



WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

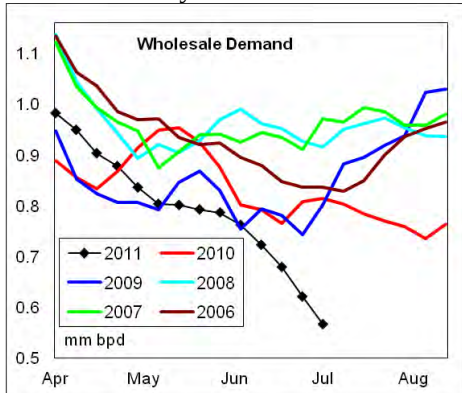
A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Thursday, July 14, 2011

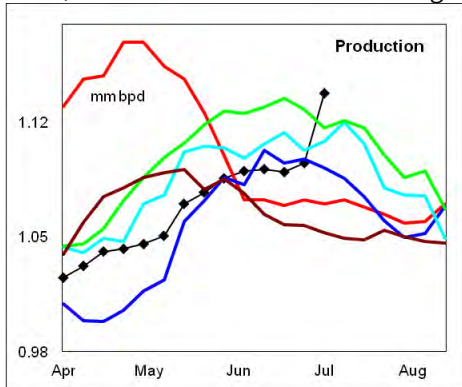
Summary¹:



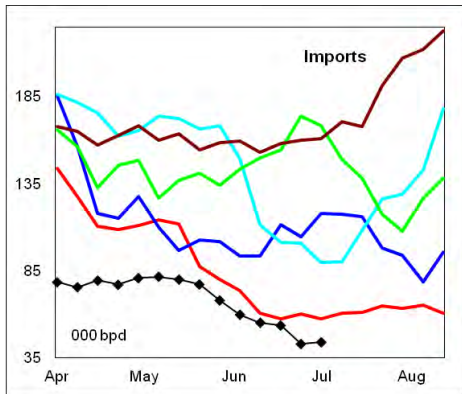
Wholesale demand decreased -45,000 bpd on the week, a new record low level for this time of year.



Production increased +59,000 bpd on the week, to a level above the historic range.



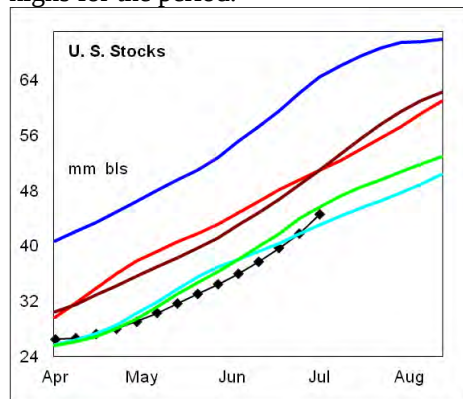
Imports were unchanged on the week at a record low level.



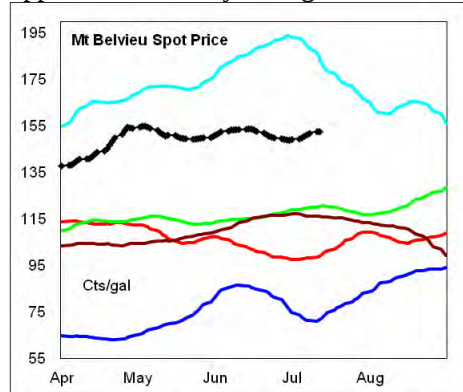
Combined production and imports during the latest 4-wk period were +4,000 bpd above a year ago. Production was +15,000 bpd above last year, while imports were -11,000 bpd lower. The latest 4-wk average demand

was -147,000 bpd below last year, and a record low.

Stocks increased +3.1 million barrels this week, with builds in all regional markets. Stock levels ended the week at the low end of the historic range. The 4-wk stock change was a build of +8.6 million barrels, a level near 5-year highs for the period.



Price and Spreads Mt Belvieu spot prices increased +2 cpg while Conway increased +1 cpg for the week ending 12Jul11. The price level remains at the upper end of the 5-yr range..



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.

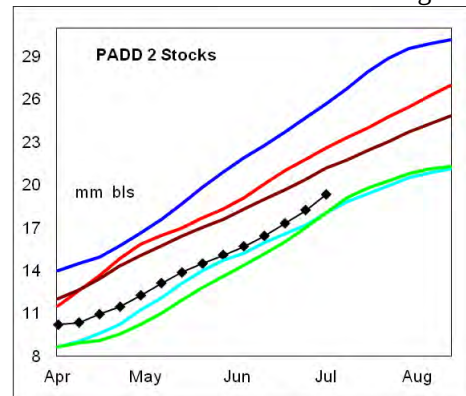
The propane to natural gas price spread trended higher on the week, with the level near record highs of this year.

The propane / crude oil price spread traded sideways on the week, with the level near 5-year highs for this time of year.

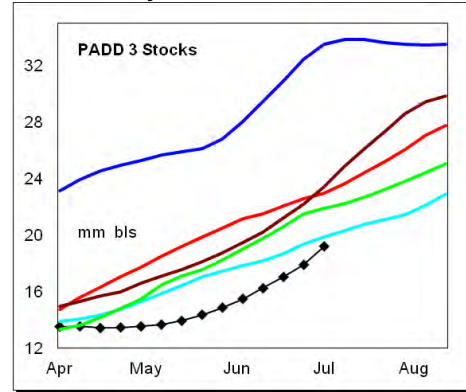
PADD 1 stocks increased +0.5 million barrels last week, pushing the level to a 5-year high for this time of year. Supply

for the latest 4-wk period was +8,000 bpd above a year ago.

PADD 2 stocks increased +1 million barrels on the week. Supply increased +14,000 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 +1.5 million barrels on the week, although the level remains below the historic range. Production increased +38,000 bpd on the week, with the level at a record high for this time of year.



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

Emerging Trends Propane stocks have surged +5.4 million barrels in the last 2-wks. Demand has been exceptionally weak, and exports appear to have slowed as indicated by the high level of stock builds in the Gulf. Stock levels remain very low in the key Gulf and Midwest regions.

Continued robust stock builds would increase the potential for a summer price pull back.

¹ Source is latest EIA Weekly Statistics



PROPANE: Graph Link and Weekly Summary

July 14, 2011

Fundamental Trends for the Week Ending:

Friday, July 08, 2011

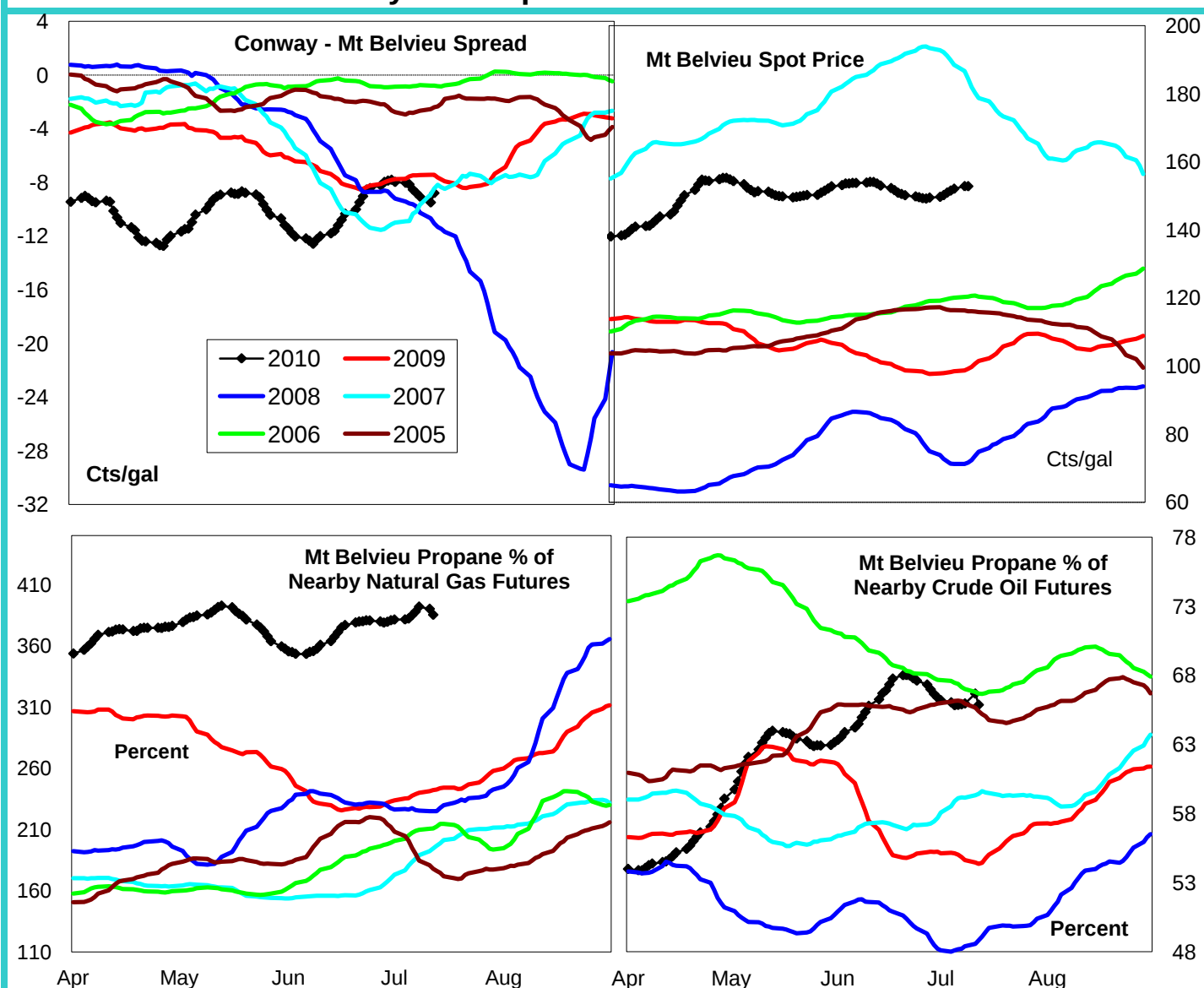
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD				U.S. Total	PADD			
		1	2	3	4&5		1	2	3	4&5
Stocks	44,561	4,840	19,309	19,208	1,204	3,053	507	1,039	1,462	45
Propylene Stocks	2,475					218				
Production	1,138	48	265	756	69	59	-6	13	38	14
Imports	44	18	24	0	3	0	3	1	0	-4
Whsle Demand	607					-45				

Price Trends for the Week Ending:

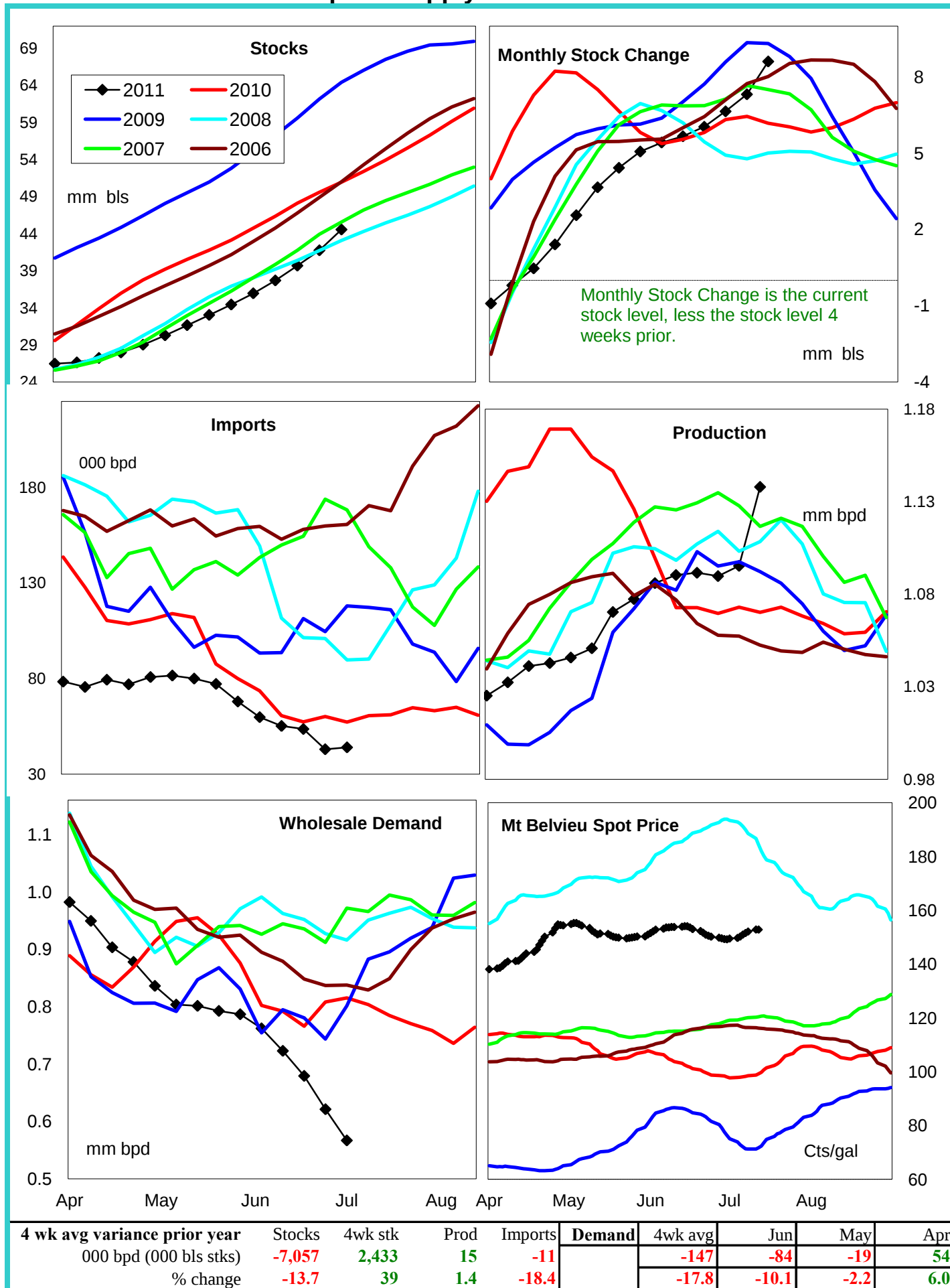
Tuesday, July 12, 2011

Cents/gal	Average for week ending:				Change from:			% change from:		
	7/12/11	7/5/11	6/14/11	7/14/10	7/5/11	6/14/11	7/14/10	7/5/11	6/14/11	7/14/10
Mont Belvieu Spot	152.1	149.0	155.1	98.6	3.06	-6.14	56.56	2.1	-4.0	57.4
Conway Spot	143.0	141.3	142.9	90.9	1.69	-1.56	51.98	1.2	-1.1	57.2

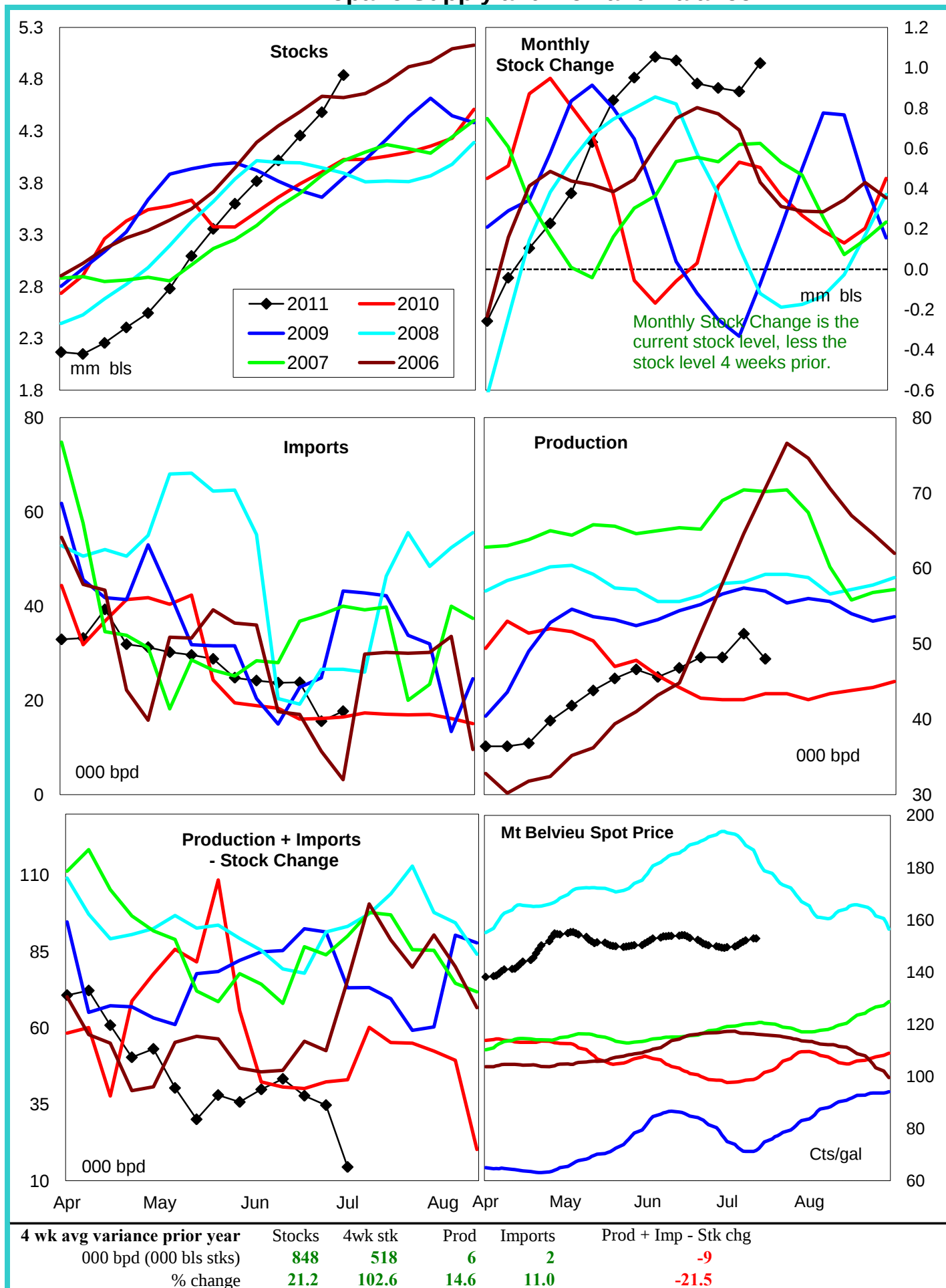
Key Price Spreads and Differentials



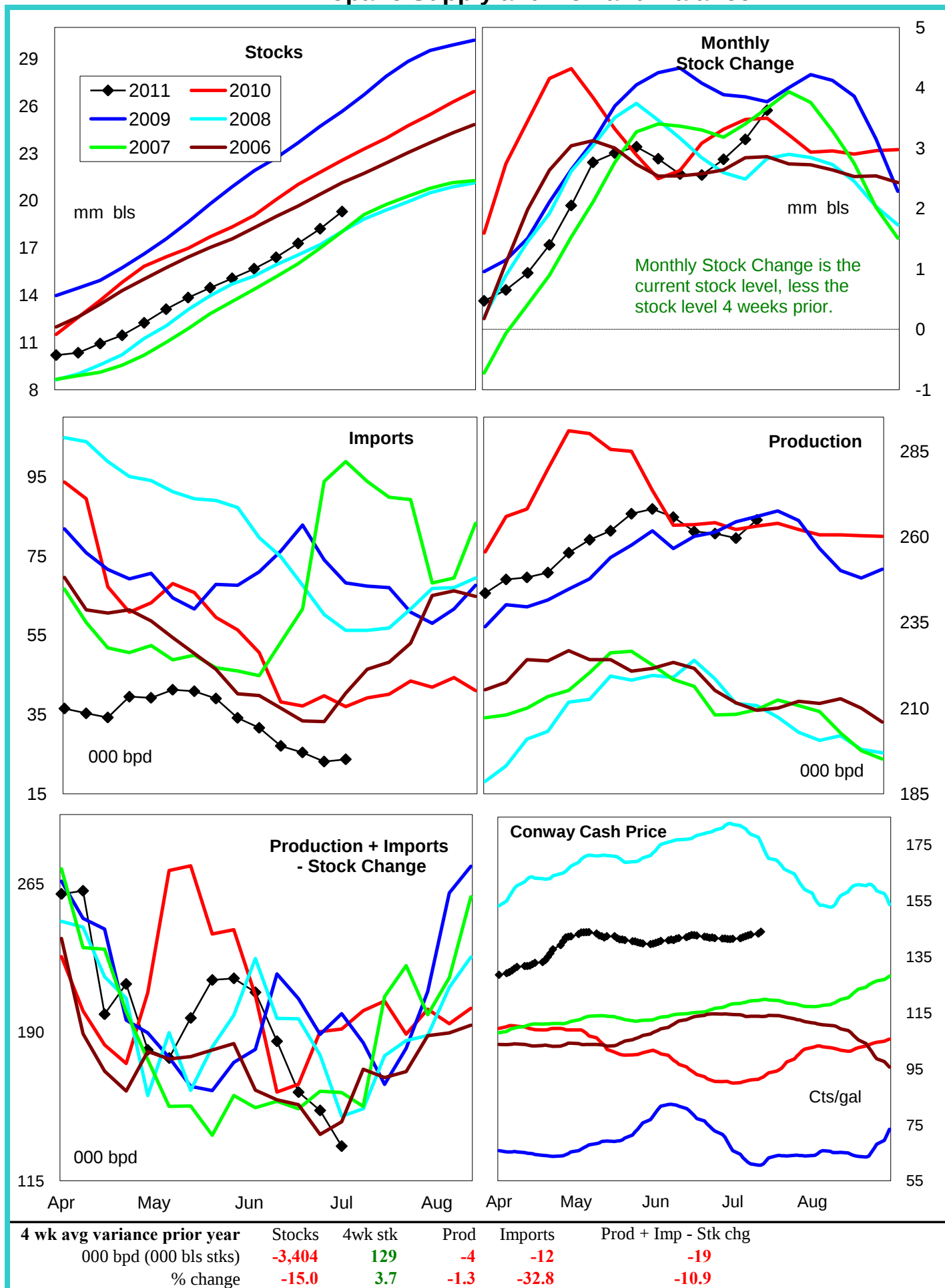
U. S. Propane Supply and Demand Balance



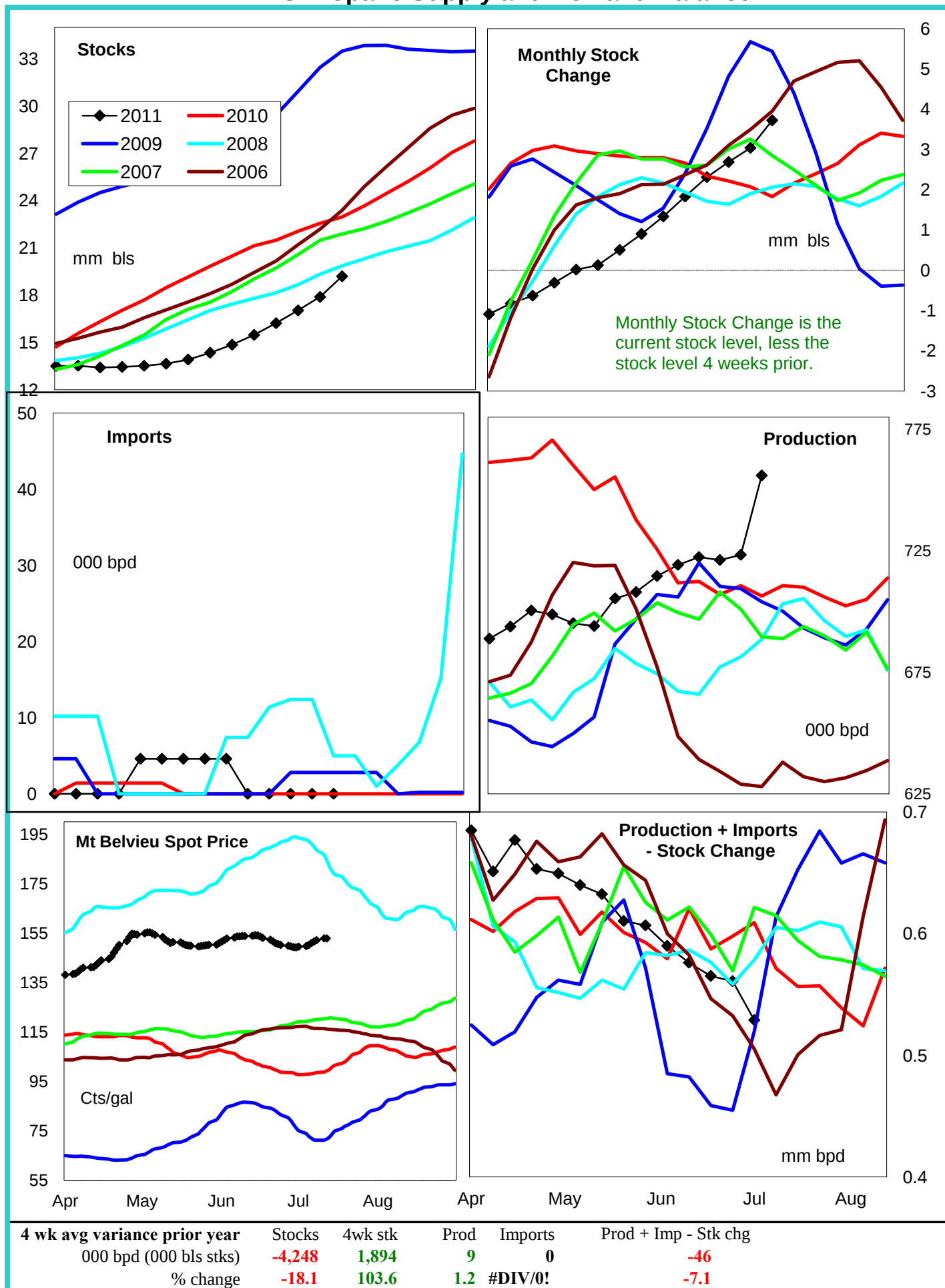
PADD 1 Propane Supply and Demand Balance



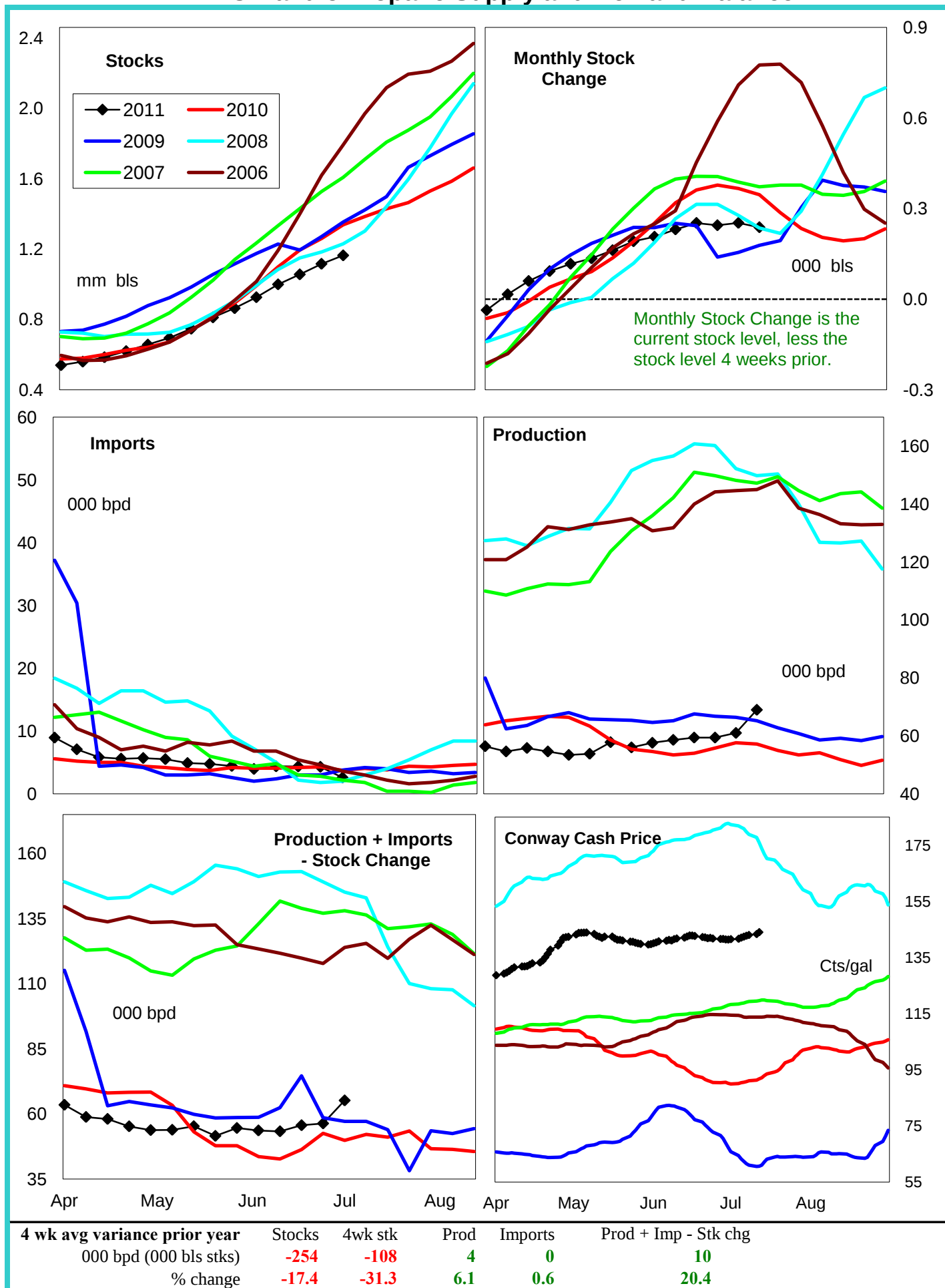
PADD 2 Propane Supply and Demand Balance



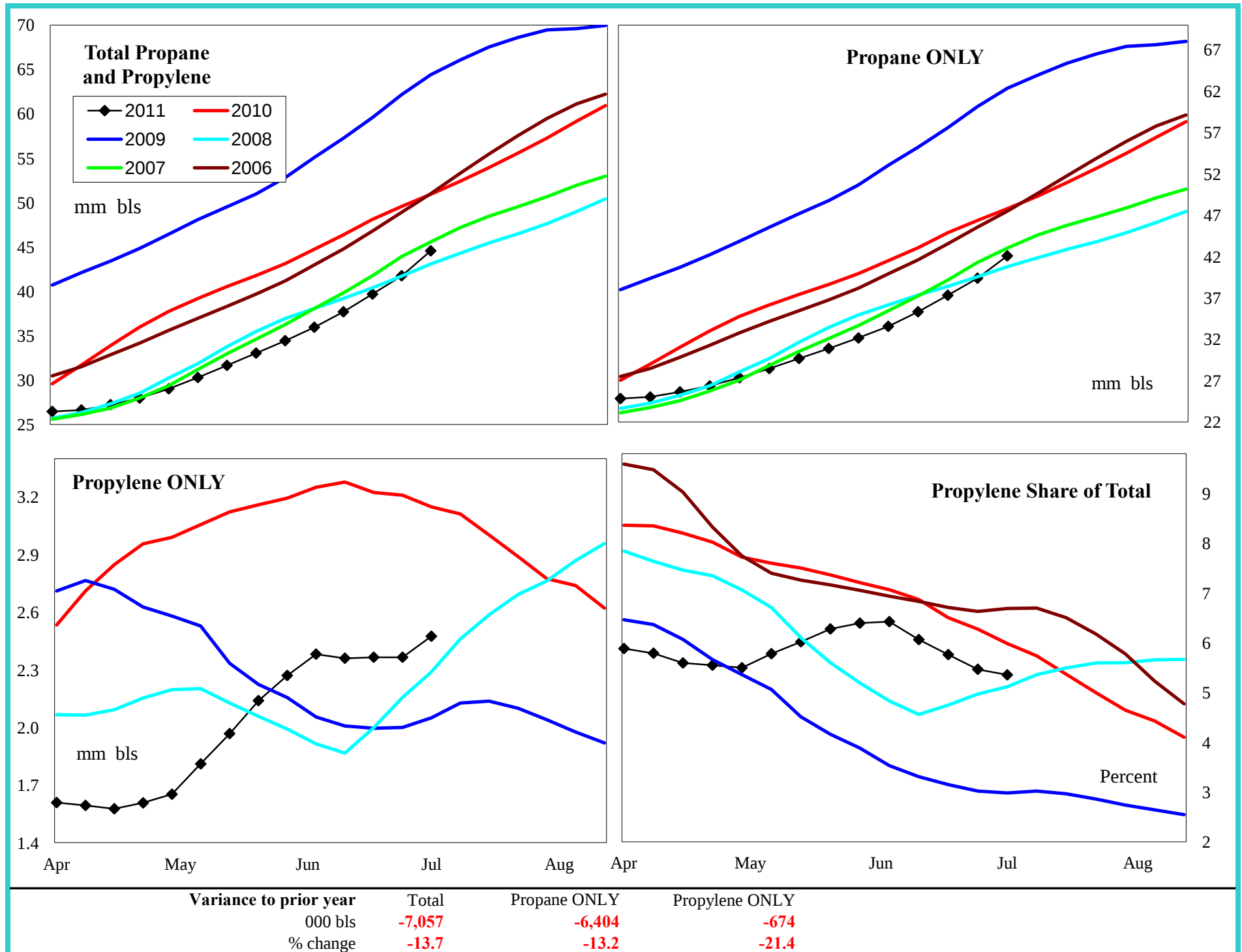
PADD 3 Propane Supply and Demand Balance



PADDs 4 and 5 Propane Supply and Demand Balance



U. S. Propane and Propylene Stocks



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

