



WEEKLY GASOLINE FUNDAMENTAL-PRICE-BASIS OUTLOOK

A Fundamental Petroleum Trends Weekly Report

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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 was unchanged last week. The latest 4-wk average demand was +184,000 bpd above a year ago.

Supplies increased +224,000 bpd on higher production, partially offset by record low imports.

Stocks declined -4 million barrels on the week. Stock levels remain very high in the East, West and Gulf coast markets.

Basis collapsed to record lows in all west coast markets last week on excess supplies. Basis for RBOB graded also trended lower in Chicago. Conventional grades trended higher in all markets East of the Rockies for the week, although the level remains below the 5-yr range, except in the Gulf.

Basis in international markets traded sideways last week at record low levels in Asian and Middle East regions. European markets trended sharply higher, with the level at the low end of the historic range.

RBOB

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

Conventional

New York Harbor basis to trend seasonally higher on a collapse in imports.

Chicago basis to trend higher on peak seasonal demand and stock draws.

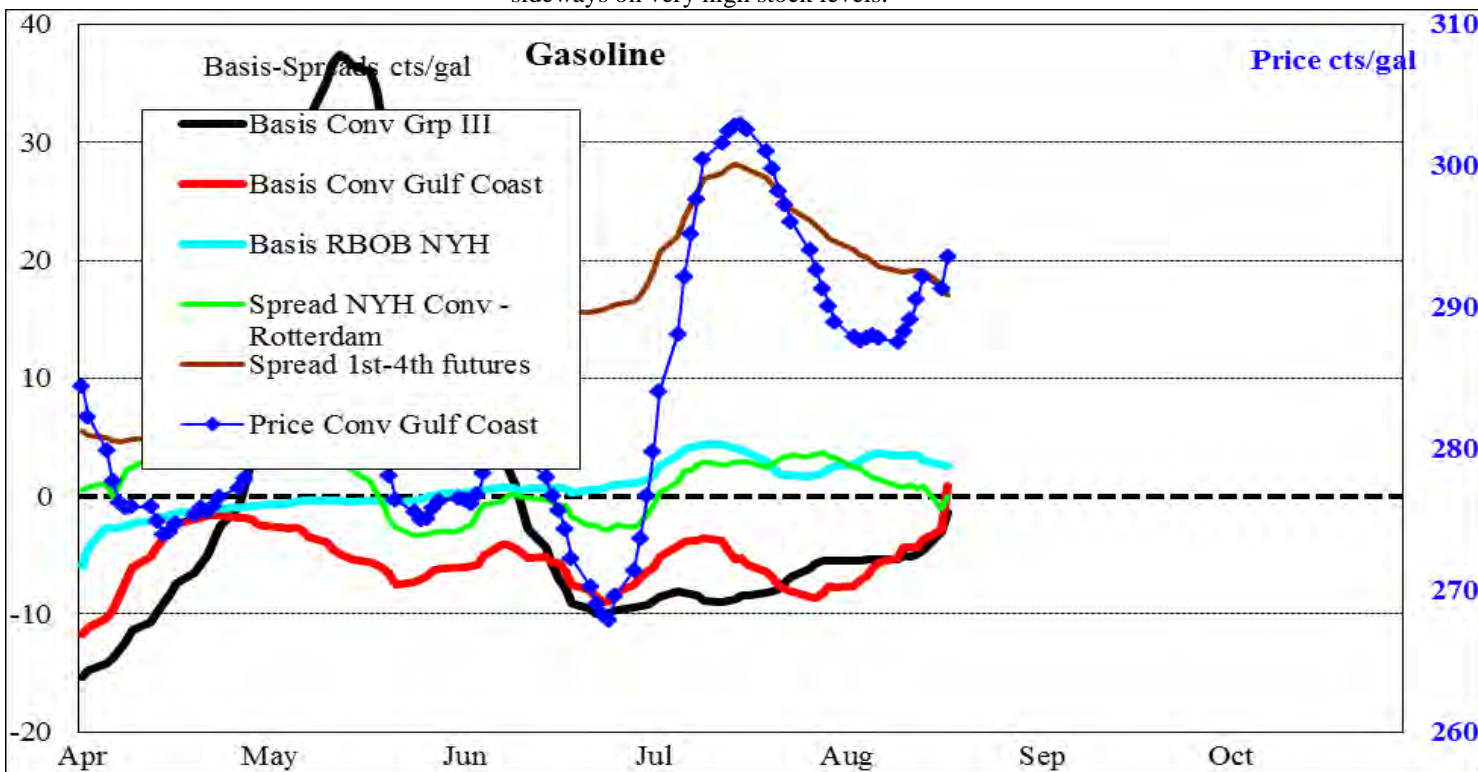
Group III basis to trend higher on increased seasonal demand and stock draws.

Gulf Basis to trend higher on peak seasonal demand, constrained by high stock levels.

West Coast (Los Angeles) basis to trend higher on increased exports (due to extremely over supplied market) refinery maintenance and a seasonal draw down in stocks.

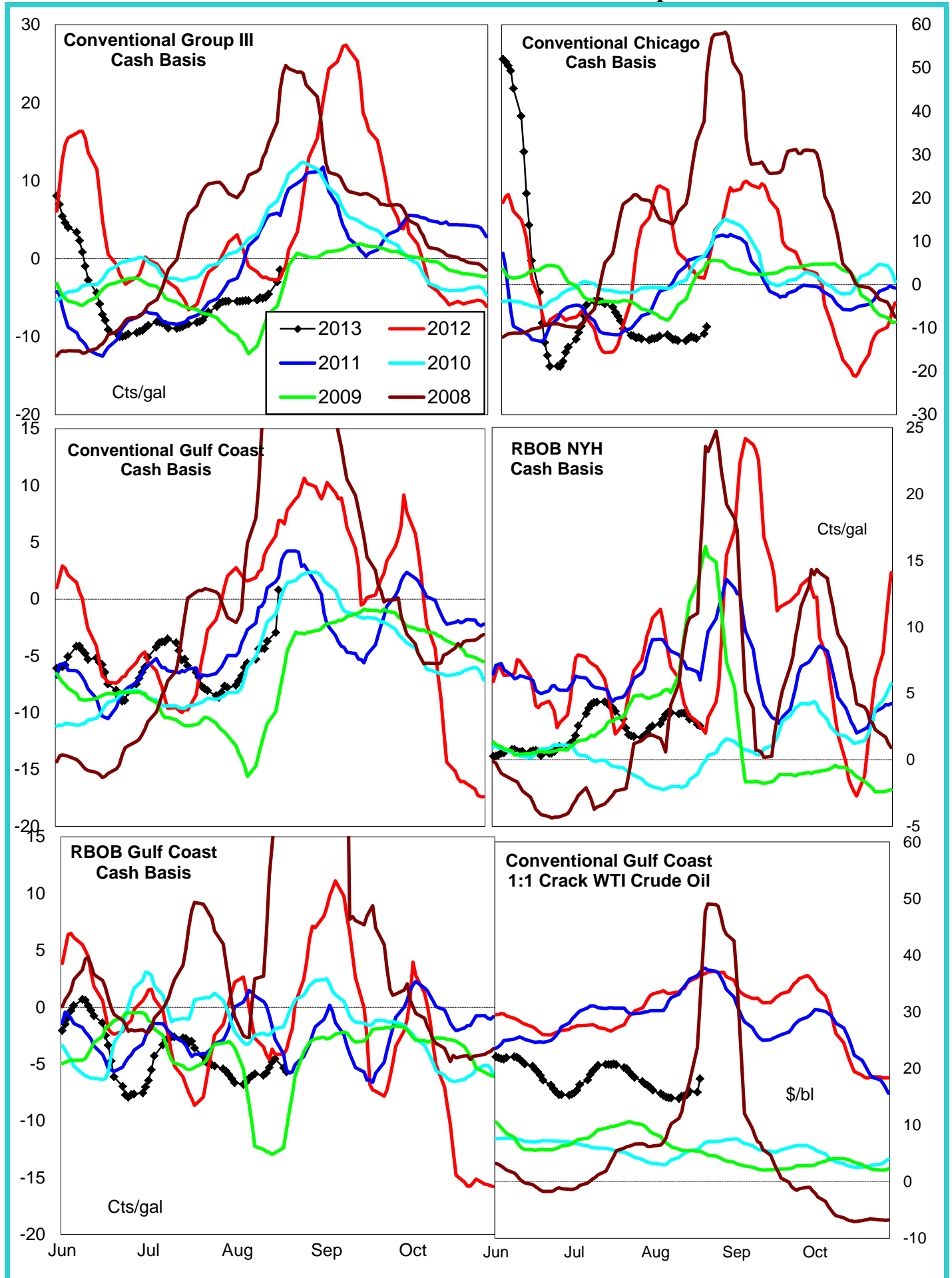
Gulf Coast Price Gasoline stocks are very high in all coastal markets, although a collapse in imports and peak summer demand should drive significant stock draws during the next 30-days.

With an end to peak summer demand, and excess supply in coastal markets, look for a pull back in prices during the next 30-days; absent hurricane supply disruptions.

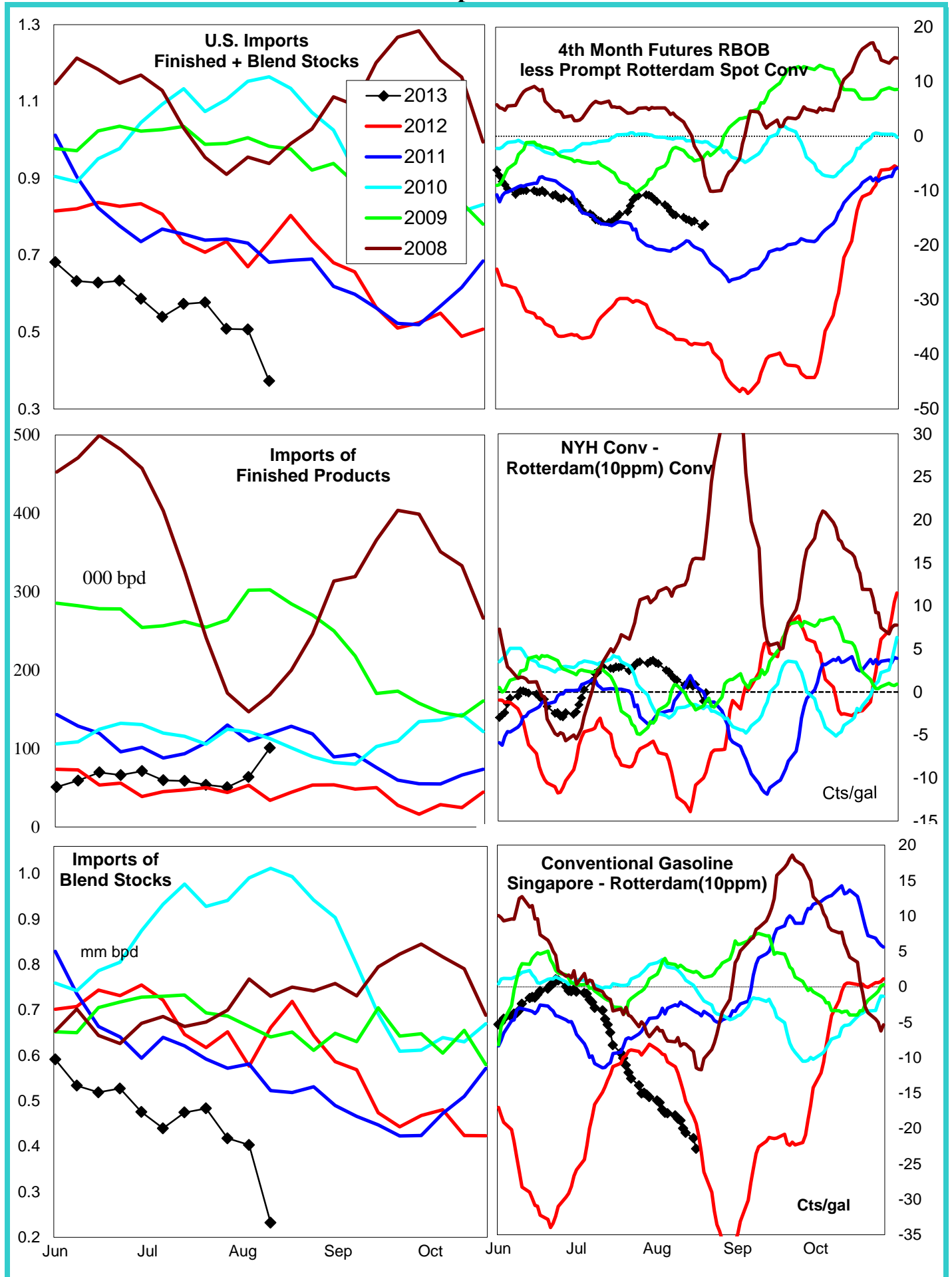


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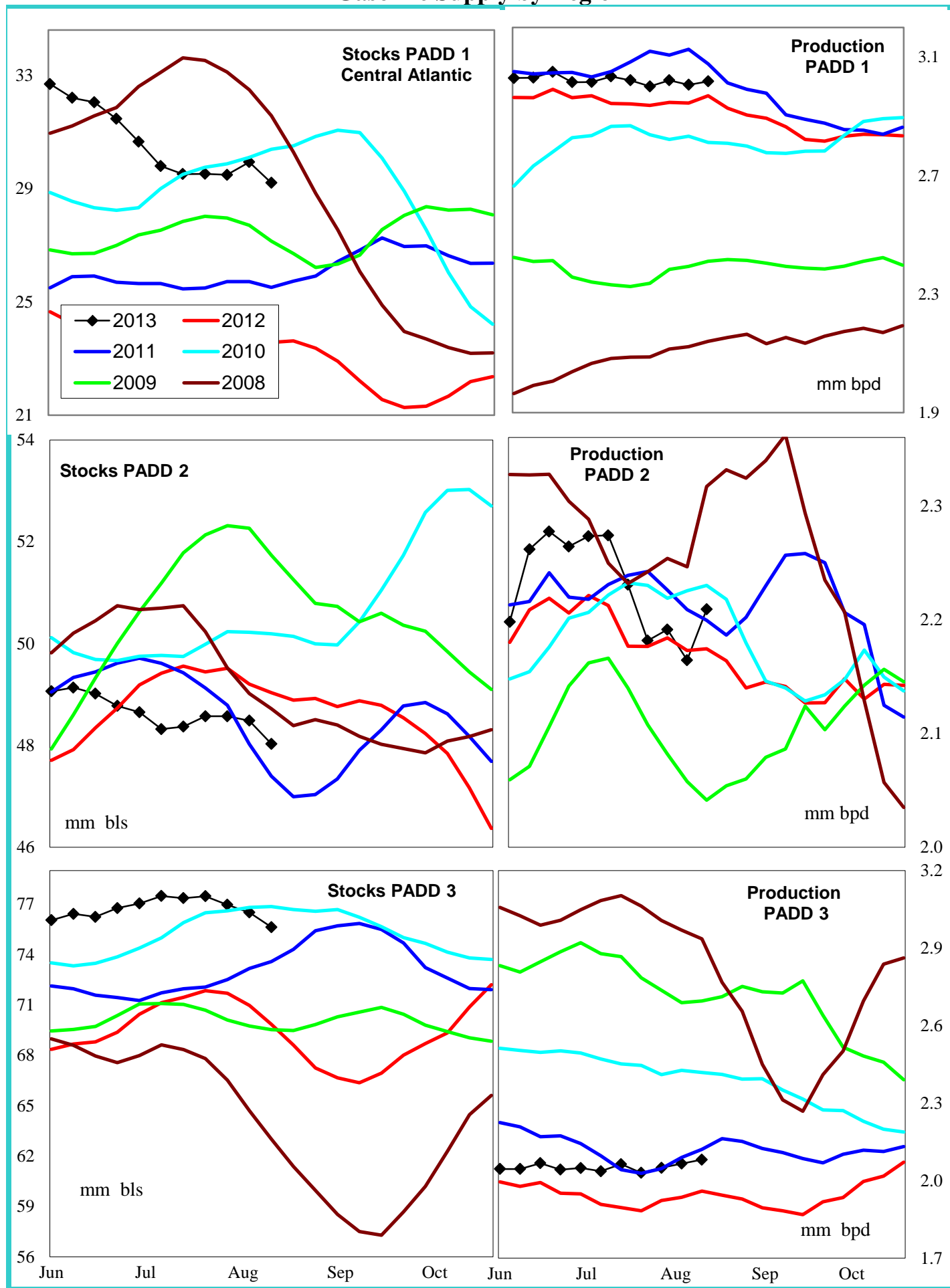
Gasoline Cash Basis and Related Price Spreads



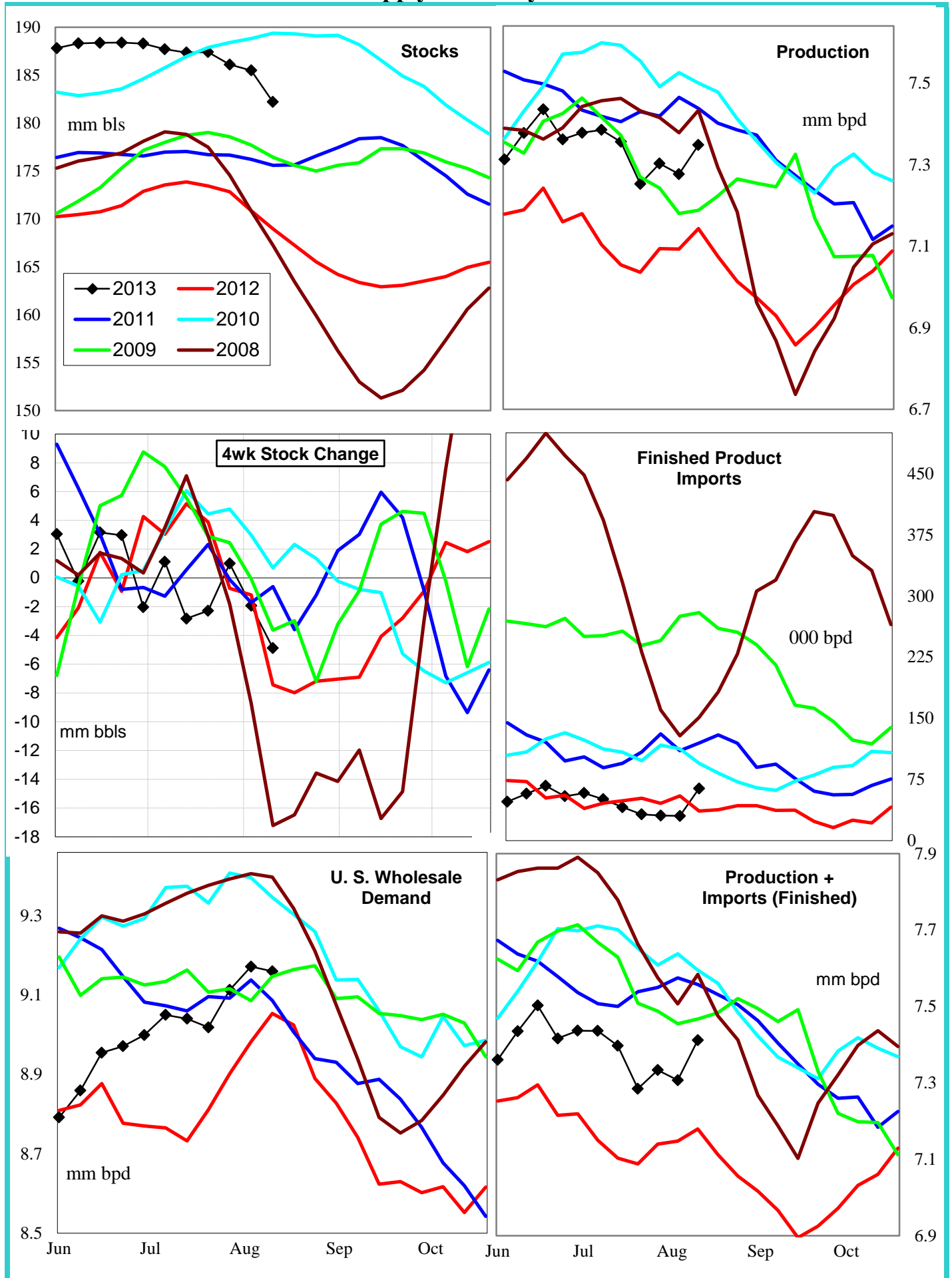
Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3



PADD 5 Gasoline Supply