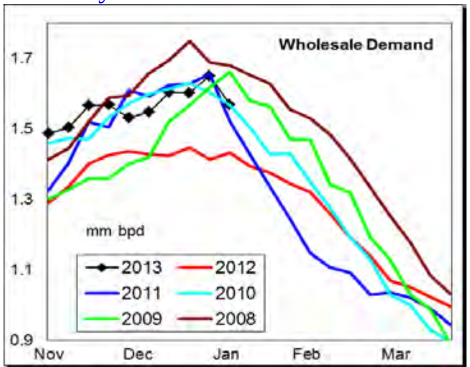
WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

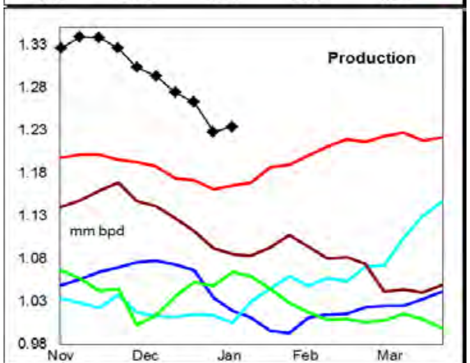
A Fundamental Petroleum Trends Weekly Report

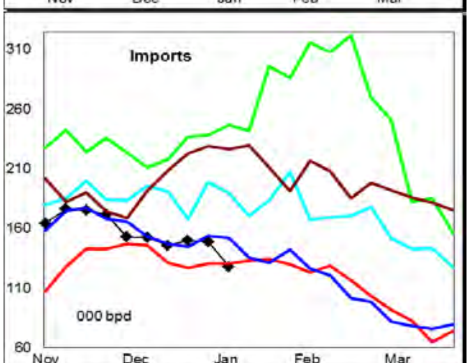
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com

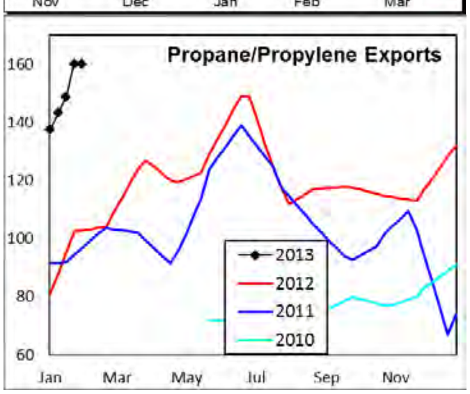
Summary[1]:

Table of Contents



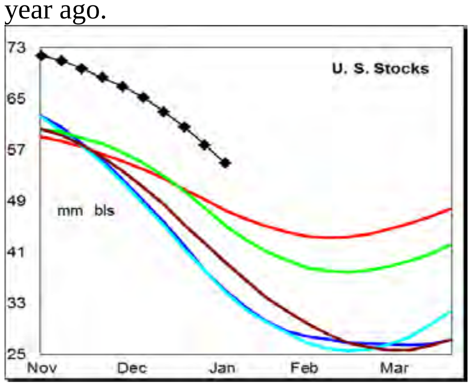






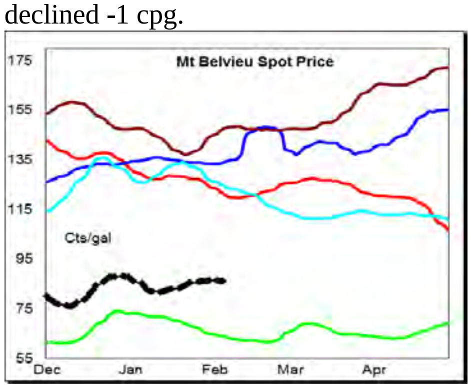
Wholesale demand declined -149,000 on the week, to a level that matched the 5-year mid-range. Production decreased -4,000 bpd on the week, while imports declined -18,000 bpd.

Combined production and imports during the latest 4-wk period were +109,000 bpd above a year ago. Production was +86,000 bpd above last year (+7.4%), while imports were +22,000 bpd higher. The latest 4-wk average demand was +169,000 bpd above last year, +12%. Exports averaged +51,000 bpd (+51%) above a year ago.



Stocks decreased -2.6 million barrels last week, ending the week +8.2 million barrels above a year ago. The 4-wk stock change was a draw of -9.8 million barrels, a lower draw than the 5-year mid range.

Price and Spreads Mt Belvieu spot price decreased -0.5 cpg for the week ending 06Feb13, while the Conway spot price declined -1 cpg.



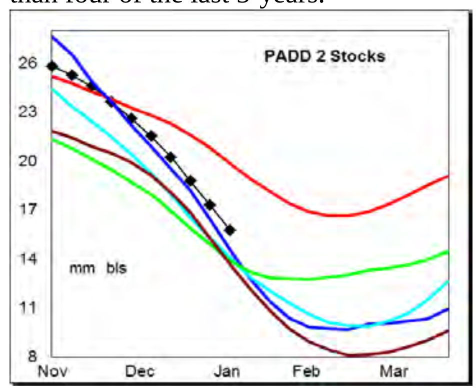
The Conway – Mt Belvieu price spread traded sideways last week, ending the week at -4 cpg.

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

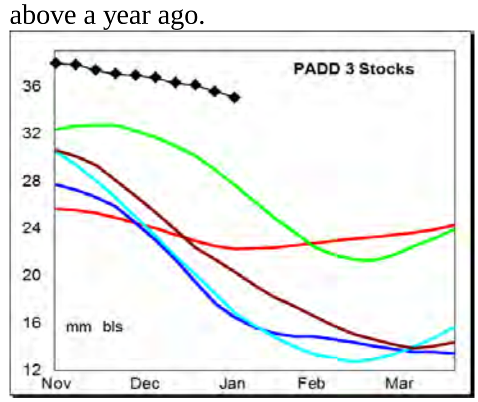
The propane / crude oil price spread traded sideways on the week, ending near the record low for the winter season.

PADD 1 stocks decreased -0.7 million barrels on the week. Supply declined -4,000 bpd last week. Supply for the latest 4-wk period was +41,000 bpd above last year.

PADD 2 stocks declined -1.4 million barrels on the week. Supply declined +8,000 bpd on the week, due to lower imports. The latest 4-wk supply was +3,000 bpd above a year ago. Stock levels ended the week at a level higher than four of the last 5-years.



PAD 3 stocks decreased -0.2 million barrels last week, with the level +61% above a year ago.



PADDs 4 & 5 stocks decreased -0.2 million barrels on the week. The stock level matched 5-year lows.

Emerging Trends Above normal heating degree days are forecast for all major heating areas during the next 10-days. High heating demand should support prices in the near term, although above average carryout stocks and high production risk a significant end of season price pull back.

[1] Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

February 6, 2013

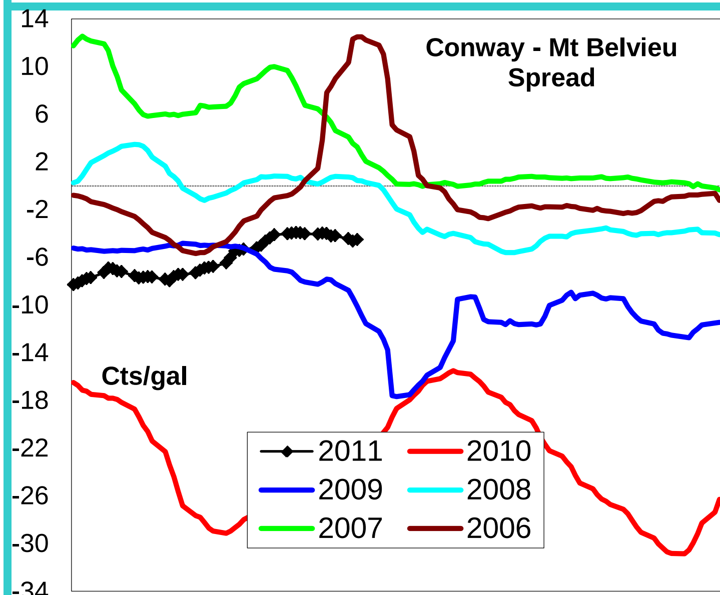
Fundamental Trends for the Week Ending: Friday, February 01, 2013

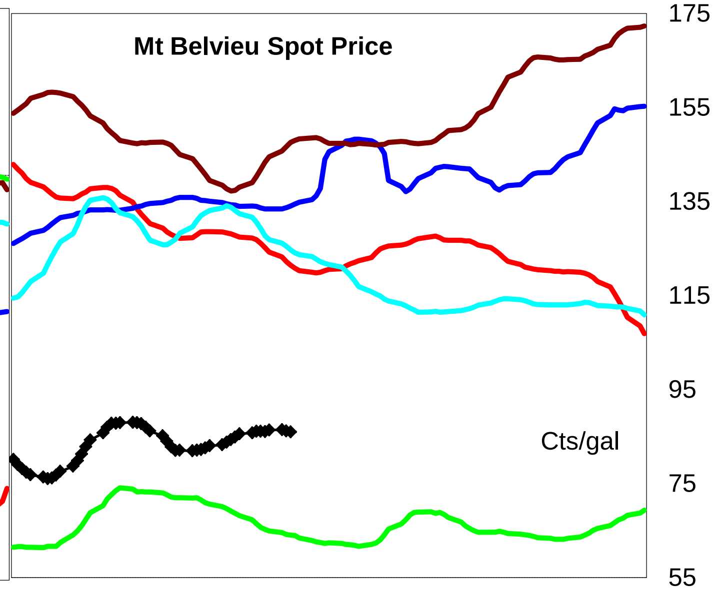
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5	U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5
Stocks	54,869	3,030	15,742	35,048	1,049	-2,564	-704	-1,440	-238	-182
Propylene Stocks	2,936					-29				
Production	1,234	69	277	762	126	-4	-2	7	8	-17
Imports	128	61	51	0	17	-18	-2	-15	0	-1
Whsle Demand	1,568					-149				

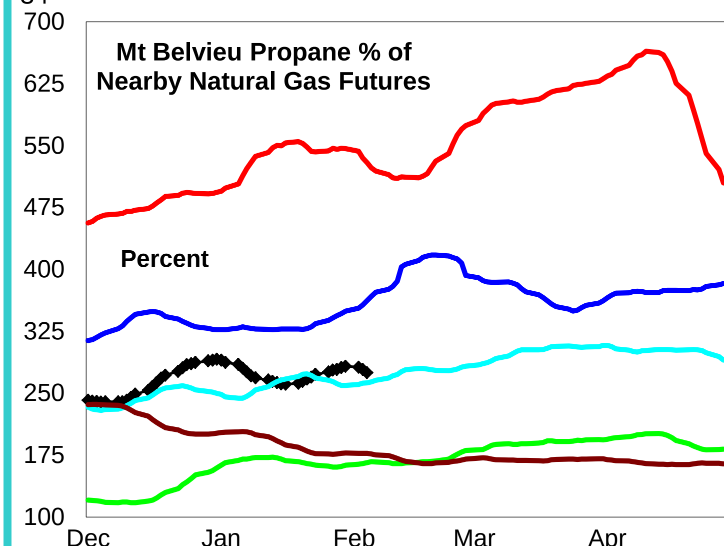
Price Trends for the Week Ending: Wednesday, February 06, 2013

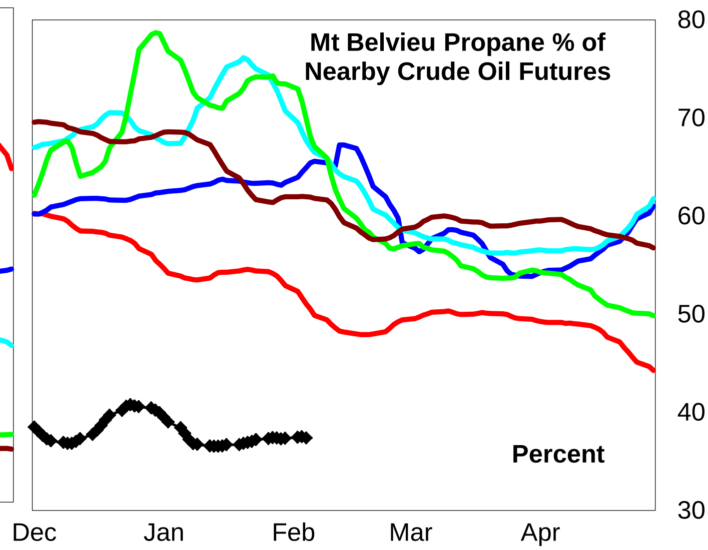
Cents/gal	Average for week ending:				Change from:			% change from:		
	2/6/13	1/30/13	1/9/13	2/3/12	1/30/13	1/9/13	2/3/12	1/30/13	1/9/13	2/3/12
Mont Belvieu Spot	86.5	85.7	83.9	123.6	0.75	1.78	-39.69	0.9	2.1	-32.1
Conway Spot	82.0	81.8	77.5	97.9	0.22	4.27	-20.32	0.3	5.5	-20.8

Key Price Spreads and Differentials

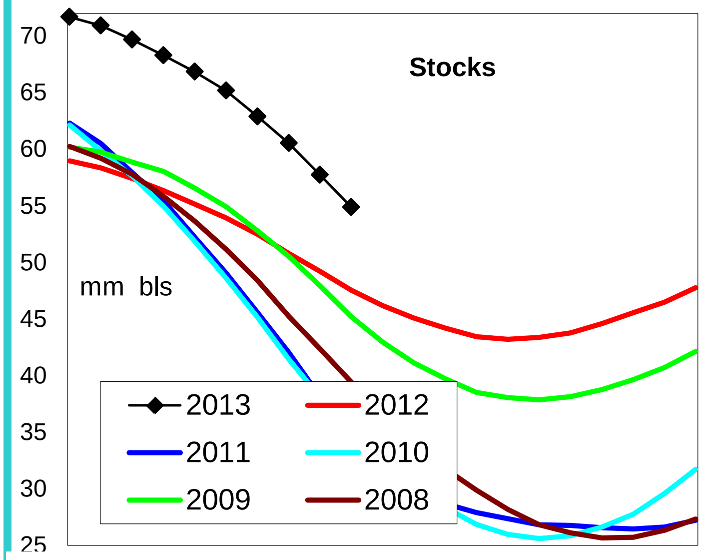


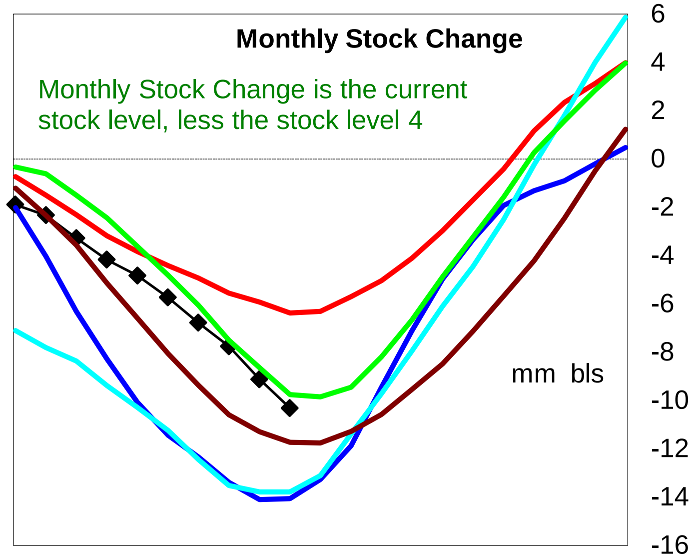


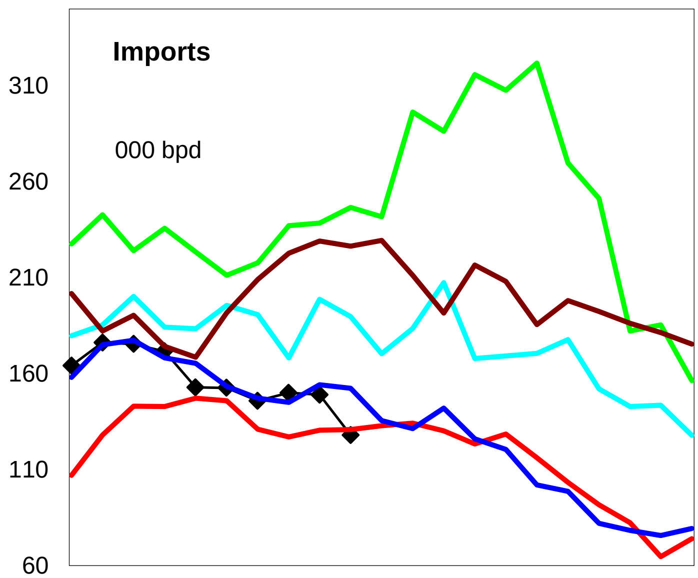


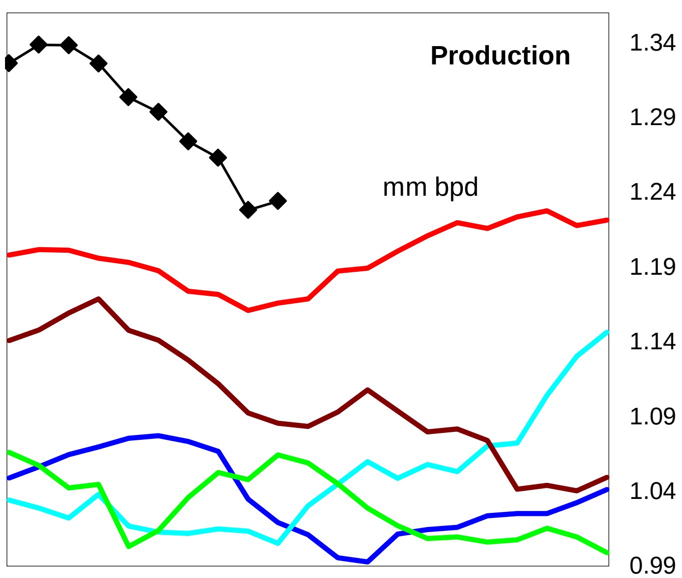


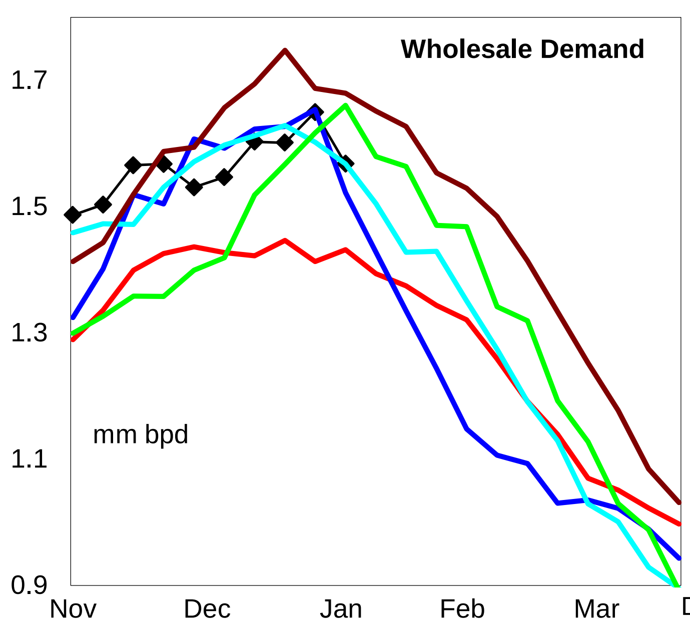
U. S. Propane Supply and Demand Balance

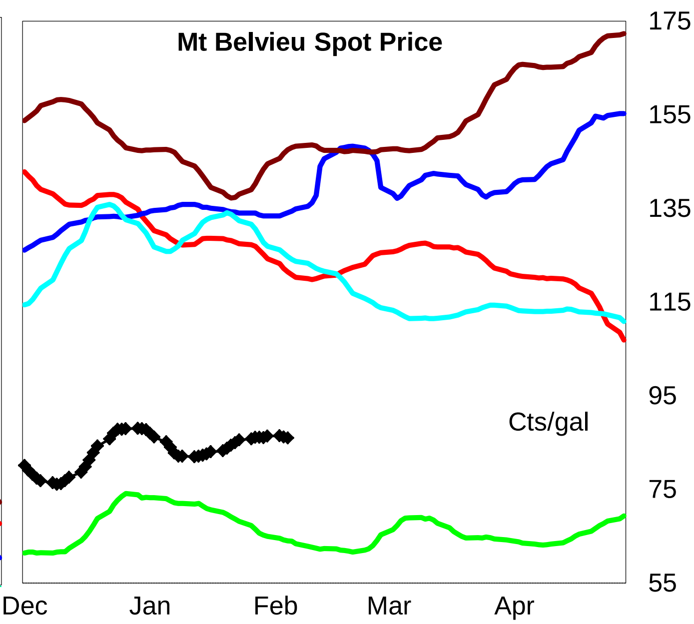








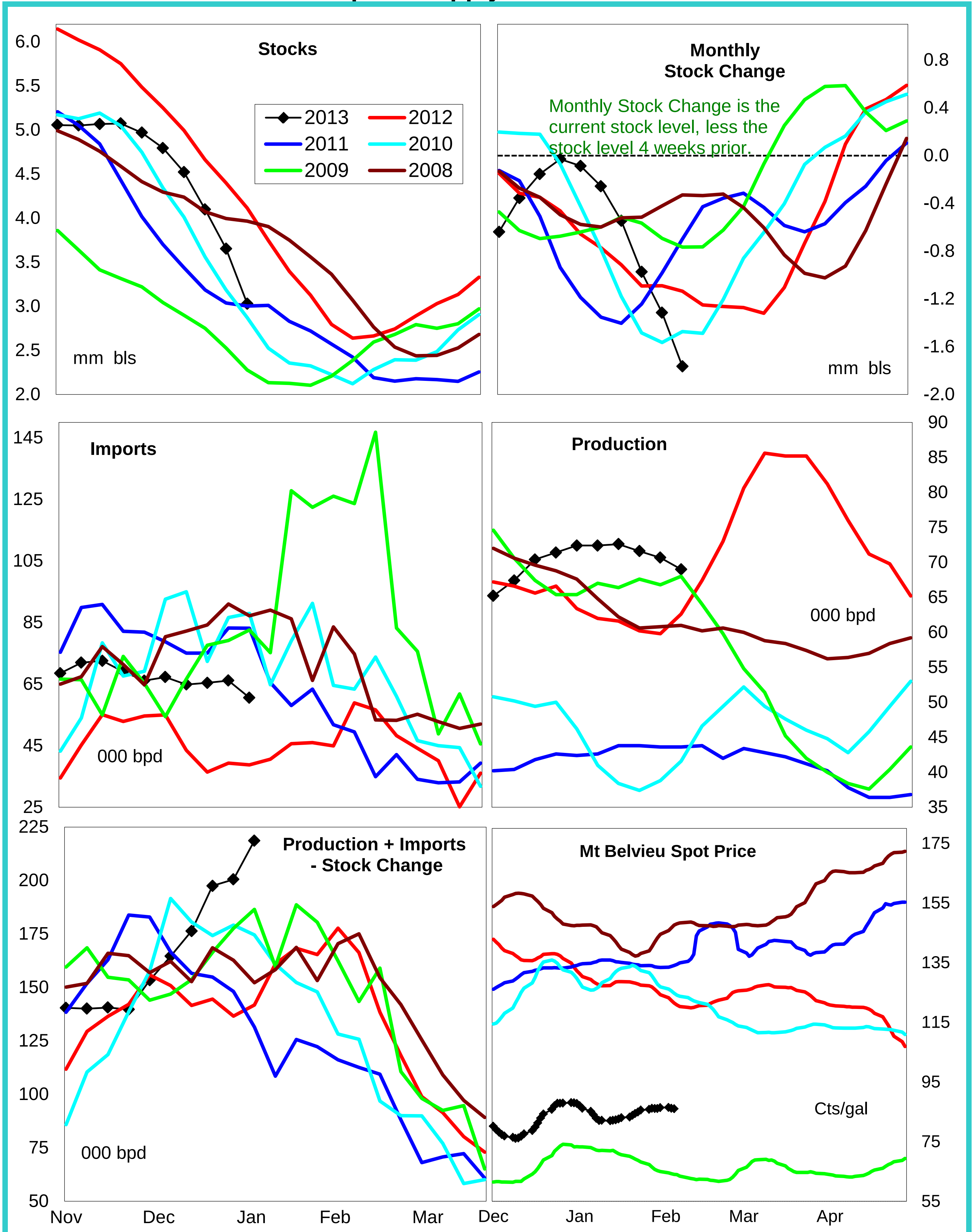




4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Dec	Nov	Oct
000 bpd (000 bls stks)	8,192	-3,942	86	23		169	67	83	78
% change	17.6	62	7.4	18.0		11.6	4.6	6.4	6.5

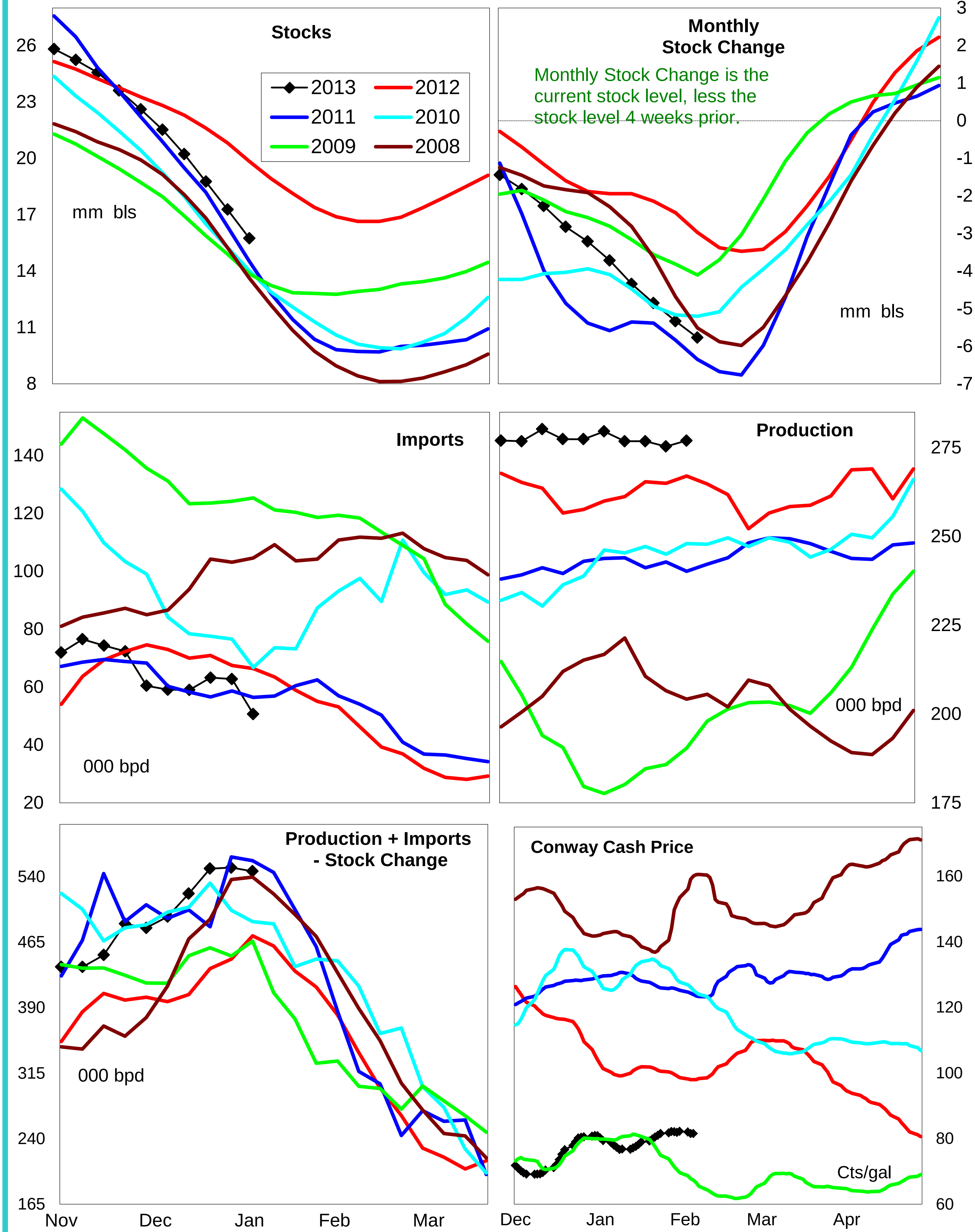
Lehi German Tel: 816.505.0980

PADD 1 Propane Supply and Demand Balance



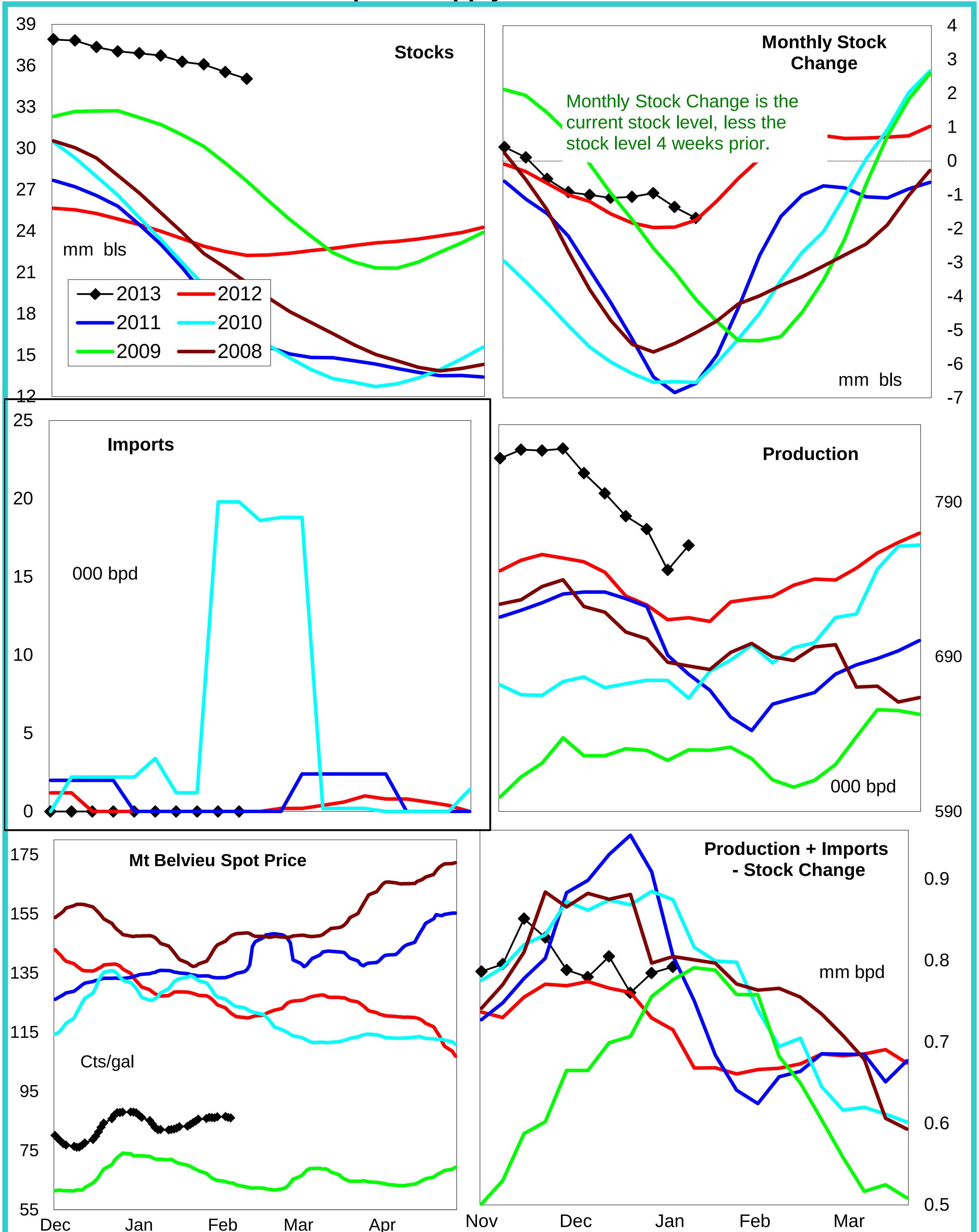
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-939	-630	12	29	57
% change	-23.7	55.5	20.2	78.3	40.5

PADD 2 Propane Supply and Demand Balance



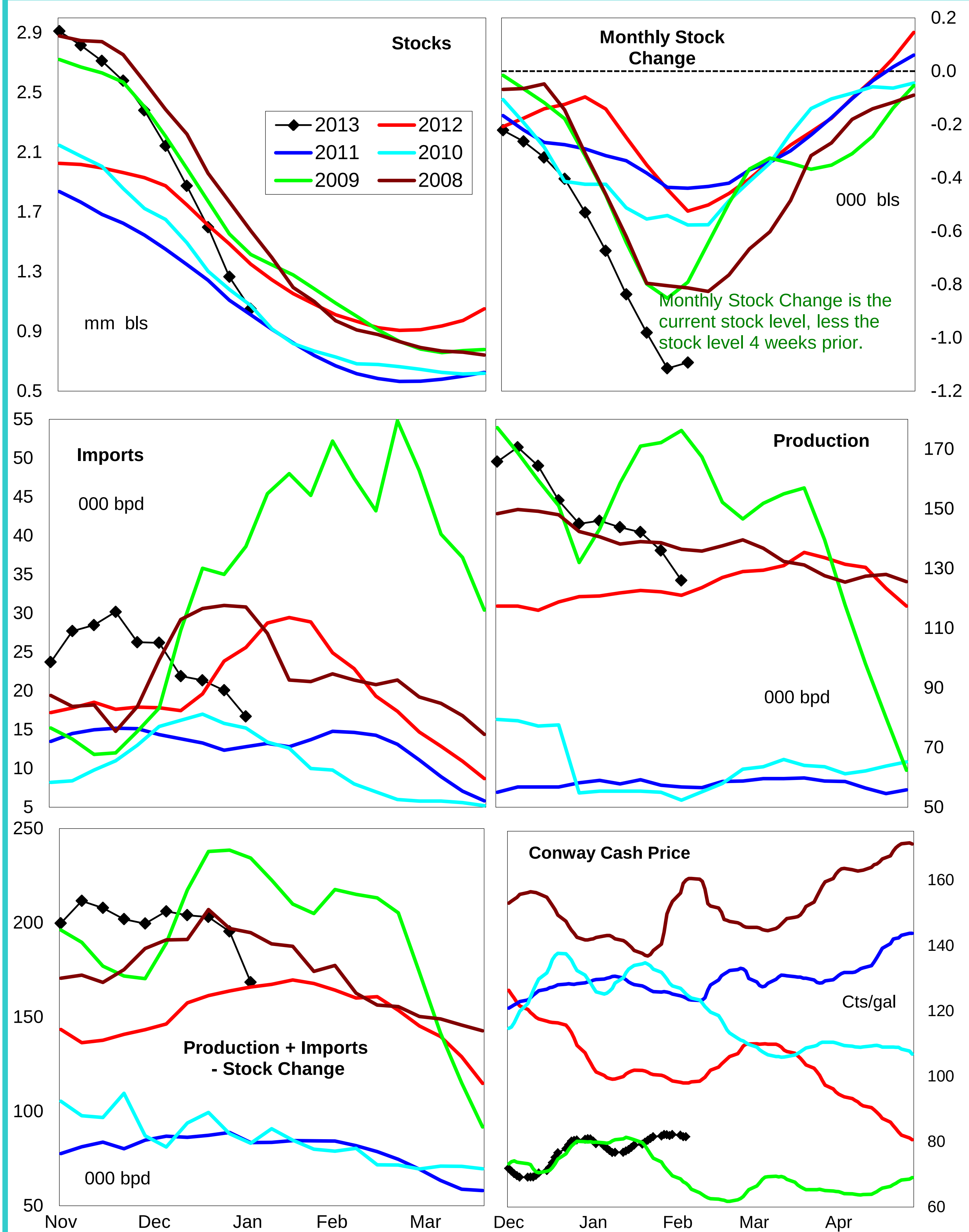
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-3,923	-2,803	8	-5	102
% change	-19.9	94.4	3.1	-6.8	23.2

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)	13,324	60	44	0	43
% change	61.3	-3	6.1	#DIV/0!	5.5

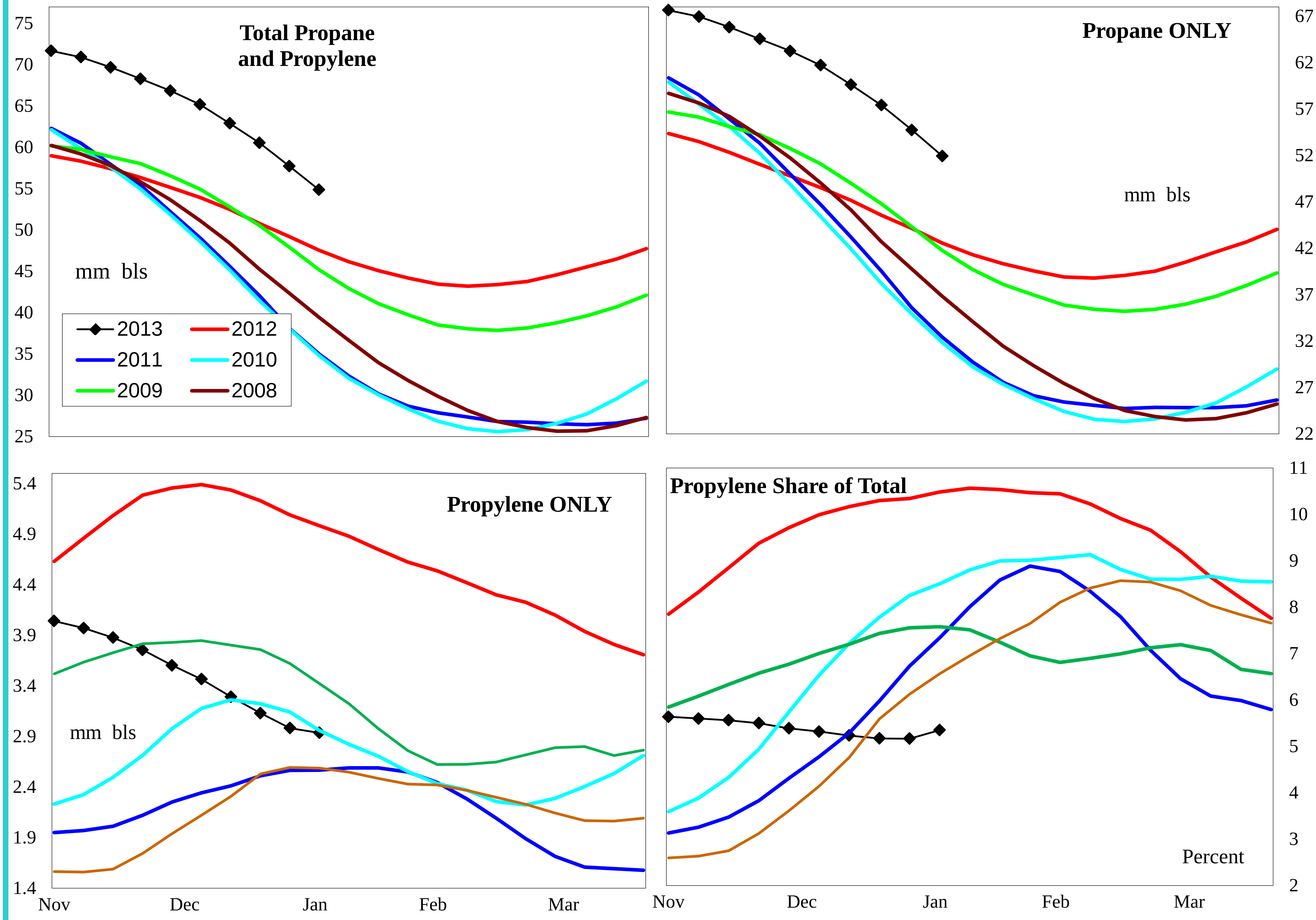
PADDs 4 and 5 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-269	-568	22	-1	31
% change	-20.4	108.3	18.5	-5.9	18.8

Lehi German Tel: 816.505.0980

U. S. Propane and Propylene Stocks



Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	8,192	10,207	-2,048
% change	17.6	24.5	-41.1

Lehi German Tel: 816.505.0980

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