FUNDAMENTAL PETROLEUM TRENDS

WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

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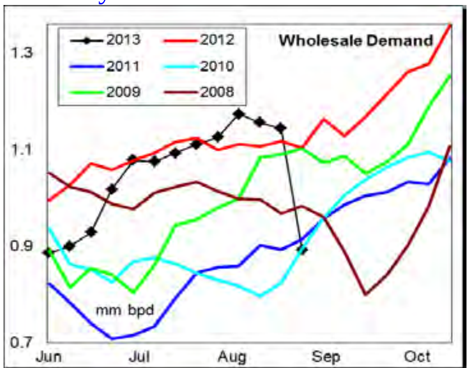
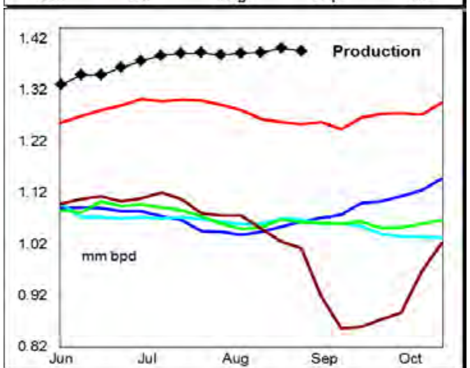
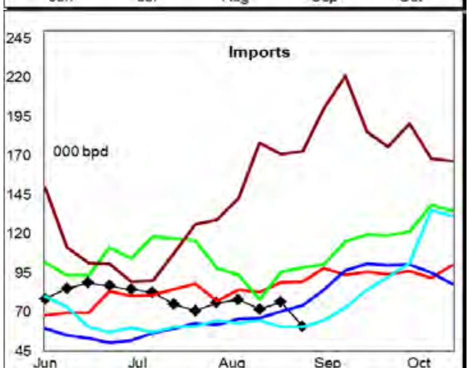
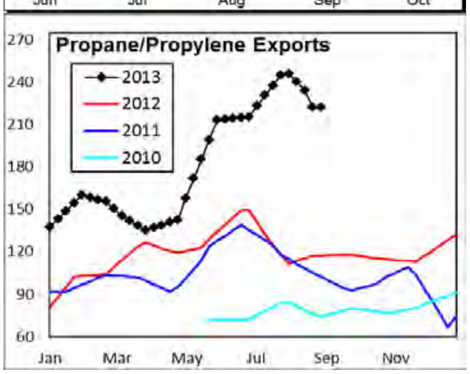




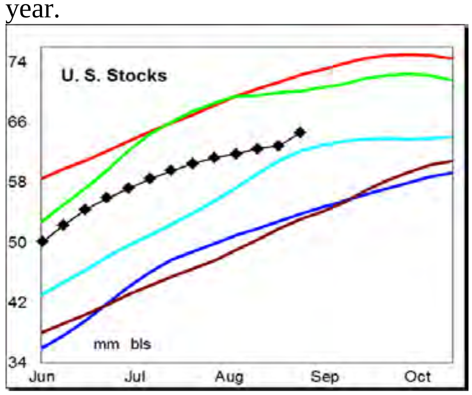




Wholesale demand fell -372,000 bpd on the week, to a level that matched historic lows for the week. Production decreased -13,000 bpd on the week while imports were -22,000 bpd lower.

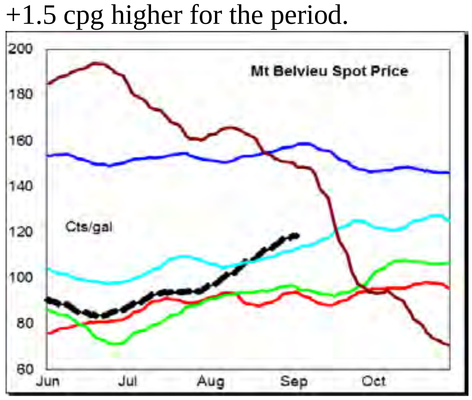
Combined production and imports during the latest 4-wk period were +123,000 bpd above a year ago. Production was +133,000 bpd above last year (+10.5%), while imports were -10,000 bpd lower.

The latest 4-wk average demand was +69,000 bpd above last year. Exports in increased +113,000 bpd for the most recent 4-wk period compared to last year.



Stocks jumped +2.5 million barrels on the week, as marketer buying to fill summer storage slowed. *The latest 4-wk stock build was +3.5 million barrels, slightly below the last 2-yrs.*

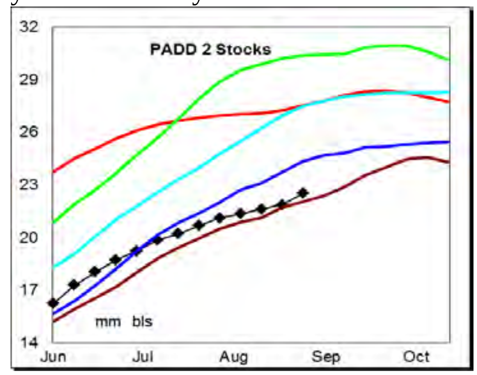
Price and Spreads Mt Belvieu spot price increased +2 cpg for the week ending 04Sep13 while Conway spot price was +1.5 cpg higher for the period.



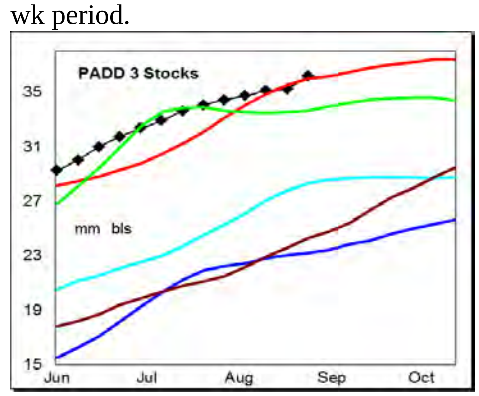
The Conway – Mt Belvieu price spread ended the week at -1 cpg, a differential less than the 5-year range for the week.

PADD 1 stocks increased +0.1 million barrels last week, with the level -2.9 million barrels below last year, and a record low. Supply decreased -9,000 bpd last week. Supply for the latest 4-wk period was +28,000 bpd above a year ago.

PADD 2 stocks increased +1 million barrels on the week. Supply decreased -37,000 bpd on lower imports and production. The latest 4-wk supply was +8,000 bpd above a year ago. Stock levels ended the week -18% below last year and near 5-yr lows.



PAD 3 stocks increased +1.4 million barrels last week, to a level -0.3% below a year ago. Supplies were -67,000 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 Sharply lower demand and accompanying surge in stocks points to a seasonal turning point in the these trends. A wind down in marketers' summer inventory fill programs contributed to these changes. This shift in trends and the recent surge in price, risk a pull back in wholesale prices over the next 45-days.

[1] Source is latest EIA Weekly Statistics

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PROPANE: Graph Link and Weekly Summary

September 5, 2013

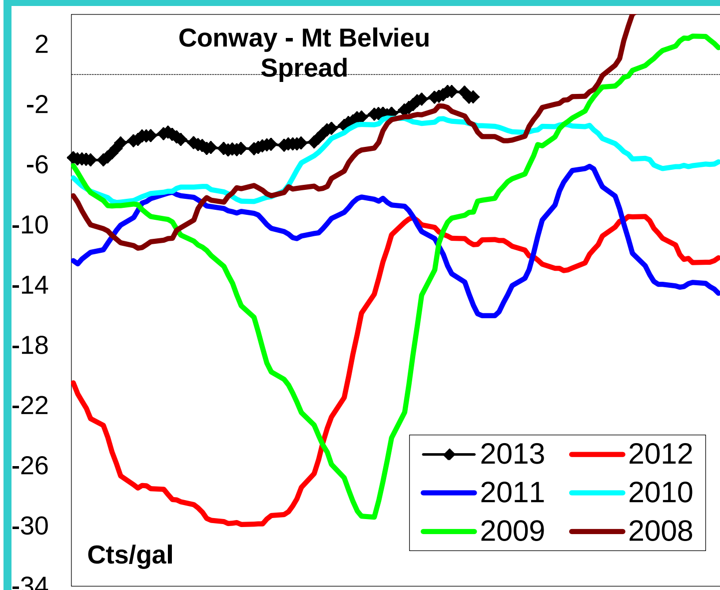
Fundamental Trends for the Week Ending: Friday, August 30, 2013

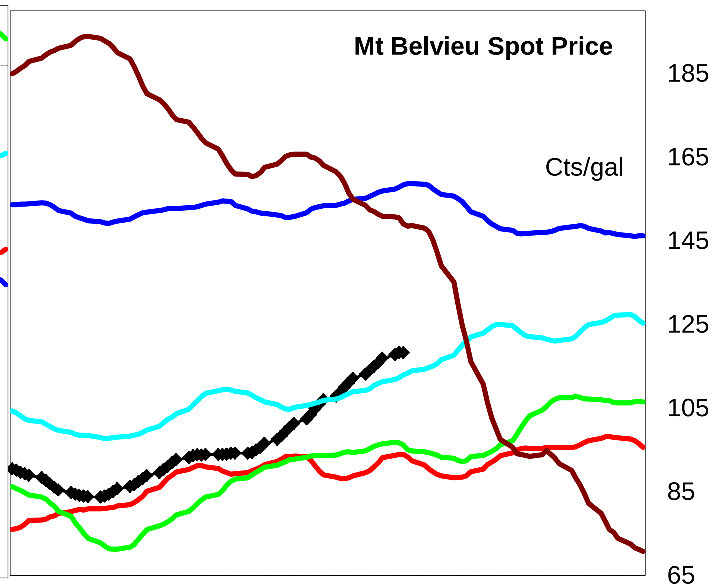
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5	U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5
Stocks	64,614	3,257	22,504	36,181	2,672	2,542	63	1,001	1,417	61
Propylene Stocks	2,825					32				
Production	1,396	79	285	849	183	-13	-2	-26	21	-6
Imports	61	31	24	0	6	-22	-7	-11	0	-4
Whsle Demand	872					-372				

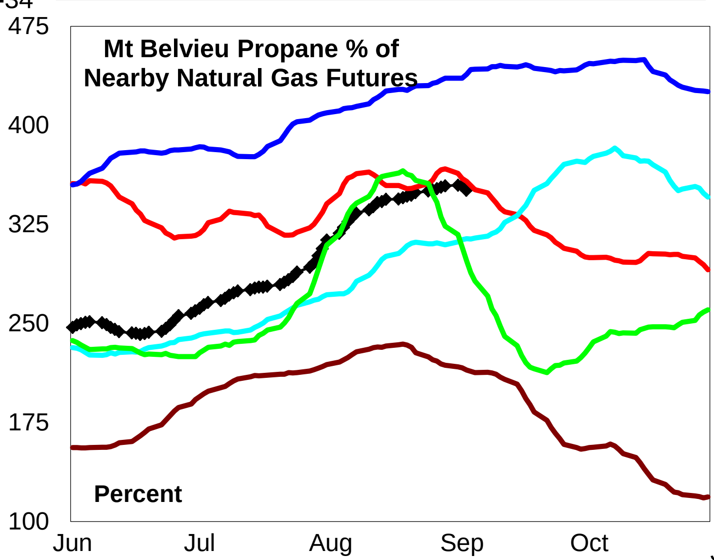
Price Trends for the Week Ending: Wednesday, September 04, 2013

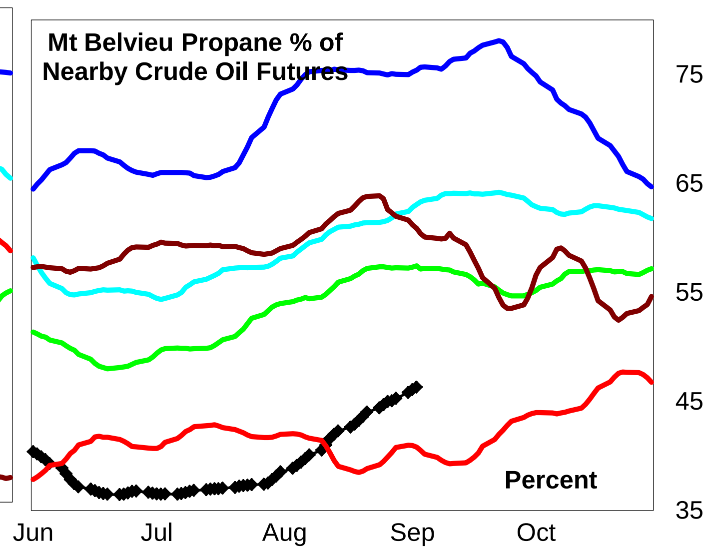
Cents/gal	Average for week ending:				Change from:			% change from:		
	9/4/13	8/28/13	8/7/13	8/31/12	8/28/13	8/7/13	8/31/12	8/28/13	8/7/13	8/31/12
Mont Belvieu Spot	117.8	112.9	97.2	96.6	4.86	15.67	0.66	4.3	16.1	0.7
Conway Spot	116.6	111.6	94.3	84.4	4.97	17.32	9.93	4.5	18.4	11.8

Key Price Spreads and Differentials









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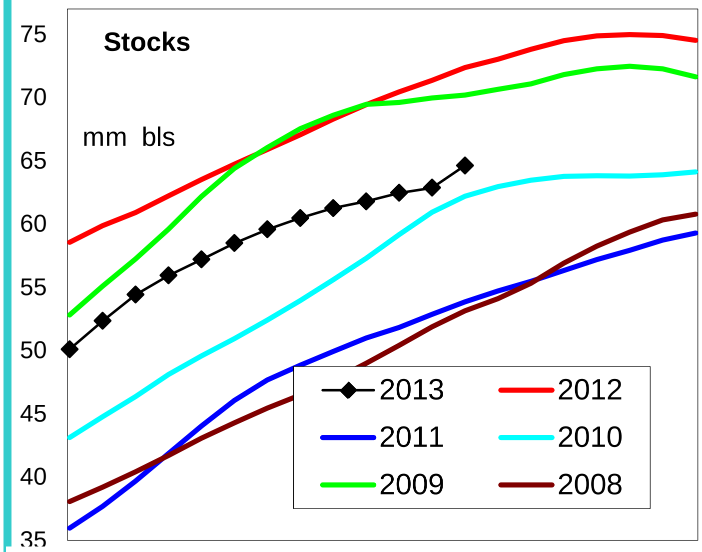
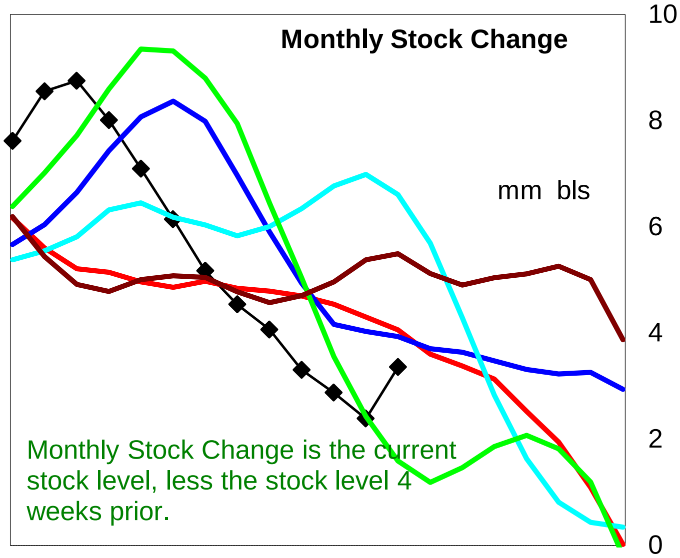
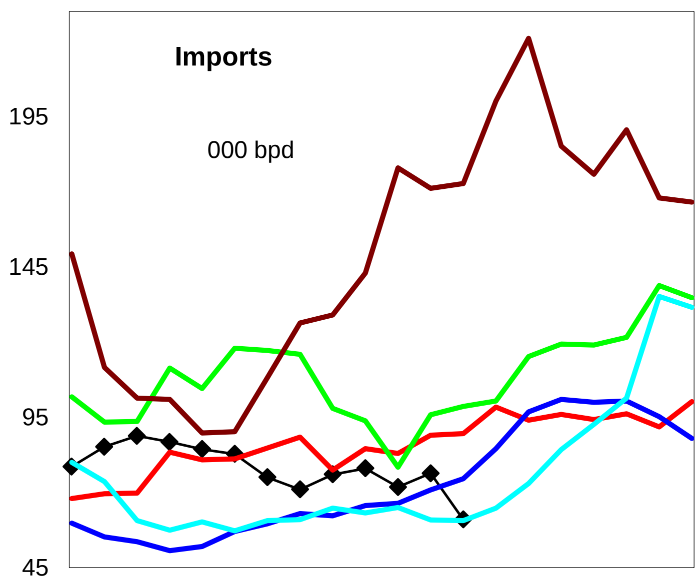
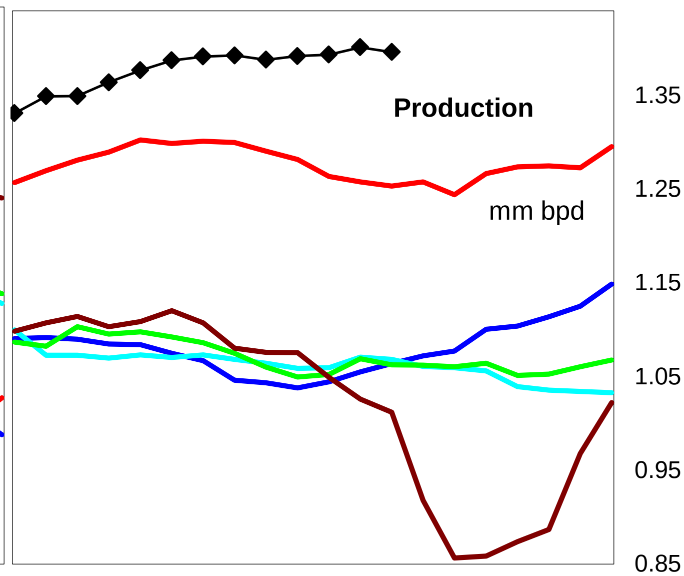
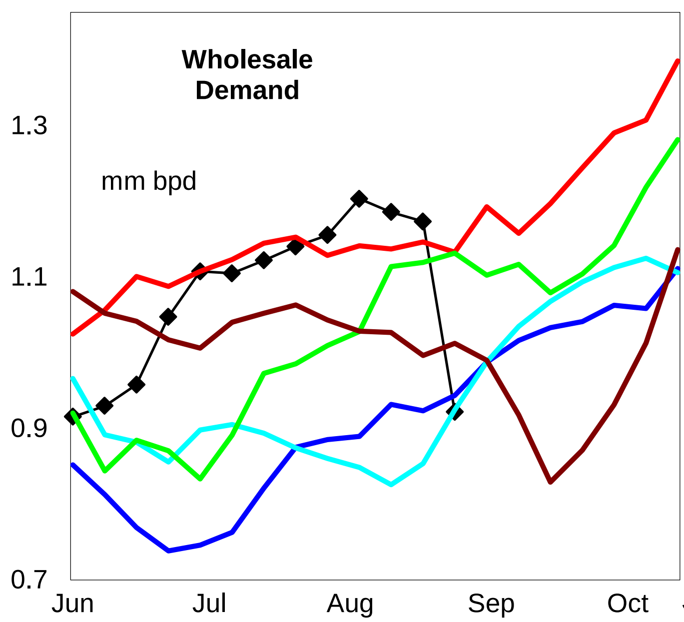
U. S. Propane Supply and Demand Balance

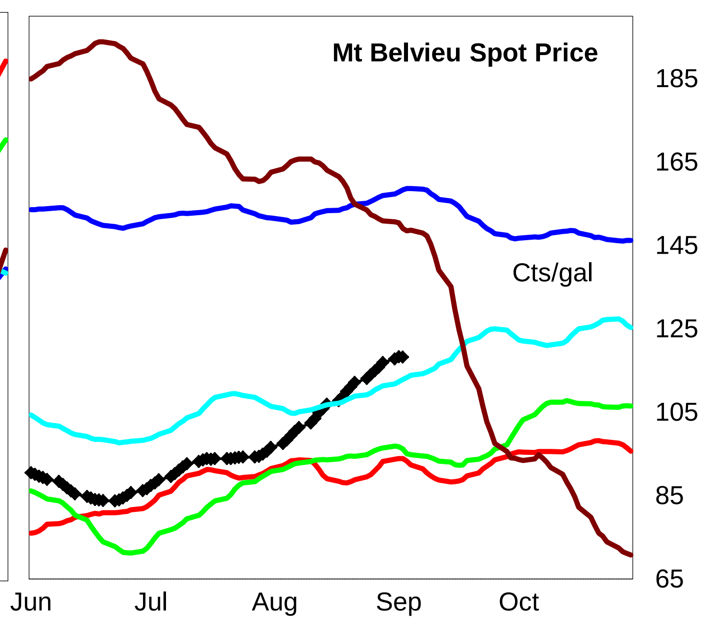












4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Jul	Jun	May
000 bpd (000 bls stks)	-7,882	-703	133	-10		69	64	-172	-171
% change	-10.9	-17	10.5	-12.3		6.5	6.3	-16.2	-15.6

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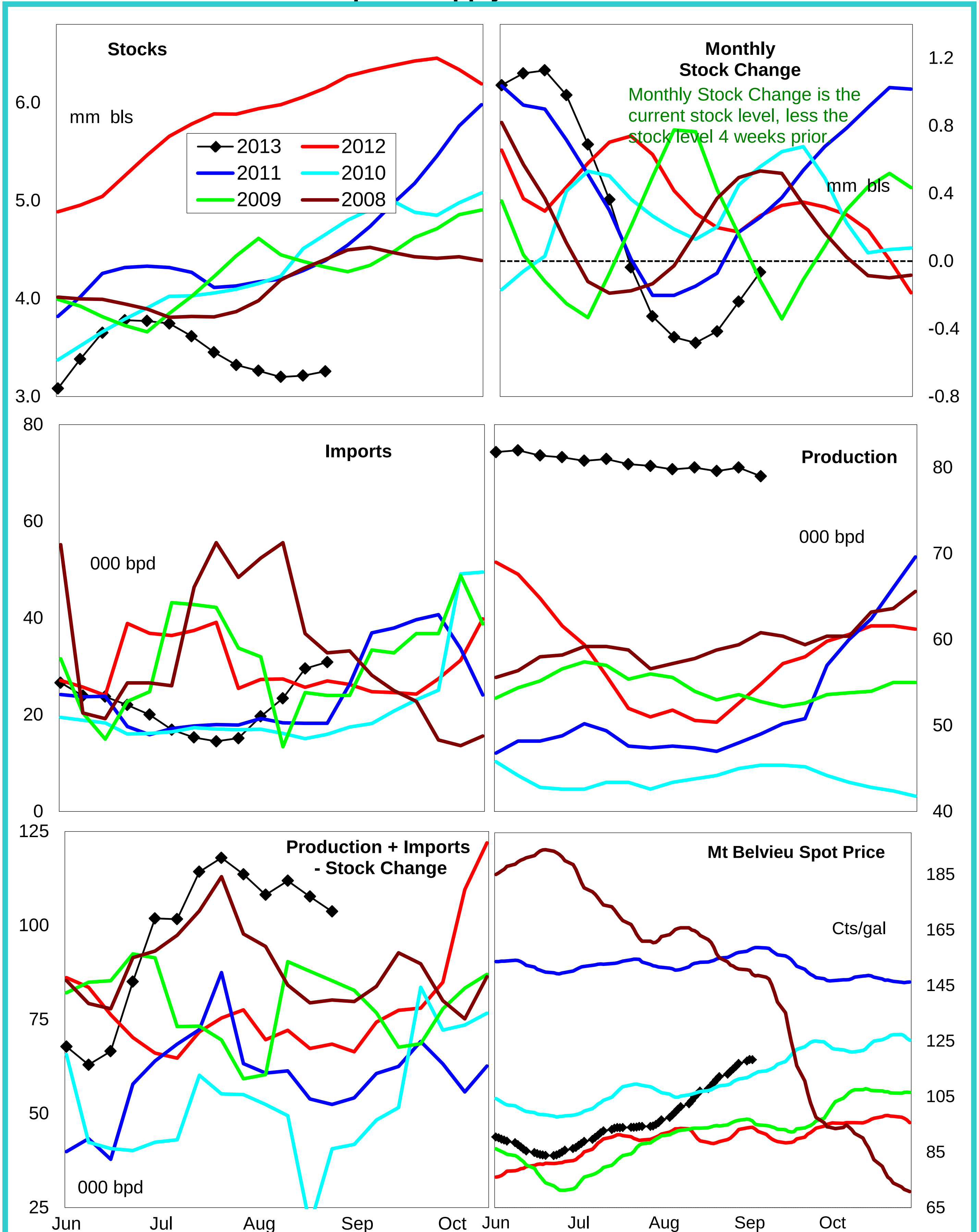
PADD 1 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-2,910	-333	29	-1	38
% change	-47.2	-124.2	56.9	-3.6	55.5

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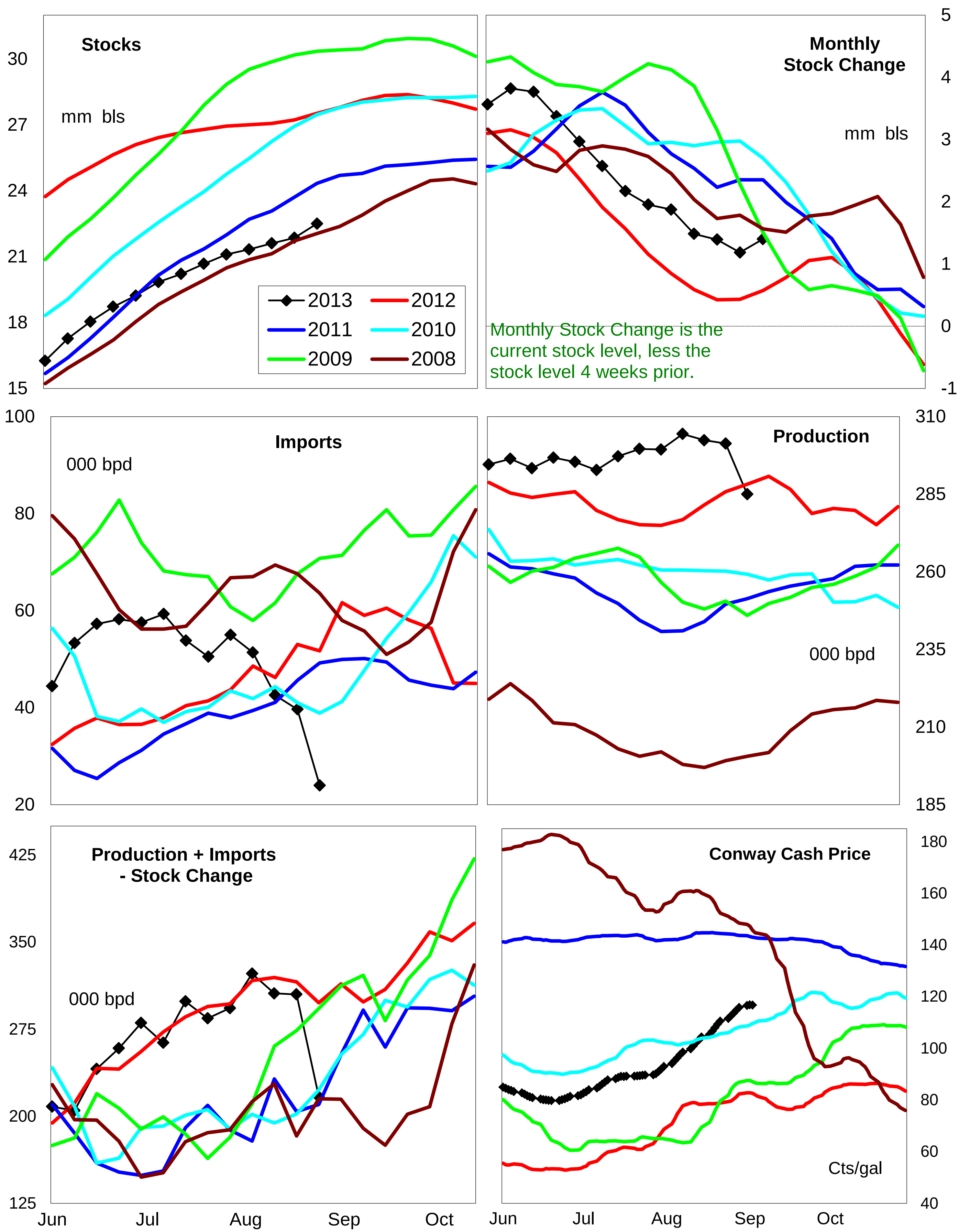
PADD 2 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-4,847	827	13	-5	-25
% change	-17.7	143.9	4.4	-11.5	-7.9

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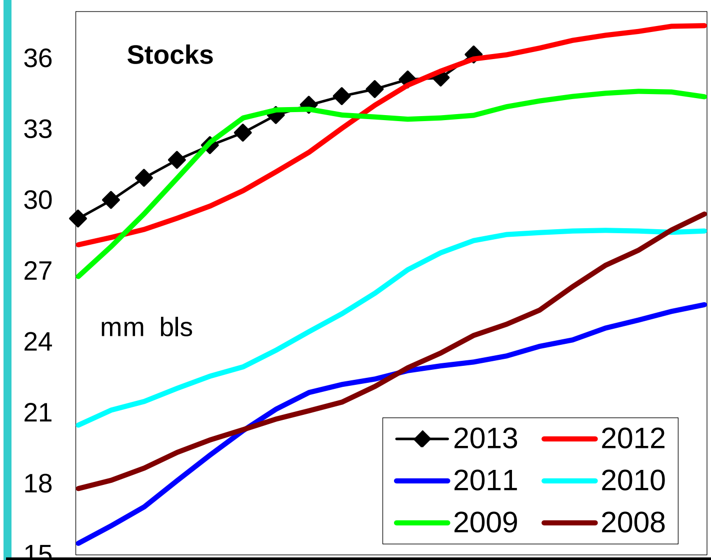
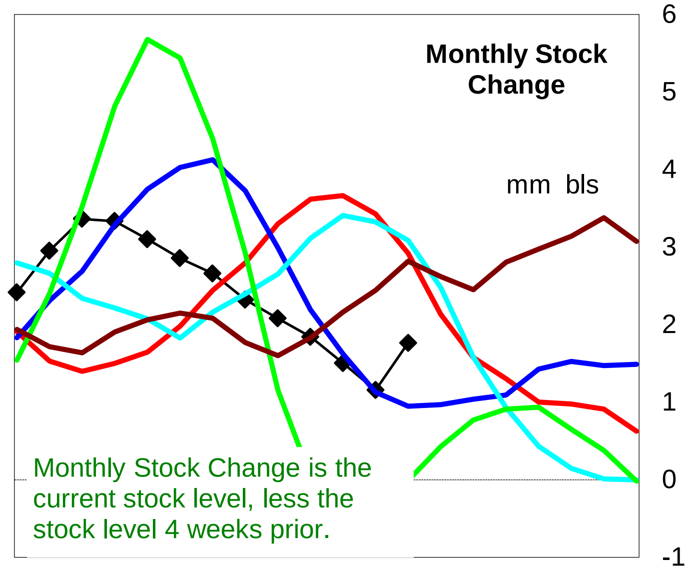
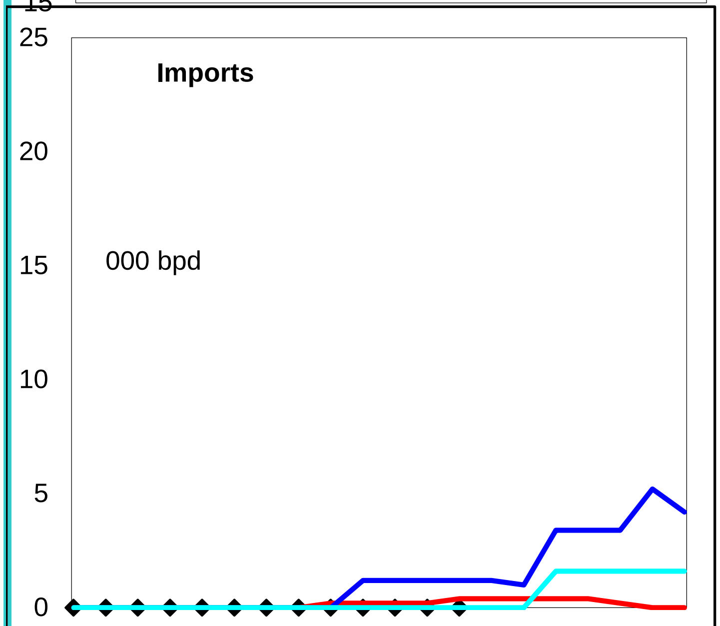
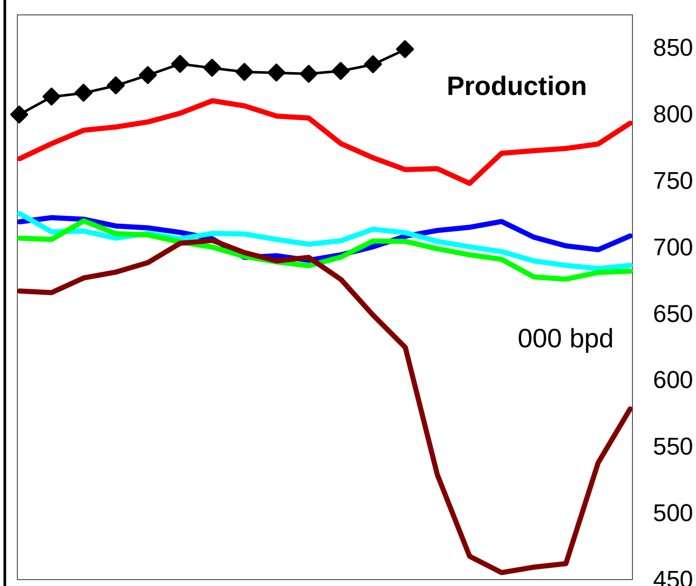
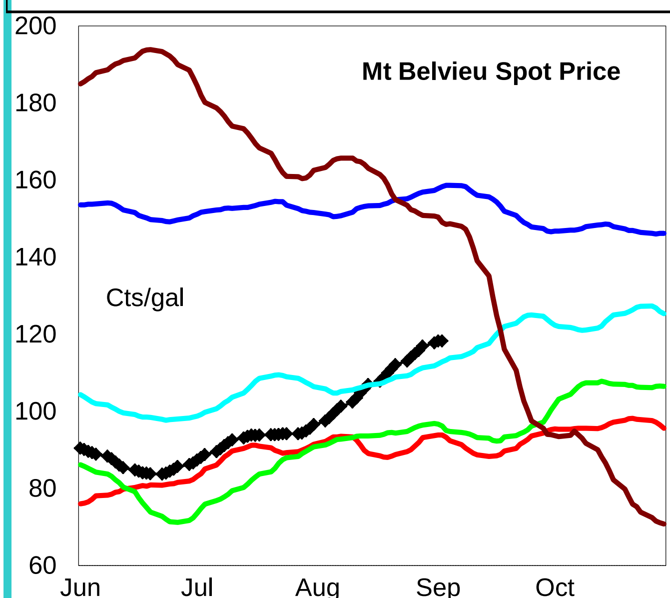
PADD 3 Propane Supply and Demand Balance

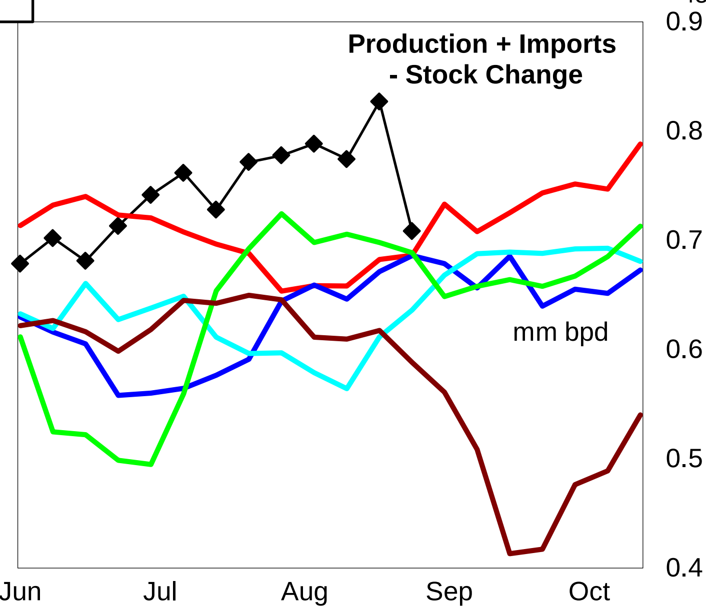












4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-97	-1,157	67	0	103
% change	-0.3	-40	8.7	-100.0	15.4

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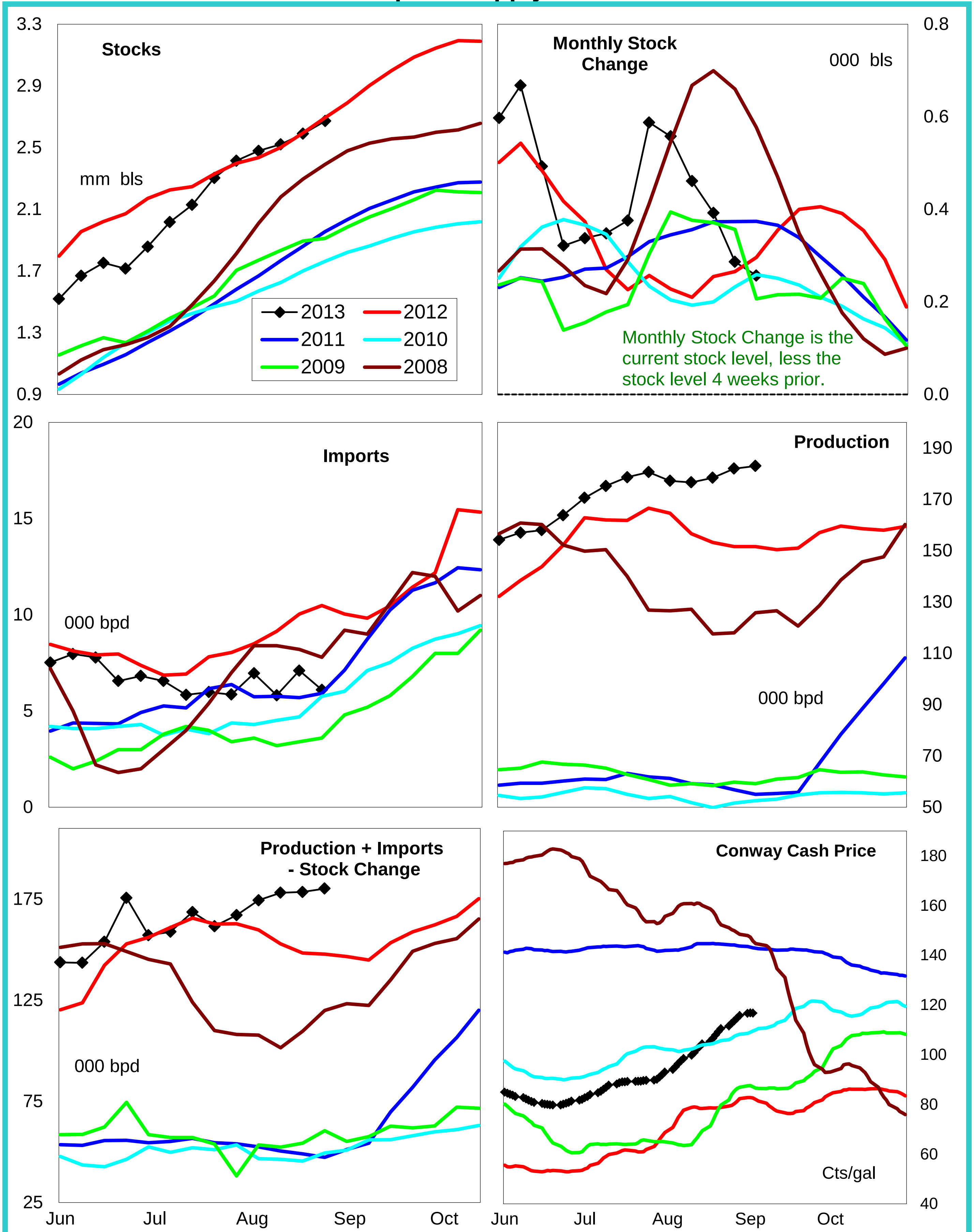
PADDs 4 and 5 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-27	-39	24	-4	26
% change	-1.0	-13.3	15.6	-37.1	16.9

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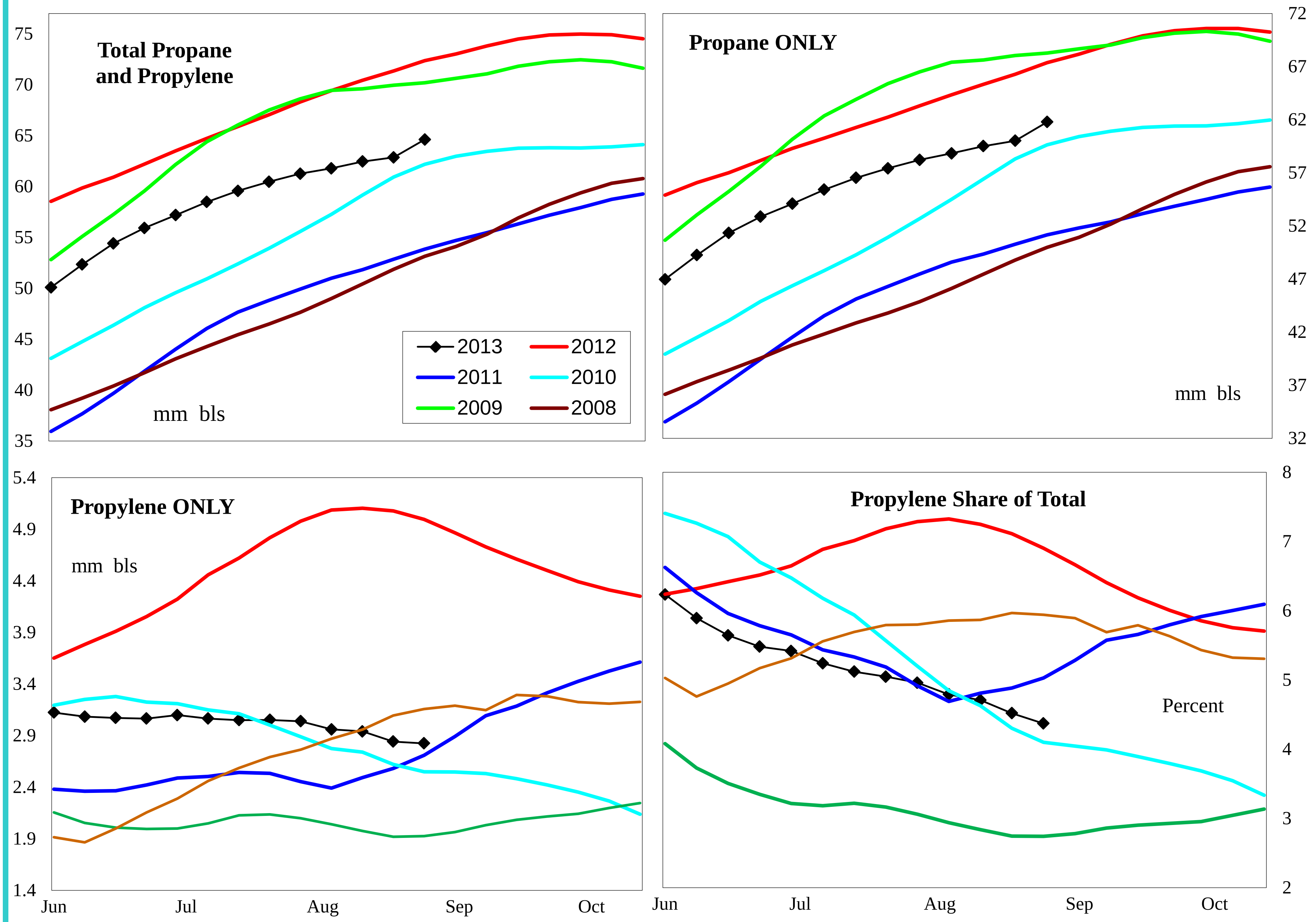
U. S. Propane and Propylene Stocks



Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	-7,882	-5,705	-2,170
% change	-10.9	-8.5	-43.4

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