



WEEKLY GASOLINE FUNDAMENTAL-PRICE-BASIS OUTLOOK

A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Friday, November 15, 2013

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 -260,000 bpd last week, though the level remains very robust. The latest 4-wk average demand was +406,000 bpd above a year ago, and likely includes some exports.

Supplies jumped +1.1 million bpd last week, reversing the prior week collapse.

Stocks declined -0.8 million barrels last week to a level above the 3-yr mid range.

Basis in NYH traded at the top end of the historic range on a supply squeeze caused by unplanned refiner maintenance and low imports. Basis also rebounded in the Gulf on a Chevron fire and extended maintenance by other refiners in the region. Basis extended the seasonal downtrend in the Group and on the West Coast, ending at 5-yr lows in several markets.

As refiners return to operation in the Northeast, and Gulf, 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.

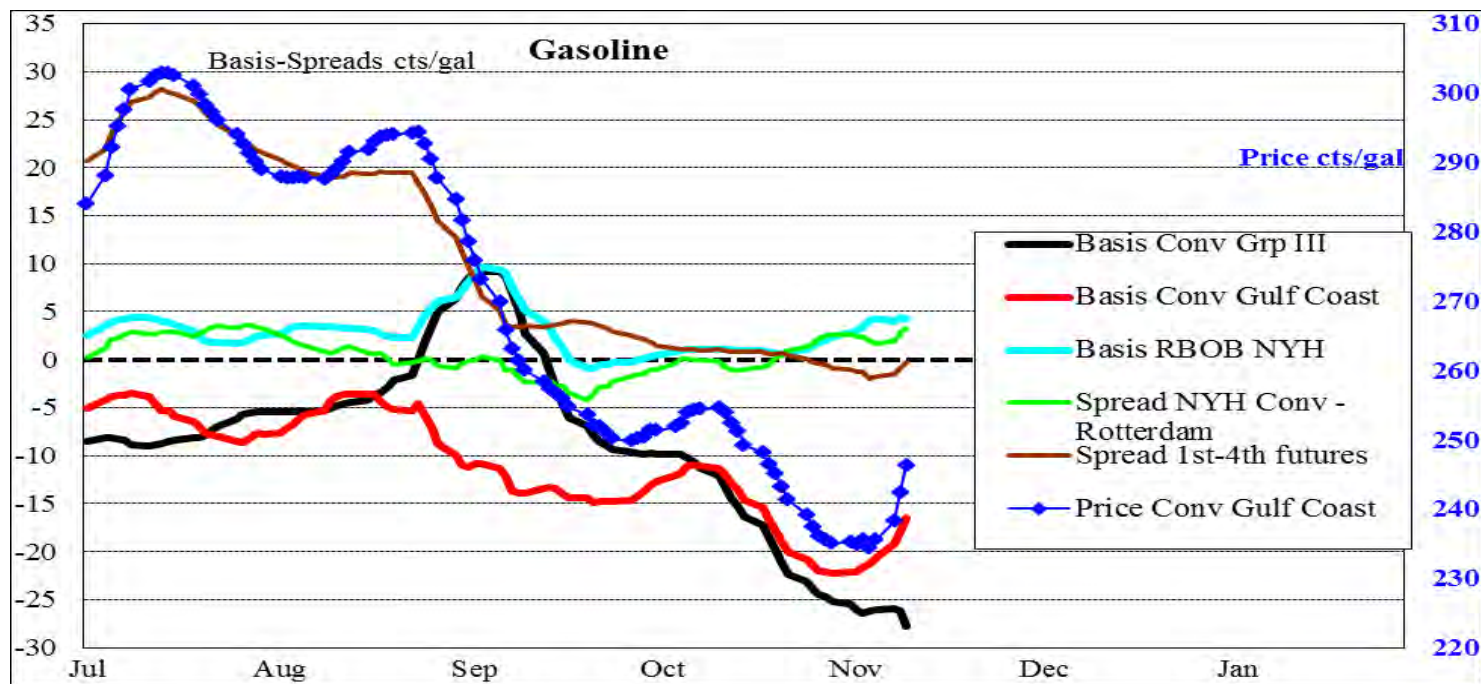
Group III basis to extend the seasonal downtrend on very high production and blending of gas liquids.

Gulf Basis to trend higher in the near term on unplanned maintenance, then lower when refiners return to operation and seasonal stock builds began.

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

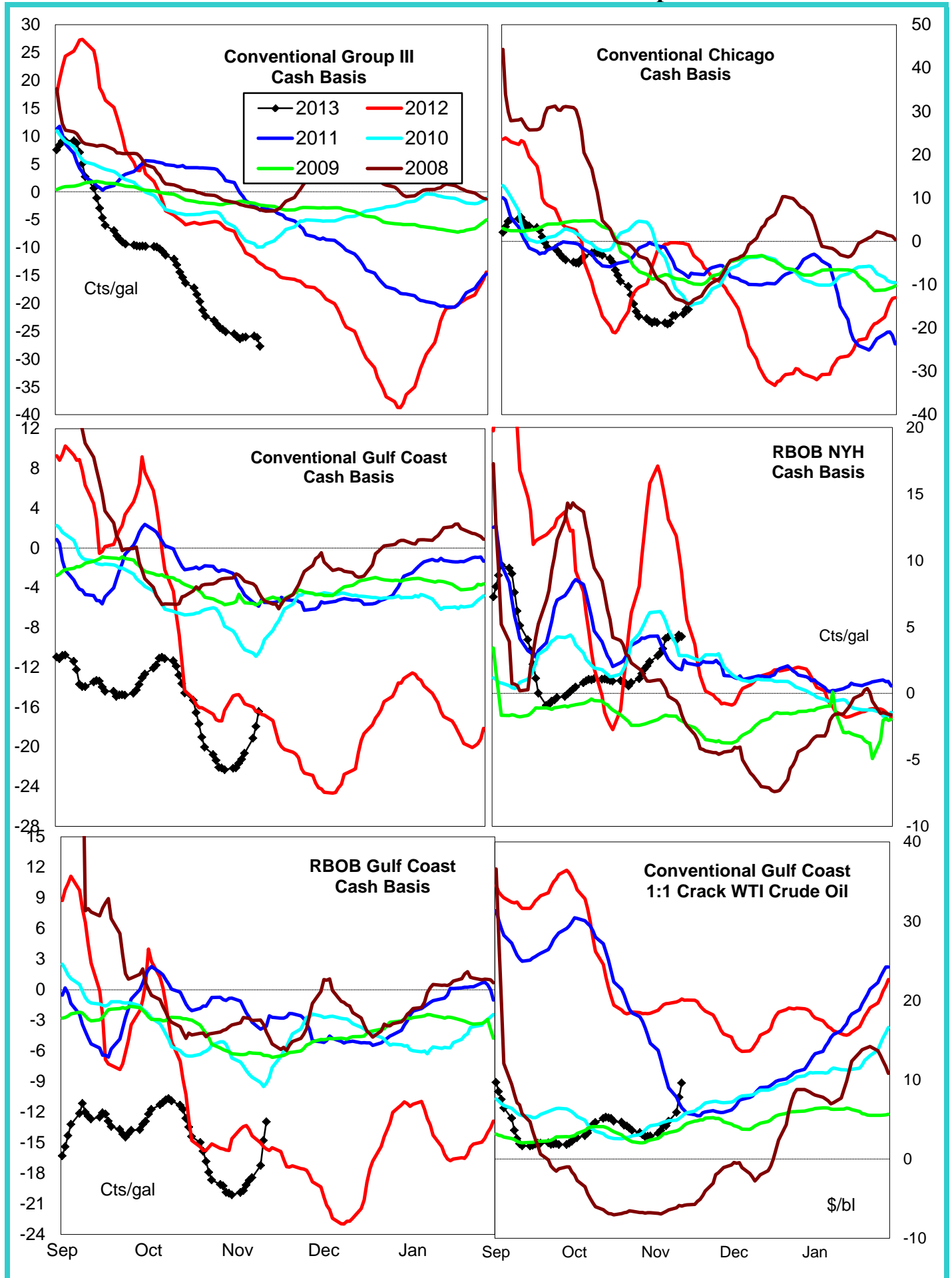
Gulf Coast Price The Chevron fire in the Gulf coast and unplanned maintenance in the Northeast has tightened supplies in these regional markets. Combined with very low imports, the markets face a short term supply squeeze. The risk of gasoline excess supply during the winter quarter is reduced as a result of unplanned maintenance.

Look for the East and Gulf markets to enjoy near term strength, then weaken as refiners return to operation during the low demand quarter of the year.

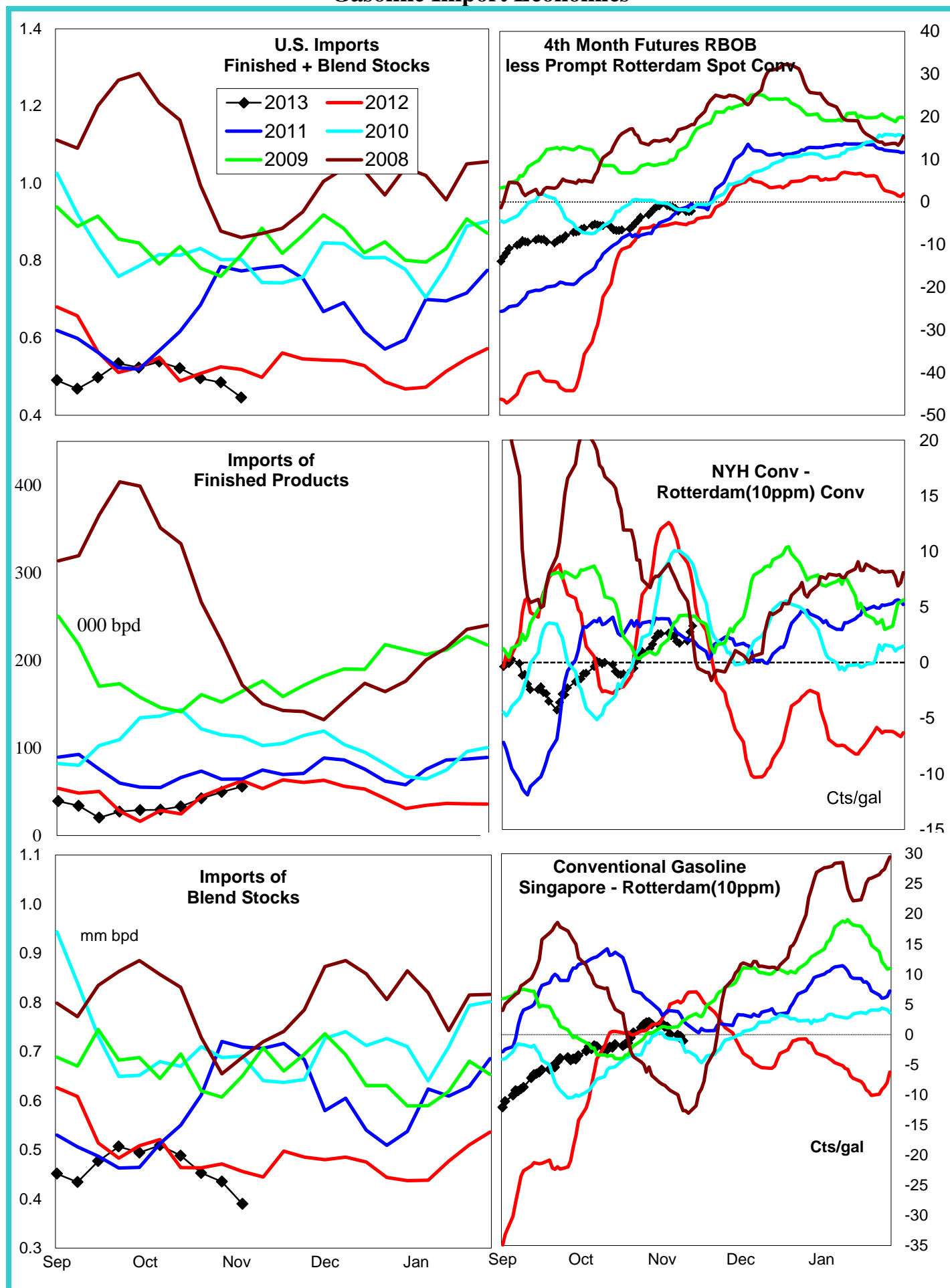


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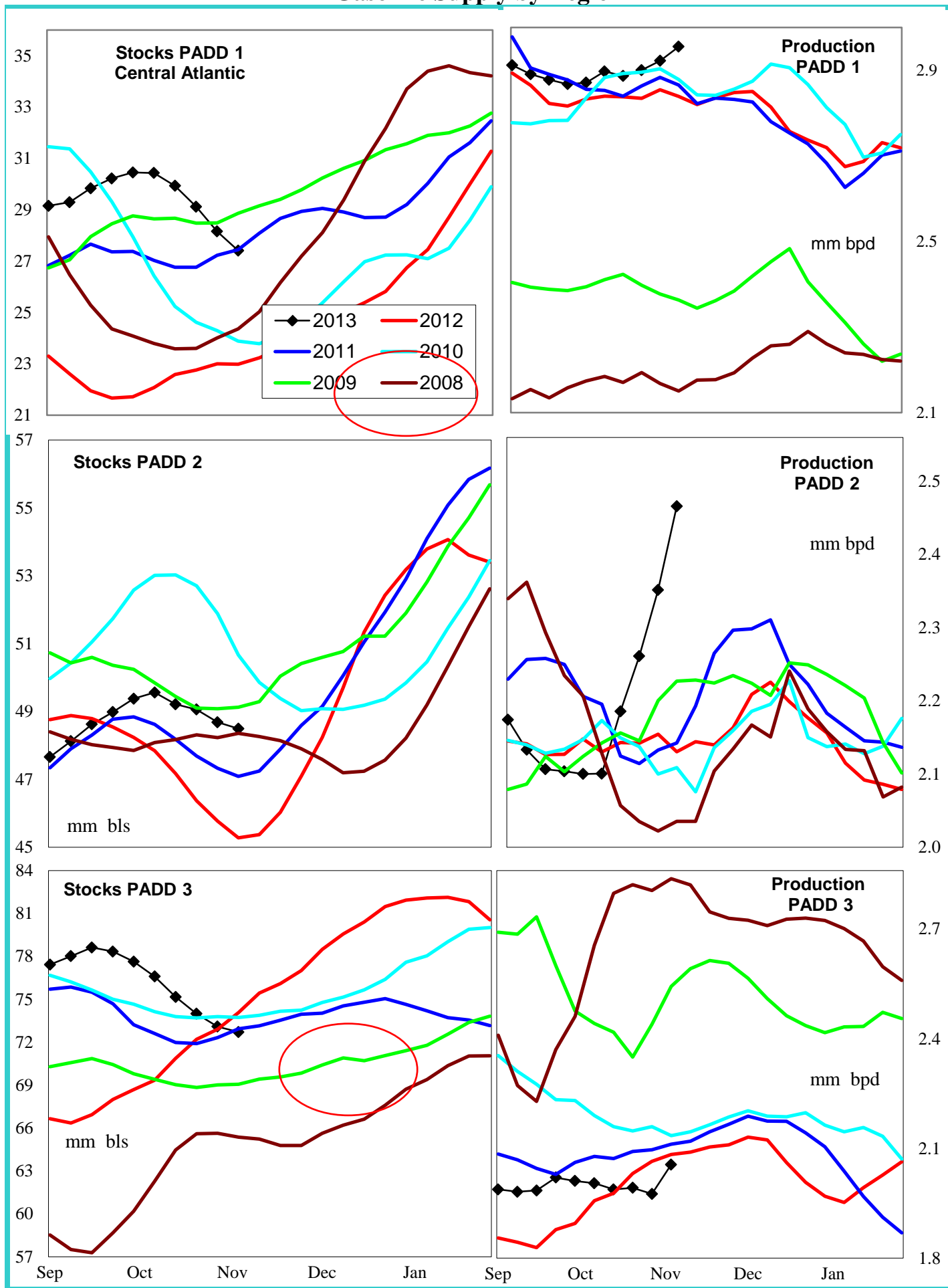
Gasoline Cash Basis and Related Price Spreads



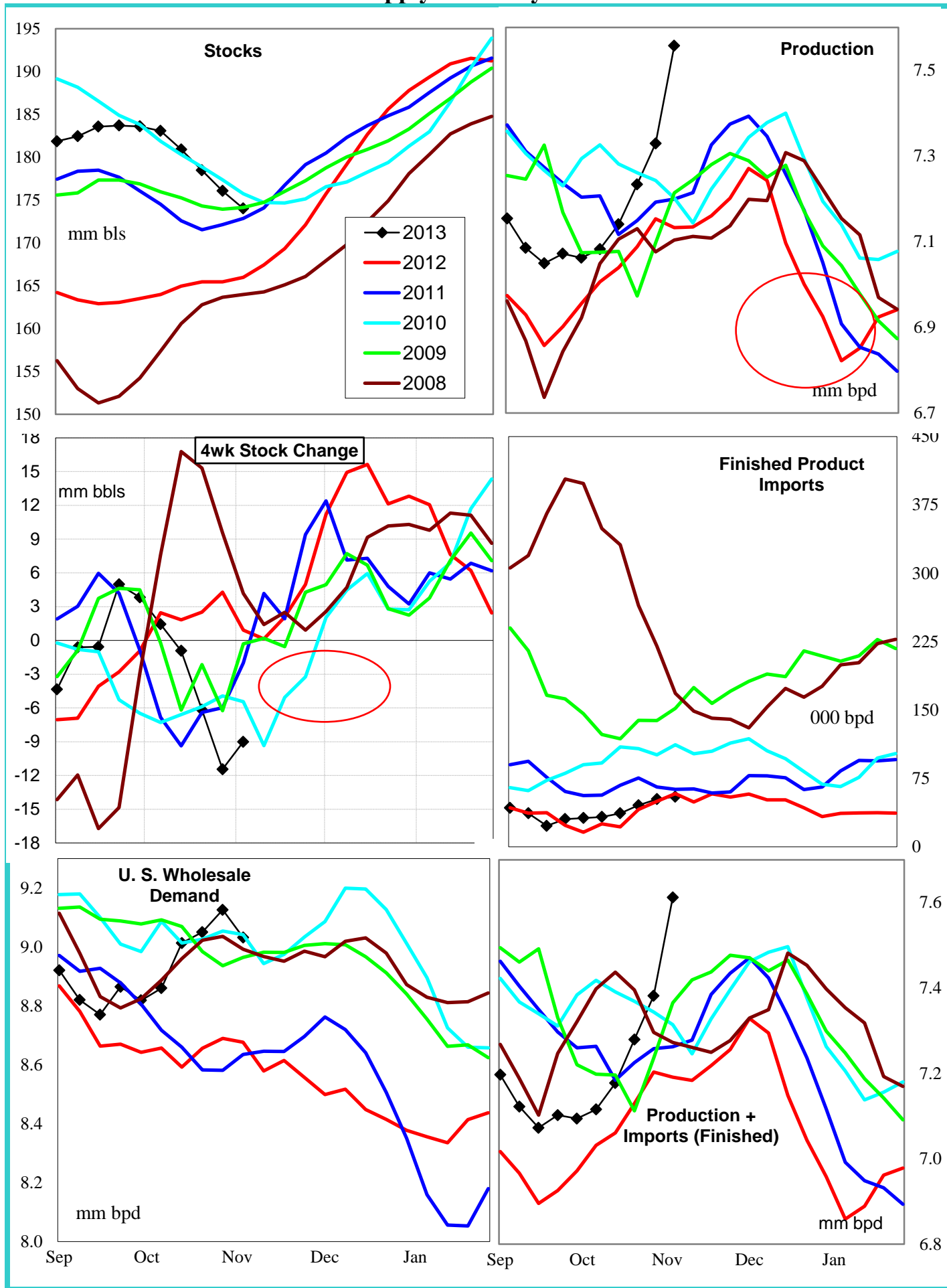
Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3



PADD 5 Gasoline Supply

