



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 decreased -182,000 bpd last week, to a level comparable with the mid range of the last 2-yr. The latest 4-wk average demand was +75,000 bpd above a year ago.

Supplies fell -290,000 bpd last week on lower production and imports.

Stocks increased +0.2 million barrels last week. Stock levels ended the week at record highs in the Gulf, assuring ample supply for the Midwest and East Coast where stock levels fell below the mid range.

Basis trended lower last week in all regional markets, except NYH which traded sideways. Basis levels are particularly weak in the Gulf and G3 markets.

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 above average 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.

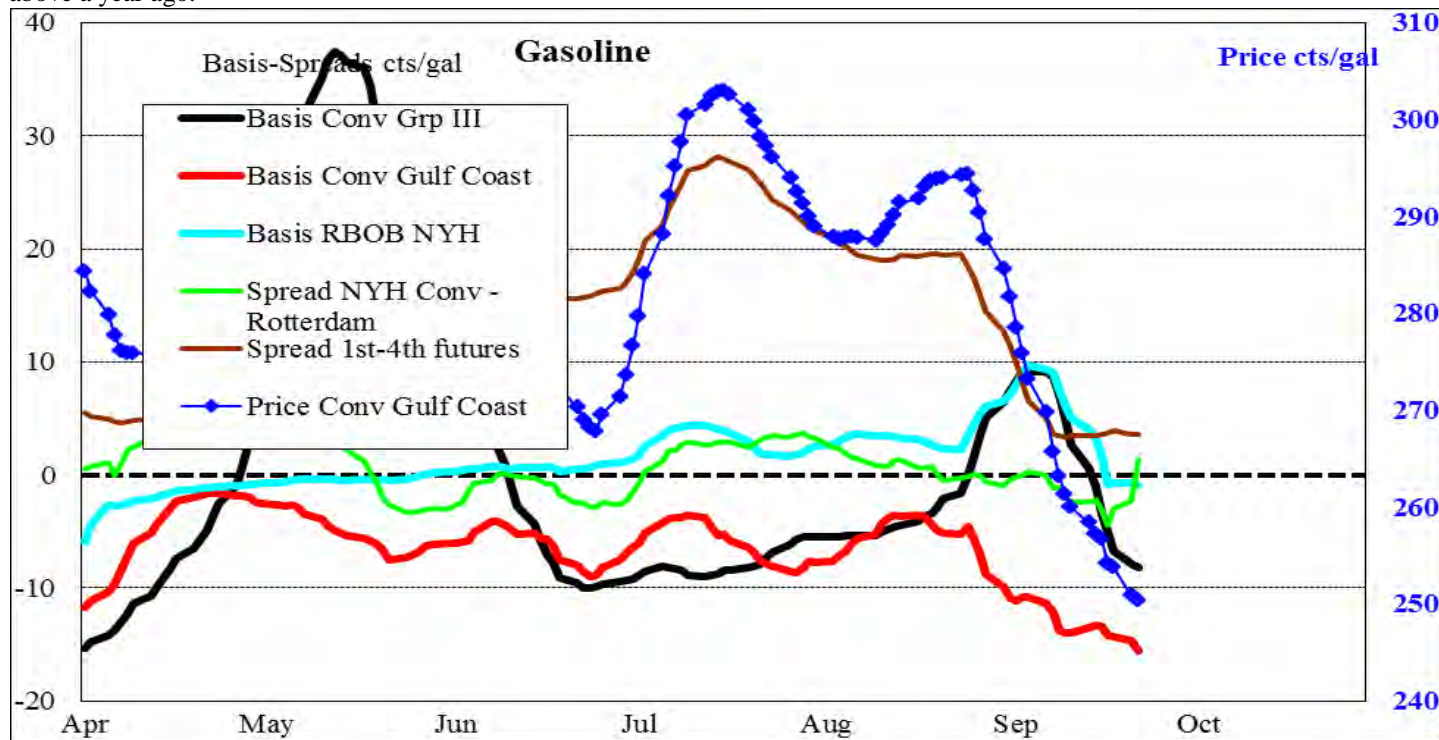
Gulf Basis to trade sideways on extremely high stock levels then trend seasonally lower.

West Coast (Los Angeles) basis to extend the current pull back on improved supplies.

Gulf Coast Price Gasoline stocks are extremely high in the Gulf region, assuring supply for the Midwest and East Coast regions. Very poor refinery margins should lead to lower output in the near term; partially offset by higher refinery runs.

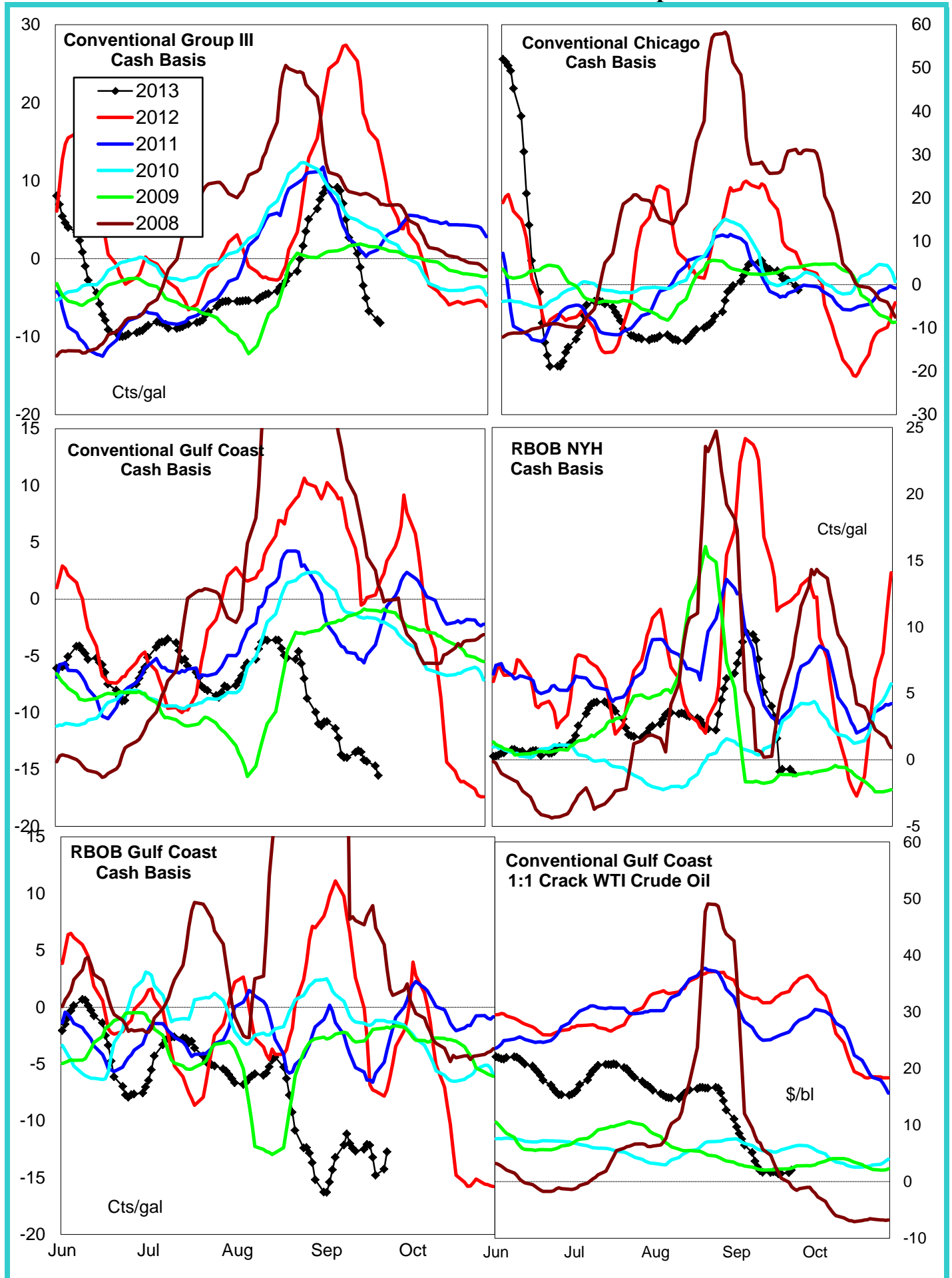
Crude oil runs of +1 million bpd above last year, an over supplied gasoline market, negotiations with Syria and Iran, Democrat/Republican debt ceiling negotiations, resumption of Libya exports each contribute to oil price weakness.

Continued high bond purchases by the Fed should depress the U.S. \$dollar, supporting higher energy prices. Risk of gulf hurricane supply disruptions continue.

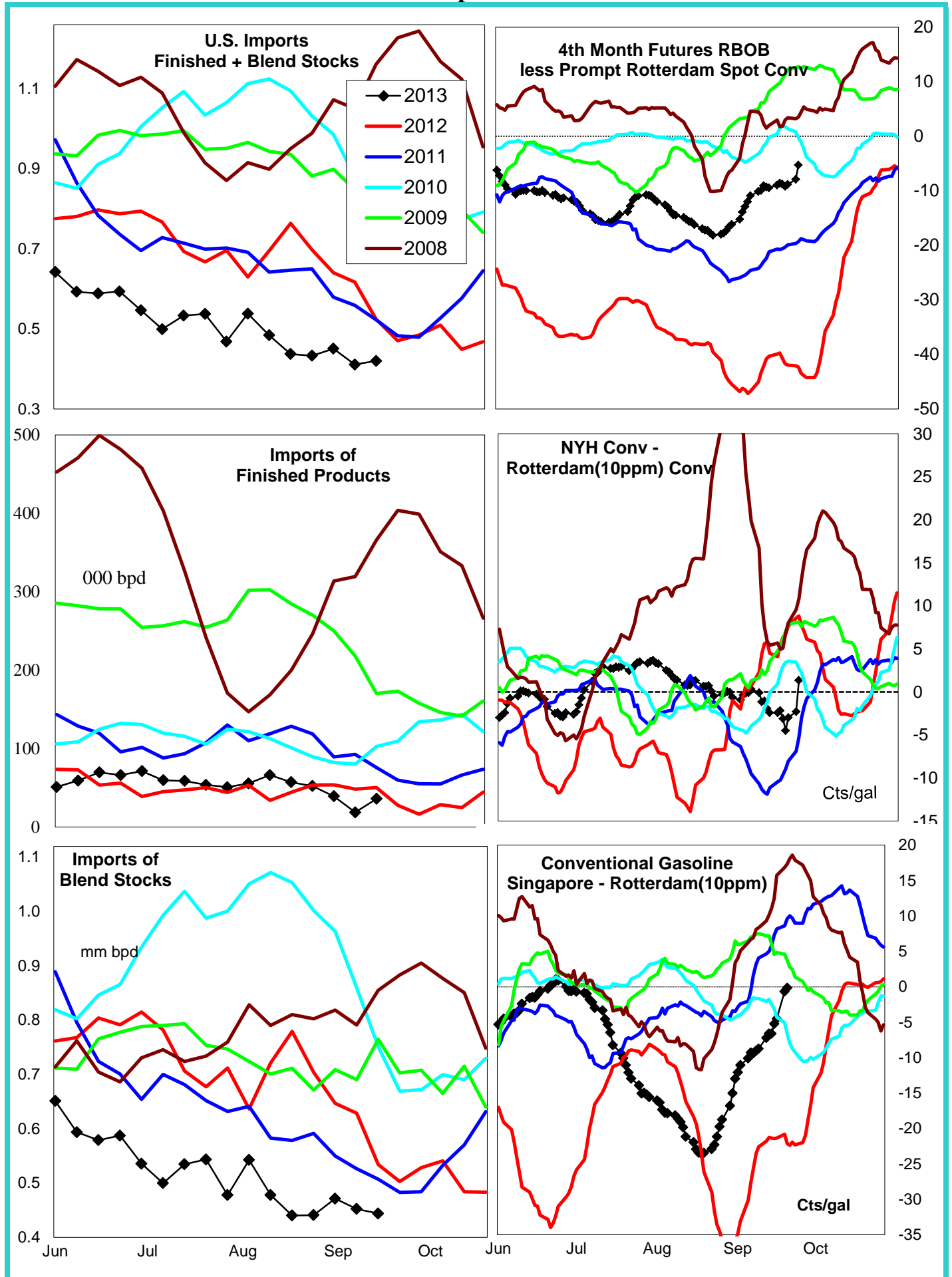


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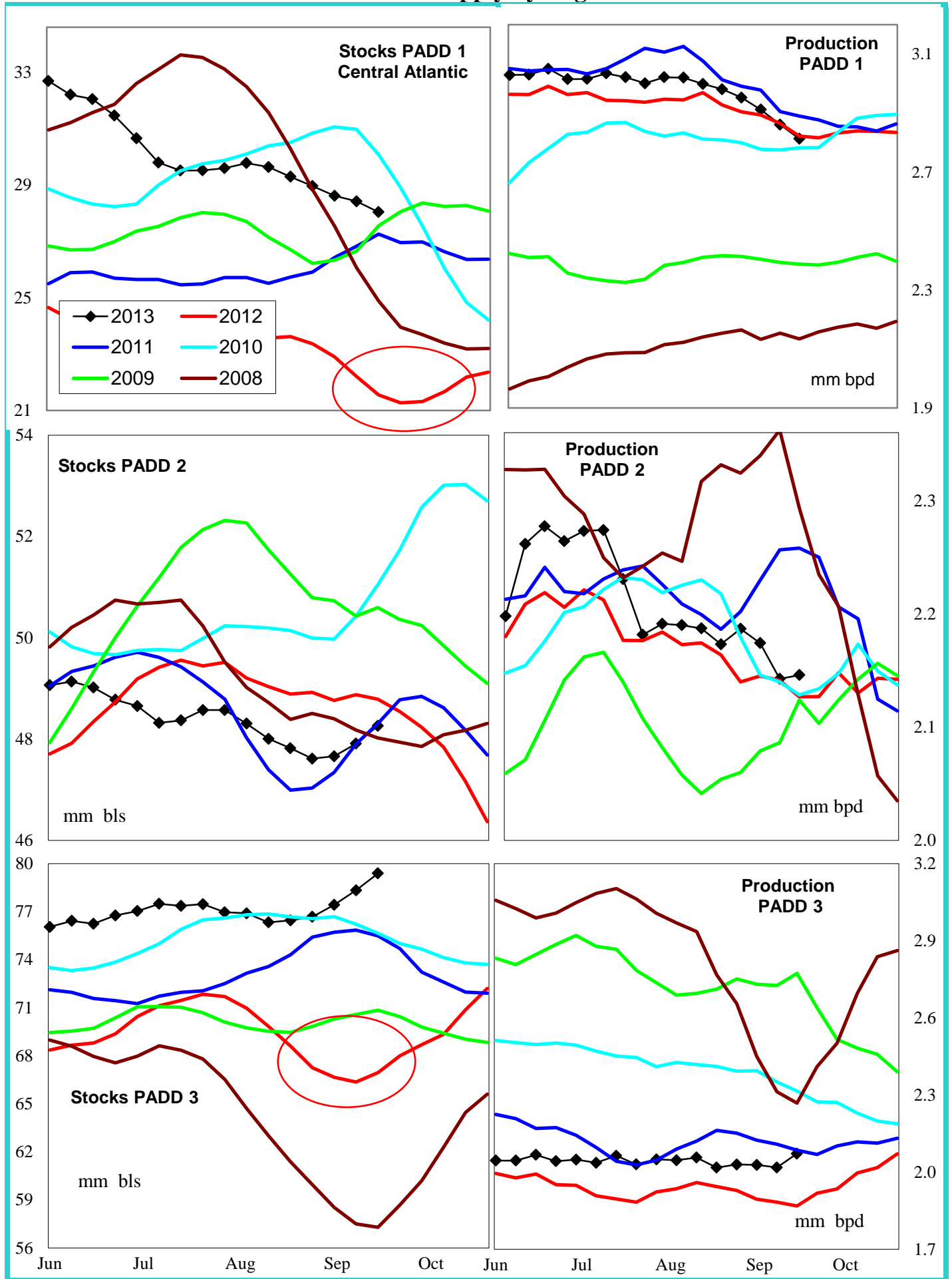
Gasoline Cash Basis and Related Price Spreads



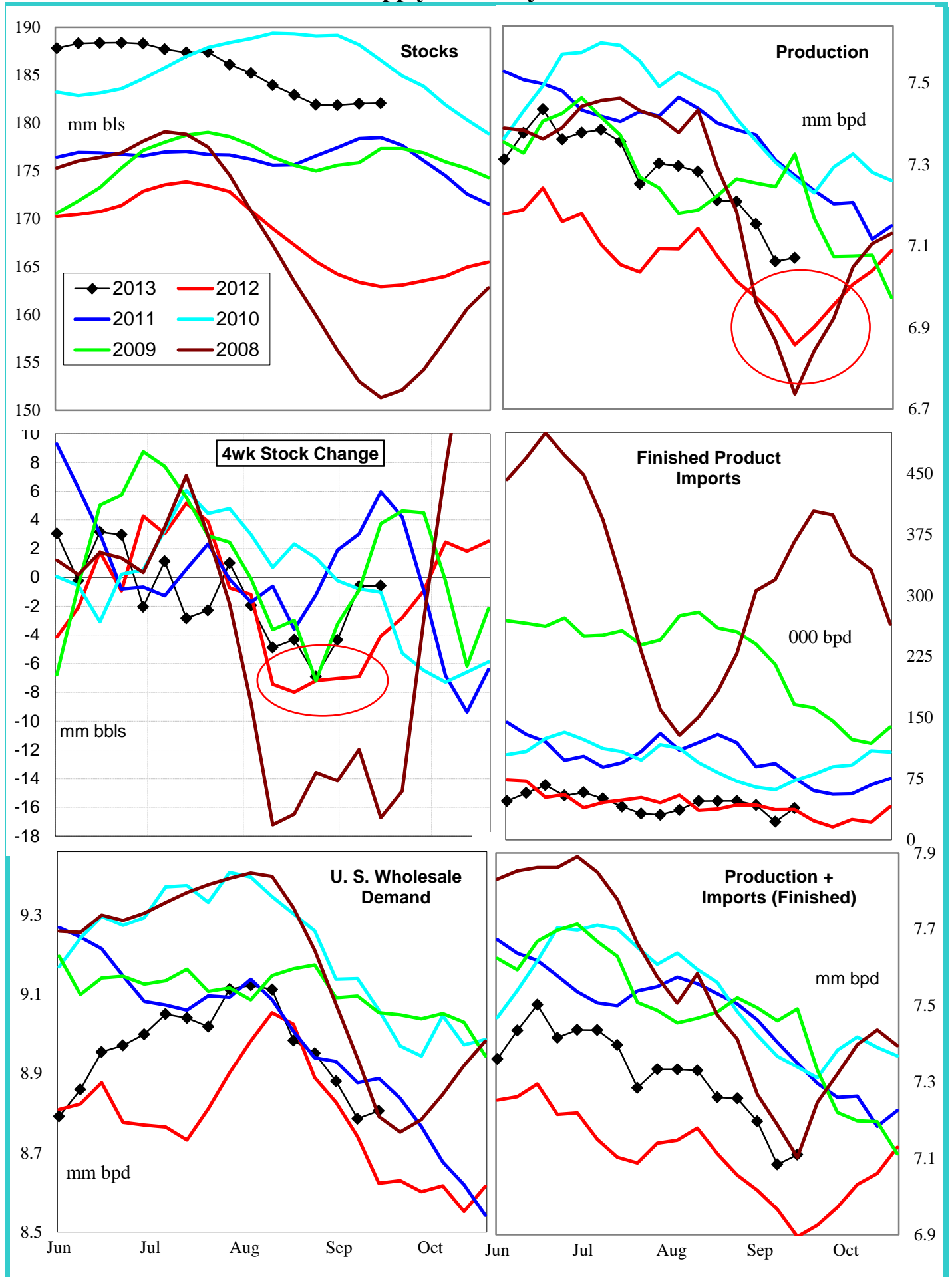
Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3



PADD 5 Gasoline Supply