



WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

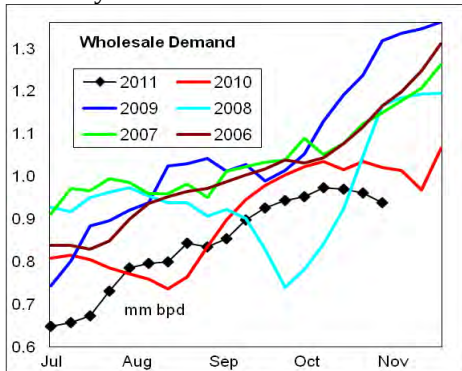
A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Wednesday, November 02, 2011

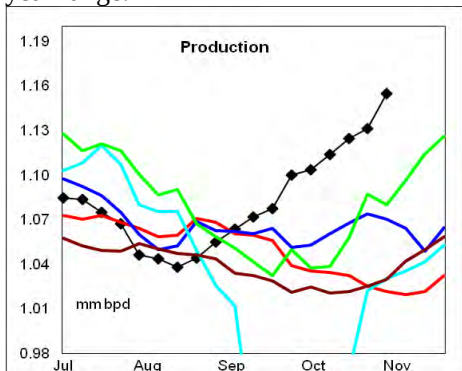
Summary¹:



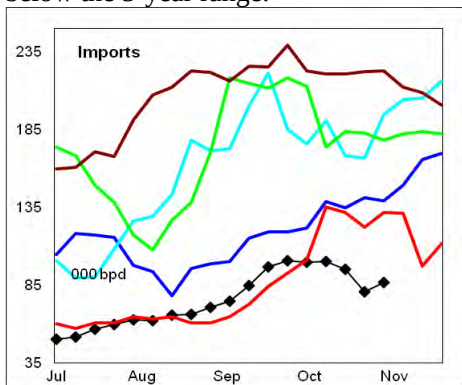
Wholesale demand decreased -107,000 bpd on the week, driven by continued mild temperatures. The level dropped below the historic range, due in part to high retail prices and a weak consumer economy.



Production increased +27,000 bpd last week, with the level sharply above the 5-year range.



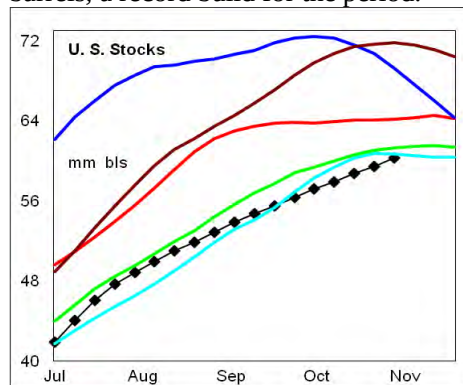
Imports increased +5,000 bpd on the week, although the level remains well below the 5-year range.



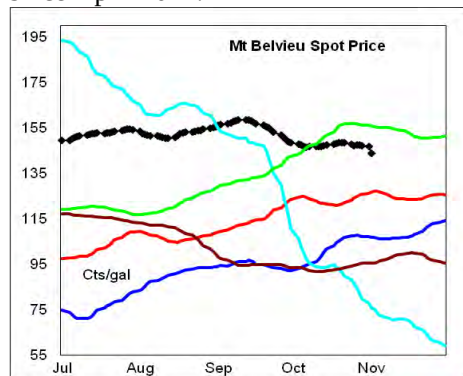
Combined production and imports during the latest 4-wk period were

+58,000 bpd above a year ago. Production was +111,000 bpd above last year, while imports were -53,000 bpd lower. The latest 4-wk average demand was -45,000 bpd below last year.

Stocks increased +1.2 million barrels last week. The 4-wk stock change was a build of +3.1 million barrels, a record build for the period.



Price and Spreads Mt Belvieu and Conway spot prices each decreased -3.75 cpg for the week ending 01Nov11. Conway prices ended at the lowest level since April 2011.



The Conway – Mt Belvieu price spread traded sideways last week. The spread ended the week at levels well below the historic range for this time of year.

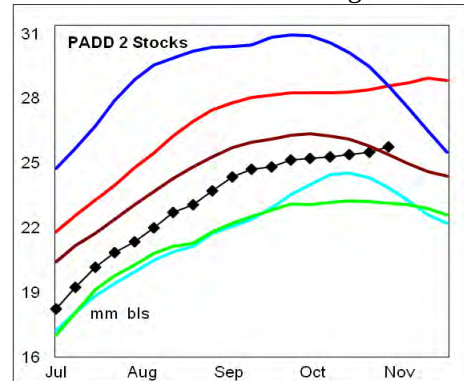
The propane to natural gas price spread trended lower last week, with the level above the historic range.

The propane / crude oil price spread extended the longer term downtrend on strength in WTI prices. The level ended the week at the upper end of the historic range.

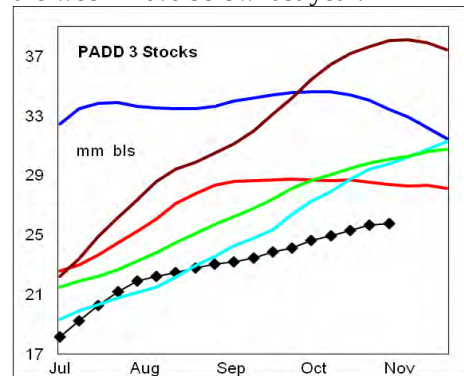
PADD 1 stocks increased +0.5 million barrels last week. Stock levels reached new record highs. Supply for the latest

4-wk period was -3,000 bpd below last year.

PADD 2 stocks increased +0.2 million barrels on the week. Supply declined -20,000 bpd. The latest 4-wk average supply was -11,000 bpd below a year ago, on extremely low imports. Stock levels were above the mid range.



PADD 3 stocks increased +0.5 million barrels on the week, with the 4-wk rate of stock building well above the last 2-years. Supply increased +34,000 bpd on higher production. Stock levels ended the week -10% below last year.



PADDs 4 & 5 stocks were unchanged on the week. The stock level was slightly above the last 2-years.

Emerging Trends Wholesale demand dropped to new historic lows for this time of year. Low demand points to a lack of pre season end user tank fills, which may drive a surge in demand when winter heating season begins. Production reached a record high on the week, up more than 10% from a year ago. Robust output and weak demand risk further price weakness.

¹ Source is latest EIA Weekly Statistics



PROPANE: Graph Link and Weekly Summary

November 2, 2011

Fundamental Trends for the Week Ending:

Friday, October 28, 2011

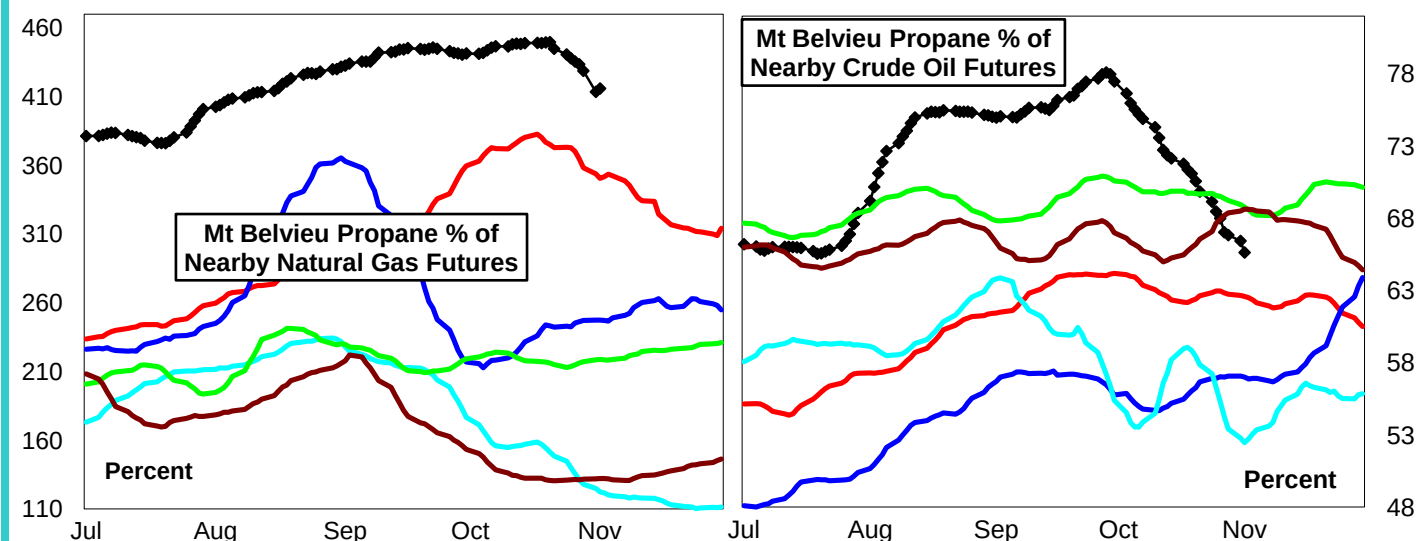
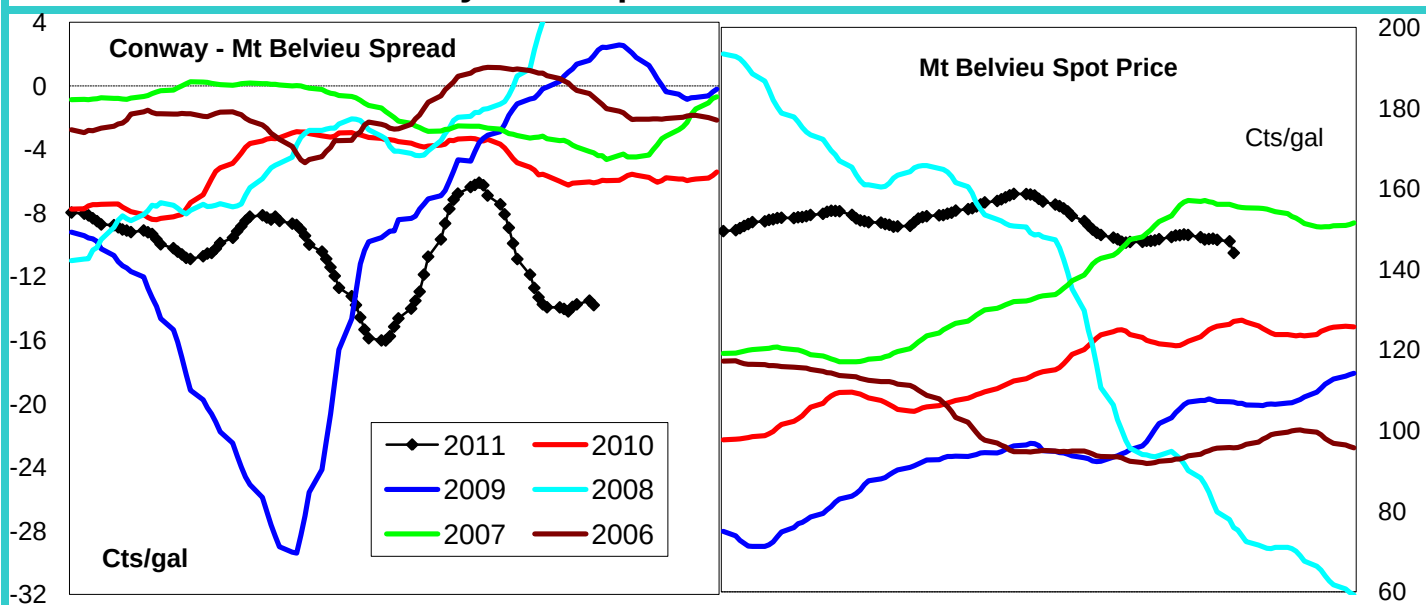
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD				U.S. Total	PADD			
		1	2	3	4&5		1	2	3	4&5
Stocks	60,263	6,454	25,758	25,743	2,308	1,152	473	225	451	3
Propylene Stocks	3,694					65				
Production	1,155	73	256	719	107	27	9	-11	25	4
Imports	87	24	38	9	16	5	0	-9	9	5
Whsle Demand	978					-107				

Price Trends for the Week Ending:

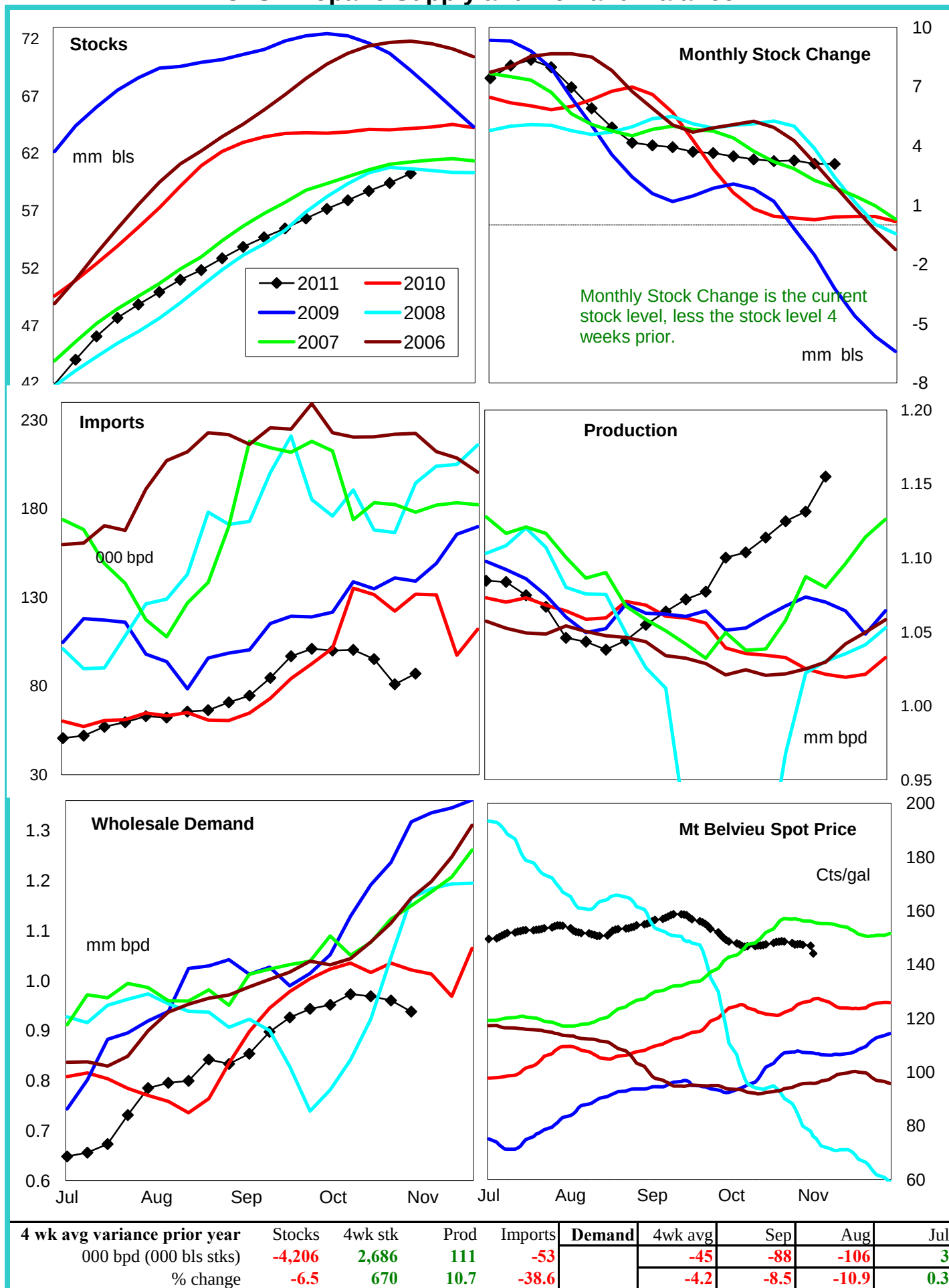
Tuesday, November 01, 2011

Cents/gal	Average for week ending:				Change from:			% change from:		
	11/1/11	10/25/11	10/4/11	11/3/10	10/25/11	10/4/11	11/3/10	10/25/11	10/4/11	11/3/10
Mont Belvieu Spot	147.3	146.9	149.2	126.7	0.36	-2.29	22.49	0.2	-1.5	17.7
Conway Spot	133.6	132.4	142.7	120.5	1.15	-10.25	22.14	0.9	-7.2	18.4

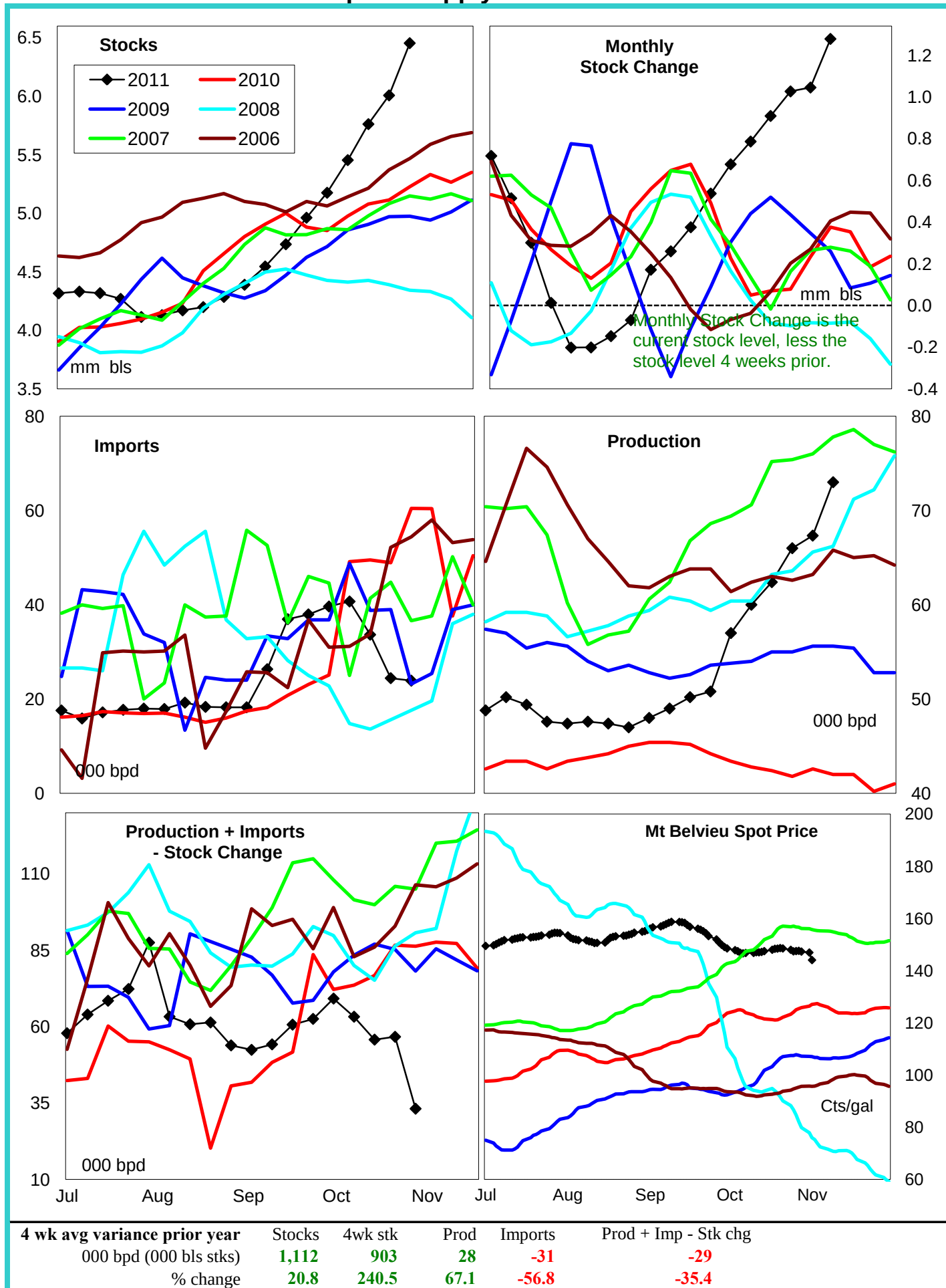
Key Price Spreads and Differentials



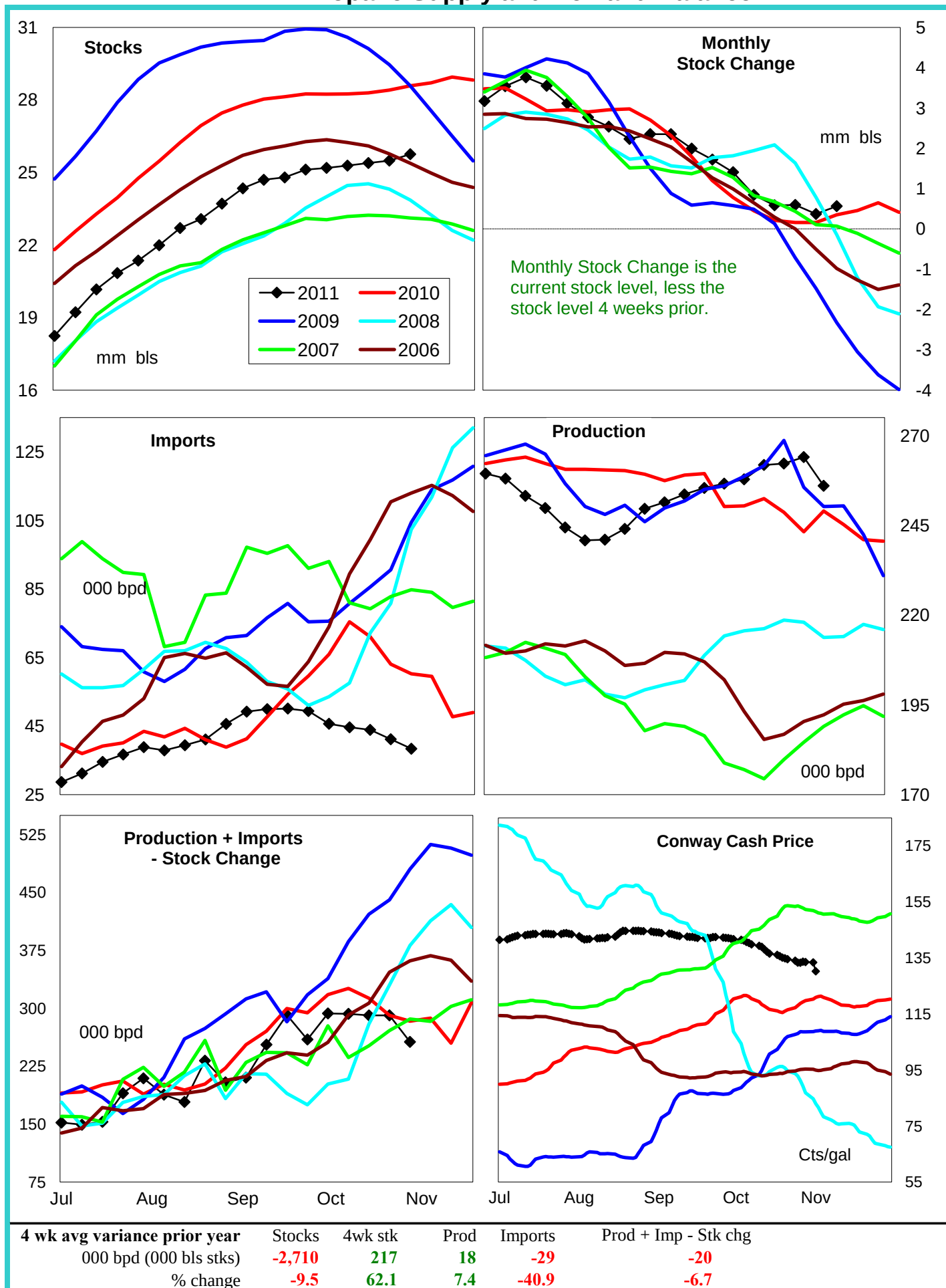
U. S. Propane Supply and Demand Balance



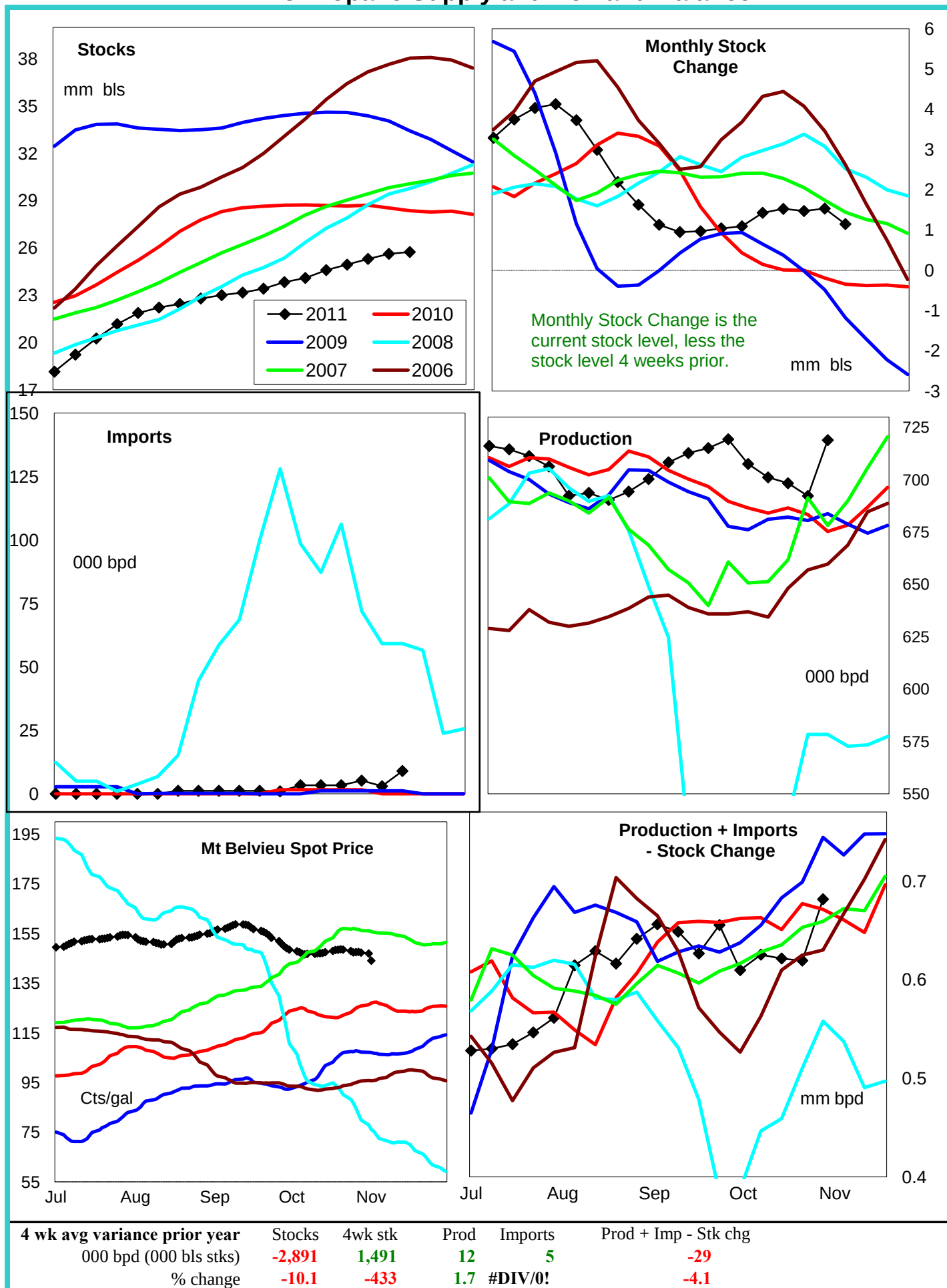
PADD 1 Propane Supply and Demand Balance



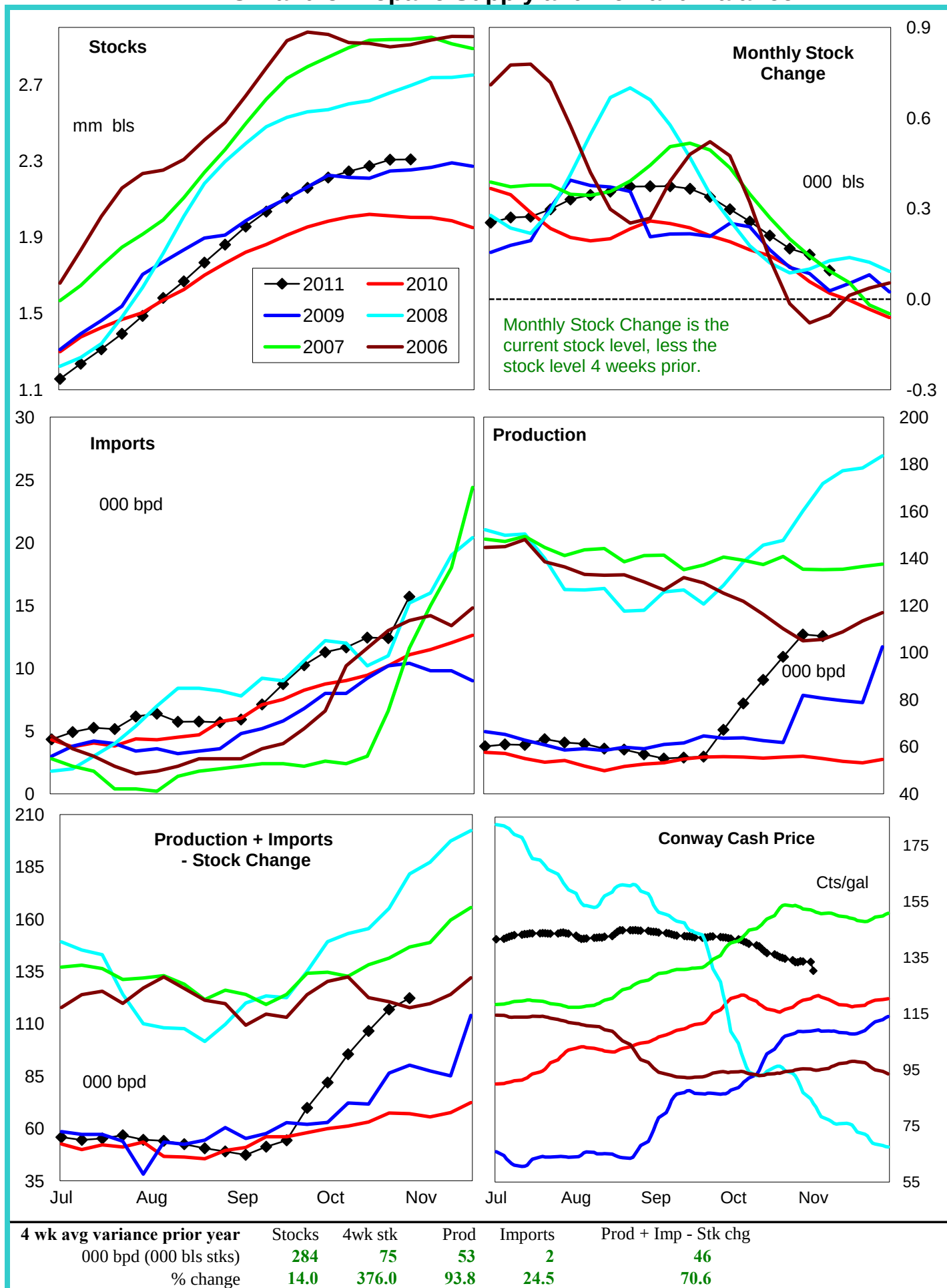
PADD 2 Propane Supply and Demand Balance



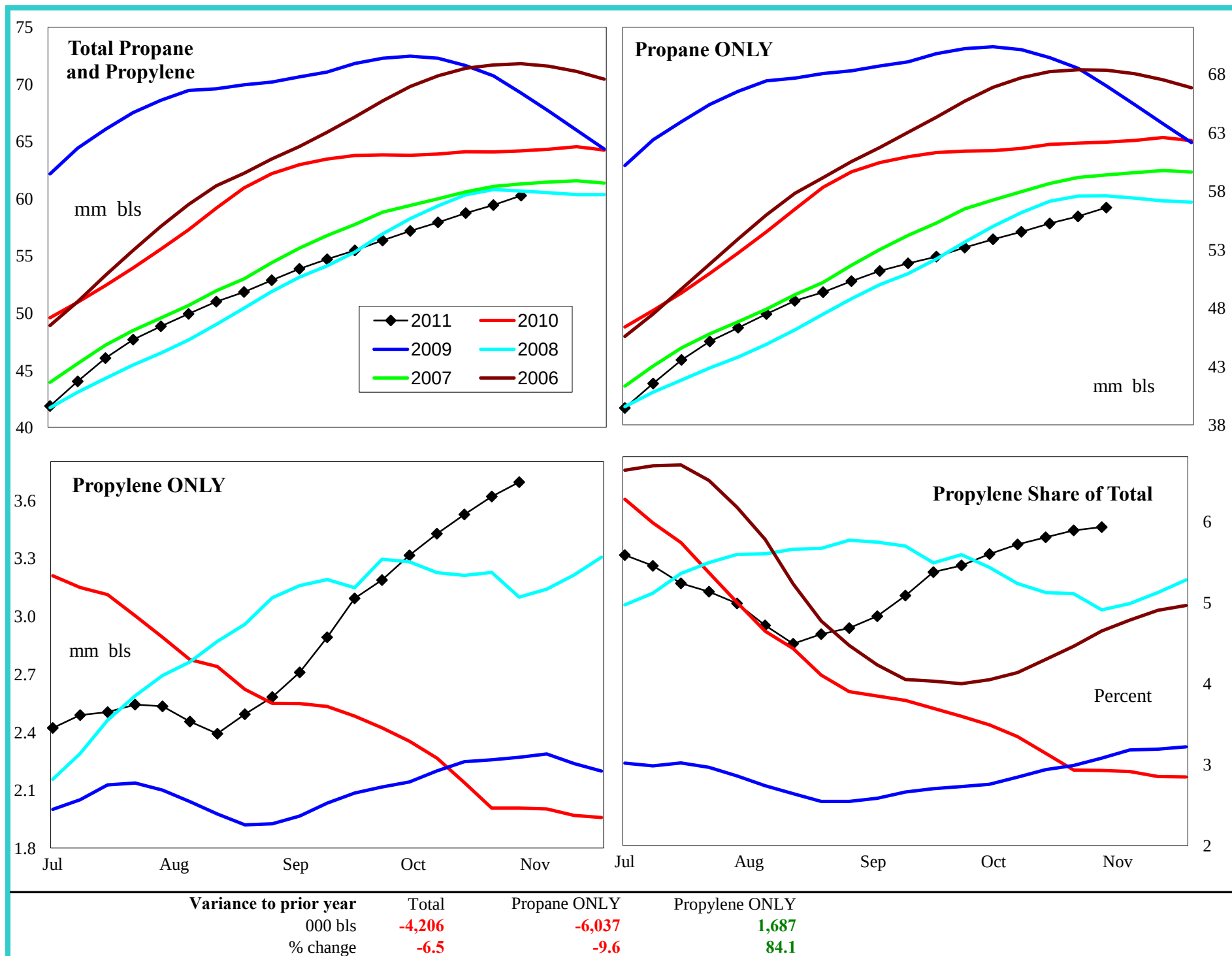
PADD 3 Propane Supply and Demand Balance



PADDs 4 and 5 Propane Supply and Demand Balance



U. S. Propane and Propylene Stocks



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

