WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

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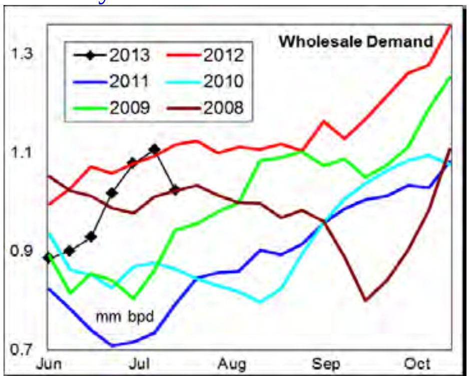
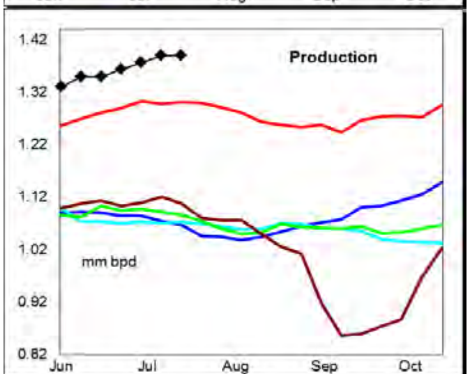
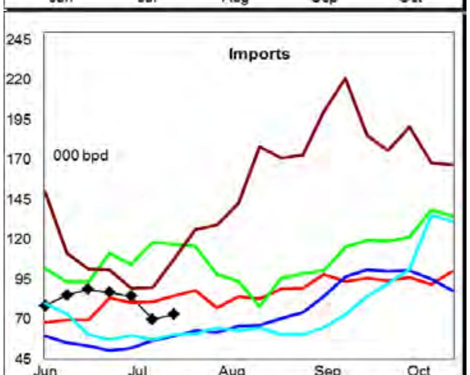
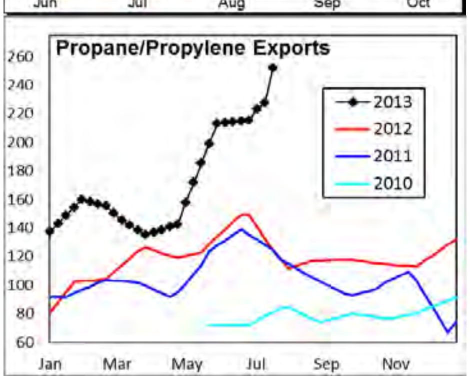


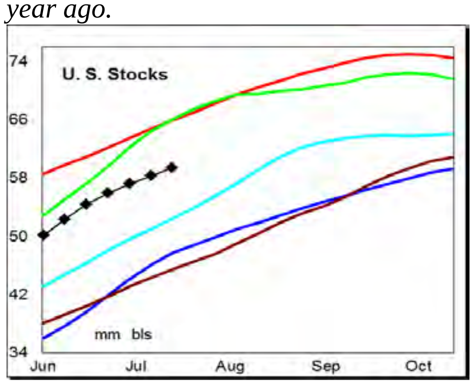






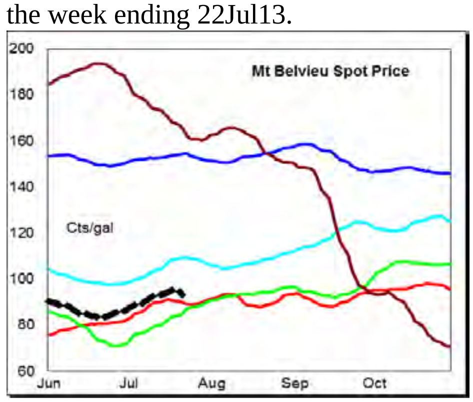
Wholesale demand fell -176,000 bpd on the week, to a level below last years' record high. Production declined -31,000 bpd on the week while imports were +13,000 bpd higher.

Combined production and imports during the latest 4-wk period were +83,000 bpd above a year ago. Production was +87,000 bpd above last year (+7%), while imports were -4,000 bpd lower. The latest 4-wk average demand was unchanged from a year ago. *Exports increased +86,000 bpd over a year ago.*



Stocks increased +1.5 million barrels on the week, ending at a level -10% below last year. The 4-wk stock change was a build of +5.1 million barrels, matching last years' 5-year low.

Price and Spreads Mt Belvieu and Conway spot prices were unchanged for the week ending 22Jul13.



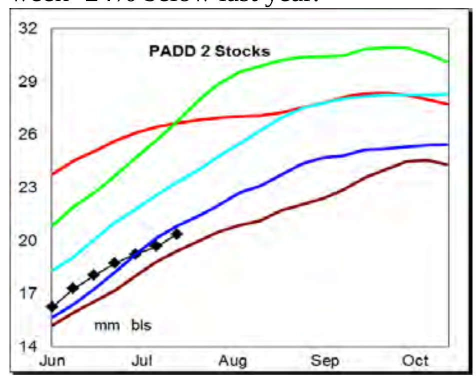
The Conway – Mt Belvieu price spread ended the week at -4 cpg, a differential less than the 5-year range for the week.

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

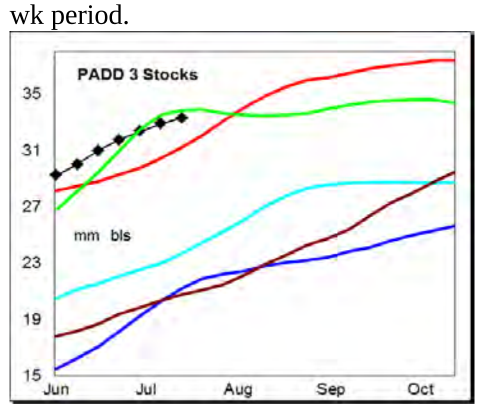
The propane / crude oil price spread traded slightly lower late in the week, ending at a level below the 5-year range.

PADD 1 stocks decreased -0.4 million barrels on the week, with the level -2.3 million barrels below last year, and a record low. Supply decreased -4,000 bpd last week. Supply for the latest 4-wk period increased +2,000 bpd compared to a year ago.

PADD 2 stocks increased +0.9 million barrels on the week. Supply decreased -7,000 bpd on lower production. The latest 4-wk supply was +31,000 bpd above a year ago. Stock levels ended the week -24% below last year.



PAD 3 stocks increased +0.5 million barrels last week, to a level +8% above a year ago. Supplies were +39,000 bpd above a year ago for the most recent 4-wk period.



PADDs 4 & 5 stocks increased +0.4 million barrels last week. The stock level ended the week at historic highs for the period.

Emerging Trends Propane supplies are extremely ample in the Gulf region with both stocks and production above the 5-year range. However stock levels on the East Coast and in the Midwest are at or near record lows – a marked contrast in the supply balance between regional markets. Risk continues for a late summer pull back in wholesale prices.

[1] Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

July 24, 2013

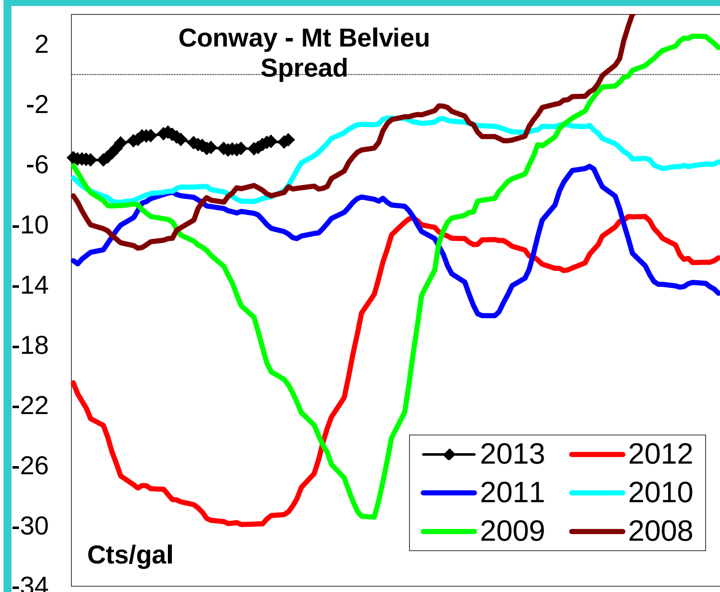
Fundamental Trends for the Week Ending: Friday, July 19, 2013

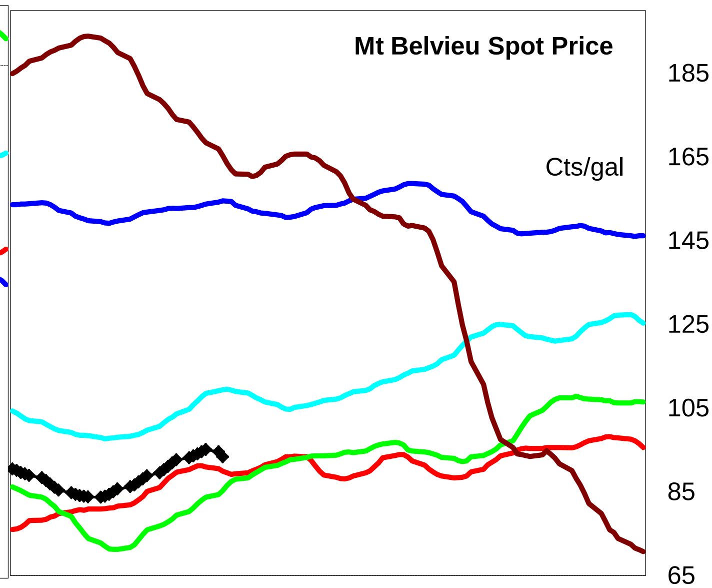
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5	U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5
Stocks	59,418	3,491	20,351	33,285	2,291	1,452	-352	922	518	364
Propylene Stocks	3,186					213				
Production	1,390	80	286	832	192	-31	-2	-23	-7	1
Imports	73	15	53	0	5	13	-2	16	0	-1
Whsle Demand	1,004					-176				

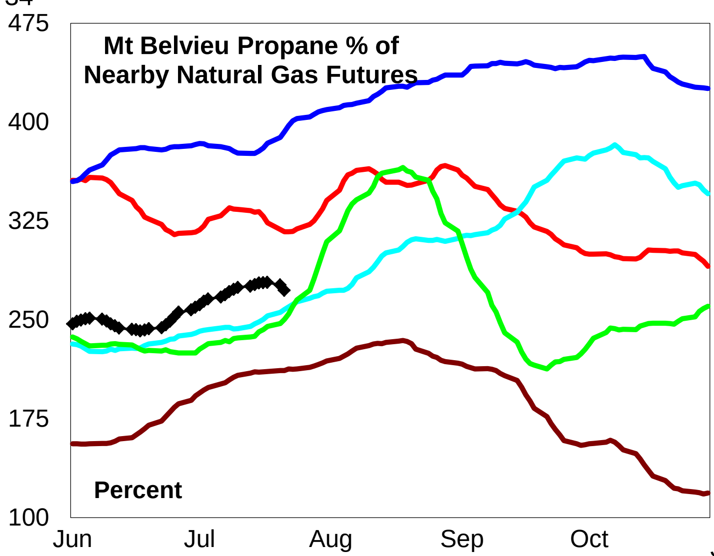
Price Trends for the Week Ending: Tuesday, July 23, 2013

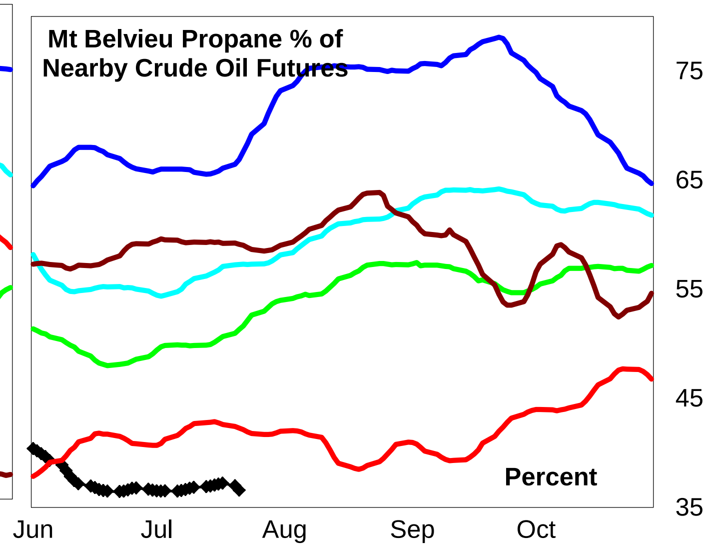
Cents/gal	Average for week ending:				Change from:			% change from:		
	7/23/13	7/16/13	6/25/13	7/19/12	7/16/13	6/25/13	7/19/12	7/16/13	6/25/13	7/19/12
Mont Belvieu Spot	95.1	92.7	83.1	91.1	2.38	9.58	-7.98	2.6	11.5	-8.8
Conway Spot	90.7	87.7	79.5	60.6	2.95	8.24	18.88	3.4	10.4	31.2

Key Price Spreads and Differentials

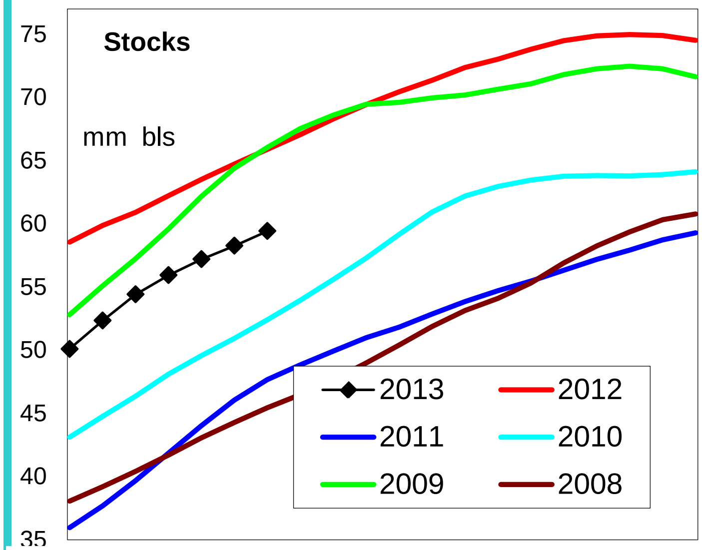


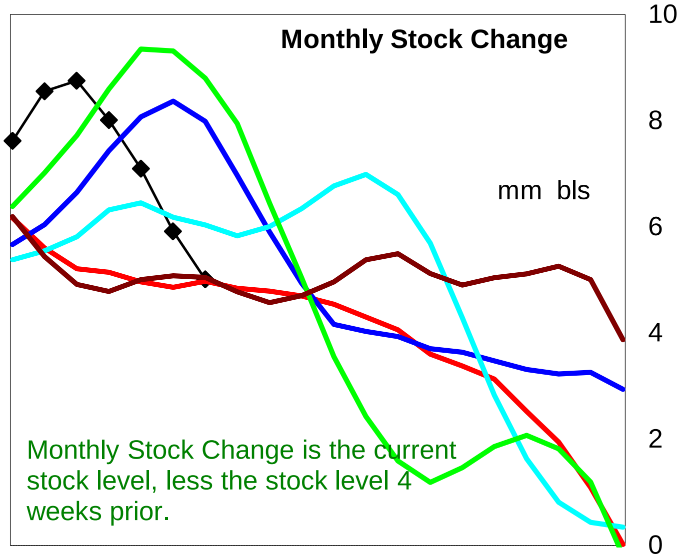


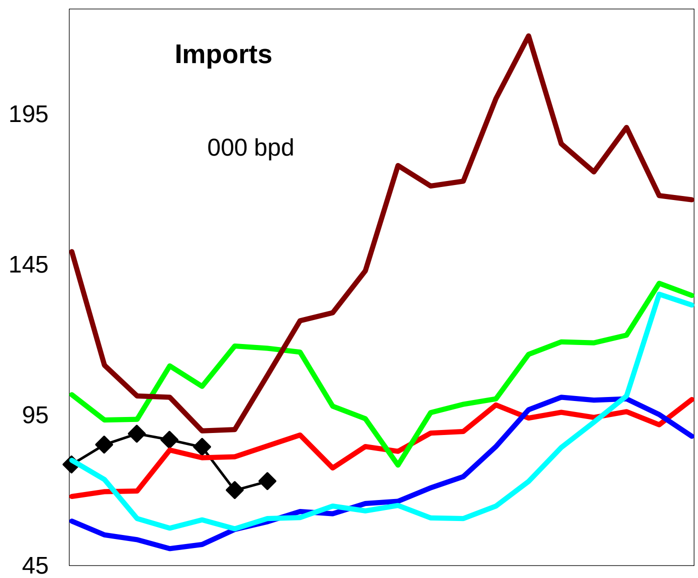


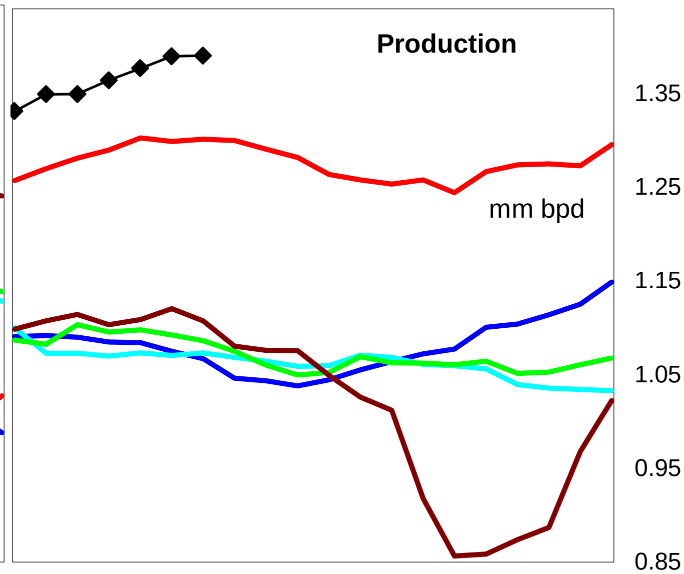


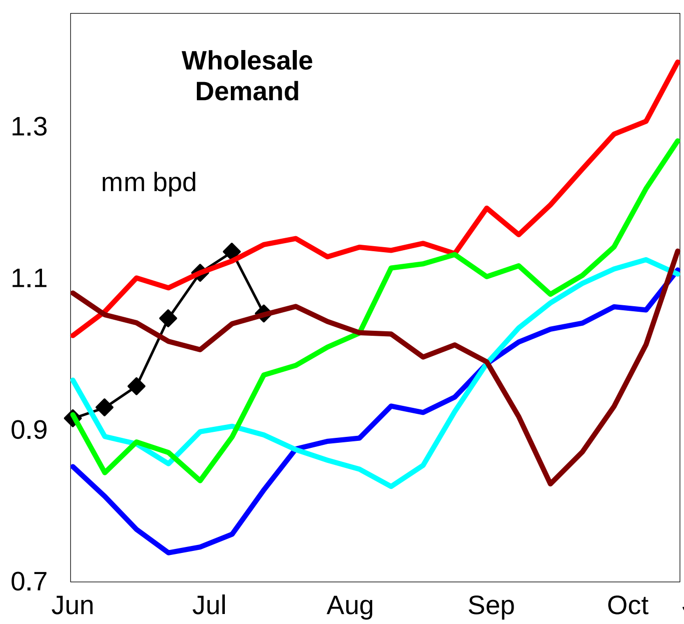
U. S. Propane Supply and Demand Balance

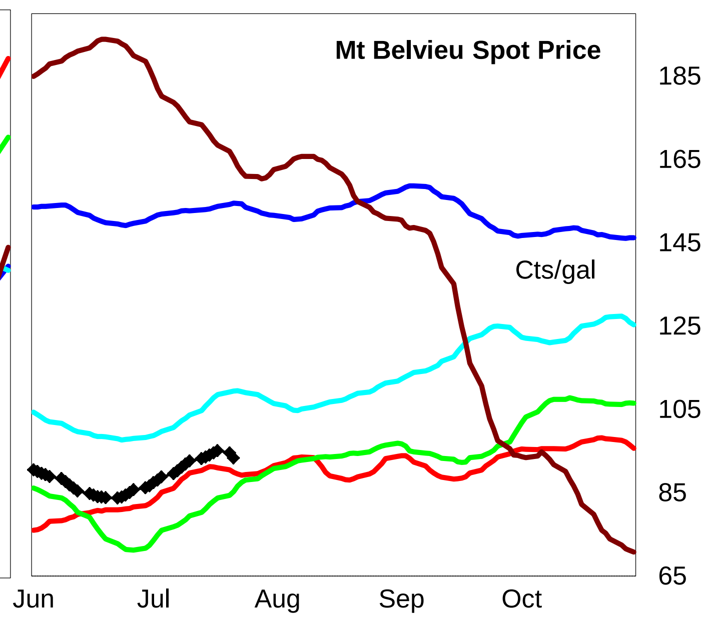












4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Jun	May	Apr
000 bpd (000 bls stks)	-6,600	36	87	-4		-1	-172	-111	162
% change	-10.0	1	6.7	-4.7		-0.1	-16.2	-10.1	16.4

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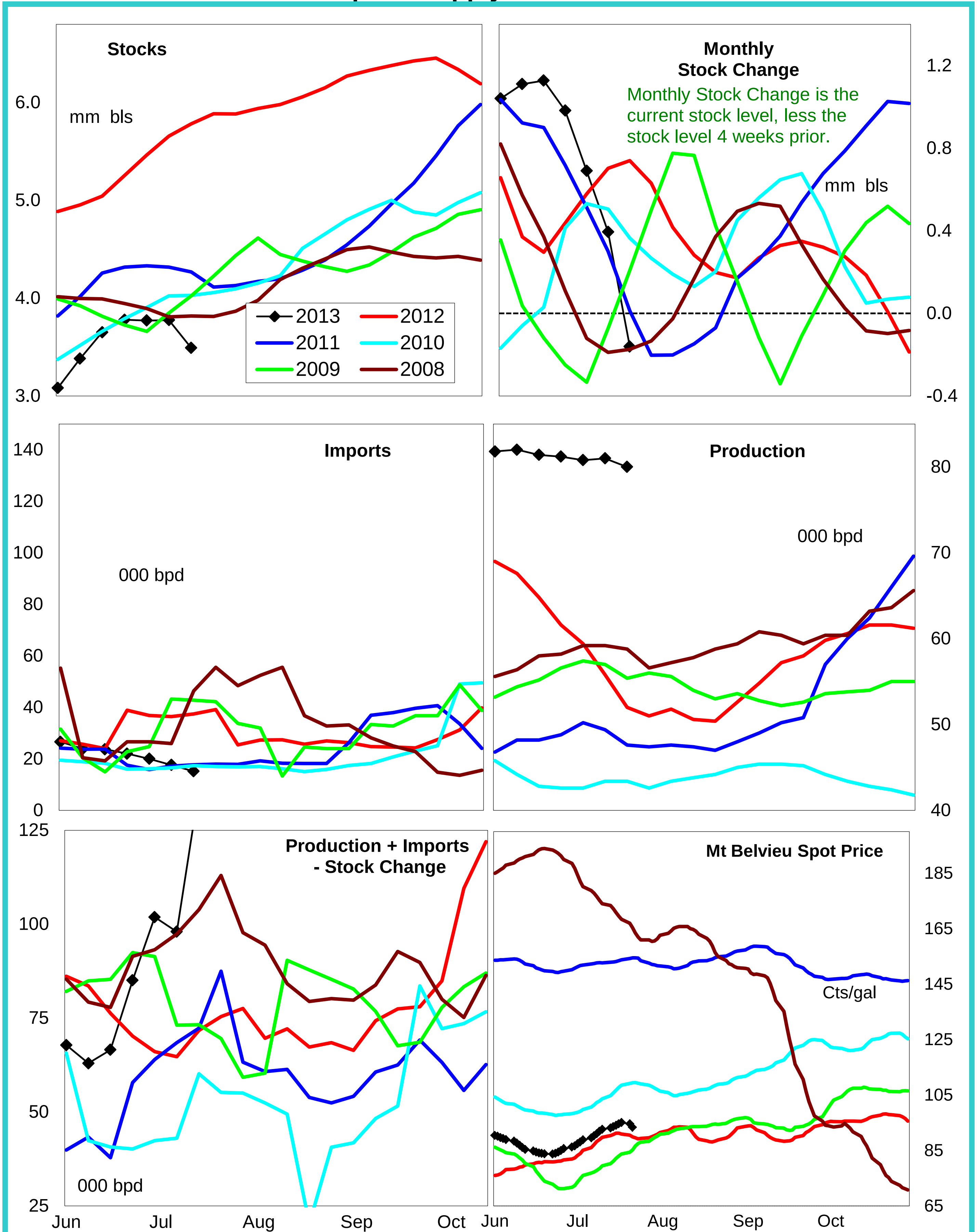
PADD 1 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-2,281	-900	24	-22	37
% change	-39.5	-121.7	42.1	-54.9	54.3

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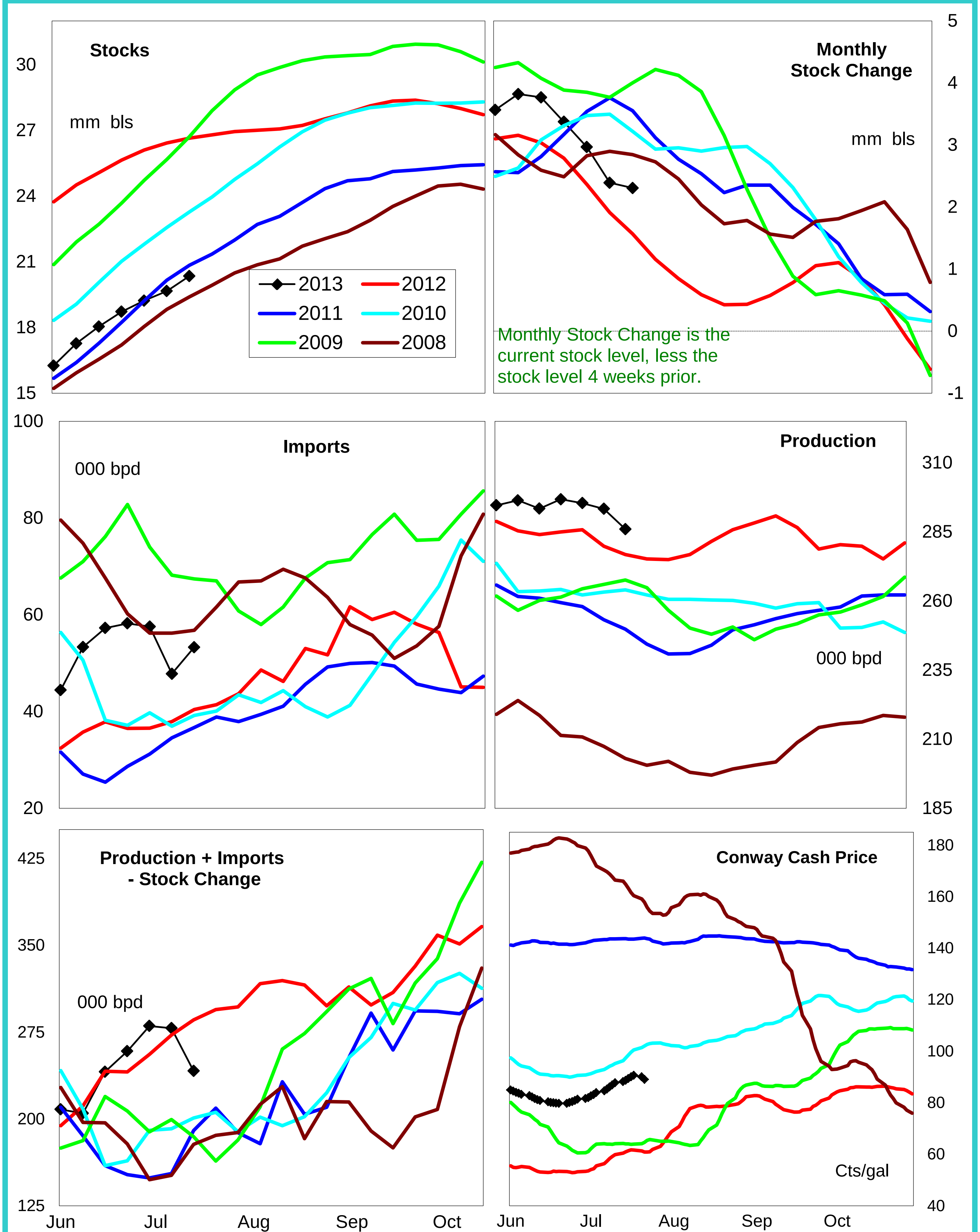
PADD 2 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-6,566	739	11	20	1
% change	-24.4	47.1	4.0	53.4	0.4

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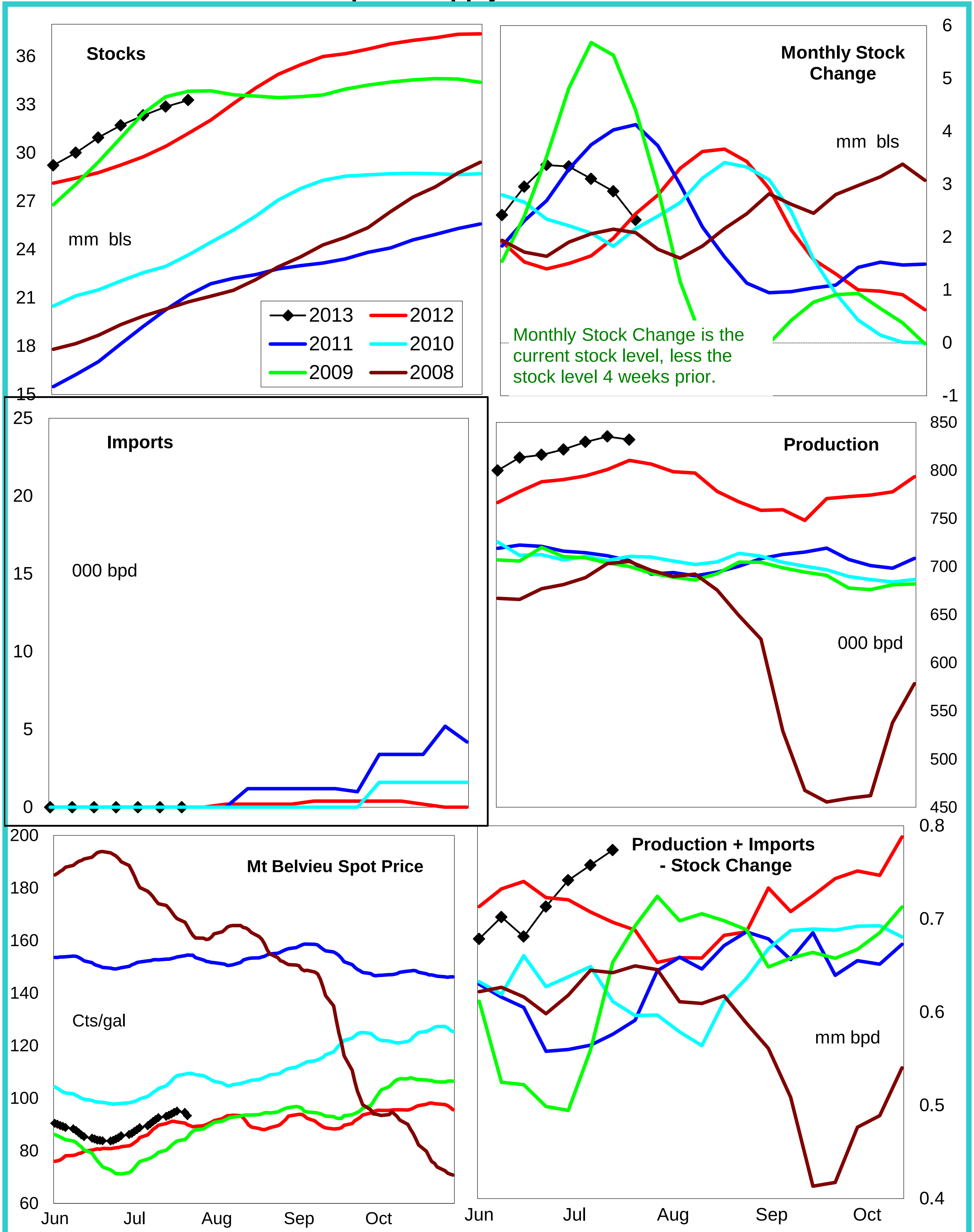
PADD 3 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	2,365	-116	39	0	35
% change	7.6	-5	4.8	#DIV/0!	4.9

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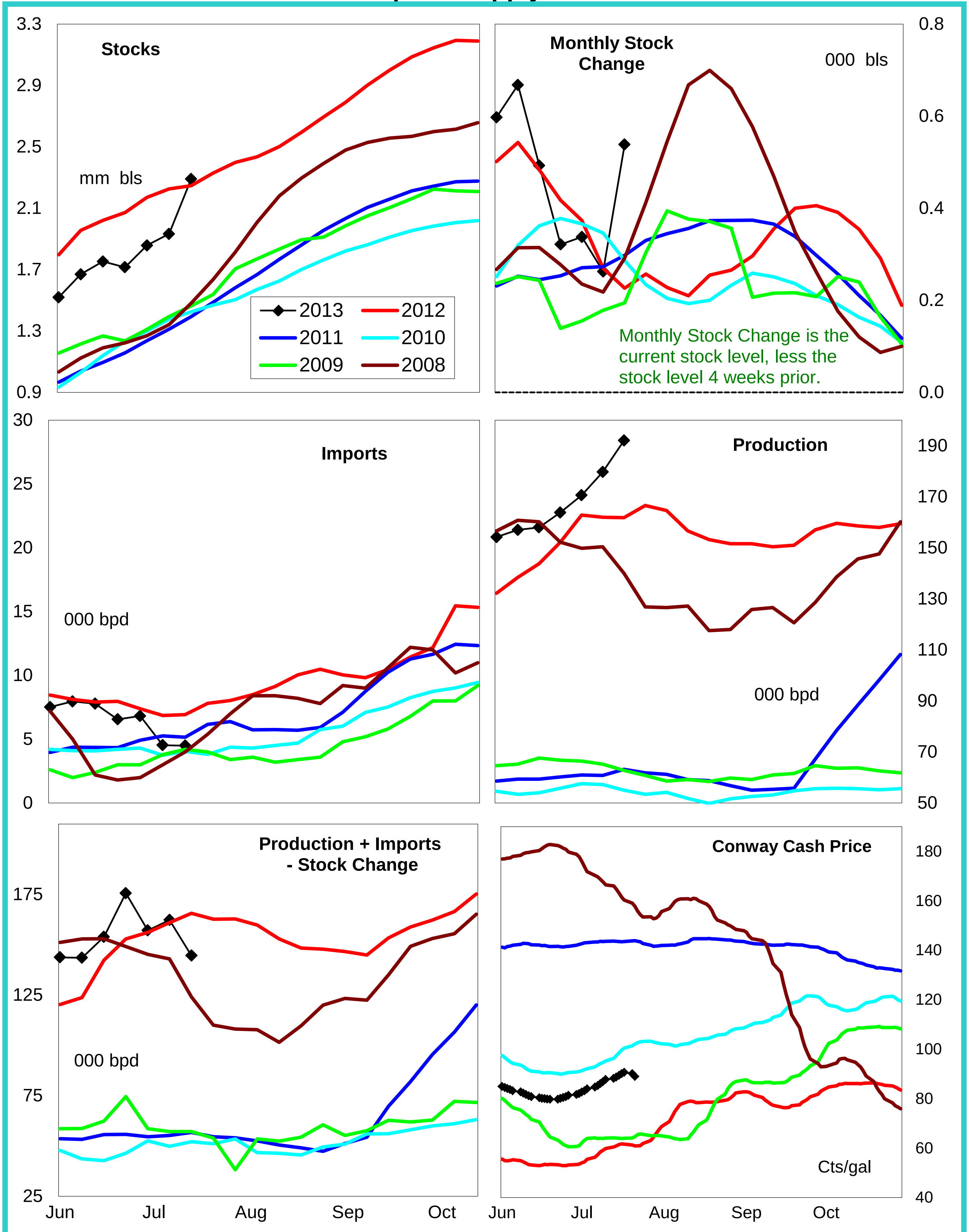
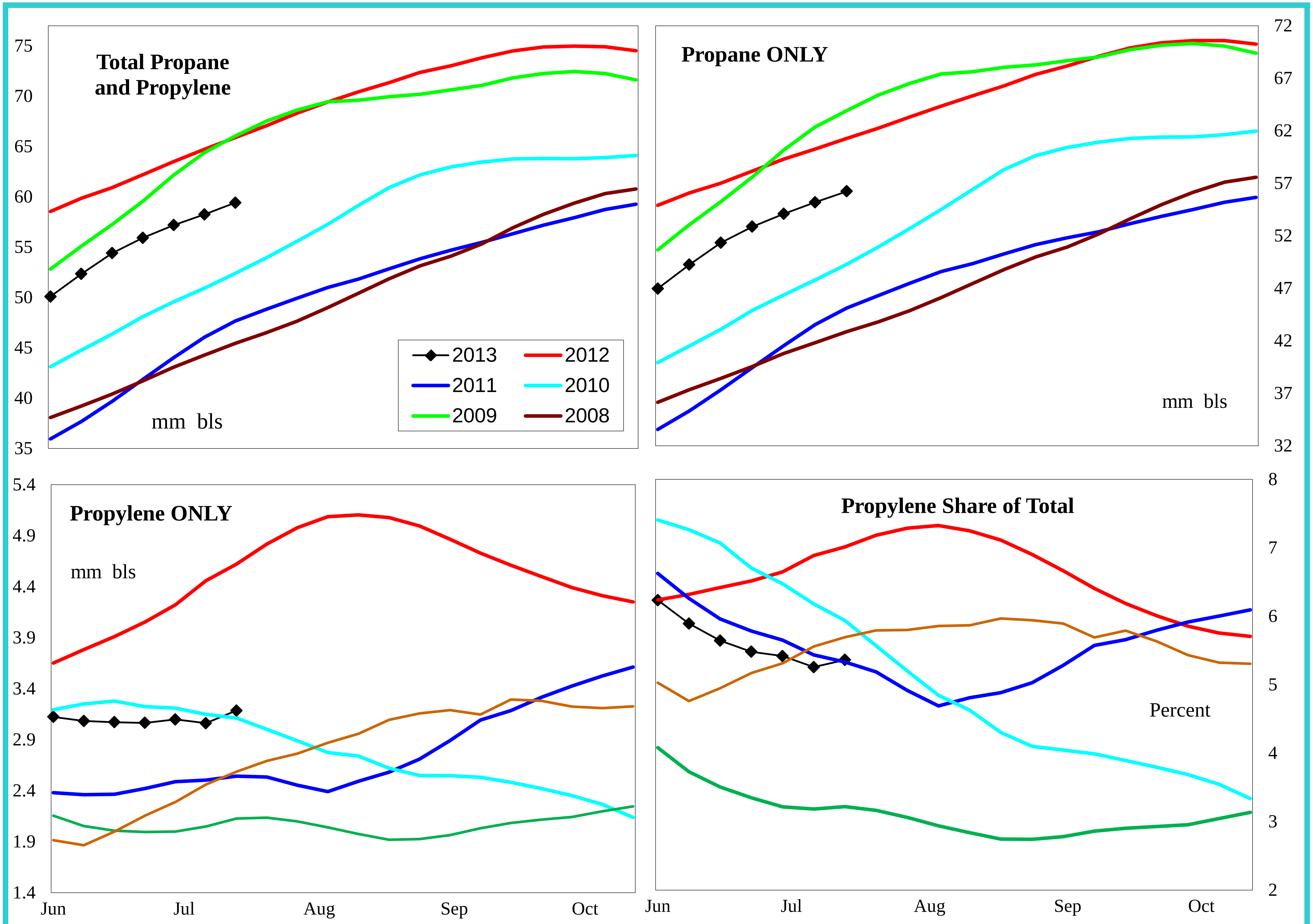
PADDs 4 and 5 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-118	312	13	-2	1
% change	-4.9	137.9	8.0	-26.1	0.7

U. S. Propane and Propylene Stocks



Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	-6,600	-5,139	-1,436
% change	-10.0	-8.4	-31.1

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