



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 +263,000 bpd last week, to a level above a year ago. The latest 4-wk change in demand was a

+89,000 bpd increase, significantly less than during the prior 2-months.

Supplies rebounded +470,000 bpd, reversing the prior week decrease.

Stocks declined -3.6 million barrels, a larger than average draw, which was driven by the increase in demand. Stocks saw significant draws in all regional markets last week.

Basis trended higher in all regional markets east of the Rockies last week.

Basis levels ended the week below the 5-year range in all regional markets.

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.

RBOB

New York Harbor basis to trend higher on the shift from winter to spring physical grades.

Conventional

New York Harbor basis to trend higher on the shift from winter to spring physical grades.

Chicago basis to see modest strength on higher seasonal demand and below average stock levels.

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 strengthen on seasonal stock draw and higher demand.

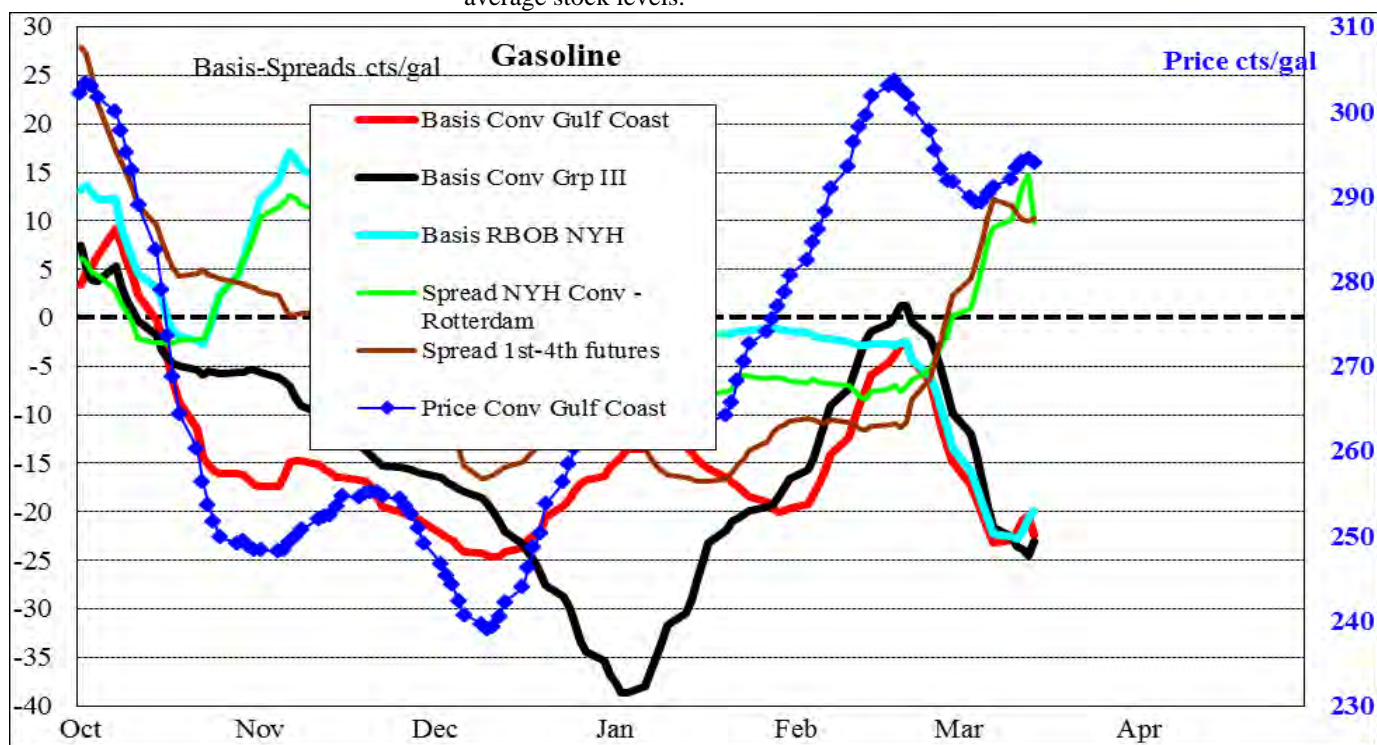
Gulf Coast Price

Unusually weak cash basis in all regional markets should strengthen on a modest year on year increase in demand, and the seasonal uptrend.

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

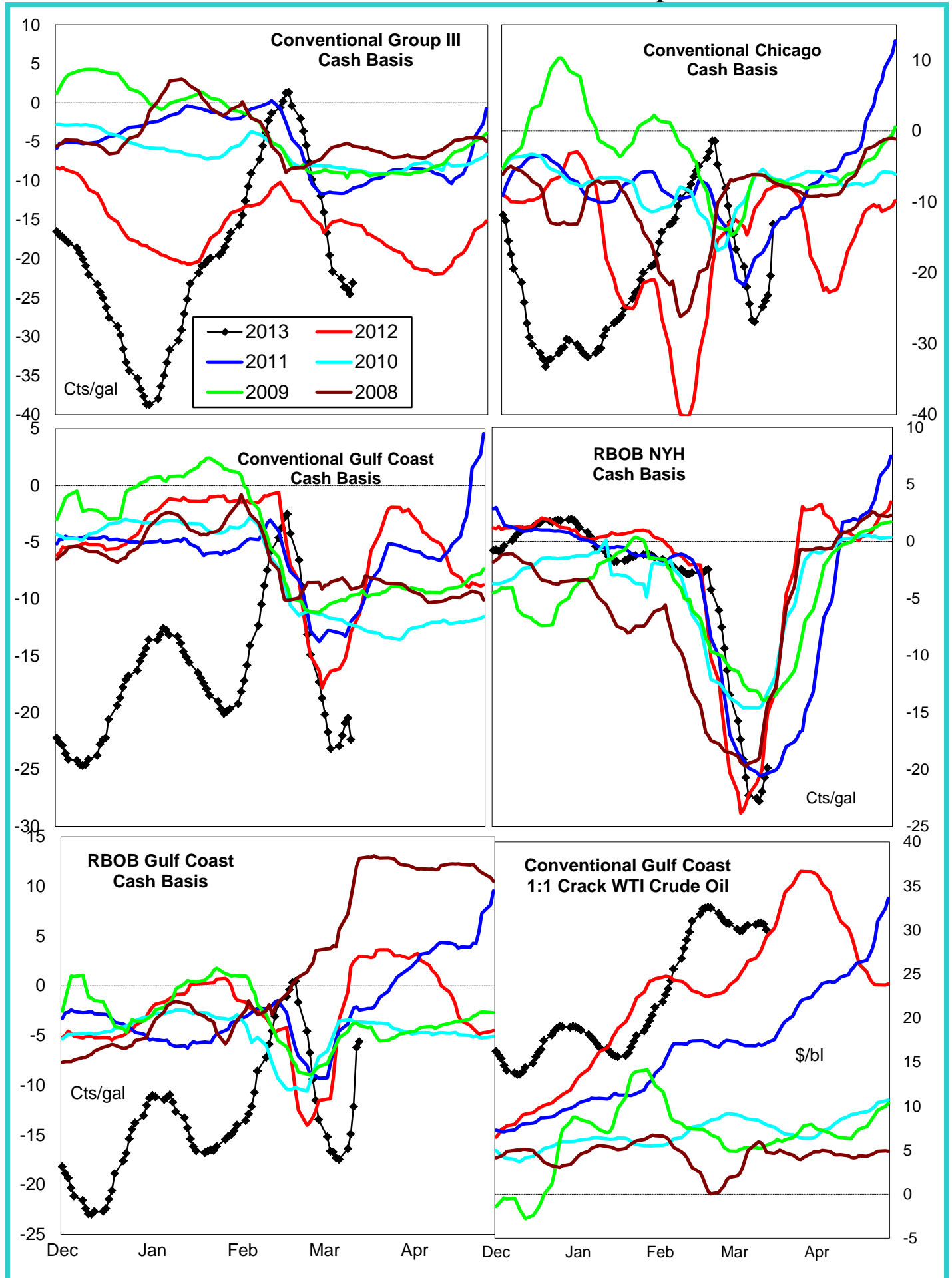
The seasonal uptrend in demand and refinery maintenance should provide modest support to wholesale prices following the current price pull back.

Slower global economic growth risk weak energy prices in the 2nd quarter.

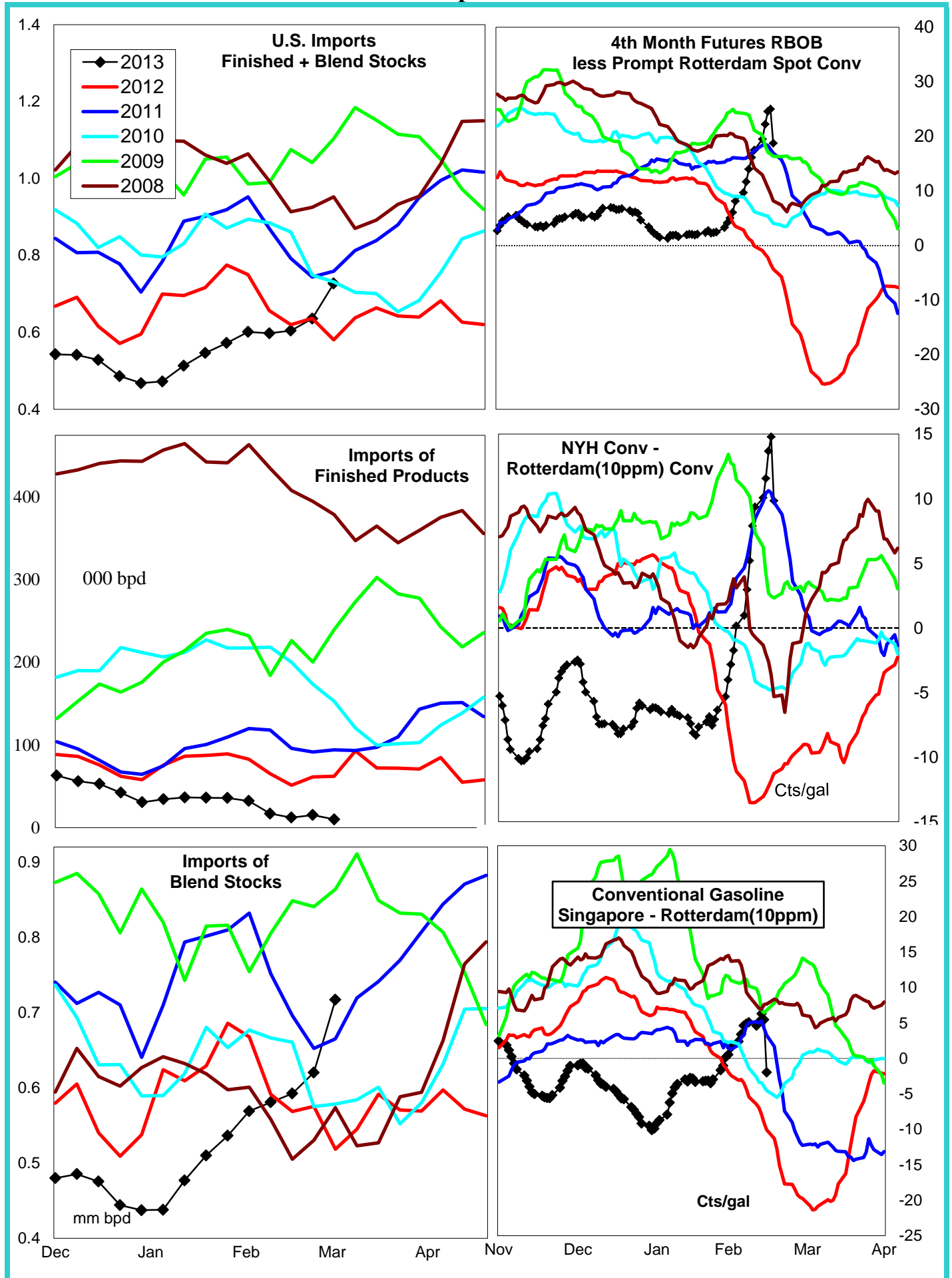


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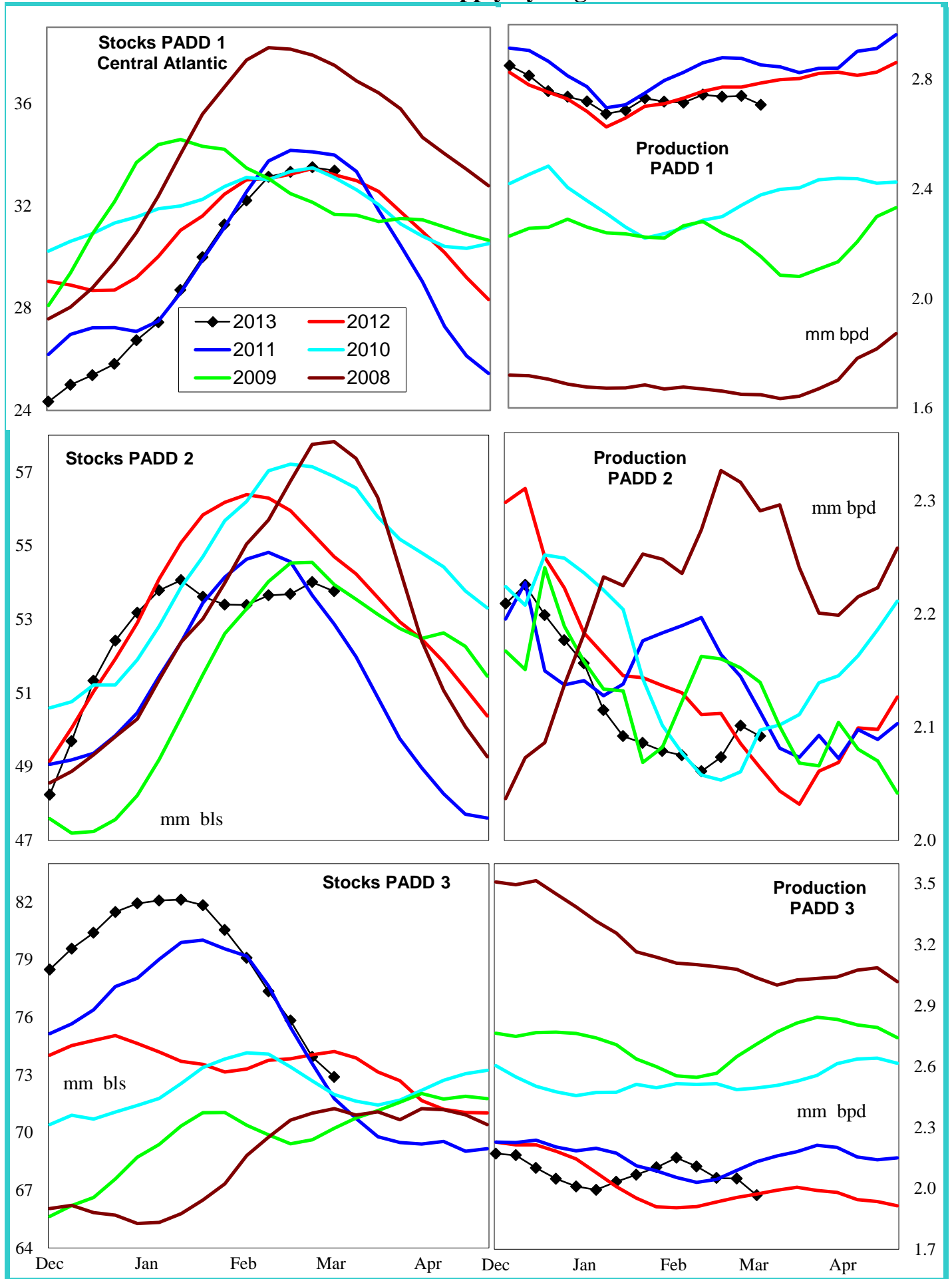
Gasoline Cash Basis and Related Price Spreads



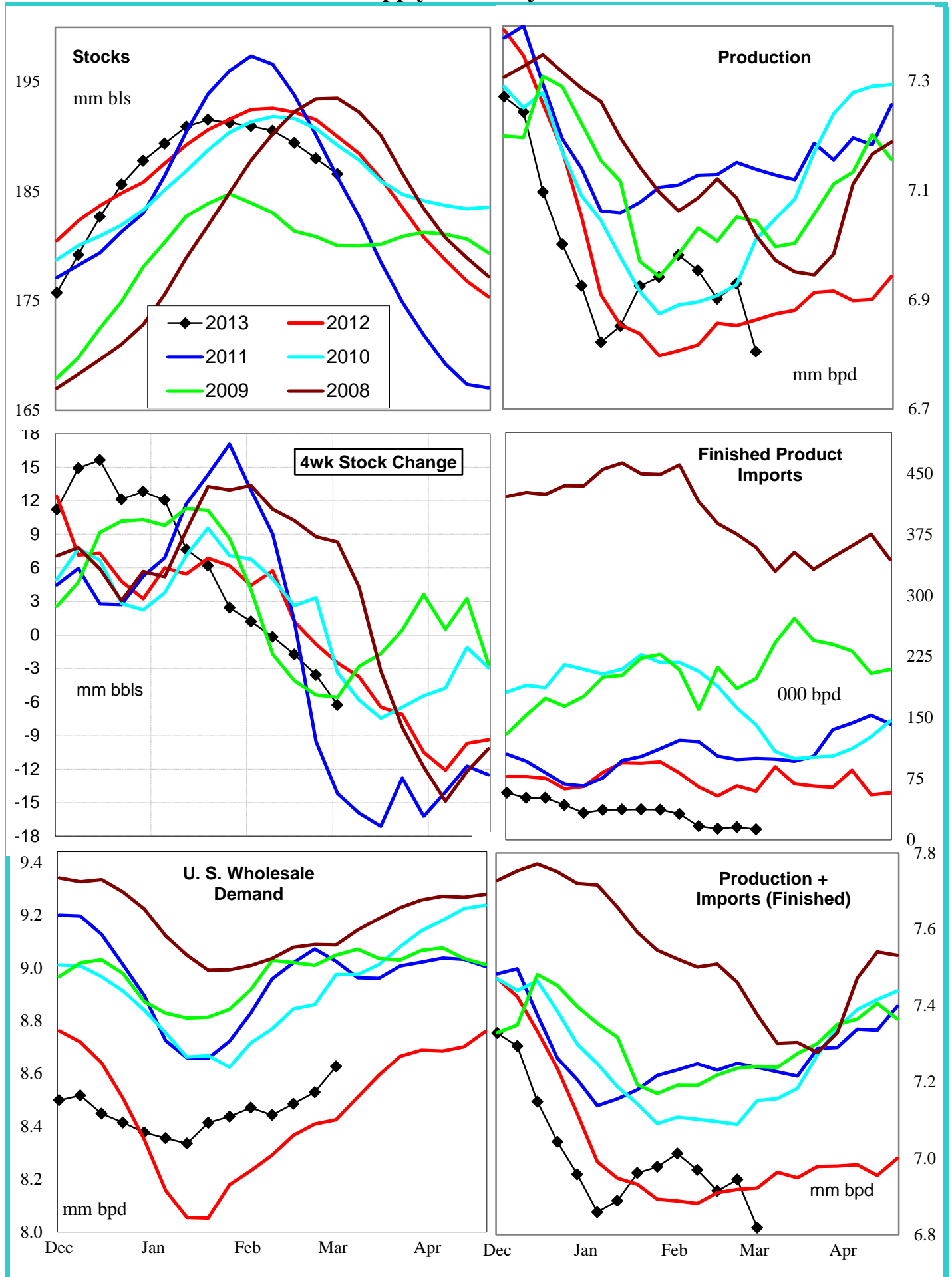
Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3



PADD 5 Gasoline Supply