



## 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) Thursday, June 26, 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 fell -0.4 million bpd last week to a level below the historic

range. The latest 4-wk average demand was +2149000 bpd above a year ago.

Supplies fell -1 million bpd on the week, with both production and imports lower. The latest 4-wk supply was +90,000 bpd above a year ago.

Stocks increased +0.7 million barrels last week, concentrated in the Gulf region. Stock levels on the East coast are near 5-yr highs – pointing to a very well supplied market.

Cash basis extended the recent downtrend in Midwest markets last week. California markets saw cash basis trend higher on refinery upsets. Gulf basis traded mostly sideways on the week.

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

Look for basis to trade sideways in most markets East of the Rockies on ample supplies. West Coast basis risk further increases in the short term on refinery upsets, then look for a sharp pull back as refiners return to operation.

#### 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 trade sideways in the near term on improving supplies, then higher on peak summer demand.

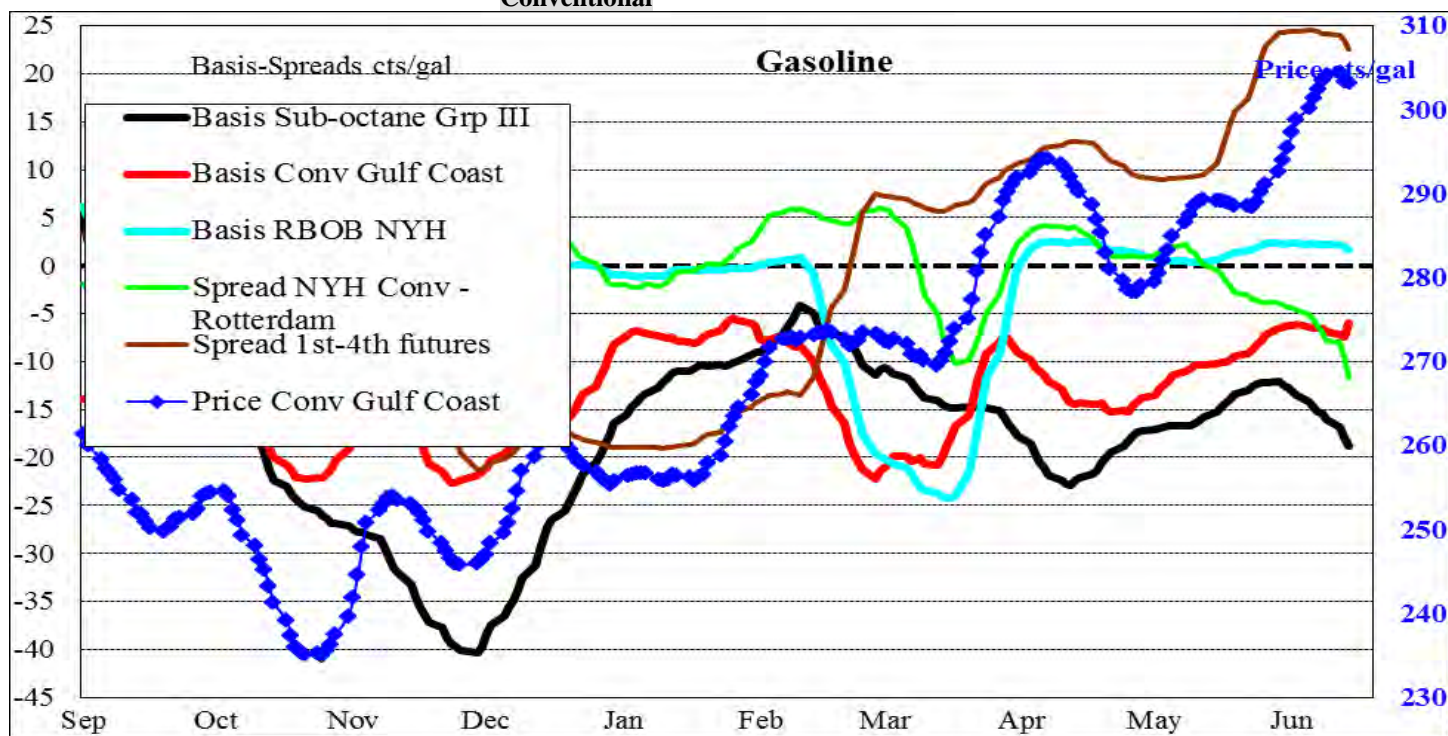
*Group III* basis to trend modestly higher over the next month on increased seasonal demand, and further stock draw down in the area.

*Gulf Basis* to trade sideways on improved supplies as another 500,000 bpd of refinery capacity returns to operation from unplanned maintenance.

*West Coast (Los Angeles)* basis to trend higher on refinery upsets, then pull back as plants return to operation.

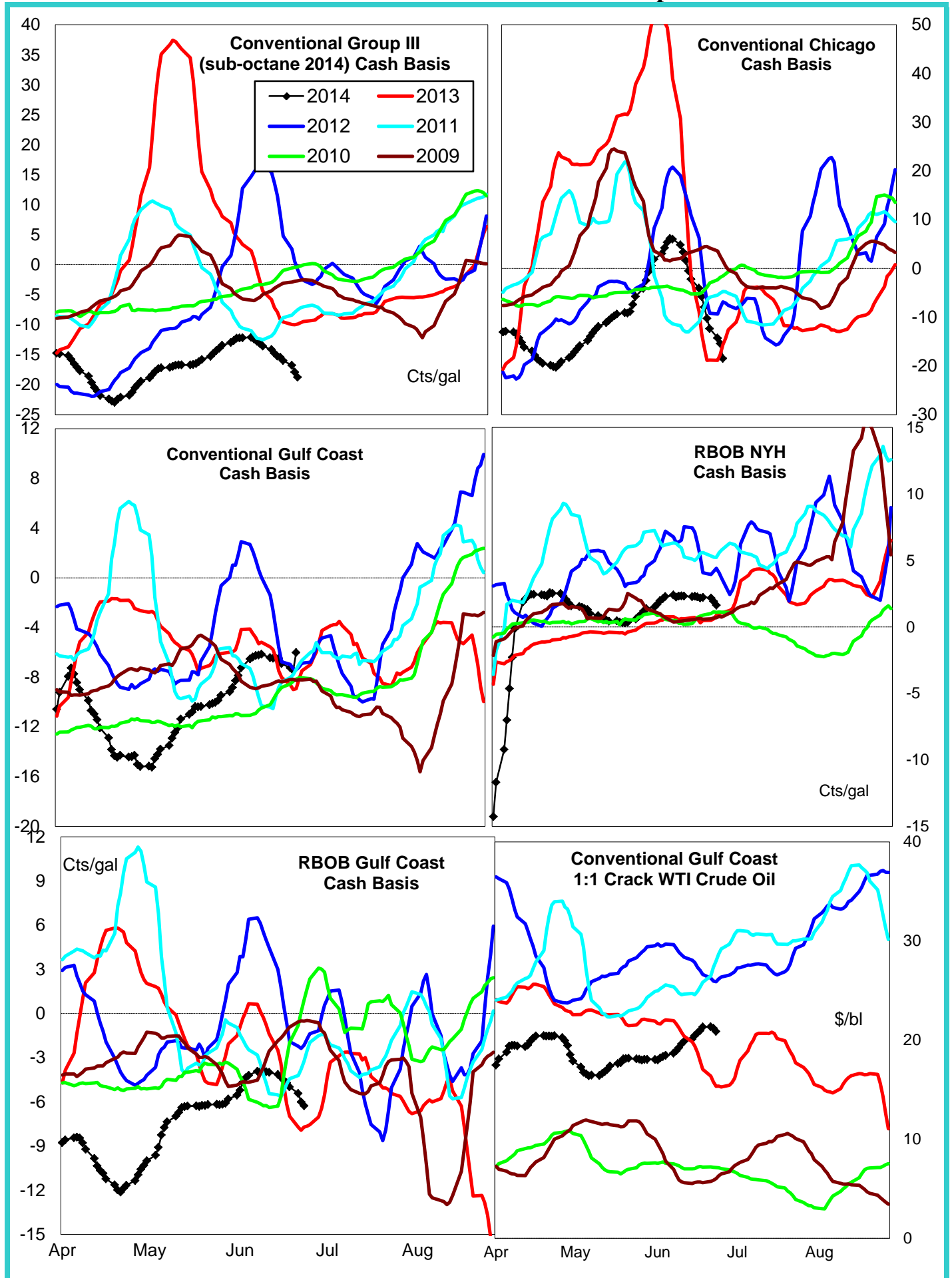
**Gulf Coast Price** A return to operation of another 500,000 bpd of refinery capacity should assure very ample supplies for the peak summer driving season.

Improved supplies and lack of any lost production of crude oil in the Middle East risk a price pull back.

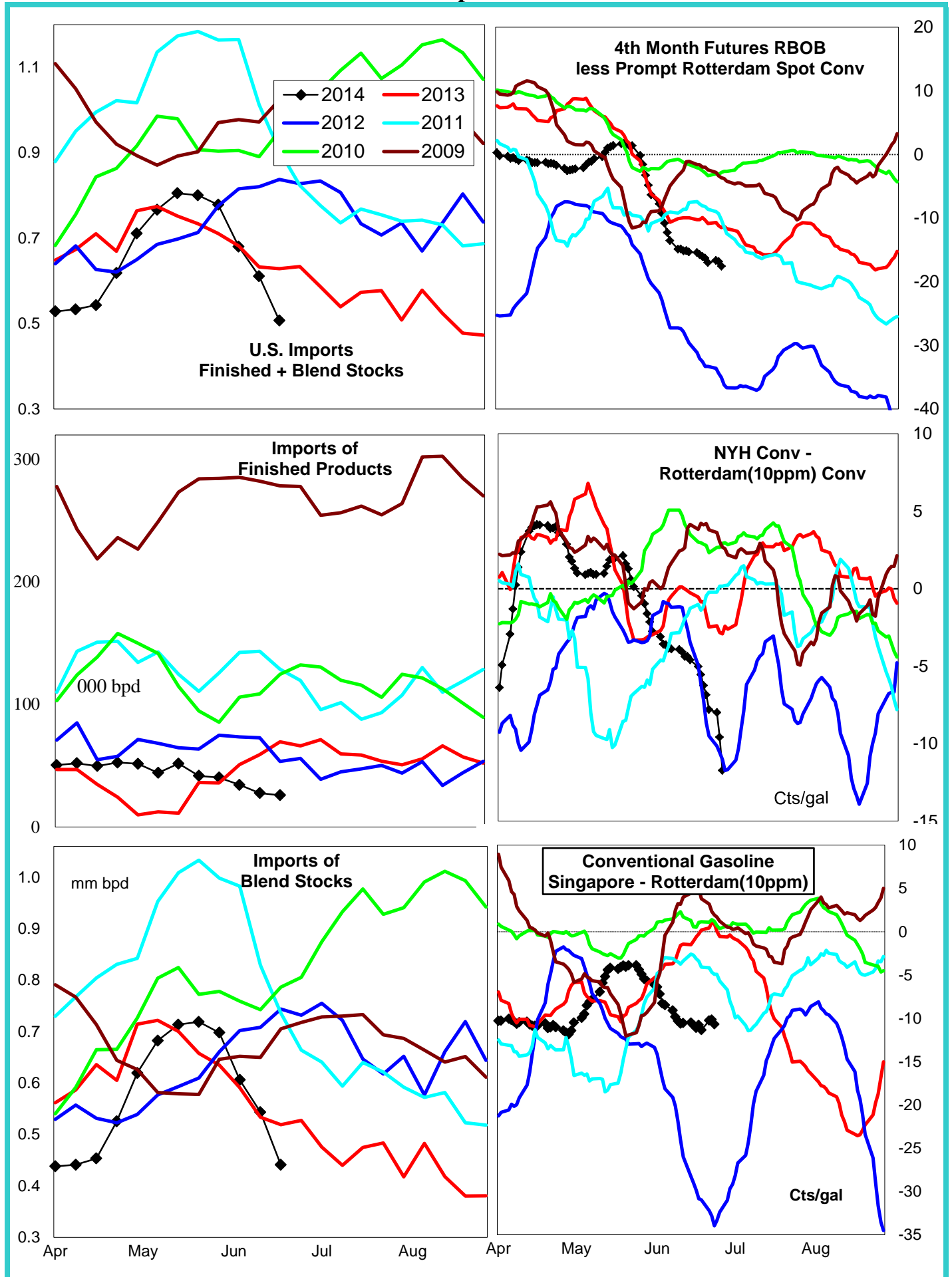


**Disclaimer** - The information contained on this website and in all its reports reflects the opinion of Fundamental Petroleum Trends. Futures and commodities trading involve significant risk and may not be suitable for every investor. Information contained herein is strictly the opinion of its author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

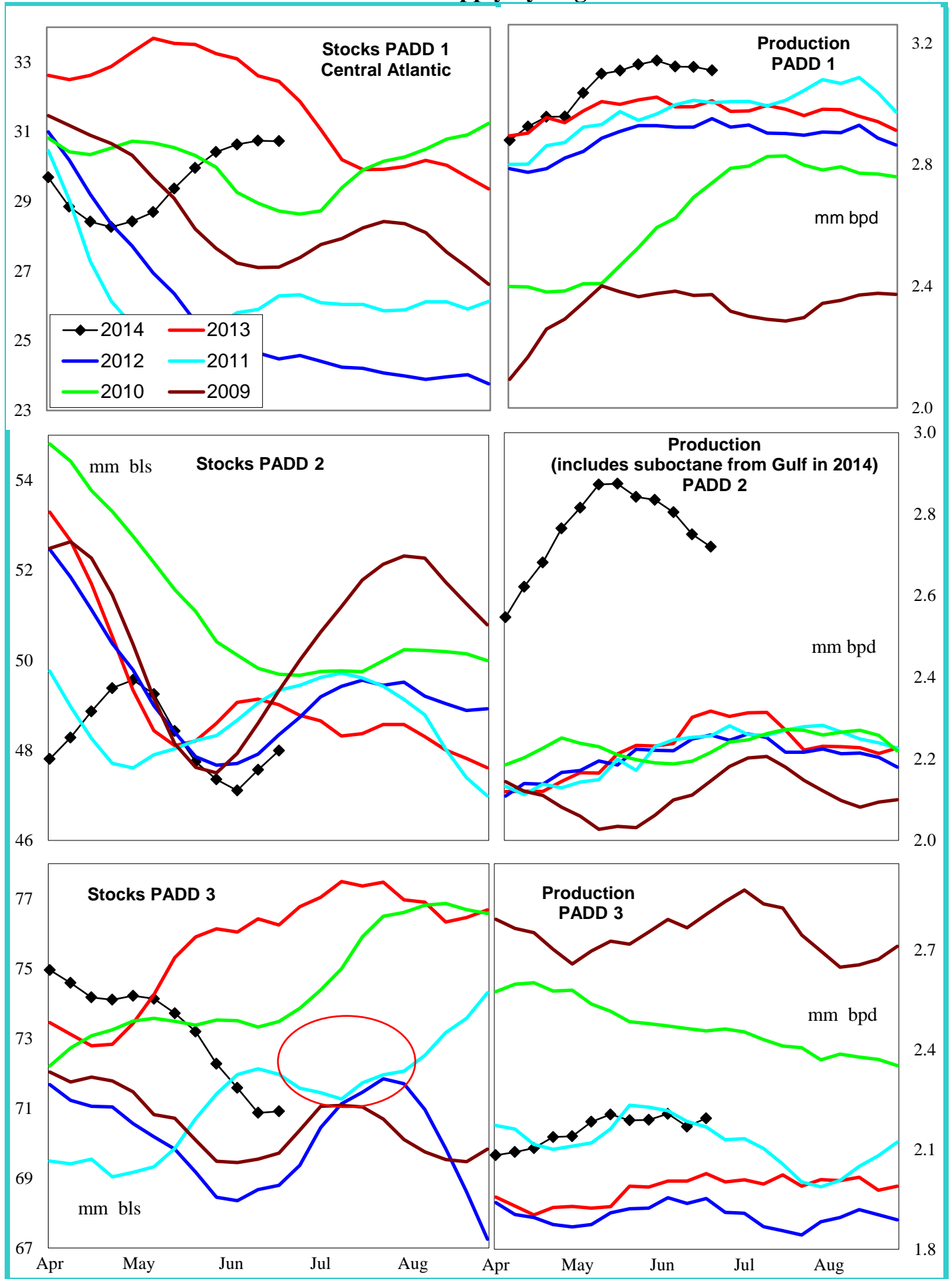
# Gasoline Cash Basis and Related Price Spreads



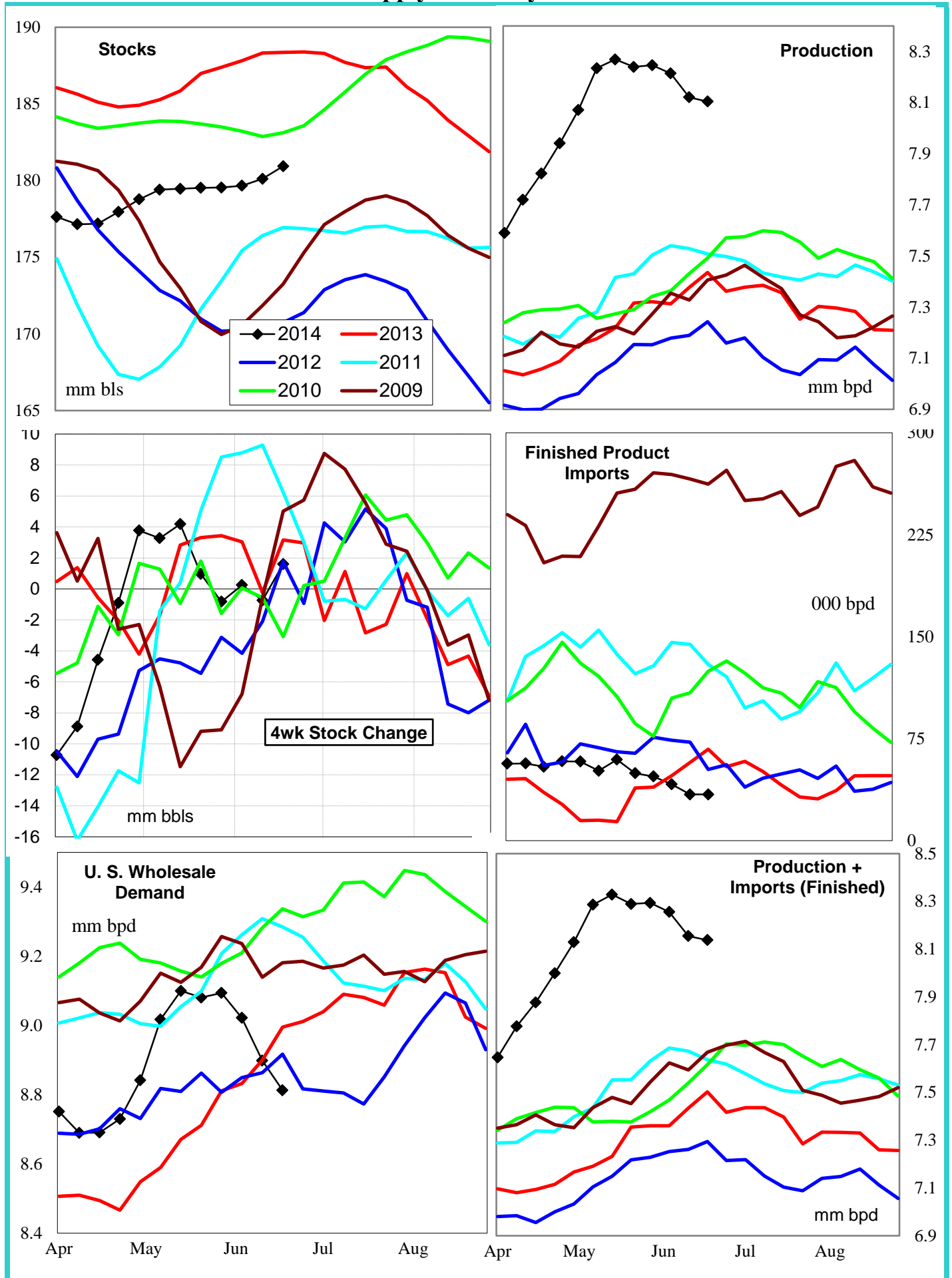
## Gasoline Import Economics



# Gasoline Supply by Region



## Gasoline Supply Summary PADDs 1+2+3



**PADD 5 Gasoline Supply**