



## 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 +0.25 million bpd on the week, at a level above the 5-yr range. The latest 4-wk average demand

was +0.4 million bpd above last year, a +5.8% increase.

Supplies increased +0.2 million bpd last week on higher imports. Supply for the most recent 4-wks was +0.5 million bpd above last year.

Stocks decreased -0.3 million barrels on the week, with draws in the East and Gulf regions offset by builds in the Rockies and West.

Cash basis remains elevated in all West Coast markets on very low stock levels. However record production and seasonally lower demand should lead to a sharp pull back.

All markets outside the West Coast are well supplied, with basis levels comparable to the last 2-yrs.

*Following the roll to October futures contract and resulting higher cash basis in most markets, look for a widespread decline on lower seasonal demand and high production.*

#### RBOB

**New York Harbor basis** to trend lower on ample supplies and lower demand.

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

**Group III basis** to trend lower on lower seasonal demand and high stock levels.

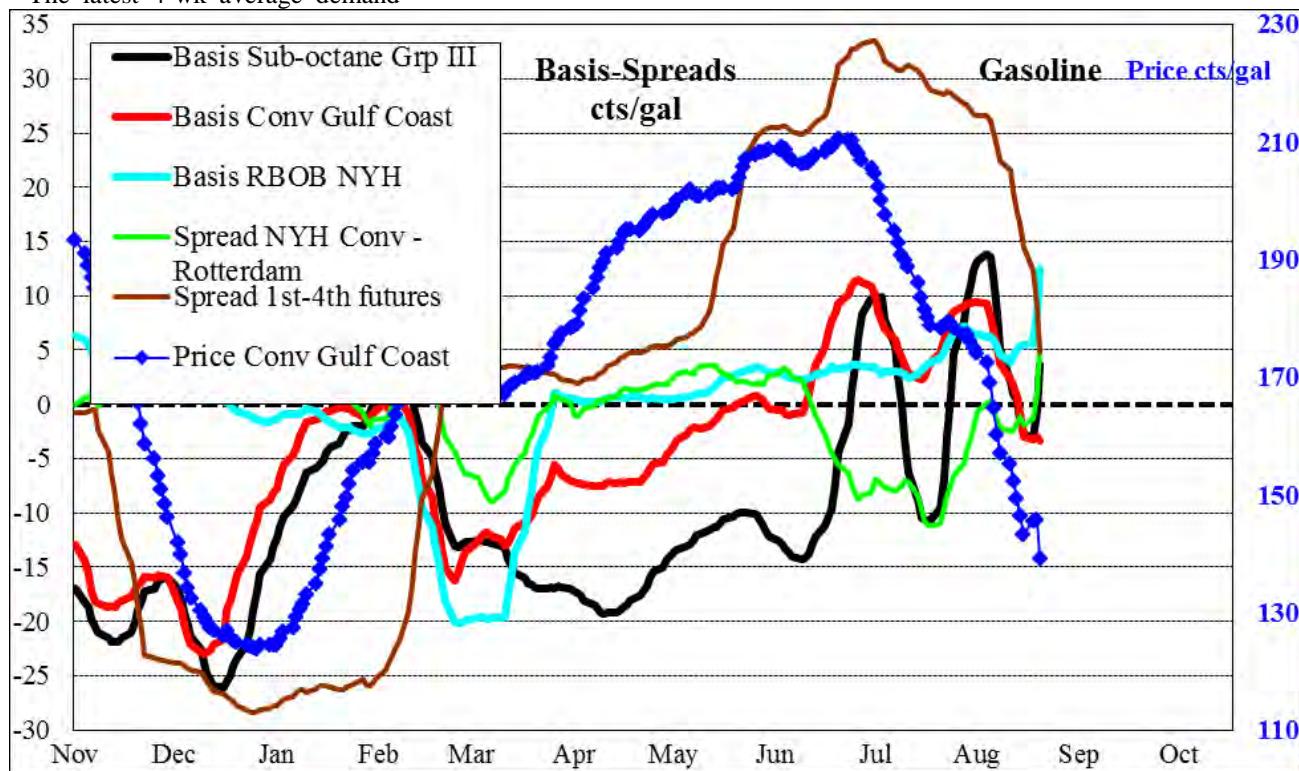
**Gulf Basis** to trend lower on an end to peak summer demand.

**West Coast (Los Angeles) basis** to fall sharply on record production and lower seasonal demand.

**Gulf Coast Price** Look for a widespread decline in cash basis (following the roll to October futures contract) as summer demand comes to an end, a switch to higher RVP grades, and high production.

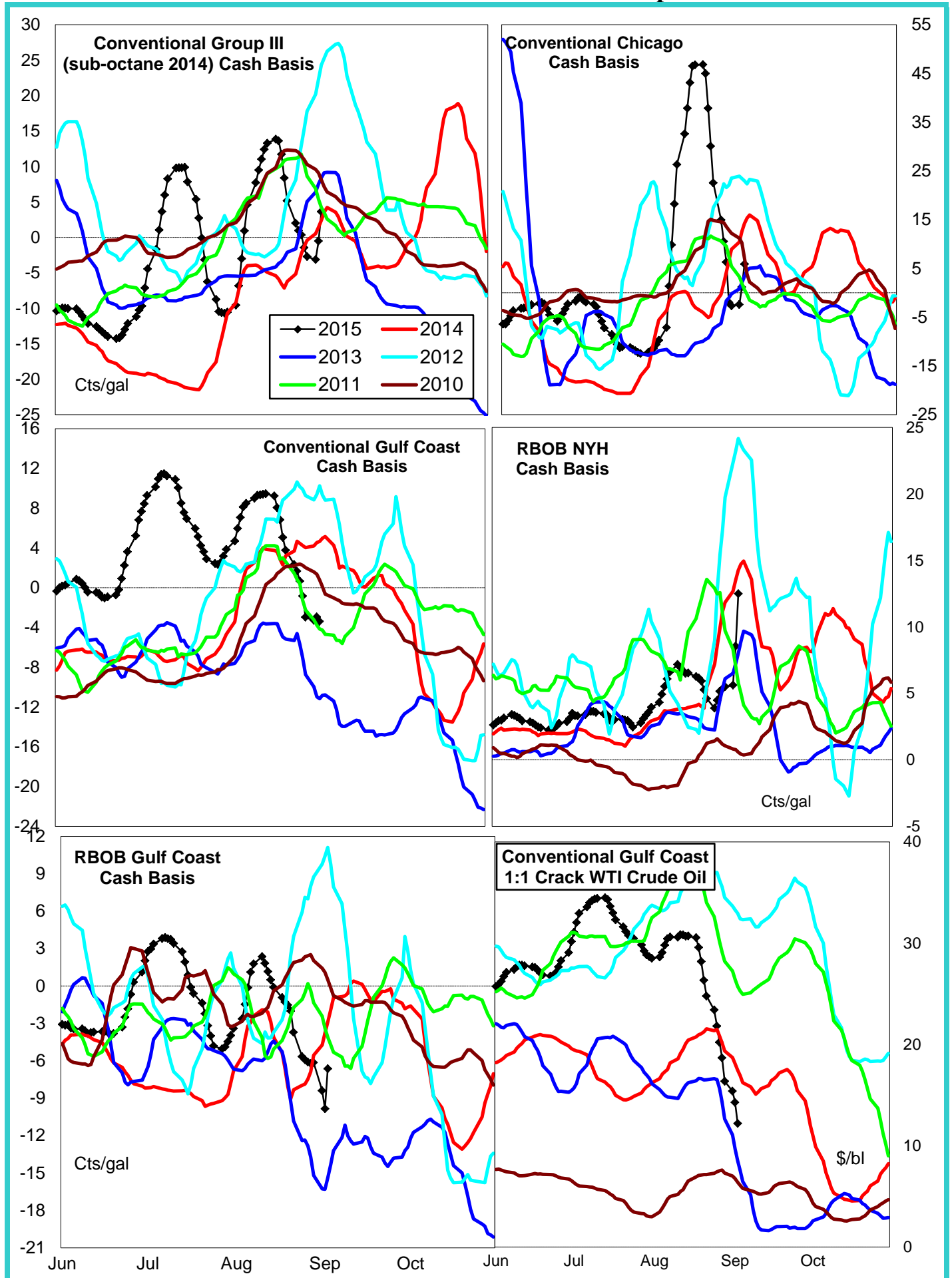
All gasoline markets east of the Rockies are well supplied as peak summer travel comes to an end, risking another pull back in prices.

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.

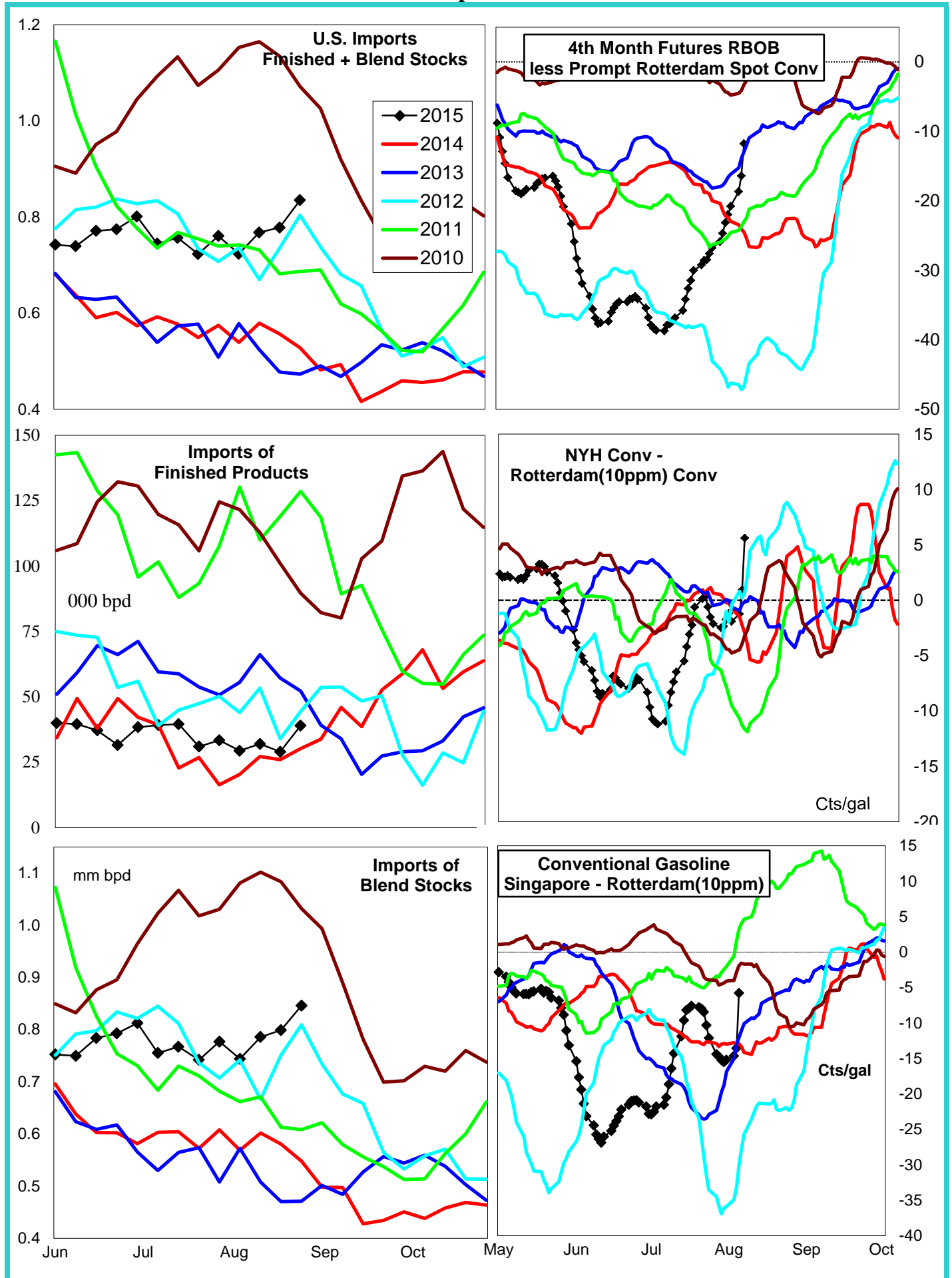


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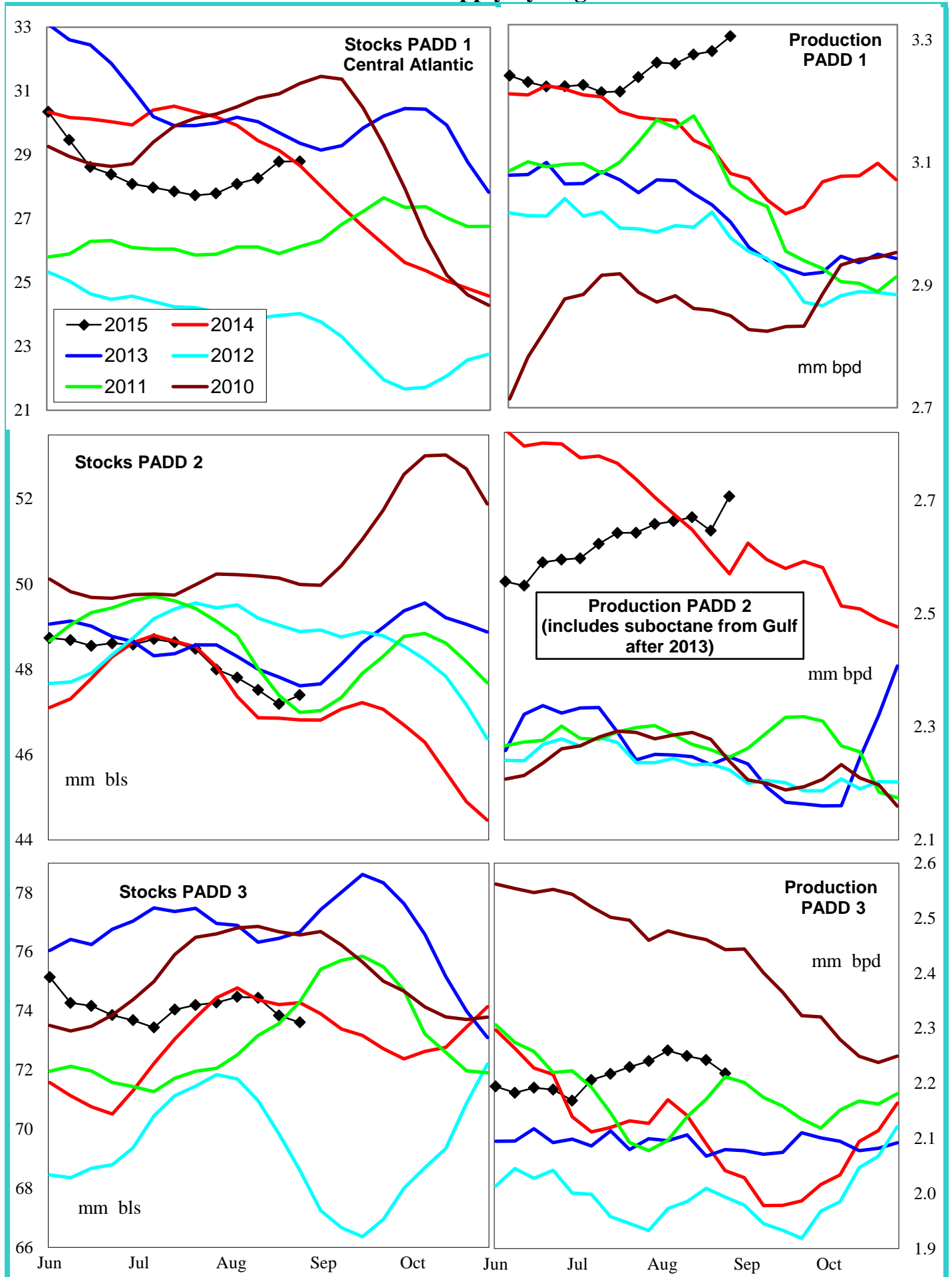
# Gasoline Cash Basis and Related Price Spreads



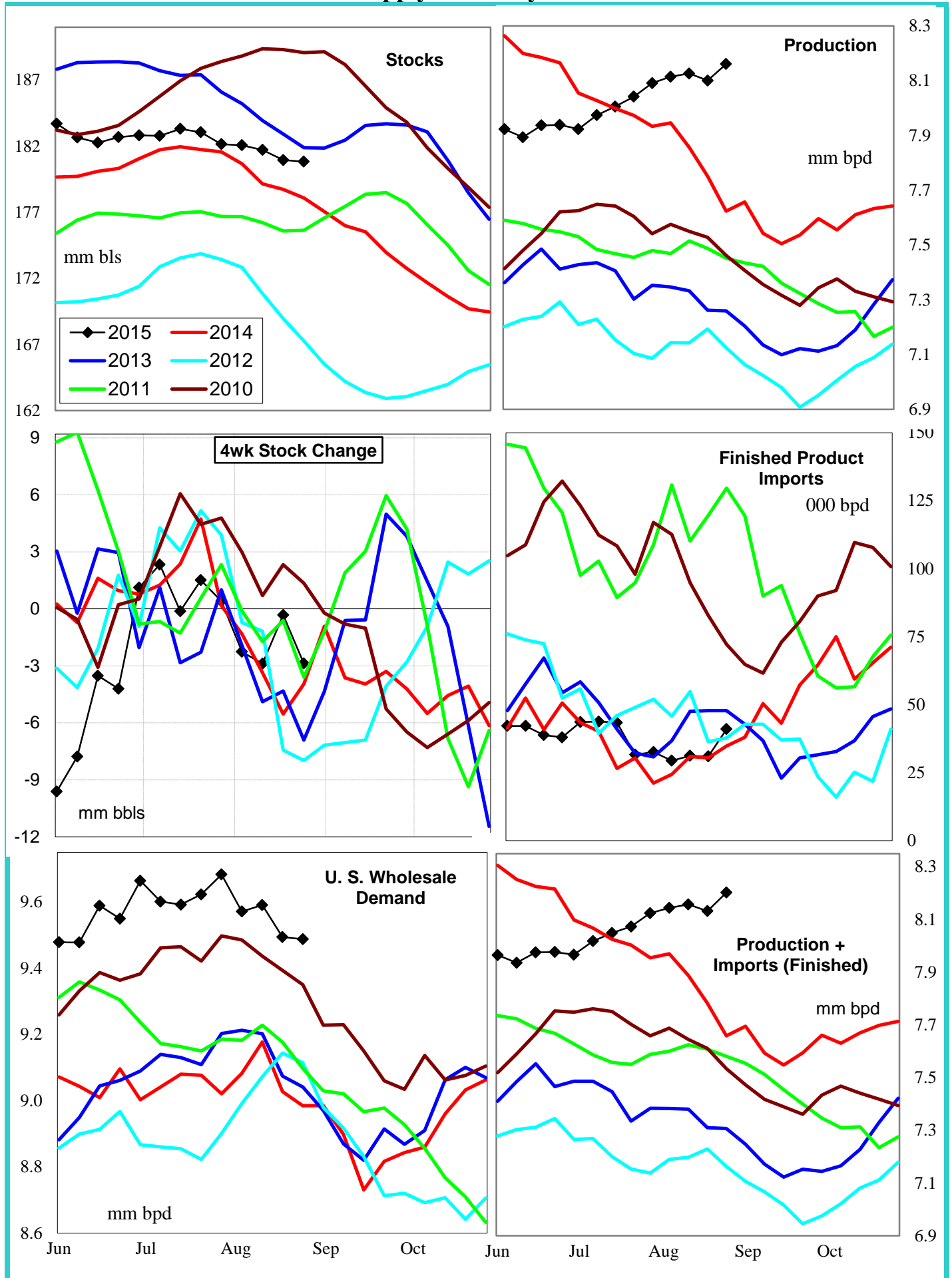
## Gasoline Import Economics



# Gasoline Supply by Region



## Gasoline Supply Summary PADDs 1+2+3





**PADD 5 Gasoline Supply**