



WEEKLY GASOLINE FUNDAMENTAL-PRICE-BASIS OUTLOOK

A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Tuesday, January 07, 2014

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 -283,000 bpd last week, a level near the 3-yr mid range. The latest 4-wk average demand

was +300,000 bpd above a year ago, and likely includes some export growth.

Supplies fell -0.9 million bpd last week, on sharply lower production and imports.

Stocks increased +0.8 million barrels last week to a level near the 3-yr mid 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 sharply higher in all regional markets east of the Rockies last week on weather related refinery upsets in several markets. Basis levels in most regional markets are comparable to the average of the last 2-yrs.

RBOB

New York Harbor basis to trade sideways at the mid range on weak seasonal demand partially offset by low imports.

Conventional

New York Harbor basis to trade sideways at the mid range on weak seasonal demand partially offset by low imports.

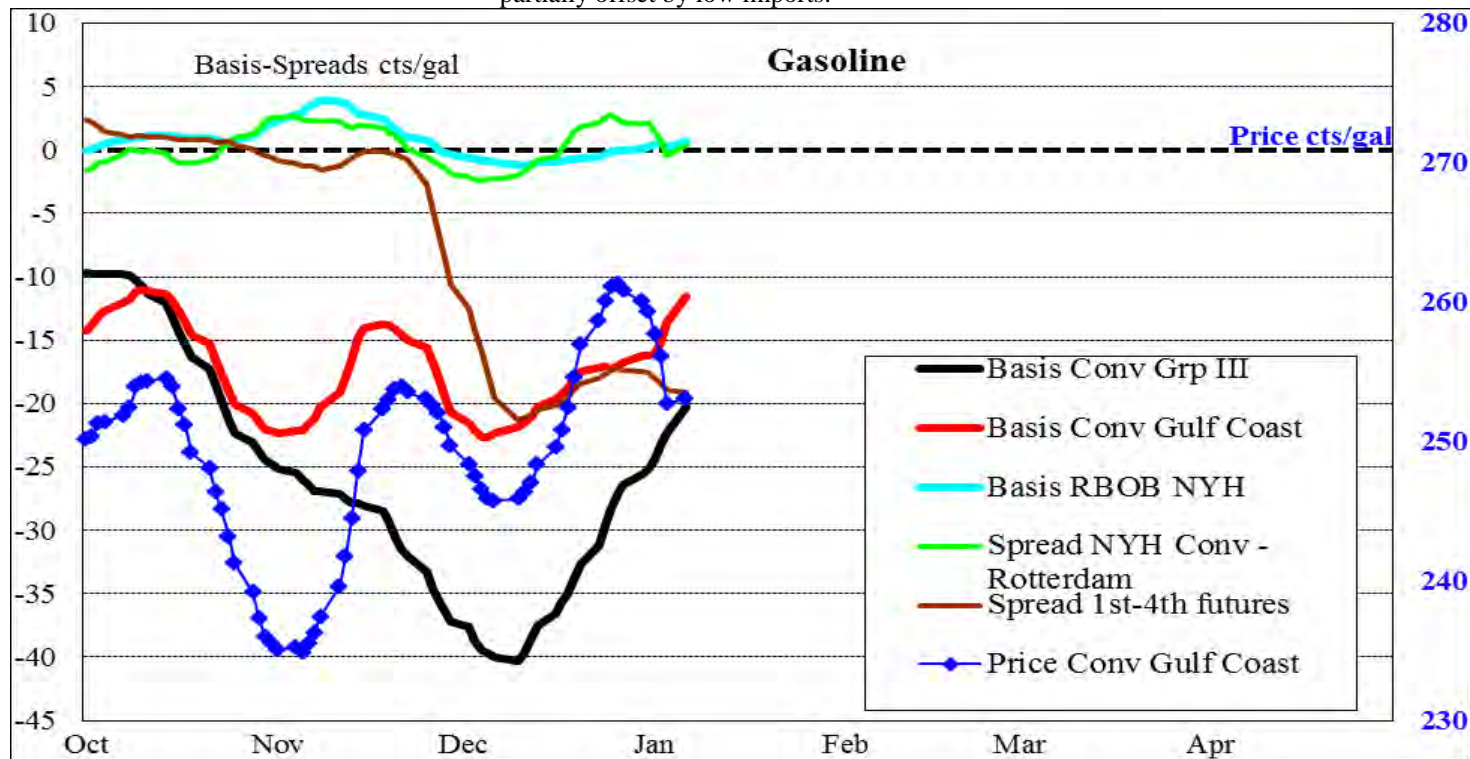
Chicago basis to trend higher on weather related refinery upsets, followed by a seasonal uptrend.

Group III basis to trend higher on weather related refinery upsets, followed by a continued seasonally uptrend.

Gulf Basis to trend seasonally higher as refiners began winter maintenance.

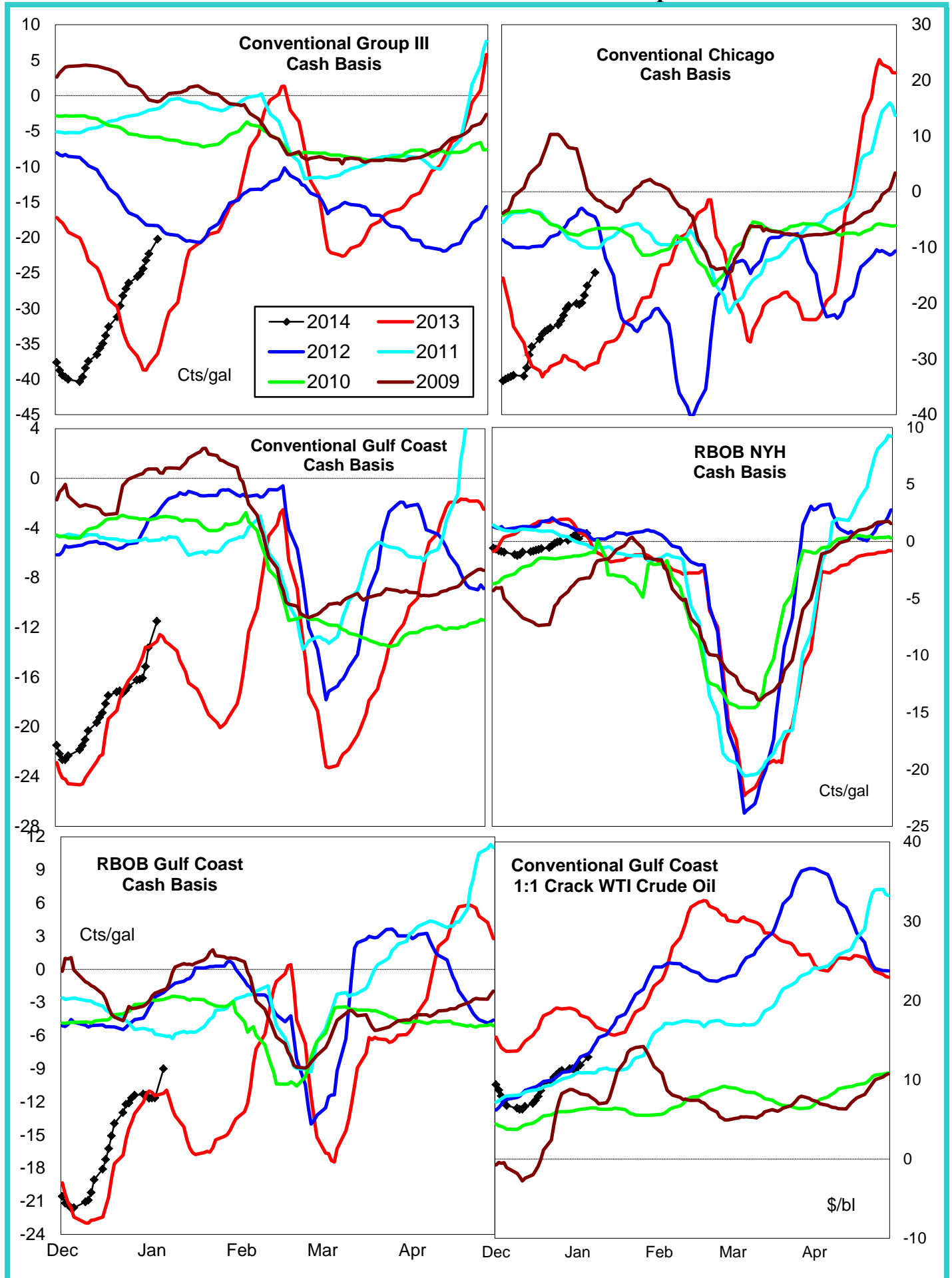
West Coast (Los Angeles) basis trend seasonally higher as refiners began winter maintenance.

Gulf Coast Price Extreme cold temperatures are driving refinery disruptions which have led to an earlier than normal uptrend in cash basis for Midwest and gulf regions. Demand continues to exhibit strong year-on-year growth, with volatility caused by weather and exports. Stock levels are near the 3-yr mid range. Look for near term price strength in refinery disruptions, with further support as Gulf refiners began winter maintenance.

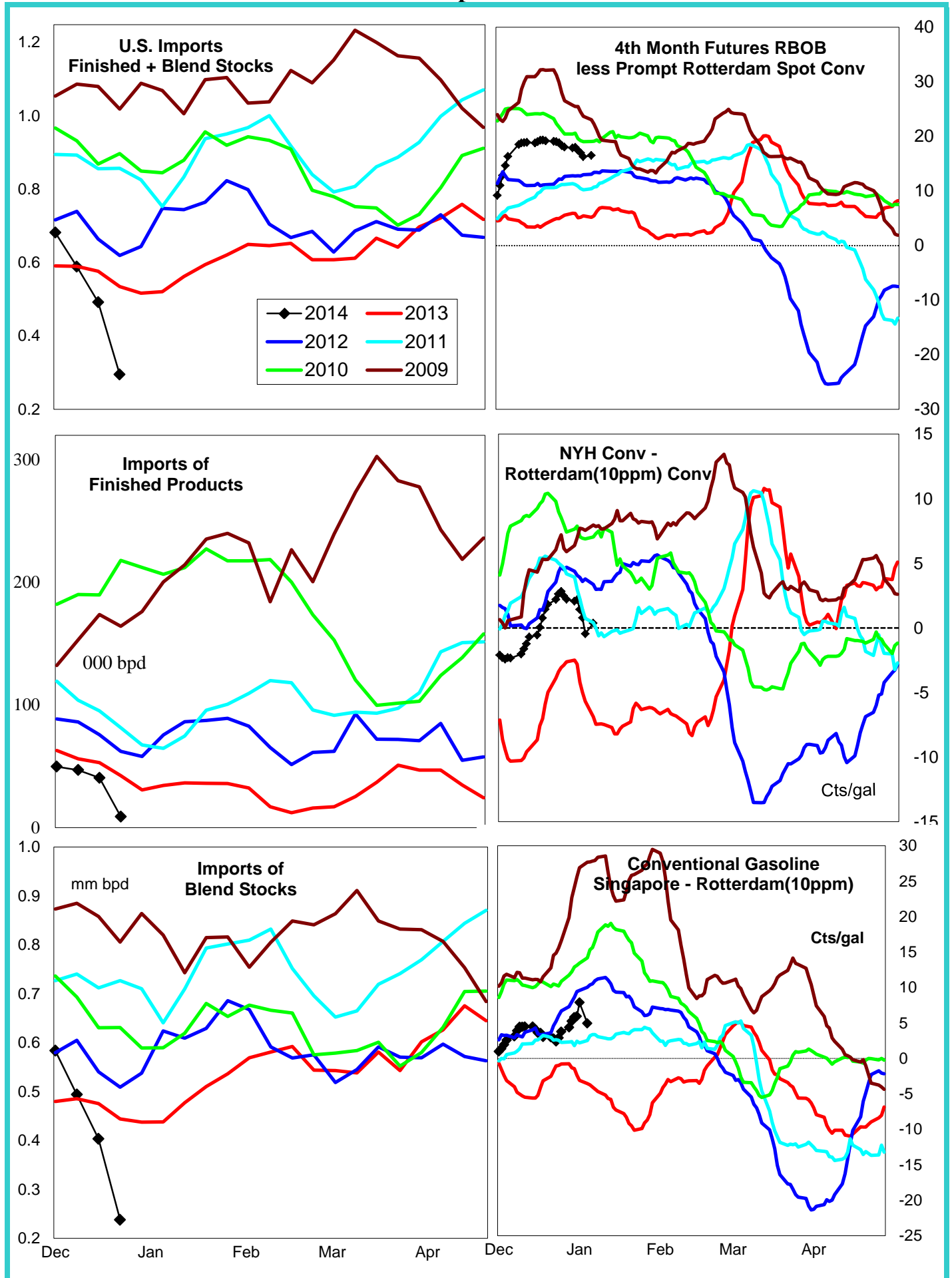


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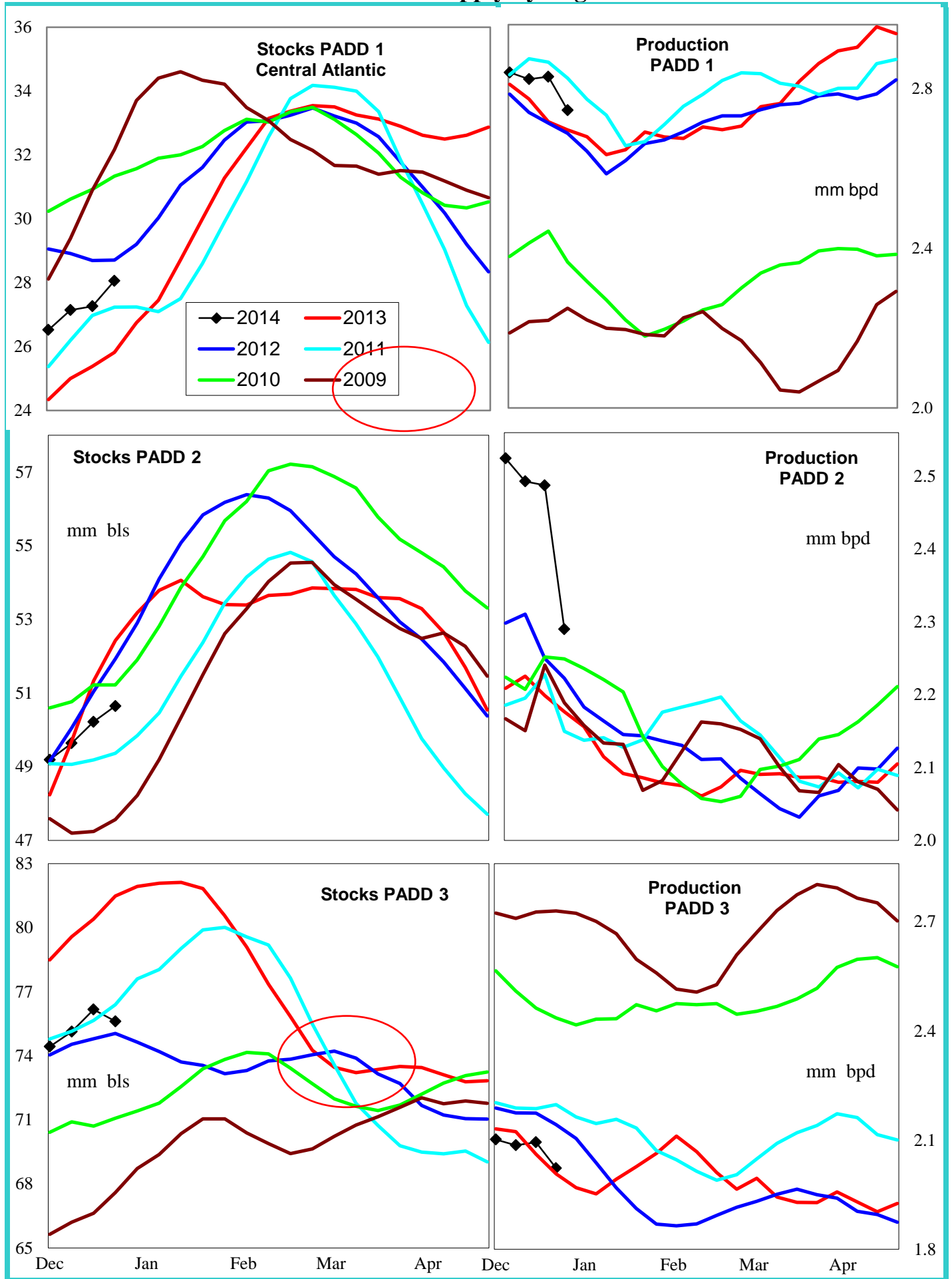
Gasoline Cash Basis and Related Price Spreads



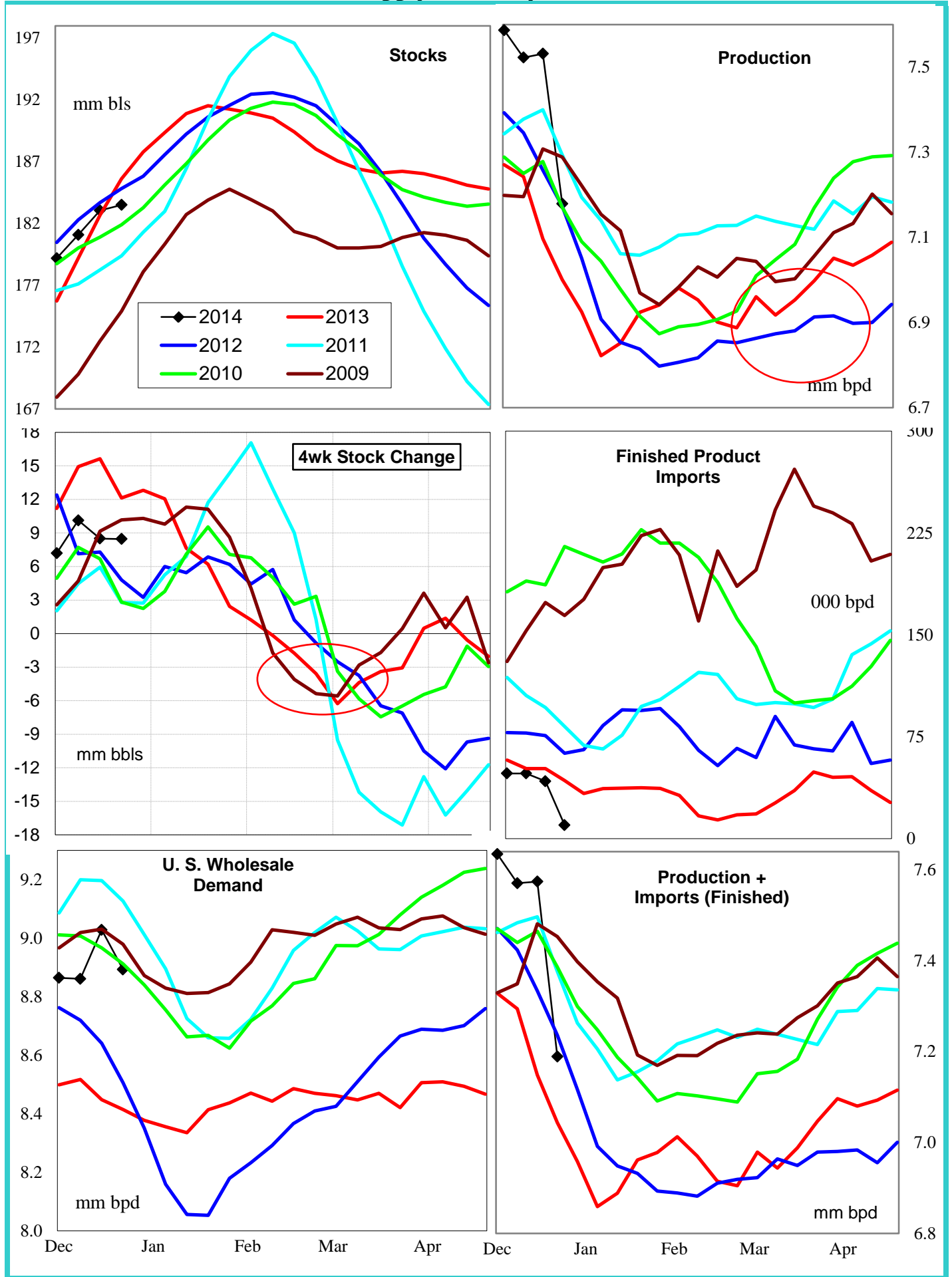
Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3



PADD 5 Gasoline Supply

