



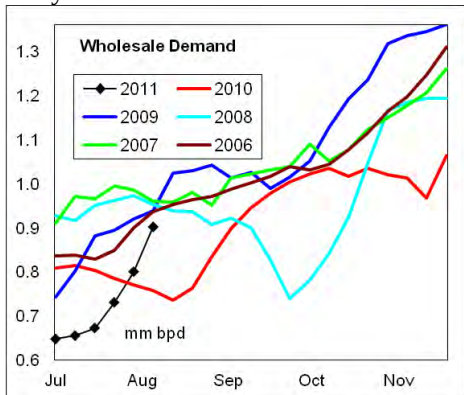
WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

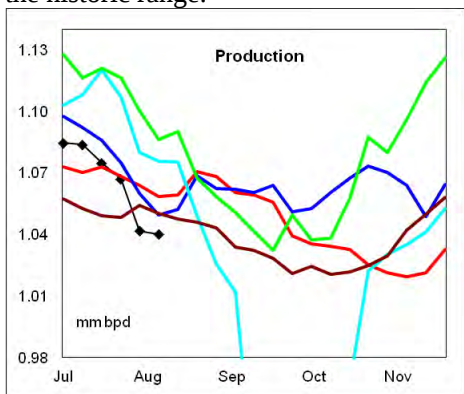
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Wednesday, August 10, 2011

Summary¹:

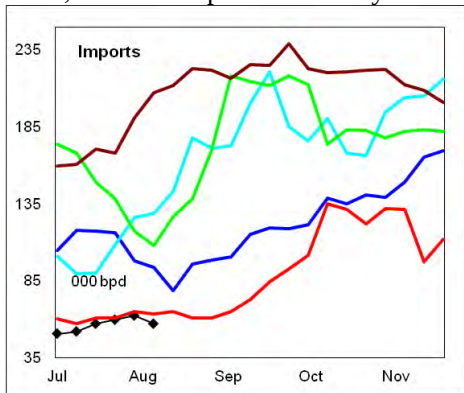
Wholesale demand increased +131,000 bpd on the week, lifting the level above last year's record lows.



Production increased +16,000 bpd on the week, although the level remains below the historic range.



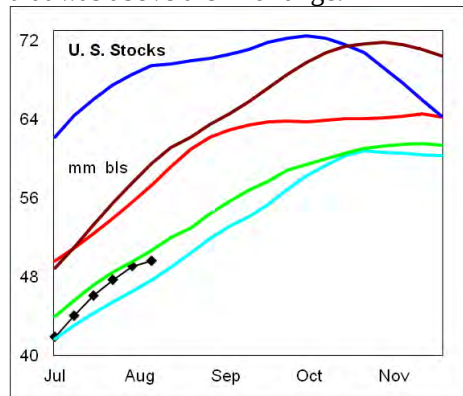
Imports decreased -9,000 bpd on the week, a level comparable to last year.



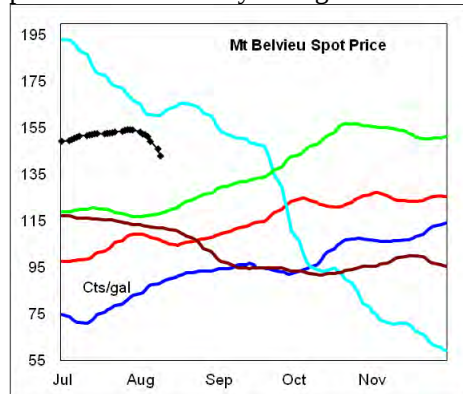
Combined production and imports during the latest 4-wk period were -14,000 bpd below a year ago. Production was -15,000 bpd below last year, while imports were +1,000 bpd

higher. The latest 4-wk average demand was -104,000 bpd (-12%) below last year.

Stocks increased +0.2 million barrels last week, a level well below normal for the period. Stock levels ended the week at the low end of the historic range. The 4-wk stock change was a build of +5 million barrels, a level that was above the mid range.



Price and Spreads Mt Belvieu spot prices fell -14 cpg while Conway declined -10 cpg for the week ending 09Aug11. The price level is near 5-year highs of 2007.



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

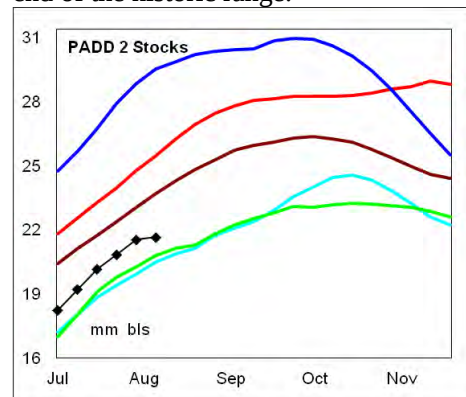
The propane to natural gas price spread trended higher on the week, with the level at record highs.

The propane / crude oil price spread spiked higher last week in favor of propane. The level reached a new record high on very weak crude oil prices.

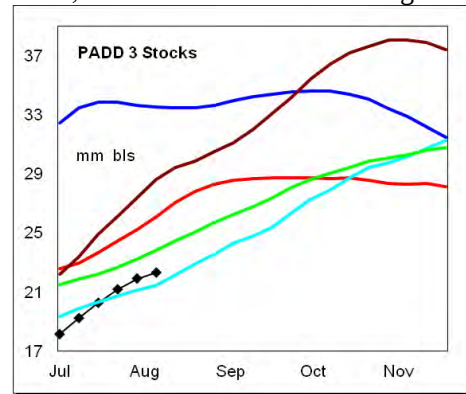
PADD 1 stocks declined -0.1 million barrels last week, with the level near the 5-year mid range. Supply for the latest

4-wk period was +5,000 bpd above a year ago.

PADD 2 stocks decreased -0.1 million barrels on the week. Supply decreased -9,000 bpd on lower production. The latest 4-wk average supply was -17,000 bpd below a year ago, on lower production. Stock levels are at the low end of the historic range.



PAD 3 stocks increased +0.4 million barrels on the week, with the 4-wk rate of stock build above the mid range. Stock levels are near 5-year lows. Production increased +13,000 bpd on the week, with the level at the mid range.



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

Emerging Trends Stock builds slowed considerably the last two weeks on a seasonal rise in demand. The recent modest price pull back should stimulate increased seasonal buying, providing continued support to propane prices compared to the over all energy complex.

¹ Source is latest EIA Weekly Statistics



PROPANE: Graph Link and Weekly Summary

August 10, 2011

Fundamental Trends for the Week Ending:

Friday, August 05, 2011

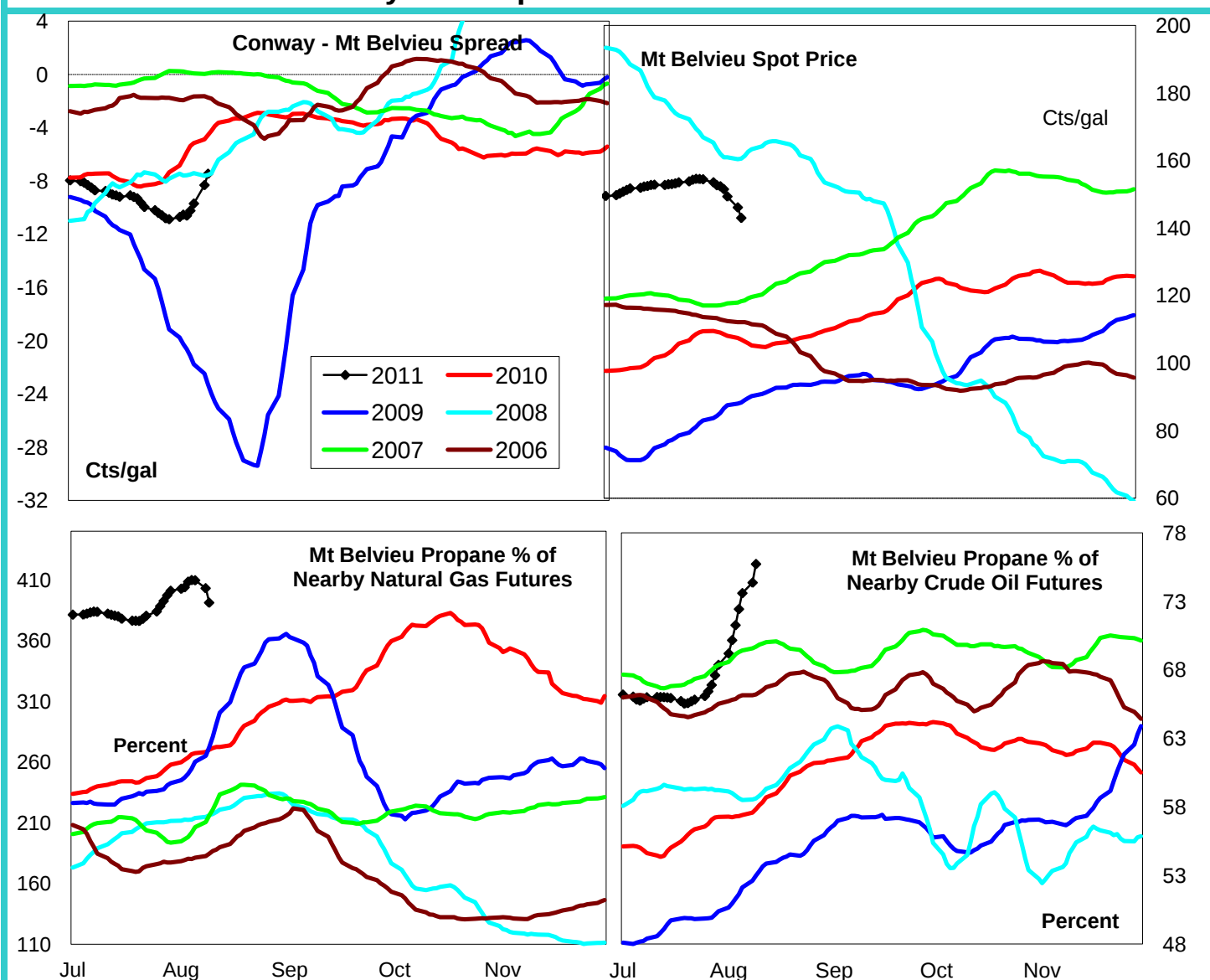
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD				U.S. Total	PADD			
		1	2	3	4&5		1	2	3	4&5
Stocks	49,595	4,088	21,648	22,294	1,565	241	-118	-138	416	81
Propylene Stocks	2,452					10				
Production	1,040	45	235	693	67	16	-3	-3	13	9
Imports	57	17	34	0	6	-9	-4	-6	0	1
Whsle Demand	942					131				

Price Trends for the Week Ending:

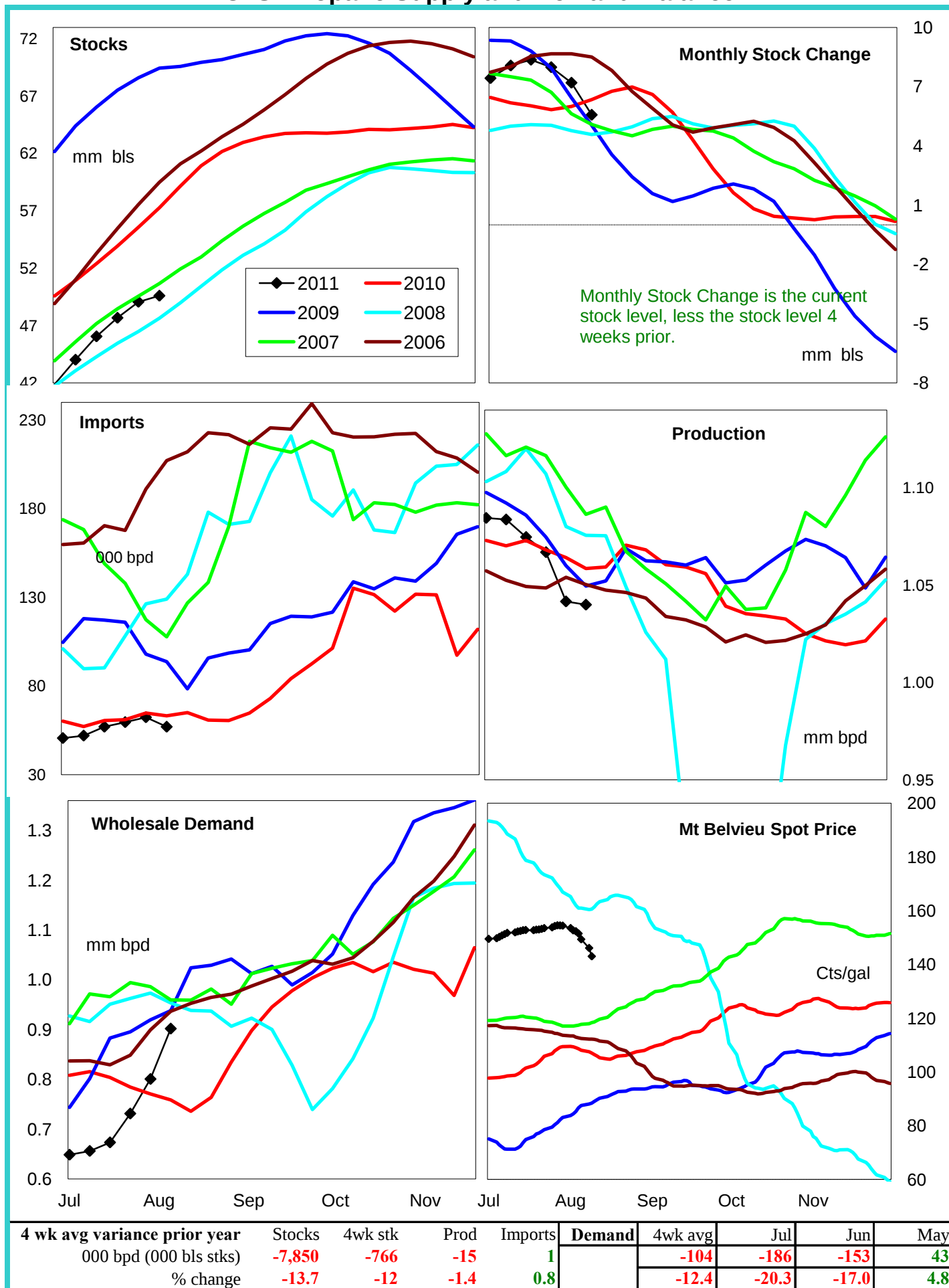
Tuesday, August 09, 2011

Cents/gal	Average for week ending:				Change from:			% change from:		
	8/9/11	8/2/11	7/12/11	8/11/10	8/2/11	7/12/11	8/11/10	8/2/11	7/12/11	8/11/10
Mont Belvieu Spot	149.3	155.5	152.1	108.8	-6.23	3.48	43.26	-4.0	2.3	39.8
Conway Spot	139.6	144.1	143.0	103.9	-4.53	1.14	39.11	-3.1	0.8	37.7

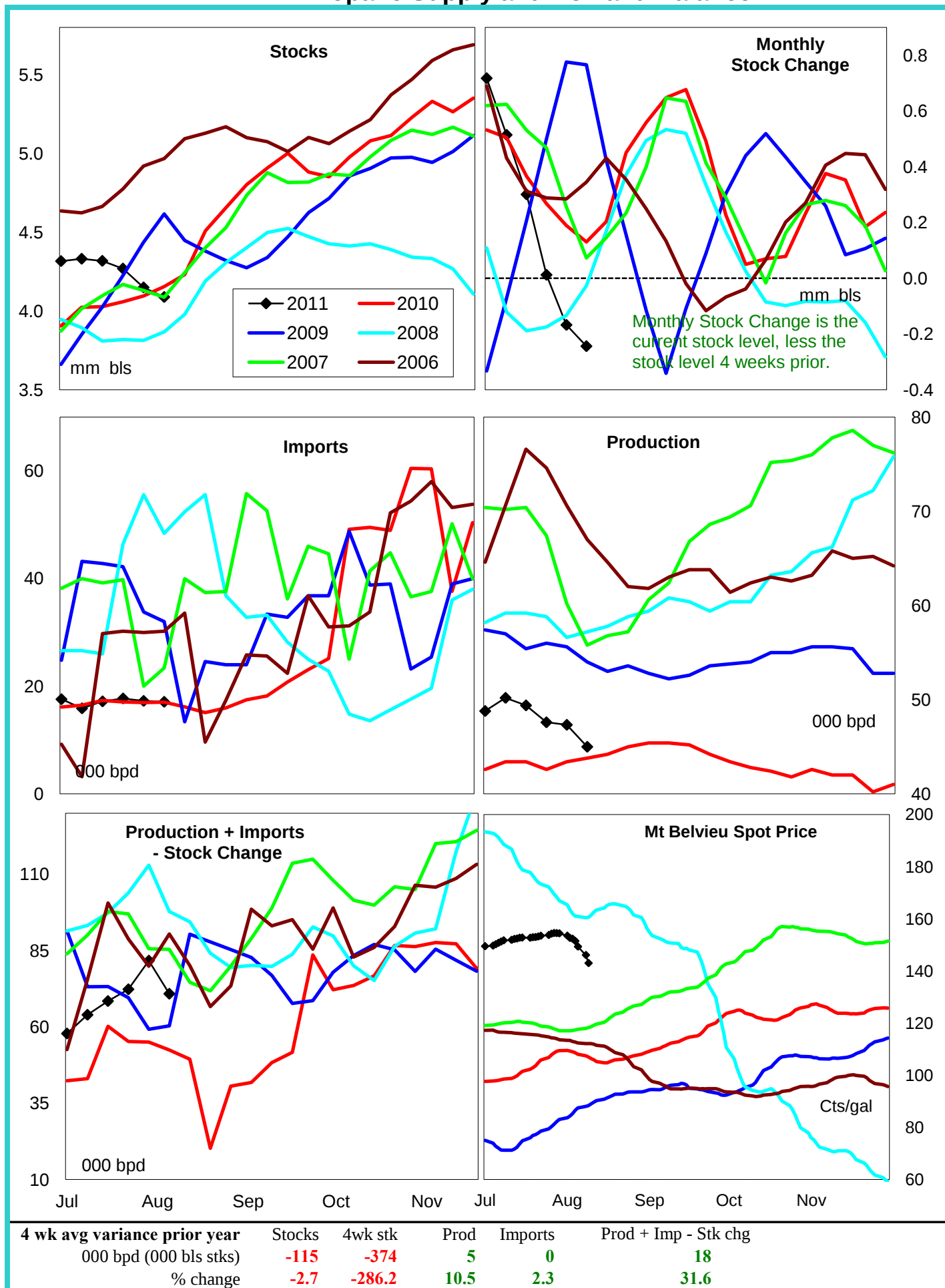
Key Price Spreads and Differentials



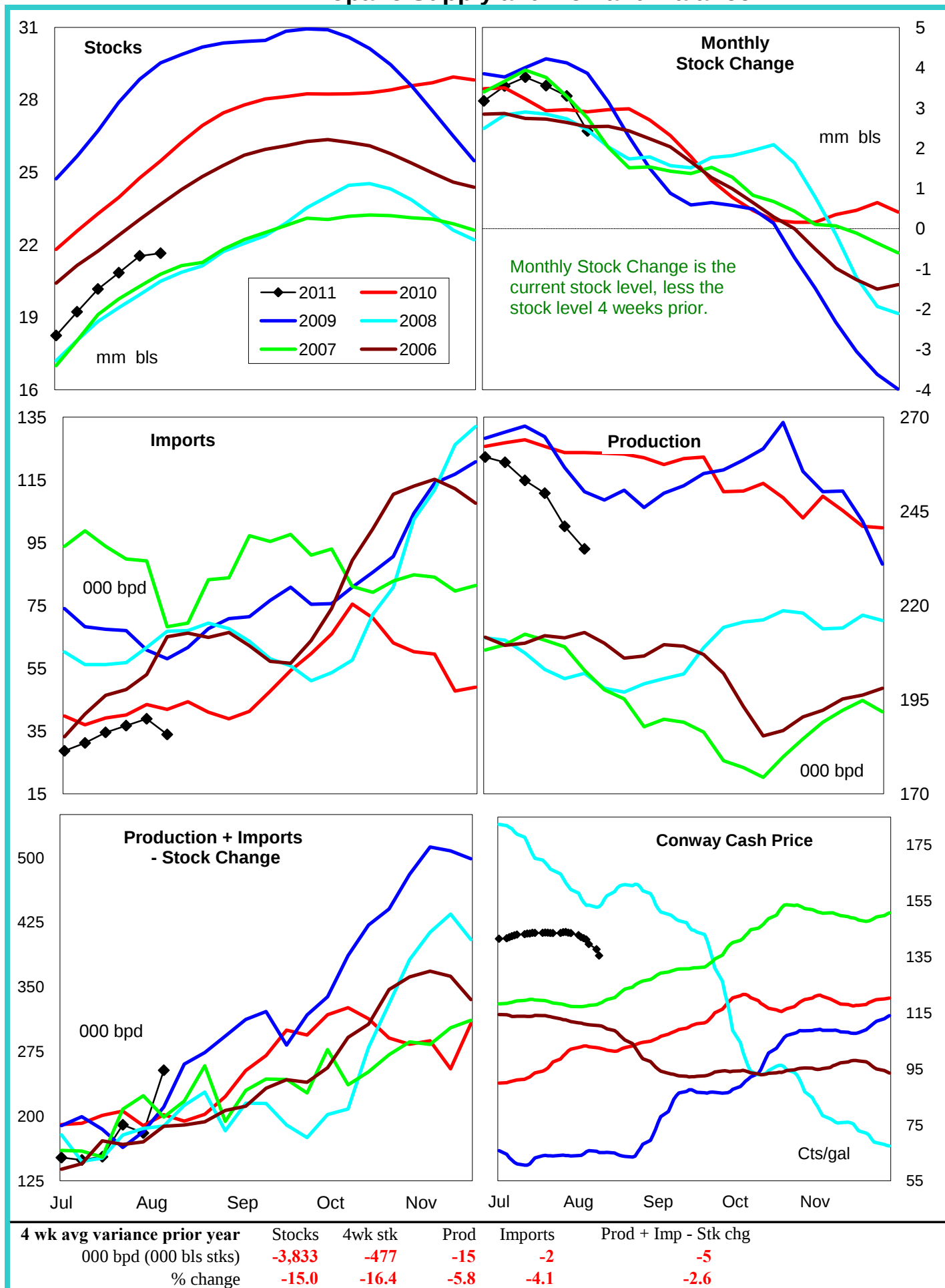
U. S. Propane Supply and Demand Balance



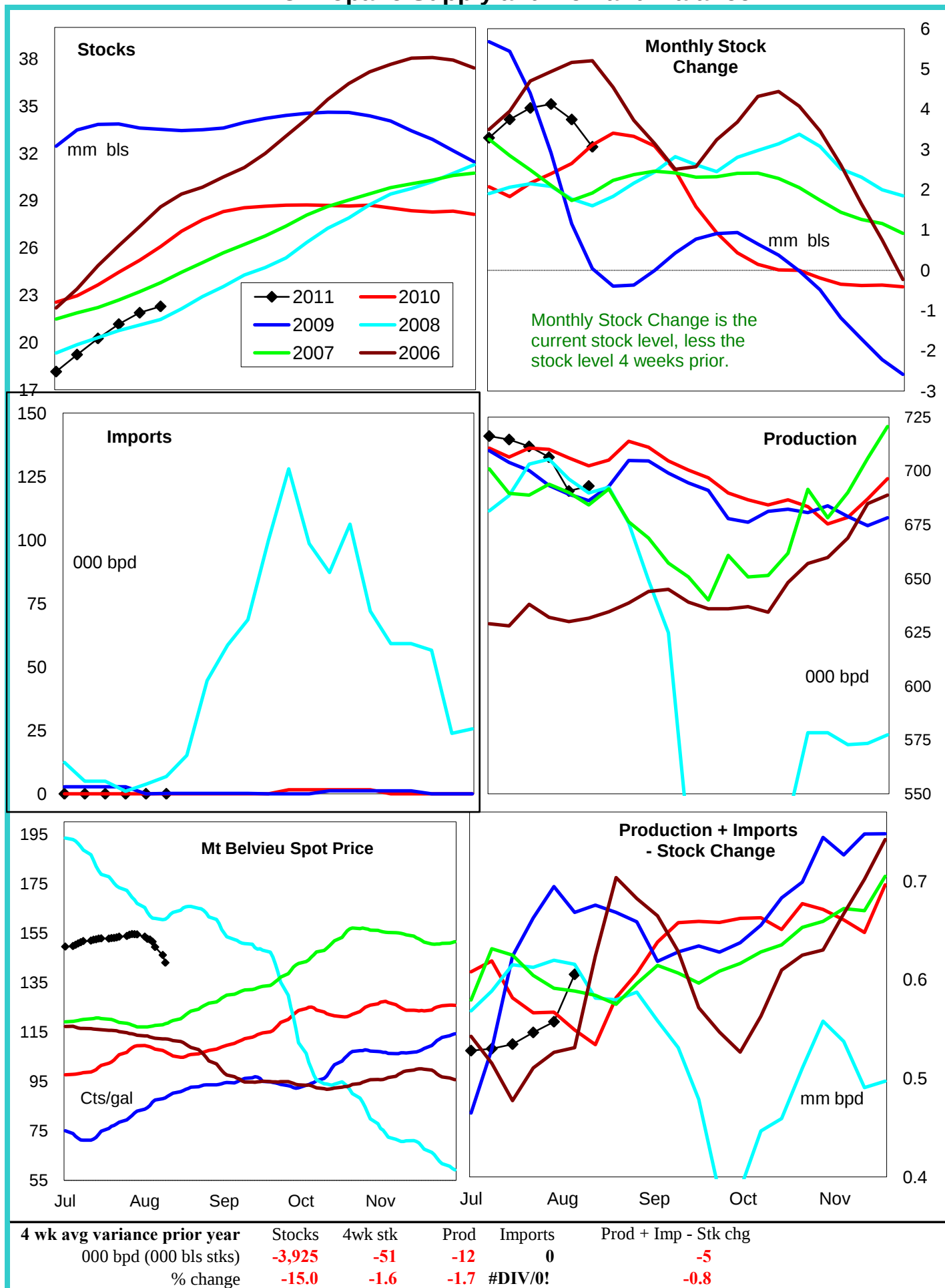
PADD 1 Propane Supply and Demand Balance



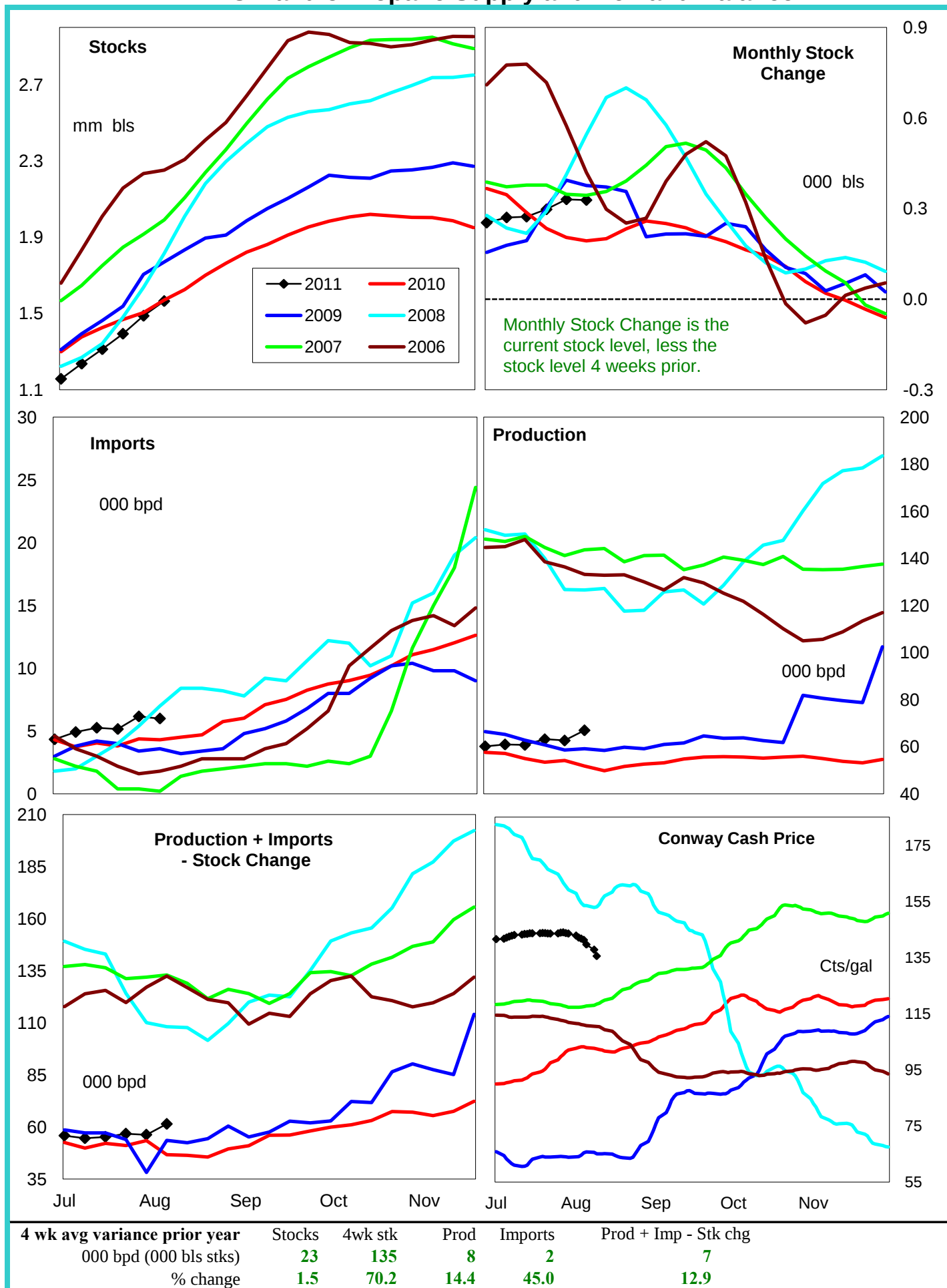
PADD 2 Propane Supply and Demand Balance



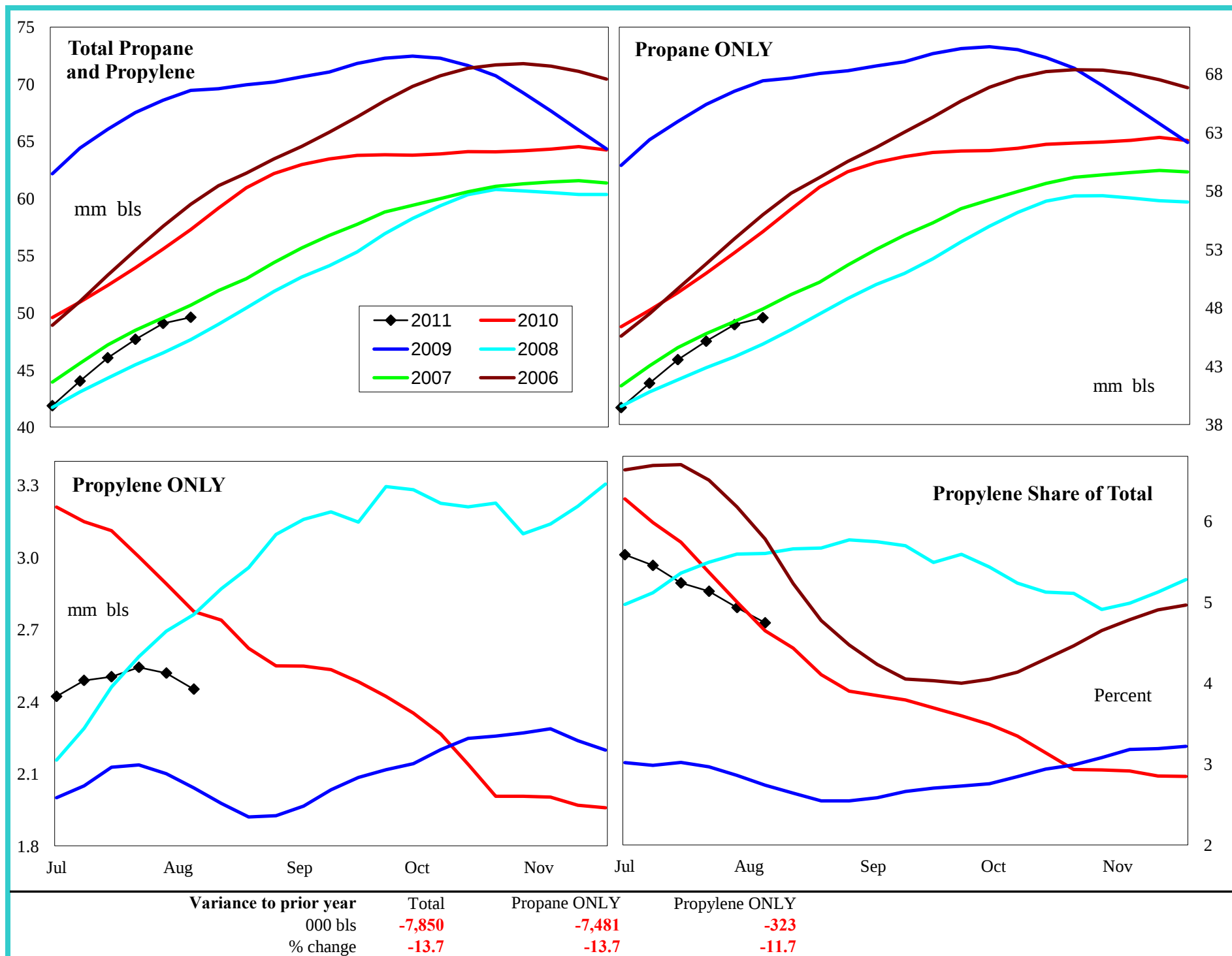
PADD 3 Propane Supply and Demand Balance



PADDs 4 and 5 Propane Supply and Demand Balance



U. S. Propane and Propylene Stocks



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

