



## 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 declined -11,000 bpd last week, although the level remains well above last year's record low. The latest 4-wk change in demand was a +370,000 bpd

increase, the largest year-on-year increase since the recession.

Supplies increased +53,000 bpd on the week, due to higher production.

Stocks declined -0.8 million barrels on year-on-year higher demand.

Basis trended lower in NYH last week, with all other regional markets trending higher.

Basis levels remain near record lows for this time of year in the Gulf on very high stock levels. Levels in other regions traded near the historic mid range. Southern California basis traded near 5-year highs for this time of year.

Look for basis to improve in the Gulf as refinery maintenance reduces supplies.

Look for basis in the Midwest to exhibit continued strength on very low stock levels and production.

#### 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 to strengthen on very low production and stock levels in the area.

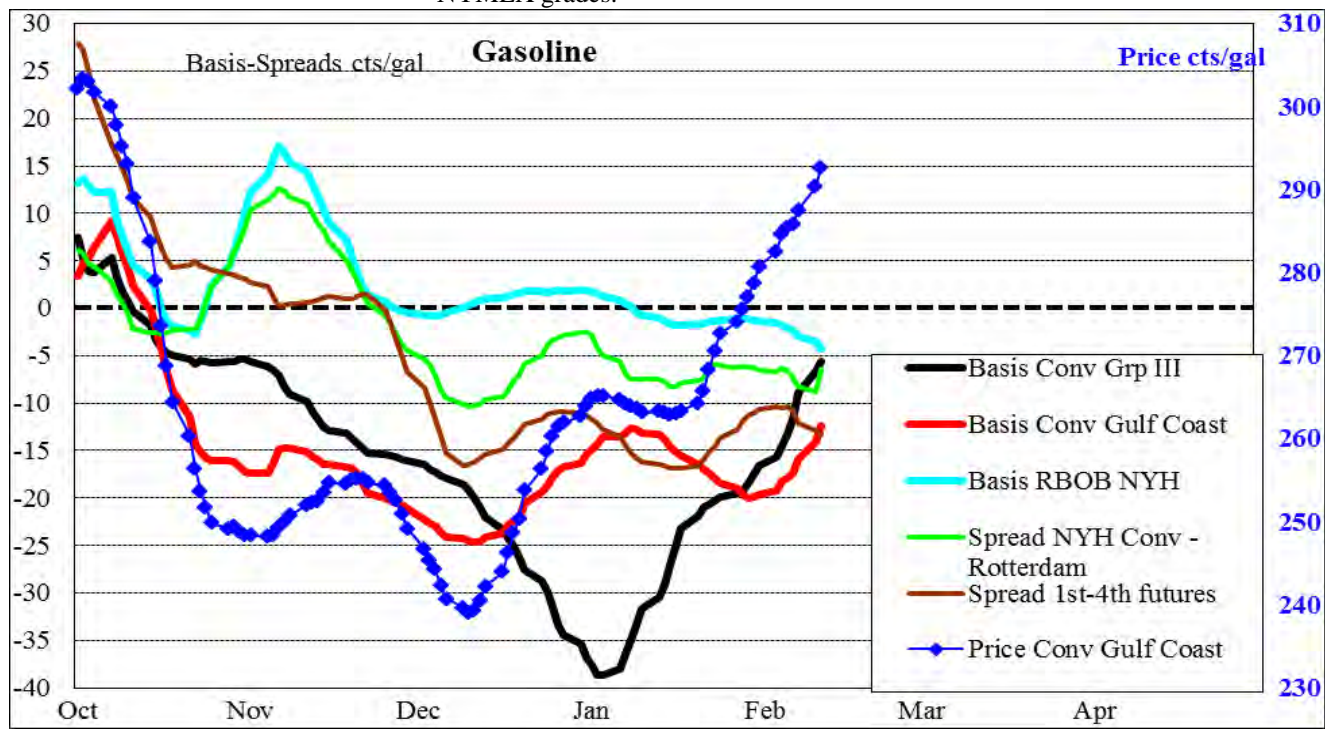
**Gulf Basis** to trade sideways on high stock levels, then strengthen as maintenance reduces output while spring demand trends higher.

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

#### Gulf Coast Price

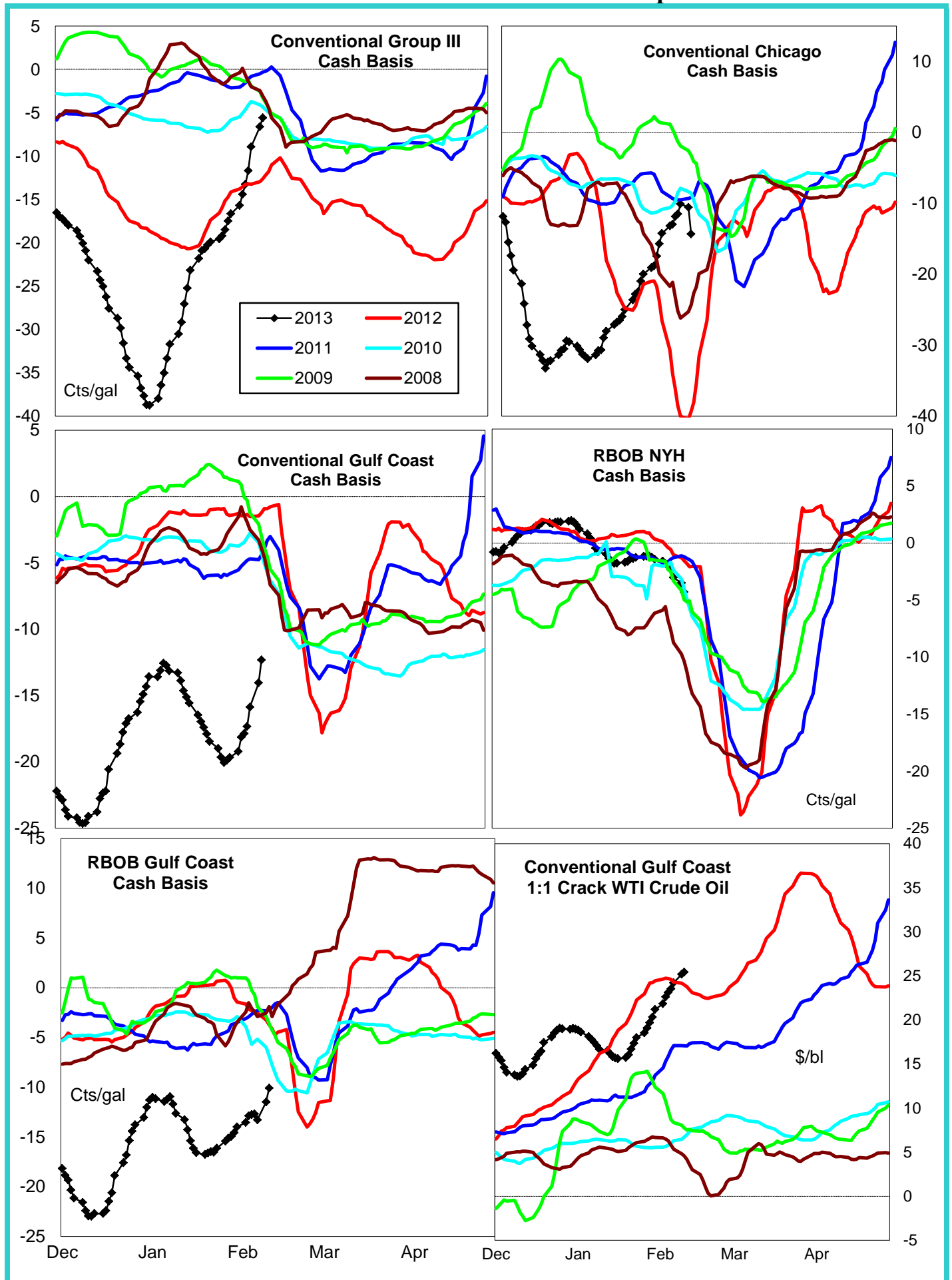
Supplies, particularly winter grades, have improved significantly in the Northeast. Stock levels are at record levels in the Gulf. Concurrently, stock levels and production are at 5-year lows in the Midwest. Expect wide variances in the supply balance between regional markets as refinery maintenance expands to northern locations.

Above average level of refinery maintenance, high stock draws in markets East of the Rockies and higher seasonal demand should support wholesale prices in the near term.

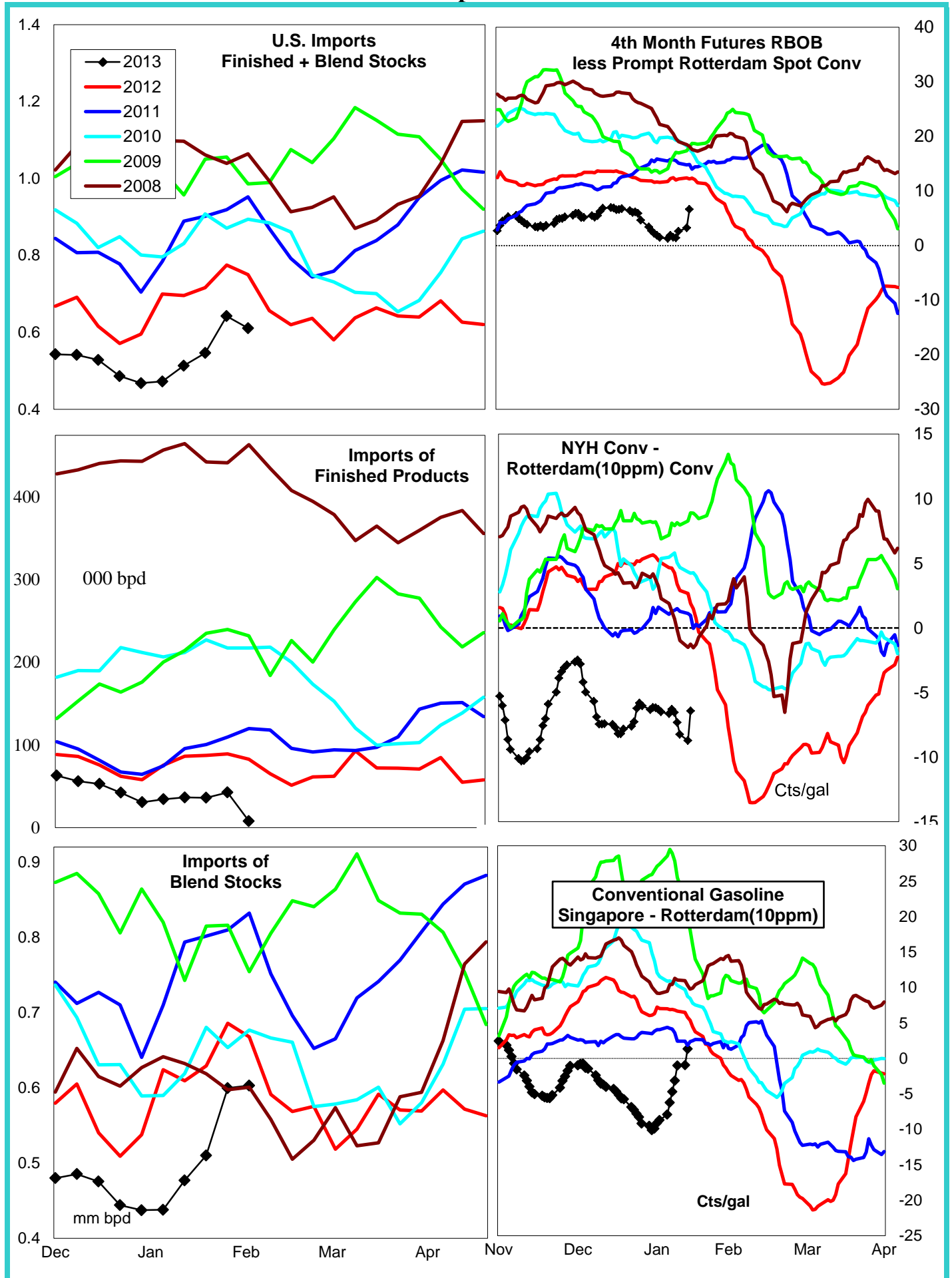


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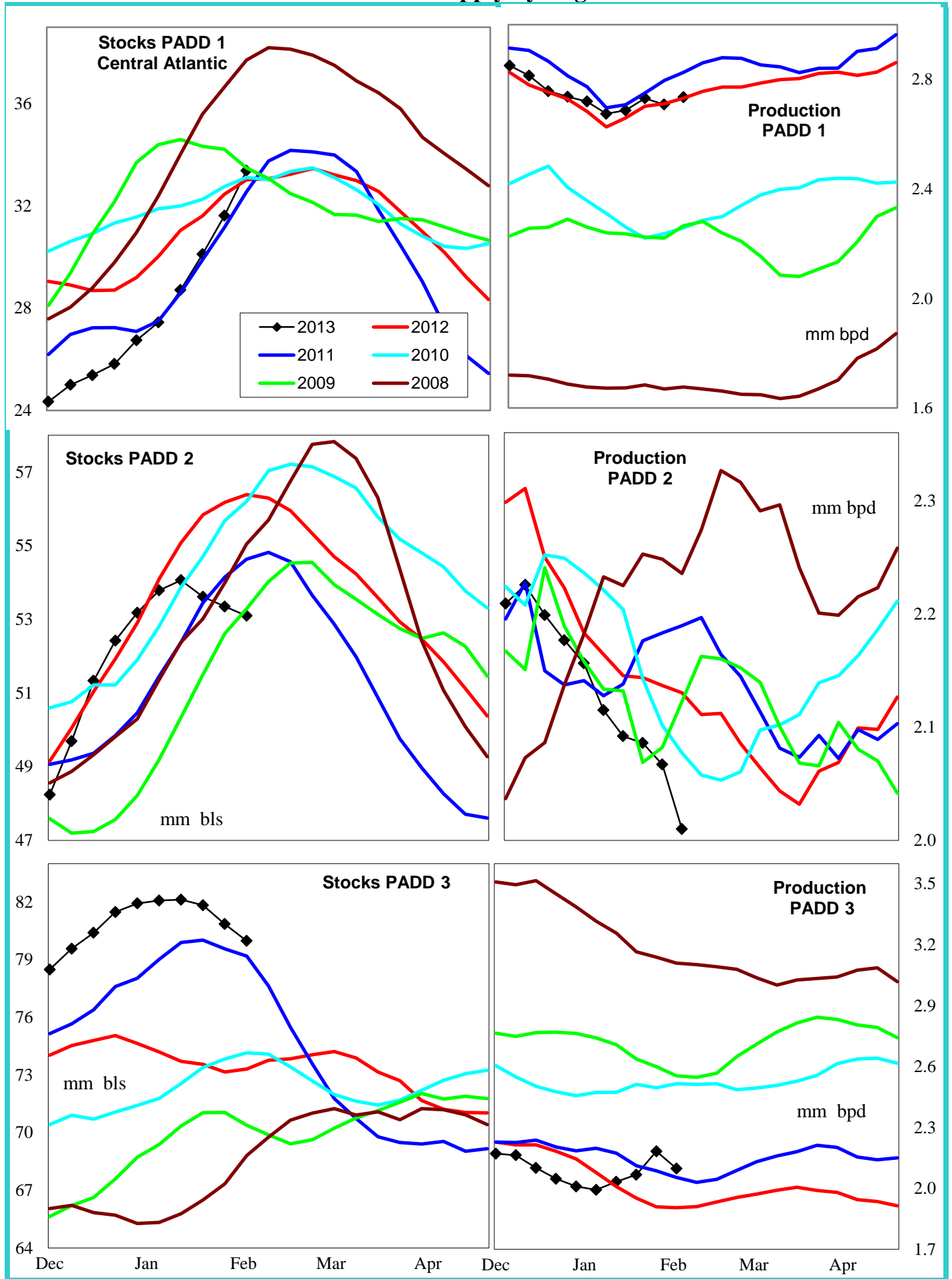
# Gasoline Cash Basis and Related Price Spreads



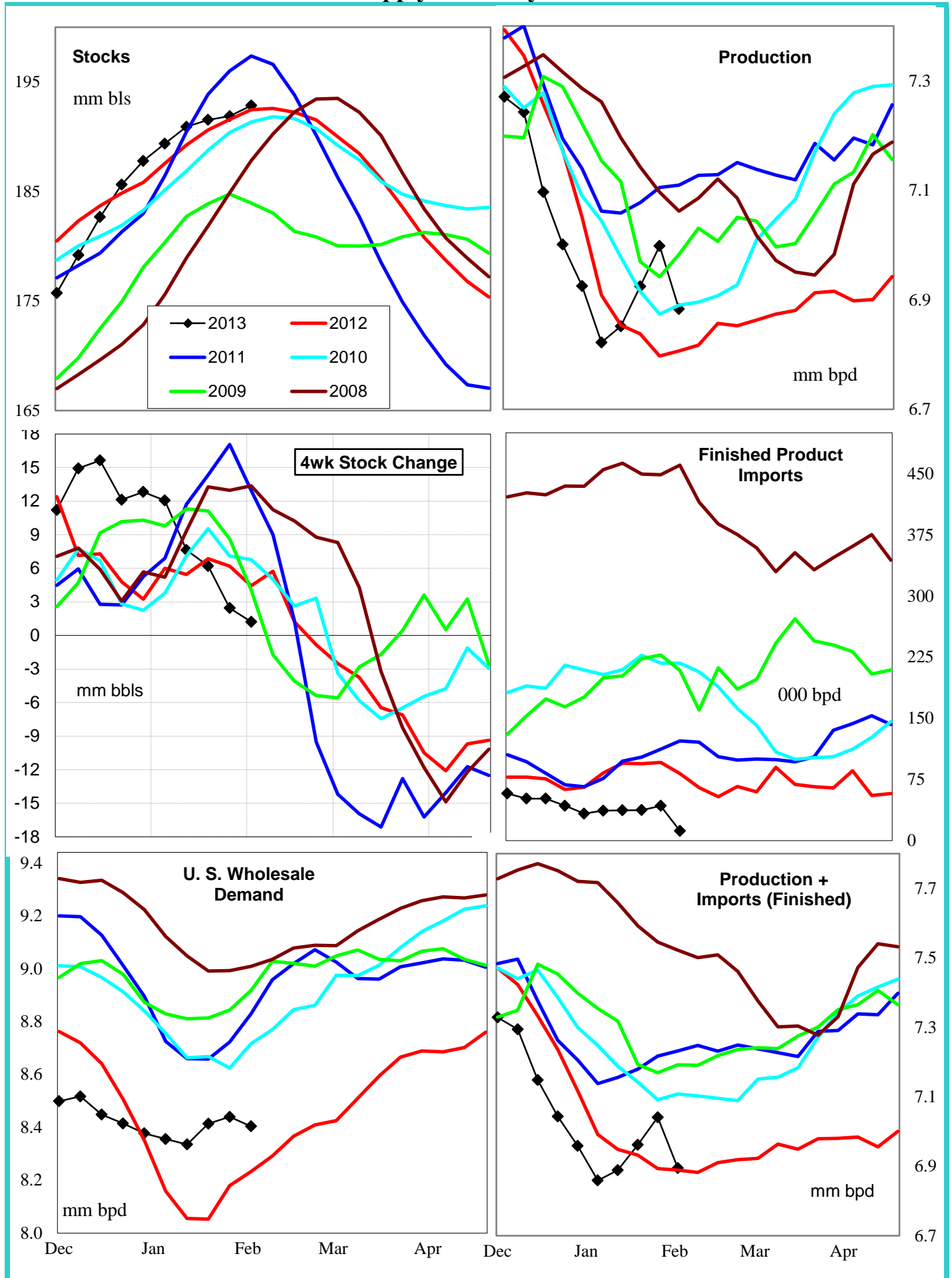
## Gasoline Import Economics



# Gasoline Supply by Region



## Gasoline Supply Summary PADDs 1+2+3



**PADD 5 Gasoline Supply**