



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 surged +380,000 bpd last week to a record level for the period. The latest 4-wk average demand was -60,000 bpd below a year ago.

Supplies increased +411,000 bpd on the week, driven by a spike in imports. The latest 4-wk supply was +157,000 bpd above a year ago.

Stocks decreased -2.3 million barrels last week, concentrated in the Gulf 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 surged last week in all regions on the roll from Sep to Oct futures. Basis levels in NYH and Chicago markets ended the week at historic highs for the period.

The start of fall refinery maintenance risk a tightening of supplies in the Chicago and Gulf regional markets where maintenance levels are expected to be above average.

Look for higher seasonal demand early in the fall quarter and refinery maintenance should lead to a rebound in wholesale prices.

RBOB

New York Harbor basis to trend seasonally lower on ample stock levels and high imports.

Conventional

New York Harbor basis to trade lower on ample stocks and high imports.

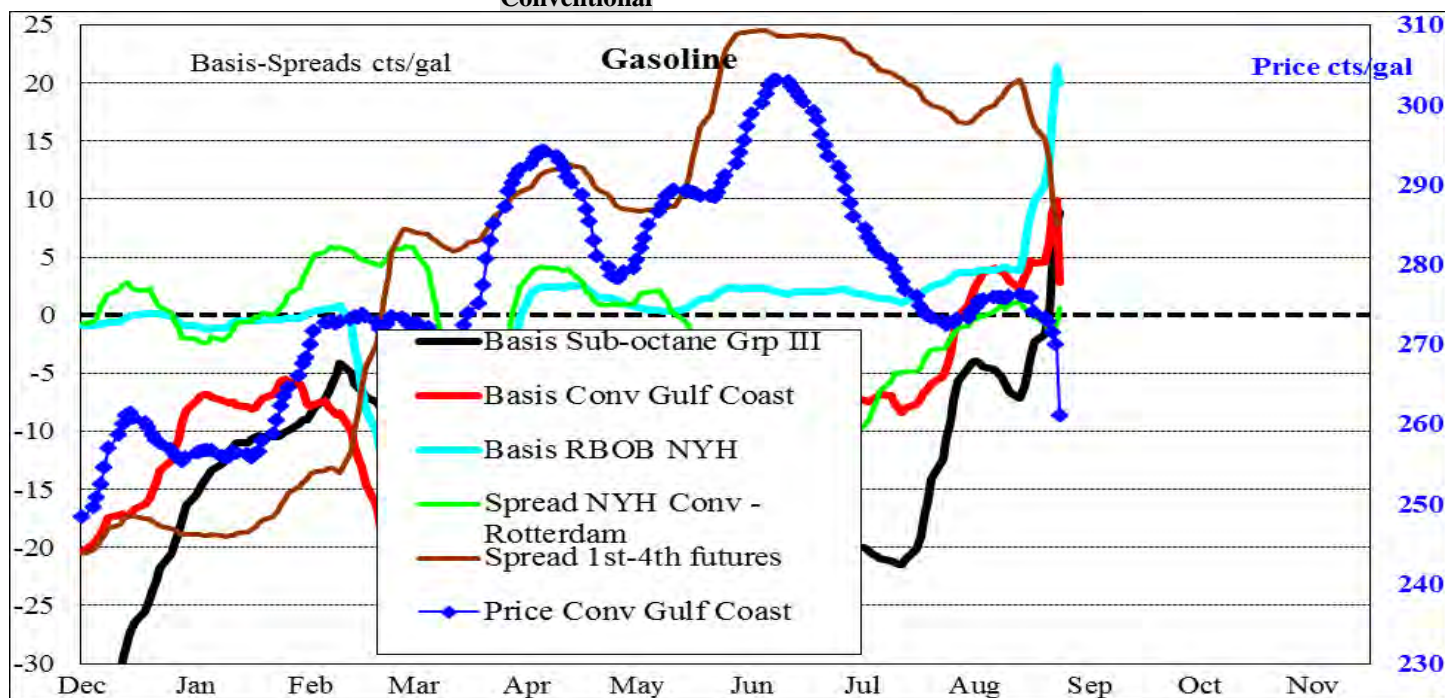
Chicago basis to trend seasonally lower, although above average maintenance should support basis levels in the fall quarter.

Group III basis to trend seasonally lower on below average 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.

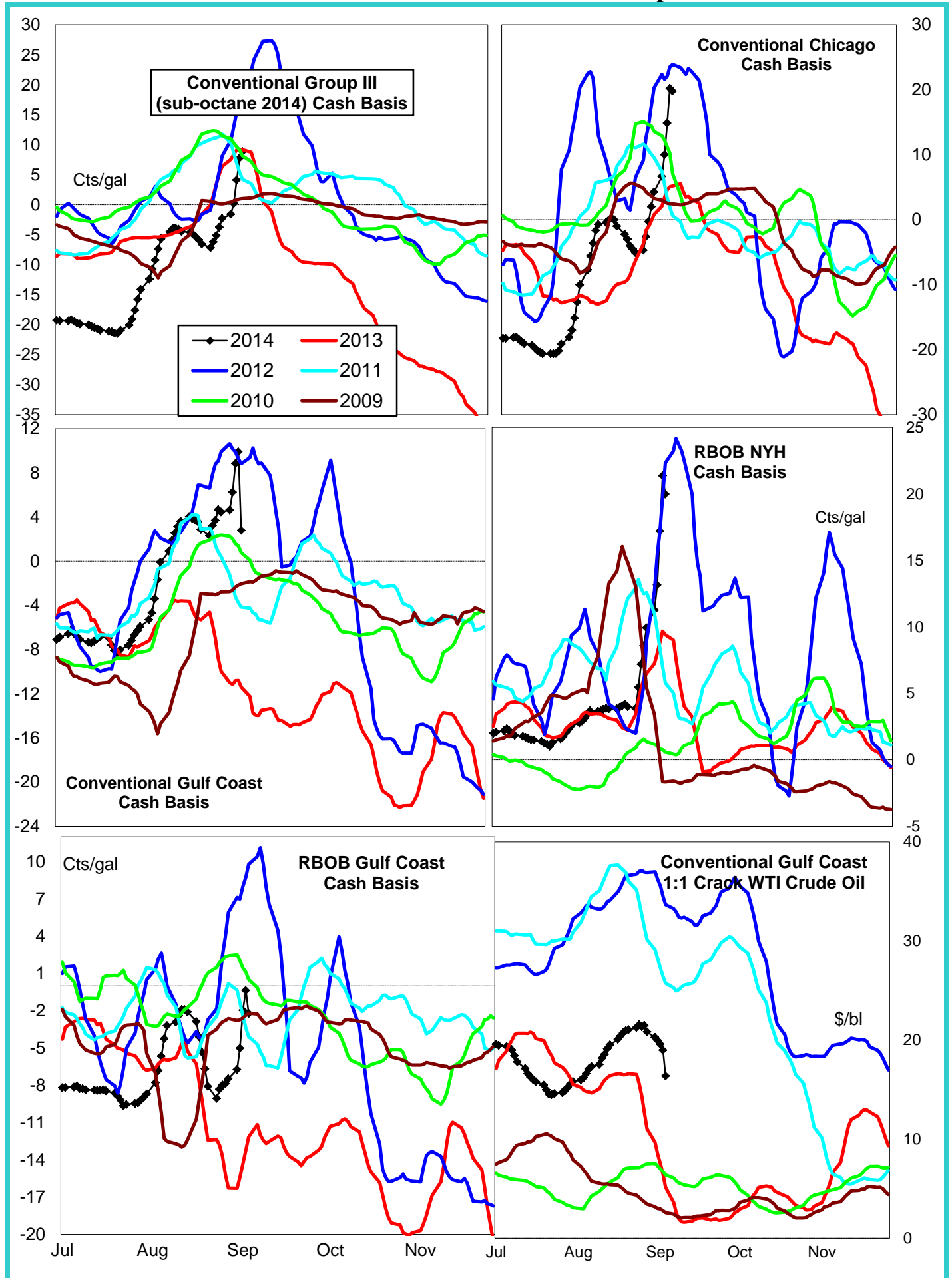
West Coast (Los Angeles) basis to pull back on lower seasonal maintenance, but remain above the historic average on very low stock levels.

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 and higher seasonal demand should lead to a price rebound during the fall quarter.

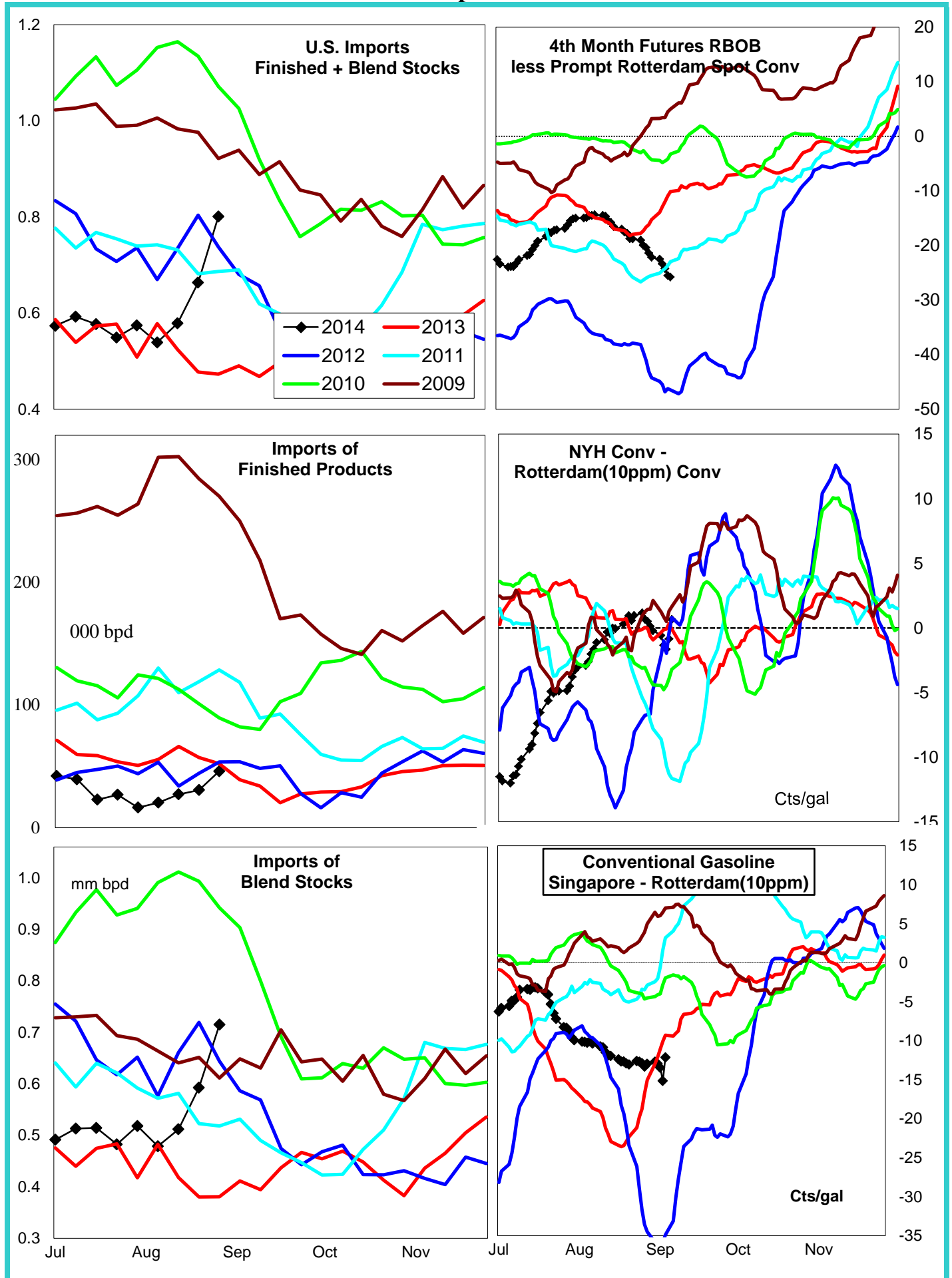


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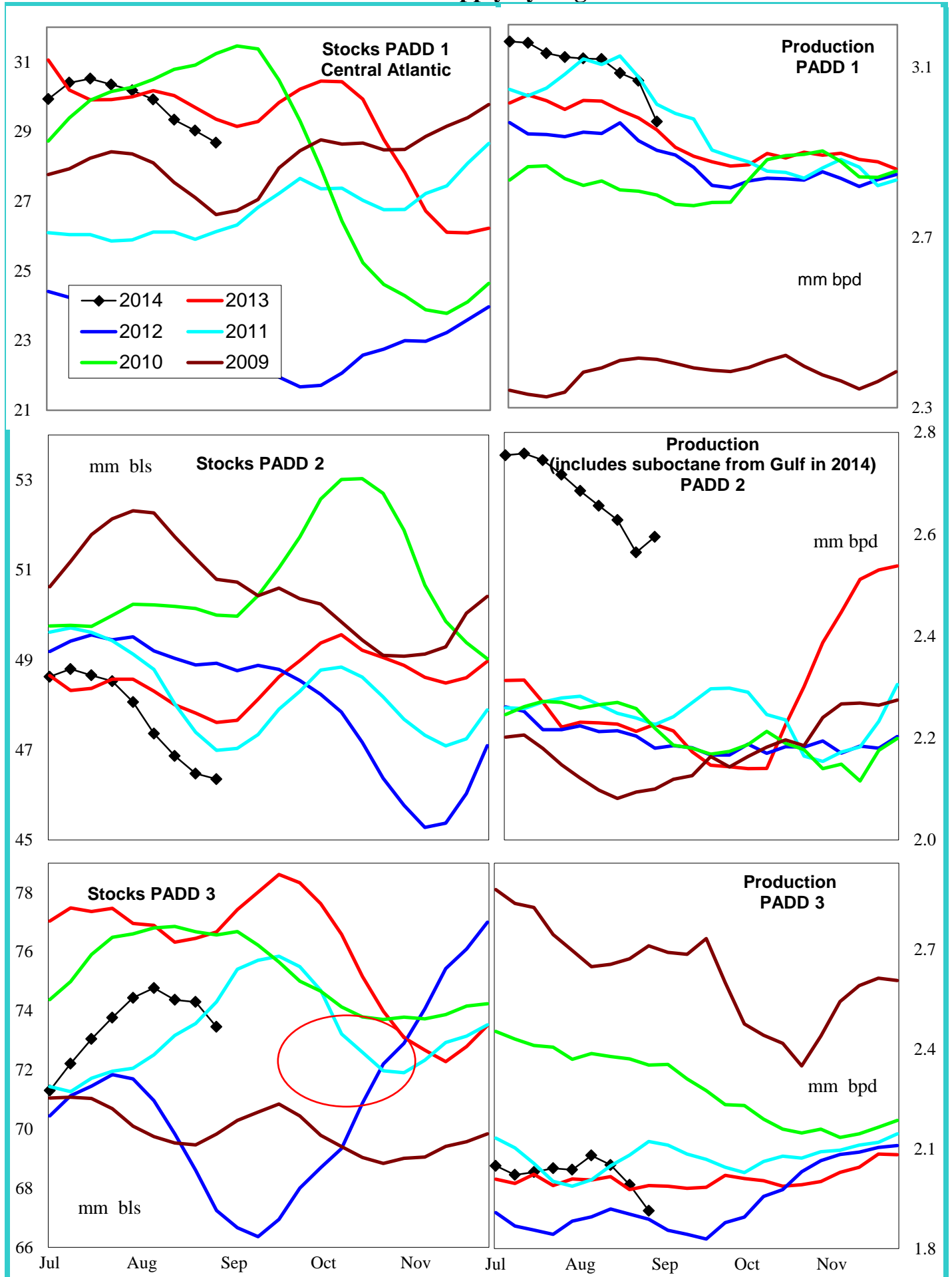
Gasoline Cash Basis and Related Price Spreads



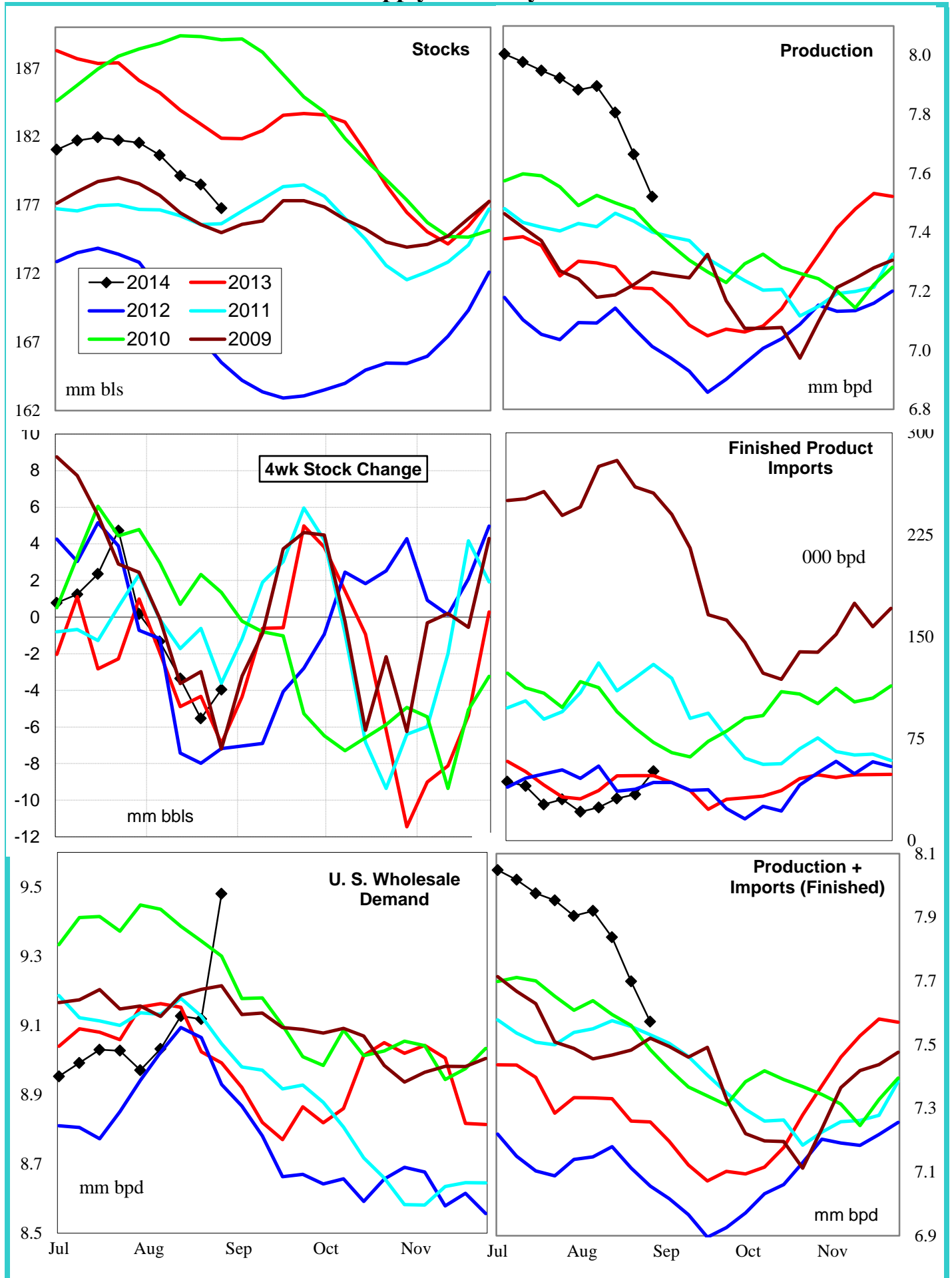
Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3



PADD 5 Gasoline Supply