

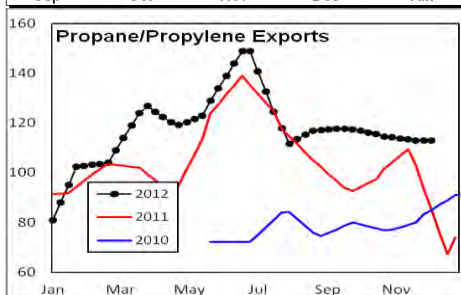
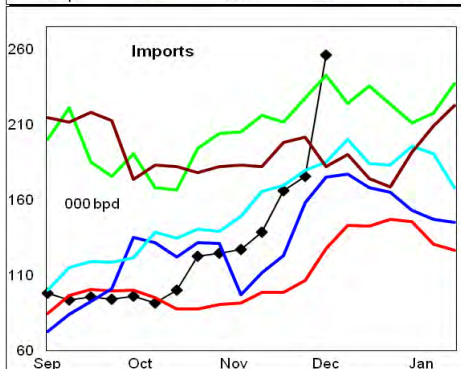
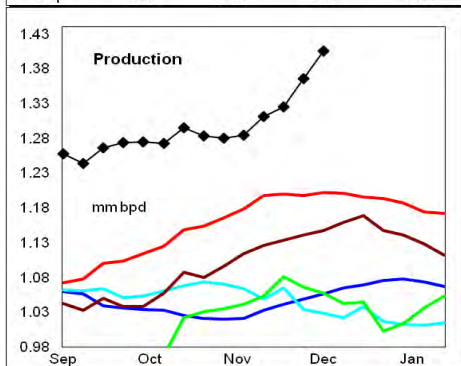
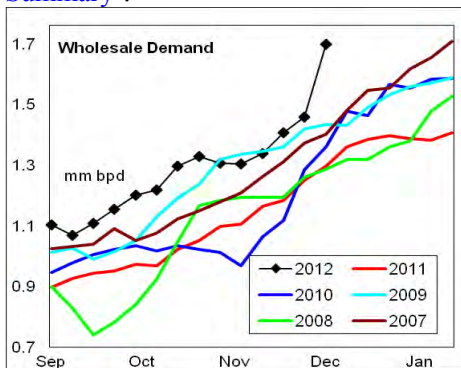


WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

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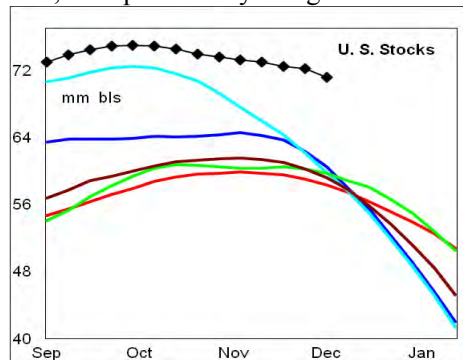
Summary¹ ?



Wholesale demand climbed +243,000 bpd last week, to a record high, driven in part by a surge in end user imports. Imports increased +5,000 bpd last week, concentrated in PADD 3, and

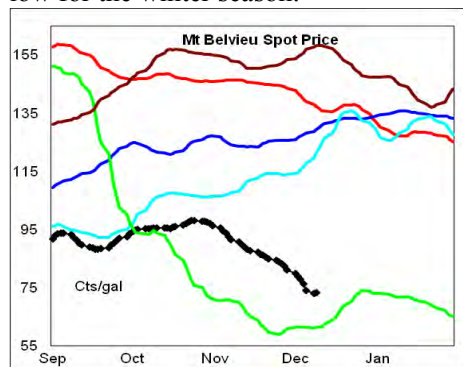
offset by a similar decrease in PADD 2. Imports jumped +96,000 bpd on the week, concentrated in PADDs 2 & 5.

Combined production and imports during the latest 4-wk period were +203,000 bpd above a year ago. Production was +142,000 bpd above last year (+12%), while imports were +61,000 bpd higher. The latest 4-wk average demand was +246,000 bpd above last year, +20%. Exports for the most recent 4-wk were 113,000 bpd, up +12,000 bpd from a year ago.



Stocks decreased -1.3 million barrels last week, ending the week +12 million barrels above a year ago. The 4-wk stock change was a draw of -2.3 million barrels, a lower draw than two of the last 3-years.

Price and Spreads Mt Belvieu and Conway spot prices decreased -8 cpg for the week ending 11Dec12. Conway prices ended the week at a fresh 5-year low for the winter season.



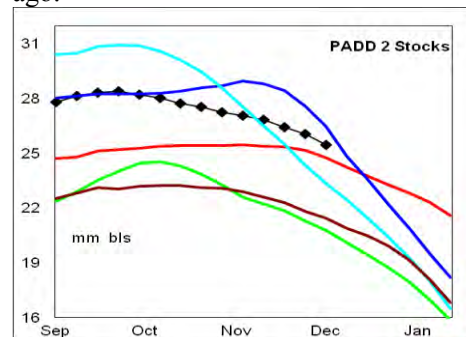
The Conway – Mt Belvieu price spread traded sideways last week, ending the week at -8 cpg.

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

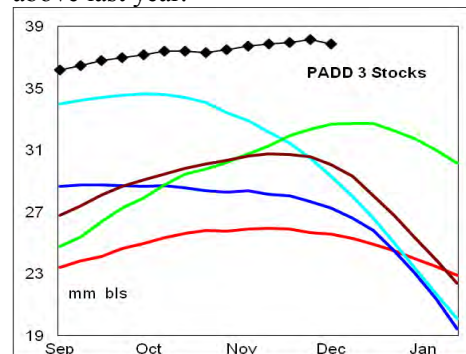
The propane / crude oil price spread extended the longer term downtrend, ending at a fresh record low.

PADD 1 stocks were unchanged on the week. Supply increased +7,000 bpd on the week. Supply for the latest 4-wk period was +29,000 bpd above last year.

PADD 2 stocks declined -0.9 million barrels on the week. Supply increased +43,000 bpd on the week, due to higher imports. The latest 4-wk supply was +31,000 bpd above a year ago. Stock levels ended the week +1% above a year ago.



PADD 3 stocks decreased -0.4 million barrels last week, with the 4-wk stock change a build of +0.1 million barrels, greater than four of the last 5-years. Stock levels ended the week +46% above last year.



PADDs 4 & 5 stocks decreased -0.1 million barrels on the week. The stock level was +45% above a year ago.

Emerging Trends Temperatures are forecast to remain mild through late December. Production and imports are sharply higher compared to the 5-year range. This increase in supply is being consumed in alternative uses, such as crude oil blending. Increased supply, in the face of low heating demand, should continue to depress spot prices.

¹ Source is latest EIA Weekly Statistics



PROPANE: Graph Link and Weekly Summary

December 12, 2012

Fundamental Trends for the Week Ending:

Friday, December 07, 2012

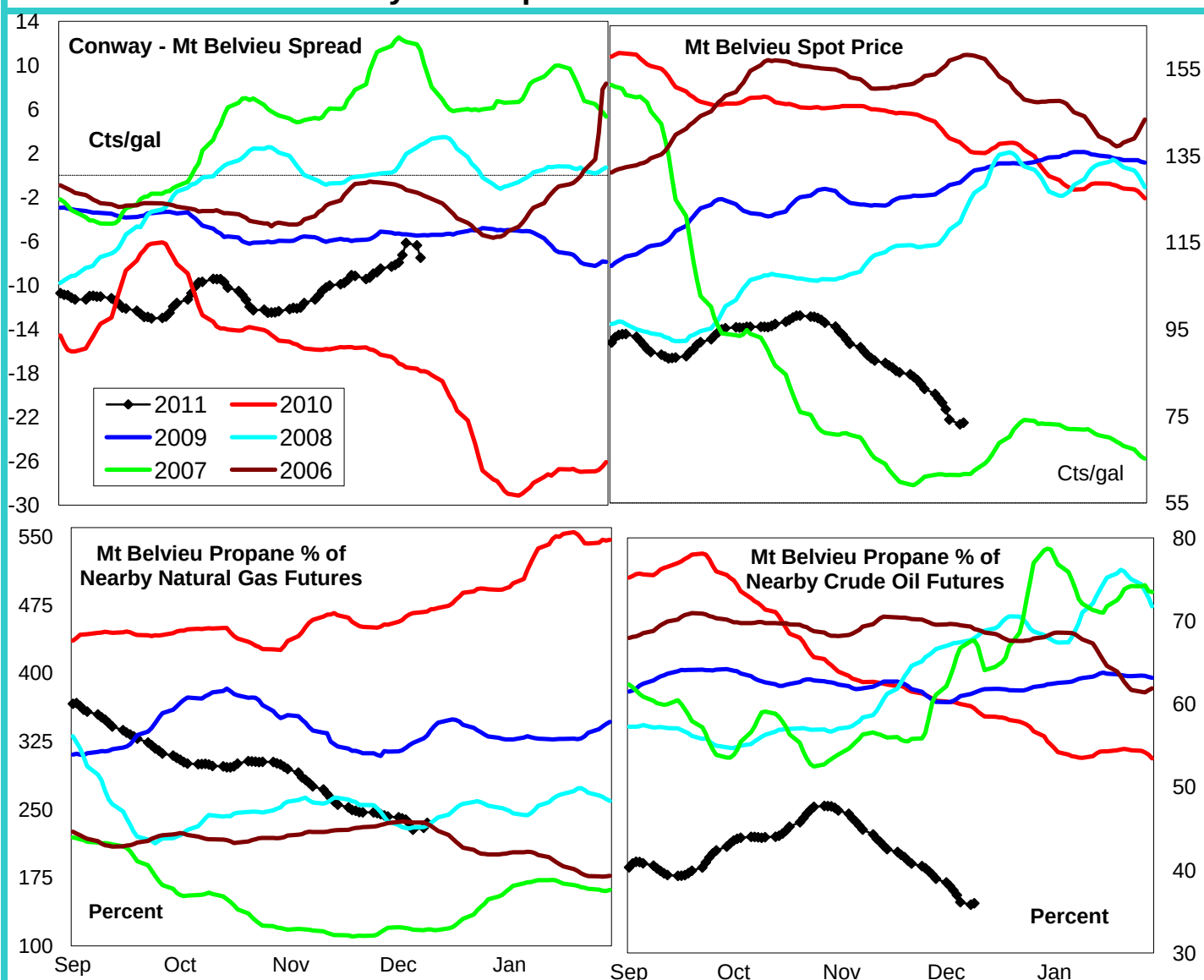
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD				U.S. Total	PADD			
		1	2	3	4&5		1	2	3	4&5
Stocks	71,183	5,033	25,441	37,841	2,868	-1,327	36	-886	-366	-111
Propylene Stocks	4,000					-79				
Production	1,405	69	271	863	202	5	2	-30	29	4
Imports	256	83	135	0	38	96	5	73	0	17
Whsle Demand	1,738					243				

Price Trends for the Week Ending:

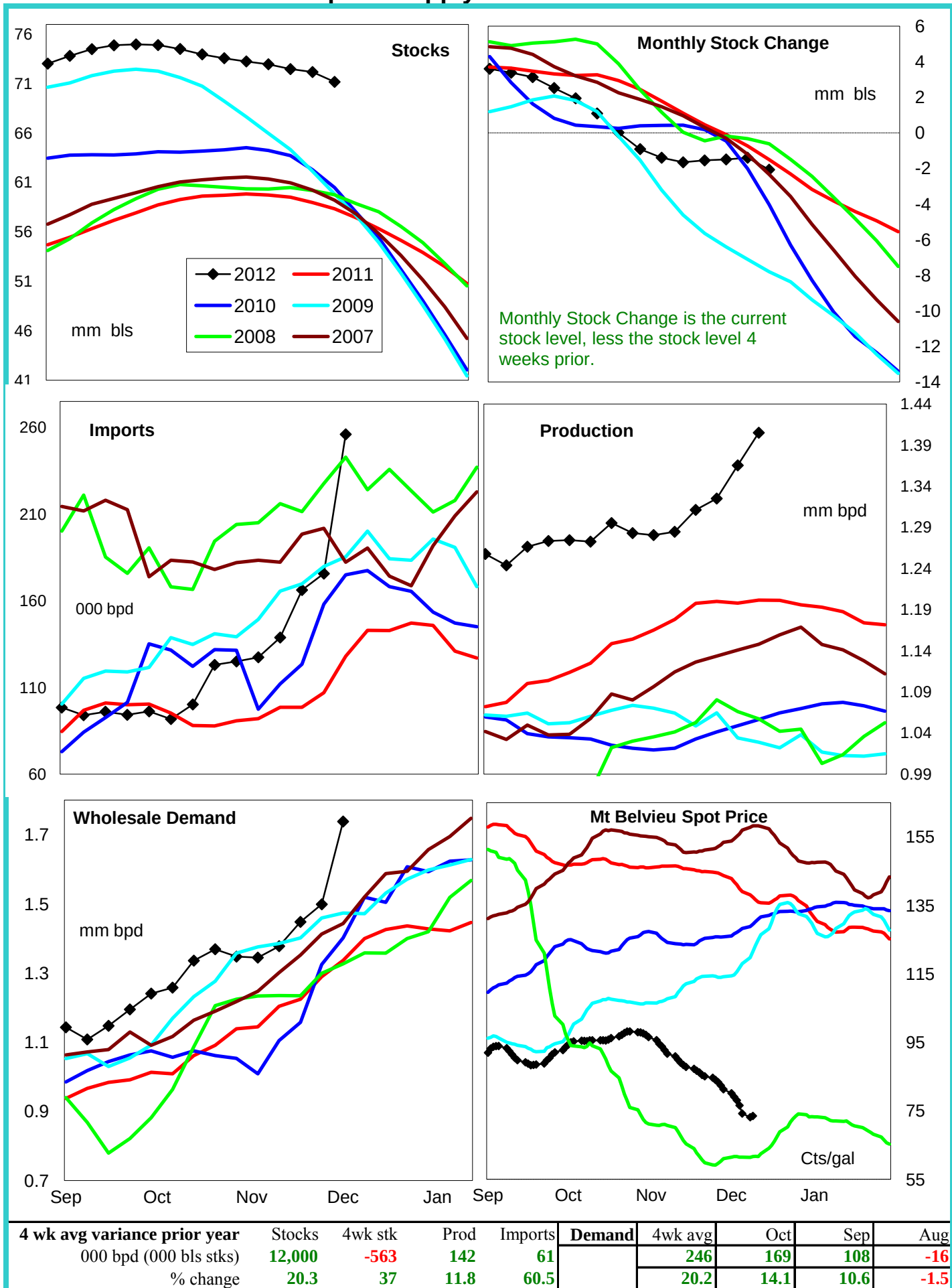
Tuesday, December 11, 2012

Cents/gal	Average for week ending:				Change from:			% change from:		
	12/11/12	12/4/12	11/13/12	12/8/11	12/4/12	11/13/12	12/8/11	12/4/12	11/13/12	12/8/11
Mont Belvieu Spot	74.2	83.0	90.9	139.2	-8.81	-7.84	-48.34	-10.6	-8.6	-34.7
Conway Spot	68.1	73.1	79.8	121.3	-5.00	-6.70	-41.57	-6.8	-8.4	-34.3

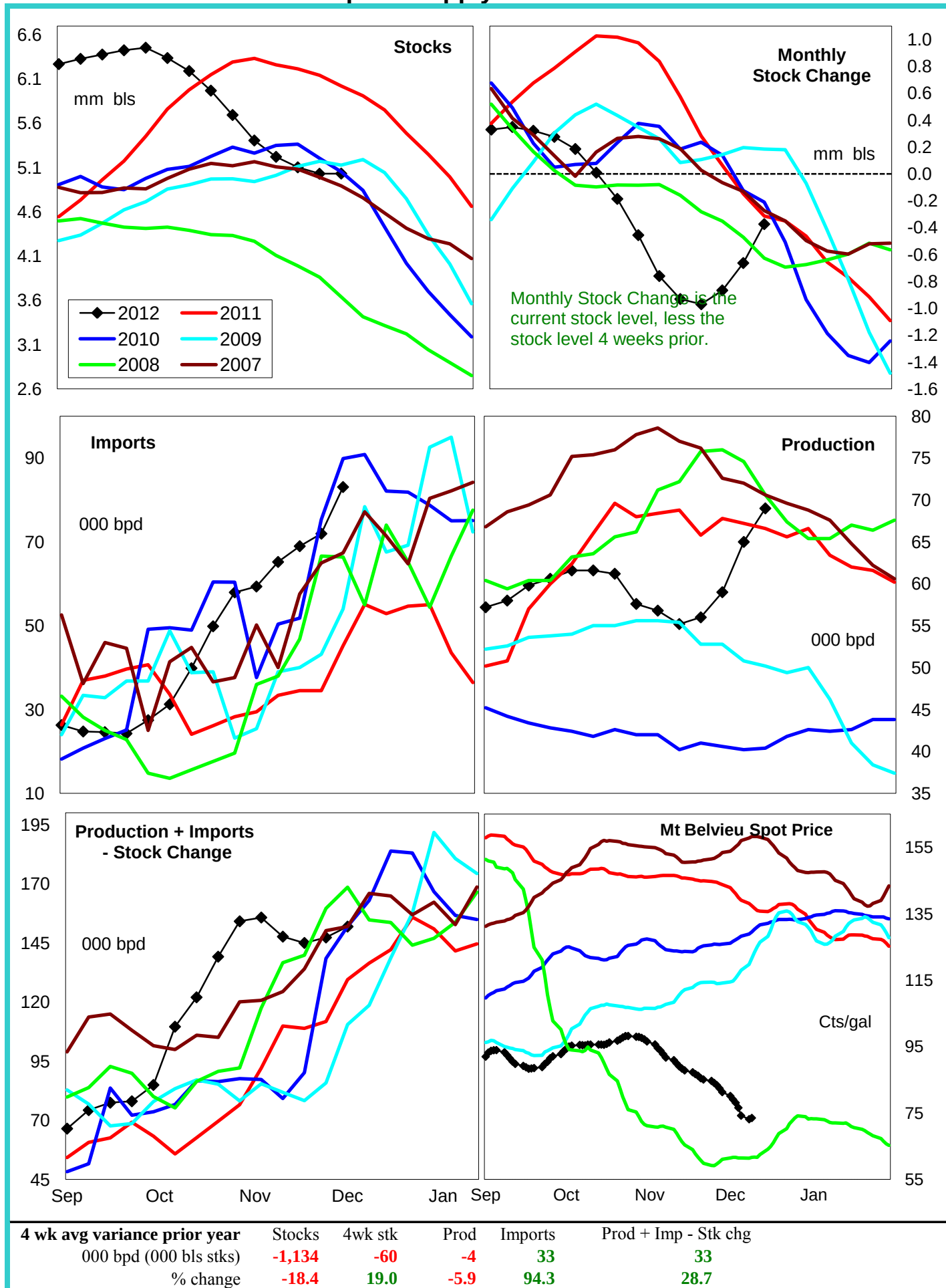
Key Price Spreads and Differentials



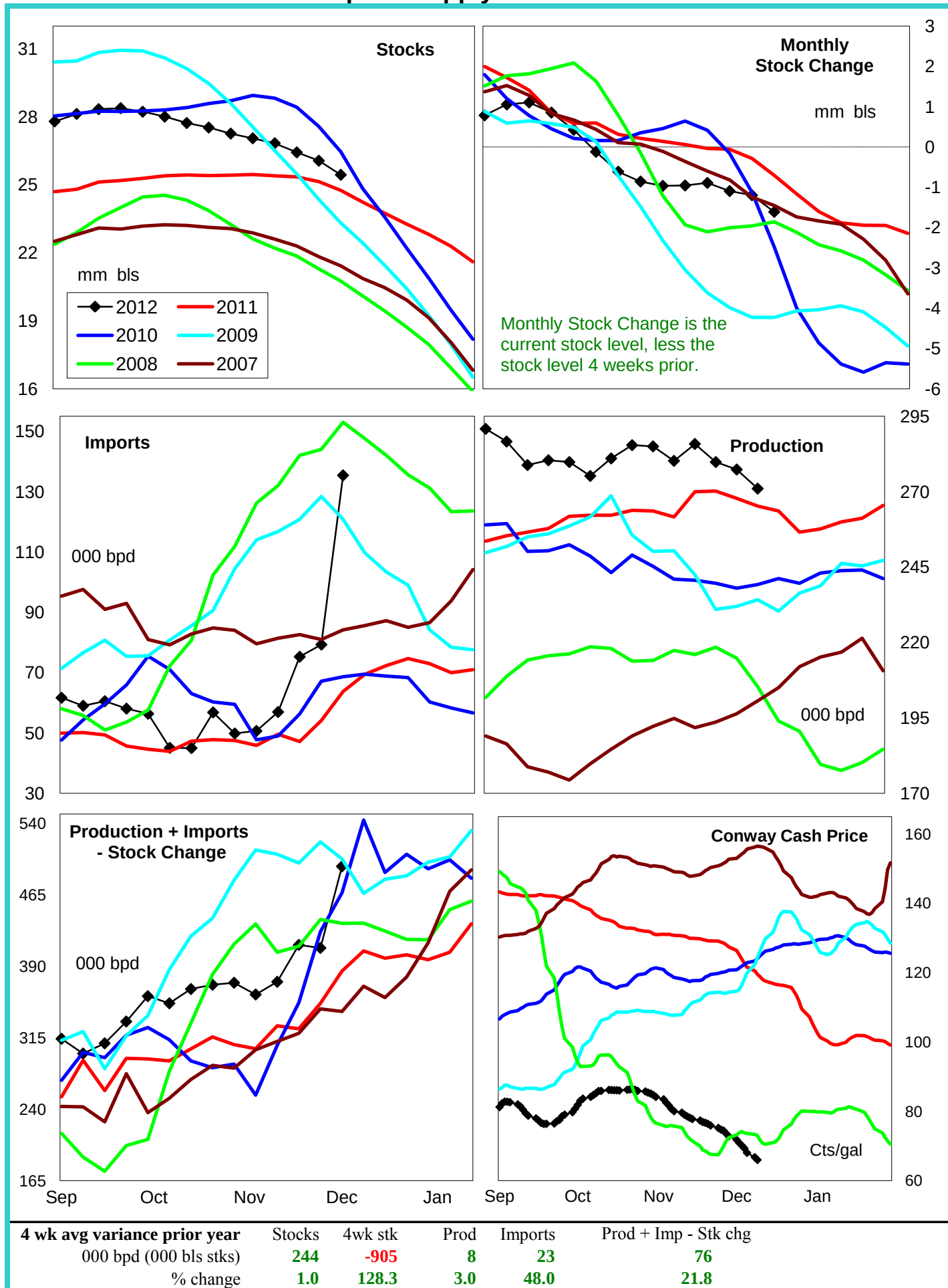
U. S. Propane Supply and Demand Balance



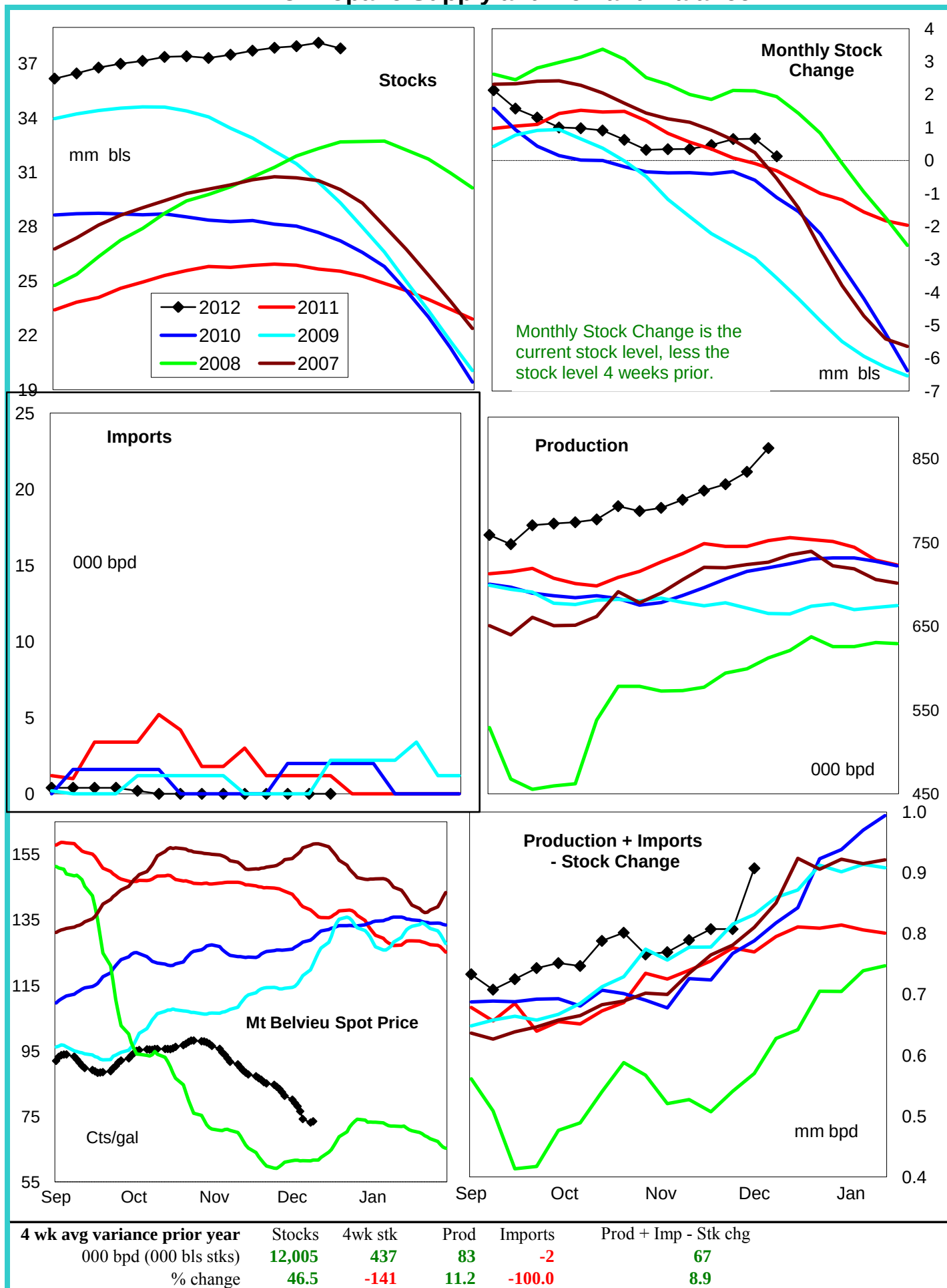
PADD 1 Propane Supply and Demand Balance



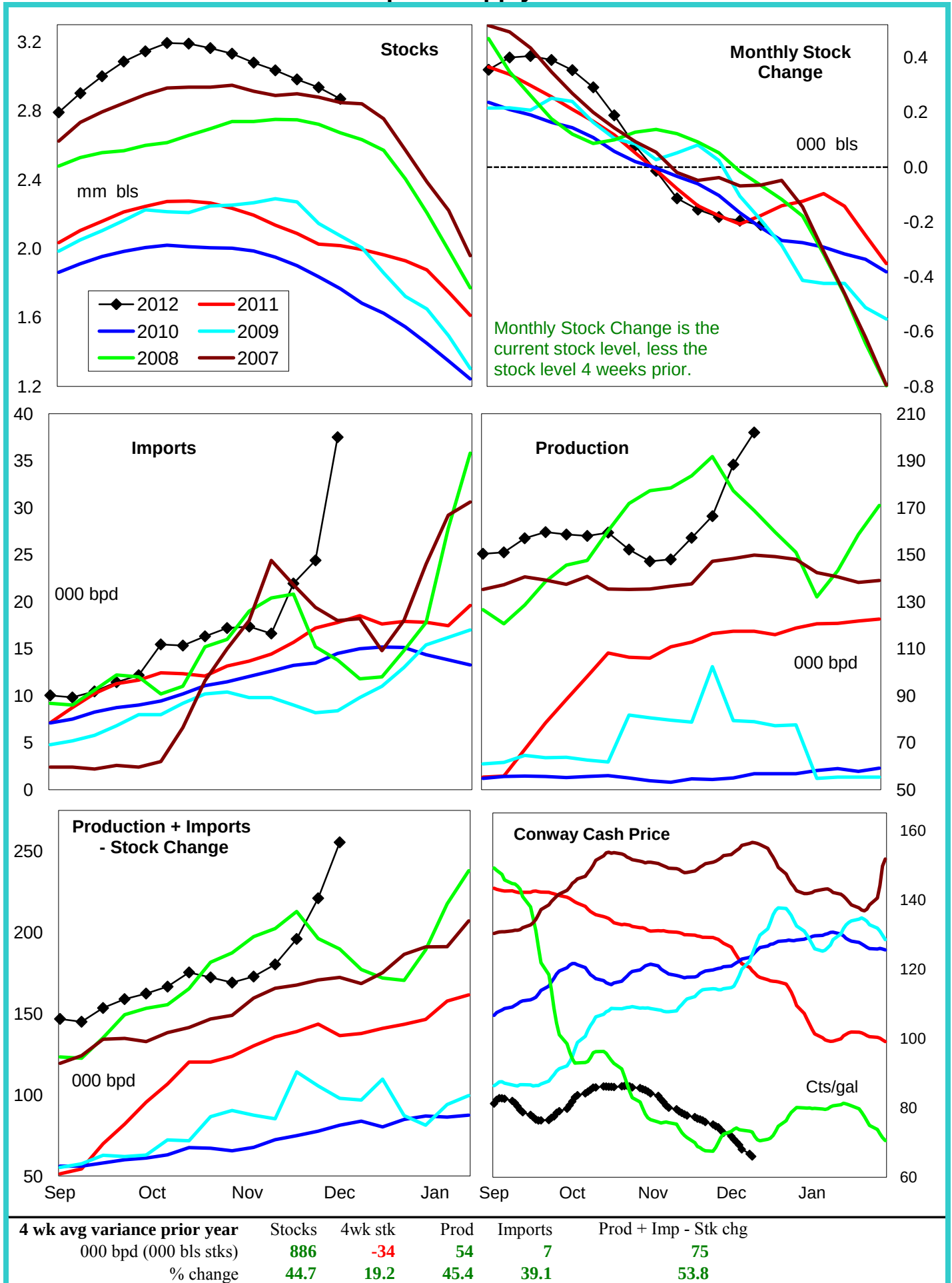
PADD 2 Propane Supply and Demand Balance



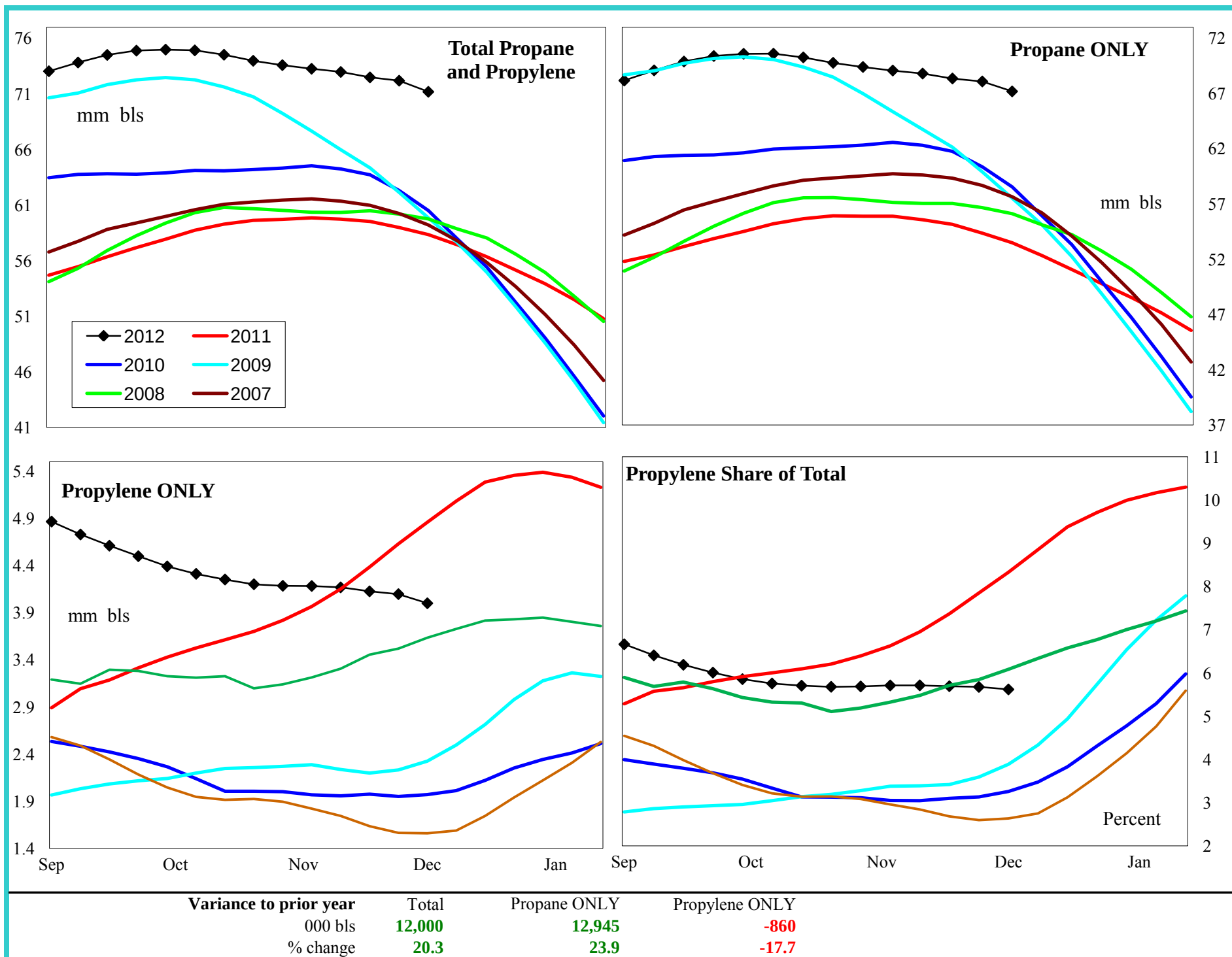
PADD 3 Propane Supply and Demand Balance



PADDs 4 and 5 Propane Supply and Demand Balance



U. S. Propane and Propylene Stocks



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

