FUNDAMENTAL PETROLEUM TRENDS

WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

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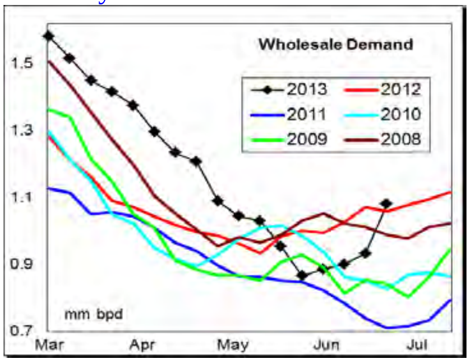
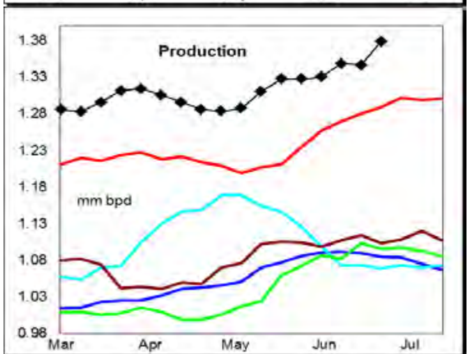
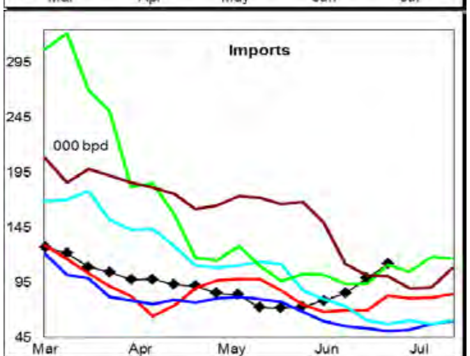
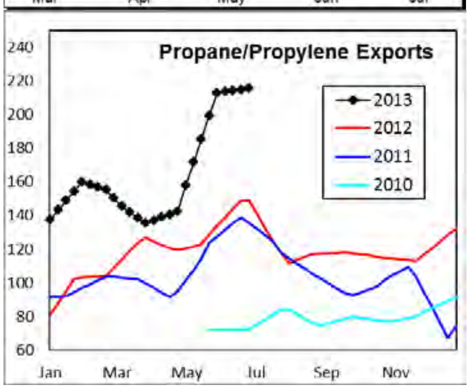


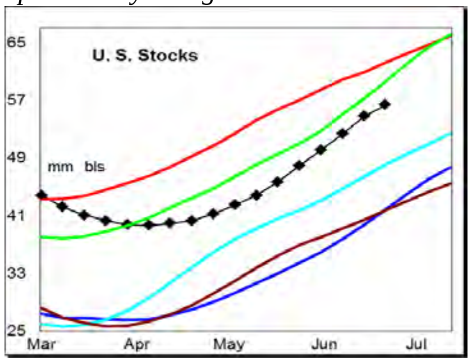






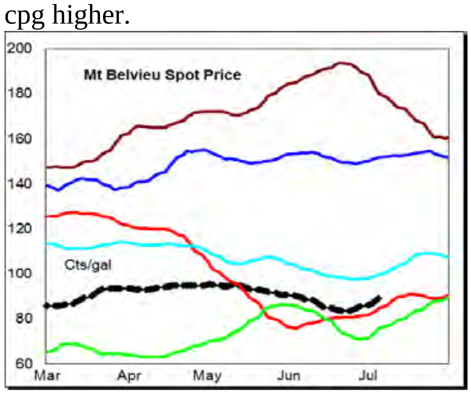
Wholesale demand increased +88,000 bpd on the week, to a level that matched historic highs for this time of year. Production increased +44,000 bpd on the week while imports were +12,000 bpd higher.

Combined production and imports during the latest 4-wk period were +92,000 bpd above a year ago. Production was +70,000 bpd above last year (+6%), while imports were +22,000 bpd higher. The latest 4-wk average demand was -177,000 bpd below last year, -17%. *Exports increased +66,000 bpd over a year ago.*



Stocks increased +1.5 million barrels on the week, ending at a level -9% below last year. The 4-wk stock change was a build of +8.6 million barrels, matching the 5-year high for this time of year.

Price and Spreads Mt Belvieu prices increased +4 cpg for the week ending 05Jul13, while Conway prices were + 3 cpg higher.



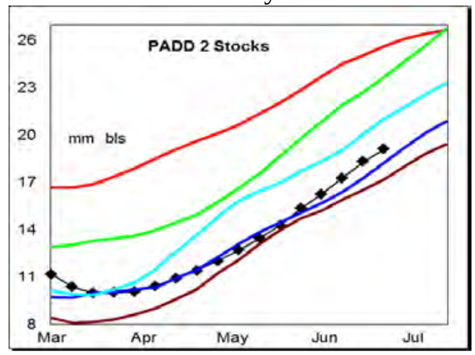
The Conway – Mt Belvieu price spread ended the week at -5 cpg, a differential less than the 5-year range for the week.

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

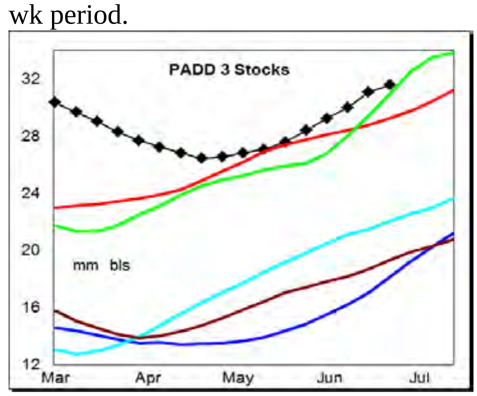
The propane / crude oil price spread trended lower last week, ending at a new record low.

PADD 1 stocks increased +0.1 million barrels on the week, with the level -1.4 million barrels below last year. Supply decreased -7,000 bpd last week. Supply for the latest 4-wk period increased +14,000 bpd compared to a year ago.

PADD 2 stocks increased +1.1 million barrels on the week. Supply increased +7,000 bpd on higher production. The latest 4-wk supply was +33,000 bpd above a year ago. Stock levels ended the week -26% below last year.



PAD 3 stocks increased +0.1 million barrels last week, to a level +9% above a year ago. Supplies were +30,000 bpd above a year ago for the most recent 4-wk period.



PADDs 4 & 5 stocks increased +0.2 million barrels last week. The stock level ended the week near 5-year highs.

Emerging Trends Robust wholesale demand, driven by marketer pre-season buying following the recent price pull back, led to a below average stock build for the week. However the latest 4-wk stock build still matched 5-year highs. Look for a pull back in wholesale demand, a return to above average stock builds and potential for further price weakness.

[1] Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

July 8, 2013

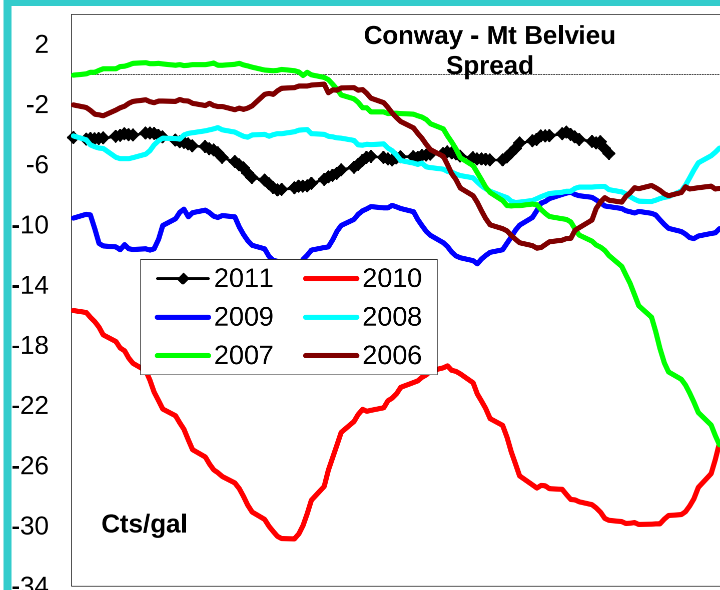
Fundamental Trends for the Week Ending: Friday, June 28, 2013

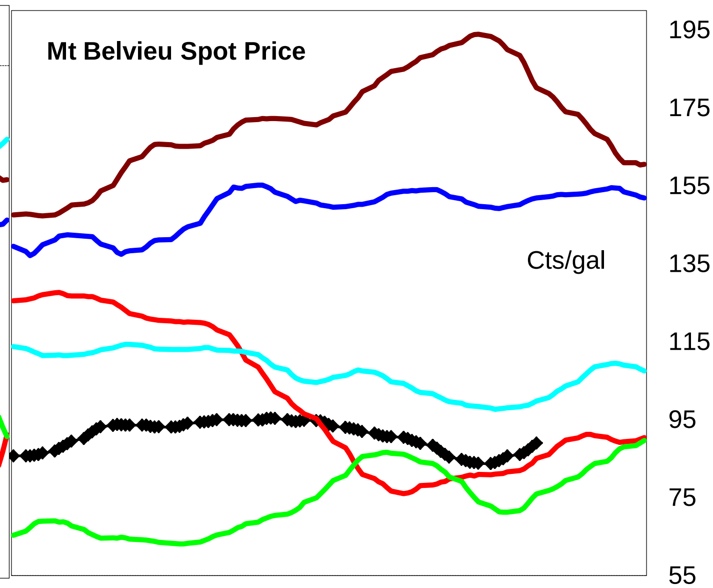
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5	U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5
Stocks	56,353	3,830	19,116	31,576	1,831	1,504	131	1,092	109	172
Propylene Stocks	3,218					127				
Production	1,379	81	289	846	163	44	1	-19	50	12
Imports	112	19	85	0	7	12	-8	26	0	-6
Whsle Demand	1,060					88				

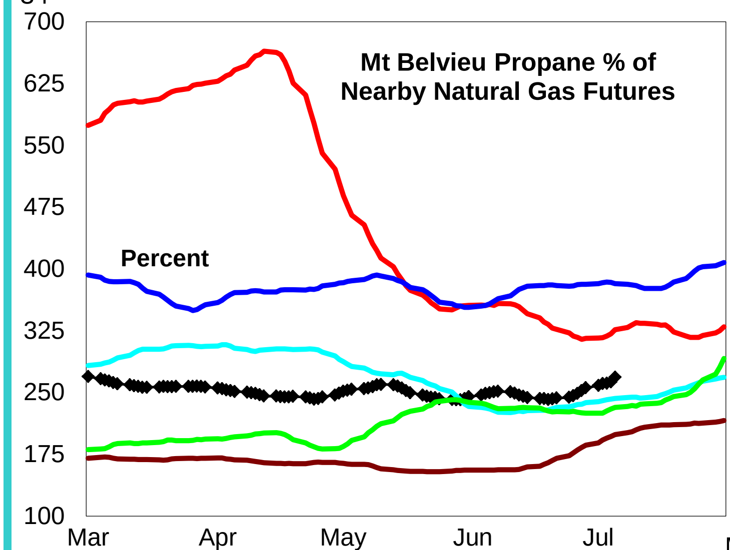
Price Trends for the Week Ending: Friday, July 05, 2013

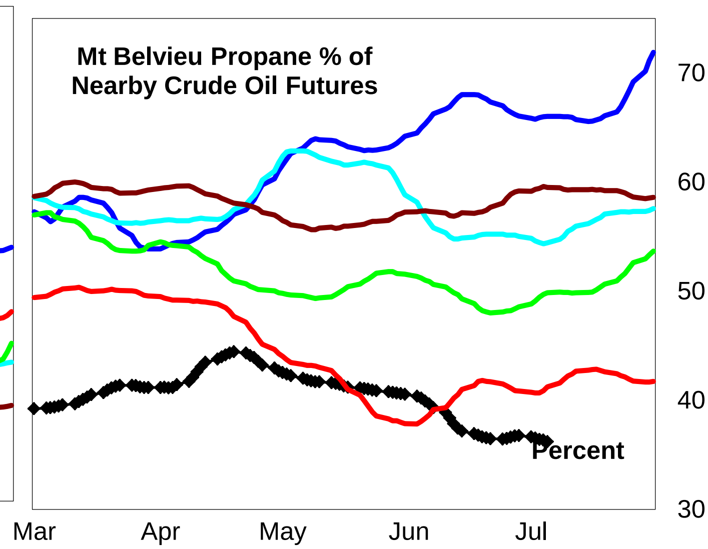
Cents/gal	Average for week ending:				Change from:			% change from:		
	7/5/13	6/28/13	6/7/13	7/3/12	6/28/13	6/7/13	7/3/12	6/28/13	6/7/13	7/3/12
Mont Belvieu Spot	87.3	84.6	90.6	82.6	2.64	-6.00	7.99	3.1	-6.6	9.7
Conway Spot	82.8	80.2	84.4	52.7	2.64	-4.27	31.75	3.3	-5.1	60.3

Key Price Spreads and Differentials

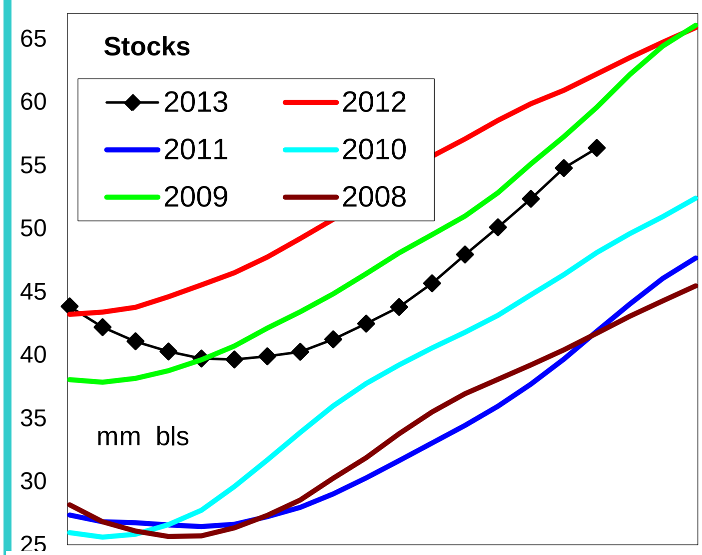


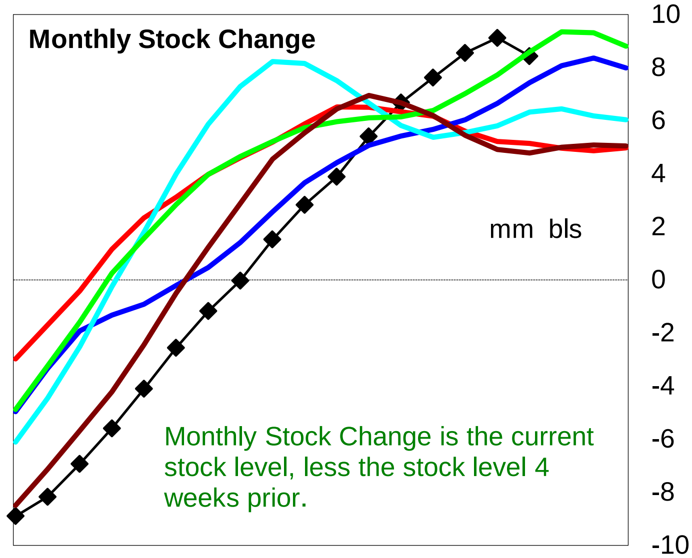


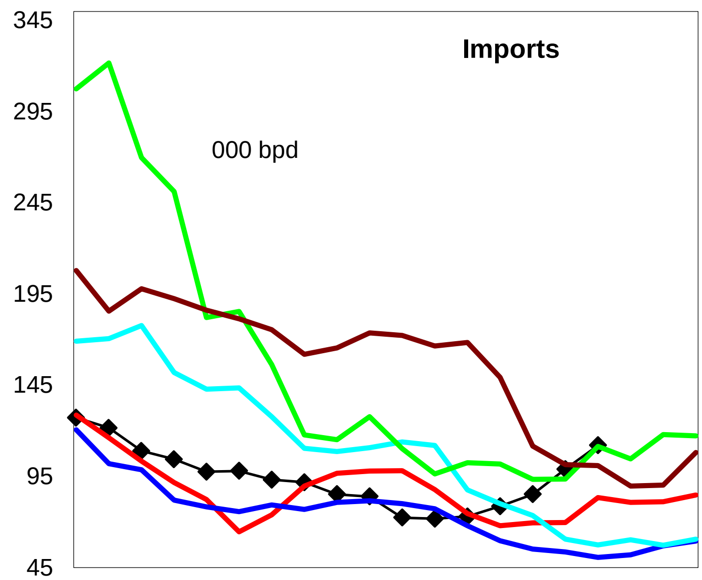


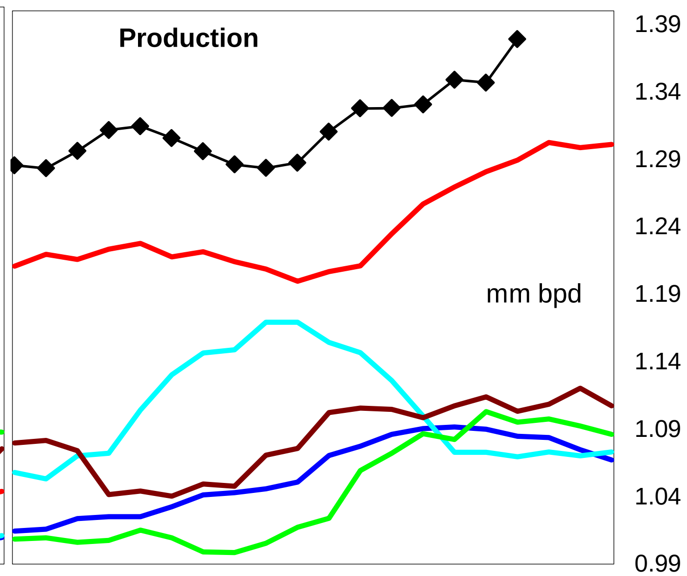


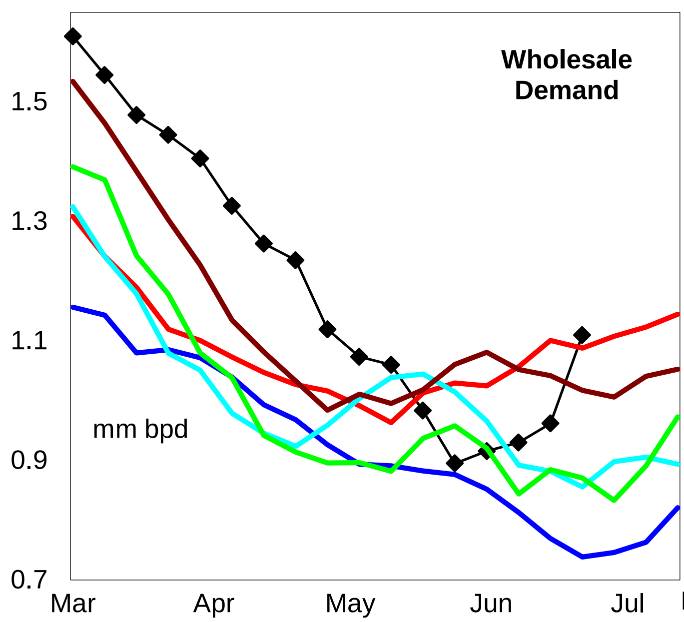
U. S. Propane Supply and Demand Balance

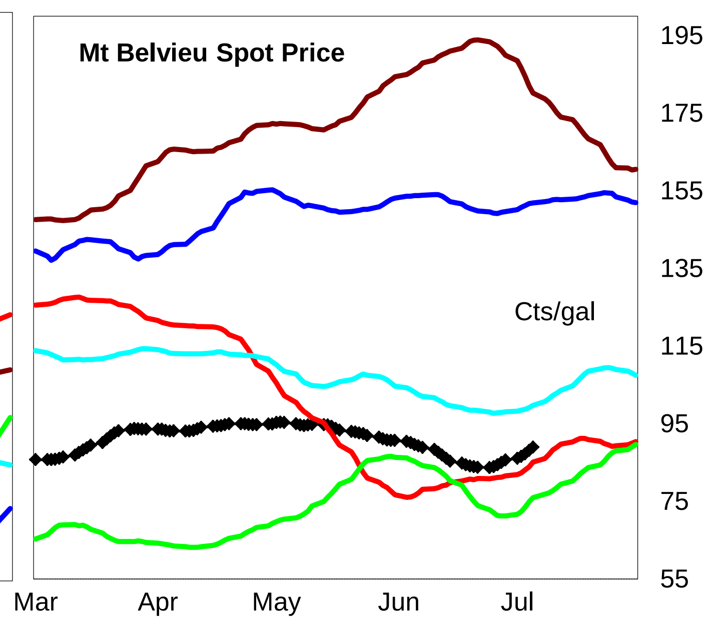












4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	May	Apr	Mar
000 bpd (000 bls stks)	-5,880	3,284	70	22		-177	-111	209	242
% change	-9.4	64	5.5	30.6		-16.9	-10.1	21.2	21.3

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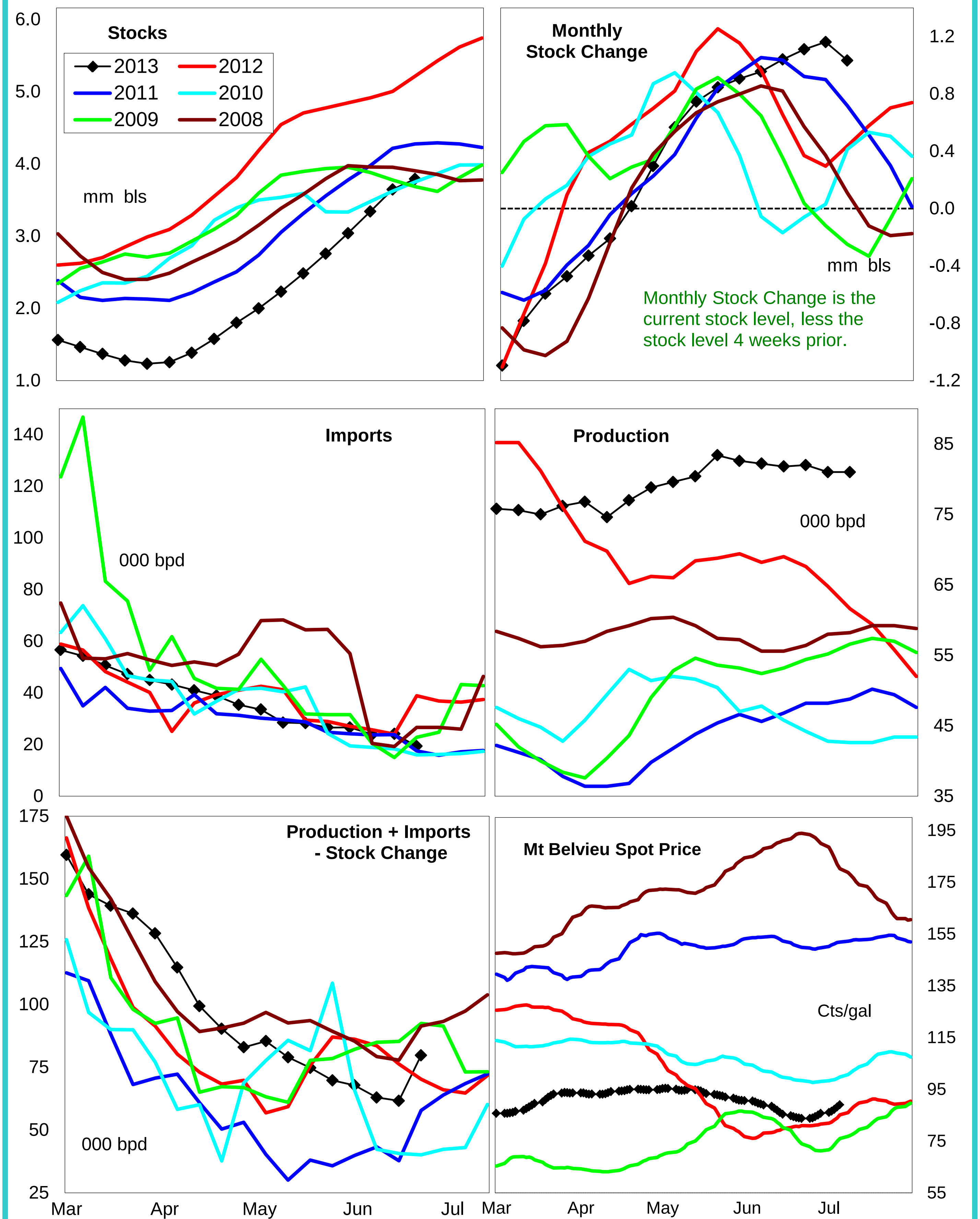
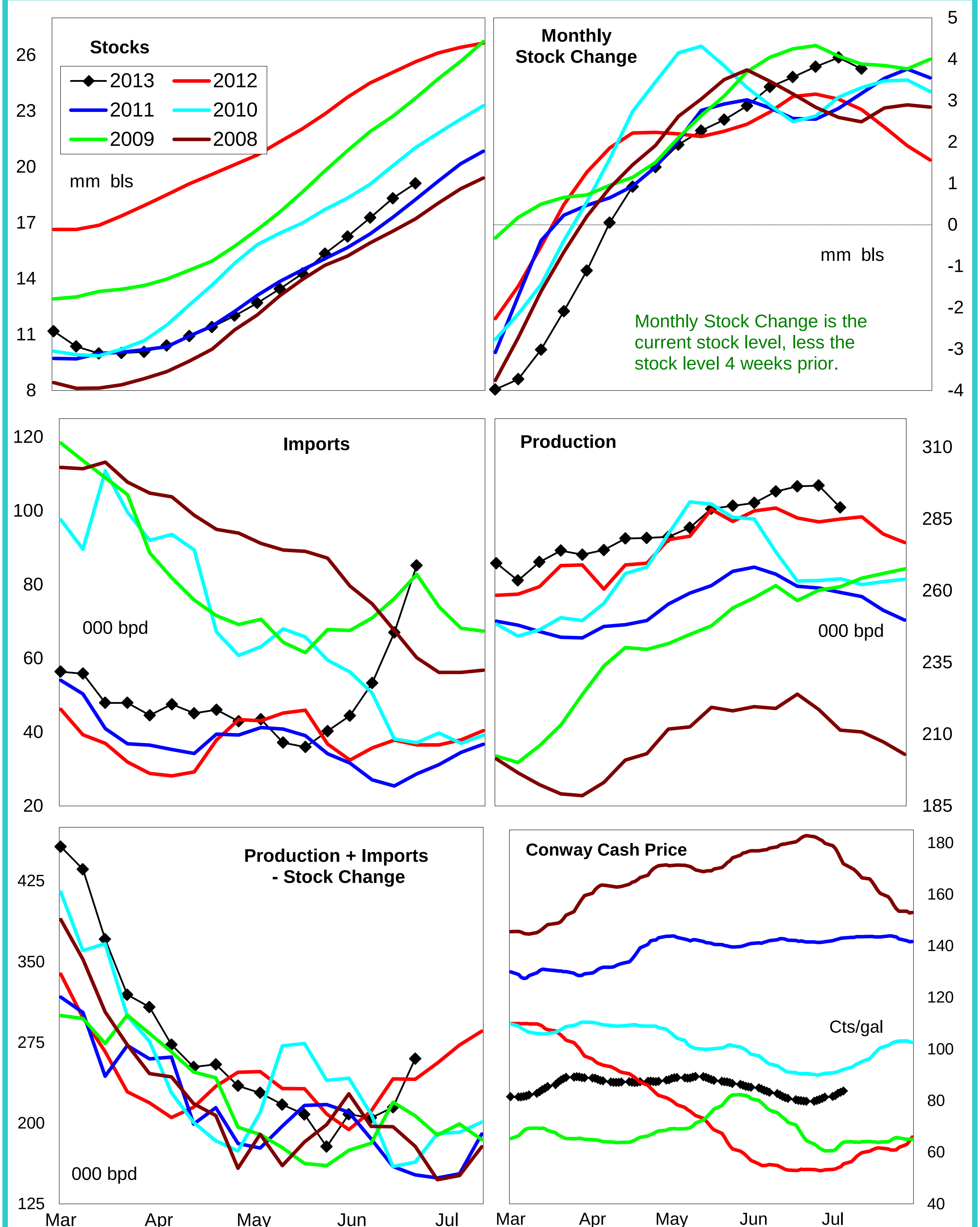
PADD 1 Propane Supply and Demand Balance



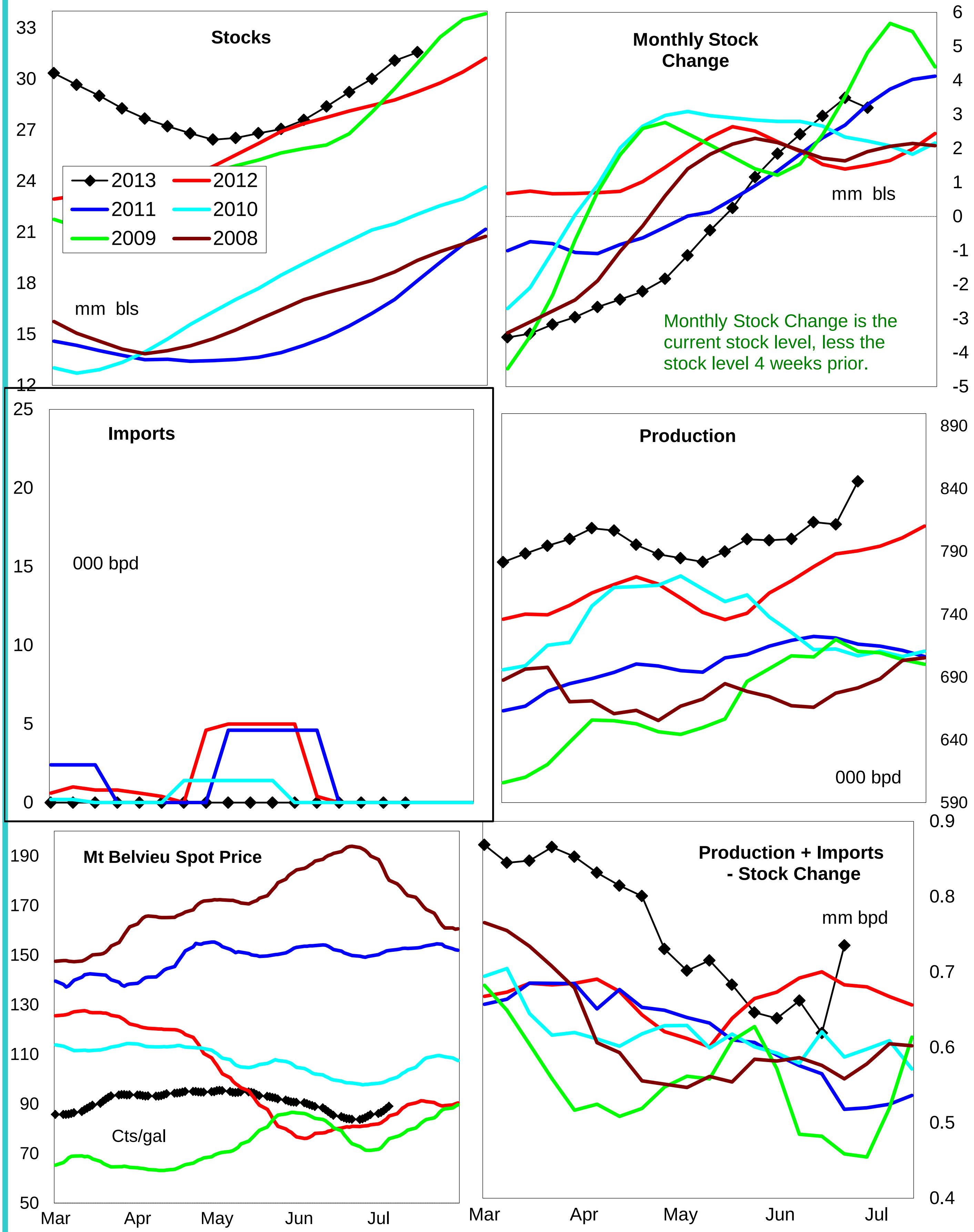
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-1,423	596	15	-1	-11
% change	-27.1	136.2	21.6	-5.0	-13.9

PADD 2 Propane Supply and Demand Balance



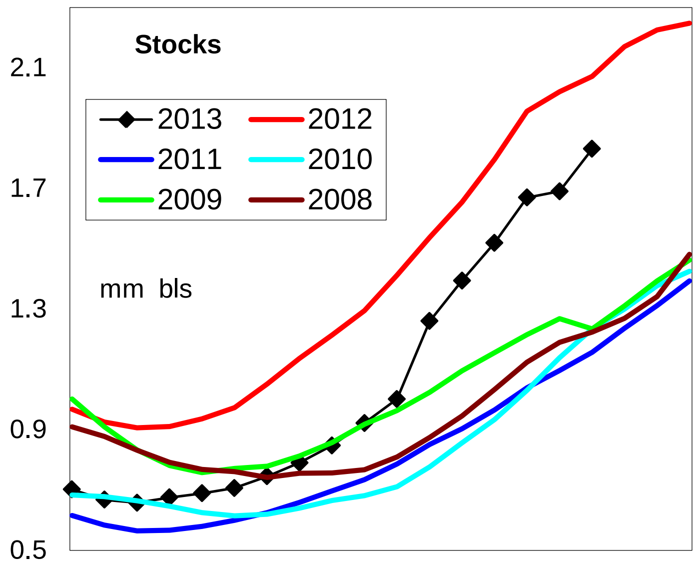
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-6,641	980	11	23	0
% change	-25.8	35.1	4.0	63.6	0.1

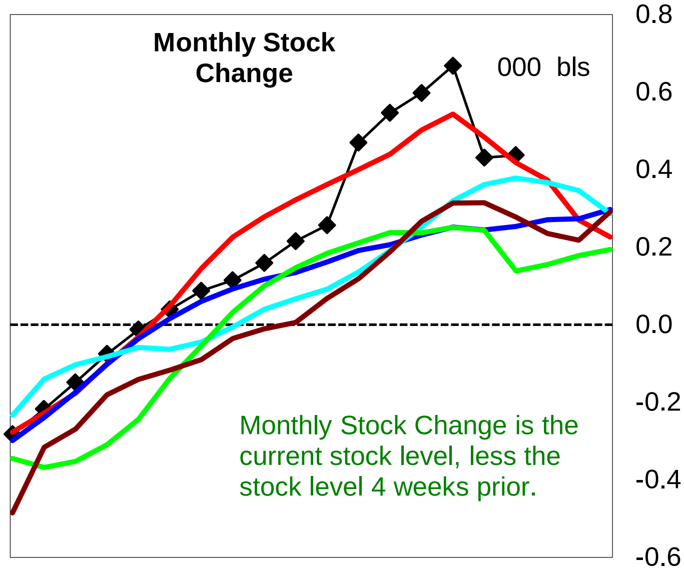
PADD 3 Propane Supply and Demand Balance

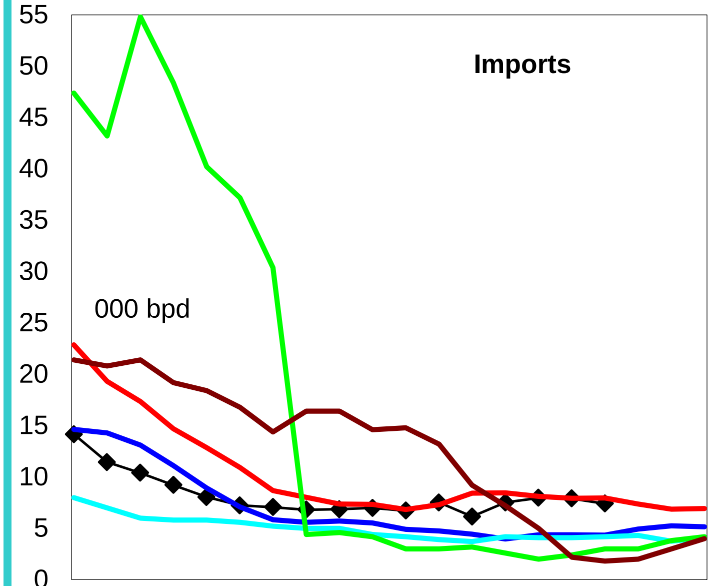


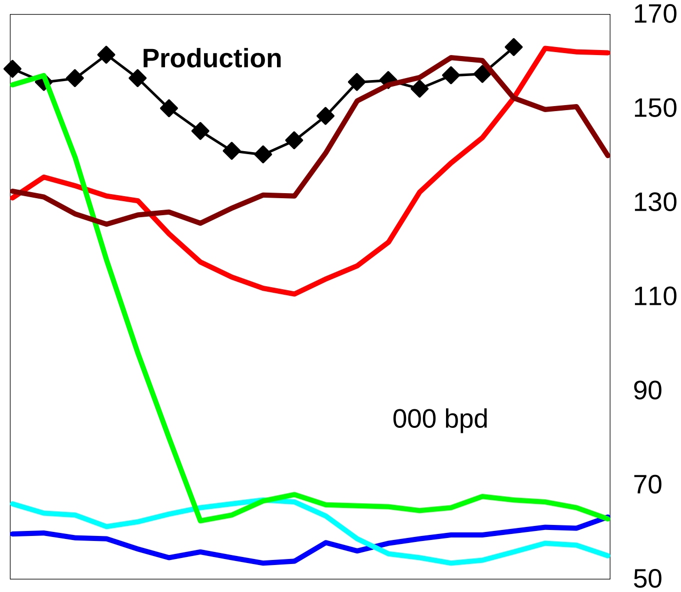
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	2,556	1,689	30	0	-23
% change	8.8	112	3.8	#DIV/0!	-3.2

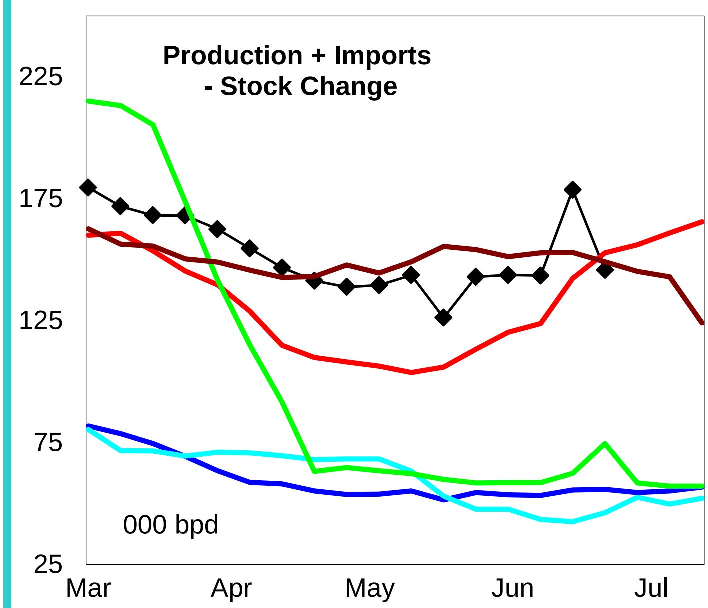
PADDs 4 and 5 Propane Supply and Demand Balance

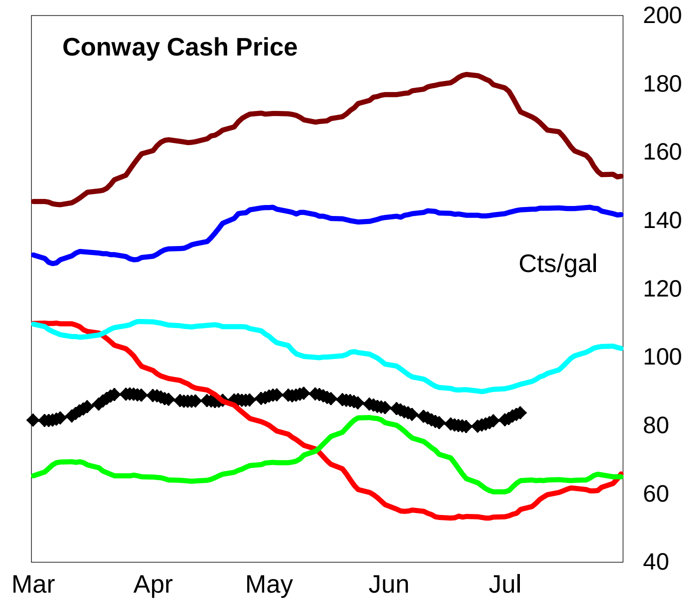






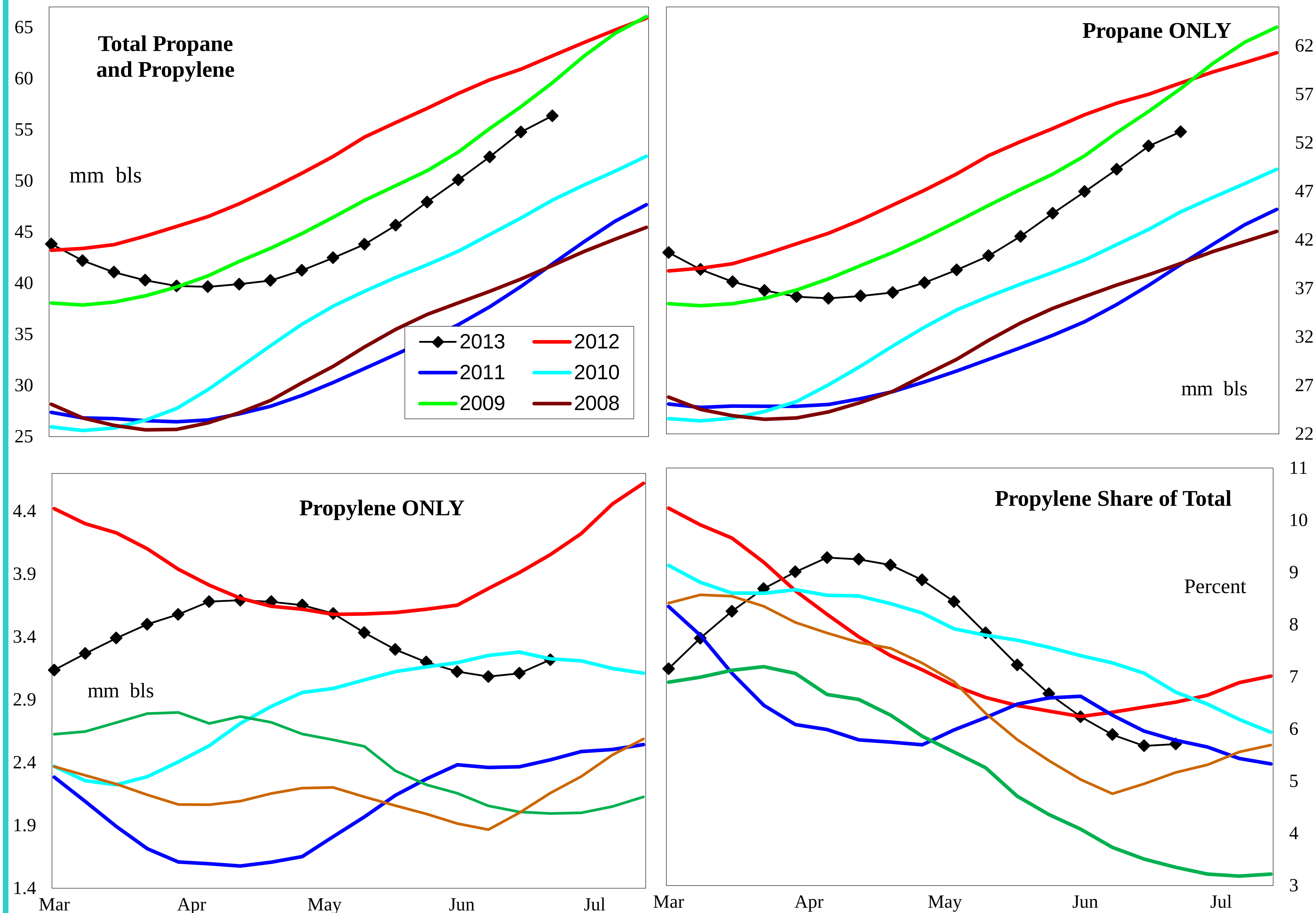






4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-372	19	14	0	18
% change	-16.9	4.6	9.9	0.8	13.4

U. S. Propane and Propylene Stocks



Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	-5,880	-4,951	-836
% change	-9.4	-8.5	-20.6

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