WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

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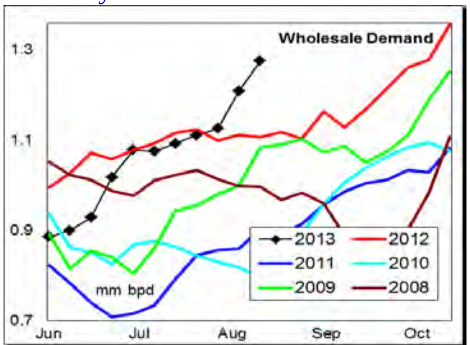
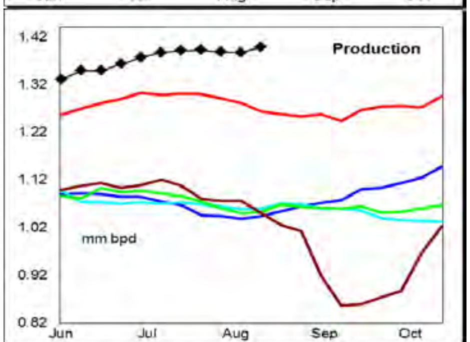
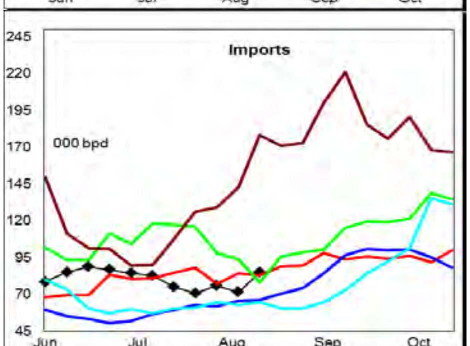
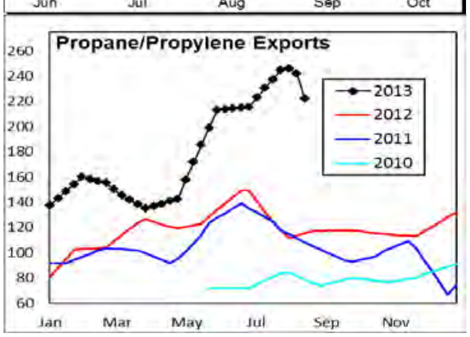




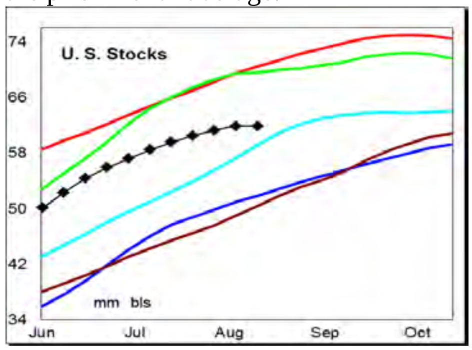




Wholesale demand increased +91,000 bpd on the week, to a new record high. Production increased +35,000 bpd on the week while imports were +28,000 bpd higher.

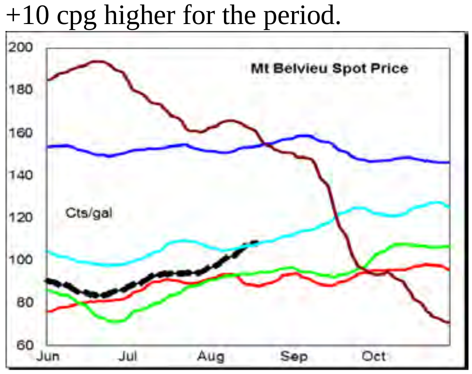
Combined production and imports during the latest 4-wk period were +105,000 bpd above a year ago. Production was +109,000 bpd above last year (+8.5%), while imports were -4,000 bpd lower.

The latest 4-wk average demand was +60,000 bpd above last year. Exports fell -30,000 bpd last week compared to the prior month average.



Stocks were unchanged on the week, with changes of less than 100,000 barrels across all regions. *The latest 4-wk stock build was a record low +2.3 million barrels for this time of year*.

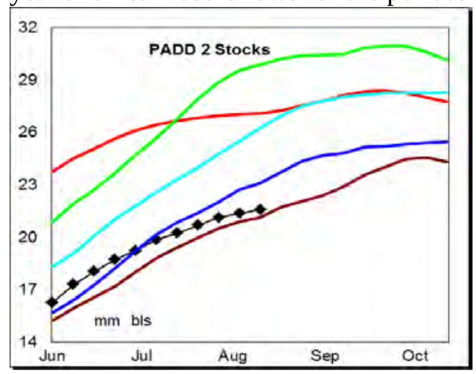
Price and Spreads Mt Belvieu spot price increased +9 cpg for the week ending 21Aug13 while Conway spot price was +10 cpg higher for the period.



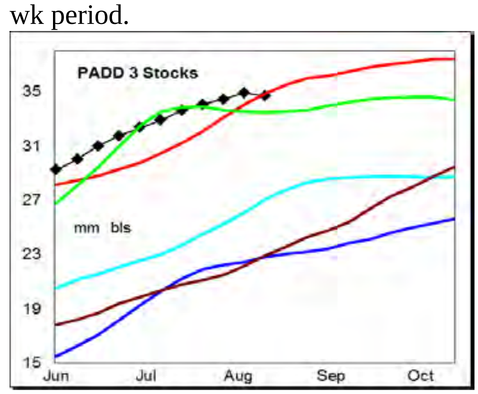
The Conway – Mt Belvieu price spread ended the week at -3 cpg, a differential less than the 5-year range for the week. The collapse in this differential has been driven by expanded pipeline capacity from Conway and gas liquids producing regions in the Rockies and West Texas to the Gulf. Based on these expansions, the spread is likely to reflect pipeline tariff rates going forward.

PADD 1 stocks were unchanged last week, with the level -2.7 million barrels below last year, and a record low. Supply increased +8,000 bpd last week. Supply for the latest 4-wk period was +18,000 bpd above a year ago.

PADD 2 stocks increased +0.1 million on the week. Supply increased +35,000 bpd on higher production and imports, last week. The latest 4-wk supply was +39,000 bpd above a year ago. Stock levels ended the week -21% below last year and near record lows for the period.



PAD 3 stocks declined -0.1 million barrels last week, to a level -2% below a year ago. Supplies were +16,000 bpd above a year ago for the most recent 4-wk period.



PADDs 4 & 5 stocks were unchanged last week. The stock level ended the week at a level that matched historic highs for the period.

Emerging Trends Lack of a stock build for 2-consecutive weeks confirms aggressive buying by marketers who delayed seasonal stock building earlier in the summer. Combined with increased exports, and expanded pipeline access to the Gulf from producing and marketing regions, the supply balance continues to tighten in the Midwest. Look for further price strength which should be supported by an above average grain drying season.

[1] Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

August 21, 2013

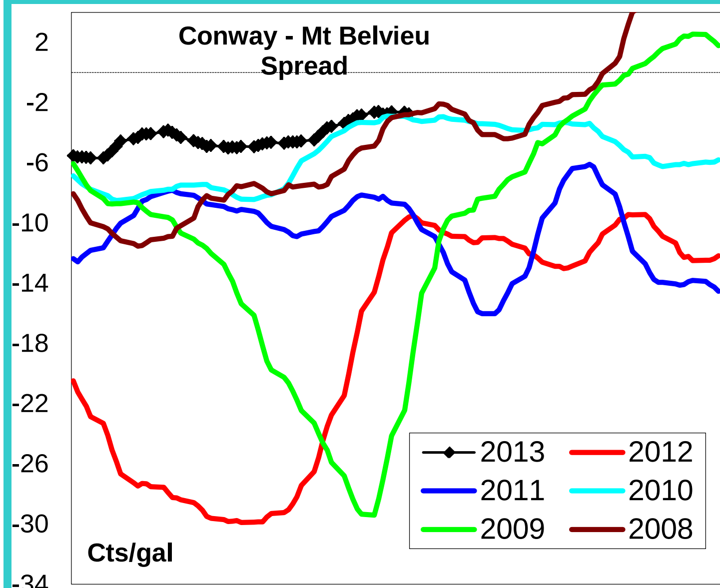
Fundamental Trends for the Week Ending: Friday, August 16, 2013

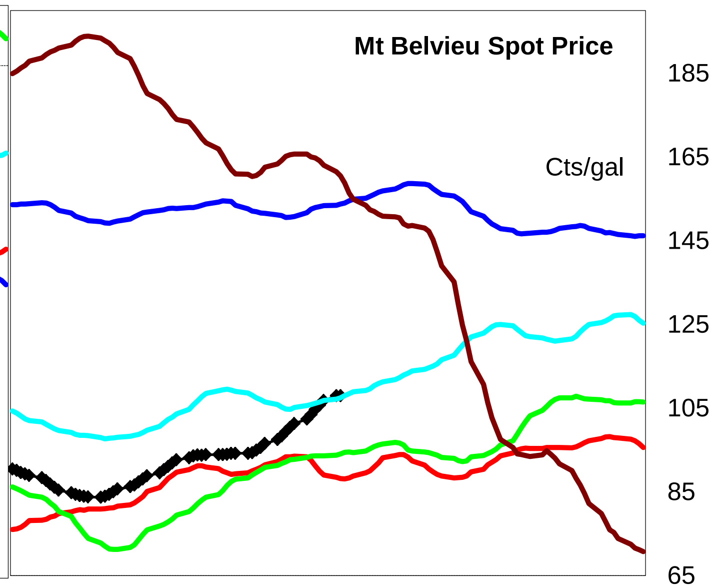
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S.	PADD				U.S.	PADD			
	Total	1	2	3	4&5	Total	1	2	3	4&5
Stocks	61,892	3,190	21,571	34,644	2,487	41	10	50	-54	35
Propylene Stocks	2,908					-130				
Production	1,398	80	308	836	174	35	0	11	16	8
Imports	85	20	60	0	5	28	3	24	0	1
Whsle Demand	1,255					91				

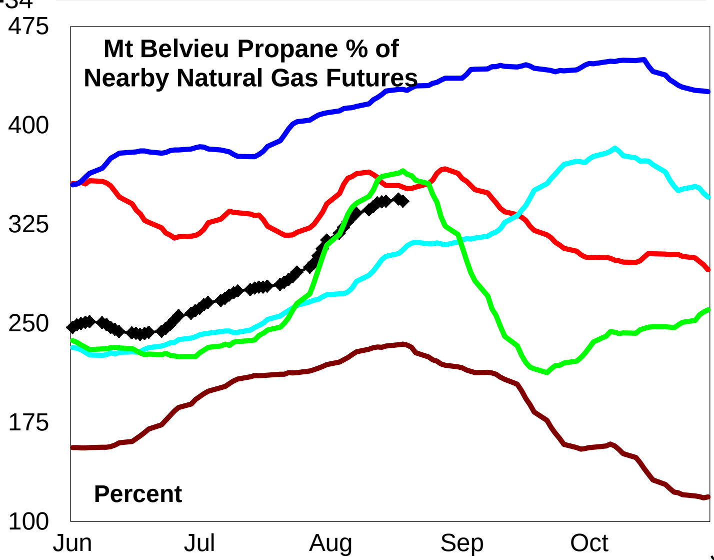
Price Trends for the Week Ending: Tuesday, August 20, 2013

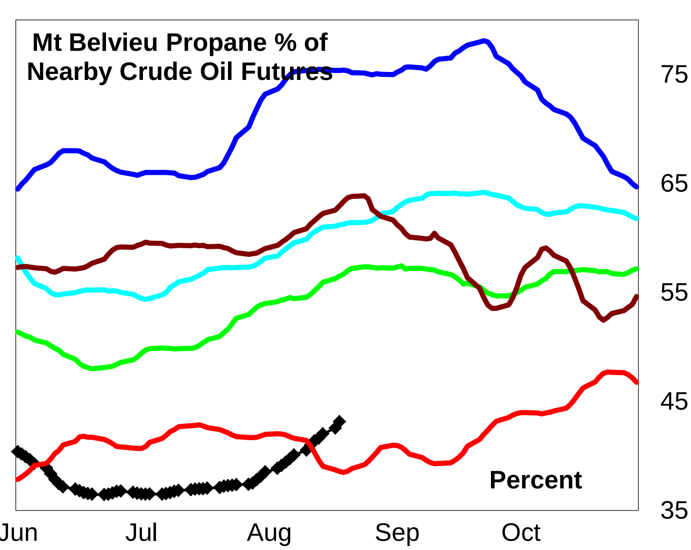
Cents/gal	Average for week ending:				Change from:			% change from:		
	8/20/13	8/13/13	7/23/13	8/16/12	8/13/13	7/23/13	8/16/12	8/13/13	7/23/13	8/16/12
Mont Belvieu Spot	106.8	101.6	95.1	90.2	5.25	6.48	4.91	5.2	6.8	5.4
Conway Spot	104.2	99.0	90.7	80.5	5.22	8.35	10.18	5.3	9.2	12.7

Key Price Spreads and Differentials

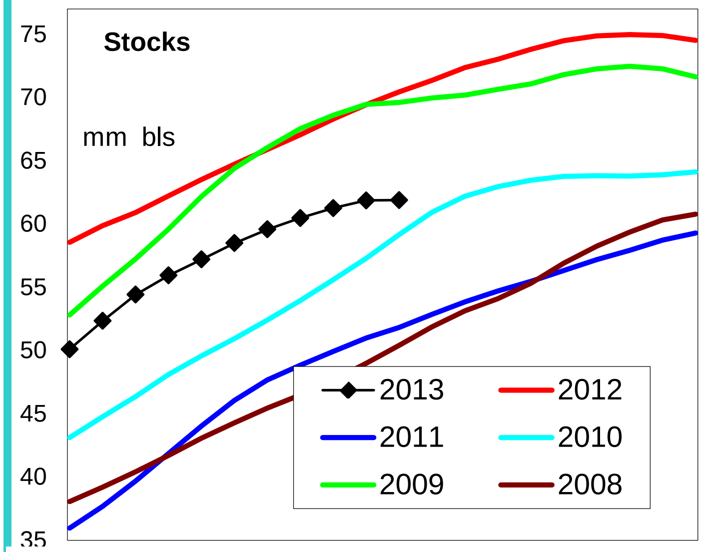


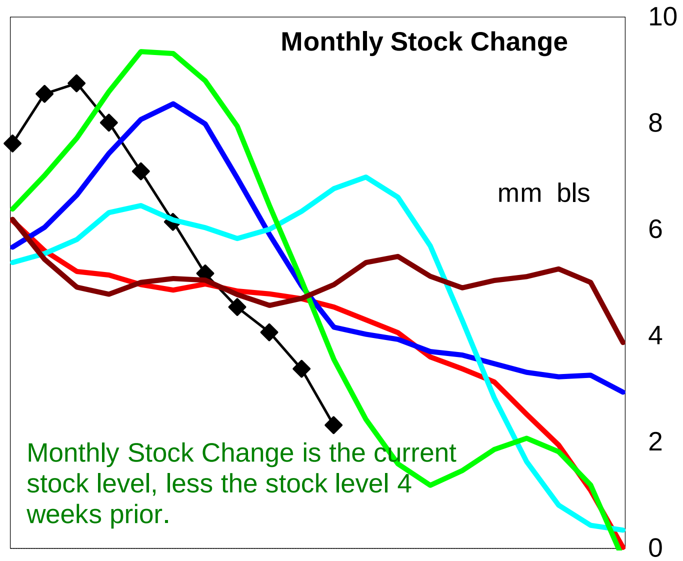


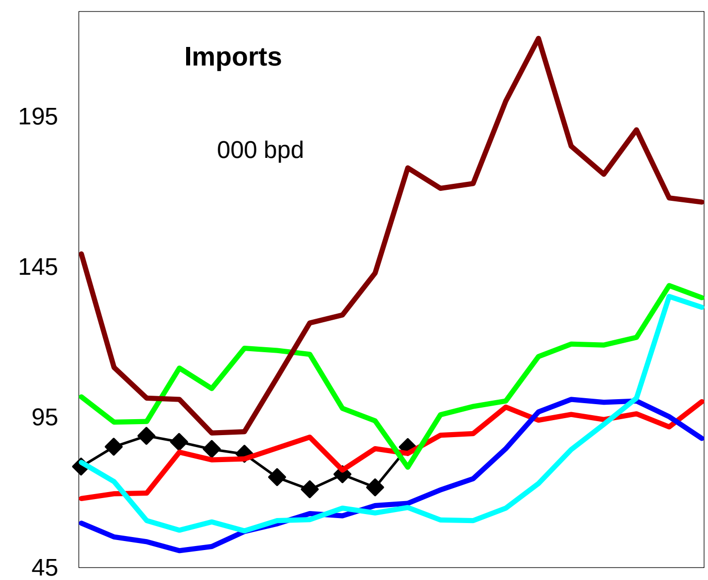


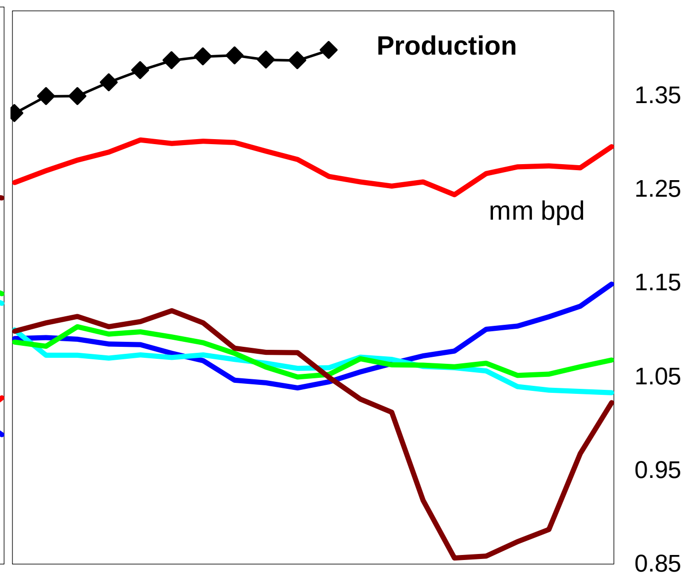


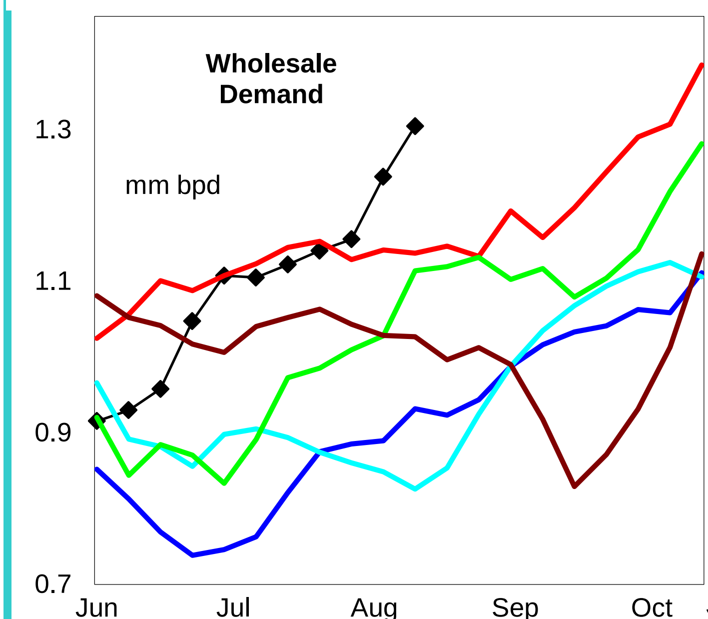
U. S. Propane Supply and Demand Balance

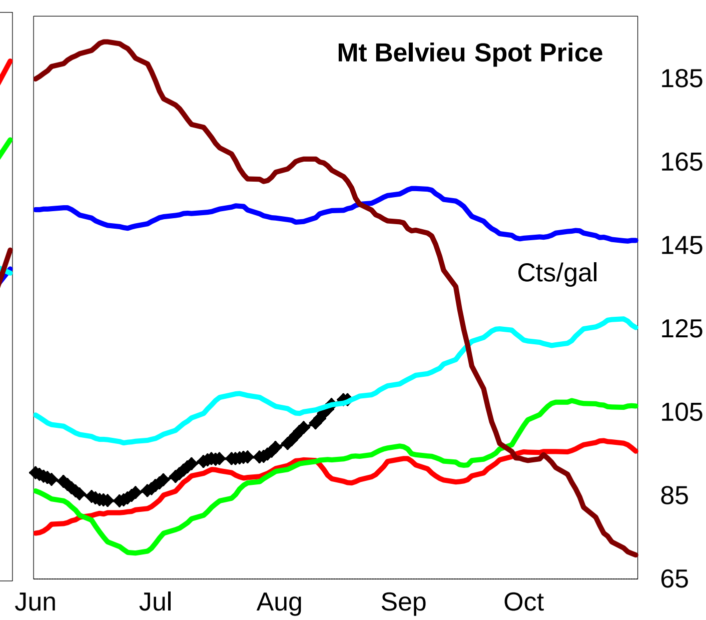






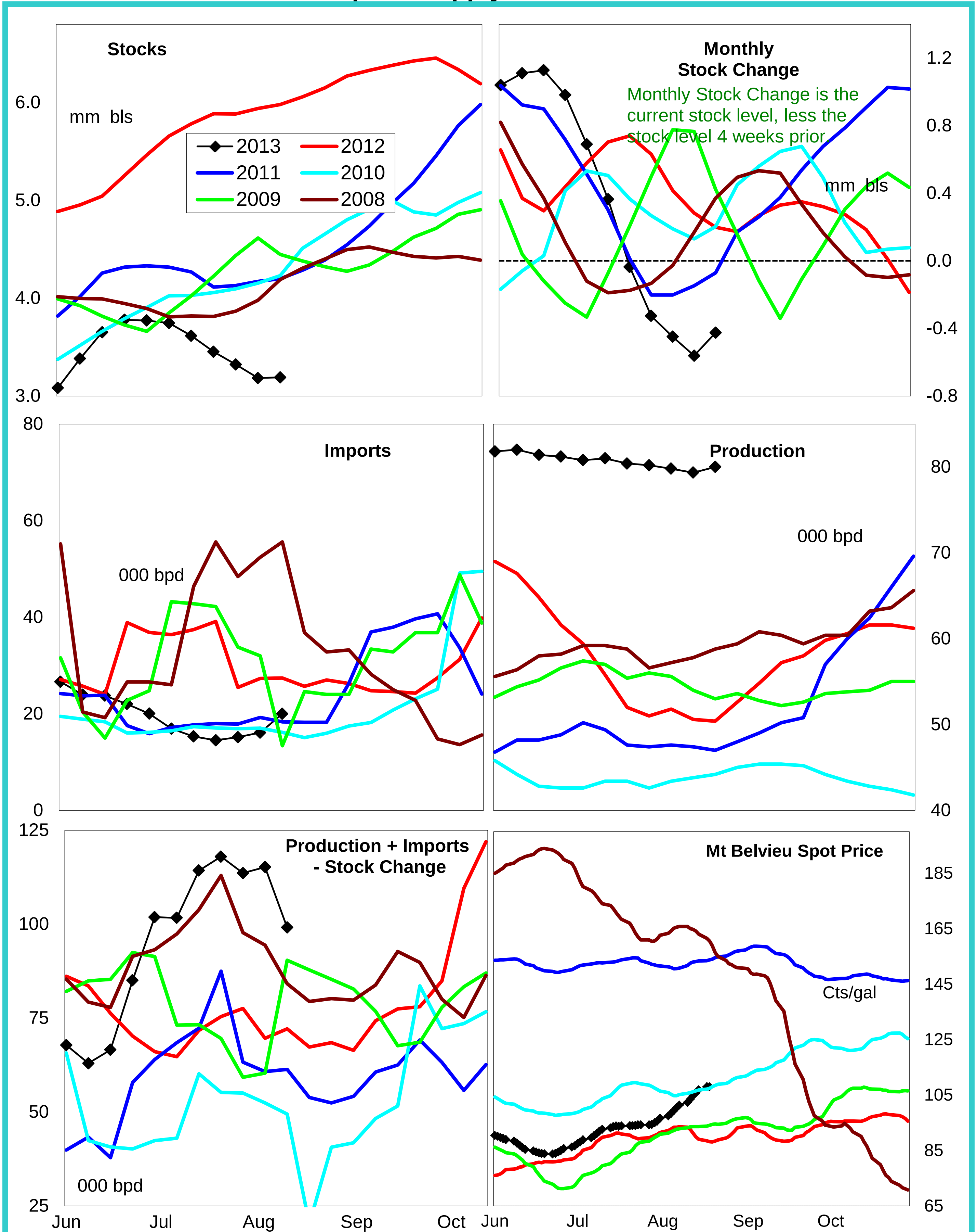






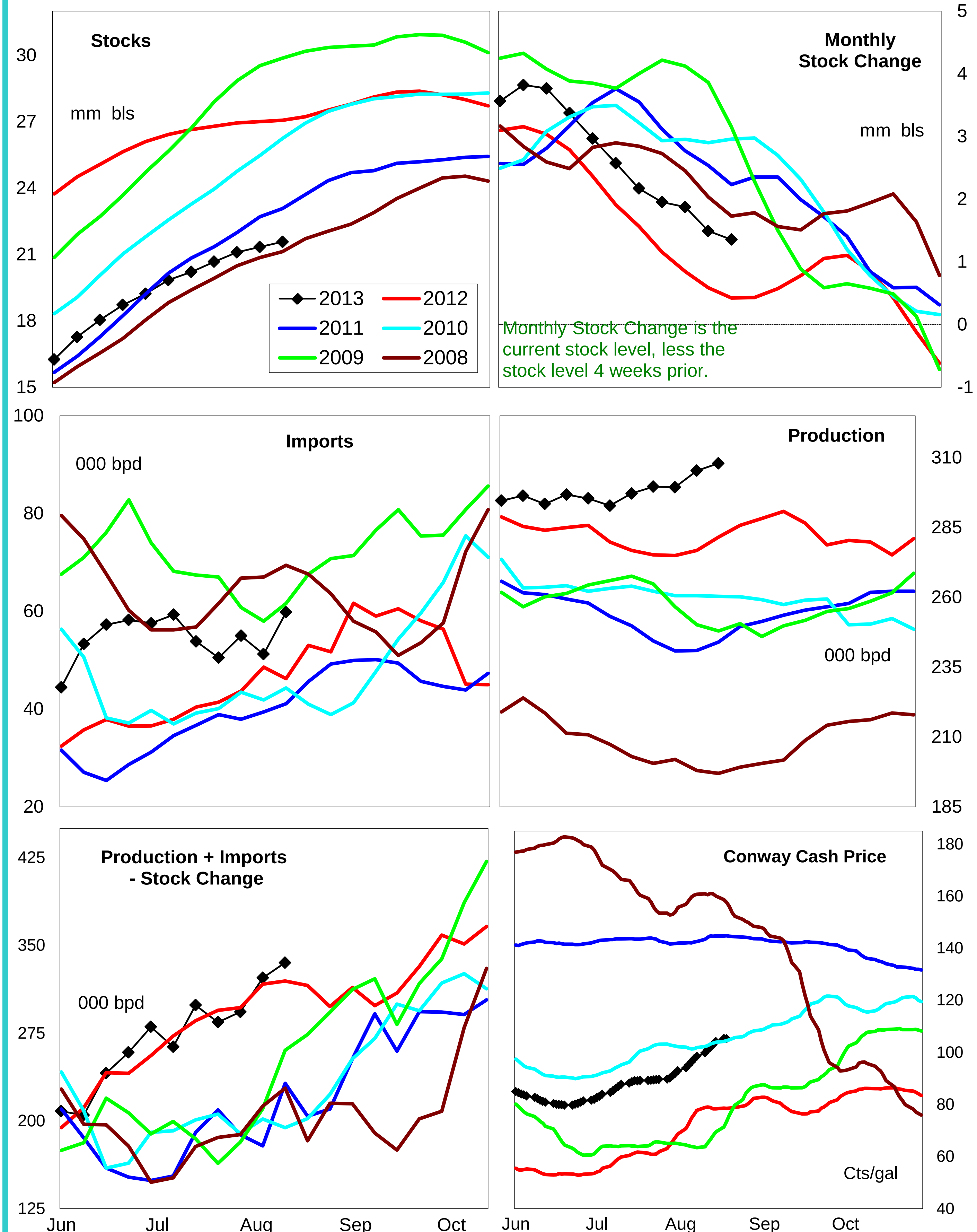
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Jul	Jun	May
000 bpd (000 bls stks)	-9,050	-2,227	109	-4		60	64	-172	-171
% change	-12.8	-49	8.5	-5.2		5.6	6.3	-16.2	-15.6

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)	-2,719	-624	30	-12	38
% change	-46.0	-314.2	58.7	-43.8	51.3

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)	-5,582	931	30	9	2
% change	-20.6	218.9	11.0	19.6	0.6

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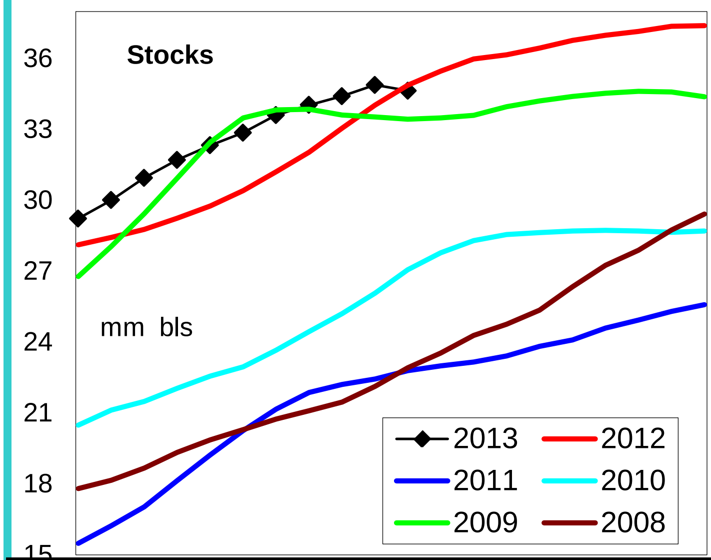
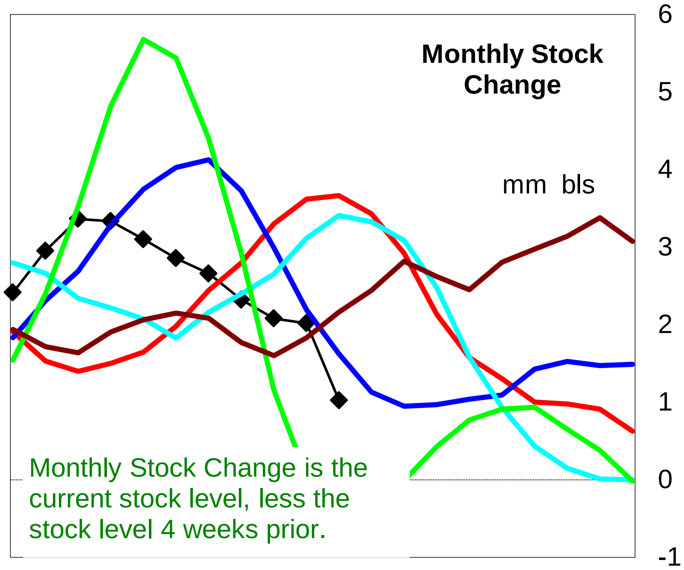
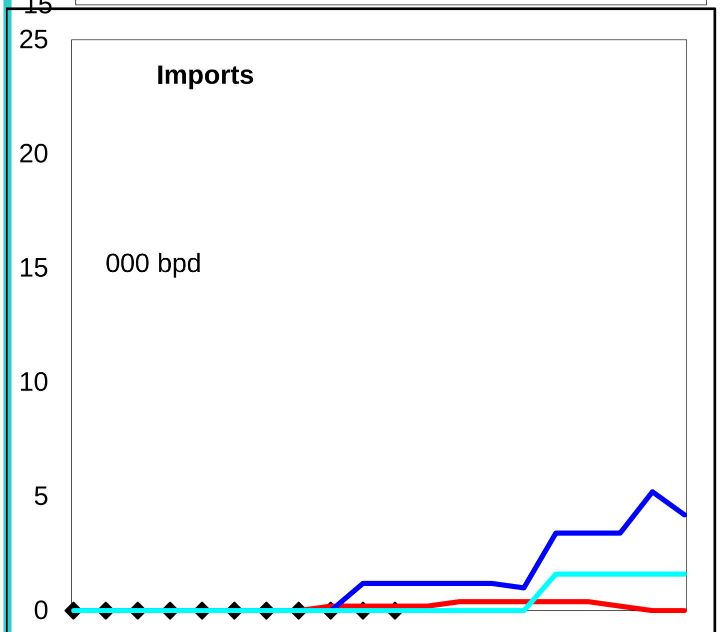
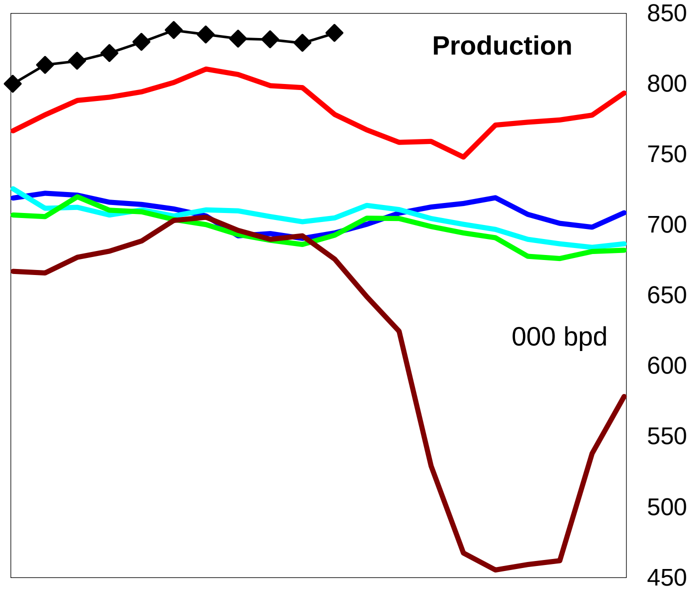
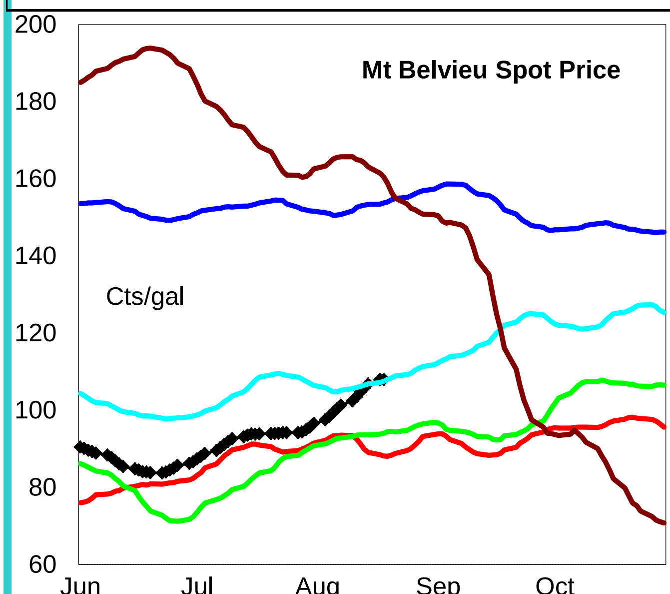
PADD 3 Propane Supply and Demand Balance

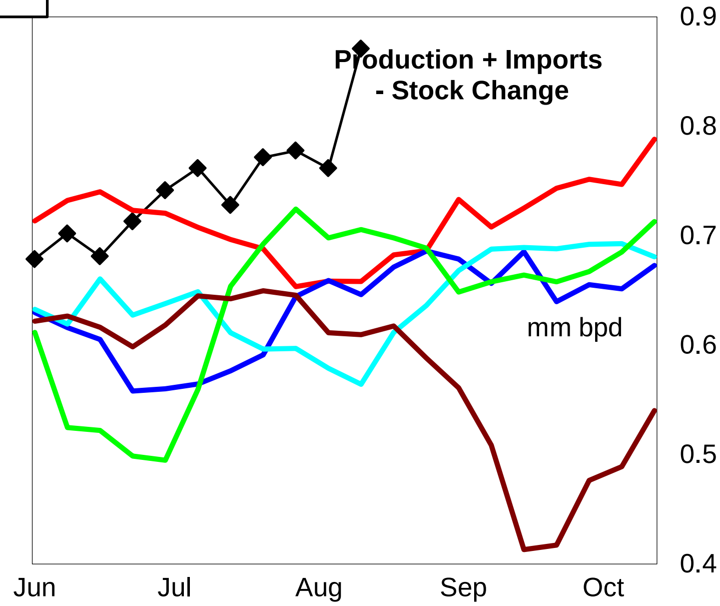












4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-756	-2,638	35	0	131
% change	-2.1	-72	4.4	-100.0	19.7

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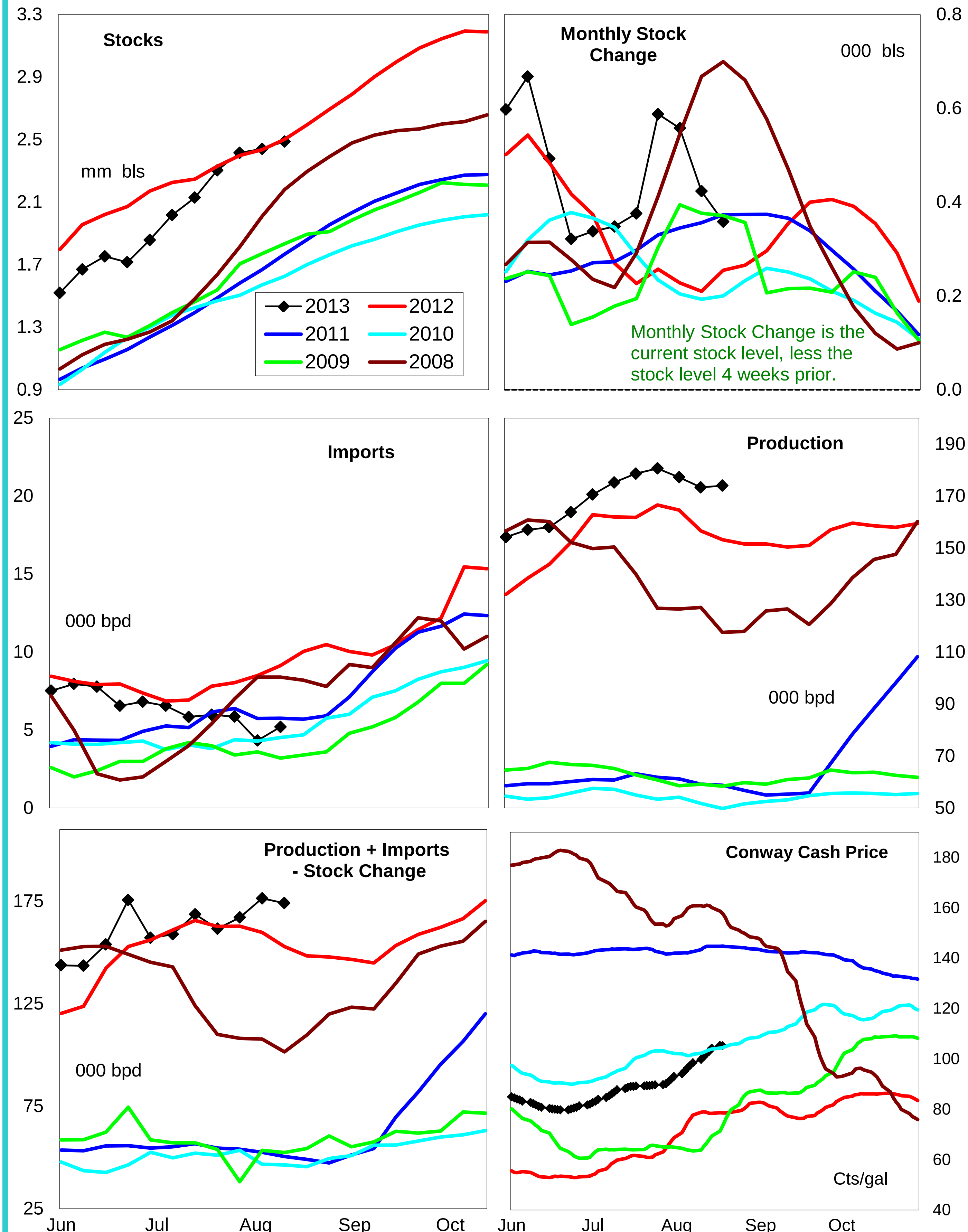
PADDs 4 and 5 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	7	104	14	-1	10
% change	0.3	40.8	8.9	-17.1	6.4

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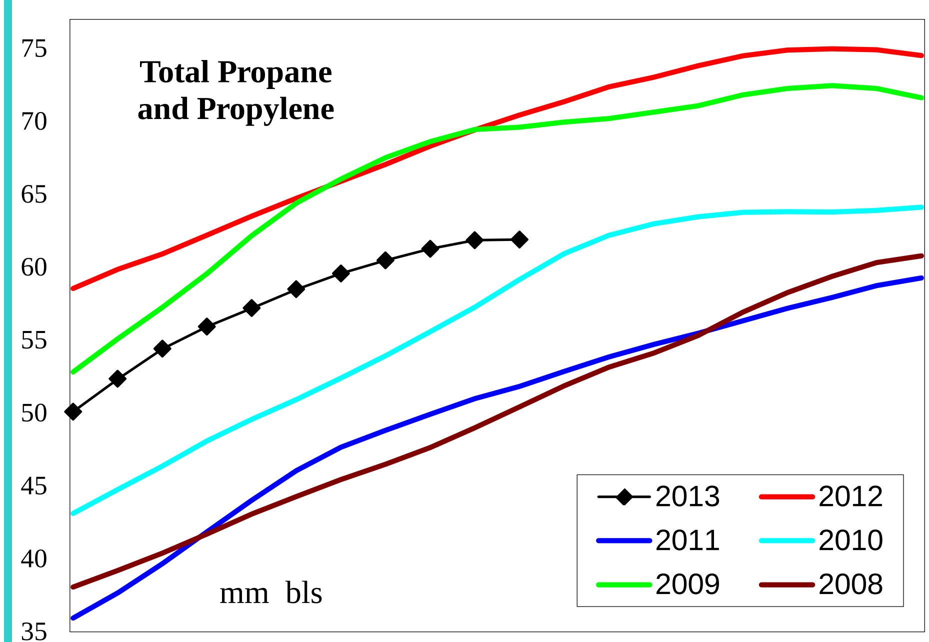
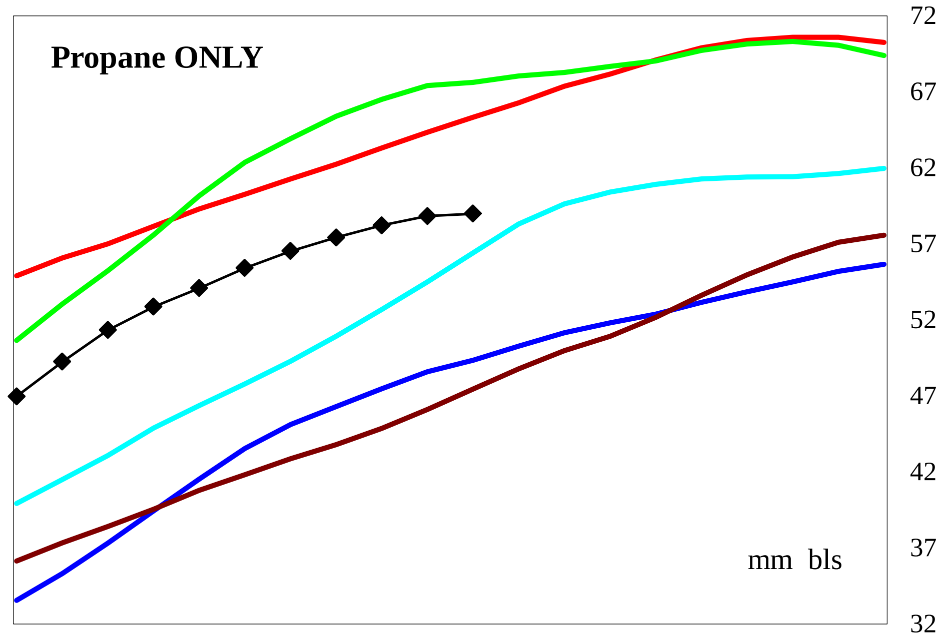
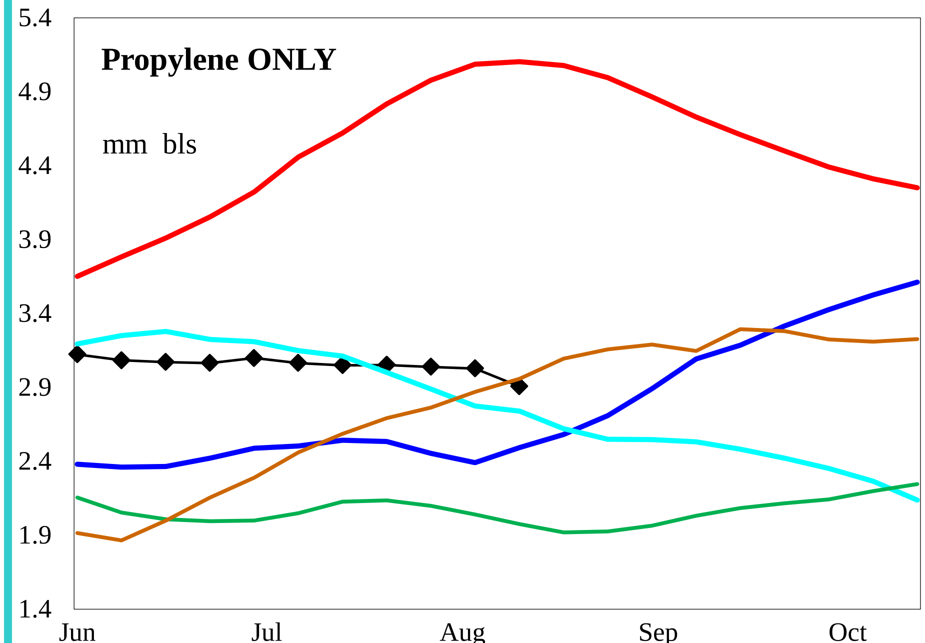
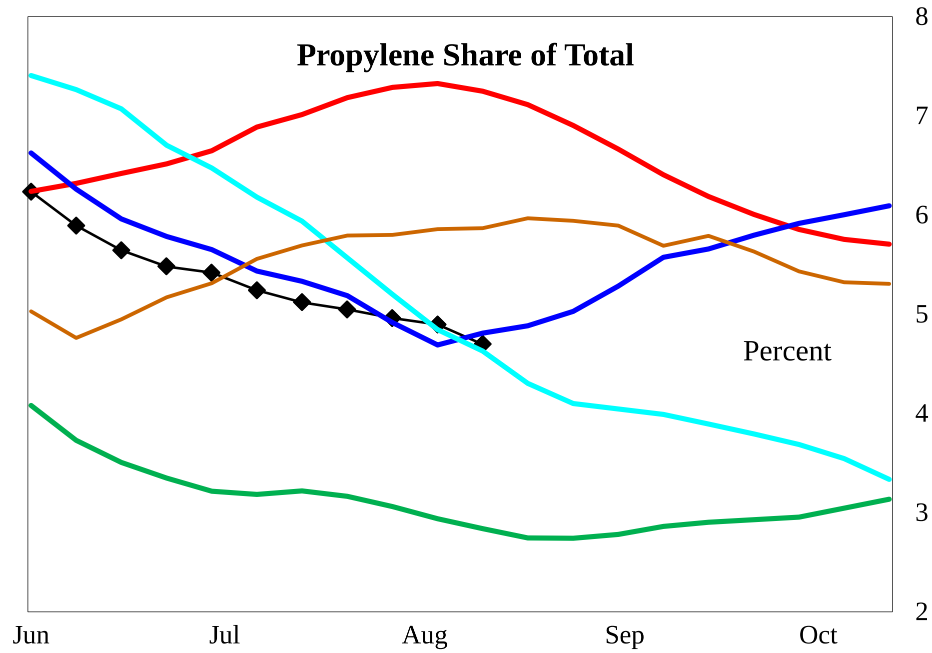
U. S. Propane and Propylene Stocks









Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	-9,050	-6,768	-2,197
% change	-12.8	-10.3	-43.0

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