



WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

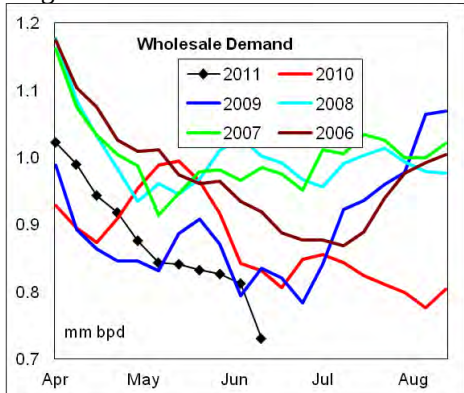
A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Thursday, June 23, 2011

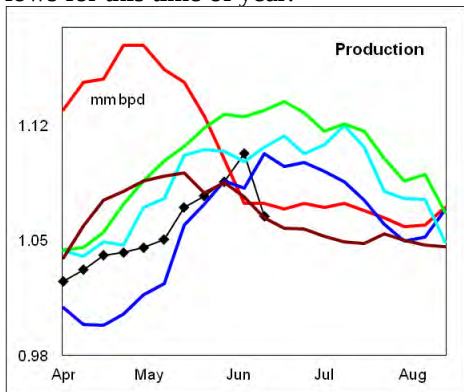
Summary¹:



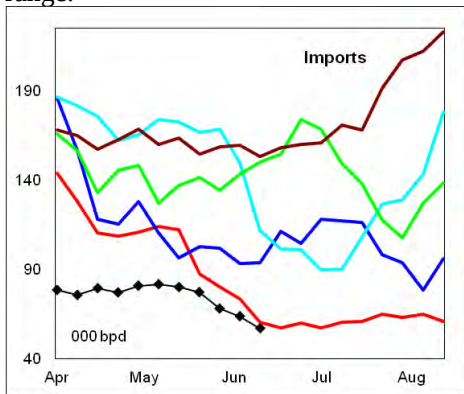
Wholesale demand fell -151,000 bpd on the week, to a level below the 5-year range.



Production decreased -33,000 bpd on the week, to a level that matched historic lows for this time of year.



Imports declined -25,000 bpd on the week, to a level comparable with last year, and at the low end of the historic range.

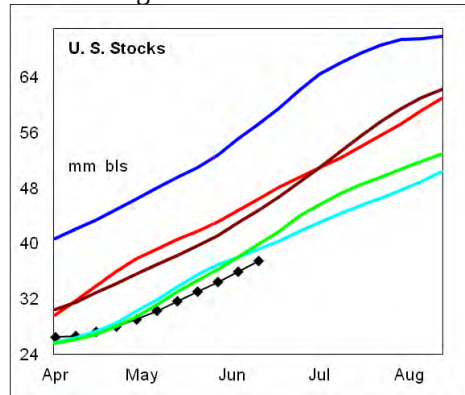


Combined production and imports during the latest 4-wk period were +1,000 bpd above a year ago.

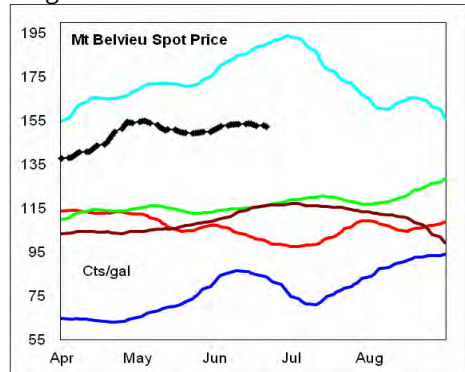
¹ Source is latest EIA Weekly Statistics

Production was +15,000 bpd above last year, while imports were -14,000 bpd lower. The latest 4-wk average demand was -34,000 bpd below last year.

Stocks increased +1.8 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 +5.8 million barrels a level at the low end of the historic range.



Price and Spreads Mt Belvieu spot prices declined -2.5 cpg while Conway was unchanged for the week ending 21June11. The price level ended the week at the upper end of the 5-year range.



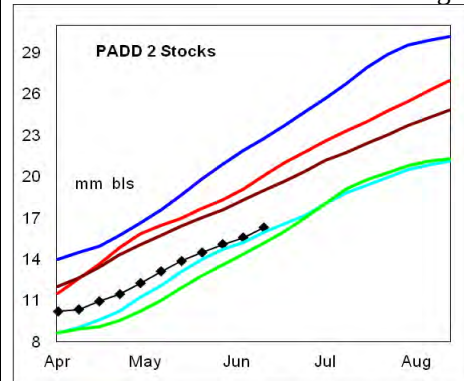
The Conway – Mt Belvieu price spread trended higher last week in favor of Conway. The spread ended the week at the low end of the historic range.

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

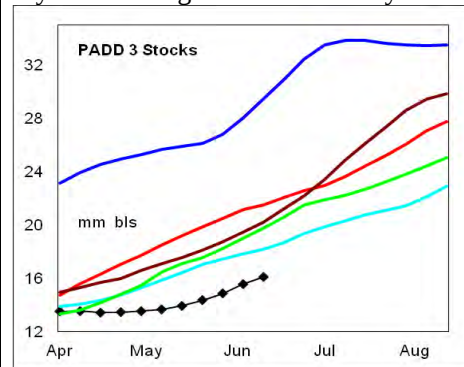
The propane / crude oil price spread trended higher during the week, ending at a level which matched 5-year highs in favor of propane - driven by very weak

WTI prices.

PADD 1 stocks increased +0.3 million bpd last week, with the level above the mid range. Supply for the latest 4-wk period was +9,000 bpd above a year ago. **PADD 2** stocks increased +0.8 million barrels last week. Supply decreased -8,000 bpd. The latest 4-wk average supply was -18,000 bpd below a year ago, on lower imports. Stock levels were at the low end of the historic range.



PADD 3 stocks increased +0.7 million barrels on the week, but the level remains at a record low for this time of year. Production levels were above the 5-year mid range for this time of year.



PADDs 4 & 5 stocks were unchanged last week. The stock level was below the 5-year range.

Emerging Trends A lack of seasonal distributor buying pushed the weekly demand level to record lows last week. This lifted the 4-wk rate of stock builds to the low end of the historic range, although stock levels remain at record lows for this time of year. Expect the tight supply balance to support prices during the summer quarter.



PROPANE: Graph Link and Weekly Summary

June 23, 2011

Fundamental Trends for the Week Ending:

Friday, June 17, 2011

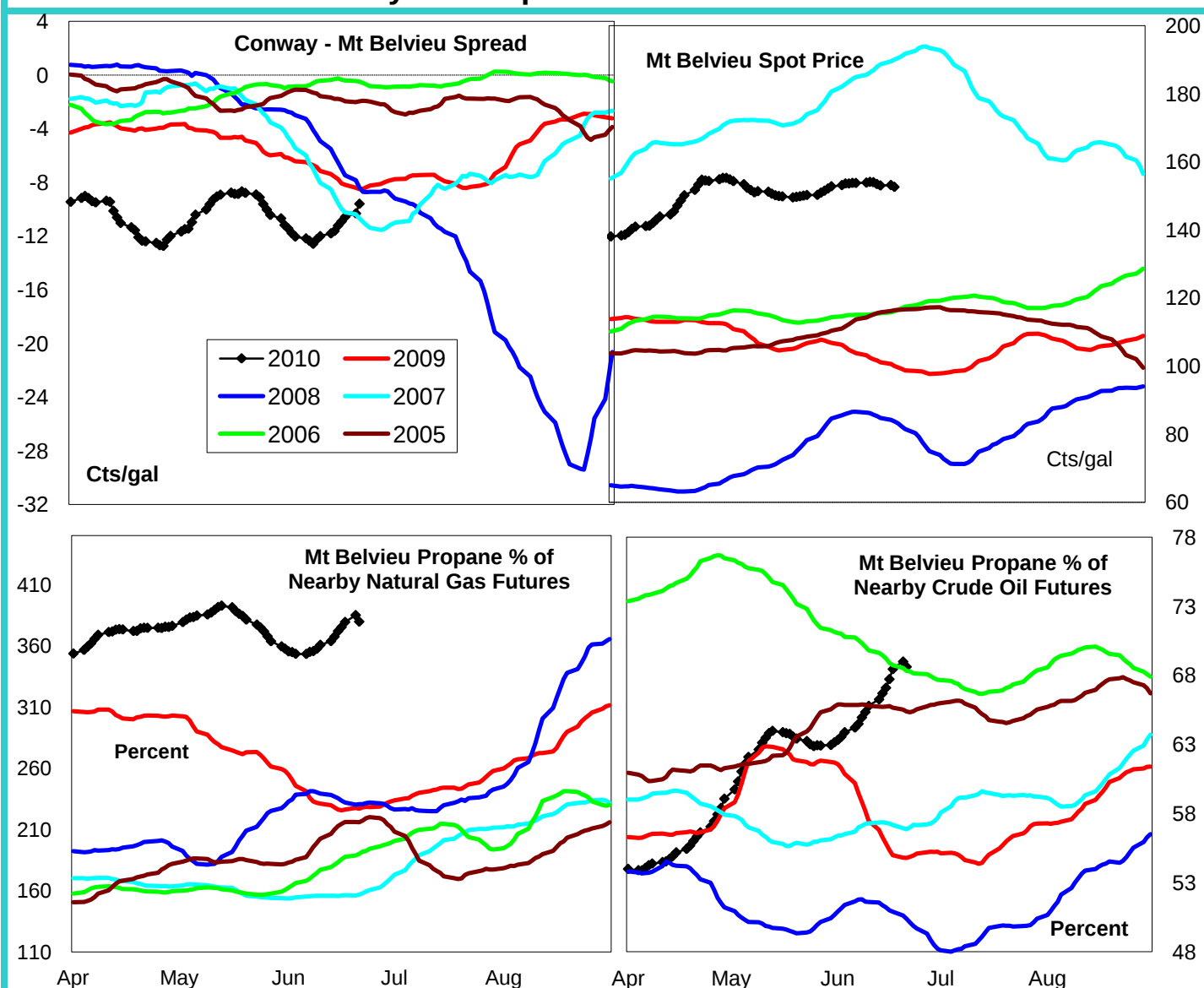
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD				U.S. Total	PADD			
		1	2	3	4&5		1	2	3	4&5
Stocks	37,465	4,080	16,280	16,089	1,016	1,766	322	756	668	20
Propylene Stocks	2,330					-72				
Production	1,065	42	257	707	59	-33	-3	-12	-22	4
Imports	57	22	31	0	4	-25	-28	4	0	-1
Whsle Demand	731					-151				

Price Trends for the Week Ending:

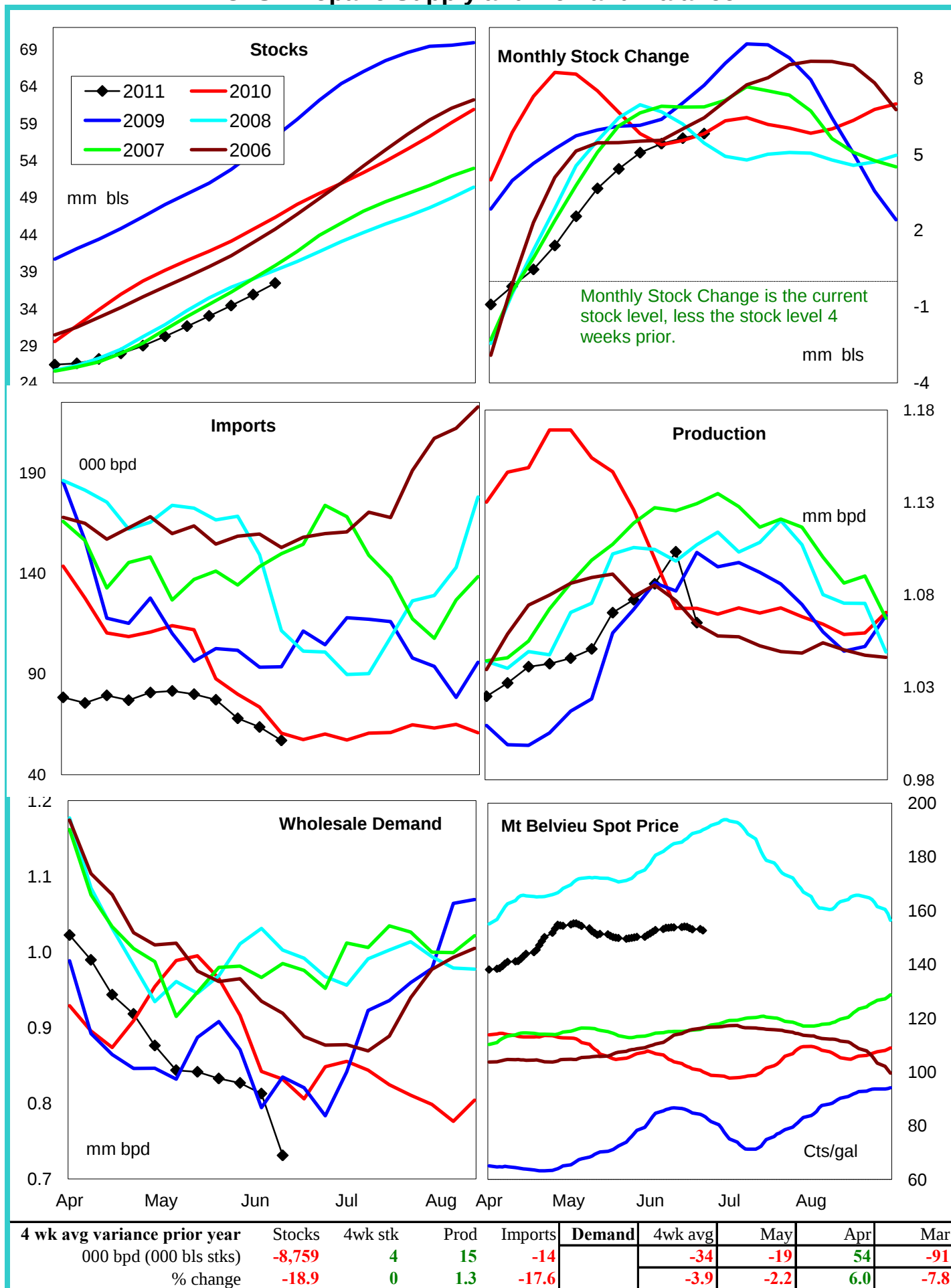
Tuesday, June 21, 2011

Cents/gal	Average for week ending:				Change from:			% change from:		
	6/21/11	6/14/11	5/24/11	6/22/10	6/14/11	5/24/11	6/22/10	6/14/11	5/24/11	6/22/10
Mont Belvieu Spot	153.0	155.1	149.4	100.1	-2.12	5.70	49.31	-1.4	3.8	49.3
Conway Spot	142.5	142.9	140.5	91.7	-0.41	2.36	48.81	-0.3	1.7	53.2

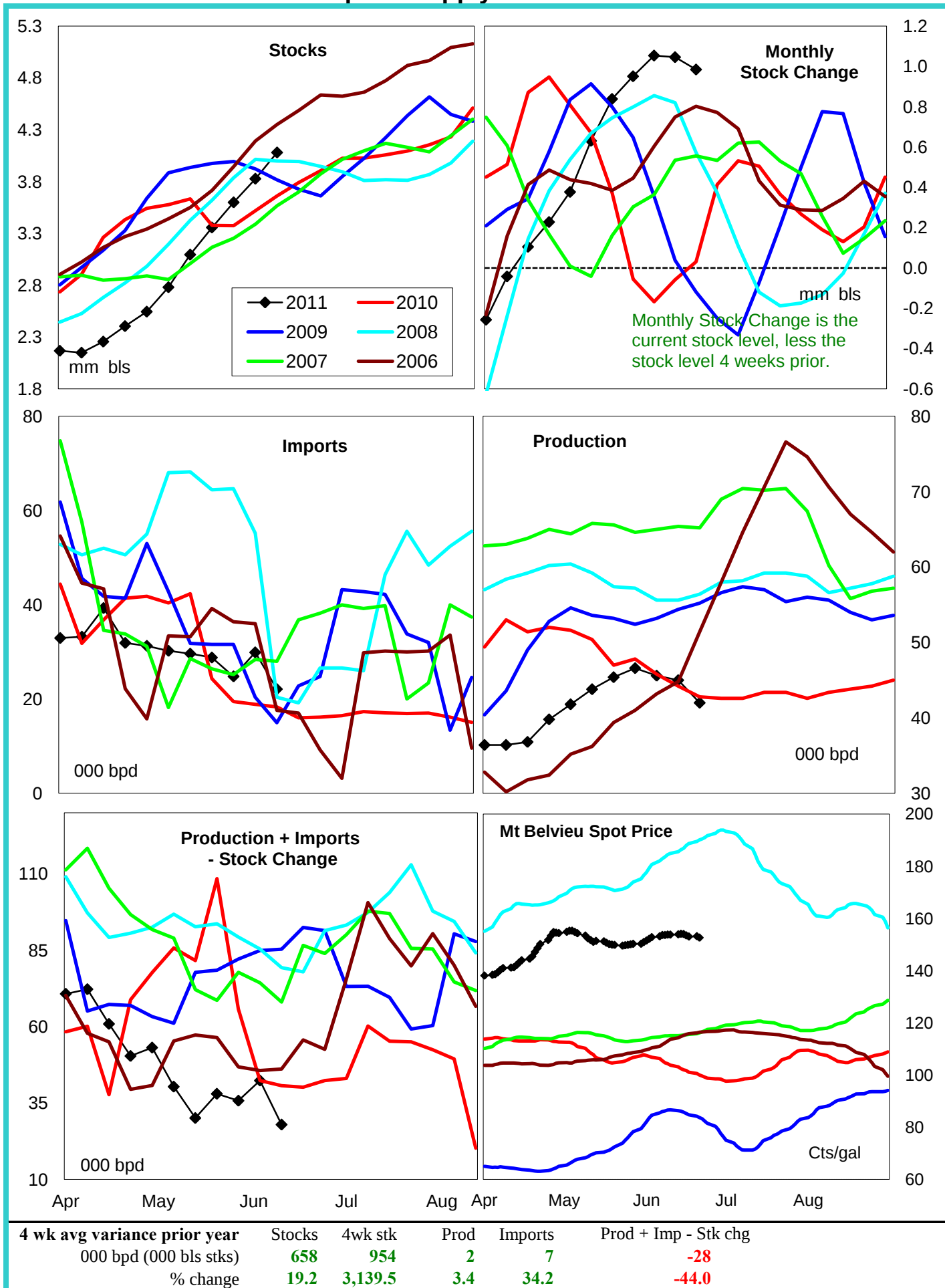
Key Price Spreads and Differentials



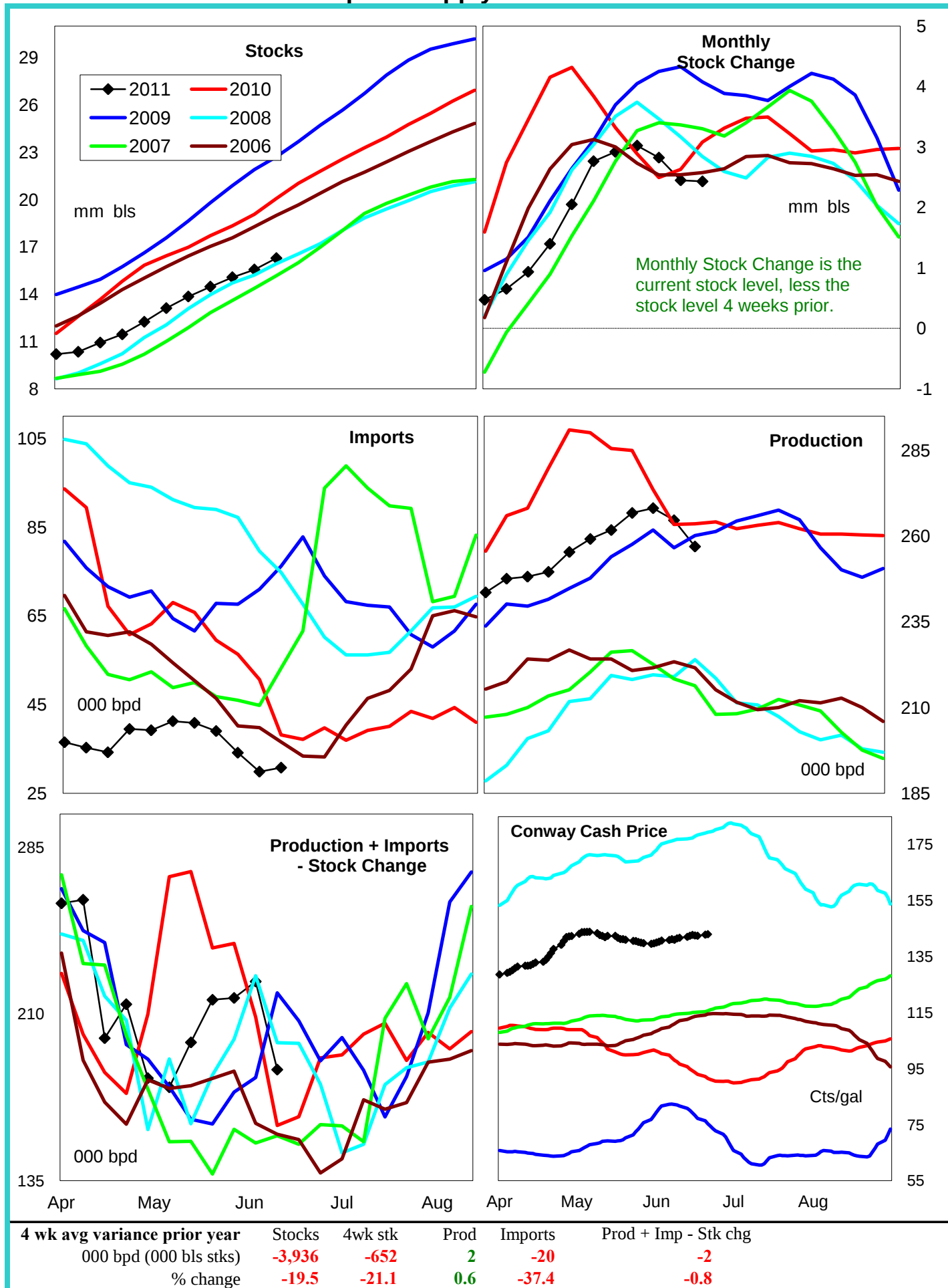
U. S. Propane Supply and Demand Balance



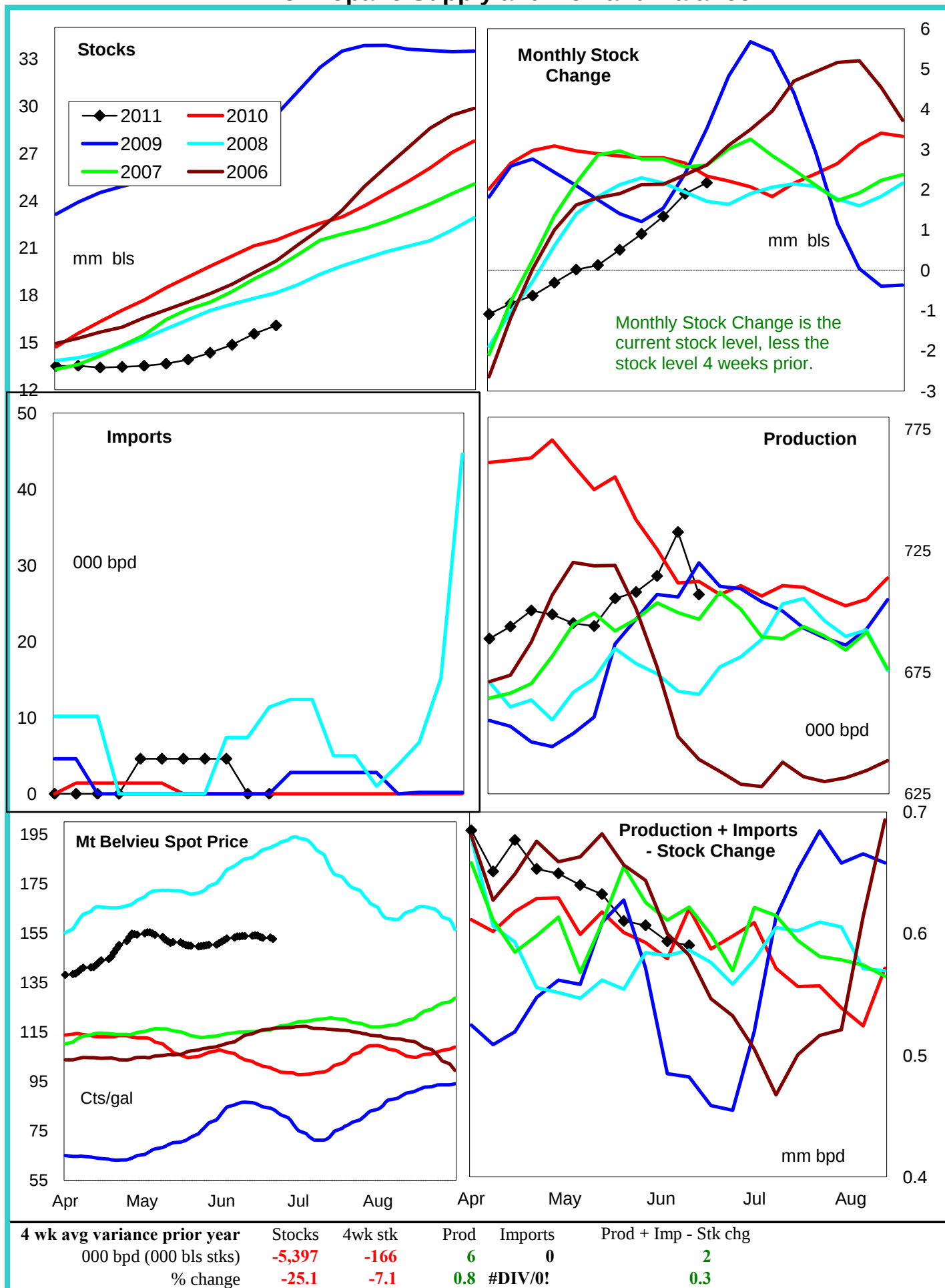
PADD 1 Propane Supply and Demand Balance



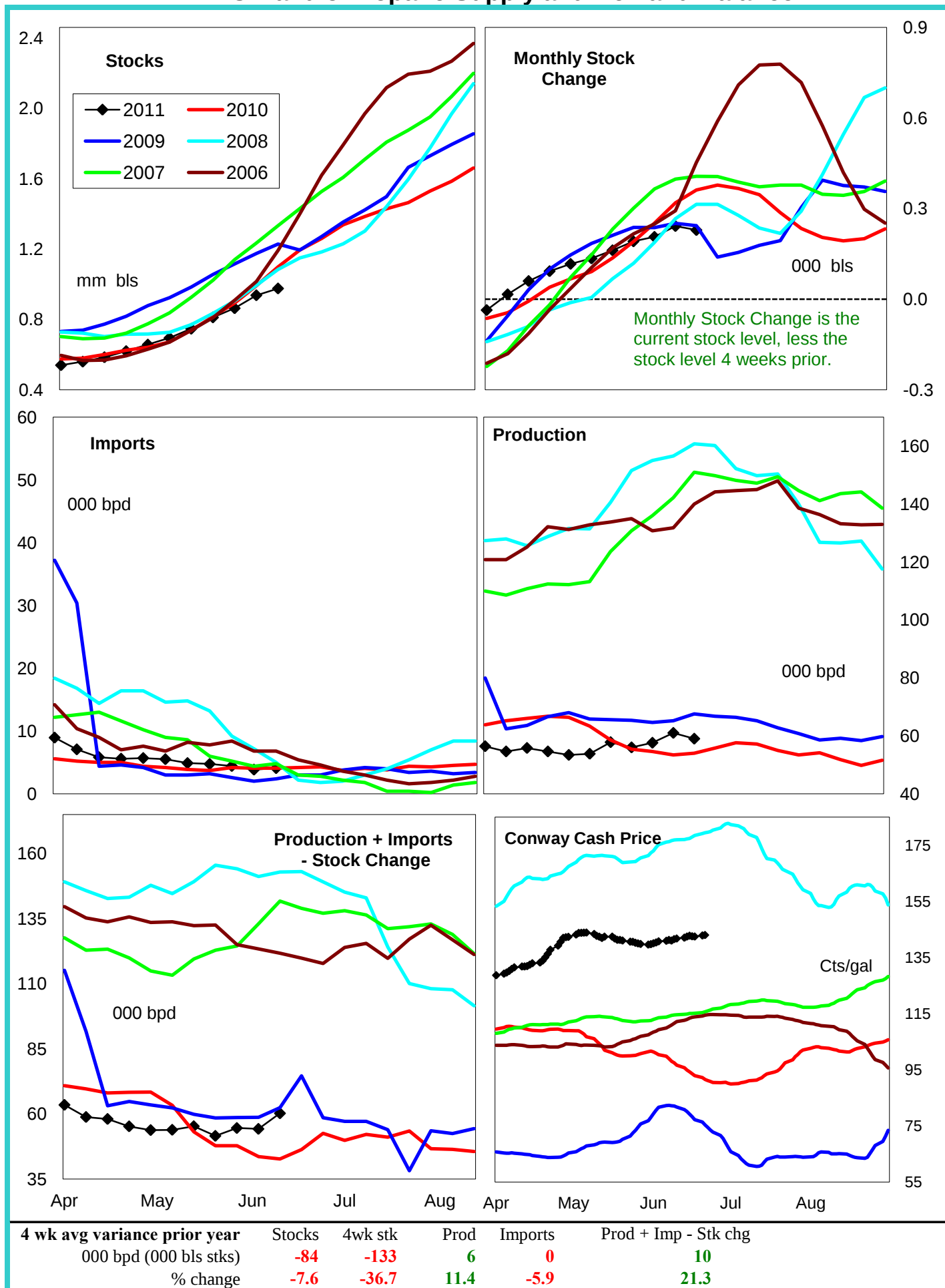
PADD 2 Propane Supply and Demand Balance



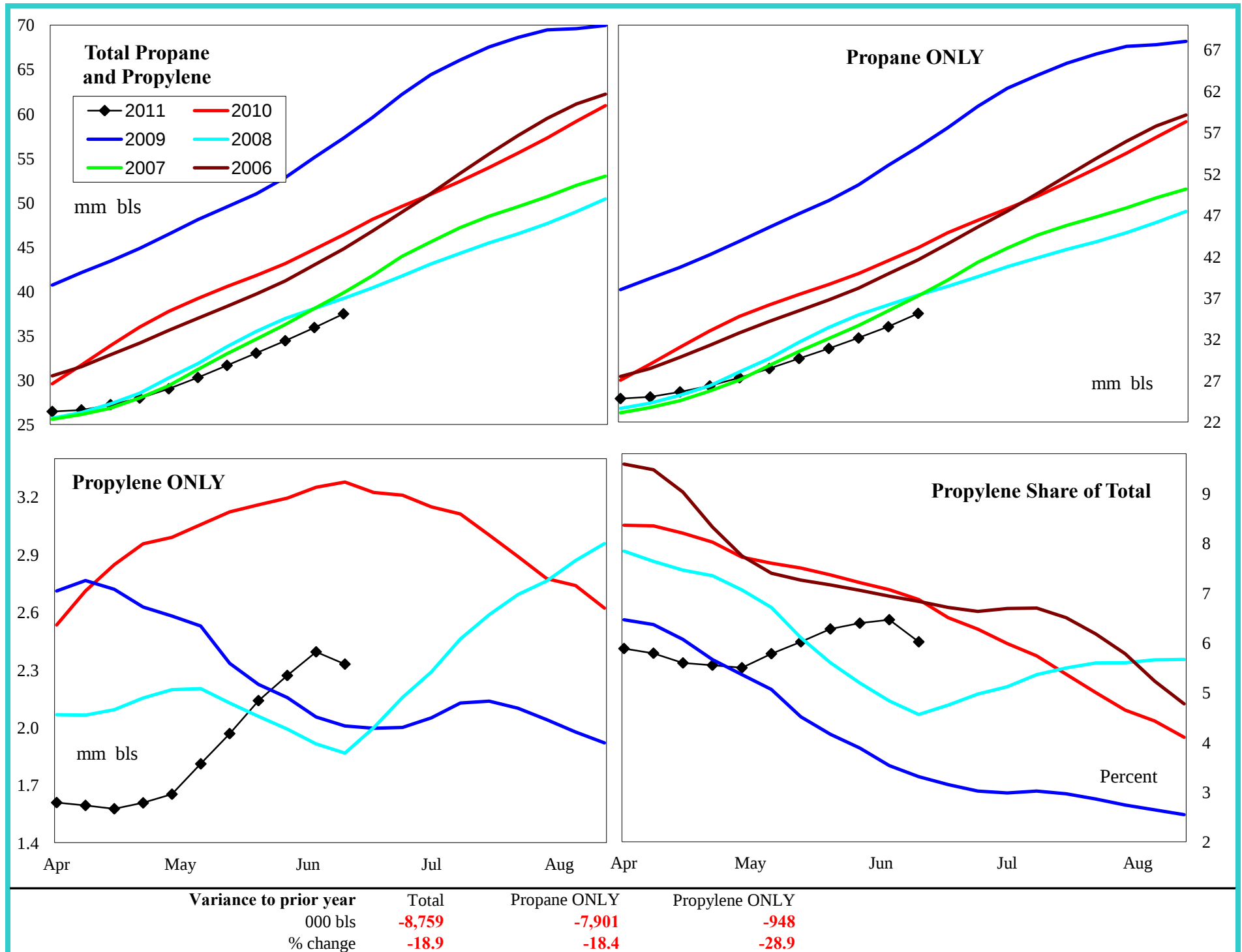
PADD 3 Propane Supply and Demand Balance



PADDs 4 and 5 Propane Supply and Demand Balance



U. S. Propane and Propylene Stocks



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

