



WEEKLY GASOLINE FUNDAMENTAL-PRICE-BASIS OUTLOOK

A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Thursday, March 07, 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 fell -233,000 bpd last week, with the level comparable to a year ago. The latest 4-wk change in demand was a +96,000 bpd increase, significantly less than during the last 60-days.

Supplies plunged -575,000 bpd as refiners ramped up maintenance.

Stocks declined -0.6 million barrels, less than the average, due to weak demand.

Basis fell in all markets on the roll from winter to summer grade contracts.

Basis levels traded at or below levels seen in 2012, particularly weak compared to the 5-year range.

Expect basis increases in markets East of the Rockies as winter grade cash prices transition to summer grades. Gulf basis should remain weak on ample stock levels and increased production as refiners return from winter maintenance.

Stock levels improved on the East Coast and Midwest regions on increased receipts from the Gulf.

RBOB

New York Harbor basis to trend higher on the shift from winter to spring physical grades, with the increase limited by ample stock levels.

Conventional

New York Harbor basis to trend higher on the shift from winter to spring physical grades, limited by improved stock levels.

Chicago basis to strengthen on continued maintenance/upgrades at the BP Amoco

plant and transition to summer physical grades.

Group III basis to strengthen on transition to summer grade product and higher seasonal demand.

Gulf Basis to strengthen on transition to summer grade product, limited by completion of winter maintenance.

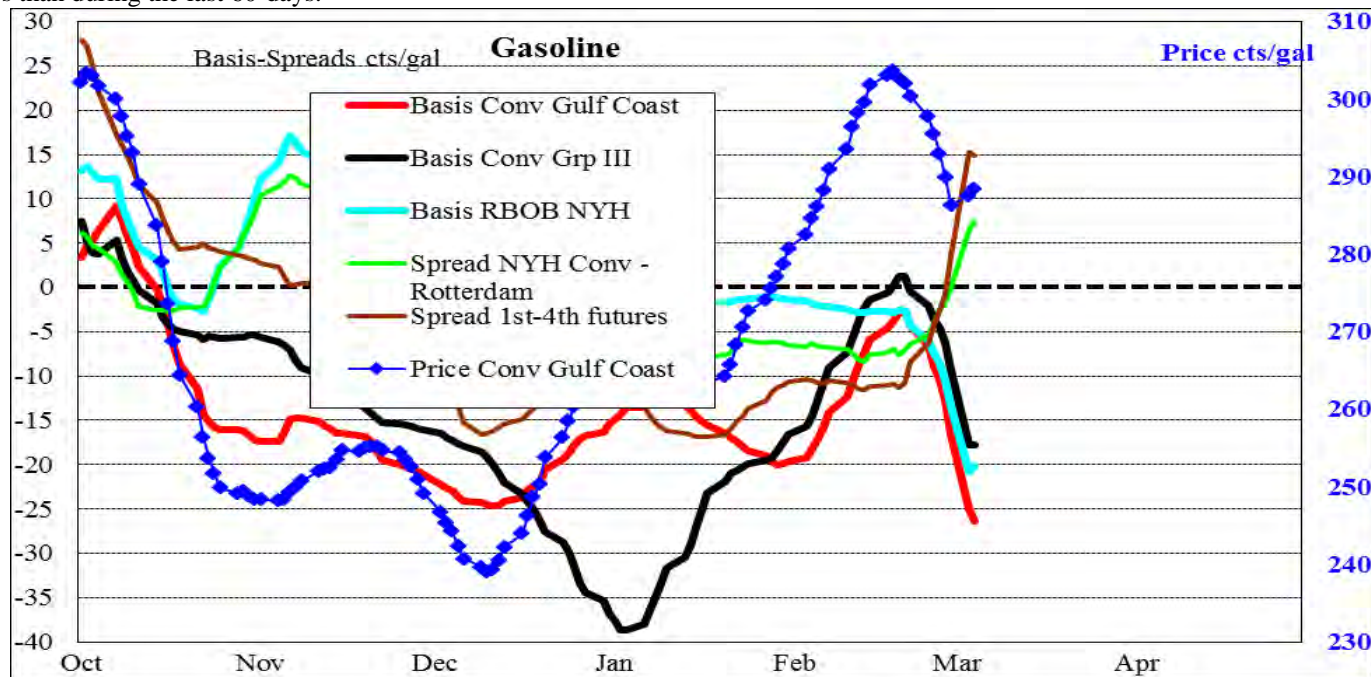
West Coast (Los Angeles) basis remain weak on completion of winter maintenance and ample stock levels.

Gulf Coast Price

High retail prices, weak economic growth and improved fleet efficiency should constrain the magnitude of year on year growth in wholesale gasoline demand.

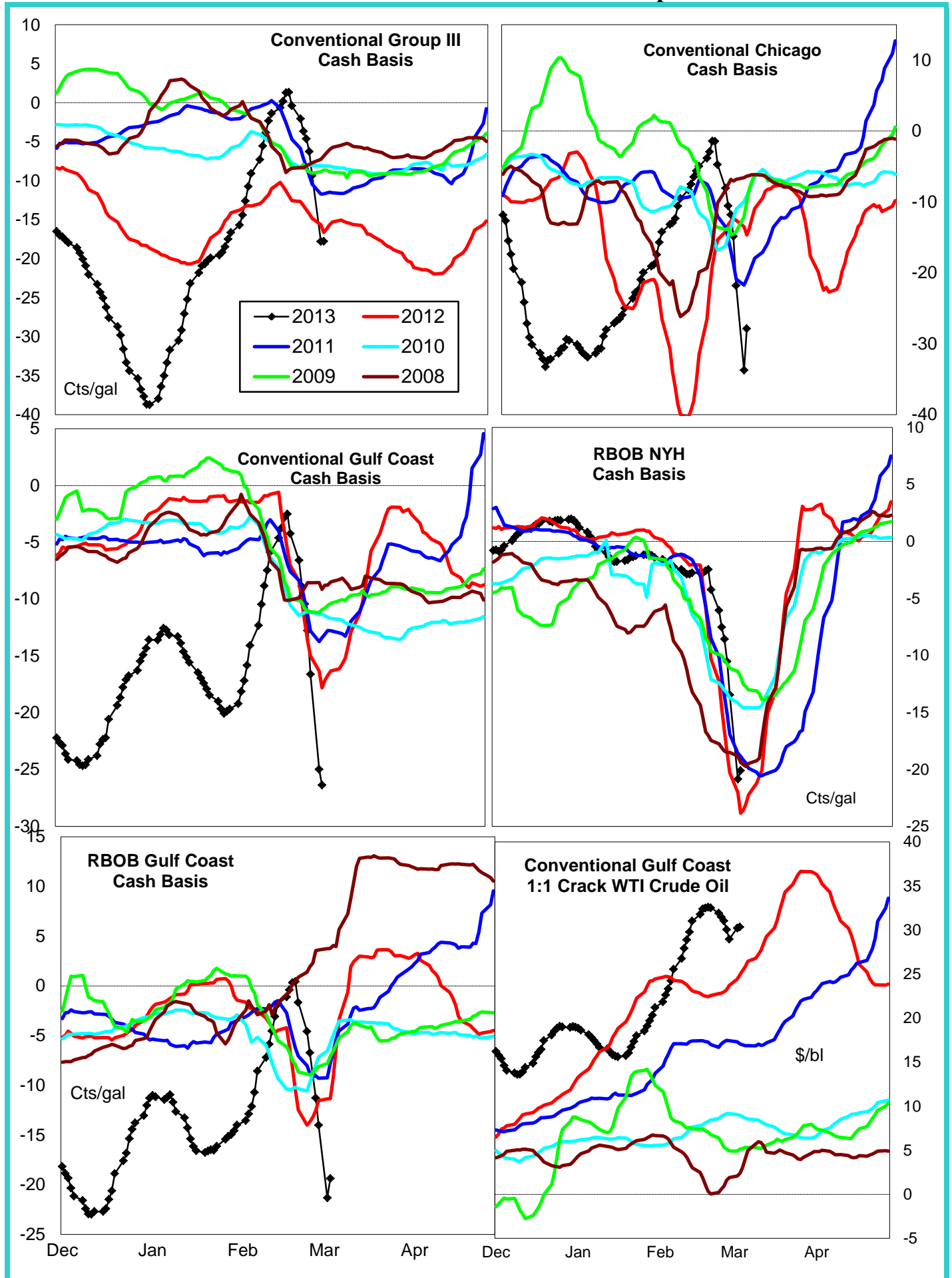
Expect wide variances in the supply balance between regional markets as refinery maintenance expands to northern locations, with continued weakness in the Gulf region.

The seasonal uptrend in demand and refinery maintenance should provide modest support to wholesale prices following the current price pull back.

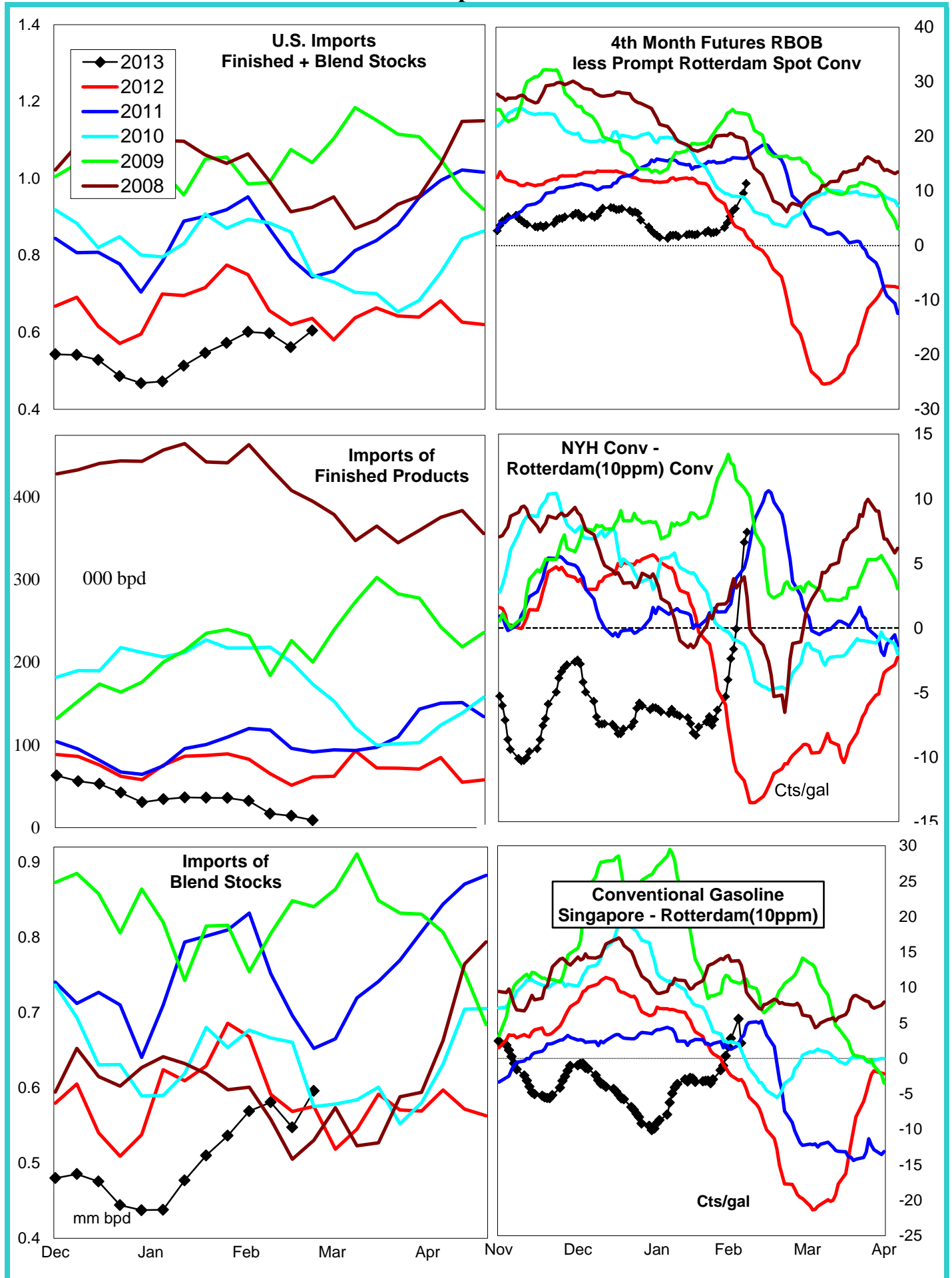


Disclaimer - The information contained on this website and in all its reports reflects the opinion of Fundamental Petroleum Trends. Futures and commodities trading involve significant risk and may not be suitable for every investor. Information contained herein is strictly the opinion of its author and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

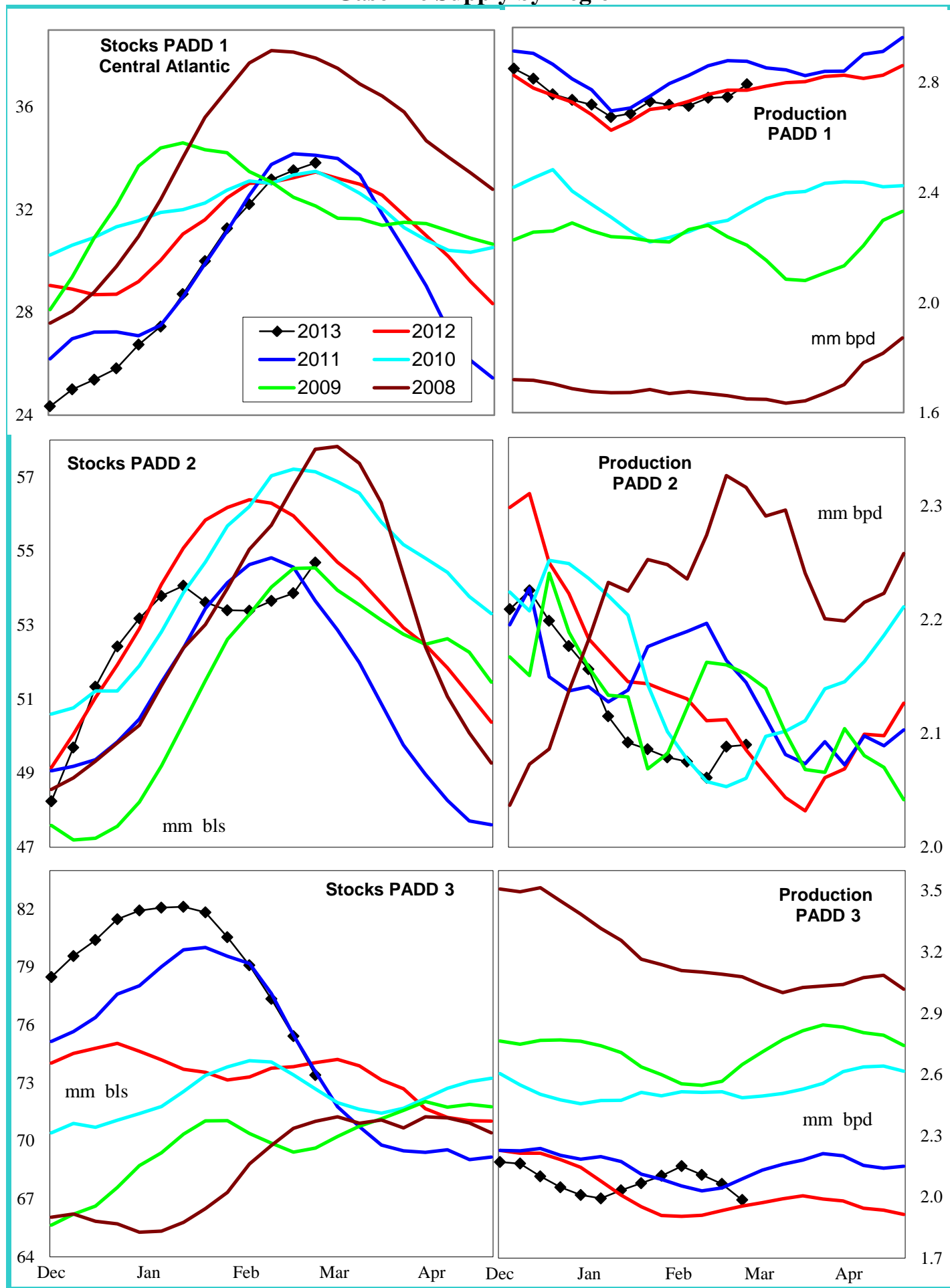
Gasoline Cash Basis and Related Price Spreads



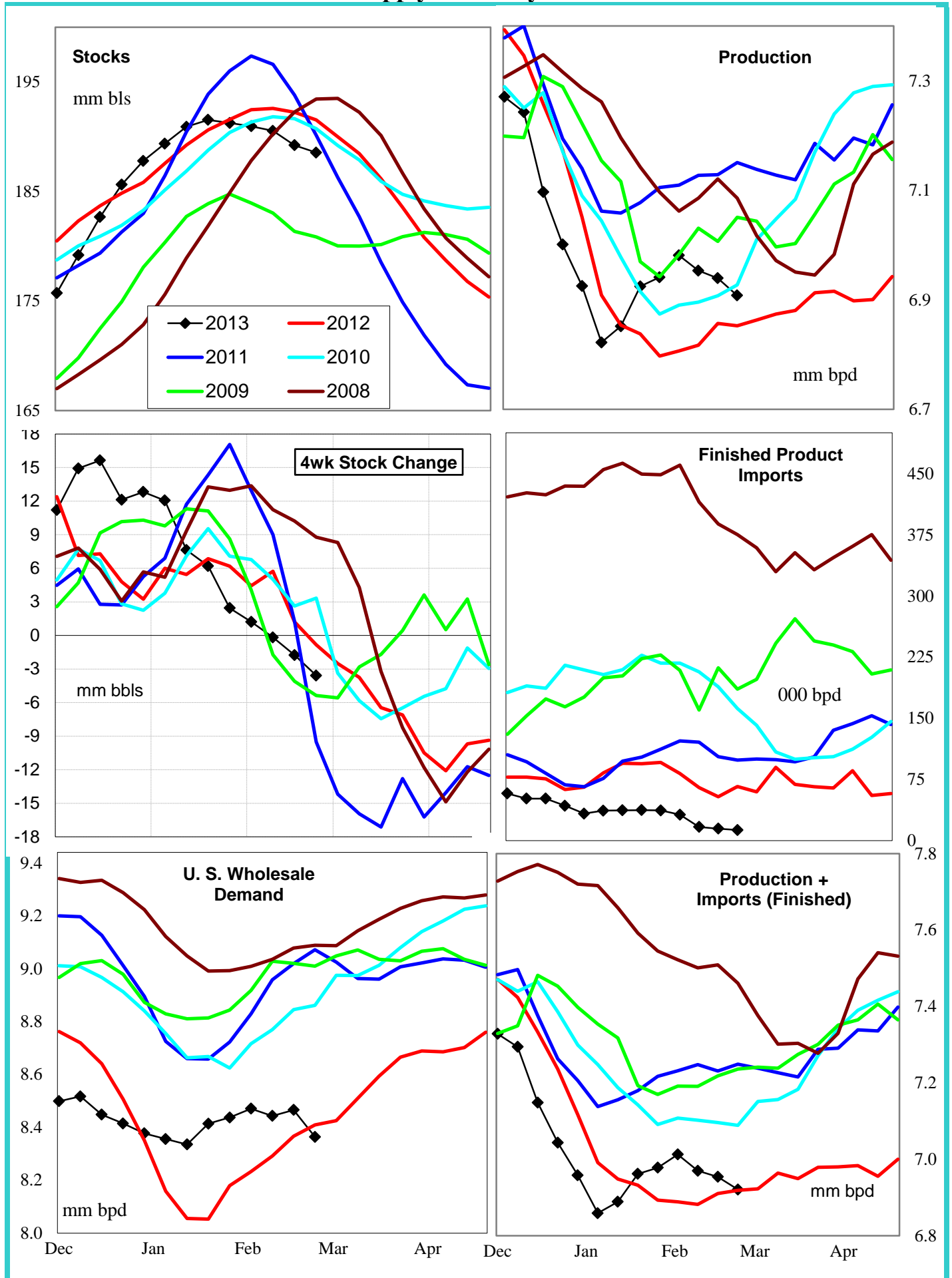
Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3



PADD 5 Gasoline Supply