

**FUNDAMENTAL
PETROLEUM
TRENDS**

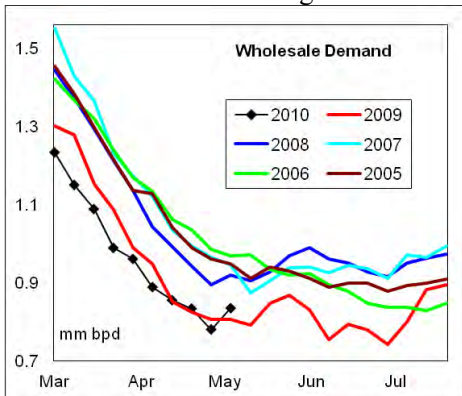
WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

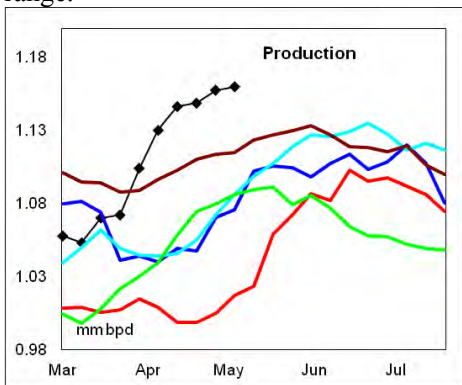
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Wednesday, May 05, 2010



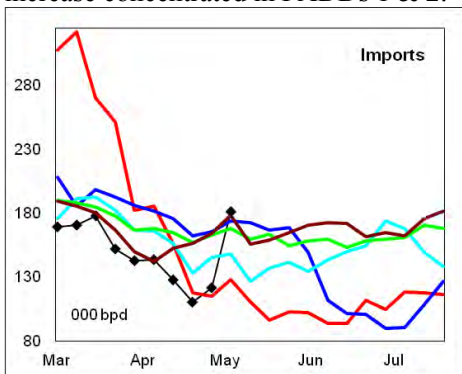
Summary¹: Wholesale demand decreased -20,000 bpd last week, to the low end of the historic range.



Production increased +21,000 bpd on the week, and remains above the historic range.



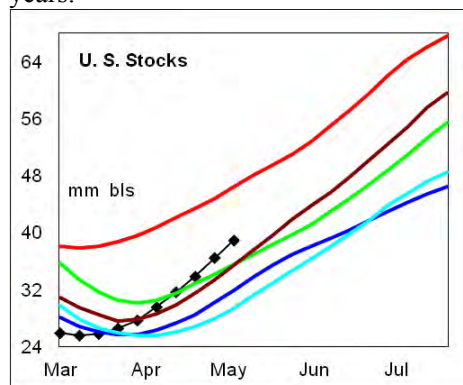
Imports jumped +102,000 bpd with the increase concentrated in PADDs 1 & 2.



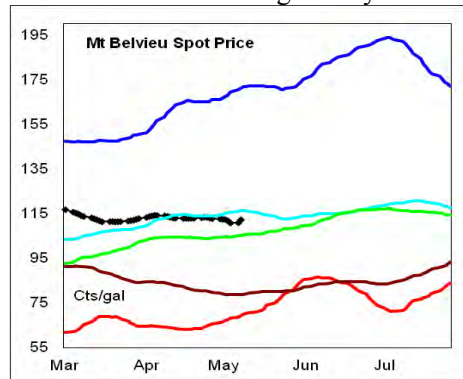
Combined production and imports during the latest 4-wk period were +151,000 bpd above a year ago. Imports declined -9,000 bpd during the period, offset by a +160,000 bpd rise in

production. The latest 4-wk average demand was -7,000 bpd below last year.

Stocks increased +2.8 million barrels on the week, with builds in all regions. The latest 4-wk stock change was a build of 9.3 million barrels, a record build for this time of year. Stock levels are above four of the last five years.



Price and Spreads Mt Belvieu and Conway prices decreased -1.5 cts/gal each for the week ending 11May10.



The Conway – Mt Belvieu price spread trended lower on the week ending 11May10. The spread ended the week below the 5-year range.

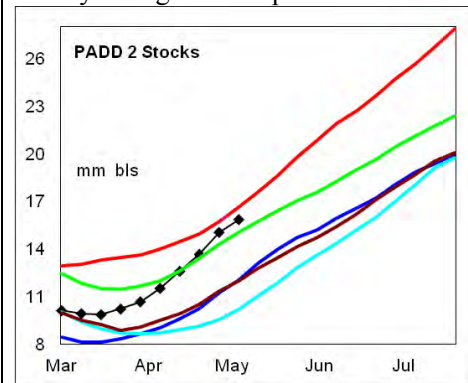
The propane to natural gas price spread trended lower on the week. The level remains exceptionally high in favor of propane.

The propane / crude oil price spread spiked higher on a collapse in prompt month crude oil prices. The level ending the week at the mid range.

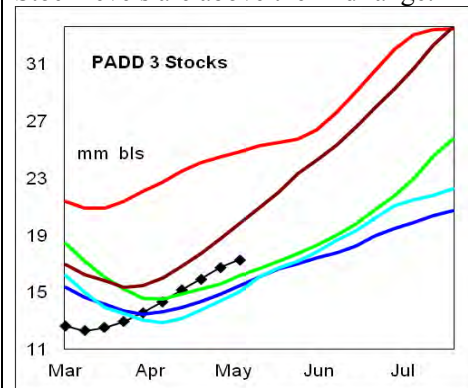
PADD 1 stocks increased +1.6 million barrels on the week. A +90,000 bpd jump in imports contributed to the increase. Production decreased -21,000 bpd to the low end of the historic range.

Combined production and imports are near year ago levels for the latest 4-wk period. Stock levels are at record highs.

PADD 2 stocks increased +0.7 million barrels last week. Combined imports and production increased +6,000 bpd last week. Supply was +25,000 bpd above last year for the latest 4-wk period. The most recent 4-wk stock build of +4.3 million barrels was a record build for this time of year. Stock levels are near the 5-year high for the period.



PADD 3 stocks increased +0.4 million barrels last week. Production increased +53,000 bpd on the week, with the 4-wk average +130,000 bpd above last year. 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 sharp increase in production, which exceeds the 5-year high for the past 6-wks. Stocks continue to build at a record rate with PADD 2 levels near the 5-year high for the period. These trends should lead price weakness over the next 60-days.

¹ Source is latest EIA Weekly Statistics



PROPANE: Graph Link and Weekly Summary

May 12, 2010

Fundamental Trends for the Week Ending:

Friday, May 07, 2010

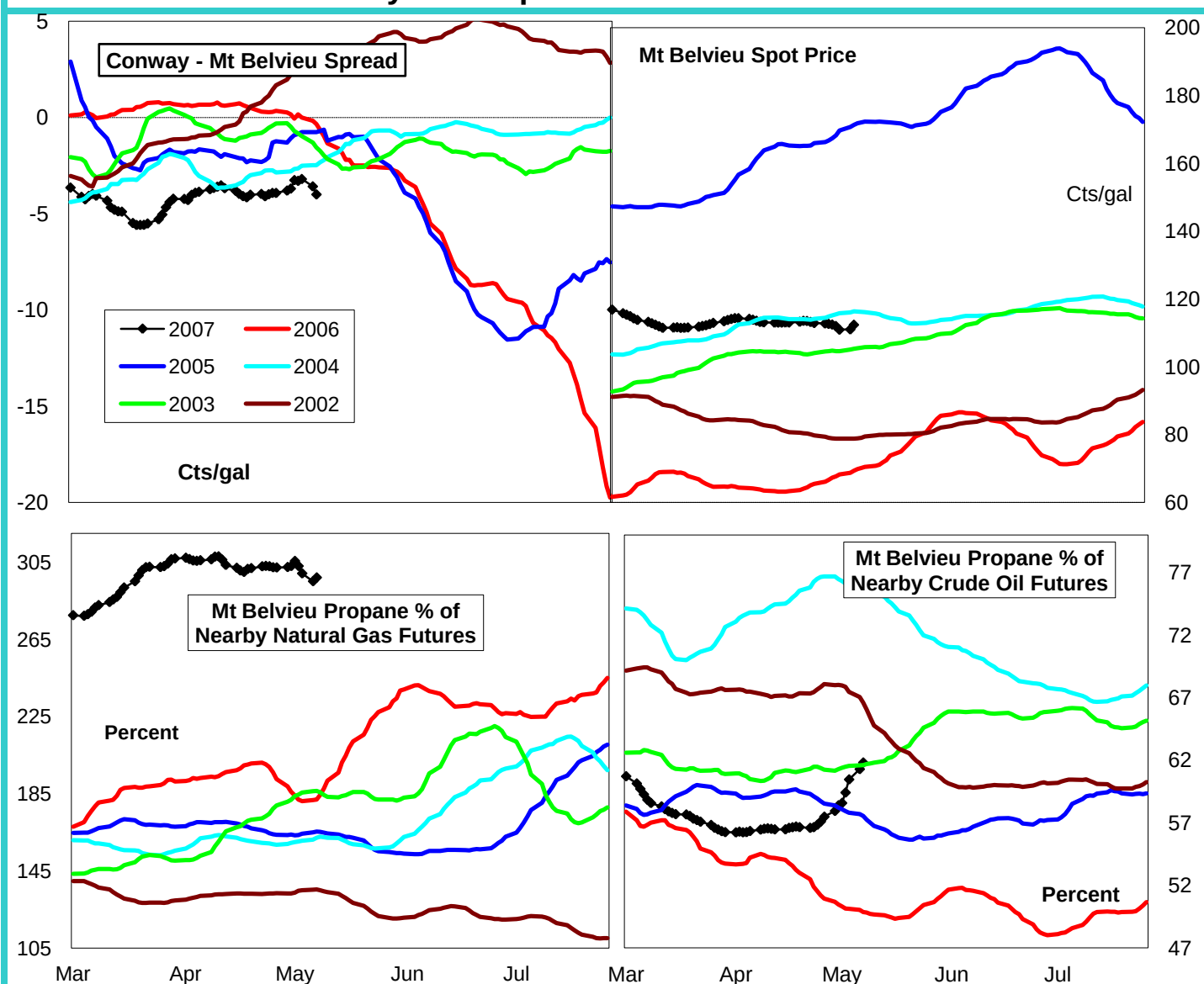
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD				U.S. Total	PADD			
		1	2	3	4&5		1	2	3	4&5
Stocks	38,942	4,705	15,861	17,681	695	2,764	1,628	666	428	42
Propylene Stocks	3,033					-31				
Production	1,160	38	274	781	67	21	-21	-12	53	1
Imports	181	108	68	0	5	102	90	18	-7	1
Whsle Demand	875					-20				

Price Trends for the Week Ending:

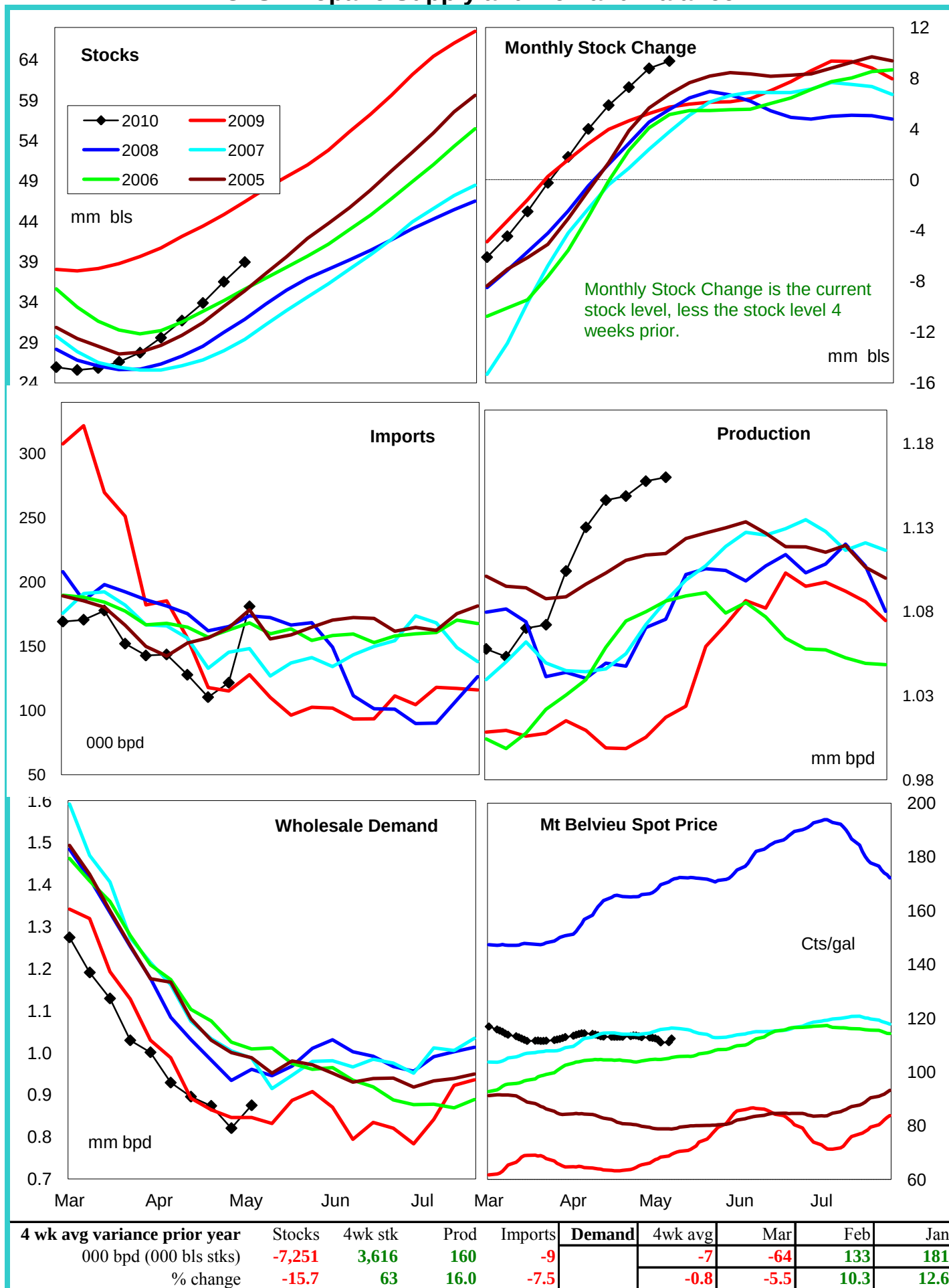
Tuesday, May 11, 2010

Cents/gal	Average for week ending:				Change from:			% change from:		
	5/11/10	5/4/10	4/13/10	5/1/09	5/4/10	4/13/10	5/1/09	5/4/10	4/13/10	5/1/09
Mont Belvieu Spot	110.9	114.1	114.5	68.9	-3.20	-0.35	45.62	-2.8	-0.3	66.2
Conway Spot	107.7	110.4	110.7	69.1	-2.61	-0.30	41.52	-2.4	-0.3	60.1

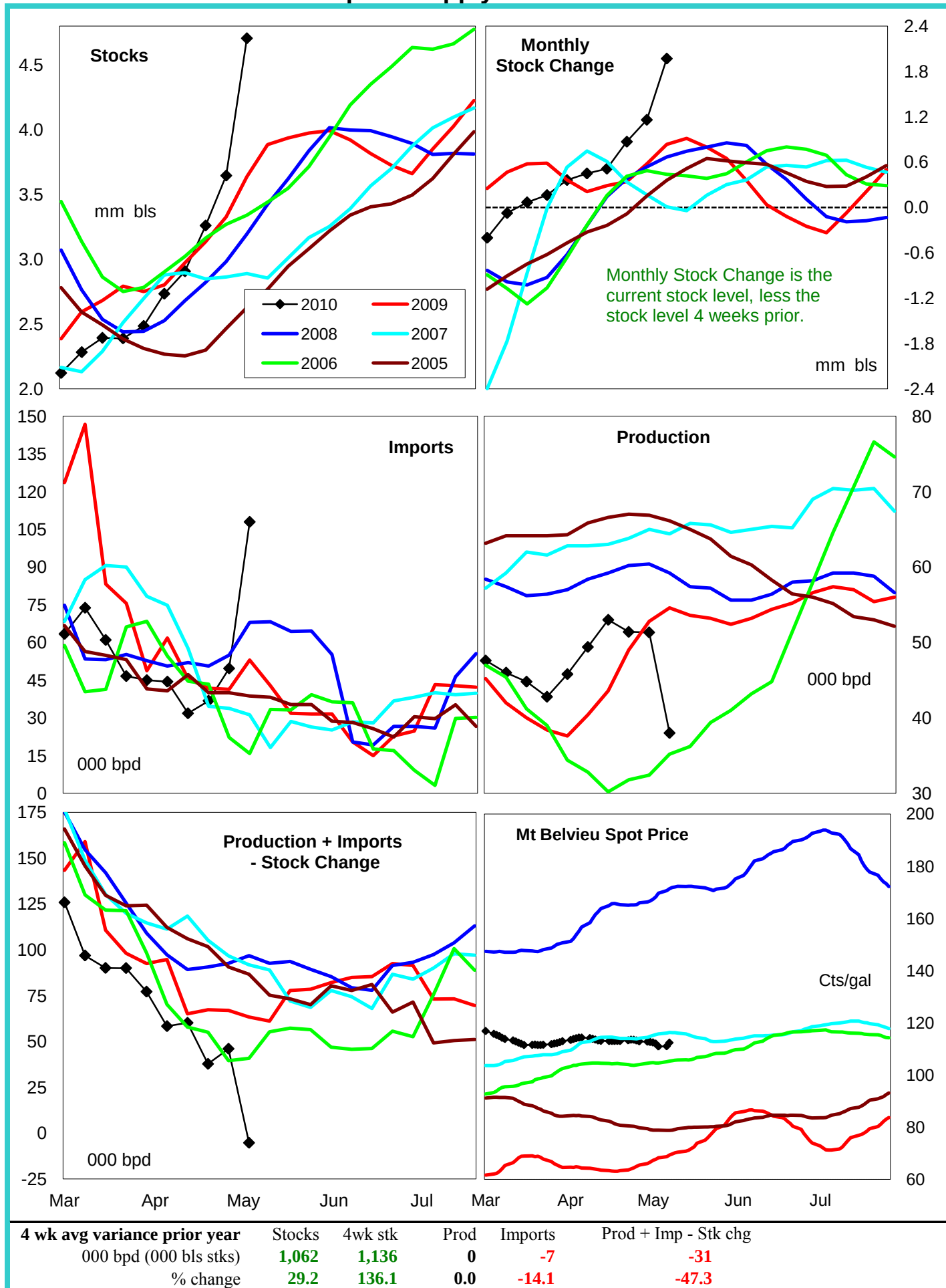
Key Price Spreads and Differentials



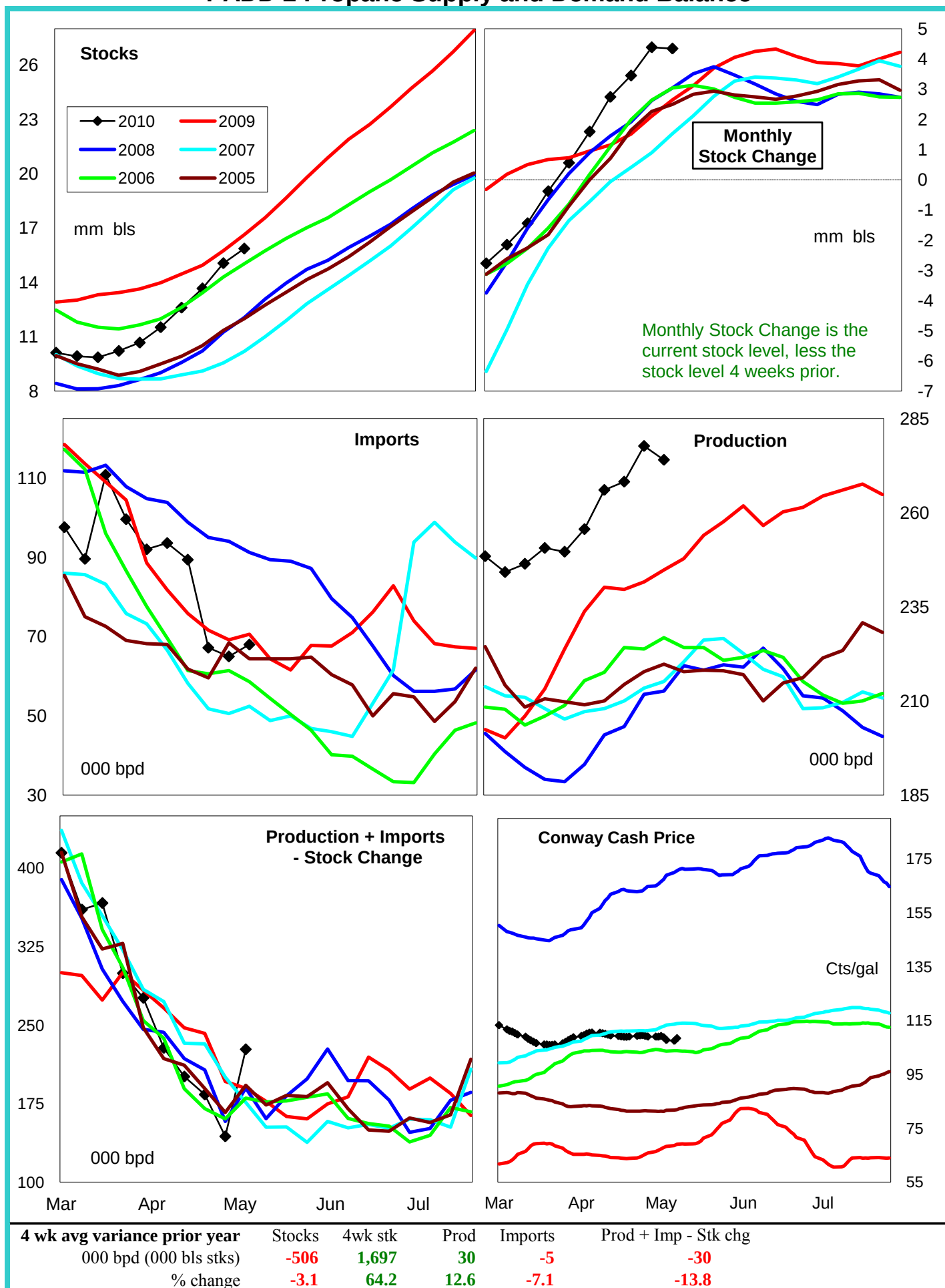
U. S. Propane Supply and Demand Balance



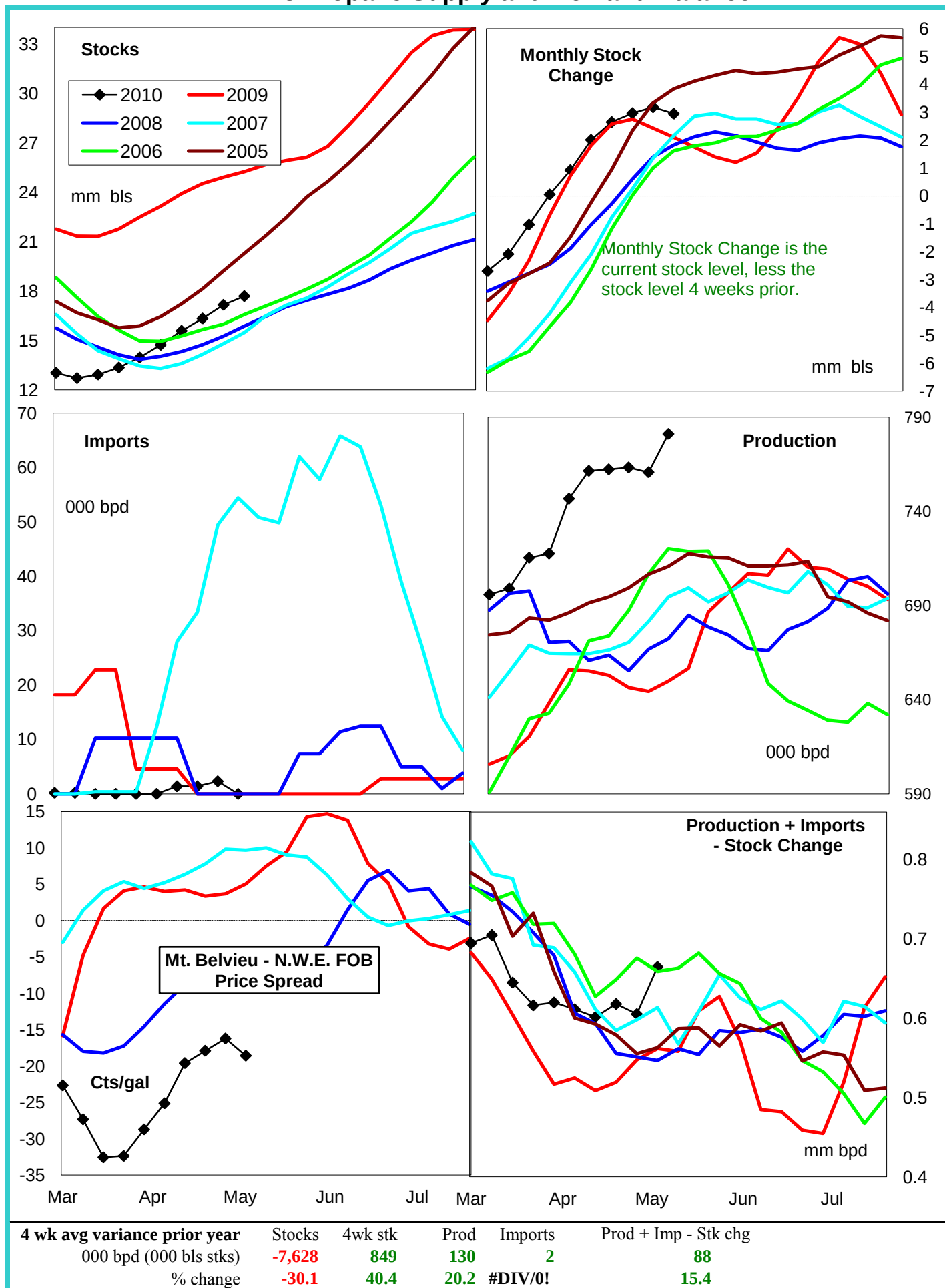
PADD 1 Propane Supply and Demand Balance



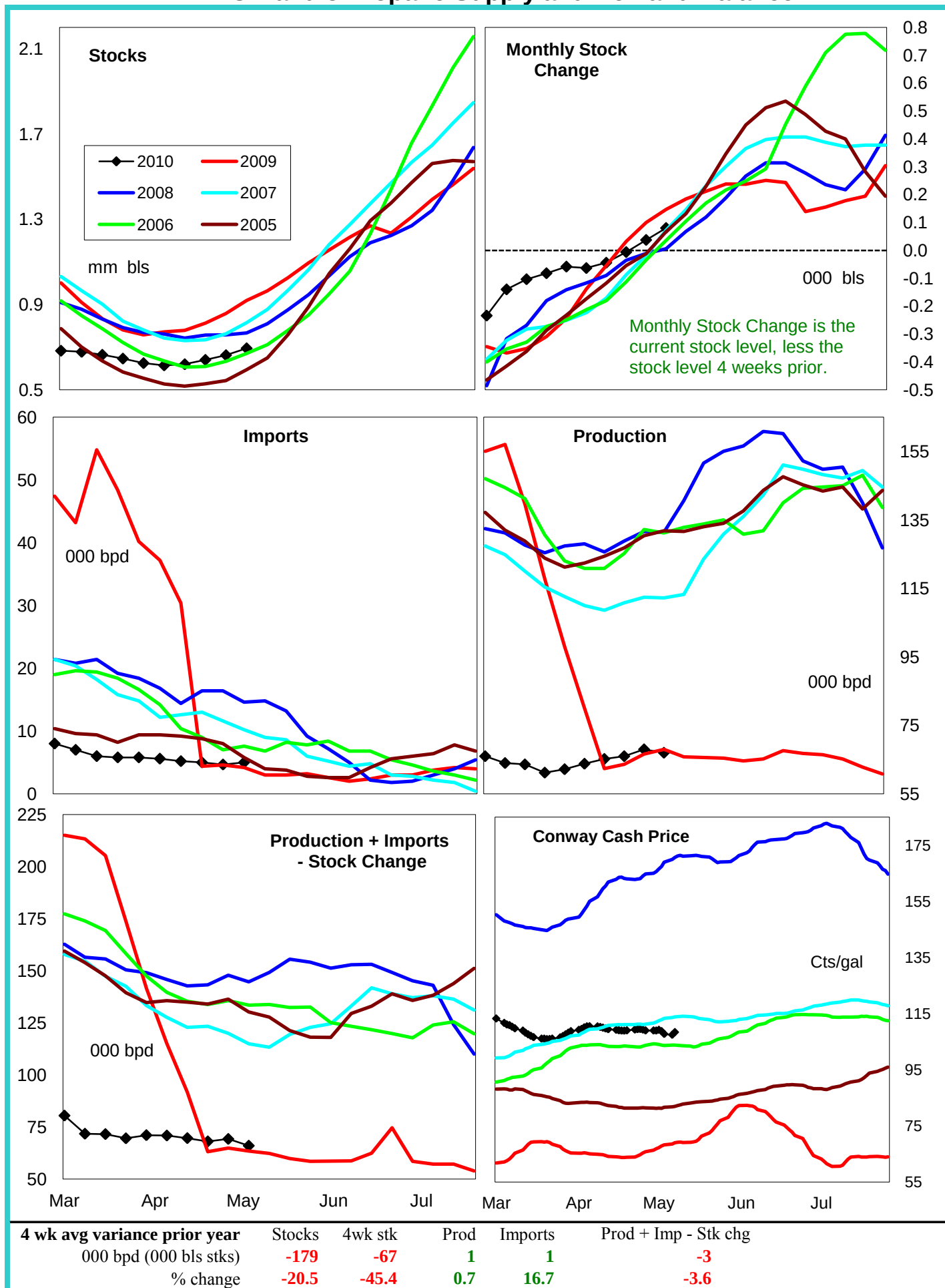
PADD 2 Propane Supply and Demand Balance



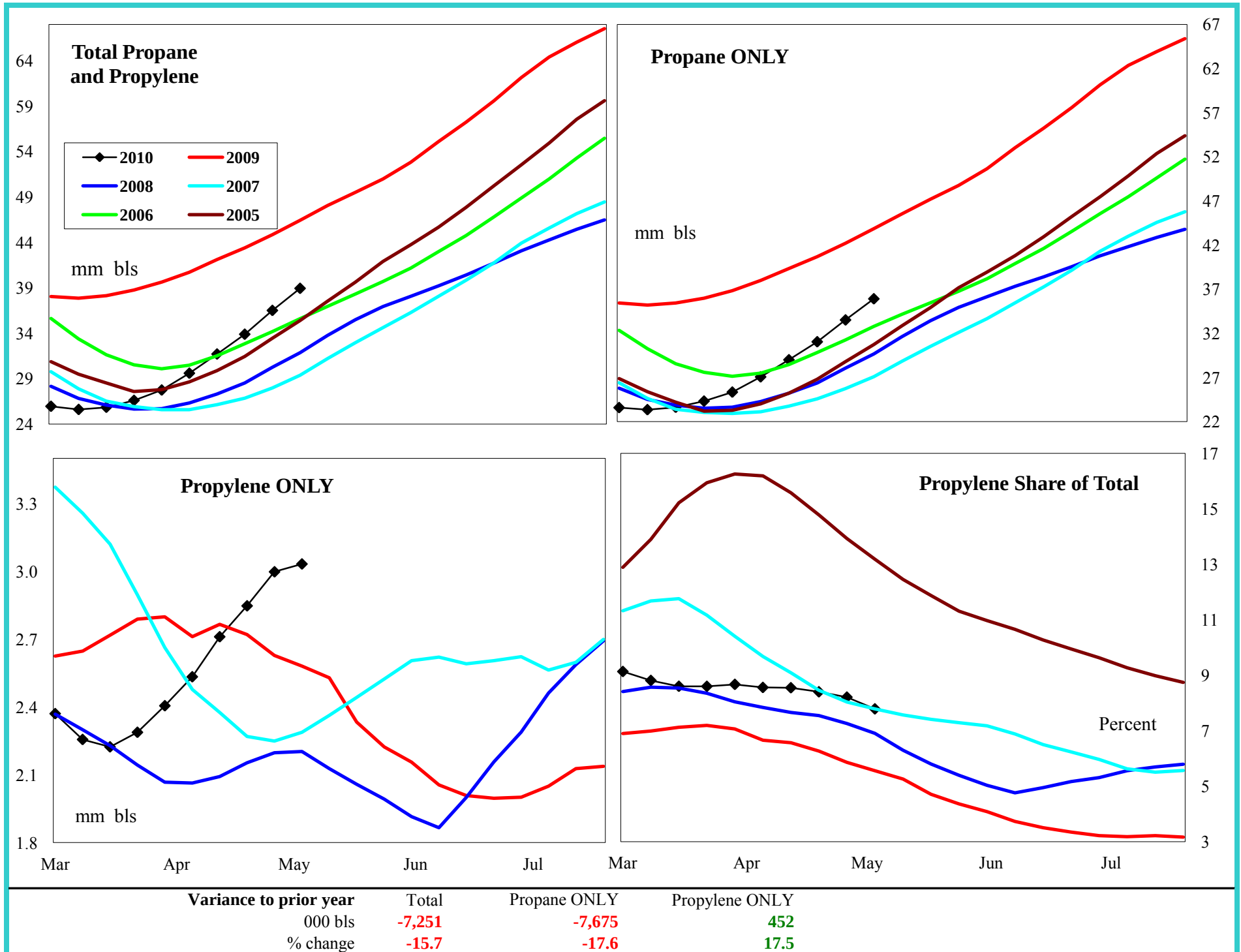
PADD 3 Propane Supply and Demand Balance



PADDs 4 and 5 Propane Supply and Demand Balance



U. S. Propane and Propylene Stocks



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

