



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 jumped + 367,000 bpd last week, as the downstream supply chain restocked after the large price decline. The latest 4-wk change in demand was a -

151,000 bpd decrease compared to a year ago.

Supplies increased +149,000 bpd on higher imports and production. The latest 4-wk average supply was -15,000 bpd below a year ago.

The jump in demand led to an above average stock draw in all regional markets except the East Coast where stock levels are at record highs for this time of year. Stocks East of the Rockies have seen limited change during the last 3-wks compared to over -12 million barrel draws during the last 2-years.

Basis trended higher in nearly all regional markets east of the Rockies, on higher wholesale demand and the stock overhang on the East Coast. West coast basis levels remain at the low end of the historic range on high production and weak demand; offsetting very low stock levels.

Expect basis to trend higher in the midwest on heavy refinery maintenance, particularly in the Great lakes region.

RBOB

New York Harbor basis to trade sideways on high stock levels.

Conventional

New York Harbor basis to trade sideways on high stock levels.

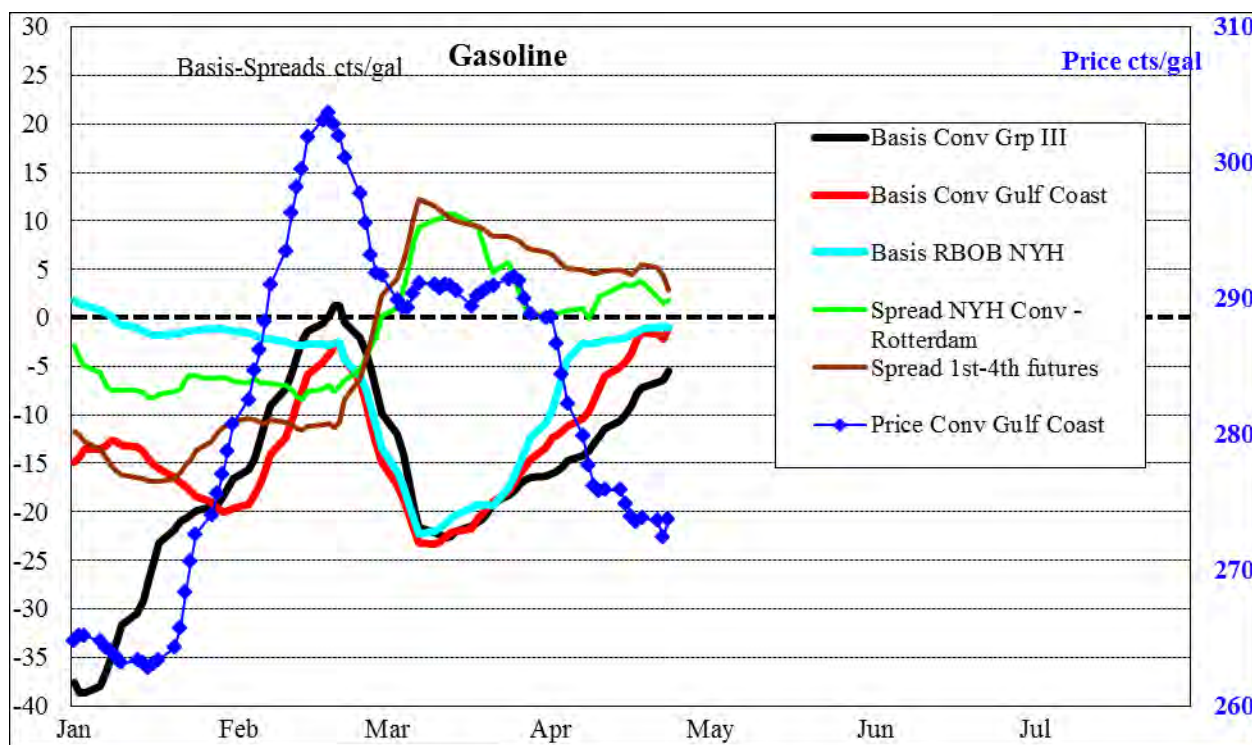
Chicago basis to surge on refinery maintenance, then pull back after mid May.

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

Gulf Basis to pull back from the recent uptrend as unplanned maintenance is completed and refiners return to operation in the region.

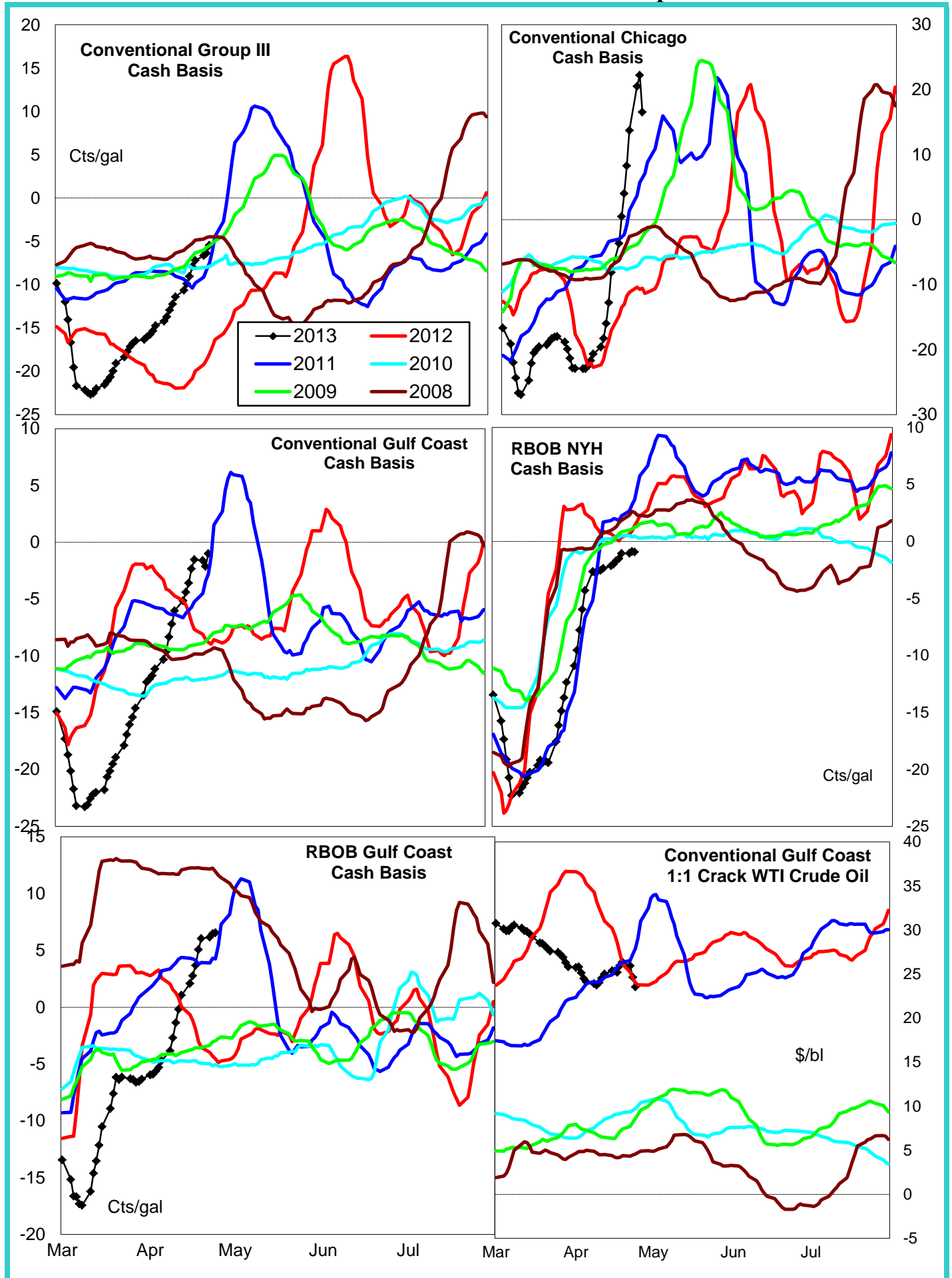
West Coast (Los Angeles) basis to remain relatively weak on high production and start of seasonal builds.

Gulf Coast Price Wholesale gasoline demand continues to see year-on-year declines, driven by slow economic growth and replacement of more efficient autos in the fleet. Stocks have been nearly unchanged the last 3-wks East of the Rockies compared to draws over -12 million barrels in the last 2-years. The return from unplanned maintenance in the Gulf should assure ample stocks in major markets ahead of the peak driving season, with the exception of Chicago where above normal maintenance is underway.

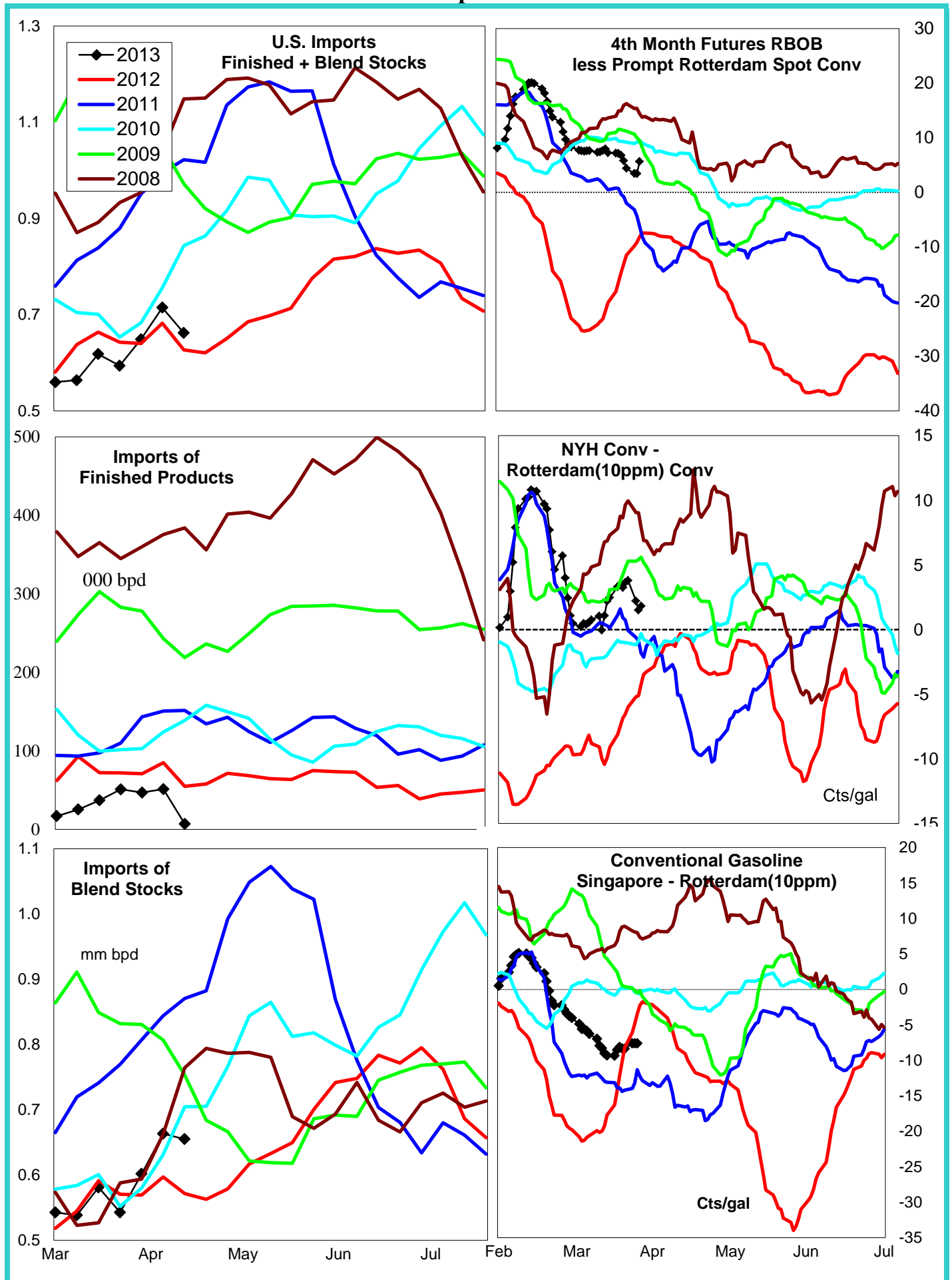


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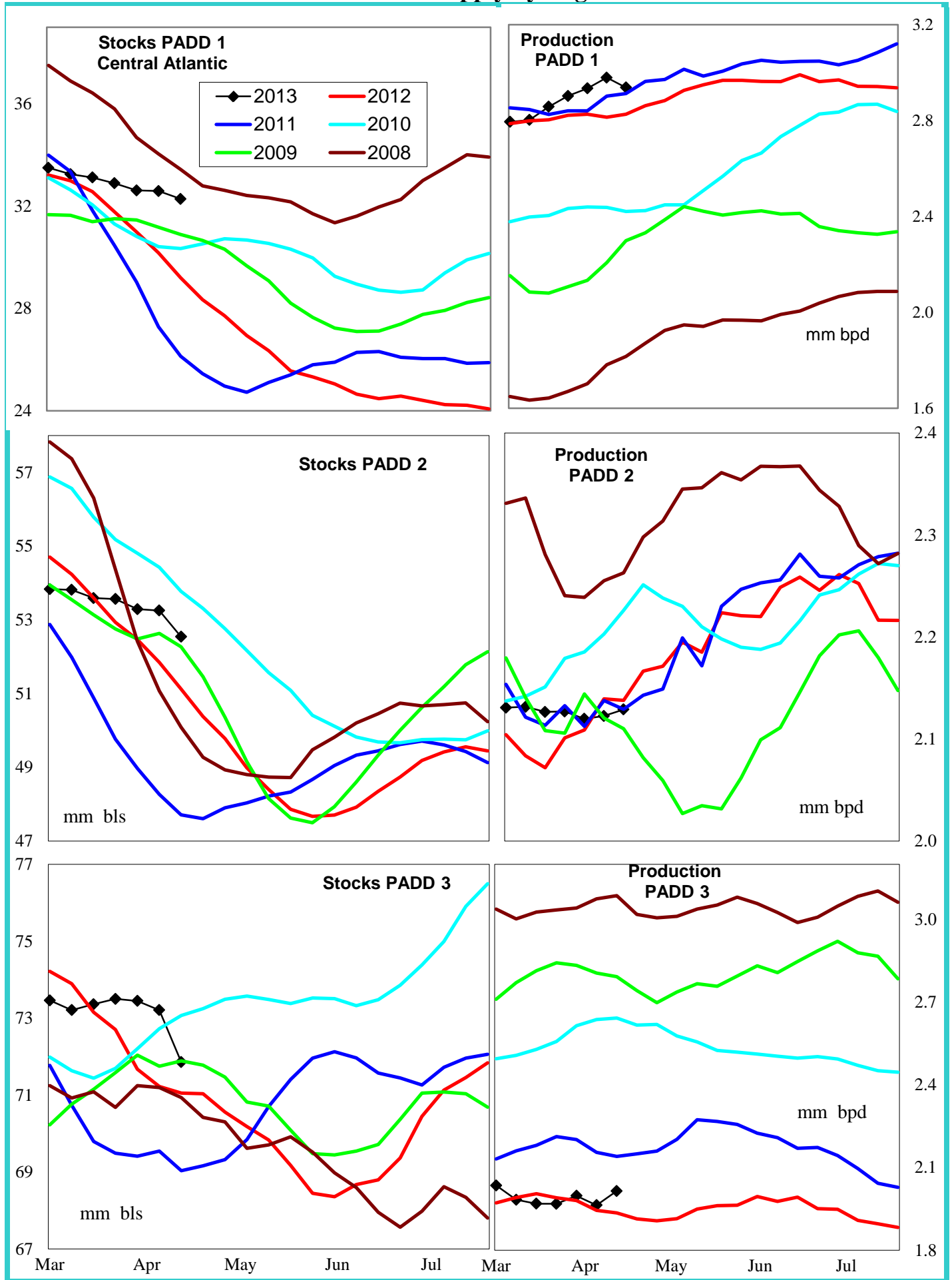
Gasoline Cash Basis and Related Price Spreads



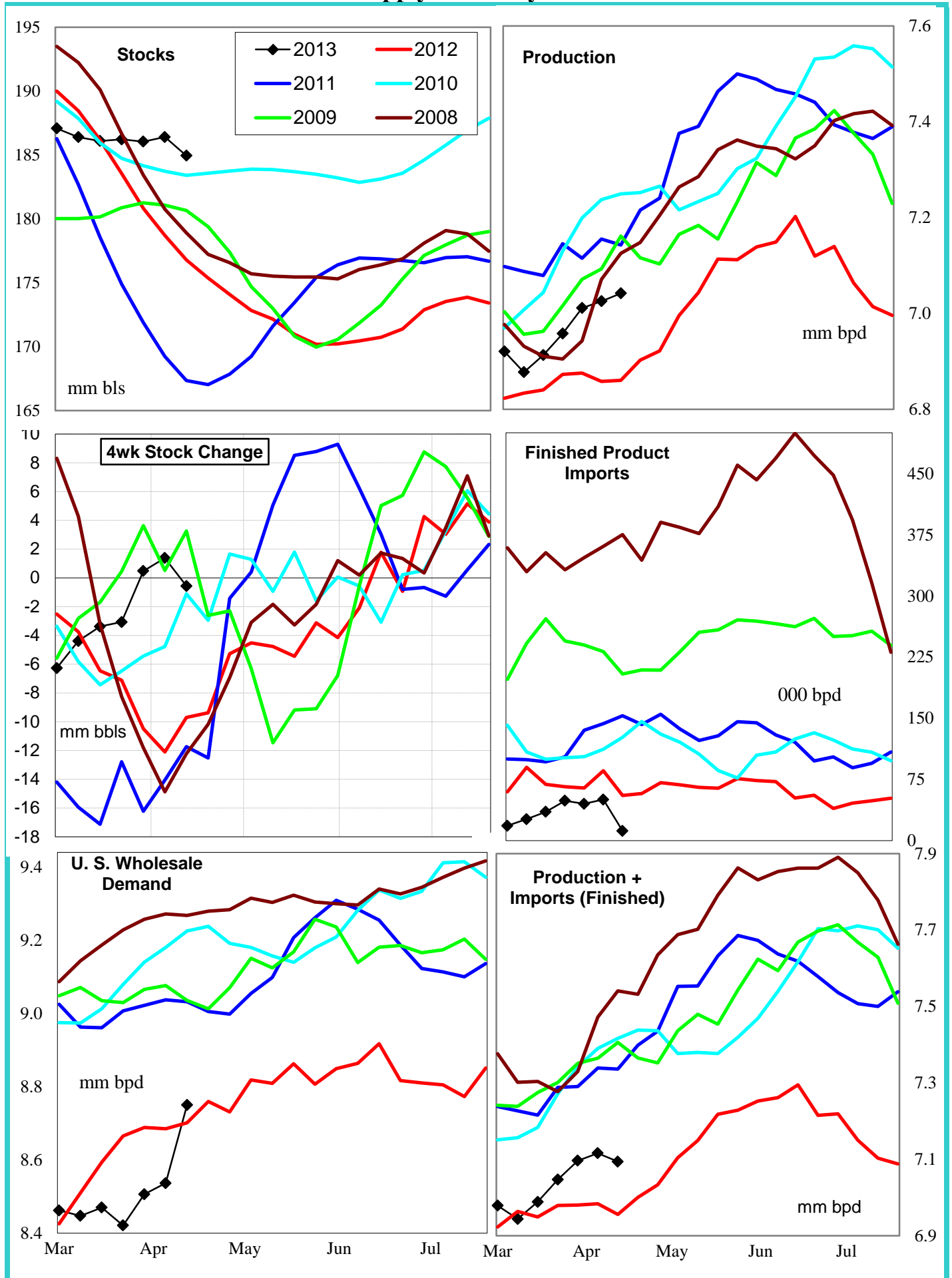
Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3



PADD 5 Gasoline Supply

