

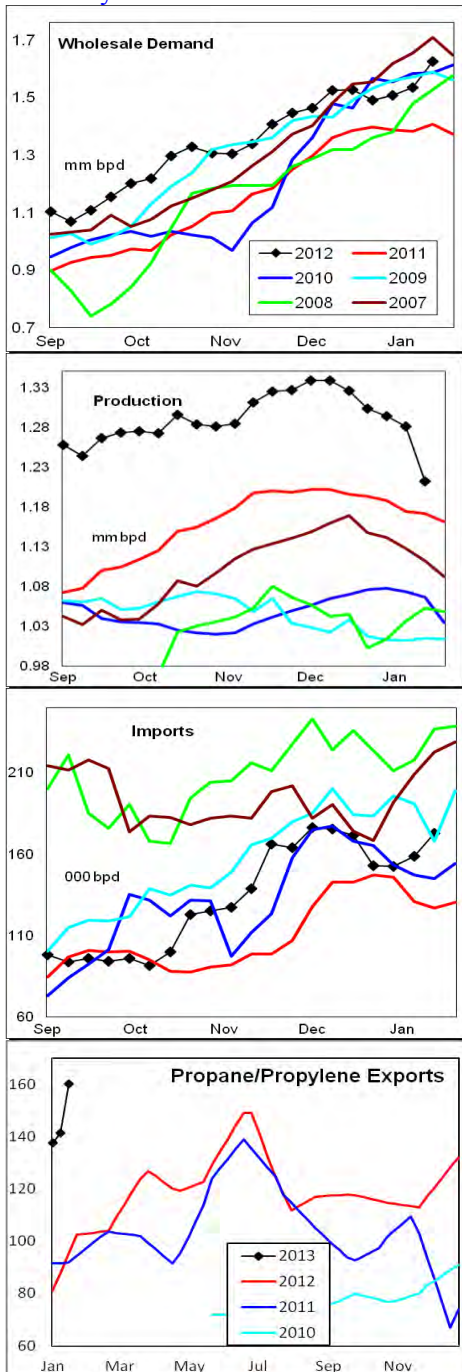


WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

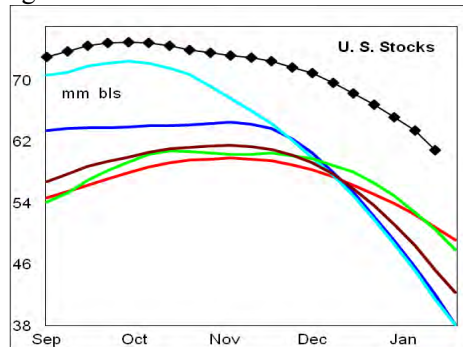
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com

Summary¹: ?



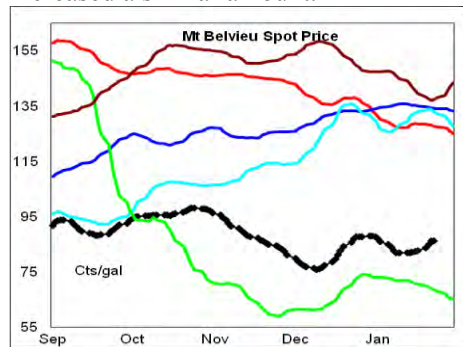
Wholesale demand increased +111,000 on the week, driven by above normal heating degree days in PADDs 4 & 5. Production fell -80,000 bpd on the week, while imports increased +11,000 bpd.

Combined production and imports during the latest 4-wk period were +107,000 bpd above a year ago. Production was +95,000 bpd above last year (+8%), while imports were +12,000 bpd higher. The latest 4-wk average demand was +143,000 bpd above last year, +10%. Exports jumped to +160,000 bpd last week, with the latest 4-wk average +139,000 bpd above a year ago.



Stocks decreased -3.1 million barrels last week, ending the week +10.1 million barrels above a year ago. The 4-wk stock change was a draw of -7.5 million barrels, a lower draw than the 5-year mid range.

Price and Spreads Mt Belvieu spot price increased +5 cpg for the week ending 24Jan13, while the Conway spot price increased a similar amount.



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

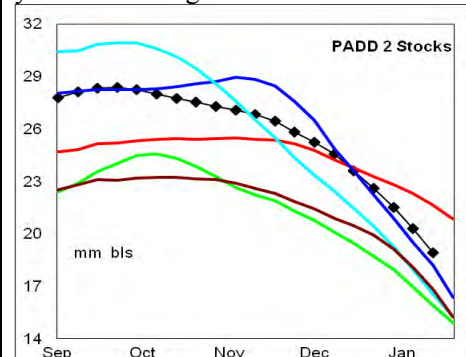
The propane to natural gas price spread trended higher last week, ending at a level equal to the 5-year mid range.

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

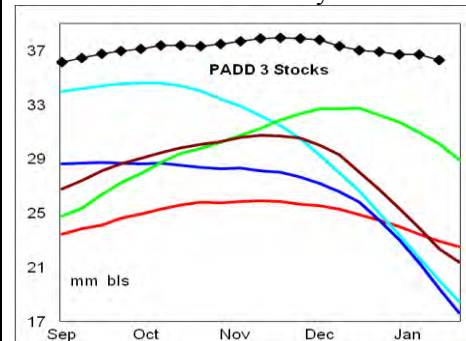
PADD 1 stocks decreased -0.3 million

barrels on the week. Supply increased +5,000 bpd last week. Supply for the latest 4-wk period was +31,000 bpd above last year.

PADD 2 stocks declined -1.5 million barrels on the week. Supply increased +5,000 bpd on the week, due to higher production. The latest 4-wk supply was +5,000 bpd above a year ago. Stock levels ended the week -14% below last years' record high.



PADD 3 stocks fell -0.9 million barrels last week, driven by a -62,000 bpd drop in production as gulf refiners began winter maintenance. Stock levels ended the week +61% above last year.



PADDs 4 & 5 stocks decreased -0.4 million barrels on the week. The stock level was -6% below a year ago.

Emerging Trends Exceptionally cold temperatures in the Rockies and intermountain states for the 2nd consecutive week extended the steep draw down in stocks for the area. Peak heating demand in key markets and a seasonal decrease in production led to the largest weekly draw of the season. Expect near term price strength on much above normal heating degree days during the next 2-wks.

¹ Source is latest EIA Weekly Statistics



PROPANE: Graph Link and Weekly Summary

January 25, 2013

Fundamental Trends for the Week Ending:

Friday, January 18, 2013

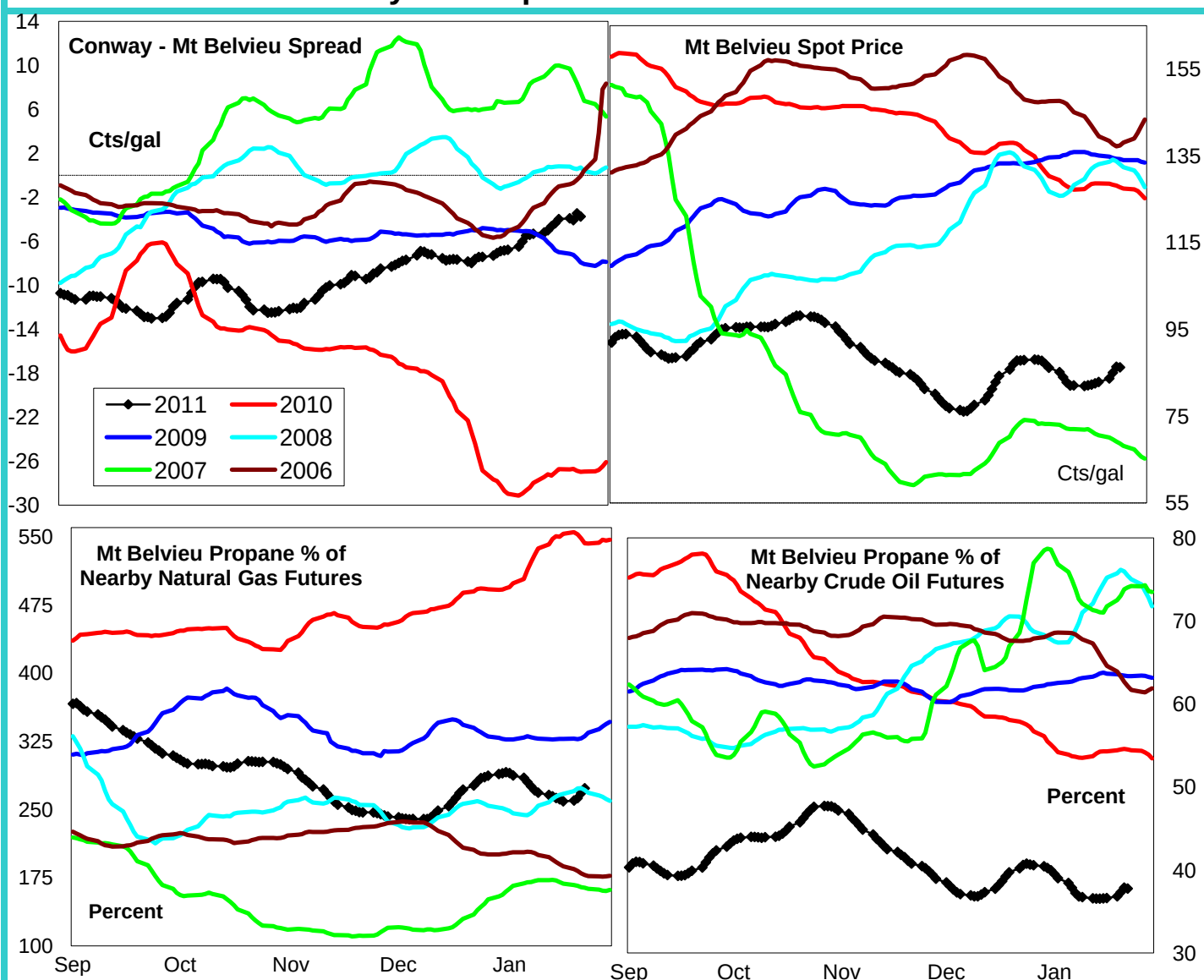
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD				U.S. Total	PADD			
		1	2	3	4&5		1	2	3	4&5
Stocks	60,883	4,196	18,891	36,282	1,514	-3,073	-317	-1,526	-868	-362
Propylene Stocks	3,046					-184				
Production	1,212	72	279	722	139	-80	-2	8	-62	-24
Imports	173	75	73	0	26	11	7	-3	0	8
Whsle Demand	1,664					111				

Price Trends for the Week Ending:

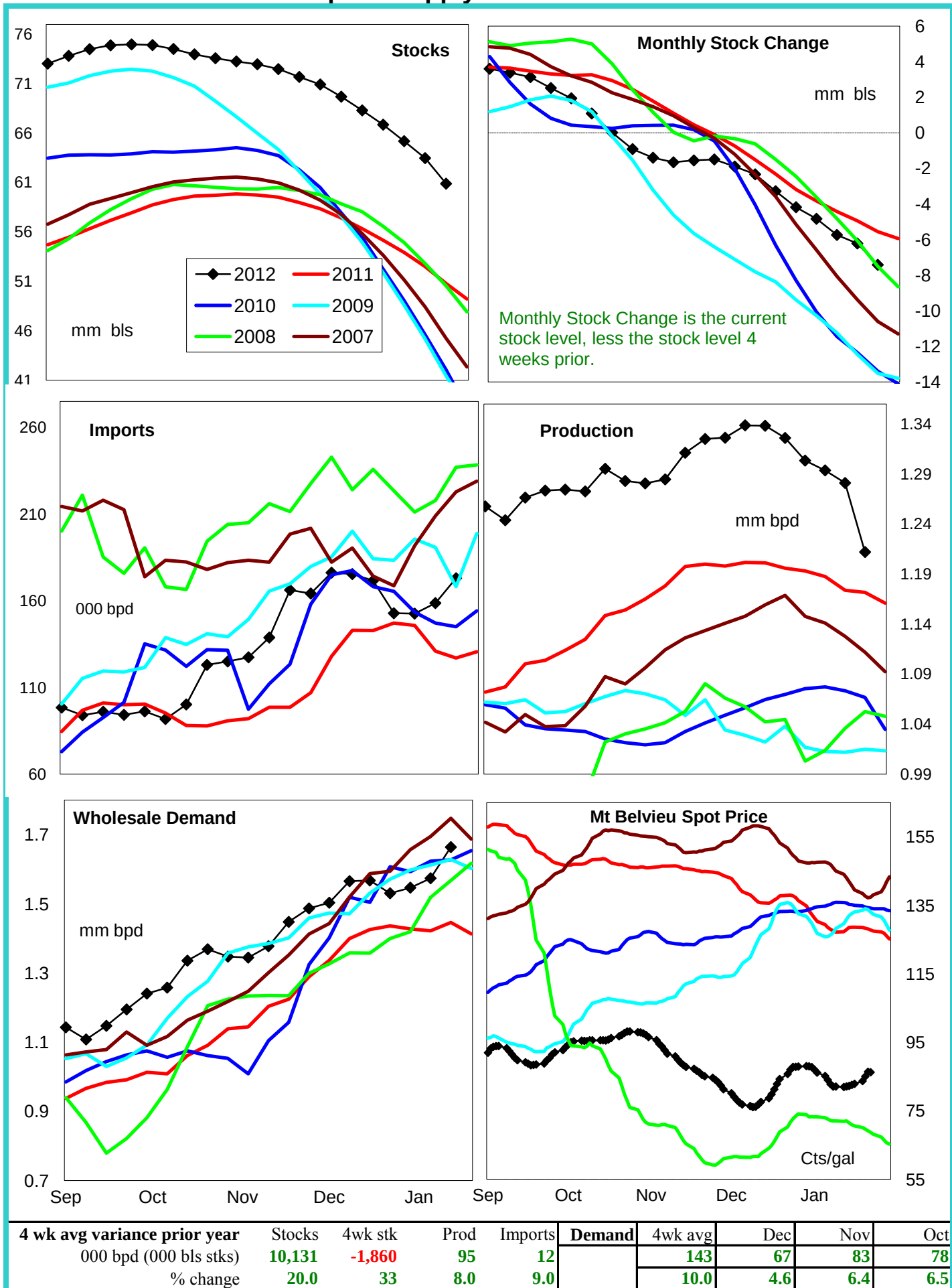
Thursday, January 24, 2013

Cents/gal	Average for week ending:				Change from:			% change from:		
	1/24/13	1/17/13	12/27/12	1/23/12	1/17/13	12/27/12	1/23/12	1/17/13	12/27/12	1/23/12
Mont Belvieu Spot	85.0	80.5	86.9	128.6	4.58	-6.40	-41.76	5.7	-7.4	-32.5
Conway Spot	81.0	76.2	79.1	101.7	4.80	-2.94	-22.60	6.3	-3.7	-22.2

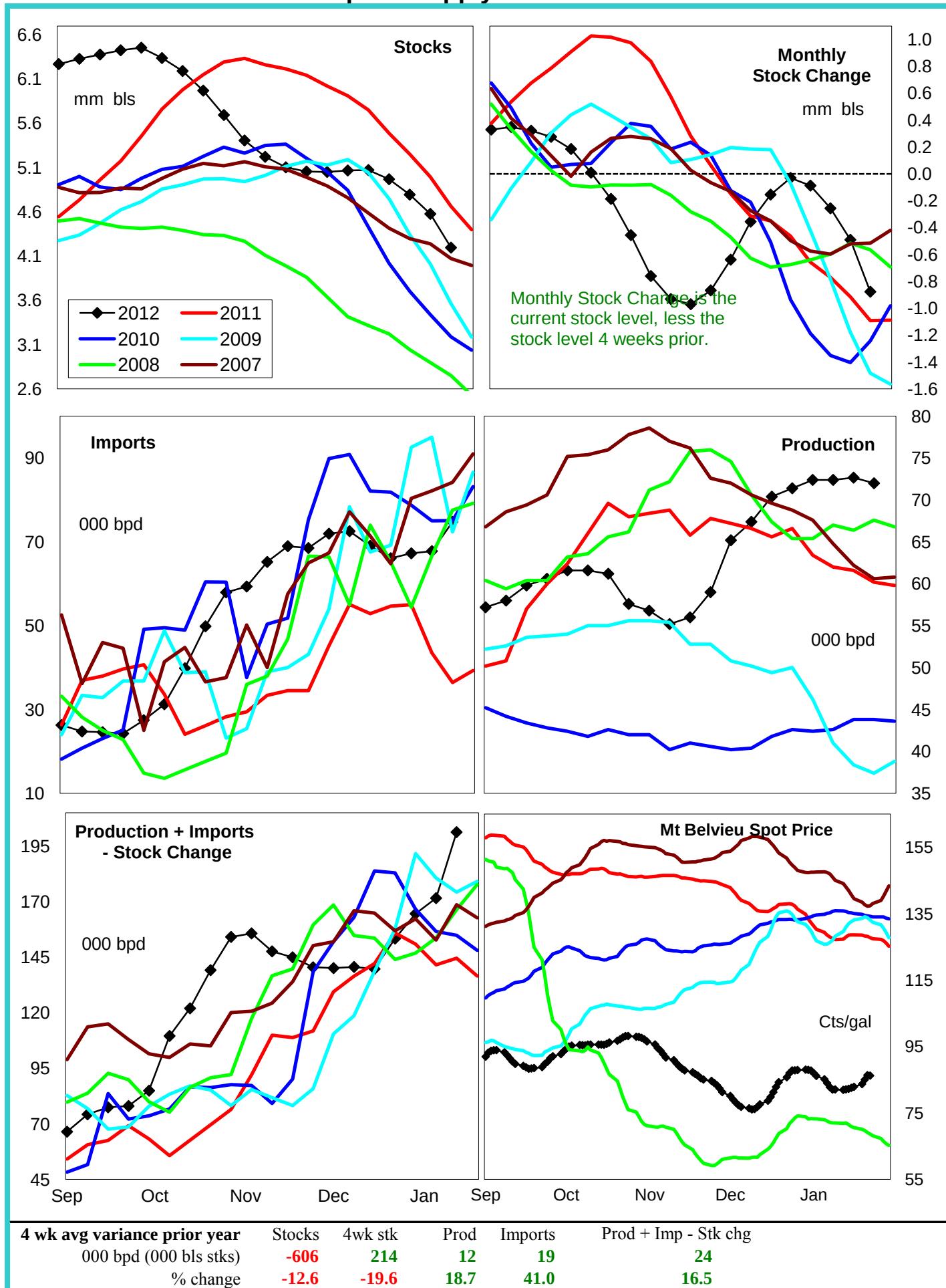
Key Price Spreads and Differentials



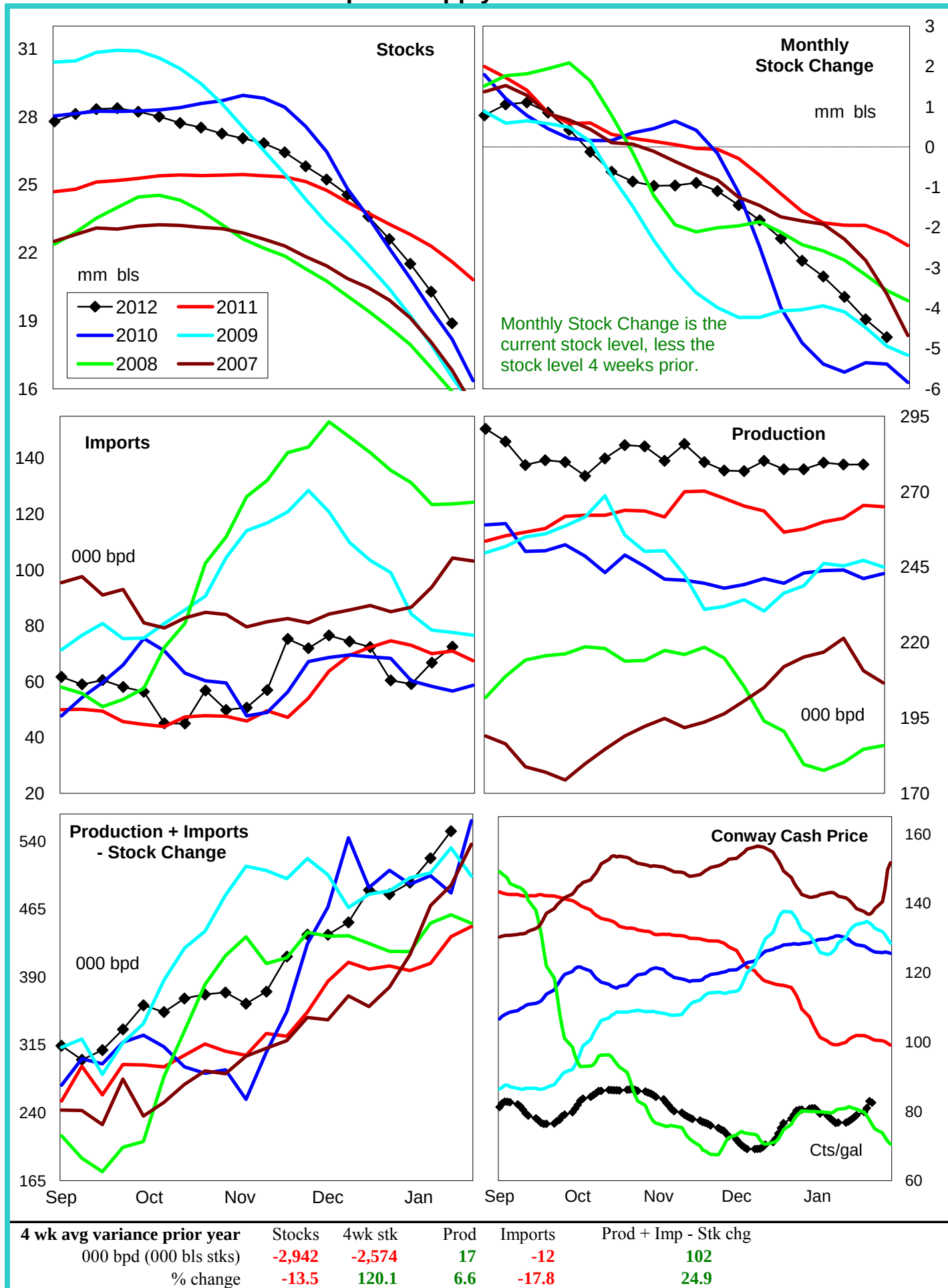
U. S. Propane Supply and Demand Balance



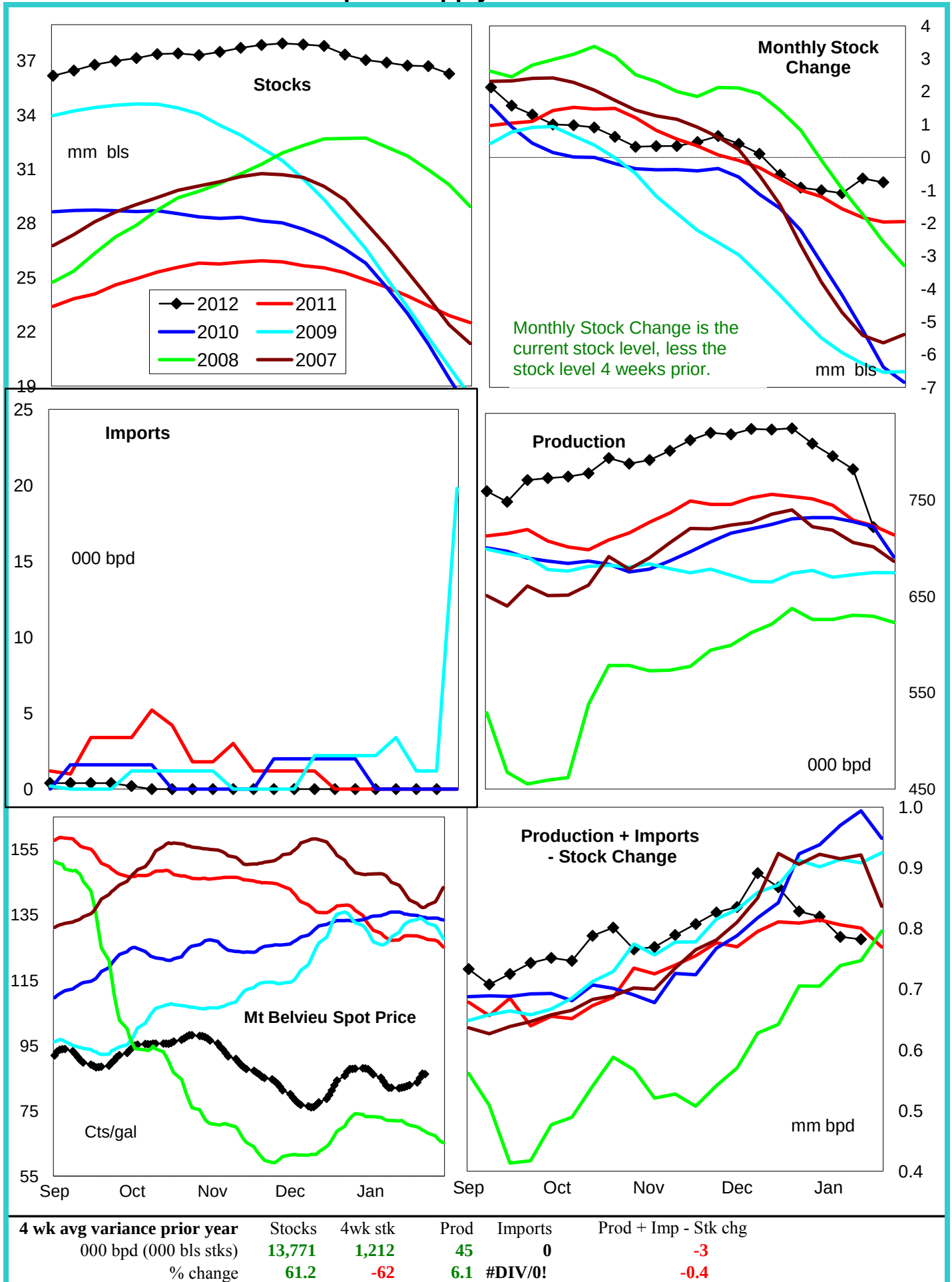
PADD 1 Propane Supply and Demand Balance



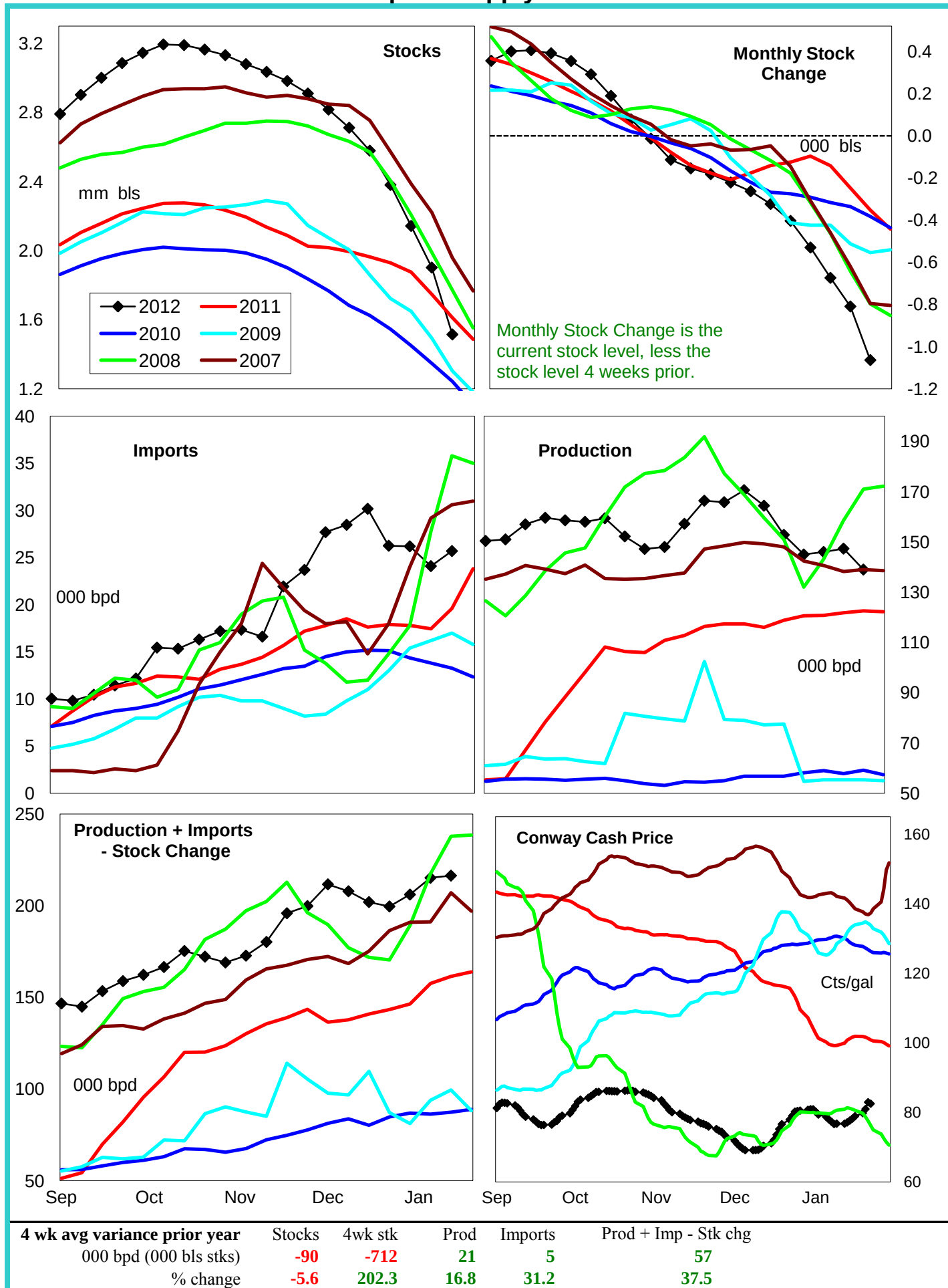
PADD 2 Propane Supply and Demand Balance



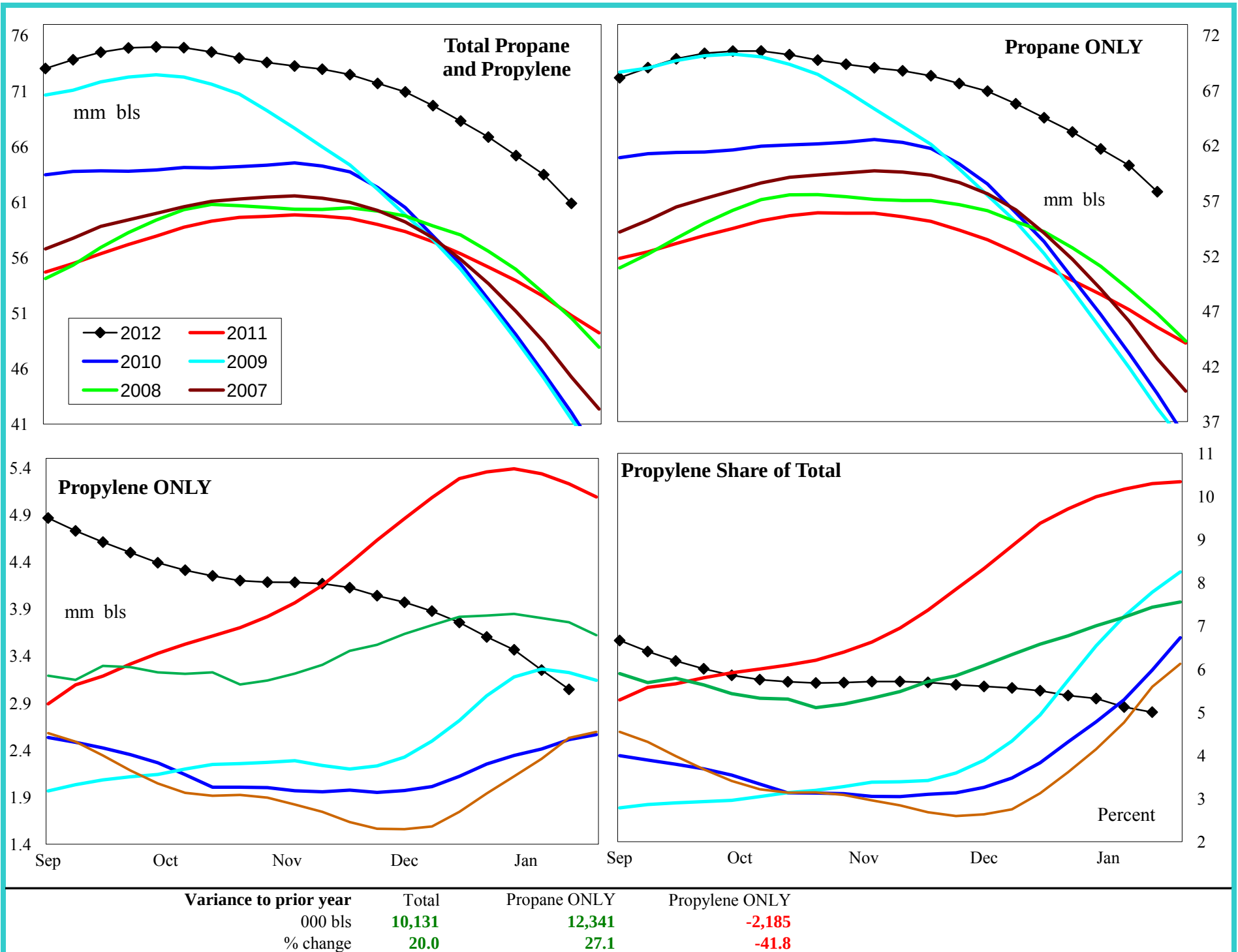
PADD 3 Propane Supply and Demand Balance



PADDs 4 and 5 Propane Supply and Demand Balance



U. S. Propane and Propylene Stocks



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

