



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 climbed +325,000 bpd last week to a level equal to the 3-yr mid range. The latest 4-wk average demand was -128,000 bpd below a year ago.

Supplies increased +69,000 bpd on the week, driven by higher production and

largely offset by lower imports. The latest 4-wk supply was +79,000 bpd above a year ago.

Stocks decreased -1 million barrels last week, concentrated in the Midwest and East coast regions. Stock levels remain very ample in the Gulf and East coast markets; while high production in the Midwest and West Coast regions provide ample supplies.

Cash basis fell sharply in the Gulf region, while trending modestly lower in Midwest markets last week. Basis in California markets traded near the historic mid range while the Northwest saw seasonally high basis levels.

Very ample supplies in most regional markets and an end to peak summer demand risk further price weakness in the near term. However, as fall refinery maintenance begins, a price rebound during the 2nd half of the fall quarter is likely.

Above average maintenance of gasoline production units in the Chicago and Gulf regions should support cash basis levels in those regions above seasonal lows.

RBOB

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

Conventional

New York Harbor basis to trade sideways on ample supplies during the fall quarter.

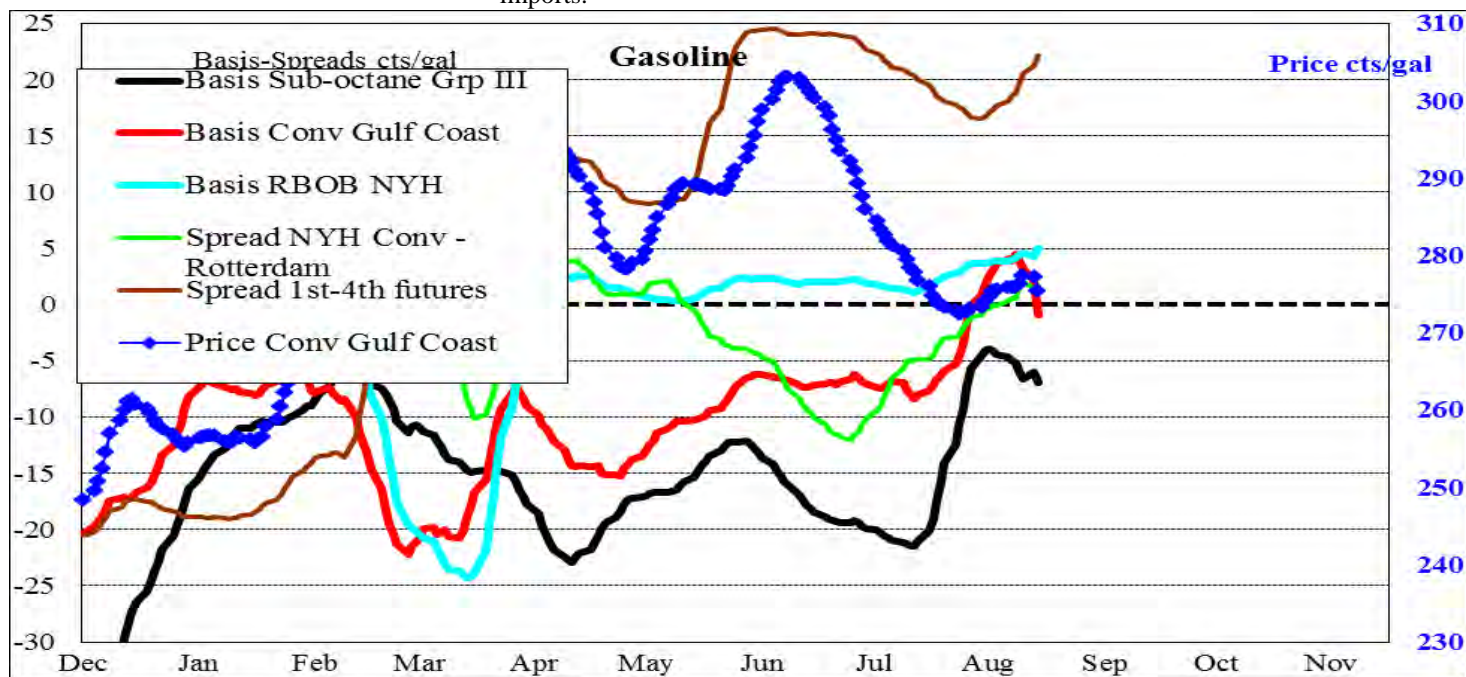
Chicago basis to trend seasonally lower by early next month, although above average maintenance should support basis levels in the fall quarter.

Group III basis to trend seasonally lower on light fall refinery maintenance in the region.

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

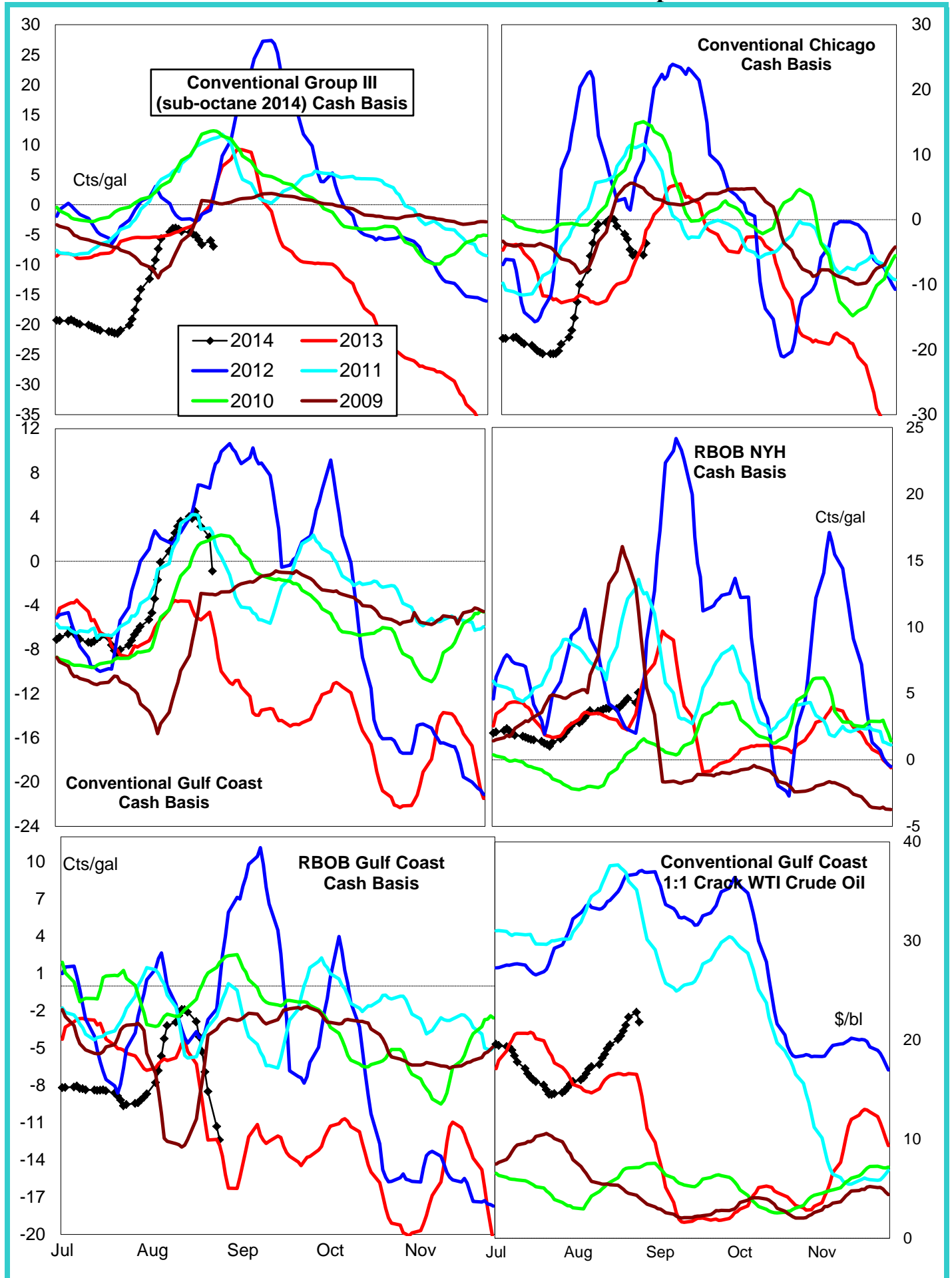
West Coast (Los Angeles) basis to trade sideways on high production rates and improved supply balance during the fall quarter.

Gulf Coast Price An end to peak seasonal demand and high stock levels on the East and Gulf Coast regions risk further price weakness in the near term. The start of fall maintenance after mid-September has potential for a price rebound during the 2nd half of the fall quarter.

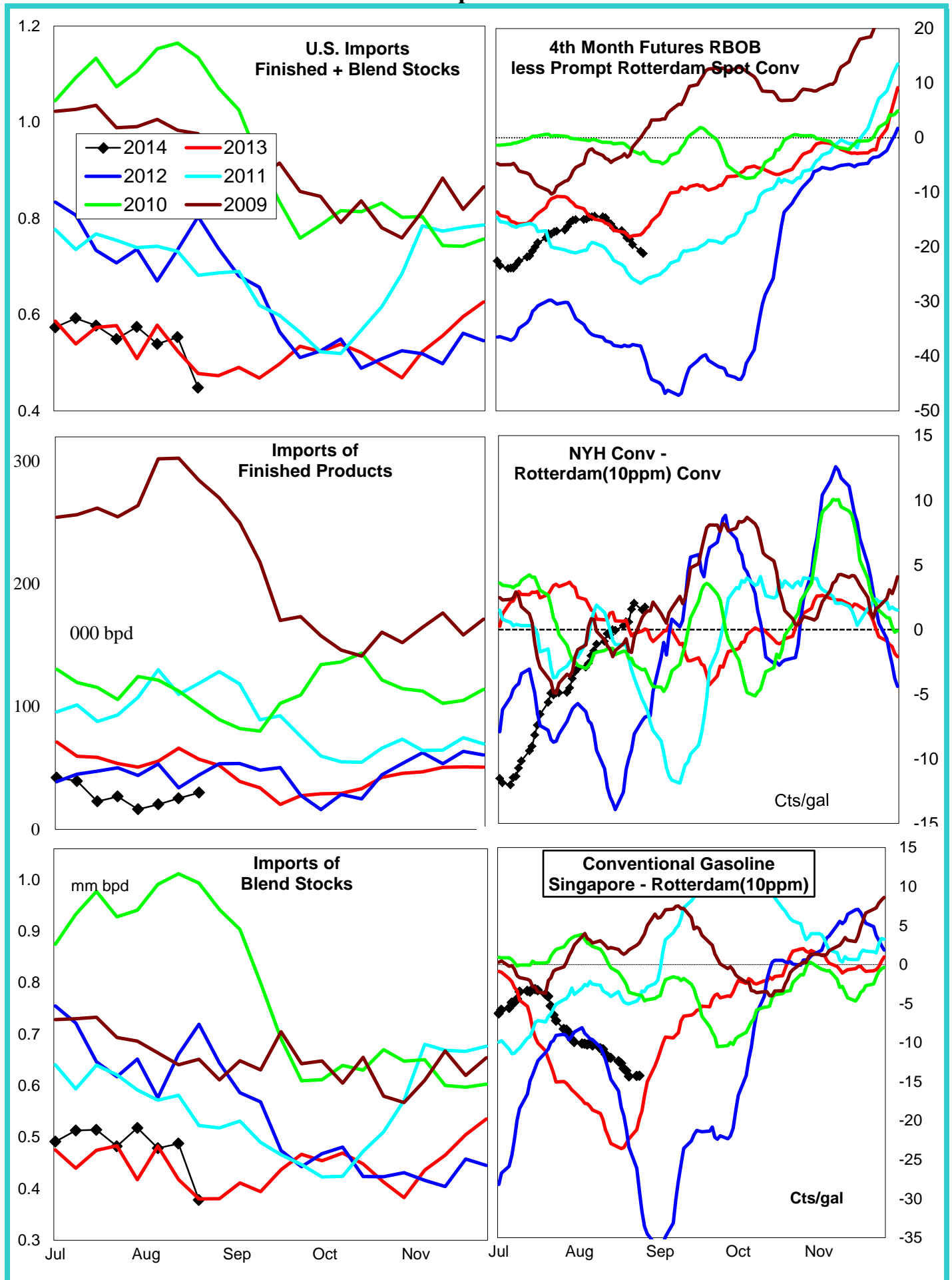


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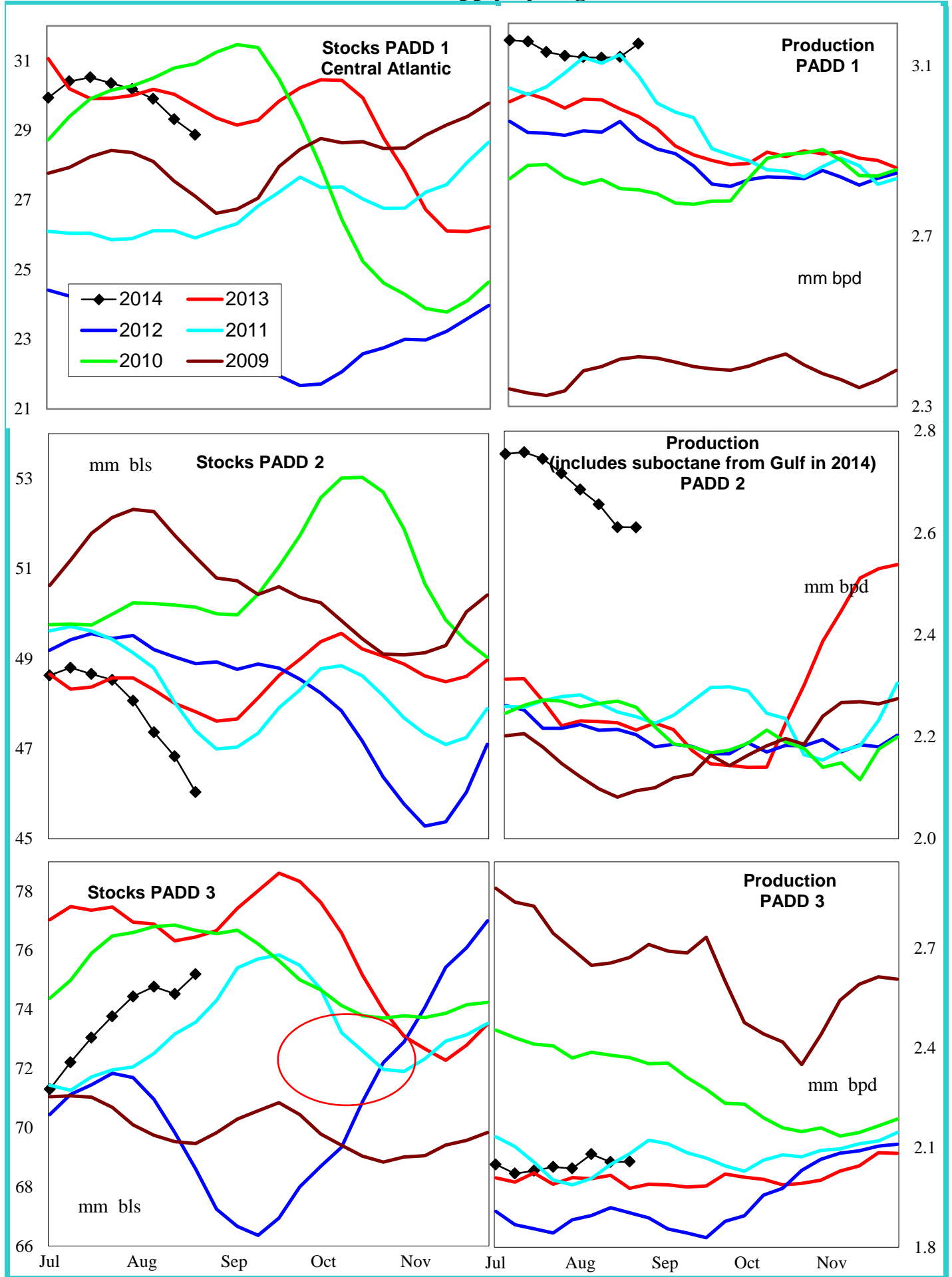
Gasoline Cash Basis and Related Price Spreads



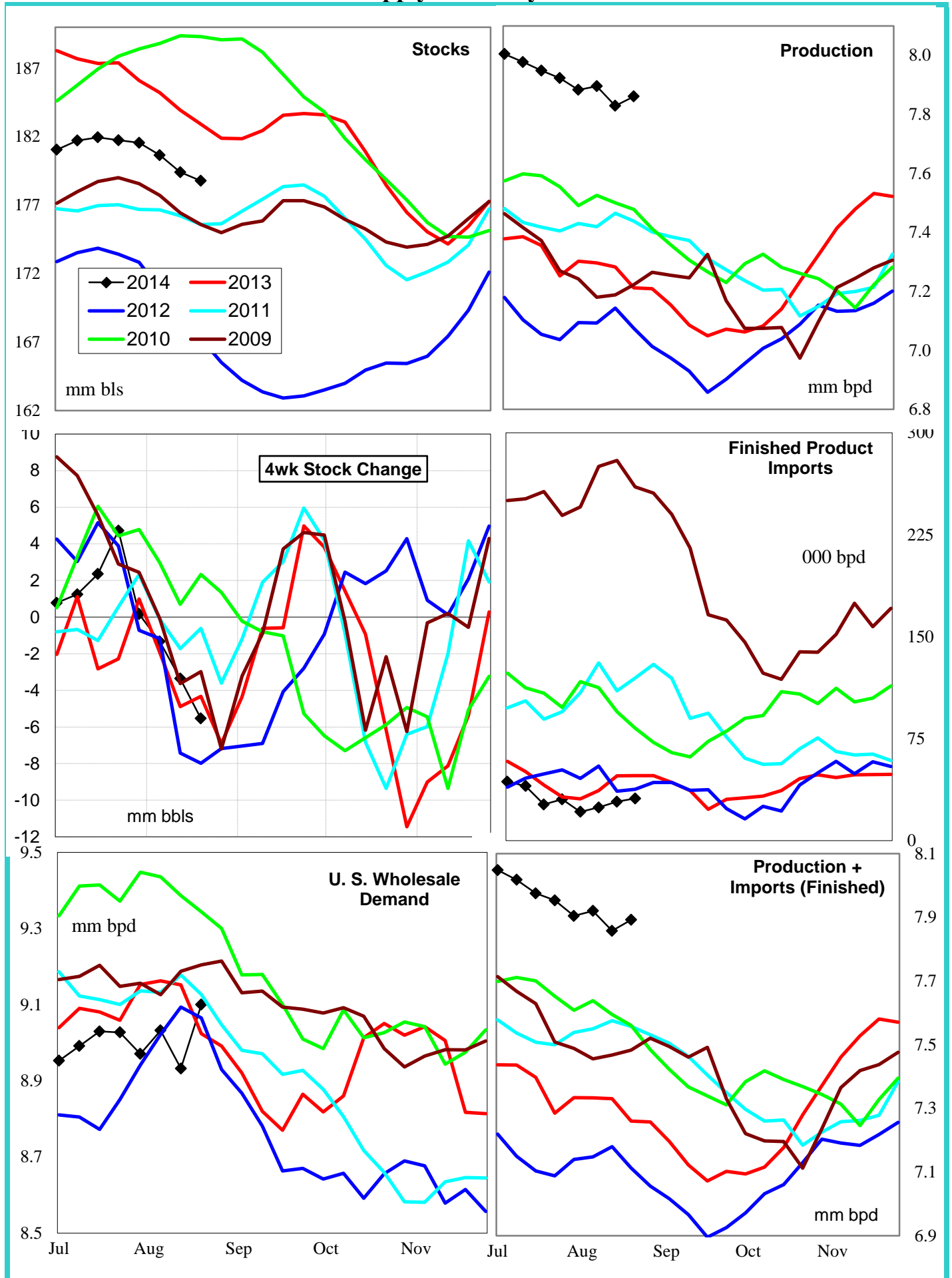
Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3



PADD 5 Gasoline Supply

