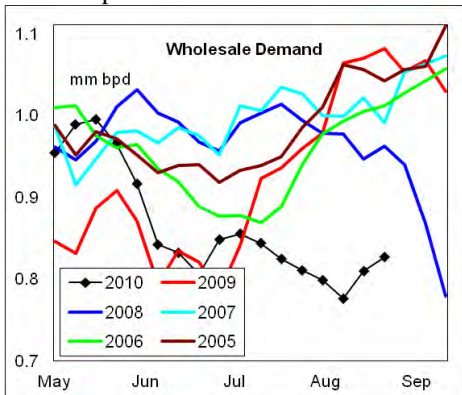


WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

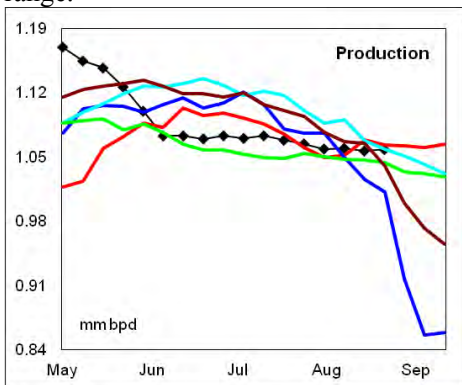
A Fundamental Petroleum Trends Weekly Report

 Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Wednesday, September 01, 2010

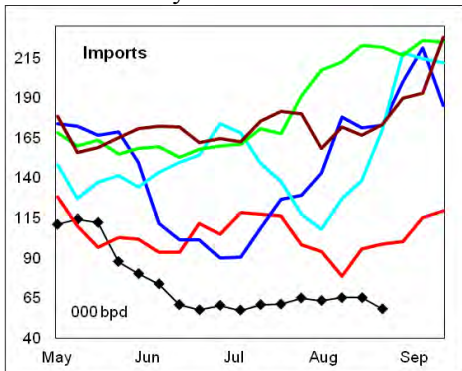

Summary¹: Wholesale demand declined -50,000 bpd last week. Demand remains well below the historic range on weak petro chemical consumption, lack of summer fill due to extreme heat and lower exports.



Production increased +12,000 bpd on the week, to a level above the historic mid range.



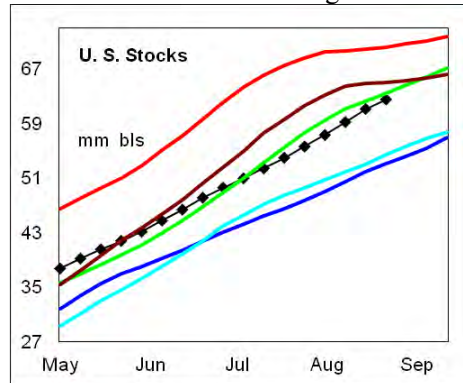
Imports decreased -7,000 bpd last week, and remain very low.



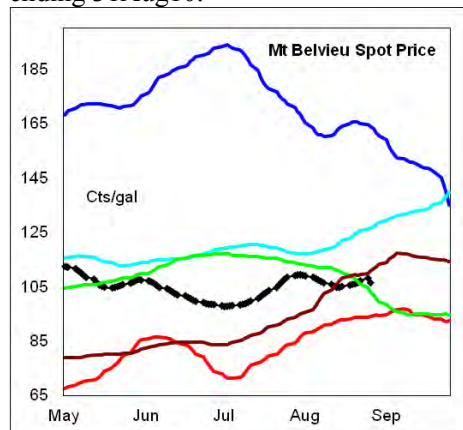
Combined production and imports during the latest 4-wk period were -

11,000 bpd below a year ago. Imports declined -13,000 bpd during the period, while production was +1,000 bpd higher. The latest 4-wk average demand was -299,000 bpd below last year.

Stocks increased +1.5 million barrels on the week. The latest 4-wk stock change was a build of +6.9 million barrels, above the historic high. Stock levels were near the mid range.



Price and Spreads Mt Belvieu prices increased +2.25 cts/gal while Conway increased +1.50 cts/gal for the week ending 31Aug10.



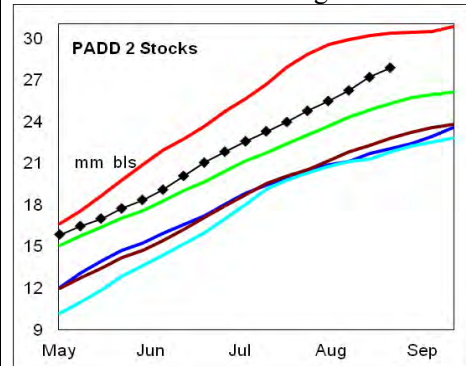
The Conway – Mt Belvieu price spread trended lower last week ending 31Aug10. The spread ended the week at the 5-year mid range.

The propane to natural gas price spread trended higher on the week. The spread was near the 5-year high set last year.

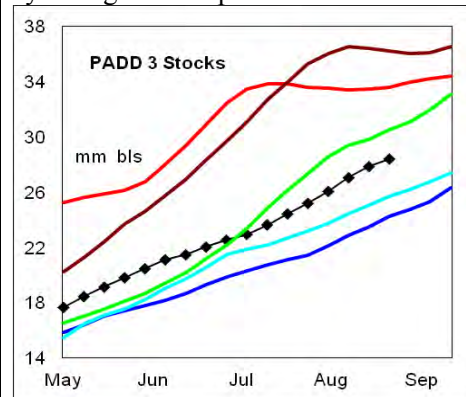
The propane / crude oil price spread trended higher last week. The level ended the week below the mid range.

PADD 1 stocks increased +0.1 million barrels last week. Combined production

and imports decreased -1,000 bpd on the week, with the level below the historic range. Supply for the latest 4-wk period was -8,000 bpd below a year ago. Stock levels matched the mid range.



PADD 2 stocks increased +0.9 million barrels last week, with stock levels -1.6 million barrels below the 5-year high for the period. Combined imports and production decreased -2,000 bpd last week. The most recent 4-wk stock build of +3.1 million barrels, was above the 5-year range for the period.



PADD 3 stocks increased +0.5 million barrels. Supply increased +7,000 bpd on the week, with the 4-wk average +7,000 bpd above last year. Stock levels were below the mid range.

PADDs 4 & 5 stocks were unchanged on the week. Stock levels were near historic lows.

Emerging Trends show continued very weak demand. Continued high temperatures are delaying summer fill, while petro chemical demand and exports are lower. Stock levels and production are each near the mid range. Expect moderate price strength on higher seasonal demand.

¹ Source is latest EIA Weekly Statistics



PROPANE: Graph Link and Weekly Summary

September 1, 2010

Fundamental Trends for the Week Ending:

Friday, August 27, 2010

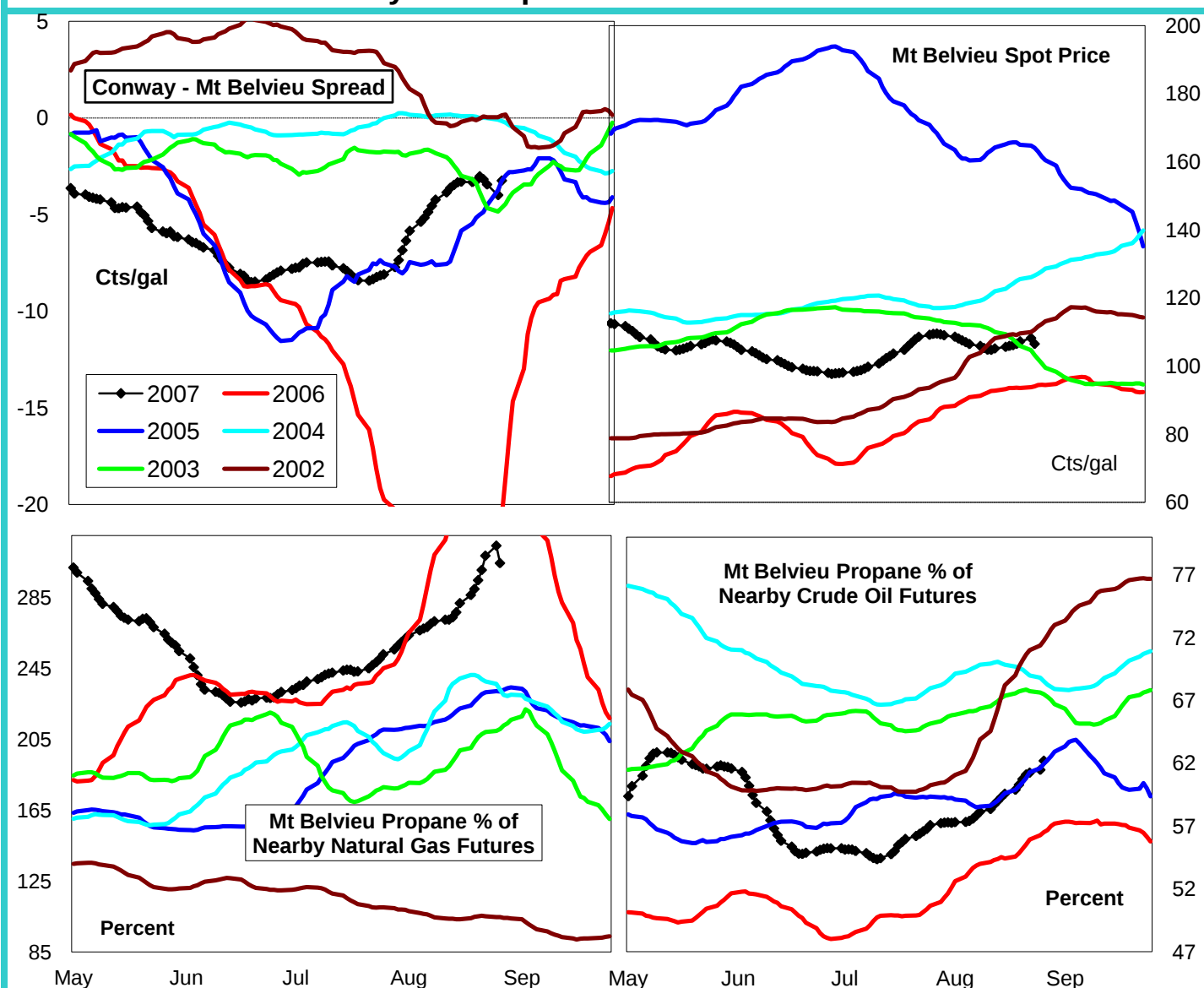
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD				U.S. Total	PADD			
		1	2	3	4&5		1	2	3	4&5
Stocks	62,464	4,394	27,880	28,425	1,765	1,515	93	914	492	16
Propylene Stocks	2,708					141				
Production	1,058	47	262	700	49	12	3	1	7	1
Imports	58	15	38	0	5	-7	-4	-3	0	1
Whsle Demand	827					-50				

Price Trends for the Week Ending:

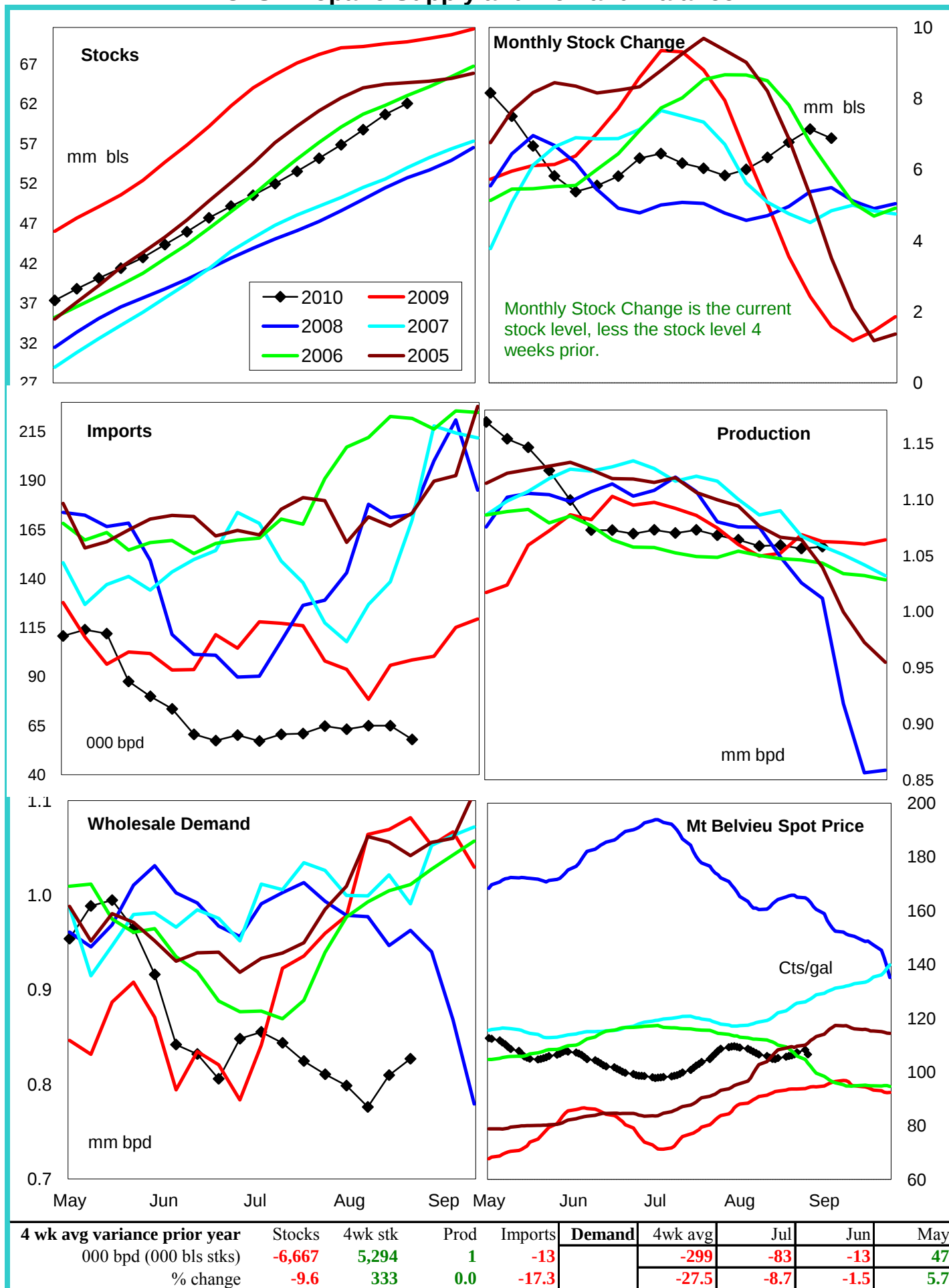
Tuesday, August 31, 2010

Cents/gal	Average for week ending:				Change from:			% change from:		
	8/31/10	8/24/10	8/3/10	8/21/09	8/24/10	8/3/10	8/21/09	8/24/10	8/3/10	8/21/09
Mont Belvieu Spot	107.2	104.7	108.8	93.3	2.50	-4.08	15.52	2.4	-3.7	16.6
Conway Spot	103.8	102.1	100.2	66.6	1.73	1.90	33.57	1.7	1.9	50.4

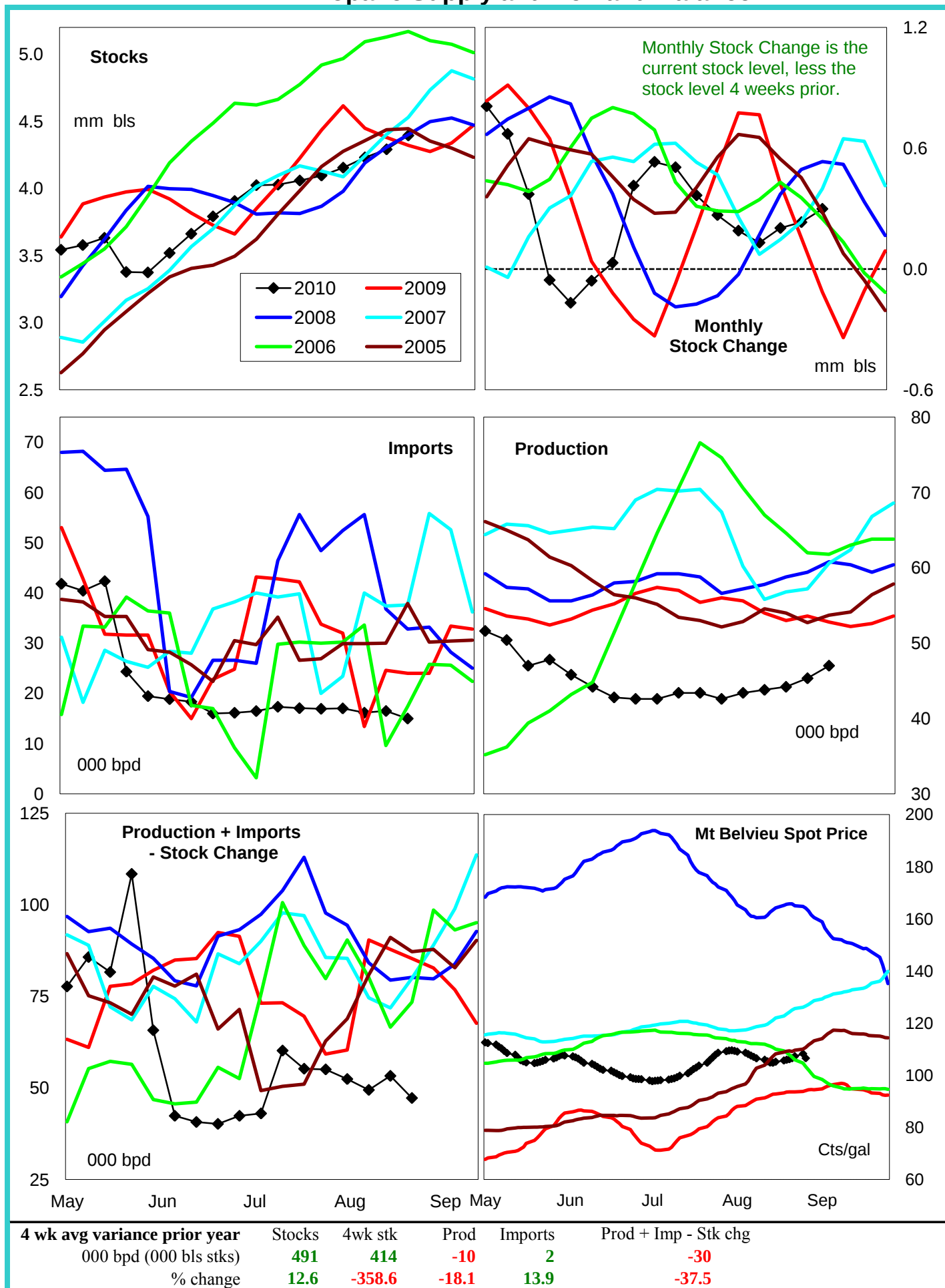
Key Price Spreads and Differentials



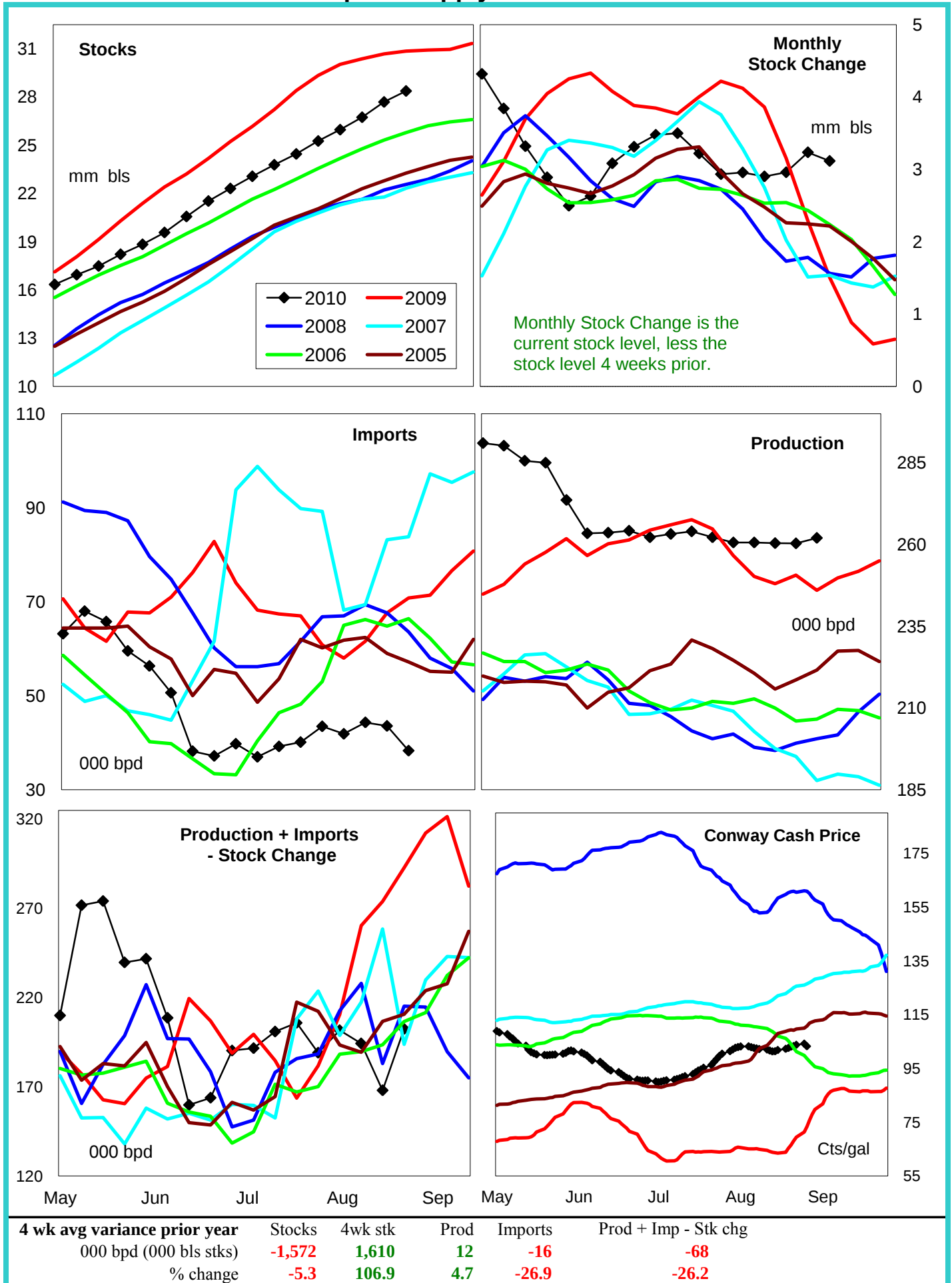
U. S. Propane Supply and Demand Balance



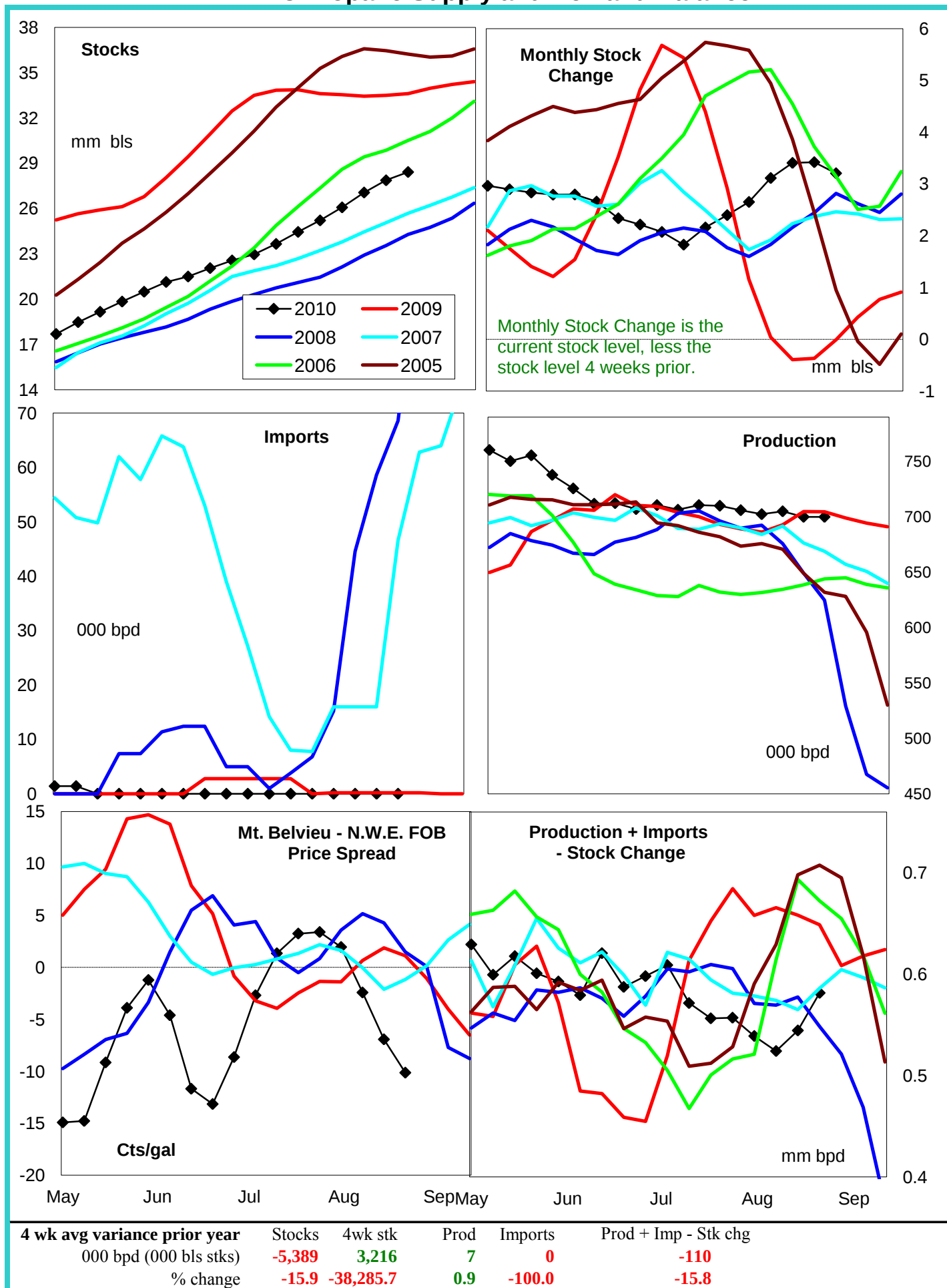
PADD 1 Propane Supply and Demand Balance



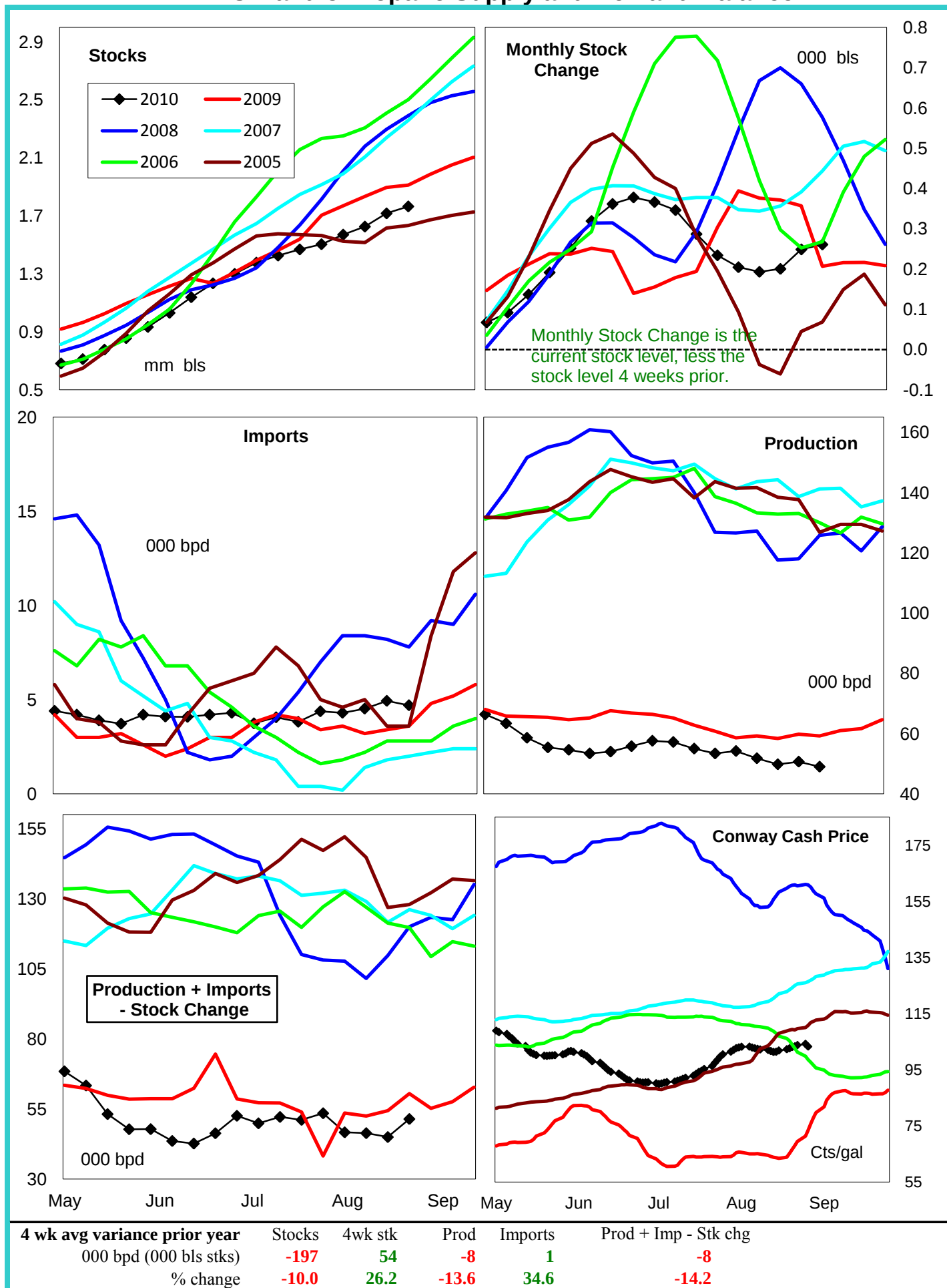
PADD 2 Propane Supply and Demand Balance



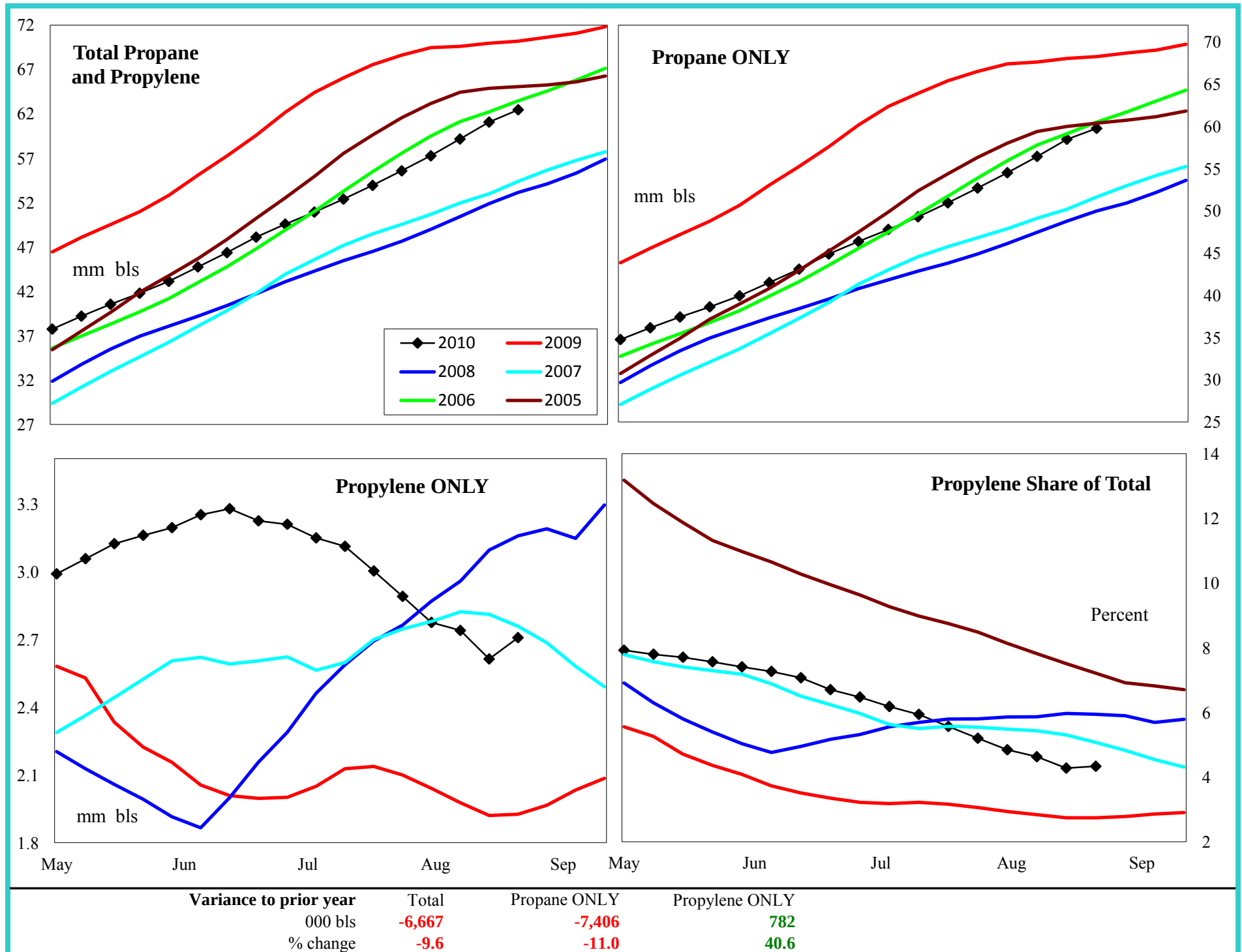
PADD 3 Propane Supply and Demand Balance



PADDs 4 and 5 Propane Supply and Demand Balance



U. S. Propane and Propylene Stocks



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

