



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 fell -0.5 million bpd on the week on an end to peak seasonal demand and stock drawdown in the

downstream supply chain. The latest 4-wk average demand was +0.5 million bpd above last year, a +5.8% increase.

Supplies fell -0.7 million bpd last week on lower production and imports. Supply for the most recent 4-wks was +0.5 million bpd above last year.

Stocks increased +1.7 million barrels on the week, with builds in all regions except the West Coast. Basis remains elevated in West Coast markets on low stock levels.

Cash basis in nearly all regional markets east of the Rockies decreased last week. Basis in California markets trended higher late in the week, while the Northwest trended lower.

Look for a seasonal uptrend in basis during early September on the roll to Oct contract and higher RVP contract.

RBOB

New York Harbor basis to trade sideways at the 3-yr mid range.

Chicago basis to trend lower as the BP refinery gradually returns to operation.

Group III basis to trend lower on the gradual return to operation of the BP refinery.

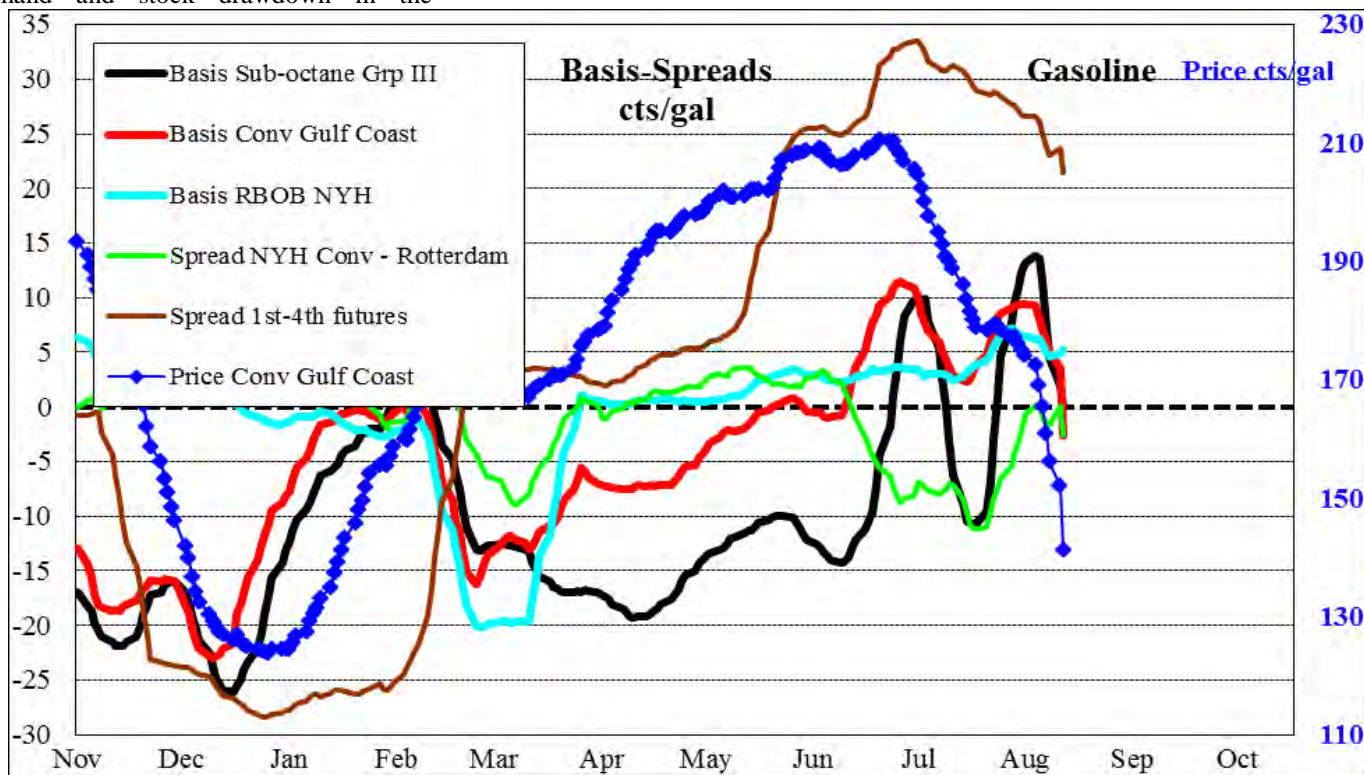
Gulf Basis to trend lower on an end to peak summer demand.

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, partially offset by the roll to Oct futures contract in September.

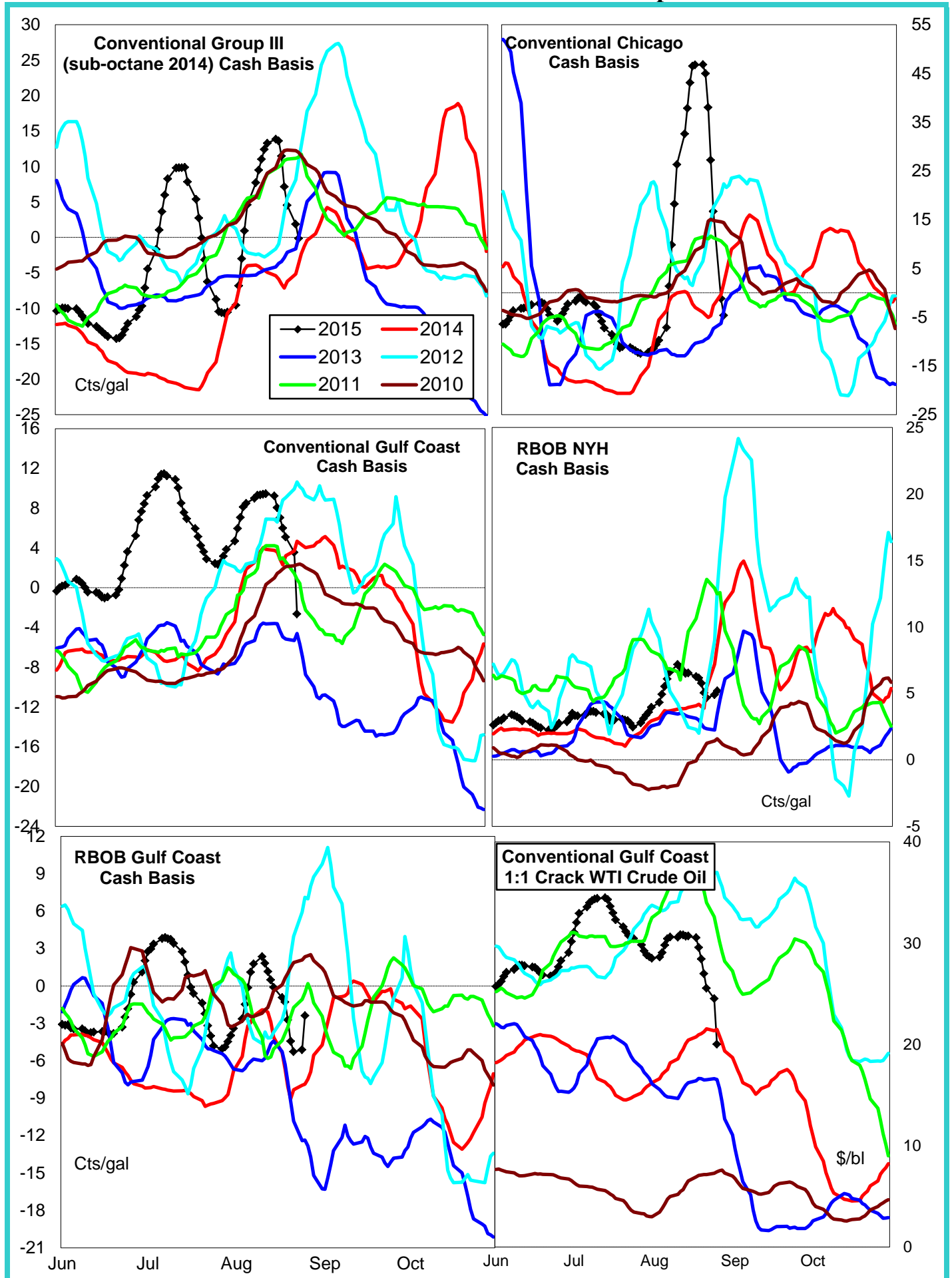
All gasoline markets east of the Rockies are well supplied as peak summer travel comes to an end, contributing to the large end of summer price decline.

In the absence of Gulf weather disruptions during the next quarter, and economic recessions in many emerging markets, gasoline prices are likely to remain weak.

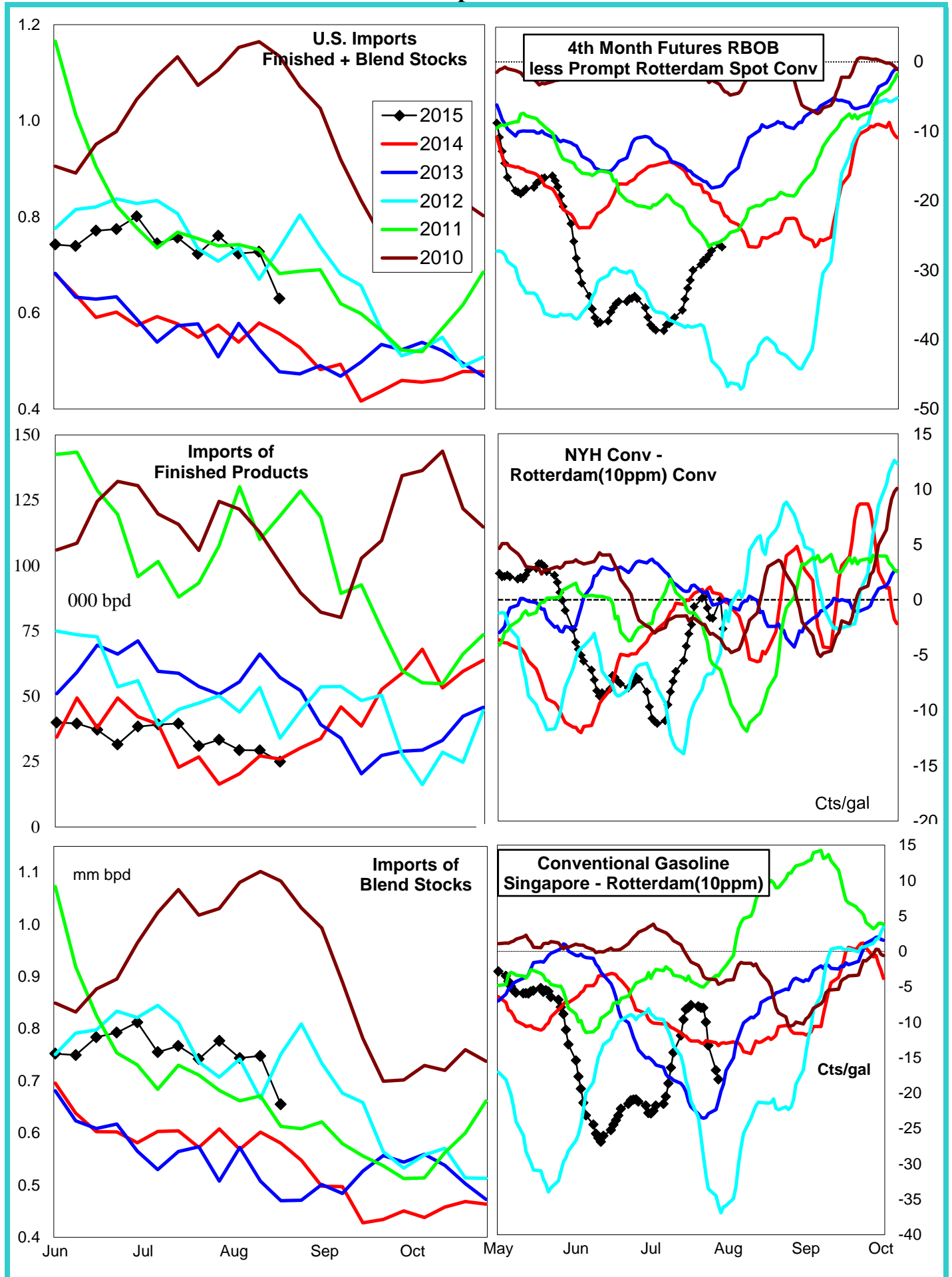


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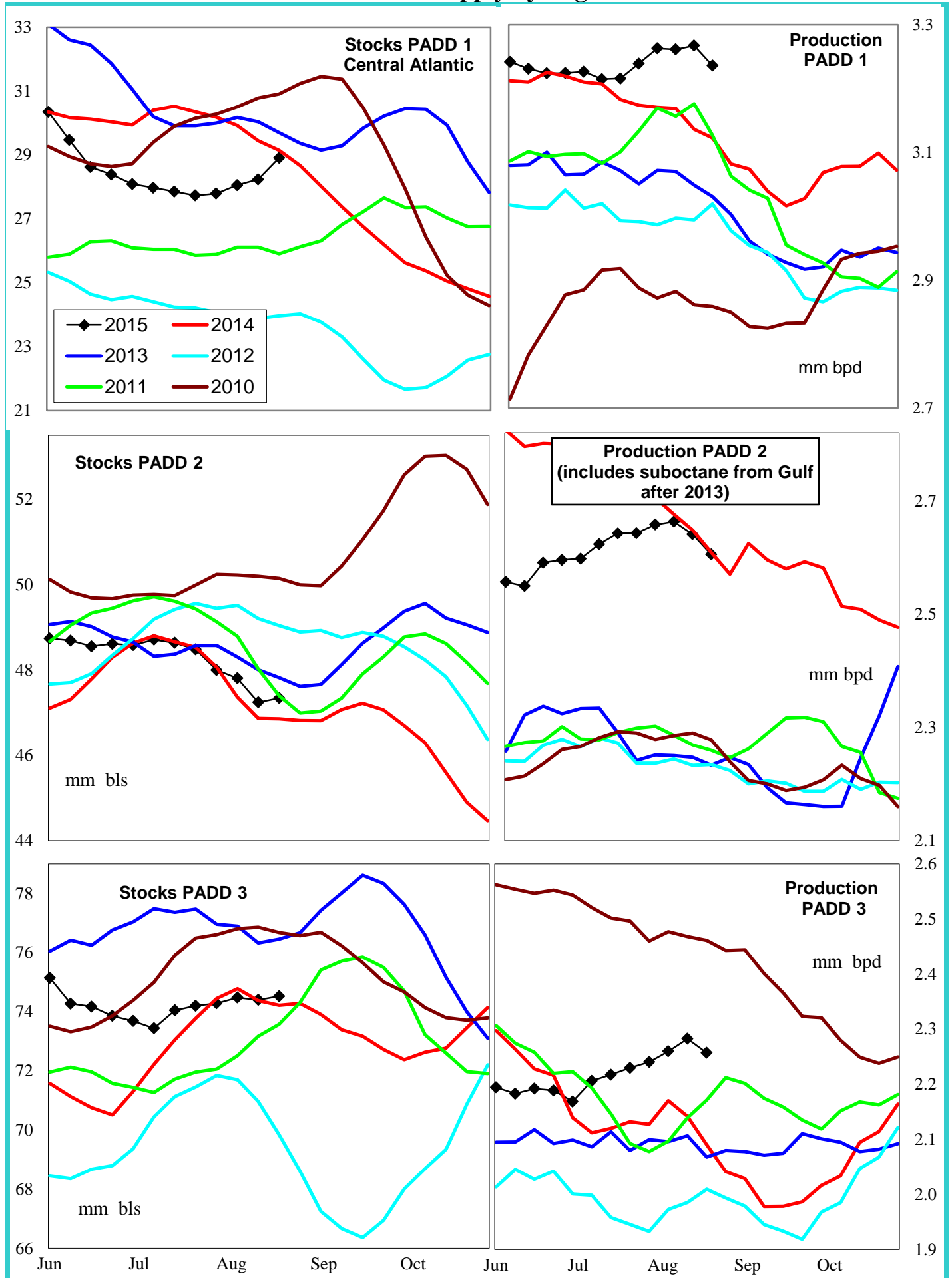
Gasoline Cash Basis and Related Price Spreads

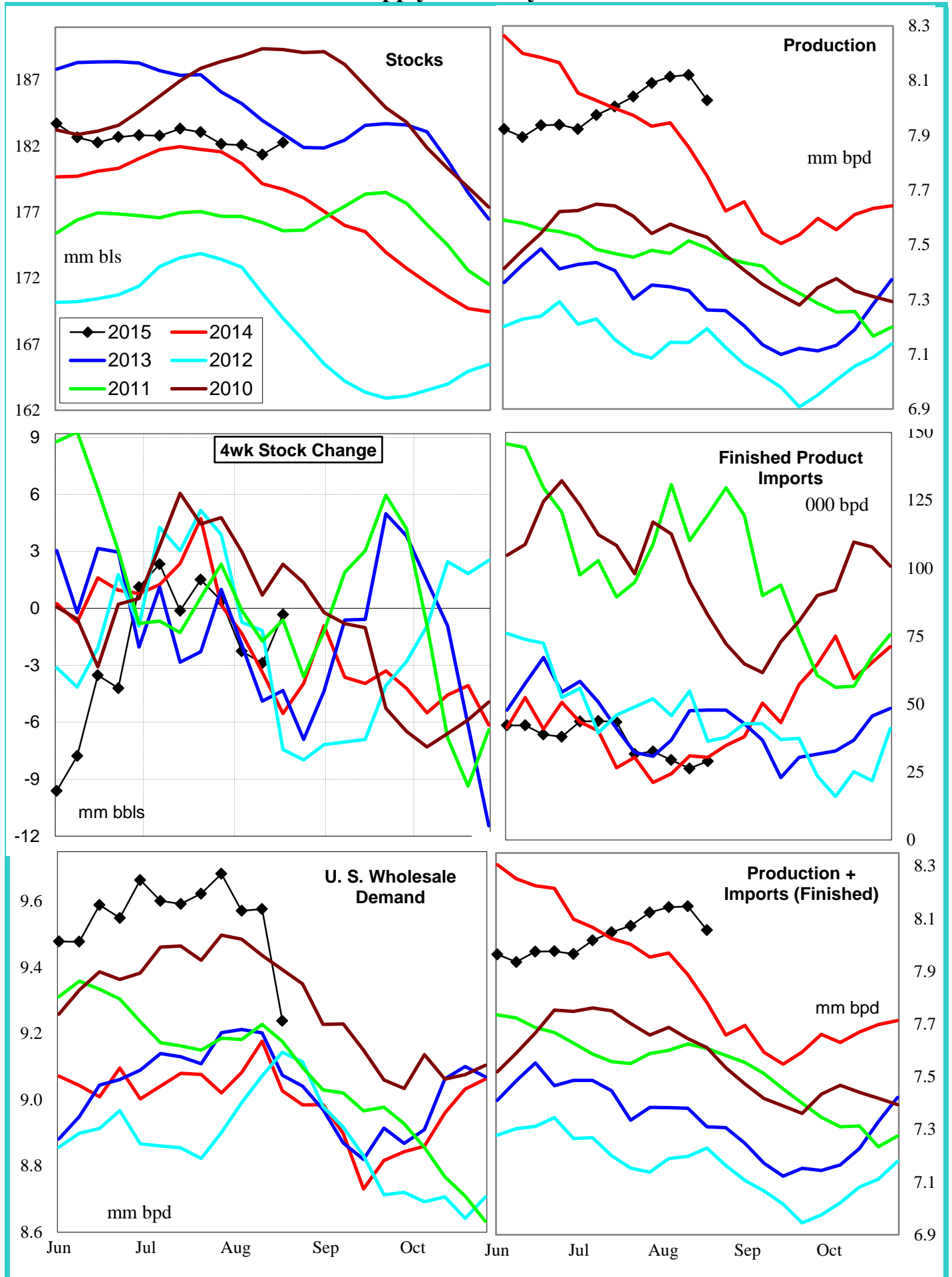


Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3

PADD 5 Gasoline Supply