



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 +30,000 bpd last week, although the level remains well below a year ago. The latest 4-wk change

in demand was a -209,000 bpd decrease compared to a year ago.

Supplies increased +39,000 bpd on higher imports. Production fell -113,000 bpd last week even with a +0.5 million bpd rise in crude oil runs. Look for a surge in production in the near term as FCCU units return to operation.

Stocks decreased -0.9 million barrels, with declines concentrated in the Midwest and Rockies.

Basis spiked last week in the Group and West coast on refinery supply disruptions. Basis levels ended the week at the upper end of the historic range in all regional markets outside NYH. Record high stocks on the East coast has contributed to strong basis in other regional markets.

Expect basis to pull back sharply in markets where supplies have been disrupted over the next 10-days.

RBOB

New York Harbor basis to trade sideways on very high stock levels, the trend modestly higher on increased seasonal demand.

Conventional

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

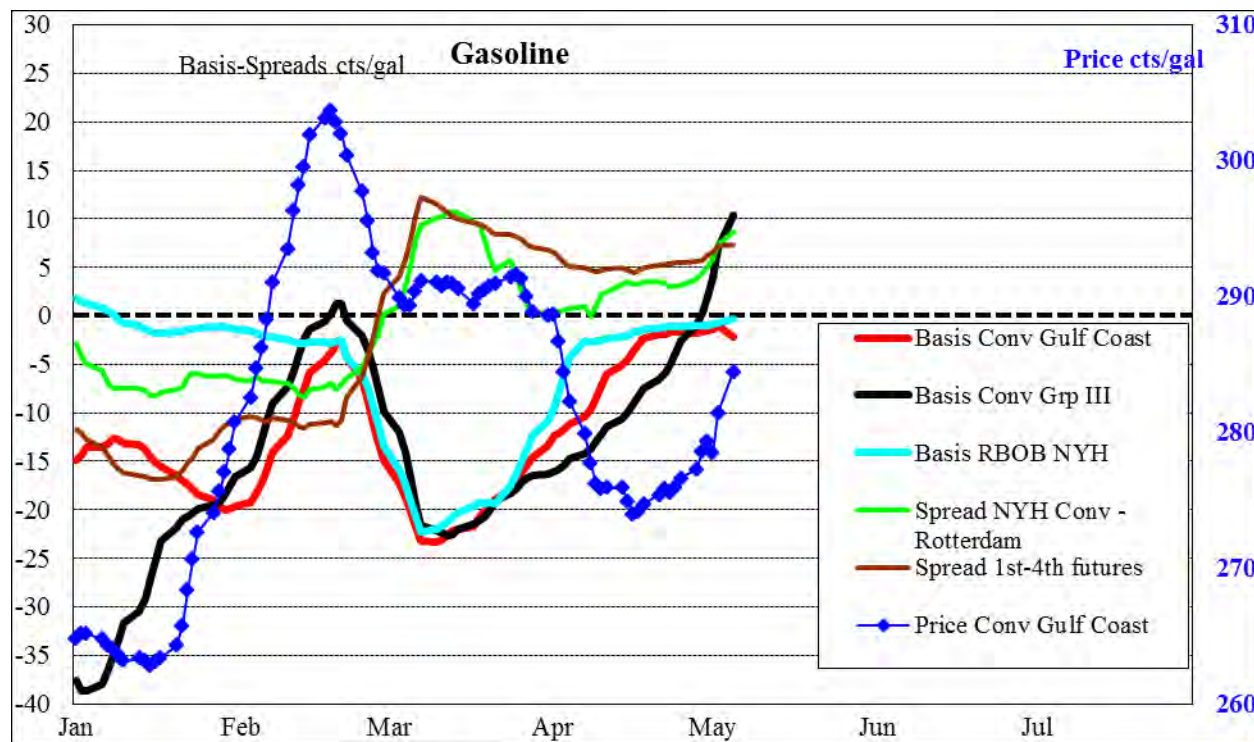
Chicago basis to pull back as supplies are received from the Gulf in the near term, followed by an end to the ExxonMobil maintenance by month end.

Group III basis to pull back as supplies are received from the gulf.

Gulf Basis to pull traded sideways on increased production, offset by higher seasonal demand.

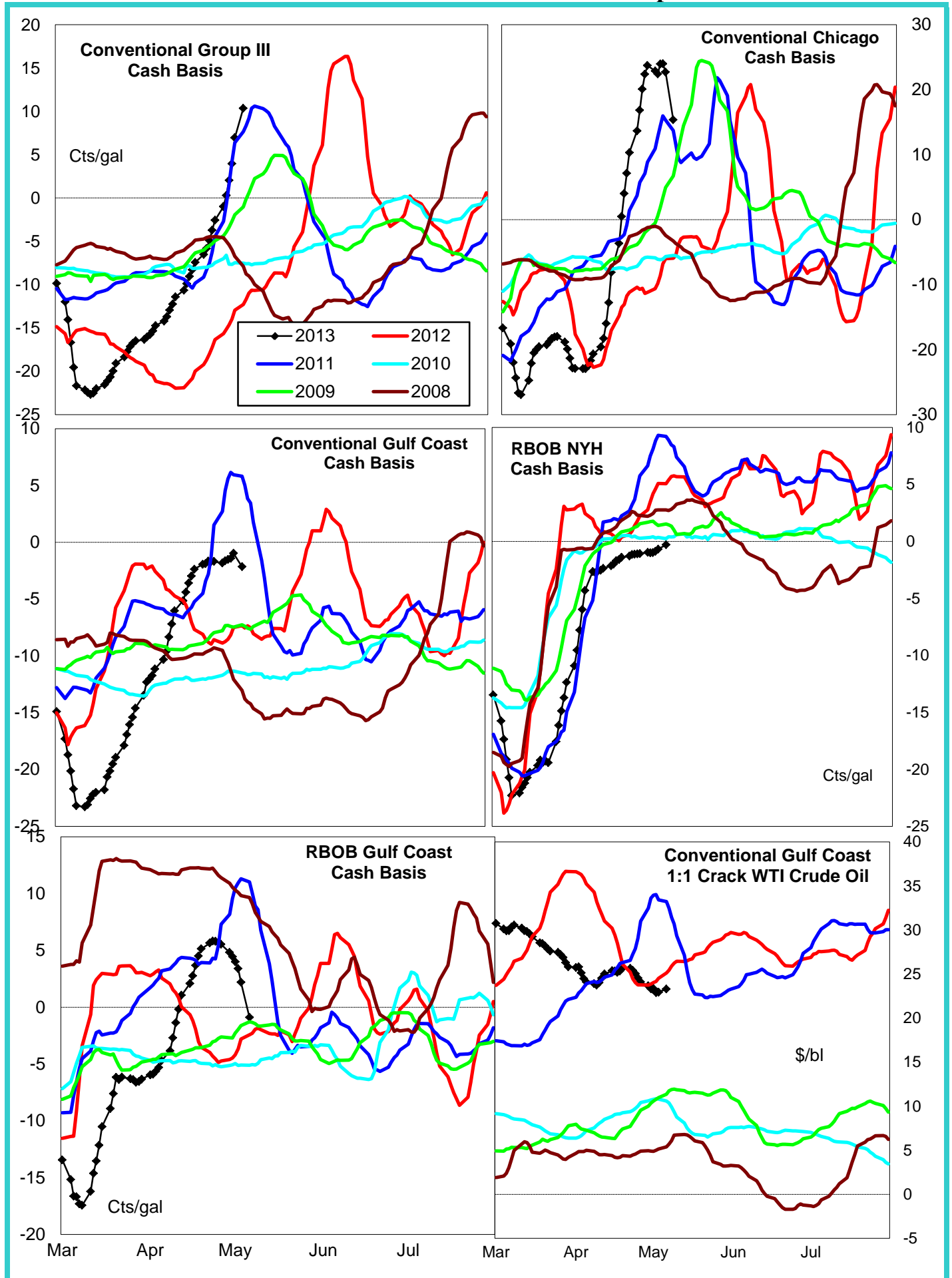
West Coast (Los Angeles) basis to pull back as refiners return from maintenance and imports arrive to improve the supply balance.

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. Stock levels remain extremely high on the East Coast, providing a lift to cash basis in other regional markets. The return from unplanned maintenance in the Gulf, and completion of maintenance in the Midwest and West Coasts should significantly improve the supply balance by month end.

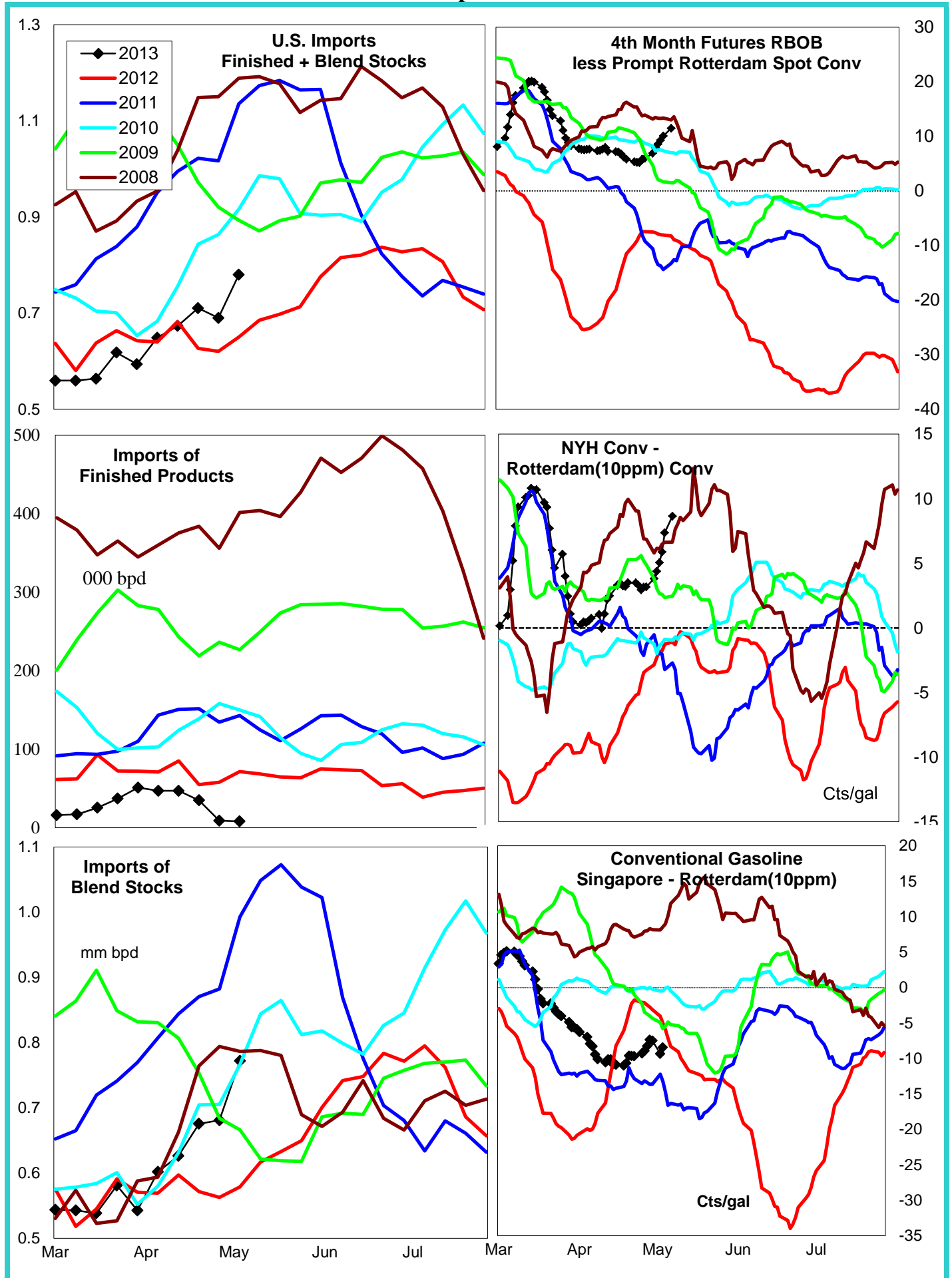


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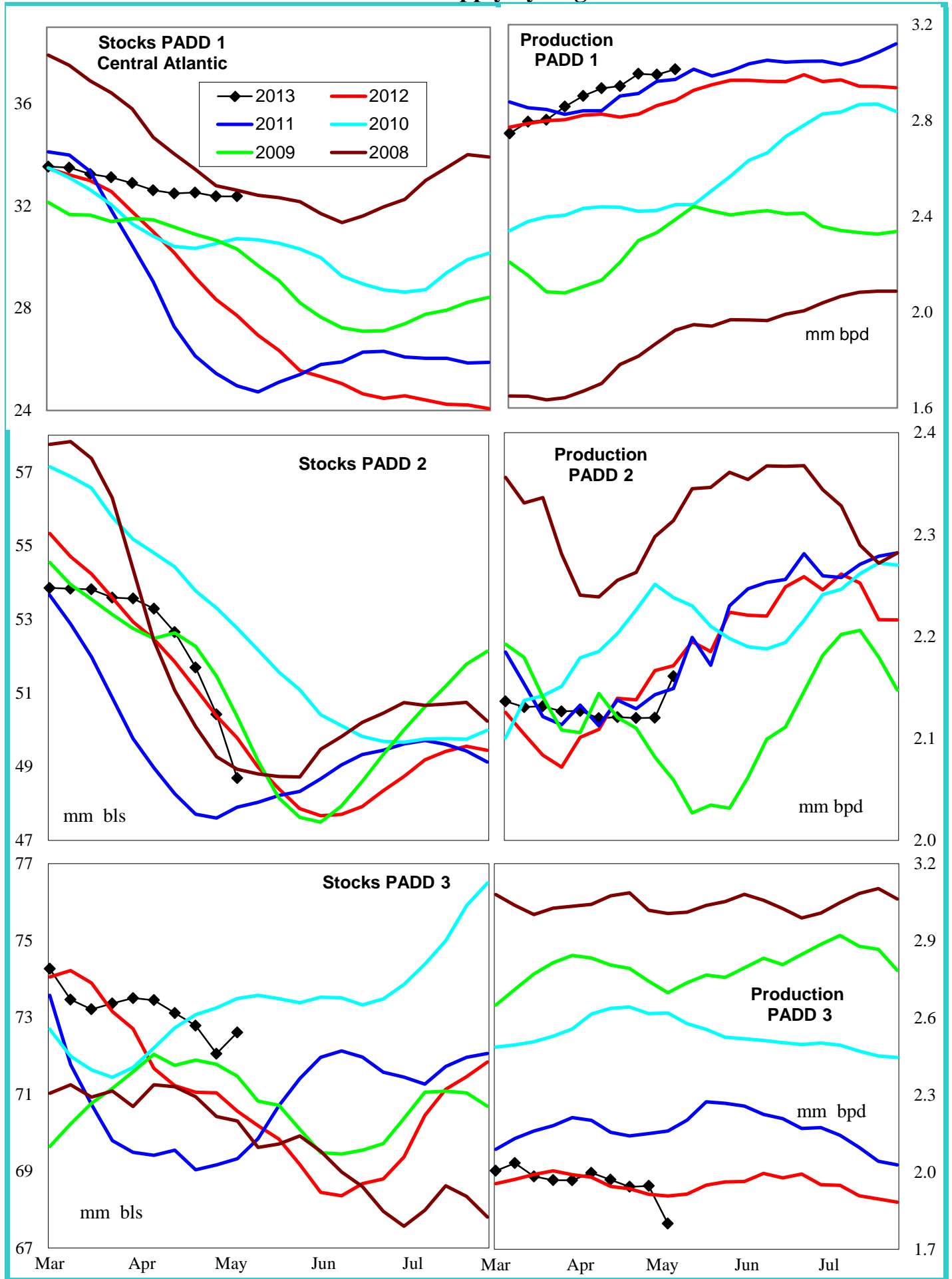
Gasoline Cash Basis and Related Price Spreads

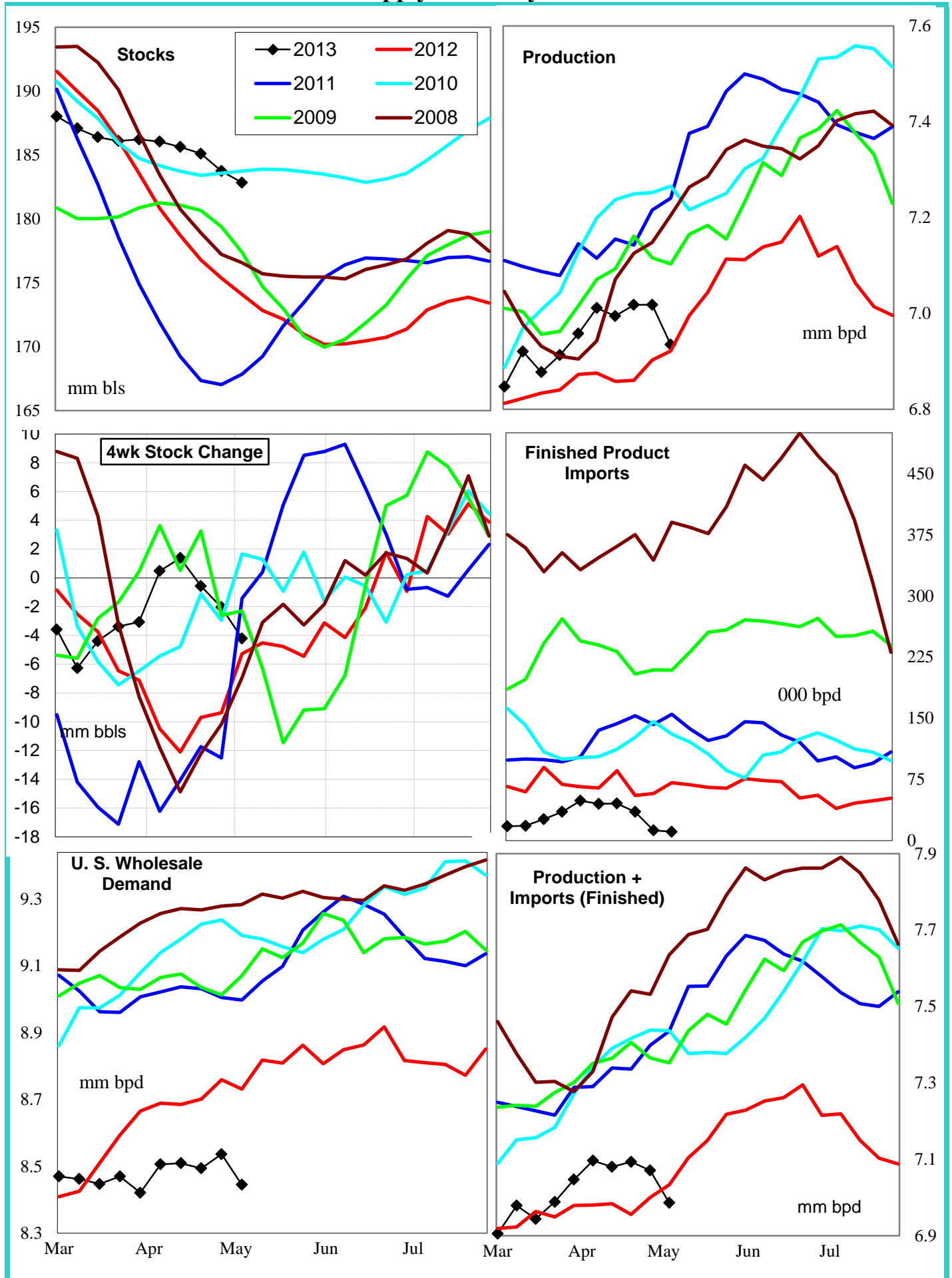


Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3

PADD 5 Gasoline Supply

