

**FUNDAMENTAL
PETROLEUM
TRENDS**

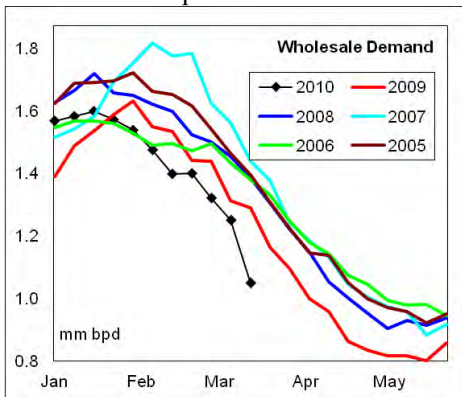
WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

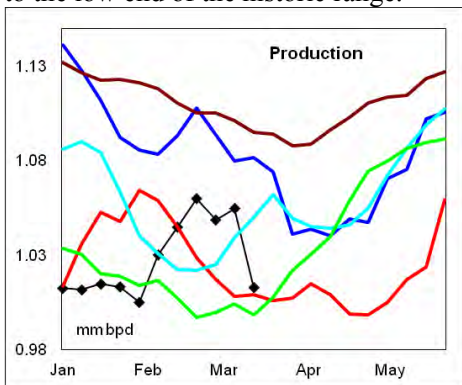
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Wednesday, March 03, 2010



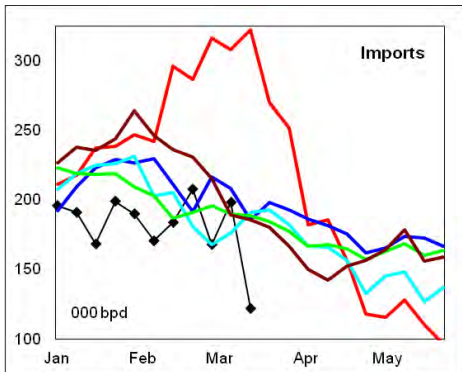
Summary¹: Wholesale demand decreased -389,000 bpd last week with an end to the heating season and slowdown in exports.



Production fell -75,000 bpd on the week, to the low end of the historic range.



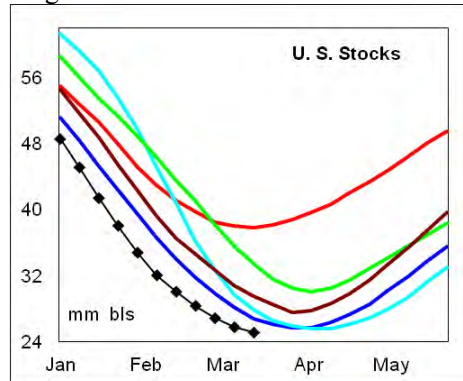
Imports also fell -118,000 bpd with the decline concentrated in PADDs 1 and 2.



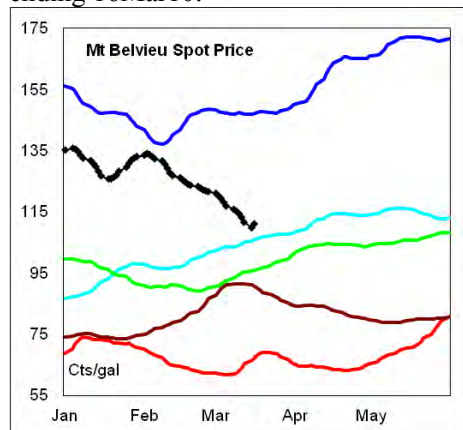
Combined production and imports during the last 4-wk period were -99,000 bpd below last year. Imports fell -158,000 bpd during the period, partially offset by a +59,000 bpd rise in

production. The lower supply compares to a -82,000 bpd decrease in demand for the same period.

Stocks decreased -0.2 million barrels on the week, with only PADD 1 experiencing a decline. The 4-wk stock change was a draw of -5 million barrels, less than four of the last five years. Stock levels remain below the five year range.



Price and Spreads Mt Belvieu prices decreased -6 cts/gal while Conway prices declined -4 cts/gal for the week ending 16Mar10.

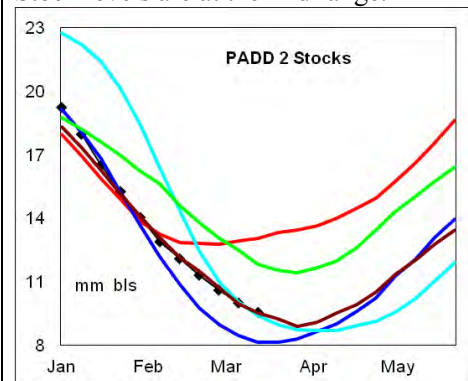


The Conway - Mt Belvieu price spread declined on the week in favor of Conway for the week ending 16Mar10. The spread ended the week near the mid range.

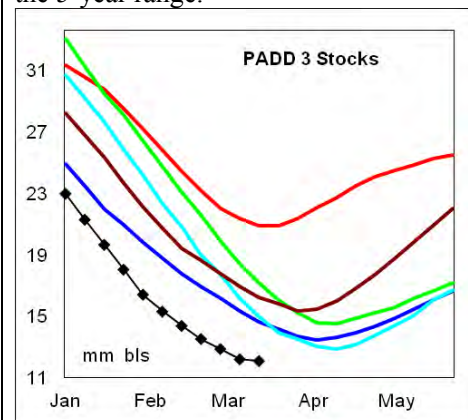
The propane to natural gas price spread traded sideways during the week, ending near record highs. The propane / crude oil price spread extended the recent downtrend on strength in crude oil prices, ending at a level matching the 5-year low.

PADD 1 stocks decreased -0.3 million

barrels on the week as a result of a -85,000 bpd decline in supply on the week. Production and imports each fell below the 5-year range. Stock levels were at the low end of the historic range. PADD 2 stocks were unchanged on the week. A -53,000 bpd drop in imports was partially offset by a +20,000 bpd rise in production. Combined production and imports were +30,000 bpd above last year for the latest 4-wk period. The most recent 4-wk stock draw of -2.6 million barrels matched the mid range. Stock levels are at the mid range.



PADD 3 stocks decreased -0.1 million barrels last week. Production declined -64,000 bpd on the week, to the mid range. Stock levels remain well below the 5-year range.



PADDs 4 & 5 stocks were unchanged on the week. Stock levels are at the low end of the historic range.

Emerging Trends confirm the heating season is over and exports are slowing. Imports have also dropped sharply. Relative to weak demand supplies are ample. Expect price weakness during the spring quarter.

¹ Source is latest EIA Weekly Statistics



PROPANE: Graph Link and Weekly Summary

March 17, 2010

Fundamental Trends for the Week Ending:

Friday, March 12, 2010

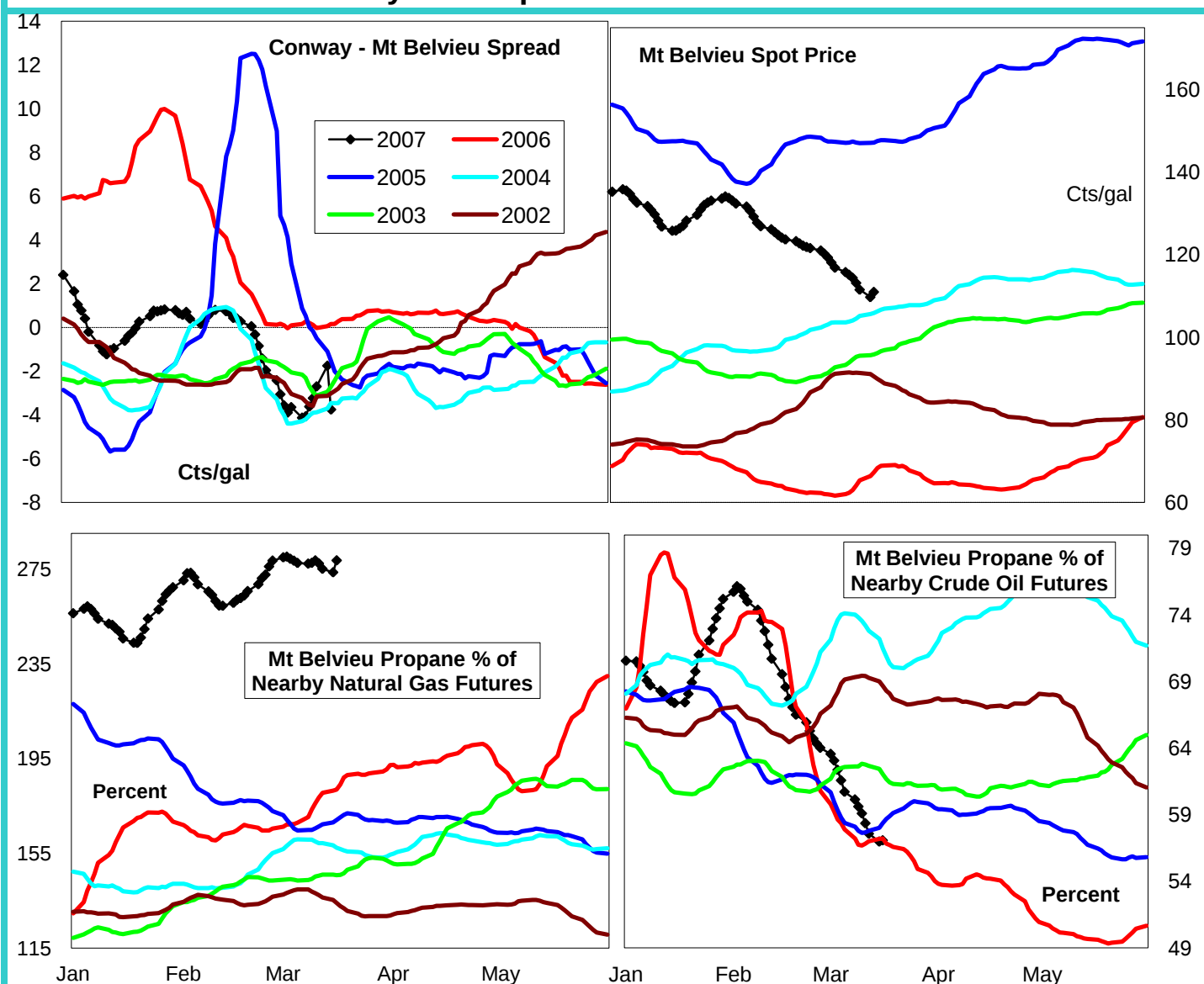
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD				U.S. Total	PADD			
		1	2	3	4&5		1	2	3	4&5
Stocks	25,100	2,308	9,542	12,520	730	-208	-290	1	32	49
Propylene Stocks	2,185					38				
Production	1,013	40	256	657	60	-75	-18	20	-64	-13
Imports	122	24	91	0	7	-118	-67	-53	0	2
Whsle Demand	1,079					-389				

Price Trends for the Week Ending:

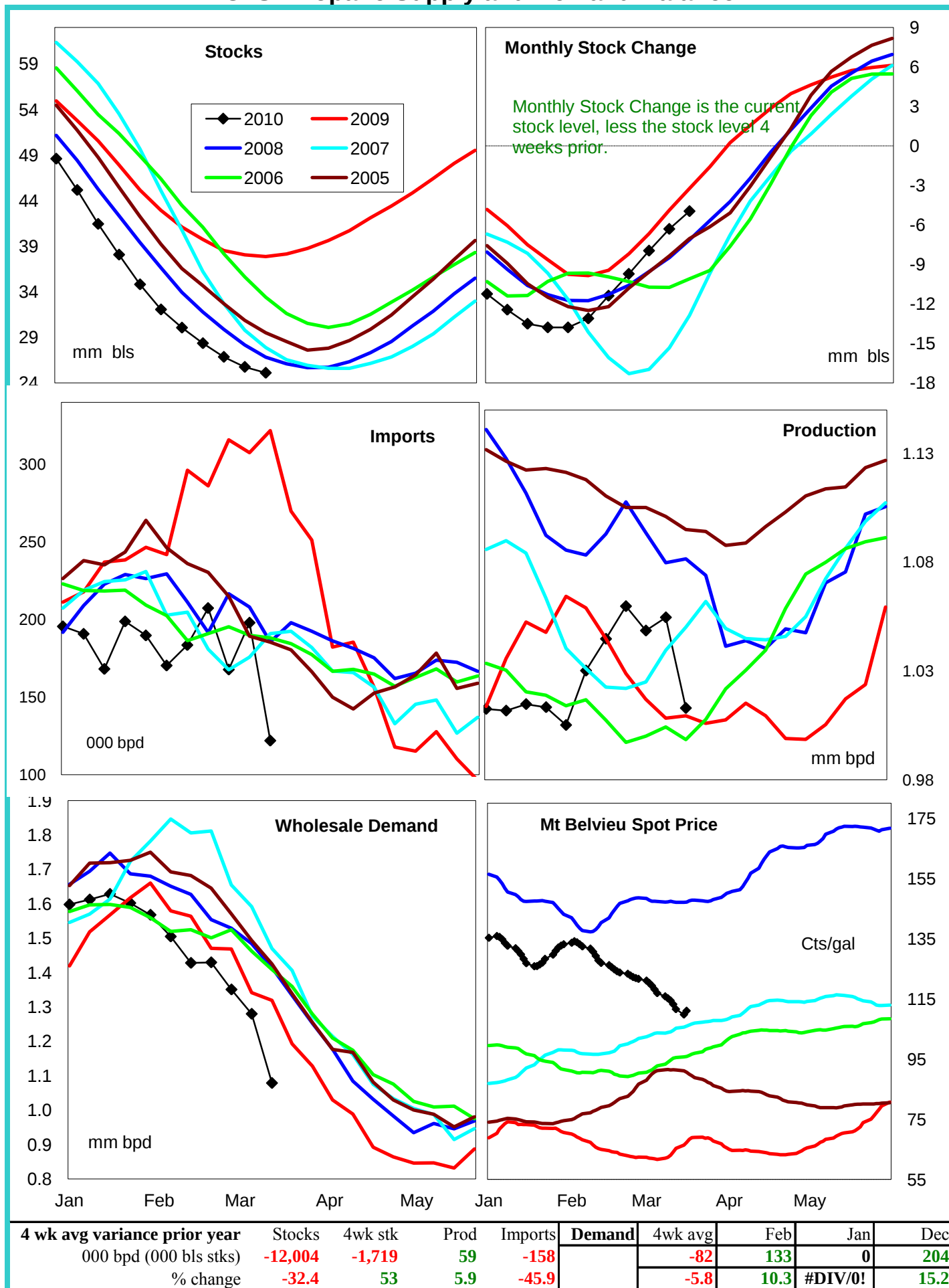
Tuesday, March 16, 2010

Cents/gal	Average for week ending:				Change from:			% change from:		
	3/16/10	3/9/10	2/16/10	3/6/09	3/9/10	2/16/10	3/6/09	3/9/10	2/16/10	3/6/09
Mont Belvieu Spot	111.6	118.3	125.4	63.8	-6.76	-7.09	61.59	-5.7	-5.7	96.5
Conway Spot	108.9	113.3	125.1	63.9	-4.45	-11.80	61.20	-3.9	-9.4	95.8

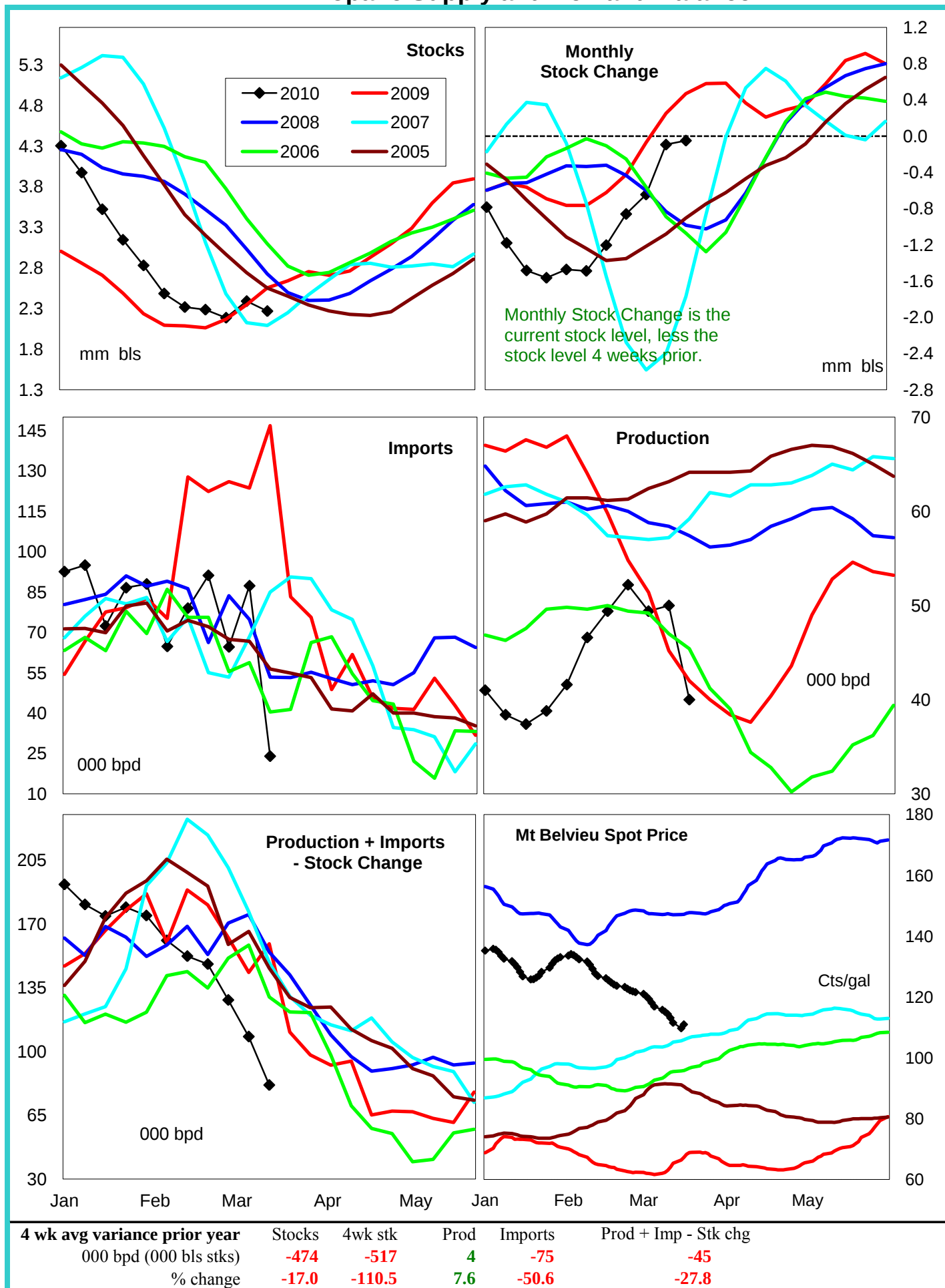
Key Price Spreads and Differentials



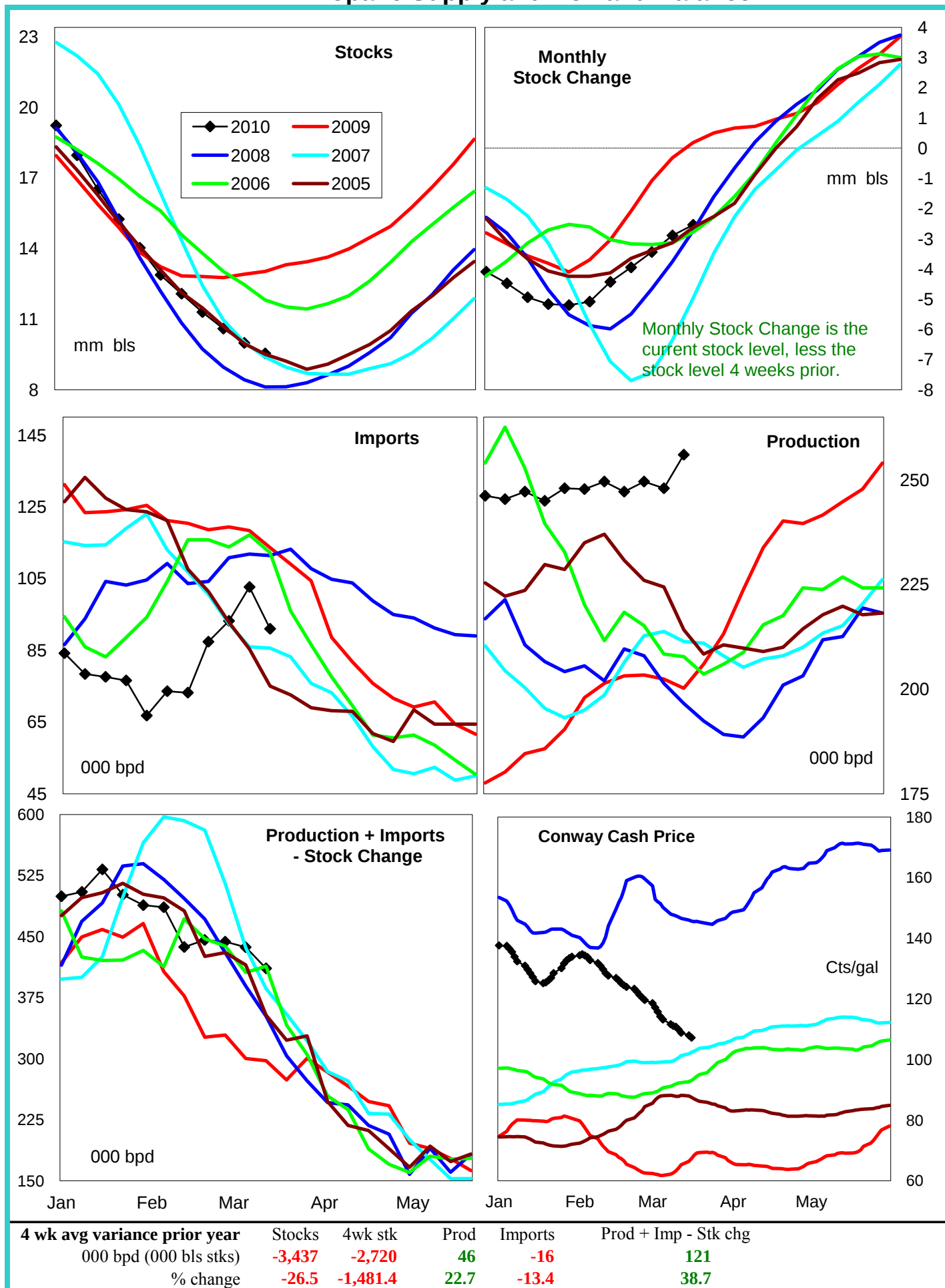
U. S. Propane Supply and Demand Balance



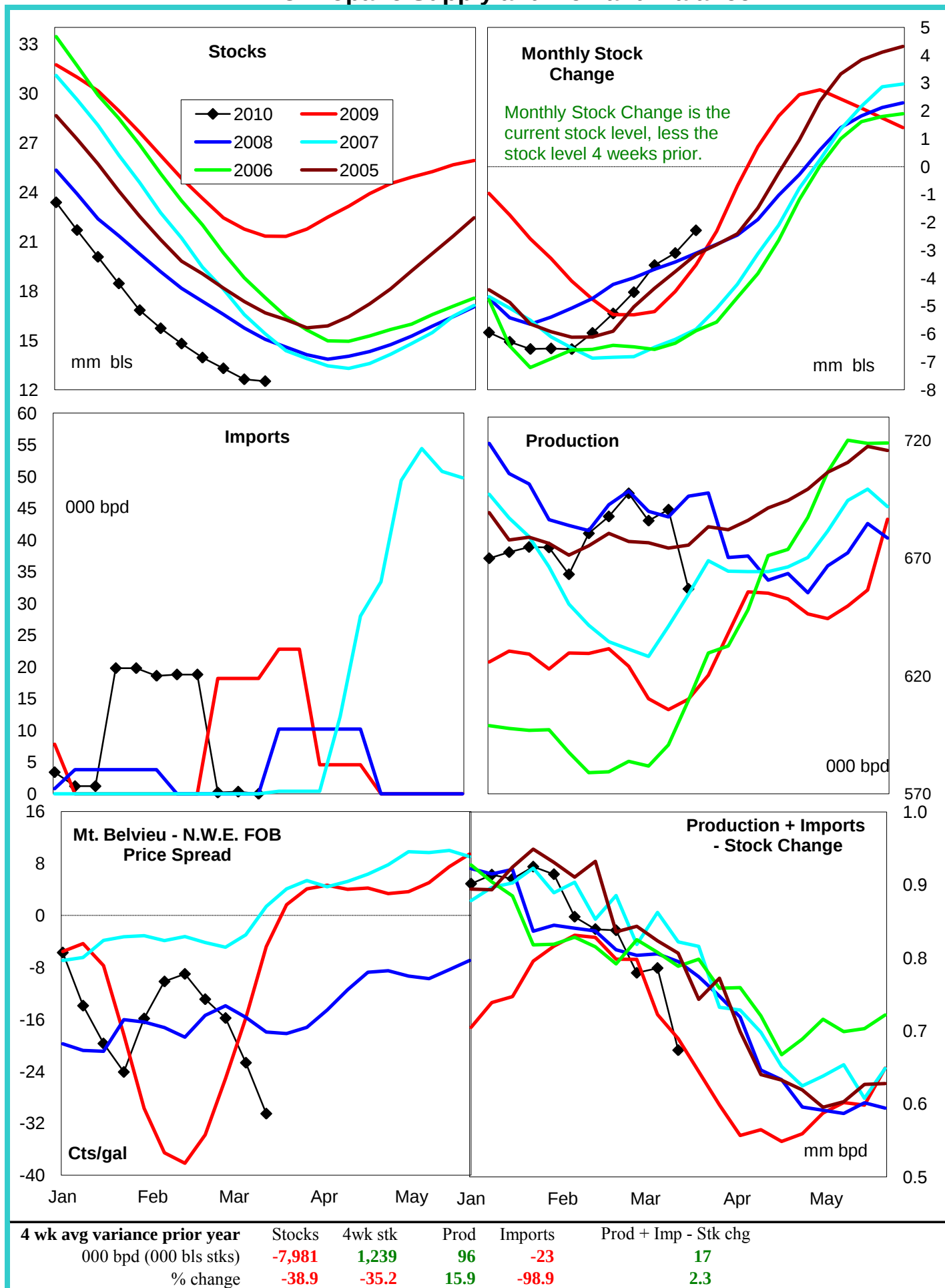
PADD 1 Propane Supply and Demand Balance



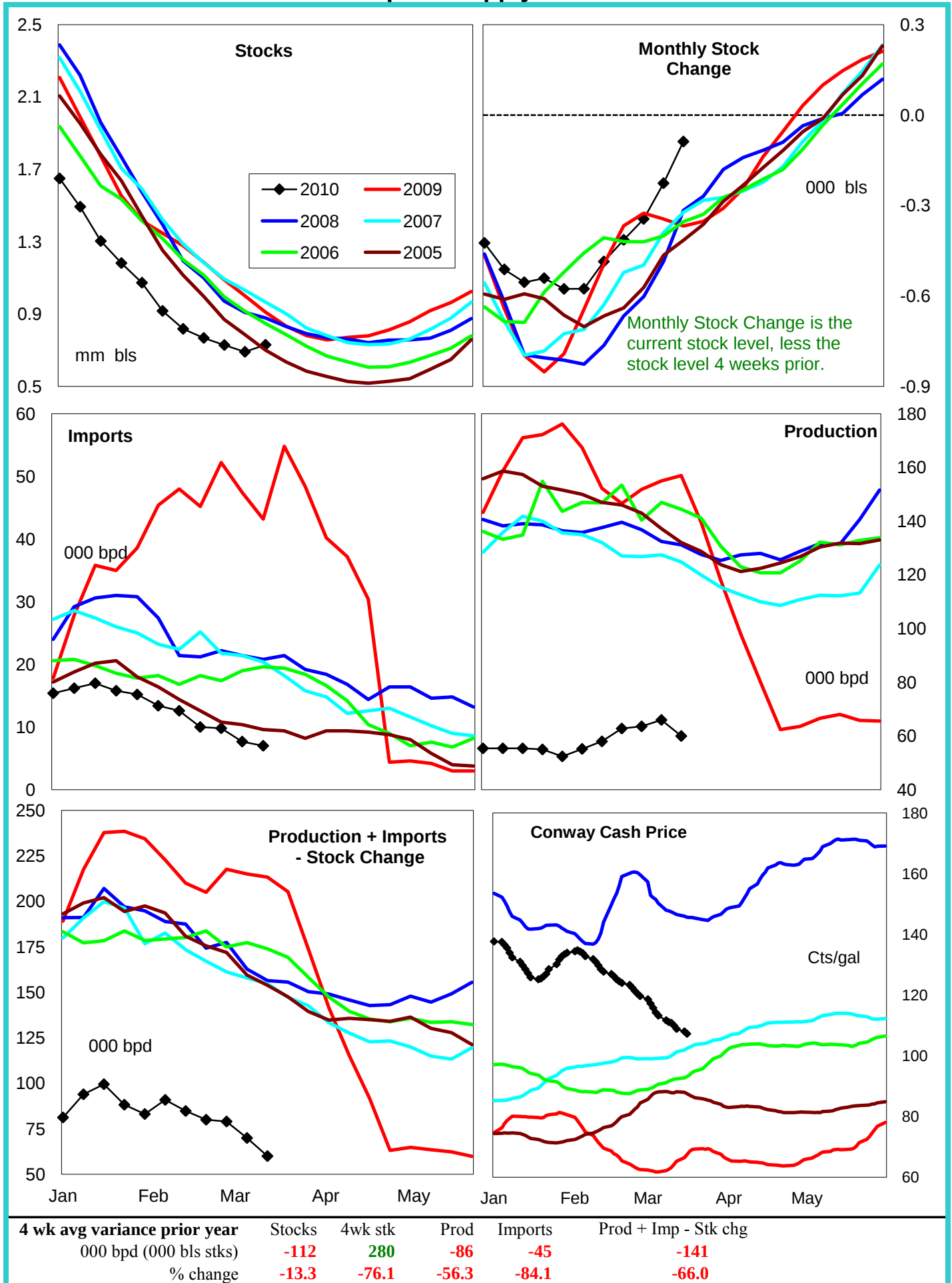
PADD 2 Propane Supply and Demand Balance



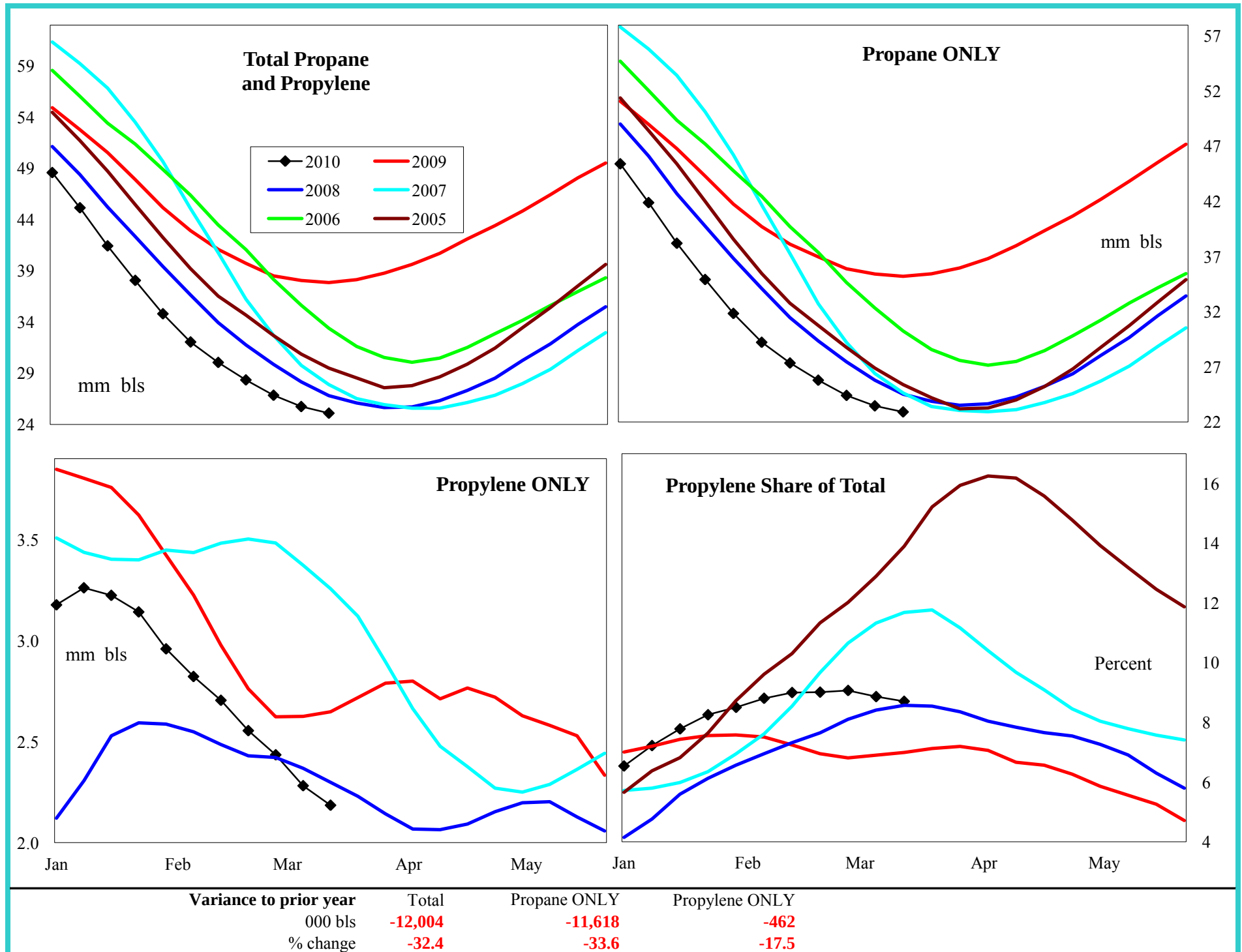
PADD 3 Propane Supply and Demand Balance



PADDs 4 and 5 Propane Supply and Demand Balance



U. S. Propane and Propylene Stocks



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

