



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 -63,000 bpd last week, to a level above the last 4-yrs. The latest 4-wk average demand was +0.35 million bpd above last year, a +4% increase.

Supplies fell -0.8 million bpd last week, due in part to delayed offloading of imports on the East Coast caused by Hurricane Joaquin. Supply for the most recent 4-wks was +0.4 million bpd above last year.

Stocks increased +1.9 million barrels on the week, including a +3 million barrel build on the East Coast, again due in part to less travel caused by the hurricane.

Stock levels ended the week at record highs on the East Coast, while the West Coast, Rockies and Gulf ended at levels near historic highs.

Cash basis traded at record levels for the week in Midwest markets on extensive refinery maintenance. Basis trended lower late last week in the Gulf and Northwest regions.

RBOB

New York Harbor basis to trade sideways at historic lows on very high stock levels.

Chicago basis to remain elevated until refinery maintenance is completed, then trend seasonally lower.

Group III basis to remain elevated on maintenance in both the Group III and the Chicago area, followed by a seasonal downtrend.

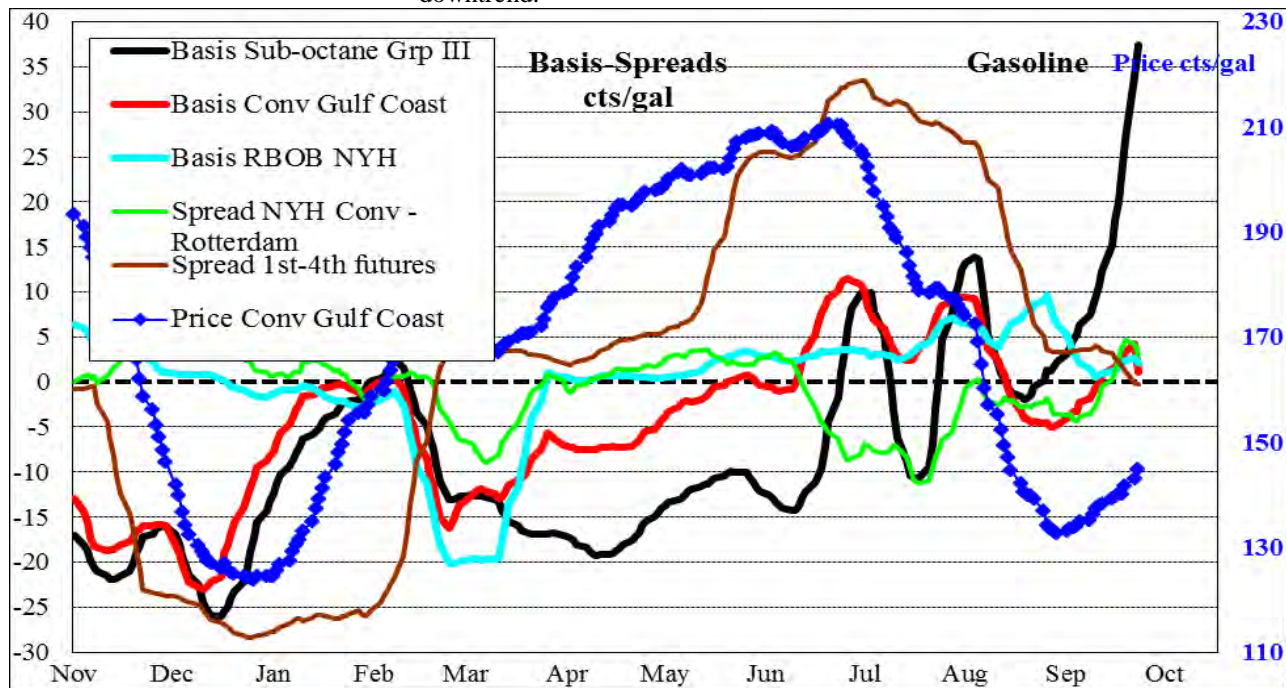
Gulf Basis to trend lower on the very high stock levels on the East Coast and later than normal start of fall maintenance.

West Coast (Los Angeles) basis to trade sideways in the near term on lower refinery throughput, then trend seasonally lower on high stock levels.

Gulf Coast Price Stocks have climbed to record levels on the East Coast, with regions other than the Midwest also near record highs.

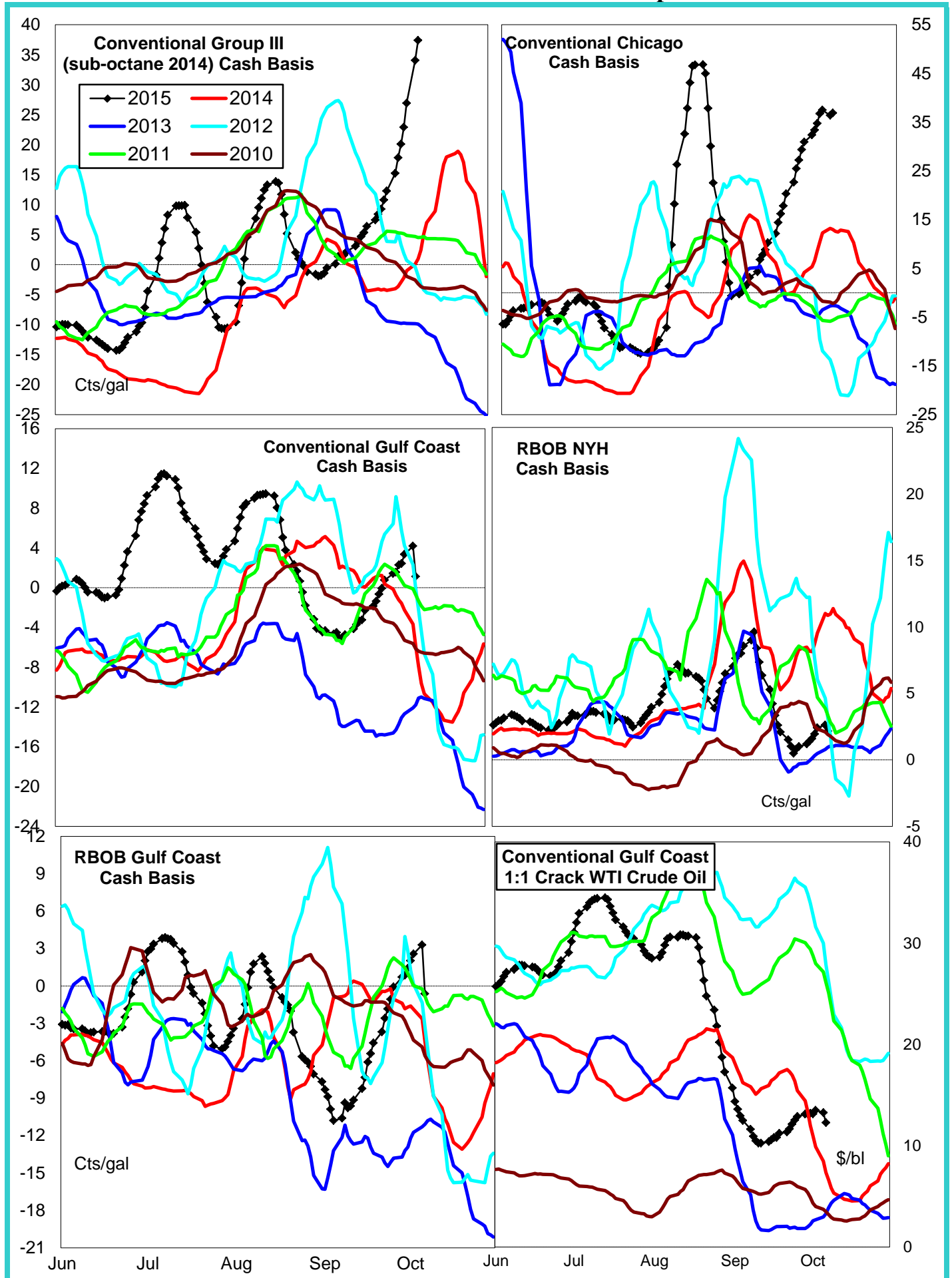
Heavy maintenance in the Midwest has let to record cash basis in the area for the period.

Increased Middle East political tension has led to a global uptrend in oil prices, lifting domestic wholesale prices. In the absence of Gulf weather disruptions during the next quarter, combined with economic recessions in many emerging markets, gasoline prices are likely to remain weak relative to other oil products.

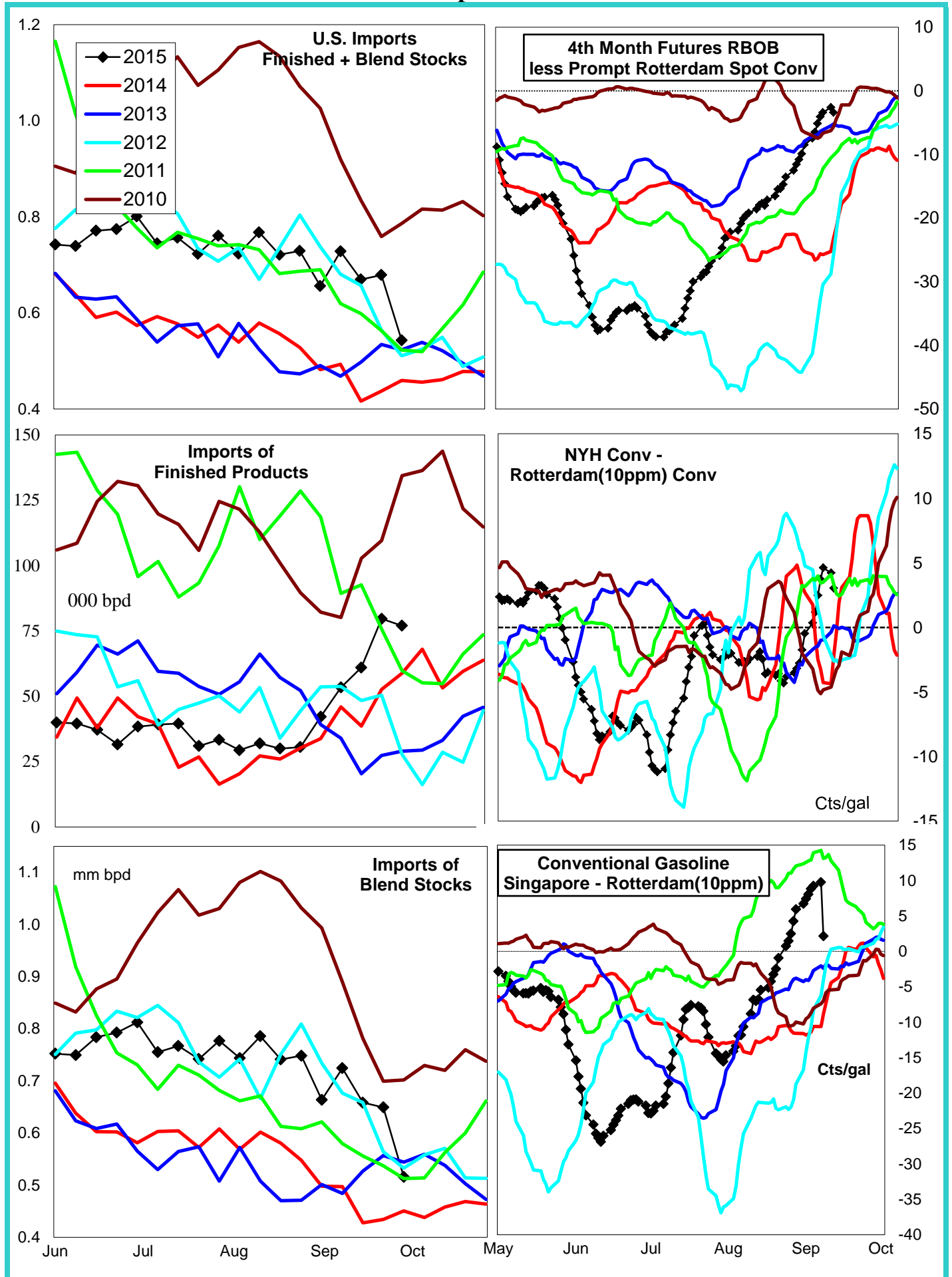


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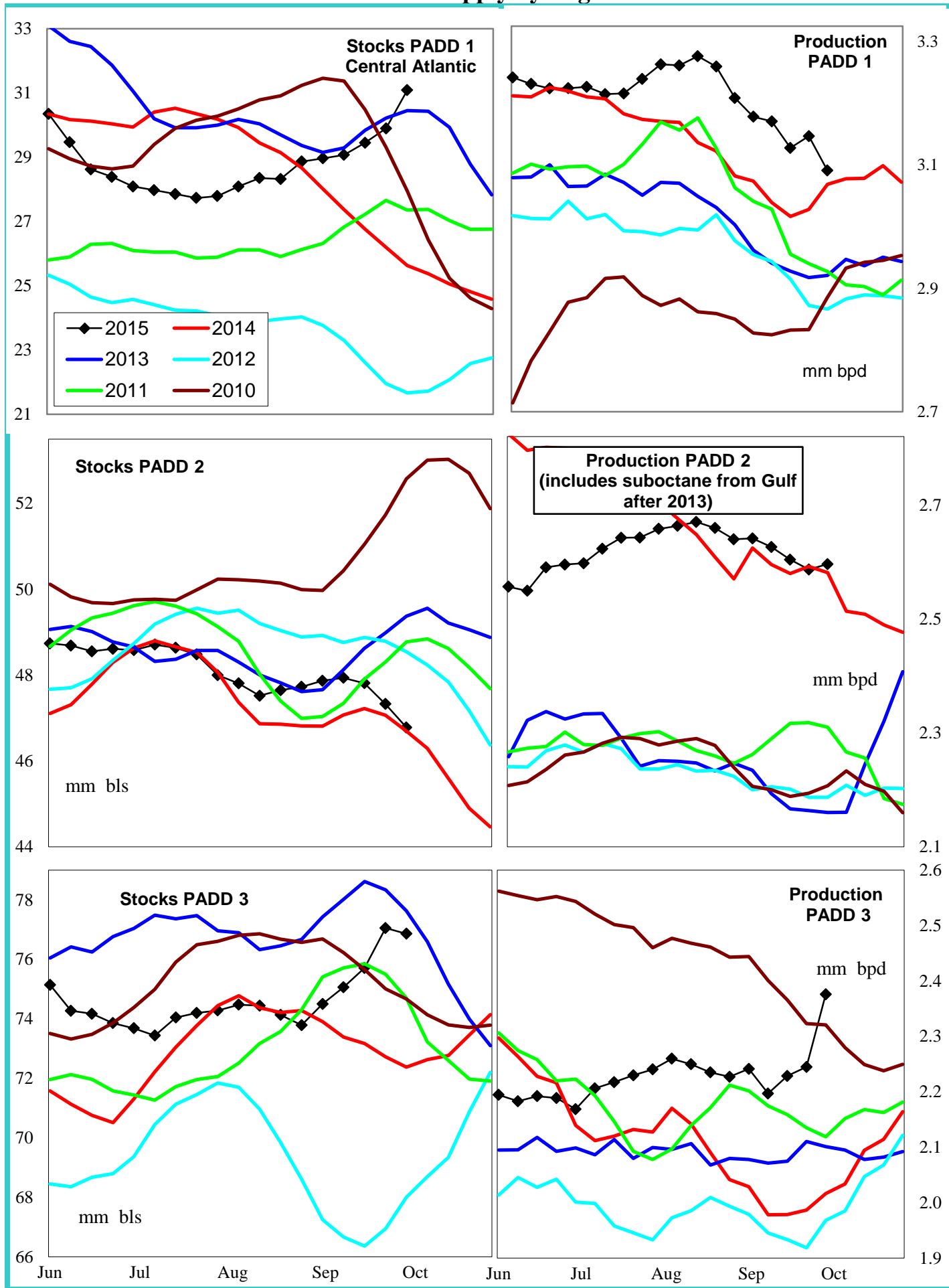
Gasoline Cash Basis and Related Price Spreads



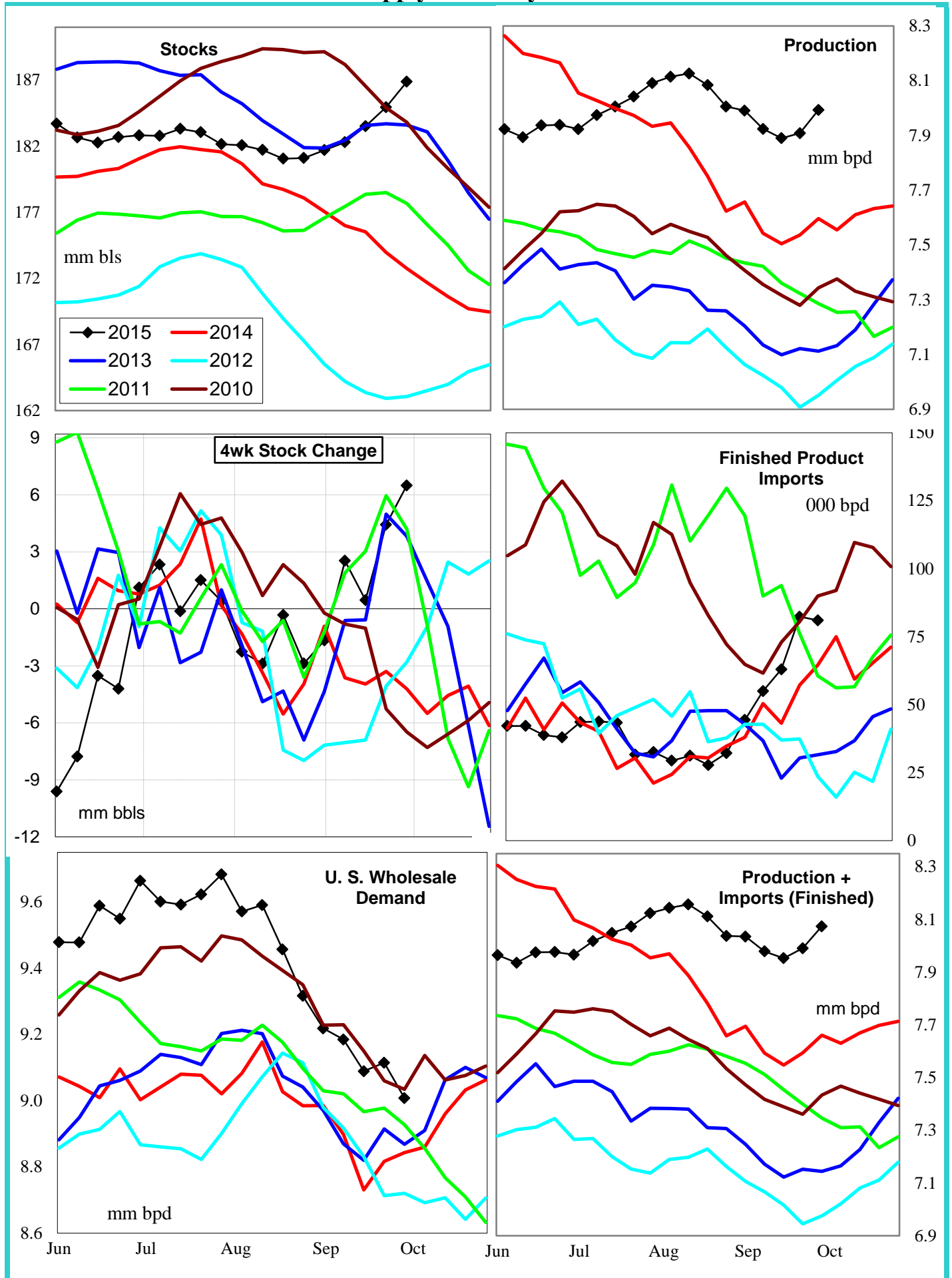
Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3



PADD 5 Gasoline Supply