FUNDAMENTAL PETROLEUM TRENDS

WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

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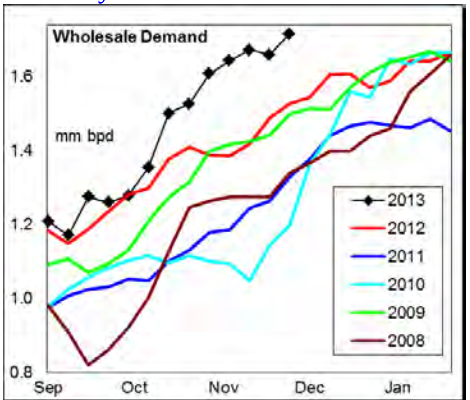
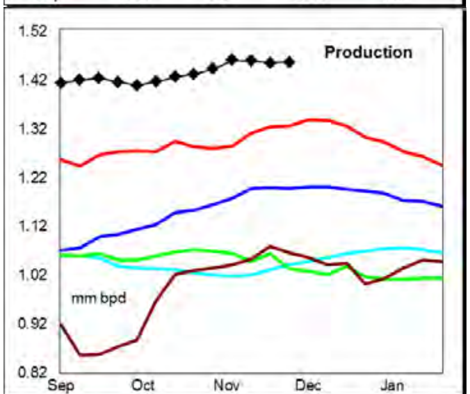
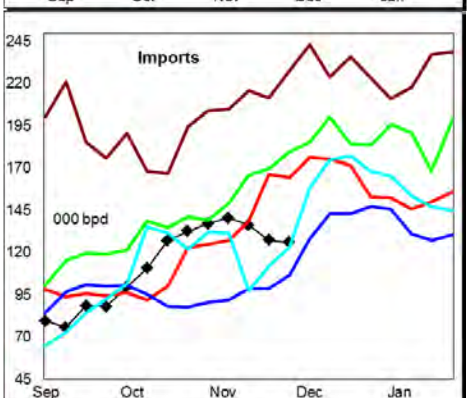
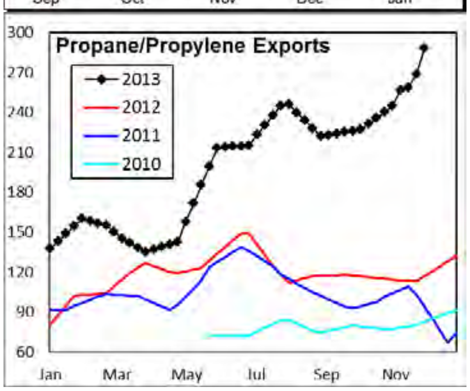
Summary[1]: ? **Table of Contents**





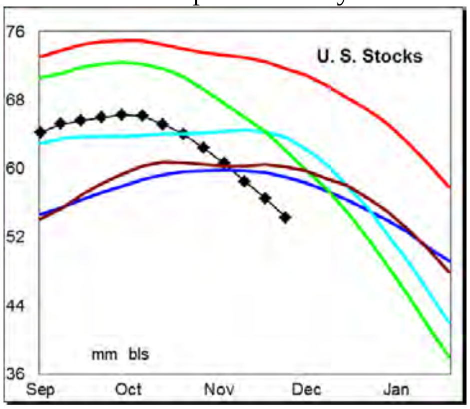




Wholesale demand increased +158,000 bpd last week, to a level well above the 5-yr range. Production decreased -10,000 bpd on the week while imports decreased -8,000 bpd.

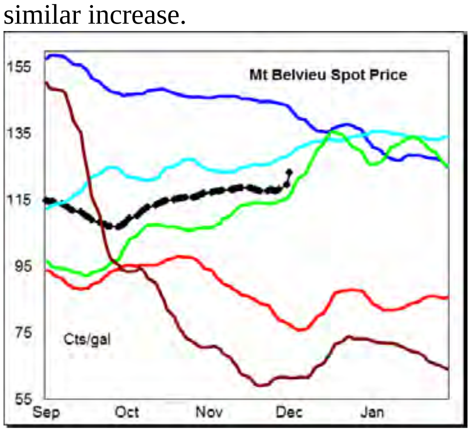
Combined production and imports during the latest 4-wk period were +138,000 bpd above a year ago. Production was +148,000 bpd above last year (+11%), while imports were -10,000 bpd lower.

The latest 4-wk average demand was +221,000 bpd above last year. Exports increased +175,000 bpd for the most recent week compared to last year.



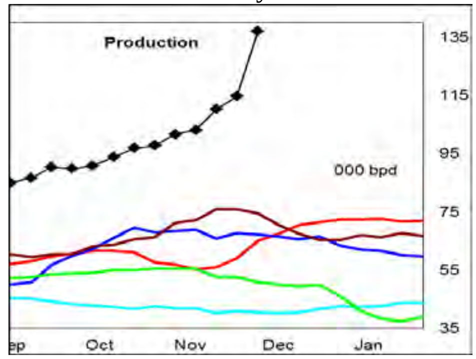
Stocks fell -2.7 million barrels on the week, with the latest 4-wk draw of -8.1 million barrels a record for this time of year. U.S. stocks ended the week below the 5-yr range.

Price and Spreads Mt Belvieu spot price increased +7 cpg for the week ending 03Dec13 while Conway spot price saw a similar increase.

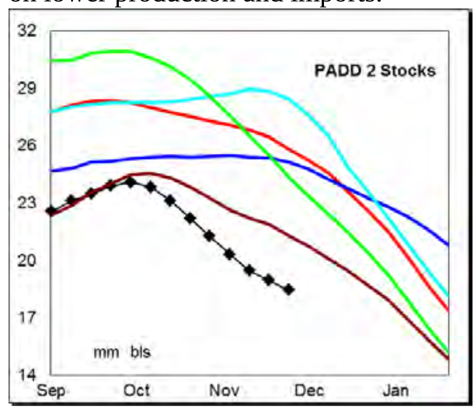


The Conway – Mt Belvieu price spread ended the week even; compared to a -5 to -15 cpg discount for Conway during the last 3-yrs.

PADD 1 has seen a doubling in production during the last month as gas liquids processing facilities were placed into service. **Stoc**ks ended the week at a level below the last 3-yrs.



PADD 2 stocks declined -0.4 million barrels on the week, to a level -30% below last year. Supply fell -48,000 bpd on lower production and imports.



PAD 3 stocks fell -2.2 million barrels last week, to a level -26% below a year ago. Supplies were unchanged on the week, and were +95,000 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 Exceptionally high heating degree days across nearly the entire country for the next 2-wks should spike prompt wholesale demand and lead to terminal outages/allocations'. With stock levels in the Midwest at record low levels, expect a supply squeeze and price spike.

[1] Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

December 4, 2013

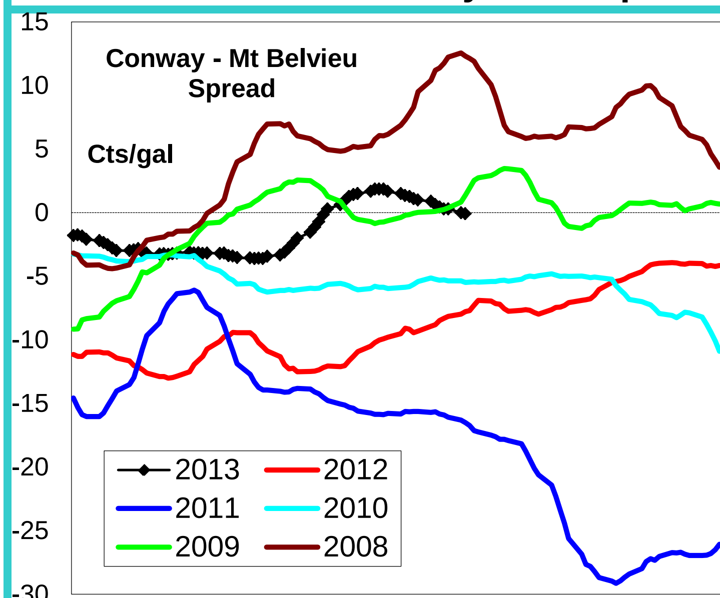
Fundamental Trends for the Week Ending: Friday, November 29, 2013

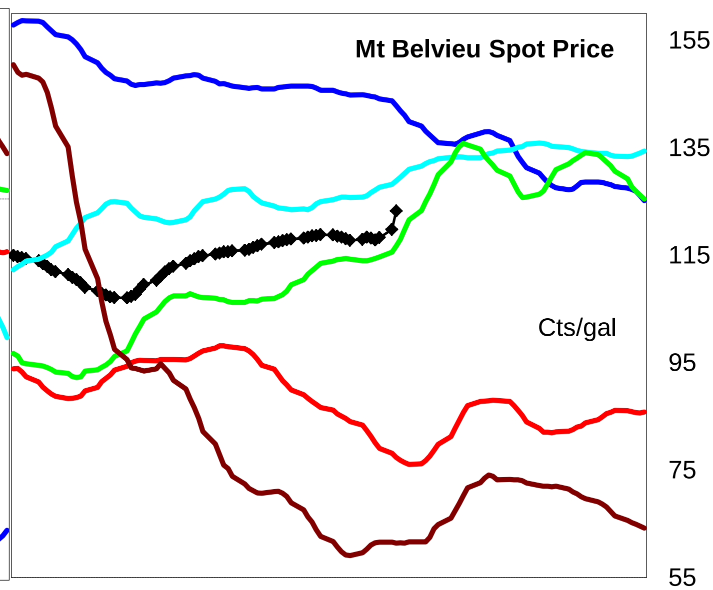
000 bpd Stocks 000 bls	Weekly Supply-Demand U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5	Change from prior week: U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5
Stocks	54,275	4,642	18,446	28,202	2,985	-2,665	28	-440	-2,215	-38
Propylene Stocks	2,976					90				
Production	1,457	137	259	915	146	-10	34	-36	1	-9
Imports	126	62	55	0	10	-8	7	-12	0	-4
Whsle Demand	1,676					158				

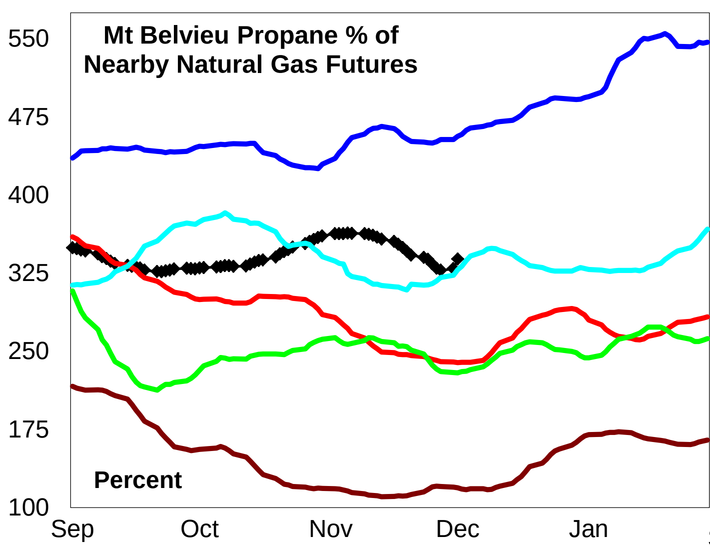
Price Trends for the Week Ending: Thursday, November 28, 2013

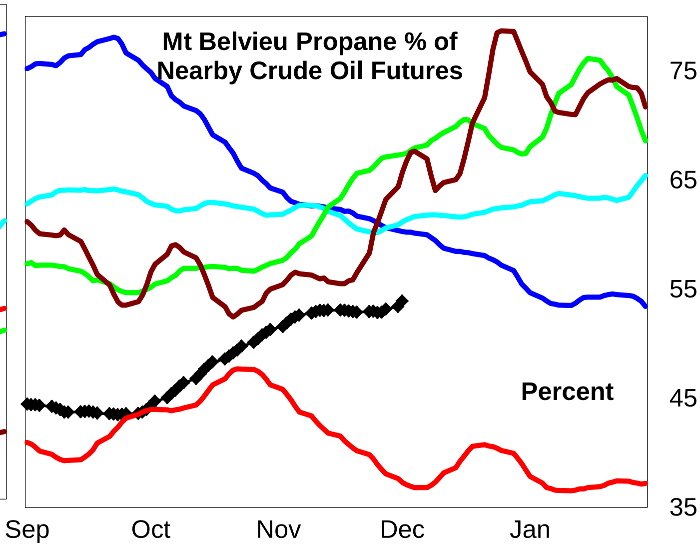
Cents/gal	Average for week ending: 11/28/13	11/21/13	10/31/13	12/3/12	Change from: 11/21/13	10/31/13	12/3/12	% change from: 11/21/13	10/31/13	12/3/12
Mont Belvieu Spot	118.3	118.3	116.9	80.1	-0.04	1.41	36.76	0.0	1.2	45.9
Conway Spot	118.6	118.9	117.2	71.3	-0.32	1.66	45.90	-0.3	1.4	64.3

Key Price Spreads and Differentials

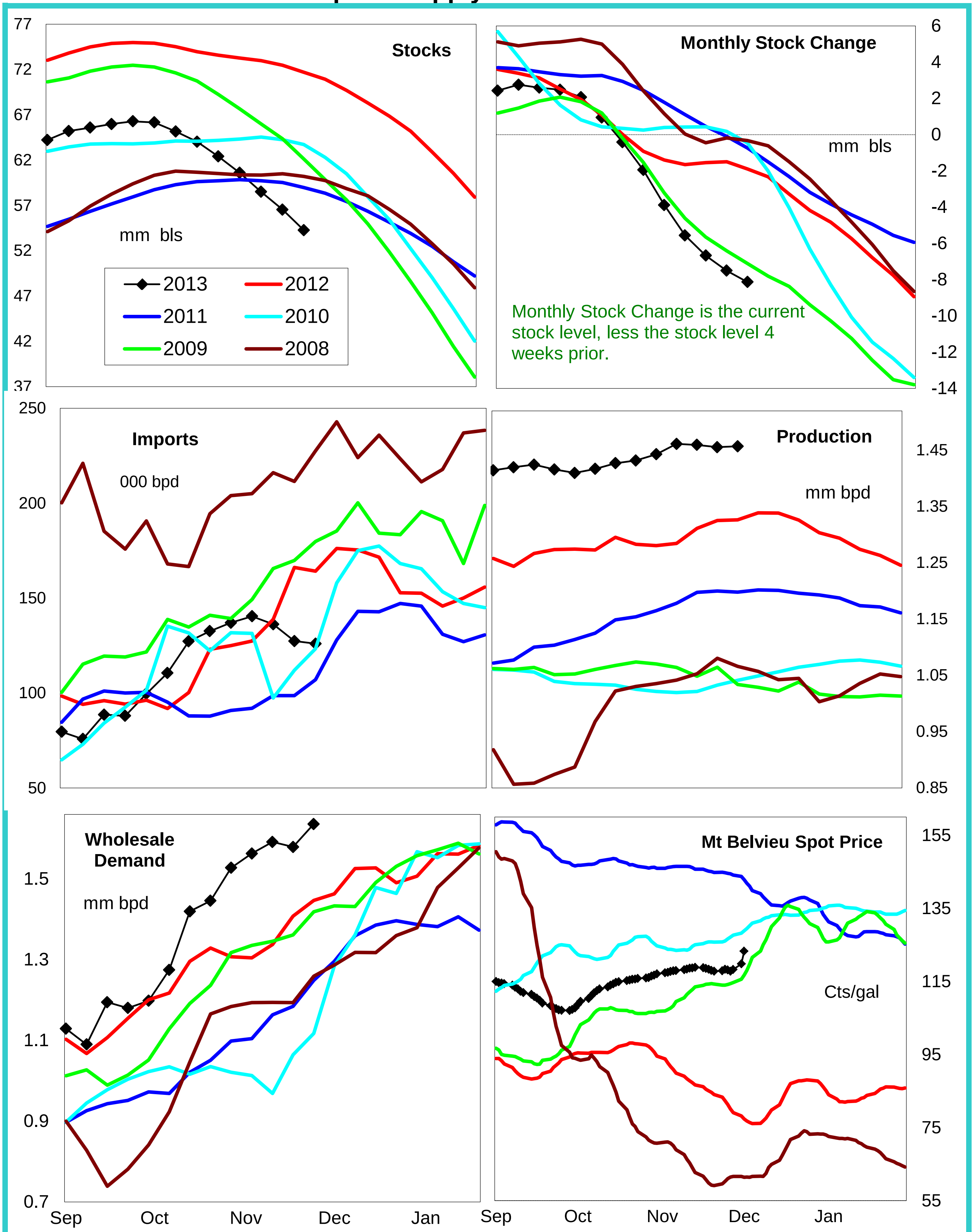








U. S. Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Oct	Sep	Aug
000 bpd (000 bls stks)	-18,235	-6,237	148	-10		221	203	55	-74
% change	-25.1	330	11.3	-7.1		16.1	15.9	4.8	-6.7

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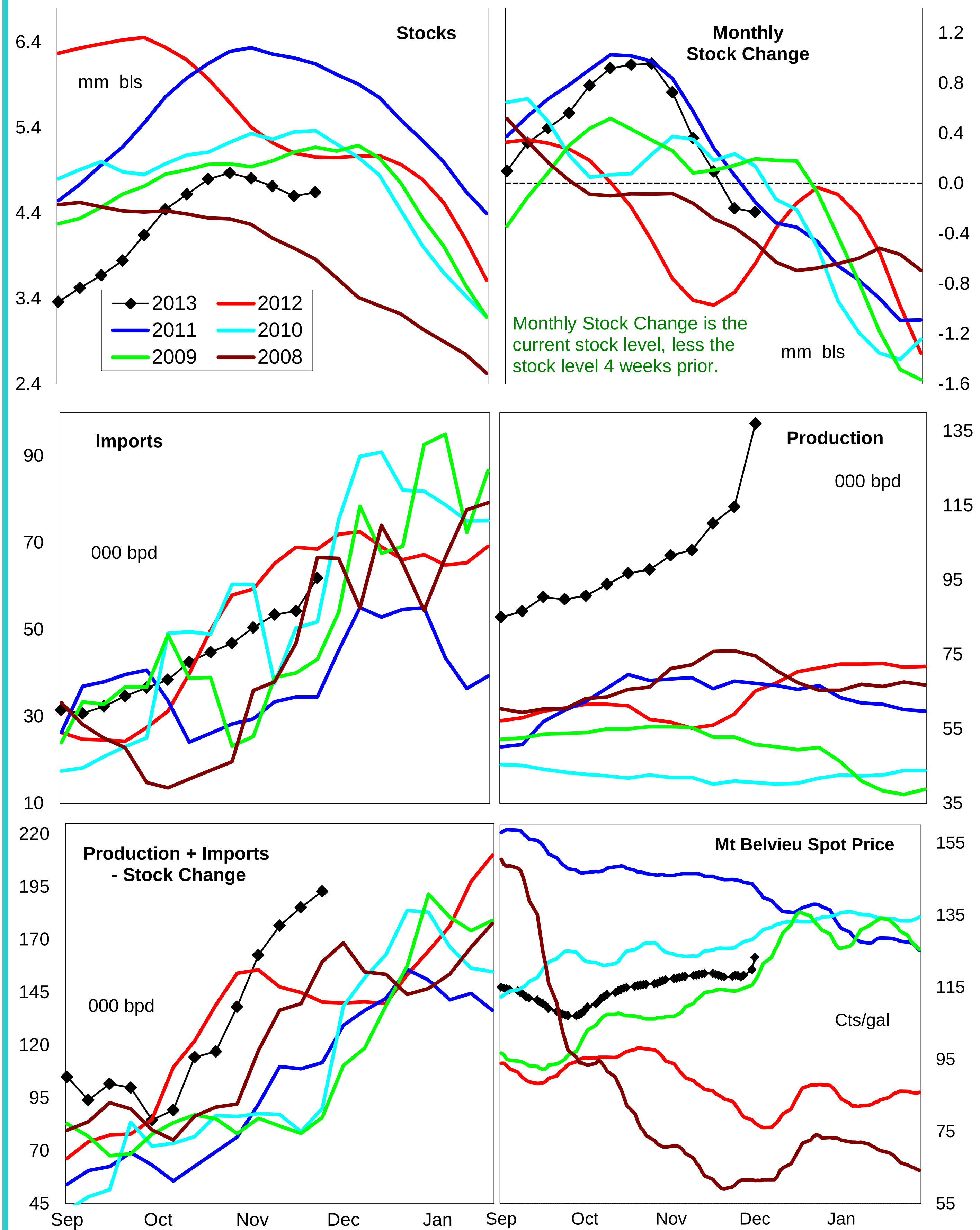
PADD 1 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-355	411	55	-12	32
% change	-7.1	-64.4	97.8	-18.6	21.9

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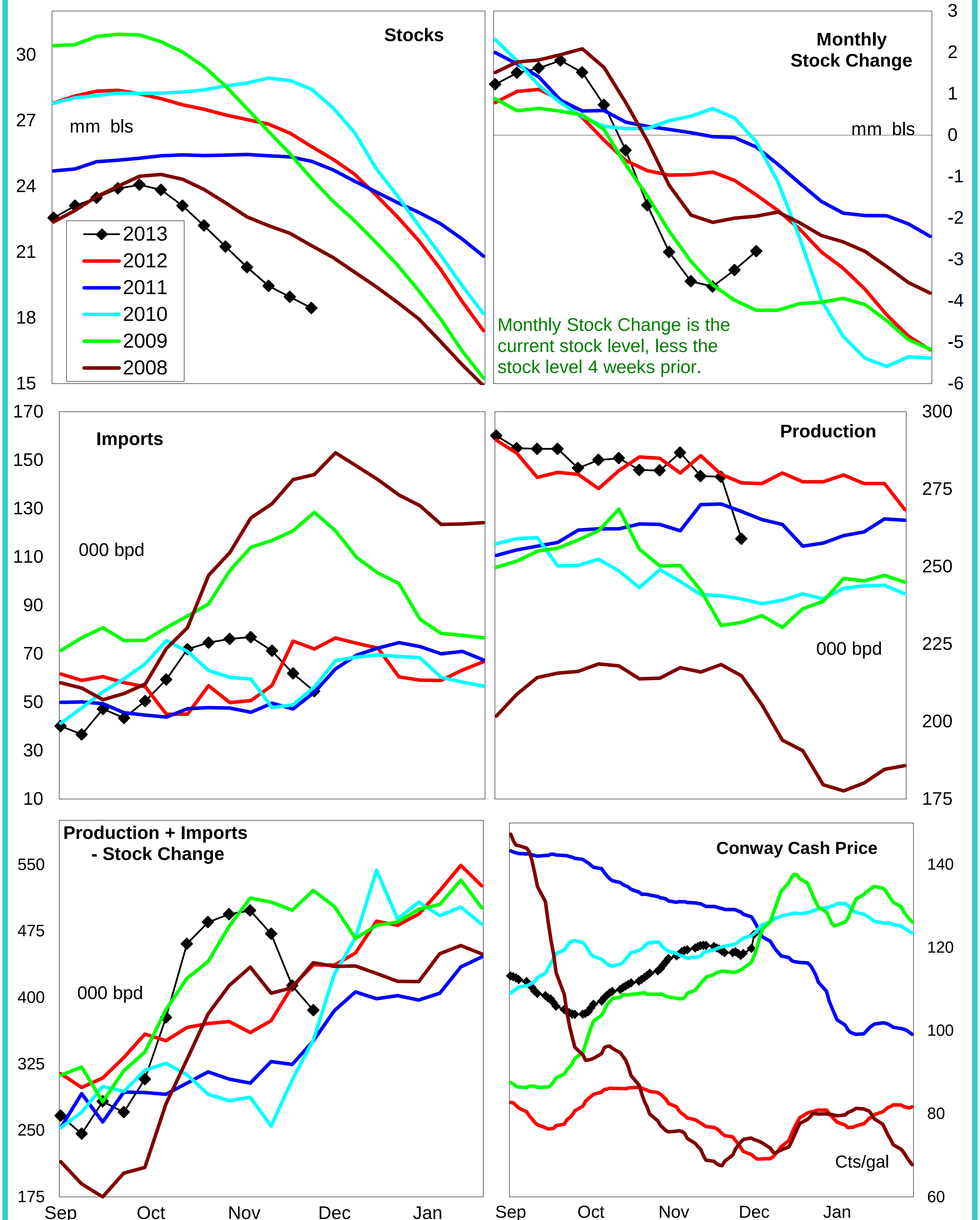
PADD 2 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-7,881	-1,363	-7	9	46
% change	-29.9	94.5	-2.3	14.4	11.7

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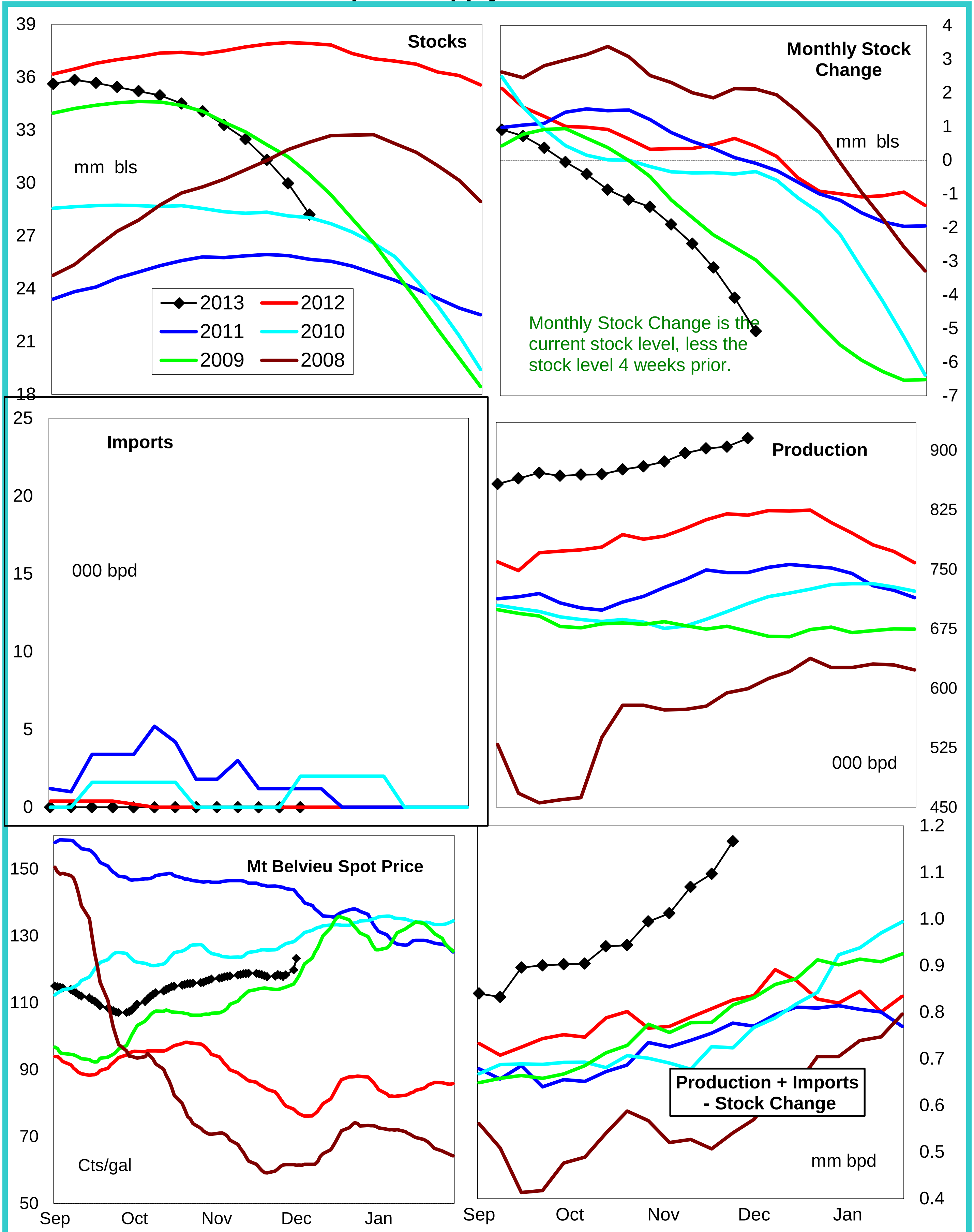
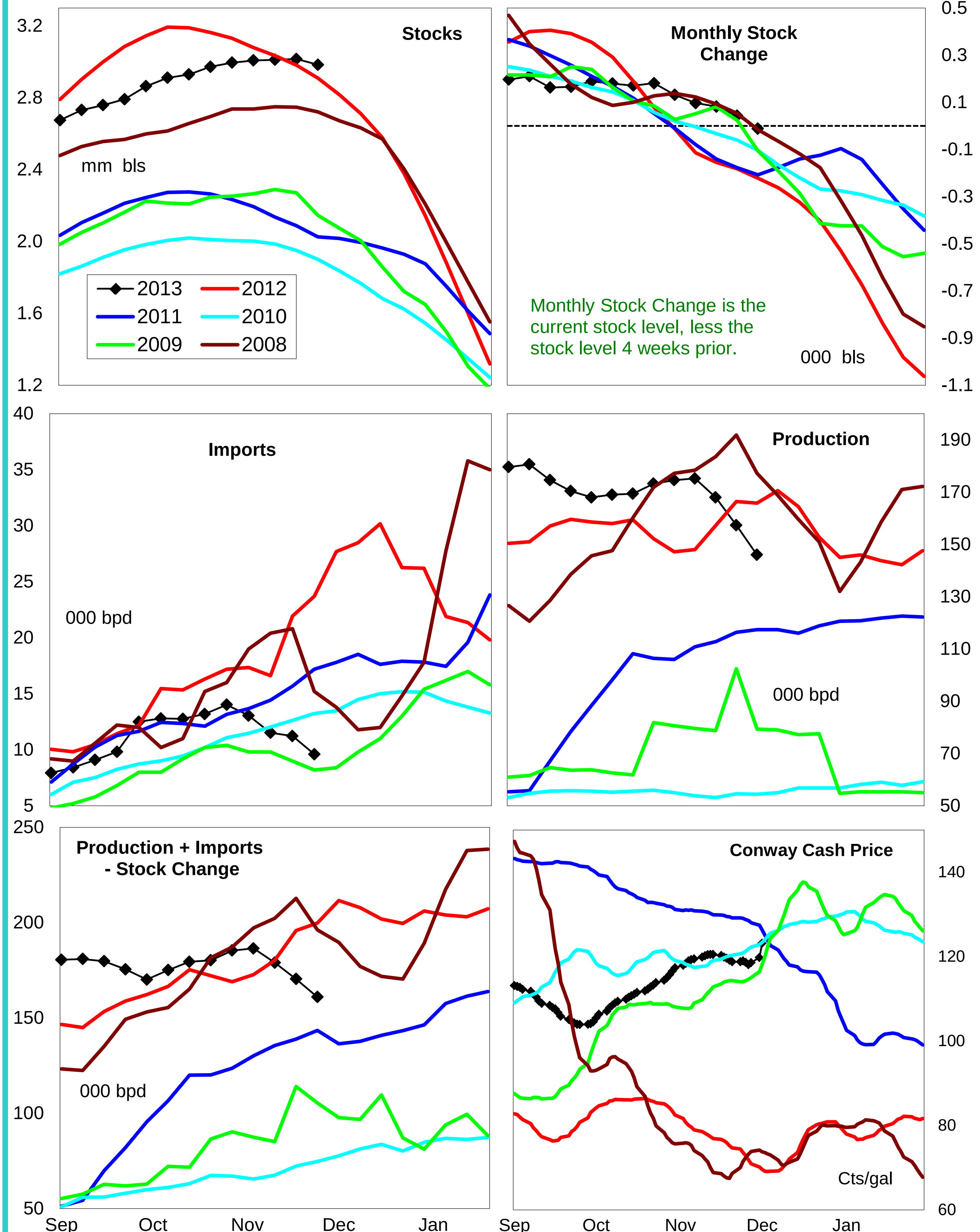
PADD 3 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-10,005	-5,497	95	0	288
% change	-26.2	-1,338	11.8	#DIV/0!	36.1

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)	4	210	4	-7	-13
% change	0.1	-94.7	2.2	-37.1	-6.9

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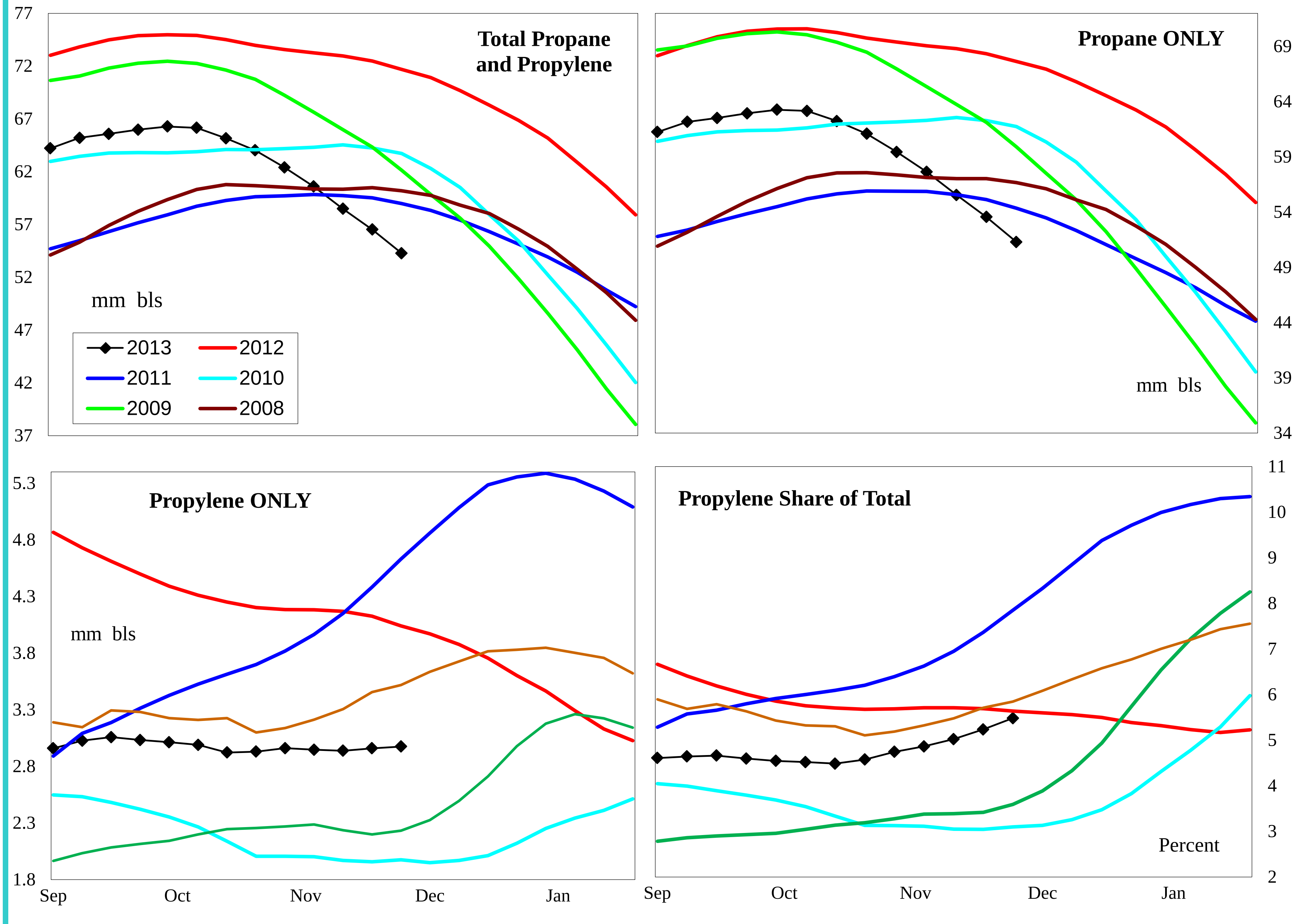
U. S. Propane and Propylene Stocks



Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	-18,235	-17,132	-1,065
% change	-25.1	-25.0	-26.4

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