



## WEEKLY GASOLINE FUNDAMENTAL-PRICE-BASIS OUTLOOK

### A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Wednesday, June 18, 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		→	→

Supplies reversed the prior week collapse, surging +1.2 million bpd on the week, with both production and imports sharply higher.

Stocks increased +0.8 million barrels last week, concentrated in the East and Midwest regions. Stock levels on the East coast are near 5-yr highs – pointing to a very well supplied market.

Cash basis trended lower in Midwest and West Coast markets last week. Gulf basis trended higher on the sharp drawdown in stocks that was due to the unplanned refinery maintenance in the area.

Basis levels remain very weak in the Group III market, while other regional markets traded the mid range.

Look for basis strength in most markets on higher seasonal demand and the unplanned refinery maintenance in the Gulf region.

#### RBOB

*New York Harbor* basis to trade sideways on very ample supply.

#### Conventional

*New York Harbor basis* to remain weak in the near term on high stock levels, then trend higher from the extremely low level.

*Chicago* basis to trend lower on improving supplies then seasonally higher on 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.

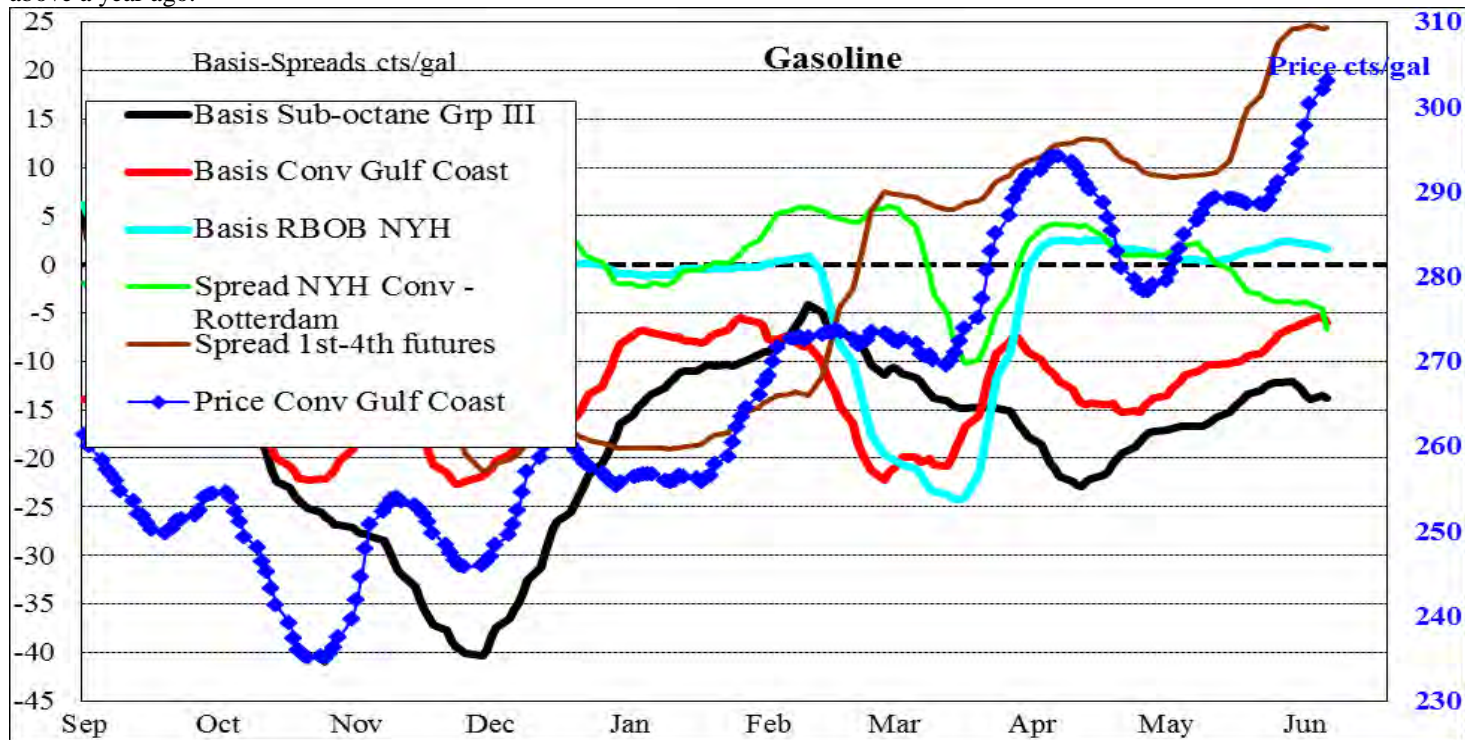
*Gulf Basis* to trend higher over the next several weeks on the current surge in unplanned refinery maintenance that has led to near record low stocks.

*West Coast (Los Angeles)* basis to extend the current downtrend as refinery maintenance is completed.

**Gulf Coast Price** Unplanned maintenance in the Gulf and a sharp drop in imports should lead to some tightening of supplies in markets East of the Rockies.

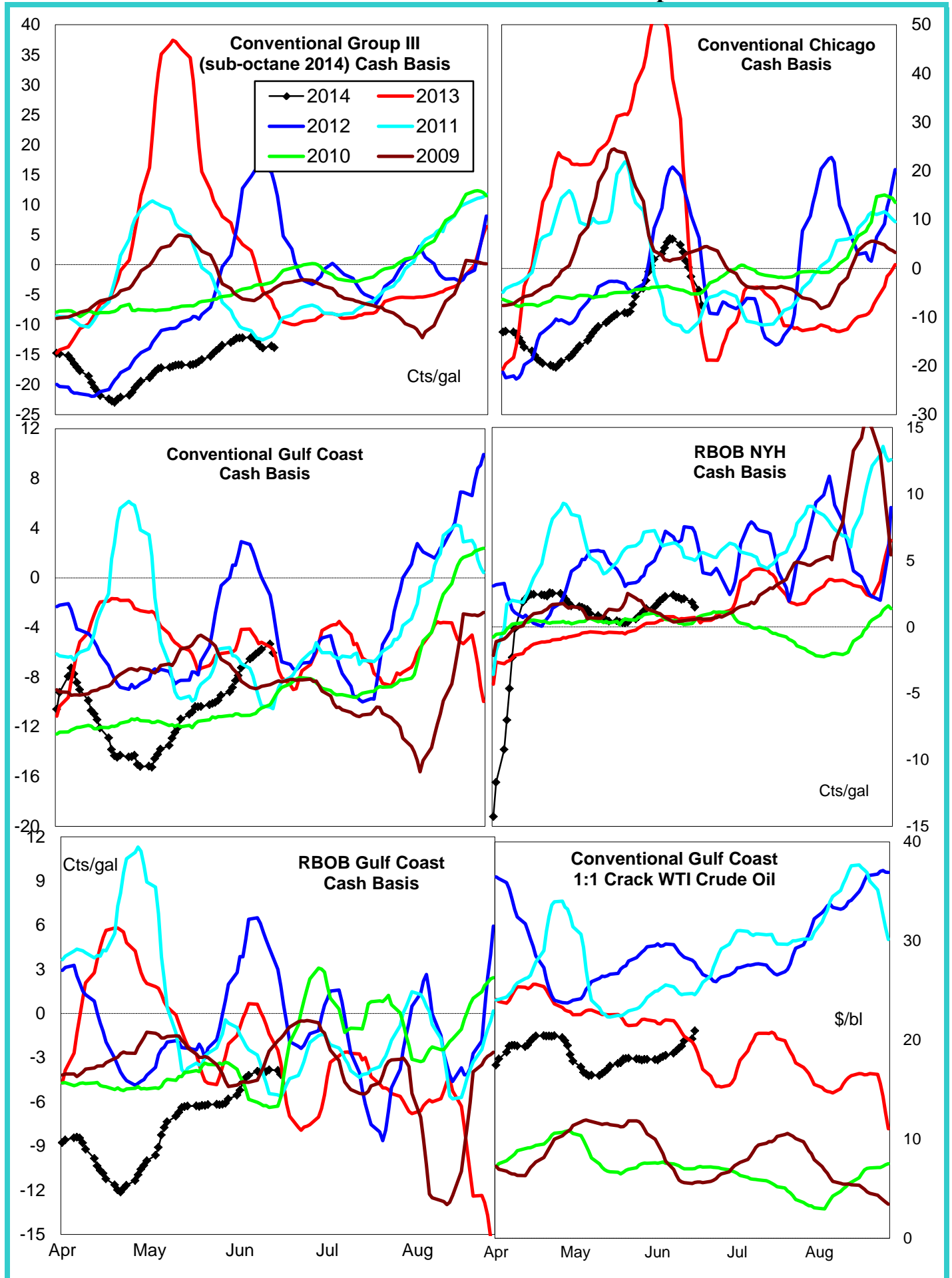
A tightening of gasoline supply and the Iraq conflict should support higher prices in the near term.

Wholesale demand reversed the prior week collapse, rising +0.6 million bpd last week to a level near historic highs. The latest 4-wk average demand was +258,000 bpd above a year ago.

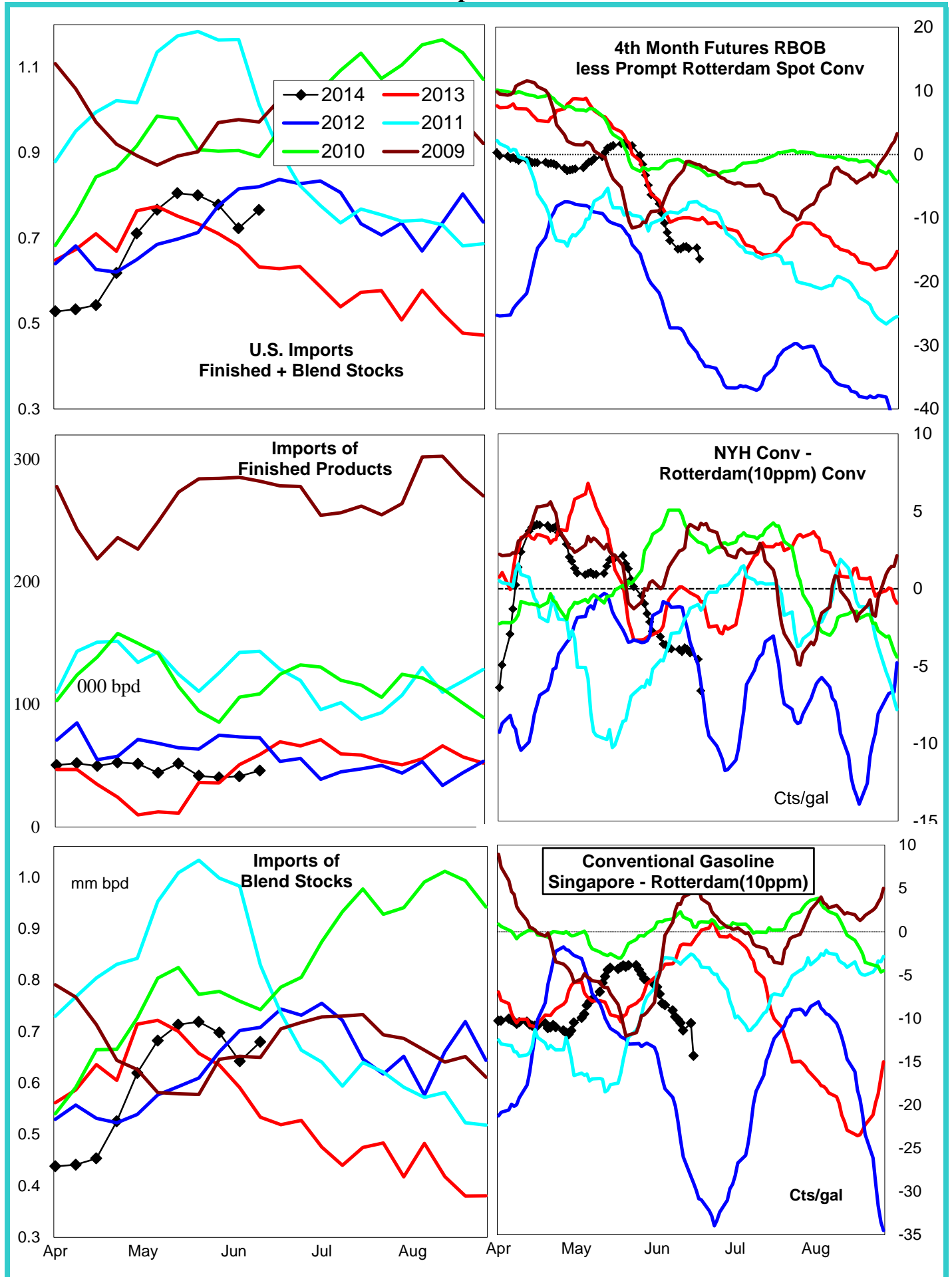


**Disclaimer** - The information contained on this website and in all its reports reflects the opinion of Fundamental Petroleum Trends. Futures and commodities trading involve significant risk and may not be suitable for every investor. Information contained herein is strictly the opinion of its author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

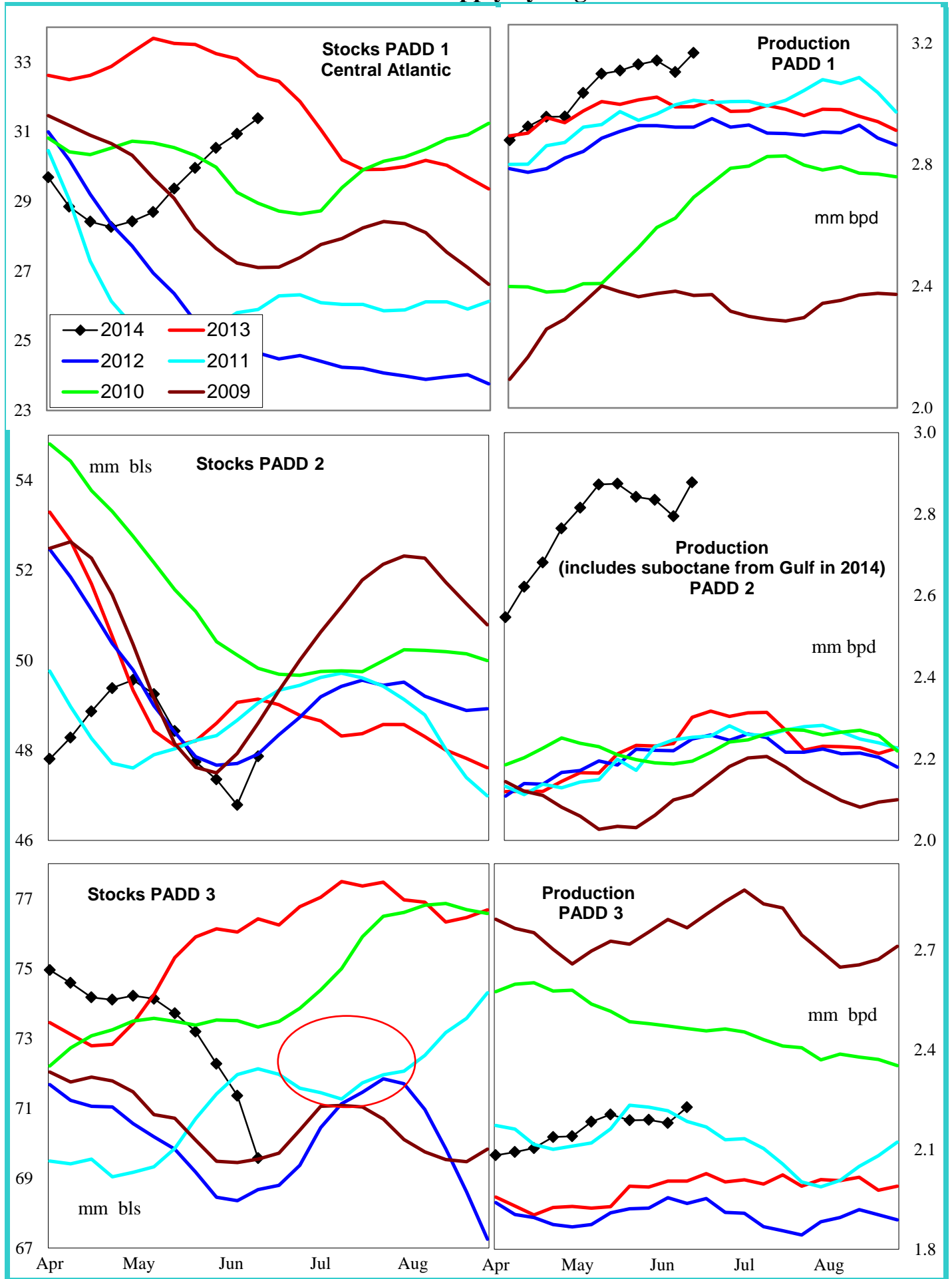
# Gasoline Cash Basis and Related Price Spreads



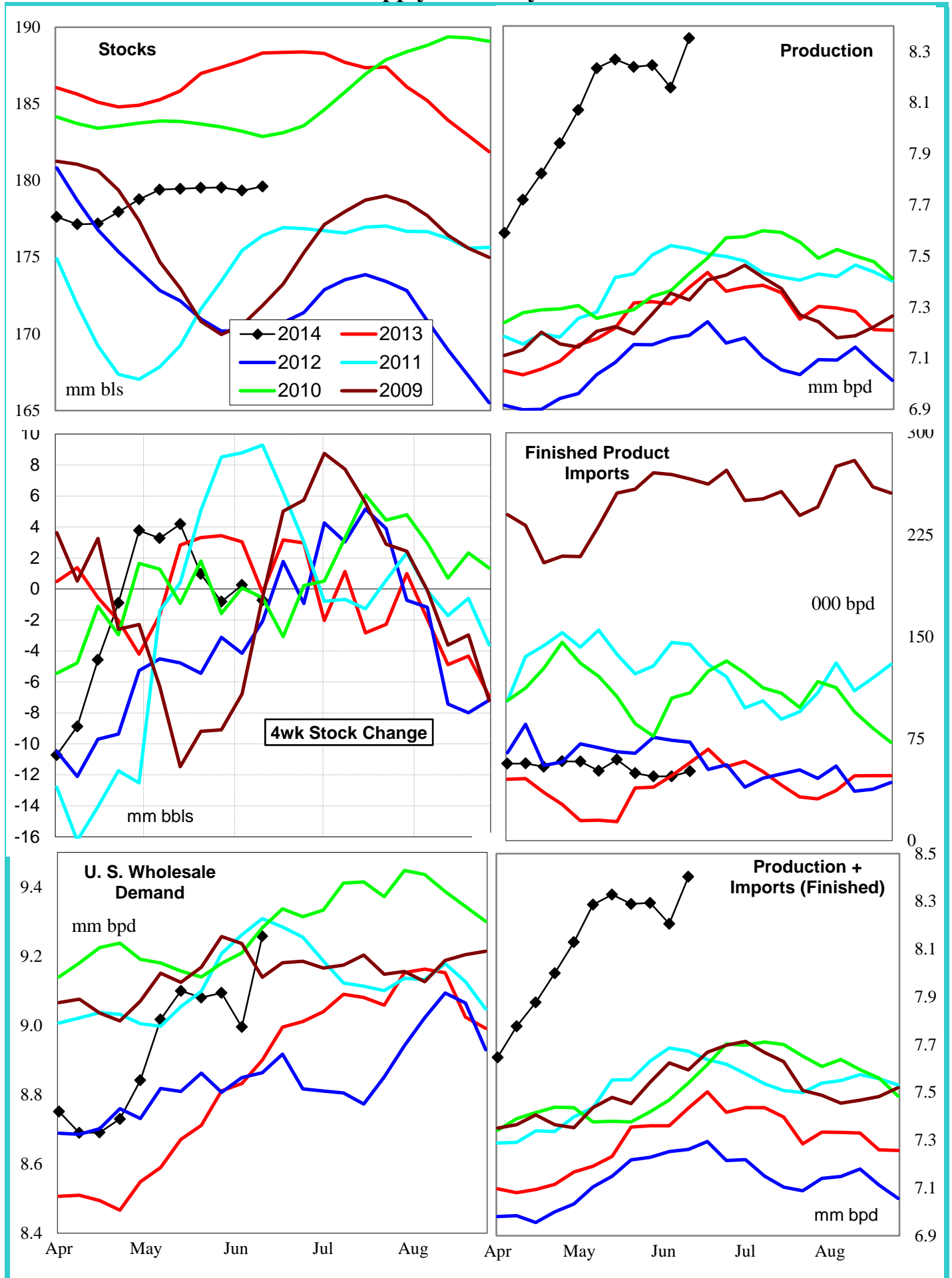
## Gasoline Import Economics



# Gasoline Supply by Region



## Gasoline Supply Summary PADDs 1+2+3





**PADD 5 Gasoline Supply**