FUNDAMENTAL PETROLEUM TRENDS

WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

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Summary[1]: ?

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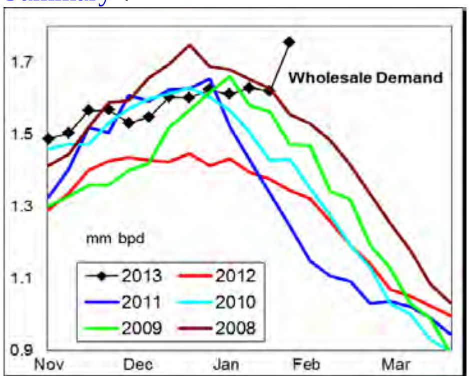
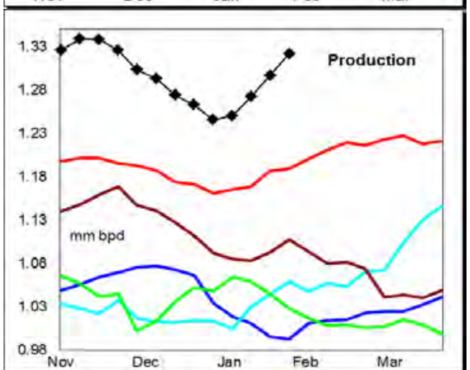
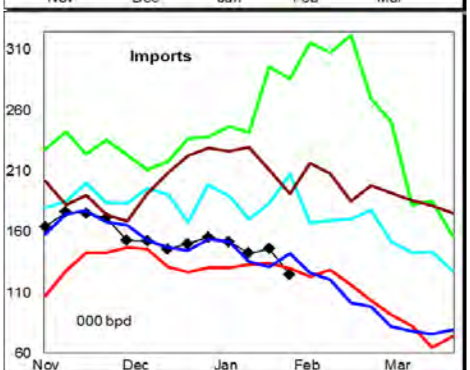
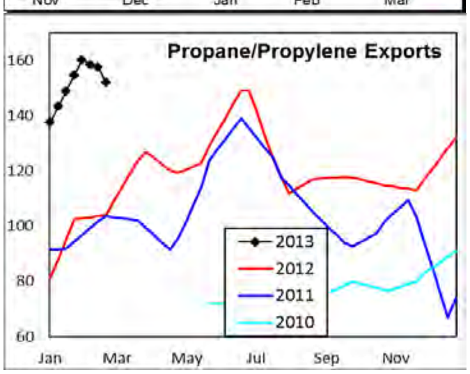


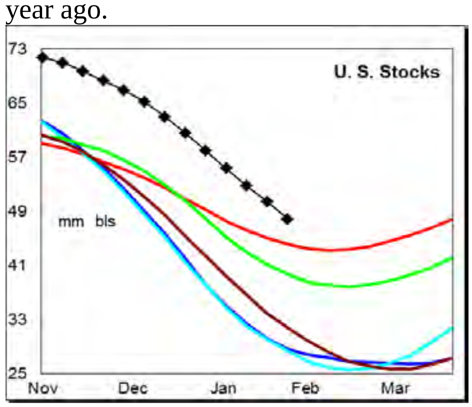






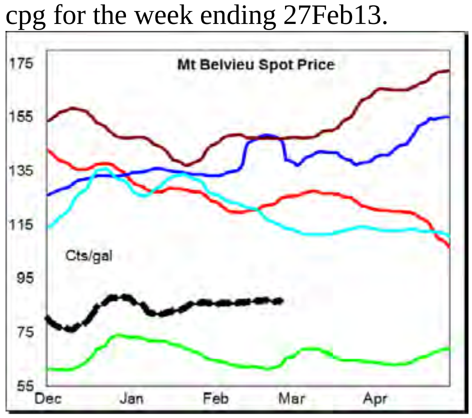
Wholesale demand jumped +265,000 bpd on the week, driven by much colder than normal weather in key heating regions. Production increased +6,000 bpd on the week, while imports declined -18,000 bpd.

Combined production and imports during the latest 4-wk period were +106,000 bpd above a year ago. Production was +100,000 bpd above last year (+8.4%), while imports were +f6,000 bpd higher. The latest 4-wk average demand was +211,000 bpd above last year, +15%. Exports averaged +55,000 bpd (+53%) above a year ago.



Stocks decreased -3.2 million barrels last week, ending the week +4 million barrels above a year ago. The 4-wk stock change was a draw of -9.7 million barrels, near 5-year lows.

Price and Spreads Mt Belvieu and Conway spot prices each decreased -1 cpg for the week ending 27Feb13.



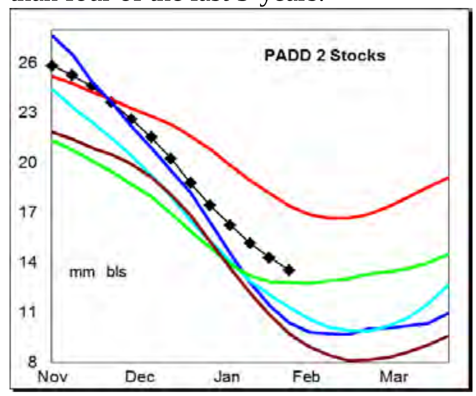
The Conway – Mt Belvieu price spread traded sideways last week, ending the week at -5 cpg.

The propane to natural gas price spread trended lower last week, ending at a level that matched 3-year lows.

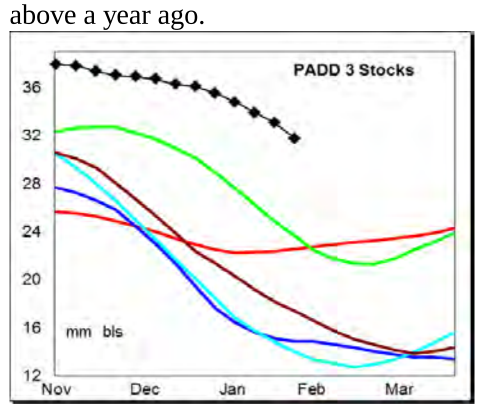
The propane / crude oil price spread trended higher on the week, ending a level slightly above the recent record low.

PADD 1 stocks decreased -0.6 million barrels on the week. Supply decreased -11,000 bpd last week. Supply for the latest 4-wk period was +26,000 bpd above last year.

PADD 2 stocks declined -0.9 million barrels on the week. Supply increased +15,000 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 at a level higher than four of the last 5-years.



PAD 3 stocks decreased -1.6 million barrels last week, with the level +40% above a year ago.



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

Emerging Trends Above normal heating degree days are forecast for the eastern 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 27, 2013

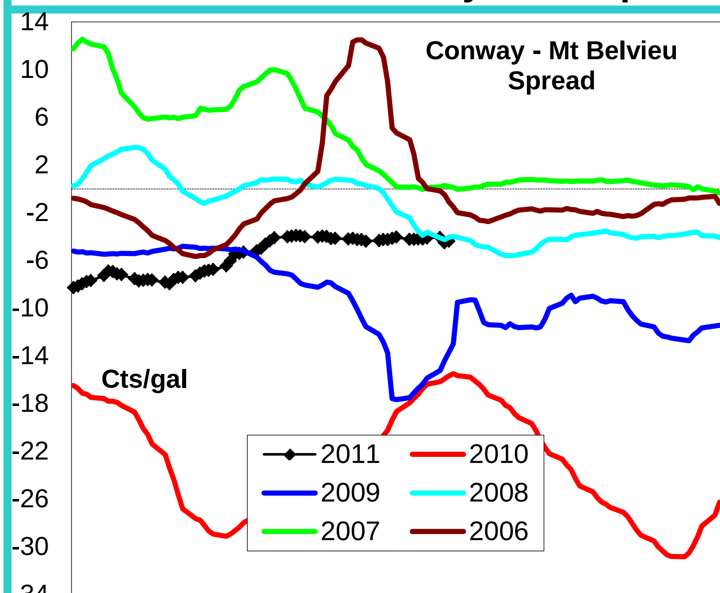
Fundamental Trends for the Week Ending: Friday, February 22, 2013

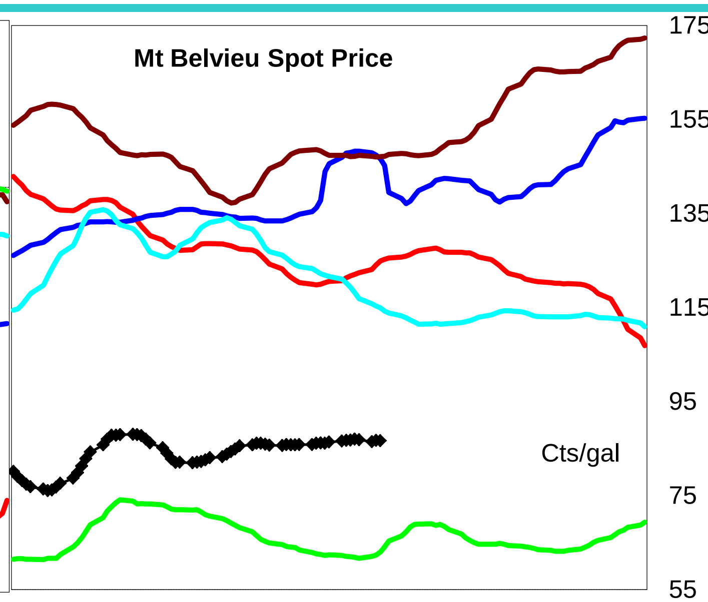
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S.	PADD				U.S.	PADD			
	Total	1	2	3	4&5	Total	1	2	3	4&5
Stocks	47,854	1,780	13,524	31,747	803	-3,222	-552	-926	-1,627	-117
Propylene Stocks	2,957					40				
Production	1,322	76	297	785	164	6	5	10	-7	-2
Imports	125	49	54	0	22	-18	-18	5	0	-4
Whsle Demand	1,755					265				

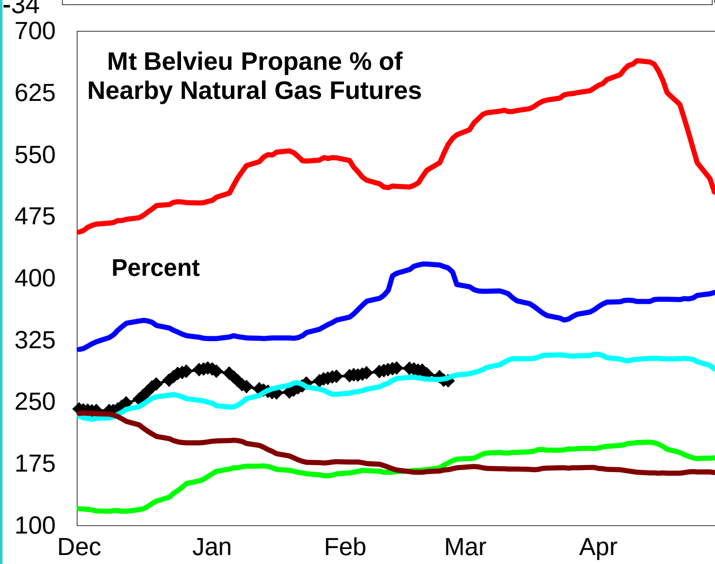
Price Trends for the Week Ending: Thursday, February 28, 2013

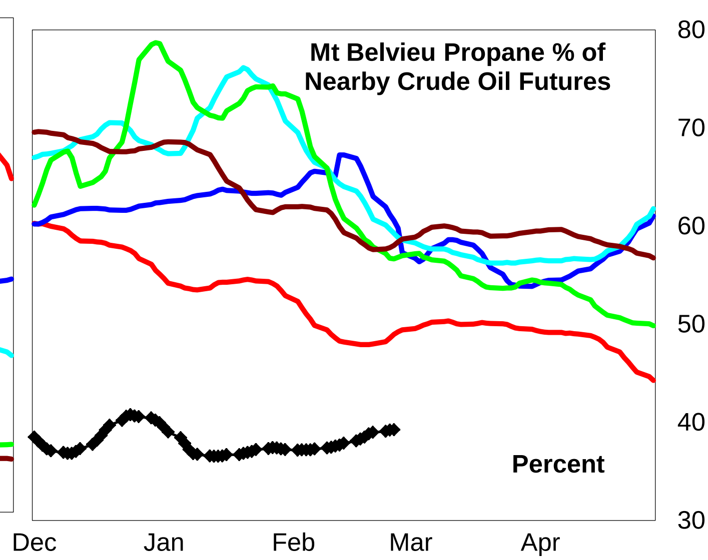
Cents/gal	Average for week ending:				Change from:			% change from:		
	2/28/13	2/21/13	1/31/13	2/27/12	2/21/13	1/31/13	2/27/12	2/21/13	1/31/13	2/27/12
Mont Belvieu Spot	86.5	87.4	85.7	122.8	-0.95	1.70	-37.09	-1.1	2.0	-30.2
Conway Spot	82.4	83.1	81.8	107.8	-0.72	1.30	-26.00	-0.9	1.6	-24.1

Key Price Spreads and Differentials









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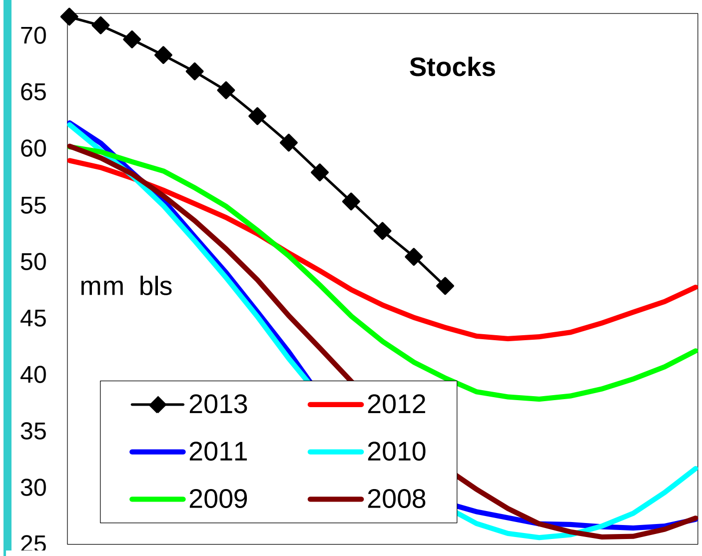
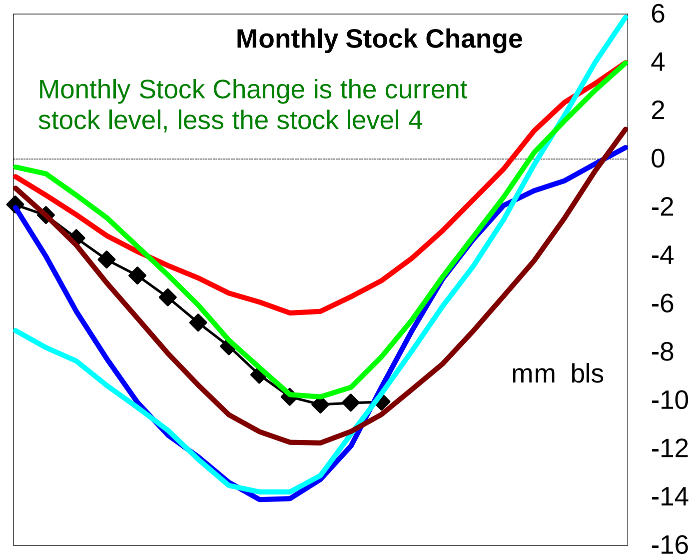
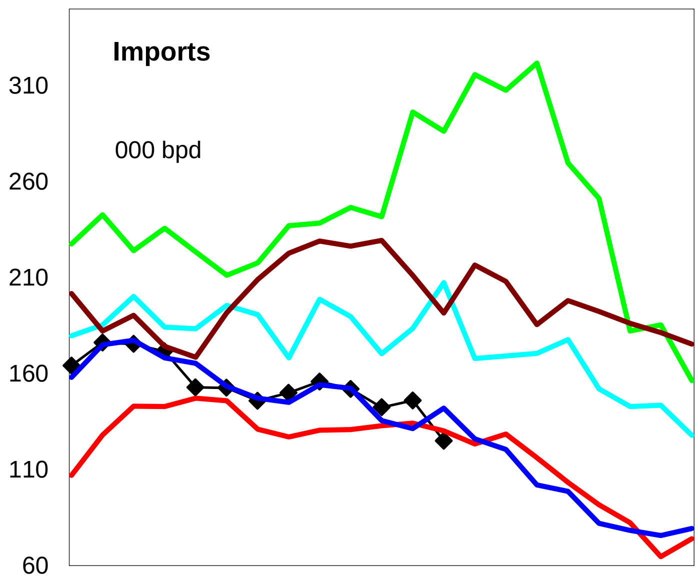
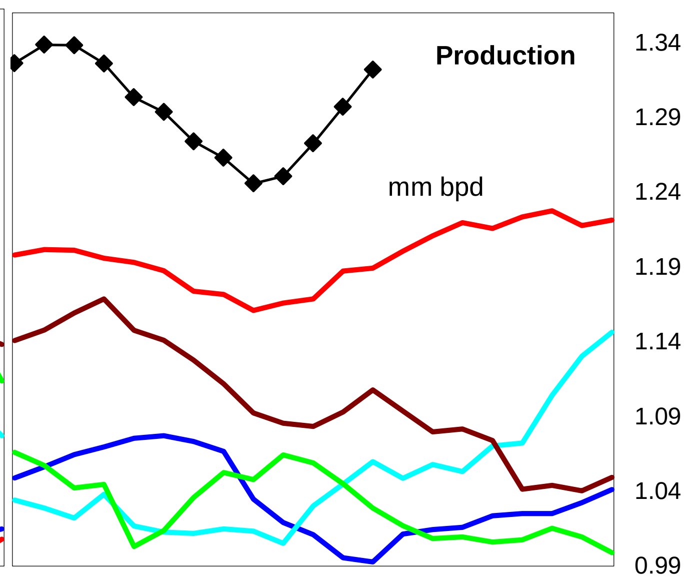
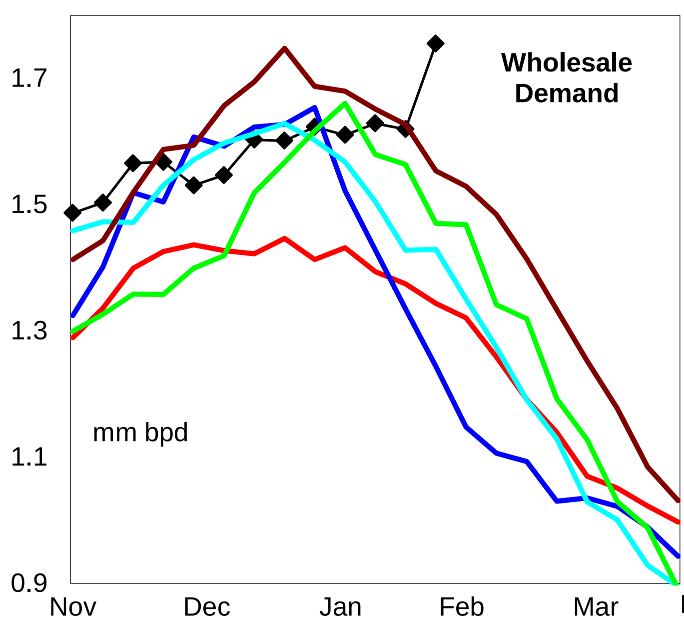
U. S. Propane Supply and Demand Balance

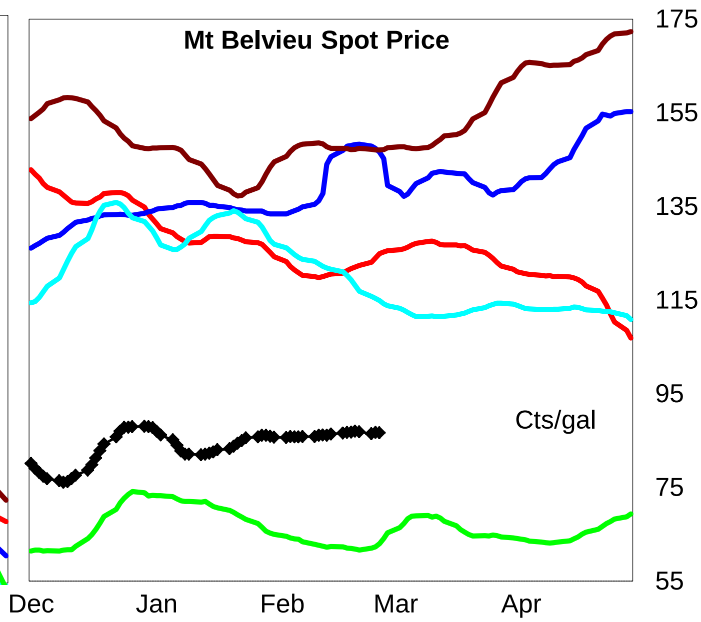






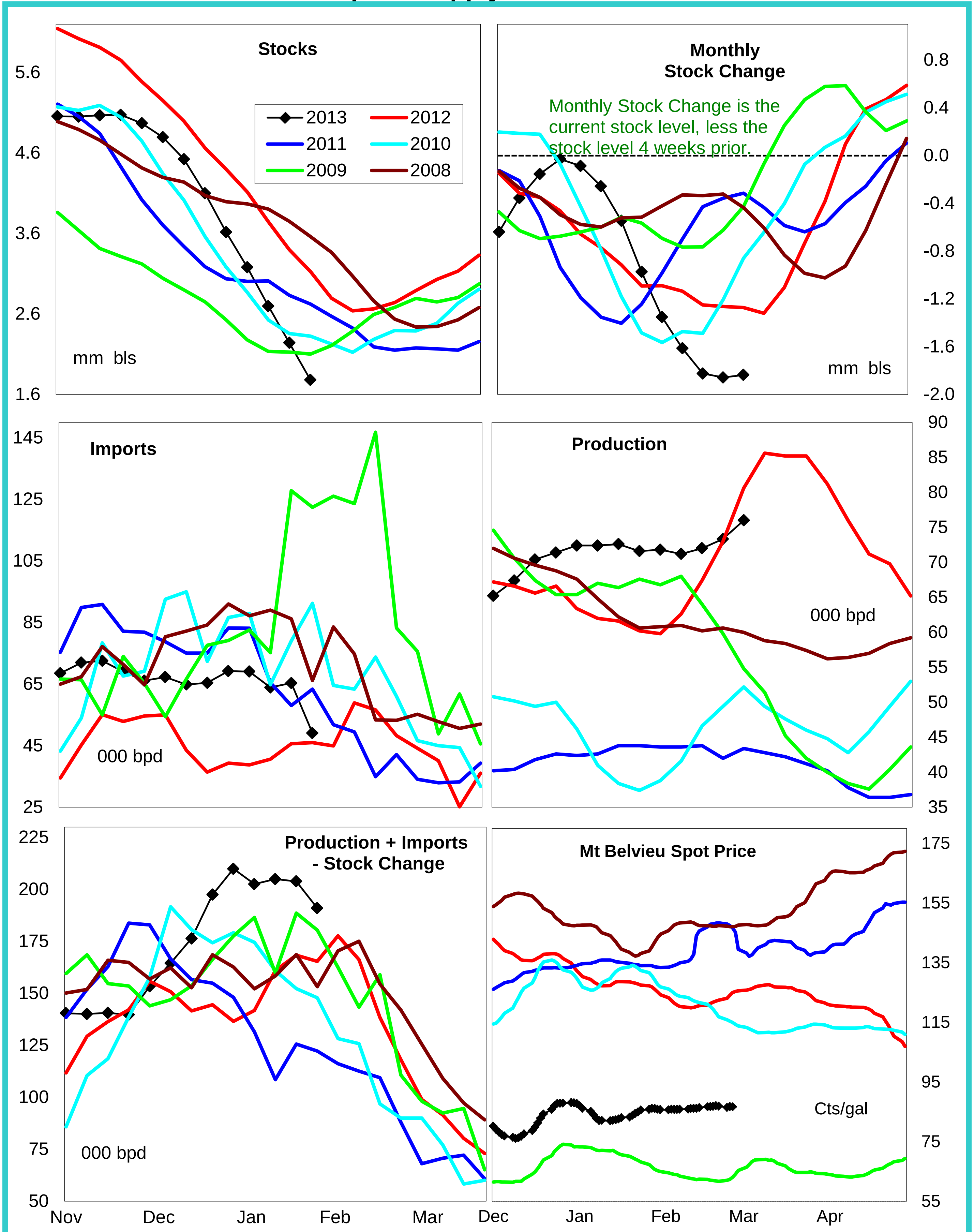






4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Jan	Dec	Nov
000 bpd (000 bls stks)	3,954	-5,022	100	6		211	220	67	-34
% change	9.0	100	8.4	4.0		15.1	15.6	4.6	-2.6

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)	-1,167	-564	4	22	41
% change	-39.6	44.3	5.1	50.4	26.1

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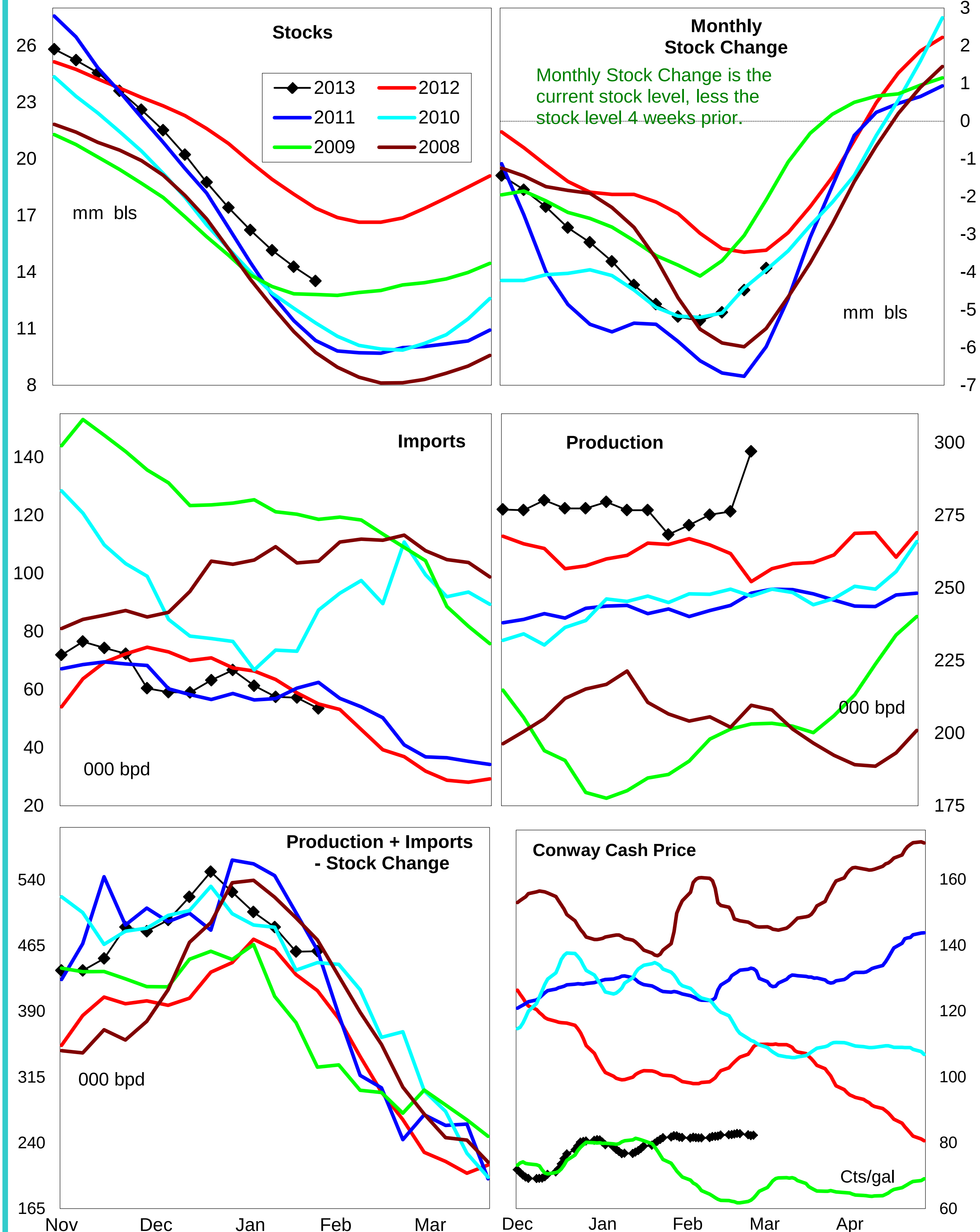
PADD 2 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-3,676	-473	11	-6	32
% change	-21.4	13.8	4.0	-10.0	7.2

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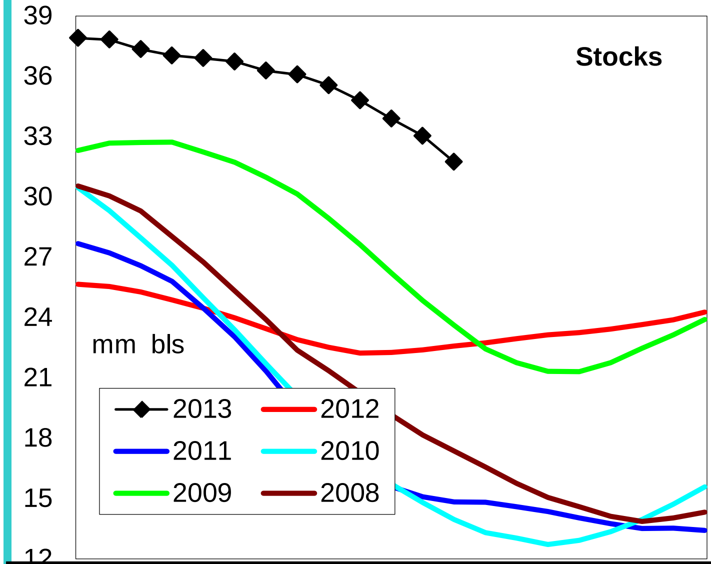
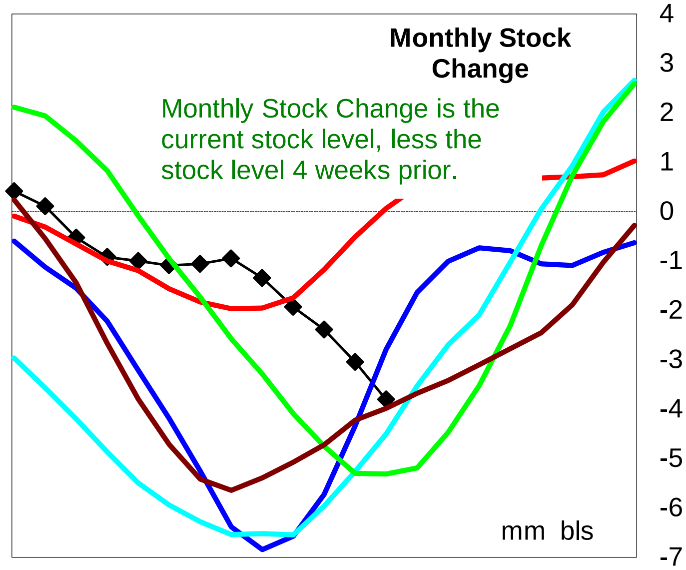
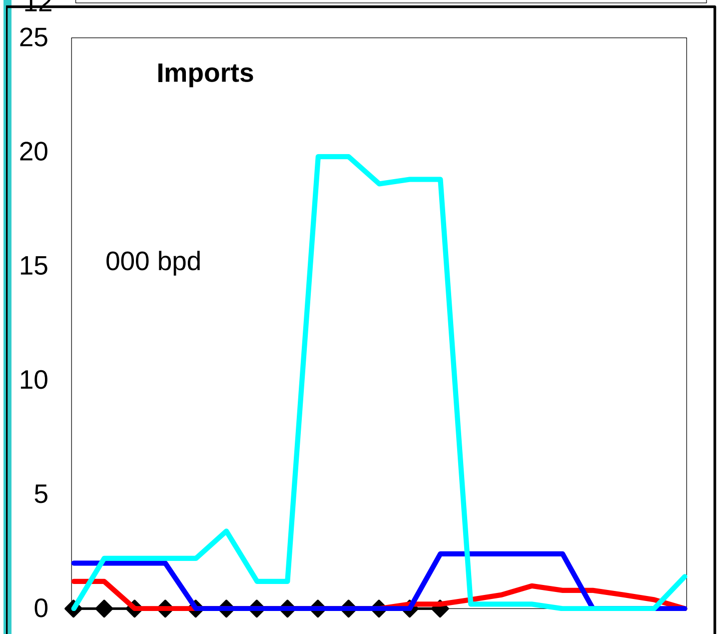
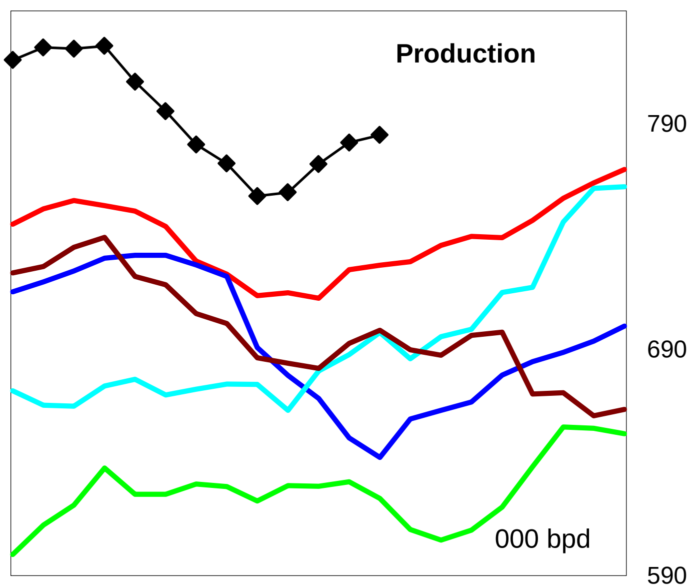
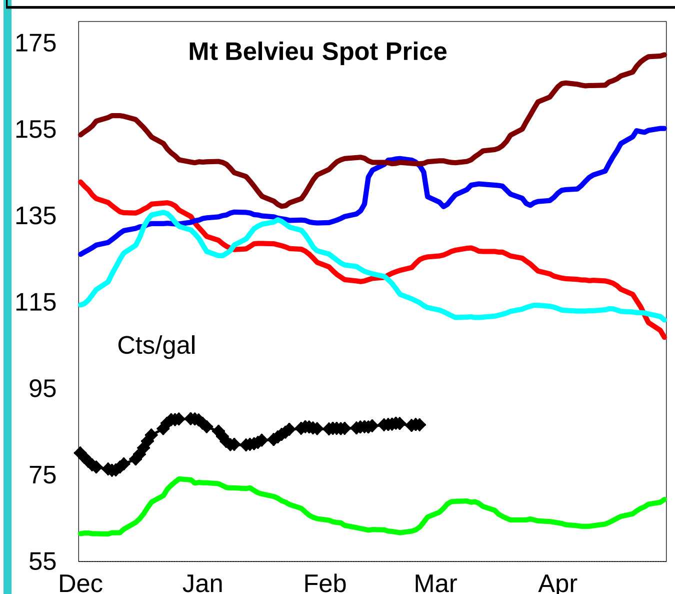
PADD 3 Propane Supply and Demand Balance

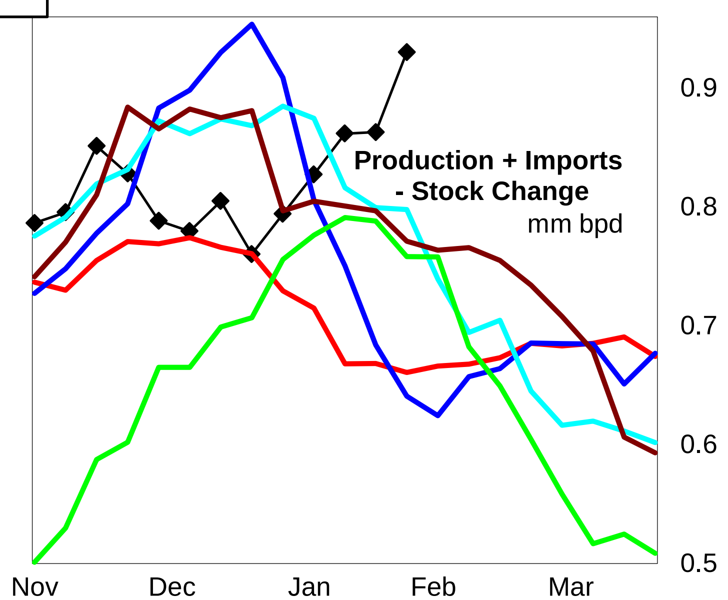






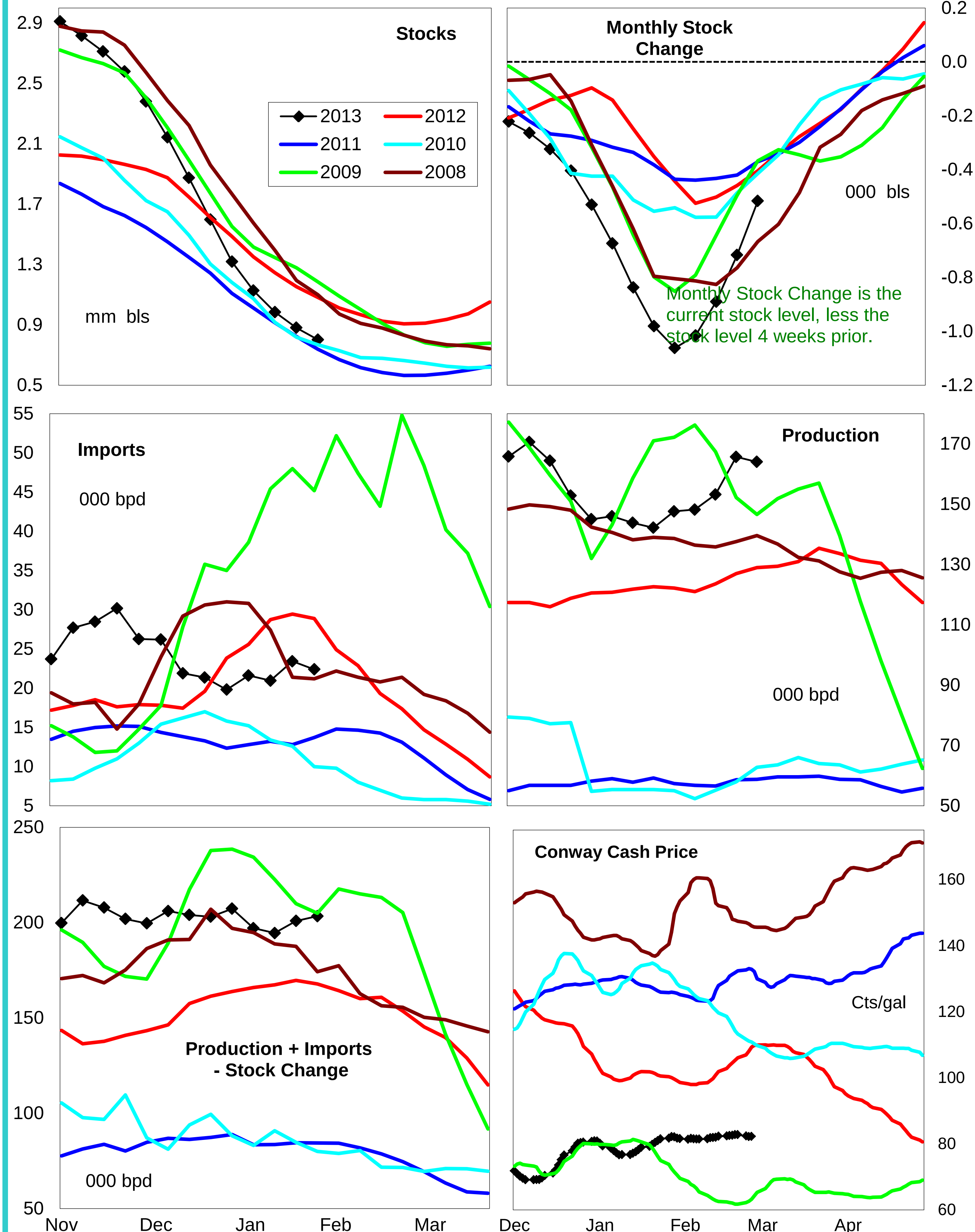






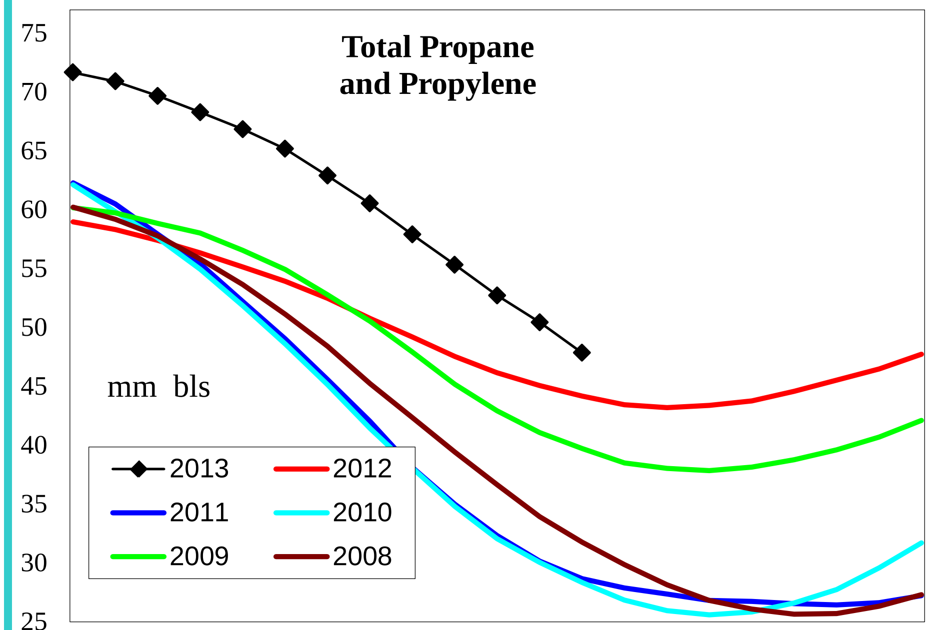
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	9,073	-3,873	55	0	193
% change	40.0	-5,959	7.6	#DIV/0!	26.8

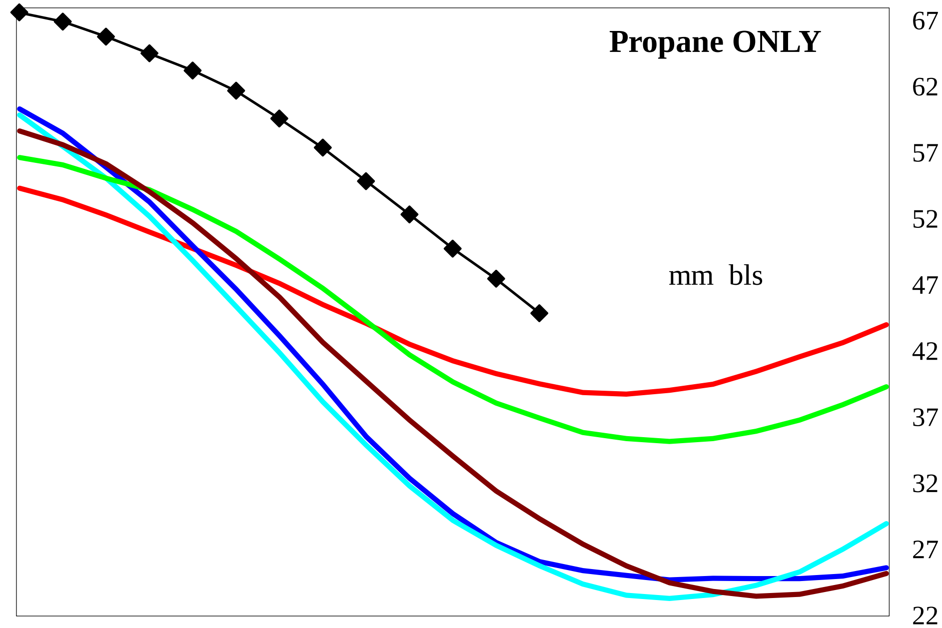
PADDs 4 and 5 Propane Supply and Demand Balance

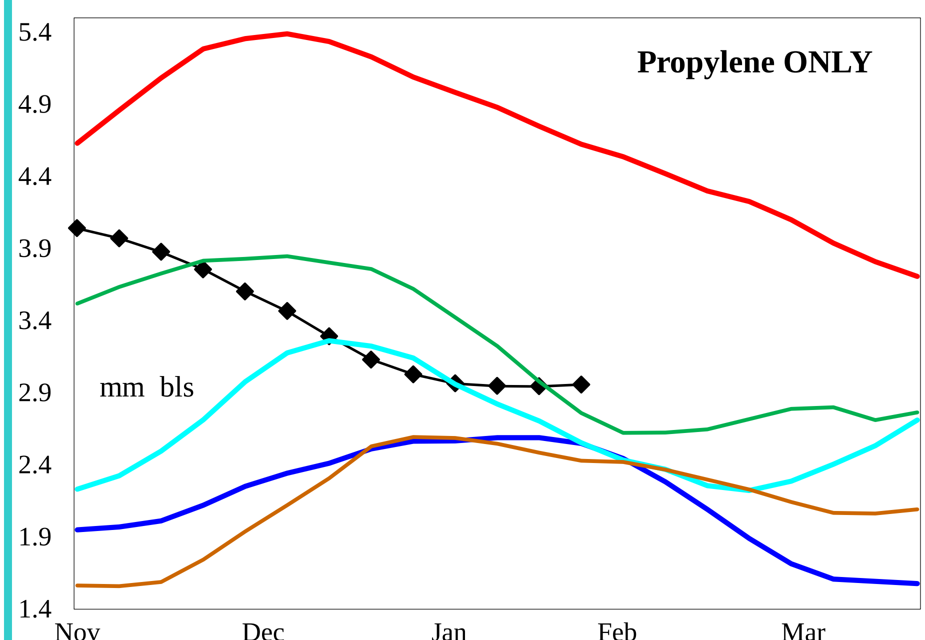


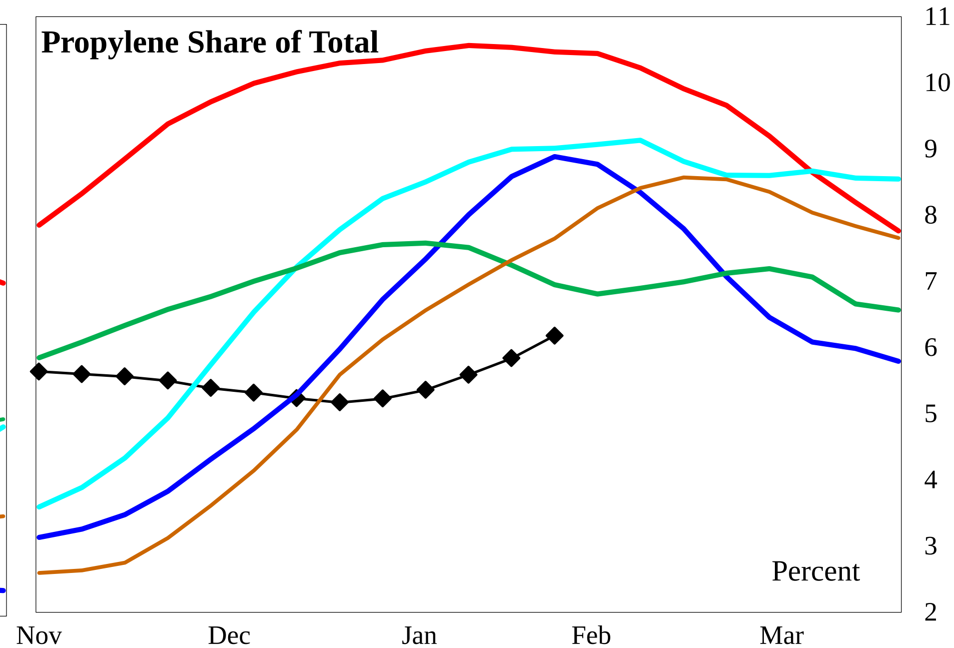
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-276	-112	30	-10	31
% change	-25.6	27.8	24.1	-31.2	18.6

U. S. Propane and Propylene Stocks









Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	3,954	5,729	-1,667
% change	9.0	14.6	-36.1

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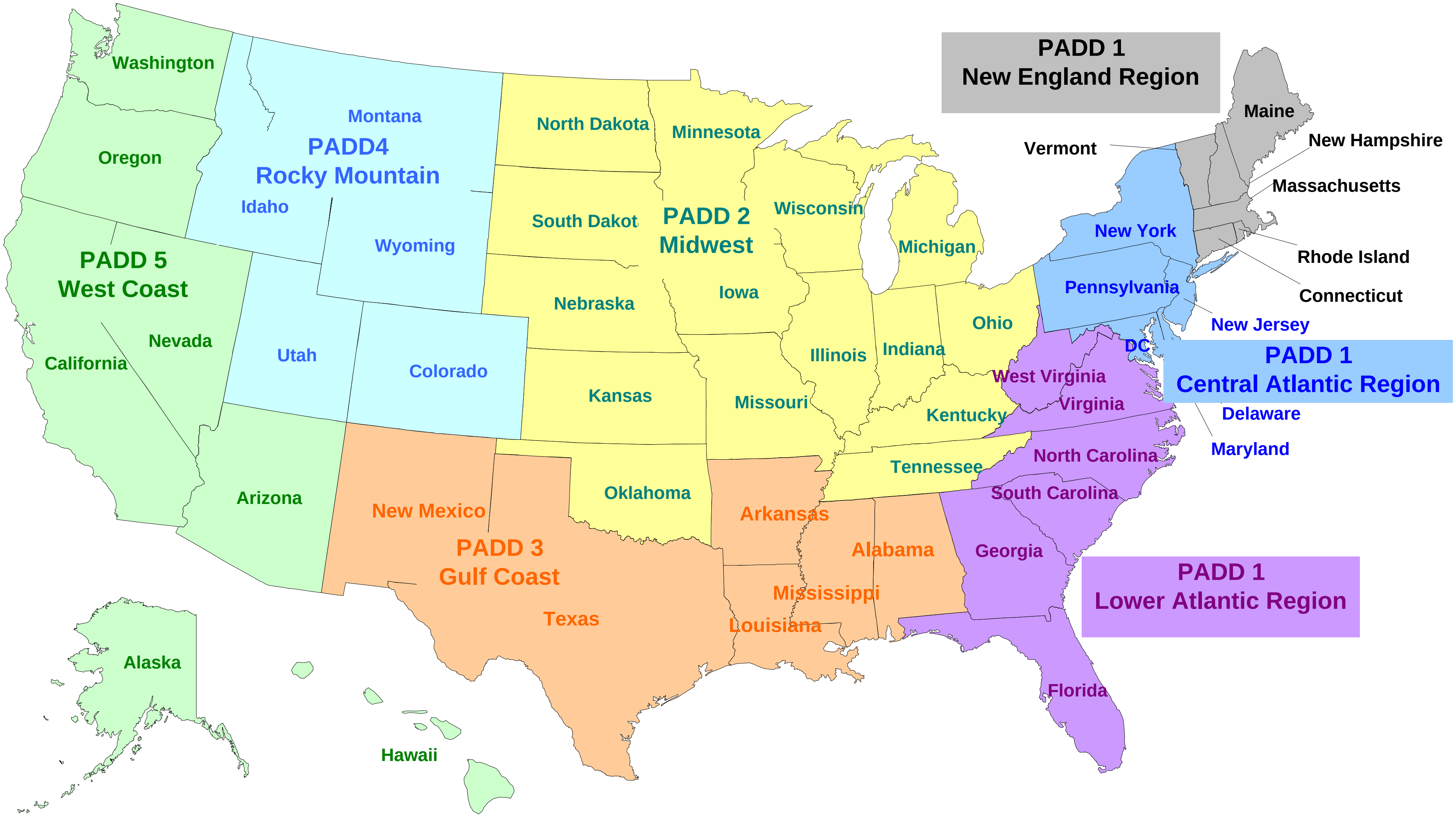
U. S. Petroleum Administrative for Defense Districts (PADDs)



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