



## 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 increased +66,000 bpd last week, with the level still well above

the last 3-yr. The latest 4-wk average demand was +738,000 bpd above last year.

Supplies increased +176,000 bpd on the week, driven by higher production. Stocks were +3.2 million barrels higher on the week, lifting the overall level to a record high for the winter quarter.

Cash basis trended higher last week in the Gulf and Midwest markets, while falling to below the historic range on the West Coast. Basis levels ended the week near the mid range of the last 3-yr in in markets East of the Rockies.

Look for basis to extend the recent uptrend improved supplies in the Northeast 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,

with the level limited by very high stock levels in the Midwest.

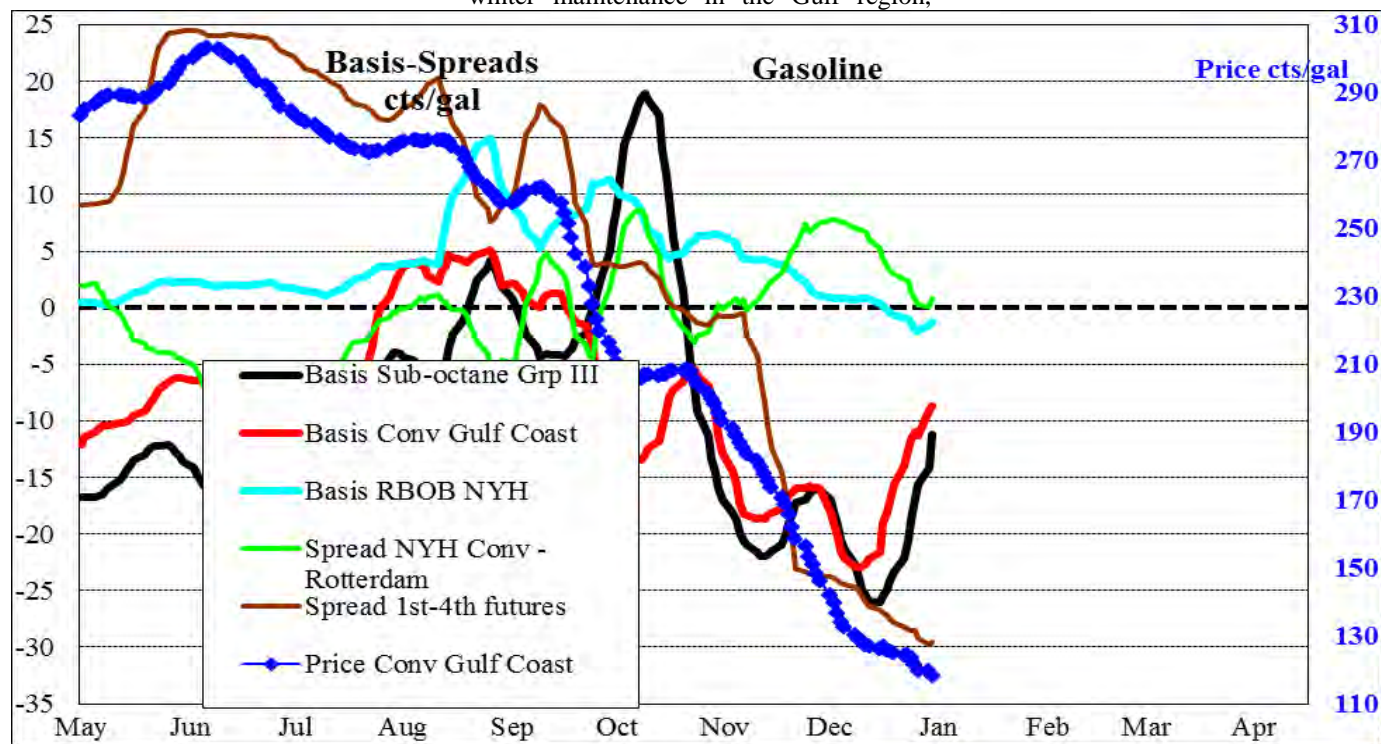
**Group III** basis to trend higher on improved supplies in the Northeast and start of Gulf winter maintenance, with the level constrained by high stock levels in the area.

**Gulf Basis** to trend higher on start of winter maintenance.

**West Coast (Los Angeles)** basis to rebound from record lows on a seasonal decline in production and start of RVP blend down.

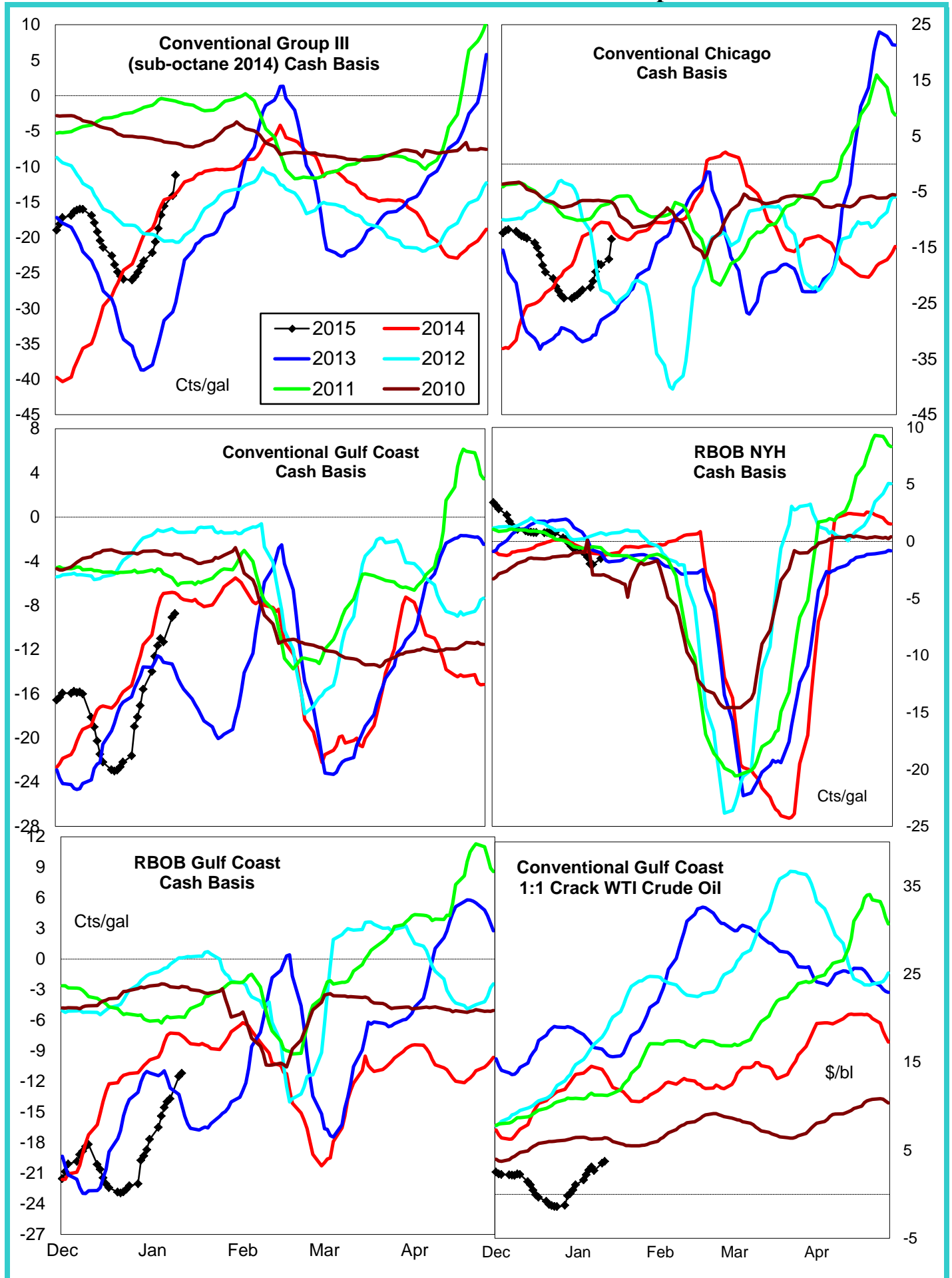
**Gulf Coast Price** Wholesale demand has been very robust on stock building by the downstream supply chain and increased retail demand. High production and imports have offset the increase, leading to record rate of stock building and stock levels.

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

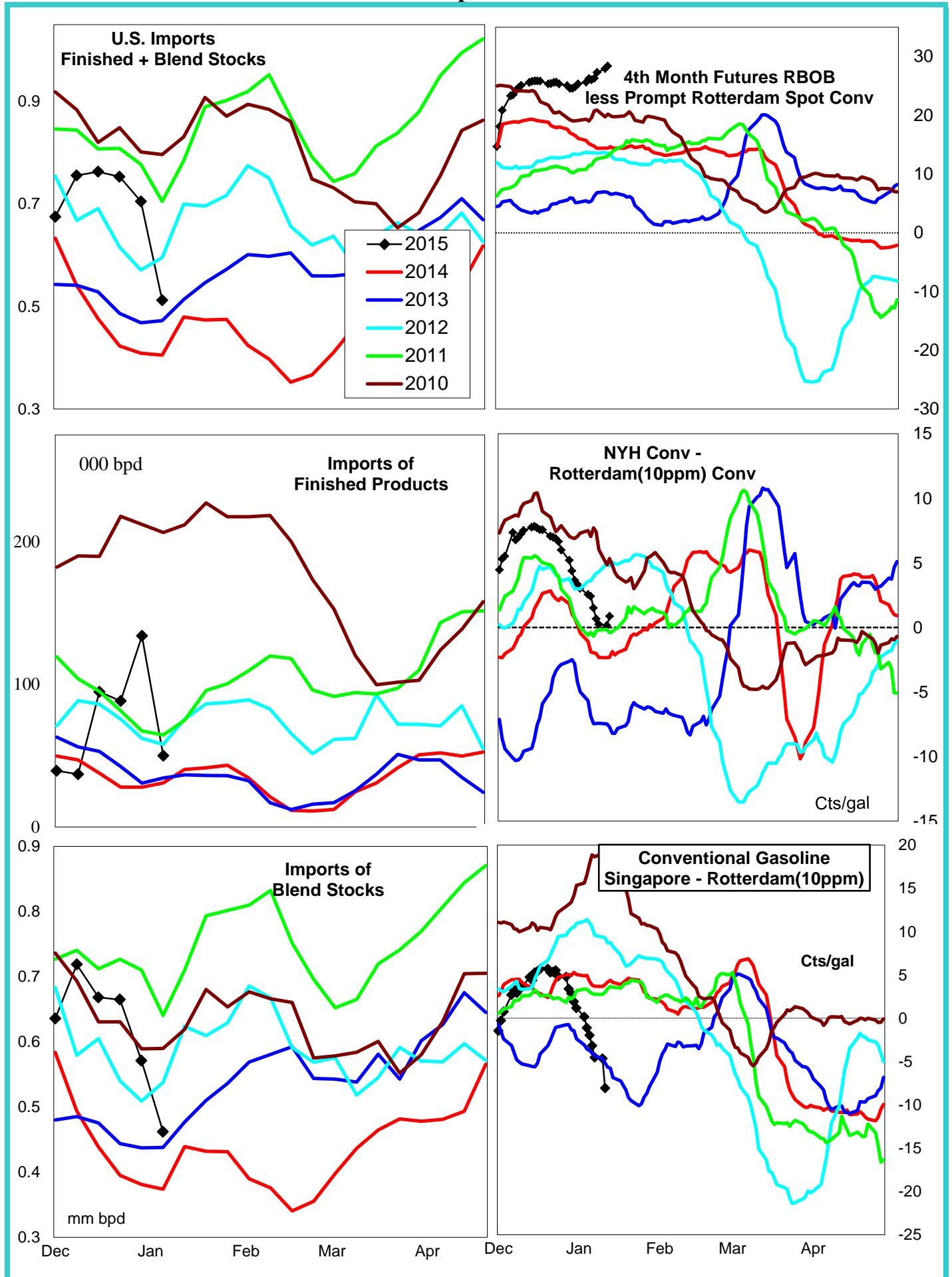


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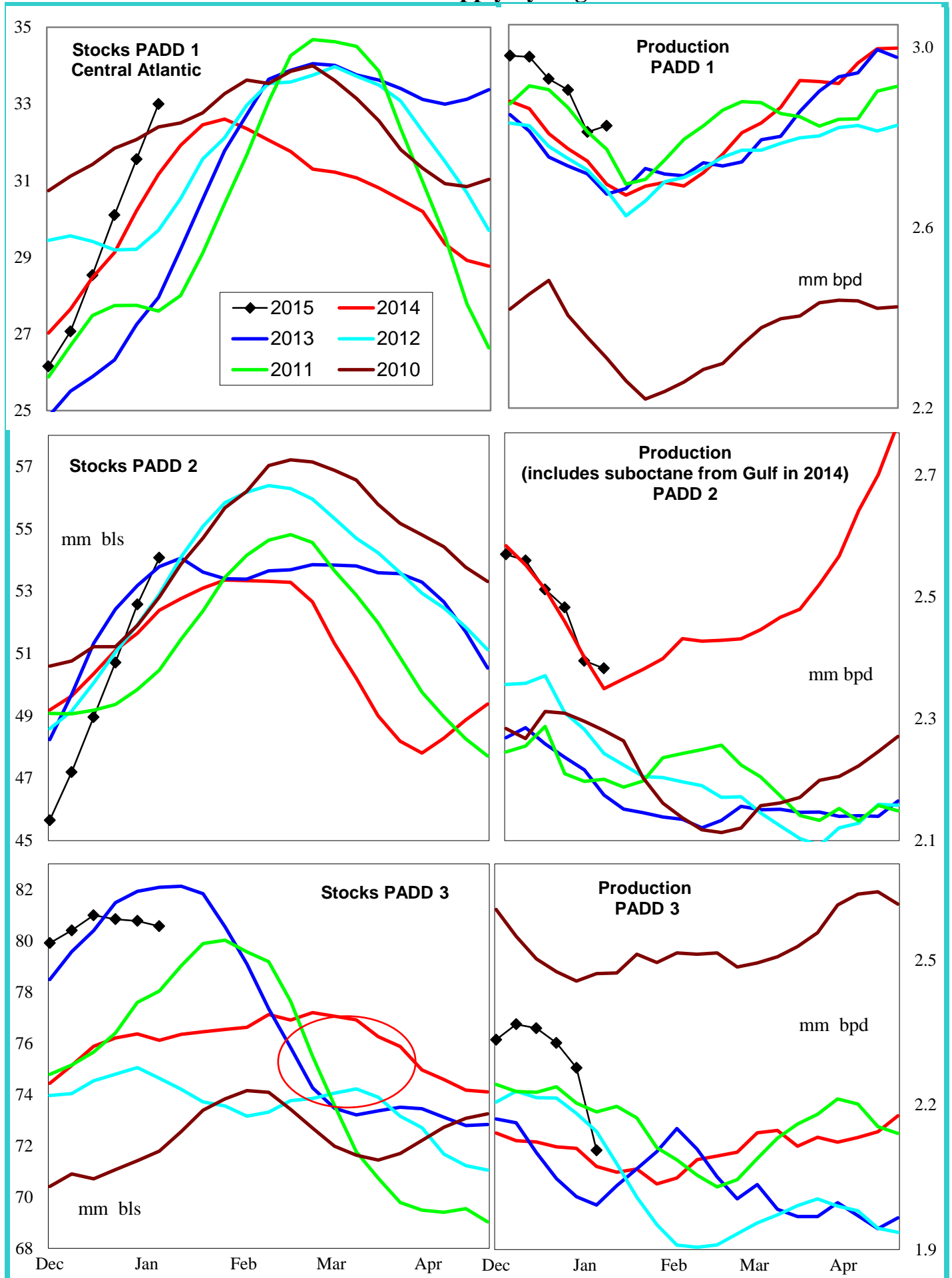
# Gasoline Cash Basis and Related Price Spreads



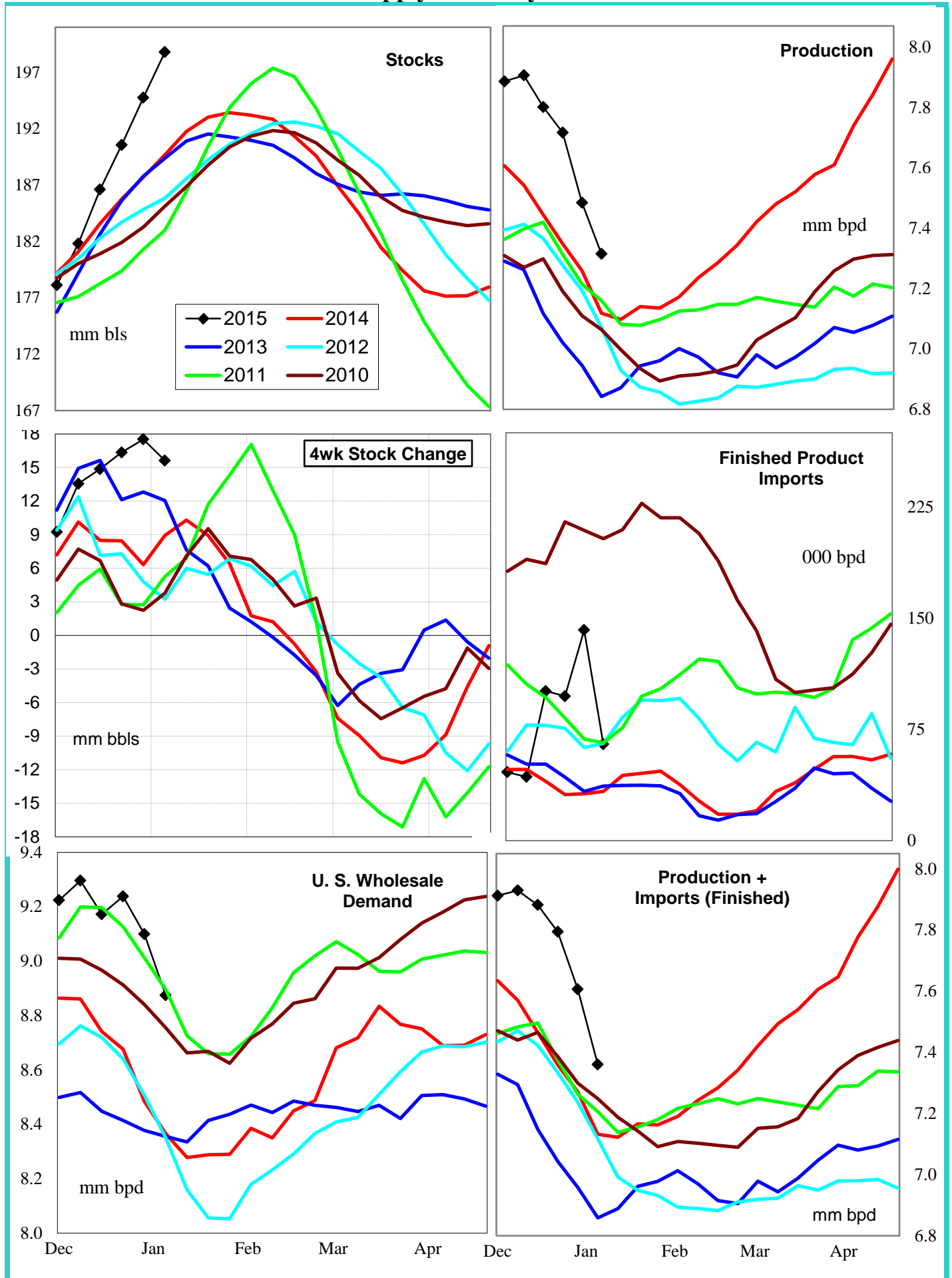
# Gasoline Import Economics



## Gasoline Supply by Region



# Gasoline Supply Summary PADDs 1+2+3



**PADD 5 Gasoline Supply**