



WEEKLY GASOLINE FUNDAMENTAL-PRICE-BASIS OUTLOOK

A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Thursday, June 20, 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 increased +192,000 bpd last week, to a level comparable to last years' historic lows. The latest 4-wk change in demand was a -34,000 bpd decrease compared to a year ago.

Supplies decreased -239,000 bpd, on lower production and imports.

Stocks saw a counter seasonal +0.2 million barrel build on the week, the 2nd consecutive weekly build. Stock levels remain extremely high in the East and Gulf coast markets. Restart of Chicago area refiners has led to over supply in that region. The West Coast recently experienced unplanned refinery maintenance, leading to a spike in basis late this week.

Basis fell sharply in Midwest and Gulf markets last week on improving supplies, to levels below the 5-year range in some markets.

RBOB

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

Conventional

New York Harbor basis to trend

seasonally higher, limited by high stock levels.

Chicago basis to trade sideways at depressed levels in the near term, then trend higher as supplies from the Gulf are reduced.

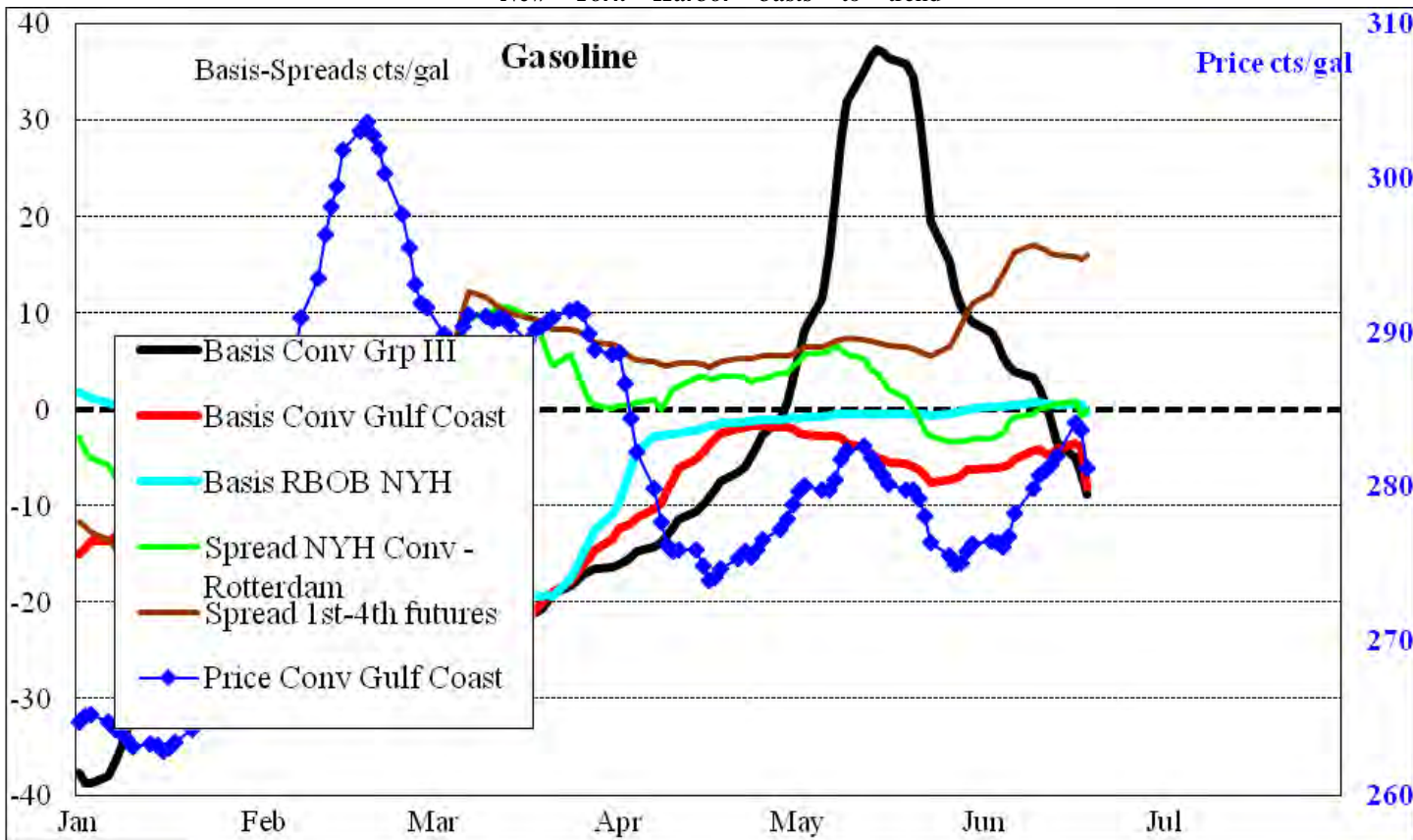
Group III basis to trade sideways at low levels in the near term, then trend higher as seasonal demand strengthens.

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

West Coast (Los Angeles) basis to remain elevated until refiners restart from unplanned maintenance, then collapse to the historic range.

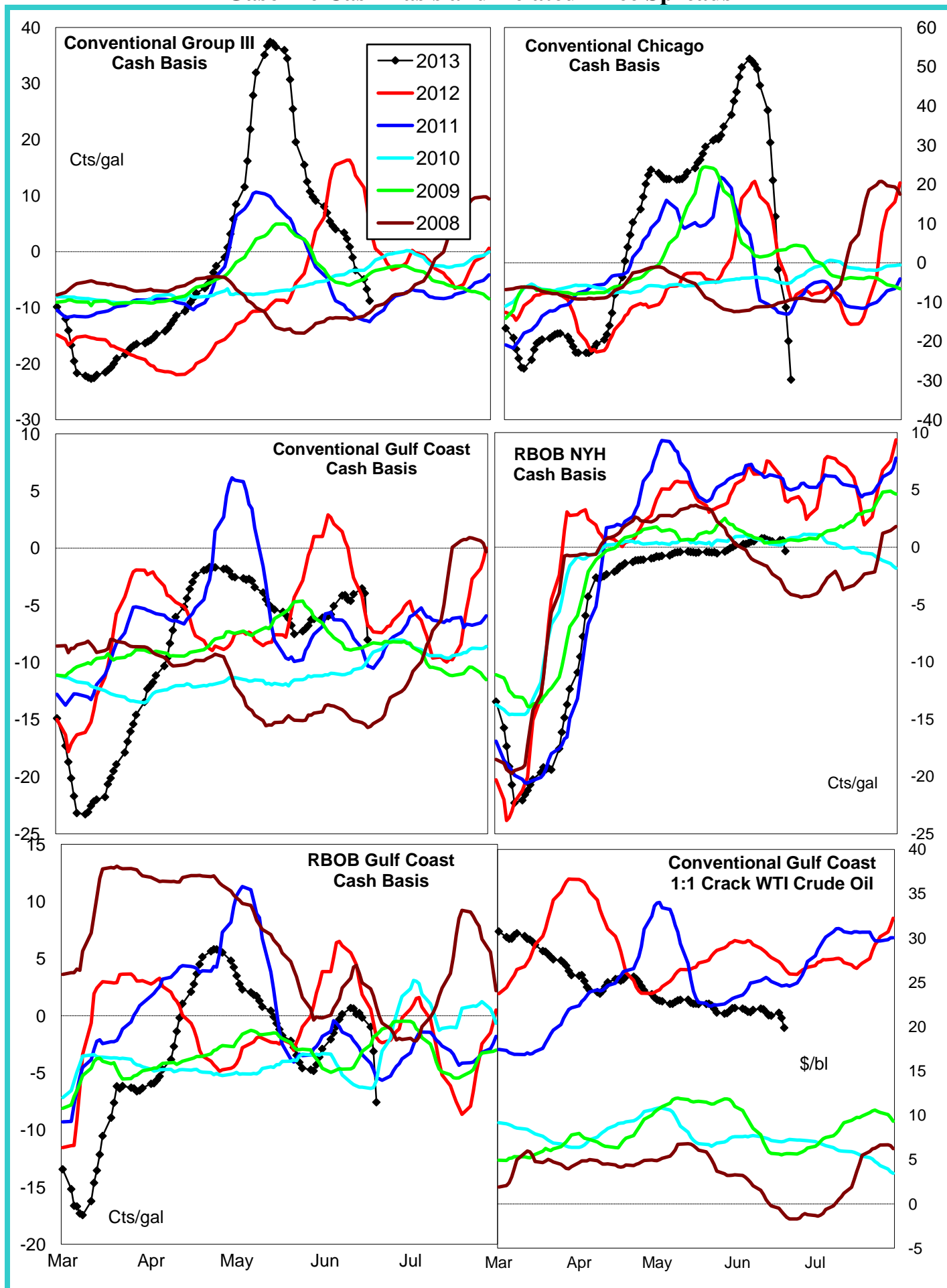
Gulf Coast Price Look for higher seasonal production and year on year declines in demand to maintain a well supplied market East of the Rockies.

High stock levels, weak demand, slower global economic growth and the Fed stated intent to reduce bond buying over the next year risk price weakness during the summer quarter.

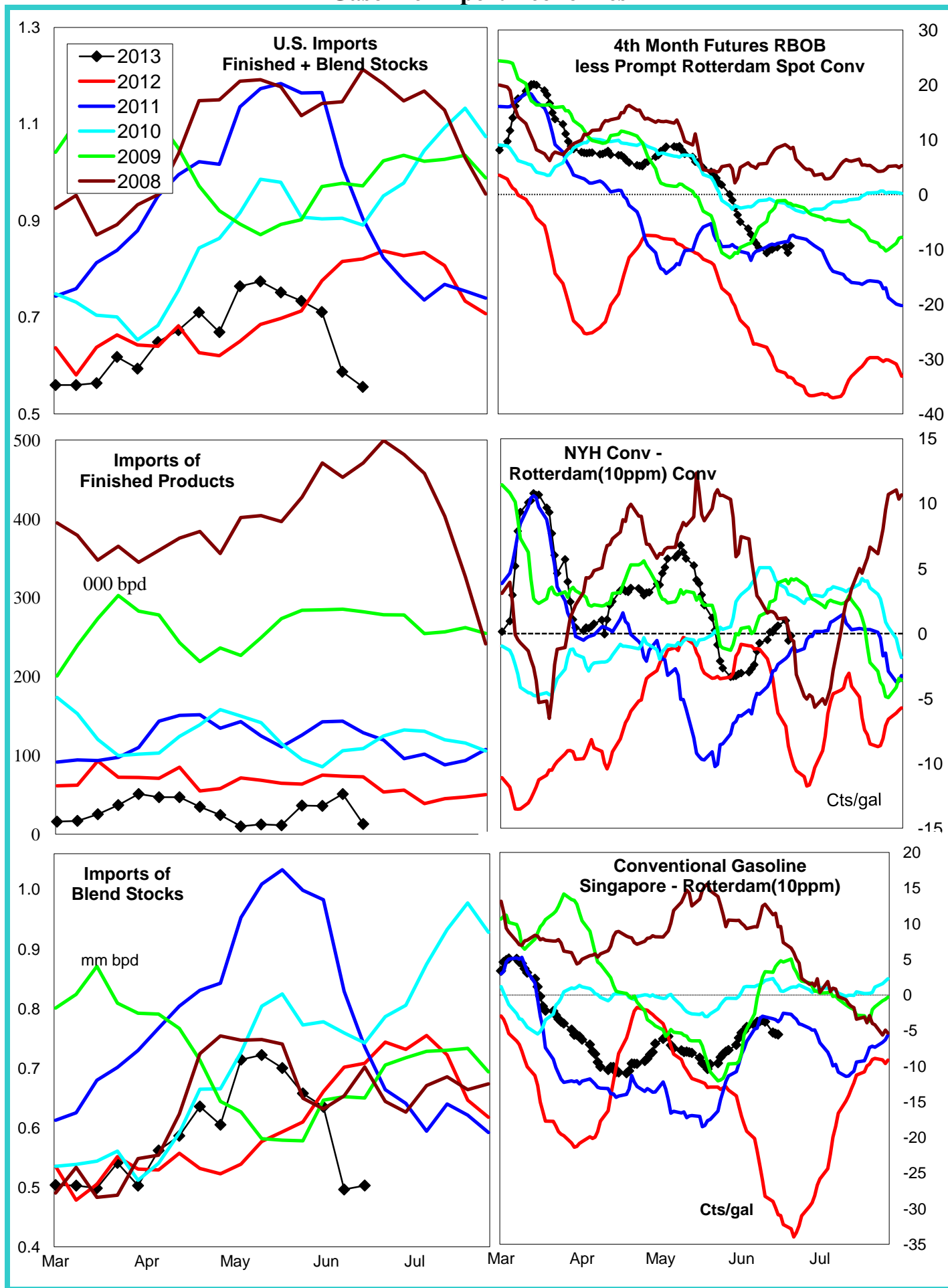


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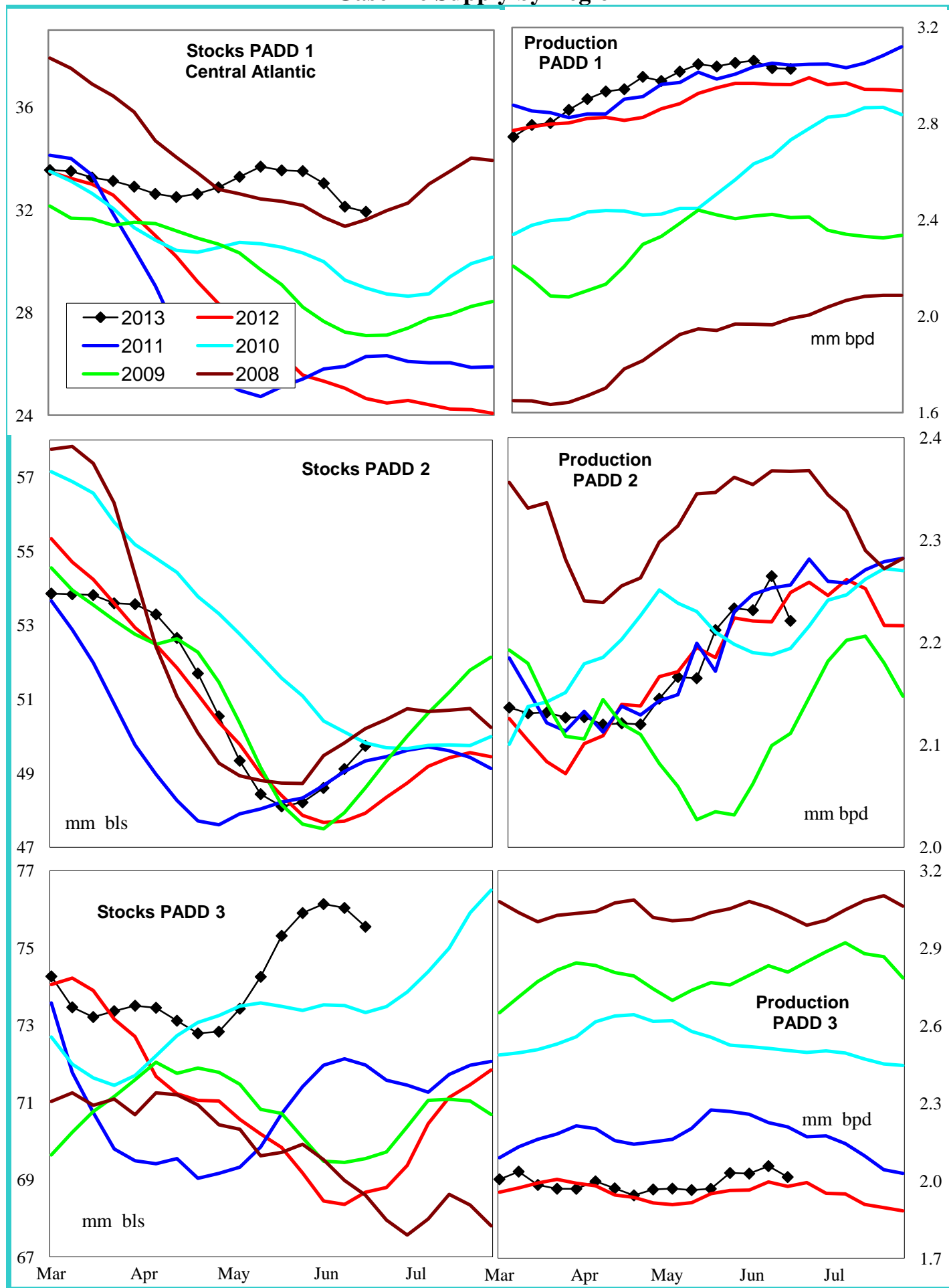
Gasoline Cash Basis and Related Price Spreads



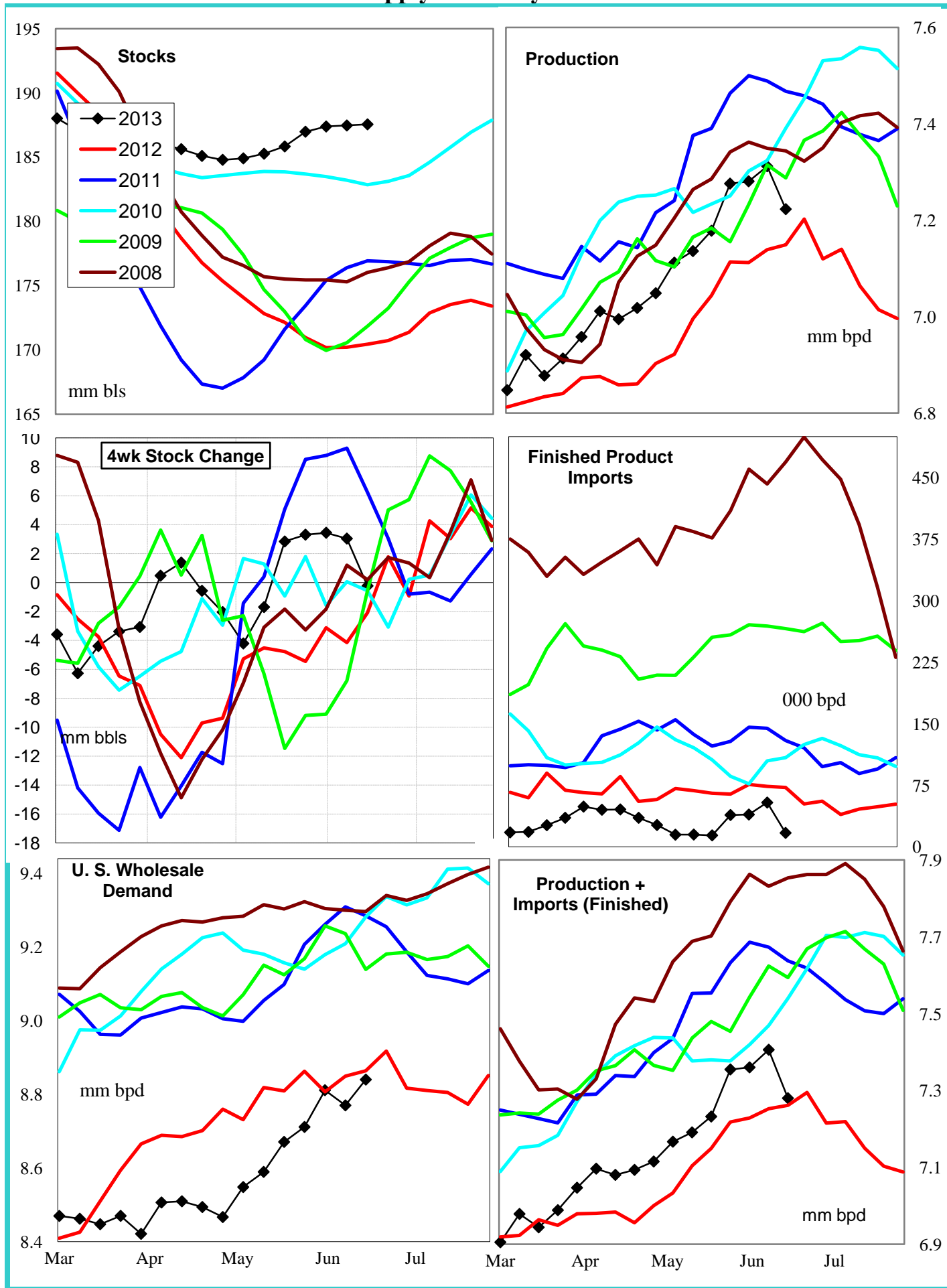
Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3



PADD 5 Gasoline Supply

