WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

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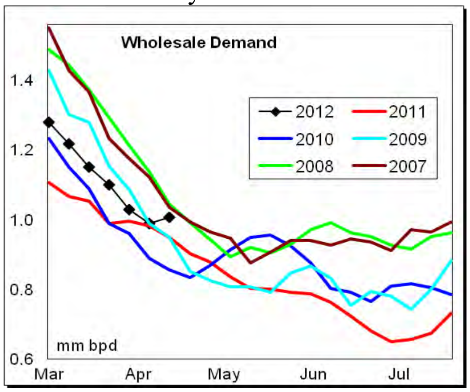
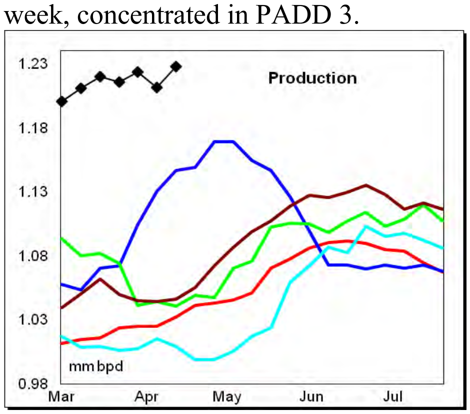
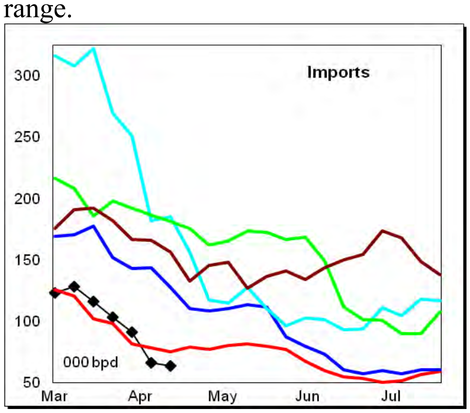
Summary[1]:
Wholesale demand increased +17,000 bpd on the week, to a level slightly above the last 3-years.



Production increased +38,000 bpd last week, concentrated in PADD 3.

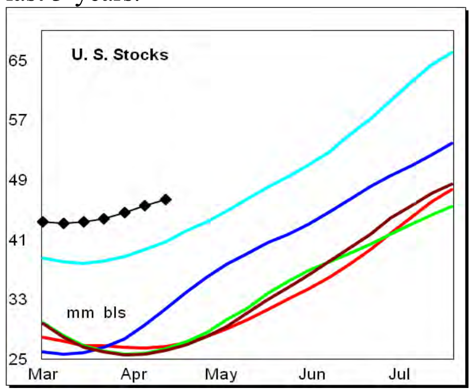


Imports increased +1,000 bpd on the week, still at a level below the 5-year range.

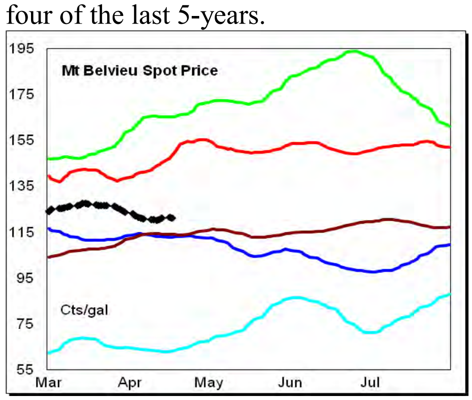


Combined production and imports during the latest 4-wk period were +209,000 bpd above a year ago. Production was +202,000 bpd above last year (+20%), while imports were +7,000 bpd higher. The latest 4-wk average demand was +31,000 bpd above last year, driven by downstream supply chain pre-buys.

Stocks increased +0.9 million barrels last week, and are now +76% above a year ago. The 4-wk stock change was a build of +2.8 million barrels, comparable to the average of the last 3-years.



Price and Spreads Mt Belvieu spot prices increased +2.5 cpg on the week ending 17Apr12, while Conway increased +1.5 cpg during the same week. Conway price levels have dropped well below four of the last 5-years.



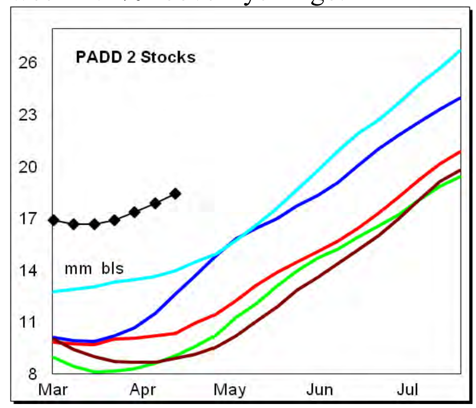
The Conway – Mt Belvieu price spread extended the recent downtrend, with the spread falling to -29 cpg.

The propane to natural gas price spread trended higher on the week, reaching a new record high; as a result of natural gas prices falling to new lows.

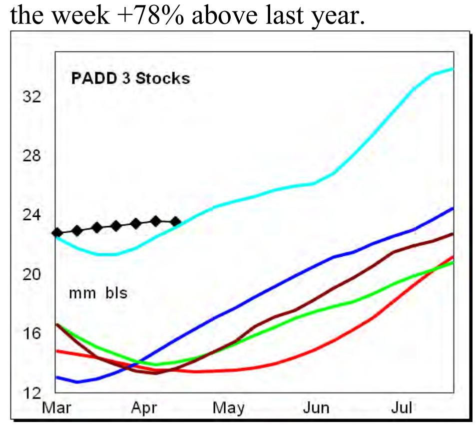
The propane / crude oil price spread traded sideways last week, and remains near all time lows.

PADD 1 stocks increased +0.3 million barrels last week. Supply increased +5,000 bpd due to higher imports. Stock levels ended the week above the 5-year range. Supply for the latest 4-wk period was +46,000 bpd above last year, on record production.

PADD 2 stocks increased +0.5 million barrels on the week. Supply decreased -8,000 bpd on lower imports. The latest 4-wk average supply was +16,000 bpd above a year ago. Stock levels ended the week +84% above a year ago.



PAD 3 stocks were unchanged on the week, with the 4-wk stock change a build of +0.3 million barrels, below the latest 3-year average. Stock levels ended the week +78% above last year.



PADDs 4 & 5 stocks increased +0.1 million barrels on the week. The stock level was +64% above a year ago.

Emerging Trends Conway spot prices made new season lows this week on extreme over supply. Stock builds will be limited because of extremely high carryout stocks. Look for regional price variances based on limits to move product from producing to storage markets. Prices should remain very weak.

[1] Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

April 18, 2012

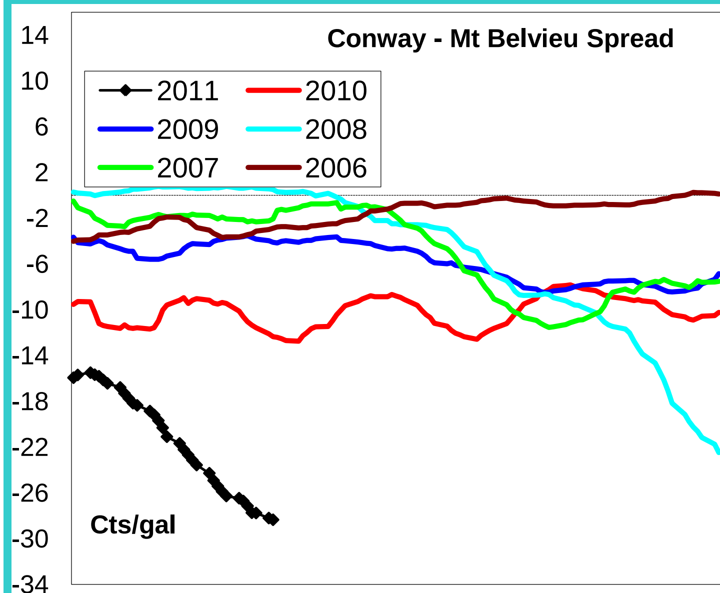
Fundamental Trends for the Week Ending: Friday, April 13, 2012

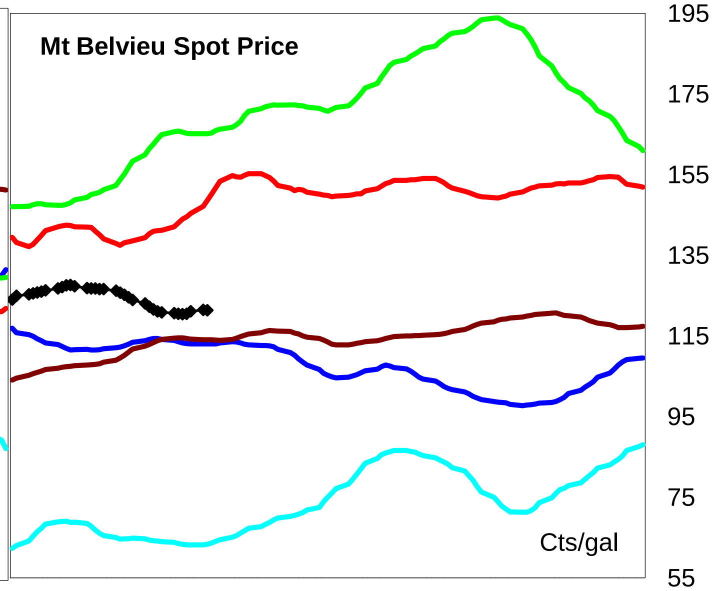
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S.	PADD				U.S.	PADD			
	Total	1	2	3	4&5	Total	1	2	3	4&5
Stocks	46,332	3,357	18,445	23,537	993	890	297	479	25	89
Propylene Stocks	3,692					-303				
Production	1,228	66	259	780	123	38	-4	0	43	-1
Imports	64	25	28	0	12	1	9	-8	0	1
Whsle Demand	1,047					17				

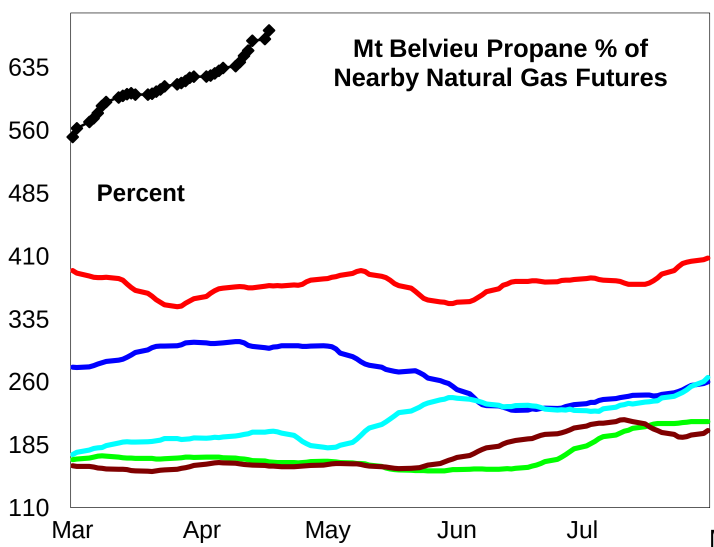
Price Trends for the Week Ending: Tuesday, April 17, 2012

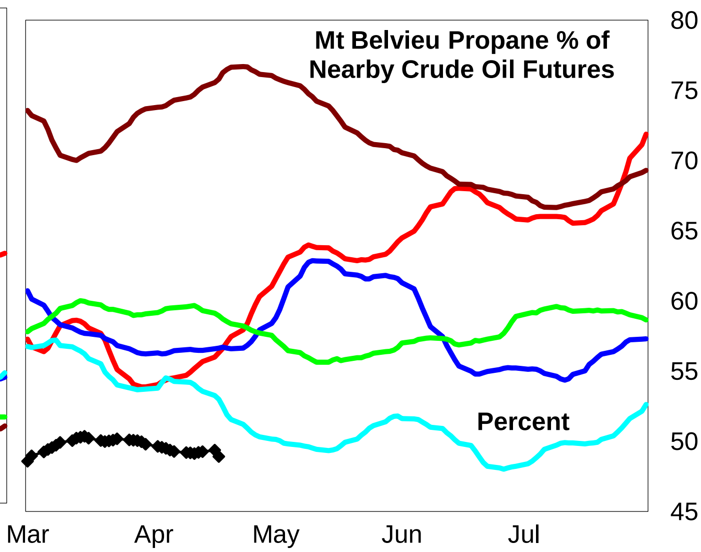
Cents/gal	Average for week ending:				Change from:			% change from:		
	4/17/12	4/10/12	3/20/12	4/20/11	4/10/12	3/20/12	4/20/11	4/10/12	3/20/12	4/20/11
Mont Belvieu Spot	121.1	119.7	126.0	145.2	1.46	-6.31	-19.25	1.2	-5.0	-13.3
Conway Spot	93.4	93.6	107.6	133.2	-0.28	-13.92	-25.62	-0.3	-12.9	-19.2

Key Price Spreads and Differentials









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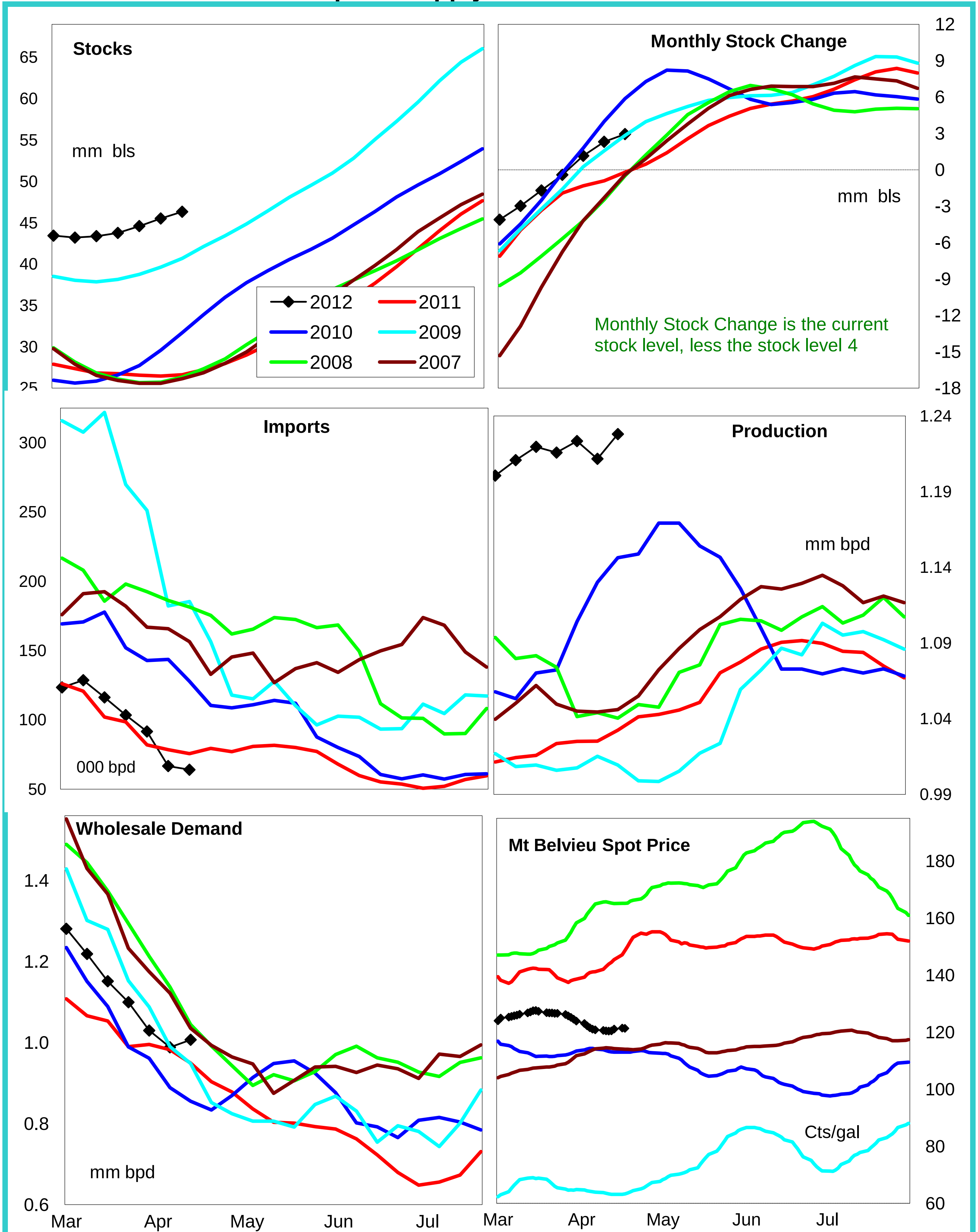
U. S. Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Mar	Feb	Jan
000 bpd (000 bls stks)	19,946	3,150	202	7		31	-22	-1,423	-246
% change	75.6	-1,581	19.8	7.9		3.0	-1.9	-100.0	-14.9

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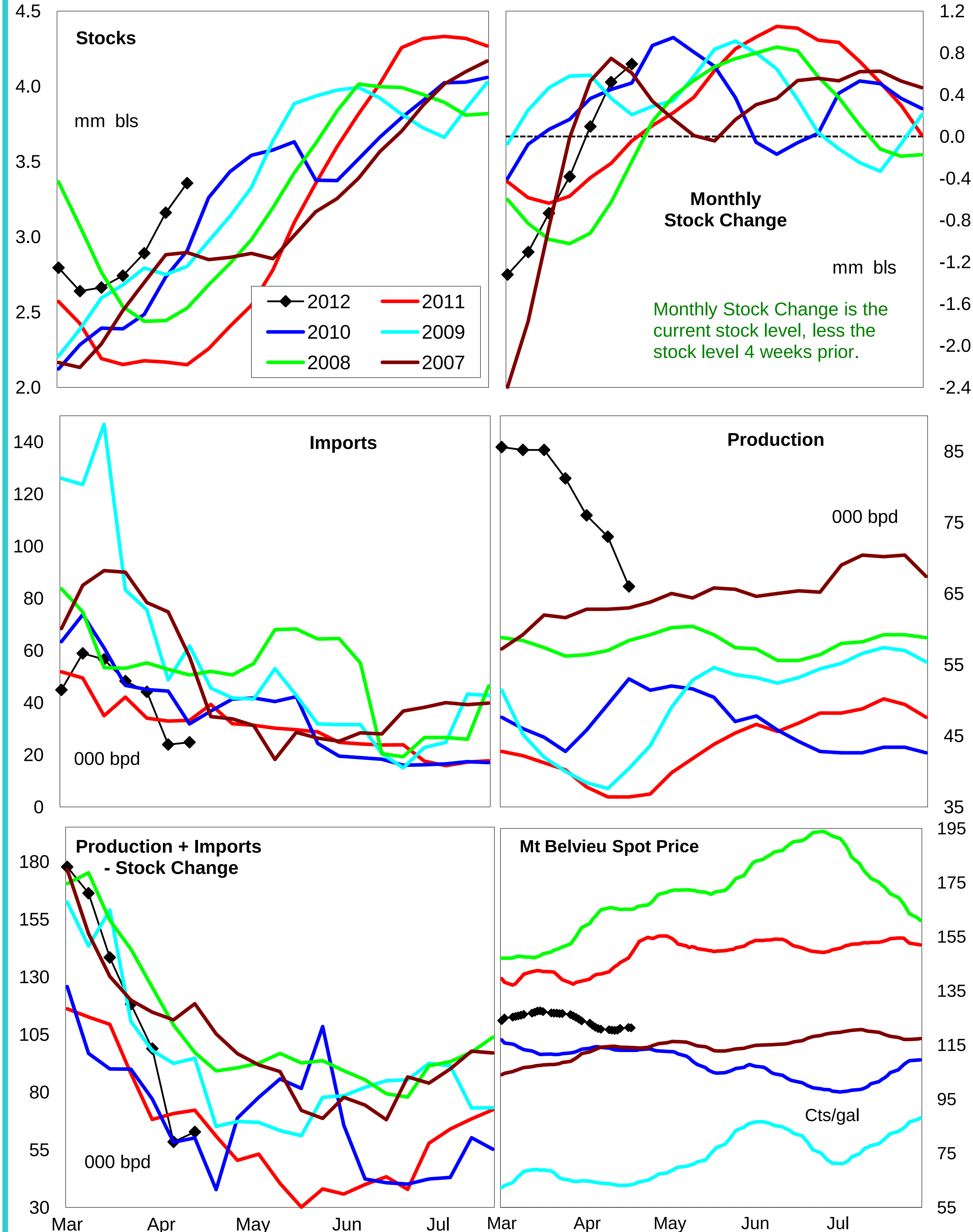
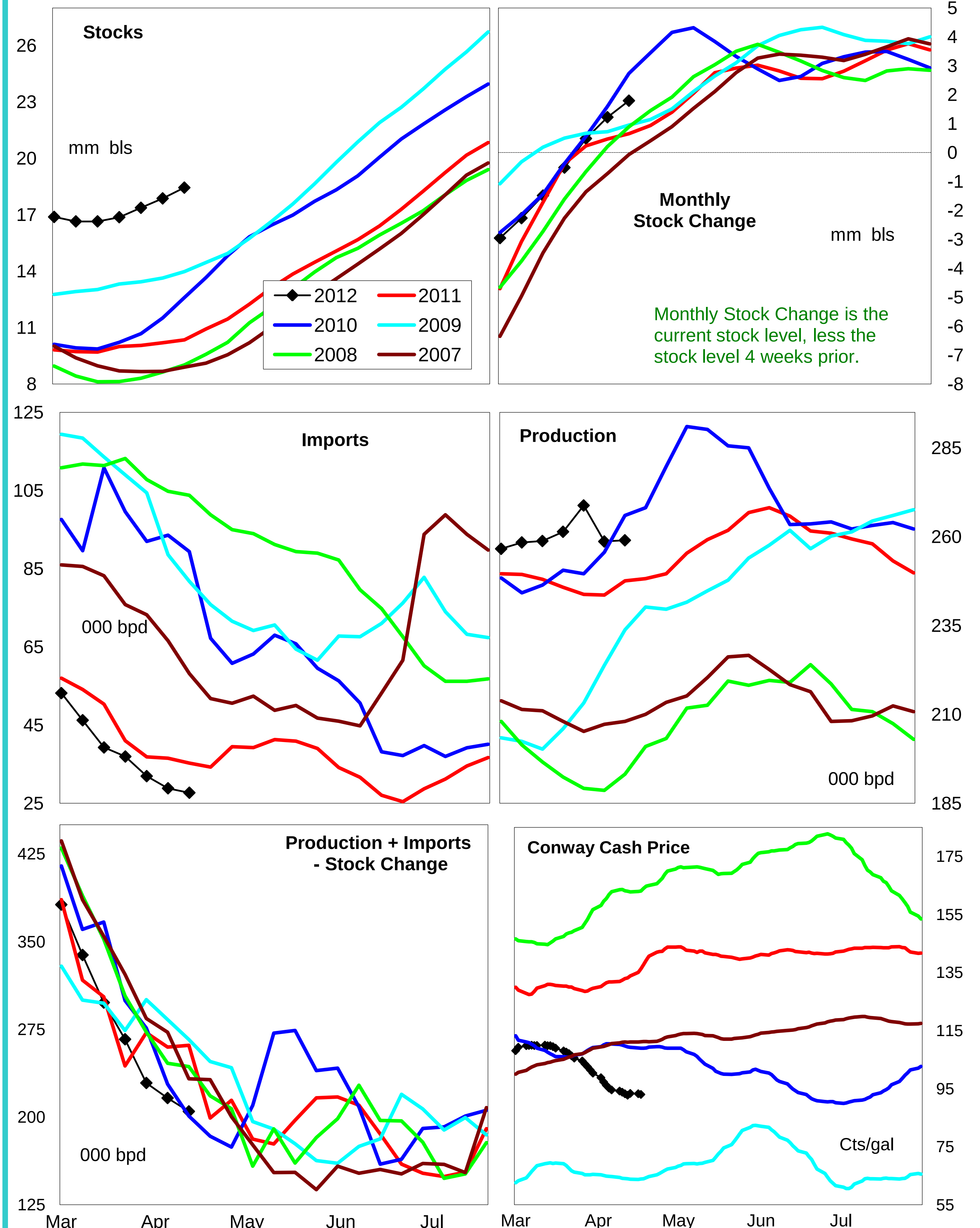
PADD 1 Propane Supply and Demand Balance



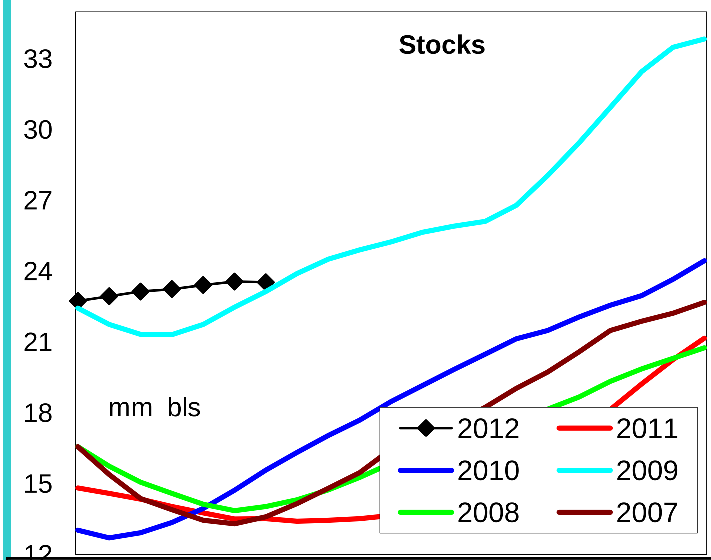
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	872	736	37	9	10
% change	35.1	-1,751.4	102.8	25.8	13.1

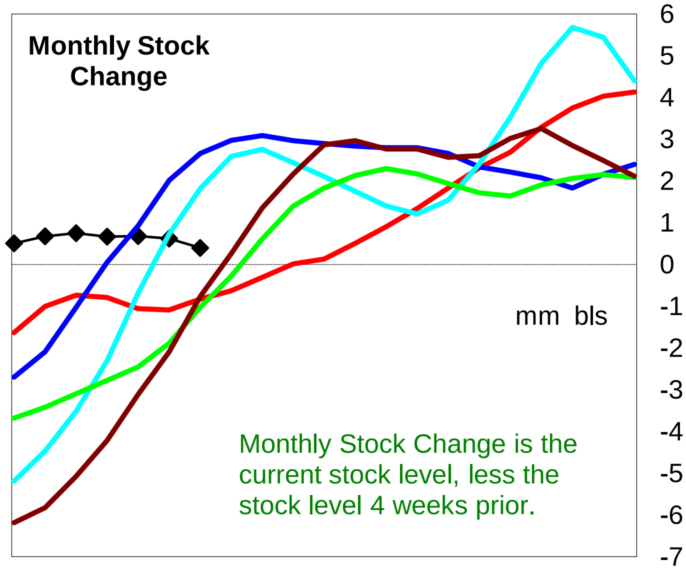
PADD 2 Propane Supply and Demand Balance

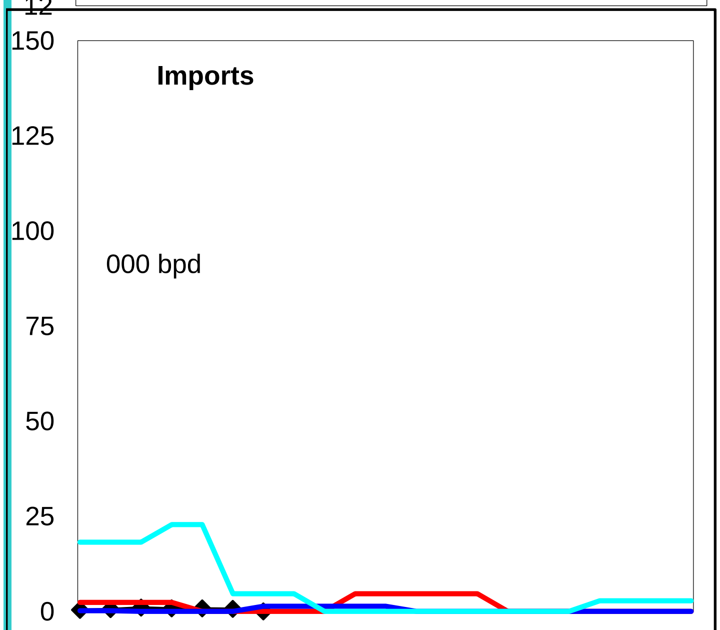


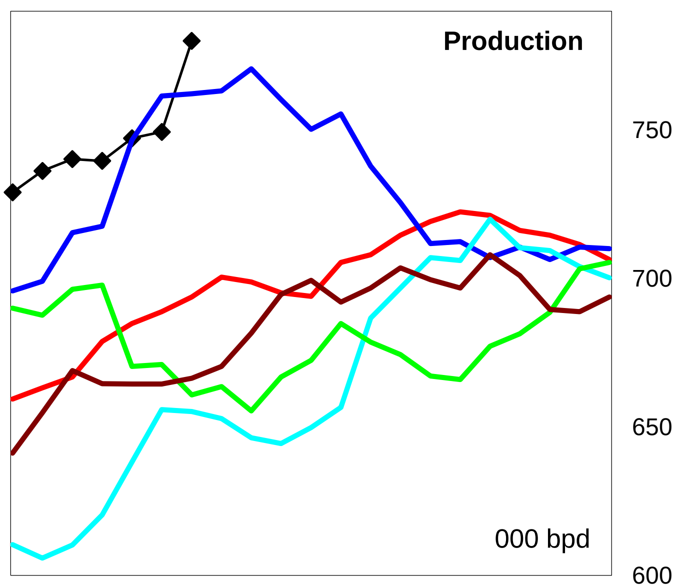
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	8,402	1,142	24	-8	-30
% change	83.7	174.9	10.1	-21.5	-11.6

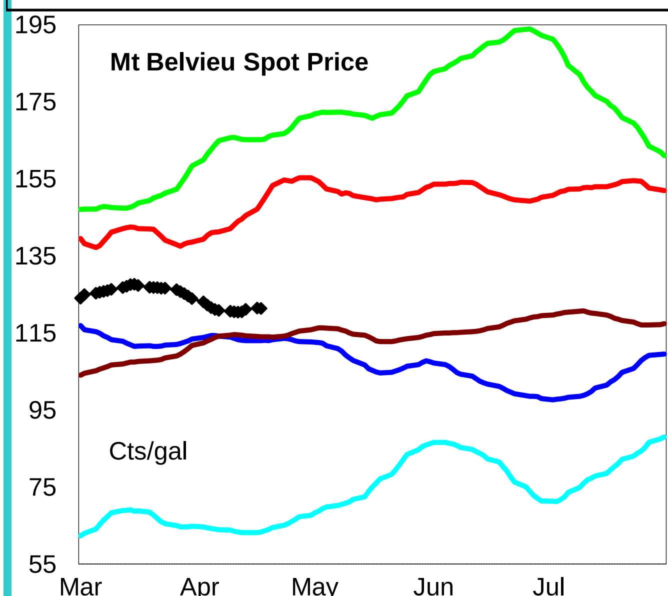
PADD 3 Propane Supply and Demand Balance

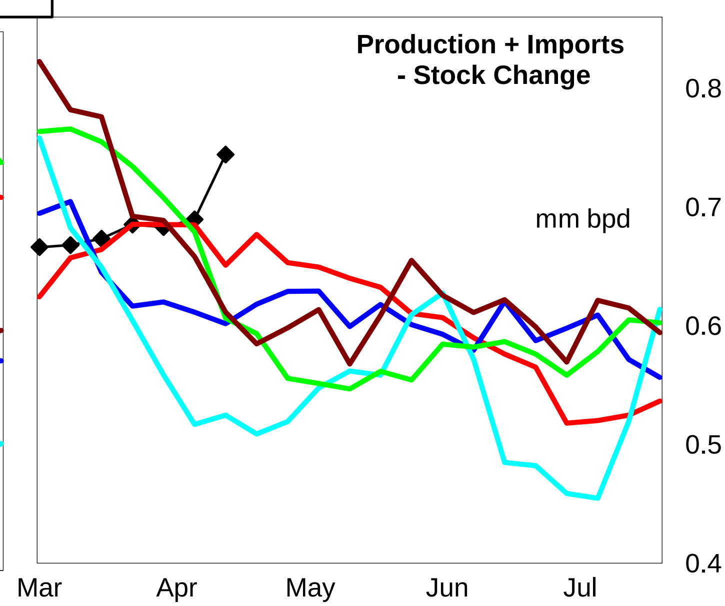






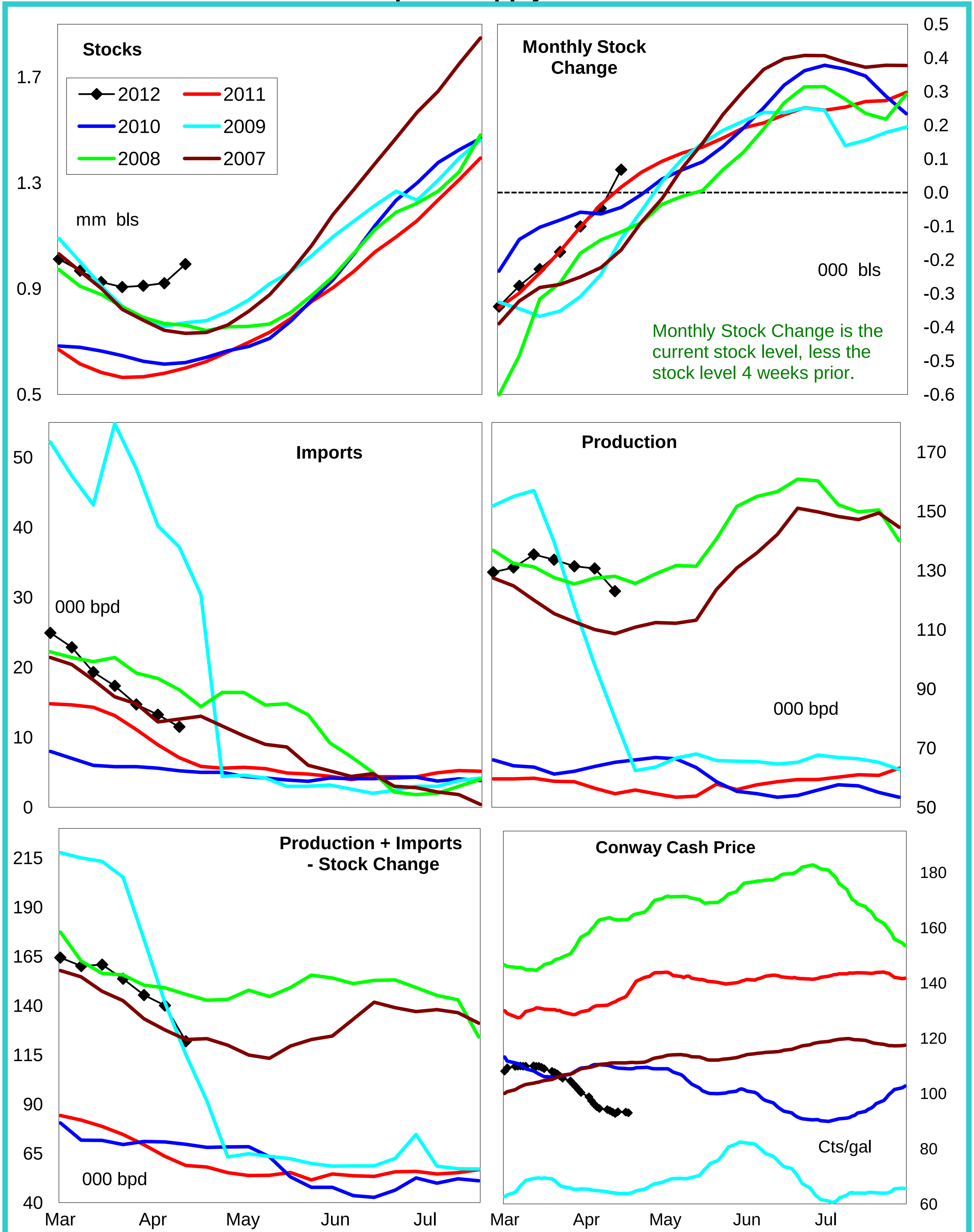






4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	10,285	1,221	68	1	24
% change	77.6	-148	9.9	#DIV/0!	3.3

PADDs 4 and 5 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	386	52	73	4	74
% change	63.6	318.5	125.8	45.2	110.7

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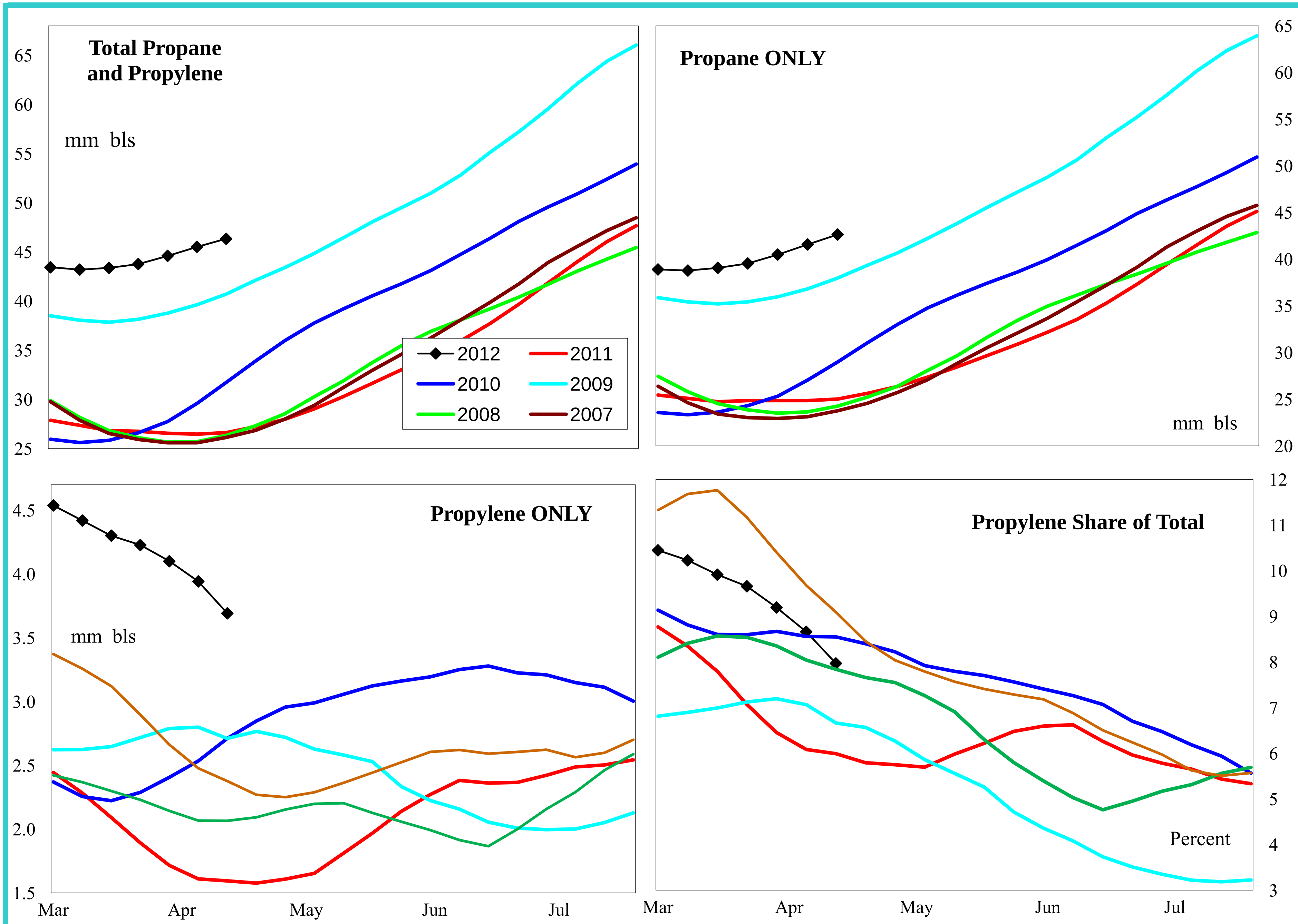
U. S. Propane and Propylene Stocks



Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	19,946	17,838	2,098
% change	75.6	71.9	131.6

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