



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 decreased -46,000 bpd last week, with the level well below the 5-year range. The latest 4-wk change in

demand was a -208,000 bpd decrease compared to a year ago.

Supplies increased +96,000 bpd on a surge in imports. The latest 4-wk average supply was -112,000 bpd below a year ago.

Very weak demand and the jump in imports led to a counter seasonal stock build of +1.7 million barrels last week. *The latest 4-wk stock change in markets East of the Rockies was a build of +0.5 million barrels compared to a draw of -13 million barrels for each of the last 2-years.*

Basis trended slightly higher across most markets last week, although the levels remain at or near 5-year lows in all regions except the West Coast.

West Coast basis extended a recent uptrend on record low stocks. Very high production in the region should limit the current uptrend.

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 trend seasonally higher, limited by higher imports and increased local production in the Central Atlantic region.

Chicago basis to strengthen on refinery maintenance over the next 30-days.

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

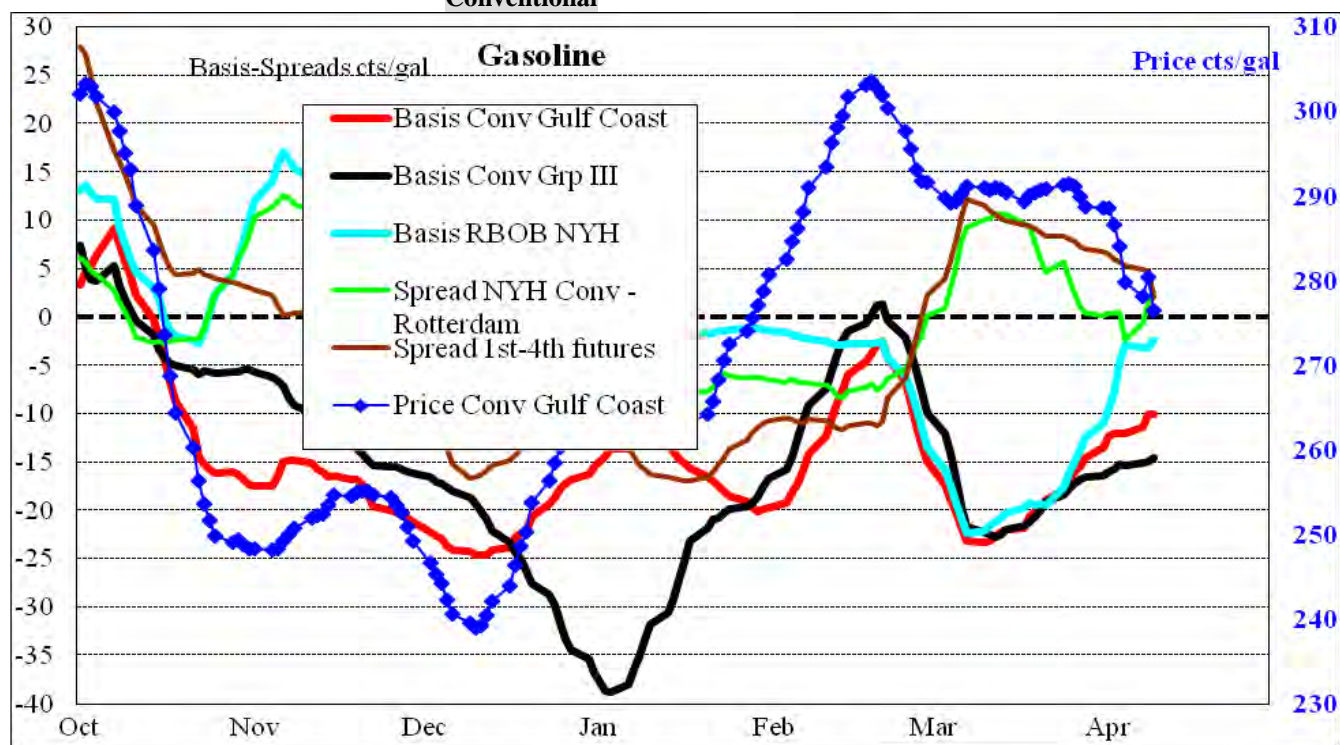
Gulf Basis to remain weak in the near term on record stocks and higher production, then trend higher on increased seasonal demand.

West Coast (Los Angeles) basis to extend the uptrend on very low stock levels, limited by high production.

Gulf Coast Price

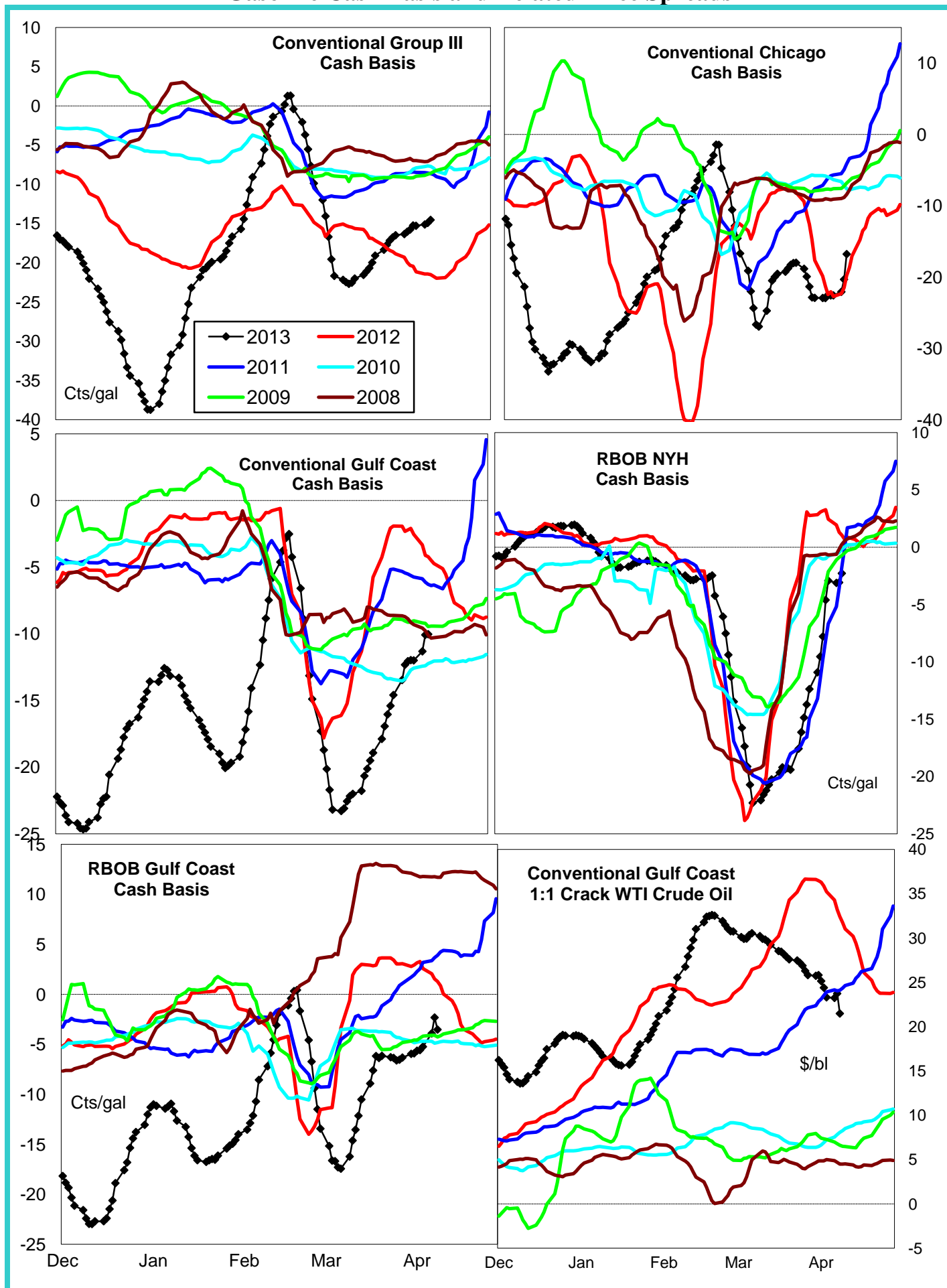
The NYMEX RBOB contract remains over valued relative to global cash markets, and basis in U.S. markets remains unusually weak.

Gasoline stock levels are very ample in all regional markets other than the West Coast. Higher imports and production on the East Coast has significantly improved supply in the Central Atlantic region. Slower global economic growth risk weak energy prices in the 2nd quarter.

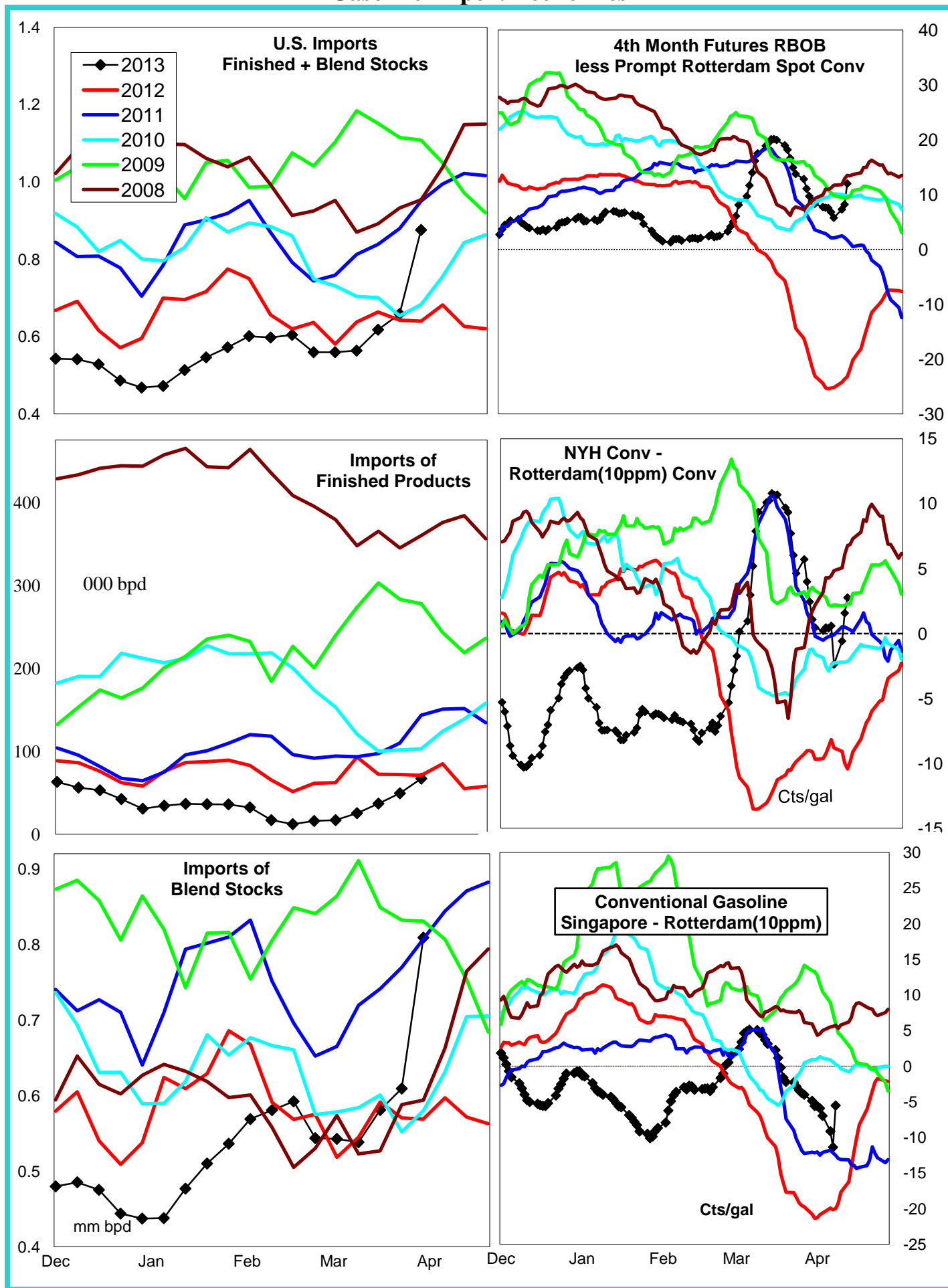


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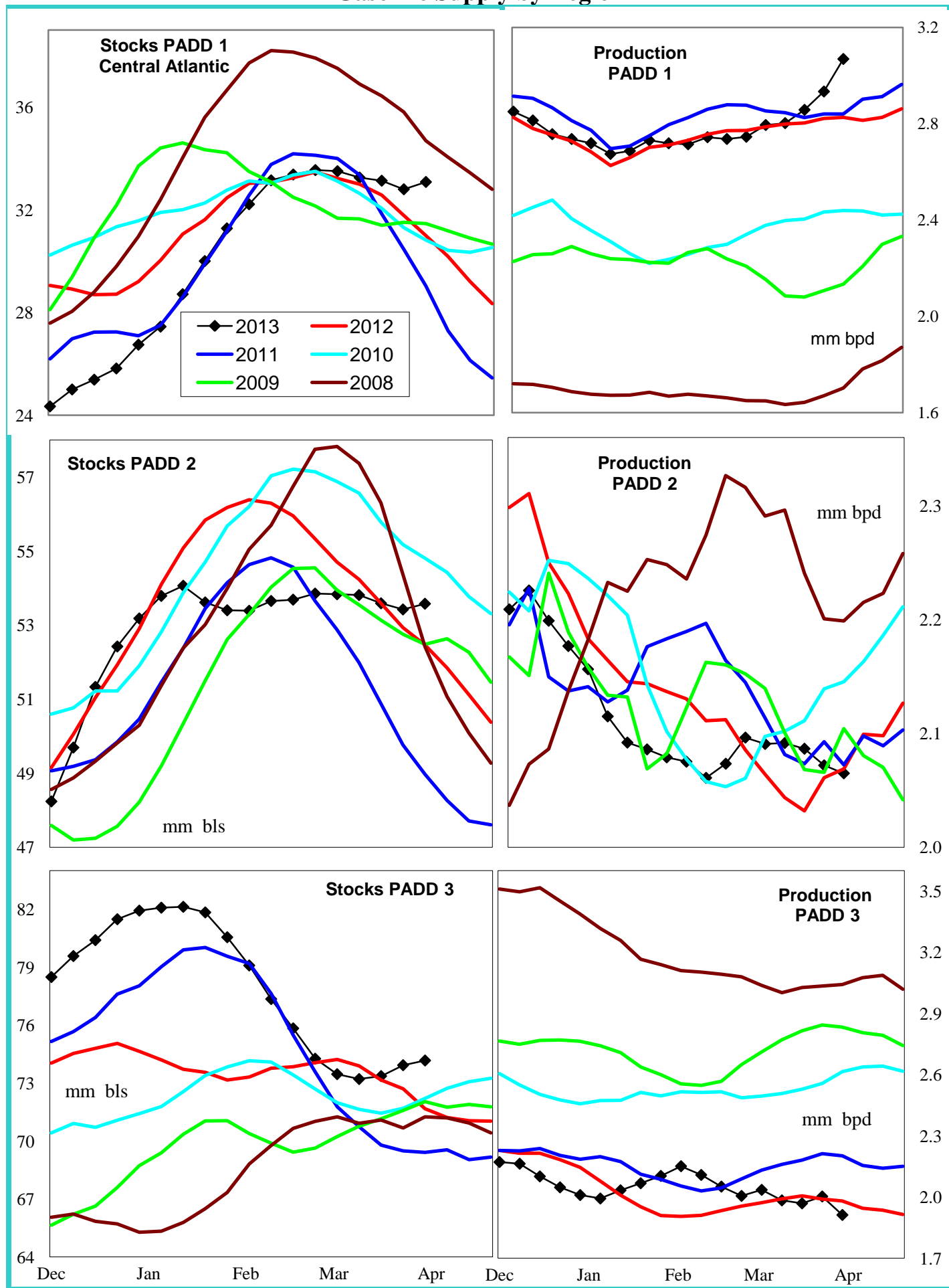
Gasoline Cash Basis and Related Price Spreads



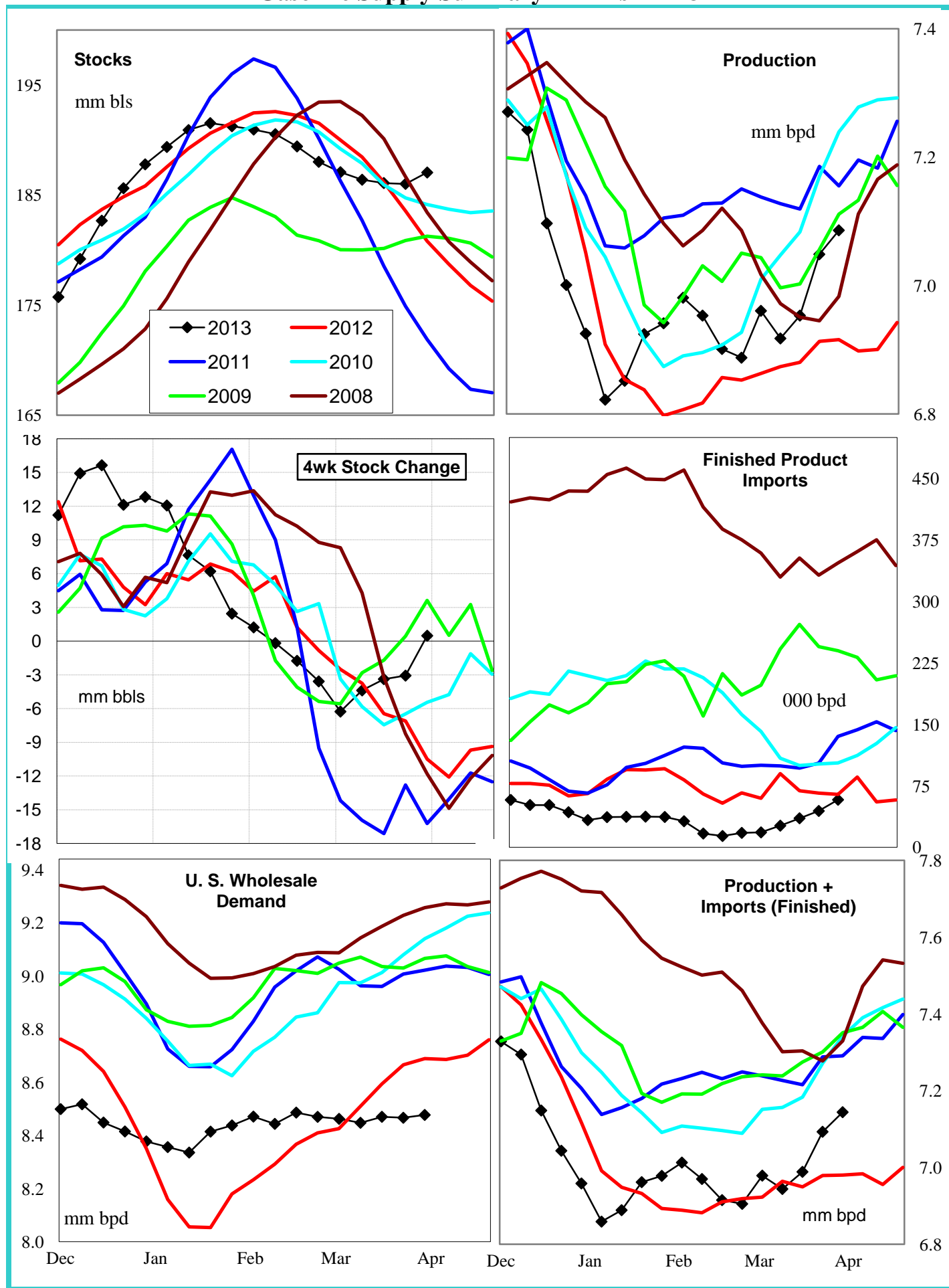
Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3



PADD 5 Gasoline Supply

