



# Liquid Information

NGL Supply is your Market Information Source

September 2, 2009

↕ Crude Oil – Inventory reports showed a smaller build on crude inventories than expected. Crude opened up slightly and then fell after inventories to basically end up even. Crude imports increased from 9.2 MM bpd to 9.6 MM bpd. Refinery utilization increased slightly to 87.2% from 84.1%.

Product	DOE	API	Market Reaction	Value
Crude	-0.4MM	-3.1MM	-\$0.02	\$68.03
Gasoline	-3.0MM	-2.8MM	+\$0.0250	\$1.8072
Distillates	+1.2MM	+0.9MM	-\$0.0081	\$1.7508

↓ Nat Gas – Natgas was -0.10 at \$2.72.

↑ Propane – Propane inventory decreased 1.6 million versus expectations of 0.5 million build. The Midcon drew 1.3 MM for the first time since early April as barrels were pumped south or taken to normal Gulf Coast markets. The Gulf built 0.3 MM and the East drew 0.5 million. Pet-chem demand is still running strong at 377k bpd. Imports increased from 68 bpd to 85k bpd with the East receiving 14k bpd (down from 15k) of the imports and the Midcontinent receiving 67k bpd (Gulf received none). Propane as a percent of crude has increased to 46% and 58% for Conway and TET, respectively.

Location	Inventory	Change
East	3.9	-0.5
Midcon	29.5	-1.3
Gulf Coast	33.8	+0.3
West	2.0	+0.1
Total US	69.1	-1.6

NOTE: With some continued improving signs from the economy, propane has begun to increase its percent to crude. Pet-chem demand will keep the Gulf Coast from building much more inventory. However, the price spread between Conway to TET will continue to push product south. As demand continues to increase, the percentage will increase again (particularly in Conway). Those that have available storage are taking advantage of current month discounts while the spreads out to future months continue to grow larger. We recommend customers layer in at these low percentages to crude before we rise up to 70% and beyond. We recommend to layer in the front months to take advantage of the lower numbers.

Thanks,