



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 +124,000 bpd last week, although the level remains below the 5-year range. The latest 4-wk change in demand was a -104,000 bpd decrease compared to a year ago.

Supplies increased +175,000 bpd, last week, . The latest 4-wk average supply was -53,000 bpd below a year ago.

Stocks declined -0.6 million barrels, to a level that matched the 3-year mid range.

Basis trended higher in NYH, Group III and West Coast markets last week. Chicago and the Gulf saw basis trade sideways to lower.

Basis levels remain near 5-year lows in all regional markets except California where record low stocks are supporting basis levels above at the 3-year mid range.

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

RBOB

New York Harbor basis to trade sideways on ample stocks and weak demand.

Conventional

New York Harbor basis to traded at the low end of the historic range in the near term, then seasonally higher.

Chicago basis to strengthen on refinery maintenance by mid month.

Group III basis to trend higher on refinery maintenance and increased seasonal demand.

Gulf Basis to remain weak in the near term on record stocks and higher production, then trend higher to the low end of the historic range on increased seasonal demand.

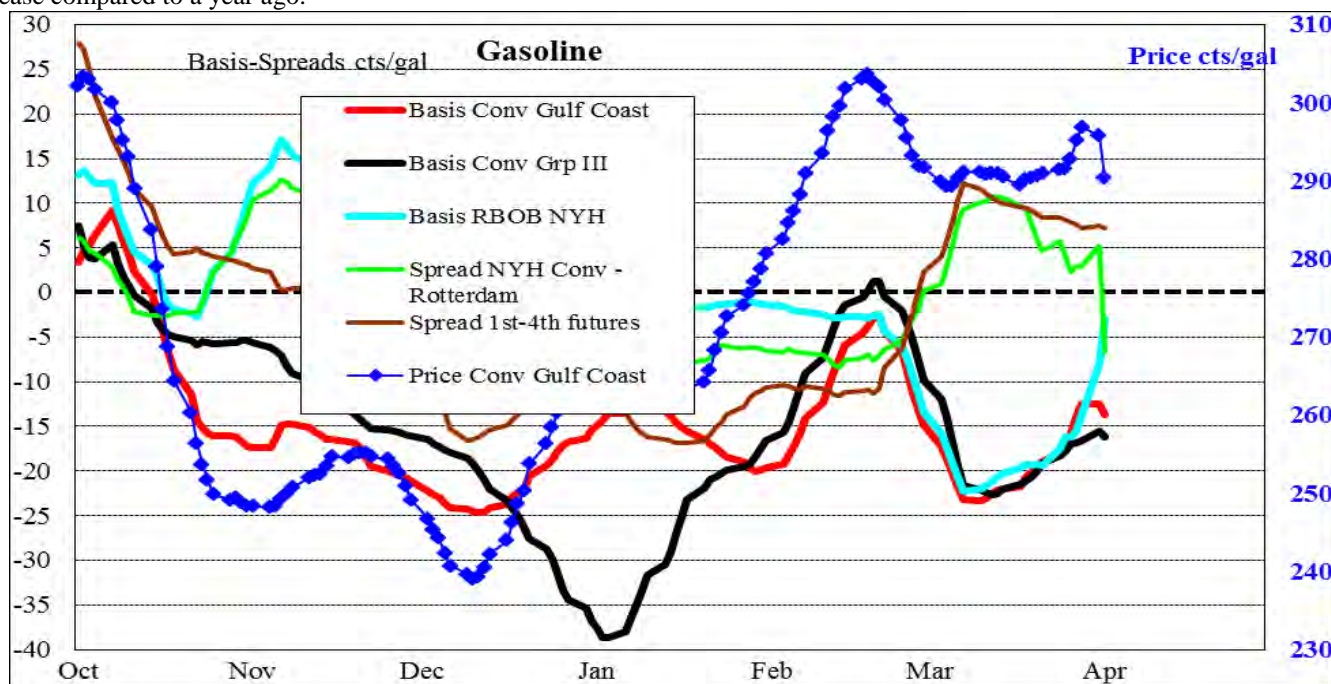
West Coast (Los Angeles) basis to extend the uptrend very low stock levels.

Gulf Coast Price

The NYMEX RBOB contract fell sharply this week, as investor support was lost. This should lead to a broad based improvement in cash basis for both domestic and global markets.

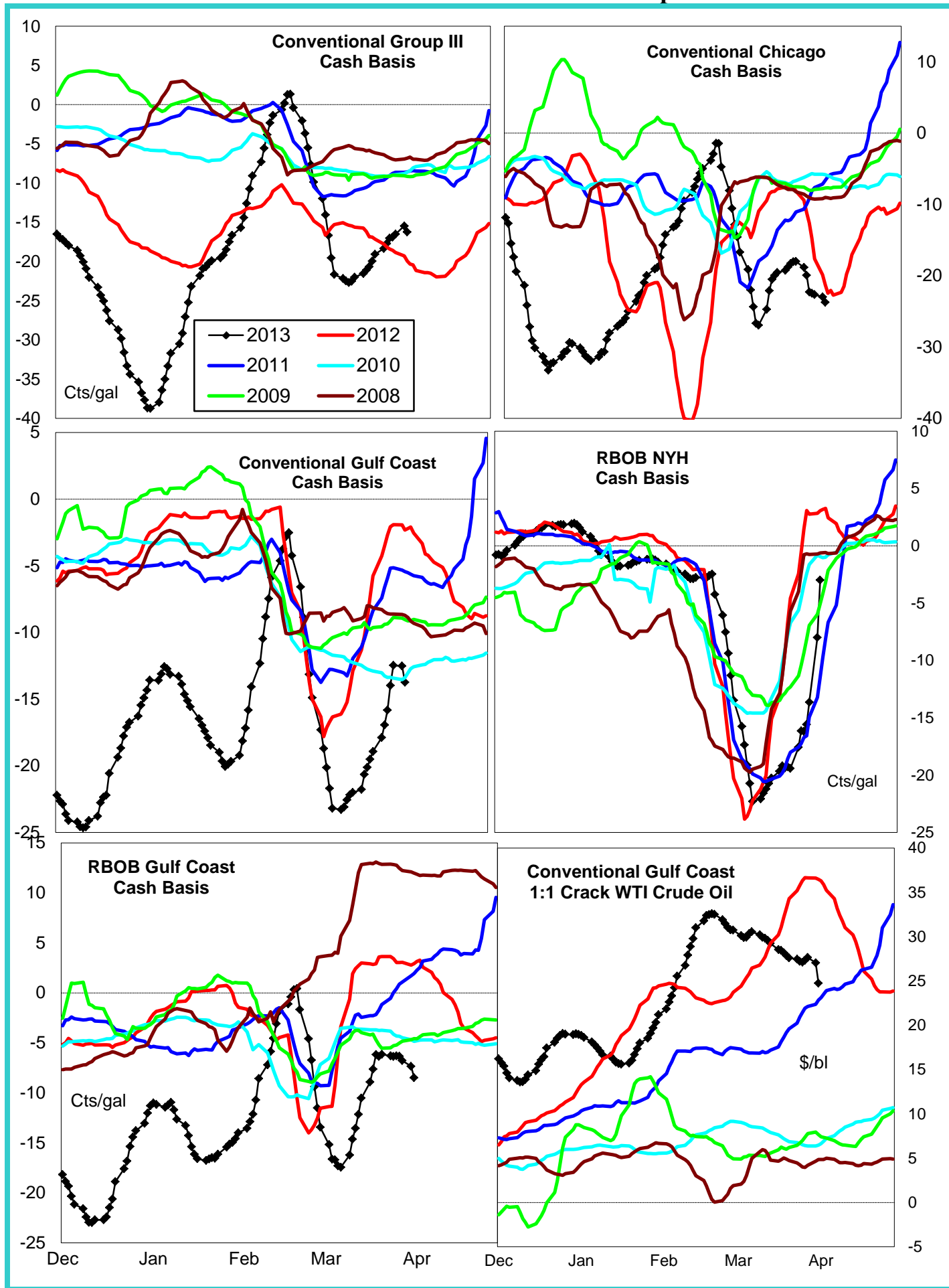
However with ample gasoline stocks in most regional markets and a year-on-year decline in demand, the market should remain well supplied ahead of the start of summer driving.

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

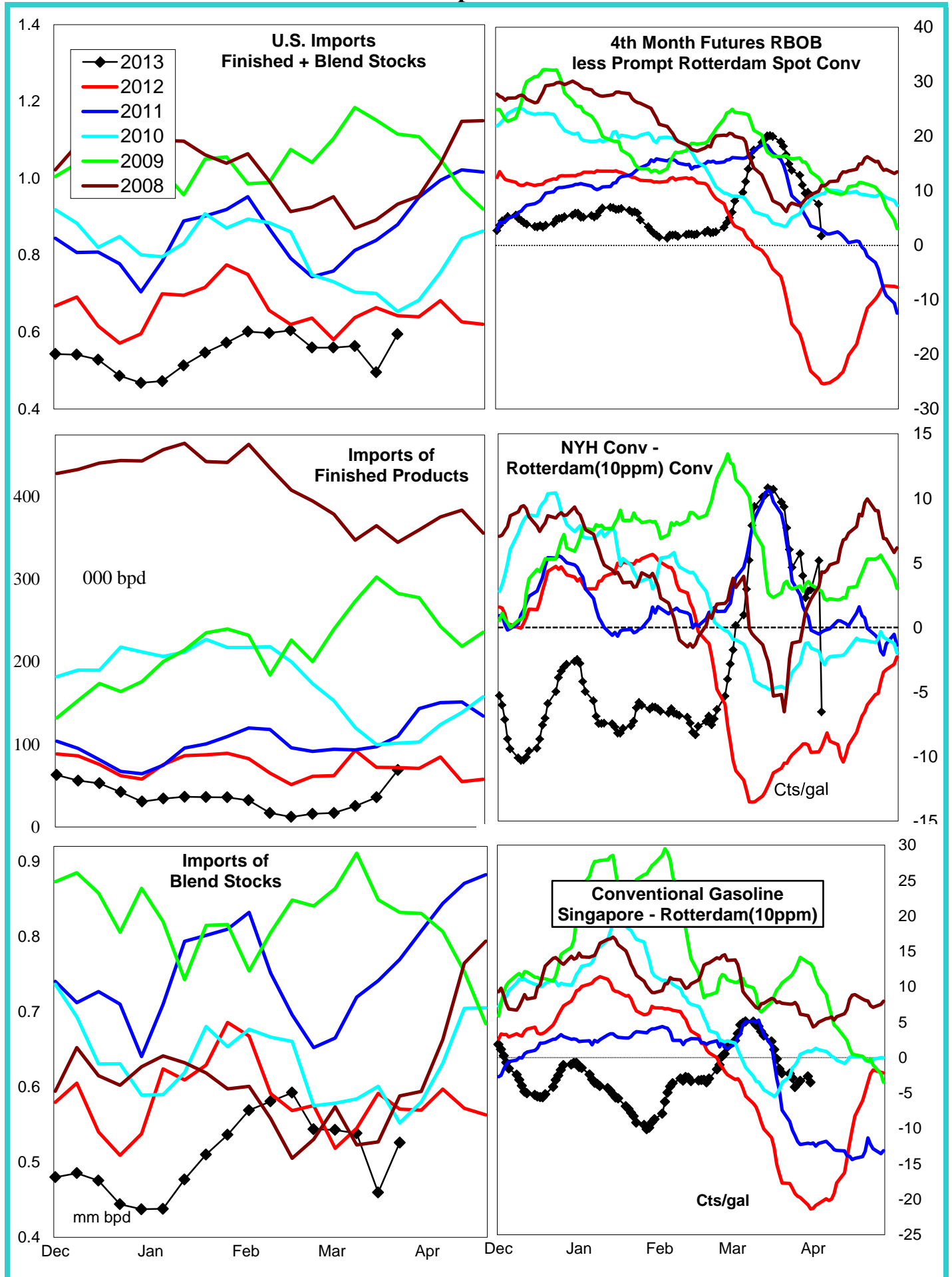


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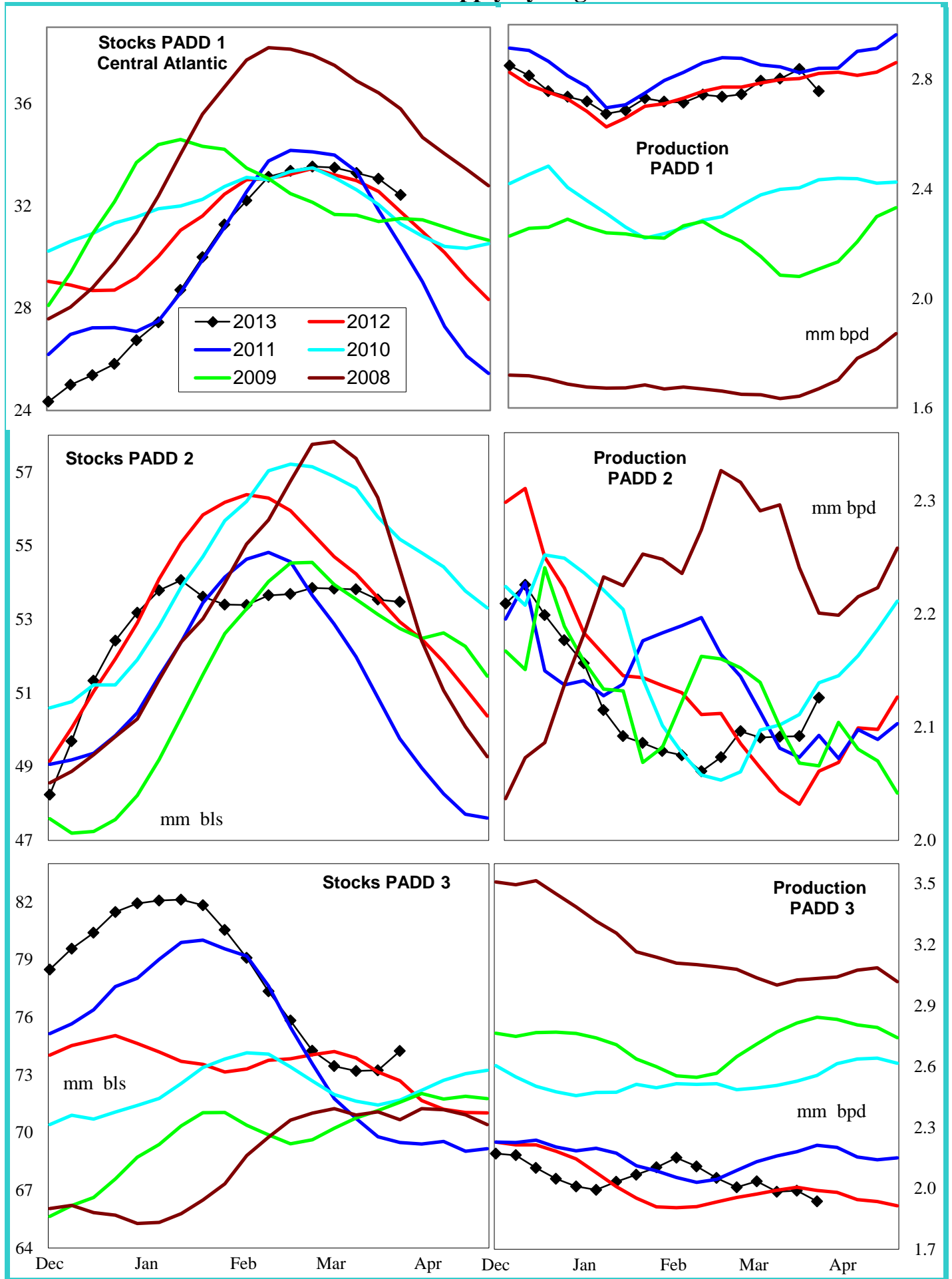
Gasoline Cash Basis and Related Price Spreads

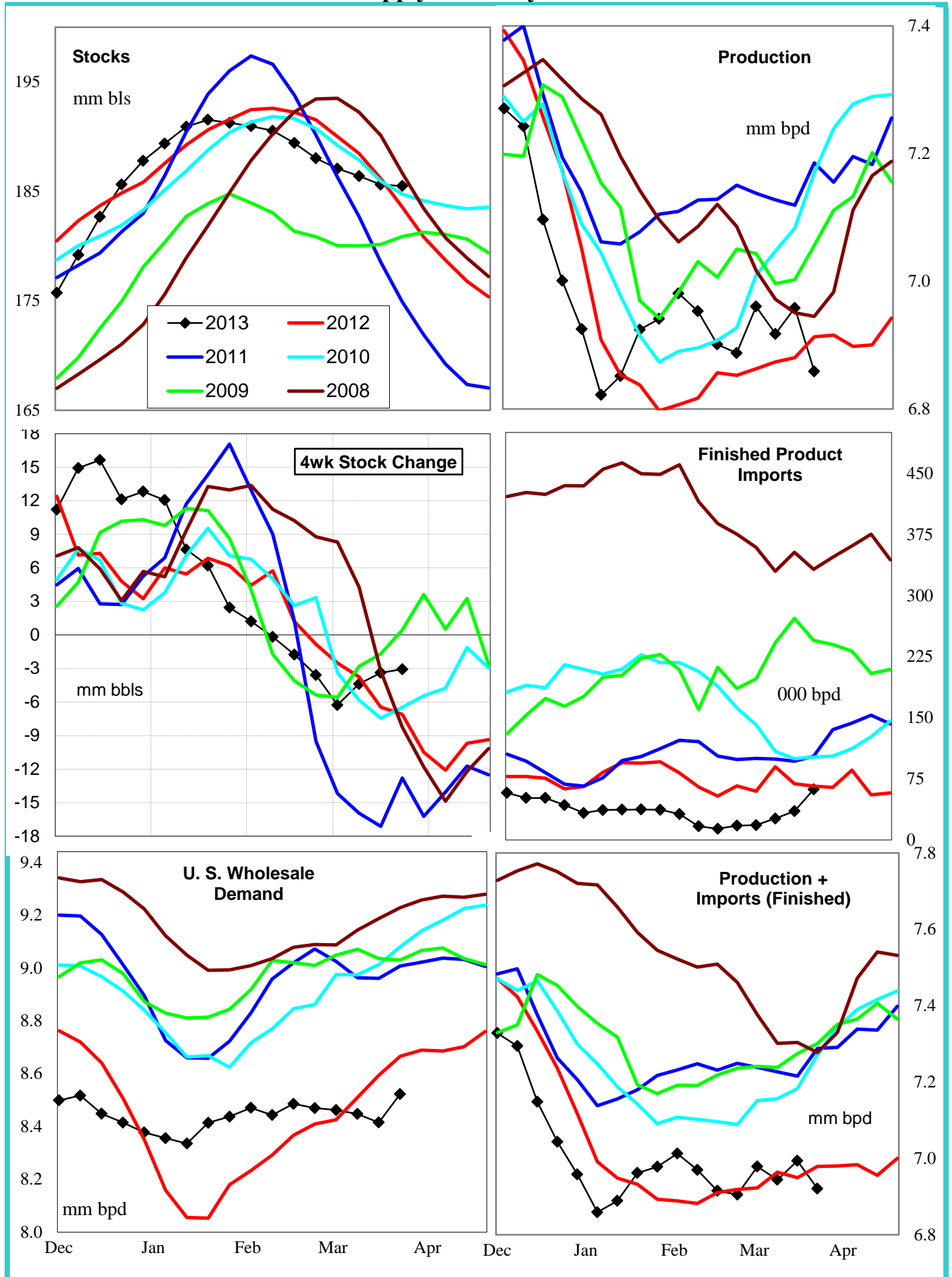


Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3

PADD 5 Gasoline Supply