
**FUNDAMENTAL
PETROLEUM
TRENDS**

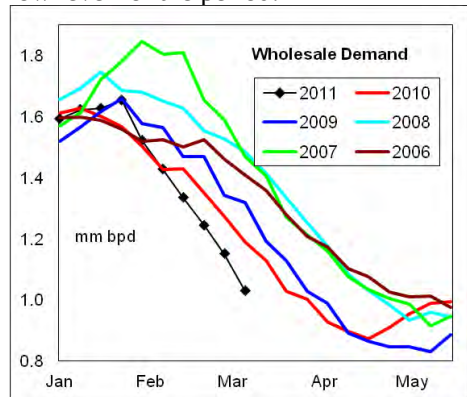
WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

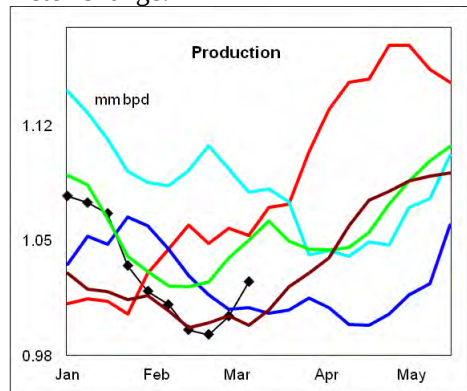
 Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Wednesday, March 16, 2011


Summary¹:

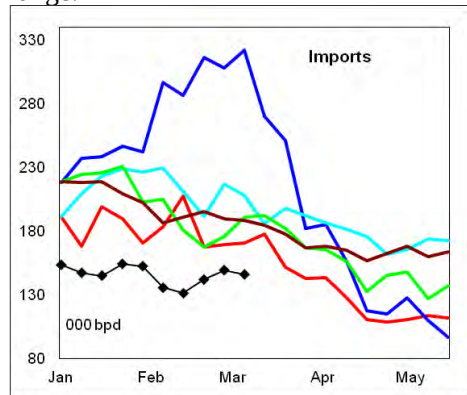
Wholesale demand decreased -171,000 bpd last week, with the level at a record low level for the period.



Production increased +50,000 bpd on the week, with the level at the low end of the historic range.



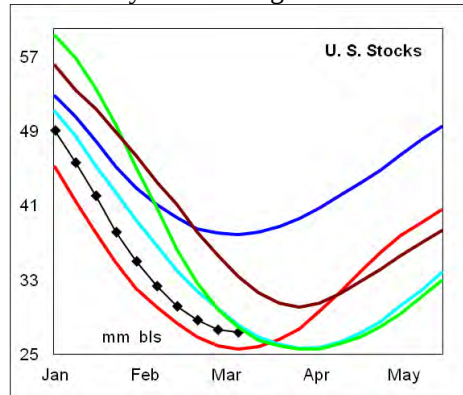
Imports increased +14,000 bpd on the week, to a level well below the 5-year range.



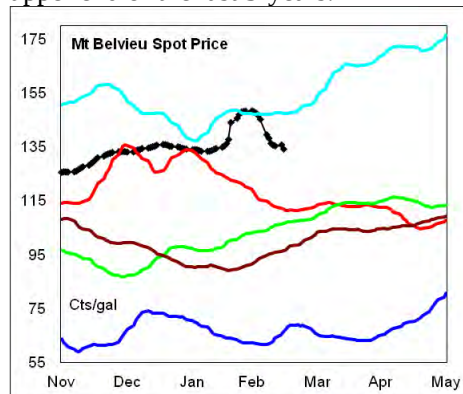
Combined production and imports during the latest 4-wk period were -

108,000 bpd below a year ago. Production was -59,000 bpd below last year, while imports were -49,000 bpd lower. The latest 4-wk average demand was -164,000 bpd below last year.

Stocks increased +0.3 million barrels this week, with a 4-wk draw of -4.5 million barrels, comparable to the last 2-years. The U.S. stock level was near the 5-year mid range.



Price and Spreads Mt Belvieu spot prices decreased -0.25 cpg while Conway increased +0.75 cpg for the week ending 15Mar11. The price level remain at the upper end of the last 5-years.



The Conway – Mt Belvieu price spread extended the uptrend in favor of Conway, following the price spike in Mt Belvieu last month. The level remains well below the 5-year historic range.

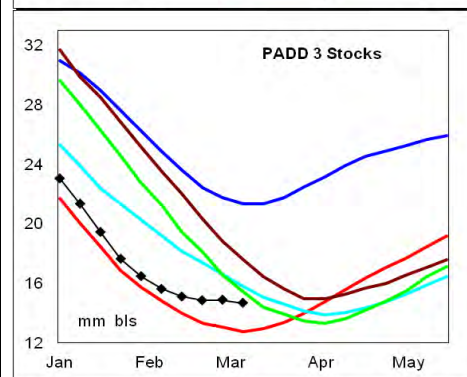
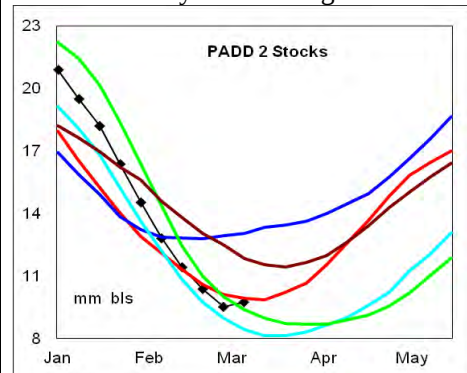
The propane to natural gas price spread trended lower in favor of natural gas last week, on the pull back in propane prices. The spread remains near recent record highs.

The propane / crude oil price spread increased slightly on weak crude oil prices. The level ending the week at a

level comparable to the last 2-years.

PADD 1 stocks were unchanged last week, due in part to a +29,000 bpd rise in supply. Supply for the latest 4-wk period decreased -22,000 bpd, on lower production and imports. Stock levels were below the mid range.

PADD 2 stocks increased +0.6 million barrels last week. Supply decreased -18,000 bpd on the week. The latest 4-wk average supply was -45,000 bpd below a year ago, on lower imports. Stock levels matched the 5-year mid range.



PAD 3 stocks decreased -0.2 million barrels on the week. The latest 4-wk average supply was -40,000 bpd below a year ago. Stock levels remain at the low end of the historic range.

PADDs 4 & 5 stocks decreased -0.1 million barrels on the week, with the level below the 5-year range.

Emerging Trends Propane demand was unusually low during the latest 4-wk period, even with high heating degree days; which points to soft demand. Production and imports also fell sharply. Expect the start of seasonal inventory builds to place downward pressure on prices.

¹ Source is latest EIA Weekly Statistics



PROPANE: Graph Link and Weekly Summary

March 16, 2011

Fundamental Trends for the Week Ending:

Friday, March 11, 2011

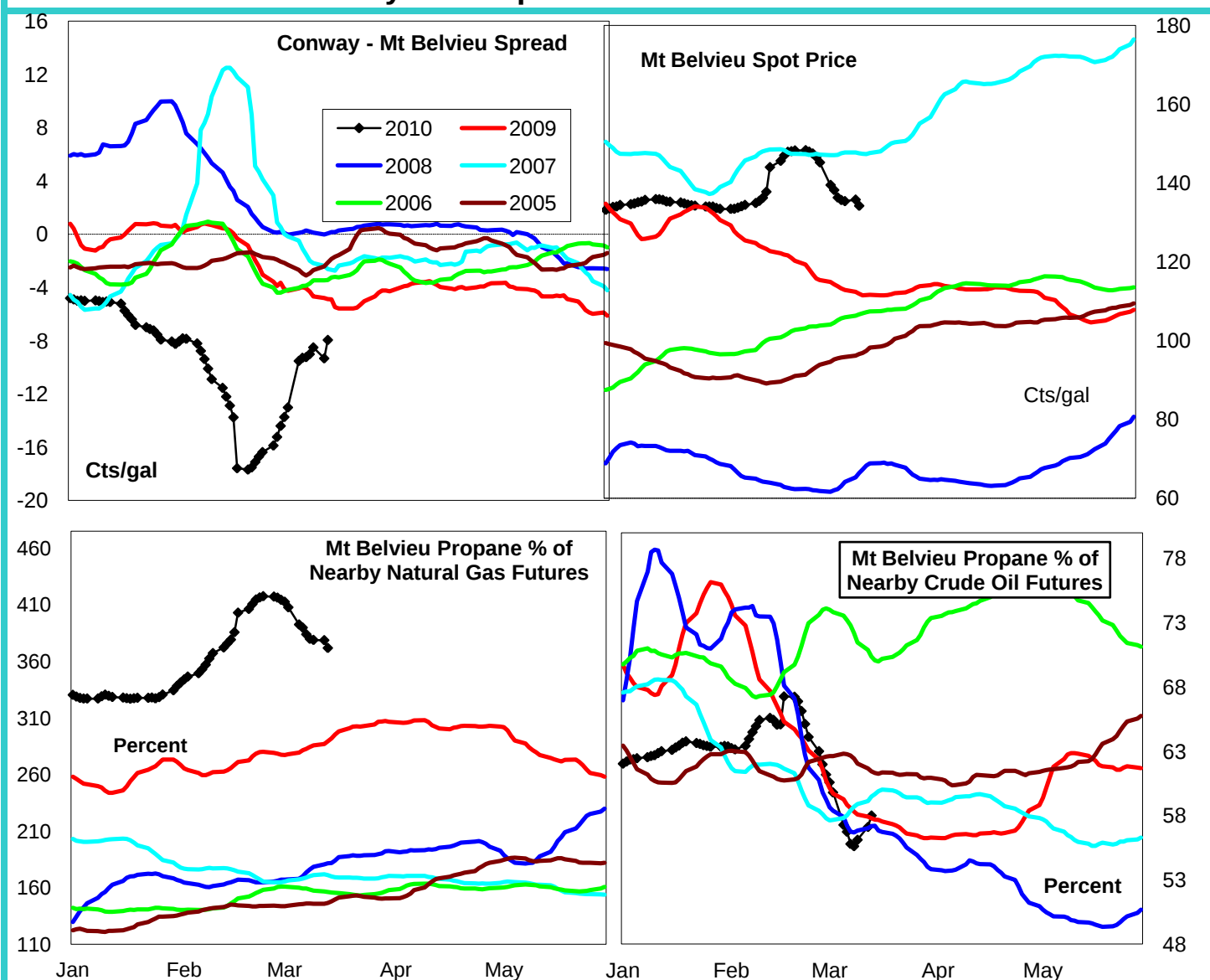
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD				U.S. Total	PADD			
		1	2	3	4&5		1	2	3	4&5
Stocks	27,362	2,354	9,747	14,664	597	276	30	569	-244	-79
Propylene Stocks	2,468					-56				
Production	1,025	48	255	661	61	50	11	1	39	-1
Imports	146	61	57	12	16	14	18	-19	12	3
Whsle Demand	1,030					-171				

Price Trends for the Week Ending:

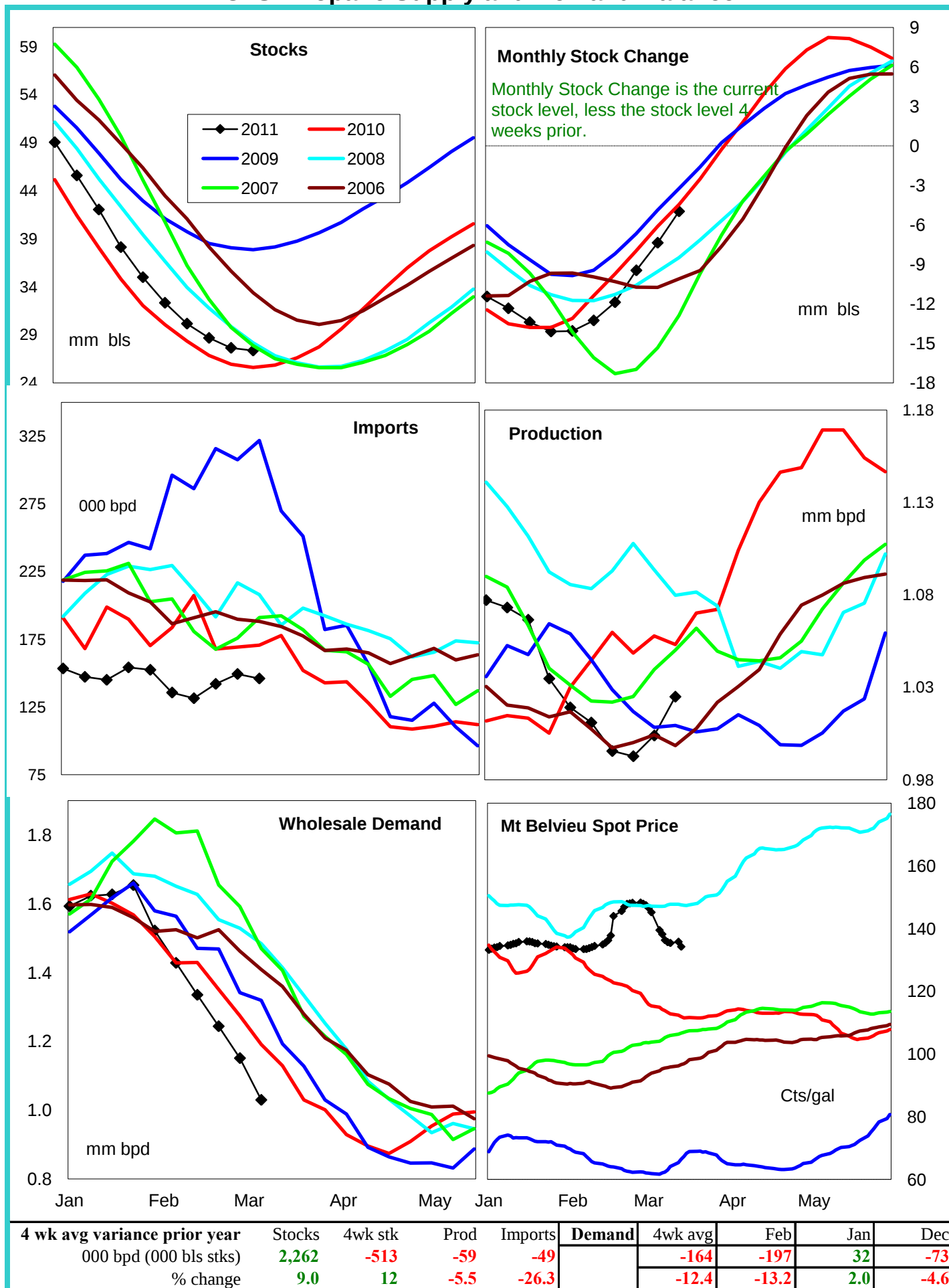
Tuesday, March 15, 2011

Cents/gal	Average for week ending:				Change from:			% change from:		
	3/15/11	3/8/11	2/15/11	3/12/10	3/8/11	2/15/11	3/12/10	3/8/11	2/15/11	3/12/10
Mont Belvieu Spot	135.4	138.8	133.0	111.2	-3.41	5.76	21.78	-2.5	4.3	19.6
Conway Spot	126.9	128.9	123.2	108.0	-2.07	5.78	15.20	-1.6	4.7	14.1

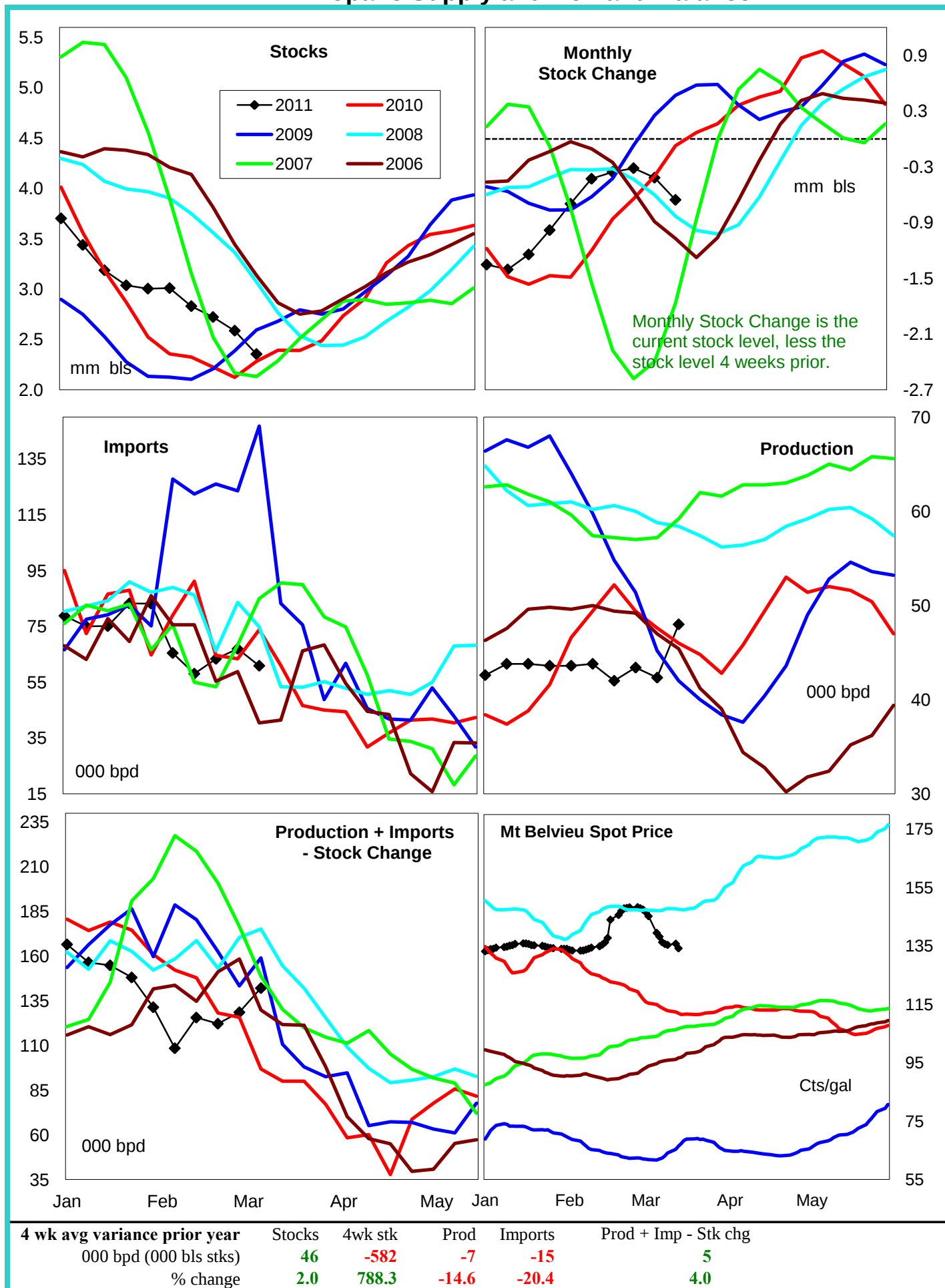
Key Price Spreads and Differentials



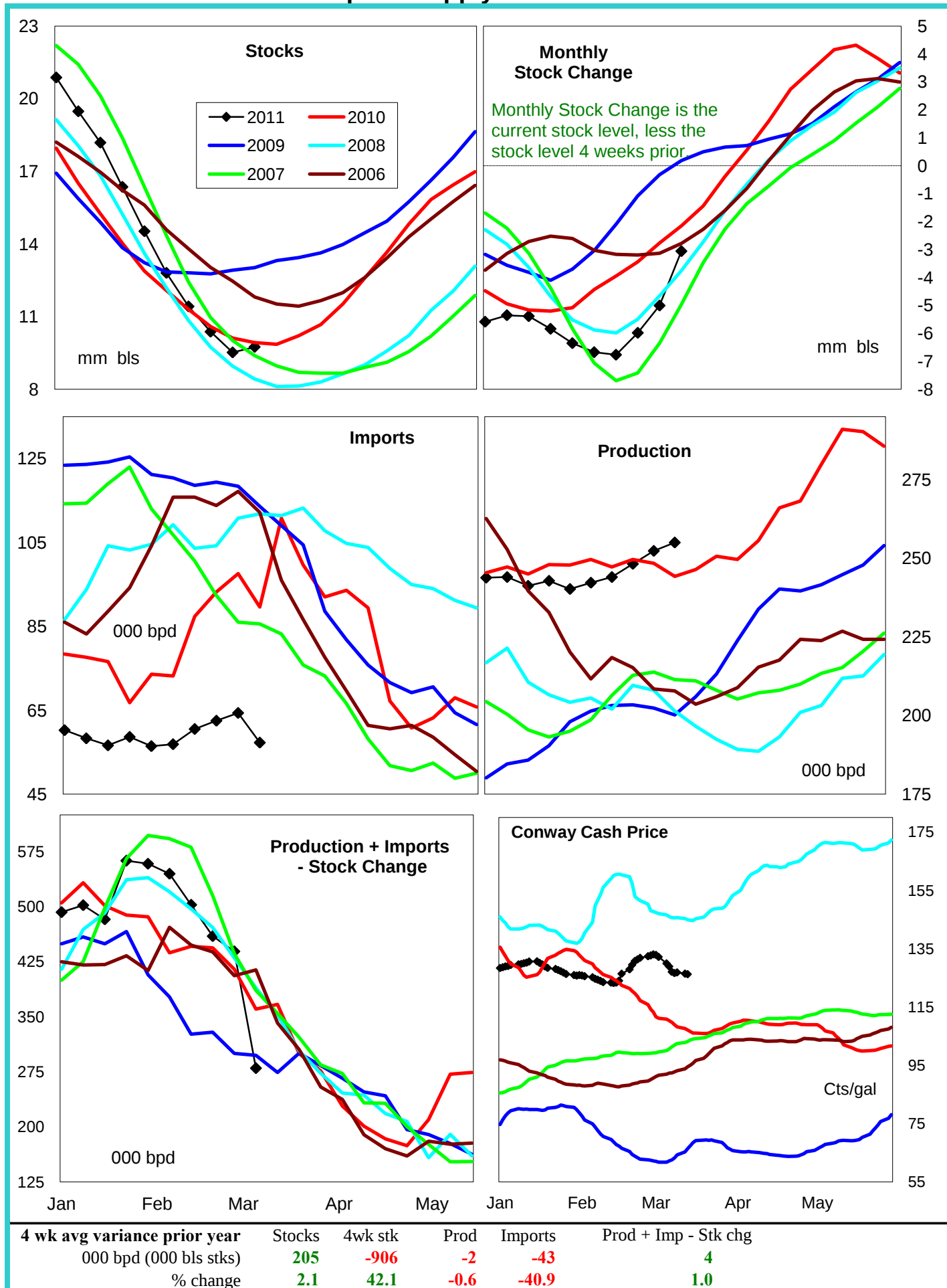
U. S. Propane Supply and Demand Balance



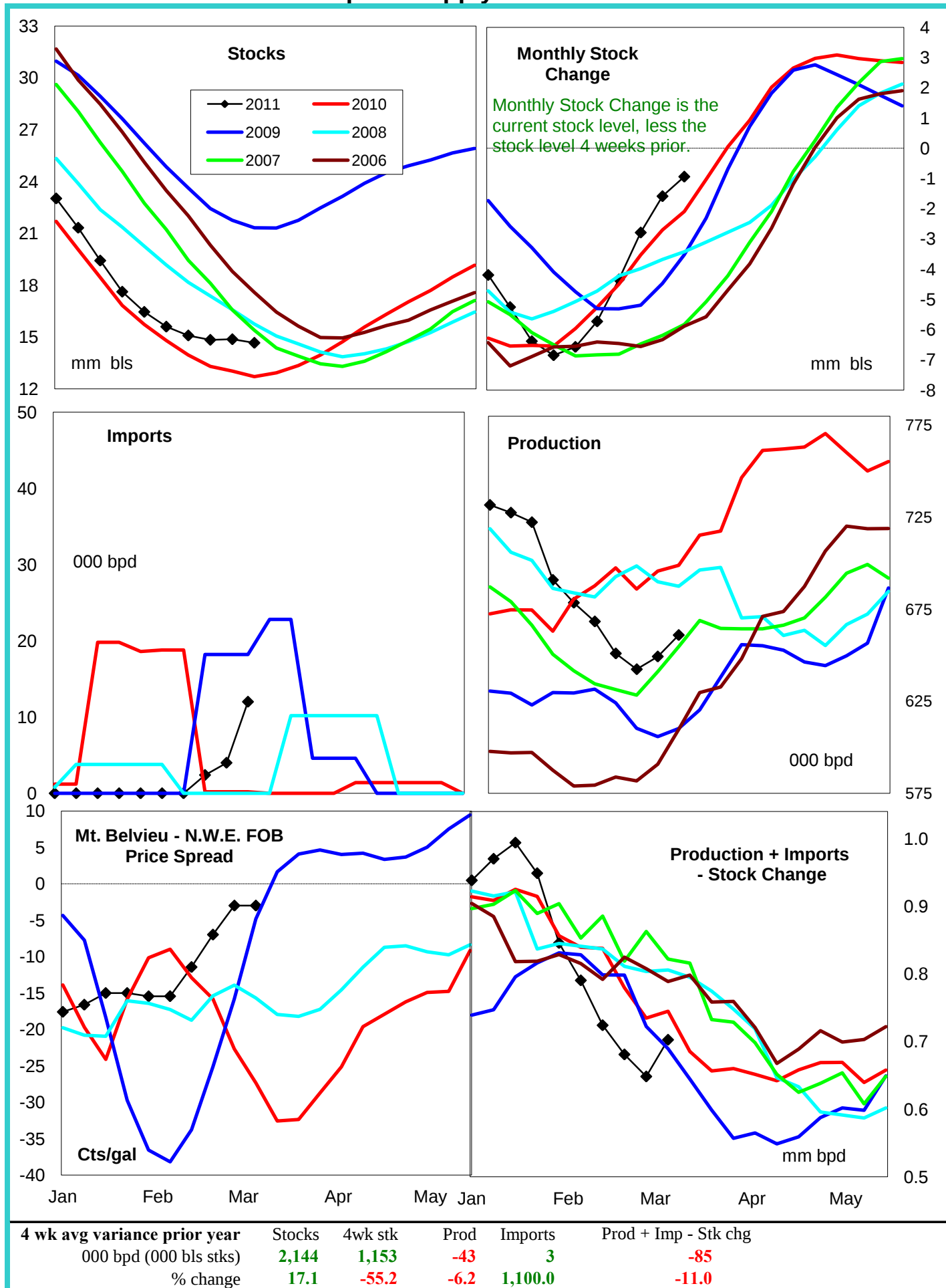
PADD 1 Propane Supply and Demand Balance



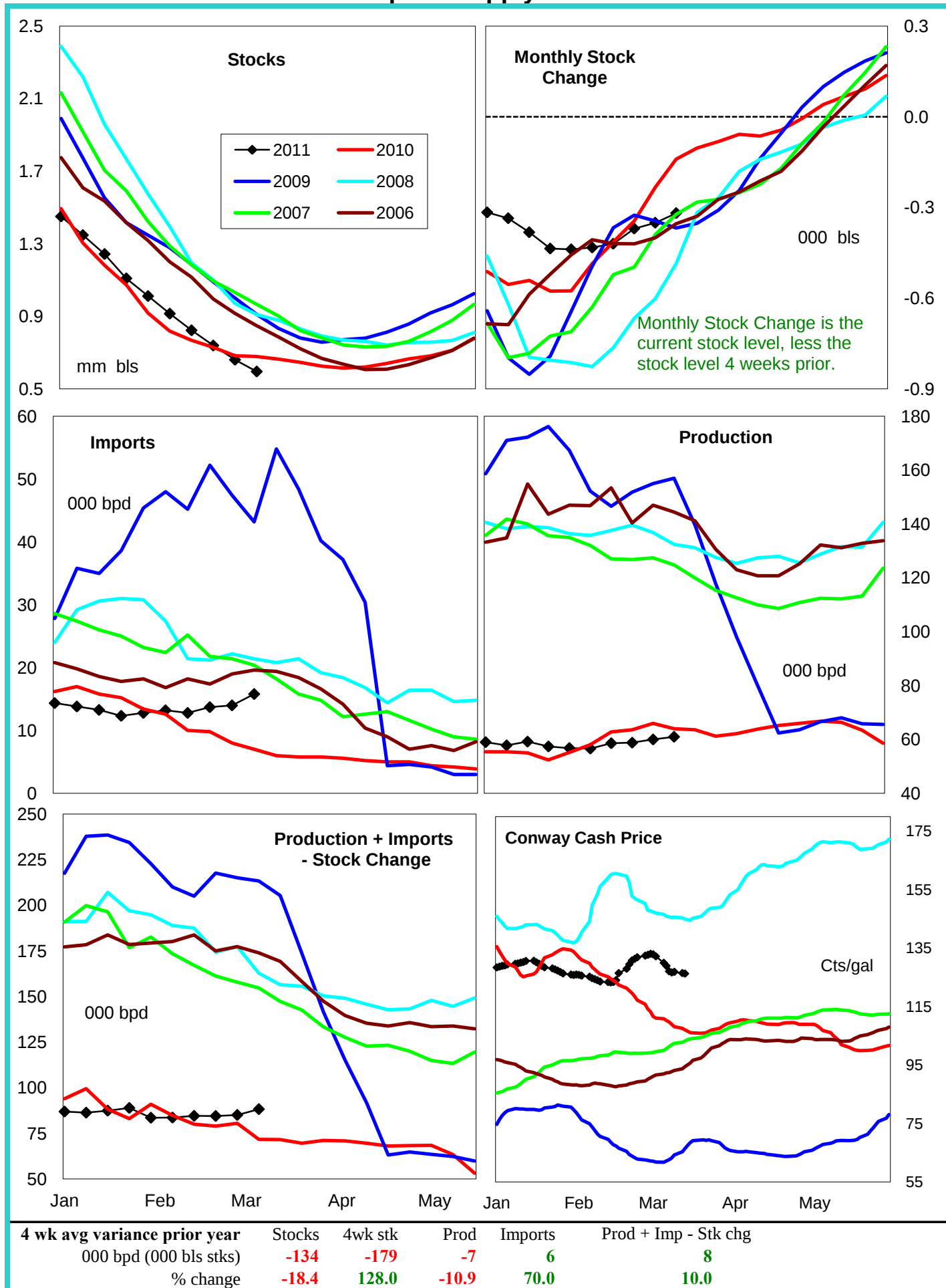
PADD 2 Propane Supply and Demand Balance



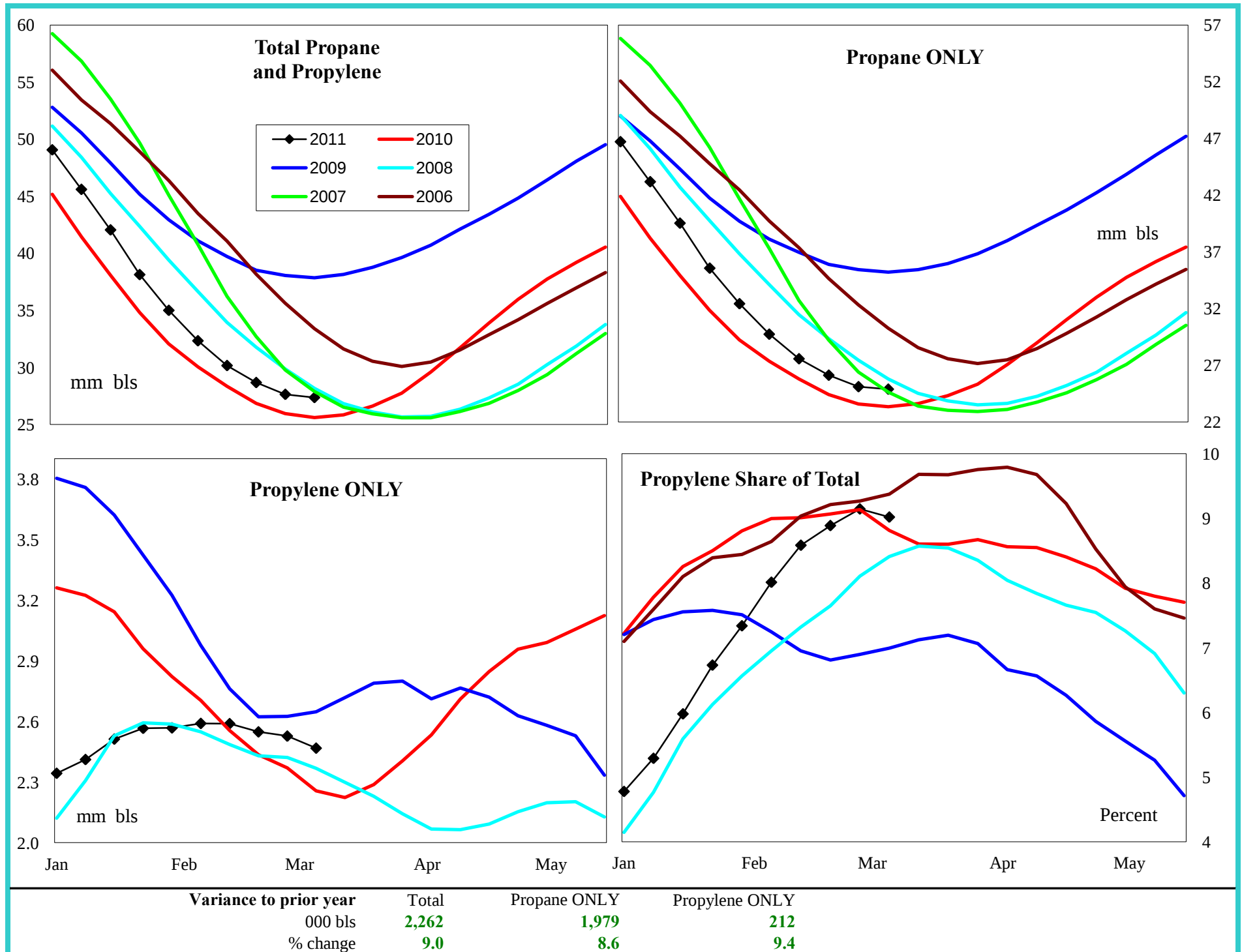
PADD 3 Propane Supply and Demand Balance



PADDs 4 and 5 Propane Supply and Demand Balance



U. S. Propane and Propylene Stocks



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

