FUNDAMENTAL PETROLEUM TRENDS

WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

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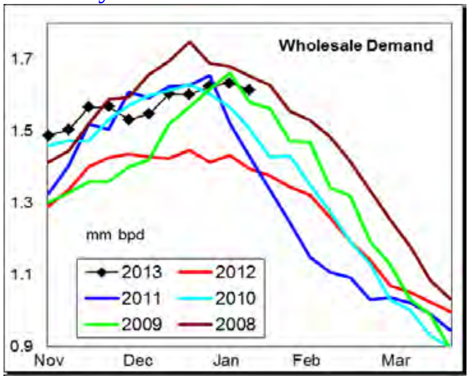
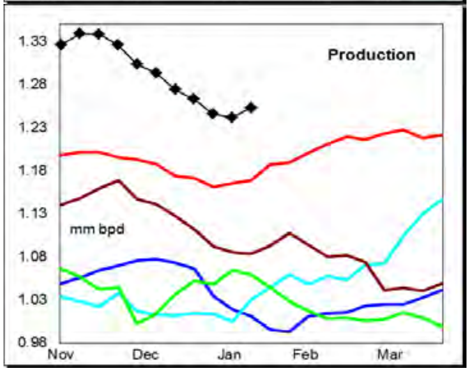
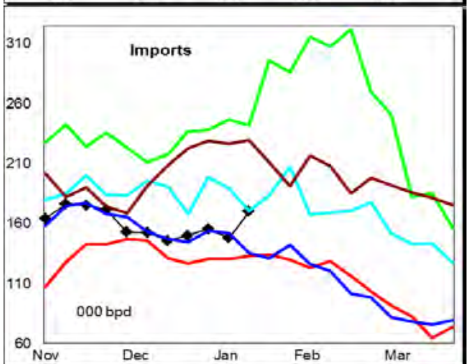
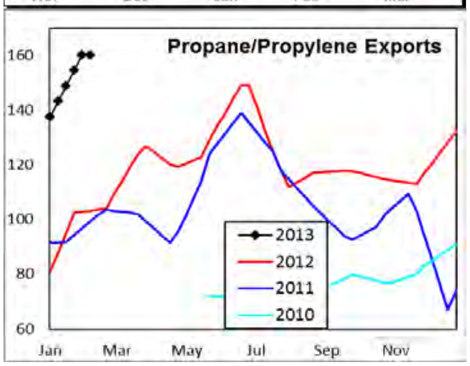


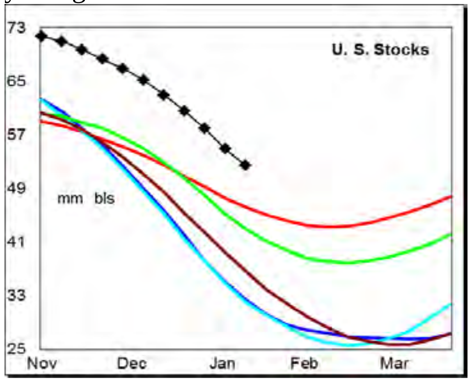






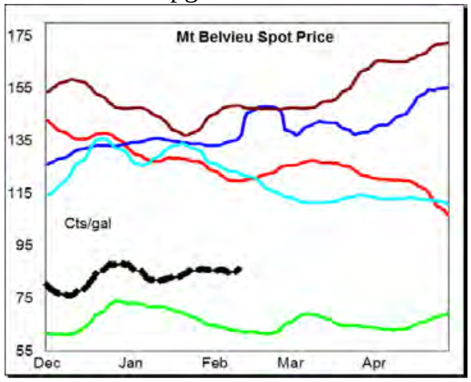
Wholesale demand increased +46,000 bpd on the week, to a level above the 5-year mid-range. Production increased +19,000 bpd on the week, while imports climbed +42,000 bpd.

Combined production and imports during the latest 4-wk period were +100,000 bpd above a year ago. Production was +77,000 bpd above last year (+6.7%), while imports were +23,000 bpd higher. The latest 4-wk average demand was +213,000 bpd above last year, +15%. Exports averaged +58,000 bpd (+56%) above a year ago.



Stocks decreased -2.5 million barrels last week, ending the week +6 million barrels above a year ago. The 4-wk stock change was a draw of -9.9 million barrels, a lower draw than the 5-year mid range.

Price and Spreads Mt Belvieu spot price decreased -1cpg for the week ending 12Feb13, while the Conway spot price declined -1.5 cpg.



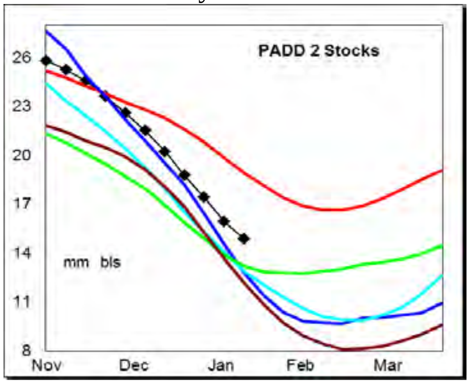
The Conway – Mt Belvieu price spread traded sideways last week, ending the week at -5 cpg.

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

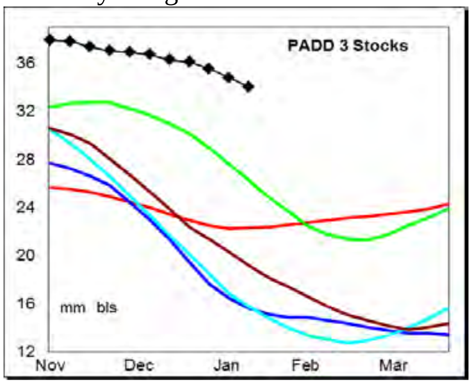
The propane / crude oil price spread traded sideways on the week, ending near the record low for the winter season.

PADD 1 stocks decreased -0.4 million barrels on the week. Supply increased +23,000 bpd last week. Supply for the latest 4-wk period was +42,000 bpd above last year.

PADD 2 stocks declined -0.9 million barrels on the week. Supply declined -13,000 bpd on the week, due to lower production. The latest 4-wk supply was unchanged from a year ago. Stock levels ended the week at a level higher than four of the last 5-years.



PAD 3 stocks decreased -1 million barrels last week, with the level +53% above a year ago.



PADDs 4 & 5 stocks decreased -0.1 million barrels on the week. The stock level matched 5-year lows.

Emerging Trends Above normal heating degree days are forecast for the western ½ half of the country during the next 10-days. High heating demand should support prices in the near term, although above average carryout stocks and high production risk an end of season price pull back.

[1] Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

February 13, 2013

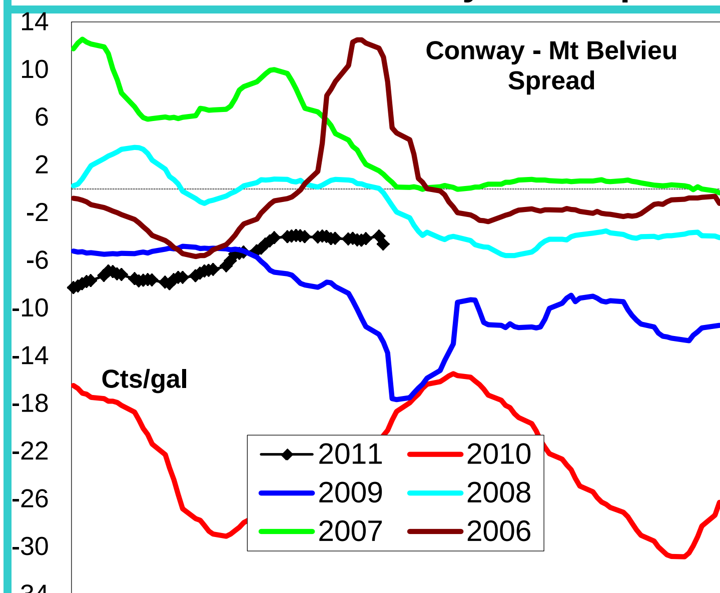
Fundamental Trends for the Week Ending: Friday, February 08, 2013

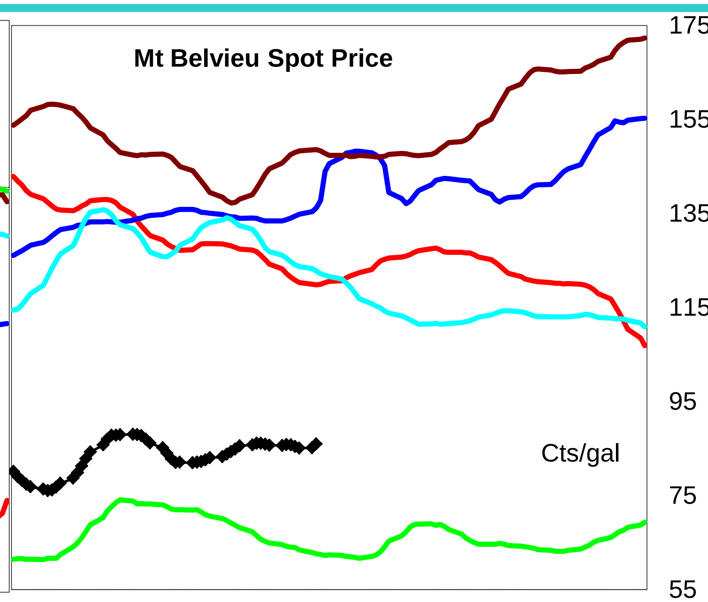
000 bpd Stocks 000 bls	Weekly Supply-Demand U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5	Change from prior week: U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5
Stocks	52,411	2,612	14,869	34,011	919	-2,458	-418	-873	-1,037	-130
Propylene Stocks	2,963					27				
Production	1,253	73	245	768	167	19	4	-32	6	41
Imports	170	80	70	0	21	42	19	19	0	4
Whsle Demand	1,614					46				

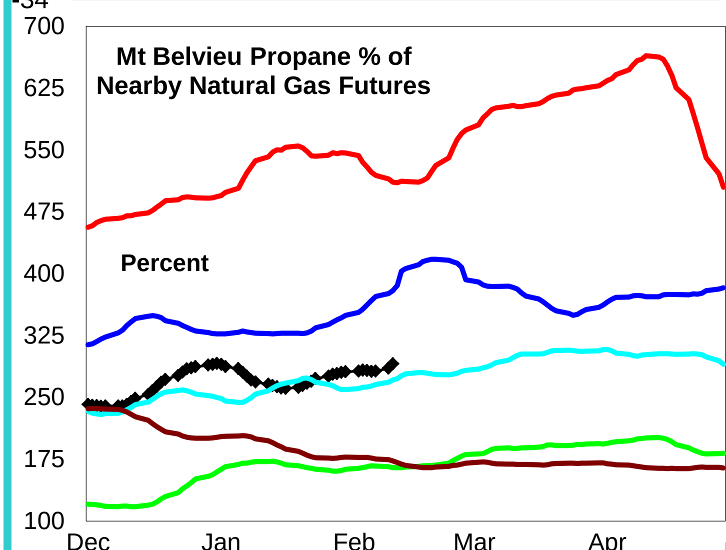
Price Trends for the Week Ending: Wednesday, February 06, 2013

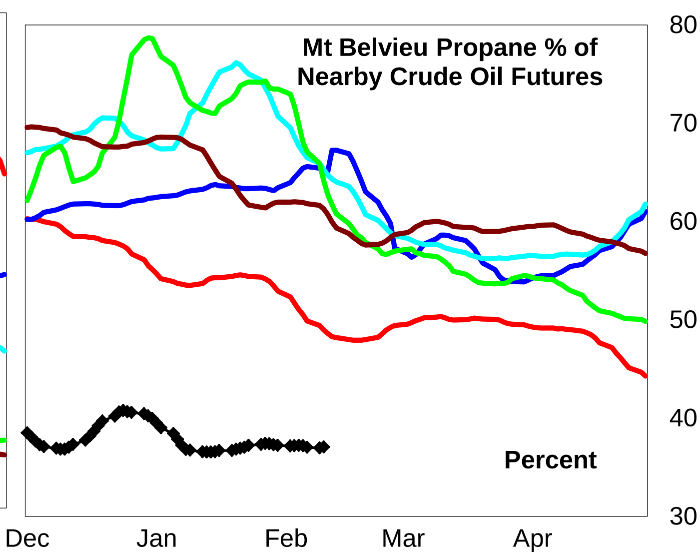
Cents/gal	Average for week ending: 2/6/13	1/30/13	1/9/13	2/3/12	Change from: 1/30/13	1/9/13	2/3/12	% change from: 1/30/13	1/9/13	2/3/12
Mont Belvieu Spot	85.1	86.6	81.1	118.9	-1.45	5.48	-37.84	-1.7	6.8	-31.8
Conway Spot	80.9	82.3	75.6	97.2	-1.35	6.67	-21.64	-1.6	8.8	-22.3

Key Price Spreads and Differentials









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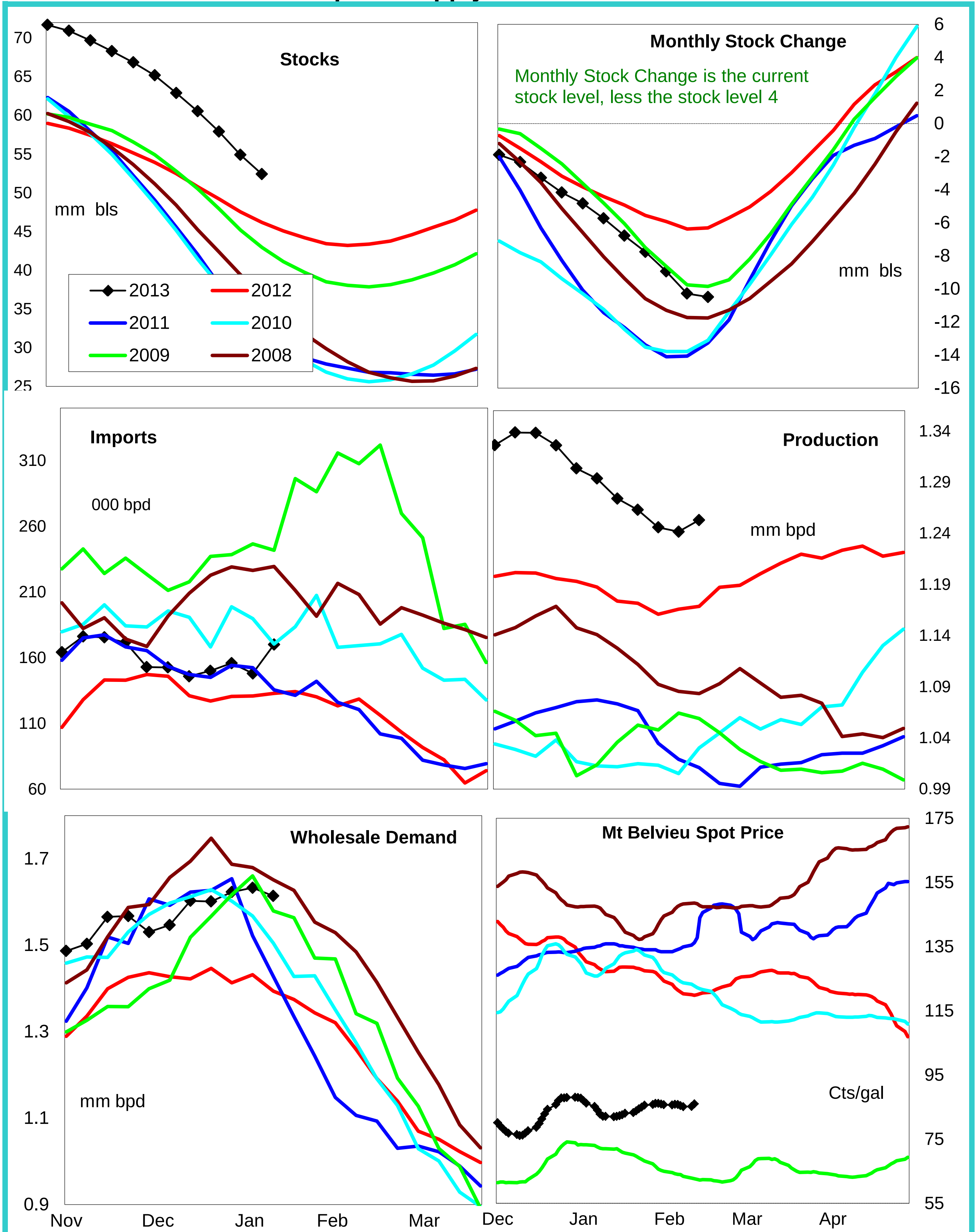
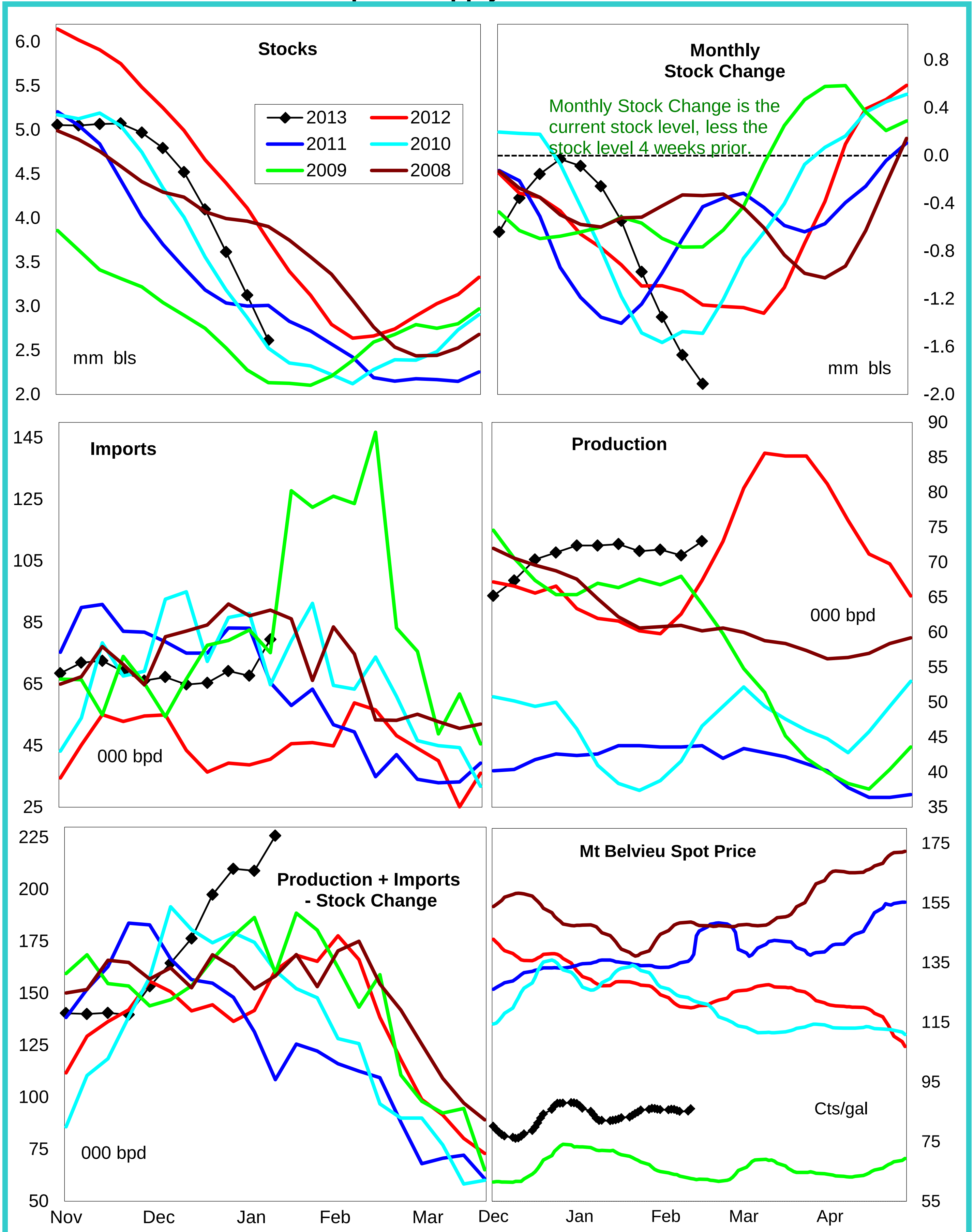
U. S. Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Jan	Dec	Nov
000 bpd (000 bls stks)	5,972	-4,184	77	23		213	220	67	-34
% change	12.9	66	6.7	17.5		14.9	15.6	4.6	-2.6

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)	-1,364	-659	12	30	65
% change	-34.3	52.7	20.8	77.9	44.2

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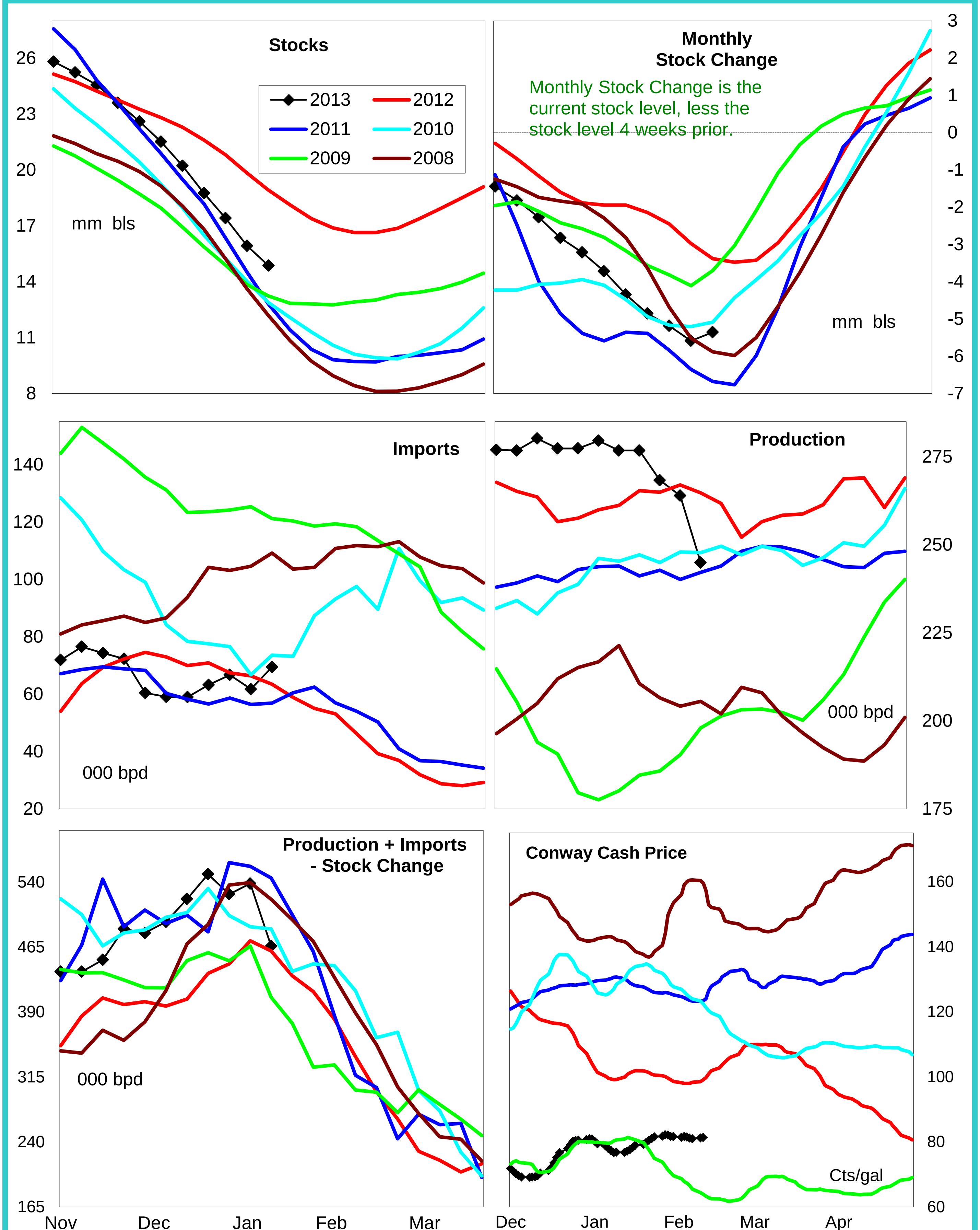
PADD 2 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-4,199	-1,973	3	-3	67
% change	-22.0	58.4	1.1	-4.0	14.7

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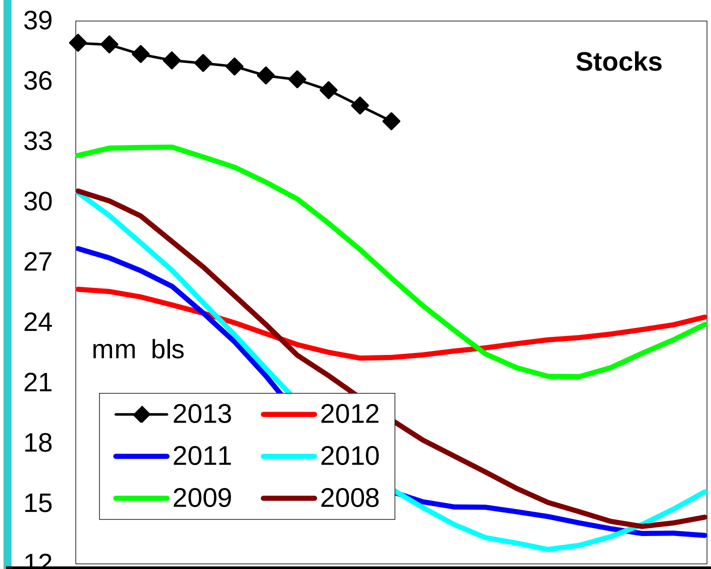
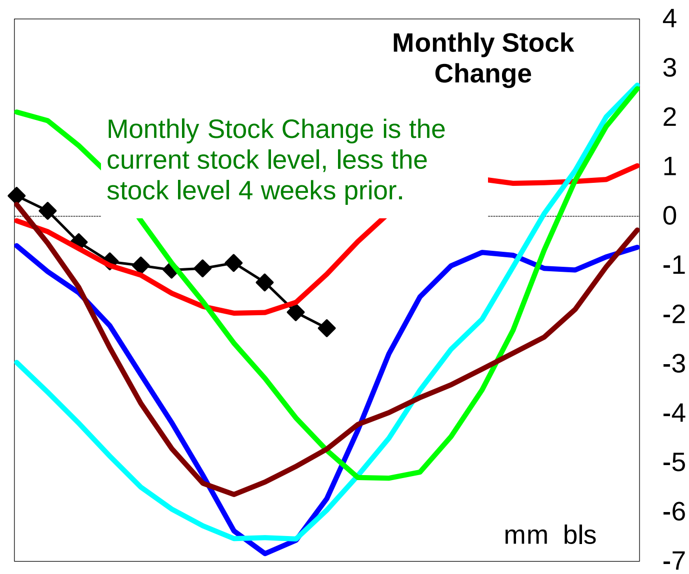
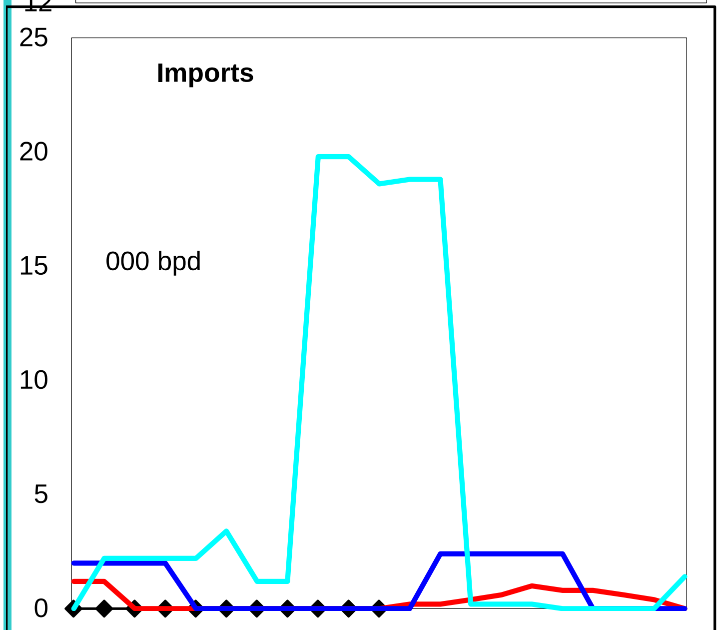
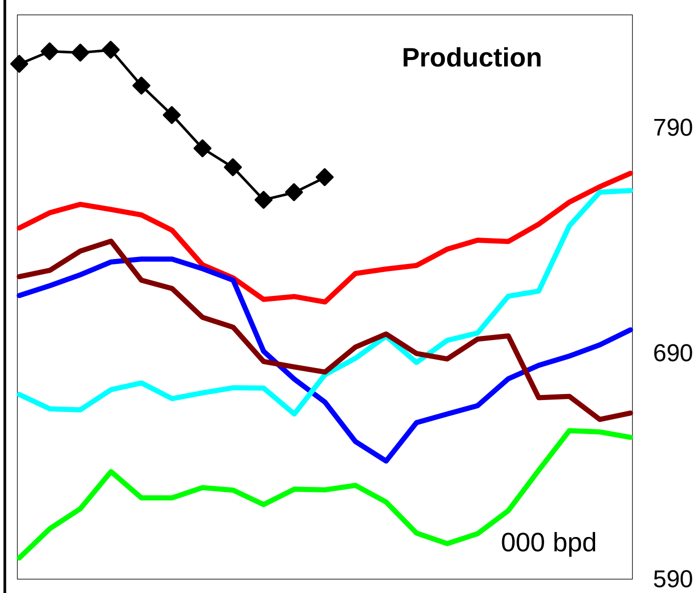
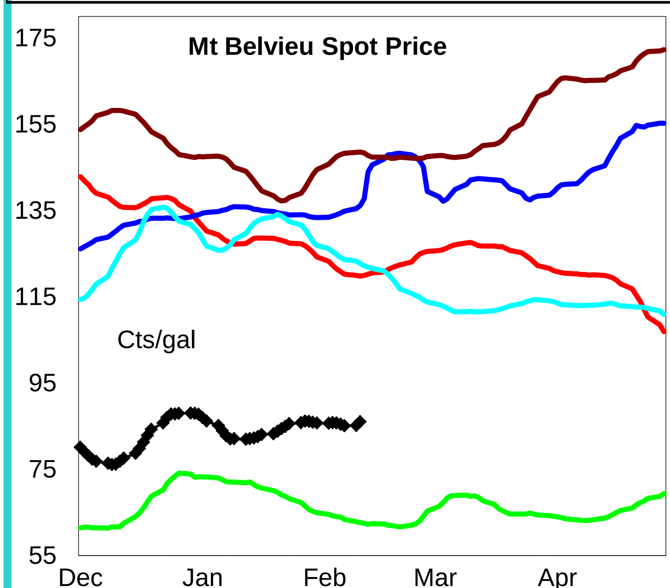
PADD 3 Propane Supply and Demand Balance

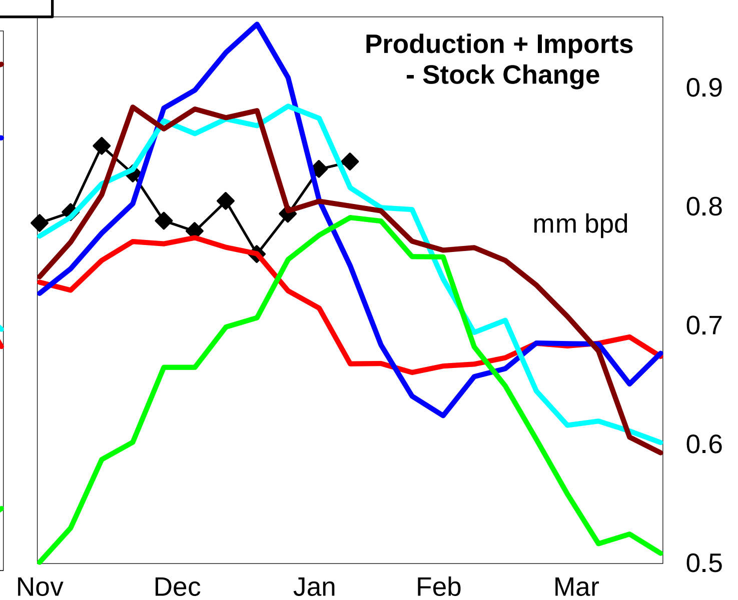






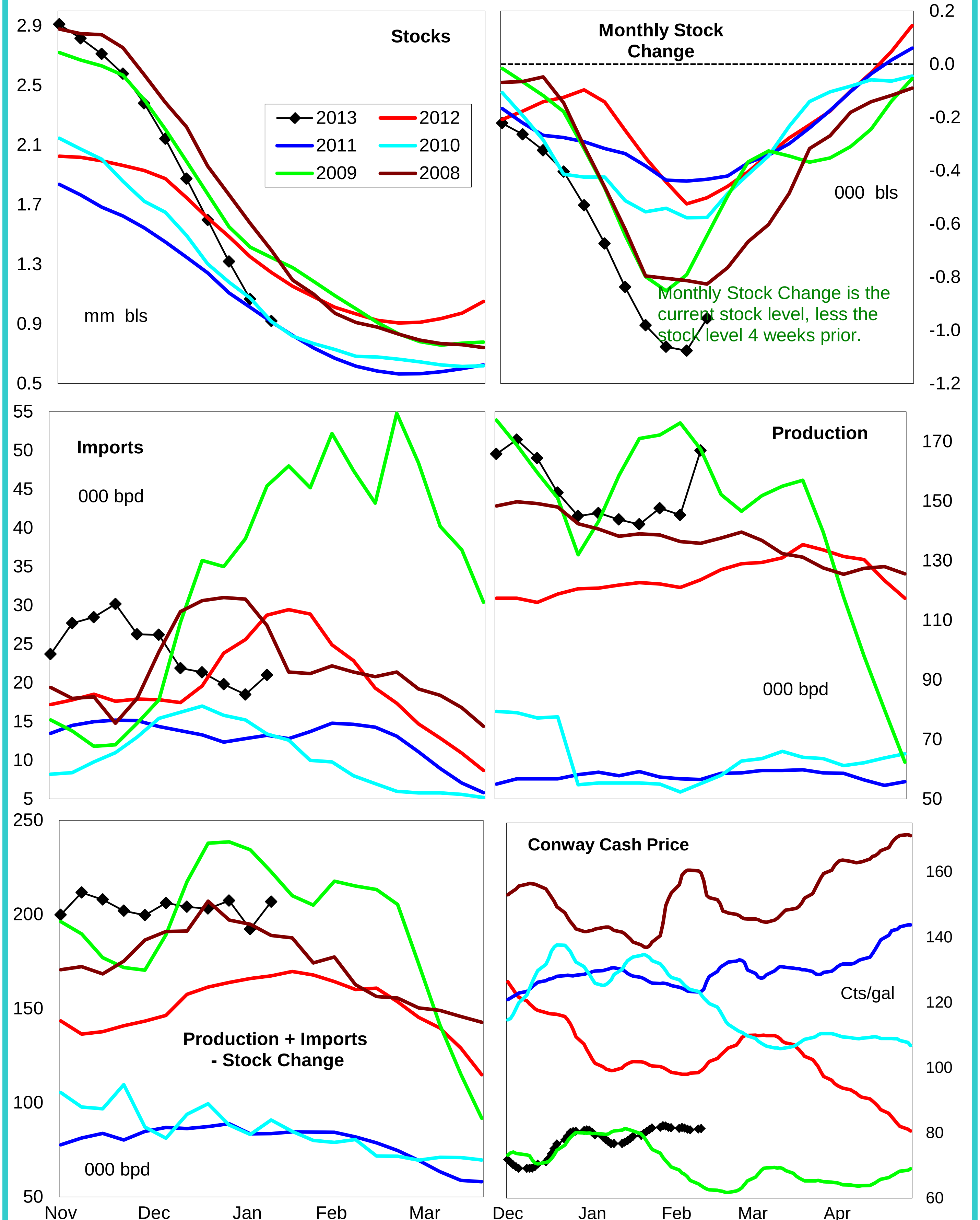






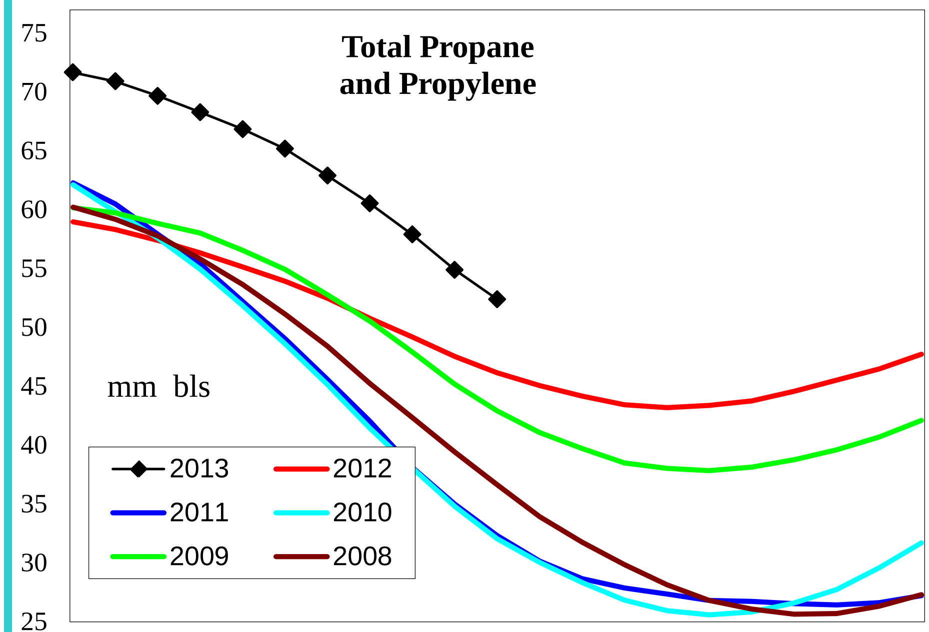
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	11,849	-1,099	38	0	88
% change	53.5	94	5.3	#DIV/0!	11.6

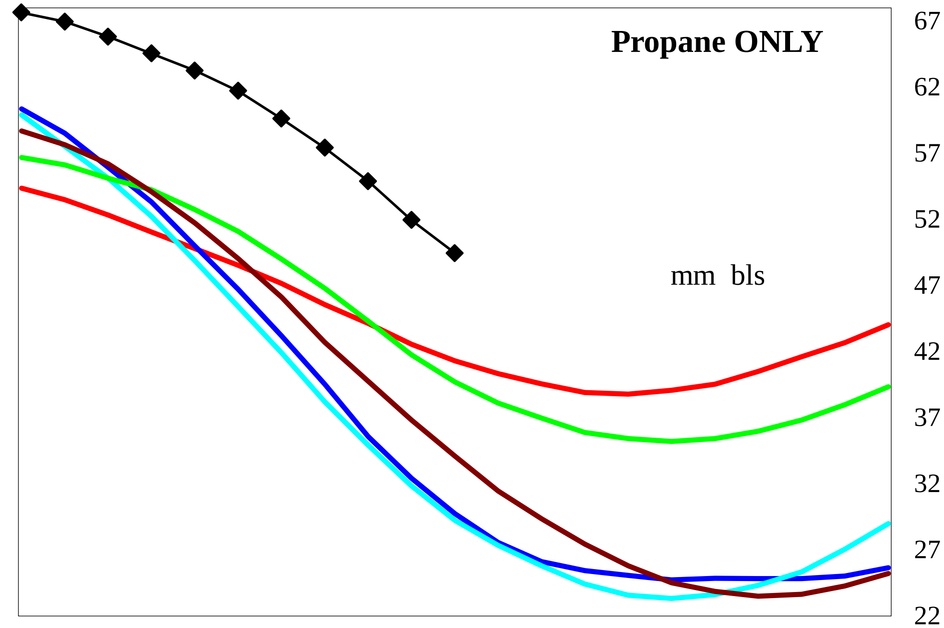
PADDs 4 and 5 Propane Supply and Demand Balance

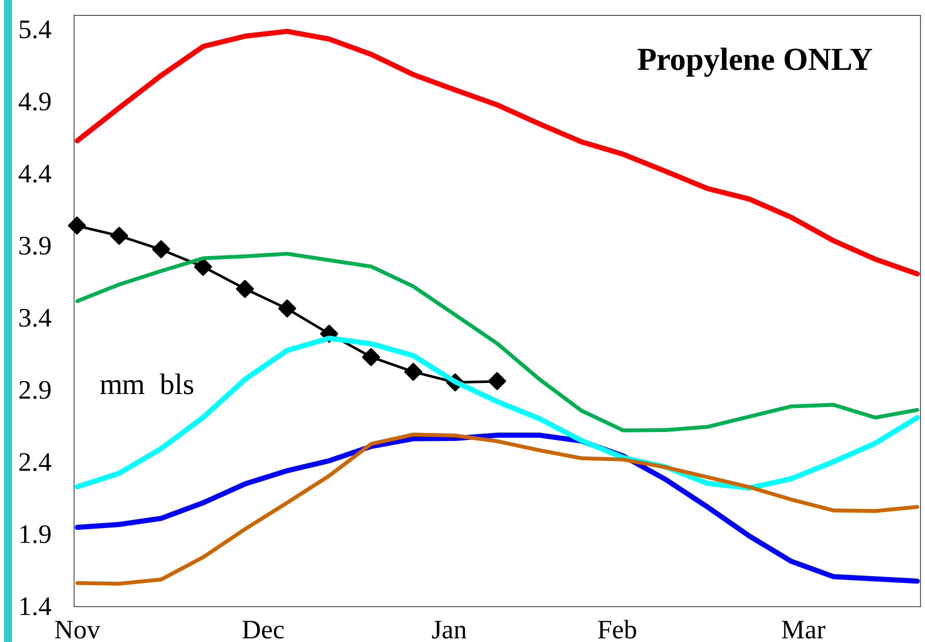


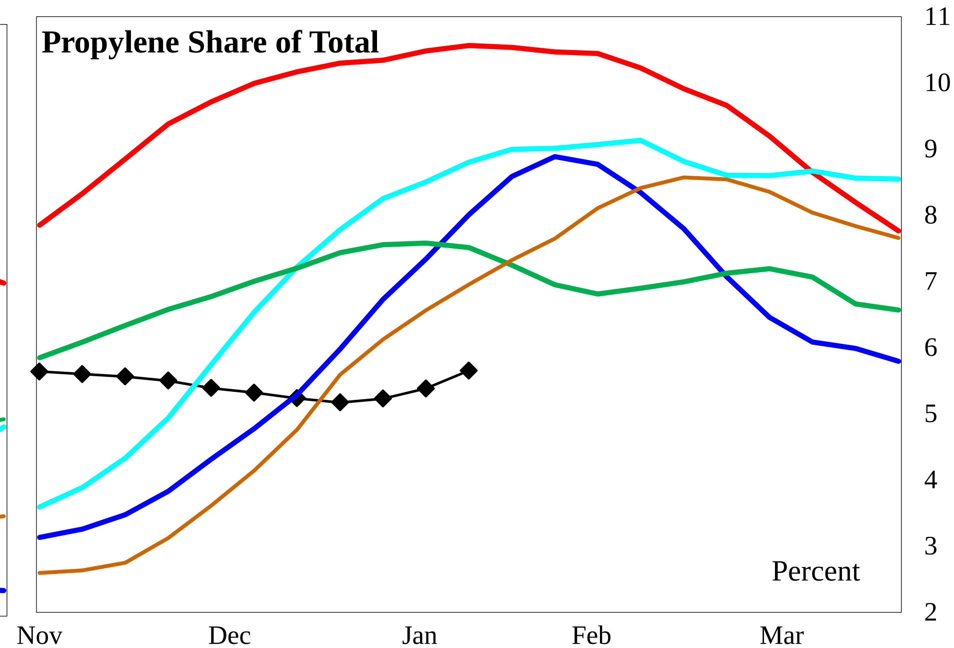
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-315	-454	24	-5	38
% change	-25.5	90.5	20.0	-18.9	22.9

U. S. Propane and Propylene Stocks









Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	5,972	7,942	-1,916
% change	12.9	19.1	-39.3

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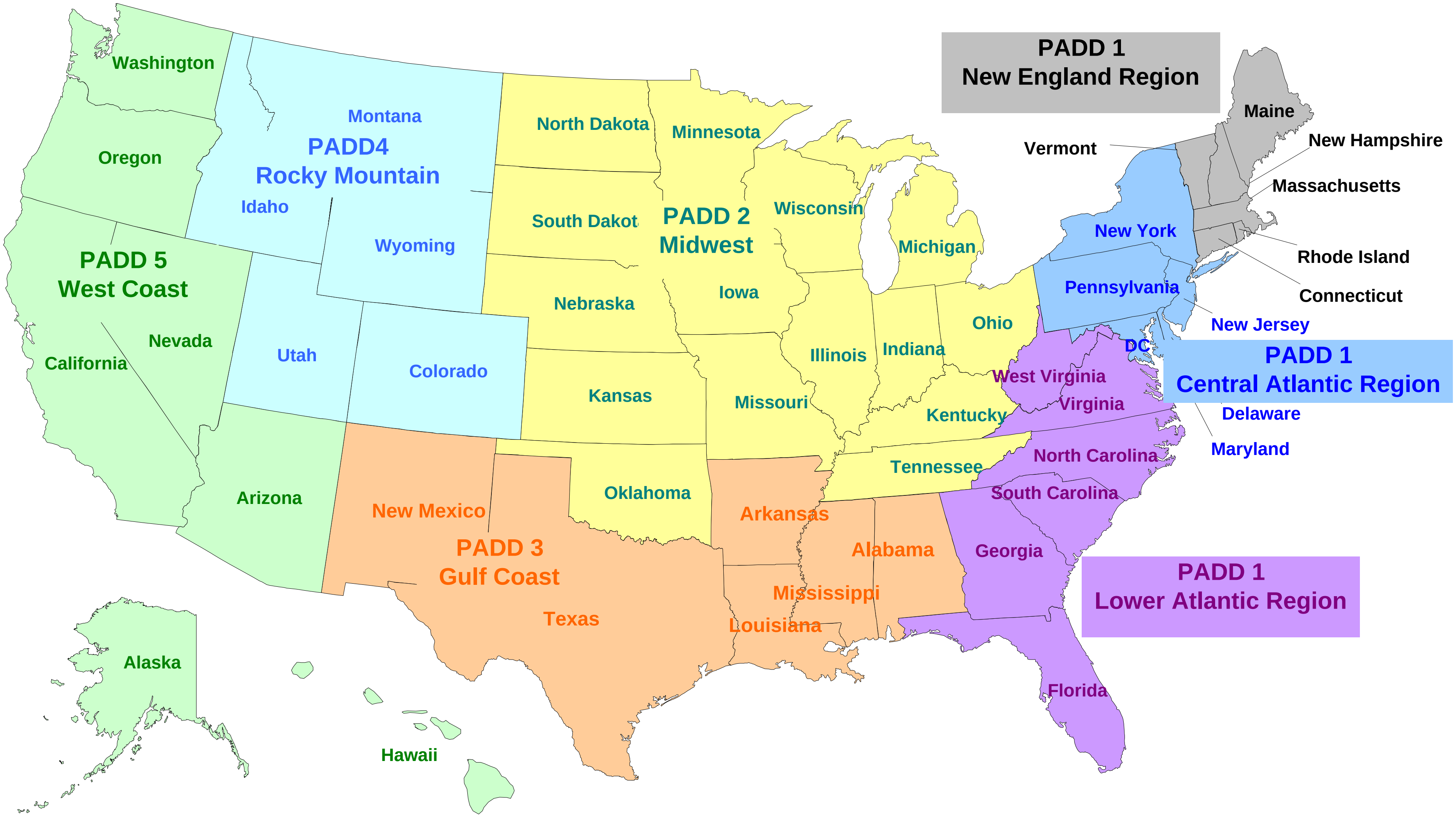
U. S. Petroleum Administrative for Defense Districts (PADDs)



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