



## 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 historic range. The latest 4-wk average demand was +0.3 million bpd above last year, a +3.4% increase.

Supplies increased +0.2 million bpd last week on higher production. Supply for the most recent 4-wks was +0.3 million bpd above last year.

Stocks fell -2.1 million barrels on the week, concentrated in the East region.

Stock levels ended the week above the 5-yr range. Stock levels remain very high on the East Coast, with levels in other regions near the 3-yr mid range.

Cash basis fell sharply last week in Midwest, Gulf and California markets. The Northwest saw a surge in basis to record levels for this time of year.

Basis levels traded above the last 2-yrs in nearly all major markets due to the over supply in the Northeast.

#### RBOB

*New York Harbor basis* to trend seasonally lower

*Chicago* basis to extend the current seasonal downtrend on increased supply.

*Group III* basis to extend the current seasonal downtrend, as refiners complete maintenance in the area.

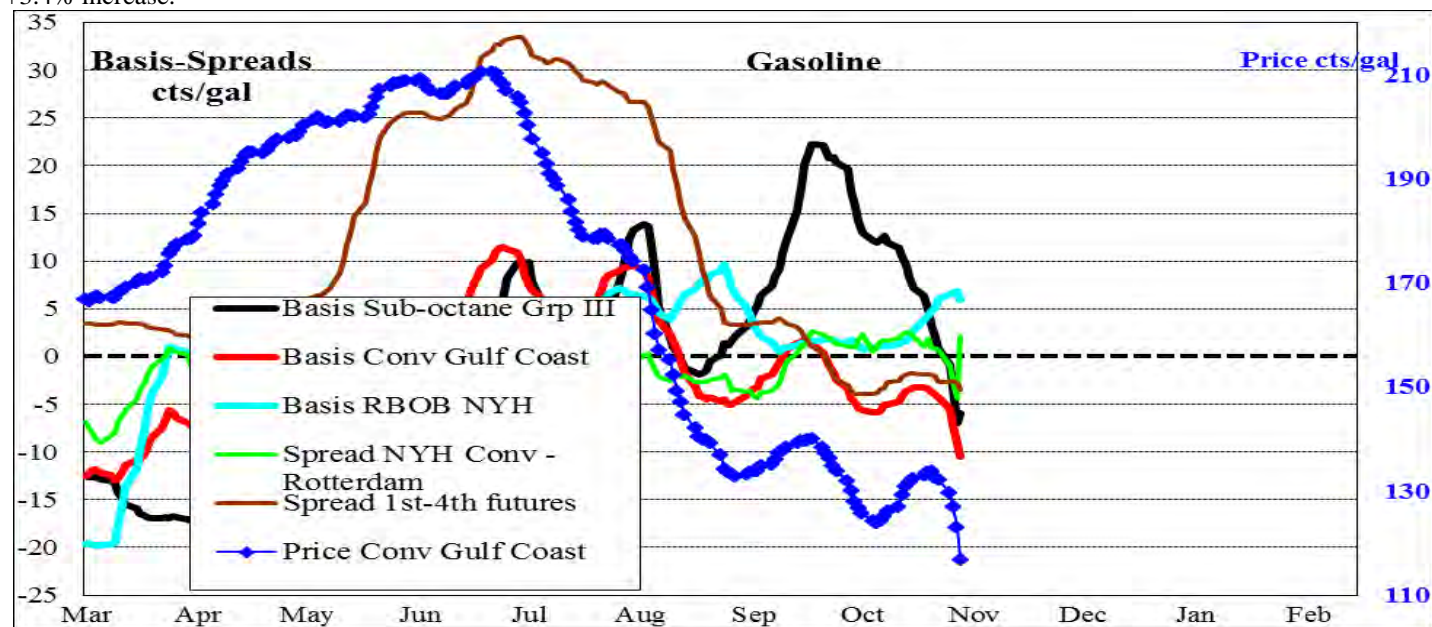
*Gulf Basis* to extend the current downtrend on increased supply and lower seasonal demand, partially offset by very high stocks on the East Coast.

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

**Gulf Coast Price** Stock levels are very high in on the East Coast and near the 3-yr mid range in all other regions. Refinery maintenance is nearing completion with production at record levels for this time of year.

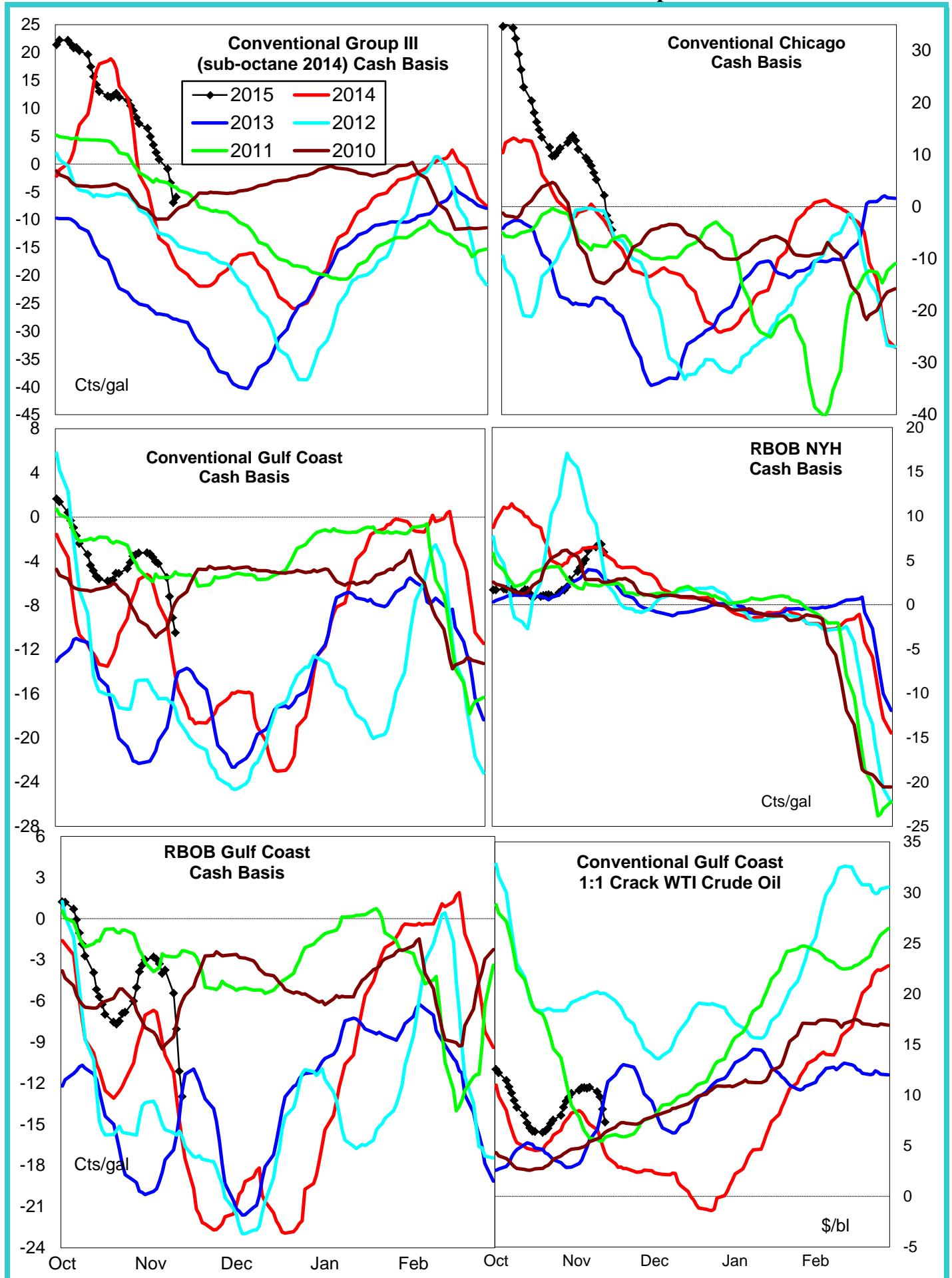
The high stocks on the East Coast continue to support cash basis at above average levels in other regions where supplies are more balanced. Look for seasonally high production in all regional markets to driven further declines in cash basis during the 4th quarter.

A strengthening \$dollar and over supplied global crude oil market underlies the recent price pull back. Combined with a seasonal increase in gasoline production and all ready ample stock levels, gasoline prices are likely to remain very weak during the next quarter.

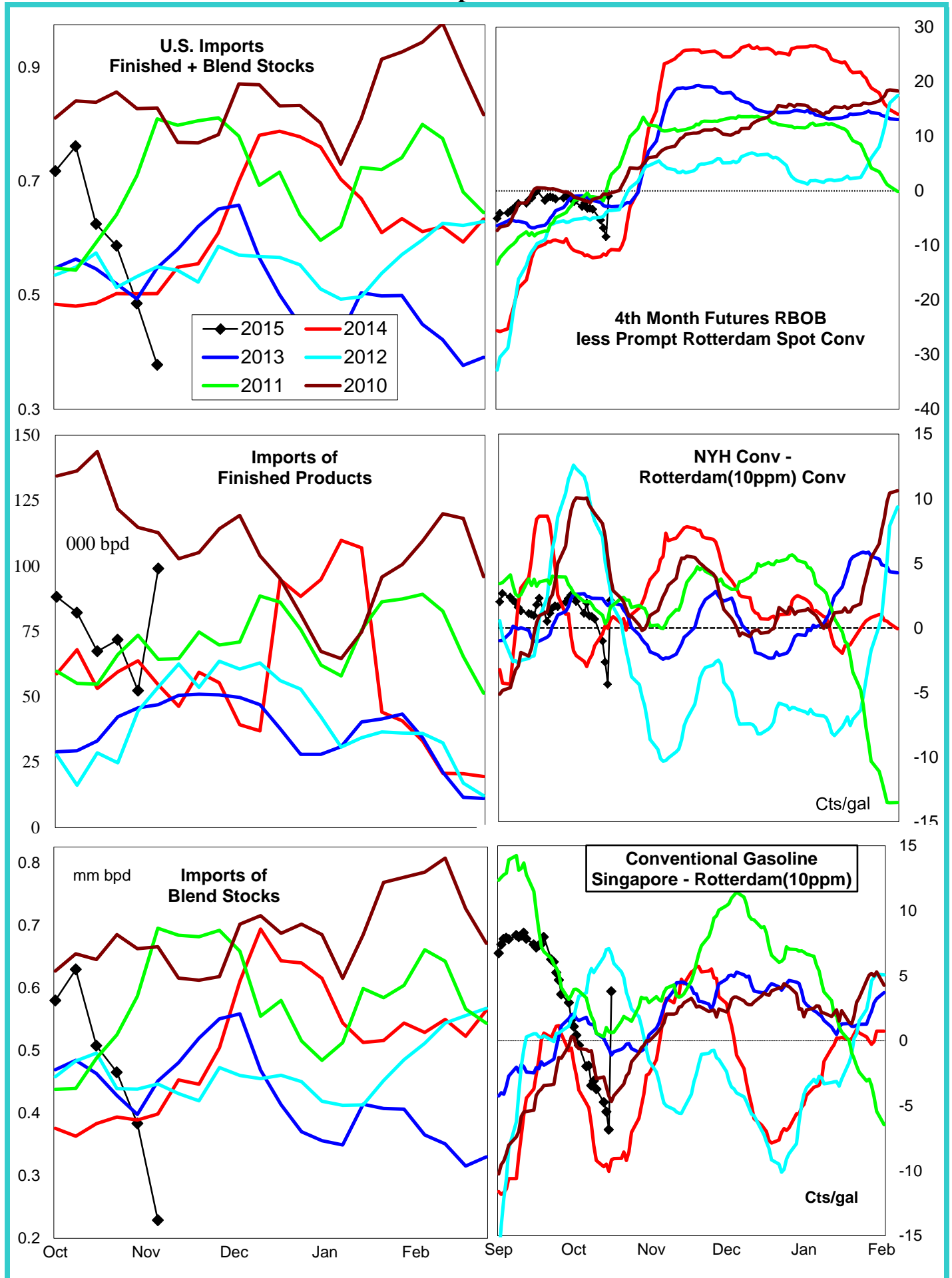


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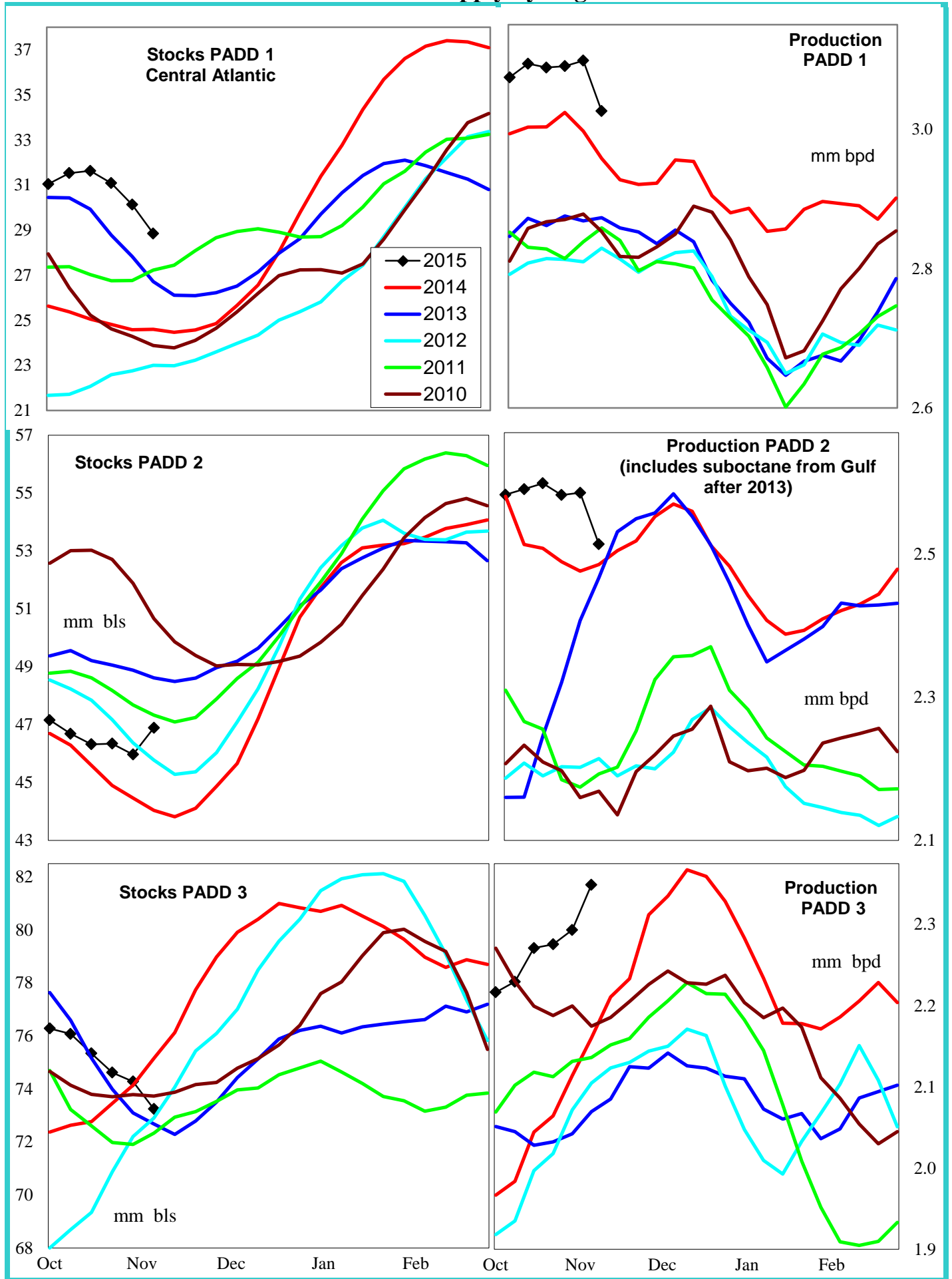
# Gasoline Cash Basis and Related Price Spreads

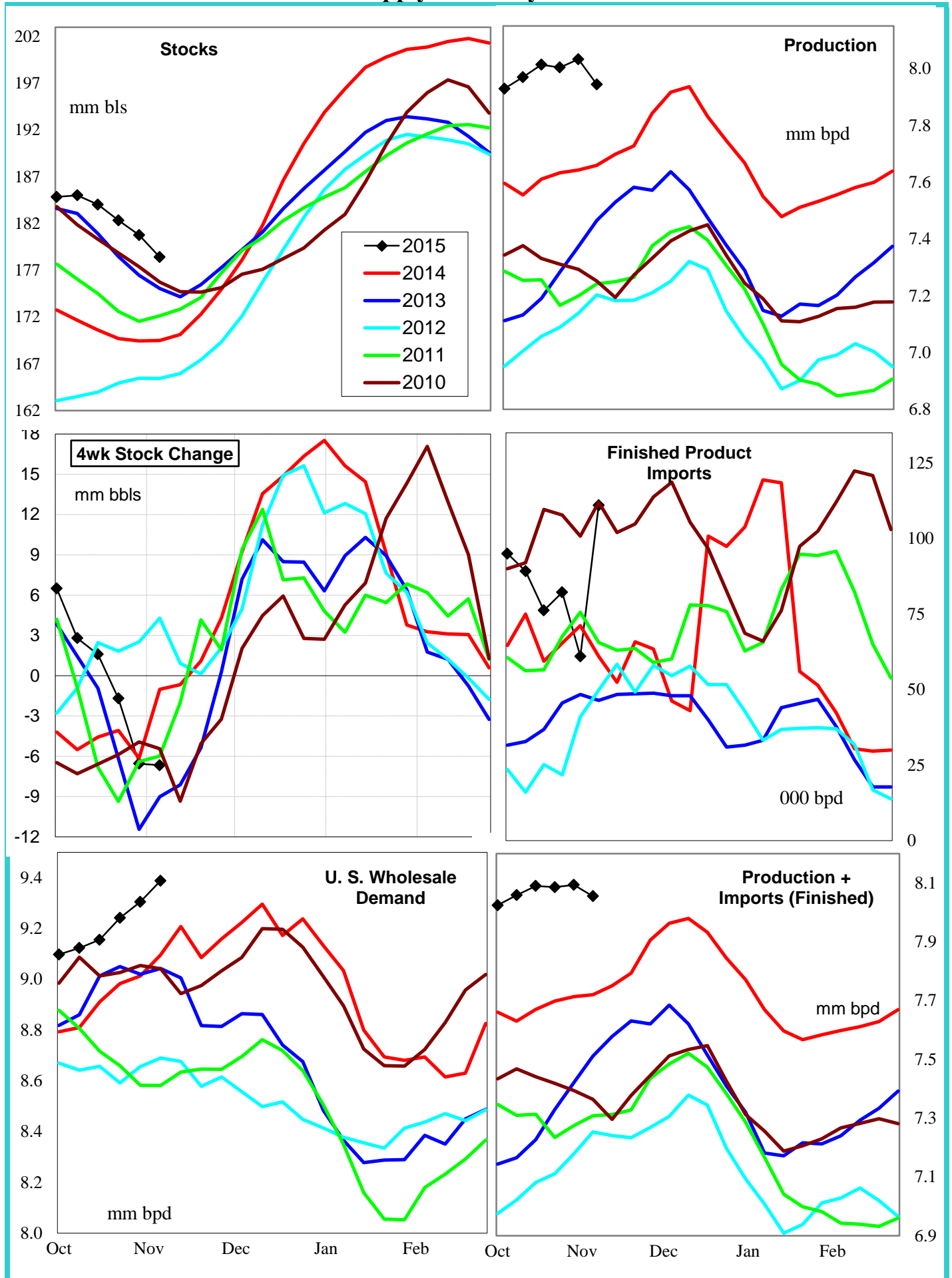


# Gasoline Import Economics



# Gasoline Supply by Region



**Gasoline Supply Summary PADDs 1+2+3**

**PADD 5 Gasoline Supply**