WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

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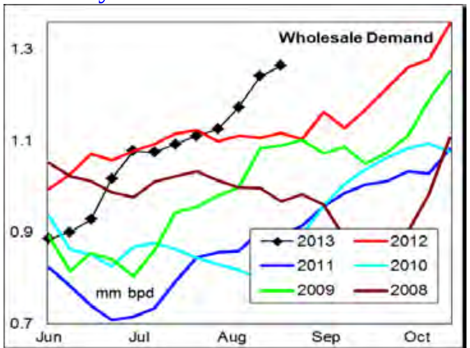
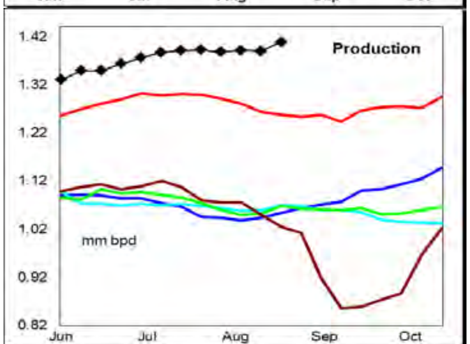
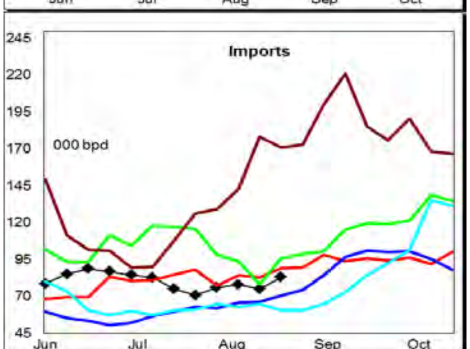
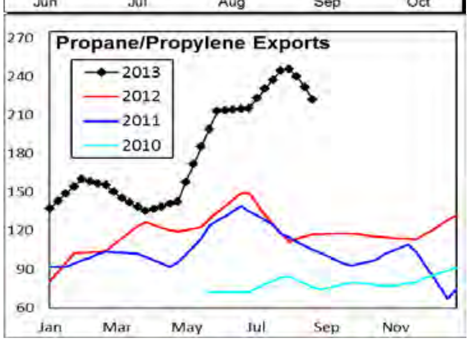




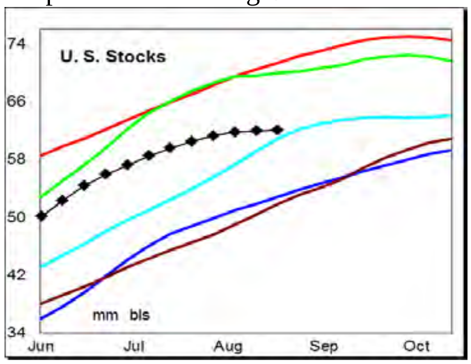




Wholesale demand decreased -11,000 bpd on the week, with the level significantly above the 5-yr range. Production increased +11,000 bpd on the week while imports were -2,000 bpd lower.

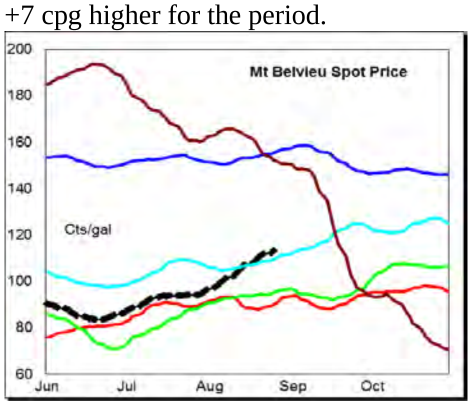
Combined production and imports during the latest 4-wk period were +100,000 bpd above a year ago. Production was +114,000 bpd above last year (+8.9%), while imports were -14,000 bpd lower.

The latest 4-wk average demand was +100,000 bpd above last year. Exports fell -30,000 bpd last week compared to the prior month average.



Stocks increased +0.2 million barrels on the week, significantly below the average build. *The latest 4-wk stock build was a record low +1.6 million barrels for this time of year*.

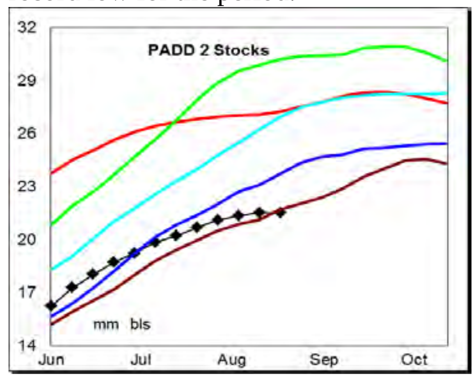
Price and Spreads Mt Belvieu spot price increased +5 cpg for the week ending 27Aug13 while Conway spot price was +7 cpg higher for the period.



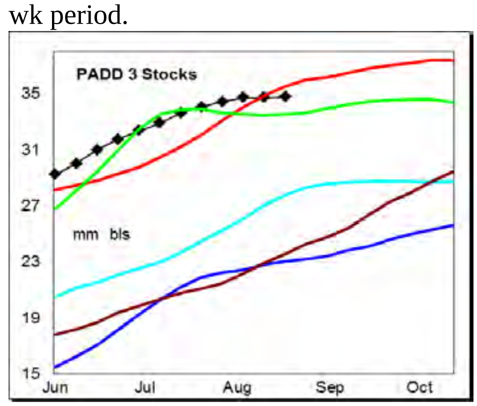
The Conway – Mt Belvieu price spread ended the week at -1 cpg, a differential less than the 5-year range for the week. The collapse in this differential has been driven by expanded pipeline capacity from Conway and gas liquids producing regions in the Rockies and West Texas to the Gulf. Based on these expansions, the spread is likely to reflect pipeline tariff rates going forward.

PADD 1 stocks were unchanged last week, with the level -2.9 million barrels below last year, and a record low. Supply increased +19,000 bpd last week. Supply for the latest 4-wk period was +22,000 bpd above a year ago.

PADD 2 stocks decreased -0.1 million barrels on the week. Supply decreased -22,000 bpd on lower imports, last week. The latest 4-wk supply was +27,000 bpd above a year ago. Stock levels ended the week -21% below last year and at a record low for the period.



PAD 3 stocks increased +0.1 million barrels last week, to a level -2.9% below a year ago. Supplies were -8,000 bpd below a year ago for the most recent 4-wk period.



PADDs 4 & 5 stocks increased +0.1 million barrels 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 3-consecutive week's points to heavy buying by marketers who delayed seasonal stock building earlier in the summer, and increased deliveries to the Gulf region. Look for further price strength which should be supported by an above average grain drying season.

[1] Source is latest EIA Weekly Statistics

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PROPANE: Graph Link and Weekly Summary

August 28, 2013

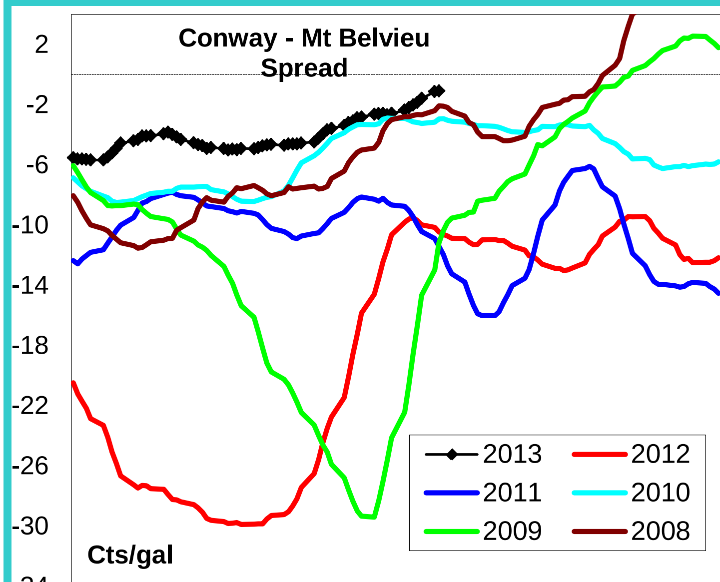
Fundamental Trends for the Week Ending: Friday, August 23, 2013

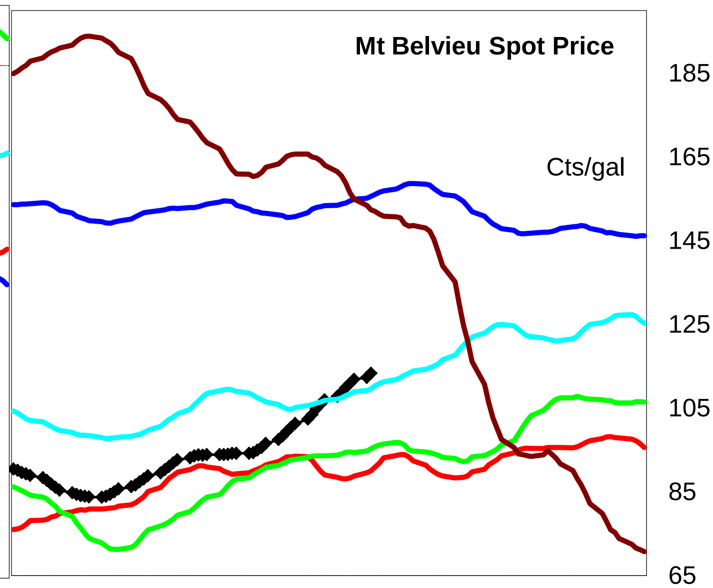
000 bpd Stocks 000 bls	Weekly Supply-Demand U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5	Change from prior week: U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5
Stocks	62,072	3,194	21,503	34,764	2,611	180	4	-68	120	124
Propylene Stocks	2,793					-115				
Production	1,409	81	311	828	189	11	1	3	-8	15
Imports	83	38	35	0	10	-2	18	-25	0	5
Whsle Demand	1,244					-11				

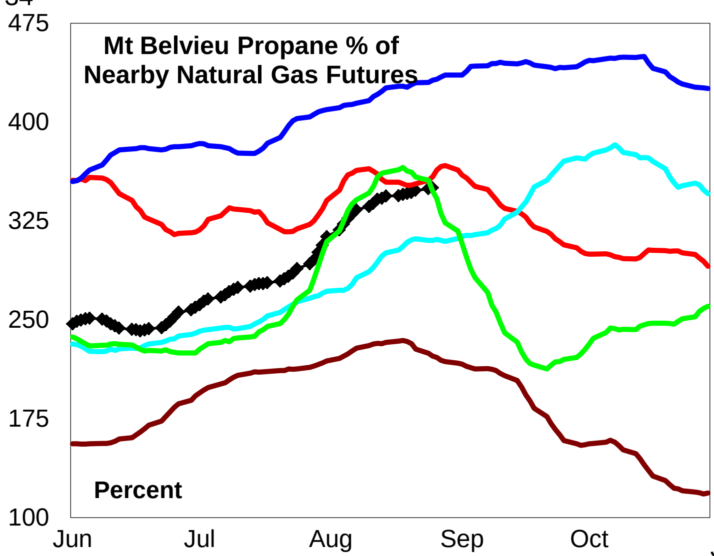
Price Trends for the Week Ending: Tuesday, August 27, 2013

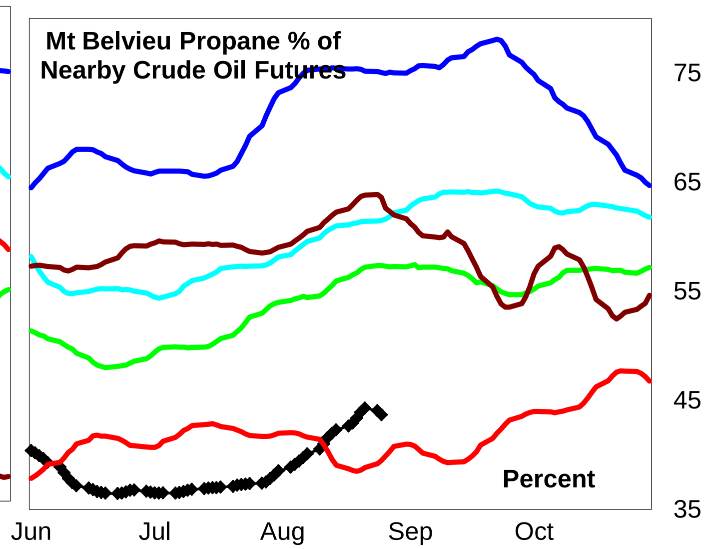
Cents/gal	Average for week ending: 8/27/13	8/20/13	7/30/13	8/23/12	Change from: 8/20/13	7/30/13	8/23/12	% change from: 8/20/13	7/30/13	8/23/12
Mont Belvieu Spot	46.1	110.2	95.1	93.0	-64.15	15.12	2.05	-58.2	15.9	2.2
Conway Spot	45.9	108.1	90.7	81.8	-62.21	17.39	8.92	-57.6	19.2	10.9

Key Price Spreads and Differentials









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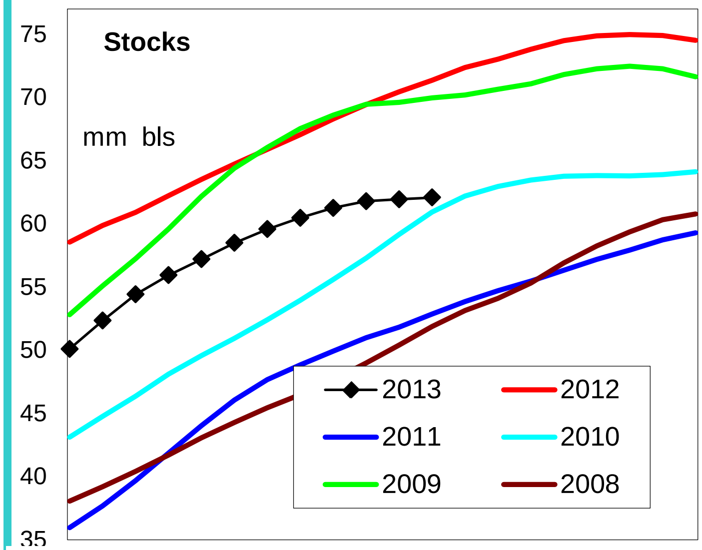
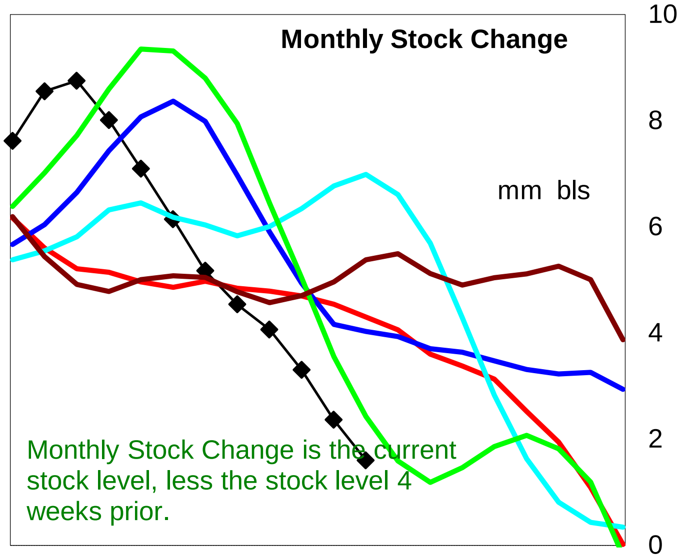
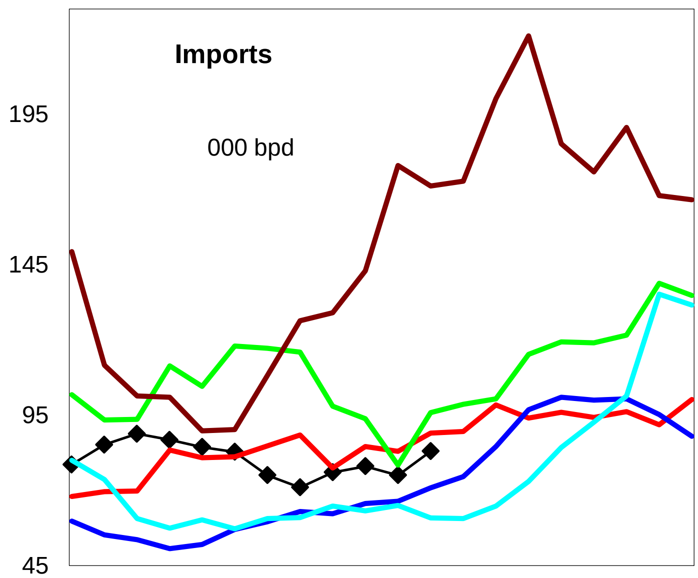
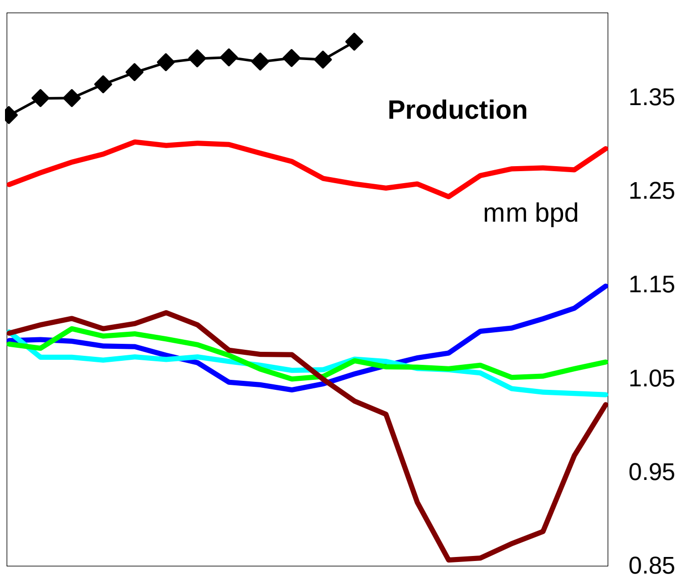
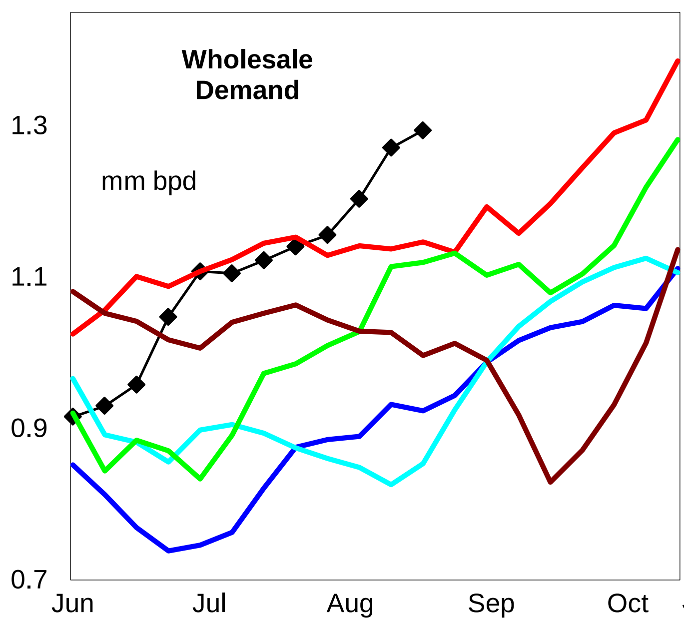
U. S. Propane Supply and Demand Balance

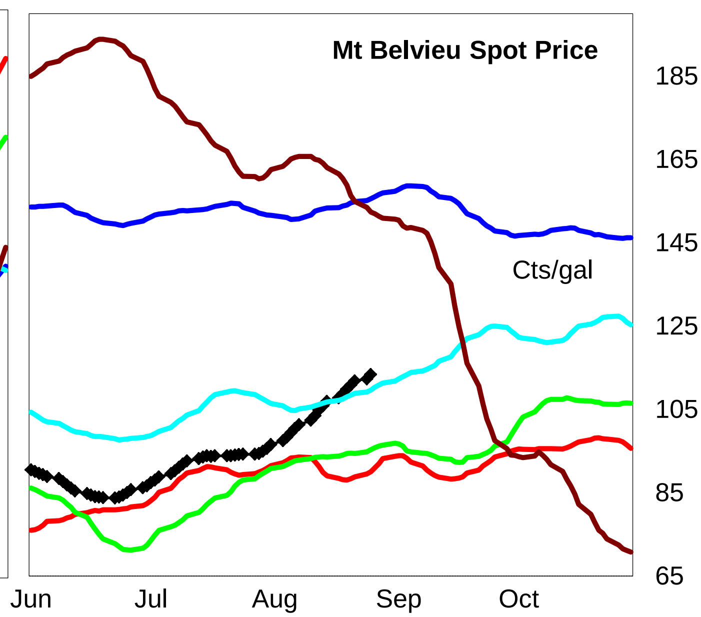












4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Jul	Jun	May
000 bpd (000 bls stks)	-9,586	-2,701	114	-14		100	64	-172	-171
% change	-13.4	-63	8.9	-16.1		9.0	6.3	-16.2	-15.6

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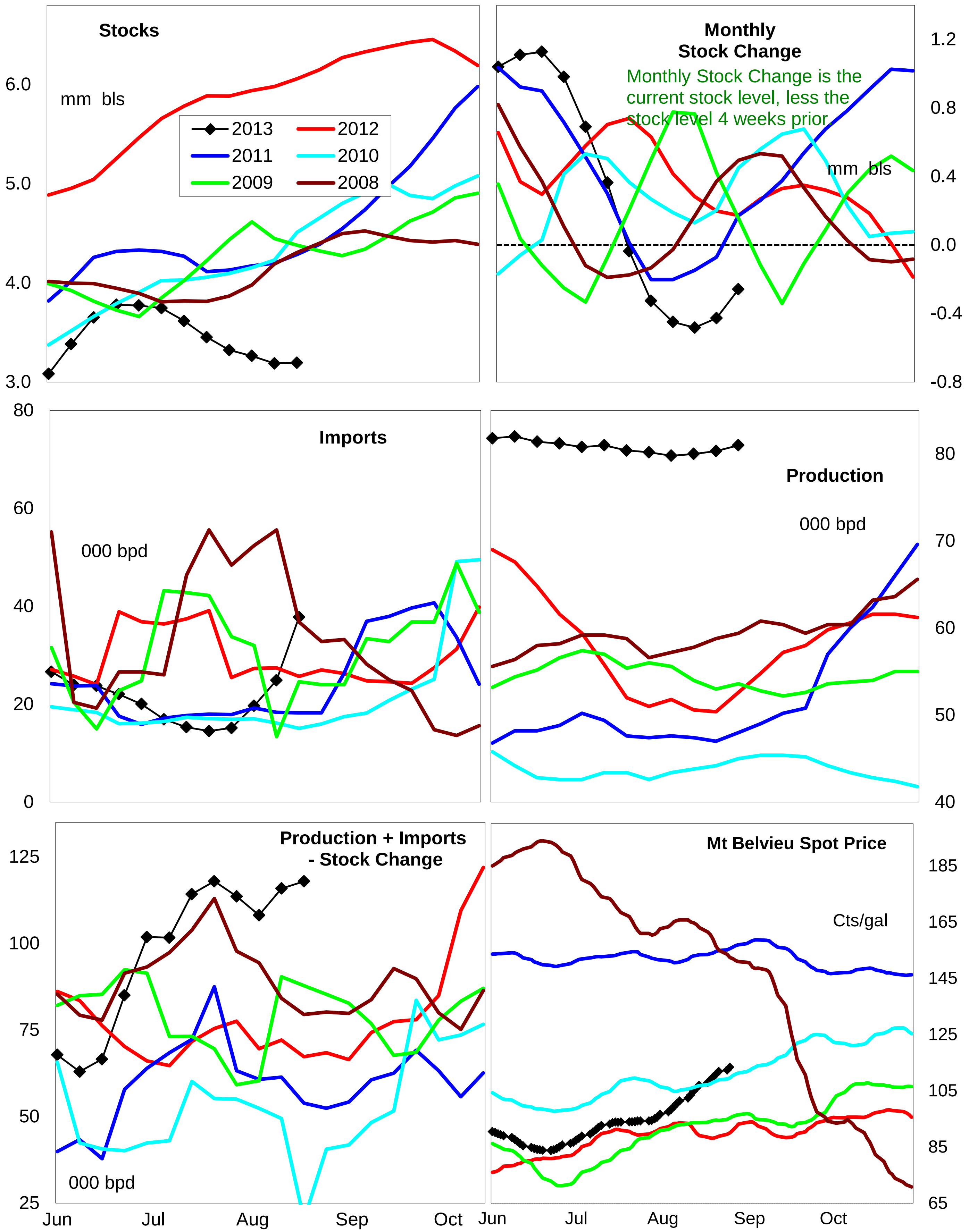
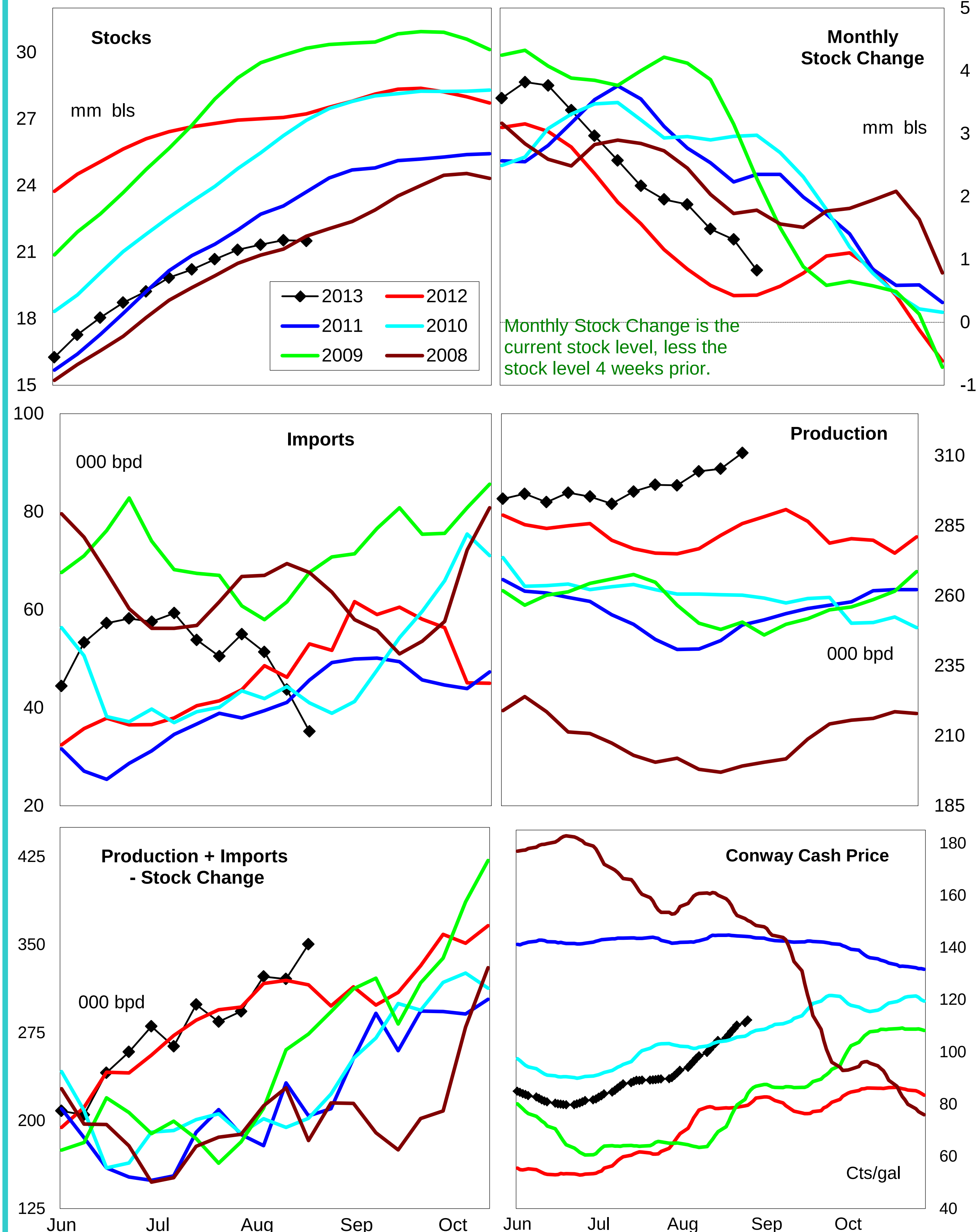
PADD 1 Propane Supply and Demand Balance



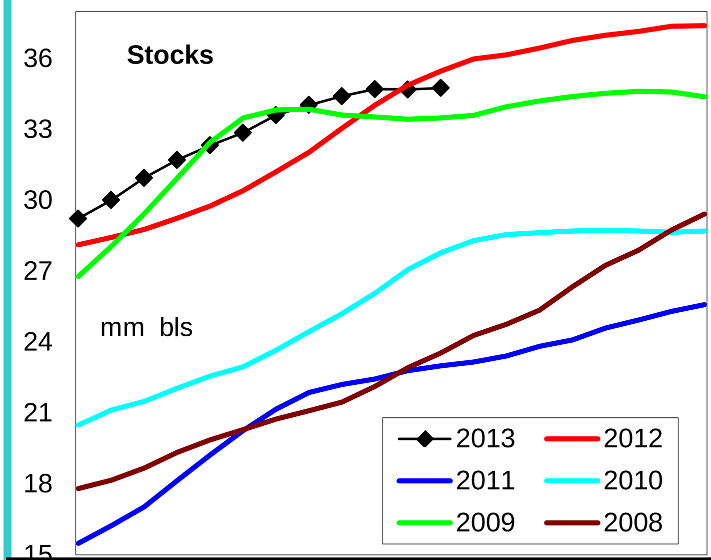
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-2,868	-431	29	-7	42
% change	-47.3	-249.8	57.9	-25.3	58.9

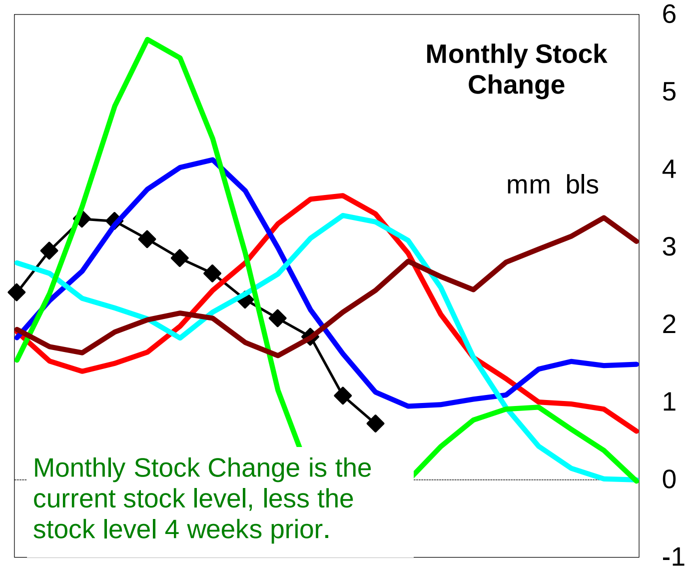
PADD 2 Propane Supply and Demand Balance

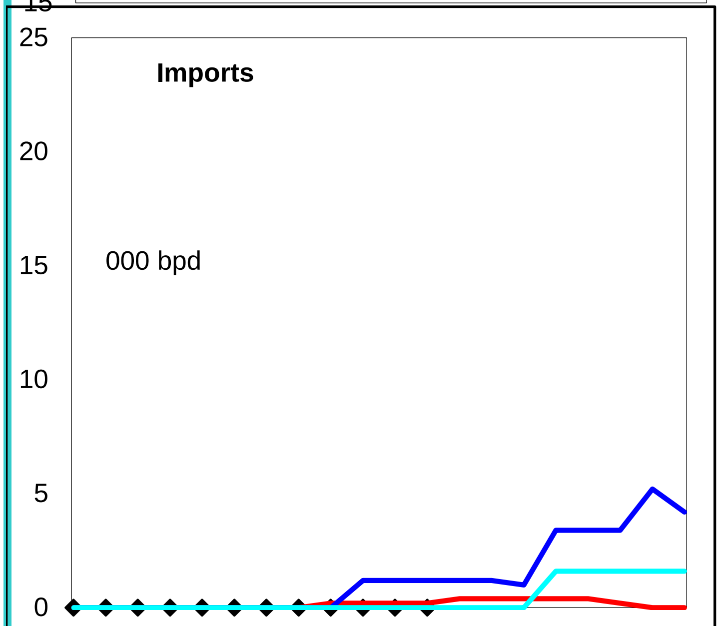


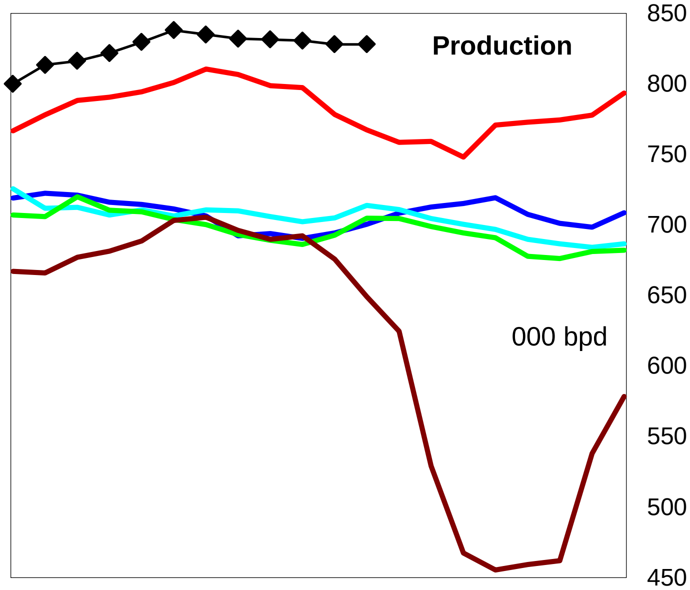
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-5,710	396	30	-3	10
% change	-21.0	91.5	10.6	-6.6	3.0

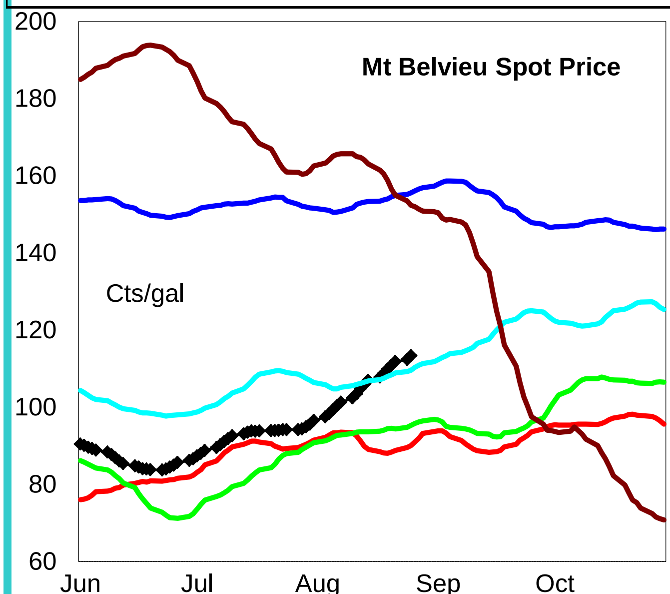
PADD 3 Propane Supply and Demand Balance

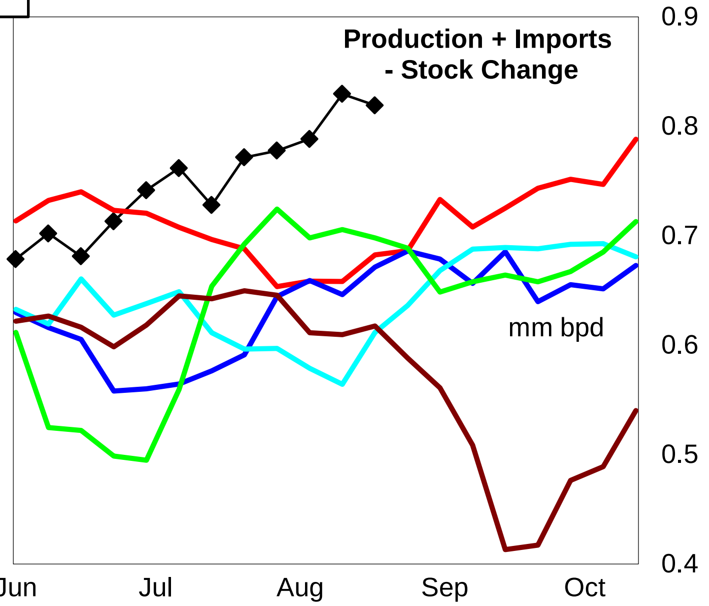












4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-1,023	-2,708	34	0	141
% change	-2.9	-79	4.2	-100.0	21.2

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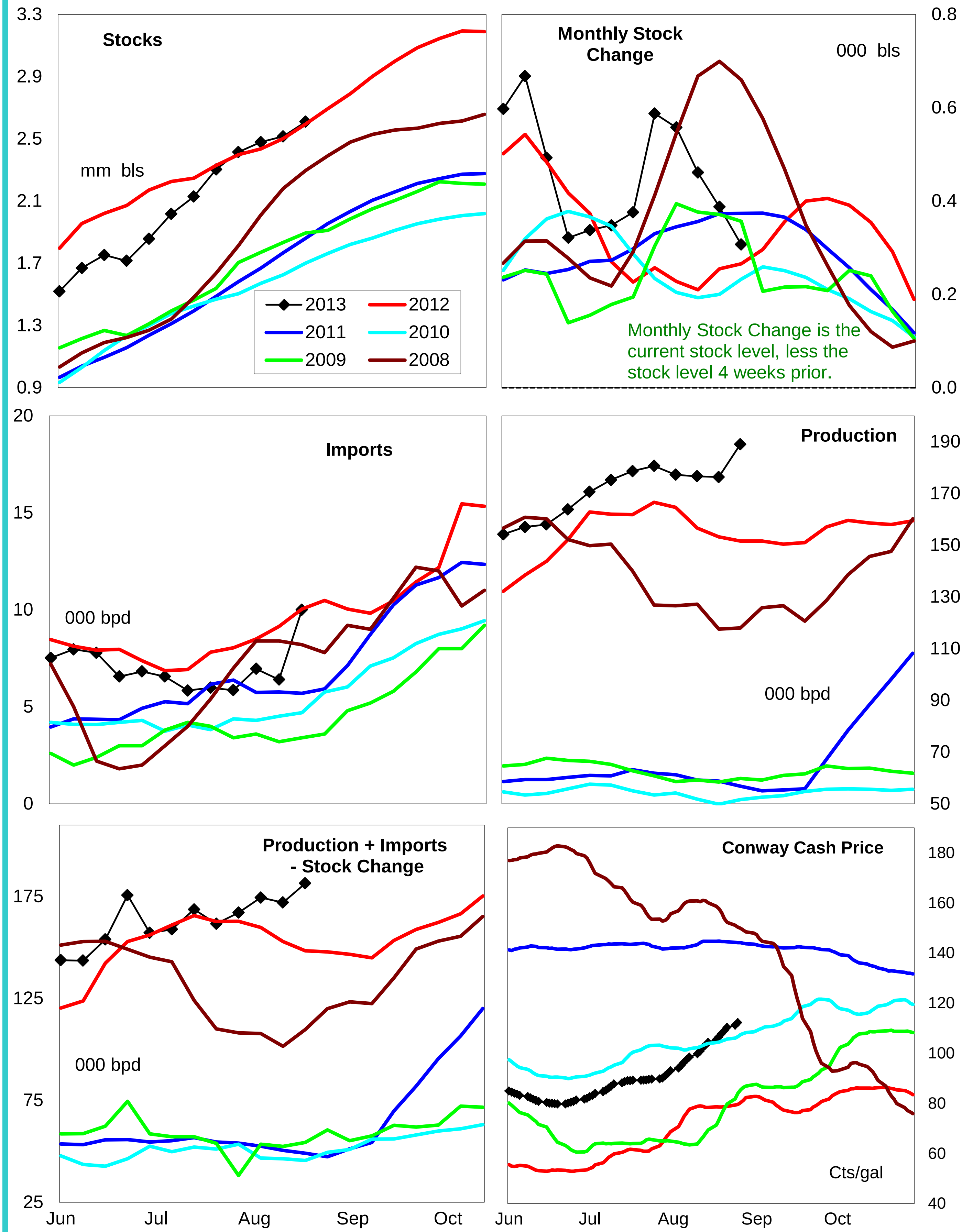
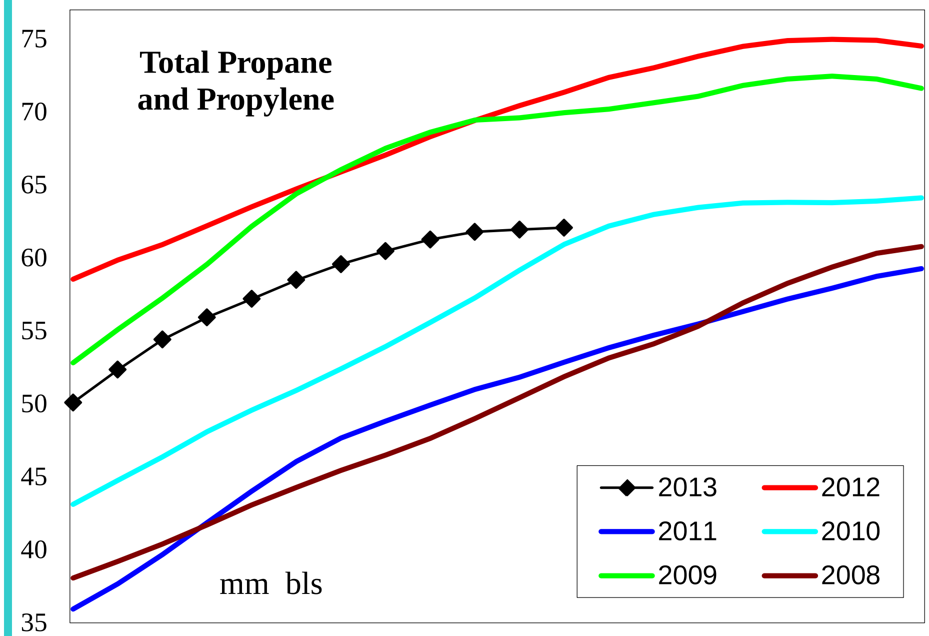
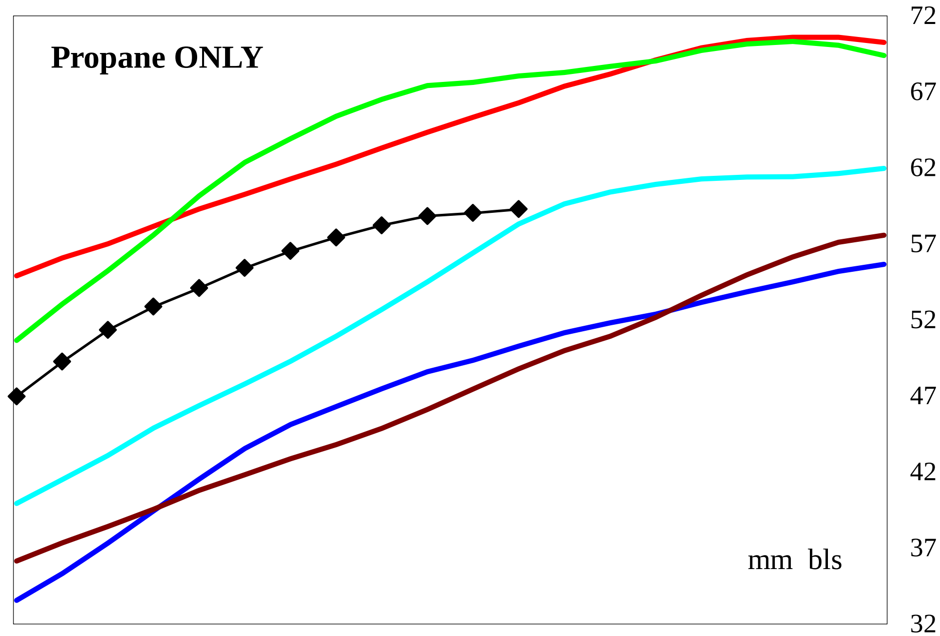
PADDs 4 and 5 Propane Supply and Demand Balance

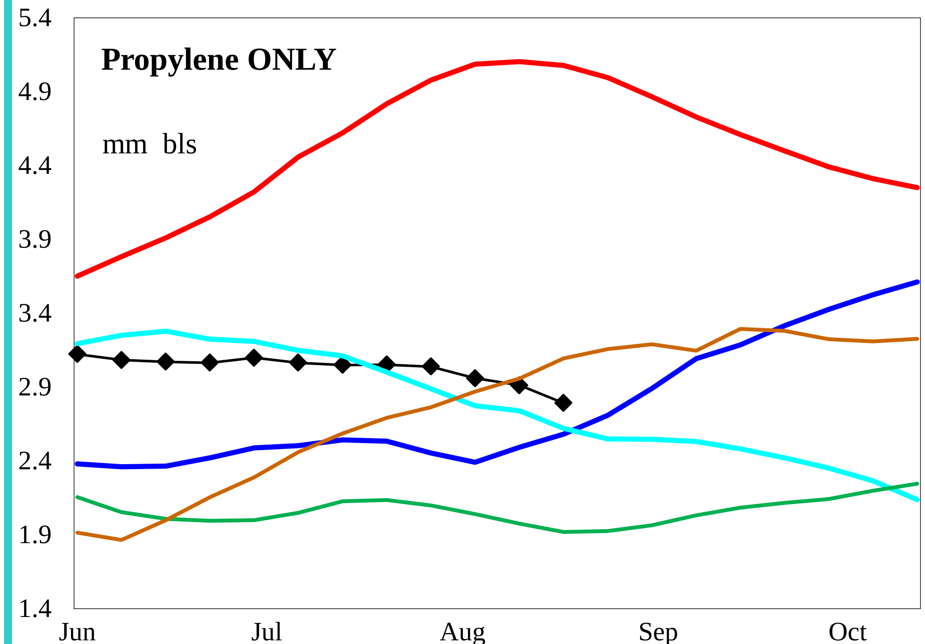


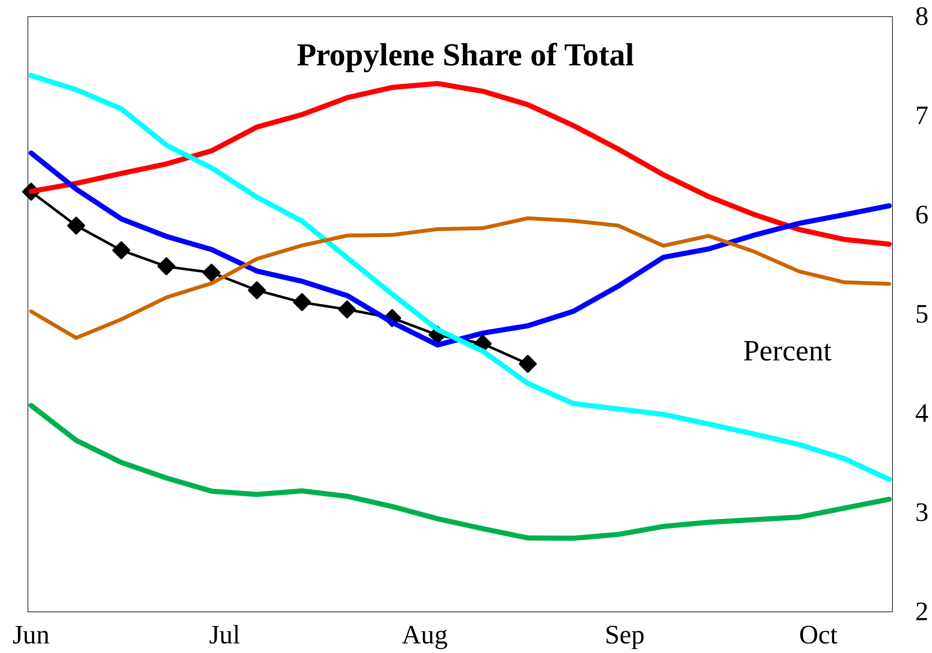
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	14	41	22	-3	18
% change	0.5	15.4	13.8	-37.2	11.4

U. S. Propane and Propylene Stocks









Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	-9,586	-7,185	-2,284
% change	-13.4	-10.8	-45.0

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