



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 +0.2 million bpd last week, to a level above the last 5- yrs. The latest 4-wk average demand was +0.3 million bpd above last year, a +3.4% increase.

Supplies increased +0.5 million bpd last week, largely reversing the prior week decrease. Supply for the most recent 4-wks was +0.5 million bpd above last year.

Stocks fell -2.6 million barrels on the week, concentrated in the Gulf region.

Stock levels ended the week +21% above last year and a record high on the East Coast. Stock levels were near historic lows in the Midwest while above average in other regions.

Cash basis fell sharply in the Gulf and Chicago last week. Basis also pulled back from record highs in the Group III but remains elevated on refinery maintenance. The Northwest and Los Angeles saw basis trend higher with levels above the historic range for the period.

RBOB

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

Chicago basis to trend lower as refiners return FCCU units to operation.

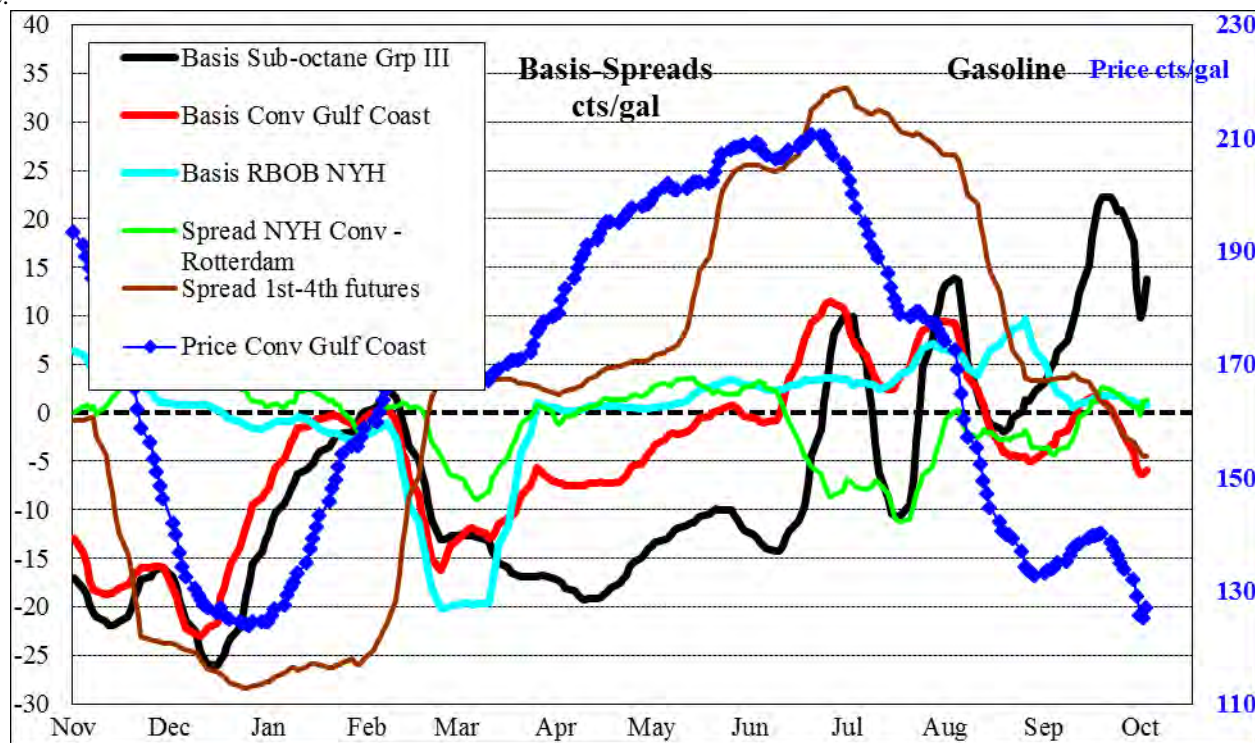
Group III basis to remain elevated on maintenance in the near term on refinery maintenance then trend seasonally lower.

Gulf Basis to trend lower on the very high stock levels on the East Coast and below average level 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.

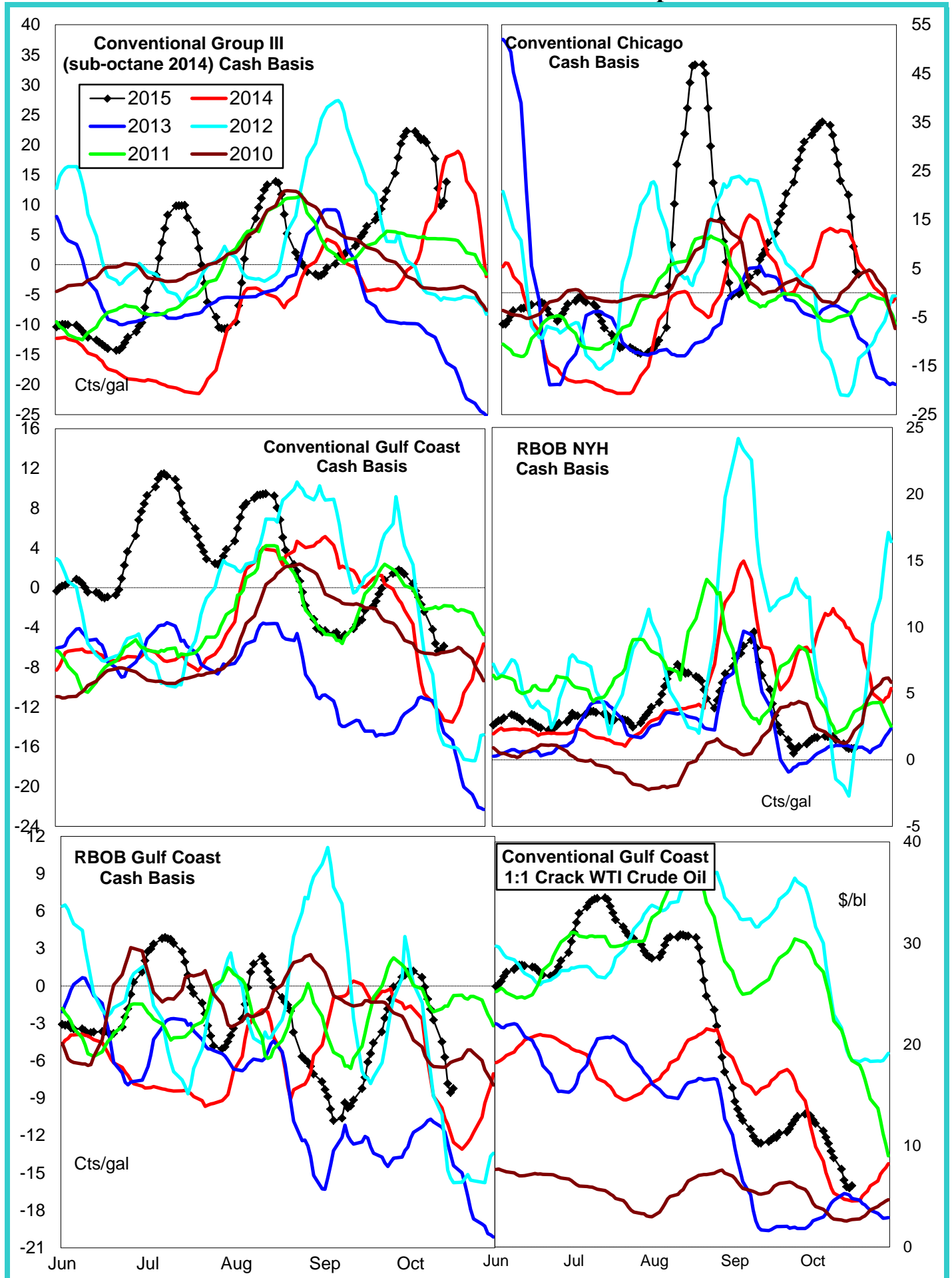
Gulf Coast Price Stocks have climbed to record levels on the East Coast, with regions other than the Midwest also well supplied. The record stock levels on the East Coast have supported cash basis in other regions where supplies are more balanced. Improving supplies in the Midwest has led to a pull back in basis.

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.

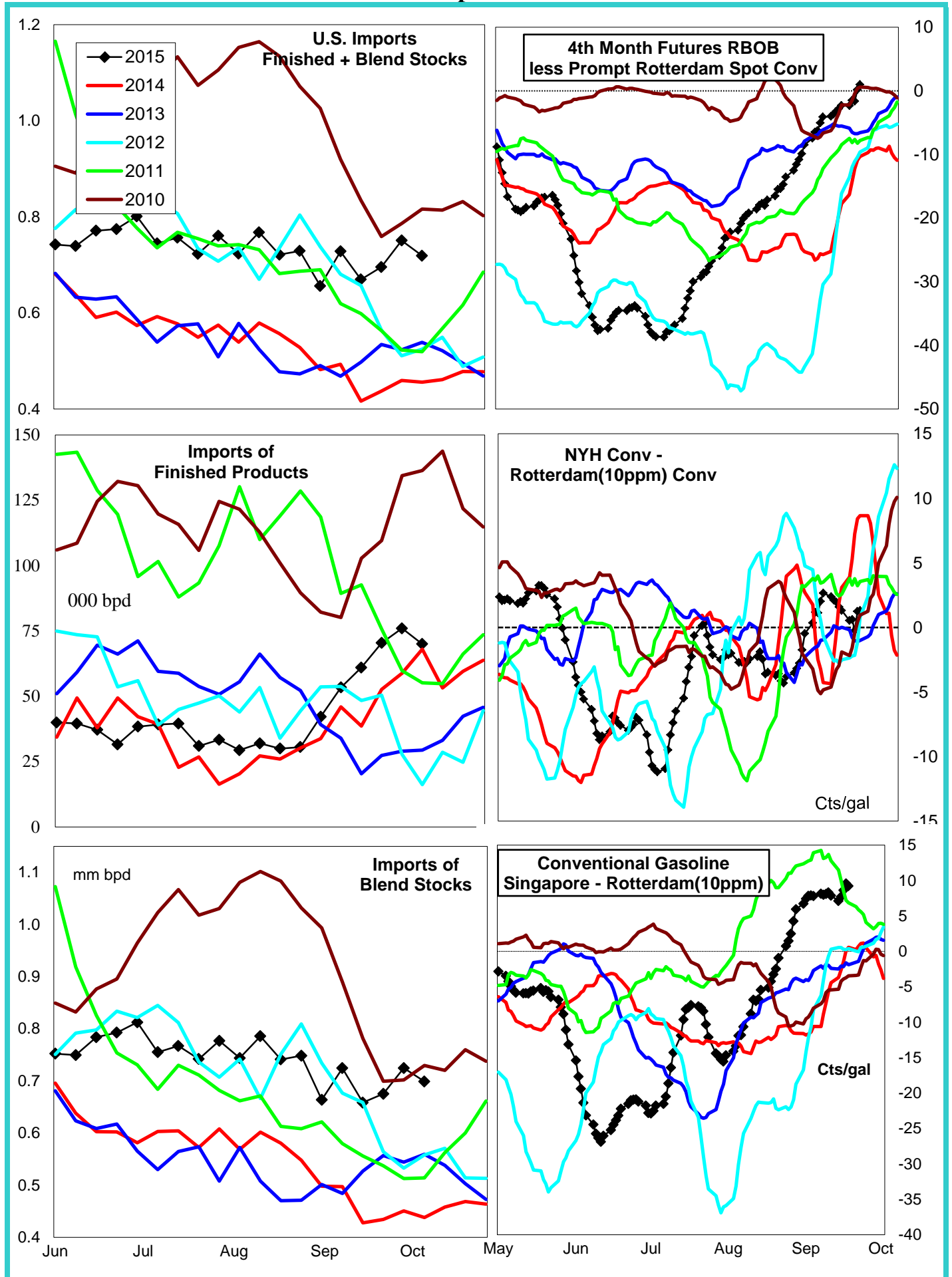


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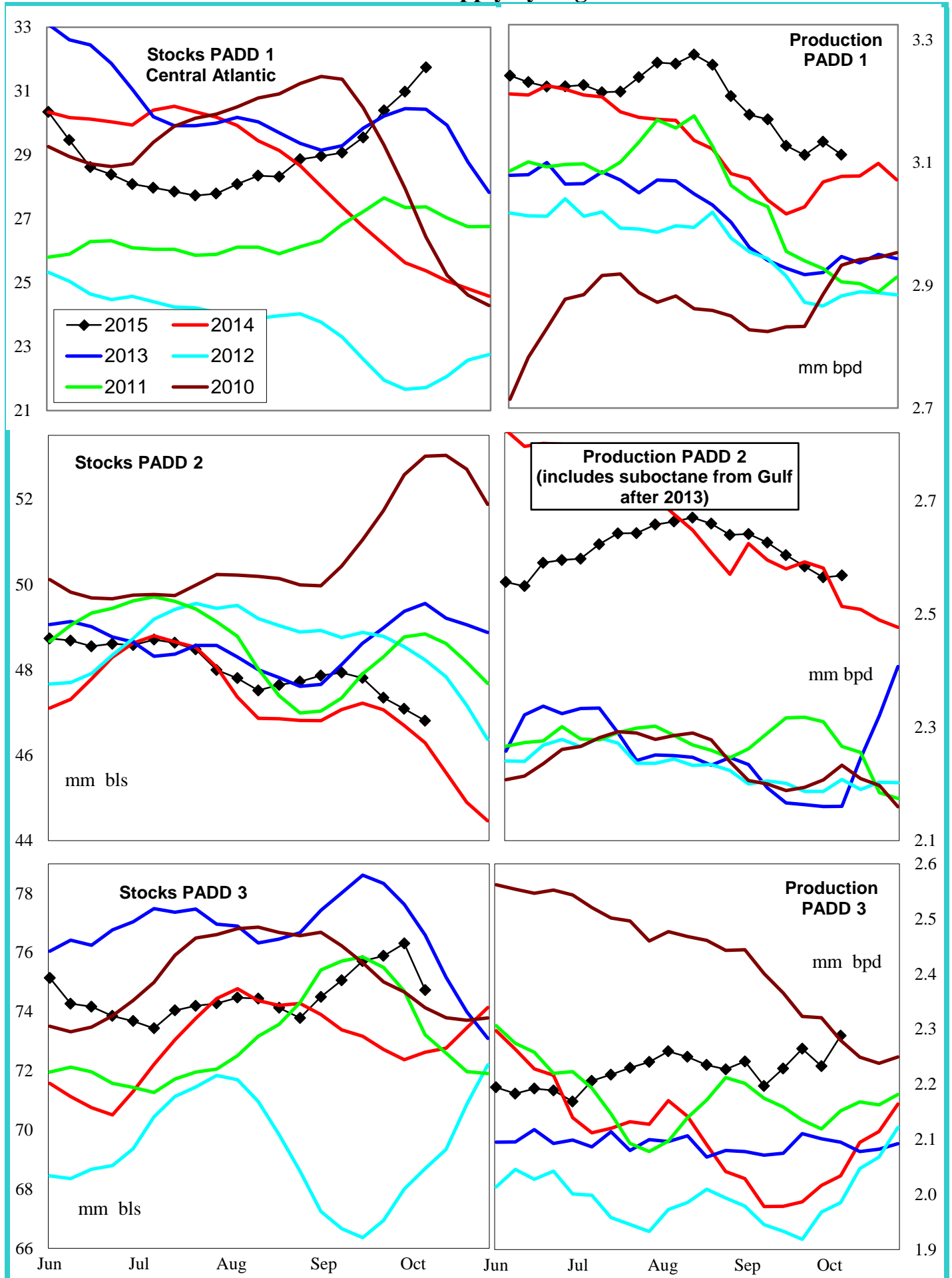
Gasoline Cash Basis and Related Price Spreads



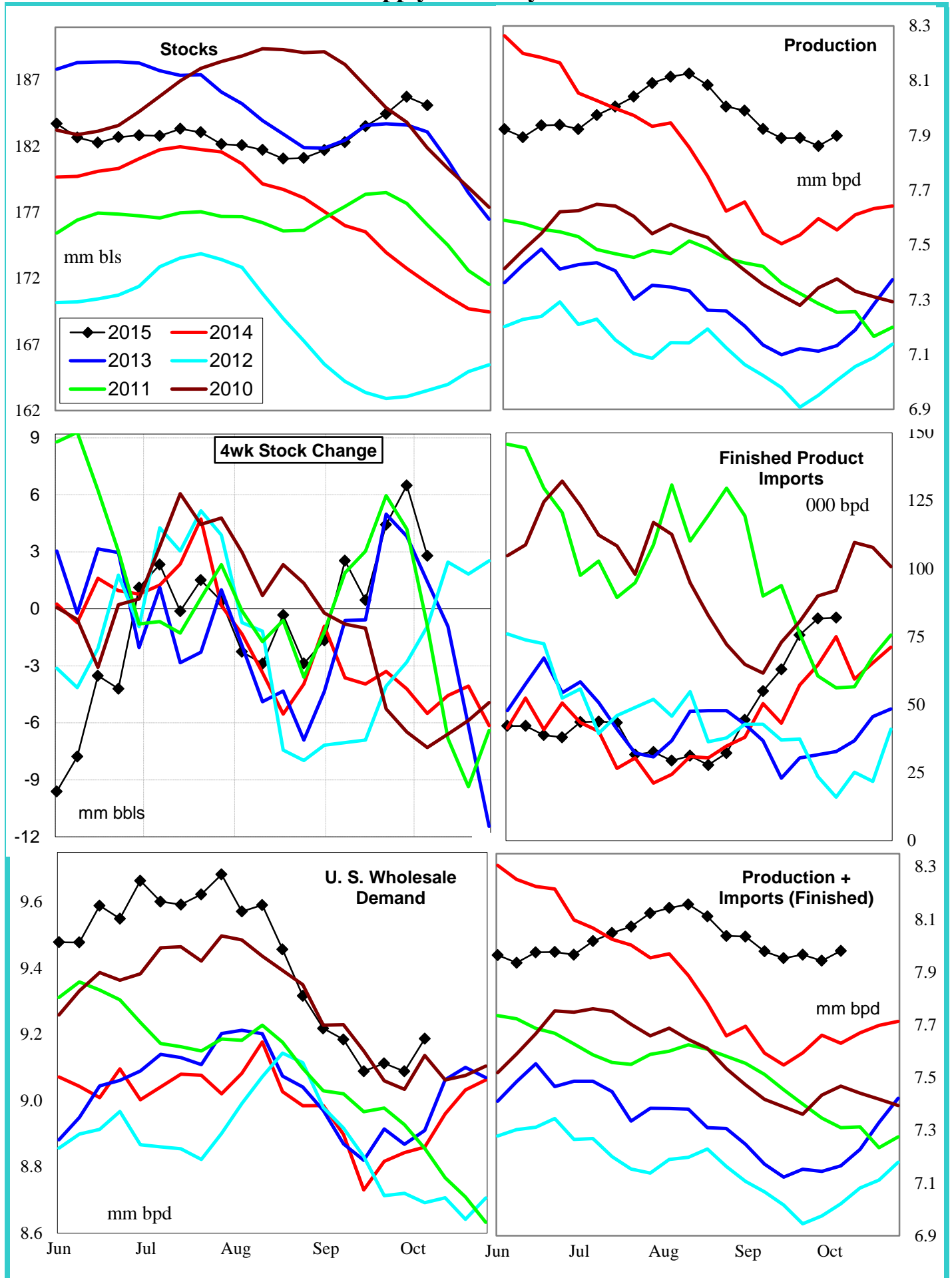
Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3



PADD 5 Gasoline Supply