



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 -295,000 bpd last week, on continued inclement weather. The latest 4-wk average demand was -92,000 bpd below a year ago; driven by inclement weather.

Supplies decreased -30,000 bpd on lower production.

Stocks increased +0.3 million barrels last week, to a level slightly above the last 2-yr. Stock levels in the Midwest are near the mid range of the last 3-yr; while stocks in the Central Atlantic region were at the low end of the historic range.

Cash basis strengthened in Midwest markets and California last week, trending lower in the Gulf region. Basis levels were at record lows in the Northwest last week. Relatively tight markets in the Midwest have the level to the upper end of the historic range.

Look for basis to decline in most markets on the roll to spring grades at month end. While inclement weather has depressed demand in on the East Coast, there remains a risk of relatively tight supplies in the Northeast on very low imports and maintenance at the Irving refinery in eastern Canada next month.

RBOB

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

near term, then trend lower on the switch to spring NYMEX contract

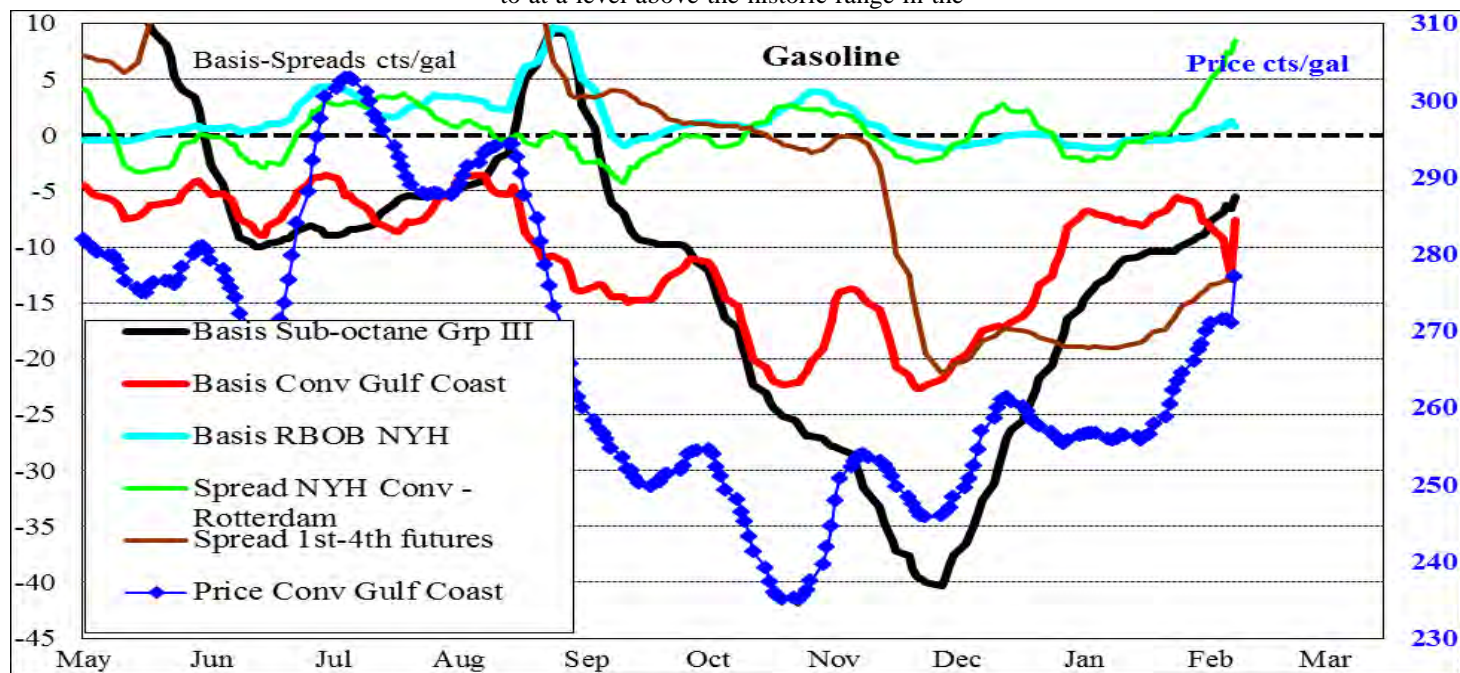
Chicago basis to pull back on the roll to spring grade gasoline, then strengthen on higher seasonal demand.

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.

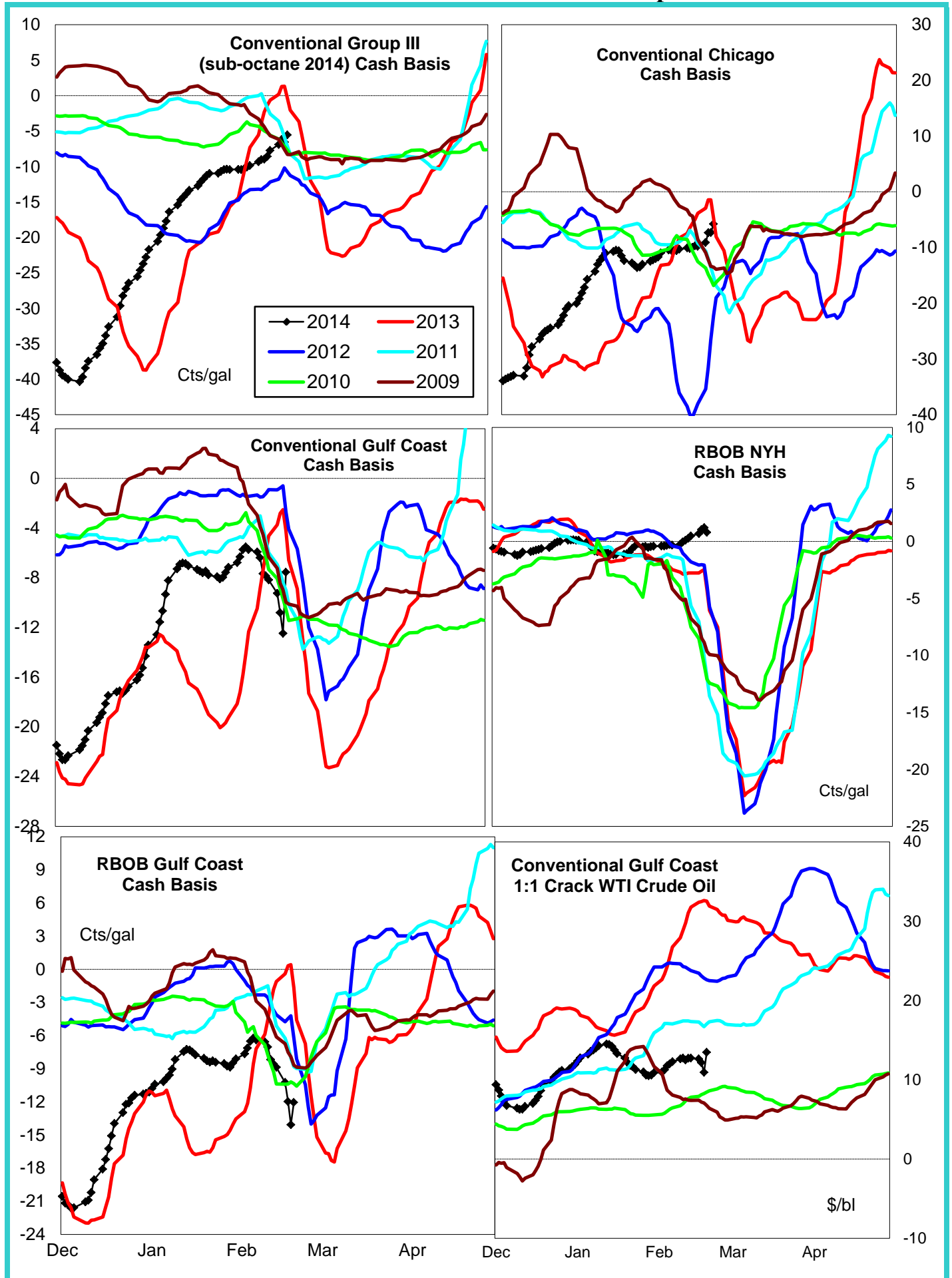
West Coast (Los Angeles) basis to trend higher on the switch to spring grades, then sideways on the roll to spring grade futures.

Gulf Coast Price Inclement weather has significantly limited demand in markets East of the Rockies during the last 60-days. Imports remain extremely low, due in part to closure of European refineries during the last several years. Wholesale demand should jump in early March on expected warmer temperatures East of the Rockies. Combined with a reduction in output as refiners conduct maintenance, look for further price strength during the next 30-days.

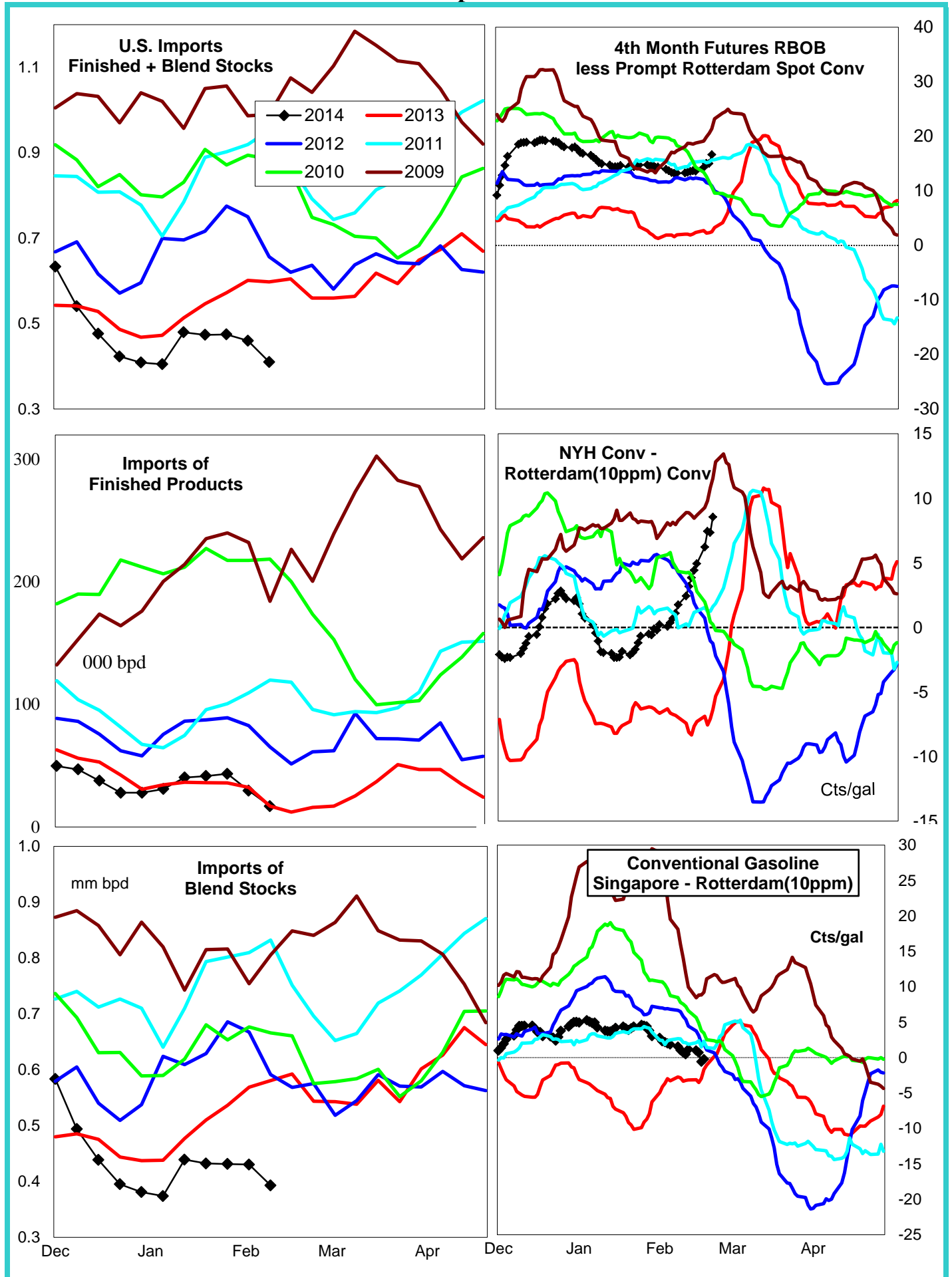


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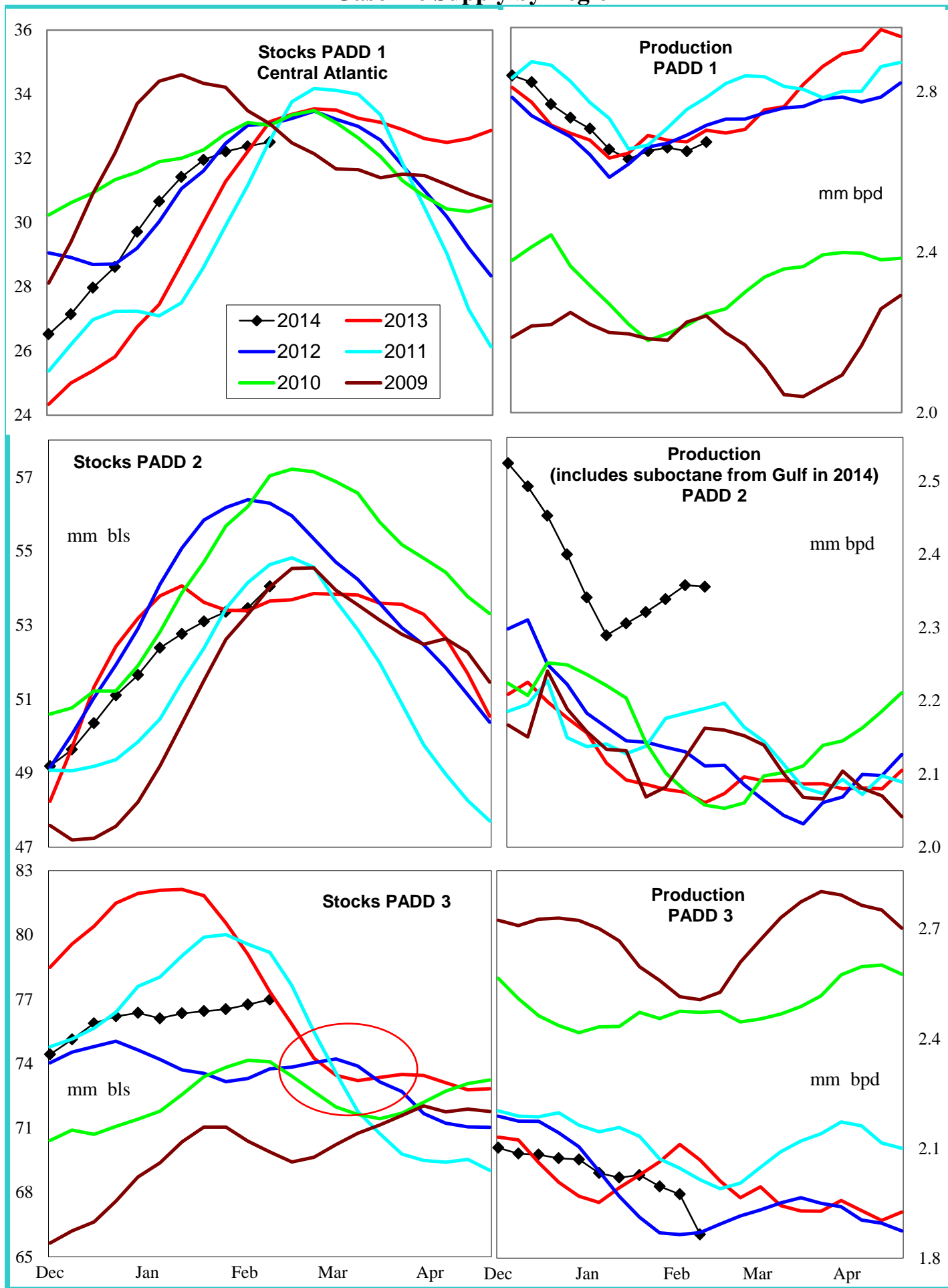
Gasoline Cash Basis and Related Price Spreads



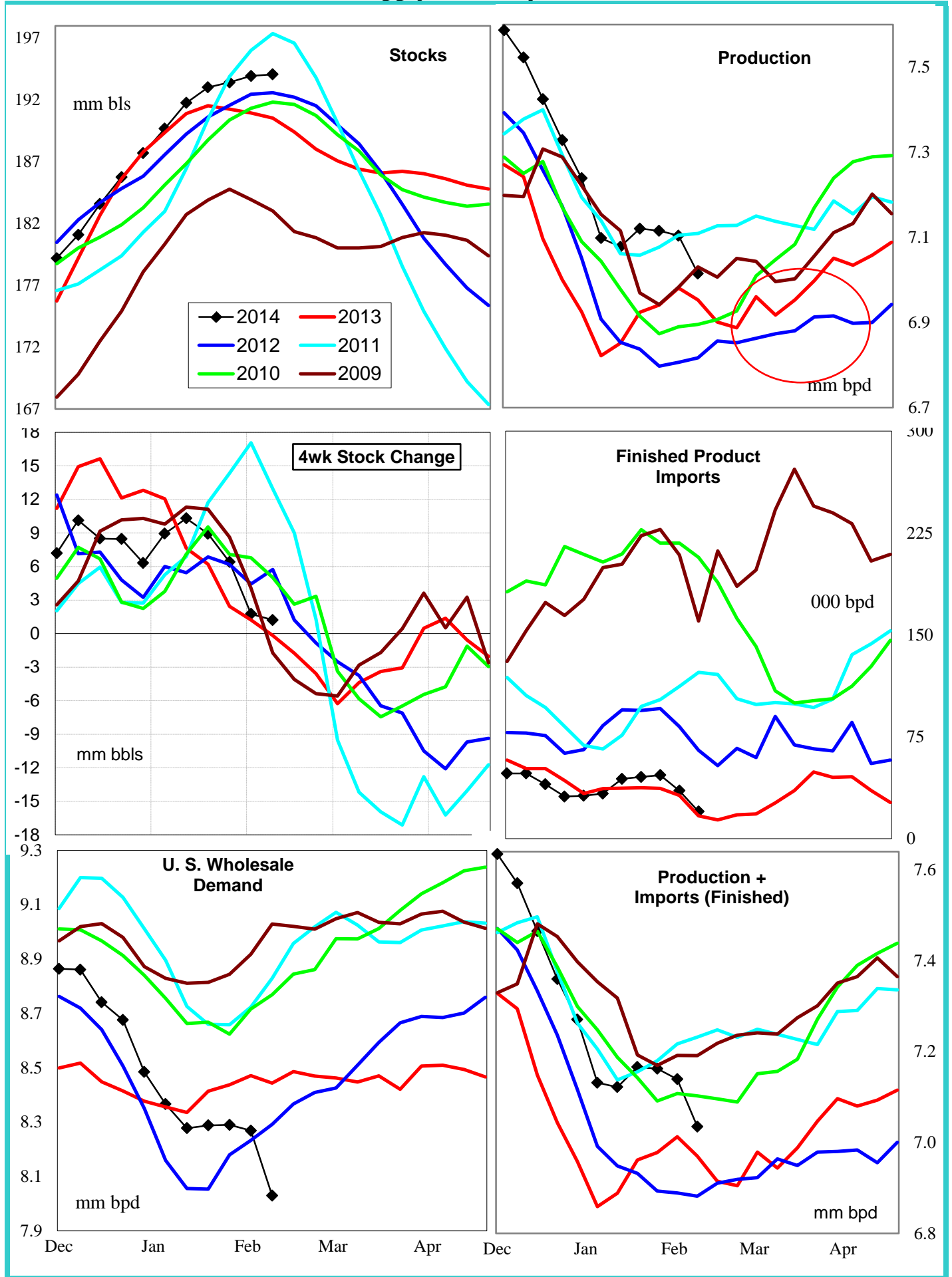
Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3



PADD 5 Gasoline Supply

