



## 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 increased +26,000 bpd last week, to the mid range of the last 2- yrs. The latest 4-wk average demand was

+116,000 bpd above a year ago, down sharply from last month.

Supplies increased +301,000 bpd on higher last week. The substitution of domestic shale crude for heavy gravity imports may support higher gasoline output going forward.

Stocks increased +1.6 million barrels last week, with builds in all major regions. Stock levels in the Midwest, Gulf and West Coast regions are each above the last 2-yr.

After spiking last week on unplanned maintenance on the west Coast, cash basis fell sharply late in the week. unplanned maintenance on the West Coast has spiked California basis.

Cash basis remains weak in all regional markets, except the Northwest; with levels in the Gulf and Midwest below the 5-yr range.

Look for modest strength in Midwest and Gulf markets on higher seasonal demand; offset by very high production.

#### RBOB

*New York Harbor* basis to trade sideways on increased supplies.

#### Conventional

*New York Harbor basis* to trade sideways on increased supplies.

*Chicago* basis to trend modestly higher by month end on increased seasonal demand, offset by high production.

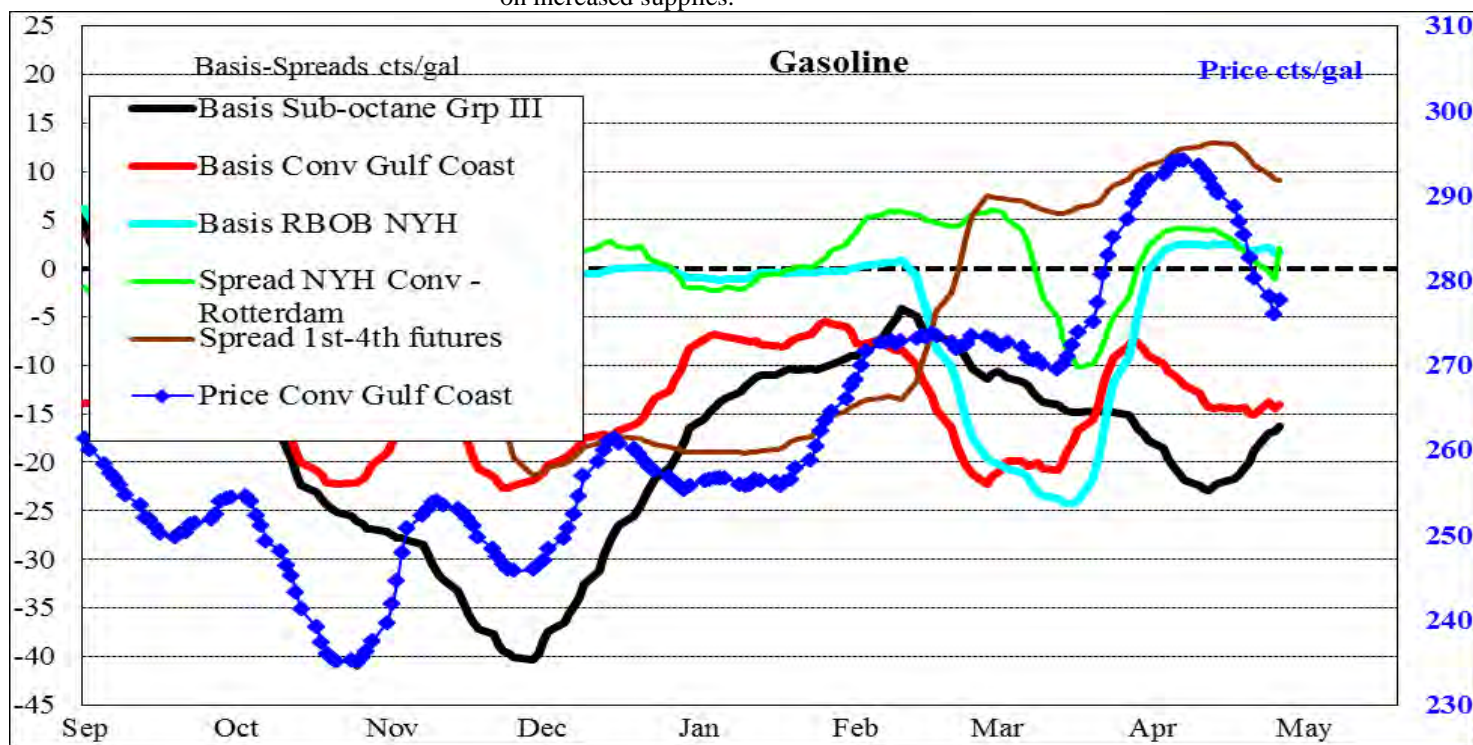
*Group III* basis to trend modestly higher over the next month on increased seasonal demand, offset by extremely high production.

*Gulf Basis* to trend higher over the next month on higher seasonal demand, limited by record stocks for this time of year.

*West Coast (Los Angeles)* basis to extend the sharp pull back on increased supplies.

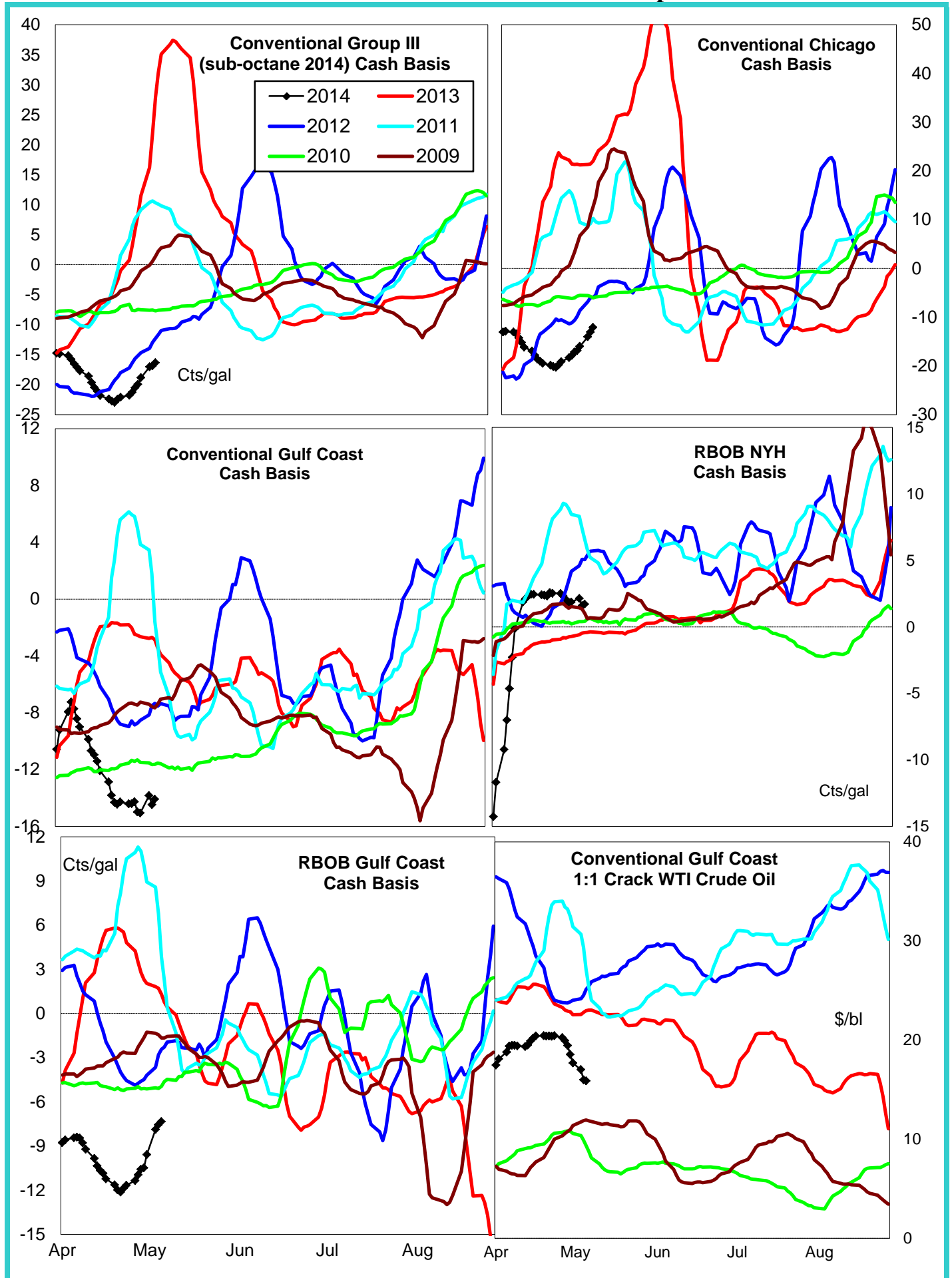
**Gulf Coast Price** The start of peak summer demand should provide support to prices following the recent pull back, with the anticipated increase limited by very high production and above average stock levels in key market.

The Ukraine – Russia conflict should provide support to global energy prices in the near term. The North American crude oil market remains extremely over supplied, another constraint on gasoline prices.

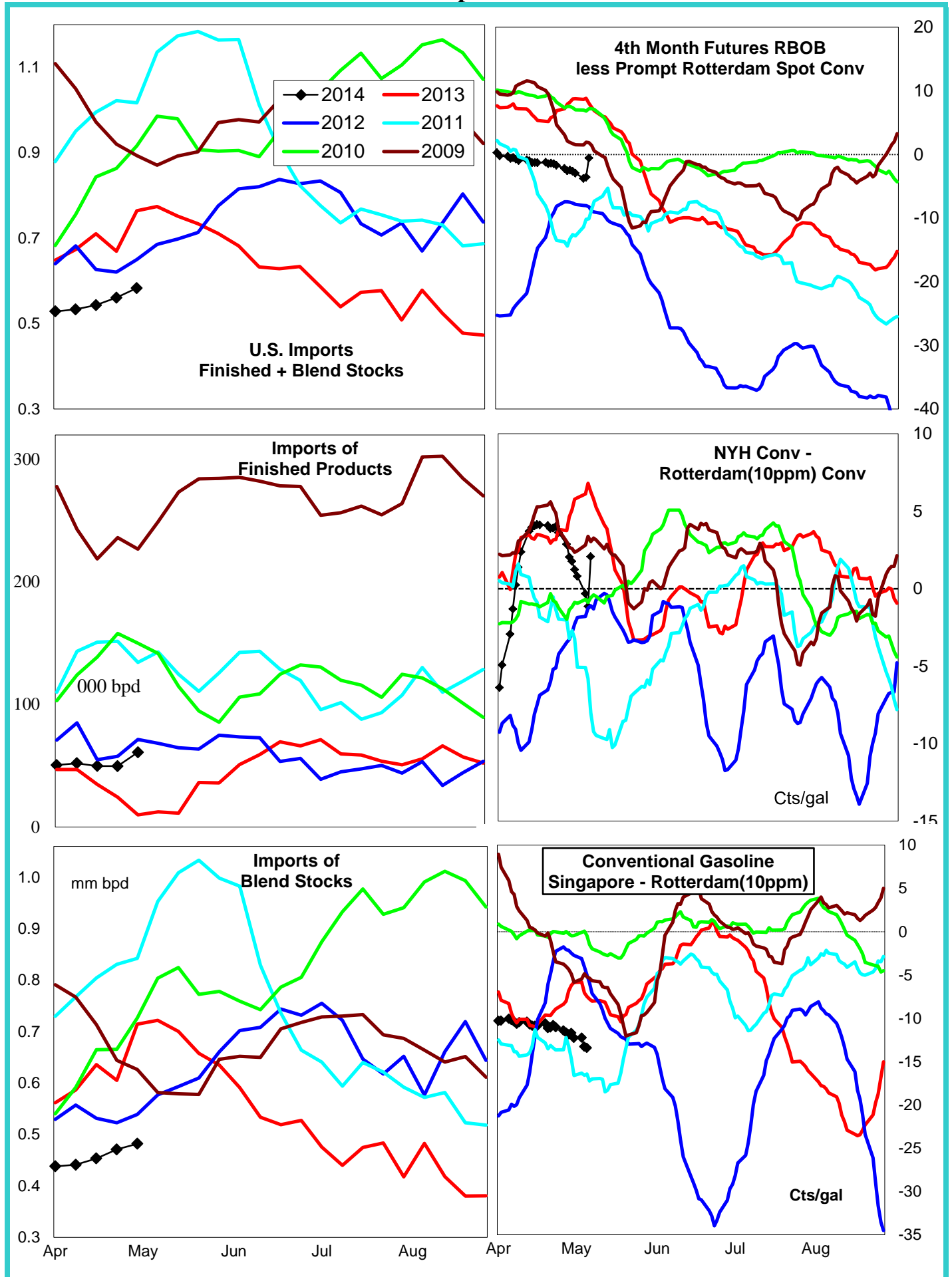


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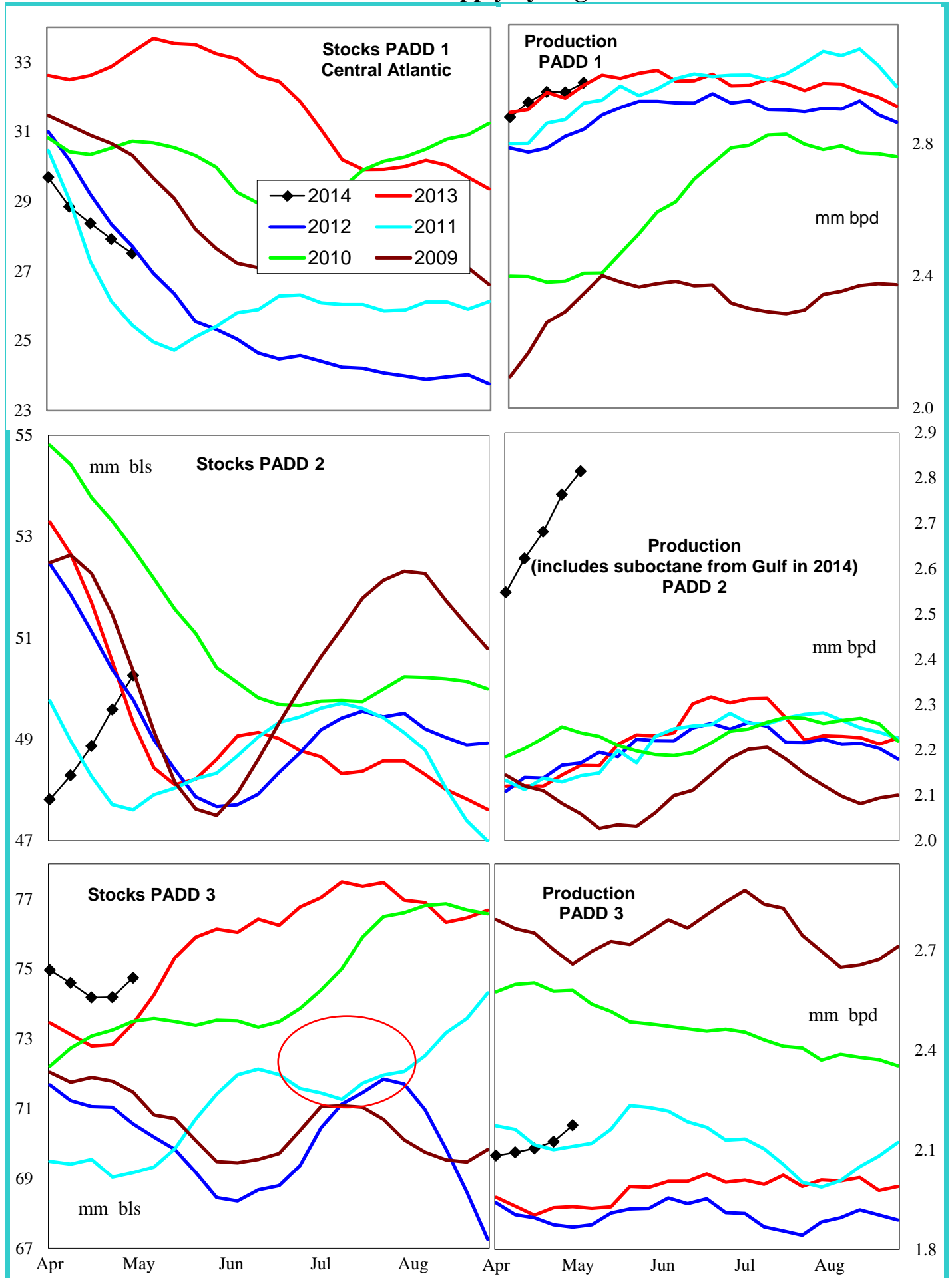
# Gasoline Cash Basis and Related Price Spreads



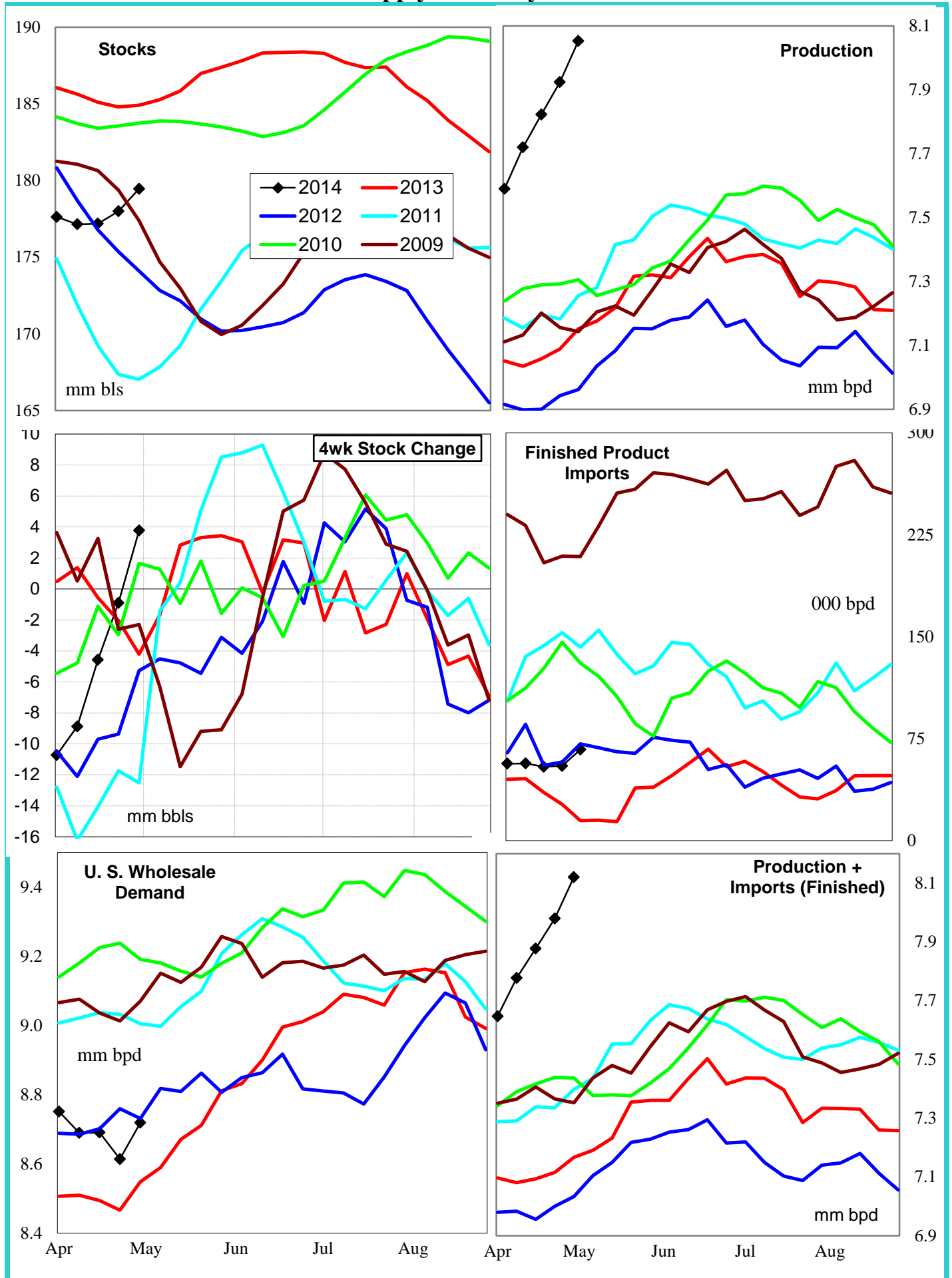
# Gasoline Import Economics



# Gasoline Supply by Region



# Gasoline Supply Summary PADDs 1+2+3



**PADD 5 Gasoline Supply**