



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 +0.2 million bpd last week, to a record high – driven by an inventory adjustment by the EIA. The latest 4-wk average demand was +462,000 bpd above a year ago. Recent volatility in

weekly gasoline demand is due in part to incomplete data following the government shutdown.

Supplies plunged -1.1 million bpd on maintenance to numerous FCCU's in the East and Gulf Coast regions.

Stocks declined -3.8 million barrels last week to a level above the 3-yr mid range.

Basis increased in NYH on heavy maintenance of FCCU's in the region, while trending lower in all other regions East of the Rockies. Basis traded sideways on the West coast.

Look for near term weakness in markets outside NYH. As refiners return to operation in the Northeast, basis levels in other regional markets should see less downward pressure.

RBOB

New York Harbor basis to trade sideways on unplanned refinery maintenance in the Central Atlantic Region and Eastern Canada, then lower as plants return to operation.

Conventional

New York Harbor basis to trade sideways on unplanned refinery maintenance in the Central Atlantic Region and Eastern Canada, then lower as plants return to operation.

Chicago basis to trend seasonally lower on higher production and lower seasonal demand.

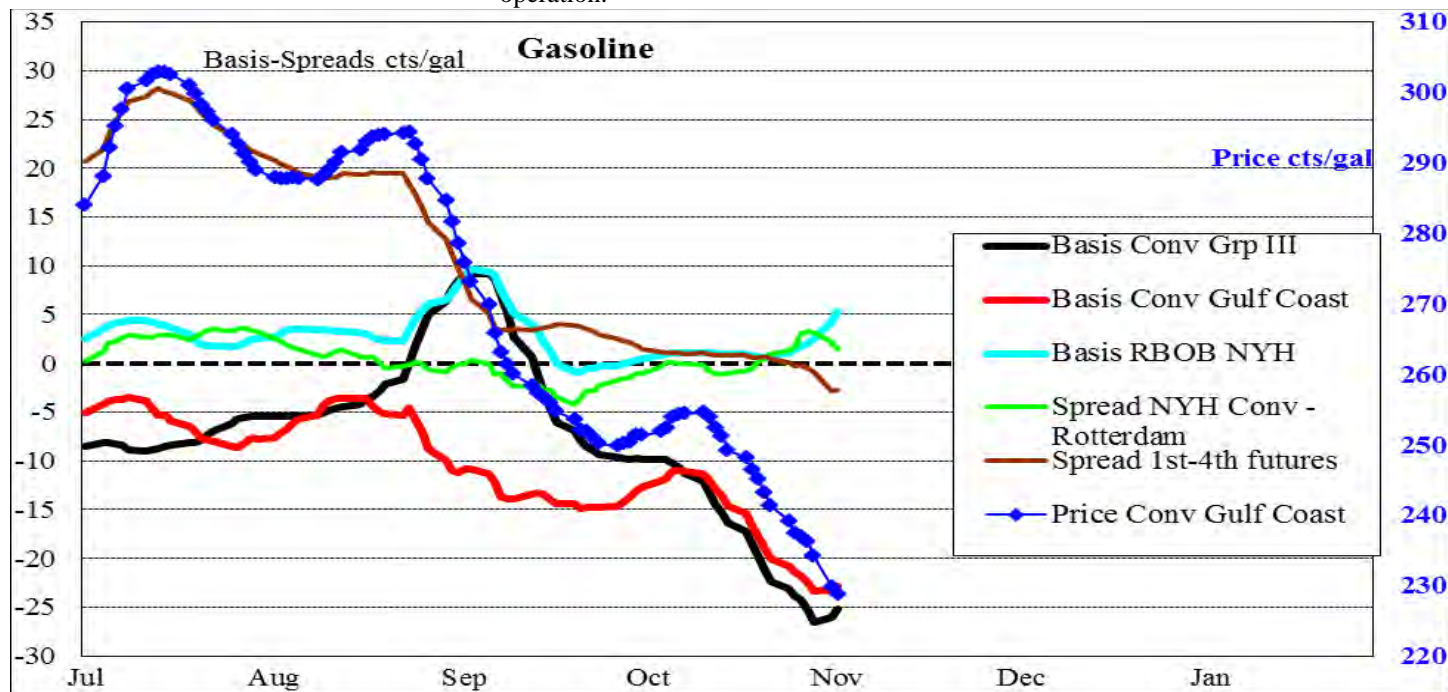
Group III basis to extend the seasonal downtrend on high stock levels, blending of gas liquids and ethanol which increases volume of the gasoline pool.

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.

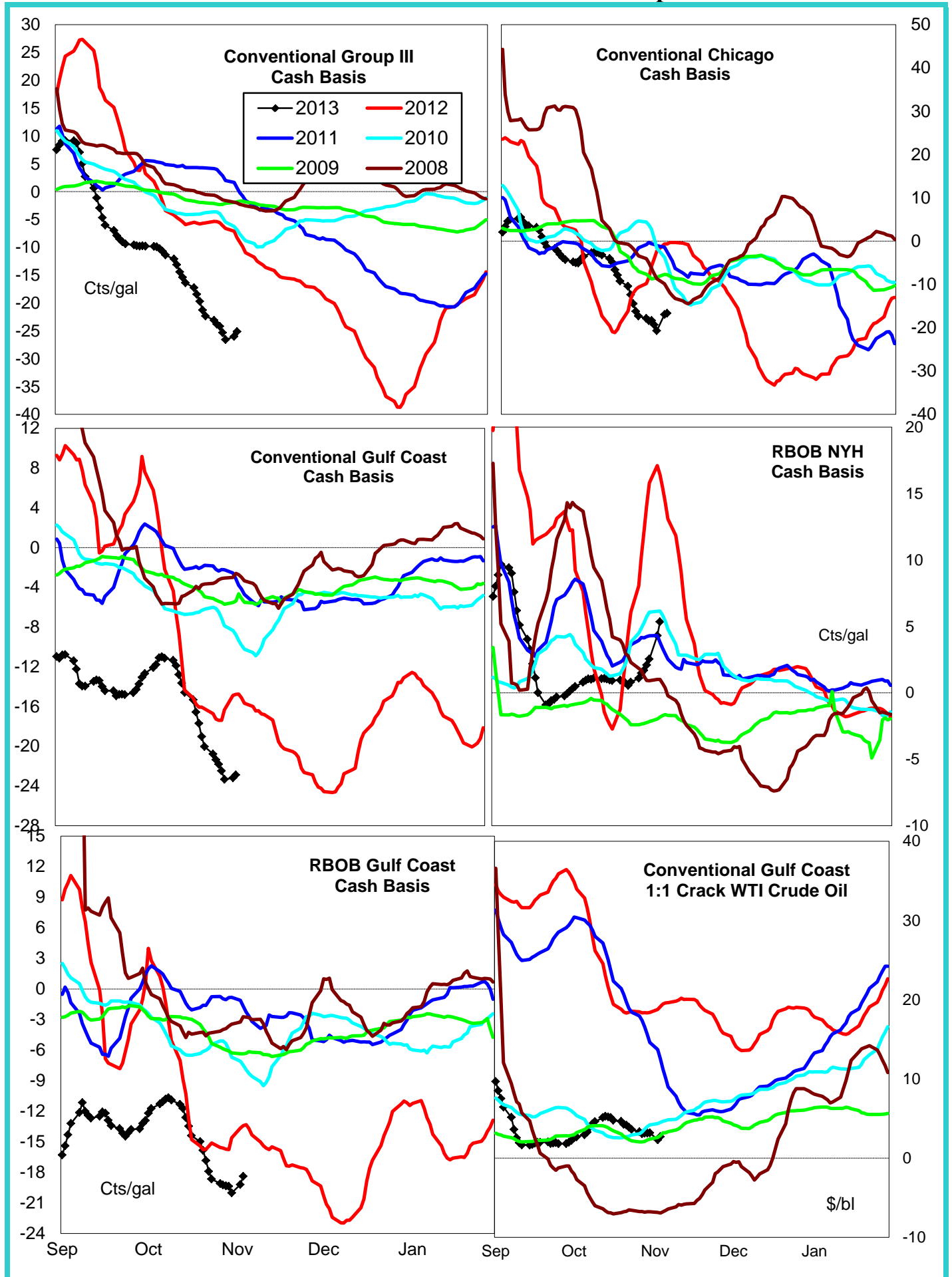
Gulf Coast Price Cash basis in nearly all regional markets other than NYH reflects an over valued NYMEX RBOB contract; driven by refinery maintenance in the region. Favorable refinery economics based on lower cost Canadian and domestic crude supply should lead to increased production through year end.

Gasoline markets should remain very well supplied for the next quarter; including the Northeast as refiners return to operation.

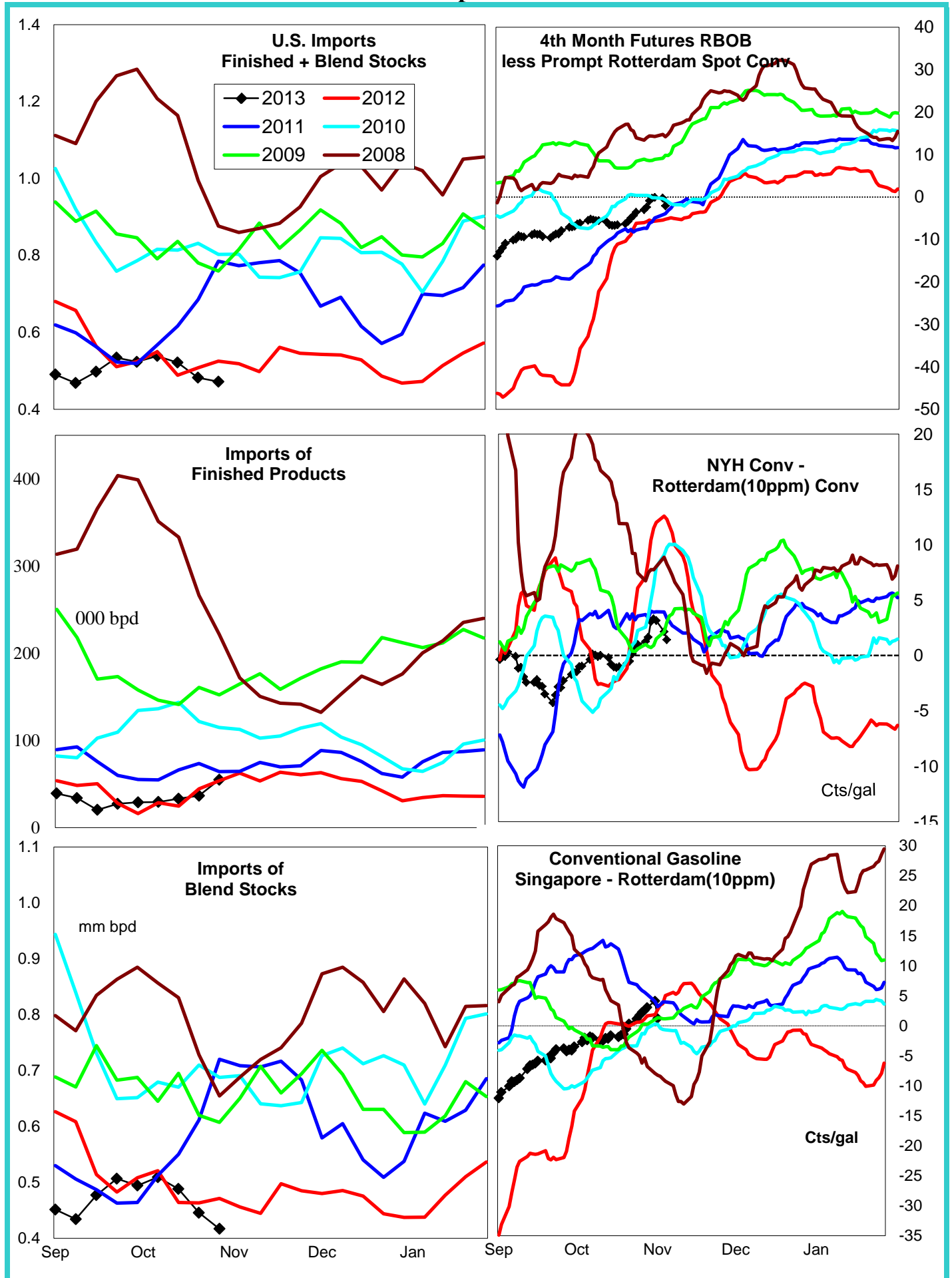


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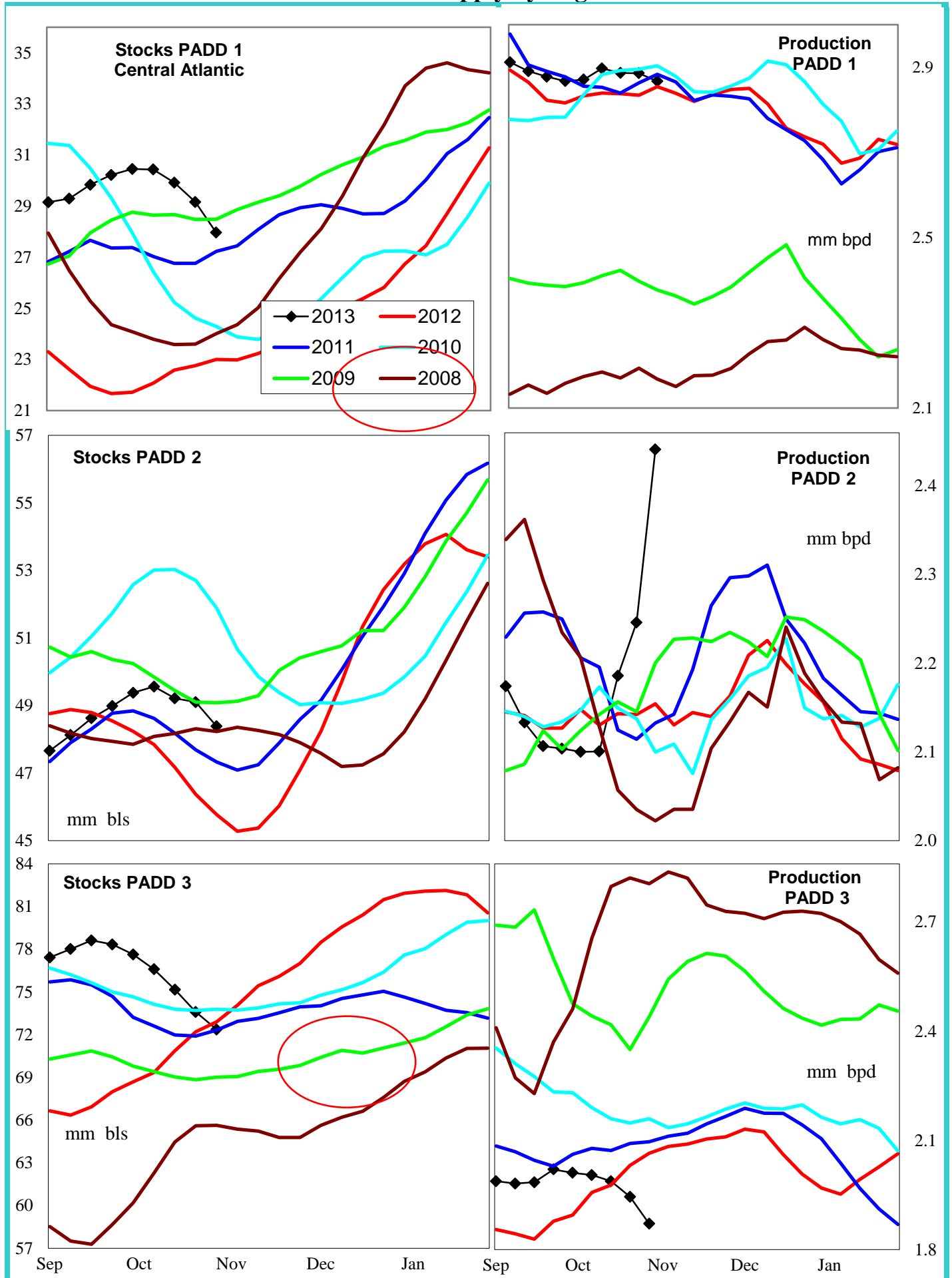
Gasoline Cash Basis and Related Price Spreads



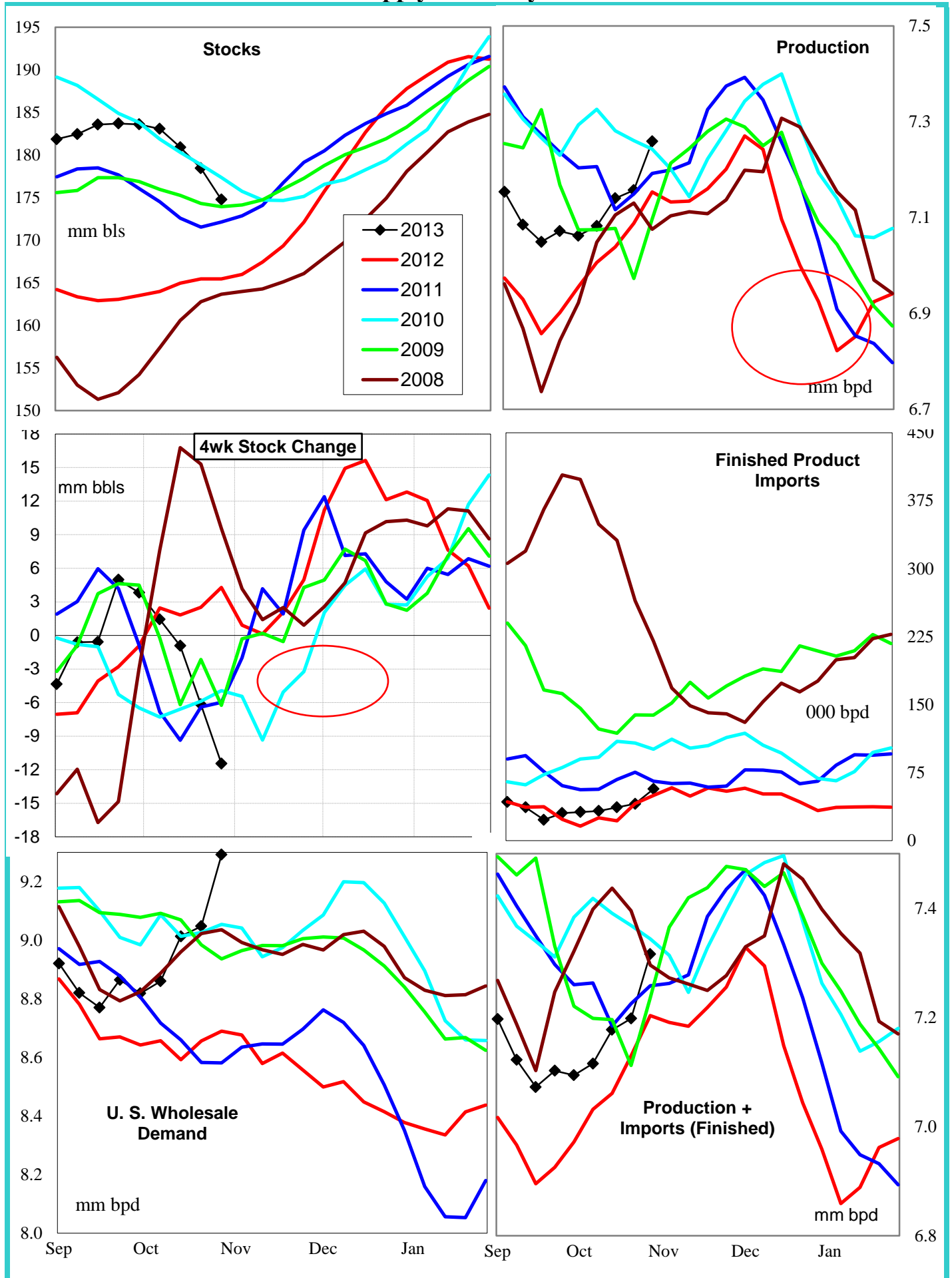
Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3



PADD 5 Gasoline Supply

