



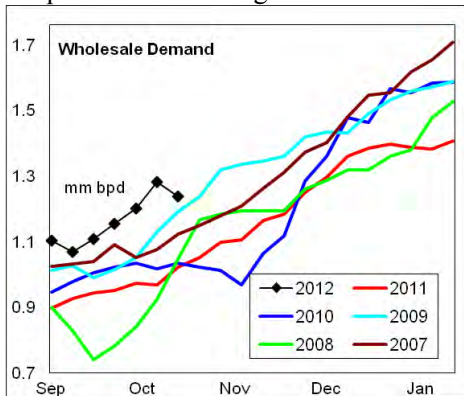
WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

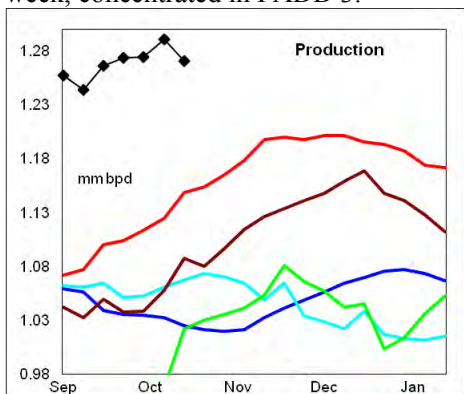
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com

Summary¹:

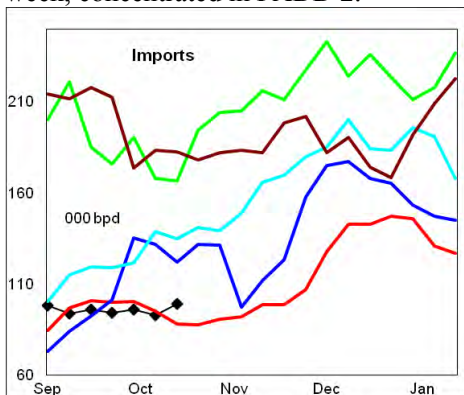
Wholesale demand fell -185,000 bpd on the week, driven by extremely warm temperatures in heating markets.



Production decreased -15,000 bpd last week, concentrated in PADD 3.



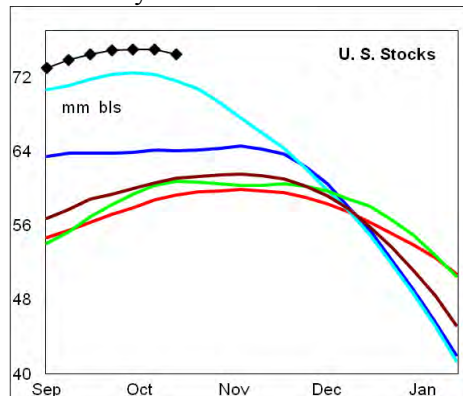
Imports decreased -11,000 bpd on the week, concentrated in PADD 2.



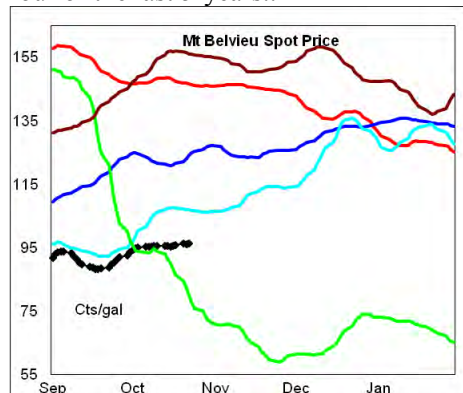
Combined production and imports during the latest 4-wk period were +149,000 bpd above a year ago. Production was +157,000 bpd above last year (+14%), while imports were -8,000

bpd lower. The latest 4-wk average demand was +223,000 bpd above last year, +22%.

Stocks were nearly unchanged last week, ending at a level +26% above a year ago. The 4-wk stock change was a build of +0.3 million barrels, a level that matched 5-year lows for the week.



Price and Spreads Mt Belvieu spot prices increased +1 cpg for the week ending 24Oct12, while Conway decreased -3 cpg during the same week. Mt Belvieu prices ended the week at a level below four of the last 5-years..



The Conway – Mt Belvieu price spread trended lower last week, ending the week at -10 cpg.

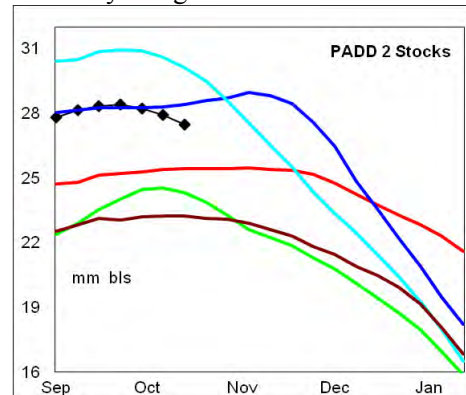
The propane to natural gas price spread trended higher late last week, ending at a level well below the last 2-years.

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

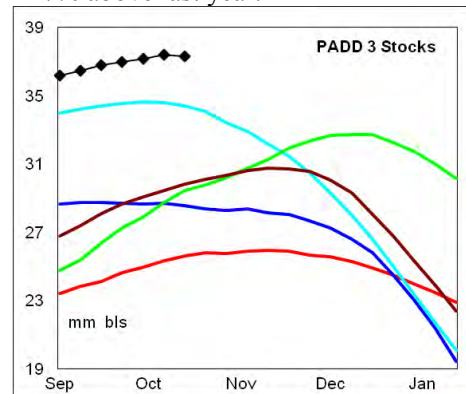
PADD 1 stocks were unchanged on the week, ending the week +9% above a year ago. Supply jumped +35,000 bpd

on the week, due to an increase in imports. Supply for the latest 4-wk period was -12,000 bpd below last year, on lower imports.

PADD 2 stocks decreased -0.4 million barrels on the week. Supply fell -44,000 bpd on the week, due to lower imports and production. The latest 4-wk supply was +15,000 bpd above a year ago. Stock levels ended the week +7.5% above a year ago.



PADD 3 stocks increased +0.3 million barrels on the week, with the 4-wk stock change a build of +0.5 million barrels. The build matched the average of the last 3-years. Stock levels ended the week +47% above last year.



PADDs 4 & 5 stocks were nearly unchanged on the week. The stock level was +40% above a year ago.

Emerging Trends Above normal temperatures are forecast for heating markets in the eastern 1/2 of the country during the next 10-days. Fall agriculture use has peaked. Stock levels remain extremely high, particularly in the Gulf. 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 24, 2012

Fundamental Trends for the Week Ending:

Friday, October 19, 2012

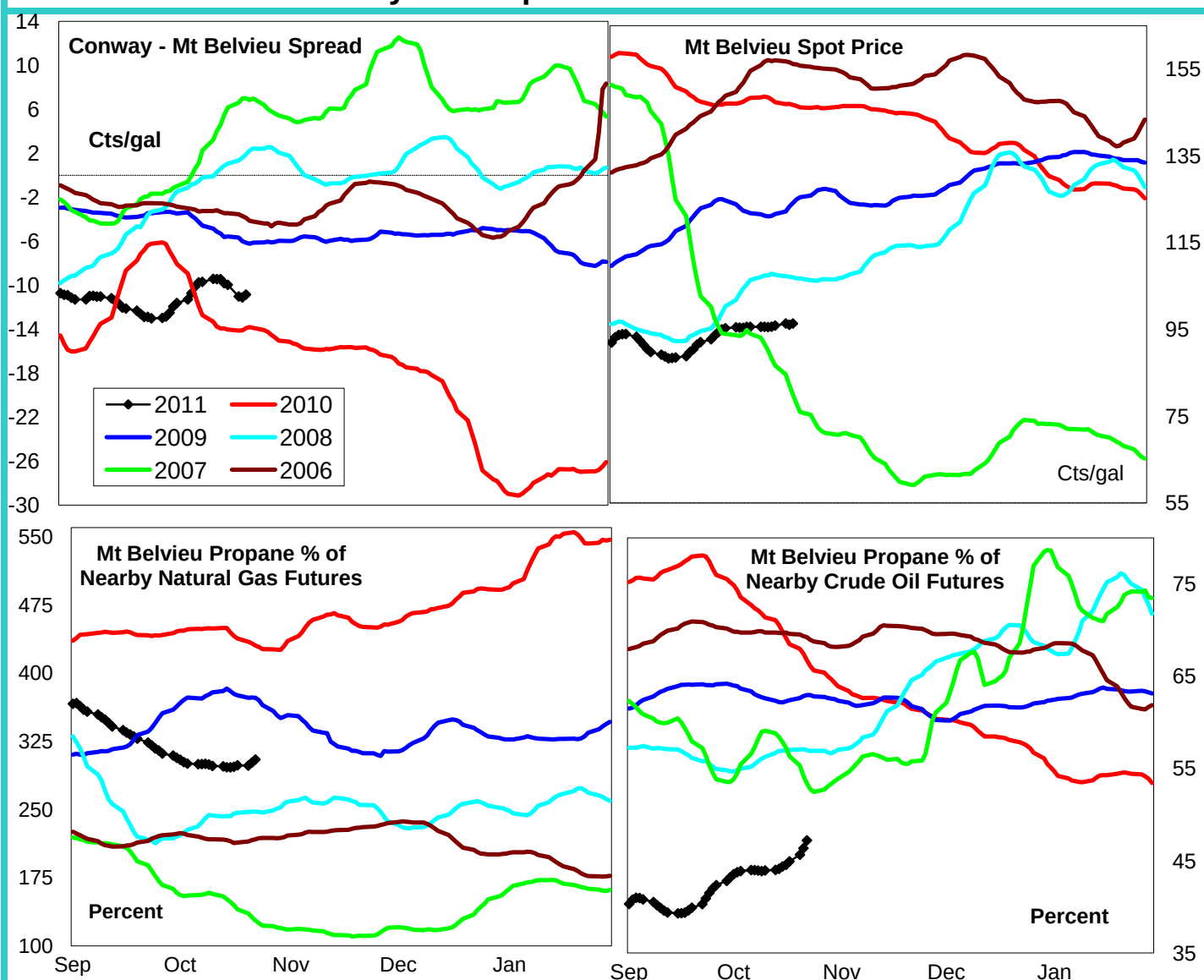
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD				U.S. Total	PADD			
		1	2	3	4&5		1	2	3	4&5
Stocks	74,475	6,504	27,453	37,300	3,218	-153	6	-441	267	15
Propylene Stocks	4,221					-49				
Production	1,271	67	284	759	161	-15	4	-3	-22	6
Imports	99	48	36	0	15	-11	31	-41	0	0
Whsle Demand	1,277					-185				

Price Trends for the Week Ending:

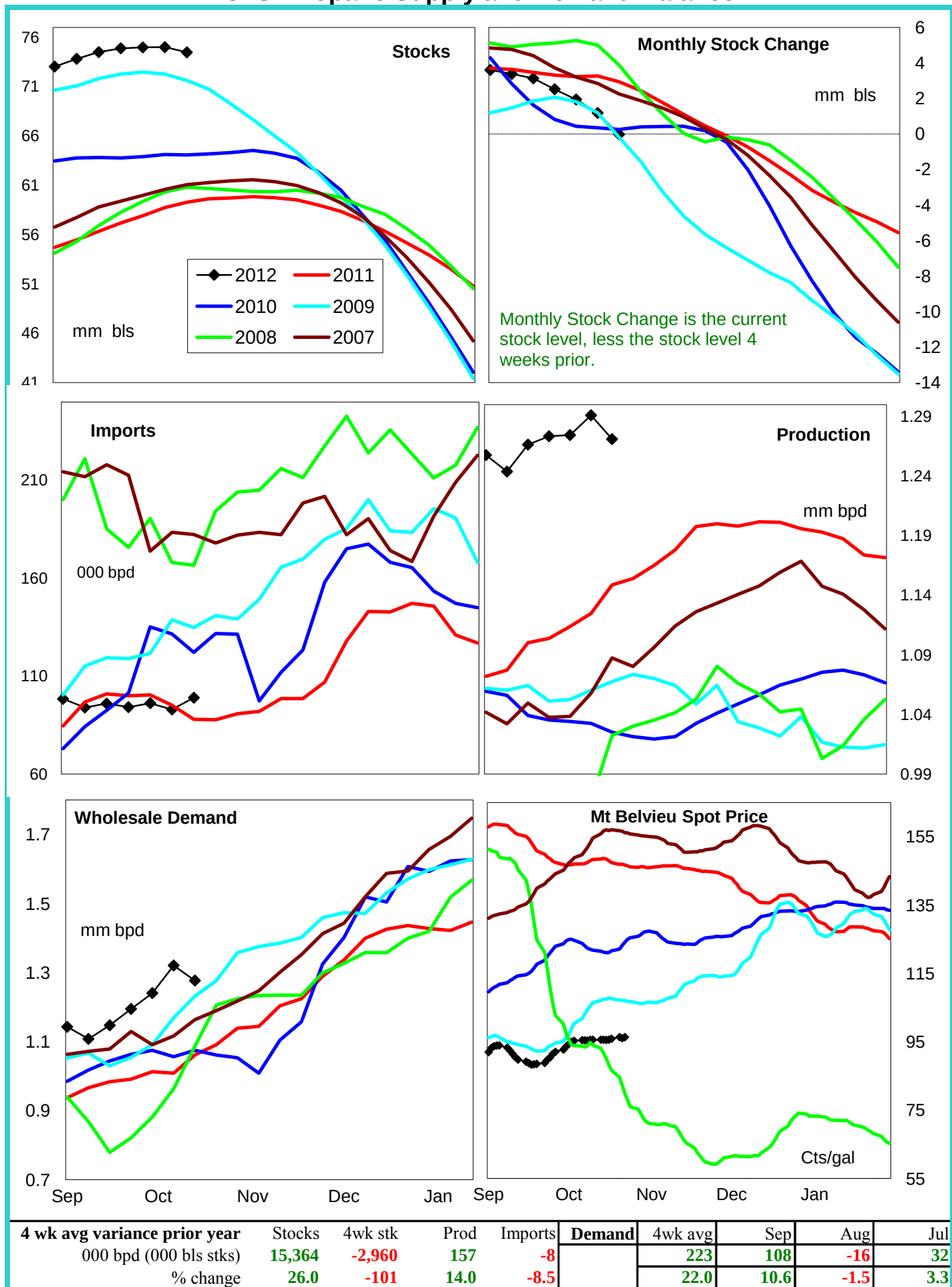
Wednesday, October 24, 2012

Cents/gal	Average for week ending:				Change from:			% change from:		
	10/24/12	10/17/12	9/26/12	10/21/11	10/17/12	9/26/12	10/21/11	10/17/12	9/26/12	10/21/11
Mont Belvieu Spot	96.4	94.8	88.1	148.3	1.61	6.69	-60.20	1.7	7.6	-40.6
Conway Spot	85.3	86.7	75.7	134.3	-1.36	11.05	-58.65	-1.6	14.6	-43.7

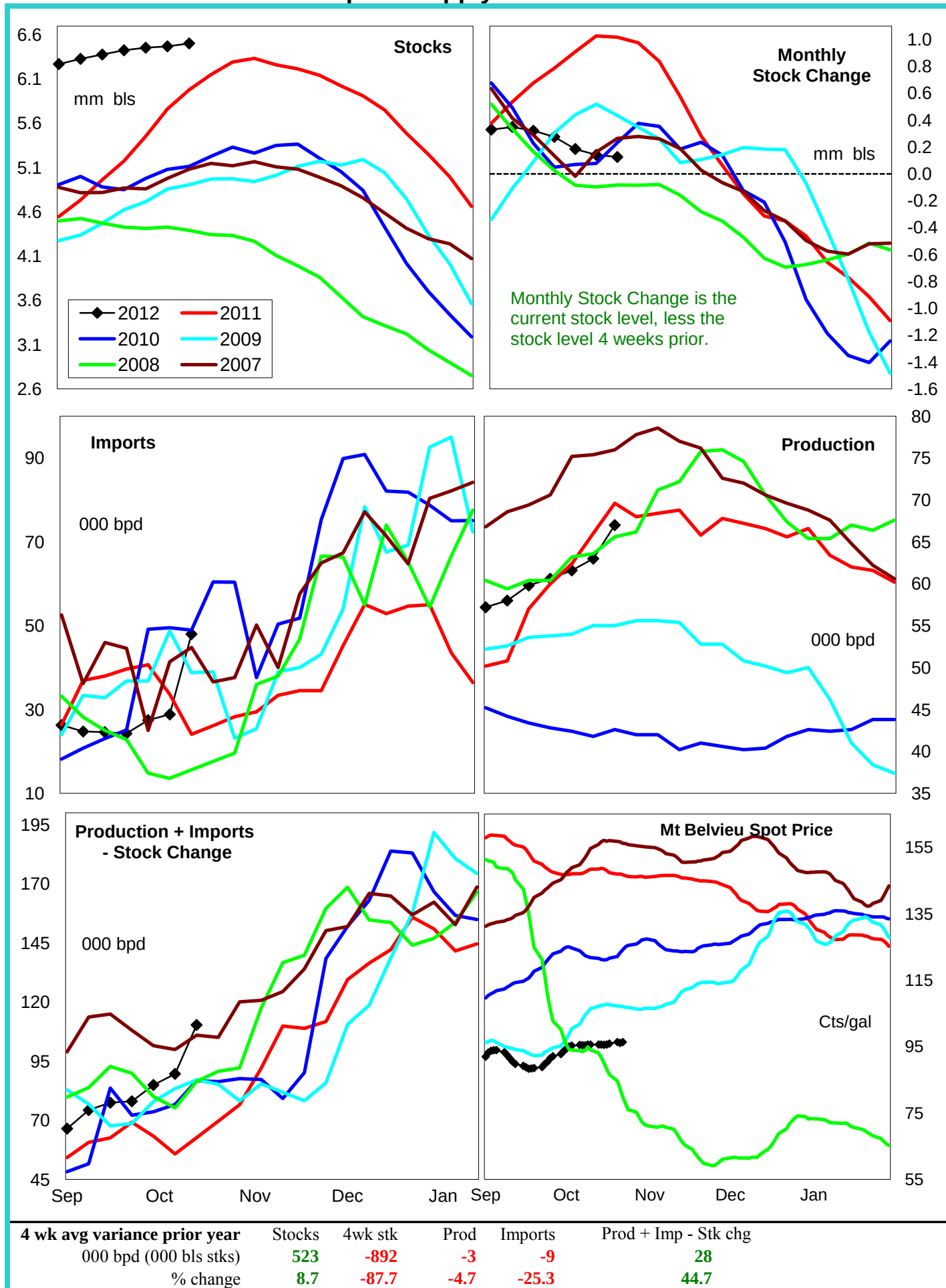
Key Price Spreads and Differentials



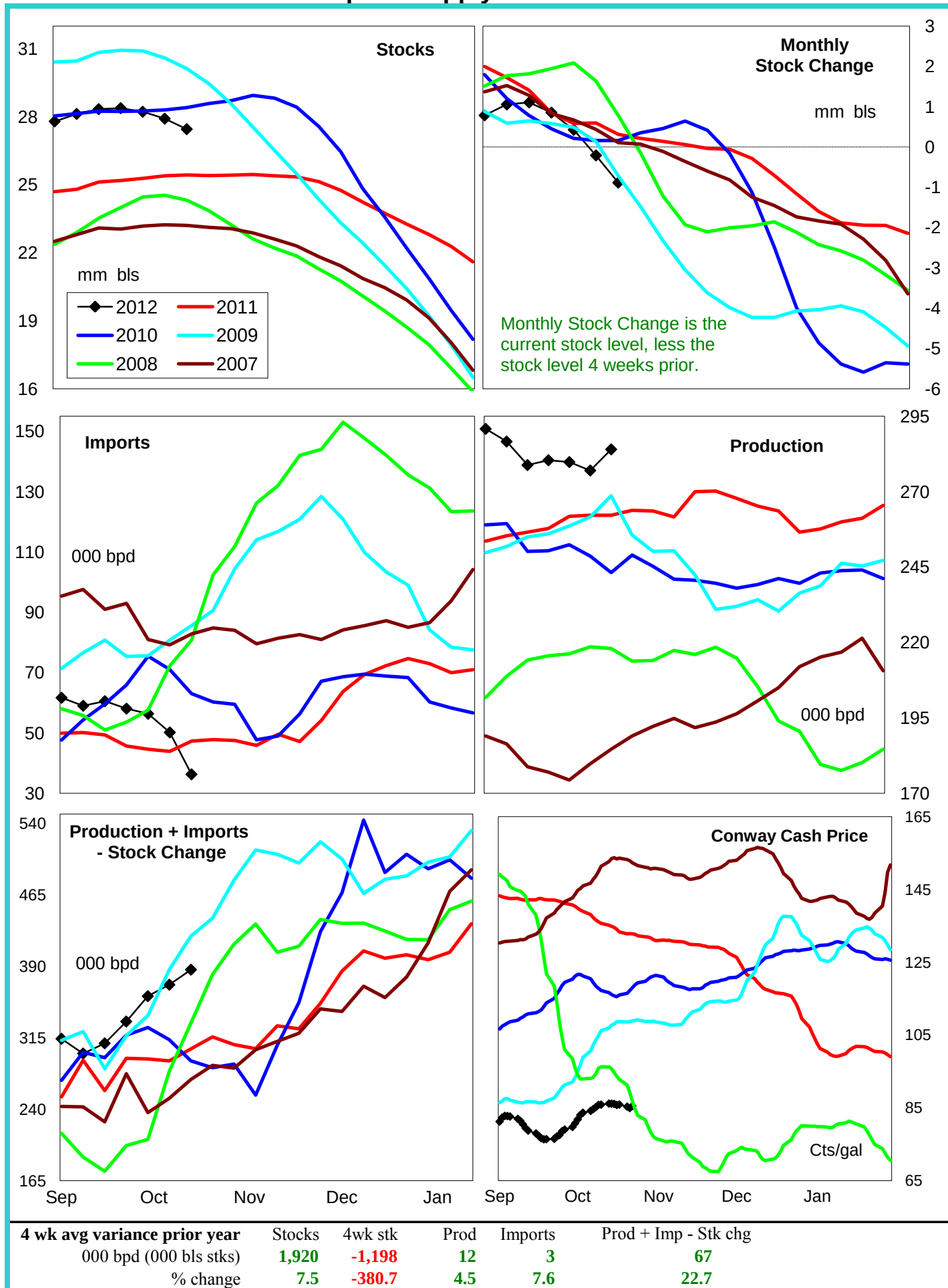
U. S. Propane Supply and Demand Balance



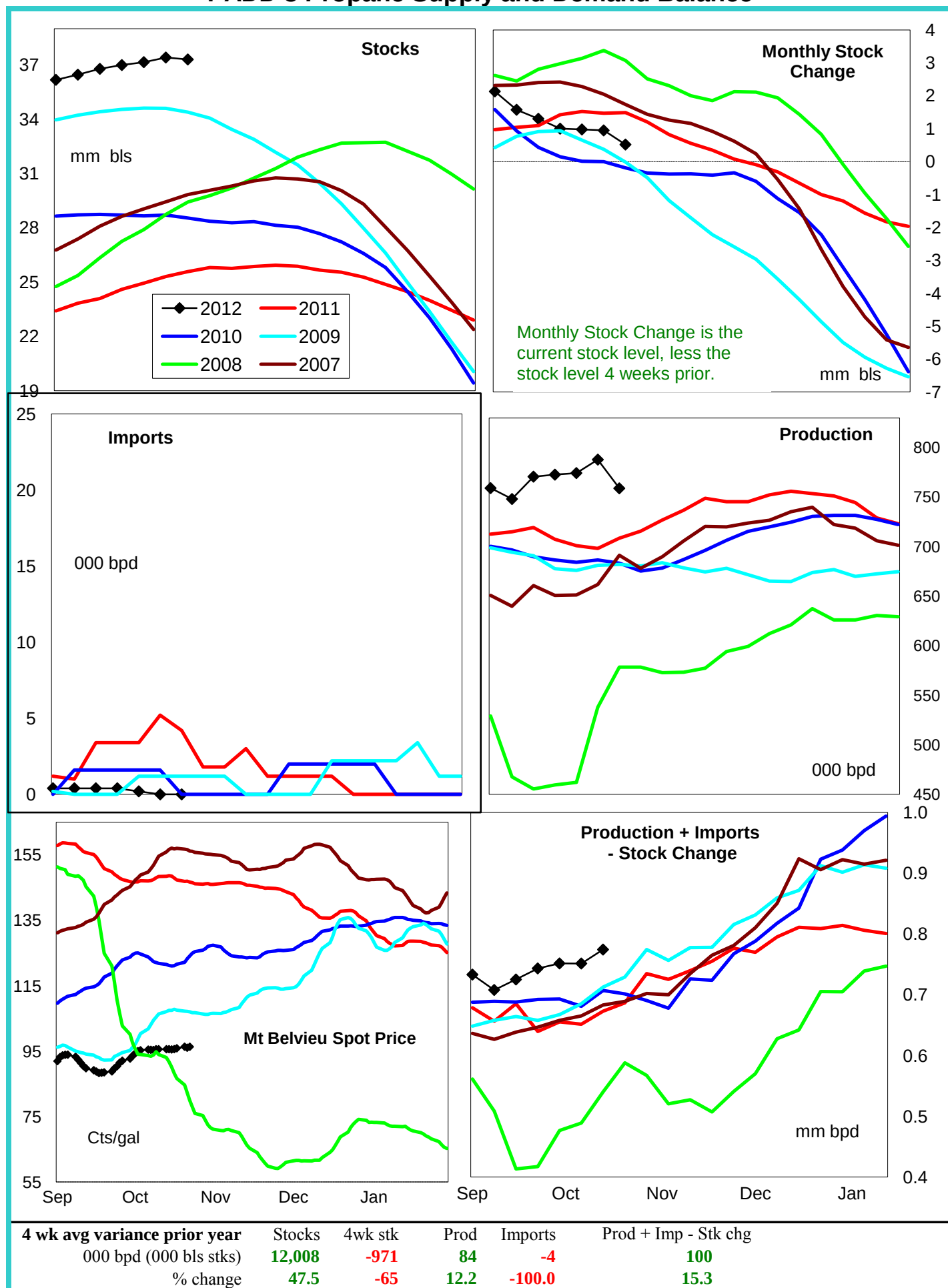
PADD 1 Propane Supply and Demand Balance



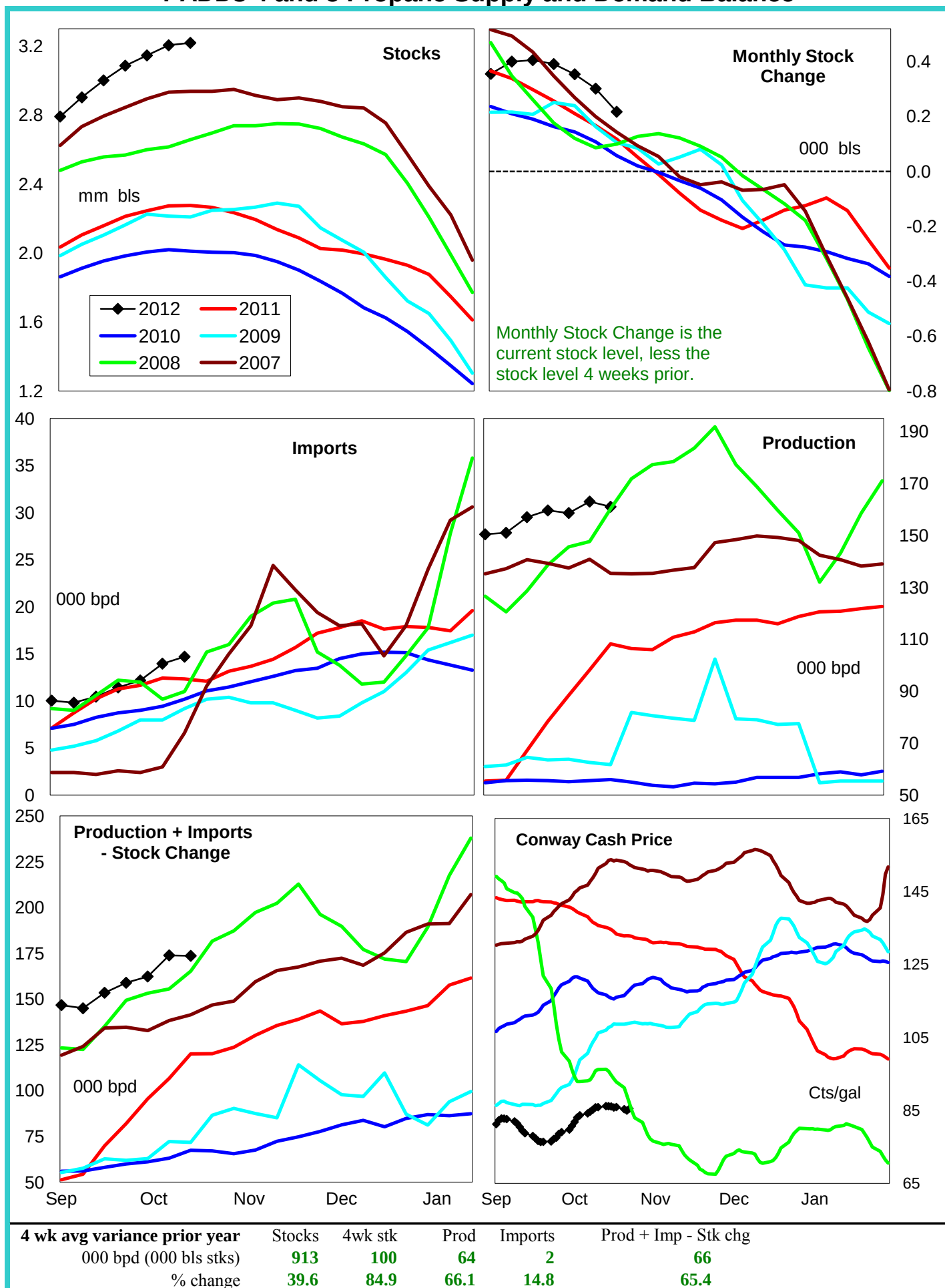
PADD 2 Propane Supply and Demand Balance



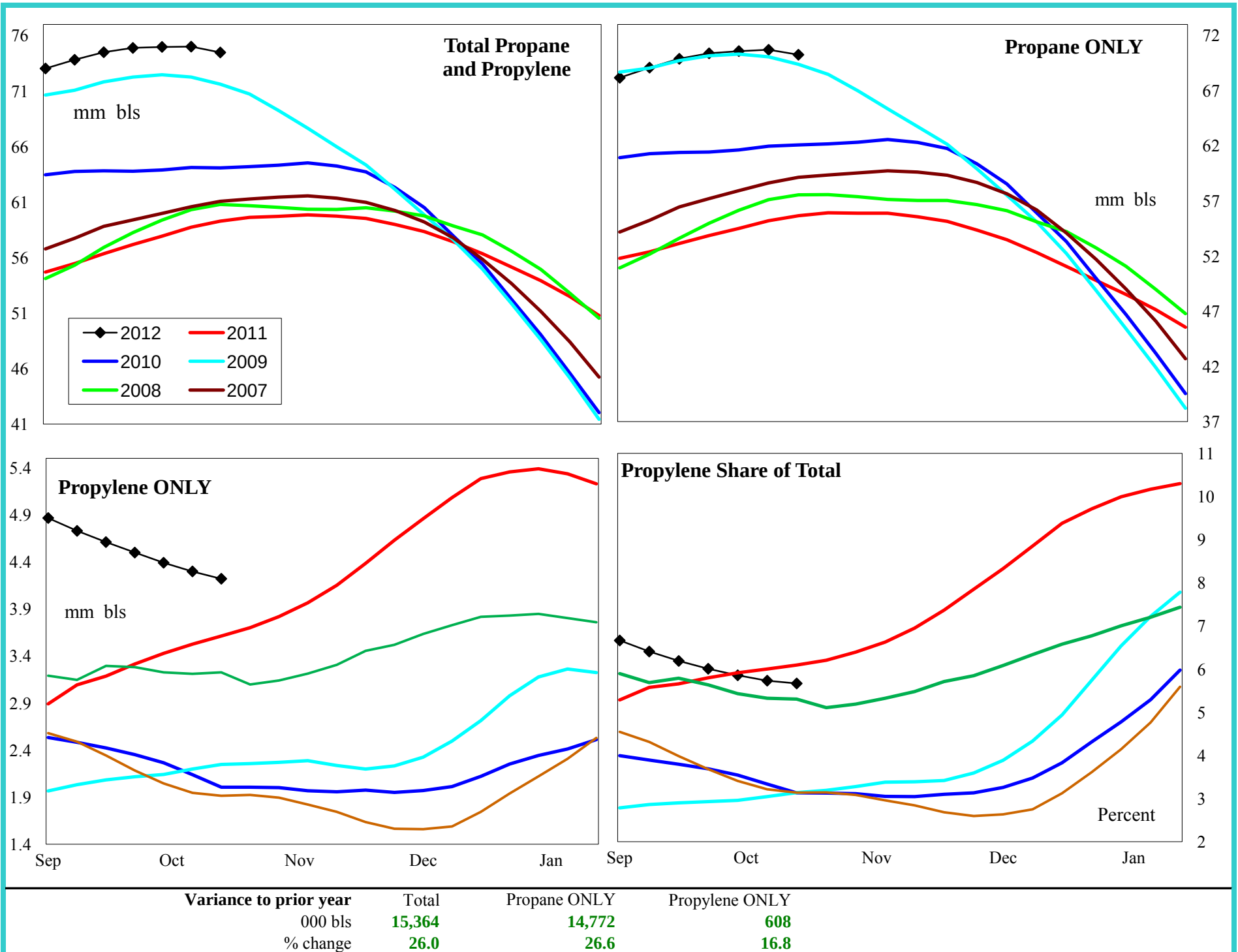
PADD 3 Propane Supply and Demand Balance



PADDs 4 and 5 Propane Supply and Demand Balance



U. S. Propane and Propylene Stocks



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

