



WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

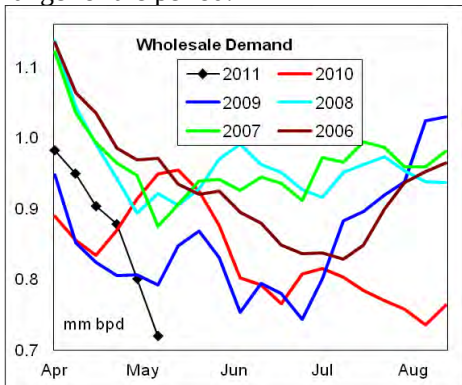
A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Wednesday, May 18, 2011

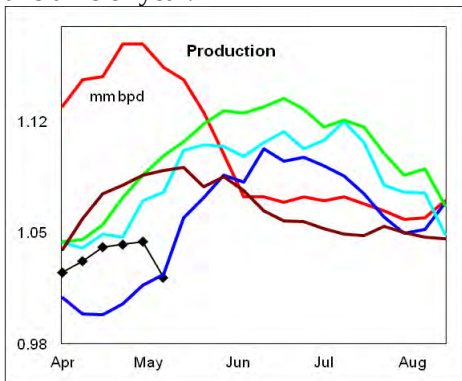


Summary¹:

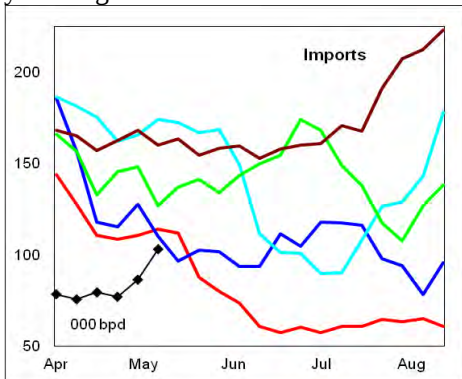
Wholesale demand FELL -166,000 bpd last week, to a level below the historic range for the period.



Production fell -41,000 bpd on the week, with the level matching 5-year lows for this time of year.



Imports increased +7,000 bpd on the week, but the level remains below the 5-year range.

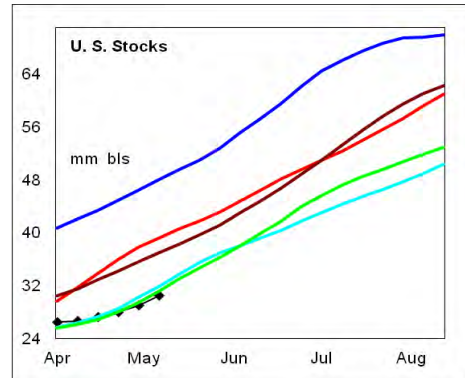


Combined production and imports during the latest 4-wk period were -159,000 bpd below a year ago.

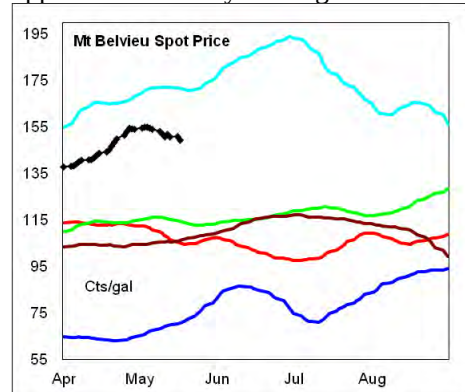
¹ Source is latest EIA Weekly Statistics

Production was -123,000 bpd below last year, while imports were -36,000 bpd lower. The latest 4-wk average demand was -19,000 bpd below last year.

Stocks increased +1.7 million barrels this week, with the level below the 5-year range. The 4-wk stock change was a build of +3.9 million barrels compared to an average build of +6 million barrels.



Price and Spreads Mt Belvieu spot prices declined -5 cpg while Conway decreased -3 cpg for the week ending 17May11. The price level ended the week at the upper end of the 5-year range.



The Conway – Mt Belvieu price spread extended the longer term uptrend in favor of Conway, ending the week at the highest level of the last 60-days, still below the 5-year range.

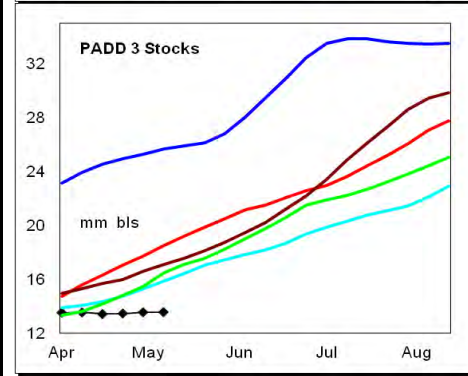
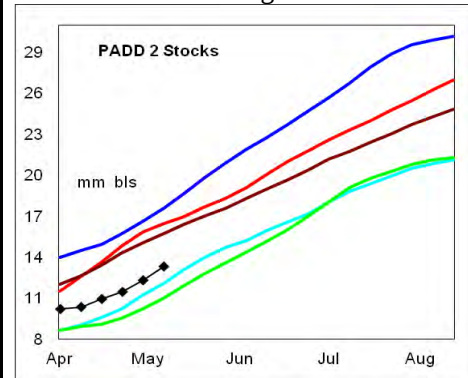
The propane to natural gas price spread trended higher in favor of propane, with the level new record highs.

The propane / crude oil price spread extended the longer term uptrend in favor of propane, ending at a level above four of the last 5-years.

PADD 1 stocks increased +0.4 million bpd last week, with the level matching 5-

year lows for the period. Supply for the latest 4-wk period was -24,000 bpd below a year ago.

PADD 2 stocks increased +0.9 million barrels last week. Supply increased +25,000 bpd on the week. The latest 4-wk average supply was -59,000 bpd below a year ago, on lower imports and production. Stock levels were at the low end of the historic range.



PAD 3 stocks increased +0.3 million barrels on the week. The latest 4-wk average production was -62,000 bpd below a year ago. Stock levels ended the week -2 million barrels below the 5-year range.

PADDs 4 & 5 stocks increased +0.1 million barrels on the week. The stock level matched historic lows.

Emerging Trends Supply for the latest 4-wk period was -12% below a year ago and at a 5-year low for the period. Low refinery run rates and alternative uses (crude oil blending & refinery fuel) continue to constrain supply. With carry out stocks and early summer builds also extremely low, expect propane prices to remain firm in relation to other energy products.



PROPANE: Graph Link and Weekly Summary

May 18, 2011

Fundamental Trends for the Week Ending:

Friday, May 13, 2011

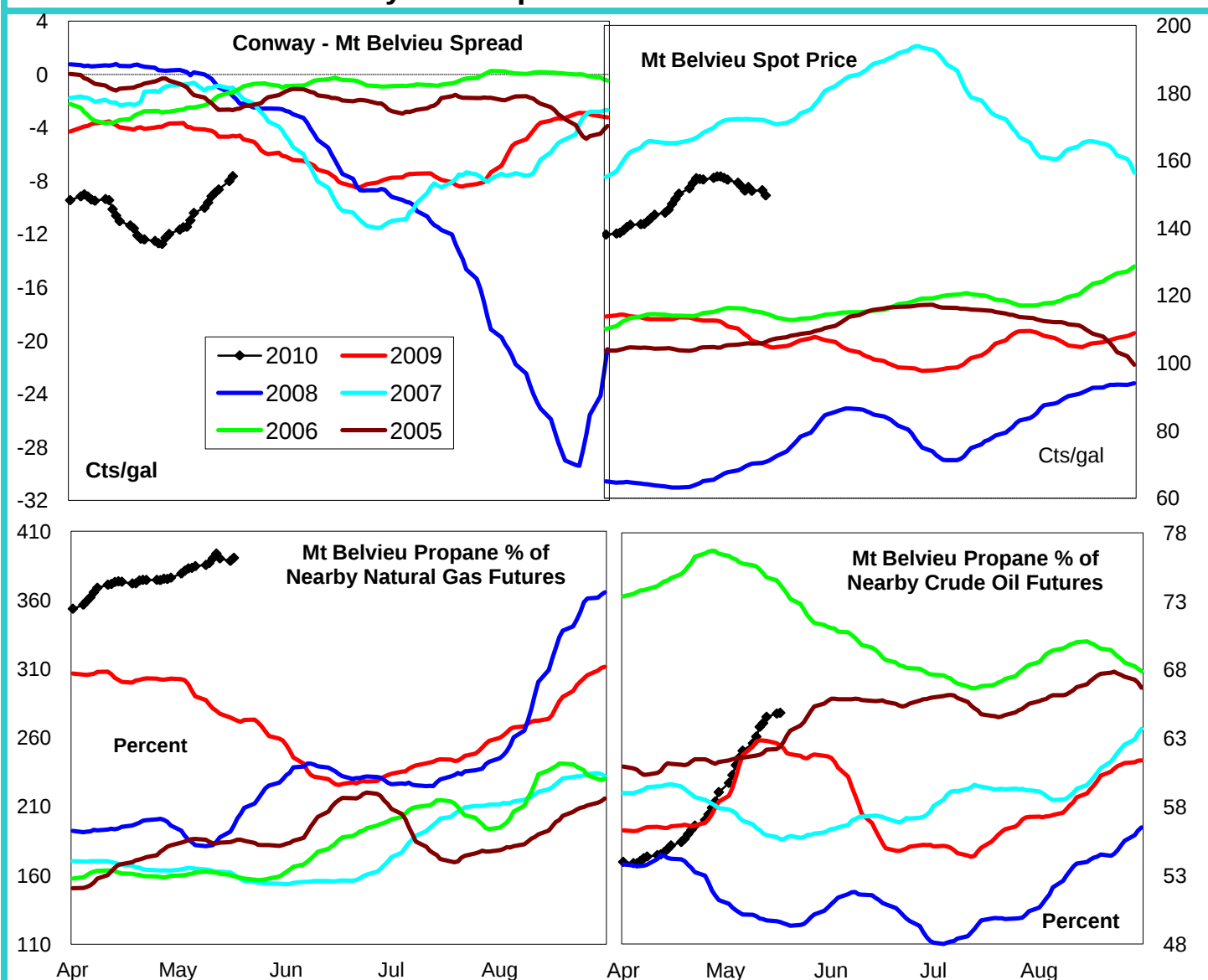
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD				U.S. Total	PADD			
		1	2	3	4&5		1	2	3	4&5
Stocks	30,478	2,868	13,301	13,554	755	1,717	418	907	312	80
Propylene Stocks	1,676					133				
Production	1,022	47	250	674	51	-41	8	6	-42	-13
Imports	103	42	55	0	6	7	-12	19	0	0
Whsle Demand	760					-166				

Price Trends for the Week Ending:

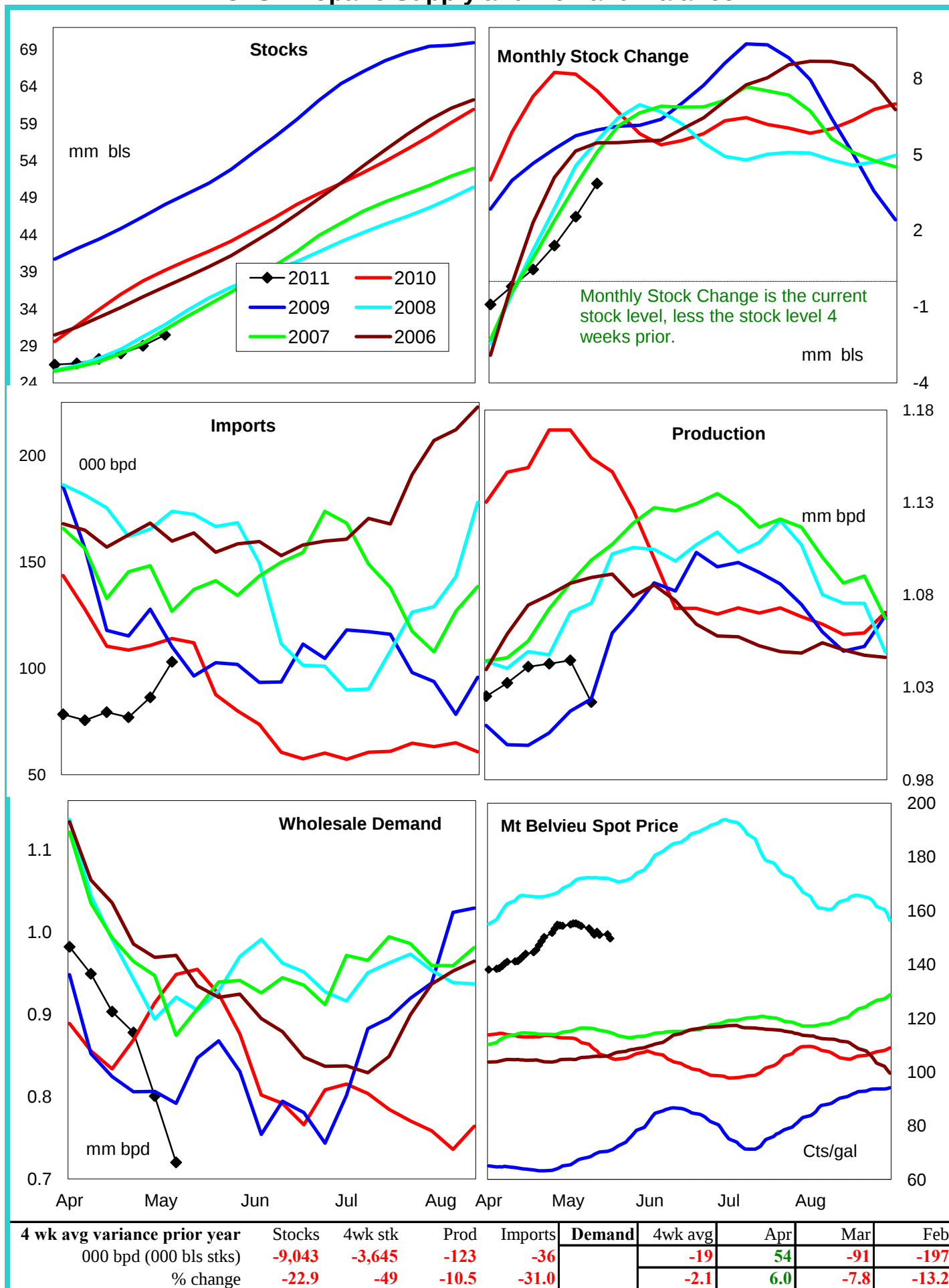
Wednesday, August 31, 2011

Cents/gal	Average for week ending:				Change from:			% change from:		
	8/31/11	8/24/11	8/3/11	9/2/10	8/24/11	8/3/11	9/2/10	8/24/11	8/3/11	9/2/10
Mont Belvieu Spot	151.0	152.4	142.6	106.7	-1.44	9.82	35.91	-0.9	6.9	33.7
Conway Spot	142.3	142.4	131.6	102.4	-0.04	10.80	29.20	0.0	8.2	28.5

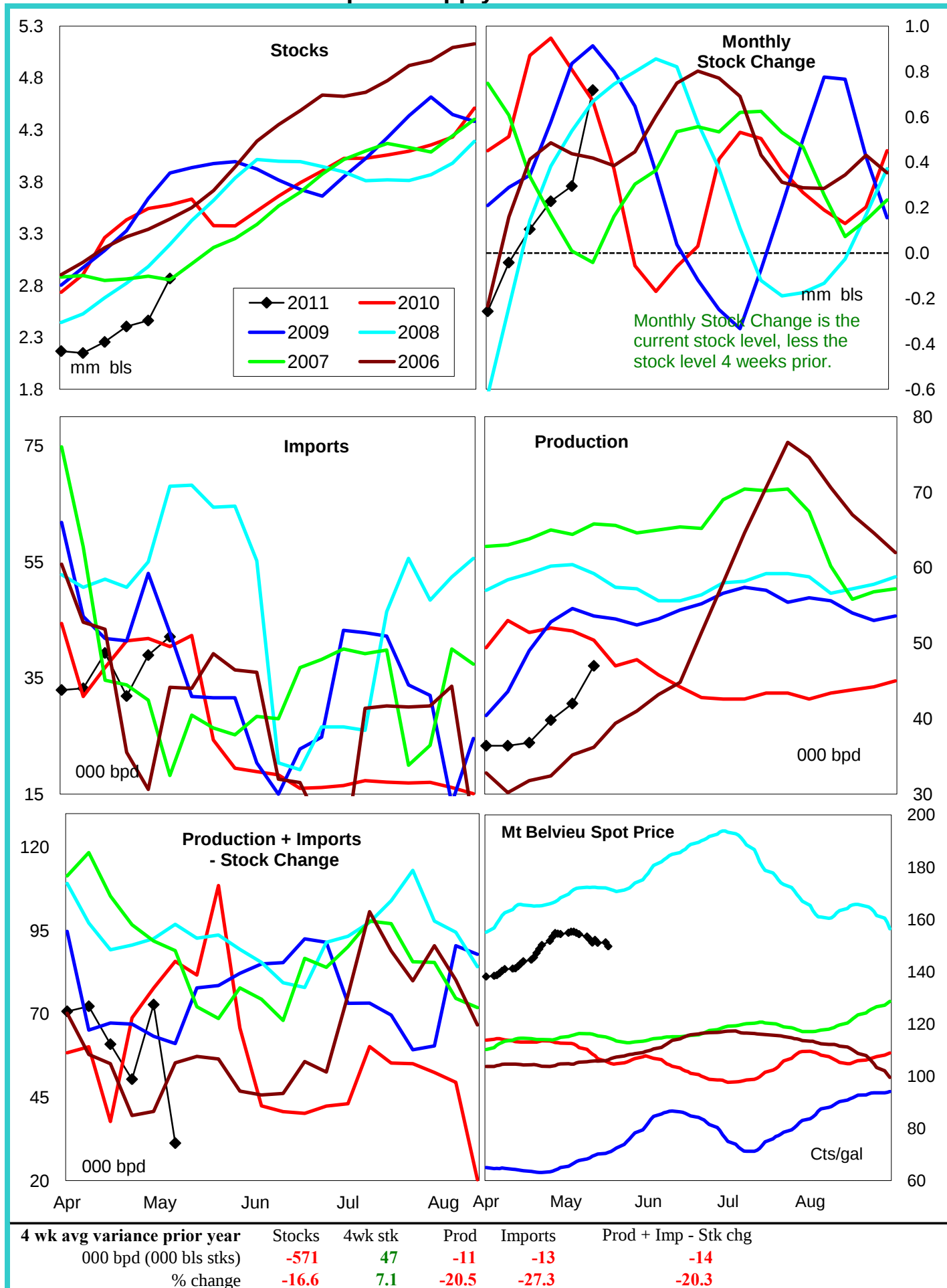
Key Price Spreads and Differentials



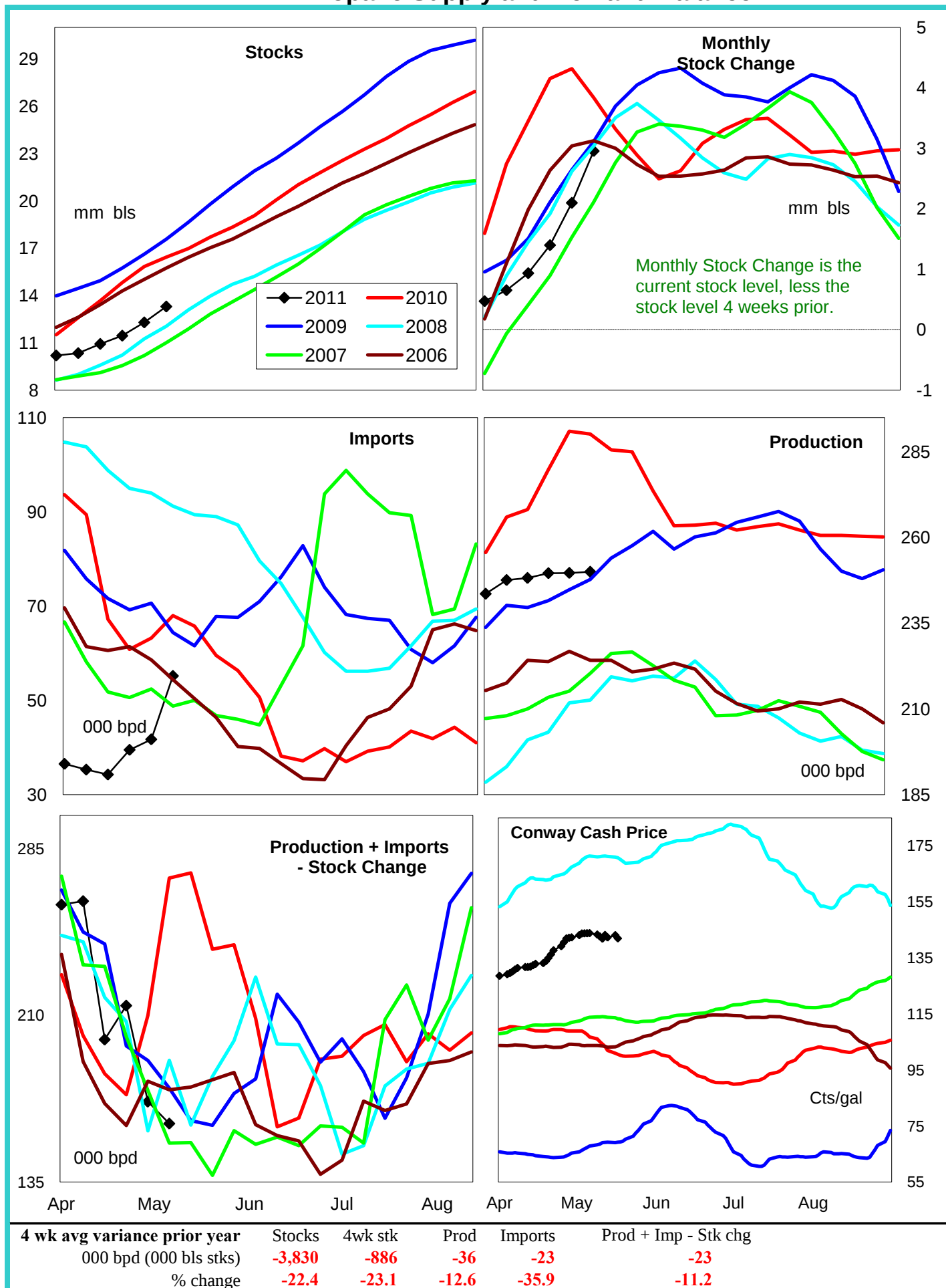
U. S. Propane Supply and Demand Balance



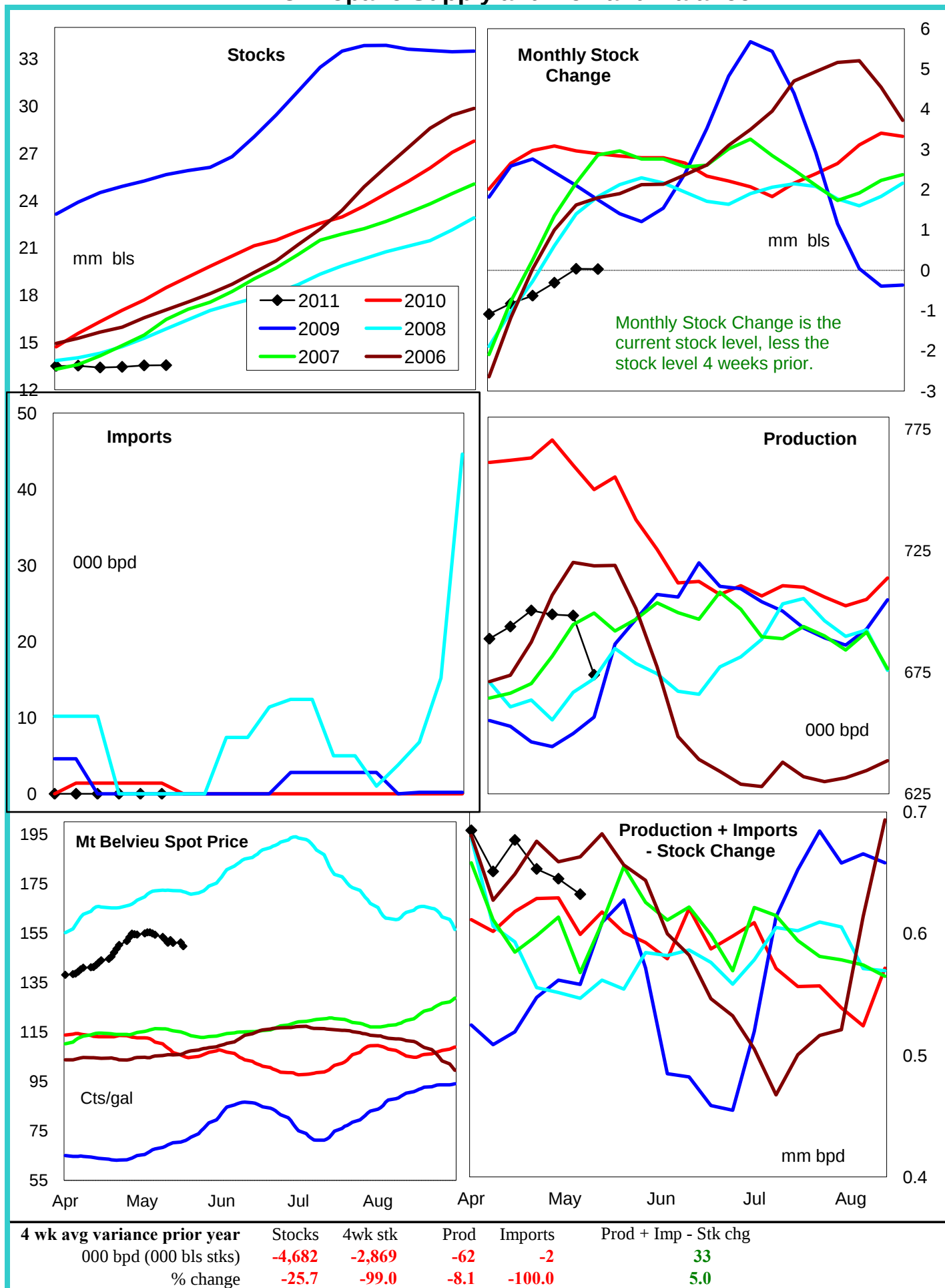
PADD 1 Propane Supply and Demand Balance



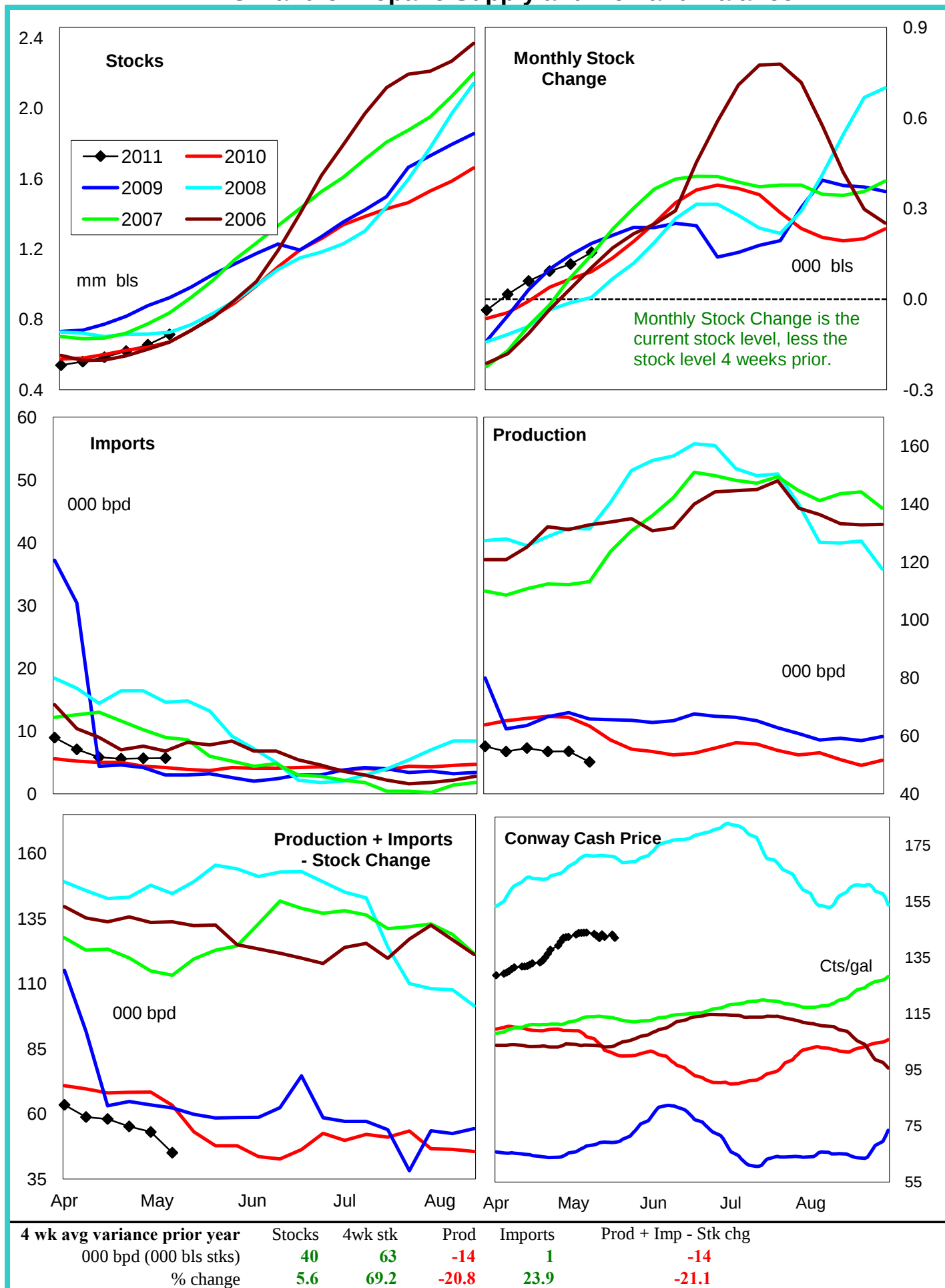
PADD 2 Propane Supply and Demand Balance



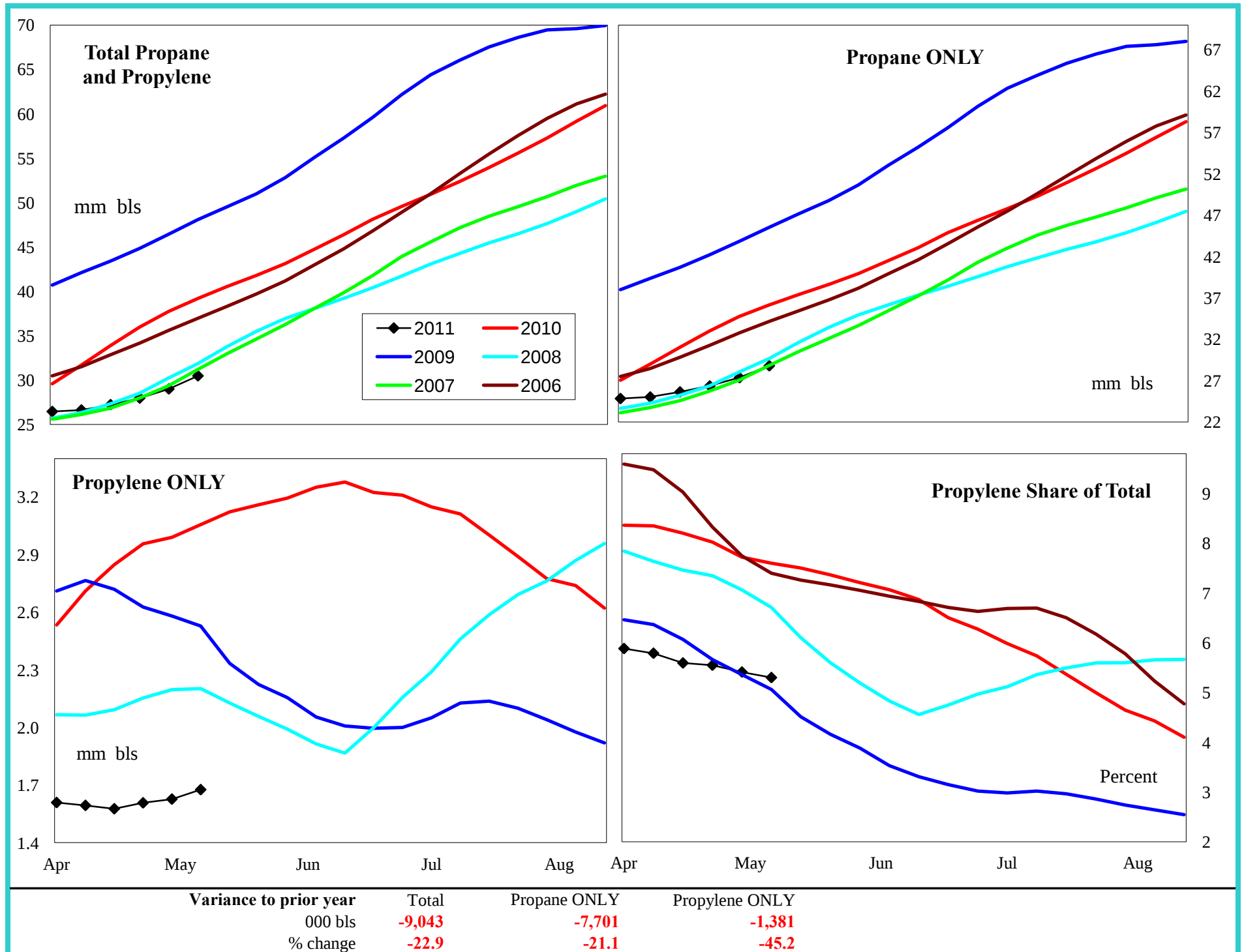
PADD 3 Propane Supply and Demand Balance



PADDs 4 and 5 Propane Supply and Demand Balance



U. S. Propane and Propylene Stocks



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

