



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 +6.5% increase.

Supplies increased +0.4 million bpd last week on higher production and imports. Supply for the most recent 4-wks was +0.5 million bpd above last year.

Stocks decreased -2.7 million barrels on the week, concentrated in the Midwest and Gulf regions. Basis remains elevated in West Coast markets on low stock levels.

Cash basis in all regional markets east of the Rockies decreased last week. Basis in California markets traded sideways with the Northwest trending higher.

Look for basis to fall sharply on the shift to higher RVP gasoline next month and lower seasonal demand, although remain elevated in Midwest markets due to unplanned refinery maintenance.

RBOB

New York Harbor basis to trend lower on high imports and an end to peak 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.

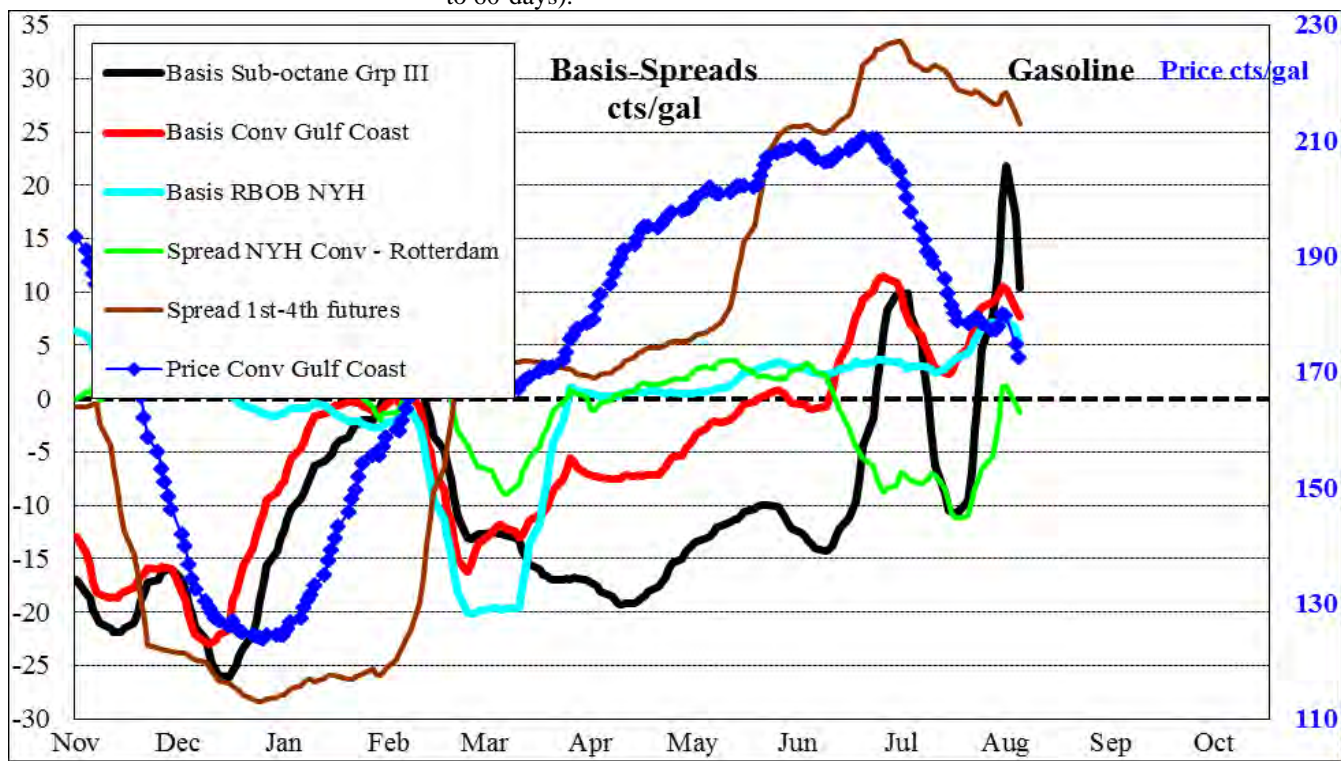
Gulf Basis to trend lower on an end to peak summer demand.

West Coast (Los Angeles) basis to fall sharply on the switch to higher RVP grades.

Gulf Coast Price Look for a widespread decline in cash basis as summer demand comes to an end, and a switch to higher RVP grades.

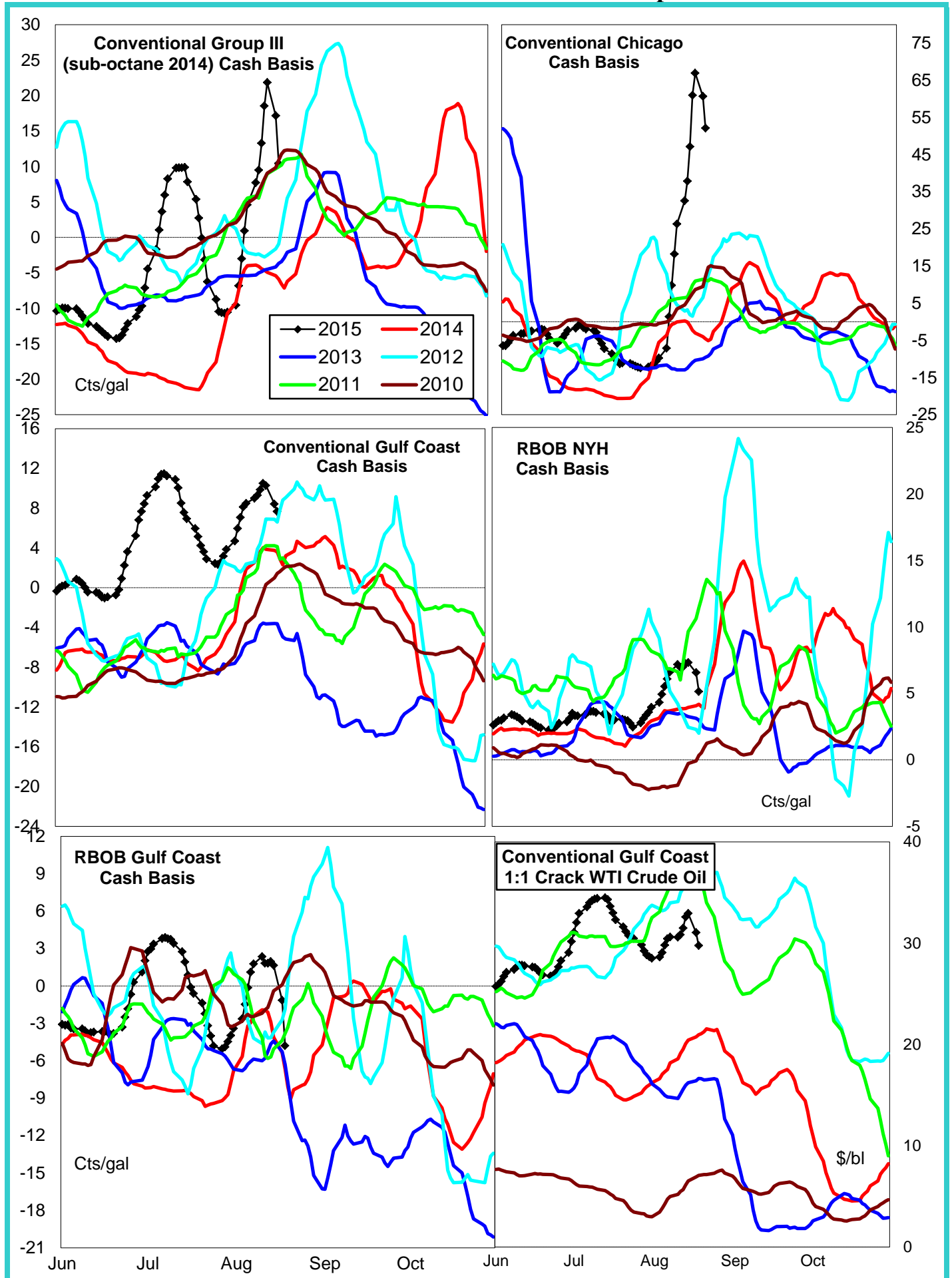
There is risk that fall refinery maintenance and robust year-on-year demand growth creates tight supplies in some local markets, causing elevated cash basis.

Recession in emerging market countries and global over supply of crude oil risk continued pressure on oil prices.

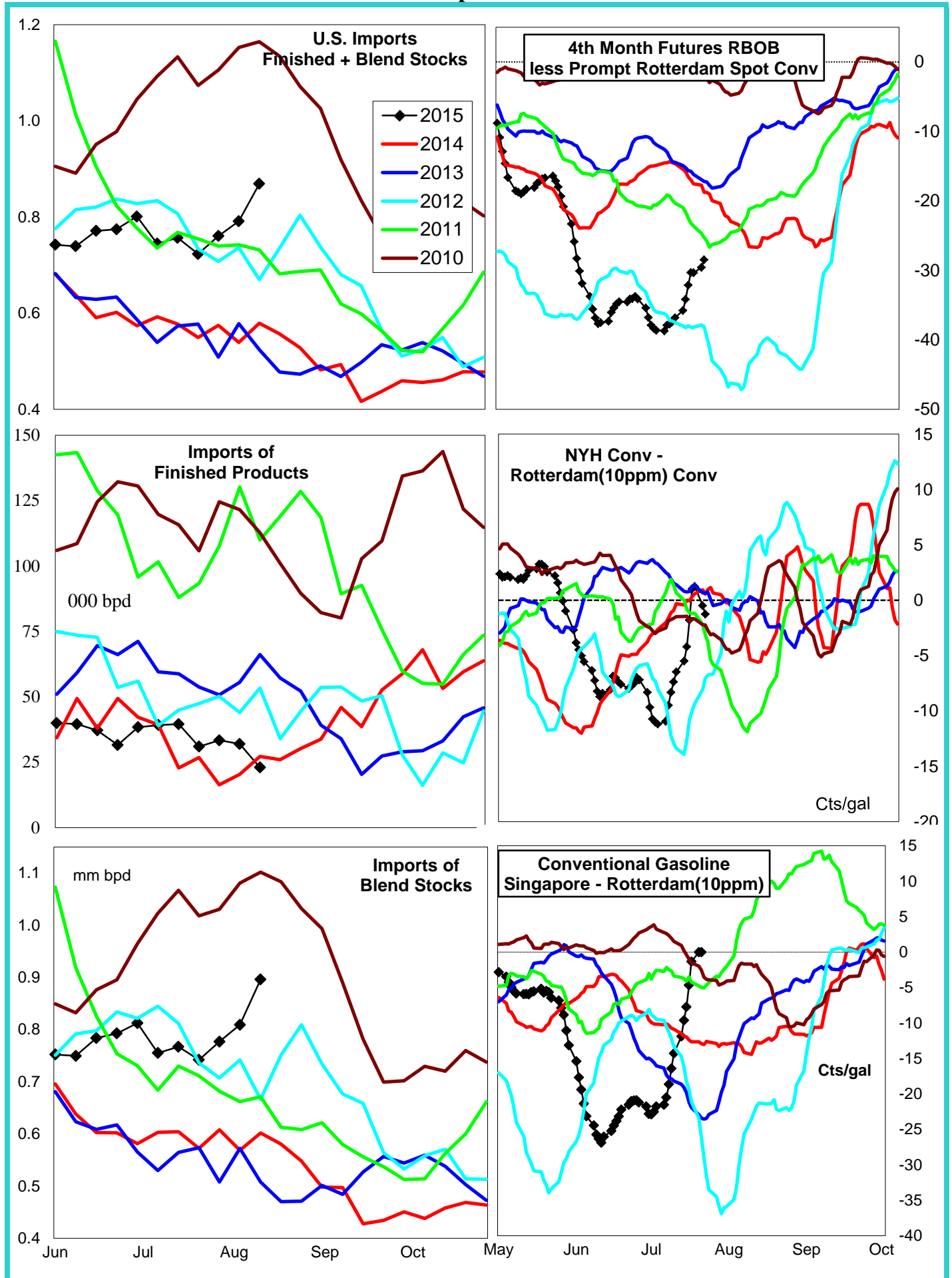


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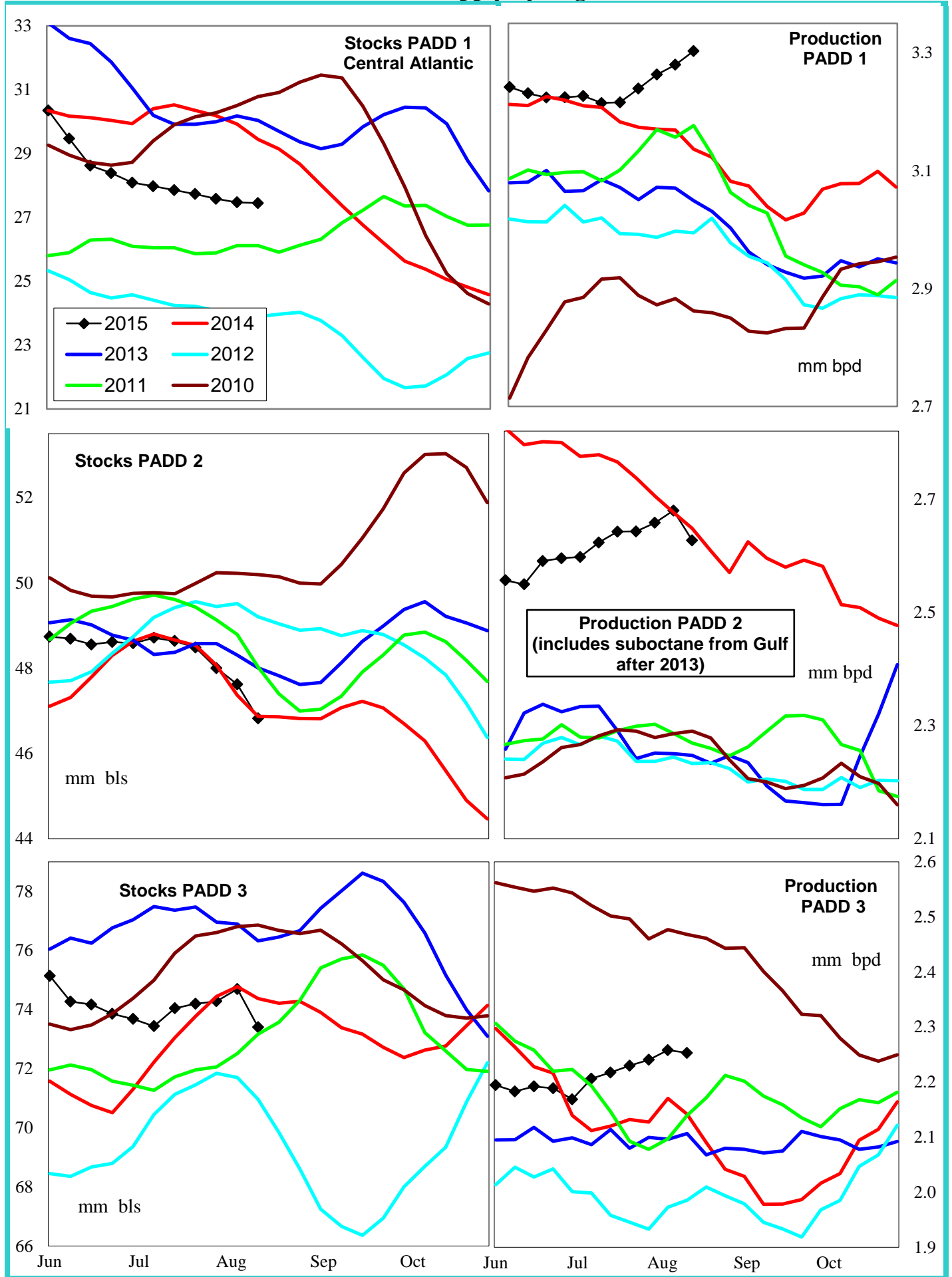
Gasoline Cash Basis and Related Price Spreads



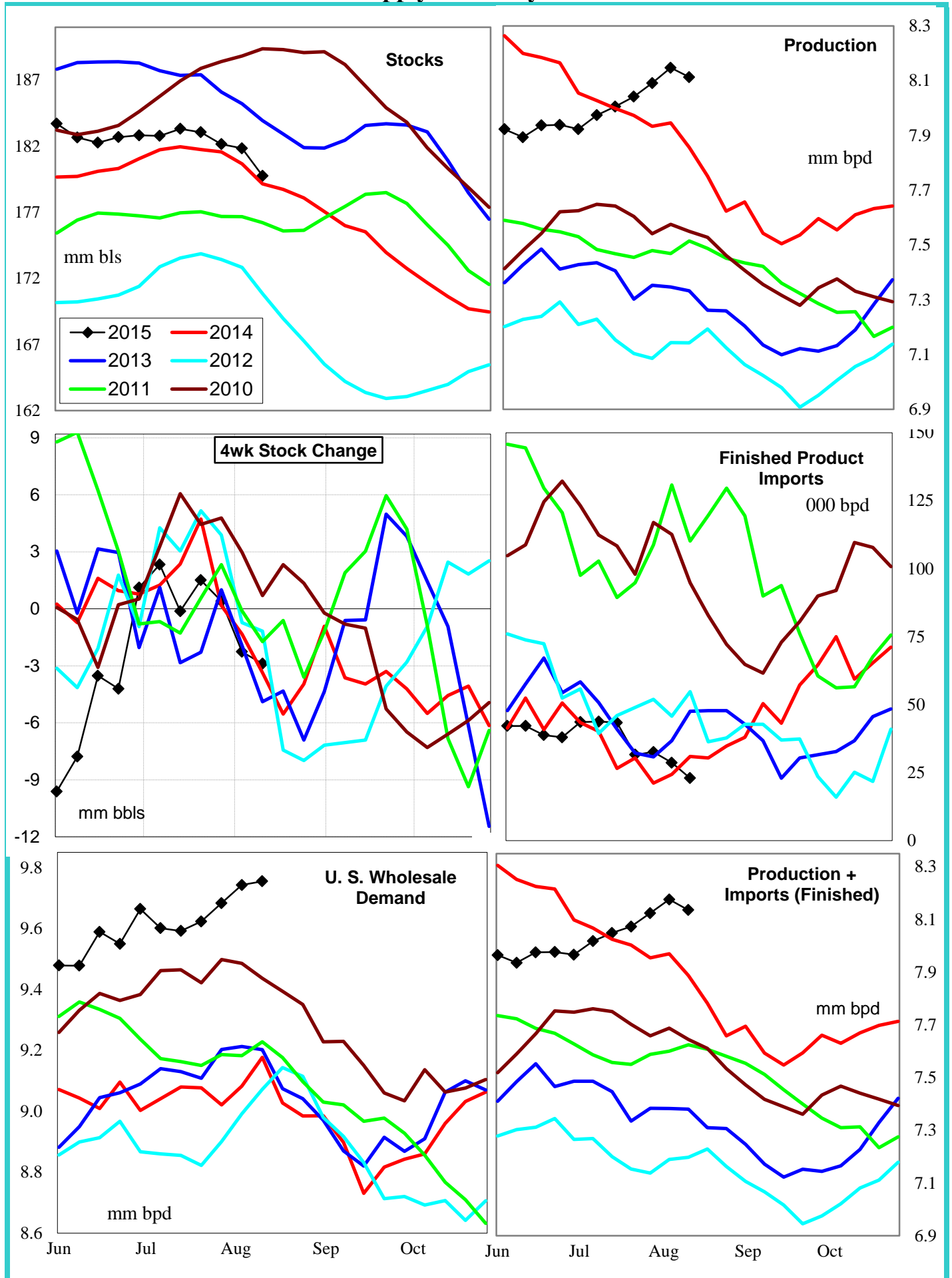
Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3



PADD 5 Gasoline Supply