



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 +0.8 million bpd last week. The latest 4-wk average

demand was +0.2 million bpd above last year.

Supplies increased +1 million bpd on the week, with the most recent 4-wk supply +233,000 bpd above last year.

Stocks have increased six consecutive weeks with a cumulative build of +34.3 million barrels. Stocks ended the week at a fresh 5-yr high for this time of year.

Cash basis fell sharply in Midwest markets and Los Angeles last week, on over supply. The Northwest and Gulf markets saw basis trend higher on the week.

Look for refinery maintenance in the Gulf, crude oil run cuts in the Midwest and an uptrend in seasonal demand to support improved cash basis across nearly all regional markets before month end.

RBOB

New York Harbor basis to trade within the 3-yr range on ample supplies, with risk of downside weakness on high stocks of winter grade product.

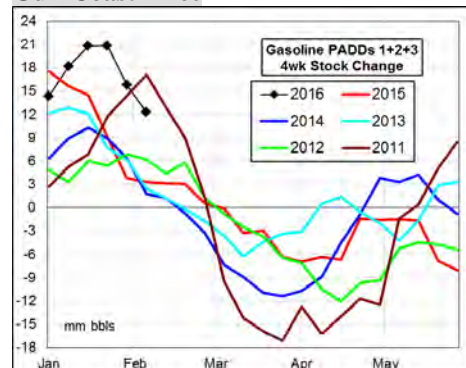
Chicago basis to trend higher on refinery cuts in crude oil thru put on poor margins.

Group III basis to trend higher on refinery cuts in crude oil thru put due to very poor margins.

Gulf Basis to trade trend higher on winter maintenance.

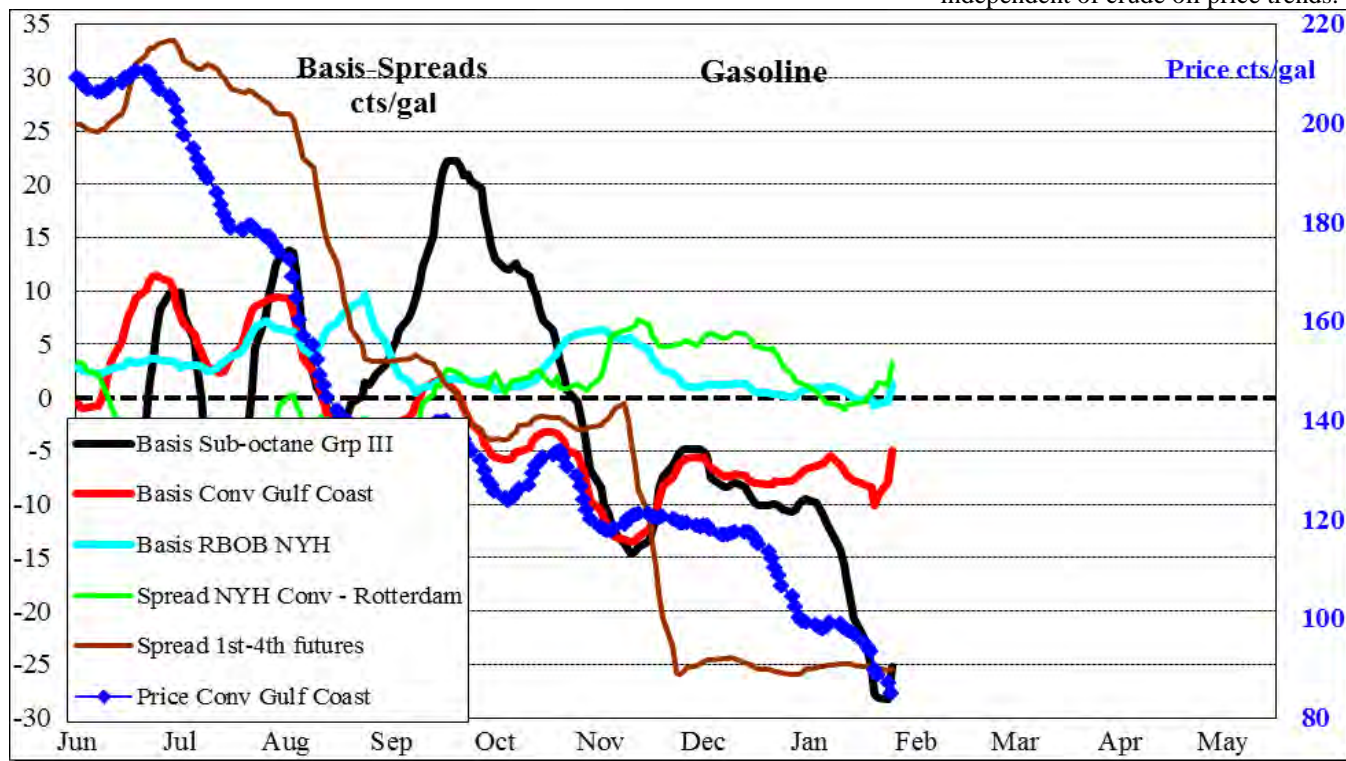
West Coast (Los Angeles) basis to trend lower on seasonal stock builds, then began an uptrend on the switch to summer grades.

Gulf Coast Price



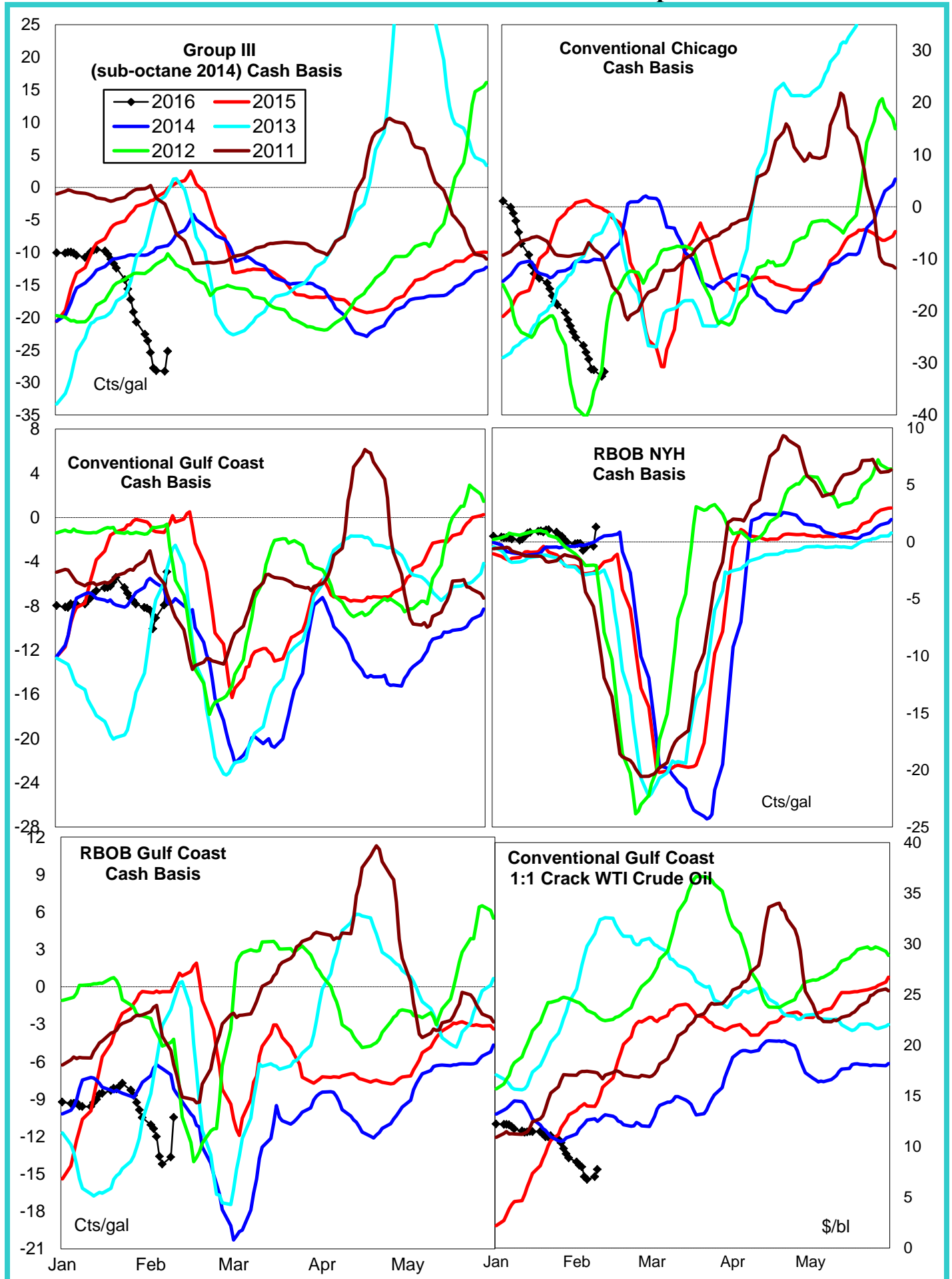
The latest 4-wk stock build East of the Rockies was near 5-yr highs for the 6th consecutive week.

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.

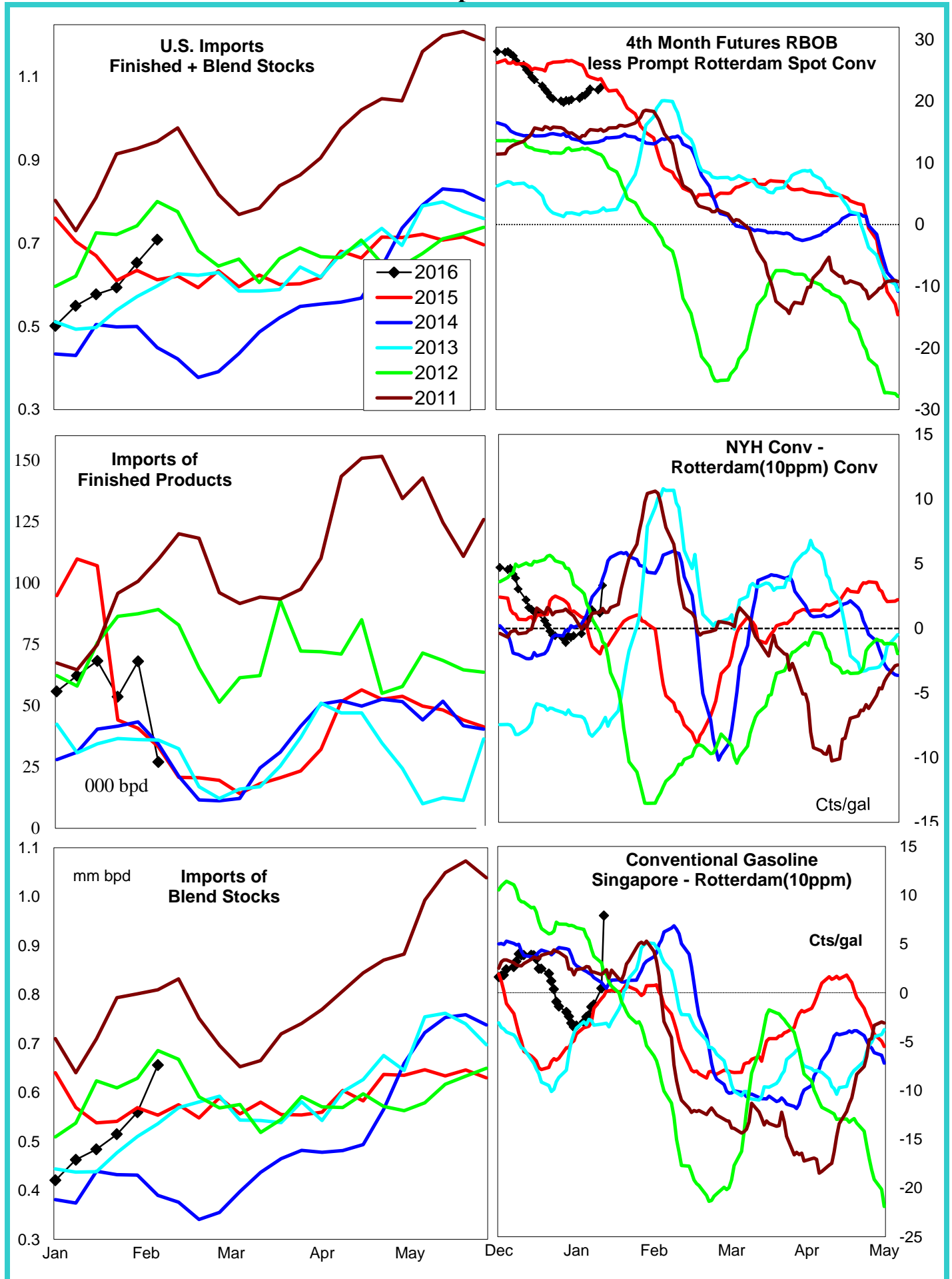


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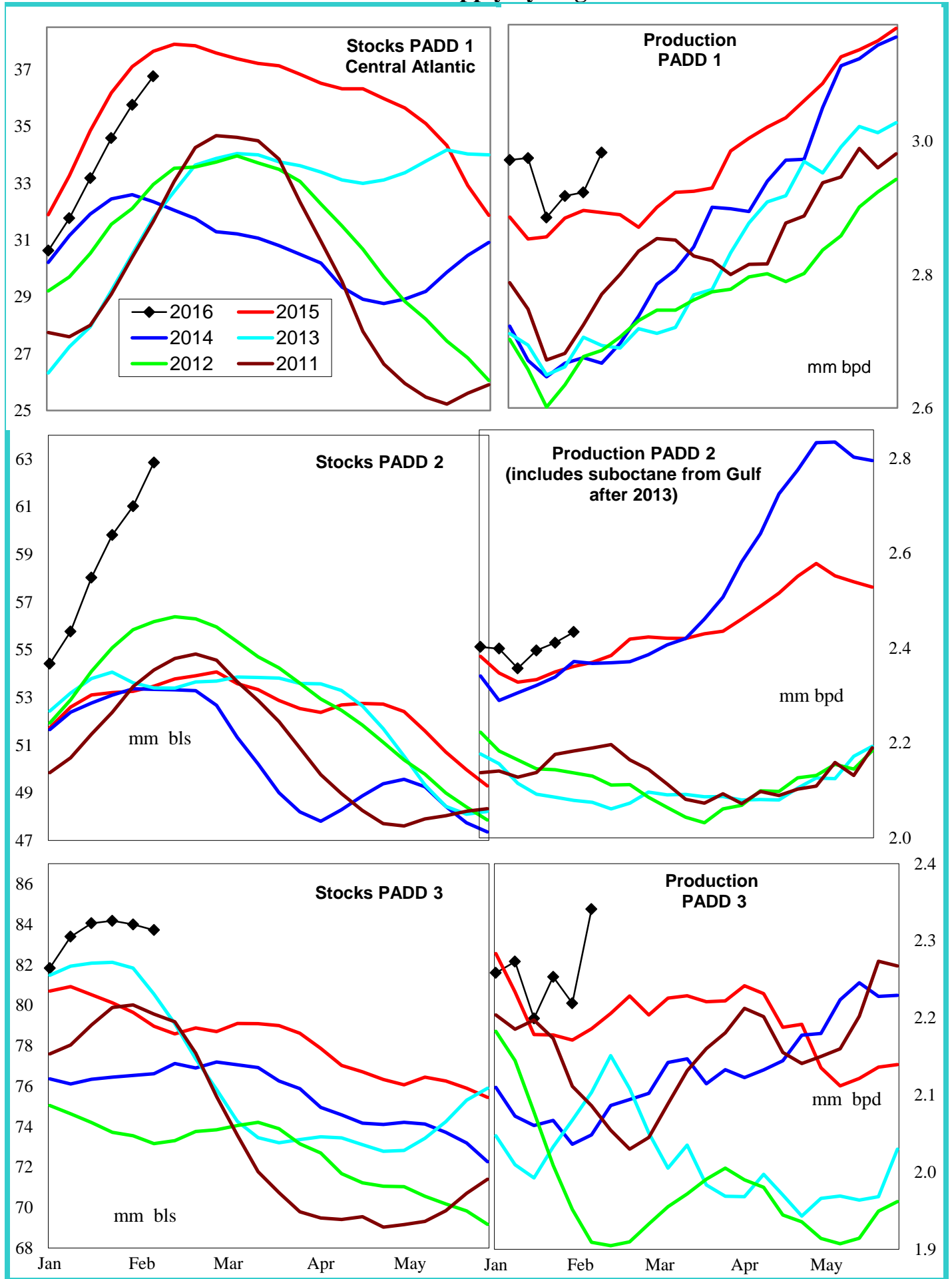
Gasoline Cash Basis and Related Price Spreads



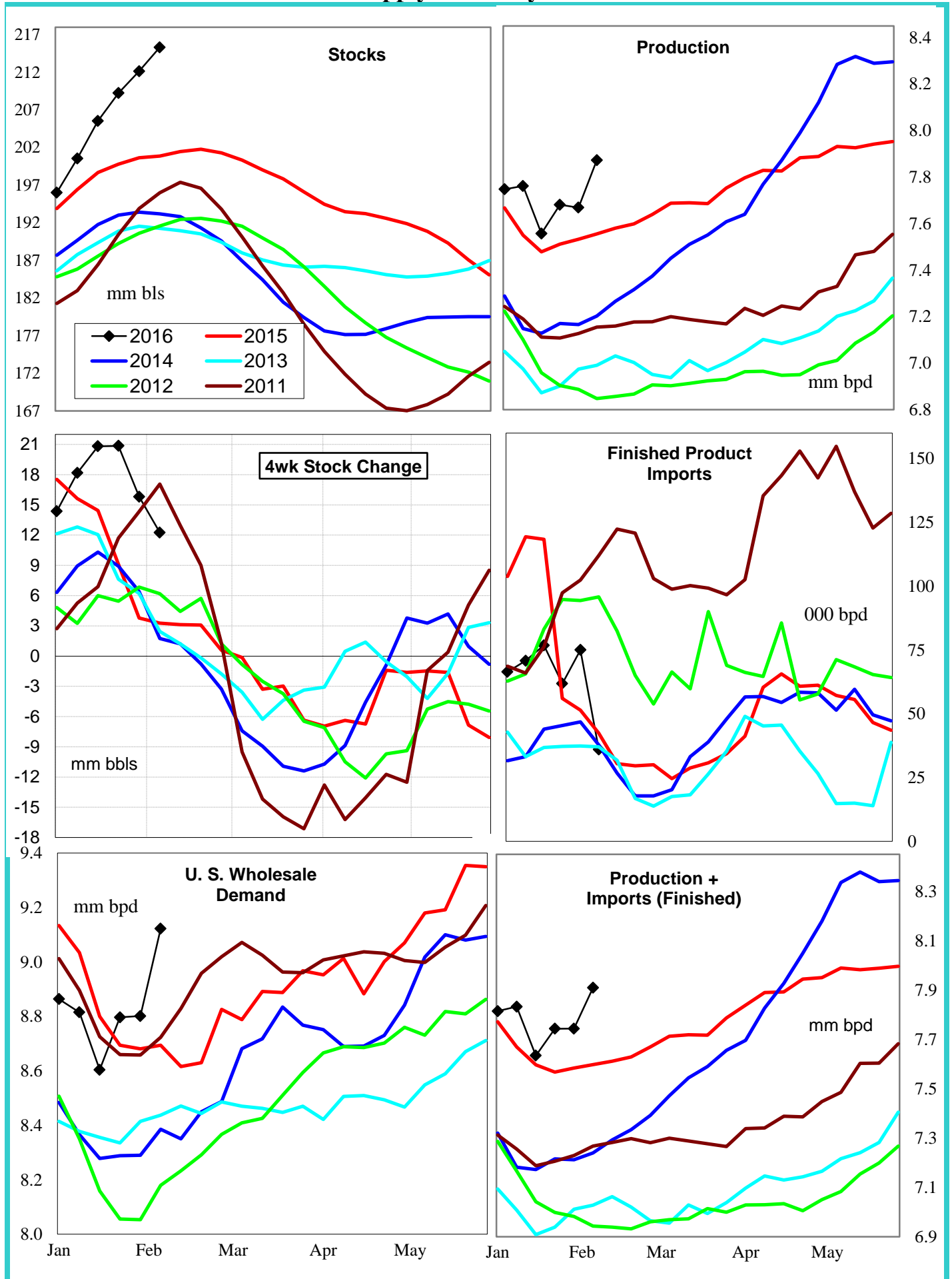
Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3



PADD 5 Gasoline Supply