WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

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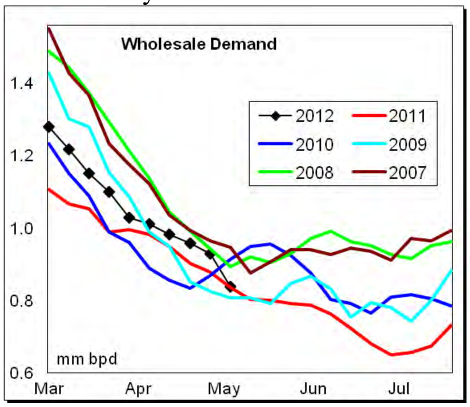
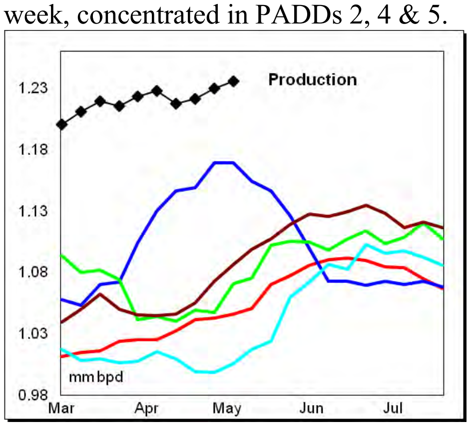
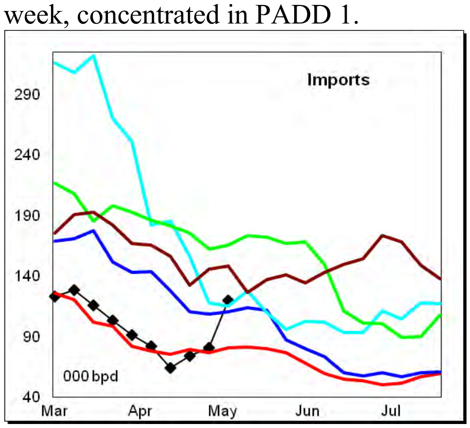
Summary[1]:
Wholesale demand decreased -119,000 bpd on the week, to a level comparable to the last 2-years.



Production increased +34,000 bpd last week, concentrated in PADDs 2, 4 & 5.

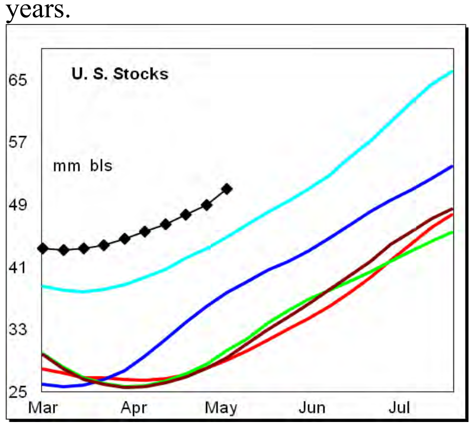


Imports jumped +54,000 bpd on the week, concentrated in PADD 1.

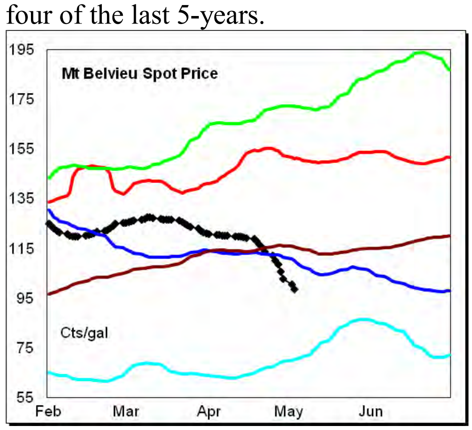


Combined production and imports during the latest 4-wk period were +187,000 bpd above a year ago. Production was +181,000 bpd above last year (+17%), while imports were +6,000 bpd higher. The latest 4-wk average demand was +32,000 bpd above last year.

Stocks increased +2.5 million barrels last week, and are now +77% above a year ago. The 4-wk stock change was a build of +5.5 million barrels, above the average of the last 3-years.



Price and Spreads Mt Belvieu spot prices fell -14 cpg on the week ending 08May12, while Conway decreased -5 cpg during the same week. Conway and Mt Beliveu price levels are each below four of the last 5-years.



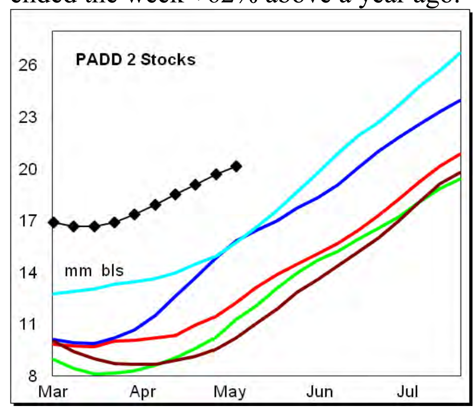
The Conway – Mt Belvieu price spread continued to decline last week, with the spread ending the week at -22 cpg.

The propane to natural gas price extended the recent downtrend on strength in gas prices and weak propane prices.

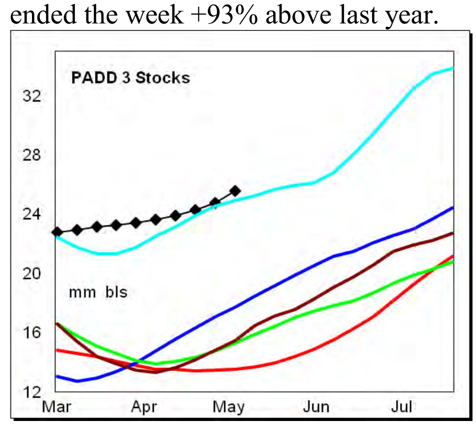
The propane / crude oil price spread extended the downtrend last week, on weakness in propane prices; ending the week at a new record low.

PADD 1 stocks increased +0.9 million barrels last week, due to arrival of a cargo. Supply increased +41,000 bpd due to a spike in imports. Stock levels ended the week at record highs. Supply for the latest 4-wk period was +38,000 bpd above last year, on higher imports and production.

PADD 2 stocks increased +0.5 million barrels on the week. Supply jumped +60,000 bpd on higher production. The latest 4-wk average supply was +14,000 bpd above a year ago. Stock levels ended the week +62% above a year ago.



PAD 3 stocks increased +1 million barrels on the week, with the 4-wk stock change a build of +2.2 million barrels, near the 5-year average. Stock levels ended the week +93% above last year.



PADDs 4 & 5 stocks increased +0.2 million barrels on the week. The stock level was +86% above a year ago.

Emerging Trends Production and imports were up a combined +88,000 bpd last week, contributing to the +2.5 million barrel stock build. The market remains extremely over supplied. Look for continued price weakness.

[1] Source is latest EIA Weekly Statistics

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PROPANE: Graph Link and Weekly Summary

May 9, 2012

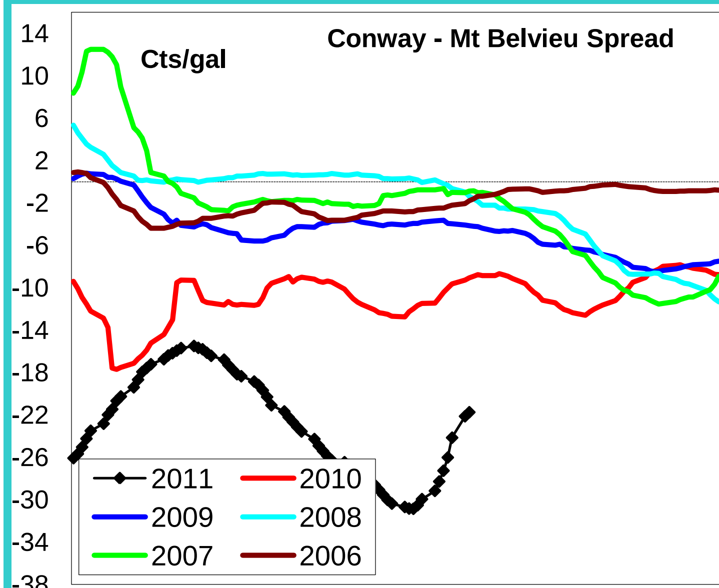
Fundamental Trends for the Week Ending: Friday, May 04, 2012

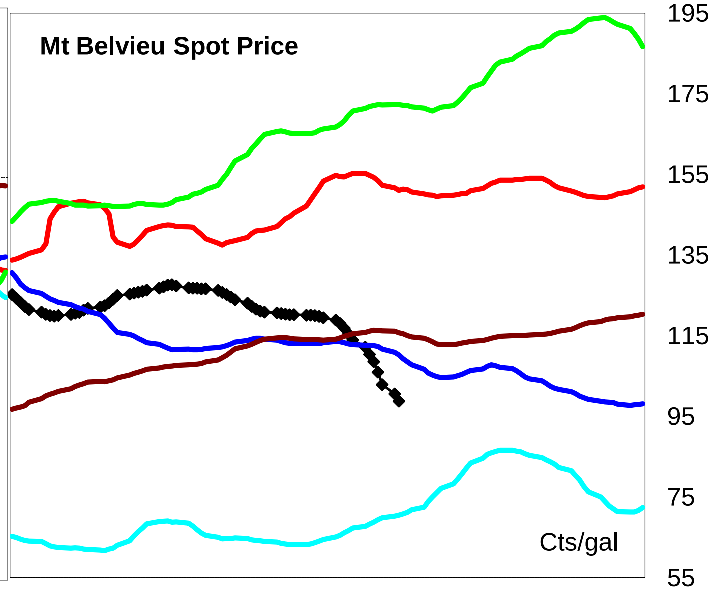
000 bpd Stocks 000 bls	Weekly Supply-Demand U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5	Change from prior week: U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5
Stocks	51,023	4,053	20,124	25,590	1,256	2,516	888	503	969	156
Propylene Stocks	3,626					87				
Production	1,236	60	300	761	115	34	-8	57	-31	16
Imports	120	86	29	0	6	54	53	3	0	-2
Whsle Demand	879					-119				

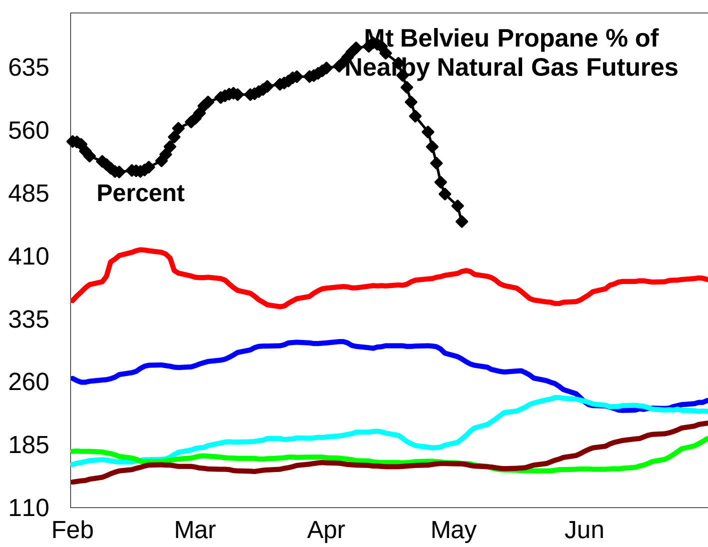
Price Trends for the Week Ending: Tuesday, May 08, 2012

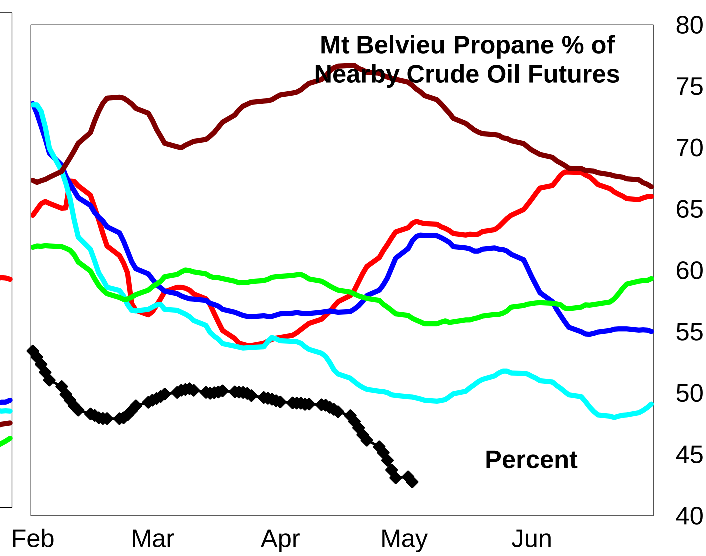
Cents/gal	Average for week ending: 5/8/12	5/1/12	4/10/12	5/11/11	Change from: 5/1/12	4/10/12	5/11/11	% change from: 5/1/12	4/10/12	5/11/11
Mont Belvieu Spot	102.8	116.1	119.7	151.9	-13.25	-3.56	-32.29	-11.4	-3.0	-21.3
Conway Spot	78.7	84.6	93.6	142.3	-5.91	-9.03	-48.69	-7.0	-9.6	-34.2

Key Price Spreads and Differentials









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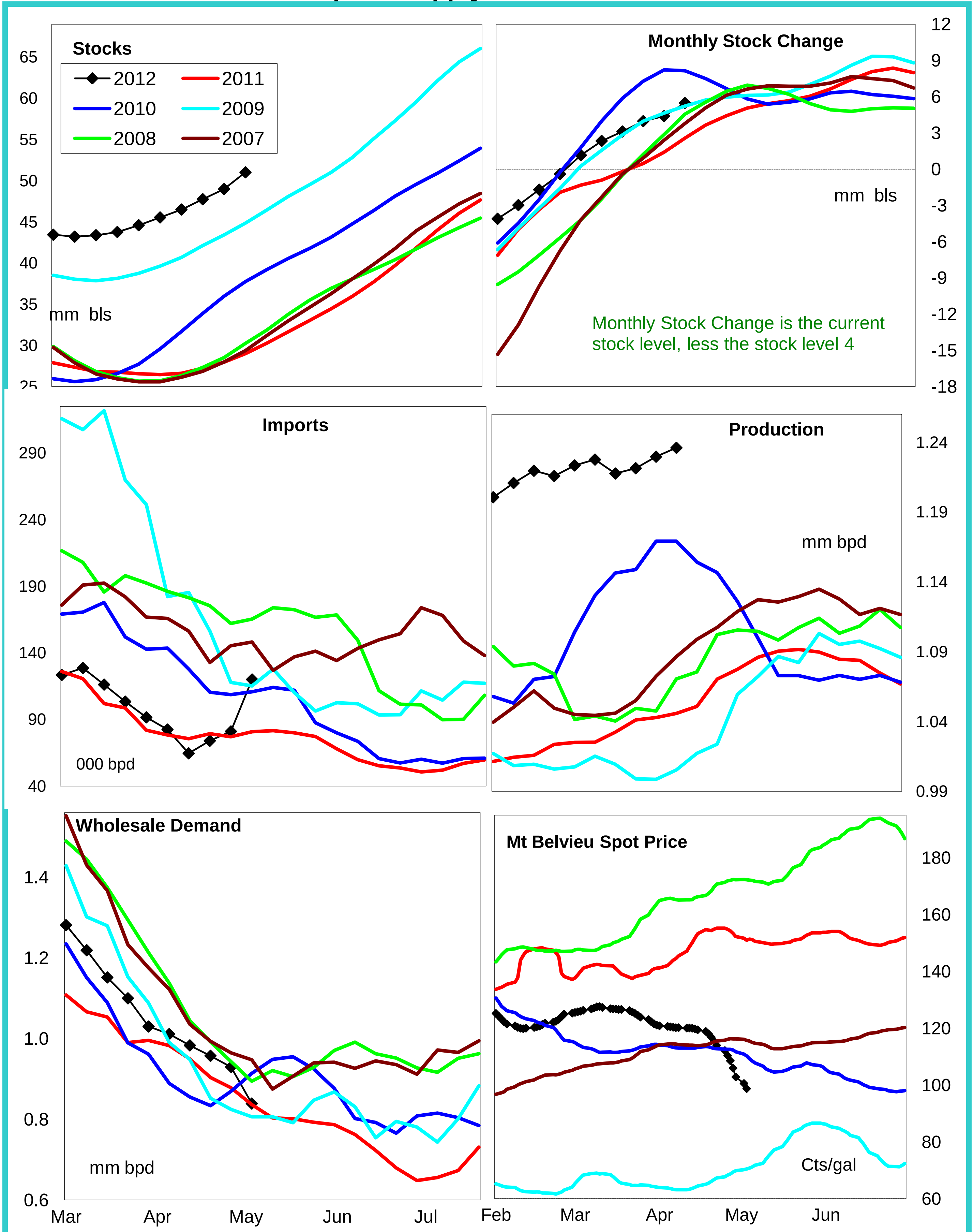
U. S. Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Mar	Feb	Jan
000 bpd (000 bls stks)	22,262	2,921	181	6		32	-22	-1,423	-246
% change	77.4	114	17.3	8.9		3.3	-1.9	-100.0	-14.9

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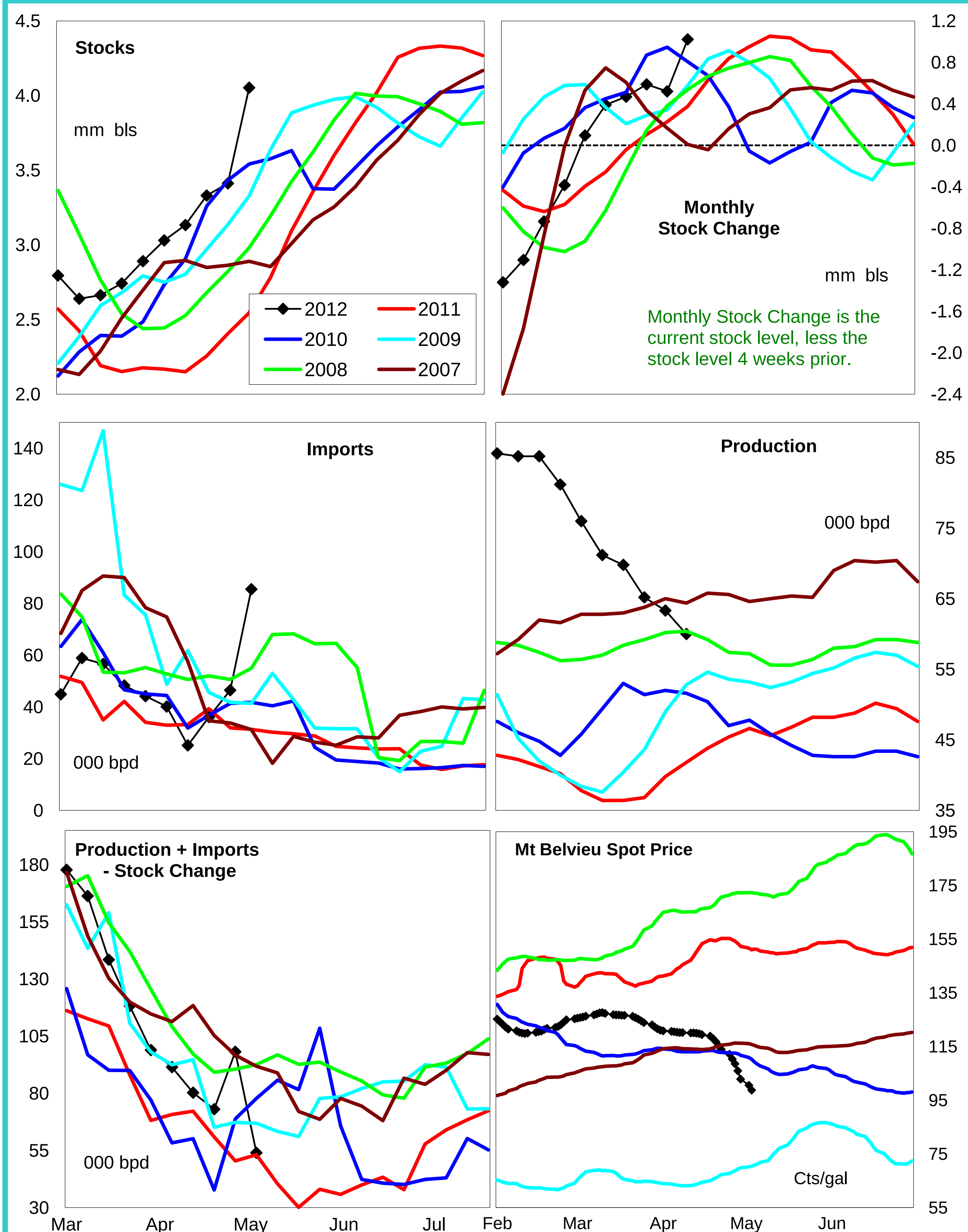
PADD 1 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	1,603	645	26	12	17
% change	65.4	171.1	68.4	39.9	29.1

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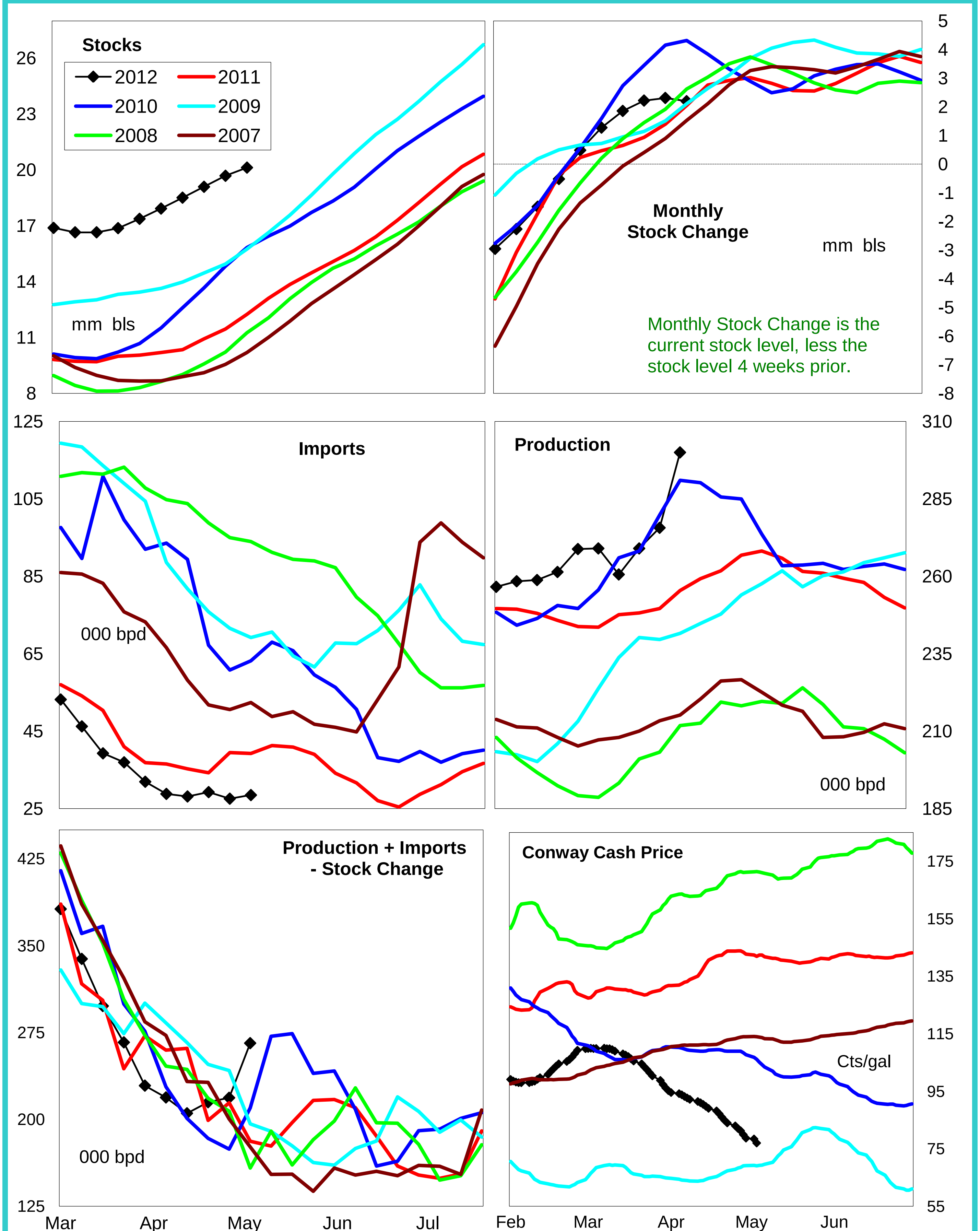
PADD 2 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	7,730	148	22	-8	12
% change	62.4	7.2	8.8	-22.4	5.7

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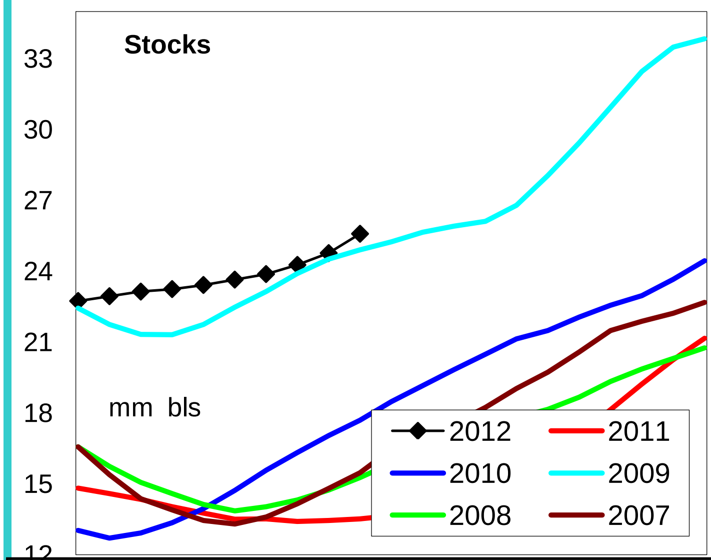
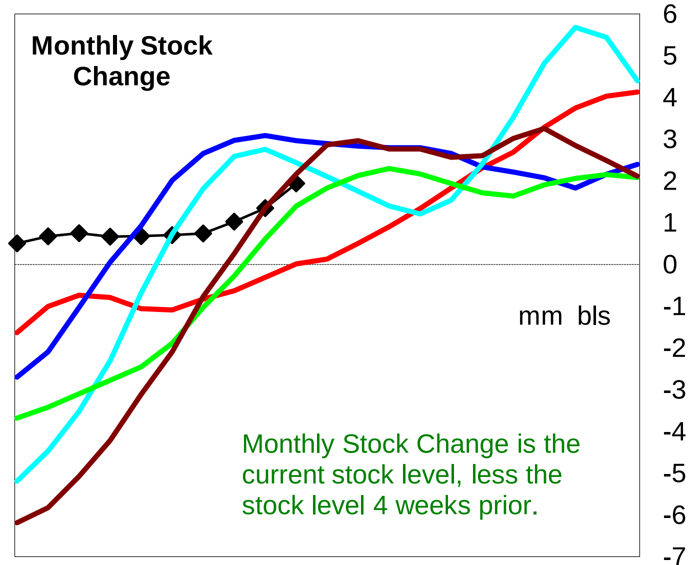
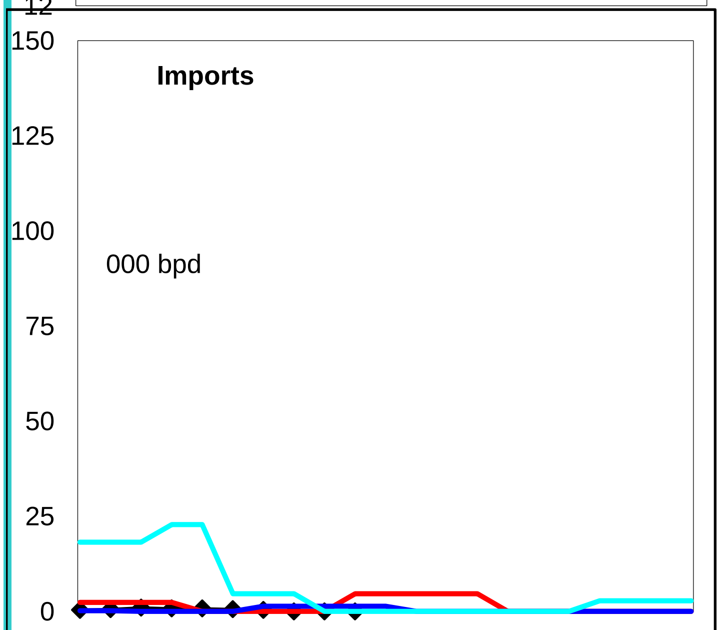
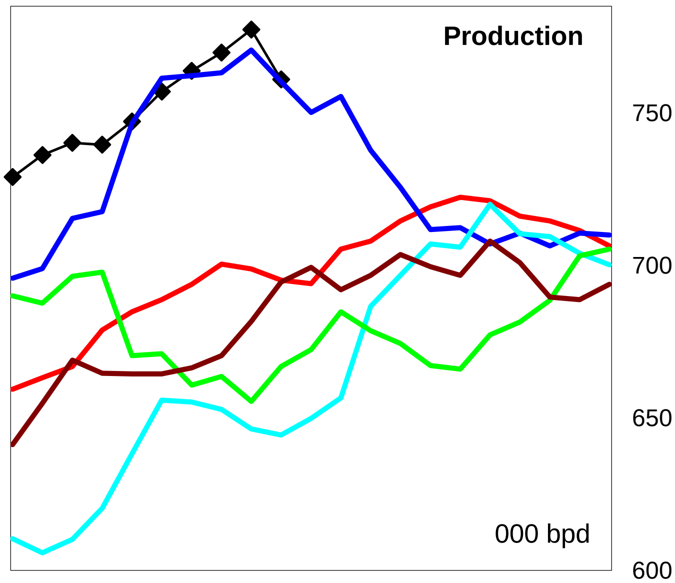
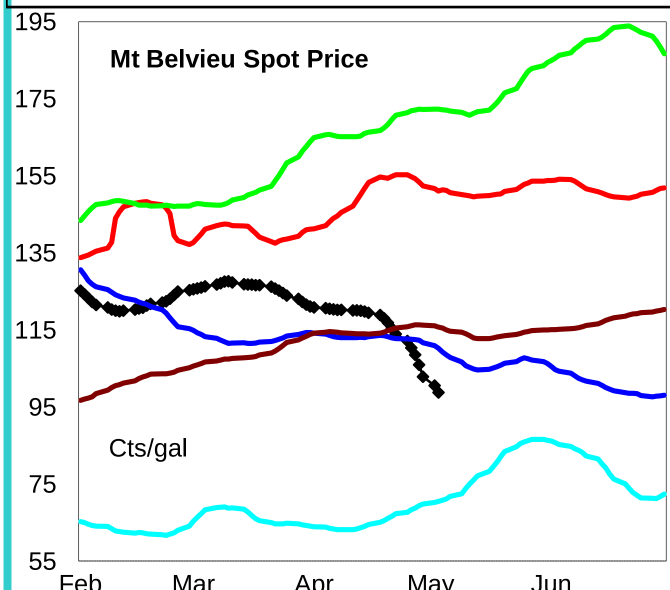
PADD 3 Propane Supply and Demand Balance

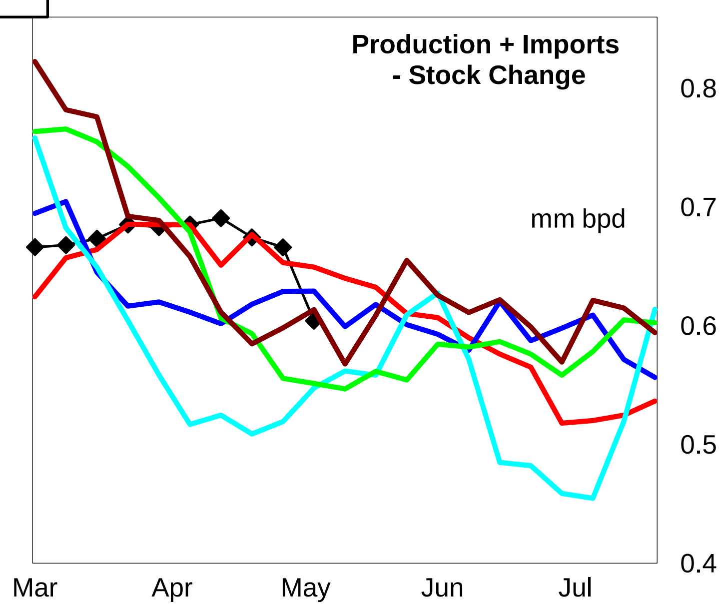












4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	12,348	1,925	73	0	1
% change	93.2	12,499	10.4	#DIV/0!	0.2

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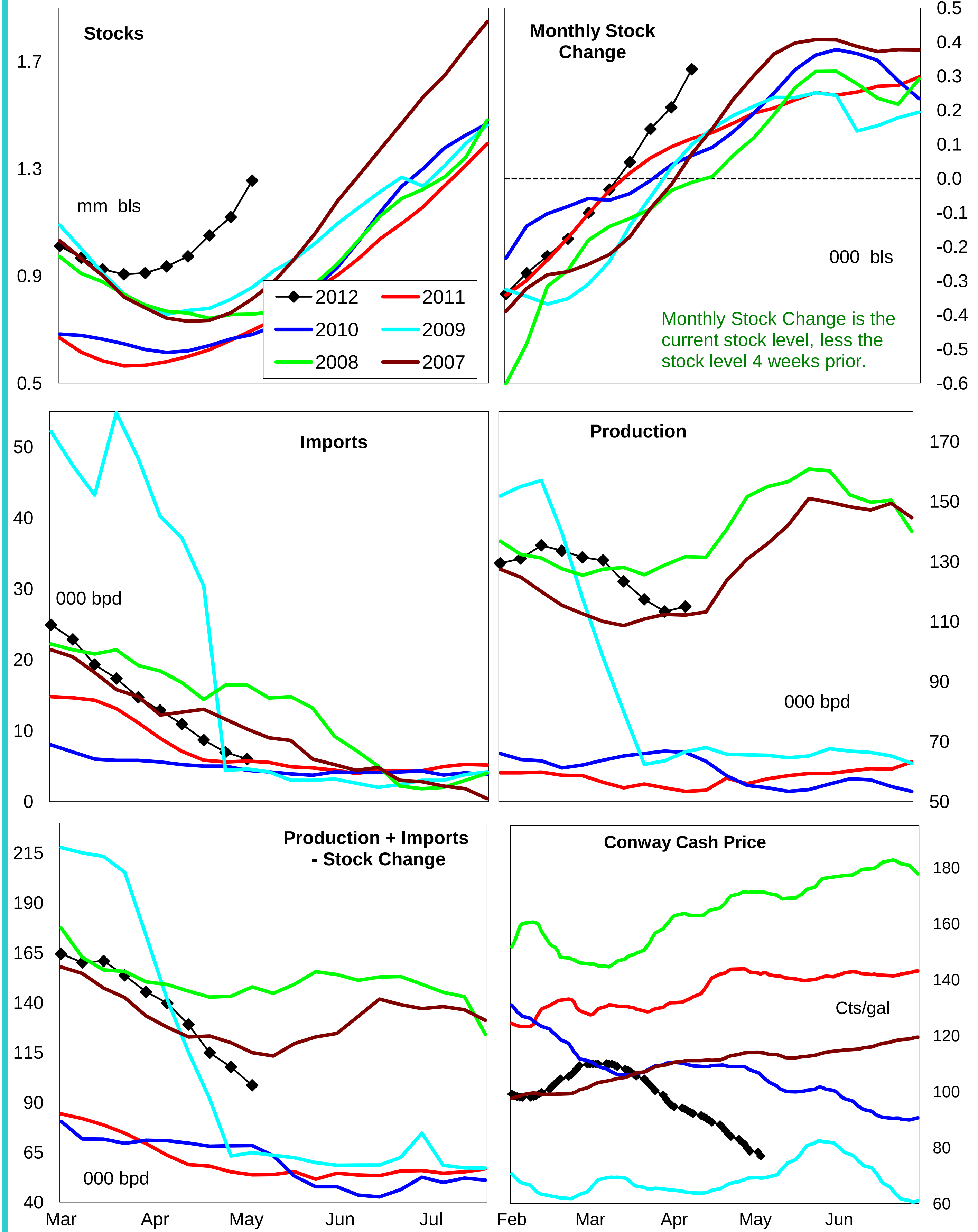
PADDs 4 and 5 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	582	203	60	3	56
% change	86.4	173.7	108.6	45.3	99.3

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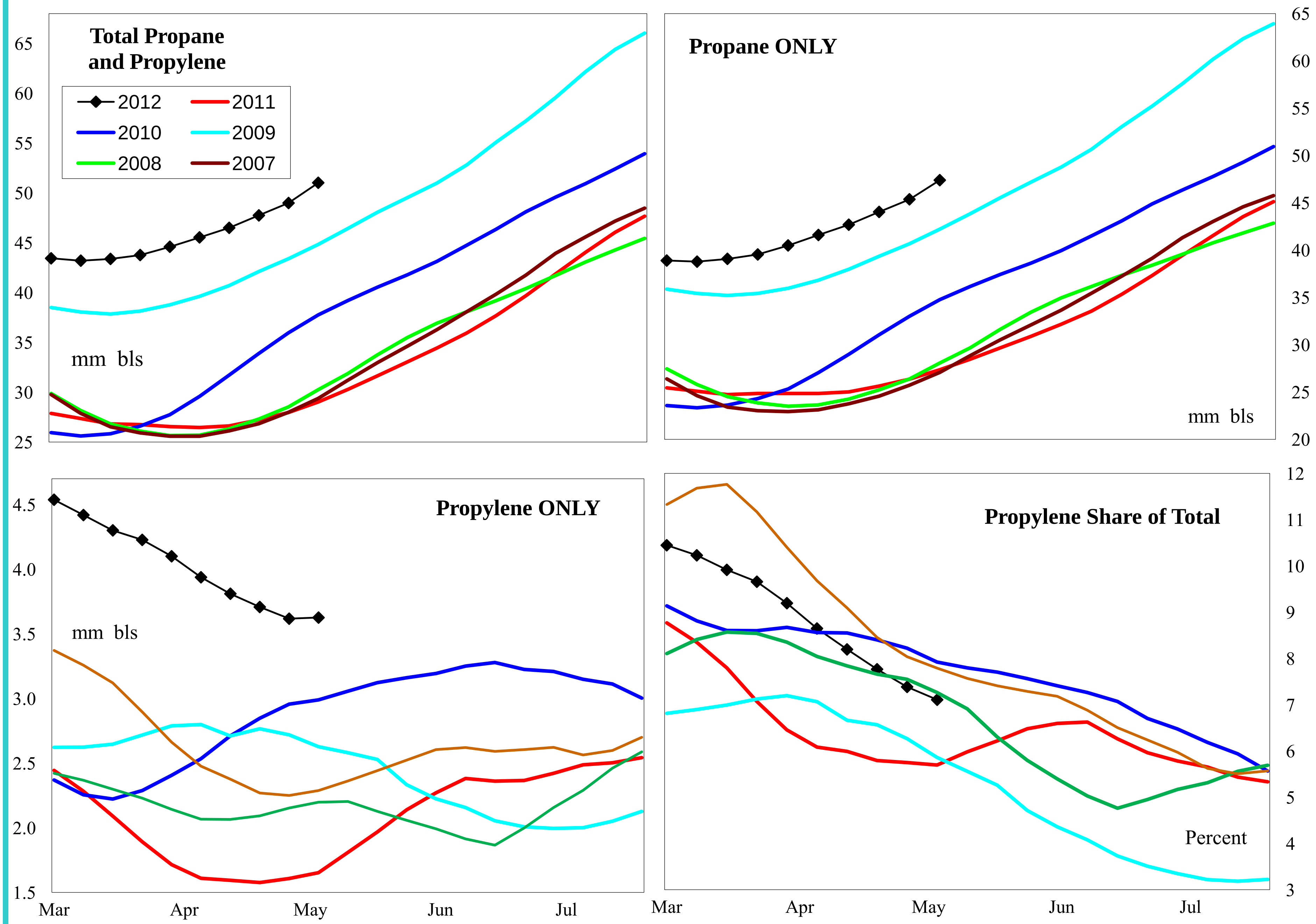
U. S. Propane and Propylene Stocks



Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	**22,262**	**20,179**	**1,973**
% change	**77.4**	**74.1**	**119.4**

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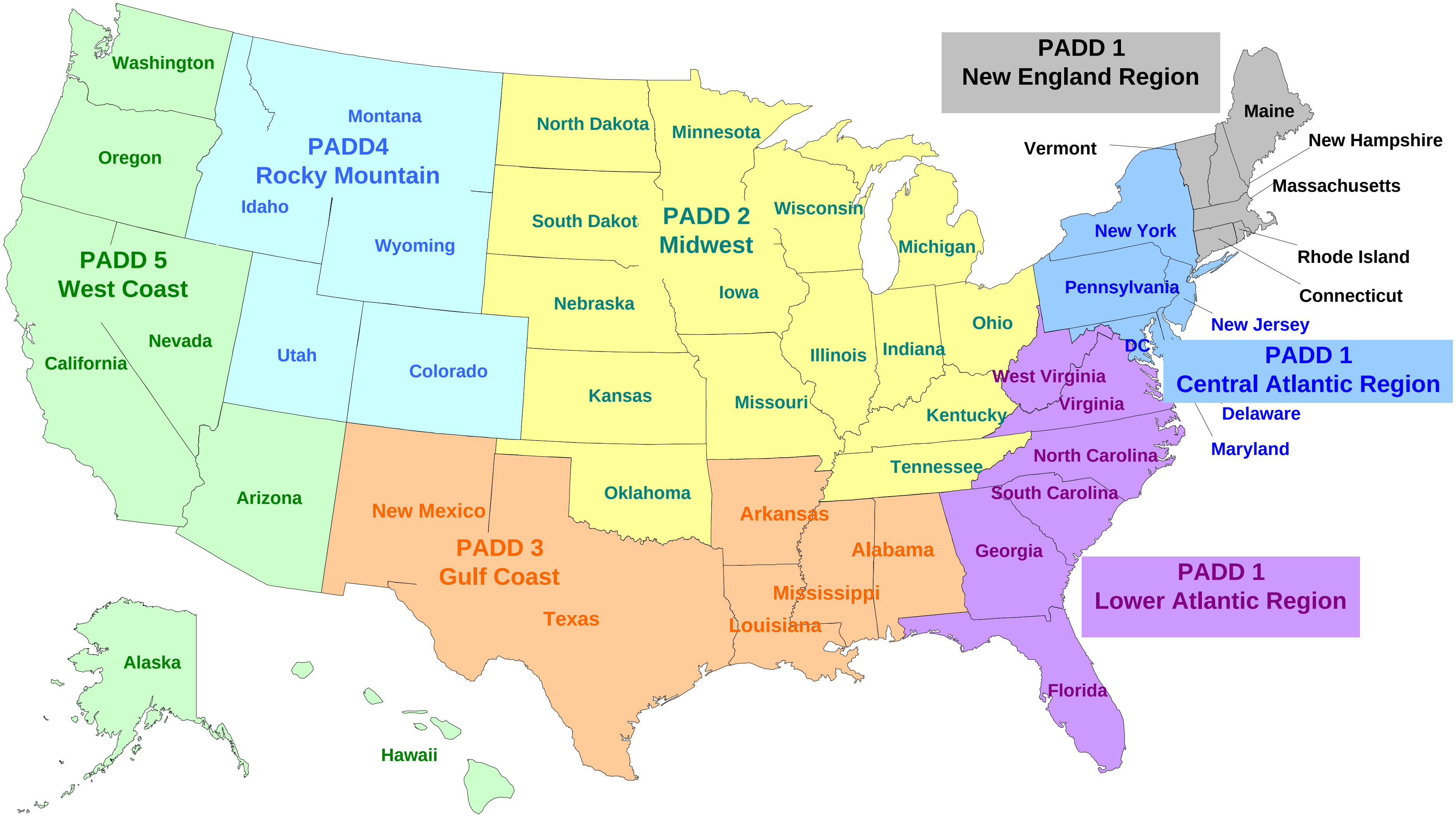
U. S. Petroleum Administrative for Defense Districts (PADDs)



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