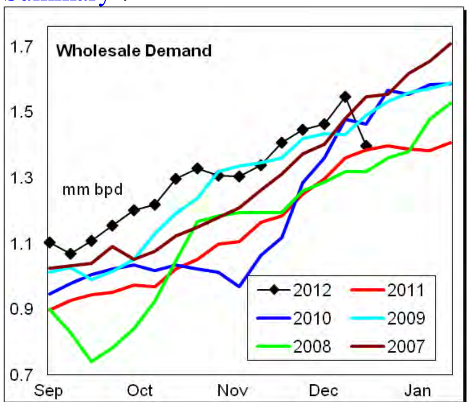
FUNDAMENTAL PETROLEUM TRENDS

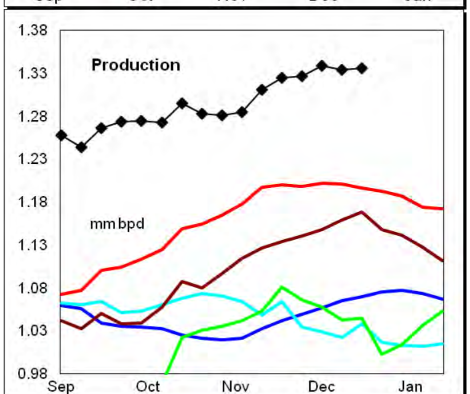
# WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

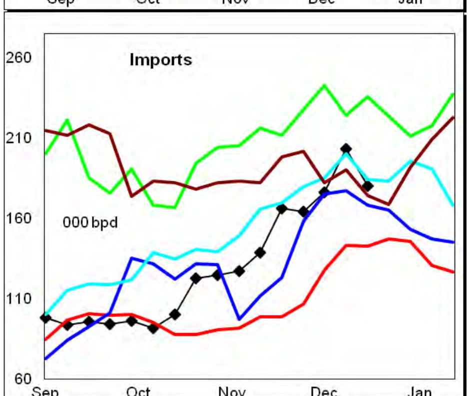
## A Fundamental Petroleum Trends Weekly Report

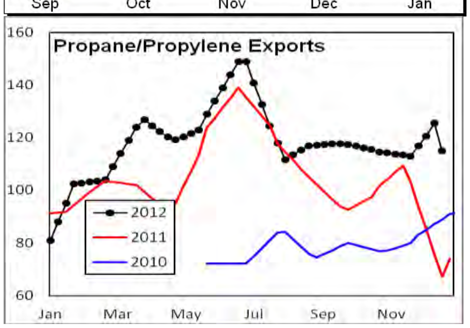
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com

Summary[1]: Table of Contents



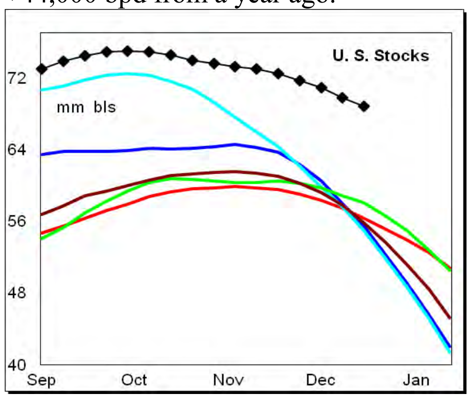



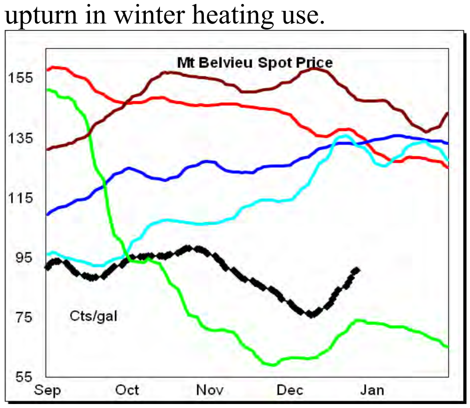

Wholesale demand fell -146,000 bpd last week, to a level below the 5-year mid range. Production increased +75,000 bpd on the week while imports climbed +6,000 bpd.

Combined production and imports during the latest 4-wk period were +202,000 bpd above a year ago. Production was +147,000 bpd above last year (+12%), while imports were +55,000 bpd higher. The latest 4-wk average demand was +172,000 bpd above last year, +12%. Exports for the most recent 4-wk were 123,000 bpd, up +44,000 bpd from a year ago.




Stocks decreased -0.4 million barrels last week, ending the week +12.7 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 climbed +8 cpg for the week ending 28Dec12, driven by the upturn in winter heating use.



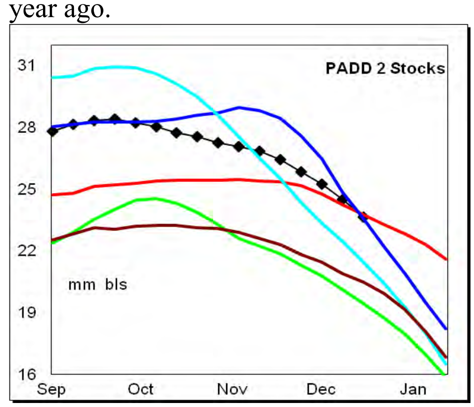

The Conway – Mt Belvieu price spread traded sideways last week, ending the week at -8 cpg.

The propane to natural gas price spread extended the recent uptrend last week, ending at a level above the 5-year mid range.

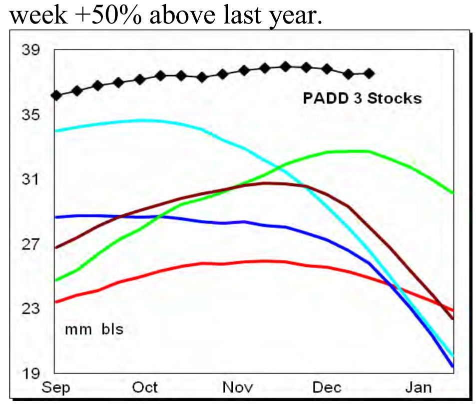
The propane / crude oil price spread extended the recent uptrend on the week, ending at a level slightly above record lows.

**PADD 1** stocks were unchanged on the week. Supply increased +4,000 bpd on the week. Supply for the latest 4-wk period was +30,000 bpd above last year.

**PADD 2** stocks declined -0.7 million barrels on the week. Supply increased +3,000 bpd on the week, due to higher production. The latest 4-wk supply was +30,000 bpd above a year ago. Stock levels ended the week +1.4% above a year ago.




**PAD 3** stocks increased +0.4 million barrels last week, on a +41,000 bpd rise in production. Stock levels ended the week +50% above last year.




**PADDs 4 & 5** stocks decreased -0.1 million barrels on the week. The stock level was +22% above a year ago.

**Emerging Trends** Temperatures are forecast to be much warmer than normal for the next 10-days in key heating markets. Lower heating demand risk a price pull back in a very well supplied market.

[1] Source is latest EIA Weekly Statistics

# PROPANE: Graph Link and Weekly Summary

December 30, 2012

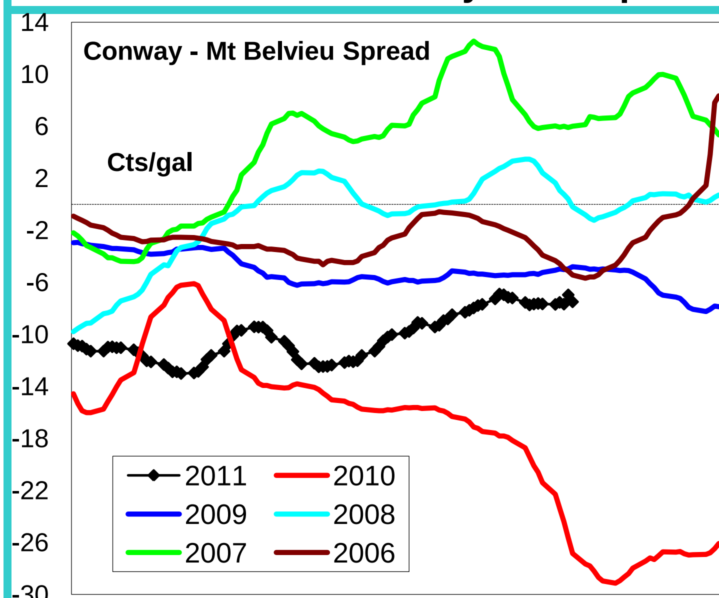
## Fundamental Trends for the Week Ending: Friday, December 21, 2012

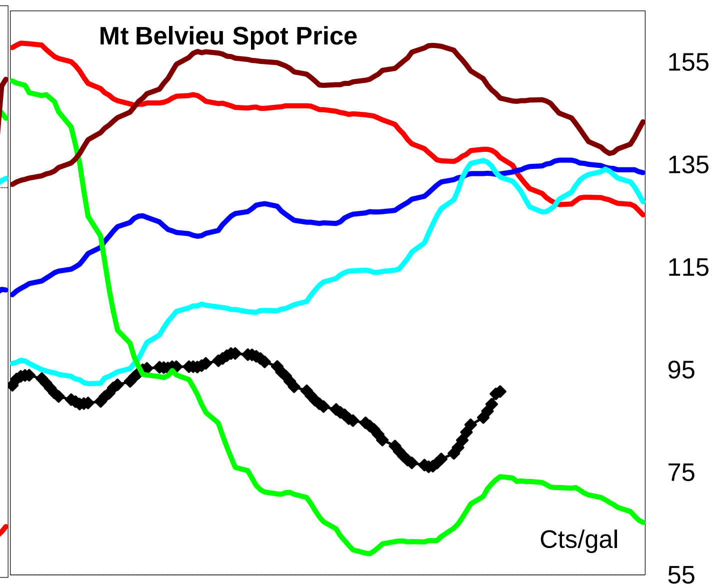
| 000 bpd Stocks 000 bls | Weekly Supply-Demand | | | | | Change from prior week: | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | U.S. Total | PADD 1 | PADD 2 | PADD 3 | PADD 4&5 | U.S. Total | PADD 1 | PADD 2 | PADD 3 | PADD 4&5 |
| Stocks | 68,850 | 5,096 | 23,649 | 37,531 | 2,574 | -373 | 29 | -683 | 407 | -126 |
| Propylene Stocks | 3,836 | | | | | 109 | | | | |
| Production | 1,336 | 70 | 284 | 828 | 154 | 75 | -2 | 16 | 41 | 20 |
| Imports | 180 | 75 | 66 | 0 | 39 | 6 | 6 | -13 | 0 | 13 |
| Whsle Demand | 1,437 | | | | | -146 | | | | |

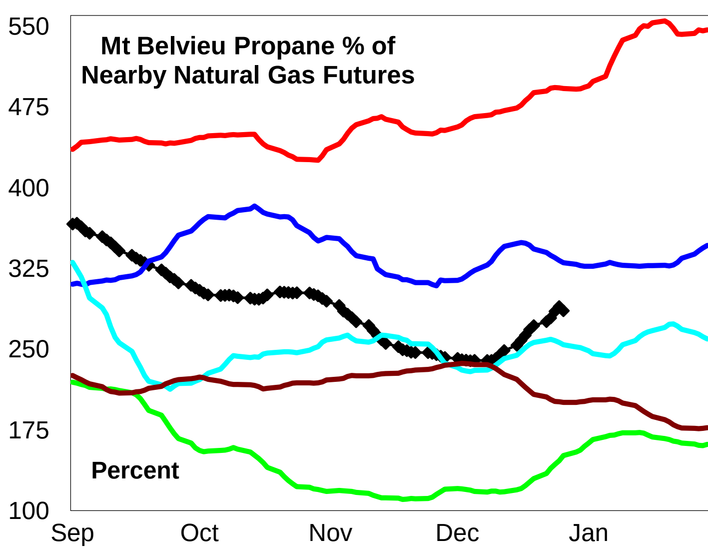
## Price Trends for the Week Ending: Friday, December 28, 2012

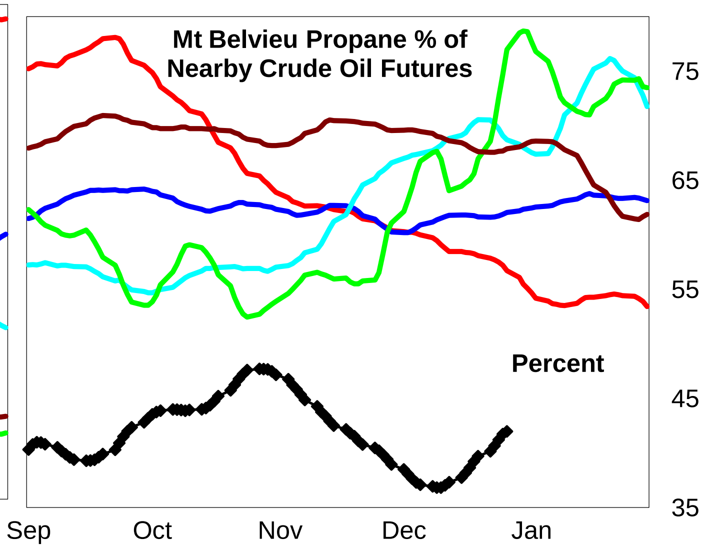
| Cents/gal | Average for week ending: | | | | Change from: | | | % change from: | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 12/28/12 | 12/21/12 | 11/30/12 | 12/27/11 | 12/21/12 | 11/30/12 | 12/27/11 | 12/21/12 | 11/30/12 | 12/27/11 |
| Mont Belvieu Spot | 88.3 | 81.8 | 83.8 | 139.9 | 6.49 | -1.96 | -56.13 | 7.9 | -2.3 | -40.1 |
| Conway Spot | 80.6 | 74.1 | 74.1 | 114.8 | 6.54 | -0.08 | -40.66 | 8.8 | -0.1 | -35.4 |

## Key Price Spreads and Differentials

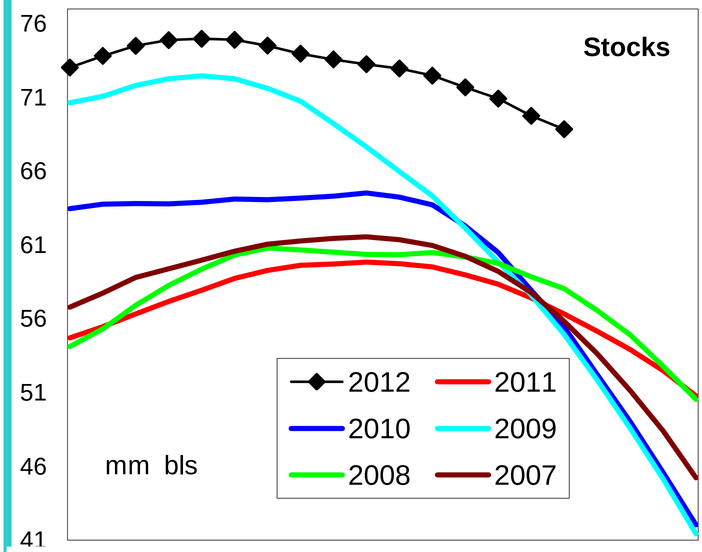


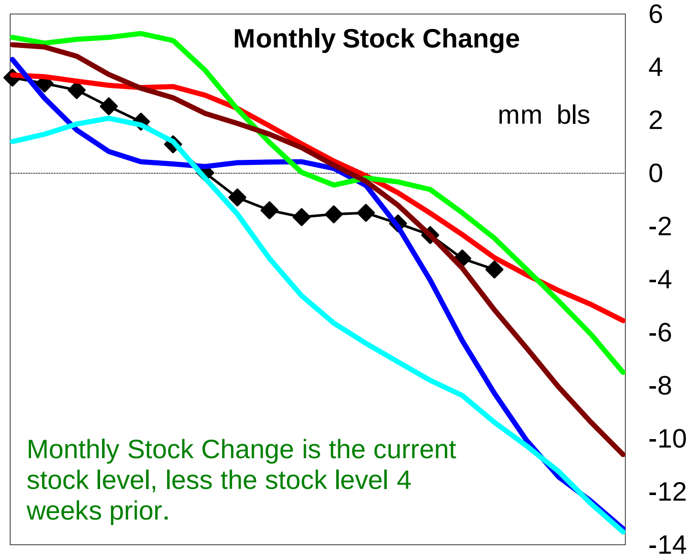



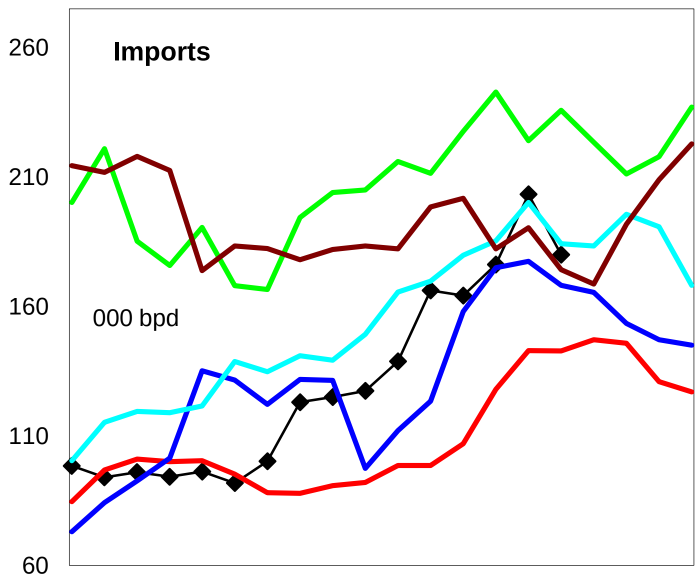



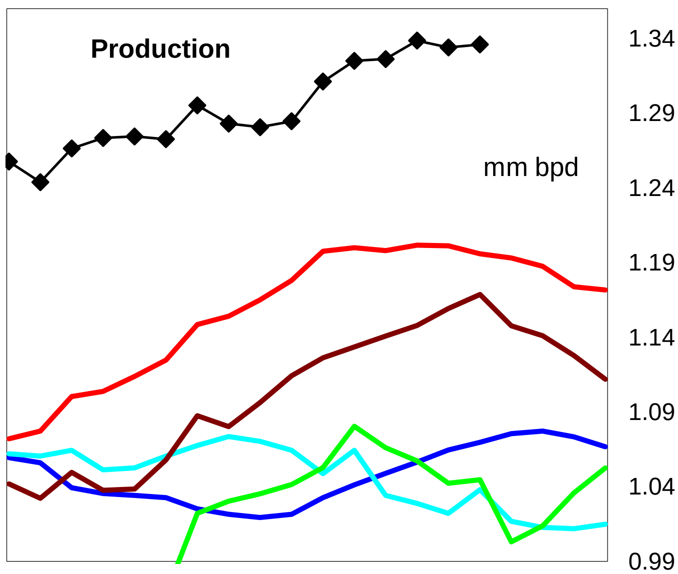



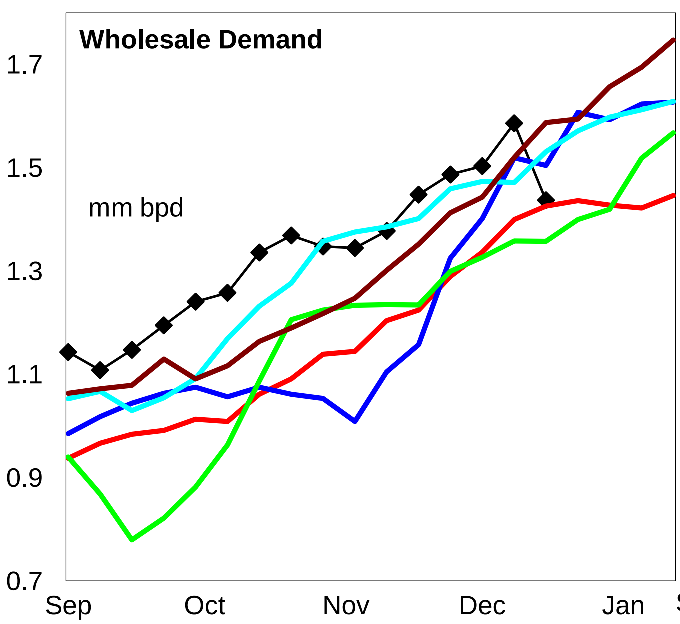
# U. S. Propane Supply and Demand Balance

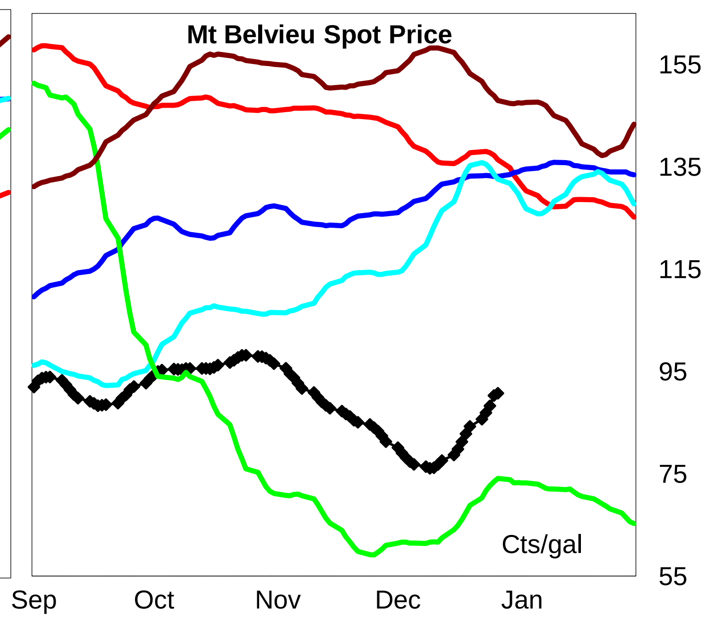


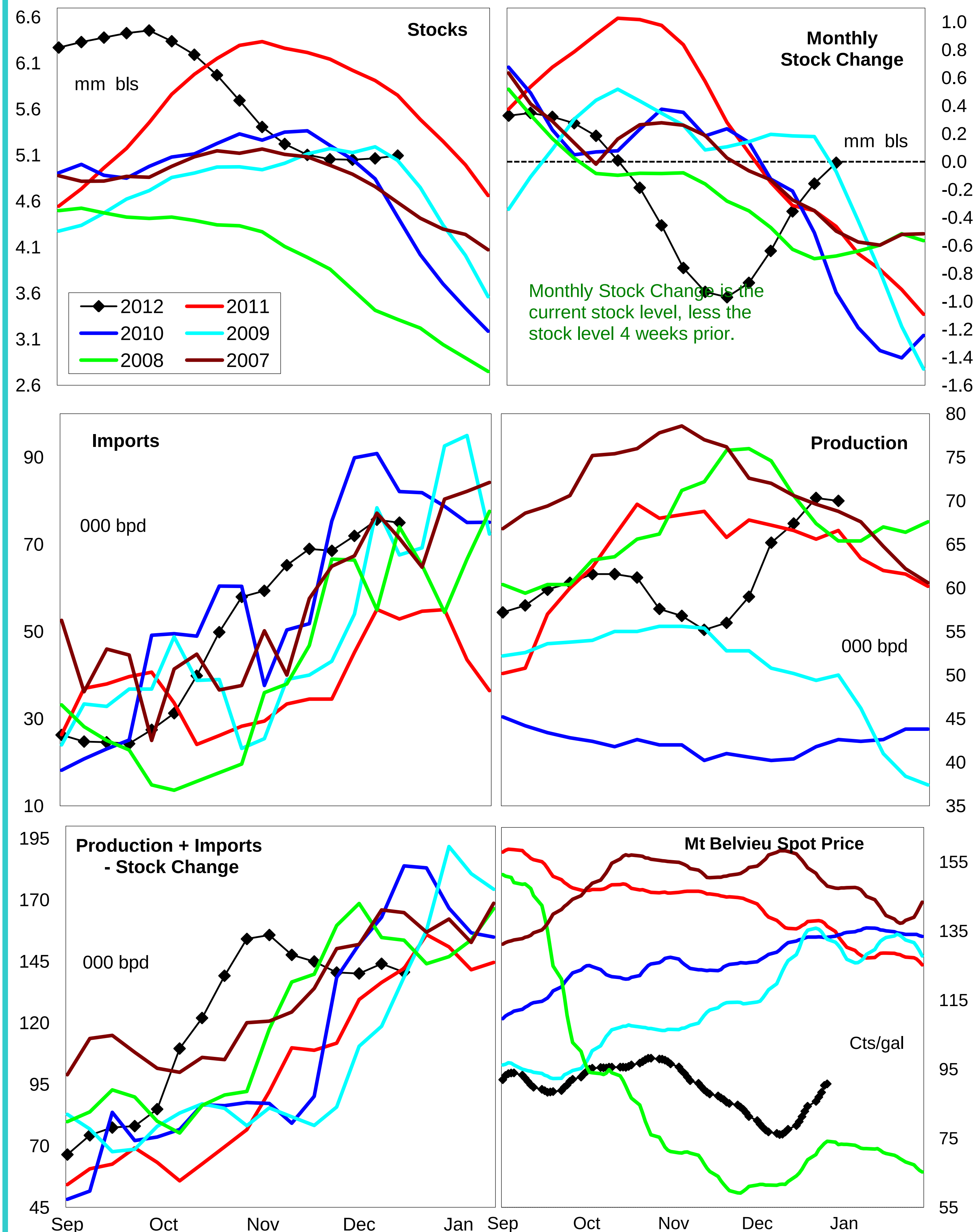



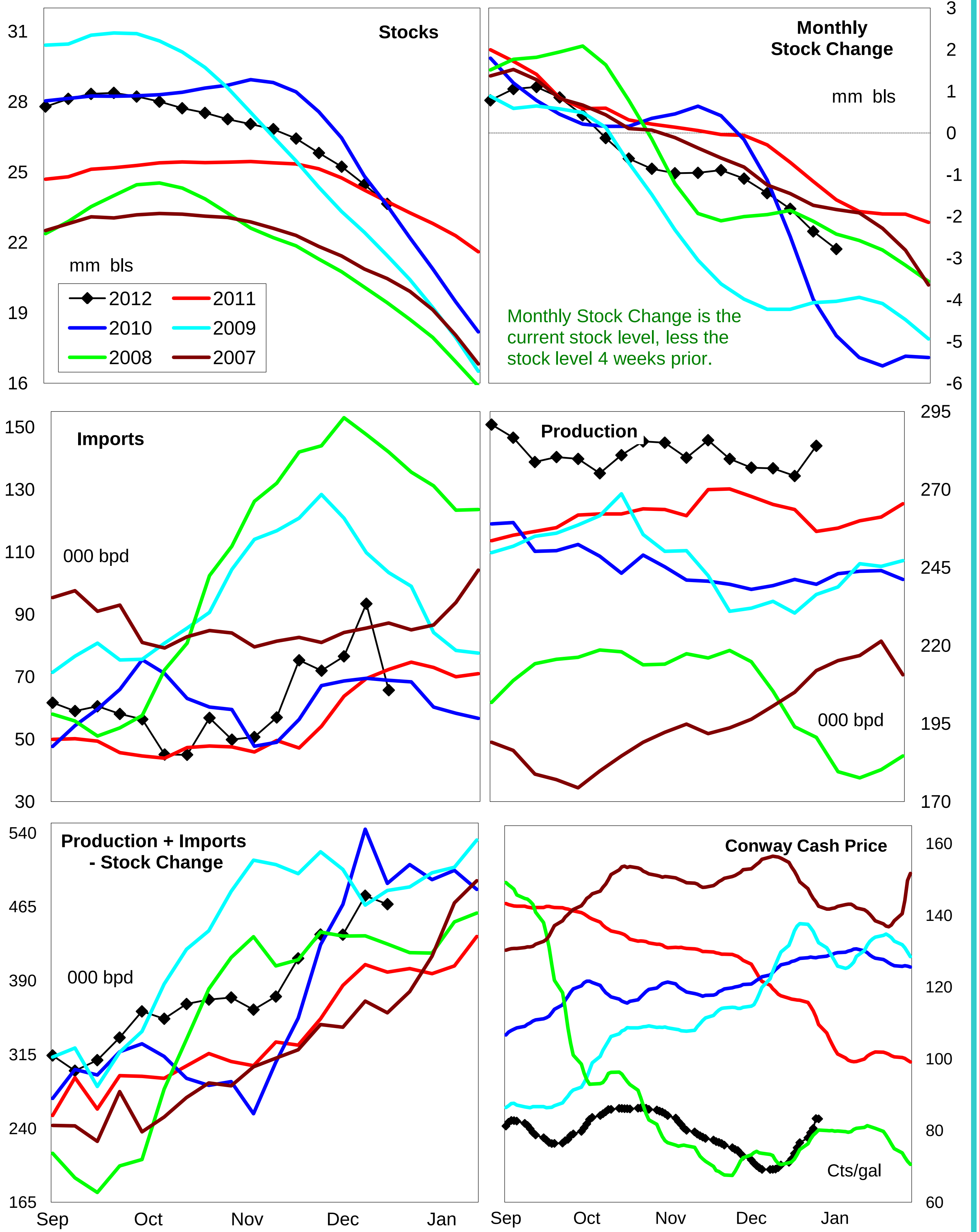

| 4 wk avg variance prior year | Stocks | 4wk stk | Prod | Imports | Demand | 4wk avg | Nov | Oct | Sep |
|---|---|---|---|---|---|---|---|---|---|
| 000 bpd (000 bls stks) | 12,672 | -442 | 147 | 55 | | 172 | 83 | 169 | 108 |
| % change | 22.6 | 14 | 12.2 | 39.5 | | 12.3 | 6.4 | 14.1 | 10.6 |

# PADD 1 Propane Supply and Demand Balance



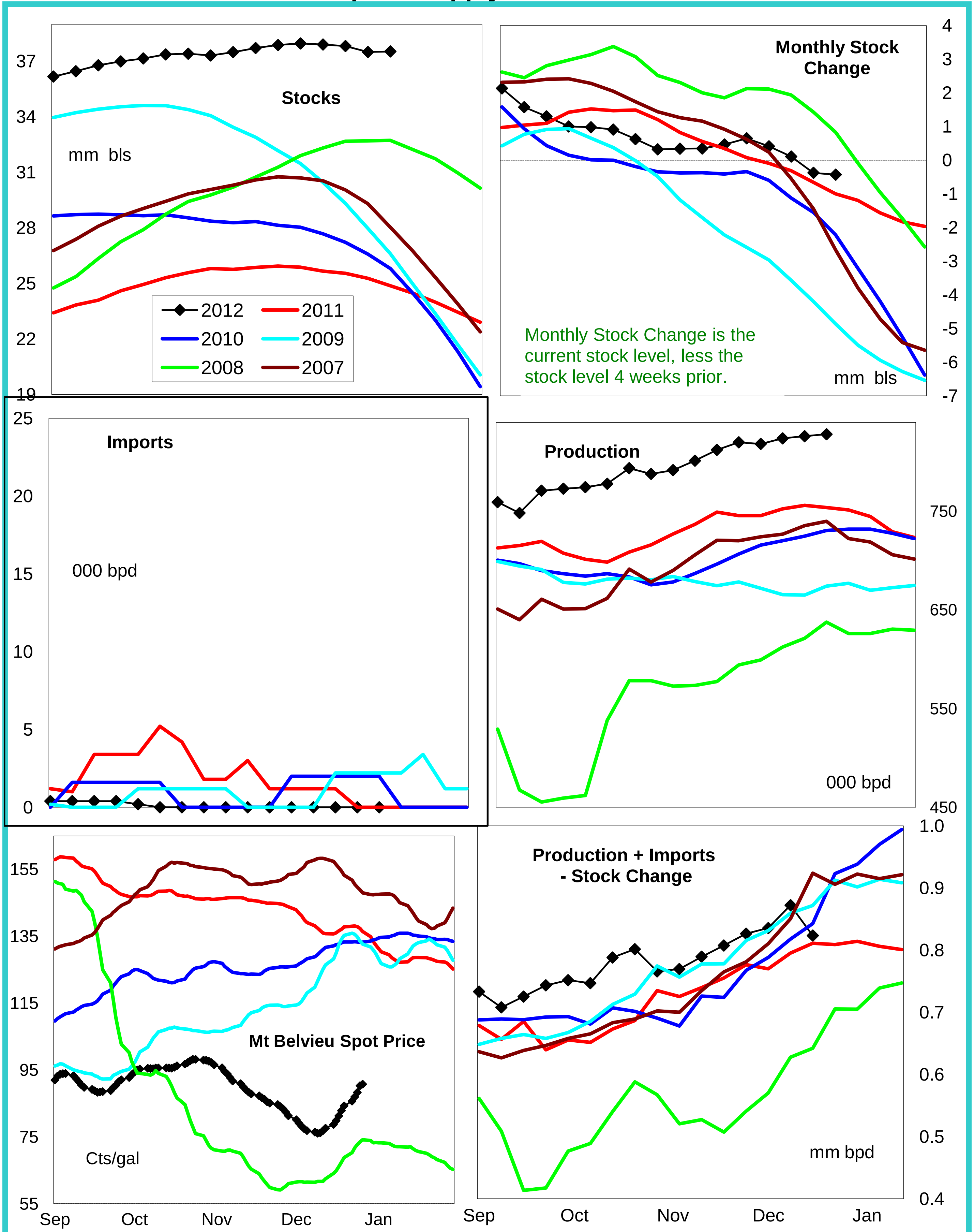

| 4 wk avg variance prior year | Stocks | 4wk stk | Prod | Imports | Prod + Imp - Stk chg |
|---|---|---|---|---|---|
| 000 bpd (000 bls stks) | -582 | 456 | 3 | 27 | 11 |
| % change | -10.3 | -98.4 | 4.1 | 55.4 | 8.7 |

# 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) | 319 | -1,182 | 14 | 16 | 69 |
| % change | 1.4 | 73.9 | 5.1 | 22.2 | 17.9 |

# PADD 3 Propane Supply and Demand Balance



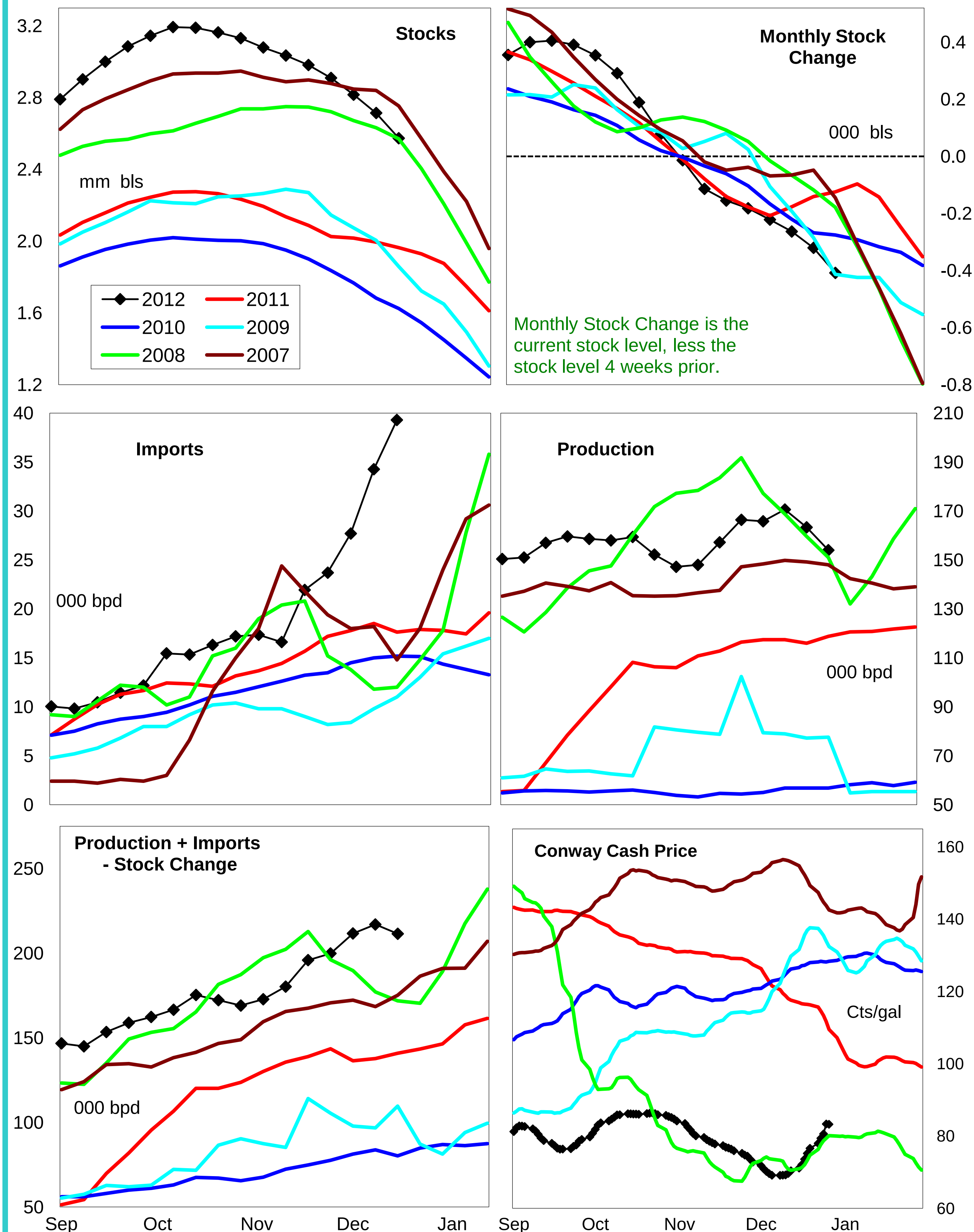

| 4 wk avg variance prior year | Stocks | 4wk stk | Prod | Imports | Prod + Imp - Stk chg |
|---|---|---|---|---|---|
| 000 bpd (000 bls stks) | 12,467 | 568 | 73 | 0 | 51 |
| % change | 49.7 | -57 | 9.7 | #DIV/0! | 6.5 |





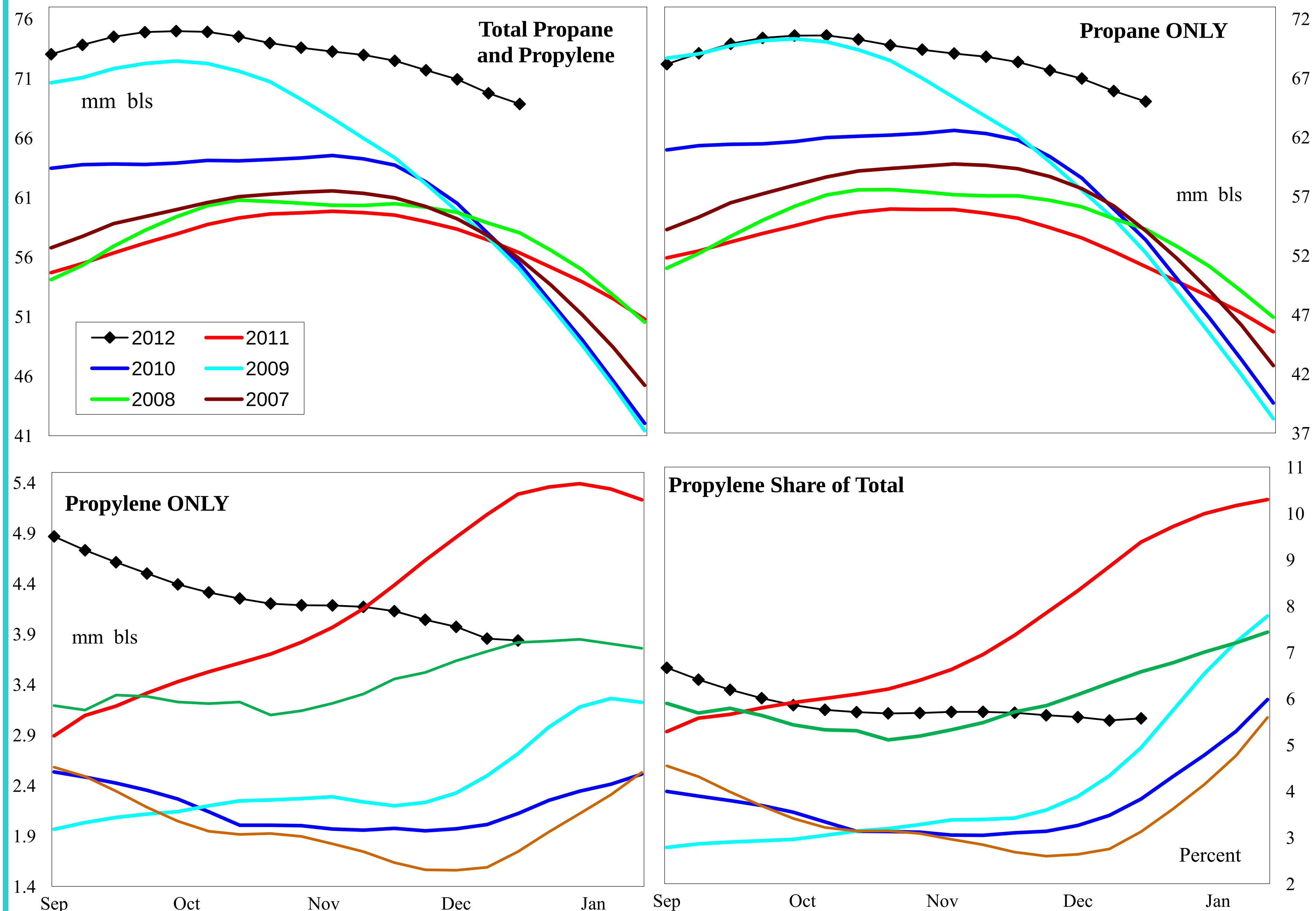
Lehi German Tel: 816-505-0980

# 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) | 467 | -284 | 57 | 12 | 70 |
| % change | 22.2 | 227.6 | 49.6 | 62.3 | 50.4 |

# U. S. Propane and Propylene Stocks

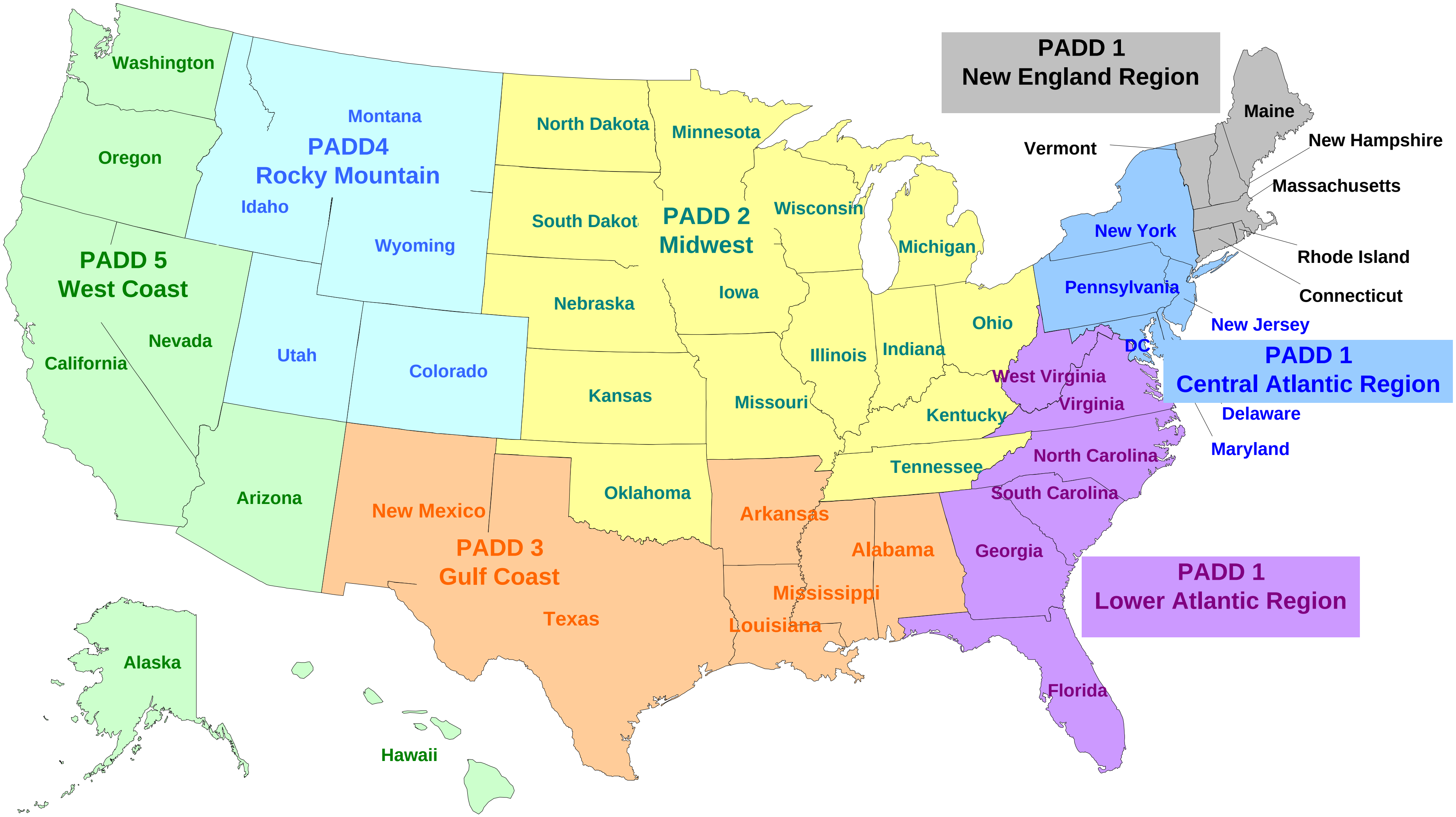



| **Variance to prior year** | Total | Propane ONLY | Propylene ONLY |
|---|---|---|---|
| 000 bls | **12,672** | **14,111** | **-1,449** |
| % change | **22.6** | **27.7** | **-27.4** |



Lehi German Tel: 816-505-0980

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






Lehi German Tel: 816-505-0980