



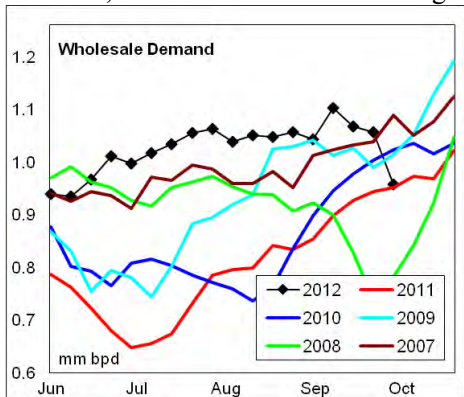
WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

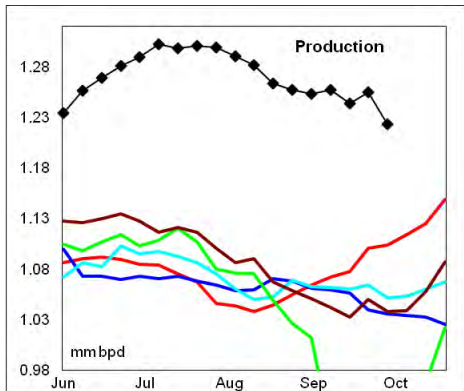
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com

Summary¹:

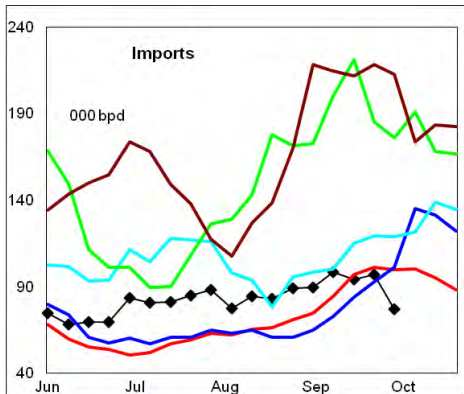
Wholesale demand fell -247,000 bpd on the week, to a level below the mid range.



Production fell -53,000 bpd last week, concentrated in PADDs 3 & 2.



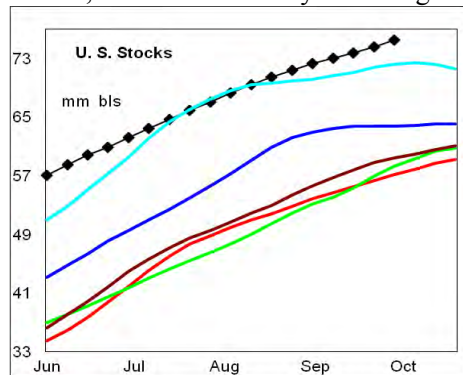
Imports fell -48,000 bpd on the week, concentrated in PADD 2.



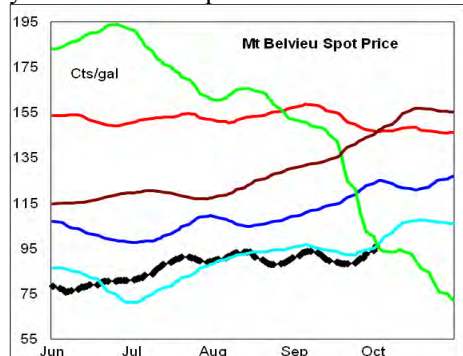
Combined production and imports during the latest 4-wk period were +170,000 bpd above a year ago. Production was +171,000 bpd above last year (+16%), while imports were unchanged. The latest 4-wk average

demand was +177,000 bpd above last year, +19%.

Stocks increased +1.3 million barrels last week, and are now +32% above a year ago. The 4-wk stock change was a build of +3.3 million barrels, a level near the 5-year average.



Price and Spreads Mt Belvieu spot prices jumped +9 cpg for the week ending 02oct12, while Conway increased +8 cpg during the same week. Mt Belvieu prices ended the week comparable to 5-year lows for the period.



The Conway – Mt Belvieu price spread trended lower last week, ending the week at -14 cpg.

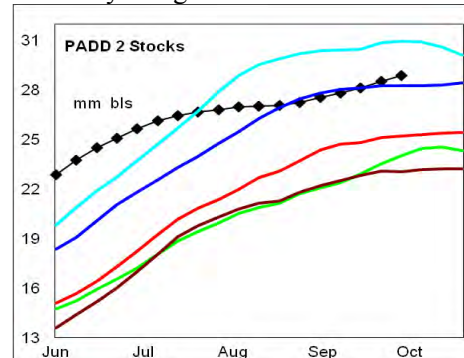
The propane to natural gas price spread declined last week, ending at a level below the last 2-years.

The propane / crude oil price spread trended higher last week ending the highest level of the last 4-months.

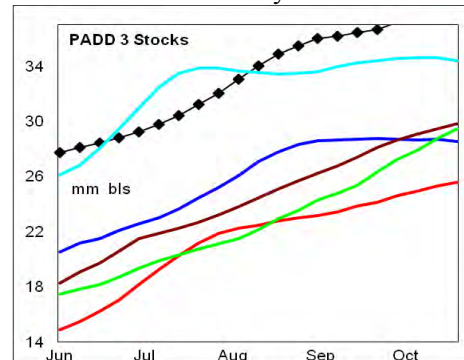
PADD 1 stocks decreased -0.1 million barrels on the week, ending the week +20% above a year ago. Supply decreased -15,000 bpd on the week. Supply for the latest 4-wk period was -9,000 bpd below last year, on lower imports.

PADD 2 stocks increased +0.4 million

barrels on the week. Supply fell -67,000 bpd on the week, due to lower imports and production. The latest 4-wk supply was +44,000 bpd above a year ago. Stock levels ended the week +14% above a year ago.



PADD 3 stocks increased +0.9 million barrels on the week, with the 4-wk stock change a build of +1.2 million barrels. The build exceeded the average of the last 3-years. Stock levels ended the week +51% above last year.



PADDs 4 & 5 stocks increased +0.2 million barrels on the week, to a new record high level. The stock level was +43% above a year ago.

Emerging Trends Much colder than normal temperatures are forecast in the eastern 2/3rds of the country for the next 2-wks, providing support to spot prices. Supplies fell -101,000 bpd last week, a counter seasonal decrease. The decrease was offset by lower demand, leading to an above average stock build. Markets remain very well supplied with stocks in the Gulf region +5% above a year ago; 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

October 3, 2012

Fundamental Trends for the Week Ending:

Friday, September 28, 2012

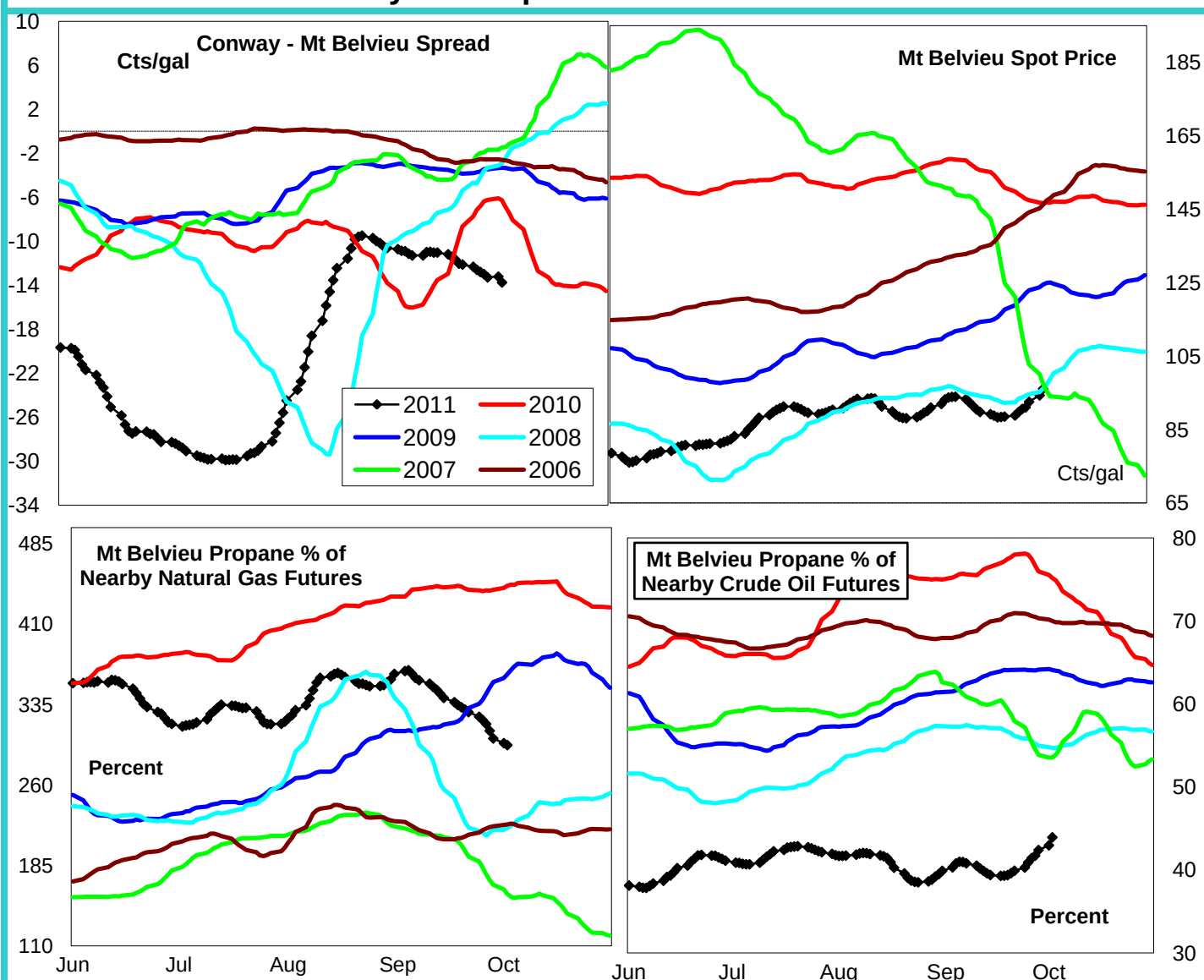
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD				U.S. Total	PADD			
		1	2	3	4&5		1	2	3	4&5
Stocks	75,584	6,359	28,861	37,212	3,152	1,294	-146	362	888	190
Propylene Stocks	4,511					-37				
Production	1,223	56	272	746	149	-53	-7	-24	-16	-6
Imports	77	21	44	0	12	-48	-8	-43	-1	4
Whsle Demand	997					-247				

Price Trends for the Week Ending:

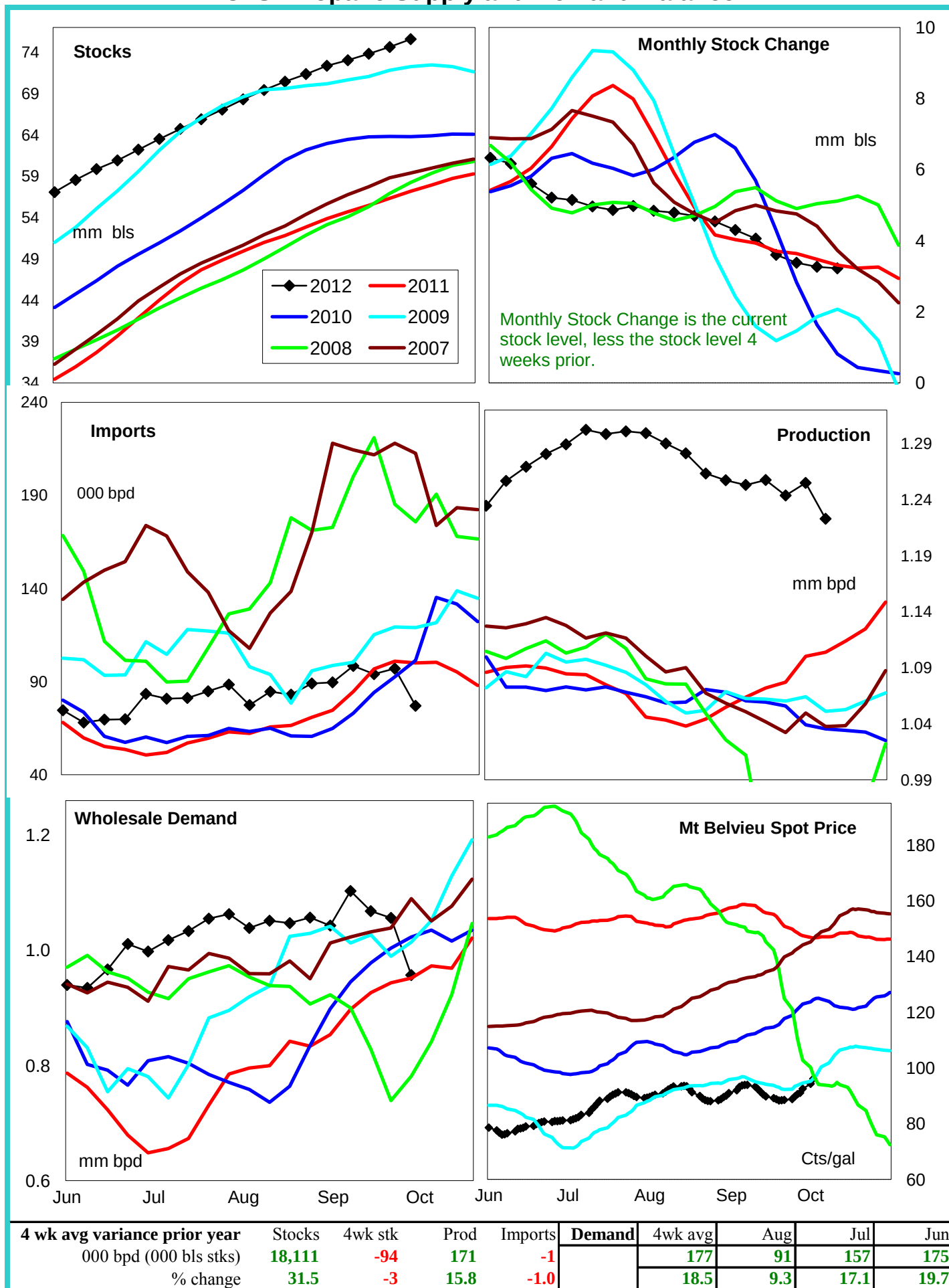
Tuesday, October 02, 2012

Cents/gal	Average for week ending:				Change from:			% change from:		
	10/2/12	9/25/12	8/28/12	9/28/11	9/25/12	8/28/12	9/28/11	9/25/12	8/28/12	9/28/11
Mont Belvieu Spot	92.5	87.6	93.0	146.2	4.91	-5.40	-53.14	5.6	-5.8	-36.4
Conway Spot	79.3	75.2	81.8	141.0	4.02	-6.55	-59.22	5.3	-8.0	-42.0

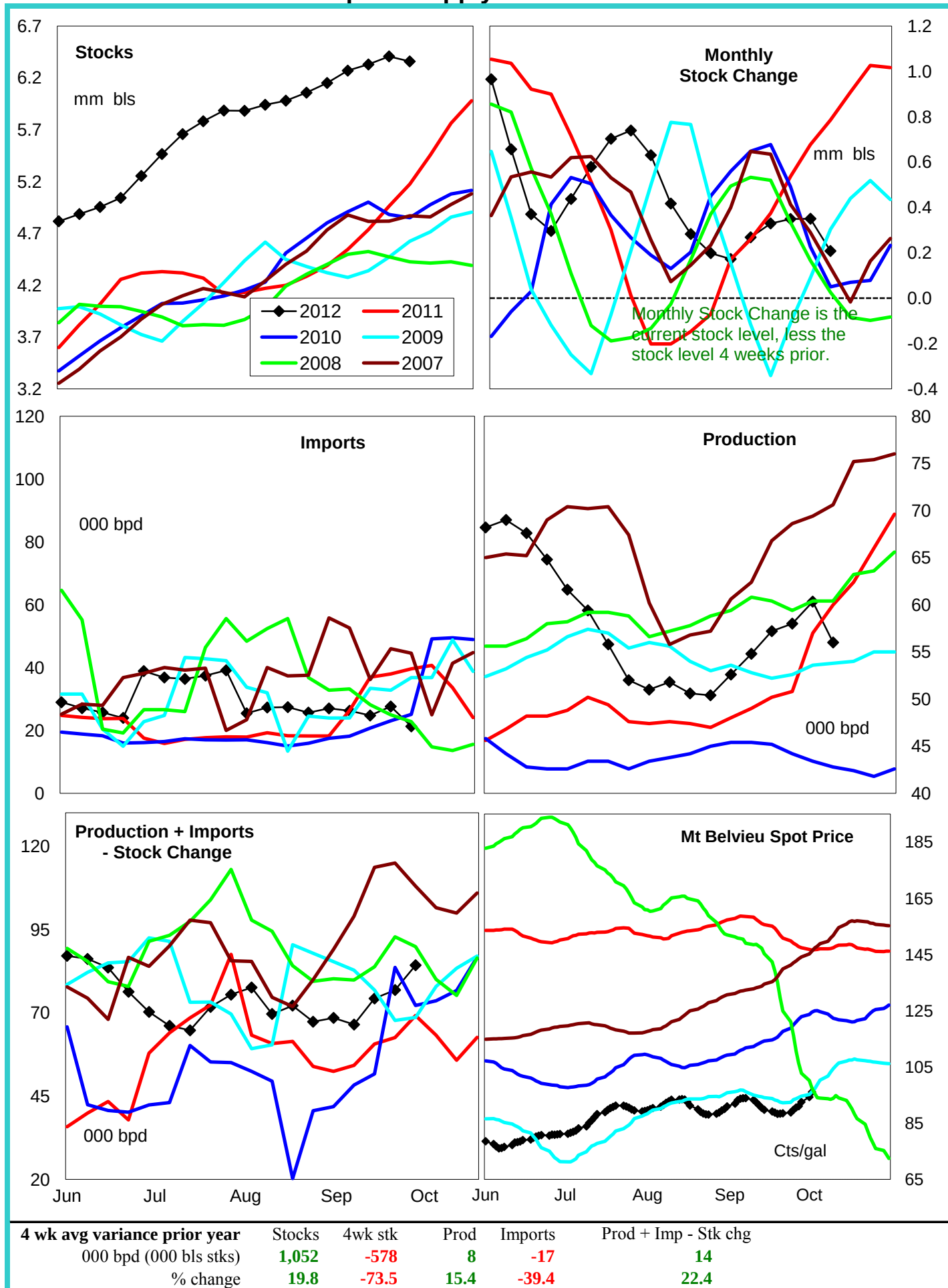
Key Price Spreads and Differentials



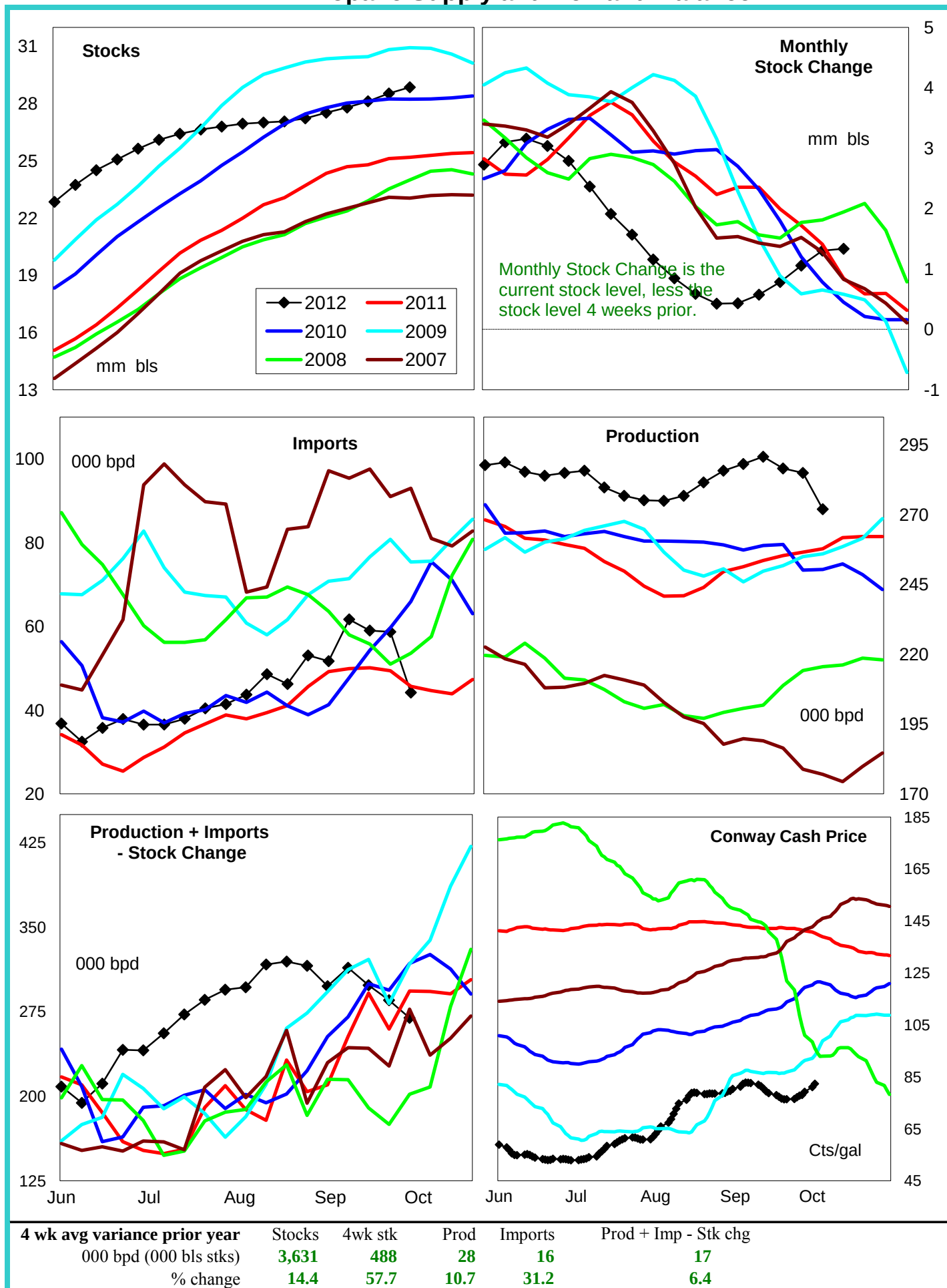
U. S. Propane Supply and Demand Balance



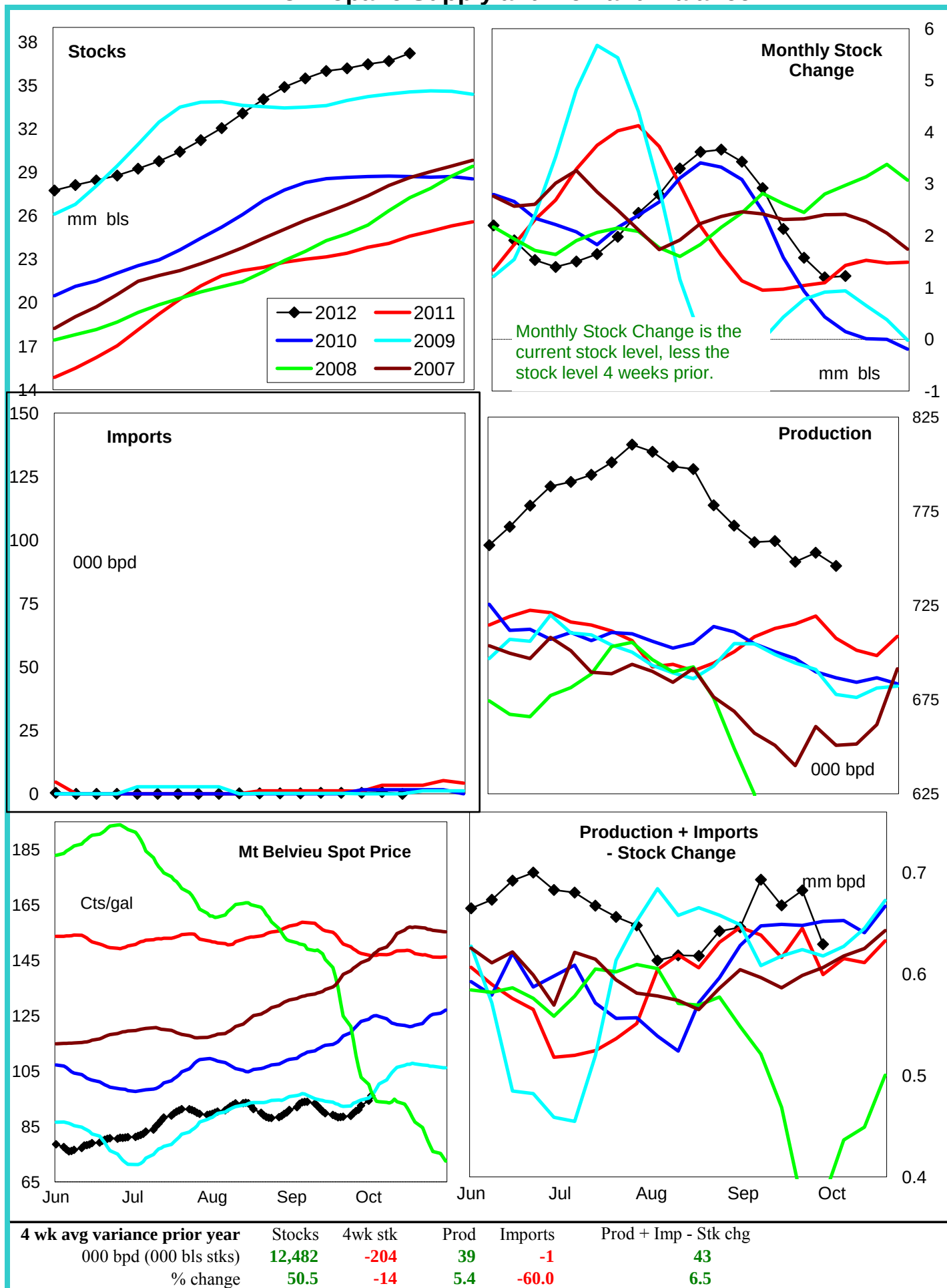
PADD 1 Propane Supply and Demand Balance



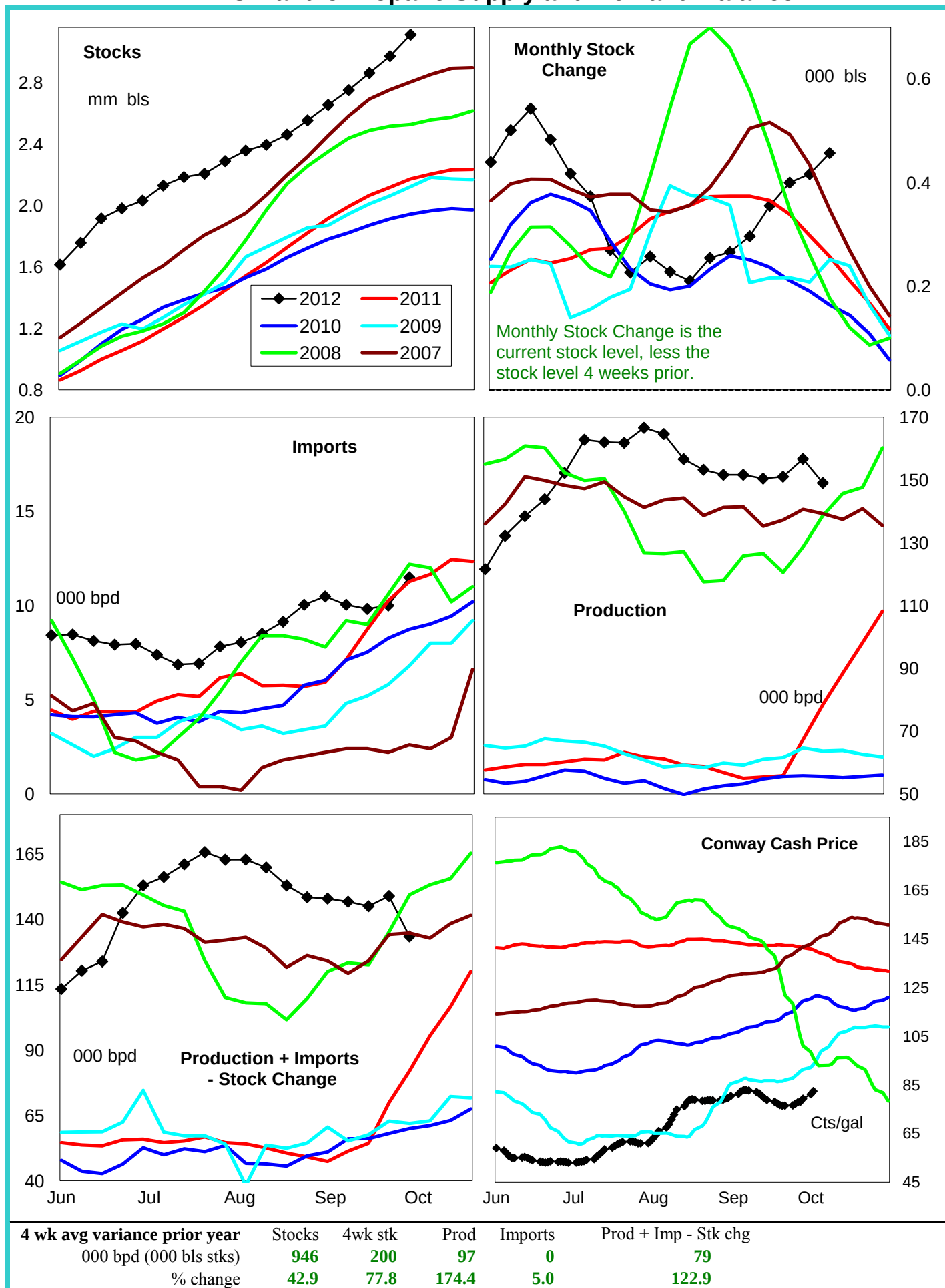
PADD 2 Propane Supply and Demand Balance



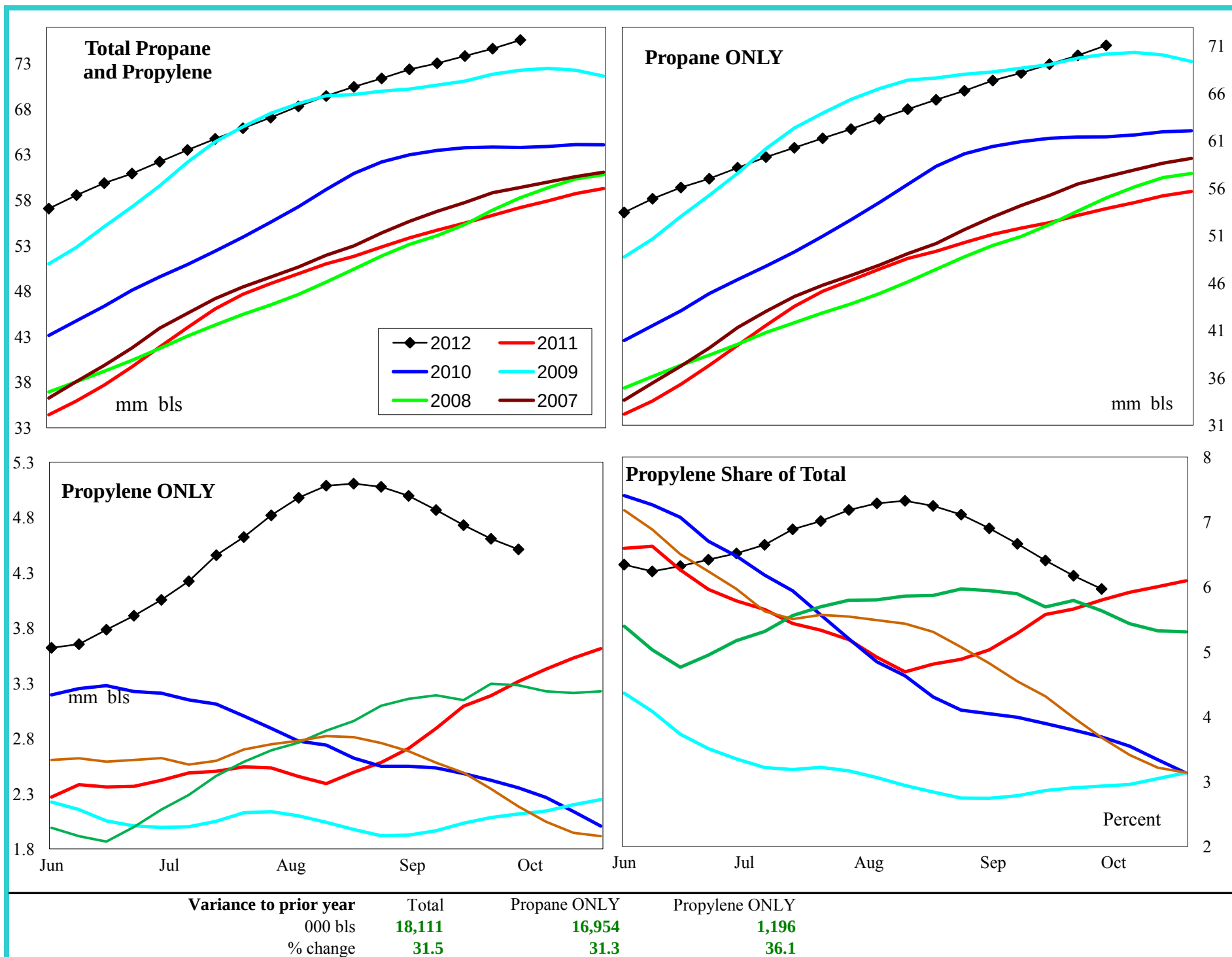
PADD 3 Propane Supply and Demand Balance



PADDs 4 and 5 Propane Supply and Demand Balance



U. S. Propane and Propylene Stocks



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

