



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 -108,000 bpd last week, though the level remains very robust. The latest 4-wk average

demand was +336,000 bpd above a year ago, and likely includes some exports. Supplies decreased -161,000 bpd last week, on lower production.

Stocks declined -0.3 million barrels last week to a level below the 3-yr mid range.

Production in the Midwest has been at record high levels for the last 4-wks, pointing to increased FCCU's capacity and gas liquids blending in the sub octane pool.

Basis in NYH trended lower last week on improvement in supply. Basis surged in the Gulf on unplanned refinery maintenance and record exports. Basis extended the seasonal downtrend in the Midwest and West coast 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 trend lower as unplanned refinery maintenance in the Central Atlantic Region and Eastern Canada, is completed.

Conventional

New York Harbor basis to trend lower as unplanned refinery maintenance in the

Central Atlantic Region and Eastern Canada, is completed.

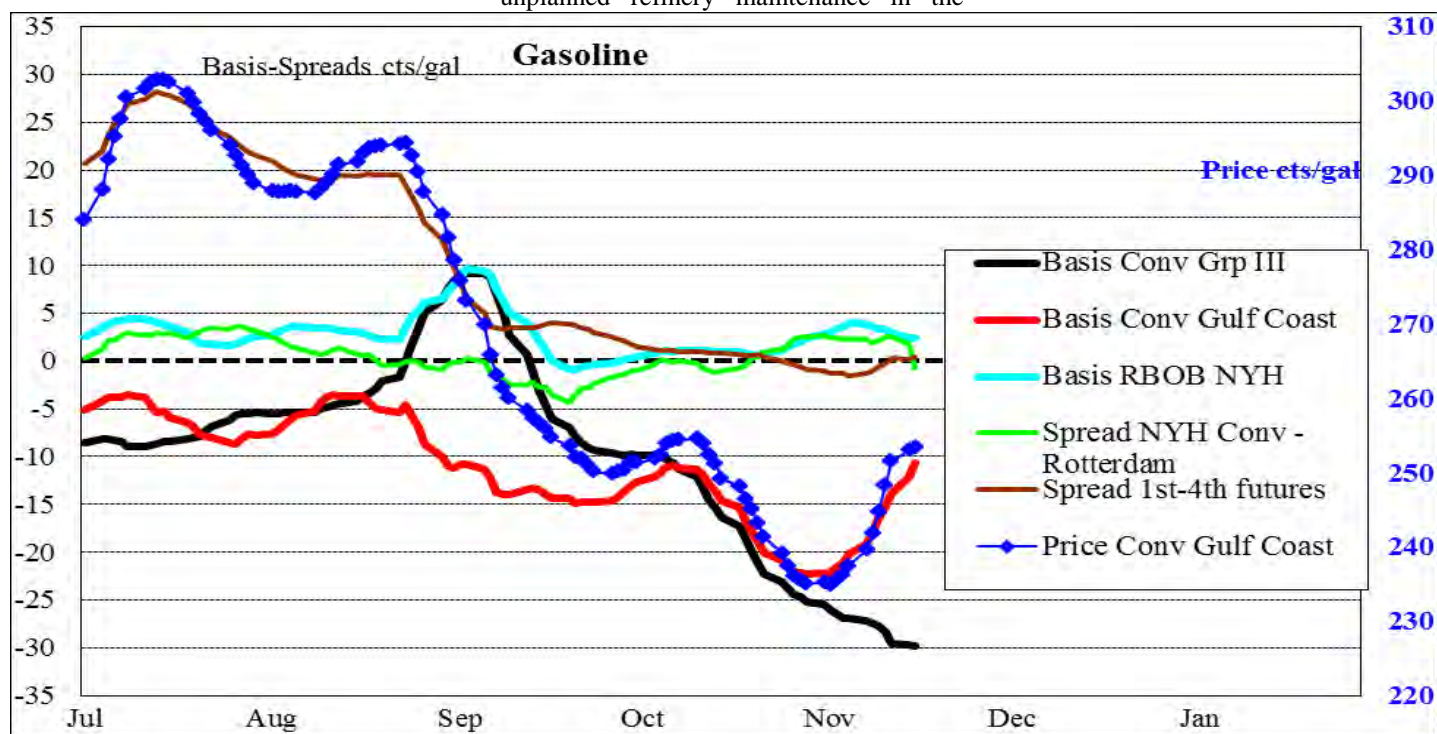
Chicago basis to trend seasonally lower on record high production and lower seasonal demand.

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

Gulf Basis to remain elevated in the near term on unplanned refinery maintenance and record exports.

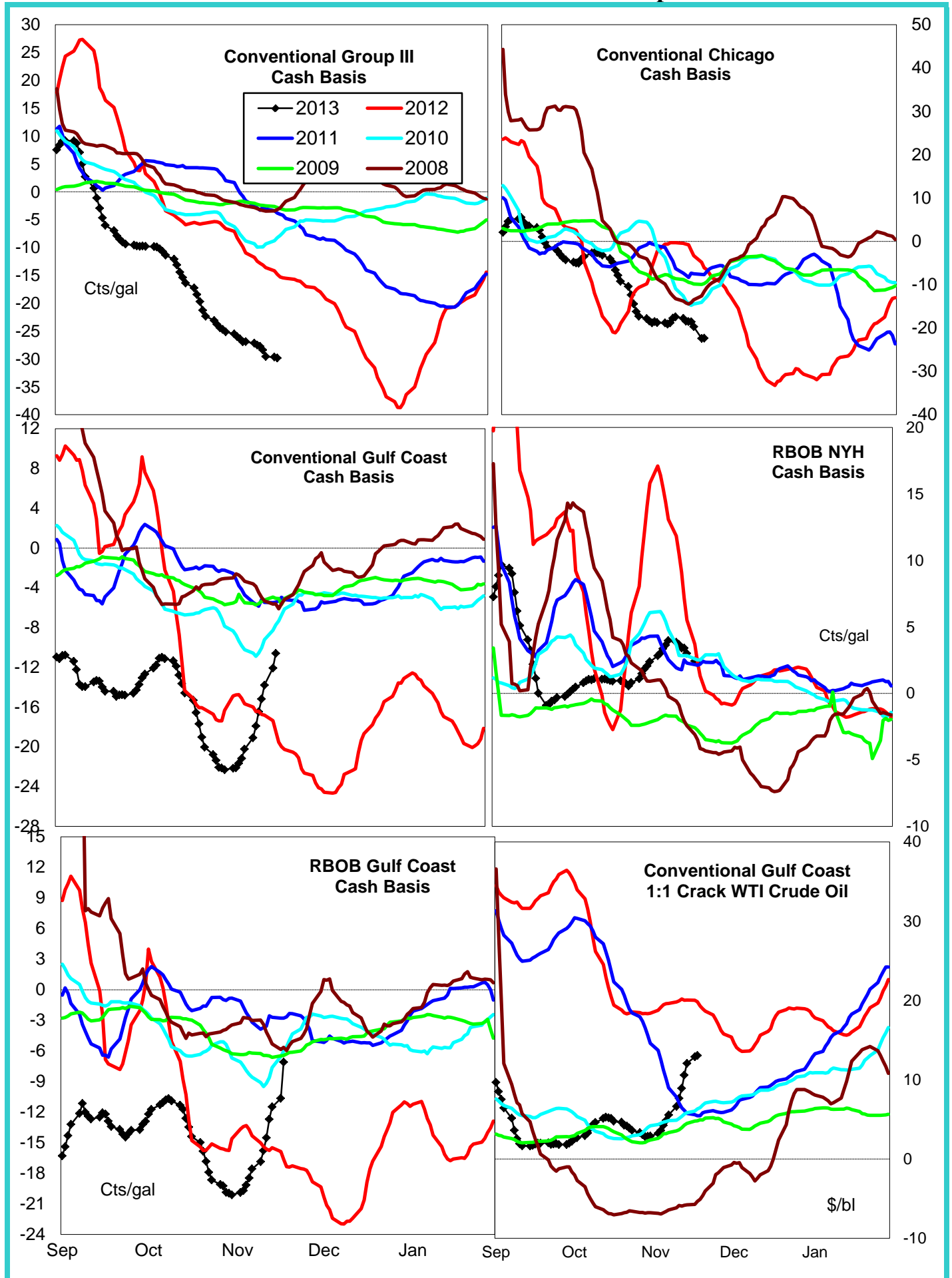
West Coast (Los Angeles) basis to trend seasonally lower on very high production and seasonal stock builds.

Gulf Coast Price Unplanned refinery maintenance in the Northeast and now in the Gulf regions, combined with a surge in exports (driven by maintenance in Europe) has driven prices higher and spiked basis in the Gulf region. As maintenance is completed in all regions, including Europe, and seasonal demand trends lower, risk of a significant price pull back is increased.

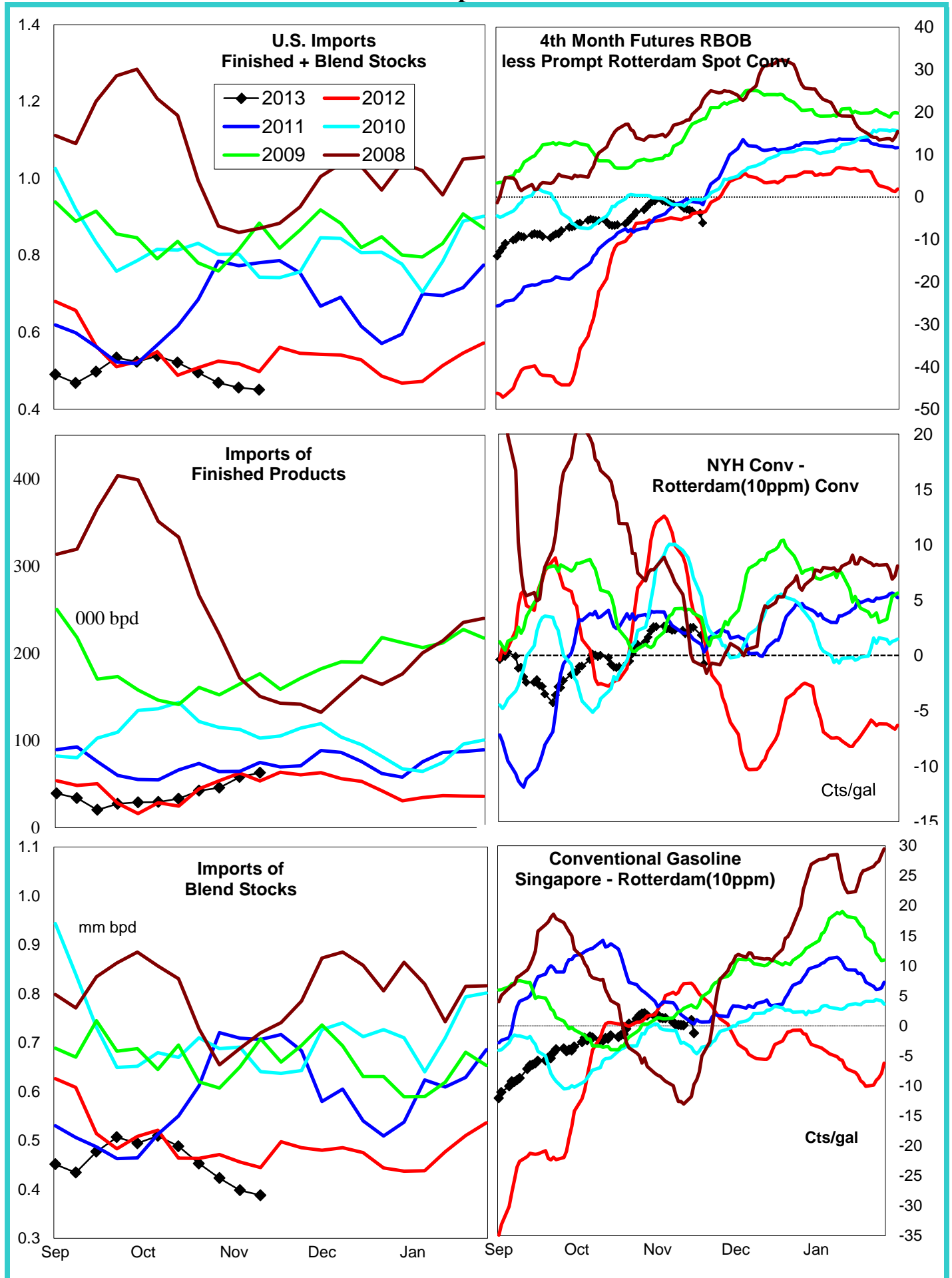


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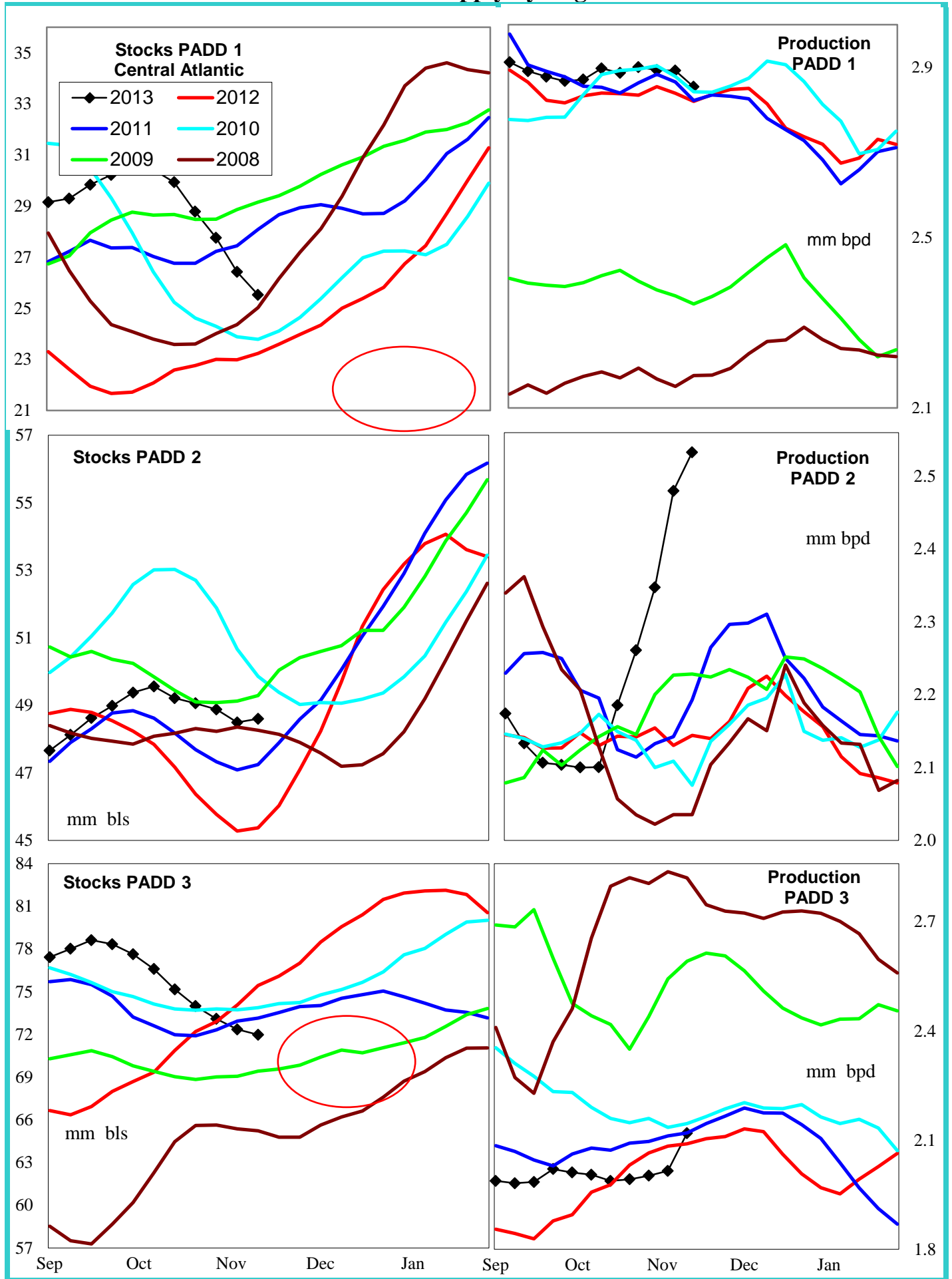
Gasoline Cash Basis and Related Price Spreads



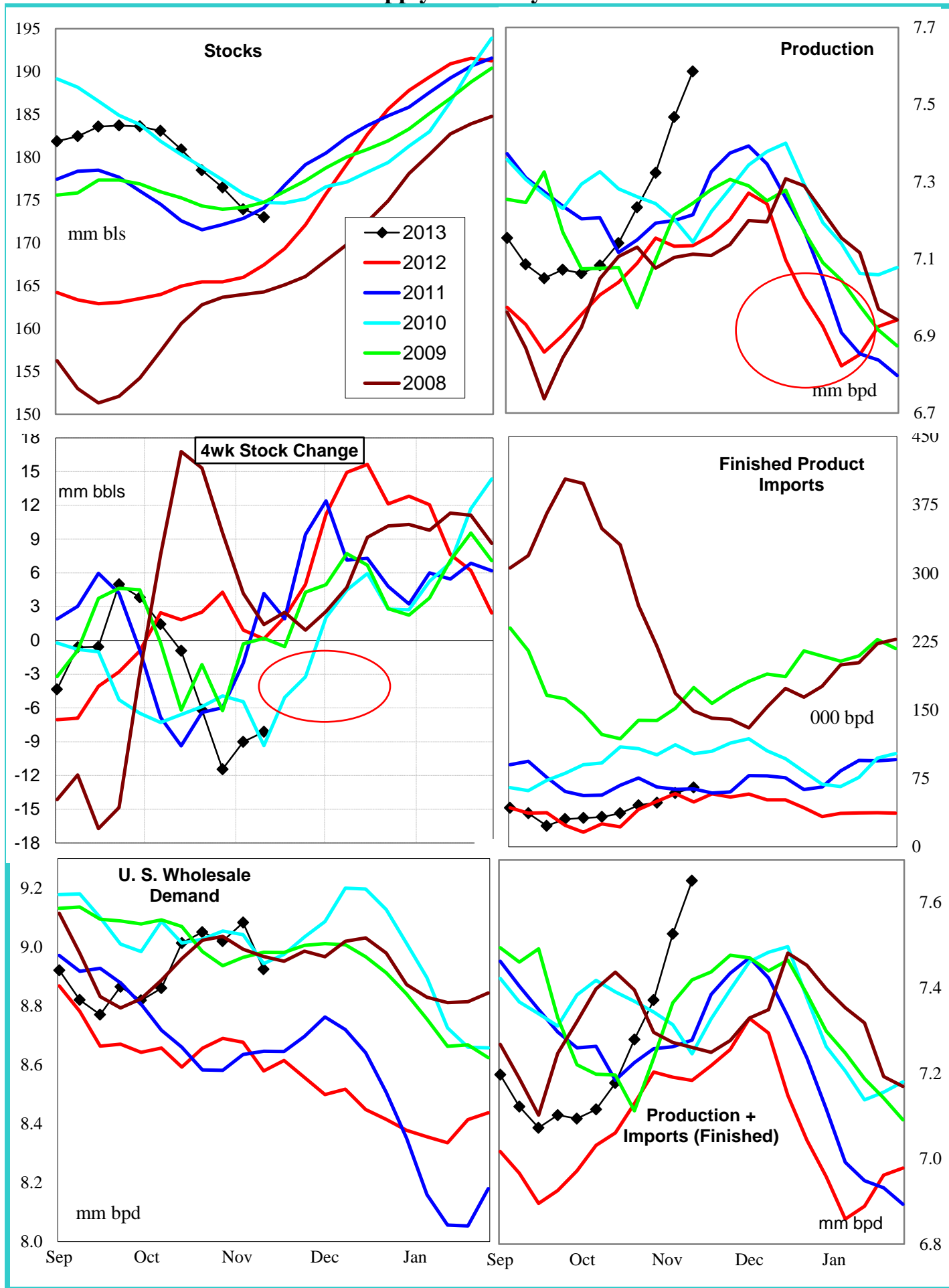
Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3



PADD 5 Gasoline Supply

