



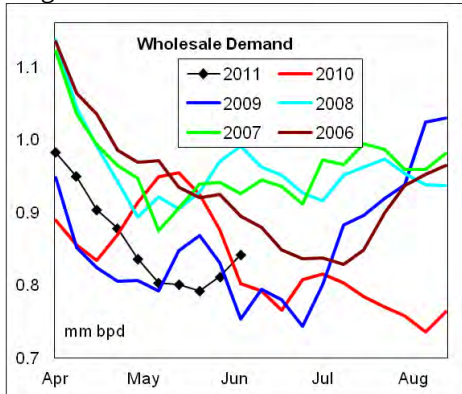
WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

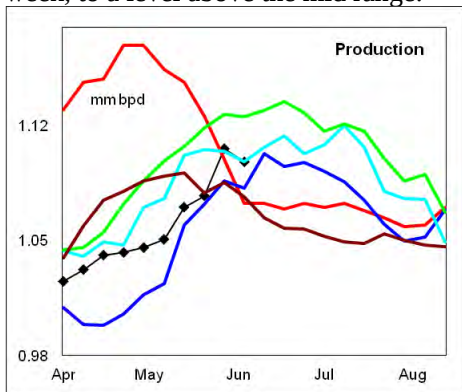
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Wednesday, June 15, 2011

Summary¹:

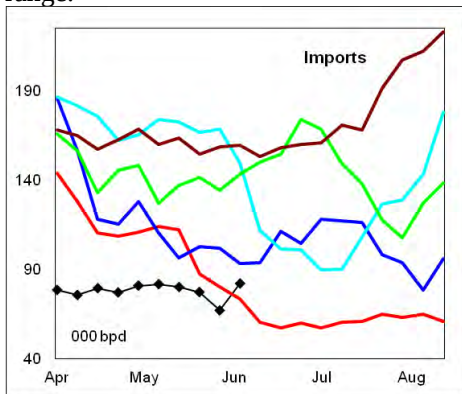
Wholesale demand increased +57,000 bpd on the week, to a level comparable to the last 2-years, and below the mid range.



Production decreased -49,000 bpd on the week, to a level above the mid range.



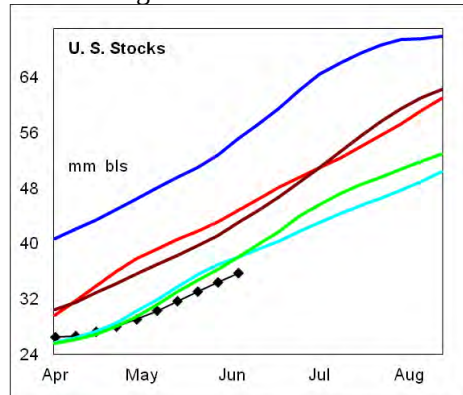
Imports increased +30,000 bpd on the week, to a level comparable with last year, and at the low end of the historic range.



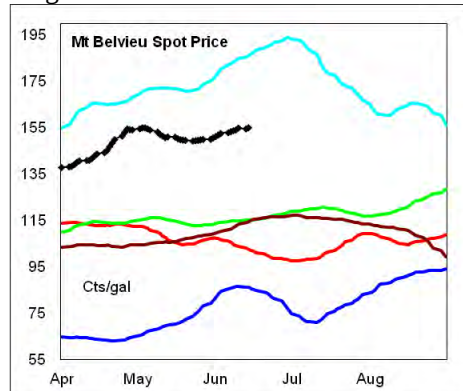
Combined production and imports during the latest 4-wk period were -29,000 bpd below a year ago.

Production was -16,000 bpd below last year, while imports were -13,000 bpd lower. The latest 4-wk average demand was -69,000 bpd below last year.

Stocks increased +1.1 million barrels this week, with builds in all regional markets. Stock levels remain below the 5-year range. The 4-wk stock change was a build of +5.4 million barrels a level at the low end of the historic range.



Price and Spreads Mt Belvieu spot prices increased +1.25 cpg while Conway increased +3 cpg for the week ending 14June11. The price level ended the week at the upper end of the 5-year range.



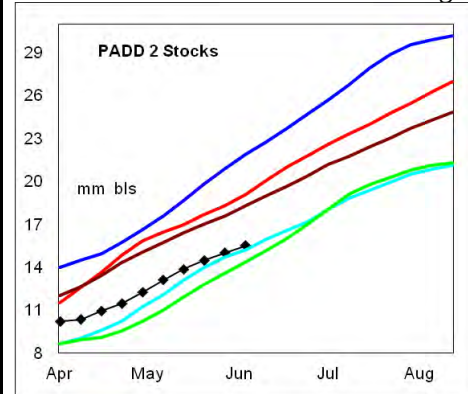
The Conway – Mt Belvieu price spread continues to trade below the historic range, at a discount of -12.

The propane to natural gas price spread trended higher in favor of propane, with the level well above the historic range.

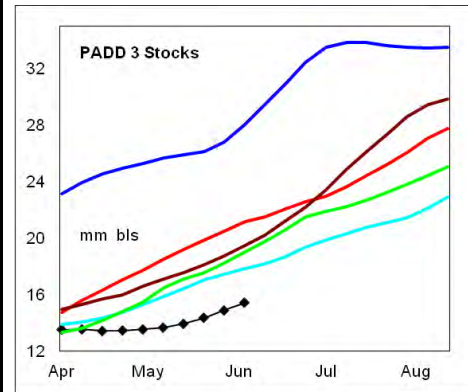
The propane / crude oil price spread trended higher during the week, ending at a level near historic highs for this time of year.

PADD 1 stocks increased +0.1 million bpd last week, with the level near the mid range. Supply for the latest 4-wk period was +5,000 bpd above a year ago.

PADD 2 stocks increased +0.6 million barrels last week. Supply decreased -4,000 bpd. The latest 4-wk average supply was -32,000 bpd below a year ago, on lower imports. Stock levels were at the low end of the historic range.



PAD 3 stocks increased +0.3 million barrels on the week. Production levels were above the 5-year range for this time of year. Record exports have limited the seasonal stock build.



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

Emerging Trends High exports continue to limit stock builds, with the 4-wk change matching 5-year lows. Stock levels were -21% (-9.4 million barrels) below a year ago and at a record low for this time of year. Expect the tight propane market to support prices during the upcoming quarter so that any pull back in prices will stimulate marketer purchases for the fall heating season.

¹ Source is latest EIA Weekly Statistics



PROPANE: Graph Link and Weekly Summary

June 15, 2011

Fundamental Trends for the Week Ending:

Friday, June 10, 2011

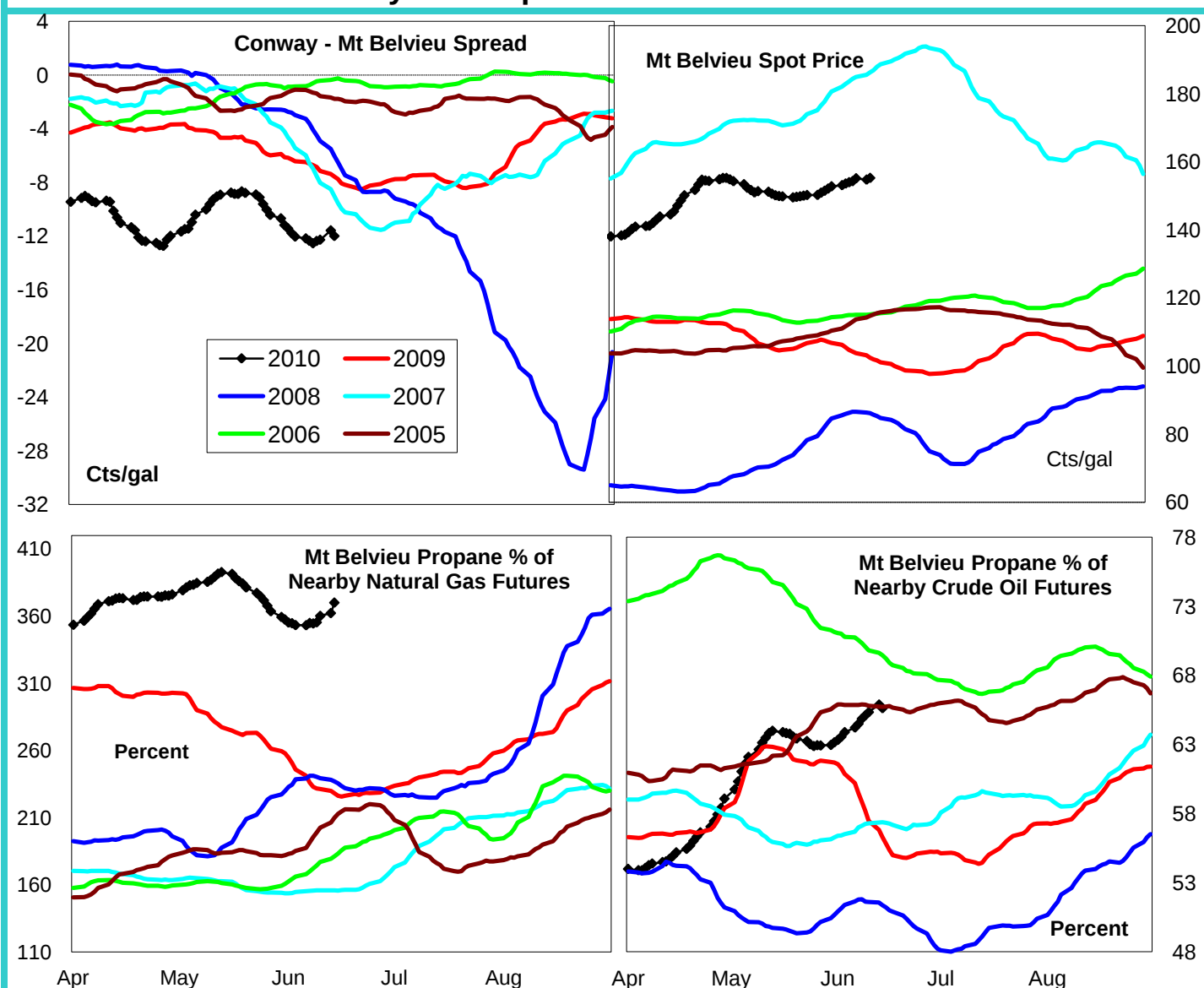
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD				U.S. Total	PADD			
		1	2	3	4&5		1	2	3	4&5
Stocks	35,699	3,758	15,524	15,421	996	1,112	115	647	274	76
Propylene Stocks	2,402					-47				
Production	1,098	45	269	729	55	-49	-3	1	-33	-14
Imports	82	50	27	0	5	30	33	-5	0	2
Whsle Demand	882					57				

Price Trends for the Week Ending:

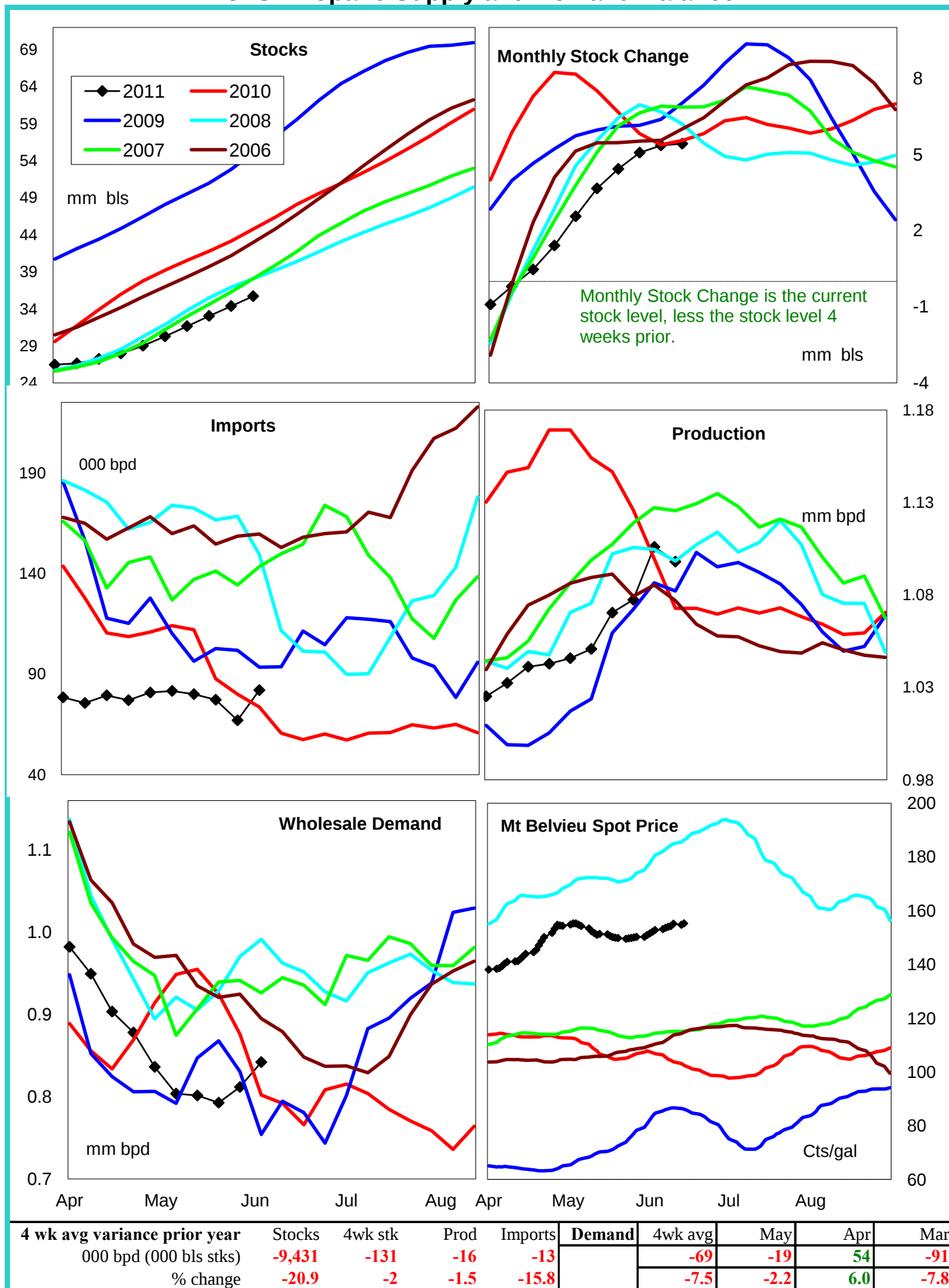
Tuesday, June 14, 2011

Cents/gal	Average for week ending:				Change from:			% change from:		
	6/14/11	6/7/11	5/17/11	6/15/10	6/7/11	5/17/11	6/15/10	6/7/11	5/17/11	6/15/10
Mont Belvieu Spot	155.1	152.3	151.0	103.9	2.86	1.29	47.14	1.9	0.9	45.4
Conway Spot	142.9	139.4	142.3	97.0	3.50	-2.98	45.36	2.5	-2.1	46.8

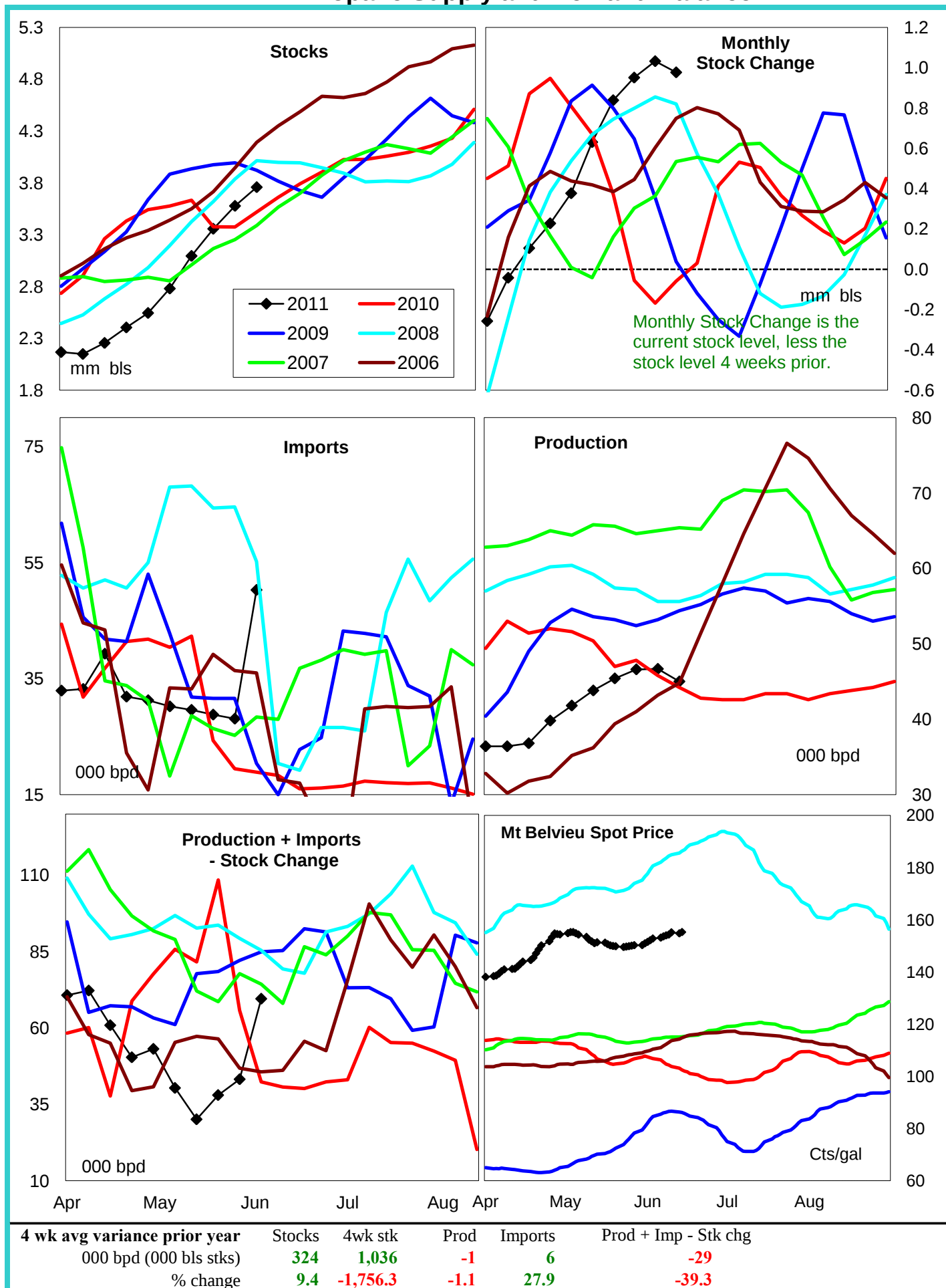
Key Price Spreads and Differentials



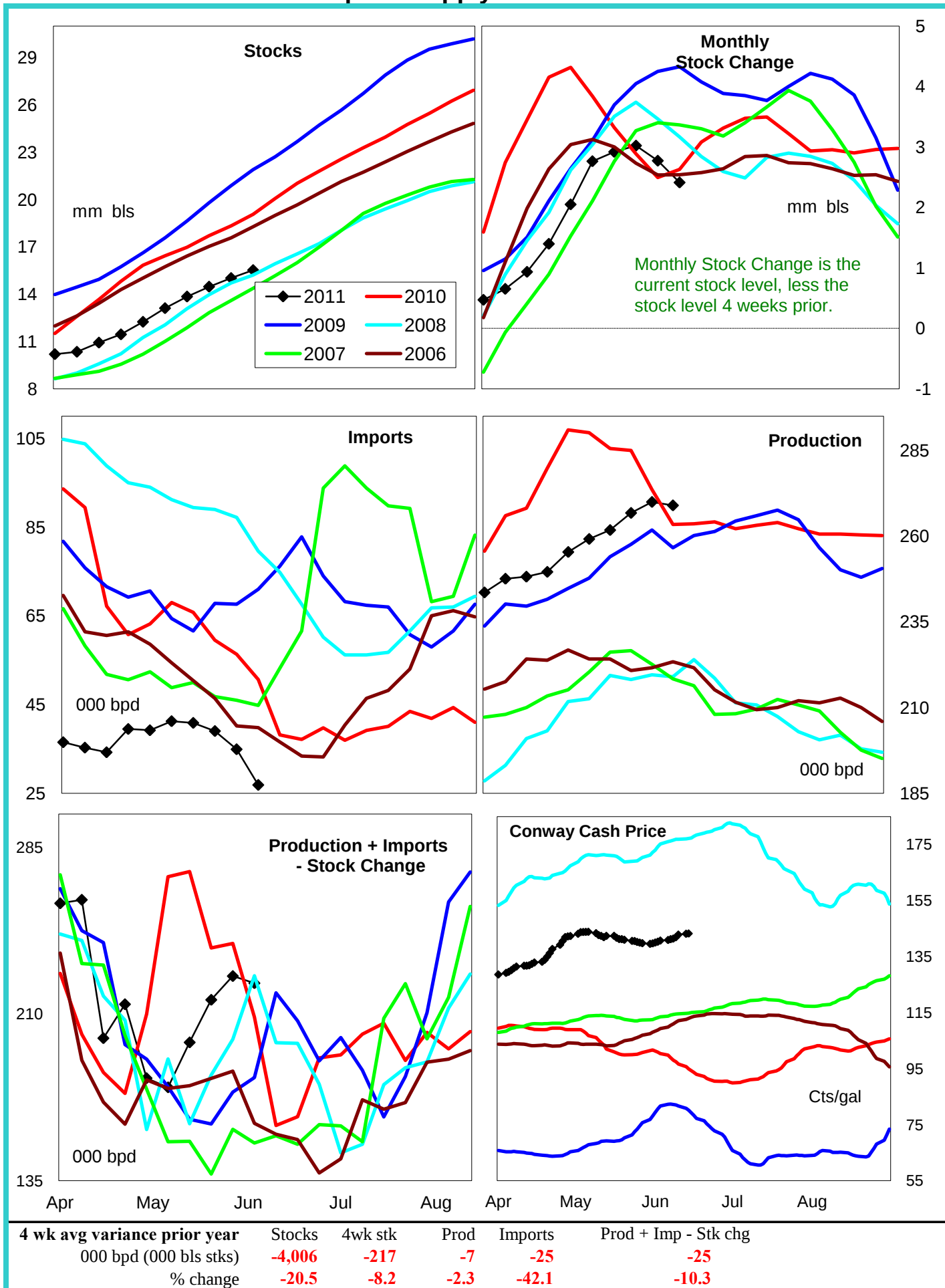
U. S. Propane Supply and Demand Balance



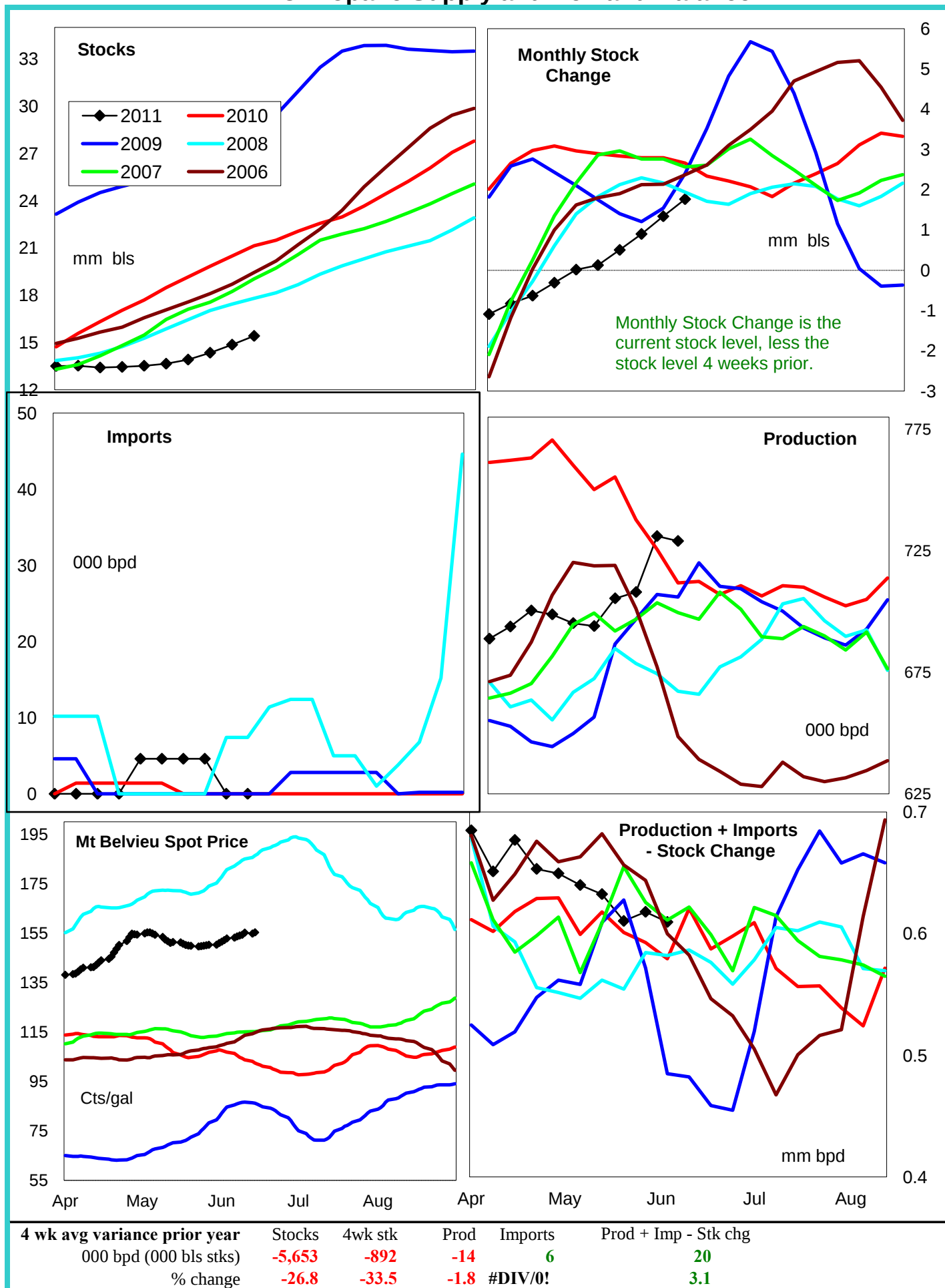
PADD 1 Propane Supply and Demand Balance



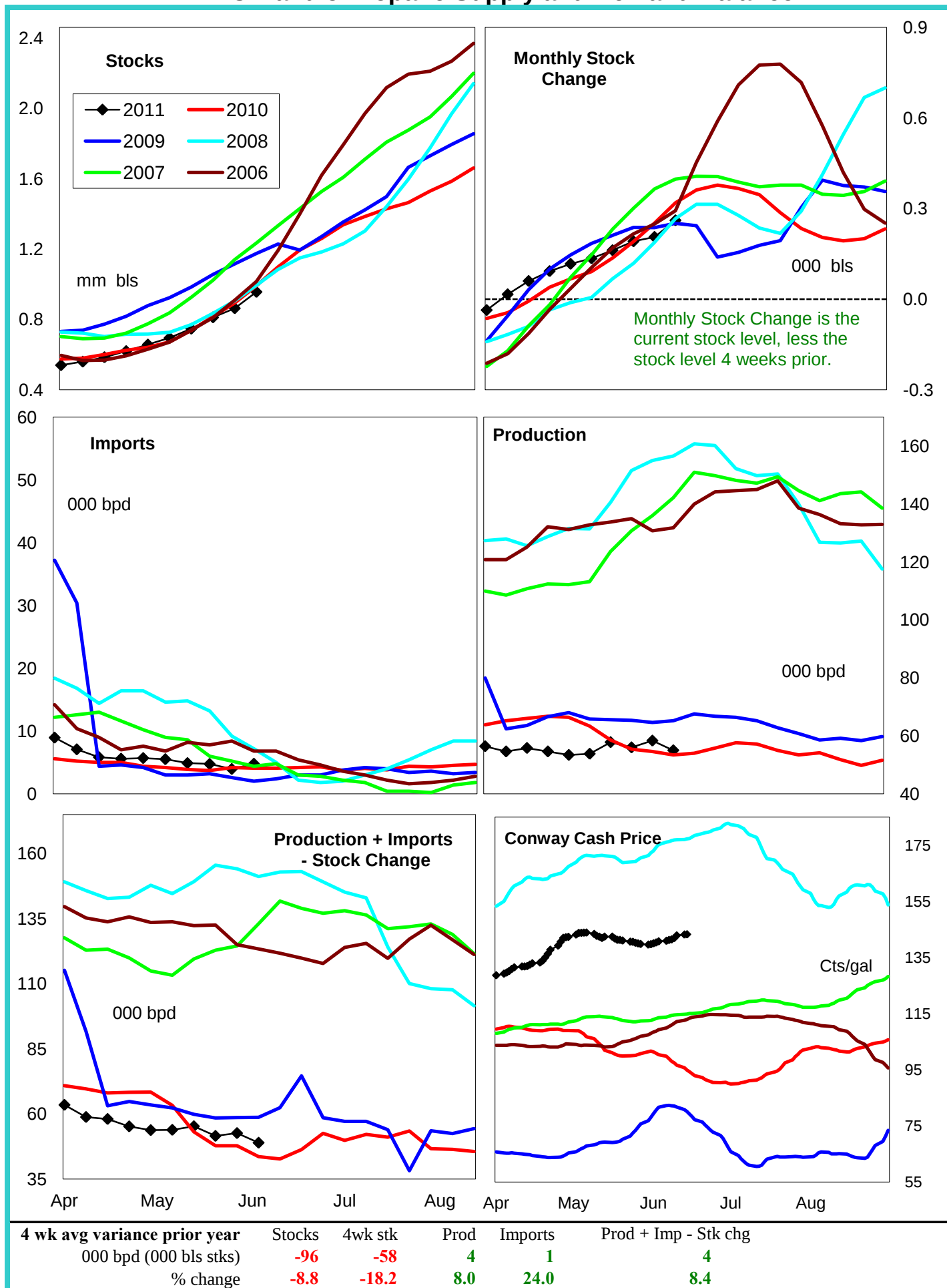
PADD 2 Propane Supply and Demand Balance



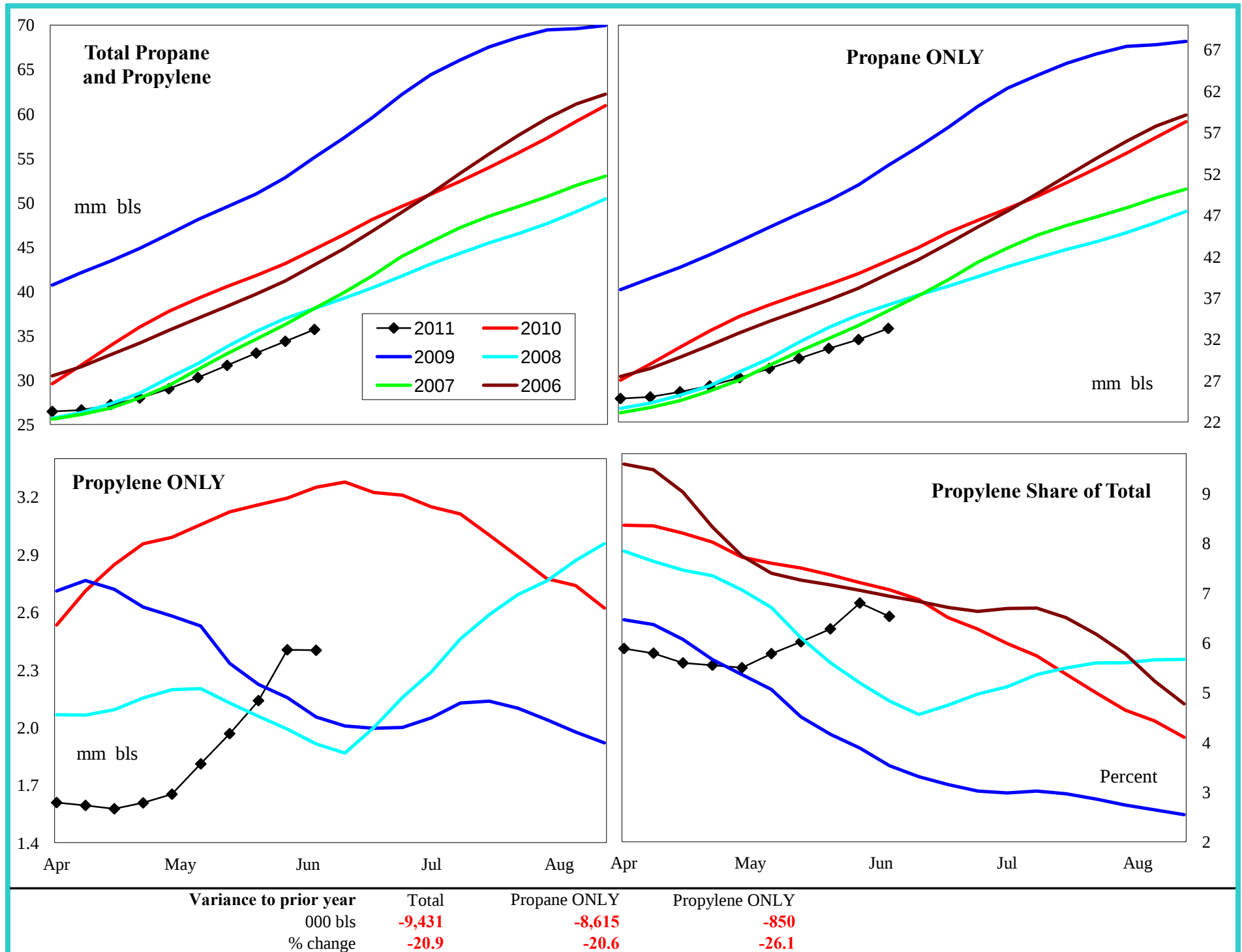
PADD 3 Propane Supply and Demand Balance



PADDs 4 and 5 Propane Supply and Demand Balance



U. S. Propane and Propylene Stocks



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

