



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 jumped +0.5 million bpd last week, to a level that matched historic highs. The latest 4-wk average demand was +271,000 bpd above a year ago.

Supplies increased +0.9 million bpd as refiners completed seasonal maintenance last week. The substitution of domestic shale crude for heavy gravity imports should support higher gasoline output going forward.

Stocks decreased -0.8 million barrels last week, with draws in major markets other than the East Coast. Stock levels in all regional markets were above the 3-yr mid range.

Cash basis traded flat to lower in the Midwest on very high stock levels. The Gulf region saw basis mostly trade higher while the Northwest region trended sharply higher. Basis levels remain particularly weak in the Midwest and Gulf regions on very high production.

Look for modest strength in Midwest and Gulf markets on higher seasonal demand; with strength limited 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.

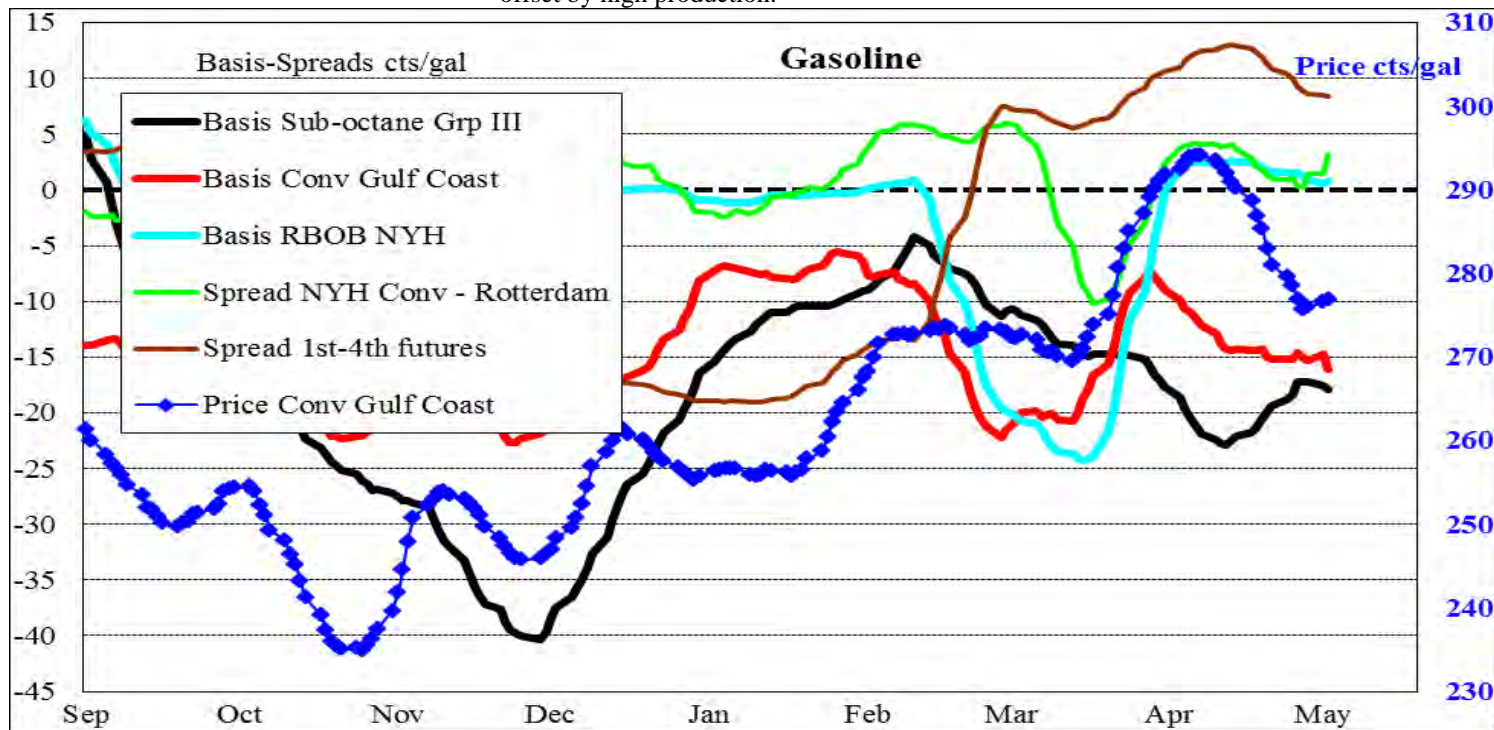
Group III basis to trend modestly higher over the next month on increased seasonal demand, limited by very high stocks.

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

West Coast (Los Angeles) basis to trend higher in the near term in increased seasonal demand, then pull back as refiners complete maintenance.

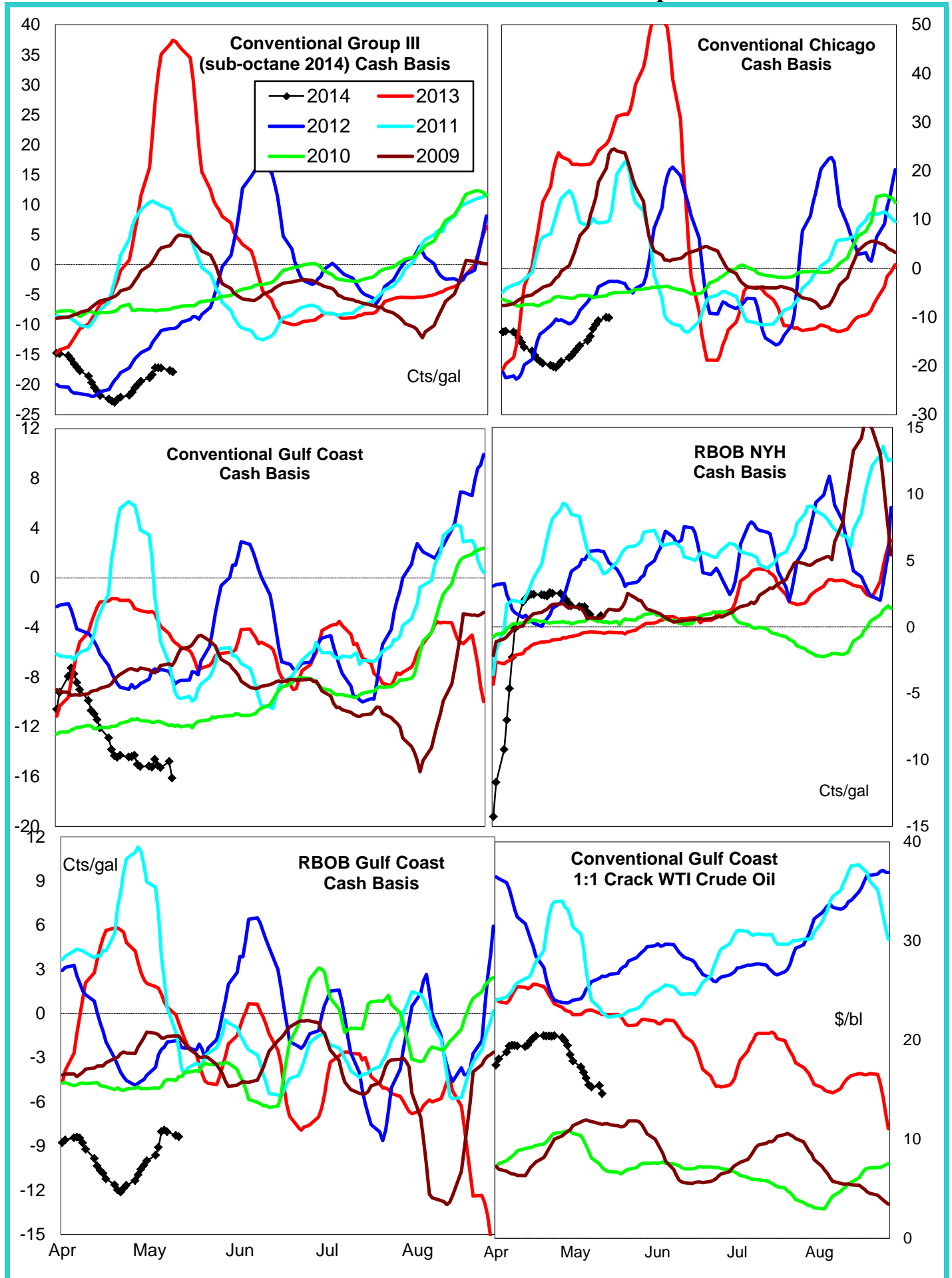
Gulf Coast Price The start of peak summer demand should provide support to cash basis in nearly all regional markets during the next 2-wks; due in part to a surge in imports to the East Coast. However very high production and ample stocks in nearly all regional markets risk a pull back in prices following the Memorial holiday weekend.

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.

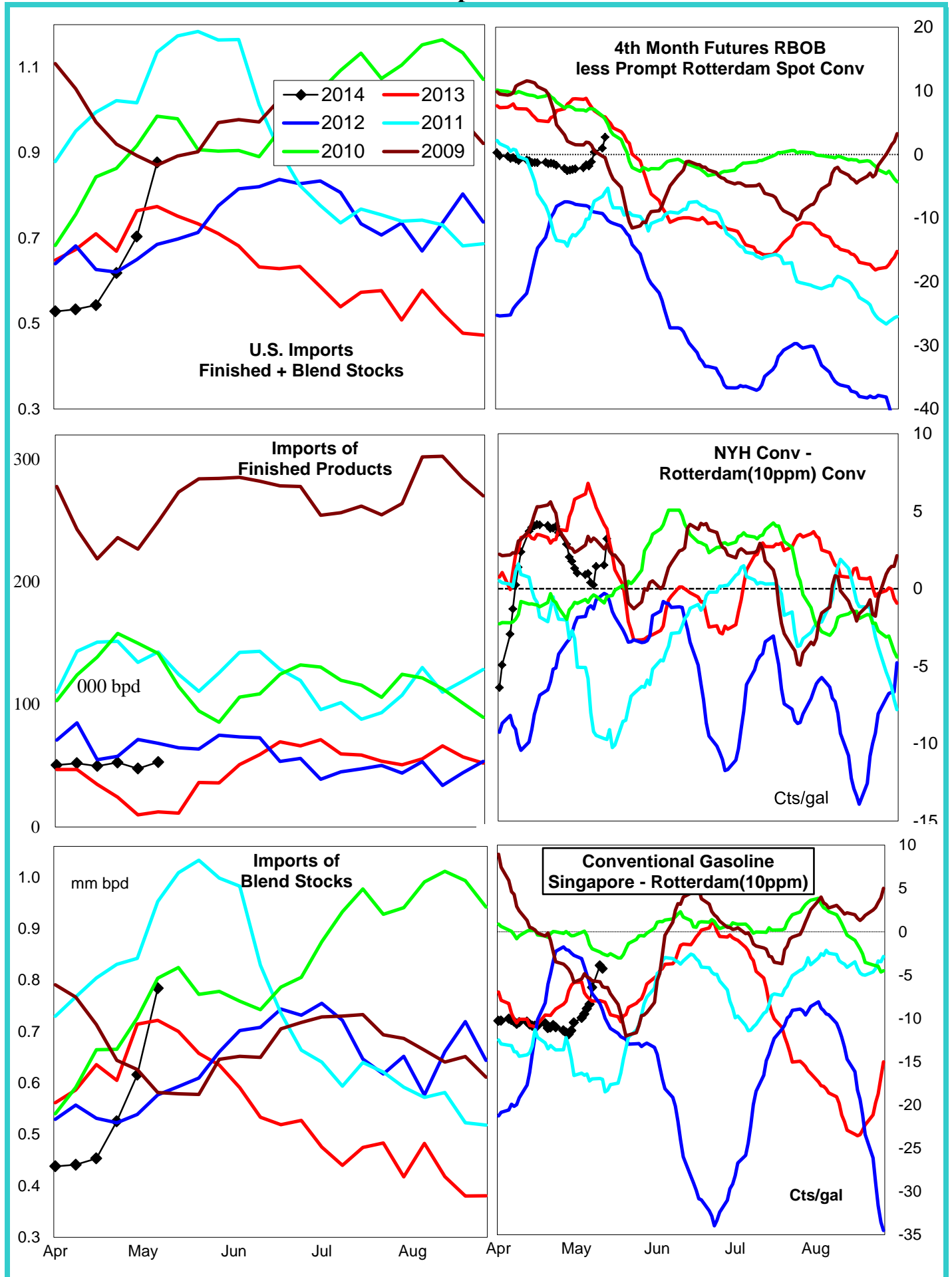


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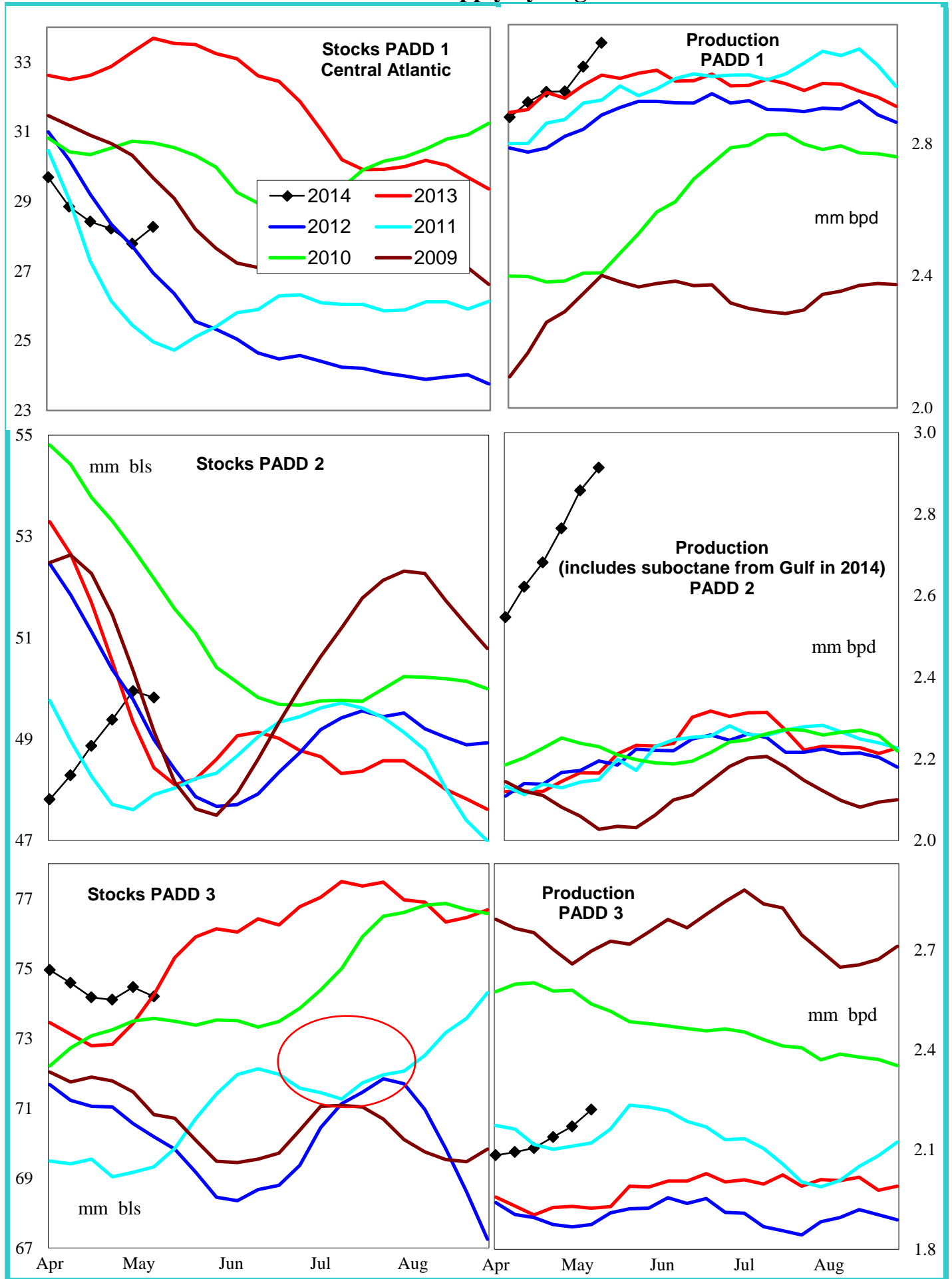
Gasoline Cash Basis and Related Price Spreads



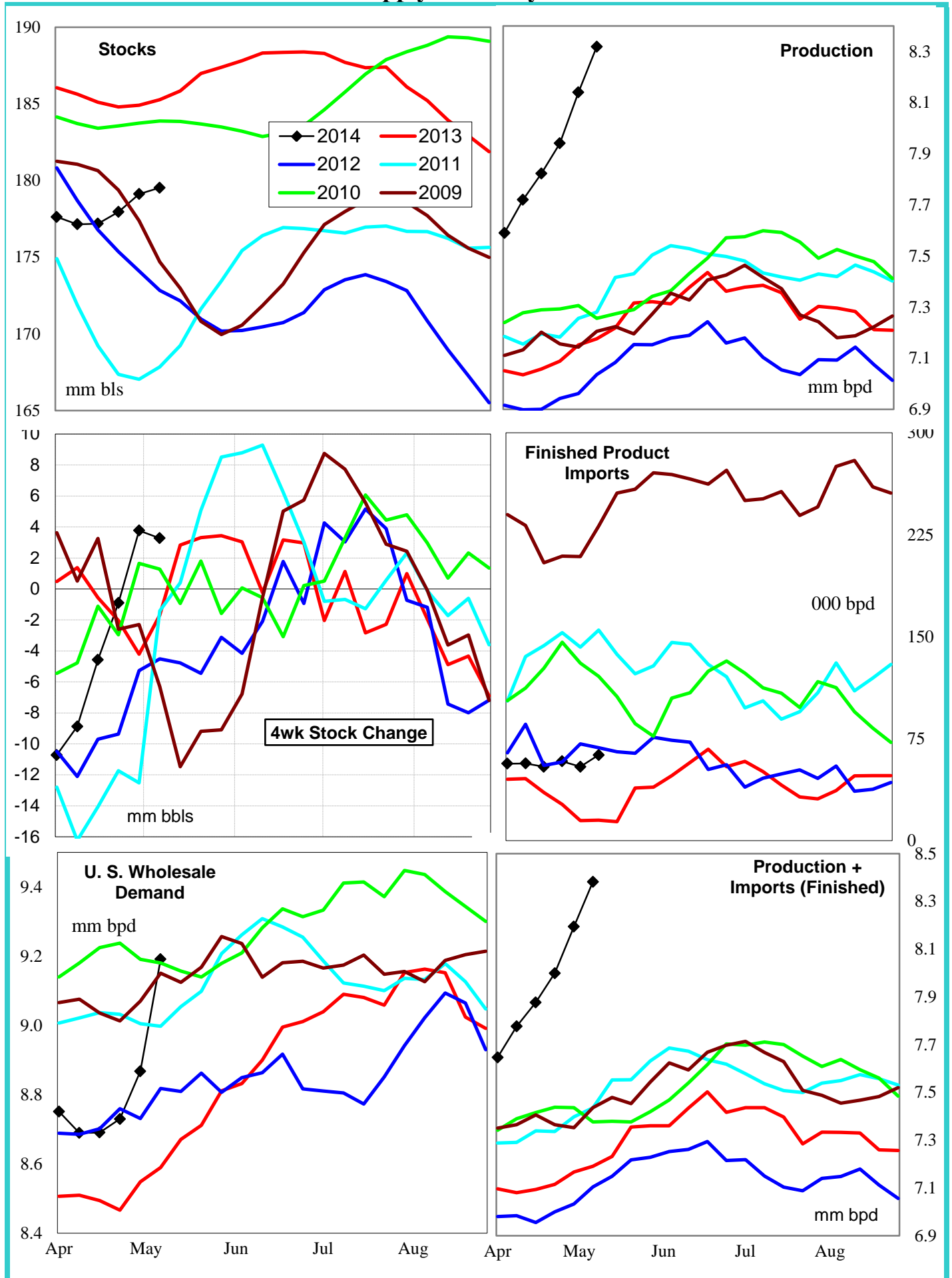
Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3



PADD 5 Gasoline Supply