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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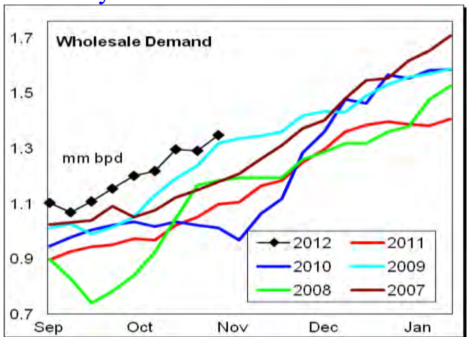
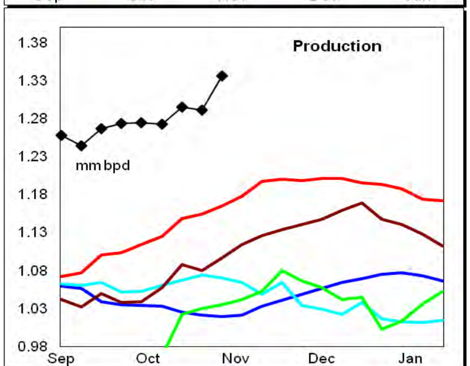
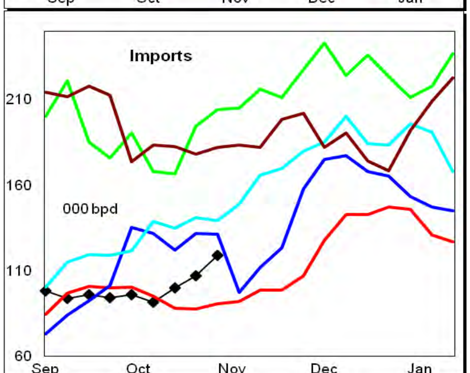
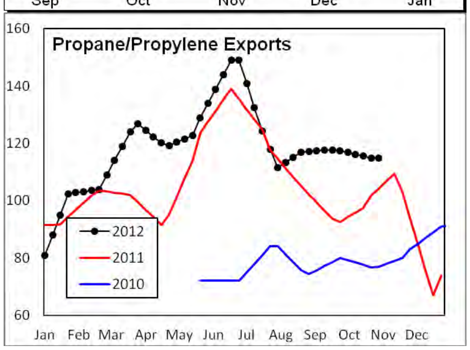


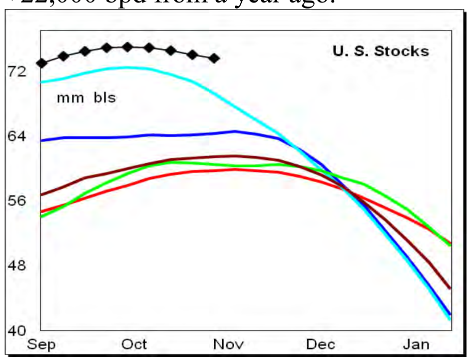






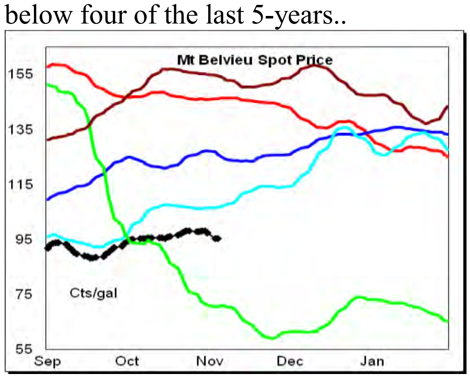
Wholesale demand increased +57,000 bpd on the week, a level that continues to exceed the 5-year range. Production increased +69,000 bpd last week, concentrated in the Midwest and Gulf Regions. Imports increased +16,000 bpd on the week.

Combined production and imports during the latest 4-wk period were +168,000 bpd above a year ago. Production was +147,000 bpd above last year (+13%), while imports were -+21,000 bpd higher. The latest 4-wk average demand was +315,000 bpd above last year, +30%. Exports for the most recent 4-wk were 117,000 bpd, up +22,000 bpd from a year ago.



Stocks decreased -0.3 million barrels last week, at +13.4 million barrels above a year ago. The 4-wk stock change was a draw of -1.4 million barrels, a larger draw than four of the last 5-years.

Price and Spreads Mt Belvieu spot prices decreased -4 cpg for the week ending 06Nov12, while Conway declined -5 cpg during the same week. Mt Belvieu prices ended the week at a level well below four of the last 5-years..



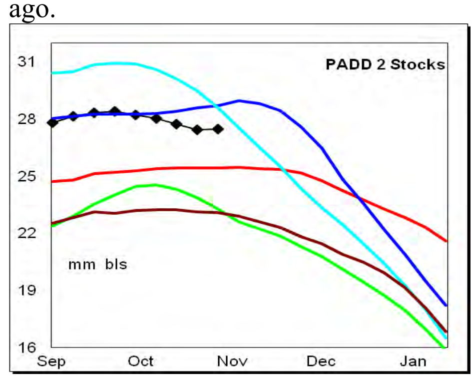
The Conway – Mt Belvieu price spread trended lower last week, ending the week at -12 cpg.

The propane to natural gas price spread trended lower last week, ending at a level slightly above the 5-year average.

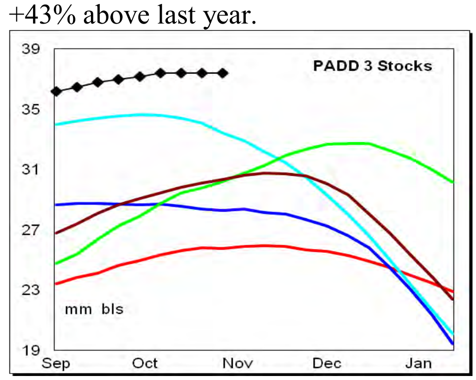
The propane / crude oil price spread trended lower late last week ending at level near highs of the last 4-months.

PADD 1 stocks fell -0.3 million barrels as retailers & end users increased use in the wake of Hurricane Sandy. Supply increased +7,000 bpd on the week. Supply for the latest 4-wk period was +14,000 bpd above last year.

PADD 2 stocks were unchanged on the week. Supply increased +41,000 bpd on the week, due to higher imports and production. The latest 4-wk supply was +22,000 bpd above a year ago. Stock levels ended the week +8% above a year ago.



PAD 3 stocks were unchanged 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 +43% above last year.



PADDs 4 & 5 stocks decreased -0.1 million barrels last week. The stock level was +41% above a year ago.

Emerging Trends Much above normal temperatures are forecast for the eastern 2/3rds of the country during the next 10-days. Stock levels remain high, particularly in the Gulf. There is risk of continued price weakness ahead of the start of winter heating.

[1] Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

November 7, 2012

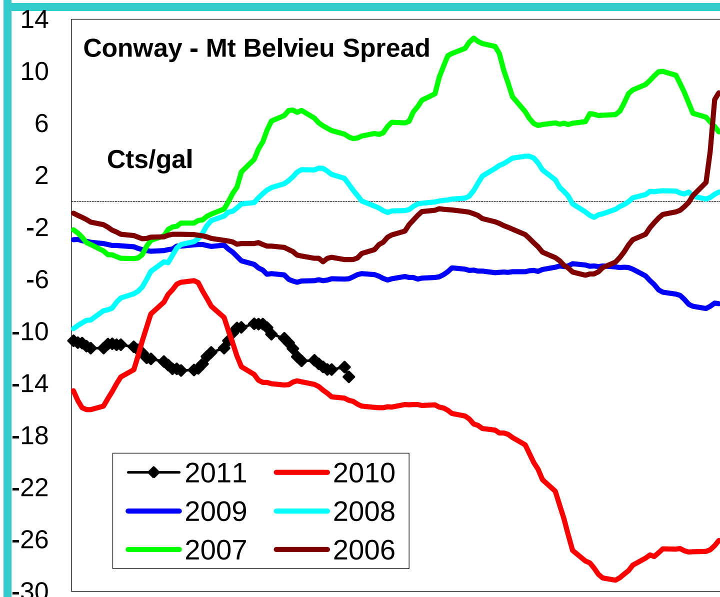
Fundamental Trends for the Week Ending: Friday, November 02, 2012

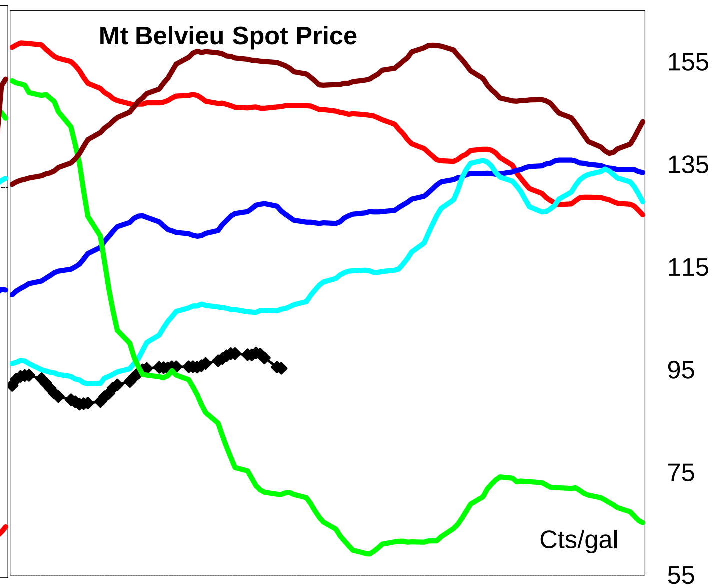
000 bpd / Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S.	PADD				U.S.	PADD			
	Total	1	2	3	4&5	Total	1	2	3	4&5
Stocks	73,620	5,627	27,453	37,406	3,134	-327	-294	39	-2	-70
Propylene Stocks	4,211					59				
Production	1,336	54	301	825	156	69	-9	28	46	4
Imports	119	64	44	0	11	16	16	13	0	-13
Whsle Demand	1,387					57				

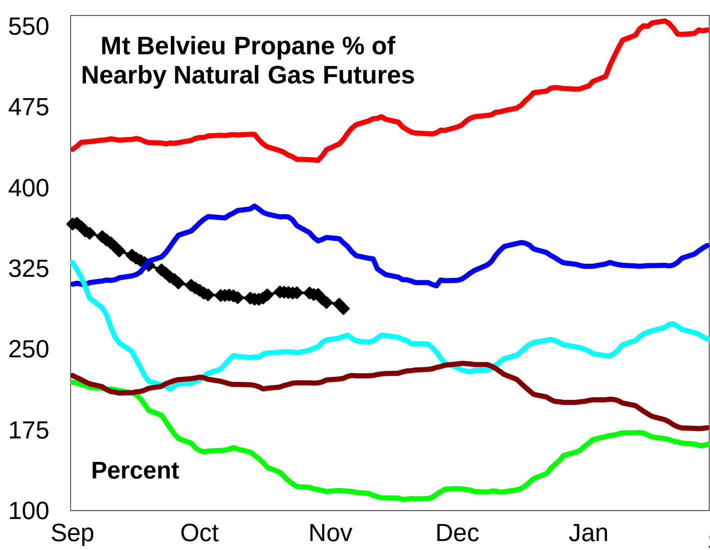
Price Trends for the Week Ending: Tuesday, November 06, 2012

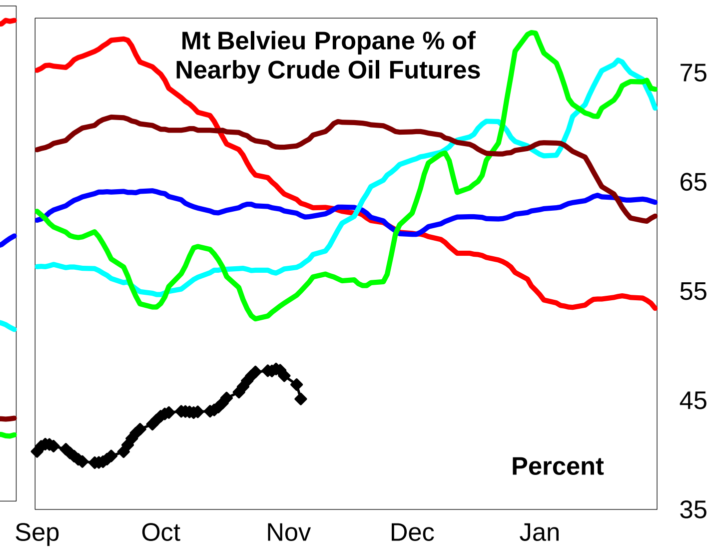
Cents/gal	Average for week ending:				Change from:			% change from:		
	11/6/12	10/30/12	10/9/12	11/3/11	10/30/12	10/9/12	11/3/11	10/30/12	10/9/12	11/3/11
Mont Belvieu Spot	97.3	98.9	96.0	145.9	-1.54	2.89	-49.88	-1.6	3.0	-34.2
Conway Spot	84.4	86.7	83.4	130.8	-2.32	3.26	-47.36	-2.7	3.9	-36.2

Key Price Spreads and Differentials









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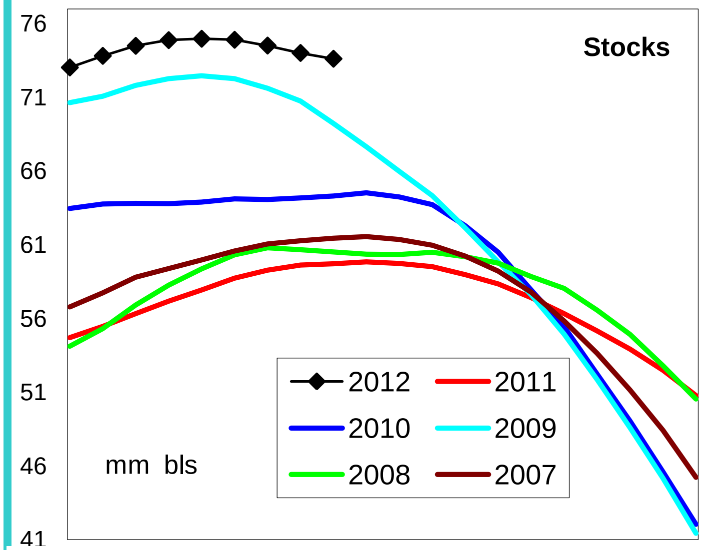
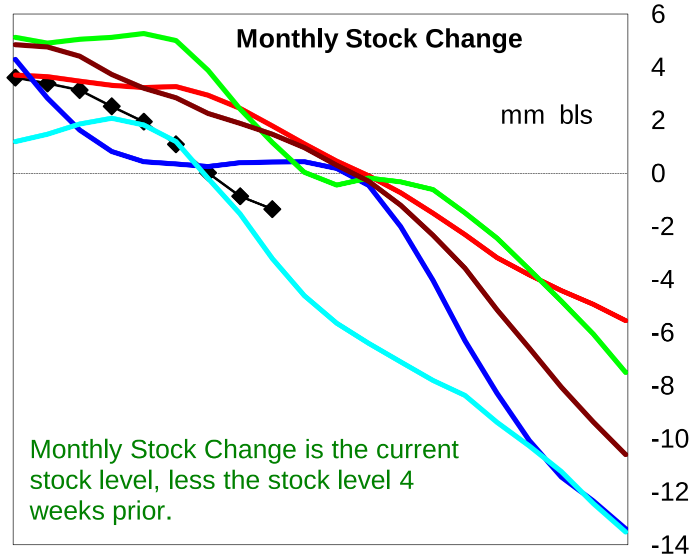
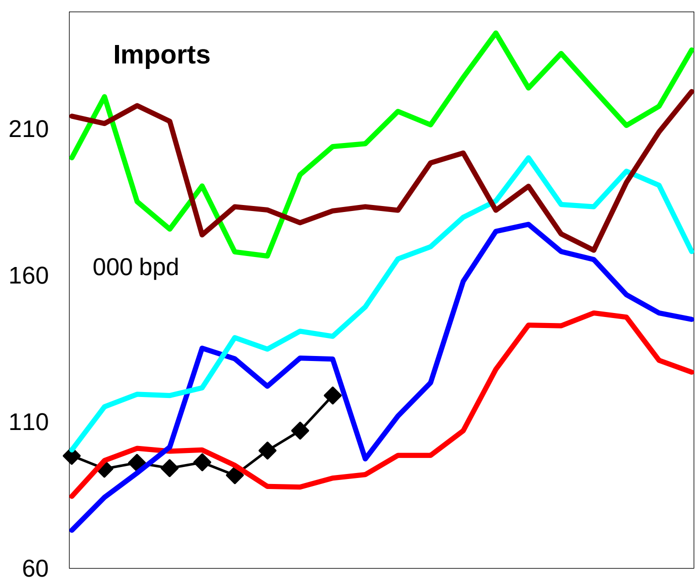
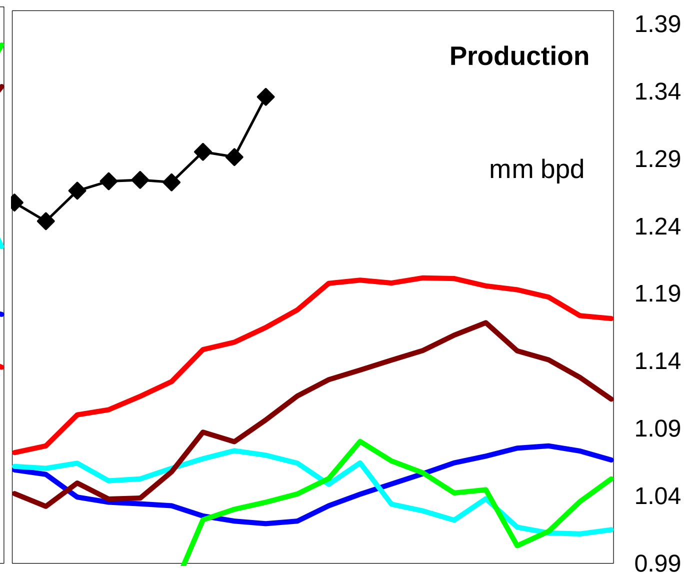
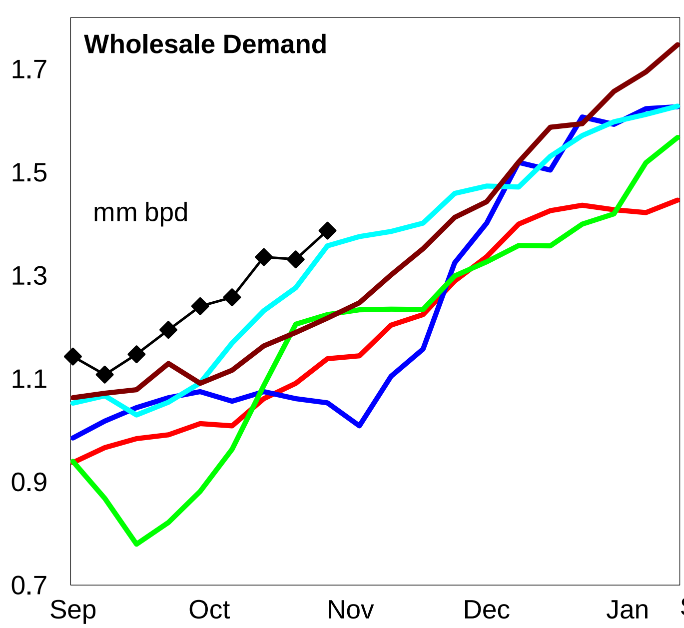
U. S. Propane Supply and Demand Balance

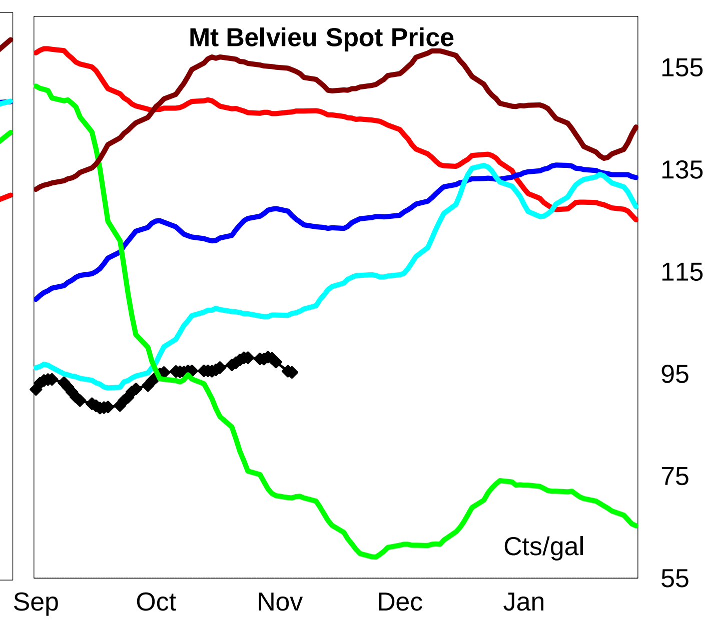












4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Sep	Aug	Jul
000 bpd (000 bls stks)	13,428	-3,142	147	21		315	108	-16	32
% change	22.3	-176	12.8	23.5		30.0	10.6	-1.5	3.3

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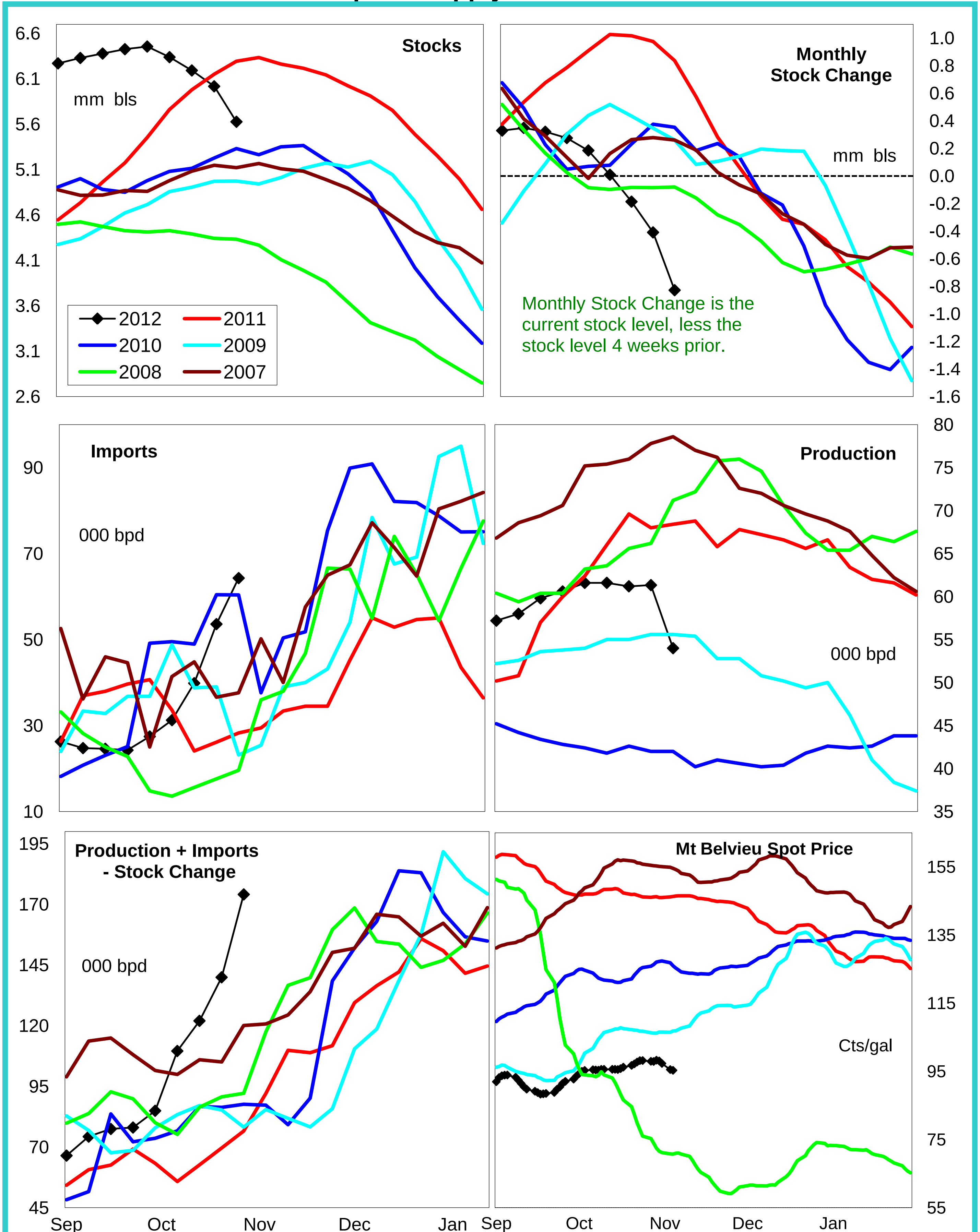
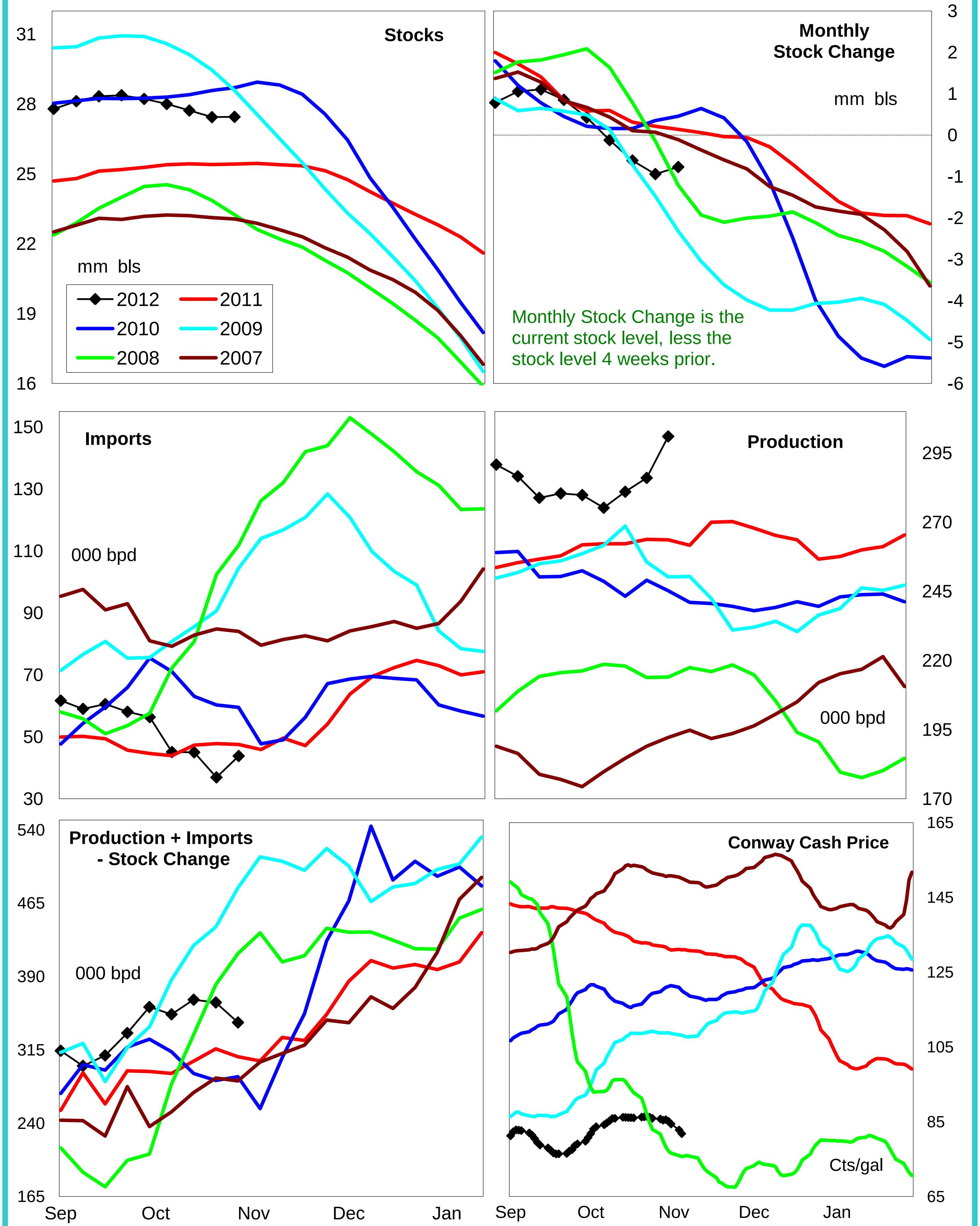
PADD 1 Propane Supply and Demand Balance



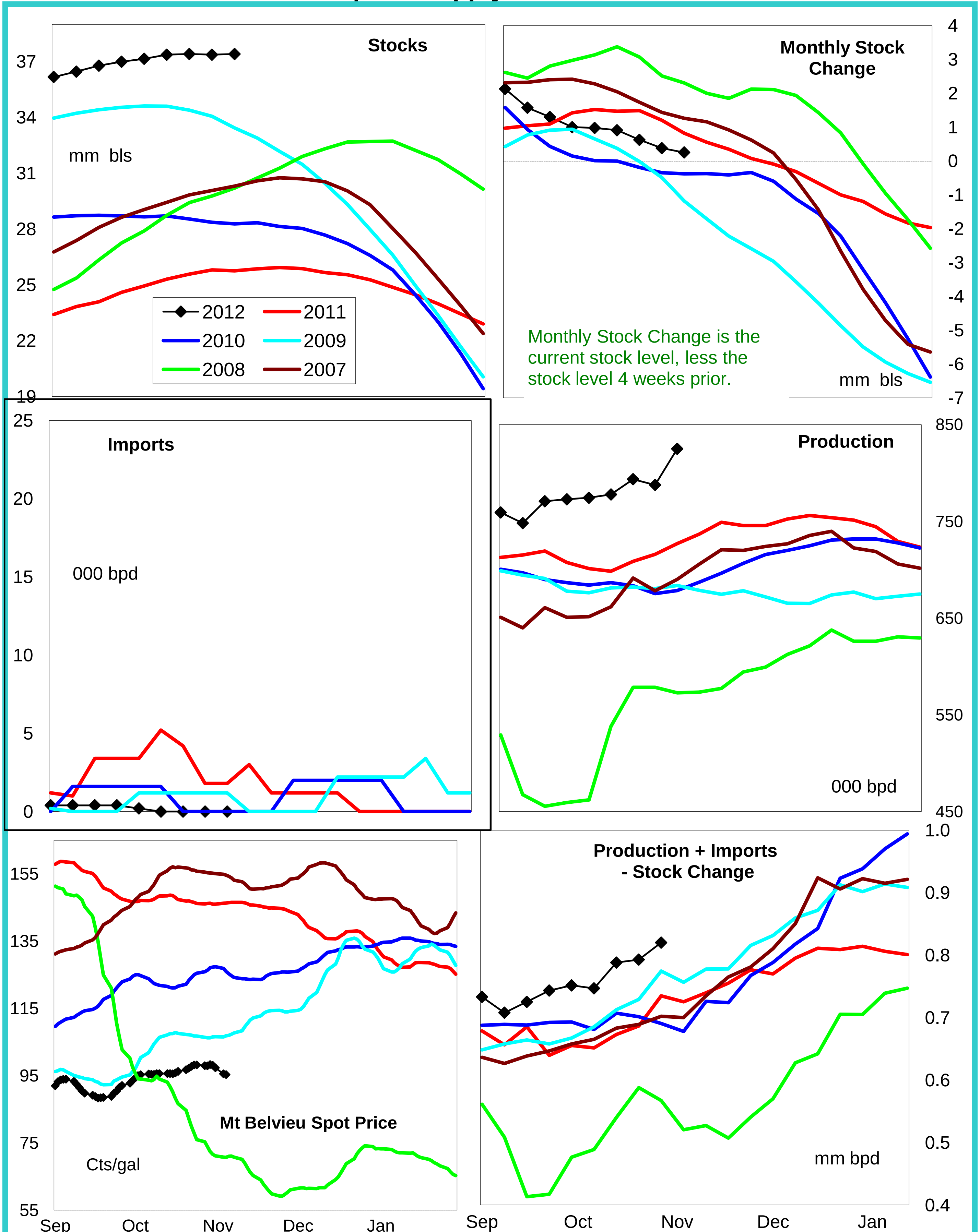
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-768	-1,666	-6	20	70
% change	-12.0	-198.9	-8.9	80.2	106.2

PADD 2 Propane Supply and Demand Balance



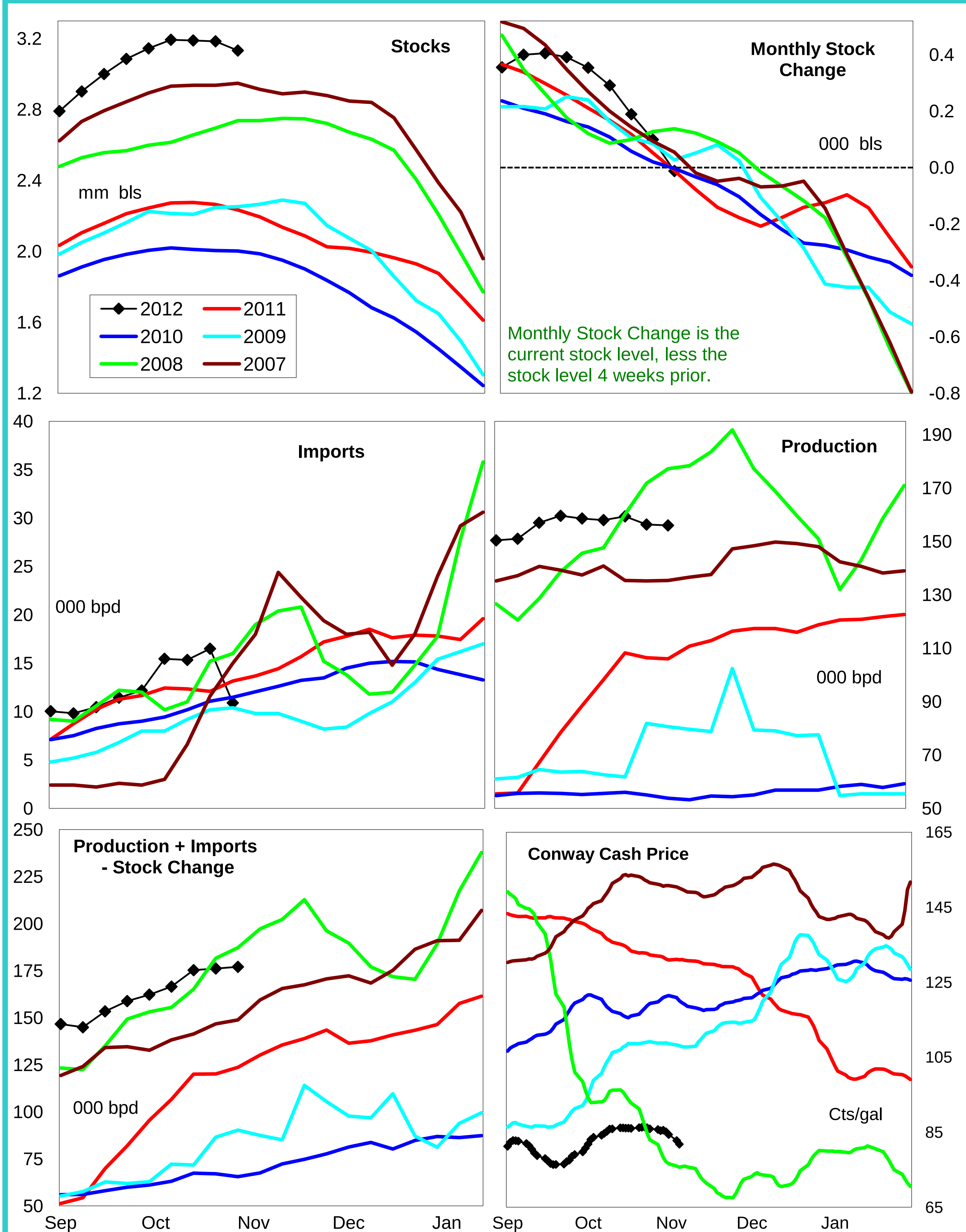
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	2,009	-910	23	-1	51
% change	7.9	-645.5	8.8	-2.1	16.9

PADD 3 Propane Supply and Demand Balance



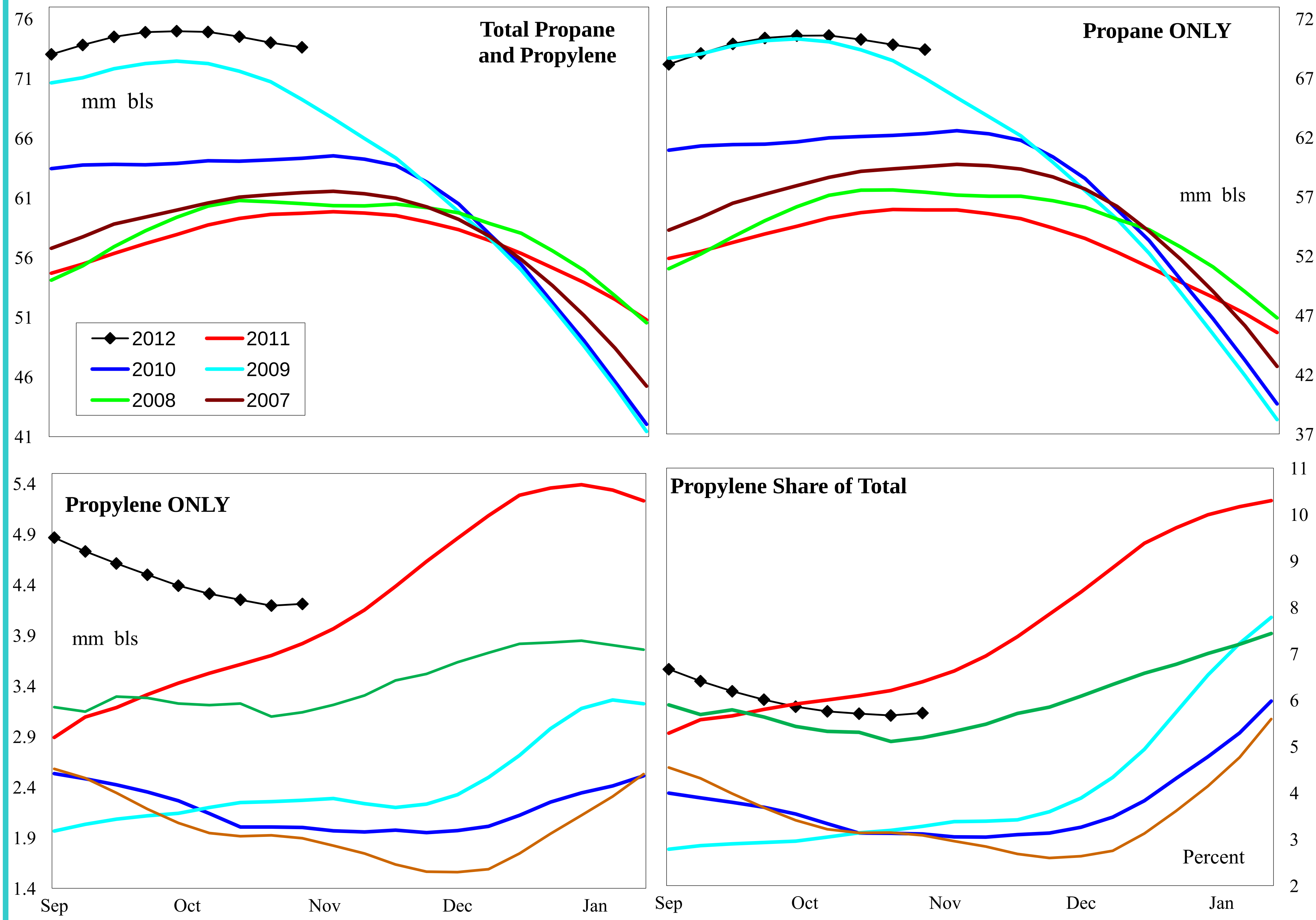
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	11,276	-565	81	-2	100
% change	43.2	-69	11.4	-100.0	14.6

PADDs 4 and 5 Propane Supply and Demand Balance



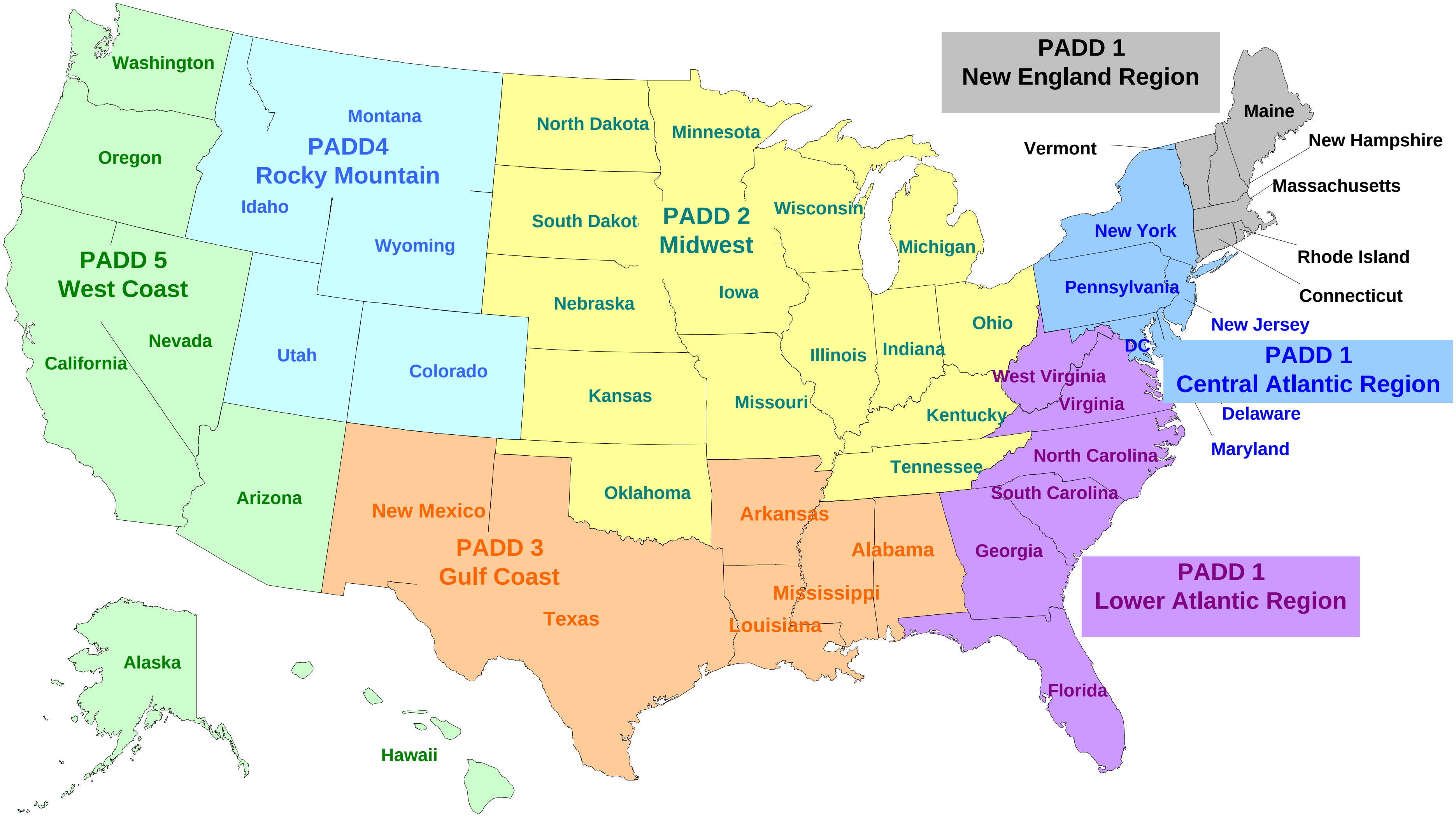
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	911	-1	49	4	56
% change	41.0	13.0	45.8	32.5	47.8

U. S. Propane and Propylene Stocks



Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	13,428	13,003	392
% change	22.3	23.1	10.3

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



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