



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 +0.3 million bpd last week to a level comparable to the

average of the last 2-yrs. The latest 4-wk average demand was -92,000 bpd below a year ago.

Supplies decreased -43,000 bpd on the week, to a level near last year. The latest 4-wk supply was 48,000 bpd below a year ago.

Stocks climbed +0.4 million barrels last week, concentrated in the Gulf Region. Stock levels have surged to near historic highs in the Gulf and remain very high on the East Coast.

Cash basis fell sharply last week in the Gulf, driven by the surge in stock levels. Chicago and the Group III remain very weak on high production. Unplanned maintenance on the West Coast has lifted basis to the 3-yr mid range in markets other than Los Angeles.

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 by late August and early September.

RBOB

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

Conventional

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

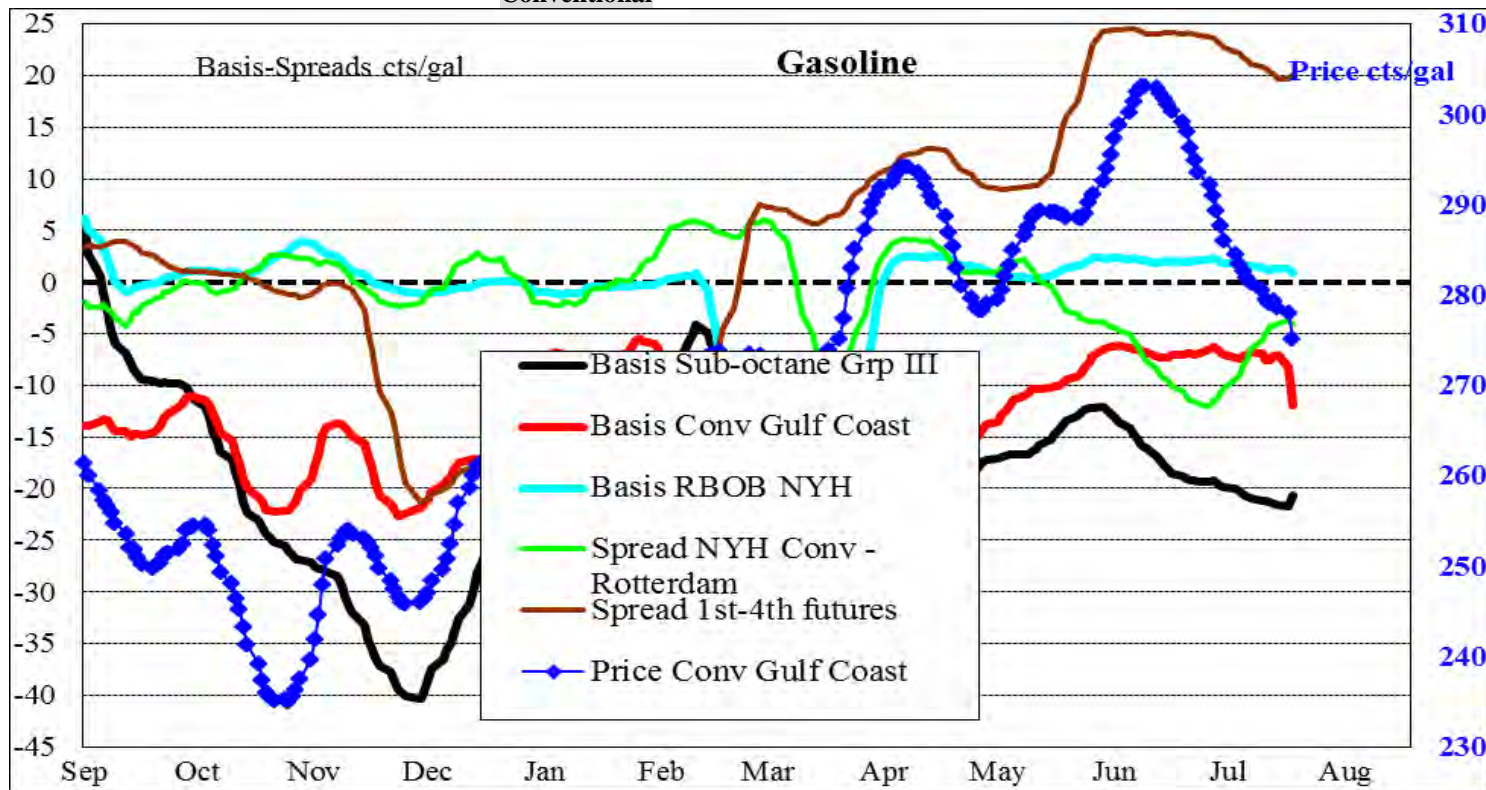
Chicago basis to trade sideways on very high production, followed by a seasonal downtrend.

Group III basis to trade sideways at depressed levels on very high stocks and production, then trend seasonally lower.

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

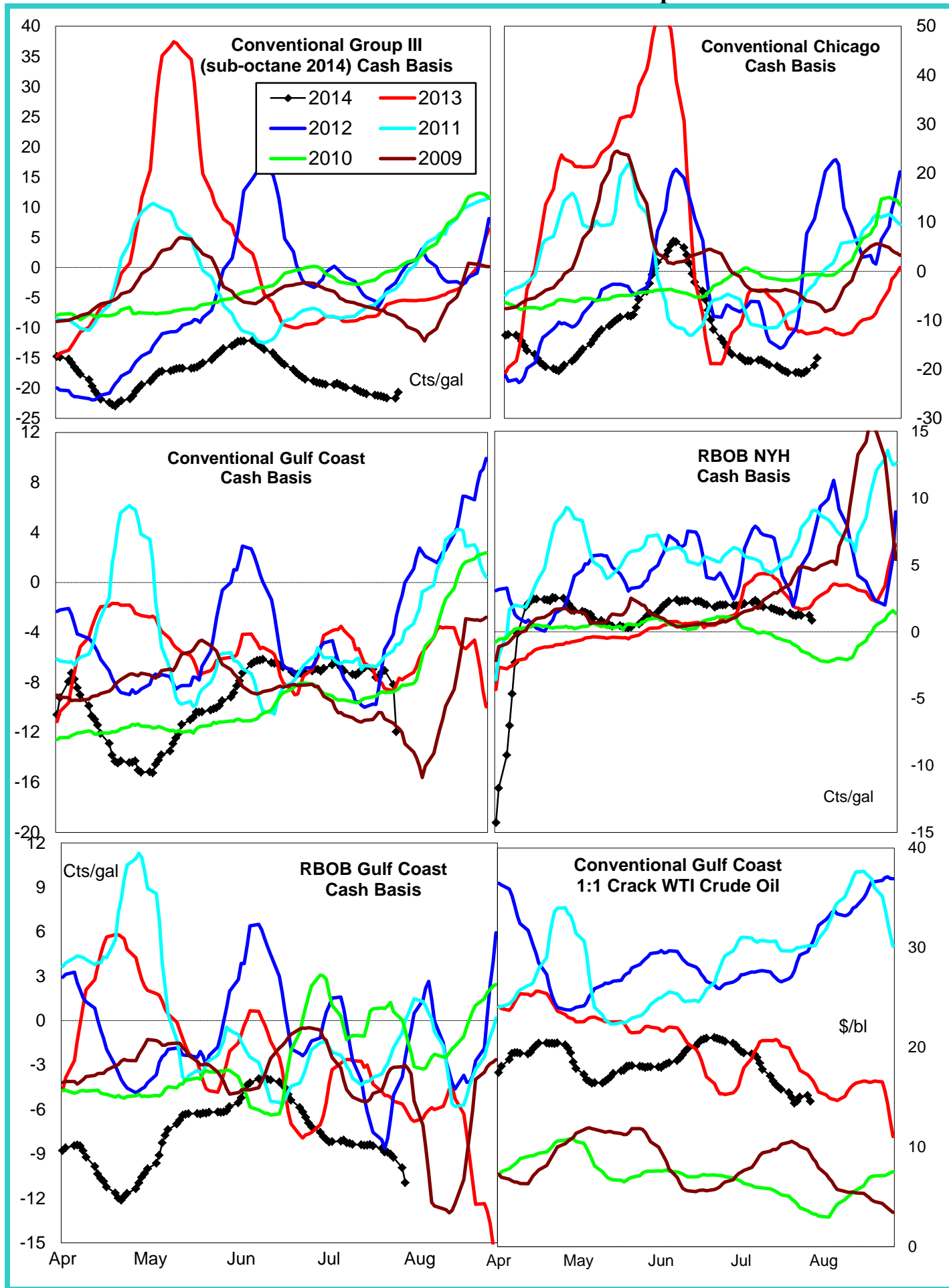
West Coast (Los Angeles) basis to trend higher on unplanned refinery maintenance, then pull back as refiners return to operation.

Gulf Coast Price Markets East of the Rockies are well supplied. With the end to peak summer demand just 3-wks away, there is risk prices extend the current downtrend in the absence of hurricane disruptions on the Gulf.

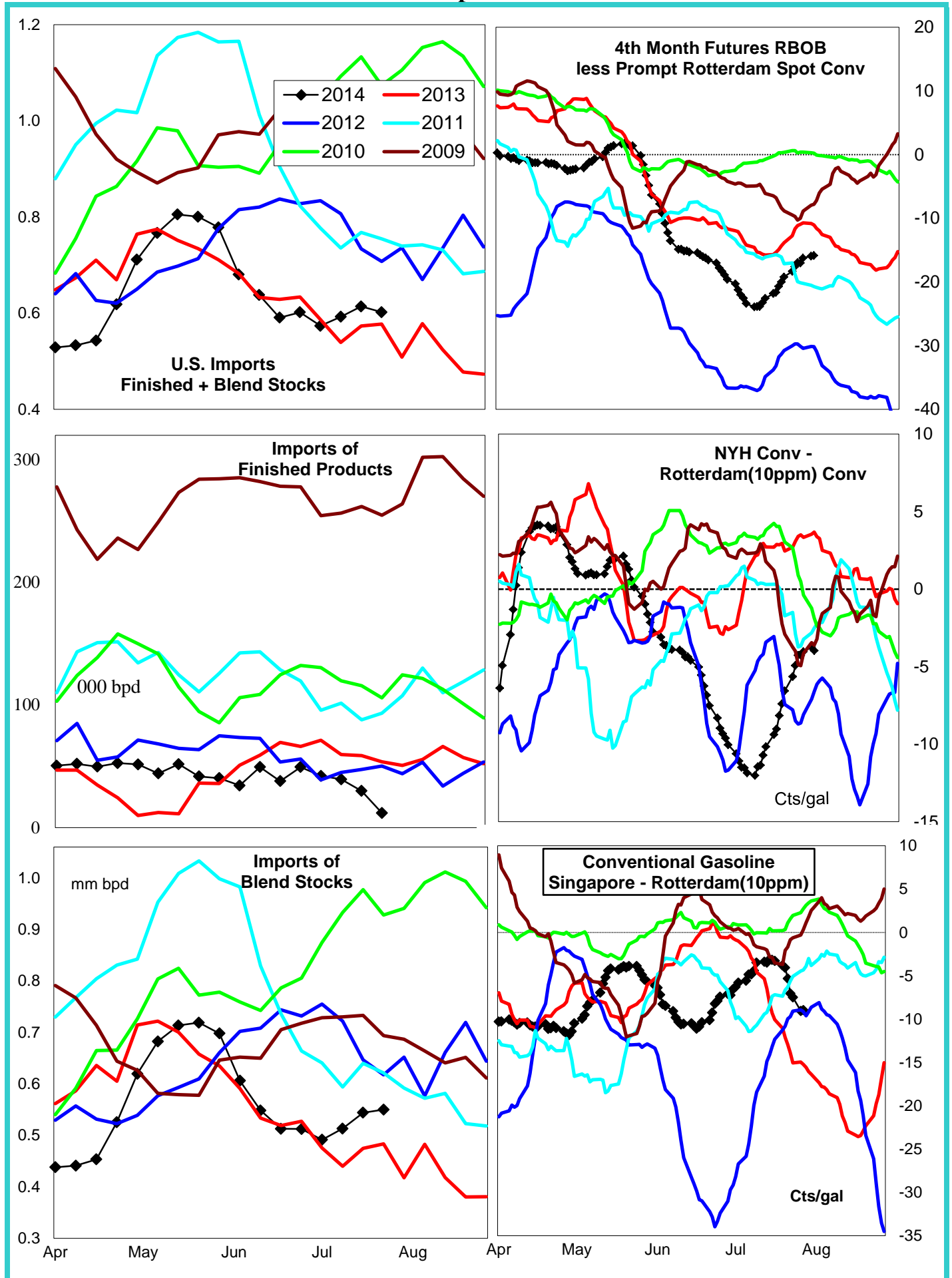


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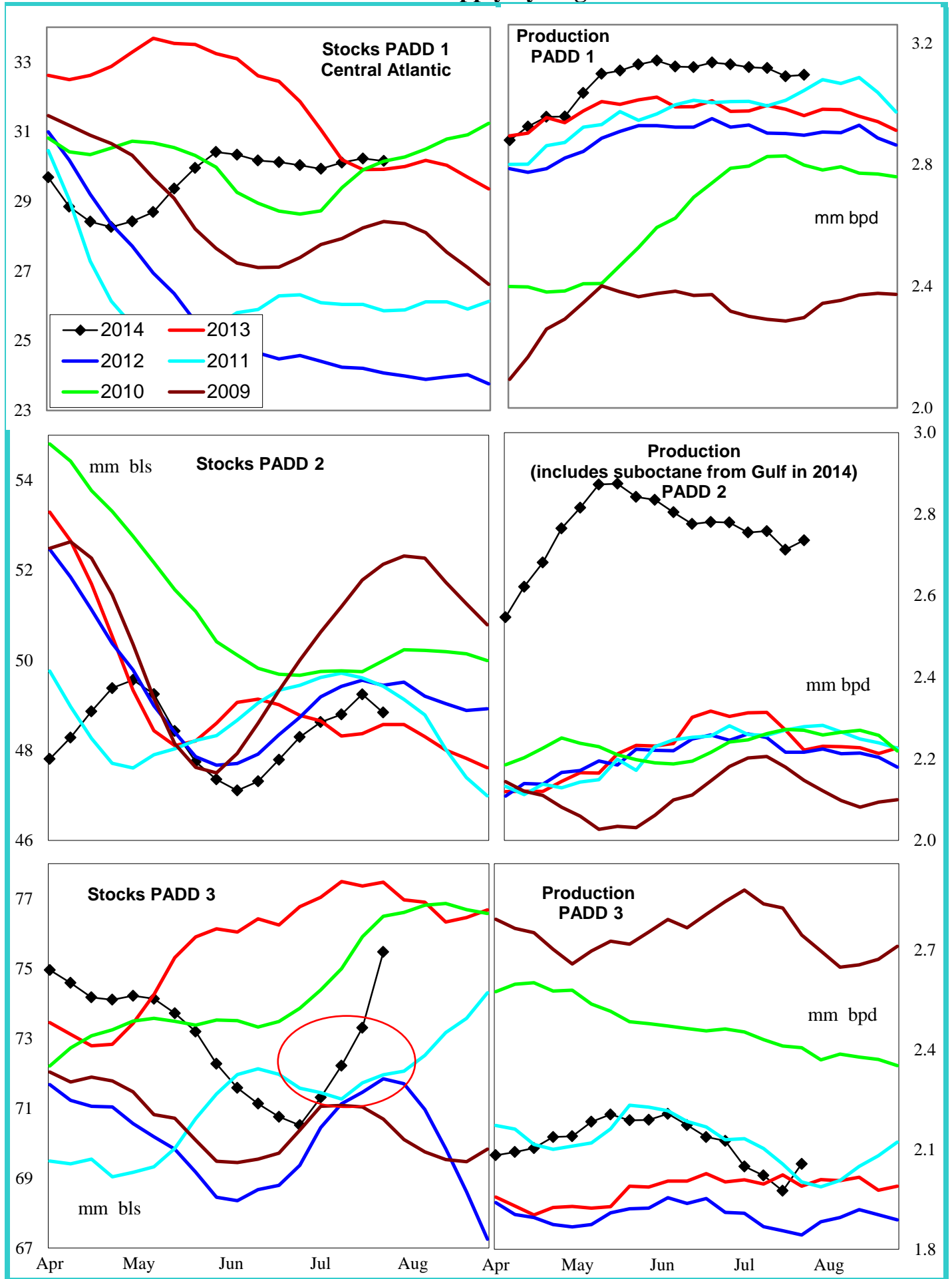
Gasoline Cash Basis and Related Price Spreads



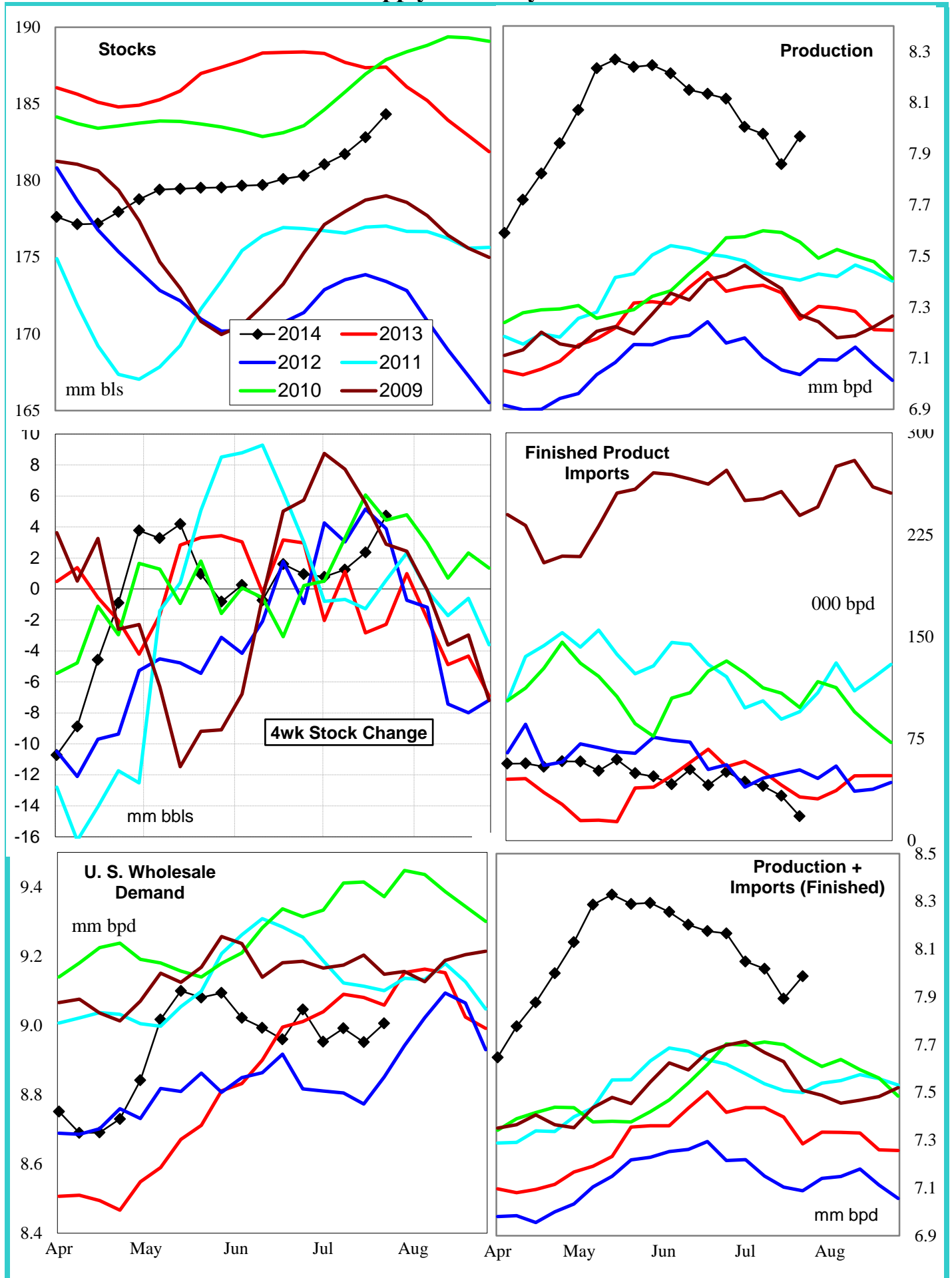
Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3



PADD 5 Gasoline Supply