



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		→	→

a level comparable with historic lows. The latest 4-wk average demand was +227,000 bpd above a year ago.

Supplies plunged 0.8 million bpd on weather disruptions at many refiners.

Stocks increased +6.2 million barrels last week to a level above historic highs for the period.

Basis extended the uptrend in the Group and Gulf markets last week, While Chicago and NYH saw modest weakness. West Coast basis fell below the historic range on rapid stock builds of winter grade product.

RBOB

New York Harbor basis to trade sideways at the mid range on weak seasonal demand then trend lower on the switch to spring NYMEX contract.

Conventional

New York Harbor basis to trade sideways at the mid range on weak seasonal demand, then seasonally lower on the switch to spring NYMEX contract.

Chicago basis to trade sideways following recent strength, then risk a pull back on excess winter grade inventory.

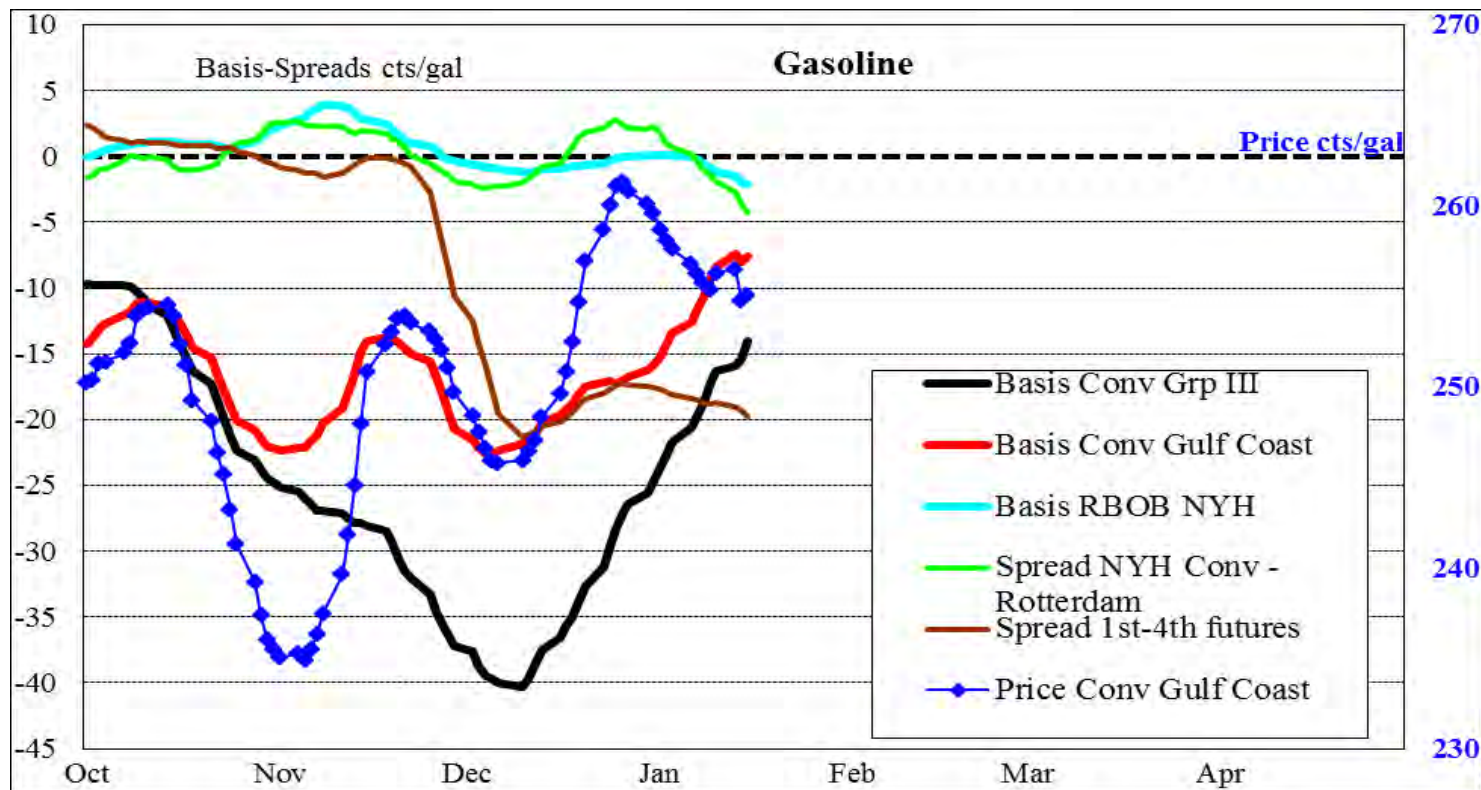
Group III basis to extend the current uptrend, limited by improving stock levels and weak seasonal demand.

Gulf Basis to trade sideways in the near term then risk a pull back on excess winter grade stocks.

West Coast (Los Angeles) basis trade sideways at record lows due to high stock builds of winter grade product, then seasonally higher as refiners began winter maintenance.

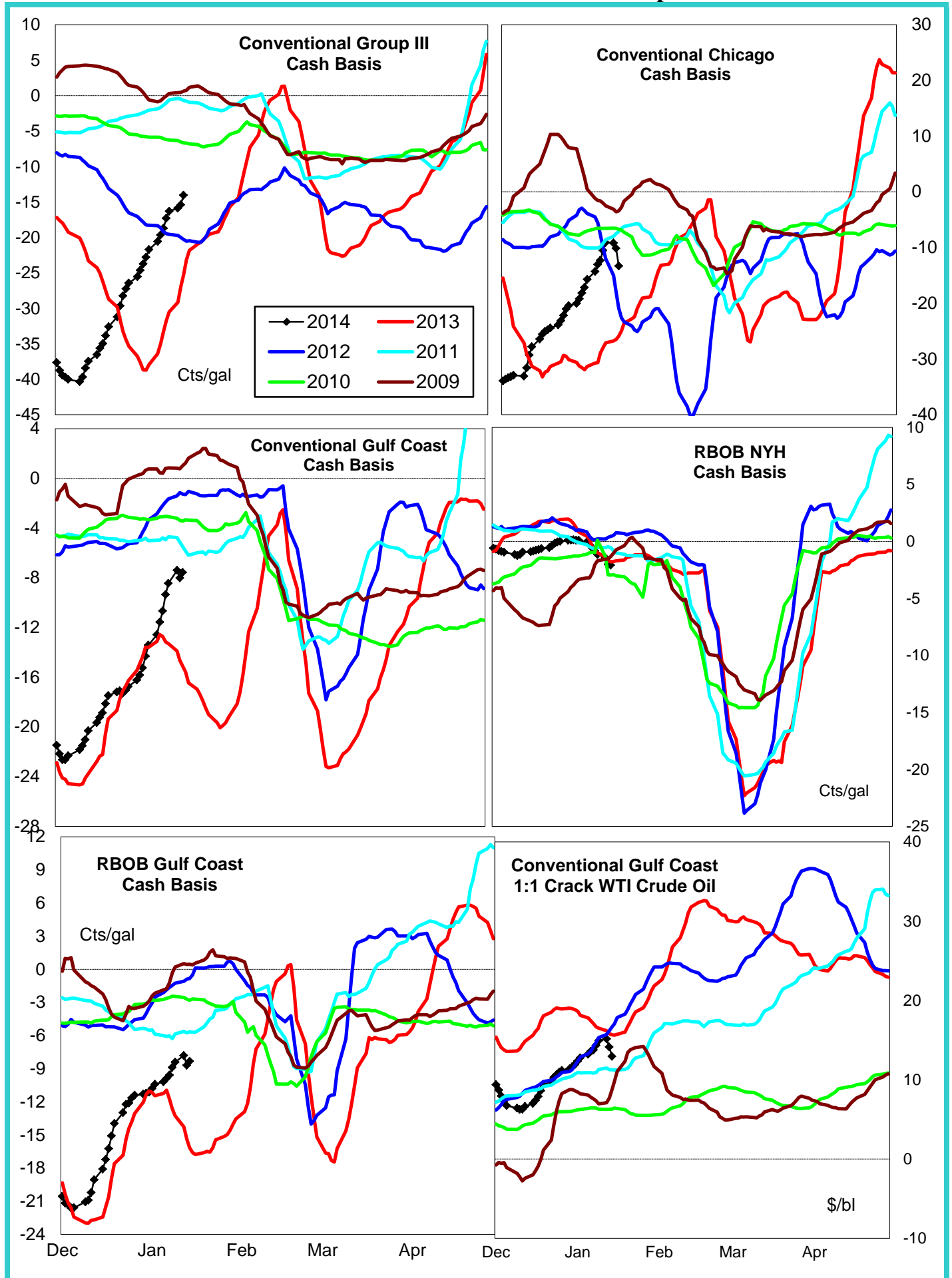
Gulf Coast Price Seasonal lows in wholesale demand should be seen in the 1st half of January, (although extremely cold temperatures forecast at month end could limit demand at that time) followed by a seasonal uptrend, concurrently with a reduction in output as refiners conduct winter maintenance. Look for stock levels to peak over the next 30-days. Then as supplies tighten, expect renewed strength in gasoline prices by mid quarter.

Wholesale demand extended the seasonal downtrend, falling -253,000 bpd last week,

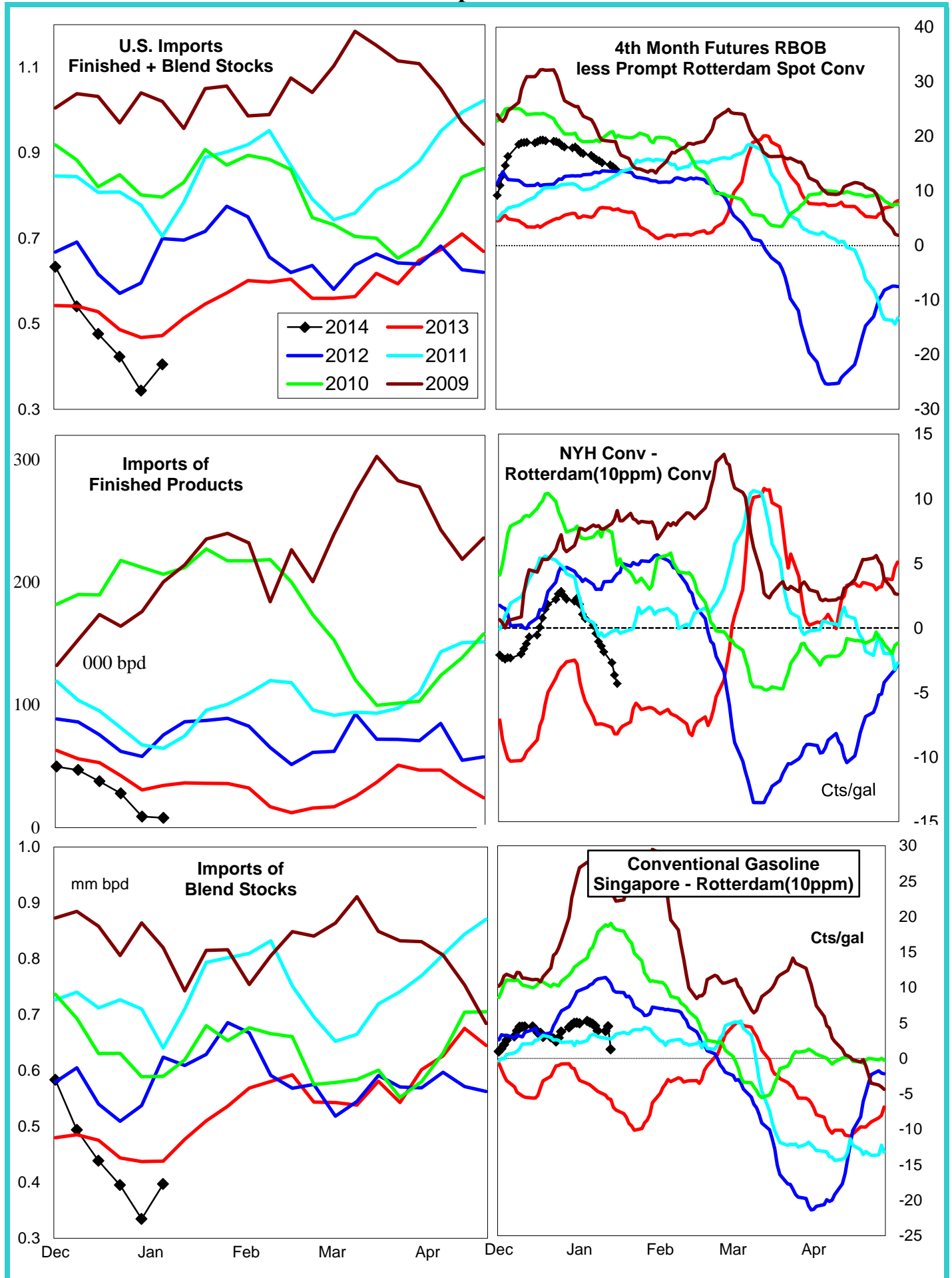


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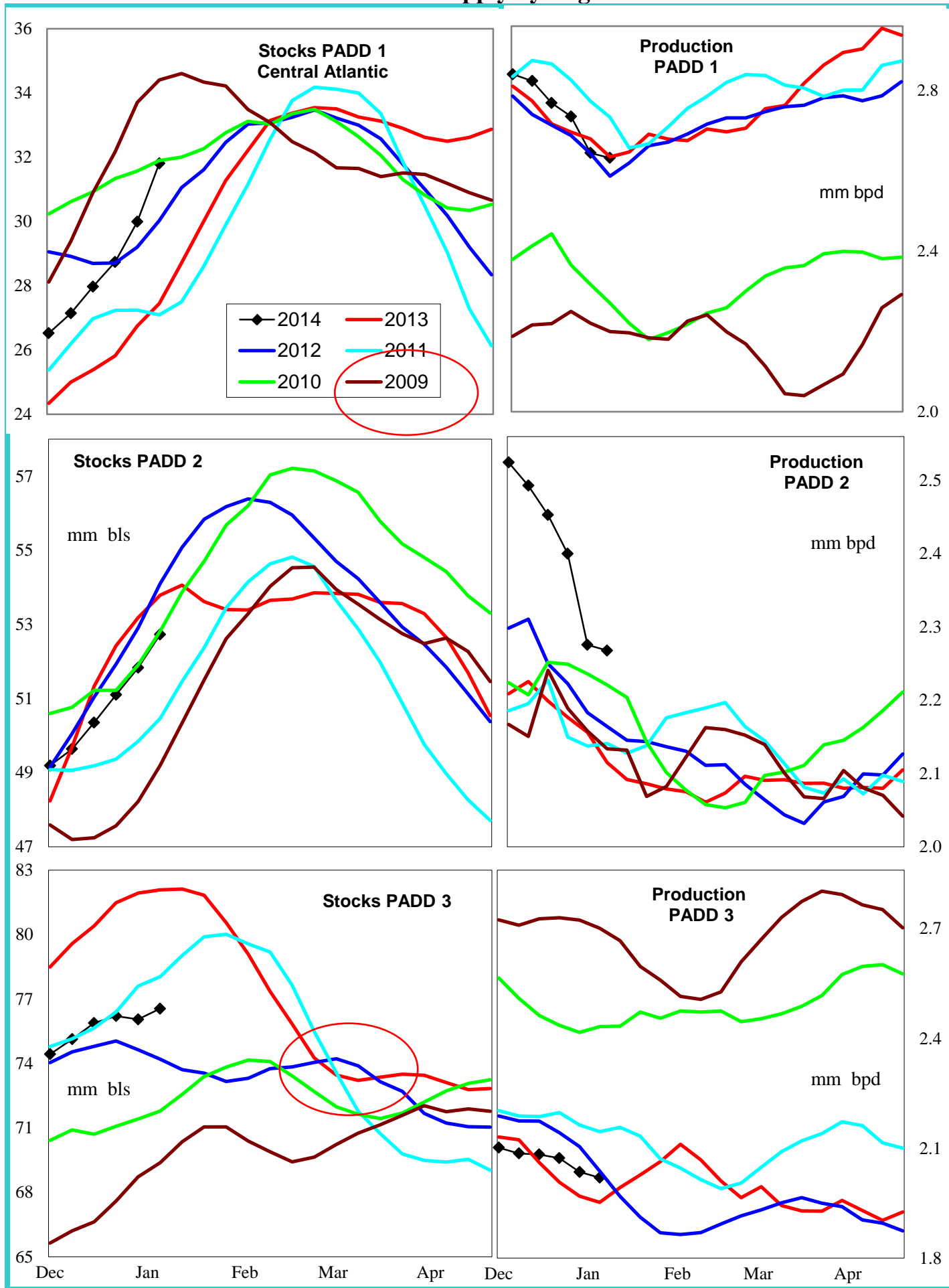
Gasoline Cash Basis and Related Price Spreads



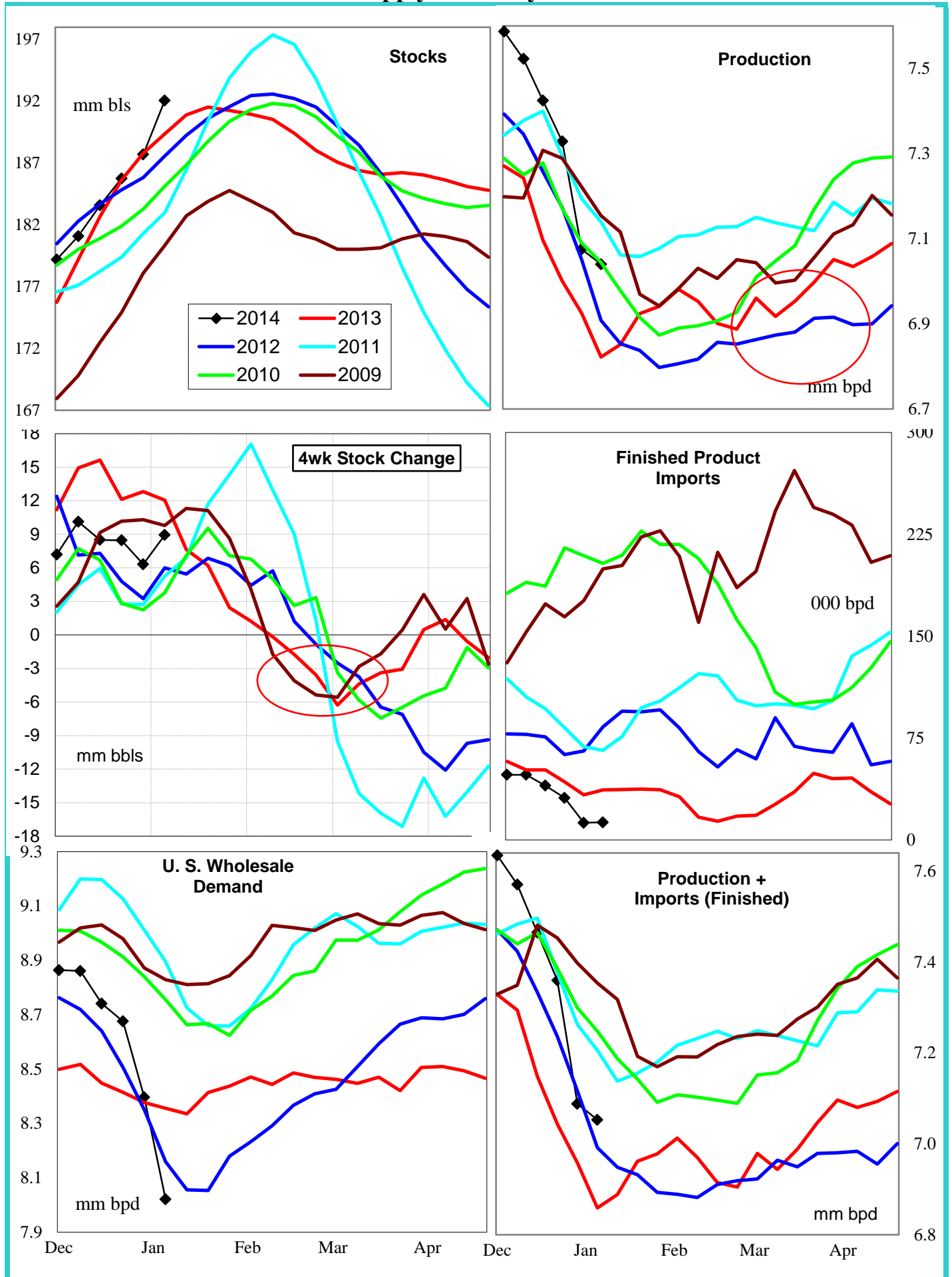
Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3



PADD 5 Gasoline Supply

