



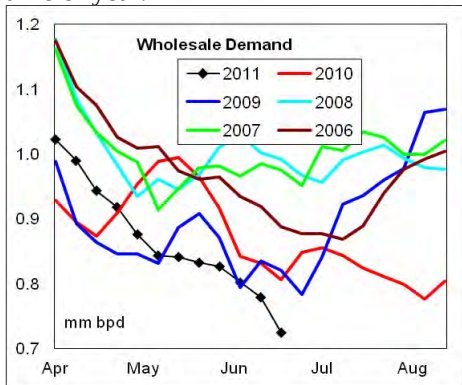
WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

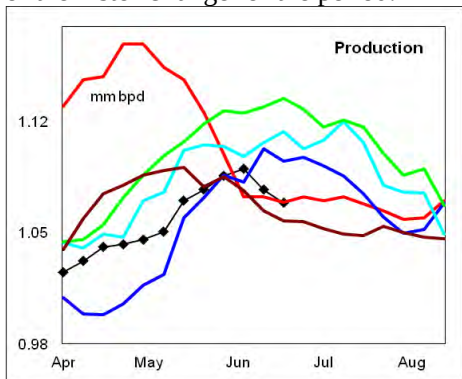
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Wednesday, June 29, 2011

Summary¹:

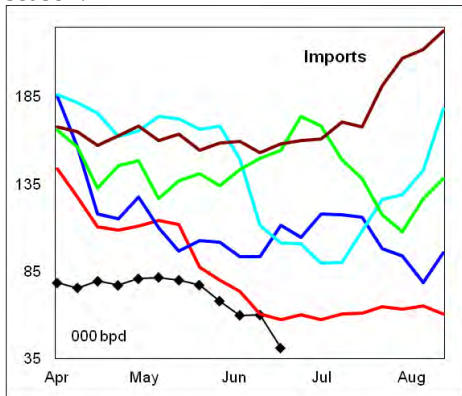
Wholesale demand decreased -6,000 bpd on the week, a record low level for this time of year.



Production increased +4,000 bpd on the week, to a level that was at the low end of the historic range for the period.



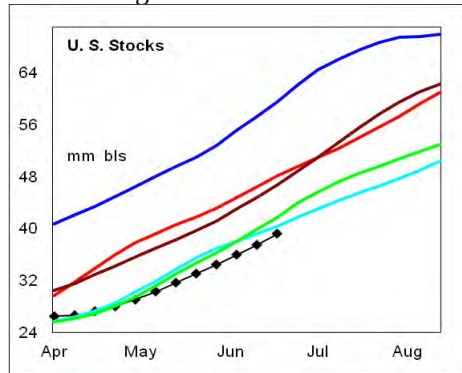
Imports declined -16,000 bpd on the week, to a record low level for the season.



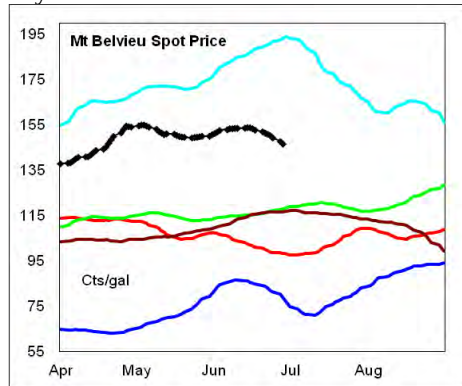
Combined production and imports during the latest 4-wk period were +25,000 bpd above a year ago. Production was +29,000 bpd above last

year, while imports were -4,000 bpd lower. The latest 4-wk average demand was -46,000 bpd below last year.

Stocks increased +1.7 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 +6.3 million barrels, a level at the low end of the historic range.



Price and Spreads Mt Belvieu spot prices declined -5.75 cpg while Conway was -2 cpg lower. The price level ended the week at the lowest level of the last 60-days.



The Conway – Mt Belvieu price spread trended higher last week in favor of Conway. The spread ended the week at the highest level of the year and above the 5-year mid range.

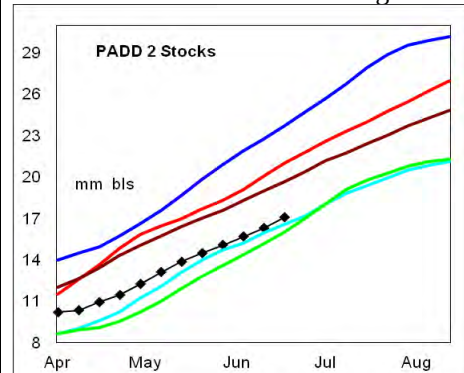
The propane to natural gas price spread traded sideways on the week, with the level well above the historic range.

The propane / crude oil price spread trended lower late in the week, ending at a level which was at the upper end of the 5-year range.

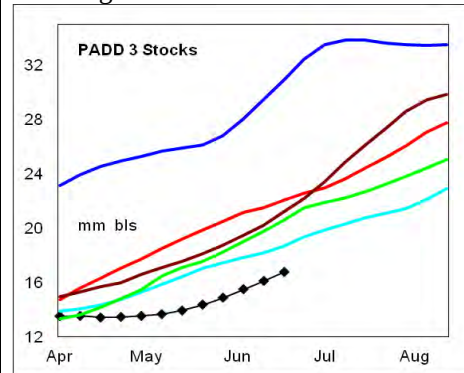
PADD 1 stocks increased +0.2 million

bpd last week, with the level near historic highs for the period. Supply for the latest 4-wk period was +10,000 bpd above a year ago.

PADD 2 stocks increased +0.8 million barrels last week. Supply decreased -3,000 bpd. The latest 4-wk average supply was -8,000 bpd below a year ago, on record low imports. Stock levels are 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 decreased -11,000 bpd on the week, with the level below the mid range.



PADDs 4 & 5 stocks increased +0.1 million barrels last week. The stock level was below the 5-year range.

Emerging Trends Distributors remain 'out-to-lunch' with respect to summer buying, as weekly wholesale demand fell to 725,000 bpd for the week, a record low level. Expect the recent pull back in pricing to stimulate buying interest. The supply balance remains tight on low stocks and supply so that prices should experience renewed strength during the summer quarter.

¹ Source is latest EIA Weekly Statistics



PROPANE: Graph Link and Weekly Summary

June 29, 2011

Fundamental Trends for the Week Ending:

Friday, June 24, 2011

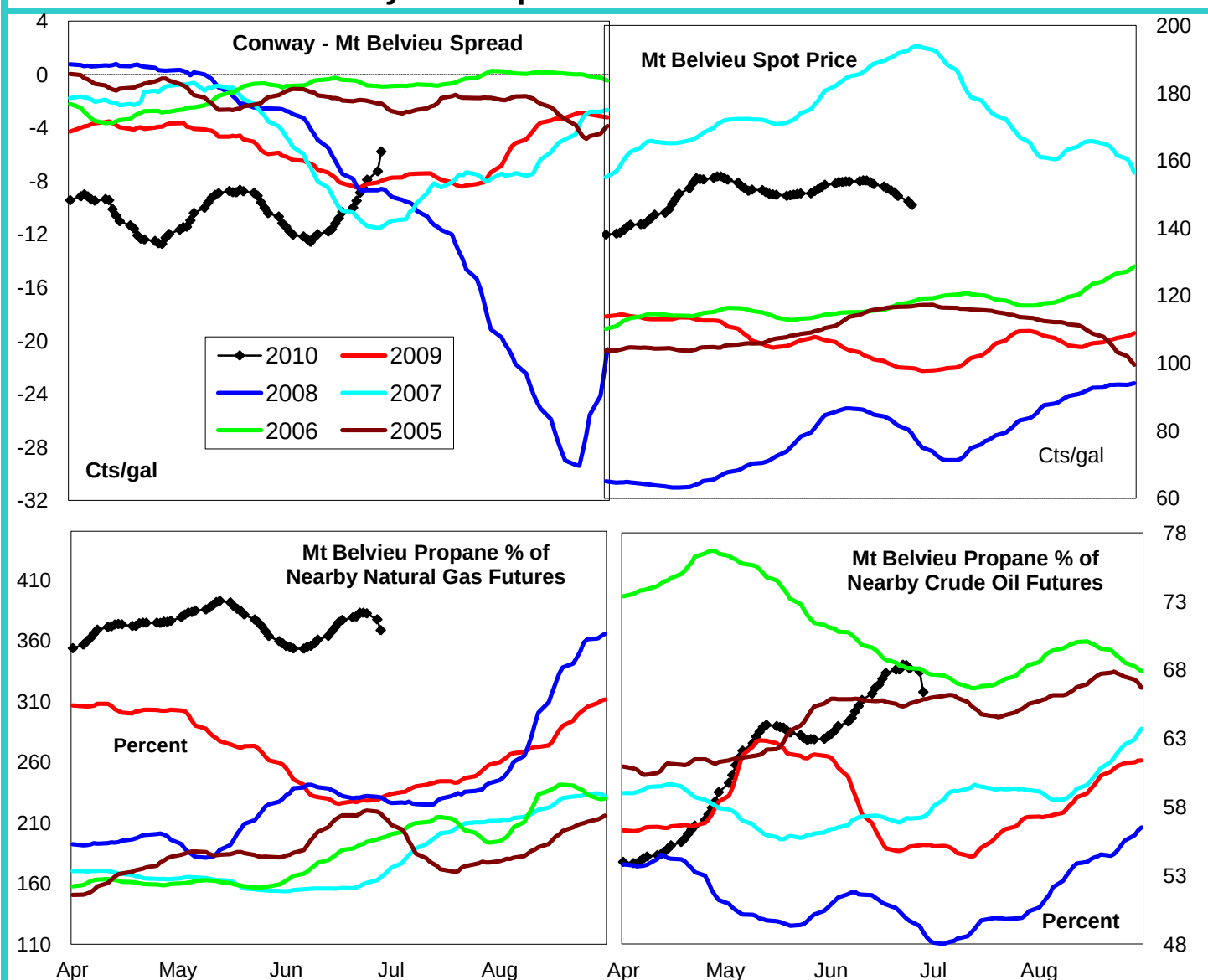
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD				U.S. Total	PADD			
		1	2	3	4&5		1	2	3	4&5
Stocks	39,187	4,272	17,069	16,740	1,106	1,722	192	789	651	90
Propylene Stocks	2,365					35				
Production	1,069	52	262	696	59	4	10	5	-11	0
Imports	41	15	23	0	4	-16	-8	-8	0	0
Whsle Demand	725					-6				

Price Trends for the Week Ending:

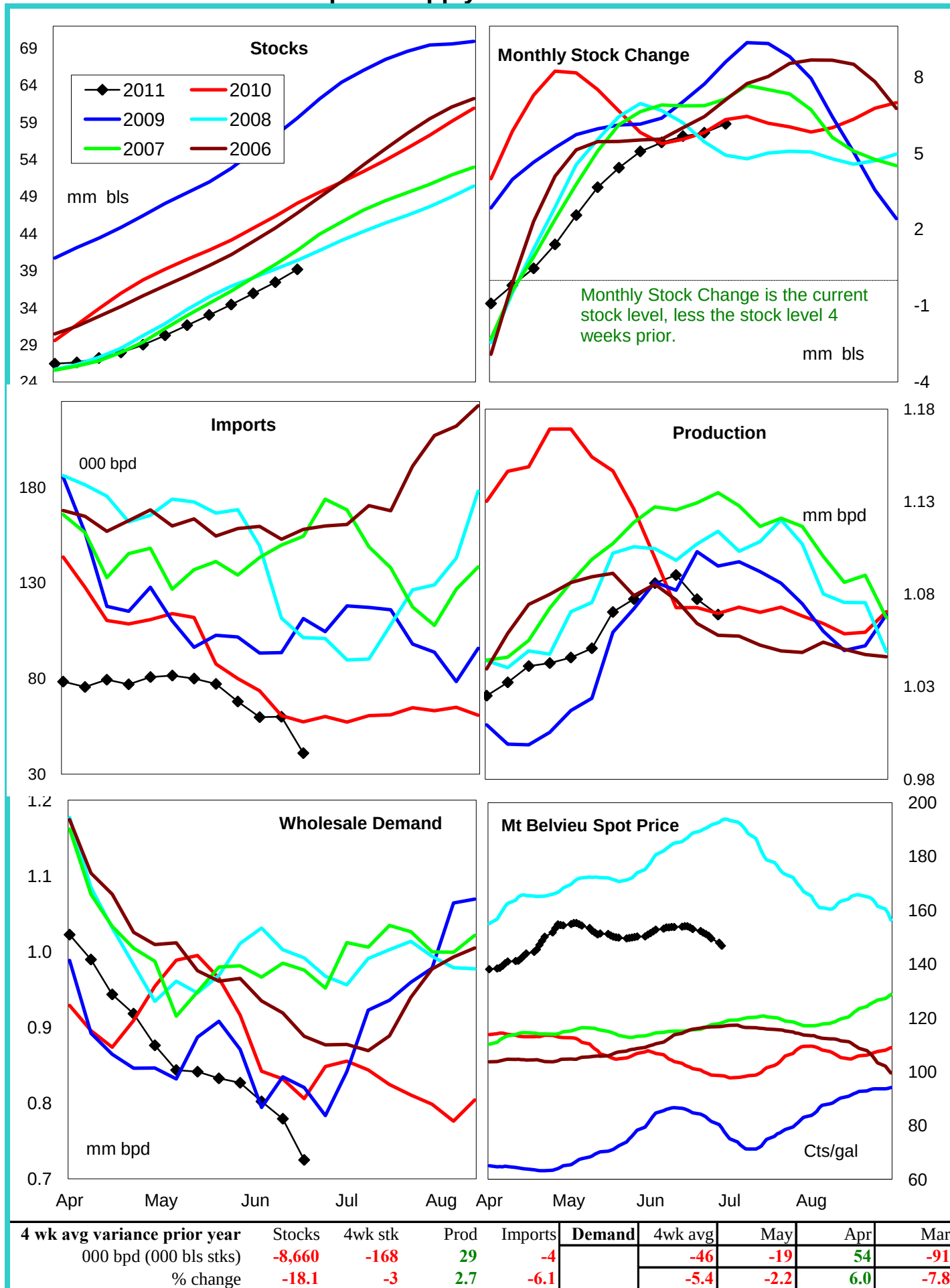
Wednesday, August 31, 2011

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	149.5	153.0	149.9	99.7	-3.52	3.09	50.27	-2.3	2.1	50.4
Conway Spot	141.6	142.5	140.3	91.0	-0.87	2.11	49.39	-0.6	1.5	54.3

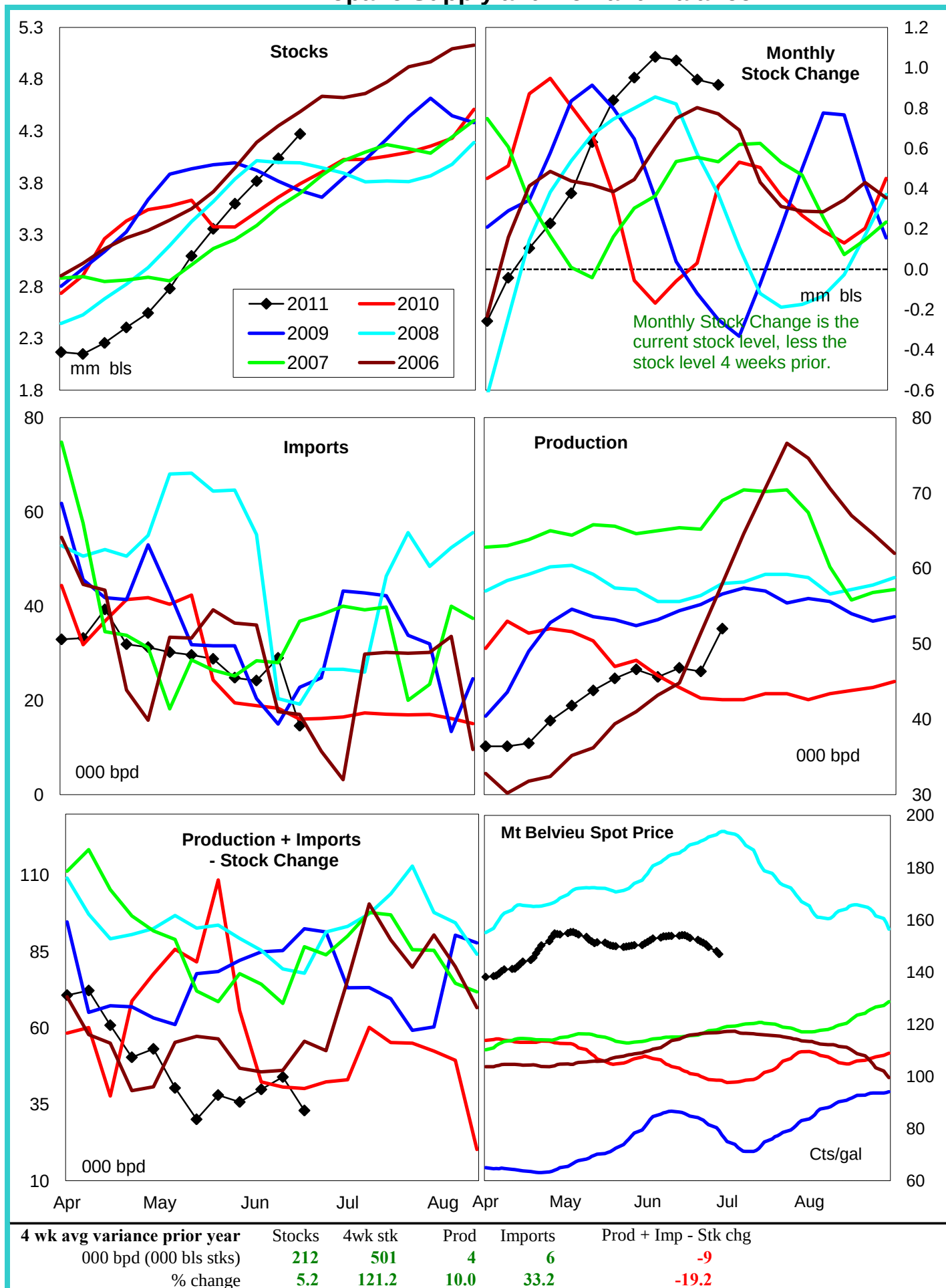
Key Price Spreads and Differentials



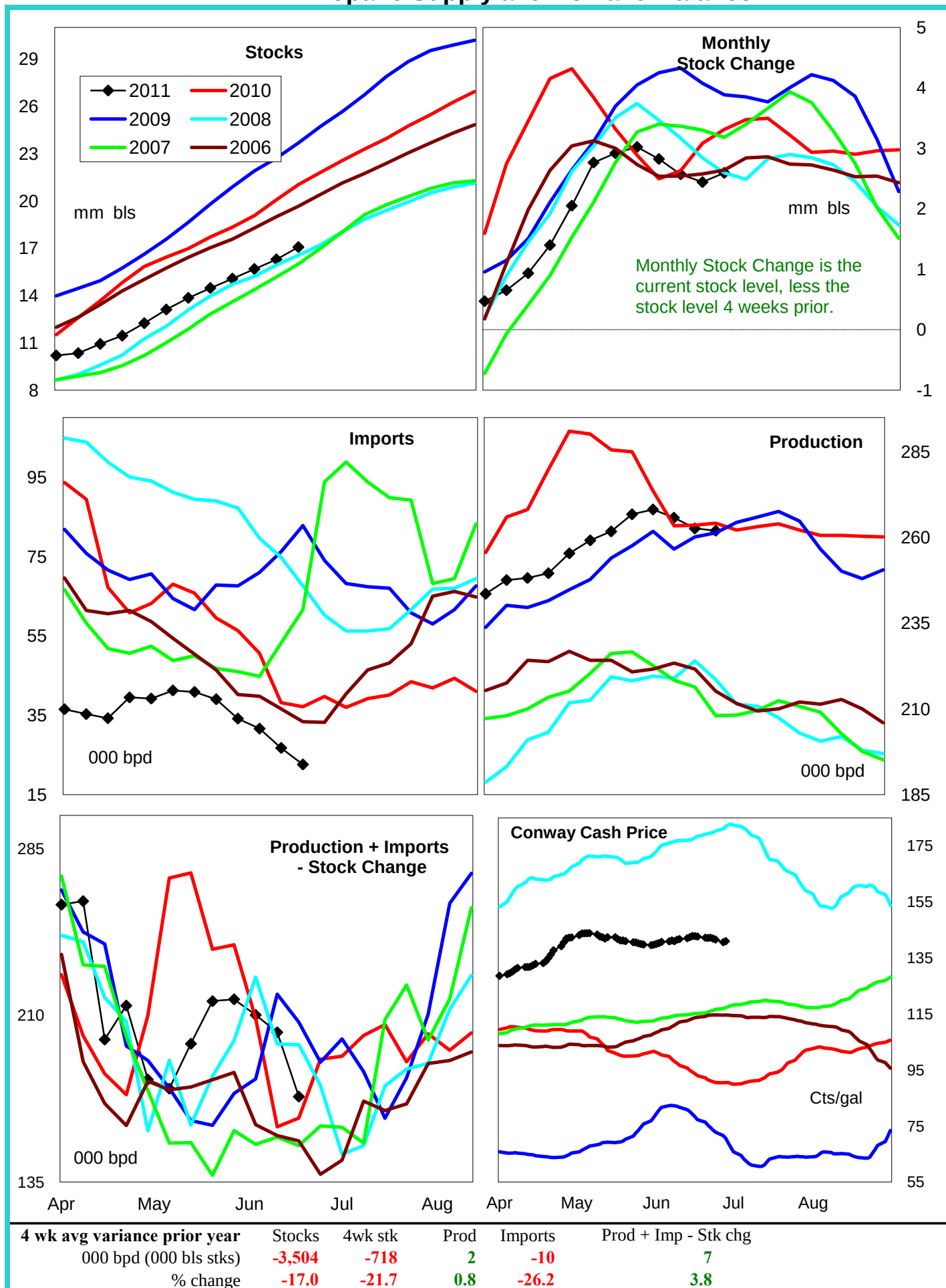
U. S. Propane Supply and Demand Balance



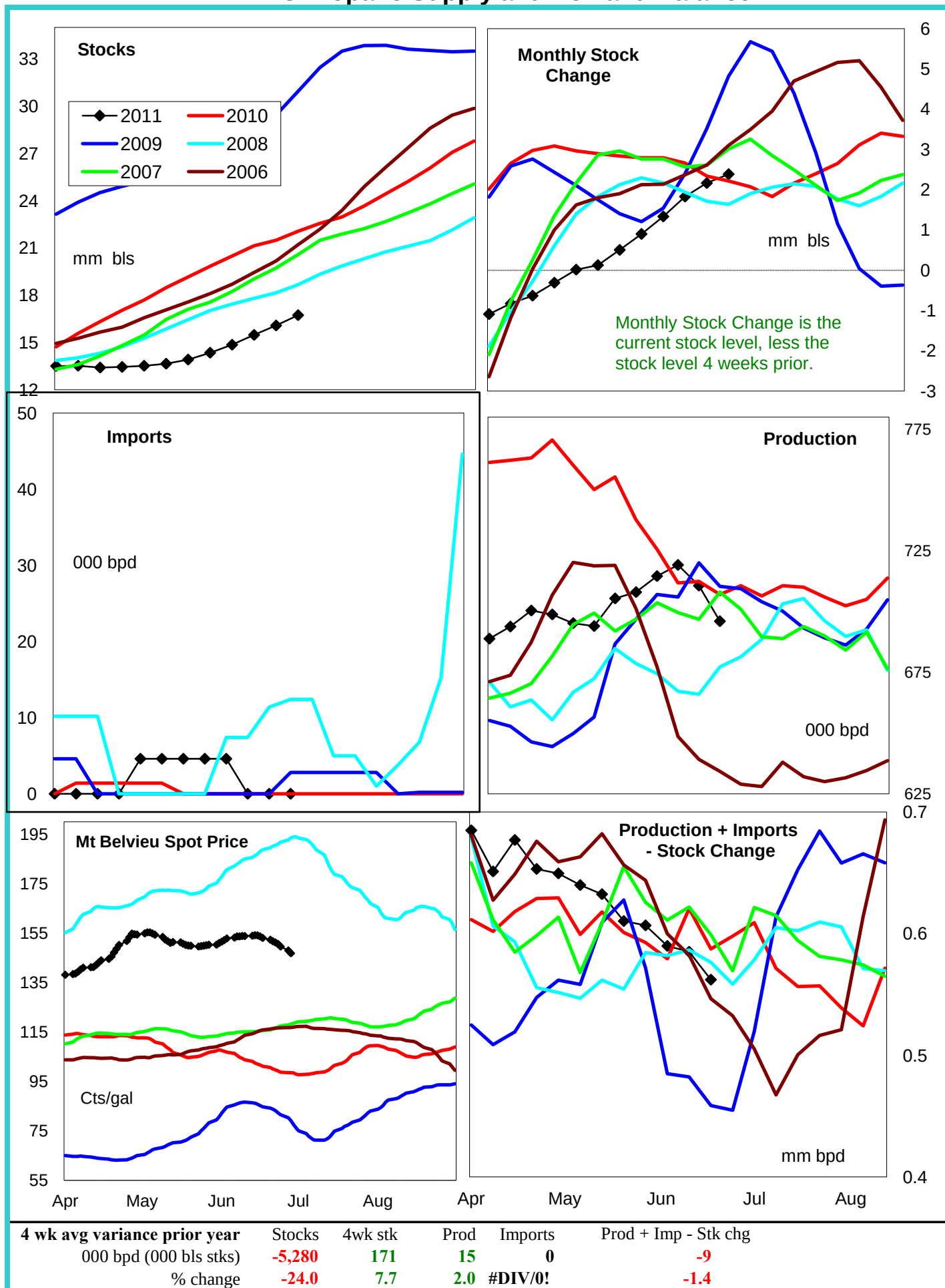
PADD 1 Propane Supply and Demand Balance



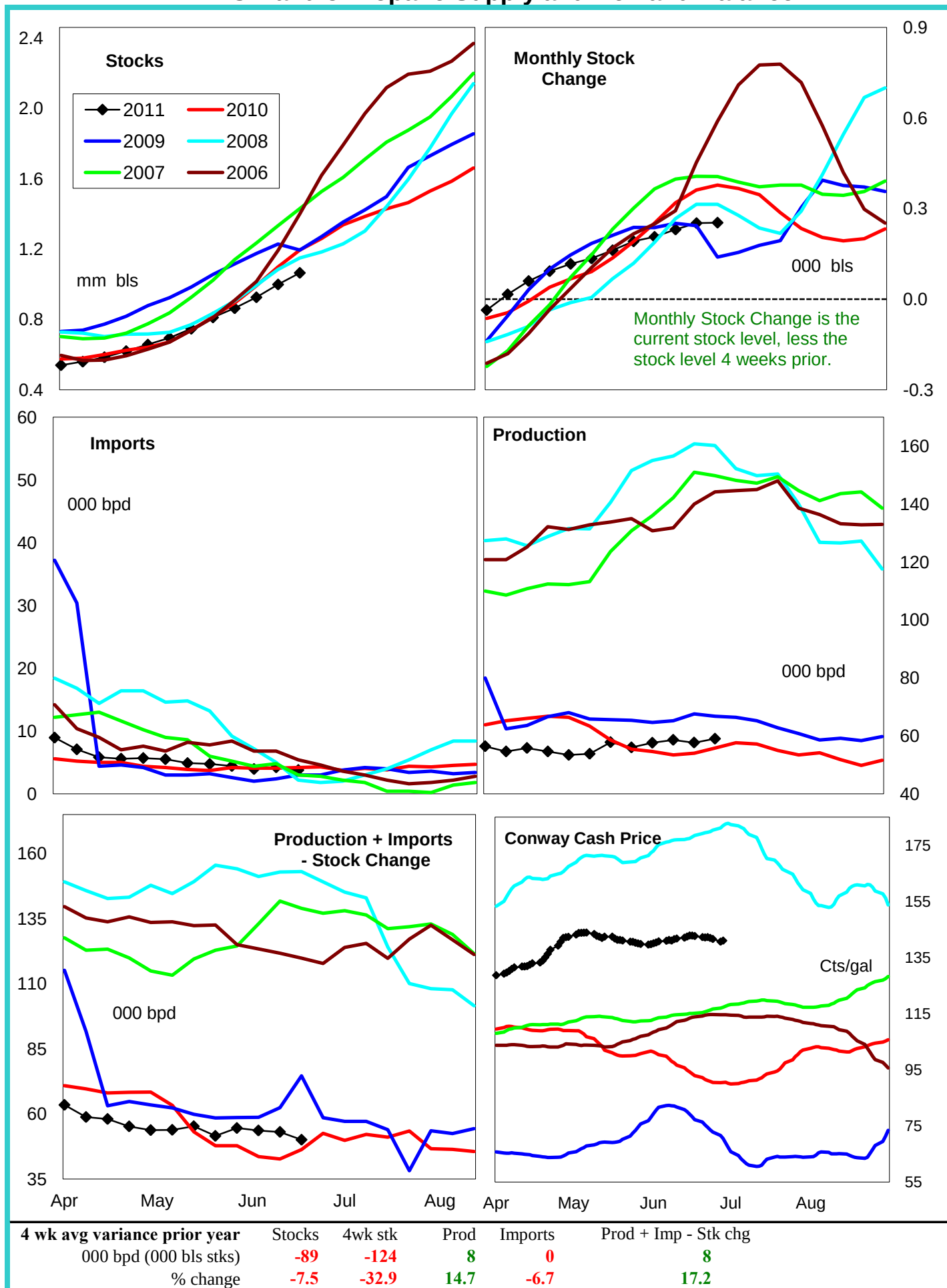
PADD 2 Propane Supply and Demand Balance



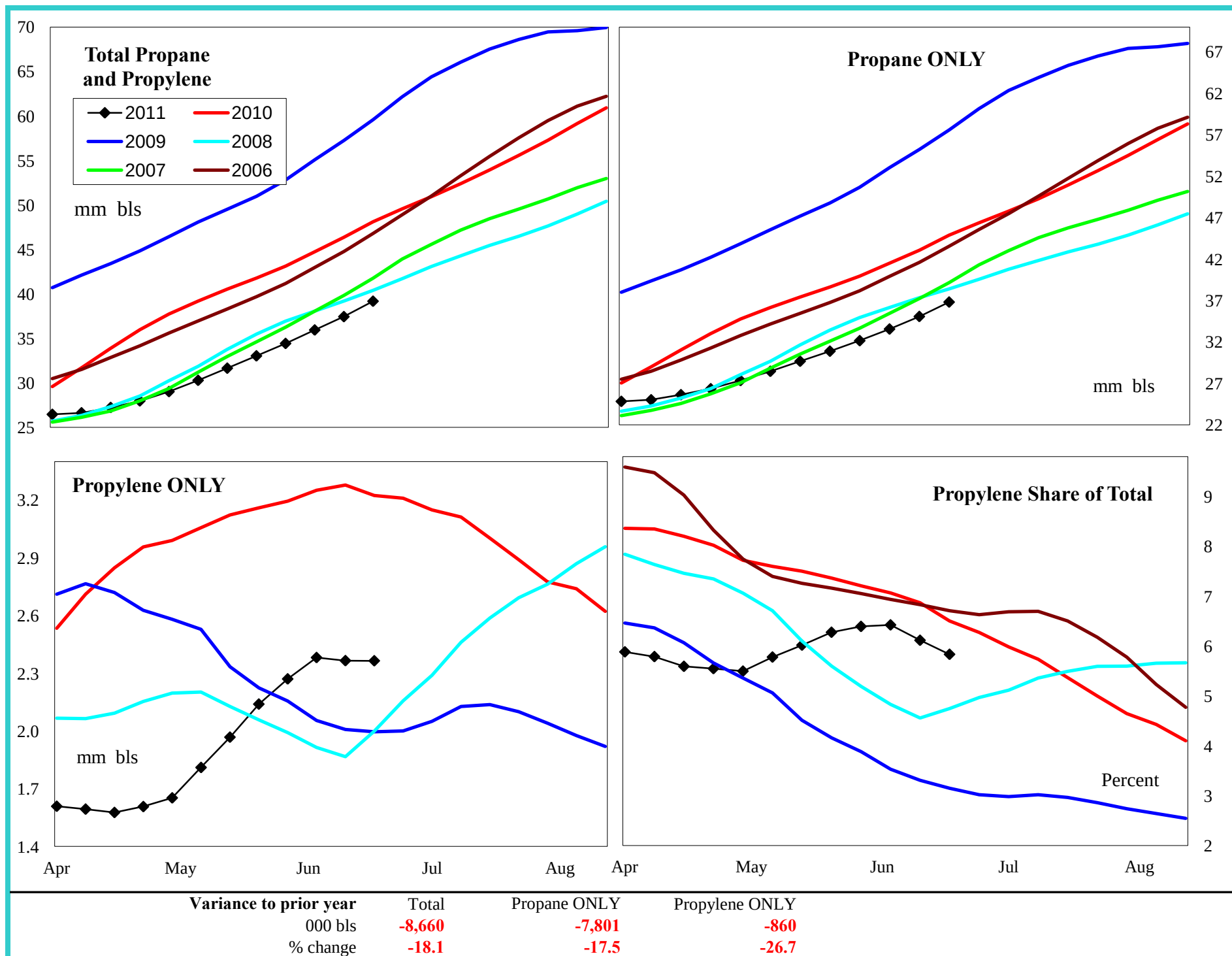
PADD 3 Propane Supply and Demand Balance



PADDs 4 and 5 Propane Supply and Demand Balance



U. S. Propane and Propylene Stocks



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

