



## WEEKLY GASOLINE FUNDAMENTAL-PRICE-BASIS OUTLOOK

### A Fundamental Petroleum Trends Weekly Report

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aash 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 surged +423,000 bpd last week, driven by the increase in exports included in demand estimate for the week. The latest 4-wk average demand was +48,000 bpd above a year ago.

Supplies increased +310,000 bpd last week on higher production and imports.

Stocks declined -1.6 million barrels on the week. Stock levels ended the week at record highs in the Gulf, with all other regions reporting above average stock levels. The exception is the Midwest where stock levels match 5-yr lows.

Basis trended lower last week in all regional markets. Basis levels are particularly weak in the East and Gulf markets on very high stock levels.

Look for basis to trade sideways in the near term for most regional markets; then trend seasonally lower.

#### RBOB

*New York Harbor* basis to trade sideways on high stock levels offset by start of refinery maintenance.

#### Conventional

*New York Harbor* basis to trade sideways on high stock levels offset by start of refinery maintenance.

*Chicago* basis to trade trend lower from above average levels on increased supplies and lower seasonal demand.

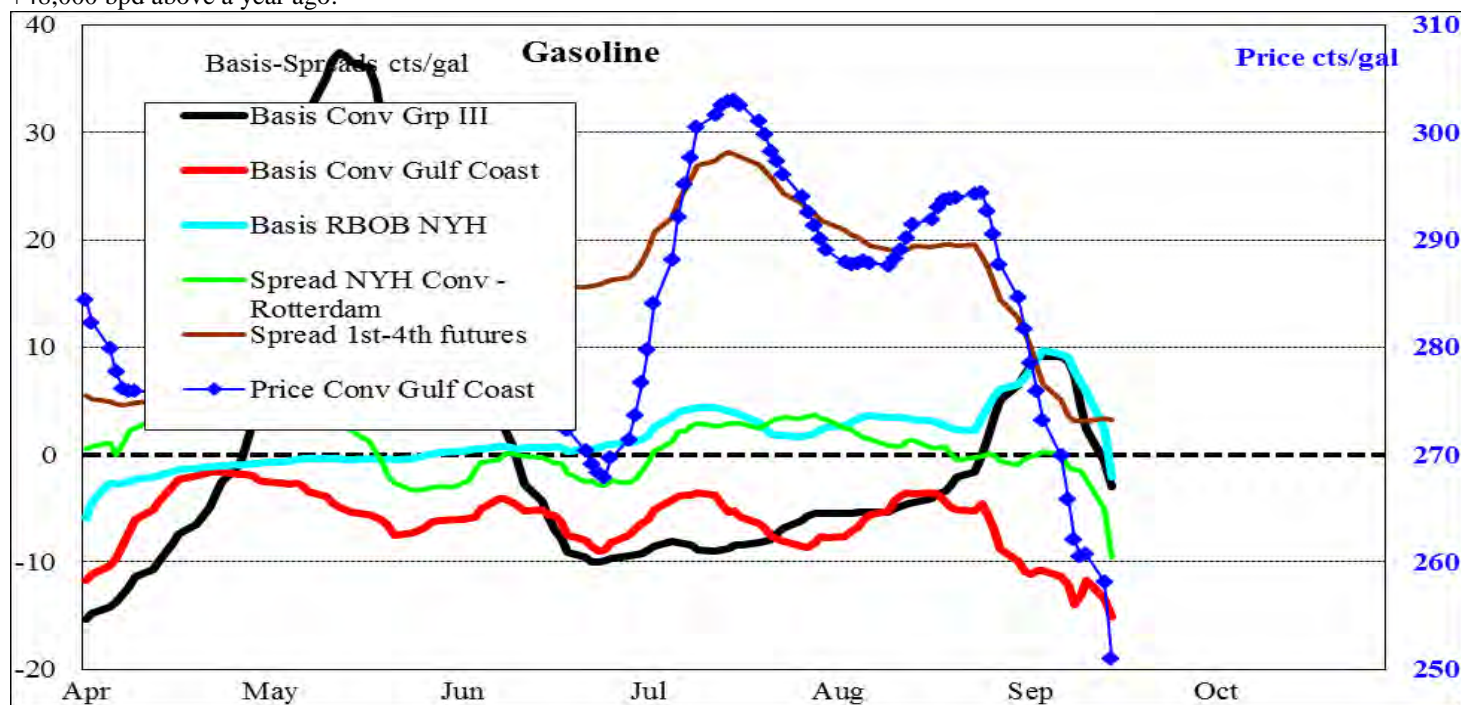
*Group III* basis to extend the recent downtrend on very high stock levels in the Group and lower seasonal demand.

**Gulf Basis** to trade sideways on extremely high stock levels then trend seasonally lower on lower demand.

**West Coast (Los Angeles)** basis extend the current pull back following an earlier surge on improved supplies.

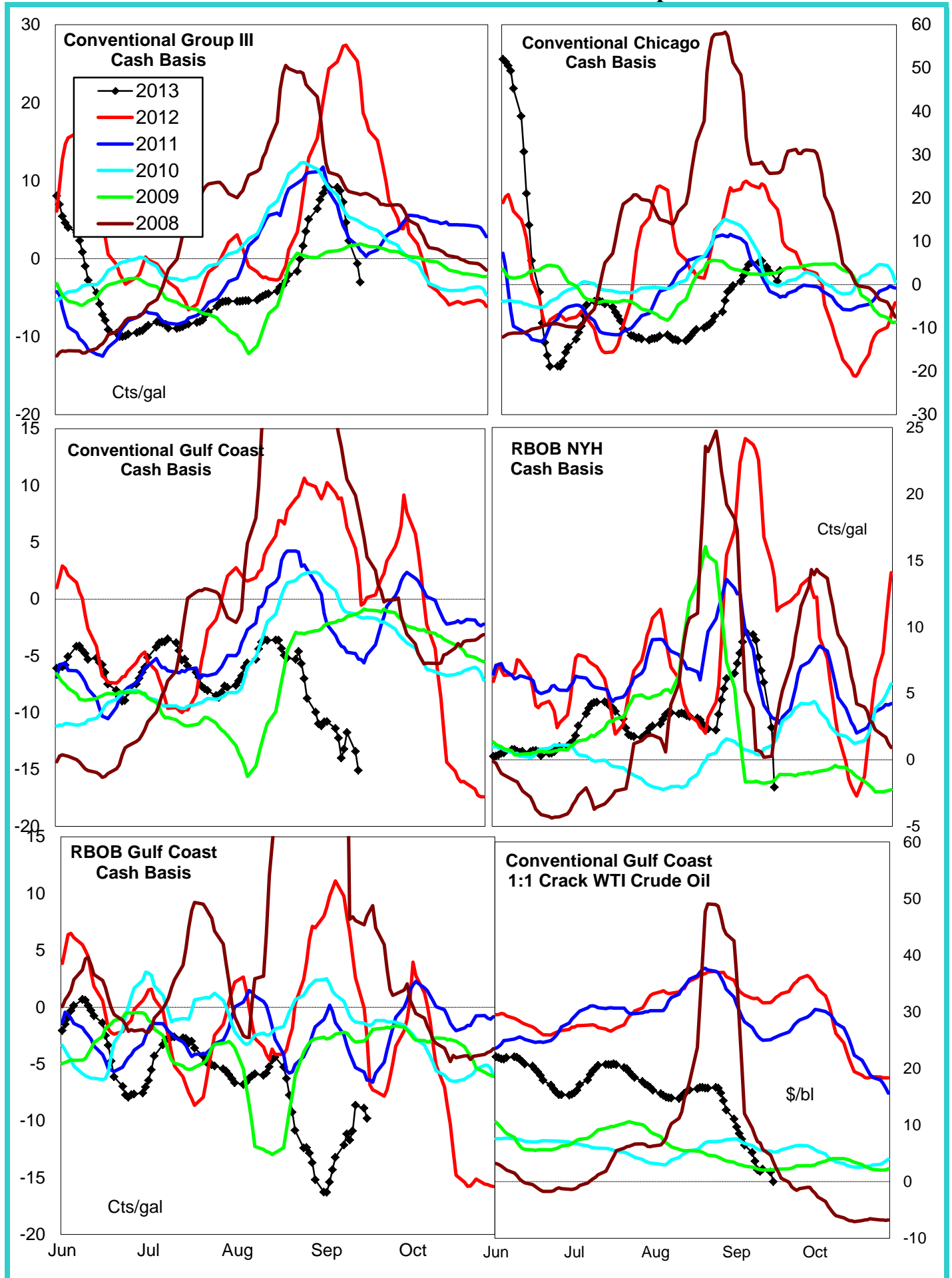
**Gulf Coast Price** Gasoline stocks are extremely high in the Gulf region, with above average stock levels in most other markets, except the Midwest. Very poor refinery margins should lead to lower output in the near term; partially offset by higher refining capacity and increased exports.

Crude oil runs of +1.5 million bpd above last year, an over supplied gasoline market, less risk of military intervention in Syria, resumption of Libya exports each contribute to distillate price weakness. Continued high bond purchases by the Fed should depress the U.S. \$dollar, supporting higher energy prices. Risk of gulf hurricane supply disruptions continue.

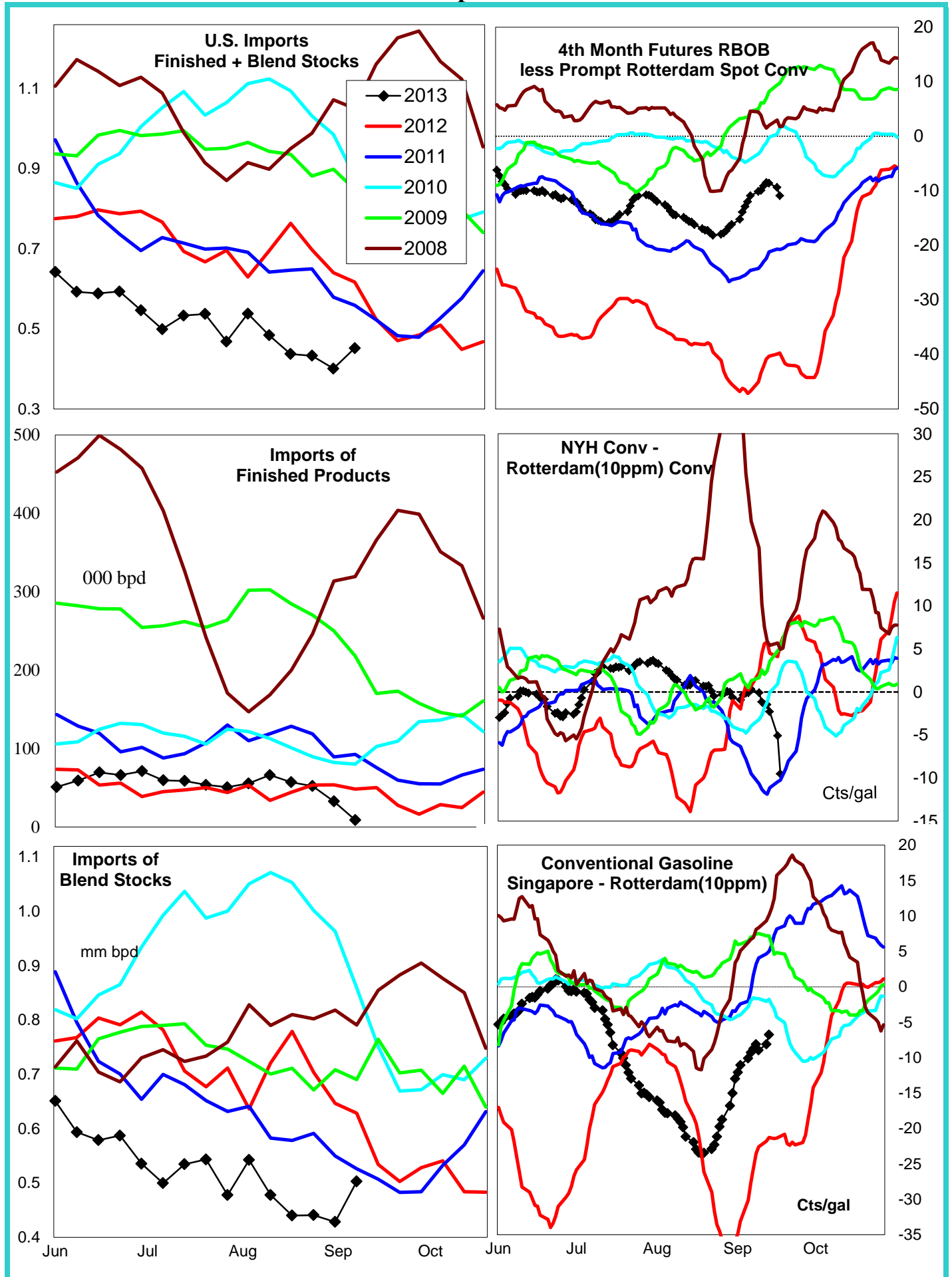


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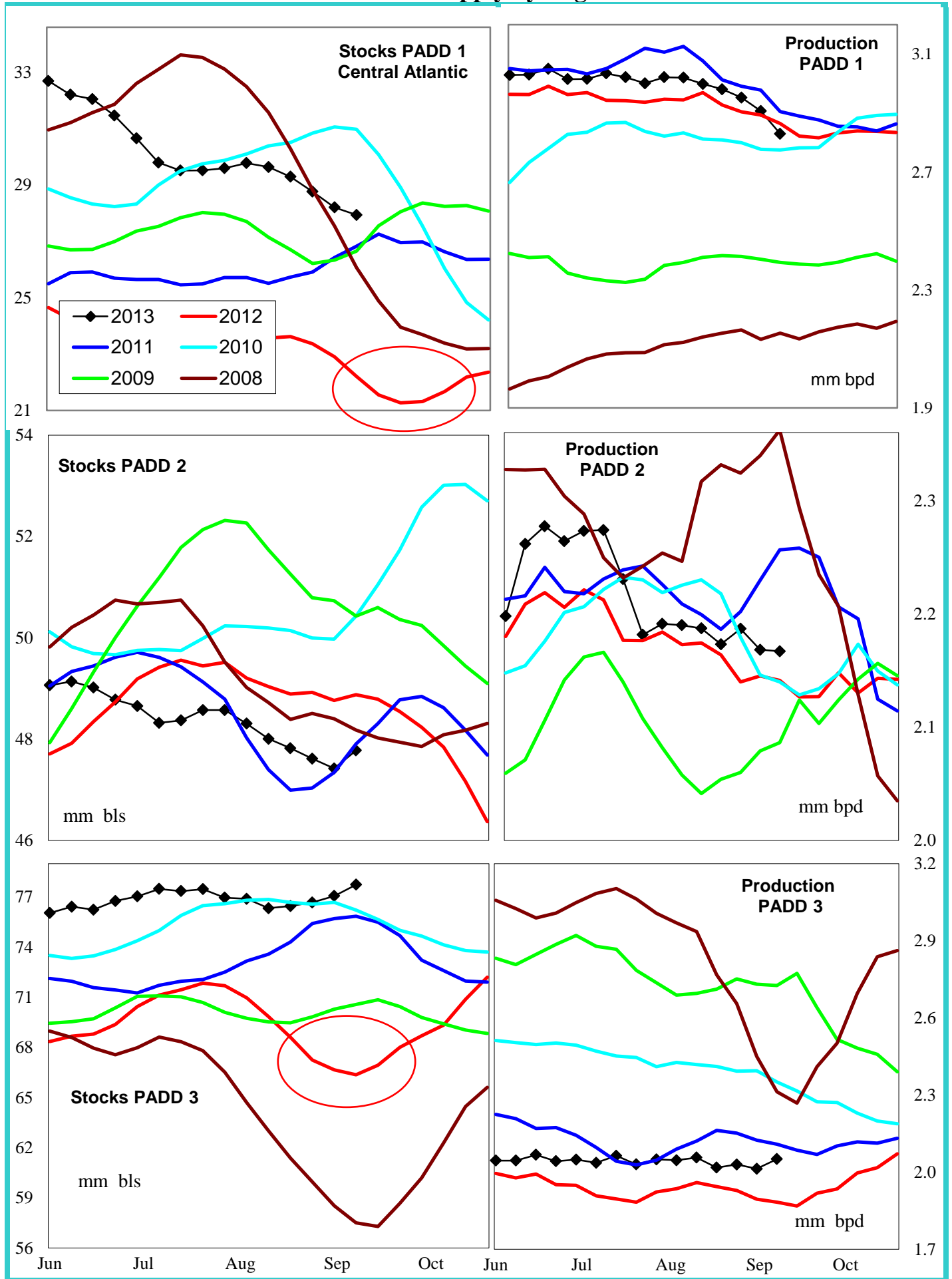
# Gasoline Cash Basis and Related Price Spreads



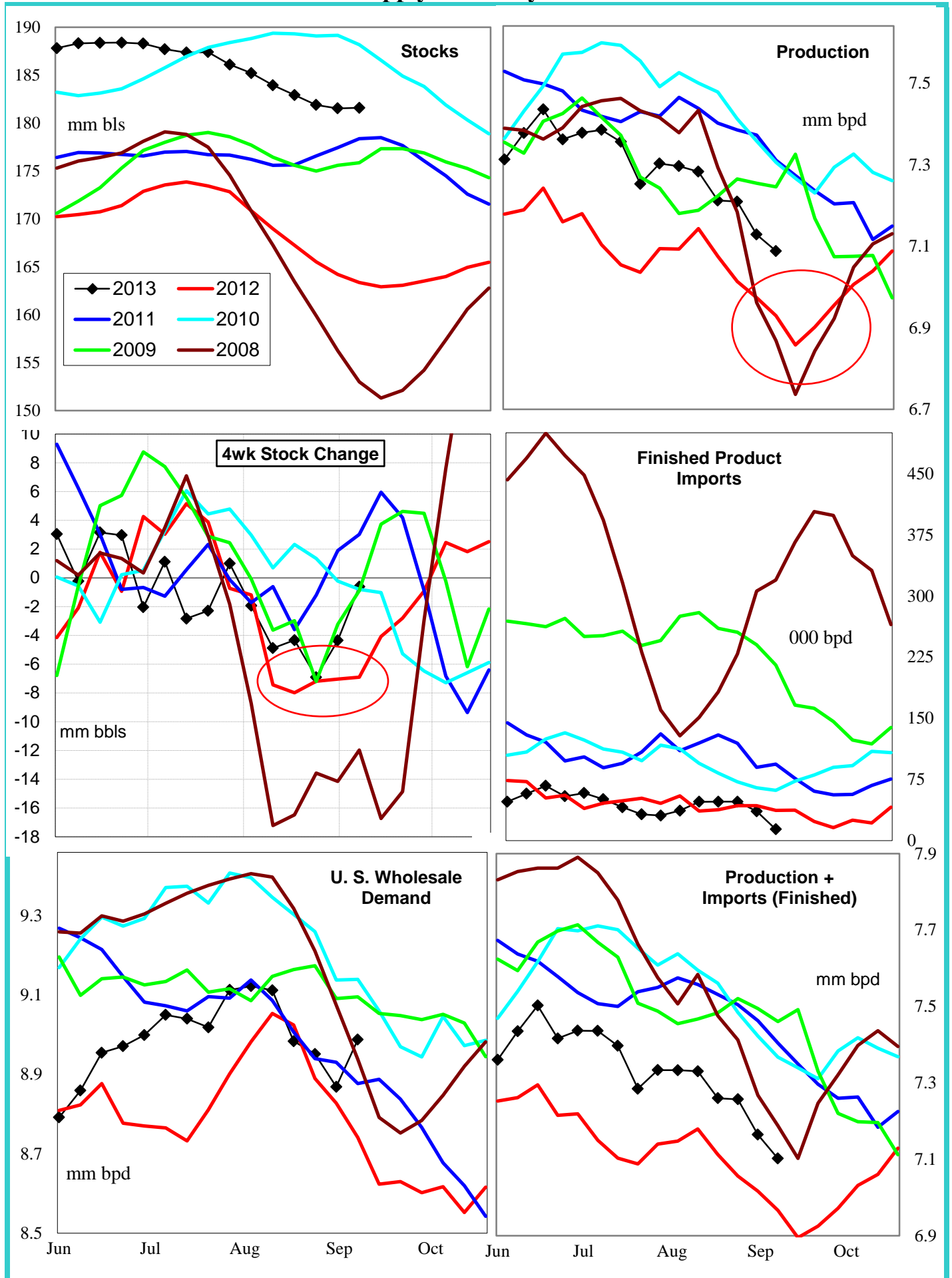
## Gasoline Import Economics



# Gasoline Supply by Region



## Gasoline Supply Summary PADDs 1+2+3



**PADD 5 Gasoline Supply**