WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

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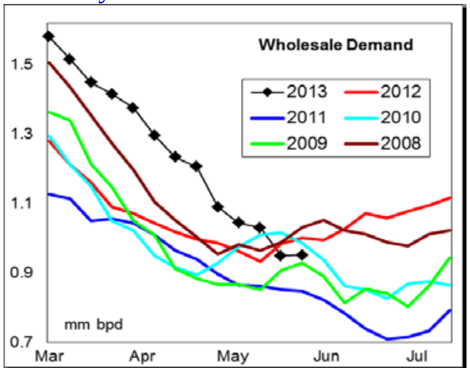
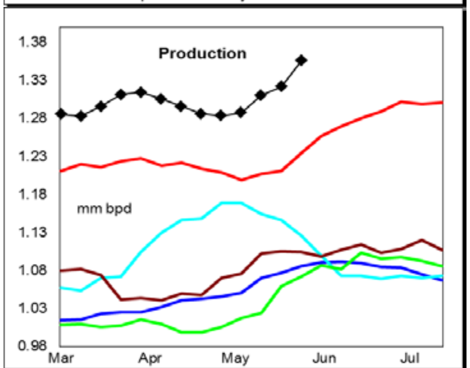
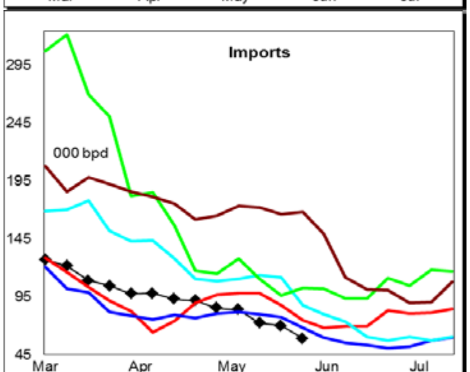
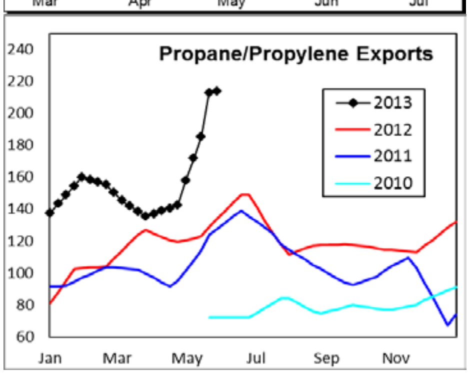


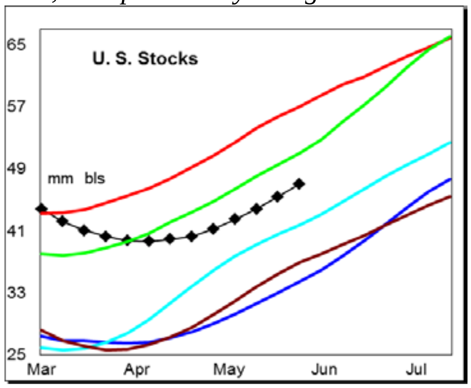






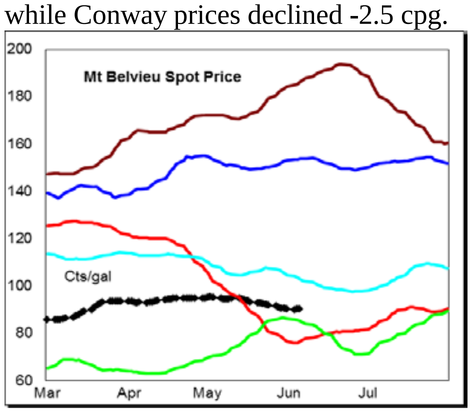
Wholesale demand decreased -57,000 bpd on the week, a level that matched the 3-year mid range. Production increased +68,000 bpd on the week while imports were -20,000 bpd lower.

Combined production and imports during the latest 4-wk period were +102,000 bpd above a year ago. Production was +123,000 bpd above last year (+10%), while imports were -21,000 bpd lower. The latest 4-wk average demand was +62,000 bpd above last year, +7%. *Exports increased +72,000 bpd over a year ago.*



Stocks increased +1.9 million barrels on the week, ending at a level -19% below last year. The 4-wk stock change was a build of +6.1 million barrels, equal to the average of the last 3-years.

Price and Spreads Mt Belvieu price was unchanged for the week ending 05Jun13 while Conway prices declined -2.5 cpg.



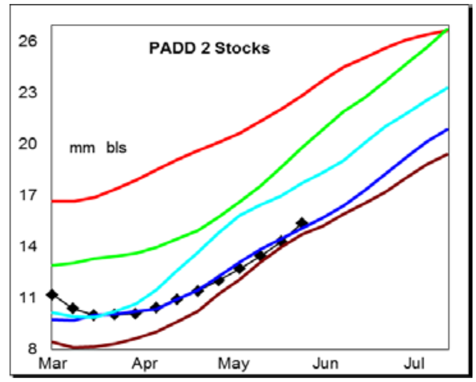
The Conway – Mt Belvieu price spread ended the week at -6 cpg, down slightly from a week ago.

The propane to natural gas price spread traded sideways last week, ending at a level well below the last 2-years.

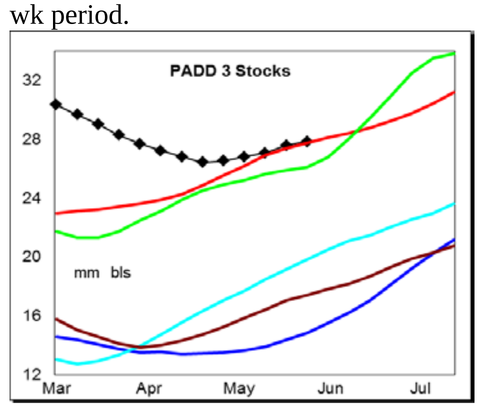
The propane / crude oil price spread extended the recent downtrend last week, ending at a level slightly above last years' record low.

PADD 1 stocks increased +0.3 million barrels on the week, with the level -2.3 million barrels below last year. Supply decreased -7,000 bpd last week. Supply for the latest 4-wk period increased +11,000 bpd compared to a year ago.

PADD 2 stocks increased +1.3 million barrels on the week. Supply increased +12,000 bpd on higher production. The latest 4-wk supply was -9,000 bpd below a year ago. Stock levels ended the week -34% below last year and near 5-year lows.



PAD 3 stocks increased +0.2 million barrels last week, to a level -1% below a year ago. Supplies were +62,000 bpd above a year ago for the most recent 4-wk period.



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

Emerging Trends Production increased +68,000 bpd last week as refiners returned from maintenance. Stocks are building at a rate equal to the latest 3-year mid range. Even with higher exports, these trends point to an improving supply balance.

[1] Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

June 6, 2013

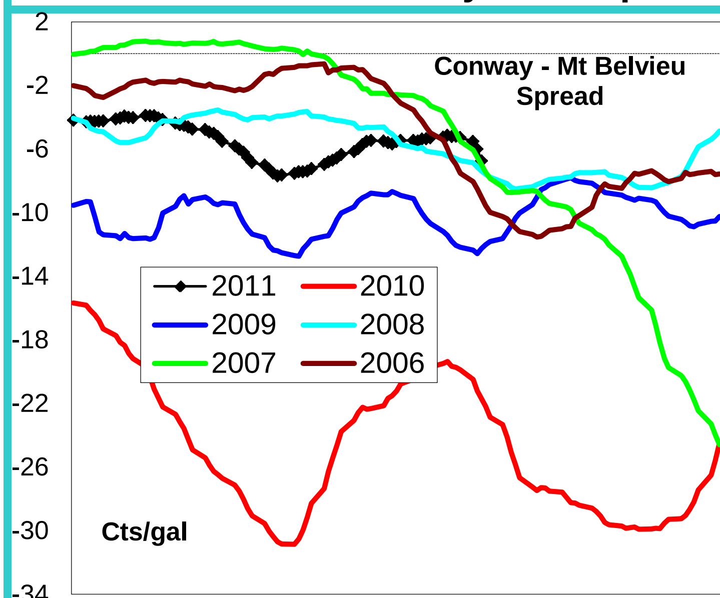
Fundamental Trends for the Week Ending: Friday, May 31, 2013

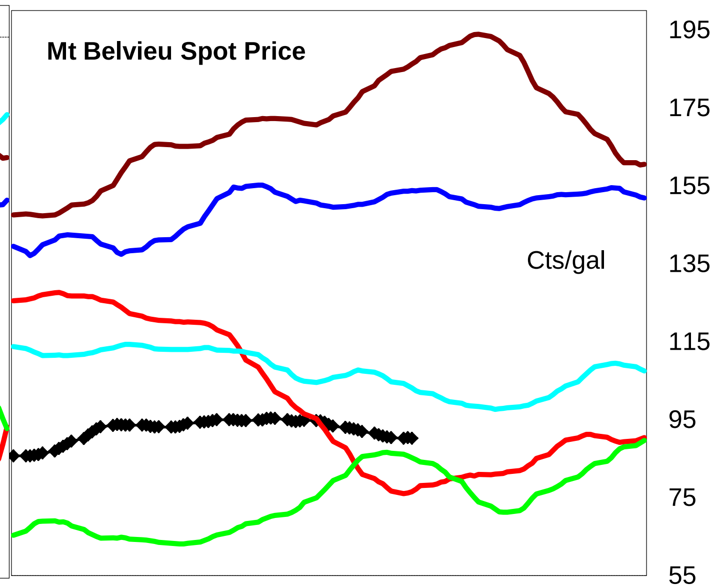
000 bpd / Stocks 000 bls	Weekly Supply-Demand U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5	Change from prior week: U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5
Stocks	47,036	2,644	15,373	27,856	1,163	1,899	317	1,324	176	82
Propylene Stocks	3,091					-323				
Production	1,356	84	300	821	151	68	4	20	42	2
Imports	59	22	33	0	4	-20	-11	-8	0	-1
Whsle Demand	931					-57				

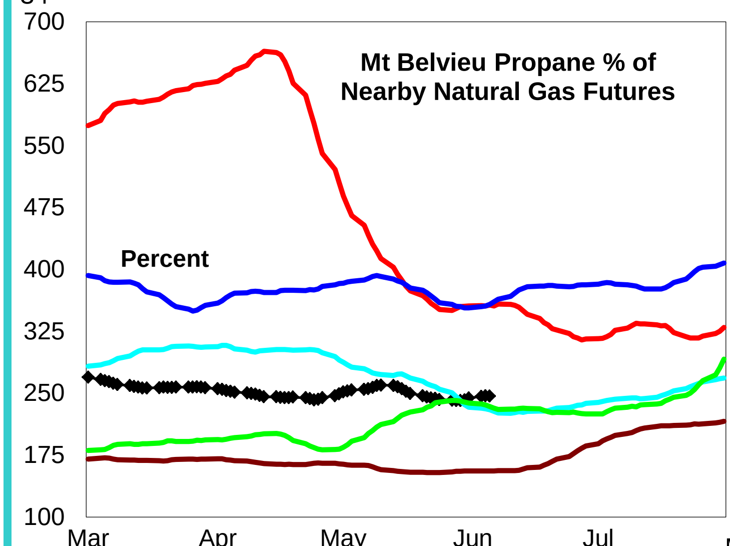
Price Trends for the Week Ending: Wednesday, June 05, 2013

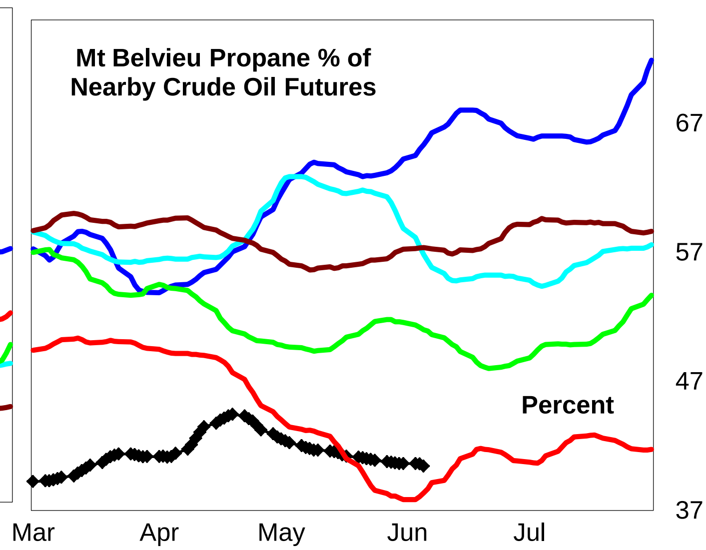
Cents/gal	Average for week ending: 6/5/13	5/29/13	5/8/13	6/1/12	Change from: 5/29/13	5/8/13	6/1/12	% change from: 5/29/13	5/8/13	6/1/12
Mont Belvieu Spot	90.2	91.1	95.4	76.9	-0.92	-4.32	18.57	-1.0	-4.5	24.2
Conway Spot	84.7	86.4	89.6	56.9	-1.72	-3.20	32.69	-2.0	-3.6	57.4

Key Price Spreads and Differentials

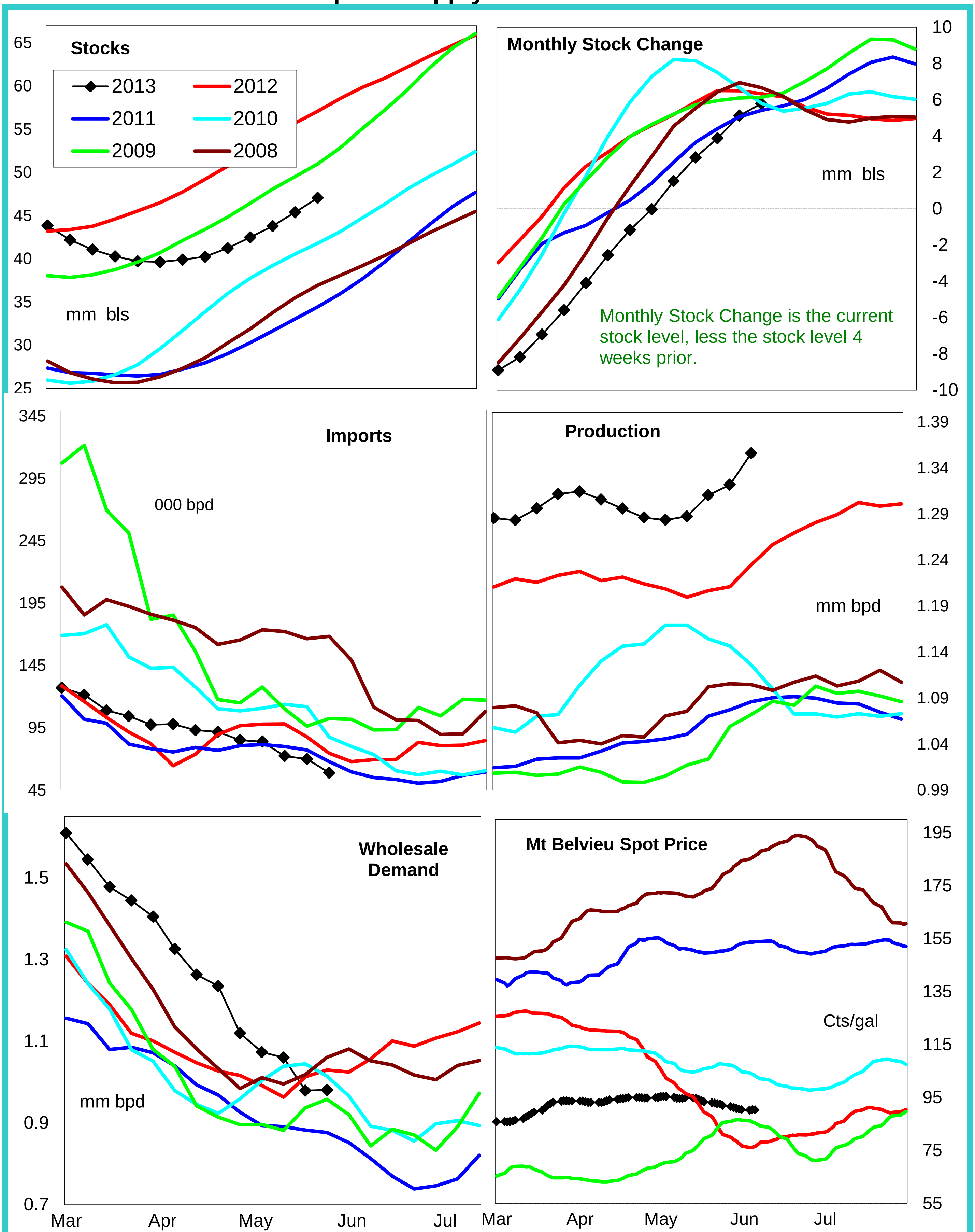






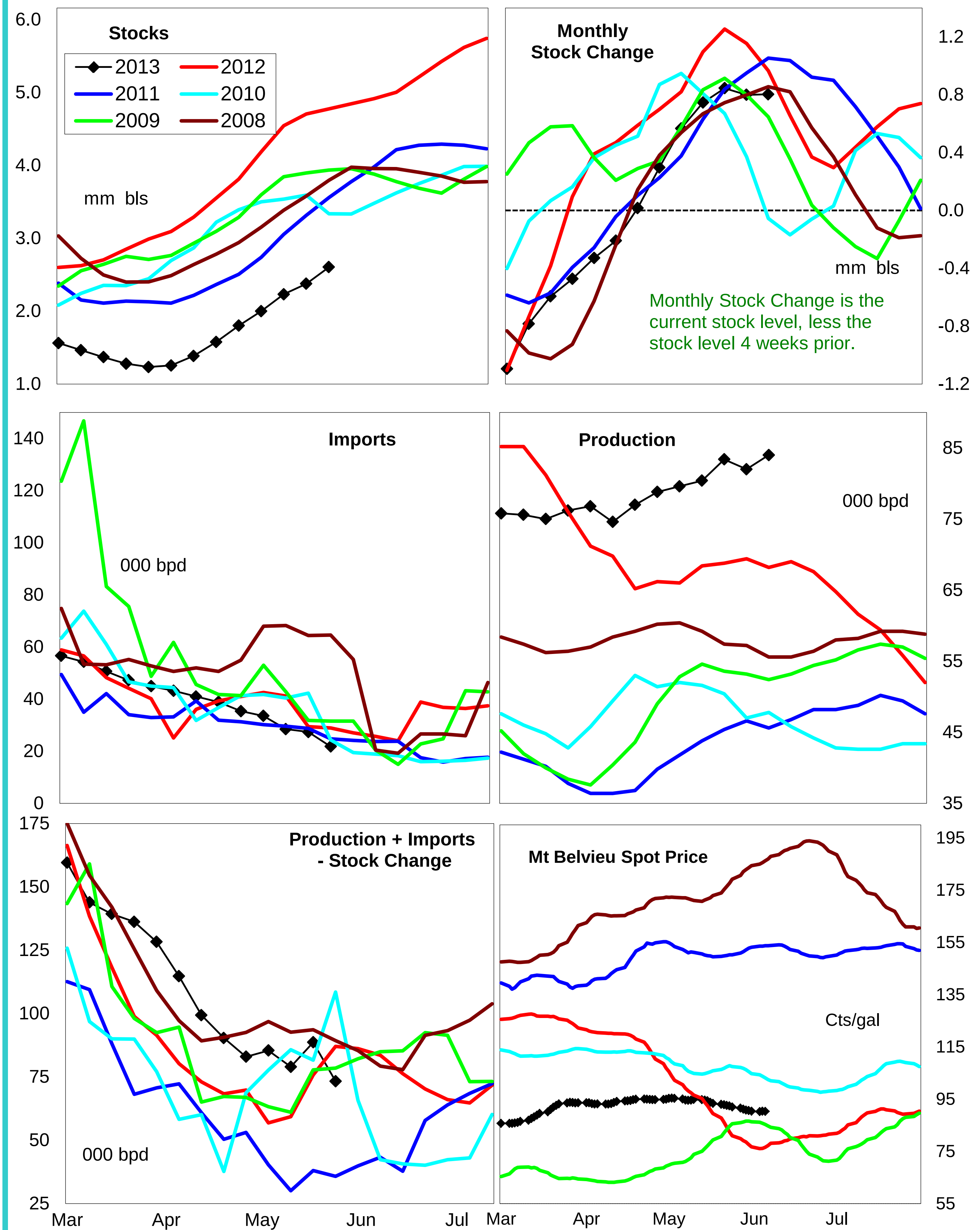


U. S. Propane Supply and Demand Balance



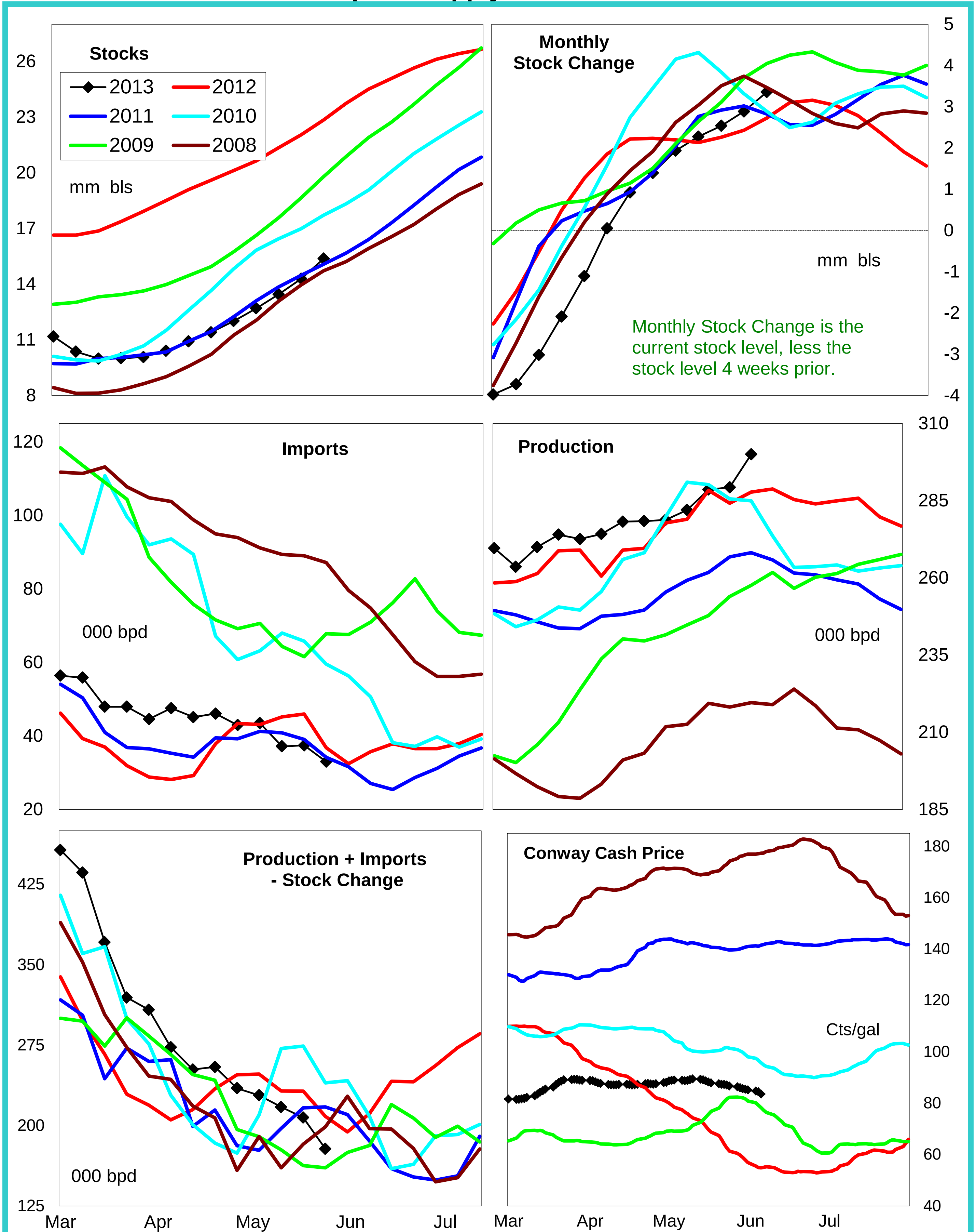
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Apr	Mar	Feb
000 bpd (000 bls stks)	-10,879	-538	123	-21		62	251	330	254
% change	-18.8	-9	10.3	-22.1		6.7	25.5	29.1	18.9

PADD 1 Propane Supply and Demand Balance



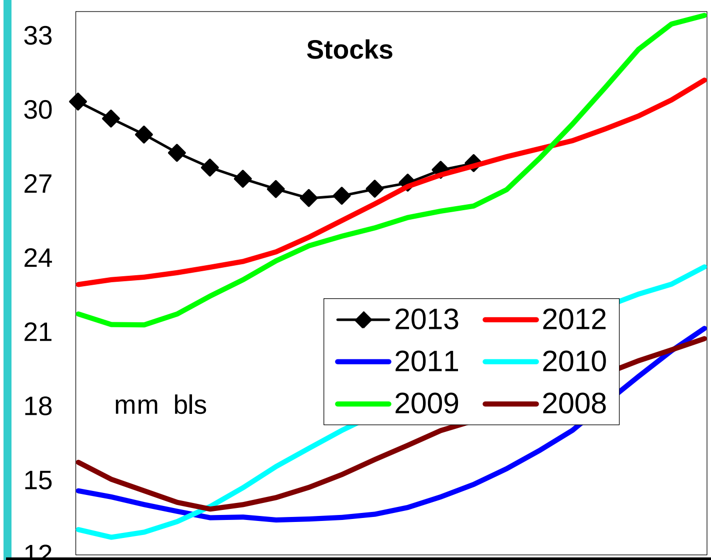
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-2,294	-162	12	-1	12
% change	-46.5	-16.8	16.2	-3.6	16.9

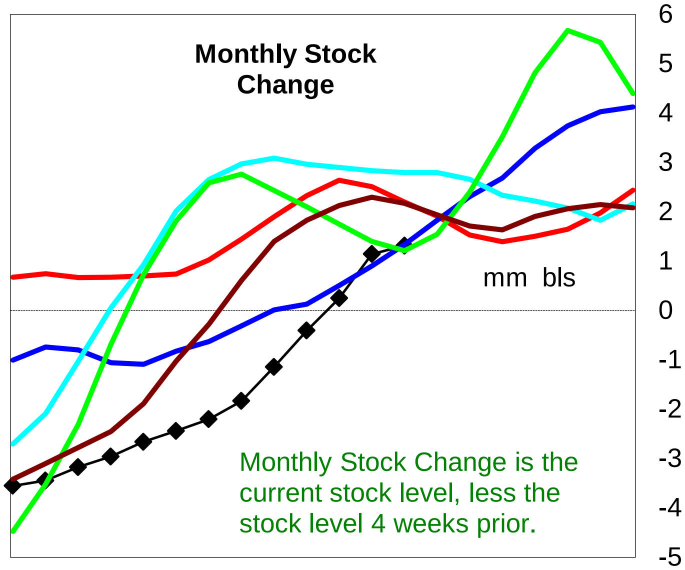
PADD 2 Propane Supply and Demand Balance

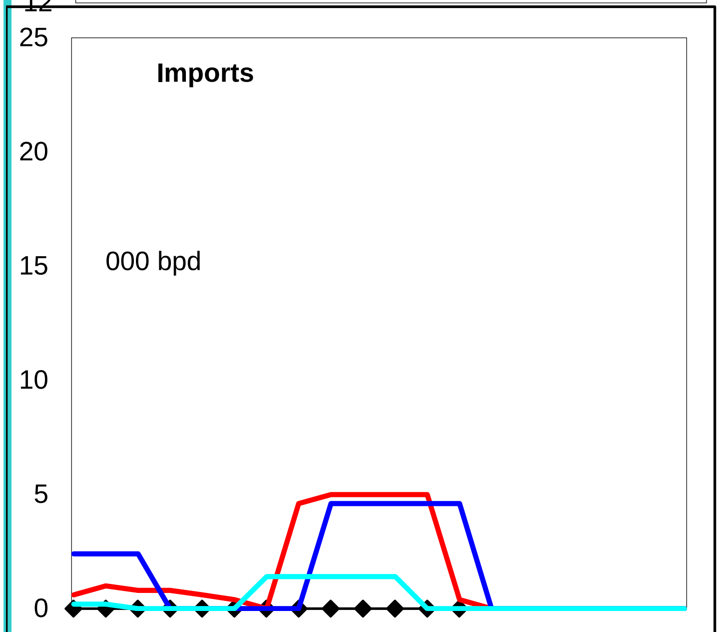


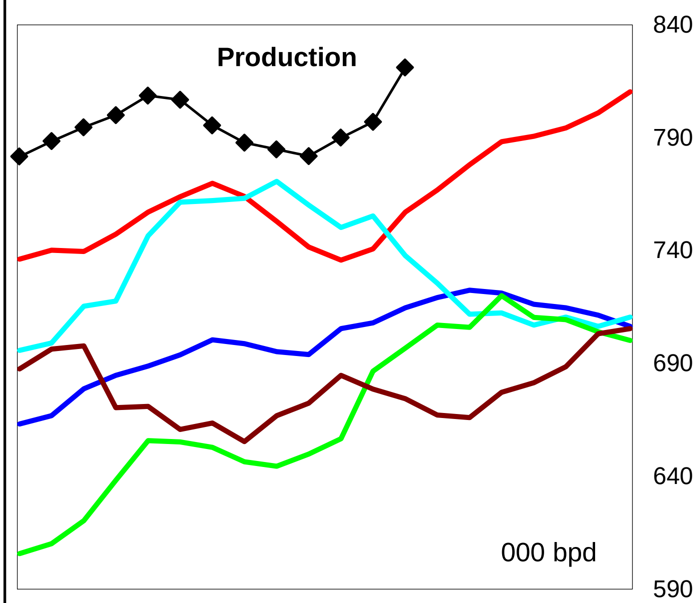
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-7,797	631	4	-13	-22
% change	-33.7	23.1	1.2	-25.4	-9.7

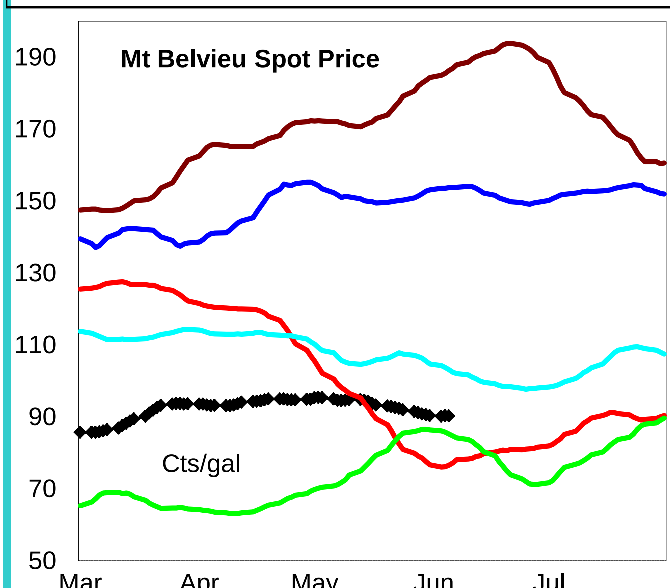
PADD 3 Propane Supply and Demand Balance

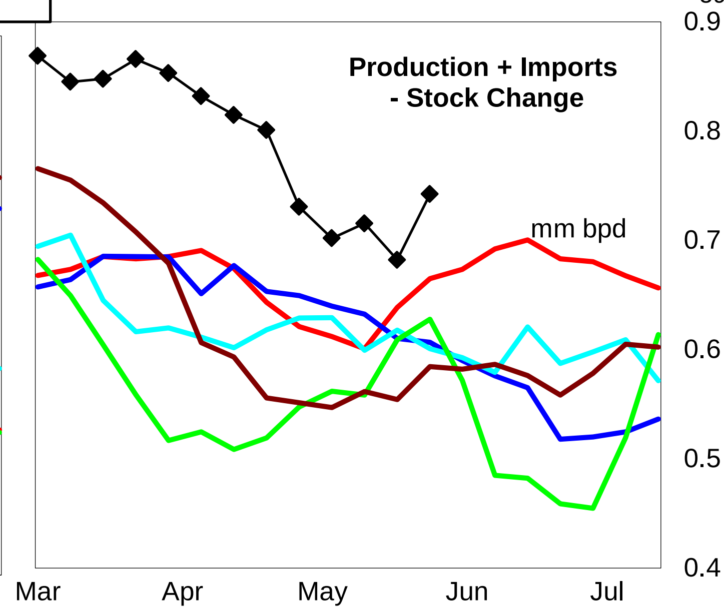






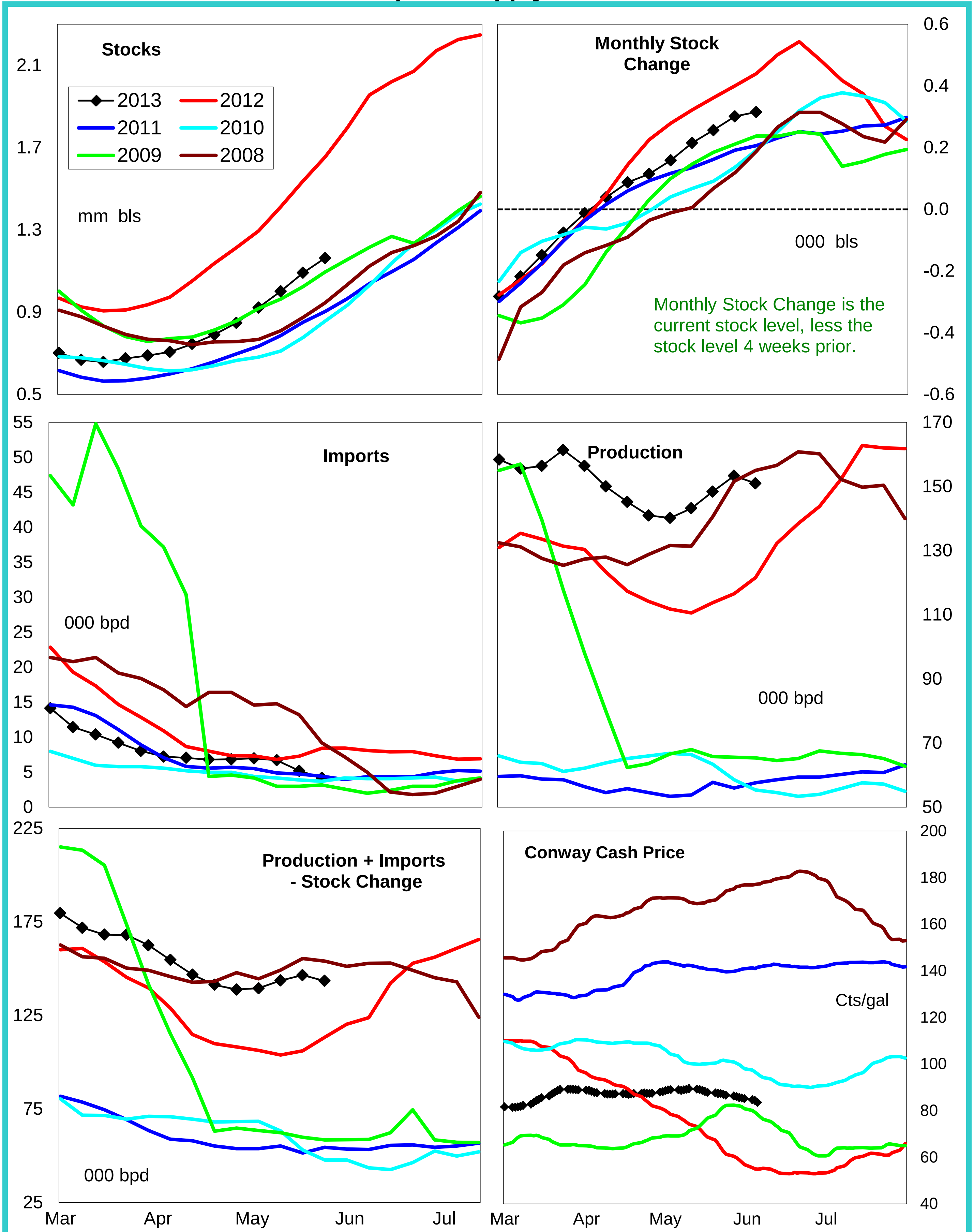






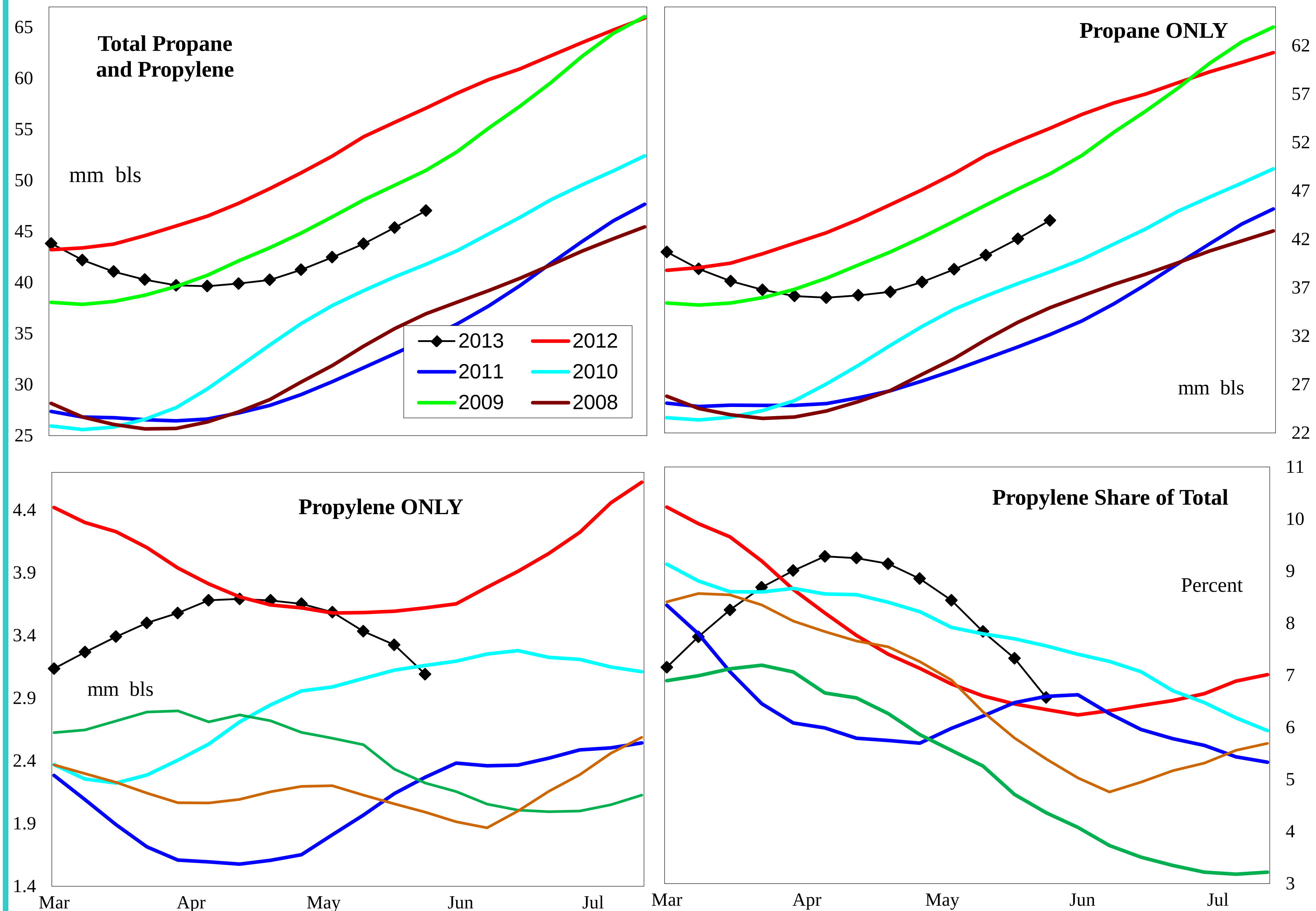
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-264	-883	68	-6	81
% change	-0.9	-40	9.3	-100.0	12.2

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)	-524	-125	41	-1	36
% change	-31.1	-28.4	35.7	-8.9	33.4

U. S. Propane and Propylene Stocks



Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	**-10,879**	**-10,414**	**-529**
% change	**-18.8**	**-19.2**	**-14.6**

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