FUNDAMENTAL PETROLEUM TRENDS

WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

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Summary[1]: ?

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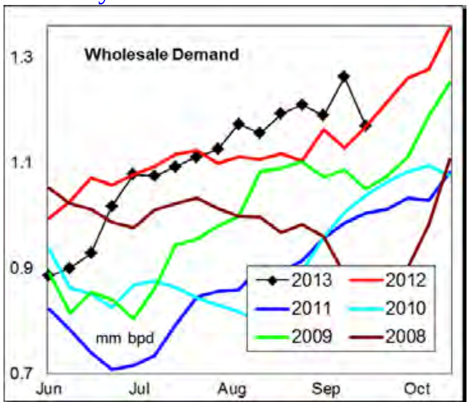
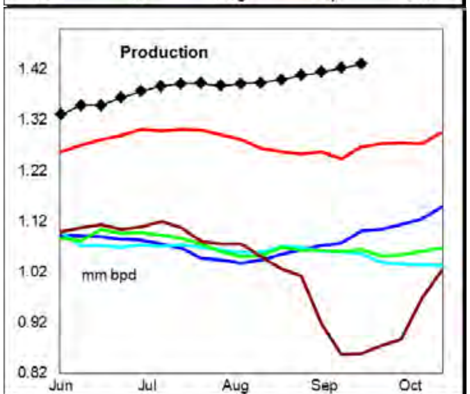
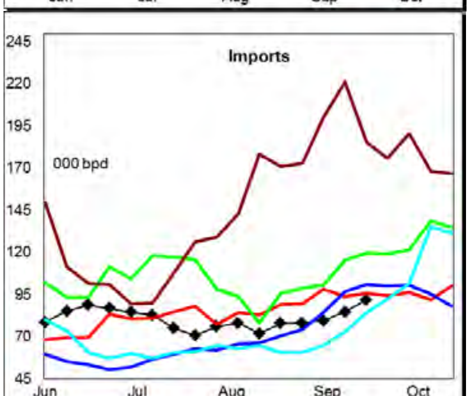
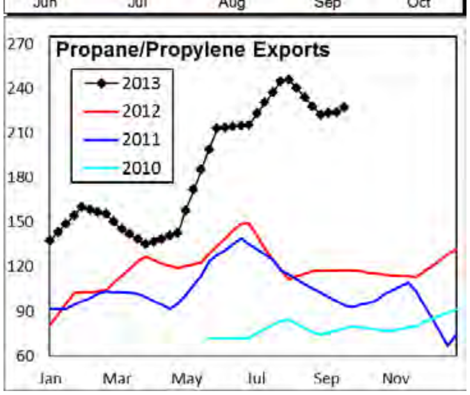






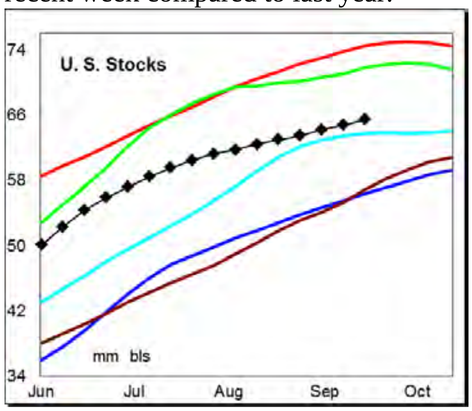


[1] Source is latest EIA Weekly Statistics

Wholesale demand decreased -101,000 bpd last week to a level that matched last year. Production increased +24,000 bpd on the week while imports were +33,000 bpd higher.

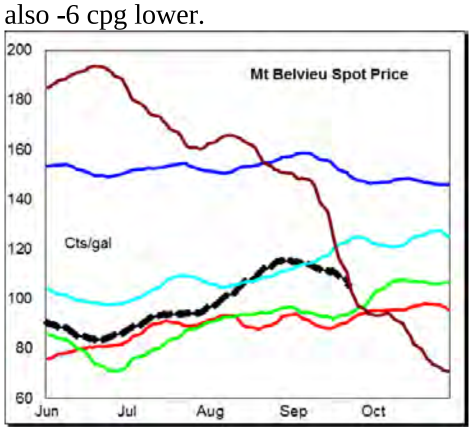
Combined production and imports during the latest 4-wk period were +147,000 bpd above a year ago. Production was +167,000 bpd above last year (+13%), while imports were -20,000 bpd lower.

The latest 4-wk average demand was +15,000 bpd above last year. Exports increased +109,000 bpd for the most recent week compared to last year.



Stocks increased +1 million barrels on the week. *The latest 4-wk stock build was +2.5 million barrels, slightly less than each of the last 3-yrs.*

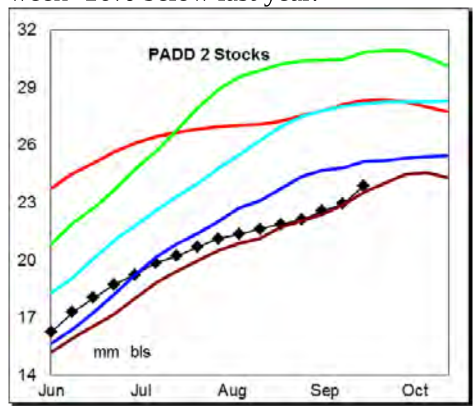
Price and Spreads Mt Belvieu spot price decreased -6 cpg for the week ending 24Sep13 while Conway spot price was also -6 cpg lower.



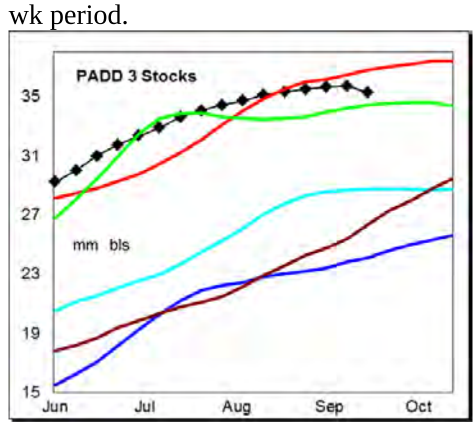
The Conway – Mt Belvieu price spread ended the week at -3 cpg, comparable to the historic mid range for the week.

PADD 1 stocks increased +0.2 million barrels last week, with the level -2.9 million barrels below last year. Supply increased +6,000 bpd last week. Supply for the latest 4-wk period was +32,000 bpd above a year ago.

PADD 2 stocks increased +1.1 million barrels on the week. Supply declined -2,000 bpd on lower production. The latest 4-wk supply was -24,000 bpd below a year ago. Stock levels ended the week -16% below last year.



PAD 3 stocks declined -0.4 million barrels last week, to a level -3% below a year ago. Supplies were +115,000 bpd above a year ago for the most recent 4-wk period.



PADDs 4 & 5 stocks increased +0.1 million barrels last week. Stock levels were above four of the last 5-yrs.

Emerging Trends Hot/dry weather has reduced the expected demand for grain drying this fall. Increased pipeline capacity to deliver propane direct to the Gulf, bypassing the Conway transit point has led to very low stocks in the Midwest. On balance, there remains risk of additional price weakness ahead of the winter heating season.

PROPANE: Graph Link and Weekly Summary

September 25, 2013

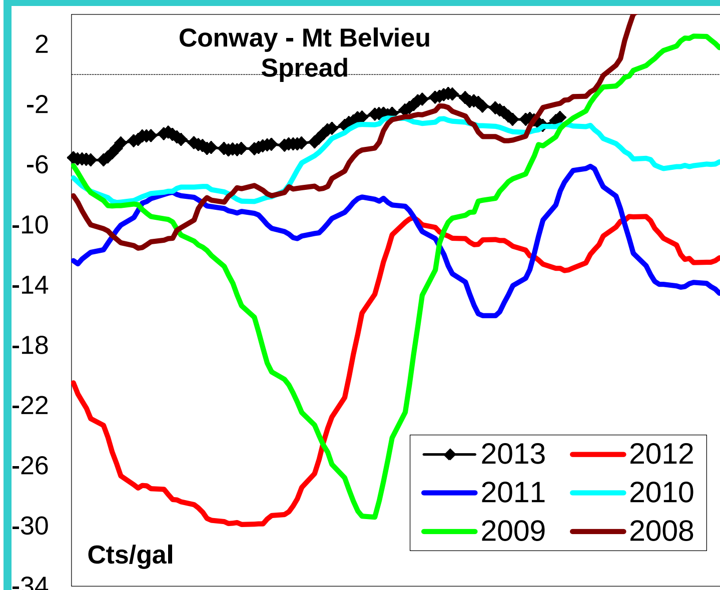
Fundamental Trends for the Week Ending: Friday, September 20, 2013

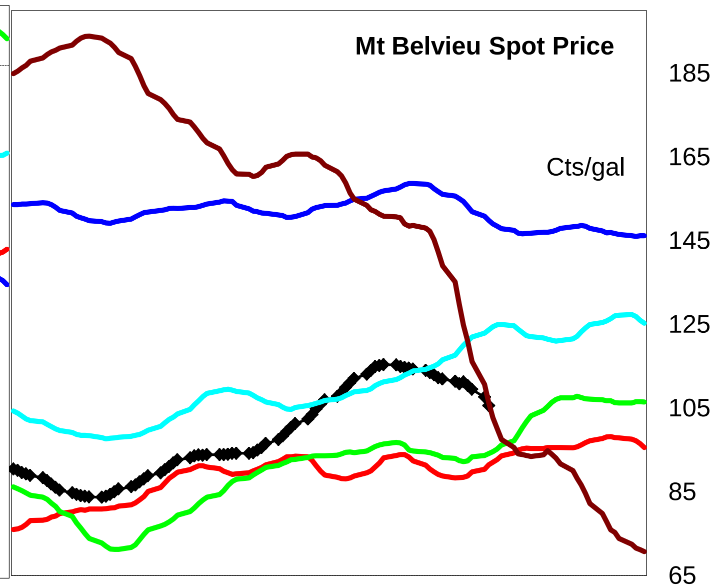
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5	U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5
Stocks	65,455	3,593	23,872	35,258	2,732	1,016	154	1,131	-401	132
Propylene Stocks	3,137					86				
Production	1,430	86	284	883	177	24	-5	-13	29	13
Imports	92	38	38	0	16	33	11	11	0	11
Whsle Demand	1,150					-101				

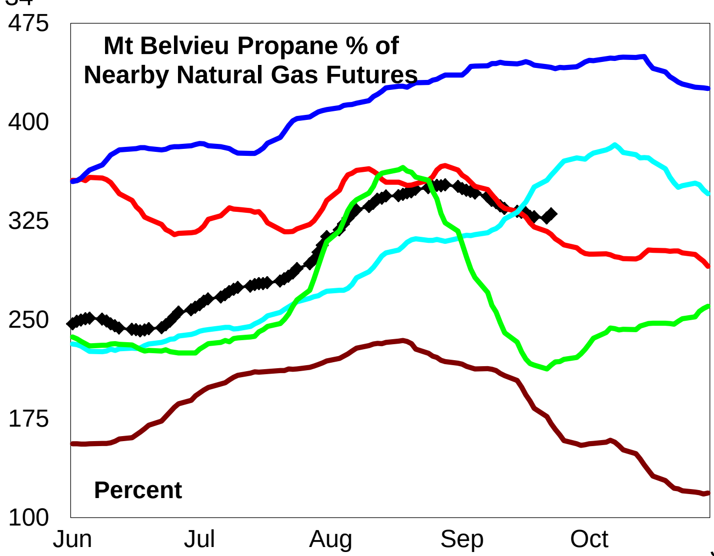
Price Trends for the Week Ending: Tuesday, September 24, 2013

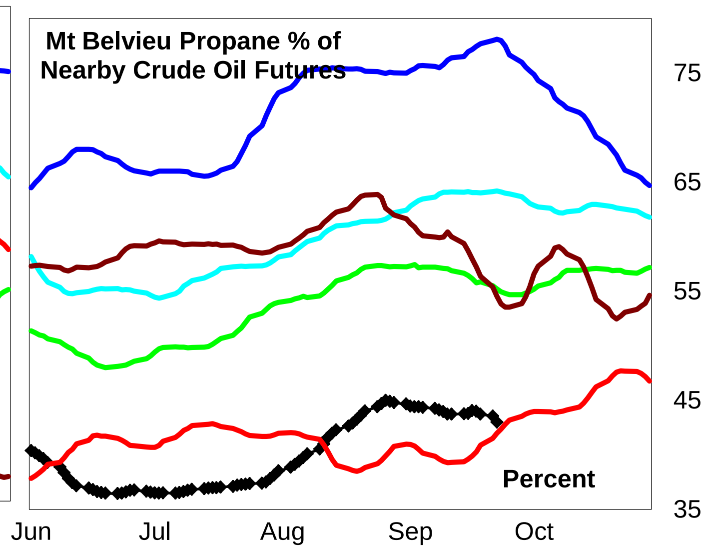
Cents/gal	Average for week ending:				Change from:			% change from:		
	9/24/13	9/17/13	8/27/13	9/27/12	9/17/13	8/27/13	9/27/12	9/17/13	8/27/13	9/27/12
Mont Belvieu Spot	109.5	112.9	111.9	88.6	-3.41	1.05	23.23	-3.0	0.9	26.2
Conway Spot	106.1	110.7	110.3	75.9	-4.60	0.43	34.35	-4.2	0.4	45.2

Key Price Spreads and Differentials

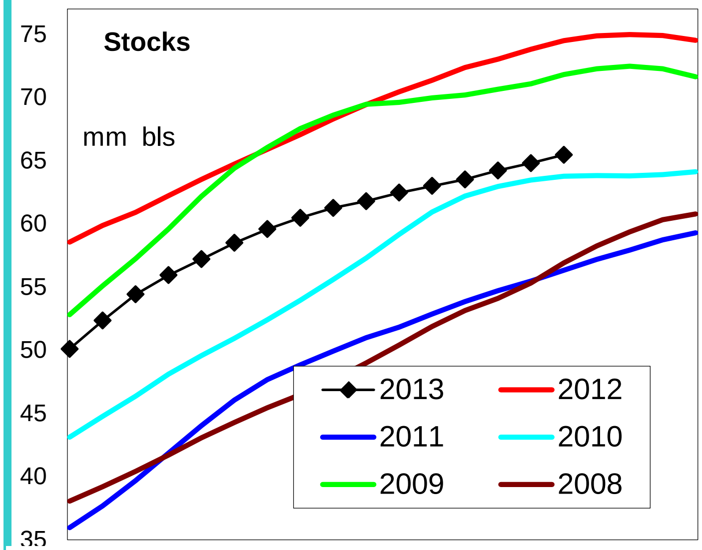


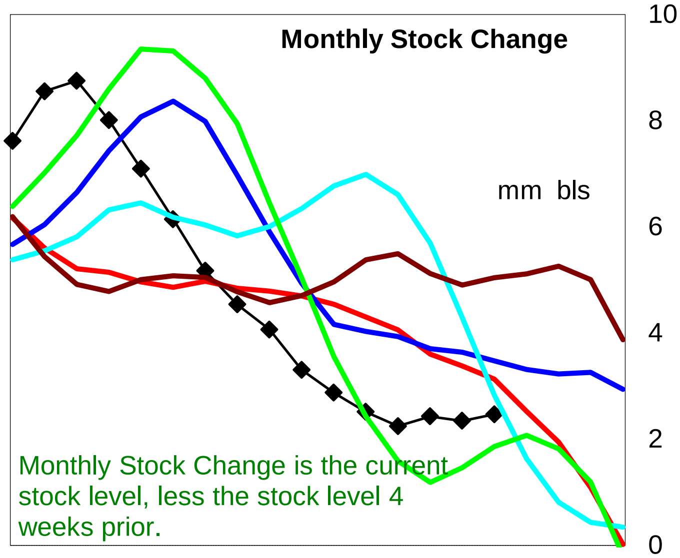


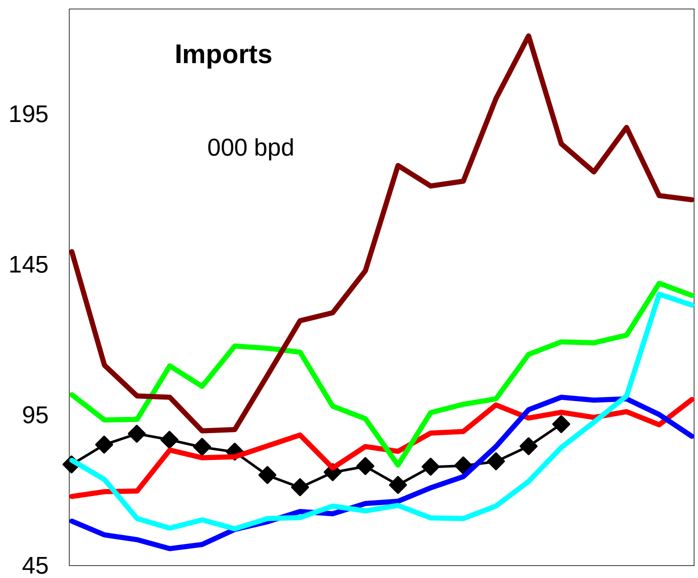


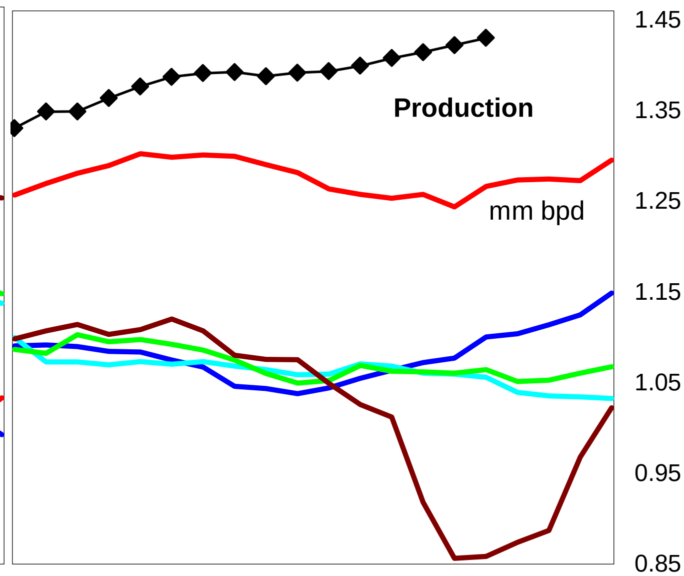


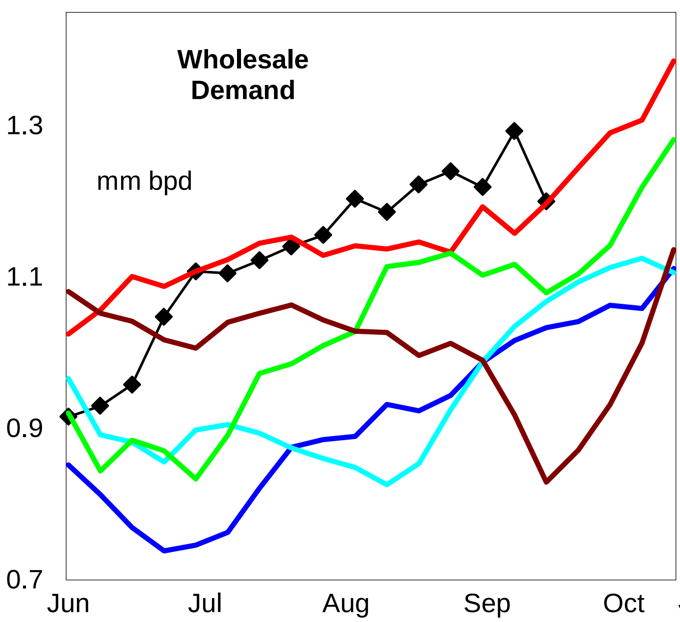
U. S. Propane Supply and Demand Balance

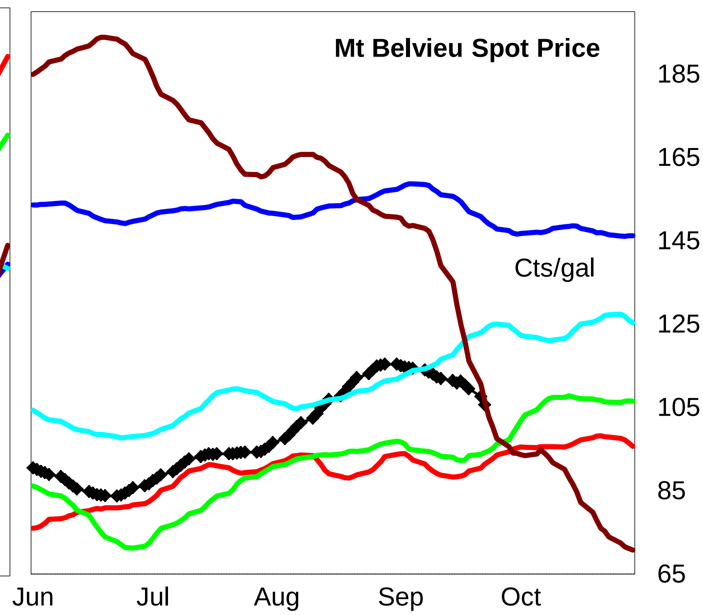












4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	**Demand**	4wk avg	Aug	Jul	Jun
000 bpd (000 bls stks)	-8,835	-663	167	-20		15	24	64	-85
% change	-11.9	-21	13.3	-19.8		1.3	2.2	6.3	-8.0

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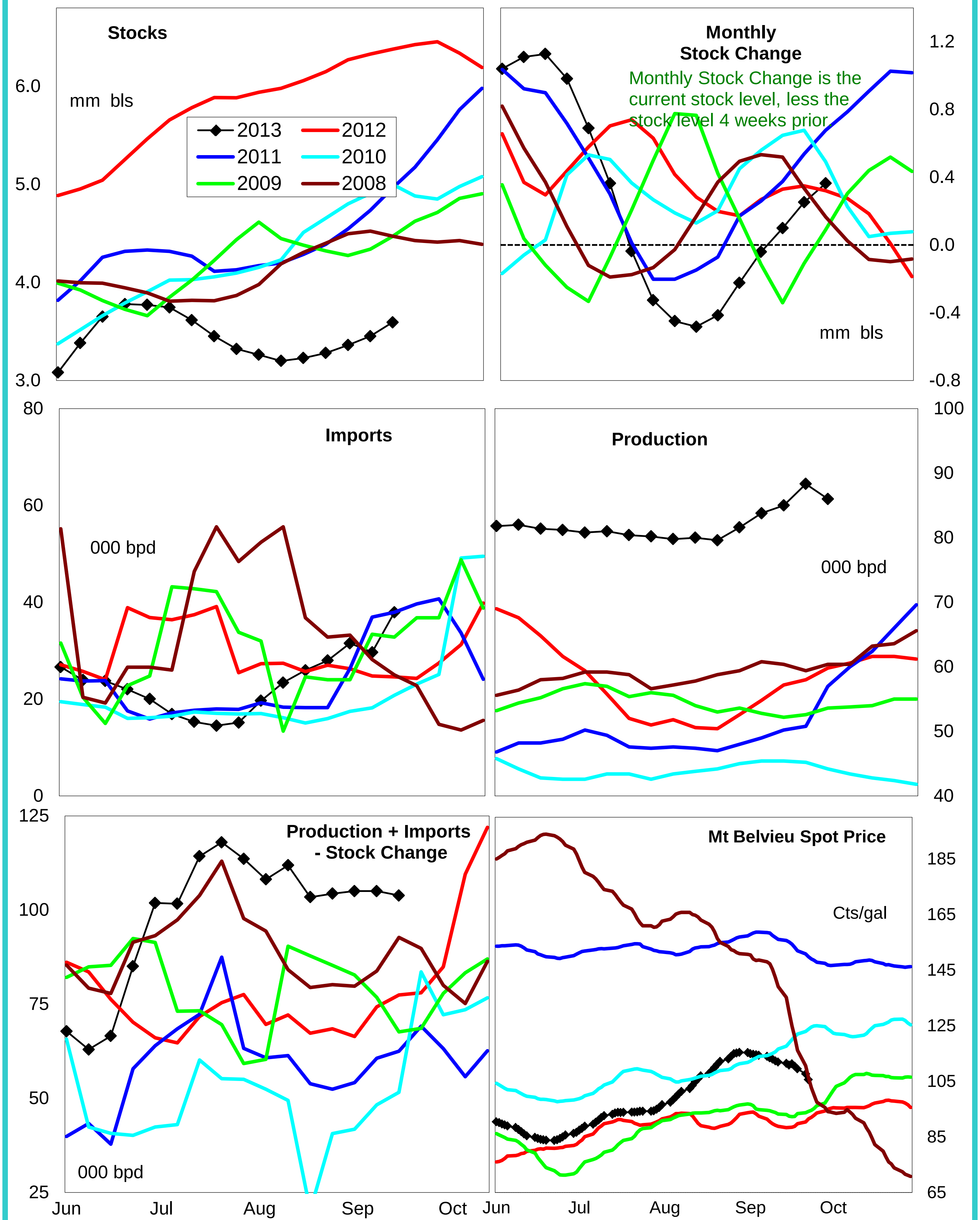
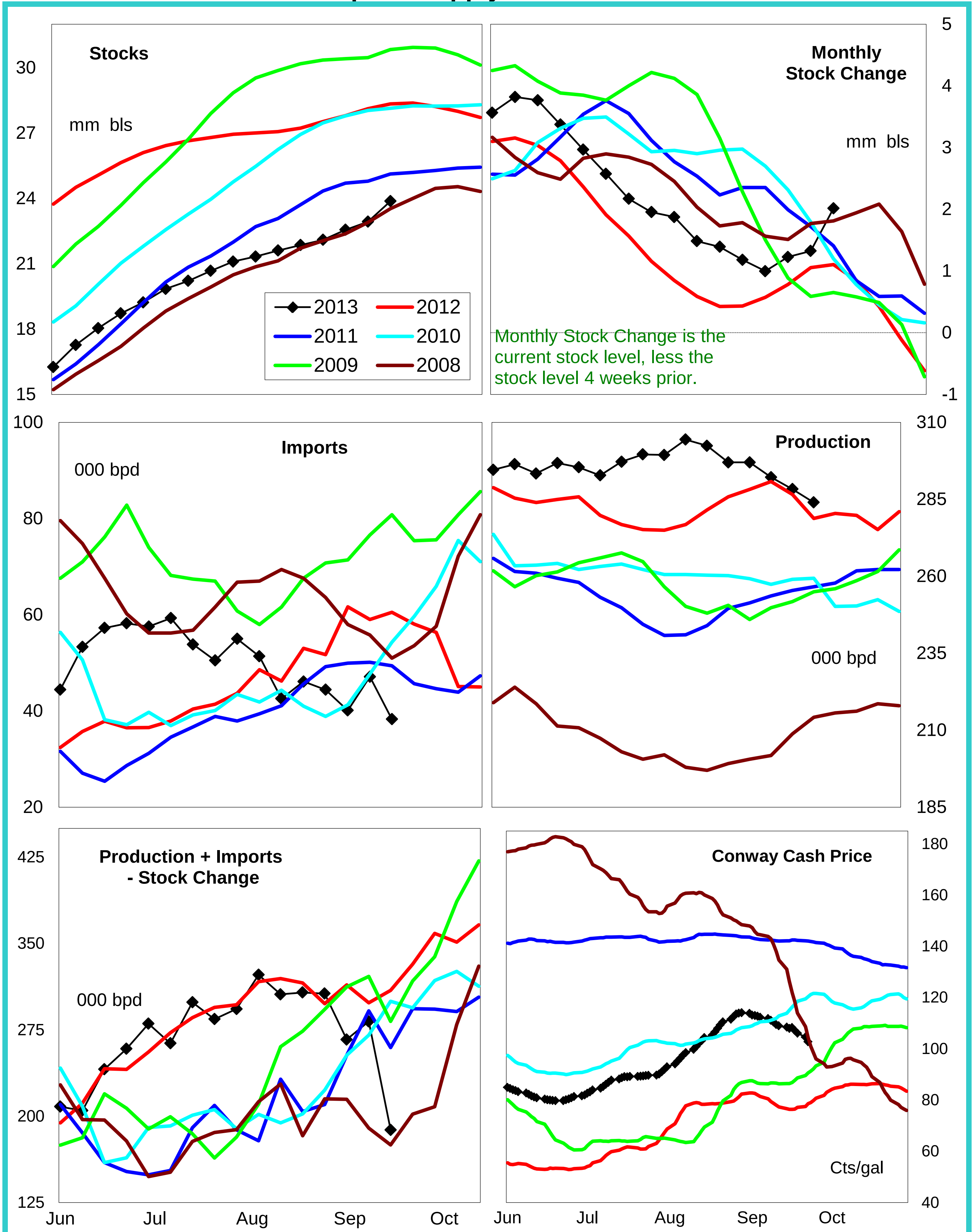
PADD 1 Propane Supply and Demand Balance



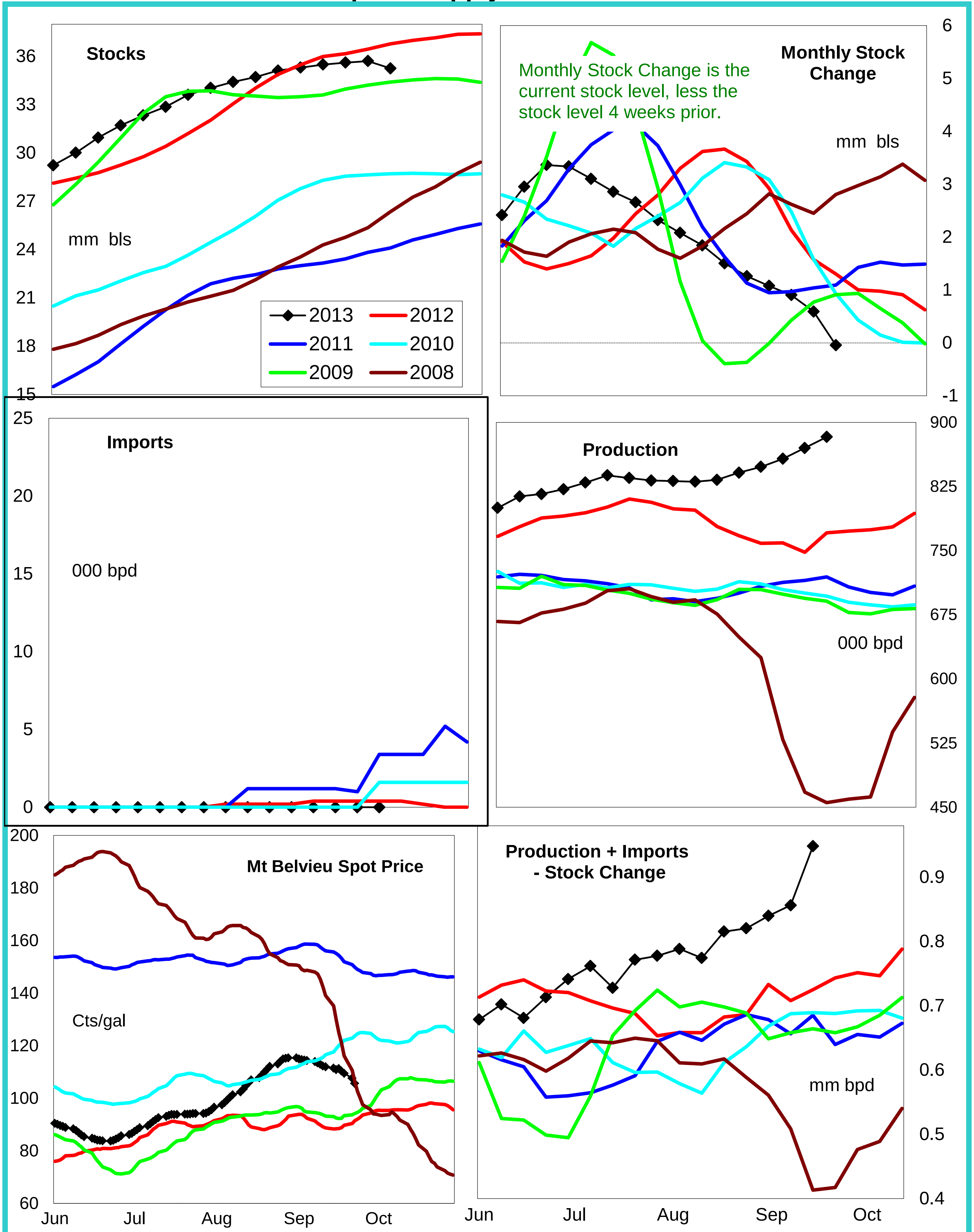
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-2,912	43	28	4	33
% change	-44.8	13.3	47.0	17.0	45.9

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)	-4,627	910	-3	-21	-44
% change	-16.2	82.4	-0.9	-34.1	-14.4

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)	-1,066	-1,346	116	-1	153
% change	-2.9	-103	15.5	-100.0	21.5

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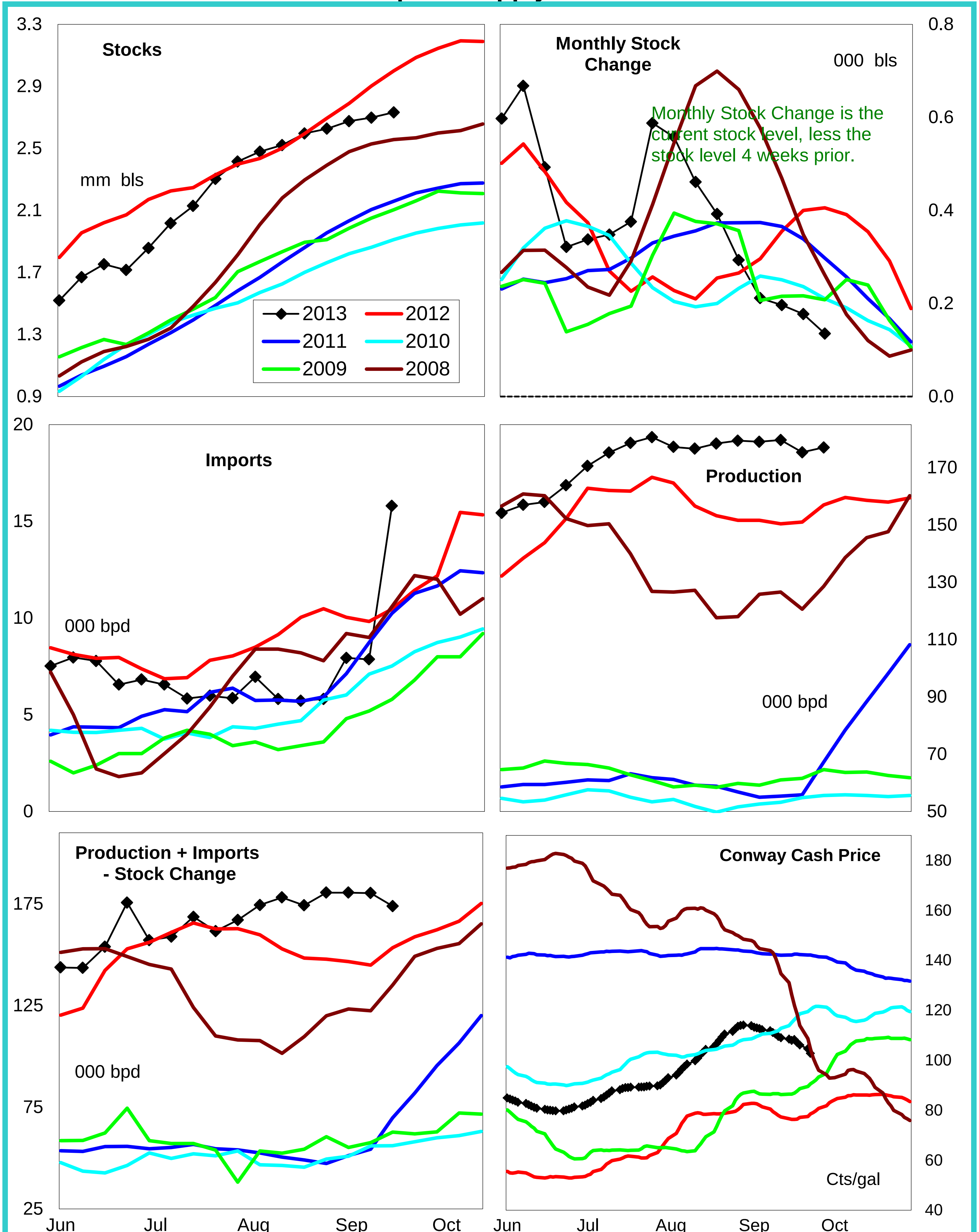
PADDs 4 and 5 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-230	-270	26	-2	31
% change	-7.8	-66.6	17.0	-21.0	20.7

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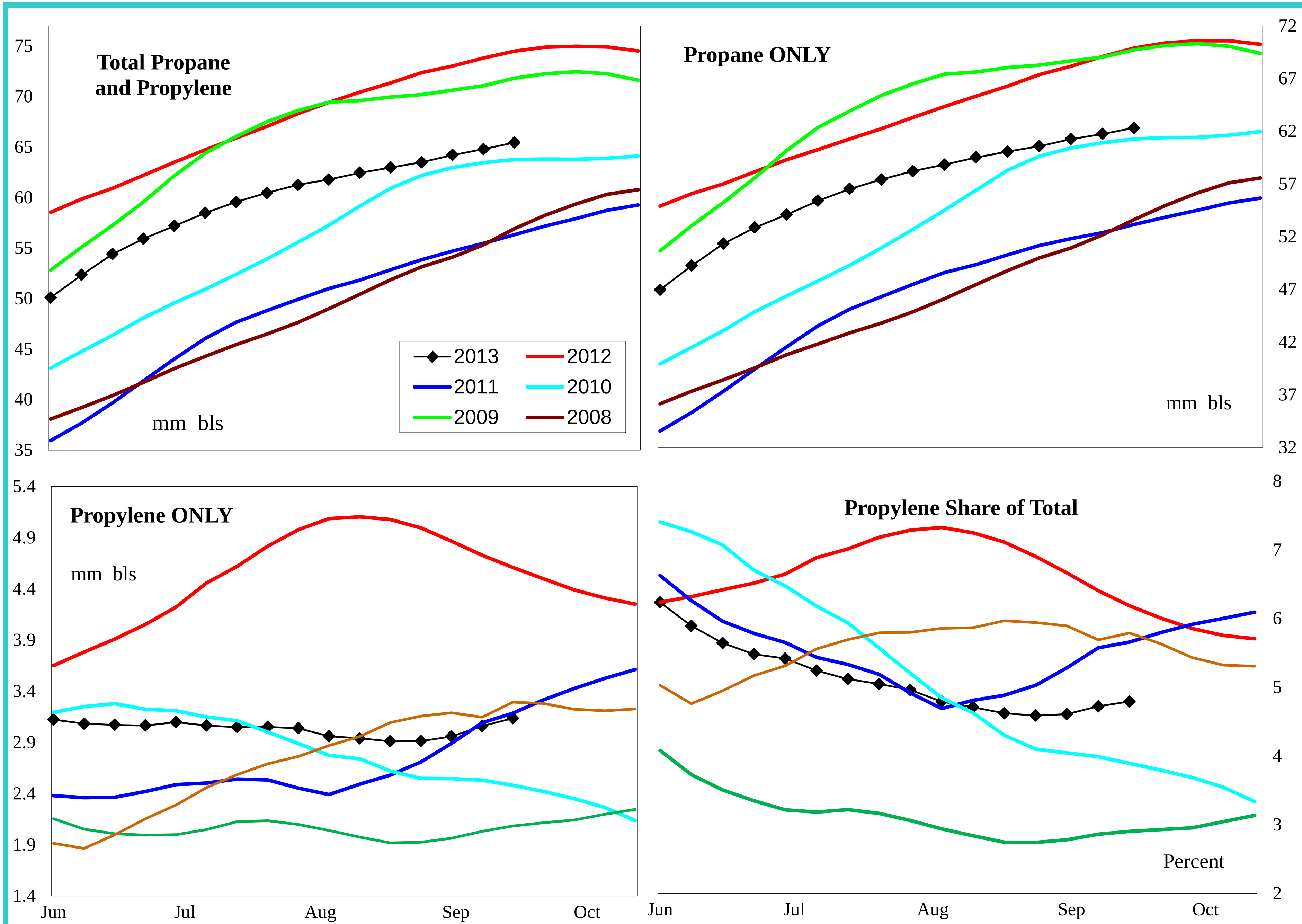
U. S. Propane and Propylene Stocks



Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	-8,835	-7,424	-1,474
% change	-11.9	-10.6	-32.0

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

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