



WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

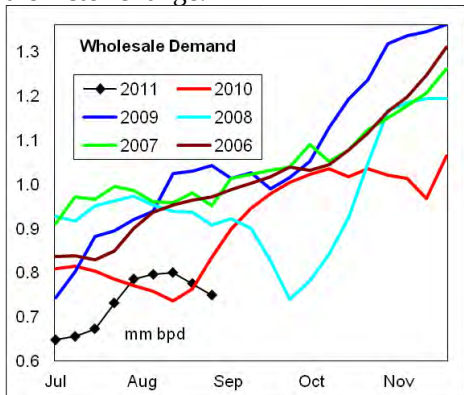
A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Thursday, September 01, 2011

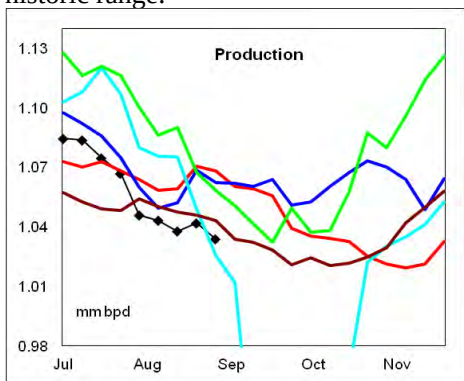
Summary¹:



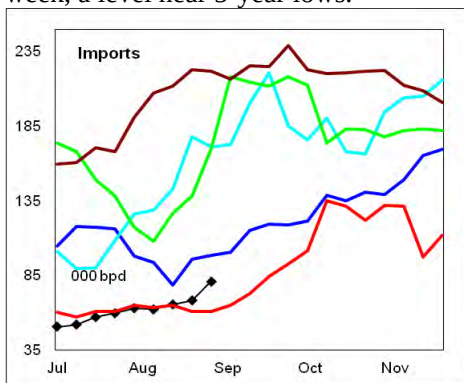
Wholesale demand increased +10,000 bpd on the week, with the level below the historic range.



Production decreased -25,000 bpd on the week, with the level at the low end of the historic range.



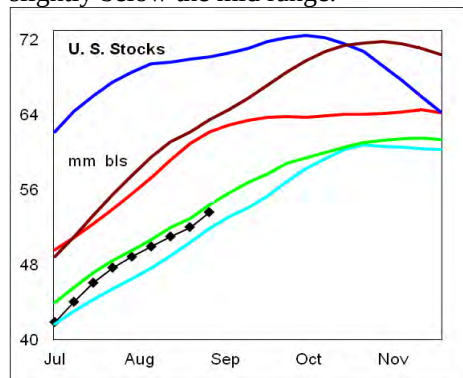
Imports increased +18,000 bpd on the week, a level near 5-year lows.



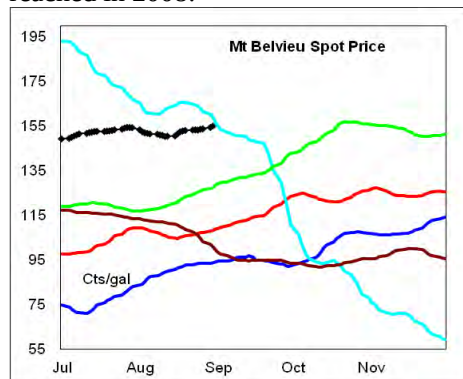
Combined production and imports during the latest 4-wk period were -18,000 bpd below a year ago. Production was -20,000 bpd below last year, while imports were +2,000 bpd

higher. The latest 4-wk average demand was +60,000 bpd above last year.

Stocks increased +1.5 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 +4.8 million barrels, a level slightly below the mid range.



Price and Spreads Mt Belvieu spot prices increased +1.75 cpg for the week ending 30Aug11, while Conway spot prices increased +1 cpg for the same period. The price level matched 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.

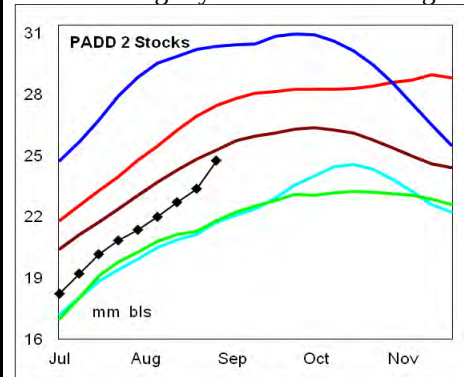
The propane to natural gas price spread trended higher on the week, with the level at record highs.

The propane / crude oil price spread declined on the week. The level remains well above the historic range in favor of propane, on particularly weak WTI pricing.

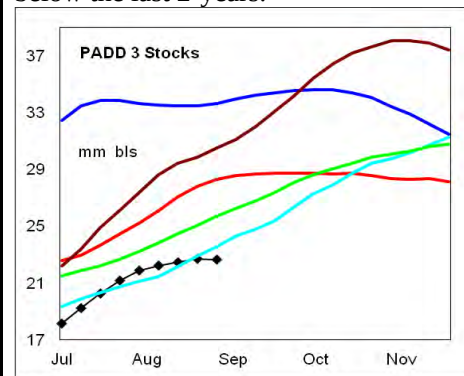
PADD 1 stocks increased +0.2 million barrels last week, with the level at the

low end of the historic range for the period. Supply for the latest 4-wk period was +6,000 bpd above a year ago.

PADD 2 stocks increased +1.3 million barrels on the week. Supply increased +20,000 bpd on higher production and imports. The latest 4-wk average supply was -23,000 bpd below a year ago, on lower production and imports. Stock levels are slightly below the mid range.



PAD 3 stocks were unchanged on the week, with the 4-wk rate of stock build at the low end of the historic range. Stock levels fell below the 5-year range for the week. Production declined -29,000 bpd on the week, with the level below the last 2-years.



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

Emerging Trends PADD 2 stocks continued a seasonal build last week, lifting the level to near the mid range. However, robust Gulf exports left stocks unchanged in that region. Wholesale demand remains extremely weak. Tight supplies should provide price support.

¹ Source is latest EIA Weekly Statistics



PROPANE: Graph Link and Weekly Summary

September 1, 2011

Fundamental Trends for the Week Ending:

Friday, August 26, 2011

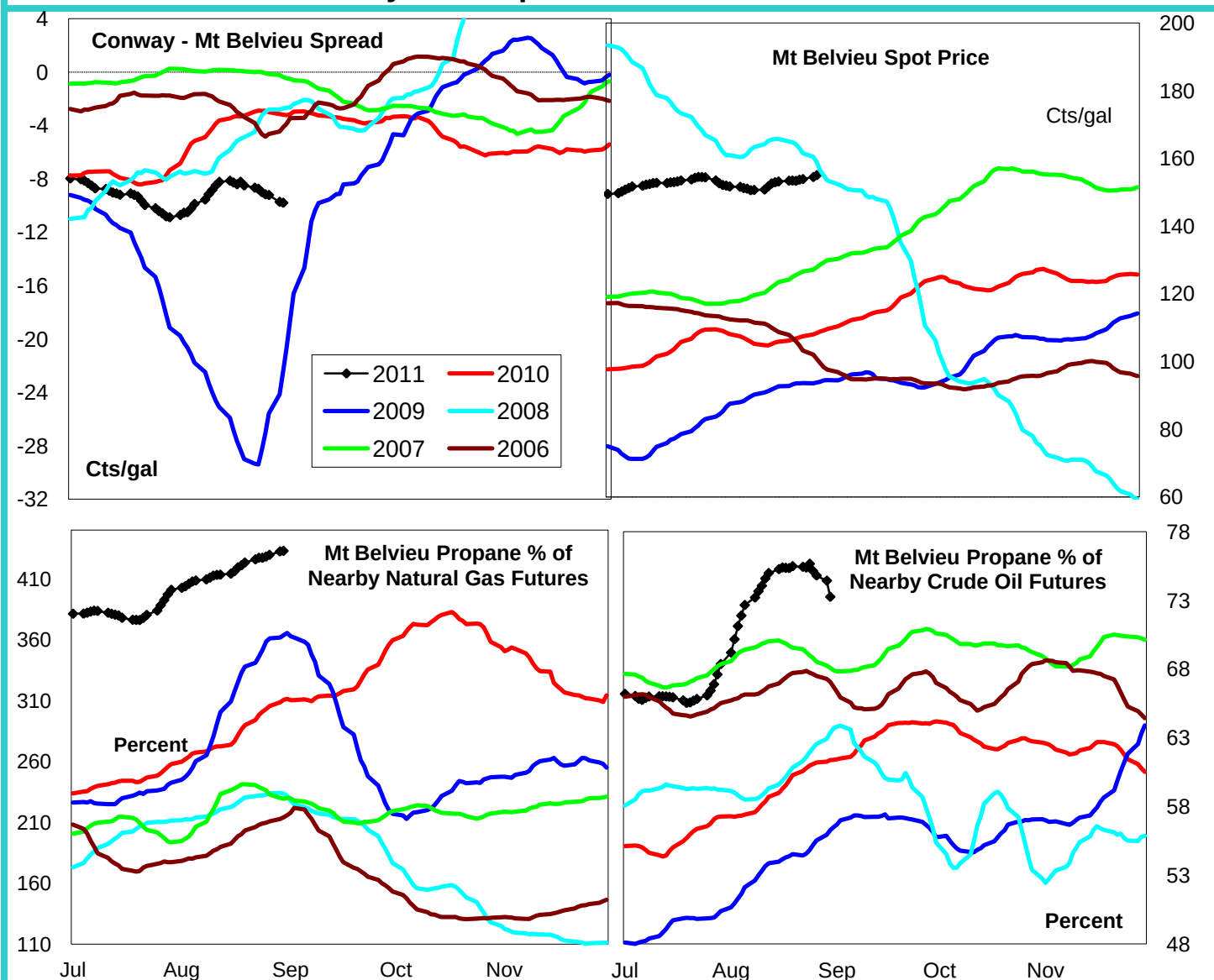
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD				U.S. Total	PADD			
		1	2	3	4&5		1	2	3	4&5
Stocks	53,590	4,359	24,739	22,642	1,850	1,545	224	1,283	-38	76
Propylene Stocks	2,347					59				
Production	1,034	48	251	682	53	-25	-1	8	-29	-3
Imports	81	20	51	6	4	18	2	12	6	-2
Whsle Demand	789					10				

Price Trends for the Week Ending:

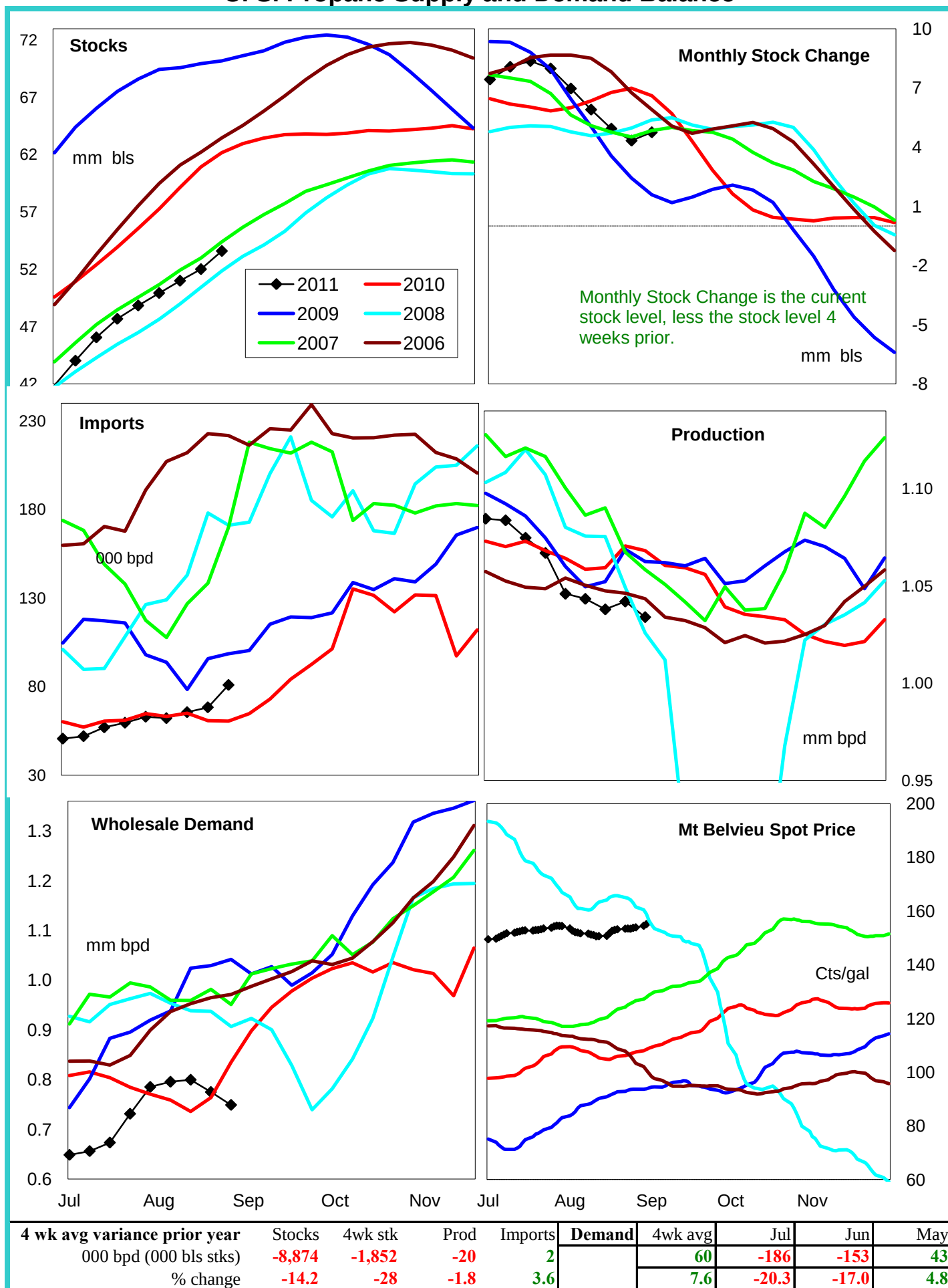
Tuesday, August 30, 2011

Cents/gal	Average for week ending:				Change from:			% change from:		
	8/30/11	8/23/11	8/2/11	9/1/10	8/23/11	8/2/11	9/1/10	8/23/11	8/2/11	9/1/10
Mont Belvieu Spot	153.9	153.1	155.5	108.2	0.79	-2.46	47.31	0.5	-1.6	43.7
Conway Spot	144.7	144.6	144.1	104.9	0.10	0.42	39.22	0.1	0.3	37.4

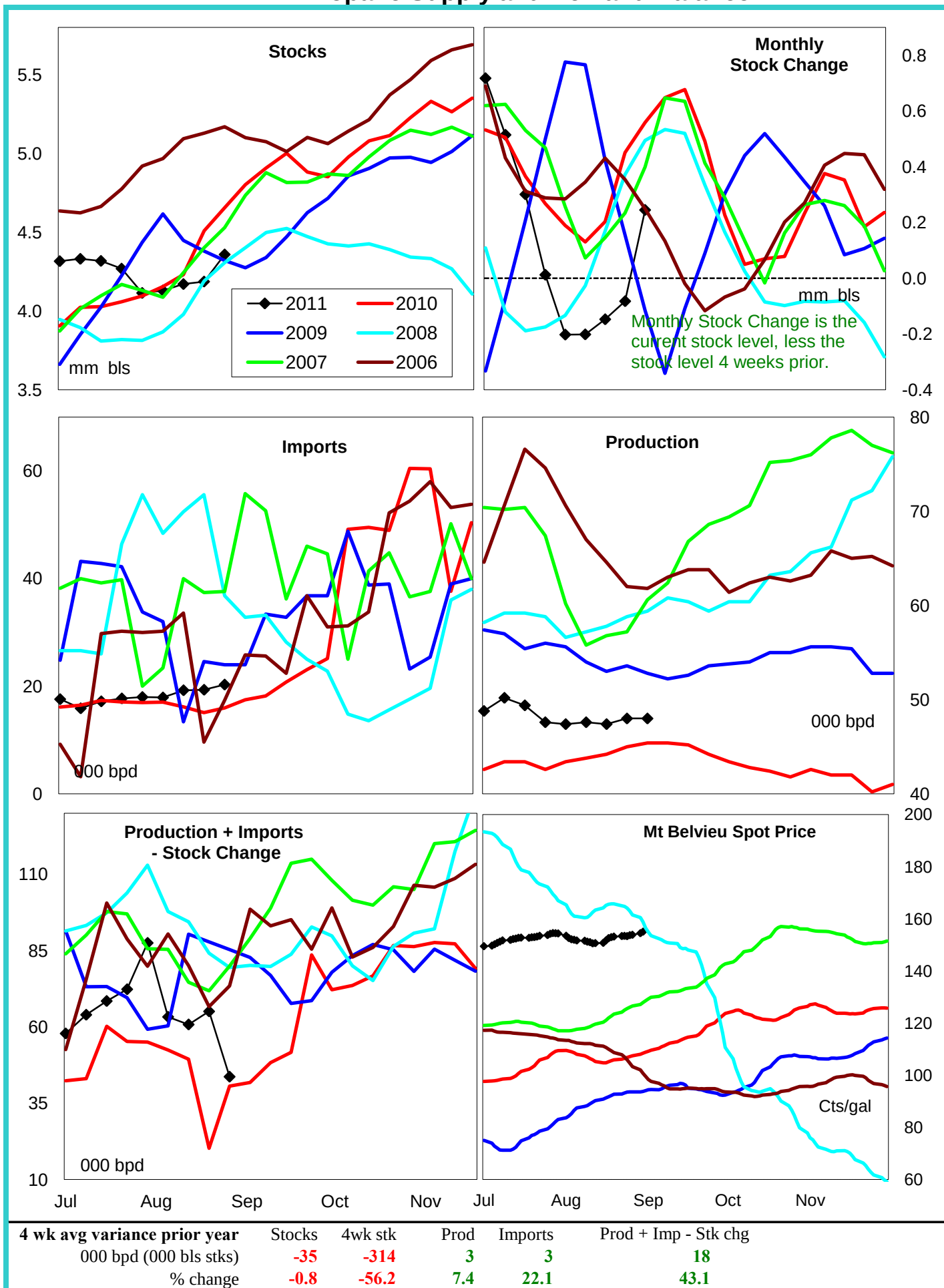
Key Price Spreads and Differentials



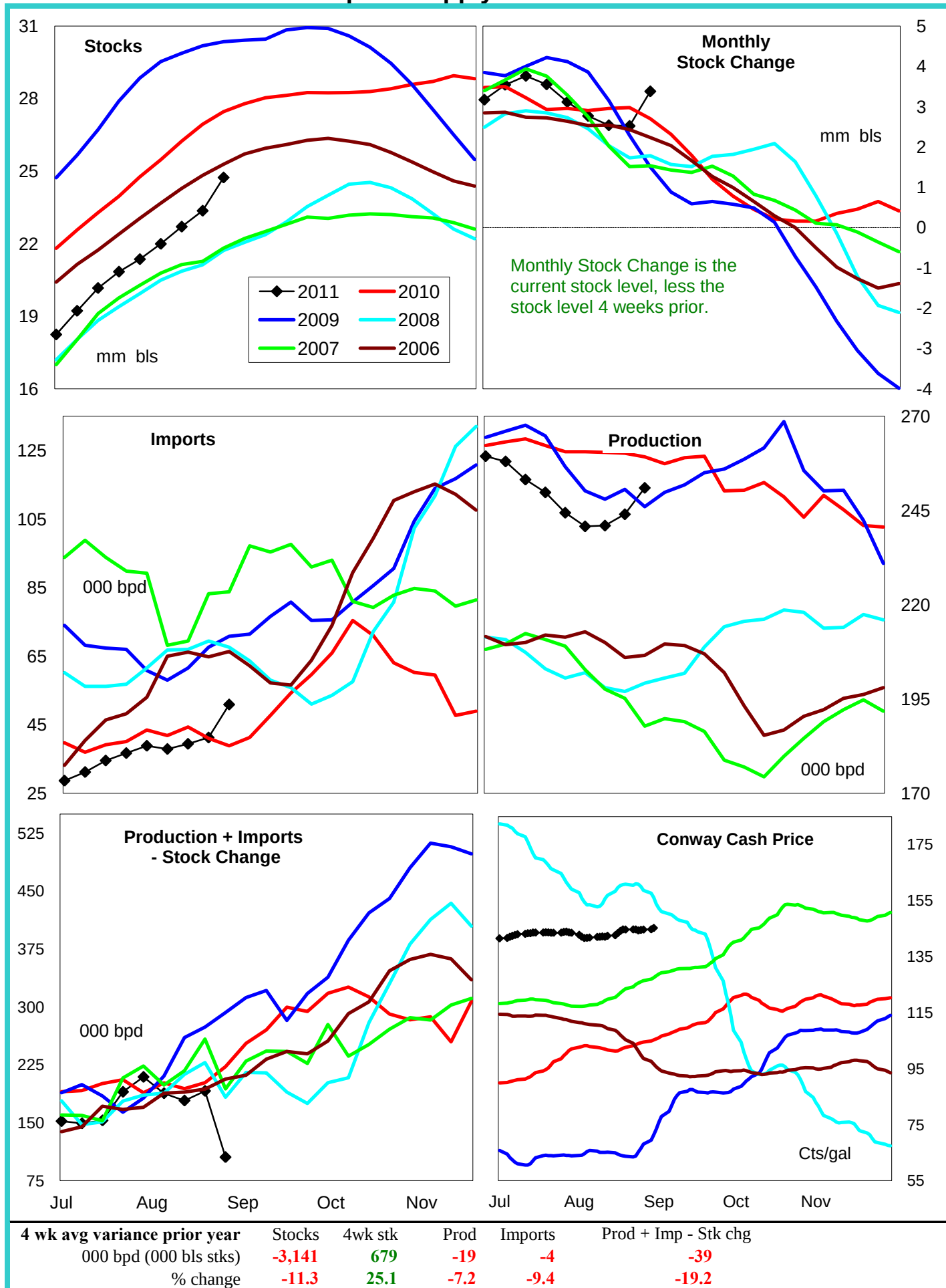
U. S. Propane Supply and Demand Balance



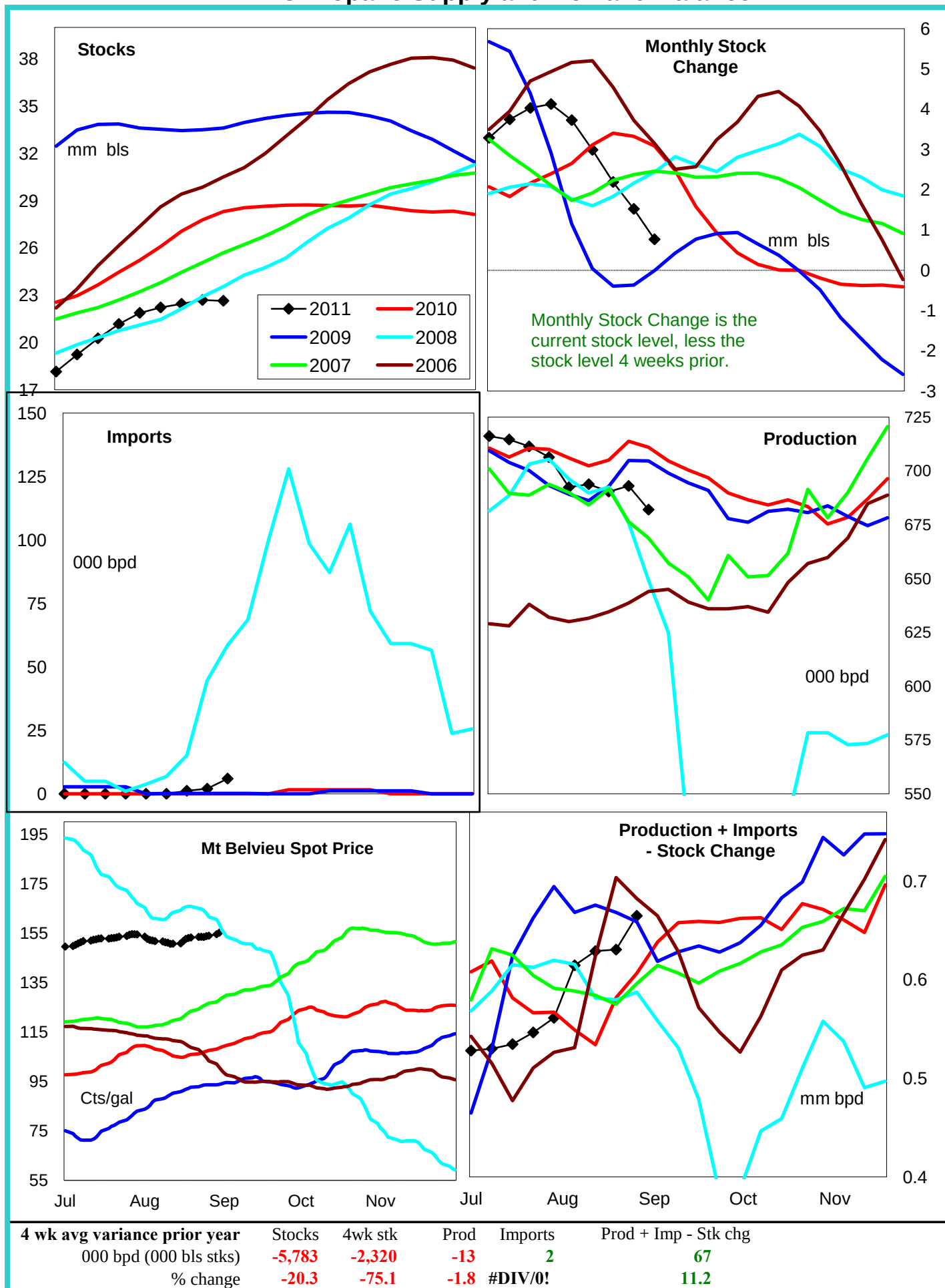
PADD 1 Propane Supply and Demand Balance



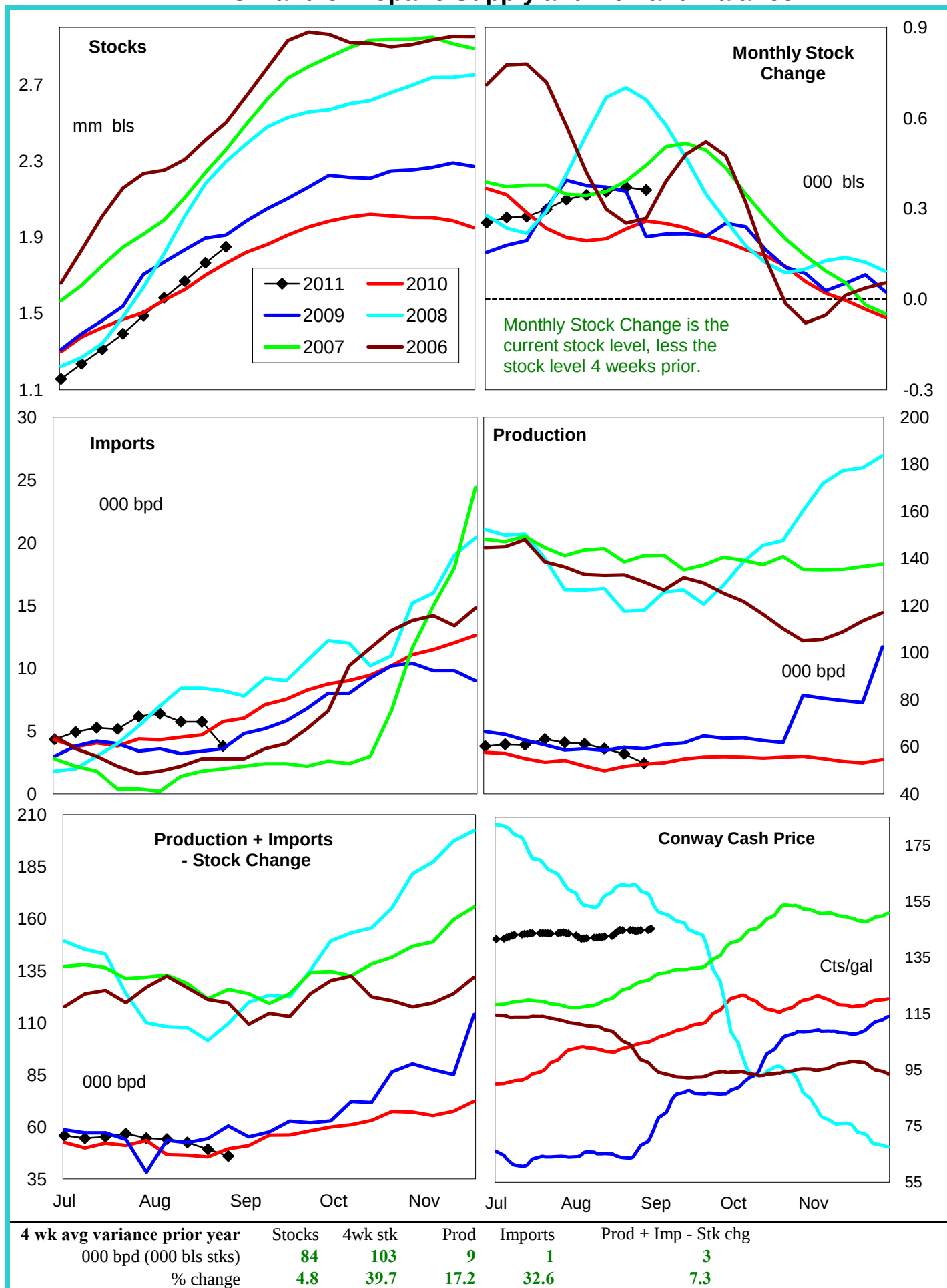
PADD 2 Propane Supply and Demand Balance



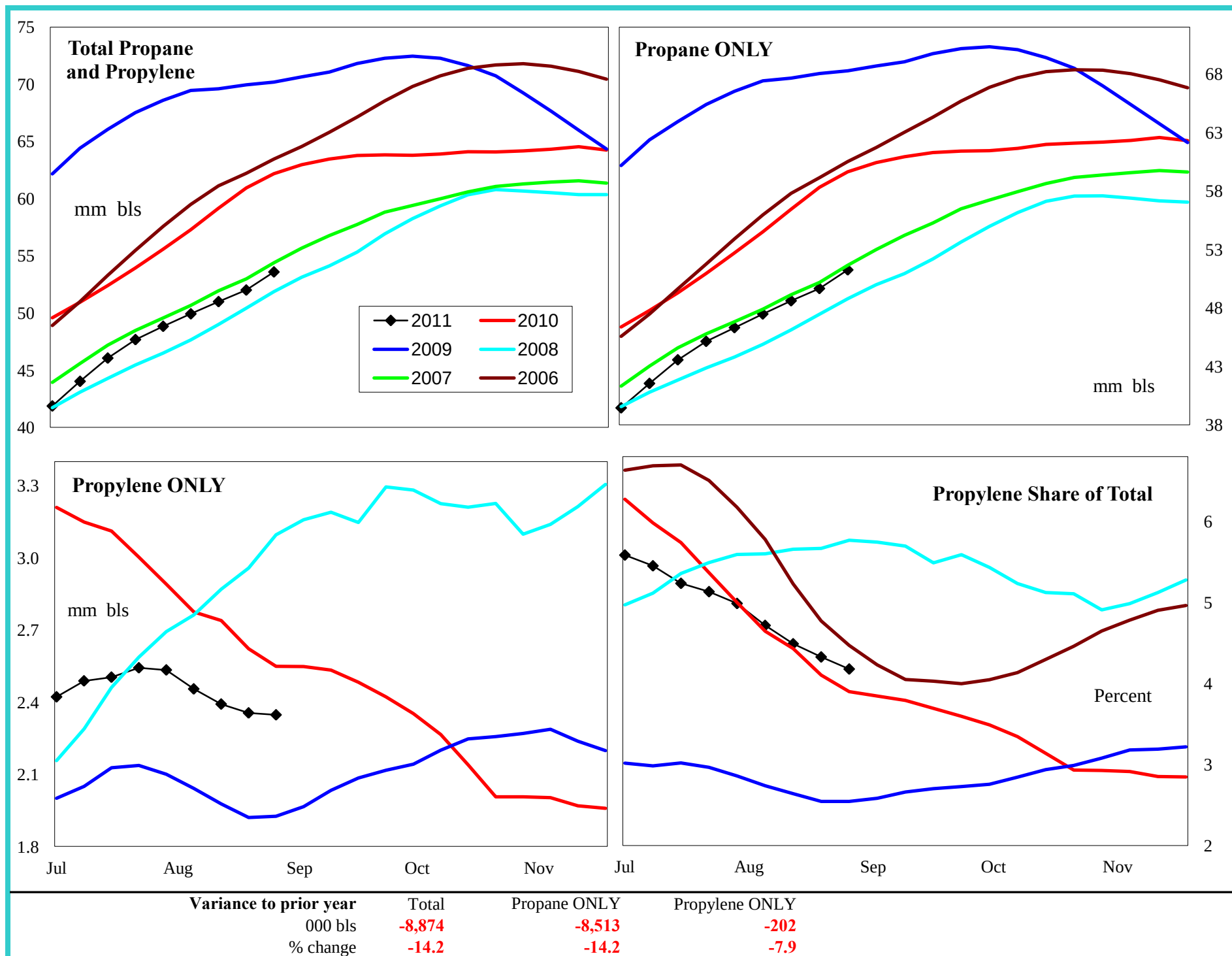
PADD 3 Propane Supply and Demand Balance



PADDs 4 and 5 Propane Supply and Demand Balance



U. S. Propane and Propylene Stocks



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

