



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 surged +0.7 million bpd last week, to a level well above the last 2-yrs, rebounding after the prior week of

inclement weather. The latest 4-wk average demand was +315,000 bpd above a year ago, and likely includes some export growth.

Supplies increased +257,000 bpd last week, on higher production.

Stocks increased +1.3 million barrels last week to a level above the historic range.

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 trended higher in all regional markets last week on the jump in wholesale demand. Basis levels in most regional markets are comparable to last year, which were historic lows.

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.

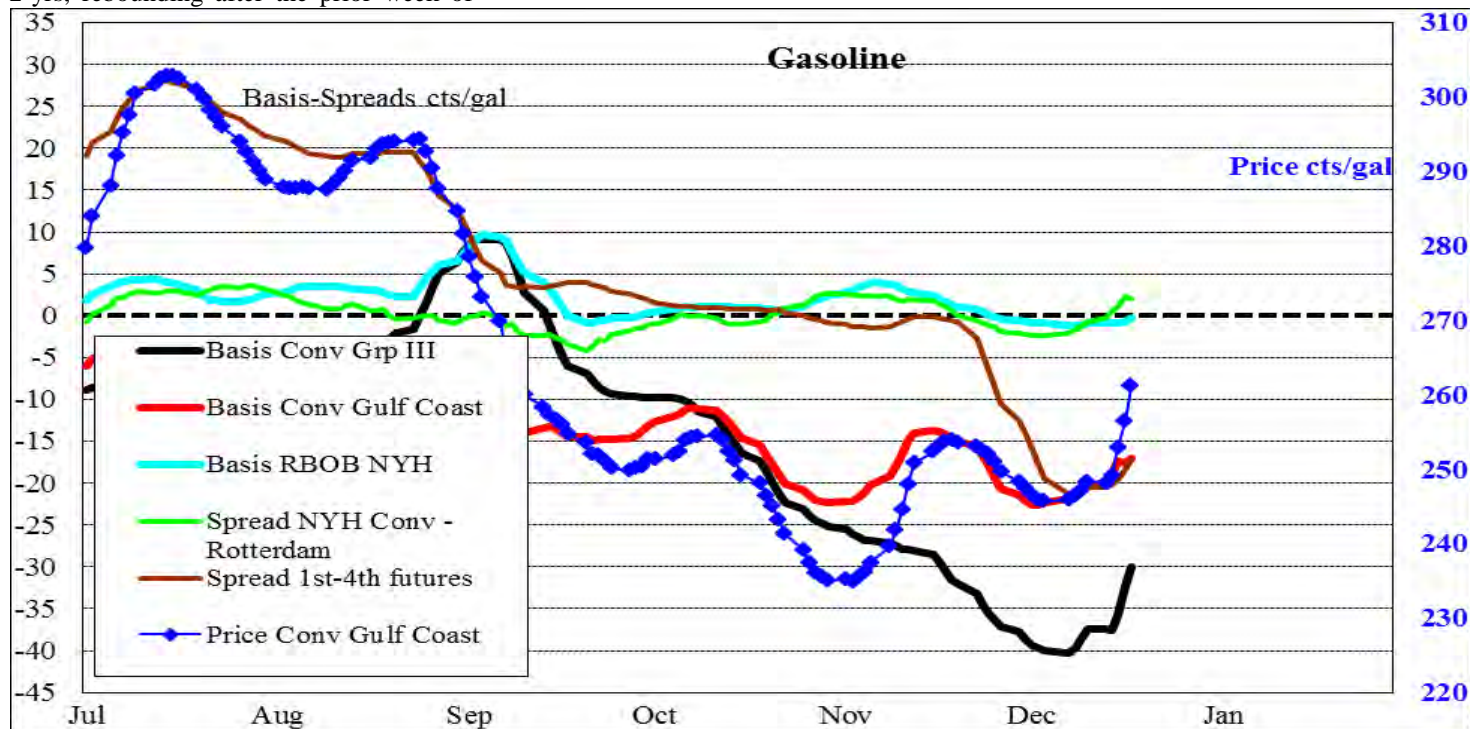
Chicago basis to trend higher from recent lows on improved seasonal demand.

Group III basis to trend seasonally higher on increased holiday travel demand, limited by high production and stock building.

Gulf Basis to trend higher on holiday travel demand and continue early next year as refiners began winter maintenance.

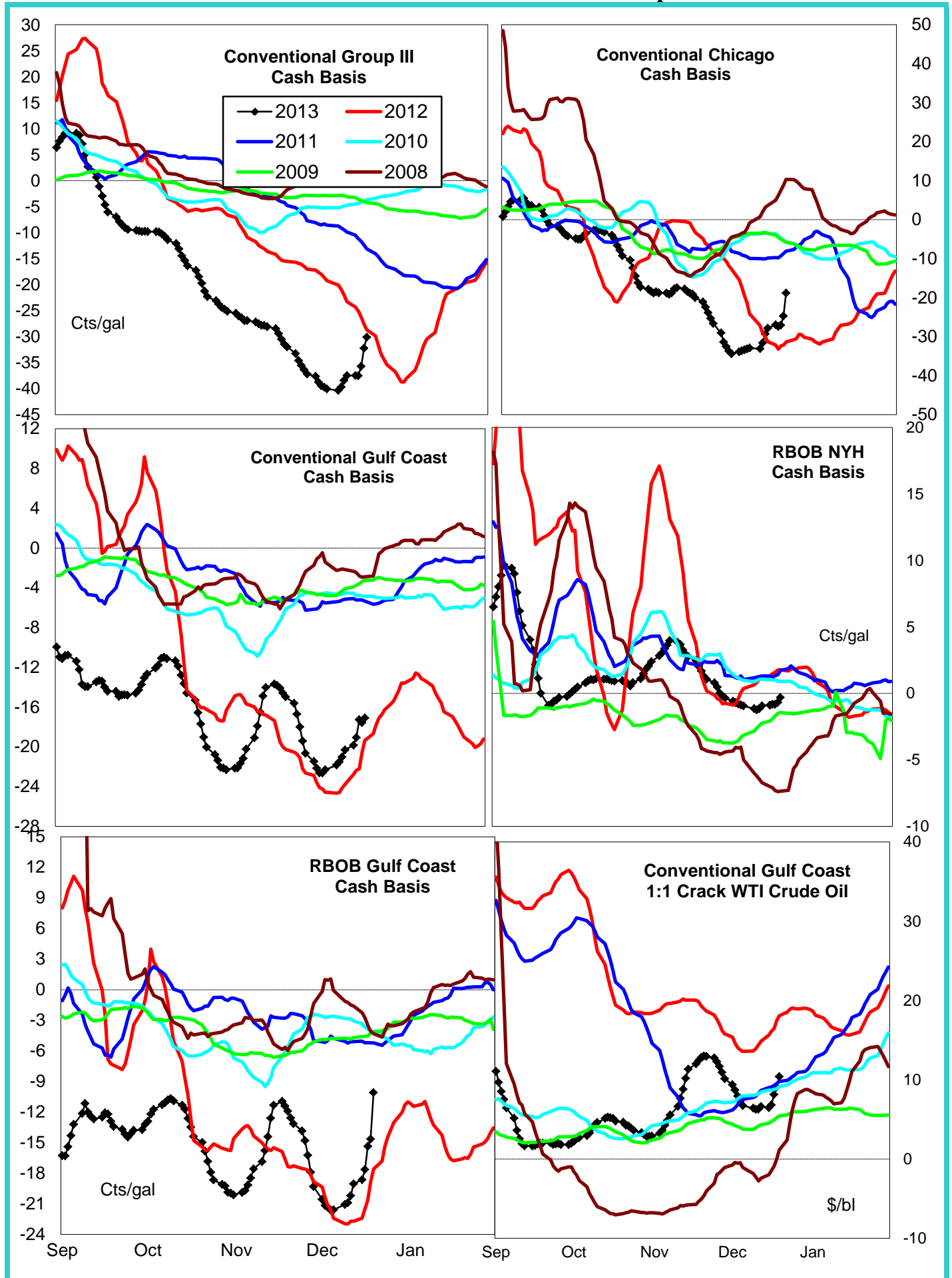
West Coast (Los Angeles) basis trend seasonally higher as refiners began winter maintenance.

Gulf Coast Price Demand continues to exhibit strong year-on-year growth, with volatility caused by weather and exports. Refinery production is also above year ago levels on favorable refining economics from North American crude oil supplies and process unit expansions. Stock levels are slightly above the last 3-yrs. Refinery buying ahead of winter maintenance on the Gulf should provide support to prices.

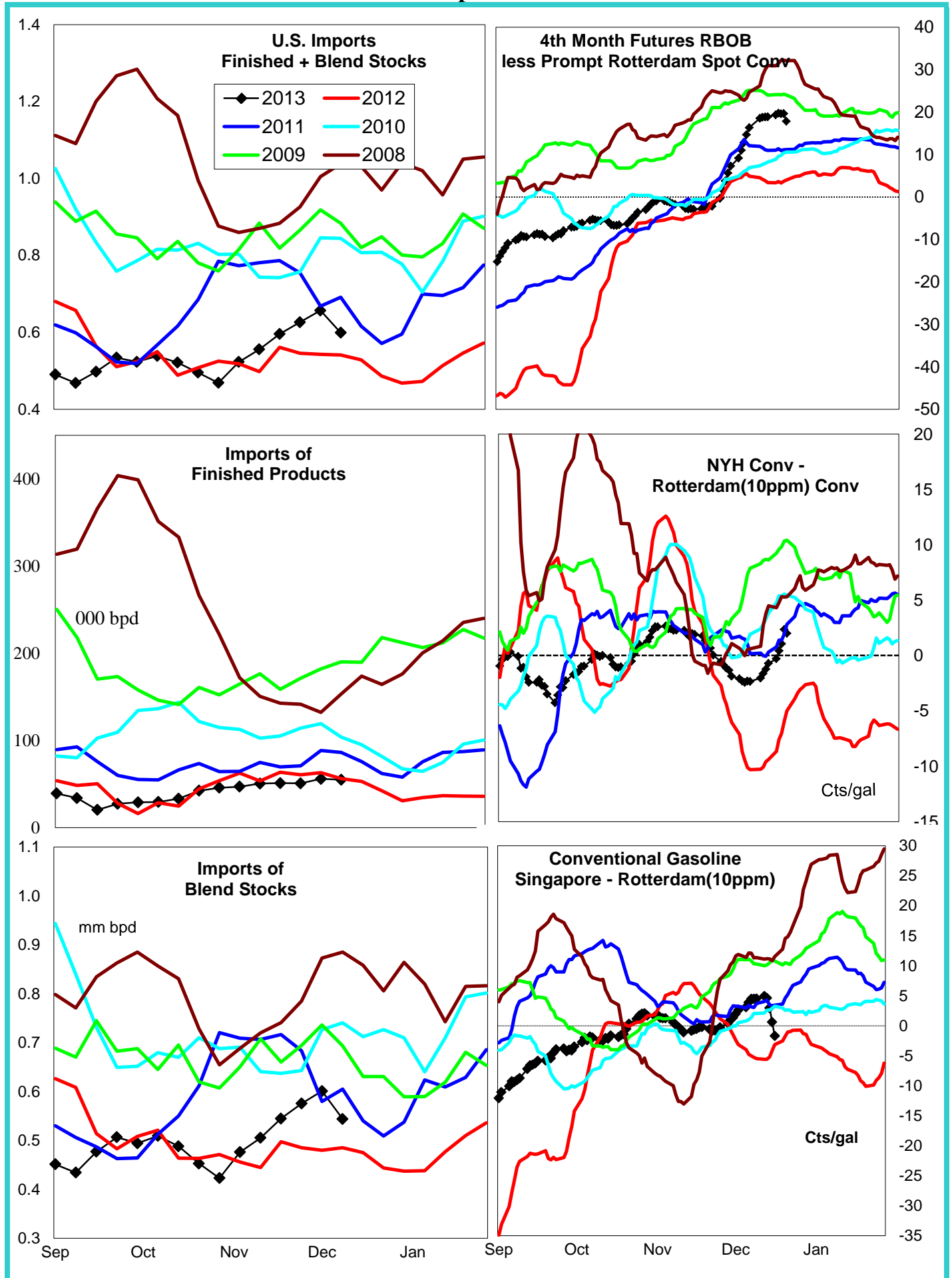


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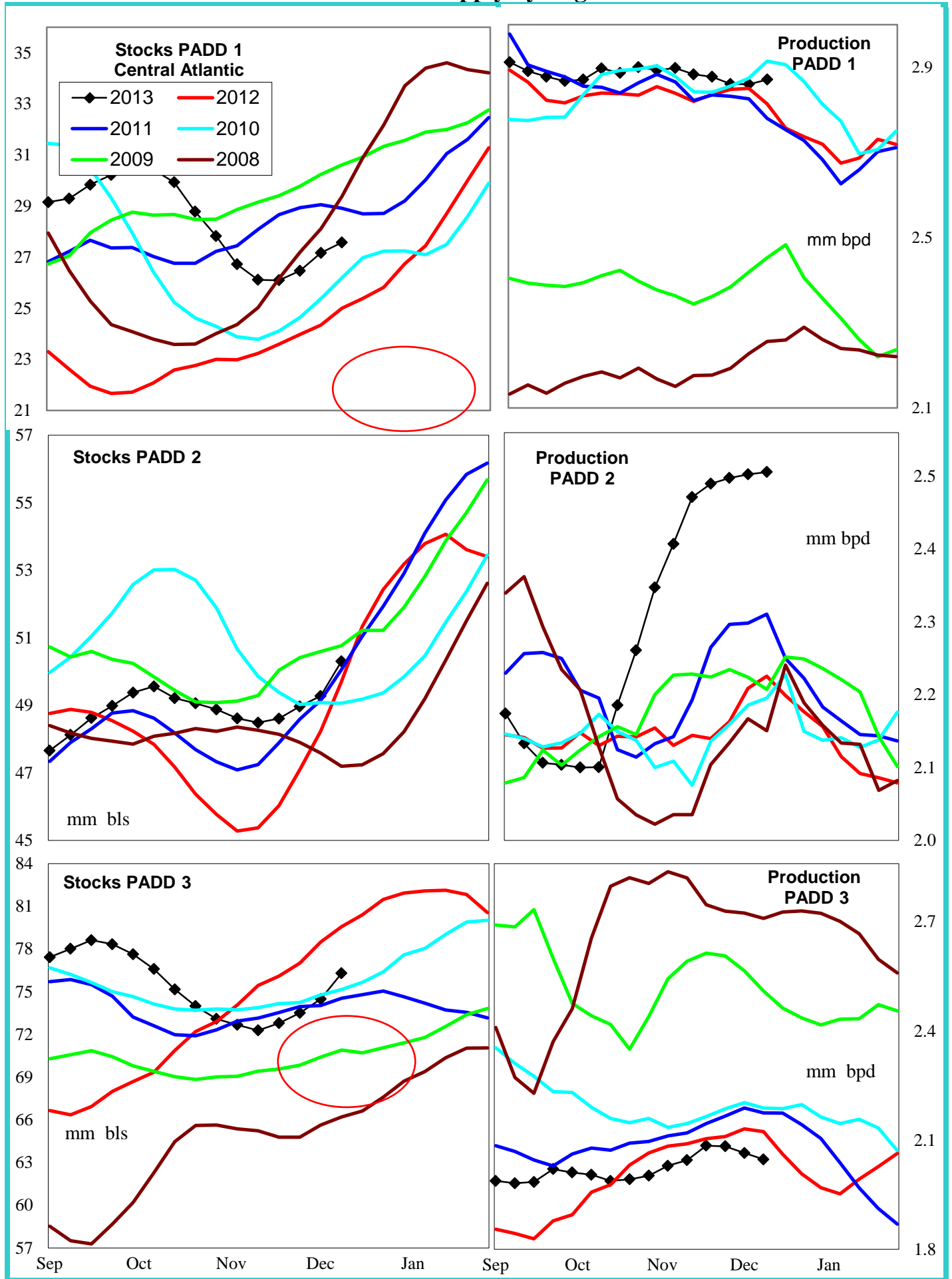
Gasoline Cash Basis and Related Price Spreads



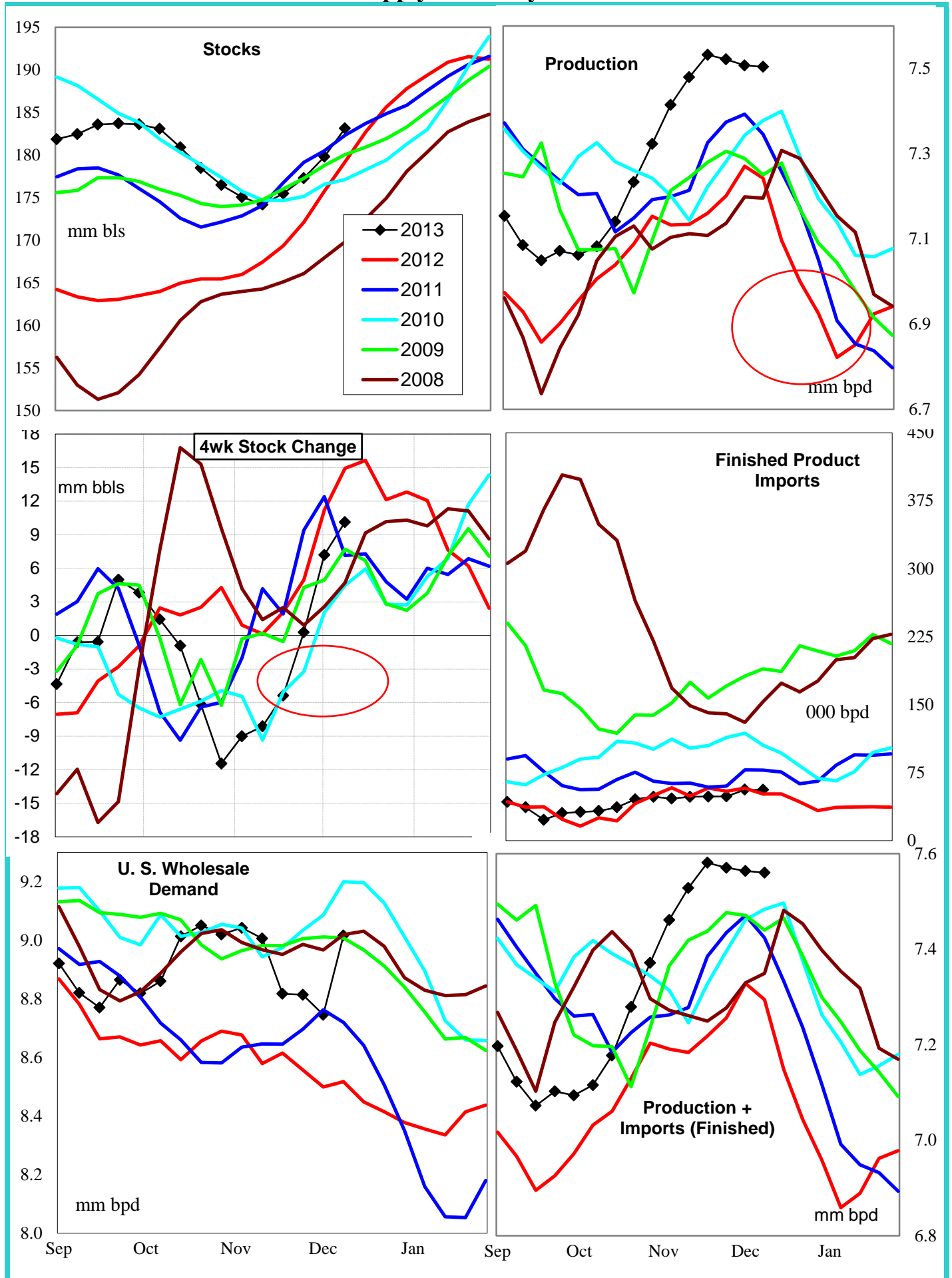
Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3



PADD 5 Gasoline Supply