



## 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 +136,000 bpd last week, continuing at a record rate. The latest 4-wk average demand was +466,000 bpd above a year ago.

Supplies fell -338,000 bpd on a sharp drop in imports.

Stocks fell -1.8 million barrels last week, with the draw concentrated in the Midwest and Gulf regions. Stock levels on the East, Gulf and Rockies regions each remain above the 3-yr mid range. Midwest and West Coast stock levels are near historic lows.

Cash basis trended higher last week ending 30May14, in all regional markets. Basis levels remain particularly weak in the Midwest with basis on the West Coast above the historic mid range.

Look for basis strength in most markets for the near term on higher seasonal demand and weak NYMEX futures prices.

#### RBOB

*New York Harbor* basis to trend higher in the near term on higher demand, to be followed by a pull back on improved supply by month end.

#### Conventional

*New York Harbor basis* to extend the current downtrend on over supply, to be followed by an uptrend as lower imports reduce supplies.

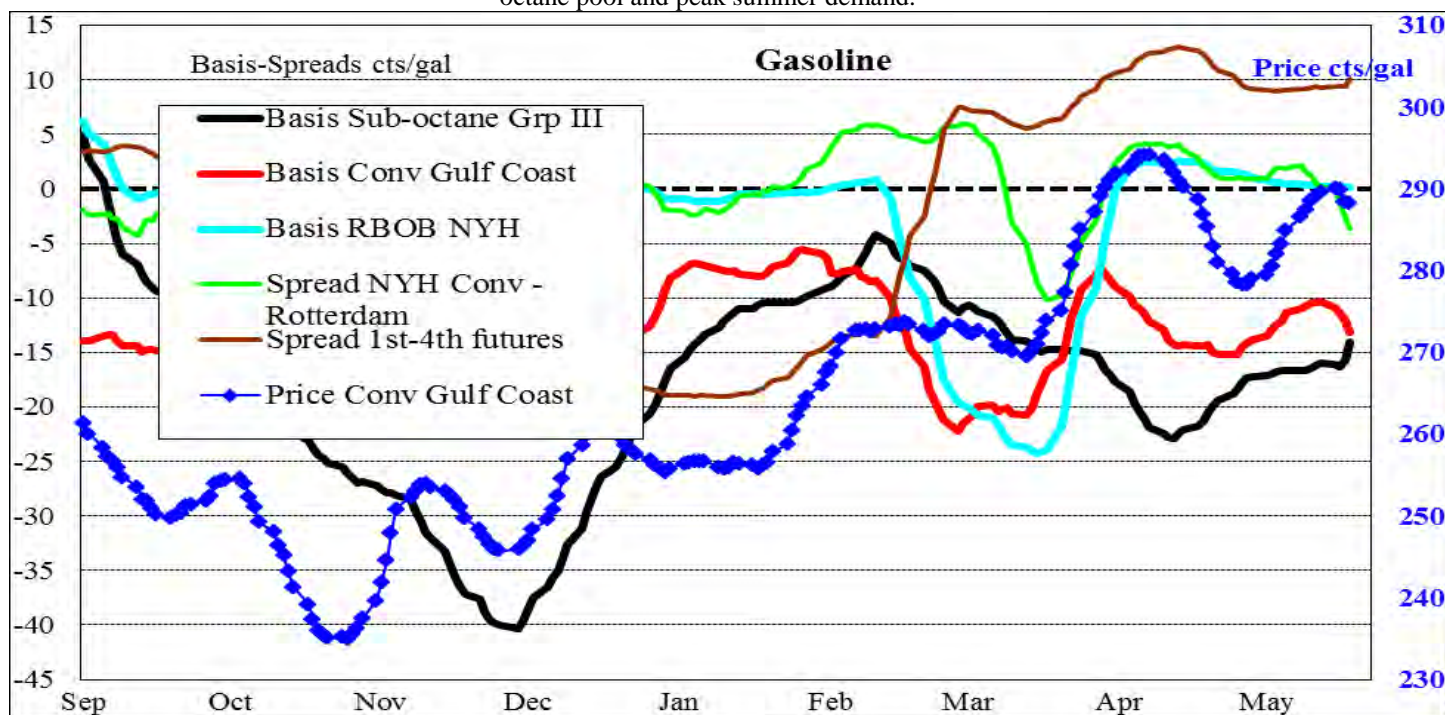
*Chicago* basis to trend higher on a tight octane pool and peak summer demand.

*Group III* basis to trend modestly higher over the next month on increased seasonal demand, and further stock draw down in the area.

*Gulf Basis* to trend higher on peak seasonal demand and stock draw down.

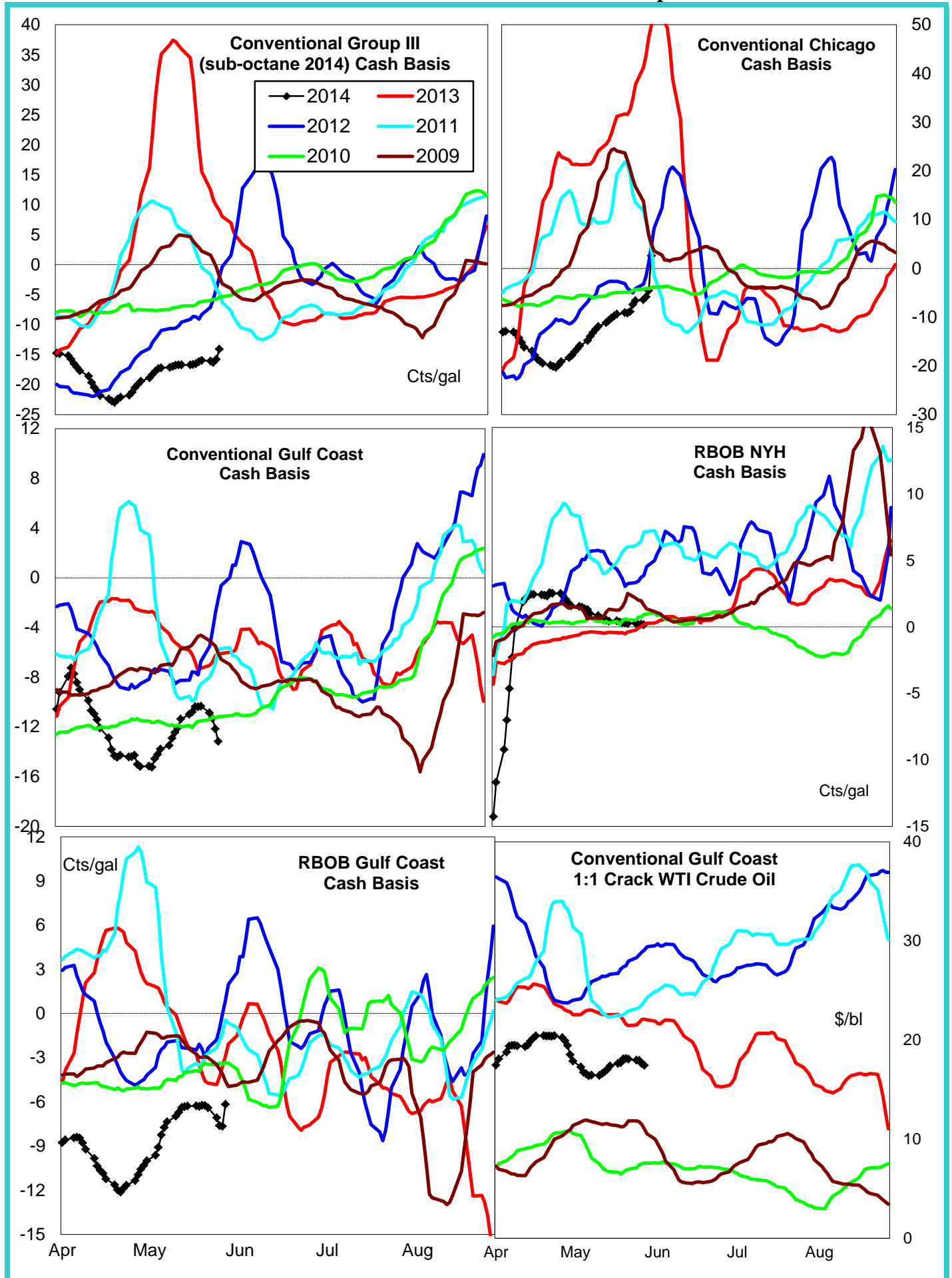
*West Coast (Los Angeles)* basis to trend higher in the near term on unplanned maintenance, followed by a pull back as refiners return to operation.

**Gulf Coast Price** Wholesale demand continues at elevated levels. Combined with a sharp drop in imports, stocks are seeing a later than normal seasonal draw down. Refiners should reach peak seasonal gasoline production before month end, leading to a renewed stock build. These fundamentals point to increased risk of an early summer price pull back.

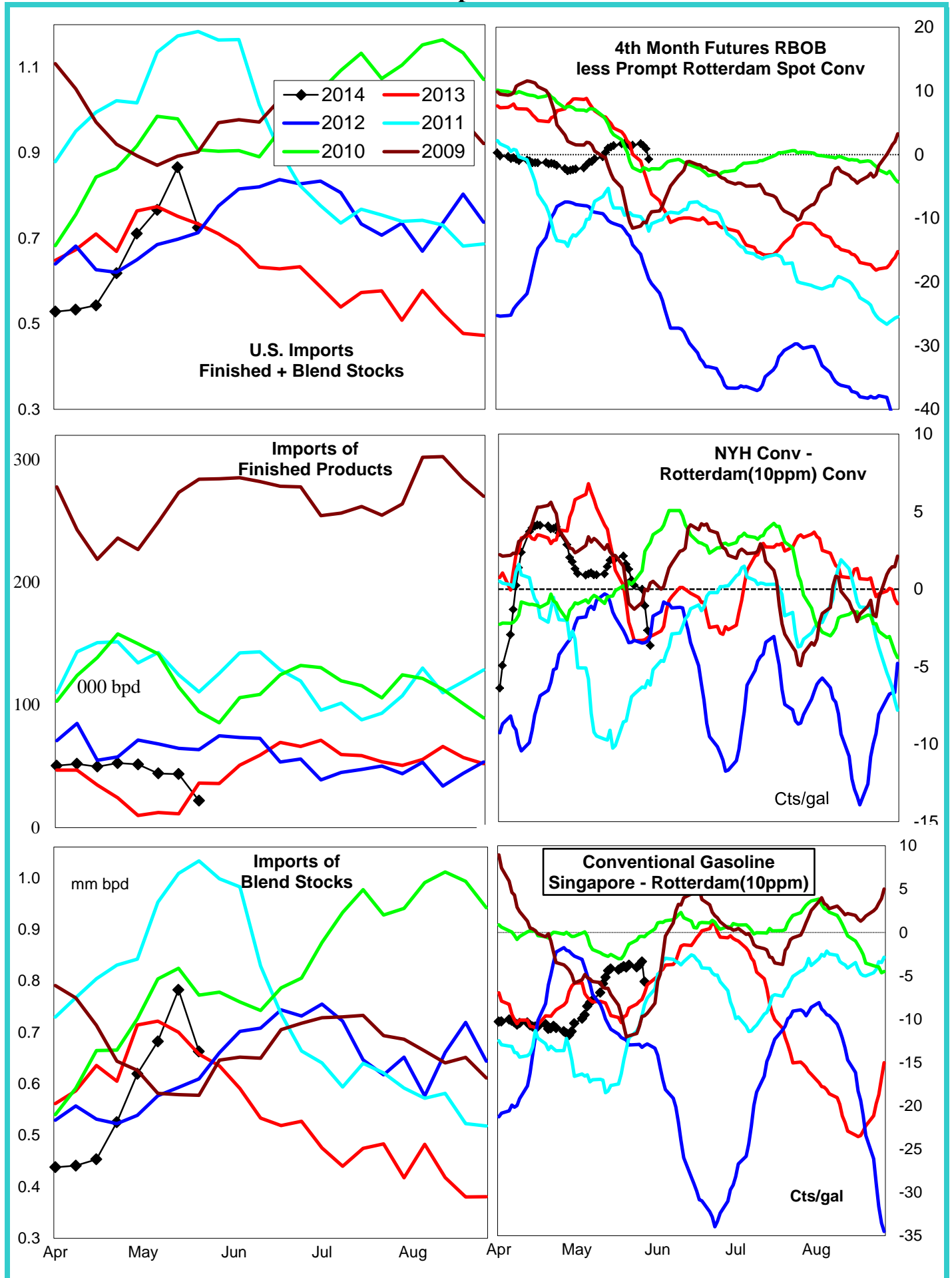


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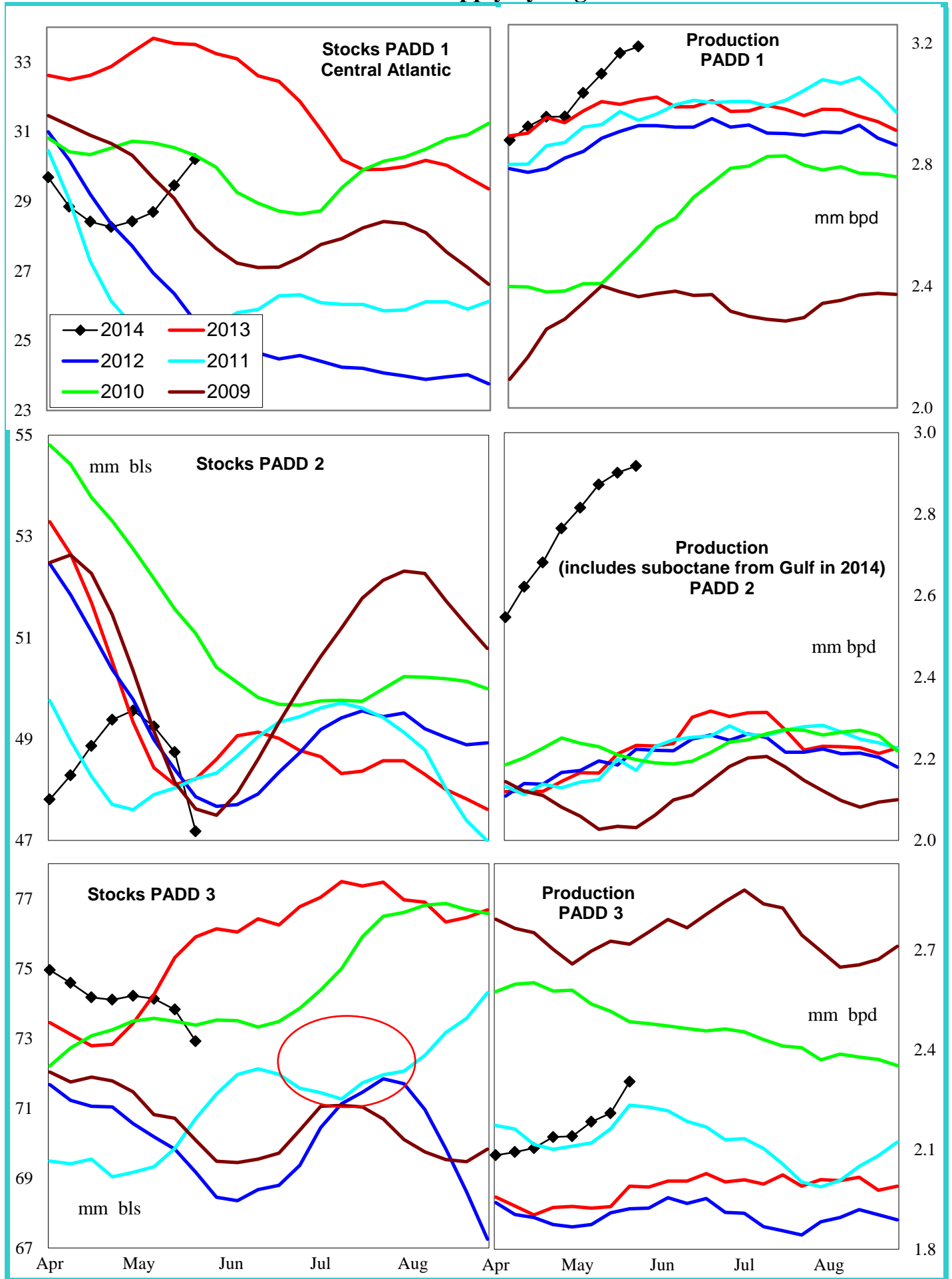
# Gasoline Cash Basis and Related Price Spreads



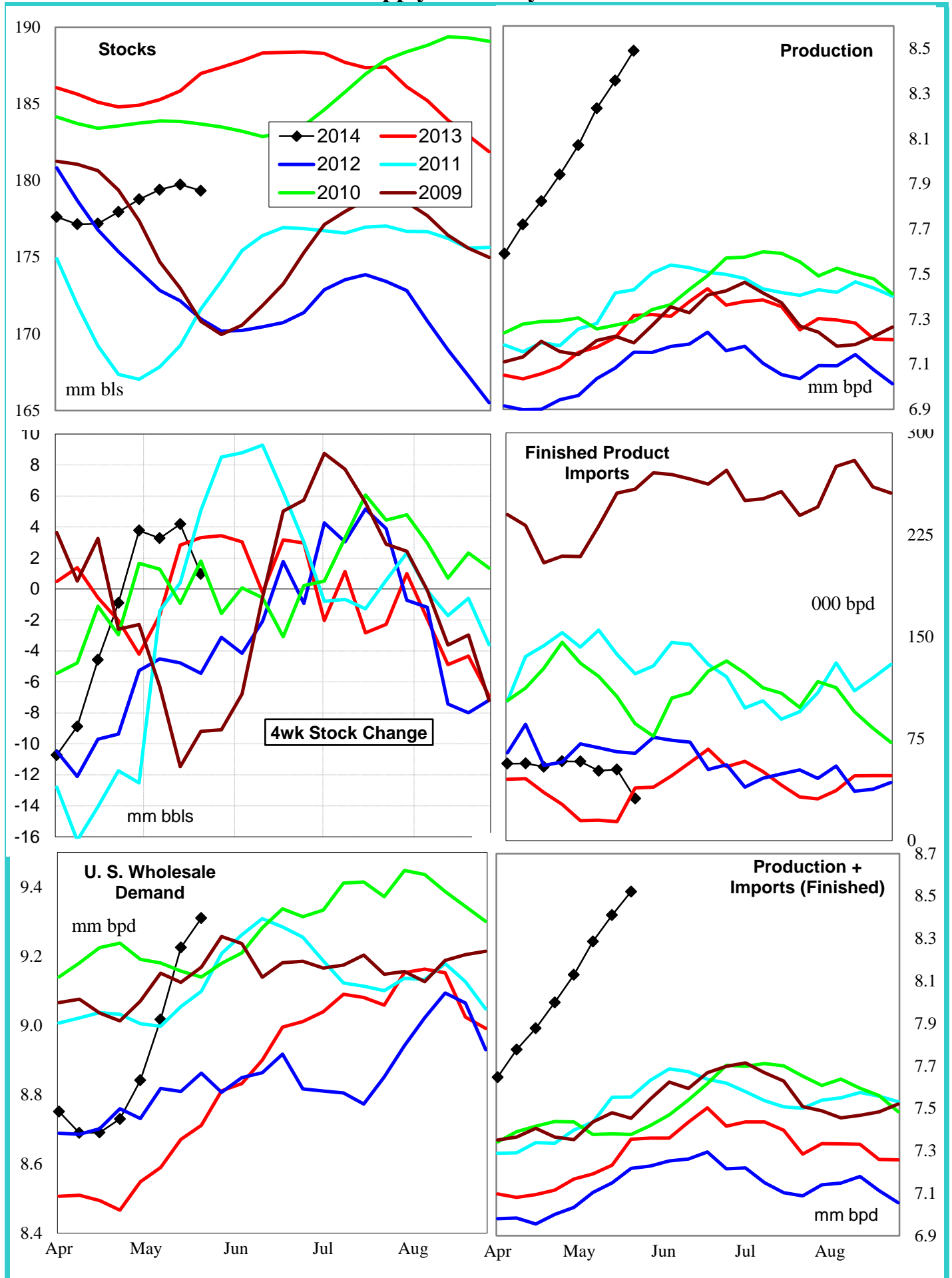
## Gasoline Import Economics



# Gasoline Supply by Region



## Gasoline Supply Summary PADDs 1+2+3



**PADD 5 Gasoline Supply**