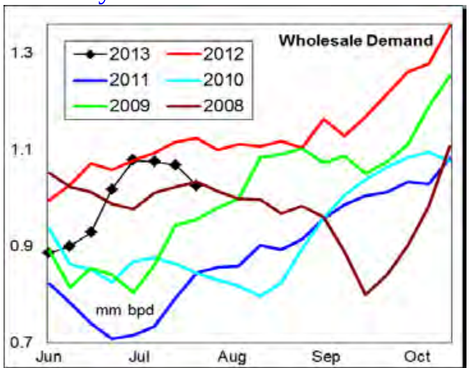
FUNDAMENTAL PETROLEUM TRENDS

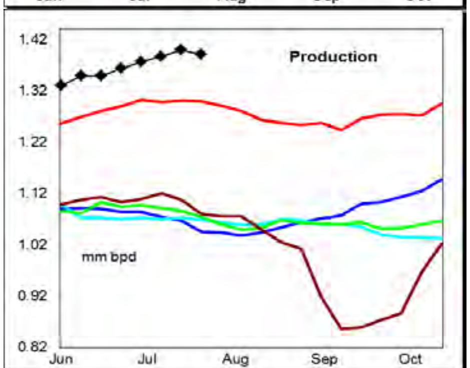
WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

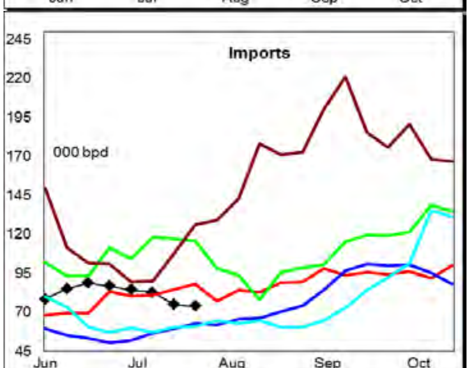
A Fundamental Petroleum Trends Weekly Report

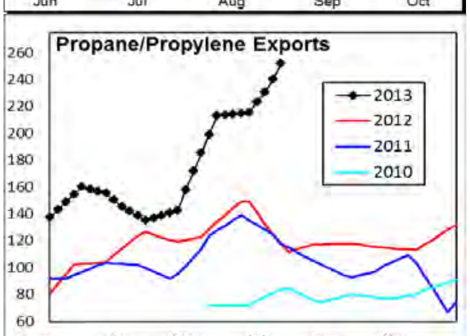
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com

Summary[1]: Table of Contents



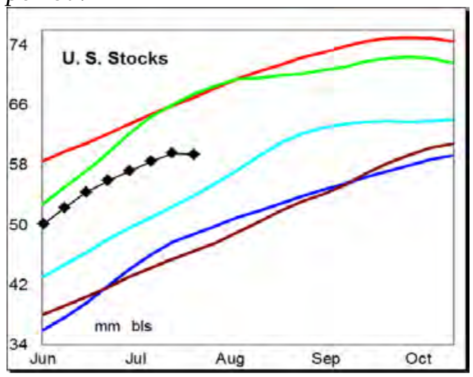






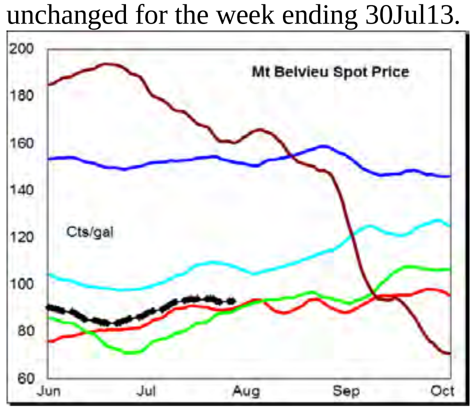
Wholesale demand decreased -44,000 bpd on the week, to a level below last years' record high. Production declined -2,000 bpd on the week while imports were +19,000 bpd higher.

Combined production and imports during the latest 4-wk period were +75,000 bpd above a year ago. Production was +83,000 bpd above last year (+7%), while imports were -8,000 bpd lower. The latest 4-wk average demand was -21,000 bpd below last year. *Exports increased +106,000 bpd over a year ago for the most recent 4-wk period.*



Stocks increased +1.9 million barrels on the week, ending at a level -9% below last year. The 4-wk stock change was a build of +3.5 million barrels, a record low build for this time of year.

Price and Spreads Mt Belvieu and Conway spot prices were nearly unchanged for the week ending 30Jul13.



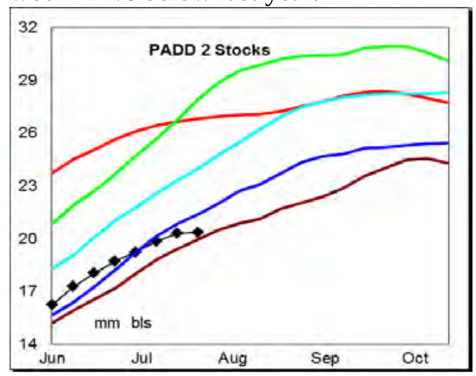
The Conway – Mt Belvieu price spread ended the week at -4 cpg, a differential less than the 5-year range for the week.

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

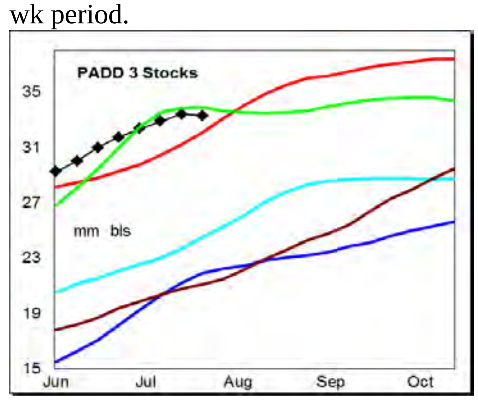
The propane / crude oil price spread traded slightly higher on the week, ending at a level below the 5-year range.

PADD 1 stocks increased +0.1 million barrels on the week, with the level -2.4 million barrels below last year, and a record low. Supply increased +24,000 bpd last week. Supply for the latest 4-wk period increased +4,000 bpd compared to a year ago.

PADD 2 stocks increased +0.8 million barrels on the week. Supply increased +6,000 bpd on higher production. The latest 4-wk supply was +32,000 bpd above a year ago. Stock levels ended the week -21% below last year.



PAD 3 stocks increased +0.8 million barrels last week, to a level +7% above a year ago. Supplies were +29,000 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 at a level that matched 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

Disclaimer - The information contained on this website and in all its reports reflects the opinion of Fundamental Petroleum Trends. Futures and commodities trading involve significant risk and may not be suitable for every investor. Information contained herein is strictly the opinion of its author and is intended for informational purposes and is not to be construed as a recommendation to sell or buy, or trade in any commodity mentioned herein. Information is obtained from sources believed reliable, but is in no way guaranteed. Opinions, market data and recommendations are subject to change at any time. Past results are not indicative of future results. Charts are developed by Fundamental Petroleum Trends from EIA, NWS, other public data and proprietary models unless otherwise noted and credited.

PROPANE: Graph Link and Weekly Summary

July 31, 2013

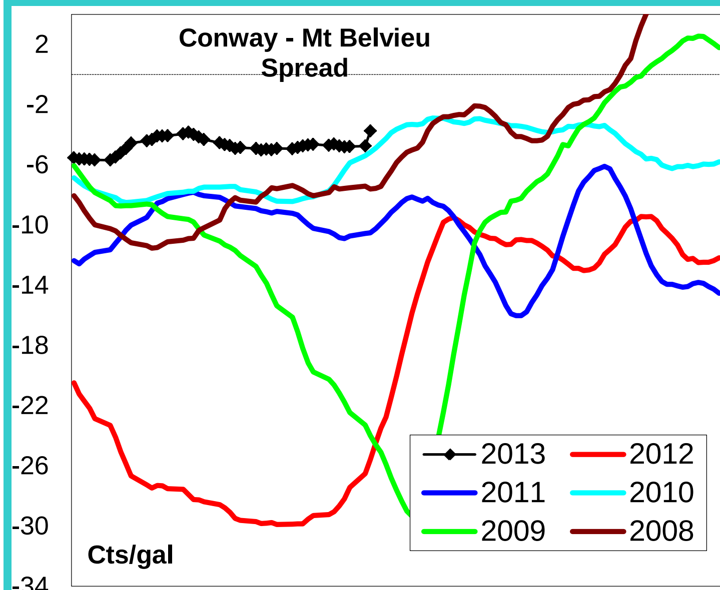
Fundamental Trends for the Week Ending: Friday, July 26, 2013

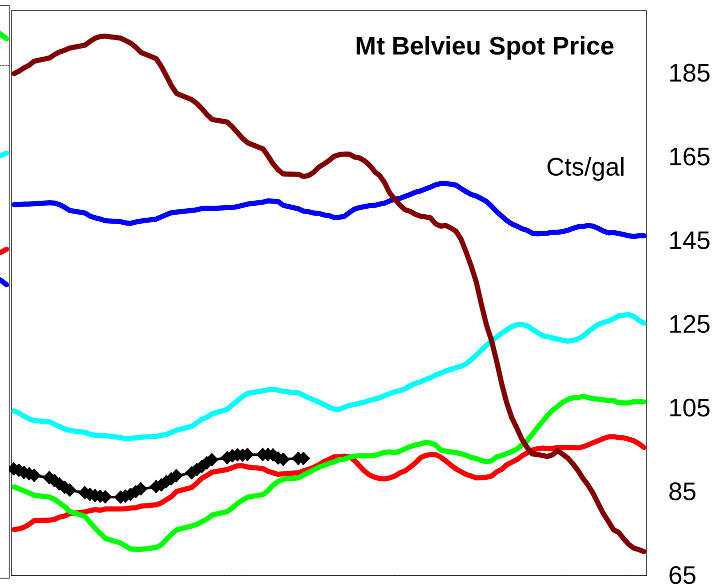
000 bpd / Stocks 000 bls	Weekly Supply-Demand: U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5	Change from prior week: U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5
Stocks	61,296	3,568	21,134	34,134	2,460	1,878	77	783	849	169
Propylene Stocks	2,923					-263				
Production	1,388	81	295	838	174	-2	1	9	6	-18
Imports	92	12	68	0	12	19	-3	15	0	7
Whsle Demand	960					-44				

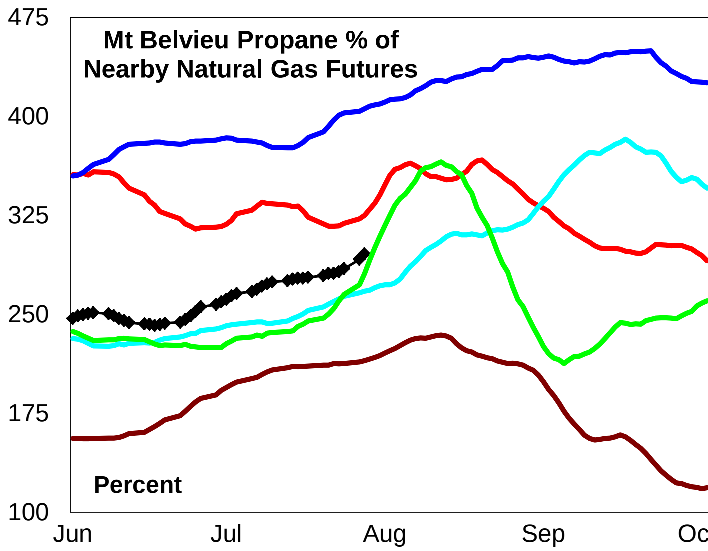
Price Trends for the Week Ending: Tuesday, July 30, 2013

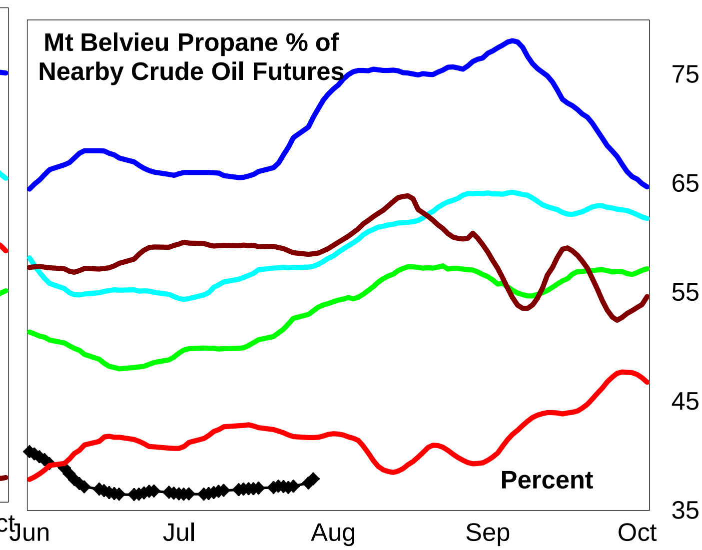
Cents/gal	Average for week ending: 7/30/13	7/23/13	7/2/13	7/26/12	Change from: 7/23/13	7/2/13	7/26/12	% change from: 7/23/13	7/2/13	7/26/12
Mont Belvieu Spot	92.8	95.1	85.1	87.8	-2.35	10.03	-2.68	-2.5	11.8	-3.1
Conway Spot	88.0	90.7	81.0	60.3	-2.68	9.69	20.62	-3.0	12.0	34.2

Key Price Spreads and Differentials



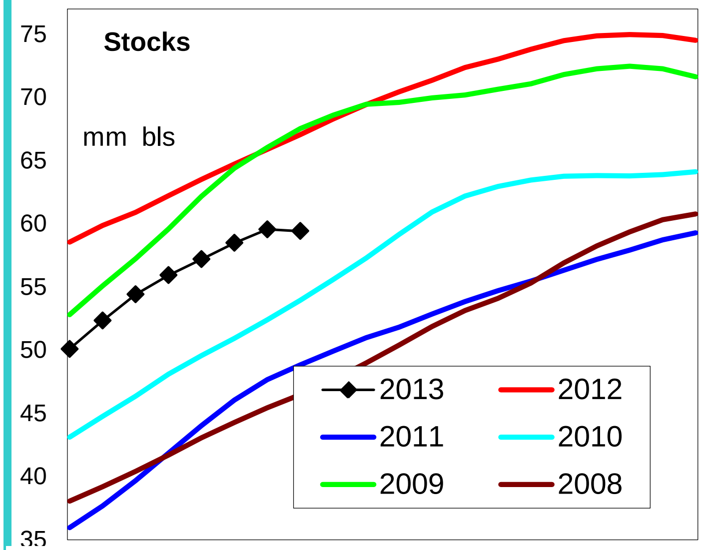


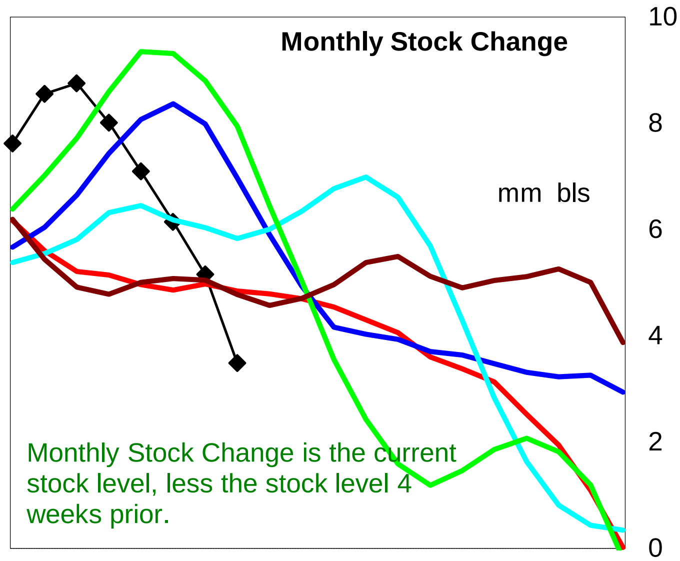


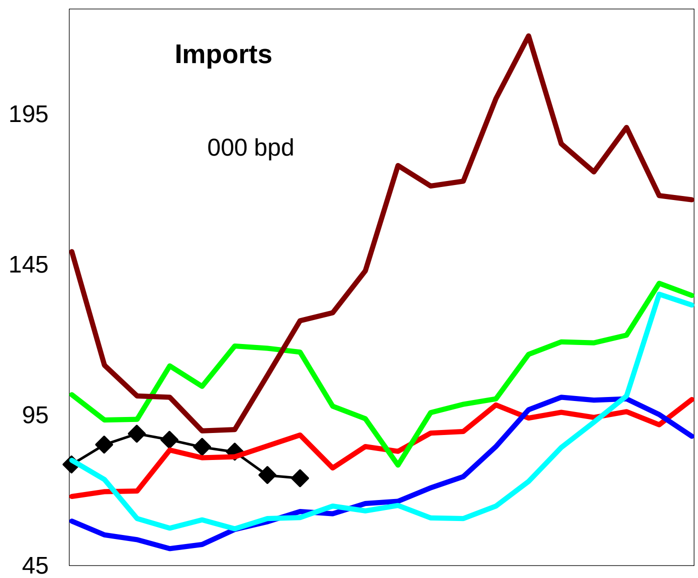


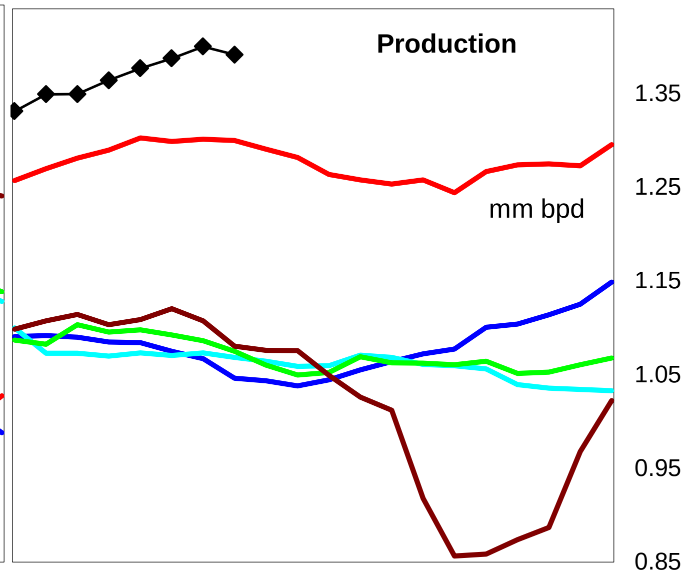
Do not distribute without authorization. All rights reserved.

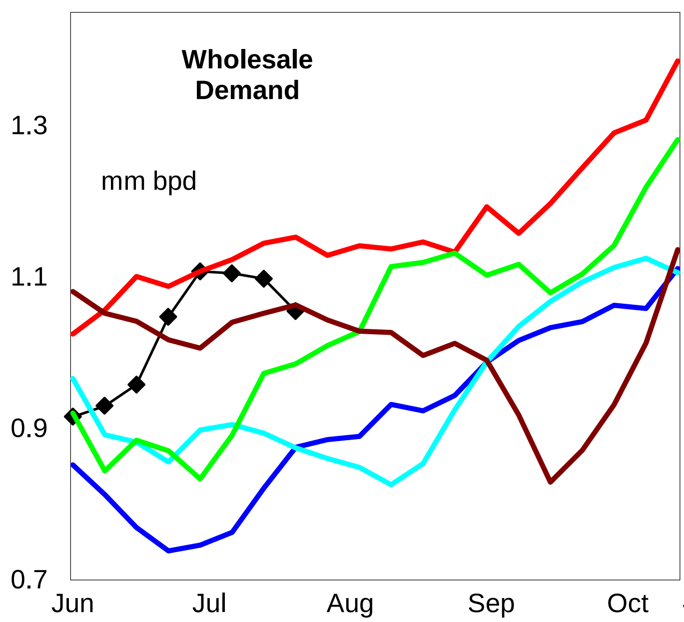
U. S. Propane Supply and Demand Balance

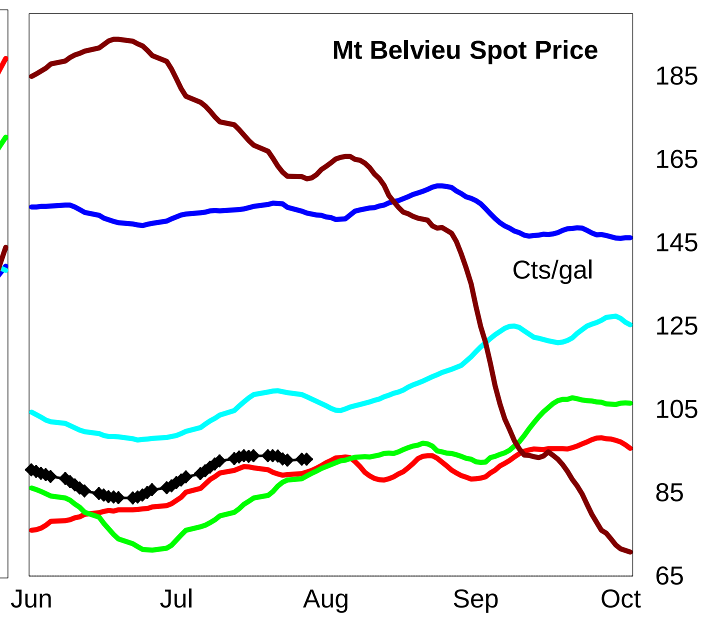








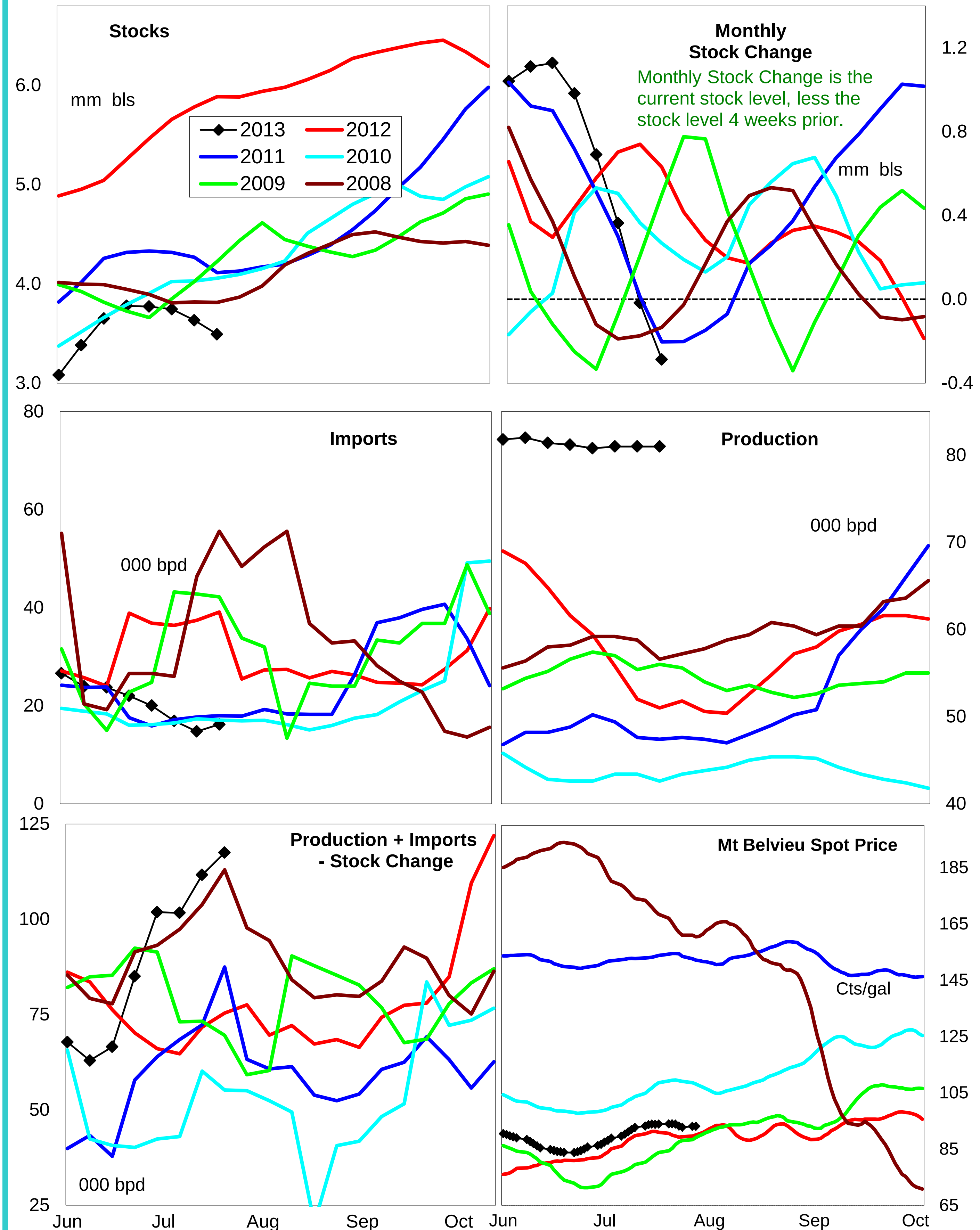




4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Jun	May	Apr
000 bpd (000 bls stks)	-6,167	-1,357	83	-8		-21	-172	-111	162
% change	-9.1	-28	6.4	-9.9		-1.9	-16.2	-10.1	16.4

Do not distribute without authorization. All rights reserved. Lehi German Tel: 816.505.0980

PADD 1 Propane Supply and Demand Balance

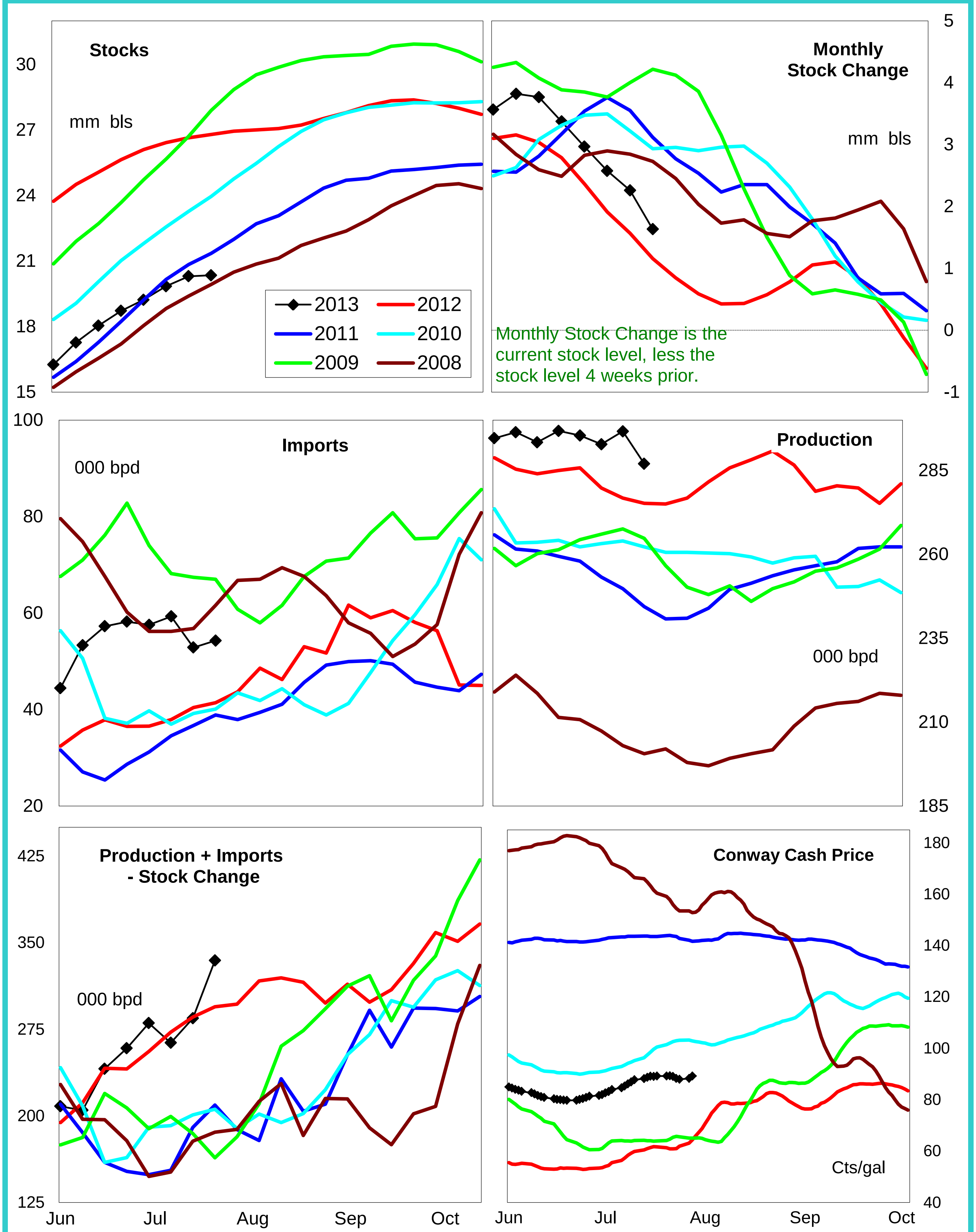


4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-2,400	-917	28	-24	39
% change	-40.2	-145.5	52.8	-59.2	55.7

Do not distribute without authorization. All rights reserved.

Lehi German Tel: 816.505.0980

PADD 2 Propane Supply and Demand Balance

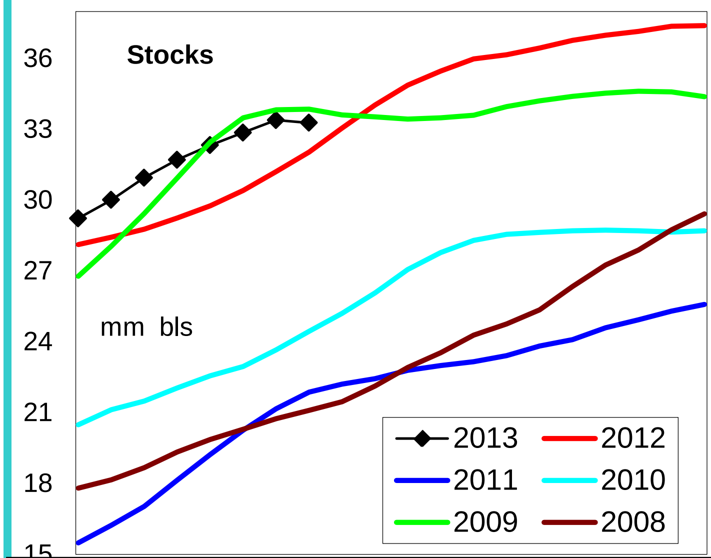


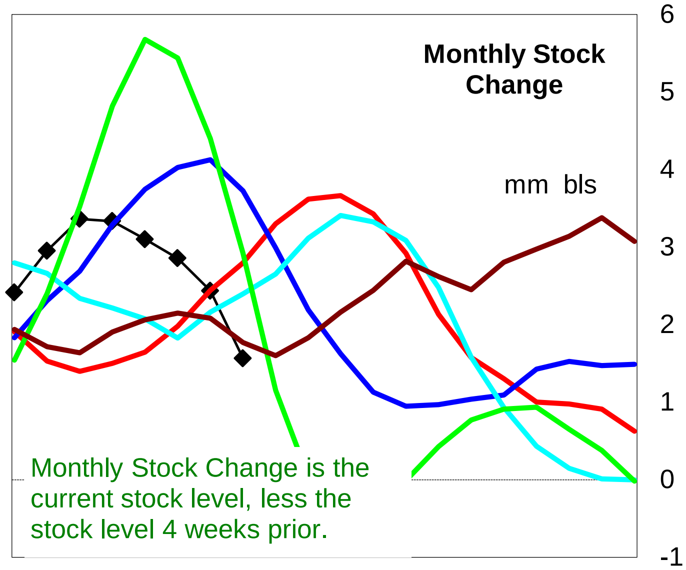
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-5,927	476	12	16	13
% change	-21.9	41.1	4.4	44.6	4.9

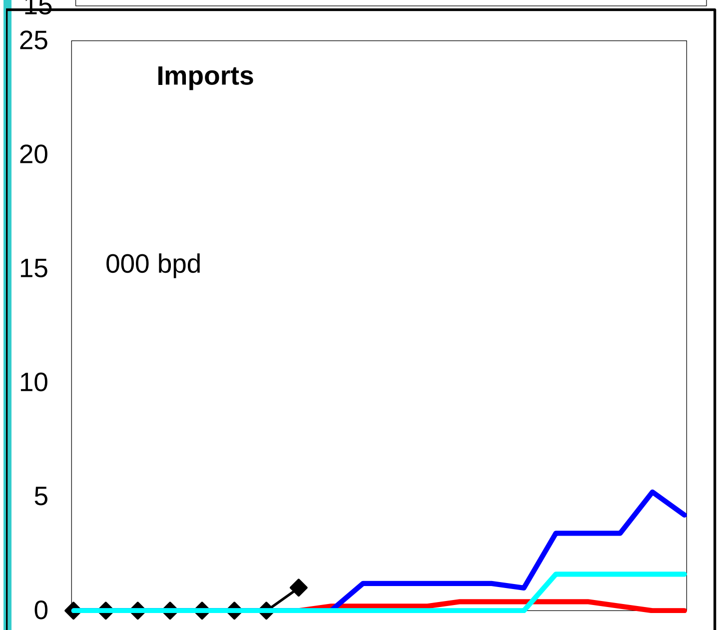
Do not distribute without authorization. All rights reserved.

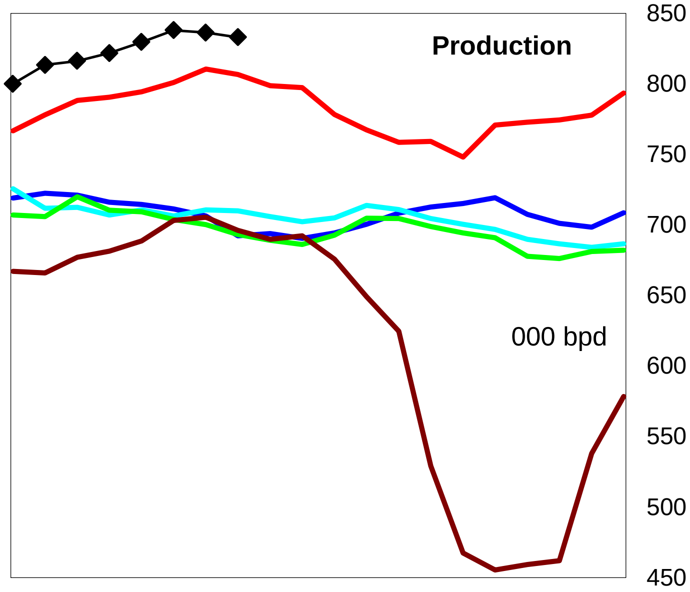
Lehi German Tel: 816.505.0980

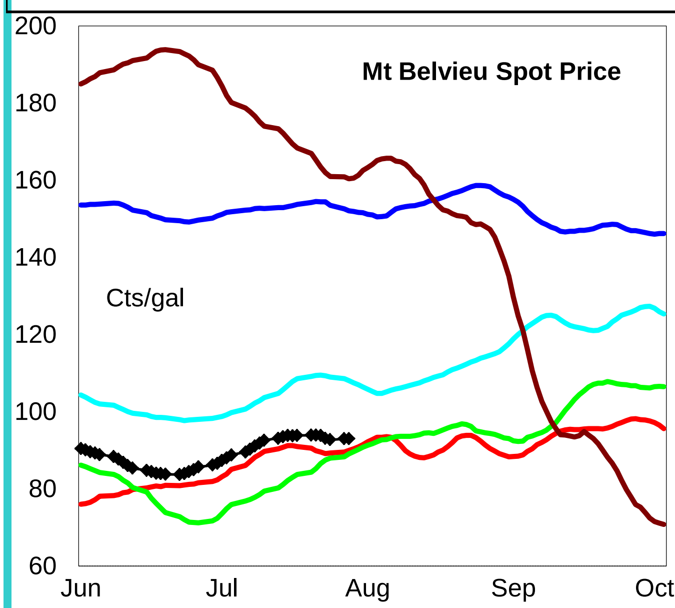
PADD 3 Propane Supply and Demand Balance

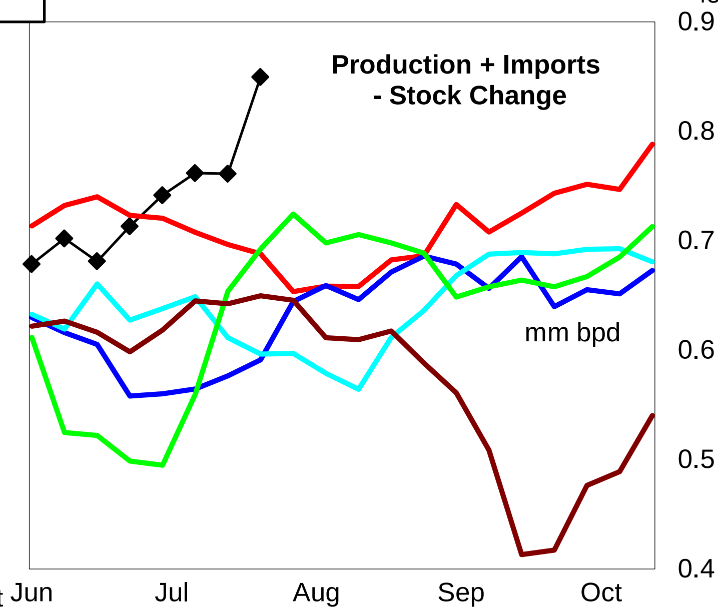








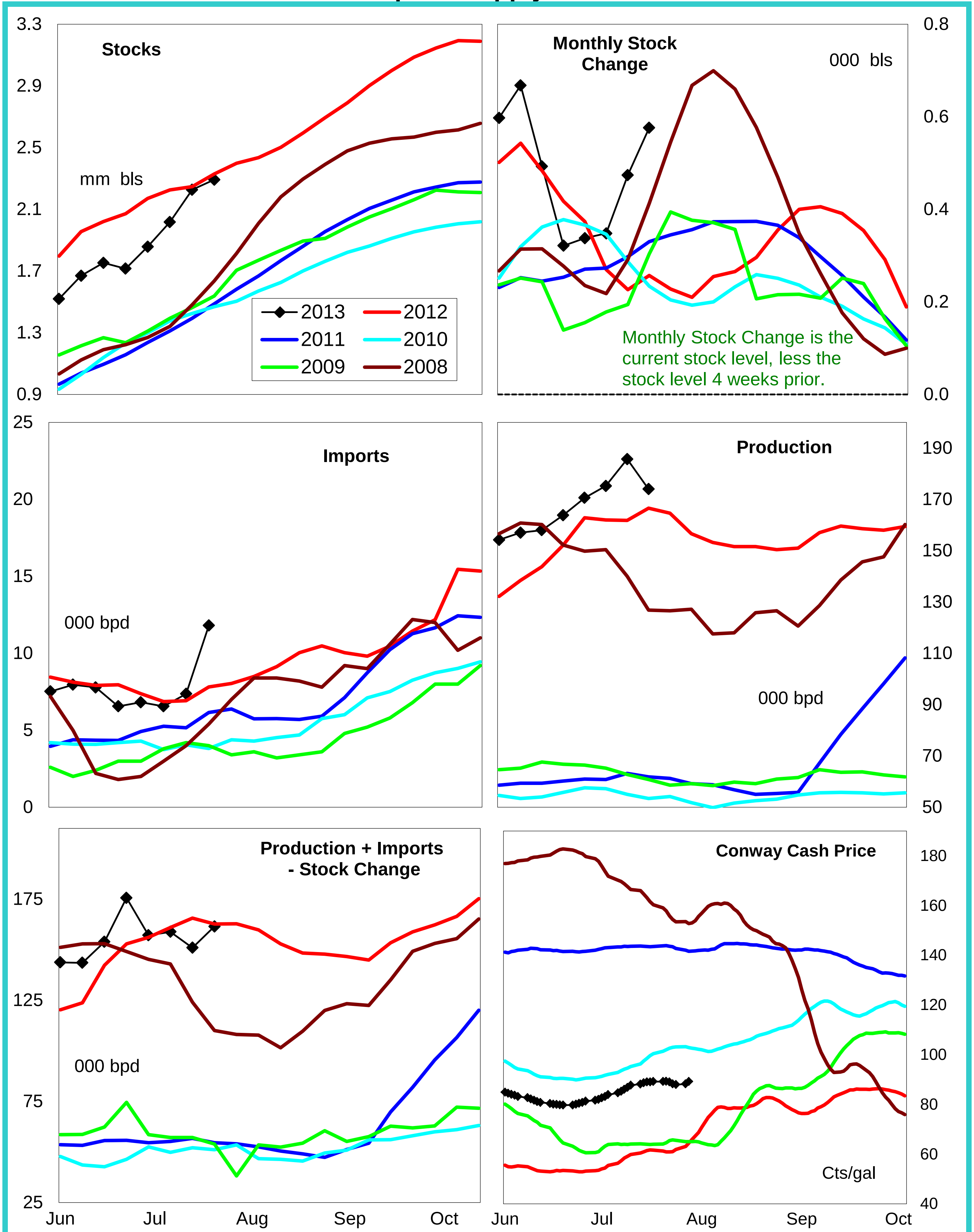




4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	2,067	-1,231	29	0	75
% change	6.4	-44	3.6	#DIV/0!	10.7

Do not distribute without authorization. All rights reserved.

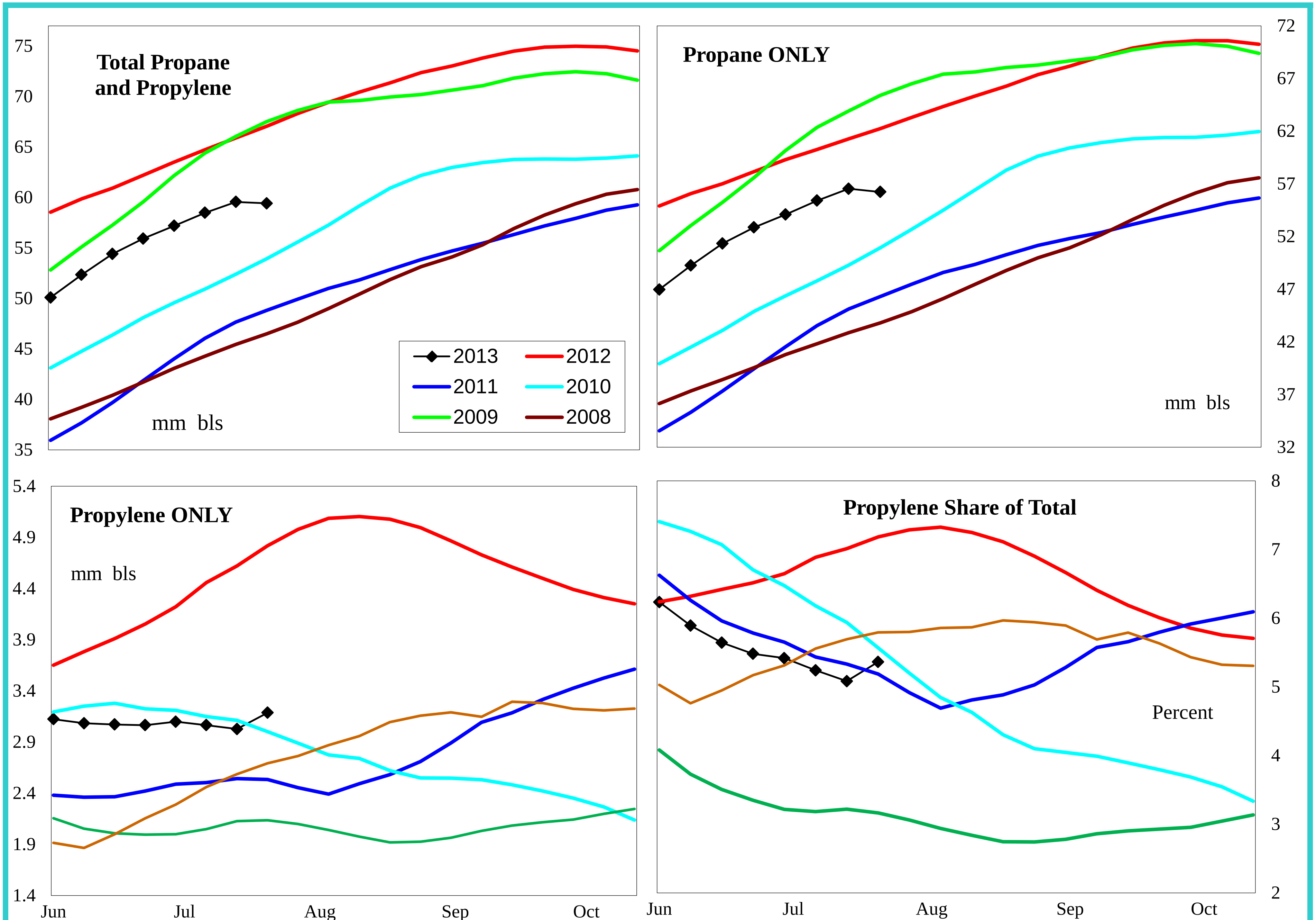
PADDs 4 and 5 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	94	319	14	-1	-4
% change	4.0	124.1	8.2	-12.7	-2.6

Do not distribute without authorization. All rights reserved.

U. S. Propane and Propylene Stocks



Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	-6,167	-4,178	-1,632
% change	-9.1	-6.7	-33.9

Do not distribute without authorization. All rights reserved.

Lehi German Tel: 816.505.0980

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

Do not distribute without authorization. All rights reserved.

Lehi German Tel: 816.505.0980