



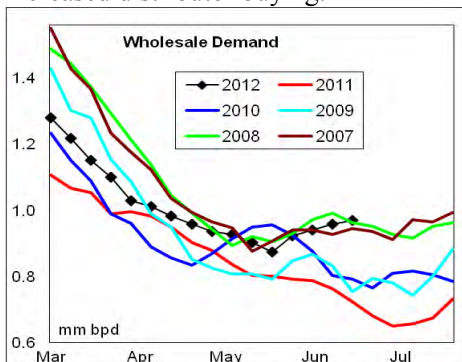
WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

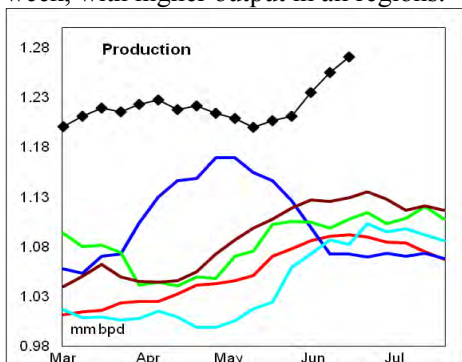
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com

Summary¹:

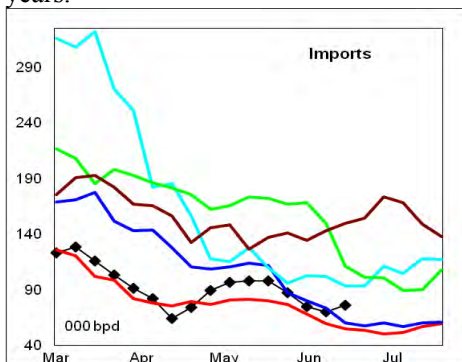
Wholesale demand decreased -119,000 bpd on the week, although the level remains well above the last 3-years on increased distributor buying.



Production increased +14,000 bpd last week, with higher output in all regions.



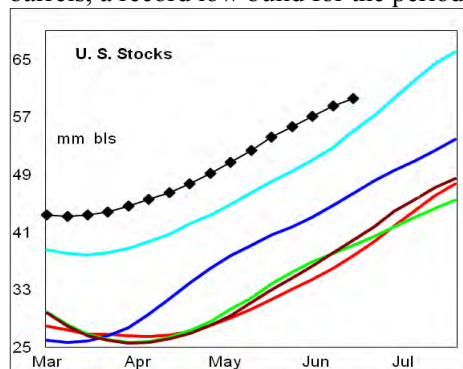
Imports increased +8,000 bpd on the week, at a level slightly above the last 2-years.



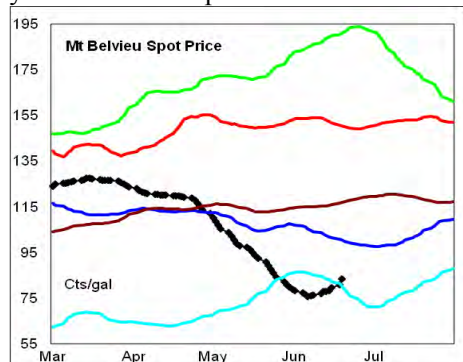
Combined production and imports during the latest 4-wk period were +151,000 bpd above a year ago. Production was +147,000 bpd above last year (+13%), while imports were +4,000 bpd higher. The latest 4-wk average

demand was +155,000 bpd above last year.

Stocks increased +1.3 million barrels last week, and are now +59% above a year ago. The 4-wk stock change was a build of +5.42 million barrels, a record low build for the period.



Price and Spreads Mt Belvieu spot prices climbed +8 cpg on the week ending 19Jun12, while Conway increased +1 cpg during the same week. Conway and Mt Belvieu price levels are each near 5-year lows for the period.



The Conway – Mt Belvieu price spread trended lower last week, ending the week at -26 cpg.

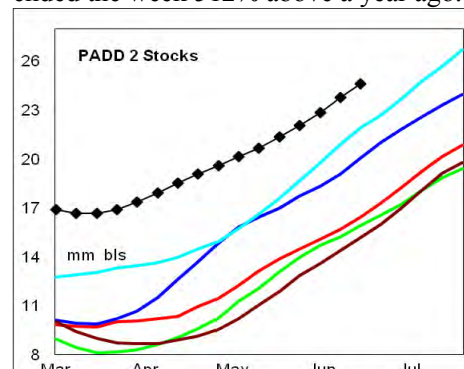
The propane to natural gas price spread traded sideways last week, with both natural gas and propane prices increasing.

The propane / crude oil price spread trended higher last week on weakness in WTI crude oil. The spread level remains at near record lows in favor of crude oil.

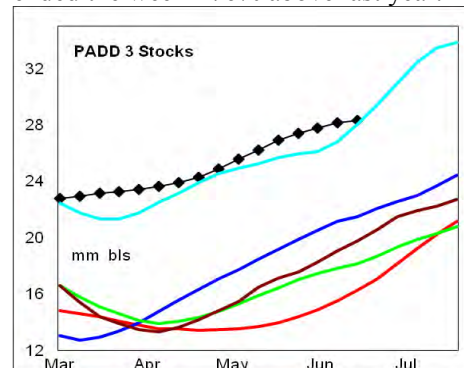
PADD 1 stocks decreased -0.1 million barrels last week, ending the week +16% above a year ago. Supply increased +9,000 bpd due to higher production. Supply for the latest 4-wk period was +25,000 bpd above last year, on higher

production.

PADD 2 stocks increased +1 million barrels on the week. Supply increased +2,000 bpd. The latest 4-wk average supply was +16,000 bpd above a year ago on higher production. Stock levels ended the week 512% above a year ago.



PADD 3 stocks increased +0.4 million barrels on the week, with the 4-wk stock change a build of +1.4 million barrels, a record low for the week. Stock levels ended the week +76% above last year.



PADDs 4 & 5 stocks were nearly unchanged on the week. The stock level was +89% above a year ago.

Emerging Trends The latest 4-wk average demand was well above that of the last 3-years; driven by distributor buying on record low prices. The increase in demand offset high production, and limited the rate of stock builds during the last month.

The market remains over supplied on record high stock levels and production. Combined with slow U.S. economic growth, weak prices are likely for the next quarter.

¹ Source is latest EIA Weekly Statistics



PROPANE: Graph Link and Weekly Summary

June 21, 2012

Fundamental Trends for the Week Ending:

Friday, June 15, 2012

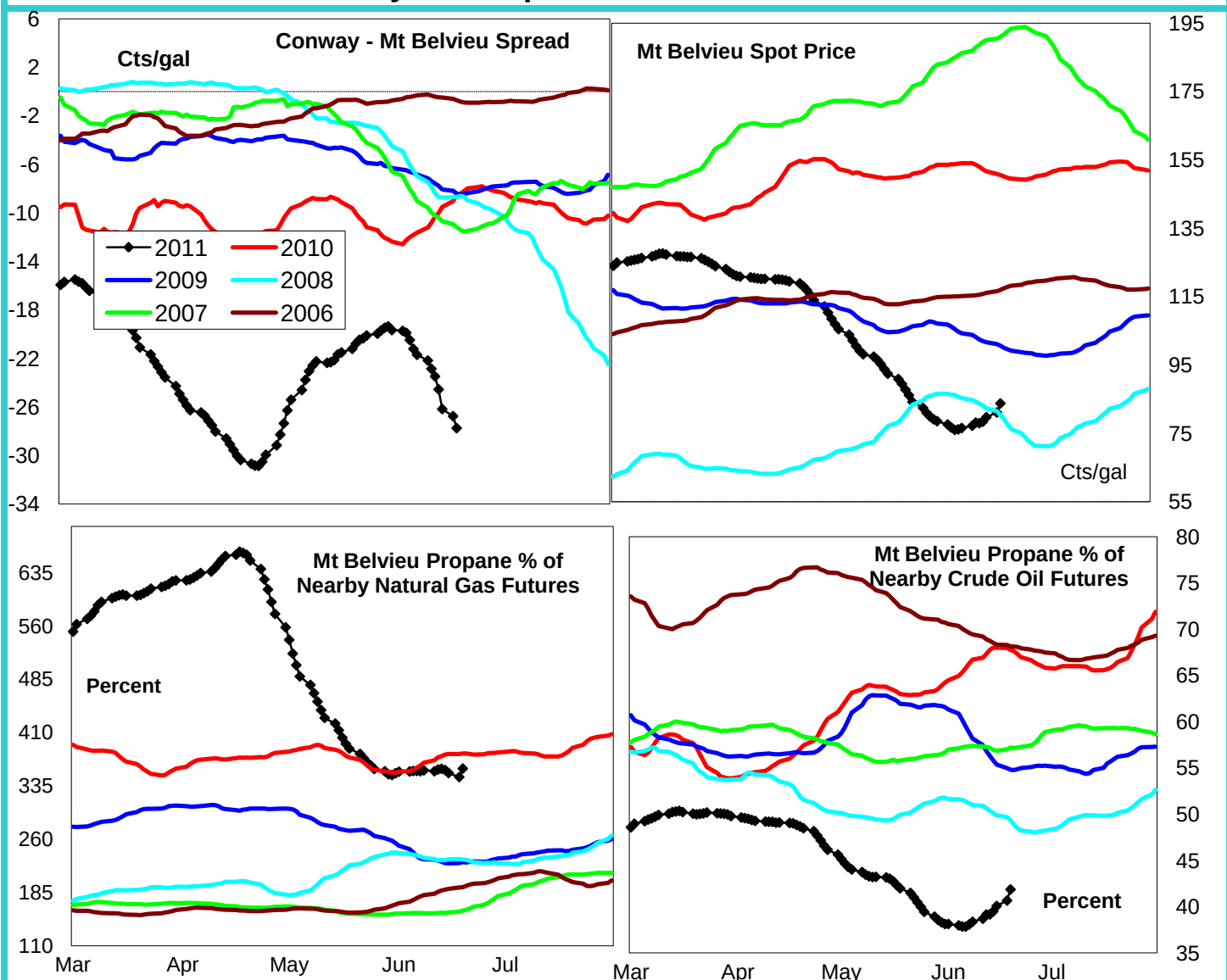
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD				U.S. Total	PADD			
		1	2	3	4&5		1	2	3	4&5
Stocks	59,556	4,716	24,591	28,333	1,916	1,315	-145	1,034	391	35
Propylene Stocks	3,804					126				
Production	1,271	69	280	789	133	14	6	1	3	4
Imports	76	30	33	0	13	8	3	1	0	5
Whsle Demand	1,010					-119				

Price Trends for the Week Ending:

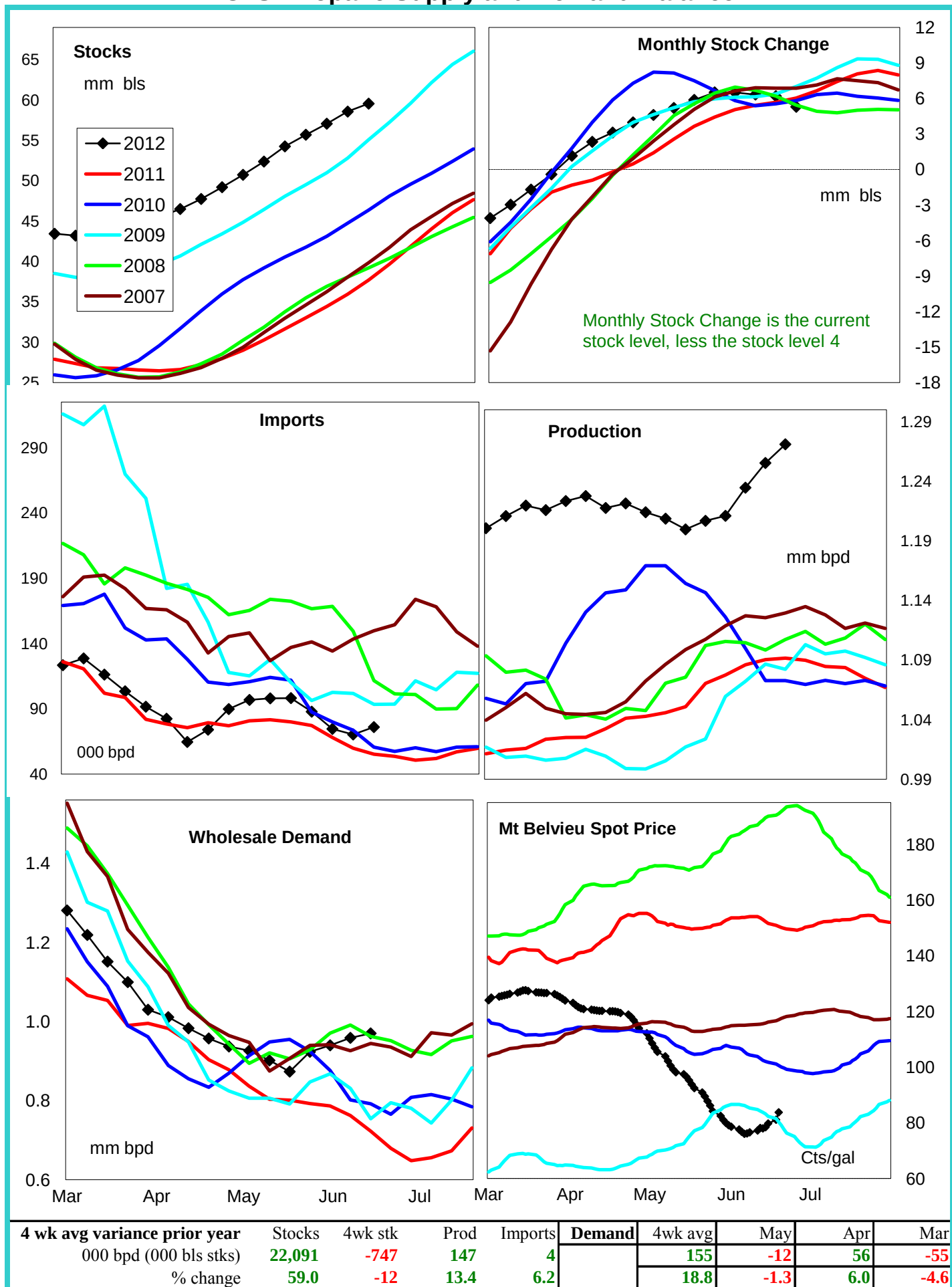
Tuesday, June 19, 2012

Cents/gal	Average for week ending:				Change from:			% change from:		
	6/19/12	6/12/12	5/22/12	6/22/11	6/12/12	5/22/12	6/22/11	6/12/12	5/22/12	6/22/11
Mont Belvieu Spot	79.7	76.4	93.2	152.6	3.37	-16.83	-59.45	4.4	-18.1	-38.9
Conway Spot	53.6	56.5	70.6	142.9	-2.90	-14.10	-72.35	-5.1	-20.0	-50.6

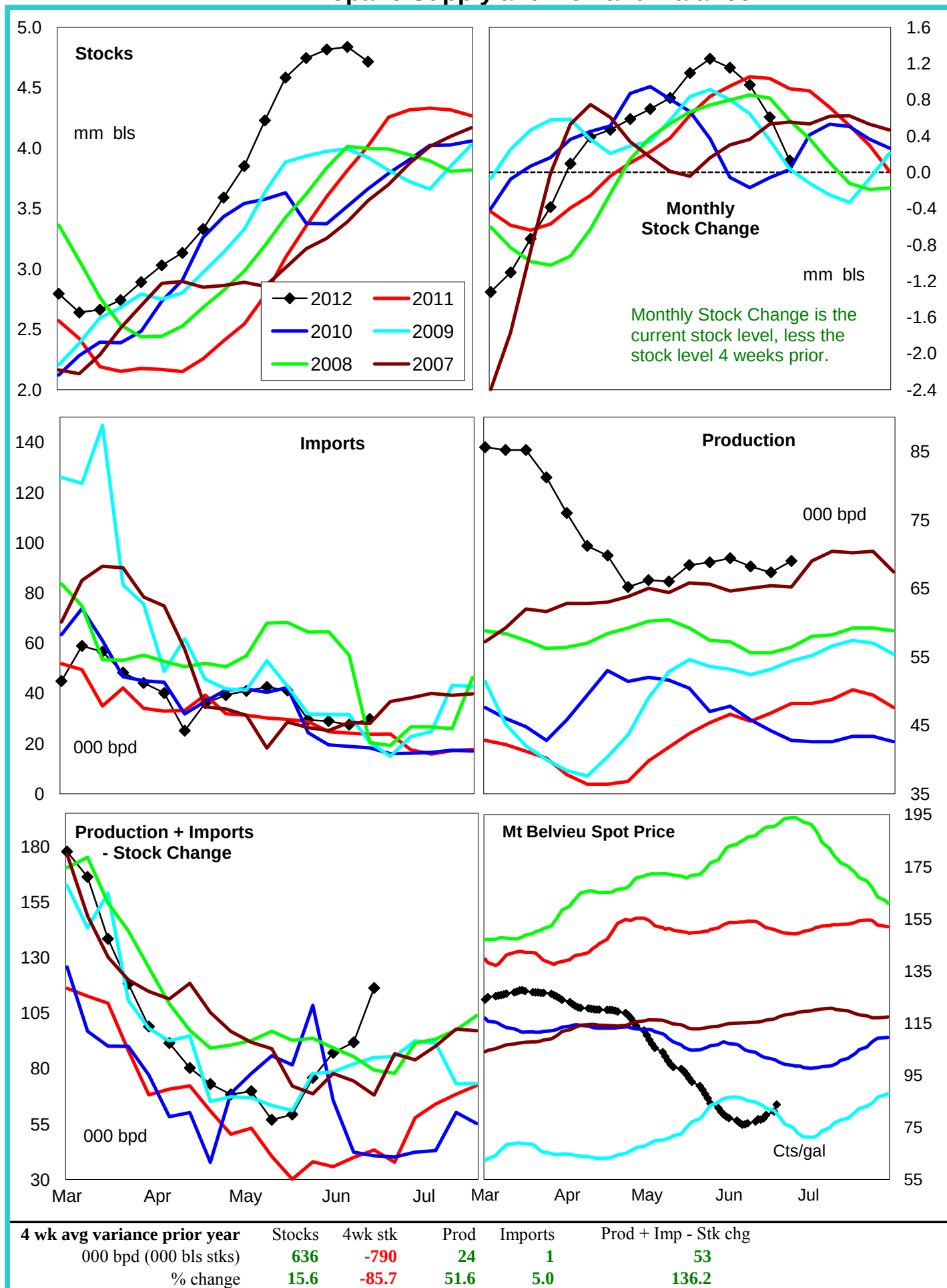
Key Price Spreads and Differentials



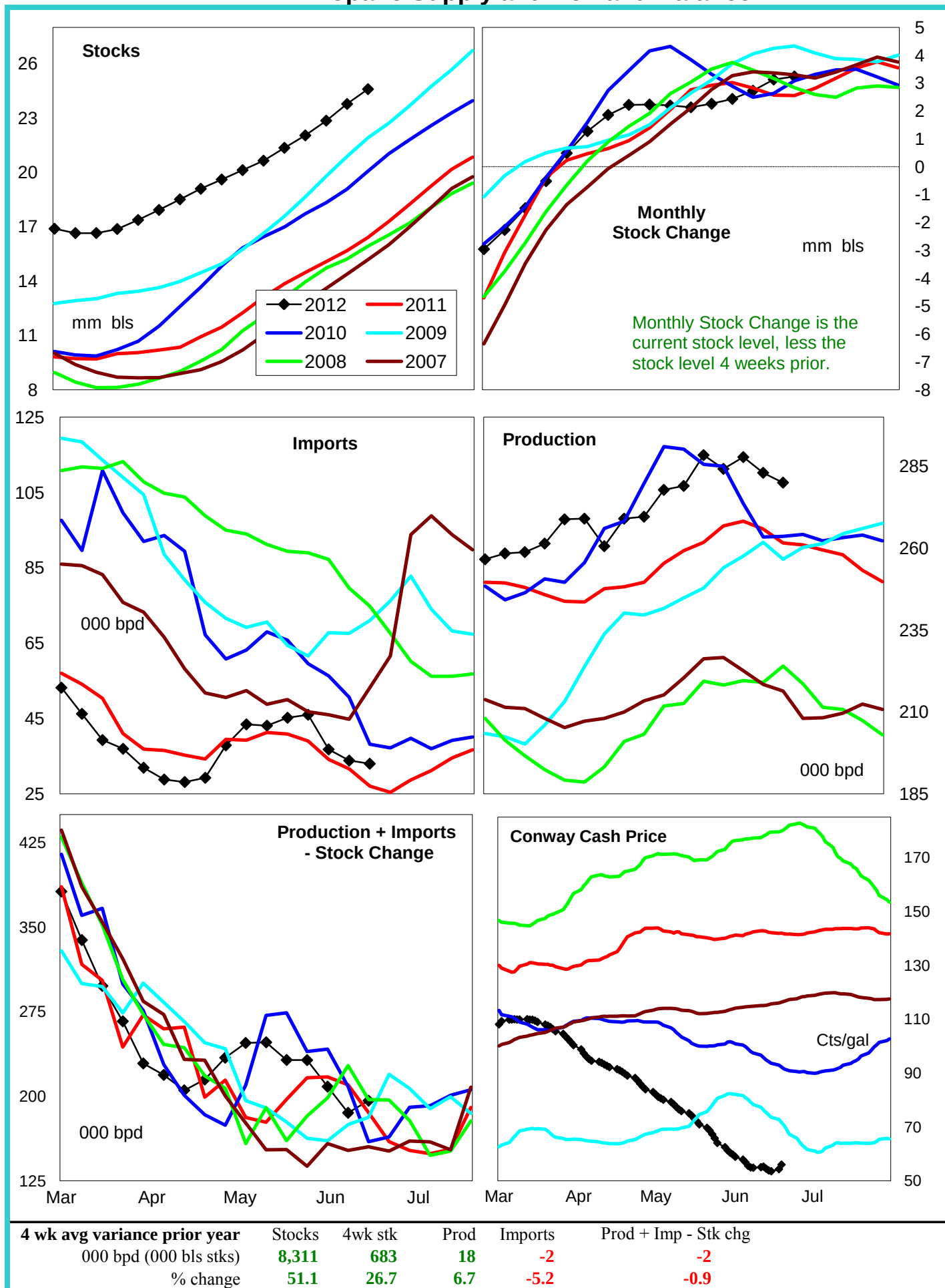
U. S. Propane Supply and Demand Balance



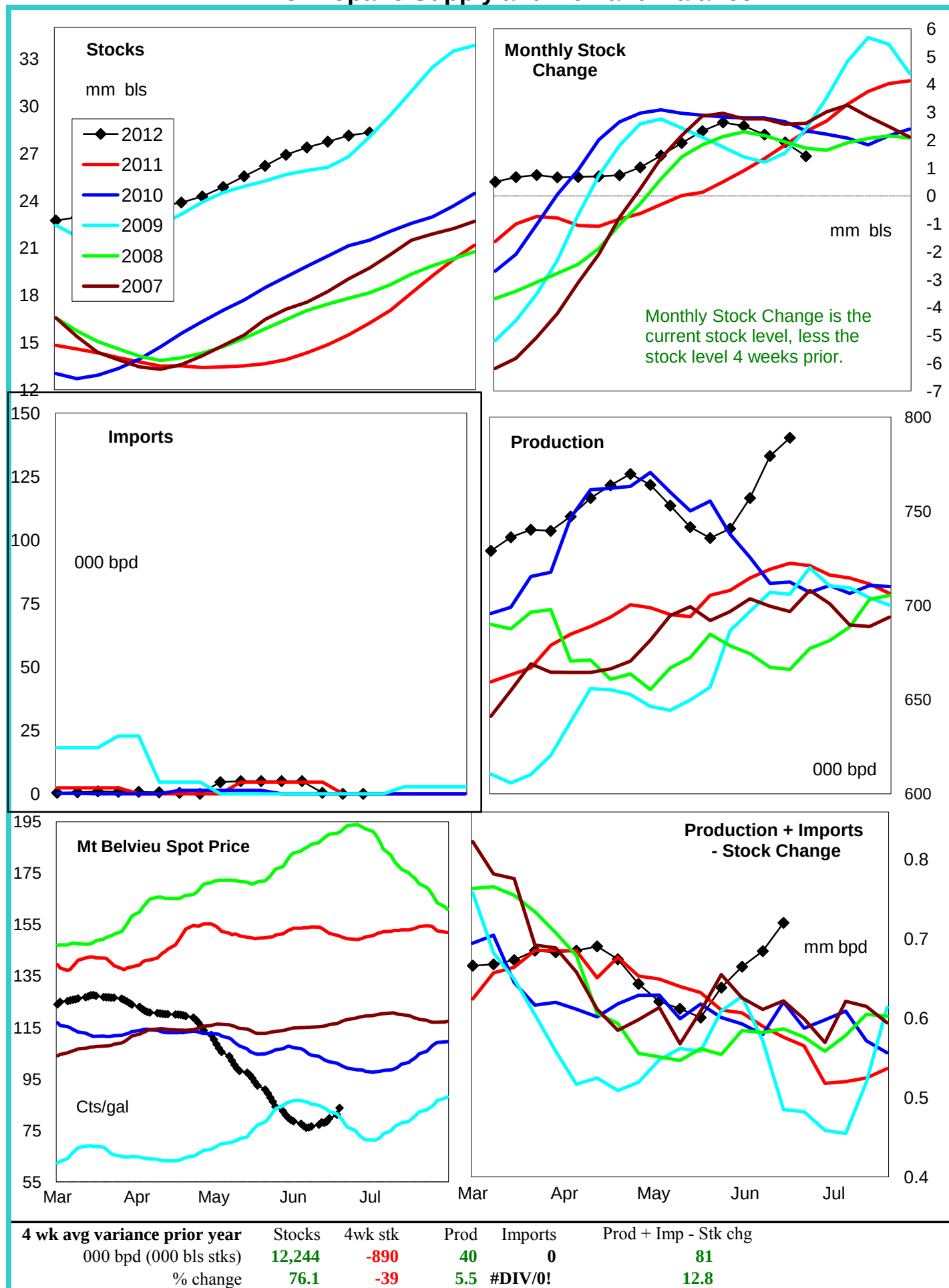
PADD 1 Propane Supply and Demand Balance



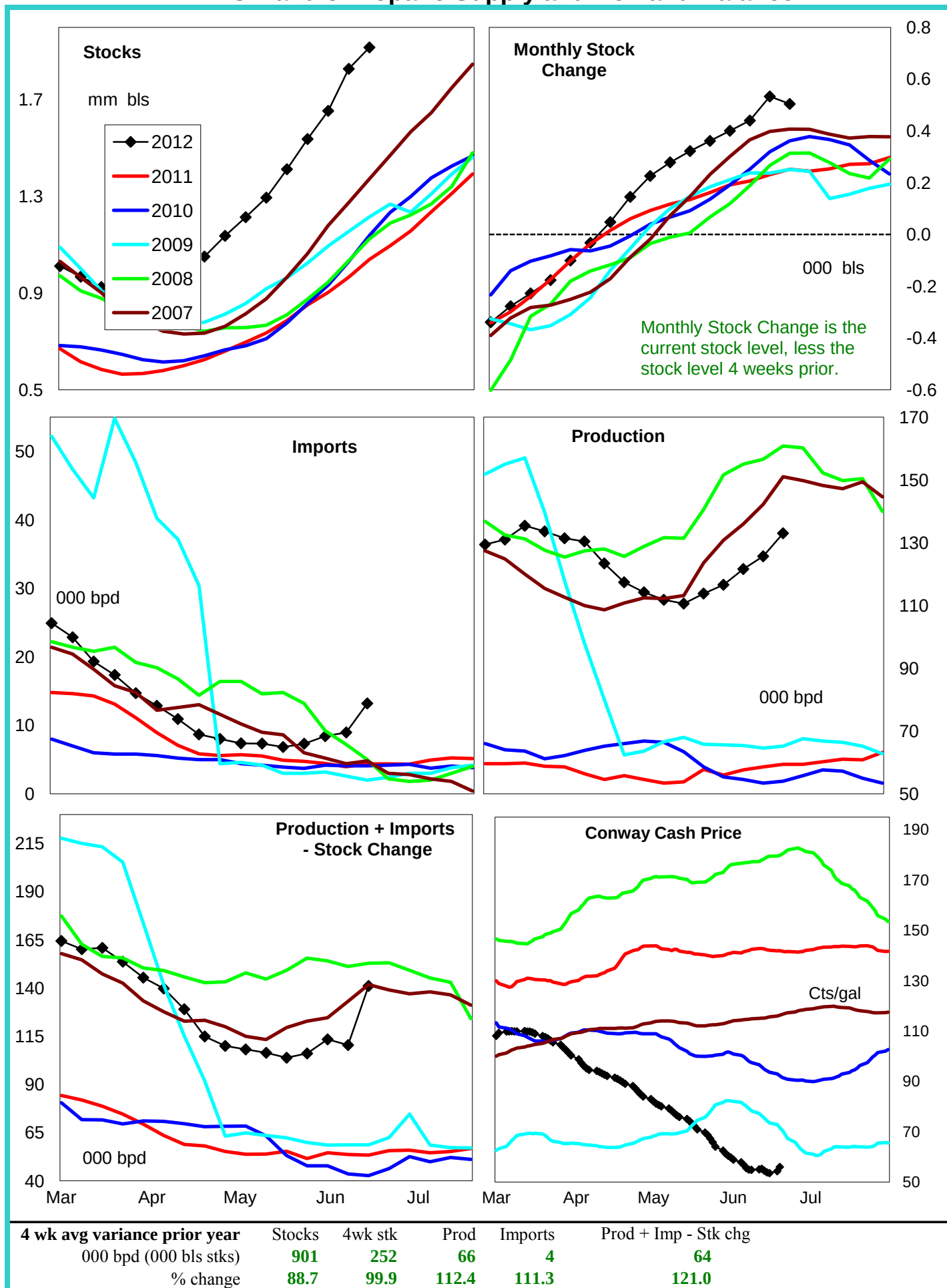
PADD 2 Propane Supply and Demand Balance



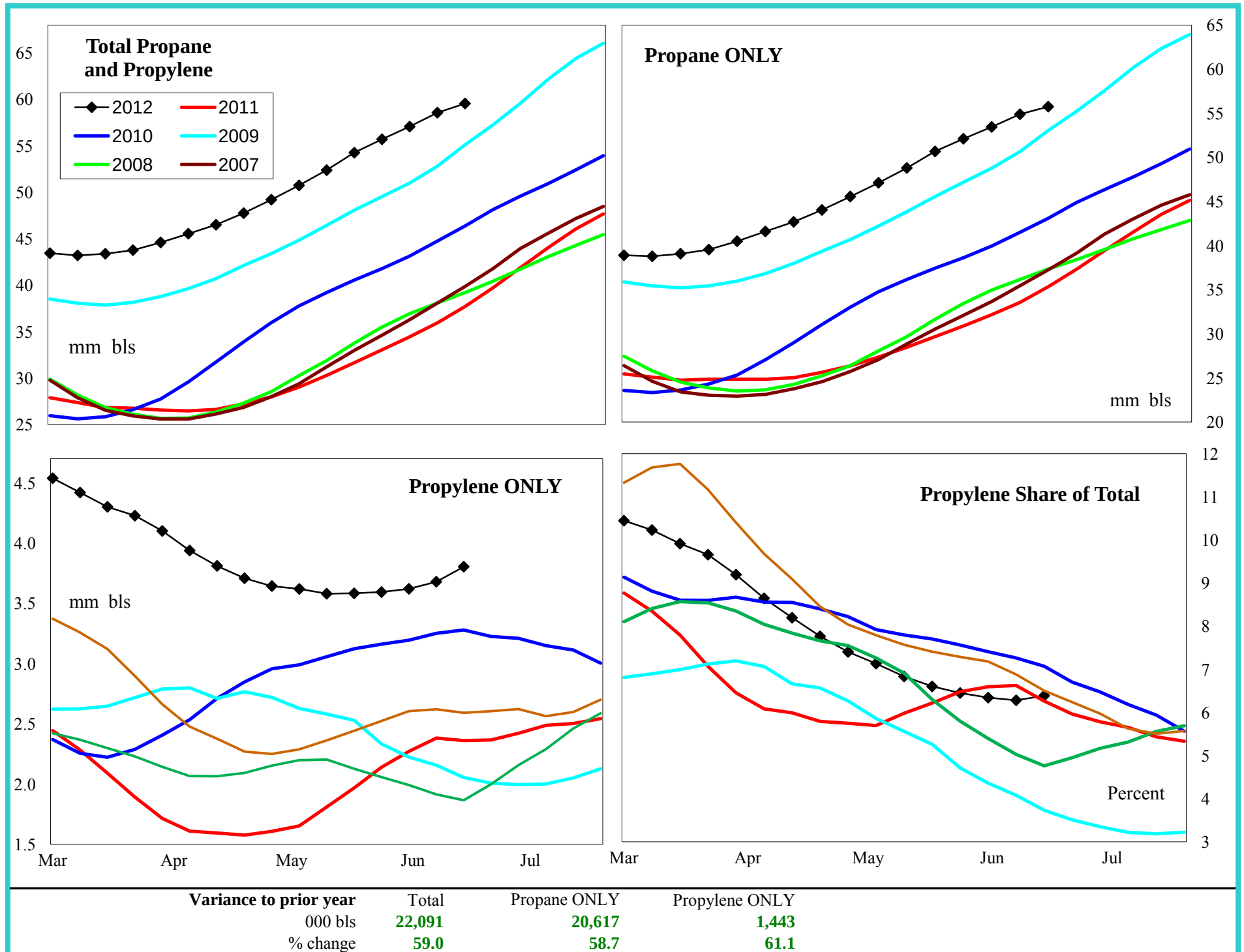
PADD 3 Propane Supply and Demand Balance



PADDs 4 and 5 Propane Supply and Demand Balance



U. S. Propane and Propylene Stocks



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

