



WEEKLY GASOLINE FUNDAMENTAL-PRICE-BASIS OUTLOOK

A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Sunday, August 17, 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 5-yr range.

The latest 4-wk average demand was - 122,000 bpd below a year ago.

Supplies decreased -206,000 bpd on the week, driven by lower production. The latest 4-wk supply was +136,000 bpd above a year ago.

Stocks declined -1.2 million barrels last week, concentrated in the Gulf and East Coasts. Stock levels remain very ample in the Gulf and East coast markets; while tight in the Midwest and West Coast.

Cash basis has trended sharply higher in the 1st half of August on the roll to an inverted Sep futures, peak season demand, and a sharp pull back in NYMEX futures. In the absence of hurricane disruptions on the Gulf, cash basis should trend seasonally lower by early September in all major markets.

Above average maintenance of gasoline production units in the Chicago and Gulf regions should support fall basis levels in those regions. Restart of CVR by end August should also lead to renewed weakness in the Group.

RBOB

New York Harbor basis to trade sideways on ample stock levels and increase imports.

Conventional

New York Harbor basis to trend seasonally lower by early next month.

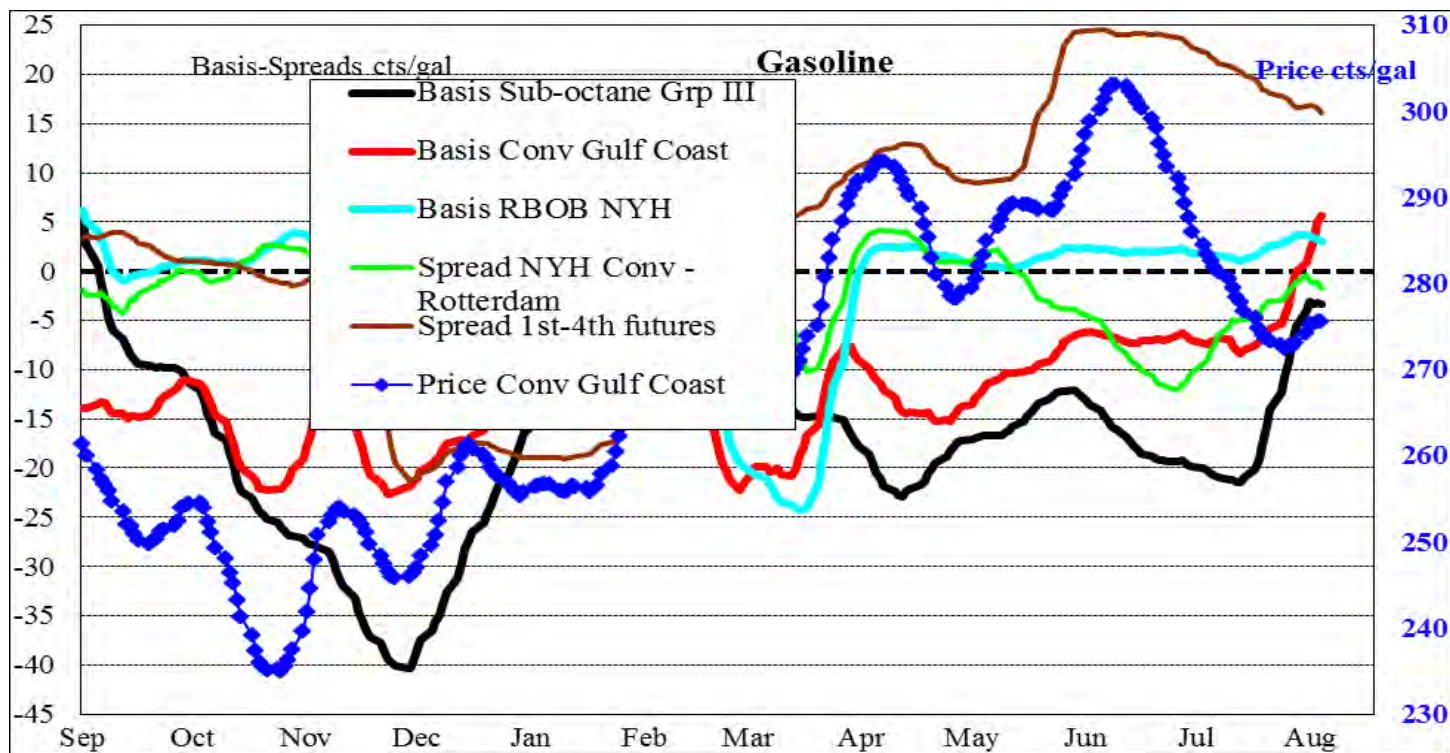
Chicago basis to trend seasonally lower by early next month, although above average maintenance should support above average levels.

Group III basis to trend seasonally lower with restart of CVR at month end.

Gulf Basis to trend seasonally lower, although start of fall maintenance should support basis at an above average level.

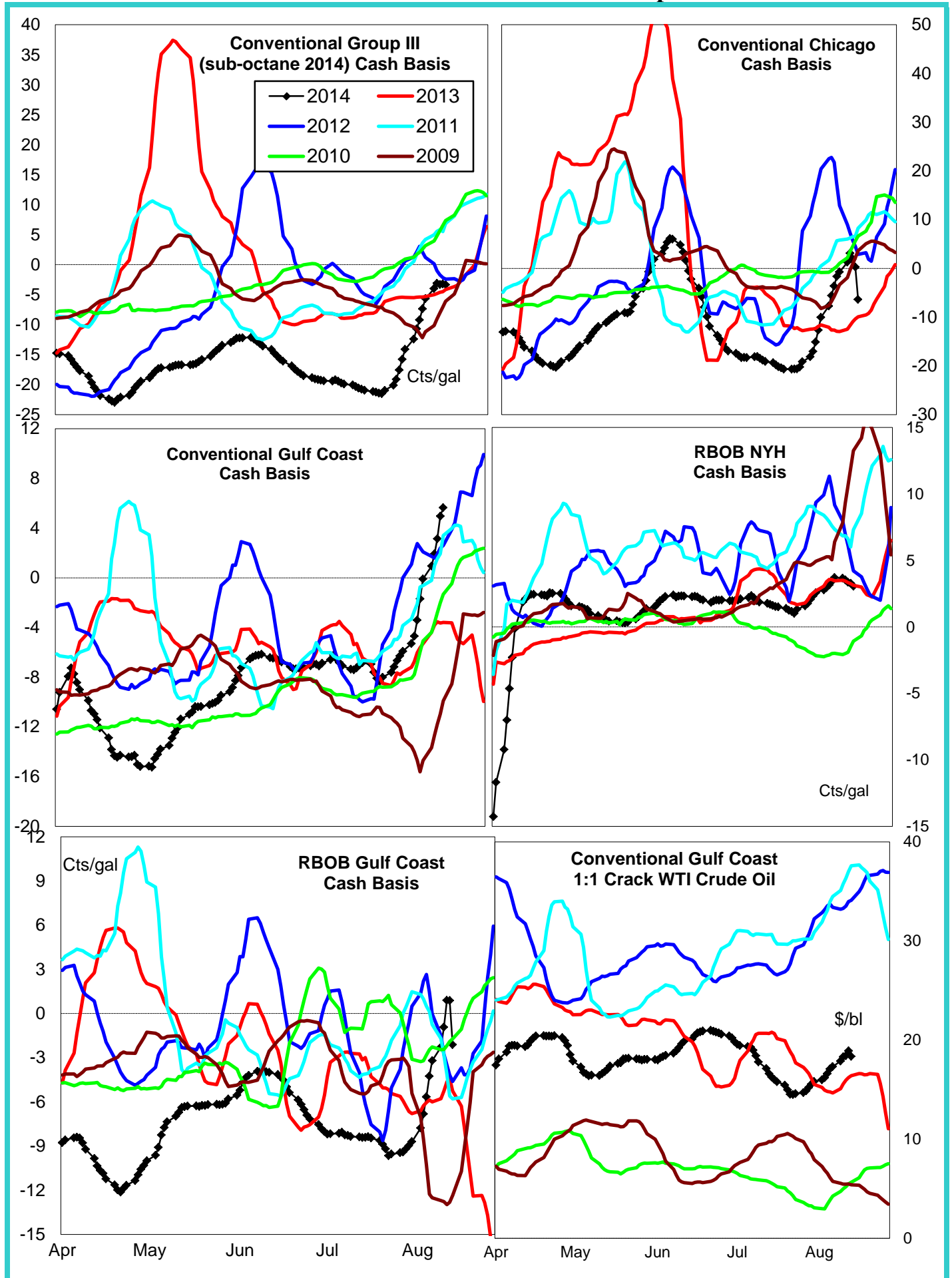
West Coast (Los Angeles) basis to pull back from elevated levels on completion of unplanned maintenance.

Gulf Coast Price High stock levels in the key East and Gulf coast markets, combined with lack luster demand underlies the recent steep pull back in gasoline prices. Look for the start of fall refinery maintenance to support prices after month end.

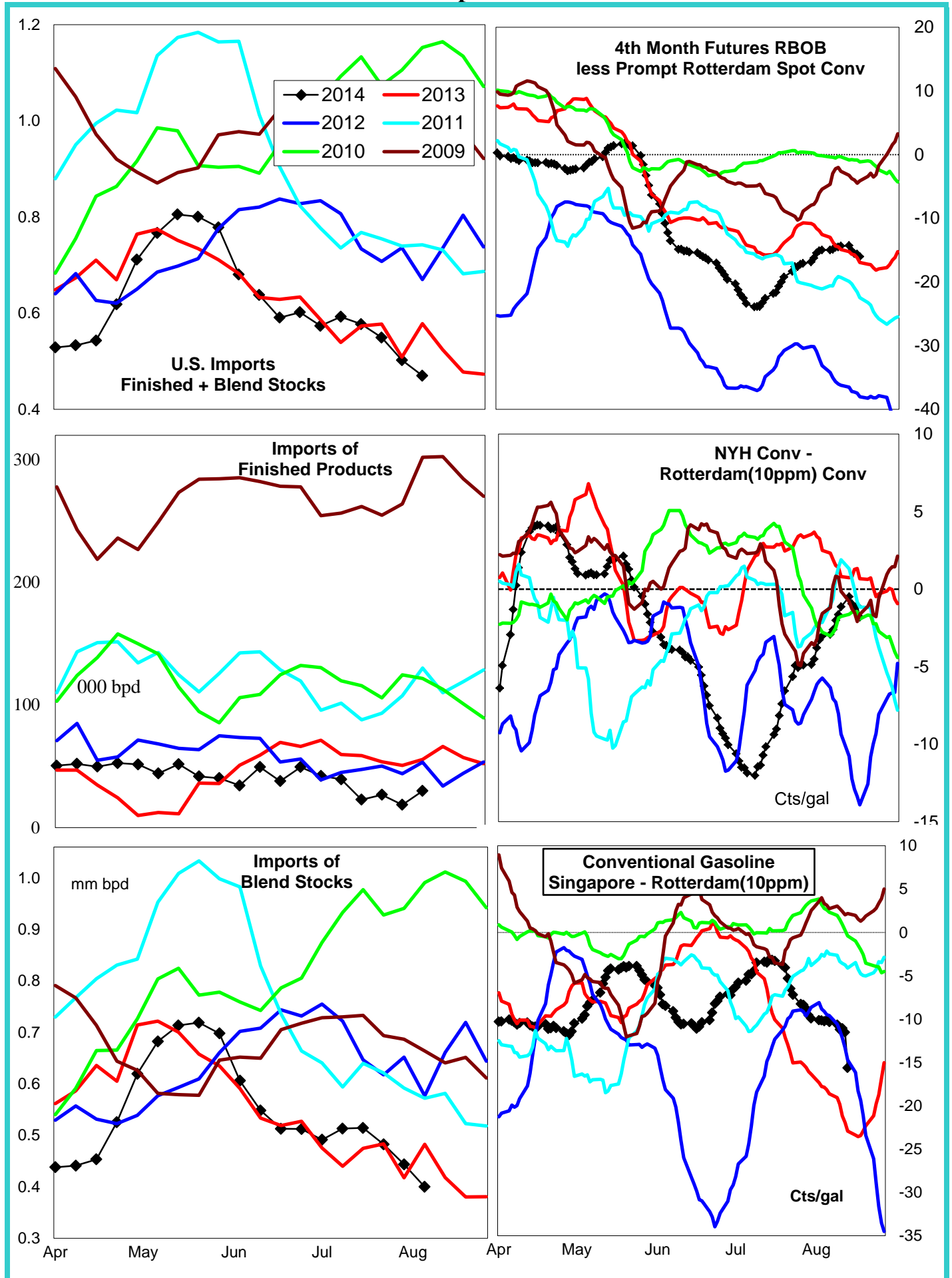


Disclaimer - The information contained on this website and in all its reports reflects the opinion of Fundamental Petroleum Trends. Futures and commodities trading involve significant risk and may not be suitable for every investor. Information contained herein is strictly the opinion of its author and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

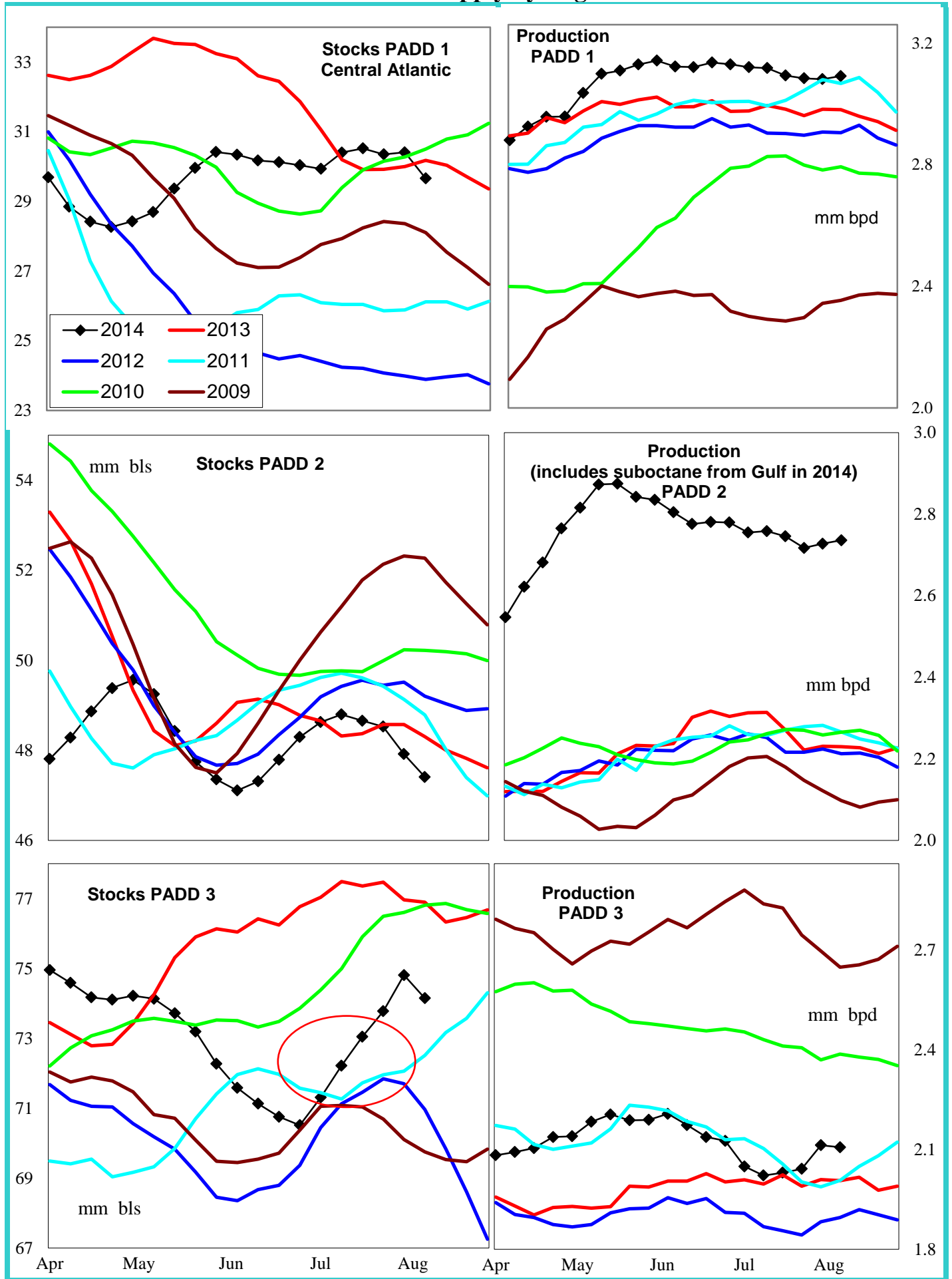
Gasoline Cash Basis and Related Price Spreads



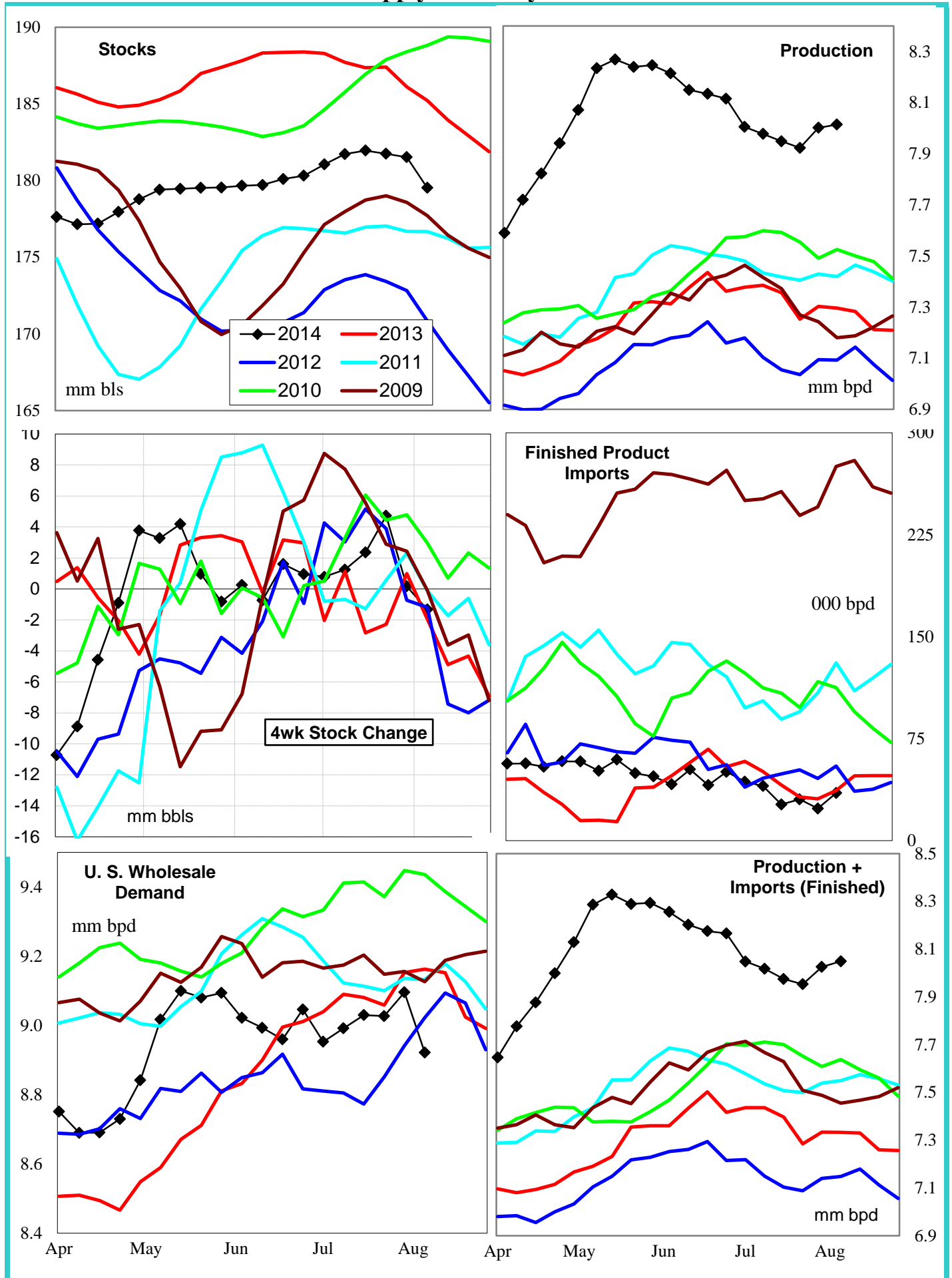
Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3



PADD 5 Gasoline Supply