



## 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 declined -134,000 bpd last week, with the level comparable to last

year. The latest 4-wk change in demand was a -69,000 bpd decrease compared to a year ago.

Supplies increased +134,000 bpd, on sharply higher production partially offset by lower imports.

Stocks declined -0.4 million barrels on the week, with the level still above four of the last 5-years. East and Gulf markets remain oversupplied, with an ongoing supply squeeze in the Chicago area.

Basis spiked last week in Chicago last week on refinery maintenance. Basis trended modestly higher in other markets East of the Rockies late in the week. Basis extended the collapse in the Northwest while the west coast was flat on the week.

Look for basis to be extremely volatile in the Chicago area until refiners return from maintenance over the next 3-wks.

#### RBOB

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

#### Conventional

*New York Harbor basis* to trend seasonally higher, limited by high stock levels.

*Chicago* basis to experience high volatility until refiners return from maintenance over the next several weeks.

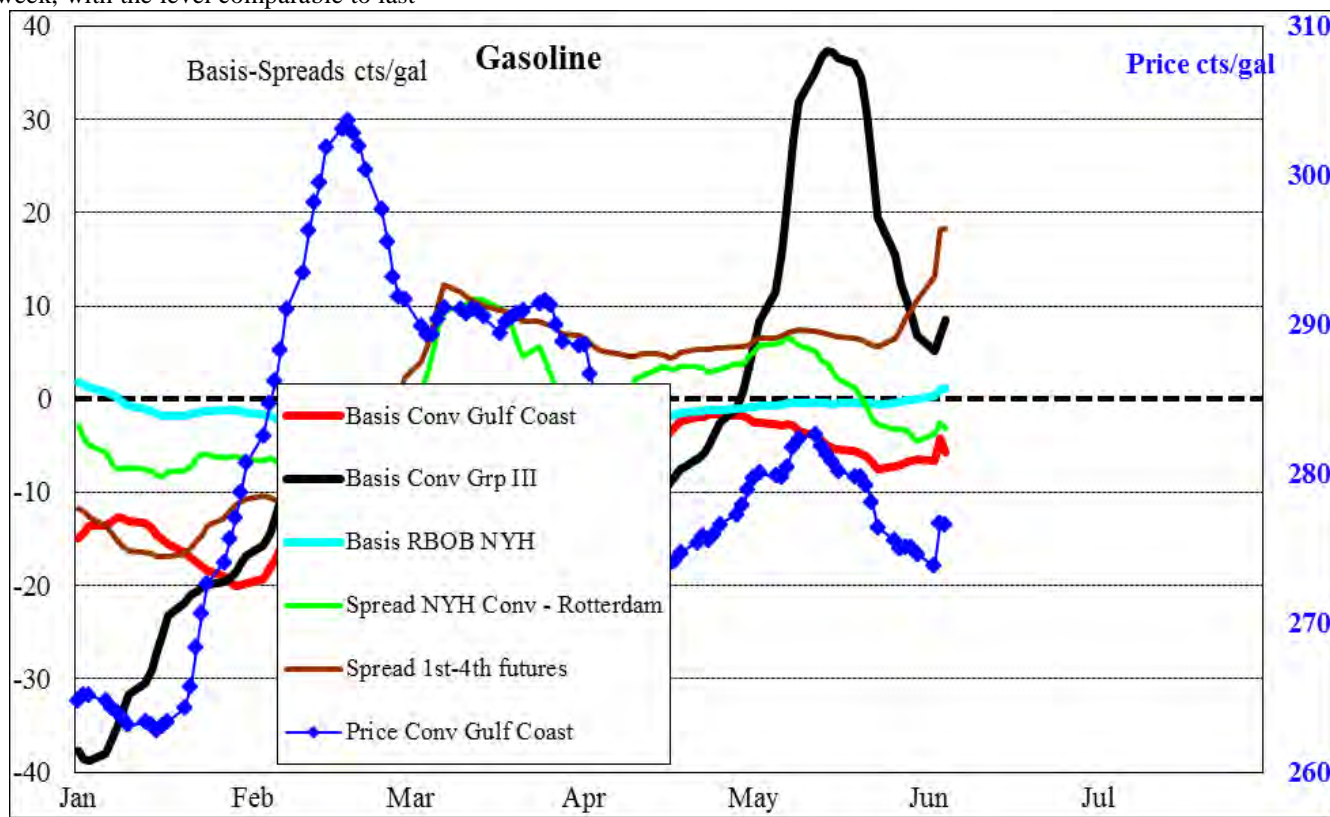
*Group III* basis to be supported by supply squeeze in the Chicago area, then trend lower as refiners return to operation.

*Gulf Basis* to trade sideways on very high stock levels and excess supplies on the East Coast.

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

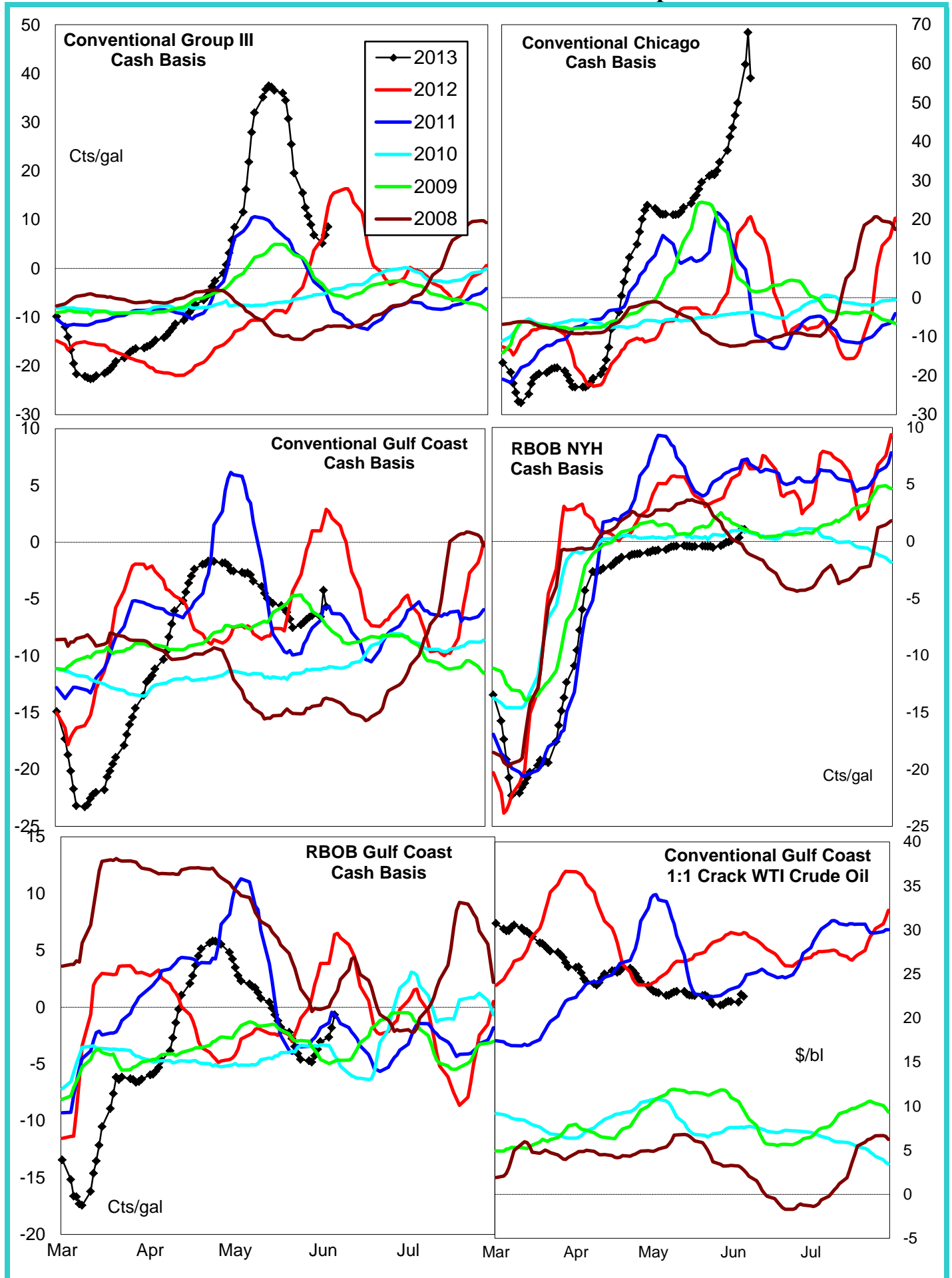
**Gulf Coast Price** The Chicago area is experiencing a supply squeeze refiners off line for unplanned maintenance. International markets have strengthened compared to U.S. refined fuel markets, which should provide some support to domestic price levels.

High stock levels, weak demand and slower global economic growth risk price weakness during the next quarter.

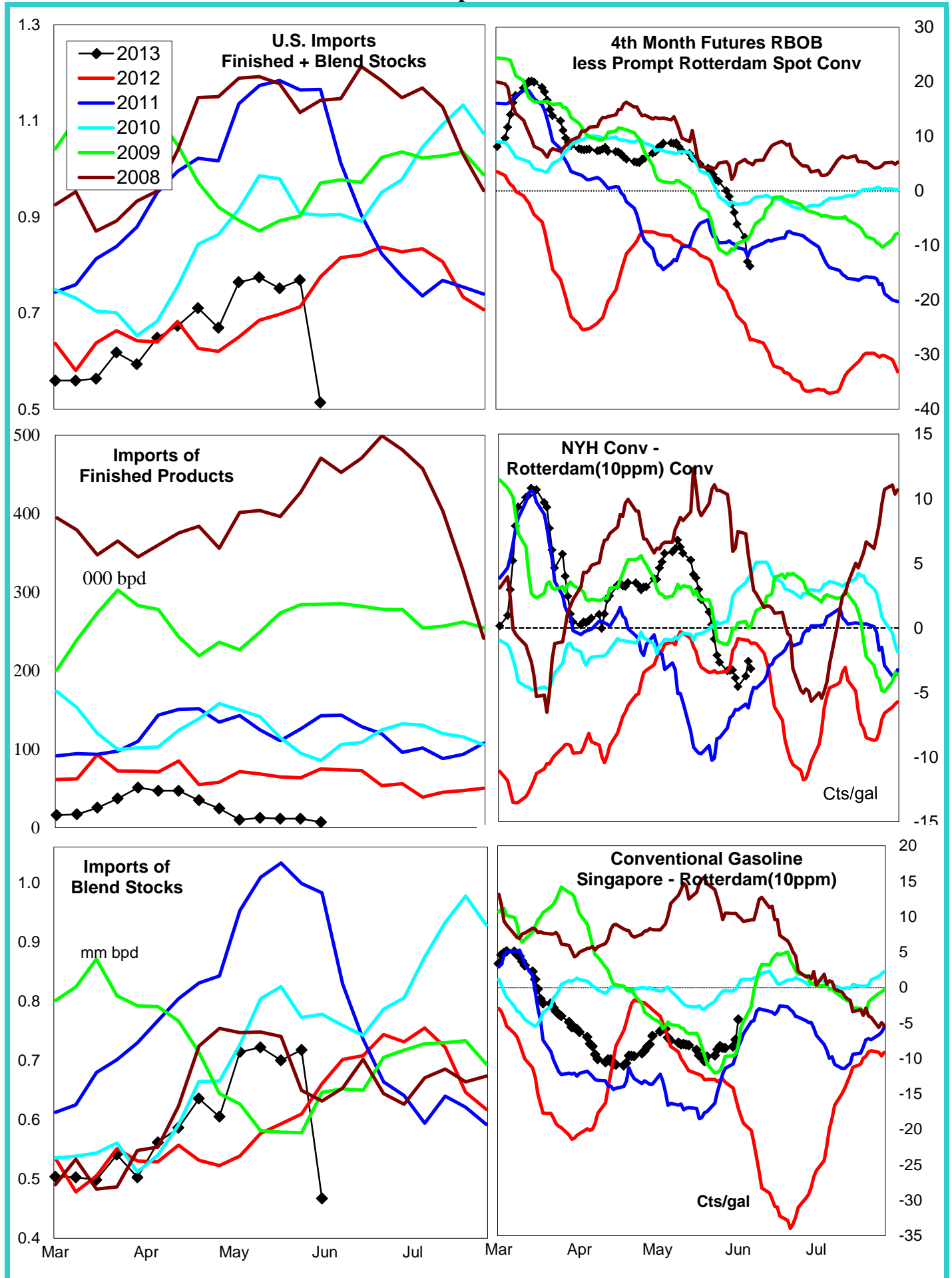


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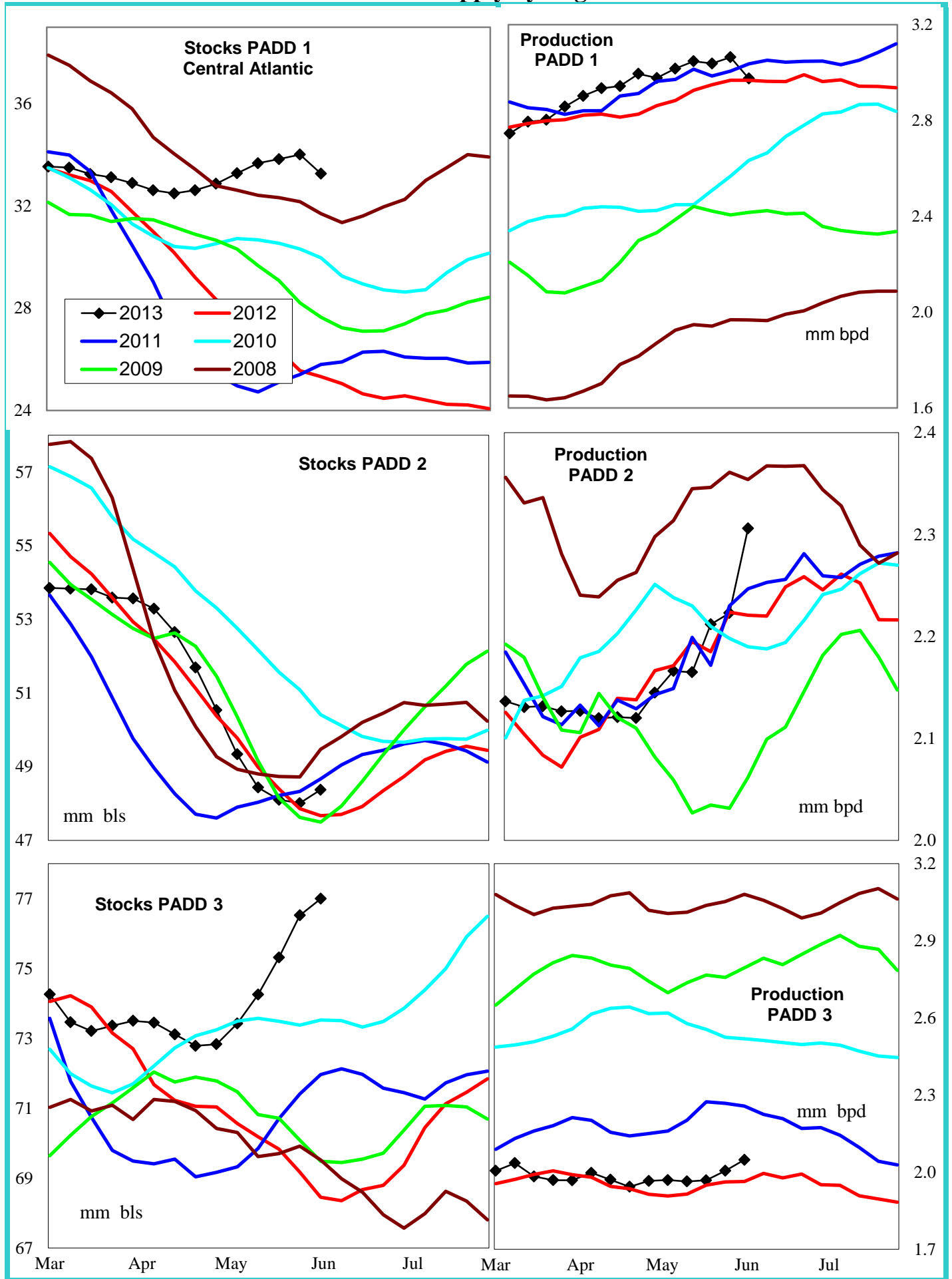
# Gasoline Cash Basis and Related Price Spreads



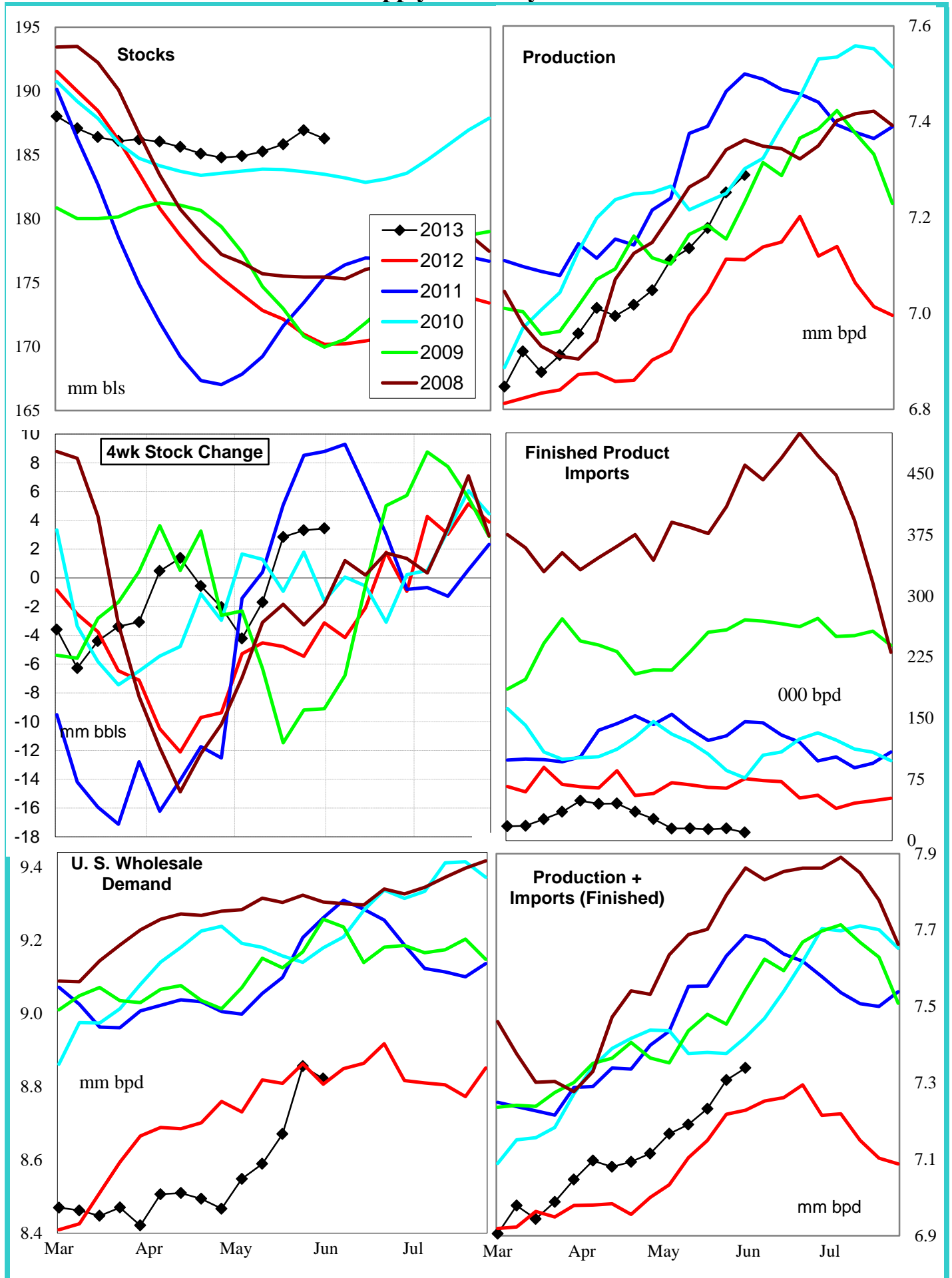
## Gasoline Import Economics



# Gasoline Supply by Region



## Gasoline Supply Summary PADDs 1+2+3



**PADD 5 Gasoline Supply**