



## 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 at a peak season level last week. The latest 4-wk average demand was +0.6 million bpd above last year, a +6.6% increase.

Supplies decreased -0.1 million bpd last week on lower imports. Supply for the most recent 4-wks was +0.5 million bpd above last year.

Stocks decreased -1.3 million barrels on the week, including a -0.9 million barrel draw in the Midwest where unplanned and planned maintenance has led to very tight supplies in the Chicago area. A shortage of CARB grade gasoline on the West Coast has also spiked basis in that region.

Cash basis in all regional markets increased last week on peak retail demand and very low NYMEX futures prices.

*Look for basis to fall sharply on the shift to higher RVP gasoline next month and lower seasonal demand, although remain elevated in the Chicago and West Coast regions.*

#### RBOB

*New York Harbor basis* to trend higher on peak summer demand and low flat price, the pull back on lower seasonal demand.

*Chicago* basis to remain elevated on tight supply until refiners return to operation (up to 60-days).

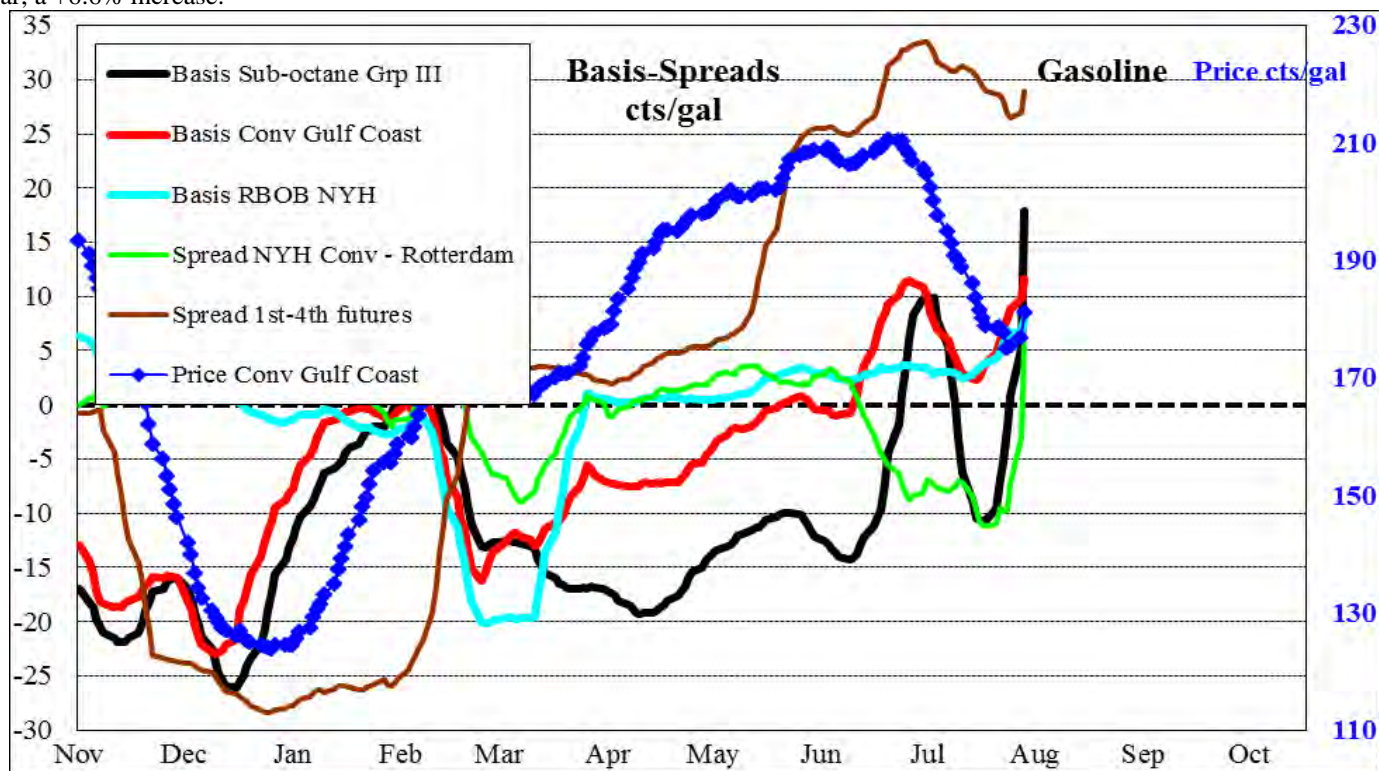
*Group III* basis to remain elevated in the near term on supply shortages in Chicago then pull back on lower seasonal demand and higher RVP.

*Gulf Basis* to trend remain elevated in the near term on peak summer demand then pull back on lower demand.

*West Coast (Los Angeles)* basis pull back on arrival of imports and switch to higher RVP.

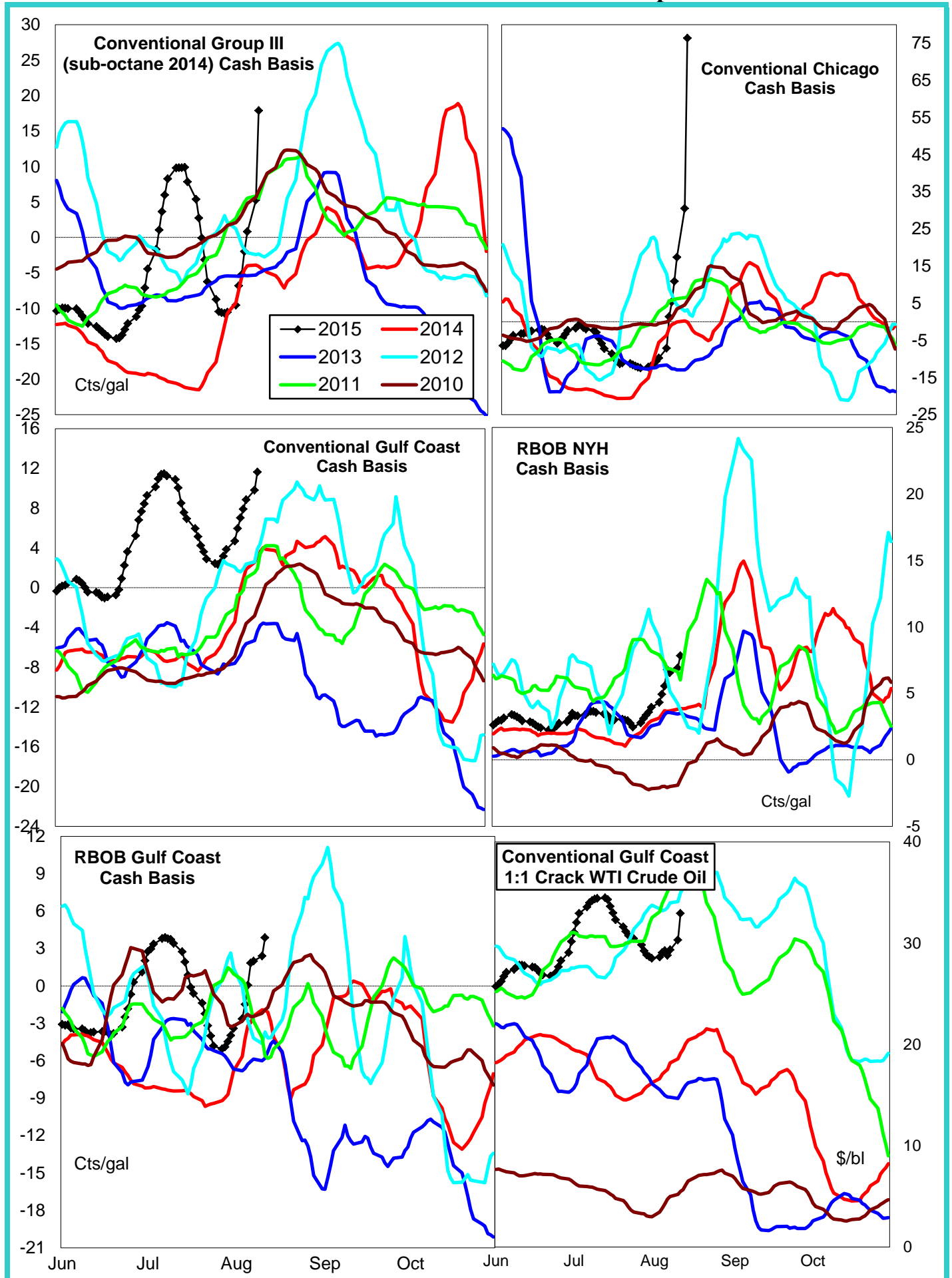
**Gulf Coast Price** Peak summer demand, unplanned and planned maintenance in the Chicago area, and low NYMEX prices has led to sharply higher cash basis in most regional markets.

Look for an end to peak demand, higher RVP and a jump in imports on favorable economics to driven a pull back in cash basis across markets by early next month. Global oil markets remain over supplied which should lead to a price pull back following an end to peak summer demand.

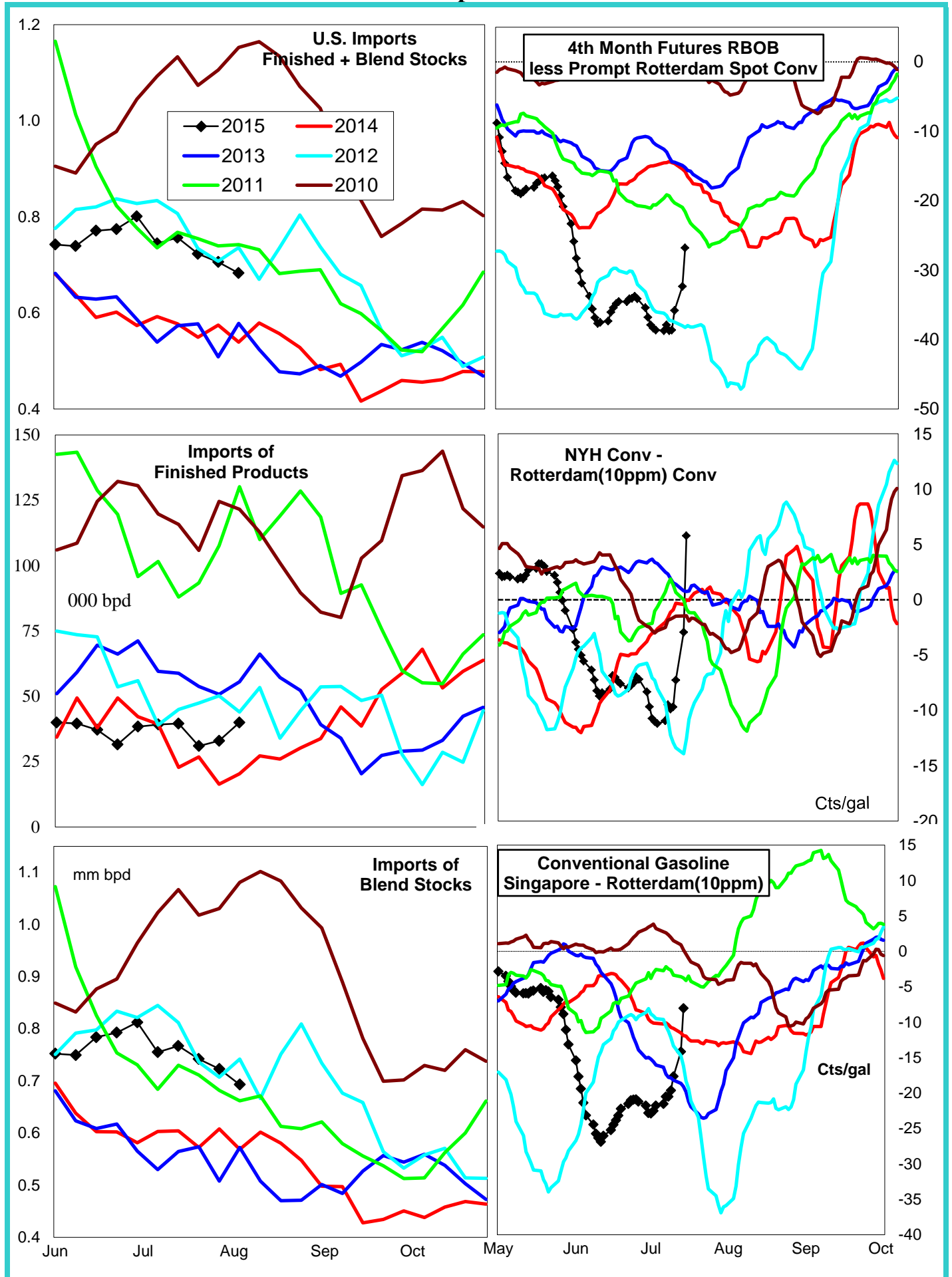


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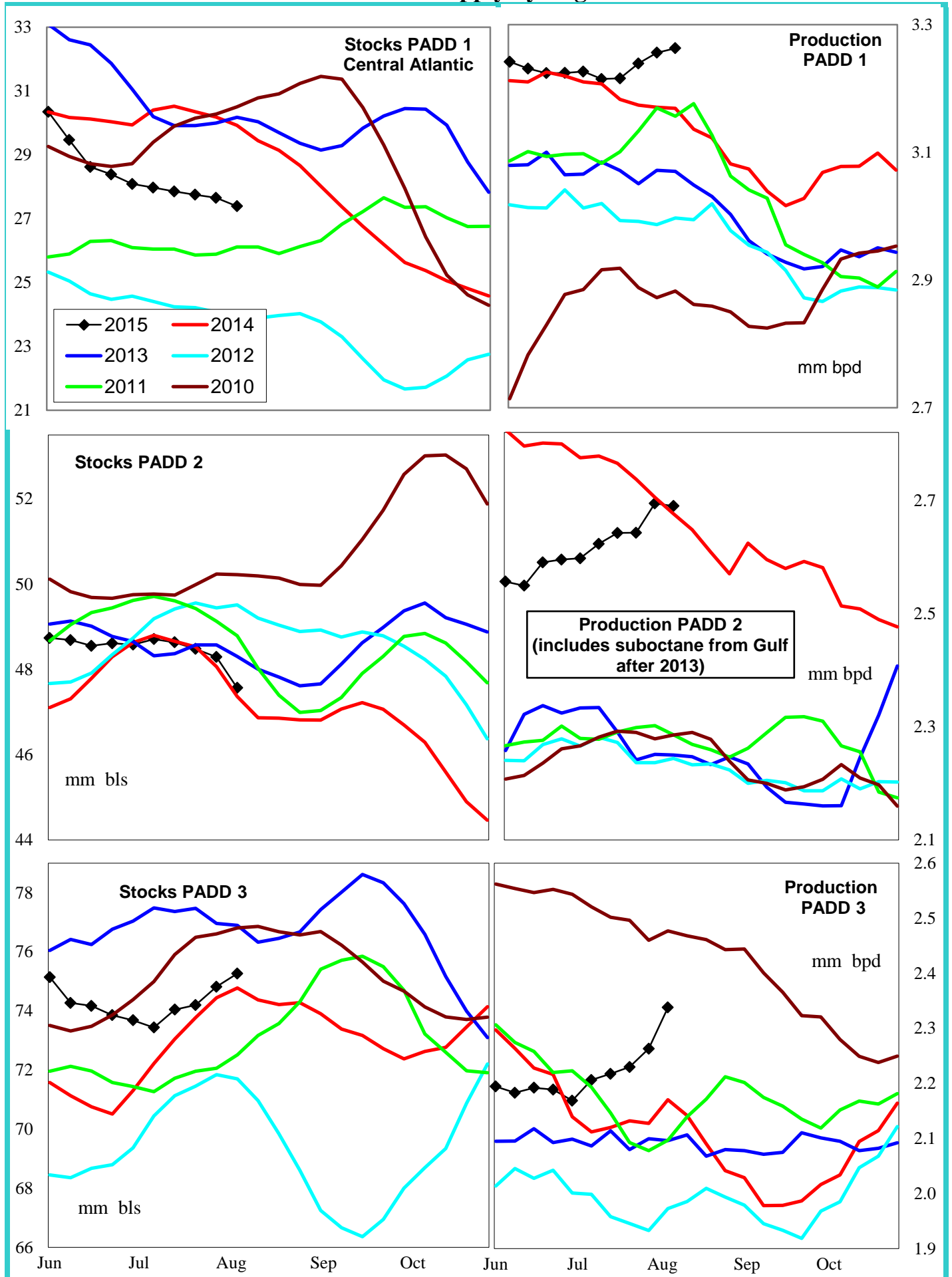
# Gasoline Cash Basis and Related Price Spreads



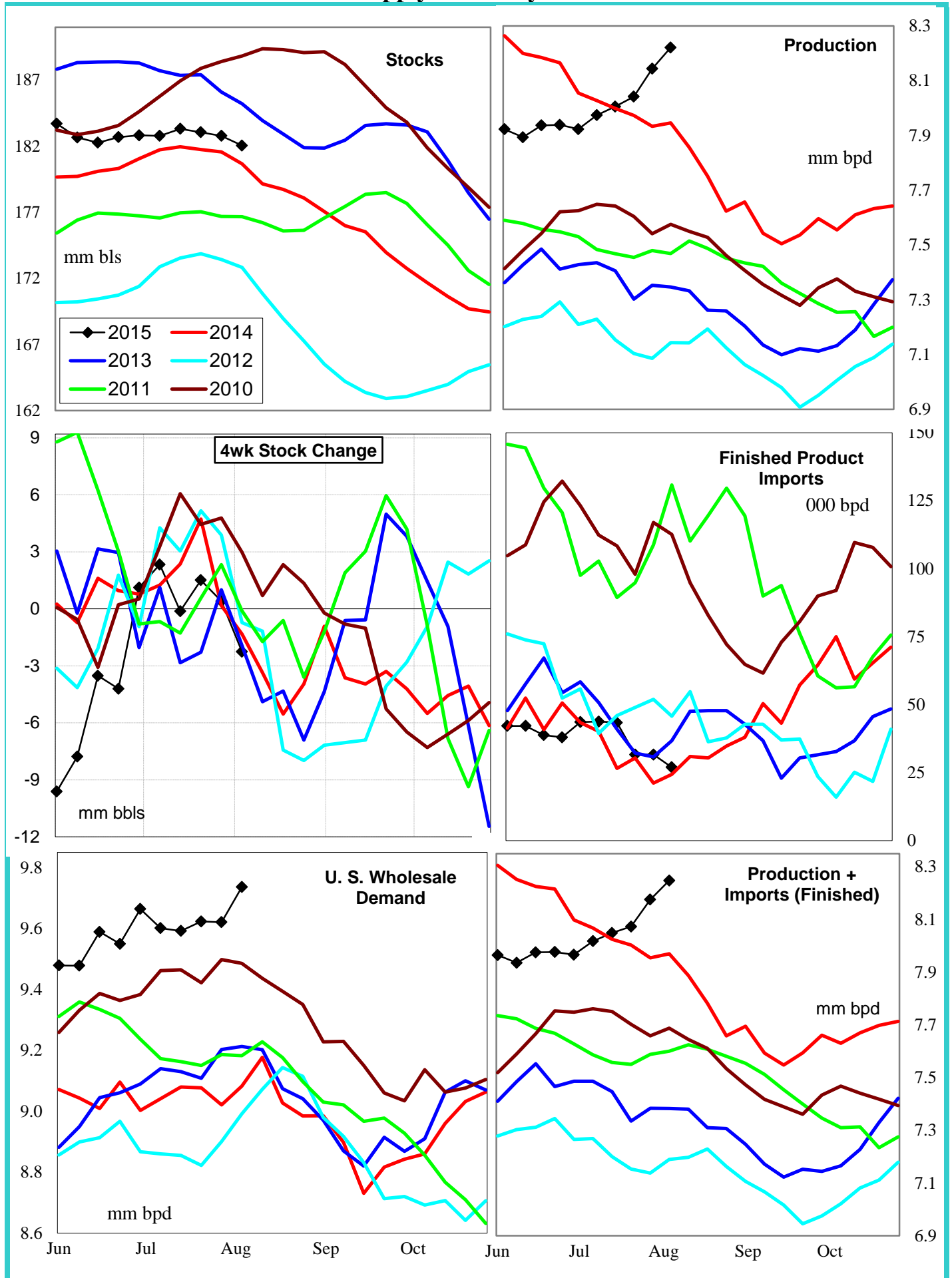
## Gasoline Import Economics



# Gasoline Supply by Region



# Gasoline Supply Summary PADDs 1+2+3





**PADD 5 Gasoline Supply**