

**FUNDAMENTAL
PETROLEUM
TRENDS**

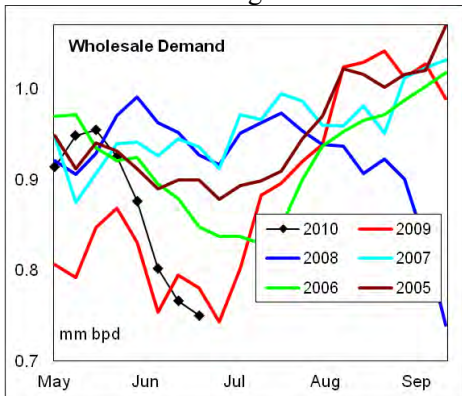
WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

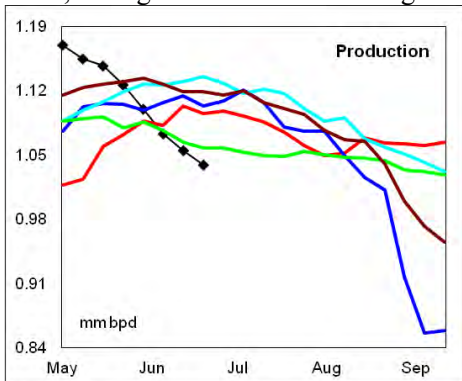
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Wednesday, June 16, 2010



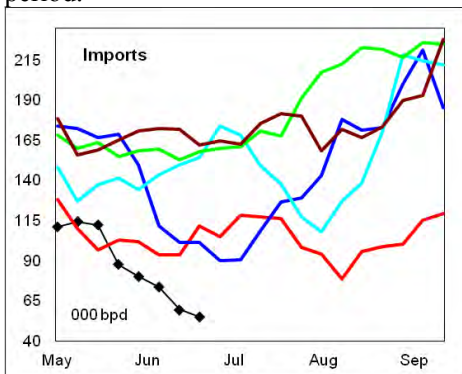
Summary¹: Wholesale demand decreased -114,000 last week, to a level below the historic range.



Production decreased -29,000 bpd on the week, falling below the historic range.



Imports decreased -9,000 bpd last week, declining to a new record low for the period.

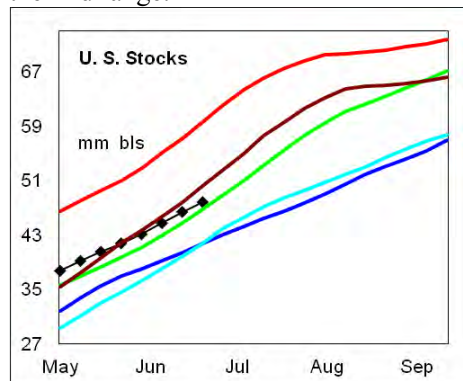


Combined production and imports during the latest 4-wk period were -60,000 bpd below a year ago. Imports declined -33,000 bpd during the period, while production was -27,000 bpd lower.

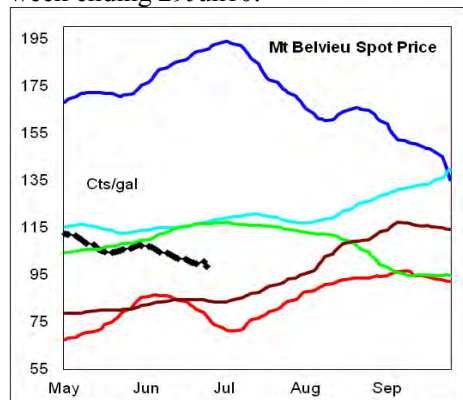
¹ Source is latest EIA Weekly Statistics

The latest 4-wk average demand was +39,000 bpd above last year.

Stocks increased +1.6 million barrels on the week. The latest 4-wk stock change was a build of +6.1 million barrels, at the low end of the historic range. Stock levels were slightly above the mid range.



Price and Spreads Mt Belvieu and Conway prices decreased -1.75 cts/gal and -1.25 cts/gal; respectively for the week ending 29Jun10.



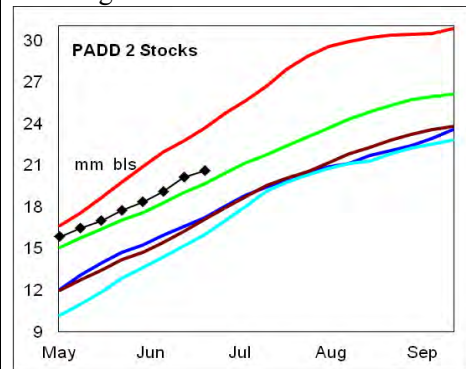
The Conway – Mt Belvieu price spread traded sideways during the week ending 29June10. The spread ended the week slightly above the last two years.

The propane to natural gas price spread trended slightly higher late in the week. The spread remains at the upper end of the historic range.

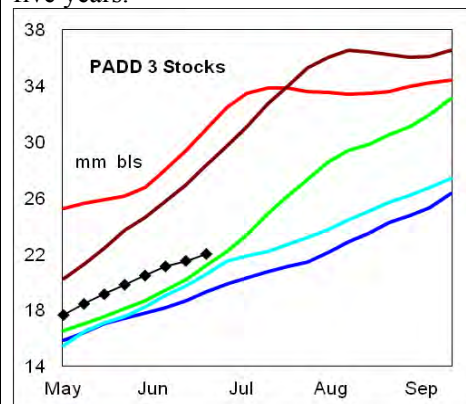
The propane / crude oil price spread traded sideways last week, with the level at the low end of the historic range.

PADD 1 stocks increased +0.6 million barrels on the week. Combined production and imports were nearly unchanged last week. Supply for the latest 4-wk period was -8,000 bpd below

a year ago. Stock levels were above the mid range.



PADD 2 stocks increased +0.4 million barrels last week. Combined imports and production decreased -6,000 bpd last week. Supply was -33,000 bpd below last year for the latest 4-wk period. The most recent 4-wk stock build of +2.9 million barrels, was at the mid range. Stock levels are above four of the last five years.



PAD 3 stocks increased +0.5 million barrels last week. Production fell -27,000 bpd on the week, with the 4-wk average -8,000 bpd below last year.

PADDs 4 & 5 stocks increased +0.1 million barrels on the week. Stock levels are below the 5-year range.

Emerging Trends show an exceptionally low level of supply with both production and imports below the historic range. Demand has also dropped to a season low. The low seasonal demand and slowing global economic growth have pressured prices to the lowest level of the year. Expect an upturn in seasonal demand by mid July to provide price support.



PROPANE: Graph Link and Weekly Summary

June 30, 2010

Fundamental Trends for the Week Ending:

Friday, June 25, 2010

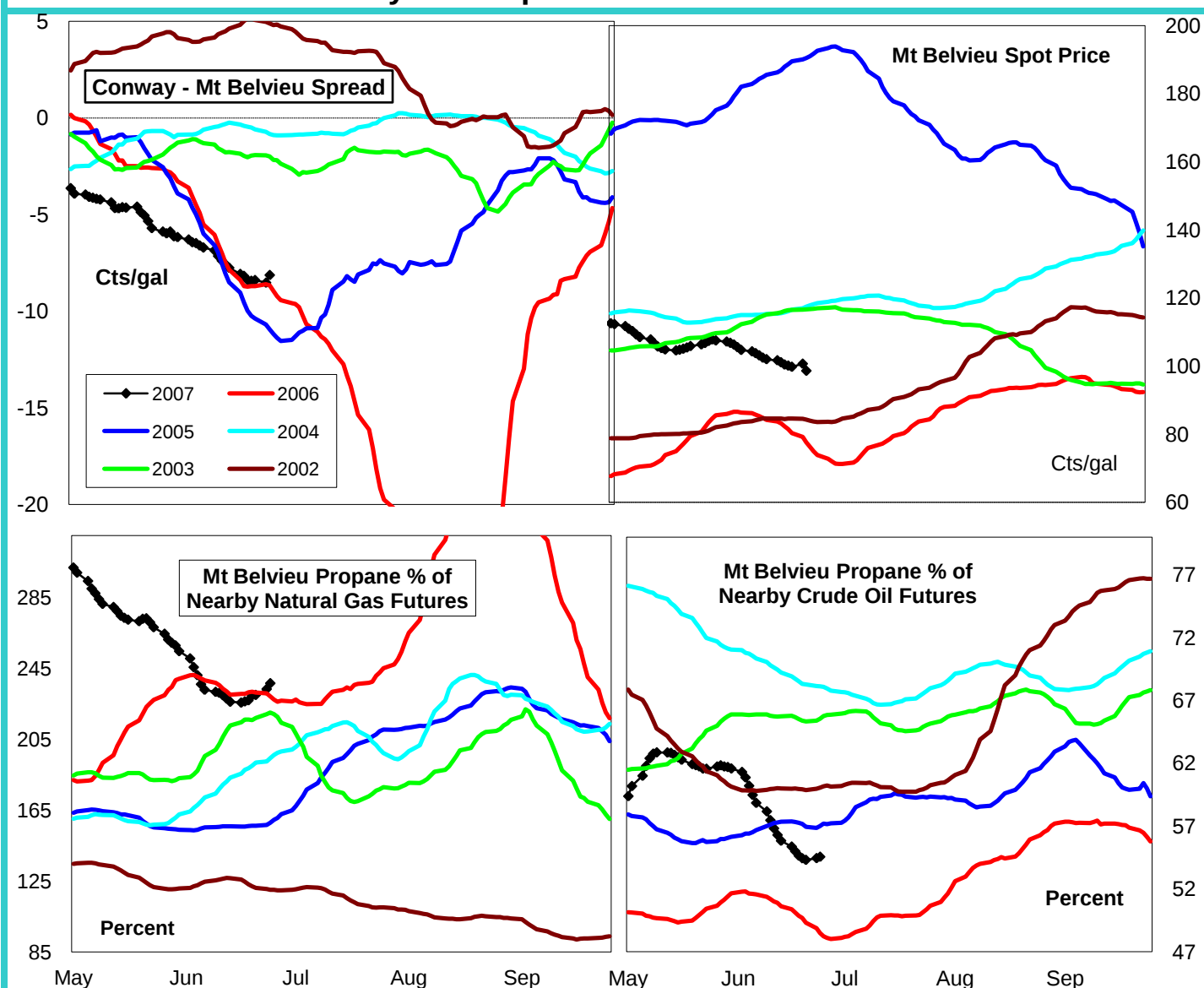
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD				U.S. Total	PADD			
		1	2	3	4&5		1	2	3	4&5
Stocks	47,847	4,060	20,573	22,020	1,194	1,623	638	357	534	94
Propylene Stocks	3,224					36				
Production	1,039	45	256	681	57	-29	4	-2	-27	-4
Imports	55	15	37	0	4	-9	-3	-4	0	-3
Whsle Demand	790					-114				

Price Trends for the Week Ending:

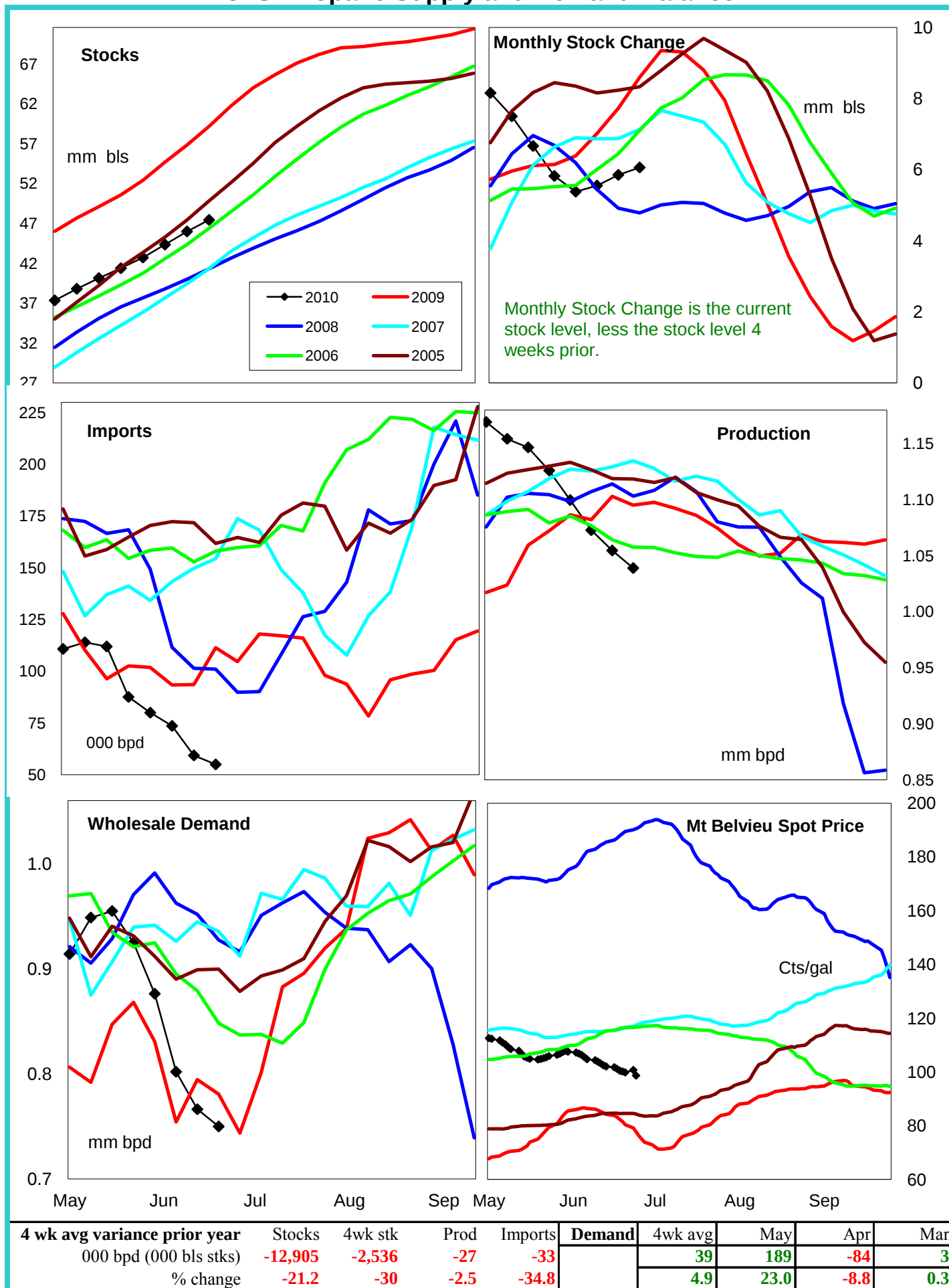
Tuesday, June 29, 2010

Cents/gal	Average for week ending:				Change from:			% change from:		
	6/29/10	6/22/10	6/1/10	6/19/09	6/22/10	6/1/10	6/19/09	6/22/10	6/1/10	6/19/09
Mont Belvieu Spot	99.8	101.8	107.3	82.4	-1.96	-5.55	24.91	-1.9	-5.2	30.2
Conway Spot	91.4	93.6	101.9	73.0	-2.19	-8.34	28.97	-2.3	-8.2	39.7

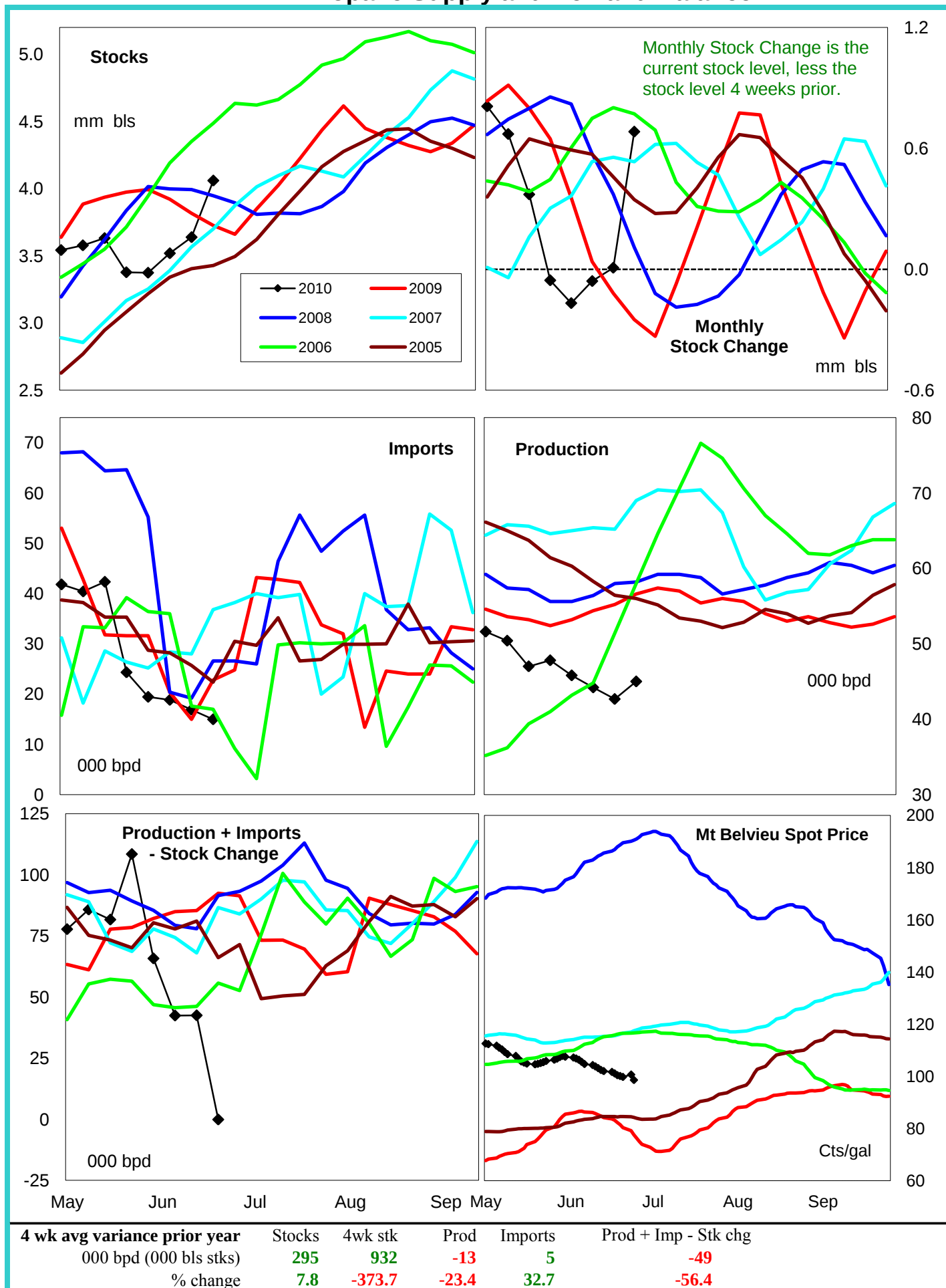
Key Price Spreads and Differentials



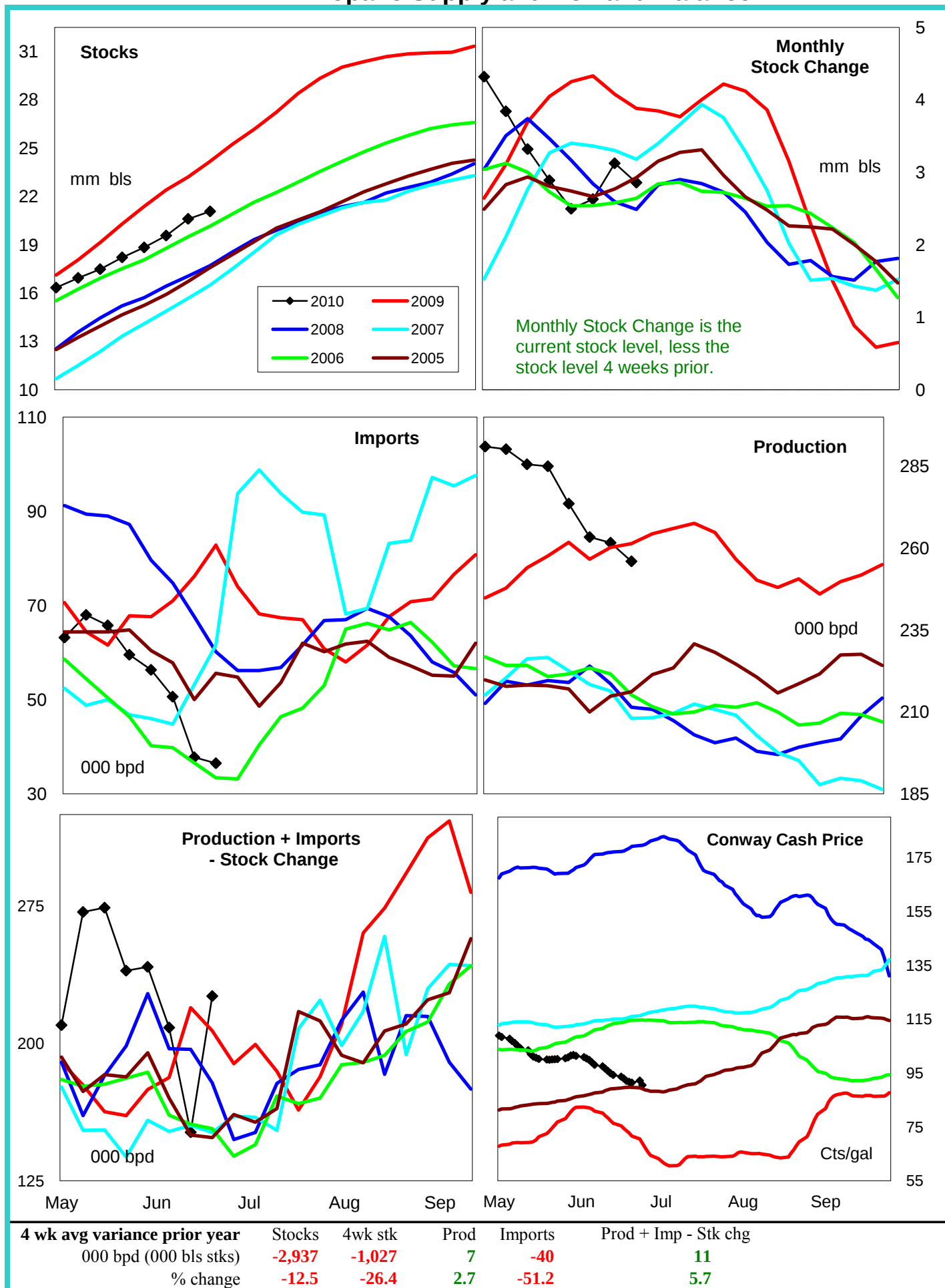
U. S. Propane Supply and Demand Balance



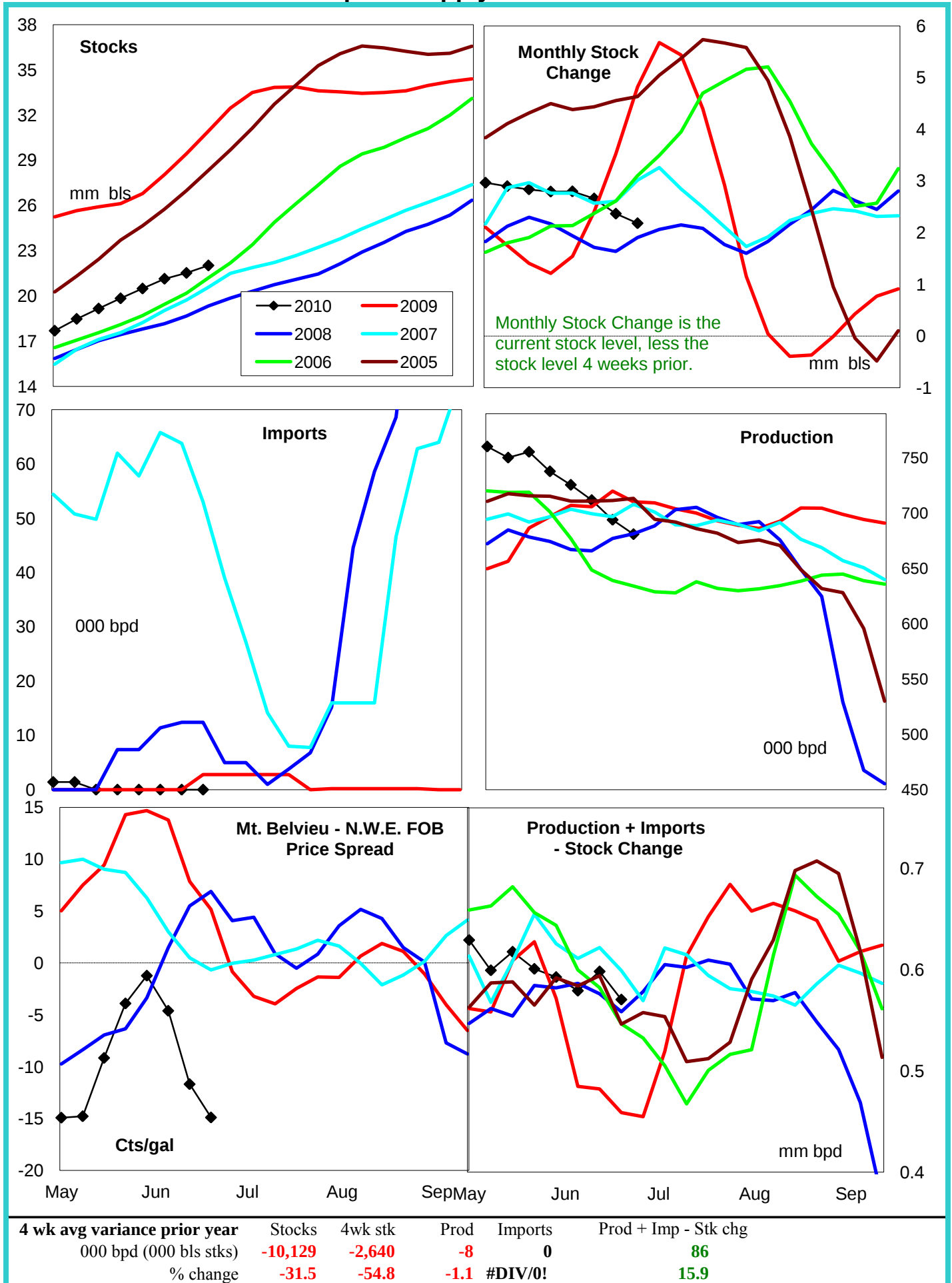
PADD 1 Propane Supply and Demand Balance



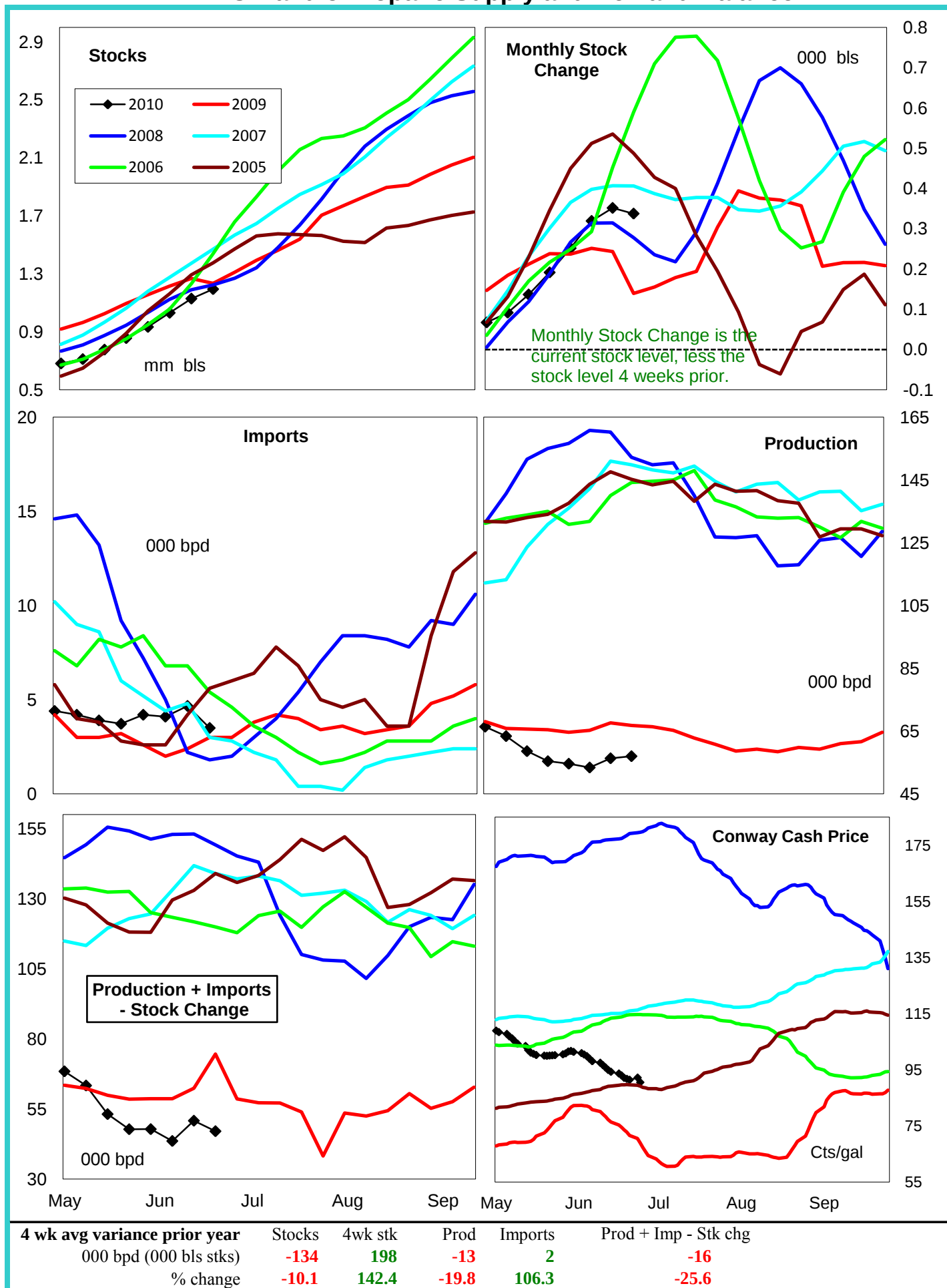
PADD 2 Propane Supply and Demand Balance



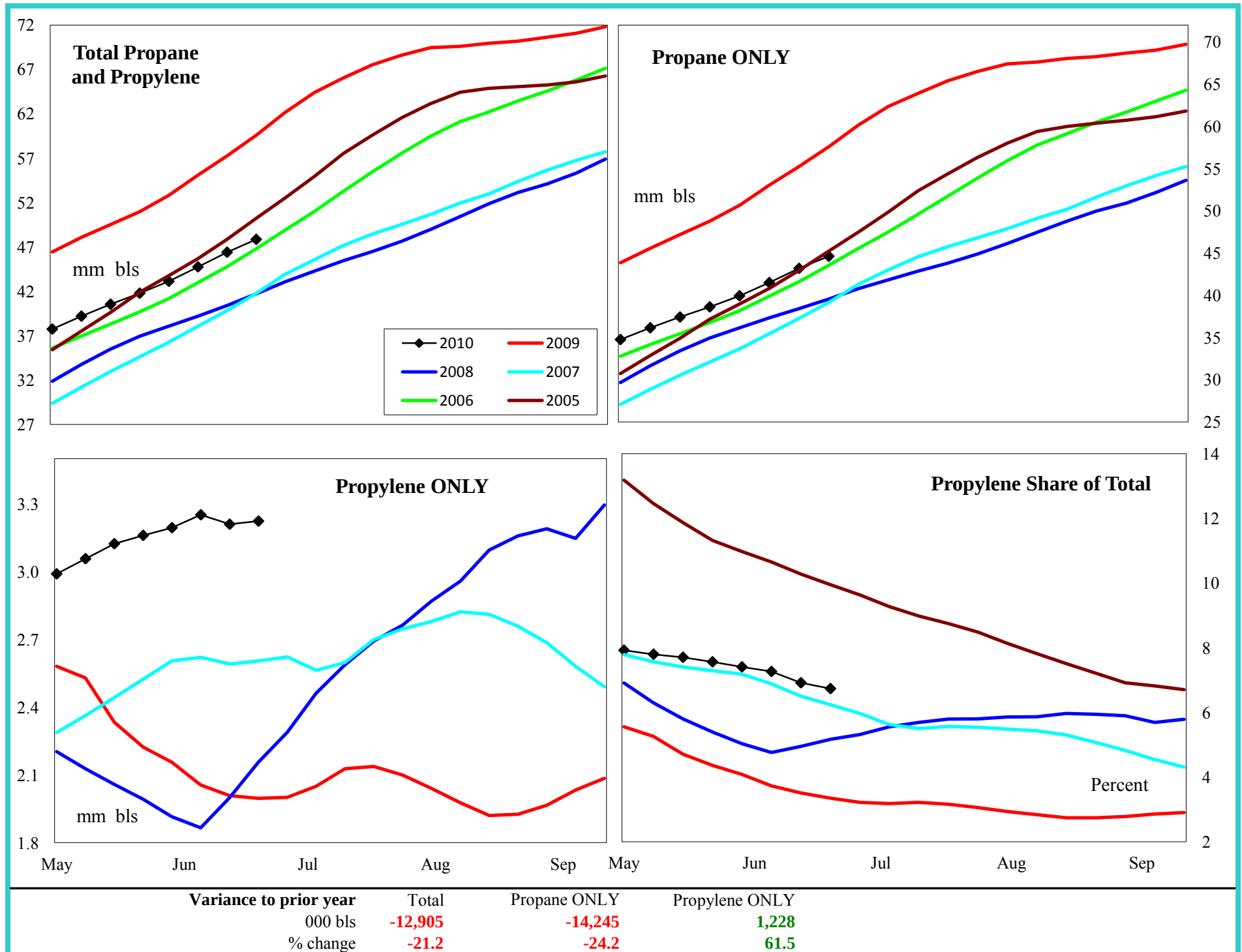
PADD 3 Propane Supply and Demand Balance



PADDs 4 and 5 Propane Supply and Demand Balance



U. S. Propane and Propylene Stocks



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

