# WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

## A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Wednesday, March 03, 2010

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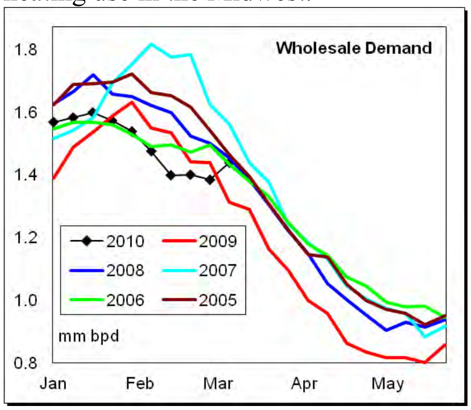
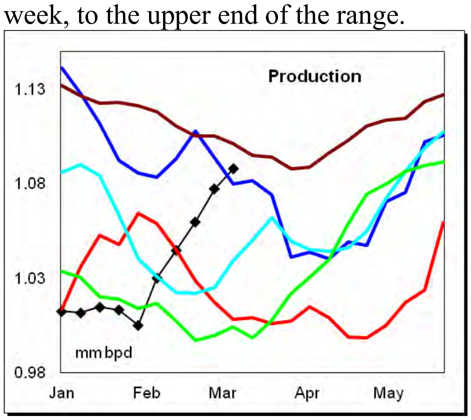
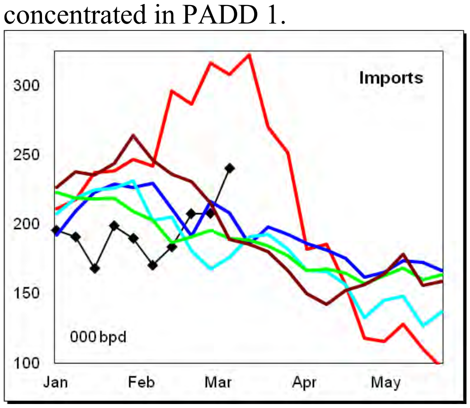
Summary[1]: Wholesale demand increased +175,000 bpd last week with continued heating use in the Midwest.




Production increased +25,000 bpd on the week, to the upper end of the range.

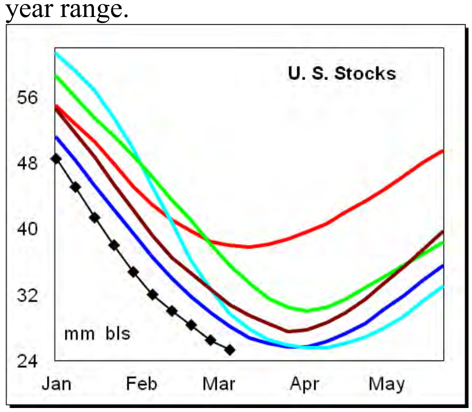



Imports increased +8,000 bpd last week, concentrated in PADD 1.

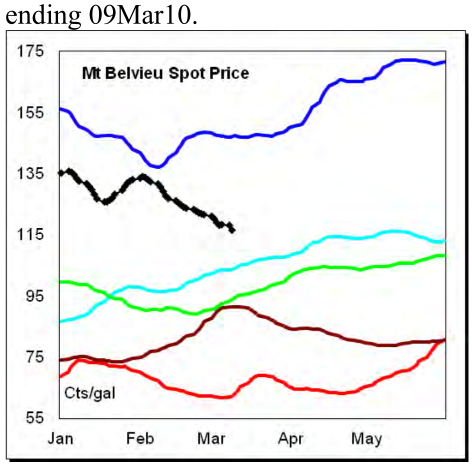



Combined production and imports during the last 4-wk period were -82,000 bpd below last year. Imports fell -112,000 bpd during the period, partially offset by a +30,000 bpd rise in production. The lower supply compares to a -57,000 bpd decrease in demand for the same period.

Stocks decreased -1.5 million barrels on the week, including a -1.3 million barrel draw in PADD 02. The 4-wk stock change was a draw of -6.7 million barrels, less than four of the last five years. Stock levels are below the five year range.




Price and Spreads Mt Belvieu prices decreased -1 cts/gal while Conway prices were unchanged for the week ending 09Mar10.

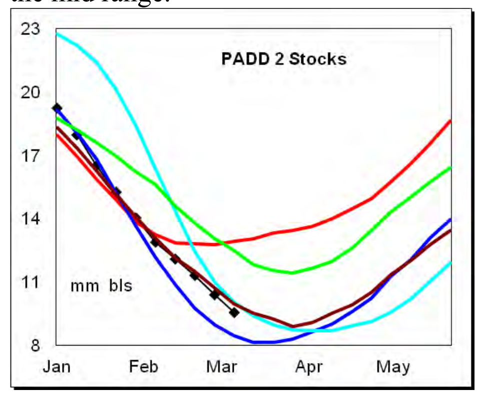



The Conway – Mt Belvieu price spread fell extended the longer term downtrend in favor of Mt Belvieu for the week ending 09Mar10. The spread ended the week below the 5-year range.

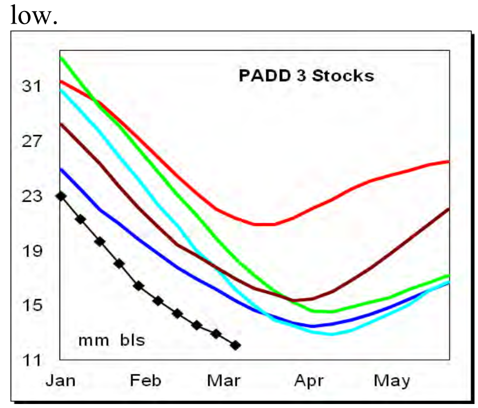
The propane to natural gas price spread trended higher during the week, ending at a new record high. The propane / crude oil price spread extended the recent downtrend on strength in crude oil prices.

PADD 1 stocks increased +0.2 million barrels on the week as a result of increased supply. Production reached the mid range last week while imports remain above four of the last five years. Stock levels are near the mid range.

PADD 2 stocks decreased -1.3 million barrels last week on higher demand. Combined production and imports were +19,000 bpd above last year for the latest 4-wk period. The most recent 4-wk stock draw of -3 million barrels was at the mid range. Stock levels are below the mid range.




PADD 3 stocks decreased -0.4 million barrels last week. Production was +74,000 bpd above last year, at a 5-yar high for the period. Stocks were -3 million barrels below the prior record low.




PADDs 4 & 5 stocks were unchanged on the week. Stock levels are below the historic range.

**Emerging Trends** *point to very weak heating demand this week with heating degree days -31% below normal for the week. Although stock levels are at 5-year lows, production has reached near record highs for this time of year, which should lead to an early start to stock builds. Expect price weakness during the spring quarter.*

[1] Source is latest EIA Weekly Statistics

# PROPANE: Graph Link and Weekly Summary

March 10, 2010

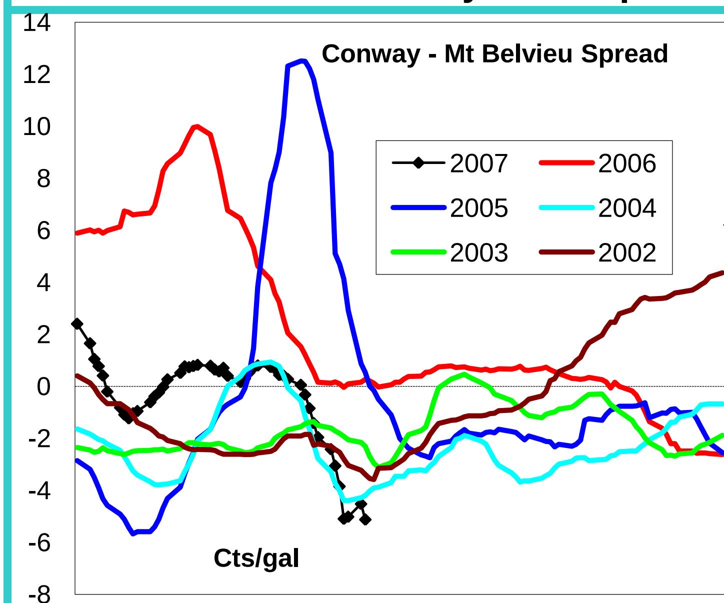
## Fundamental Trends for the Week Ending: Friday, March 05, 2010

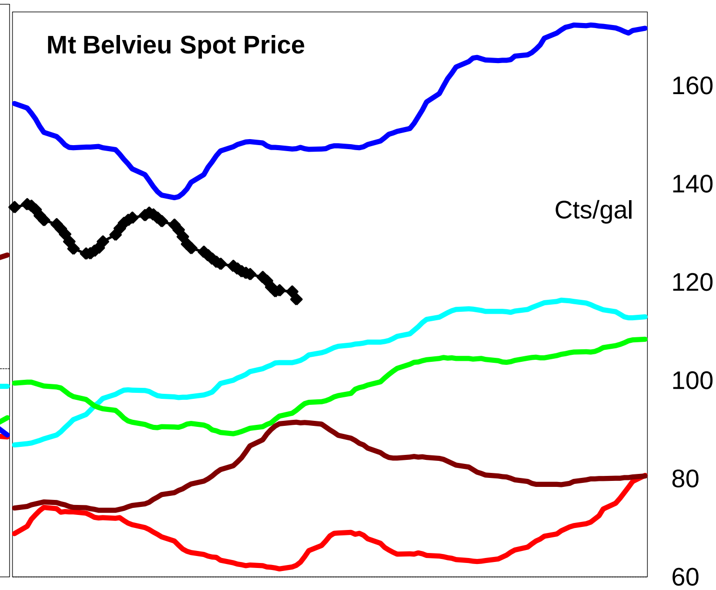
| 000 bpd Stocks 000 bls | Weekly Supply-Demand U.S. Total | PADD 1 | PADD 2 | PADD 3 | PADD 4&5 | Change from prior week: U.S. Total | PADD 1 | PADD 2 | PADD 3 | PADD 4&5 |
|---|---|---|---|---|---|---|---|---|---|---|
| Stocks | 25,308 | 2,598 | 9,541 | 12,488 | 681 | -1,523 | 212 | -1,344 | -410 | 19 |
| Propylene Stocks | 2,147 | | | | | -366 | | | | |
| Production | 1,088 | 58 | 236 | 721 | 73 | 25 | 6 | -16 | 27 | 8 |
| Imports | 240 | 91 | 144 | 0 | 5 | 8 | -56 | 71 | -1 | -6 |
| Whsle Demand | 1,468 | | | | | 175 | | | | |

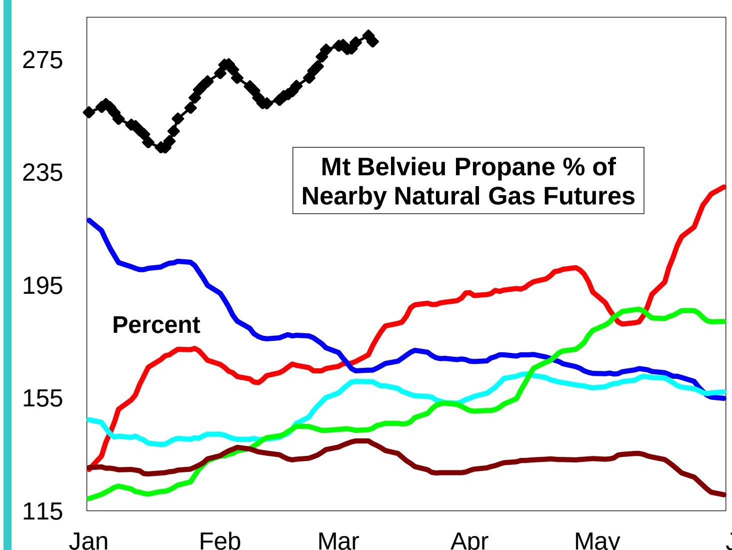
## Price Trends for the Week Ending: Tuesday, March 09, 2010

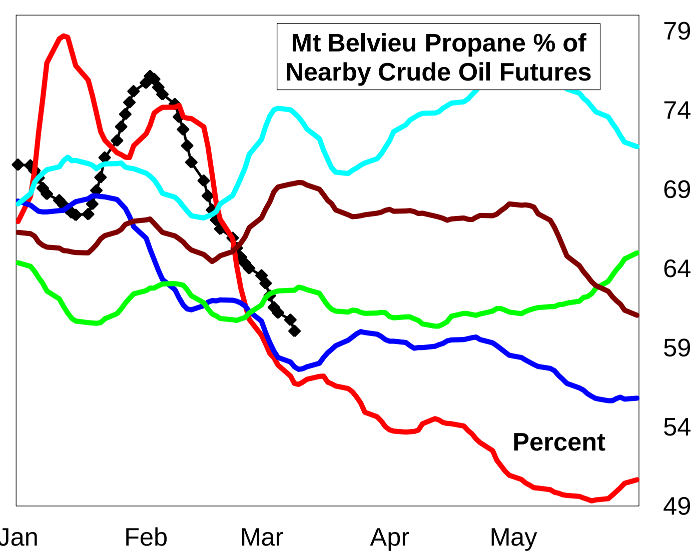
| Cents/gal | Average for week ending: 3/9/10 | 3/2/10 | 2/8/10 | 2/27/09 | Change from: 3/2/10 | 2/8/10 | 2/27/09 | % change from: 3/2/10 | 2/8/10 | 2/27/09 |
|---|---|---|---|---|---|---|---|---|---|---|
| Mont Belvieu Spot | 118.3 | 121.2 | 134.7 | 61.0 | -2.89 | -13.45 | 73.66 | -2.4 | -10.0 | 120.8 |
| Conway Spot | 113.3 | 119.3 | 136.0 | 61.4 | -6.00 | -16.65 | 74.54 | -5.0 | -12.2 | 121.4 |

## Key Price Spreads and Differentials

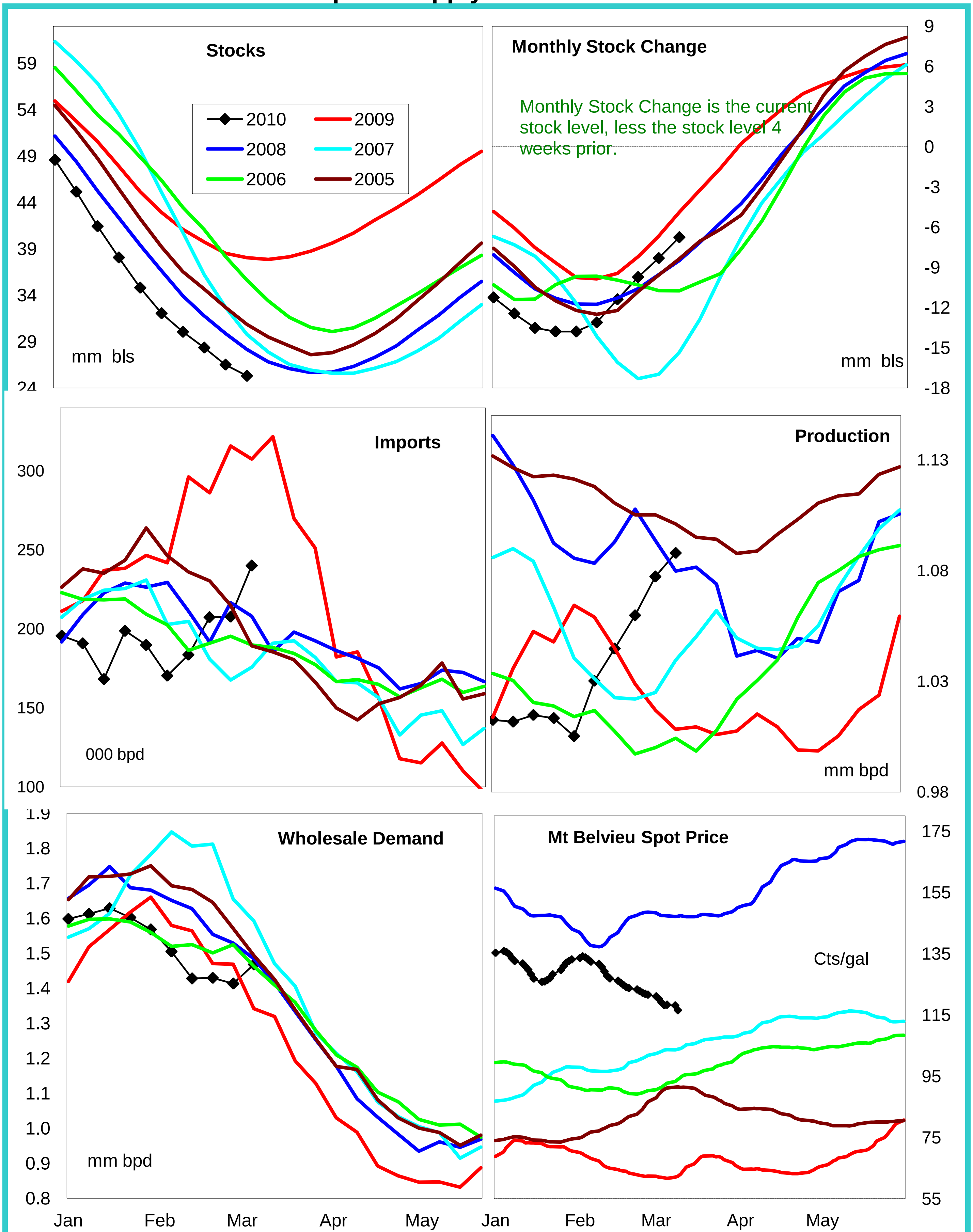


# U. S. Propane Supply and Demand Balance




| 4 wk avg variance prior year | Stocks | 4wk stk | Prod | Imports | Demand | 4wk avg | Jan | Dec | Nov |
|---|---|---|---|---|---|---|---|---|---|
| 000 bpd (000 bls stks) | -12,437 | -1,863 | 30 | -112 | | -57 | 181 | 204 | 236 |
| % change | -33.0 | 38 | 2.9 | -38.5 | | -3.8 | 12.6 | 15.2 | 20.2 |



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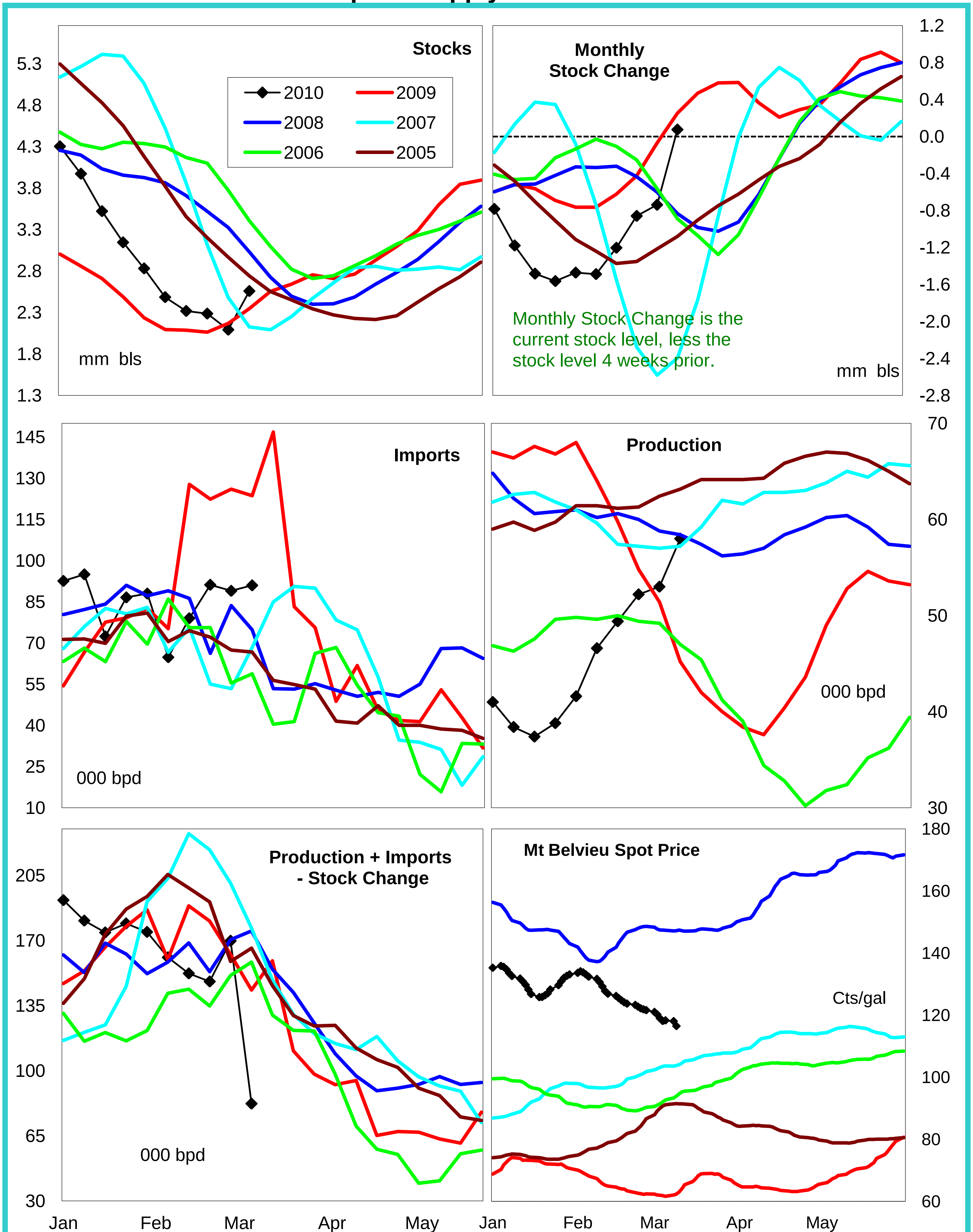
# PADD 1 Propane Supply and Demand Balance




| 4 wk avg variance prior year | Stocks | 4wk stk | Prod | Imports | Prod + Imp - Stk chg |
|---|---|---|---|---|---|
| 000 bpd (000 bls stks) | 409 | -178 | -1 | -46 | -31 |
| % change | 18.7 | -70.7 | -1.4 | -38.1 | -18.2 |



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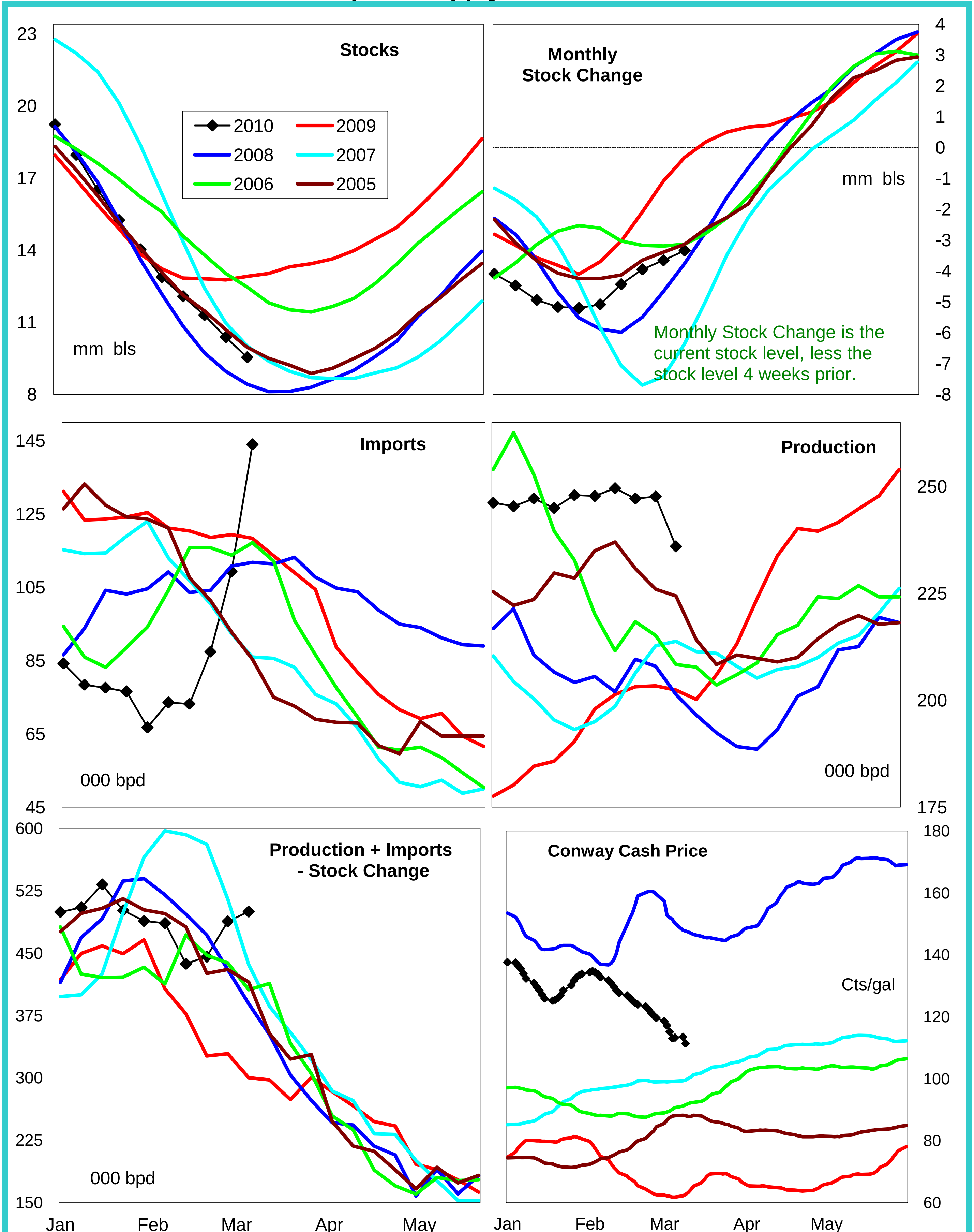
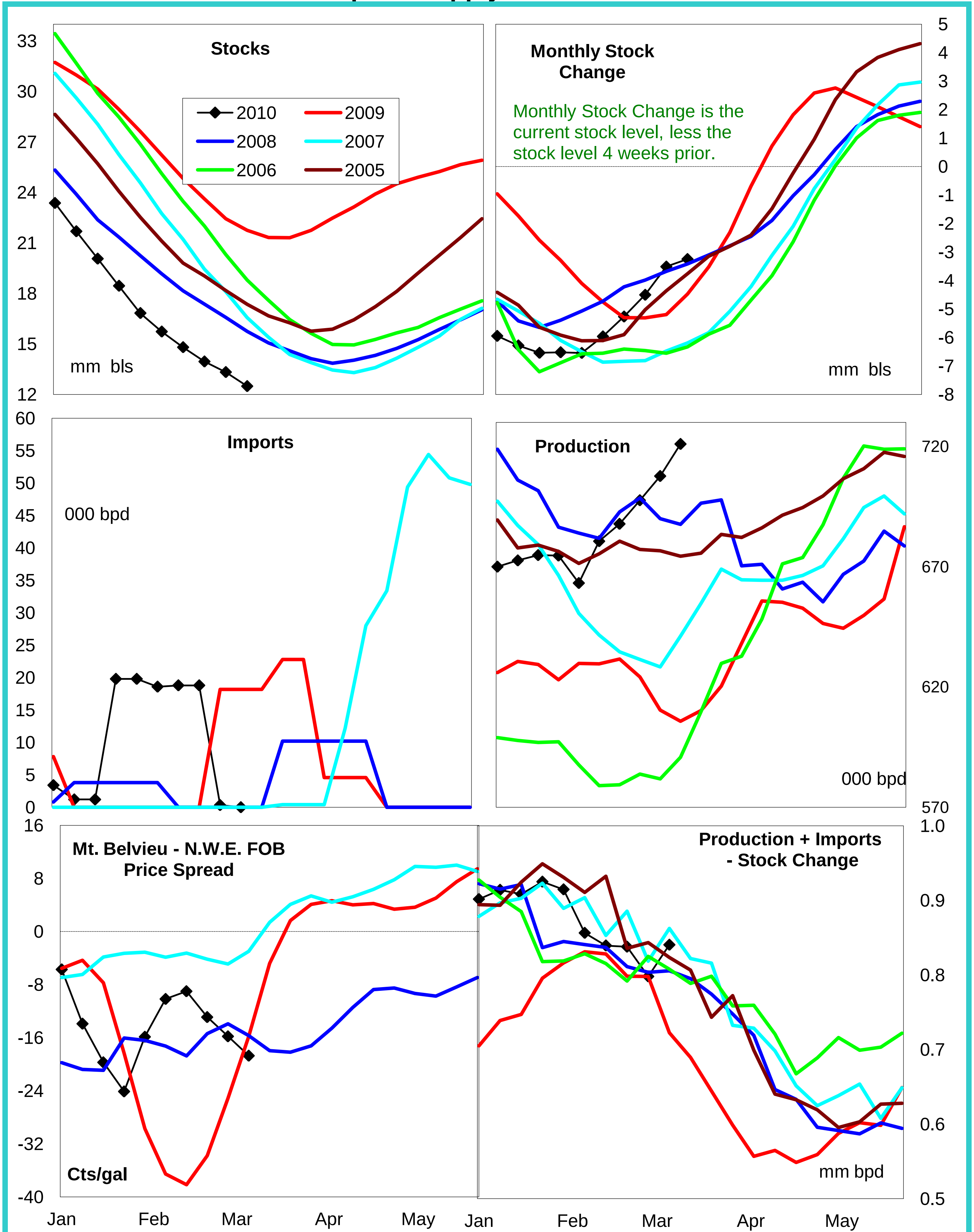
# PADD 2 Propane Supply and Demand Balance




| 4 wk avg variance prior year | Stocks | 4wk stk | Prod | Imports | Prod + Imp - Stk chg |
|---|---|---|---|---|---|
| 000 bpd (000 bls stks) | -3,451 | -3,020 | 42 | -23 | 135 |
| % change | -26.6 | 949.7 | 20.5 | -19.9 | 40.4 |

# PADD 3 Propane Supply and Demand Balance




| 4 wk avg variance prior year | Stocks | 4wk stk | Prod | Imports | Prod + Imp - Stk chg |
|---|---|---|---|---|---|
| 000 bpd (000 bls stks) | -9,108 | 1,227 | 74 | 0 | 42 |
| % change | -42.2 | -27.4 | 12.0 | #DIV/0! | 5.3 |



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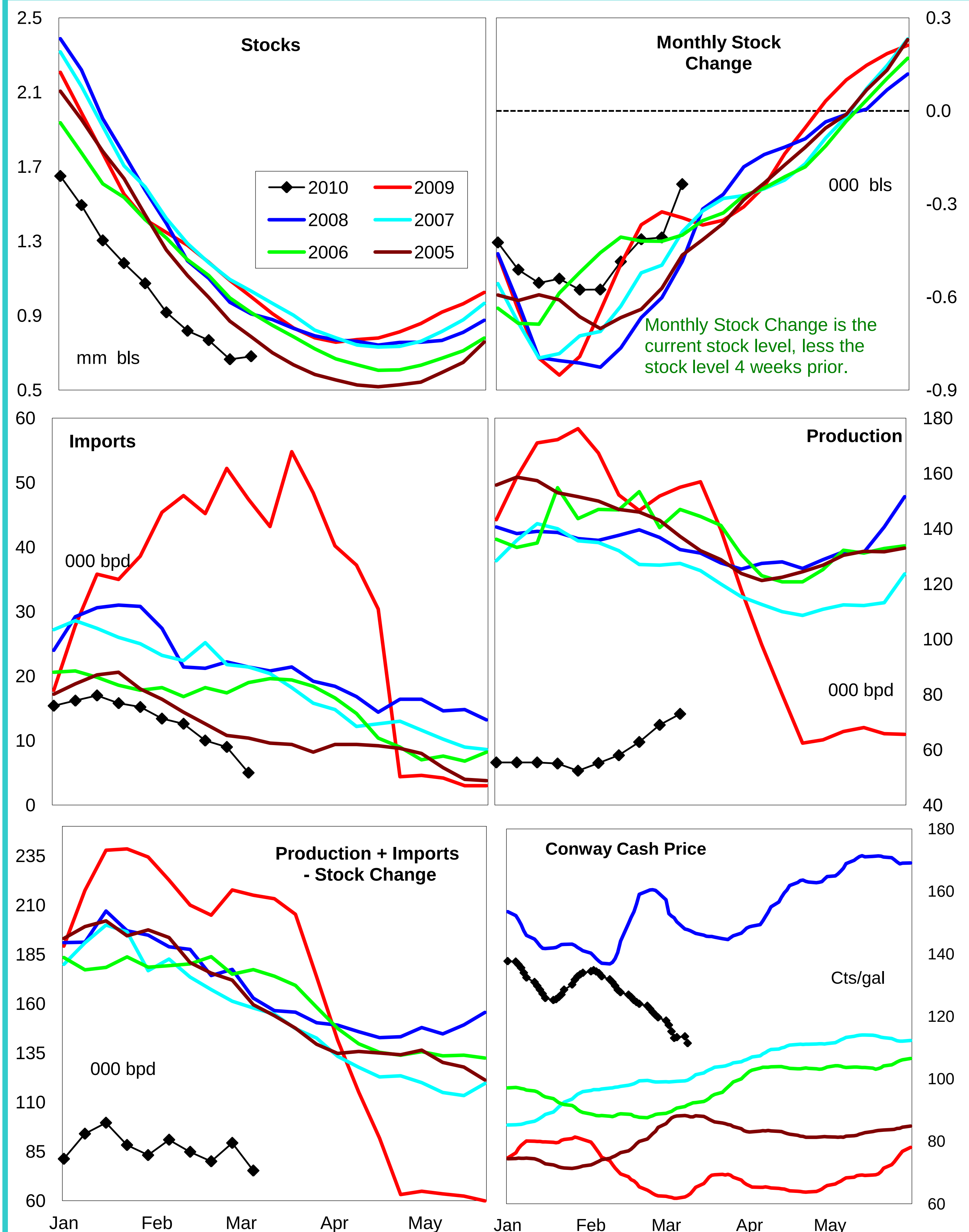
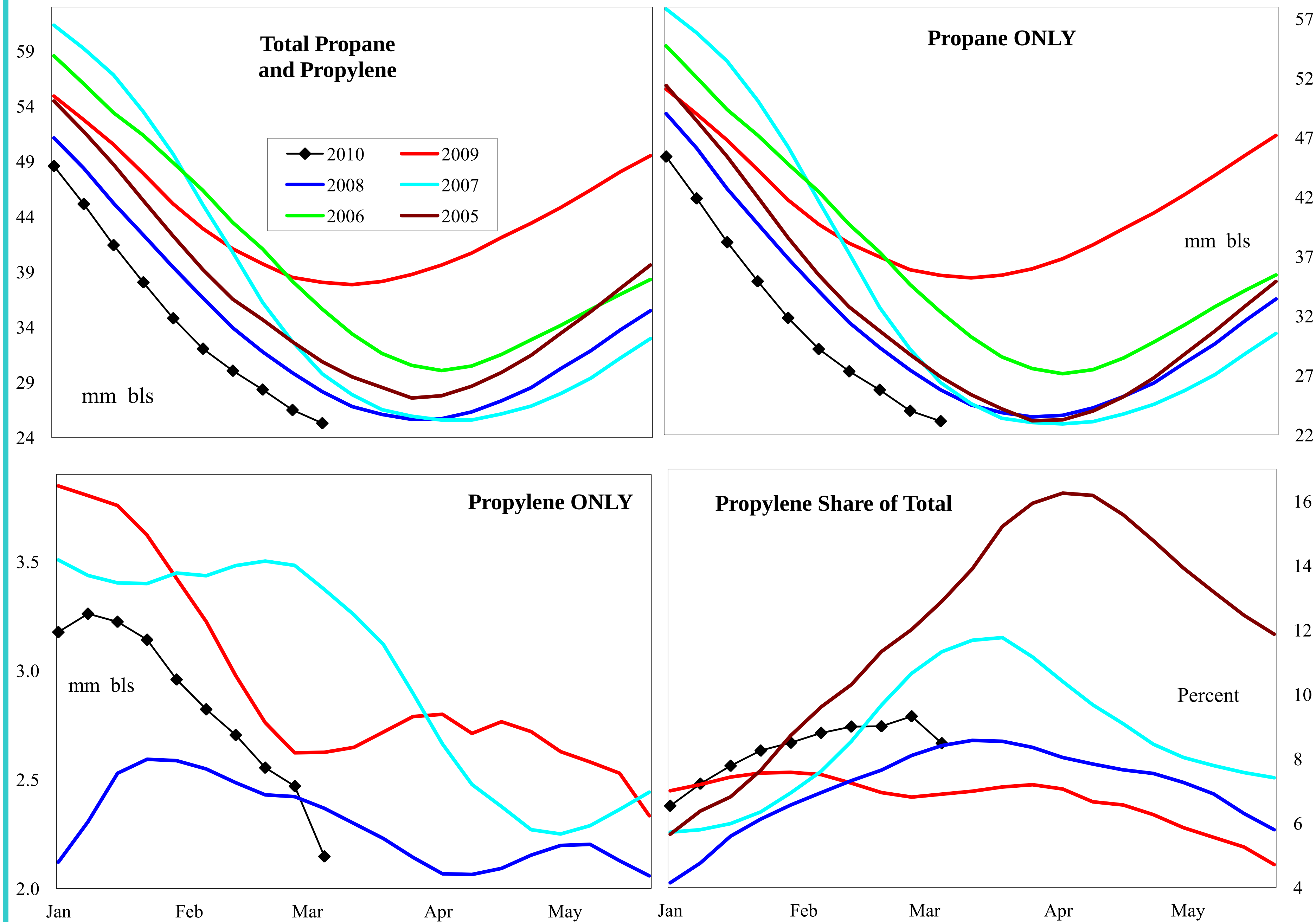
# PADDs 4 and 5 Propane Supply and Demand Balance




| 4 wk avg variance prior year | Stocks | 4wk stk | Prod | Imports | Prod + Imp - Stk chg |
|---|---|---|---|---|---|
| 000 bpd (000 bls stks) | -287 | 109 | -86 | -43 | -130 |
| % change | -29.6 | -31.5 | -57.1 | -80.4 | -61.2 |

# U. S. Propane and Propylene Stocks




| Variance to prior year | Total | Propane ONLY | Propylene ONLY |
|---|---|---|---|
| 000 bls | -12,437 | -12,101 | -478 |
| % change | -33.0 | -34.3 | -18.2 |



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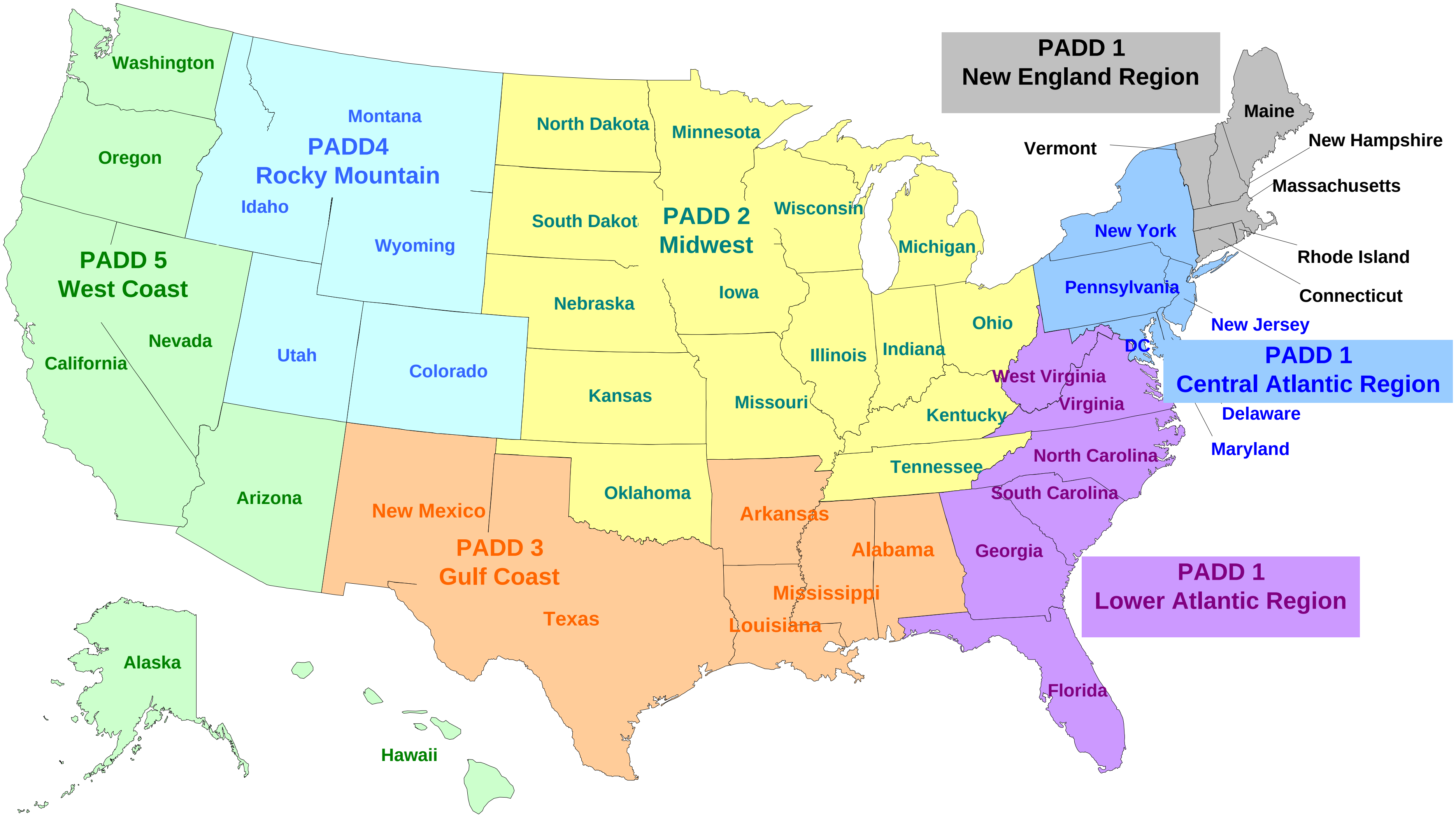
# U. S. Petroleum Administrative for Defense Districts (PADDs)



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