



WEEKLY GASOLINE FUNDAMENTAL-PRICE-BASIS OUTLOOK

A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Monday, April 07, 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 declined -0.3 million bpd last week, with the level still above the last 2-yrs. The latest 4-wk average demand was +326,000 bpd above a year ago, the highest year-on-year growth rate since last fall.

Supplies decreased -52,000 bpd on lower imports last week. Record high output should decline as FCCU 'in process' material is converted to finished product and the switch to summer grades is complete.

Stocks decreased -1.6 million barrels last week, with the draw concentrated on the East Coast. *Stock levels are below the 5-yr range in the Midwest and East coast regions.*

Cash basis traded sideways or trended higher last week in all regional markets, due to rising seasonal demand and weakness in the NYMEX RBOB contract.

Basis levels remain below the historic range in NYH and the Northwest regions, with other markets trading near the average of the last 2-yrs.

Look for a continued 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 rising seasonal demand, low stock levels and limited imports.

Conventional

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

Chicago basis to extend the current uptrend 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.

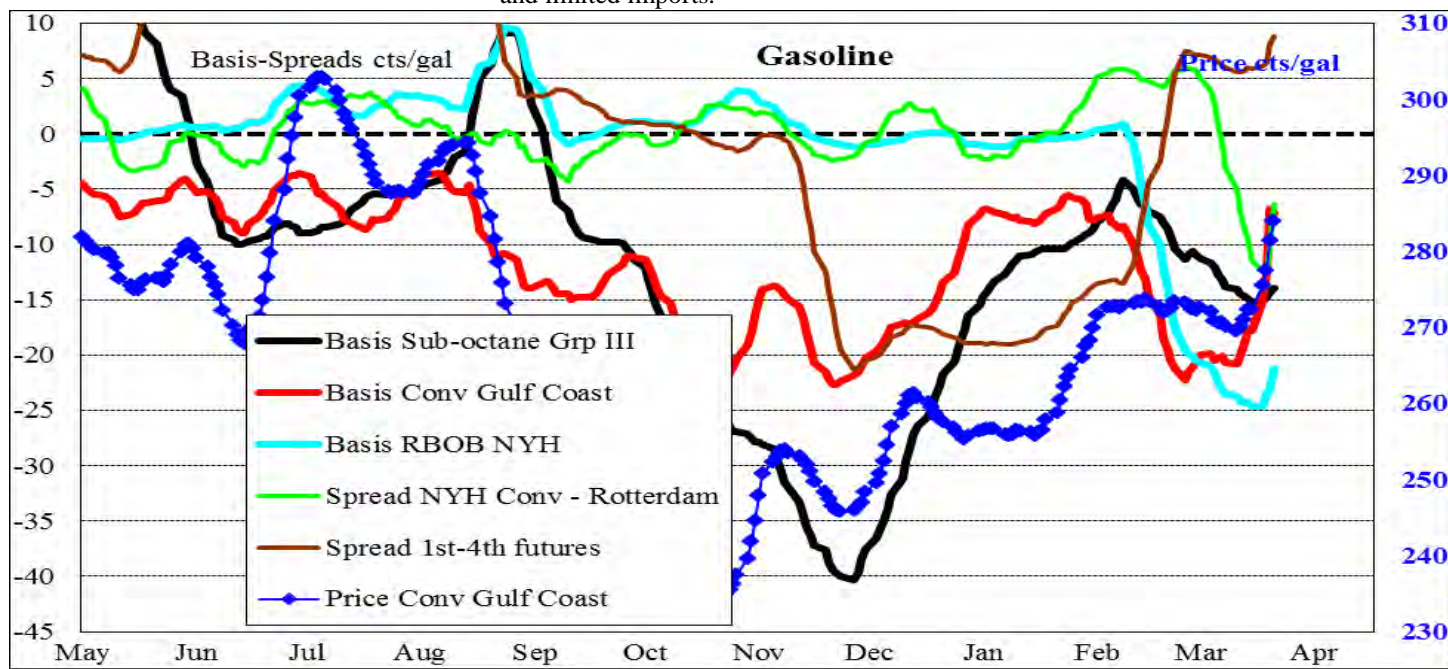
Gulf Basis to trend higher on the switch to summer grade product, limited by very high stock levels.

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.

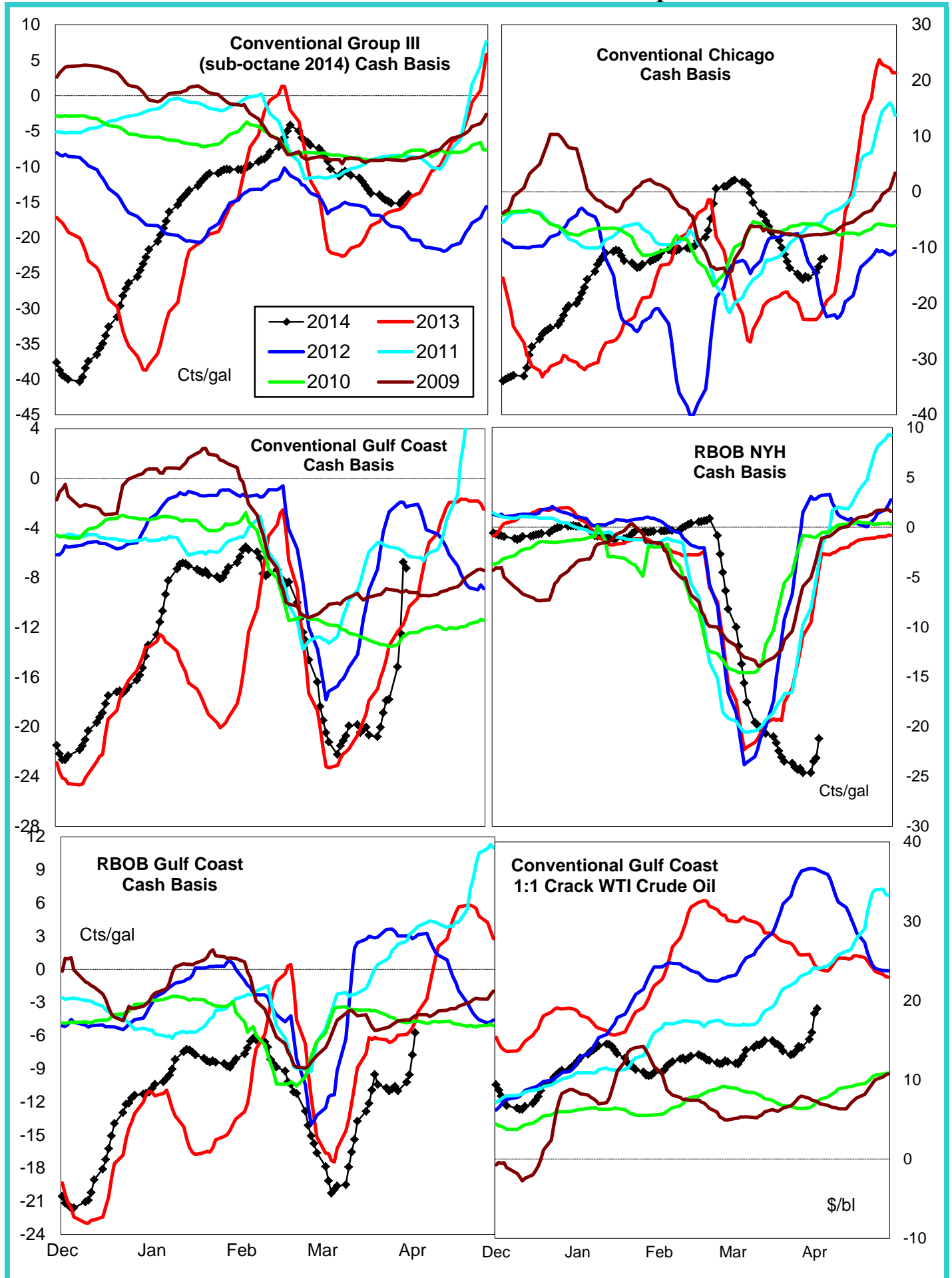
Look for year-on-year growth in demand, and above average maintenance on FCCU's in the Midwest to provide support to prices, limited by the increase in yields from substitution of domestic shale crude.

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

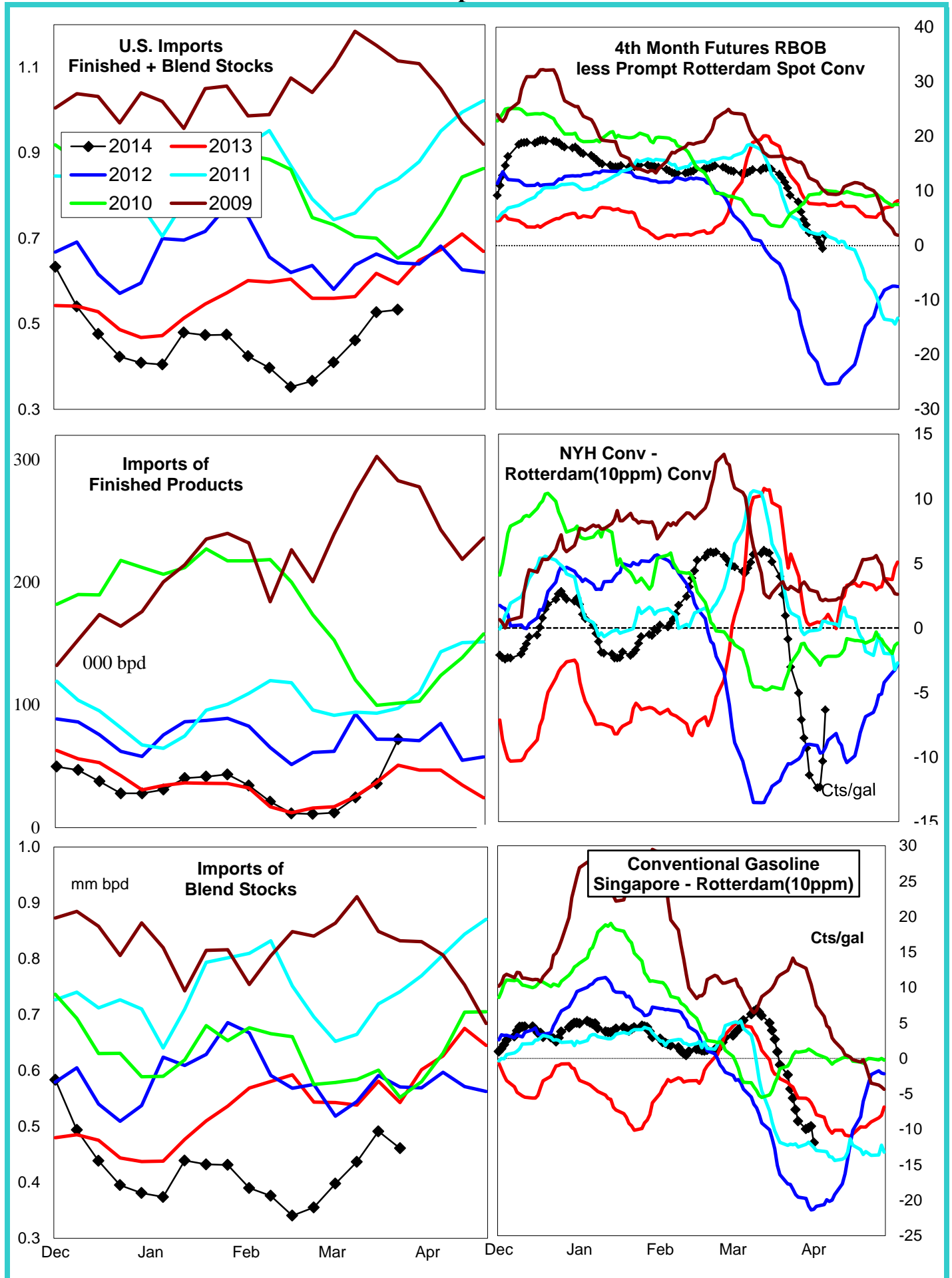


Disclaimer - The information contained on this website and in all its reports reflects the opinion of Fundamental Petroleum Trends. Futures and commodities trading involve significant risk and may not be suitable for every investor. Information contained herein is strictly the opinion of its author and 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.

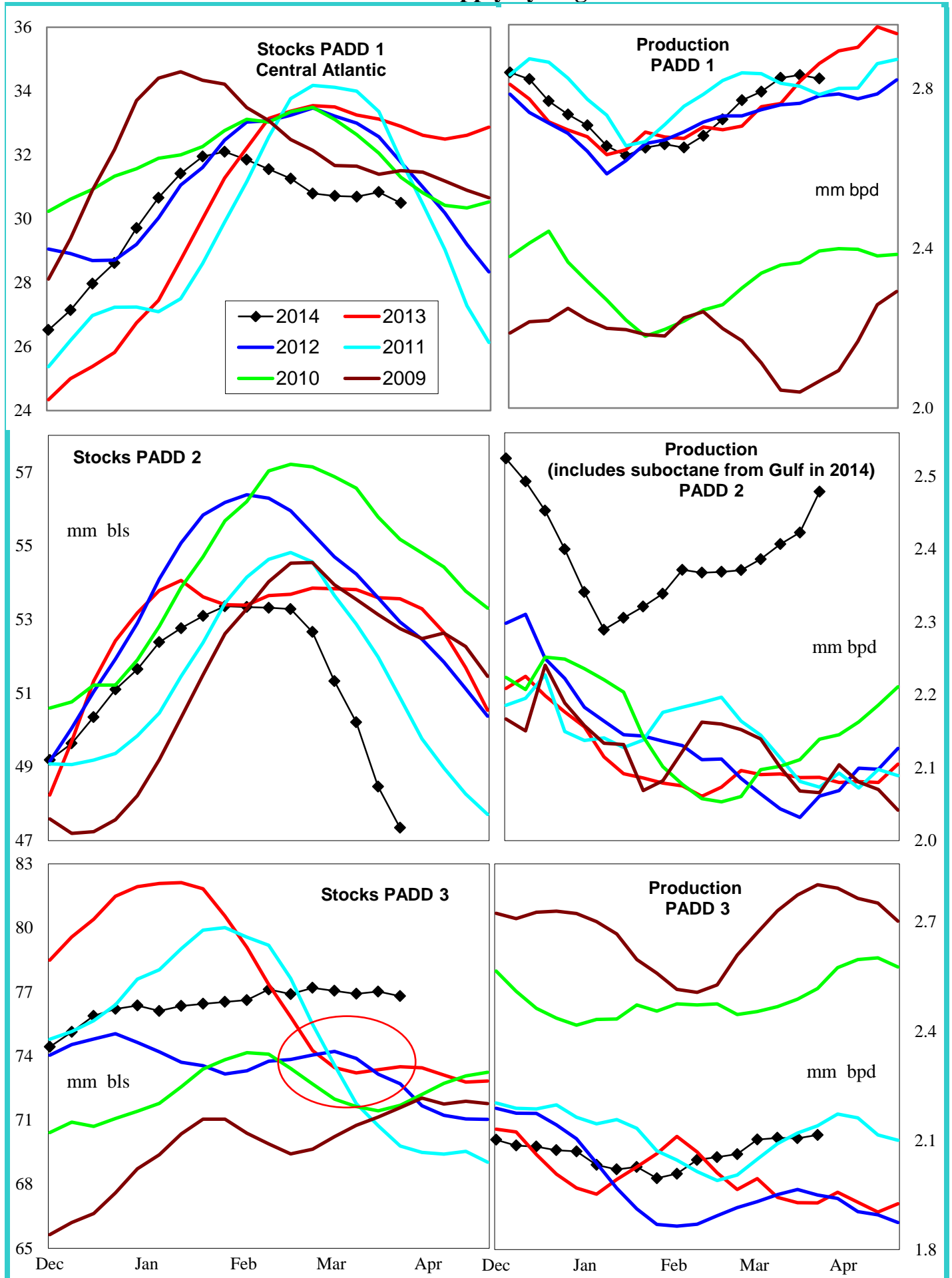
Gasoline Cash Basis and Related Price Spreads



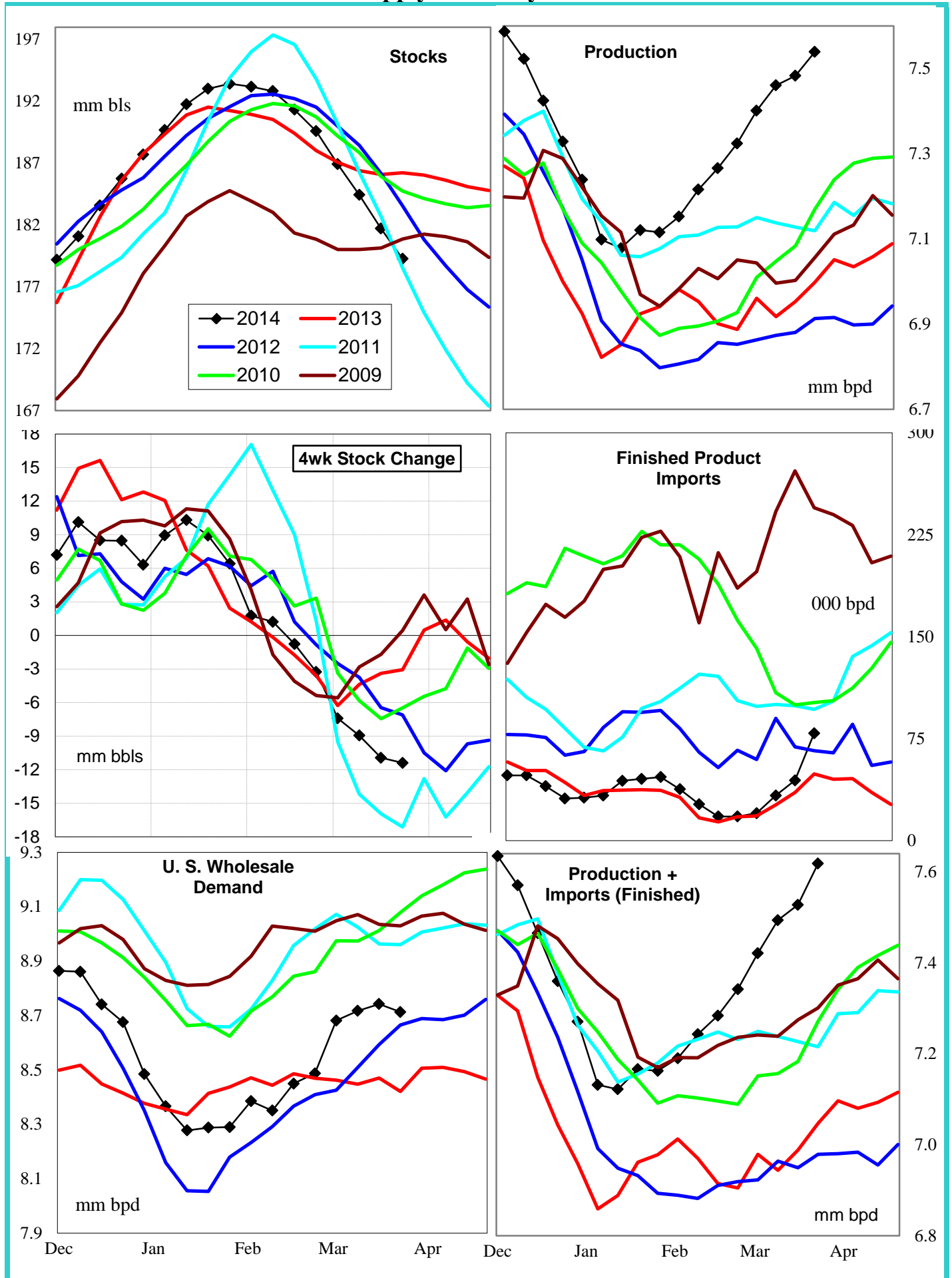
Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3



PADD 5 Gasoline Supply

