



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 +54,000 bpd last week, equal to a year ago. The latest 4-wk change in demand was a -28,000 bpd decrease compared to a year ago.

Supplies increased +414,000 bpd, on a surge in imports.

Stocks increased +3.7 million barrels on the week. Stock levels remain extremely high in the East and Gulf coast markets, with the level in other markets above the historic average.

Basis levels have declined to near record lows in all regional markets. Look for higher seasonal demand and record stocks on the East Coast to lead to basis increases in most regional markets outside of NYH over the next 30-days.

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.

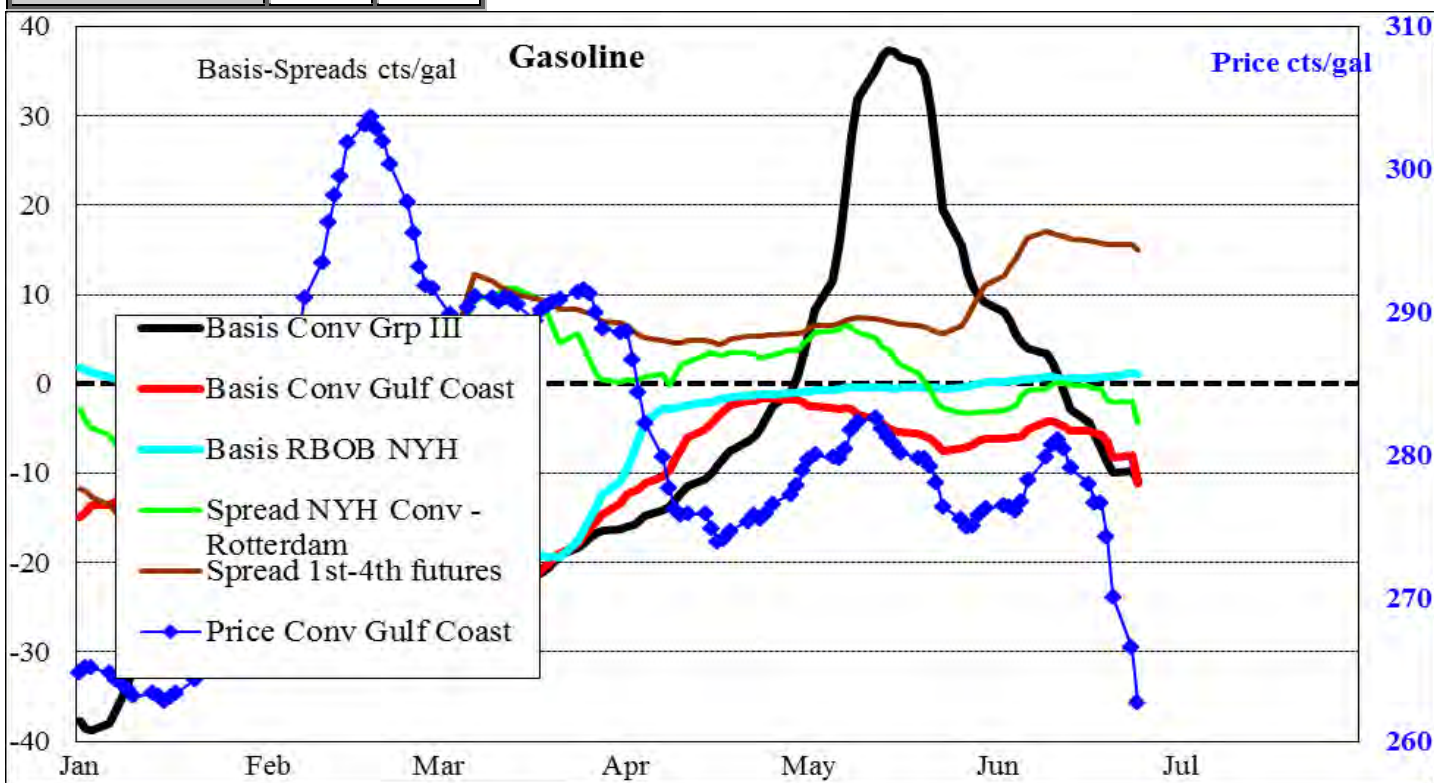
Group III basis to trade sideways at low levels in the near term, and then trend higher as seasonal demand strengthens.

Gulf Basis to trade sideways on very high stock levels and excess supplies on the East Coast, trending modestly higher on peak seasonal demand.

West Coast (Los Angeles) basis to trend higher from the recent collapse.

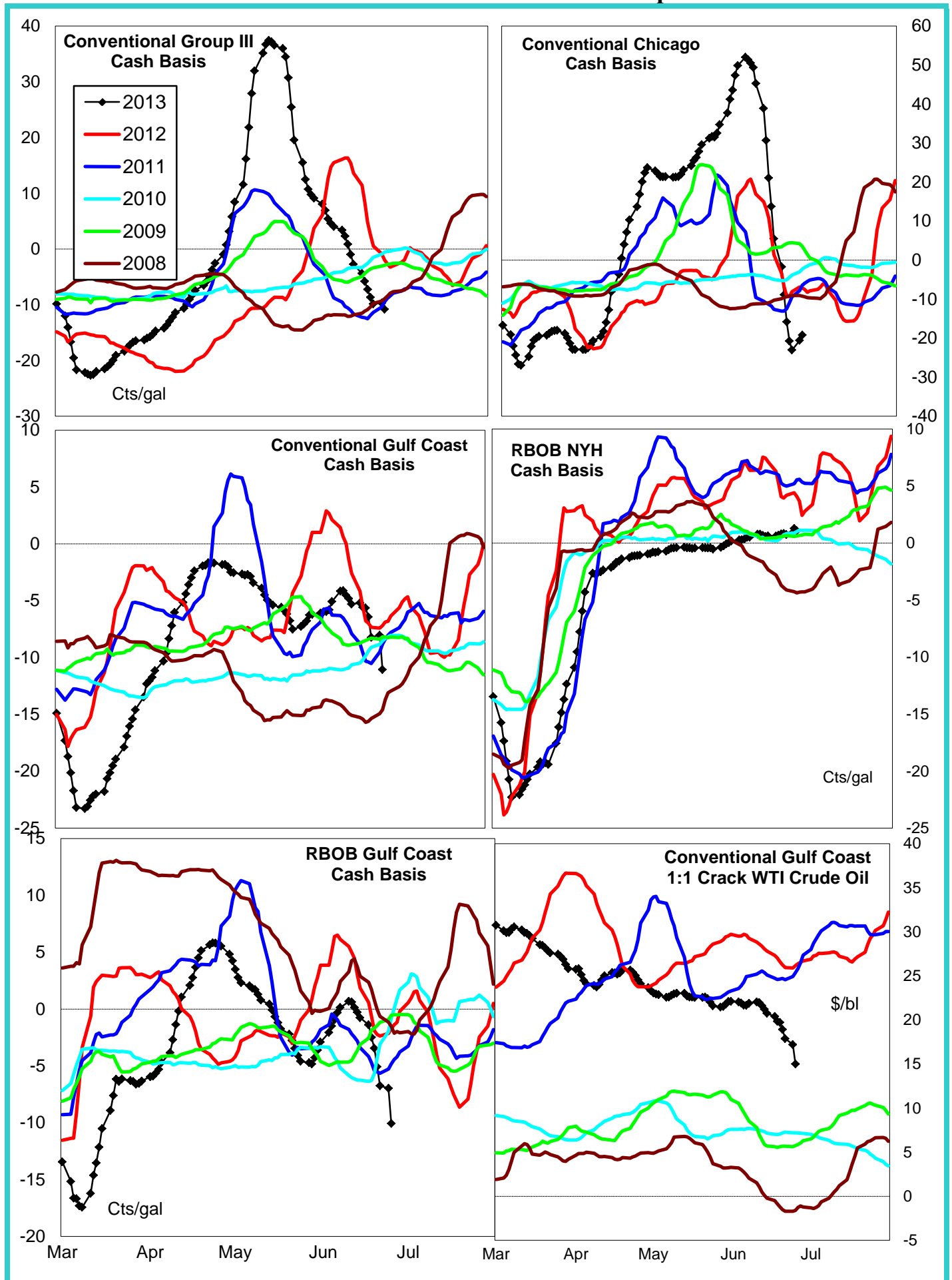
Gulf Coast Price Look for higher seasonal production and year on year declines in demand to maintain a well supplied market East of the Rockies.

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.

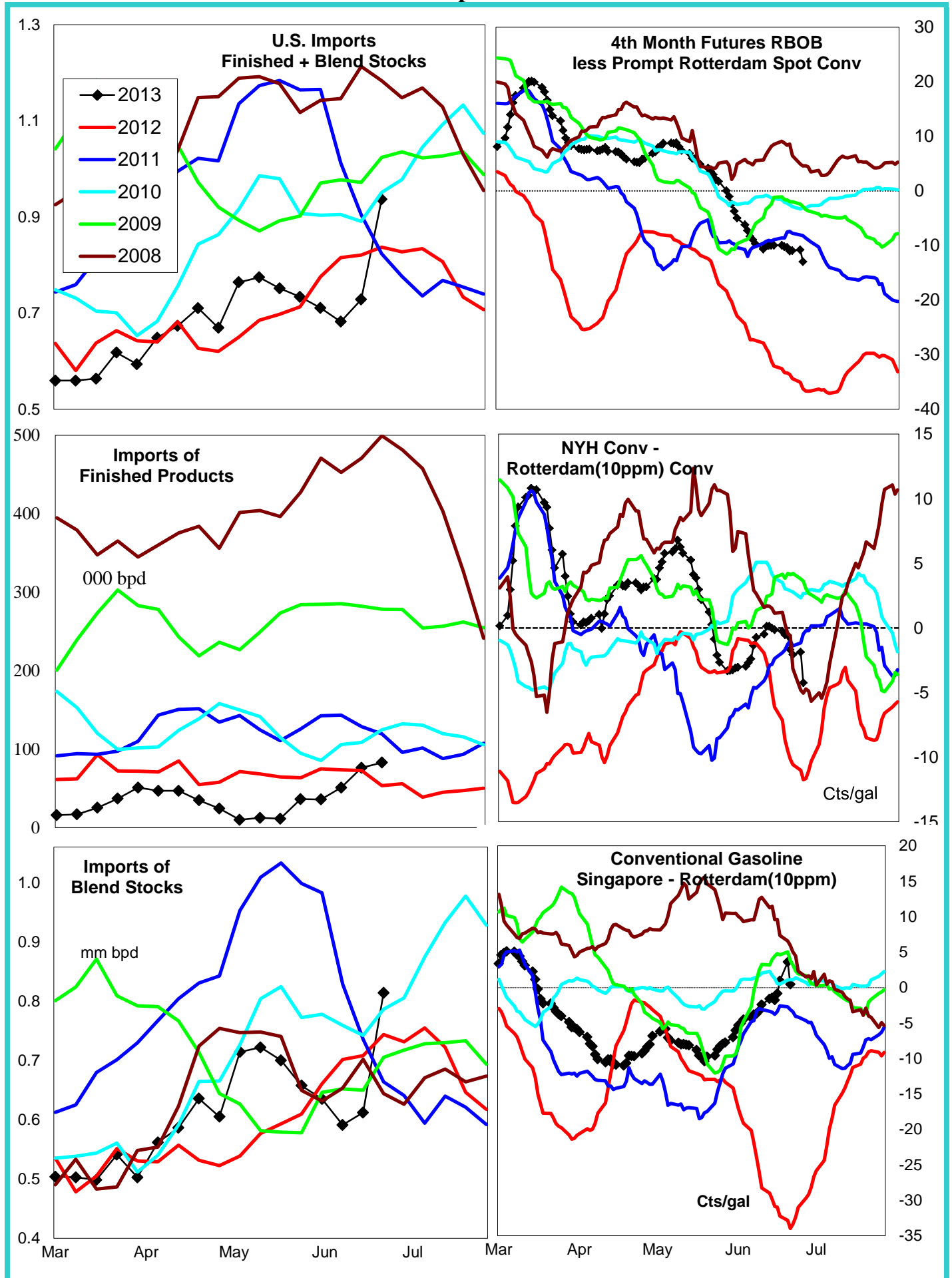


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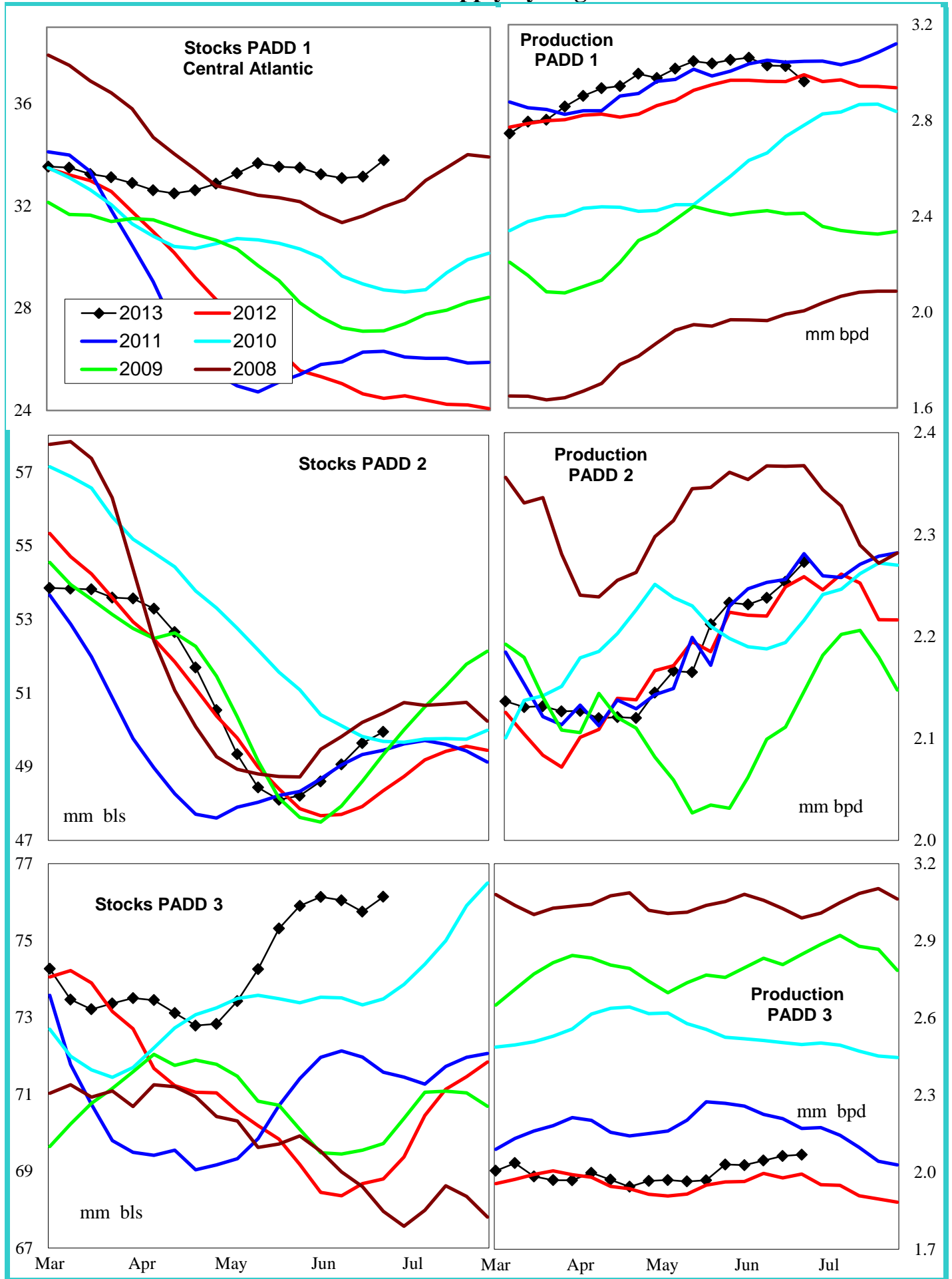
Gasoline Cash Basis and Related Price Spreads



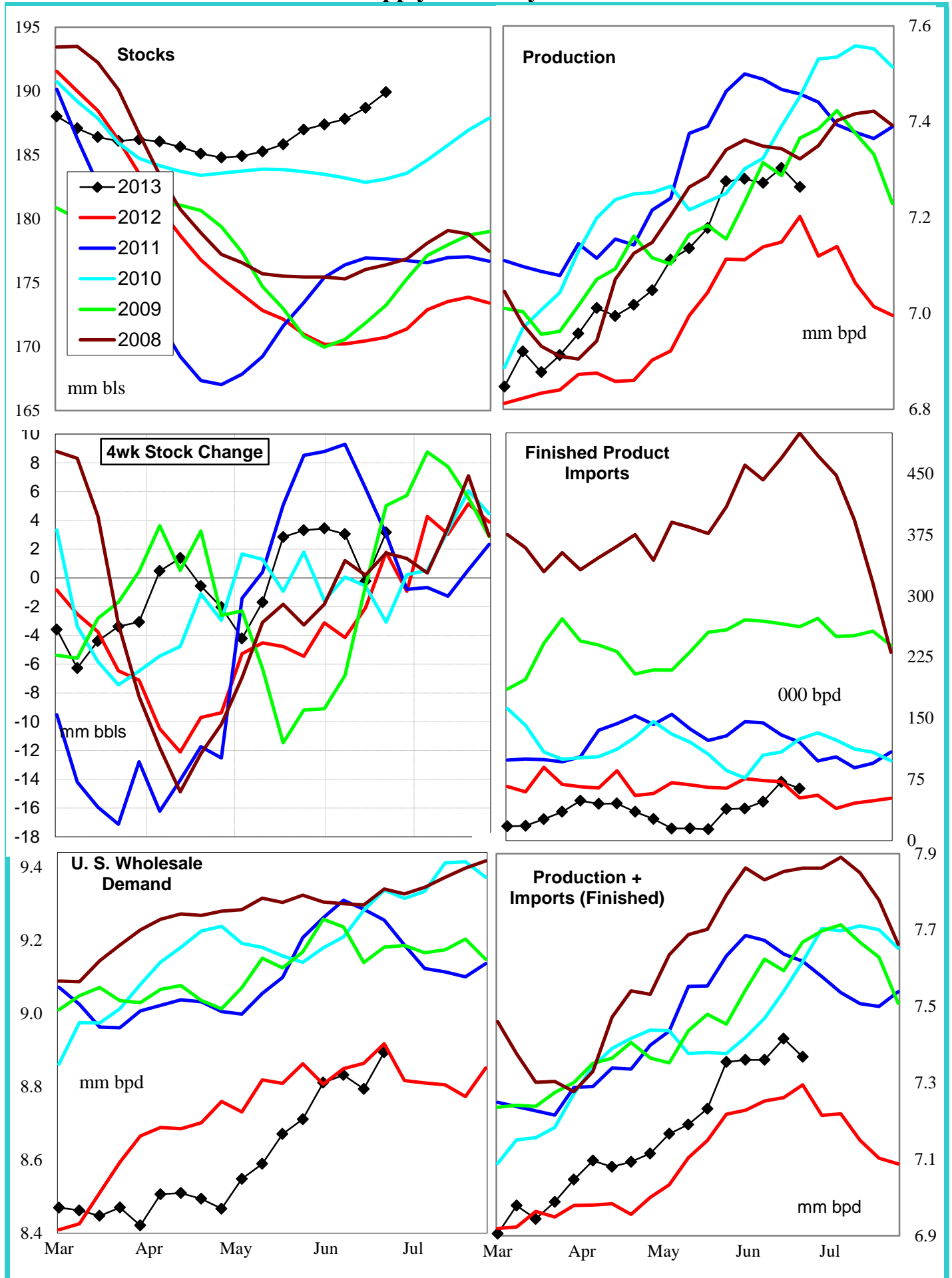
Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3



PADD 5 Gasoline Supply

