FUNDAMENTAL PETROLEUM TRENDS

WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com

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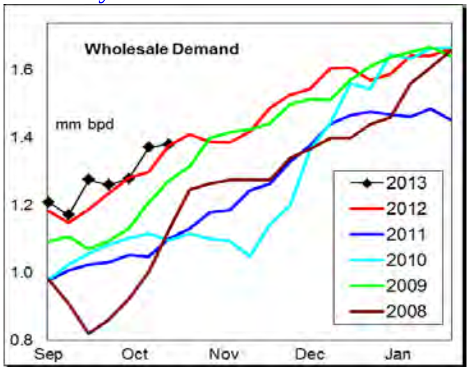
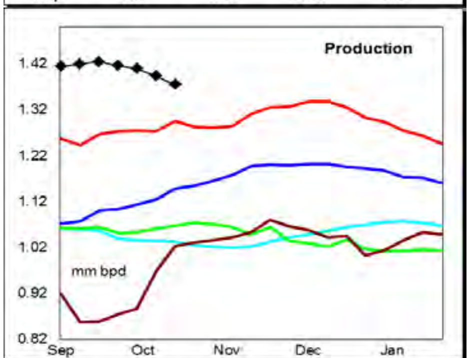
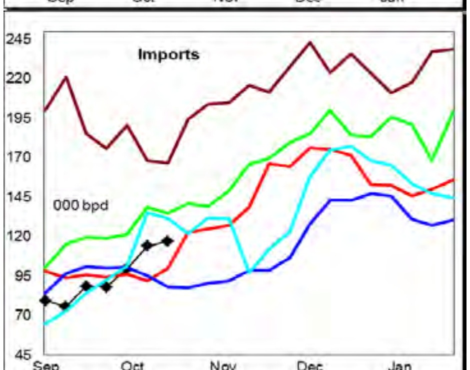
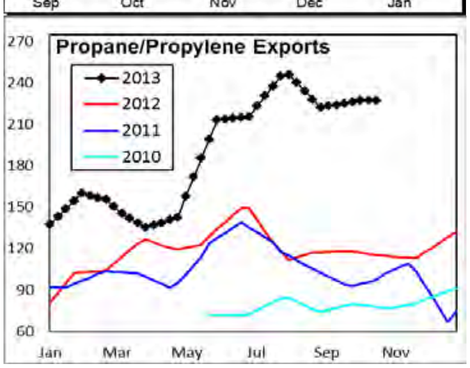




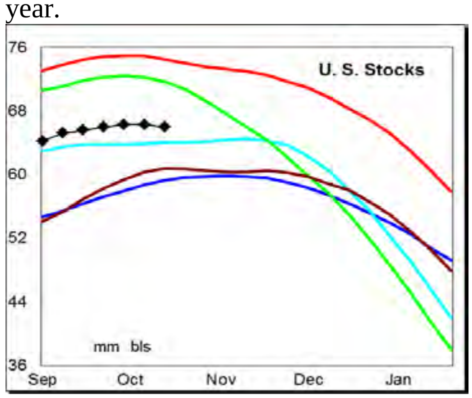




Wholesale demand increased +85,000 bpd last week with the level comparable to last year. Production decreased -12,000 bpd on the week while imports were +17,000 bpd higher.

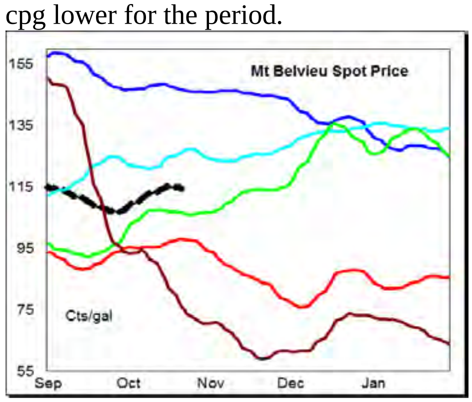
Combined production and imports during the latest 4-wk period were +144,000 bpd above a year ago. Production was +131,000 bpd above last year (+10%), while imports were +13,000 bpd higher.

The latest 4-wk average demand was +21,000 bpd above last year. Exports increased +111,000 bpd for the most recent 4-wk period compared to last year.



Stocks fell -0.5 million barrels on the week, with draws in the Midwest and Gulf, partially offset by a build on the East coast. The latest 4-wk stock build was +0.3 million barrels, was equal to the 3-yr mid range.

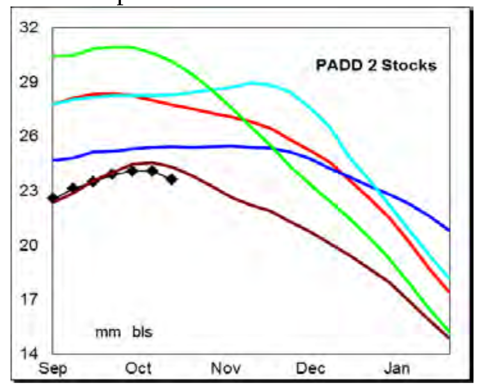
Price and Spreads Mt Belvieu spot price decreased -2 cpg for the week ending 23Oct13 while Conway spot price was -1 cpg lower for the period.



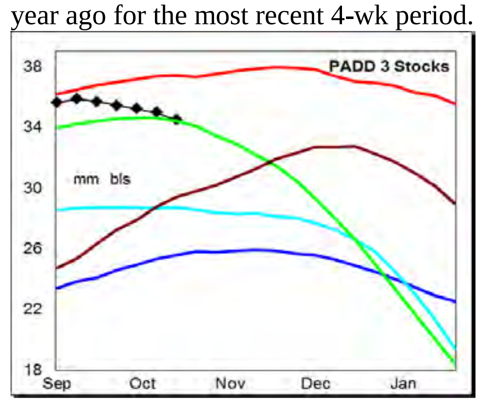
The Conway – Mt Belvieu price spread ended the week at -4 cpg, less than each of the last 3-yrs.

PADD 1 stocks jumped +0.8 million barrels on a restatement by the EIA, given no change in imports. Stocks ended the week at a level near the 5-yr mid range.

PADD 2 stocks decreased -0.7 million barrels on the week, driving stock levels below the 5-yr range and -14% below last year. Supply declined -12,000 bpd on lower production.



PAD 3 stocks fell -0.6 million barrels last week, to a level -7.6% below a year ago. Supplies were +88,000 bpd above a year ago for the most recent 4-wk period.



PADDs 4 & 5 stocks were unchanged last week. Stock levels were above four of the last 5-yrs.

Emerging Trends Wholesale demand has tracked slightly ahead of year ago levels for the last 2-months. Supplies have increased nearly +150,000 bpd year-on-year for the same period, partially offset by a +110,000 bpd rise in exports. Current stock levels are -8.5 million barrels below a year ago.

Very low stock levels in the Midwest risk a supply squeeze during the winter quarter.

Slightly colder than normal temperatures across the central 1/3rd of the country during the next 10-days should provide support to wholesale prices..

[1] Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

October 24, 2013

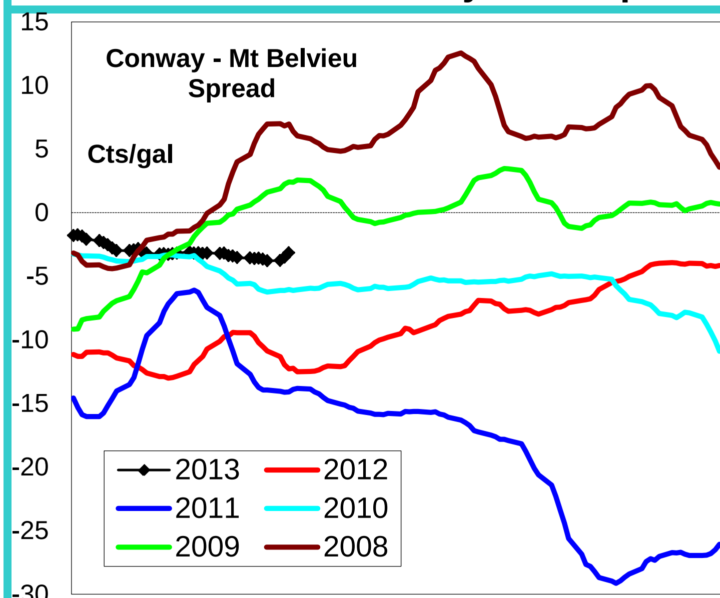
Fundamental Trends for the Week Ending: Friday, October 18, 2013

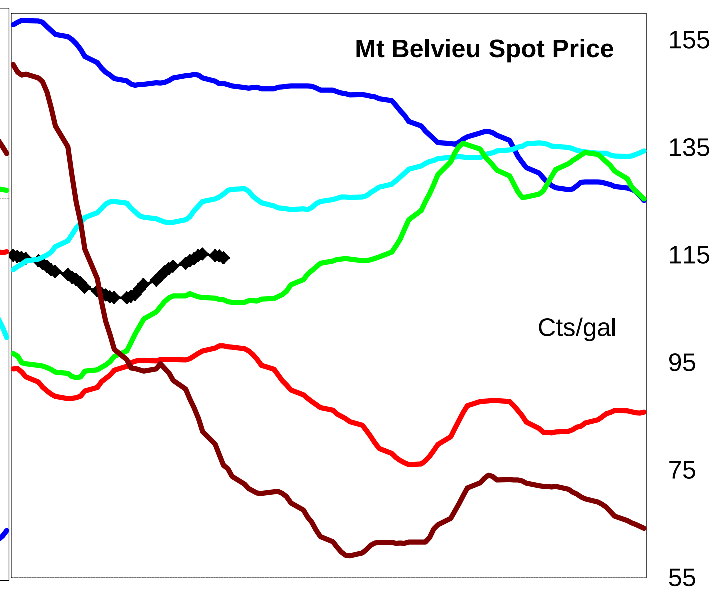
000 bpd / Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S.	PADD				U.S.	PADD			
	Total	1	2	3	4&5	Total	1	2	3	4&5
Stocks	65,970	4,937	23,595	34,477	2,961	-533	750	-721	-594	32
Propylene Stocks	2,953					85				
Production	1,375	96	266	861	152	-12	11	-18	7	-12
Imports	117	37	63	0	18	17	0	6	0	11
Whsle Demand	1,341					85				

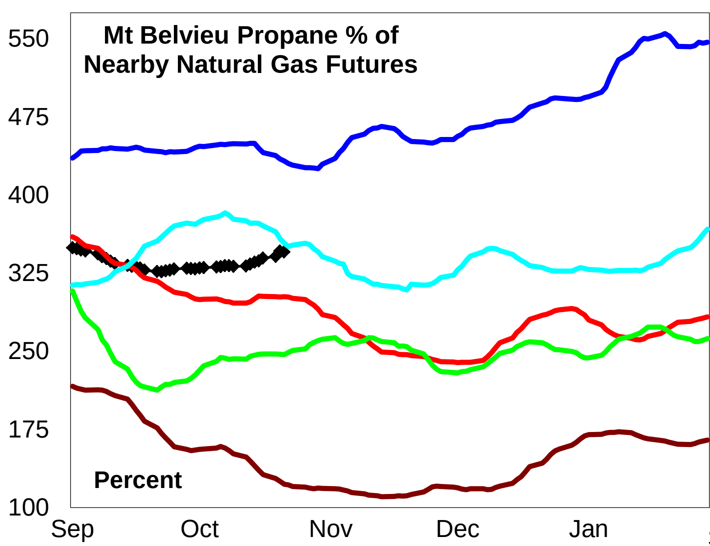
Price Trends for the Week Ending: Tuesday, October 22, 2013

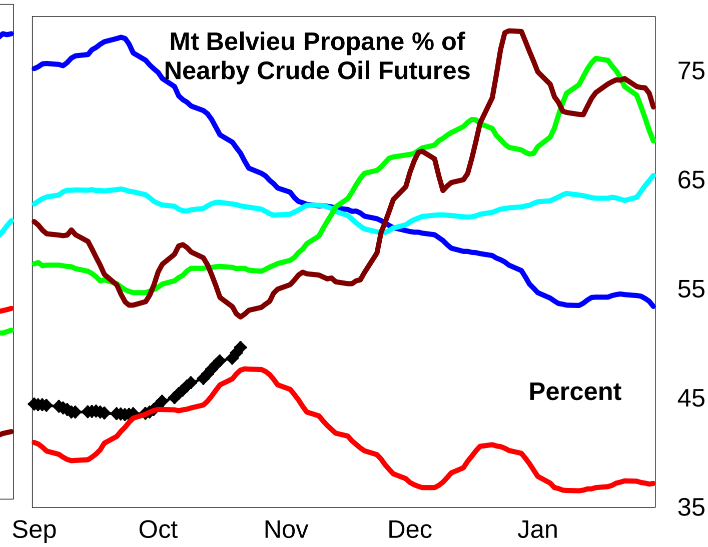
Cents/gal	Average for week ending:				Change from:			% change from:		
	10/22/13	10/15/13	9/24/13	10/25/12	10/15/13	9/24/13	10/25/12	10/15/13	9/24/13	10/25/12
Mont Belvieu Spot	68.5	115.3	105.2	98.9	-46.82	10.10	6.31	-40.6	9.6	6.4
Conway Spot	111.1	111.0	104.0	85.8	0.12	7.02	18.23	0.1	6.8	21.3

Key Price Spreads and Differentials

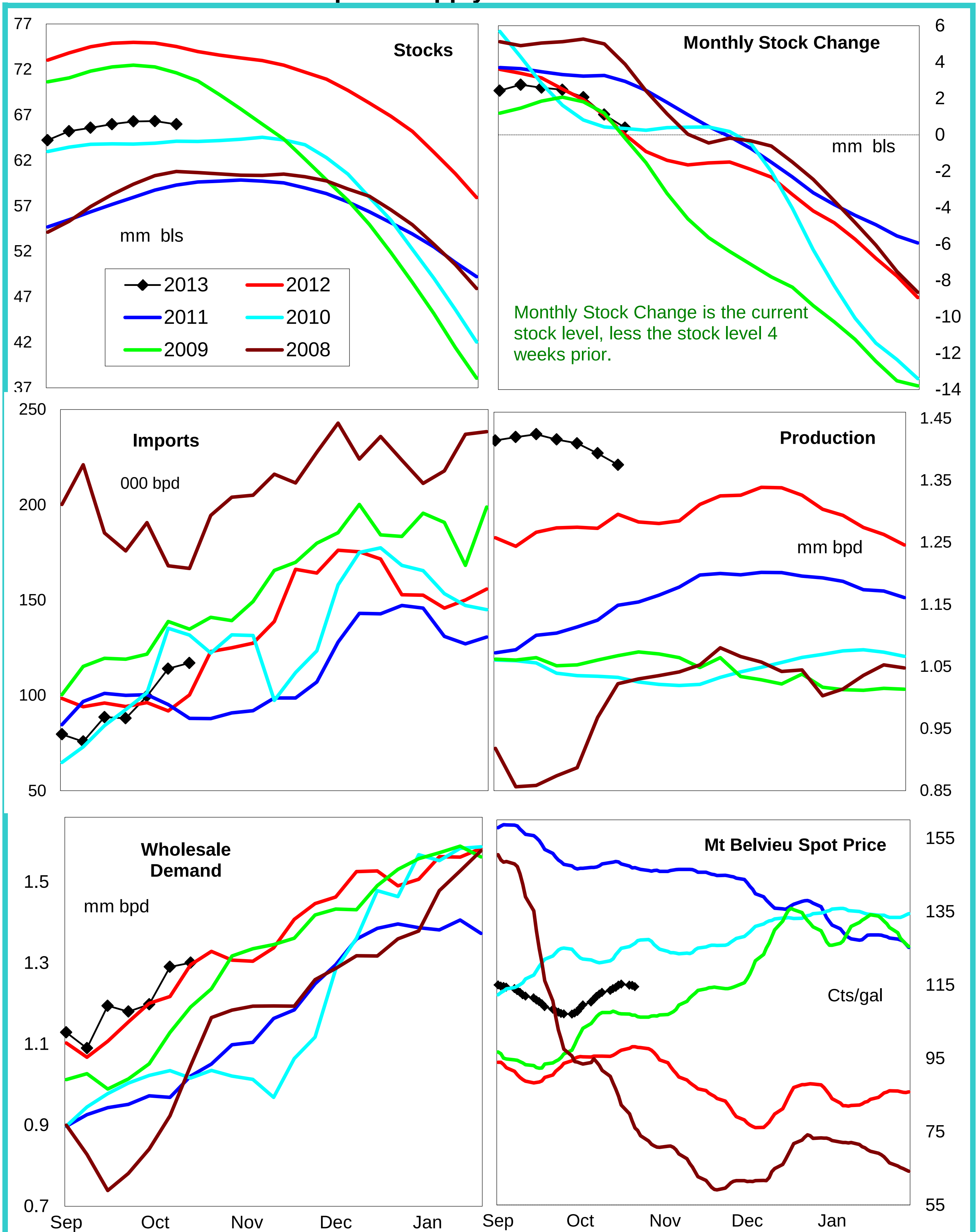






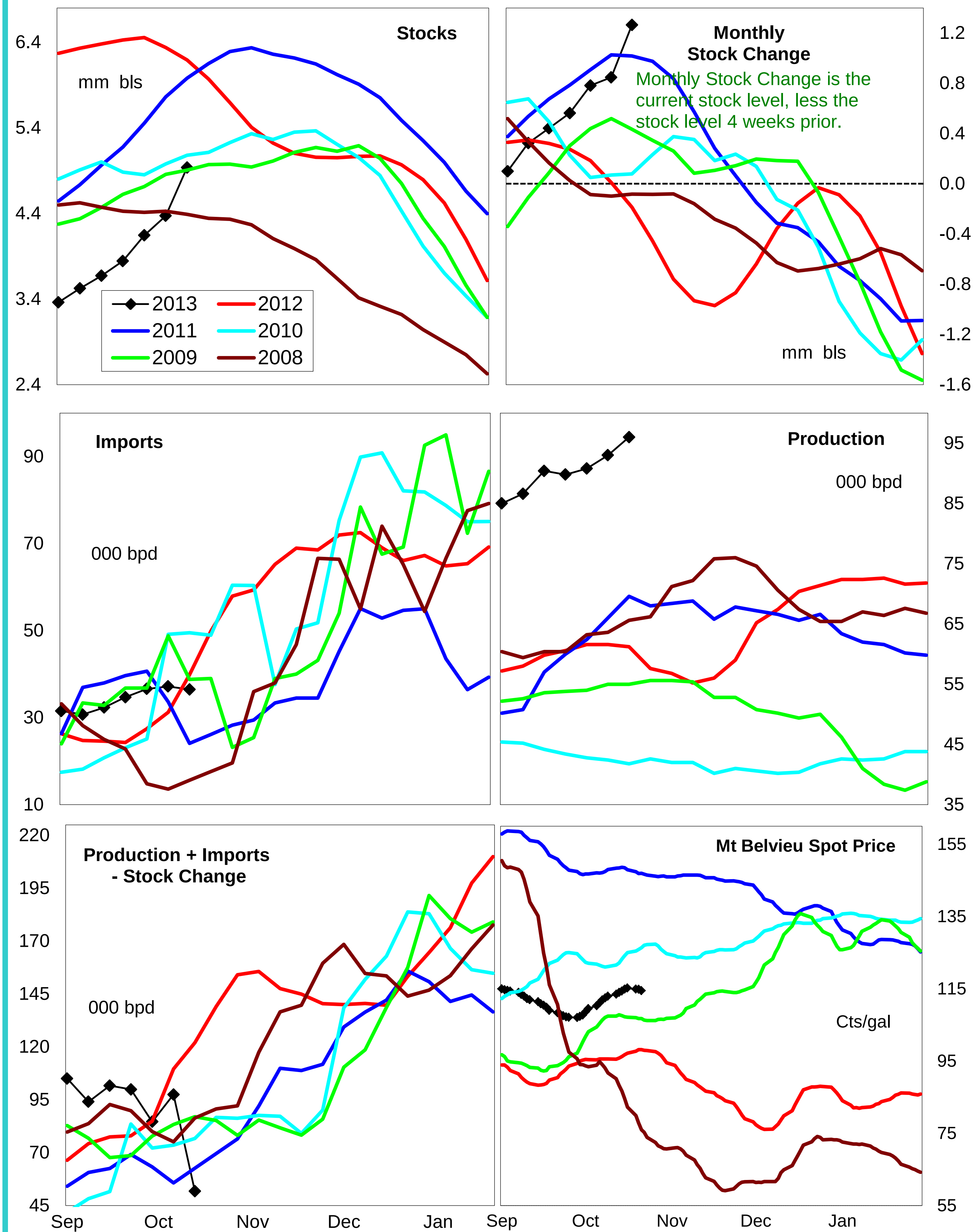


U. S. Propane Supply and Demand Balance



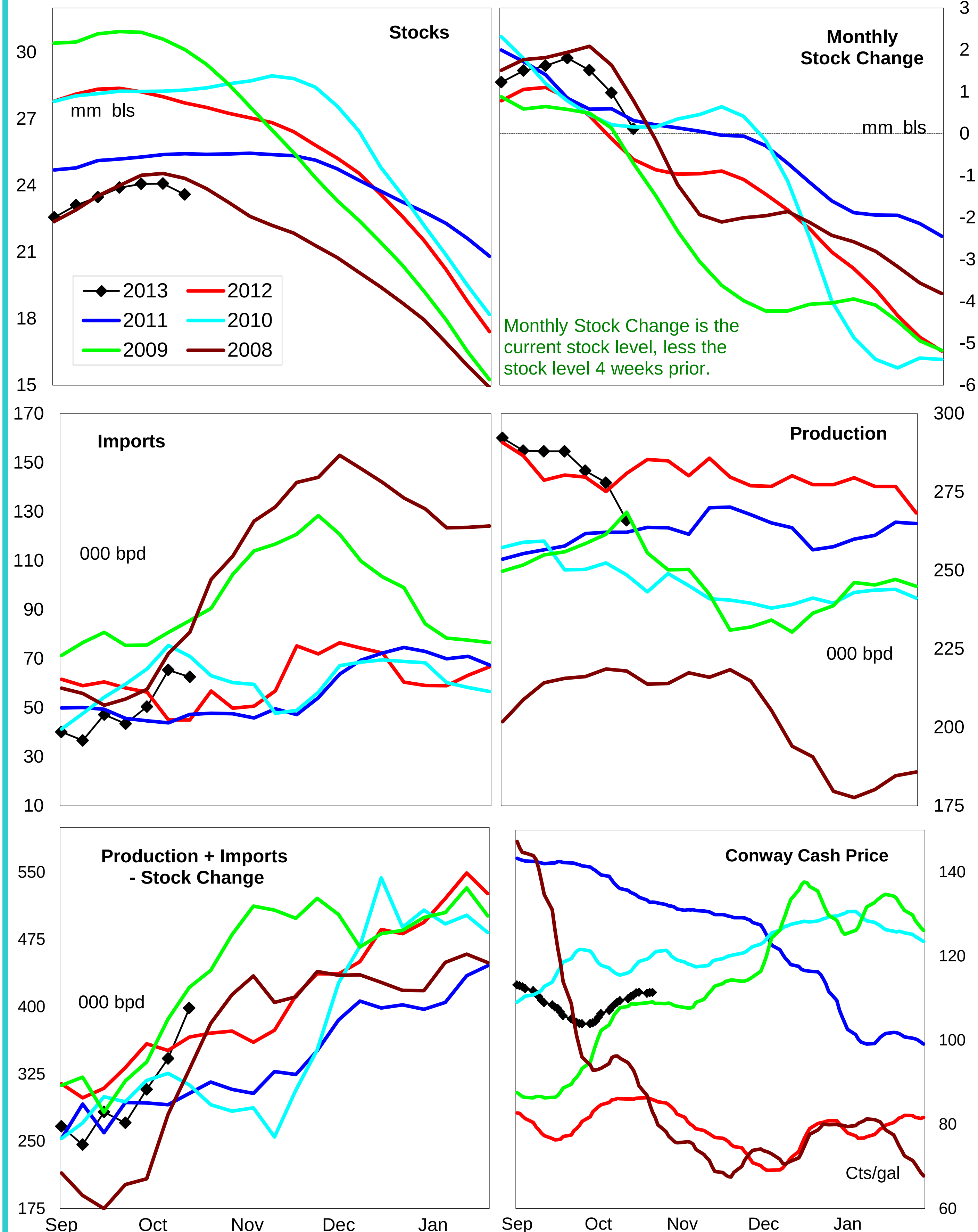
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Sep	Aug	Jul
000 bpd (000 bls stks)	-8,505	374	131	13		21	55	24	64
% change	-11.4	2,229	10.2	14.0		1.7	4.8	2.2	6.3

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)	-1,567	1,451	31	9	-15
% change	-24.1	-779.5	50.2	34.7	-15.4

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)	-3,858	729	6	5	-22
% change	-14.1	-119.0	2.0	9.9	-6.3

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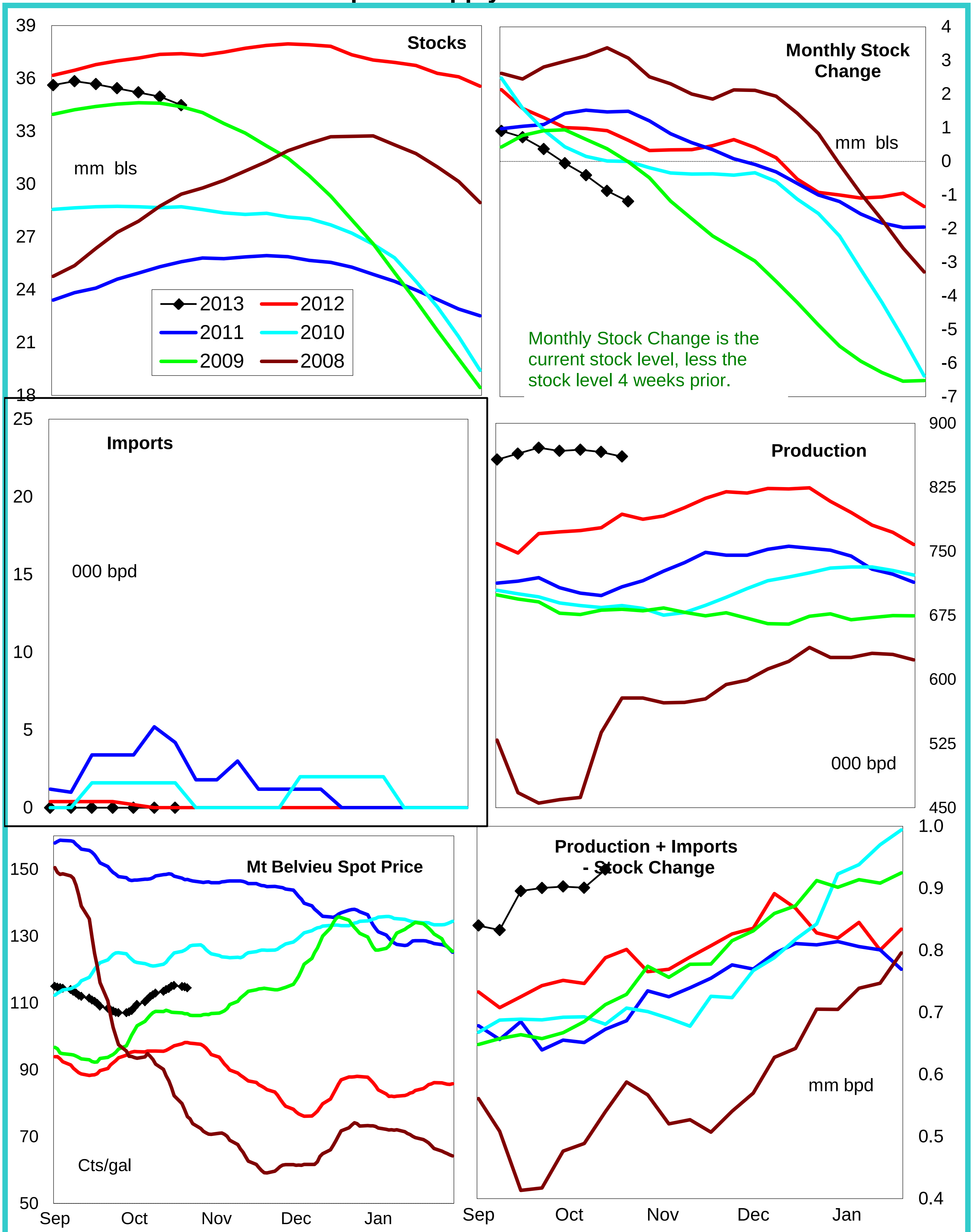
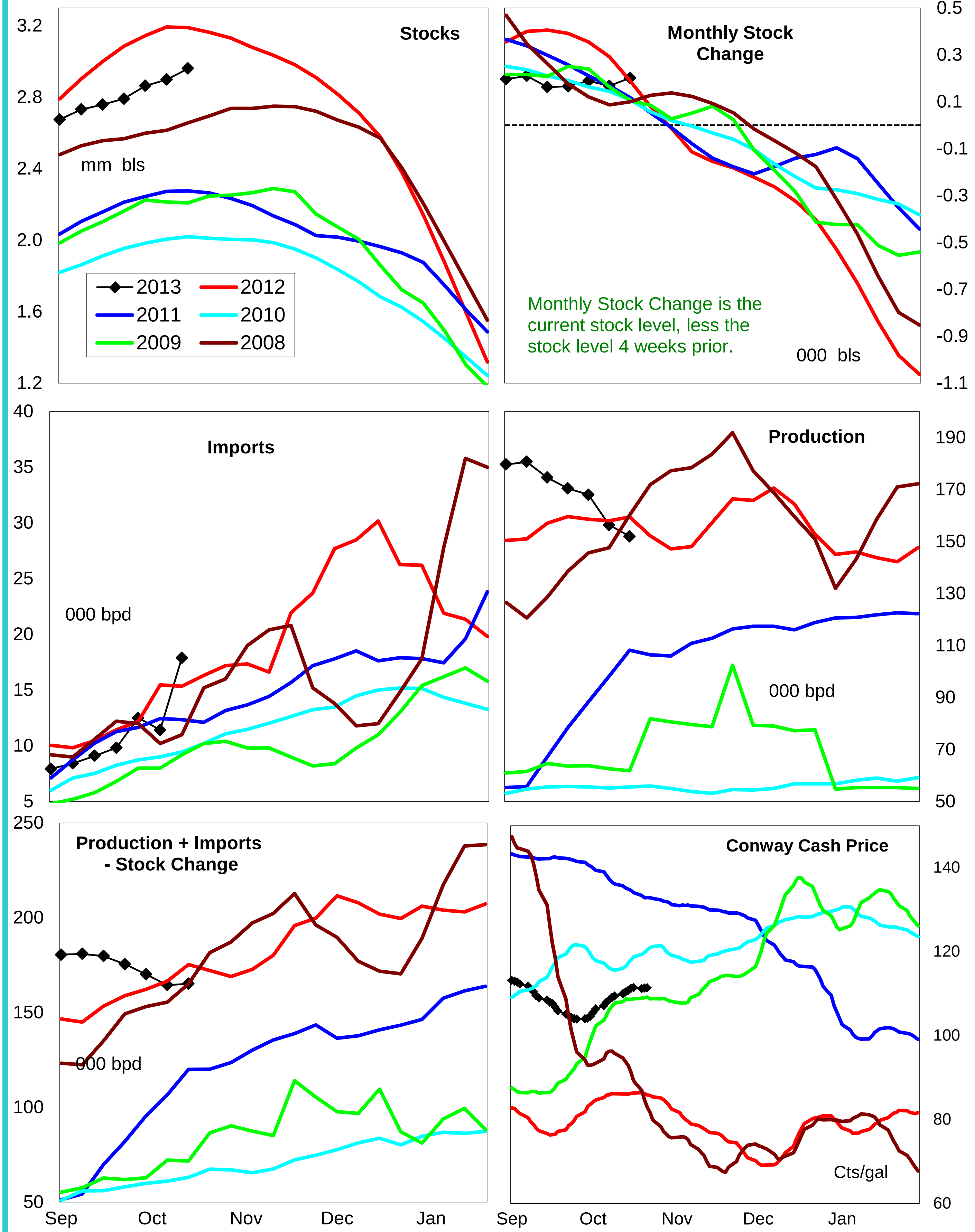
PADD 3 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-2,823	-1,818	88	0	151
% change	-7.6	-291	11.3	#DIV/0!	20.0

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)	-257	13	6	-2	3
% change	-8.0	6.7	3.9	-12.5	1.9

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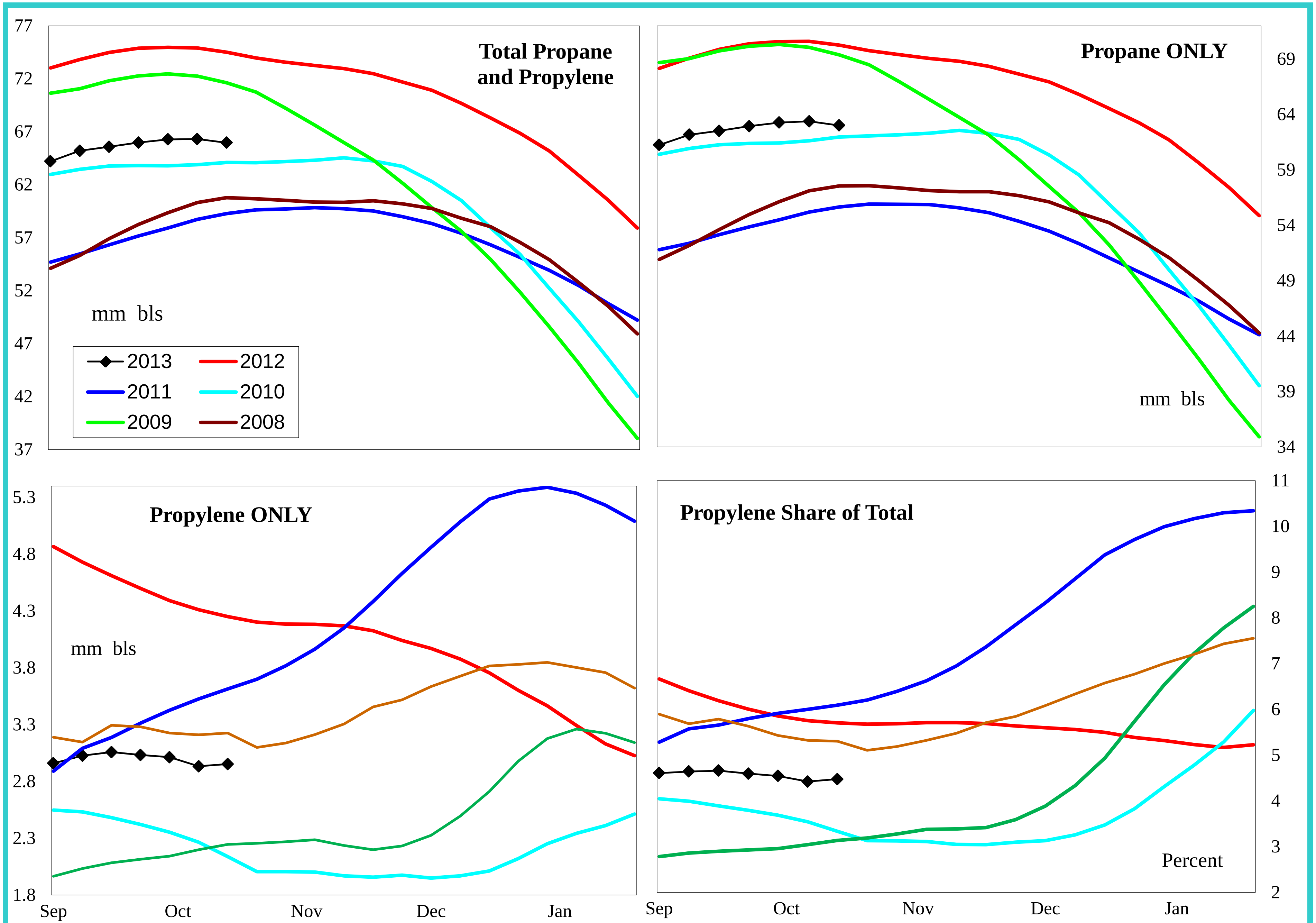
U. S. Propane and Propylene Stocks



Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	-8,505	-7,237	-1,299
% change	-11.4	-10.3	-30.6

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