

**FUNDAMENTAL
PETROLEUM
TRENDS**

WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

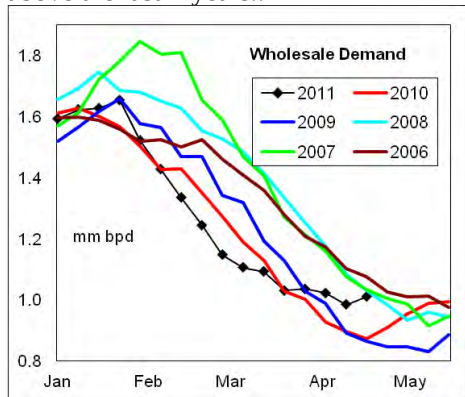
A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Wednesday, April 27, 2011

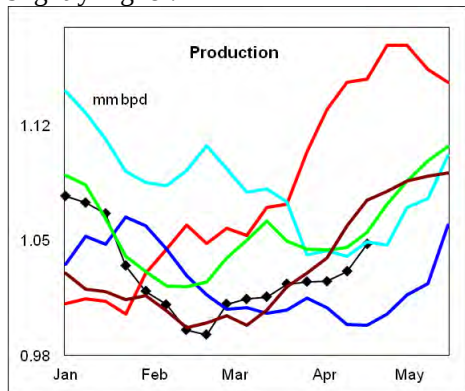


Summary¹:

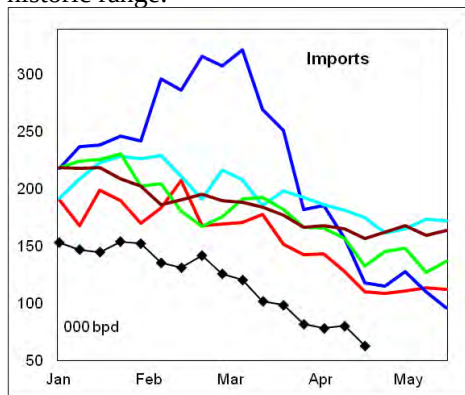
Wholesale demand decreased -46,000 bpd last week, with the level still well above the last 2-years..



Production increased +16,000 bpd on the week, with regions east of the Rockies slightly higher.



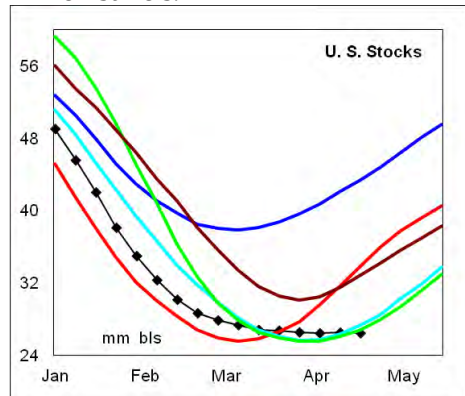
Imports were unchanged on the week, but remain significantly below the historic range.



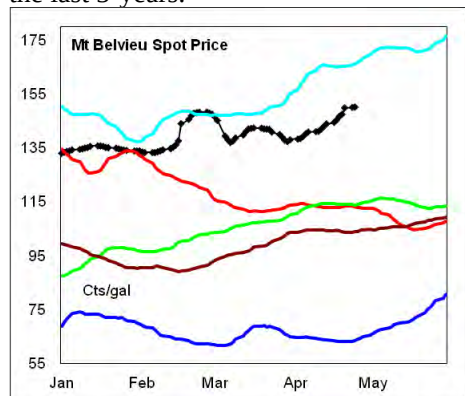
Combined production and imports during the latest 4-wk period were -

181,000 bpd below a year ago. Production was -120,000 bpd below last year, while imports were -61,000 bpd lower. The latest 4-wk average demand was +132,000 bpd above last year.

Stocks increased +0.1 million barrels this week, with the level below the 5-year range. The 4-wk stock change was a draw of -0.3 million barrels compared to an average build of +5 million barrels.



Price and Spreads Mt Belvieu and Conway spot prices increased +8 cpg for the week ending 26Apr11. The price level ended the week well above four of the last 5-years.



The Conway – Mt Belvieu price spread continued to trade in a narrow range for the last 60-days, near -10 cpg.

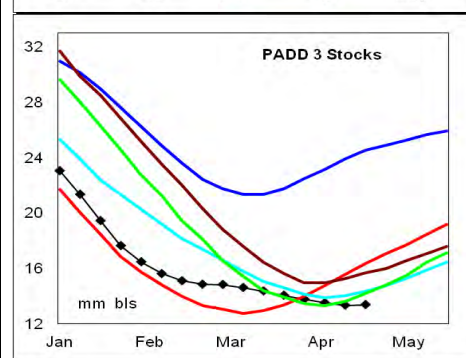
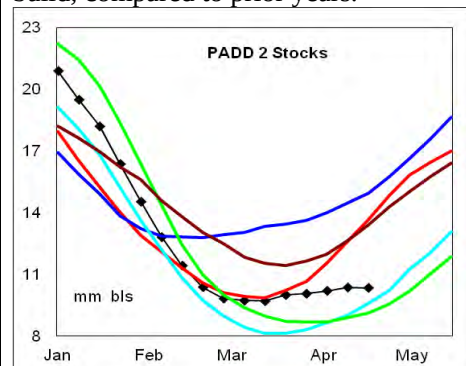
The propane to natural gas price spread traded sideways at a level well above the historic range

The propane / crude oil price spread trended higher on the week at a level below the mid range.

PADD 1 stocks decreased -0.3 million bpd last week, with the level well below the 5-year range. Supply for the latest 4-

wk period was -15,000 bpd below a year ago.

PADD 2 stocks increased +0.3 million barrels last week. Supply increased +8,000 bpd on the week. The latest 4-wk average supply was -79,000 bpd below a year ago, on lower imports. Stocks have failed to begin a seasonal build, compared to prior years.



PAD 3 stocks increased +0.1 million barrels on the week. The latest 4-wk average production was -80,000 bpd below a year ago. Stock levels ended the week at 5-year lows.

PADDs 4 & 5 stocks were unchanged on the week, with the level matching 5-year lows.

Emerging Trends Demand has been unusually robust during the last 3-wks, due to a cool late spring in key heating areas. Concurrently, supply (production and imports) have been at record low levels on alternative uses (crude oil blending and refinery fuel). These trends have driven stock levels to record lows, and the seasonal build has not begun. These fundamental trends reduce the likelihood of a meaningful off season pull back in prices.

¹ Source is latest EIA Weekly Statistics



PROPANE: Graph Link and Weekly Summary

April 27, 2011

Fundamental Trends for the Week Ending:

Friday, April 22, 2011

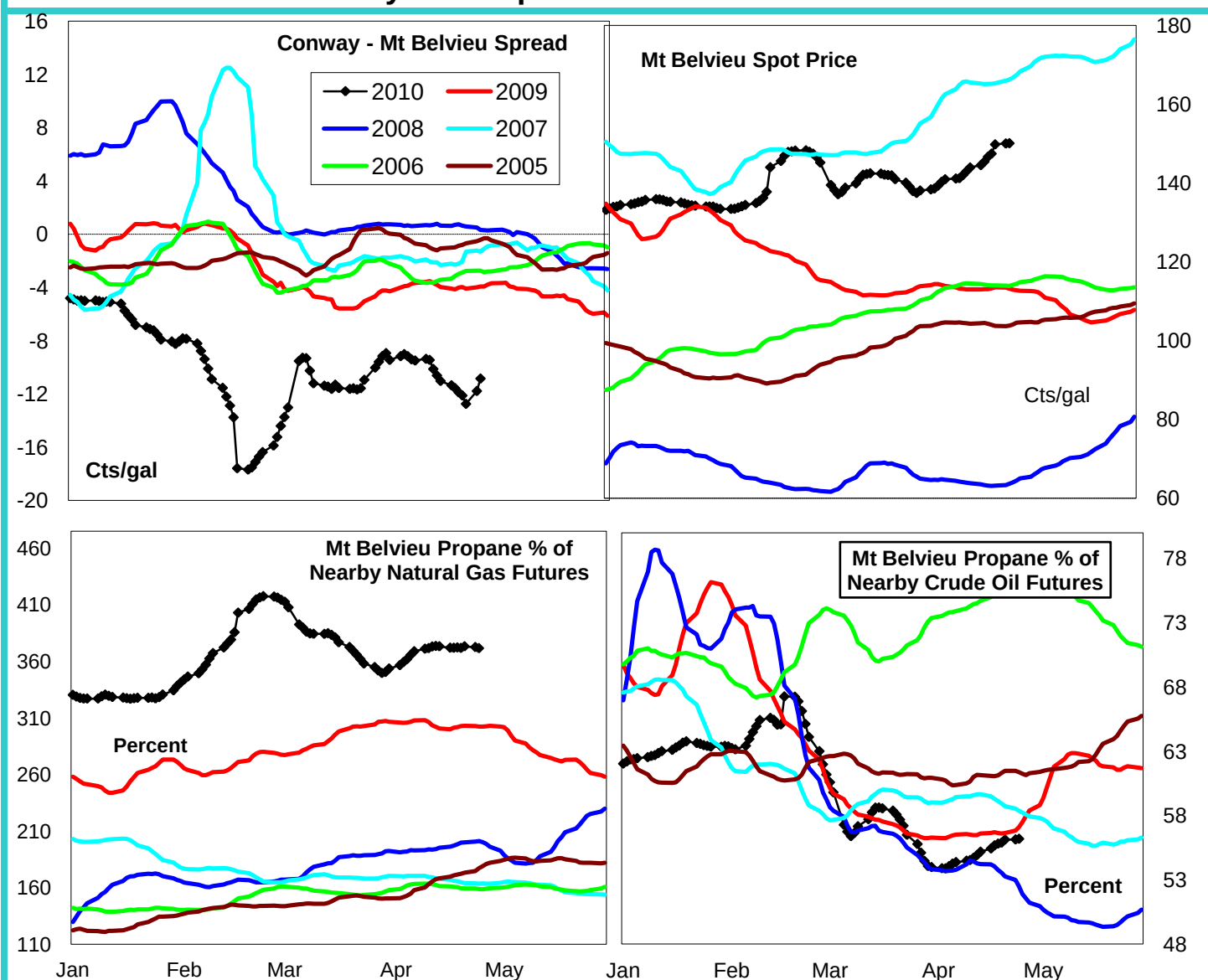
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD				U.S. Total	PADD			
		1	2	3	4&5		1	2	3	4&5
Stocks	26,465	2,154	10,338	13,370	603	79	-331	295	118	-3
Propylene Stocks	1,573					-11				
Production	1,048	37	254	708	49	16	1	9	17	-11
Imports	63	22	36	0	5	0	1	-1	0	0
Whsle Demand	1,011					-46				

Price Trends for the Week Ending:

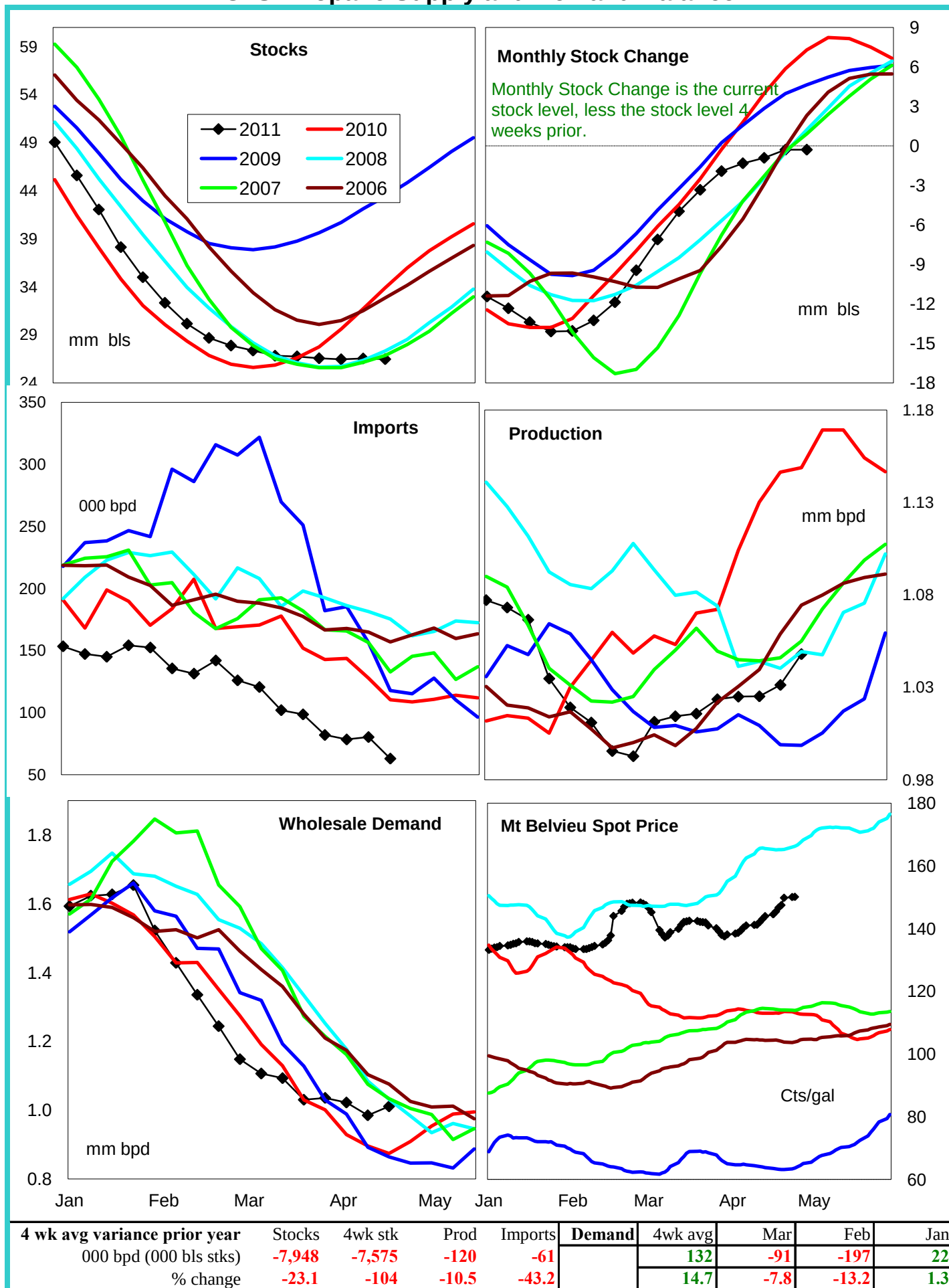
Tuesday, April 26, 2011

Cents/gal	Average for week ending:				Change from:			% change from:		
	4/26/11	4/19/11	3/29/11	4/26/10	4/19/11	3/29/11	4/26/10	4/19/11	3/29/11	4/26/10
Mont Belvieu Spot	149.8	142.6	137.6	113.8	7.19	5.06	23.81	5.0	3.7	20.9
Conway Spot	137.1	131.6	128.6	108.8	5.47	3.01	19.76	4.2	2.3	18.2

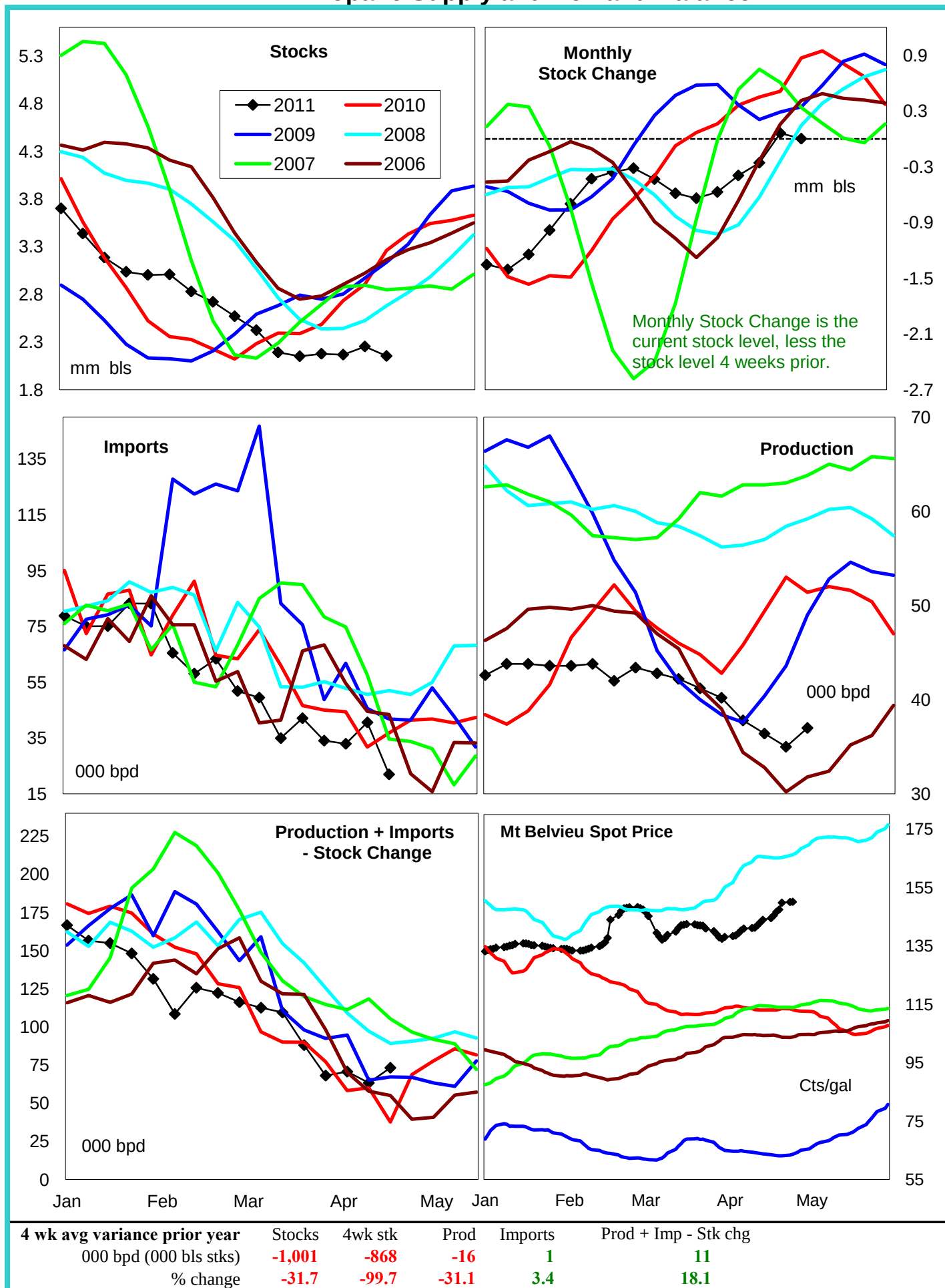
Key Price Spreads and Differentials



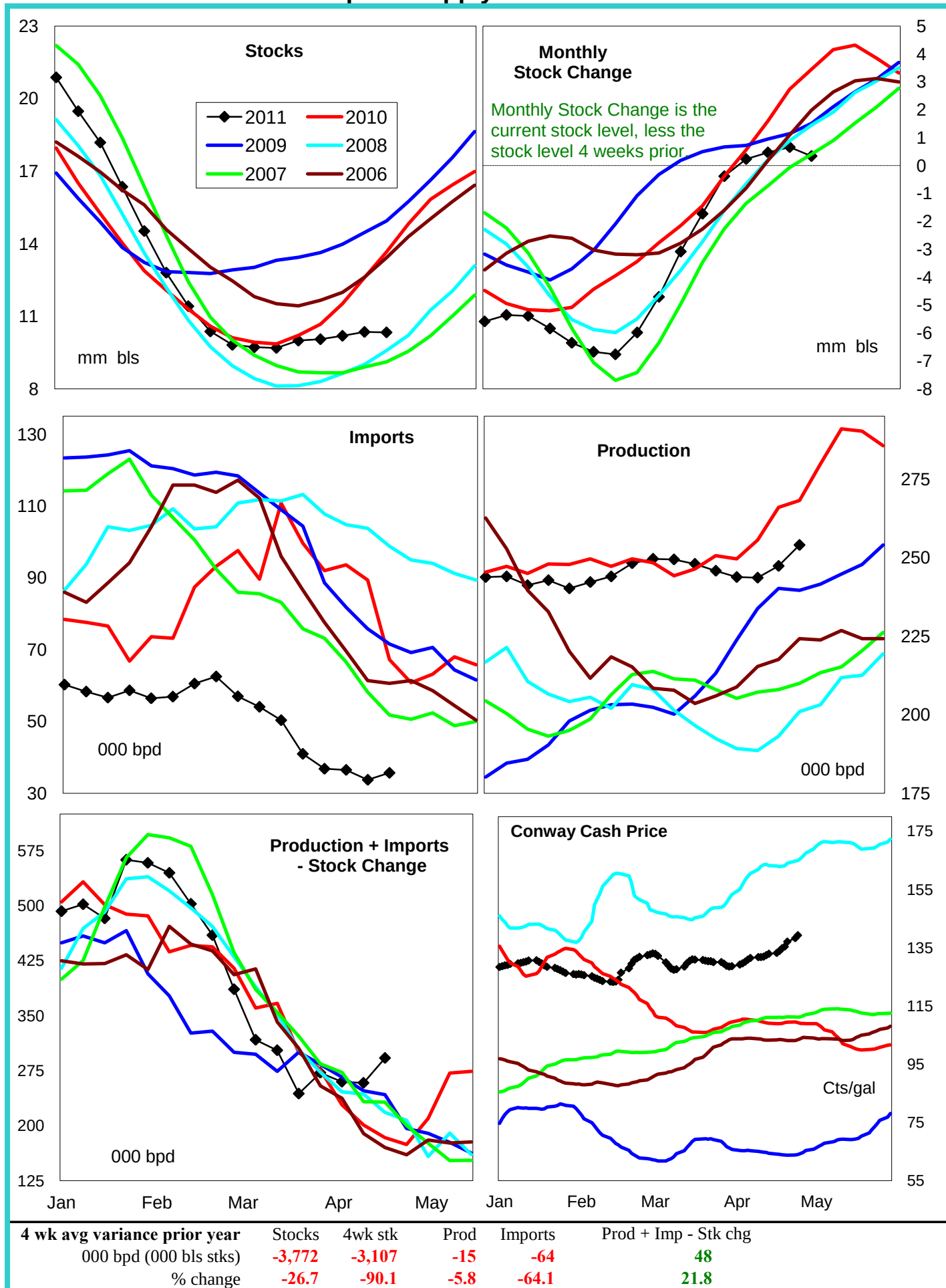
U. S. Propane Supply and Demand Balance



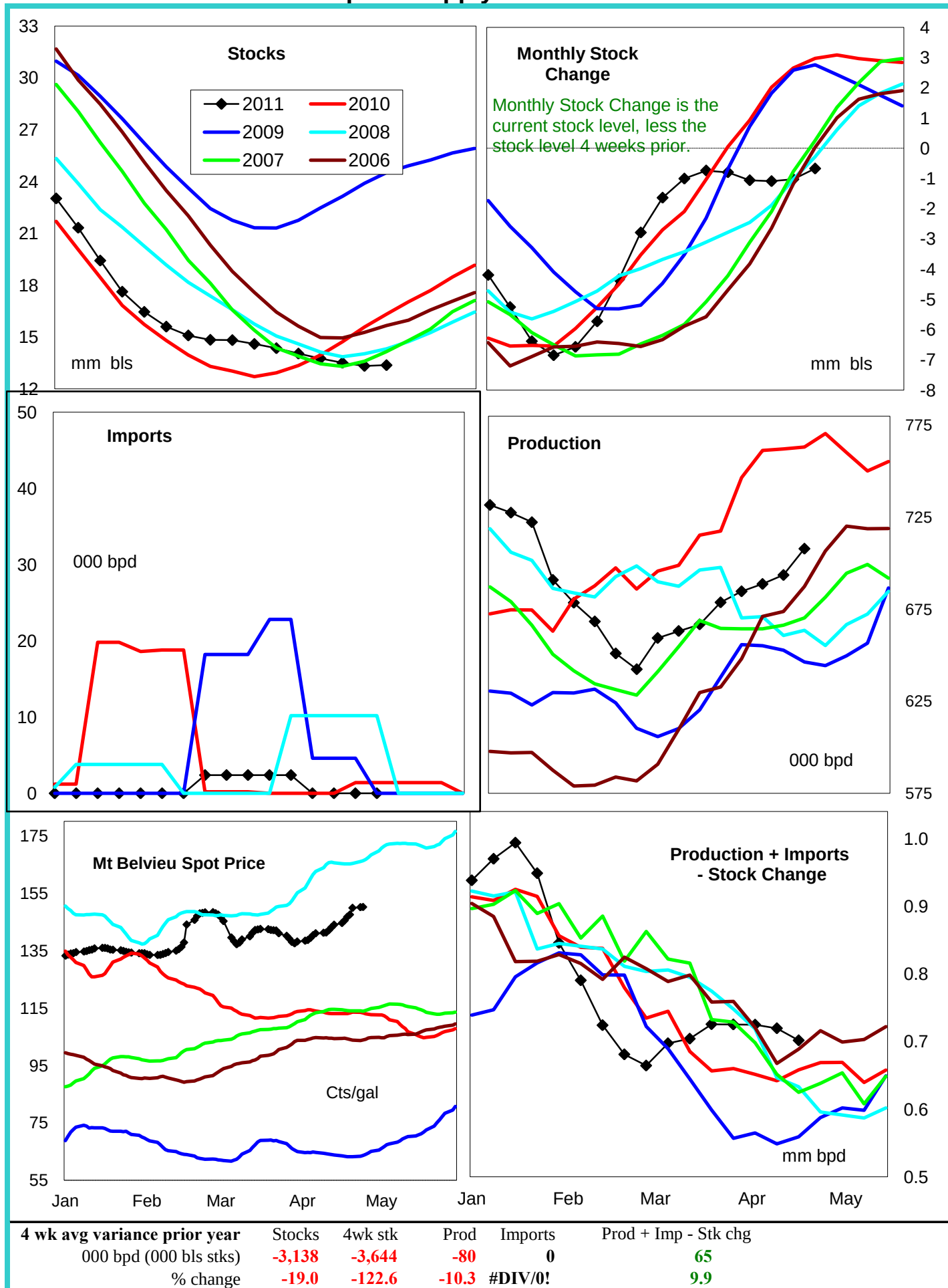
PADD 1 Propane Supply and Demand Balance



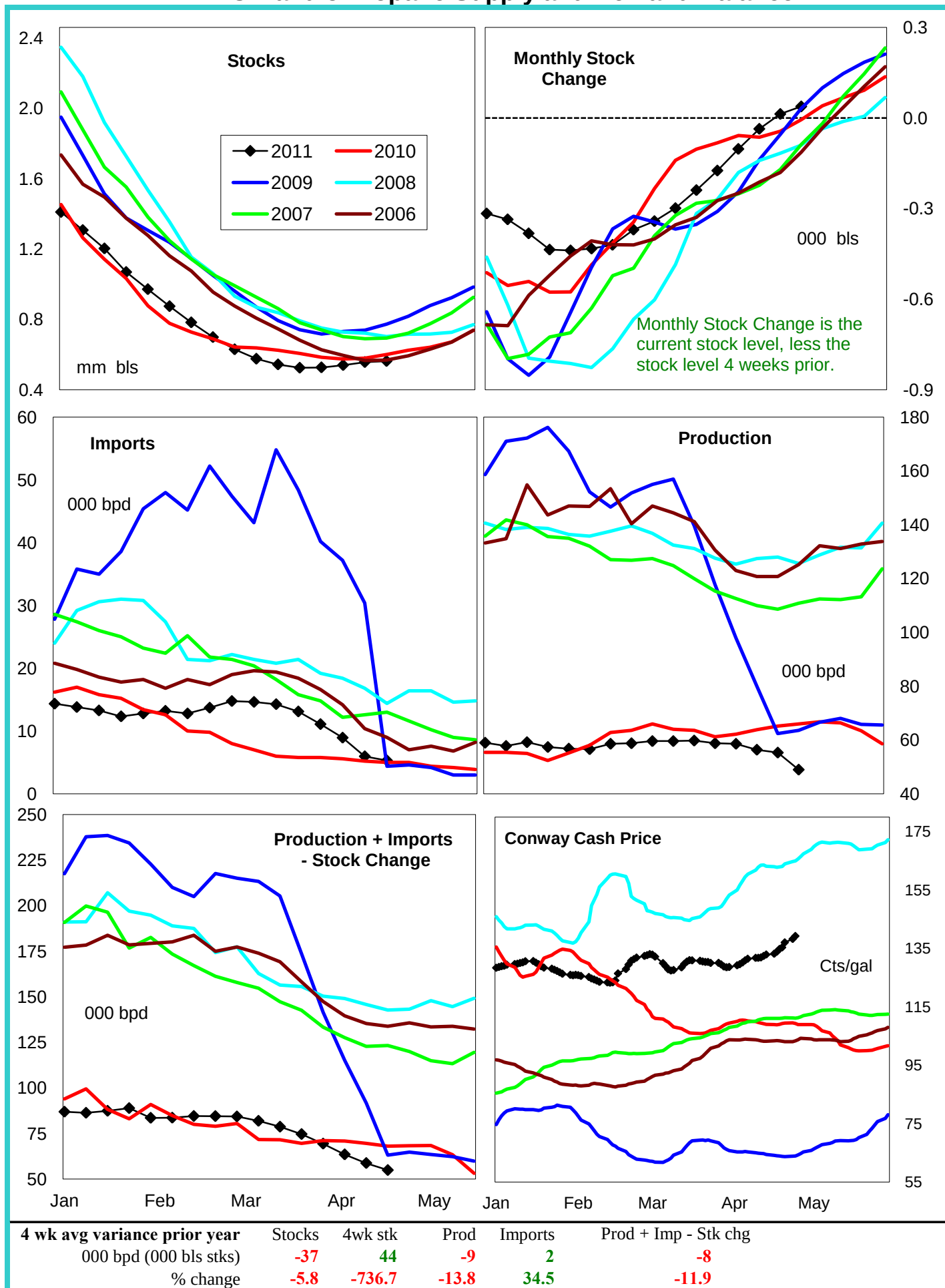
PADD 2 Propane Supply and Demand Balance



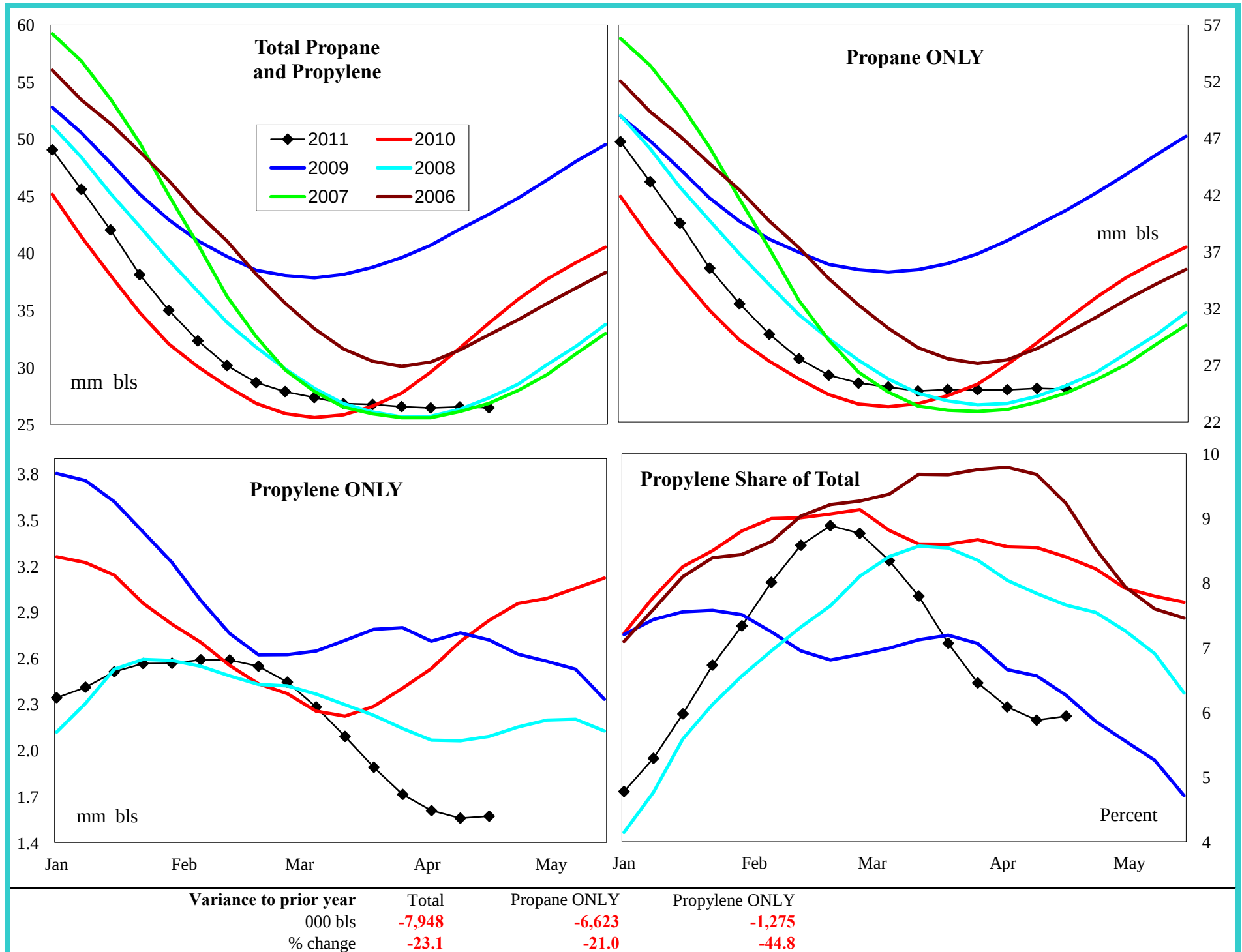
PADD 3 Propane Supply and Demand Balance



PADDs 4 and 5 Propane Supply and Demand Balance



U. S. Propane and Propylene Stocks



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

