FUNDAMENTAL PETROLEUM TRENDS

WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com

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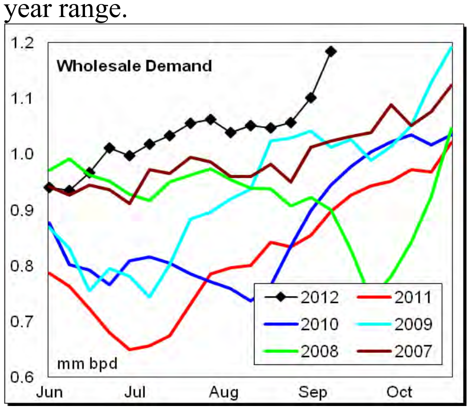
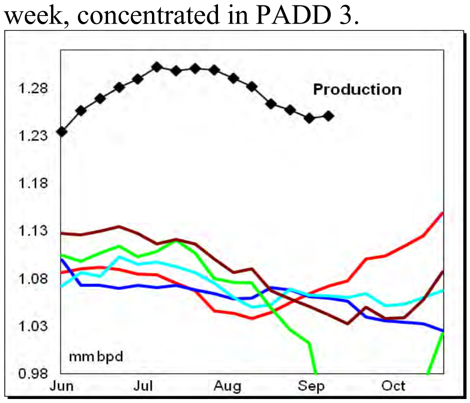
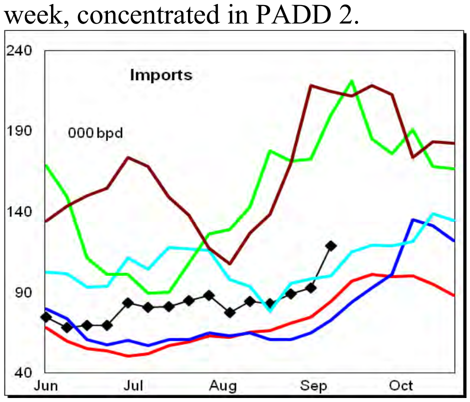
Summary[1]:
Wholesale demand increased +199,000 bpd on the week, to a level above the 5-year range.



Production increased +48,000 bpd last week, concentrated in PADD 3.

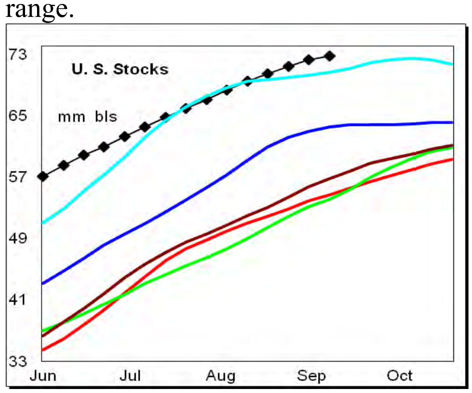


Imports increased +59,000 bpd on the week, concentrated in PADD 2.

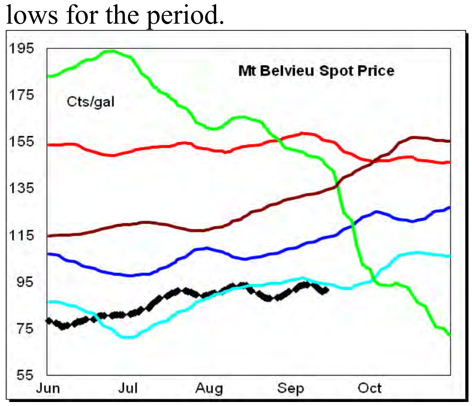


Combined production and imports during the latest 4-wk period were +207,000 bpd above a year ago. Production was +190,000 bpd above last year (+18%), while imports were +17,000 bpd higher. The latest 4-wk average demand was 219,000 bpd above last year, +25%.

Stocks increased +0.2 million barrels last week, and are now +33% above a year ago. The 4-wk stock change was a build of +3.3 million barrels, a level below the 5-year mid range.



Price and Spreads Mt Belvieu spot prices decreased -3 cpg for the week ending 14Sep12, while Conway fel;l -4 cpg during the same week. Mt Belvieu prices ended the week matching historic lows for the period.



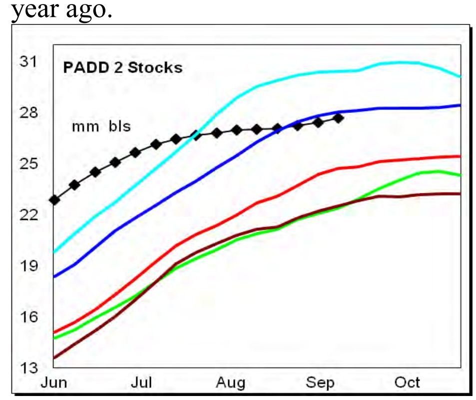
The Conway – Mt Belvieu price spread traded sideways last week, ending the week at -12 cpg.

The propane to natural gas price spread fell last week, ending at a level above four of the last 5-years.

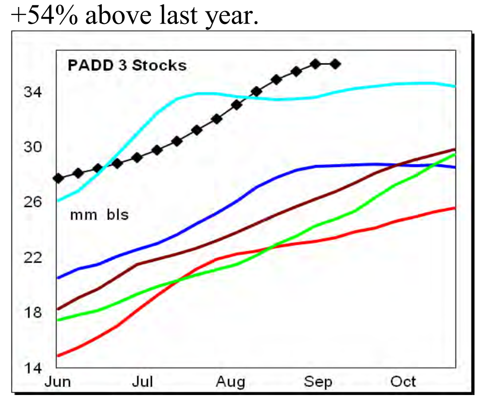
The propane / crude oil price spread trended lower last week ending at a level near earlier 5-year lows.

PADD 1 stocks increased +0.1 million barrels on the week, ending the week +38% above a year ago. Supply increased +6,000 bpd on the week. Supply for the latest 4-wk period was +13,000 bpd above last year, on higher imports and production.

PADD 2 stocks increased +0.3 million barrels on the week. Supply climbed +41,000 bpd on the week, due to higher imports. The latest 4-wk supply was +41,000 bpd above a year ago. Stock levels ended the week +11% above a year ago.



PAD 3 stocks decreased -0.3 million barrels on the week, due in part to impact of hurricane Isaac, with the 4-wk stock change a build of +1.9 million barrels. Stock levels ended the week +54% above last year.



PADDs 4 & 5 stocks increased +0.1 million barrels on the week, to a level well above the historic range. The stock level was +36% above a year ago.

Emerging Trends The rate of stock builds fell below the 5-year mid range, due to hurricane Isaac. Stock levels ended the week +33% above last year, and above the 5-year range. Demand for alternative uses such as blending with crude oil and as fuel for refiners continues to support a high level of demand. Markets remain very well supplied. Look for prices to remain at the low end of the 5-year range.

[1] Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

September 16, 2012

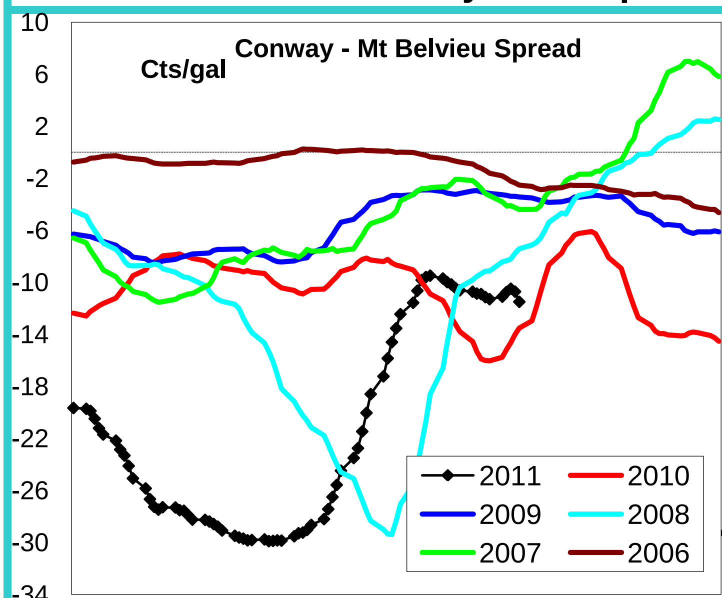
Fundamental Trends for the Week Ending: Friday, September 07, 2012

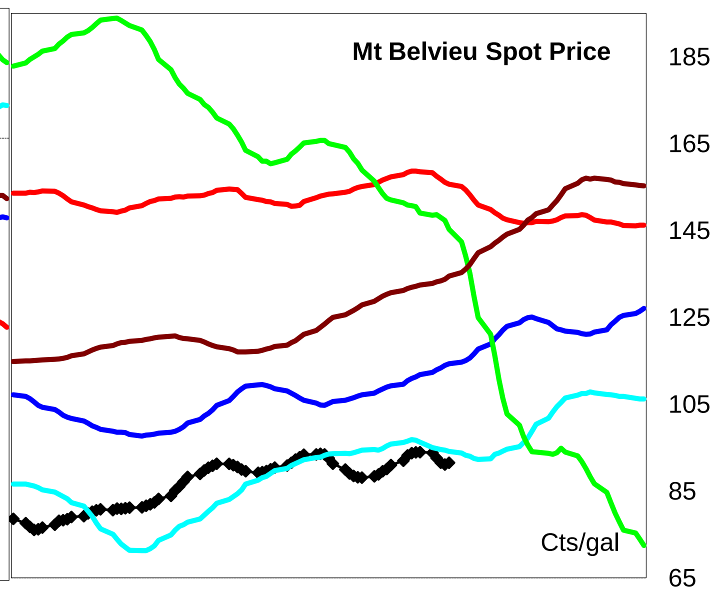
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5	U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5
Stocks	72,695	6,258	27,672	35,988	2,777	199	91	321	-290	77
Propylene Stocks	4,827					-175				
Production	1,251	59	279	771	142	48	9	-20	60	-1
Imports	119	19	90	0	10	59	-3	61	0	1
Whsle Demand	1,225					199				

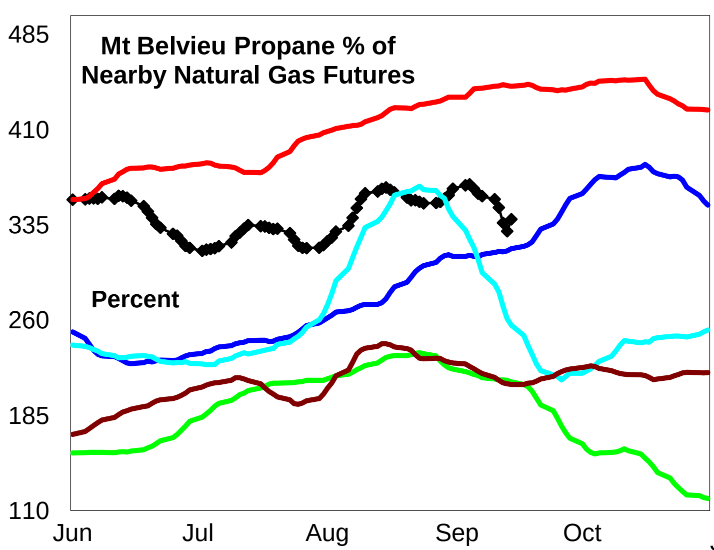
Price Trends for the Week Ending: Friday, September 14, 2012

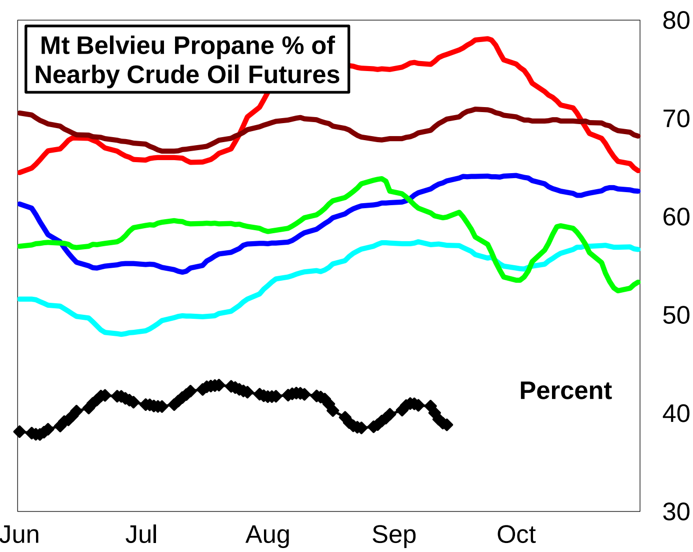
Cents/gal	Average for week ending:				Change from:			% change from:		
	9/14/12	9/7/12	8/17/12	9/19/11	9/7/12	8/17/12	9/19/11	9/7/12	8/17/12	9/19/11
Mont Belvieu Spot	91.5	96.6	94.3	159.2	-5.06	2.29	-64.94	-5.2	2.4	-40.8
Conway Spot	81.0	84.4	79.8	142.3	-3.35	4.54	-62.42	-4.0	5.7	-43.9

Key Price Spreads and Differentials

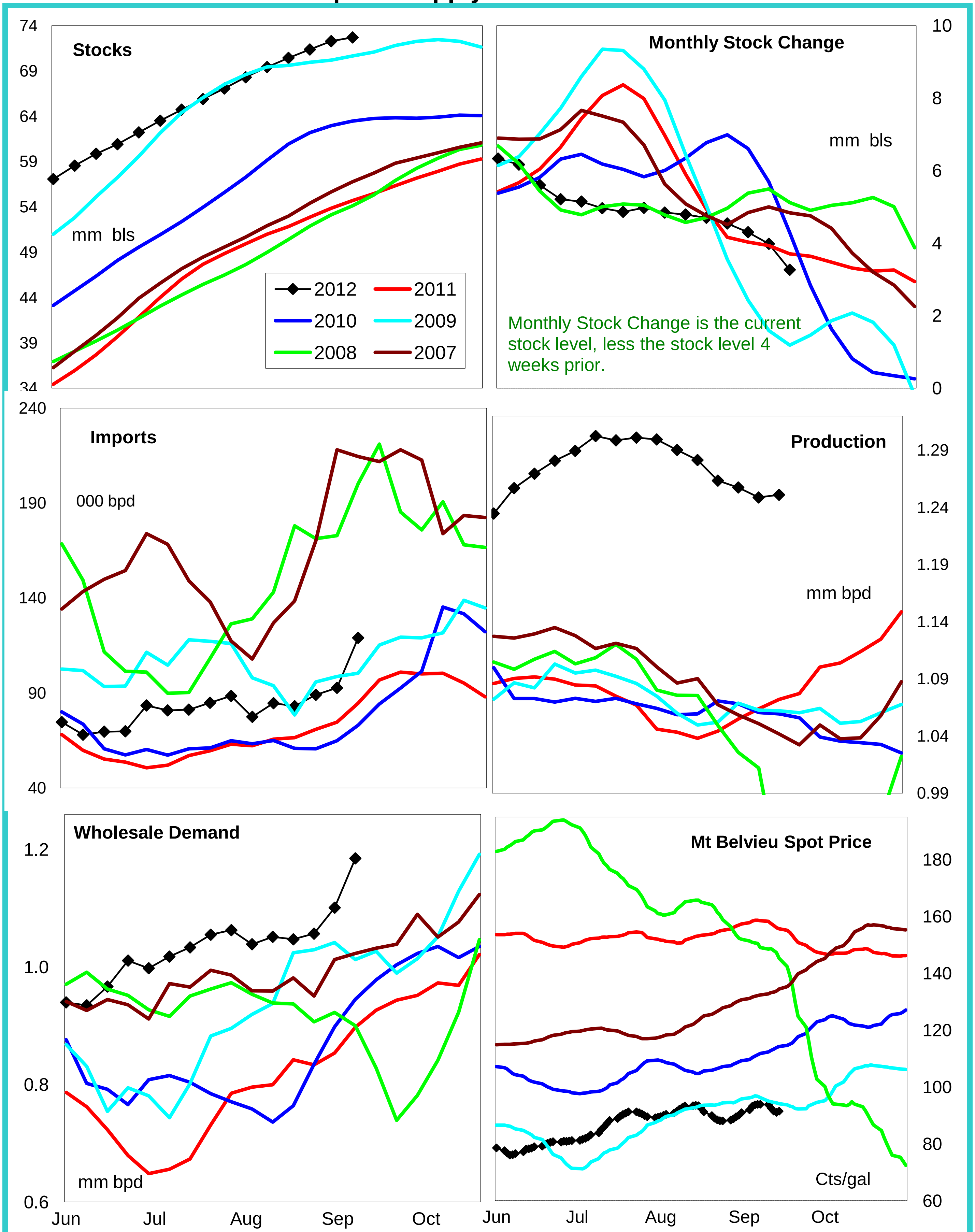








U. S. Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Jul	Jun	May
000 bpd (000 bls stks)	17,950	-437	190	17		219	181	155	161
% change	32.8	-12	17.9	22.5		25.1	19.7	17.4	17.2

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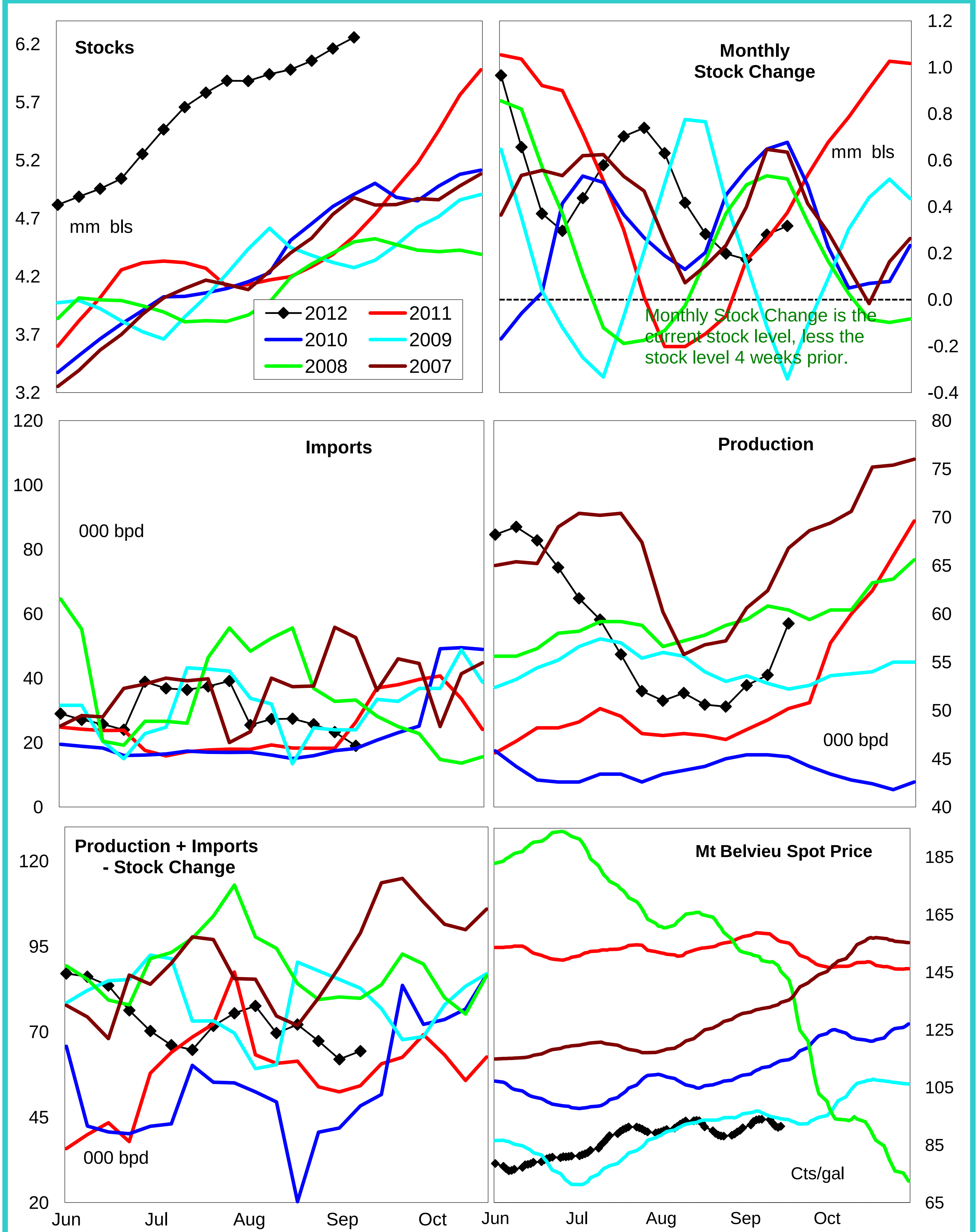
PADD 1 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	1,736	-58	5	8	11
% change	38.4	-15.4	9.8	42.5	19.8

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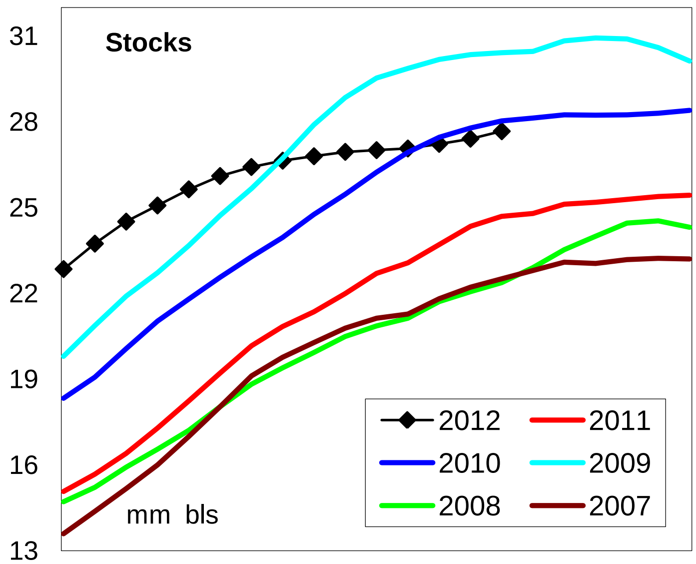
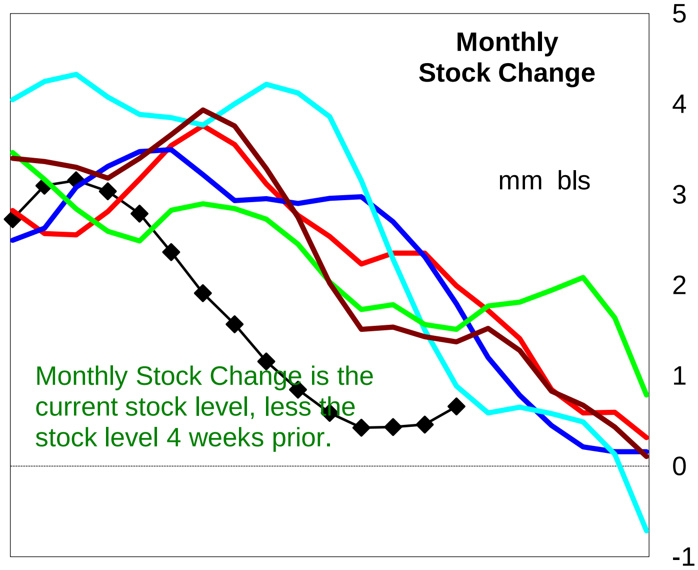
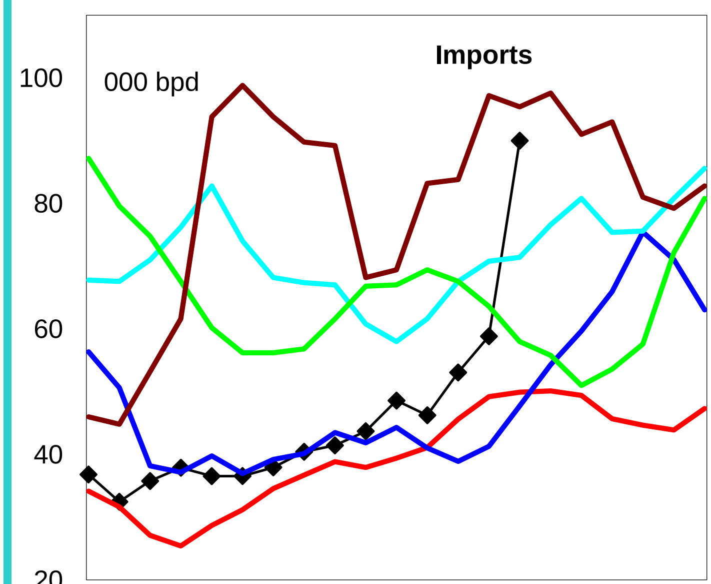
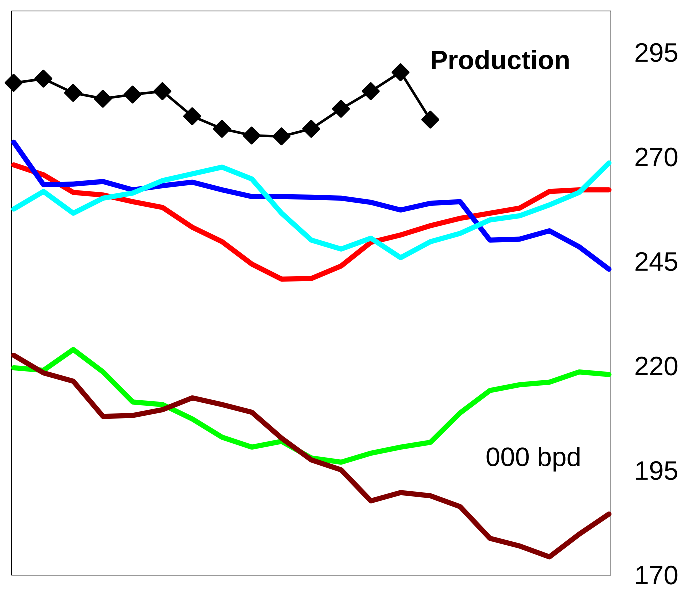
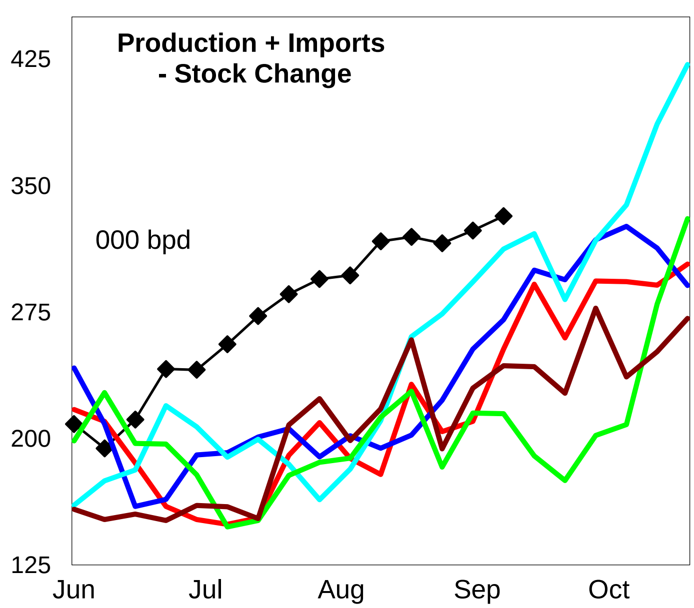
PADD 2 Propane Supply and Demand Balance

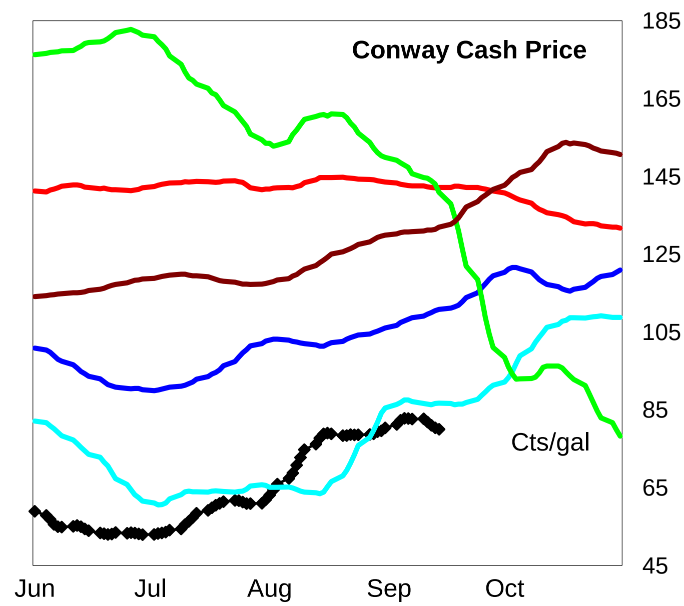






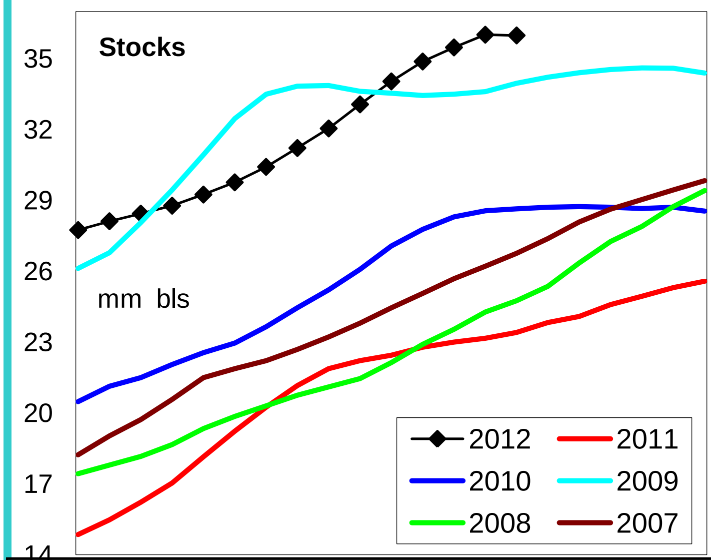


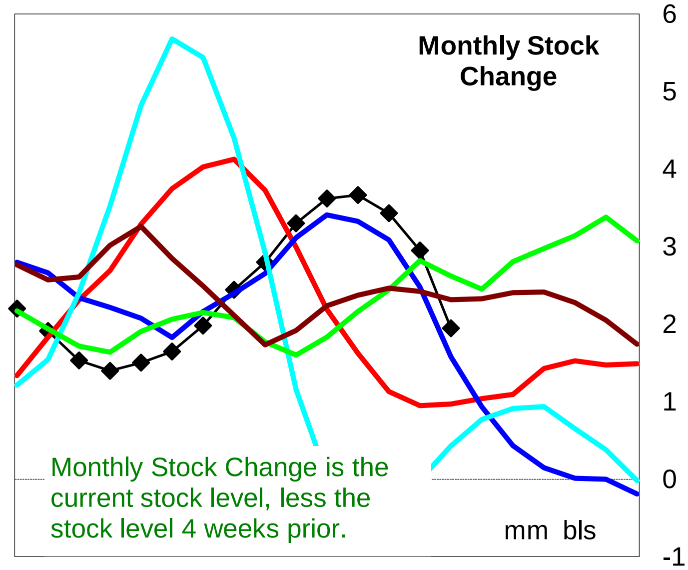


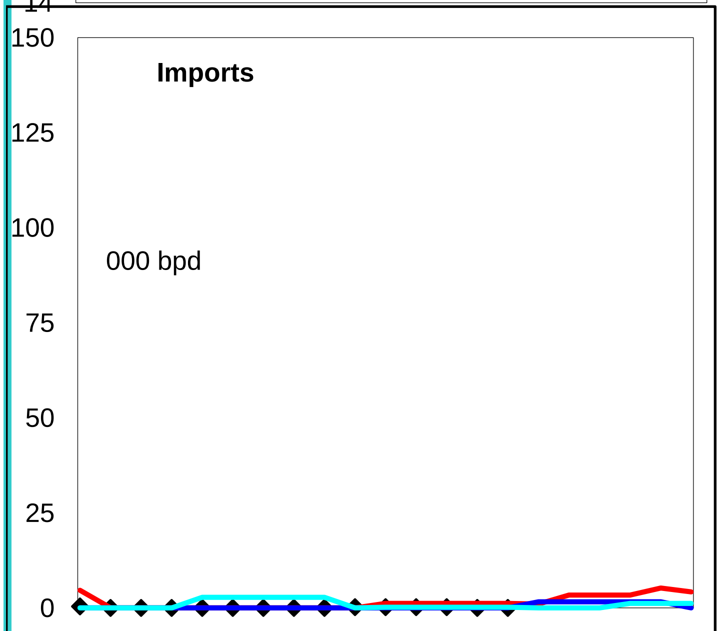


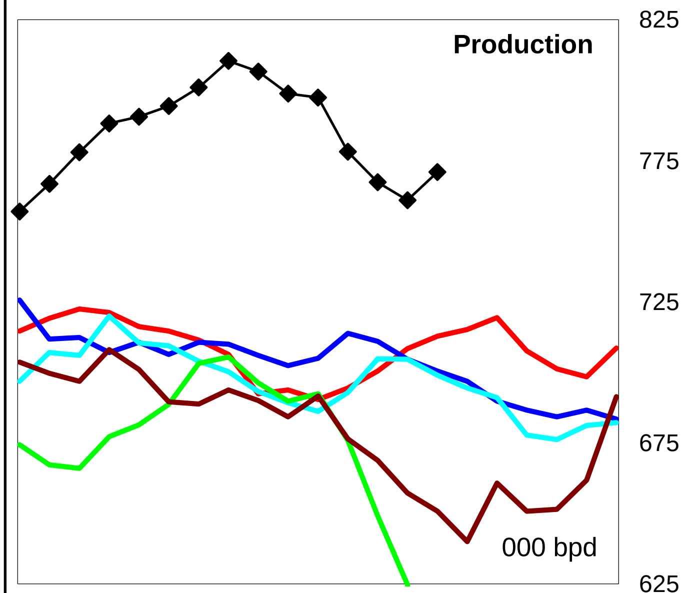
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	2,836	-1,334	36	5	98
% change	11.4	-66.9	14.3	10.2	43.4

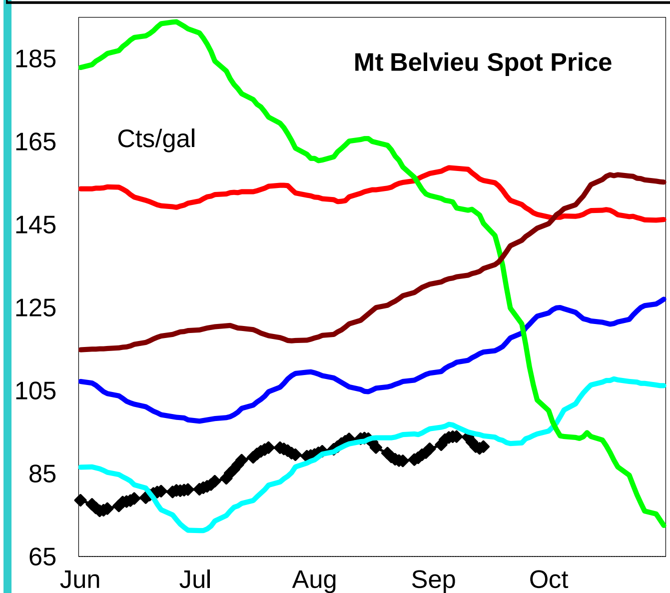
PADD 3 Propane Supply and Demand Balance

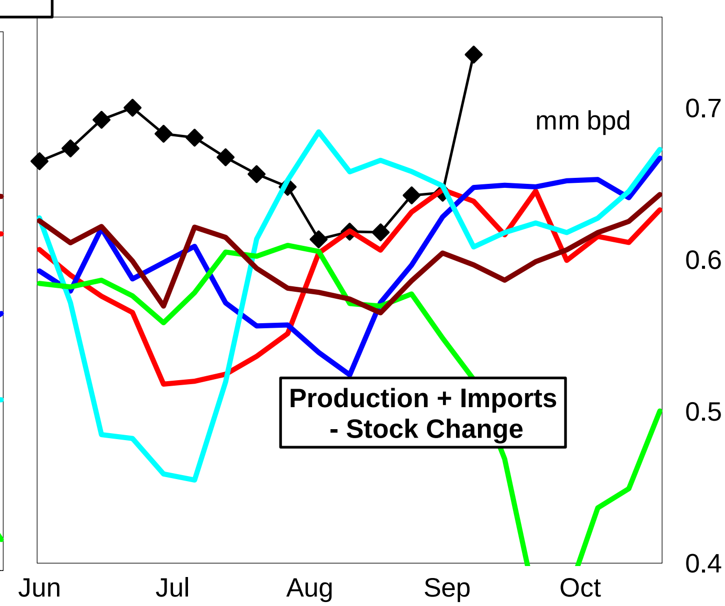






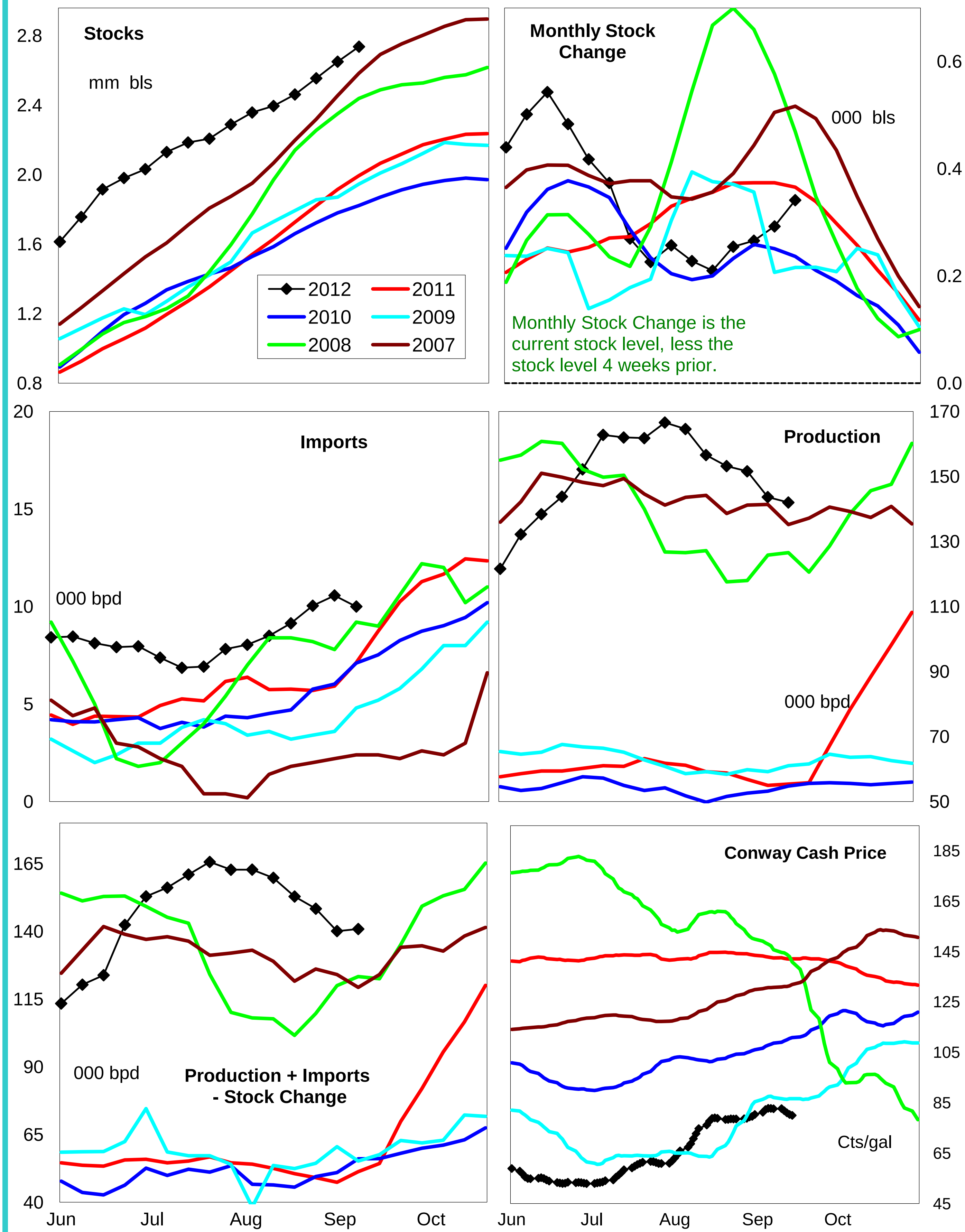






4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	12,638	978	57	-1	29
% change	54.1	101	8.0	-83.3	4.4

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)	741	-24	93	5	96
% change	36.4	-6.6	166.7	98.1	193.6

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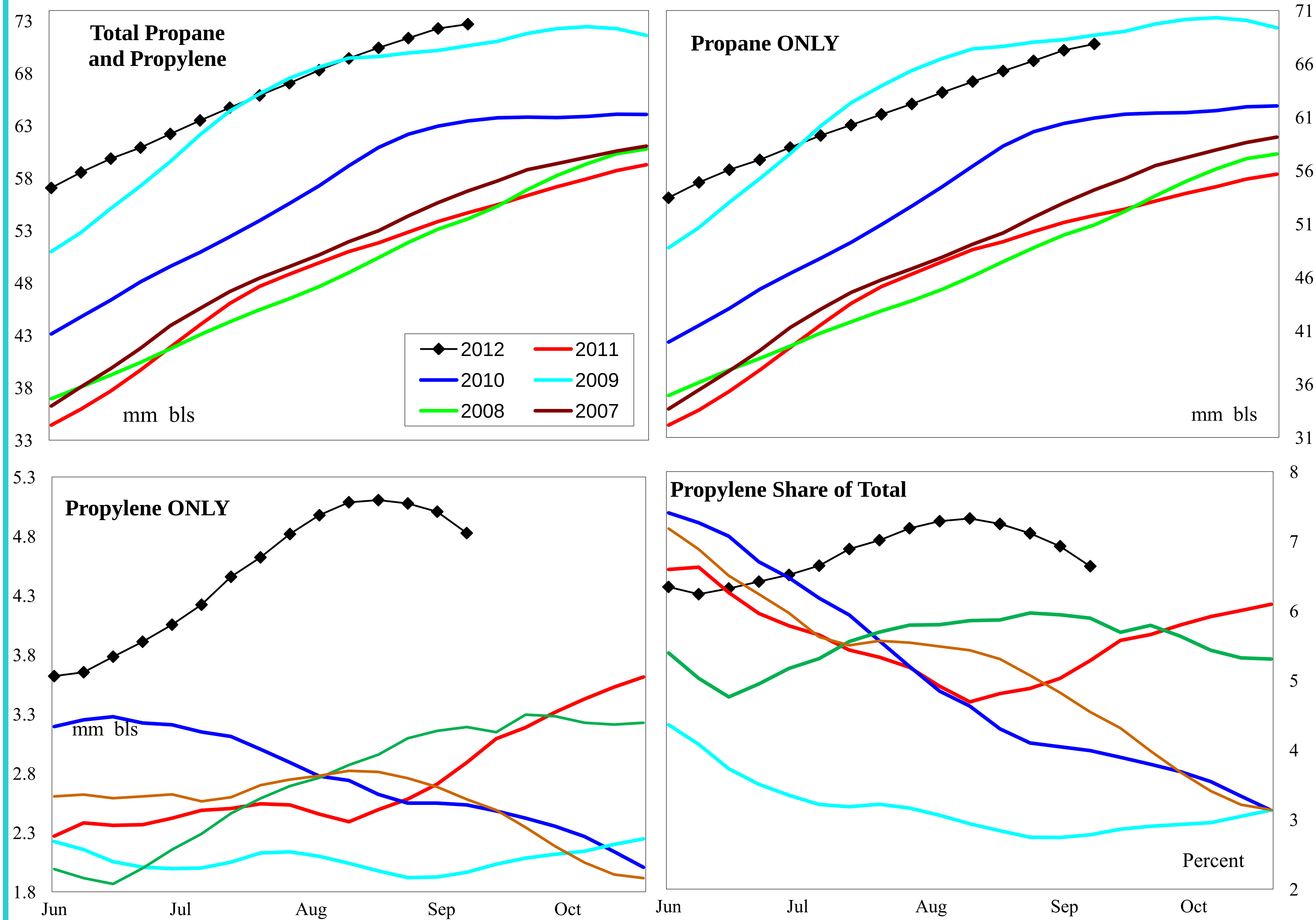
U. S. Propane and Propylene Stocks



Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	17,950	16,020	1,936
% change	32.8	30.9	67.0

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

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