



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 was restated by the EIA last week, reflecting a -0.8 million bpd decline and +8.1 million barrel stock build

on the week. The latest 4-wk average demand was +424,000 bpd above last year.

Supplies were also restated, with a -1.6 million bpd decrease. Stocks saw a sharp increase in all major regions, led by a +4.7 million barrel build in the East coast. Stock levels ended the week at a fresh 5-yr high for this time of year.

Cash basis trended higher last week in all regional markets, except NYH. Basis levels ended the week near the mid range of the last 2-yr in most regional markets.

Look for modest basis increases on improved supplies in the Northeast driven by very high imports and start of winter maintenance in the Gulf region.

RBOB

New York Harbor basis to trend seasonally lower on increased imports and lower winter quarter demand.

Conventional

New York Harbor basis to trade lower on increased imports and lower winter quarter demand.

Chicago basis to trend higher on start of winter maintenance in the Gulf region, but

continue to trade at the low end of the historic range on high stock levels.

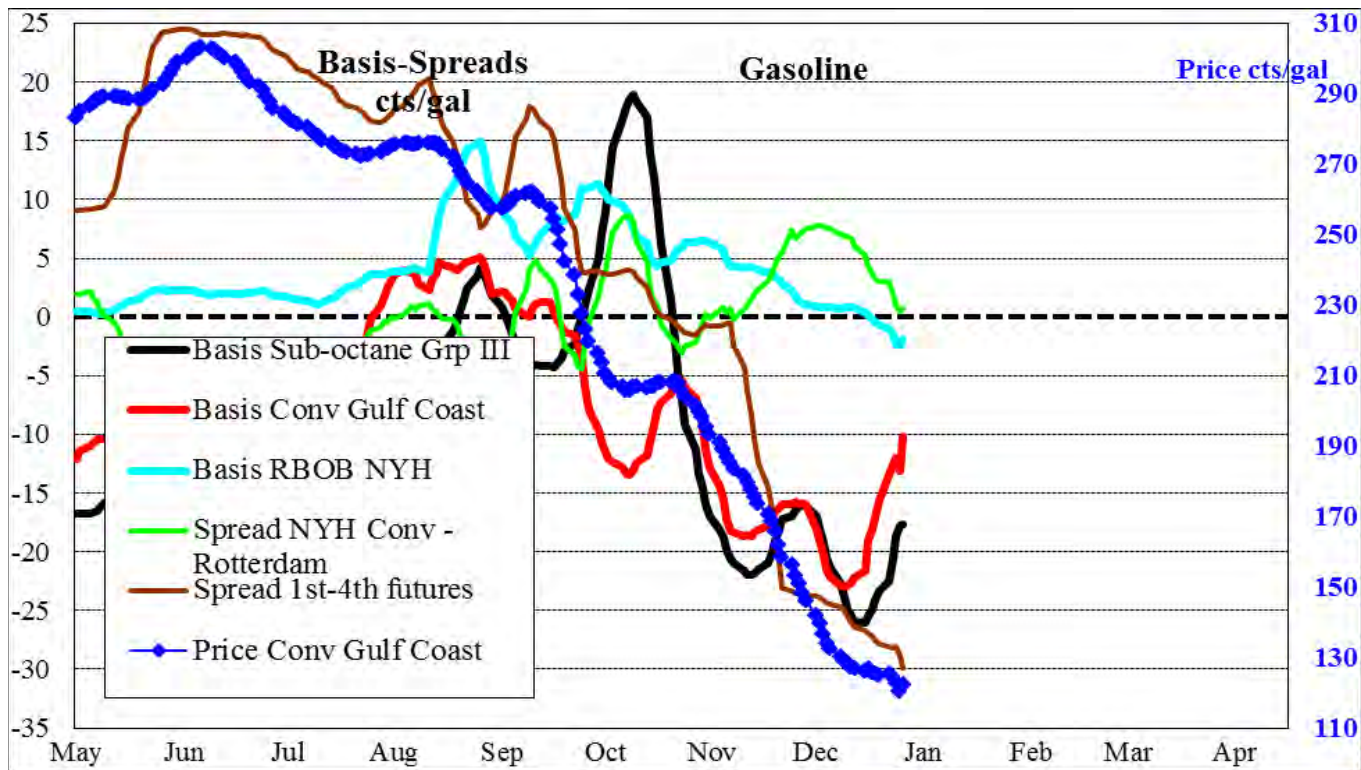
Group III basis to trend higher on improved supplies in the Northeast and start of Gulf winter maintenance, but remain at the low end of the historic range on record stock levels in the area.

Gulf Basis to trend higher on start of winter maintenance.

West Coast (Los Angeles) basis to trend higher on a seasonal decline in production as maintenance begins on downstream process units.

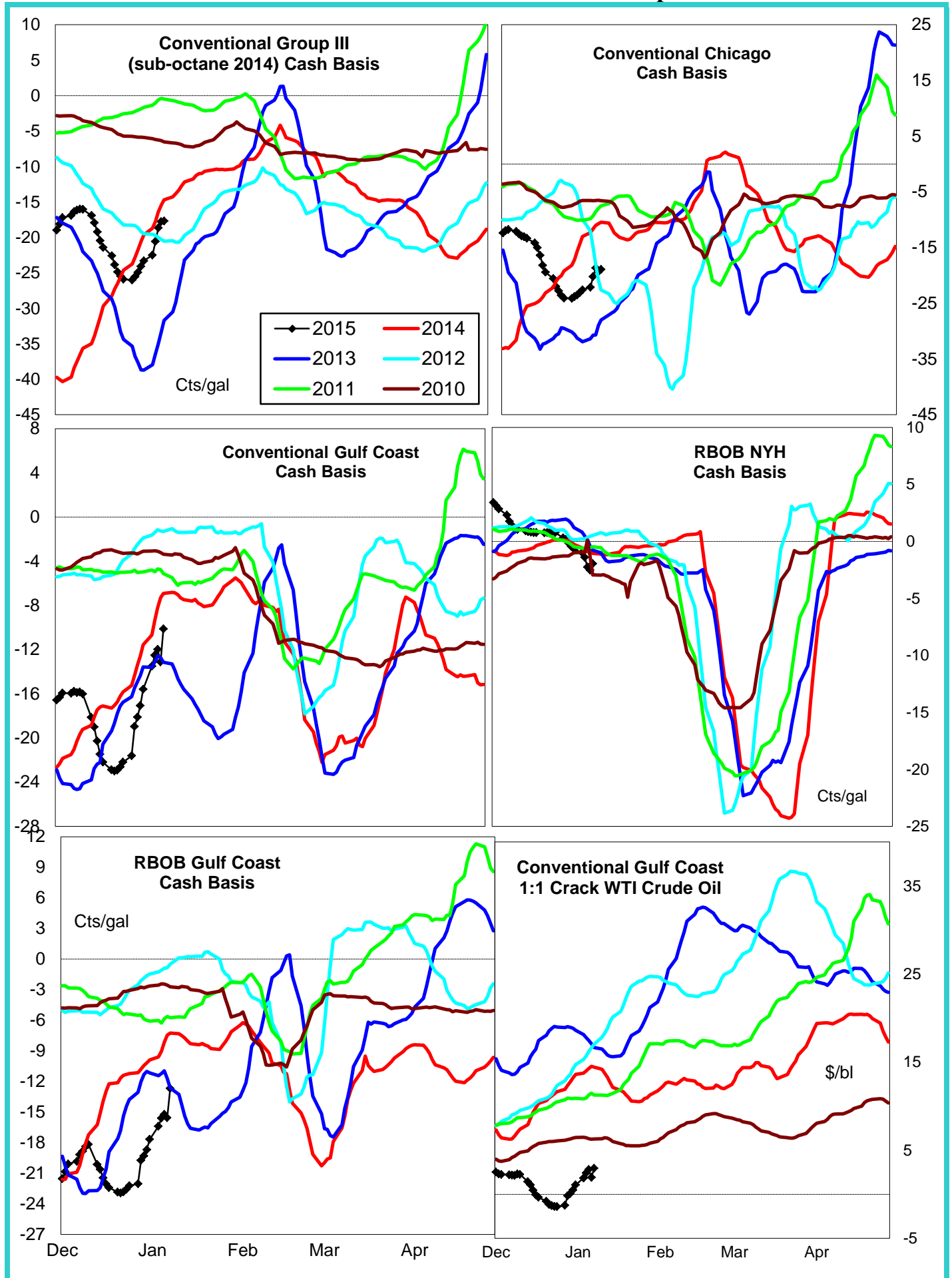
Gulf Coast Price The EIA restated wholesale demand last week, with a sharp reduction and very high stock build. Gasoline markets are well supplied in all regions. Look for year-on-year wholesale demand growth to partially offset high stock levels and imports.

With the start of winter refining maintenance in the Gulf region, look for an uptrend in gasoline prices during the 1st half of the winter quarter, limited by the global over supply of crude oil.

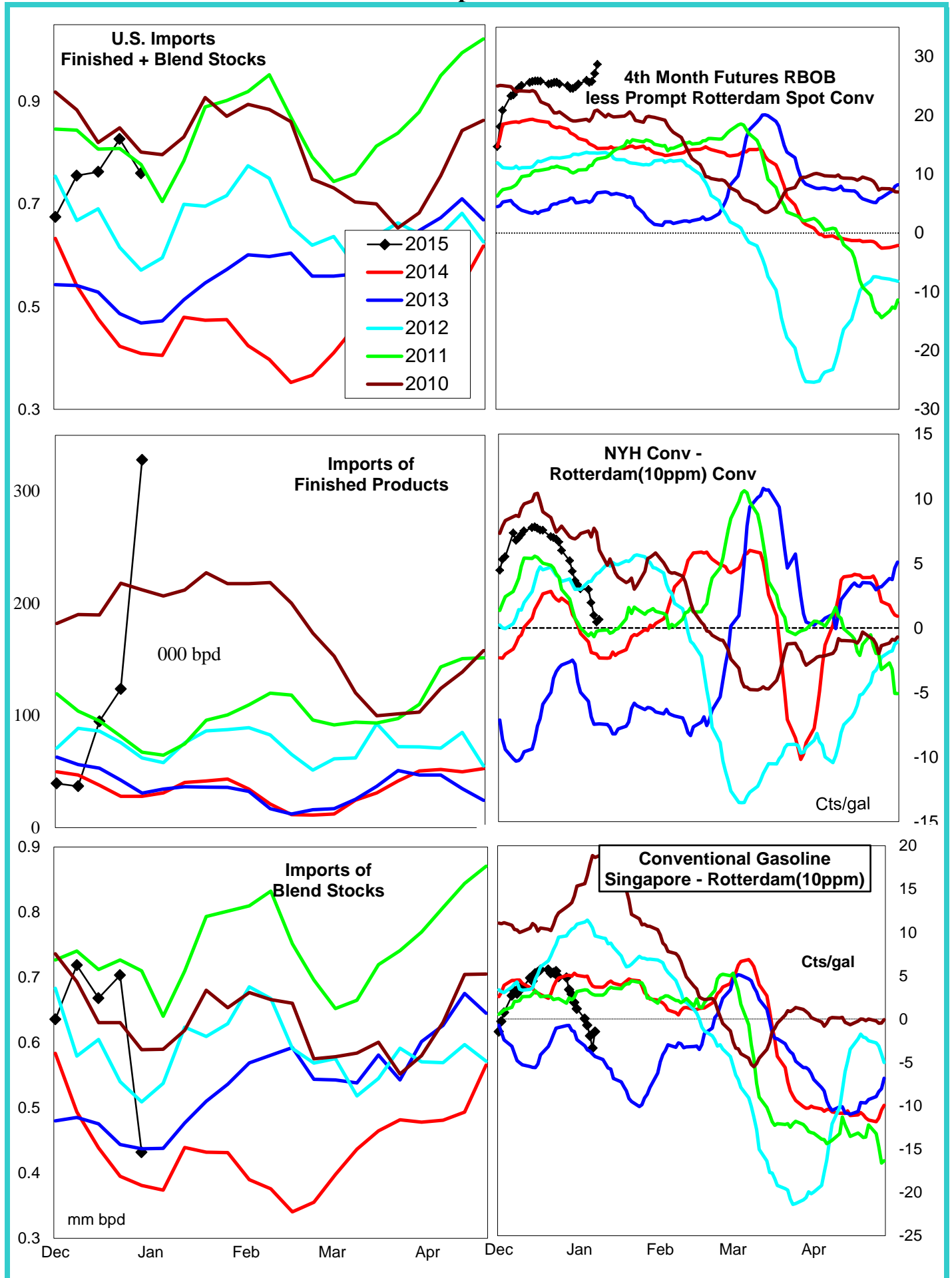


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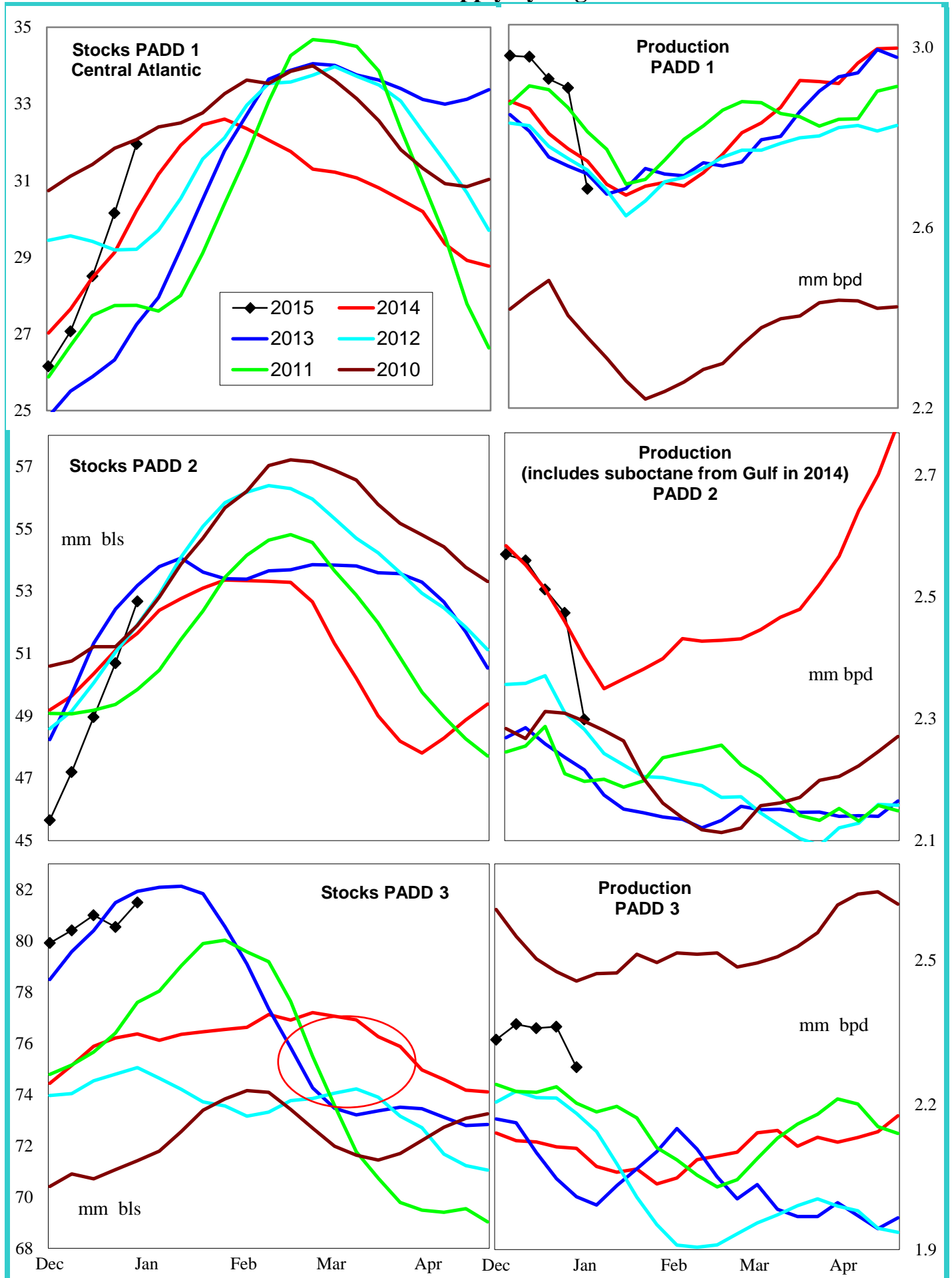
Gasoline Cash Basis and Related Price Spreads



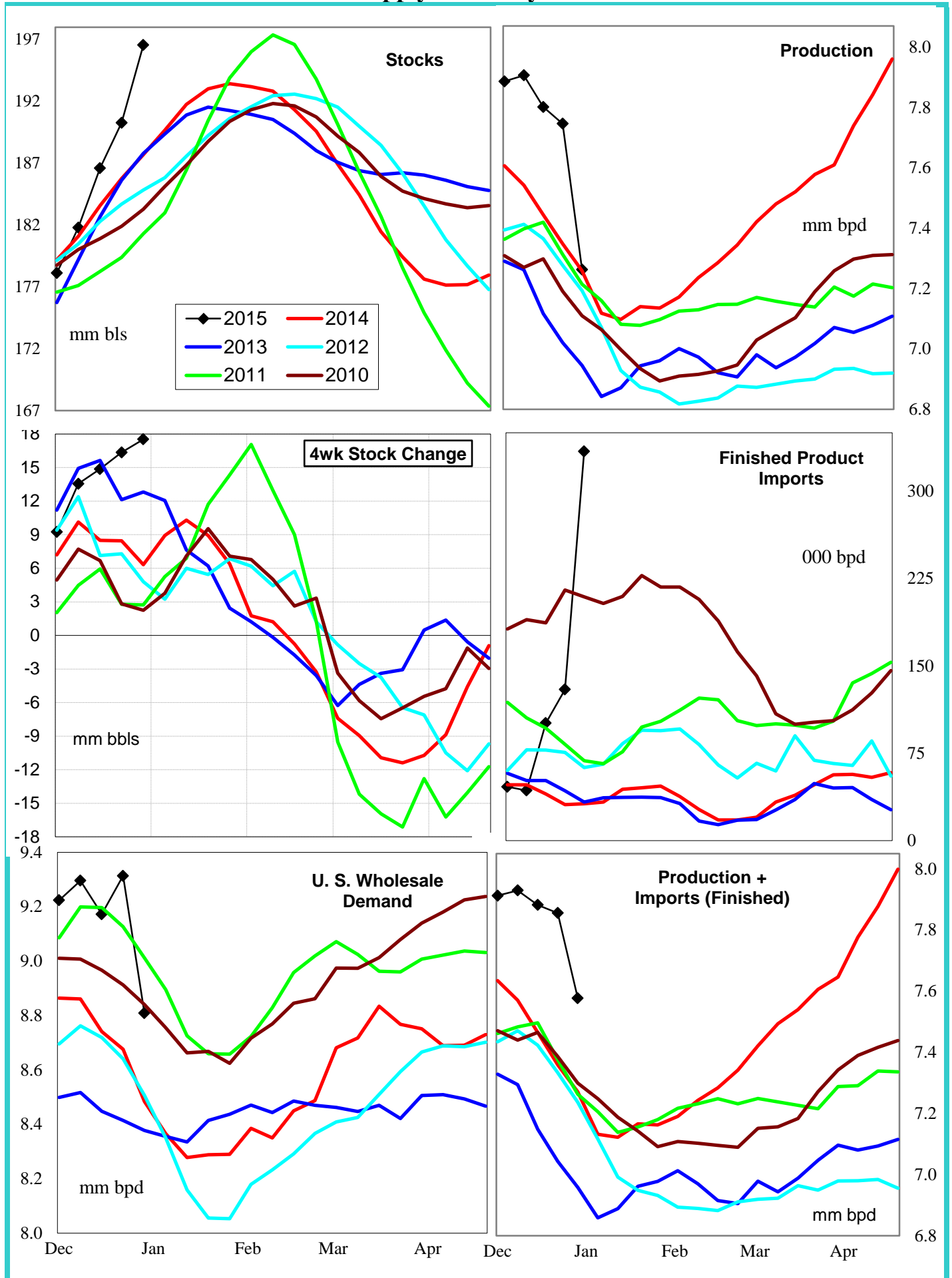
Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3



PADD 5 Gasoline Supply