



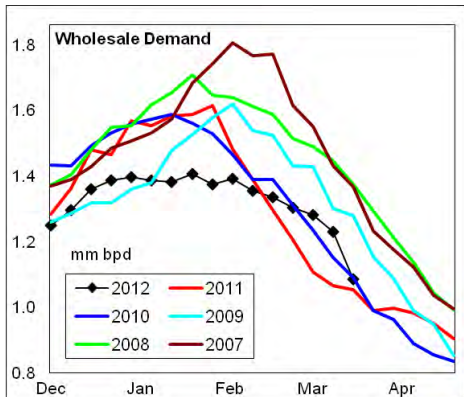
WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

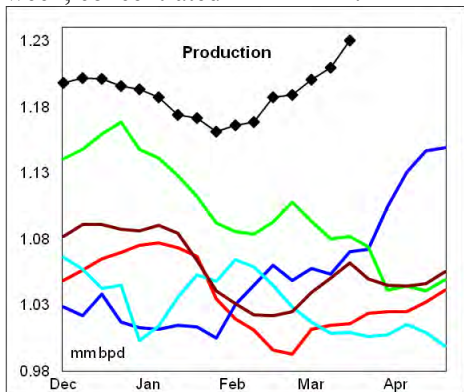
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com

Summary¹:

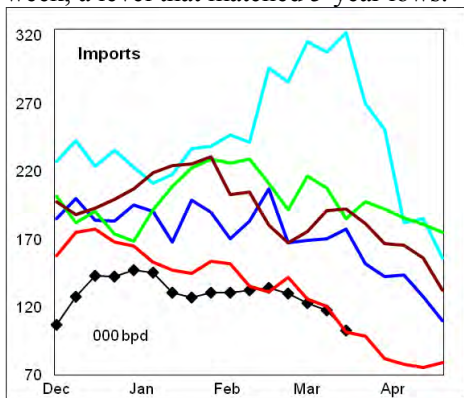
Wholesale demand declined -270,000 bpd on the week, extending the seasonal downtrend.



Production increased +40,000 bpd last week, concentrated in PADD 2.



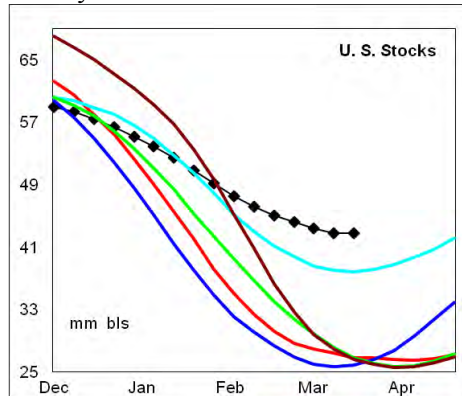
Imports decreased -20,000 bpd on the week, a level that matched 5-year lows.



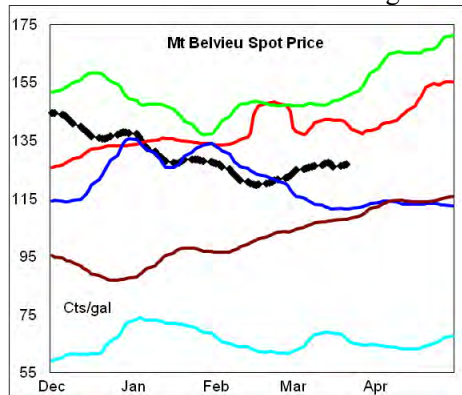
Combined production and imports during the latest 4-wk period were +176,000 bpd above a year ago. Production was +186,000 bpd above last year (+18%), while imports were -10,000 bpd lower. The latest 4-wk

average demand was +156,000 bpd above last year, driven by exports from the gulf and restocking private inventory.

Stocks increased +0.5 million barrels last week. The 4-wk stock change was a draw of -2.5 million barrels, matching the lowest draw of the last 5-years.



Price and Spreads Mt Belvieu spot prices increased +1.5 cpg on the week ending 21Mar12, while Conway declined -2 cpg during the same week. Price levels remain above the historic mid range.



The Conway - Mt Belvieu price spread trended extended the recent downtrend, with the spread falling to -20 cpg.

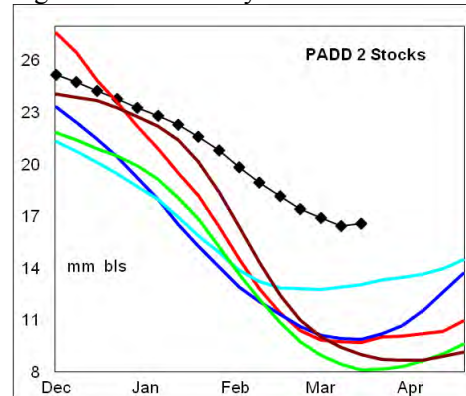
The propane to natural gas price spread trended lower on the week, although the level remains near all time record highs due to extremely weak gas prices.

The propane / crude oil price spread traded sideways last week, and remains slightly above recent all time lows.

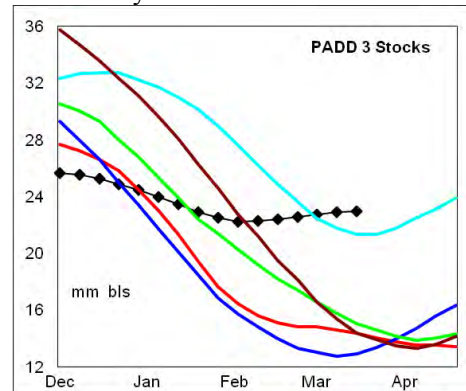
PADD 1 stocks decreased -0.3 million barrels on the week. Stock levels fell to a level below the mid range. Supply for the latest 4-wk period was +35,000 bpd

above last year, on record production.

PADD 2 stocks increased +0.6 million barrels on the week. Supply jumped +53,000 bpd on higher production. The latest 4-wk average supply was -8,000 bpd below a year ago, driven by lower imports. Stock levels ended the week +72% above a year ago, and a record high for this time of year.



PADD 3 stocks increased +0.3 million barrels on the week, with the 4-wk stock change a build of +0.5 million barrels compared to an average draw of -1 million barrels for the last 2-years. Stock levels ended the week +57% above last year.



PADDs 4 & 5 stocks decreased -0.1 million barrels last week. The stock level was +64% above a year ago.

Emerging Trends Carryout stocks are +16 million barrels above a year ago. Such high stock levels will limit seasonal stock building during the next 2-quarters. Production was nearly +200,000 bpd above last year with further increases likely as natural gas plants expand capacity. Expect price weakness over the next 2-quarters.

¹ Source is latest EIA Weekly Statistics



PROPANE: Graph Link and Weekly Summary

March 22, 2012

Fundamental Trends for the Week Ending:

Friday, March 16, 2012

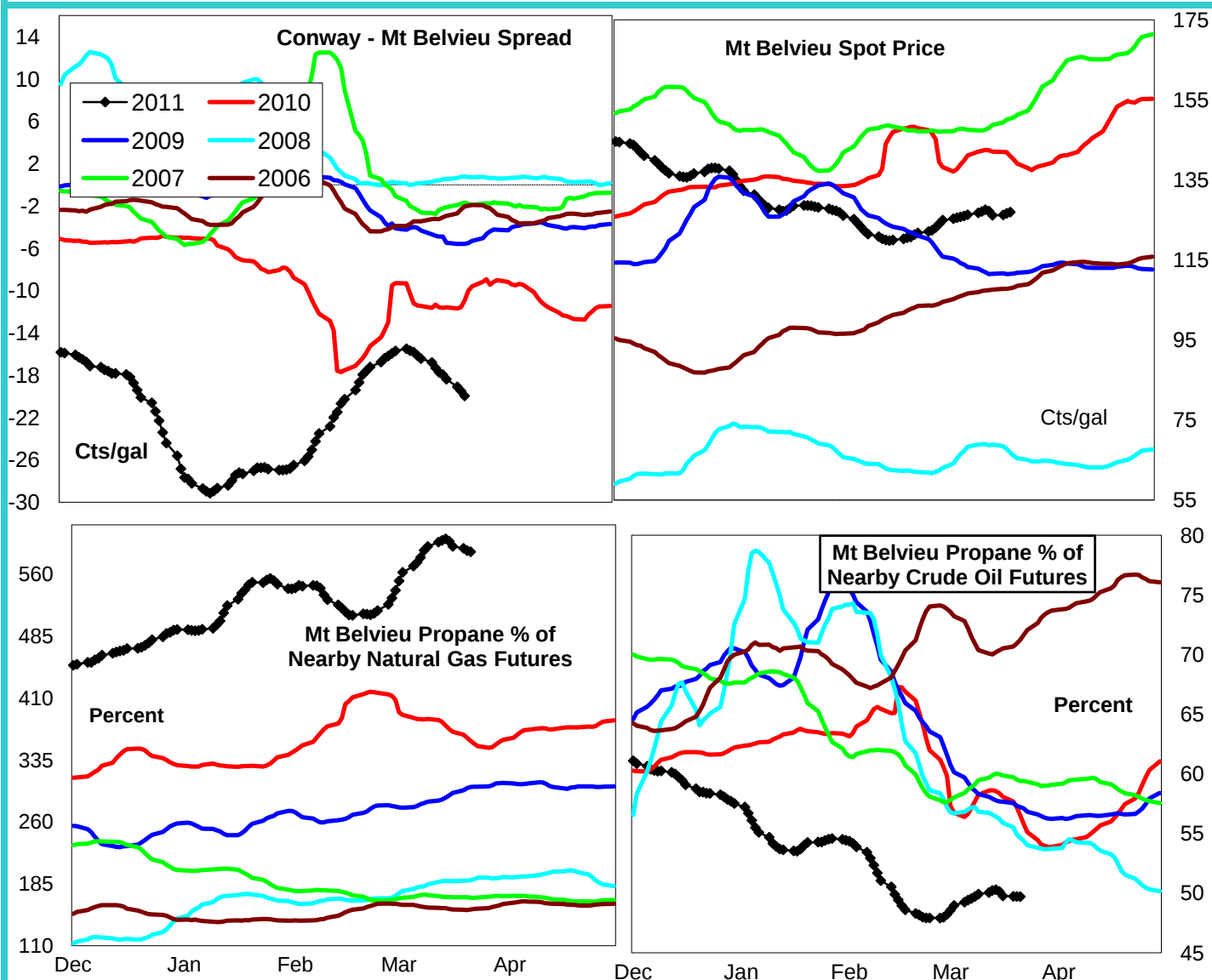
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD				U.S. Total	PADD			
		1	2	3	4&5		1	2	3	4&5
Stocks	42,730	2,323	16,552	22,973	882	543	-290	612	308	-87
Propylene Stocks	4,501					175				
Production	1,230	86	283	730	131	40	-6	61	-12	-3
Imports	103	41	44	1	16	-20	-4	-8	1	-9
Whsle Demand	1,126					-270				

Price Trends for the Week Ending:

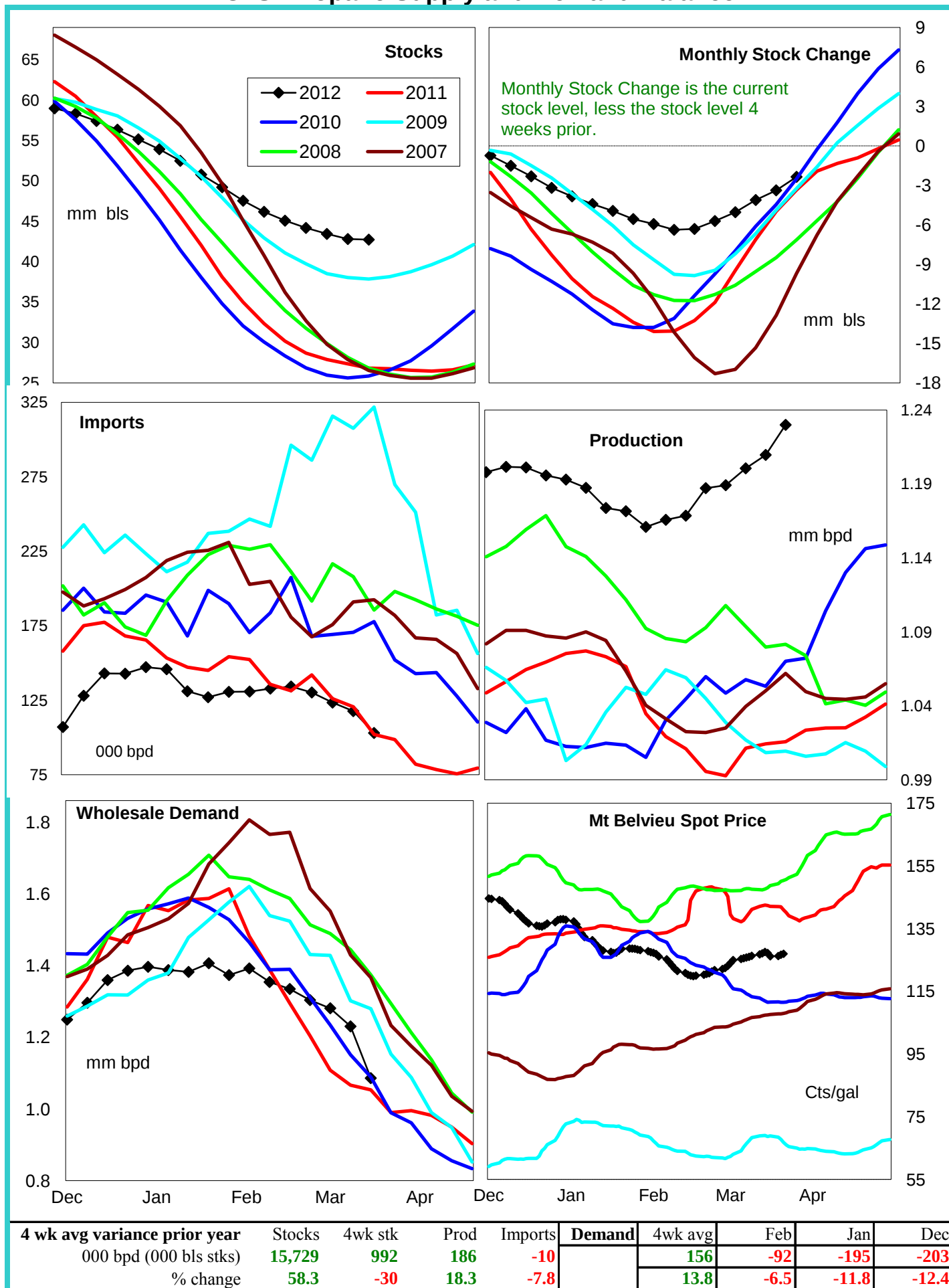
Wednesday, March 21, 2012

Cents/gal	Average for week ending:				Change from:			% change from:		
	3/21/12	3/14/12	2/22/12	3/24/11	3/14/12	2/22/12	3/24/11	3/14/12	2/22/12	3/24/11
Mont Belvieu Spot	126.2	129.1	119.0	144.3	-2.81	10.10	-25.33	-2.2	8.5	-17.6
Conway Spot	107.2	112.3	99.8	134.3	-5.12	12.47	-34.50	-4.6	12.5	-25.7

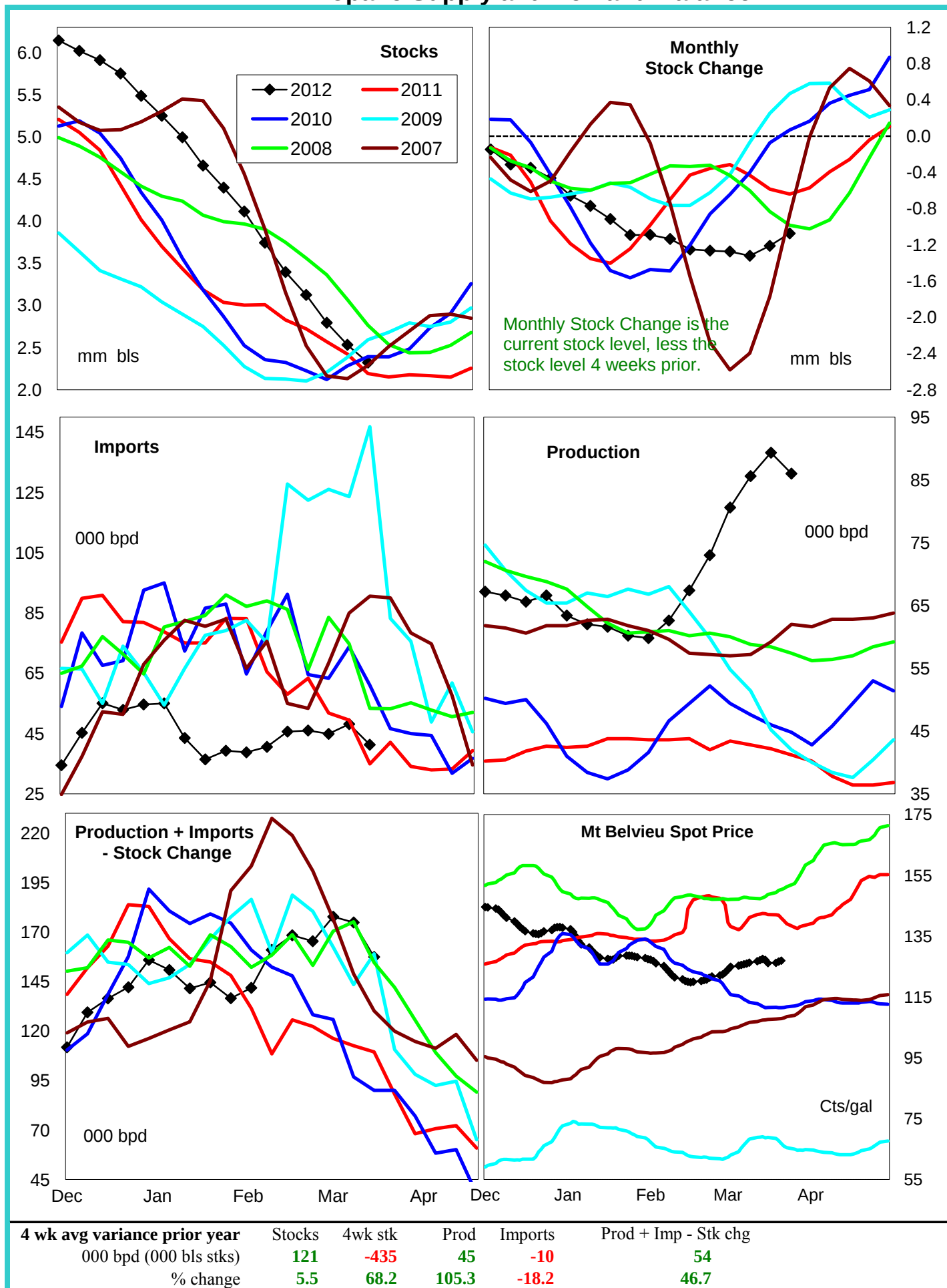
Key Price Spreads and Differentials



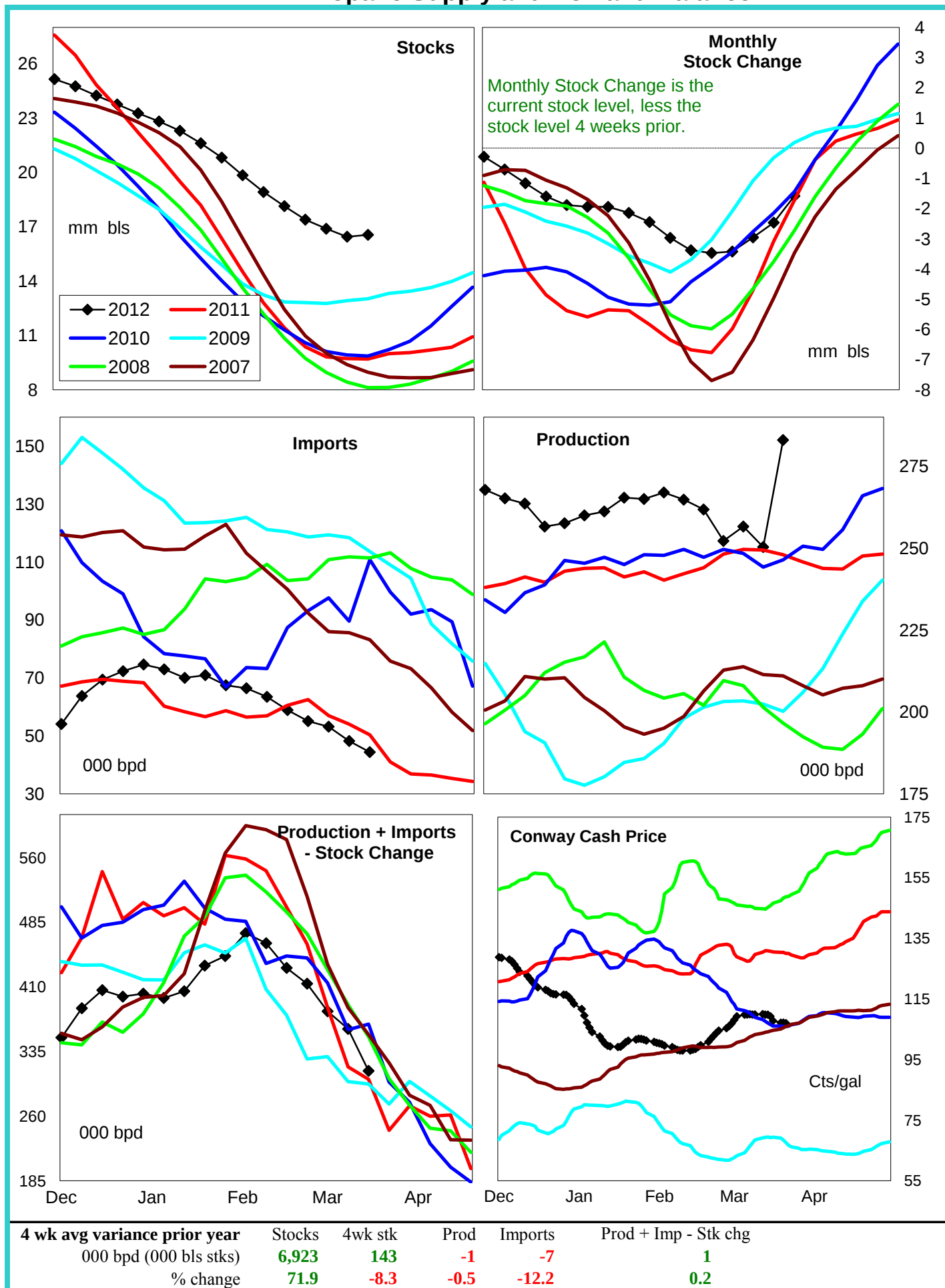
U. S. Propane Supply and Demand Balance



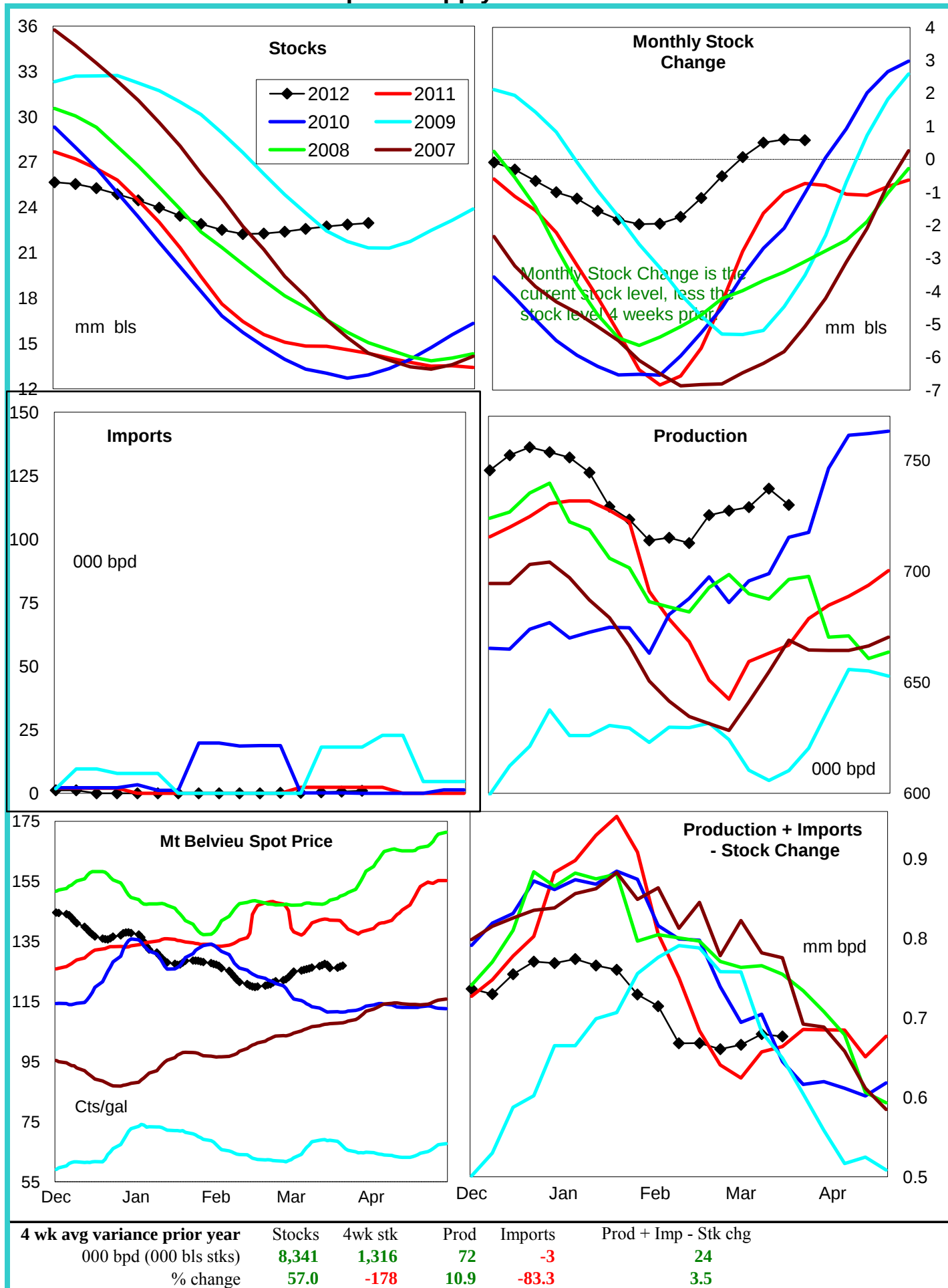
PADD 1 Propane Supply and Demand Balance



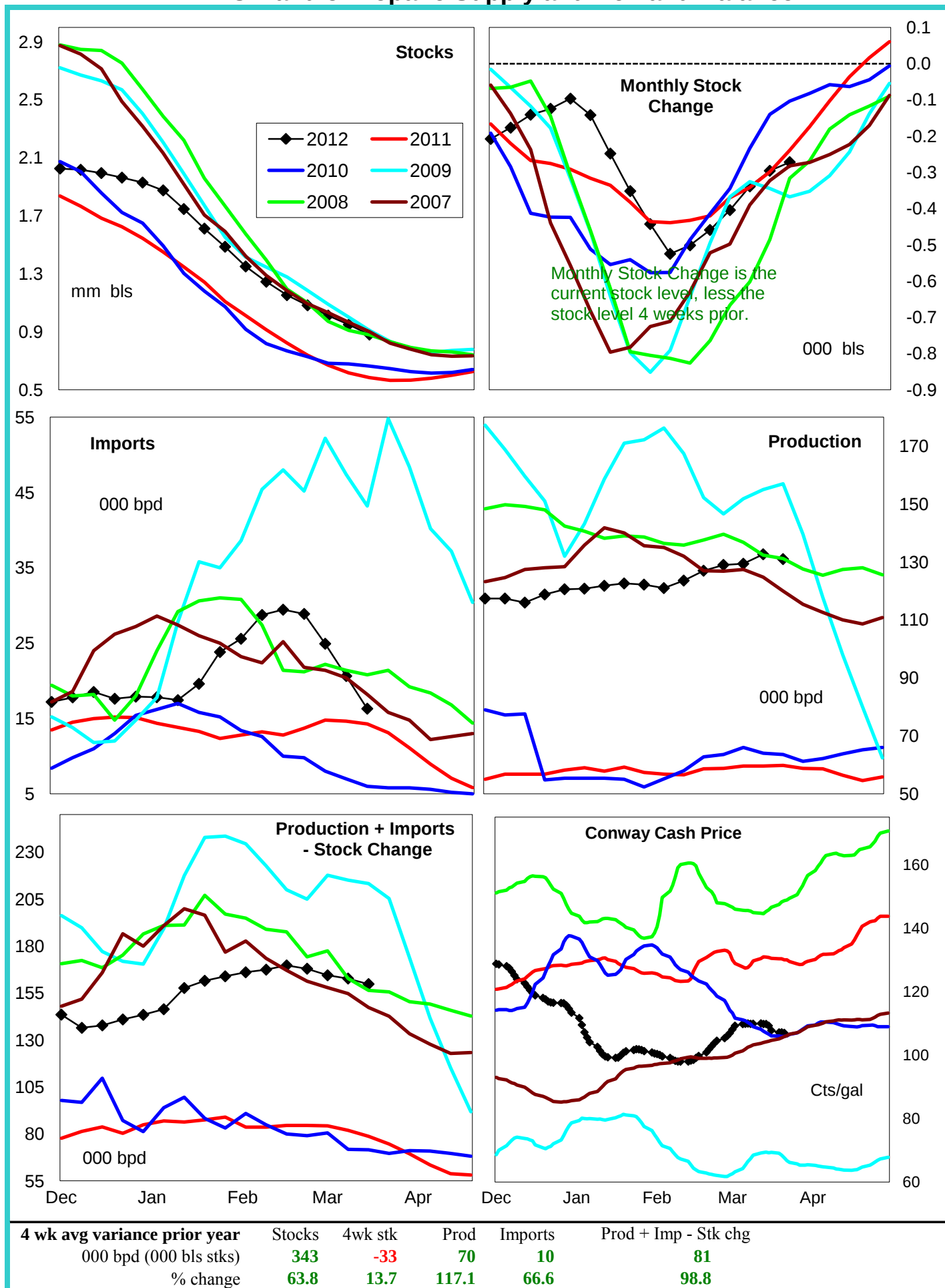
PADD 2 Propane Supply and Demand Balance



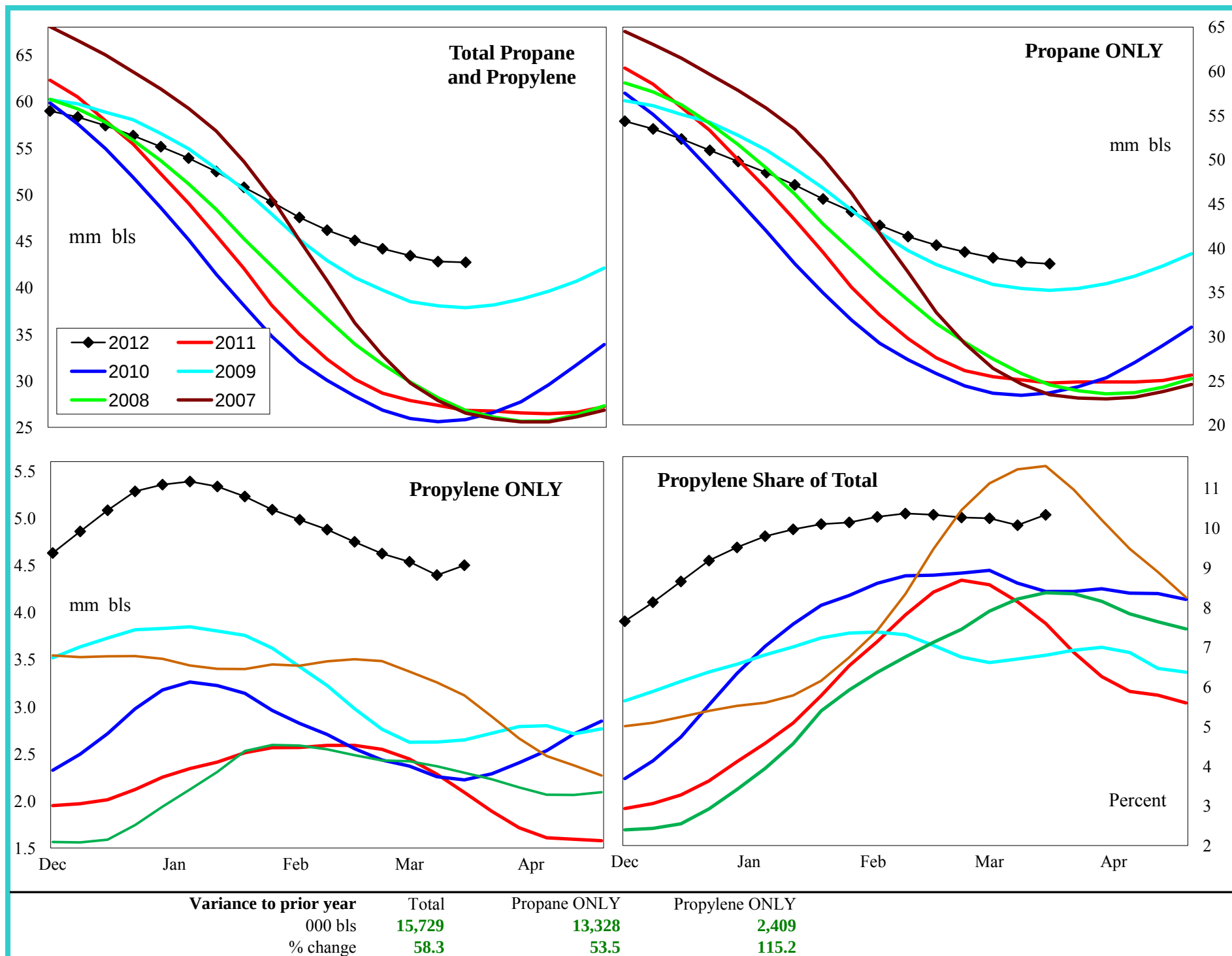
PADD 3 Propane Supply and Demand Balance



PADDs 4 and 5 Propane Supply and Demand Balance



U. S. Propane and Propylene Stocks



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

