



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		→	→

Supplies increased +88,000 bpd on the week, due to higher imports. The latest 4-wk supply was +130,000 bpd above a year ago.

Stocks increased +0.6 million barrels last week, concentrated on the East Coast. Stock levels on the East coast are near 5-yr highs – pointing to a very well supplied market, although most other regional markets are at the low end of the historic range.

Cash basis traded sideways to lower in most regional markets last week, with West coast markets down sharply.

Basis levels remain very weak in the Midwest, while levels in the Gulf have dropped to near historic lows.

Look for basis to trade sideways in most markets East of the Rockies on ample supplies in the near term. Midwest basis should trend modestly higher on peak summer demand from extremely low levels.

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 high production, then higher on peak summer demand.

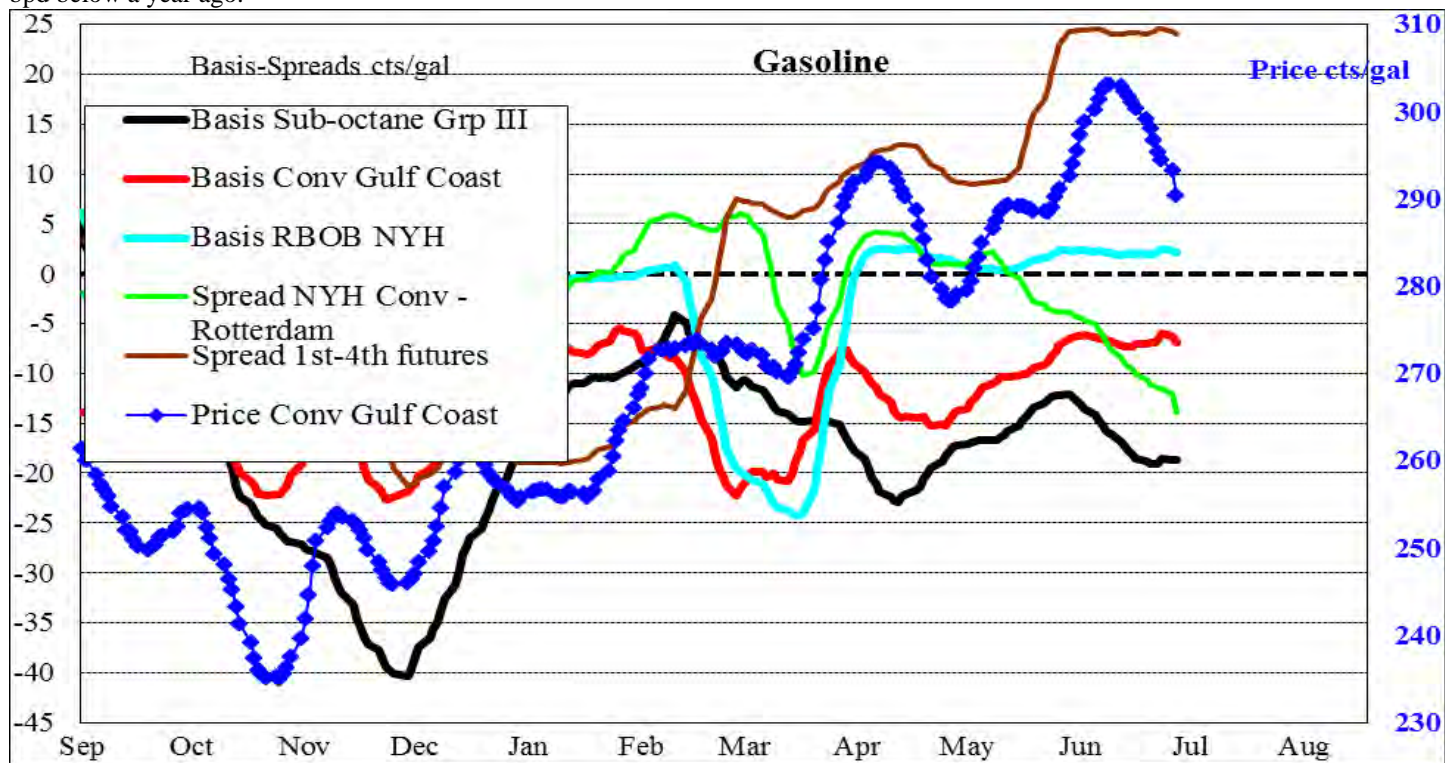
Group III basis to trend modestly higher over the next month on increased seasonal demand, and further stock draw down in the area.

Gulf Basis to trade sideways in the near term, then trend seasonally lower on high refinery production.

West Coast (Los Angeles) basis to trend lower in the near term on increased production and stock building, then higher from near record lows.

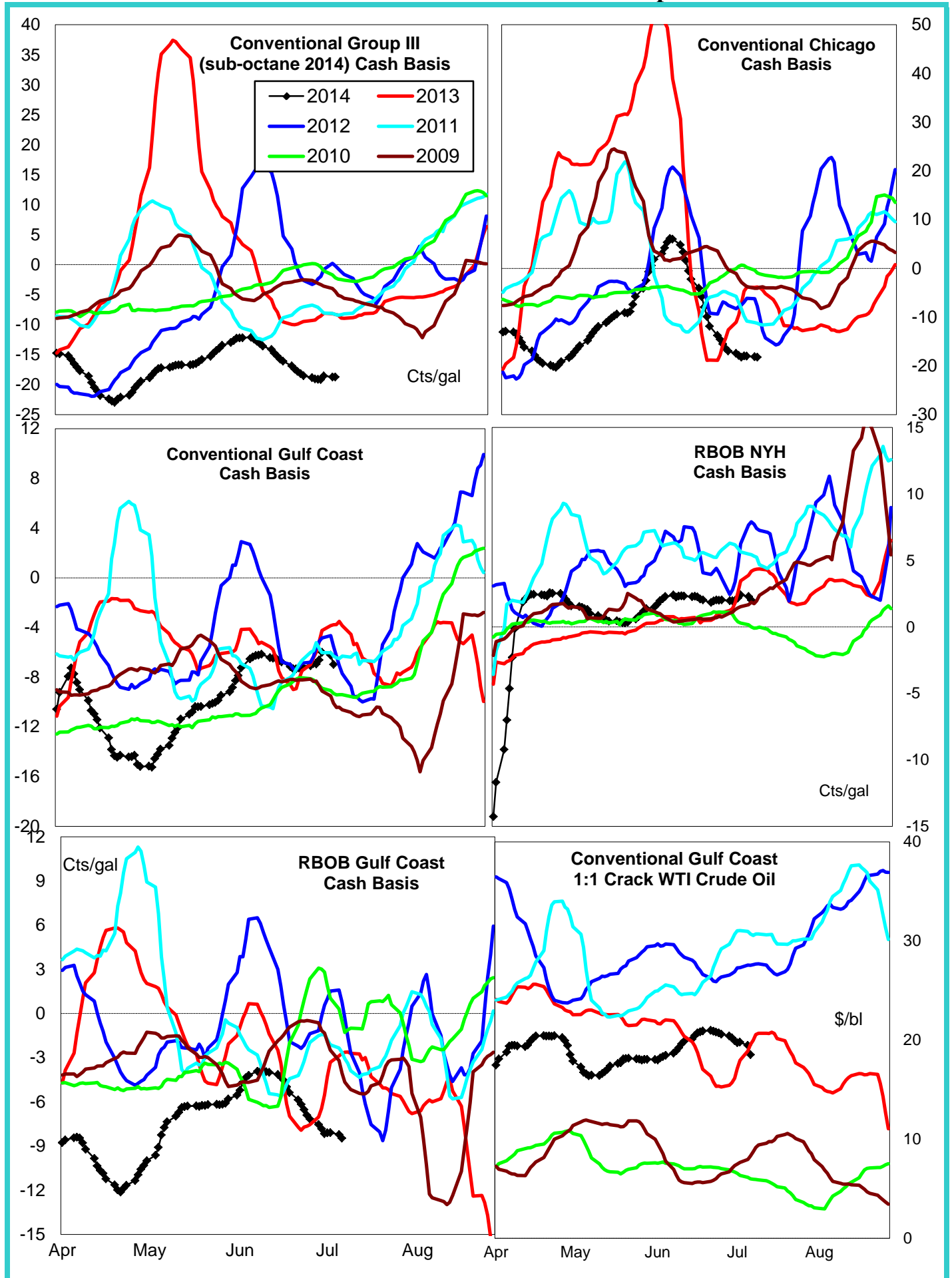
Gulf Coast Price Gulf refiners have returned to peak season crude oil runs following unplanned maintenance due to storms in mid June. Look for a rebound in gasoline prices from the recent pull bac. However, in the absence of hurricanes, the risk is high that refiners will over supply the market during the next 2-months.

Wholesale demand fell -0.2 million bpd last week to a level below a year ago. The latest 4-wk average demand was -38,000 bpd below a year ago.

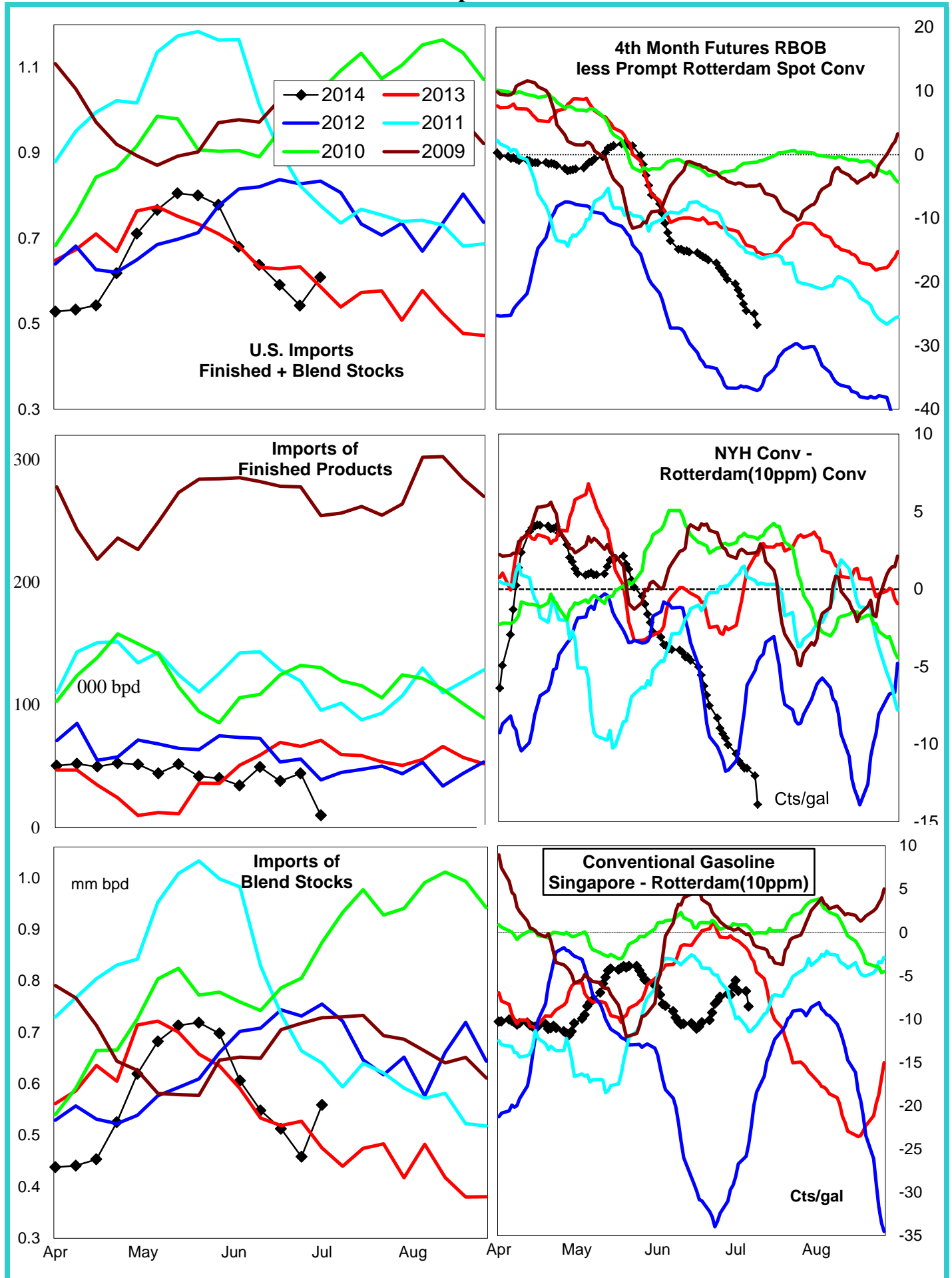


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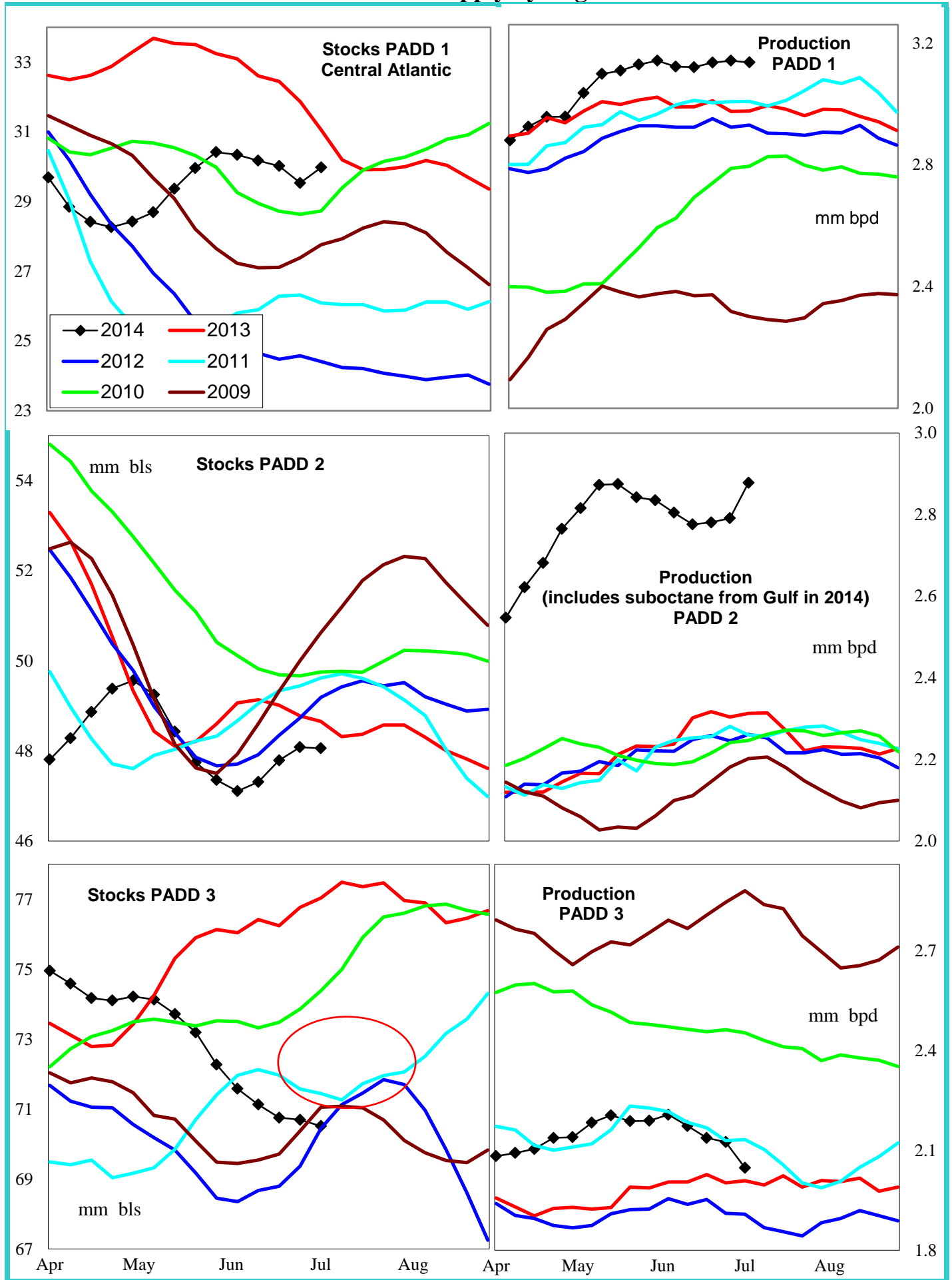
Gasoline Cash Basis and Related Price Spreads



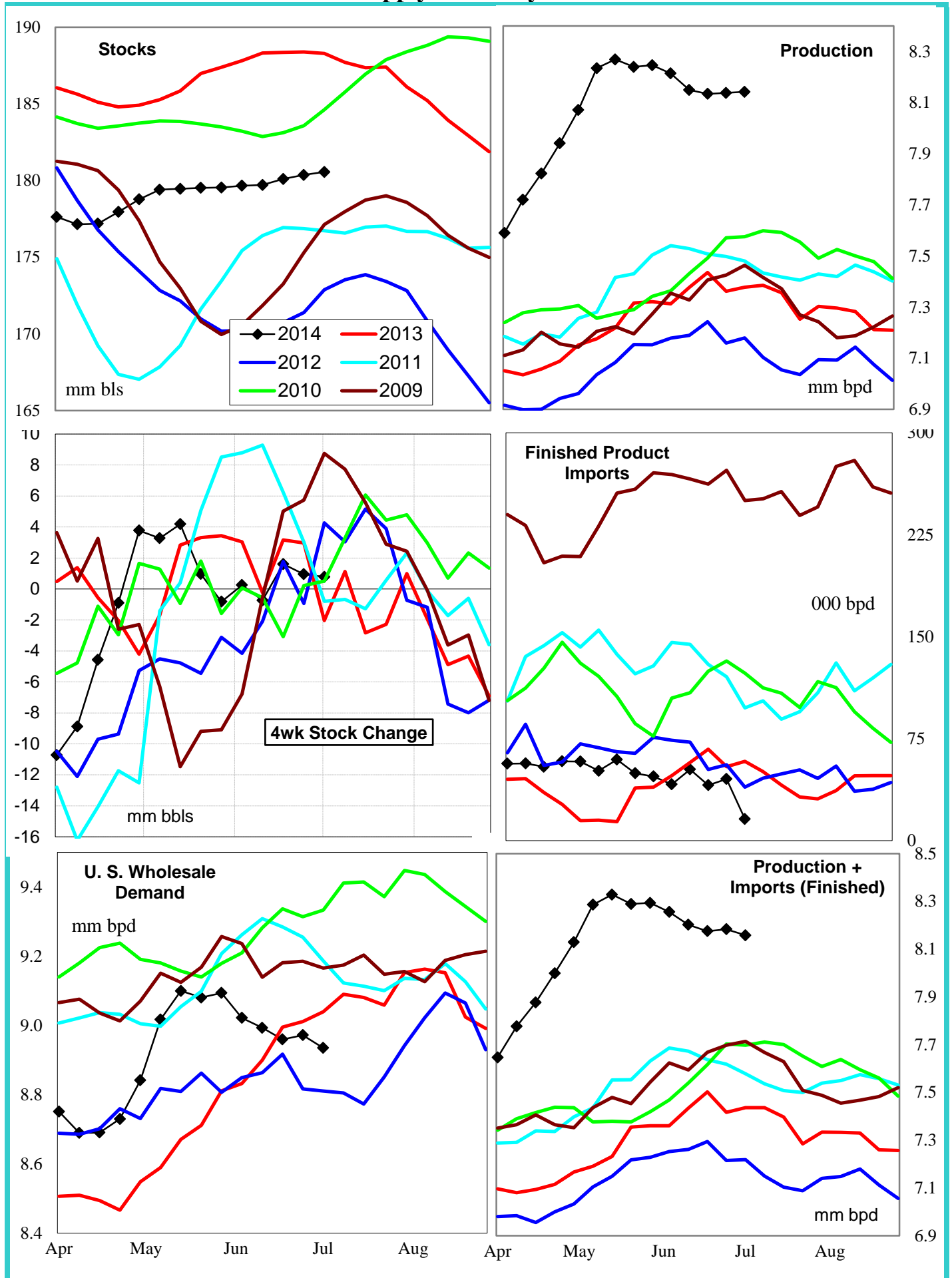
Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3



PADD 5 Gasoline Supply