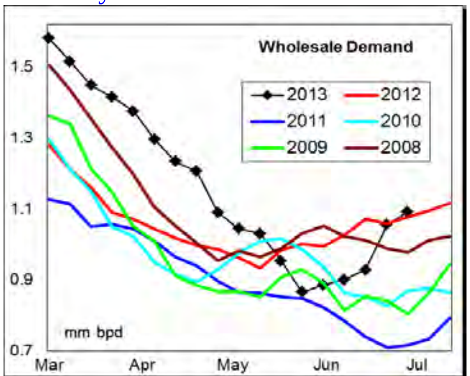
FUNDAMENTAL PETROLEUM TRENDS

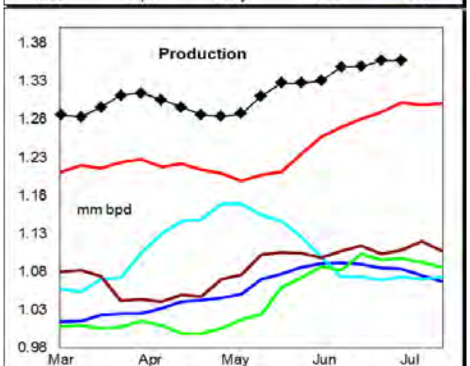
WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

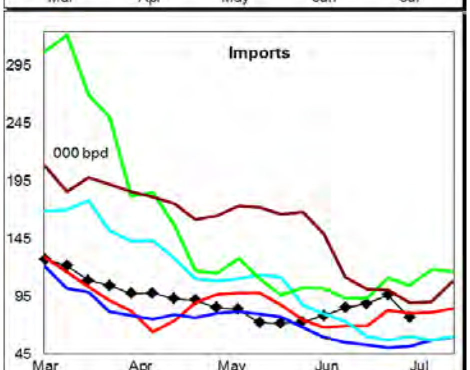
A Fundamental Petroleum Trends Weekly Report

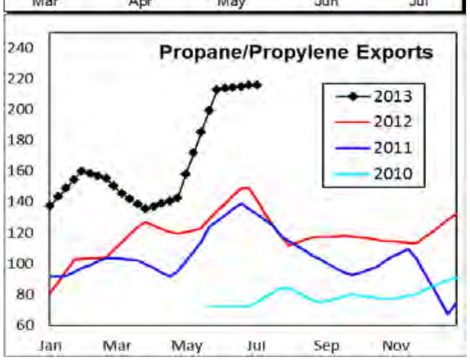
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com

Summary[1]: ? **Table of Contents**



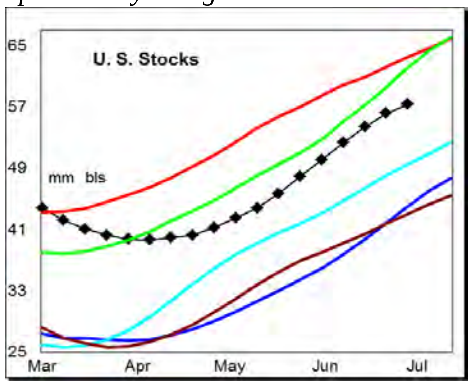






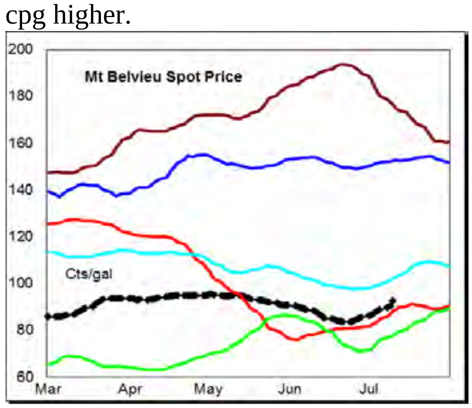
Wholesale demand increased +12,000 bpd on the week, to a level that matched historic highs for this time of year. Production decreased -22,000 bpd on the week while imports were -35,000 bpd lower.

Combined production and imports during the latest 4-wk period were +86,000 bpd above a year ago. Production was +63,000 bpd above last year (+5%), while imports were +23,000 bpd higher. The latest 4-wk average demand was -80,000 bpd below last year, -8%. *Exports increased +66,000 bpd over a year ago.*



Stocks increased +1 million barrels on the week, ending at a level -9% below last year. The 4-wk stock change was a build of +7.3 million barrels, equal to the 5-year mid range.

Price and Spreads Mt Belvieu prices increased +5 cpg for the week ending 10Jul13, while Conway prices were +4 cpg higher.

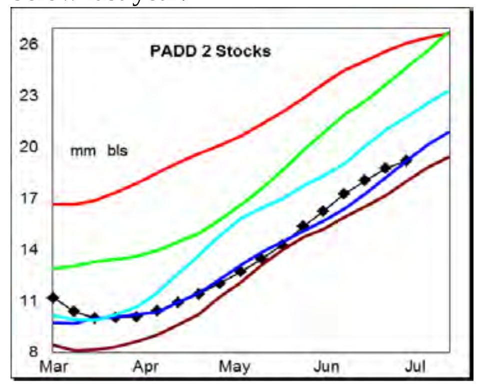


The Conway – Mt Belvieu price spread ended the week at -6 cpg, a differential less than the 5-year range for the week.

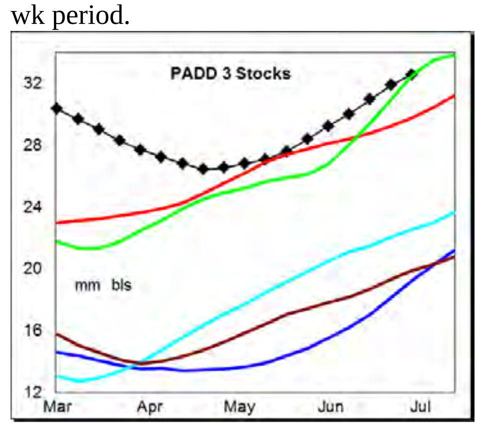
The propane to natural gas price spread trended higher last week, ending at a level well below the last 2-years.

The propane / crude oil price spread traded sideways last week, ending at a level that matched record lows.

PADD 1 stocks increased +0.2 million barrels on the week, with the level -1.4 million barrels below last year. Supply increased +2,000 bpd last week. Supply for the latest 4-wk period increased +16,000 bpd compared to a year ago. PADD 2 stocks increased +0.1 million barrels on the week. Supply fell -36,000 bpd on lower imports. 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 +1 million barrels last week, to a level +9% above a year ago. Supplies were +29,000 bpd above a year ago for the most recent 4-wk period.



PADDs 4 & 5 stocks fell -0.3 million barrels last week. The stock level ended the week near the 5-year mid range.

Emerging Trends Near record wholesale demand for this time of year, has slowed the rate of stock building during the last 4-wk period. Look for a pull back in wholesale demand, and a return to above average stock builds in the near term. Risk continues for a late summer pull back in wholesale prices.

[1] Source is latest EIA Weekly Statistics

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PROPANE: Graph Link and Weekly Summary

July 15, 2013

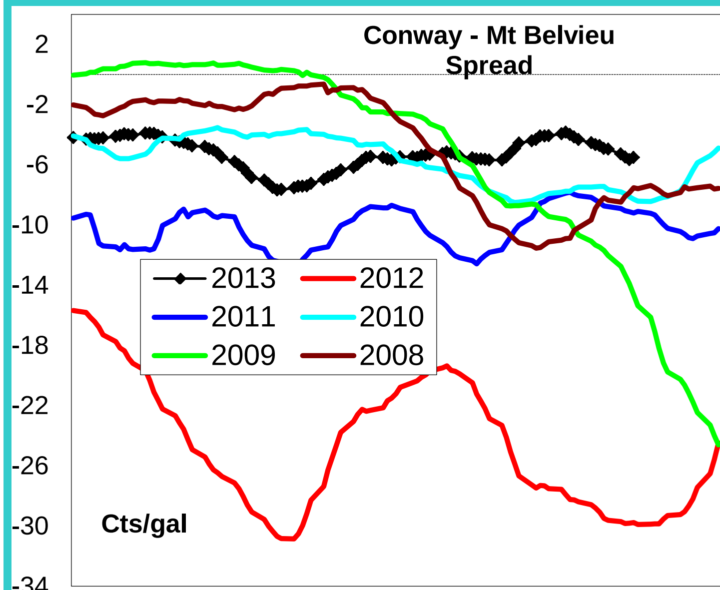
Fundamental Trends for the Week Ending: Friday, July 05, 2013

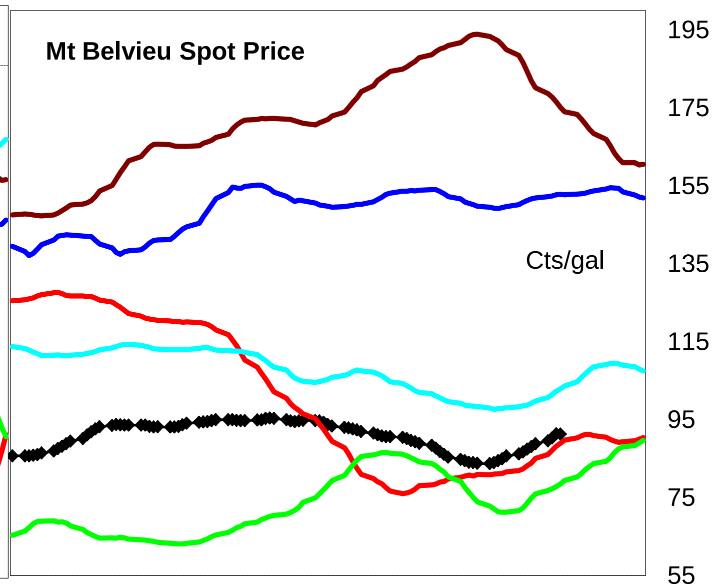
000 bpd / Stocks 000 bls	Weekly Supply-Demand: U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5	Change from prior week: U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5
Stocks	57,374	3,994	19,219	32,583	1,578	1,021	164	103	1,007	-253
Propylene Stocks	3,028					-190				
Production	1,357	81	285	835	156	-22	0	-4	-11	-7
Imports	77	21	53	0	3	-35	2	-32	0	-4
Whsle Demand	1,072					12				

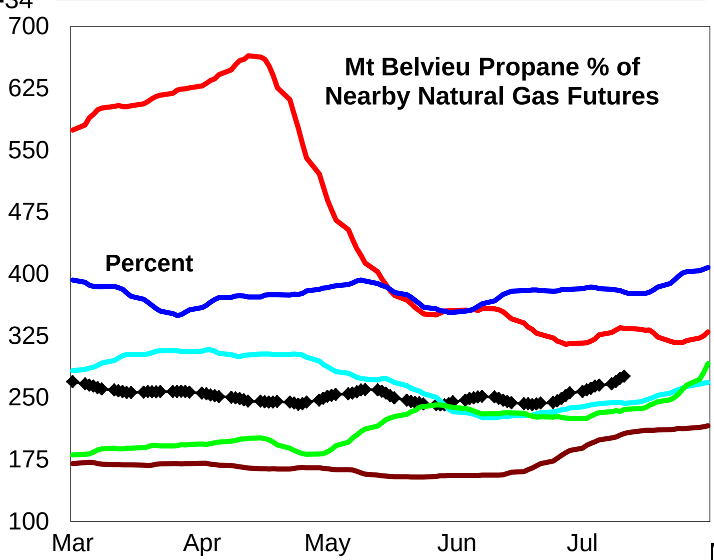
Price Trends for the Week Ending: Thursday, July 11, 2013

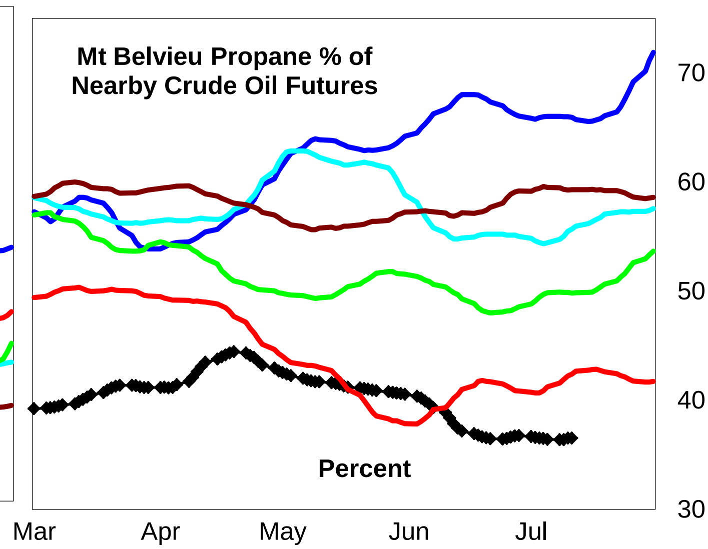
Cents/gal	Average for week ending: 7/11/13	7/4/13	6/13/13	7/9/12	Change from: 7/4/13	6/13/13	7/9/12	% change from: 7/4/13	6/13/13	7/9/12
Mont Belvieu Spot	90.3	86.4	88.1	86.2	3.91	-1.71	1.92	4.5	-1.9	2.2
Conway Spot	84.9	82.2	82.6	56.1	2.67	-0.42	26.47	3.2	-0.5	47.2

Key Price Spreads and Differentials









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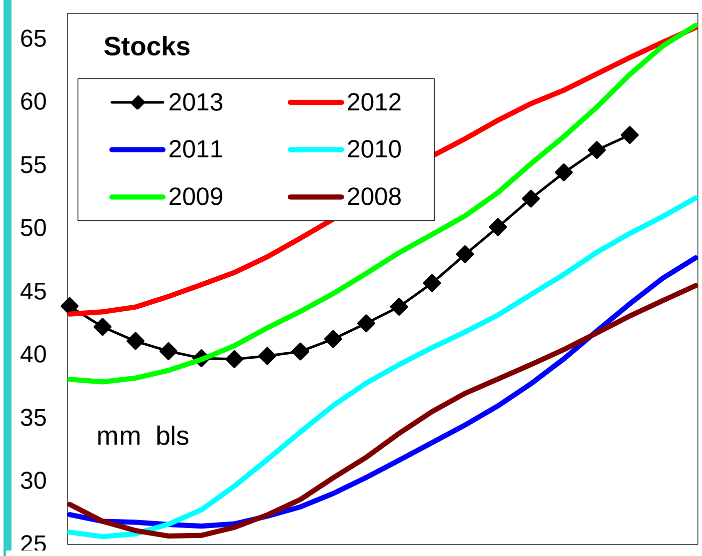
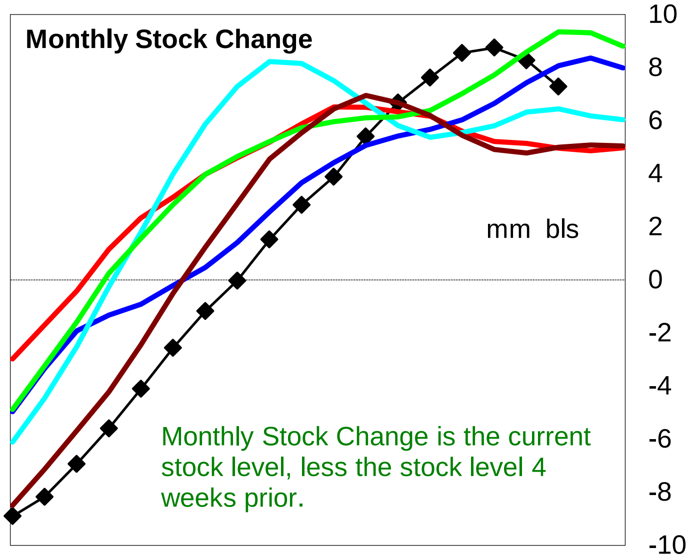
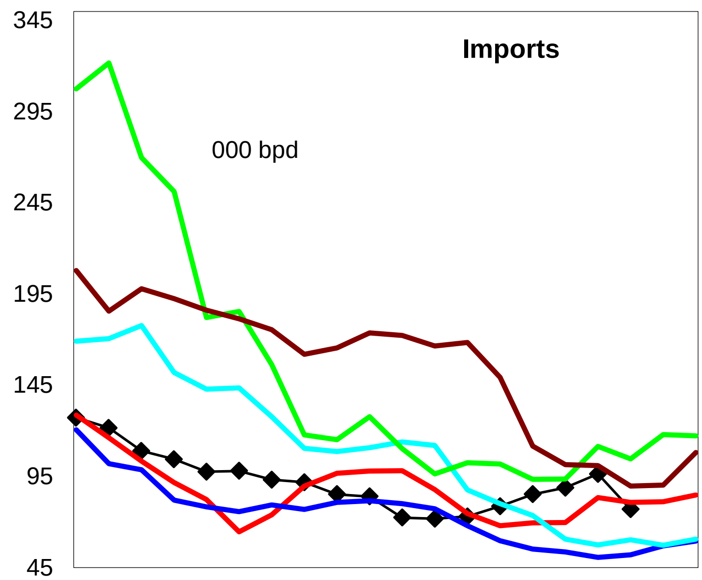
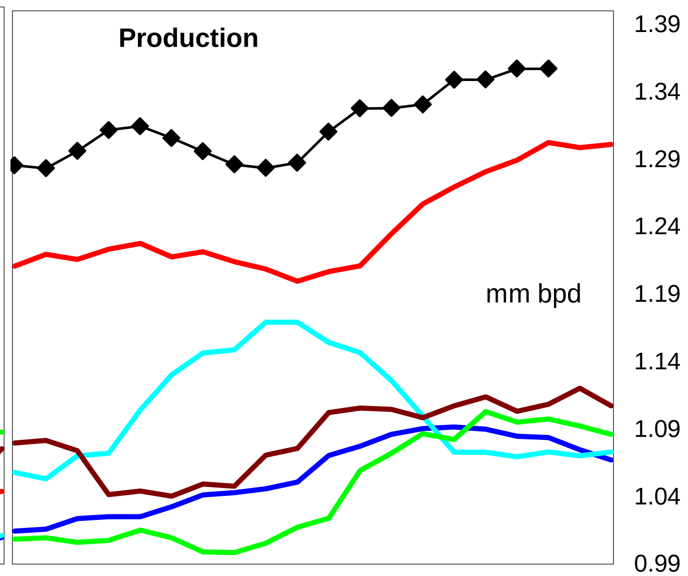
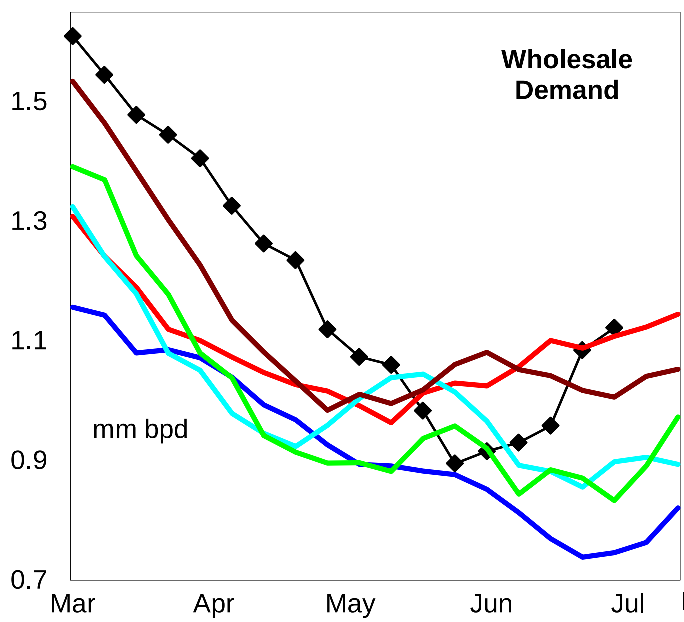
U. S. Propane Supply and Demand Balance

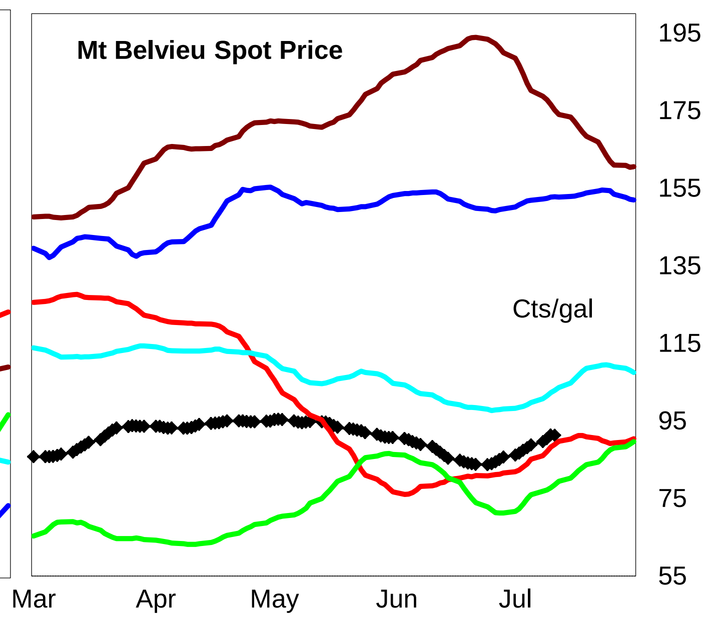












4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Jun	May	Apr
000 bpd (000 bls stks)	-5,809	2,314	63	23		-80	-172	-111	162
% change	-9.2	47	4.9	33.1		-7.7	-16.2	-10.1	16.4

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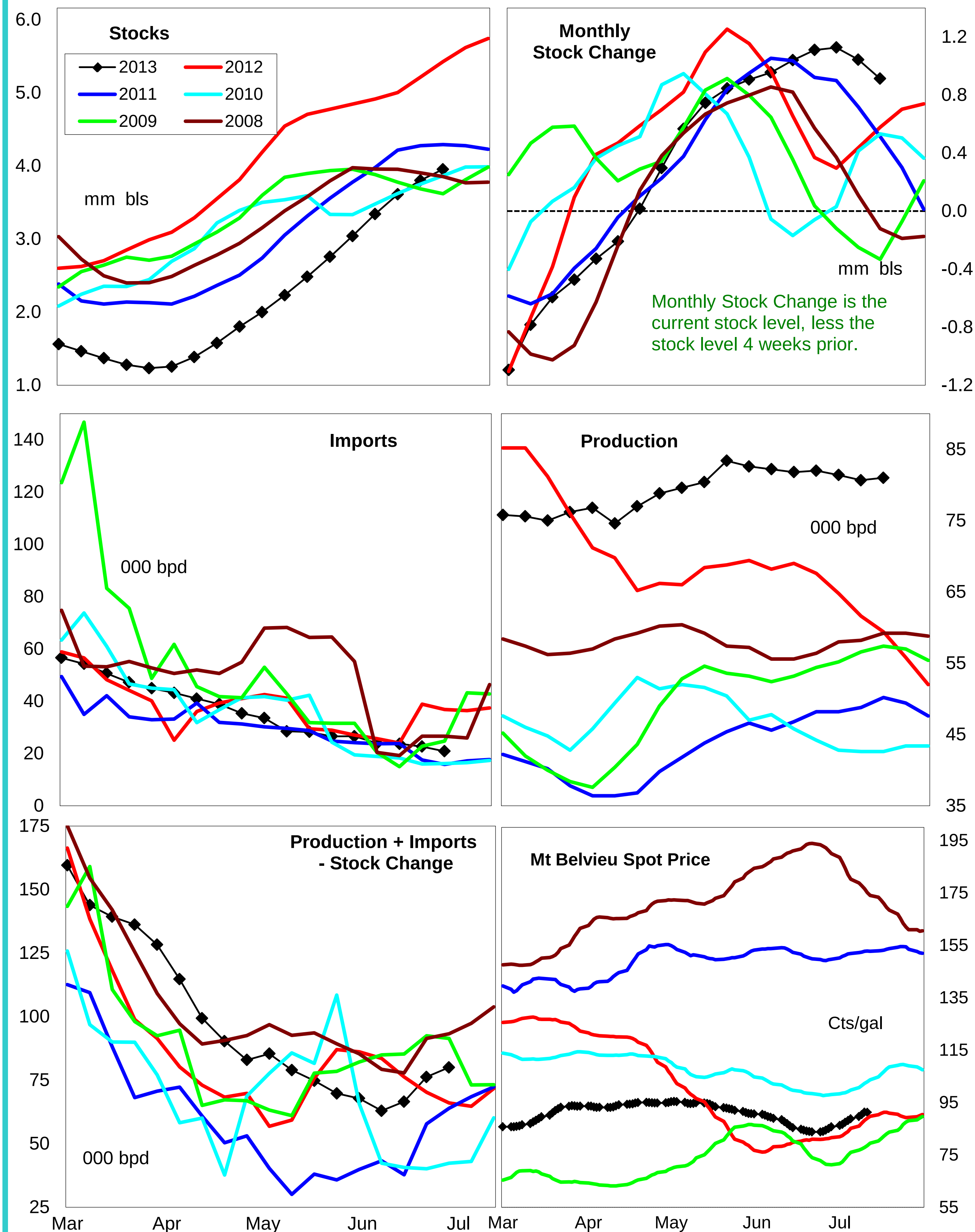
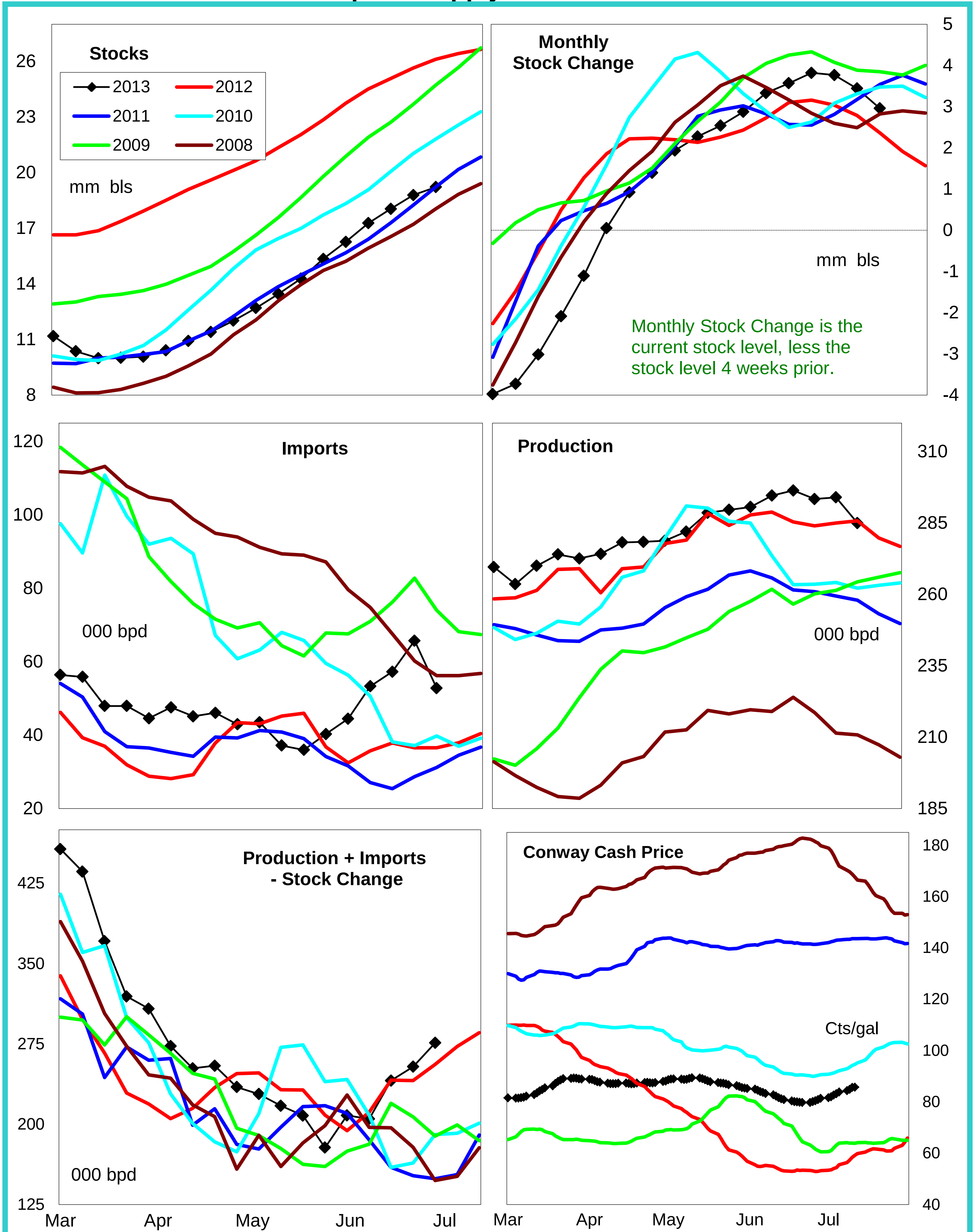
PADD 1 Propane Supply and Demand Balance



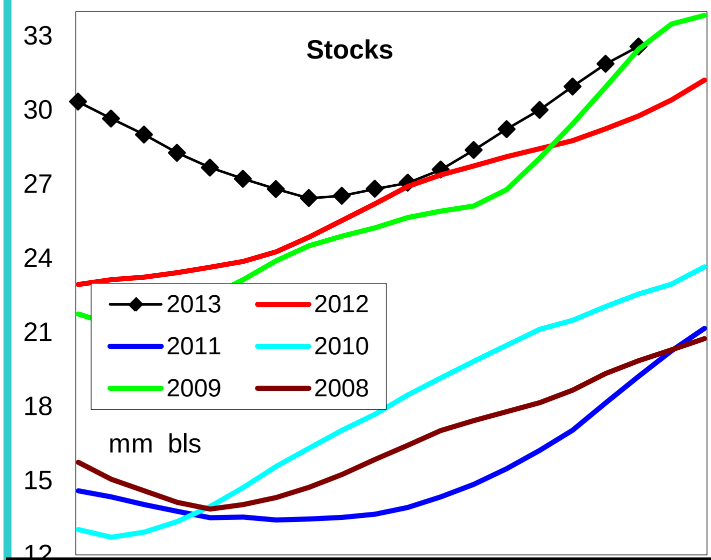
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-1,382	334	16	0	-3
% change	-25.7	57.7	24.1	0.3	-3.5

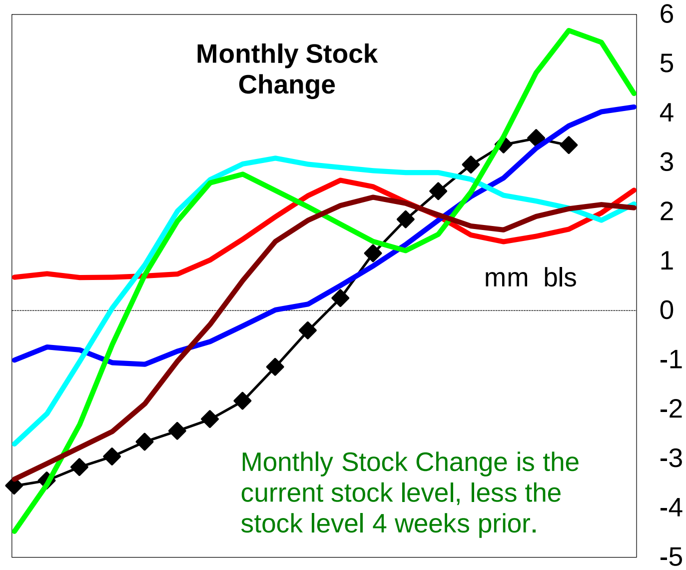
PADD 2 Propane Supply and Demand Balance

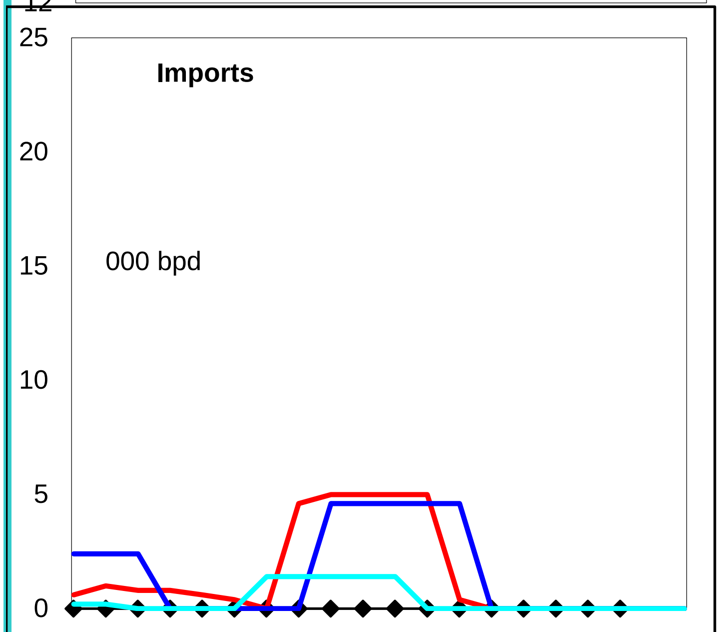


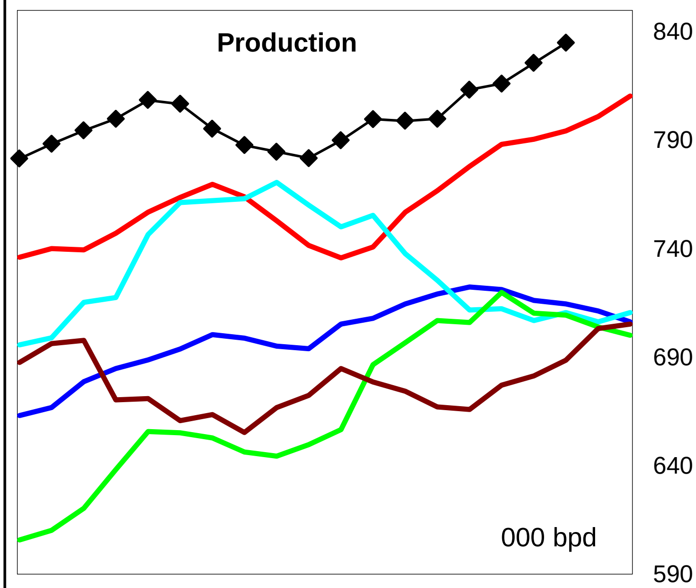
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-6,775	593	9	24	7
% change	-26.1	25.1	3.0	61.8	2.8

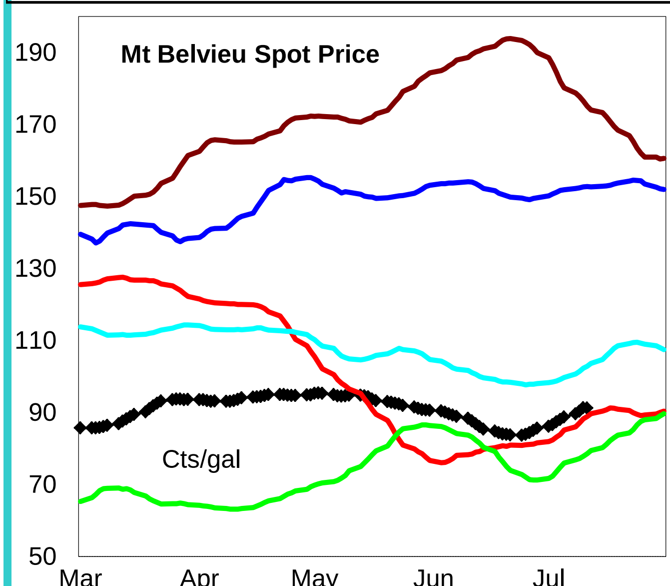
PADD 3 Propane Supply and Demand Balance

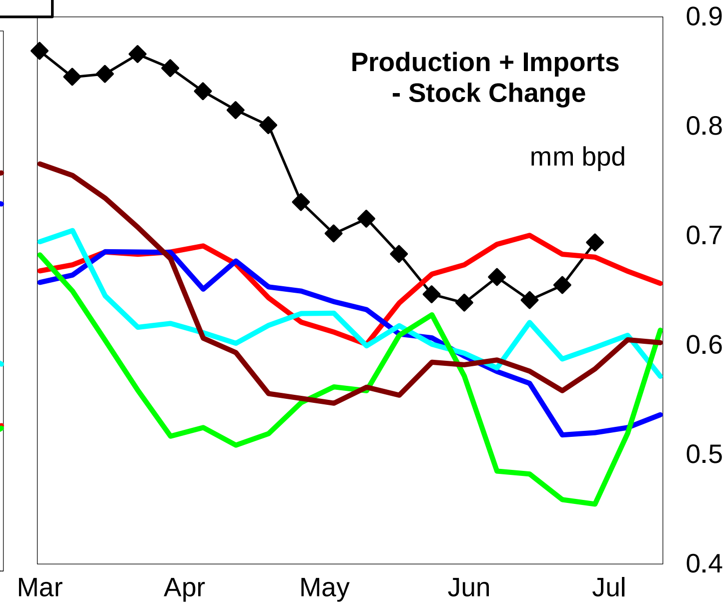






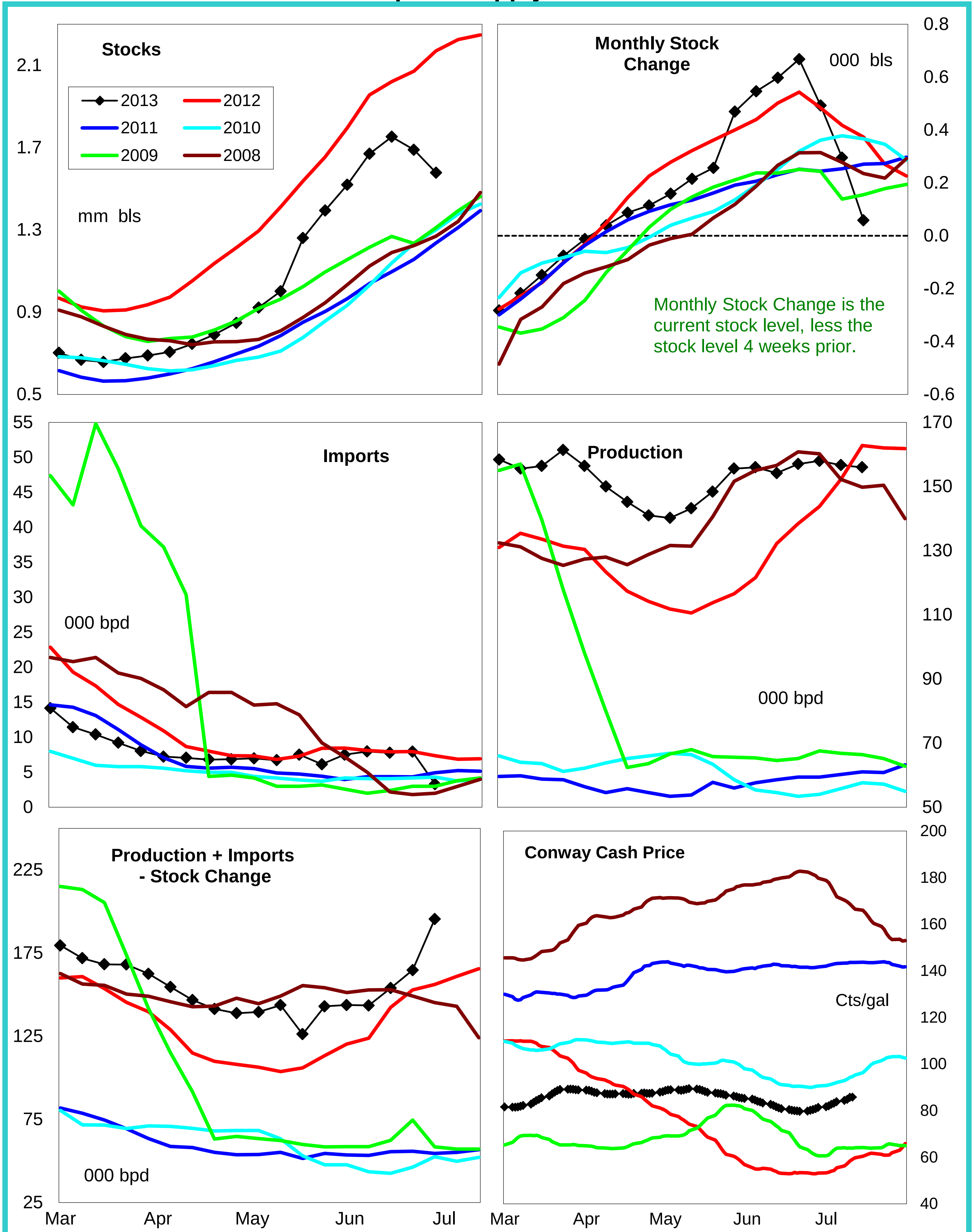






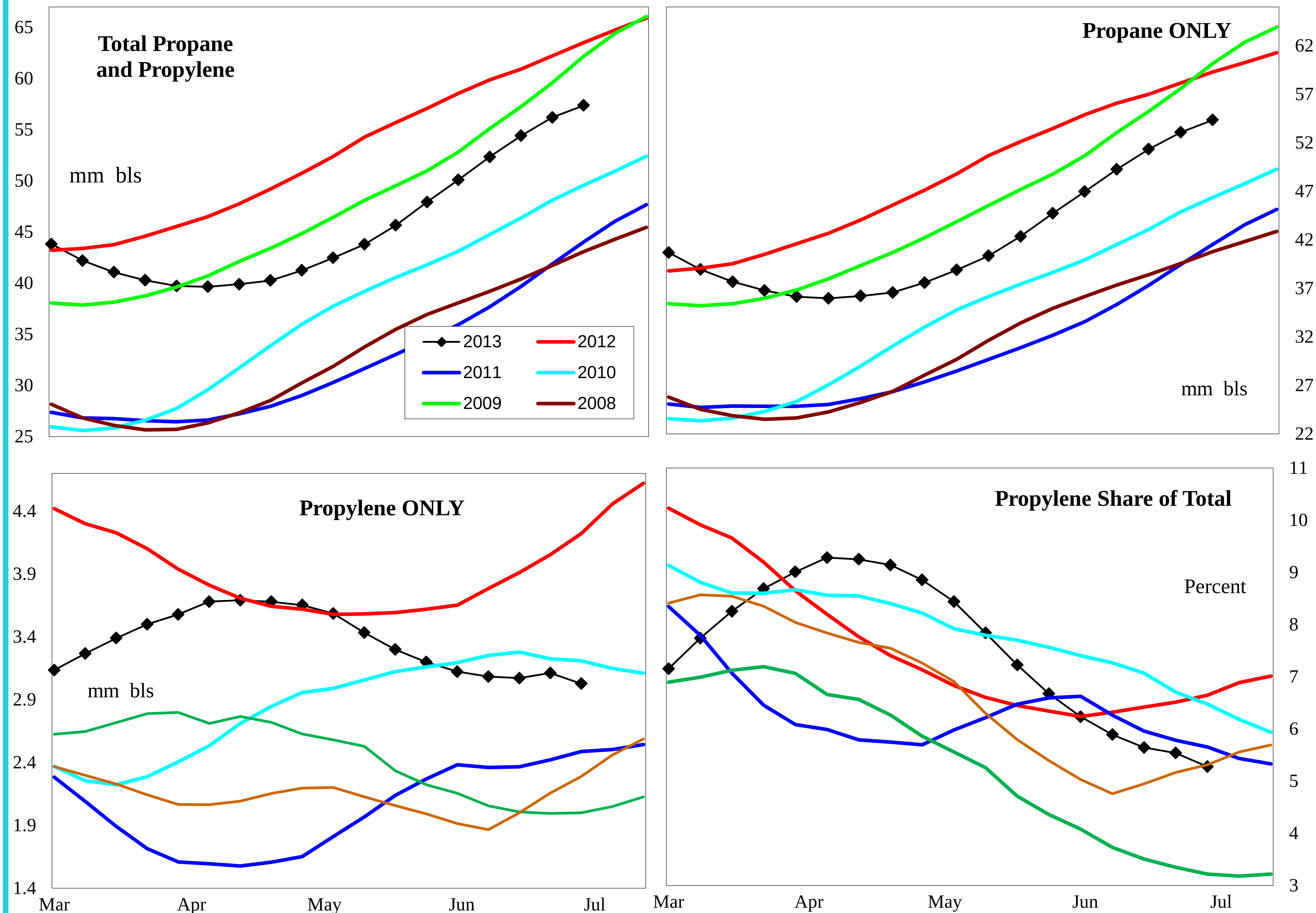
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	**2,784**	**1,703**	**29**	**0**	**-26**
% change	**9.3**	**103**	**3.6**	**#DIV/0!**	**-3.6**

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)	-436	-315	10	-1	21
% change	-21.6	-84.4	6.4	-13.5	14.3

U. S. Propane and Propylene Stocks



Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	-5,809	-4,649	-1,195
% change	-9.2	-7.9	-28.3

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

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