

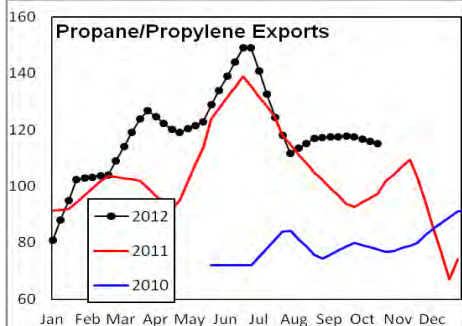
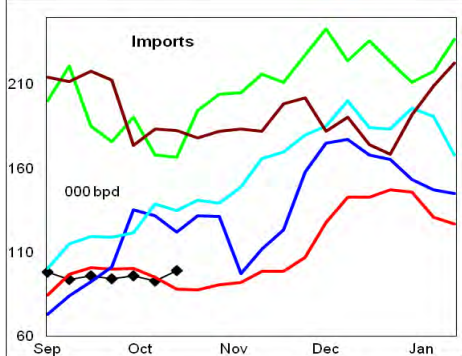
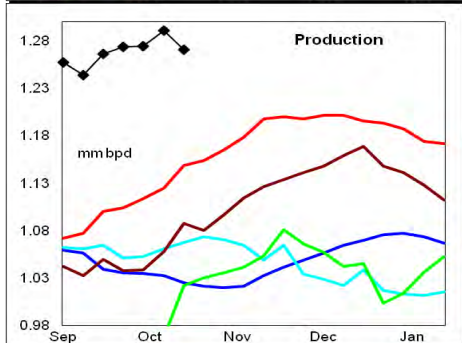
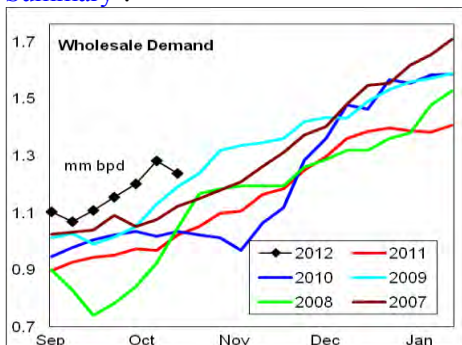


WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com

Summary¹:

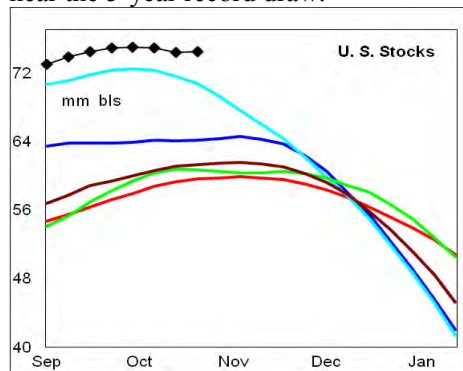


Wholesale demand increased +53,000 bpd on the week, a level matching historic highs for the week. Production decreased -4,000 bpd last week, with a decrease in the midwest offset by an increase in the Gulf region. Imports

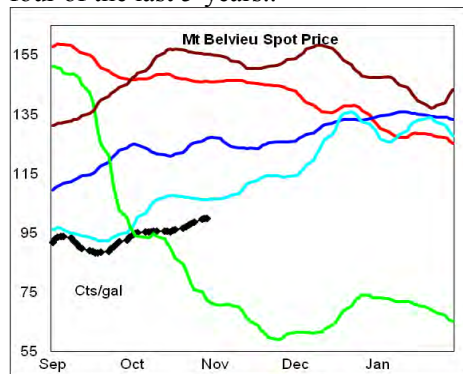
increased +4,000 bpd on the week.

Combined production and imports during the latest 4-wk period were +156,000 bpd above a year ago. Production was +144,000 bpd above last year (+13%), while imports were +12,000 bpd higher. The latest 4-wk average demand was +295,000 bpd above last year, +29%. Exports for the most recent 4-wk were 117,000 bpd, up +22,000 bpd from a year ago.

Stocks decreased -0.5 million barrels last week, at +13.7 million barrels above a year ago. The 4-wk stock change was a draw of -0.4 million barrels, a level near the 5-year record draw.



Price and Spreads Mt Belvieu spot prices increased +4 cpg for the week ending 31Oct12, while Conway increased +2 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 -14 cpg.

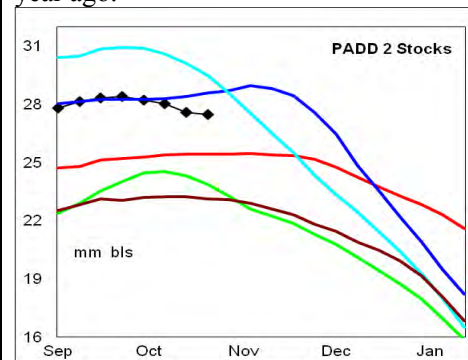
The propane to natural gas price spread traded sideways last week, ending at a level well below the last 2-years.

The propane / crude oil price spread trended higher last week ending at the

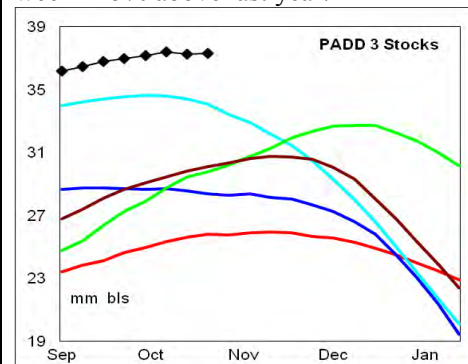
highest level in 4-months, in favor of propane.

PADD 1 stocks fell -0.6 million barrels and retailers & end users filled ahead of Hurricane Sandy. Supply decreased -3,000 bpd on the week. Supply for the latest 4-wk period was +3,000 bpd above last year.

PADD 2 stocks were unchanged on the week. Supply decreased -17,000 bpd on the week, due to lower imports and production. The latest 4-wk supply was +16,000 bpd above a year ago. Stock levels ended the week +6.4% above a year ago.



PADD 3 stocks increased +0.1 million barrels on the week, with the 4-wk stock change a build of +0.3 million barrels. The build was above the average of the last 3-years. Stock levels ended the week +45% above last year.



PADDs 4 & 5 stocks were nearly unchanged on the week. The stock level was +39% above a year ago.

Emerging Trends Much above normal temperatures are forecast most of the country during the next 10-days. Stock levels remain high, particularly in the Gulf. There is risk of a price pull back ahead of the start of winter heating.

¹ Source is latest EIA Weekly Statistics



PROPANE: Graph Link and Weekly Summary

November 1, 2012

Fundamental Trends for the Week Ending:

Friday, October 26, 2012

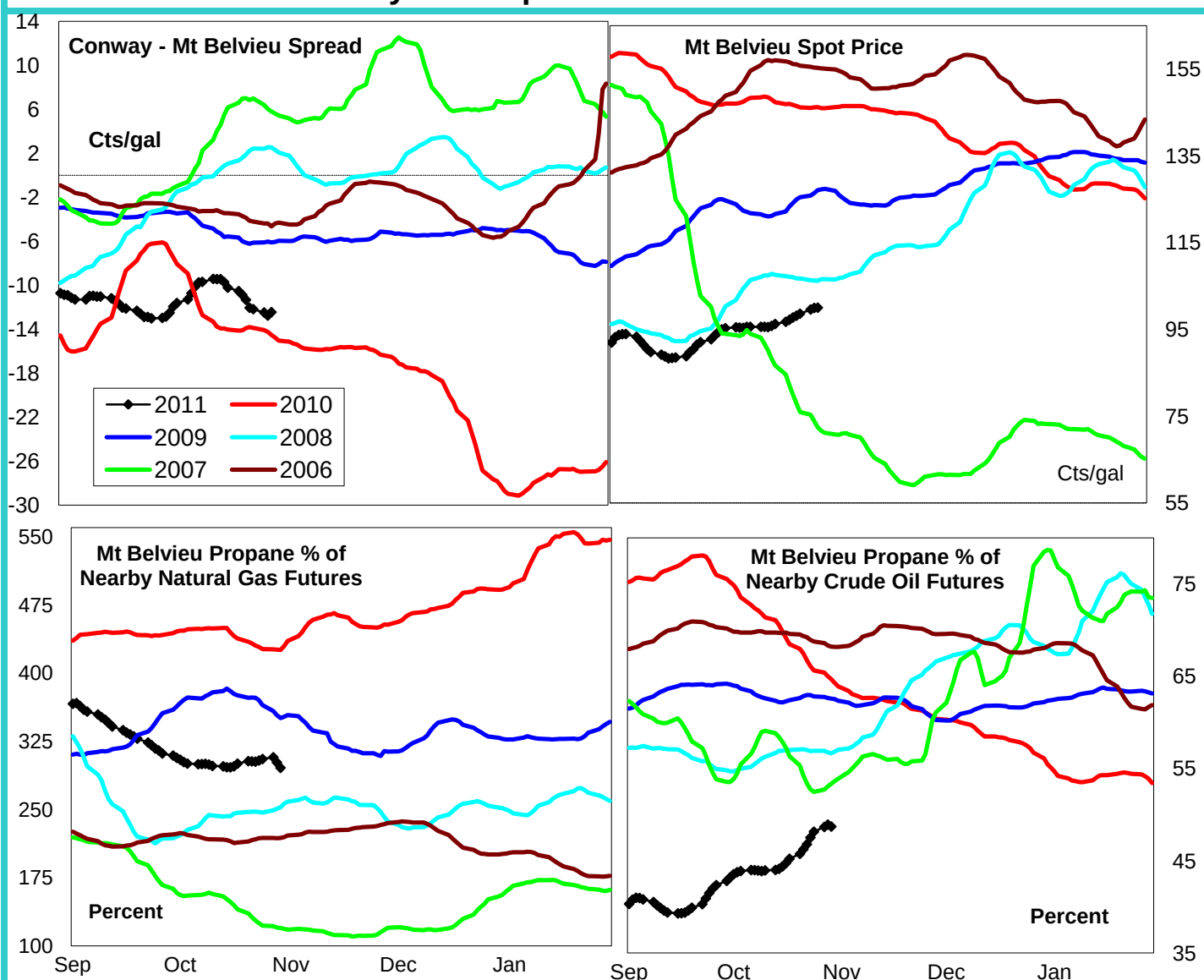
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD				U.S. Total	PADD			
		1	2	3	4&5		1	2	3	4&5
Stocks	73,947	5,921	27,414	37,408	3,204	-528	-583	-39	108	-14
Propylene Stocks	4,152					-69				
Production	1,267	63	273	779	152	-4	-4	-11	20	-9
Imports	103	49	31	0	24	4	1	-6	0	9
Whsle Demand	1,330					53				

Price Trends for the Week Ending:

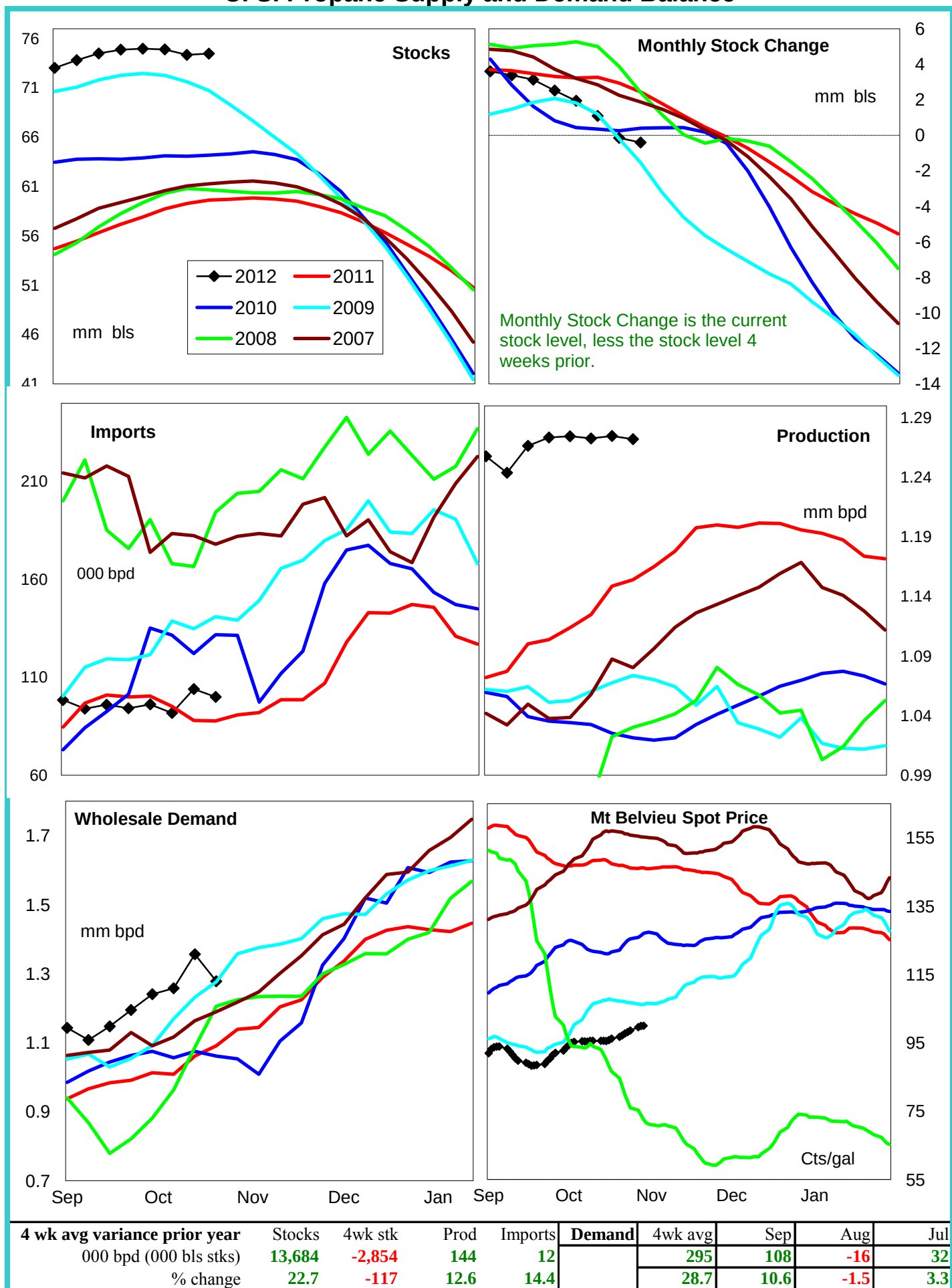
Wednesday, October 31, 2012

Cents/gal	Average for week ending:				Change from:			% change from:		
	10/31/12	10/24/12	10/3/12	10/28/11	10/24/12	10/3/12	10/28/11	10/24/12	10/3/12	10/28/11
Mont Belvieu Spot	99.6	96.4	93.7	144.9	3.23	2.63	-51.21	3.3	2.8	-35.3
Conway Spot	87.1	85.3	80.5	131.5	1.77	4.89	-51.00	2.1	6.1	-38.8

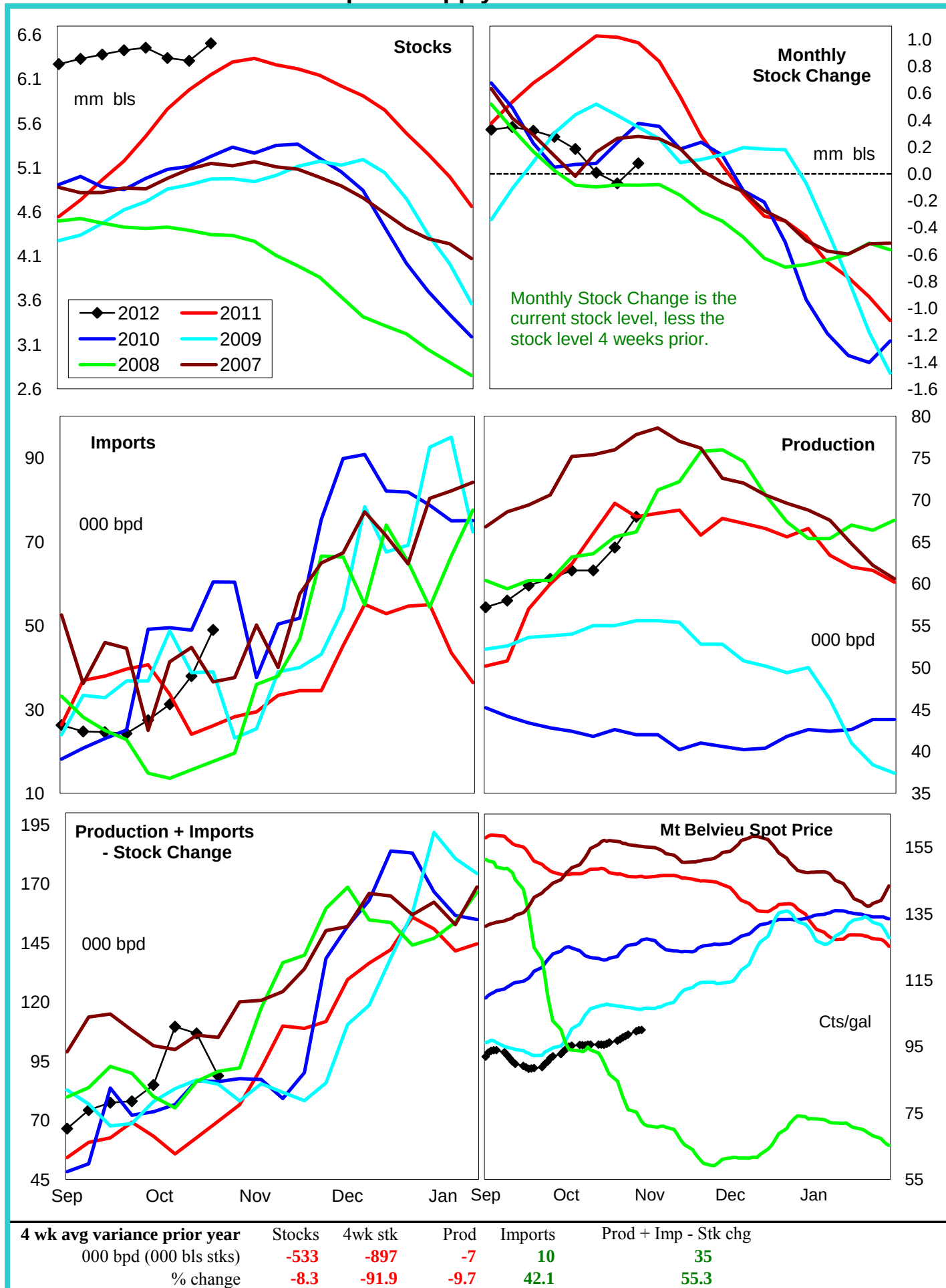
Key Price Spreads and Differentials



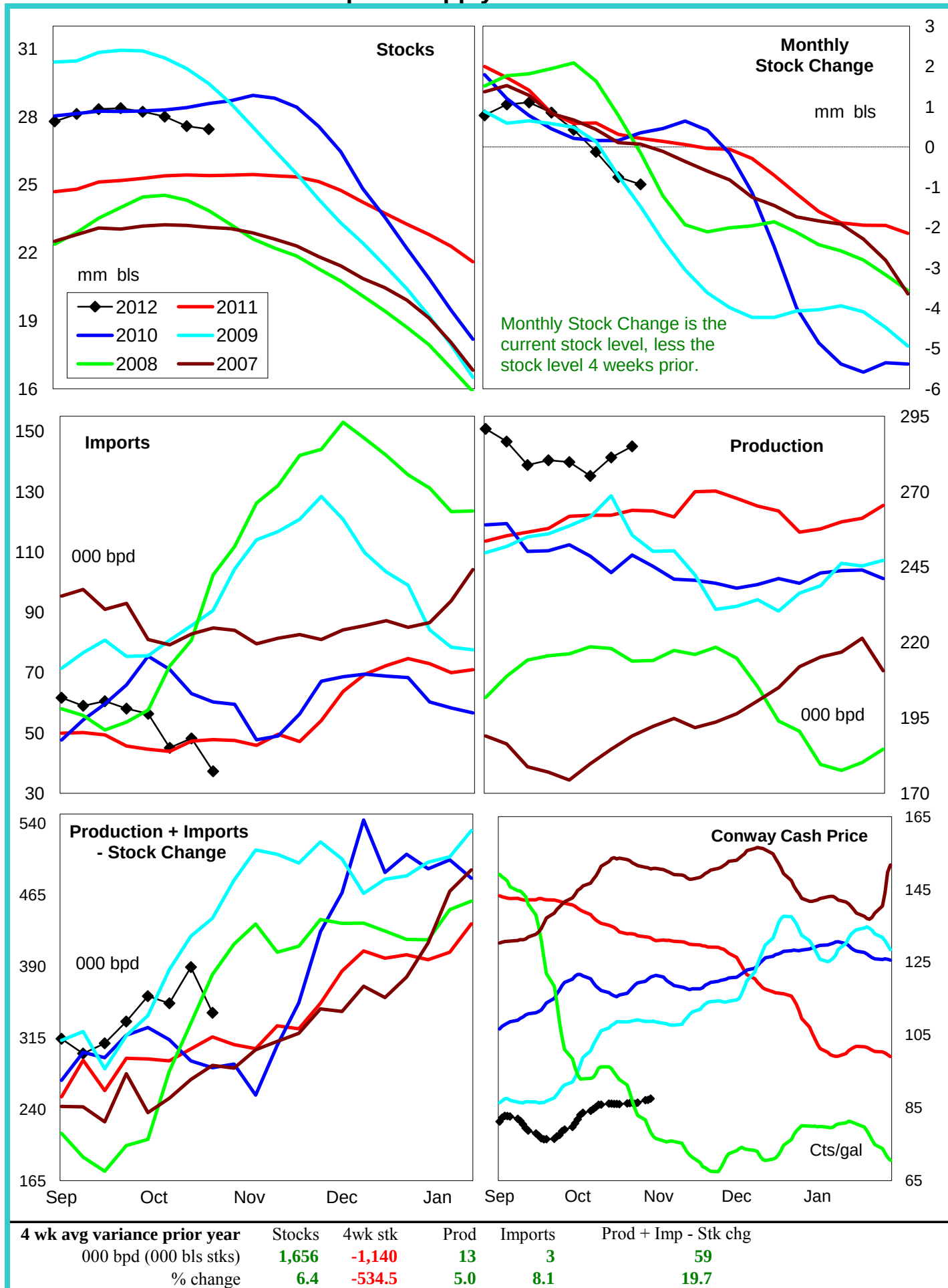
U. S. Propane Supply and Demand Balance



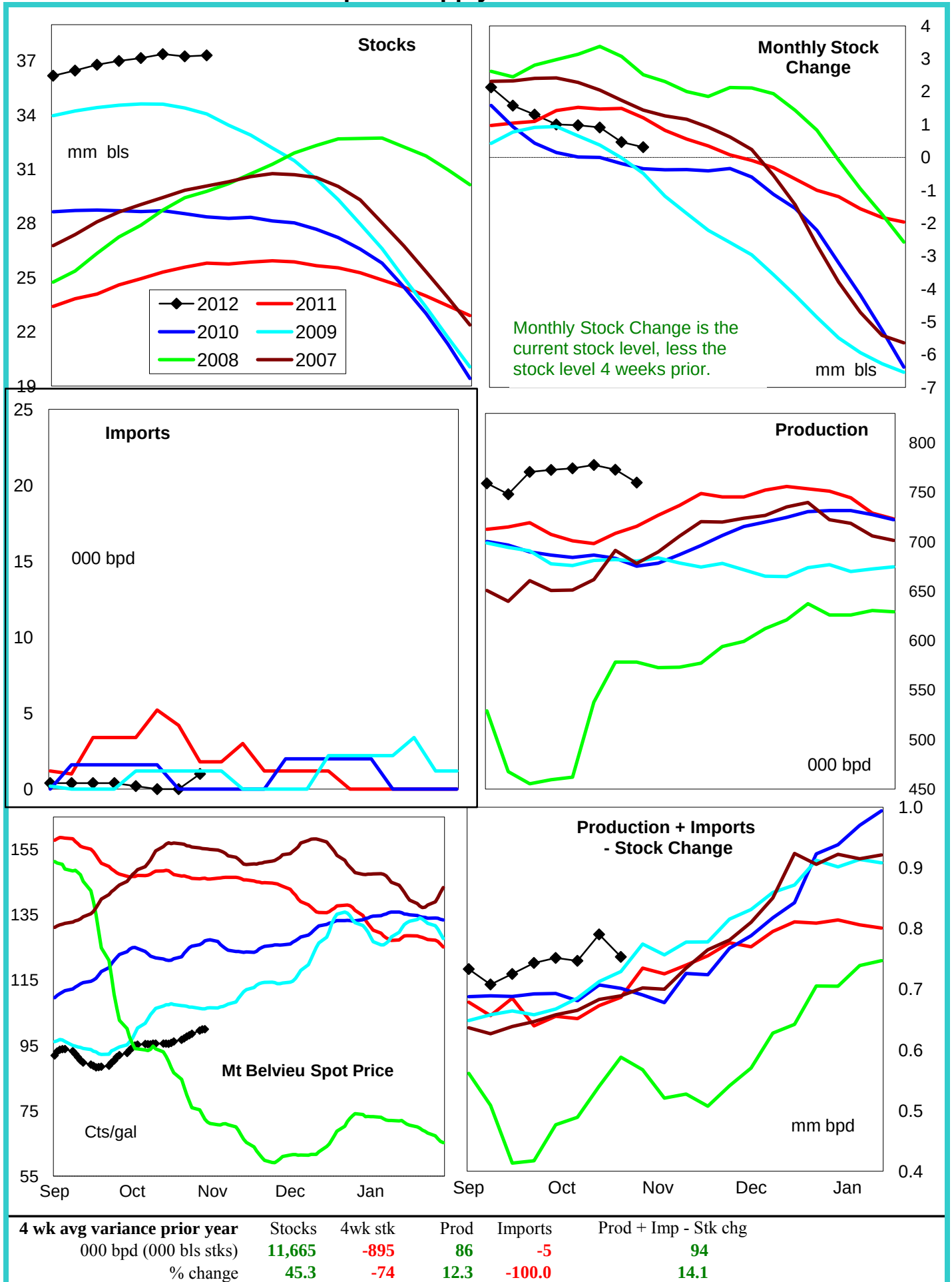
PADD 1 Propane Supply and Demand Balance



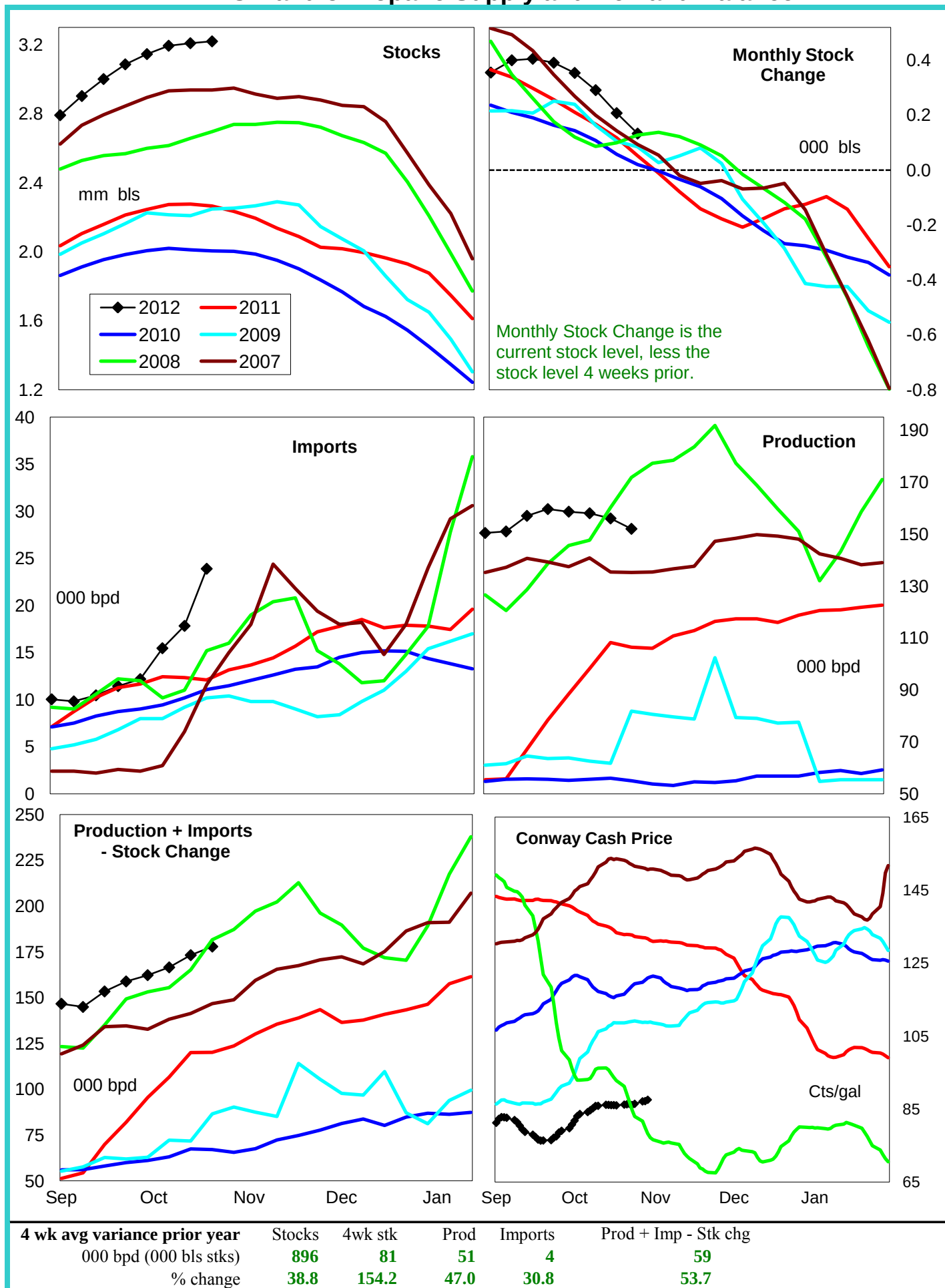
PADD 2 Propane Supply and Demand Balance



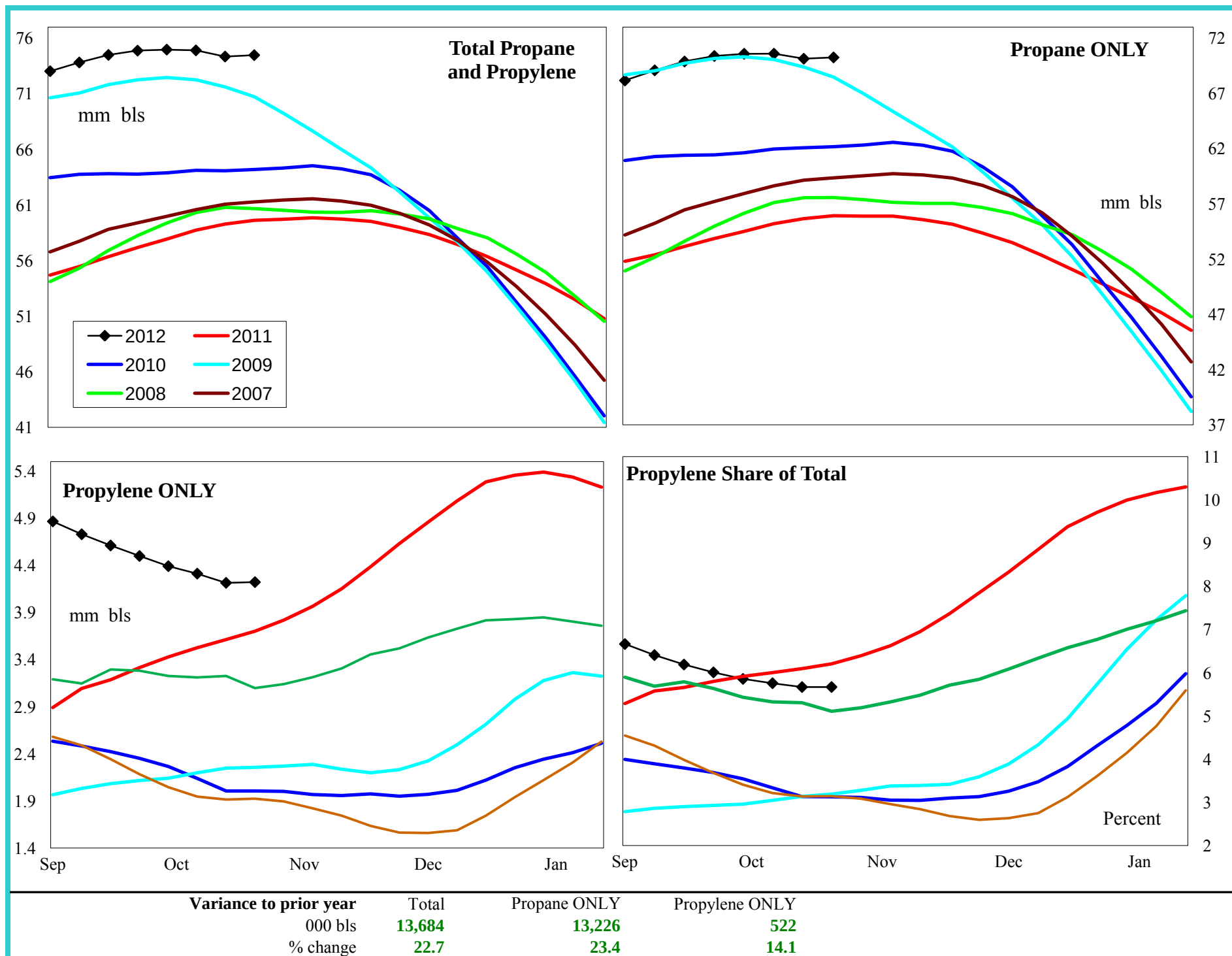
PADD 3 Propane Supply and Demand Balance



PADDs 4 and 5 Propane Supply and Demand Balance



U. S. Propane and Propylene Stocks



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

