WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

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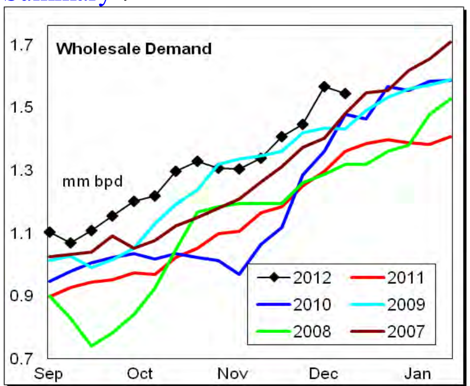
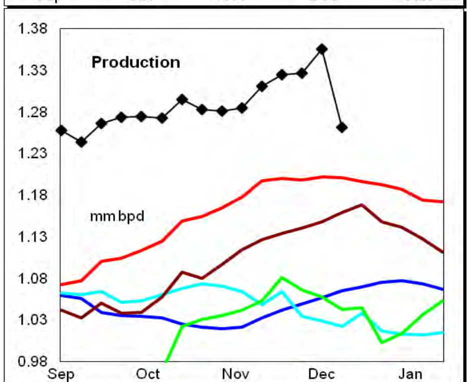
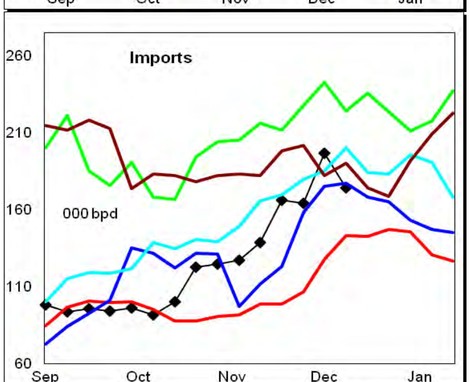
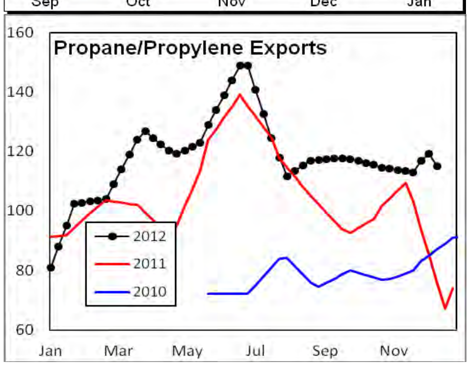


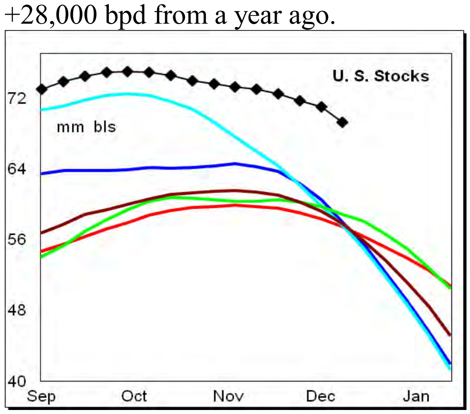






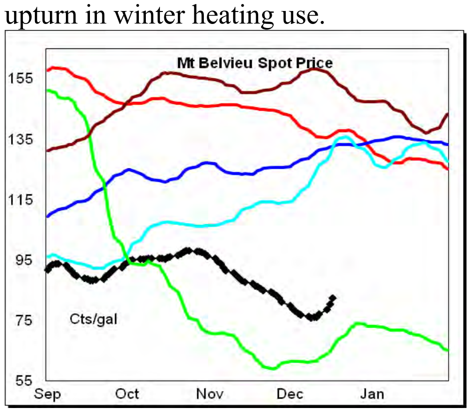
Wholesale demand fell -155,000 bpd last week, a pull back from the prior week surge. Imports declined -82,000 bpd last week, concentrated in PADD 2.

Combined production and imports during the latest 4-wk period were +197,000 bpd above a year ago. Production was +133,000 bpd above last year (+11%), while imports were +64,000 bpd higher. The latest 4-wk average demand was +146,000 bpd above last year, +11%. Exports for the most recent 4-wk were 118,000 bpd, up +28,000 bpd from a year ago.



Stocks decreased -2 million barrels last week, ending the week +12.3 million barrels above a year ago. The 4-wk stock change was a draw of -3.6 million barrels, a lower draw than two of the last 3-years.

Price and Spreads Mt Belvieu and Conway spot prices jumped +9 cpg for the week ending 19Dec12, driven by the upturn in winter heating use.



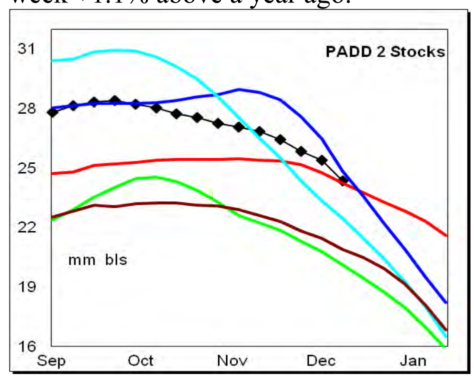
The Conway – Mt Belvieu price spread traded sideways last week, ending the week at -8 cpg.

The propane to natural gas price spread trended higher last week, ending at a level near the 5-year mid range.

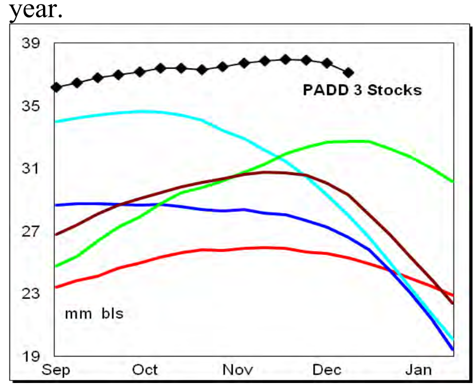
The propane / crude oil price spread trended slightly higher on the week, although the level remains near record lows.

PADD 1 stocks were unchanged on the week. Supply decreased -11,000 bpd on the week. Supply for the latest 4-wk period was +36,000 bpd above last year.

PADD 2 stocks declined -1.1 million barrels on the week. Supply fell -59,000 bpd on the week, due to lower imports. The latest 4-wk supply was +28,000 bpd above a year ago. Stock levels ended the week +1.1% above a year ago.



PAD 3 stocks decreased -0.7 million barrels last week, with the 4-wk stock change a draw of -0.7 million barrels, less than the 5-year average. Stock levels ended the week +49% above last year.



PADDs 4 & 5 stocks decreased -0.2 million barrels on the week. The stock level was +44% above a year ago.

Emerging Trends Temperatures are forecast to be colder than normal through the end of the month in many heating areas, providing further support to the current price uptrend. Record supply and stock levels should assure a very well supplied market.

[1] Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

December 20, 2012

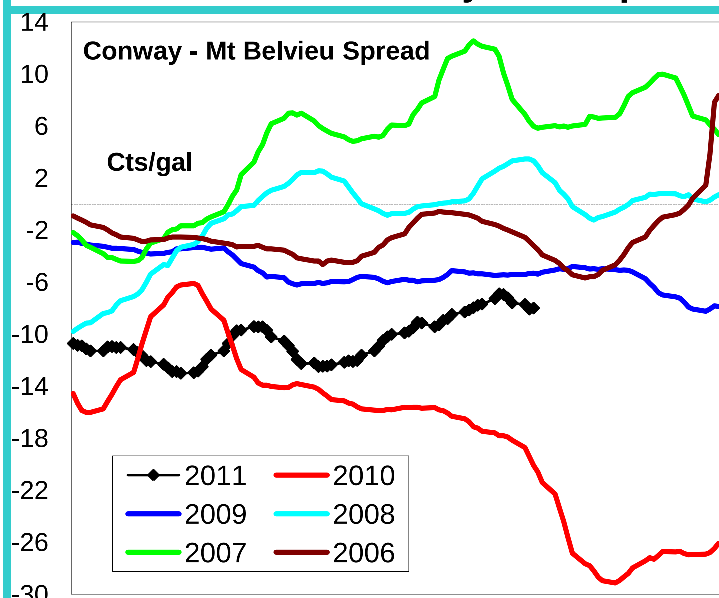
Fundamental Trends for the Week Ending: Friday, December 14, 2012

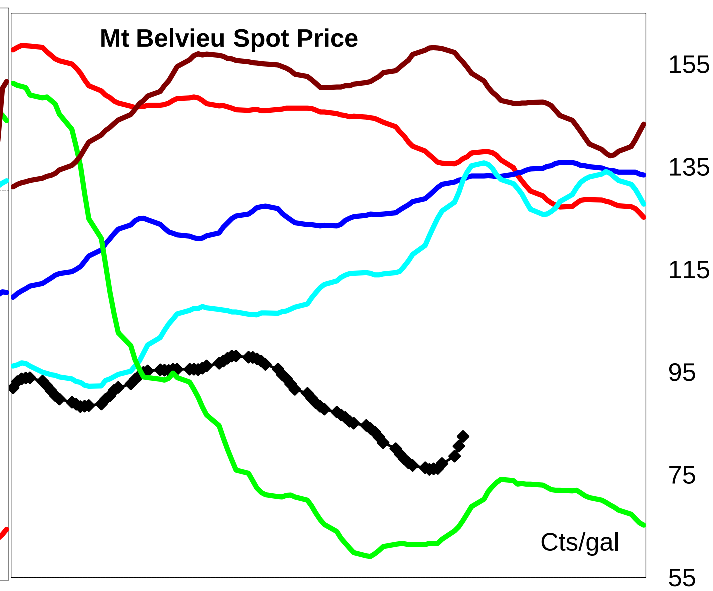
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S.	PADD				U.S.	PADD			
	Total	1	2	3	4&5	Total	1	2	3	4&5
Stocks	69,223	5,067	24,332	37,124	2,700	-1,960	34	-1,109	-717	-168
Propylene Stocks	3,727					-273				
Production	1,261	72	268	787	134	-144	3	-3	-76	-68
Imports	174	69	79	0	26	-82	-14	-56	0	-12
Whsle Demand	1,583					-155				

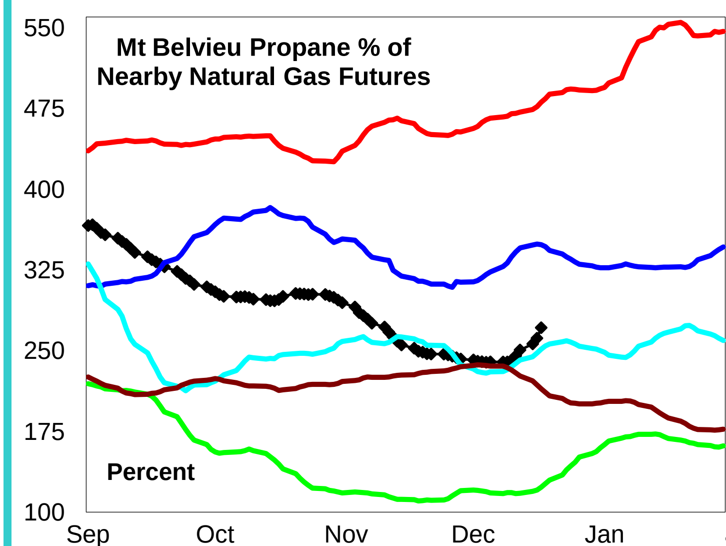
Price Trends for the Week Ending: Wednesday, December 19, 2012

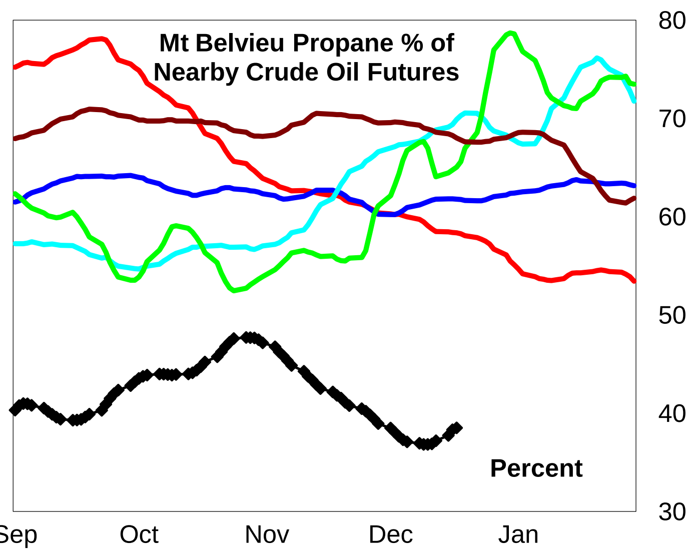
Cents/gal	Average for week ending:				Change from:			% change from:		
	12/19/12	12/12/12	11/21/12	12/16/11	12/12/12	11/21/12	12/16/11	12/12/12	11/21/12	12/16/11
Mont Belvieu Spot	50.1	74.3	85.7	136.3	-24.14	-11.46	-50.58	-32.5	-13.4	-37.1
Conway Spot	45.1	67.1	77.1	117.7	-22.04	-9.96	-40.60	-32.8	-12.9	-34.5

Key Price Spreads and Differentials

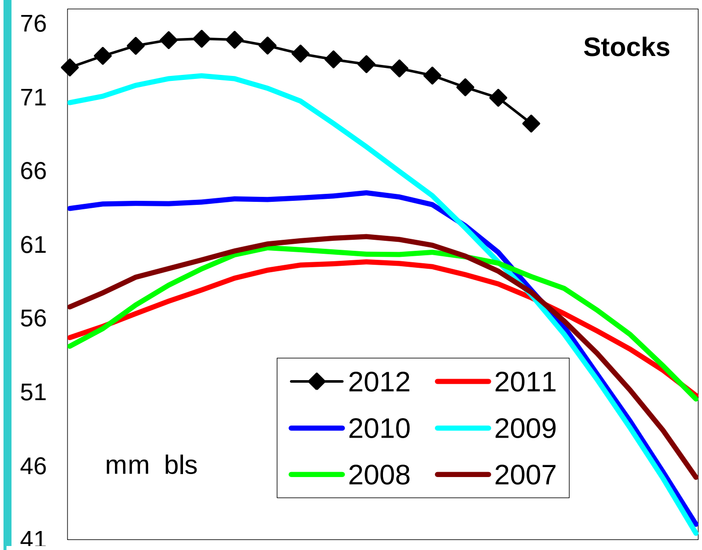


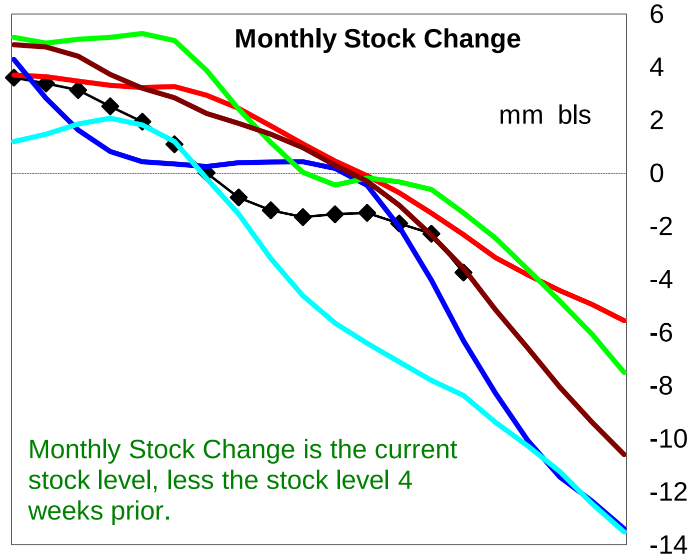


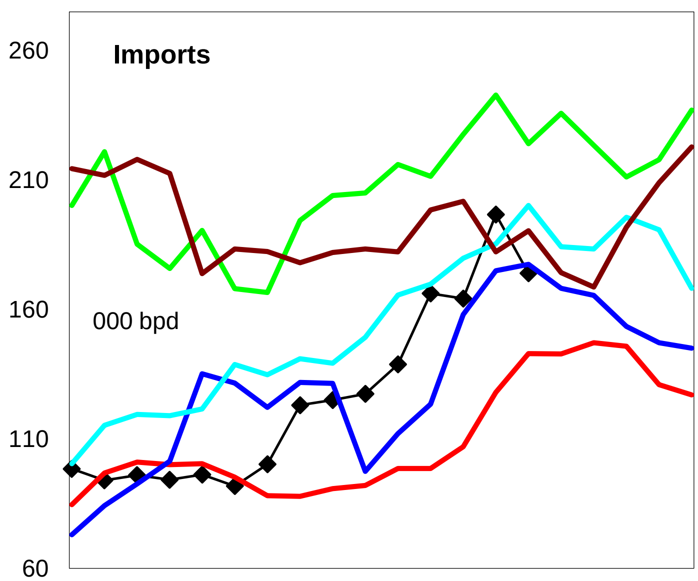


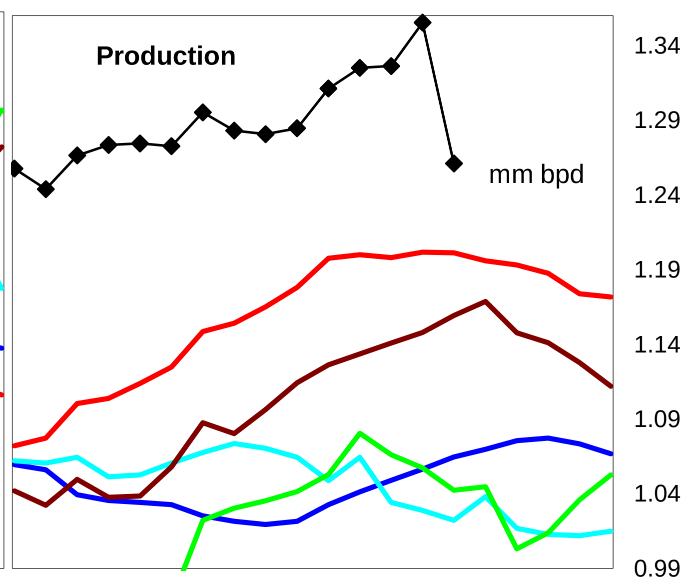


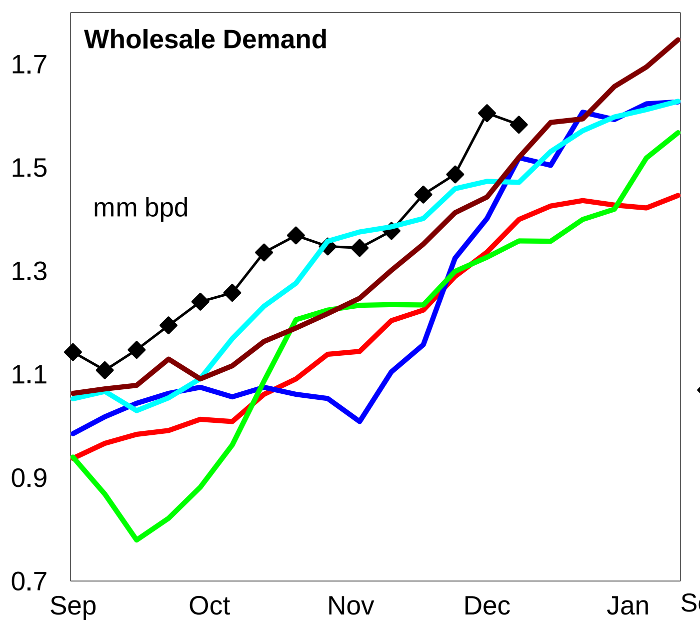
U. S. Propane Supply and Demand Balance

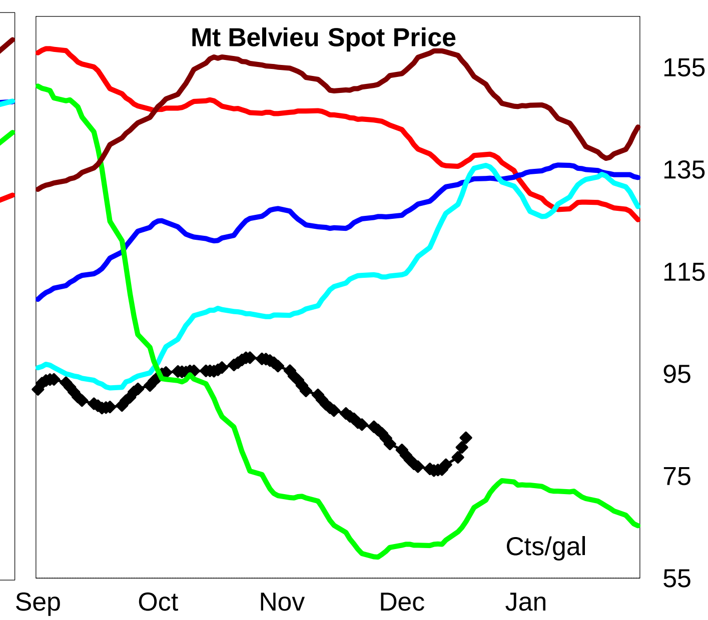












4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Nov	Oct	Sep
000 bpd (000 bls stks)	12,336	-1,433	133	64		146	83	169	108
% change	21.7	62	11.0	57.2		11.0	6.4	14.1	10.6

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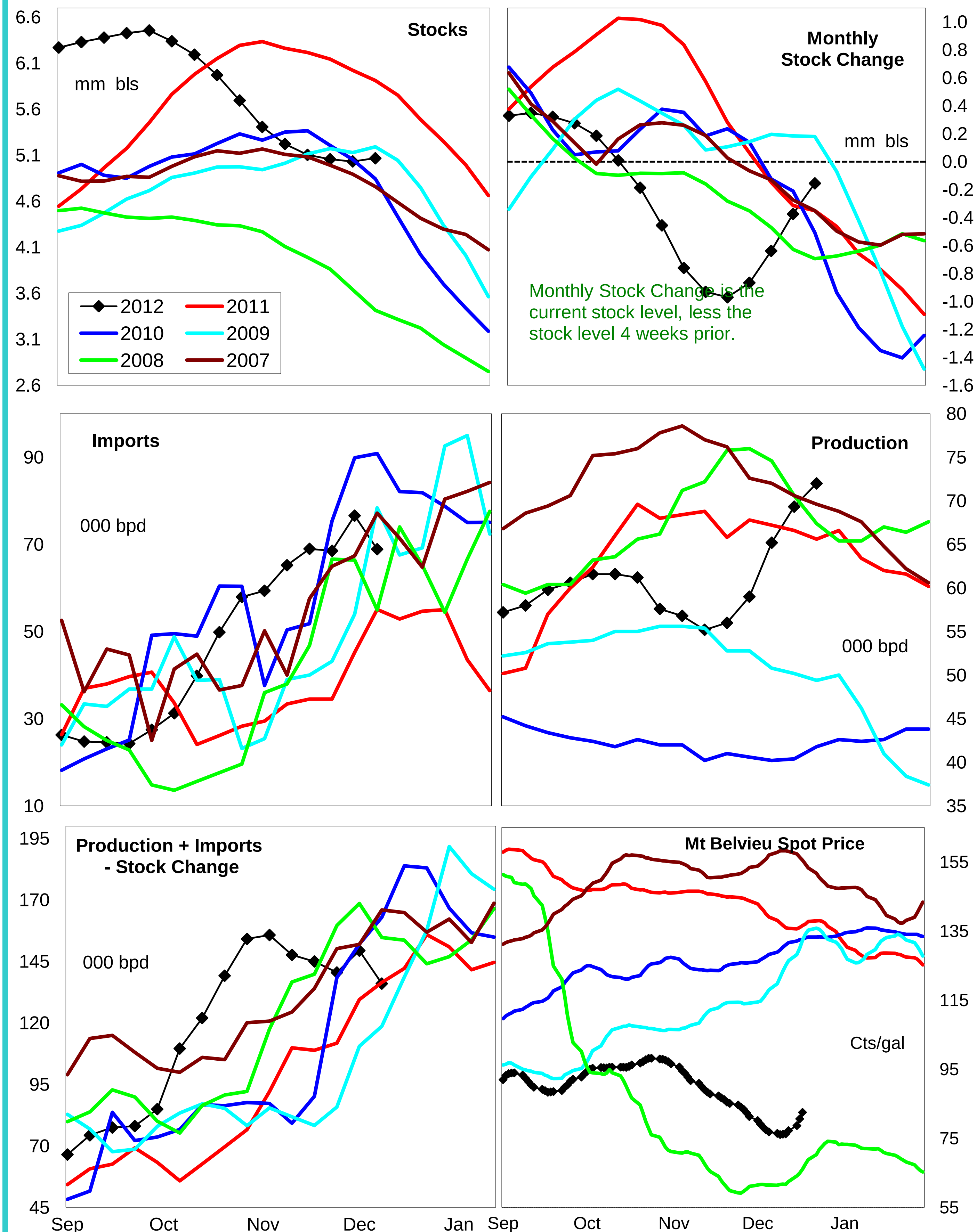
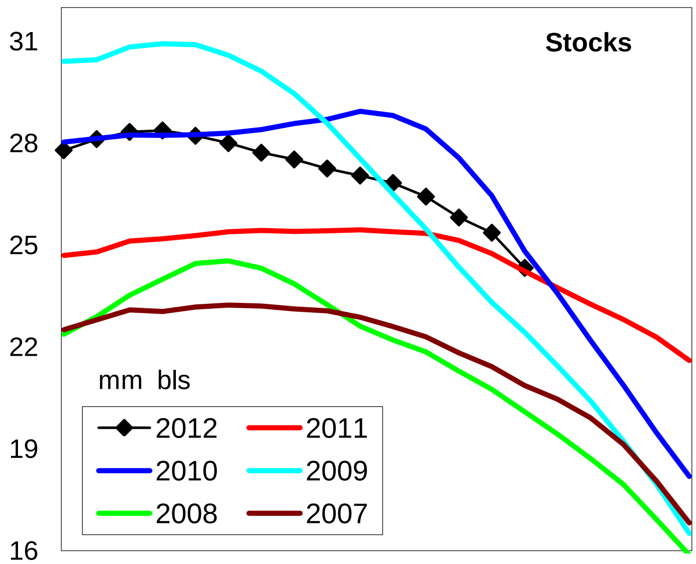
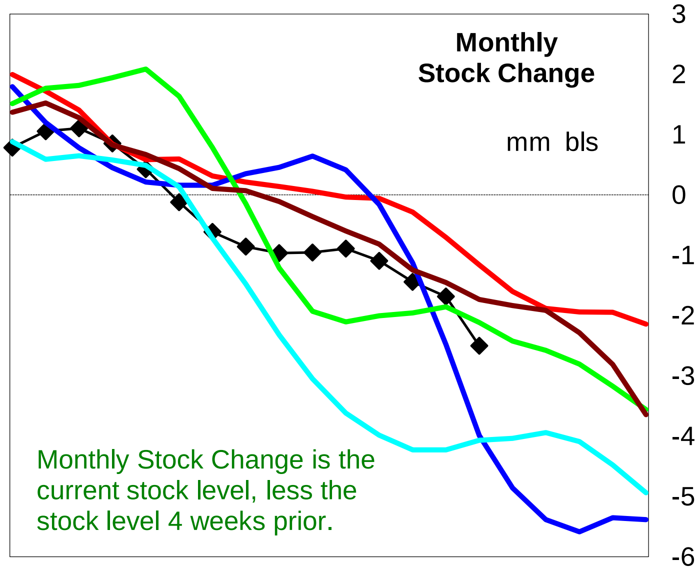
PADD 1 Propane Supply and Demand Balance

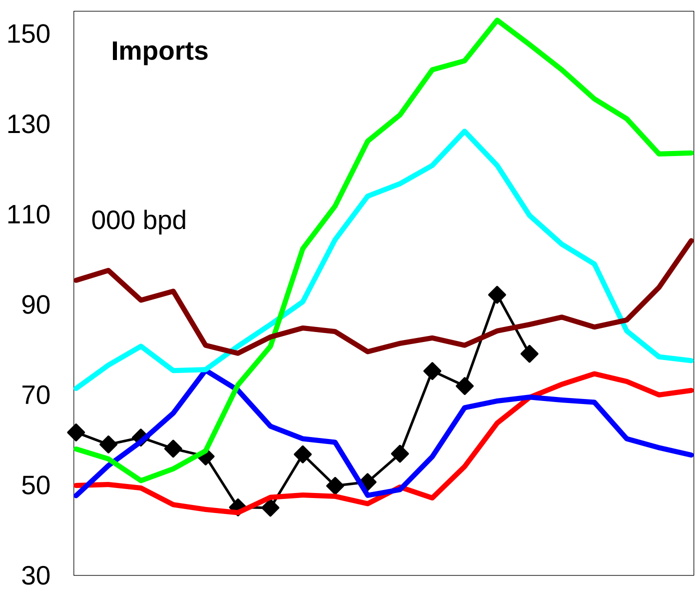


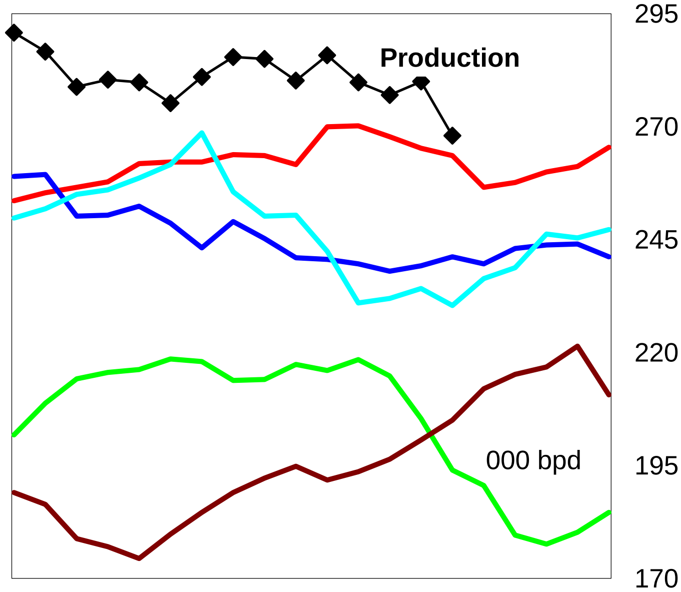
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-919	195	-1	37	21
% change	-15.4	-55.7	-0.7	108.6	17.3

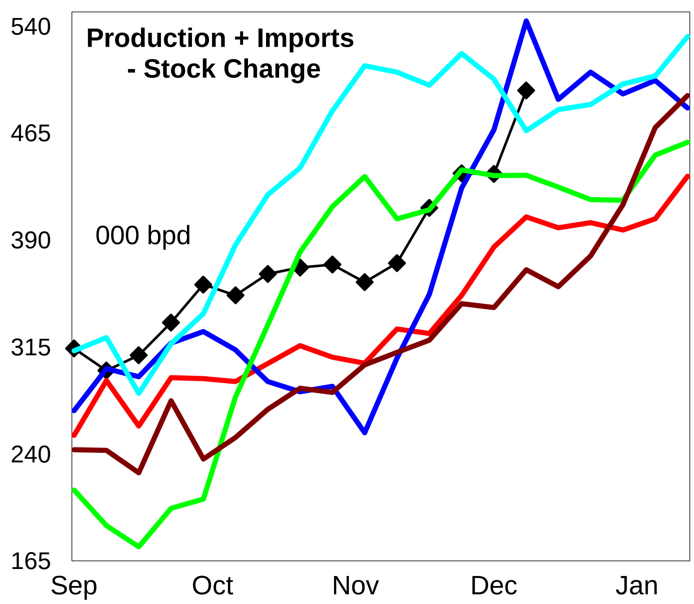
PADD 2 Propane Supply and Demand Balance

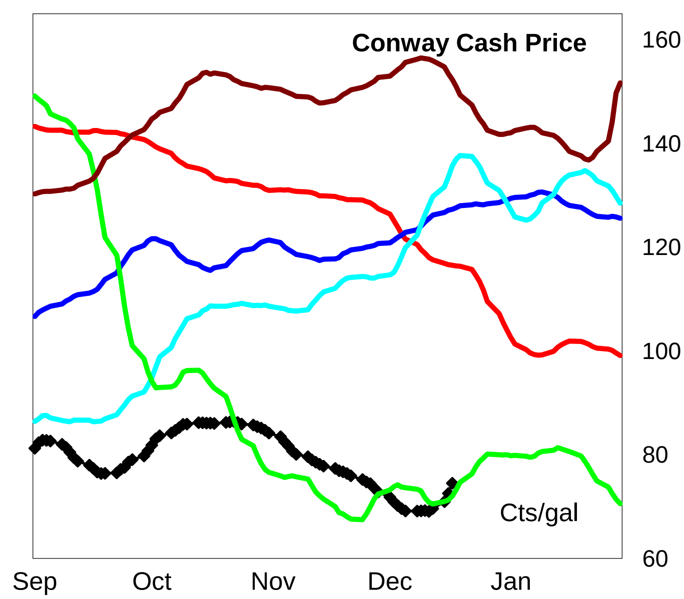






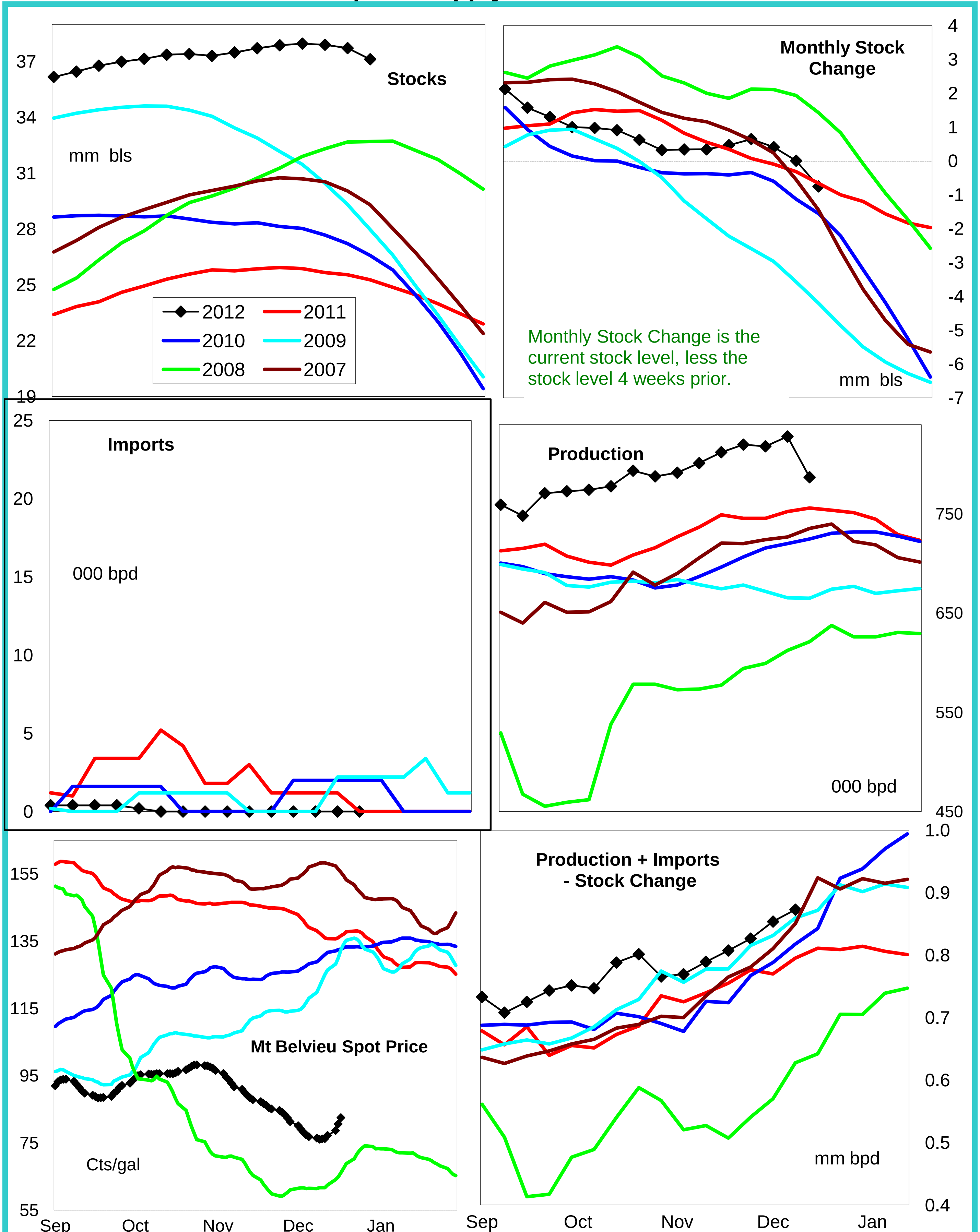






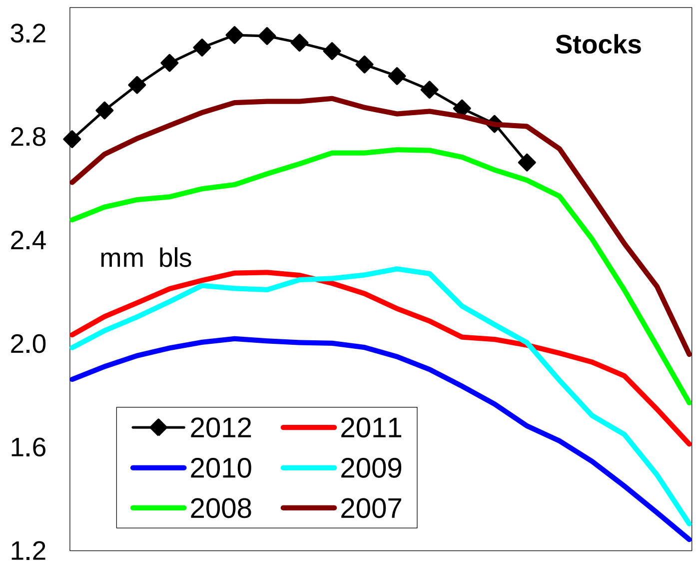
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	254	-1,340	7	21	78
% change	1.1	115.4	2.7	35.6	21.4

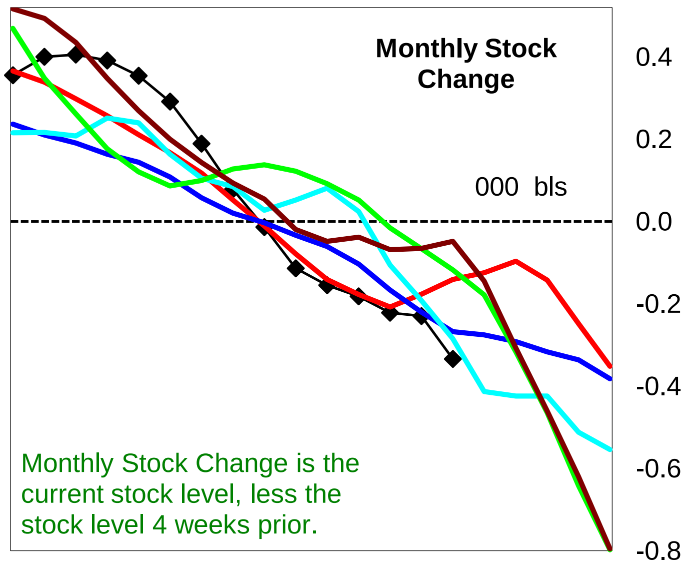
PADD 3 Propane Supply and Demand Balance

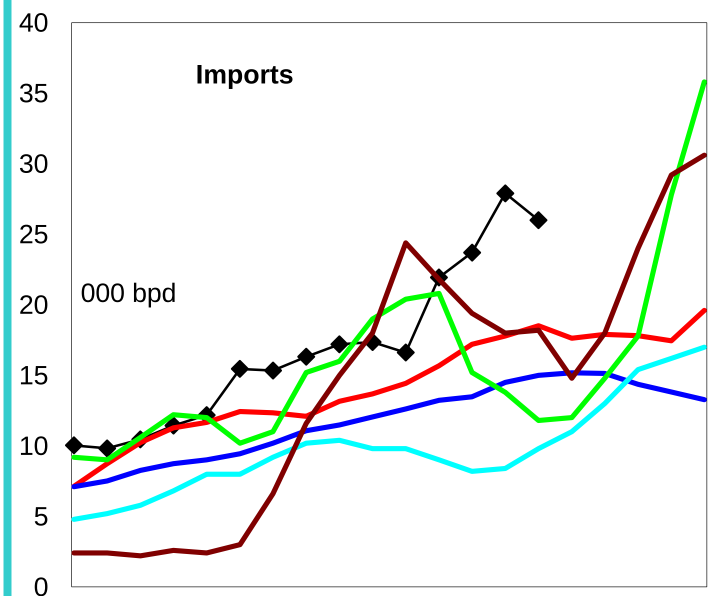


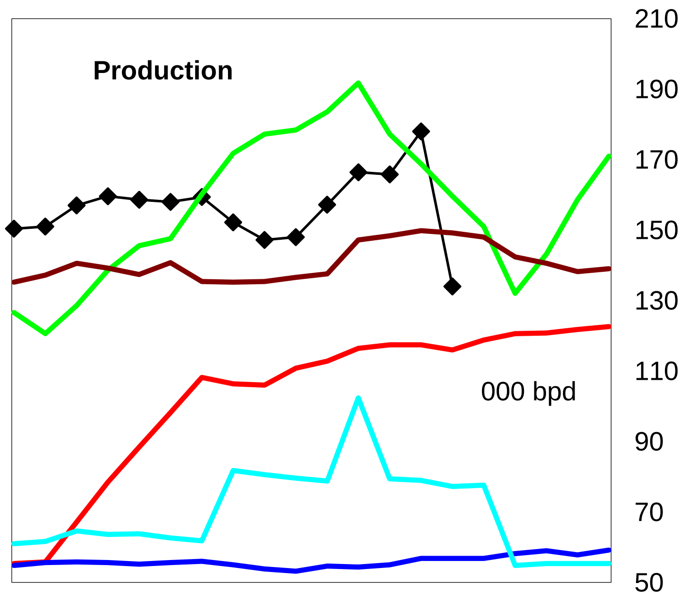
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	12,177	-93	71	-2	66
% change	48.8	14	9.4	-100.0	8.5

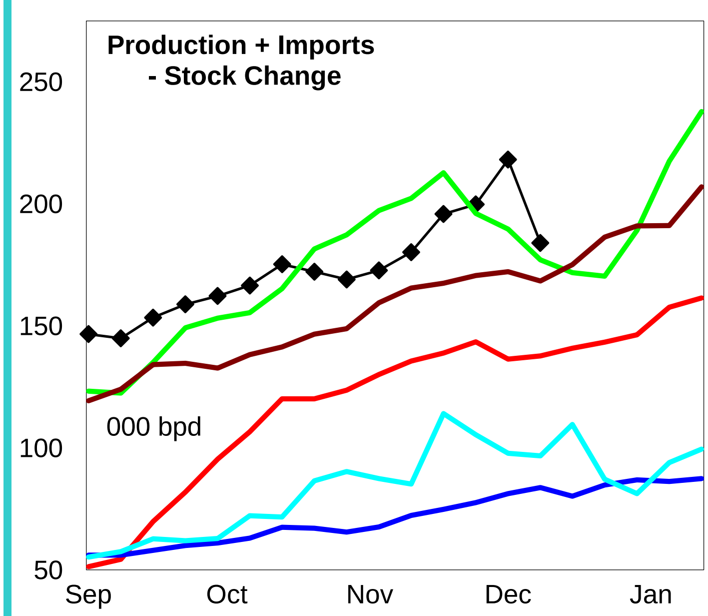
PADDs 4 and 5 Propane Supply and Demand Balance

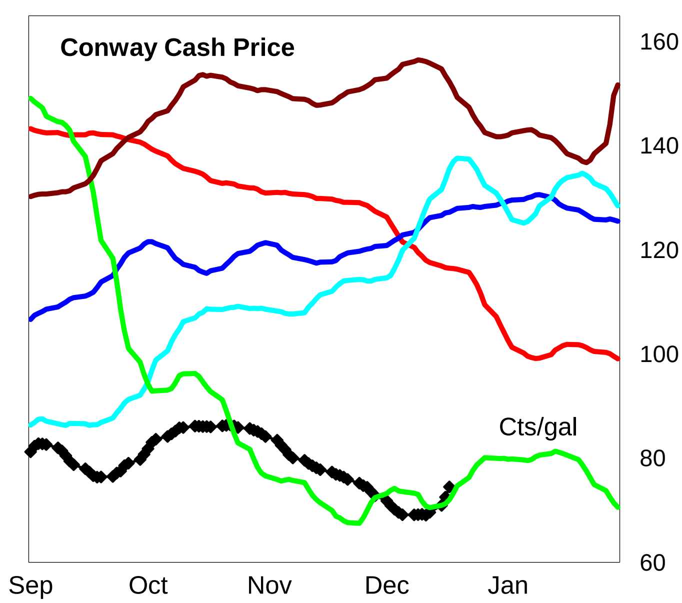






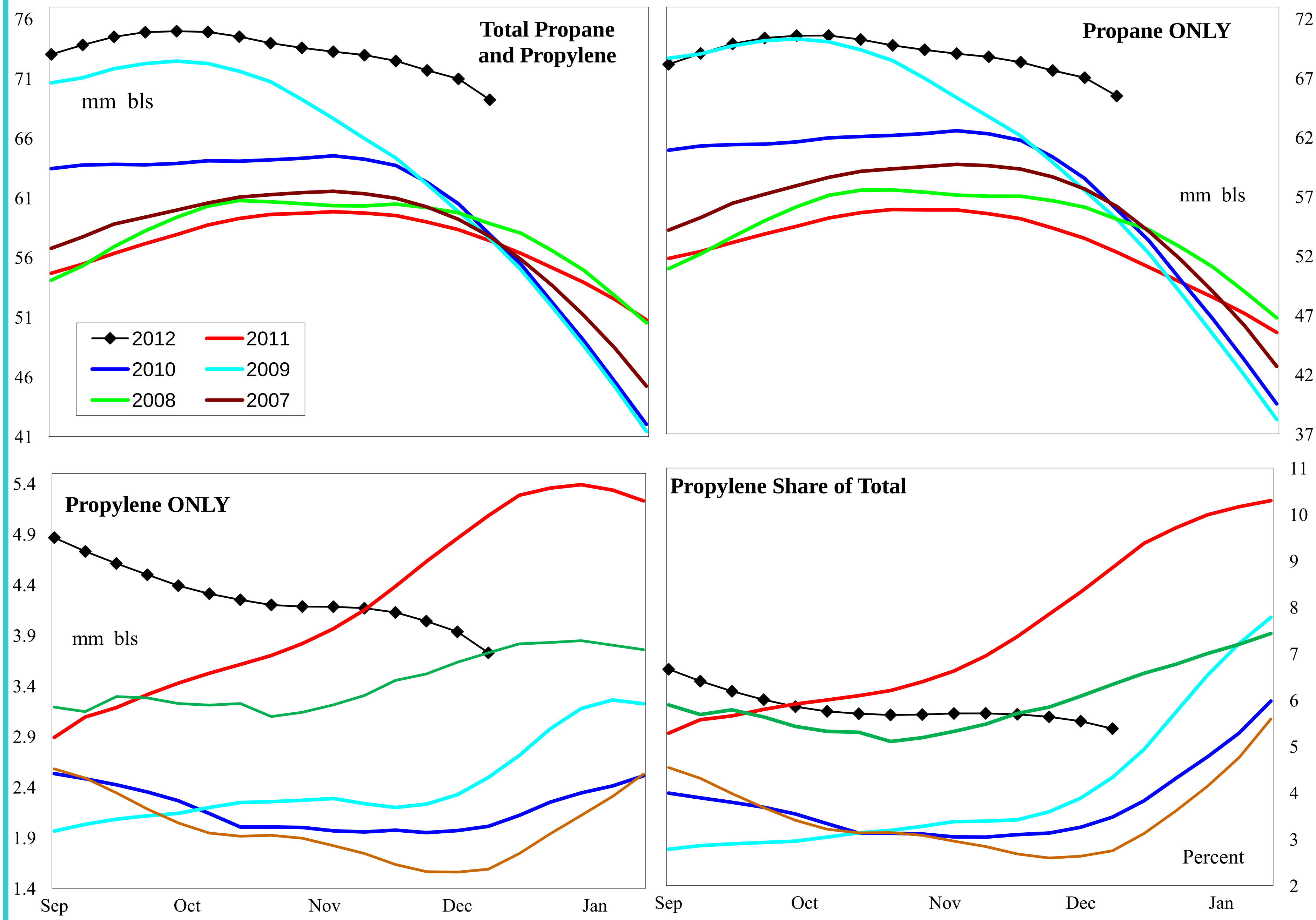






4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	826	-193	56	7	60
% change	44.1	136.9	46.8	42.1	43.4

U. S. Propane and Propylene Stocks



Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	12,336	13,699	-1,357
% change	21.7	26.4	-26.7

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