WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

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Summary[1]: ?

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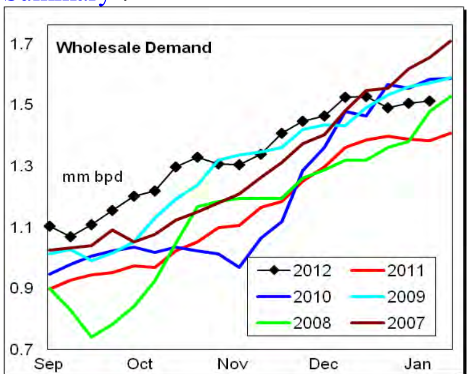
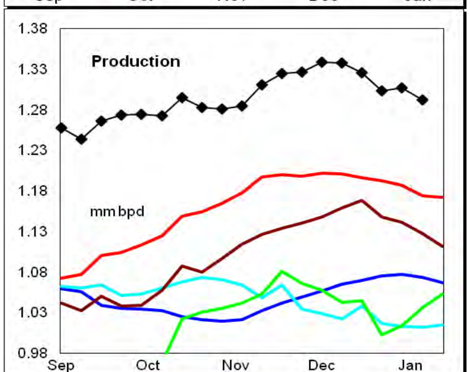
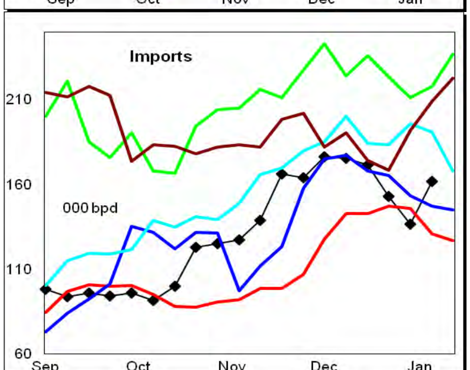
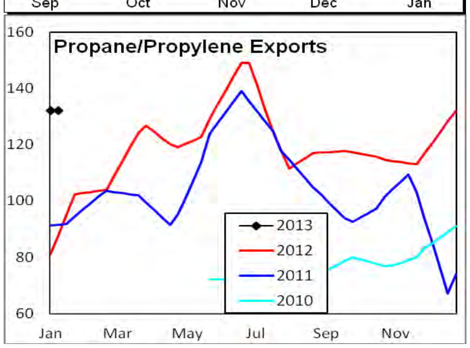


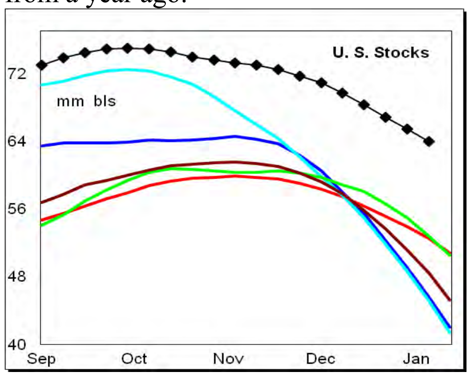






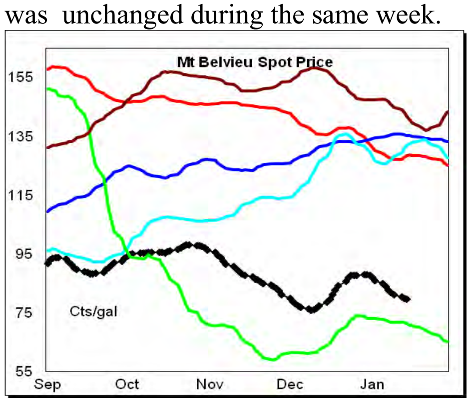
Wholesale demand increased +48,000 on the week, driven by above normal heating degree days in PADDs 4 & 5. Production declined -47,000 bpd on the week while imports increased +21,000 bpd.

Combined production and imports during the latest 4-wk period were +116,000 bpd above a year ago. Production was +120,000 bpd above last year (+10%), while imports were -4,000 bpd lower. The latest 4-wk average demand was +117,000 bpd above last year, +8%. Exports for the most recent 4-wk were 132,000 bpd, up +56,000 bpd from a year ago.



Stocks decreased -1.6 million barrels last week, ending the week +10.7 million barrels above a year ago. The 4-wk stock change was a draw of -6.1 million barrels, a lower draw than four of the last 5-years.

Price and Spreads Mt Belvieu spot price decreased -3 cpg for the week ending 16Jan13, while the Conway spot price was unchanged during the same week.



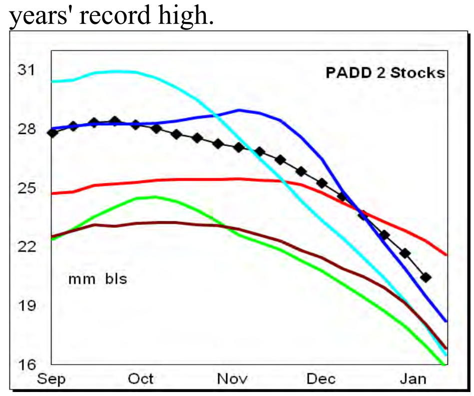
The Conway – Mt Belvieu price spread trended higher last week, ending the week at -3 cpg.

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

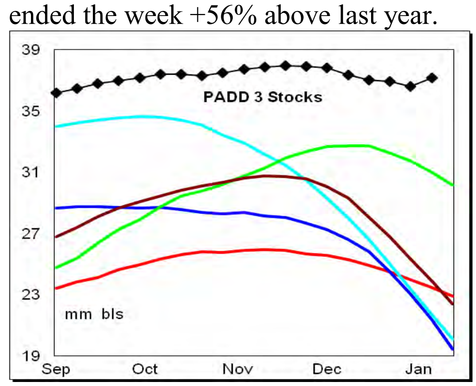
The propane / crude oil price spread trended lower on the week, ending at a new record low for the winter season.

PADD 1 stocks decreased -0.5 million barrels on the week. Supply increased +10,000 bpd last week. Supply for the latest 4-wk period was +15,000 bpd above last year.

PADD 2 stocks declined -1.1 million barrels on the week. Supply increased +8,000 bpd on the week, due to higher imports. The latest 4-wk supply was +5,000 bpd above a year ago. Stock levels ended the week -10% below last years' record high.



PAD 3 stocks increased +0.5 million barrels last week, even with a -56,000 bpd drop in production. Stock levels ended the week +56% above last year.



PADDs 4 & 5 stocks decreased -0.4 million barrels on the week. The stock level was +3% above a year ago.

Emerging Trends Exceptionally cold temperatures in the Rockies and intermountain states led to a steep draw down in stocks for the region, while supporting the Conway market as product was trucked west to supply the spike in demand. Expect markets in the western states to exhibit strength on the supply squeeze in the West.

[1] Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

January 17, 2013

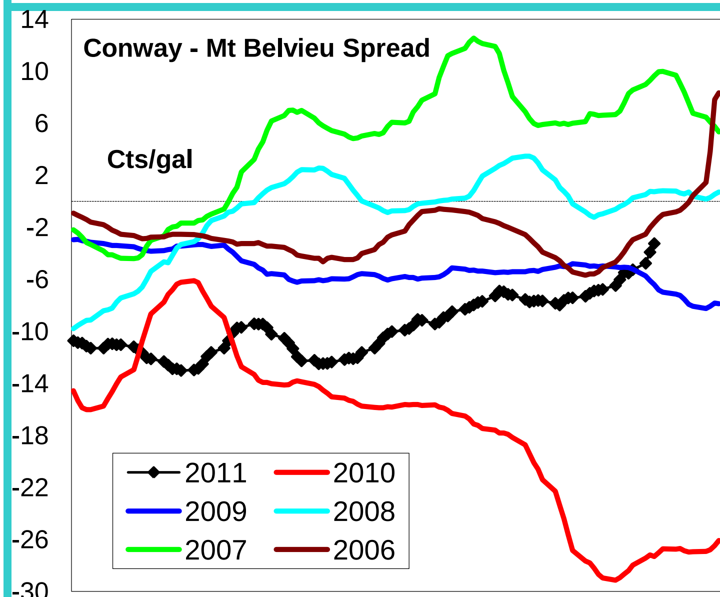
Fundamental Trends for the Week Ending: Friday, January 11, 2013

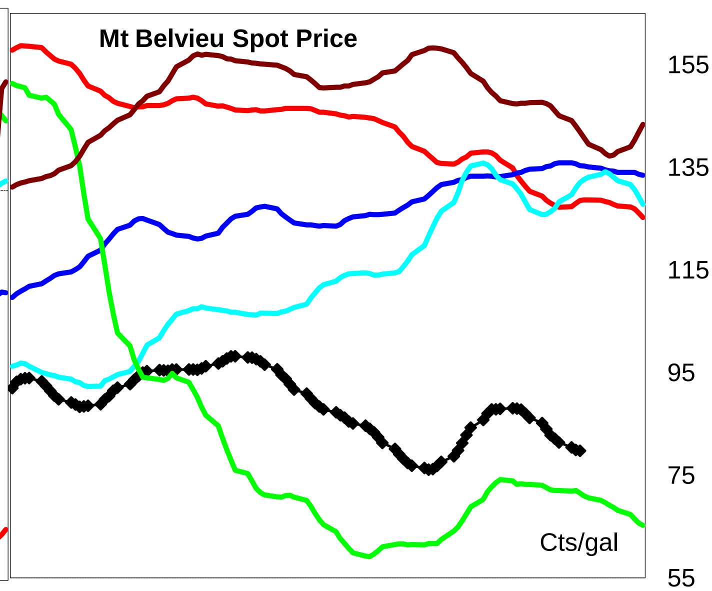
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S.	PADD				U.S.	PADD			
	Total	1	2	3	4&5	Total	1	2	3	4&5
Stocks	63,956	4,513	20,417	37,150	1,876	-1,616	-510	-1,138	471	-439
Propylene Stocks	3,230					-245				
Production	1,292	74	271	784	163	-47	2	-16	-56	23
Imports	162	68	76	0	18	21	8	24	0	-11
Whsle Demand	1,553					48				

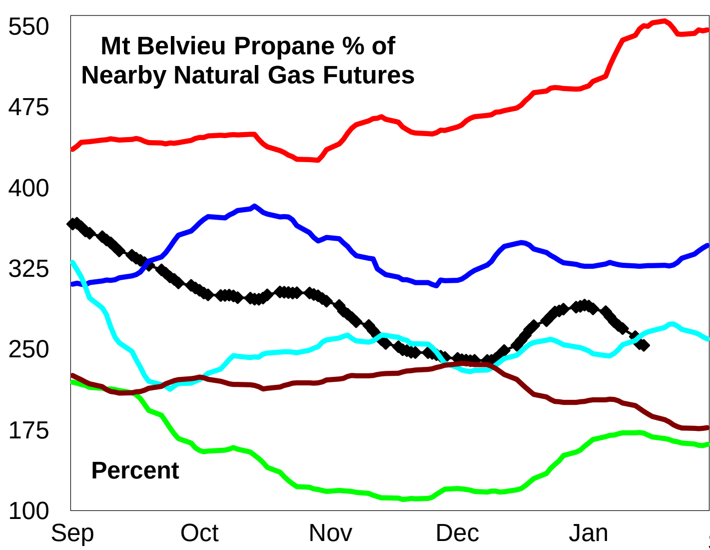
Price Trends for the Week Ending: Wednesday, January 16, 2013

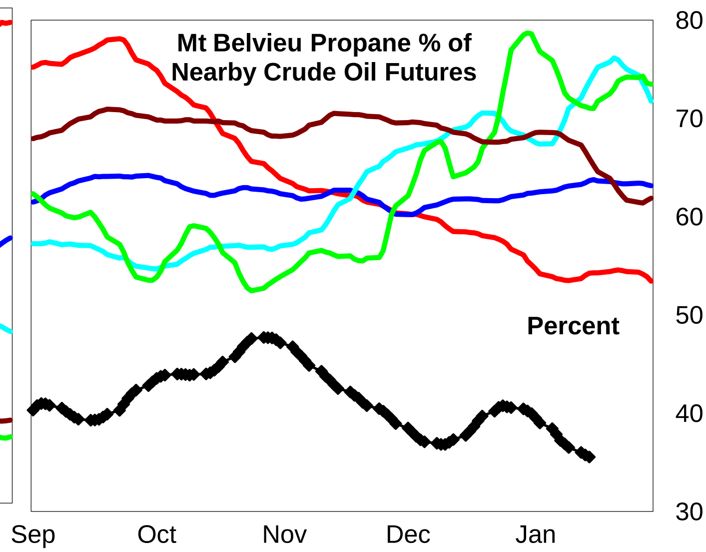
Cents/gal	Average for week ending:				Change from:			% change from:		
	1/16/13	1/9/13	12/19/12	1/13/12	1/9/13	12/19/12	1/13/12	1/9/13	12/19/12	1/13/12
Mont Belvieu Spot	80.4	83.9	78.7	128.7	-3.50	5.26	-50.06	-4.2	6.7	-38.9
Conway Spot	75.7	77.5	70.9	101.5	-1.88	6.59	-30.51	-2.4	9.3	-30.1

Key Price Spreads and Differentials

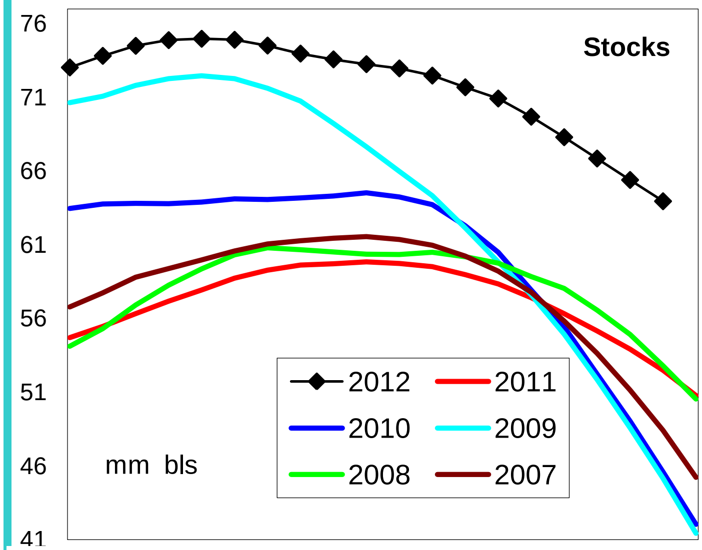


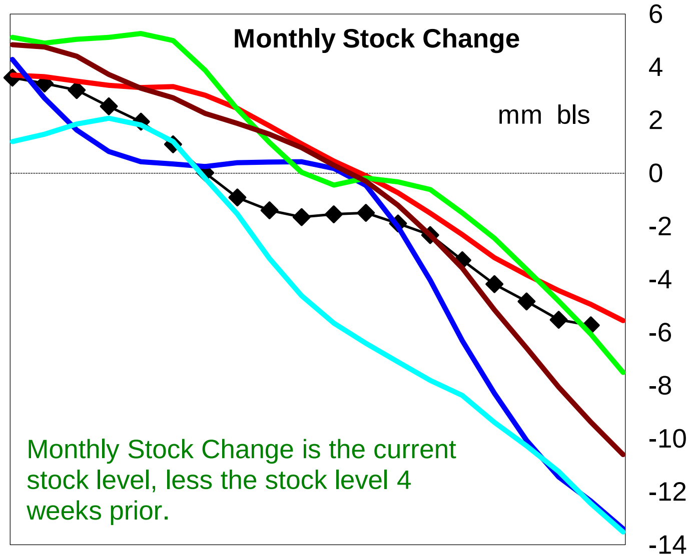


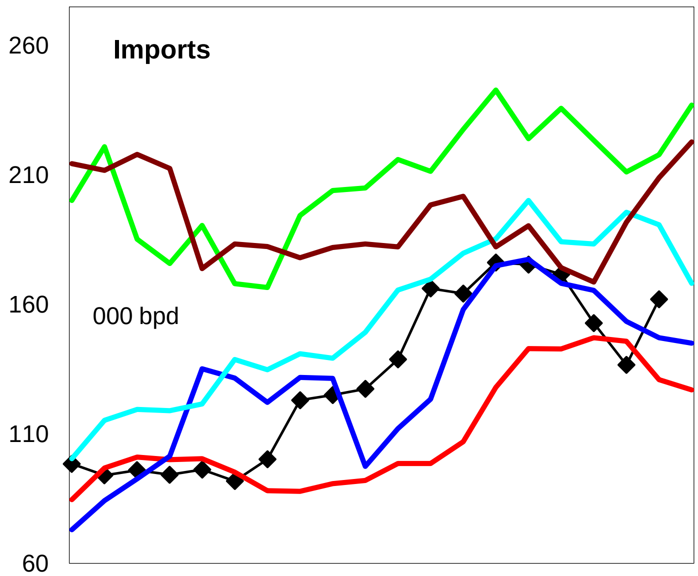


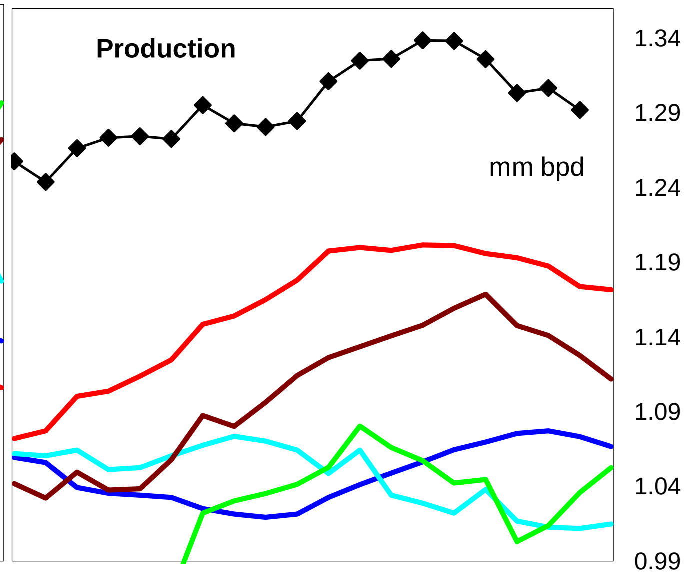


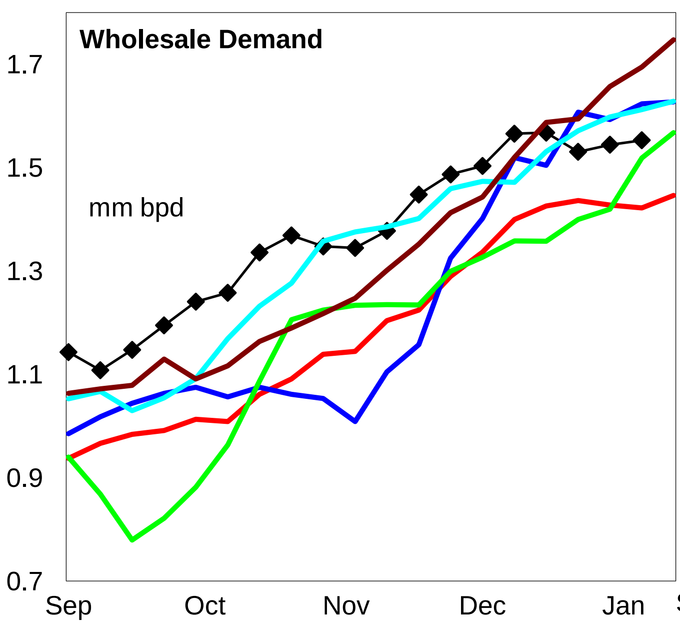
U. S. Propane Supply and Demand Balance

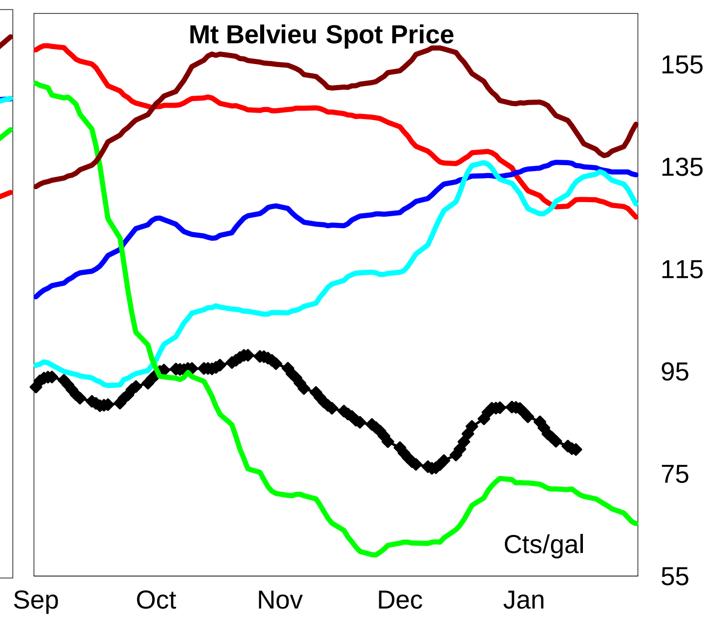






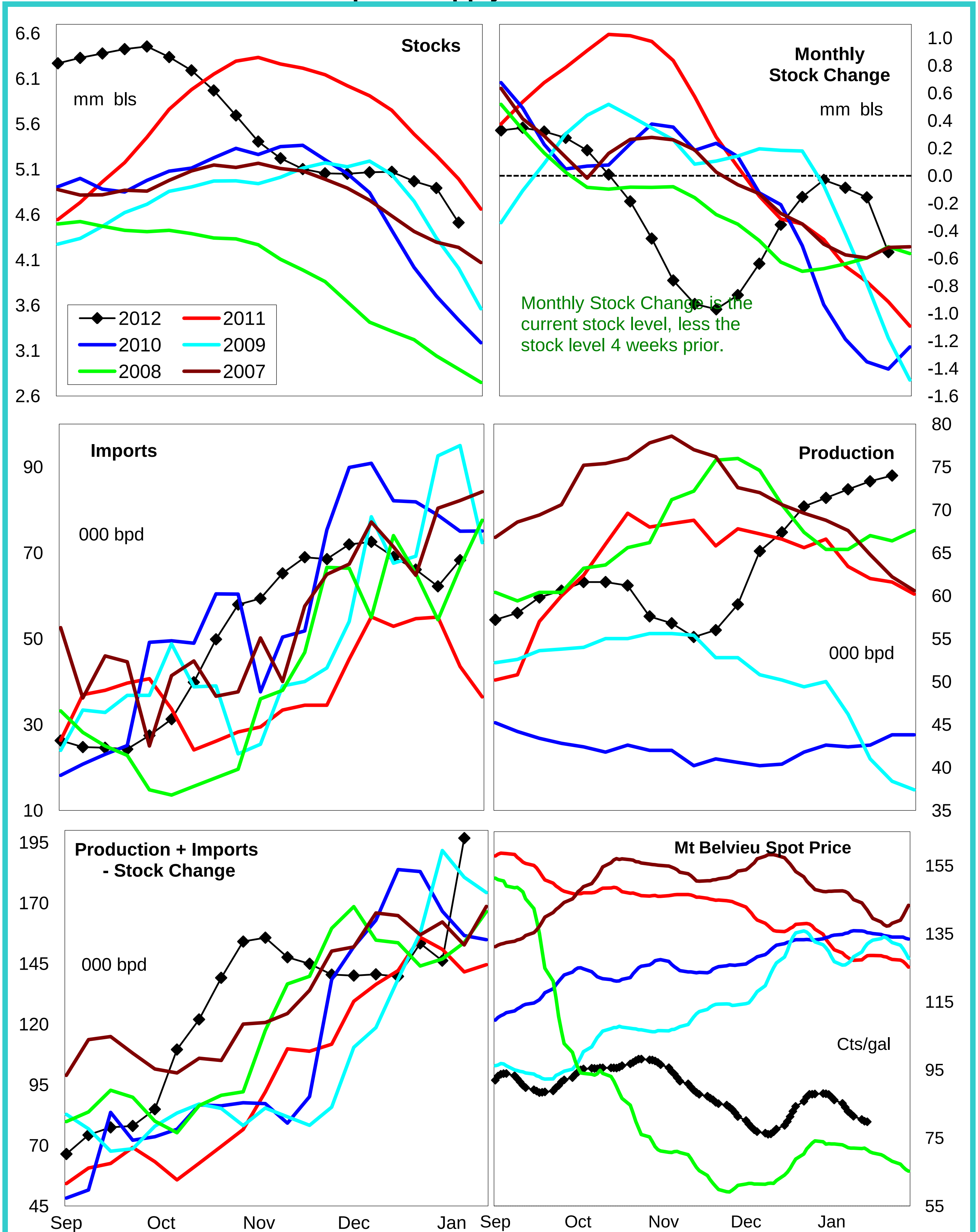






4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Dec	Nov	Oct
000 bpd (000 bls stks)	10,732	-796	120	-4		117	67	83	78
% change	20.2	16	10.0	-2.3		8.4	4.6	6.4	6.5

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)	-330	360	10	5	11
% change	-6.8	-39.3	15.5	8.2	7.7

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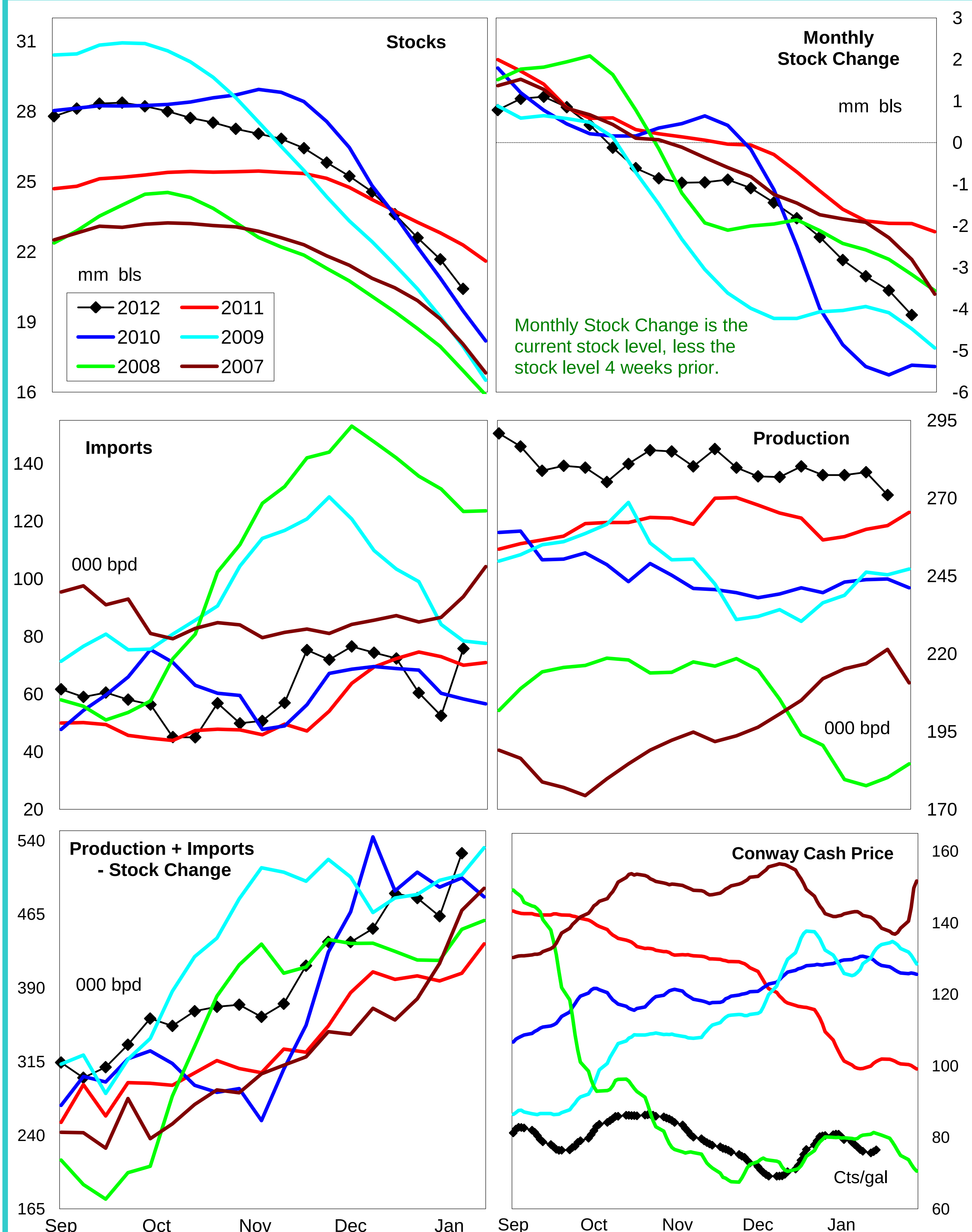
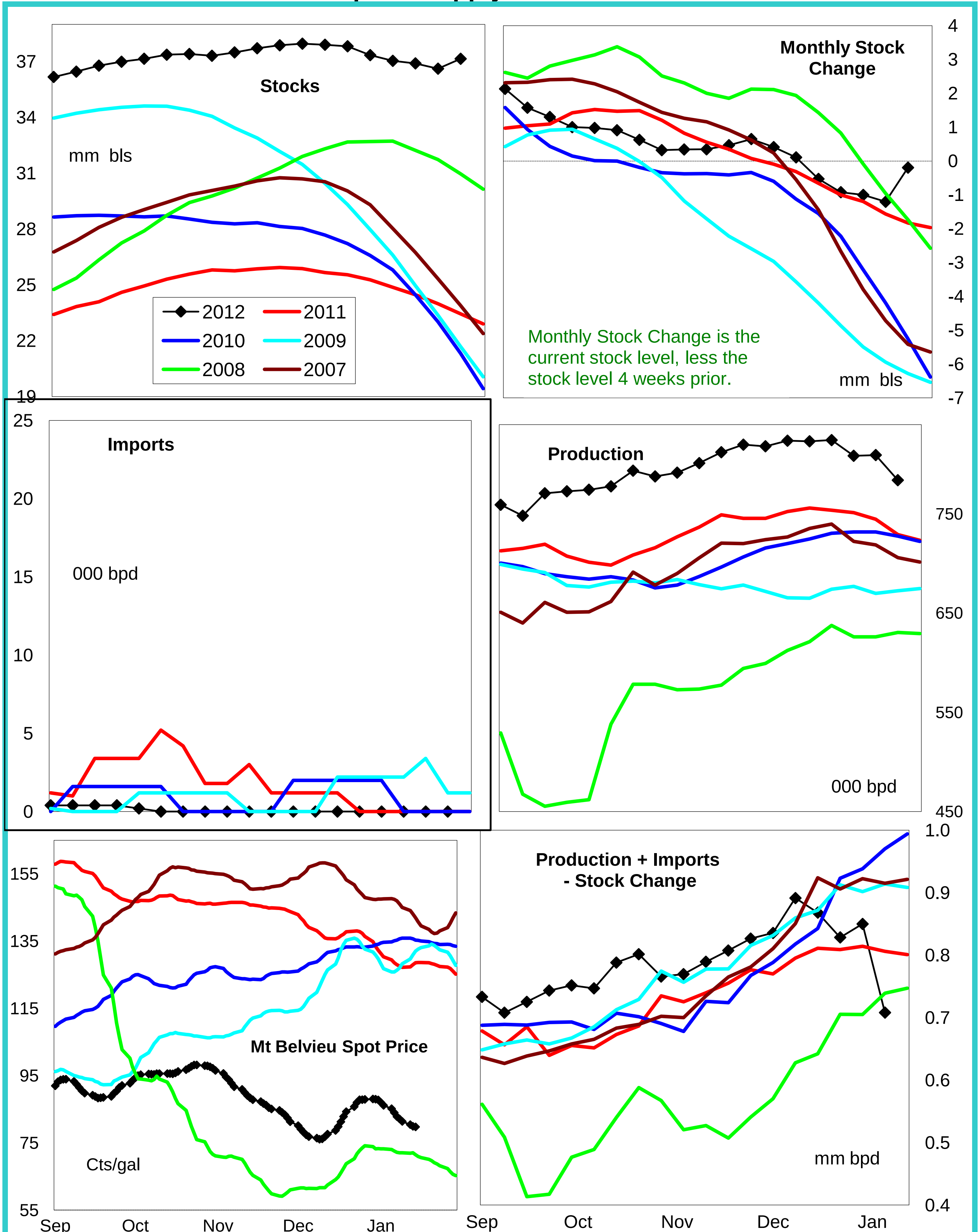
PADD 2 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-2,333	-2,202	22	-17	89
% change	-10.3	113.3	8.3	-23.7	22.1

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)	13,331	1,633	64	0	4
% change	56.0	-89	8.5	#DIV/0!	0.4

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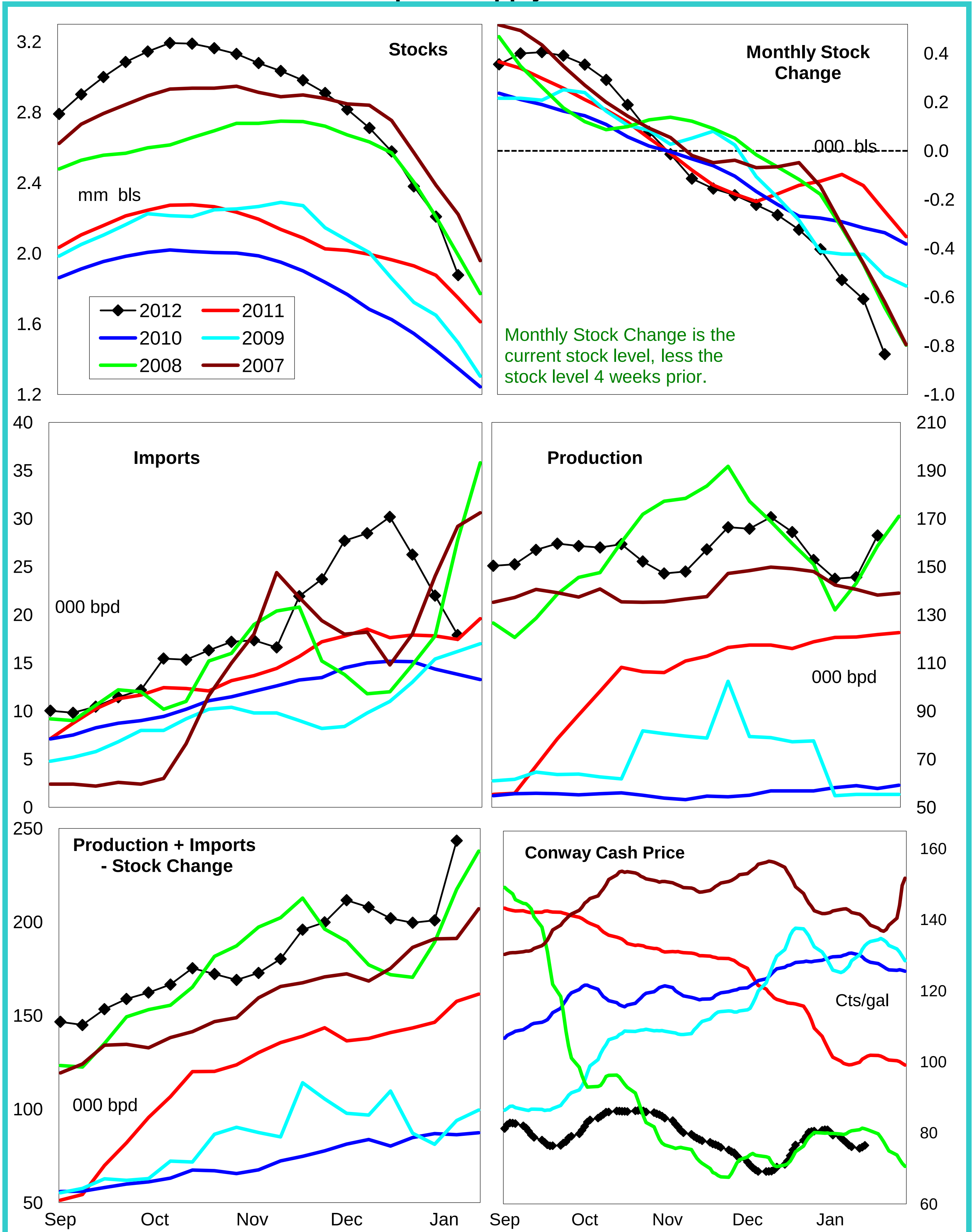
PADDs 4 and 5 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	64	-586	24	9	64
% change	3.5	236.3	19.6	50.4	43.8

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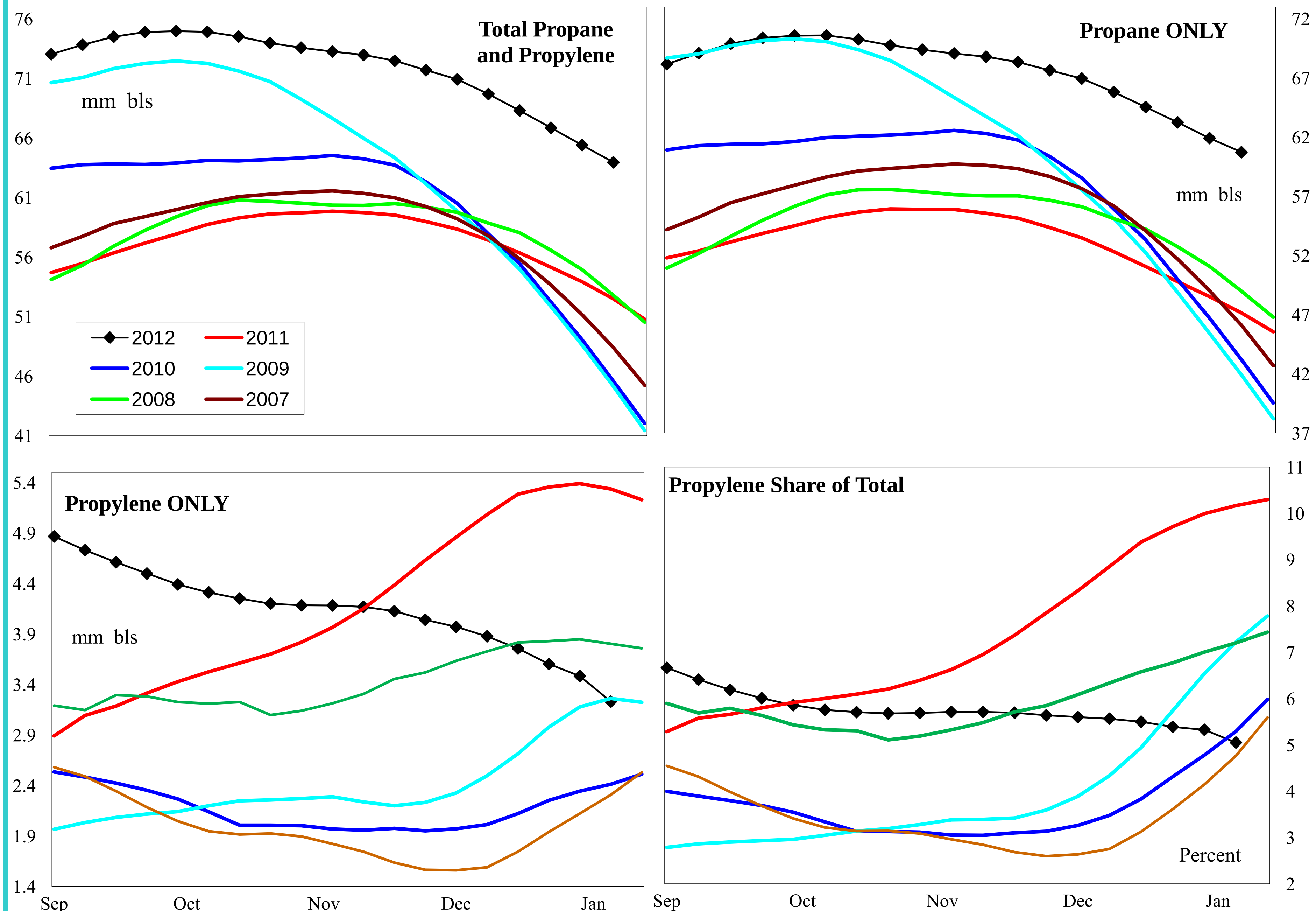
U. S. Propane and Propylene Stocks



Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	10,732	12,804	-2,107
% change	20.2	26.7	-39.5

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