



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 fell -0.3 million bpd last week to a level that matched historic

low for the week. The latest 4-wk average demand was -88,000 bpd below a year ago.

Supplies increased +228,000 bpd on the week, due to higher production. The latest 4-wk supply was +10,000 bpd above a year ago.

Stocks climbed +3.4 million barrels last week, concentrated in the Gulf Region. Stock levels on the East coast remain near historic highs for this time of year. All major regional markets report stock levels at or above the historic mid range.

Cash basis traded flat to lower in all regional markets east of the Rockies last week; reflecting lackluster wholesale demand and well supplied markets. Basis trended higher in West Coast markets on the week, driven by low stock levels; however a seasonal peak in production should improve the supply balance in this region.

Look for basis to trade sideways in most markets East of the Rockies on ample supplies in the near term, with risk of further weakness if there are no hurricane disruptions.

RBOB

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

Conventional

New York Harbor basis to trend higher from extremely low levels.

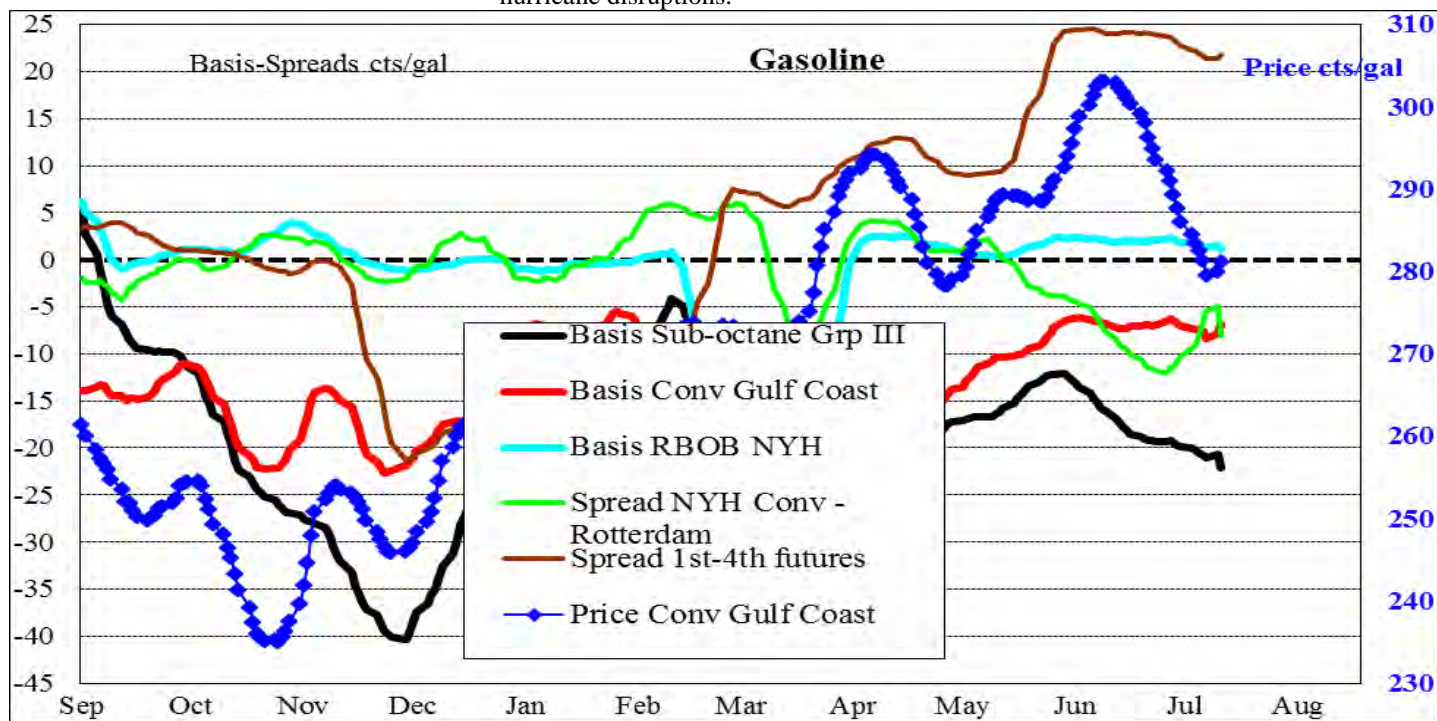
Chicago basis to trade sideways on very high production and ample stock levels.

Group III basis to trade sideways at depressed levels on very high stocks and production.

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

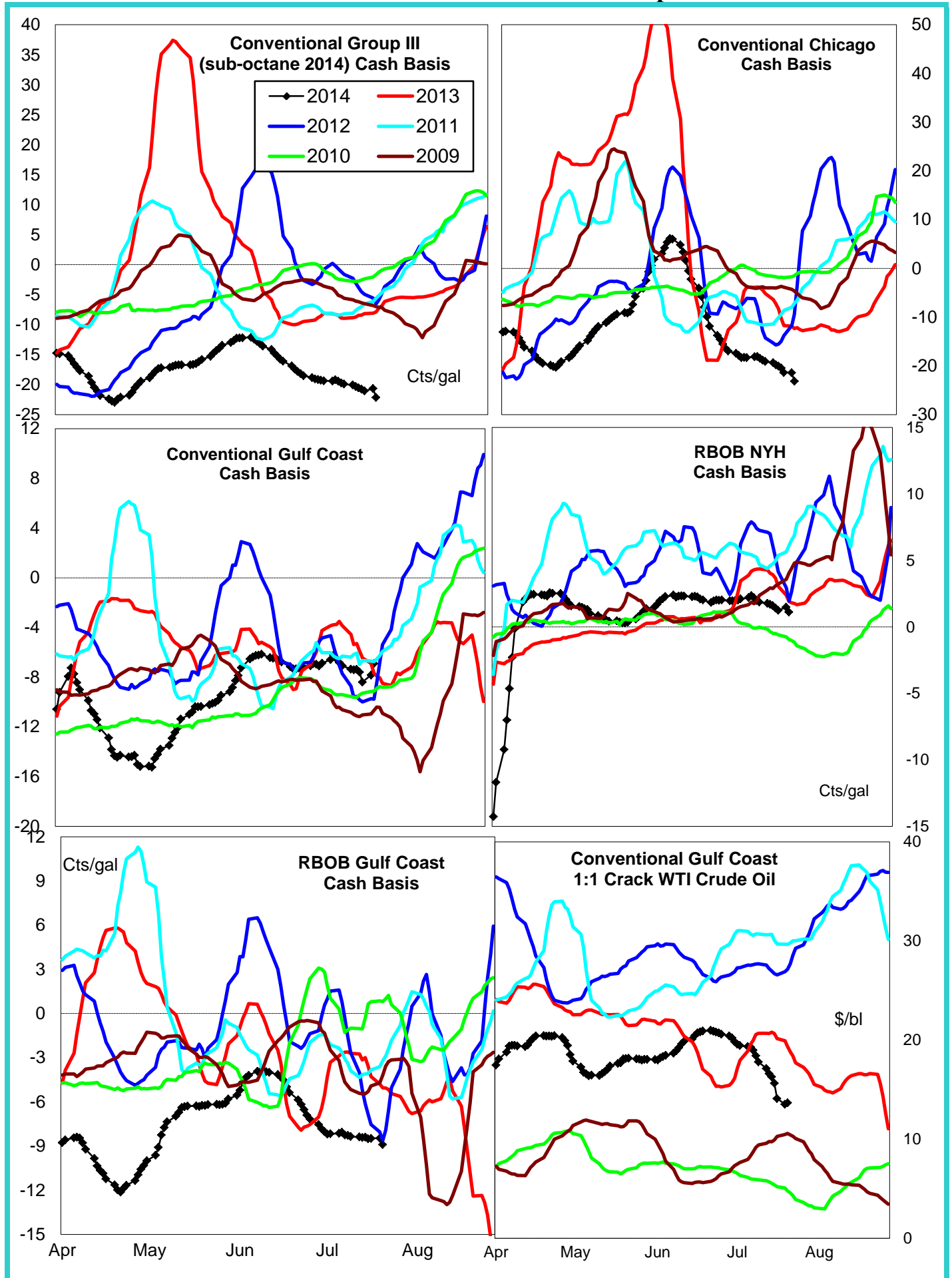
West Coast (Los Angeles) basis to trend lower on peak seasonal production and stock building.

Gulf Coast Price Gulf refiners are at peak seasonal operating rates. Regional markets are well supplied East of the Rockies with very ample stock levels. Look for prices to trade sideways over the next month, then pull back as the peak driving season comes to an end.

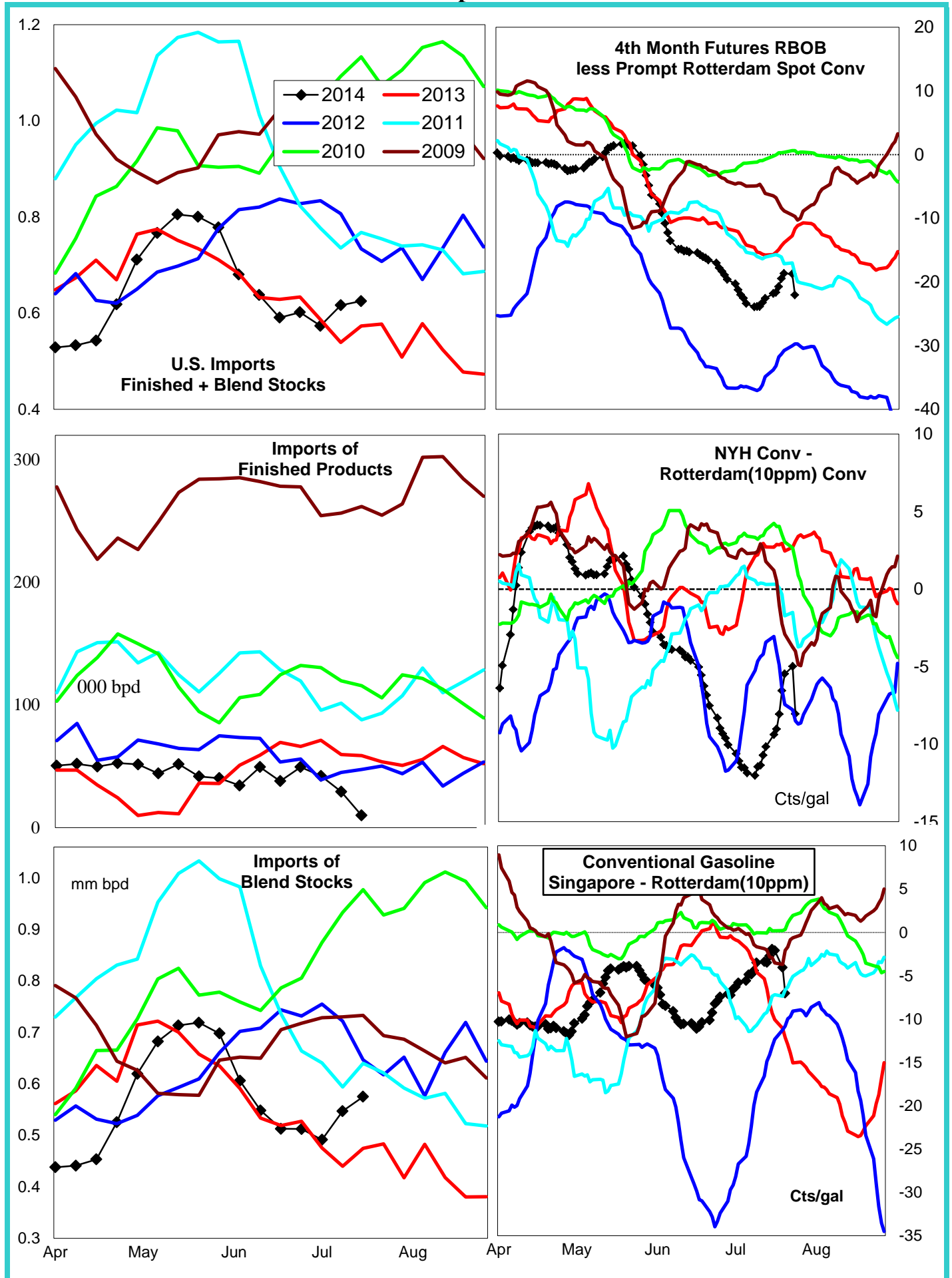


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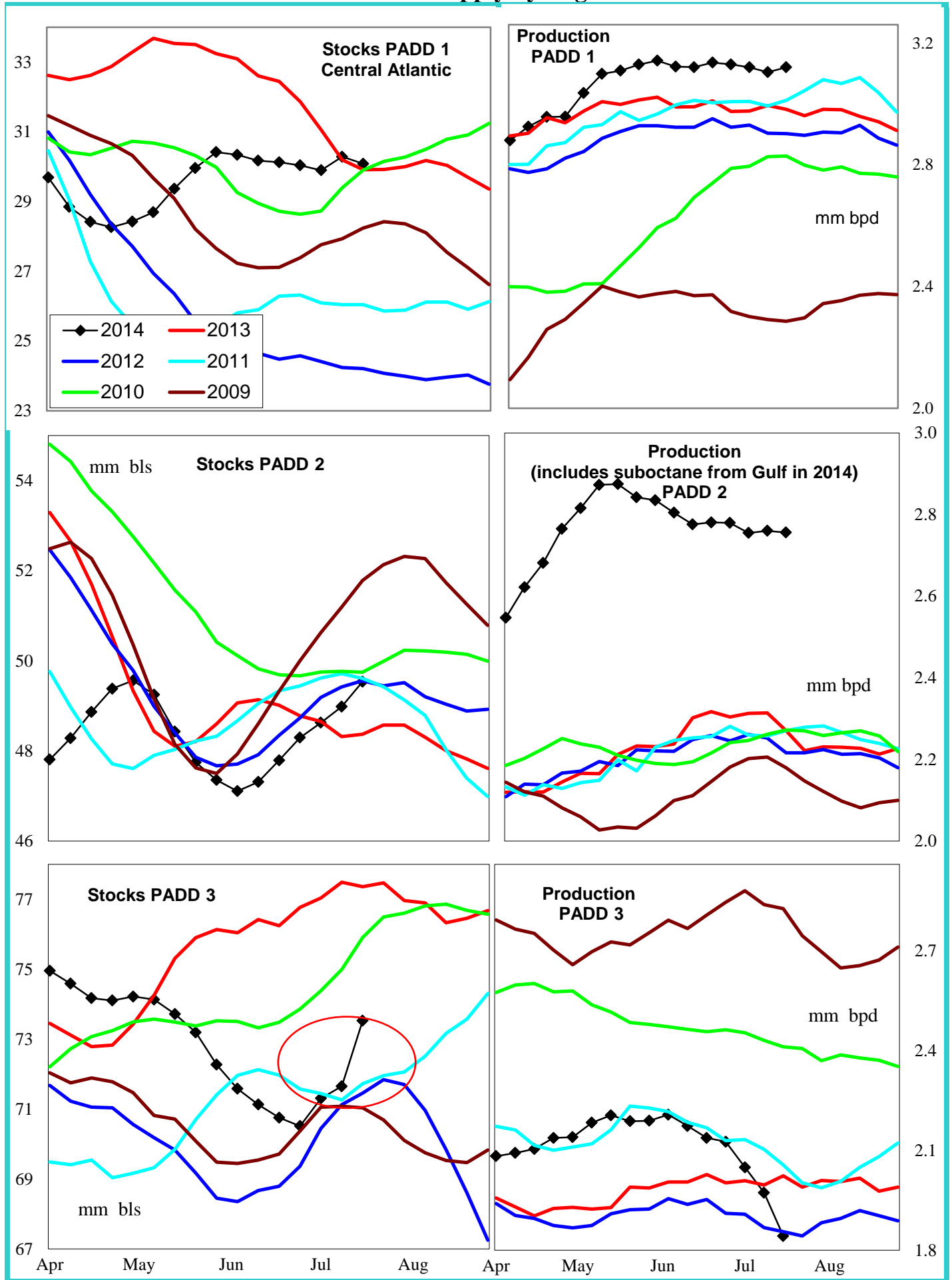
Gasoline Cash Basis and Related Price Spreads



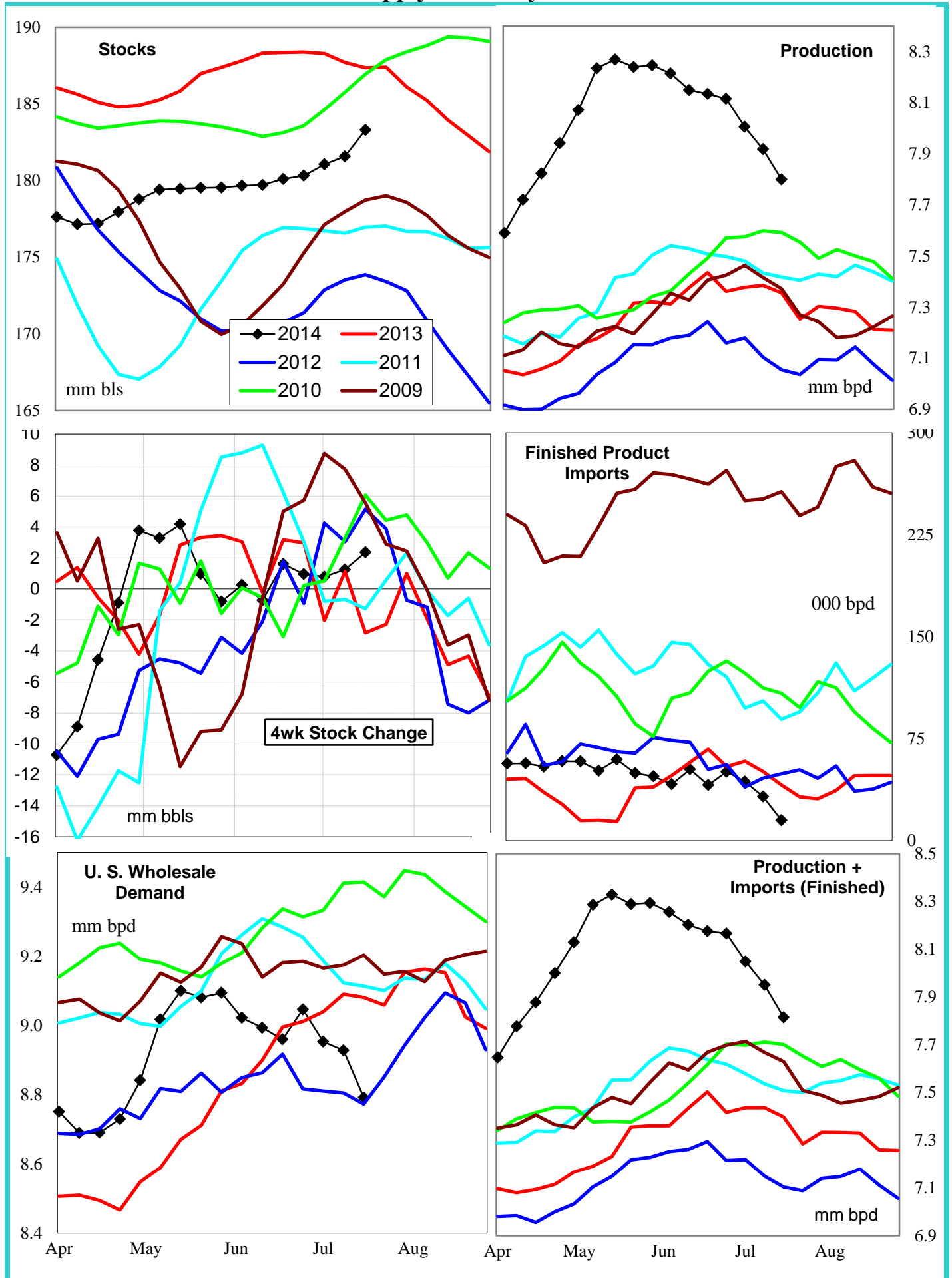
Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3



PADD 5 Gasoline Supply