



WEEKLY GASOLINE FUNDAMENTAL-PRICE-BASIS OUTLOOK

A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Thursday, January 30, 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 jumped +525,000 bpd last week, on downstream supply chain restocking after previous inclement weather. The latest 4-wk average demand was -81,000 bpd below a year ago.

Supplies jumped +650,000 bpd on higher production as refiners returned to operation following early weather disruptions.

Stocks decreased -0.8 million barrels last week, although the level remains above the 5-yr range. Stock levels in the Midwest are the lowest, relative to prior years, of any regional market.

Basis trended higher in the Midwest and West Coast regional markets last week. The Gulf and Chicago markets traded sideways to lower on the week.

Look for basis to trade sideways in markets East of the Rockies during the next month, then pull back on the roll to spring grade at month end.

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

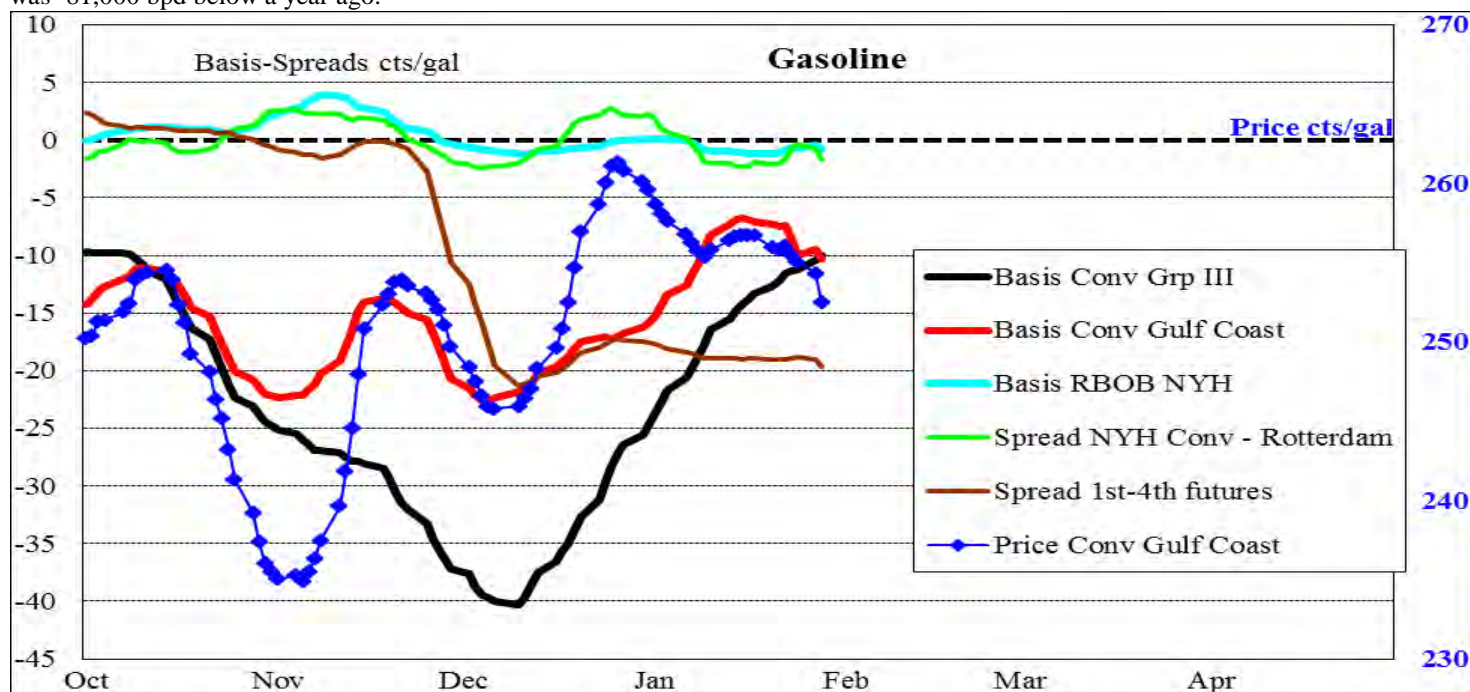
excess winter grade inventory ahead of the roll to spring NYMEX contract.

Group III basis to trade sideways on seasonal stock builds and weak seasonal demand, then pull back on the switch to NYMEX spring contract at the end of February. *There is increased risk of above average basis in this region on relatively low PADD 2 stocks during the 2nd quarter.*

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

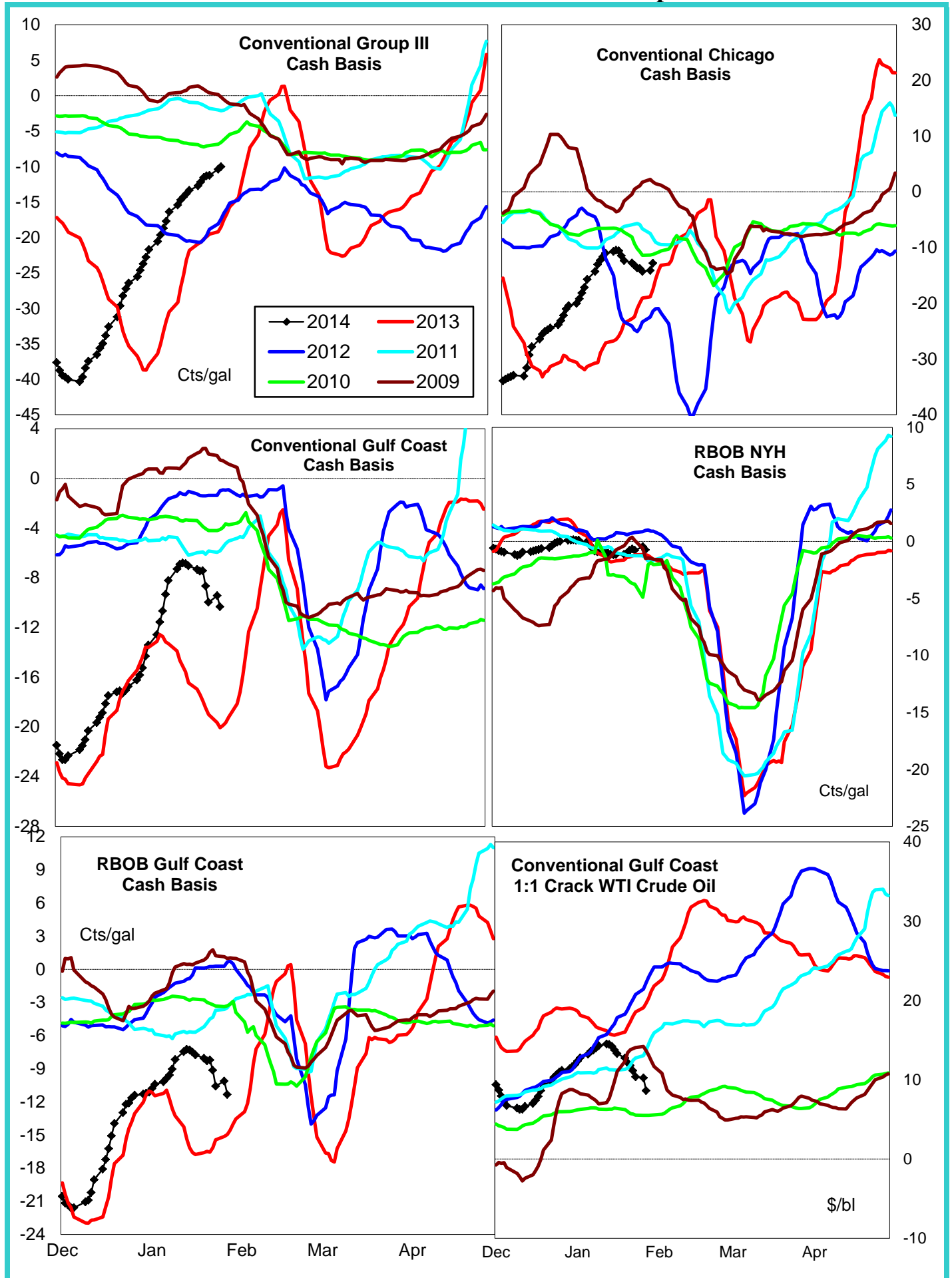
West Coast (Los Angeles) basis trend higher in the near term on refinery upsets in the region, then trade sideways on increased production.

Gulf Coast Price Look for the seasonal uptrend in demand to be delayed as a result of inclement weather until mid February. Combined with a reduction in output as refiners conduct winter maintenance, look for price strength by late in the quarter.

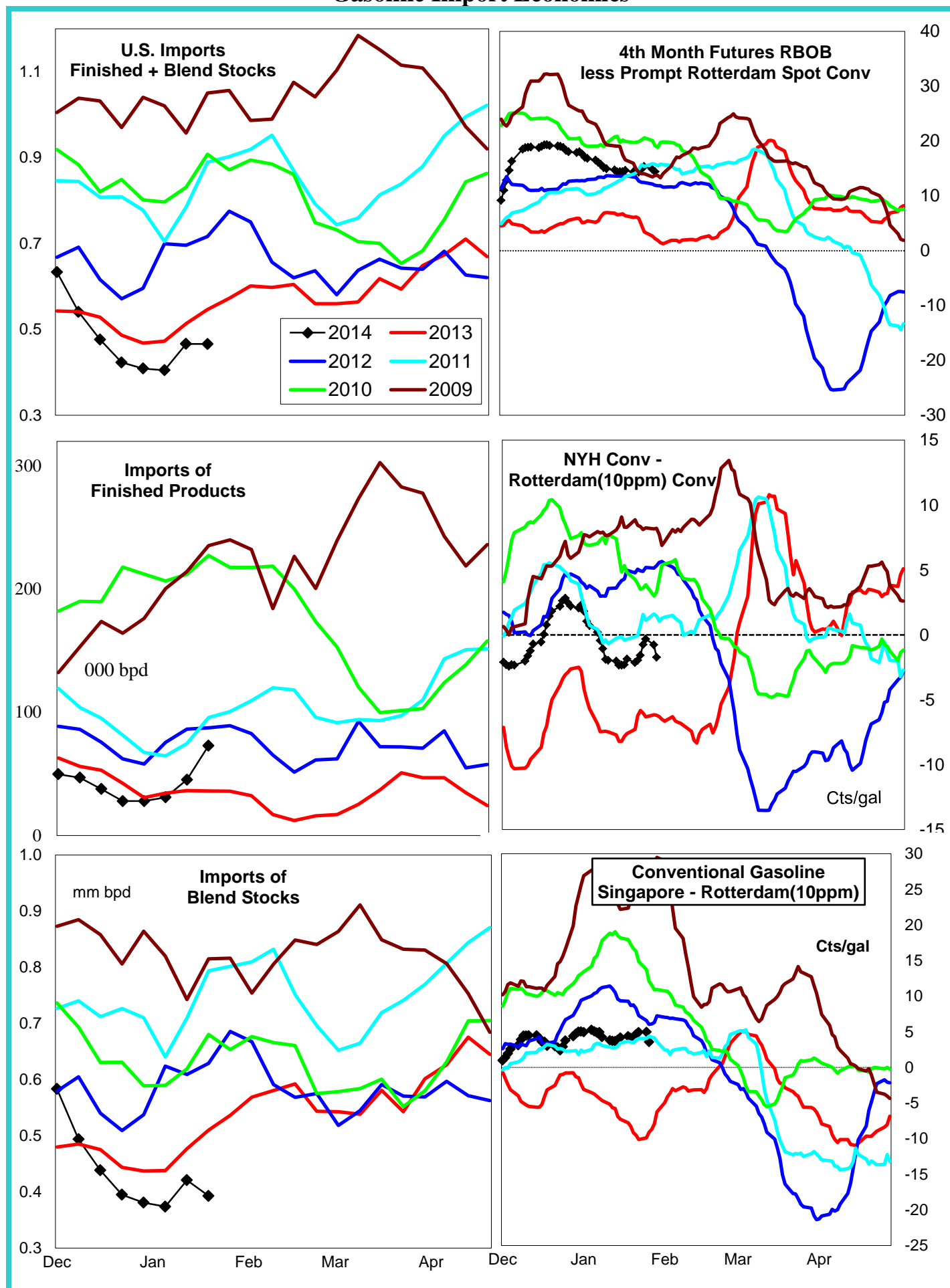


Disclaimer - The information contained on this website and in all its reports reflects the opinion of Fundamental Petroleum Trends. Futures and commodities trading involve significant risk and may not be suitable for every investor. Information contained herein is strictly the opinion of its author and is intended for informational purposes and is not to be construed as a recommendation to sell or buy, or trade in any commodity mentioned herein. Information is obtained from sources believed reliable, but is in no way guaranteed. Opinions, market data and recommendations are subject to change at any time. Past results are not indicative of future results. Charts are developed by Fundamental Petroleum Trends from EIA, NWS, other public data and proprietary models unless otherwise noted and credited.

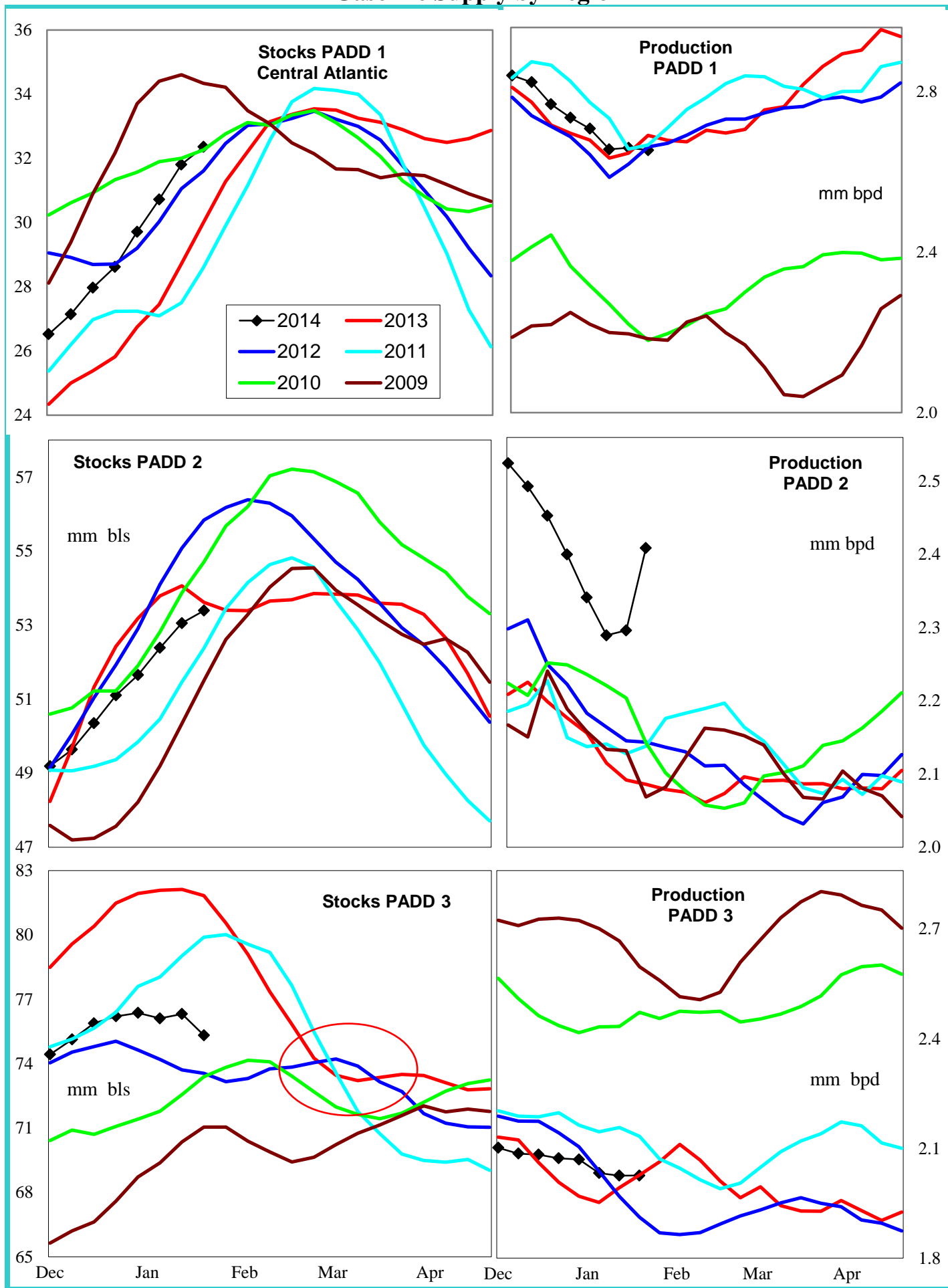
Gasoline Cash Basis and Related Price Spreads



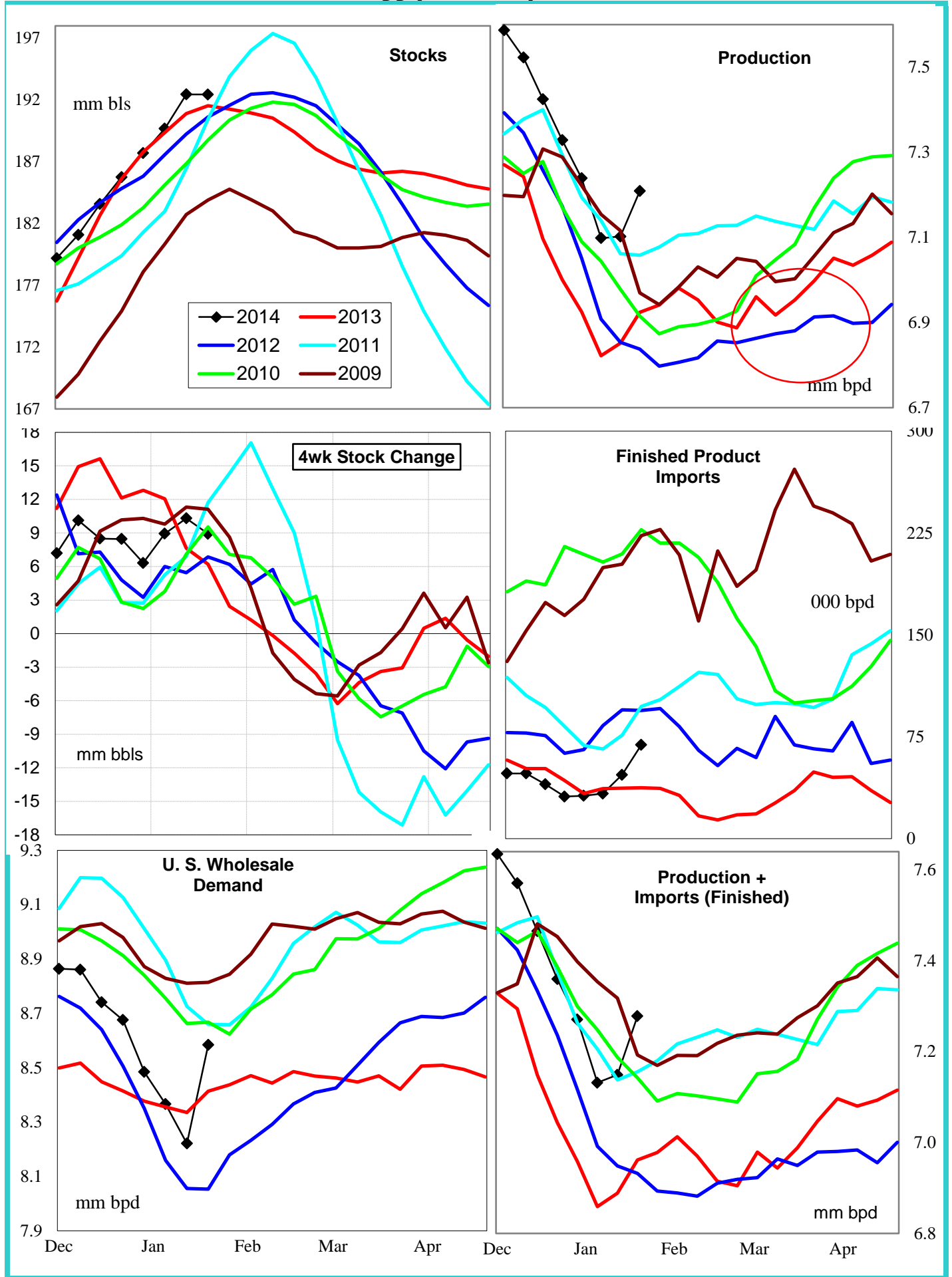
Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3



PADD 5 Gasoline Supply