



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 +75,000 bpd last week, although the level remains below the 5-year range. The latest 4-wk change in demand was a -13,000 bpd decrease.

Supplies increased +0.4 million bpd, partially offsetting the prior week decline.

The latest 4-wk average supply was - 43,000 bpd below a year ago.

Stocks declined -1.6 million barrels, to a level below the 3-year mid range.

Basis trends were mixed last week, with West Coast markets trending higher, while most markets East of the Rockies traded sideways to lower.

Most markets in the Northwest, Midwest and NYH traded at levels below the historic range for the week. Chicago was the exception where RBOB traded at the low end of the historic range.

Expect basis to trend modestly higher on increased seasonal demand and switch to summer fuel grades.

RBOB

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

Conventional

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

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

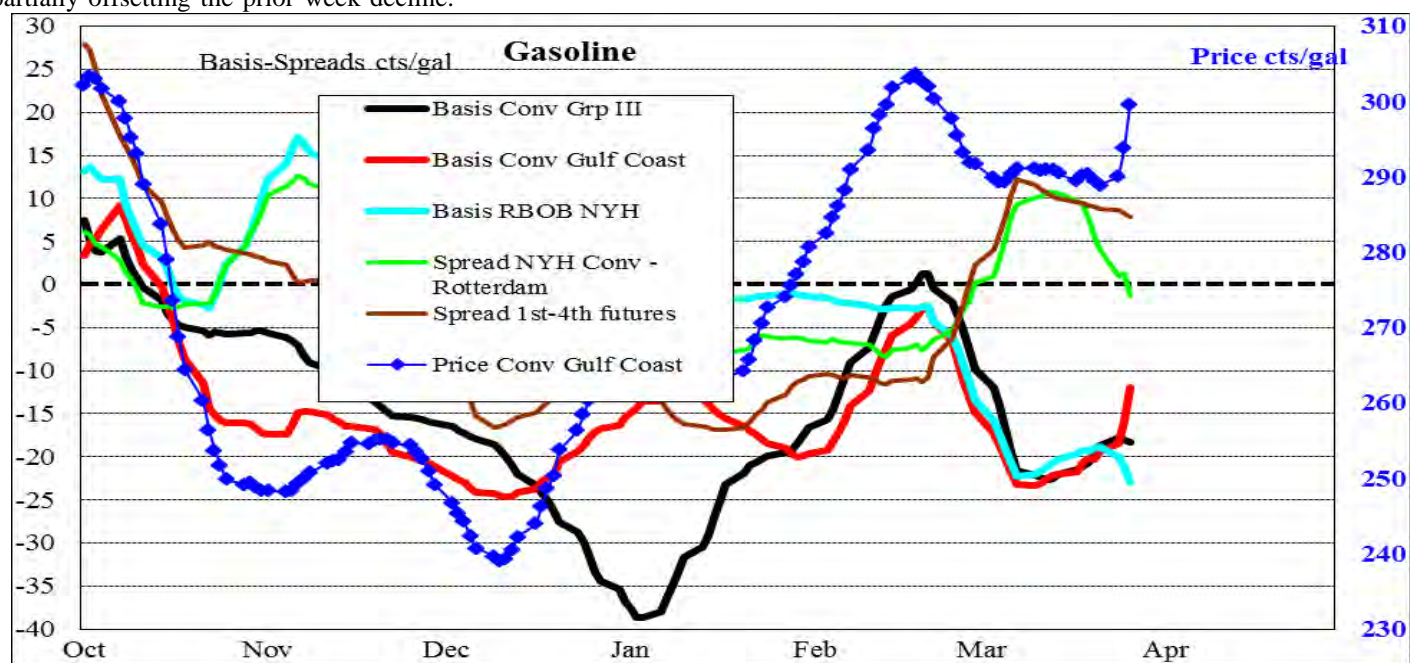
The NYMEX RBOB contract has seen unusual support compared to all domestic and global cash markets. This has depressed cash basis across nearly all regional markets.

Markets East of the Rockies remain well supplied with stocks equal to or higher than the historic mid range. Demand has slipped to below year ago levels.

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

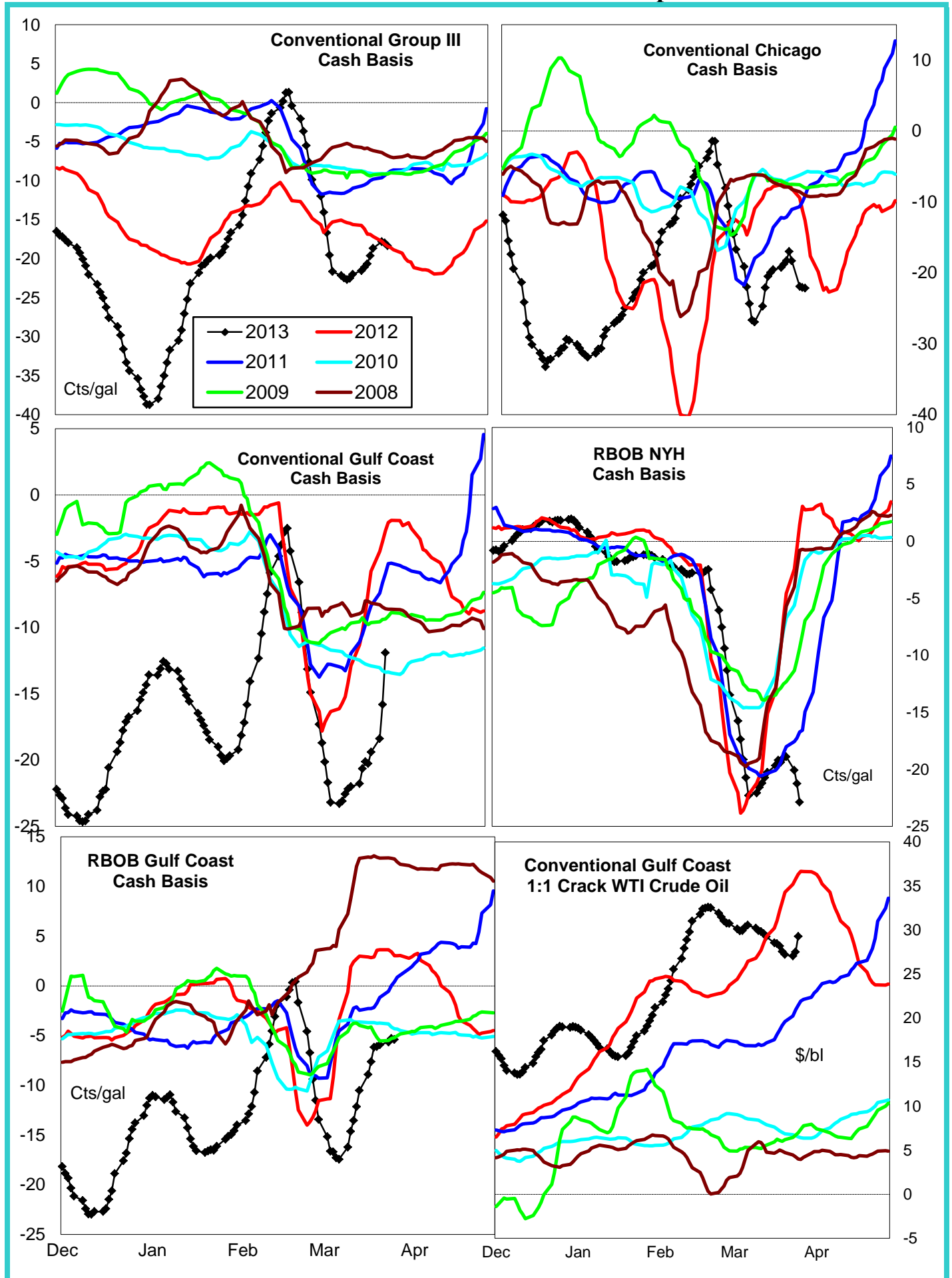
The seasonal uptrend in demand and refinery maintenance should provide modest support to wholesale prices following the current price pull back.

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

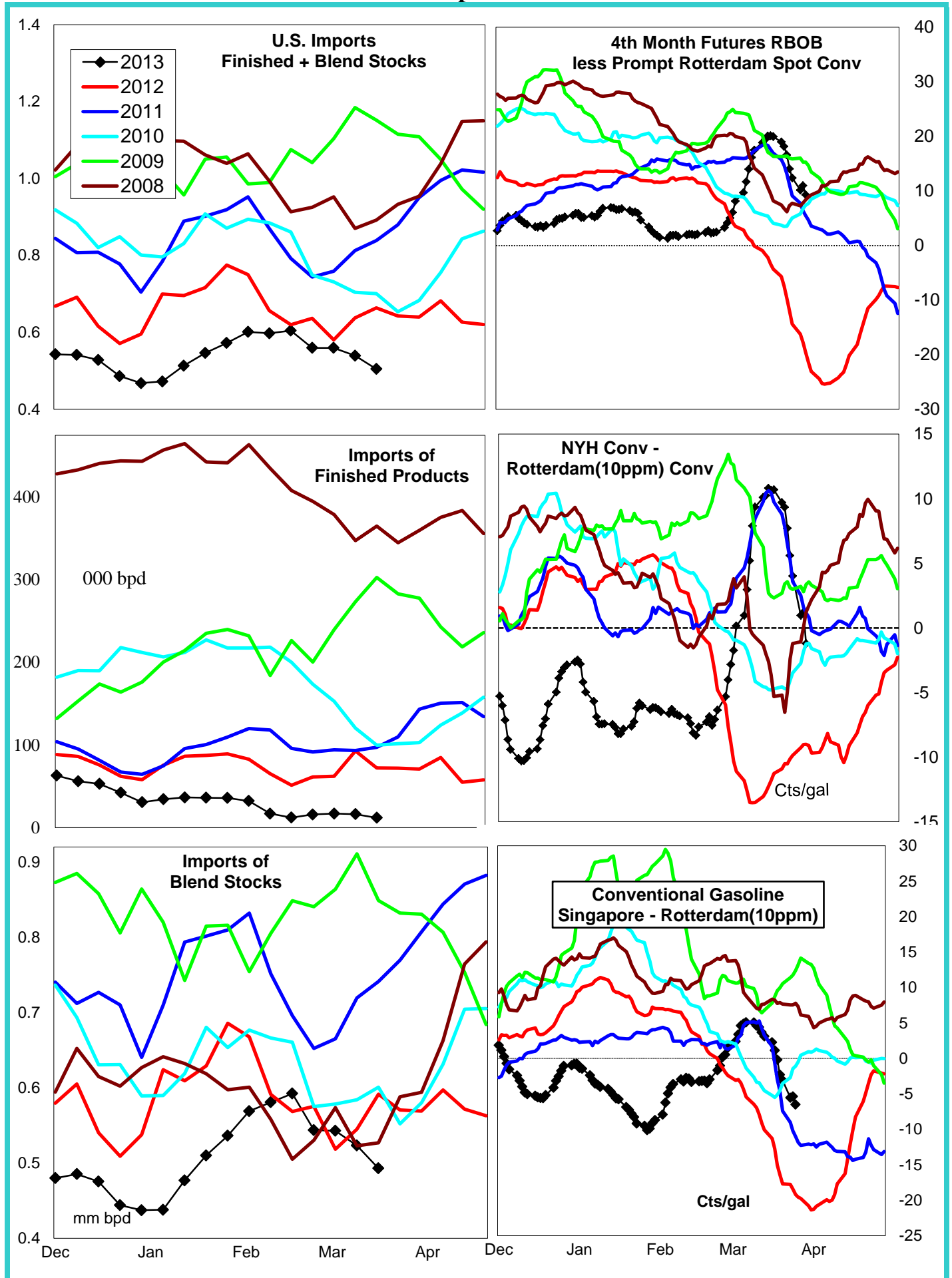


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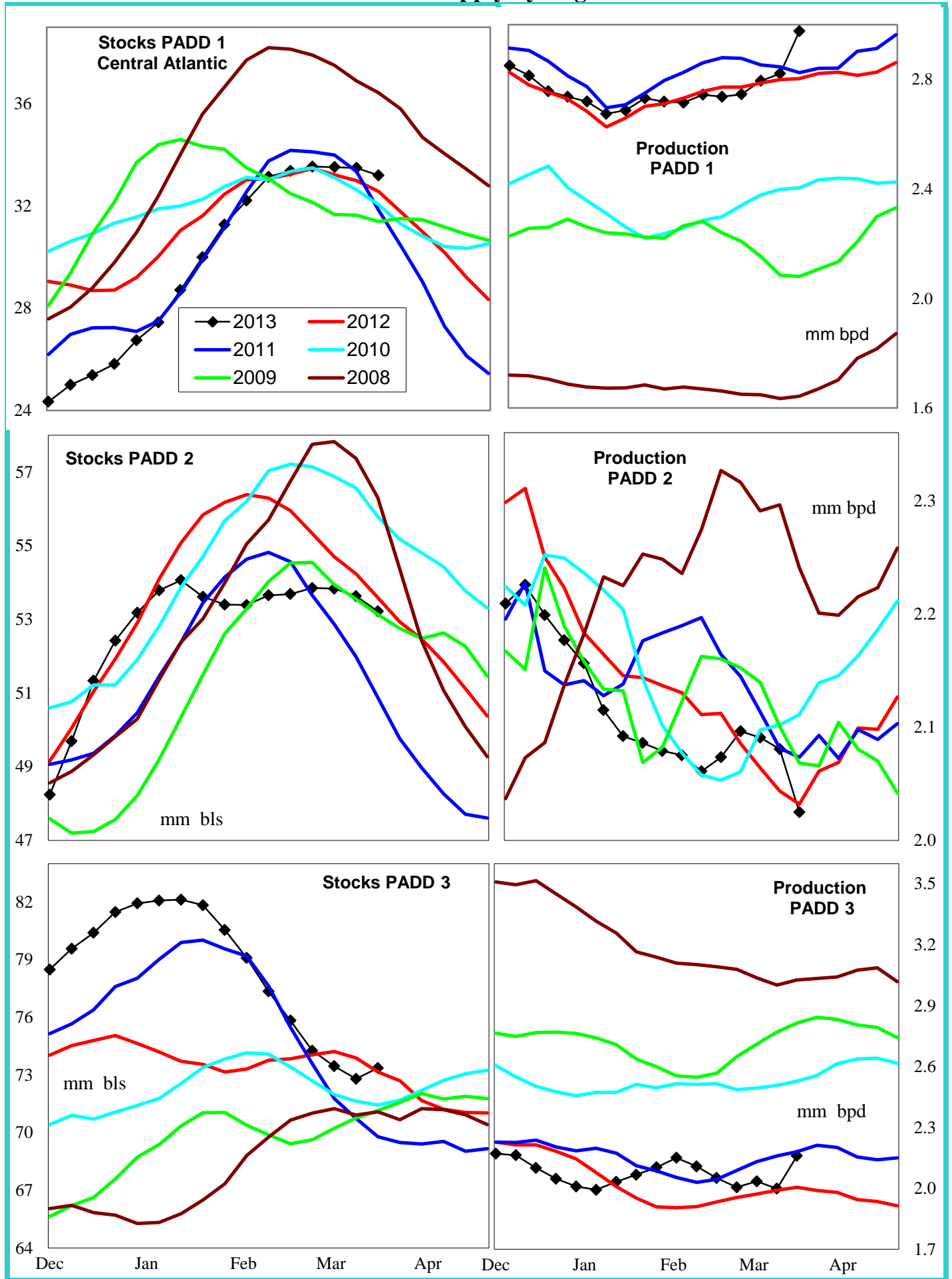
Gasoline Cash Basis and Related Price Spreads



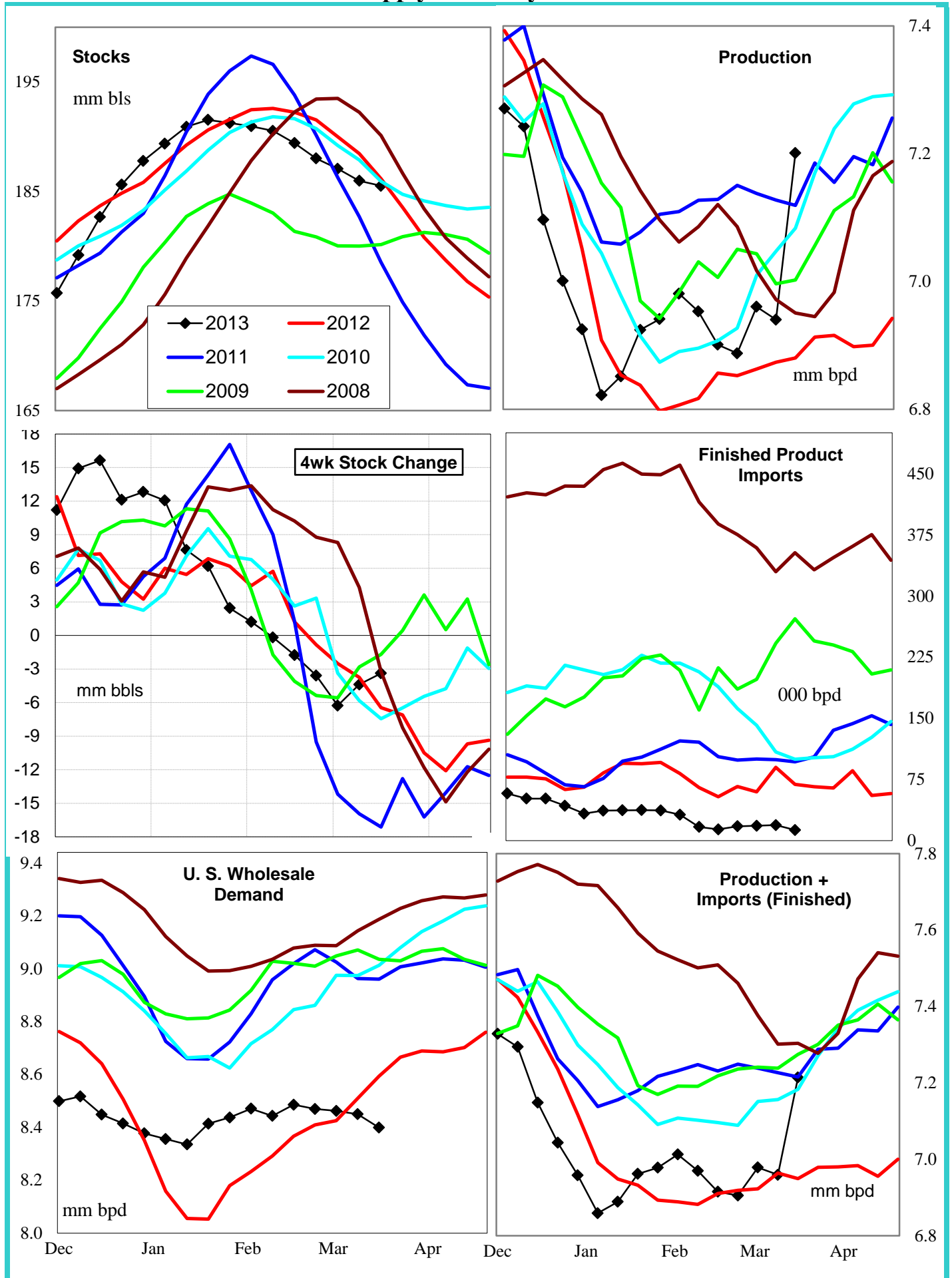
Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3



PADD 5 Gasoline Supply