



## 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 -0.14 million bpd last week. The latest 4-wk average demand was -0.22 million bpd below last year.

Supplies were nearly unchanged on the week, with the most recent 4-wk supply -28,000 bpd below last year.

Stocks have increased four consecutive weeks with a cumulative build of +27 million barrels. Stocks ended the week at a fresh 5-yr high for this time of year.

Cash basis trended lower last week in Midwest and northern California markets. Other markets saw little change in basis for the week. Basis in North Central markets (racks and spot) are extremely weak on over supply and low seasonal demand.

Midwest markets remain at risk of basis weakness due to extremely high stock levels that require refiner 'fire sales' to liquidate product from inventory.

#### RBOB

*New York Harbor basis* to trade within the 3-yr range on ample supplies.

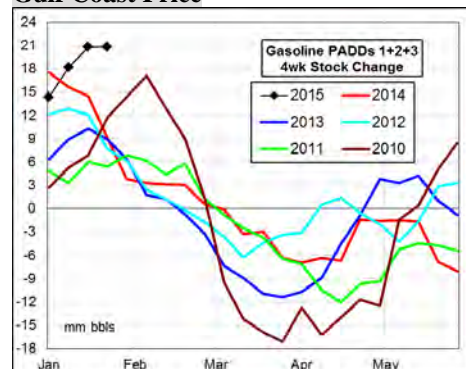
*Chicago* basis at risk further short term weakness due to extremely high stock levels; then trend seasonally higher.

*Group III* basis risk weakness in the near term on high stock levels, then to trend seasonally higher.

**Gulf Basis** to trade sideways on low demand, then trend higher on expansion of winter maintenance.

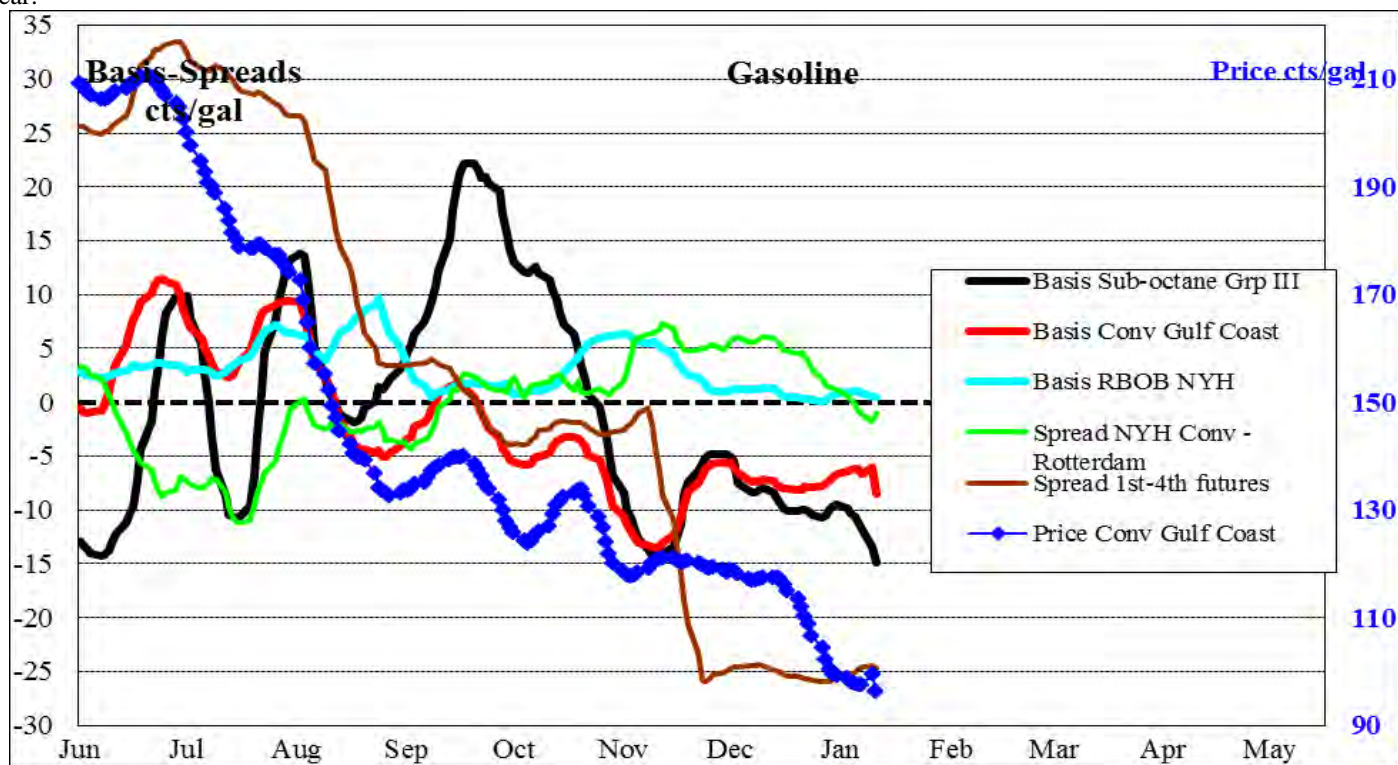
**West Coast (Los Angeles)** basis to trade sideways in the near term then trend seasonally higher.

#### Gulf Coast Price



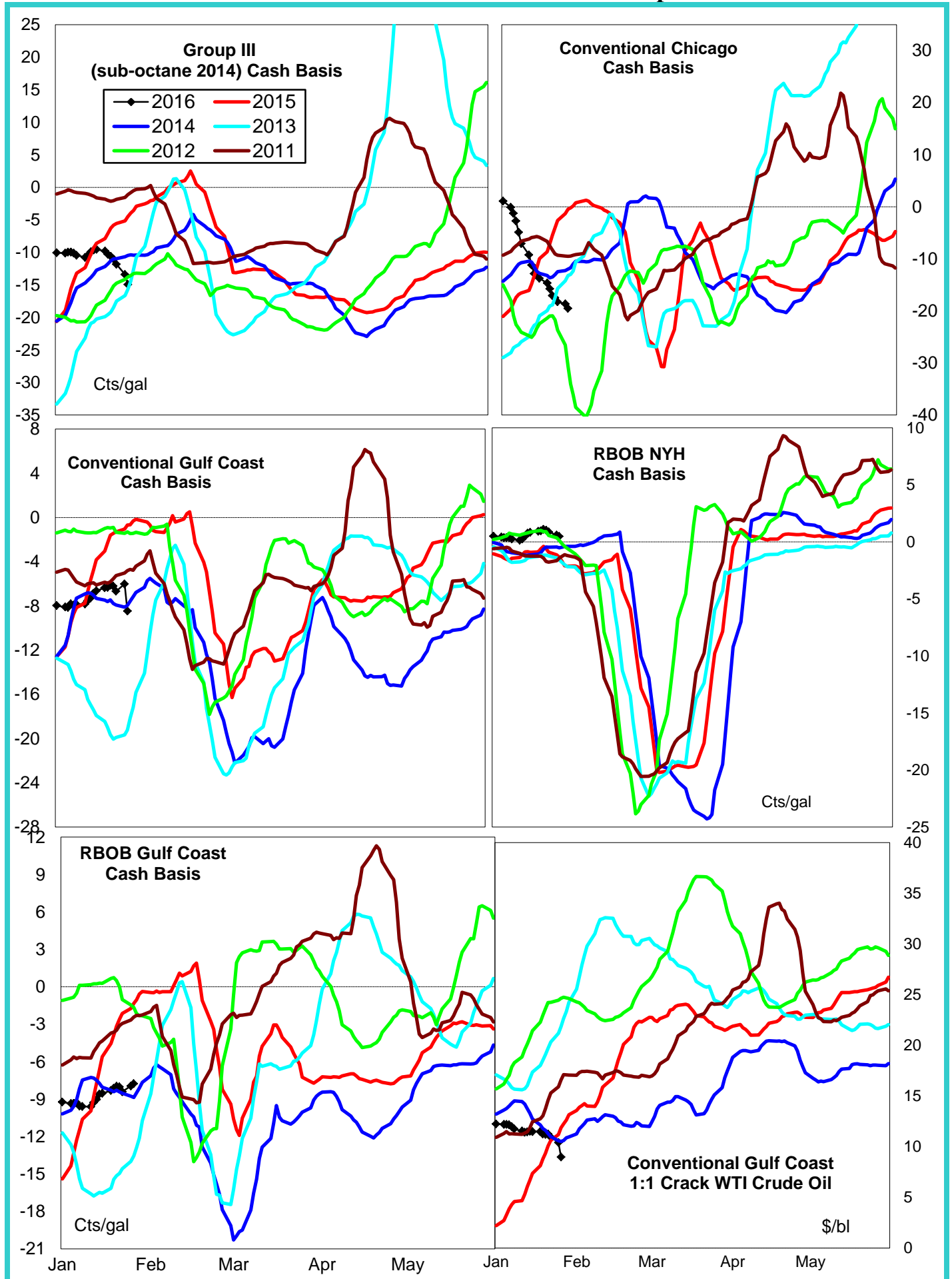
The latest 4-wk stock build remains at a record high, driven by refiner margins for gasoline being higher than distillates and low seasonal demand.

An improvement in the supply – demand balance over the next 30-days should drive an upturn in gasoline prices; independent of crude oil price trends.

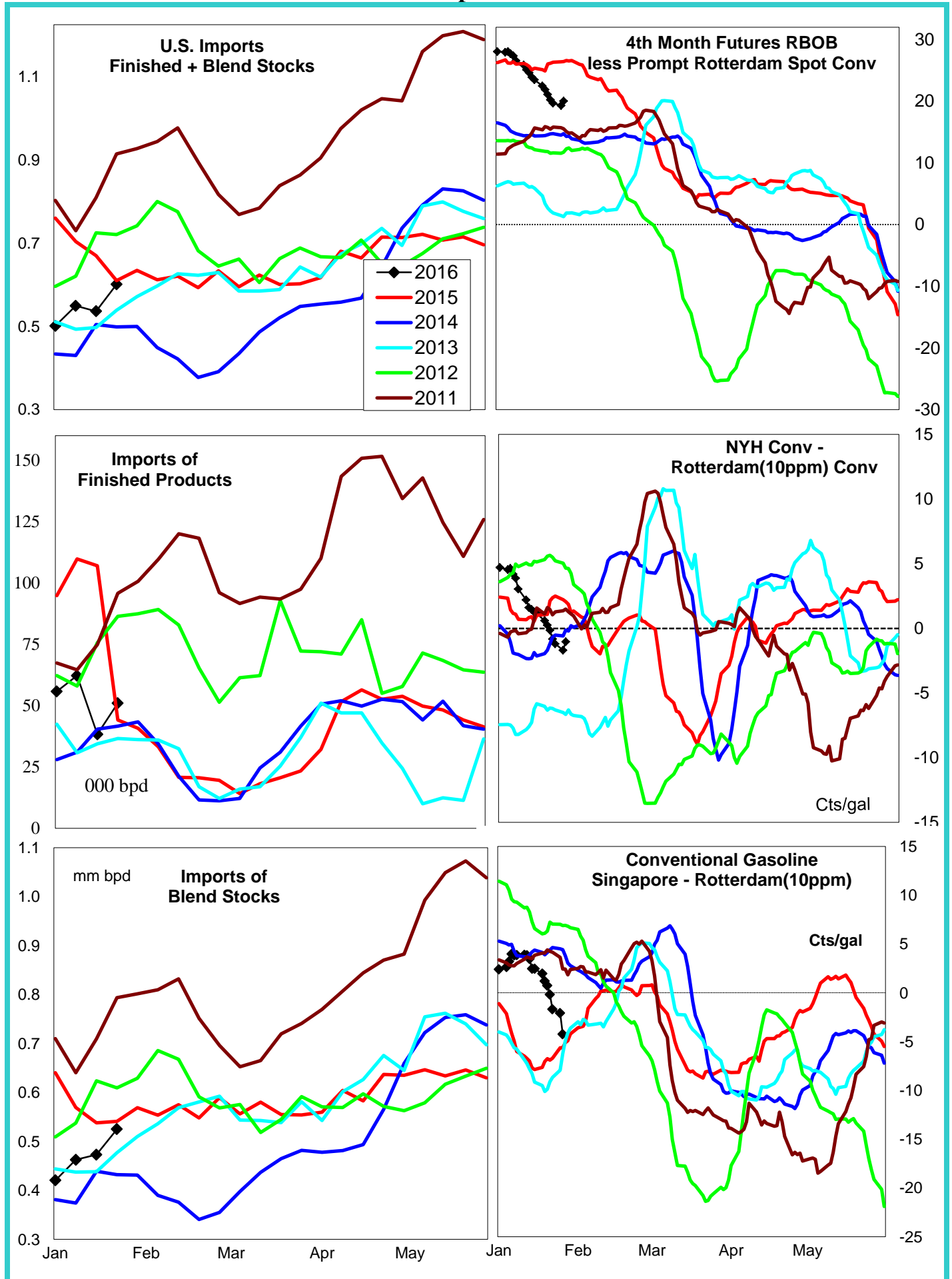


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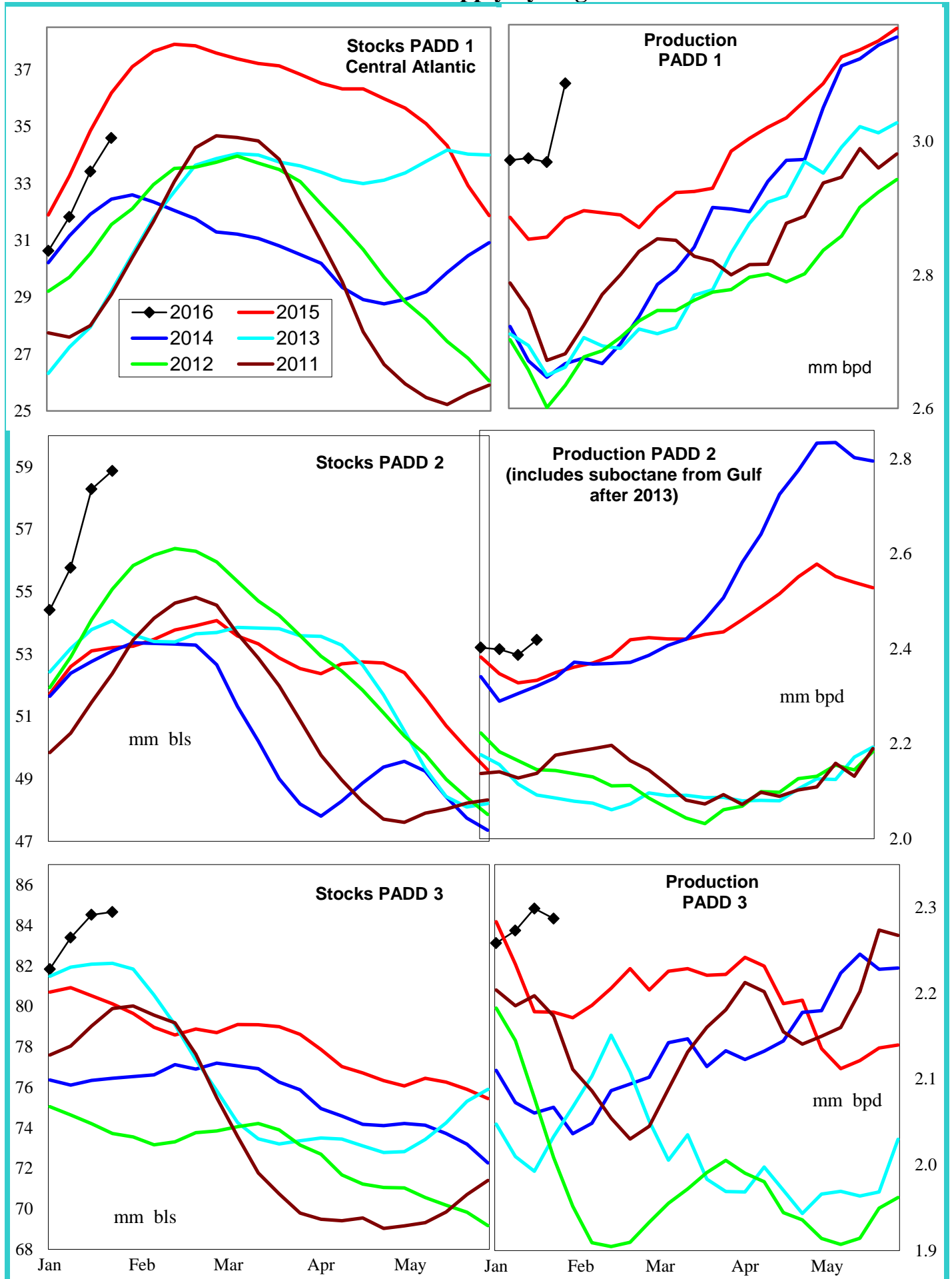
# Gasoline Cash Basis and Related Price Spreads

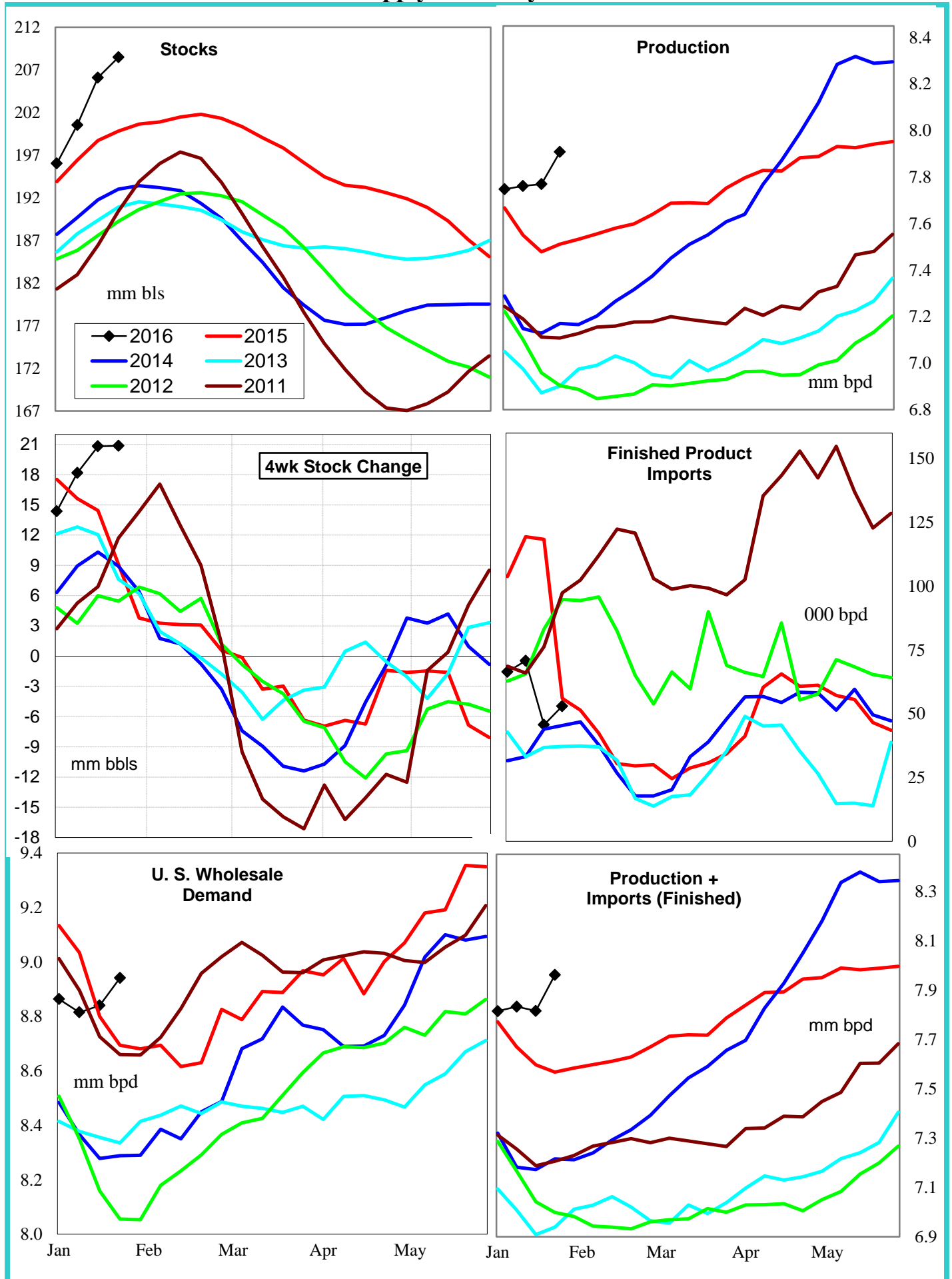


# Gasoline Import Economics



# Gasoline Supply by Region



**Gasoline Supply Summary PADDs 1+2+3**



# PADD 5 Gasoline Supply

