WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

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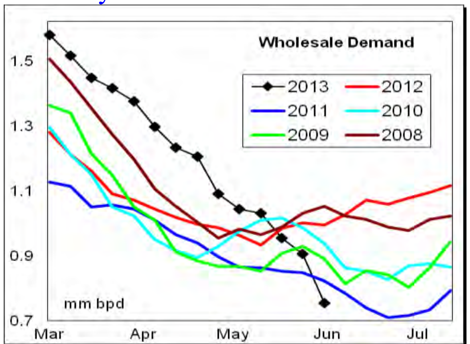
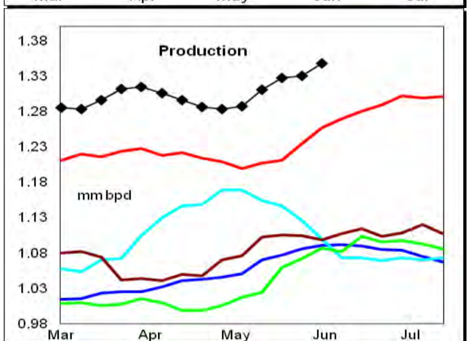
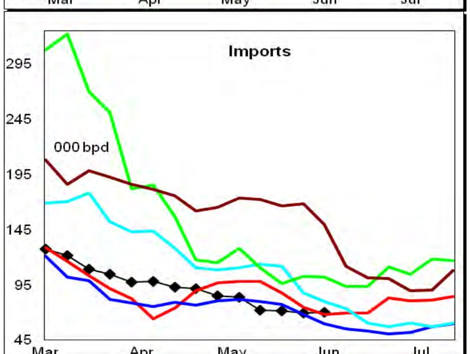
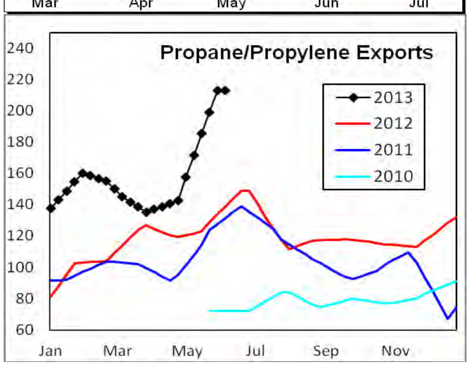


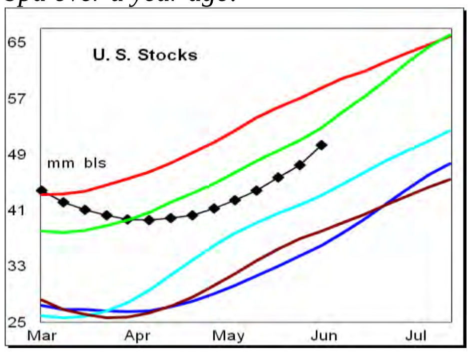






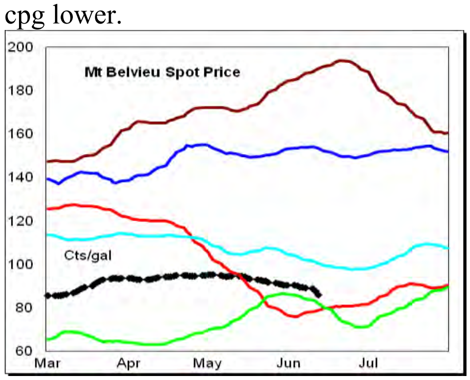
Wholesale demand fell -198,000 bpd on the week, to a level below the 5-year range. Production decreased -8,000 bpd on the week while imports were +11,000 bpd higher.

Combined production and imports during the latest 4-wk period were +99,000 bpd above a year ago. Production was +103,000 bpd above last year (+8%), while imports were -4,000 bpd lower. The latest 4-wk average demand was -92,000 bpd below last year, -10%. *Exports increased +83,000 bpd over a year ago.*



Stocks increased +3.3 million barrels on the week, ending at a level -14% below last year. *The unusually large build points to a restatement of stock levels by the EIA.* The 4-wk stock change was a build of +7.8 million barrels, a record build for the period.

Price and Spreads Mt Belvieu prices declined -4 cpg for the week ending 12Jun13, while Conway prices were -3 cpg lower.



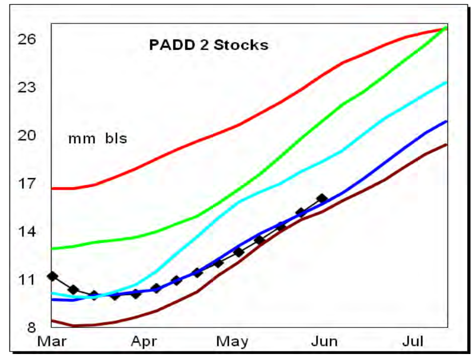
The Conway – Mt Belvieu price spread ended the week at -5 cpg, down slightly from a week ago.

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

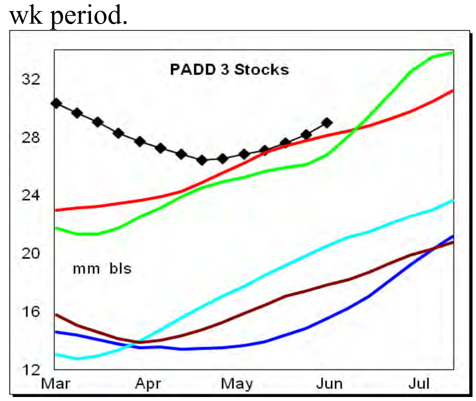
The propane / crude oil price spread extended the recent downtrend last week, ending at a level below last years' record low.

PADD 1 stocks increased +0.6 million barrels on the week, with the level -1.7 million barrels below last year. Supply increased +3,000 bpd last week. Supply for the latest 4-wk period increased +12,000 bpd compared to a year ago.

PADD 2 stocks increased +0.7 million barrels on the week. Supply decreased -8,000 bpd on lower production. The latest 4-wk supply was -2,000 bpd below a year ago. Stock levels ended the week -32% below last year and near 5-year lows.



PAD 3 stocks increased +1.1 million barrels last week, to a level +4% above a year ago. Supplies were +51,000 bpd above a year ago for the most recent 4-wk period.



PADDs 4 & 5 stocks jumped +1 million barrels on the week - an apparent restatement of stock levels by the EIA. The stock level ended the week above the 5-year high set a year ago.

Emerging Trends The EIA appears to have restated stock level estimates with a major upward revision in the West region. The result was also a drop in wholesale demand estimates. An improving supply balance risk a mid summer price pull back.

[1] Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

June 13, 2013

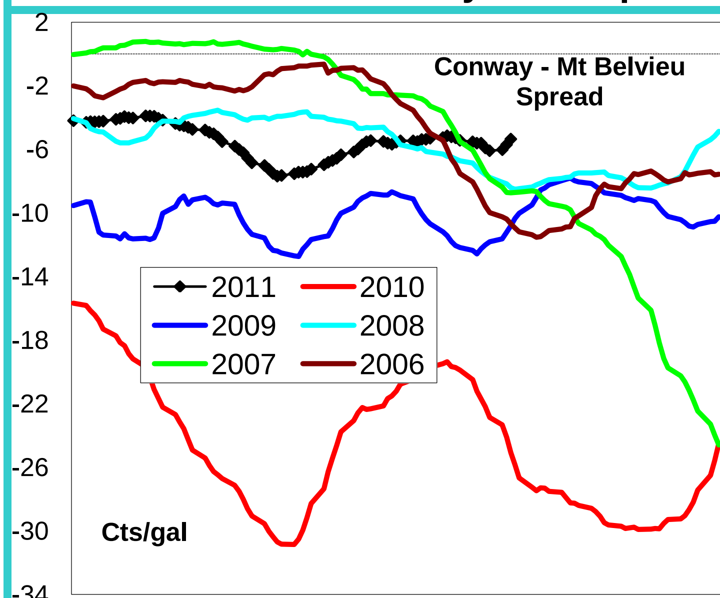
Fundamental Trends for the Week Ending: Friday, June 07, 2013

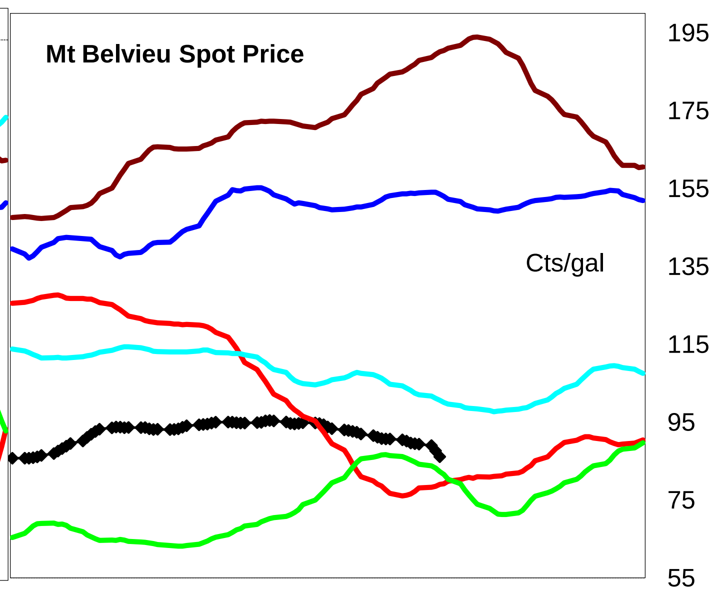
000 bpd / Stocks 000 bls	Weekly Supply-Demand: U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5	Change from prior week: U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5
Stocks	50,340	3,207	16,052	28,967	2,114	3,304	563	679	1,111	951
Propylene Stocks	3,001					-90				
Production	1,348	83	292	811	162	-8	-1	-8	-10	11
Imports	70	26	33	0	12	11	4	0	0	8
Whsle Demand	733					-198				

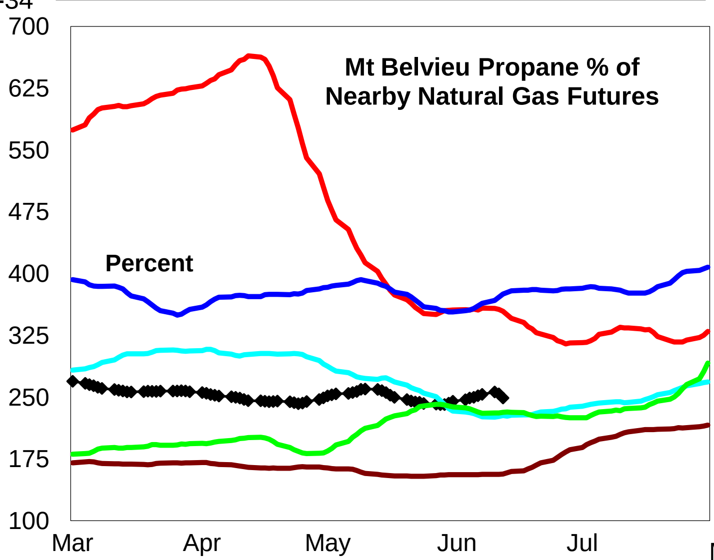
Price Trends for the Week Ending: Wednesday, June 05, 2013

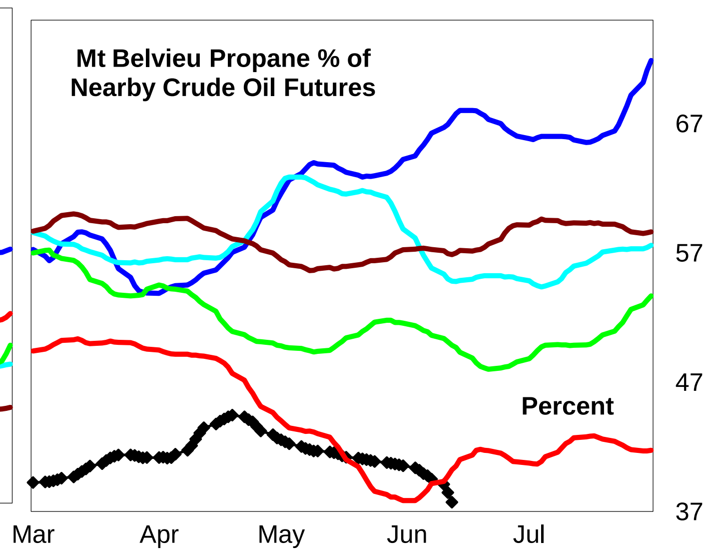
Cents/gal	Average for week ending: 6/5/13	5/29/13	5/8/13	6/1/12	Change from: 5/29/13	5/8/13	6/1/12	% change from: 5/29/13	5/8/13	6/1/12
Mont Belvieu Spot	89.0	90.2	94.0	77.2	-1.23	-3.78	16.75	-1.4	-4.0	21.7
Conway Spot	83.0	84.7	88.9	53.6	-1.73	-4.17	35.25	-2.0	-4.7	65.8

Key Price Spreads and Differentials

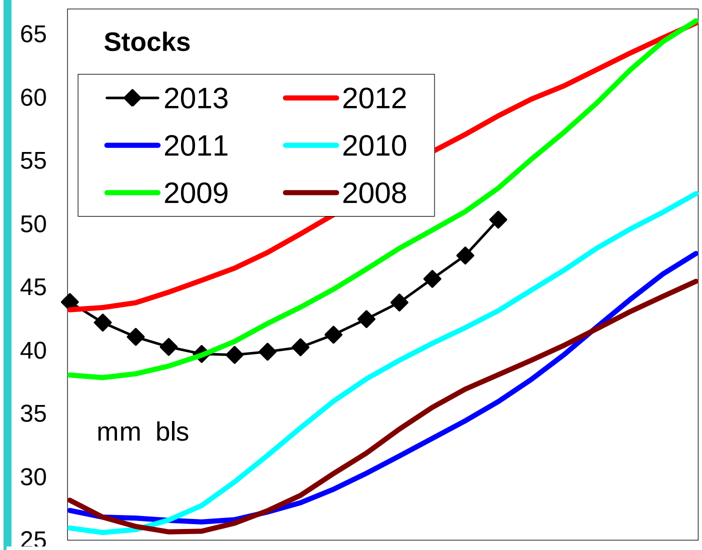


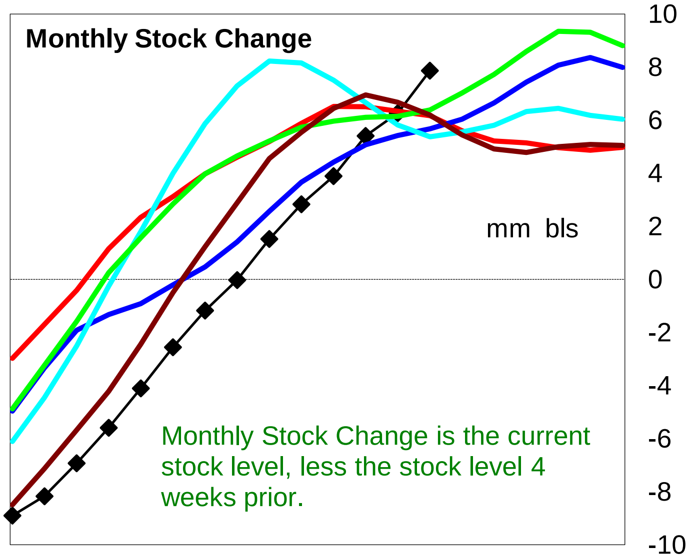


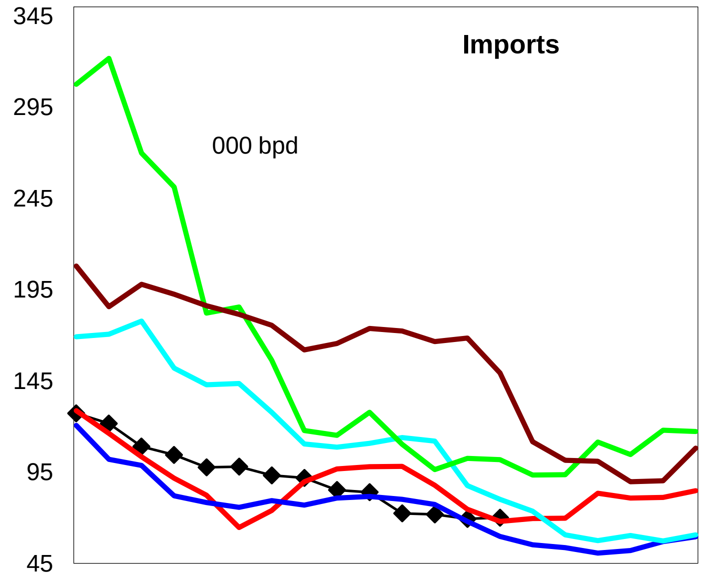


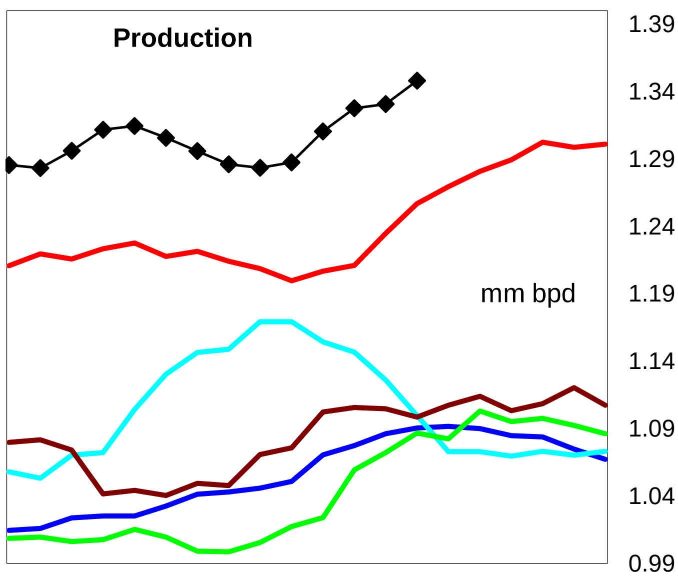


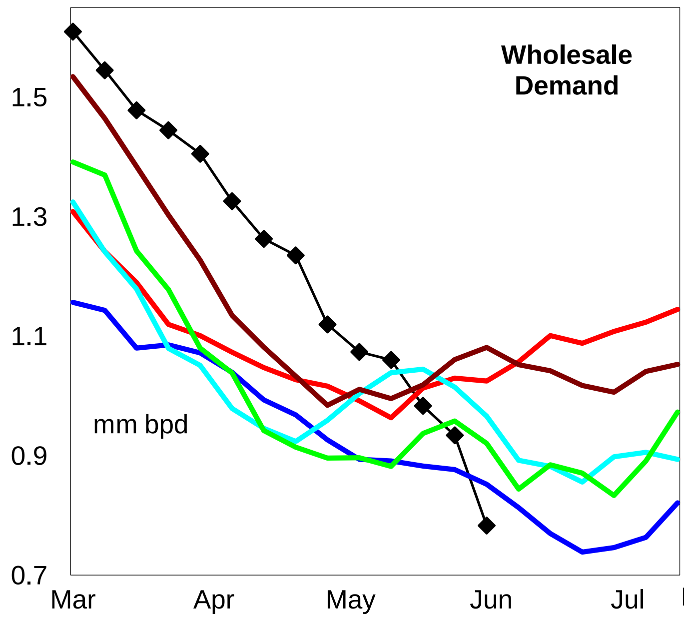
U. S. Propane Supply and Demand Balance

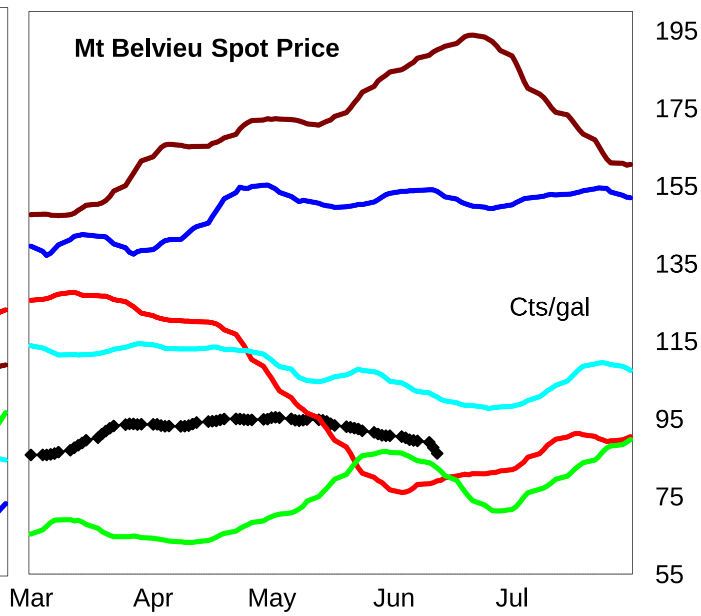












4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Apr	Mar	Feb
000 bpd (000 bls stks)	-7,901	1,697	103	-4		-92	251	330	254
% change	-13.6	28	8.4	-5.7		-9.5	25.5	29.1	18.9

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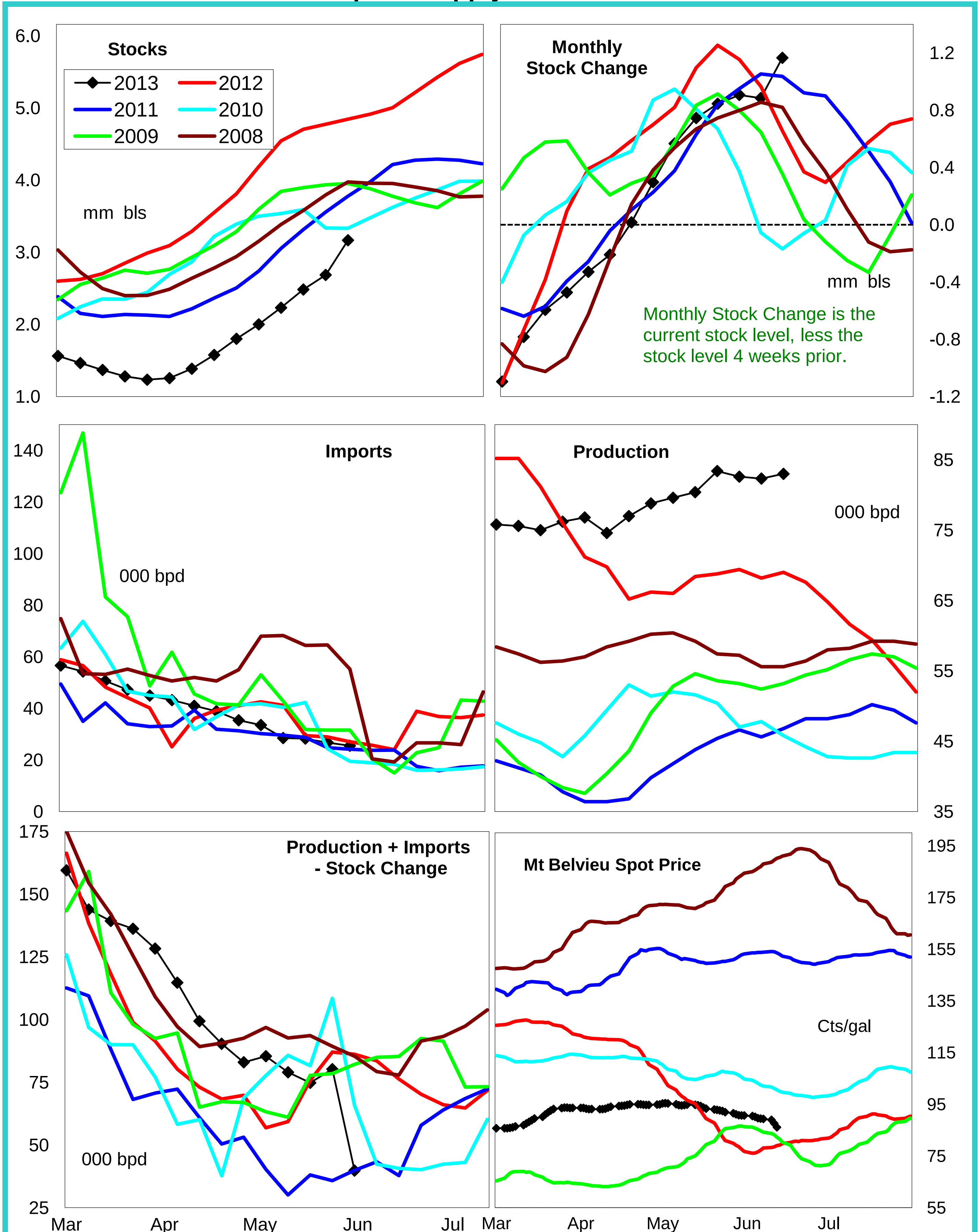
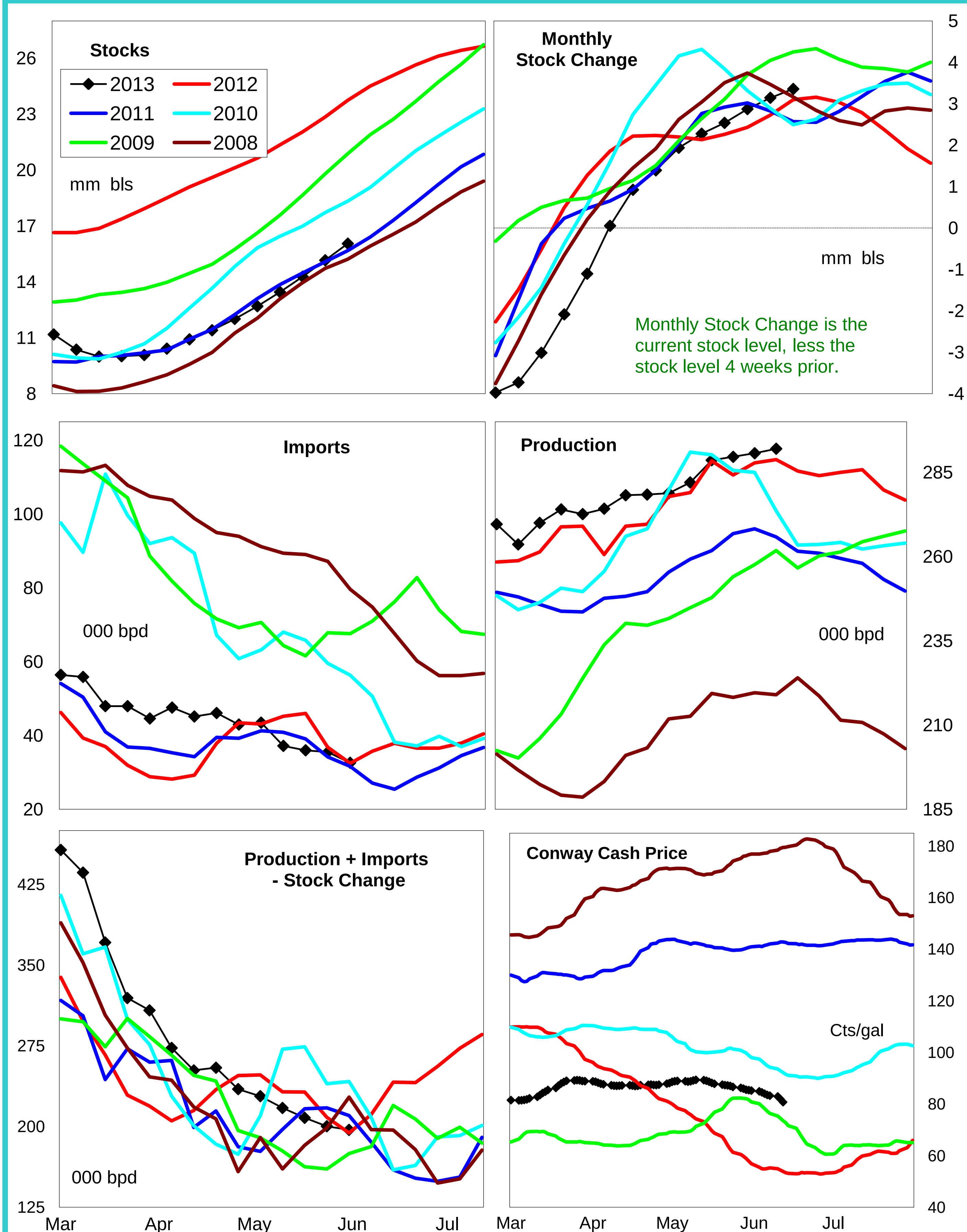
PADD 1 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-1,654	510	14	-2	-9
% change	-34.0	77.6	21.0	-6.5	-11.2

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)	-7,505	259	0	-2	-11
% change	-31.9	8.4	0.1	-4.0	-5.1

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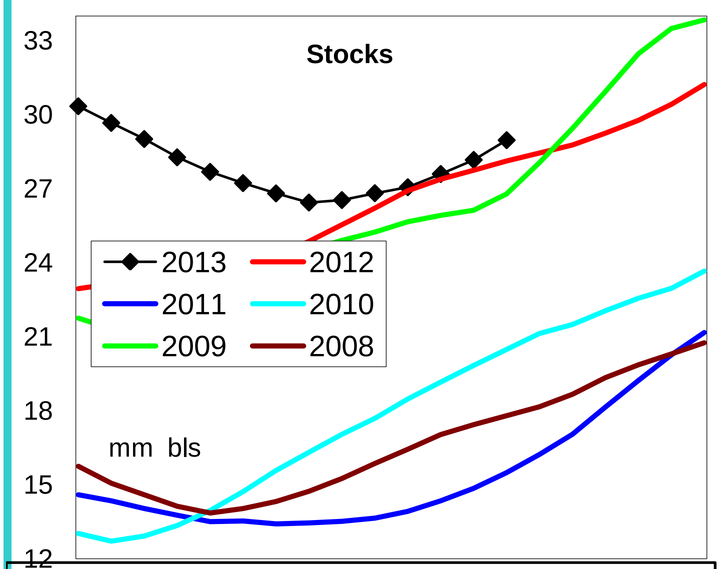
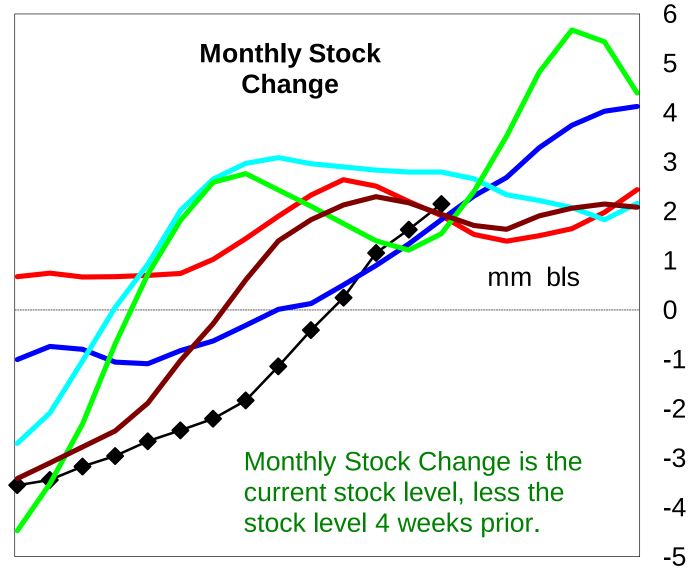
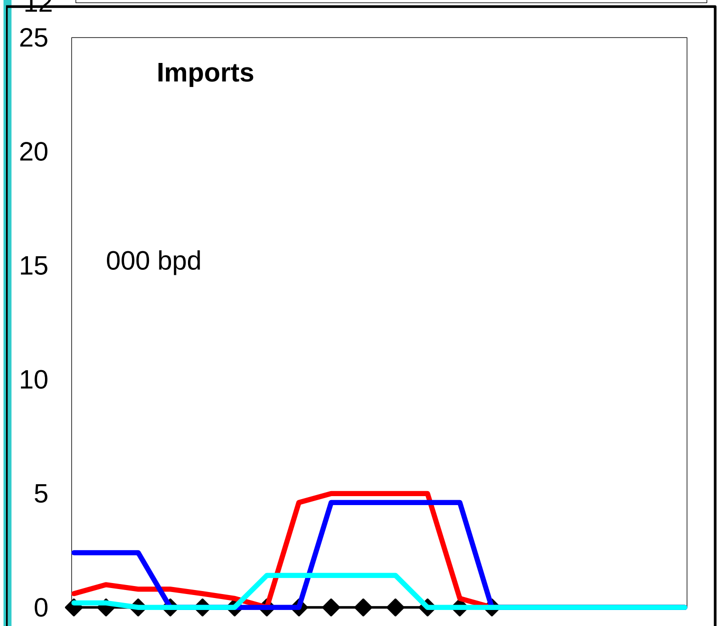
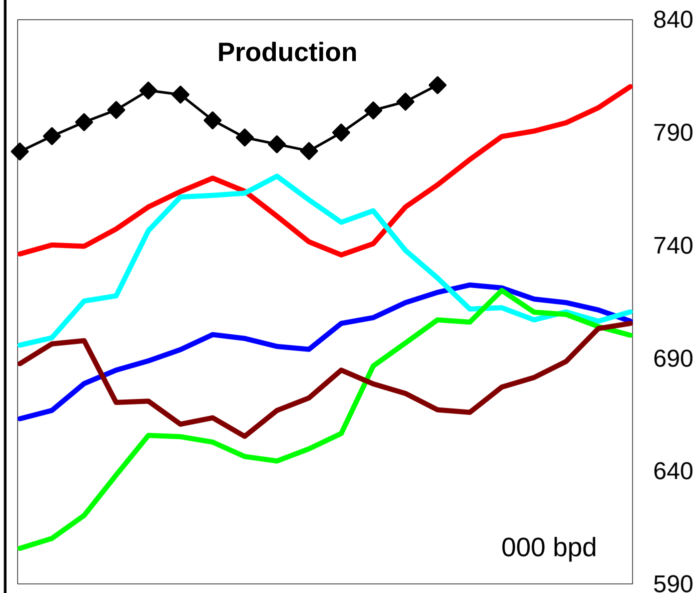
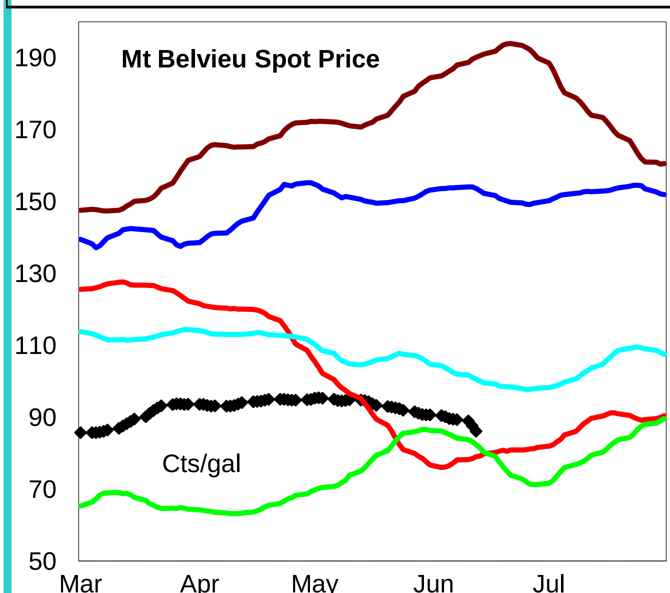
PADD 3 Propane Supply and Demand Balance

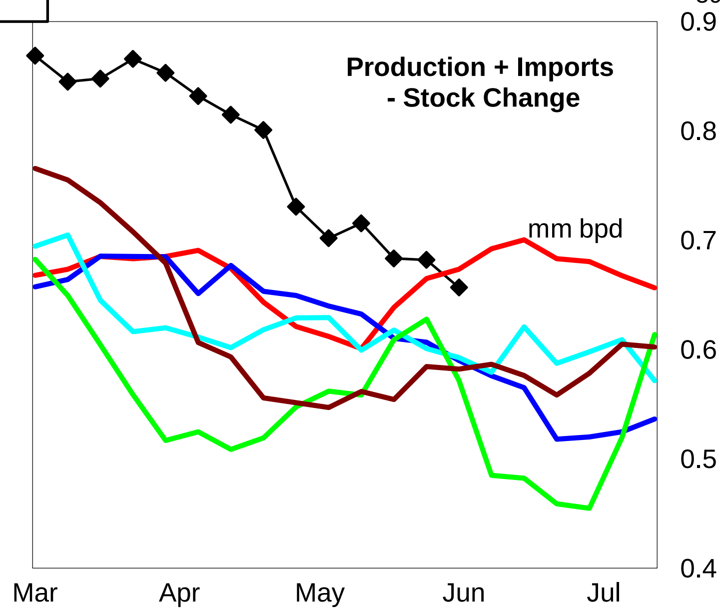






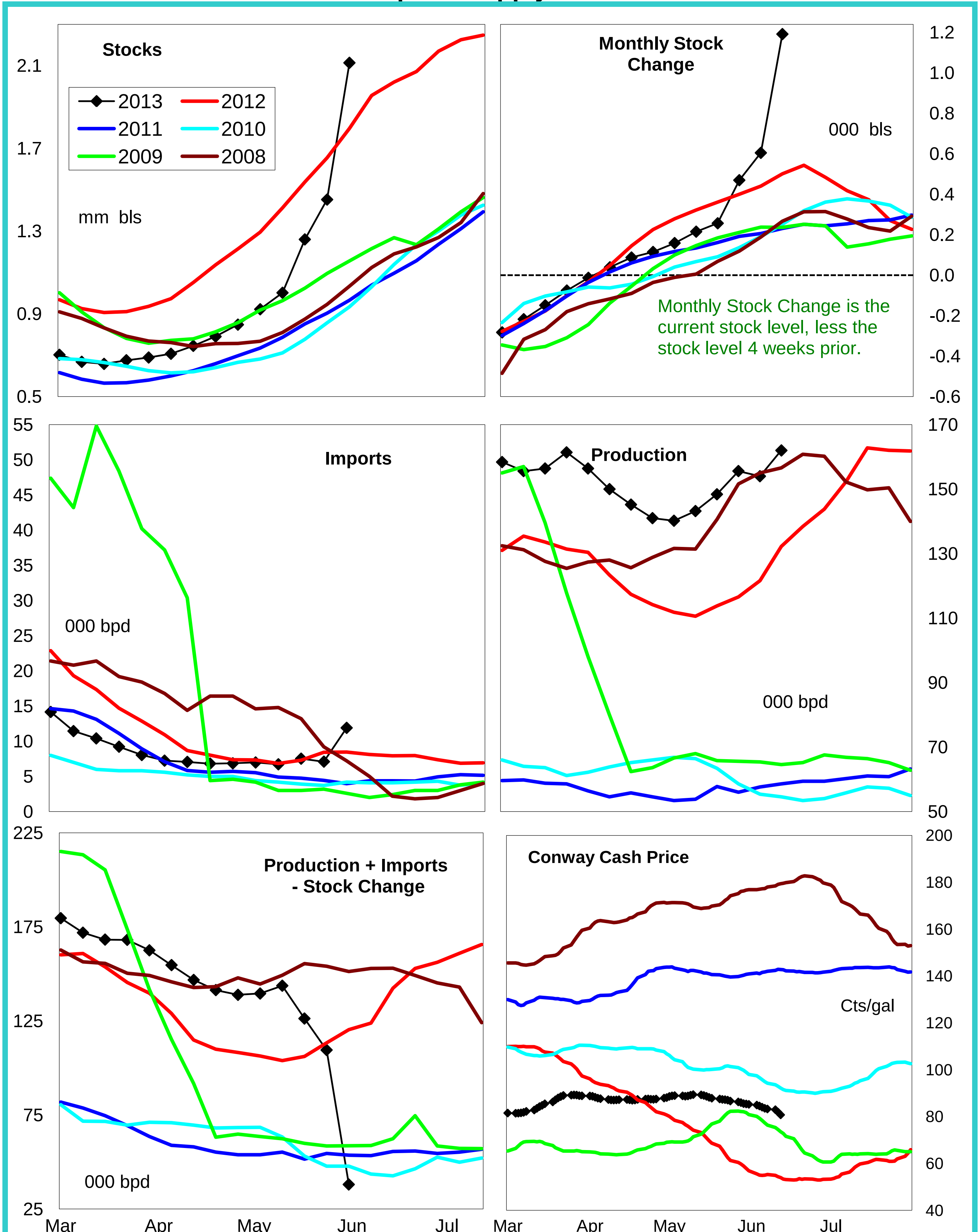






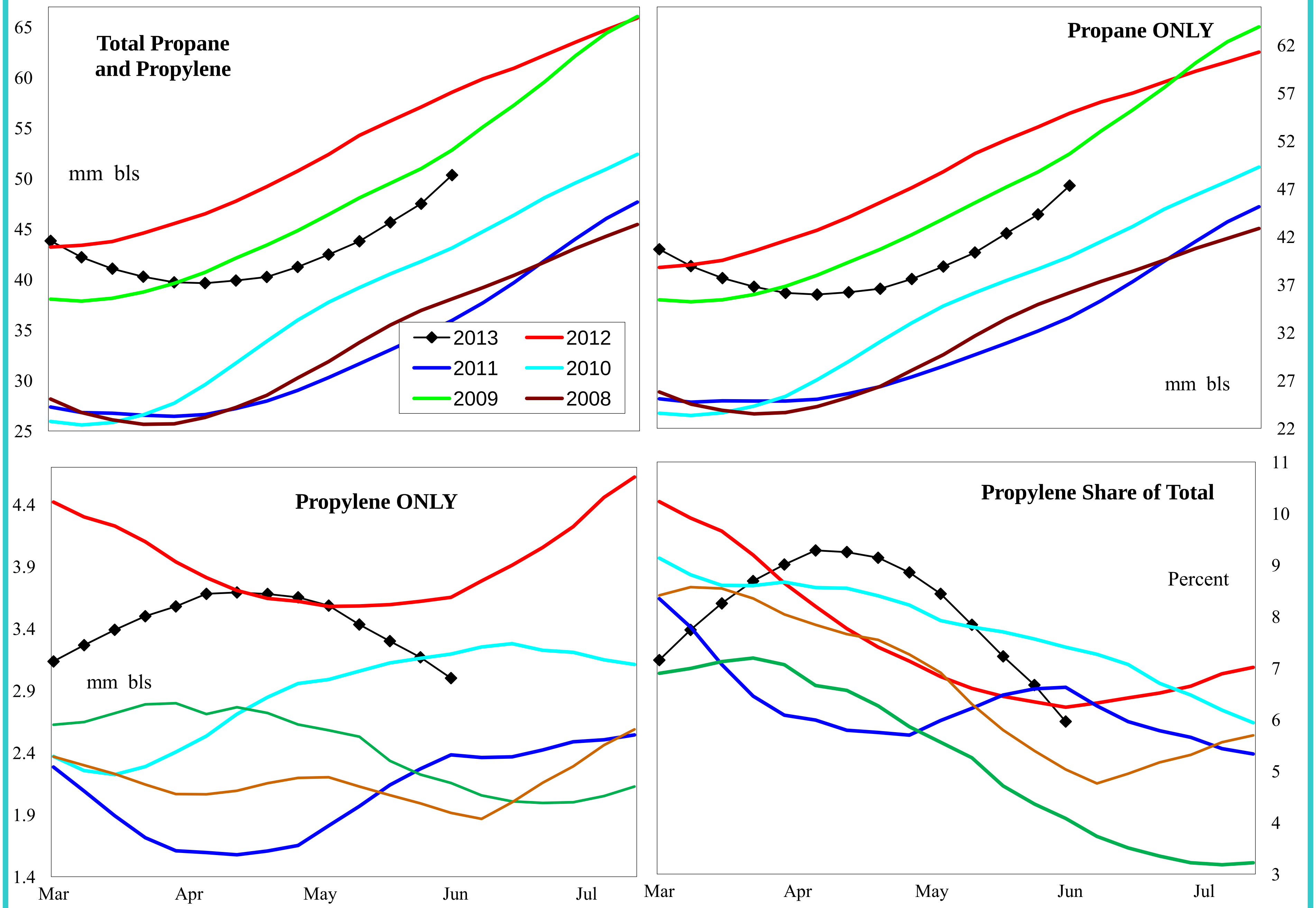
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	1,025	237	52	-1	40
% change	3.7	12	6.9	-100.0	5.8

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)	233	690	37	0	-7
% change	12.4	137.6	30.9	-4.8	-5.9

U. S. Propane and Propylene Stocks



Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	-7,901	-7,224	-652
% change	-13.6	-13.2	-17.8

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