FUNDAMENTAL PETROLEUM TRENDS

WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

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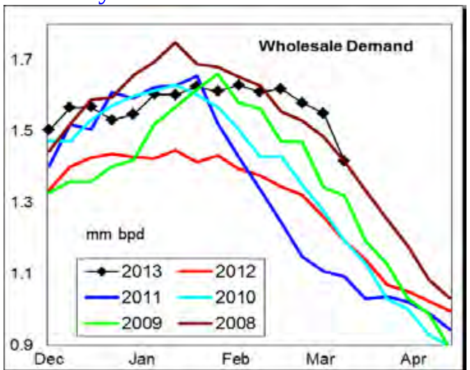
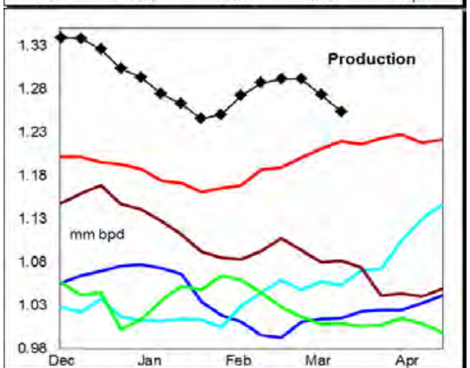
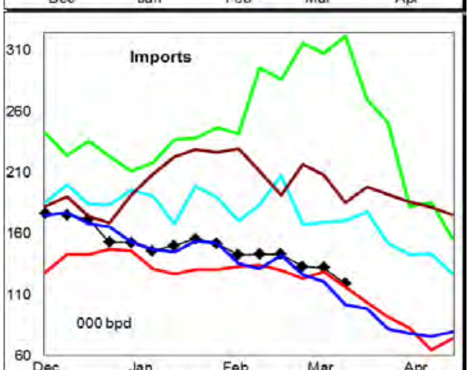
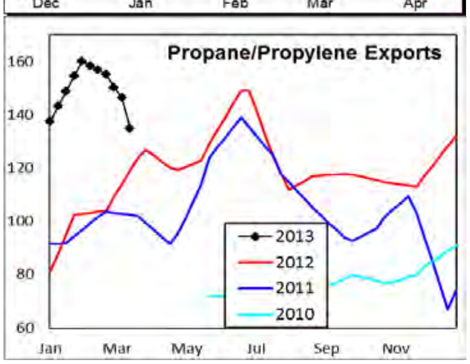


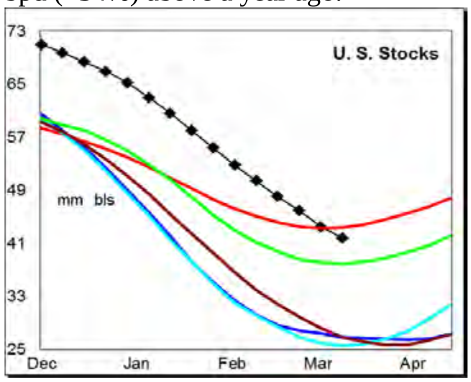






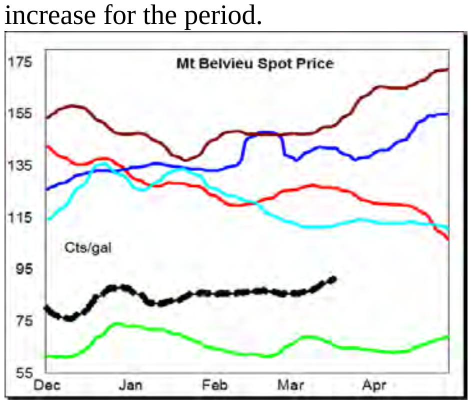
Wholesale demand fell -199,000 bpd on the week, as the seasonal decline began. Production decreased -2,000 bpd on the week, while imports also were lower by -9,000 bpd.

Combined production and imports during the latest 4-wk period were +93,000 bpd above a year ago. Production was +85,000 bpd above last year (+7%), while imports were +8,000 bpd higher. The latest 4-wk average demand was +312,000 bpd above last year, +23%. Exports averaged +38,000 bpd (+34%) above a year ago.



Stocks decreased -1.2 million barrels last week, ending the week at a level -2% below last years' record high. The 4-wk stock change was a draw of -8.6 million barrels, compared to a draw of less than -0.5 million barrels a year ago.

Price and Spreads Mt Belvieu prices increased 4 cpg for the week ending 19Mar13 while Conway saw a + 5 cpg increase for the period.



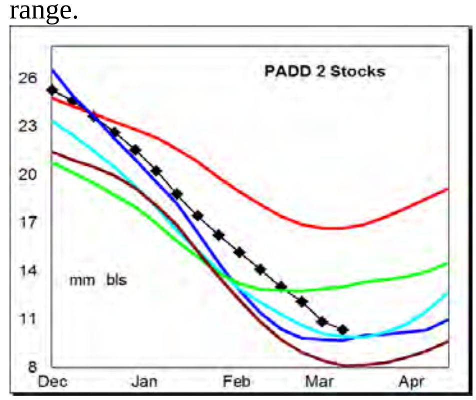
The Conway – Mt Belvieu price spread trended modestly lower last week, ending the week at -4 cpg.

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

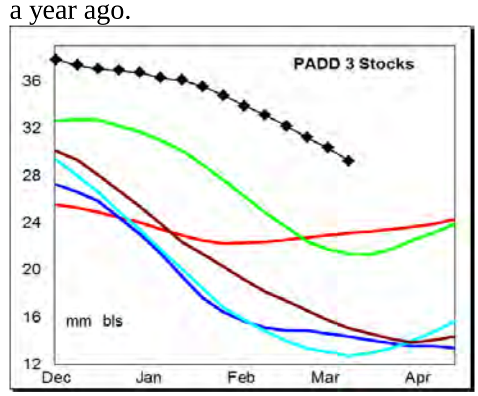
The propane / crude oil price spread trended higher on the week, ending at a level above the recent record low.

PADD 1 stocks were unchanged last week. Supply decreased -8,000 bpd last week. Supply for the latest 4-wk period was -10,000 bpd below last year.

PADD 2 stocks were unchanged on the week. Supply increased +6,000 bpd on the week, due to higher production. The latest 4-wk supply was +29,000 bpd above a year ago. Stock levels ended the week at a level near the latest 3-year mid range.



PAD 3 stocks decreased -1.2 million barrels last week, to a level +27% above a year ago.



PADDs 4 & 5 stocks were unchanged on the week. The stock level ended the week at a level near 5-year lows.

Emerging Trends Much above normal heating degree days during the last month in key heating markets have led to record stock draws, providing support to prices. The forecast is for continued much above normal heating degree days during the next 10-days across the eastern 2/3rds of the country. Expect continued price strength, until heating degree days decline significantly.

[1] Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

March 20, 2013

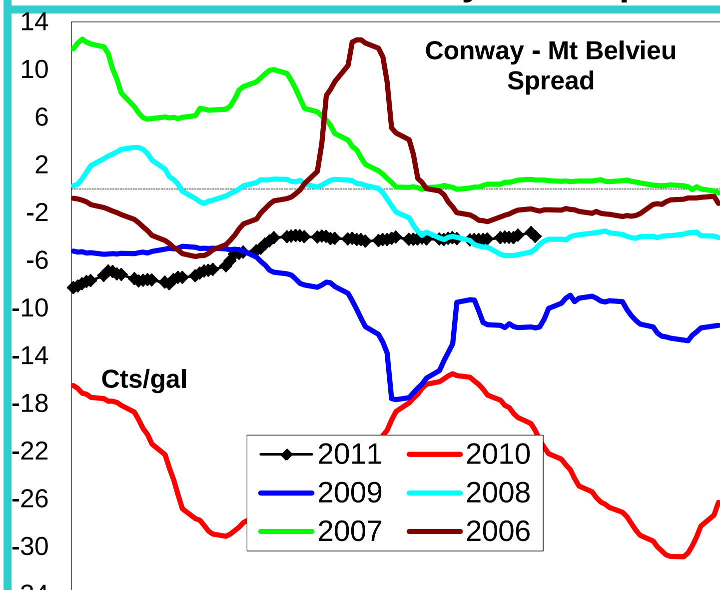
Fundamental Trends for the Week Ending: Friday, March 15, 2013

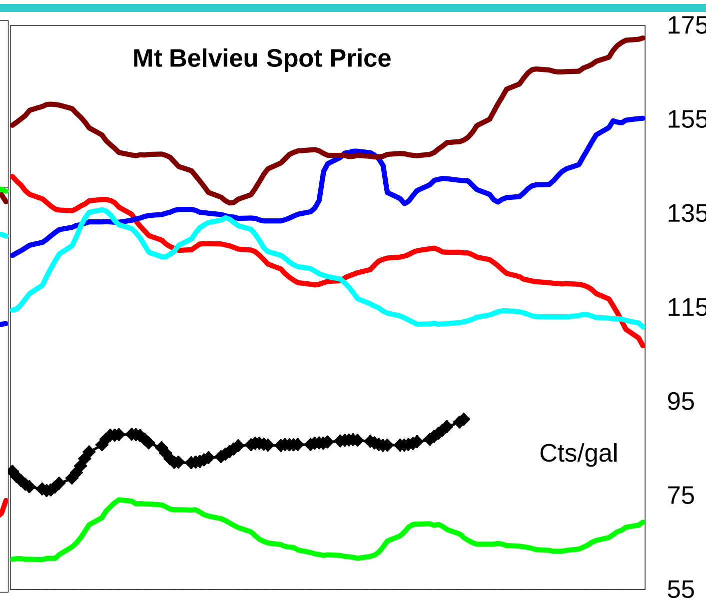
000 bpd / Stocks 000 bls	Weekly Supply-Demand U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5	Change from prior week: U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5
Stocks	41,759	1,557	10,320	29,240	642	-1,241	-48	8	-1,187	-14
Propylene Stocks	3,354					297				
Production	1,254	73	271	751	159	-2	1	5	-28	20
Imports	119	54	55	0	11	-9	-9	1	0	-1
Whsle Demand	1,415					-199				

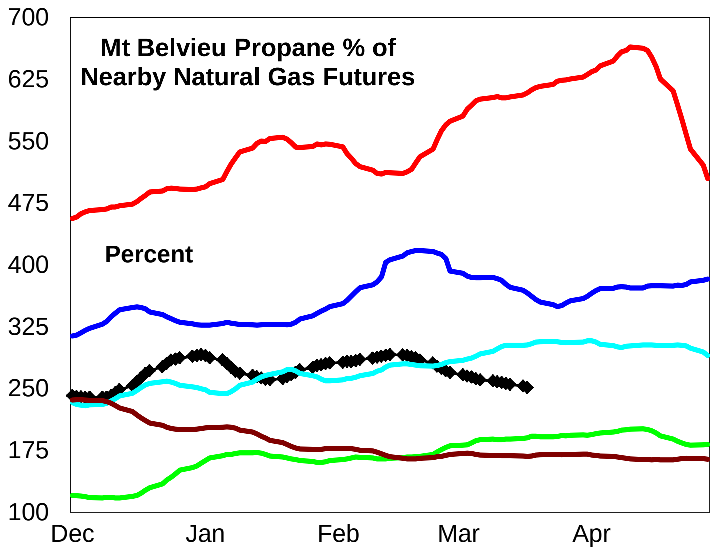
Price Trends for the Week Ending: Tuesday, March 19, 2013

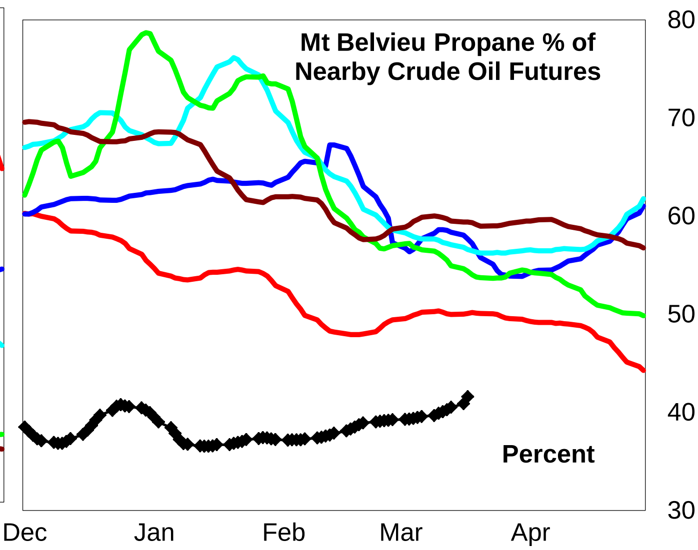
Cents/gal	Average for week ending: 3/19/13	3/12/13	2/19/13	3/15/12	Change from: 3/12/13	2/19/13	3/15/12	% change from: 3/12/13	2/19/13	3/15/12
Mont Belvieu Spot	89.7	86.0	87.0	127.0	3.69	-0.95	-40.02	4.3	-1.1	-31.5
Conway Spot	85.8	81.9	82.6	107.4	3.89	-0.68	-24.75	4.7	-0.8	-23.1

Key Price Spreads and Differentials

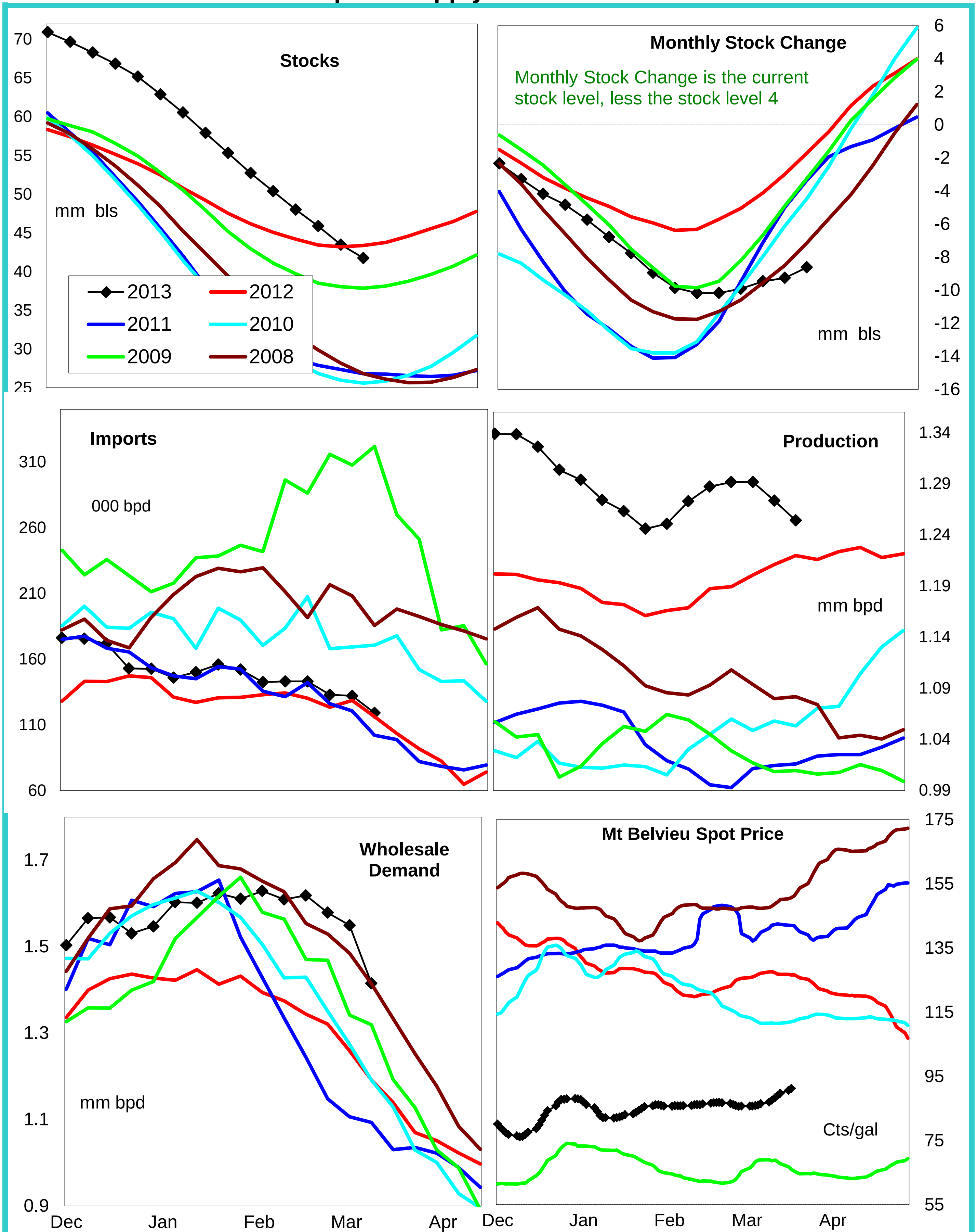








U. S. Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Feb	Jan	Dec
000 bpd (000 bls stks)	-971	-6,919	85	8		312	277	220	67
% change	-2.3	407	7.1	6.8		24.2	20.6	15.6	4.6

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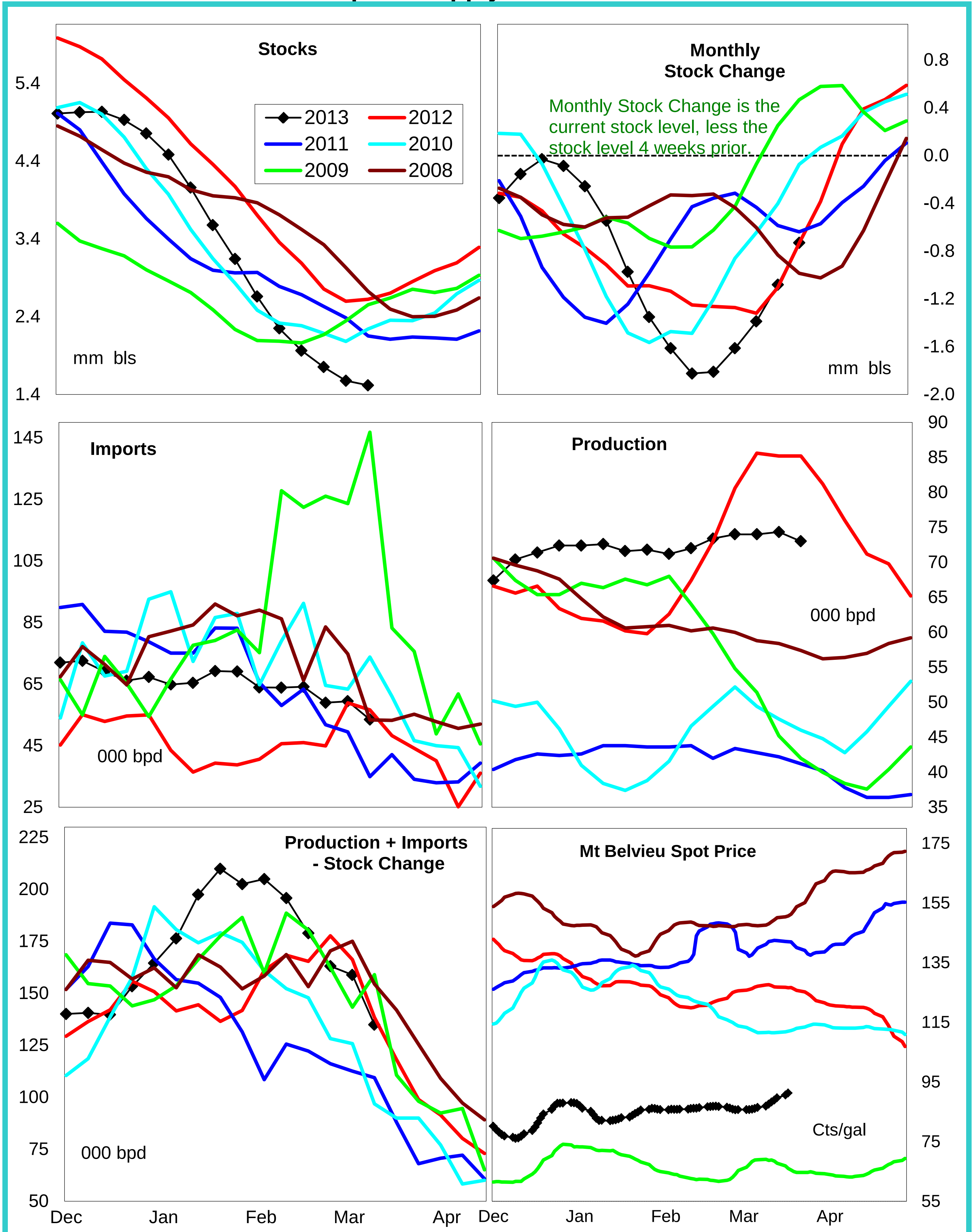
PADD 1 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-766	3	-13	10	-3
% change	-33.0	-0.4	-14.8	21.7	-1.9

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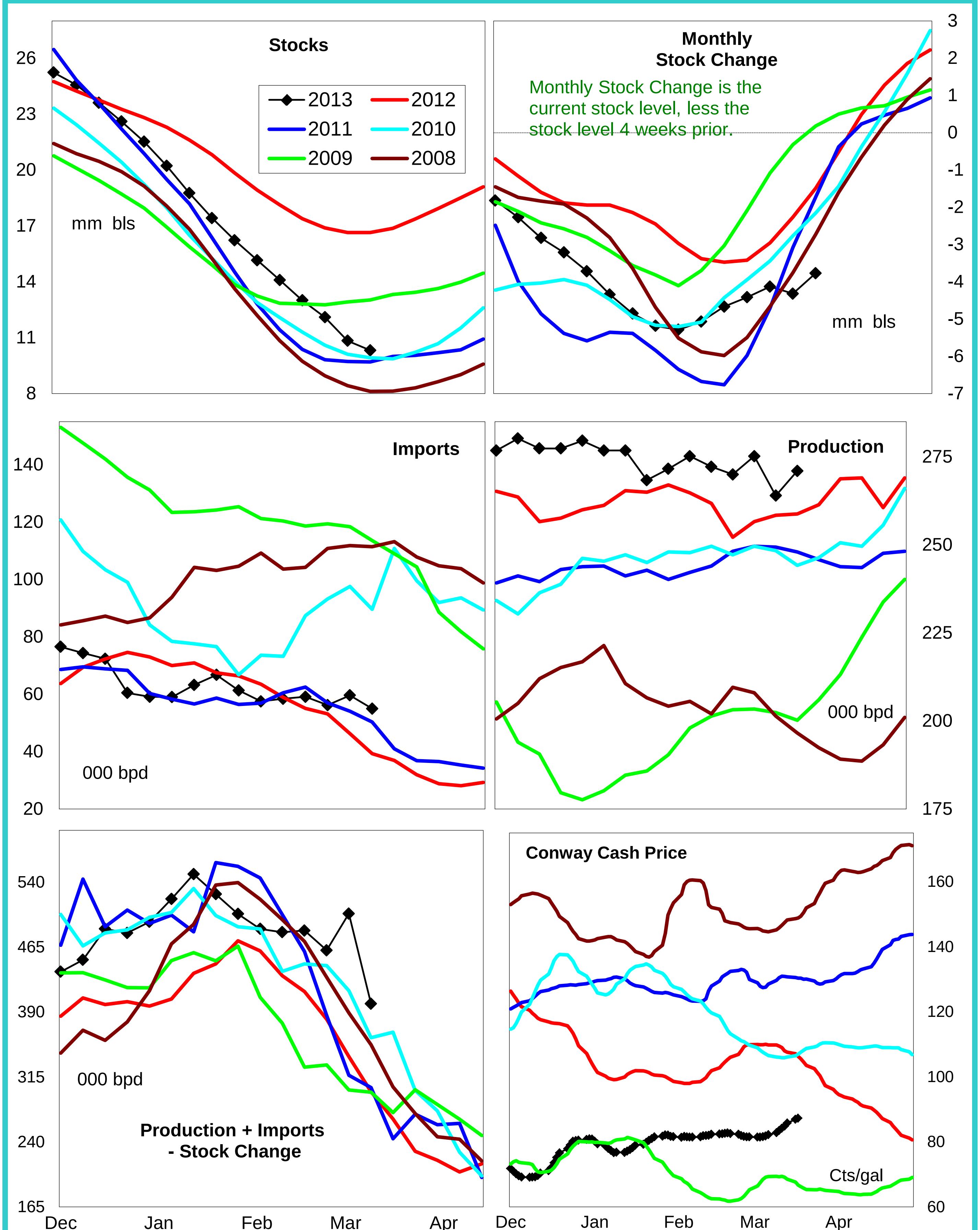
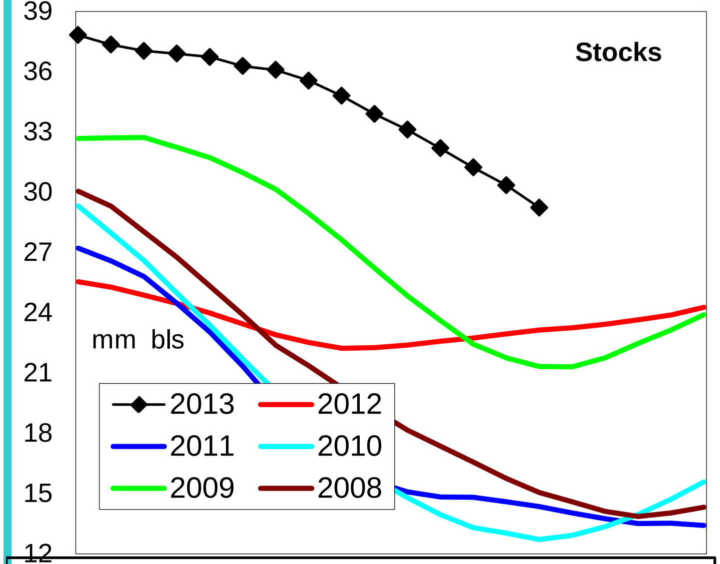
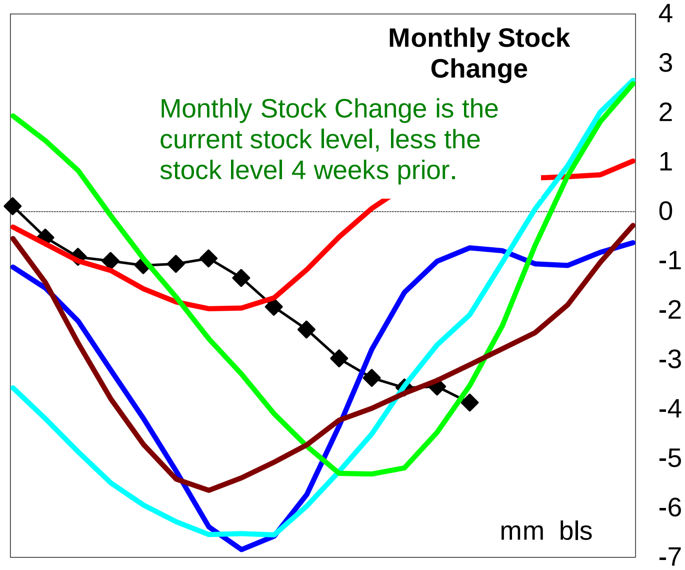
PADD 2 Propane Supply and Demand Balance

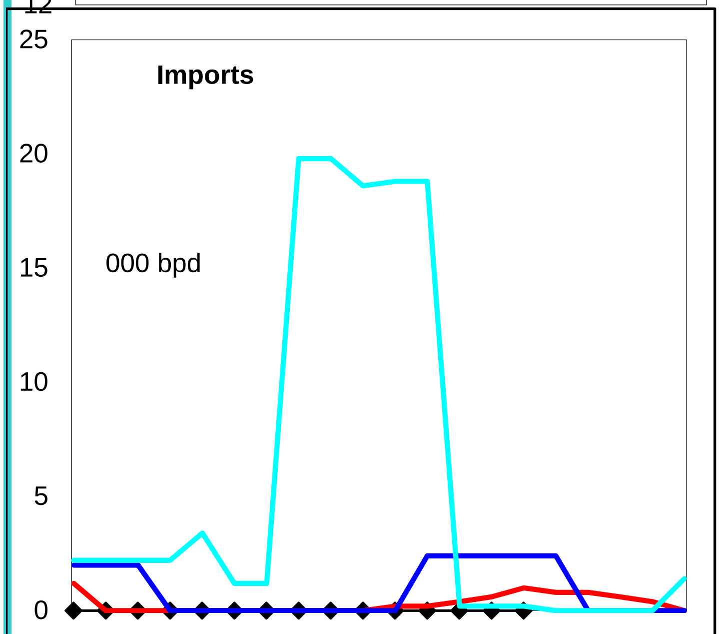


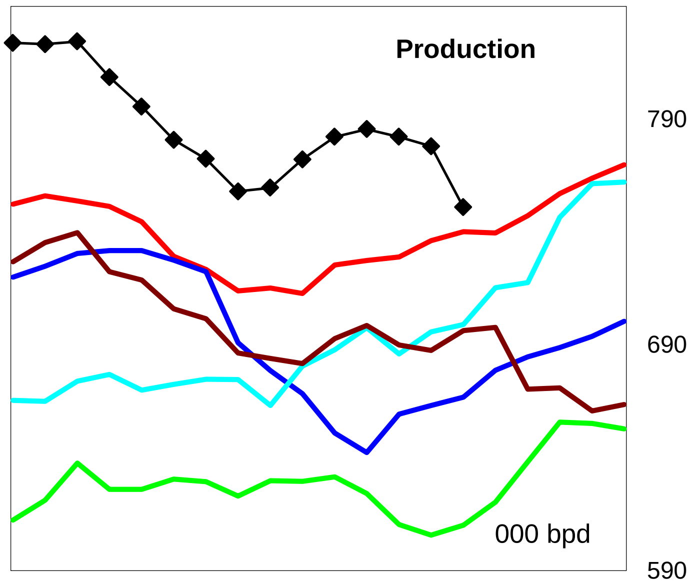
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-6,232	-2,287	21	8	104
% change	-37.7	154.0	8.1	14.8	29.1

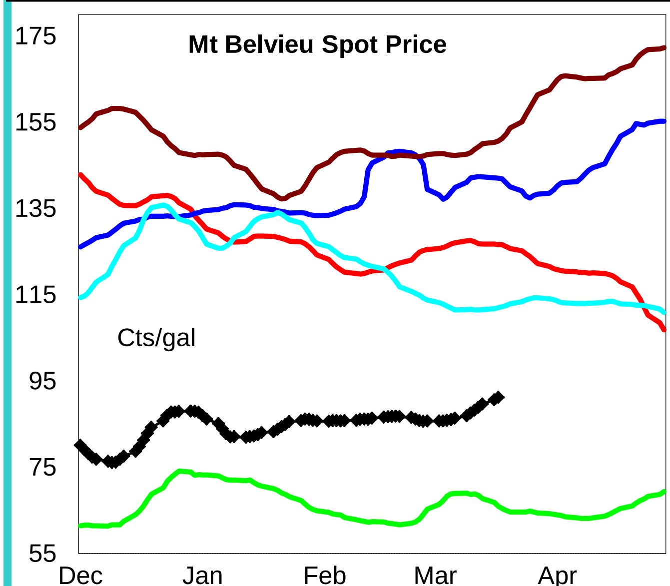
PADD 3 Propane Supply and Demand Balance

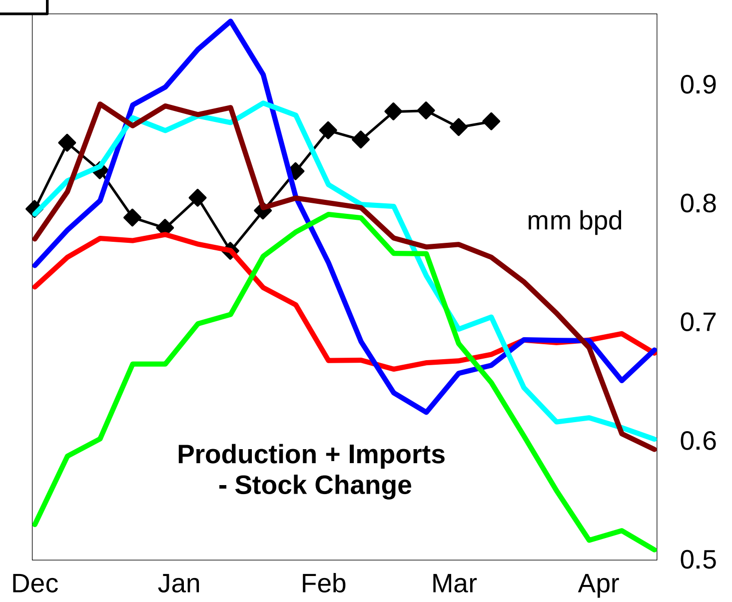






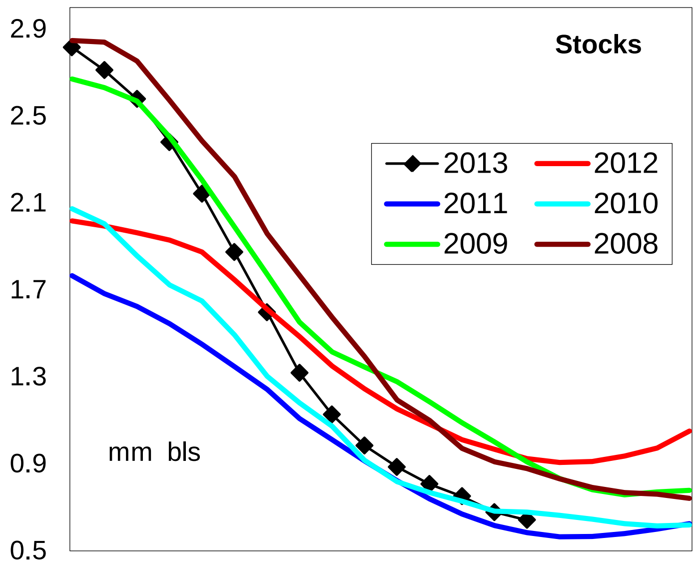


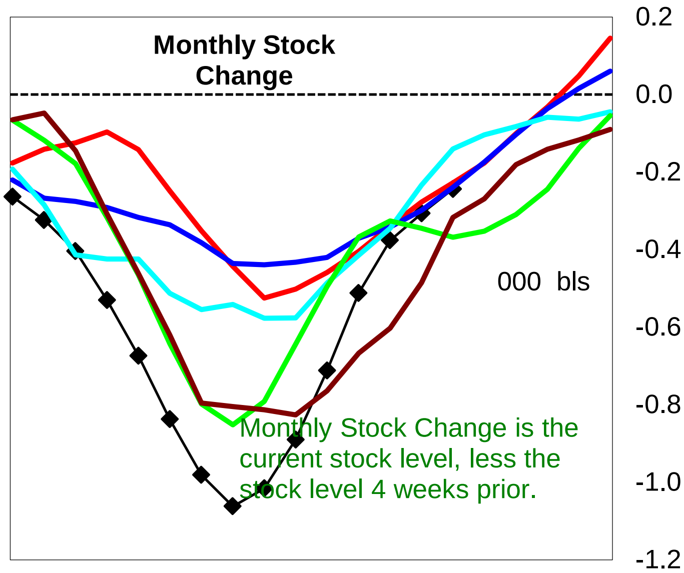


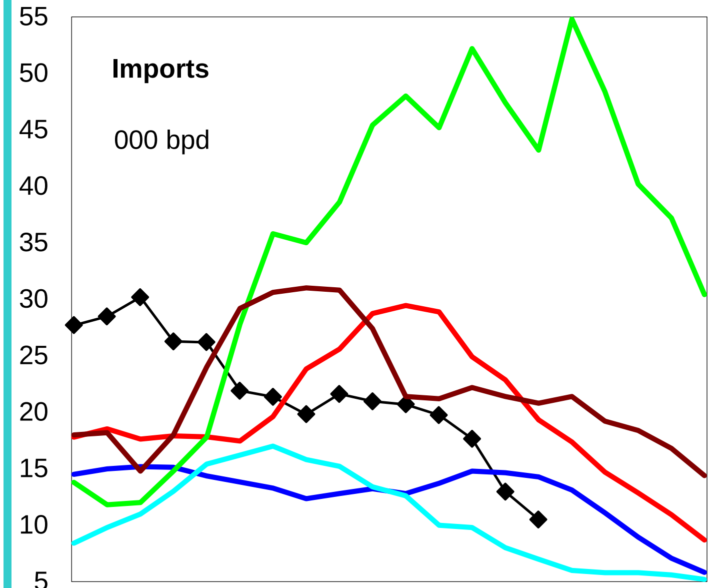


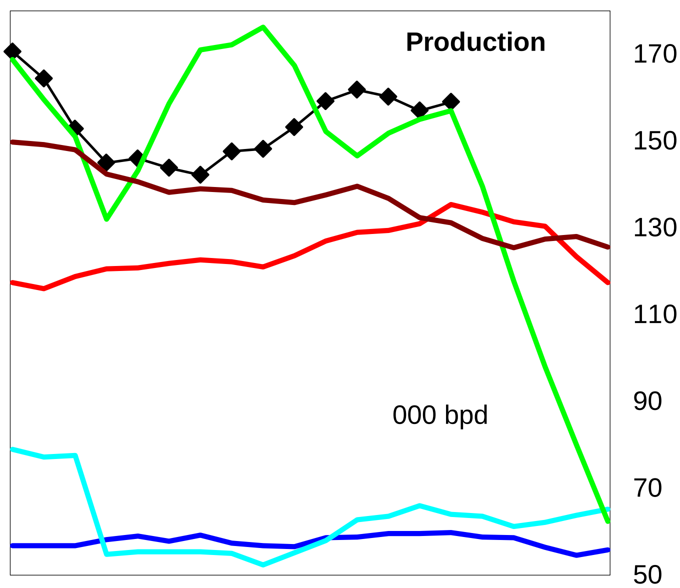
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	6,267	-4,619	49	-1	205
% change	27.3	-618	6.7	-100.0	29.1

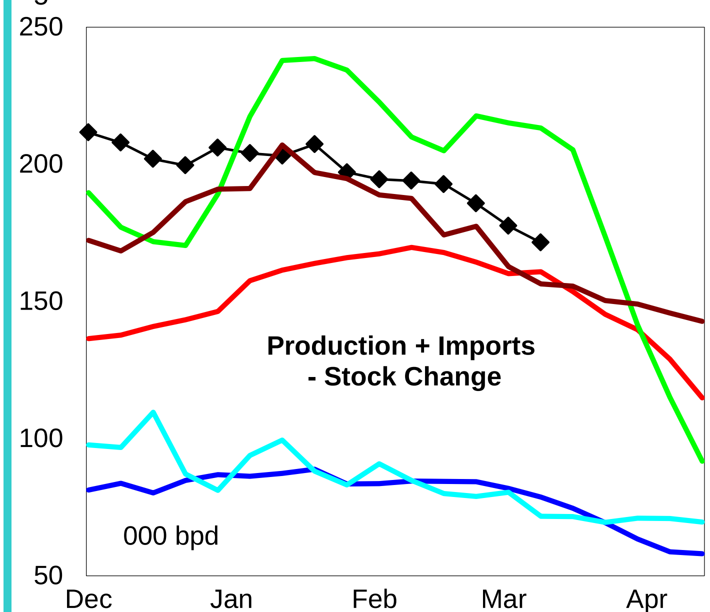
PADDs 4 and 5 Propane Supply and Demand Balance

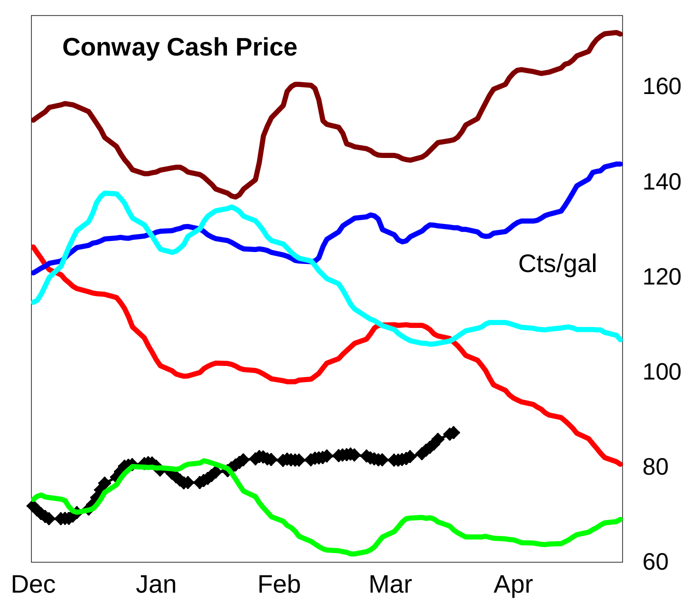












4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-239	-16	29	-9	19
% change	-27.1	7.0	21.9	-36.7	11.4

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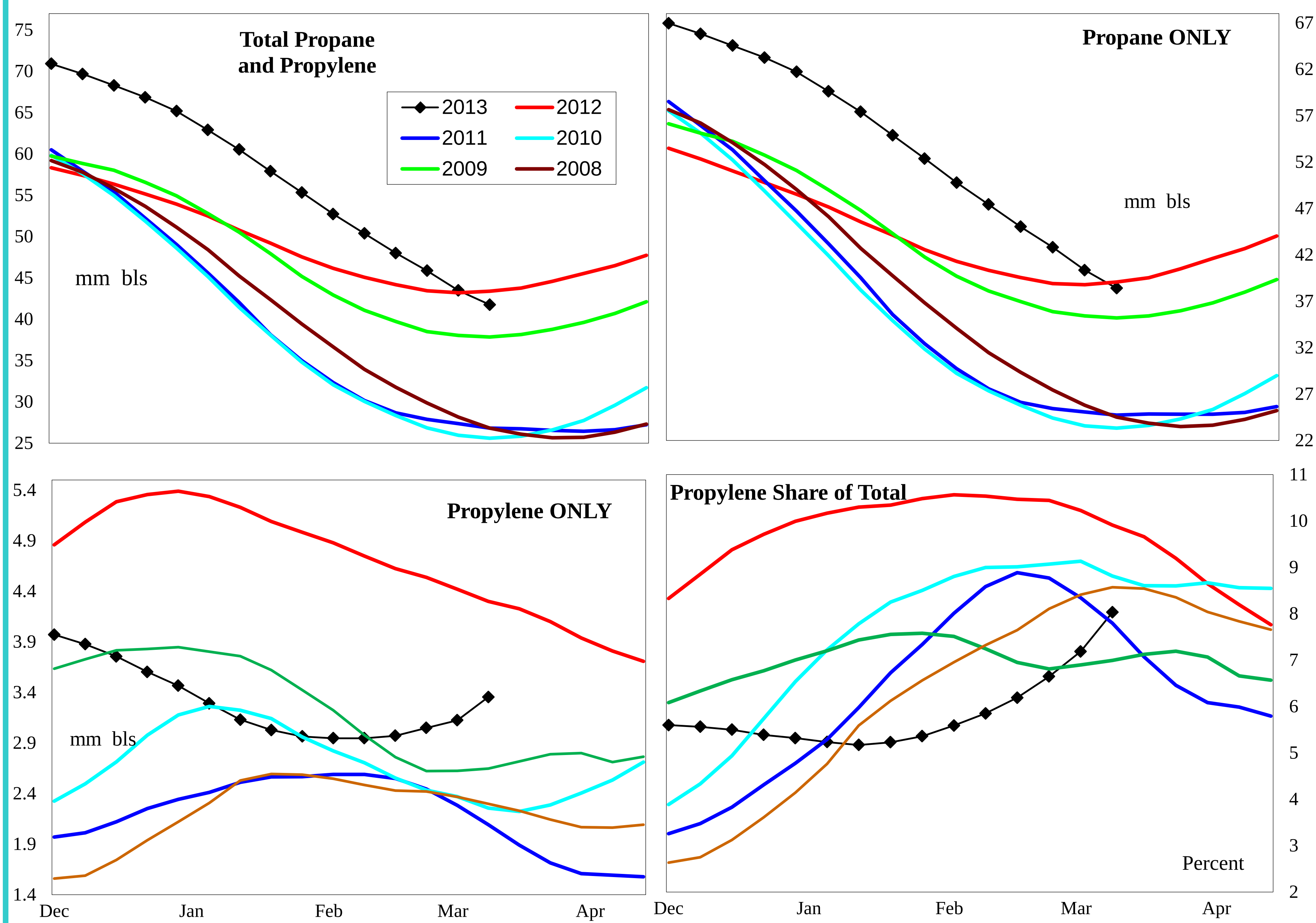
U. S. Propane and Propylene Stocks



Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	-971	176	-947
% change	-2.3	0.5	-22.0

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