FUNDAMENTAL PETROLEUM TRENDS

WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

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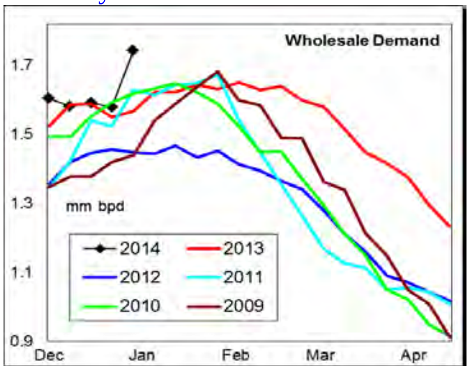
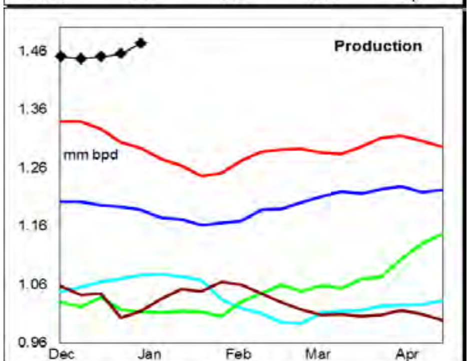
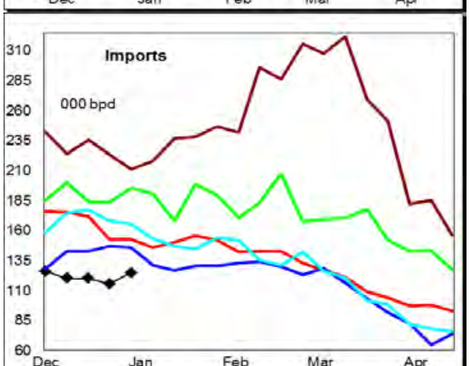
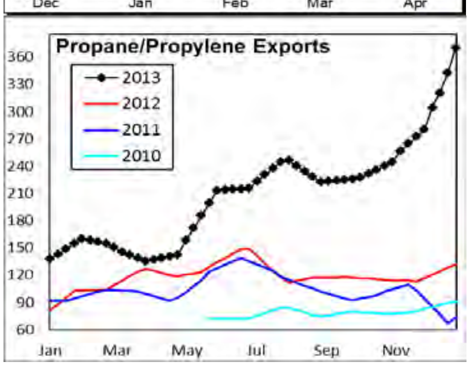
Summary[1]: ? **Table of Contents**





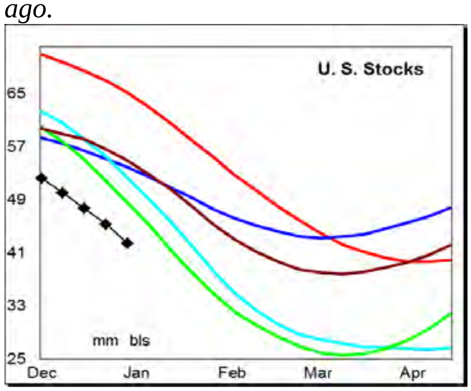




Wholesale demand increased +316,000 bpd last week, driven by extremely cold temperatures. Production increased +21,000 bpd on the week while imports were +20,000 bpd higher.

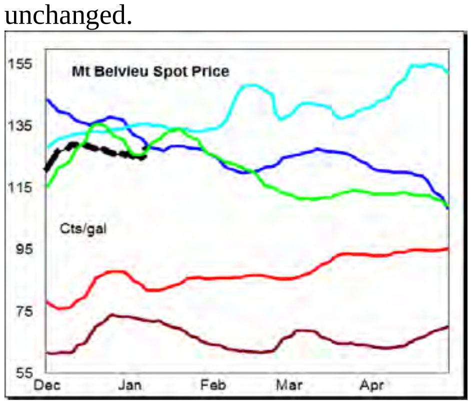
Combined production and imports during the latest 4-wk period were +102,000 bpd above a year ago. Production was +136,000 bpd above last year (+10%), while imports were -34,000 bpd lower.

The latest 4-wk average demand was +49,000 bpd above last year. *Exports were 370,000 bpd for the most recent week, compared to 132,000 bpd a year ago.*



Stocks fell -3.5 million barrels on the week, with the latest 4-wk draw of -10.1 million barrels, equal to the largest draw of the last 3.yrs. U.S. stocks ended the week -35% below last year and below the 5-yr range.

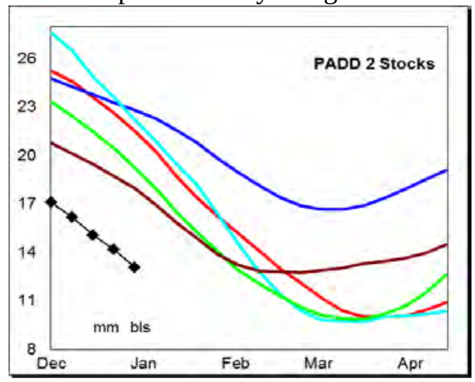
Price and Spreads Mt Belvieu spot price increased +2 cpg for the week ending 08Jan14 while Conway spot price was unchanged.



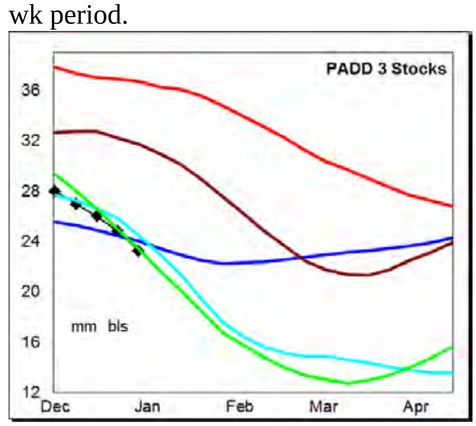
The Conway – Mt Belvieu price spread ended the week at a +16 cpg premium; down -4 cpg from the prior week record.

PADD 1 production was unchanged last week at a level 2X last year. Stocks ended the week at a level below four of the last 5-yrs.

PADD 2 stocks declined -1.2 million barrels on the week, to a level -39% below last year and well below the 5-yr range. Supply increased +19,000 bpd on higher imports and production. Imports were comparable to a year ago.



PAD 3 stocks decreased -2.1 million barrels last week, to a level -37% below a year ago. Supplies increased +7,000 bpd last week, and were +67,000 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 equal to 5-yr highs for the period.

Emerging Trends Wholesale demand should moderate next week on a return to near normal temperature in the Eastern ½ of the country. Temperatures are forecast to be much above normal in the western ½ of the country for the next 10-days. The return to near normal temperatures in major heating markets is offset by extremely low stock levels and a large snowpack in key heating markets. A large snowpack early in the winter often leads to below normal temperatures during the heating season.

[1] Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

January 8, 2014

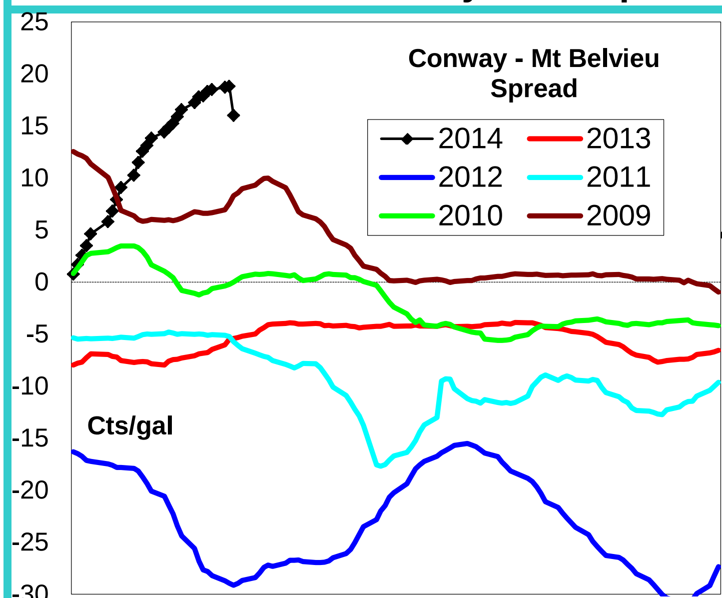
Fundamental Trends for the Week Ending: Friday, January 03, 2014

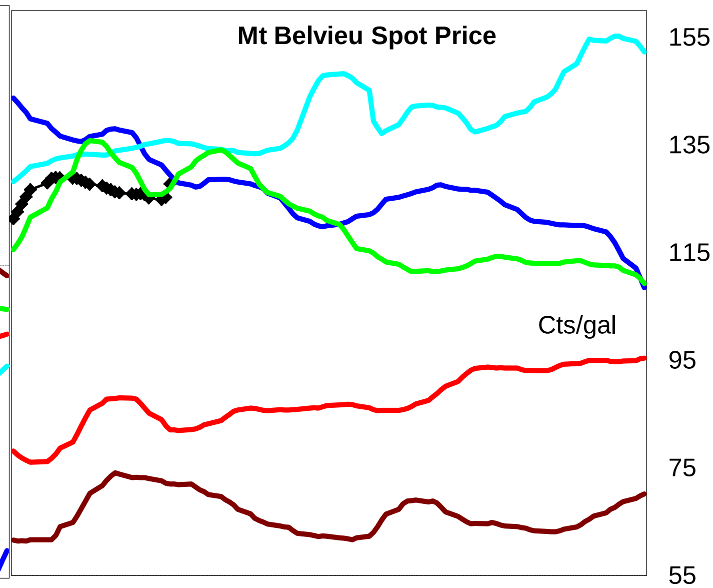
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S.	PADD				U.S.	PADD			
	Total	1	2	3	4&5	Total	1	2	3	4&5
Stocks	42,433	3,835	13,055	23,241	2,302	-3,468	-95	-1,216	-2,106	-51
Propylene Stocks	3,621					68				
Production	1,473	146	260	888	179	21	2	6	7	6
Imports	125	49	62	0	14	20	6	13	0	0
Whsle Demand	1,723					316				

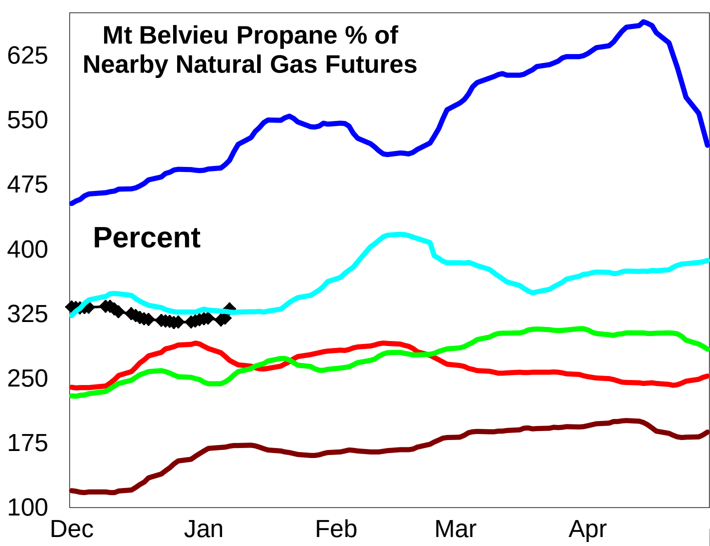
Price Trends for the Week Ending: Wednesday, January 08, 2014

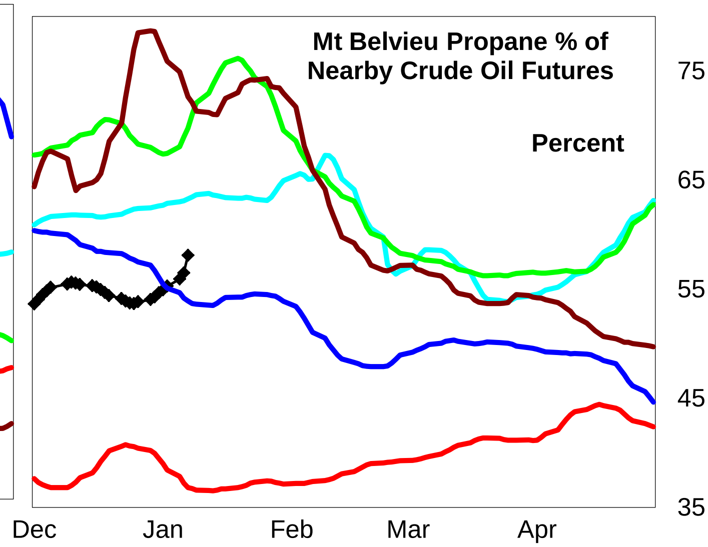
Cents/gal	Average for week ending:				Change from:			% change from:		
	1/8/14	1/1/14	12/11/13	1/11/13	1/1/14	12/11/13	1/11/13	1/1/14	12/11/13	1/11/13
Mont Belvieu Spot	124.8	126.9	128.2	83.6	-2.09	-1.30	44.68	-1.6	-1.0	53.5
Conway Spot	143.6	144.5	131.6	77.1	-0.92	12.92	54.41	-0.6	9.8	70.5

Key Price Spreads and Differentials

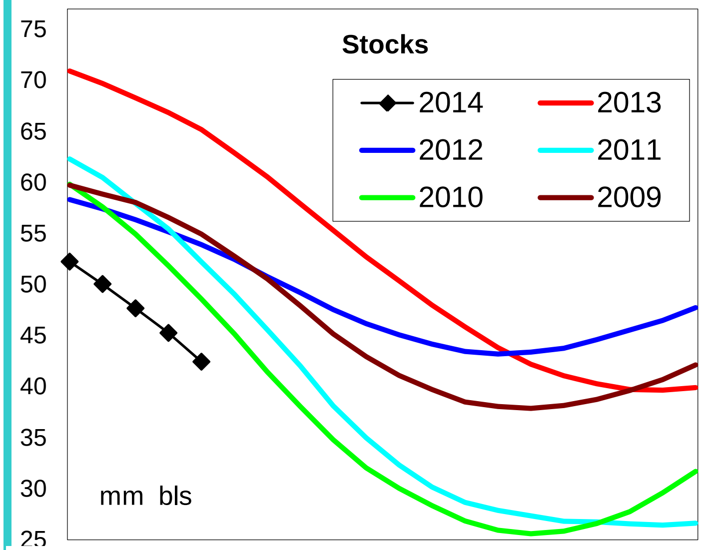


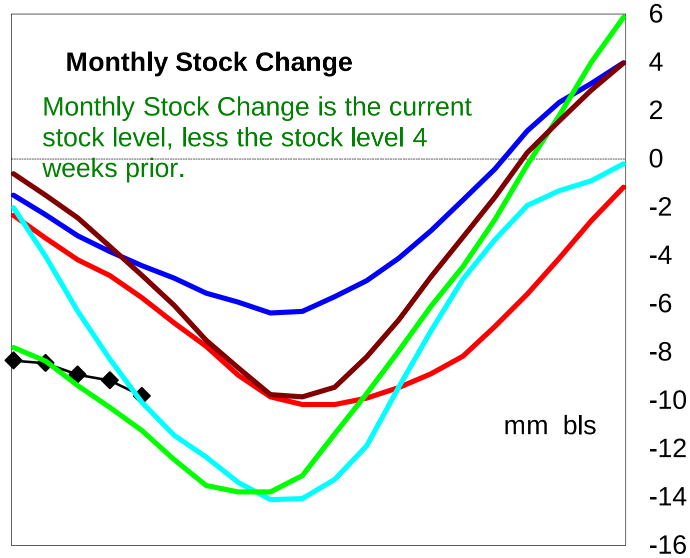


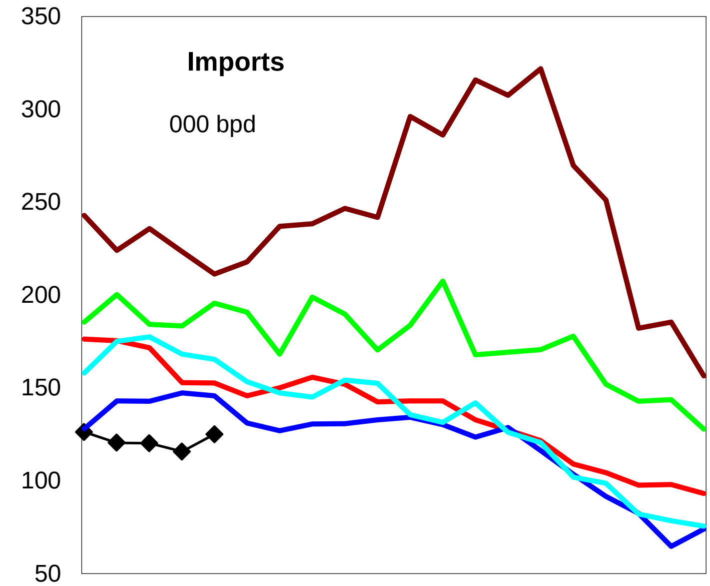


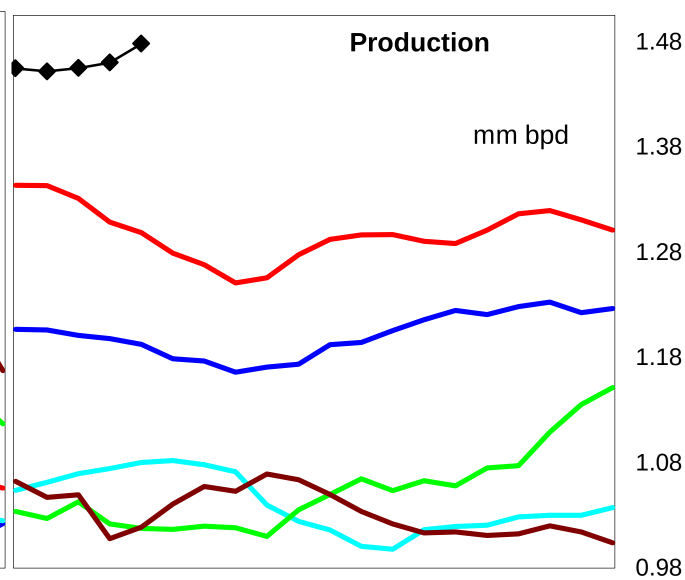


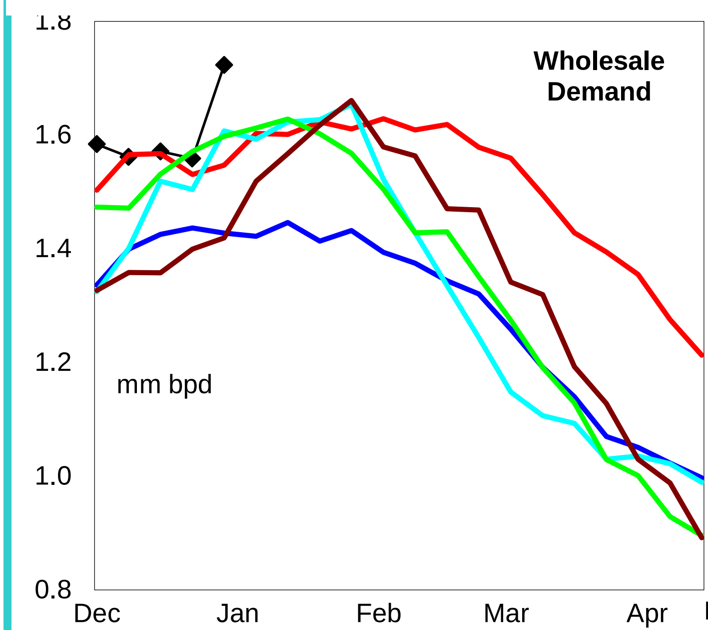
U. S. Propane Supply and Demand Balance

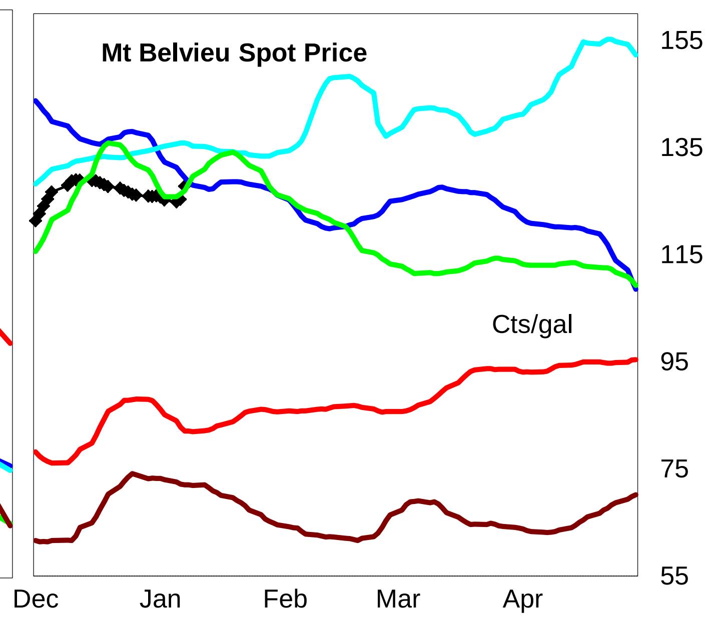












4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Dec	Nov	Oct
000 bpd (000 bls stks)	-23,139	-4,077	136	-34		49	81	338	40
% change	-35.3	71	10.4	-22.3		3.2	5.6	26.9	3.1

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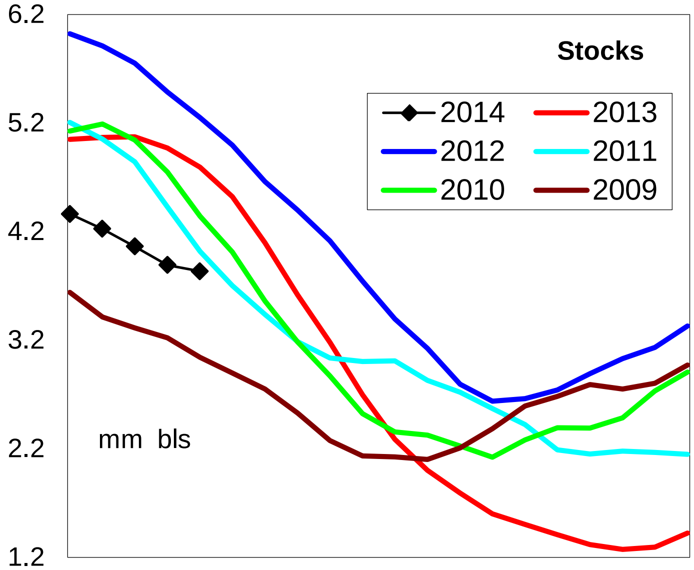
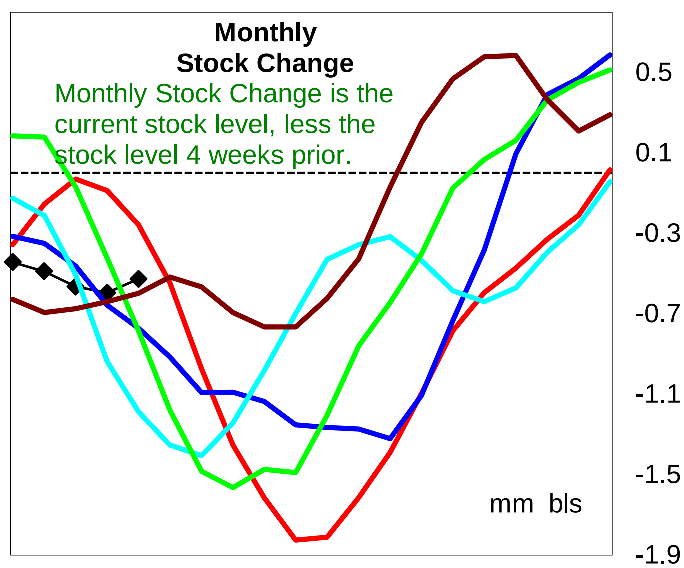
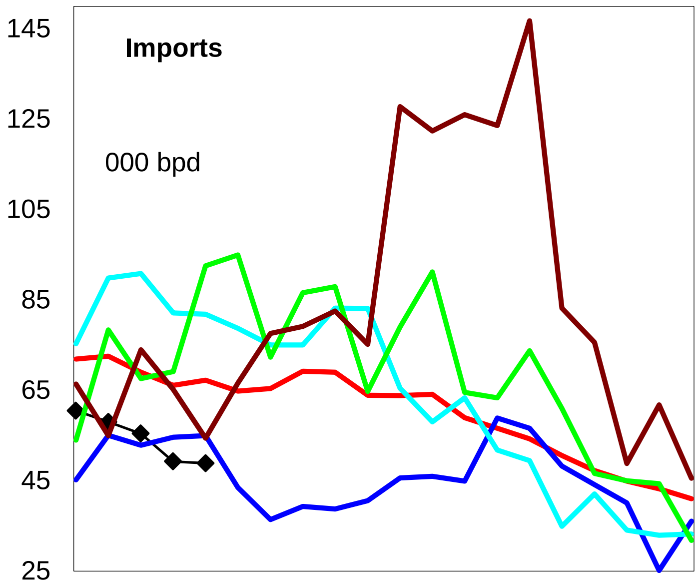
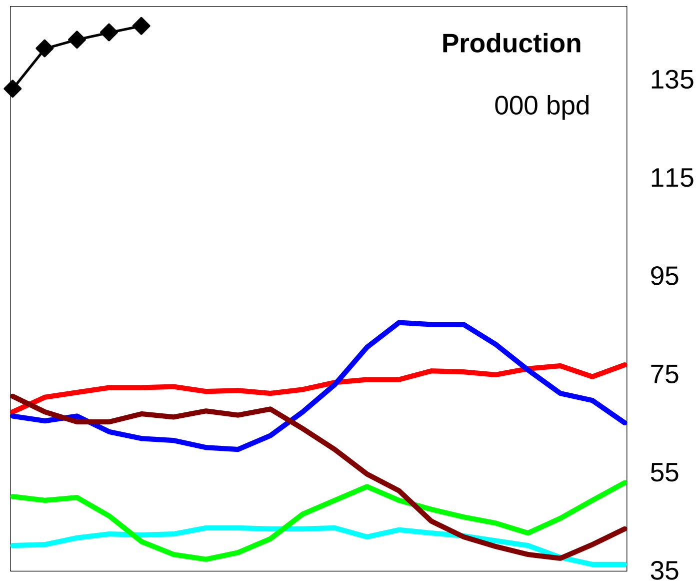
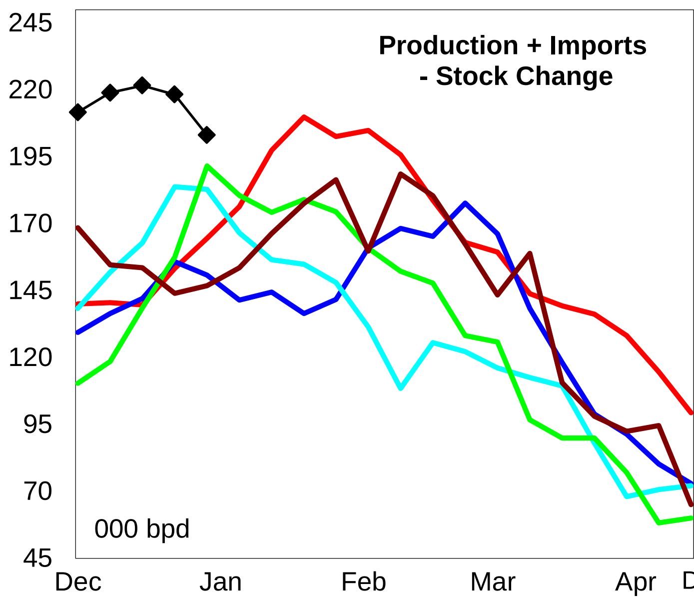
PADD 1 Propane Supply and Demand Balance

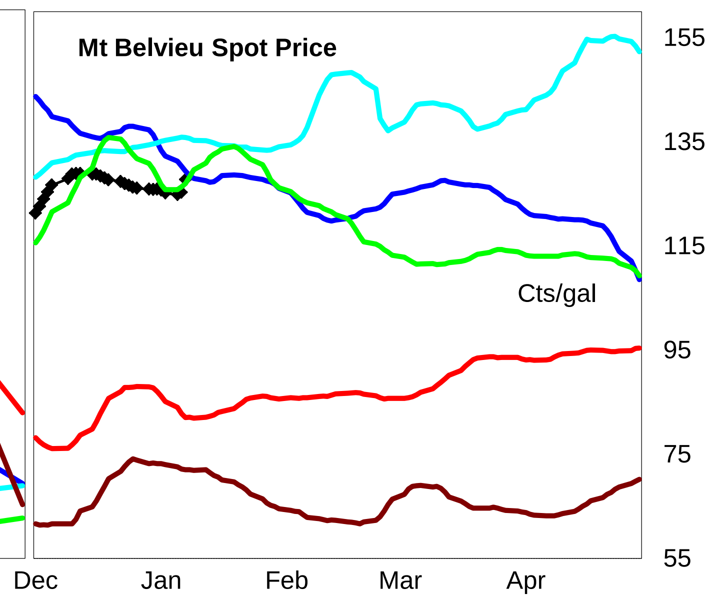






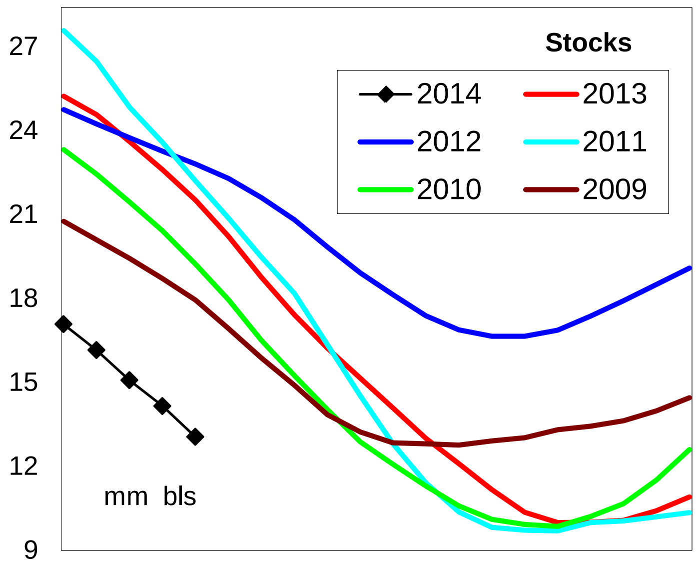


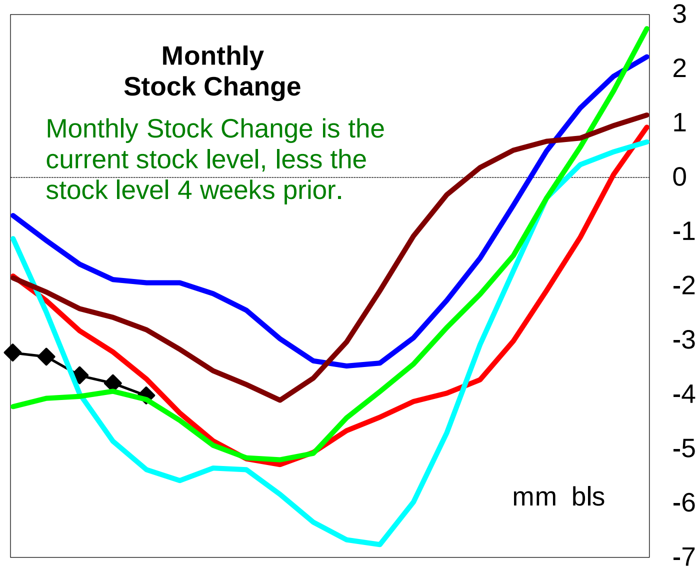


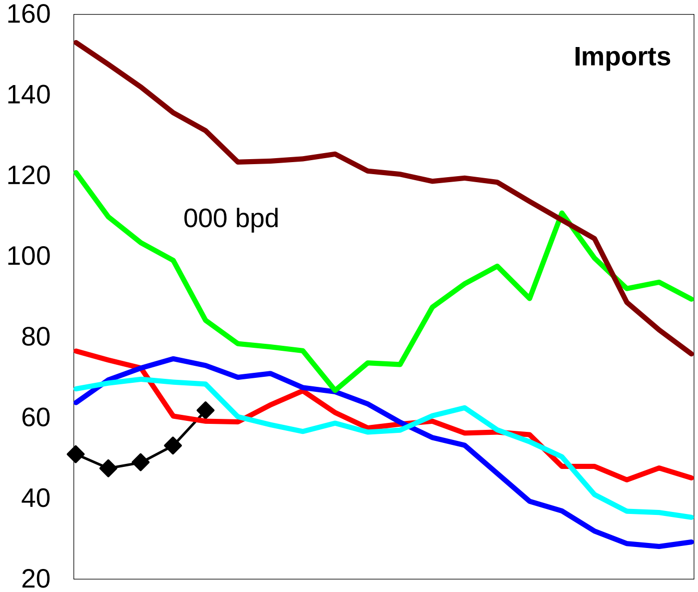


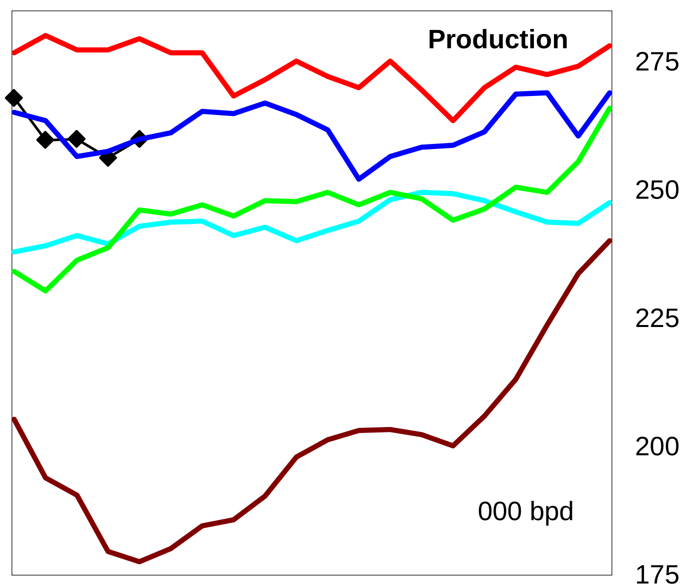
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-1,188	-270	72	-11	66
% change	-23.7	105.5	99.3	-16.9	44.1

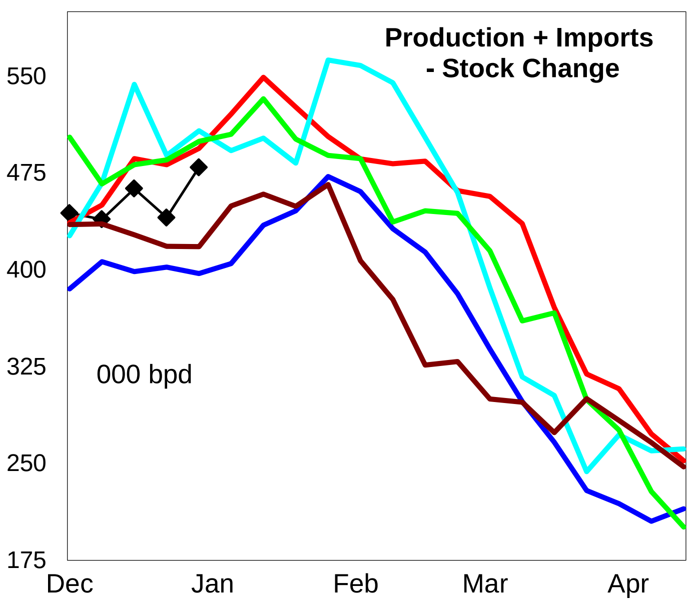
PADD 2 Propane Supply and Demand Balance

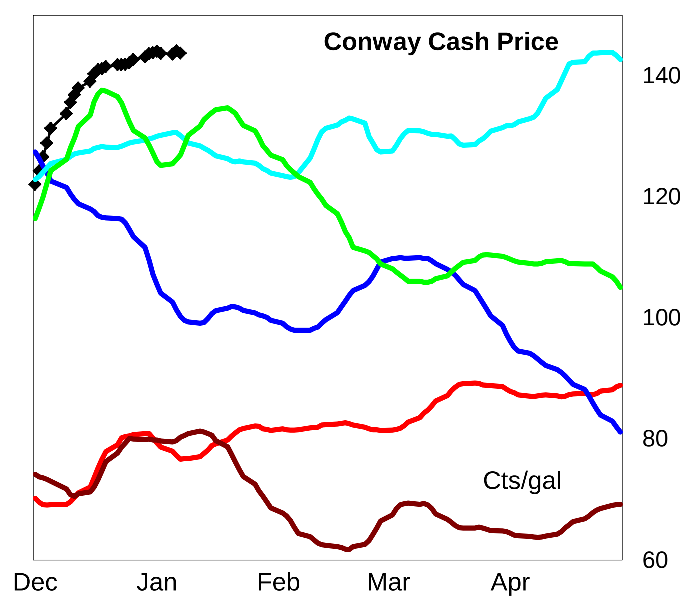






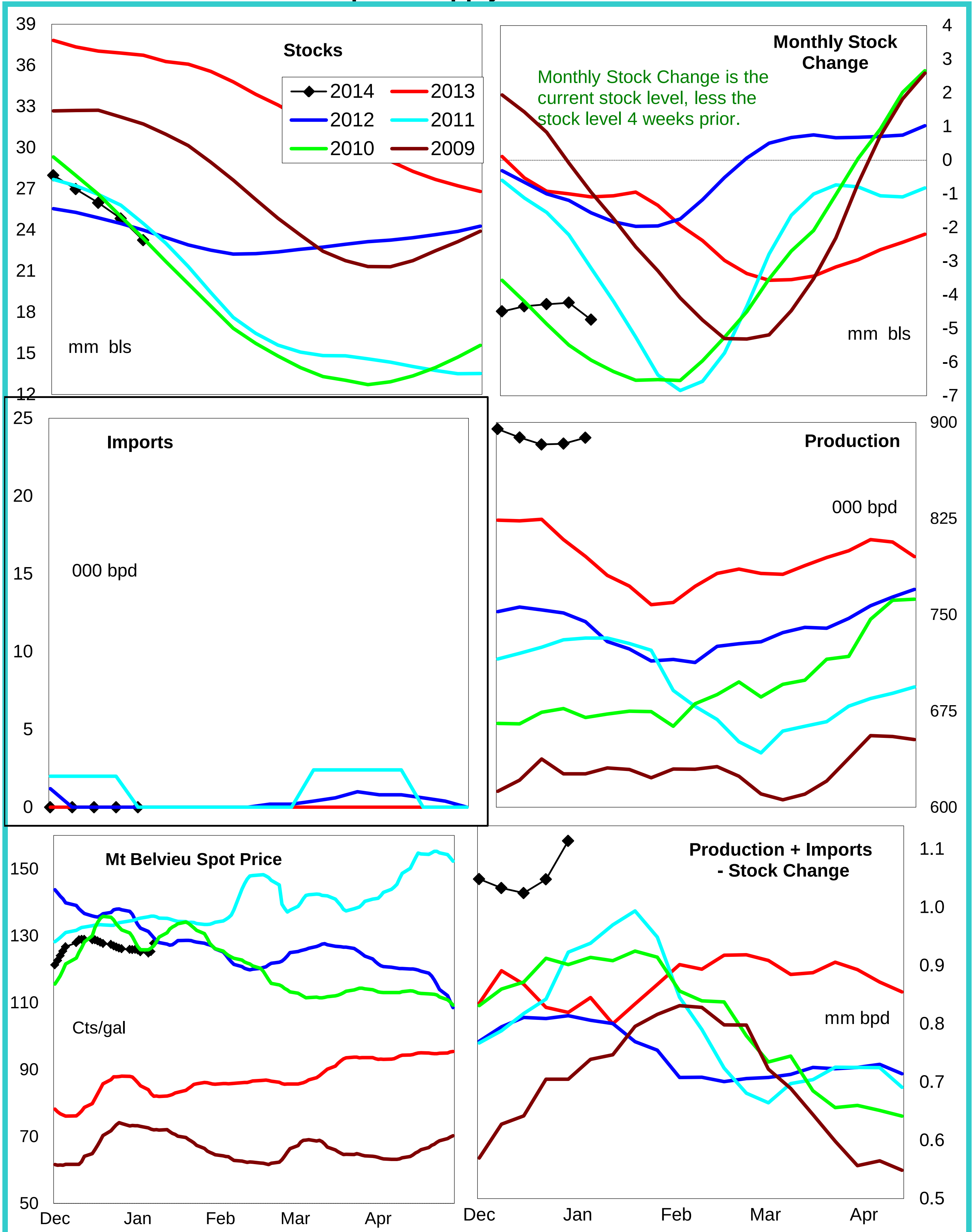






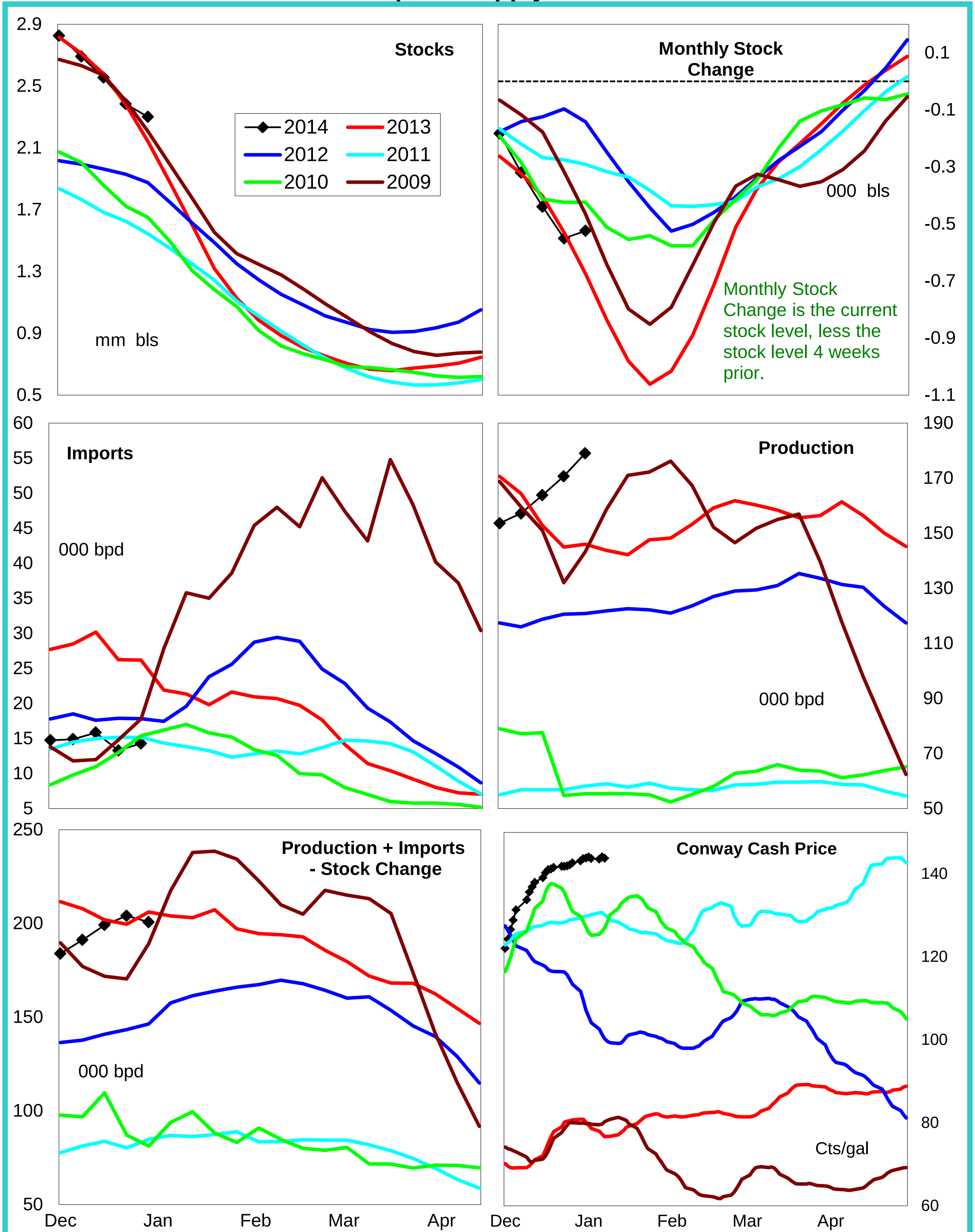
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-8,500	-304	-25	-8	-23
% change	-39.4	8.2	-9.1	-14.4	-4.7

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)	-13,438	-3,652	67	0	203
% change	-36.6	335	8.3	#DIV/0!	23.8

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)	-14	149	23	-14	-5
% change	-0.6	-22.2	16.2	-50.2	-2.5

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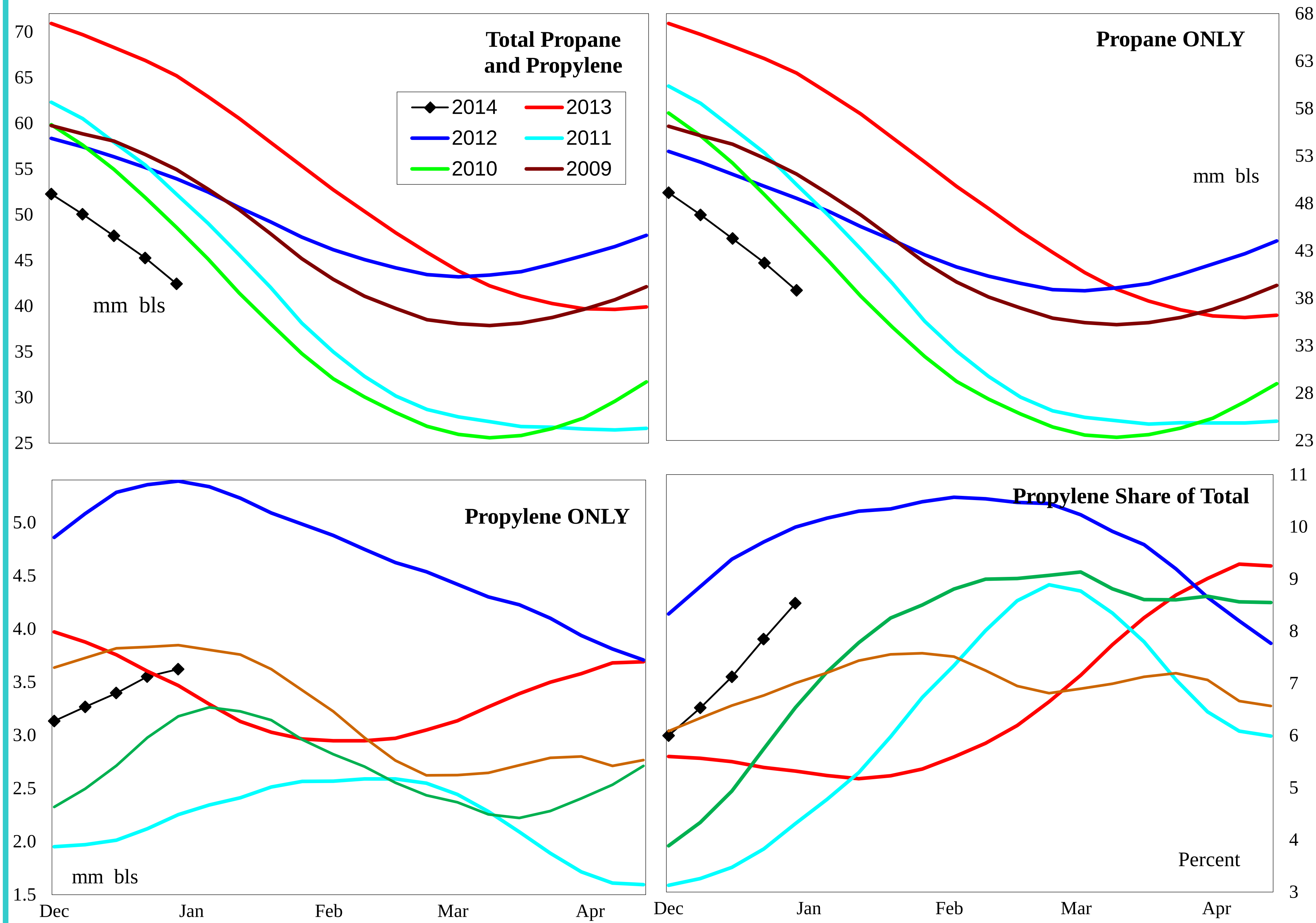
U. S. Propane and Propylene Stocks



Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	-23,139	-23,285	155
% change	-35.3	-37.5	4.5

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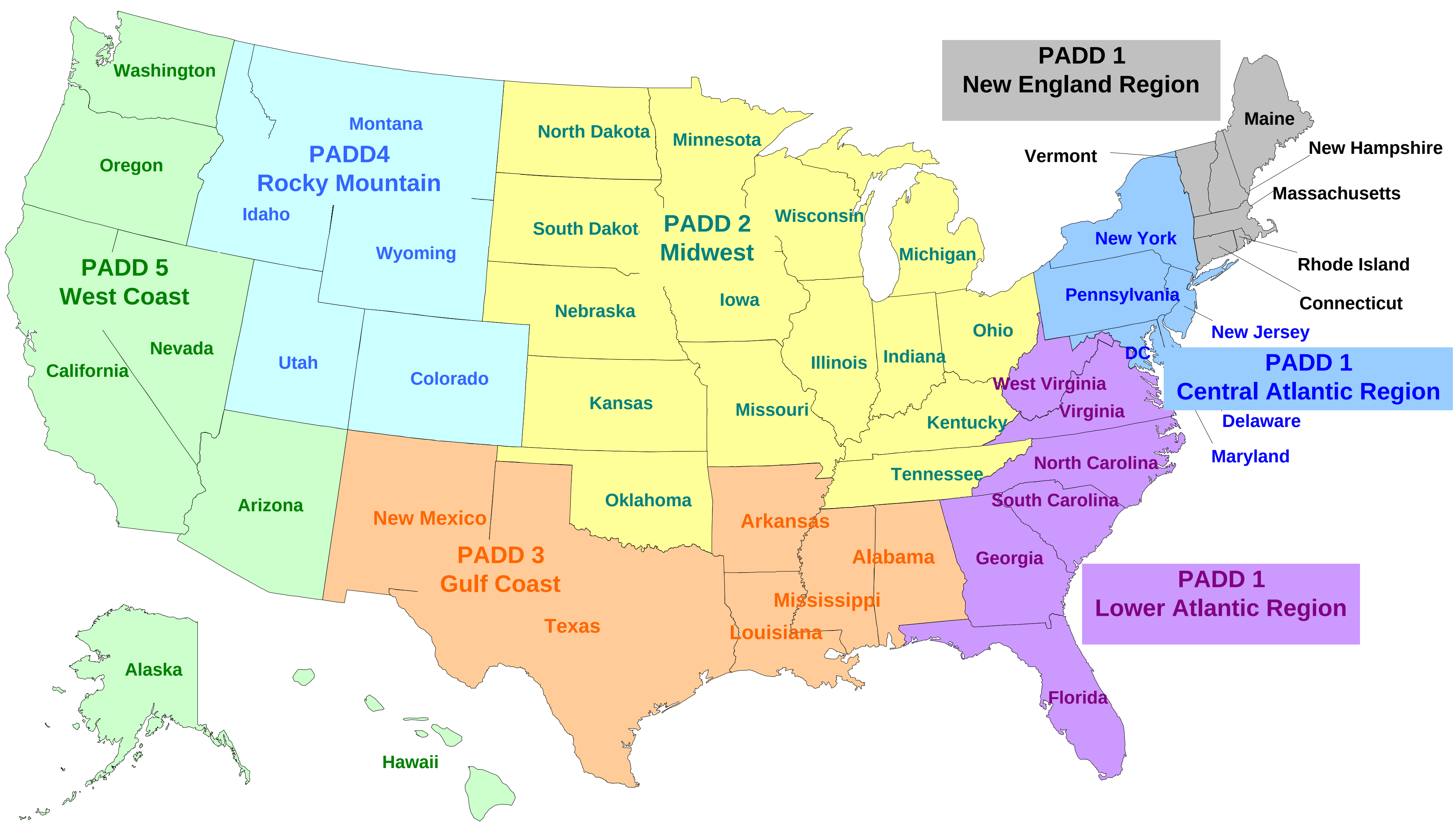
U. S. Petroleum Administrative for Defense Districts (PADDs)



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