



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 -335,000 bpd last week, reversing much of the prior week increase. The latest 4-wk change in demand was a -156,000 bpd decrease compared to a year ago.

Supplies fell -243,000 bpd on lower imports and production. The latest 4-wk average supply was -7,000 bpd below a year ago.

Stocks decreased -1.8 million barrels, with declines in all markets other than the East Coast where stocks increased +1.2 million barrels. Stocks East of the Rockies decreased -2 million barrels during the latest 4-wk period compared to a -10 million barrel draw during the last 2-years.

Basis trended higher in the Midwest and Northwest regional markets with other regions trading mostly sideways. Basis levels ended the week at the upper end of the historic range in Midwest and Gulf regional markets. Chicago saw basis at record highs on very heavy refinery maintenance.

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 very high stock levels.

Conventional

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

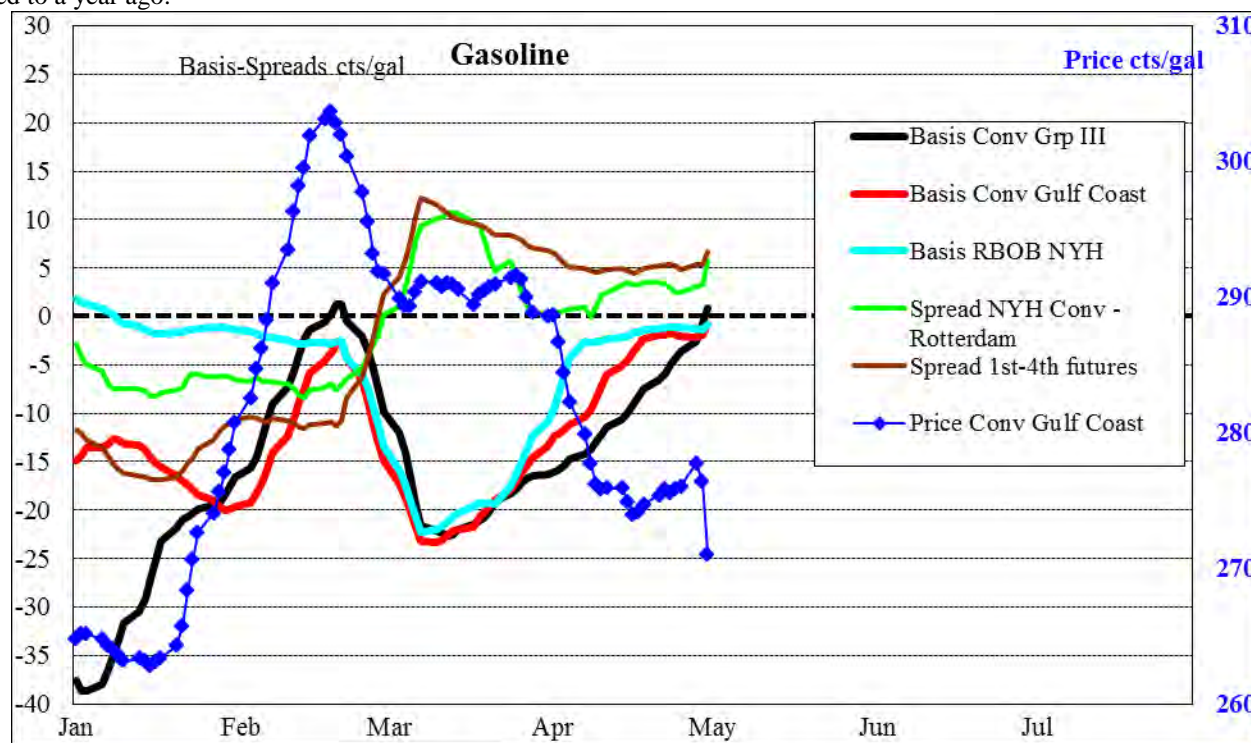
Chicago basis to remain very elevated on refinery maintenance, then pull back after mid May.

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.

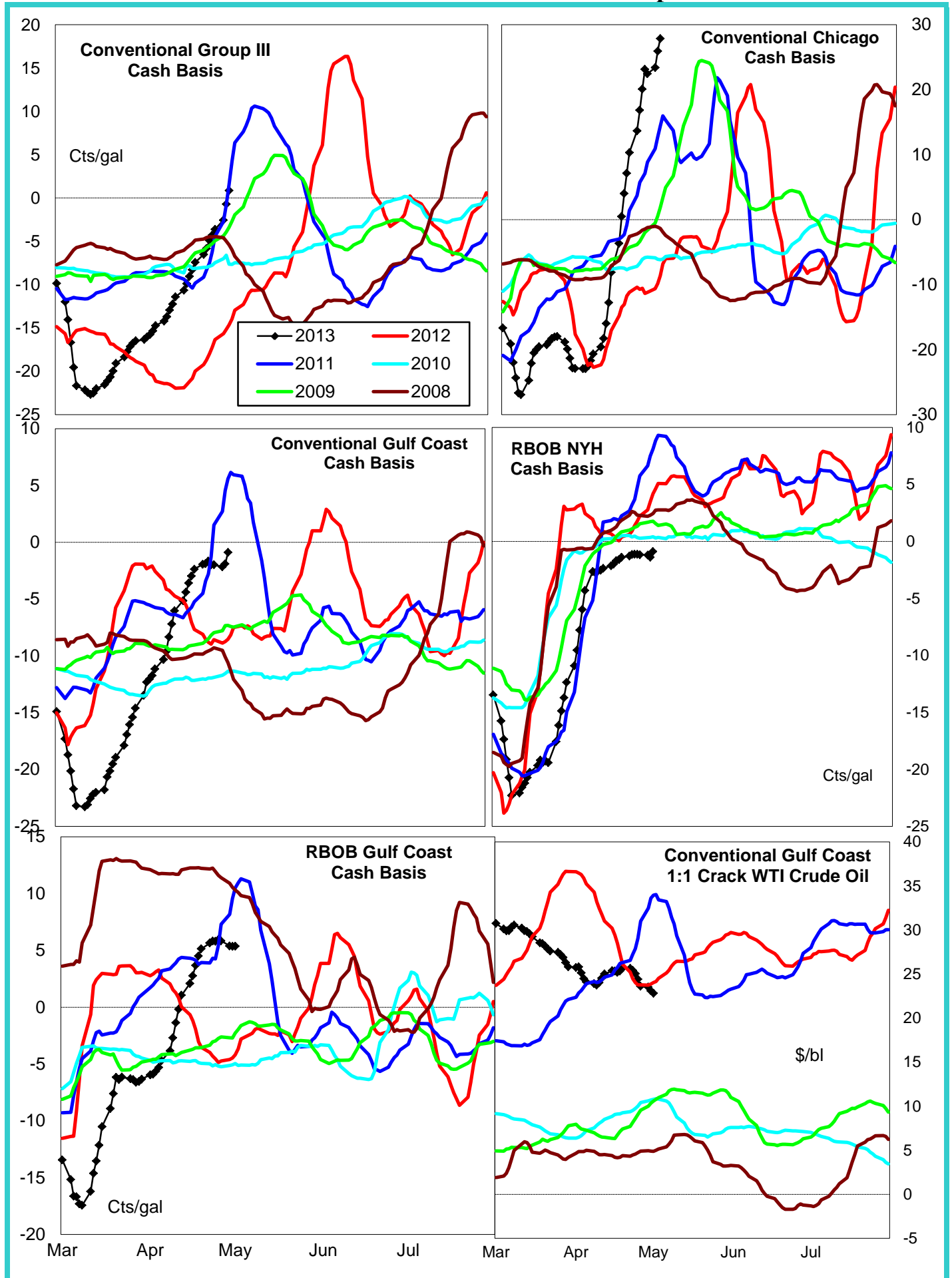
West Coast (Los Angeles) basis to remain relatively weak on high production and start of seasonal builds.

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 decreased -2 million barrels for the most recent 4-wk period in markets East of the Rockies, compared to draws of -10 million barrels during 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.

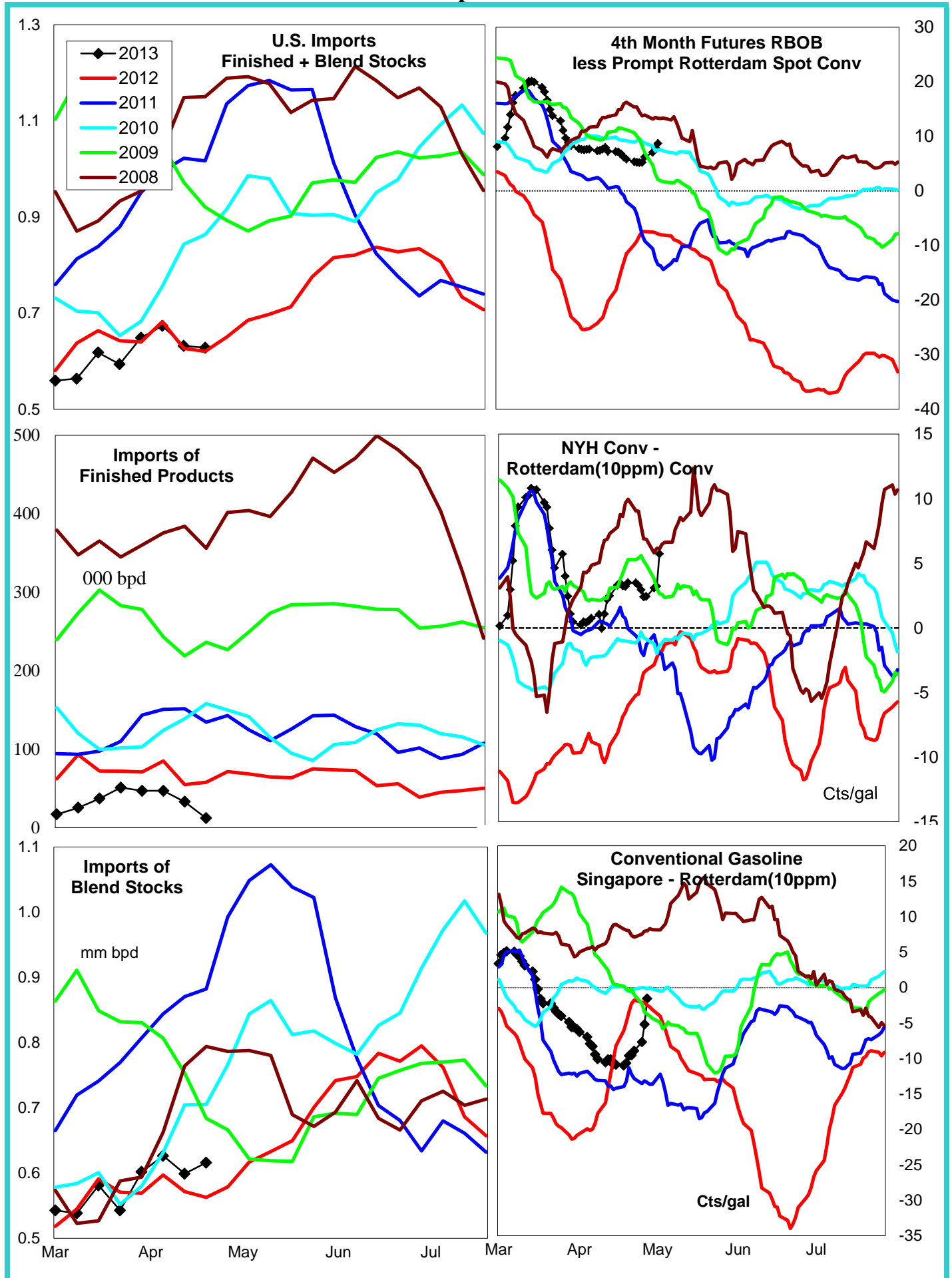


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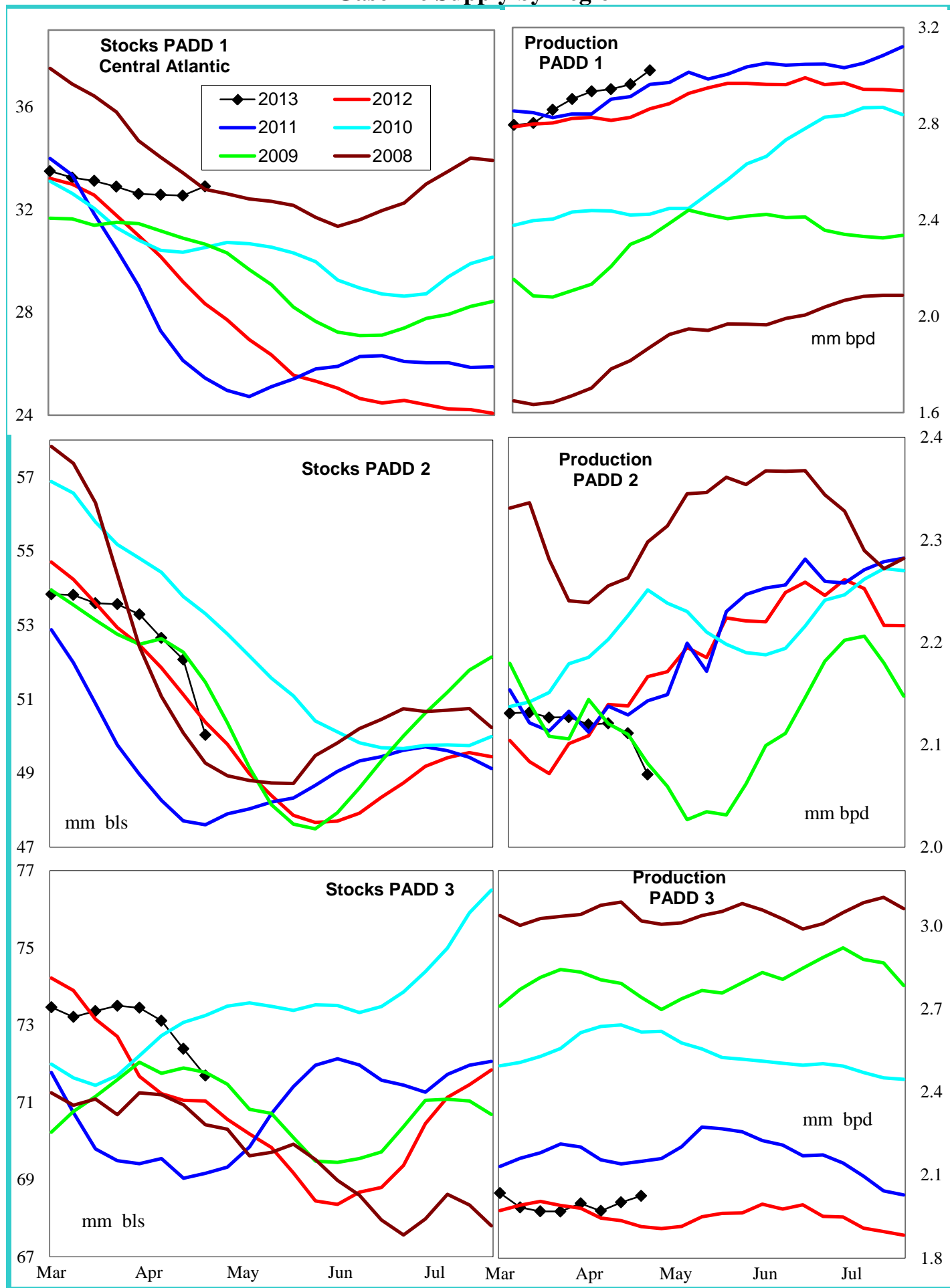
Gasoline Cash Basis and Related Price Spreads



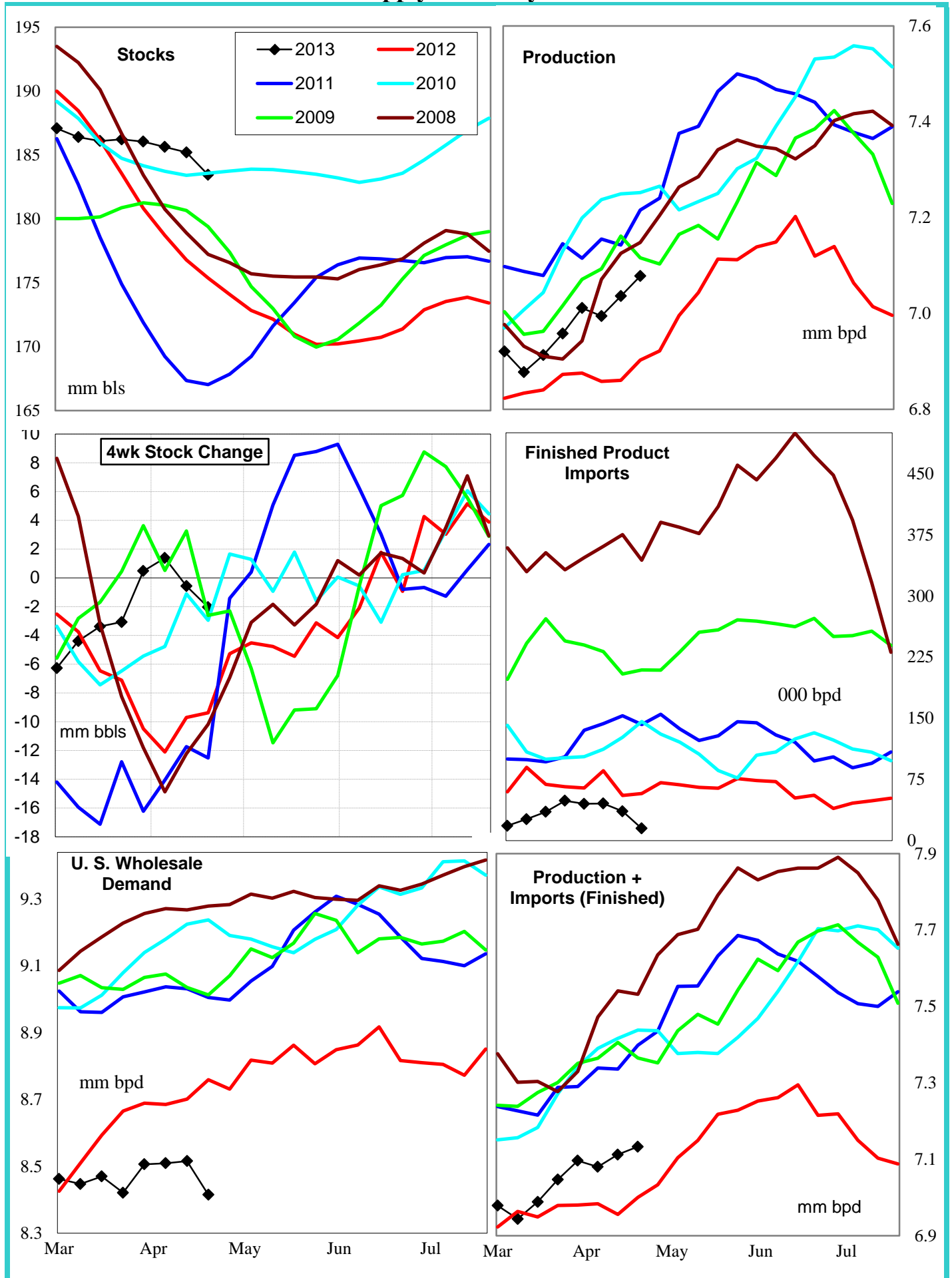
Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3



PADD 5 Gasoline Supply