



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		→	→

largely offset by higher imports. The latest 4-wk supply was +15,000 bpd above a year ago.

Stocks increased +0.6 million barrels last week, concentrated on the East Coast. Stock levels remain very ample in the Gulf and East coast markets; while tight in the Midwest and West Coast.

Cash basis traded sideways to lower in nearly all regional markets last week. Unplanned FCCU's maintenance in Eastern Canada and the Gulf regions has been nearly offset by a recent surge in imports.

Look for a late season rebound in wholesale demand following the earlier large decrease in wholesale prices. Combined with unplanned maintenance, there is potential for price strength in the near term.

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 basis levels in the fall quarter.

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

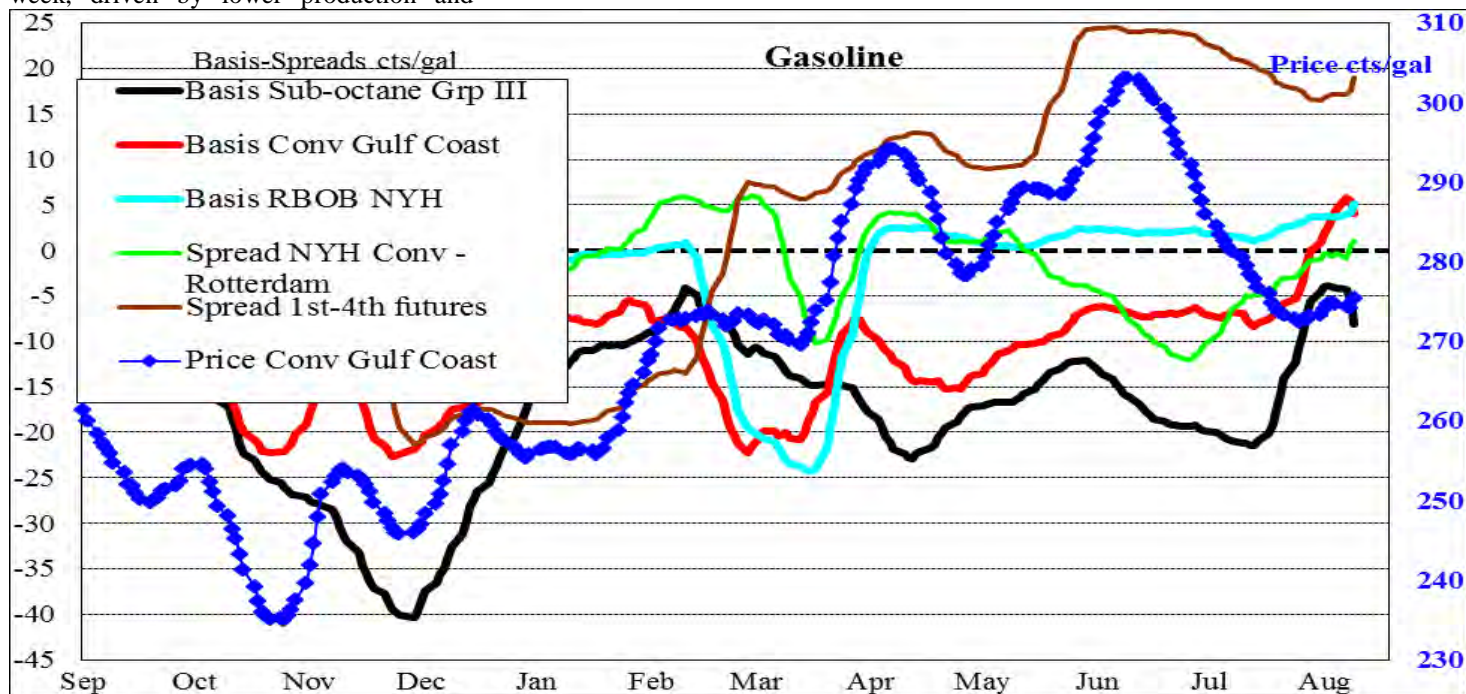
Gulf Basis to trend seasonally lower, although start of fall maintenance should support basis at an above average level.

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

Gulf Coast Price After the recent large pull back in wholesale prices and related declined in wholesale demand as the downstream supply chain reduced inventories, look for a late season rebound in wholesale demand before month end. Combined with unplanned maintenance on Gulf FCCU's, there is potential for near term price strength.

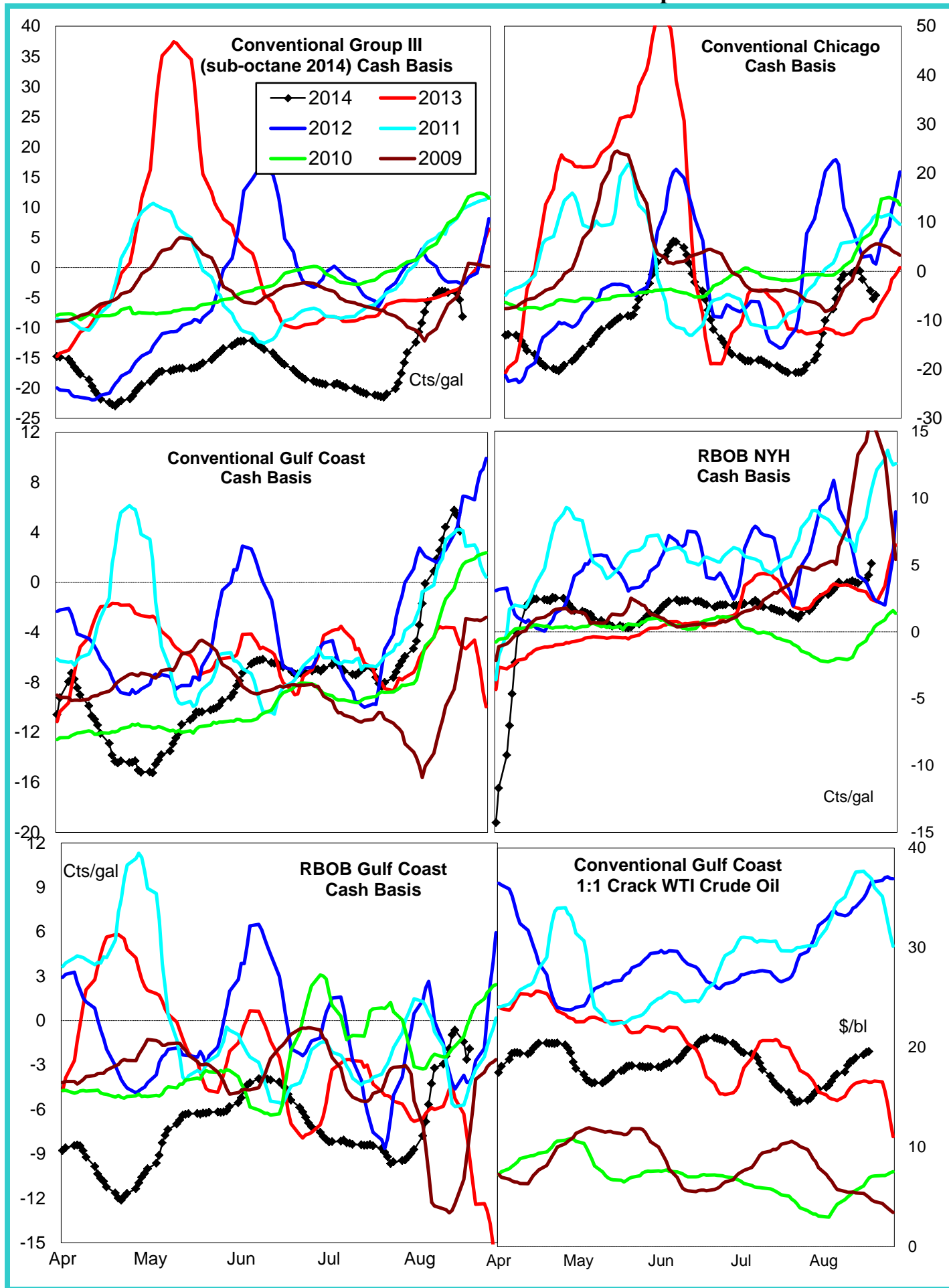
Wholesale demand declined -147,000 bpd last week to a level below the 5-yr range. The latest 4-wk average demand was -180,000 bpd below a year ago.

Supplies decreased -95,000 bpd on the week, driven by lower production and

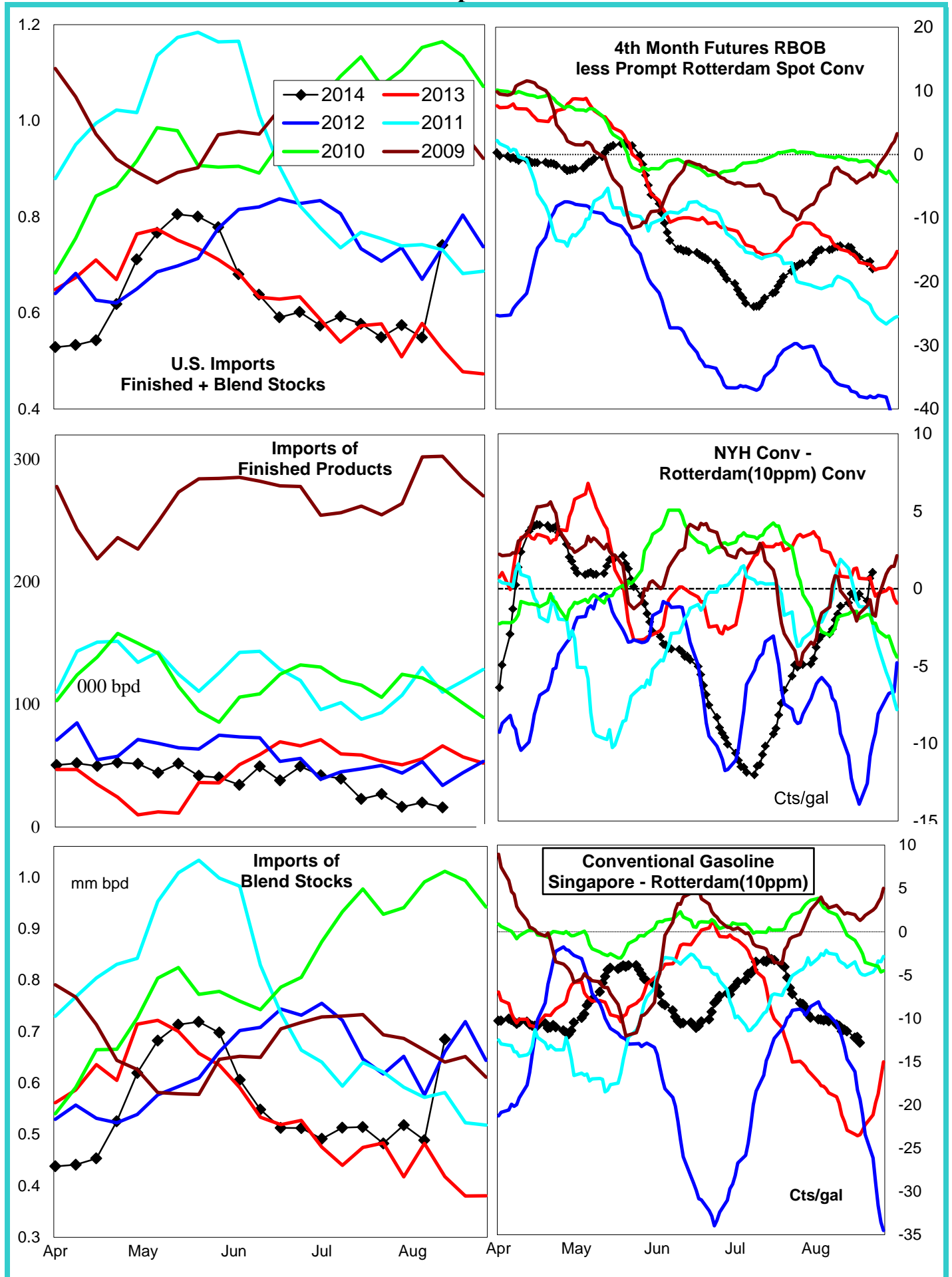


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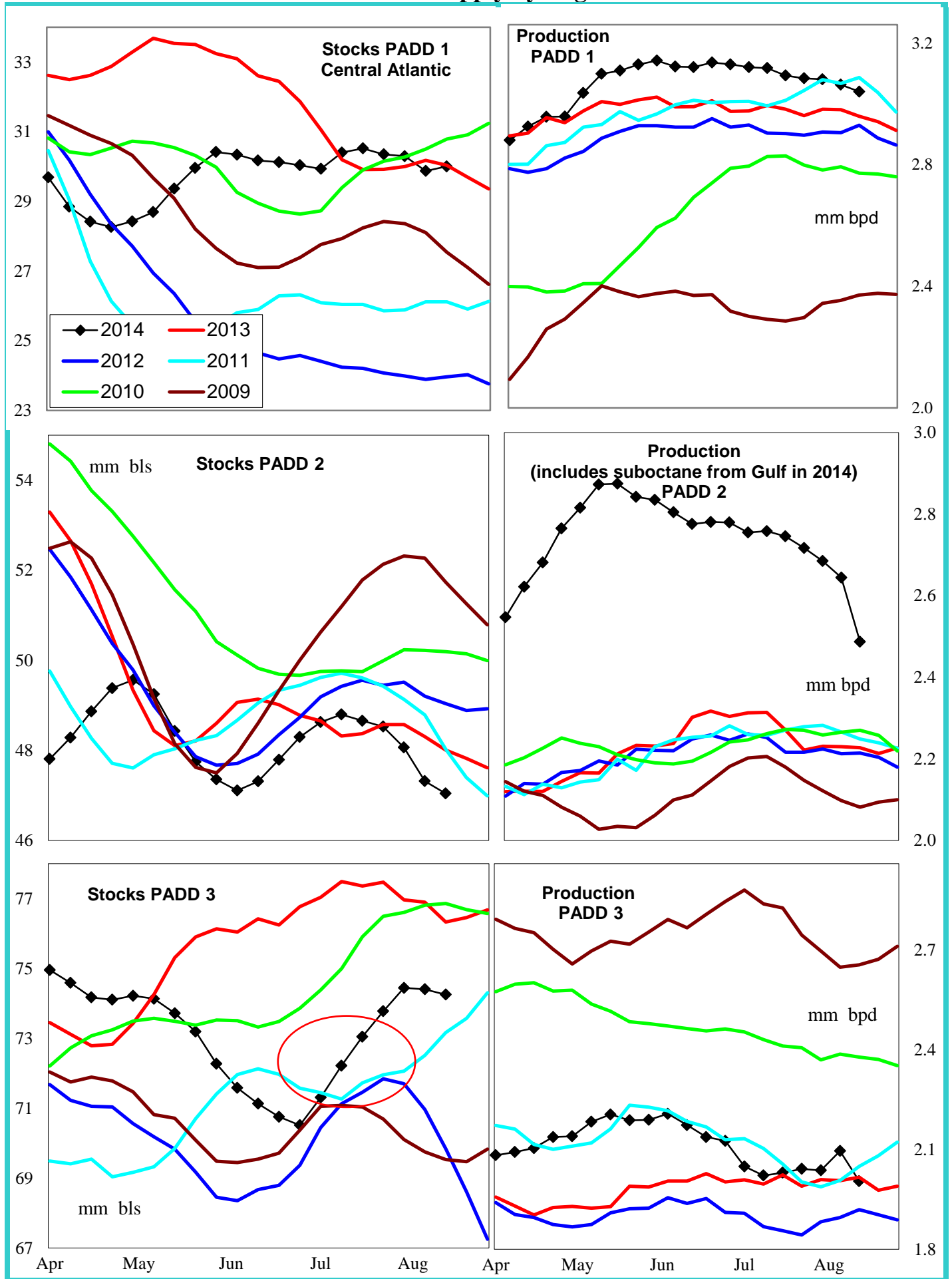
Gasoline Cash Basis and Related Price Spreads



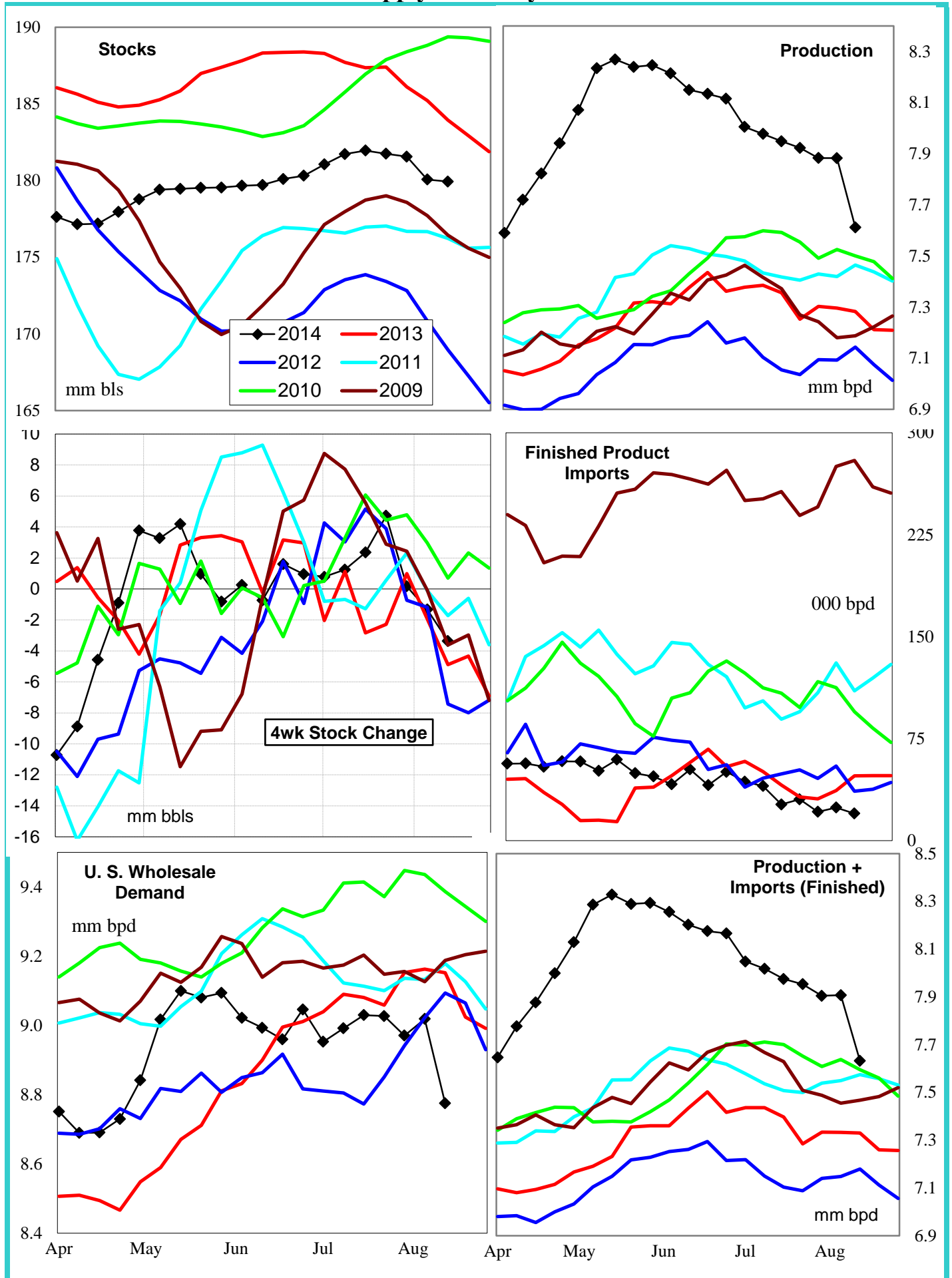
Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3



PADD 5 Gasoline Supply