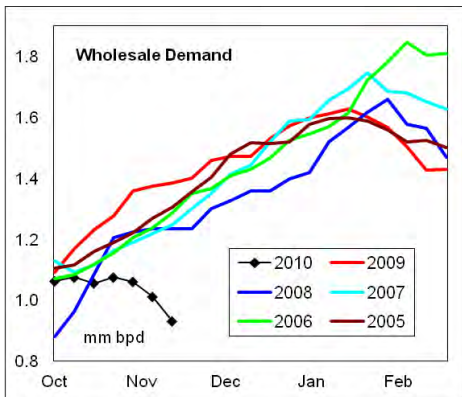

**FUNDAMENTAL
PETROLEUM
TRENDS**

WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

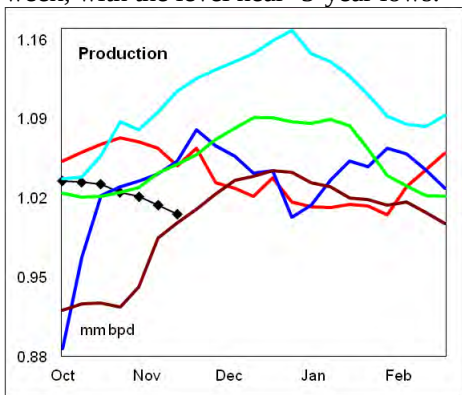
A Fundamental Petroleum Trends Weekly Report

 Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Wednesday, November 17, 2010

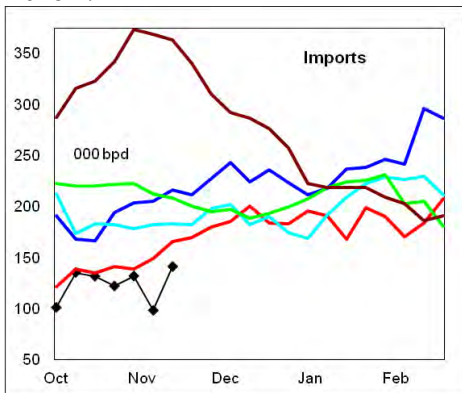

Summary¹: Wholesale demand fell -155,000 bpd last week on below normal heating degree days in key heating markets last week.



Production increased +2,000 bpd on the week, with the level near -5-year lows.



Imports climbed +74,000 bpd last week, with the increase concentrated in PADD 1 and 2.

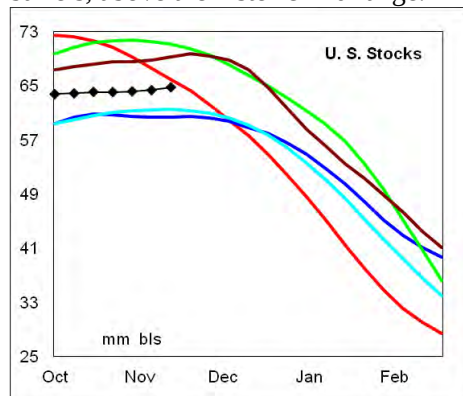


Combined production and imports during the latest 4-wk period were -64,000 bpd below a year ago.

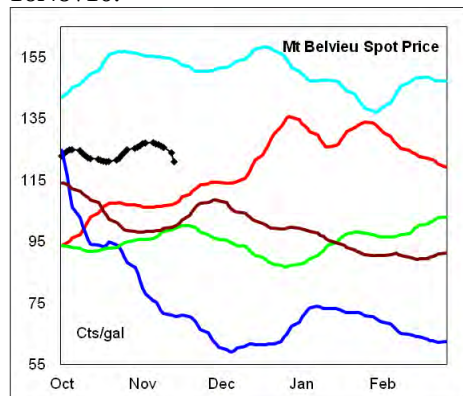
¹ Source is latest EIA Weekly Statistics

Production was -57,000 bpd below last year, and near historic lows. The latest 4-wk average demand was -339,000 bpd below last year, and a new record low.

Stocks increased +0.9 million barrels this week. The latest 4-wk stock change was a build of +1.1 million barrels, above the historic mid range.



Price and Spreads Mt Belvieu spot prices declined -6.25 cts/gal and Conway was -5 cts/gal lower for the week ending 16Nov10.



The Conway – Mt Belvieu price spread trended higher last week ending 16Nov10. The spread ended the week at the low end of the historic range.

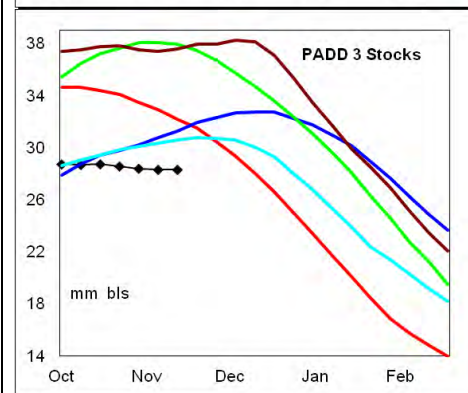
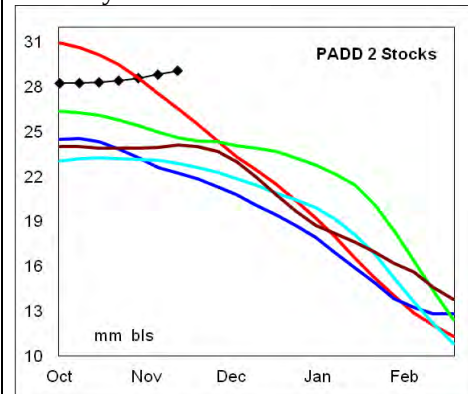
The propane to natural gas price spread traded sideways last week, at a level near recent record highs.

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

PADD 1 stocks increased +0.4 million barrels on a jump in imports. Combined production and imports increased +54,000 bpd, with production below the historic range while imports were at record highs for the period. Supply for

the latest 4-wk period was +29,000 bpd above a year ago. Stock levels were above the 5-year mid range.

PADD 2 stocks increased +0.2 million barrels last week, on extremely weak demand. Supply increased +18,000 bpd on the week, with record low imports. The most recent 4-wk stock change was a build of +0.8 million barrels, lifting stock levels to a new 5-year high for this time of year.



PAD 3 stocks increased + 0.4 million barrels. Supply increased +5,000 bpd on the week, with the 4-wk average -12,000 bpd below last year. Stock levels were -3 million barrels below prior record lows.

PADDs 4 & 5 stocks were unchanged last week. Stock levels were below the 5-year range.

Emerging Trends show record low demand on low heating degree days. The latest forecast is for a turn to colder than normal temperatures during the 2nd half of the month. Expect above normal heating degree days to provide support to prices; limited by the overall decline in crude oil prices and high stocks in the Midwest.



PROPANE: Graph Link and Weekly Summary

November 17, 2010

Fundamental Trends for the Week Ending:

Friday, November 12, 2010

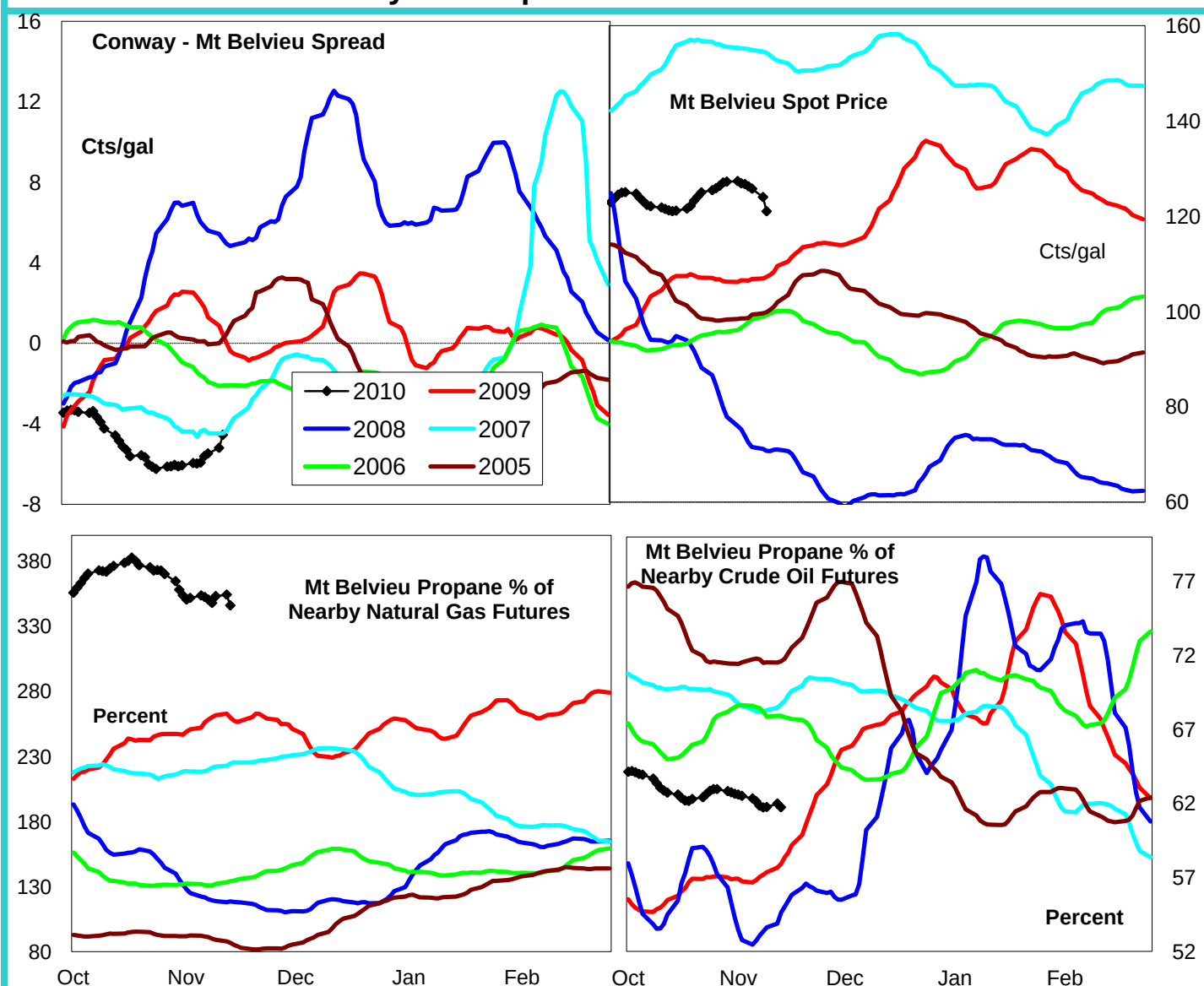
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD				U.S. Total	PADD			
		1	2	3	4&5		1	2	3	4&5
Stocks	64,776	5,439	29,073	28,276	1,988	943	407	163	353	20
Propylene Stocks	2,147					356				
Production	1,006	42	242	671	51	2	-4	5	5	-4
Imports	141	83	44	0	14	74	58	13	0	4
Whsle Demand	931					-155				

Price Trends for the Week Ending:

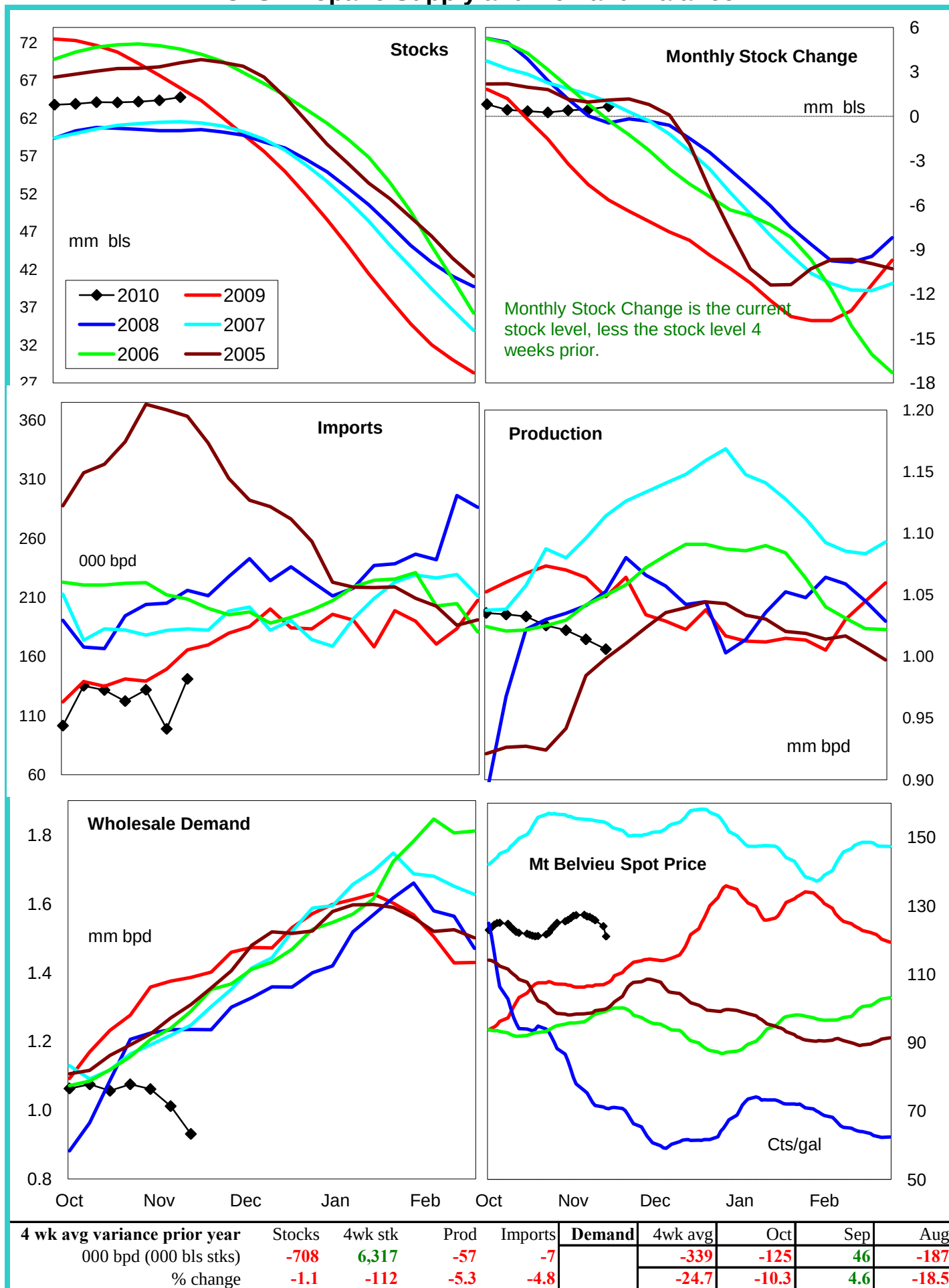
Tuesday, October 26, 2010

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	125.8	127.9	121.3	105.7	-2.13	6.59	15.59	-1.7	5.4	14.7
Conway Spot	120.3	121.4	117.4	107.2	-1.08	4.02	10.16	-0.9	3.4	9.5

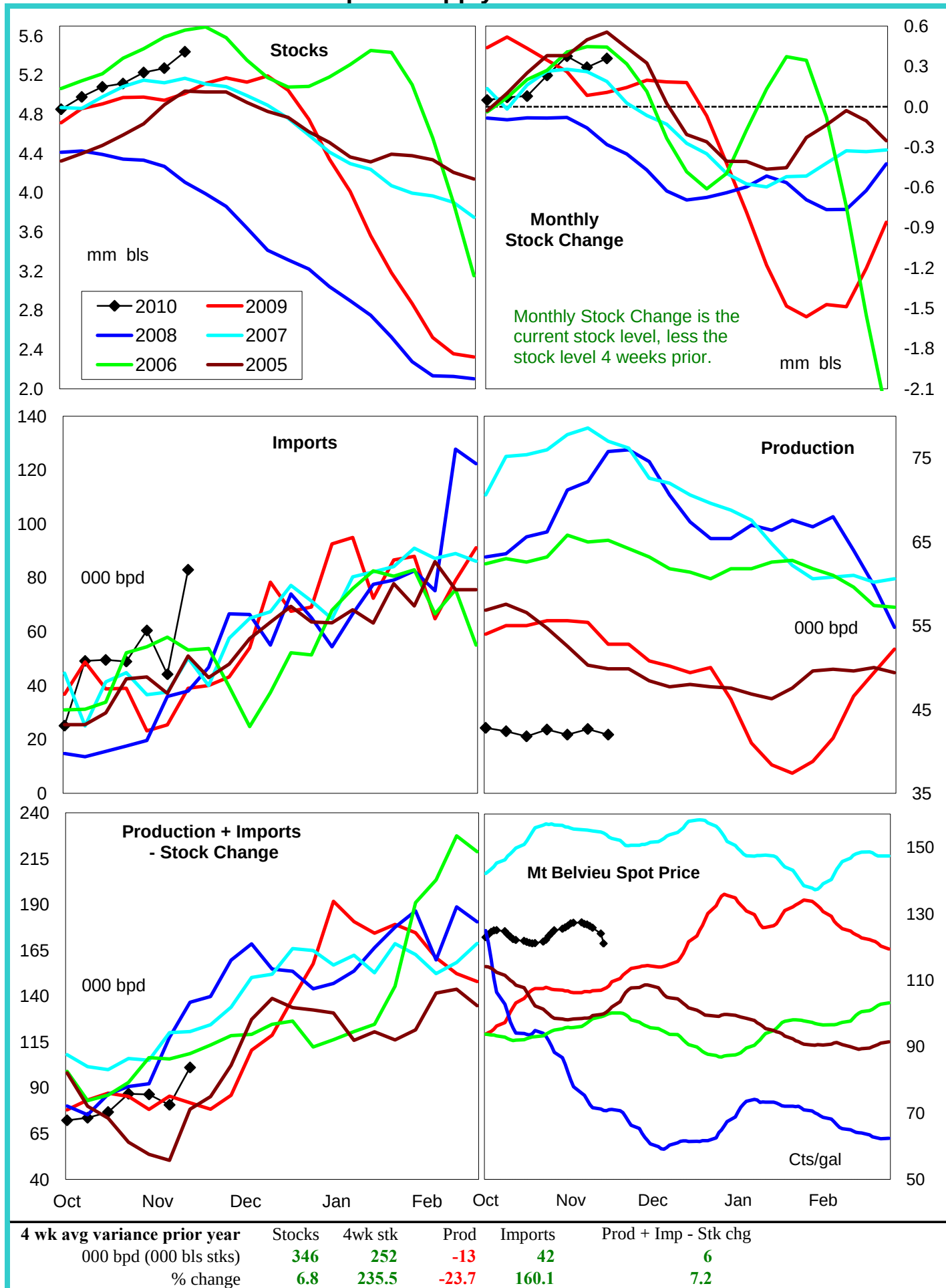
Key Price Spreads and Differentials



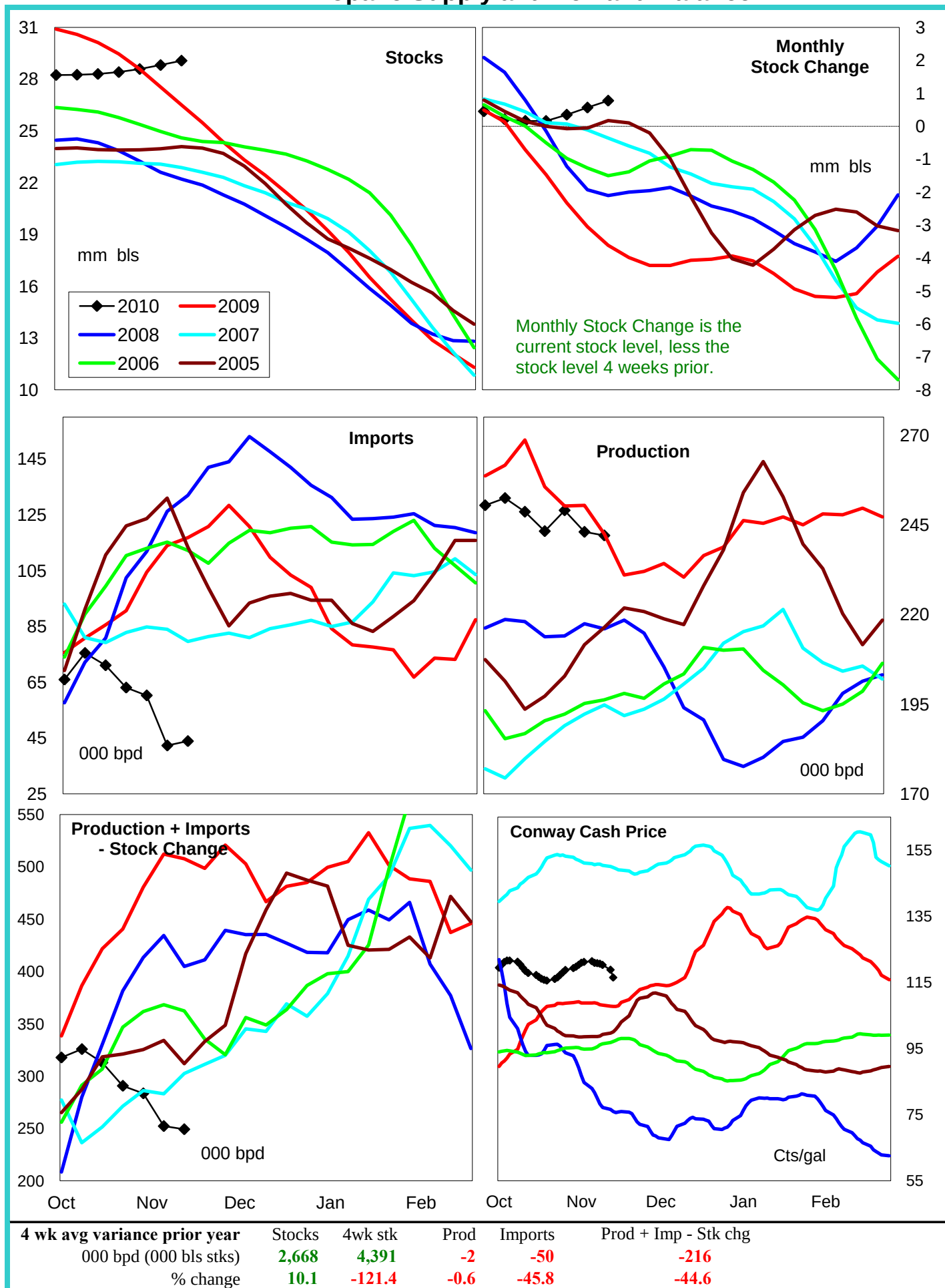
U. S. Propane Supply and Demand Balance



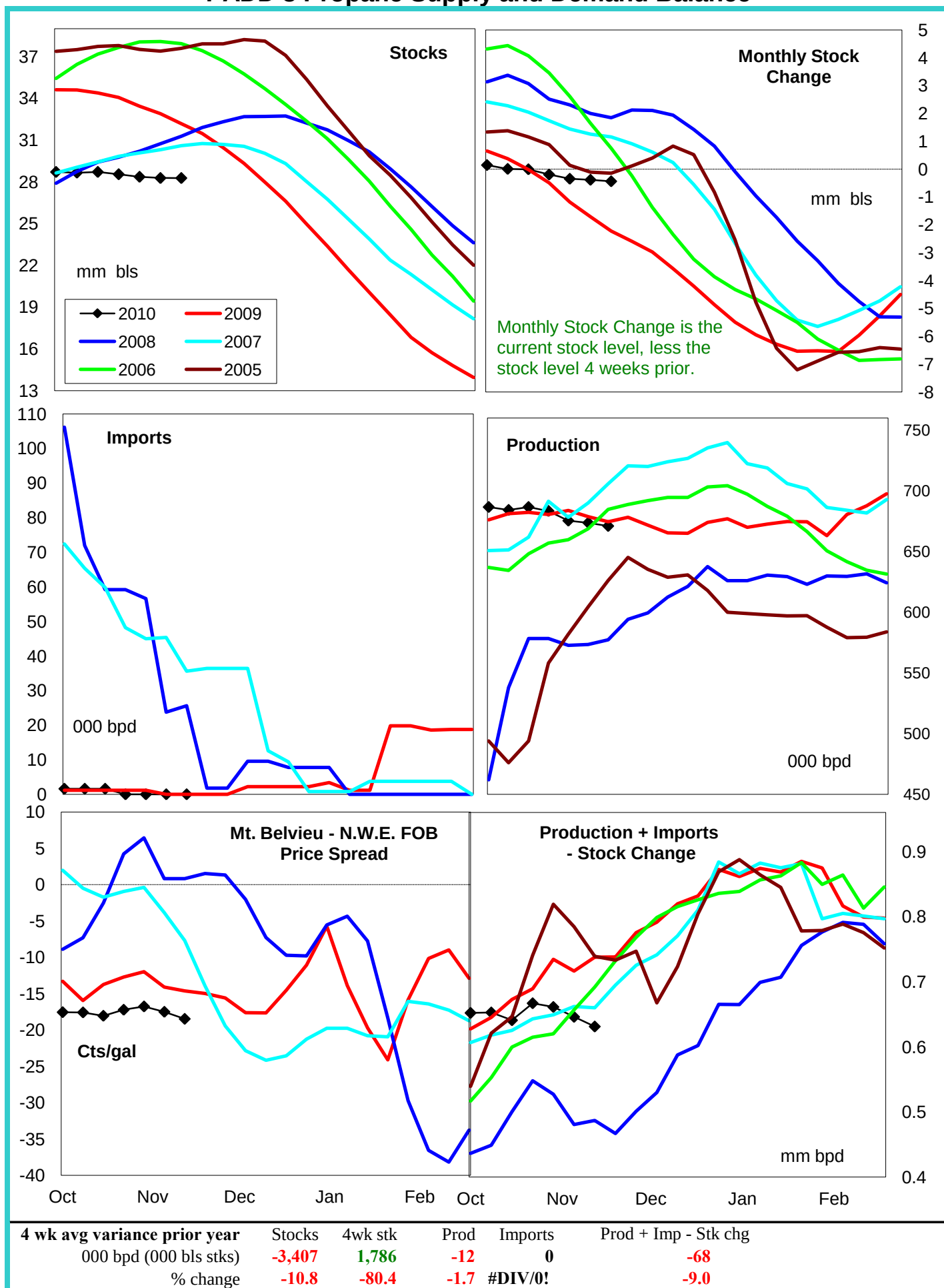
PADD 1 Propane Supply and Demand Balance



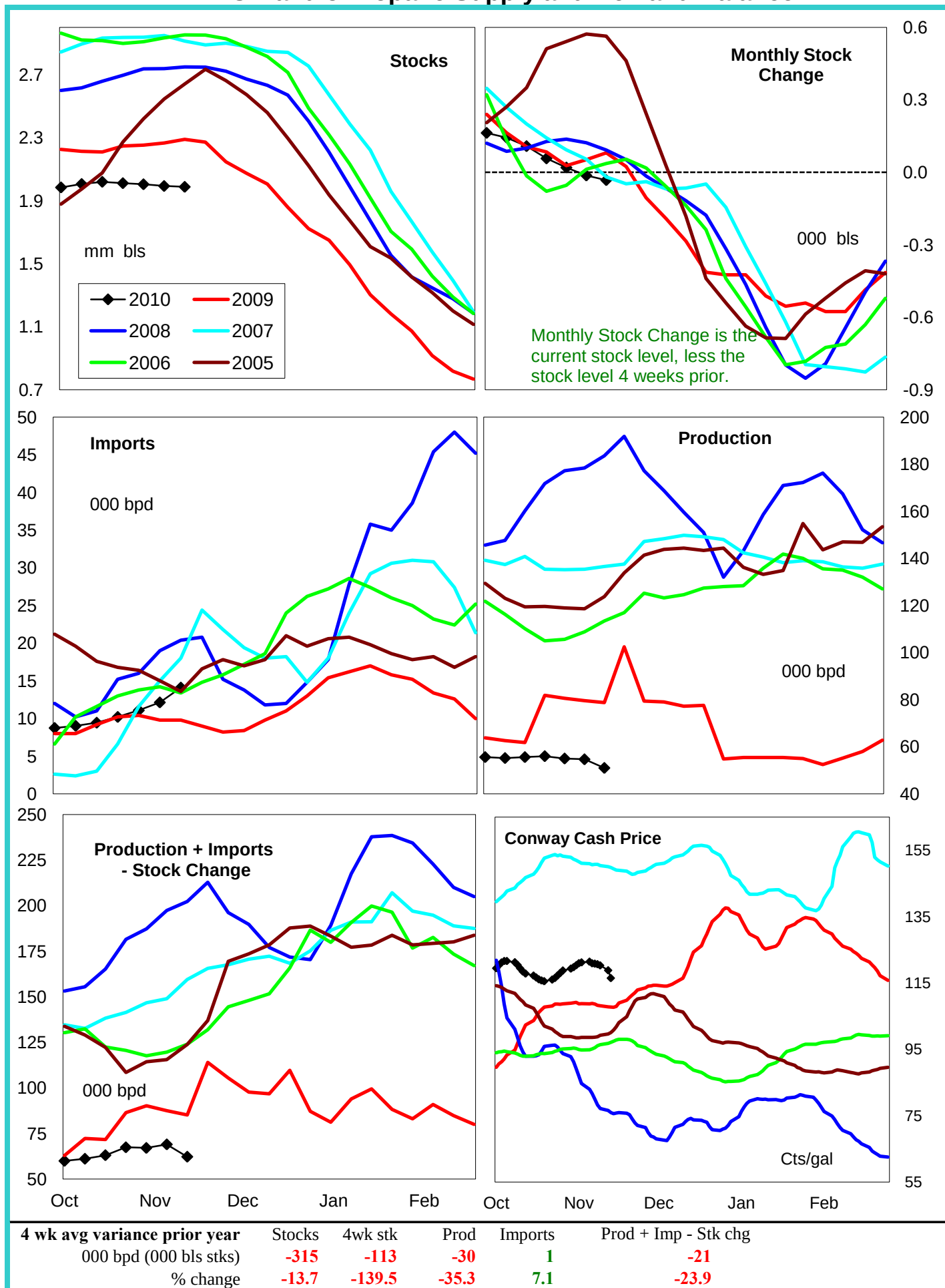
PADD 2 Propane Supply and Demand Balance



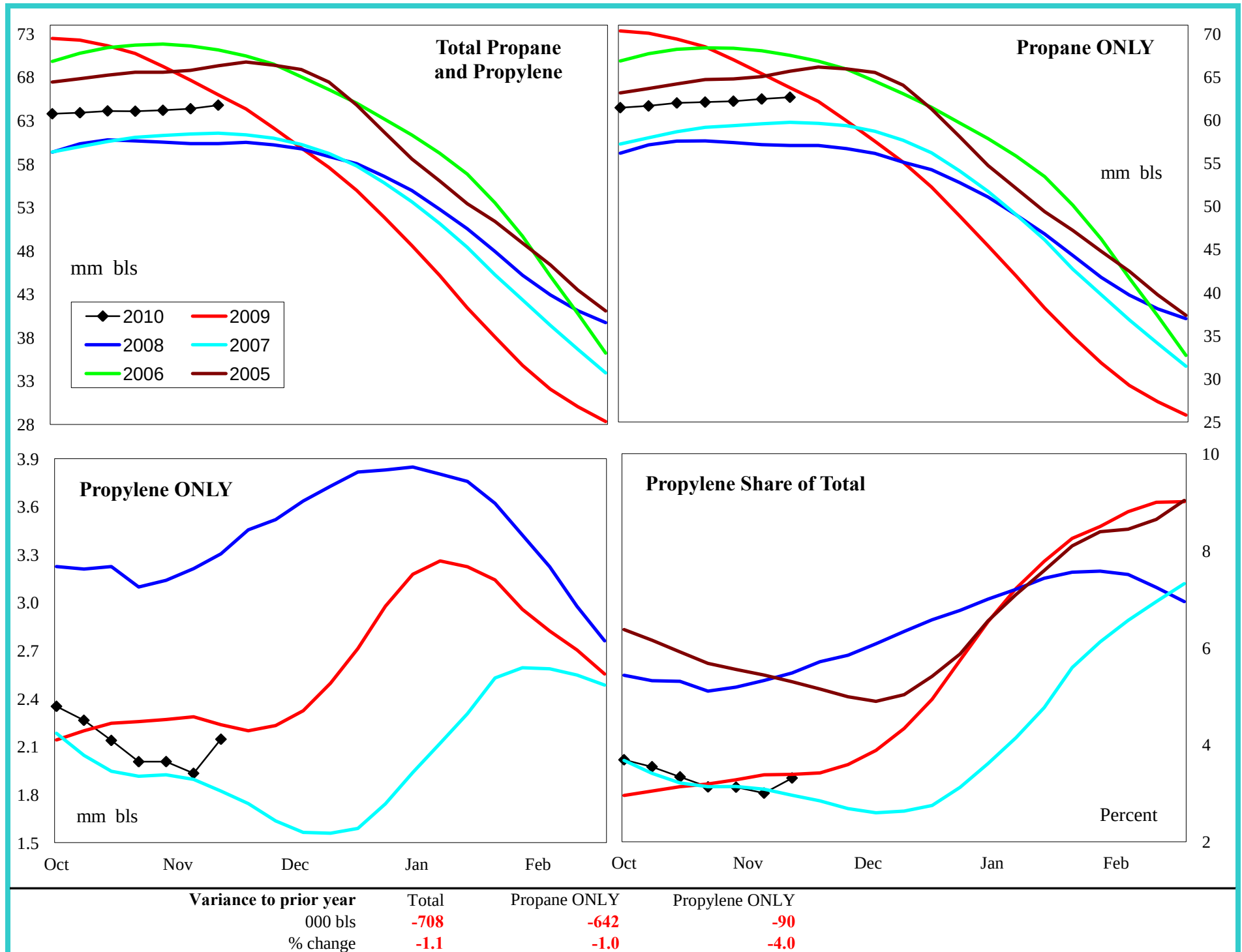
PADD 3 Propane Supply and Demand Balance



PADDs 4 and 5 Propane Supply and Demand Balance



U. S. Propane and Propylene Stocks



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

