



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 -174,000 bpd last week, with the level falling below the 5-year range. The latest 4-wk change in demand was a -32,000 bpd decrease compared to a year ago.

Supplies decreased -40,000 bpd, on higher imports.

Stocks saw a counter seasonal +2.7 million barrel build on the week, lifting the level to a new 5-year high for the summer season. East and Gulf markets remain oversupplied, while supplies are improving in the Chicago area.

Basis plunged last week in Chicago as refiners began restart from extended maintenance. The West Coast and Gulf markets saw modest basis improvement last week, while the Group III followed Chicago lower. Basis remains very depressed in the Northwest.

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 extend the downtrend as refiners restart from extended maintenance, with potential for over supply to depress basis later this summer.

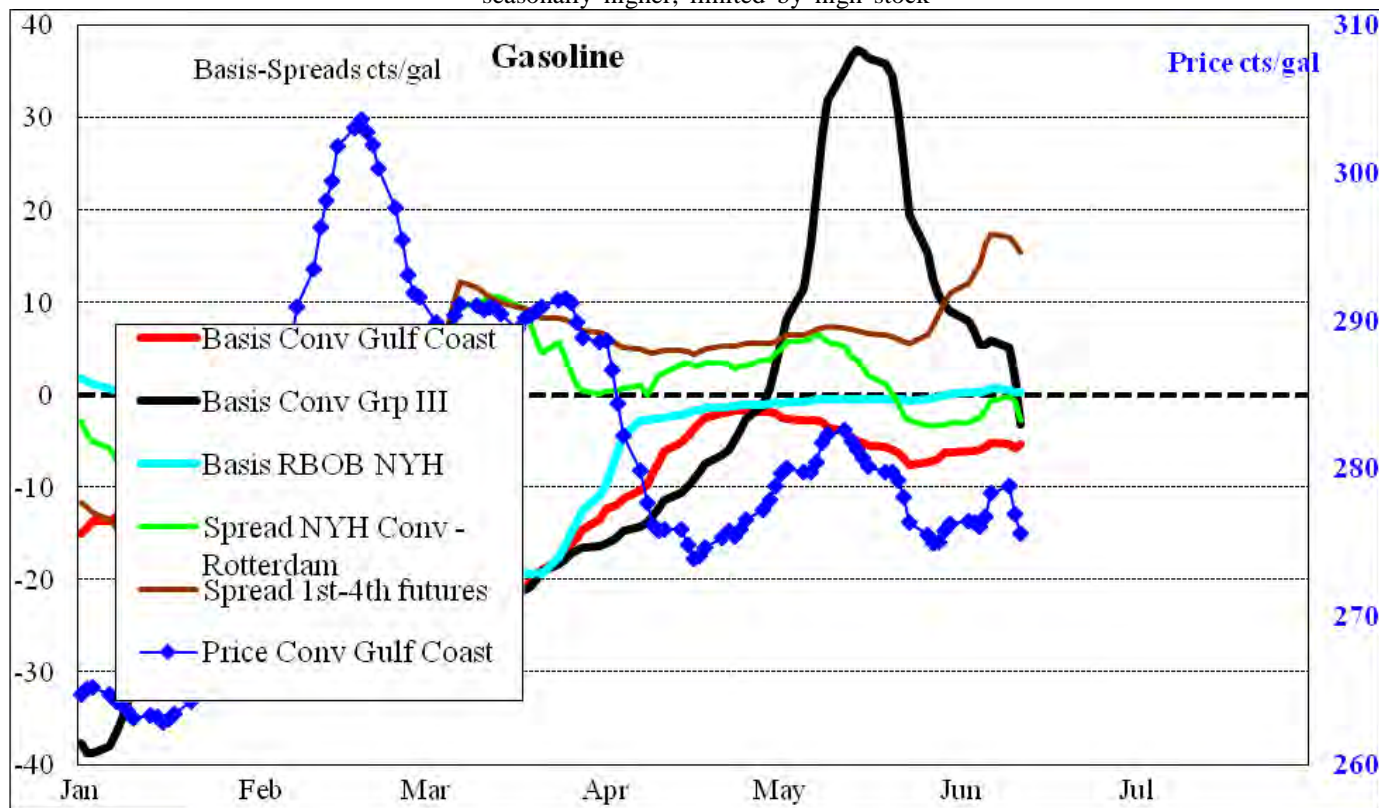
Group III basis to trend lower on improved midwest supplies, including Chicago.

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.

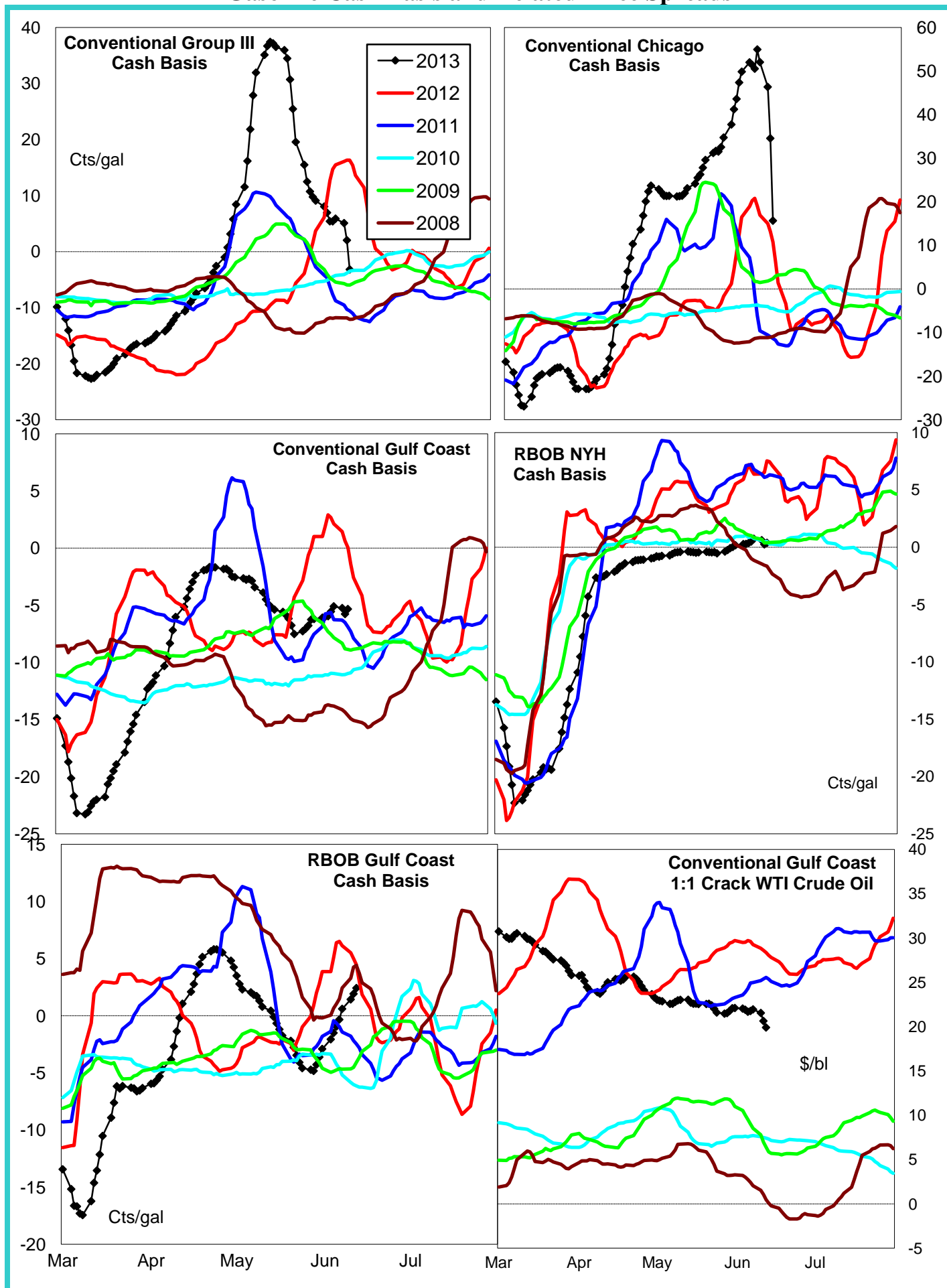
Gulf Coast Price The plunge in Chicago area basis occurred last week as refiners began to restart from very heavy maintenance. Increased production risk over supply by mid summer. Stock level remain extremely high on the East and Gulf Coast markets. Even the Northwest is over supplied.

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

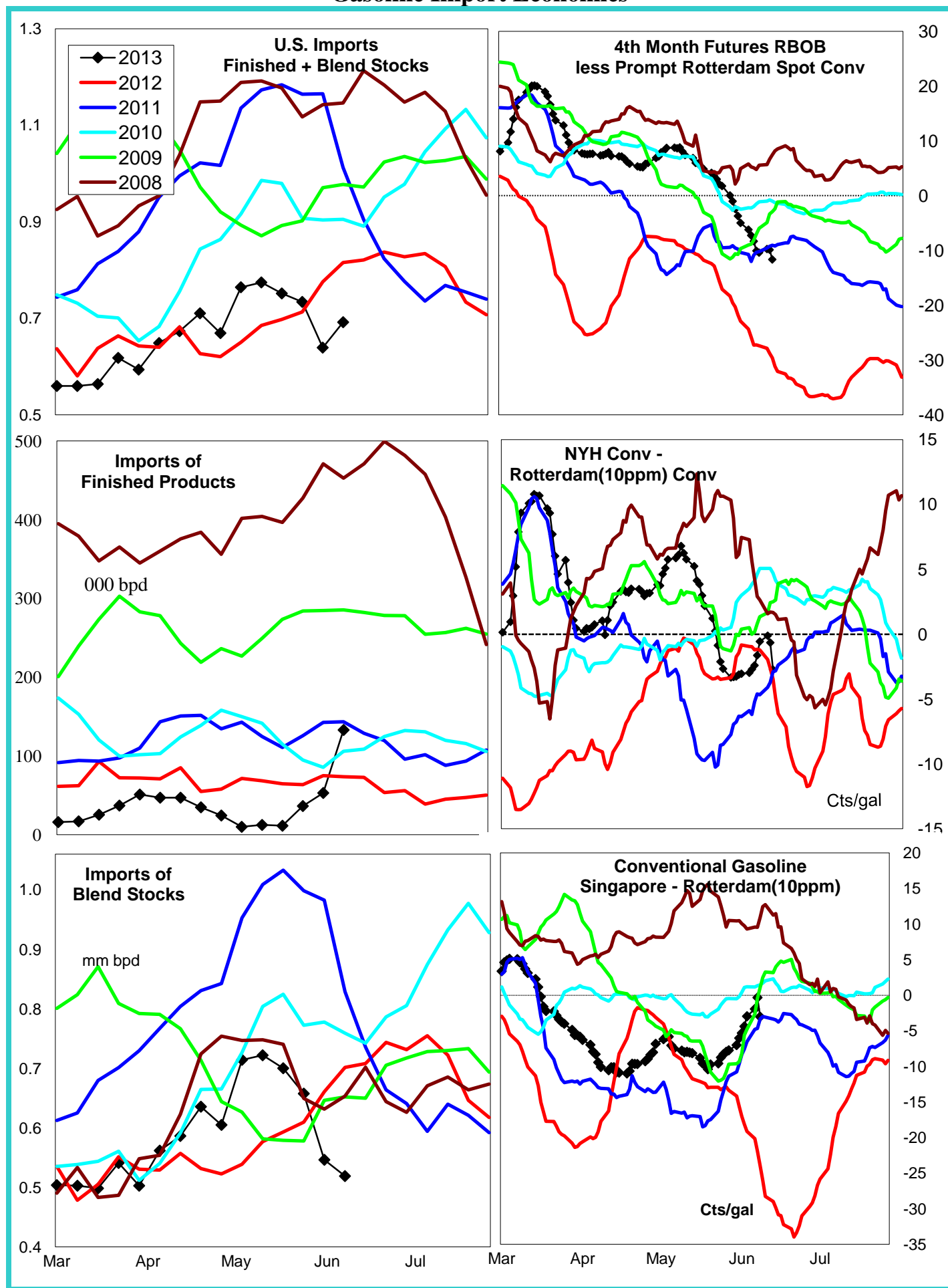


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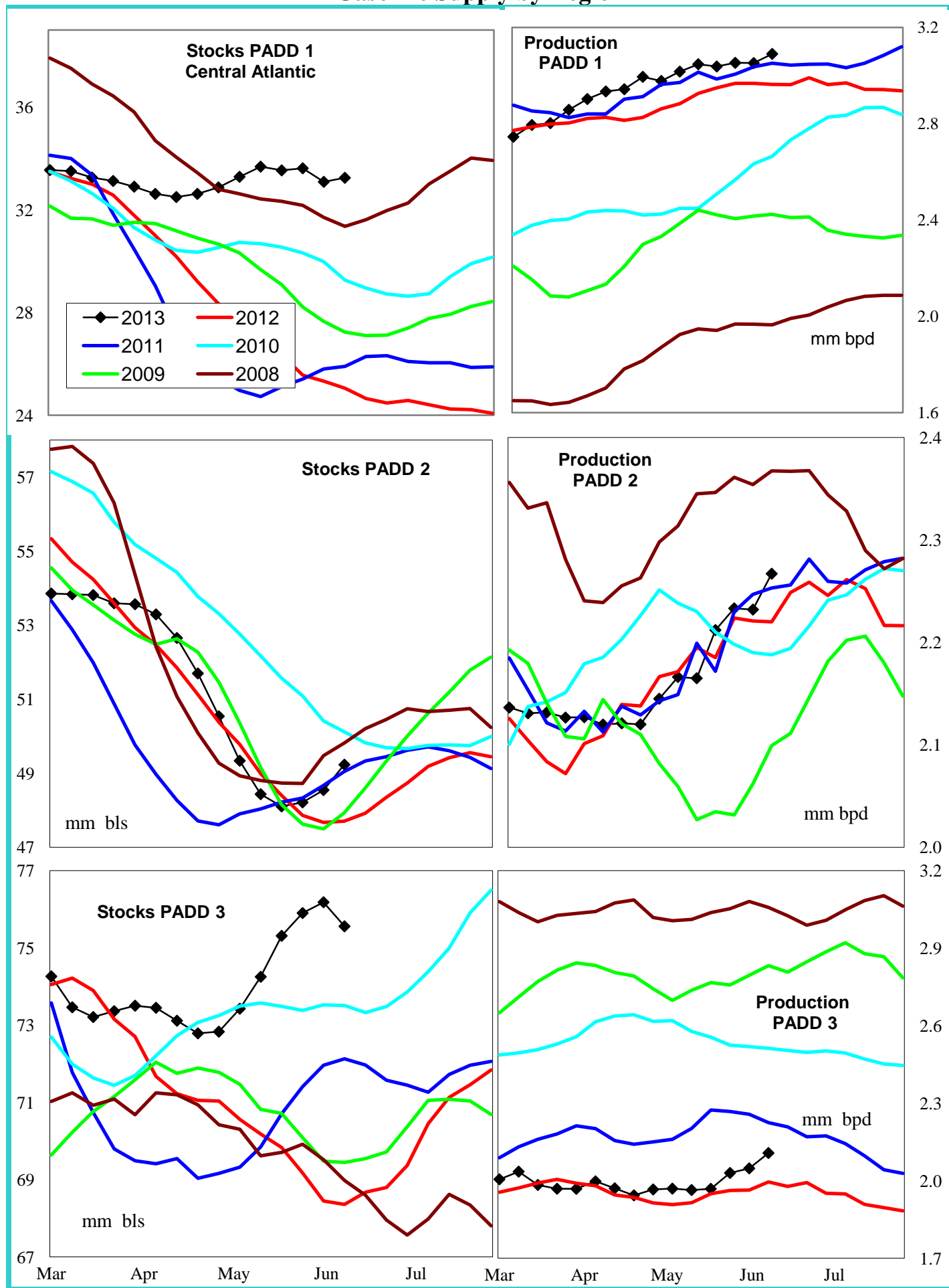
Gasoline Cash Basis and Related Price Spreads



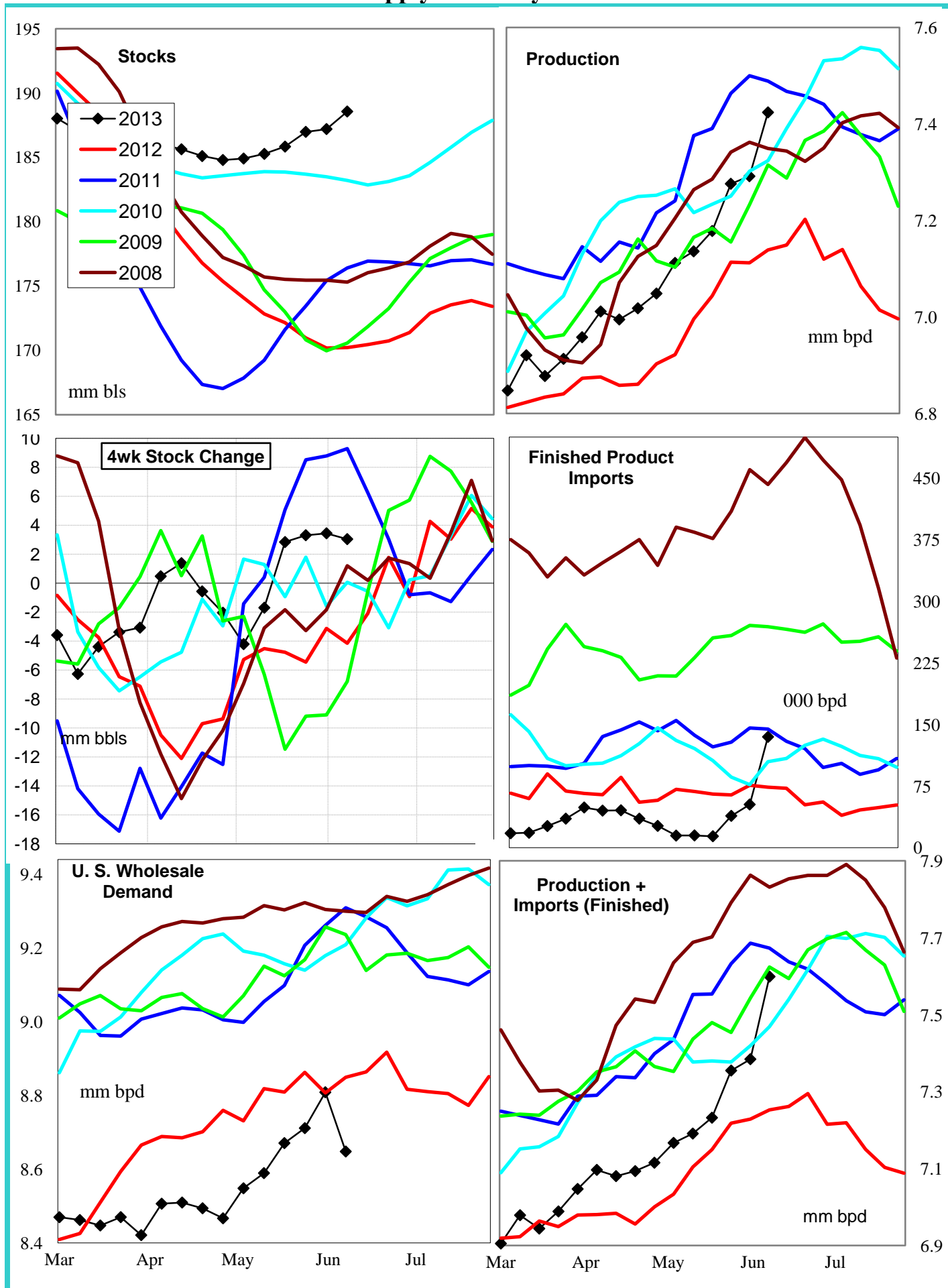
Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3



PADD 5 Gasoline Supply

