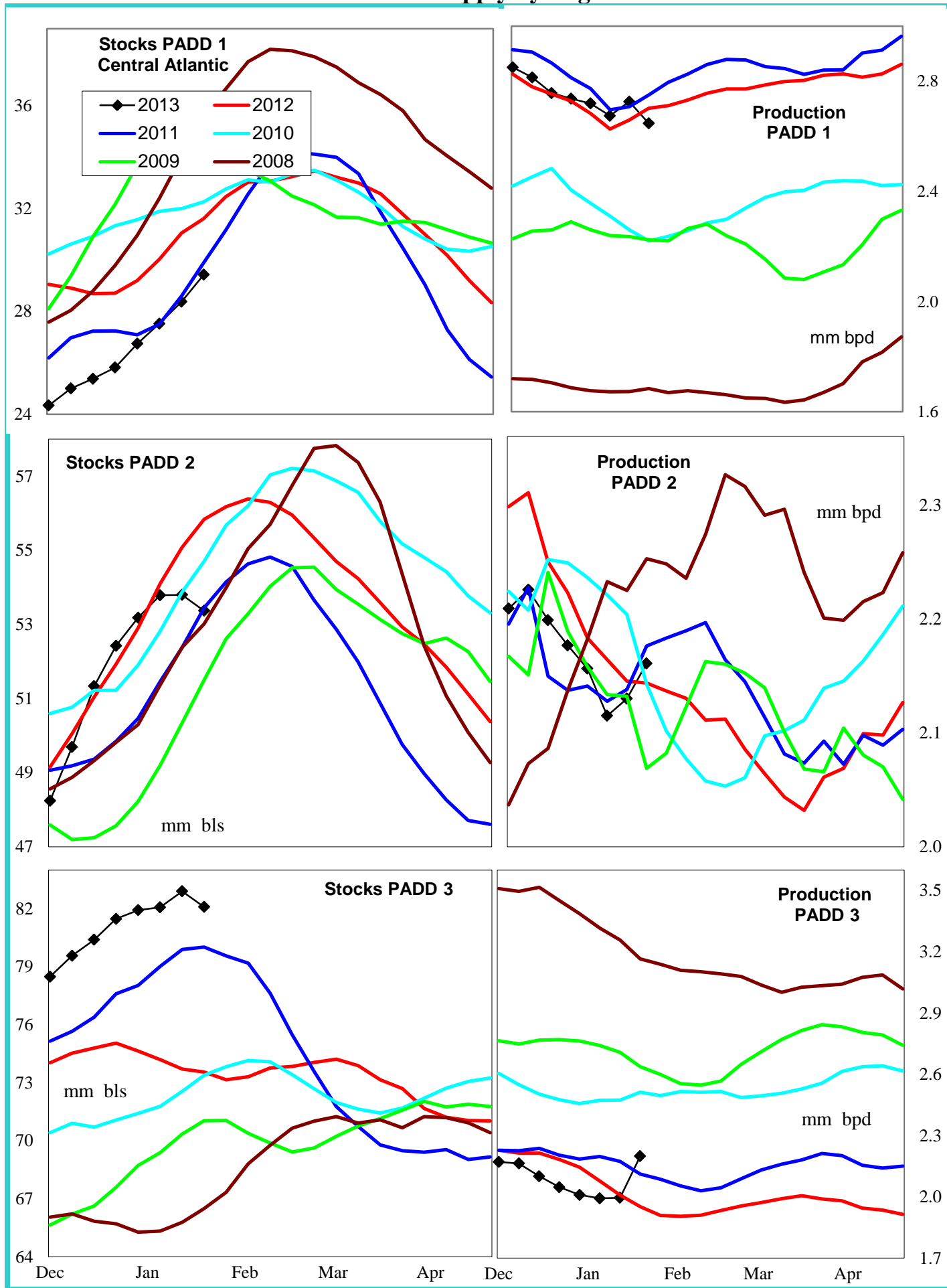
Gasoline Cash Basis and Related Price Spreads



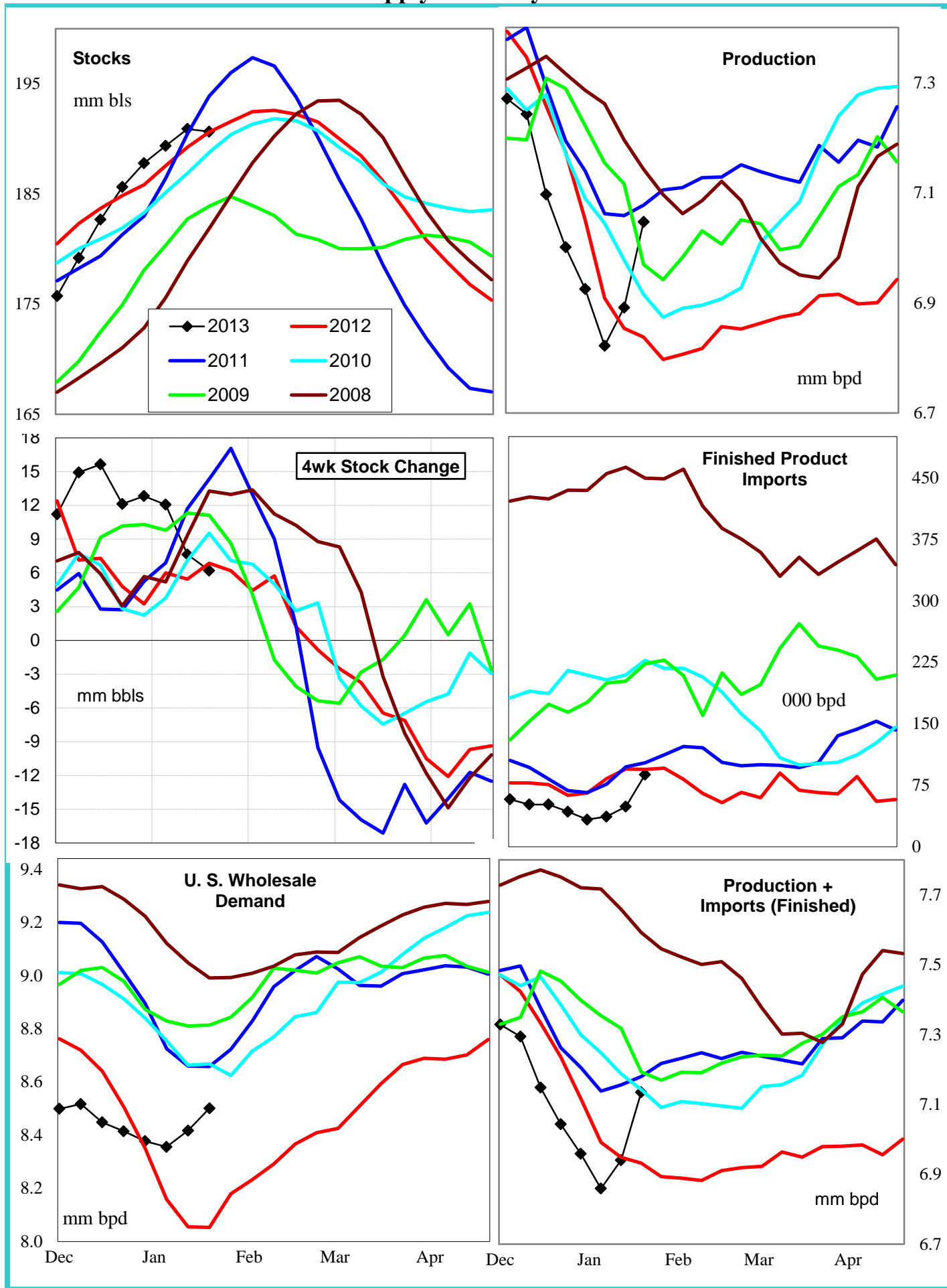
Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3



PADD 5 Gasoline Supply

