



WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

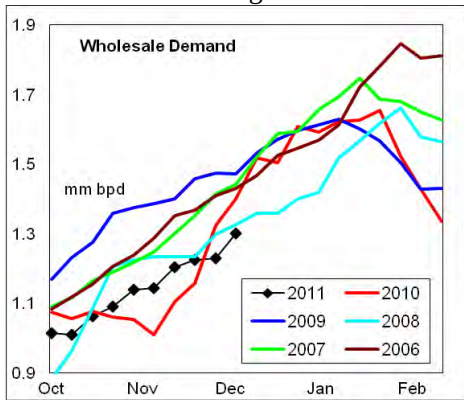
A Fundamental Petroleum Trends Weekly Report

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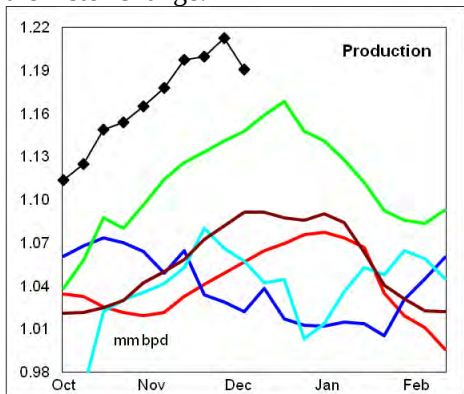
Summary¹:



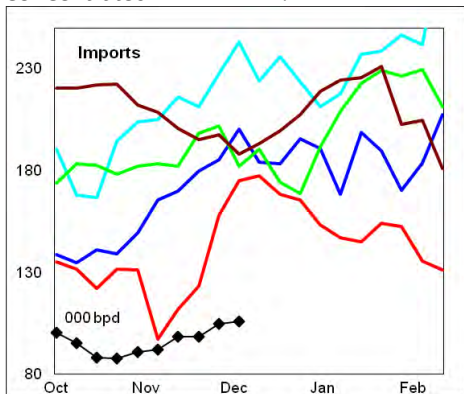
Wholesale demand increased +27,000 bpd on the week, driven by higher seasonal heating demand. The level was below the historic range.



Production fell -62,000 bpd last week, although the level remains well above the historic range.



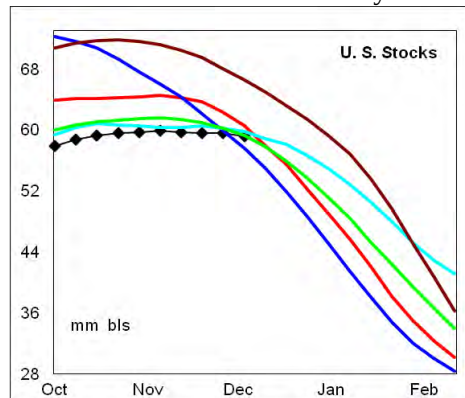
Imports decreased -14,000 bpd, concentrated in PADD 1.



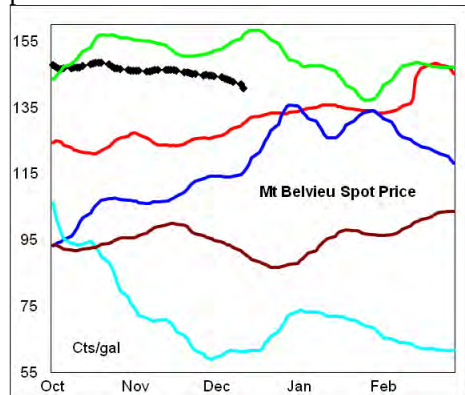
Combined production and imports during the latest 4-wk period were +133,000 bpd above a year ago. Production was +151,000 bpd above last

year (+14.4%), while imports were -18,000 bpd lower. The latest 4-wk average demand was +2,000 bpd above last year, and near 5-year lows.

Stocks decreased -0.5 million barrels last week. The 4-wk stock change was a draw of -0.6 million barrels, a level that matched the lowest of the last 5-years.



Price and Spreads Mt Belvieu spot prices decreased -4 cpg for the week ending 13Dec11 while Conway fell -6 cpg during the same week. The Conway price level fell to a 9-month low.



The Conway – Mt Belvieu price spread trended lower last week, in favor of Mt Belvieu. The spread ended the week at a -18 cpg discount, a level which matched record lows for the last 5-years.

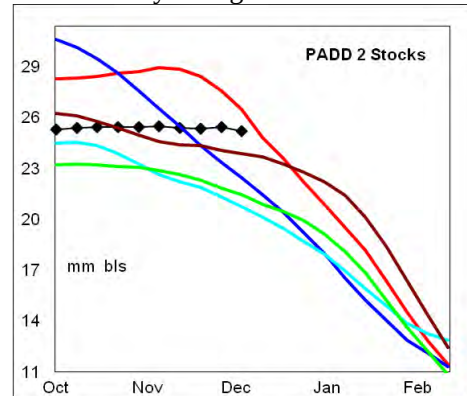
The propane to natural gas price spread trended higher last week, to a new record high level on very low gas prices.

The propane / crude oil price spread extended the longer term downtrend last week. The spread ended the week at a level below the historic range.

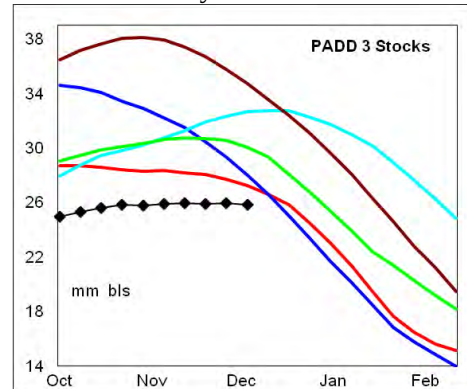
PADD 1 stocks increased +0.1 million barrels last week. Stocks remain at a level well above the 5-year range.

Supply for the latest 4-wk period was +18,000 bpd above last year.

PADD 2 stocks decreased -0.3 million barrels on the week. Supply decreased -37,000 bpd last week on lower production. The latest 4-wk average supply was +20,000 bpd above a year ago, on record production. Stock levels were near 5-year highs.



PAD 3 stocks declined -0.3 million barrels on the week, with the 4-wk rate of stock building above four of the last 5-years. Stock levels ended the week -5.7% below last year.



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

Emerging Trends Very low heating degree days in major propane markets has led to record low demand. Combined with production +151,000 bpd above last year and extremely low stock draws; stock levels are now at the 5-year mid range.

An over supplied Midwest propane market has driven spot prices in the region to 9-month lows. Fundamental trends point to further price weakness.

¹ Source is latest EIA Weekly Statistics



PROPANE: Graph Link and Weekly Summary

December 14, 2011

Fundamental Trends for the Week Ending:

Friday, December 09, 2011

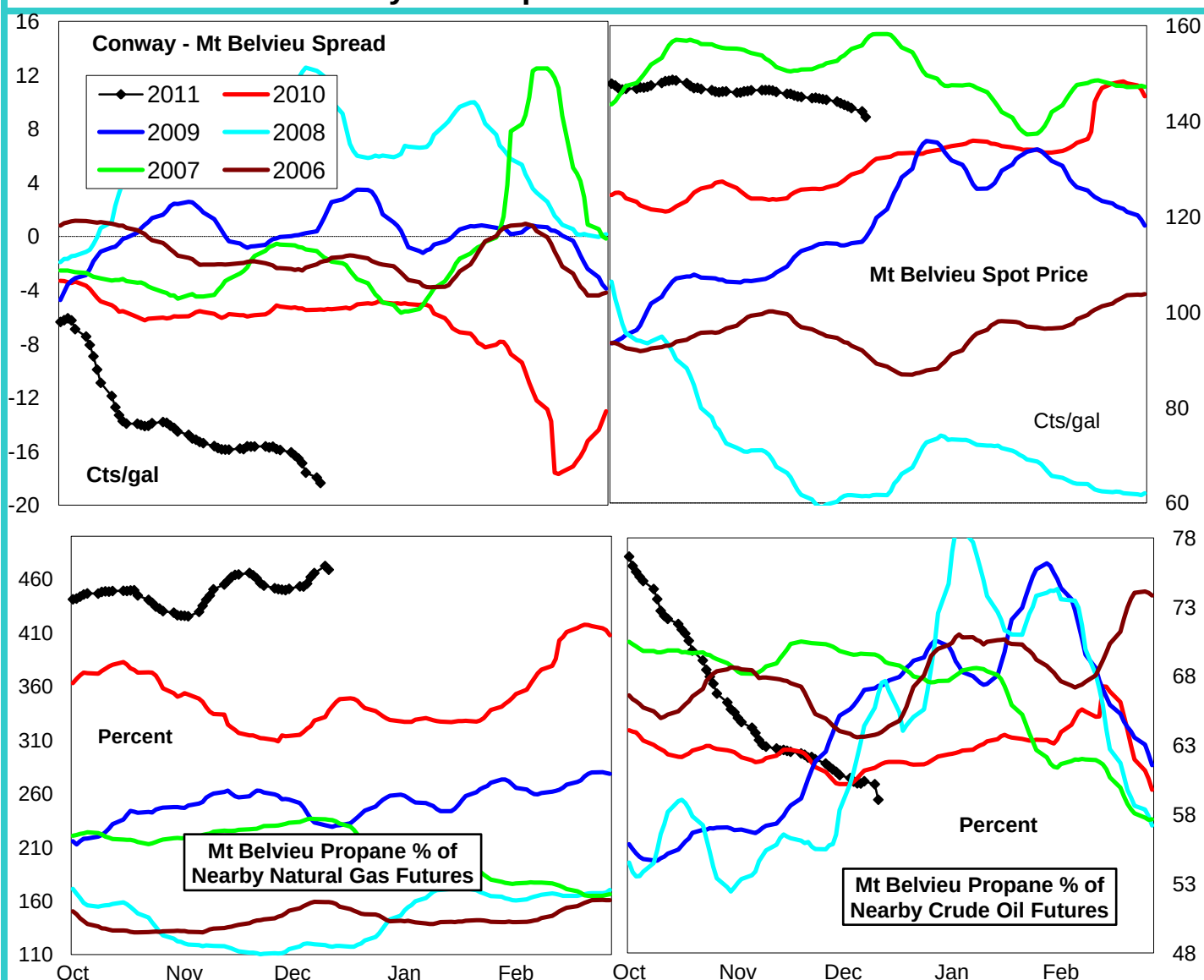
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD				U.S. Total	PADD			
		1	2	3	4&5		1	2	3	4&5
Stocks	59,183	6,167	25,197	25,836	1,983	-495	87	-278	-270	-34
Propylene Stocks	4,945					314				
Production	1,191	79	261	728	123	-62	21	-37	-52	6
Imports	106	31	57	0	18	-14	-12	0	0	-2
Whsle Demand	1,301					27				

Price Trends for the Week Ending:

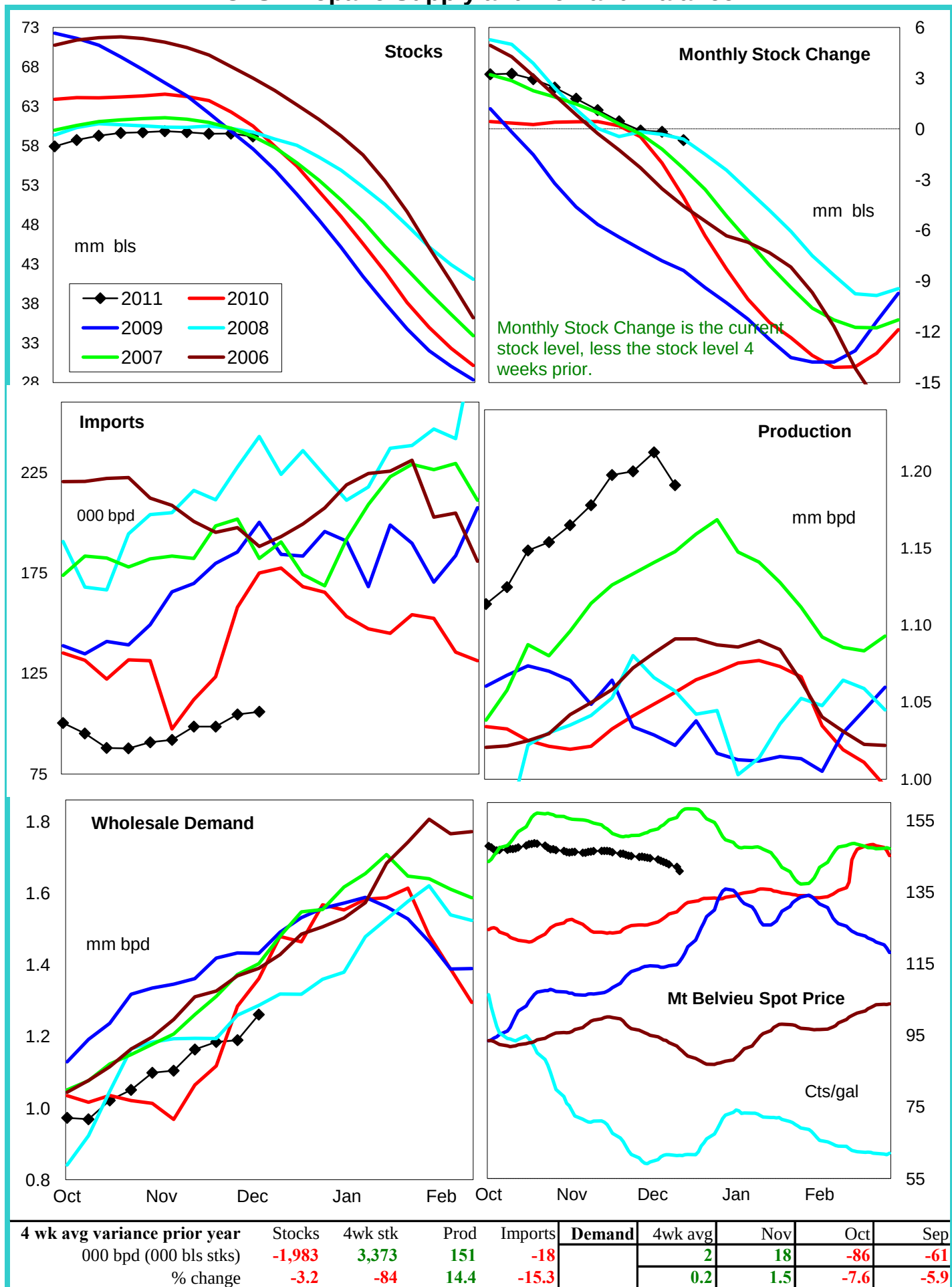
Tuesday, December 13, 2011

Cents/gal	Average for week ending:				Change from:			% change from:		
	12/13/11	12/6/11	11/15/11	12/15/10	12/6/11	11/15/11	12/15/10	12/6/11	11/15/11	12/15/10
Mont Belvieu Spot	142.7	144.3	147.6	128.9	-1.53	-3.37	18.78	-1.1	-2.3	14.6
Conway Spot	125.2	129.2	131.3	124.0	-4.05	-2.10	7.34	-3.1	-1.6	5.9

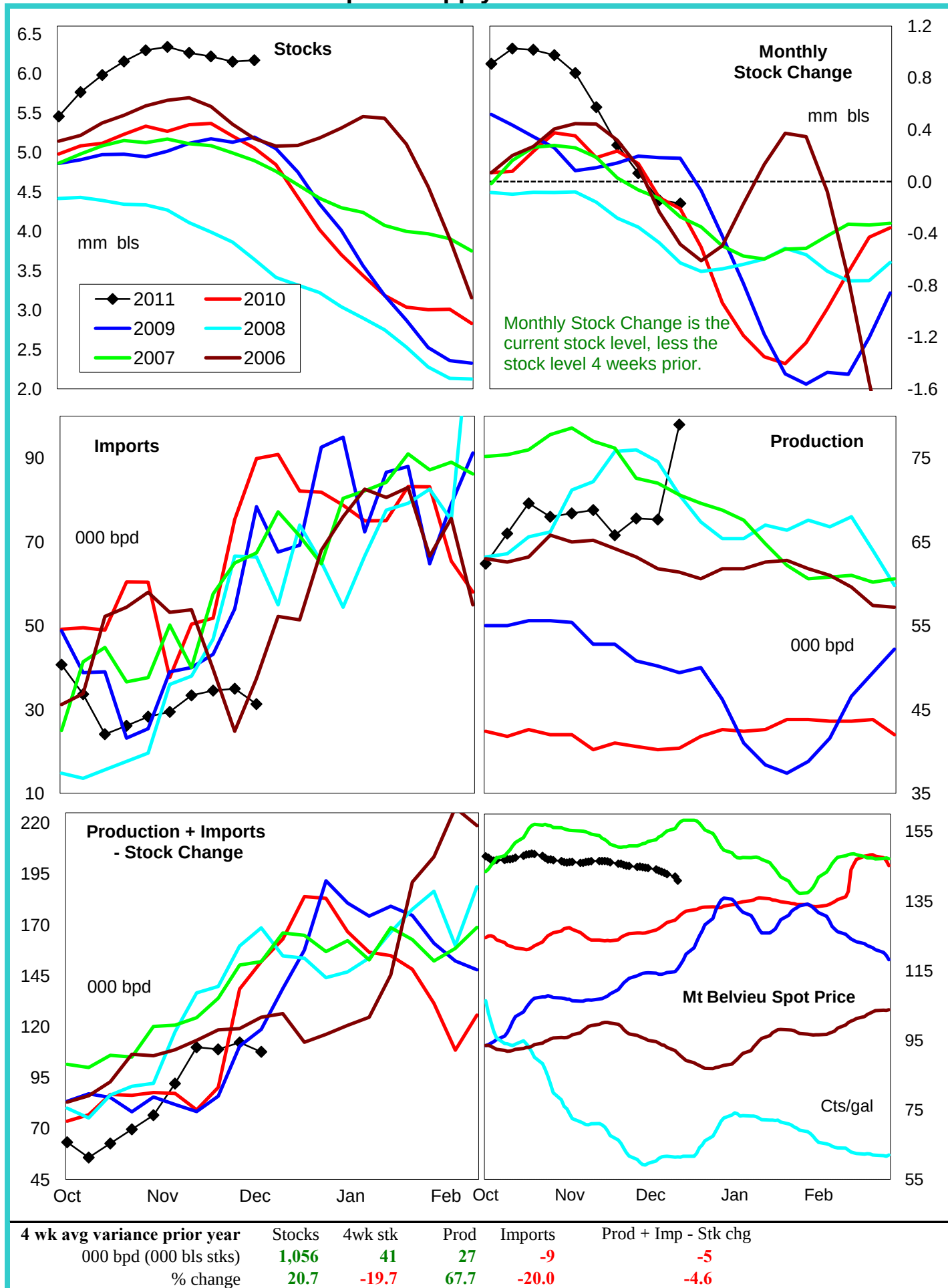
Key Price Spreads and Differentials



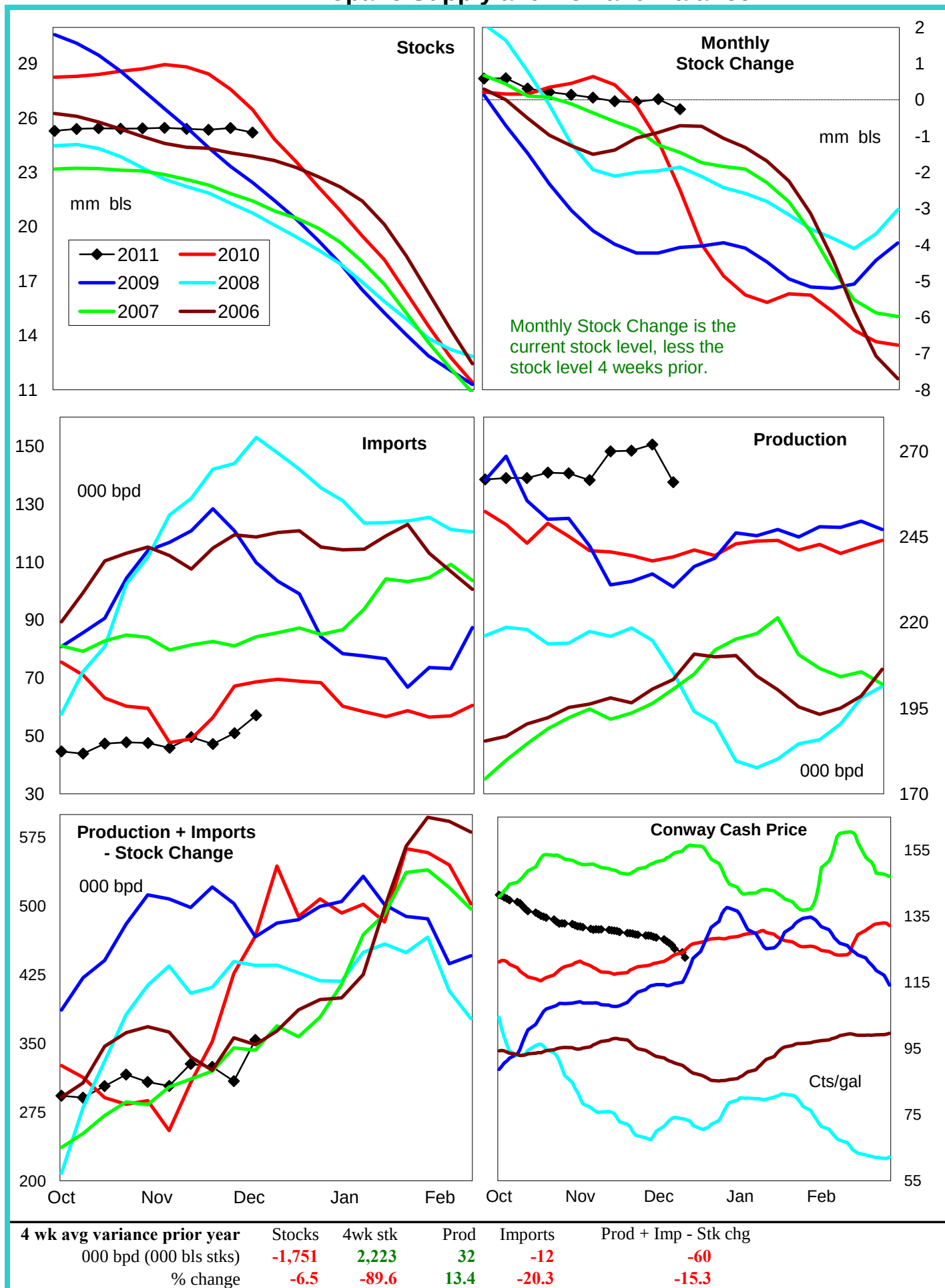
U. S. Propane Supply and Demand Balance



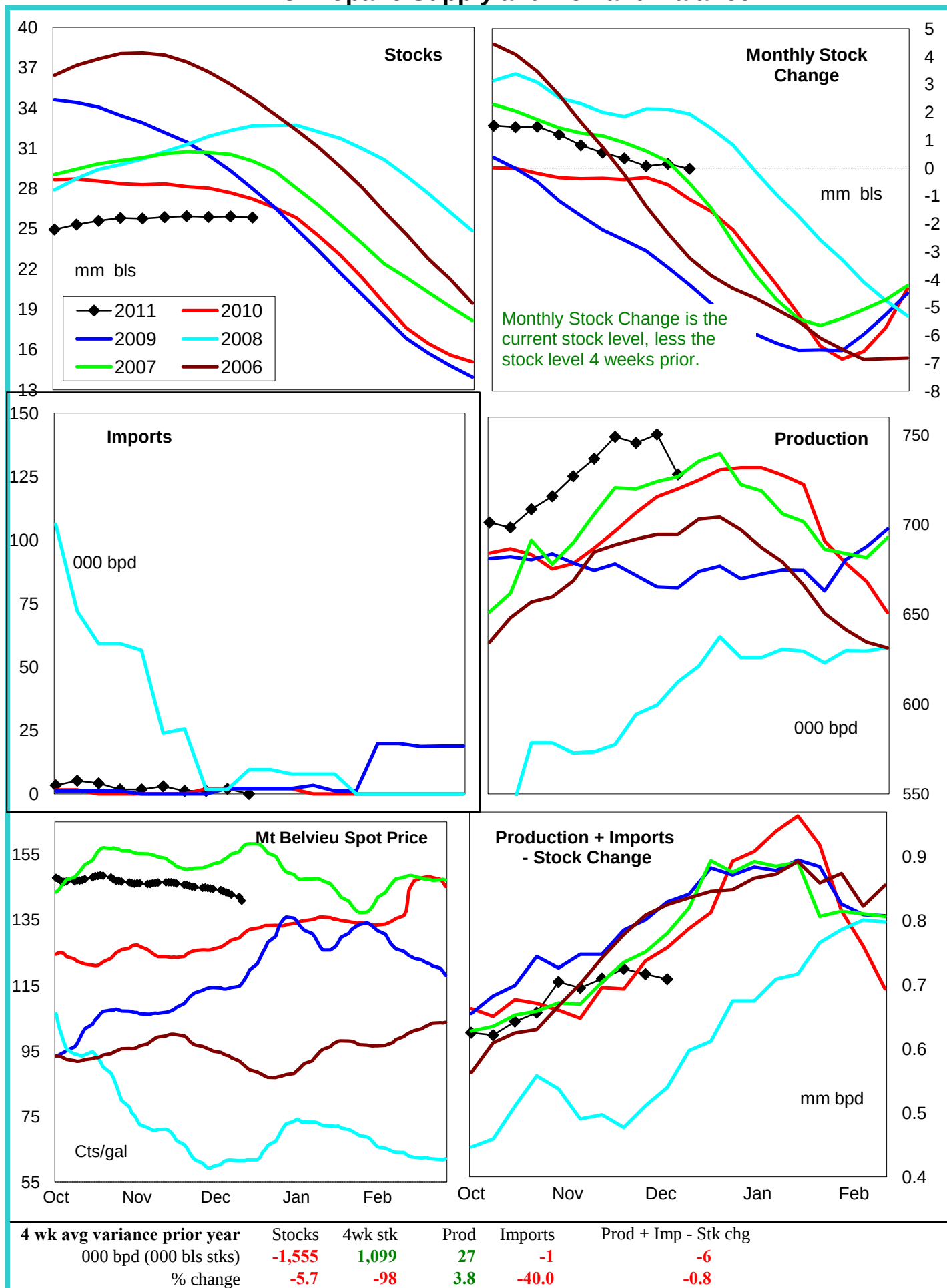
PADD 1 Propane Supply and Demand Balance



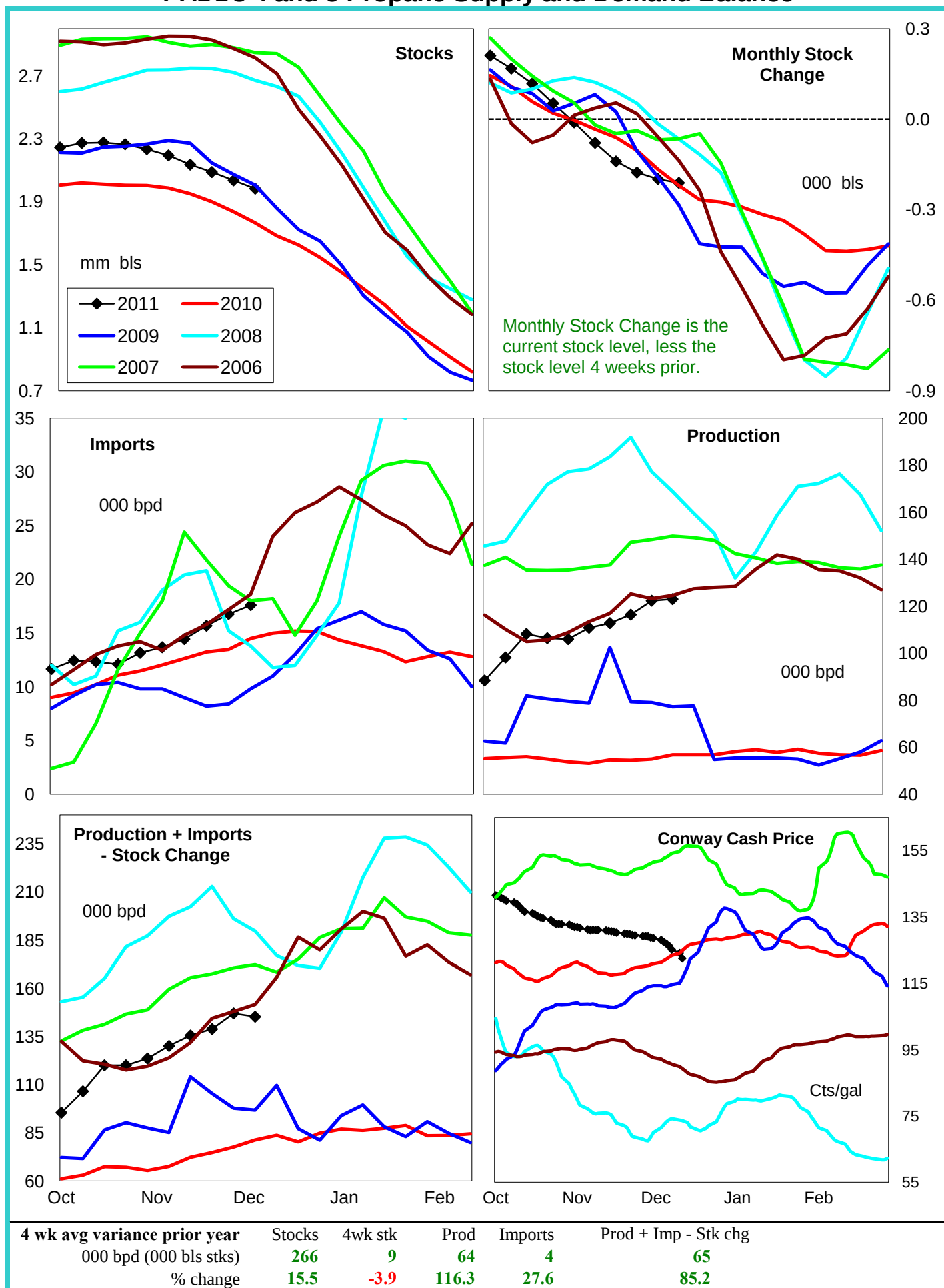
PADD 2 Propane Supply and Demand Balance



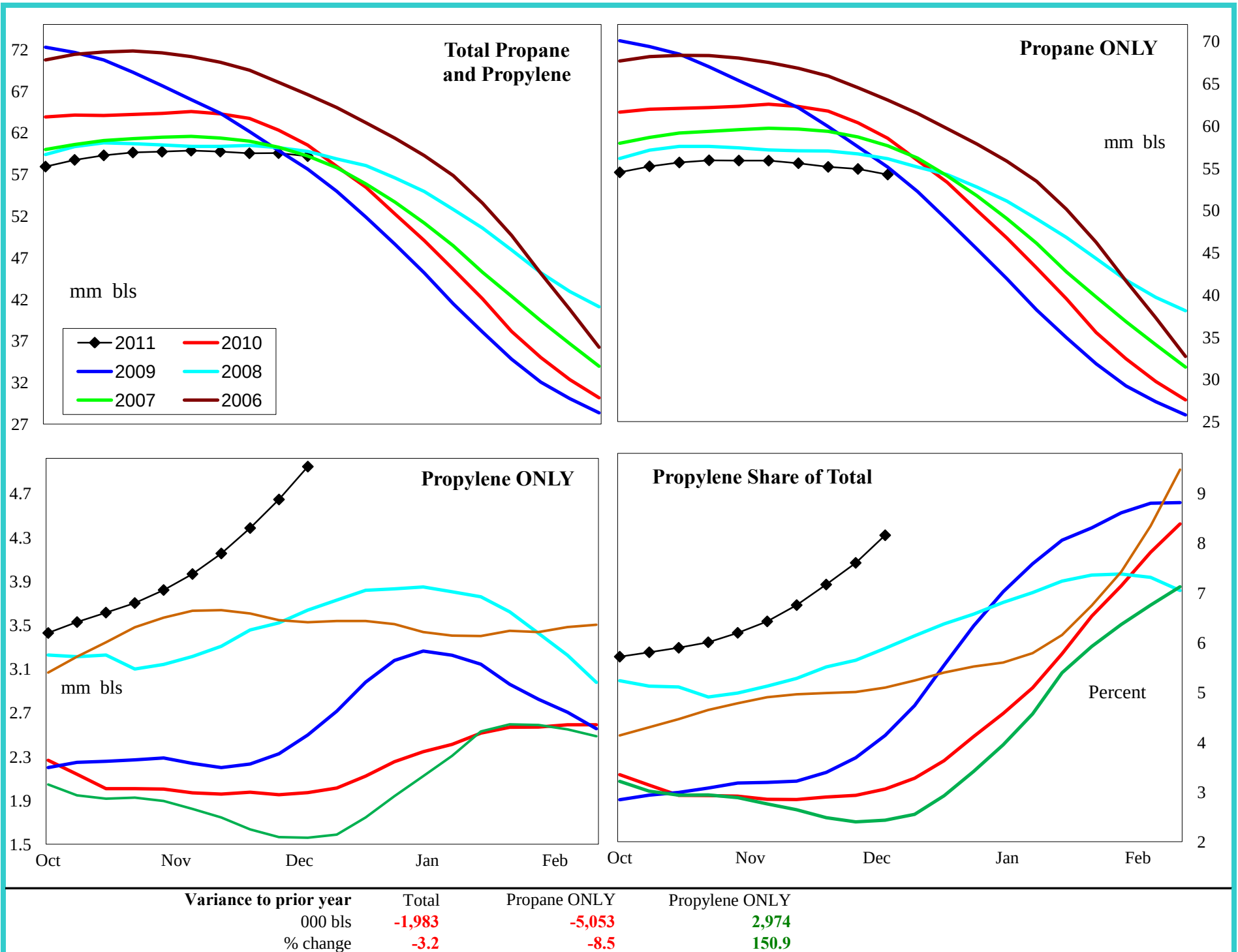
PADD 3 Propane Supply and Demand Balance



PADDs 4 and 5 Propane Supply and Demand Balance



U. S. Propane and Propylene Stocks



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

