



WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

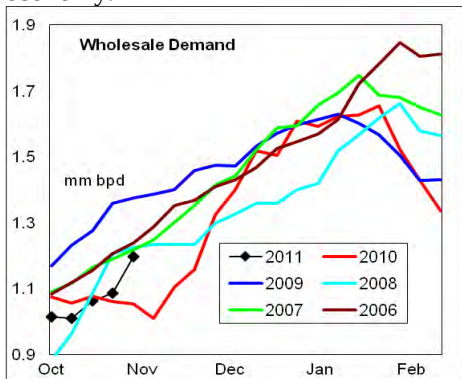
A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Wednesday, November 09, 2011

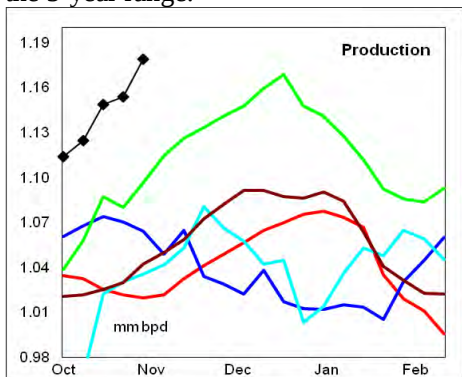
Summary¹:



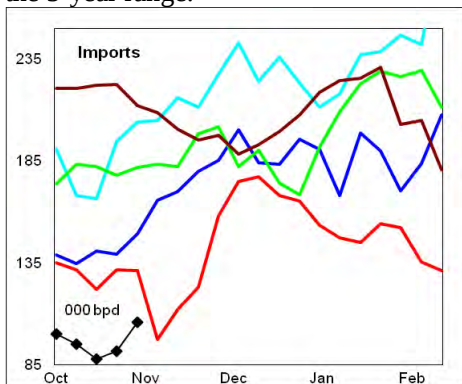
Wholesale demand increased +218,000 bpd on the week, driven by the start of fall heating. The level remains at the low end of the historic range on high retail prices and a weak consumer economy.



Production increased +24,000 bpd last week, with the level significantly above the 5-year range.



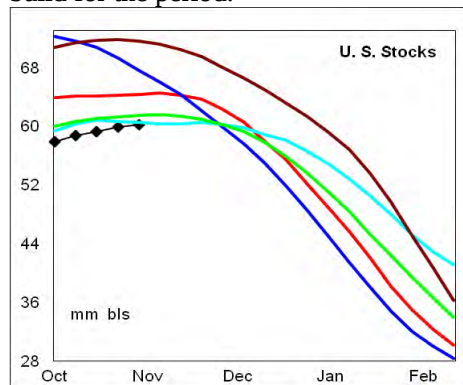
Imports increased +19,000 bpd on the week, although the level remains below the 5-year range.



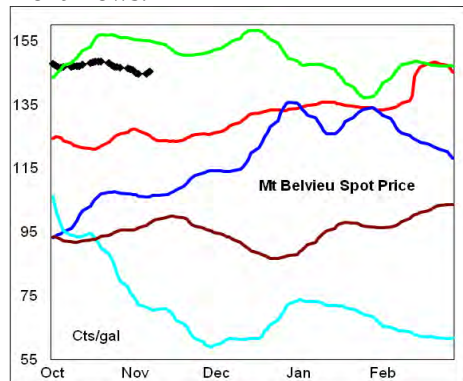
Combined production and imports during the latest 4-wk period were

+76,000 bpd above a year ago. Production was +118,000 bpd above last year, while imports were -42,000 bpd lower. The latest 4-wk average demand was -45,000 bpd below last year.

Stocks declined -0.1 million barrels last week. The 4-wk stock change was a build of +2.3 million barrels, a record build for the period.



Price and Spreads Mt Belvieu prices increased +1.5 cpg for the week ending 08Nov11, while Conway prices decreased -0.5 cpg for the period. Conway prices remain at a level near 6-month lows.



The Conway – Mt Belvieu price spread trended lower last week. The spread ended the week at a -15 cpg discount, a level well below the historic range for this time of year.

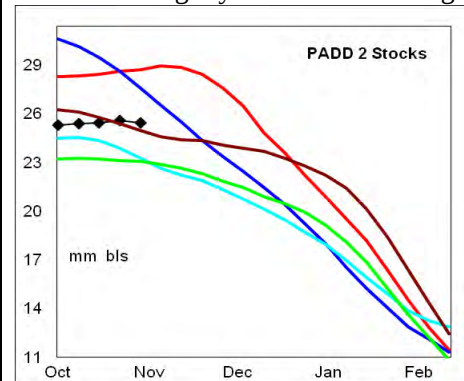
The propane to natural gas price spread traded sideways last week, with the level above the historic range.

The propane / crude oil price spread extended the longer term downtrend on strength in WTI prices. The level ended the week at a level above the last 3-years.

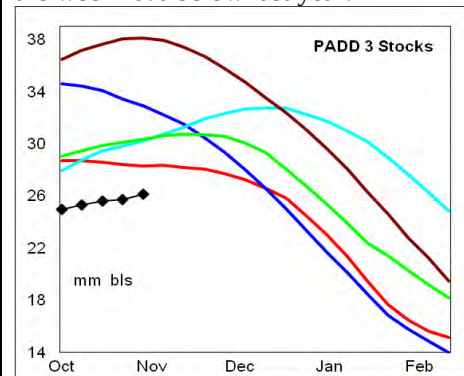
PADD 1 stocks decreased -0.1 million

barrels last week. Stock levels are at record highs for this time of year; +255 above a year ago. Supply for the latest 4-wk period was -4,000 bpd below last year.

PADD 2 stocks decreased -0.3 million barrels on the week. Supply increased +35,000 bpd last week. The latest 4-wk average supply was -4,000 bpd below a year ago, on very low imports. Stock levels were slightly above the mid range.



PAD 3 stocks increased +0.4 million barrels on the week, with the 4-wk rate of stock building well above the last 2-years. Supply increased +17,000 bpd on higher production. Stock levels ended the week -6% below last year.



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

Emerging Trends The 4-wk average stock build remains above the historic range on an +11% year-on-year increase in production and weak demand. These trends risk further price weakness, until there is a forecast of colder than normal temperatures.

¹ Source is latest EIA Weekly Statistics



PROPANE: Graph Link and Weekly Summary

November 9, 2011

Fundamental Trends for the Week Ending:

Friday, November 04, 2011

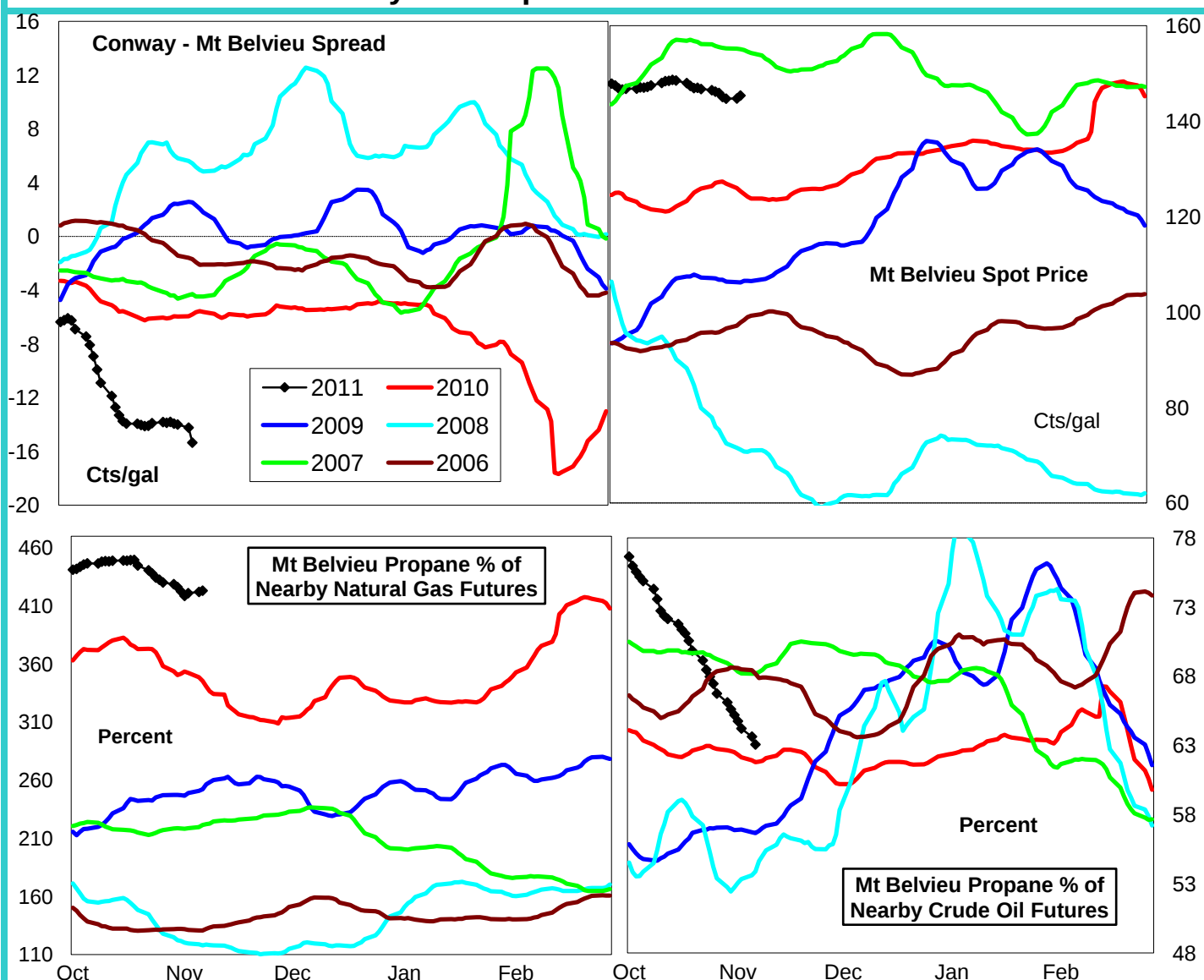
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD				U.S. Total	PADD			
		1	2	3	4&5		1	2	3	4&5
Stocks	60,192	6,395	25,444	26,130	2,223	-71	-59	-314	387	-85
Propylene Stocks	3,786					92				
Production	1,179	69	260	745	105	24	-4	4	26	-2
Imports	106	26	69	0	11	19	2	31	-9	-4
Whsle Demand	1,196					218				

Price Trends for the Week Ending:

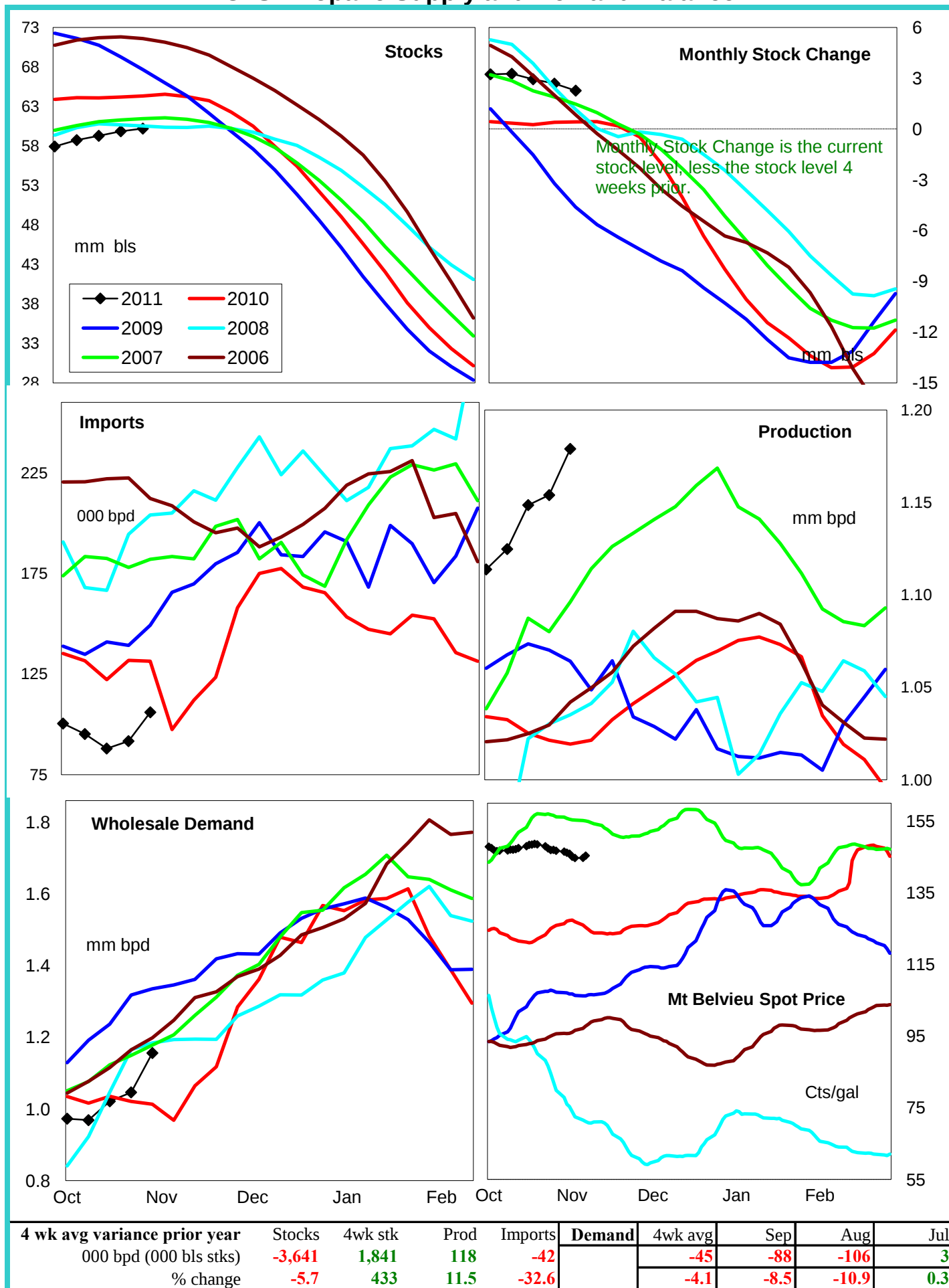
Tuesday, November 08, 2011

Cents/gal	Average for week ending:				Change from:			% change from:		
	11/8/11	11/1/11	10/11/11	11/10/10	11/1/11	10/11/11	11/10/10	11/1/11	10/11/11	11/10/10
Mont Belvieu Spot	144.7	147.3	144.5	128.1	-2.60	2.83	16.37	-1.8	2.0	12.8
Conway Spot	130.7	133.6	139.4	122.0	-2.85	-5.85	17.38	-2.1	-4.2	14.2

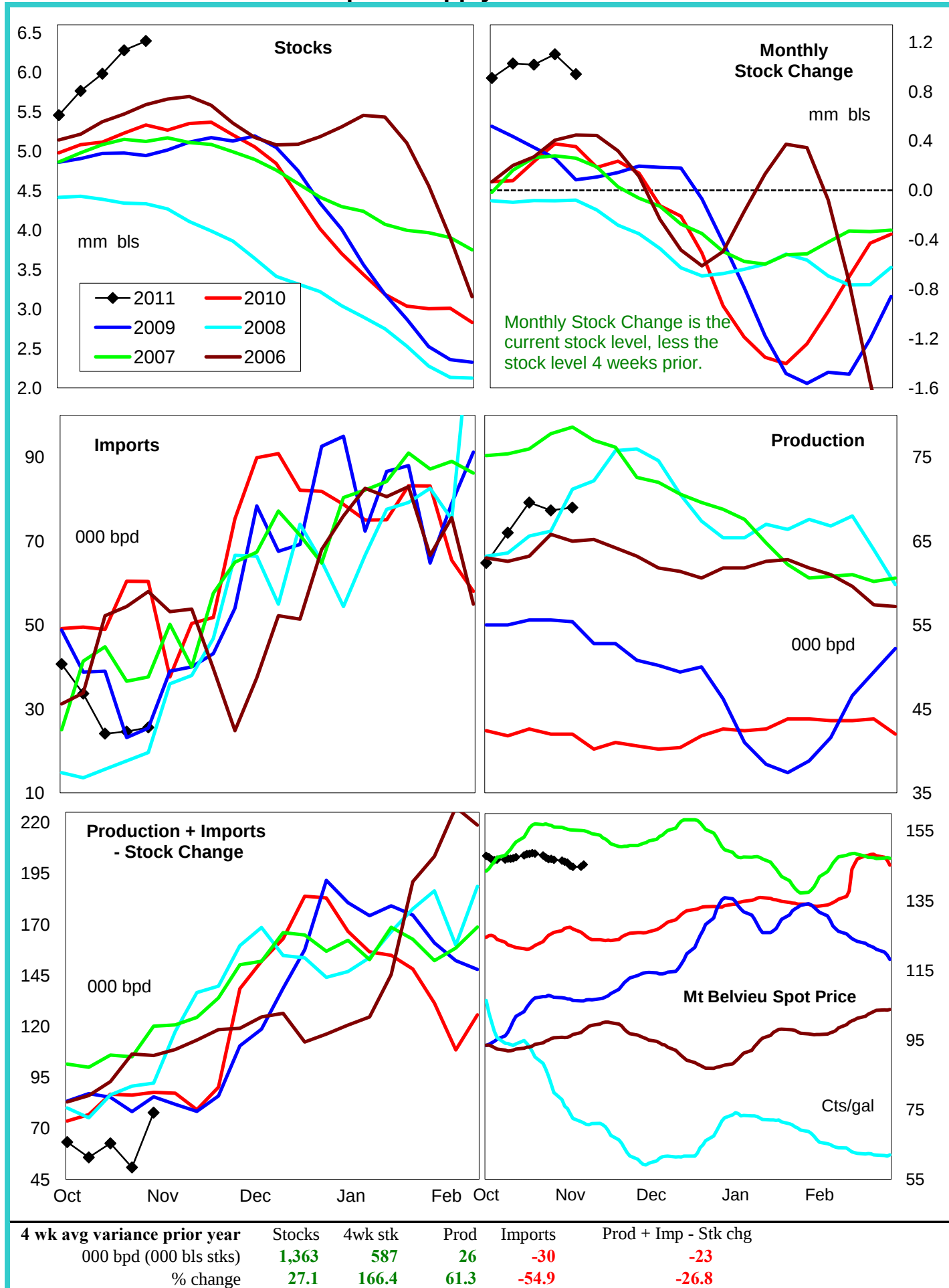
Key Price Spreads and Differentials



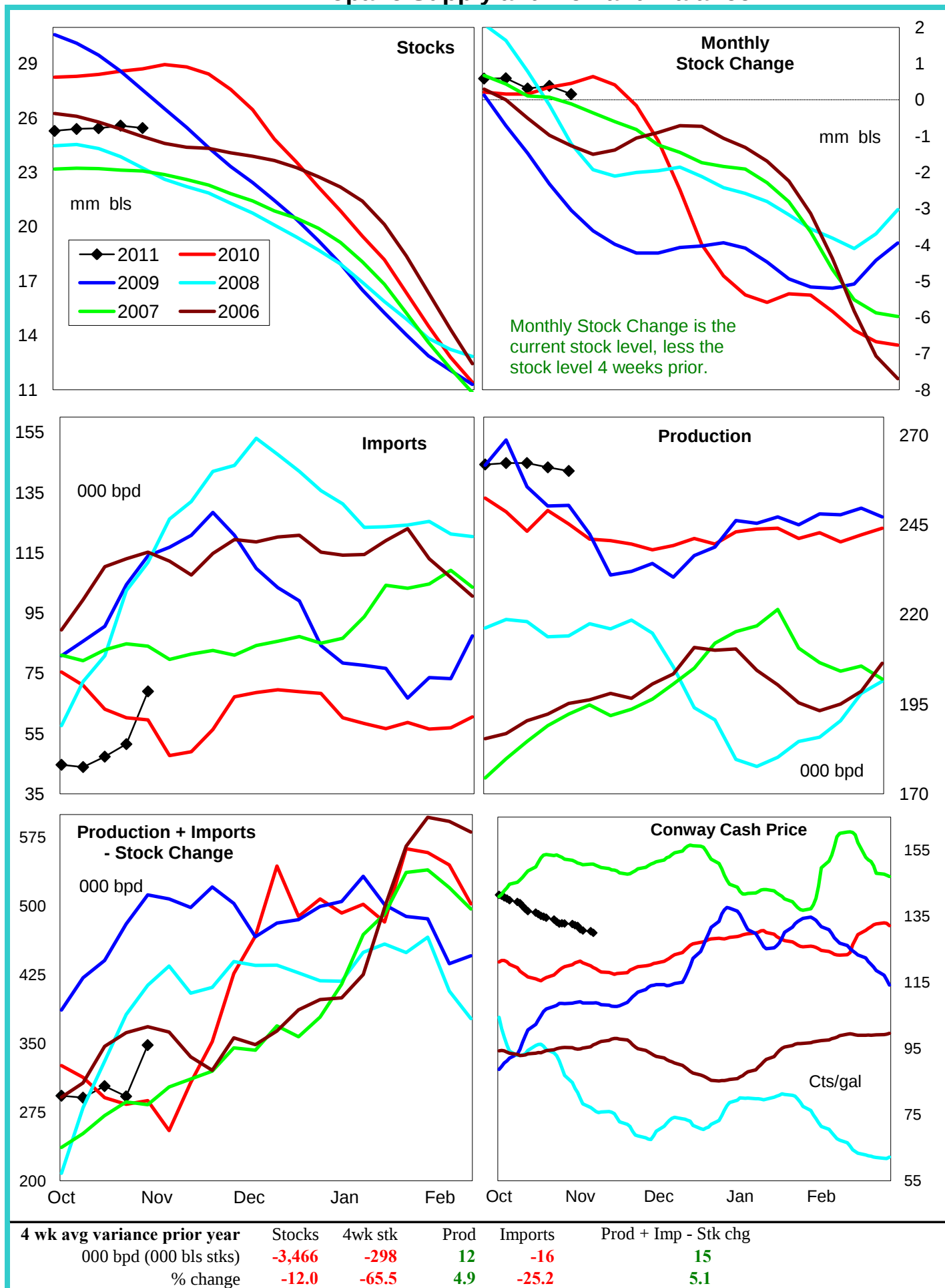
U. S. Propane Supply and Demand Balance



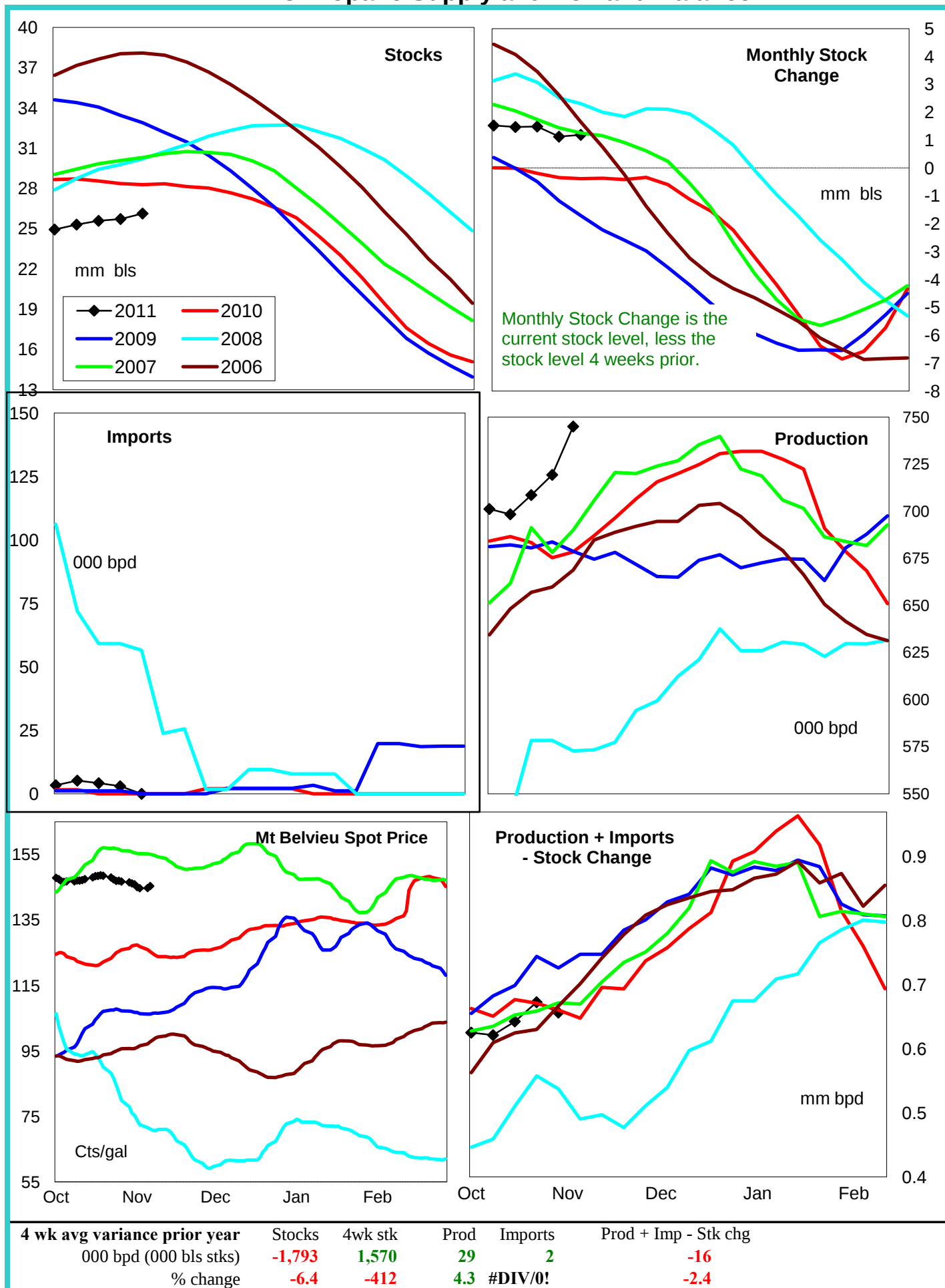
PADD 1 Propane Supply and Demand Balance



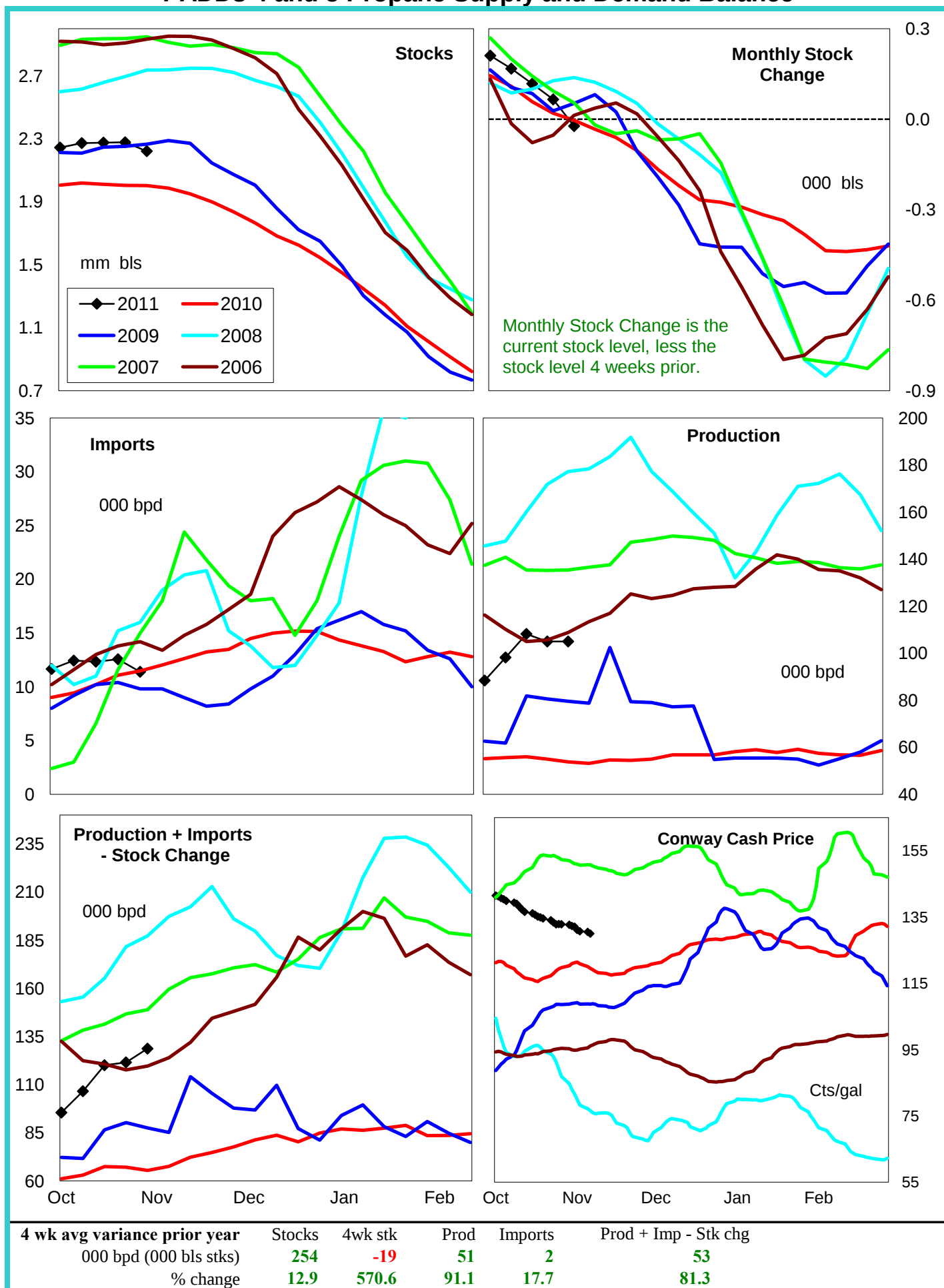
PADD 2 Propane Supply and Demand Balance



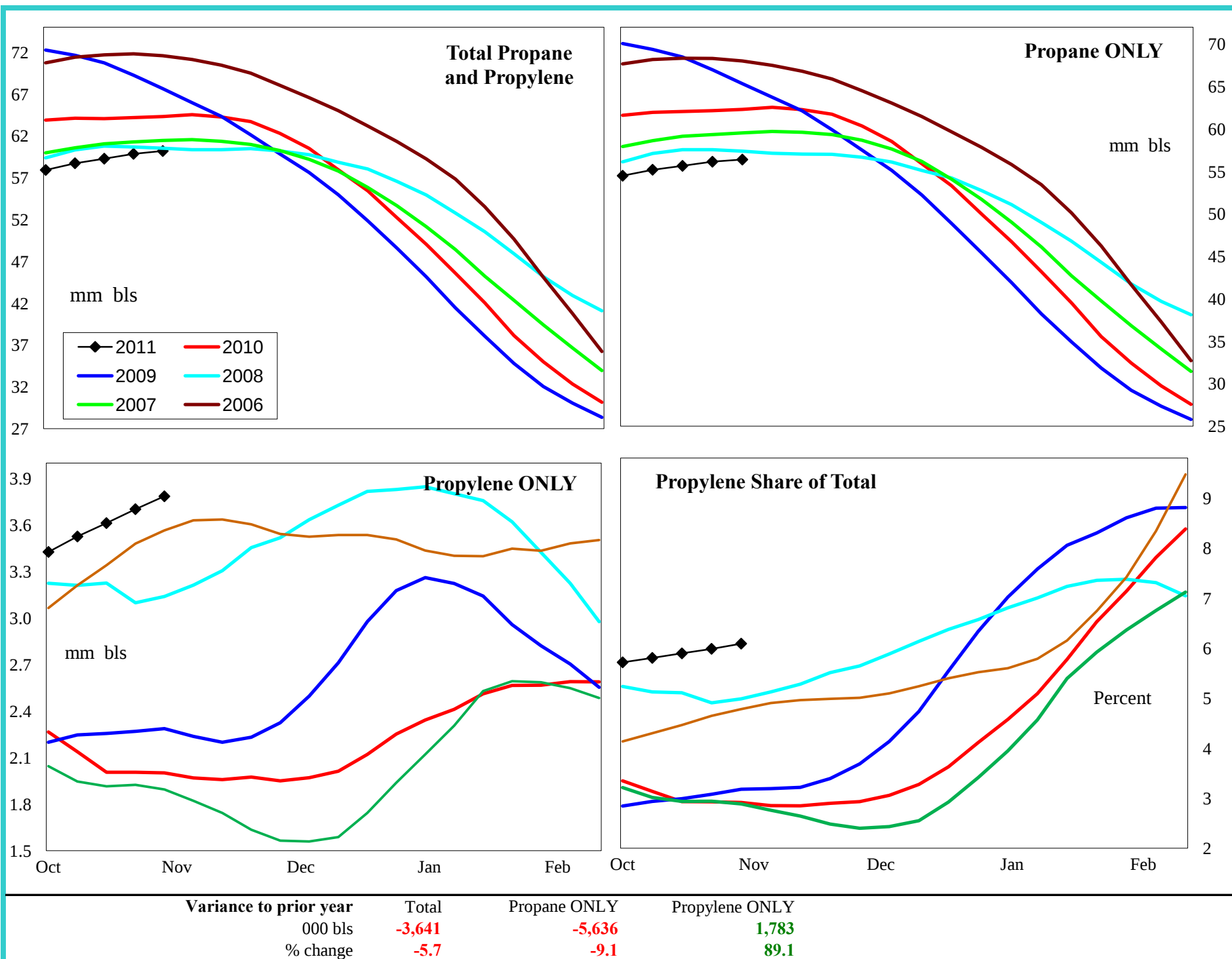
PADD 3 Propane Supply and Demand Balance



PADDs 4 and 5 Propane Supply and Demand Balance



U. S. Propane and Propylene Stocks



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

