



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 climbed +0.5 million bpd last week, rebounding from the prior week. The latest 4-wk average demand was +290,000 bpd above a year ago, the highest year-on-year growth rate since last fall.

Supplies were nearly unchanged last week with lower production offset by an increase in imports. Look for a further pull back in output once the 'in process' material is converted to finished product.

Stocks fell -5.1million barrels last week, with significant draws in the Midwest and Gulf regions. *Stock levels are now at record lows in the Midwest.*

Cash basis fell sharply last week in NYH and the Gulf as marketers continued liquidation of winter grade product. Basis also trended lower in Midwest markets, although the level remains comparable to the last 2-yrs. West Coast basis trended higher, although the level remains near record lows for this time of year.

Look for a broad based uptrend in basis on higher seasonal demand and the switch to summer grade product over the next month.

RBOB

New York Harbor basis to trend higher on higher seasonal demand, low stock levels and limited imports.

Conventional

New York Harbor basis to trend higher on higher seasonal demand, low stock levels and limited imports.

Chicago basis to rebound from the pull back on above average FCCU maintenance in the region and low stock levels.

Group III basis to trend higher on very low stock levels and increased demand.

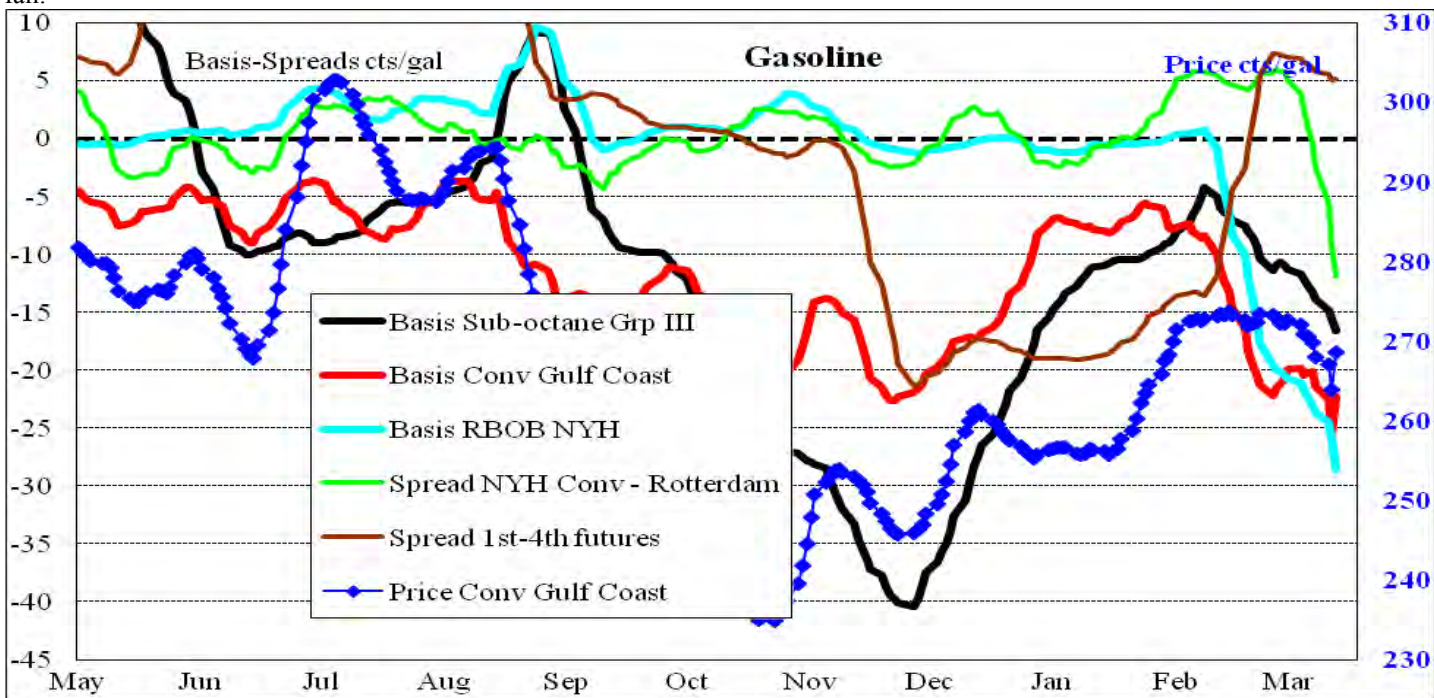
Gulf Basis to trend higher on the switch to summer grade product, limited by very high stock levels.

West Coast (Los Angeles) basis to trend seasonally higher on spring stock draw.

Gulf Coast Price Refiners east of the Rockies have been producing record gasoline output, driven by below average maintenance and substitution of domestic shale crude for higher gravity imports.

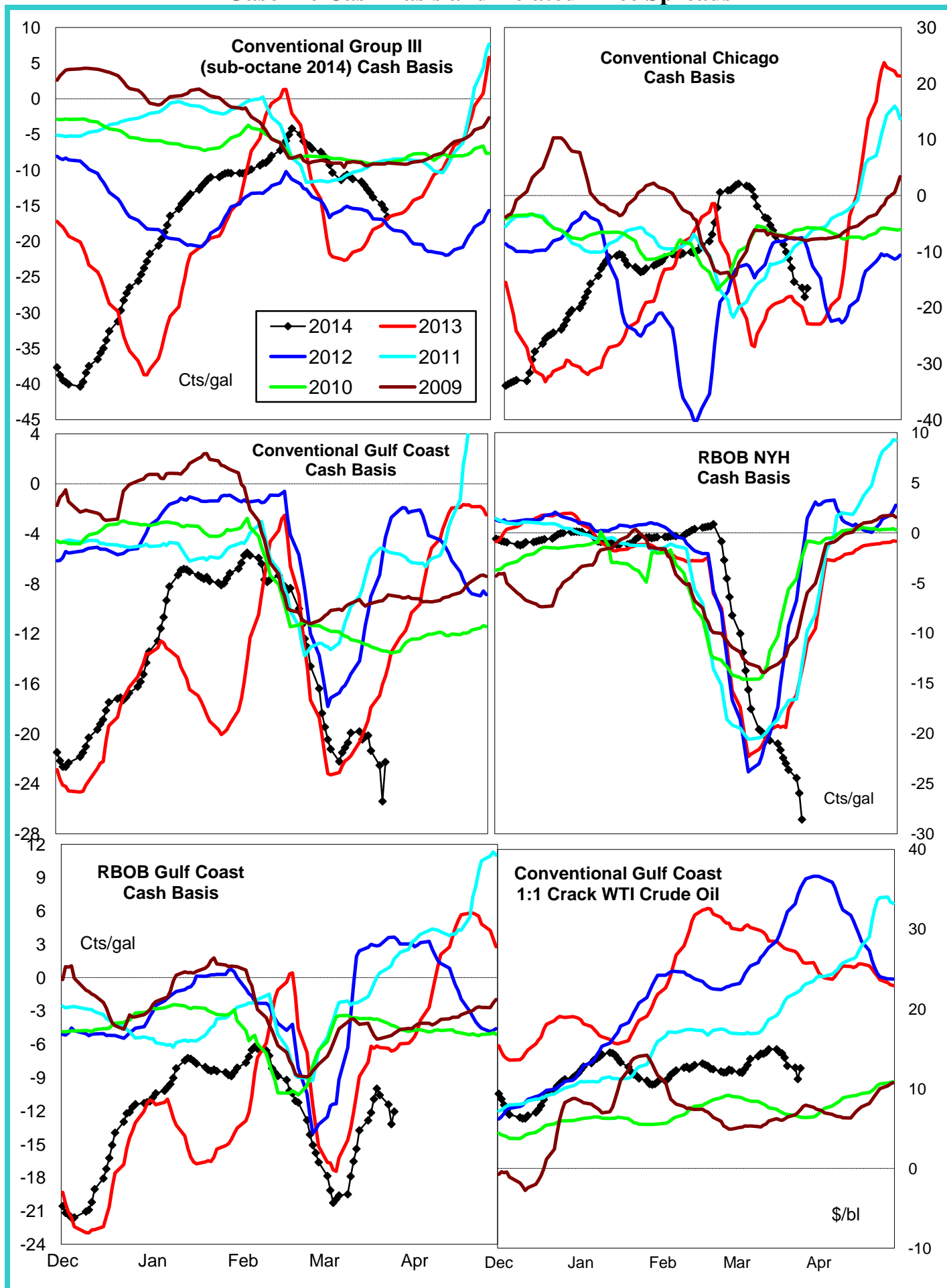
Look for year-on-year growth in demand, and above average maintenance on FCCU's in the Midwest to provide support to prices, limited by the increase in yields from substitution of domestic shale crude.

Slower economic growth in China may limit the rebound in global energy prices during the next quarter.

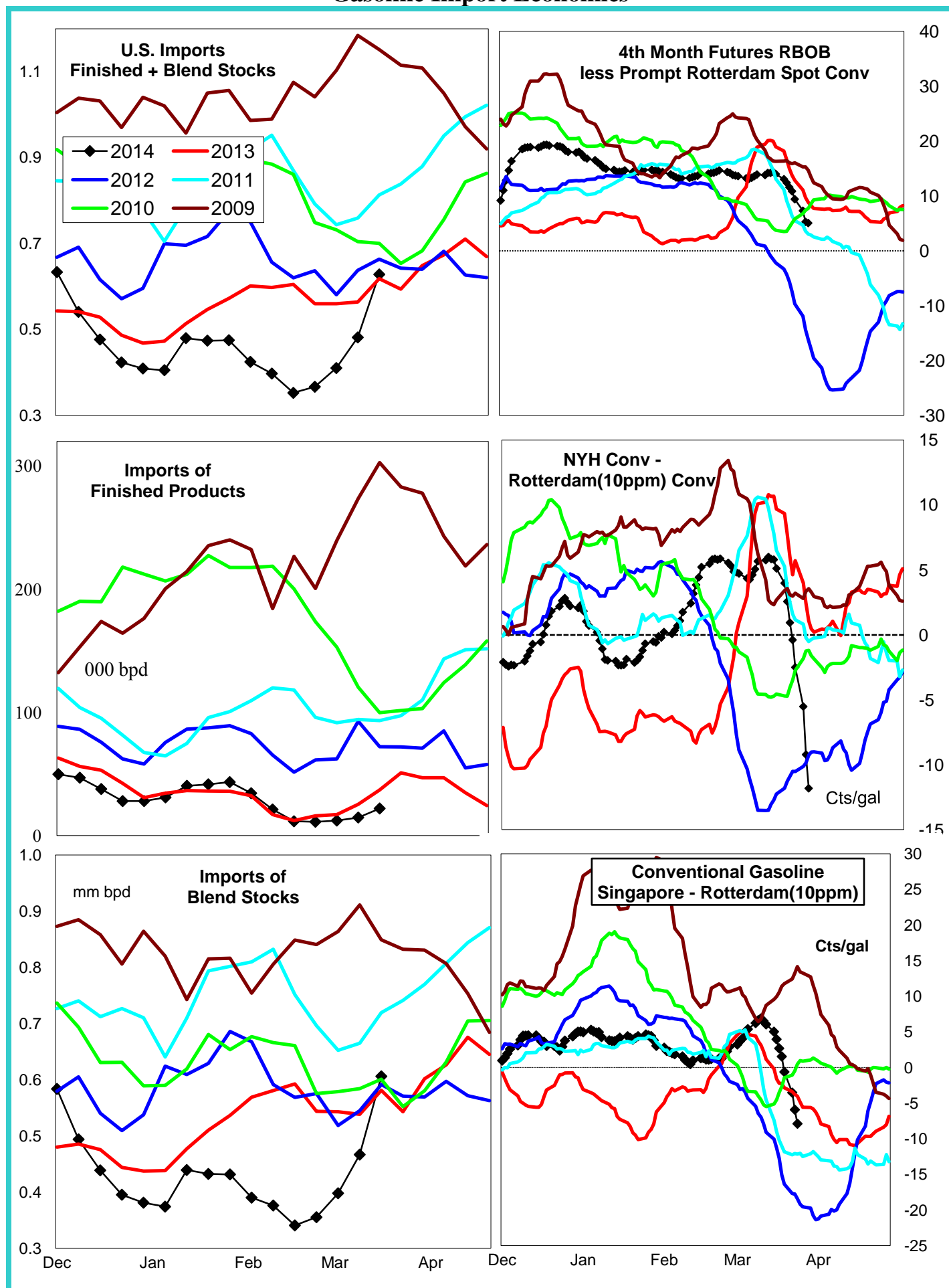


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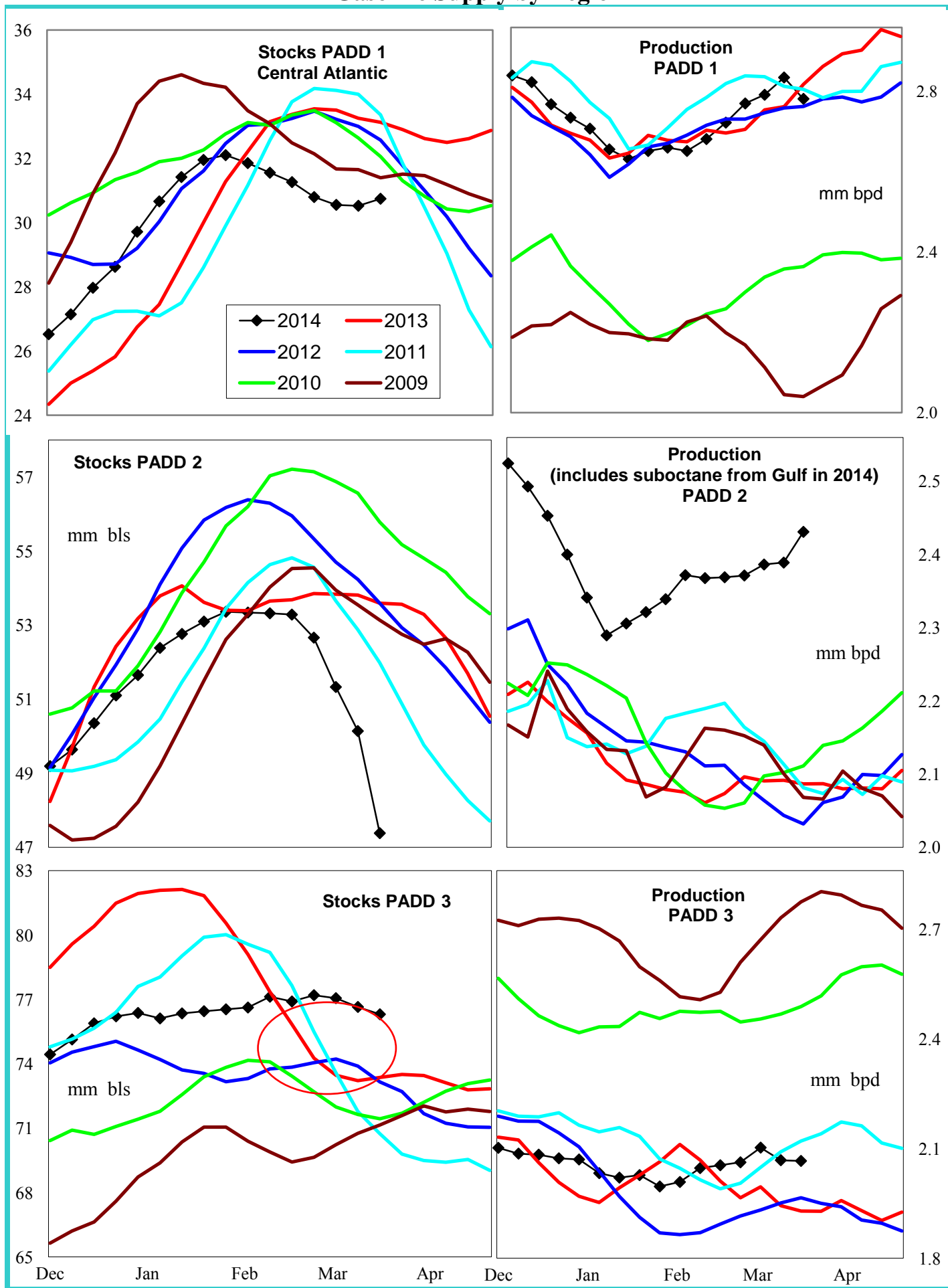
Gasoline Cash Basis and Related Price Spreads



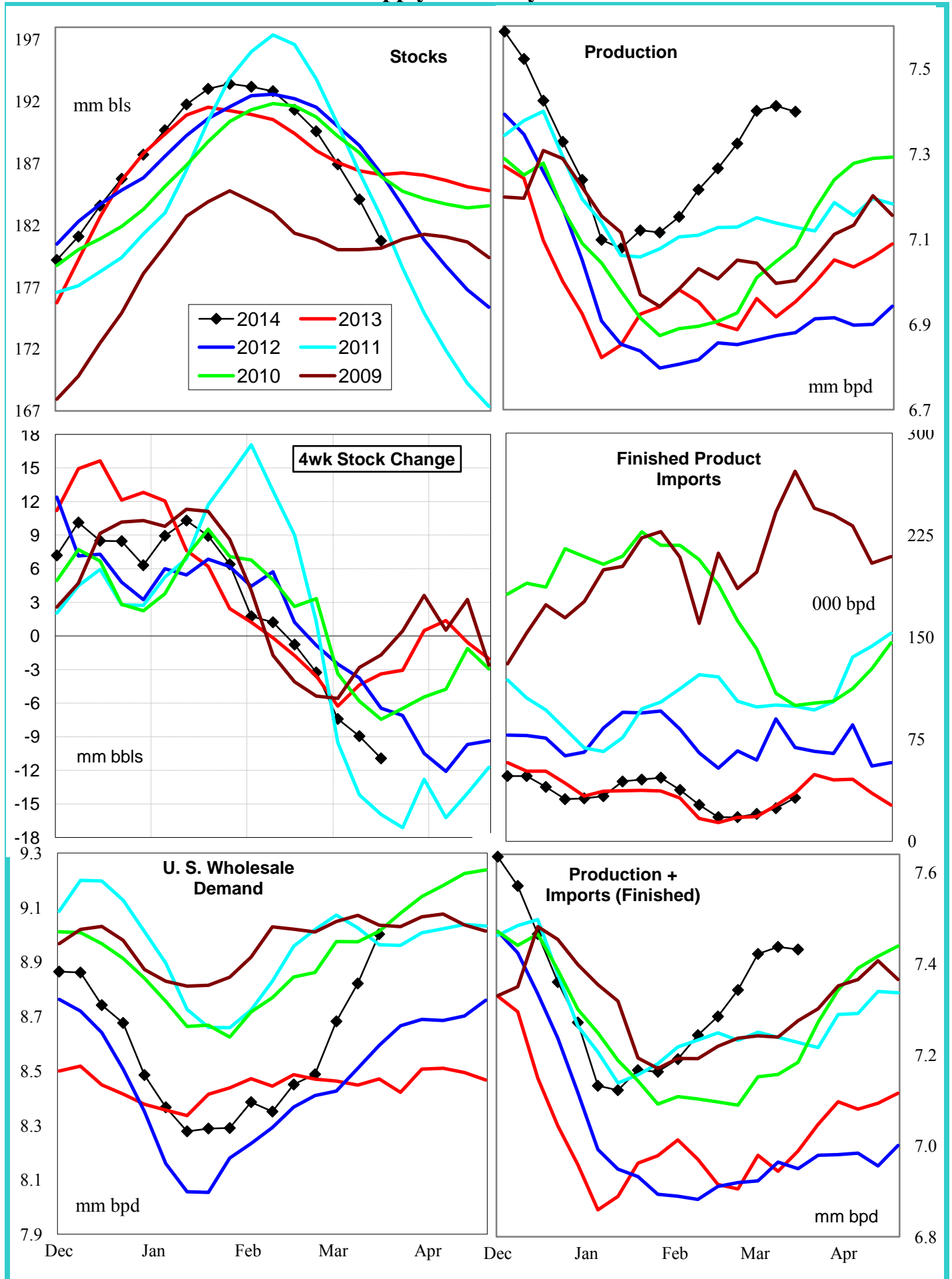
Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3



PADD 5 Gasoline Supply

