



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 increased +0.3 million bpd last week, to a level that matched historic highs. The latest 4-wk average

demand was +280,000 bpd above a year ago. Recent volatility in weekly gasoline demand is due in part to incomplete data following the government shutdown.

Supplies jumped +403,000 bpd on higher production and imports.

Stocks declined -1.7 million barrels last week to a level near 5-yr highs.

Basis saw sharp declines in nearly all regional markets last week other than NYH. Basis levels in regional markets outside NYH match historic lows or are at new record low levels.

Look for basis to extend a seasonal downtrend in most regional markets.

RBOB

New York Harbor basis to trade sideways on unplanned refinery maintenance in the Central Atlantic Region and Eastern Canada.

Conventional

New York Harbor basis to trade sideways on unplanned refinery maintenance in the Central Atlantic Region and Eastern Canada.

Chicago basis to trend seasonally lower in increased production and ample stocks.

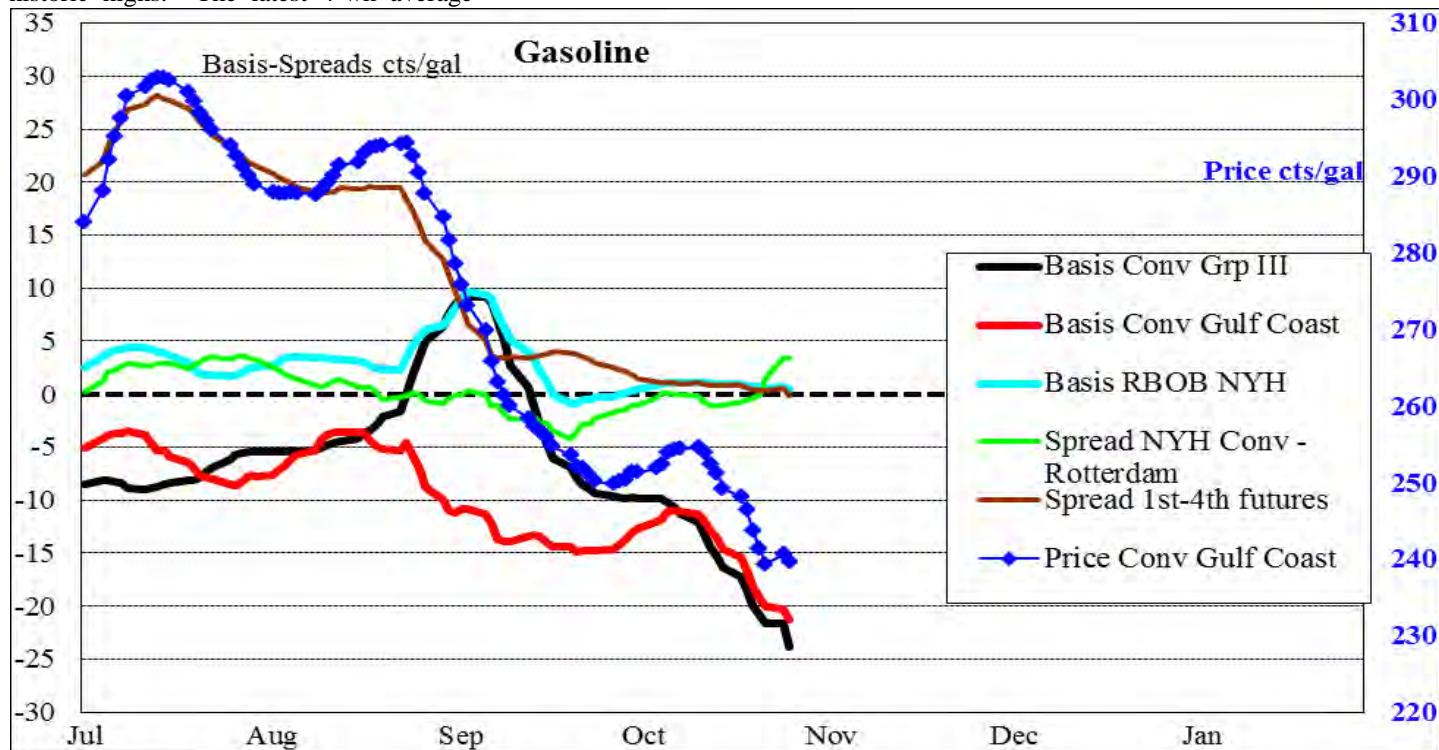
Group III basis to extend the seasonal downtrend on very high stock levels, blending of gas liquids and ethanol which increases volume of the gasoline pool.

Gulf Basis to trend seasonally lower on high stock levels and lower seasonal demand.

West Coast (Los Angeles) basis to trend seasonally lower on very high production and seasonal stock builds.

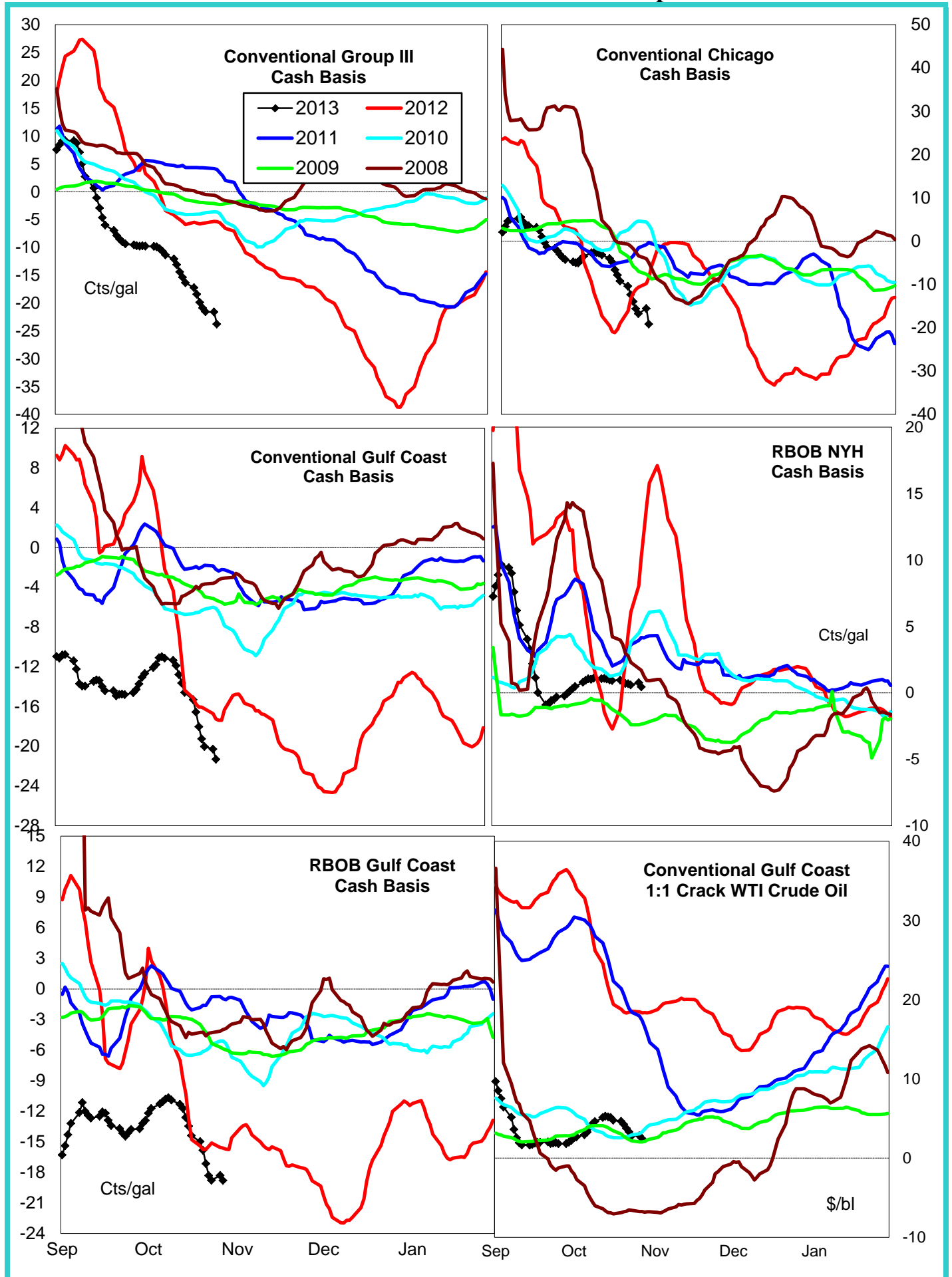
Gulf Coast Price Cash basis in nearly all regional markets other than NYH reflects an over valued NYMEX RBOB contract. Favorable refinery economics based on lower cost Canadian and domestic crude supply should maintain high gasoline stocks.

Gasoline markets should remain very well supplied for the next quarter; with risk of further price weakness.

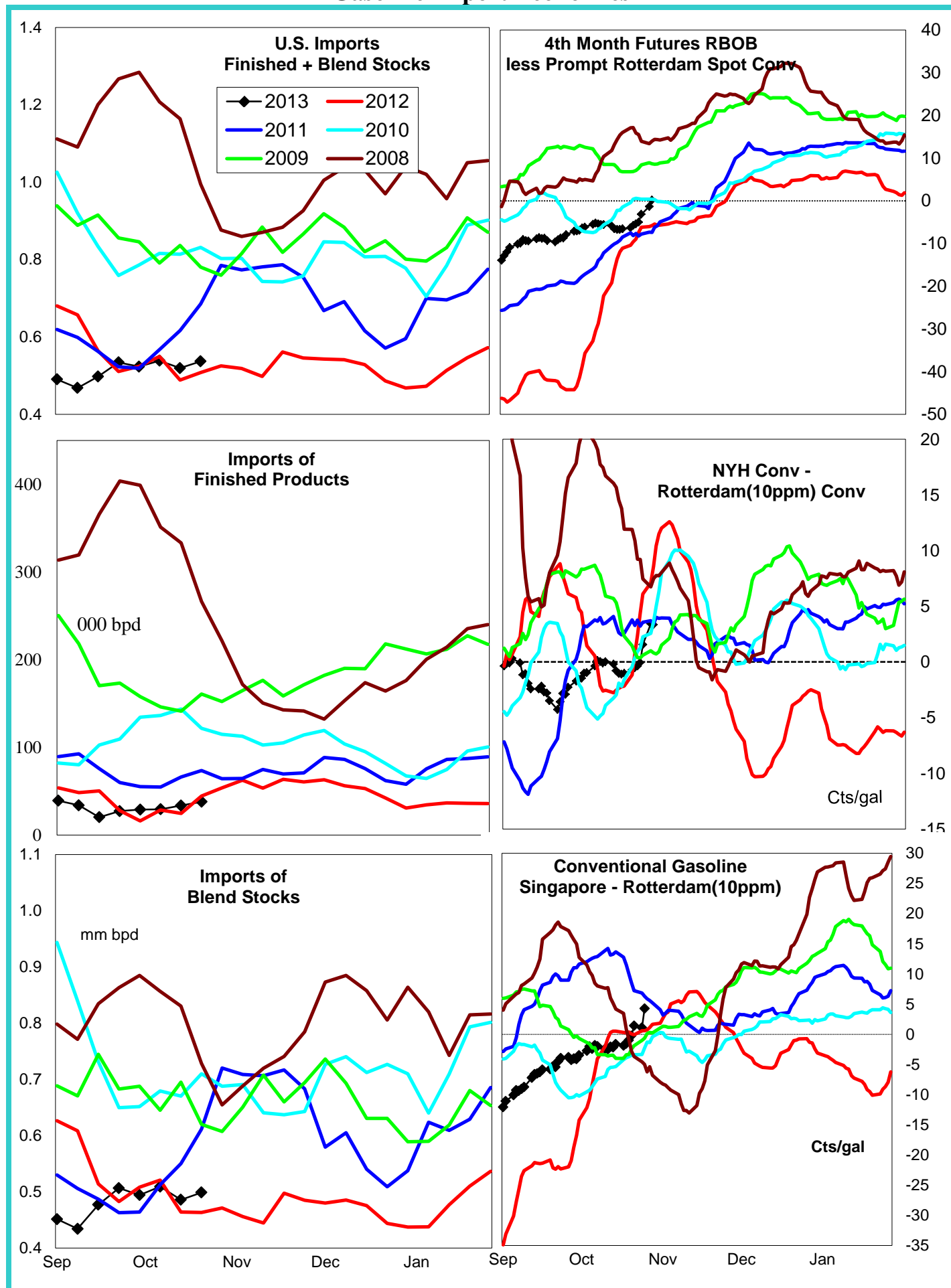


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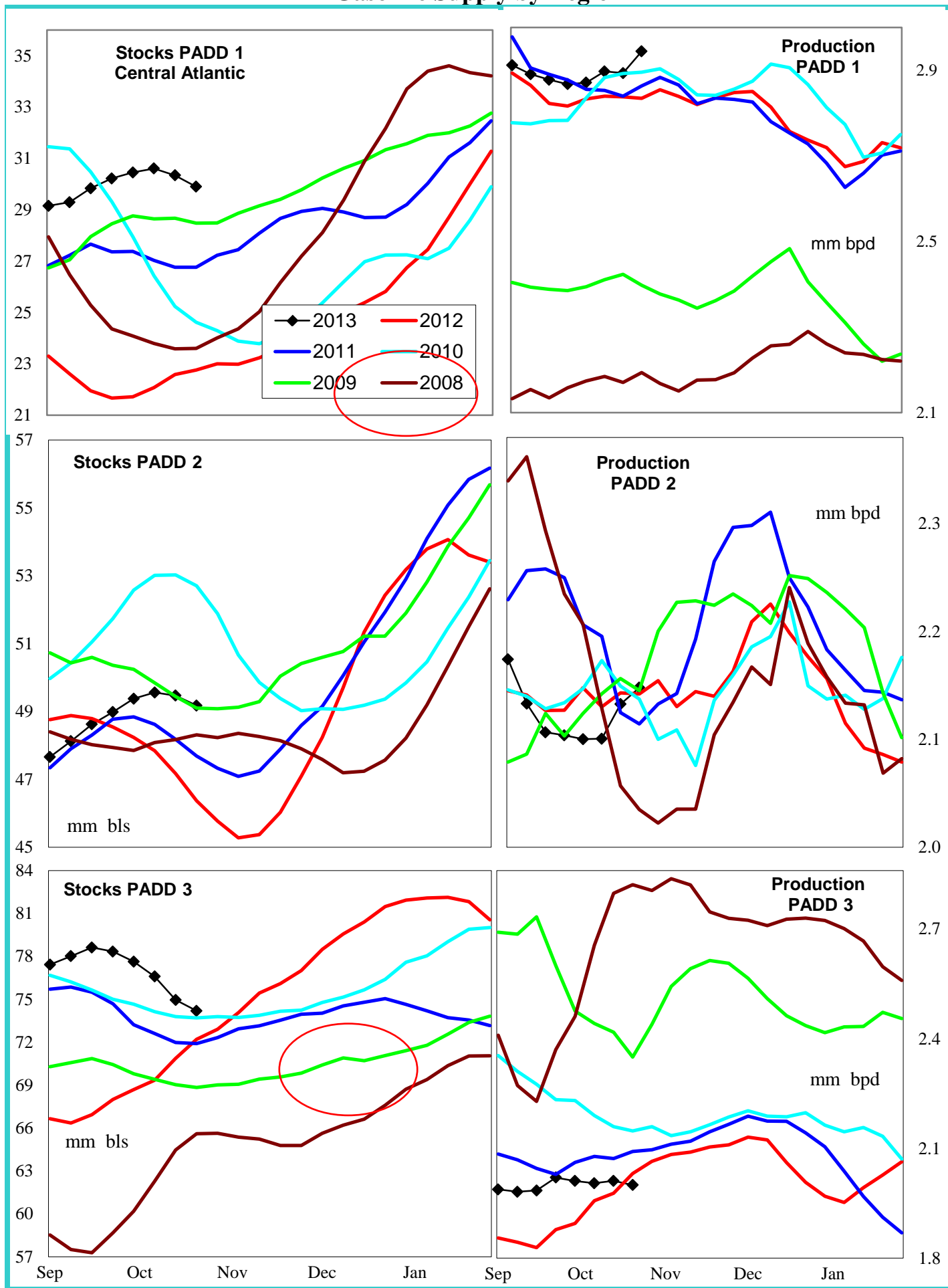
Gasoline Cash Basis and Related Price Spreads

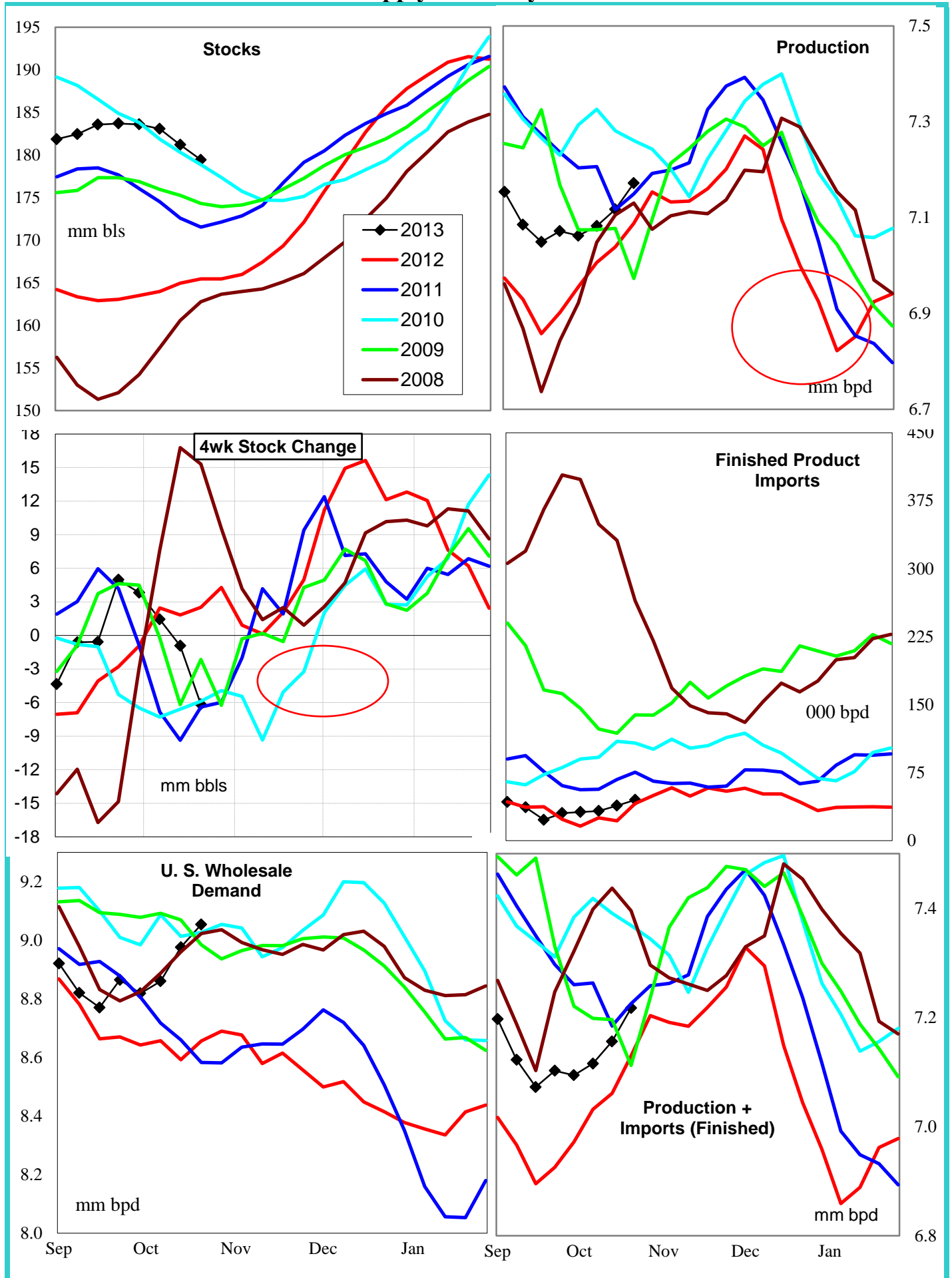


Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3

PADD 5 Gasoline Supply