FUNDAMENTAL PETROLEUM TRENDS

# WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

## A Fundamental Petroleum Trends Weekly Report

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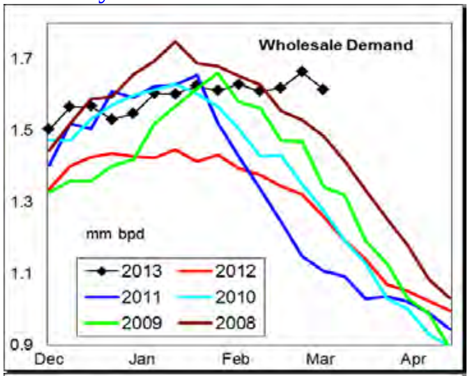
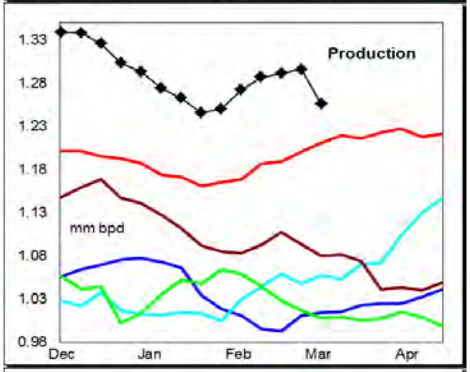
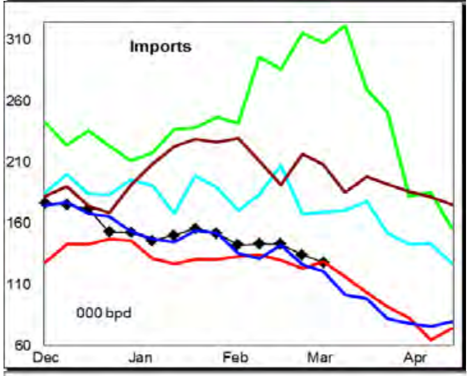
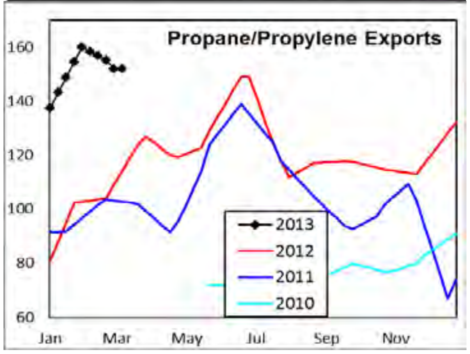


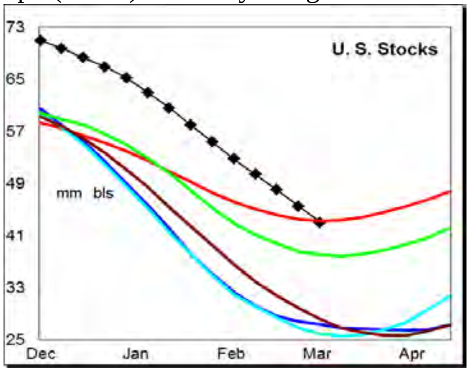



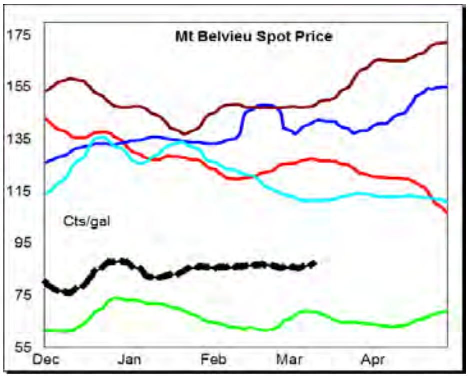

Wholesale demand was nearly unchanged on the week, at a record high for the period. Production decreased -54,000 bpd on the week, while imports also were lower by -21,000 bpd.

Combined production and imports during the latest 4-wk period were +116,000 bpd above a year ago. Production was +108,000 bpd above last year (+9%), while imports were +8,000 bpd higher. The latest 4-wk average demand was +250,000 bpd above last year, +18%. Exports averaged +50,000 bpd (+48%) above a year ago.




Stocks decreased -2.7 million barrels last week, ending the week at a level equal to last years' record high. The 4-wk stock change was a draw of -9.7 million barrels, a record draw for this time of year.

Price and Spreads Mt Belvieu prices increased 2.5 cpg for the week ending 12Mar13 while Conway saw a similar increase for the week.



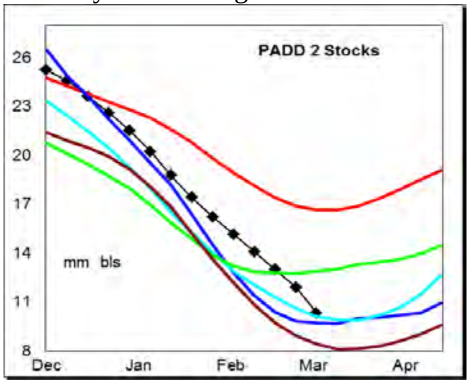

The Conway – Mt Belvieu price spread trended modestly lower last week, ending the week at -5 cpg.

The propane to natural gas price spread trended lower last week, ending at a level below the last 3-years.

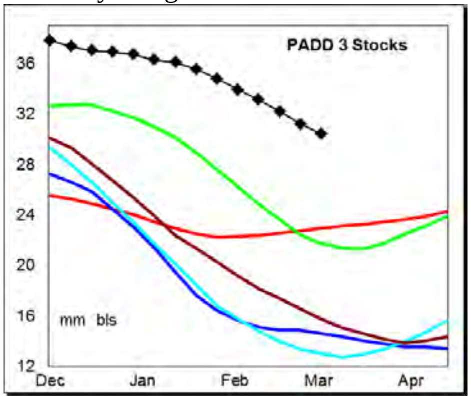
The propane / crude oil price spread trended higher on the week, ending a level slightly above the recent record low.

PADD 1 stocks decreased -0.1 million barrels on the week. Supply decreased -4,000 bpd last week. Supply for the latest 4-wk period was +4,000 bpd above last year.

PADD 2 stocks declined -1.6 million barrels on the week. Supply fell -25,000 bpd on the week, due to lower production. The latest 4-wk supply was +27,000 bpd above a year ago. Stock levels ended the week at a level near the latest 3-year mid range.




PAD 3 stocks decreased -1 million barrels last week, with the level +34% above a year ago.




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

**Emerging Trends** Much above normal heating degree days are forecast for key heating markets during the next 10-days. High heating demand should support prices in the near term, although above ample 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

March 13, 2013

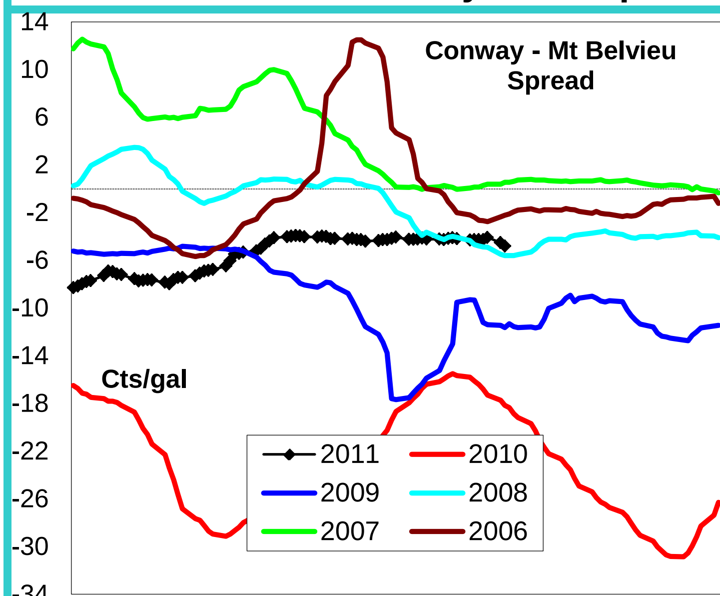
## Fundamental Trends for the Week Ending: Friday, March 08, 2013

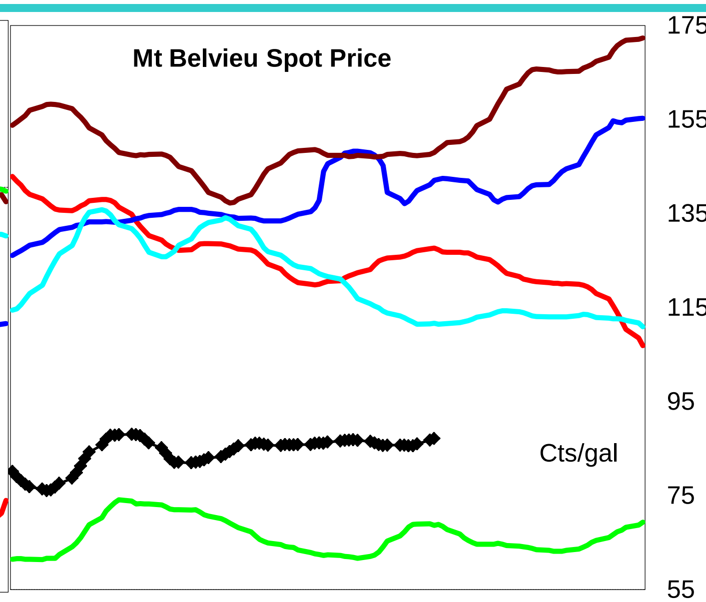
| 000 bpd Stocks 000 bls | Weekly Supply-Demand U.S. Total | PADD 1 | PADD 2 | PADD 3 | PADD 4&5 | Change from prior week: U.S. Total | PADD 1 | PADD 2 | PADD 3 | PADD 4&5 |
|---|---|---|---|---|---|---|---|---|---|---|
| Stocks | 43,000 | 1,605 | 10,312 | 30,427 | 656 | -2,672 | -81 | -1,561 | -950 | -80 |
| Propylene Stocks | 3,057 | | | | | 94 | | | | |
| Production | 1,256 | 72 | 266 | 779 | 139 | -54 | -6 | 11 | -25 | -34 |
| Imports | 128 | 62 | 54 | 0 | 12 | -21 | -1 | -16 | 0 | -5 |
| Whsle Demand | 1,614 | | | | | -5 | | | | |

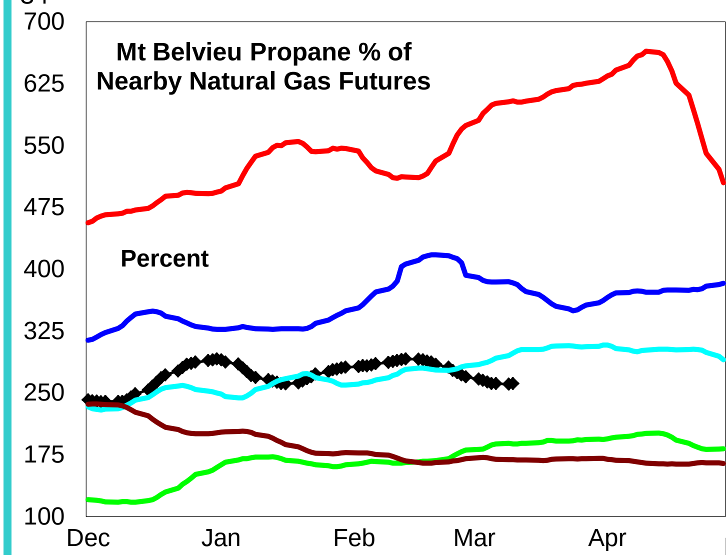
## Price Trends for the Week Ending: Tuesday, March 12, 2013

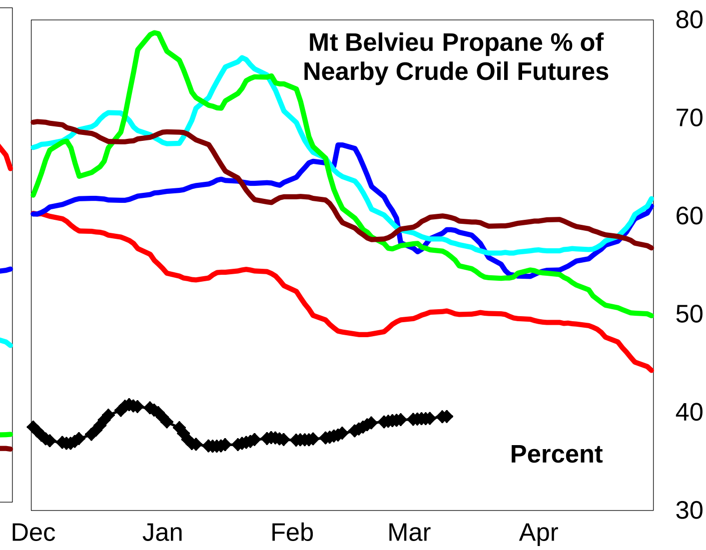
| Cents/gal | Average for week ending: 3/12/13 | 3/5/13 | 2/12/13 | 3/8/12 | Change from: 3/5/13 | 2/12/13 | 3/8/12 | % change from: 3/5/13 | 2/12/13 | 3/8/12 |
|---|---|---|---|---|---|---|---|---|---|---|
| Mont Belvieu Spot | 86.0 | 85.3 | 85.1 | 127.5 | 0.66 | 0.24 | -42.38 | 0.8 | 0.3 | -33.2 |
| Conway Spot | 81.9 | 80.9 | 80.9 | 110.7 | 1.07 | -0.07 | -29.80 | 1.3 | -0.1 | -26.9 |

## Key Price Spreads and Differentials



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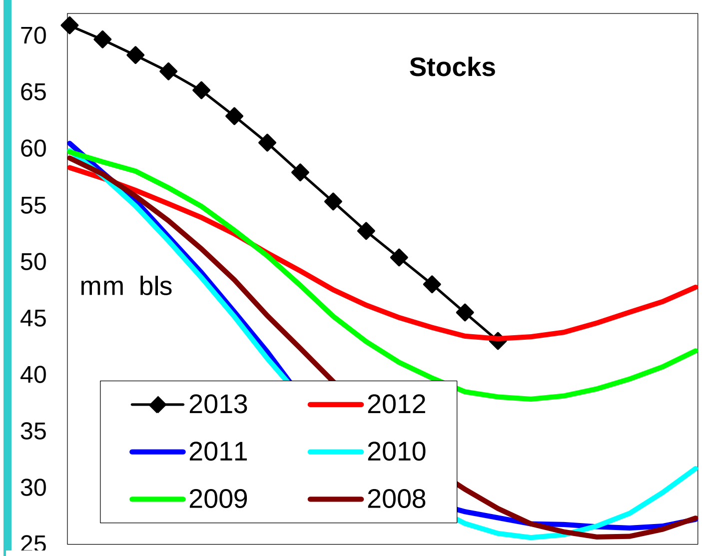
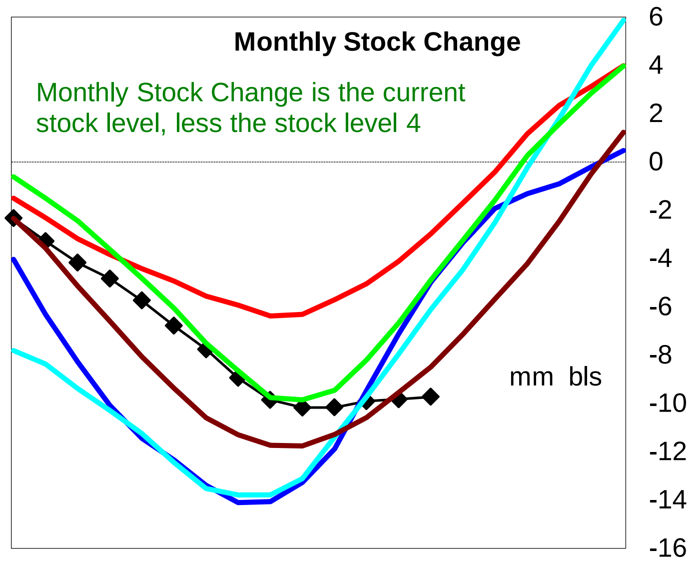
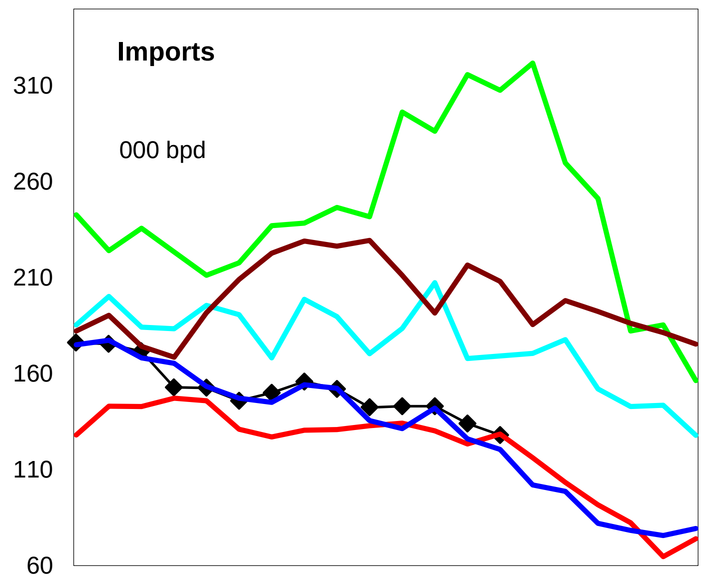
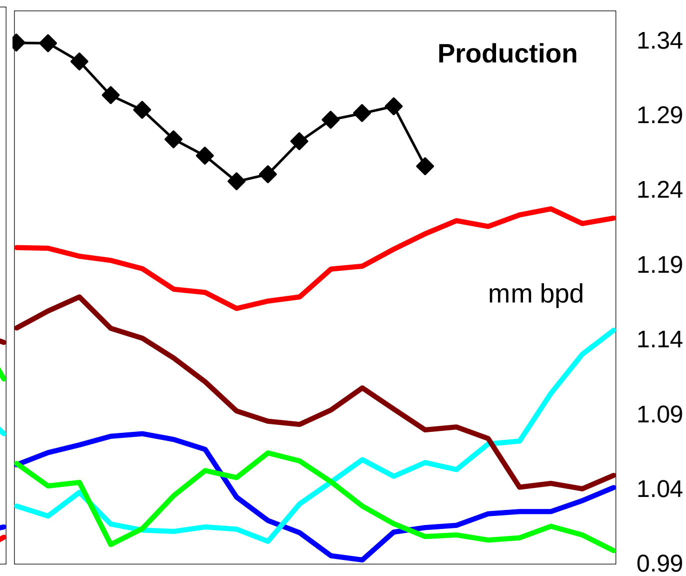
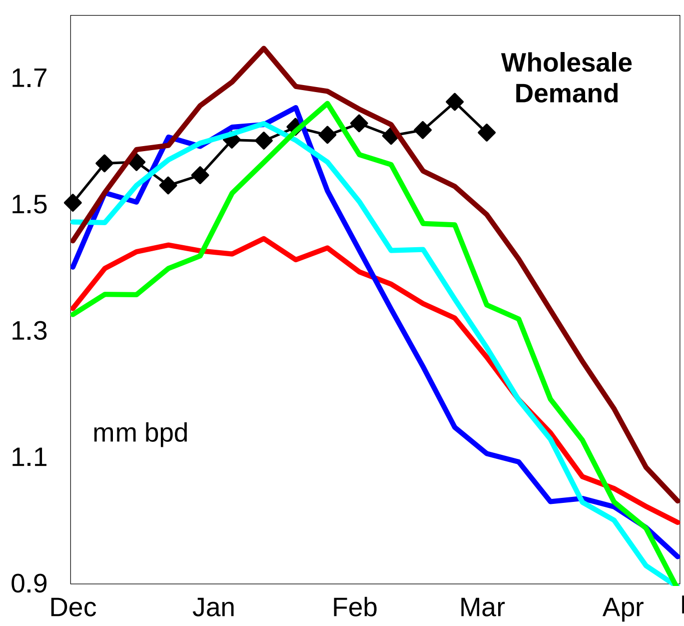
# U. S. Propane Supply and Demand Balance

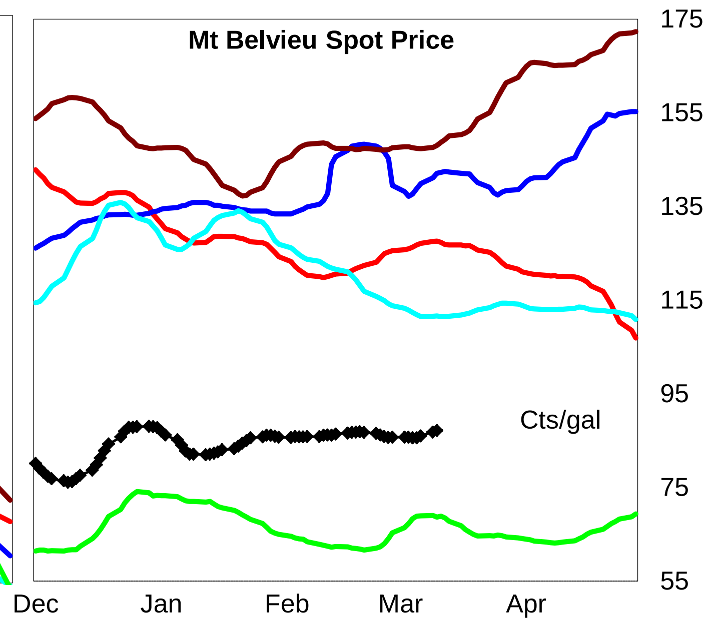



| 4 wk avg variance prior year | Stocks | 4wk stk | Prod | Imports | Demand | 4wk avg | Feb | Jan | Dec |
|---|---|---|---|---|---|---|---|---|---|
| 000 bpd (000 bls stks) | 813 | -6,756 | 108 | 8 | | 250 | 277 | 220 | 67 |
| % change | 1.9 | 227 | 9.0 | 6.0 | | 18.3 | 20.6 | 15.6 | 4.6 |



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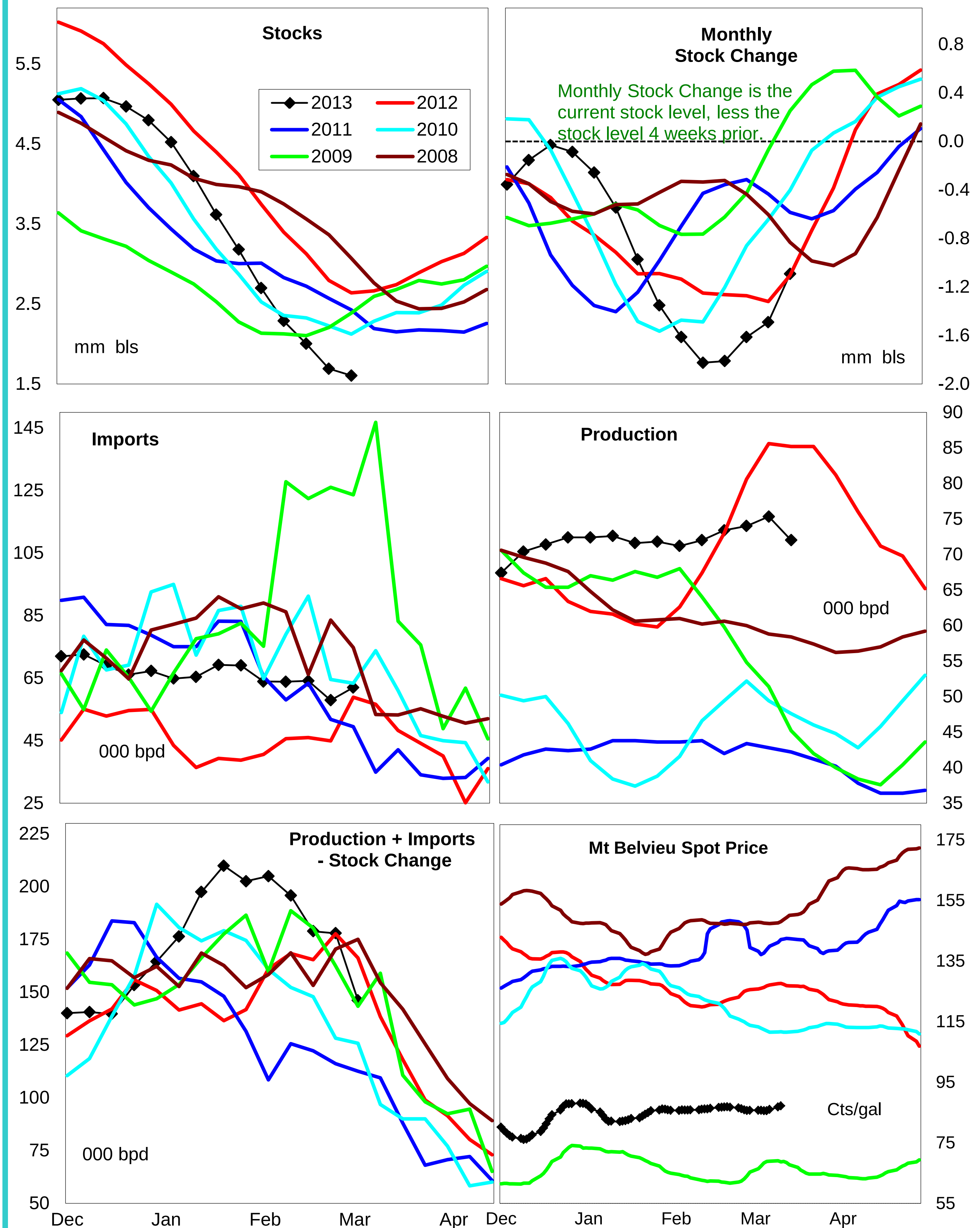
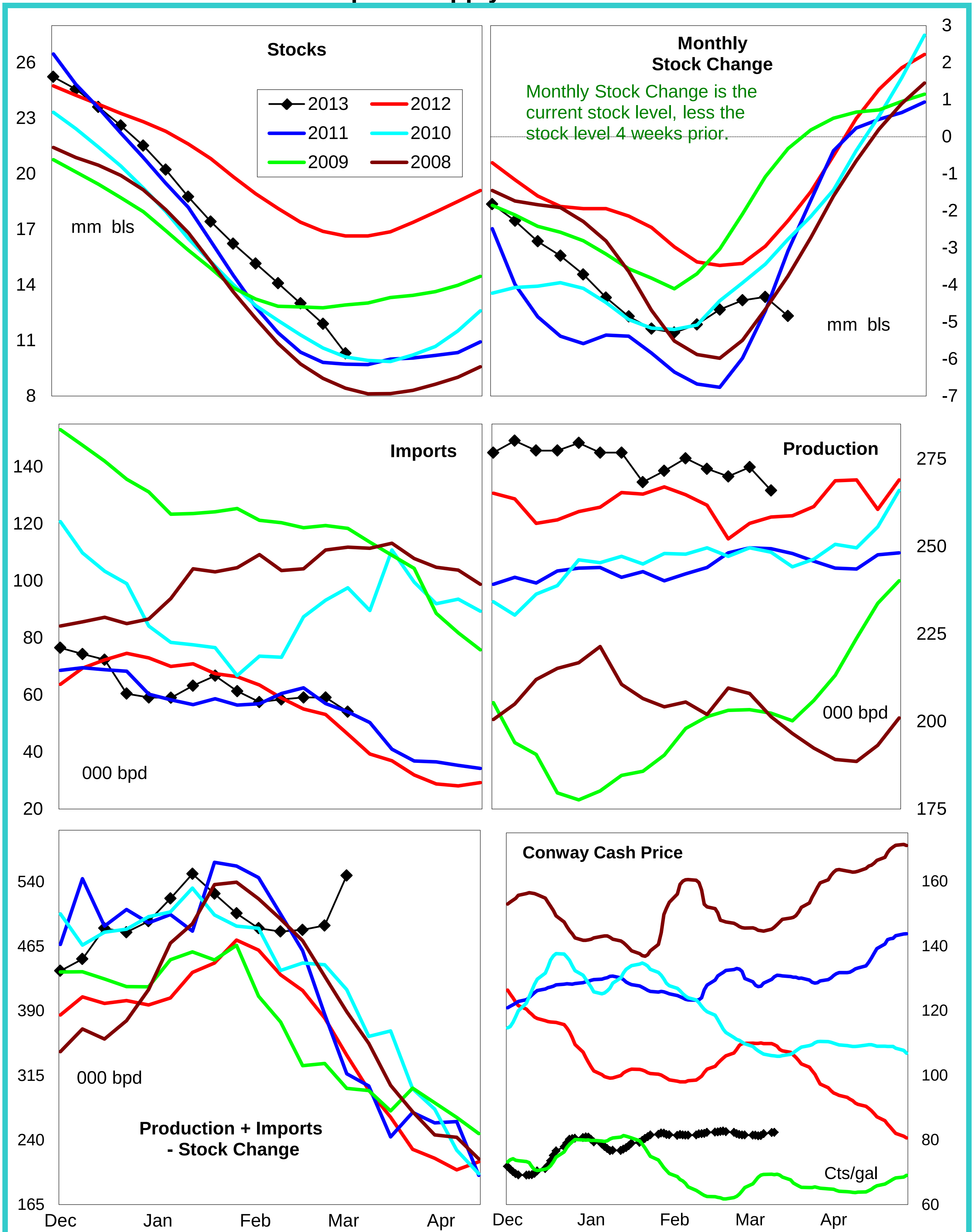
# PADD 1 Propane Supply and Demand Balance




| 4 wk avg variance prior year | Stocks | 4wk stk | Prod | Imports | Prod + Imp - Stk chg |
|---|---|---|---|---|---|
| 000 bpd (000 bls stks) | -1,008 | 12 | -11 | 15 | 5 |
| % change | -38.6 | -1.1 | -13.2 | 31.7 | 3.1 |

# 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) | -5,628 | -2,576 | 26 | 1 | 109 |
| % change | -35.3 | 113.7 | 10.5 | 2.1 | 27.9 |



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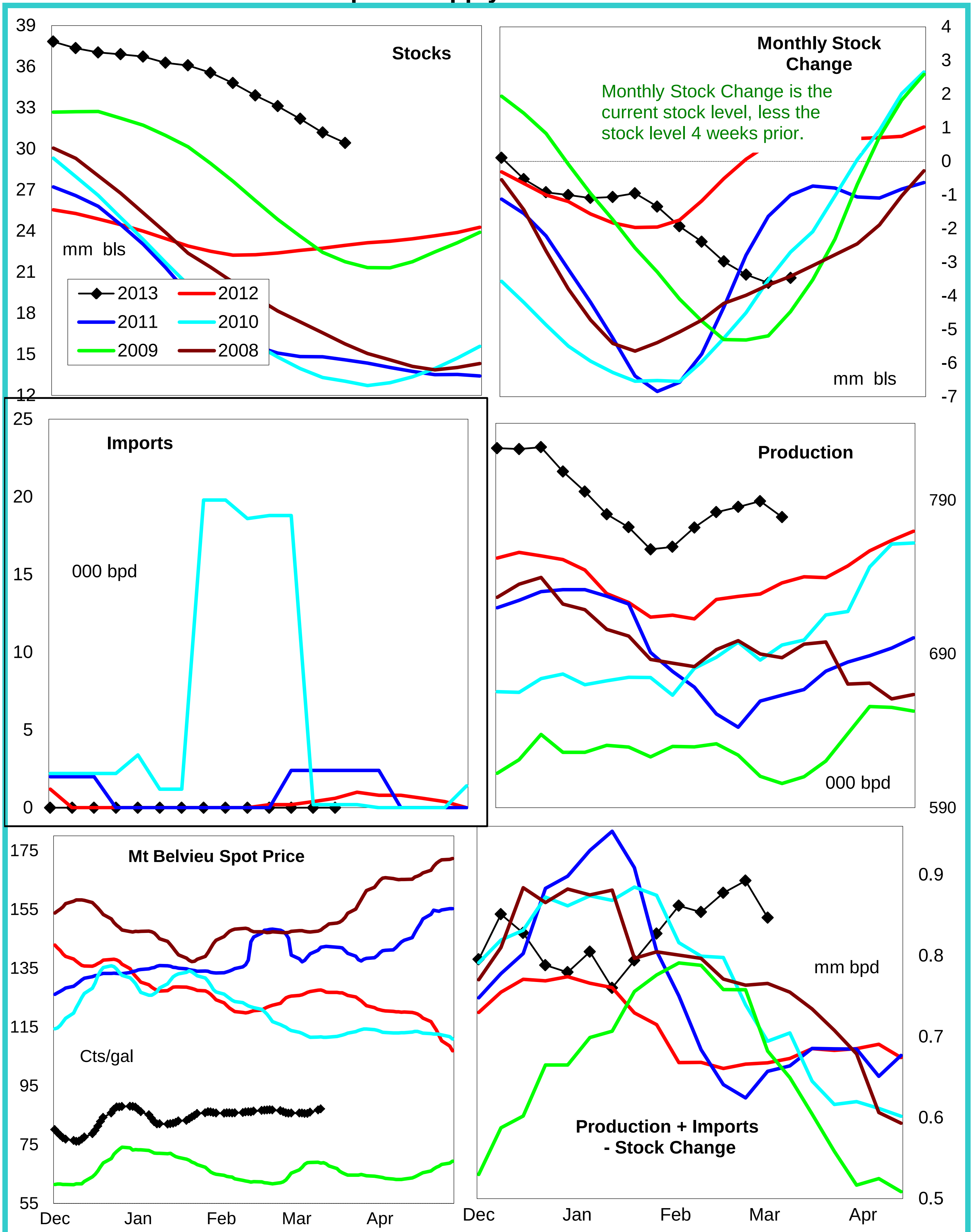
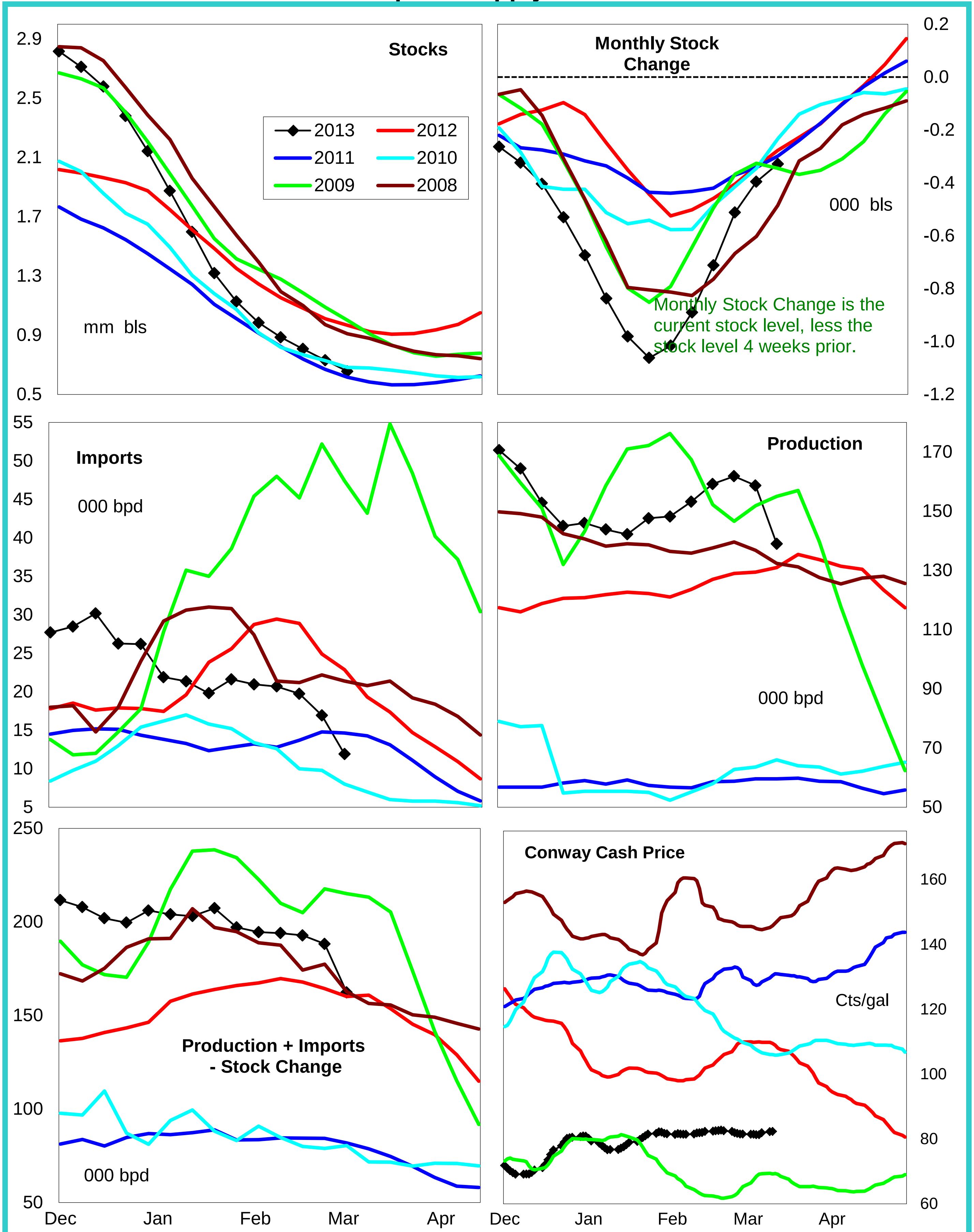
# PADD 3 Propane Supply and Demand Balance




| 4 wk avg variance prior year | Stocks | 4wk stk | Prod | Imports | Prod + Imp - Stk chg |
|---|---|---|---|---|---|
| 000 bpd (000 bls stks) | 7,762 | -4,140 | 61 | 0 | 202 |
| % change | 34.2 | -614 | 8.4 | -100.0 | 28.6 |

# 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) | -312 | -51 | 32 | -8 | 19 |
| % change | -32.2 | 18.5 | 24.4 | -28.3 | 11.4 |



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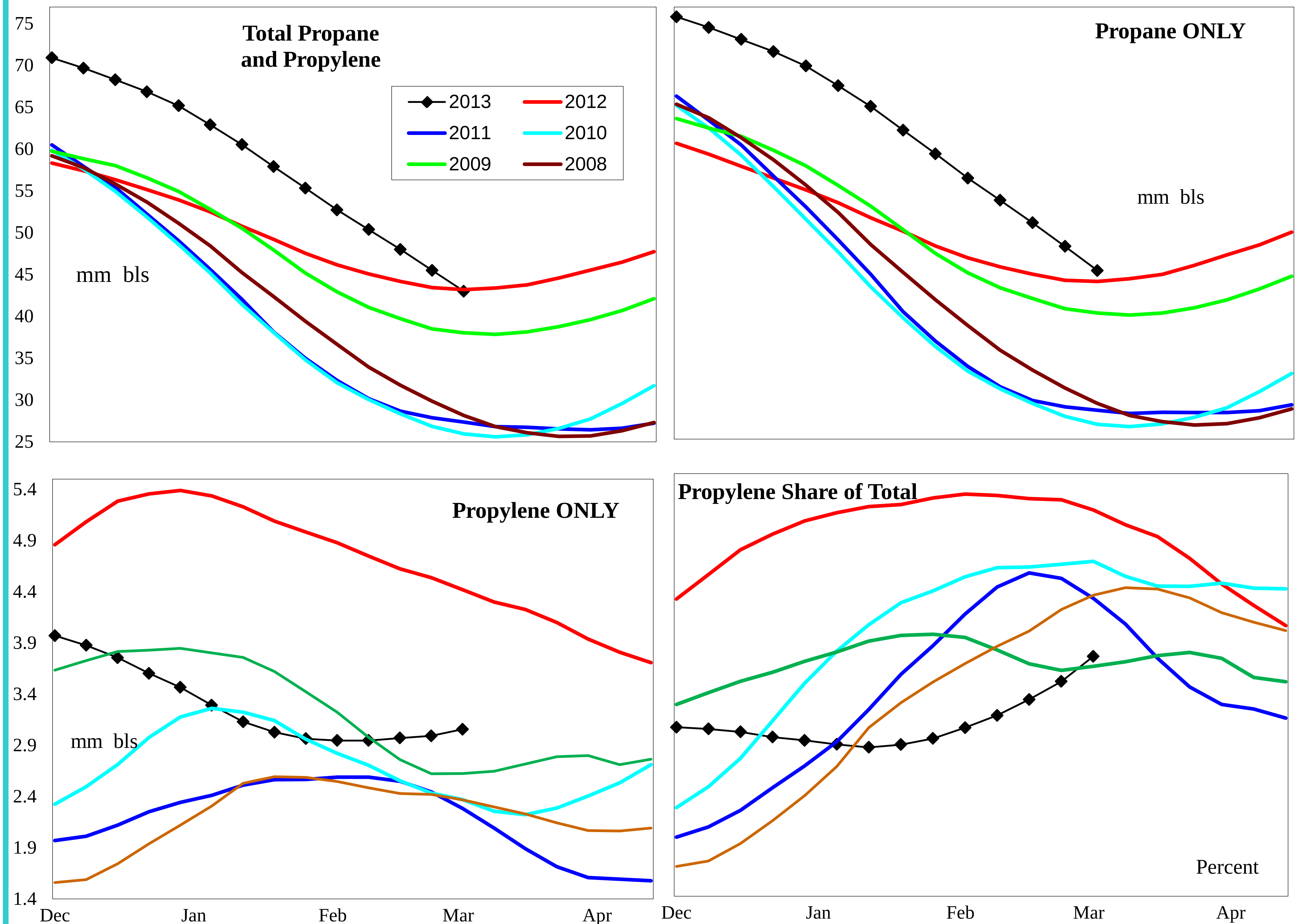
# U. S. Propane and Propylene Stocks




| **Variance to prior year** | Total | Propane ONLY | Propylene ONLY |
|---|---|---|---|
| 000 bls | **813** | **2,082** | **-1,362** |
| % change | **1.9** | **5.5** | **-30.8** |



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




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