



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 -127,000 bpd last week, on continued inclement weather. The latest 4-wk average demand was -83,000 bpd below a year ago; driven by inclement weather.

Supplies decreased -200,000 bpd on lower imports.

Stocks declined -1.9 million barrels last week, to a level slightly above the last 2-yr. Stock levels in the Midwest are at the mid range of the last 3-yr; while stocks in the Central Atlantic region are match 5-yr lows for this time of year.

Cash basis strengthened in NYH on the week, and remains above the 5-yr range for the period. Basis traded sideways in Midwest markets last week, while Gulf and West coast markets all pulled back late in the week.

Look for basis to decline in most markets on the roll to spring grades at month end. West coast markets remain well supplied on a production increase of +5% over the 5-yr range. The central Atlantic region risk tight supplies on low imports and above average maintenance, including Irving in eastern Canada next month.

RBOB

New York Harbor basis to trade sideways to at a level above the historic range on tight supplies, then trend lower on the switch to spring NYMEX contract.

Conventional

New York Harbor basis to trade sideways to at a level above the historic range on

tight supplies, then trend lower on the switch to spring NYMEX contract

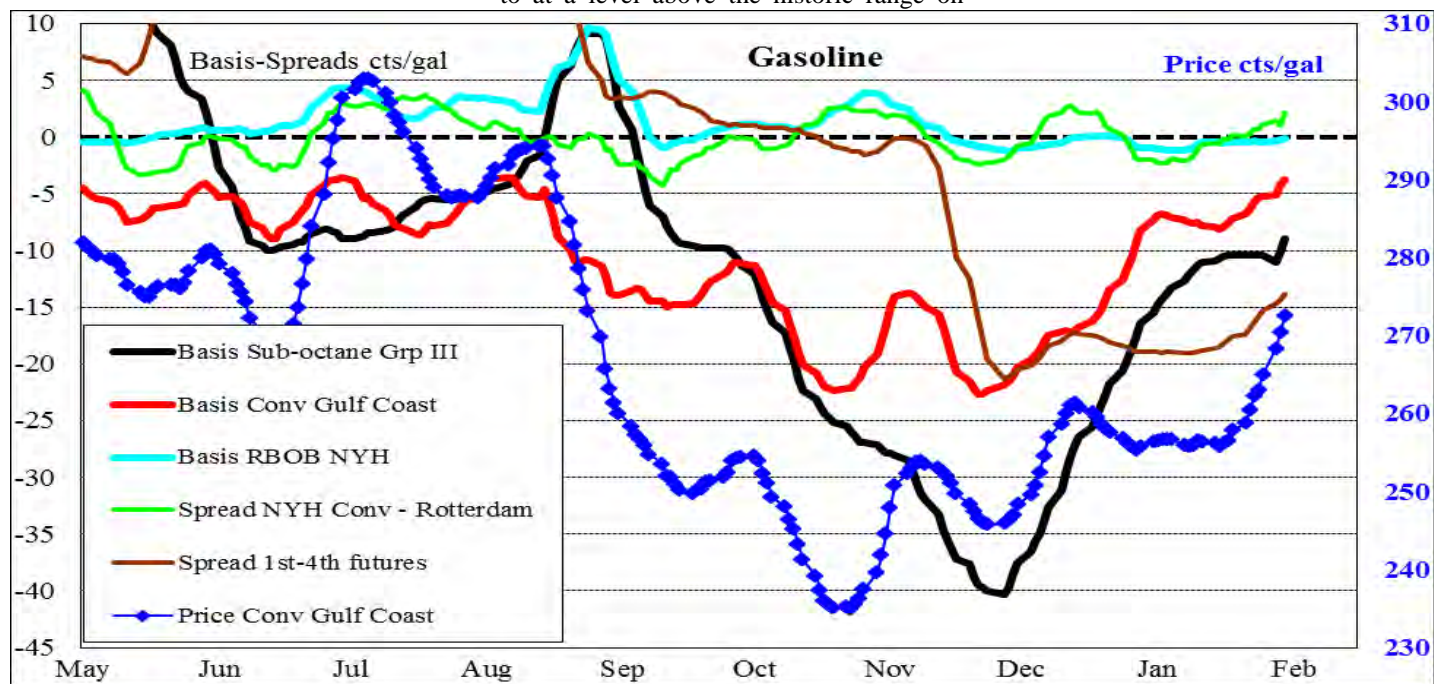
Chicago basis to pull back on the roll to spring grade gasoline, then strengthen on higher seasonal demand.

Group III basis to pull back on the switch to NYMEX spring contract, then trend higher on increased seasonal demand.

Gulf Basis to trend lower on the roll to spring NYMEX contract, followed by strength on higher seasonal demand.

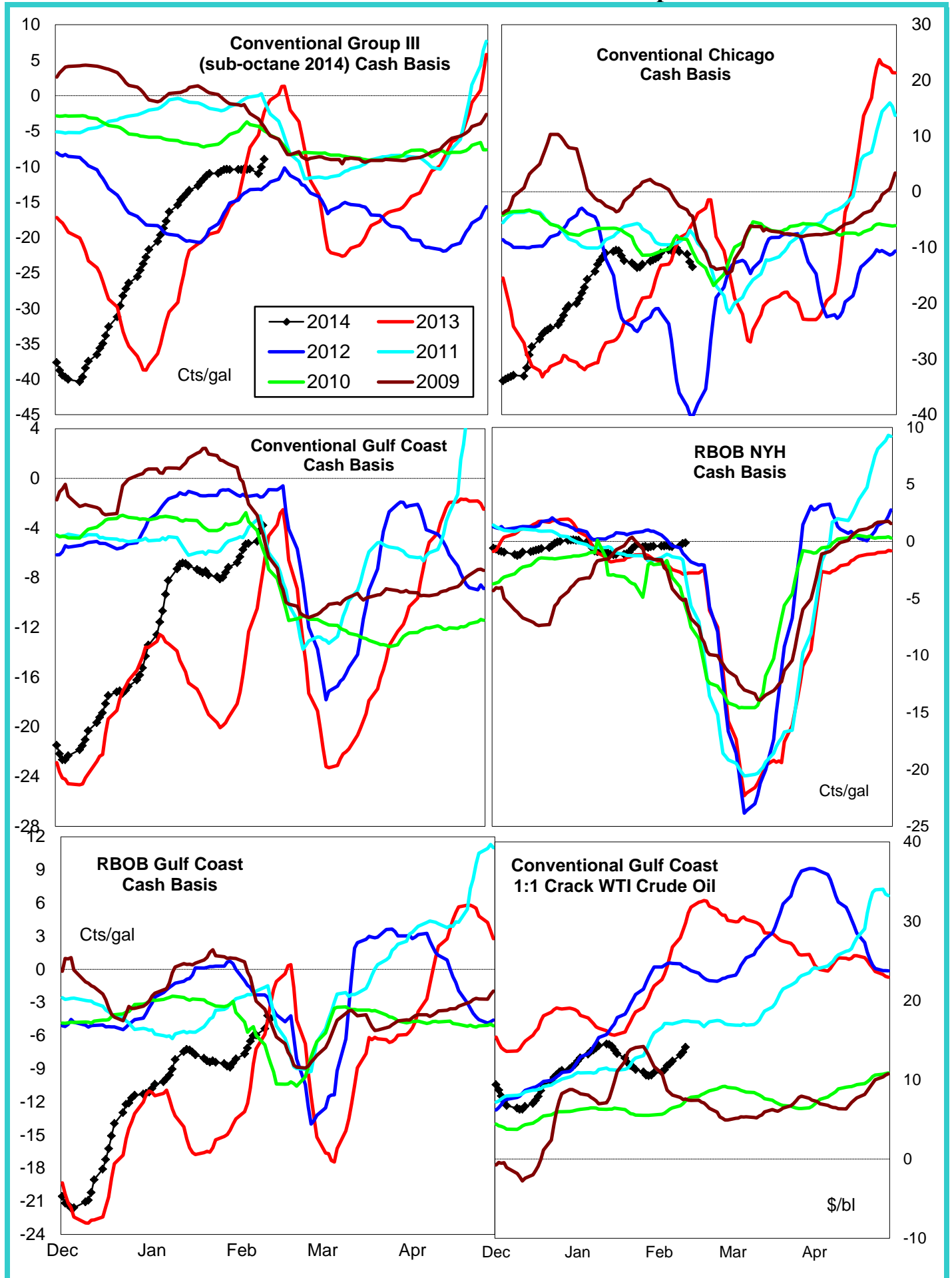
West Coast (Los Angeles) basis to remain weak in the near term on high production, then trend higher on the switch to spring grade cash gasoline and stock draws.

Gulf Coast Price Supplies are tightening in the key Central Atlantic Region on low stock levels and imports; particularly on much warmer than normal temperatures at month end. Wholesale demand should jump during the last 10-days of the month; returning to year-on-year growth. Combined with a reduction in output as refiners conduct maintenance, look for price strength over the next several weeks.

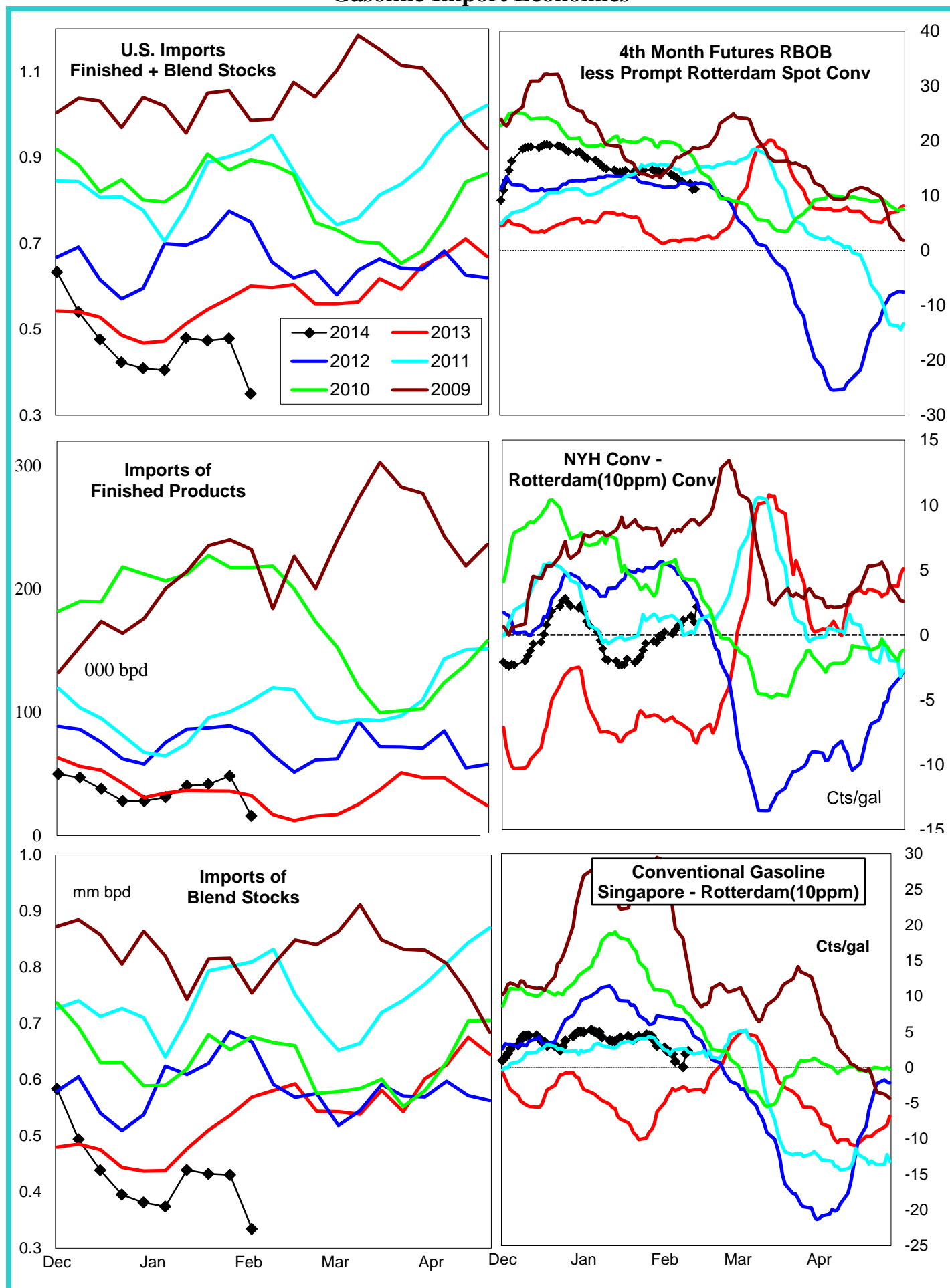


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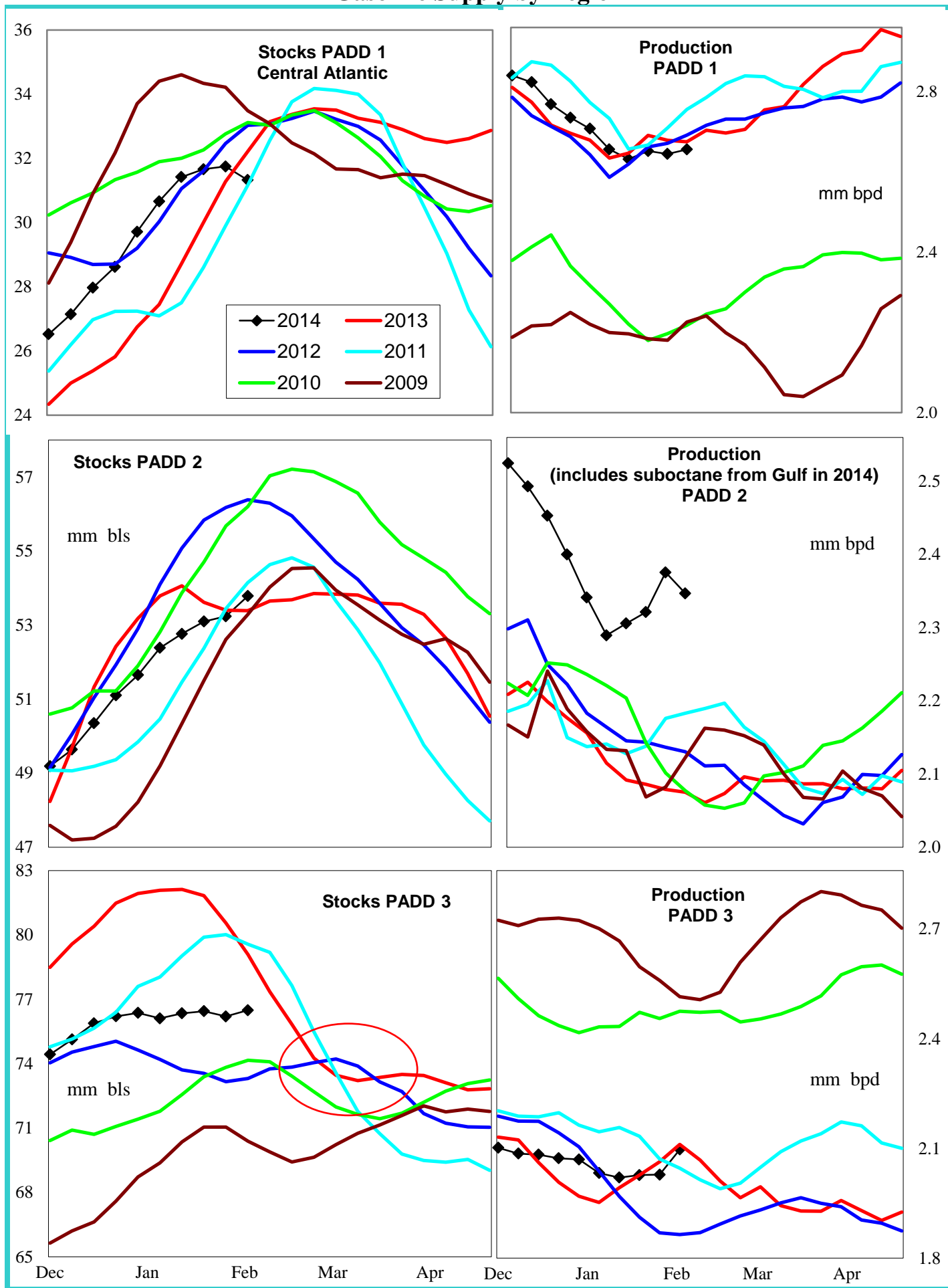
Gasoline Cash Basis and Related Price Spreads



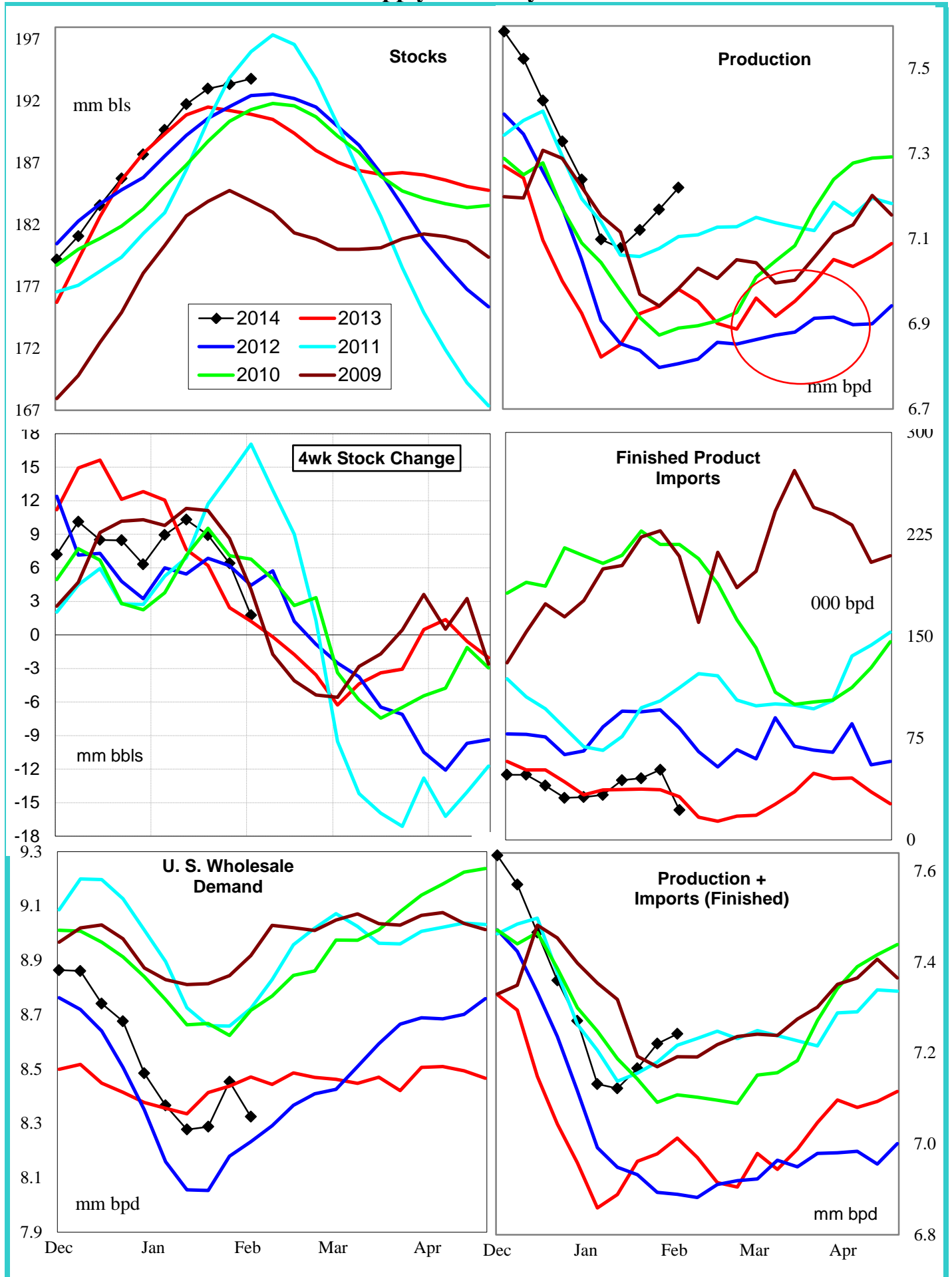
Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3



PADD 5 Gasoline Supply

