WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

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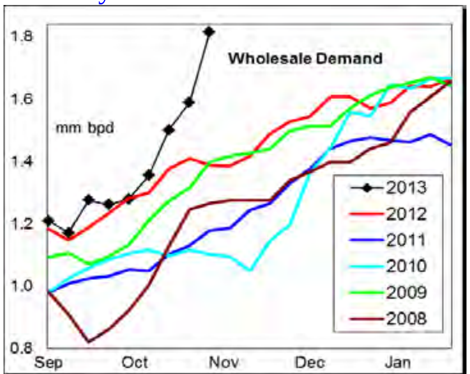
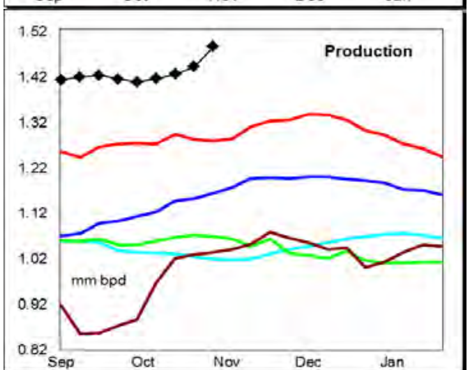
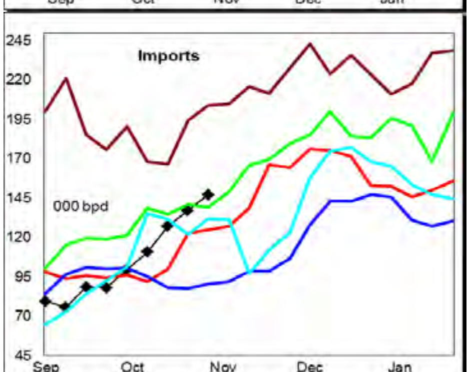
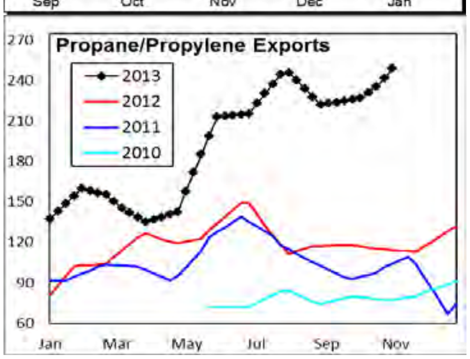




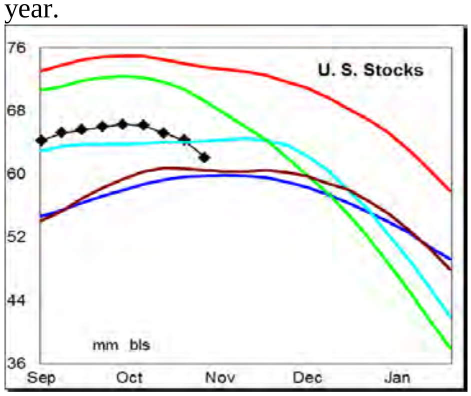




Wholesale demand jumped +243,000 bpd last week on peak grain drying demand, driven by wet harvest conditions. Production increased +21,000 bpd on the week while imports were unchanged.

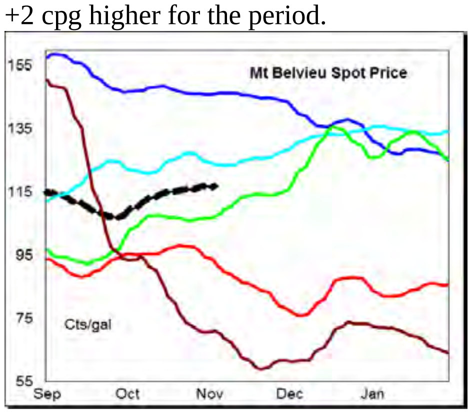
Combined production and imports during the latest 4-wk period were +159,000 bpd above a year ago. Production was +139,000 bpd above last year (+11%), while imports were +20,000 bpd higher.

The latest 4-wk average demand was +112,000 bpd above last year. Exports increased +123,000 bpd for the most recent 4-wk period compared to last year.



Stocks fell -2.7 million barrels on the week, with the draw concentrated in the Midwest. The latest 4-wk stock draw of -4.2 million barrels, was a record for this time of year.

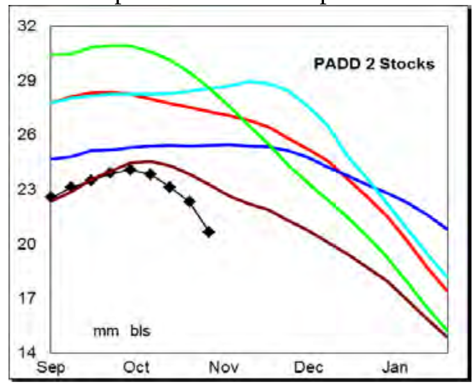
Price and Spreads Mt Belvieu spot price increased +0.5 cpg for the week ending 05Nov13 while Conway spot price was +2 cpg higher for the period.



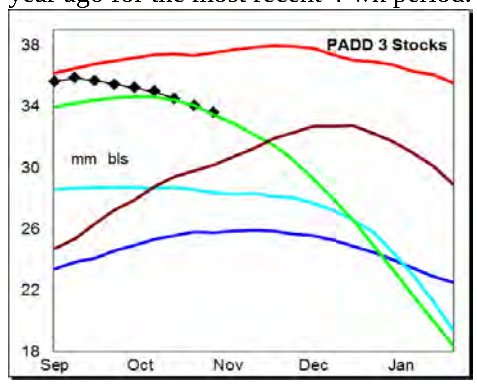
The Conway – Mt Belvieu price spread ended the week even, on tightening of supplies in the Midwest.

PADD 1 stocks decreased -0.2 million barrels on the week. Stocks ended the week at a level below the last 3-yrs.

PADD 2 stocks fell -2.1 million barrels on the week, driving stock levels well below the 5-yr range and -25% below last year. Supply decreased -5,000 bpd on lower production and imports.



PAD 3 stocks fell -0.5 million barrels last week, to a level -10% 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 near 5-yr highs.

Emerging Trends Wholesale demand surged last week on extremely high usage for grain drying in the Midwest due to wet harvest conditions; leading to supply disruptions at most propane pipeline terminals in the region.

With a wind down in grain drying demand and below normal heating degree days forecast for the next 2-wks, terminals should see some improvement in supply. A seasonal 'lull' in wholesale demand by mid-November risk some price weakness. However, extremely low stock levels in the Midwest risk a supply squeeze during the winter quarter and potential price spike.

[1] Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

November 6, 2013

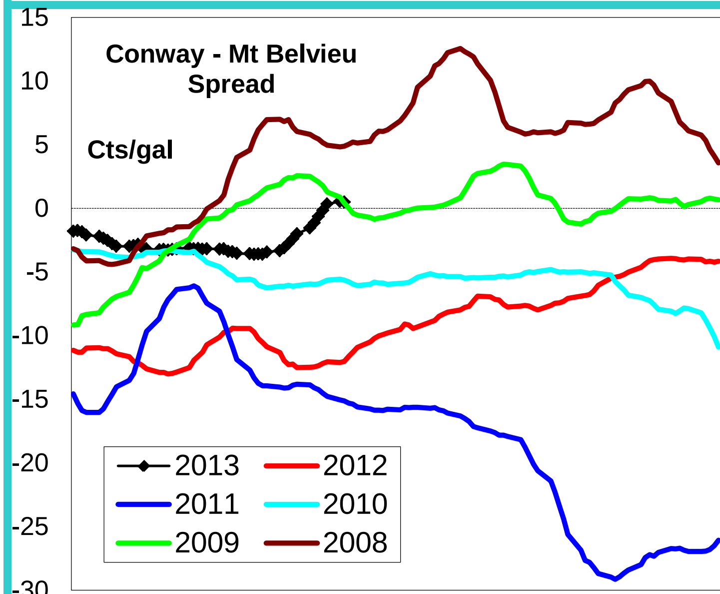
Fundamental Trends for the Week Ending: Friday, November 01, 2013

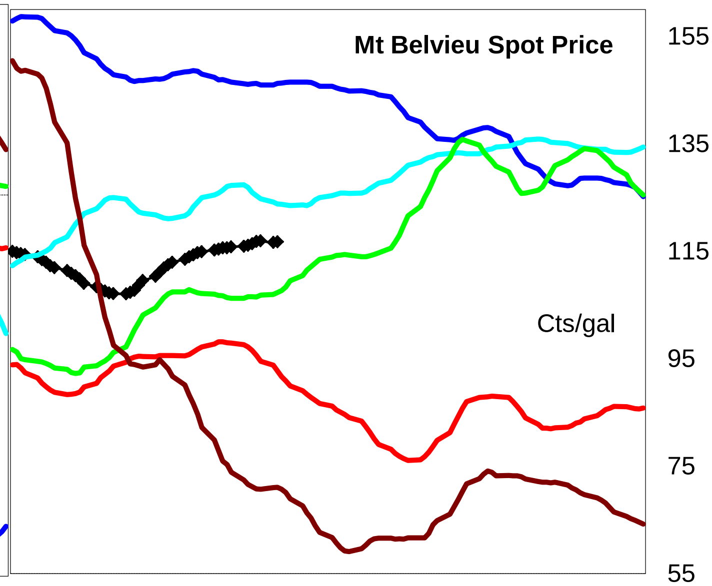
000 bpd / Stocks 000 bls	Weekly Supply-Demand: U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5	Change from prior week: U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5
Stocks	62,068	4,883	20,621	33,578	2,986	-2,729	-213	-2,074	-462	20
Propylene Stocks	2,793					-228				
Production	1,487	104	294	893	196	21	3	-3	7	14
Imports	147	54	81	0	12	0	7	-2	0	-5
Whsle Demand	1,775					243				

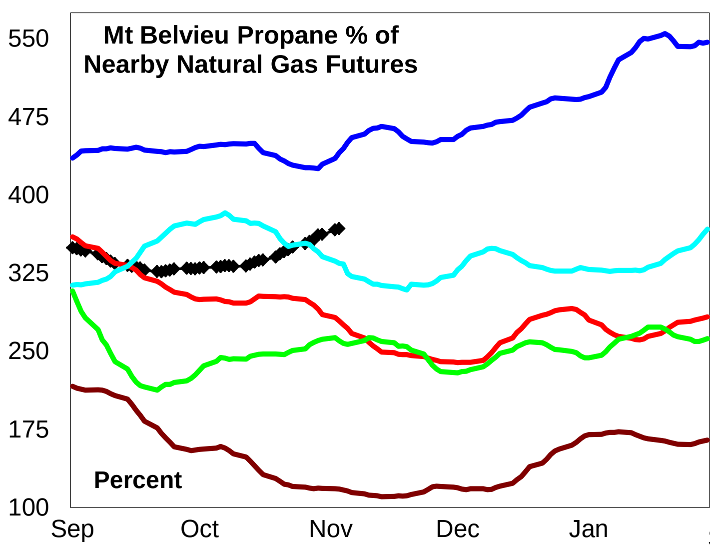
Price Trends for the Week Ending: Tuesday, November 05, 2013

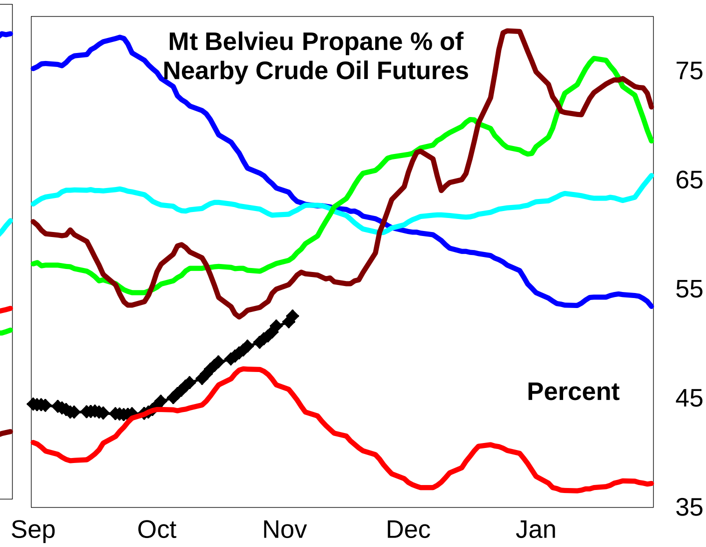
Cents/gal	Average for week ending: 11/5/13	10/29/13	10/8/13	11/8/12	Change from: 10/29/13	10/8/13	11/8/12	% change from: 10/29/13	10/8/13	11/8/12
Mont Belvieu Spot	70.1	116.7	110.6	92.2	-46.63	6.13	18.37	-40.0	5.5	19.9
Conway Spot	70.7	115.8	107.3	80.8	-45.11	8.49	26.46	-39.0	7.9	32.8

Key Price Spreads and Differentials

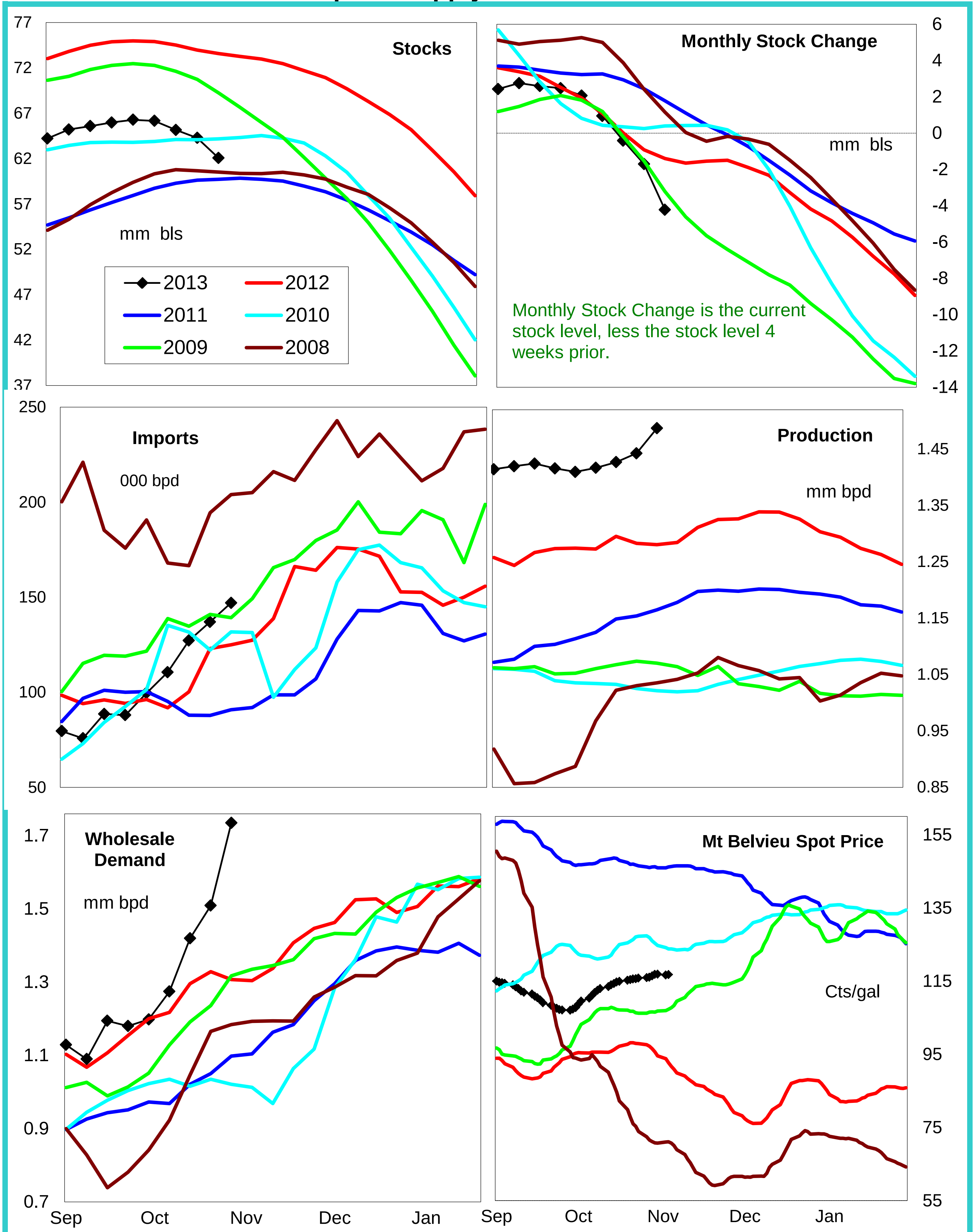








U. S. Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Sep	Aug	Jul
000 bpd (000 bls stks)	-11,552	-2,822	139	20		112	55	24	64
% change	-15.7	202	10.8	18.6		8.2	4.8	2.2	6.3

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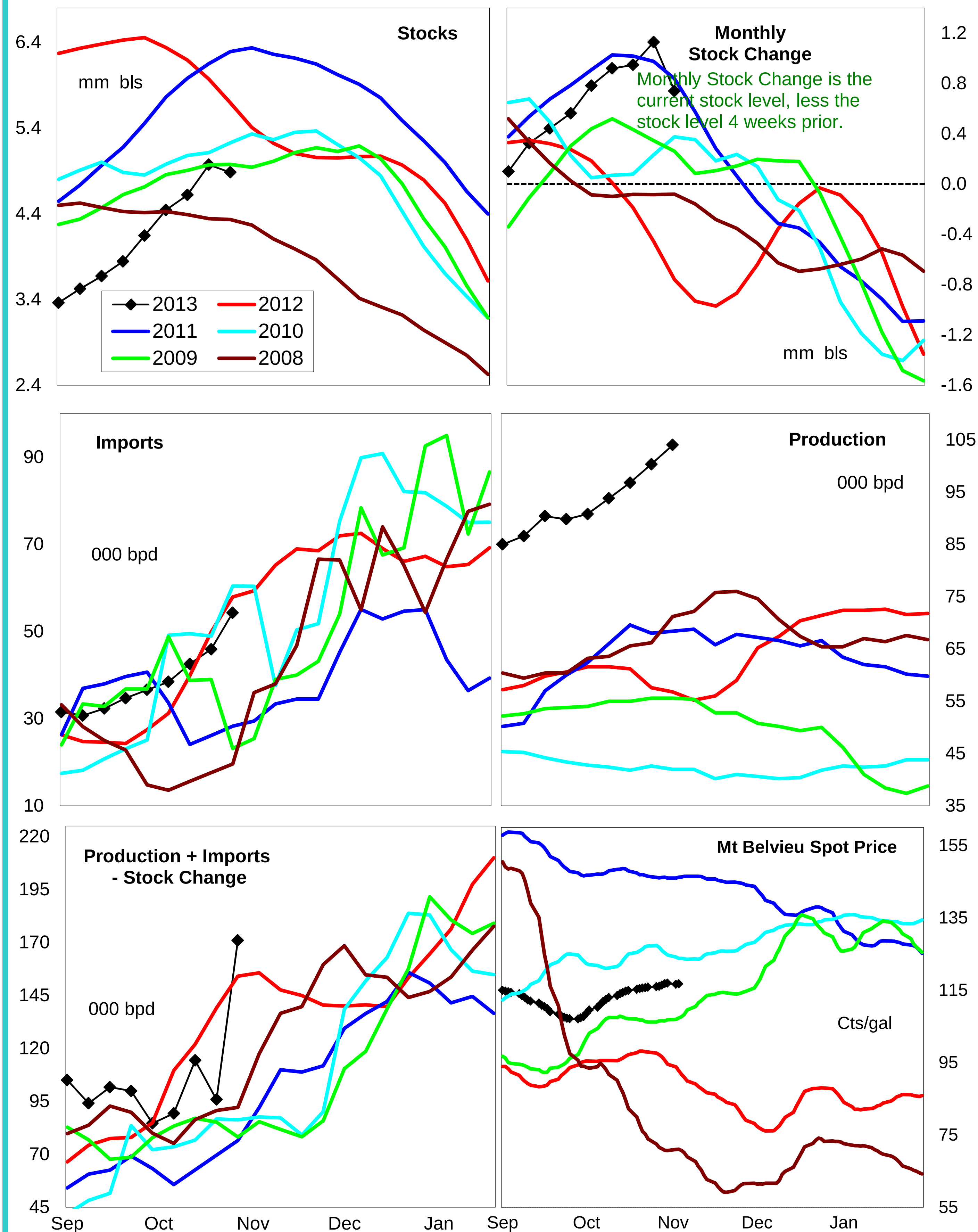
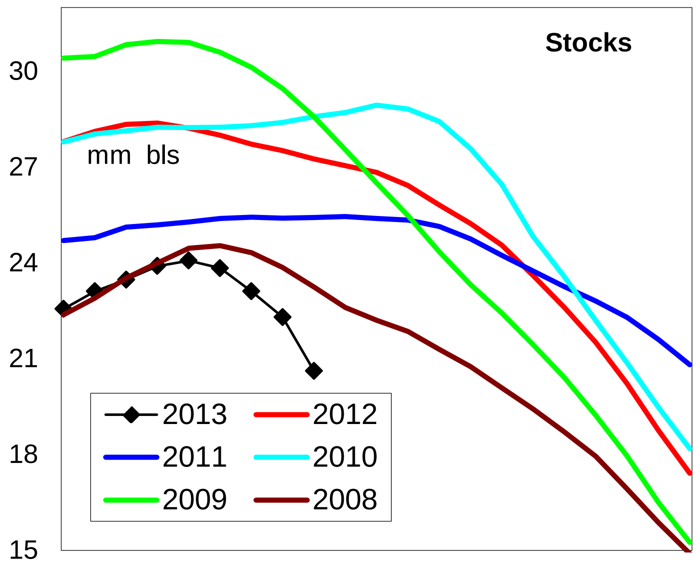
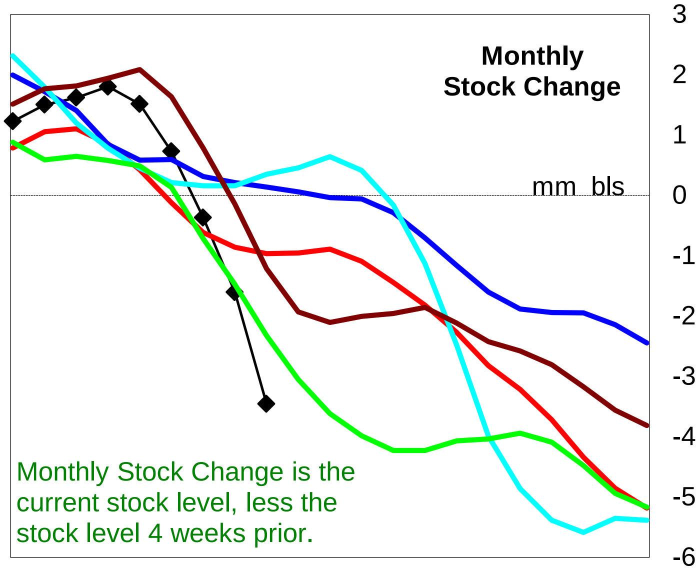
PADD 1 Propane Supply and Demand Balance

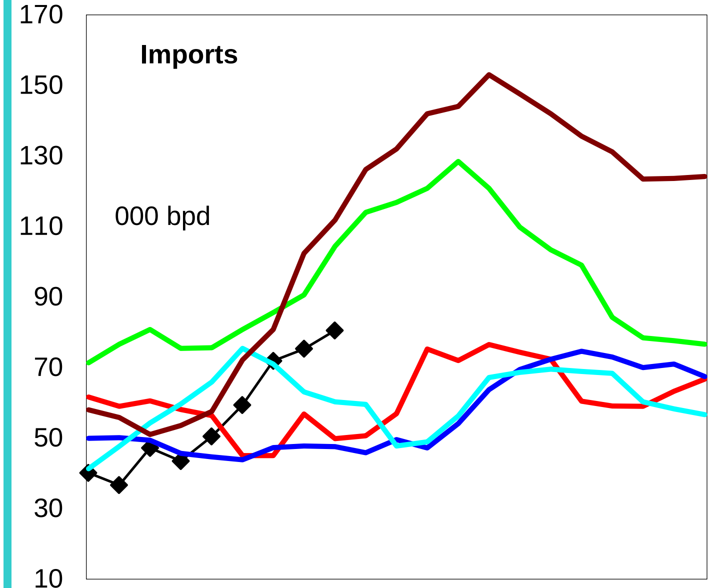


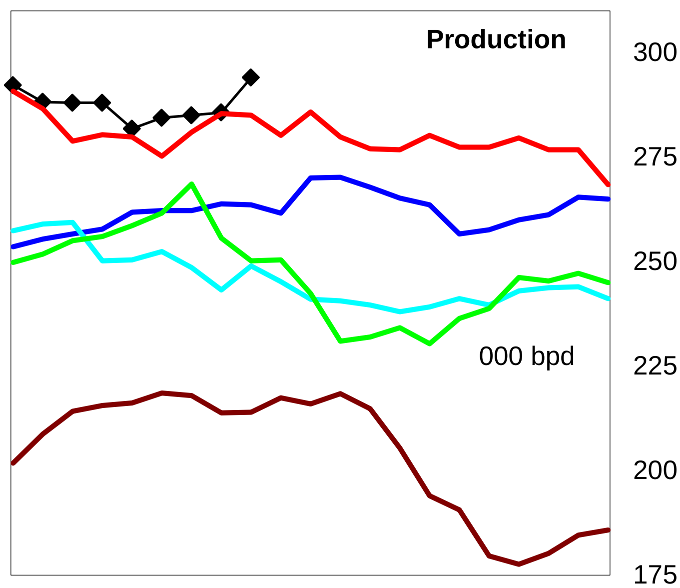
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-744	1,500	35	-1	-14
% change	-13.2	-197.2	56.3	-2.4	-10.3

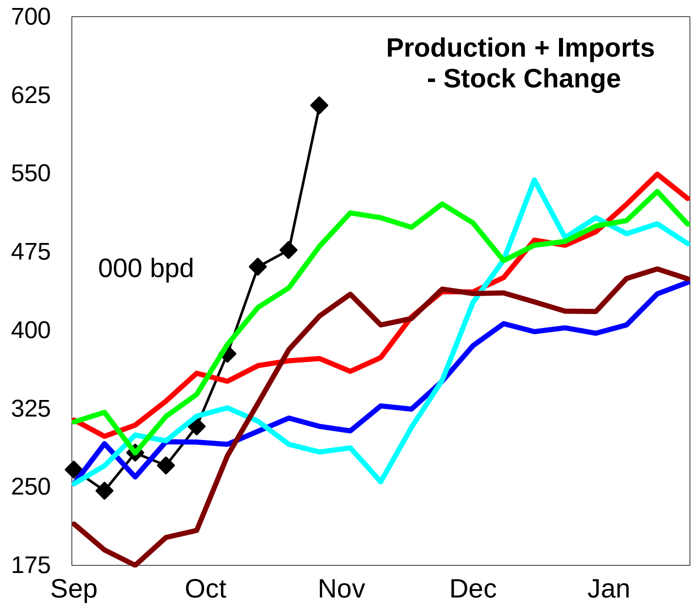
PADD 2 Propane Supply and Demand Balance

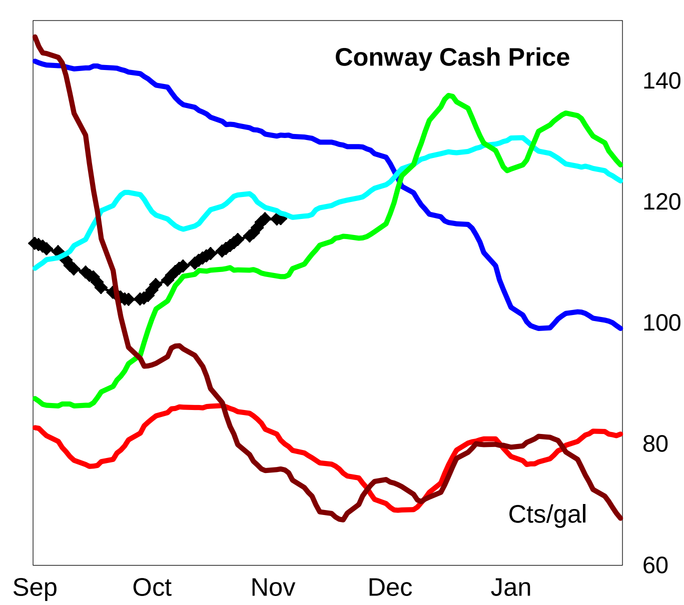












4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-6,832	-2,490	-1	24	117
% change	-24.9	258.3	-0.3	50.1	32.1

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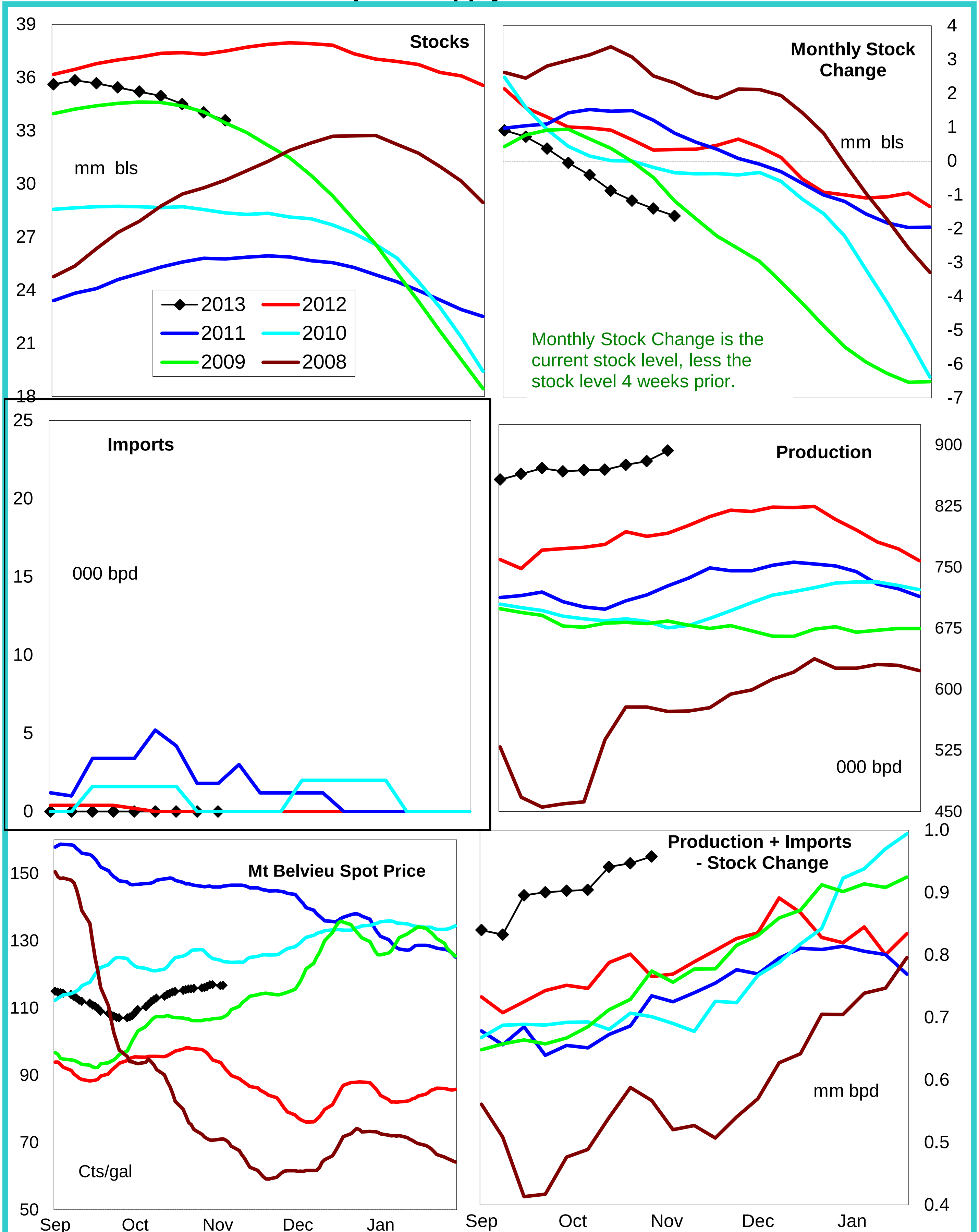
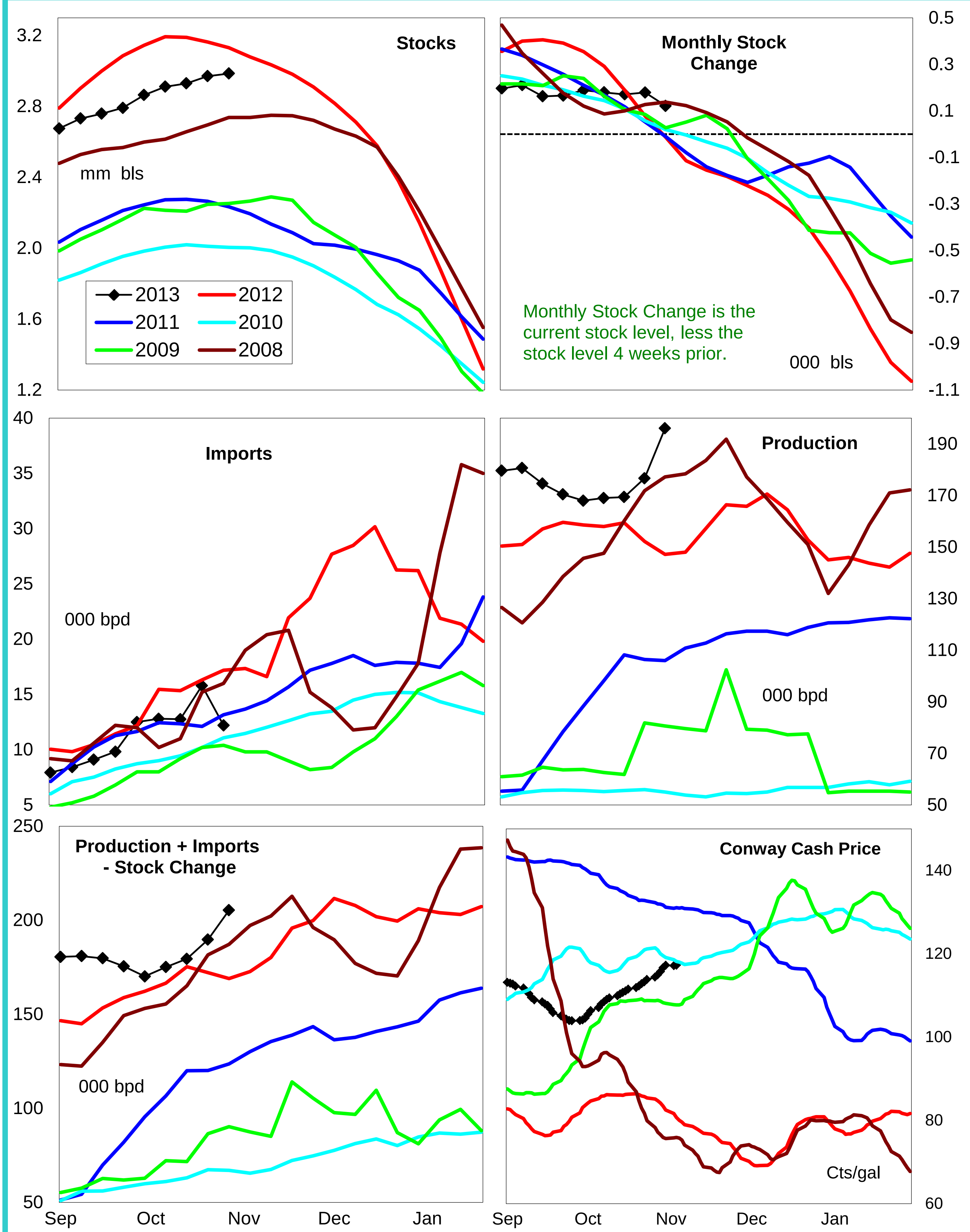
PADD 3 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-3,828	-1,966	88	0	162
% change	-10.2	-576	11.1	#DIV/0!	20.9

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)	-147	135	18	-3	17
% change	-4.7	-994.1	11.2	-15.7	9.7

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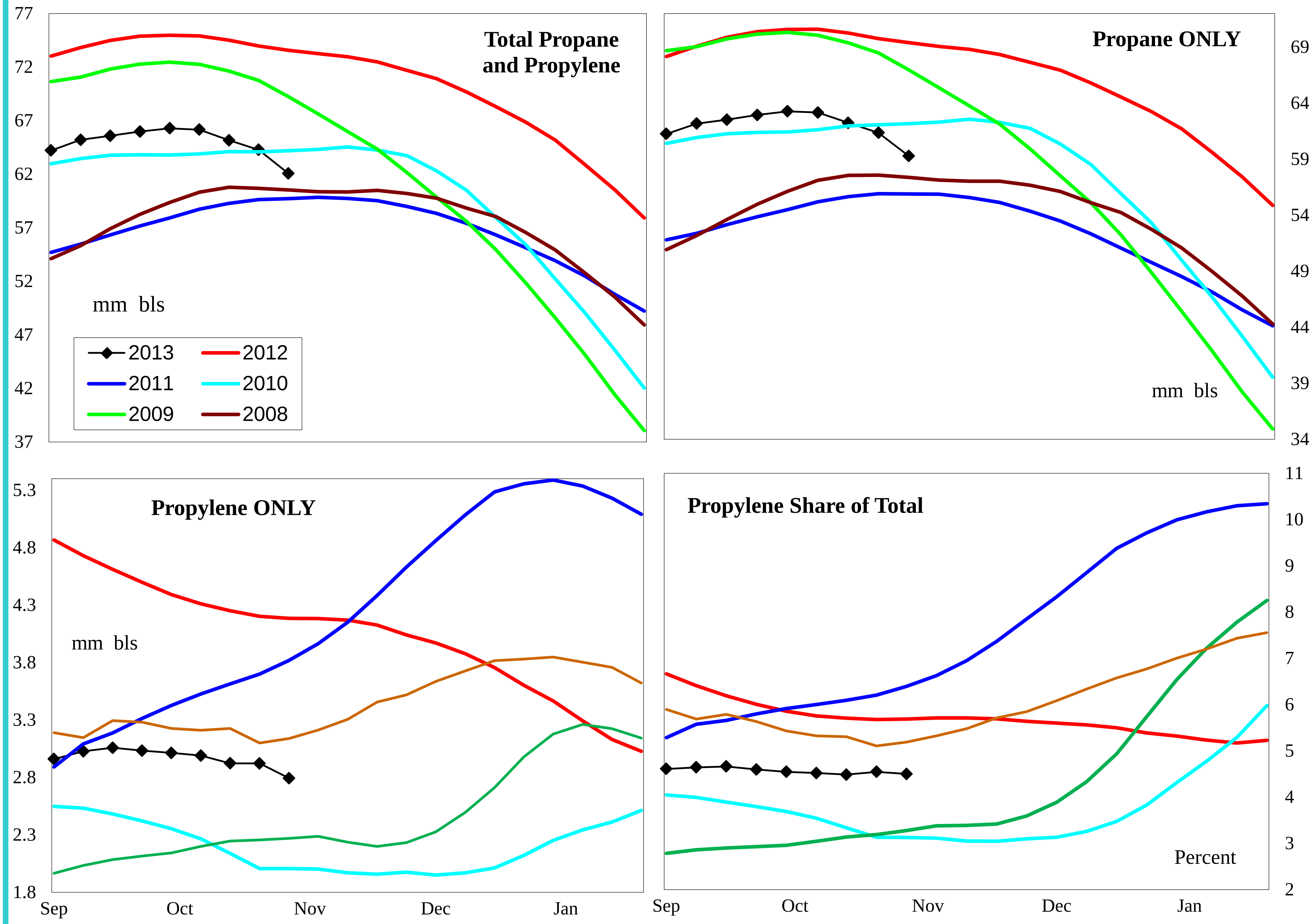
U. S. Propane and Propylene Stocks



Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	-11,552	-10,134	-1,392
% change	-15.7	-14.6	-33.3

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