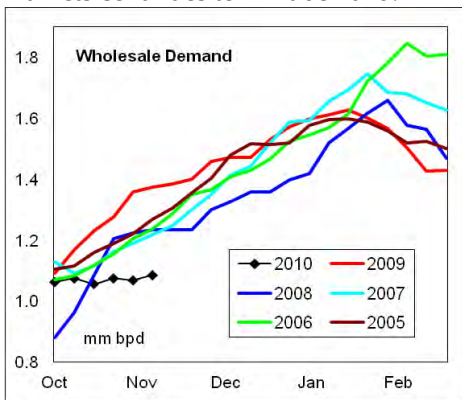

**FUNDAMENTAL
PETROLEUM
TRENDS**

WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

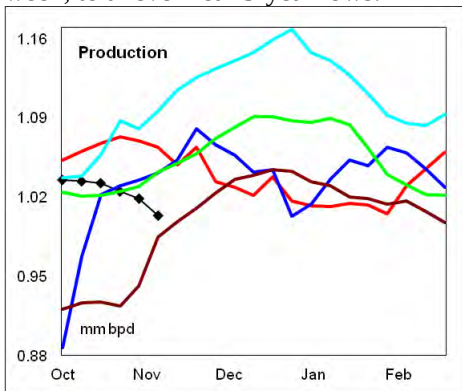
A Fundamental Petroleum Trends Weekly Report

 Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Wednesday, November 10, 2010

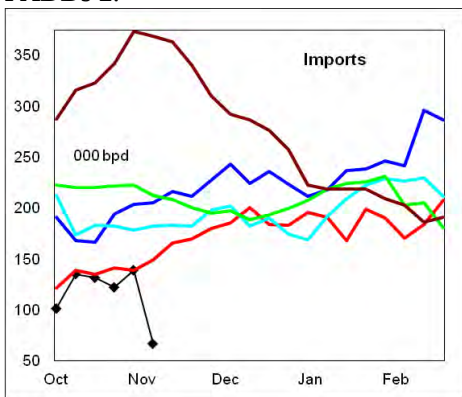

Summary¹: Wholesale demand increased +68,000 bpd last week, but remains sharply below the historic range. Above normal temperatures in key heating markets continues to limit demand.



Production declined -28,000 bpd on the week, to a level near 5-year lows.



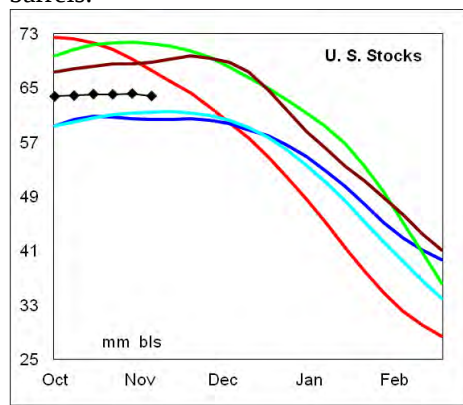
Imports decreased -21,000 bpd last week, with the decline concentrated in PADDs 2.



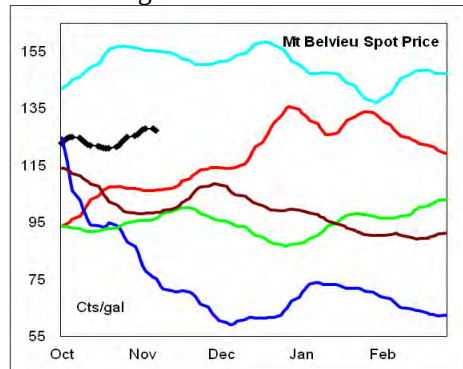
Combined production and imports during the latest 4-wk period were -

62,000 bpd below a year ago. Production was -58,000 bpd below last year, and near historic lows. The latest 4-wk average demand was -220,000 bpd below last year, and a record low.

Stocks declined -0.6 million barrels this week. The latest 4-wk stock change was a build of less than 0.1 million barrels.



Price and Spreads Mt Belvieu each declined less than -0.50 cts/gal for the week ending 09Nov10.



The Conway – Mt Belvieu price spread traded sideways last week ending 09Nov10. The spread ended the week below the historic range.

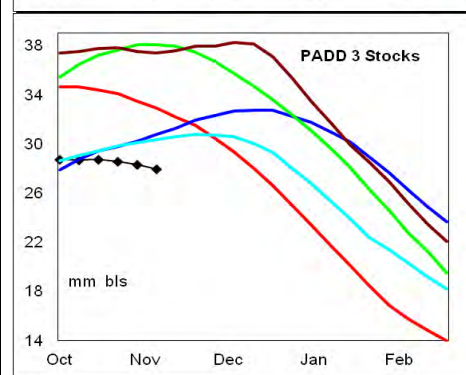
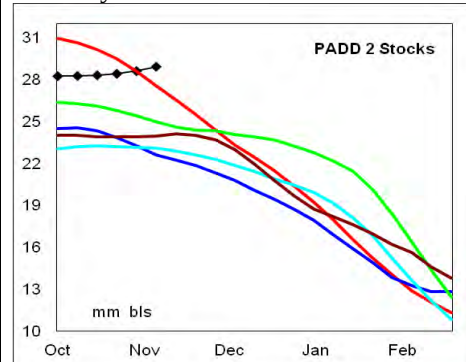
The propane to natural gas price spread extended the recent downtrend on strength in natural gas prices, with the level still sharply above the historic range.

The propane / crude oil price spread trended lower on the week, ending above the level of the last 2-years.

PADD 1 stocks were declined -0.3 million barrels on increased heating use. Combined production and imports increased +6,000 bpd, with the level below the historic range. Supply for the

latest 4-wk period was +14,000 bpd above a year ago. Stock levels were at the 5-year mid range.

PADD 2 stocks increased +0.4 million barrels last week, on extremely weak demand. Supply declined -33,000 bpd on the week, with record low imports. The most recent 4-wk stock change was a build of +0.7 million barrels, lifting stock levels to a new 5-year high for this time of year.



PAD 3 stocks declined -0.7 million barrels. Supply decreased -18,000 bpd on the week, with the 4-wk average -11,000 bpd below last year. Stock levels were nearly -4 million barrels below prior record lows.

PADDs 4 & 5 stocks decreased -0.1 million barrels last week. Stock levels were below the 5-year range.

Emerging Trends show exceptionally weak demand on very low heating degree days. The latest forecast is for a dramatic turn to colder than normal tempesters during the 2nd half of the month. Expect above normal heating degree days to support prices, even with high stocks in the Midwest.

¹ Source is latest EIA Weekly Statistics



PROPANE: Graph Link and Weekly Summary

November 10, 2010

Fundamental Trends for the Week Ending:

Friday, November 05, 2010

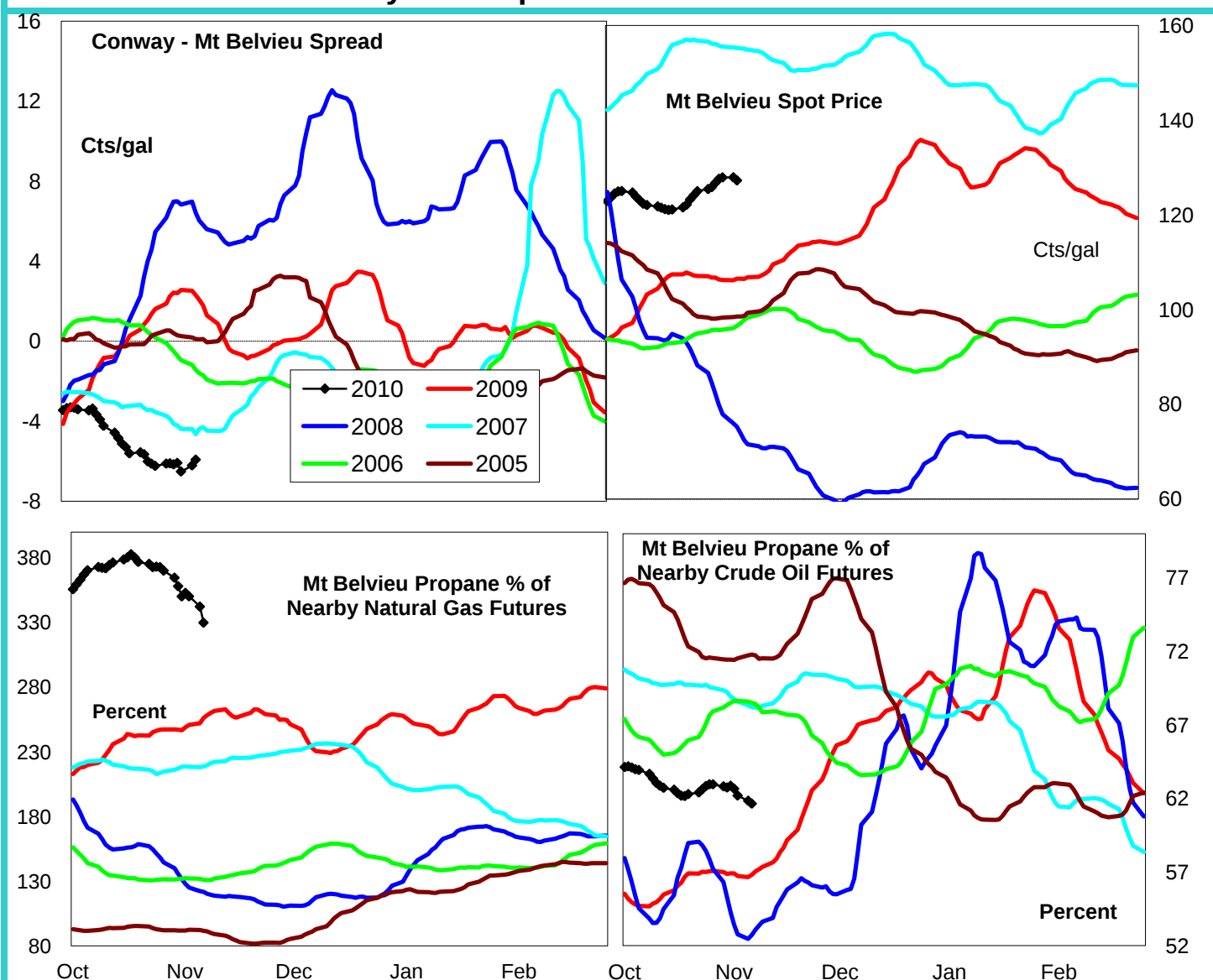
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD				U.S. Total	PADD			
		1	2	3	4&5		1	2	3	4&5
Stocks	63,833	5,032	28,910	27,923	1,968	-636	-310	442	-711	-57
Propylene Stocks	1,791					-72				
Production	1,004	46	237	666	55	-28	6	-13	-18	-3
Imports	67	25	31	0	11	-21	0	-20	0	-1
Whsle Demand	1,086					68				

Price Trends for the Week Ending:

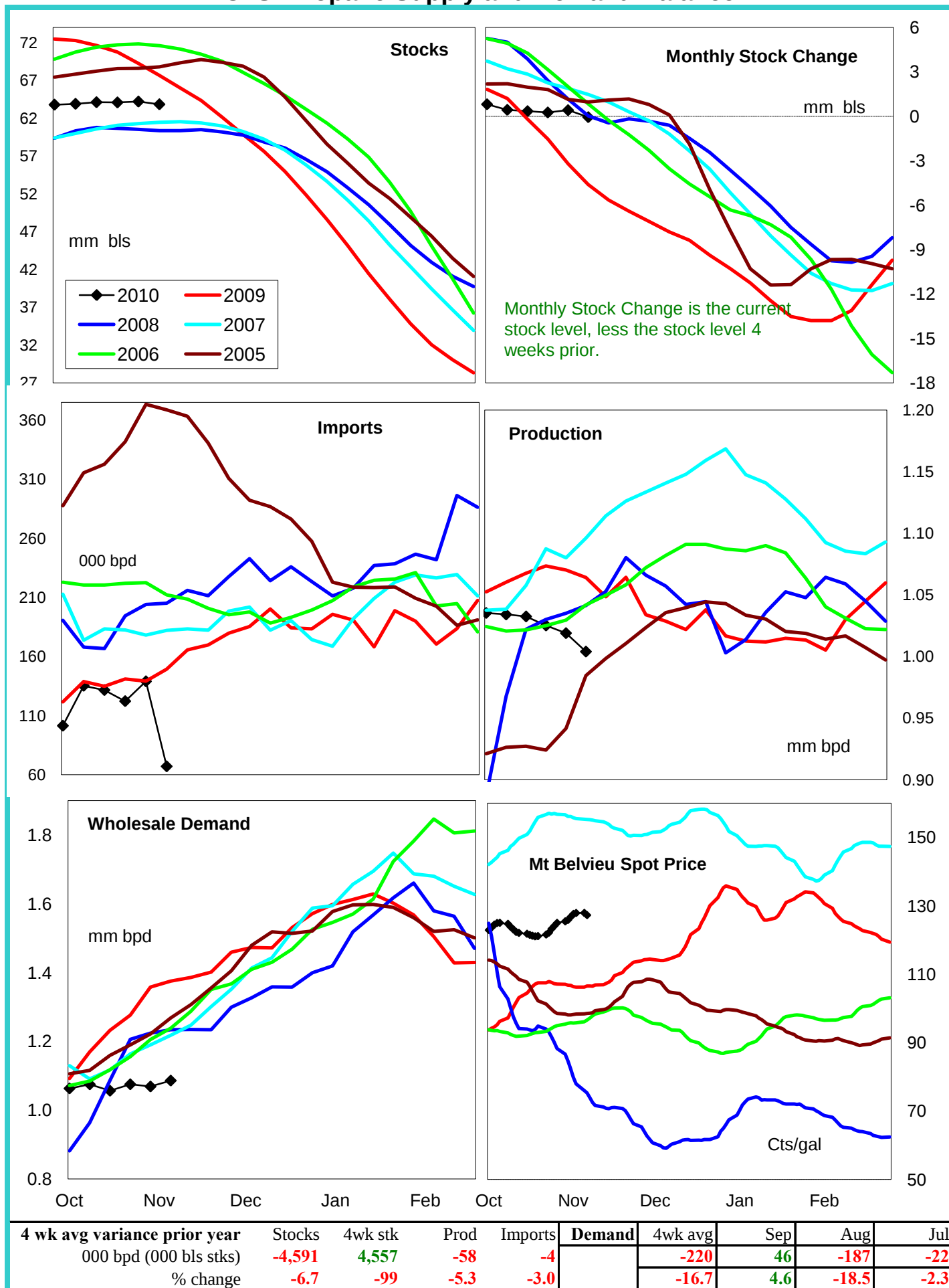
Tuesday, October 26, 2010

Cents/gal	Average for week ending:				Change from:			% change from:		
	10/26/10	10/19/10	9/28/10	10/16/09	10/19/10	9/28/10	10/16/09	10/19/10	9/28/10	10/16/09
Mont Belvieu Spot	127.9	124.5	125.8	107.1	3.42	-1.29	18.69	2.7	-1.0	17.5
Conway Spot	121.4	118.9	122.9	110.2	2.51	-3.99	12.66	2.1	-3.2	11.5

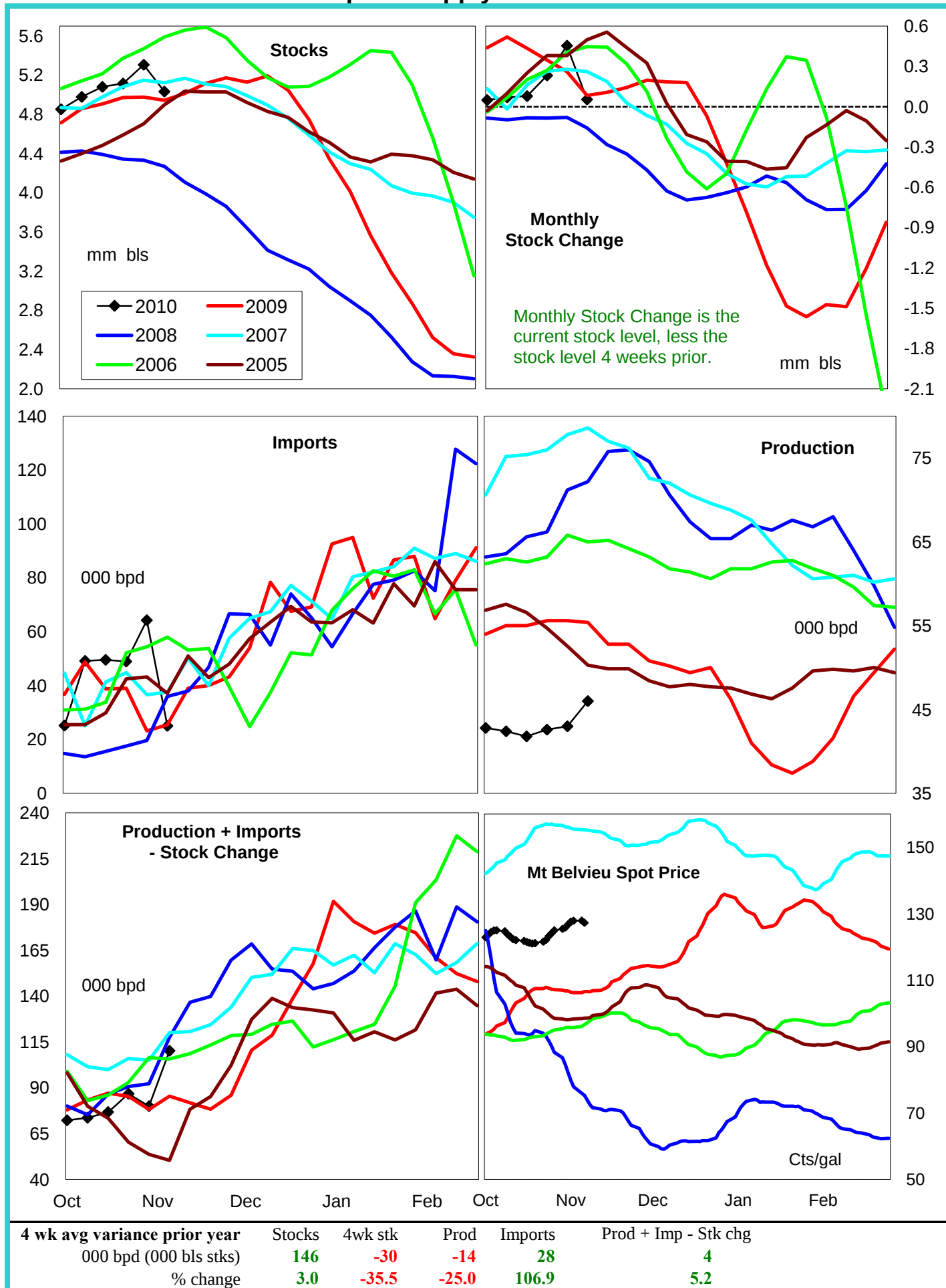
Key Price Spreads and Differentials



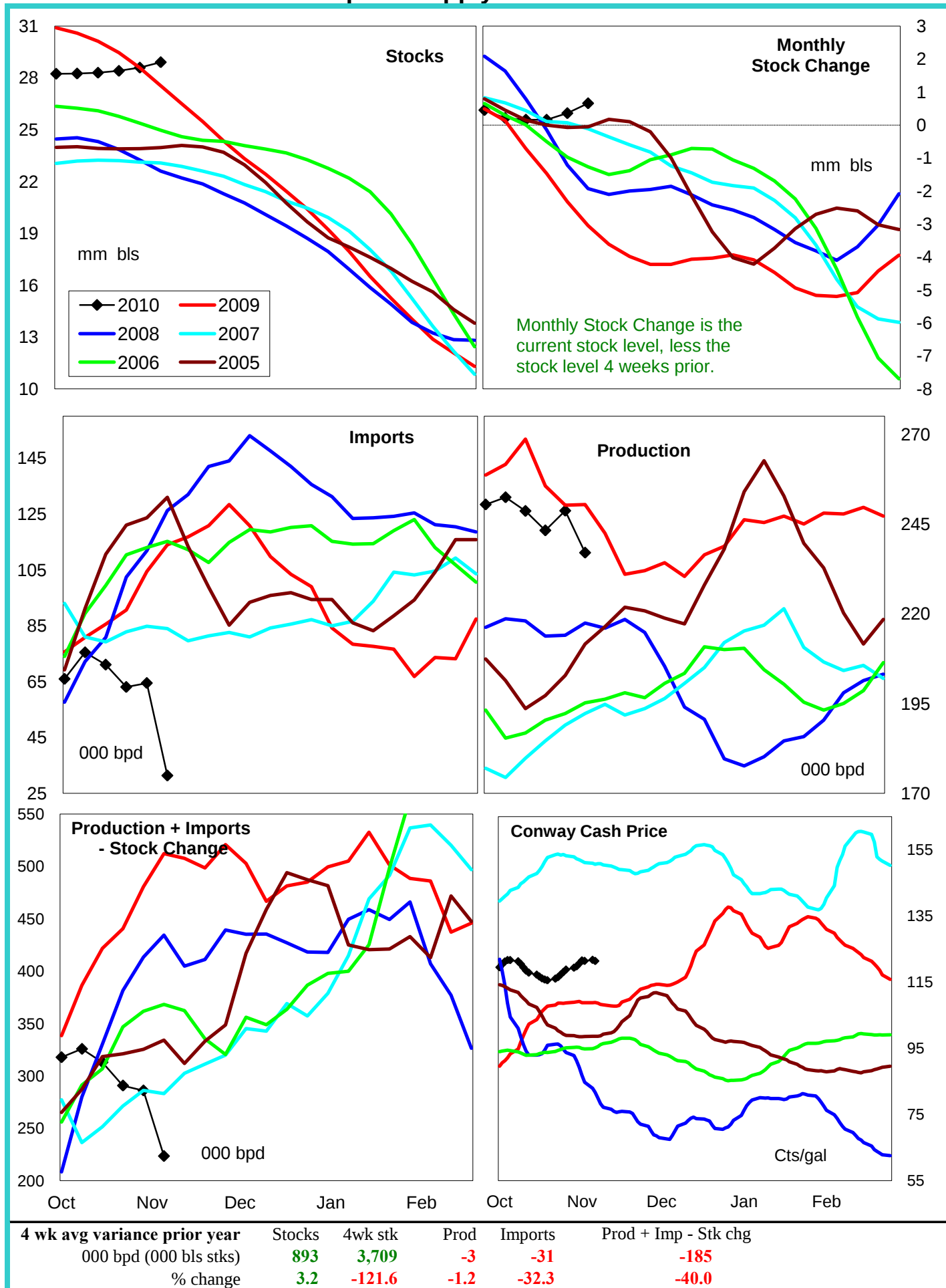
U. S. Propane Supply and Demand Balance



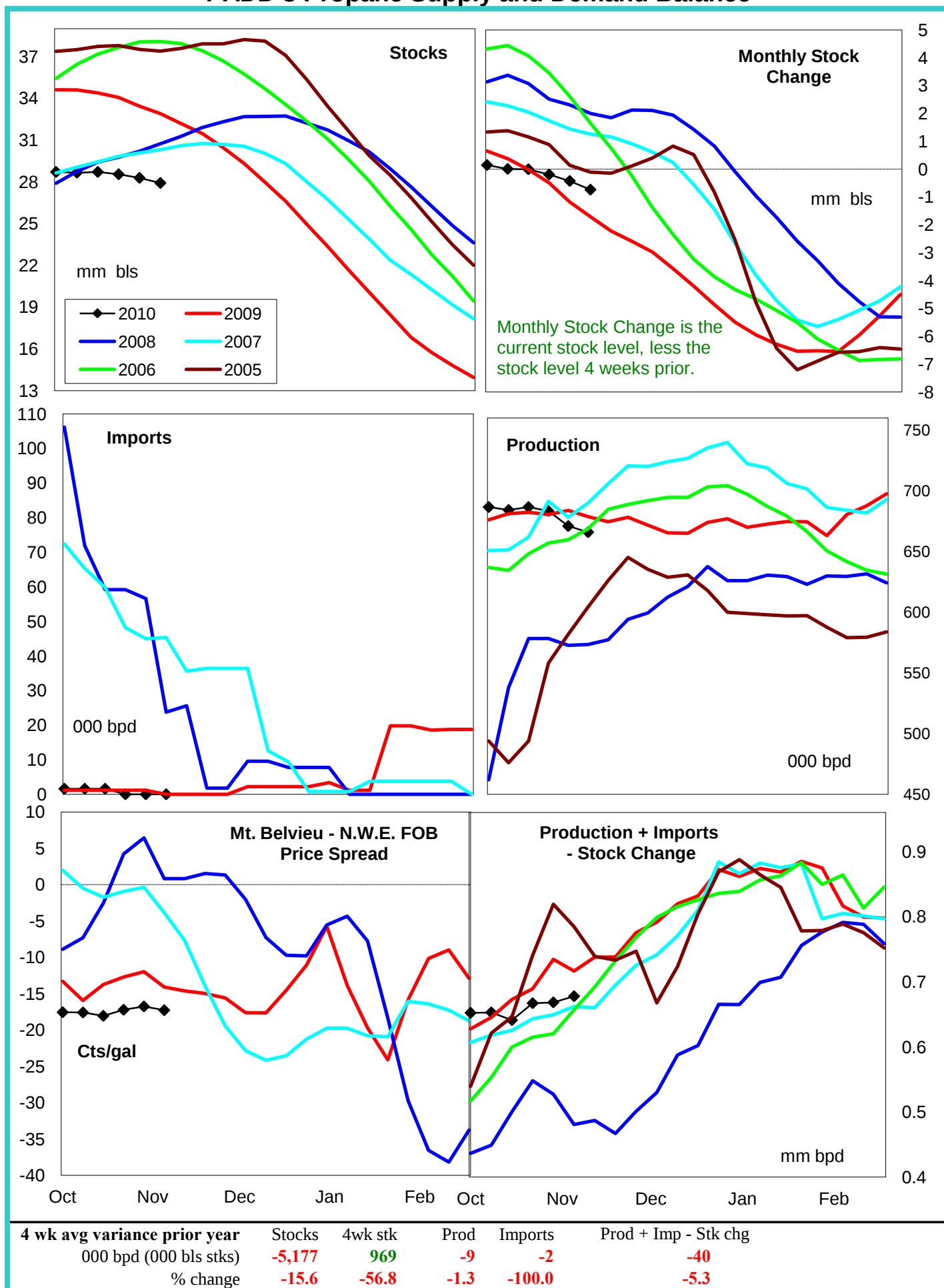
PADD 1 Propane Supply and Demand Balance



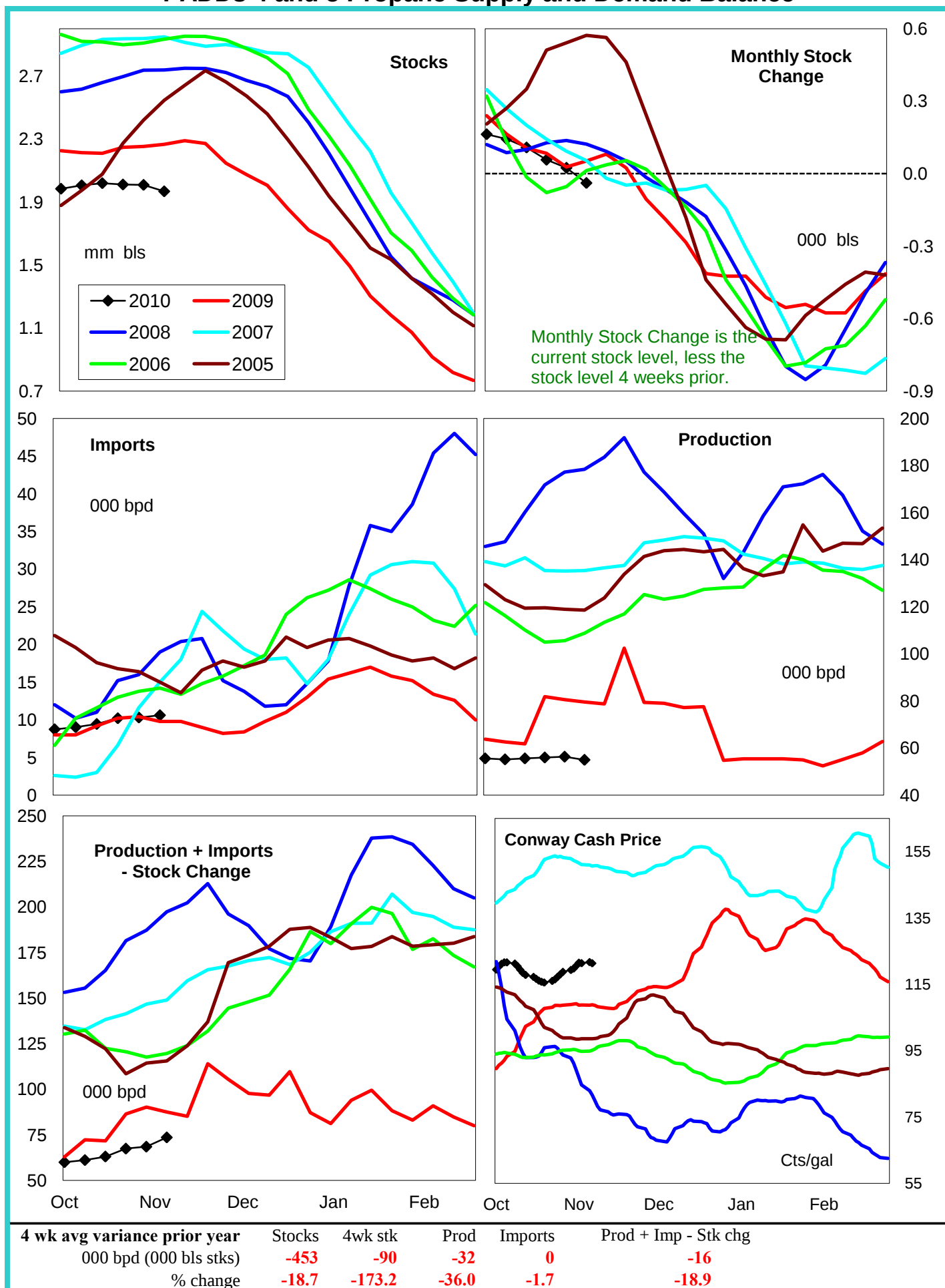
PADD 2 Propane Supply and Demand Balance



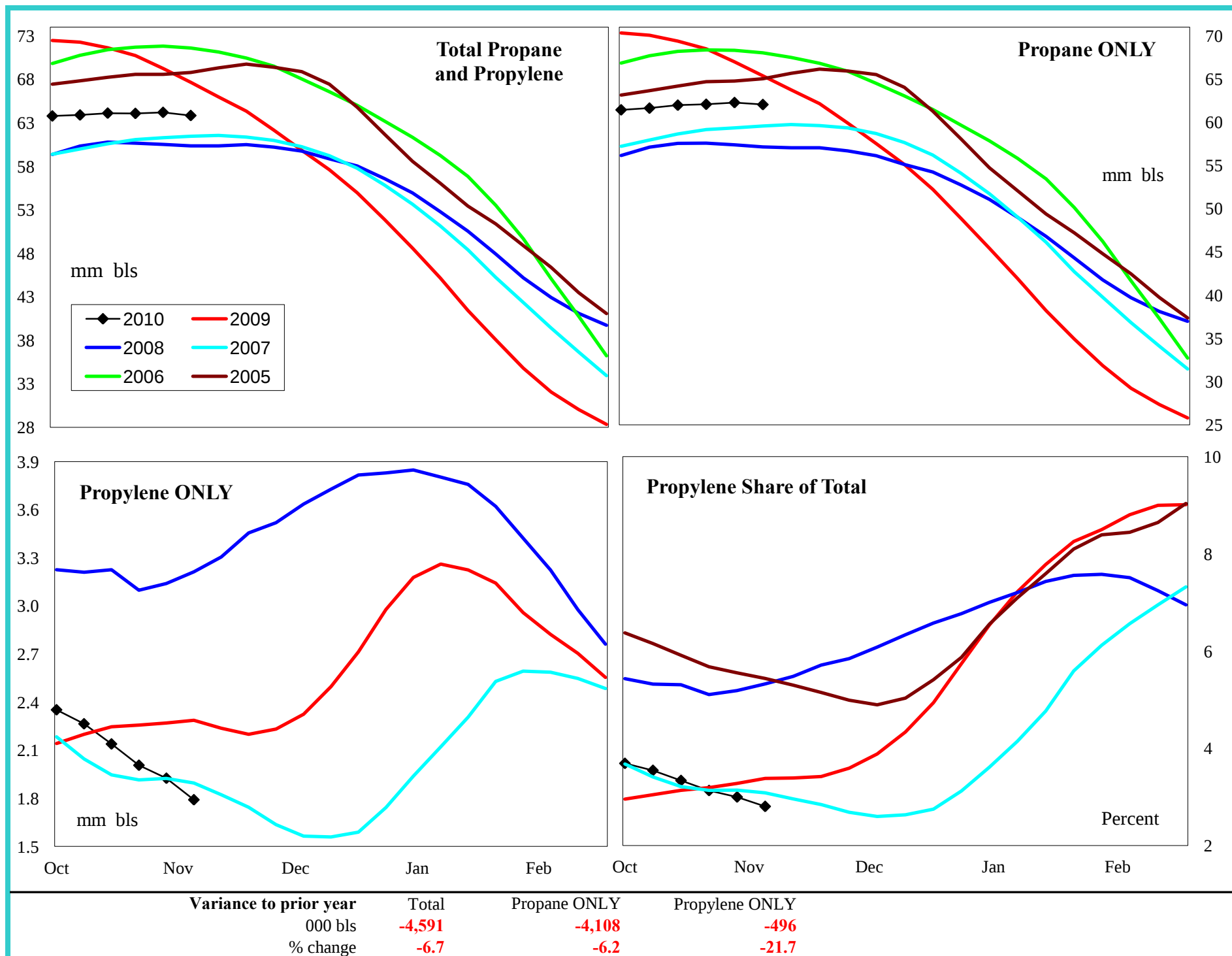
PADD 3 Propane Supply and Demand Balance



PADDs 4 and 5 Propane Supply and Demand Balance



U. S. Propane and Propylene Stocks



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

