WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com

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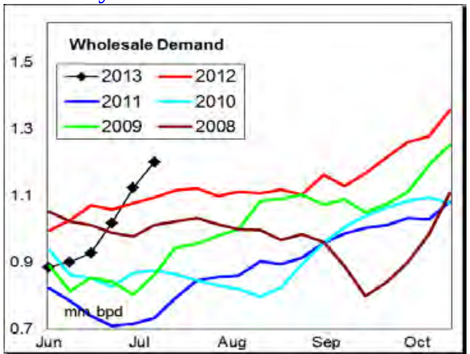
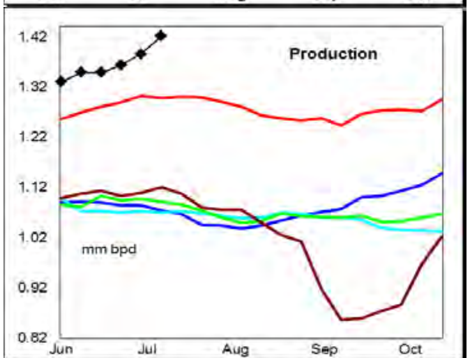
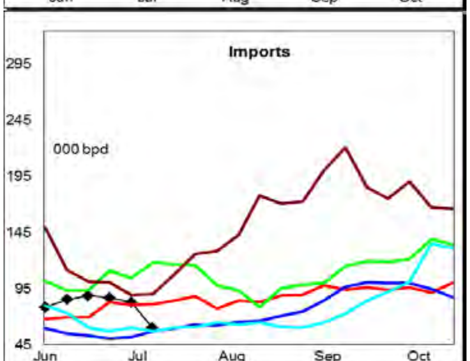
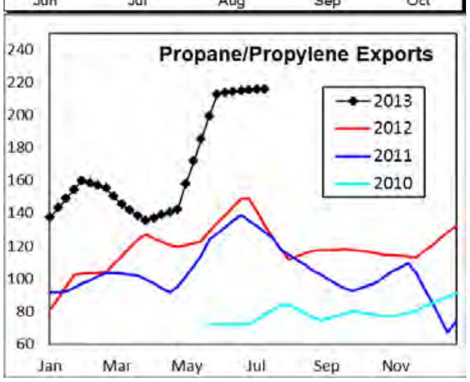


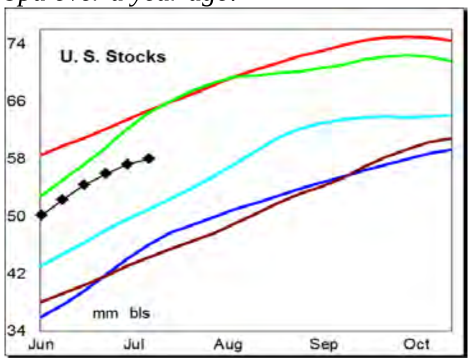






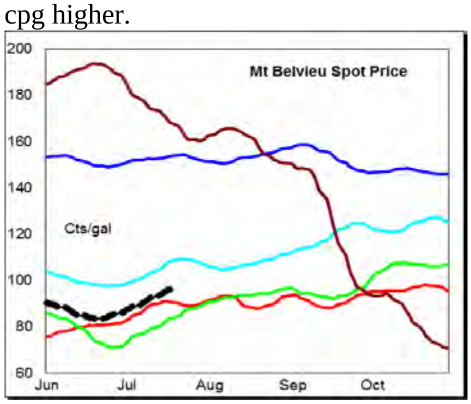
Wholesale demand increased +108,000 bpd on the week, to a record high for the season. Production jumped +64,000 bpd on the week while imports were -17,000 bpd lower.

Combined production and imports during the latest 4-wk period were +81,000 bpd above a year ago. Production was +79,000 bpd above last year (+6%), while imports were +2,000 bpd higher. The latest 4-wk average demand was +26,000 bpd above last year, -8%. *Exports increased +67,000 bpd over a year ago.*



Stocks increased +0.6 million barrels on the week, ending at a level -11% below last year. The 4-wk stock change was a build of +5.6 million barrels, below the 5-year mid range.

Price and Spreads Mt Belvieu prices increased +3 cpg for the week ending 19Jul13, while Conway prices were +4 cpg higher.



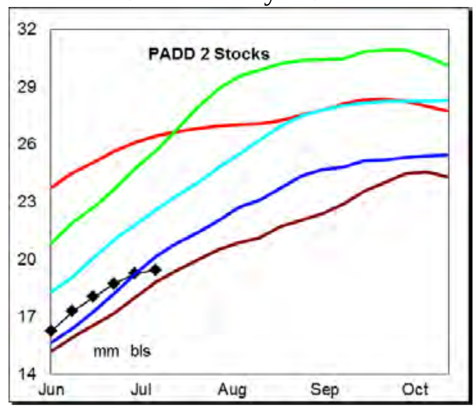
The Conway – Mt Belvieu price spread ended the week at -4 cpg, a differential less than the 5-year range for the week.

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

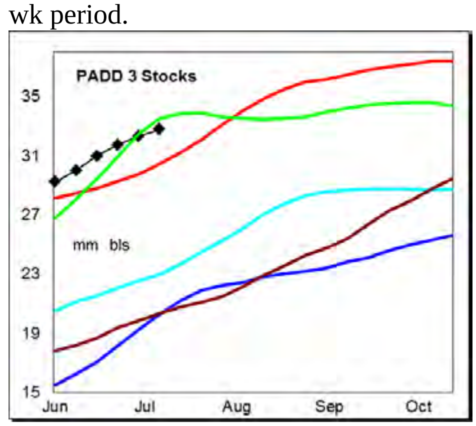
The propane / crude oil price spread traded slightly higher last week, ending at a level below the 5-year range.

PADD 1 stocks decreased -0.2 million barrels on the week, with the level -2.1 million barrels below last year. Supply decreased -3,000 bpd last week. Supply for the latest 4-wk period increased +1,000 bpd compared to a year ago.

PADD 2 stocks increased +0.2 million barrels on the week. Supply increased +8,000 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 +0.2 million barrels last week, to a level +8% above a year ago. Supplies were +38,000 bpd above a year ago for the most recent 4-wk period.



PADDs 4 & 5 stocks increased +0.3 million barrels last week. The stock level ended the week near historic highs for the period.

Emerging Trends Record wholesale demand for this time of year, has sharply cut the rate of stock building during the last 4-wk period. Look for a pull back in wholesale demand, and renewed 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 22, 2013

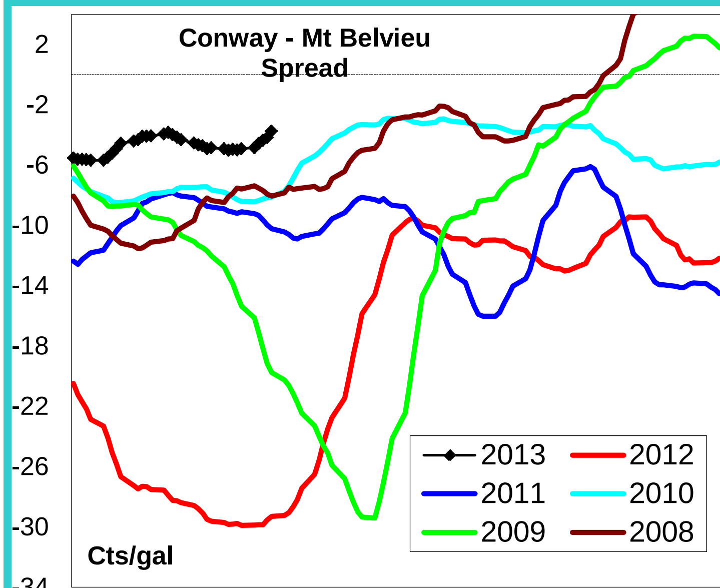
Fundamental Trends for the Week Ending: Friday, July 12, 2013

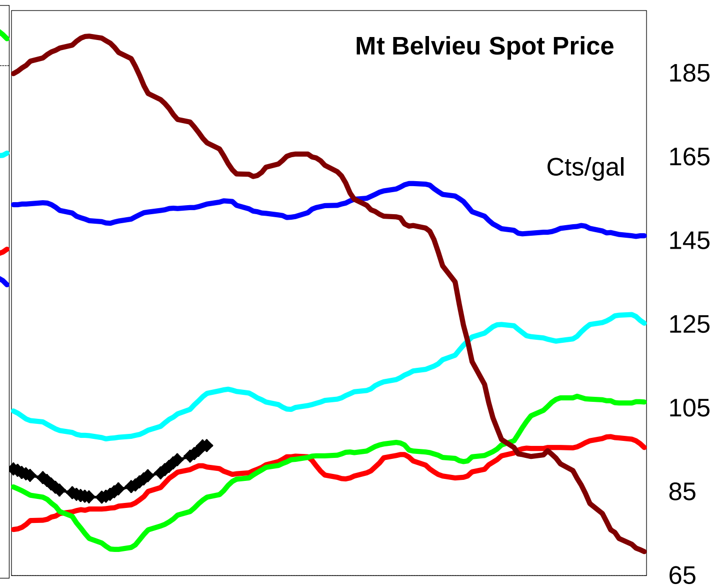
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5	U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5
Stocks	57,966	3,843	19,429	32,767	1,927	592	-151	210	184	349
Propylene Stocks	2,973					-55				
Production	1,421	82	309	839	191	64	1	24	4	35
Imports	60	17	37	0	6	-17	-4	-16	0	3
Whsle Demand	1,180					108				

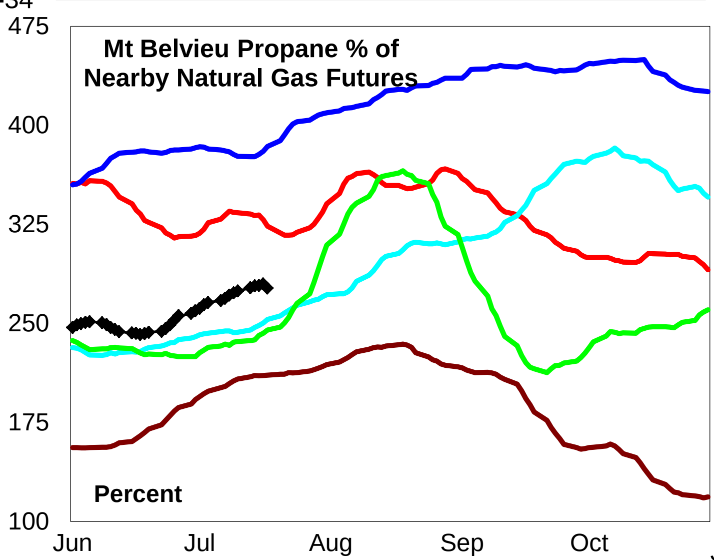
Price Trends for the Week Ending: Friday, July 19, 2013

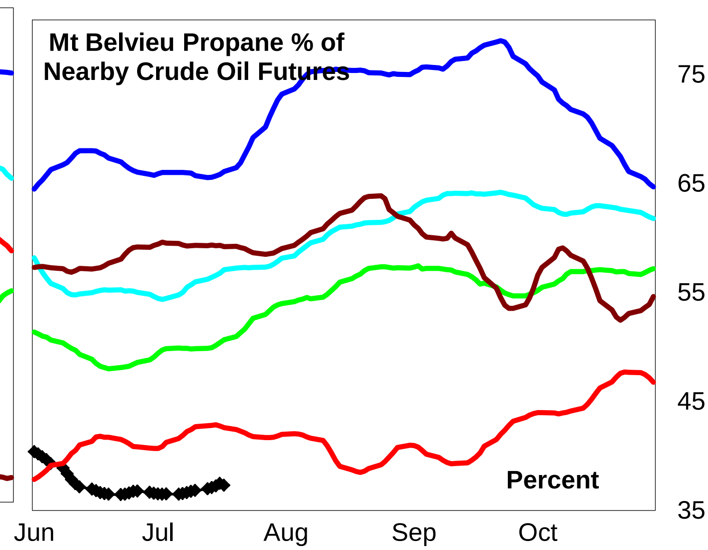
Cents/gal	Average for week ending:				Change from:			% change from:		
	7/19/13	7/12/13	6/21/13	7/17/12	7/12/13	6/21/13	7/17/12	7/12/13	6/21/13	7/17/12
Mont Belvieu Spot	94.9	91.1	82.5	92.8	3.73	8.68	-10.31	4.1	10.5	-11.1
Conway Spot	90.5	85.8	79.0	62.7	4.75	6.79	16.24	5.5	8.6	25.9

Key Price Spreads and Differentials

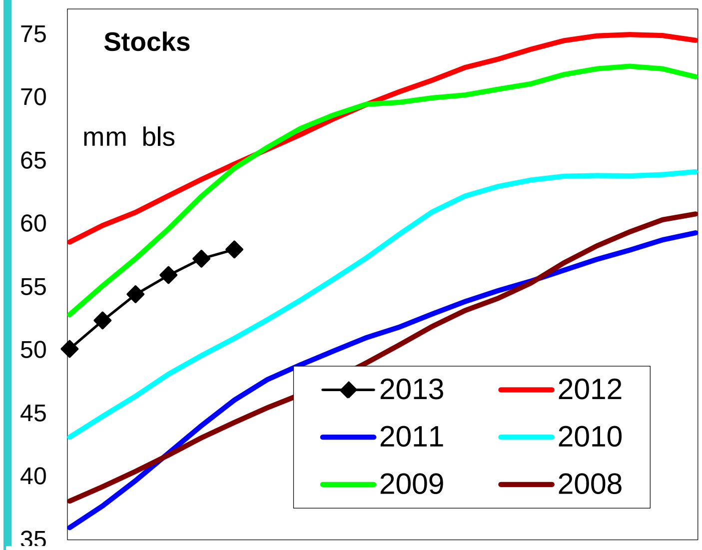


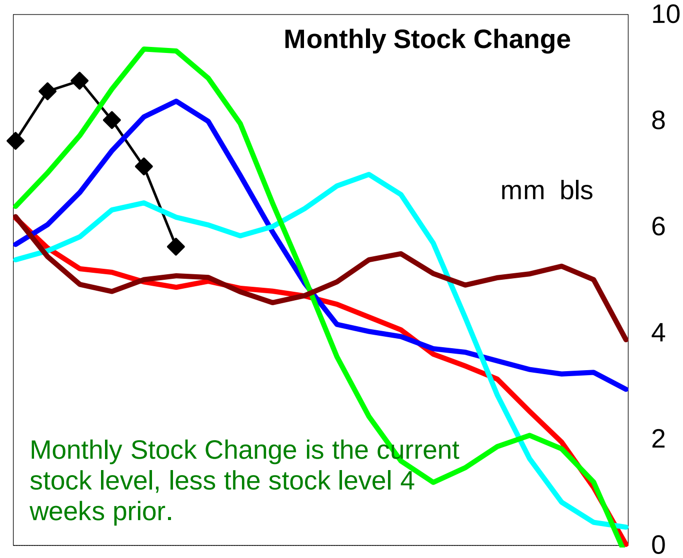


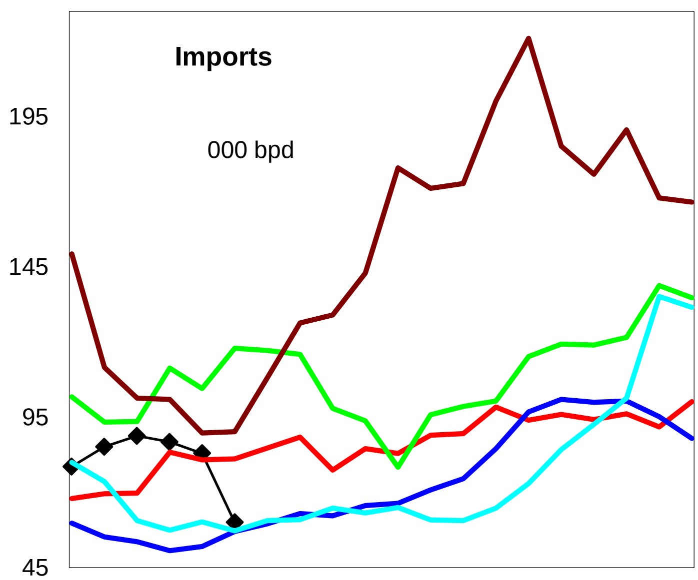


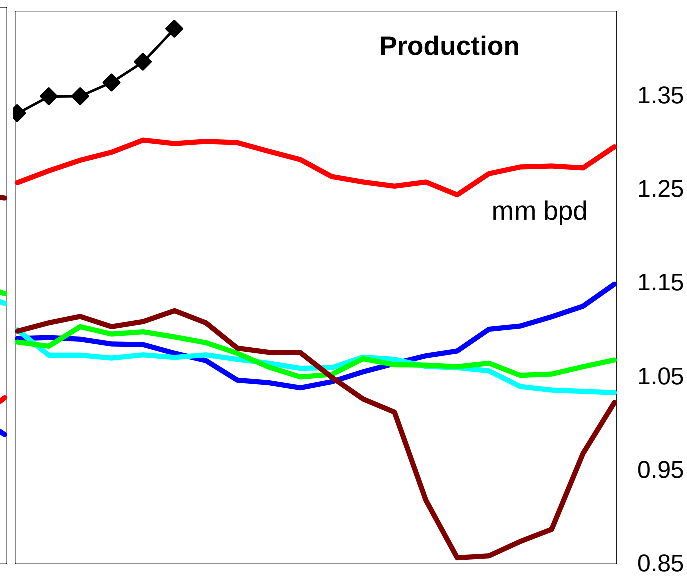


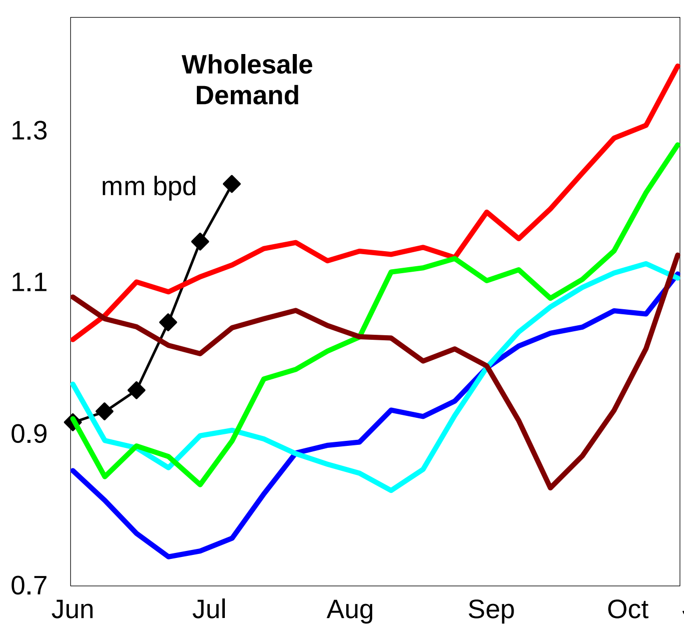
U. S. Propane Supply and Demand Balance

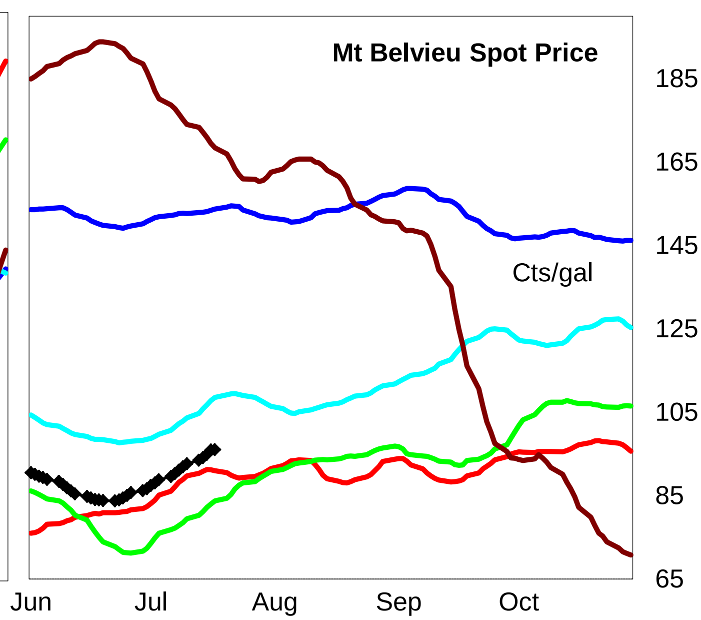












4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Jun	May	Apr
000 bpd (000 bls stks)	-6,779	762	79	2		26	-172	-111	162
% change	-10.5	16	6.1	2.3		2.5	-16.2	-10.1	16.4

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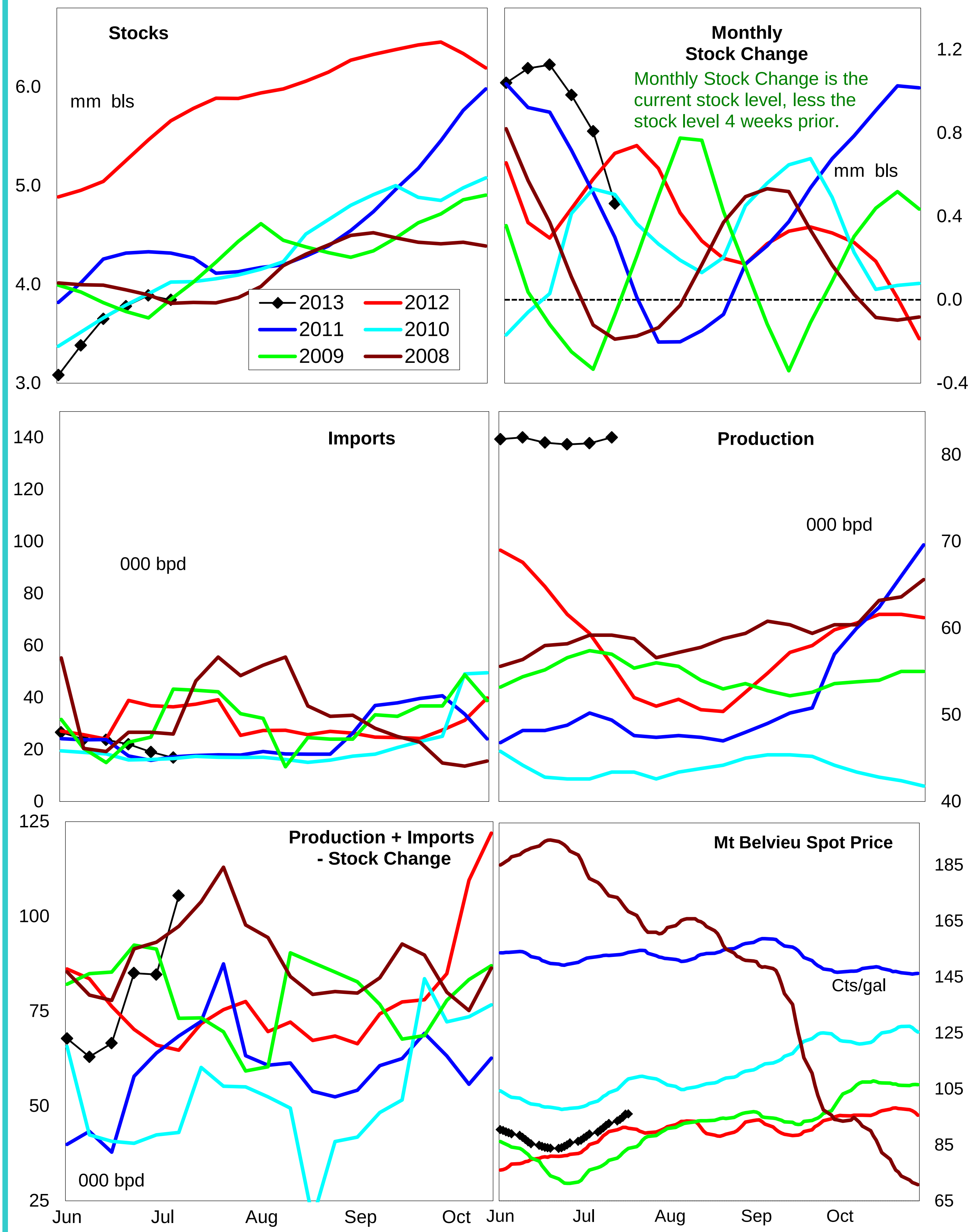
PADD 1 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-2,077	-242	21	-20	16
% change	-35.1	-34.4	35.6	-48.5	23.2

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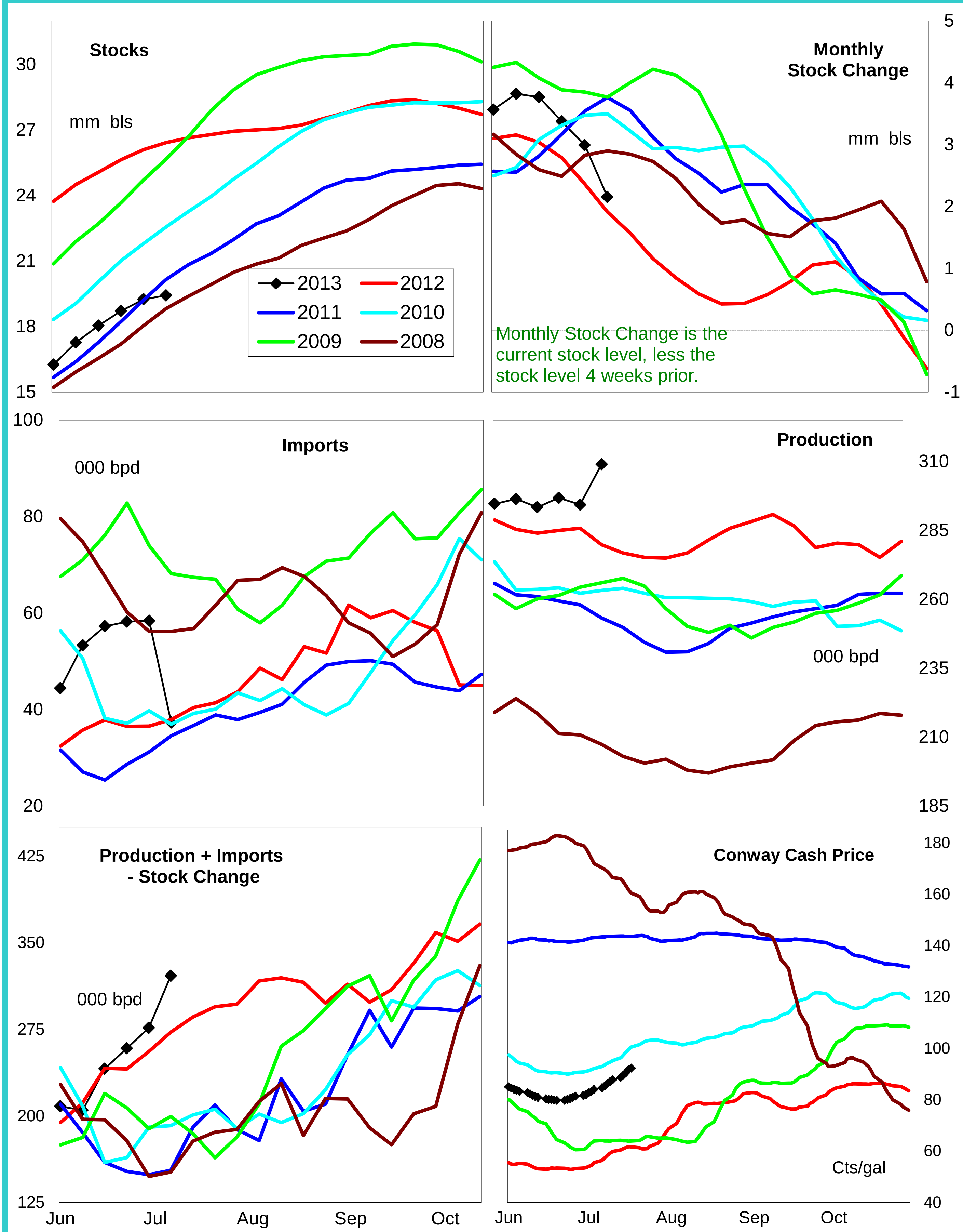
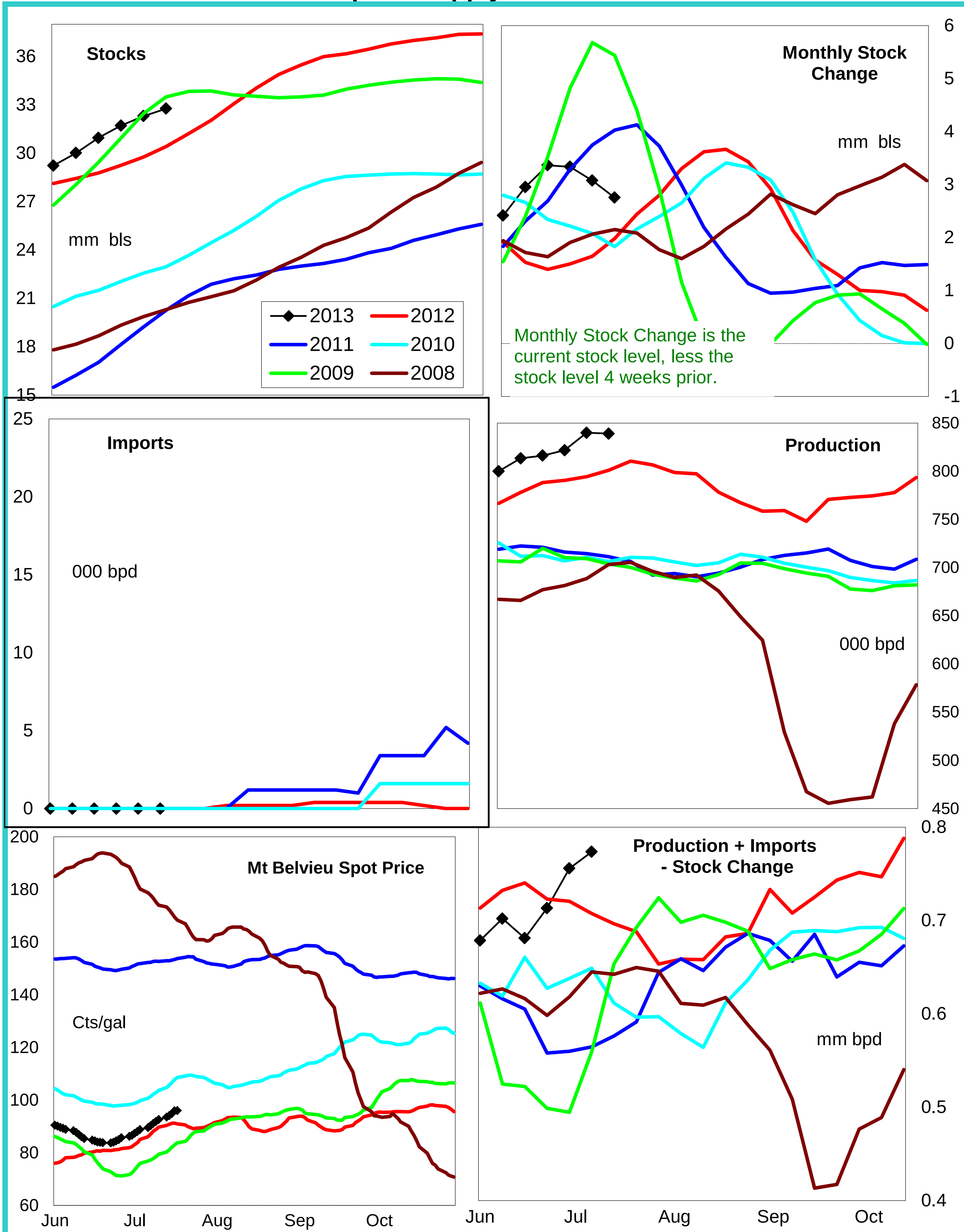
PADD 2 Propane Supply and Demand Balance



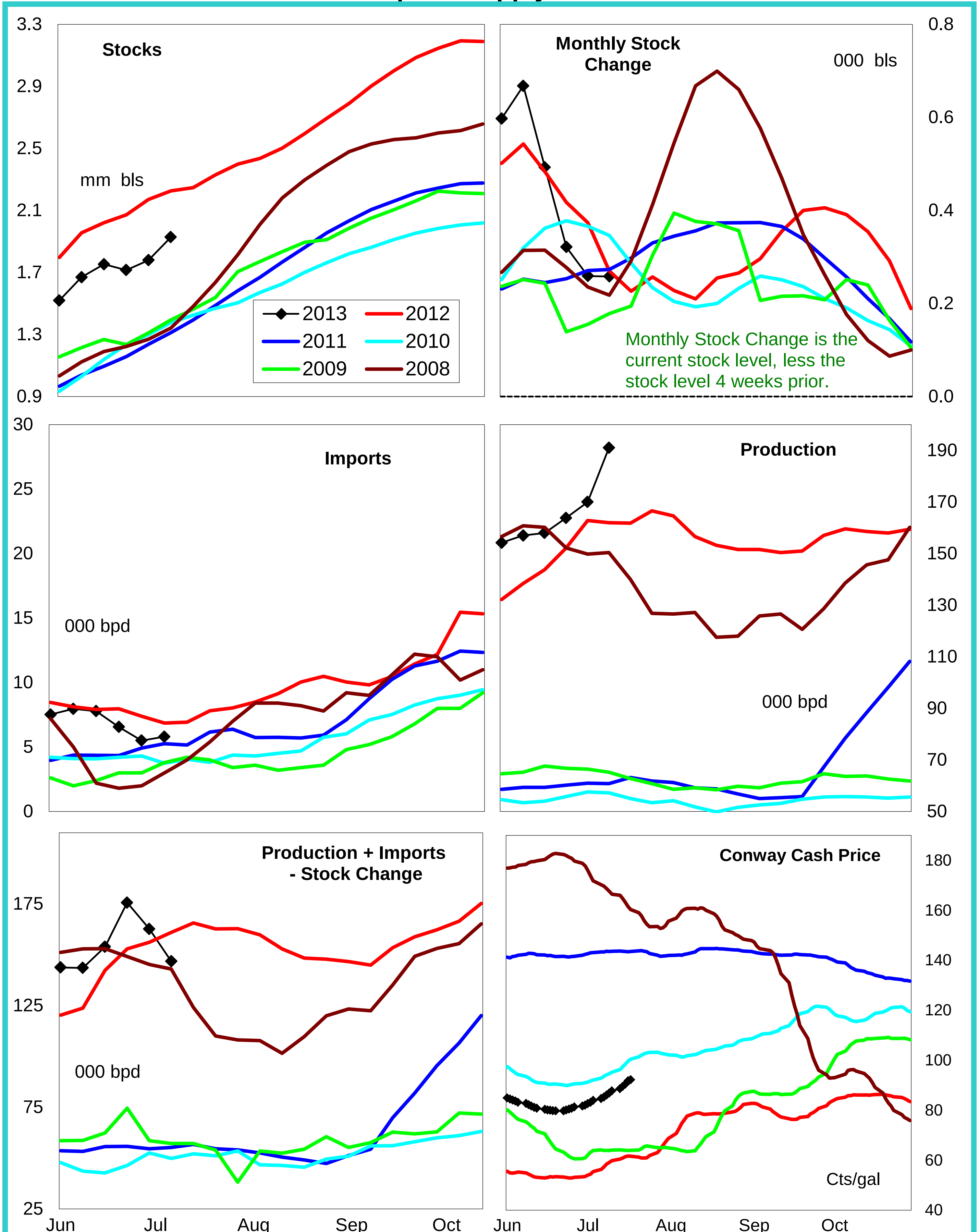
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-6,955	243	12	21	22
% change	-26.4	12.7	4.0	56.6	8.6

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)	2,461	774	38	0	8
% change	8.1	39	4.8	#DIV/0!	1.1

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)	-207	-12	8	1	7
% change	-9.7	-4.3	5.3	11.3	4.4

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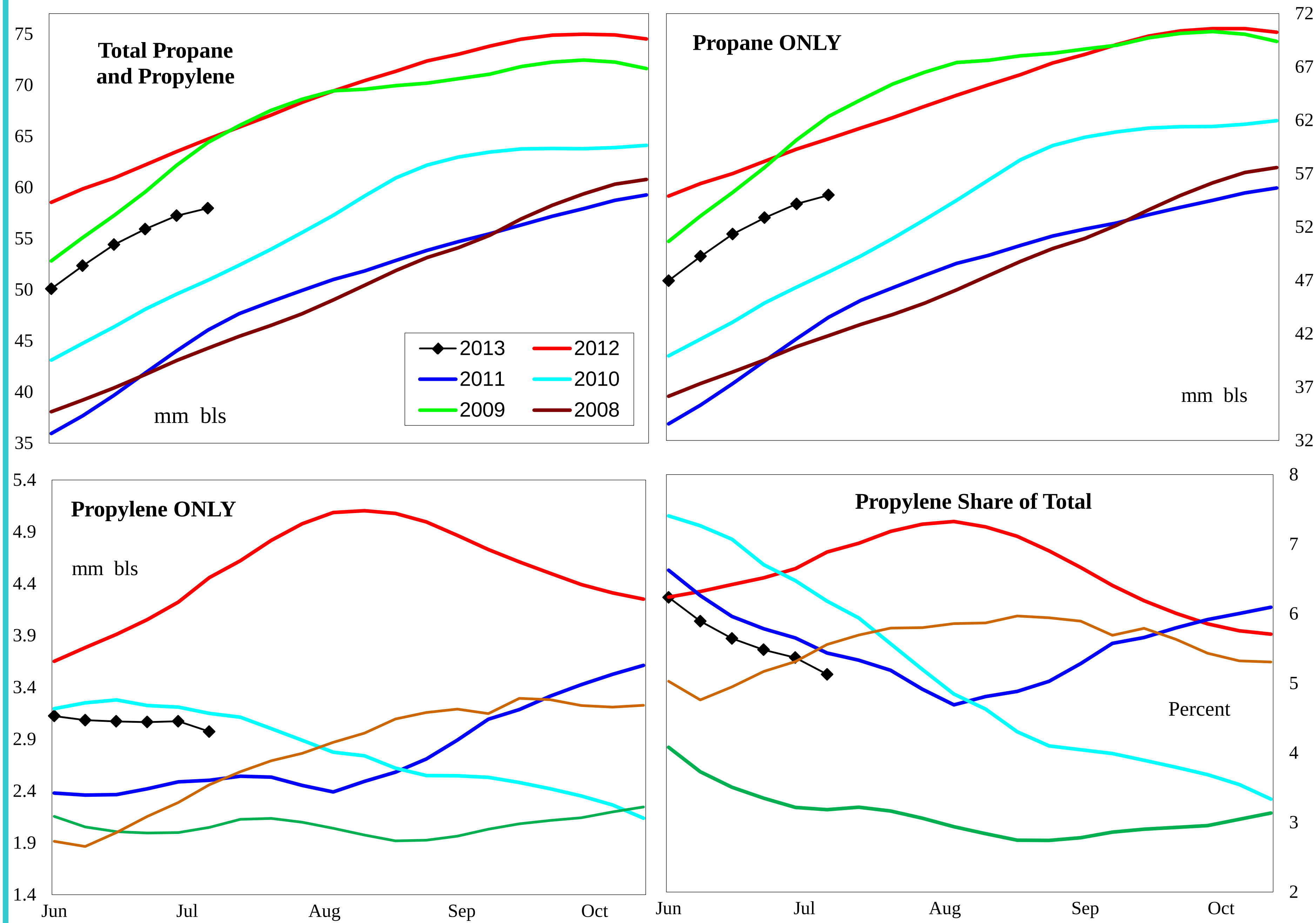
U. S. Propane and Propylene Stocks



Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	-6,779	-5,356	-1,485
% change	-10.5	-8.9	-33.3

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

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