



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 decreased -319,000 bpd last week, to a level below the historic range. The latest 4-wk average demand was +69,000 bpd above a year ago.

Supplies were nearly unchanged on the week with higher imports offset by a decline in production.

Stocks increased +3.5 million barrels last week. Stock levels ended the week near 5-yr highs with stock levels still extremely high in the Gulf Region.

Basis trended slightly higher late in the week for most regional markets, except the Midwest. 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 on generally over supplied markets.

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 trend seasonally lower on increased supplies and lower seasonal demand.

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

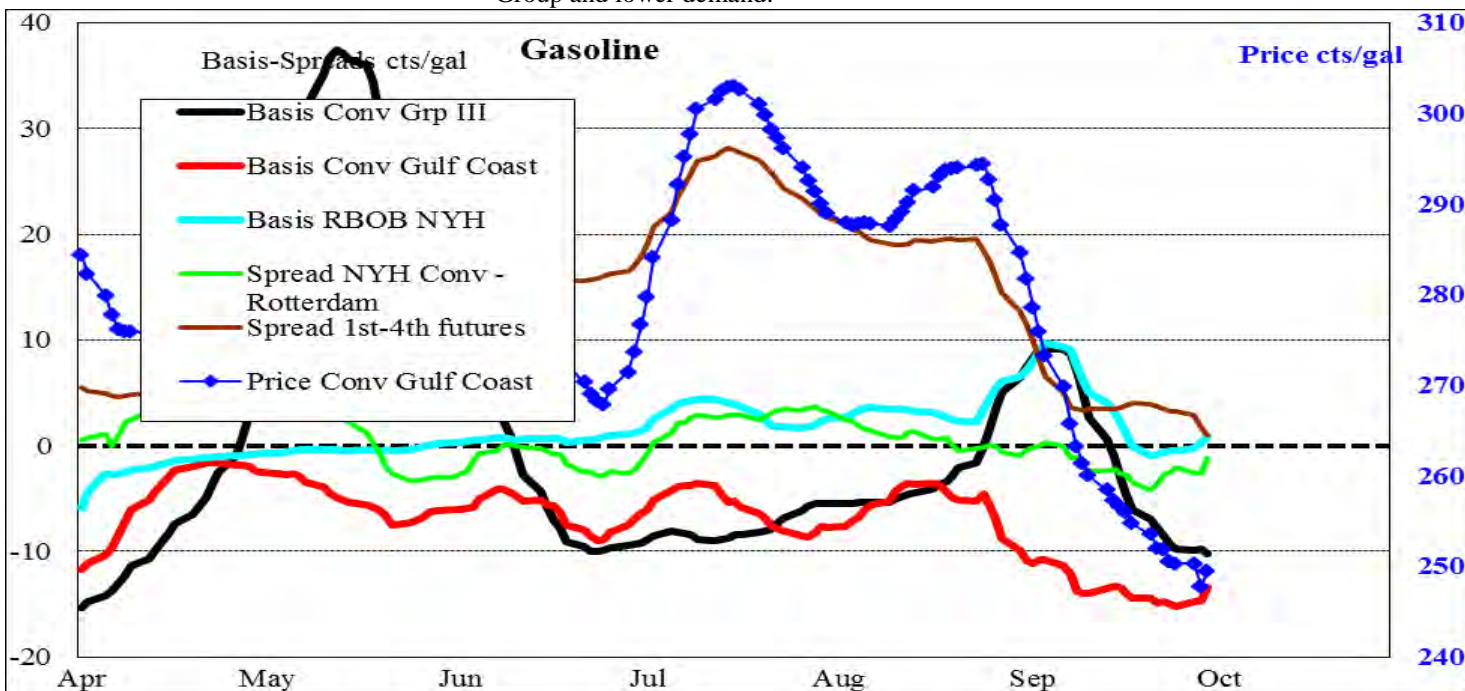
Gulf Basis to trade sideways on extremely high stock levels then trend seasonally lower.

West Coast (Los Angeles) basis to extend the current pull back on very high production.

Gulf Coast Price Gasoline stocks jumped sharply last week, lifting national levels to near 5-yr highs for this time of year. Gulf stock levels remain extremely high. Very poor refinery margins should lead to lower output in the near term; partially offset by higher refinery runs compared to prior years.

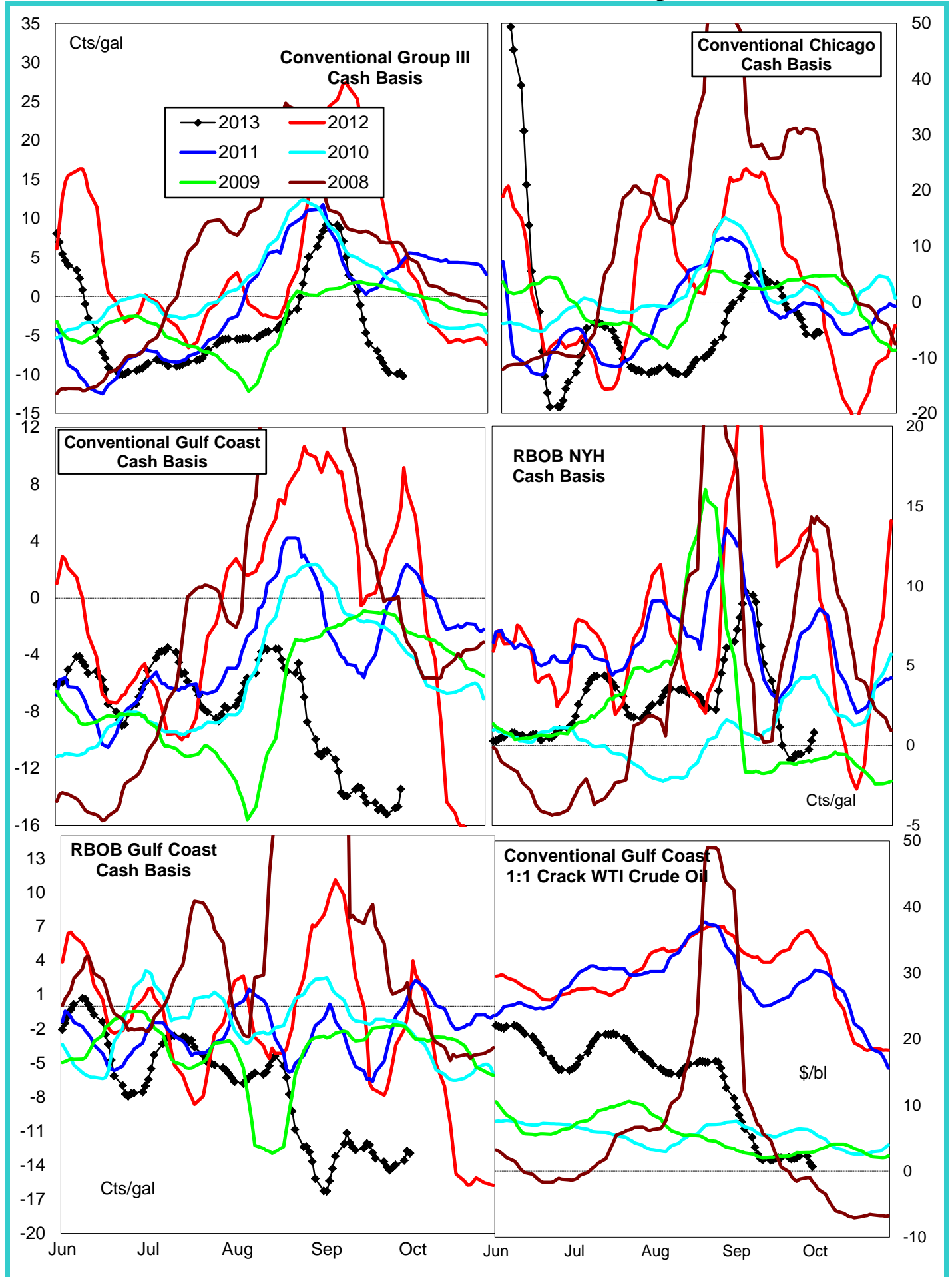
Crude oil runs of +1 million bpd above last year, an over supplied gasoline market, negotiations with Syria and Iran, Democrat/Republican debt ceiling negotiations, resumption of Libya exports each contribute to oil price weakness.

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

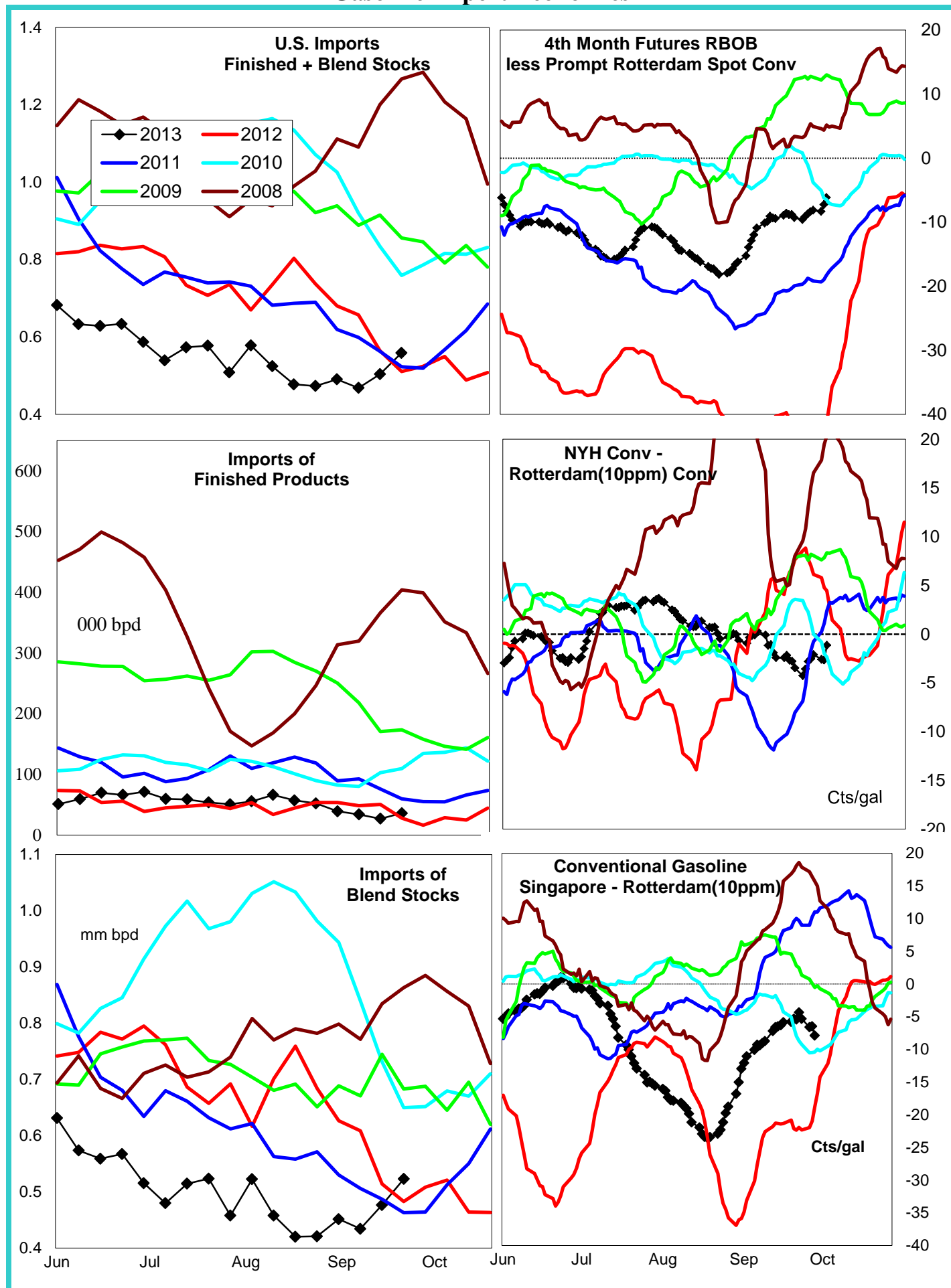


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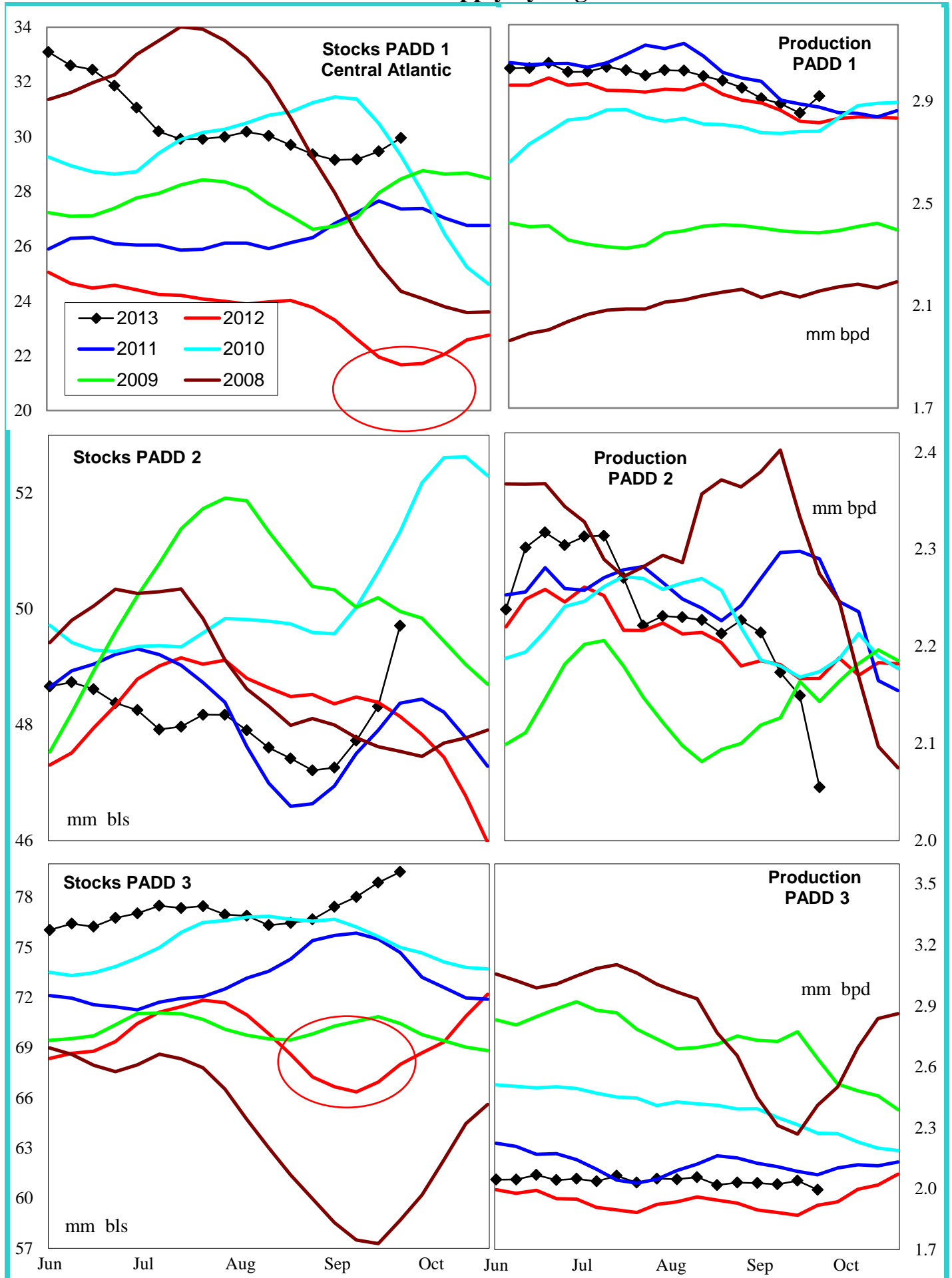
Gasoline Cash Basis and Related Price Spreads



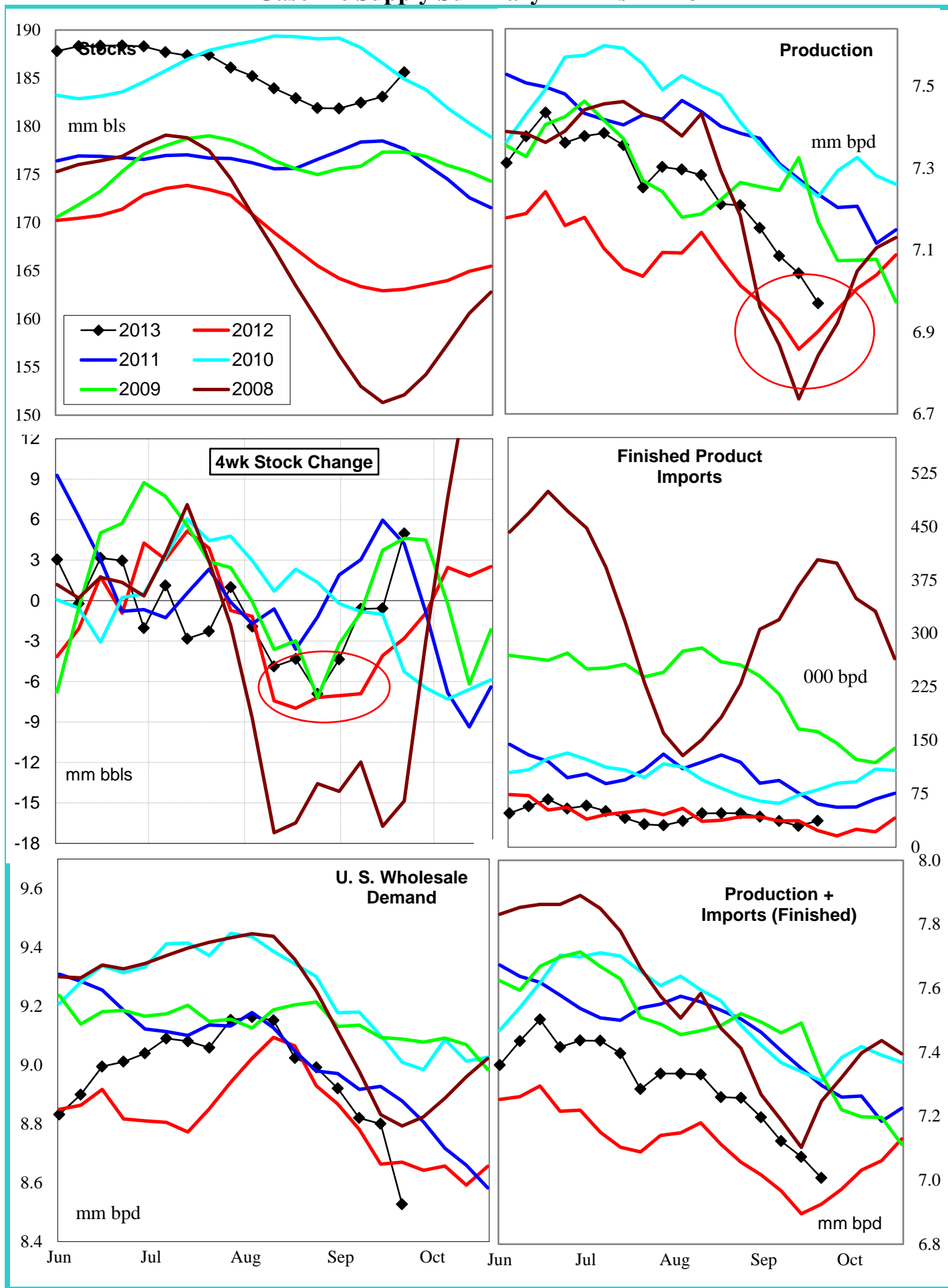
Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3



PADD 5 Gasoline Supply

