



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 decreased -157,000 bpd last week to level that matched last

year. The latest 4-wk average demand was -76,000 bpd below a year ago.

Supplies decreased -380,000 bpd on the week, driven by lower production. Stocks increased +1.8 million barrels last week, concentrated in the Gulf Region. Stock levels ended the week near historic lows.

Cash basis traded above the 5-yr range in NYH, Chicago and Northwest last week on tight supplies. Basis traded near the last 2-yr in California, Group III and the Gulf regions.

As refiners return from fall maintenance and seasonal demand trends lower, look for basis weakness in most regional markets.

A period of very high seasonal production in the Chicago area is likely following much above average maintenance in the region, which is likely to pressure basis levels to near record lows over the next quarter.

RBOB

New York Harbor basis to trend seasonally lower on blending to winter grade RVP and lower seasonal demand.

Conventional

New York Harbor basis to trade lower on blending to winter grade RVP and lower seasonal demand.

Chicago basis to trend sharply lower as refiners return to a high rate of operation following much above average maintenance season.

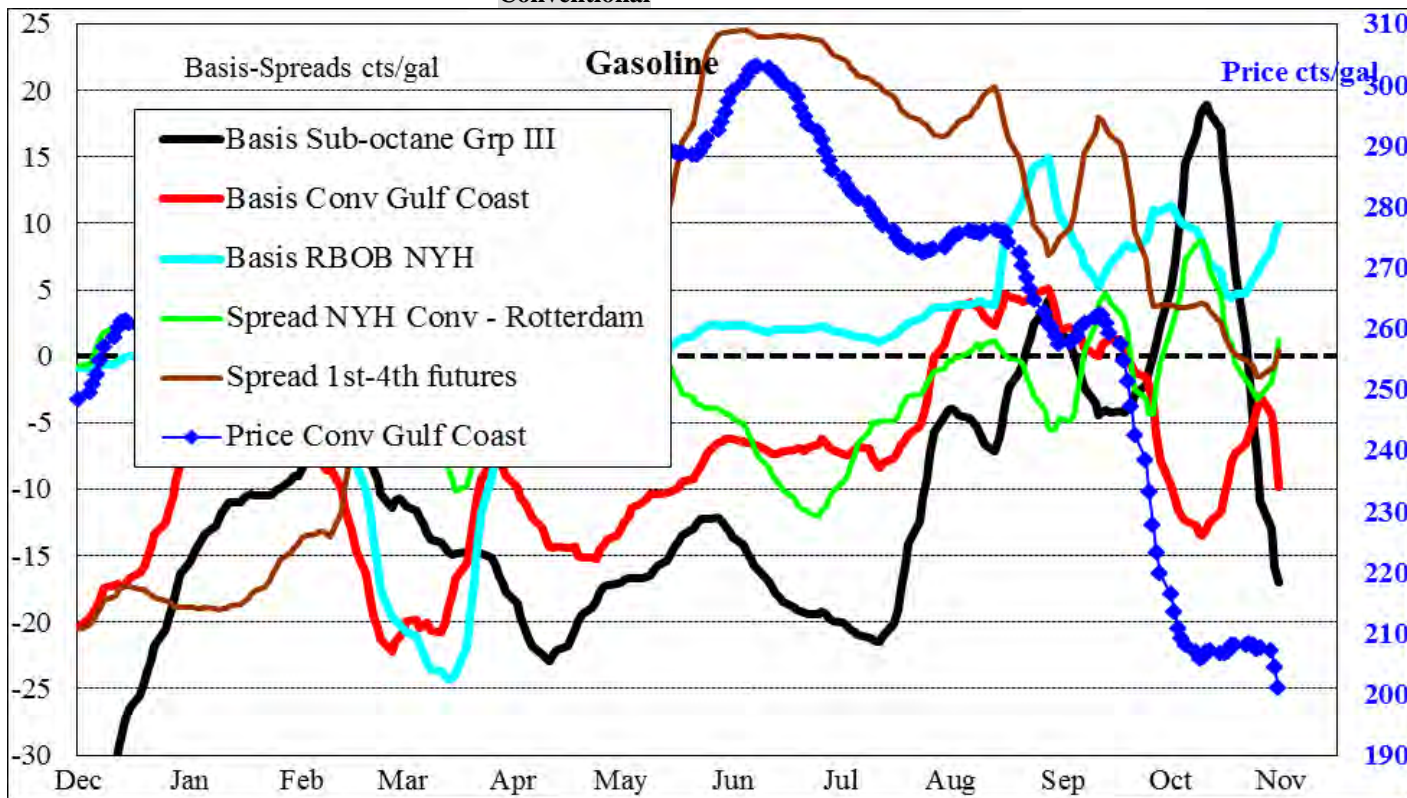
Group III basis to trend lower on stock building and lower seasonal demand.

Gulf Basis to trend lower on high production rates.

West Coast (Los Angeles) basis to trend lower on high production rates.

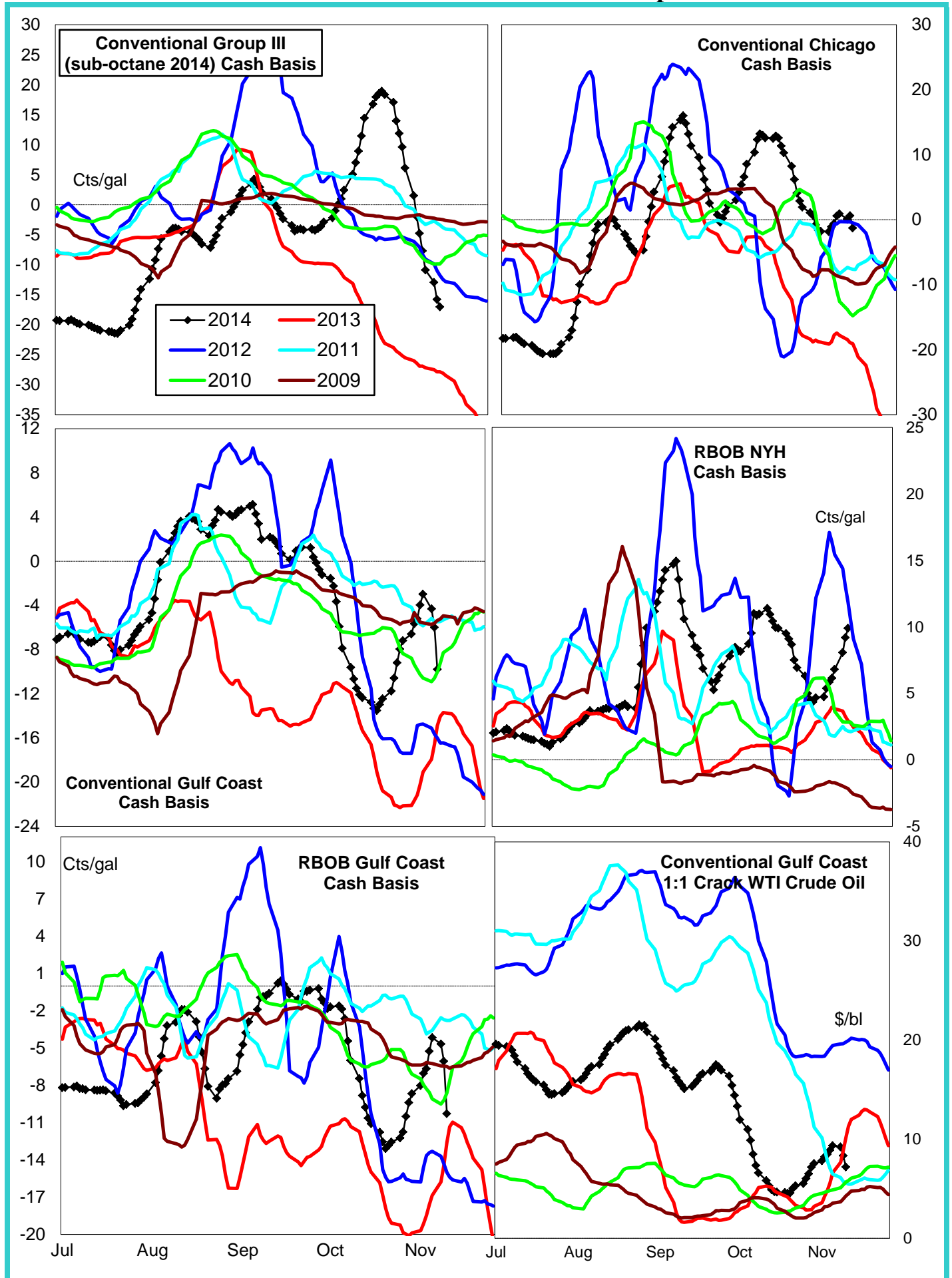
Gulf Coast Price Wholesale demand has been below last year even with much lower retail prices – driven by continued improvement in fleet mpg. As refiners return from maintenance, expect a surge in production and above average rate of stock building.

Gulf gasoline prices are likely to remain weak on ample supplies and an over supplied global crude oil market.

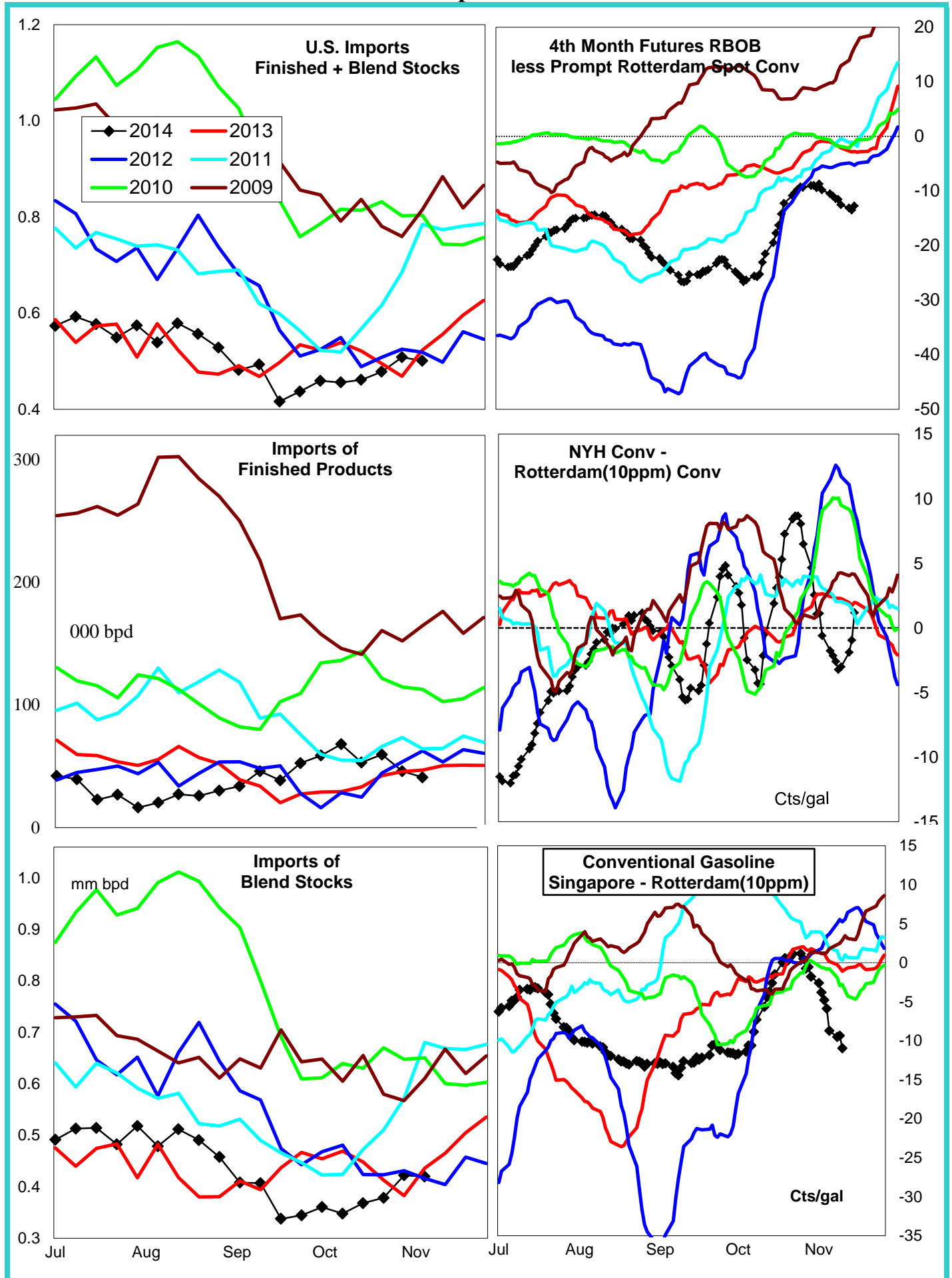


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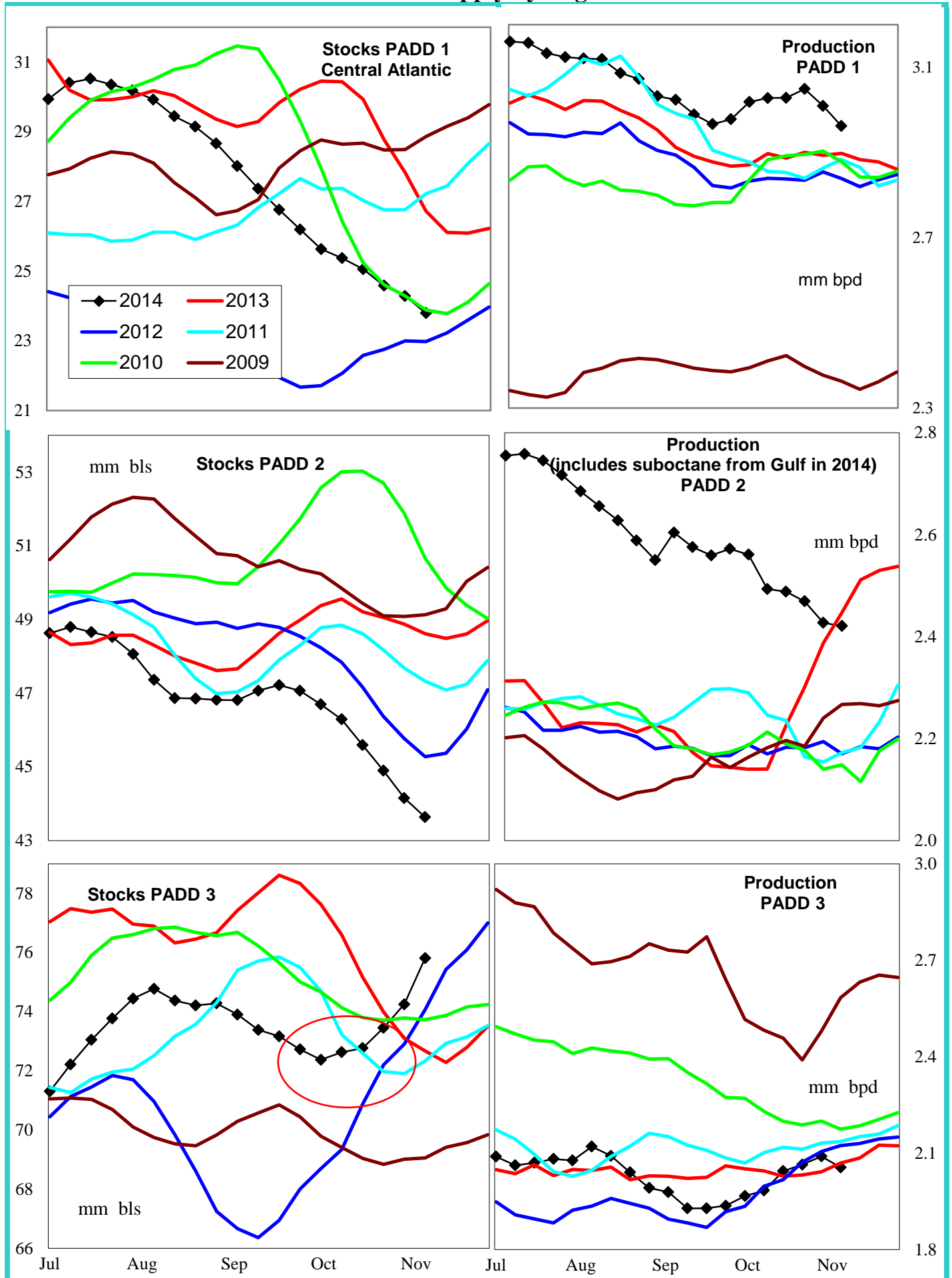
Gasoline Cash Basis and Related Price Spreads



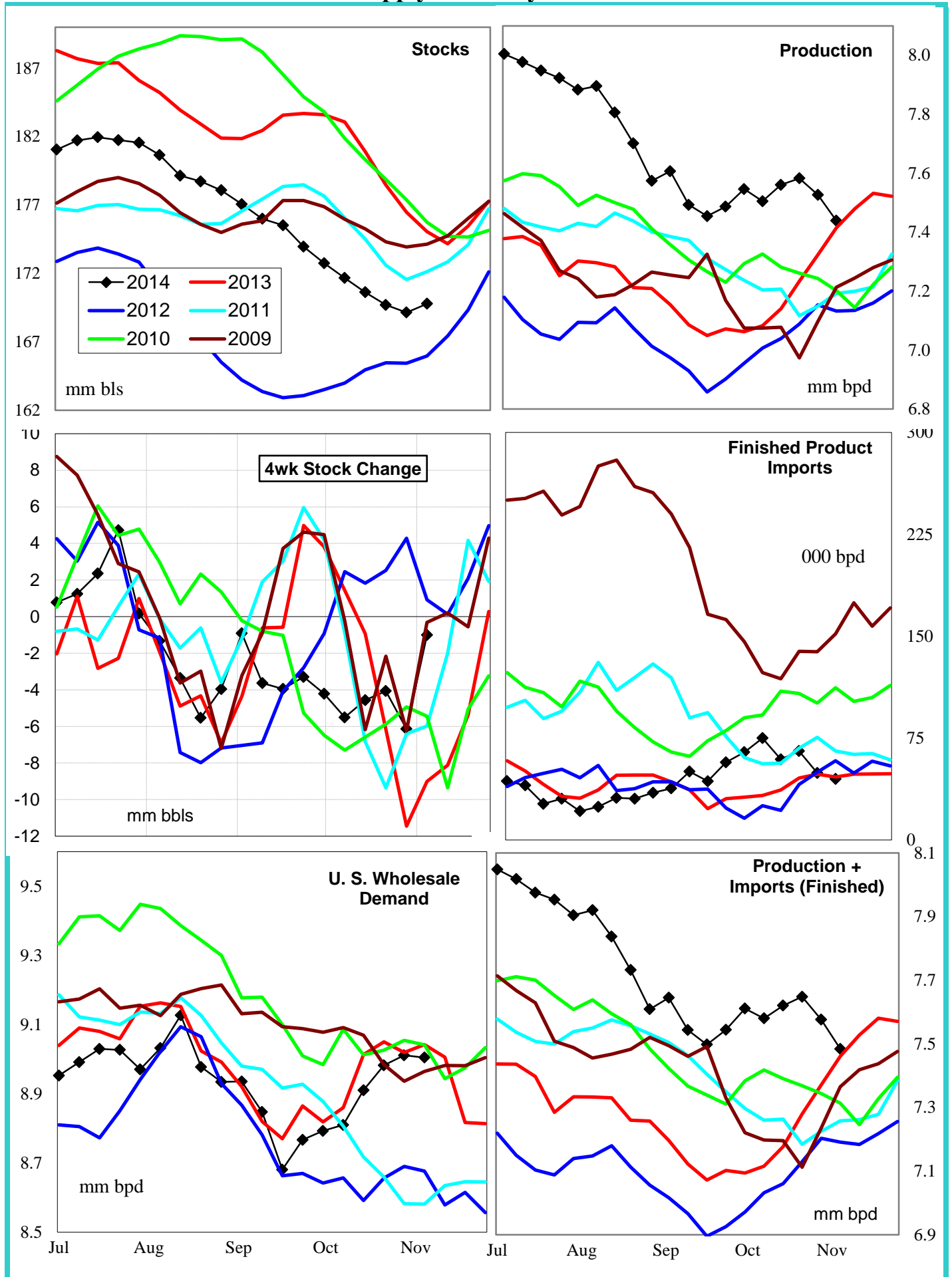
Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3



PADD 5 Gasoline Supply

