

**FUNDAMENTAL
PETROLEUM
TRENDS**

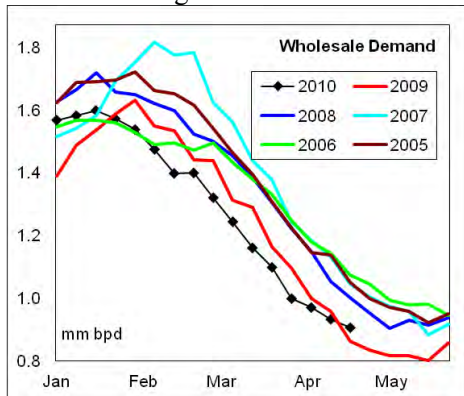
WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

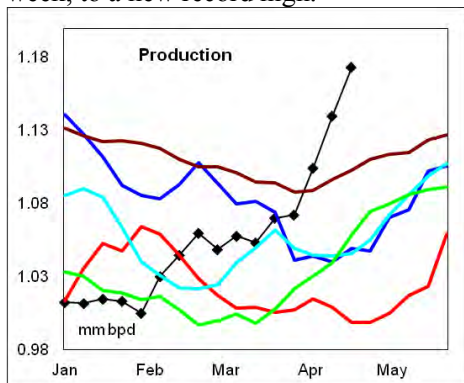
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Wednesday, April 21, 2010



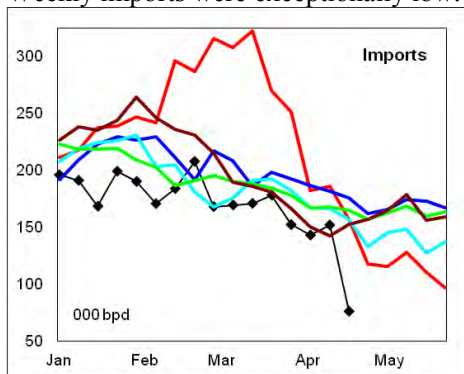
Summary¹: Wholesale demand declined -33,000 bpd last week, to the low end of the historic range.



Production increased +75,000 bpd on the week, to a new record high.



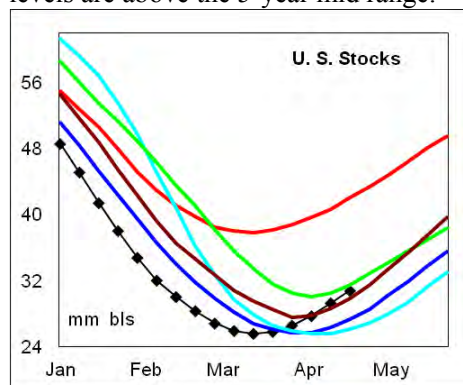
Imports declined -35,000 bpd with the decline concentrated in PADD 2. Weekly imports were exceptionally low.



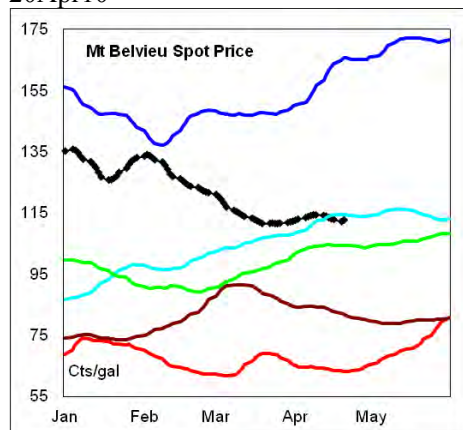
Combined production and imports during the latest 4-wk period were +74,000 bpd above a year ago. Imports declined -35,000 bpd during the period, offset by a +109,000 bpd rise in

production. The latest 4-wk average demand was -33,000 bpd below a year ago.

Stocks increased +1.7 million barrels on the week, with builds all regional markets. The latest 4-wk stock change was a build of 5 million barrels, a record build for this time of year. Stock levels are above the 5-year mid range.



Price and Spreads Mt Belvieu prices decreased -3/4 ct/gal while Conway increased +1/4 ct/gal for the week ending 20Apr10



The Conway – Mt Belvieu price spread trended slightly higher for the week ending 20Apr10. The spread ended the week at the low end of the 5-year range.

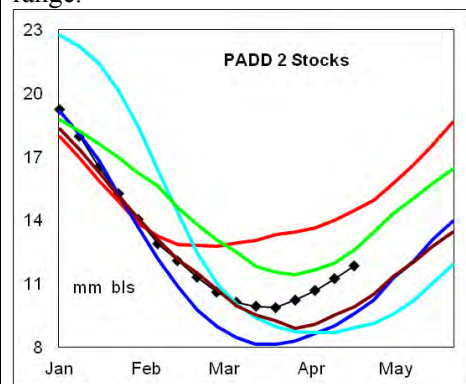
The propane to natural gas price spread traded flat on the week. The level remains exceptionally high in favor of propane.

The propane / crude oil price spread traded sideways last week, ending at the low end of the historic range.

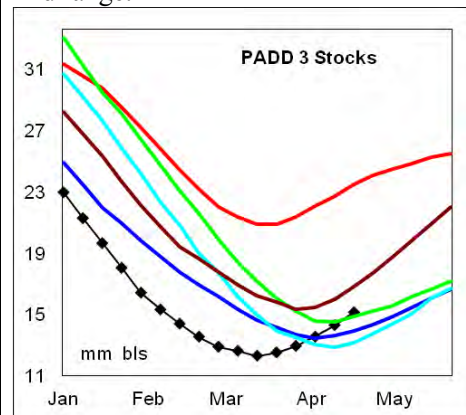
PADD 1 stocks increased +0.2 million barrels on the week. Combined production and imports were below the

mid range on low imports. Stock levels were below the mid range.

PADD 2 stocks increased +0.5 million barrels last week. Combined imports and production decreased -41,000 bpd last week on a drop in imports. Supply was +35,000 bpd above last year for the latest 4-wk period. The most recent 4-wk stock build of +2 million barrels was a record build for this time of year. Stock levels are now above the mid range.



PADD 3 stocks increased +0.9 million barrels last week. Production jumped +70,000 bpd on the week, to a new record high. Stock levels are above the mid range.



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

Emerging Trends show a record rate of stock building based on the 4-wk change. Record production and weak demand should drive stock levels to the upper end of the historic range by the end of the 2nd quarter. Expect flat to weak prices during the next 60-days.

¹ Source is latest EIA Weekly Statistics



PROPANE: Graph Link and Weekly Summary

April 21, 2010

Fundamental Trends for the Week Ending:

Friday, April 16, 2010

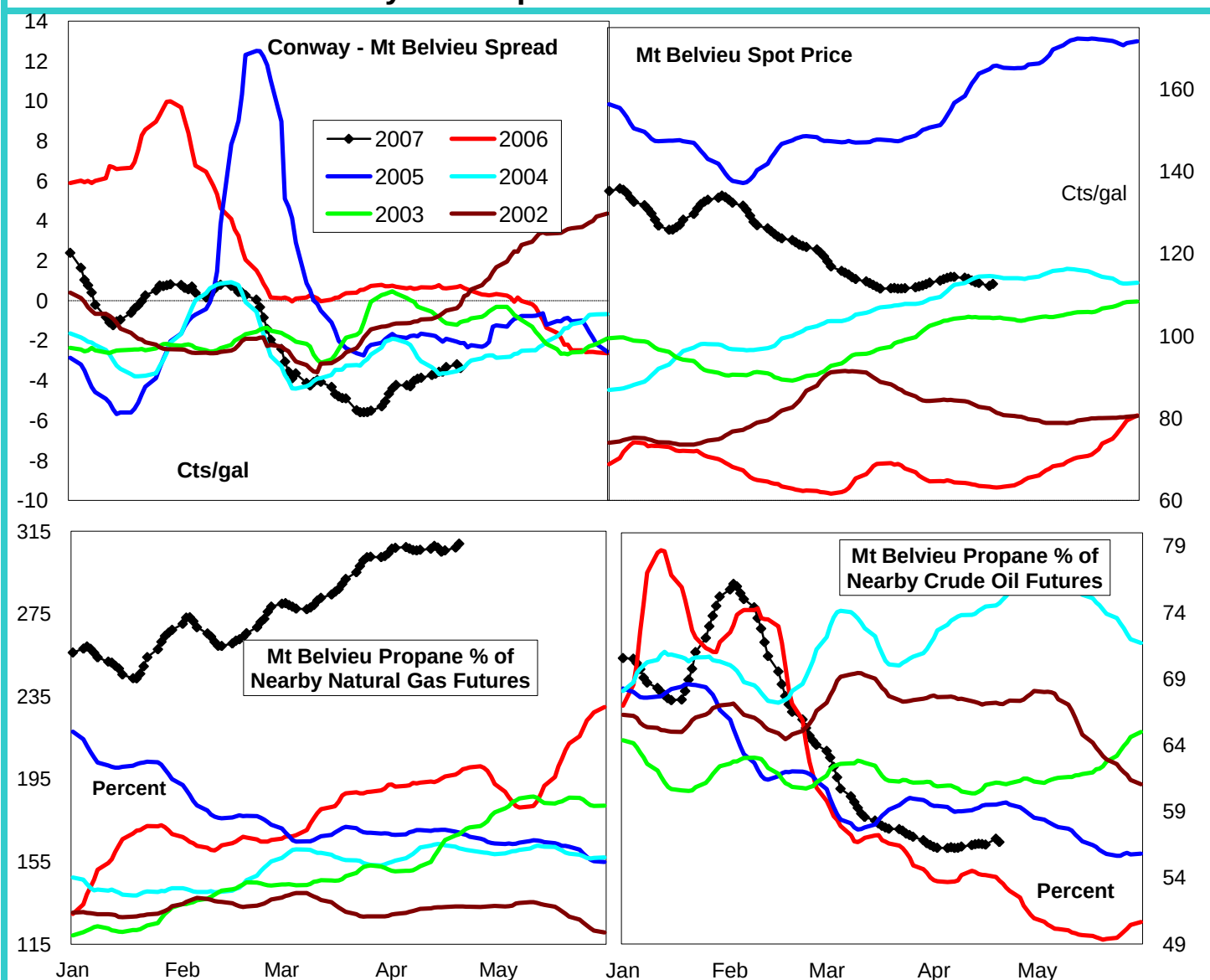
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD				U.S. Total	PADD			
		1	2	3	4&5		1	2	3	4&5
Stocks	30,798	2,787	11,836	15,552	623	1,688	209	525	923	31
Propylene Stocks	2,773					303				
Production	1,173	55	251	802	65	75	7	-6	70	4
Imports	76	16	53	0	7	-35	-3	-35	0	3
Whsle Demand	937					-33				

Price Trends for the Week Ending:

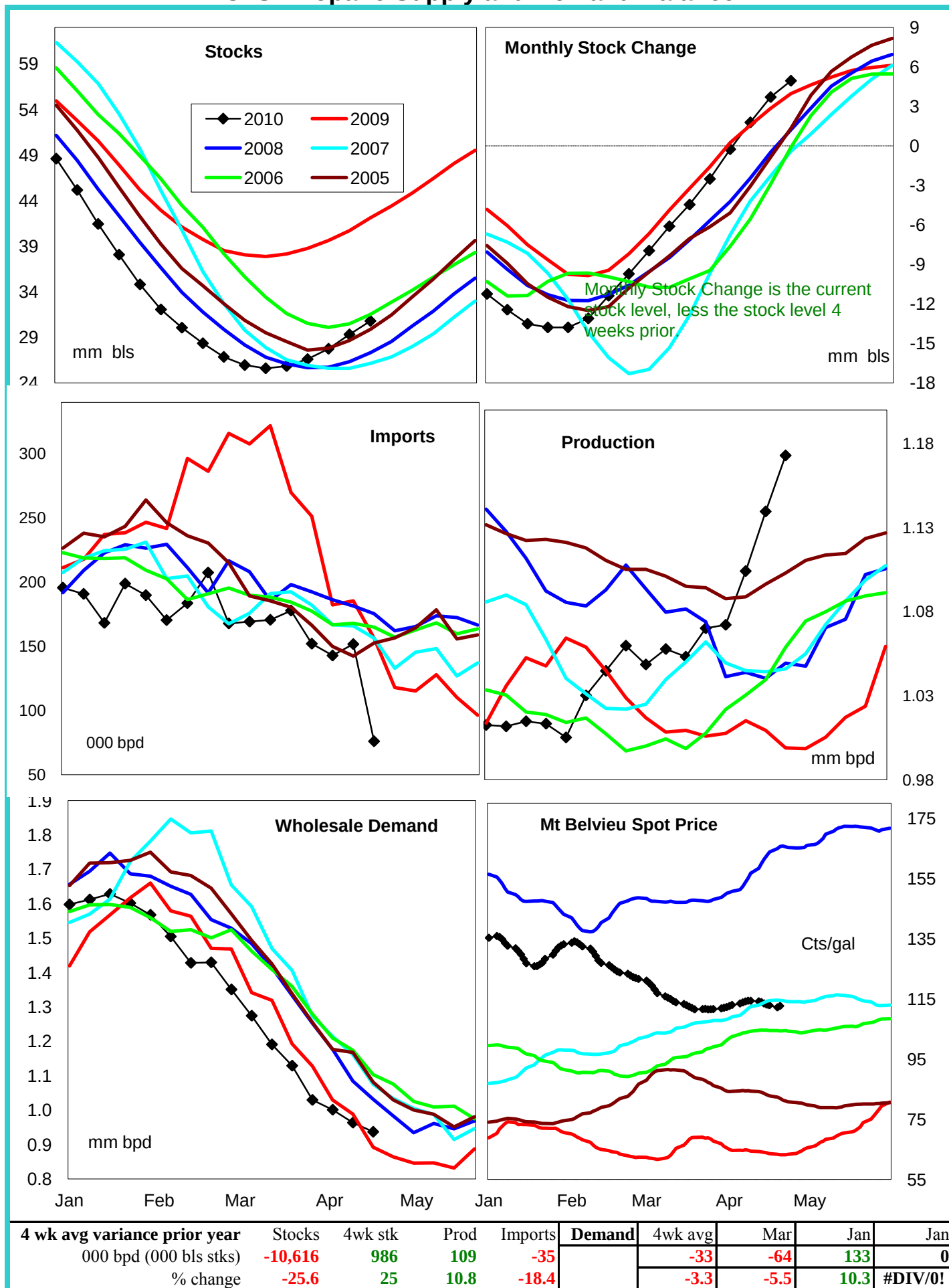
Tuesday, April 20, 2010

Cents/gal	Average for week ending:				Change from:			% change from:		
	4/20/10	4/13/10	3/22/10	4/9/09	4/13/10	3/22/10	4/9/09	4/13/10	3/22/10	4/9/09
Mont Belvieu Spot	112.8	114.5	112.9	63.2	-1.65	1.55	49.74	-1.4	1.4	78.7
Conway Spot	109.5	110.7	106.8	64.1	-1.14	3.85	42.71	-1.0	3.6	66.6

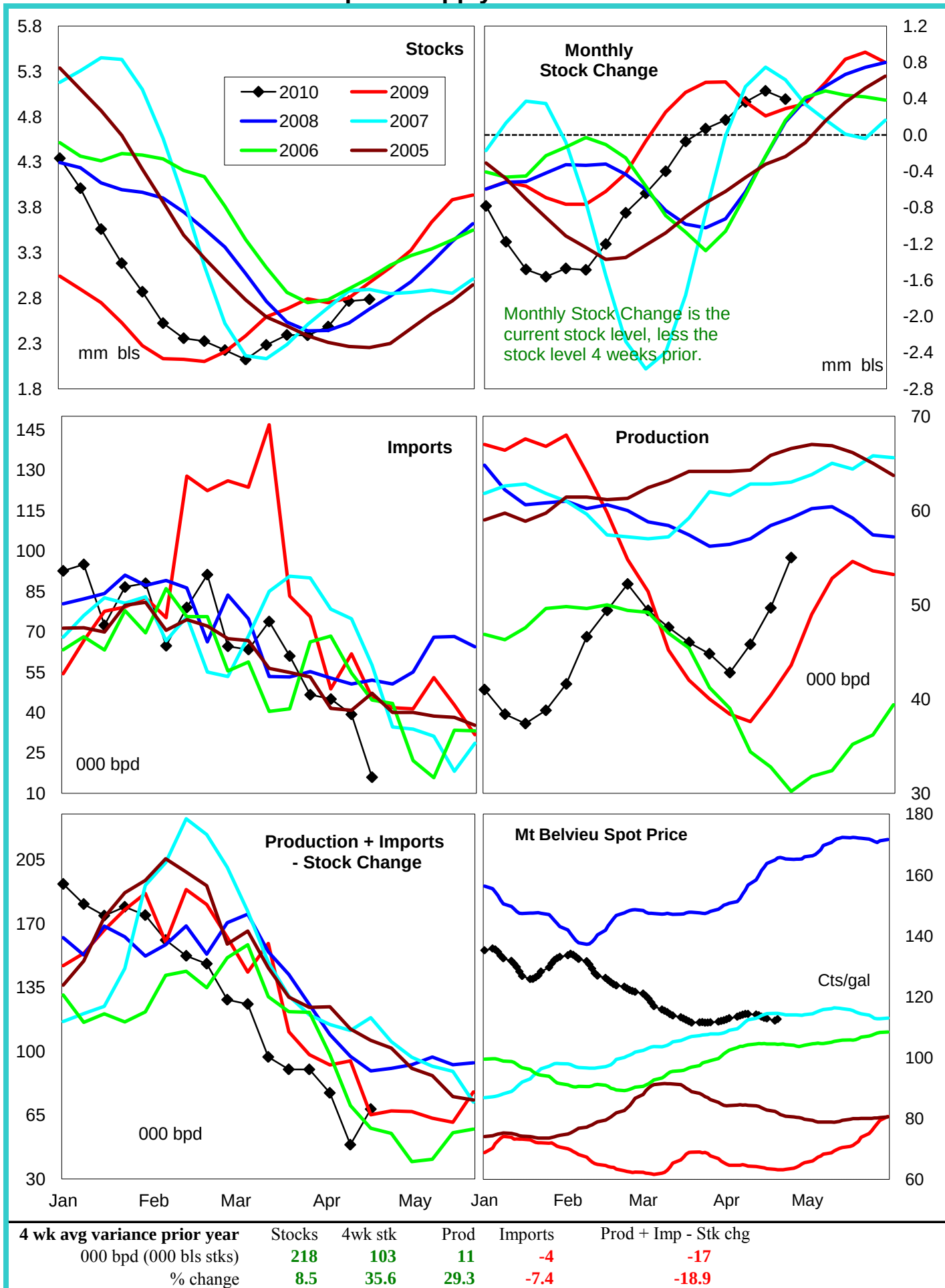
Key Price Spreads and Differentials



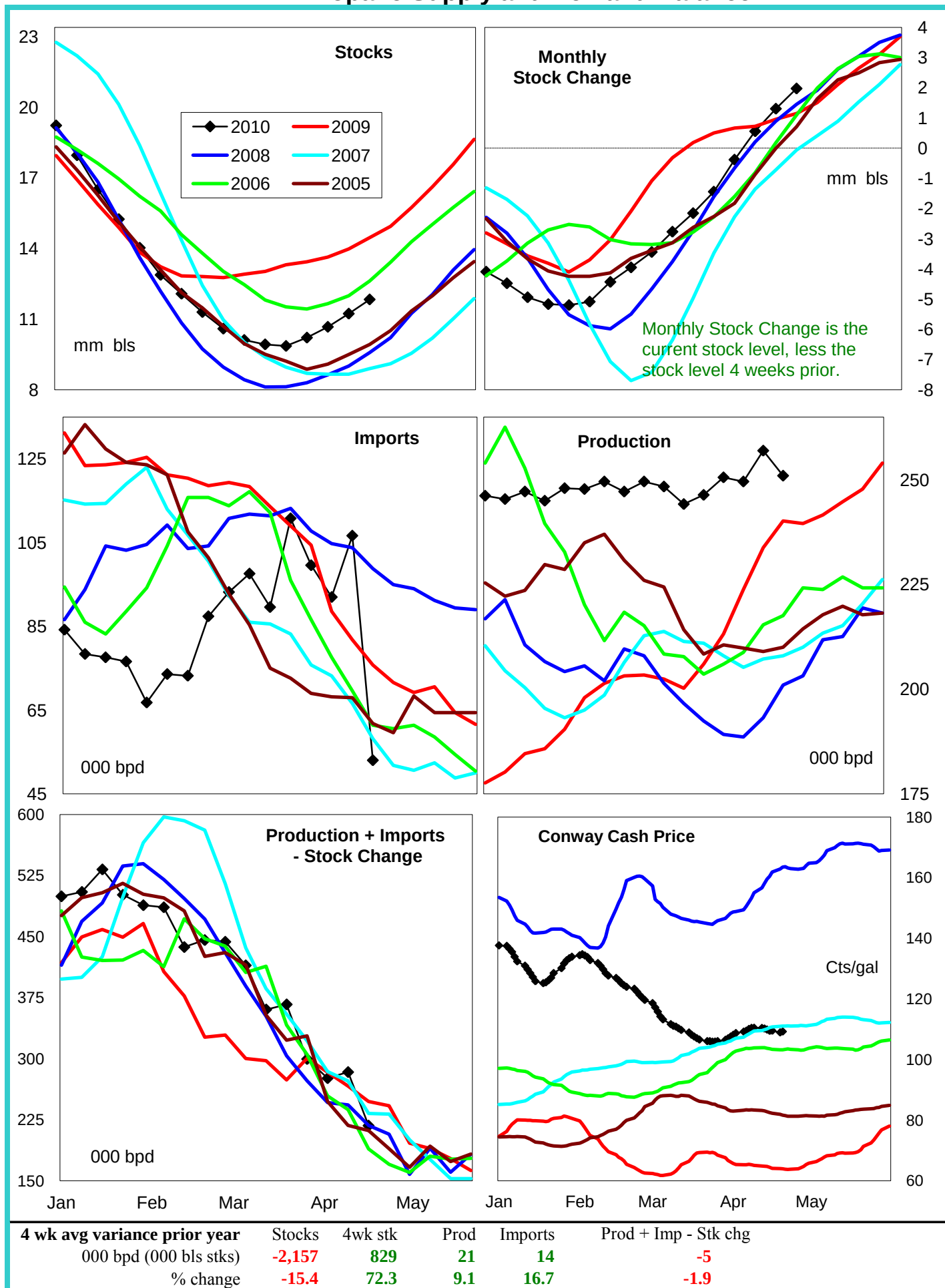
U. S. Propane Supply and Demand Balance



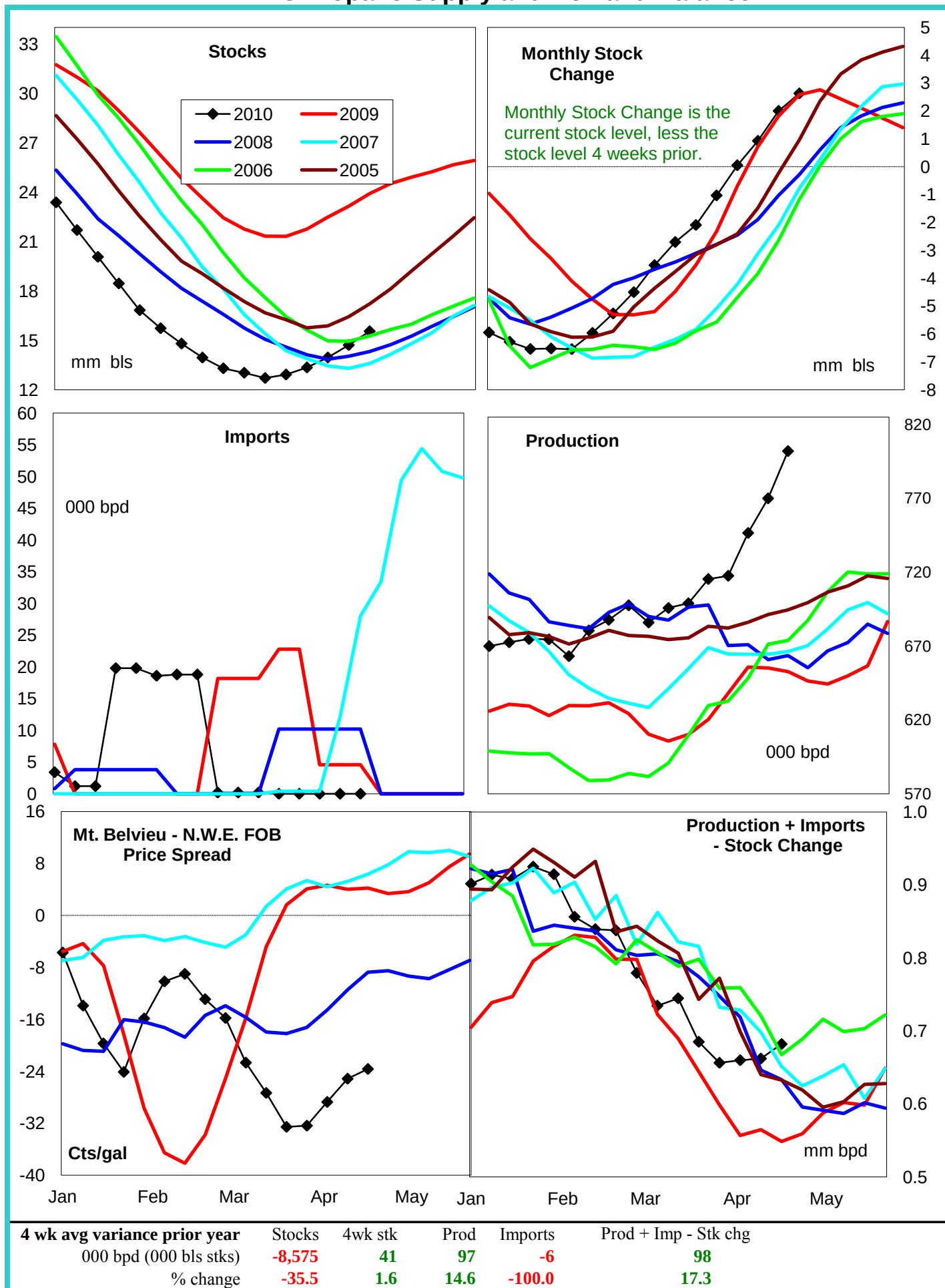
PADD 1 Propane Supply and Demand Balance



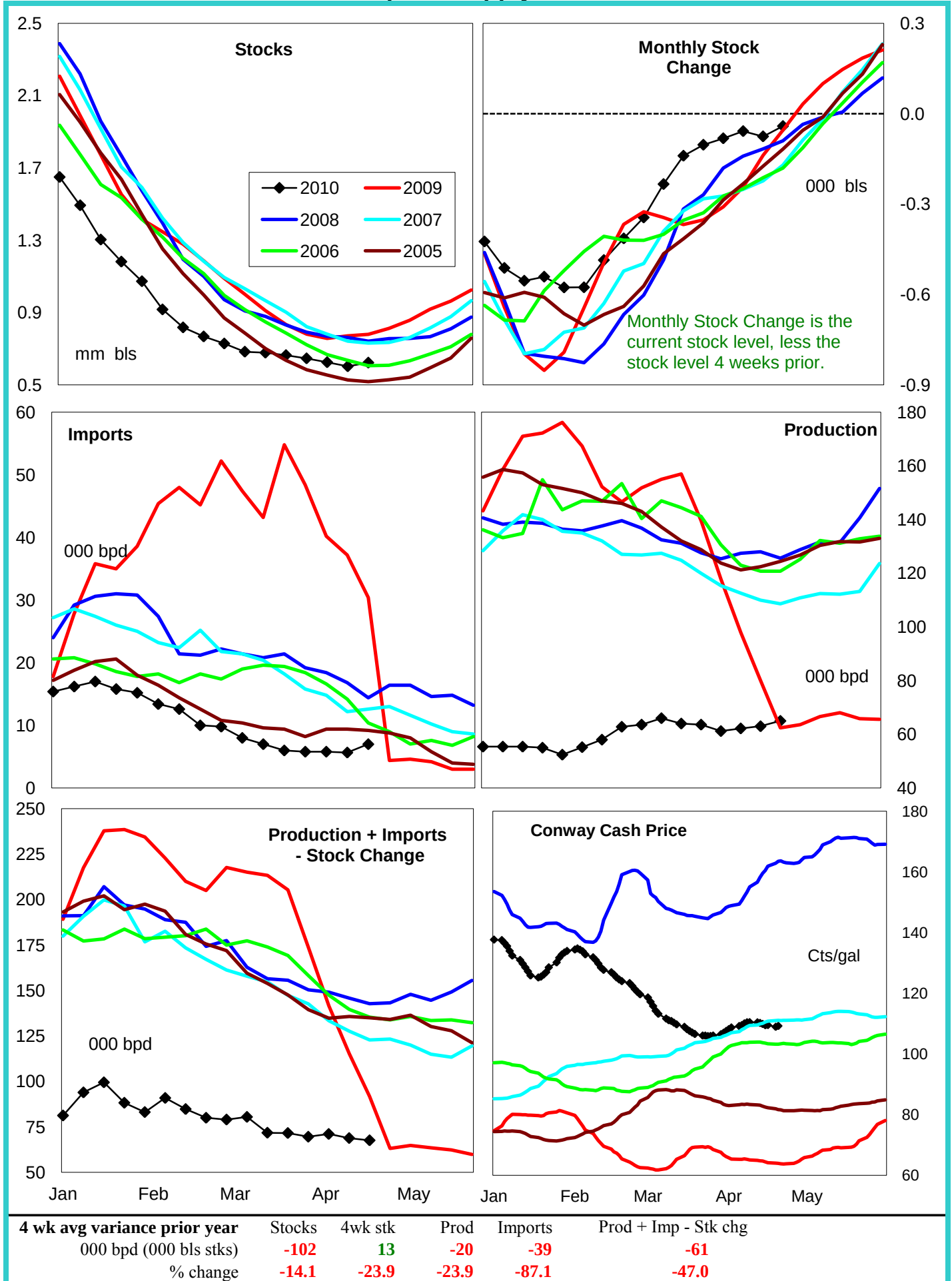
PADD 2 Propane Supply and Demand Balance



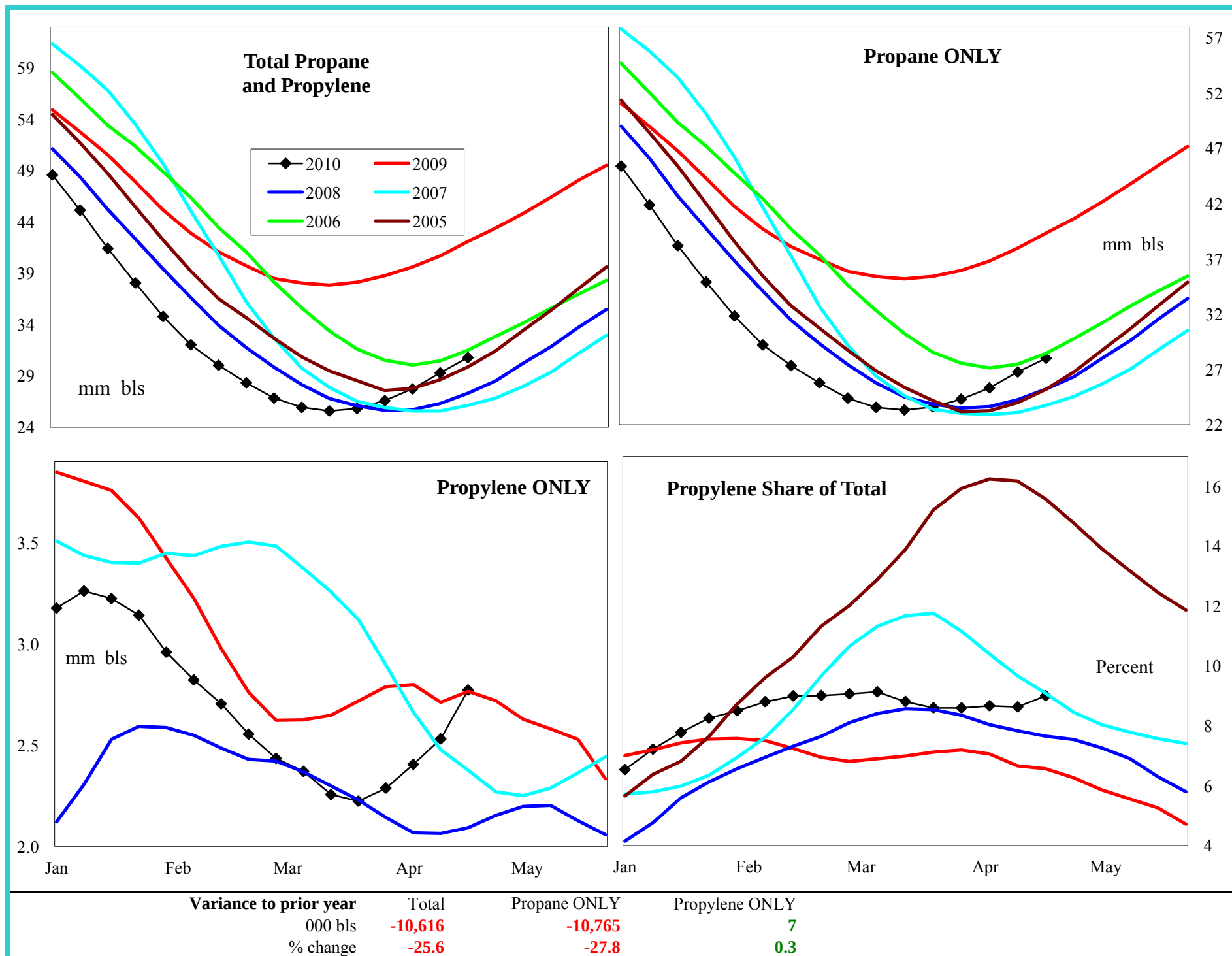
PADD 3 Propane Supply and Demand Balance



PADDs 4 and 5 Propane Supply and Demand Balance



U. S. Propane and Propylene Stocks



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

