



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 -0.2 million bpd on the week. The latest 4-wk average

demand was +0.5 million bpd above last year, a +5.3% increase.

Supplies decreased -86,000 bpd last week on lower production. Supply for the most recent 4-wks was +0.4 million bpd above last year. Stocks increased +1.2 million barrels on the week, including significant builds in the East and Gulf regions. Stock levels in the Midwest and East Coast have dropped below the last two years.

Cash basis spiked higher in the Gulf and California markets on the week. Tightening supplies in the NYH area has led to a surge in the inversion of the forward price curve.

Basis levels in all West Coast markets and the Gulf traded near historic highs for this time of year. Basis levels in the Group III remain lowest among markets compared to prior years.

Tightness in the Northeast market should extend the current spike in the futures market forward price curve inversion, depressing basis in the Midwest and Gulf regions. A surge in imports should depress West Coast basis.

European markets are also exhibiting tightness with Rotterdam basis spiking to near record highs for the period.

RBOB

New York Harbor basis to trend higher on a supply squeeze, then pull back as the market is resupplied.

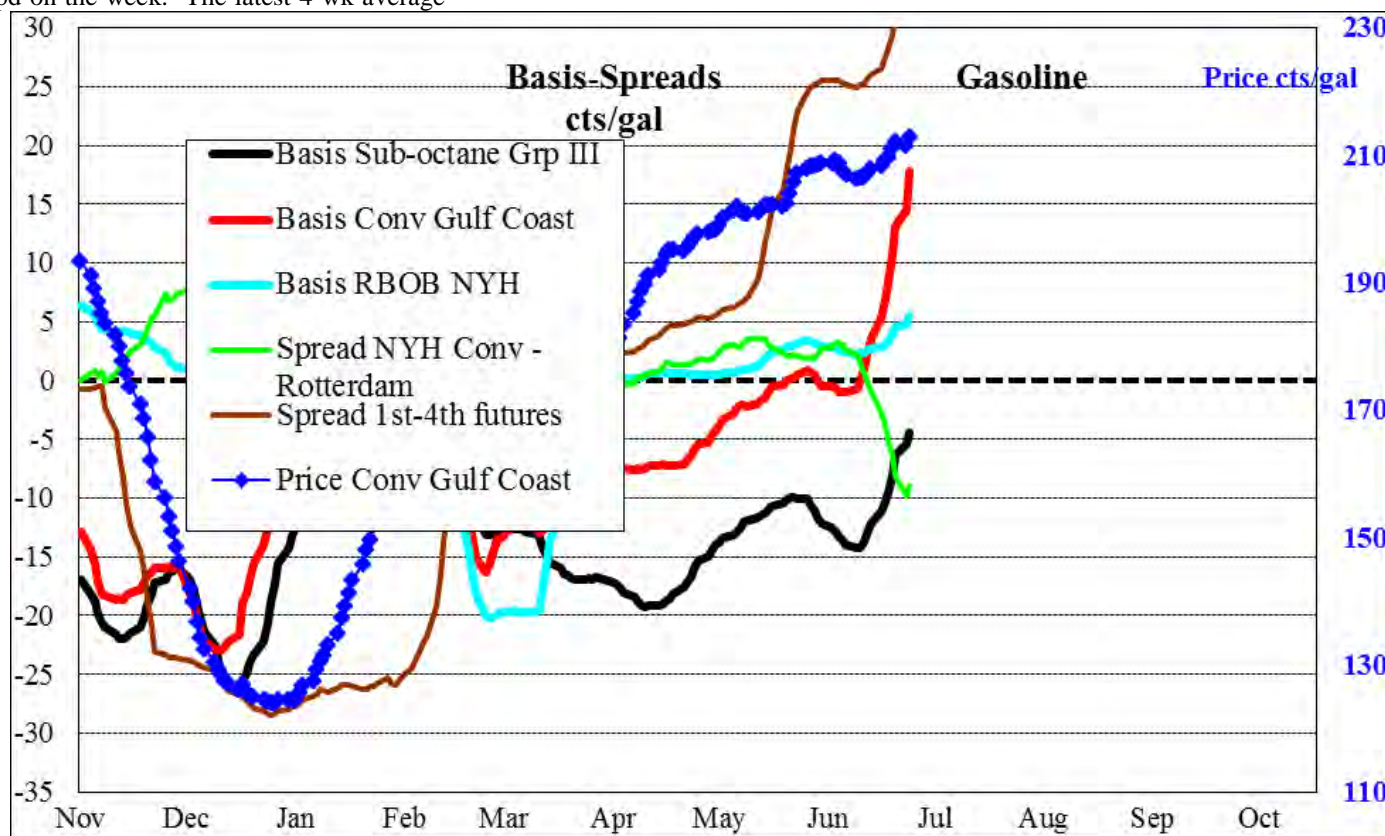
Chicago basis to trend lower on the squeeze in the northeast.

Group III basis trend lower on the squeeze in the northeast.

Gulf Basis to trend lower on the squeeze in the northeast.

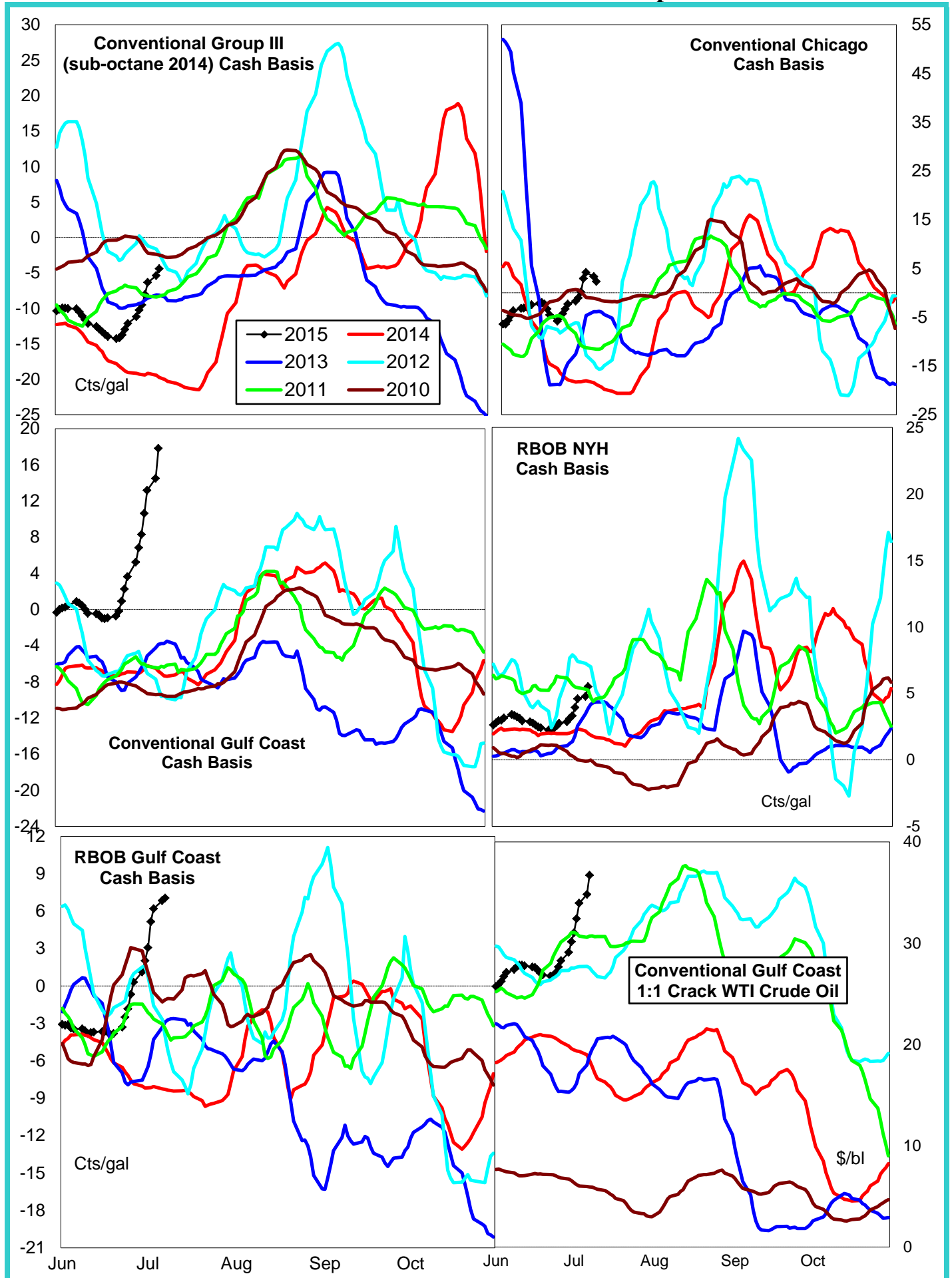
West Coast (Los Angeles) basis to pull back on arrival of imports.

Gulf Coast Price Northeast region supplies are tightening, due in part to tight supplies in Europe which is competing for supply in the Atlantic basin. This tightness should support wholesale prices in the near term, and depress basis in markets outside the northeast region.

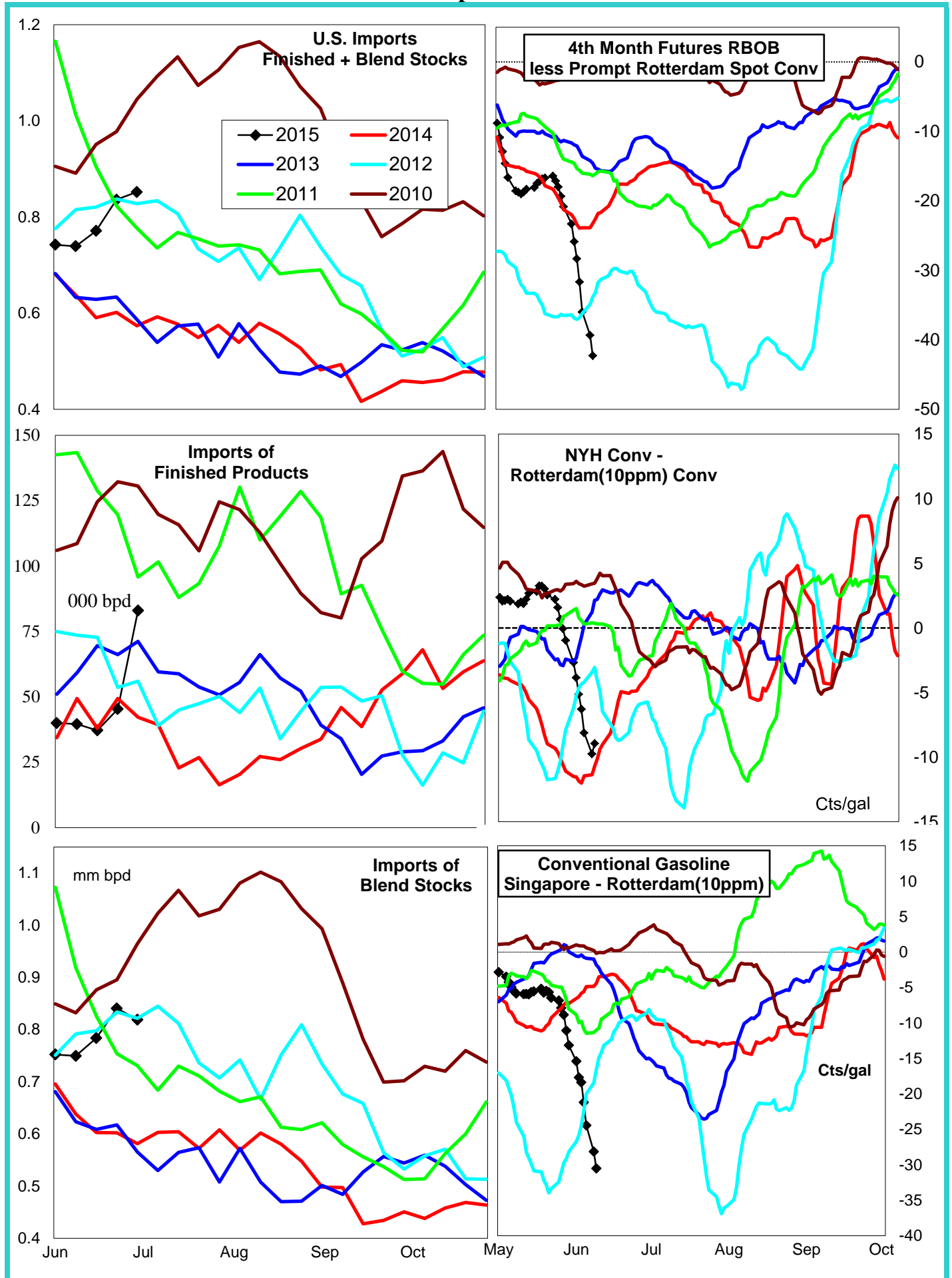


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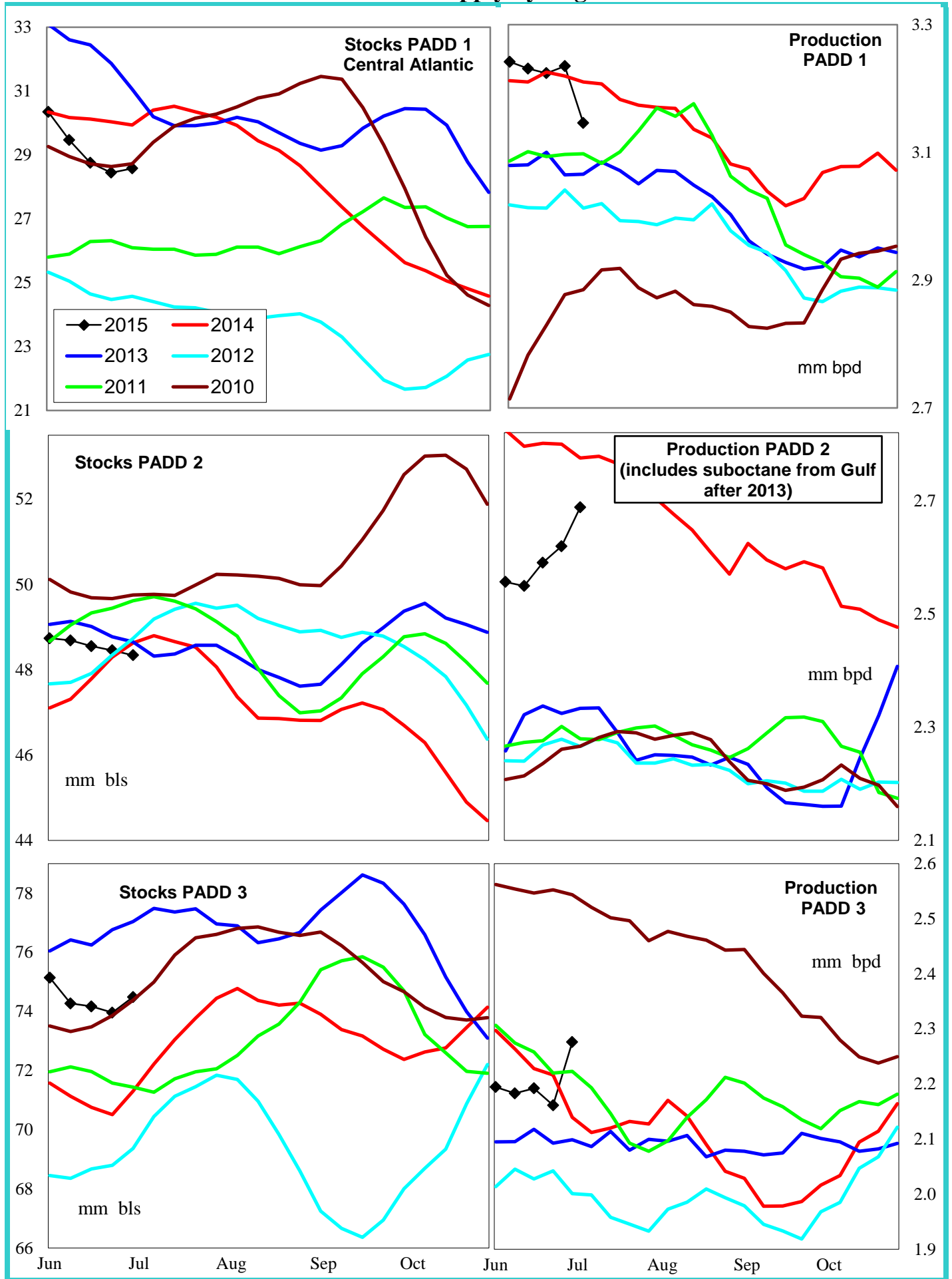
Gasoline Cash Basis and Related Price Spreads



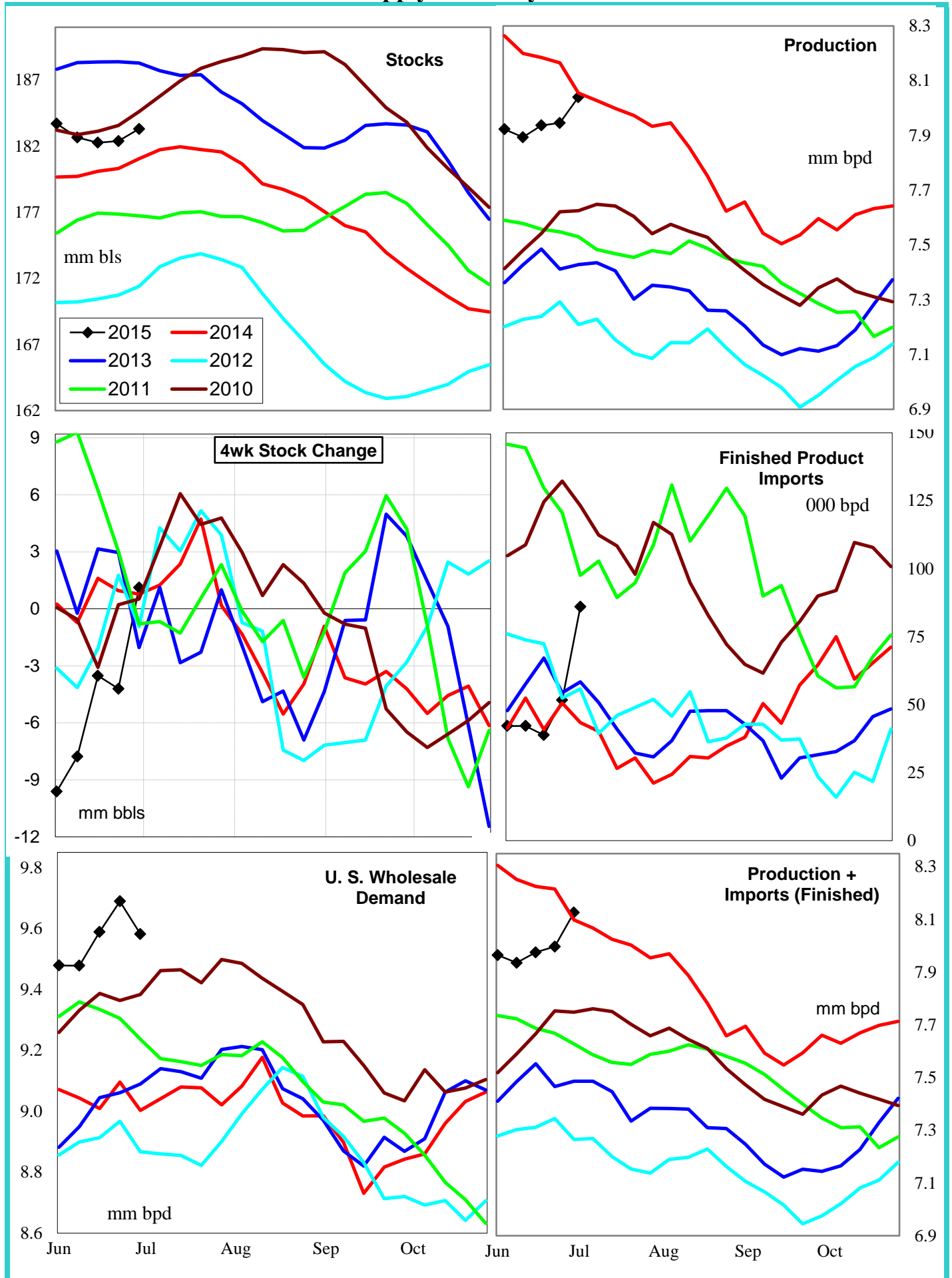
Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3



PADD 5 Gasoline Supply