



WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

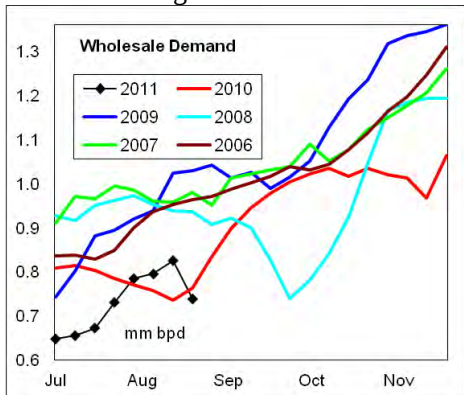
A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Thursday, August 25, 2011

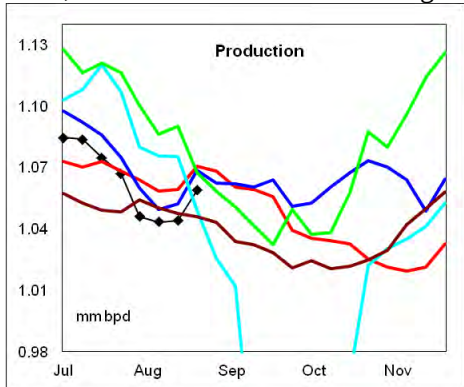
Summary¹:



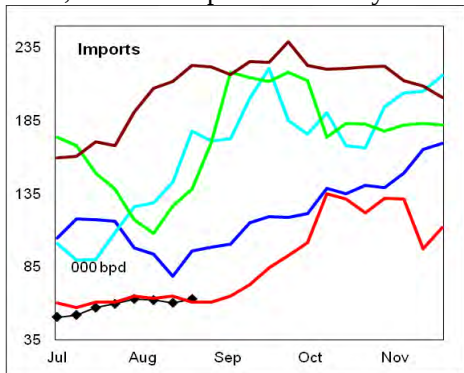
Wholesale demand decreased -98,000 bpd on the week, with the level below the historic range.



Production increased +26,000 bpd on the week, with the level near the mid range.



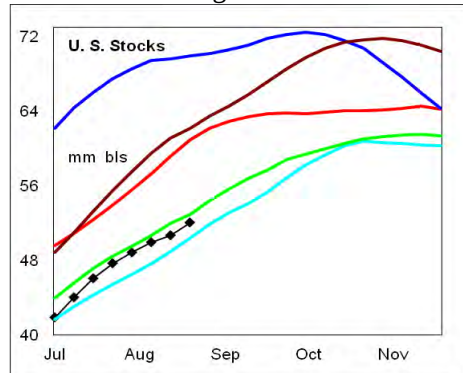
Imports increased +2,000 bpd on the week, a level comparable to last year.



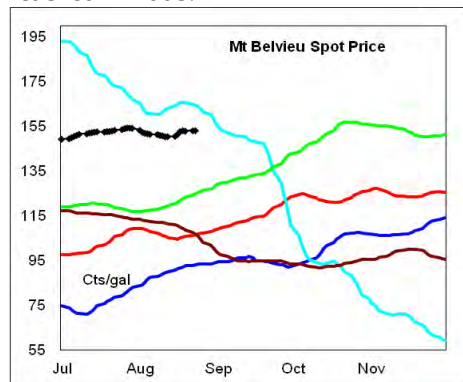
Combined production and imports during the latest 4-wk period were -26,000 bpd below a year ago. Production was -21,000 bpd below last year, while imports were -5,000 bpd lower. The latest 4-wk average demand

was +89,000 bpd above last year.

Stocks increased +1.7 million barrels last week, a level below average for the period. Stock levels ended the week near 5-year lows for this time of year. The 4-wk stock change was a build of +4.4 million barrels, a level below the mid range.



Price and Spreads Mt Belvieu spot price was unchanged on the week ending 23Aug11, while Conway spot price decreased -1 cpg for the same period. The price level is near the 5-year highs reached in 2008.



The Conway – Mt Belvieu price spread trended lower last week. The spread ended the week at levels below four of the last 5-years.

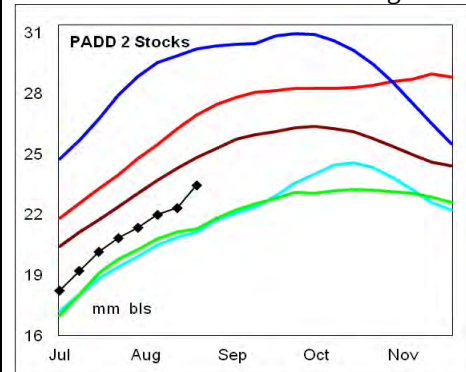
The propane to natural gas price spread traded sideways on the week, with the level at record highs.

The propane / crude oil price spread was nearly unchanged on the week. The level remains at record highs in favor of propane, on particularly weak WTI pricing.

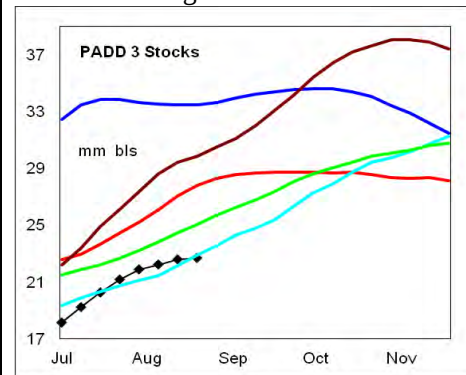
PADD 1 stocks increased +0.1 million barrels last week, with the level at 5-year lows for the period. Supply for the latest

4-wk period was +7,000 bpd above a year ago.

PADD 2 stocks increased +1.6 million barrels on the week. Supply increased +9,000 bpd on higher production and imports. The latest 4-wk average supply was -31,000 bpd below a year ago, on lower production and imports. Stock levels are well below the mid range.



PADD 3 stocks decreased -0.1 million barrels on the week, with the 4-wk rate of stock build at the low end of the historic range. Stock levels match 5-year lows. Production increased +25,000 bpd on the week, with the level near historic highs.



PADDs 4 & 5 stocks increased +0.1 million barrels. The stock level was comparable to the last 2-years.

Emerging Trends Robust exports led to a counter seasonal stock draw in the Gulf last week, even with higher production in the area. Hot summer weather should limit fall agriculture demand, however low stock levels, record exports and very low imports should provide continued support to prices.

¹ Source is latest EIA Weekly Statistics



PROPANE: Graph Link and Weekly Summary

August 25, 2011

Fundamental Trends for the Week Ending:

Friday, August 19, 2011

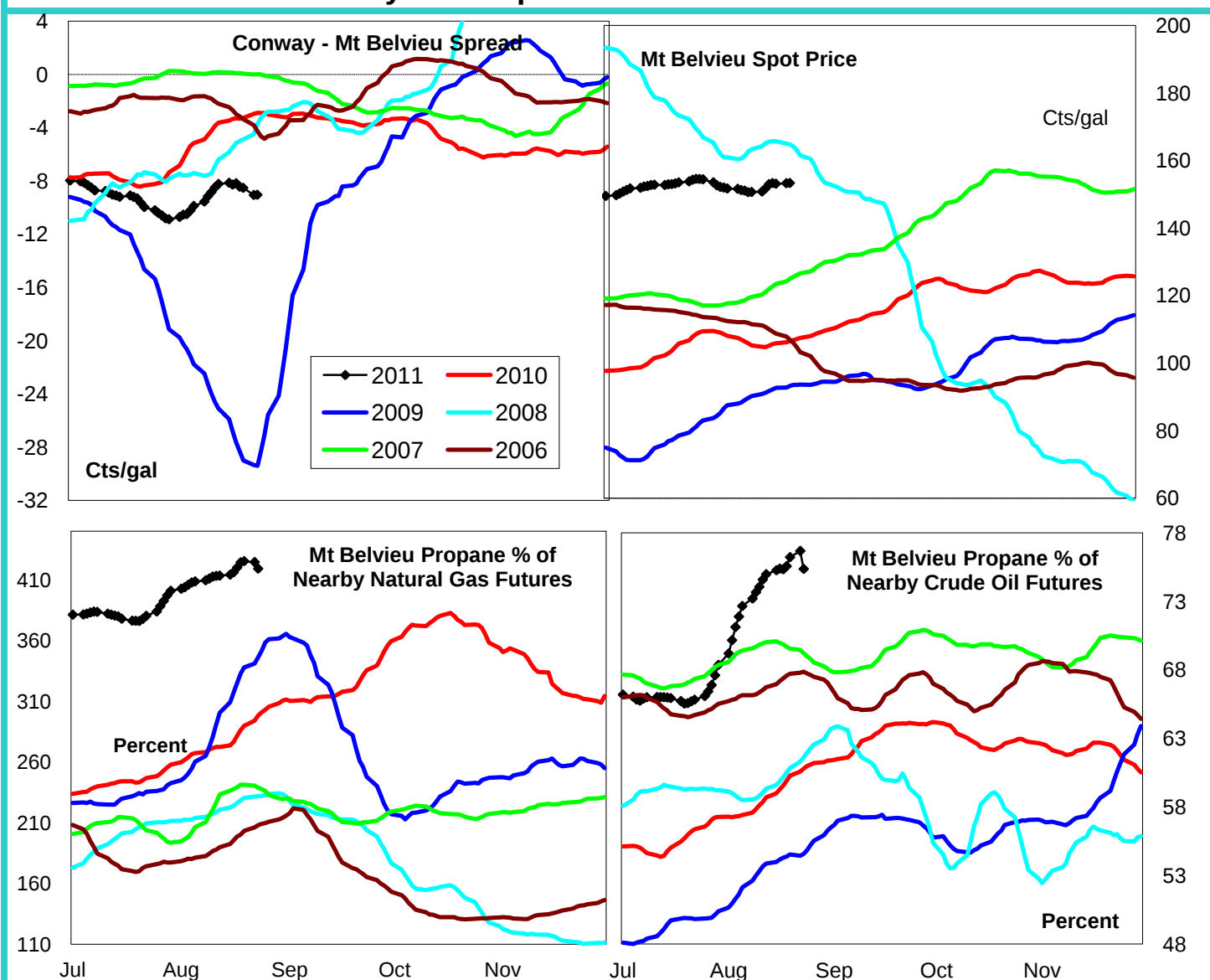
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD				U.S. Total	PADD			
		1	2	3	4&5		1	2	3	4&5
Stocks	52,045	4,135	23,456	22,680	1,774	1,663	69	1,560	-67	101
Propylene Stocks	2,288					-142				
Production	1,059	49	243	711	56	26	2	5	25	-6
Imports	63	19	39	0	6	2	0	4	0	-2
Whsle Demand	779					-98				

Price Trends for the Week Ending:

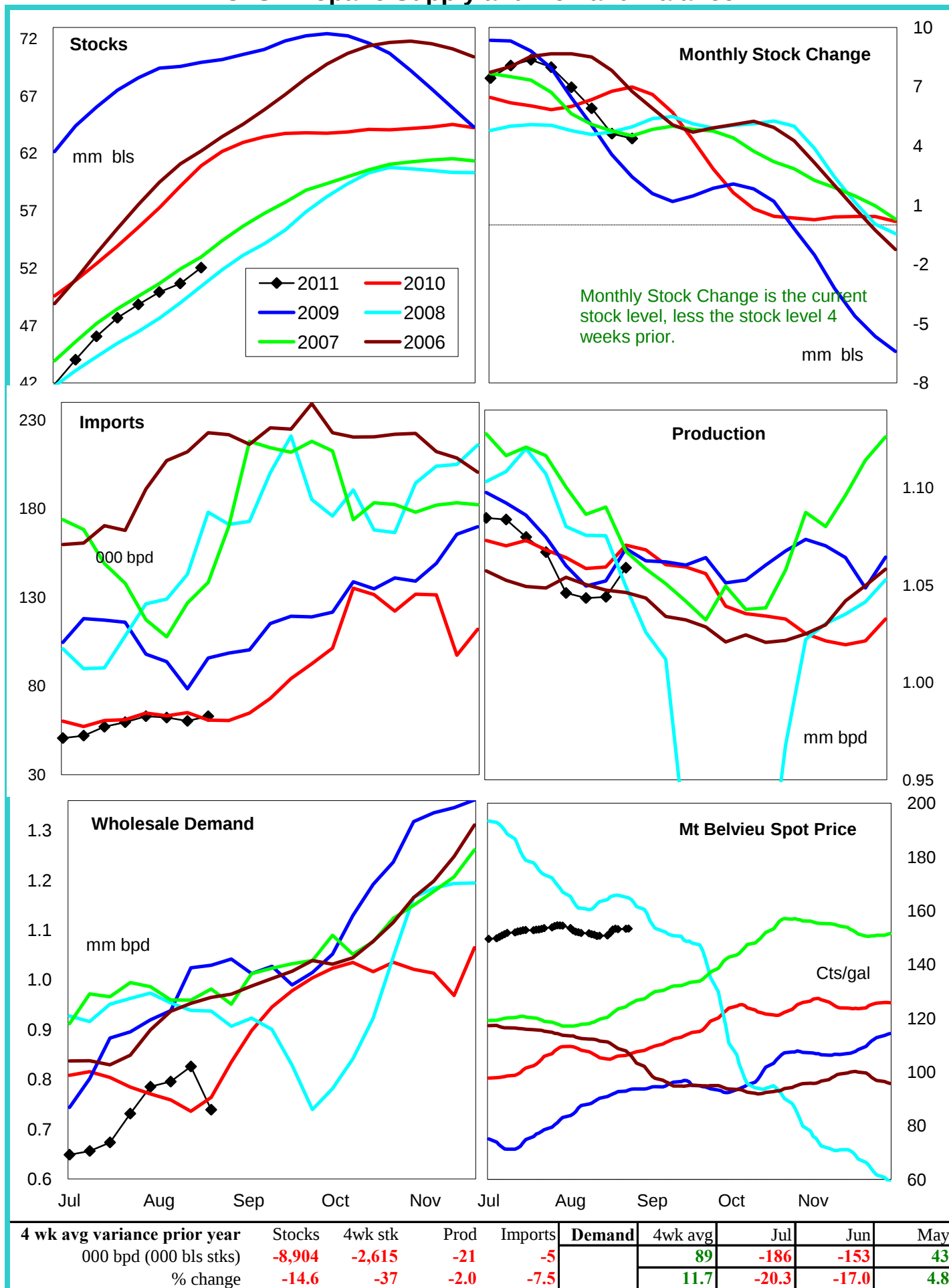
Tuesday, August 23, 2011

Cents/gal	Average for week ending:				Change from:			% change from:		
	8/23/11	8/16/11	7/26/11	8/25/10	8/16/11	7/26/11	8/25/10	8/16/11	7/26/11	8/25/10
Mont Belvieu Spot	153.1	152.0	153.2	105.1	1.07	-1.15	48.06	0.7	-0.8	45.7
Conway Spot	144.6	143.8	143.6	102.6	0.75	0.24	41.01	0.5	0.2	40.0

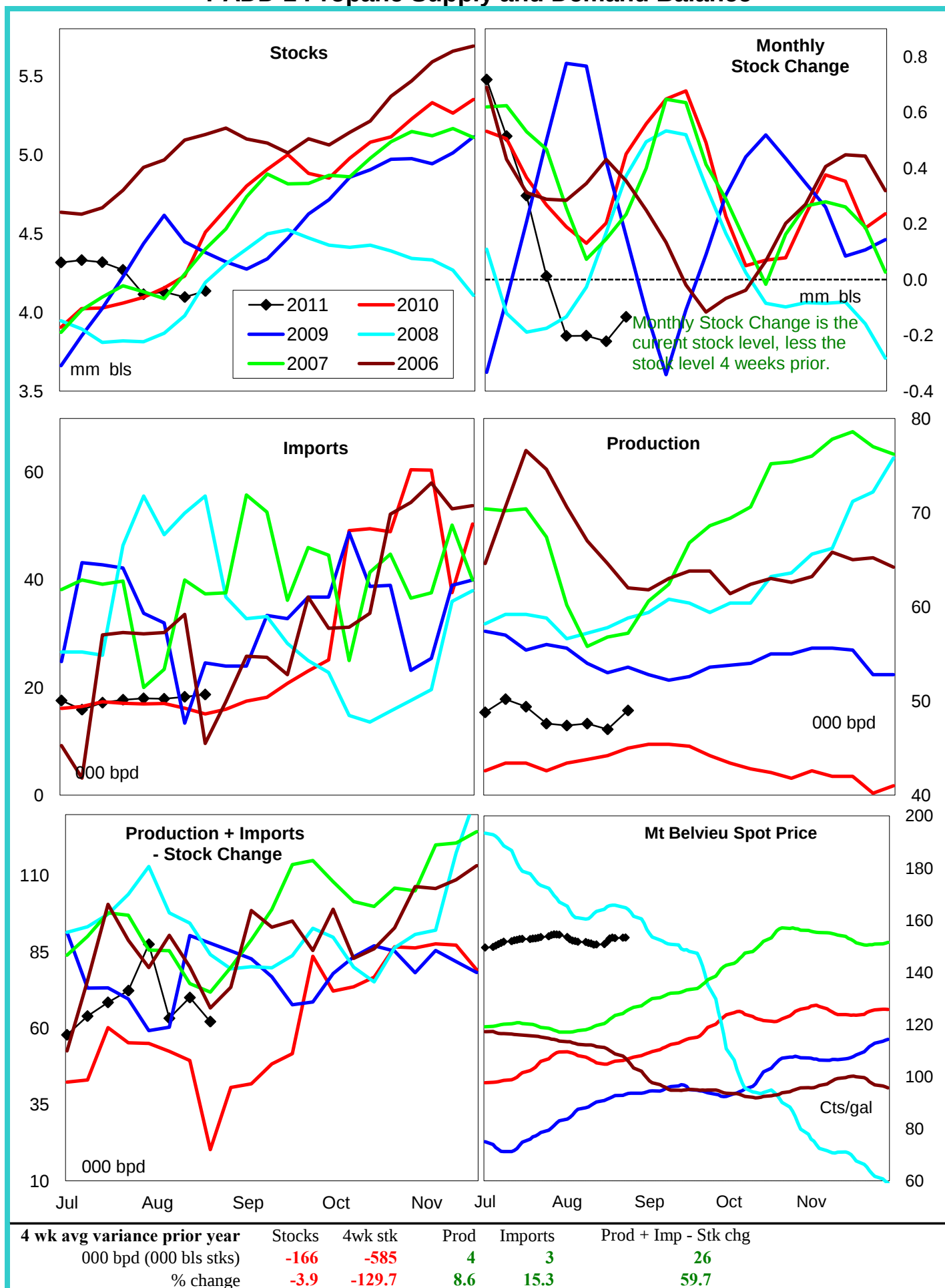
Key Price Spreads and Differentials



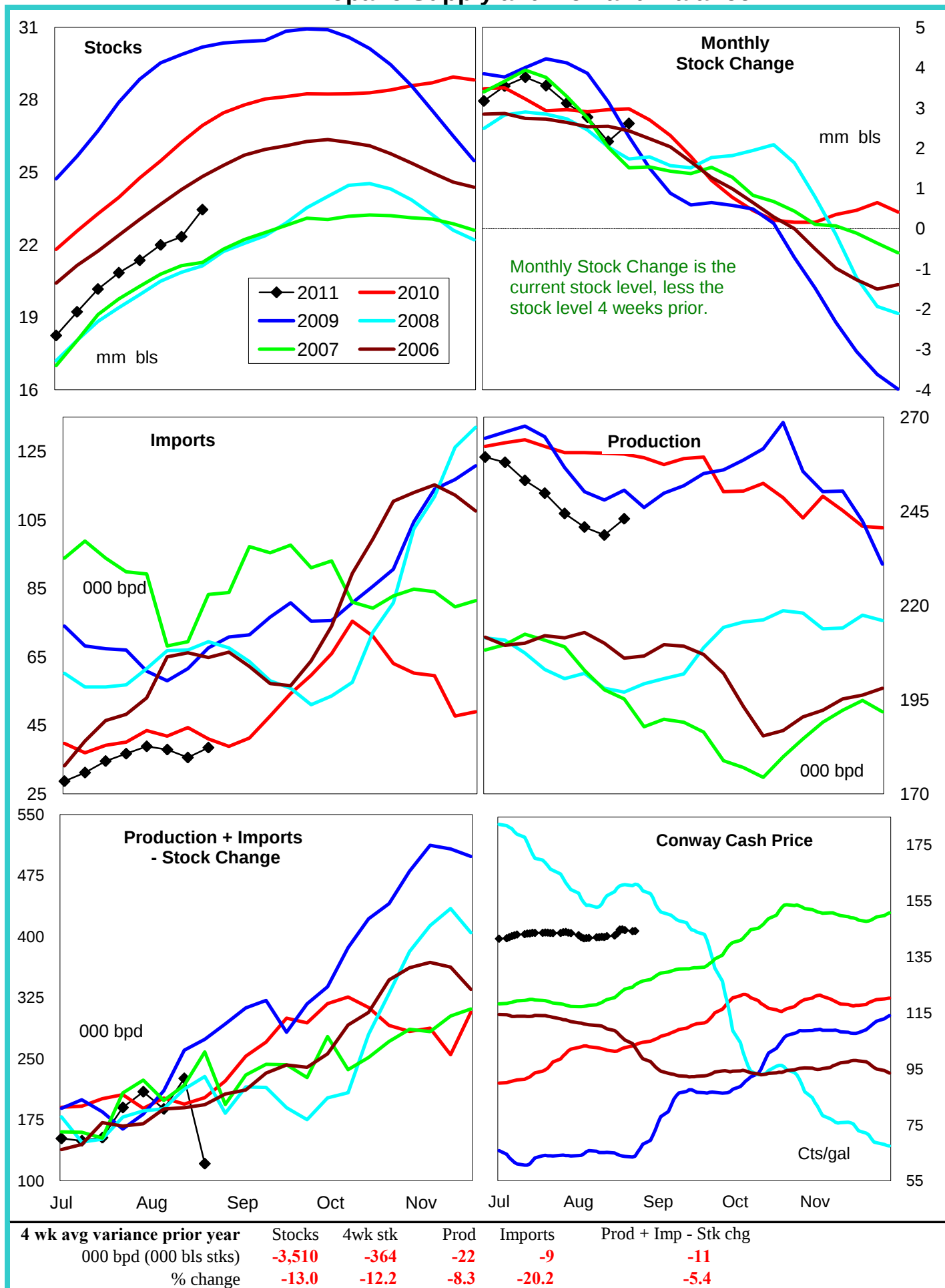
U. S. Propane Supply and Demand Balance



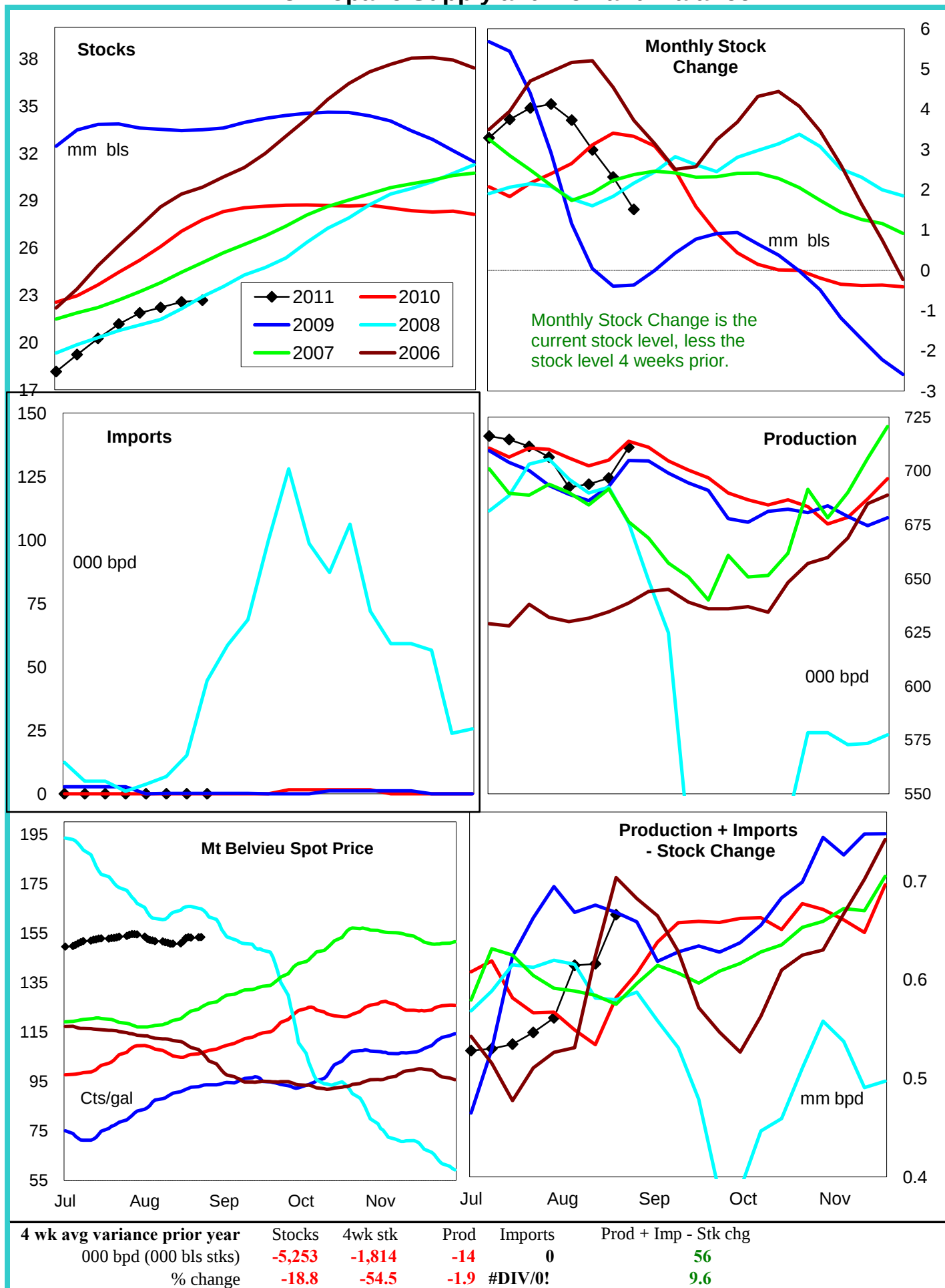
PADD 1 Propane Supply and Demand Balance



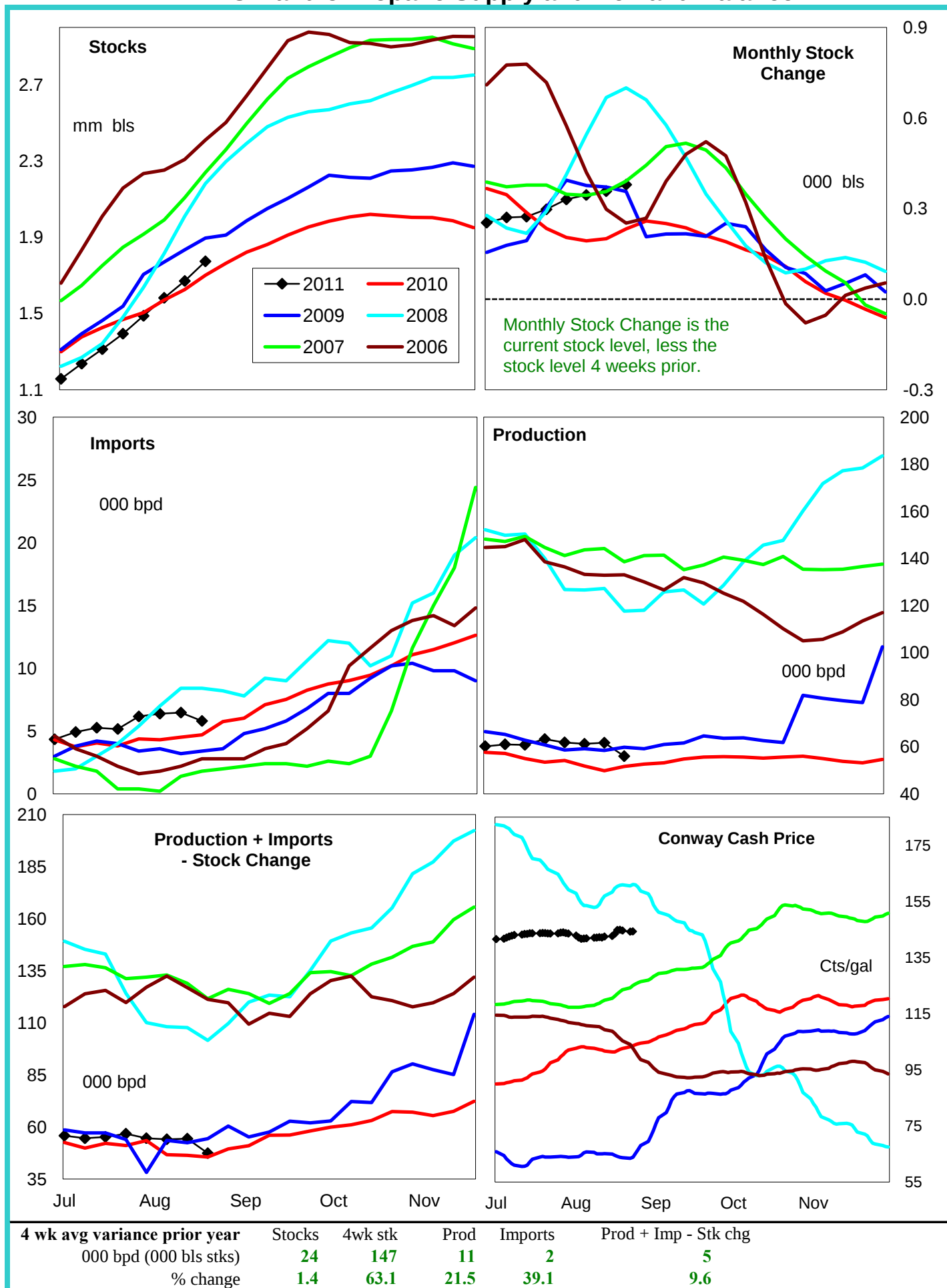
PADD 2 Propane Supply and Demand Balance



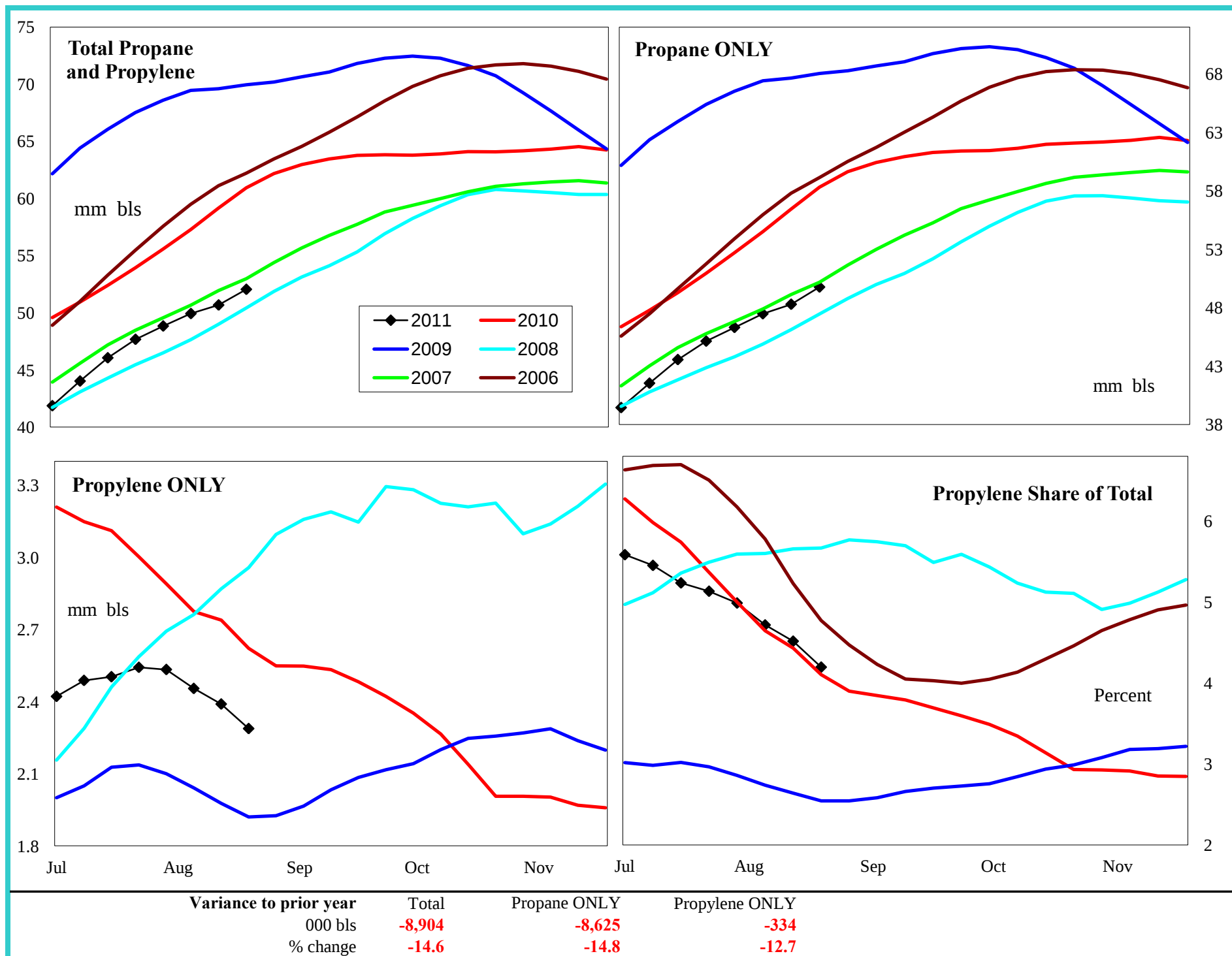
PADD 3 Propane Supply and Demand Balance



PADDs 4 and 5 Propane Supply and Demand Balance



U. S. Propane and Propylene Stocks



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

