FUNDAMENTAL PETROLEUM TRENDS

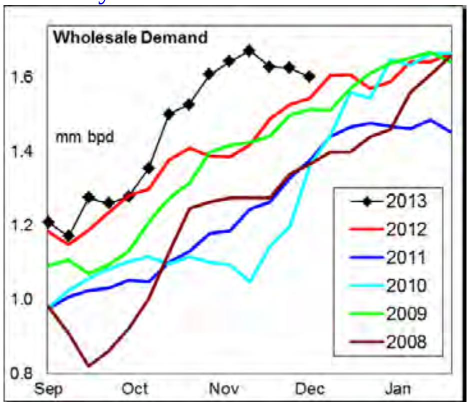
WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

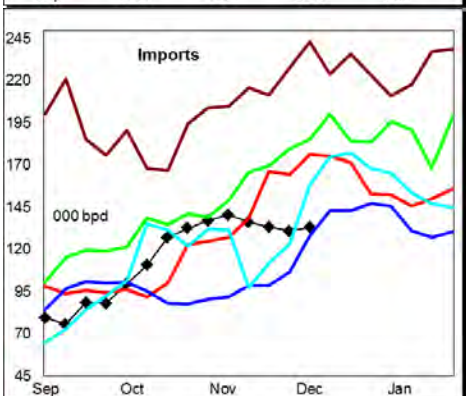
A Fundamental Petroleum Trends Weekly Report

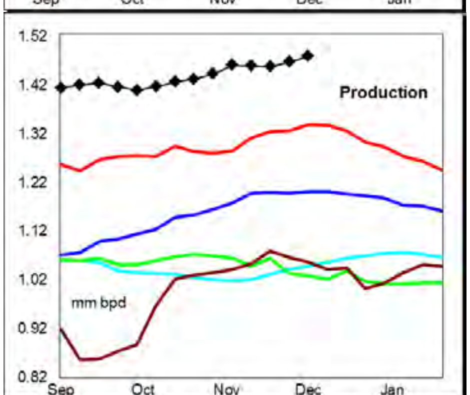
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com

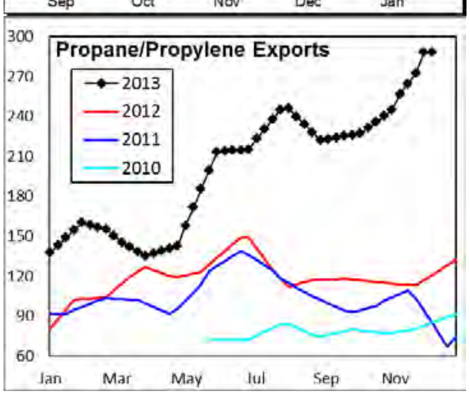
Summary[1]:

Table of Contents





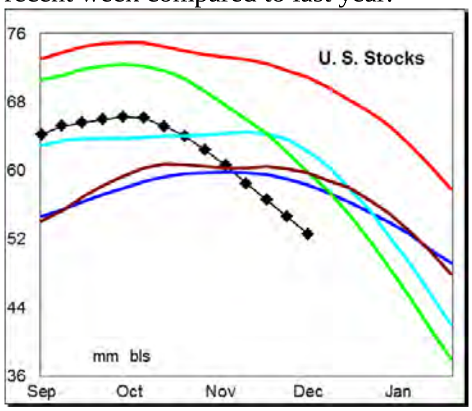




Wholesale demand decreased -115,000 bpd last week, a level slightly above the 5-yr range. Production increased +22,000 bpd on the week while imports increased +7,000 bpd.

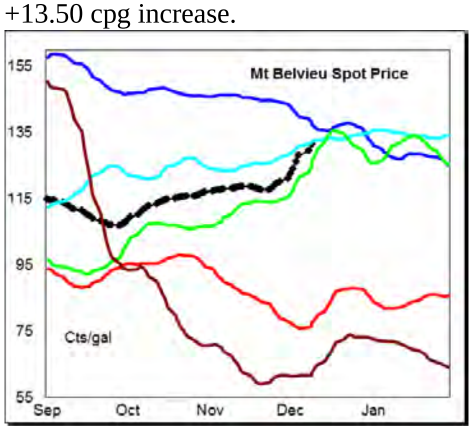
Combined production and imports during the latest 4-wk period were +86,000 bpd above a year ago. Production was +119,000 bpd above last year (+9%), while imports were -33,000 bpd lower.

The latest 4-wk average demand was +142,000 bpd above last year. Exports increased +175,000 bpd for the most recent week compared to last year.



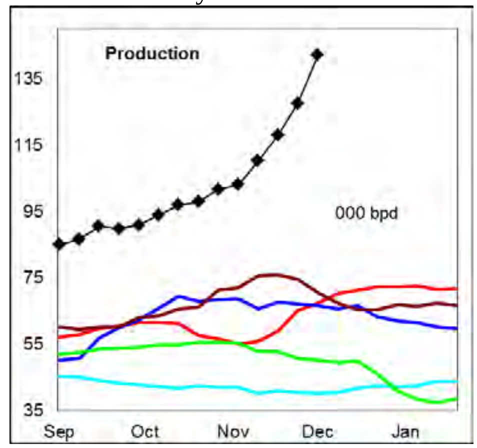
Stocks fell -1.7 million barrels on the week, with the latest 4-wk draw of -7.8 million barrels a record for this time of year. U.S. stocks ended the week -26% below last year and below the 5-yr range.

Price and Spreads Mt Belvieu spot price increased +8 cpg for the week ending 10Dec13 while Conway spot price saw a +13.50 cpg increase.

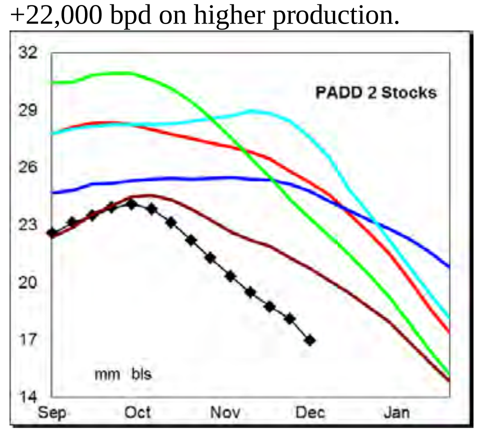


The Conway – Mt Belvieu price spread ended the week at a +5 cpg premium; evidence of the tightness of supply in the Midwest.

PADD 1 production was nearly 150,000 bpd last week, more than double a year ago. Stocks ended the week at a level below the last 3-yrs.



PADD 2 stocks declined -1.5 million barrels on the week, to a level -33% below last year. Supply increased +22,000 bpd on higher production.



PAD 3 stocks increased +0.1 million barrels last week, to a level -25% below a year ago. Supplies decreased -29,000p bpd last week, and were +74,000 bpd above a year ago for the most recent 4-wk period.

PADDs 4 & 5 stocks decreased -0.1 million barrels last week, with the level above 5-yr highs for the period.

Emerging Trends Well above normal heating degree days are forecast for the next 2-wks in the upper Midwest, a key propane market. Stock levels in the Midwest remain extremely low, risking an ongoing supply squeeze. Midwest prices match 5-yr highs for this time of year; and are likely to extend the uptrend.

[1] Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

December 11, 2013

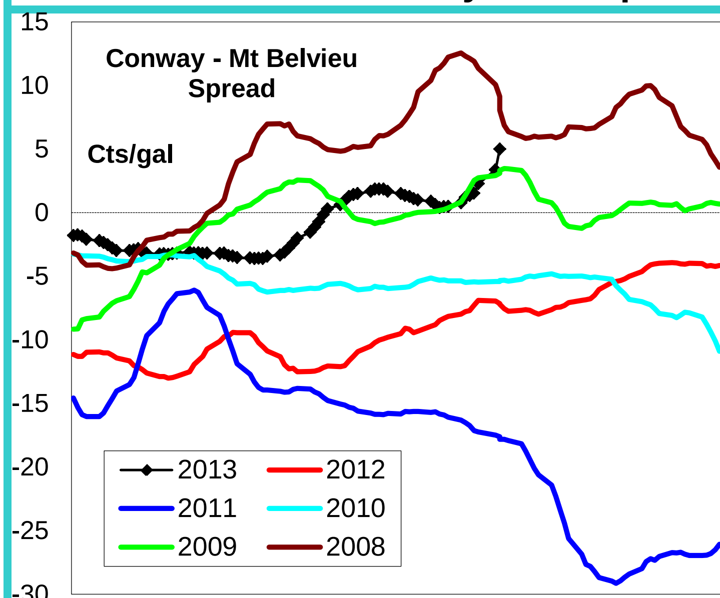
Fundamental Trends for the Week Ending: Friday, December 06, 2013

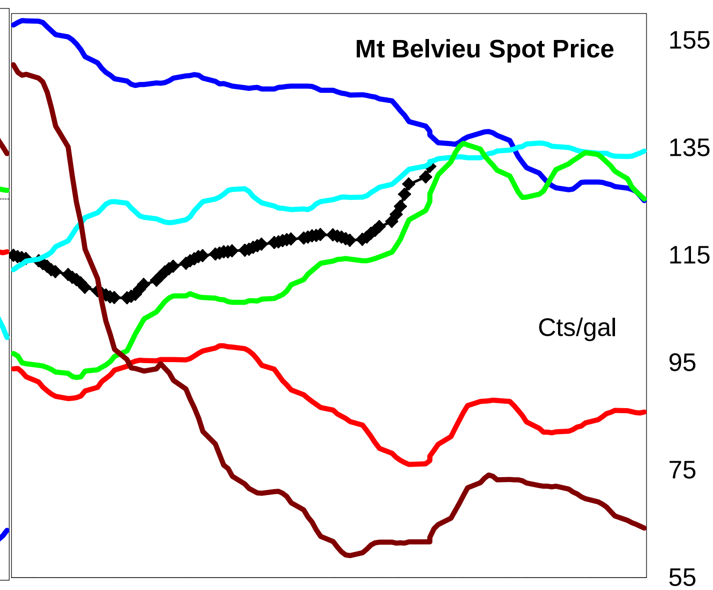
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S.	PADD				U.S.	PADD			
	Total	1	2	3	4&5	Total	1	2	3	4&5
Stocks	52,617	4,453	16,946	28,318	2,900	-1,658	-189	-1,500	116	-85
Propylene Stocks	3,059					83				
Production	1,479	142	285	886	166	22	5	26	-29	20
Imports	133	59	51	0	23	7	-3	-4	0	13
Whsle Demand	1,561					-115				

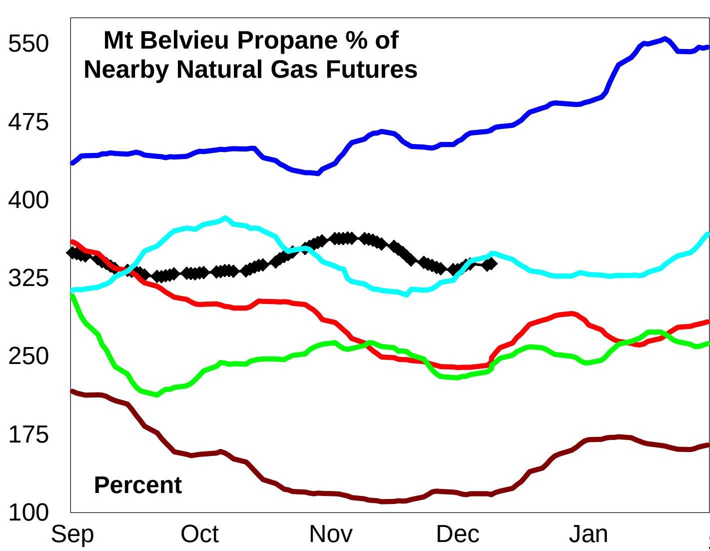
Price Trends for the Week Ending: Friday, December 06, 2013

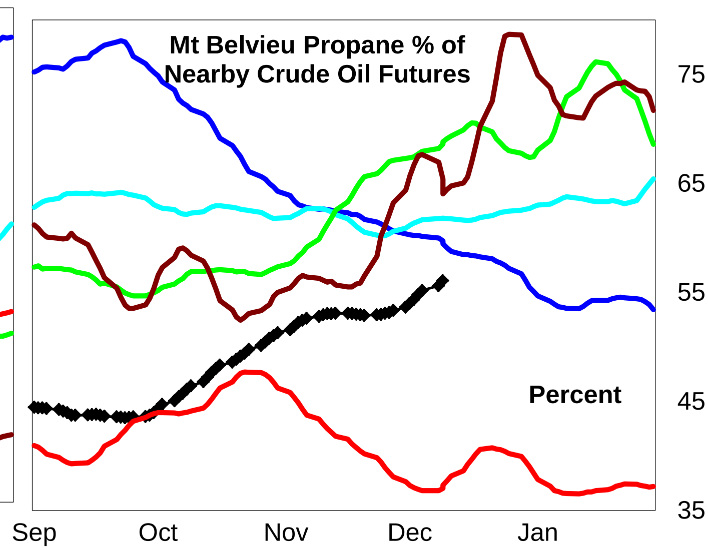
Cents/gal	Average for week ending:				Change from:			% change from:		
	12/6/13	11/29/13	11/8/13	12/11/12	11/29/13	11/8/13	12/11/12	11/29/13	11/8/13	12/11/12
Mont Belvieu Spot	128.2	118.3	118.2	73.6	9.95	0.05	44.64	8.4	0.0	60.7
Conway Spot	130.5	118.6	120.2	66.9	11.92	-1.57	53.23	10.1	-1.3	79.5

Key Price Spreads and Differentials

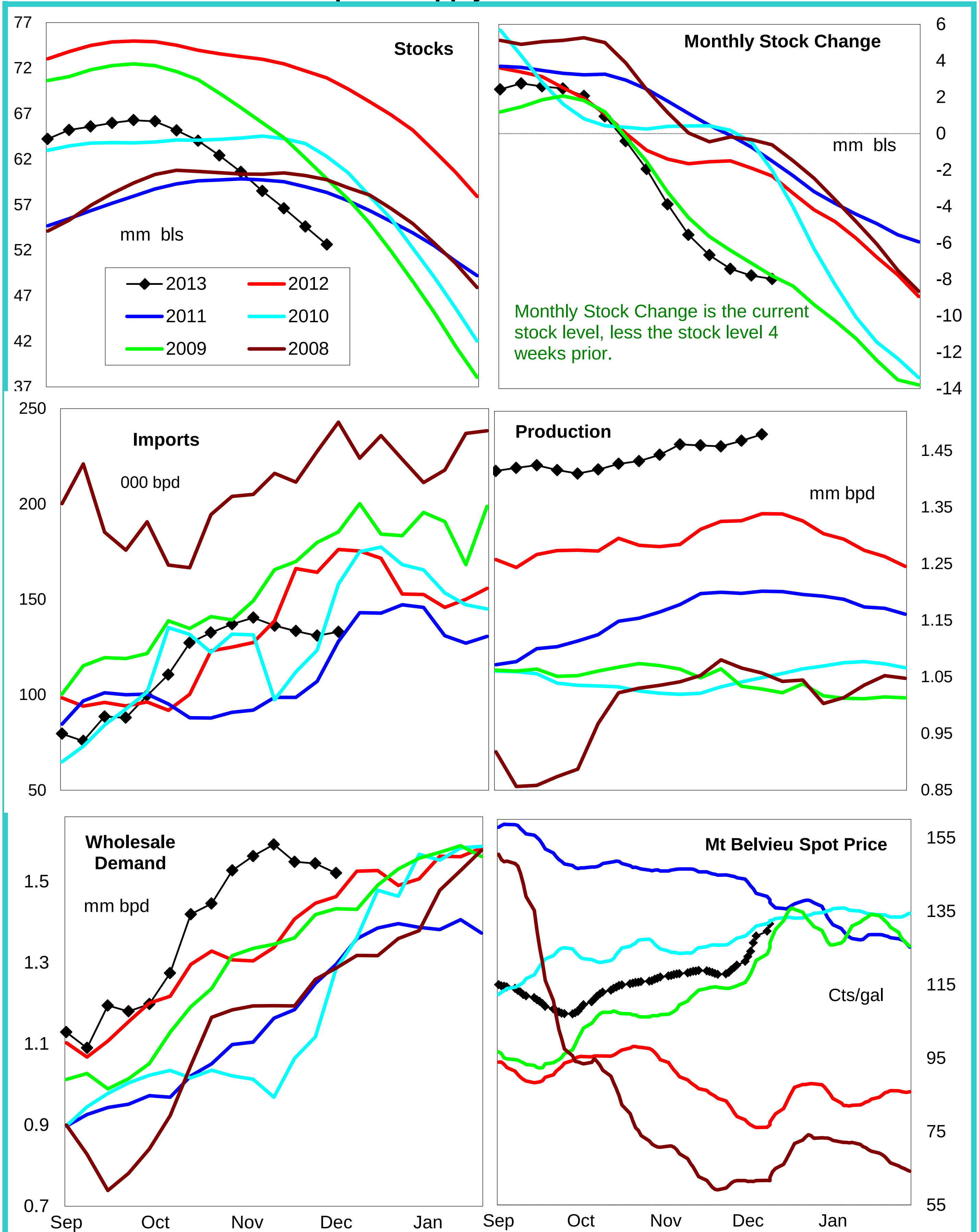








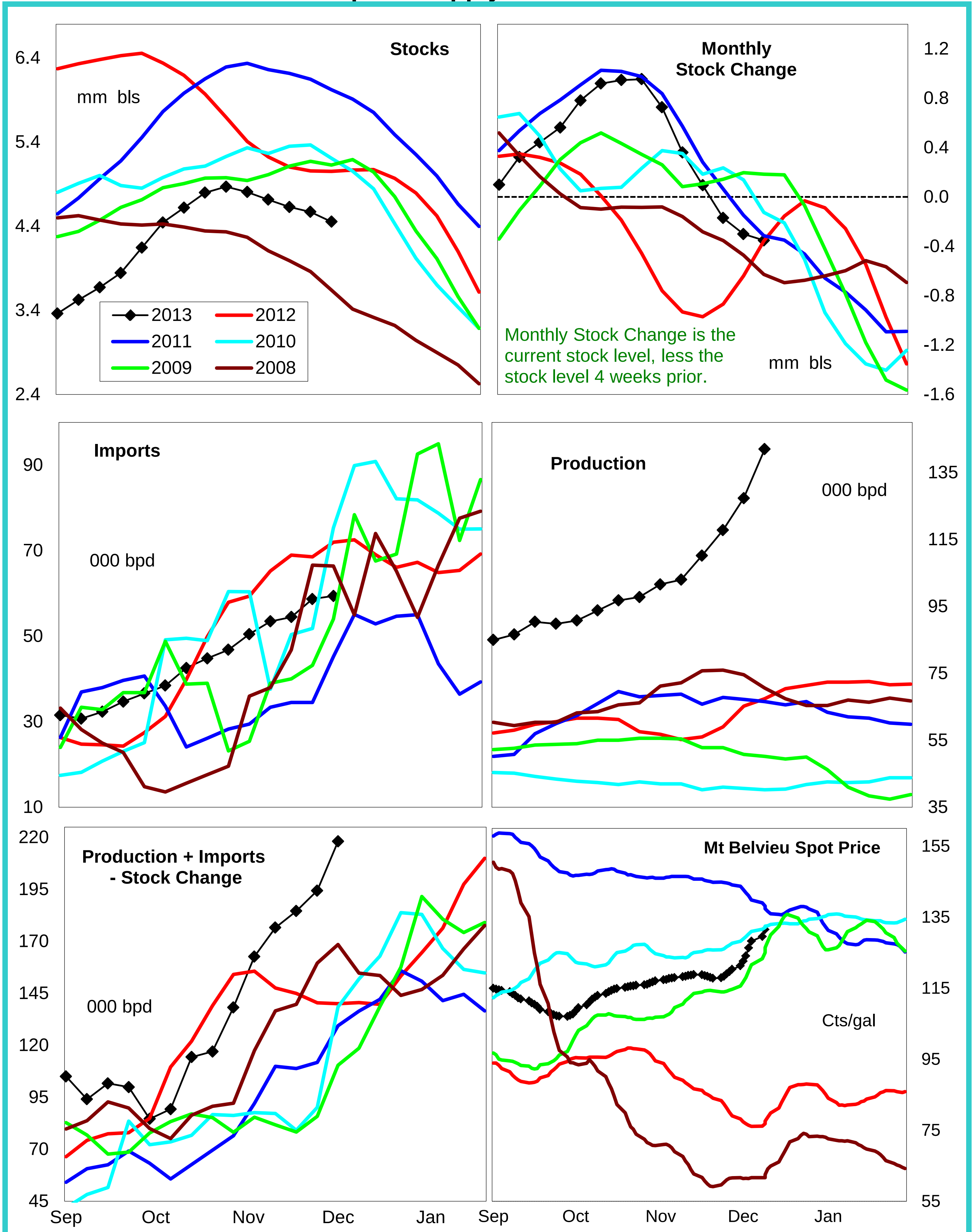
U. S. Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Nov	Oct	Sep
000 bpd (000 bls stks)	-18,566	-5,651	119	-33		142	338	203	-64
% change	-26.1	243	8.8	-20.4		9.7	26.9	15.9	-5.5

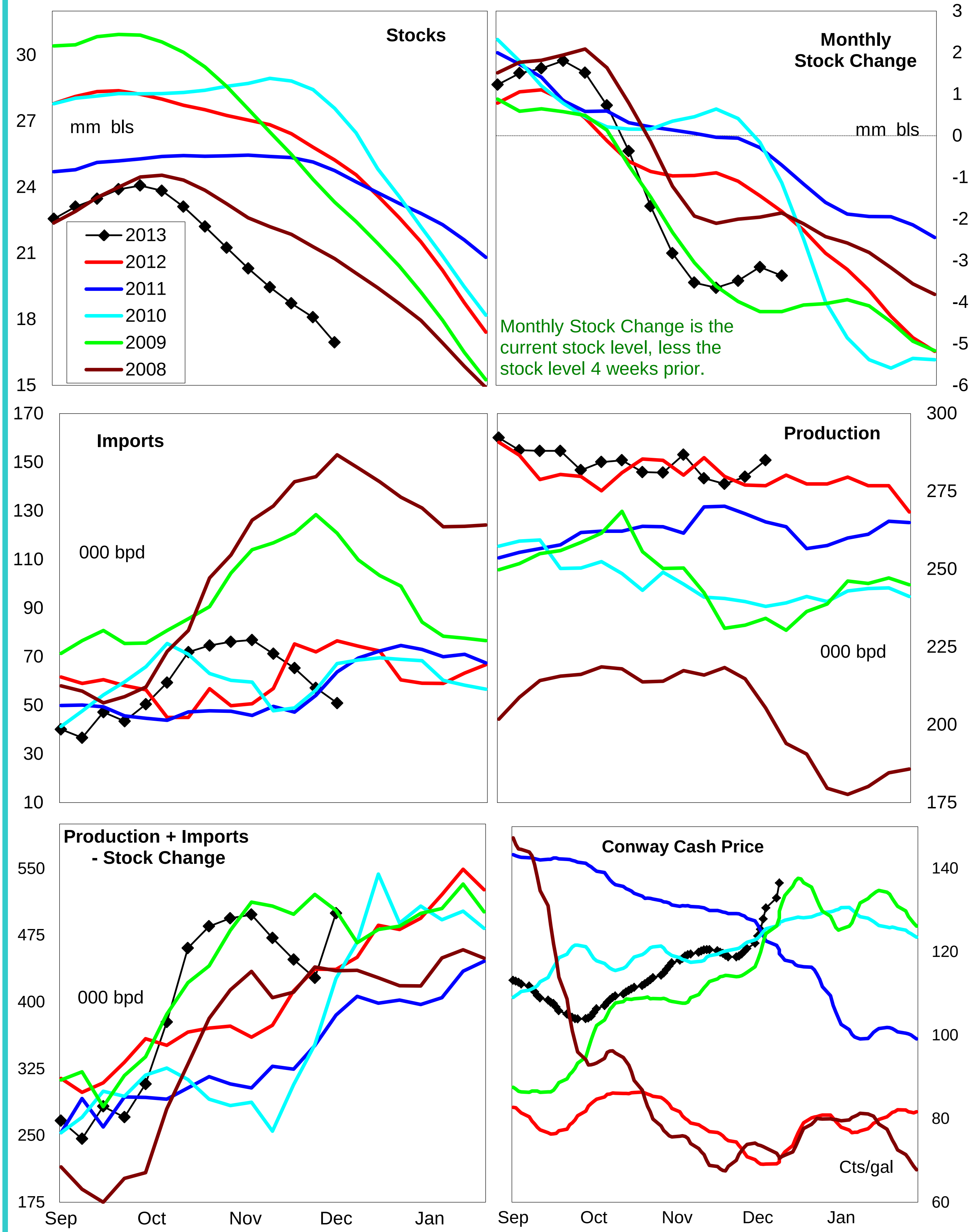
Lehi German Tel: 816.505.0980

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)	-580	4	58	-13	50
% change	-11.5	-1.0	91.3	-18.8	35.0

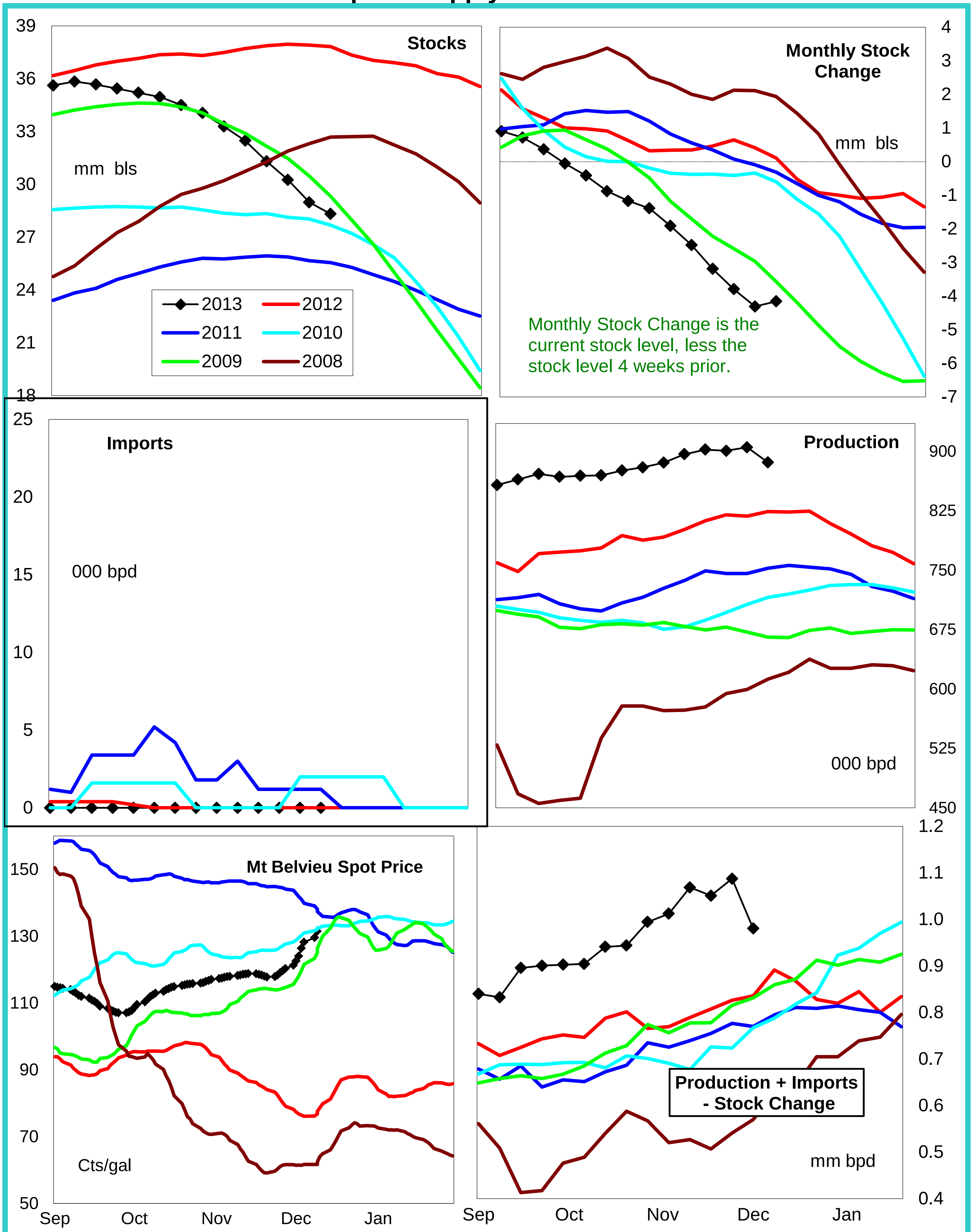
PADD 2 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-8,495	-1,545	1	-11	47
% change	-33.4	85.0	0.4	-15.8	11.2

Lehi German Tel: 816.505.0980

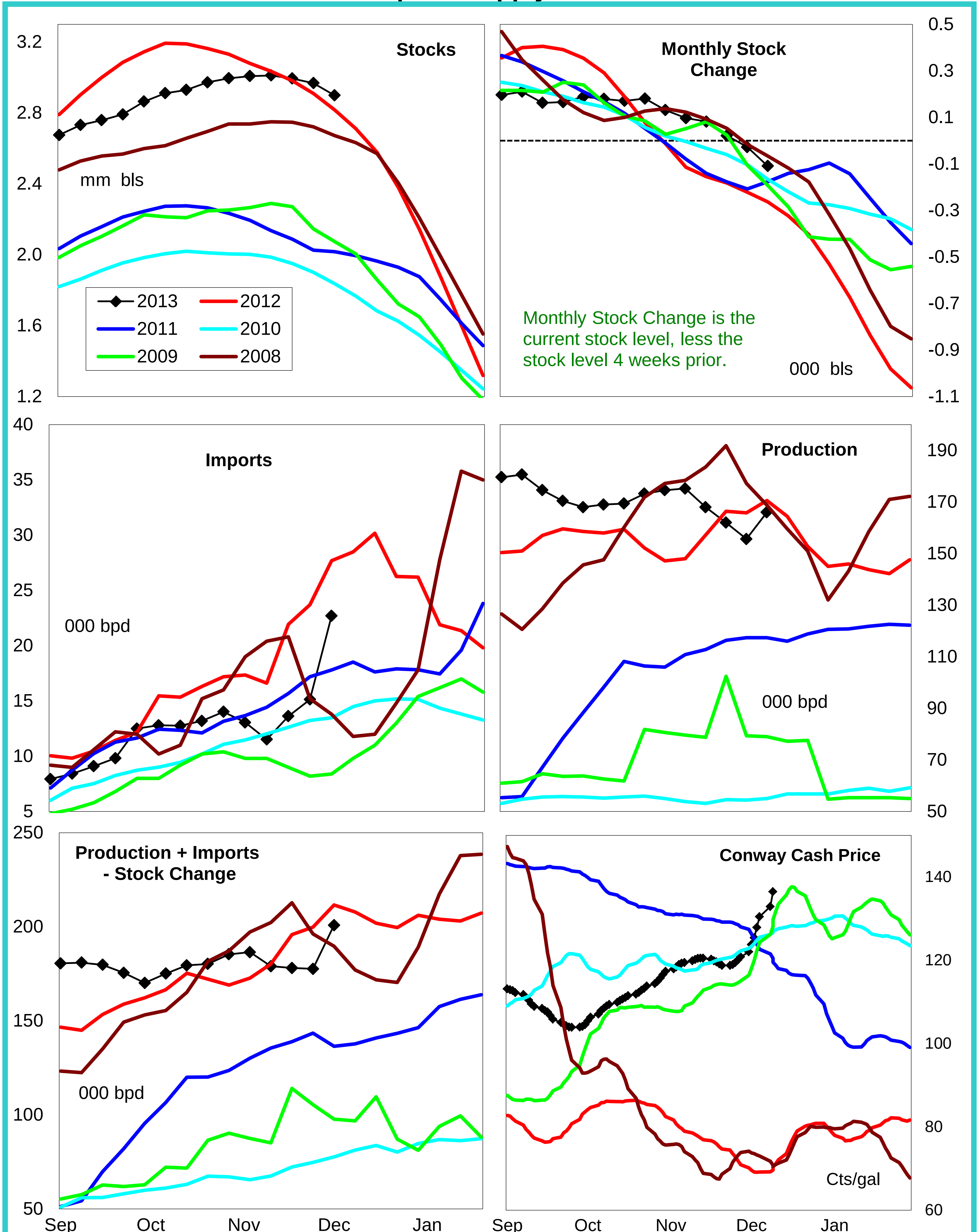
PADD 3 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-9,523	-4,266	74	0	232
% change	-25.2	-3,964	8.9	#DIV/0!	28.5

Lehi German Tel: 816.505.0980

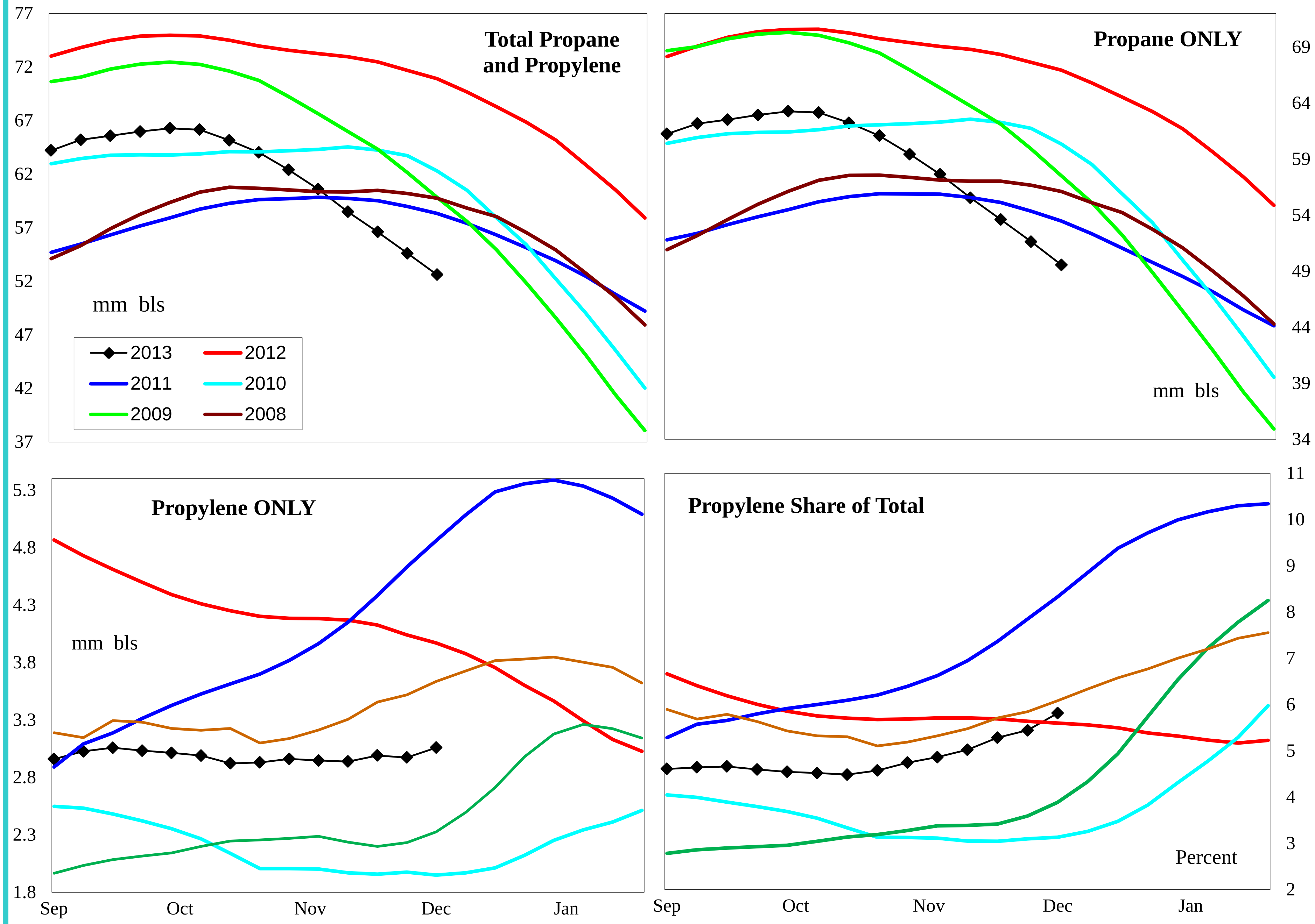
PADDs 4 and 5 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	30	154	-14	-9	-13
% change	1.0	-58.6	-8.2	-39.0	-6.6

  Lehi German Tel: 816.505.0980

U. S. Propane and Propylene Stocks



Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	-18,566	-17,625	-912
% change	-26.1	-26.2	-23.0

Lehi German Tel: 816.505.0980

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