

**FUNDAMENTAL  
PETROLEUM  
TRENDS**

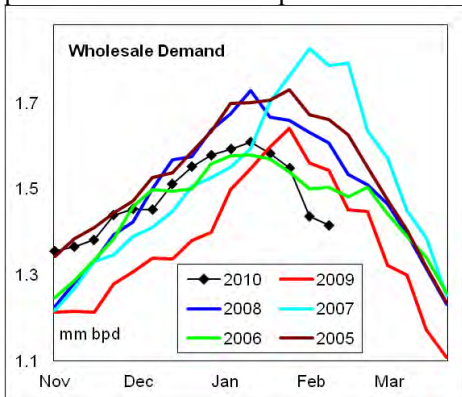
## WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

### A Fundamental Petroleum Trends Weekly Report

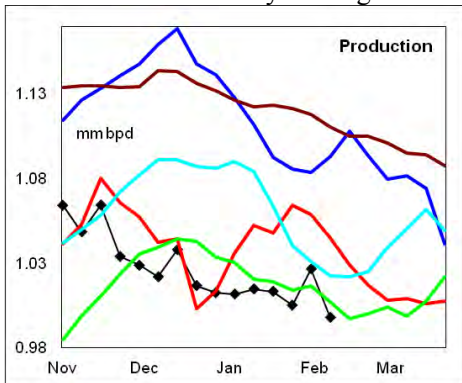
Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Wednesday, February 03, 2010



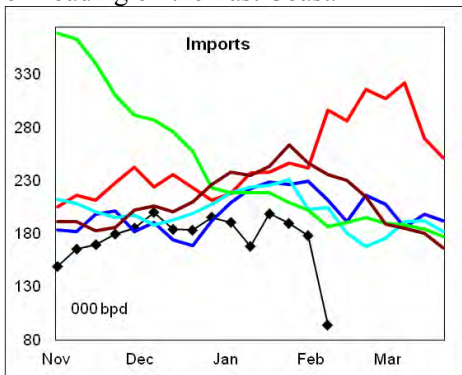
**Summary<sup>1</sup>:** Wholesale demand, including exports, declined -38,000 bpd last week, with the latest 4-wk average -142,000 bpd below last year. Weekly demand has dropped below the five year range, even with colder than normal temperatures. The low demand rate points to weakness in exports.



Production fell -71,000 bpd on the week, to the low end of the 5-year range.

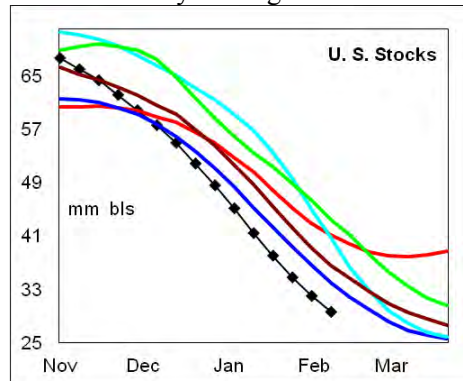


Imports fell -226,000 bpd to a record low, due in part to inclement weather for off loading on the East Coast.

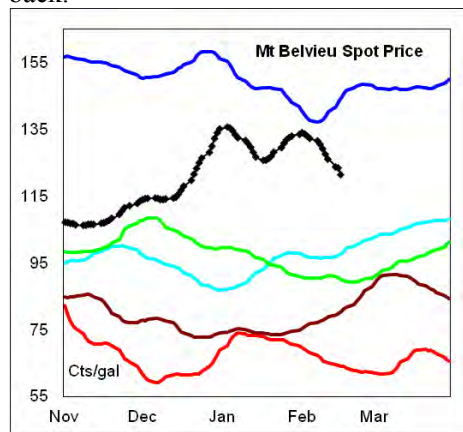


Combined production and imports during the last 4-wk period were -125,000 bpd below last year, compared to the -142,000 bpd decrease in demand for the same period.

Stocks decreased -2.9 million barrels on the week with draws in all regions. The 4-wk stock change was a draw of -10.8 million barrels, was near the historic mid range. Stock levels are well below the five year range.



**Price and Spreads** Mt Belvieu and Conway spot prices declined -8 cts/gal and -7.5 cts/gal, respectively for the week ending 17Feb10. Demand weakness has led to the recent price pull back.

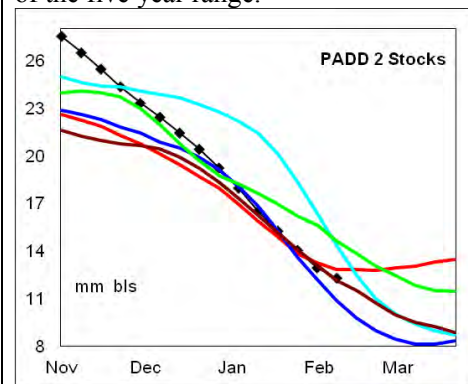


The Conway - Mt Belvieu price spread traded sideways for the week ending 17Feb10. The spread ended the week at the 5-year mid range.

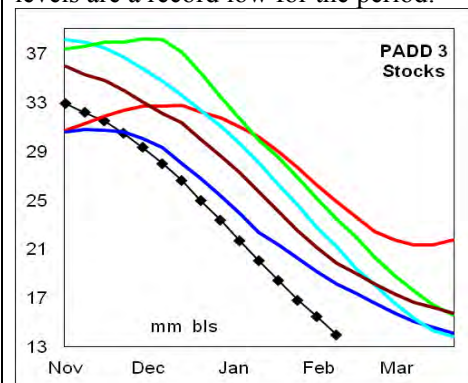
The propane to natural gas price spread trended lower during the week, ending well above the historic range. The propane / crude oil price spread fell sharply last week on strength in crude oil prices

**PADD 1** stocks decreased -0.4 million barrels on the week, as a result of a -125,000 bpd drop in imports. Production remains below the historic range. Stock levels are near the 5-year low.

**PADD 2** stocks decreased -0.8 million barrels last week on low receipts from the gulf and imports. Record production has been offset by extremely low imports. Supply for the latest 4-wk period was -5,000 bpd below last year. The latest 4-wk stock draw of -4.1 million barrels was at the mid range the period. Stock levels are at the low end of the five year range.



**PADD 3** stocks declined -1.8 million barrels last week. Combined production and imports fell -158,000 bpd. Stock levels are a record low for the period.



**PADDs 4 & 5** stocks were unchanged on the week. The latest 4-wk stock draw is less than the historic range.

**Emerging Trends** show colder than normal temperatures forecast for major heating areas through month end. Risk of a supply squeeze continues as a result of low stock levels in all markets. Imports into the Midwest are particularly low.

<sup>1</sup> Source is latest EIA Weekly Statistics



# PROPANE: Graph Link and Weekly Summary

February 18, 2010

## Fundamental Trends for the Week Ending:

Friday, February 12, 2010

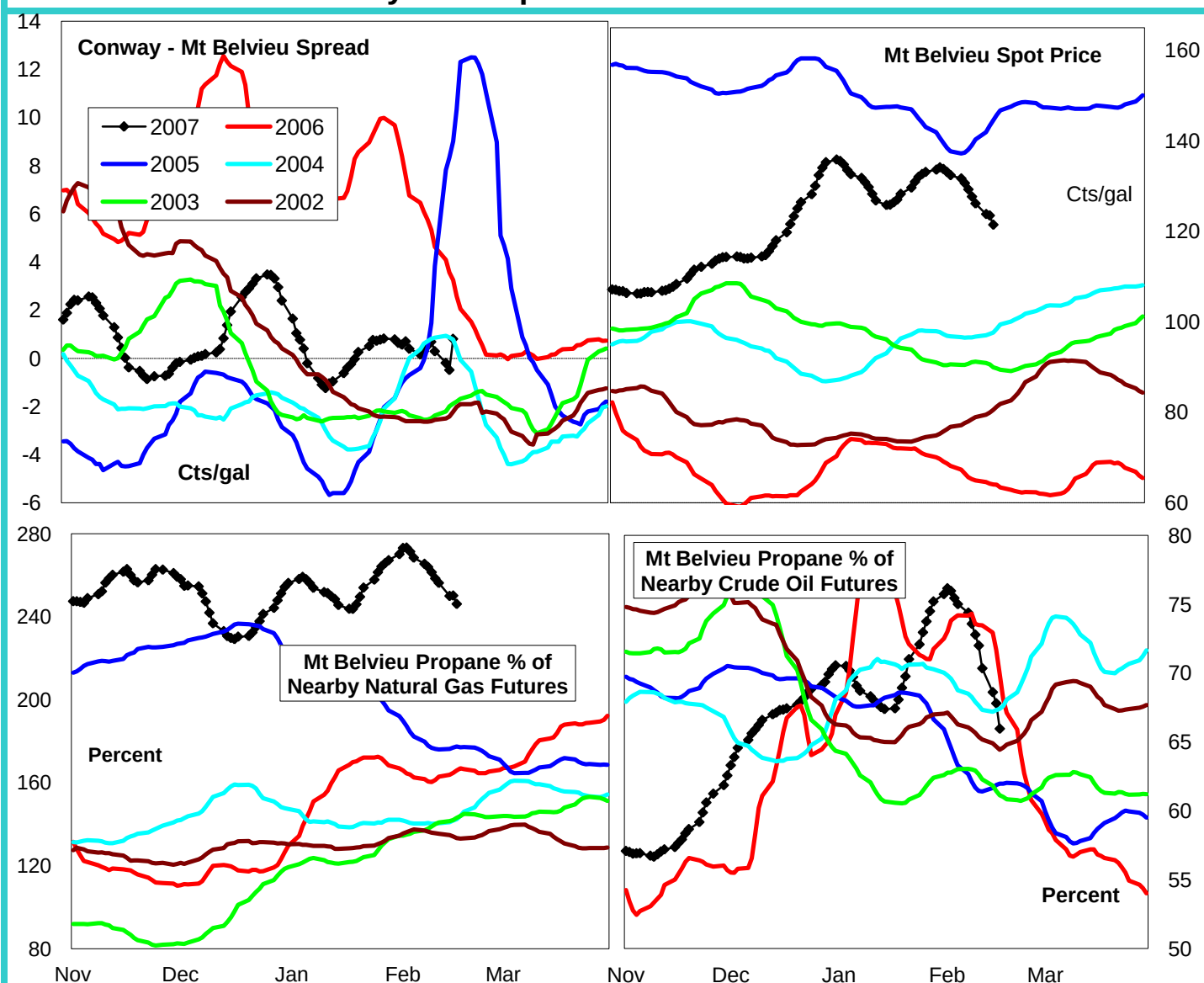
| 000 bpd<br>Stocks 000 bls | Weekly Supply-Demand |       |        |        |     | Change from prior week: |      |      |        |     |
|---------------------------|----------------------|-------|--------|--------|-----|-------------------------|------|------|--------|-----|
|                           | U.S.<br>Total        | PADD  |        |        |     | U.S.<br>Total           | PADD |      |        |     |
|                           |                      | 1     | 2      | 3      | 4&5 |                         | 1    | 2    | 3      | 4&5 |
| Stocks                    | 29,642               | 2,430 | 12,282 | 14,012 | 918 | -2,946                  | -375 | -792 | -1,771 | -8  |
| Propylene Stocks          | 2,578                |       |        |        |     | -206                    |      |      |        |     |
| Production                | 998                  | 48    | 249    | 650    | 51  | -71                     | -6   | 5    | -65    | -5  |
| Imports                   | 94                   | 32    | 47     | 0      | 15  | -226                    | -125 | -15  | -93    | 7   |
| Whsle Demand              | 1,435                |       |        |        |     | -38                     |      |      |        |     |

## Price Trends for the Week Ending:

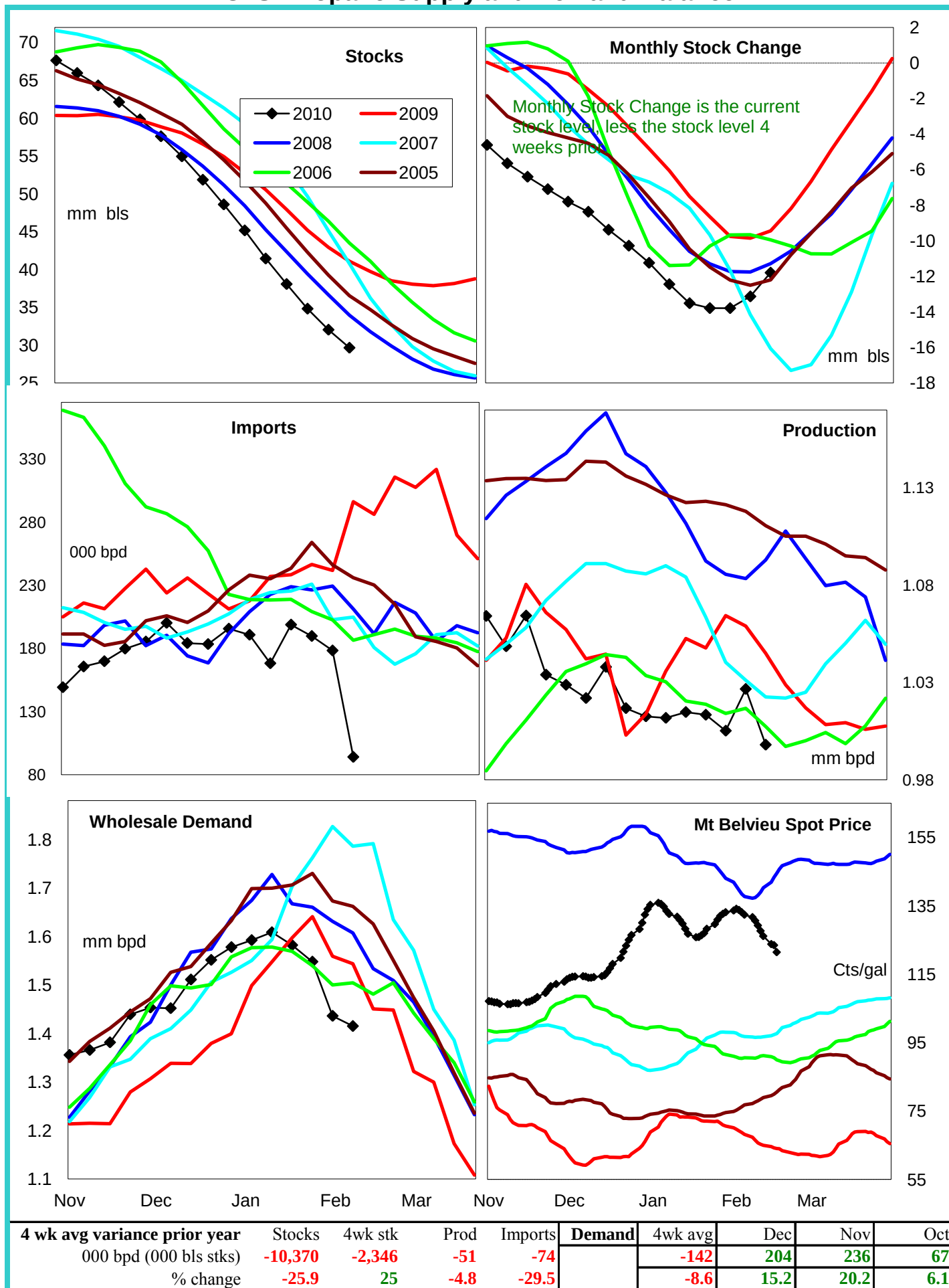
Wednesday, February 17, 2010

| Cents/gal         | Average for week ending: |        |         |        | Change from: |         |        | % change from: |         |        |
|-------------------|--------------------------|--------|---------|--------|--------------|---------|--------|----------------|---------|--------|
|                   | 2/17/10                  | 2/9/10 | 1/19/10 | 2/6/09 | 2/9/10       | 1/19/10 | 2/6/09 | 2/9/10         | 1/19/10 | 2/6/09 |
| Mont Belvieu Spot | 123.8                    | 132.8  | 123.1   | 64.8   | -8.96        | 9.65    | 58.27  | -6.8           | 7.8     | 89.9   |
| Conway Spot       | 123.6                    | 134.2  | 120.7   | 69.5   | -10.63       | 13.53   | 51.17  | -7.9           | 11.2    | 73.6   |

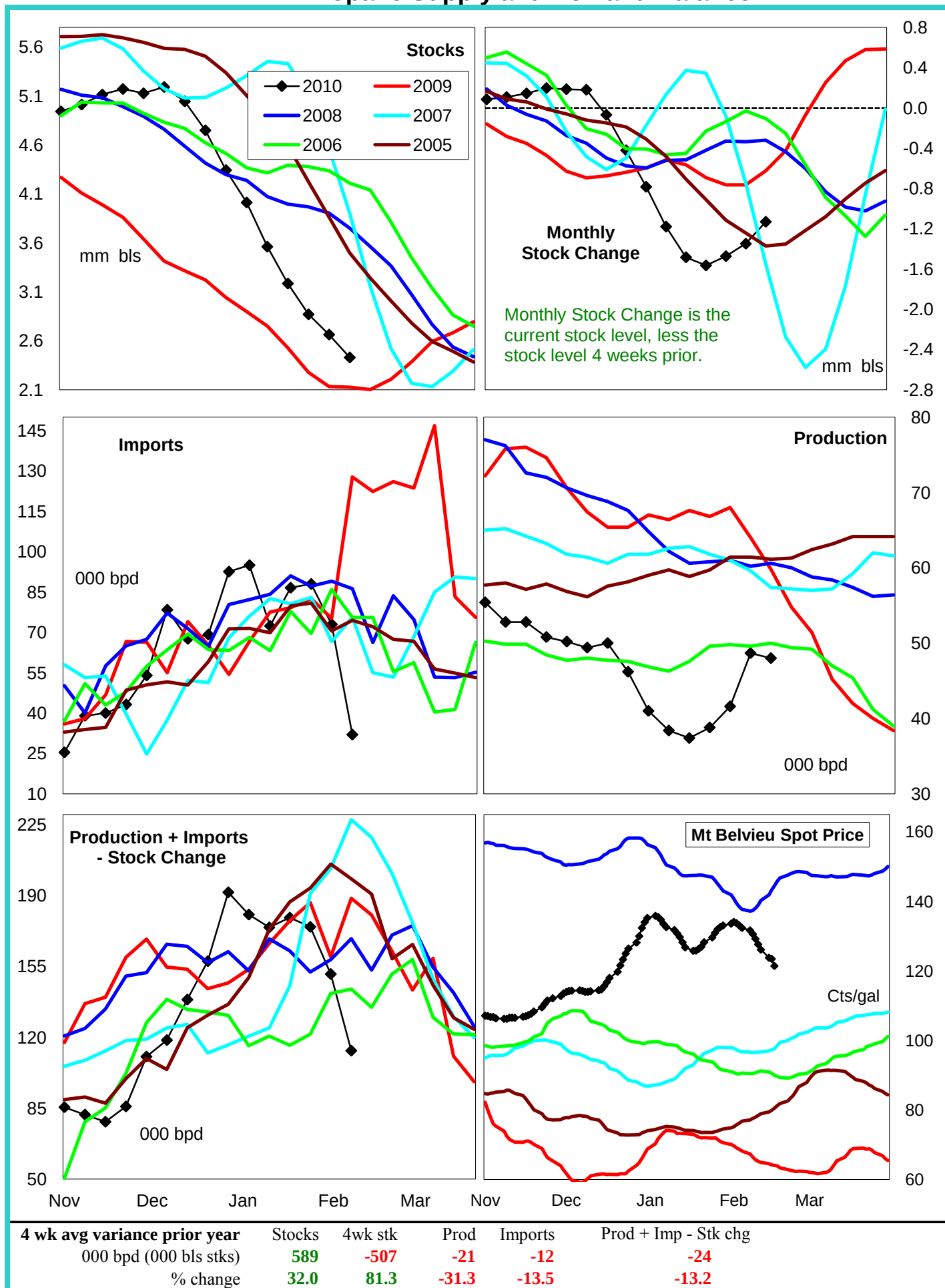
## Key Price Spreads and Differentials



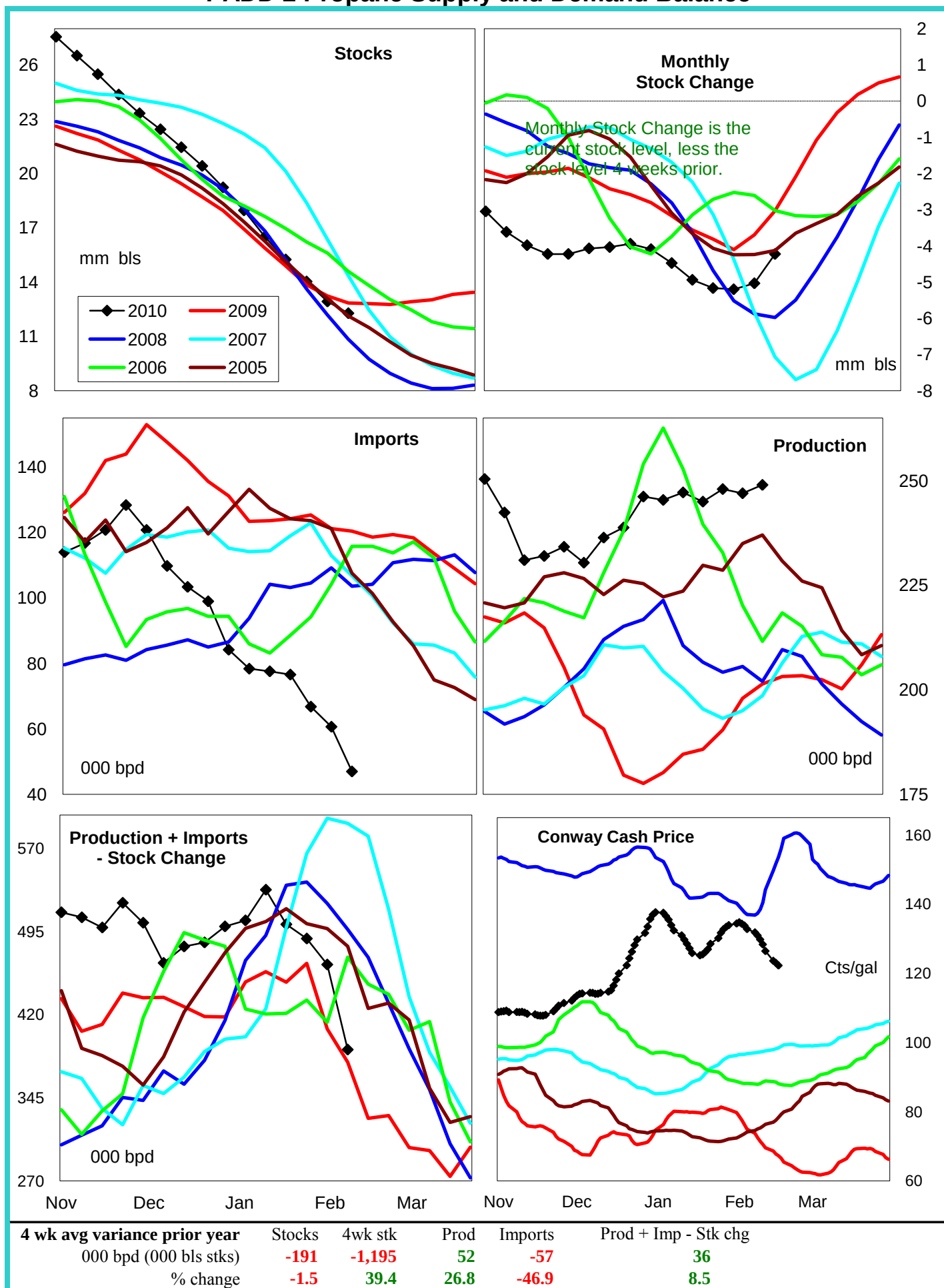
# U. S. Propane Supply and Demand Balance



# PADD 1 Propane Supply and Demand Balance

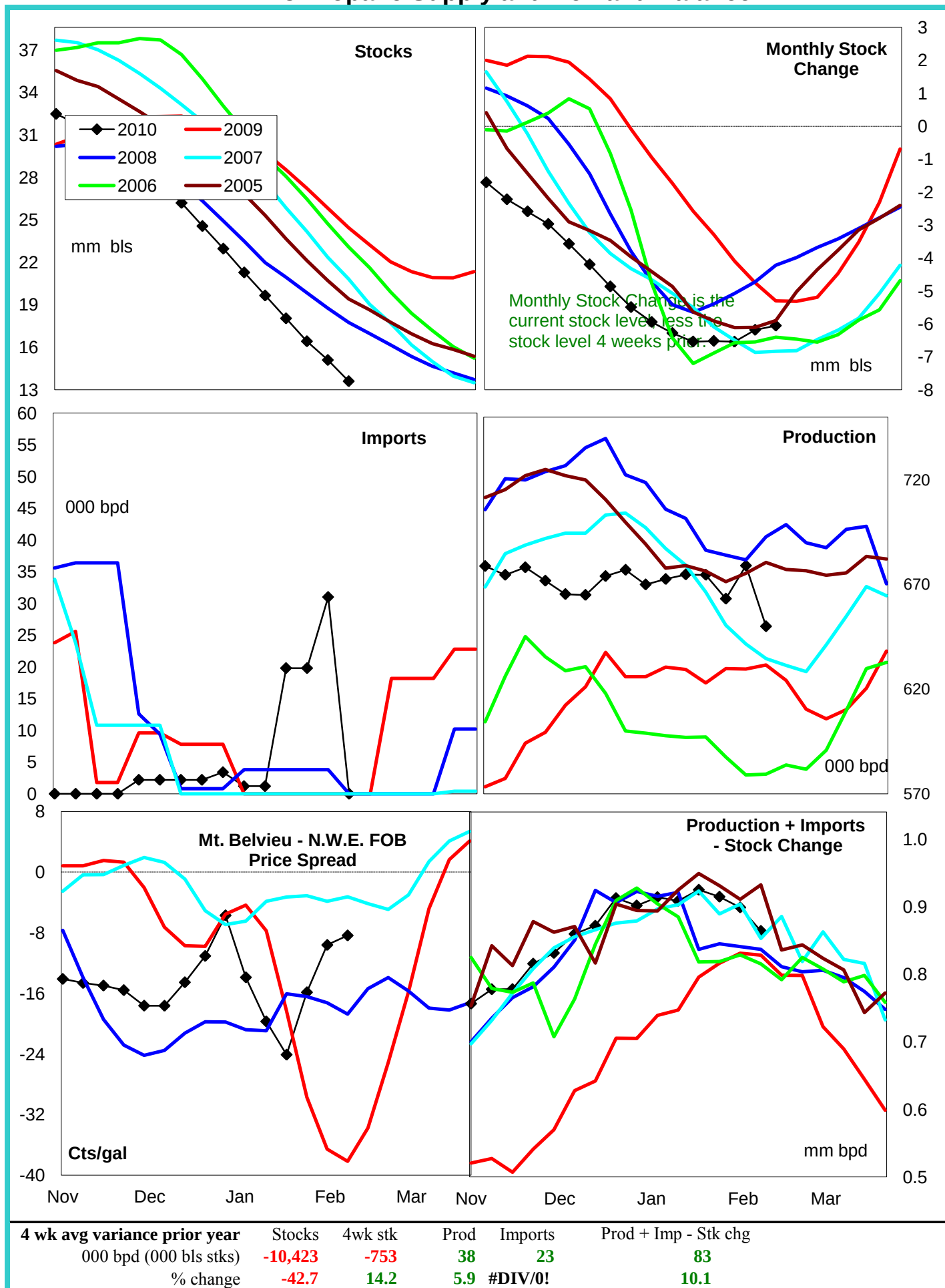


# PADD 2 Propane Supply and Demand Balance

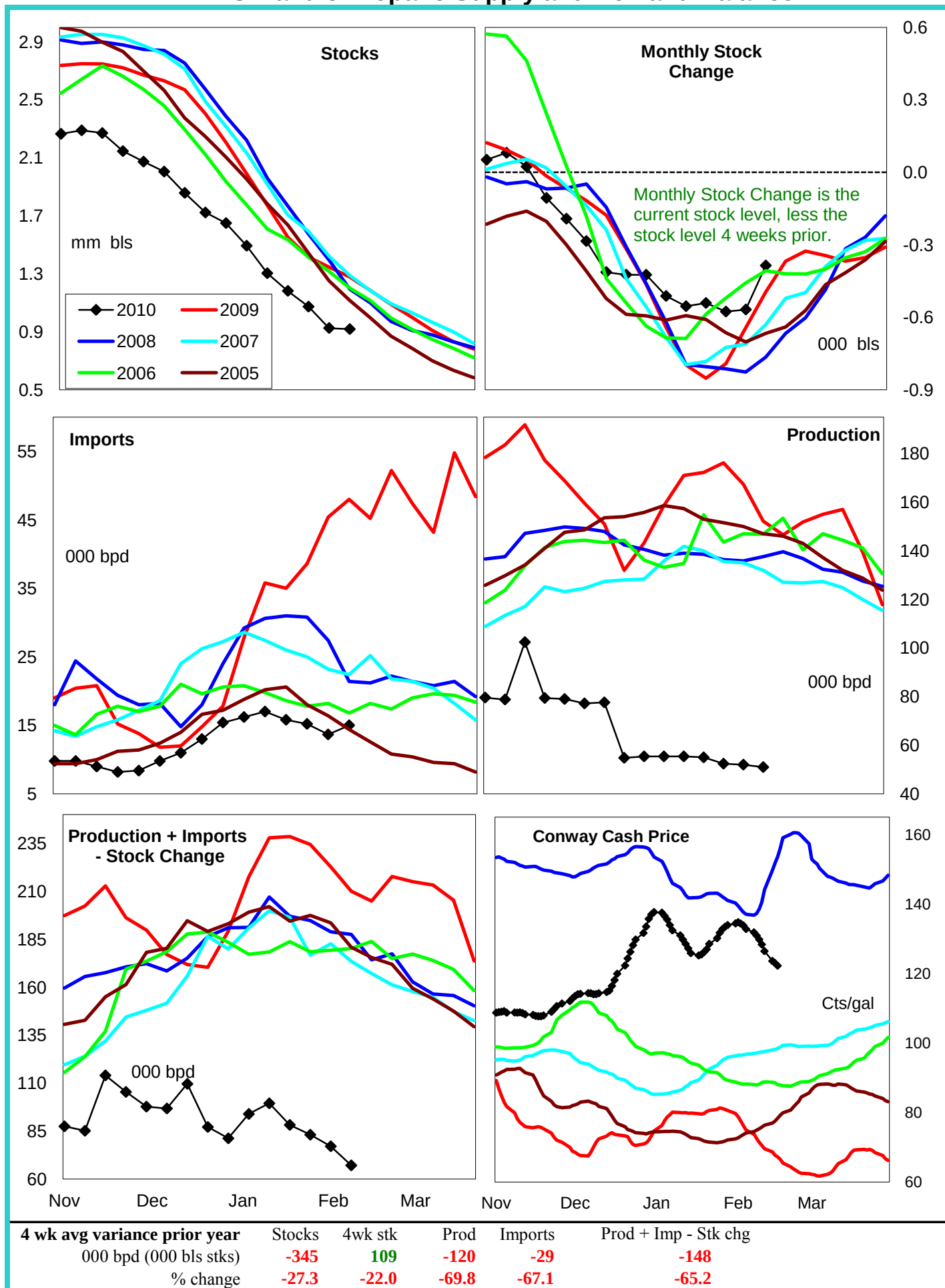




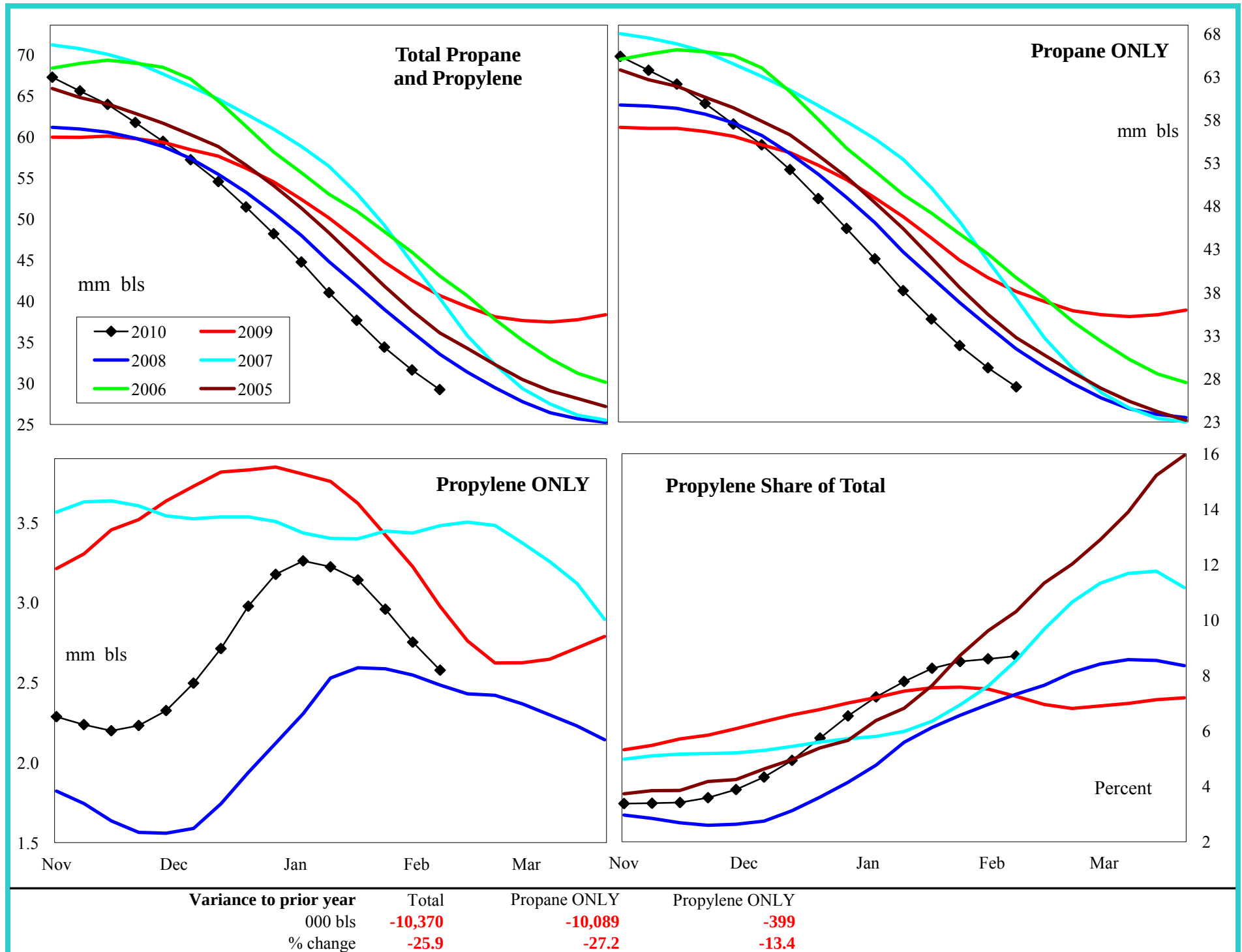
# PADD 3 Propane Supply and Demand Balance



# PADDs 4 and 5 Propane Supply and Demand Balance



# U. S. Propane and Propylene Stocks





## U. S. Petroleum Administrative for Defense Districts (PADDs)

