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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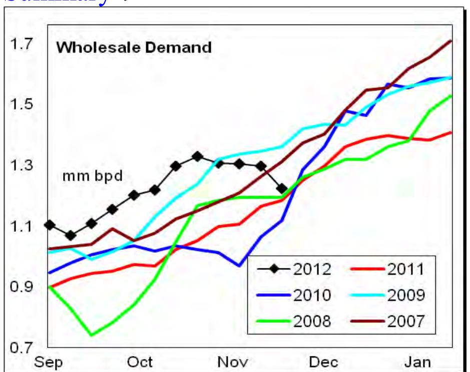
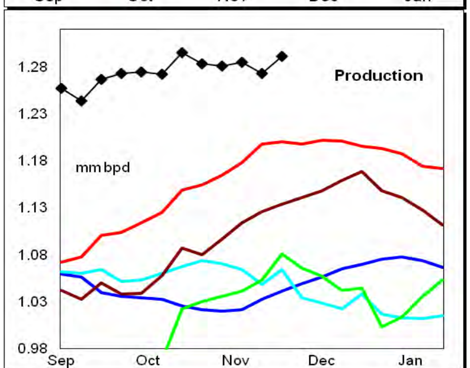
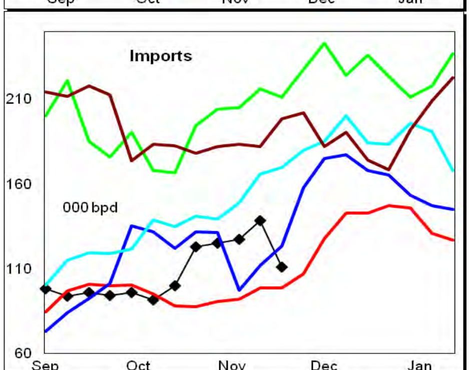
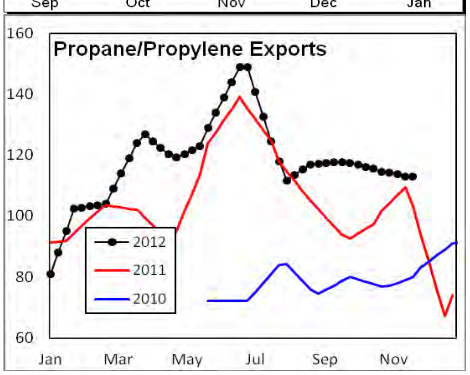


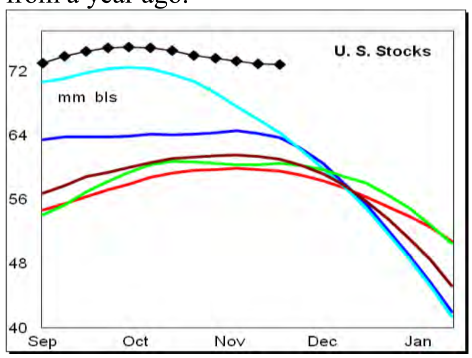






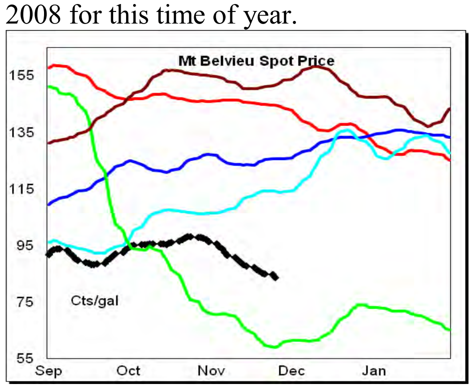
Wholesale demand declined -92,000 bpd last week, with the level matching the historic mid range. Production increased +17,000 bpd last week, concentrated in PADDs 4 & 5. Imports decreased -9,000 bpd on the week, with small decreases in most regions.

Combined production and imports during the latest 4-wk period were +145,000 bpd above a year ago. Production was +105,000 bpd above last year (+9%), while imports were +40,000 bpd higher. The latest 4-wk average demand was +162,000 bpd above last year, +14%. Exports for the most recent 4-wk were 114,000 bpd, up +5,000 bpd from a year ago.



Stocks increased +0.2 million barrels last week, ending the week +13.1 million barrels above a year ago. The 4-wk stock change was a draw of -1.1 million barrels, near the last 2-year average.

Price and Spreads Mt Belvieu spot prices decreased -1 cpg for the week ending 27Nov12, while Conway prices decreased -2 cpg. Conway prices ended the week at a level near the lows seen in 2008 for this time of year.



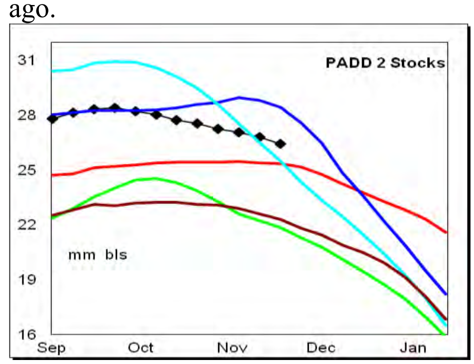
The Conway – Mt Belvieu price spread traded sideways last week, ending the week at -9 cpg.

The propane to natural gas price spread extended the recent downtrend last week, ending at a level well below each of the last 2-years.

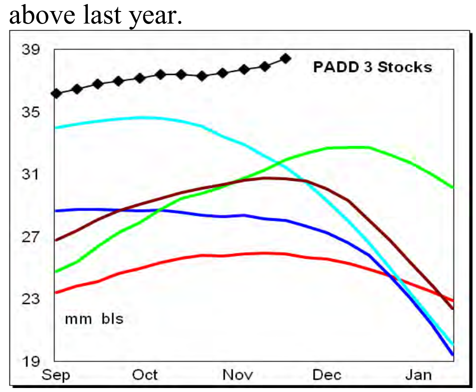
The propane / crude oil price spread trended lower last week ending at level sharply below highs seen in late October.

PADD 1 stocks declined -0.1 million barrels on the week. Supply decreased -3,000 bpd on the week. Supply for the latest 4-wk period was +16,000 bpd above last year.

PADD 2 stocks decreased -0.1 million barrels on the week. Supply decreased -27,000 bpd on the week, due to lower production. The latest 4-wk supply was +27,000 bpd above a year ago. Stock levels ended the week +3% above a year ago.



PAD 3 stocks climbed +0.5 million barrels last week, with the 4-wk stock change a build of +1.1 million barrels, greater than four of the last 5-years. Stock levels ended the week +49% above last year.



PADDs 4 & 5 stocks decreased -0.1 million barrels on the week. The stock level was +40% above a year ago.

Emerging Trends Temperatures remain well above normal across most of the country; driving a sharp drop in the year-on-year demand increase. Stock levels remain very high in the Gulf. Prices should remain weak in the near term.

[1] Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

November 29, 2012

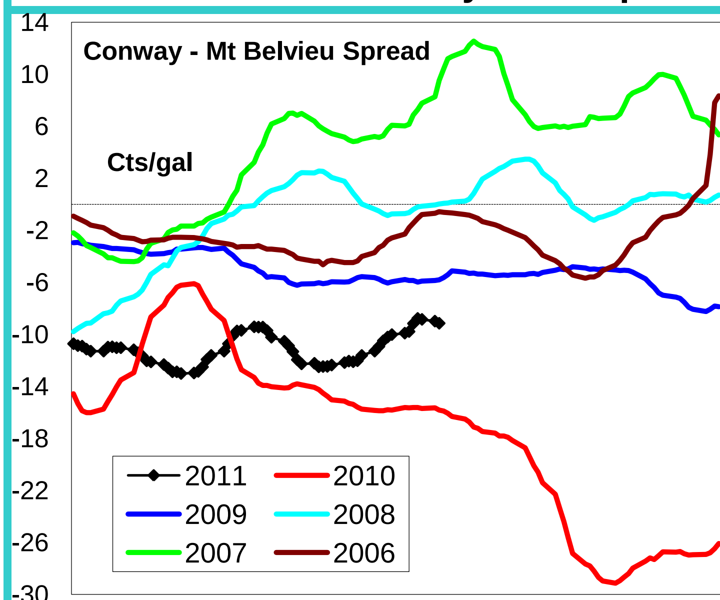
Fundamental Trends for the Week Ending: Friday, November 23, 2012

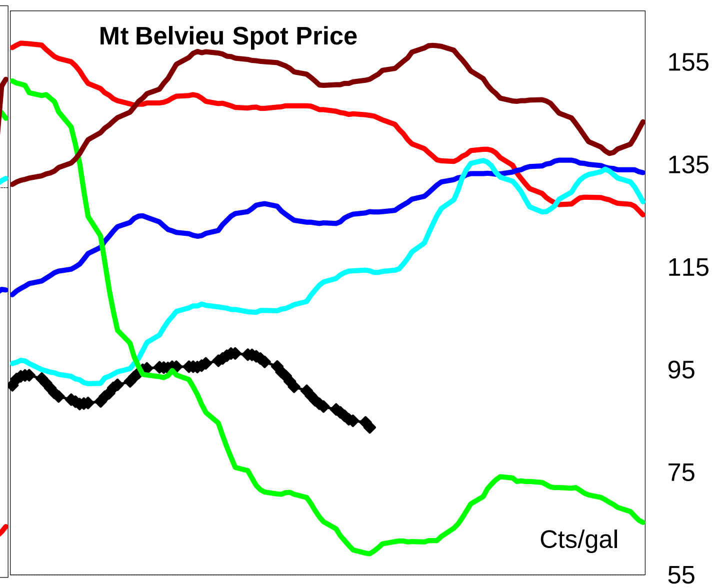
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S.	PADD				U.S.	PADD			
	Total	1	2	3	4&5	Total	1	2	3	4&5
Stocks	72,847	5,064	26,416	38,408	2,959	181	-57	-148	469	-83
Propylene Stocks	4,212					24				
Production	1,291	59	260	807	165	17	0	-25	7	35
Imports	111	55	41	0	16	-9	-3	-2	0	-4
Whsle Demand	1,263					-92				

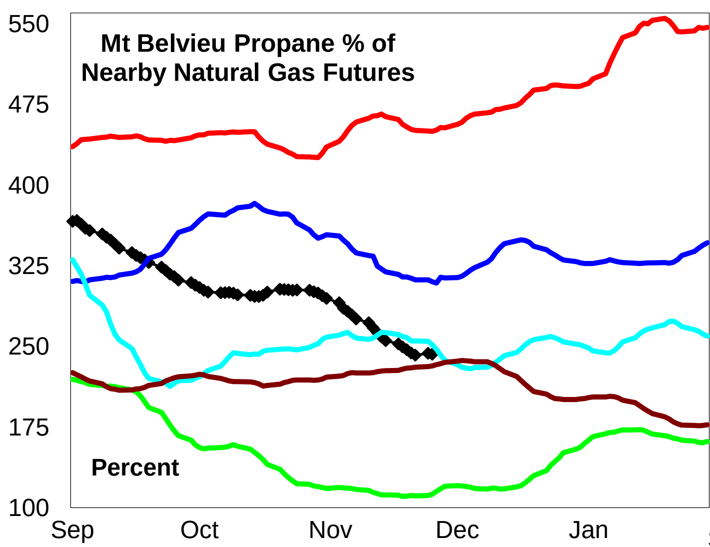
Price Trends for the Week Ending: Tuesday, November 20, 2012

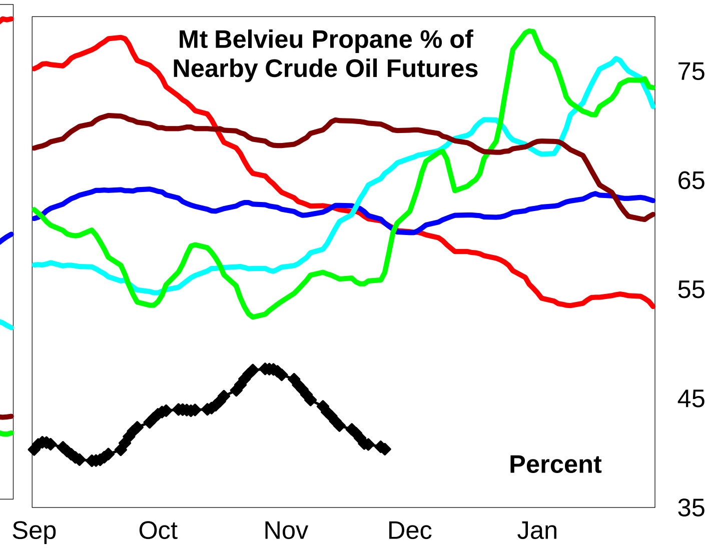
Cents/gal	Average for week ending:				Change from:			% change from:		
	11/20/12	11/13/12	10/23/12	11/17/11	11/13/12	10/23/12	11/17/11	11/13/12	10/23/12	11/17/11
Mont Belvieu Spot	85.0	87.9	98.9	145.0	-2.90	-10.91	-46.10	-3.3	-11.0	-31.8
Conway Spot	76.2	77.7	86.7	129.4	-1.50	-9.01	-42.70	-1.9	-10.4	-33.0

Key Price Spreads and Differentials

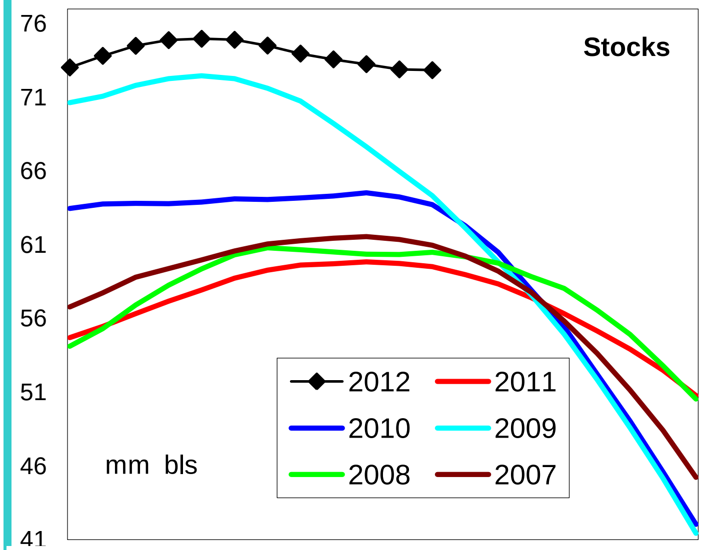


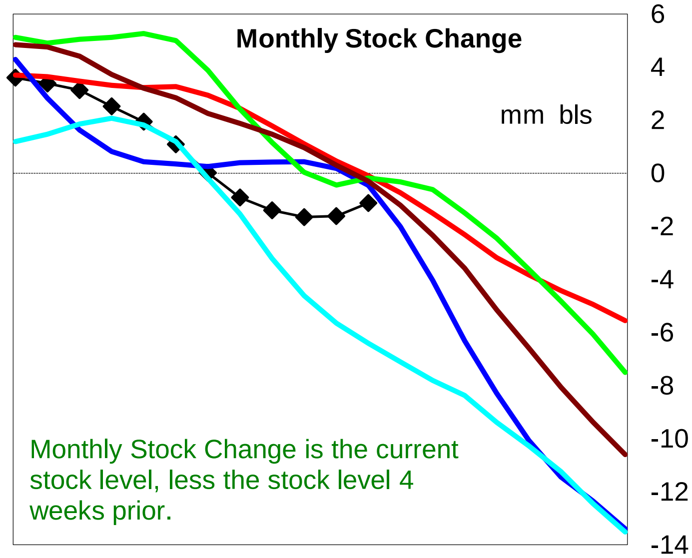


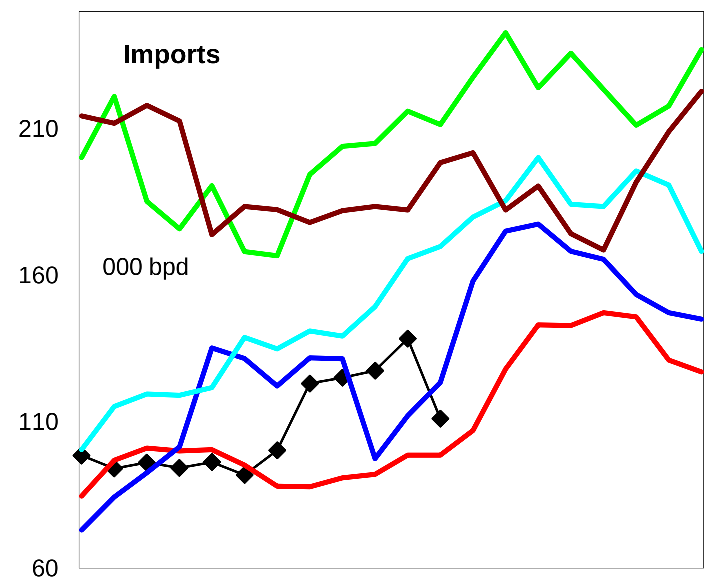


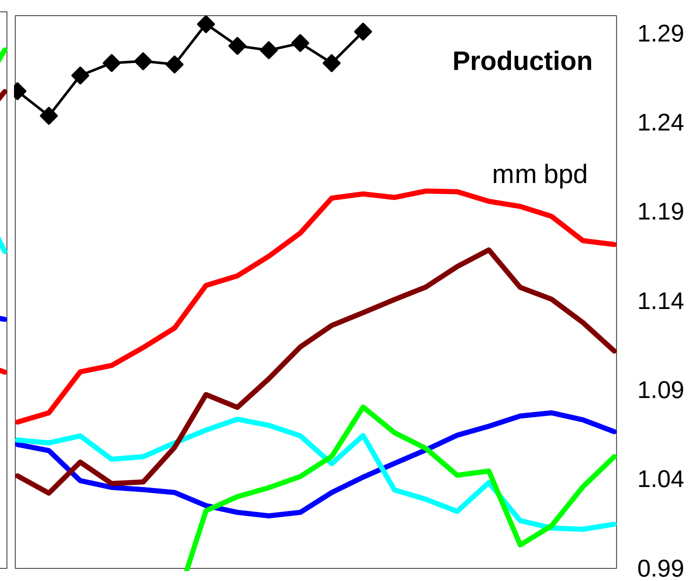


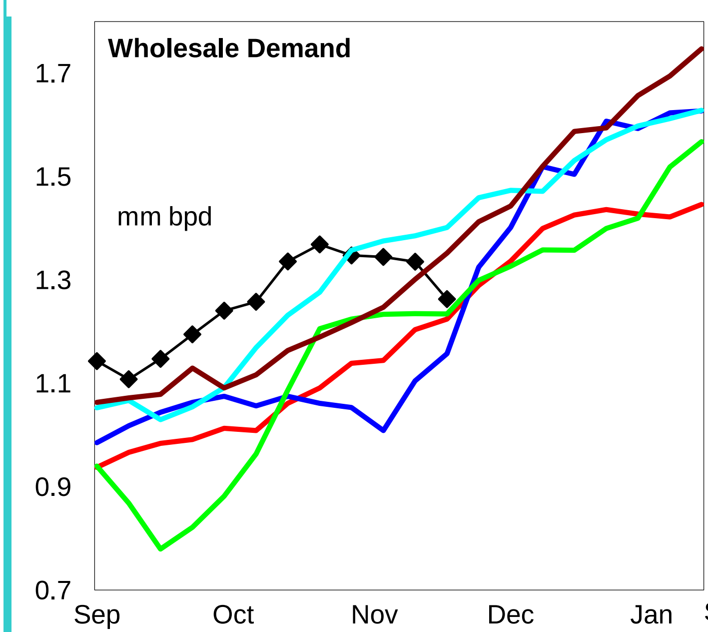
U. S. Propane Supply and Demand Balance

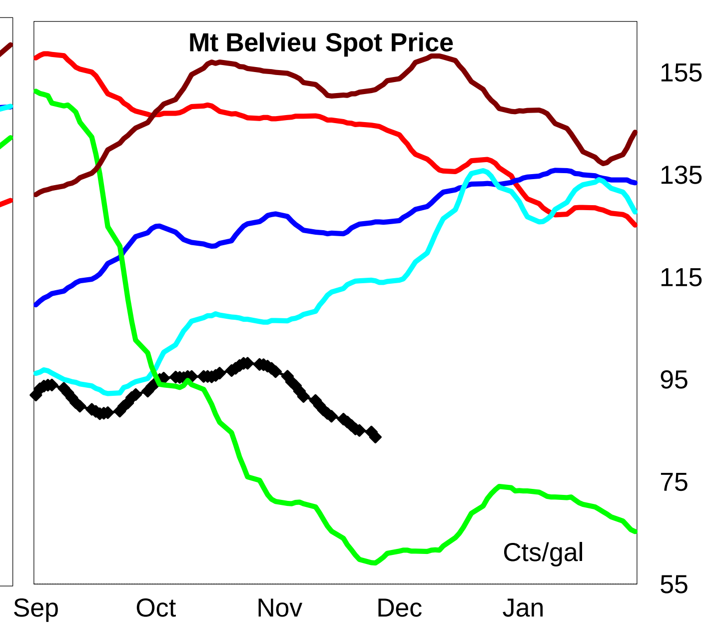






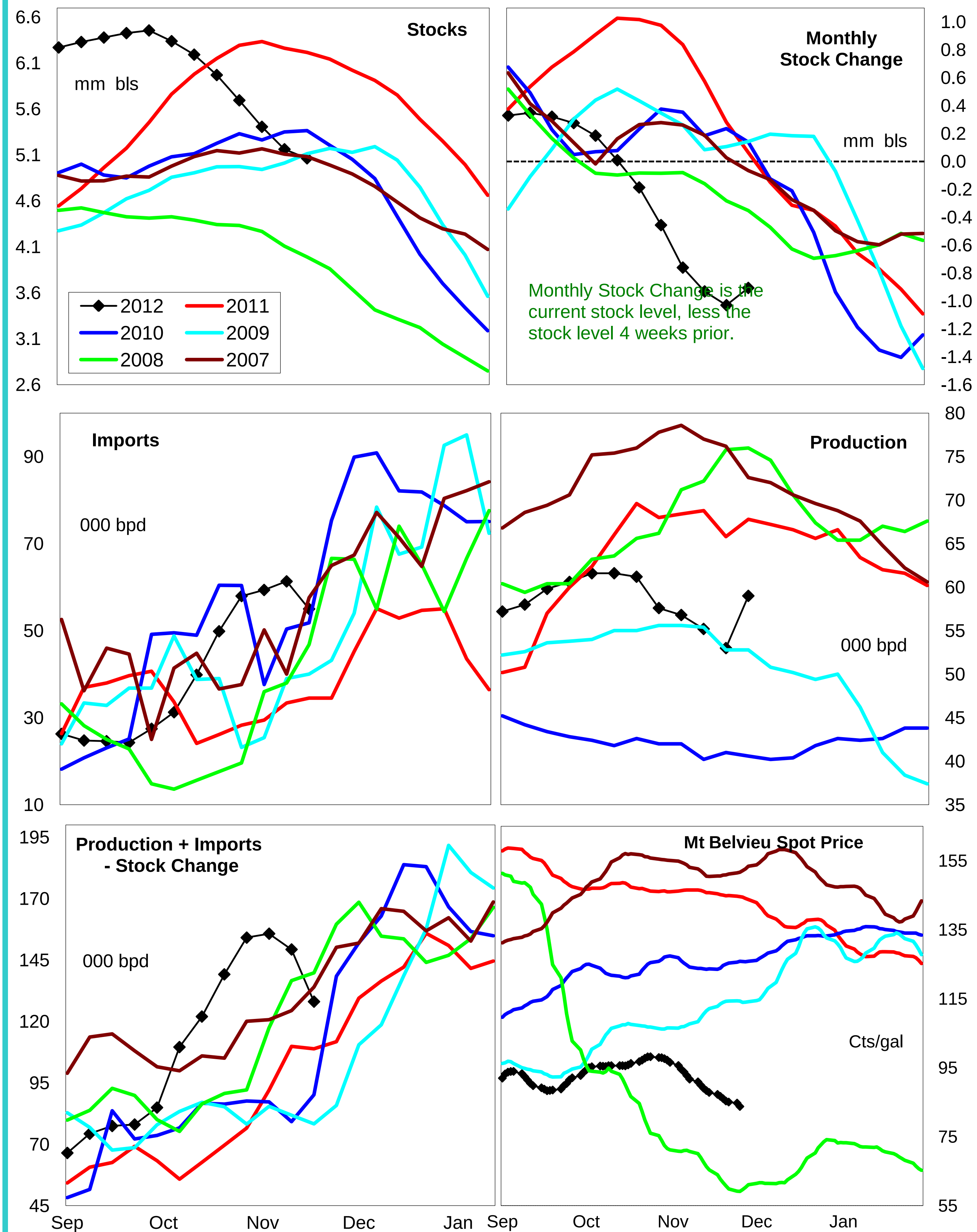






4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Oct	Sep	Aug
000 bpd (000 bls stks)	13,076	-1,028	105	40		162	169	108	-16
% change	21.9	1,075	8.9	43.2		13.7	14.1	10.6	-1.5

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)	-1,134	-971	-15	31	50
% change	-18.3	-1,511.8	-21.4	101.4	51.6

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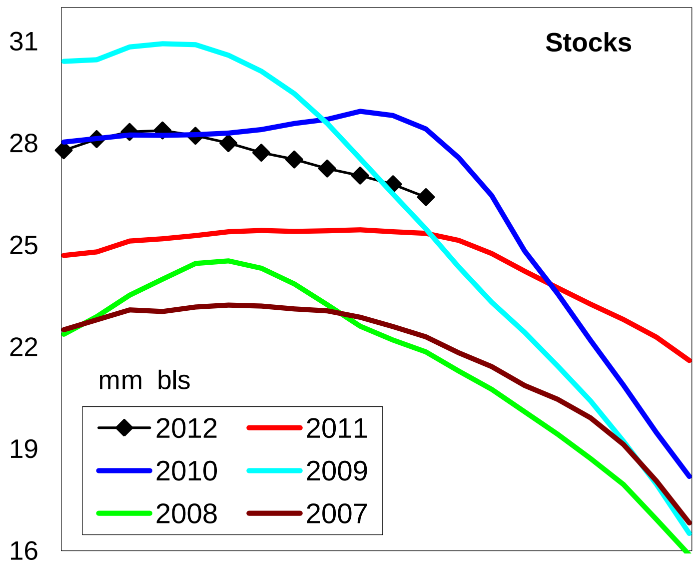
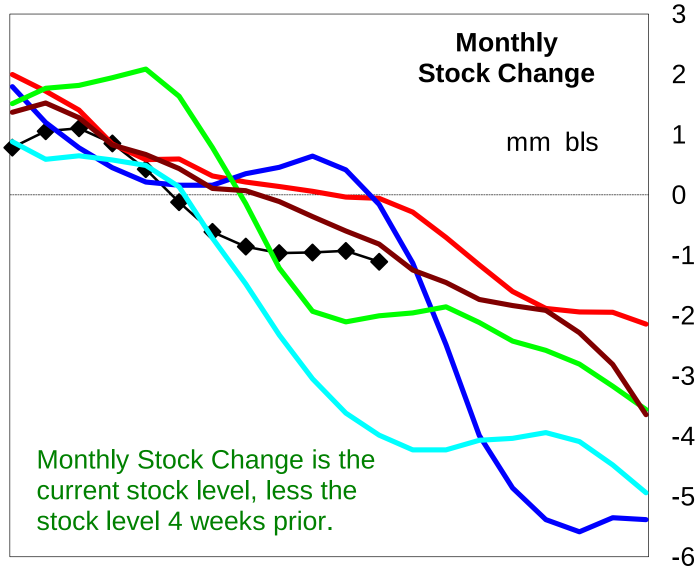
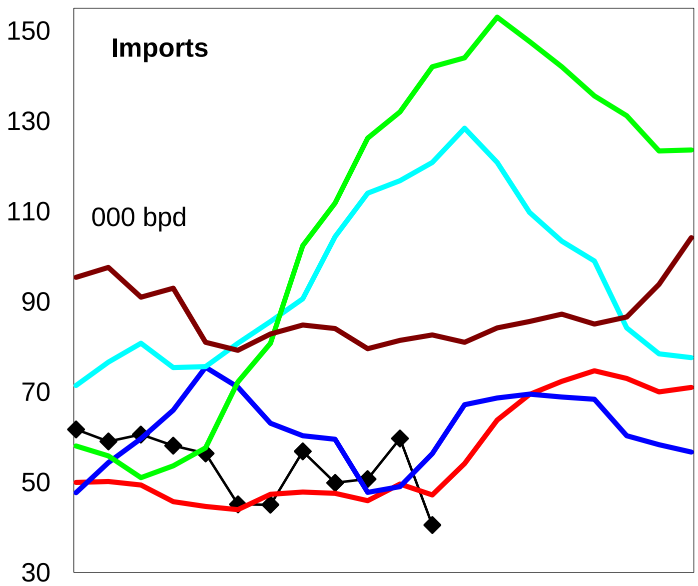
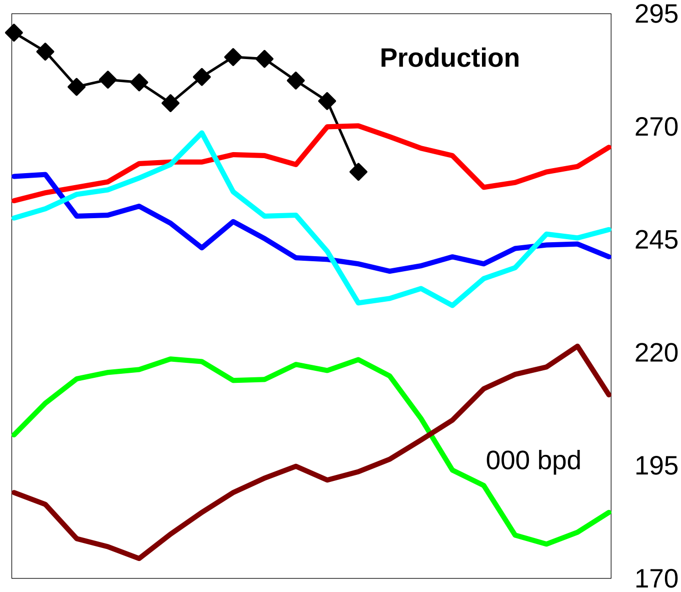
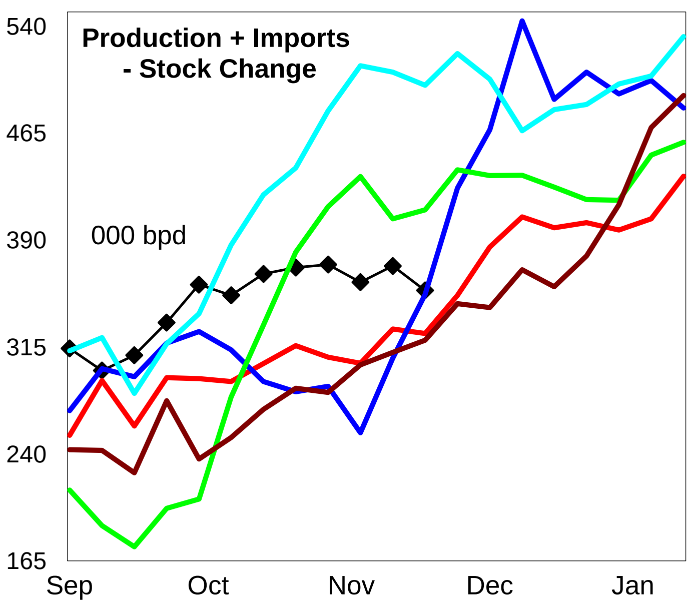
PADD 2 Propane Supply and Demand Balance

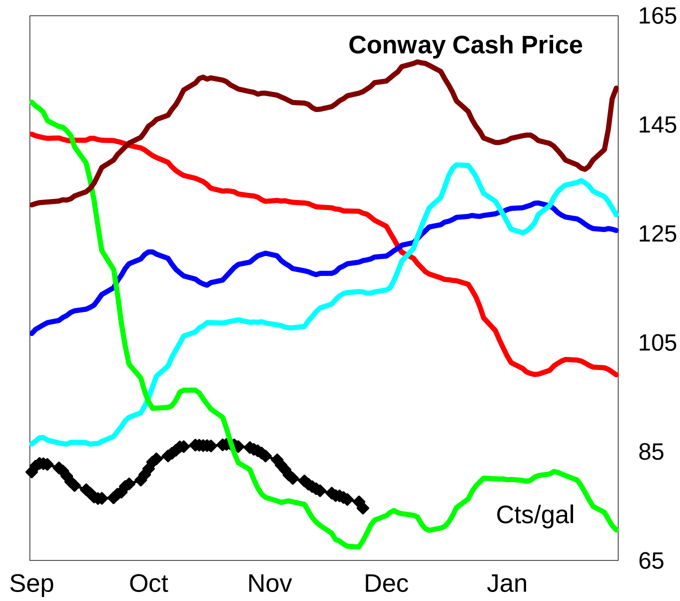












4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	746	-1,052	19	8	49
% change	2.9	1,871.5	7.2	16.6	15.5

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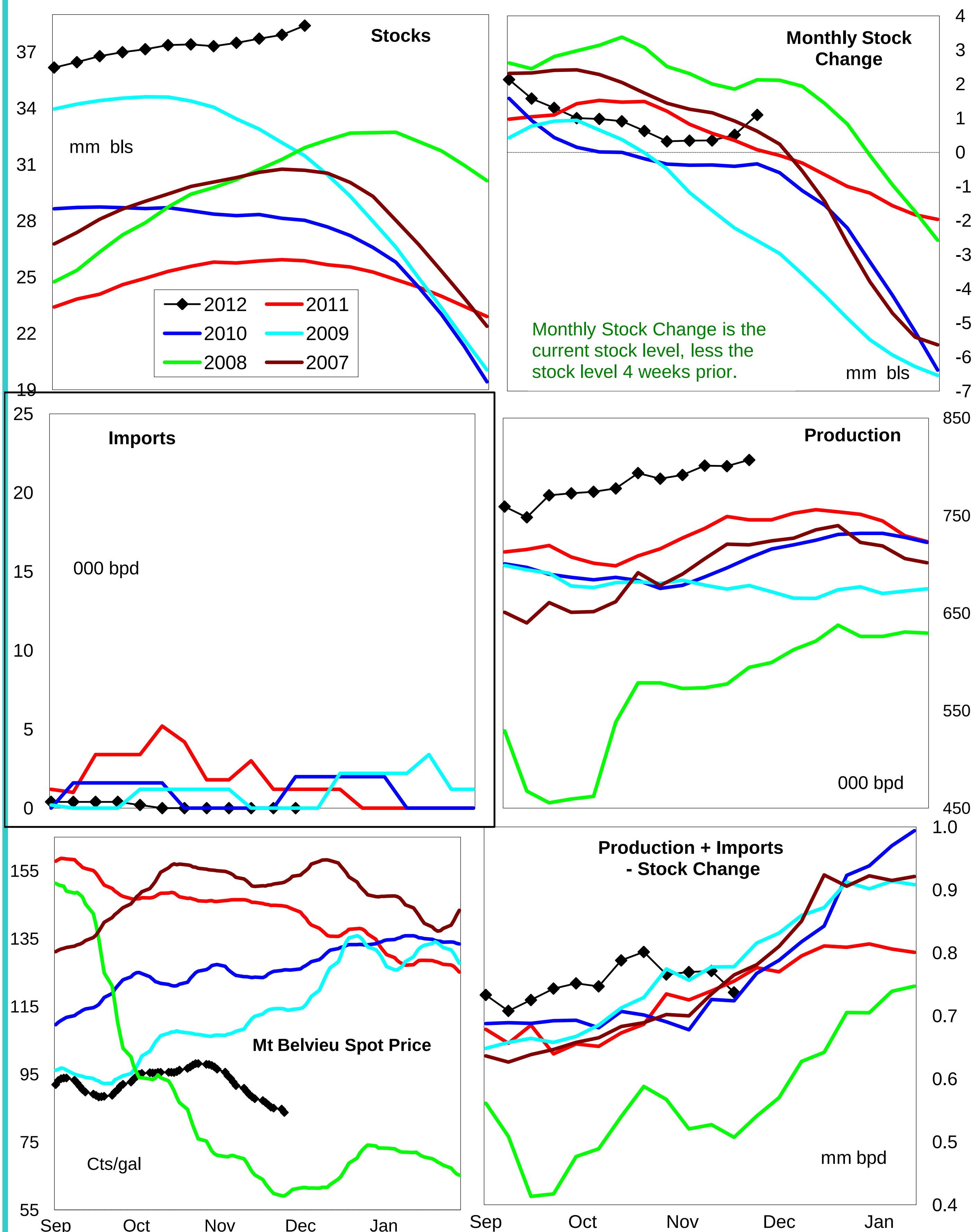
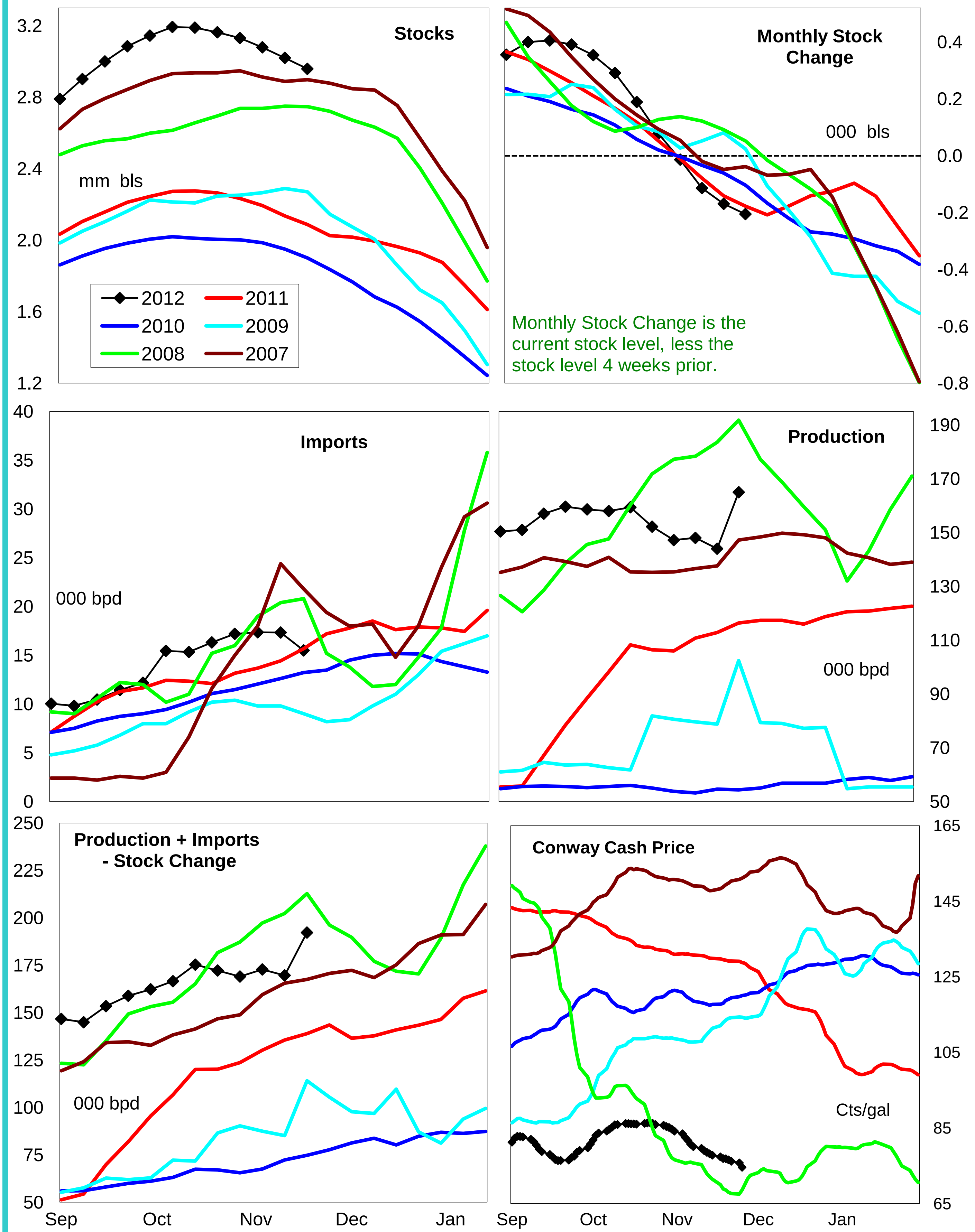
PADD 3 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	12,611	1,023	66	-2	22
% change	48.9	1,393	8.8	-100.0	3.0

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)	852	-28	35	3	44
% change	40.4	15.8	31.5	19.4	33.2

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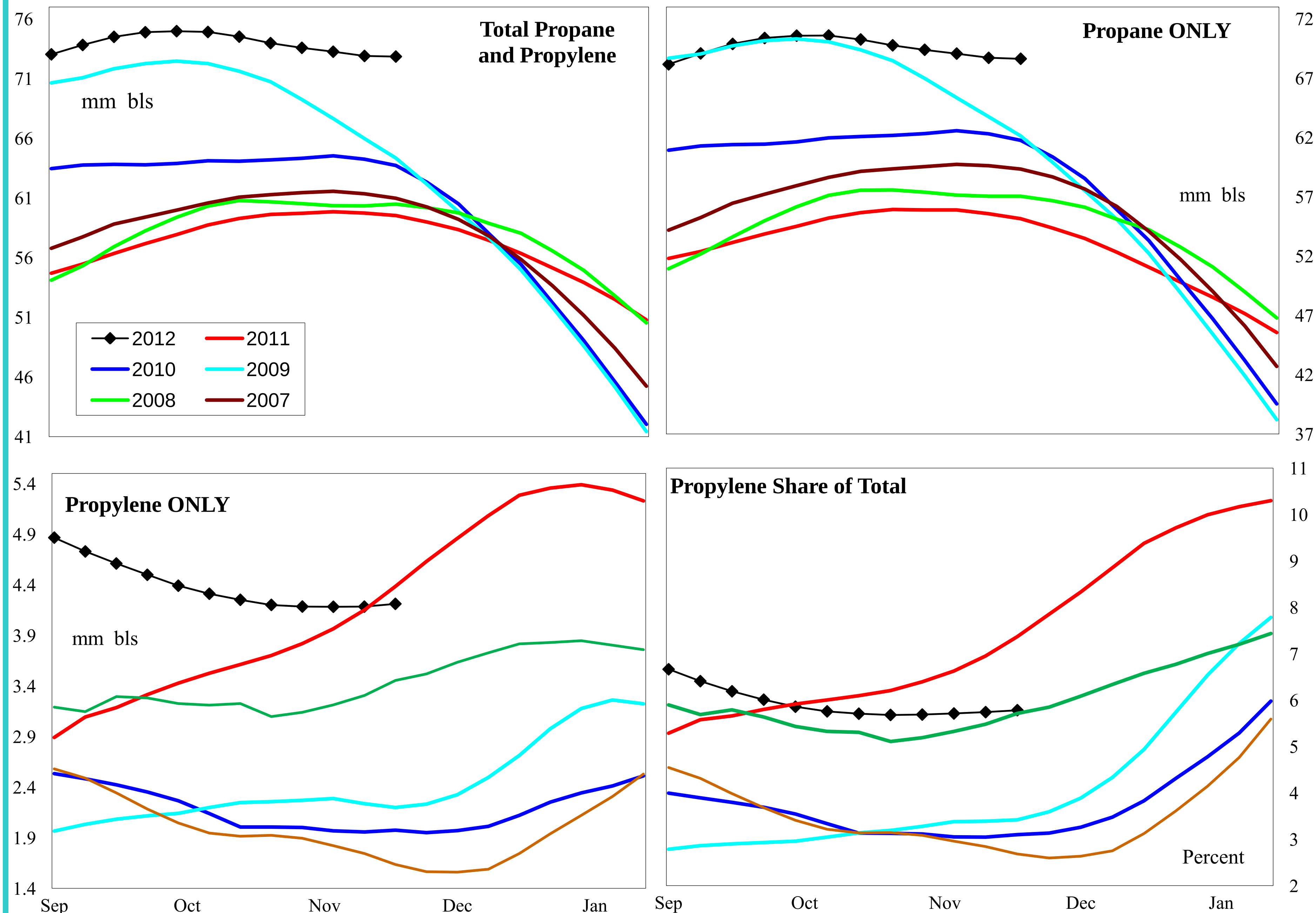
U. S. Propane and Propylene Stocks



Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	13,076	13,223	-172
% change	21.9	23.9	-3.9

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

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