



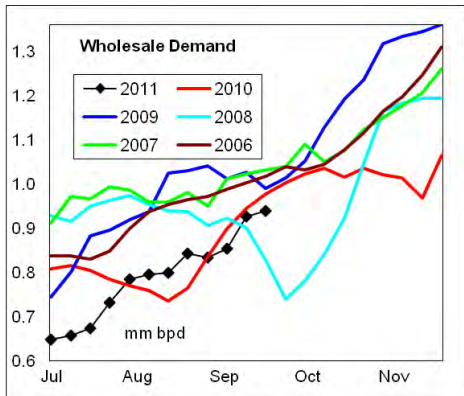
WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

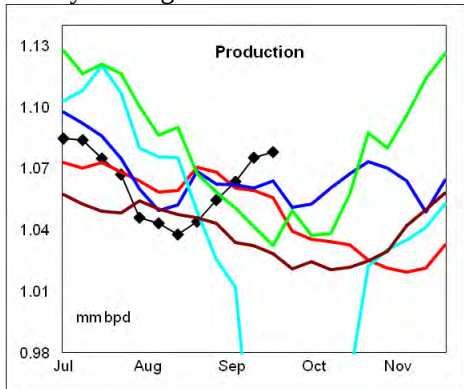
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Wednesday, September 21, 2011

Summary¹:

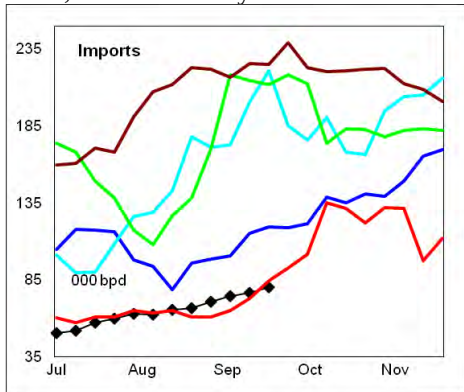
Wholesale demand increased +81,000 bpd on the week, limited by continued mild temperatures in key heating markets.



Production decreased -15,000 bpd on the week, although the level remains above the 5-year range.



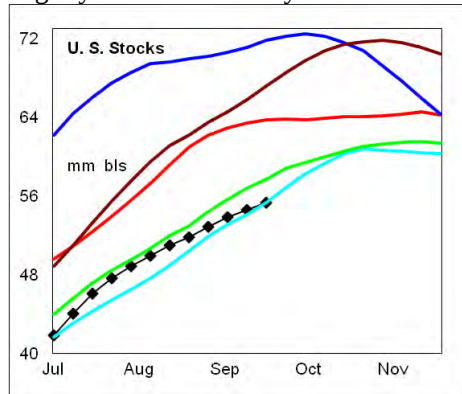
Imports increased +1,000 bpd on the week, a level near 5-year lows



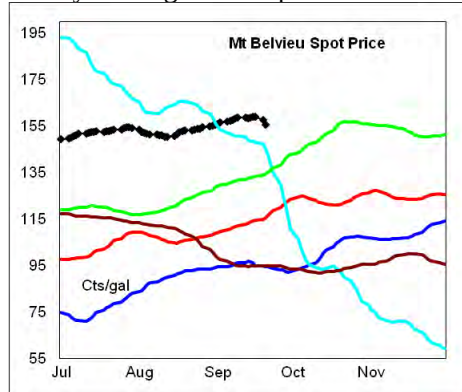
Combined production and imports during the latest 4-wk period were +14,000 bpd above a year ago. Production was +1,000 bpd above last

year, while imports were +13,000 bpd higher. The latest 4-wk average demand was -31,000 bpd below last year.

Stocks increased +0.6 million barrels last week, a level that matched 5-year lows. The 4-wk stock change was a build of +3.5 million barrels, a level slightly above the last 2-years.



Price and Spreads Mt Belvieu spot prices decreased -3.25 cpg for the week ending 20Sep11, while Conway spot prices declined -1.755 cpg for the same period. The price level ended the week above the 5-year range for the period.



The Conway – Mt Belvieu price spread trended higher last week, in favor of Conway. The spread ended the week at levels below the 5-year range for this time of year.

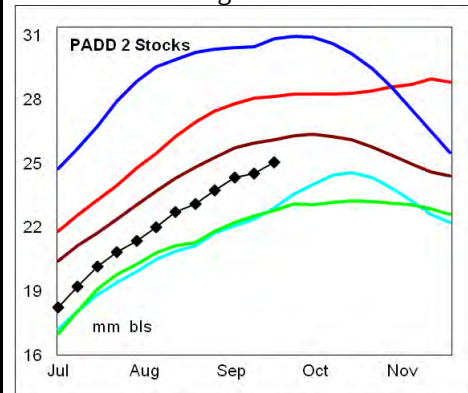
The propane to natural gas price spread trended higher on the week, with the level at record highs.

The propane / crude oil price spread traded sideways on the week. The level remains significantly above the historic range in favor of propane, on weak WTI pricing.

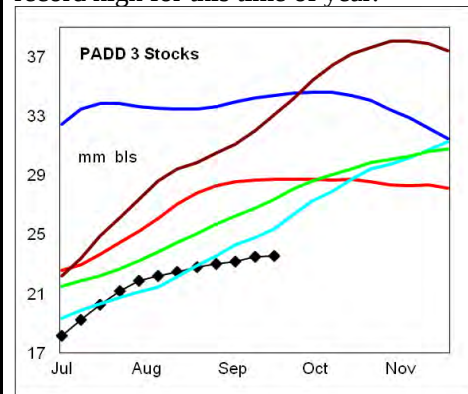
PADD 1 stocks increased +0.1 million

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 +4,000 bpd above a year ago.

PADD 2 stocks increased +0.2 million barrels on the week. Supply declined -20,000 bpd on lower production and imports. The latest 4-wk average supply was +8,000 bpd above a year ago, on higher imports. Stock levels are well below the mid range.



PADD 3 stocks increased +0.2 million barrels on the week, with the 4-wk rate of stock build at historic lows. Stock levels ended the week well below the 5-year range for the week. Production increased +3,000 bpd on the week, to a record high for this time of year.



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

Emerging Trends Developing countries' growth rates are slowing. Their rapid growth has supported the surge in propane exports over the past 18 months. A meaningful slowing in their growth would lead to lower propane spot prices.

¹ Source is latest EIA Weekly Statistics



PROPANE: Graph Link and Weekly Summary

September 21, 2011

Fundamental Trends for the Week Ending:

Friday, September 16, 2011

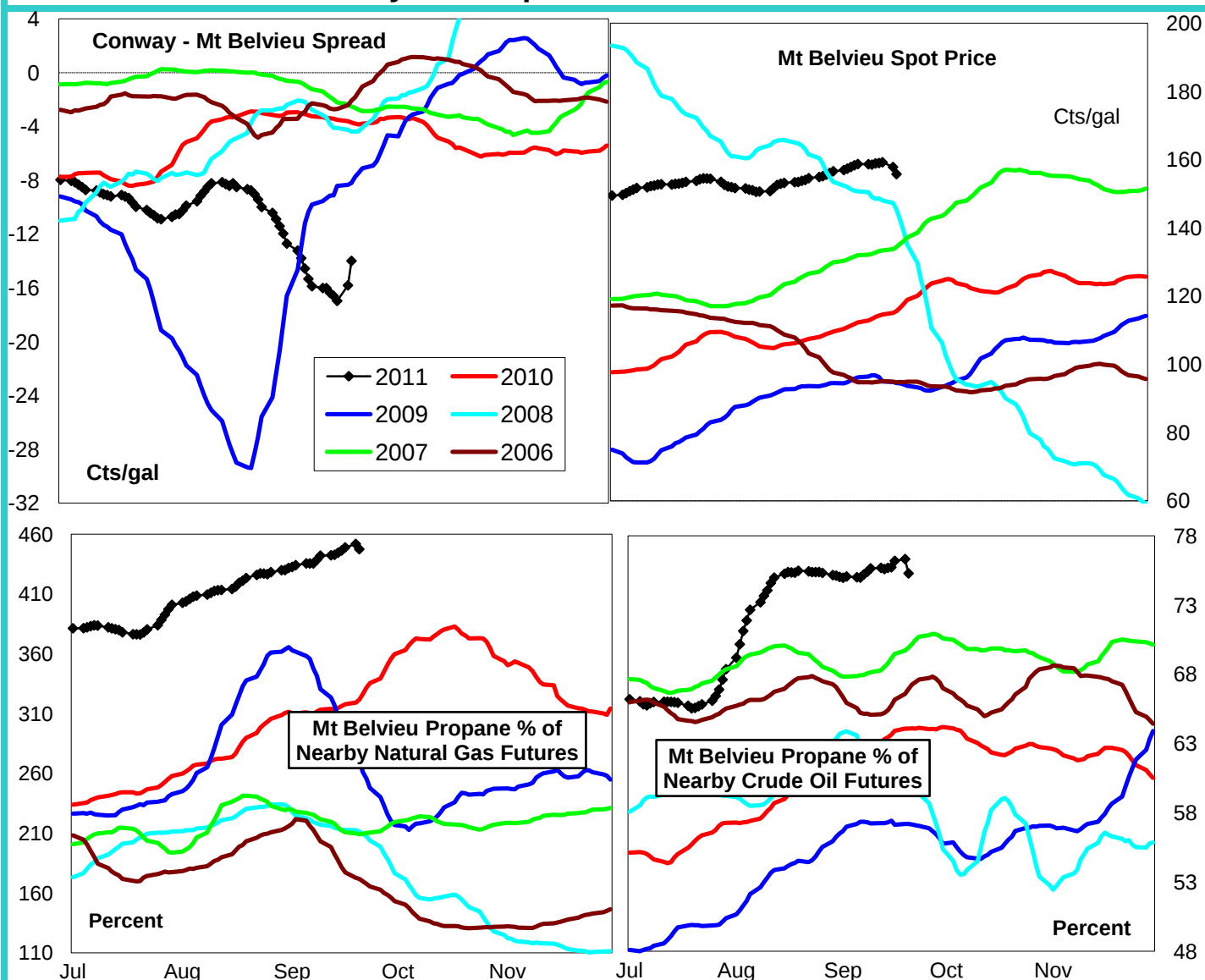
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD				U.S. Total	PADD			
		1	2	3	4&5		1	2	3	4&5
Stocks	55,359	4,586	25,060	23,569	2,144	614	64	224	219	107
Propylene Stocks	3,068					171				
Production	1,078	52	247	726	53	-15	2	-16	3	-4
Imports	80	19	52	0	9	1	2	-4	0	3
Whsle Demand	979					81				

Price Trends for the Week Ending:

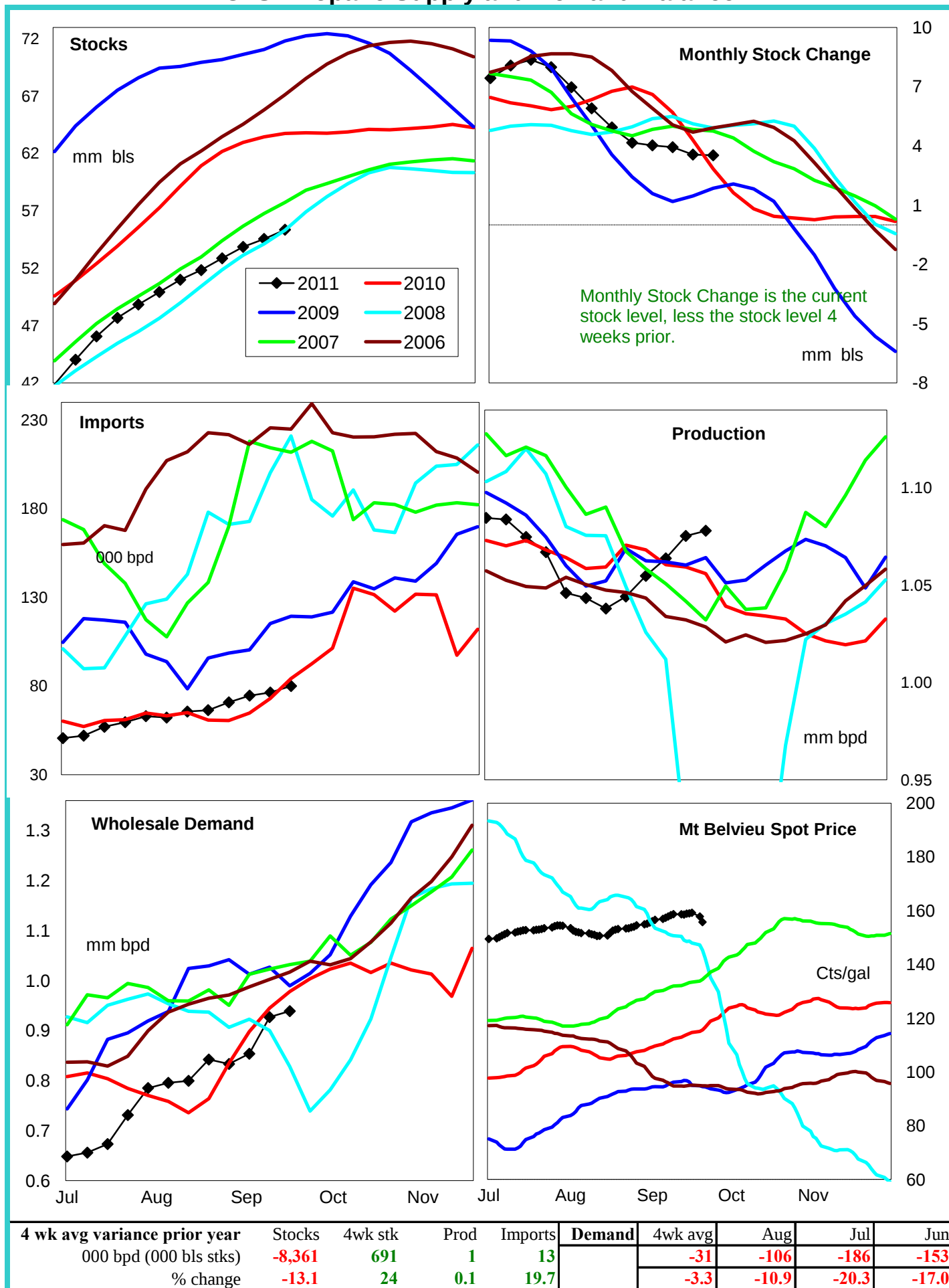
Tuesday, September 20, 2011

Cents/gal	Average for week ending:				Change from:			% change from:		
	9/20/11	9/13/11	8/23/11	9/23/10	9/13/11	8/23/11	9/23/10	9/13/11	8/23/11	9/23/10
Mont Belvieu Spot	159.2	158.4	153.1	114.2	0.82	5.32	38.86	0.5	3.5	34.0
Conway Spot	142.3	142.9	144.6	110.4	-0.69	-1.61	34.17	-0.5	-1.1	31.0

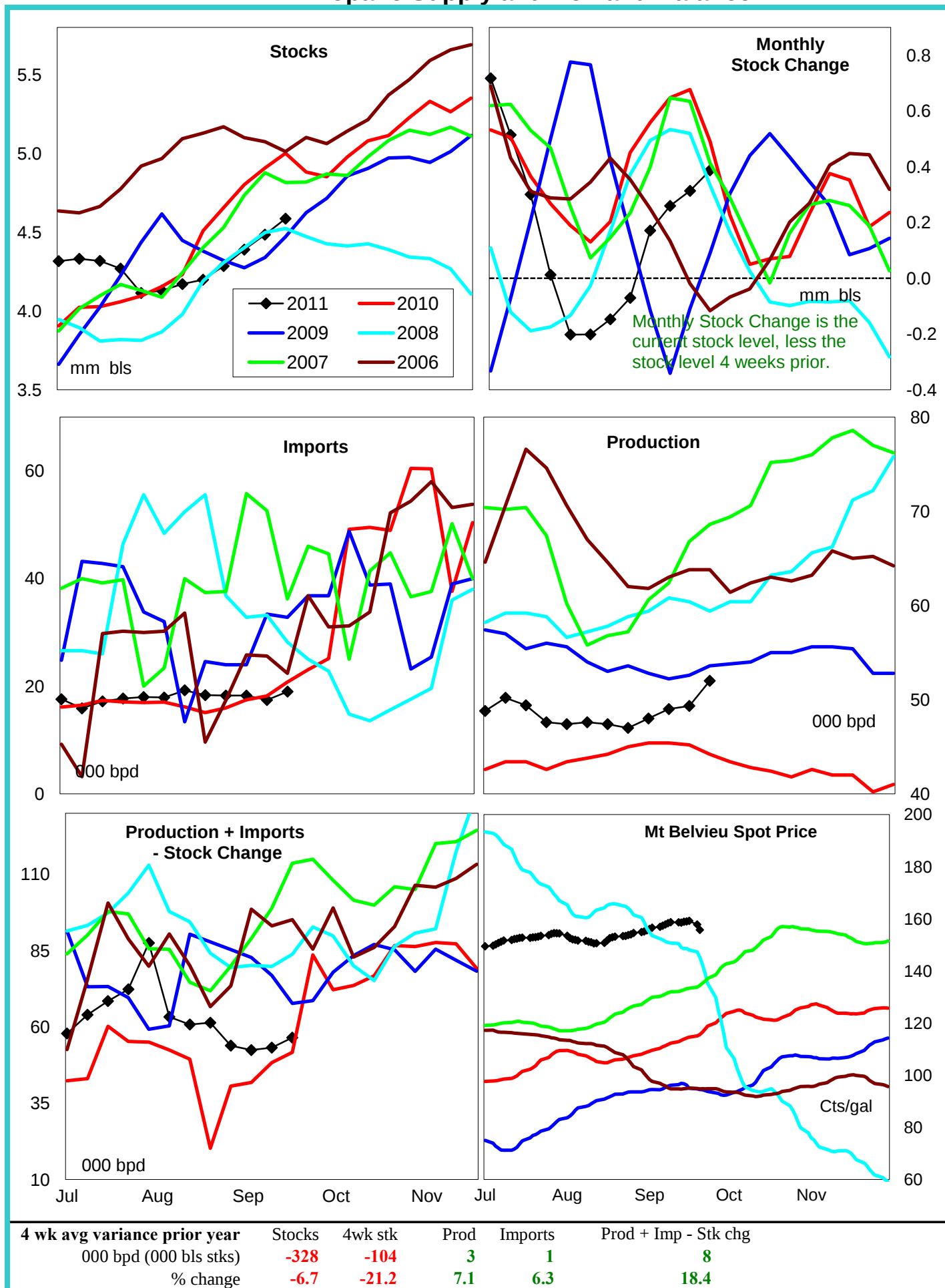
Key Price Spreads and Differentials



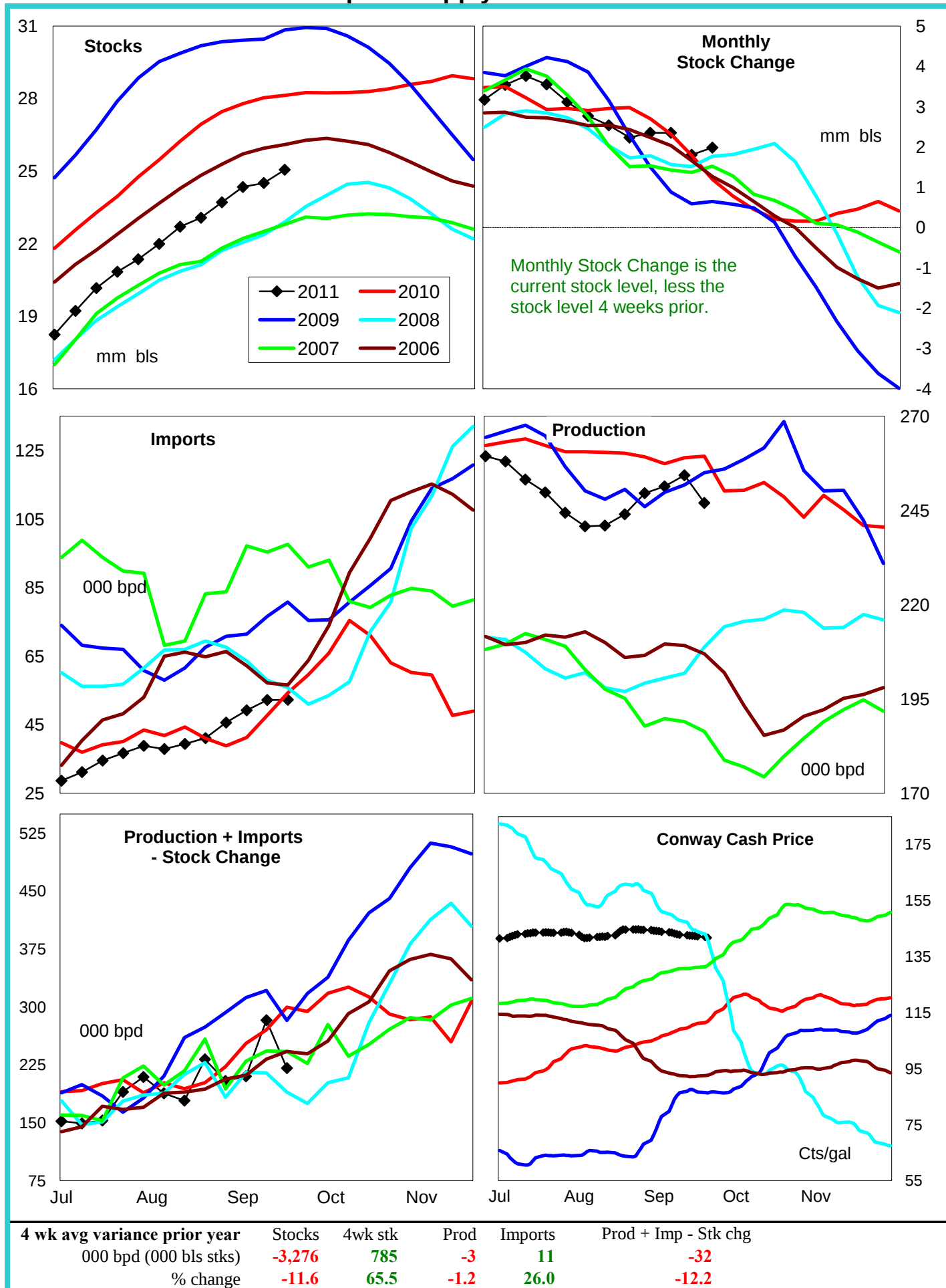
U. S. Propane Supply and Demand Balance



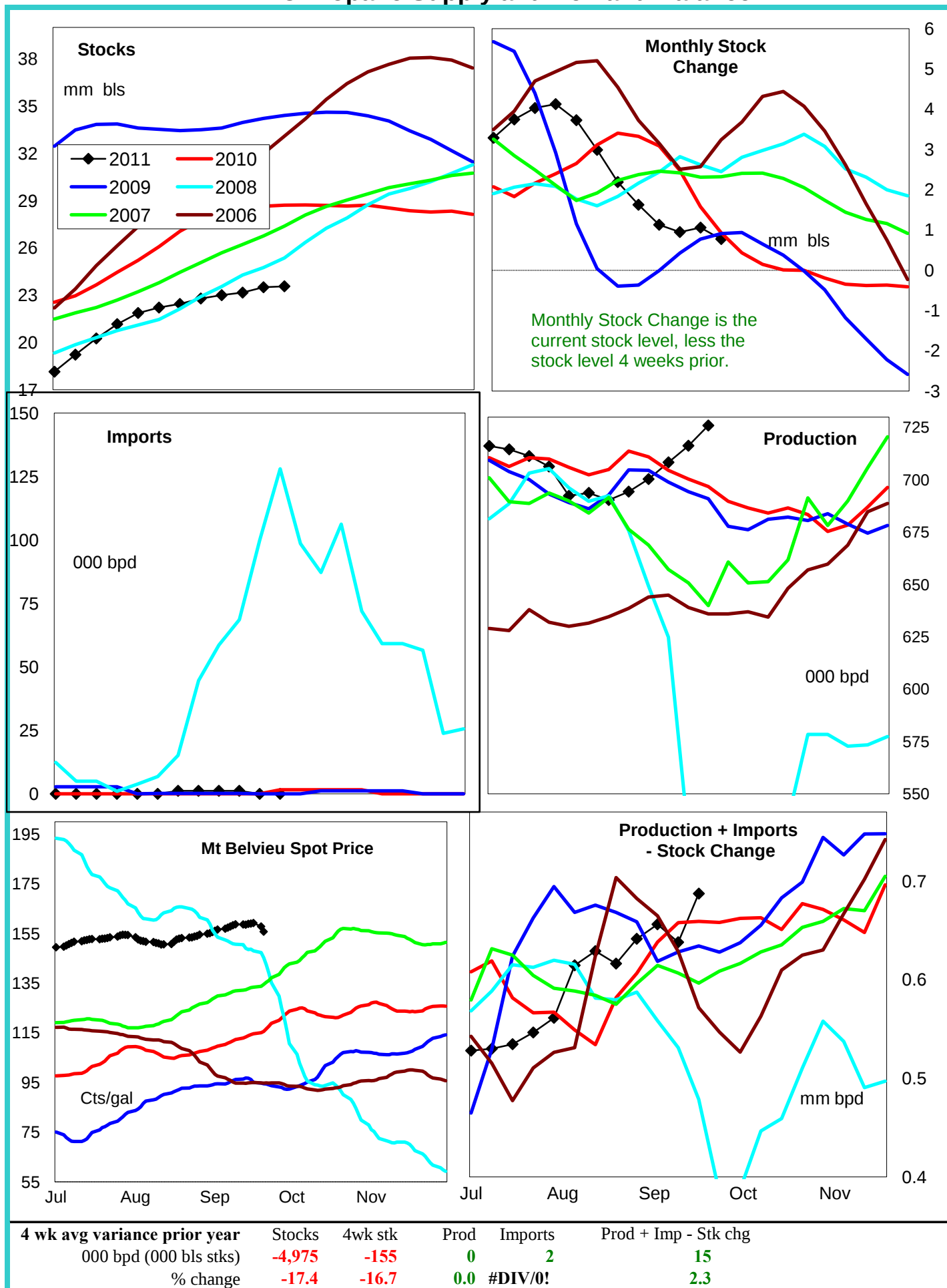
PADD 1 Propane Supply and Demand Balance



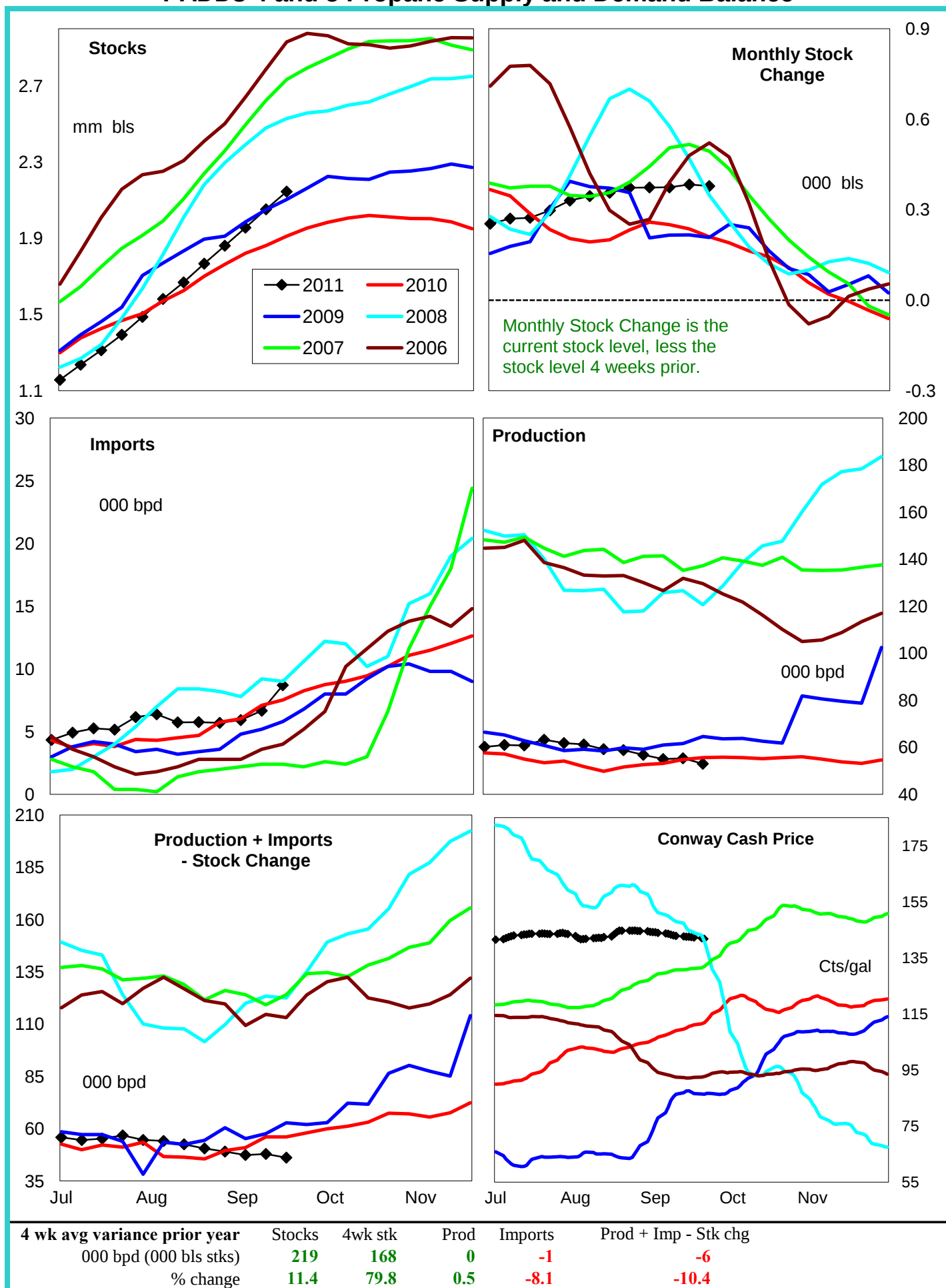
PADD 2 Propane Supply and Demand Balance



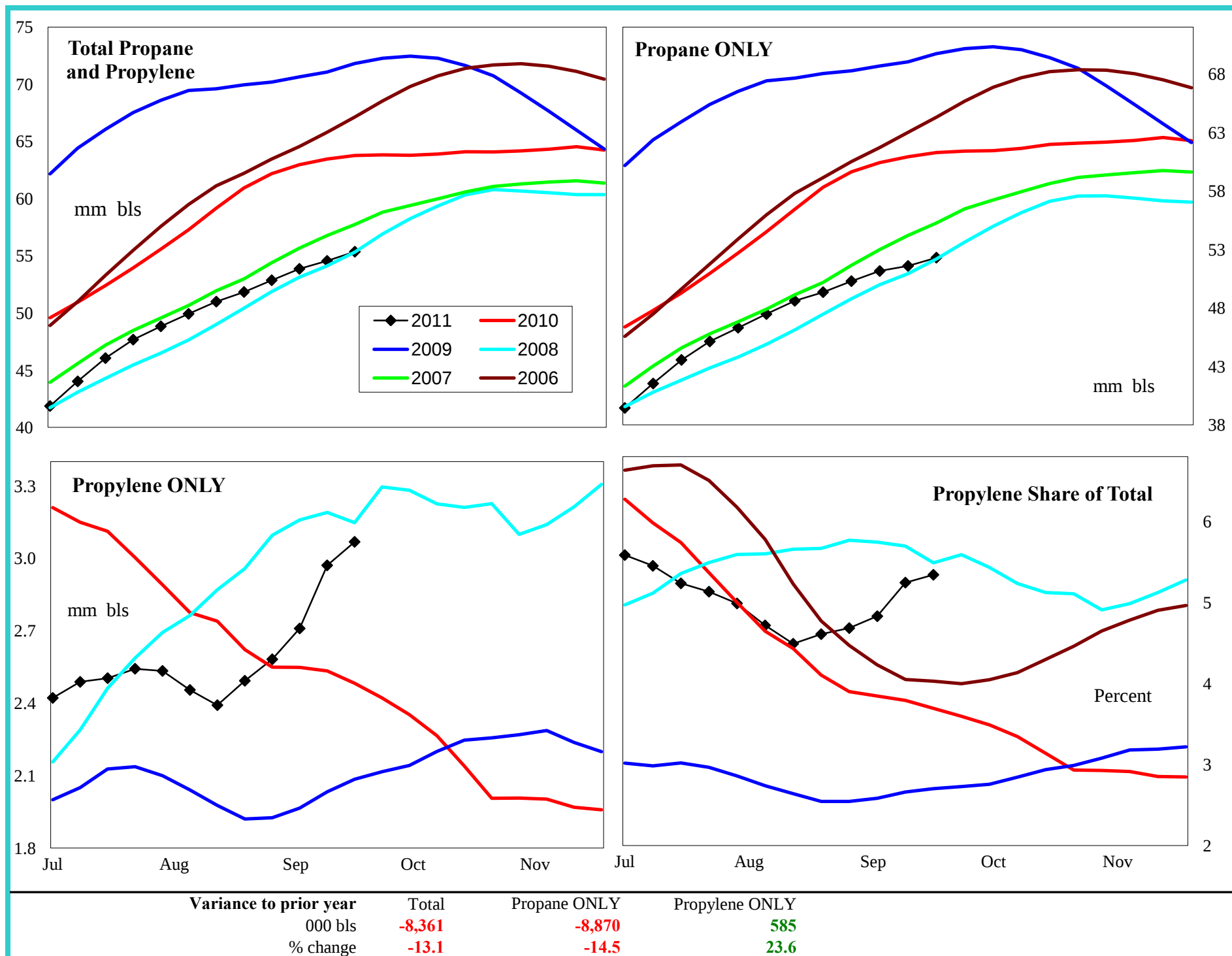
PADD 3 Propane Supply and Demand Balance



PADDs 4 and 5 Propane Supply and Demand Balance



U. S. Propane and Propylene Stocks



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

