



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 -36,000 bpd last week, with the level well above level remains very robust. The latest 4-wk

average demand was +288,000 bpd above a year ago, and likely includes some exports.

Supplies decreased -452,000 bpd last week, on sharply lower production.

Stocks increased +1.8 million barrels last week to a level near the mid range for this time of year.

The record production in the Midwest region is due in part to shipments of sub octane product from the Gulf recorded as produced in the Midwest when blended to a finished grade..

Basis witnessed an uptick in Midwest and Gulf markets late in the week, with the level near last years' record low. Most West Coast markets reported a further decline in basis last week, with the level comparable to last years' record low.

RBOB

New York Harbor basis to trade sideways at the mid range on an improved supply balance.

Conventional

New York Harbor basis to trade sideways at the mid range on an improved supply balance.

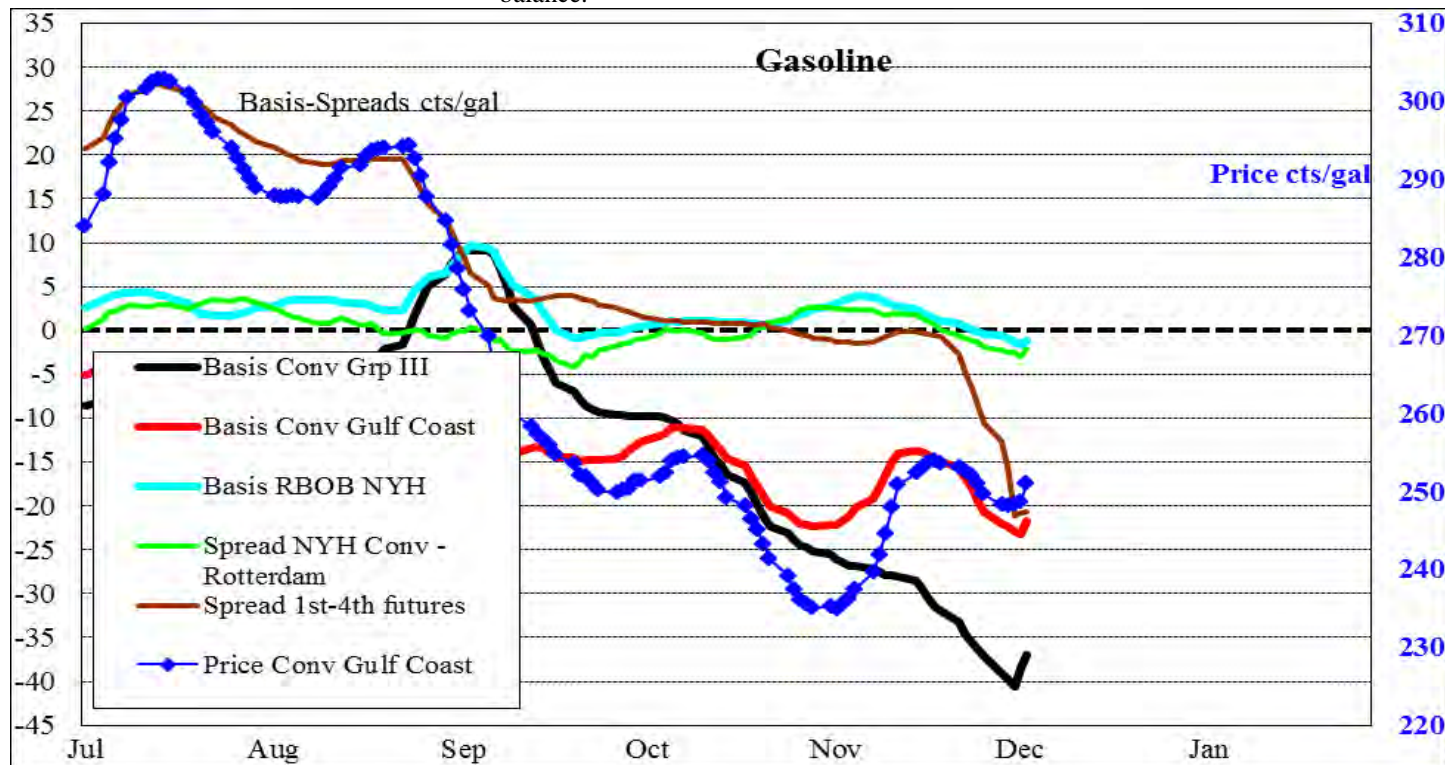
Chicago basis to trade at the low end of the historic range on high production and lower seasonal demand.

Group III basis to remain weak on high production and liquids blending with sub octane product.

Gulf Basis to rebound from recent lows on increased incentive to export excess production.

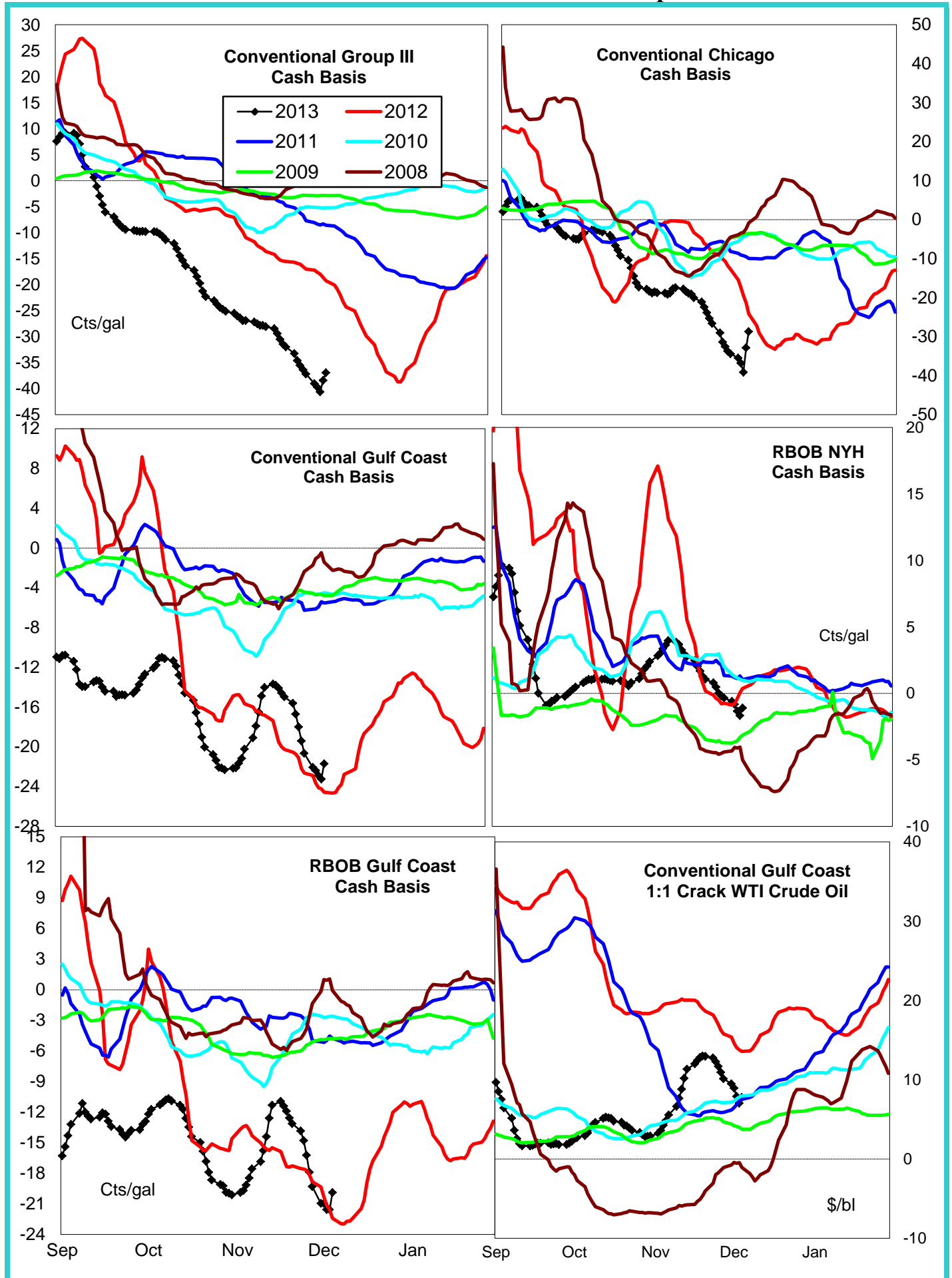
West Coast (Los Angeles) basis to trend seasonally lower on very high production and seasonal stock builds.

Gulf Coast Price Look for continued improvement in the supply balance on the East coast with the return of refiners in the region to operation and above average imports. Seasonal stock builds in other regions should keep cash basis depressed in most regions. Record seasonal production risk a pullback in prices during the next month.

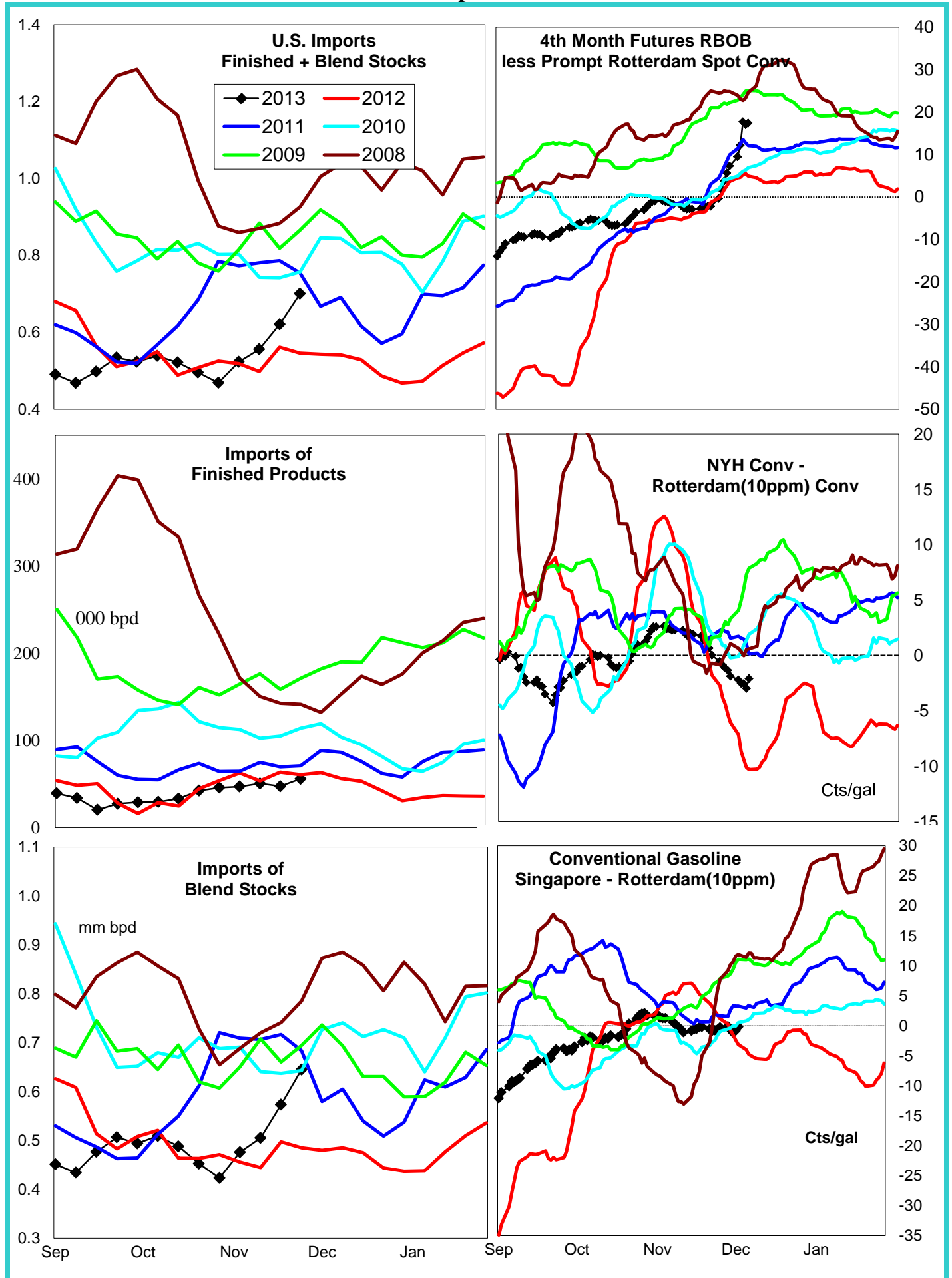


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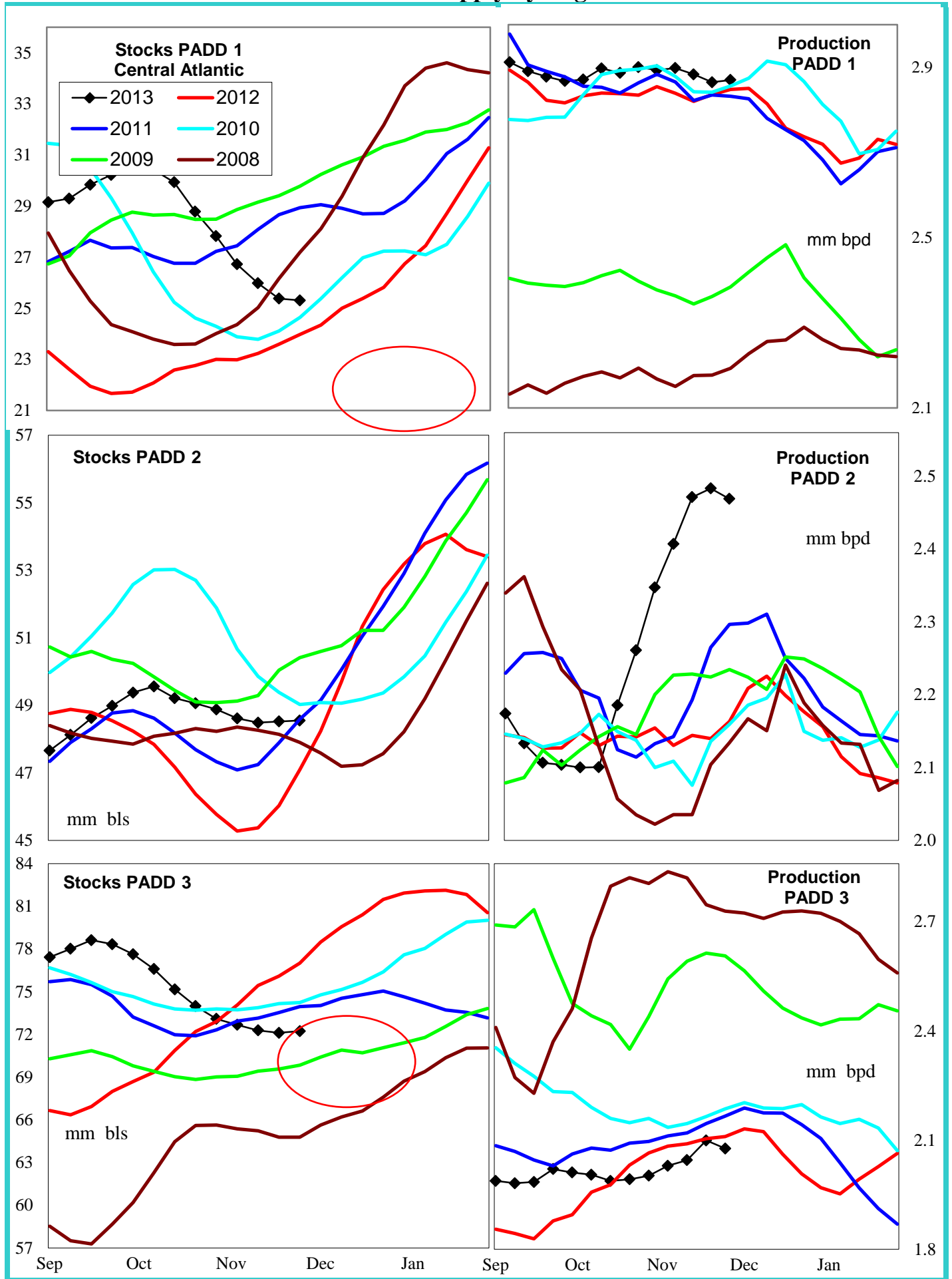
Gasoline Cash Basis and Related Price Spreads

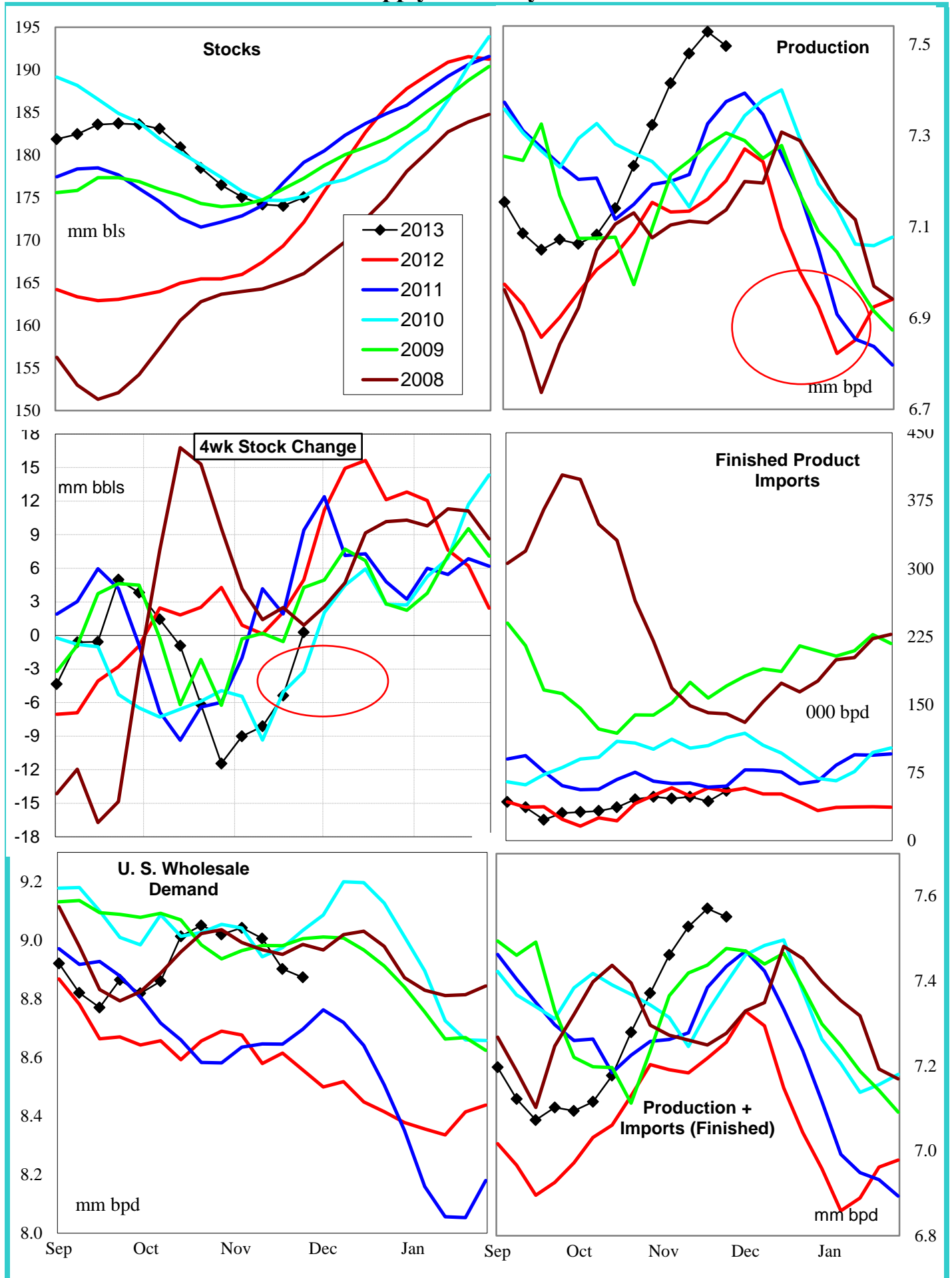


Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3

PADD 5 Gasoline Supply