FUNDAMENTAL PETROLEUM TRENDS

WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

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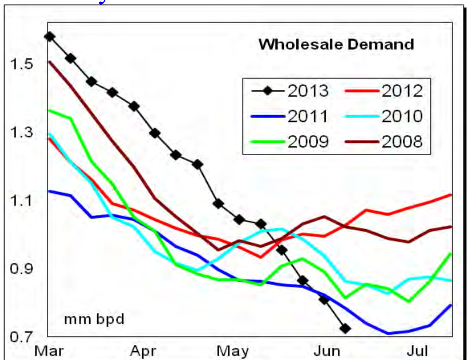
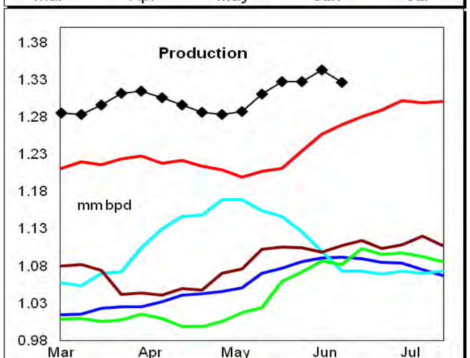
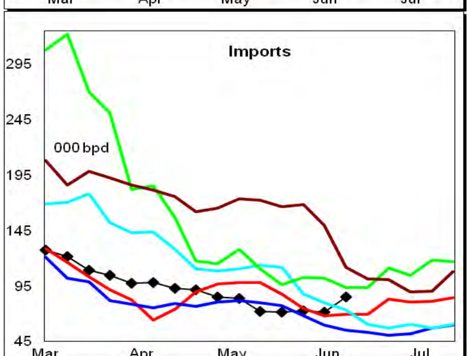
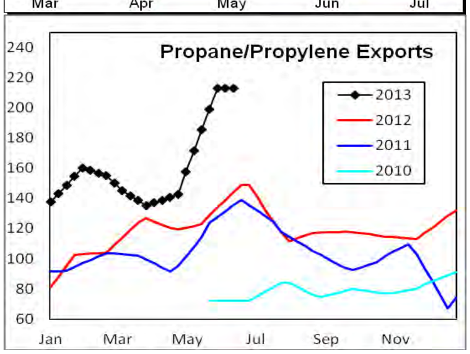




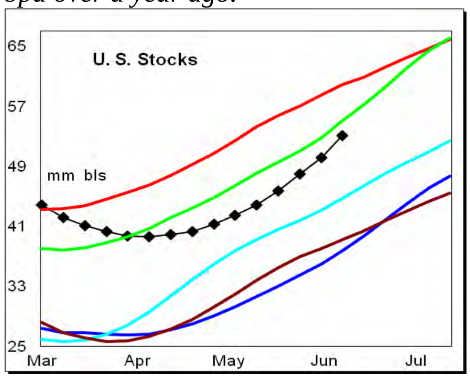




Wholesale demand declined -29,000 bpd on the week, to a level below the 5-year range. Production decreased -22,000 bpd on the week while imports were +15,000 bpd higher.

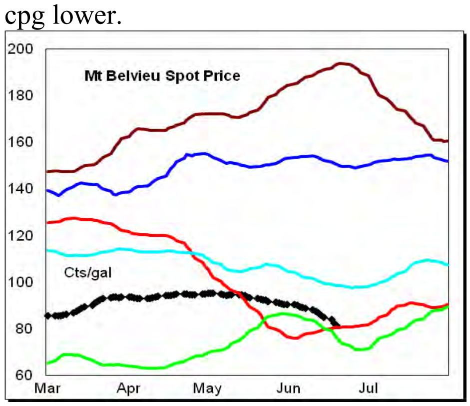
[1] Source is latest EIA Weekly Statistics

Combined production and imports during the latest 4-wk period were +93,000 bpd above a year ago. Production was +87,000 bpd above last year (+7%), while imports were +5,000 bpd higher. The latest 4-wk average demand was -137,000 bpd below last year, -14%. *Exports increased +77,000 bpd over a year ago.*



Stocks increased +2.9 million barrels on the week, ending at a level -11% below last year. The 4-wk stock change was a build of +9.3 million barrels, a record build for the period.

Price and Spreads Mt Belvieu prices declined -5 cpg for the week ending 19Jun13, while Conway prices were -2 cpg lower.



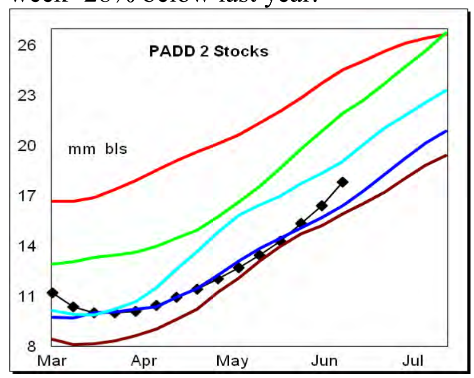
The Conway – Mt Belvieu price spread ended the week at -3 cpg, a record low differential for this time of year.

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

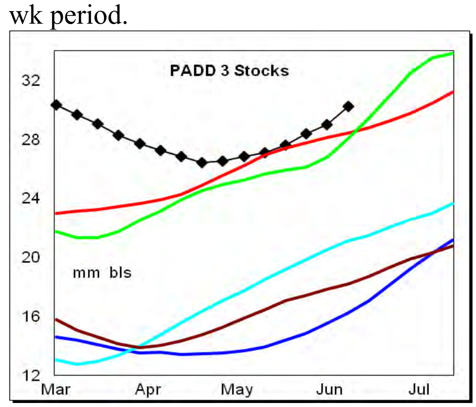
The propane / crude oil price spread extended the recent downtrend last week, ending at a record low level.

PADD 1 stocks increased +0.3 million barrels on the week, with the level -1.2 million barrels below last year. Supply decreased -1,000 bpd last week. Supply for the latest 4-wk period increased +11,000 bpd compared to a year ago.

PADD 2 stocks increased +1.8 million barrels on the week. Supply increased +25,000 bpd on higher imports. The latest 4-wk supply was +16,000 bpd above a year ago. Stock levels ended the week -28% below last year.



PAD 3 stocks increased +1.2 million barrels last week, to a level +7% above a year ago. Supplies were +36,000 bpd above a year ago for the most recent 4-wk period.



PADDs 4 & 5 stocks fell -0.5 million barrels last week, reversing a portion of the prior week jump. The stock level ended the week above four of the last 5-years.

Emerging Trends The stock build of +2.8 million barrels last week was the 2nd consecutive sharp increase. Weak demand and a reported lack of ships to load exports likely contributed to the build. Expect further wholesale price weakness on weak demand and a record rate of stock building.

PROPANE: Graph Link and Weekly Summary

June 19, 2013

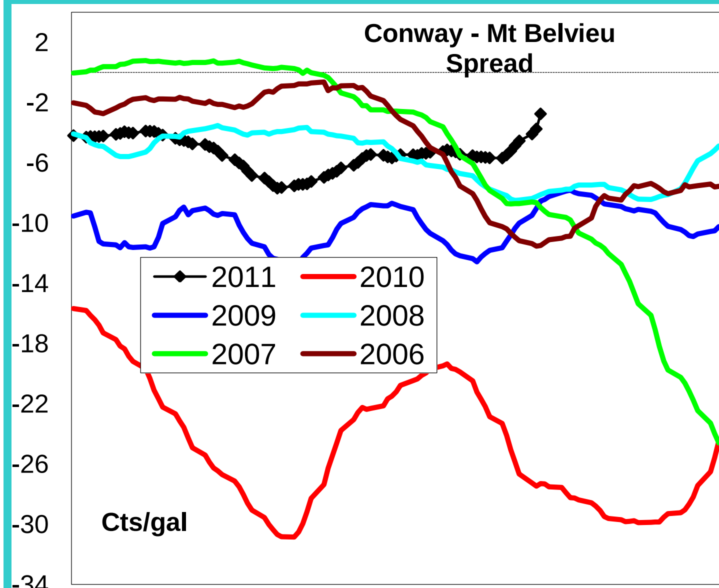
Fundamental Trends for the Week Ending: Friday, June 14, 2013

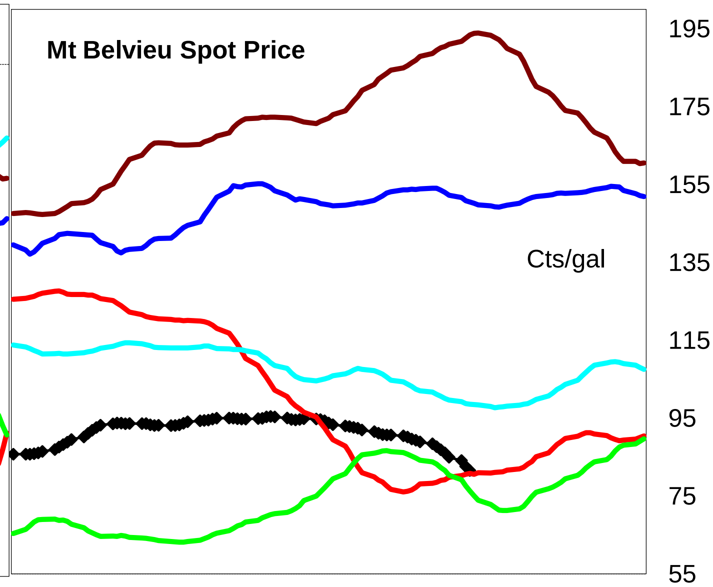
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5	U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5
Stocks	53,120	3,528	17,809	30,201	1,582	2,780	321	1,757	1,234	-532
Propylene Stocks	3,020					19				
Production	1,326	82	293	793	158	-22	-1	1	-18	-4
Imports	85	25	57	0	3	15	0	24	0	-9
Whsle Demand	704					-29				

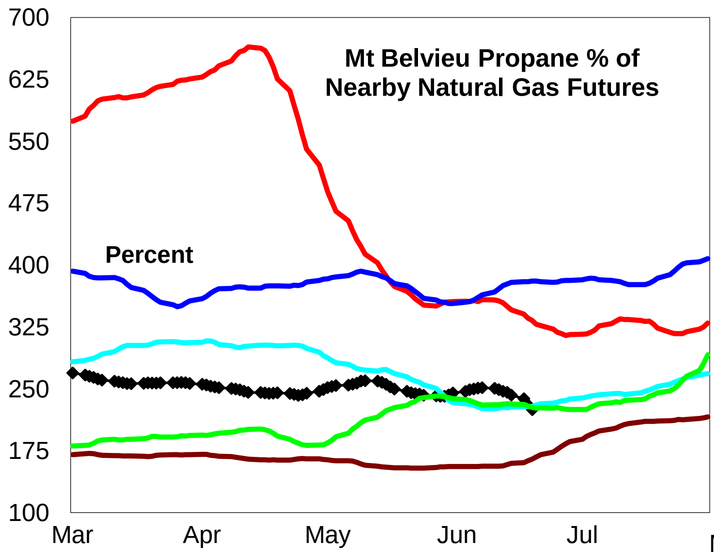
Price Trends for the Week Ending: Wednesday, June 19, 2013

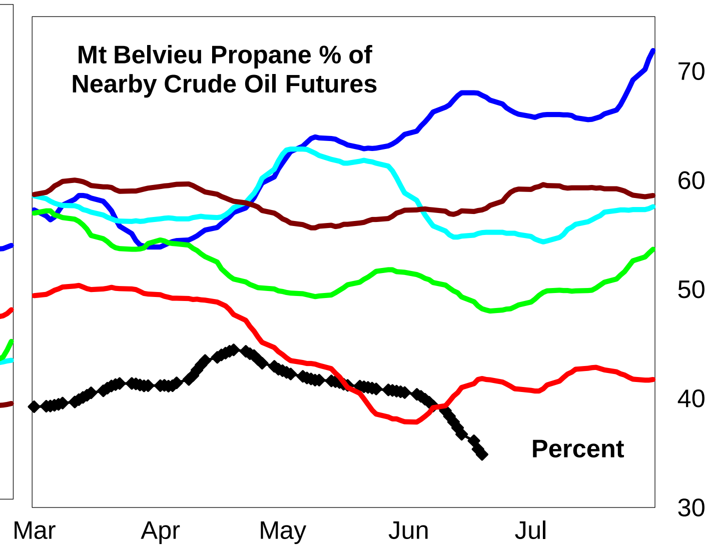
Cents/gal	Average for week ending:				Change from:			% change from:		
	6/19/13	6/12/13	5/22/13	6/15/12	6/12/13	5/22/13	6/15/12	6/12/13	5/22/13	6/15/12
Mont Belvieu Spot	84.1	89.0	94.0	81.2	-4.87	-5.03	12.81	-5.5	-5.4	15.8
Conway Spot	80.0	83.0	87.8	53.9	-2.94	-4.87	33.97	-3.5	-5.5	63.1

Key Price Spreads and Differentials

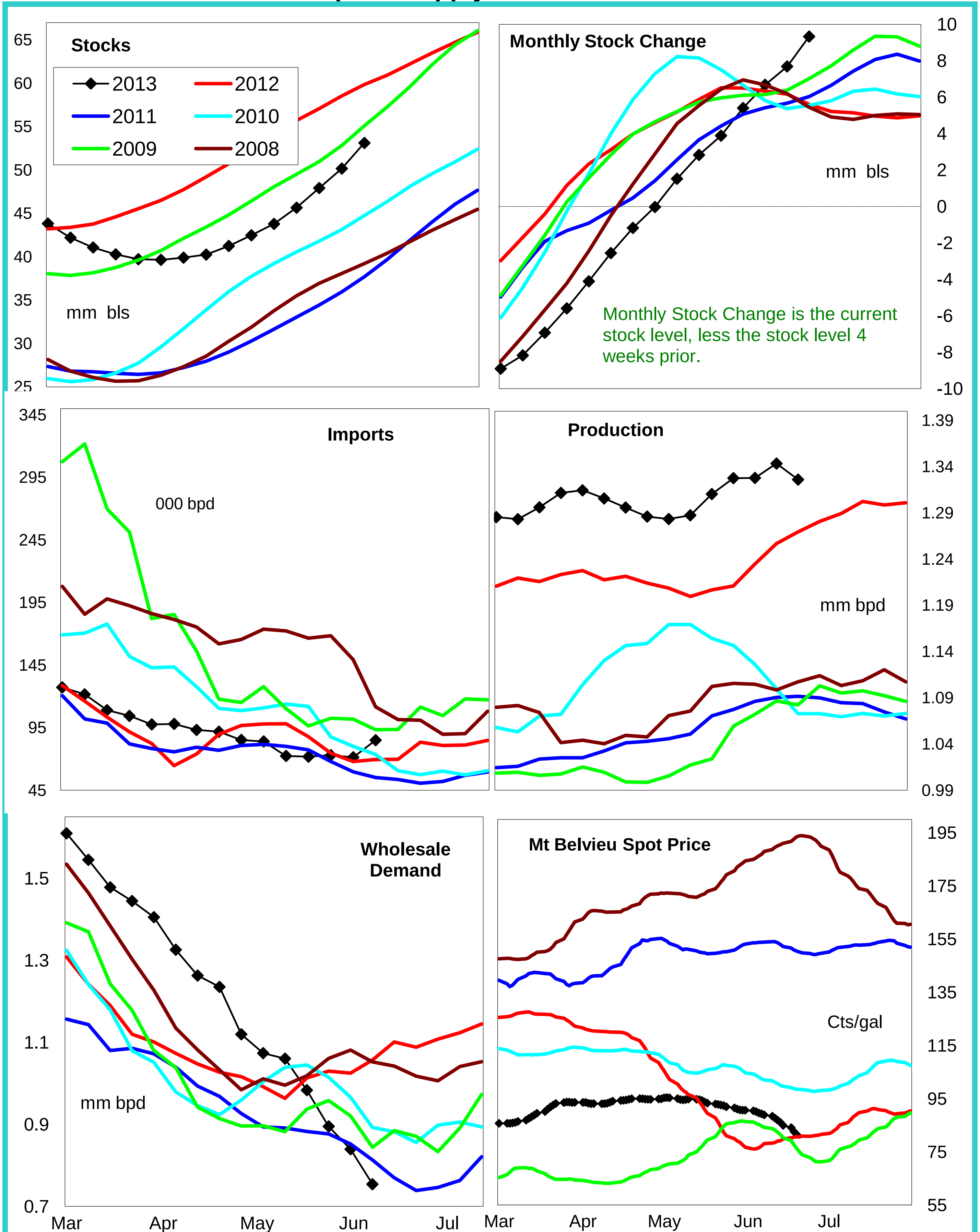








U. S. Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	May	Apr	Mar
000 bpd (000 bls stks)	-6,436	3,729	87	5		-137	-111	209	242
% change	-10.8	67	7.0	6.9		-14.1	-10.1	21.2	21.3

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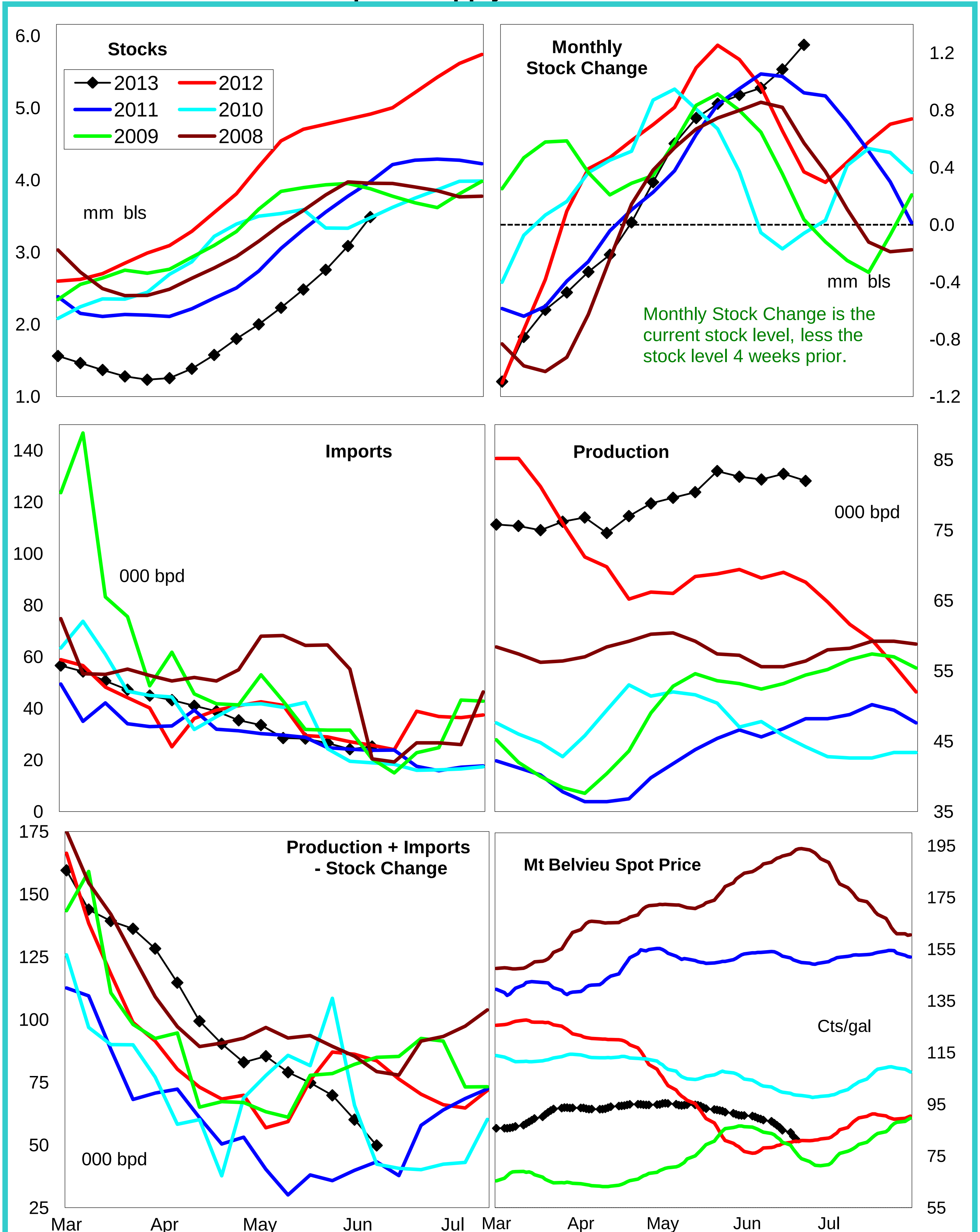
PADD 1 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-1,188	886	13	-2	-20
% change	-25.2	239.3	19.2	-5.6	-23.5

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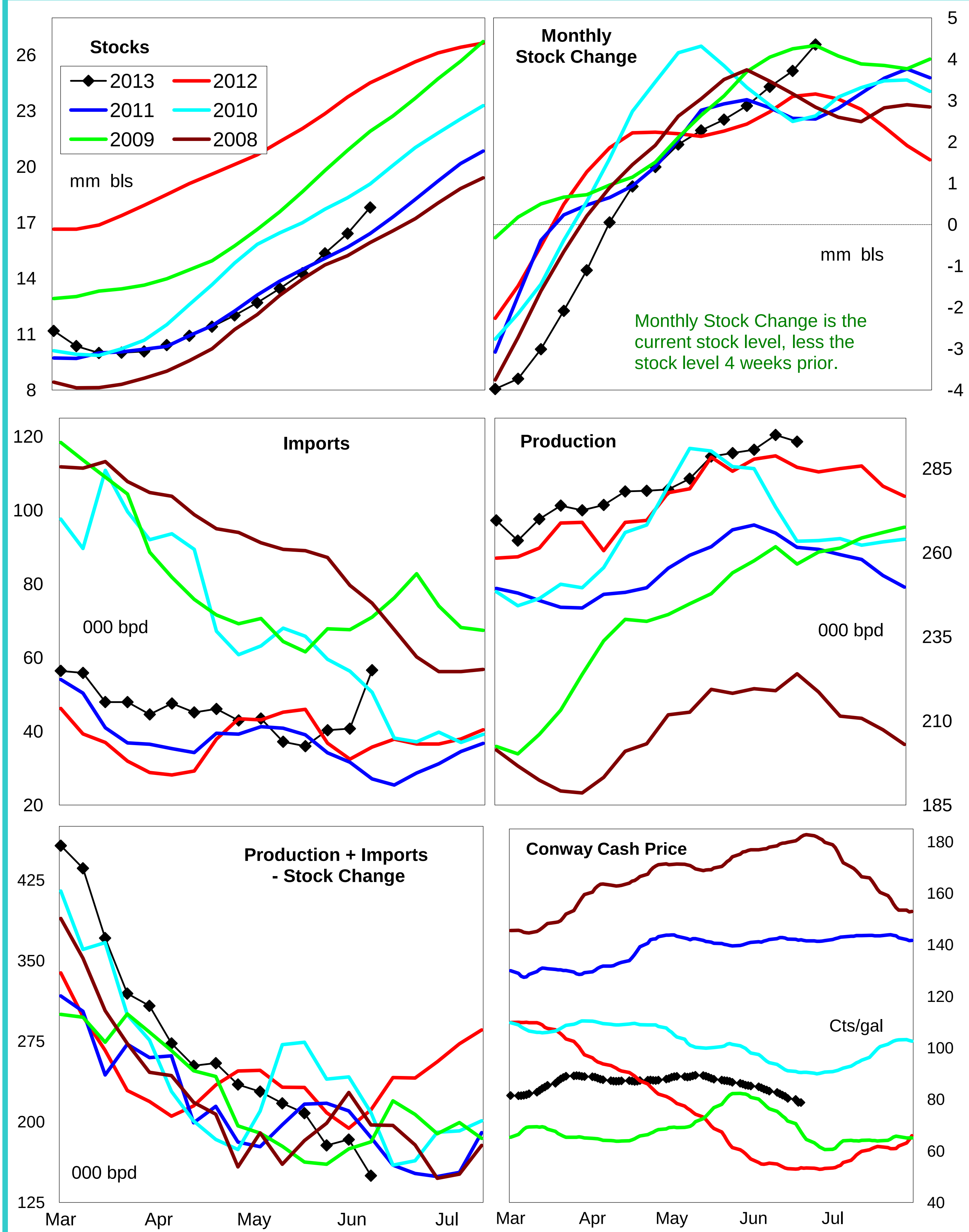
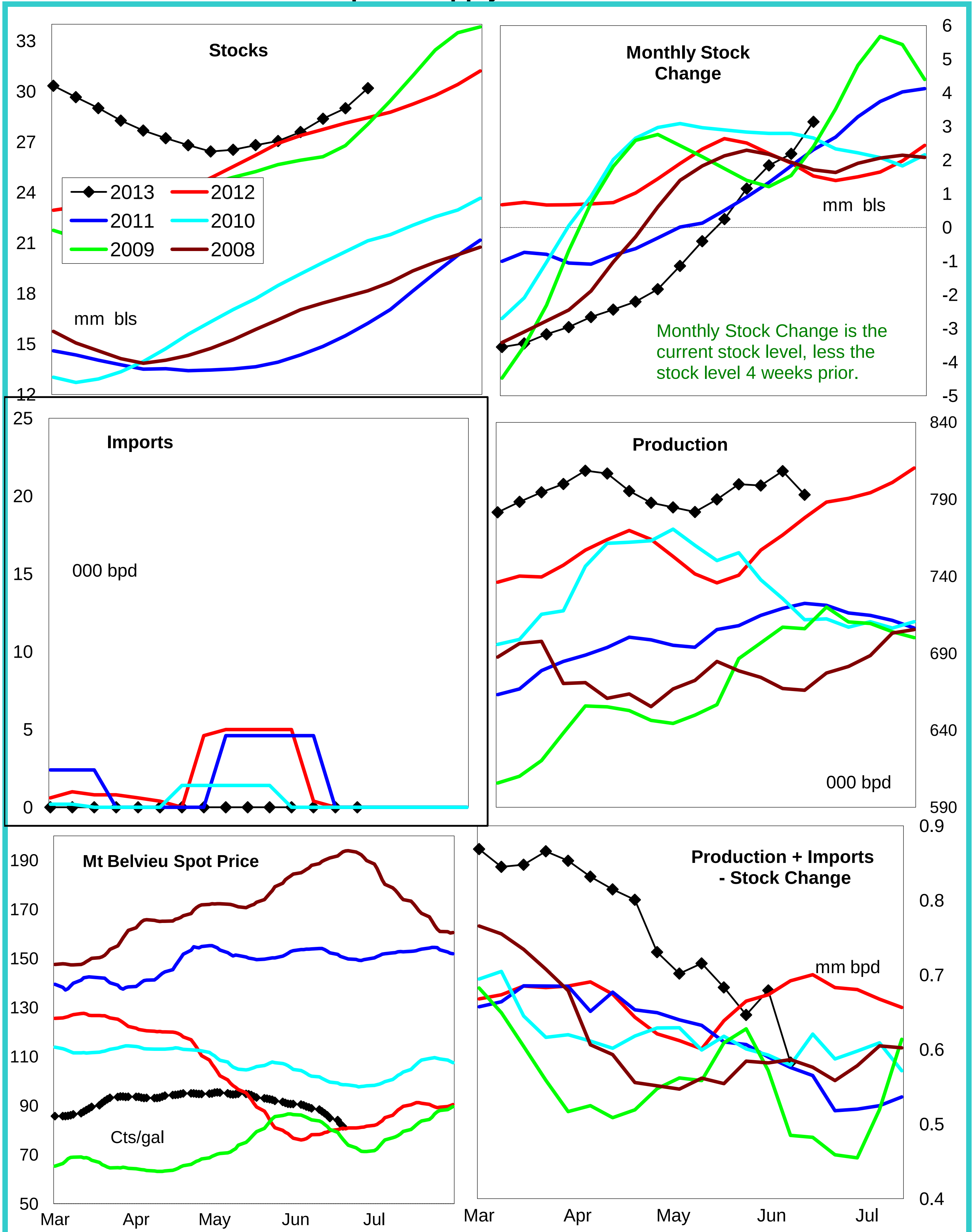
PADD 2 Propane Supply and Demand Balance



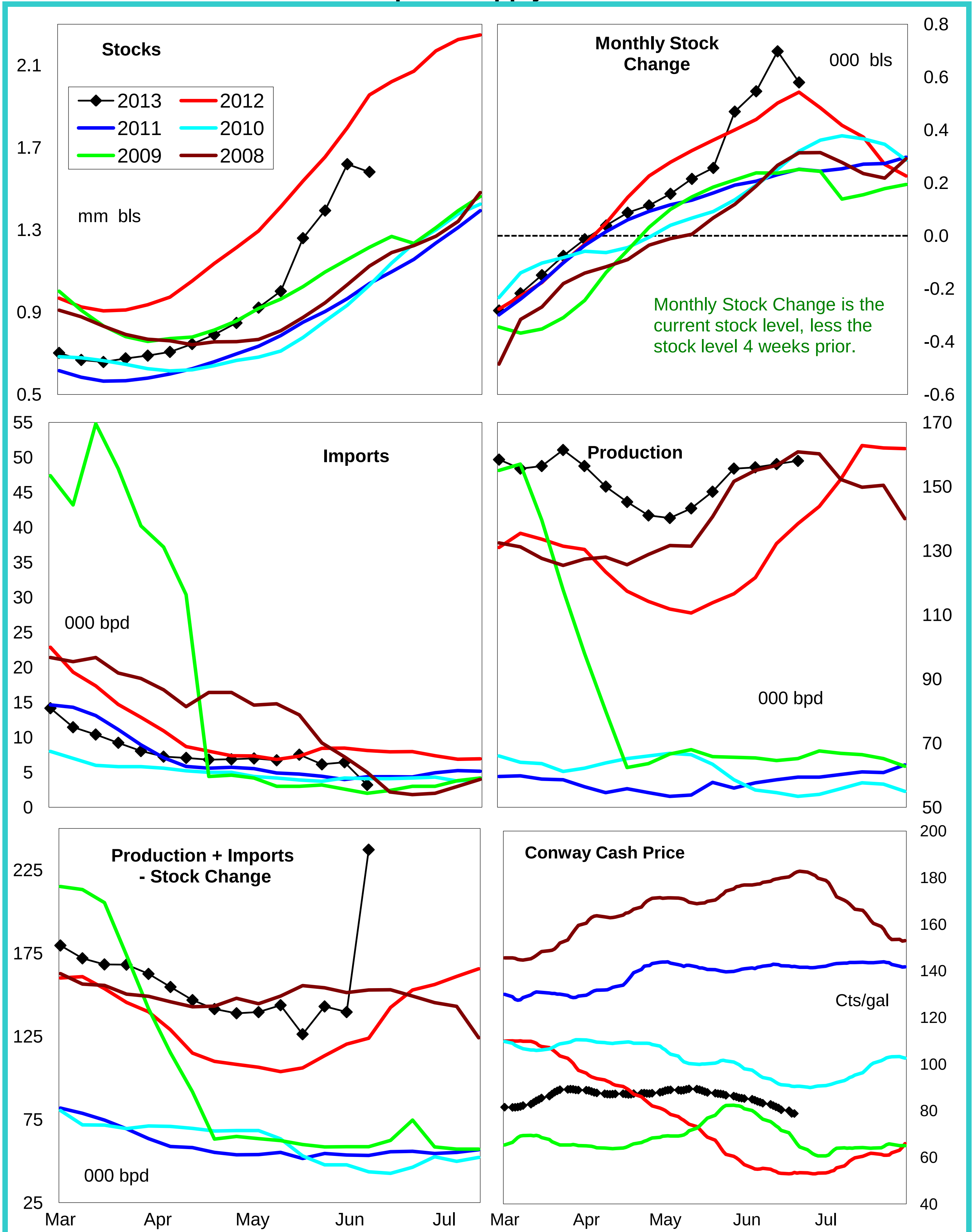
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-6,782	1,197	7	9	-32
% change	-27.6	37.9	2.3	26.9	-14.9

PADD 3 Propane Supply and Demand Balance



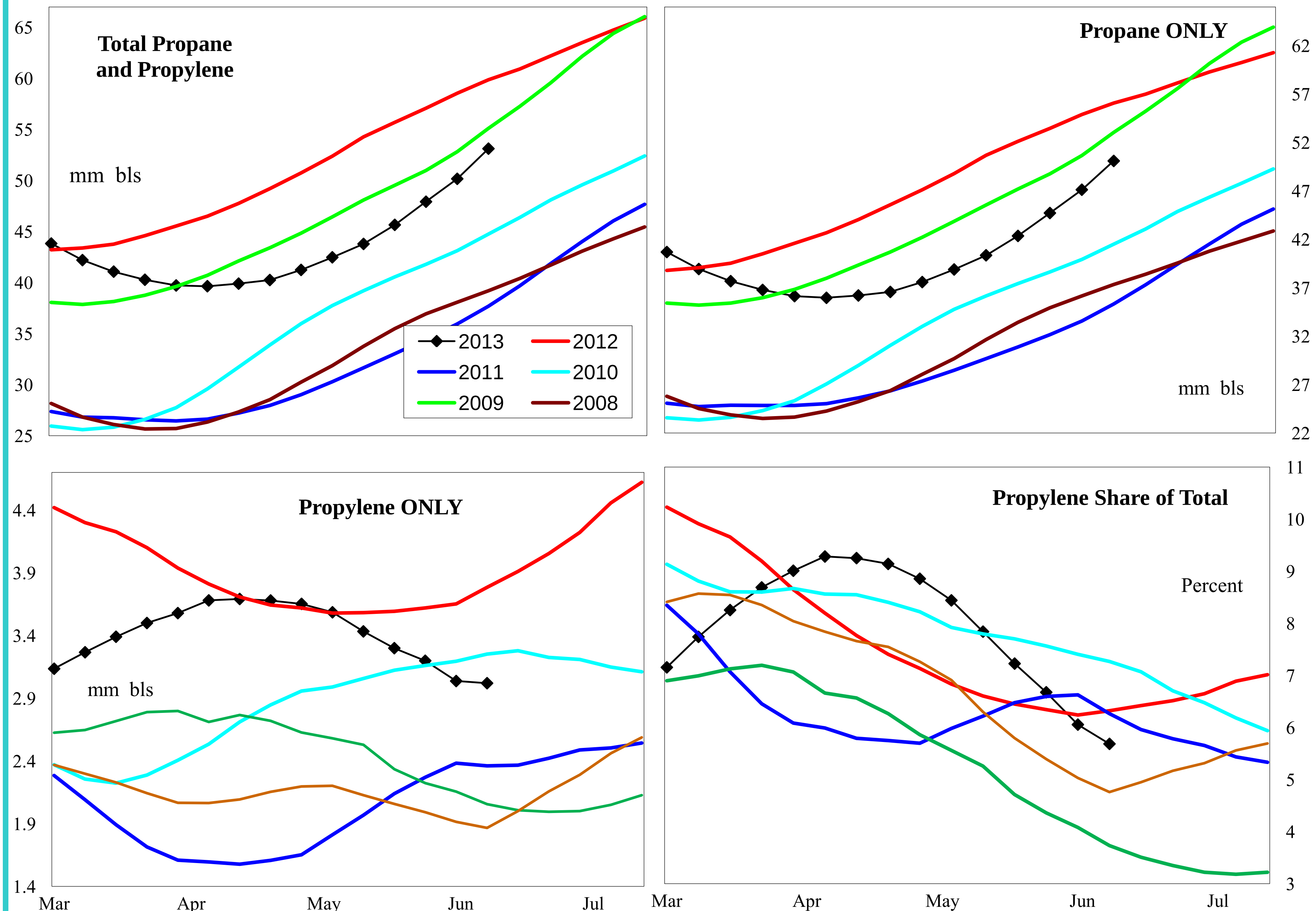
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	1,868	1,609	36	0	-19
% change	6.6	105	4.7	#DIV/0!	-2.7

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)	-335	37	31	-2	46
% change	-17.5	6.8	24.7	-27.5	39.4

U. S. Propane and Propylene Stocks



Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	-6,436	-5,652	-764
% change	-10.8	-10.1	-20.2

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

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