



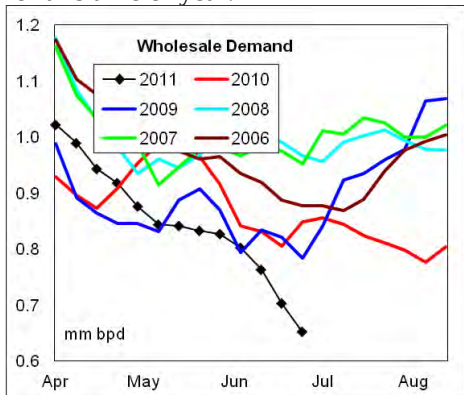
WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

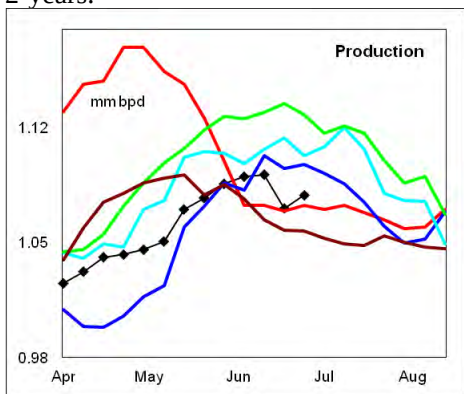
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Thursday, July 07, 2011

Summary¹:

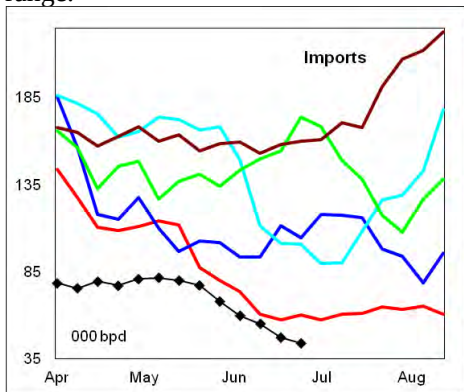
Wholesale demand decreased -73,000 bpd on the week, a new record low level for this time of year.



Production increased +10,000 bpd on the week, to a level comparable with the last 2-years.



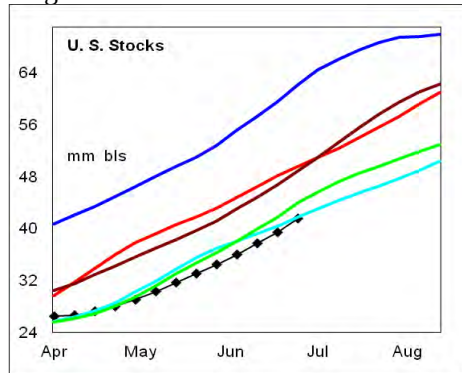
Imports increased +3,000 bpd on the week, a level well below the historic range.



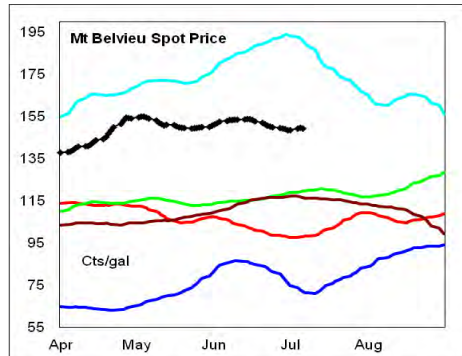
Combined production and imports during the latest 4-wk period were +9,000 bpd above a year ago. Production was +12,000 bpd above last

year, while imports were -3,000 bpd lower. The latest 4-wk average demand was -61,000 bpd below last year.

Stocks increased +2.3 million barrels this week, with builds in all regional markets. Stock levels match 5-year lows for the period. The 4-wk stock change was a build of +7.1 million barrels, a level below the historic mid range.



Price and Spreads Mt Belvieu spot prices increased +2.75 cpg while Conway was unchanged on the week ending 06Jul11. The price level remains near 2-month lows.



The Conway – Mt Belvieu price spread trended lower last week in favor of Mt Belvieu. The spread ended the week at levels comparable to the last 3-years.

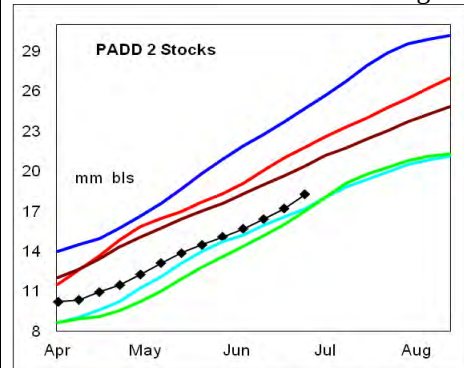
The propane to natural gas price spread trended higher on the week, with the level near record highs of this year.

The propane / crude oil price spread extended the recent downtrend on strength in crude oil pricing, with the level at the upper end of the historic range.

PADD 1 stocks increased +0.1 million barrels last week, with the level near historic highs for the period. Supply for

the latest 4-wk period was +14,000 bpd above a year ago.

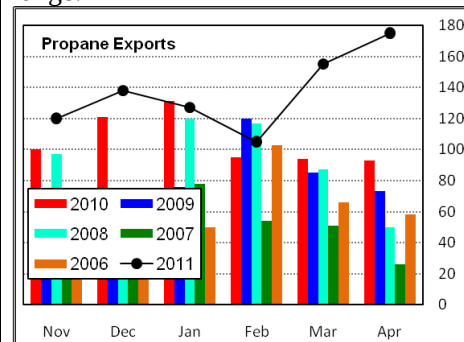
PADD 2 stocks increased +1.2 million barrels last week. Supply decreased -9,000 bpd. The latest 4-wk average supply was -16,000 bpd below a year ago, on record low imports. Stock levels are at the low end of the historic range.



PADD 3 stocks increased +1 million barrels on the week, but the level remains well below the historic range. Production increased +22,000 bpd on the week, with the level comparable to 5-year highs for the period.

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

Emerging Trends Propane exports were 175,000 bpd in April (latest available EIA data), nearly double year ago levels and 4X the average of previous years. The surge in exports has prevented seasonal builds this year and limited stock levels to below the historic range.



Higher exports are due to robust economic growth in developing countries and replacement lost production in Japan.

¹ Source is latest EIA Weekly Statistics



PROPANE: Graph Link and Weekly Summary

July 7, 2011

Fundamental Trends for the Week Ending:

Friday, July 01, 2011

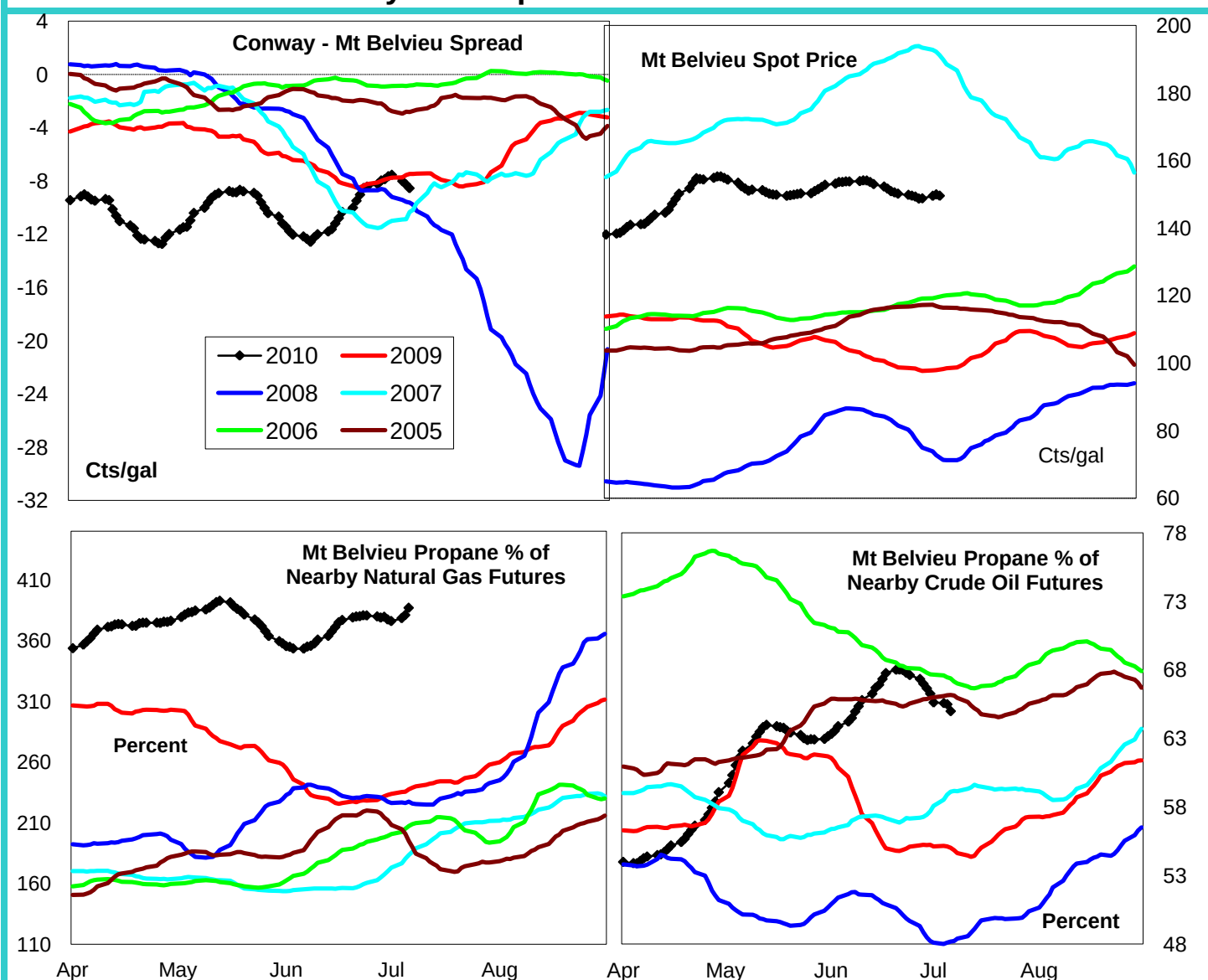
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD				U.S. Total	PADD			
		1	2	3	4&5		1	2	3	4&5
Stocks	41,508	4,333	18,270	17,746	1,159	2,321	61	1,201	1,006	53
Propylene Stocks	2,257					-108				
Production	1,079	54	252	718	55	10	2	-10	22	-4
Imports	44	14	23	0	7	3	0	1	0	3
Whsle Demand	652					-73				

Price Trends for the Week Ending:

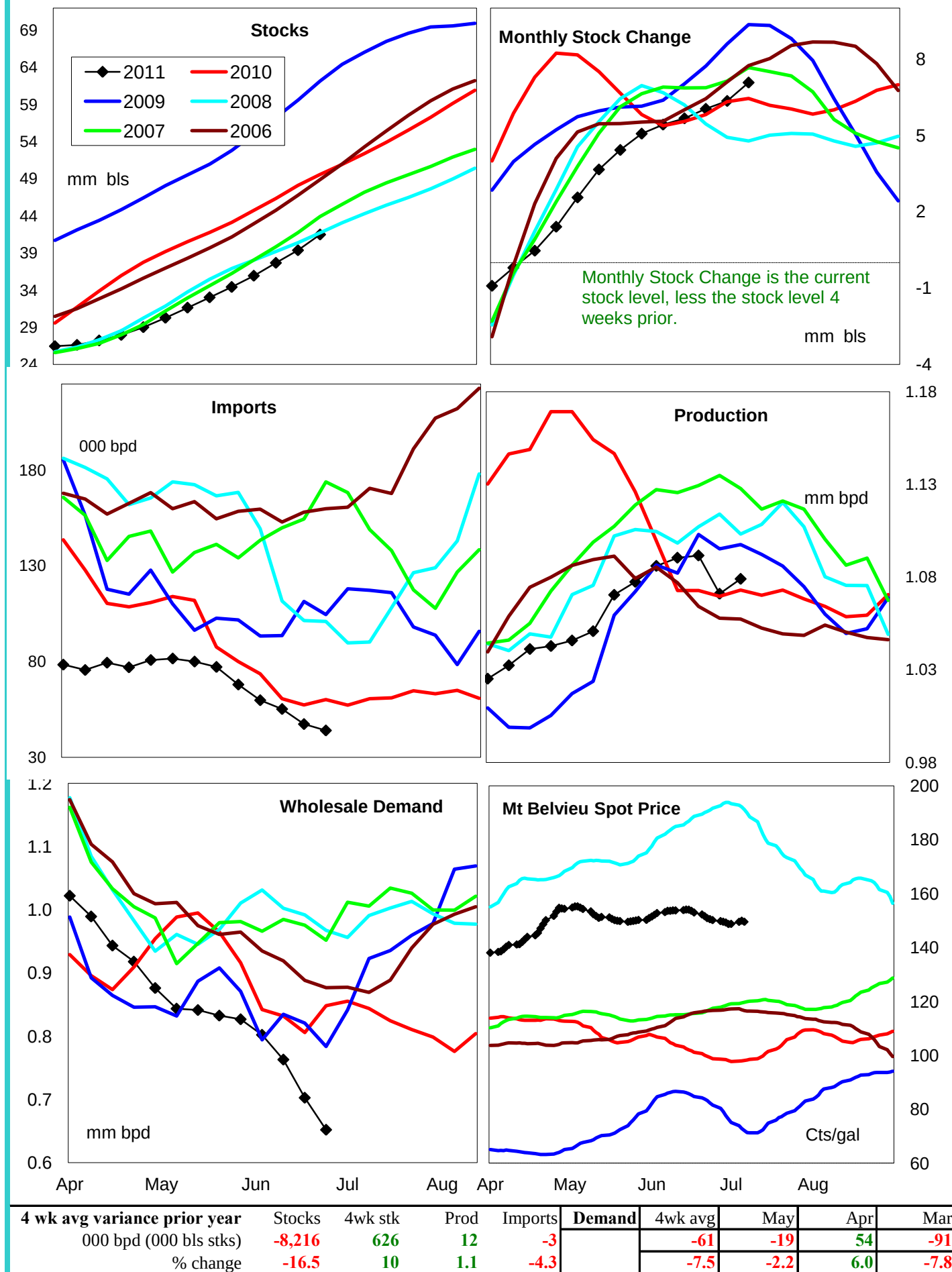
Wednesday, August 31, 2011

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	148.2	153.0	97.5	1.33	-4.84	55.54	0.9	-3.2	57.0
Conway Spot	141.5	140.7	140.1	90.3	0.82	0.60	49.78	0.6	0.4	55.1

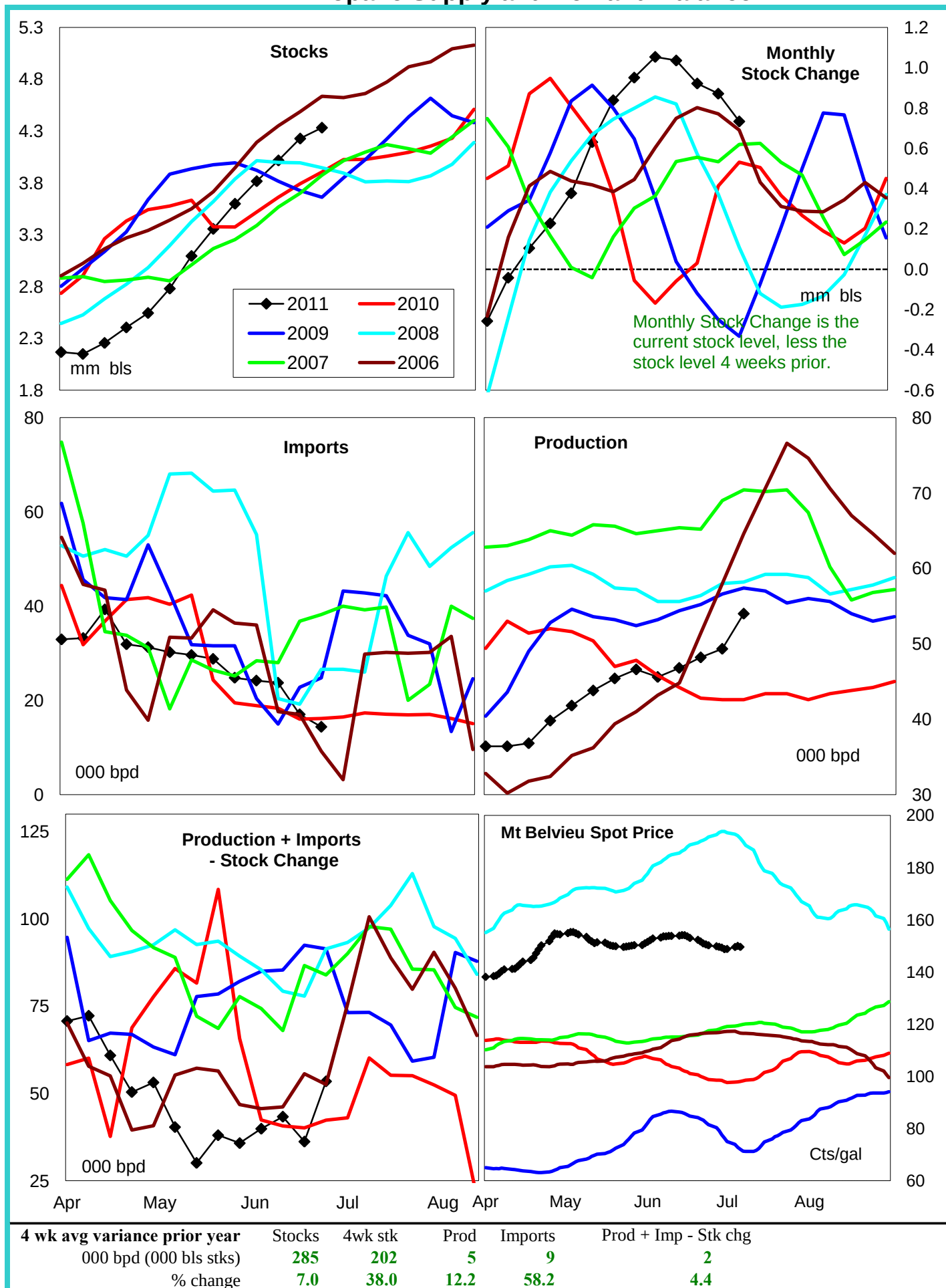
Key Price Spreads and Differentials



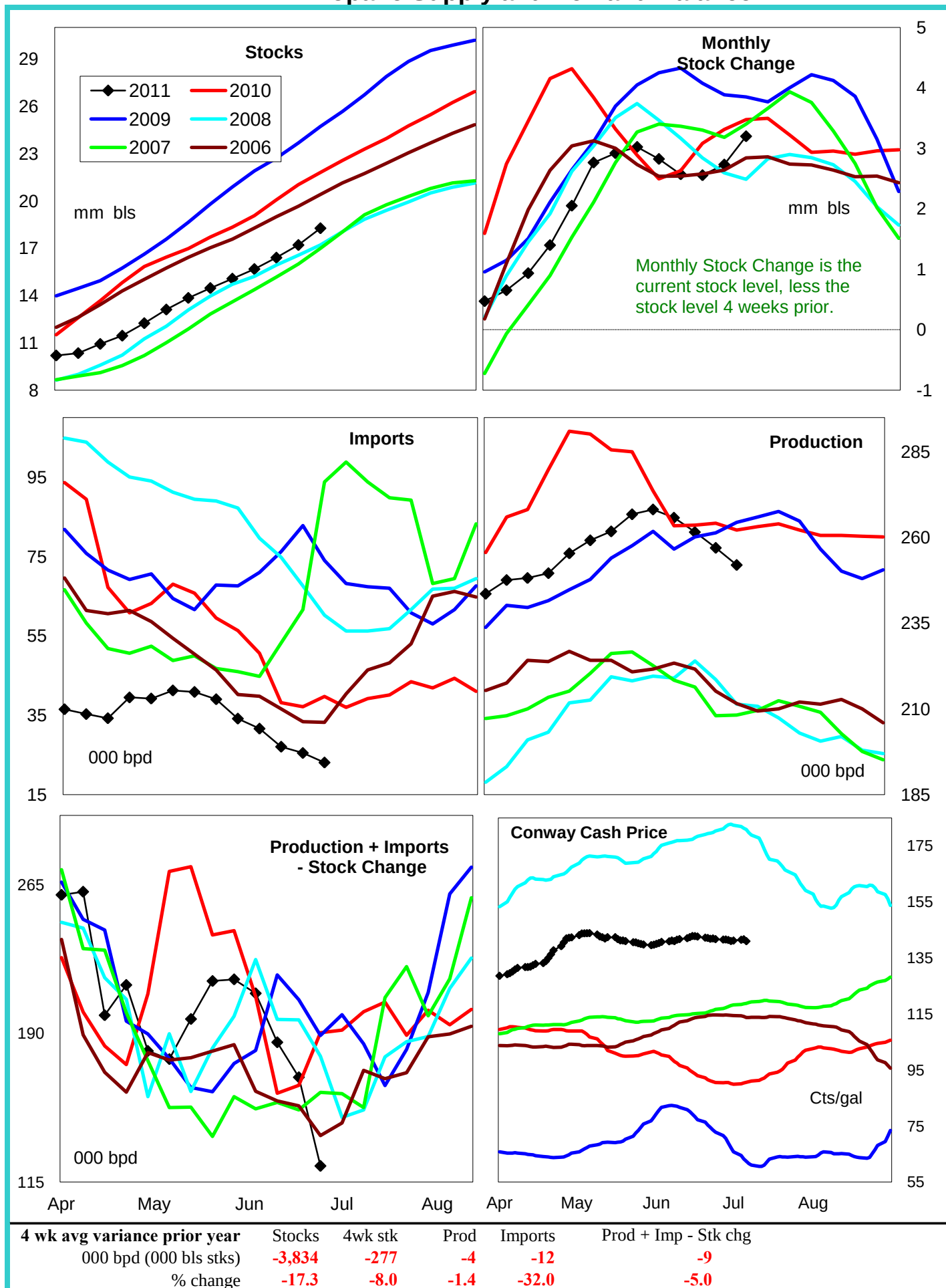
U. S. Propane Supply and Demand Balance



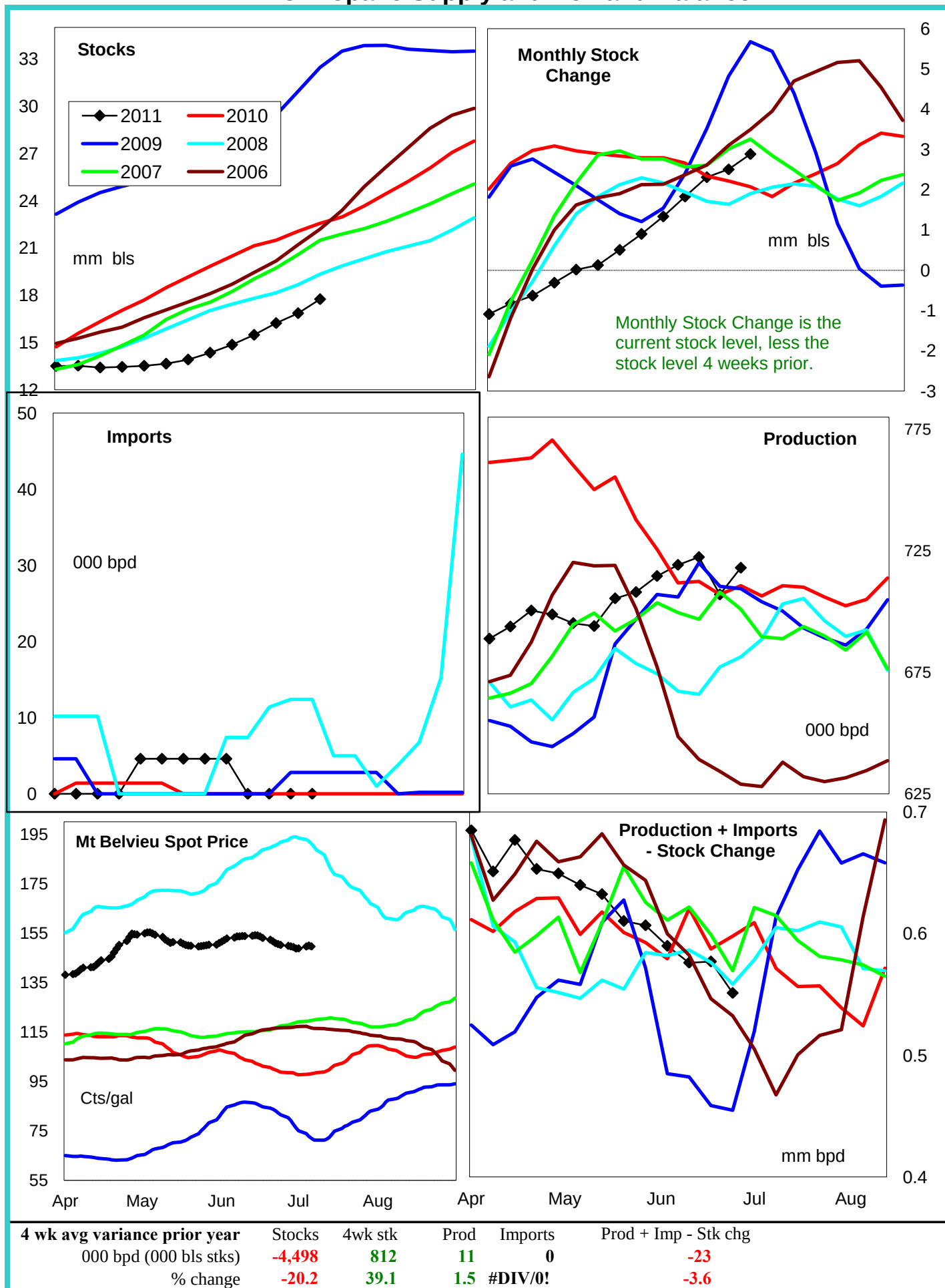
PADD 1 Propane Supply and Demand Balance



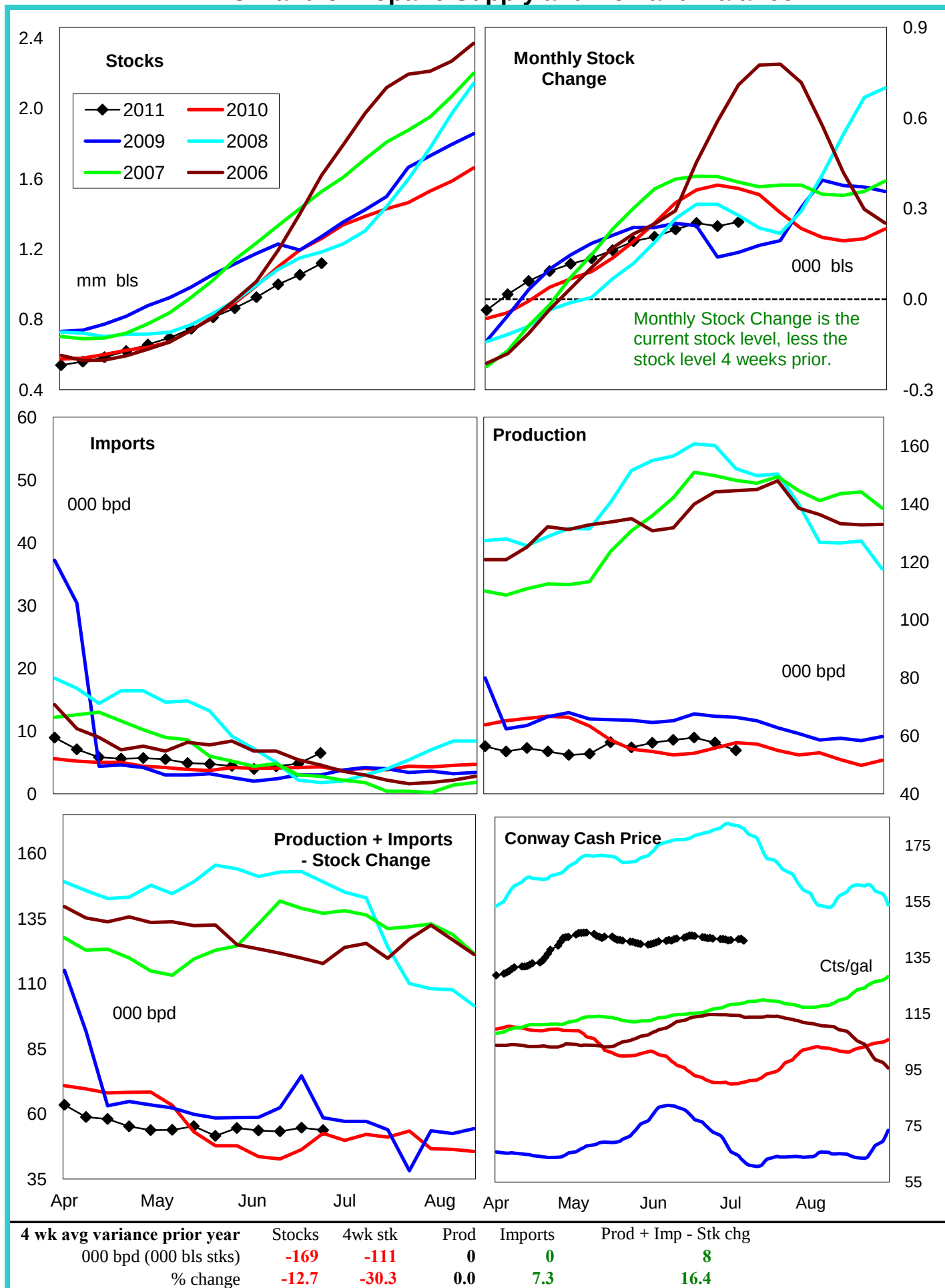
PADD 2 Propane Supply and Demand Balance



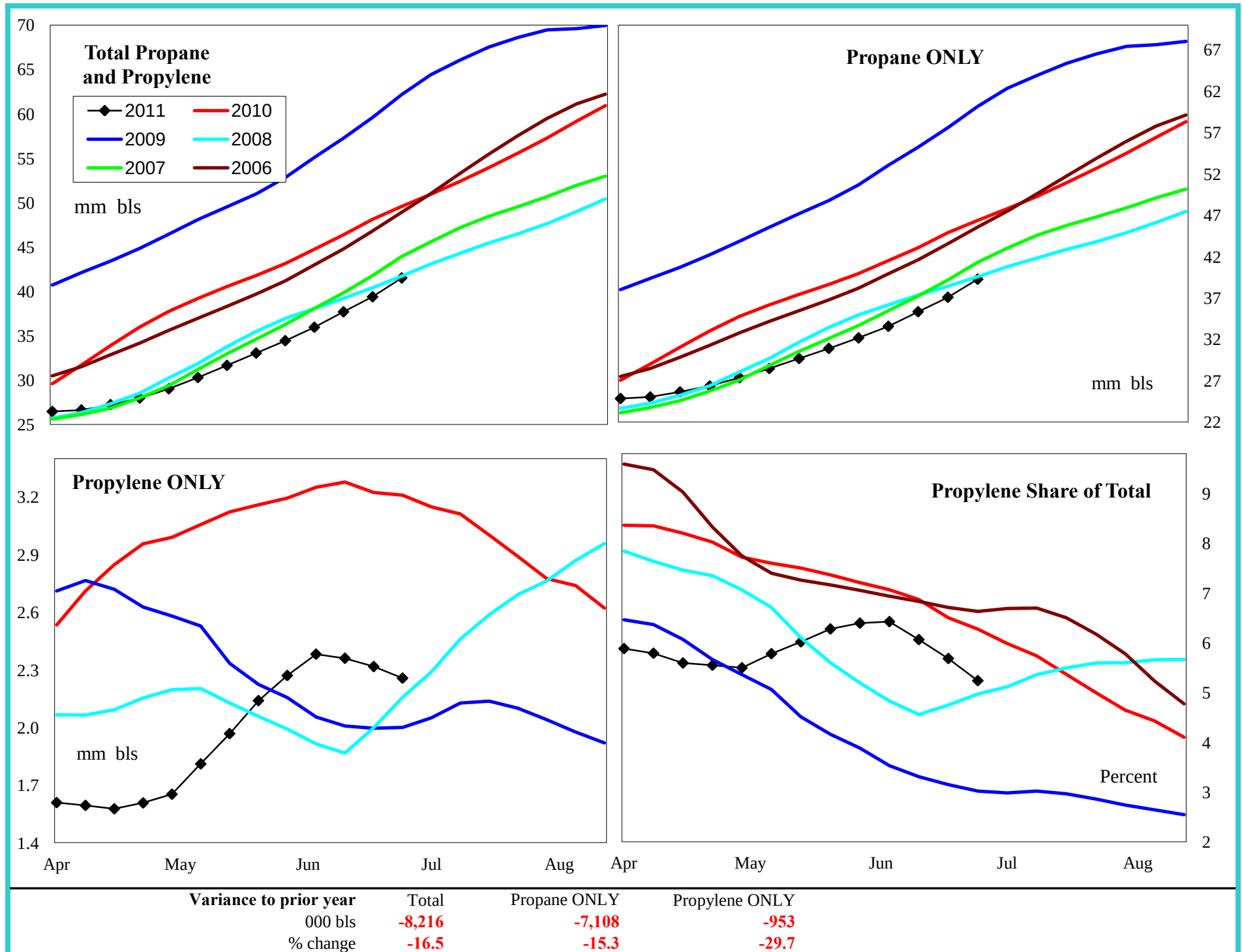
PADD 3 Propane Supply and Demand Balance



PADDs 4 and 5 Propane Supply and Demand Balance



U. S. Propane and Propylene Stocks



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

