



WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

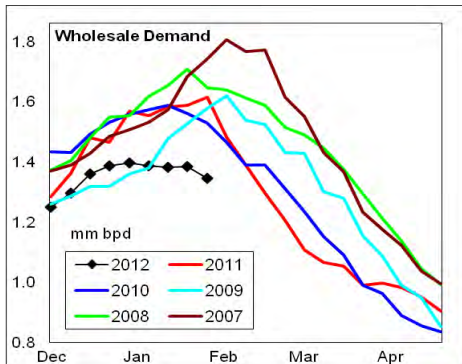
A Fundamental Petroleum Trends Weekly Report

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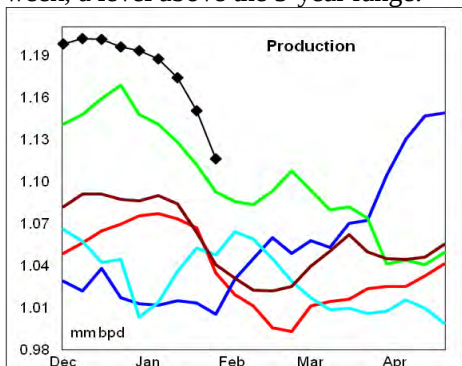
Summary¹:



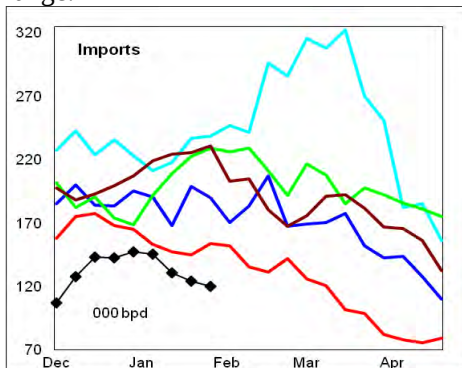
Wholesale demand fell -149,000 bpd on the week, reflecting heating degree days -27% below normal last week.



Production declined -43,000 bpd last week, a level above the 5-year range.



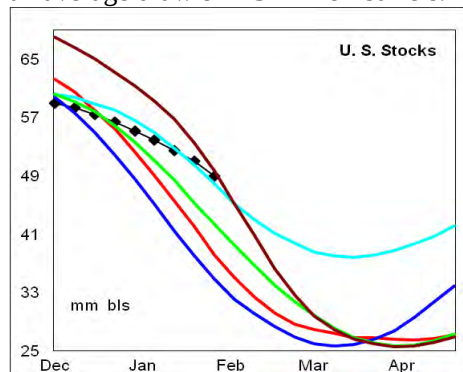
Imports decreased -5,000 bpd on the week, with the level; below the historic range.



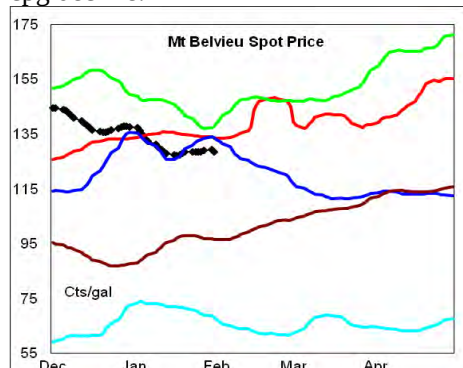
Combined production and imports during the latest 4-wk period were +61,000 bpd above a year ago. Production was +96,000 bpd above last year (+9%), while imports were -35,000 bpd lower. The latest 4-wk average demand was -242,000 bpd below last

year; driven by low heating degree days in major markets.

Stocks decreased -1.8 million barrels last week. The 4-wk stock change was a draw of -6.2 million barrels, compared to an average draw of -13 million barrels.



Price and Spreads Mt Belvieu spot prices increased -2 cpg for the week ending 31Jan12 while Conway saw a similar -2 cpg decline.



The Conway – Mt Belvieu price spread traded sideways last week, ending the week at -27 cpg discount.

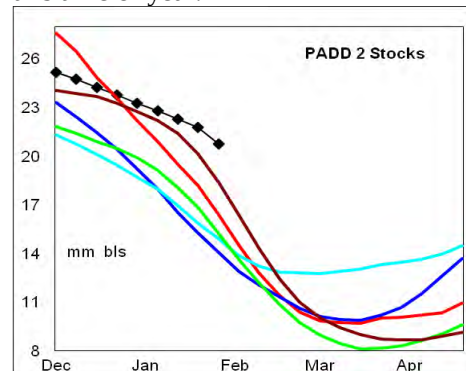
The propane to natural gas price spread trended higher last week on continued weak natural gas prices. The spread reached new record highs in favor of propane.

The propane / crude oil price spread trended modestly higher for the week, ending at a level slightly above earlier record lows.

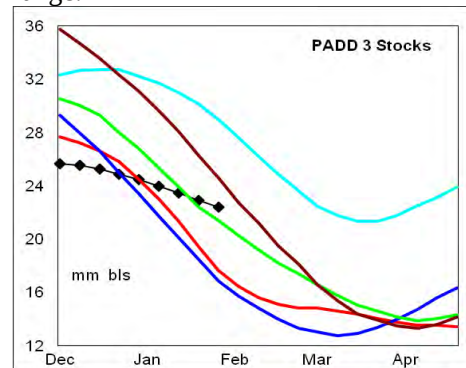
PADD 1 stocks were decreased -0.4 million barrels last week. Stock levels ended the week near 5-year highs. Supply for the latest 4-wk period was -34,000 bpd below last year on record low imports.

PADD 2 stocks decreased -1.1 million barrels on the week. Supply declined -

8,000 bpd on the week; with the latest 4-wk average +33,000 bpd above a year ago. Stock levels ended the week +29% above a year ago, and a record high for this time of year.



PADD 3 stocks decreased -0.1 million barrels on the week, the smallest 4-wk stock draw of the last 5-years. Stock levels ended the week above the mid range.



PADDs 4 & 5 stocks decreased -0.1 million barrels. The stock level was +29% above a year ago.

Emerging Trends Heating degree days are forecast to be -30% below normal this week, then return to near normal in the eastern 1/2 of the country for the next 10-days. On-balance, demand should remain well below the 5-year range, leading to further gains in year-on-year stock levels.

Expect price weakness through the end of the heating season, offset by pre buying for the next season on relatively low price levels.

¹ Source is latest EIA Weekly Statistics



PROPANE: Graph Link and Weekly Summary

February 1, 2012

Fundamental Trends for the Week Ending:

Friday, January 27, 2012

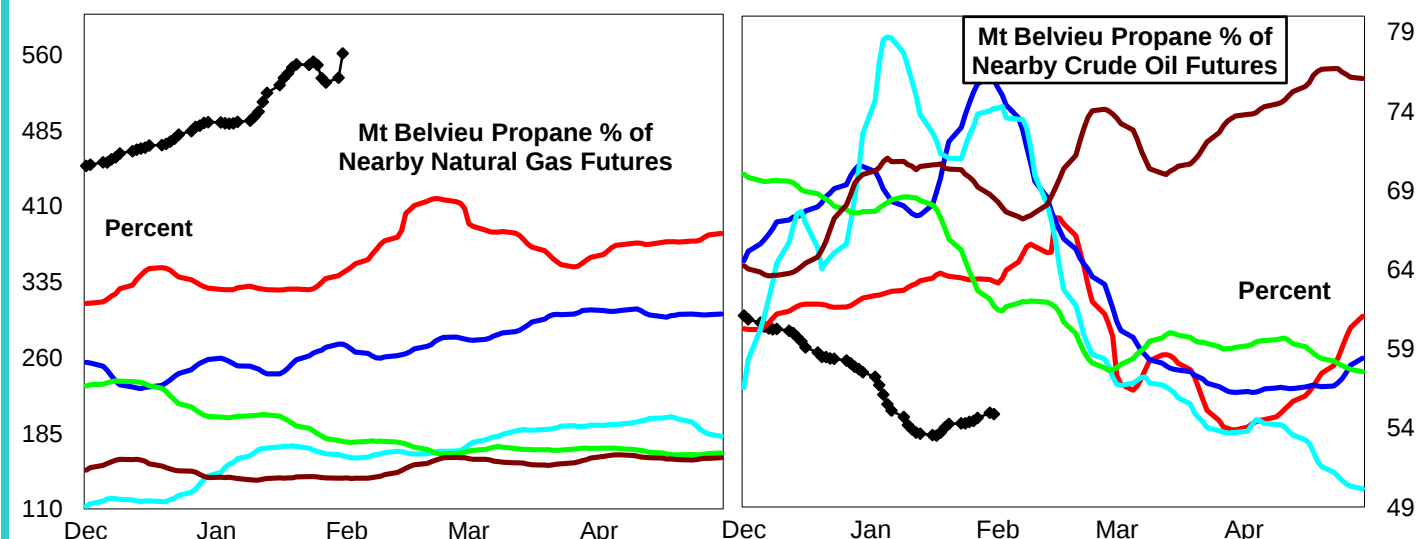
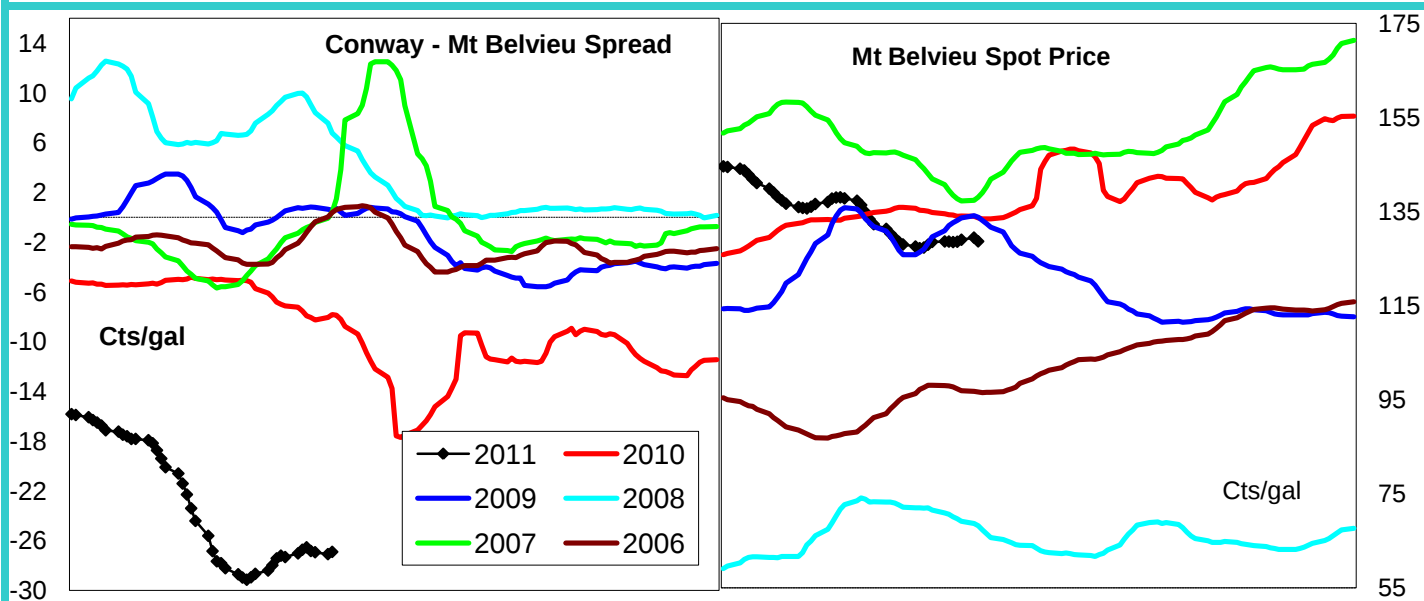
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD				U.S. Total	PADD			
		1	2	3	4&5		1	2	3	4&5
Stocks	48,989	4,404	20,748	22,374	1,463	-1,763	-398	-1,085	-137	-143
Propylene Stocks	5,011					-245				
Production	1,116	62	261	677	116	-43	3	-6	-46	6
Imports	120	32	70	0	17	-5	-1	-2	0	-2
Whsle Demand	1,386					-149				

Price Trends for the Week Ending:

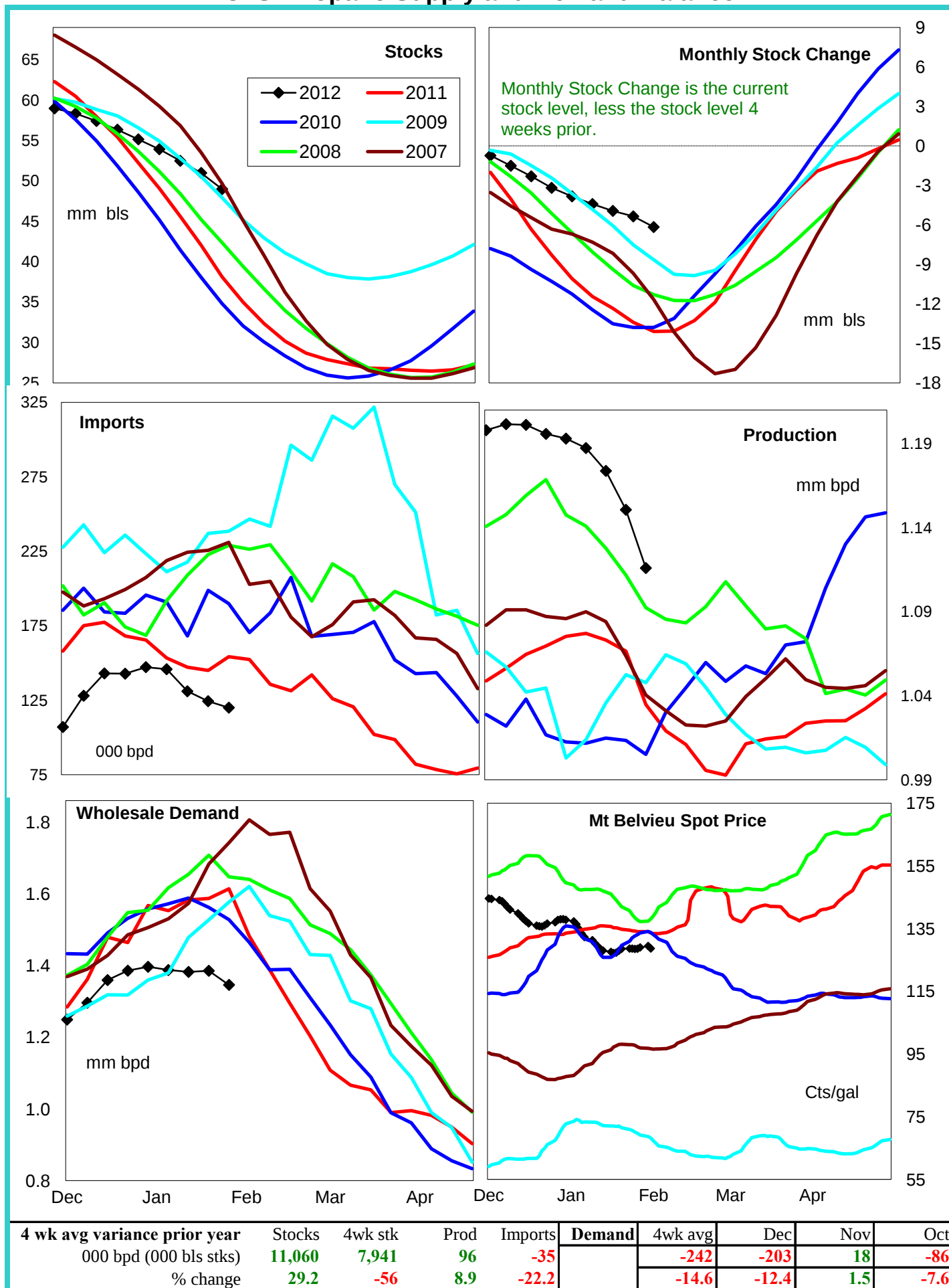
Tuesday, January 31, 2012

Cents/gal	Average for week ending:				Change from:			% change from:		
	1/31/12	1/24/12	1/3/12	2/2/11	1/24/12	1/3/12	2/2/11	1/24/12	1/3/12	2/2/11
Mont Belvieu Spot	129.0	128.2	139.9	133.7	0.78	-11.66	6.22	0.6	-8.3	4.7
Conway Spot	102.1	101.9	114.8	126.2	0.20	-12.93	-11.40	0.2	-11.3	-9.0

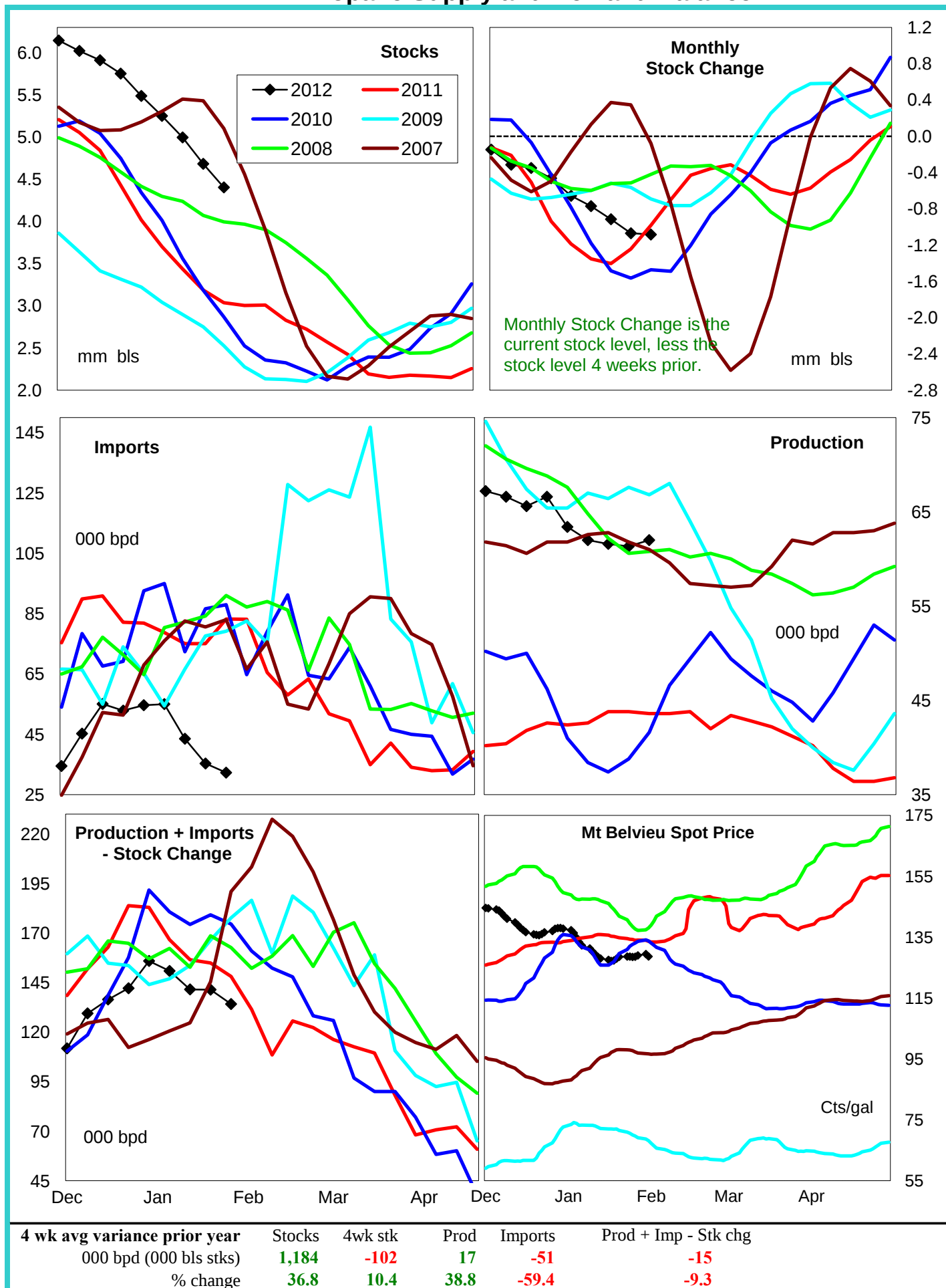
Key Price Spreads and Differentials



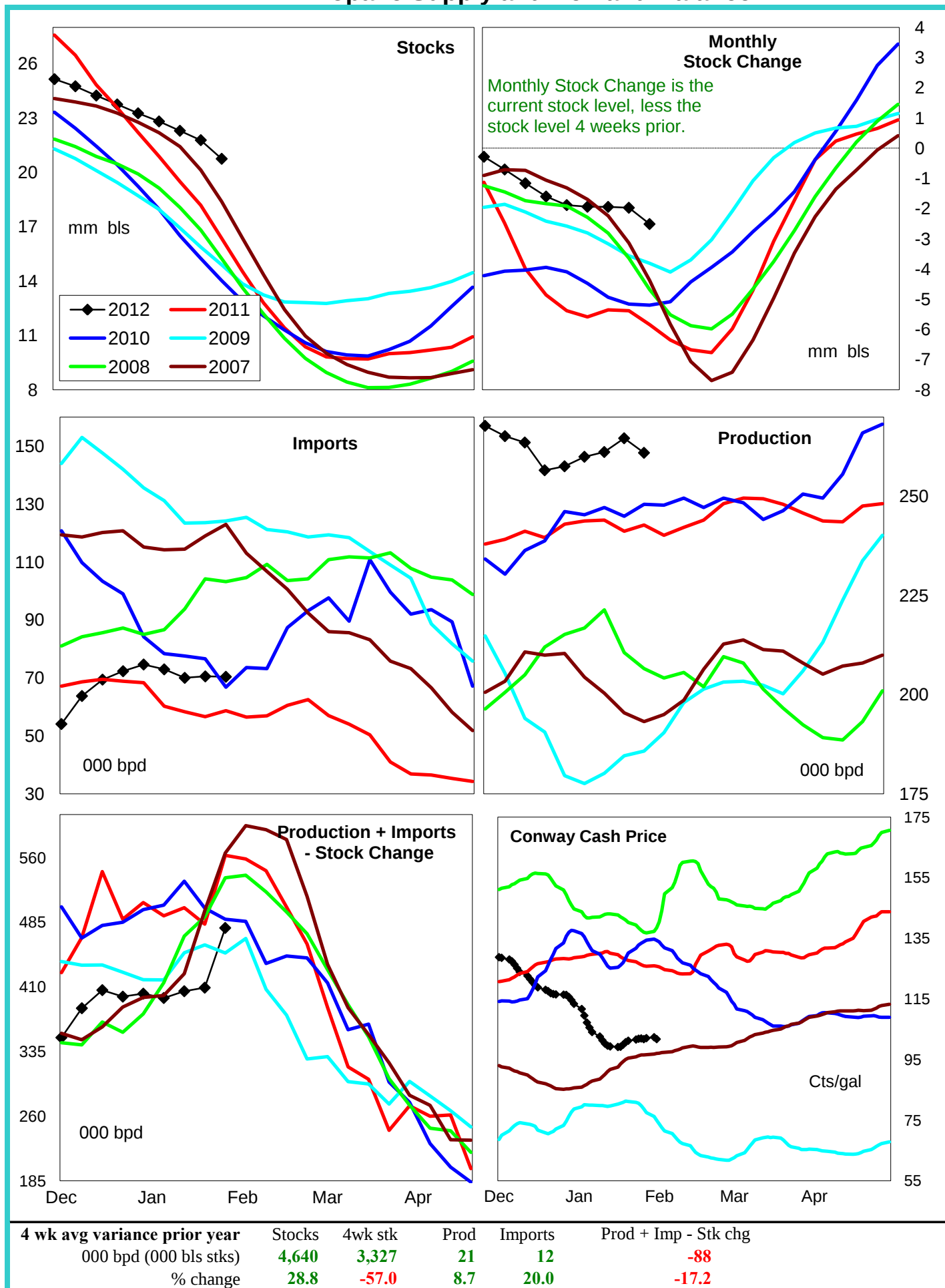
U. S. Propane Supply and Demand Balance



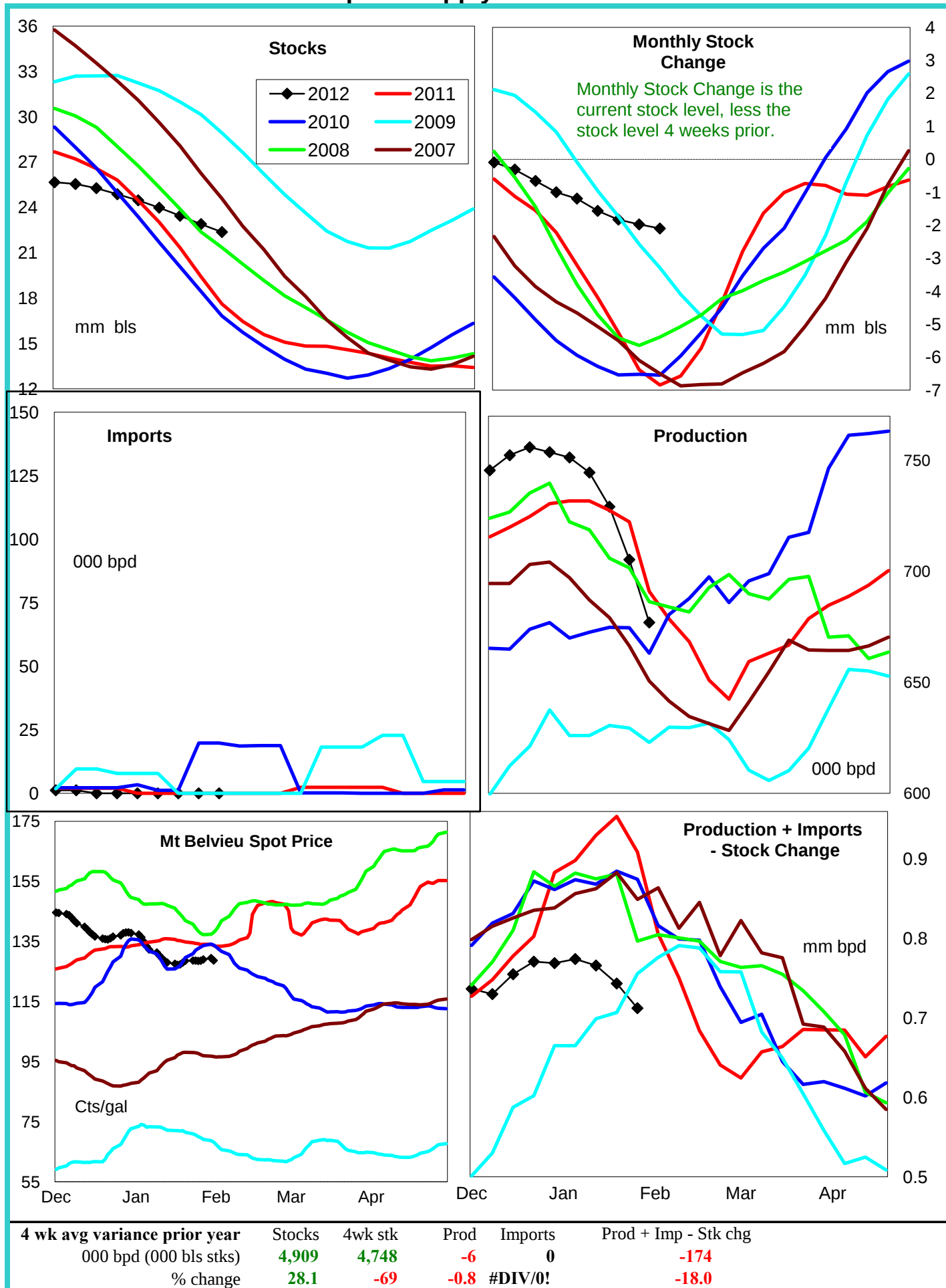
PADD 1 Propane Supply and Demand Balance



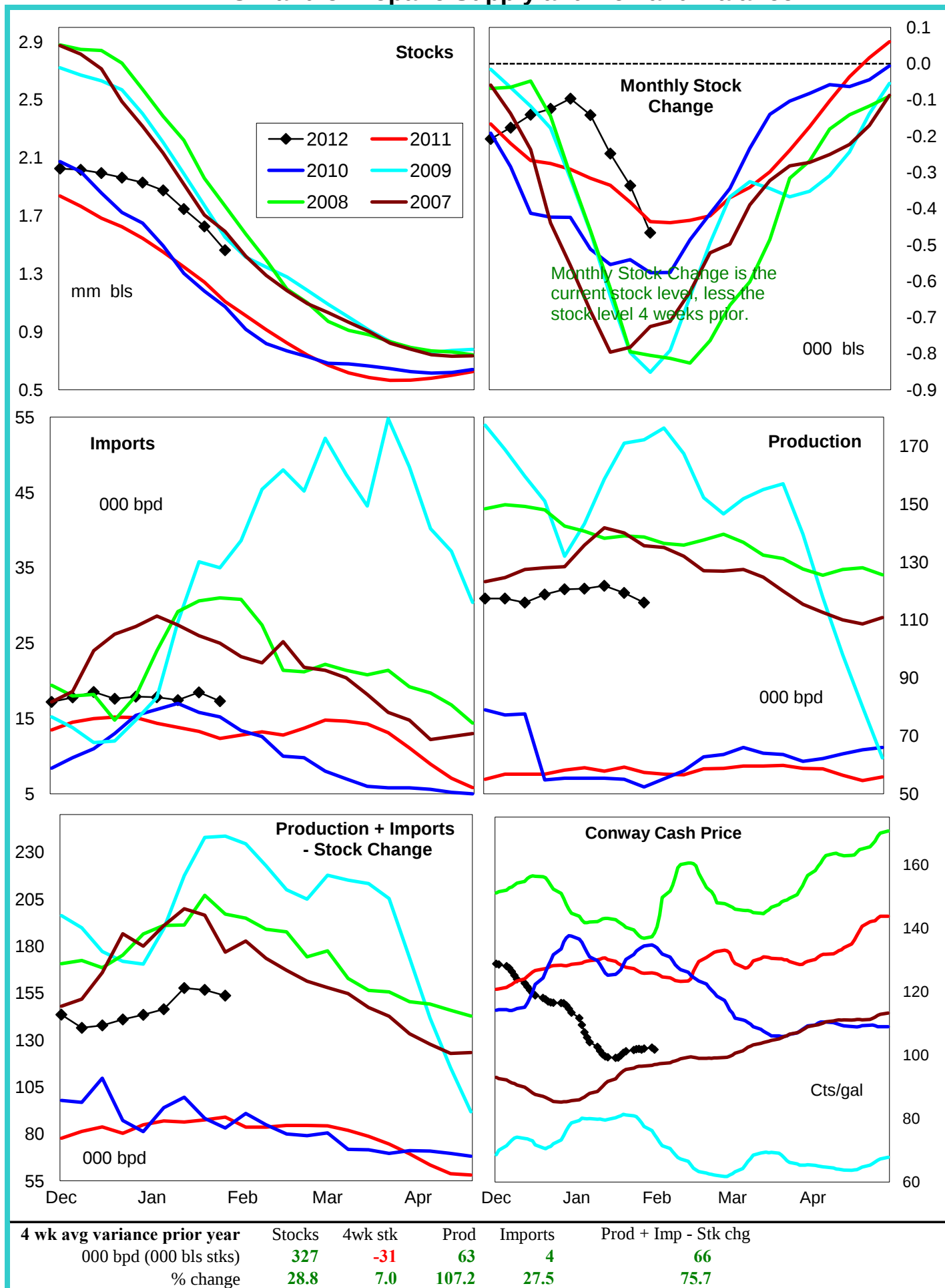
PADD 2 Propane Supply and Demand Balance



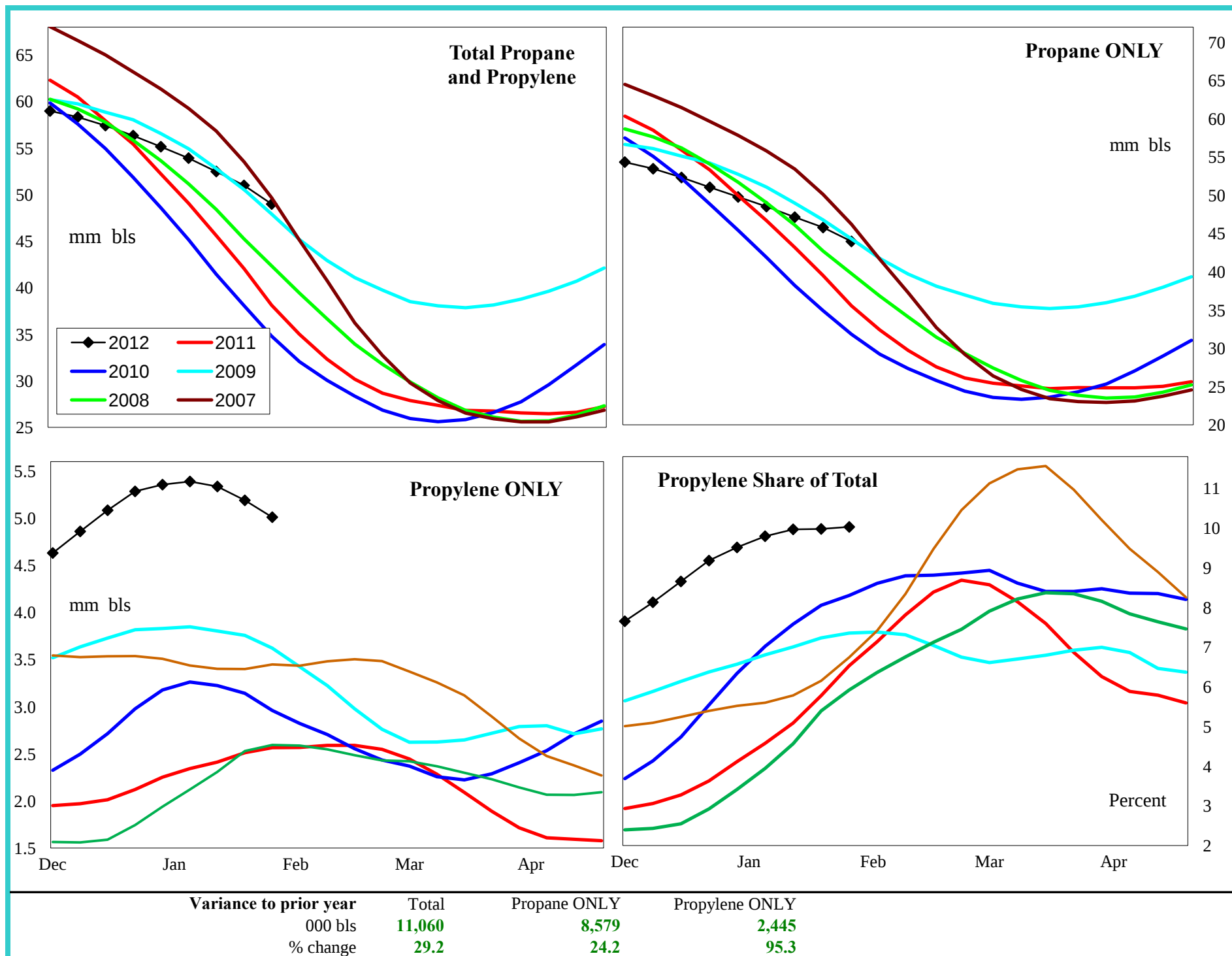
PADD 3 Propane Supply and Demand Balance



PADDs 4 and 5 Propane Supply and Demand Balance



U. S. Propane and Propylene Stocks



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

