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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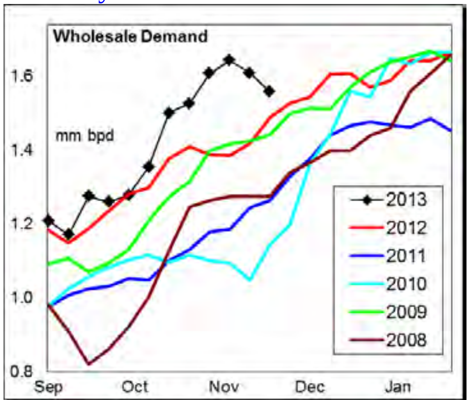
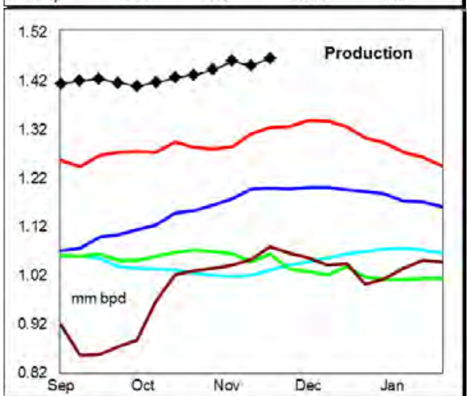
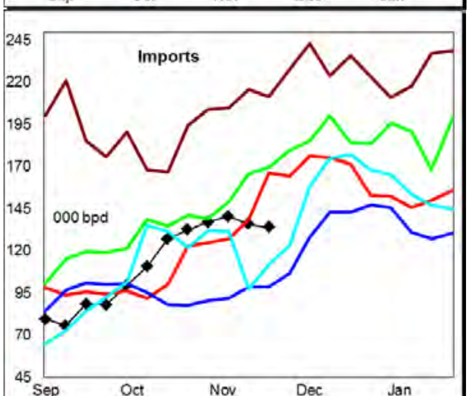
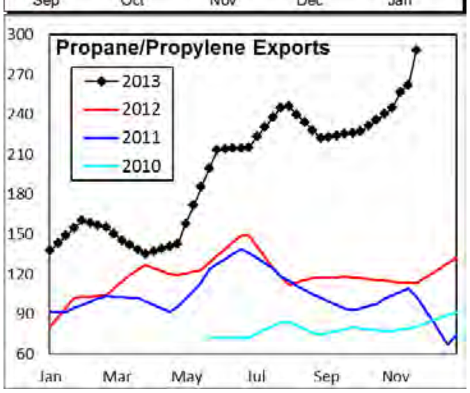




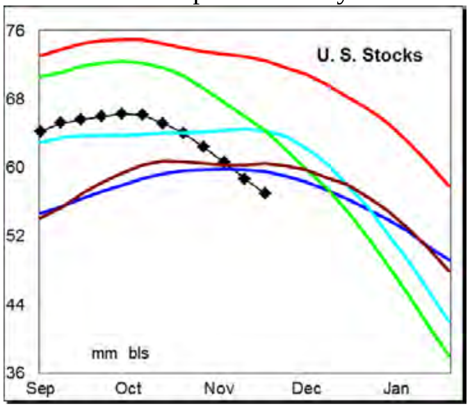




Wholesale demand fell -146,000 bpd last week, a level still above the 5-yr range. Production increased +25,000 bpd on the week while imports increased +12,000 bpd.

Combined production and imports during the latest 4-wk period were +176,000 bpd above a year ago. Production was +171,000 bpd above last year (+13%), while imports were +5,000 bpd higher.

The latest 4-wk average demand was +273,000 bpd above last year. Exports increased +175,000 bpd for the most recent week compared to last year.



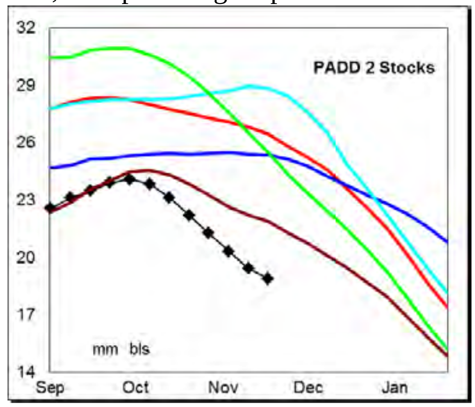
Stocks fell -1.4 million barrels on the week, with the latest 4-wk draw of -7.1 million barrels a record for this time of year. U.S. stocks ended the week below the 5-yr range.

Price and Spreads Mt Belvieu spot price declined -3.5 cpg for the week ending 27Nov13 while Conway spot price was -4 cpg lower for the period.

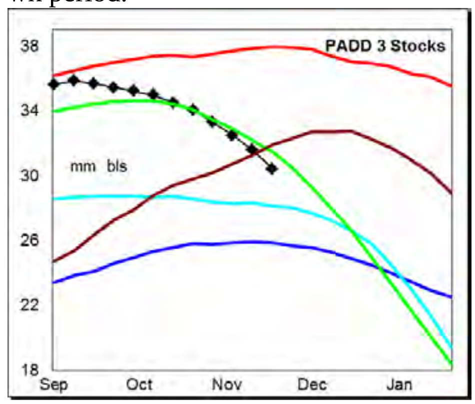
The Conway – Mt Belvieu price spread ended the week with Conway at a +1 cpg premium, well above the last 3-yrs.

PADD 1 stocks increased +0.1 million barrels on the week. Stocks ended the week at a level below the last 3-yrs.

PADD 2 stocks declined -0.6 million barrels on the week, to a level -29% below last year. Supply increased +13,000 bpd on higher production.



PAD 3 stocks declined -0.8 million barrels last week, to a level -21% below a year ago. Supplies increased +30,000 bpd on the week, and were +92,000 bpd above a year ago for the most recent 4-wk period.



PADDs 4 & 5 stocks were unchanged last week, with the level equal to 5-yr highs for the period.

Emerging Trends Wholesale demand averaged +20% above a year ago for the most recent 4-wk period. The increase exceeds the year-on-year growth in supply, driving stock levels to 5-yr lows for this time of year. Heating degree days are forecast to extremely high for the next 10-days.

In four of the last 5-yrs wholesale prices increased during December. Record 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

December 2, 2013

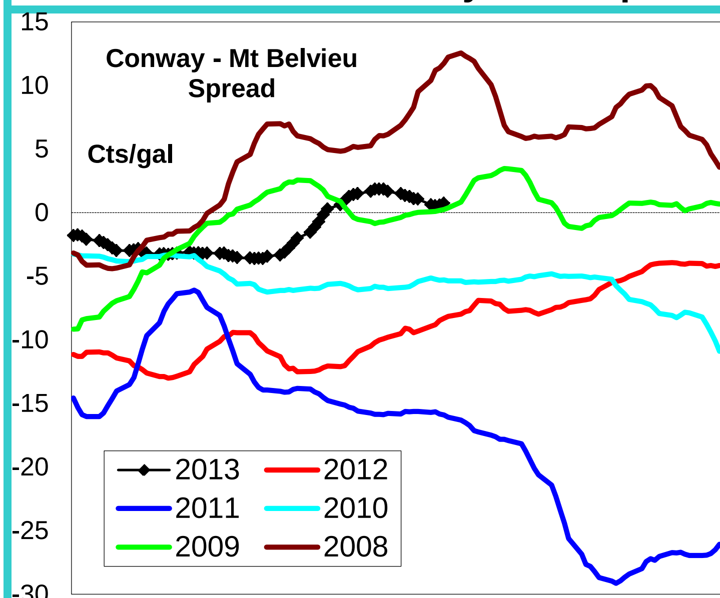
Fundamental Trends for the Week Ending: Friday, November 22, 2013

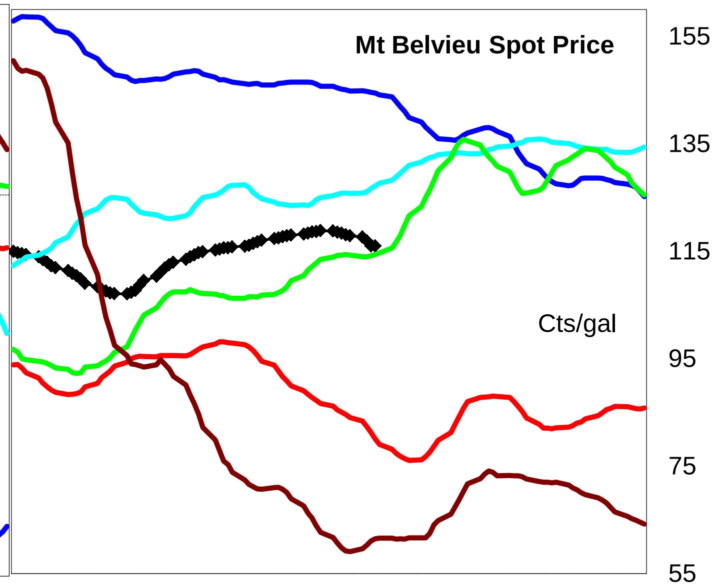
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S.	PADD				U.S.	PADD			
	Total	1	2	3	4&5	Total	1	2	3	4&5
Stocks	56,940	4,614	18,886	30,417	3,023	-1,432	71	-637	-847	-19
Propylene Stocks	2,886					-131				
Production	1,467	103	295	914	155	25	-1	12	30	-16
Imports	134	55	66	0	13	12	9	1	0	2
Whsle Demand	1,518					-146				

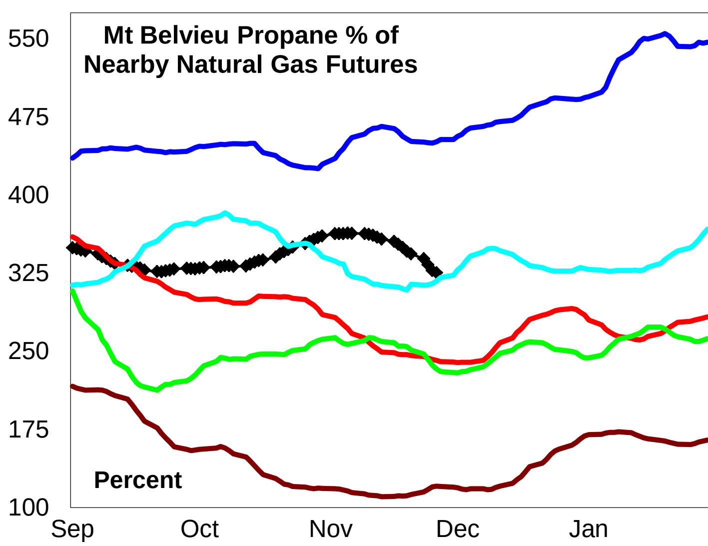
Price Trends for the Week Ending: Thursday, November 28, 2013

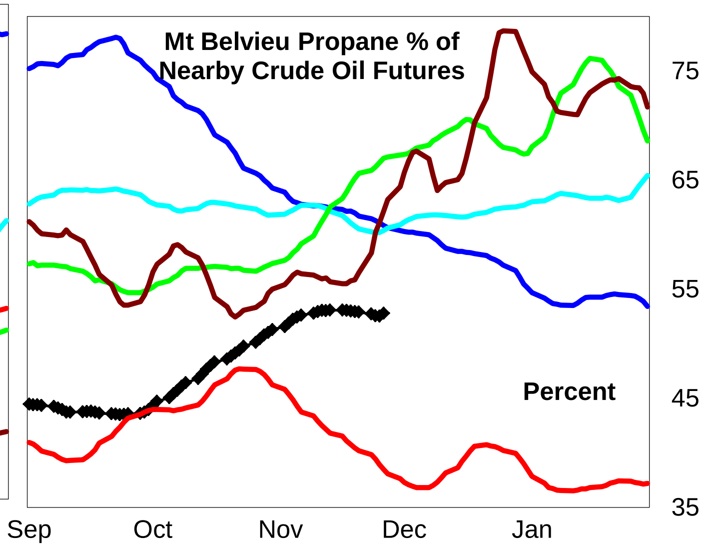
Cents/gal	Average for week ending:				Change from:			% change from:		
	11/28/13	11/21/13	10/31/13	12/3/12	11/21/13	10/31/13	12/3/12	11/21/13	10/31/13	12/3/12
Mont Belvieu Spot	116.9	119.0	116.7	83.5	-2.06	2.30	33.17	-1.7	2.0	39.7
Conway Spot	117.5	120.5	115.8	73.2	-3.05	4.74	42.56	-2.5	4.1	58.1

Key Price Spreads and Differentials

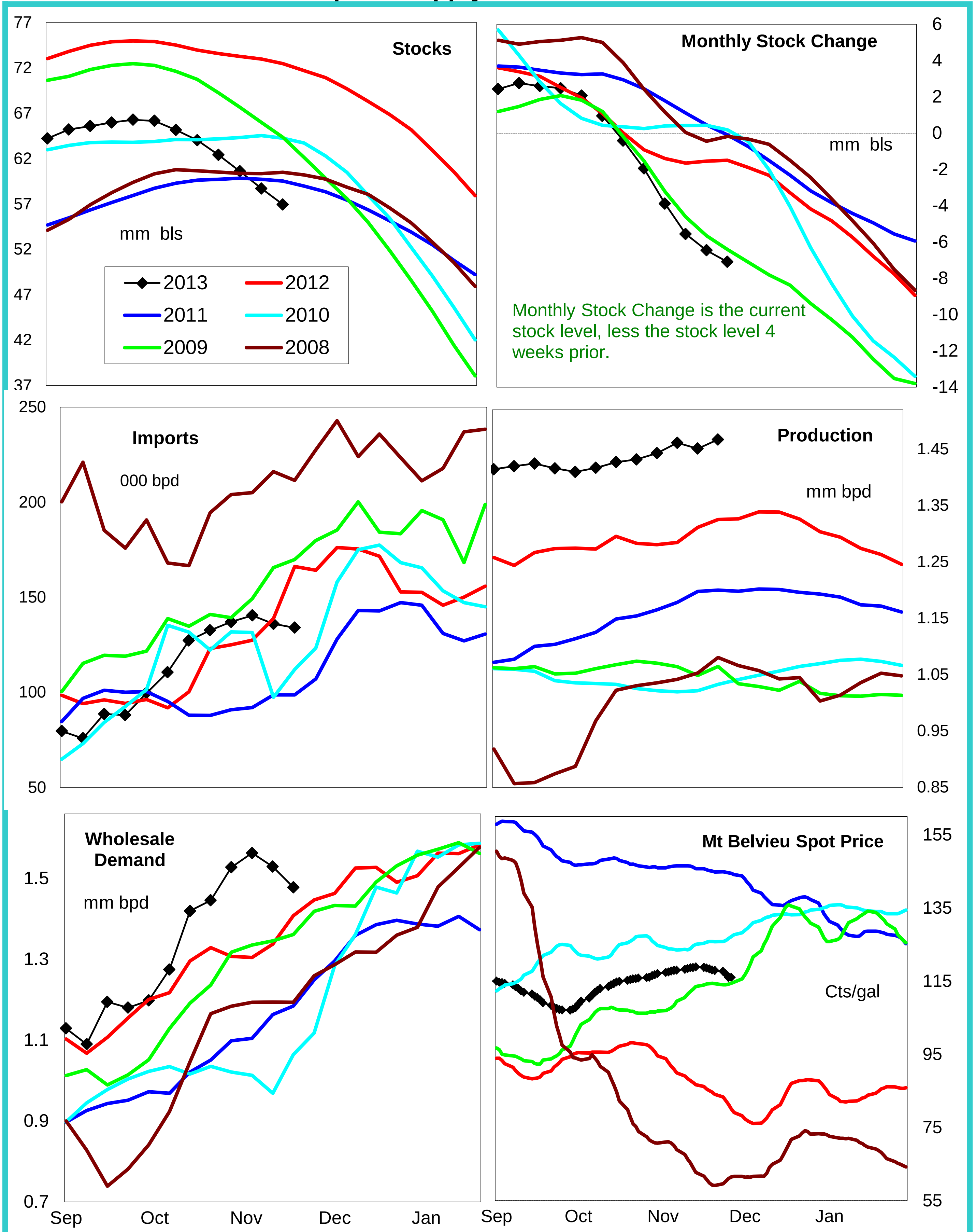






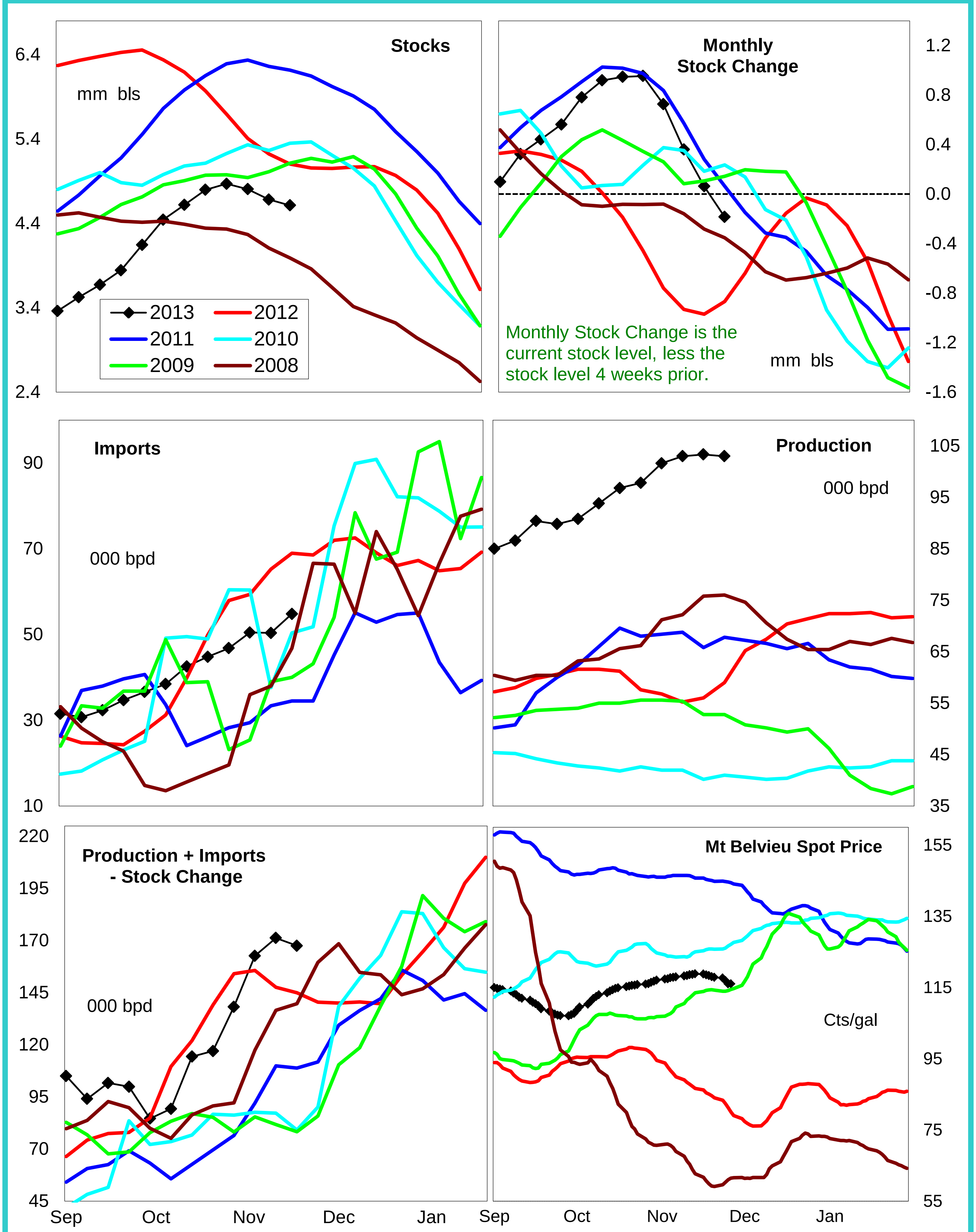


U. S. Propane Supply and Demand Balance



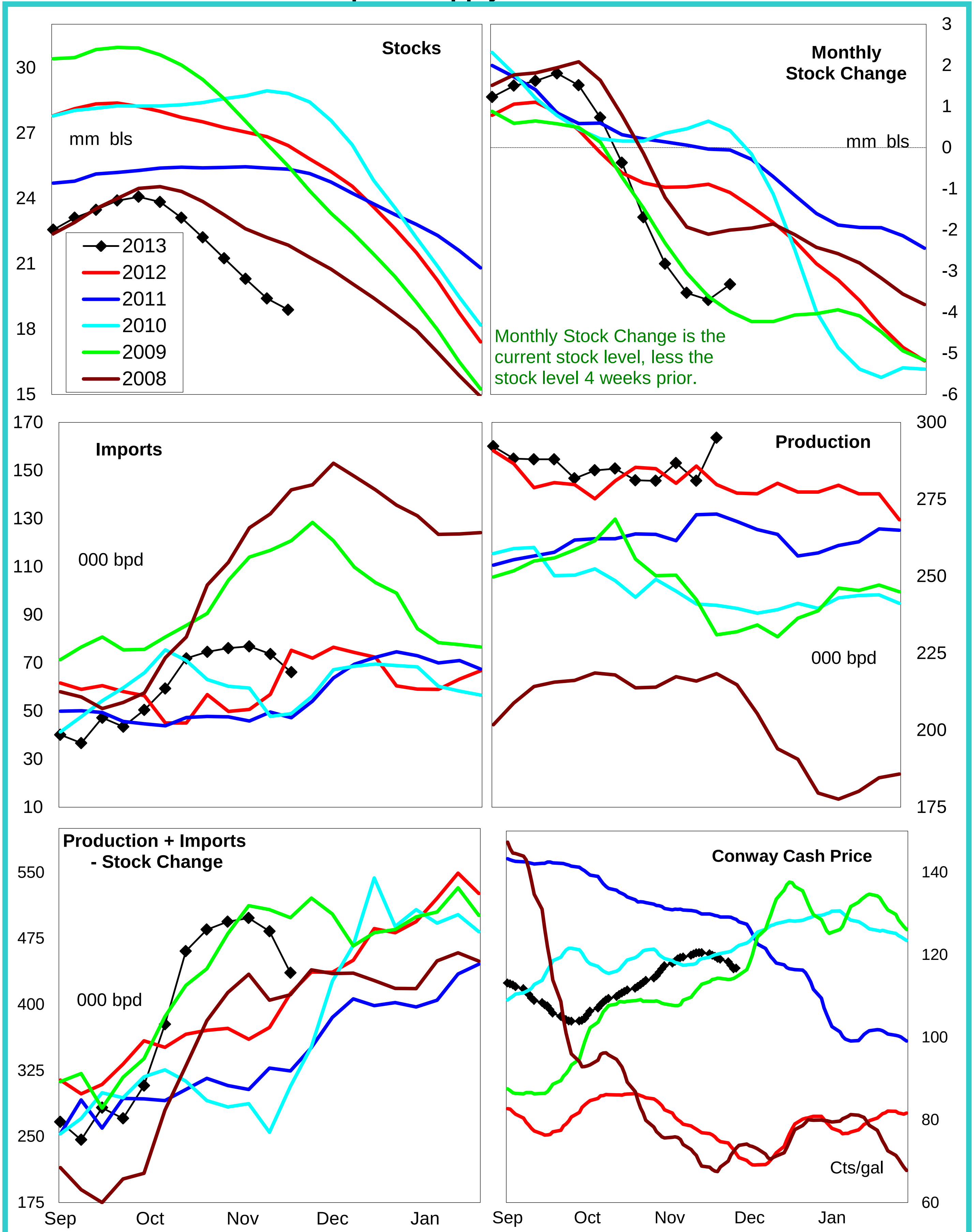
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Oct	Sep	Aug
000 bpd (000 bls stks)	-15,907	-5,597	171	5		273	203	55	-74
% change	-21.8	375	13.3	3.9		20.2	15.9	4.8	-6.7

PADD 1 Propane Supply and Demand Balance



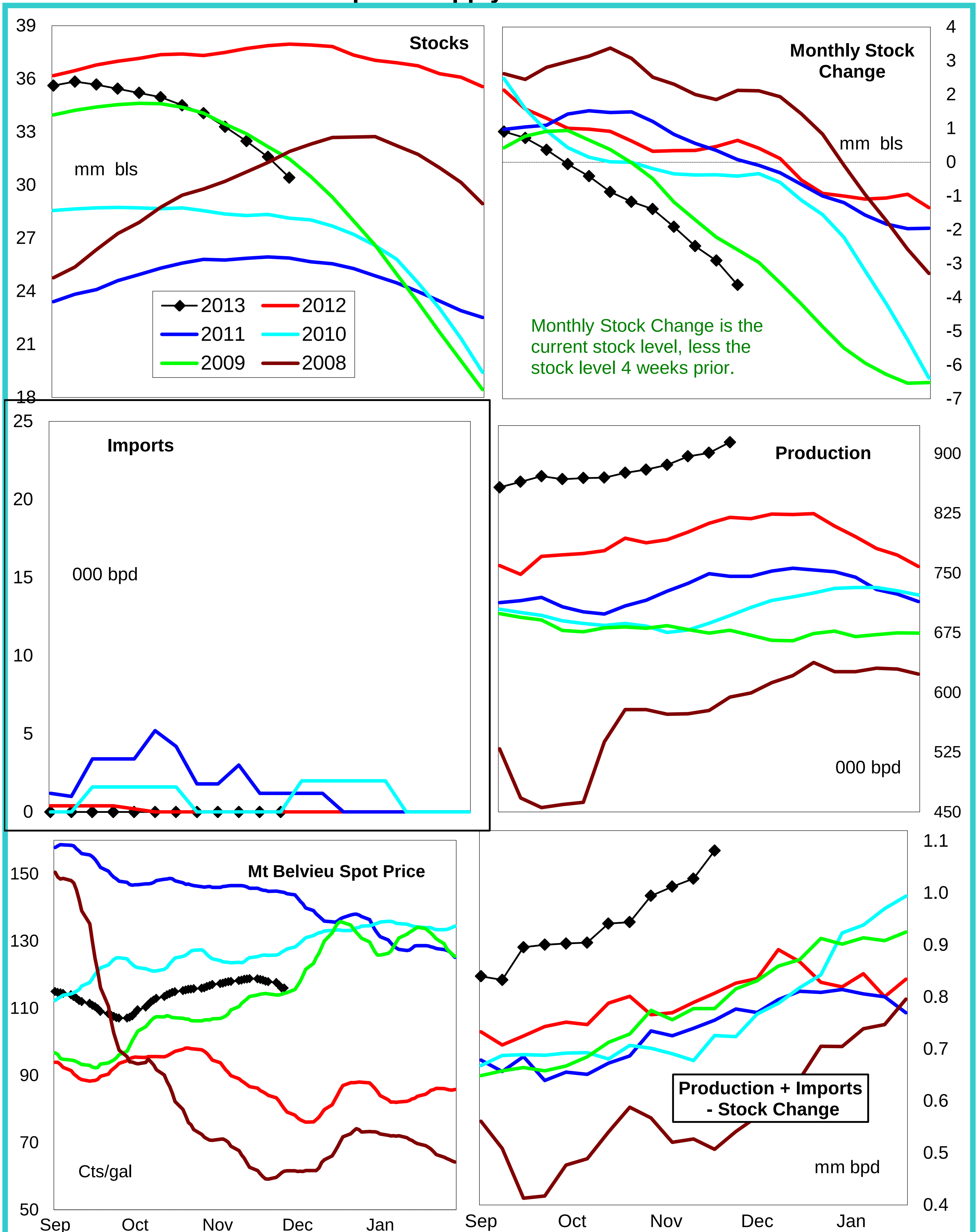
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-450	683	50	-11	9
% change	-8.9	-78.7	94.4	-17.3	6.2

PADD 2 Propane Supply and Demand Balance



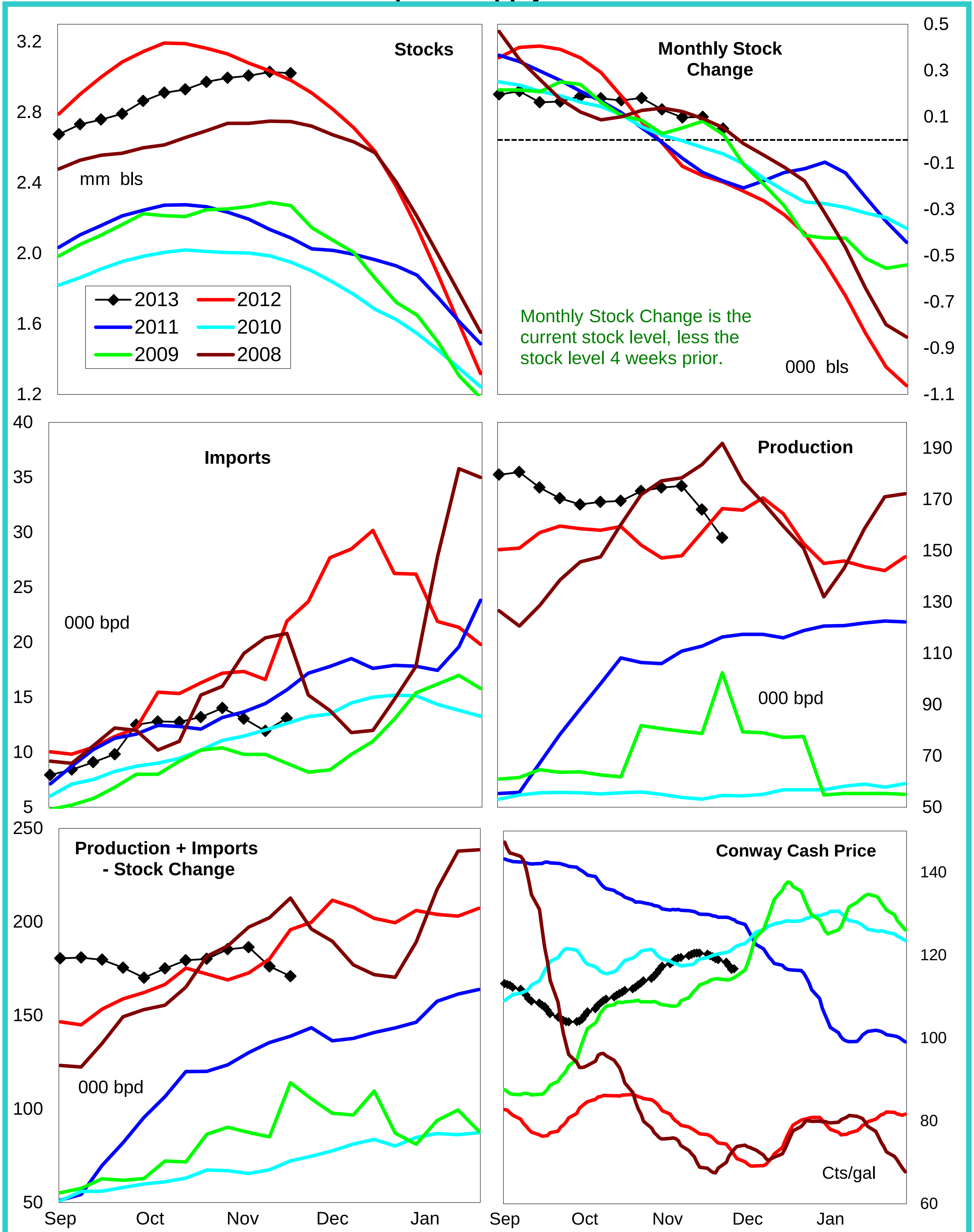
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-7,530	-2,230	2	20	98
% change	-28.5	204.0	0.8	35.4	25.8

PADD 3 Propane Supply and Demand Balance



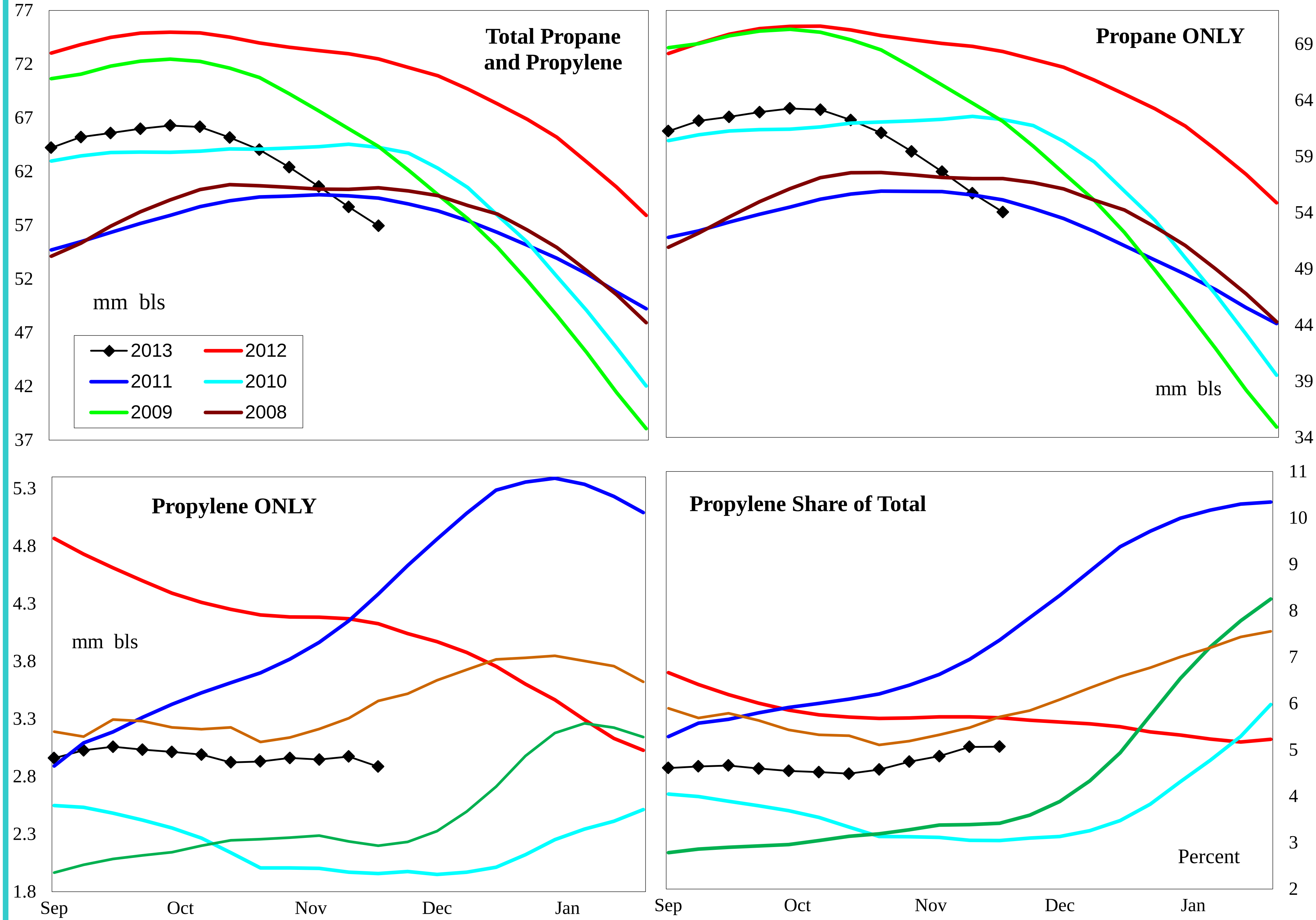
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-7,991	-4,282	92	0	246
% change	-20.8	-659	11.4	#DIV/0!	31.4

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)	63	231	27	-4	0
% change	2.1	-127.0	18.0	-23.7	0.2

U. S. Propane and Propylene Stocks



Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	-15,907	-14,581	-1,240
% change	-21.8	-21.2	-30.1

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