



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 fell -0.6 million bpd last week to a level below the historic range. The latest 4-wk average demand was +206,000 bpd above a year ago.

Supplies fell -315,000 bpd, on a sharp drop in production. Production levels matched historic lows for the week. *Imports rebounded from record lows, but remain below the last 3-years.*

Stocks jumped +3.1 million barrels on the week. Stock levels remain very high in the East and Gulf coast markets.

Basis levels trended lower in all regional markets last week. The drop in demand and record stocks on the East Coast underlies the weakness in basis across regional markets.

RBOB

New York Harbor basis to trend higher on peak seasonal demand.

Conventional

New York Harbor basis to trend seasonally higher, driven by increased seasonal demand.

Chicago basis to trend higher on peak seasonal demand and unplanned FCCU

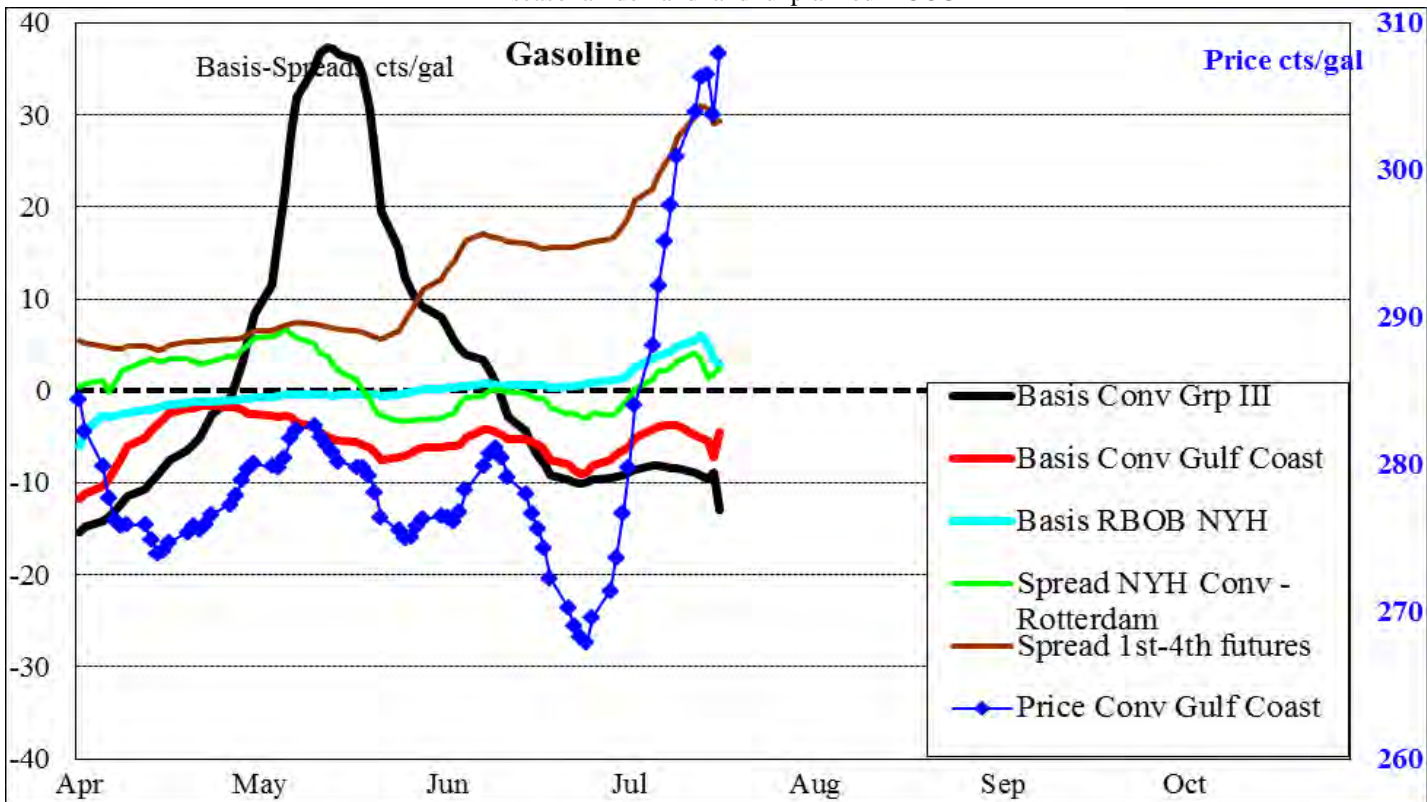
maintenance.

Group III basis to trend higher on increased seasonal demand and low stock levels.

Gulf Basis to trend higher on increased exports and peak seasonal demand.

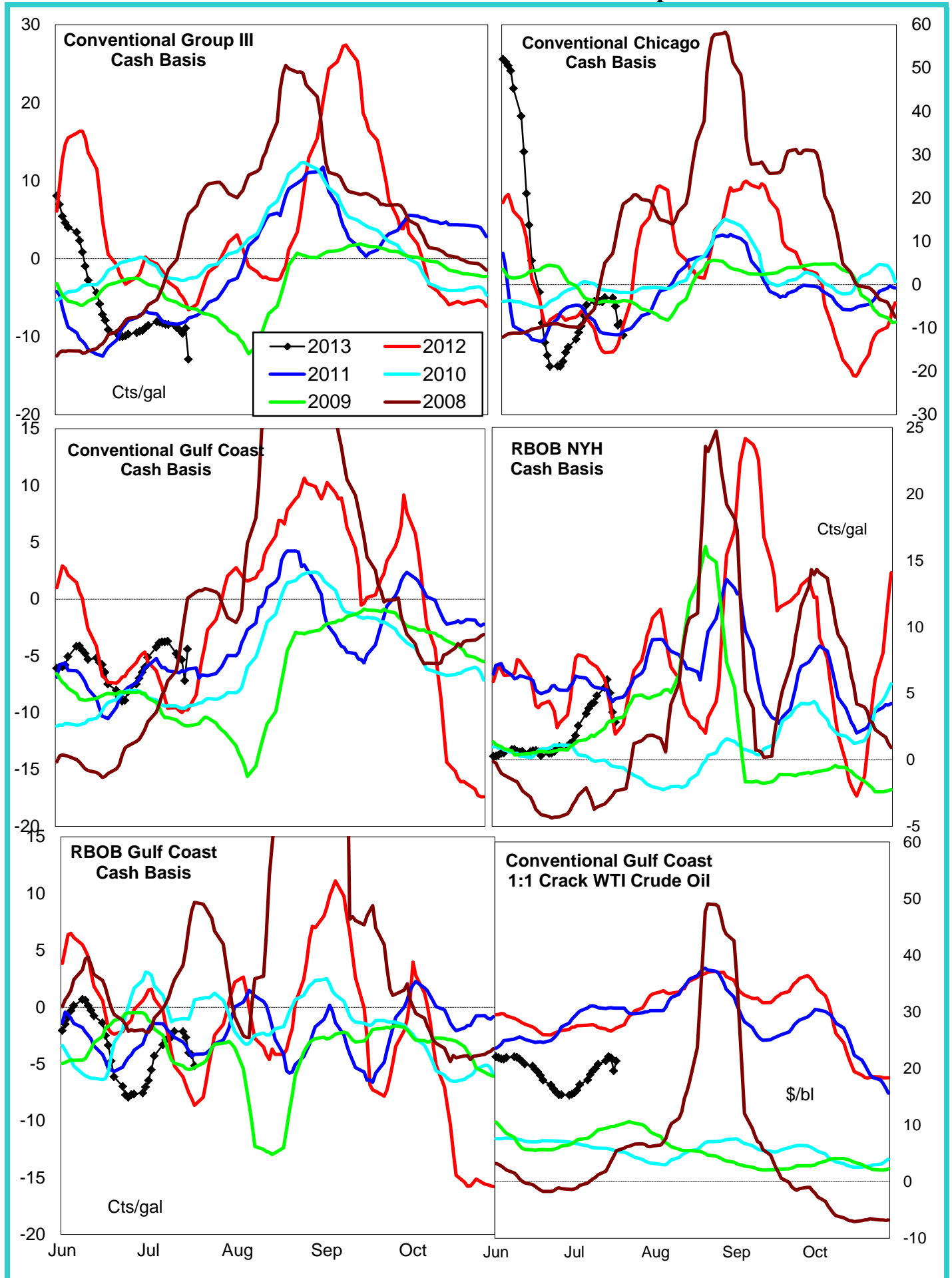
West Coast (Los Angeles) basis to trend higher on peak seasonal demand, limited by record imports and high production.

Gulf Coast Price The collapse in wholesale demand is driven by a pull back in exports and likely weakness in domestic demand – driven in part the surge in retail prices. Stock levels remain very high on the East and Gulf Coasts. Renewed weak demand and stock builds risk an earlier than normal end of summer price pull back.

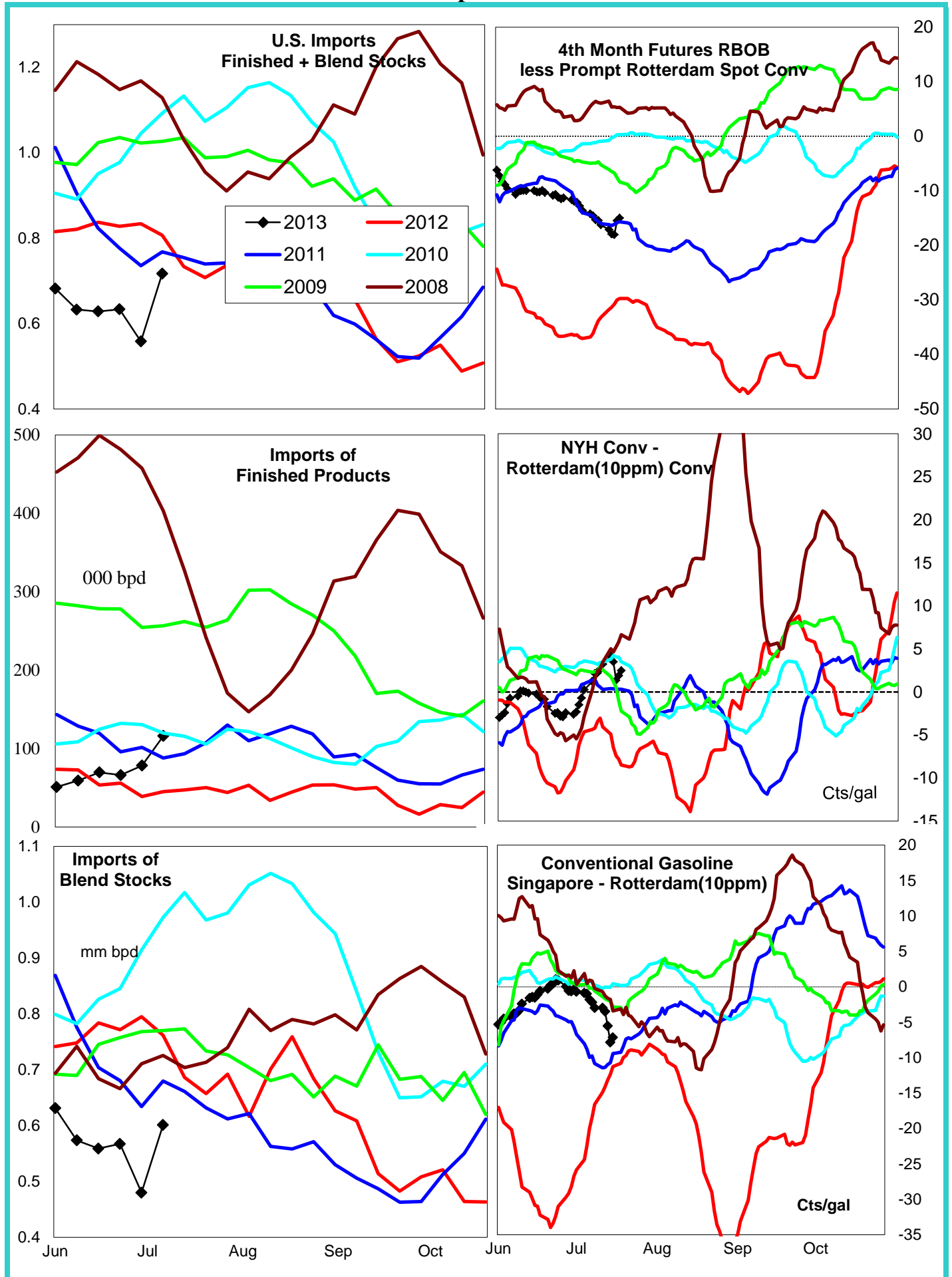


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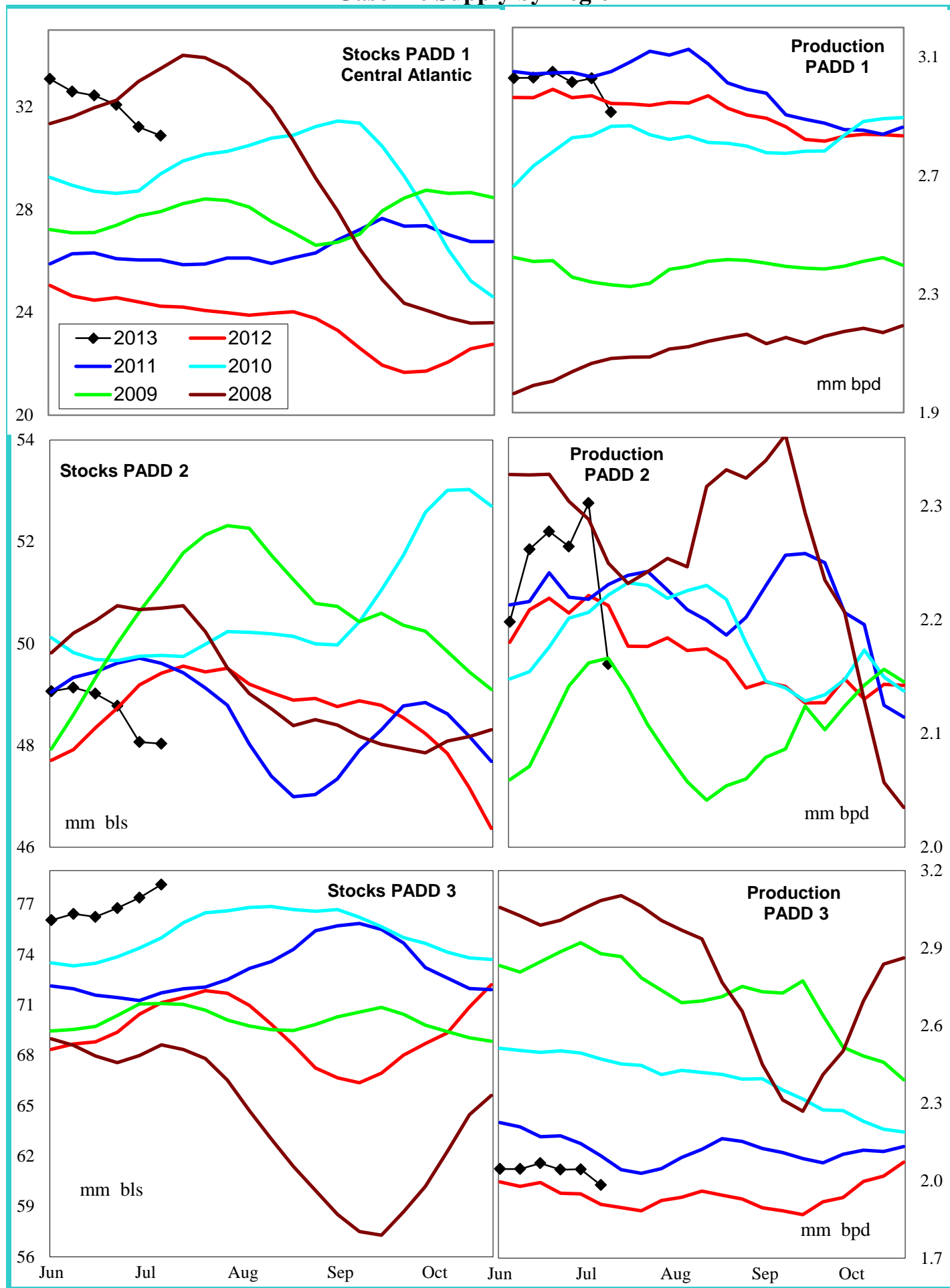
Gasoline Cash Basis and Related Price Spreads



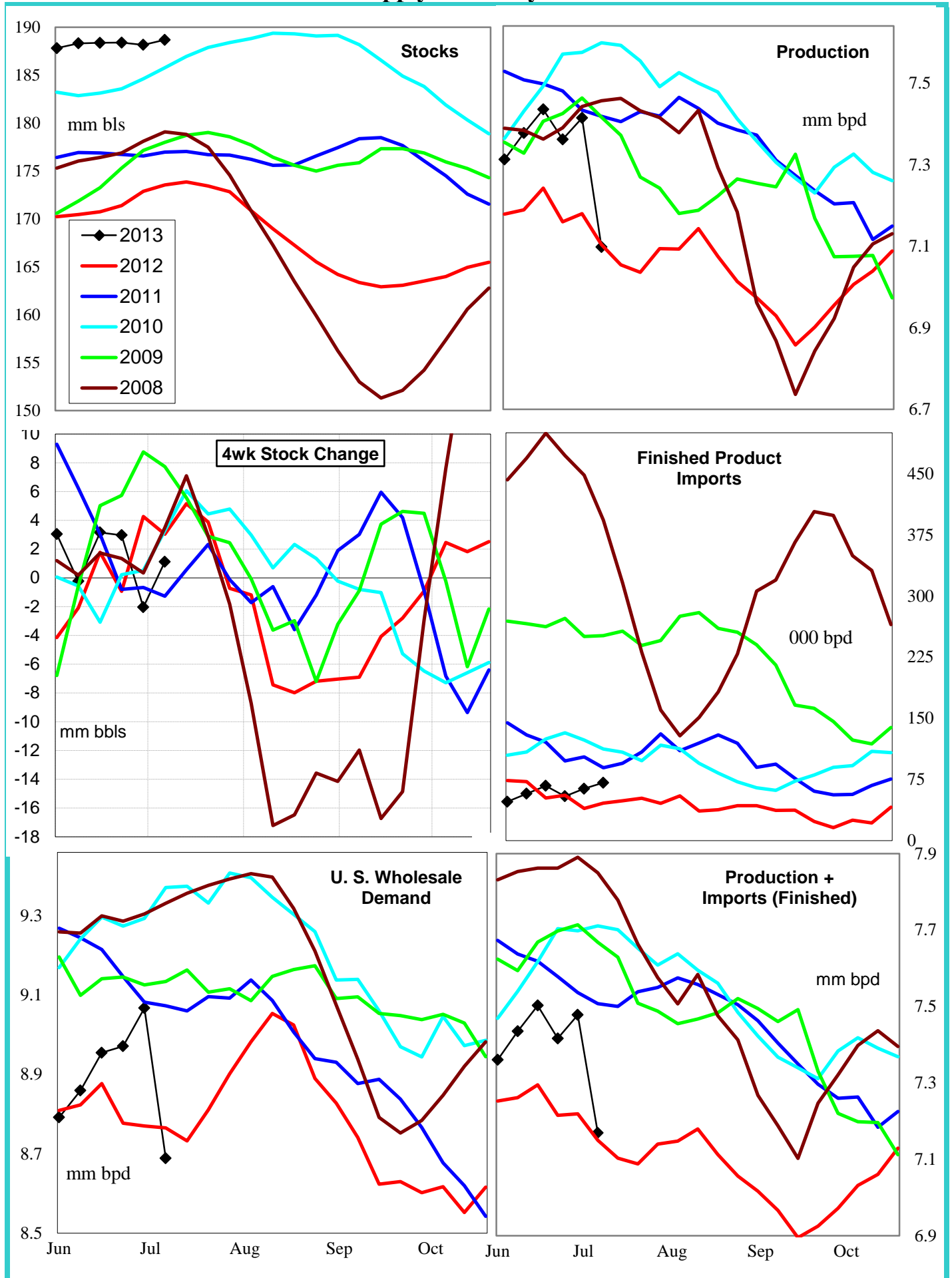
Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3



PADD 5 Gasoline Supply