



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 -0.1 million bpd last week, to a level below the average of the last 2-yr. The latest 4-wk average demand was -17,000 bpd below last year, the first year-on-year decline.

Supplies increased +56,000 bpd last week on higher imports. Supply for the most recent 4-wks was nearly unchanged from a year ago.

Stocks increased +2.5 million barrels on the week, with meaningful builds in all regions.

Stock levels ended the week above the 5-yr range, with the East Coast at record highs for this time of year. Only the Rockies region reported low stock levels.

Cash basis extended the seasonal downtrend in all regional markets except NYH and the Northwest.

Basis levels matched historic highs for the period in the Northwest with other regional markets trading within the 3-yr range.

RBOB

New York Harbor basis to trend seasonally lower

Chicago basis to remain weak through the winter quarter with risk of sharp declines on likely over supply.

Group III basis to extend the current seasonal downtrend, again with risk of sharp decline on likely over supply.

Gulf Basis to extend the current downtrend on increased supply and lower

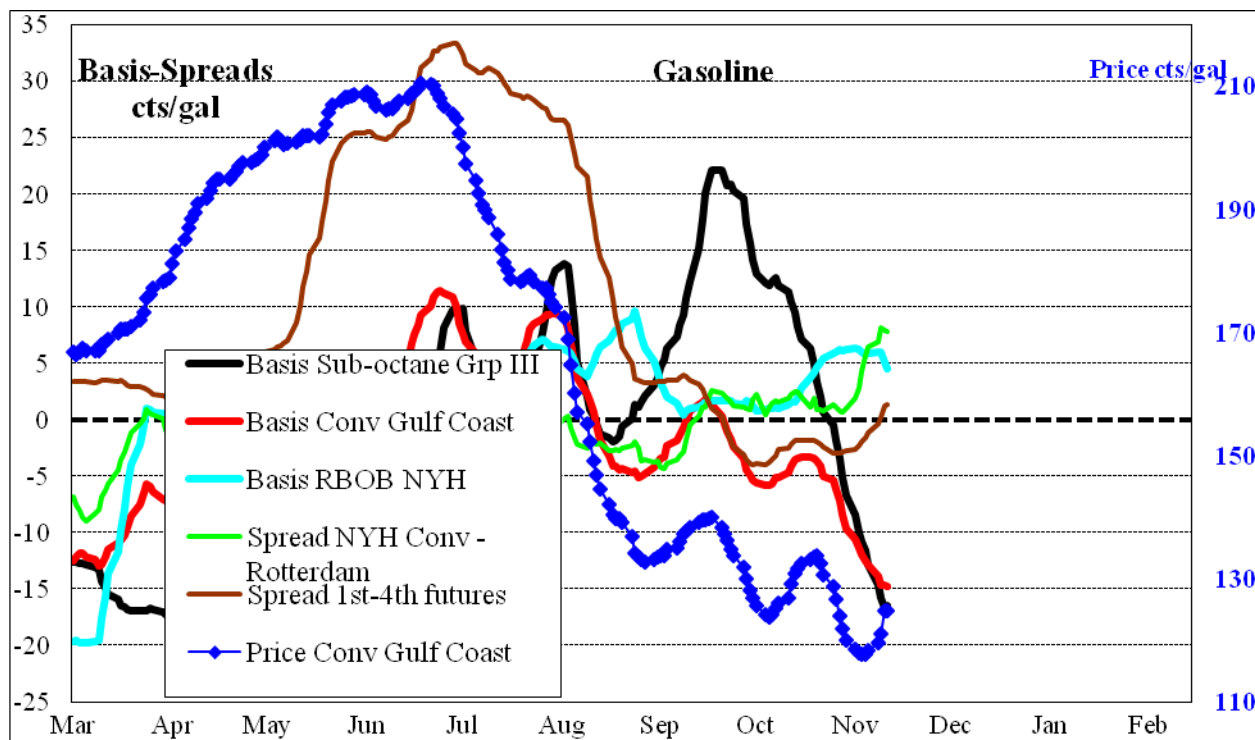
seasonal demand, partially offset by high stocks on the East Coast.

West Coast (Los Angeles) basis to trend lower as refiners increase production and stocks experience a seasonal build.

Gulf Coast Price Stocks have began a seasonal build, from a record high beginning level that is concentrated on the East Coast. Weak wholesale demand and increased production has led to exceptionally low rack prices in mid Ohio Valley and nearby markets served by Great Lakes refiners.

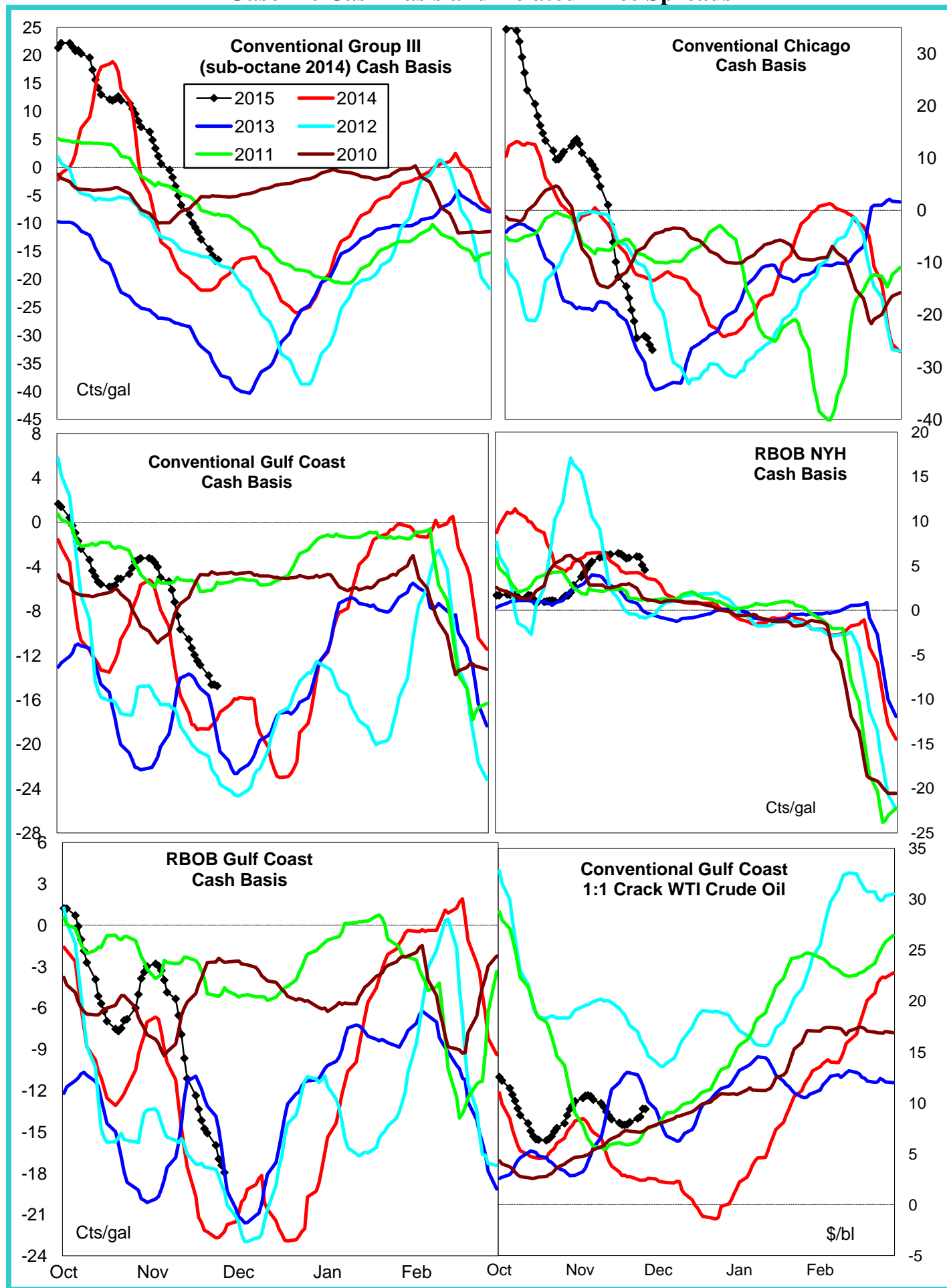
Lower seasonal retail demand, high refinery production and stock levels, risk further declines in cash basis for most regional markets.

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

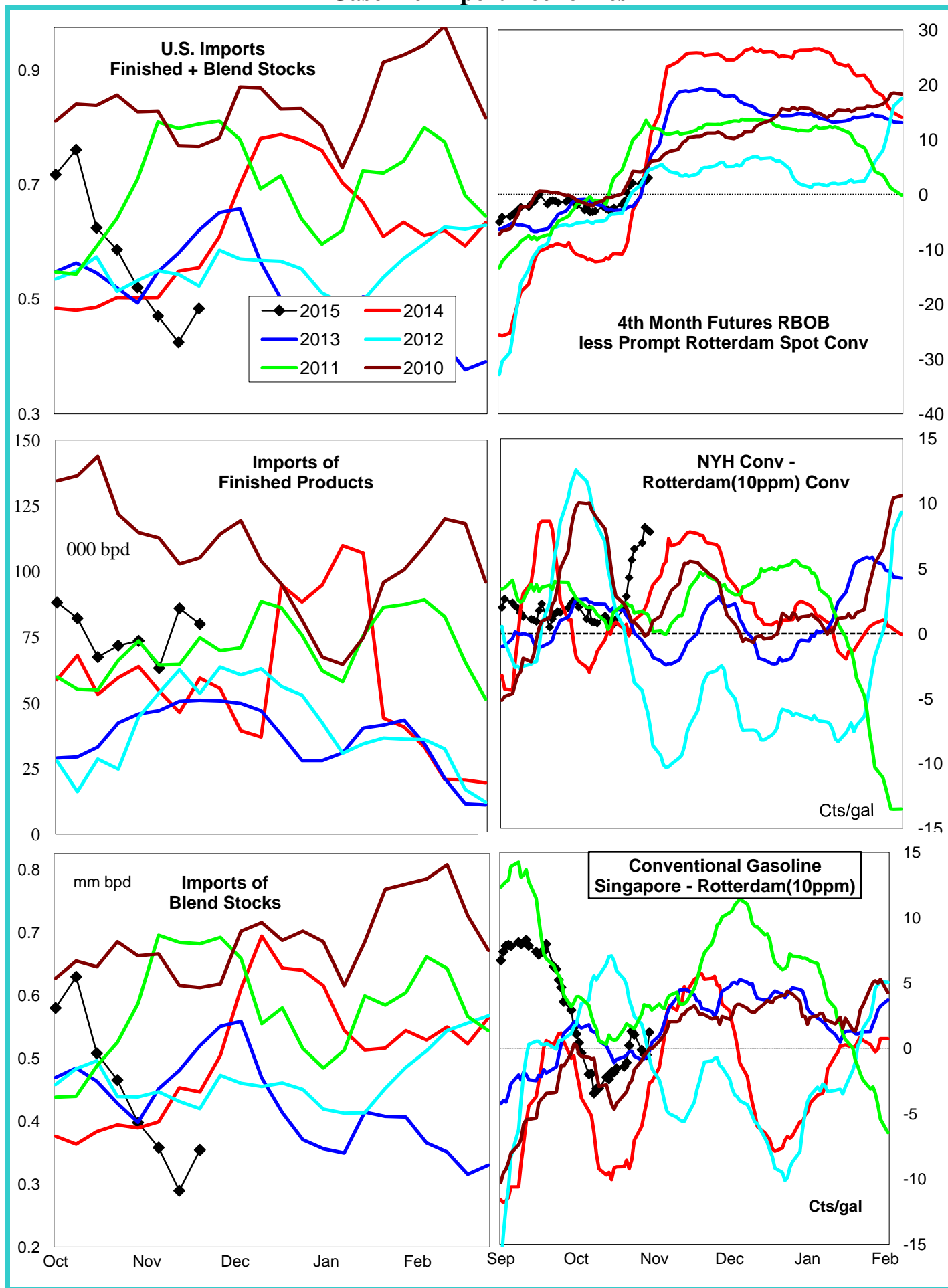


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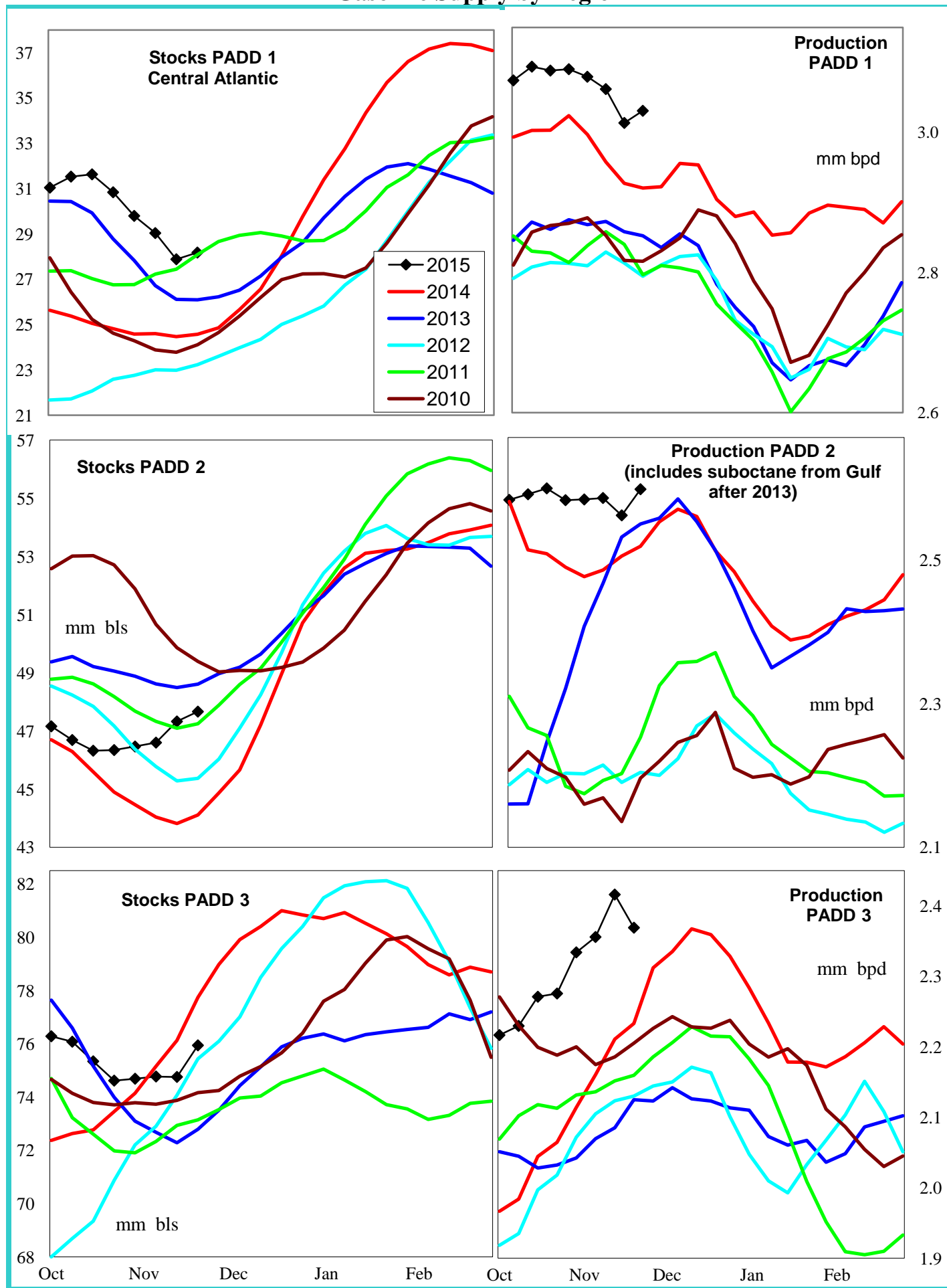
Gasoline Cash Basis and Related Price Spreads



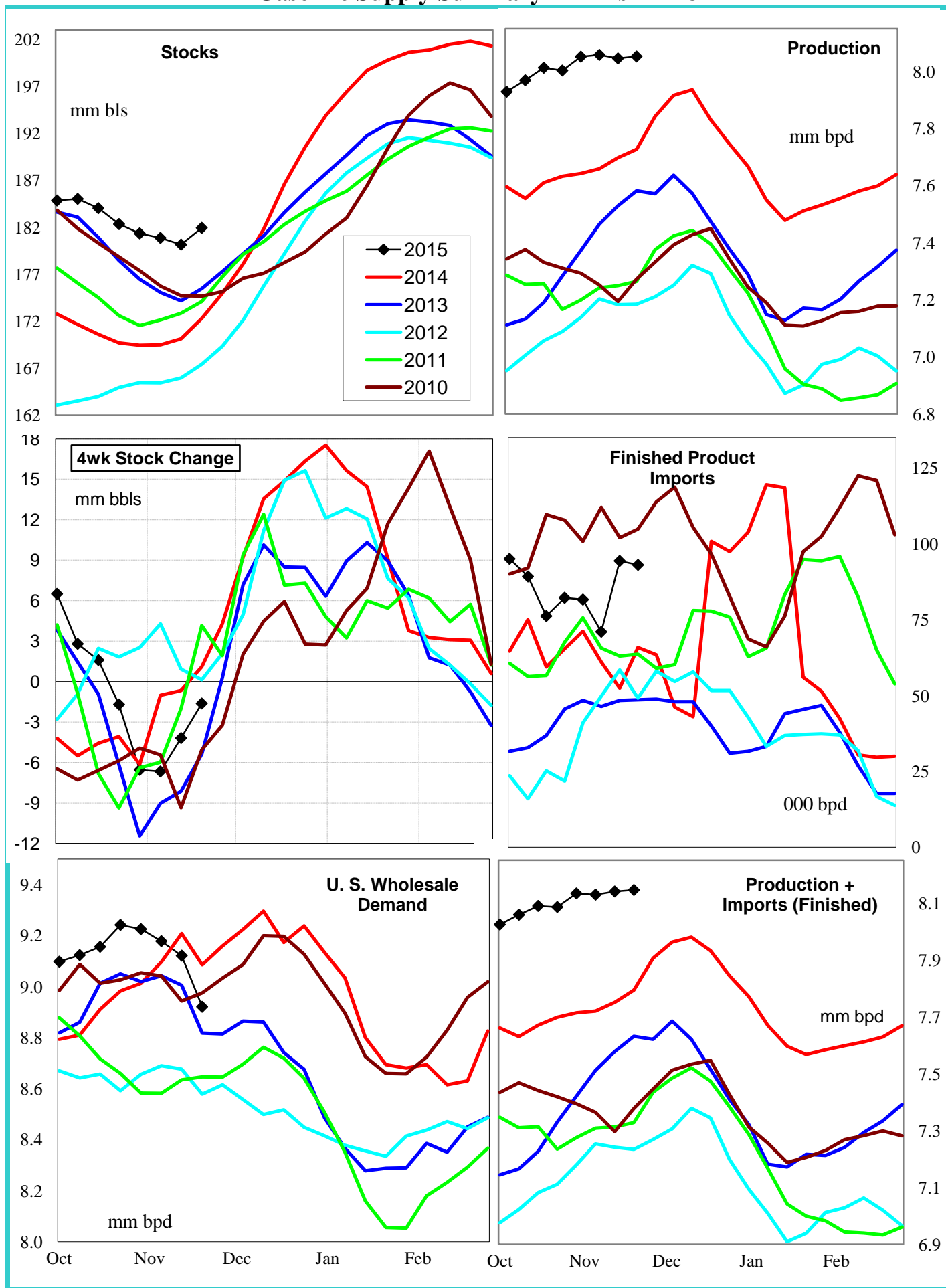
Gasoline Import Economics



Gasoline Supply by Region



Gasoline Supply Summary PADDs 1+2+3



PADD 5 Gasoline Supply

