



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 fell -303,000 bpd last week, to a level below last year. The latest 4-wk change in demand was a +123,000 bpd increase.

Supplies fell -0.7 million bpd, reversing the prior week surge. The latest 4-wk average supply was 31,000 bpd above a year ago.

Stocks declined -1.5 million barrels, with the level below the 3-year mid range.

Basis trended modestly higher in all regional markets east of the Rockies last week. West Coast basis was flat to lower on the week.

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

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 increased spring refinery maintenance.

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

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

West Coast (Los Angeles) basis to strengthen on seasonal stock draw and higher demand.

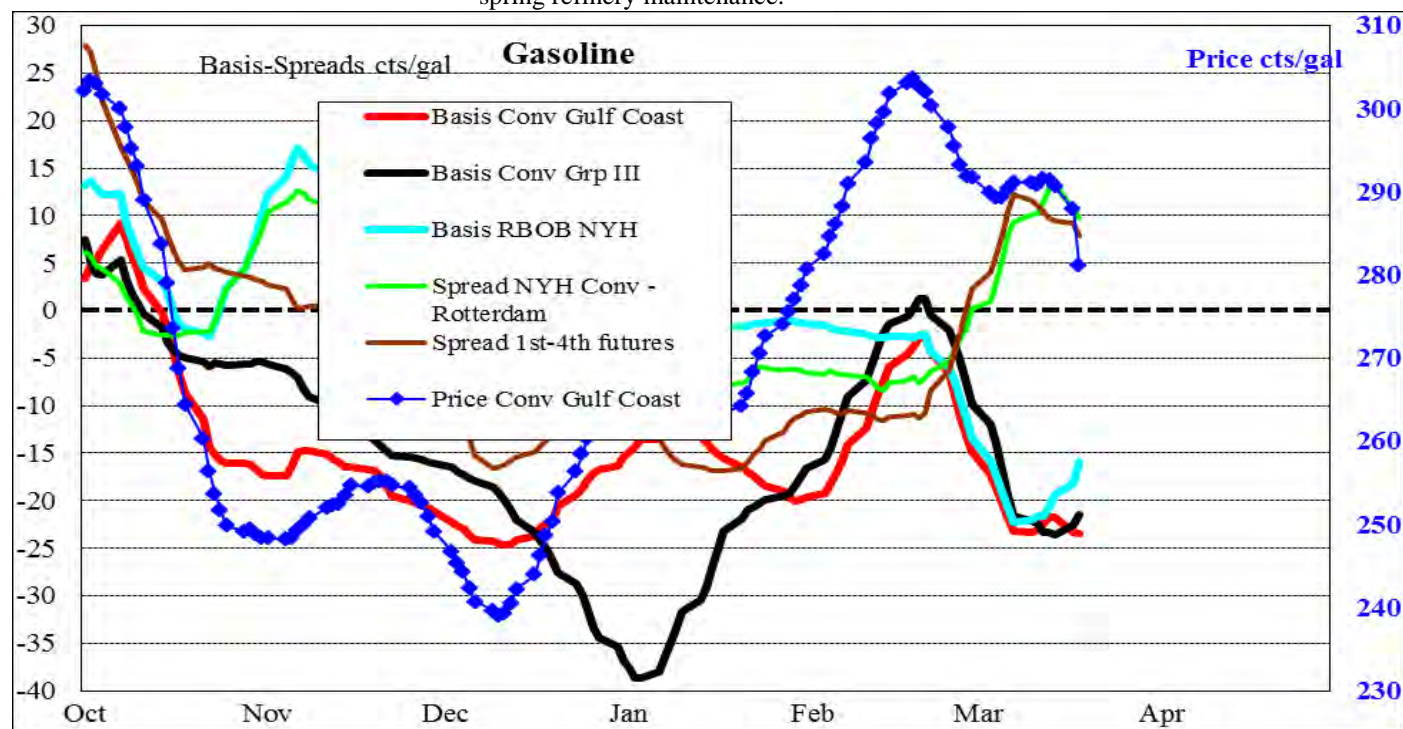
Gulf Coast Price

Cash basis remains unusually weak in all regional markets except Chicago. A slowing in year-on-year demand growth balanced stock levels and slightly year on year increase in supplies underlies the weakness.

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

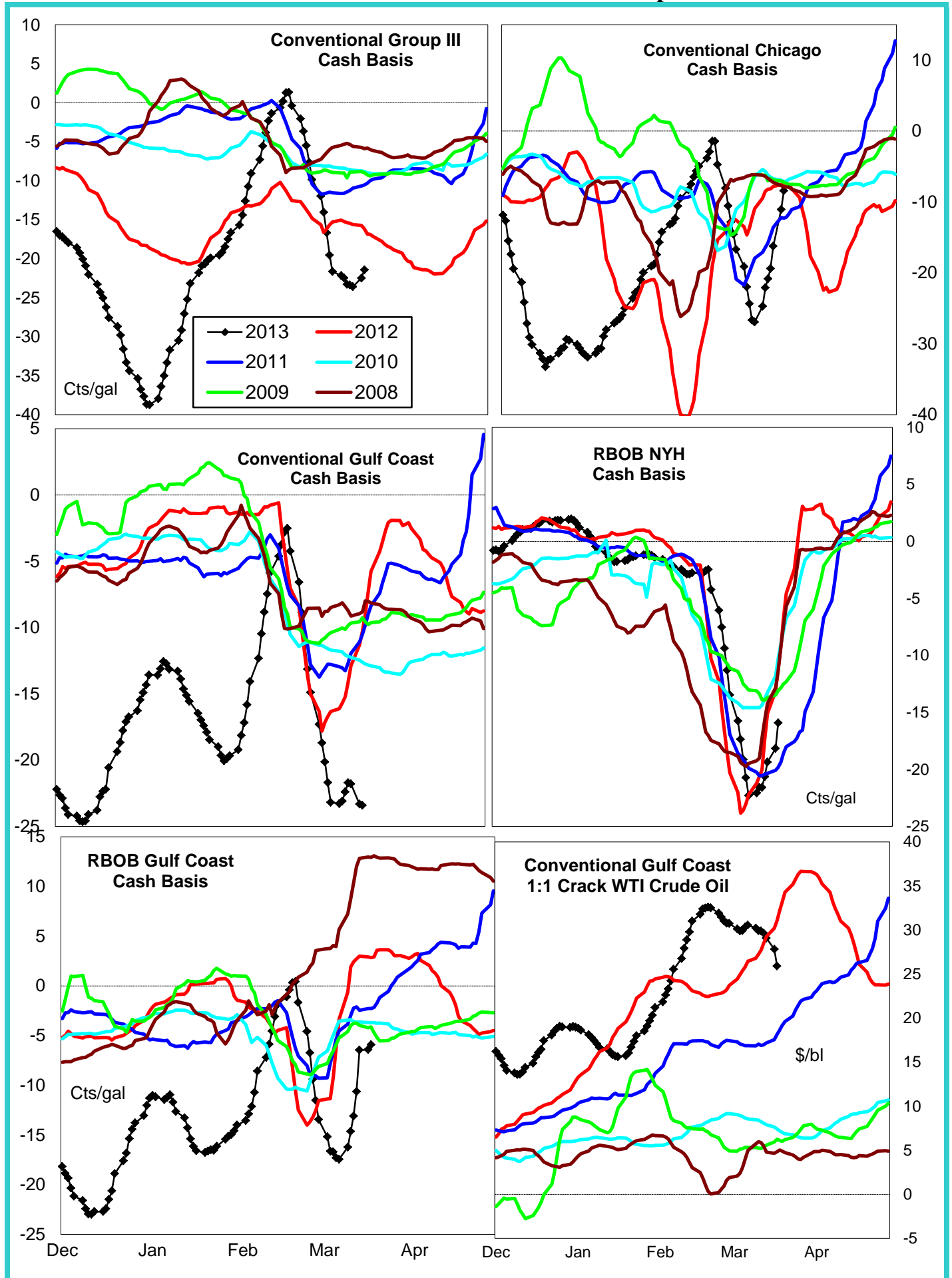
The seasonal uptrend in demand and refinery maintenance should provide modest support to wholesale prices following the current price pull back.

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

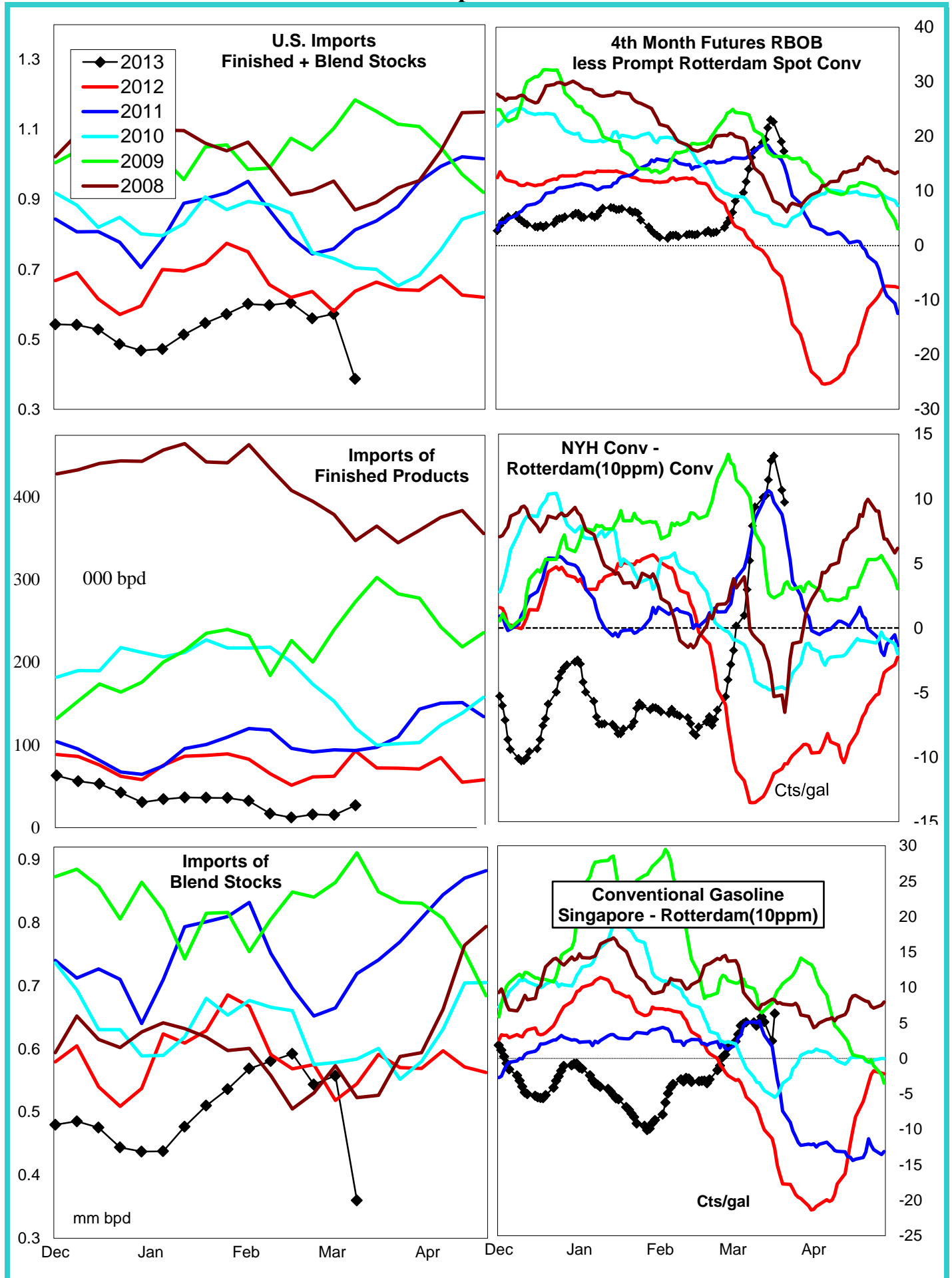


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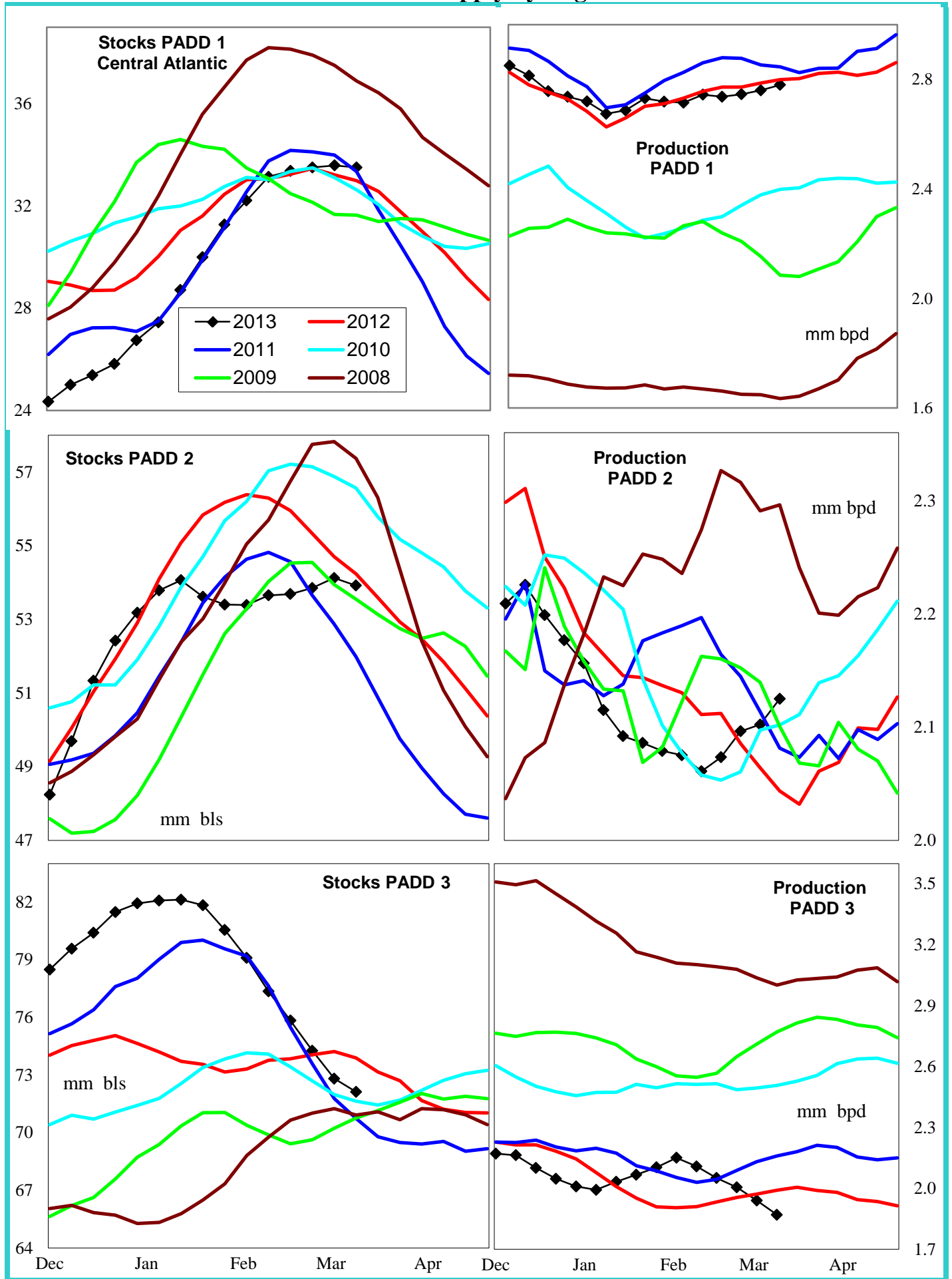
Gasoline Cash Basis and Related Price Spreads



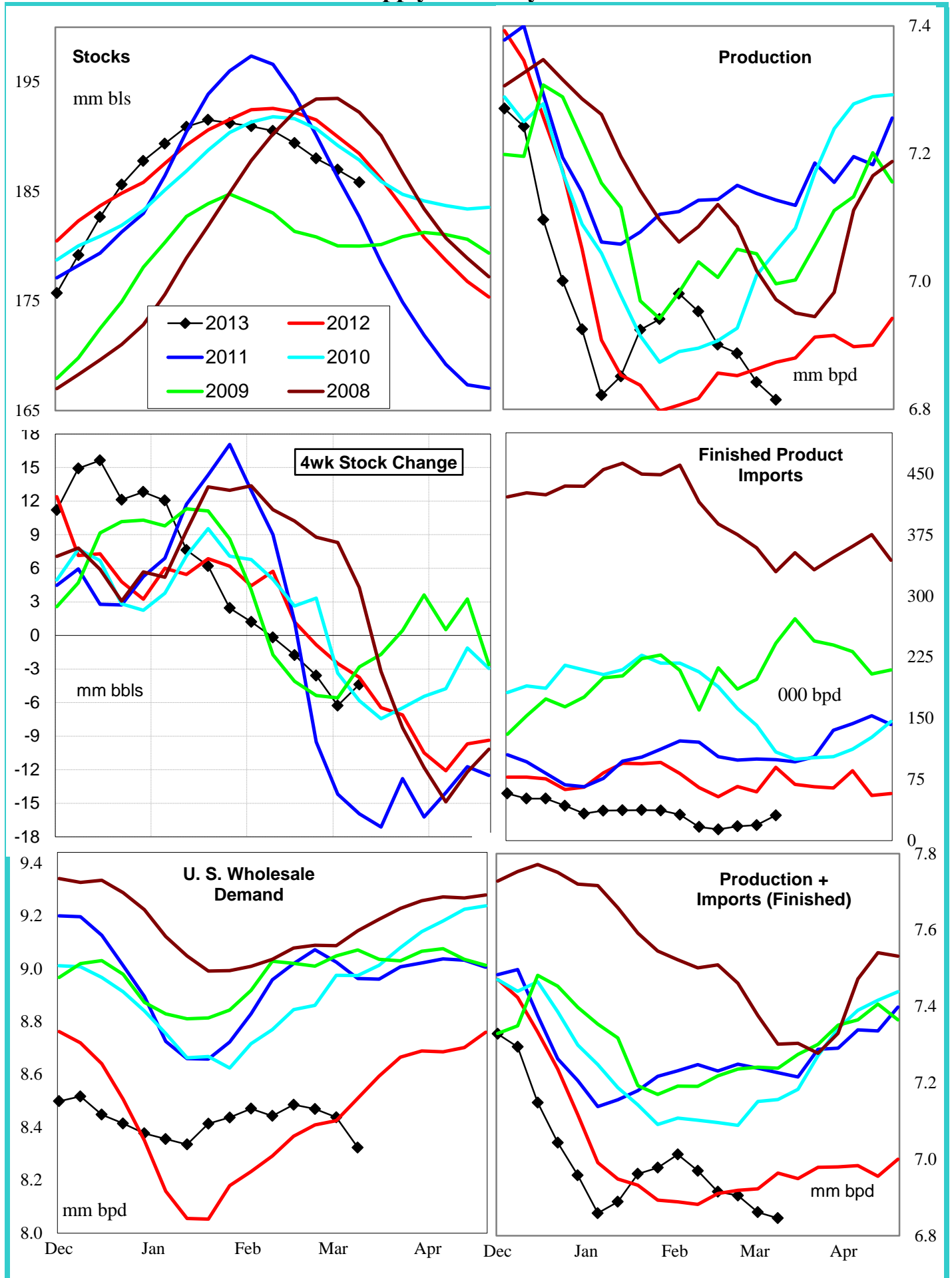
Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3



PADD 5 Gasoline Supply