



## 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 -0.2 million bpd last week, although the level remains above the 5-yr range. The latest 4-wk average demand was +0.2 million bpd above last year, a +2.5% increase.

Supplies fell -0.6 million bpd last week on sharply lower imports. Supply

for the most recent 4-wks was +0.3 million bpd above last year.

Stocks fell -3.3 million barrels on the week, concentrated in the East and Gulf regions.

Stock levels ended the week +14 million barrels above last year and a record high. Stock levels remain extremely high on the East Coast, with levels in other regions comparable to the last 2-yr.

Cash basis trended higher last week in all regional markets except the Group III. The widespread uptrend was due in part to the roll from Nov to Dec futures contracts, and continued over supply on the East Coast.

Basis levels traded above the 5-yr range for this time of year in nearly every regional market - driven by the over supply on the East Coast and the uptrend in wholesale prices that led the downstream supply chain to rebuild stocks.

#### RBOB

*New York Harbor basis* to trend seasonally lower

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

*Group III* basis to trend lower, as refinery maintenance is completed.

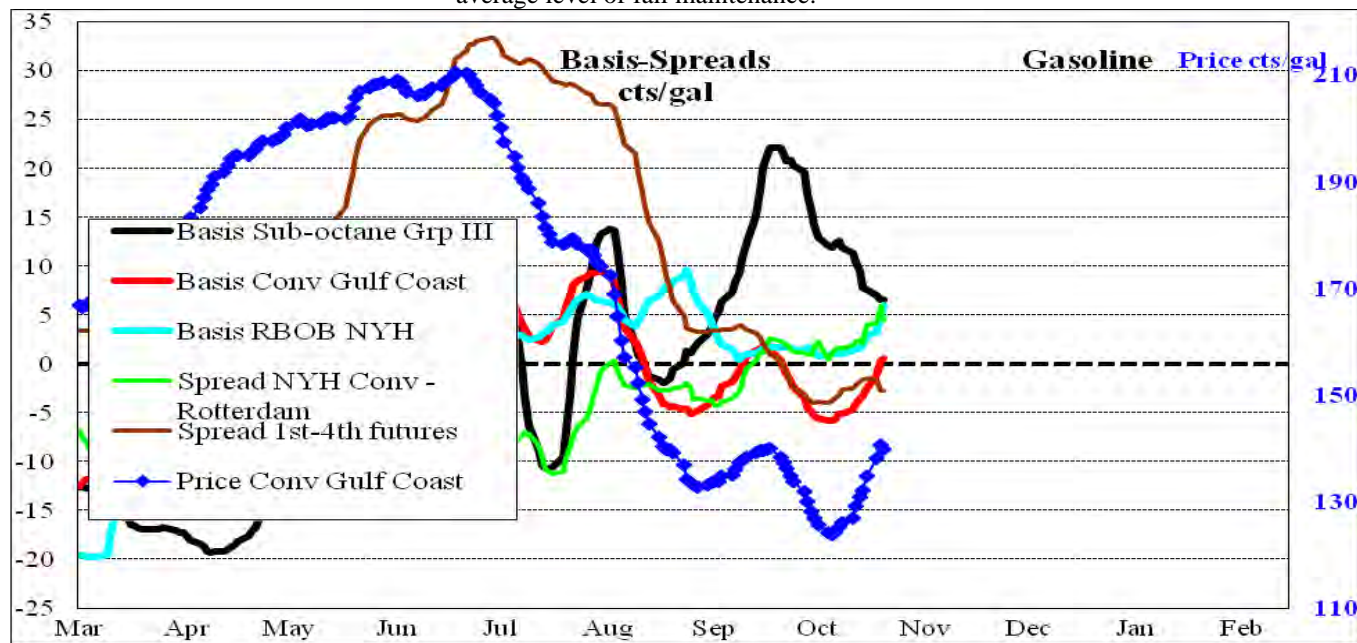
*Gulf Basis* to trend lower on the very high stock levels on the East Coast and below average level of fall maintenance.

*West Coast (Los Angeles)* basis to trend lower as refiners complete maintenance and stocks begin a seasonal build.

**Gulf Coast Price** Stock levels are extremely high in on the East Coast and near the 2-yr average in all other regions. Refinery maintenance has been below Gulf average in all regions except the Midwest.

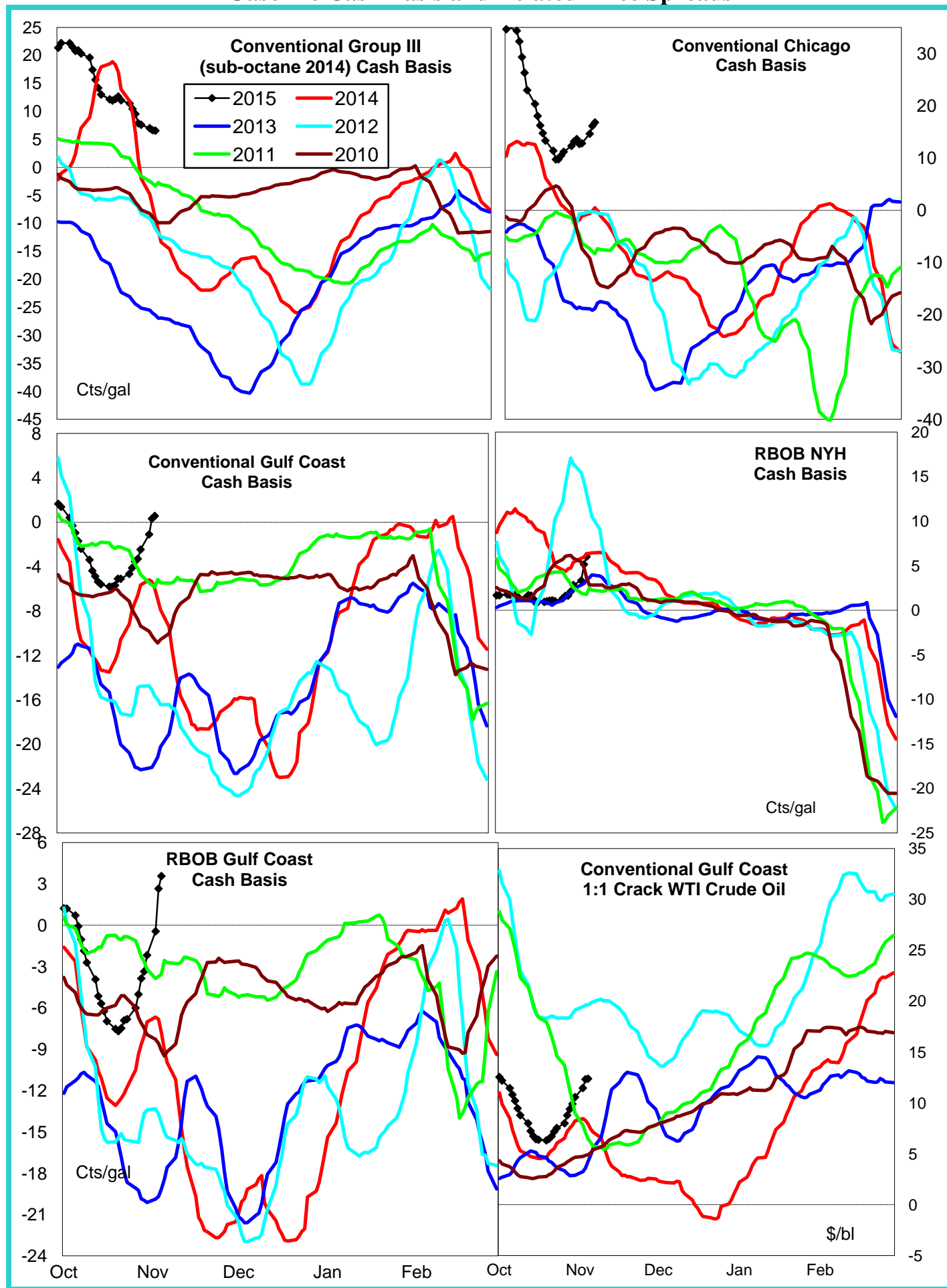
The record stock levels on the East Coast continue to support cash basis in other regions where supplies are more balanced. Look for improving supplies in all regional markets to lead to a seasonal downtrend in cash basis during the 4th quarter.

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, combined with economic recessions in many emerging markets, gasoline prices are likely to remain weak relative to other oil products.

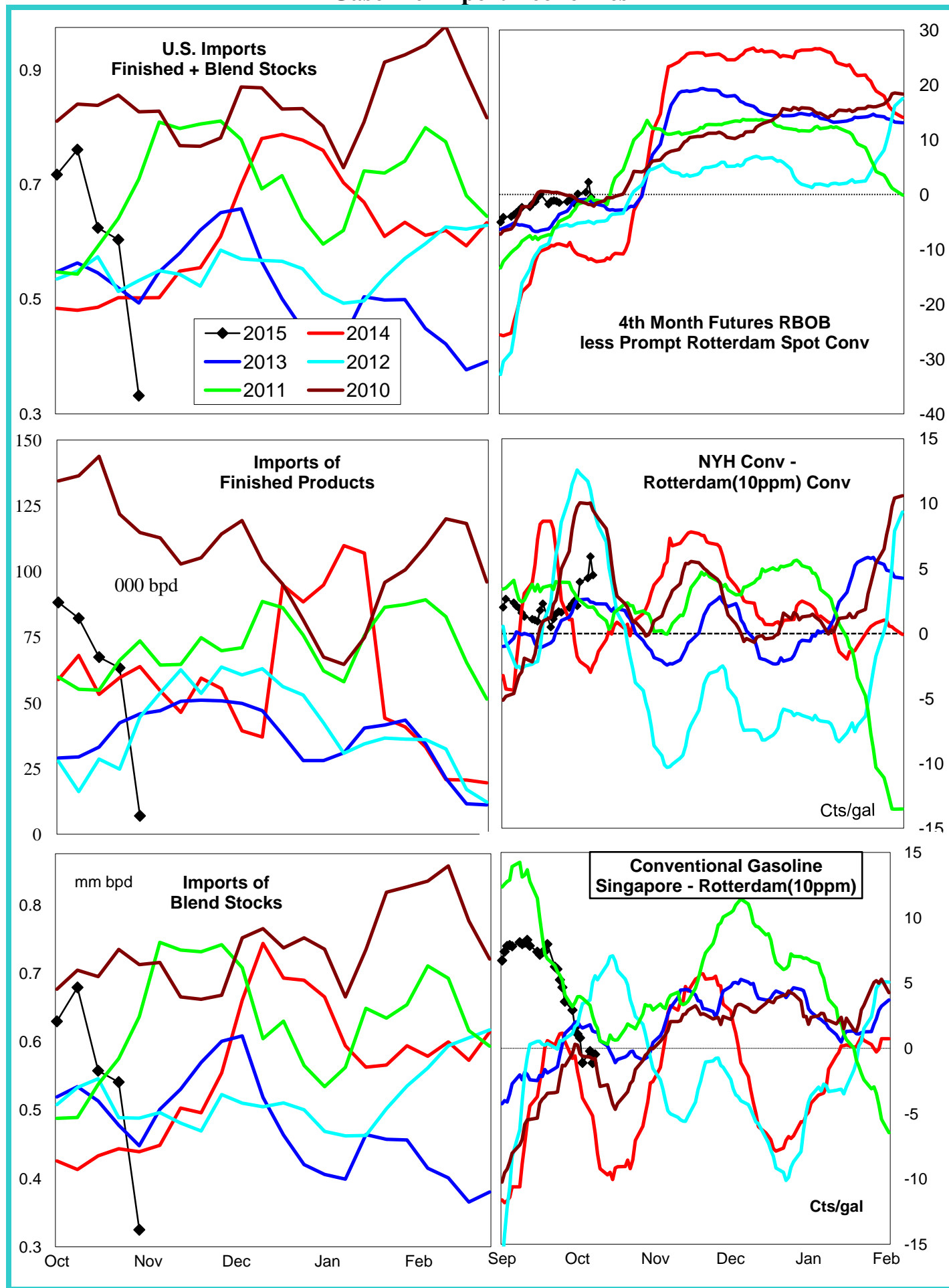


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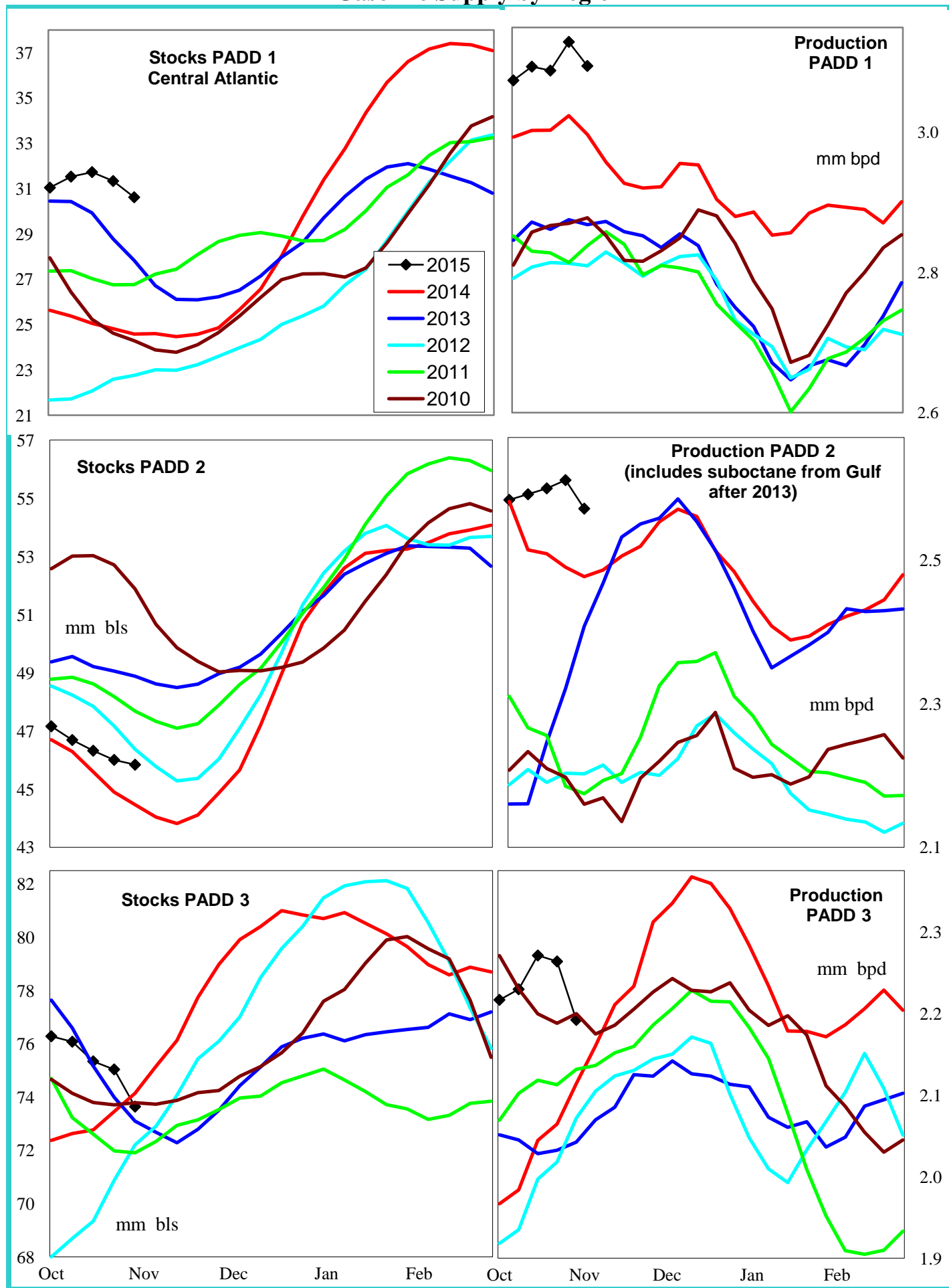
## Gasoline Cash Basis and Related Price Spreads



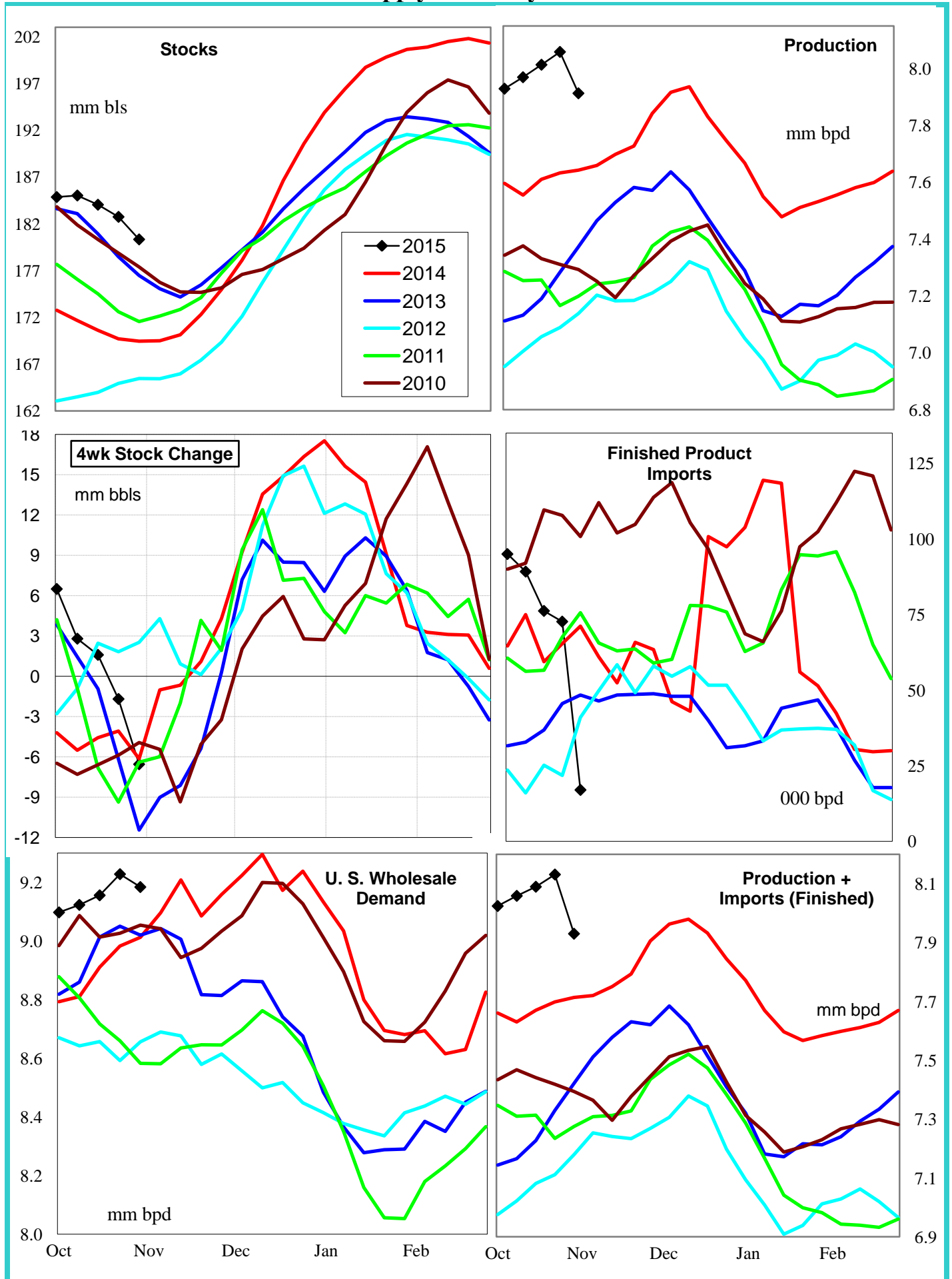
# Gasoline Import Economics



# Gasoline Supply by Region



# Gasoline Supply Summary PADDs 1+2+3



# PADD 5 Gasoline Supply

