



## WEEKLY GASOLINE FUNDAMENTAL-PRICE-BASIS OUTLOOK

### A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Friday, May 24, 2013

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 +449,000 bpd last week, to a level near last years' record low. The latest 4-wk change in demand was a -292,000 bpd decrease compared to a year ago.

Supplies increased +0.7 million bpd on a surge in imports and higher production. The strong \$dollar versus the Euro and weak economic conditions in Europe have led to the increase in gasoline imports.

Stocks increased +3 million barrels, with levels in the East and Gulf coast markets at 5-year highs.

Basis fell sharply in the Midwest as supplies arrived from the Gulf. A widespread collapse in basis on the west coast resulted from refiners returning to operation after unplanned maintenance. Chicago basis levels remain elevated on heavy refinery maintenance.

Look for basis to trend lower in all major markets as refiners return from maintenance, production peaks, reaches a summer peak and demand continues to witness year-on-year decrease.

**New York Harbor** basis to trade sideways on very high stock levels and elevated imports.

#### Conventional

**New York Harbor basis** to trade sideways on very high stock levels and elevated imports.

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

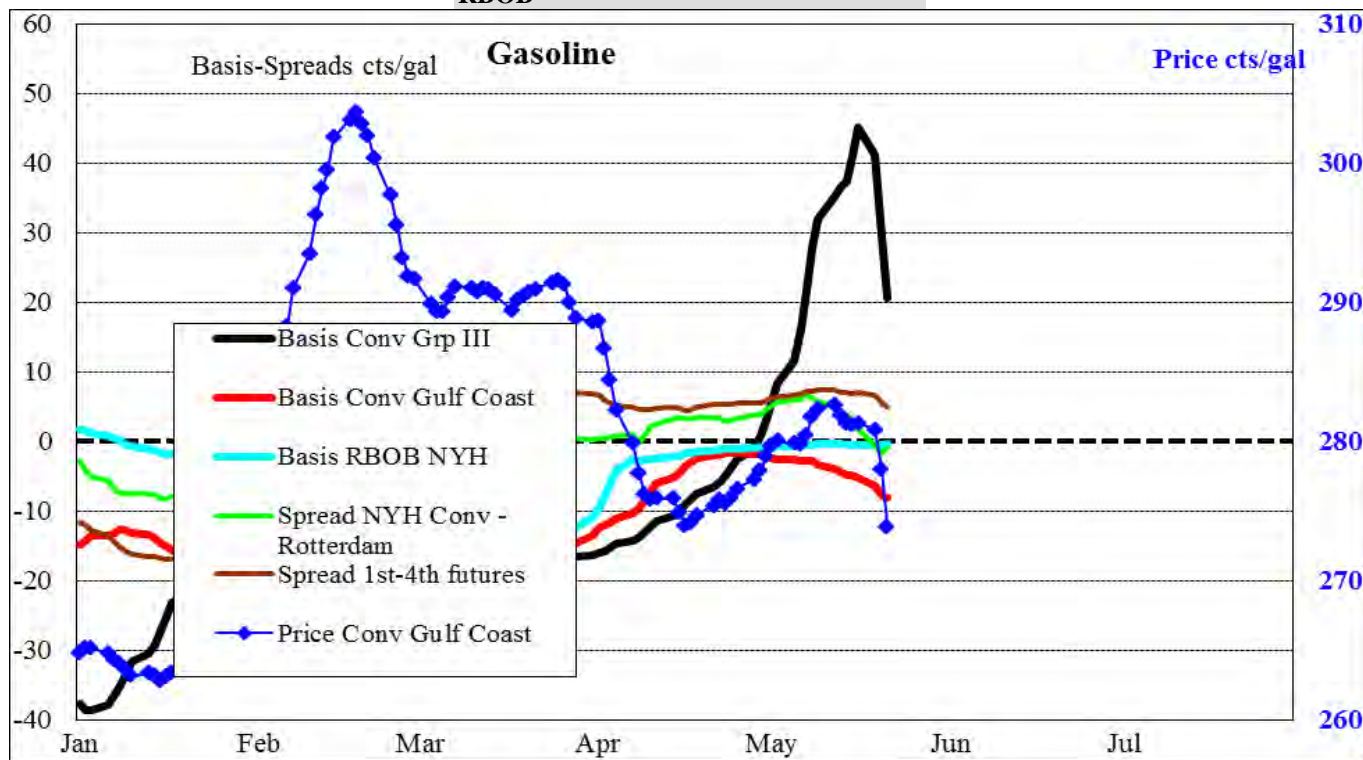
**Group III** basis to trend lower as the Holly Frontier and Flint Hills plants return to operation.

**Gulf Basis** to trend lower on very high stock levels as well as the East Coast.

**West Coast (Los Angeles)** basis to trend lower on increased production and seasonal stock building.

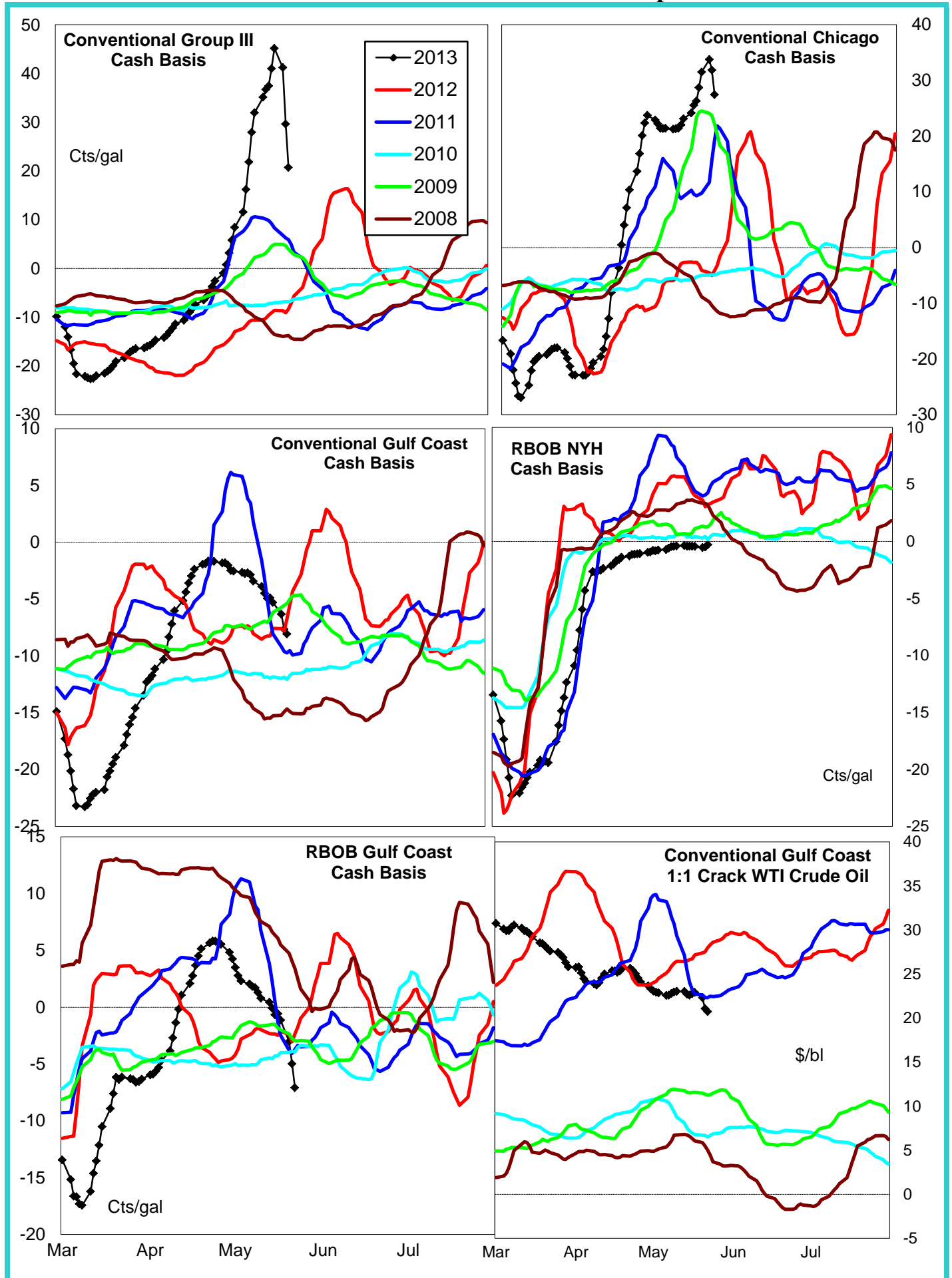
**Gulf Coast Price** Completion of refinery maintenance, high imports and weak demand points to well supplied regional markets ahead of peak summer demand. Ample physical supplies, combined with slower global economic growth risk price weakness during the next quarter.

#### RBOB

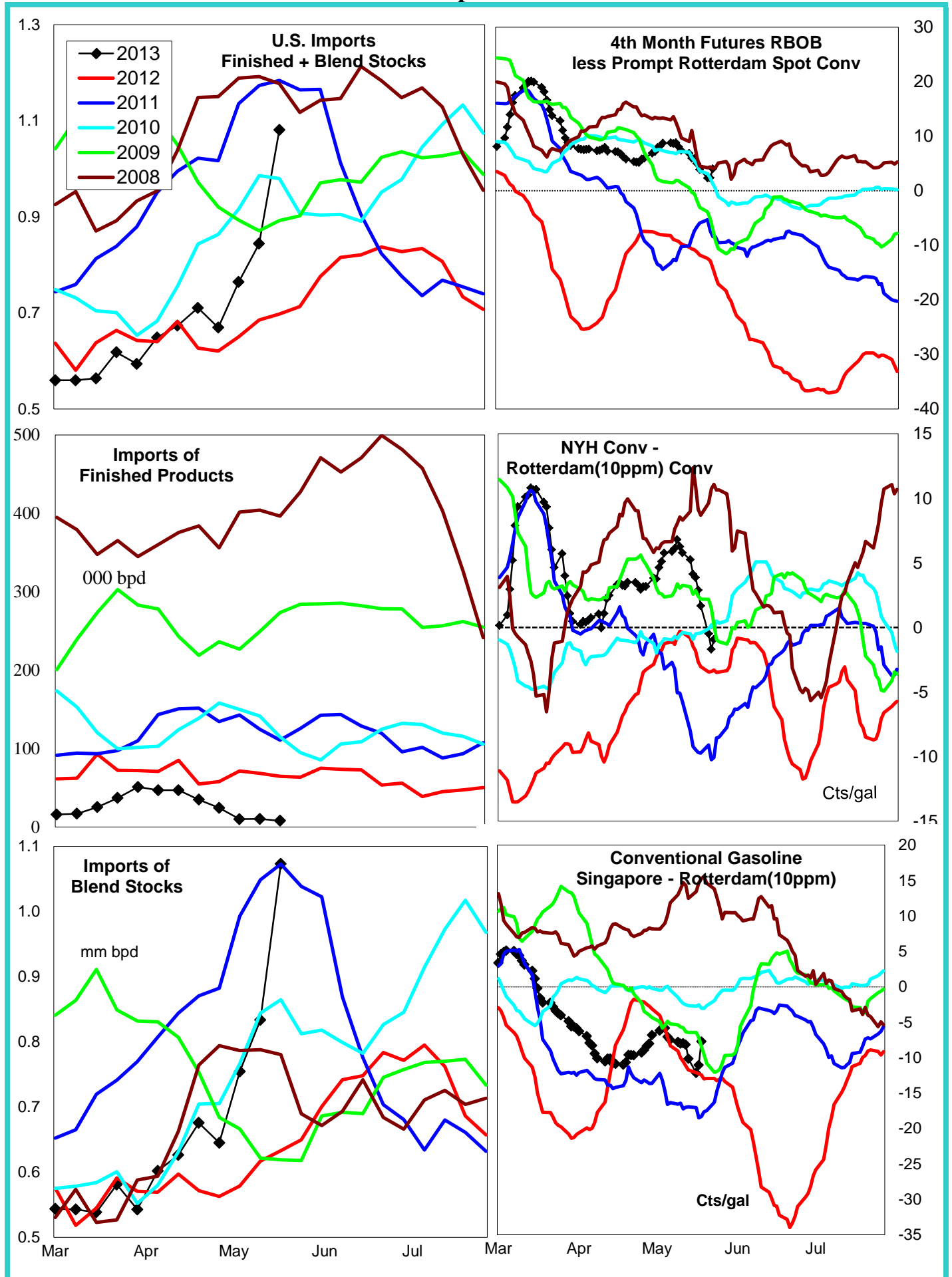


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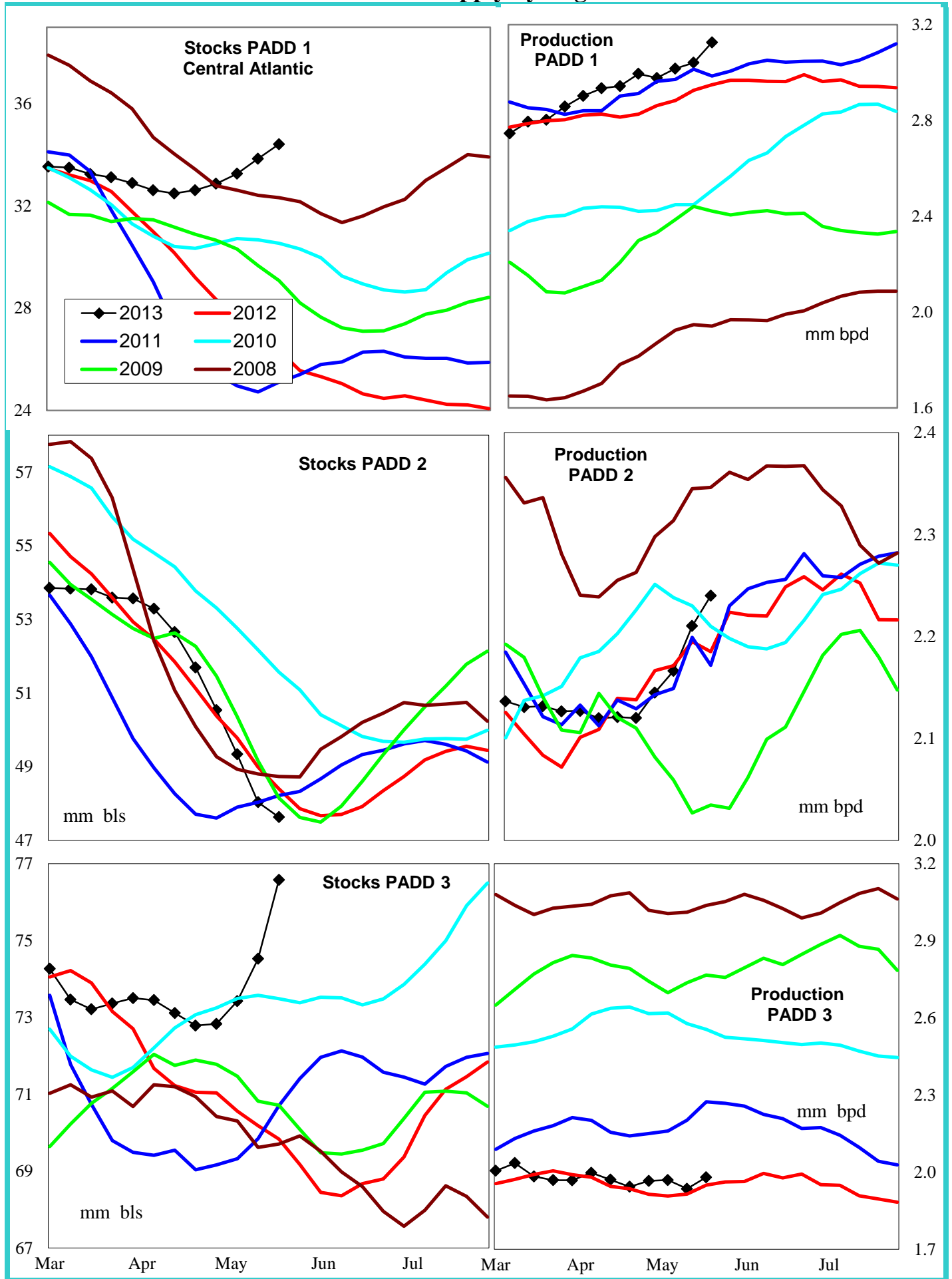
# Gasoline Cash Basis and Related Price Spreads

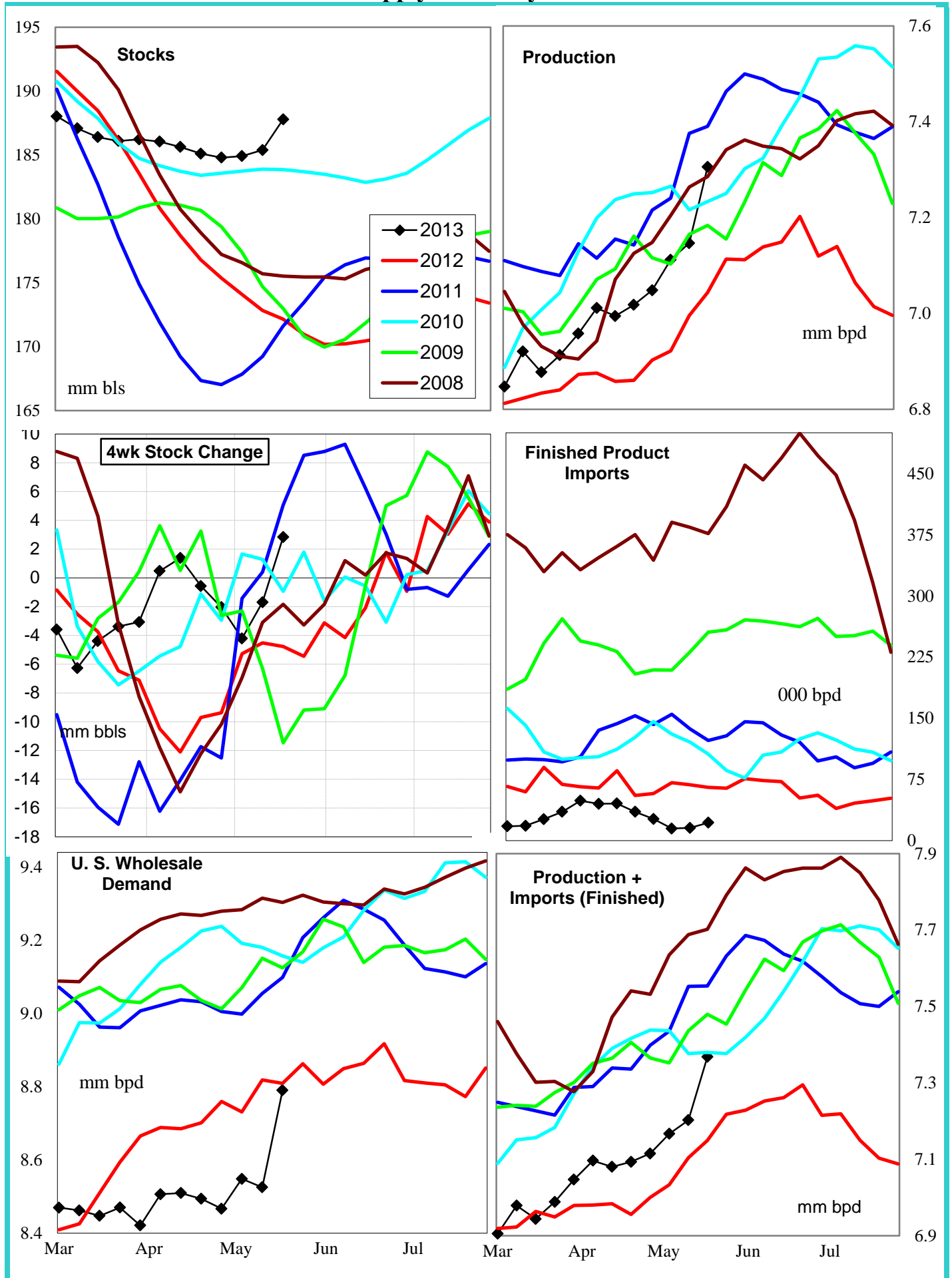


## Gasoline Import Economics



# Gasoline Supply by Region



**Gasoline Supply Summary PADDs 1+2+3**

# PADD 5 Gasoline Supply

