



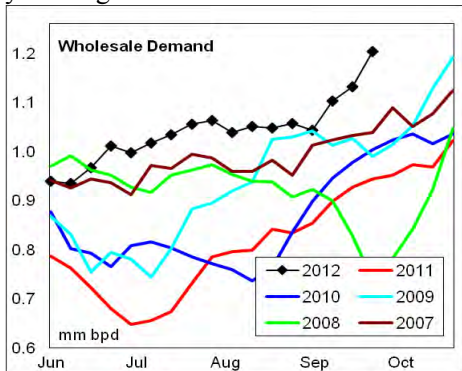
WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

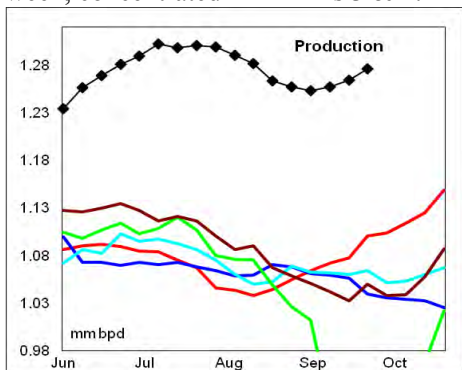
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com

Summary¹:

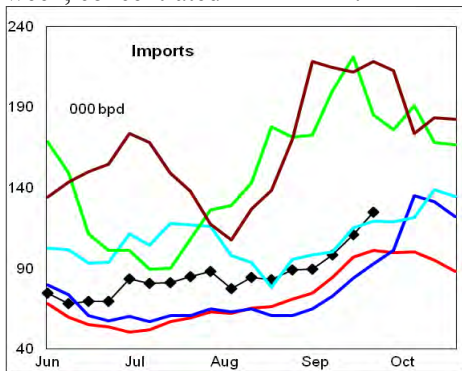
Wholesale demand jumped +196,000 bpd on the week, to a level above the 5-year range.



Production increased +10,000 bpd last week, concentrated in PADDs 3 & 2.



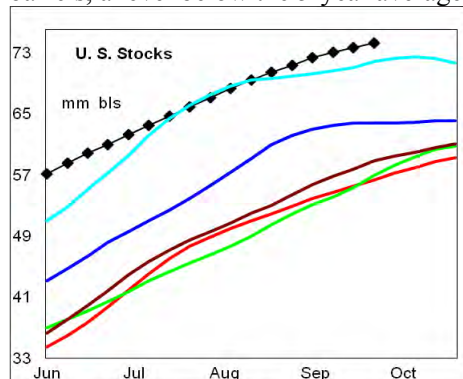
Imports increased +36,000 bpd on the week, concentrated in PADD 2.



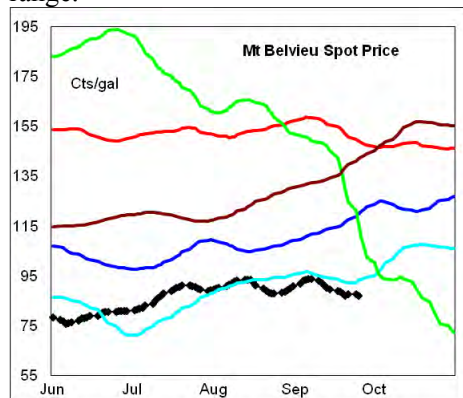
Combined production and imports during the latest 4-wk period were +181,000 bpd above a year ago. Production was +168,000 bpd above last year (+15%), while imports were +13,000 bpd higher. The latest 4-wk average demand was +161,000 bpd above last year, +16%.

¹ Source is latest EIA Weekly Statistics

Stocks increased +0.3 million barrels last week, and are now +32% above a year ago. The 4-wk stock change was a build of +2.9 million barrels, a level below the 5-year average.



Price and Spreads Mt Belvieu spot prices increased +1 cpg for the week ending 25Sep12, while Conway decreased -2 cpg during the same week. Mt Belvieu prices ended the week below the 5-year range.



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

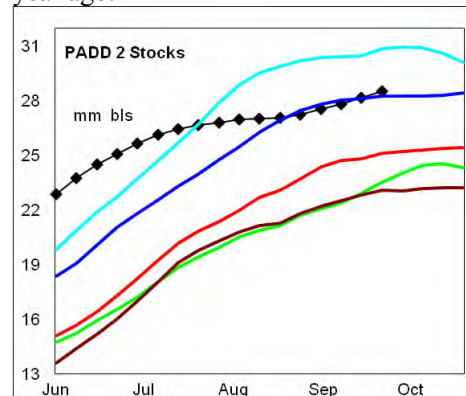
The propane to natural gas price spread declined last week, ending at a level just below the last 2-years.

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

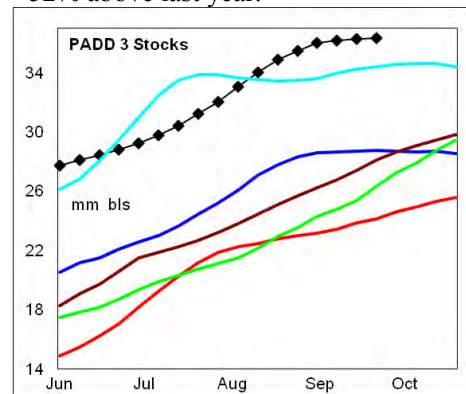
PADD 1 stocks increased +0.1 million barrels on the week, ending the week +32% above a year ago. Supply decreased -2,000 bpd on the week. Supply for the latest 4-wk period was +6,000 bpd above last year, on higher production.

PADD 2 stocks increased +0.3 million barrels on the week. Supply increased

+51,000 bpd on the week, due to higher imports. The latest 4-wk supply was +49,000 bpd above a year ago. Stock levels ended the week +13% above a year ago.



PADD 3 stocks decreased -0.2 million barrels on the week, with the 4-wk stock change a build of +0.9 million barrels. The build matched the average of the last 3-years. Stock levels ended the week +52% above last year.



PADDs 4 & 5 stocks were nearly unchanged on the week, at a level well above the historic range. The stock level was +37% above a year ago.

Emerging Trends Markets remain very well supplied with stocks in the Gulf region +52% above a year ago; PADDs 1, 4&5 each +33% above last year. PADD 2 stocks are just +13% higher than last year. Spot market prices reflect the over supplied regional markets, trading at levels well below the last 5-years. Look for prices to remain at the low end of the 5-year range.



PROPANE: Graph Link and Weekly Summary

September 26, 2012

Fundamental Trends for the Week Ending:

Friday, September 21, 2012

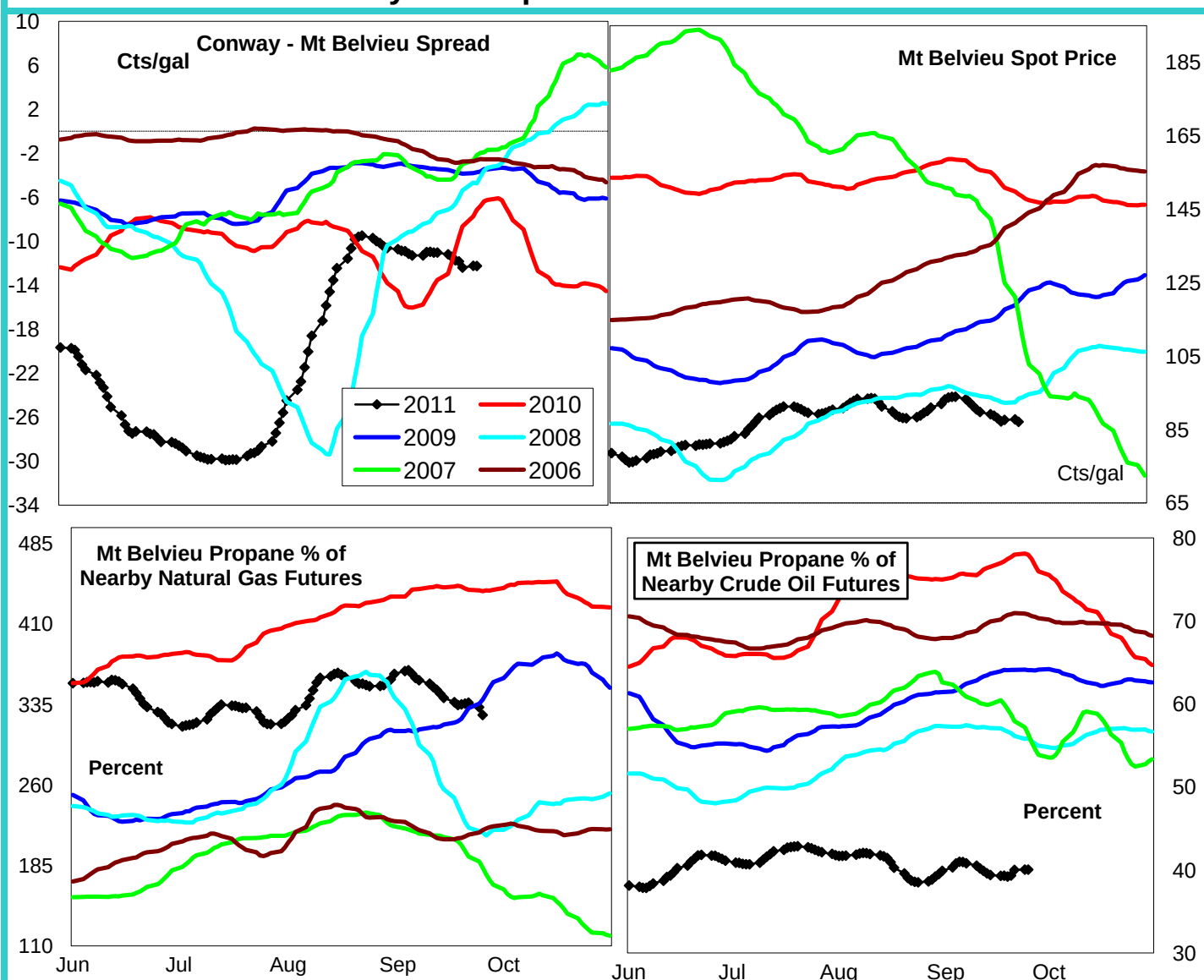
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD				U.S. Total	PADD			
		1	2	3	4&5		1	2	3	4&5
Stocks	74,290	6,505	28,499	36,324	2,962	273	146	255	-170	42
Propylene Stocks	4,548					-213				
Production	1,276	63	296	762	155	10	1	9	11	-11
Imports	125	30	87	1	8	36	-3	42	0	-4
Whsle Demand	1,244					196				

Price Trends for the Week Ending:

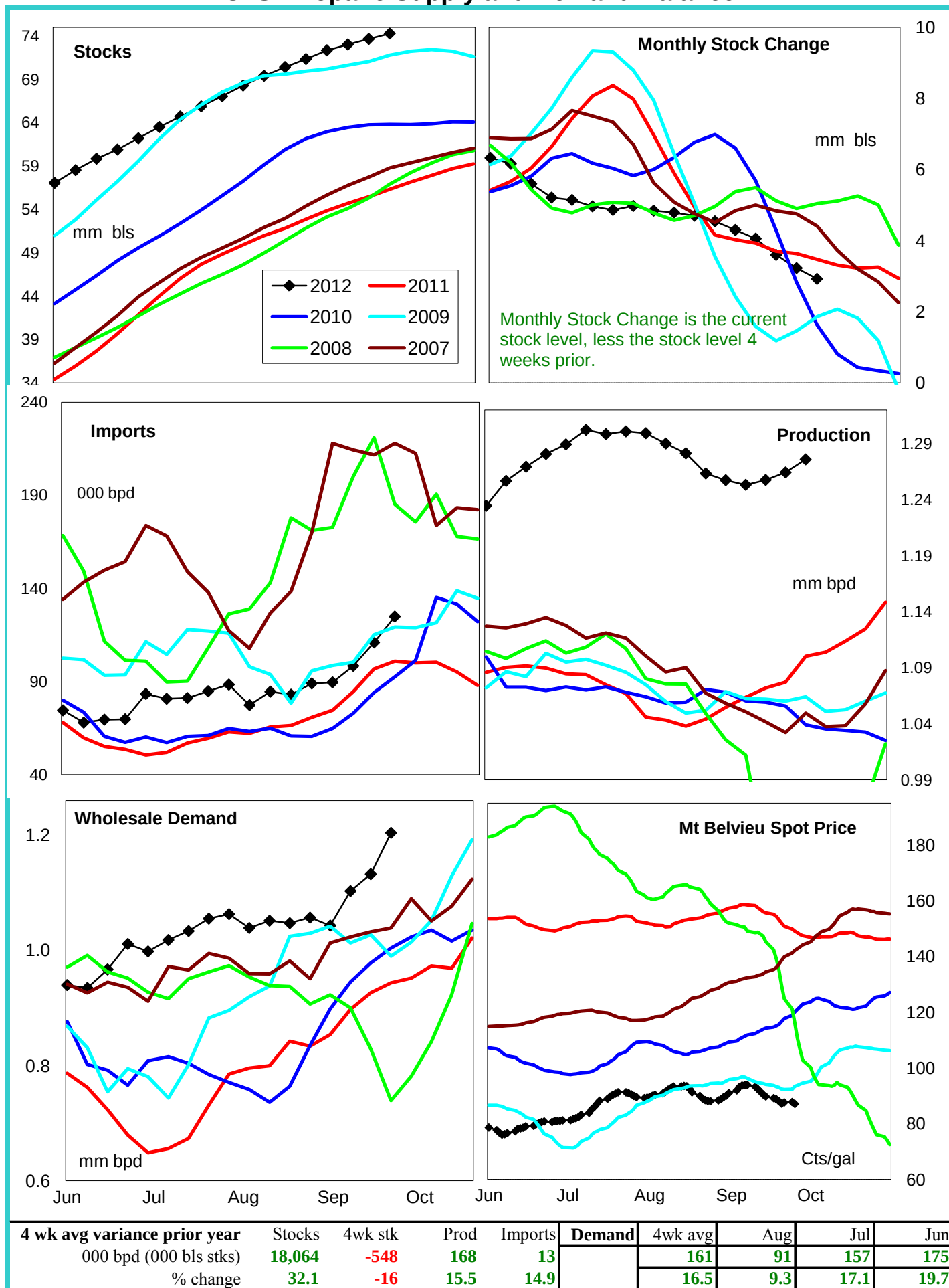
Tuesday, September 25, 2012

Cents/gal	Average for week ending:				Change from:			% change from:		
	9/25/12	9/18/12	8/21/12	9/21/11	9/18/12	8/21/12	9/21/11	9/18/12	8/21/12	9/21/11
Mont Belvieu Spot	87.6	89.1	84.0	152.0	-1.47	5.09	-67.94	-1.6	6.1	-44.7
Conway Spot	75.2	78.5	75.2	143.0	-3.27	3.35	-67.85	-4.2	4.5	-47.4

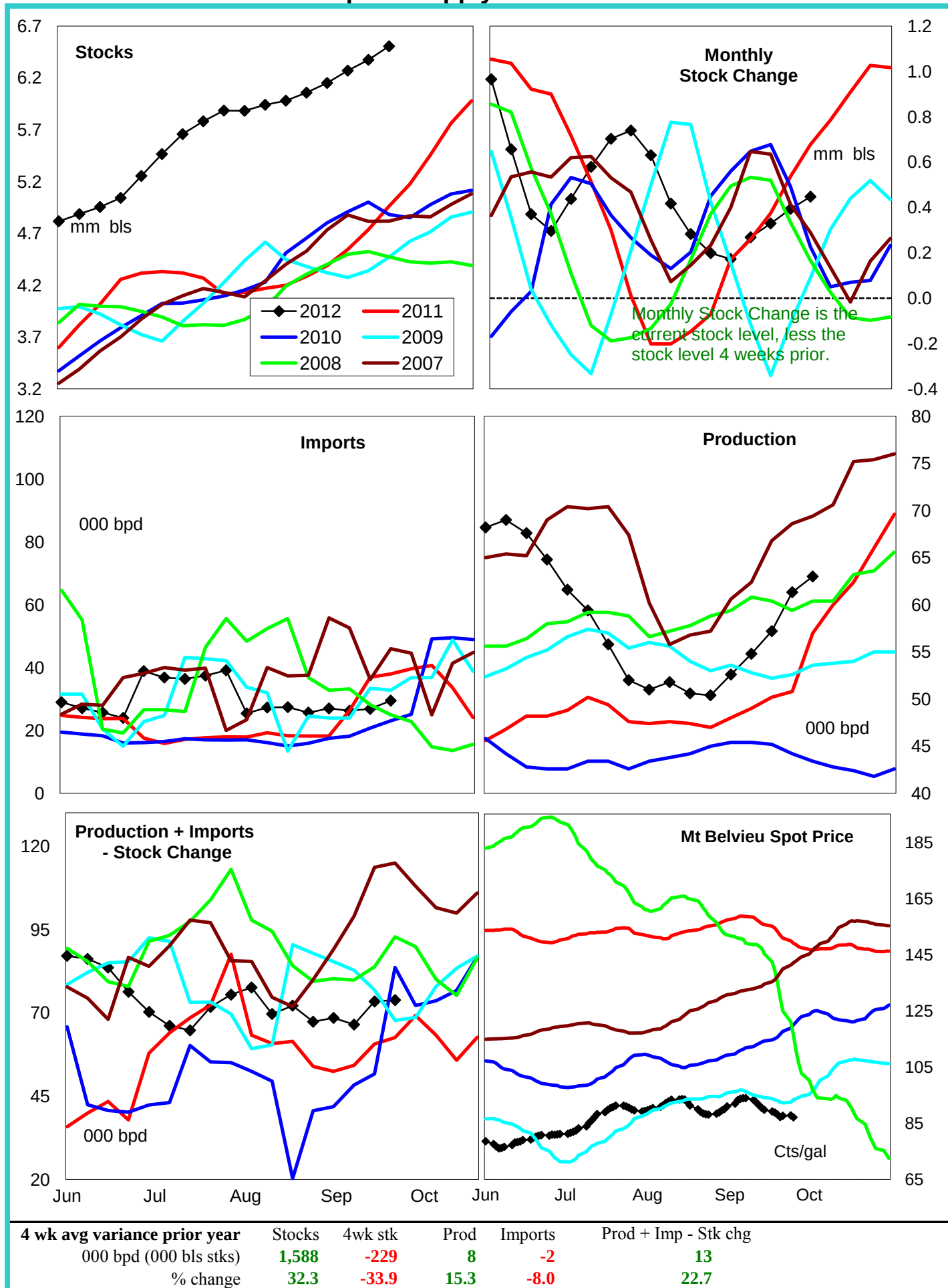
Key Price Spreads and Differentials



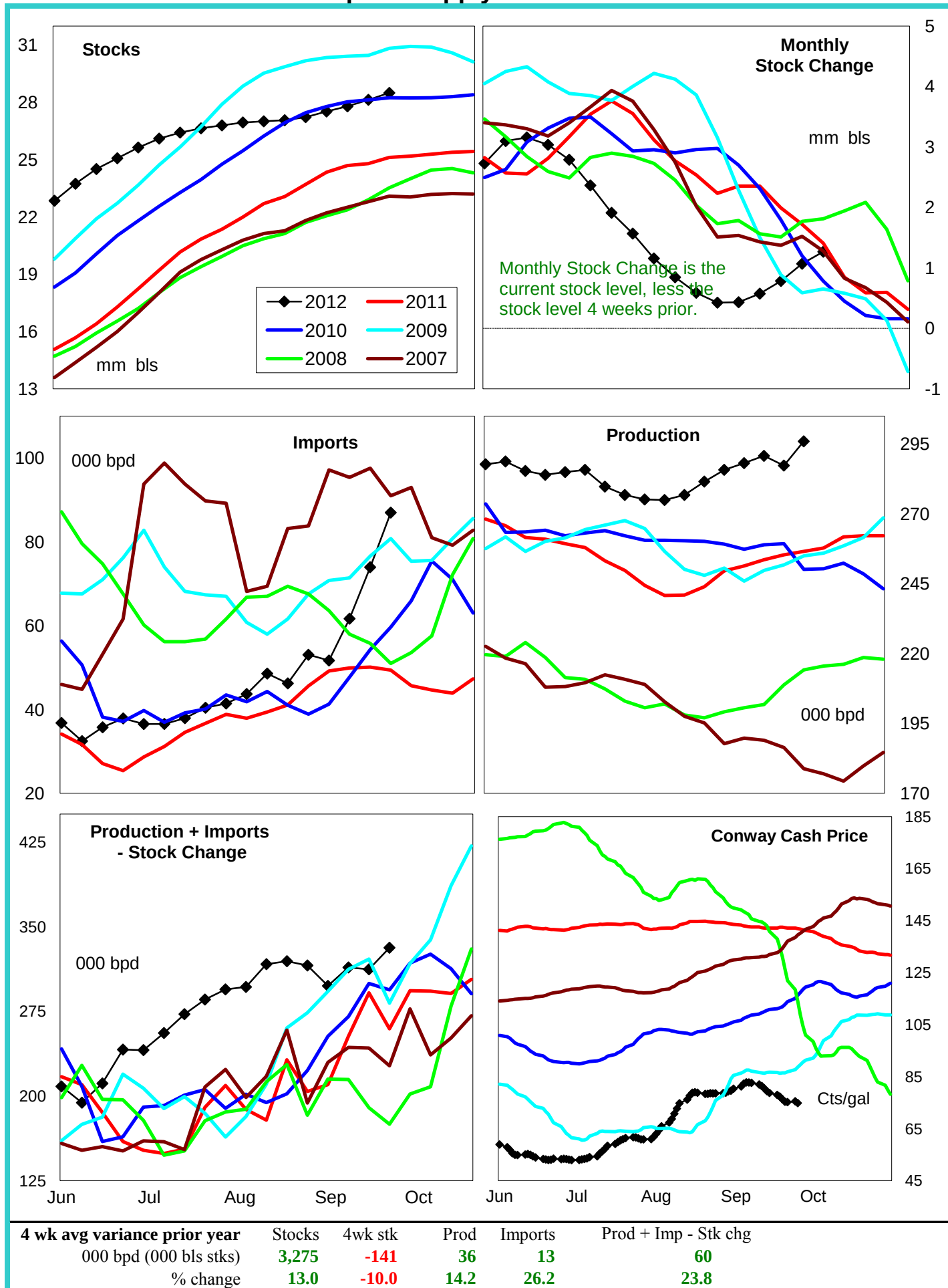
U. S. Propane Supply and Demand Balance



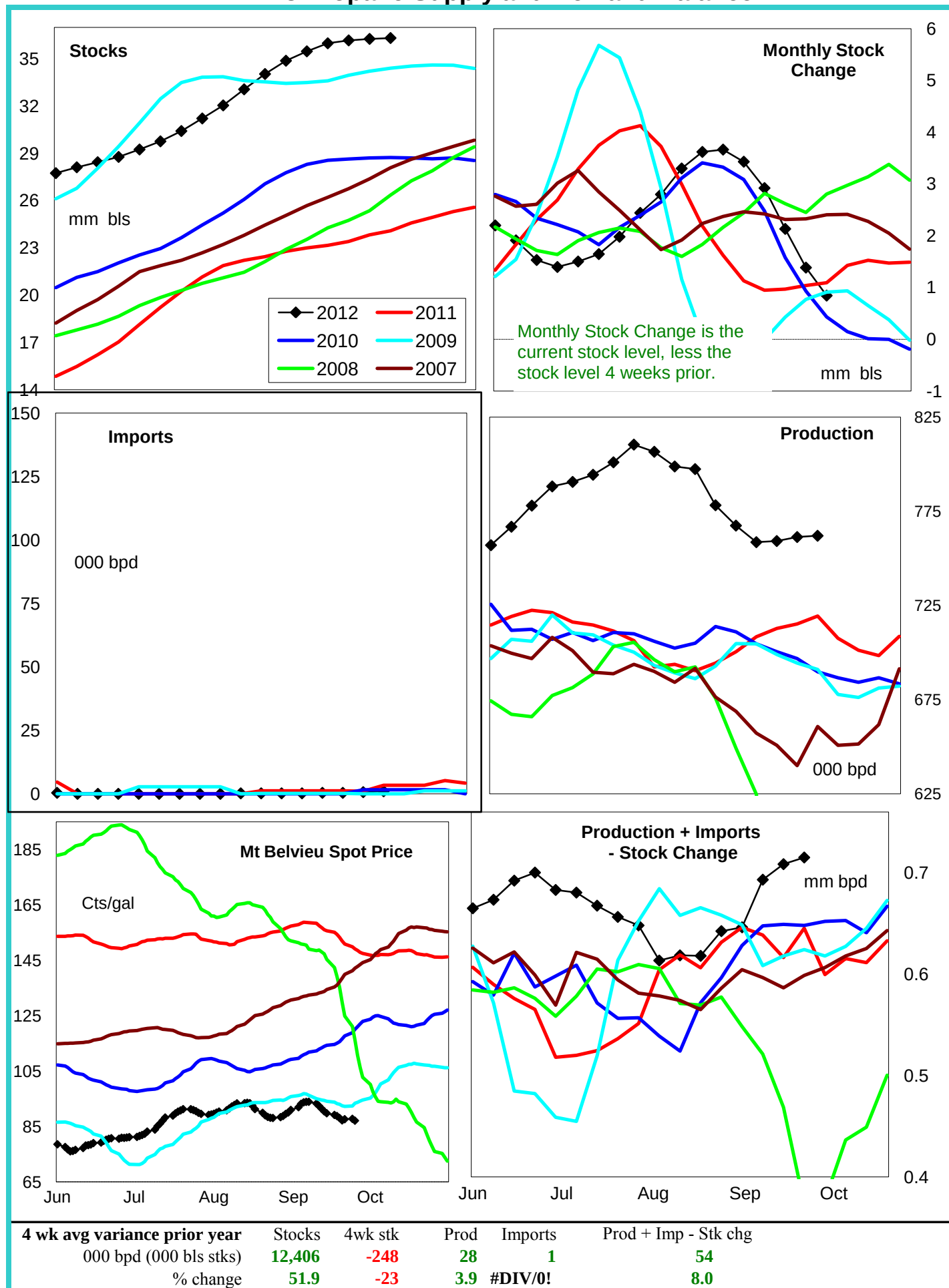
PADD 1 Propane Supply and Demand Balance



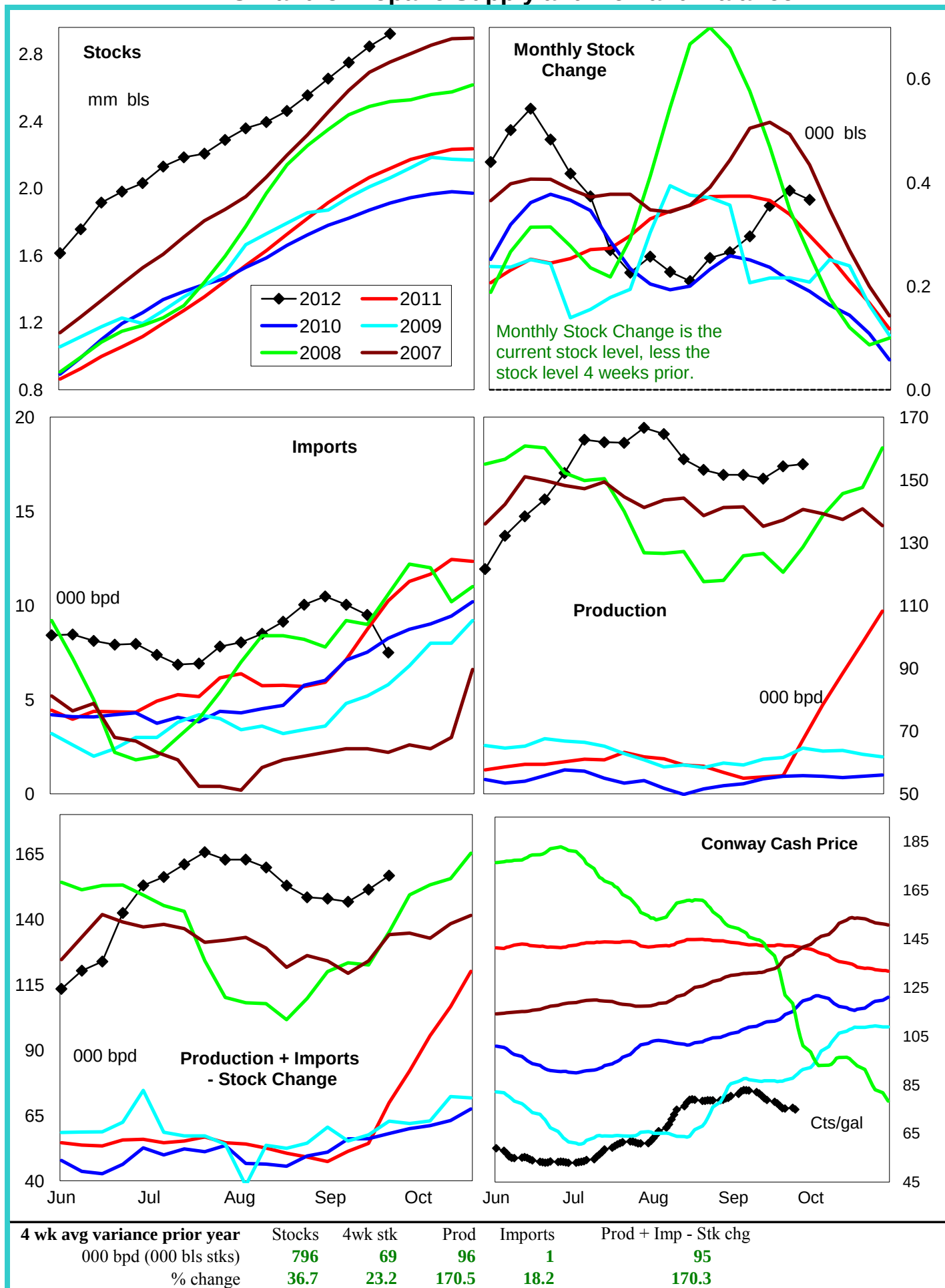
PADD 2 Propane Supply and Demand Balance



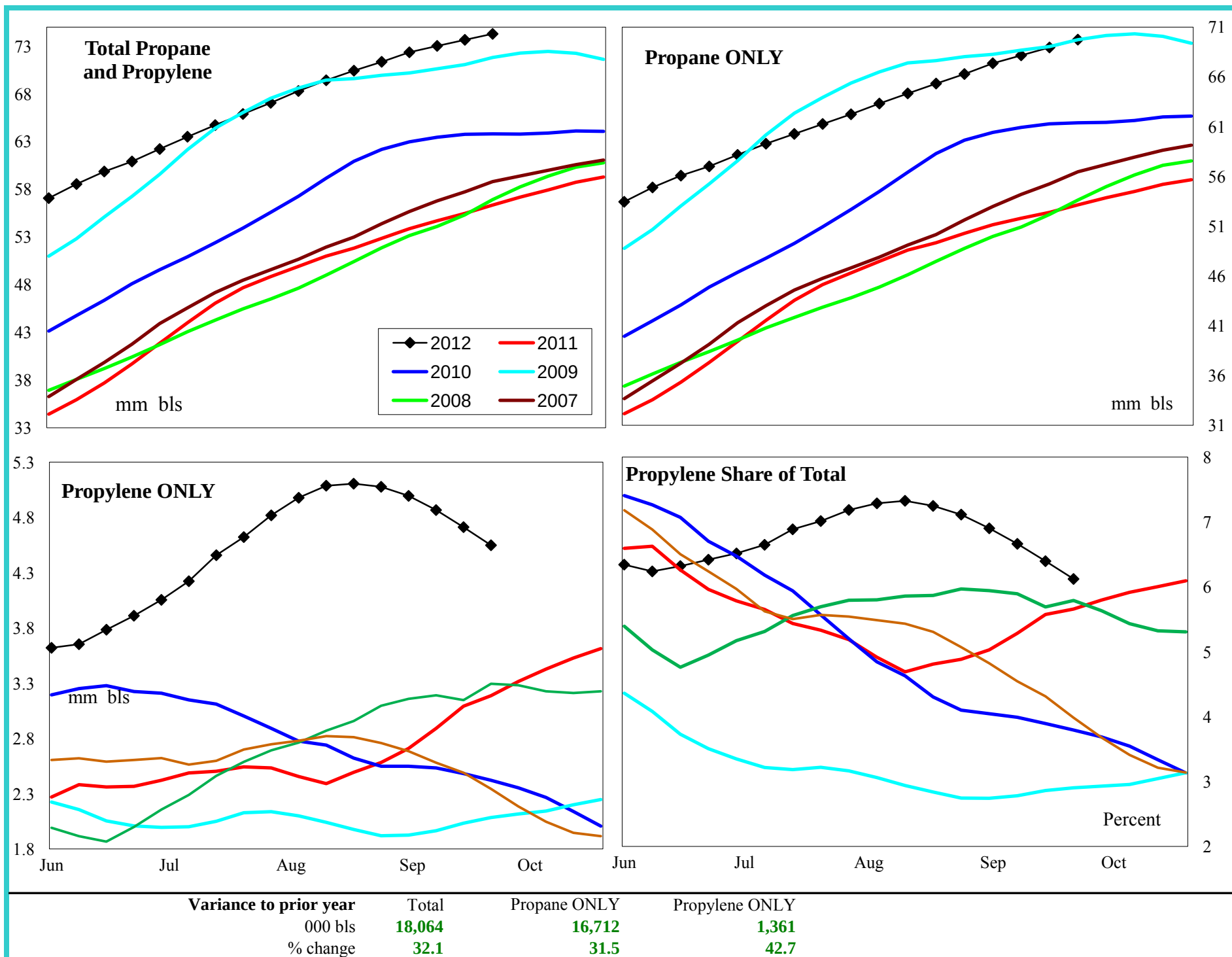
PADD 3 Propane Supply and Demand Balance



PADDs 4 and 5 Propane Supply and Demand Balance



U. S. Propane and Propylene Stocks



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

