FUNDAMENTAL PETROLEUM TRENDS

WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

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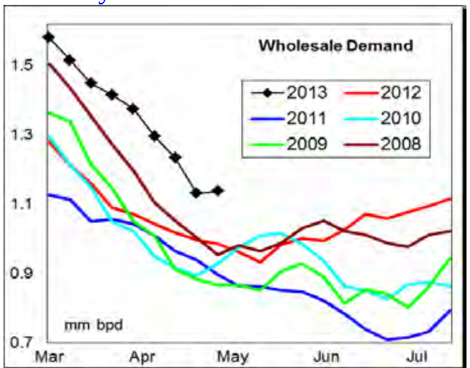
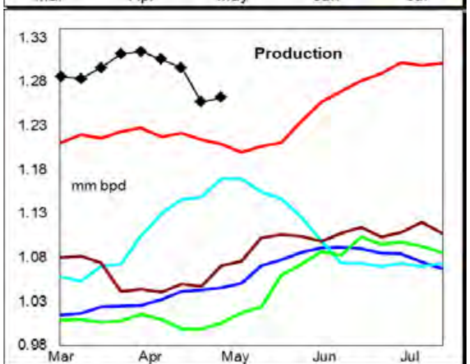
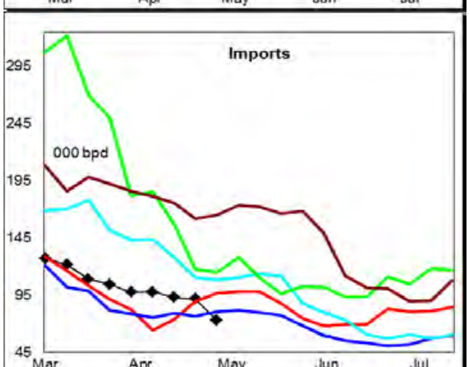
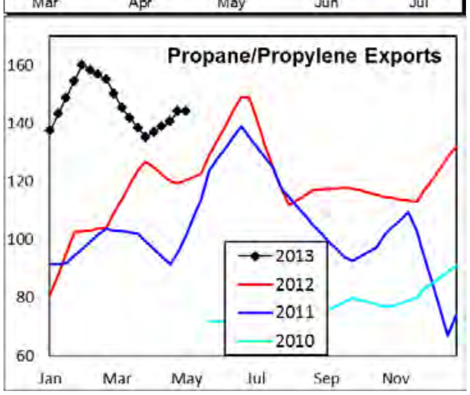


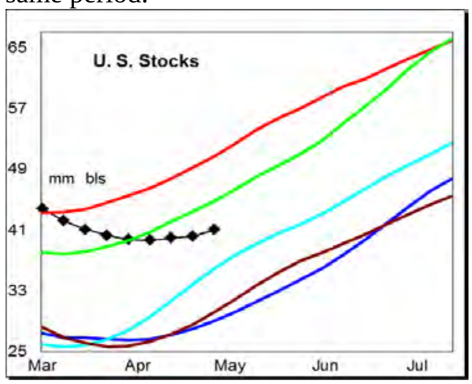






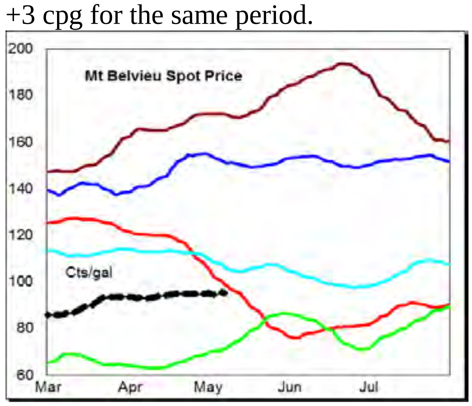
Wholesale demand increased +119,000 bpd on the week, a level well above the historic range. Production increased +21,000 bpd on the week while imports fell -44,000 bpd.

Combined production and imports during the latest 4-wk period were +65,000 bpd above a year ago. Production was +47,000 bpd above last year (+4%), while imports were +18,000 bpd higher. The latest 4-wk average demand was +206,000 bpd above last year, +21%. Exports averaged +24,000 bpd (+20%) above a year ago for the same period.



Stocks increased +0.5 million barrels on the week, ending at a level -20% below last years' record high. The 4-wk stock change was a build of +1.3 million barrels, compared to a build of +5.7 million barrels last year.

Price and Spreads Mt Belvieu price increased +1 cpg for the week ending 07May13 while Conway prices increased +3 cpg for the same period.



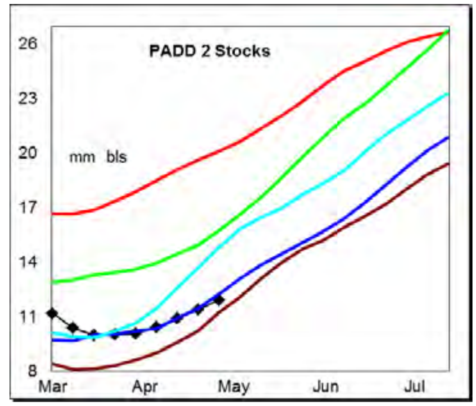
The Conway – Mt Belvieu price spread trended higher last week in favor of Conway, ending the week at -5 cpg.

The propane to natural gas price spread trended higher last week, ending at a level near lows of the last 3-years.

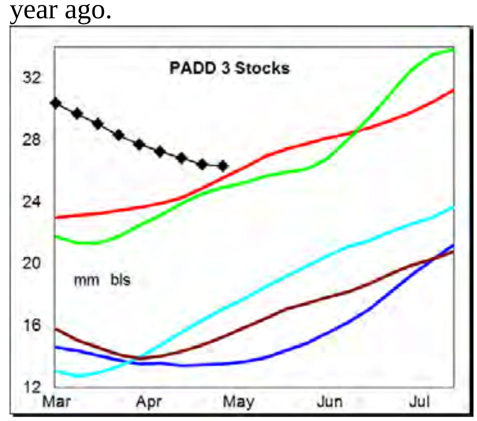
The propane / crude oil price spread extended the recent downtrend last week, ending at near last years' record low.

PADD 1 stocks increased +0.5 million barrels last week, with the level -2.1 million barrels below last year. Supply decreased -3,000 bpd last week. Supply for the latest 4-wk period was +13,000 bpd above last year.

PADD 2 stocks increased +0.4 million barrels on the week. Supply decreased -6,000 bpd on lower imports. The latest 4-wk supply was +27,000 bpd above a year ago. Stock levels ended the week -41% below last year and near 5-year lows.



PAD 3 stocks decreased -0.4 million barrels last week, to a level +3% above a year ago.



PADDs 4 & 5 stocks increased +0.1 million barrels on the week. The stock level ended the week at the 5-year mid range.

Emerging Trends Carry out stock levels in regions other than the Gulf are near historic lows due largely to the above normal heating season. Low stock levels and high demand for crude oil blending should provide support to spot prices.

[1] Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

May 8, 2013

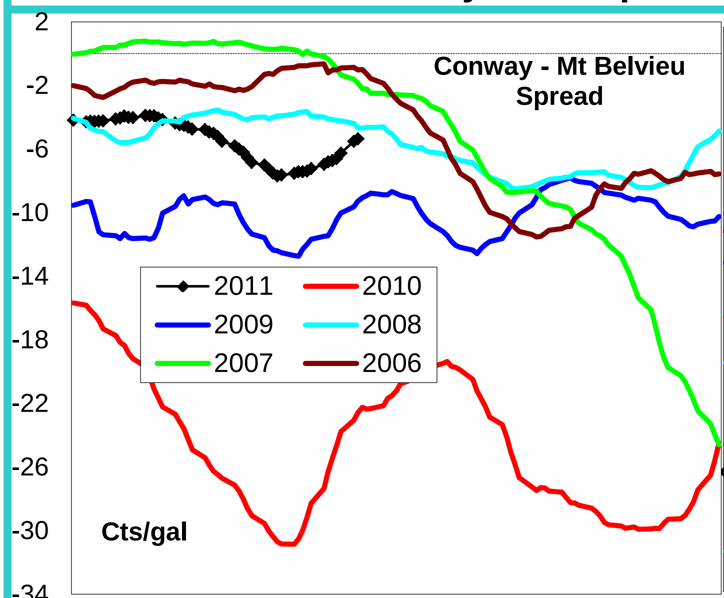
Fundamental Trends for the Week Ending: Friday, May 03, 2013

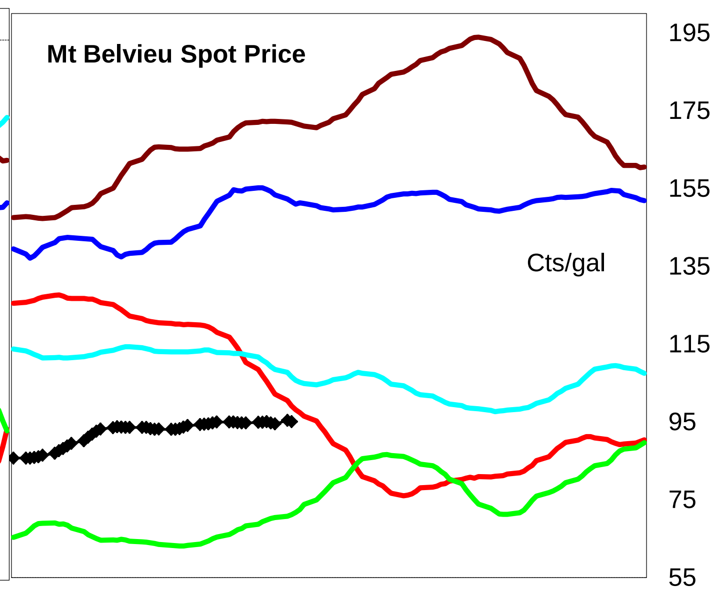
000 bpd / Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5	U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5
Stocks	40,997	1,943	11,940	26,290	824	521	451	366	-357	61
Propylene Stocks	3,669					-184				
Production	1,262	87	287	762	126	21	18	20	-18	1
Imports	73	27	39	0	8	-44	-21	-26	0	2
Whsle Demand	1,117					119				

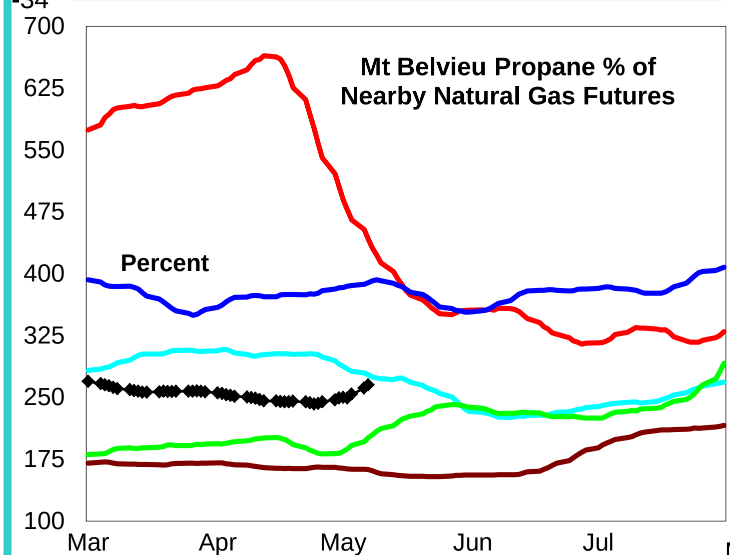
Price Trends for the Week Ending: Tuesday, May 07, 2013

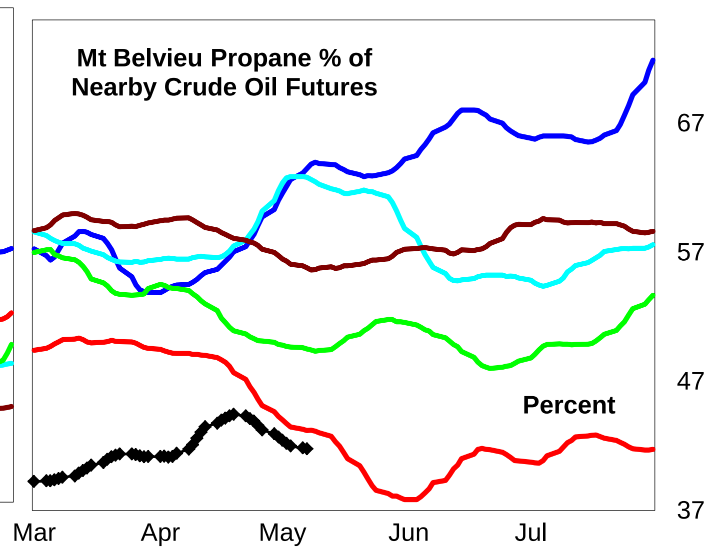
Cents/gal	Average for week ending:				Change from:			% change from:		
	5/7/13	4/30/13	4/9/13	5/3/12	4/30/13	4/9/13	5/3/12	4/30/13	4/9/13	5/3/12
Mont Belvieu Spot	94.5	95.7	91.8	100.2	-1.24	3.88	-8.36	-1.3	4.2	-8.3
Conway Spot	88.2	88.4	87.2	78.2	-0.20	1.20	9.05	-0.2	1.4	11.6

Key Price Spreads and Differentials

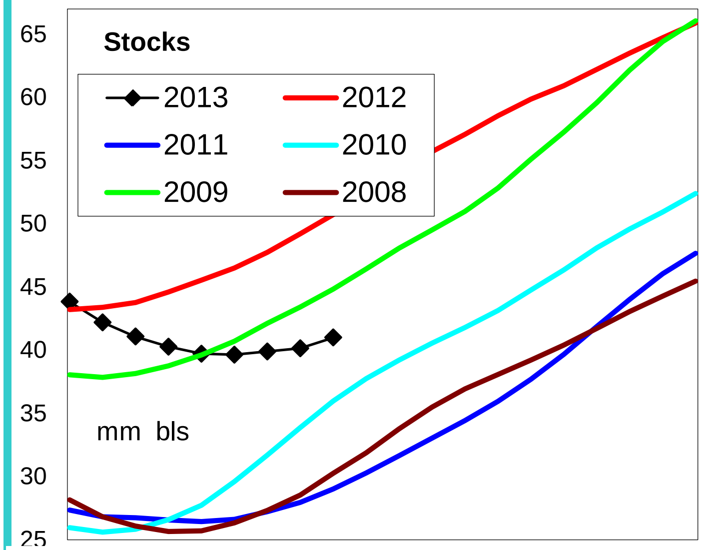


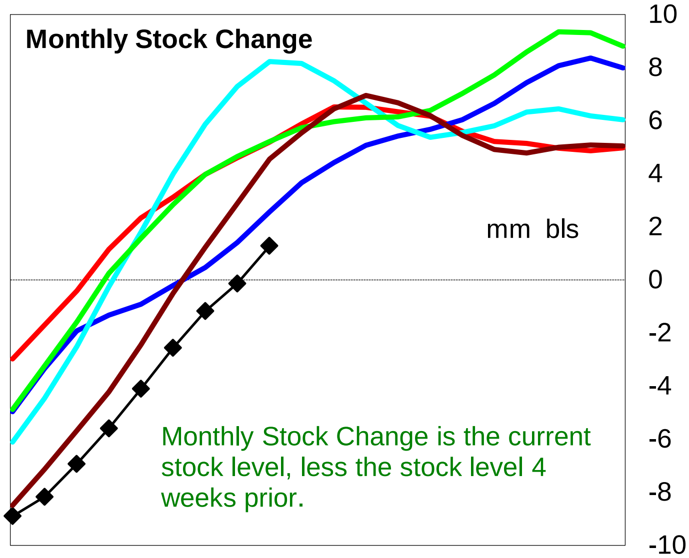


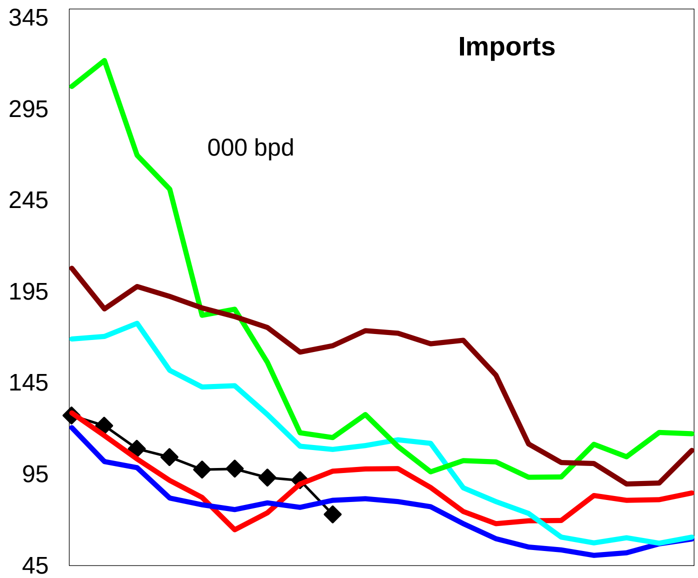


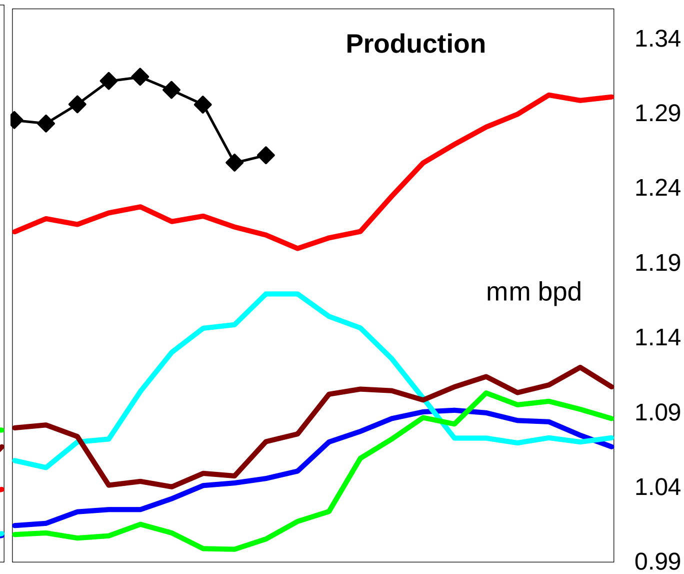


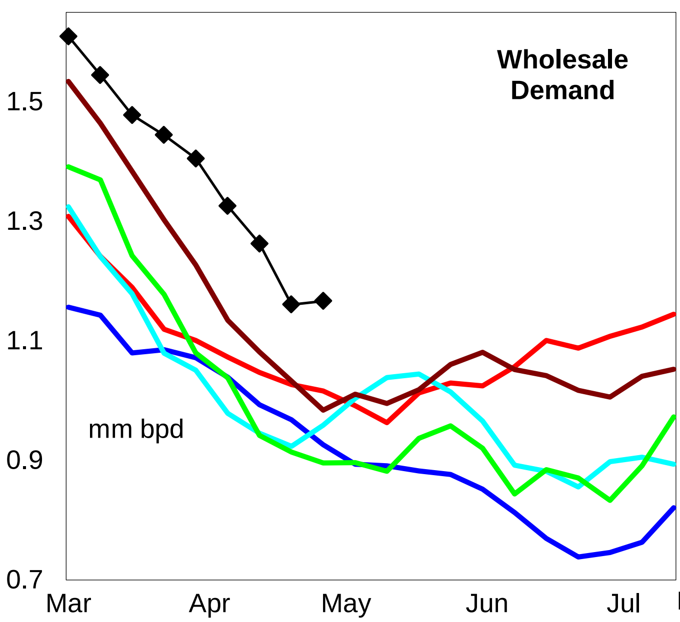
U. S. Propane Supply and Demand Balance

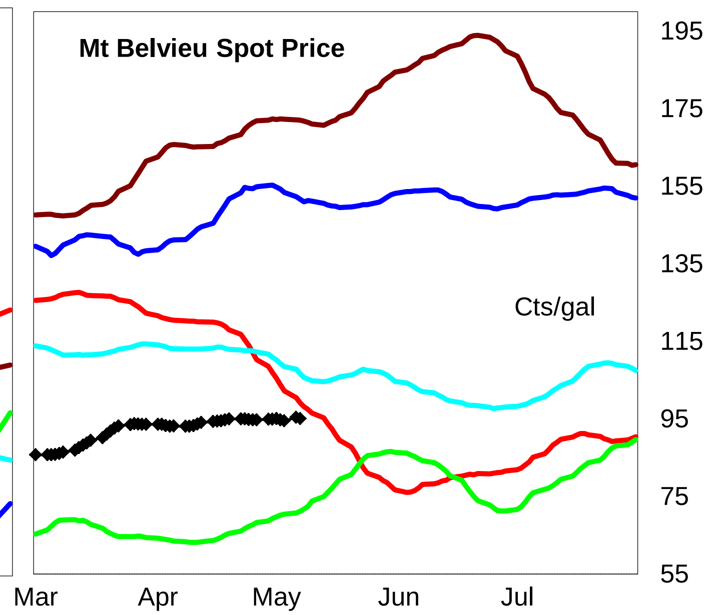






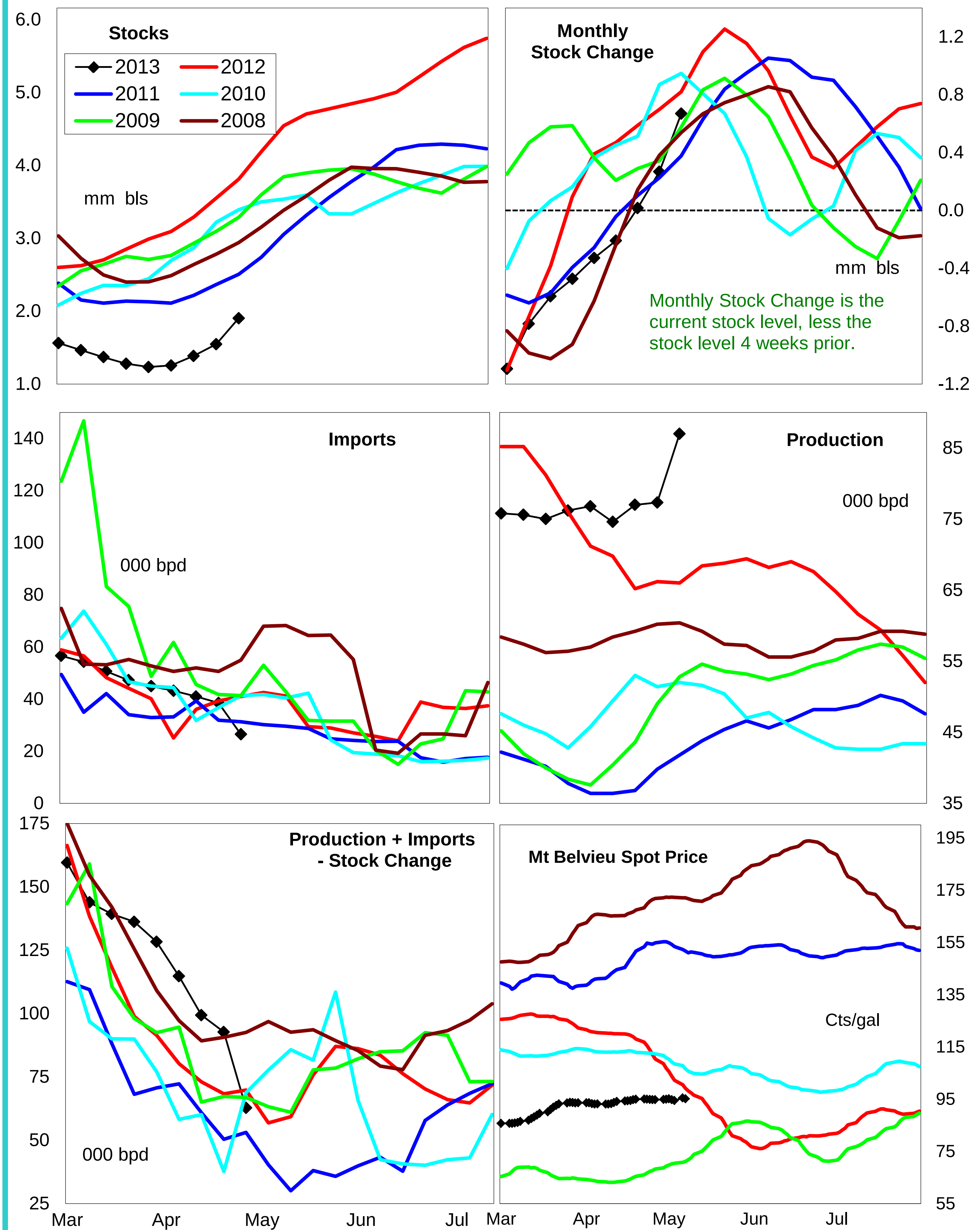






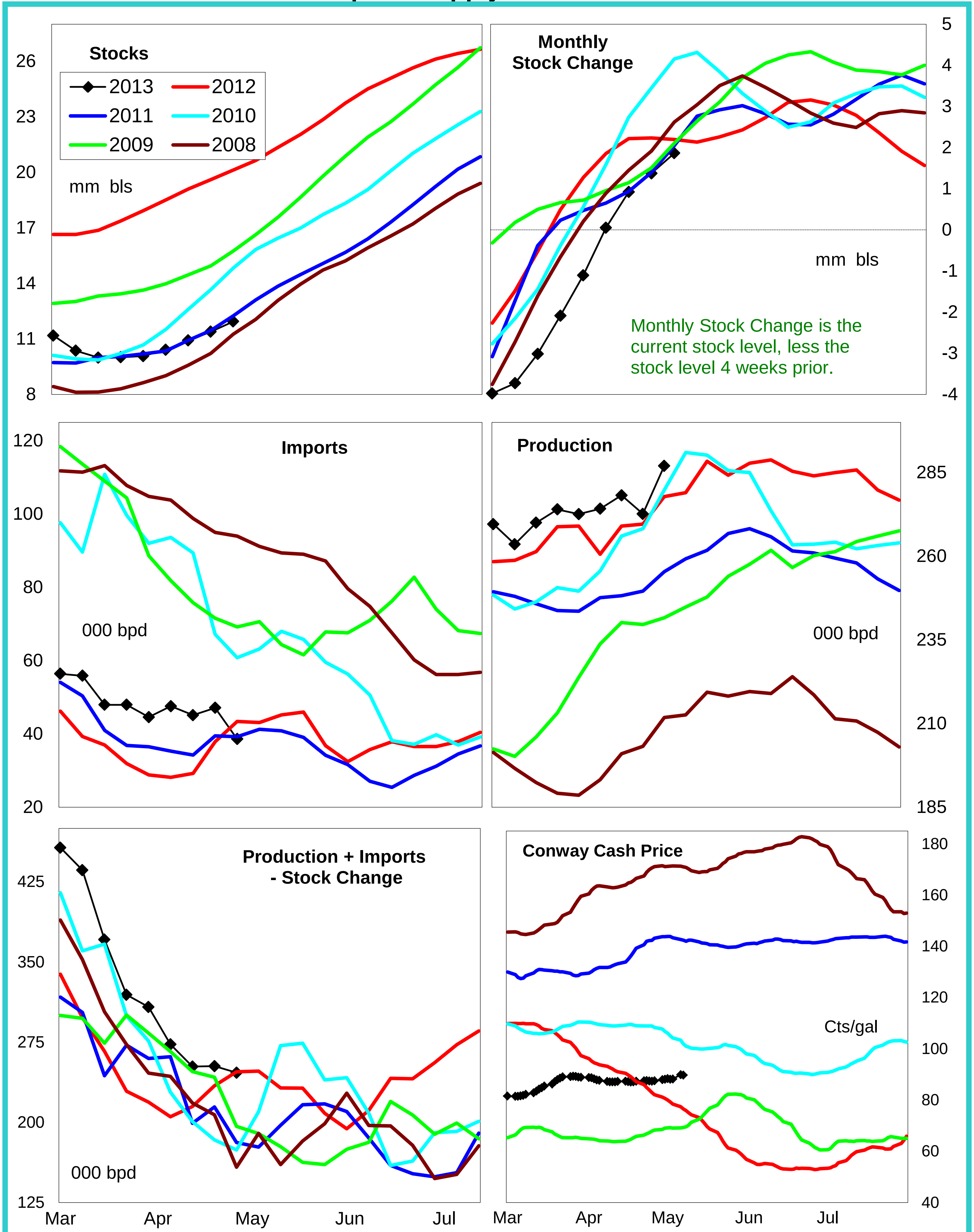
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	**Demand**	4wk avg	Apr	Mar	Feb
000 bpd (000 bls stks)	-10,026	-3,920	47	18		206	251	330	254
% change	-19.6	-75	3.8	23.8		20.8	25.5	29.1	18.9

PADD 1 Propane Supply and Demand Balance



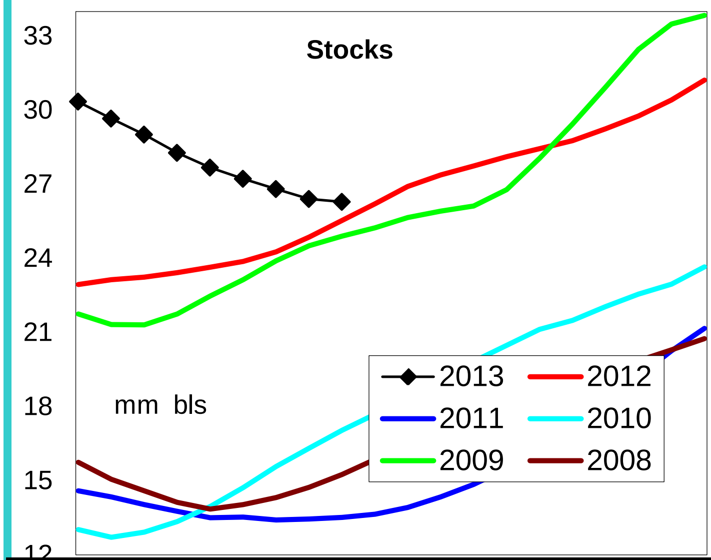
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-2,110	-152	14	-1	20
% change	-52.1	-18.5	21.1	-2.2	26.8

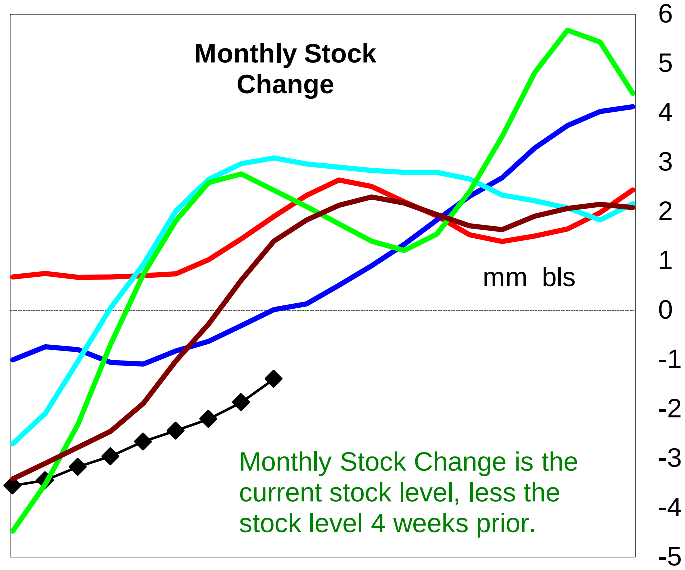
PADD 2 Propane Supply and Demand Balance

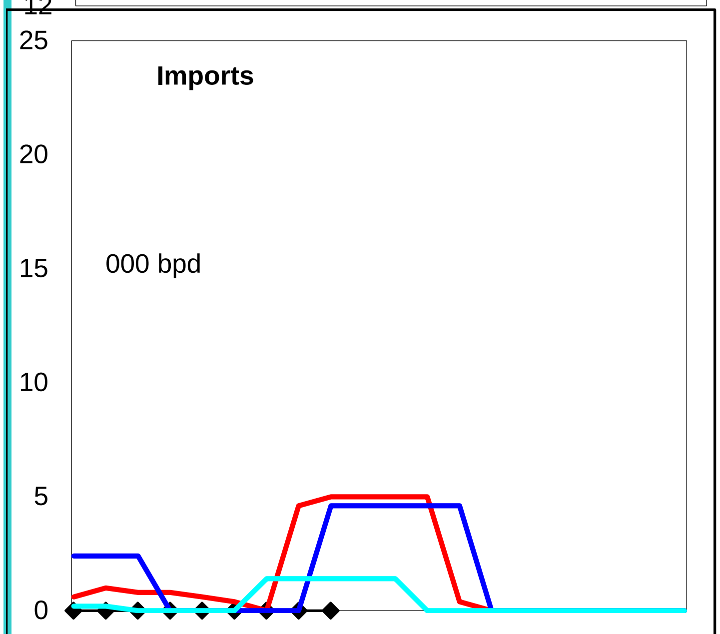


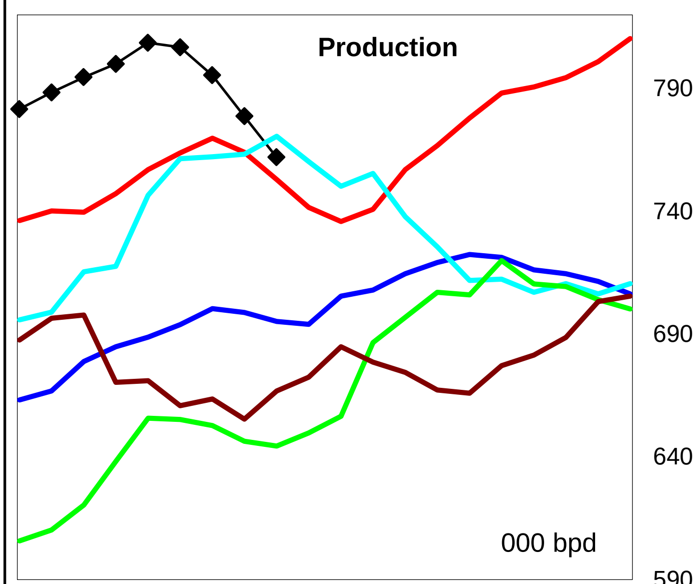
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-8,184	-334	5	21	31
% change	-40.7	-15.2	1.7	77.0	13.6

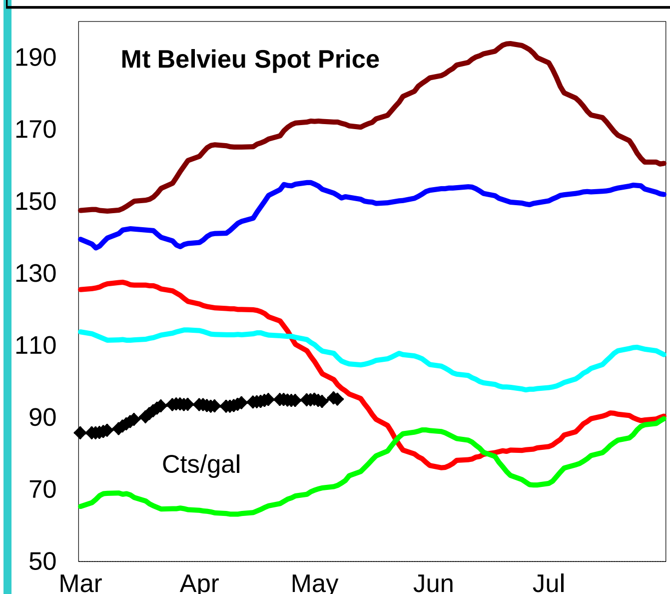
PADD 3 Propane Supply and Demand Balance

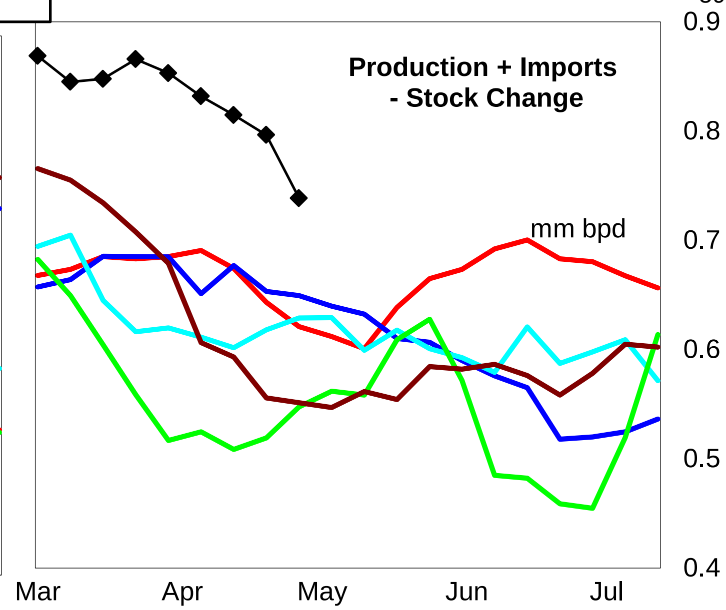






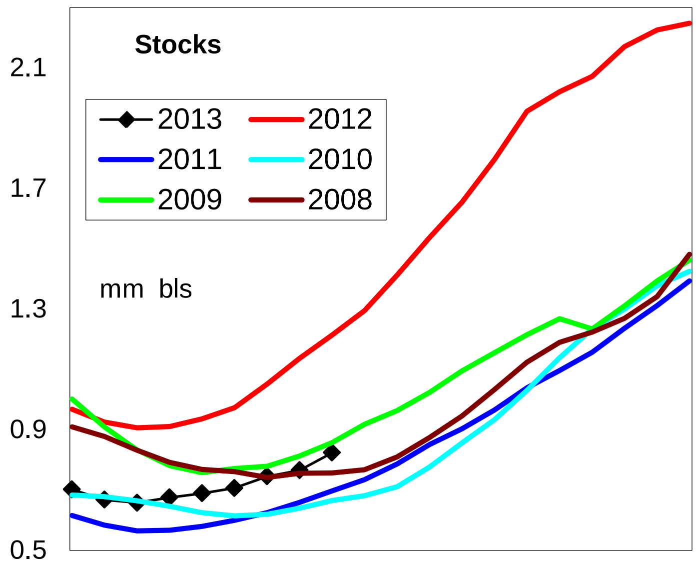


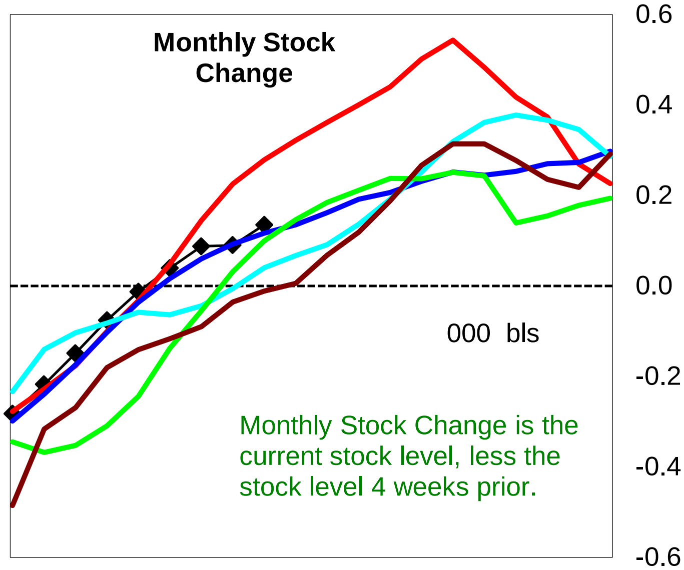


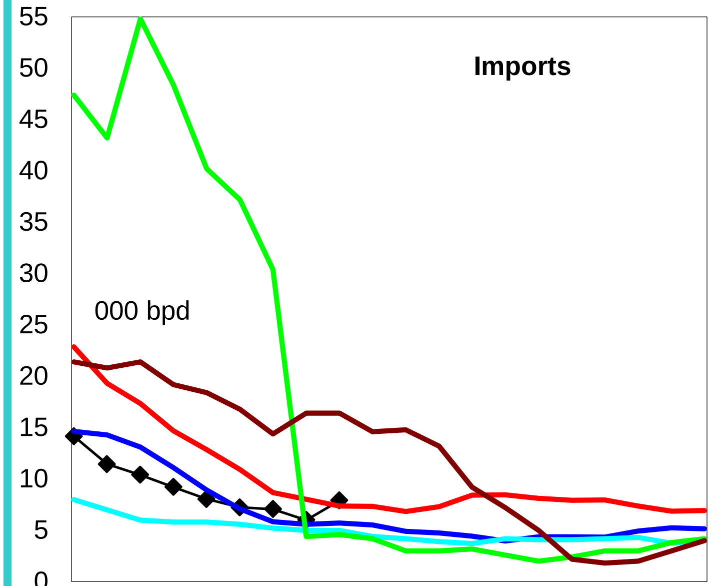


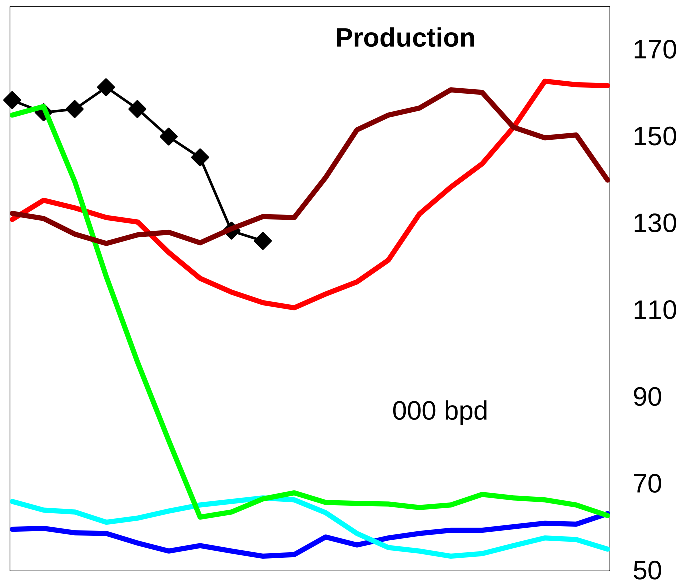
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	700	-3,291	8	0	138
% change	2.7	-173	1.0	#DIV/0!	19.8

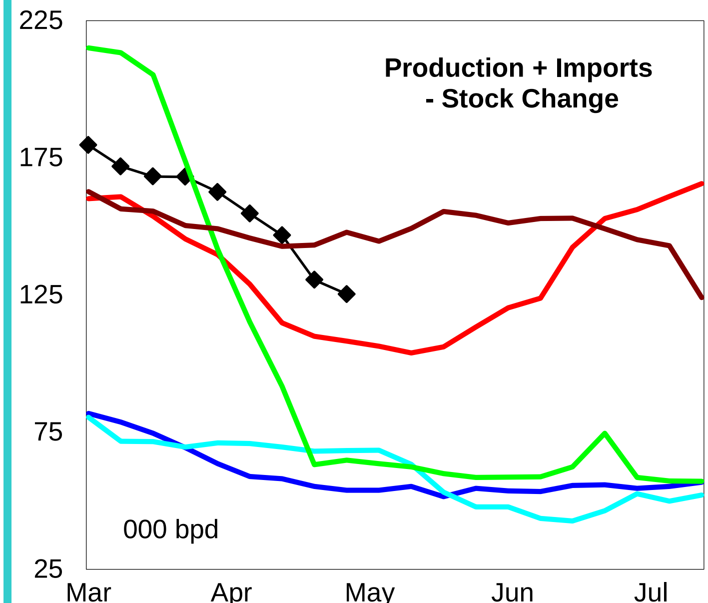
PADDs 4 and 5 Propane Supply and Demand Balance

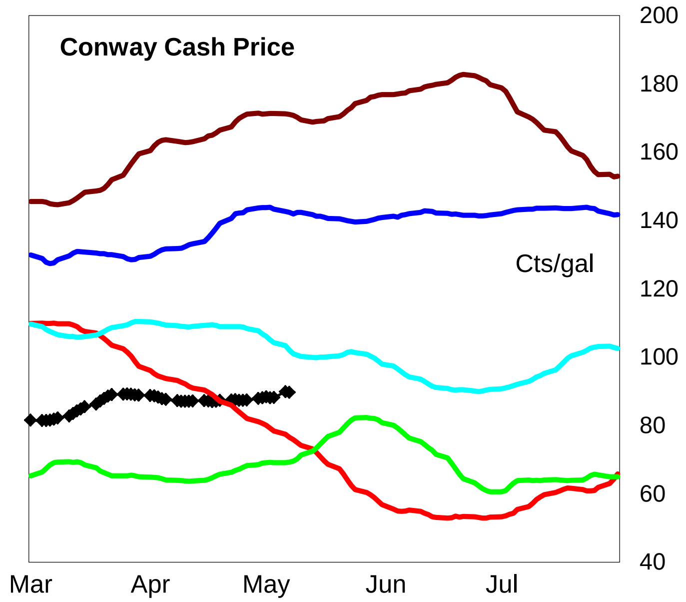






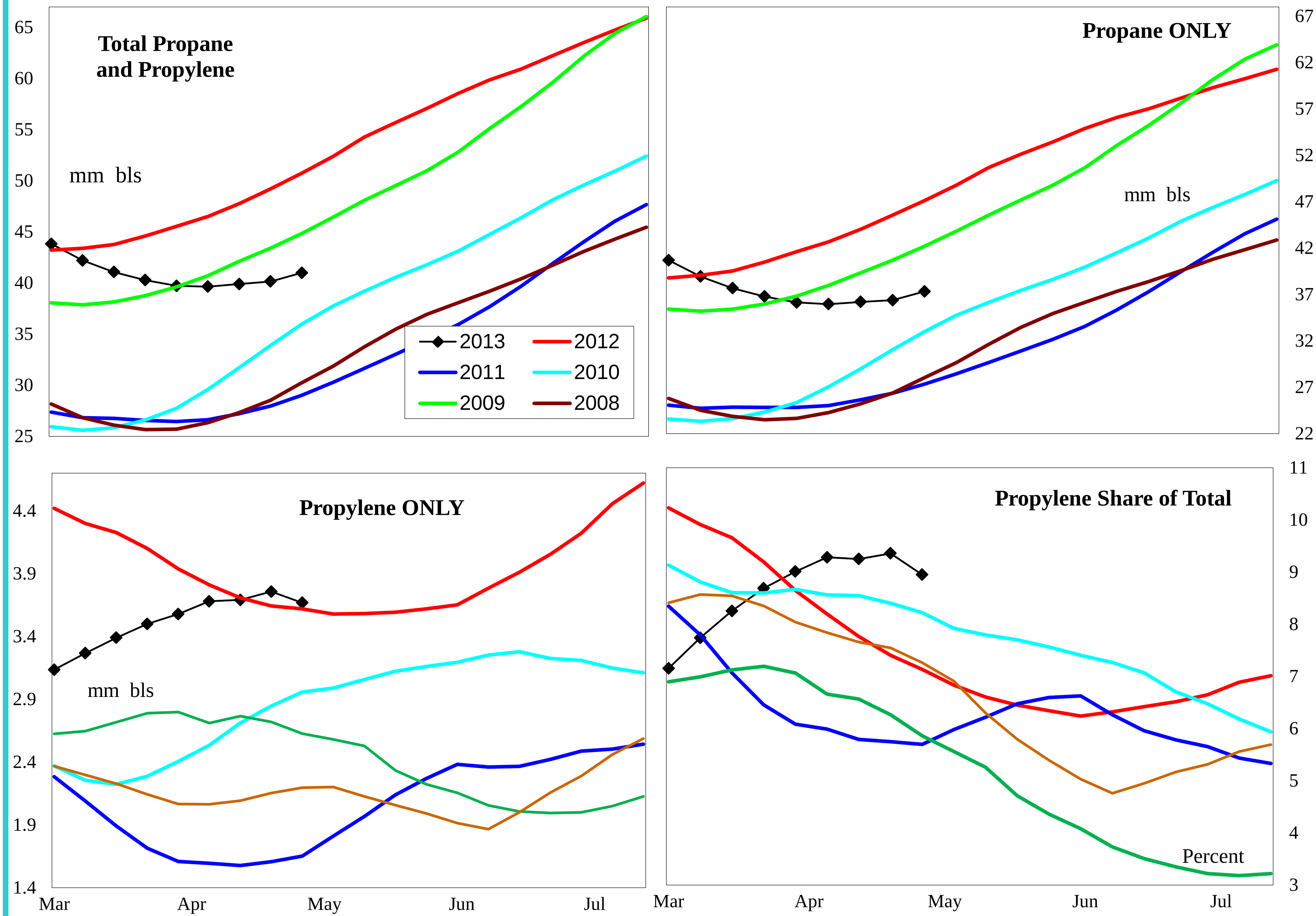






4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-432	-144	22	-2	24
% change	-34.4	-51.5	18.6	-25.9	20.6

U. S. Propane and Propylene Stocks



Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	-10,026	-10,069	50
% change	-19.6	-21.2	1.4

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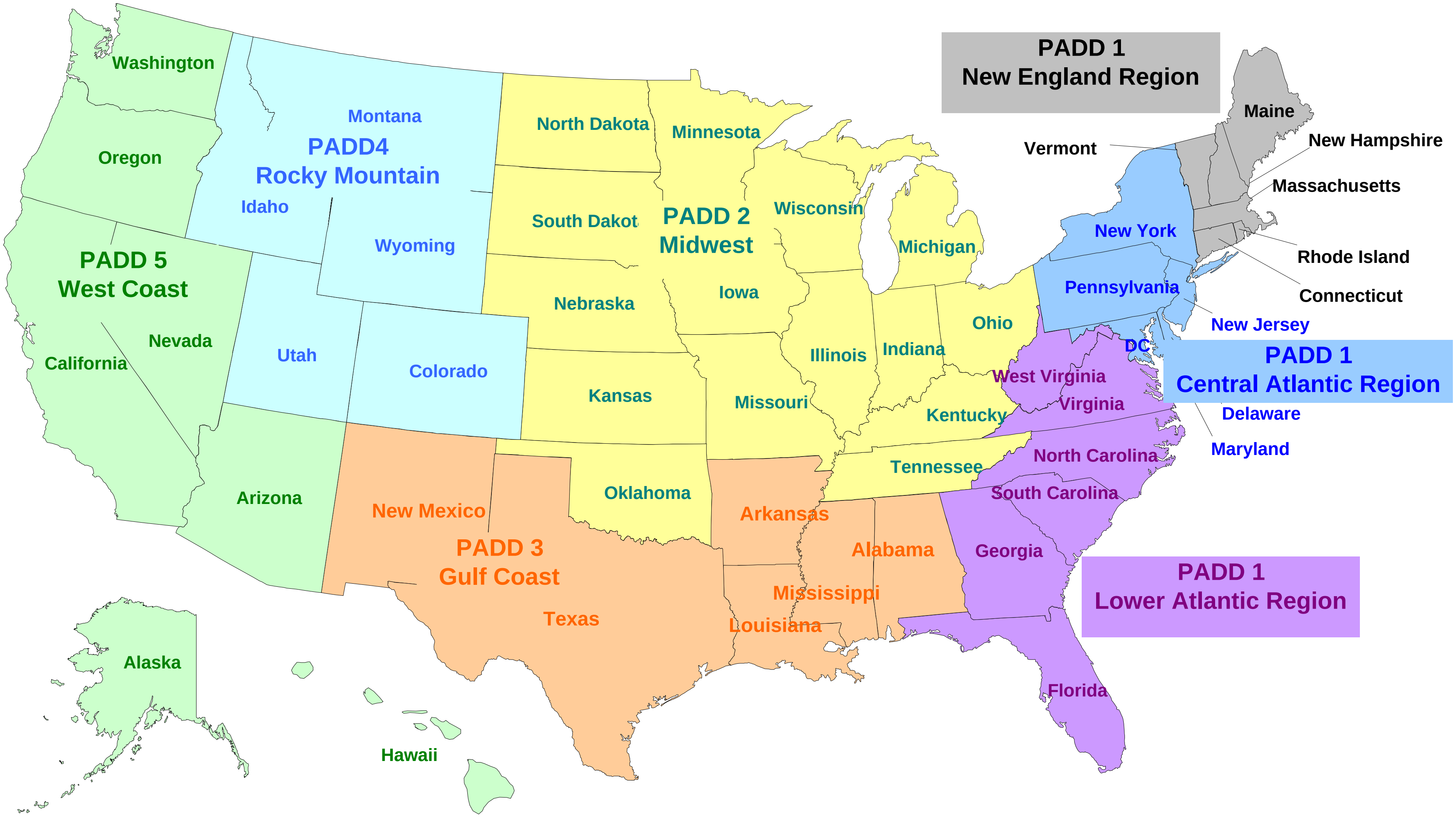
U. S. Petroleum Administrative for Defense Districts (PADDs)



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