WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

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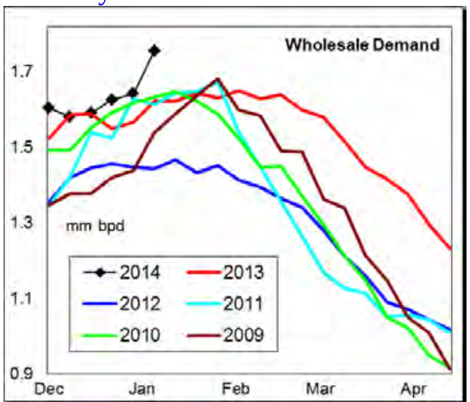
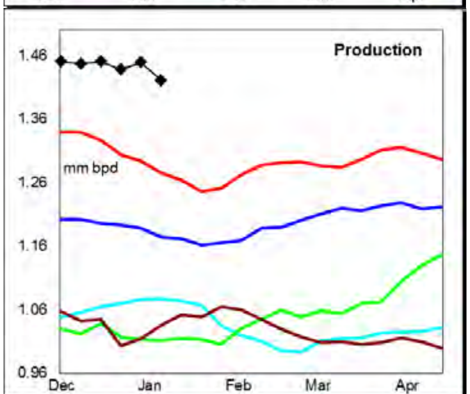
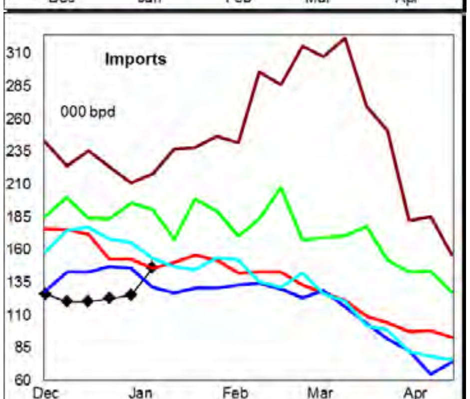
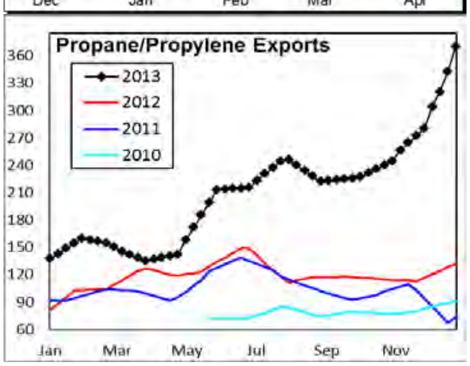
Summary[1]: Table of Contents





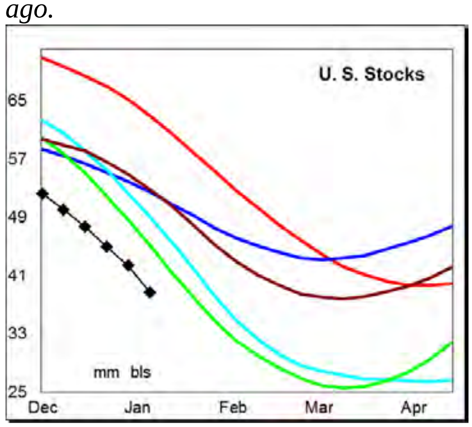




Wholesale demand increased +13,000 bpd last week, a level above the 5-yr range. Production fell -53,000 bpd on the week, driven by weather disruptions, while imports were +21,000 bpd higher.

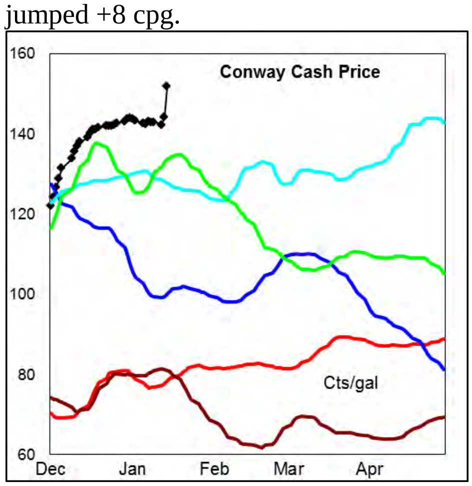
Combined production and imports during the latest 4-wk period were +108,000 bpd above a year ago. Production was +132,000 bpd above last year (+10%), while imports were -24,000 bpd lower.

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 -3.8 million barrels on the week, with the latest 4-wk draw of -11.4 million barrels, equal to the largest draw of the last 3.yrs. U.S. stocks ended the week -40% below last year and below the 5-yr range.

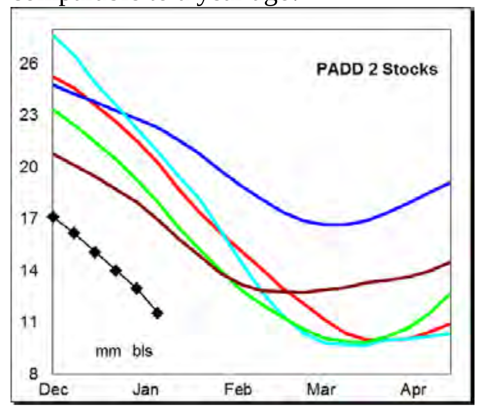
Price and Spreads Mt Belvieu spot price was unchanged for the week ending 15Jan14 while Conway spot price jumped +8 cpg.



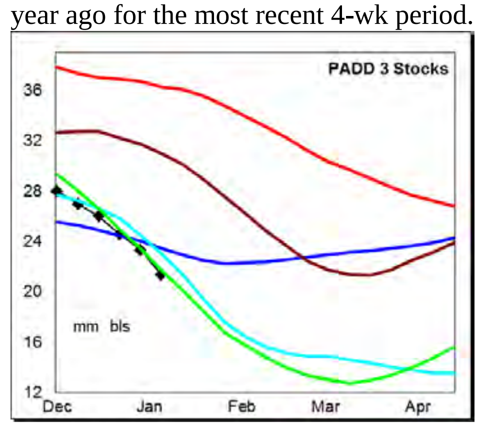
The Conway – Mt Belvieu price spread ended the week at a +24 cpg premium; a record high.

PADD 1 production decreased -15,000 bpd last week, nearly 2X last year. Stocks ended the week at the low end of the last 3-yrs.

PADD 2 stocks declined -1.5 million barrels on the week, to a level -44% below last year and well below the 5-yr range. Supply decreased -4,000 bpd on lower production. Imports were comparable to a year ago.



PAD 3 stocks decreased -1.9 million barrels last week, to a level -43% below a year ago. Supplies fell -42,000 bpd last week, and were +60,000 bpd above a year ago for the most recent 4-wk period.



PADDs 4 & 5 stocks decreased -0.2 million barrels last week, with the level above the 5-yr highs for the period.

Emerging Trends Temperatures are forecast to be much below normal in key heating markets during the last 10-days of the month. With all major pipelines on allocation and extremely low stocks in the Midwest, risk of a price spike is increased over the next 30-days.

[1] Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

January 15, 2014

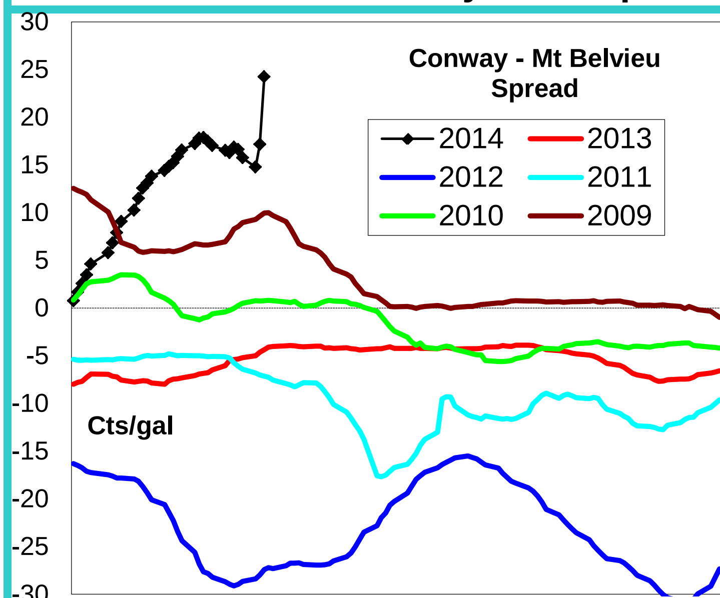
Fundamental Trends for the Week Ending: Friday, January 10, 2014

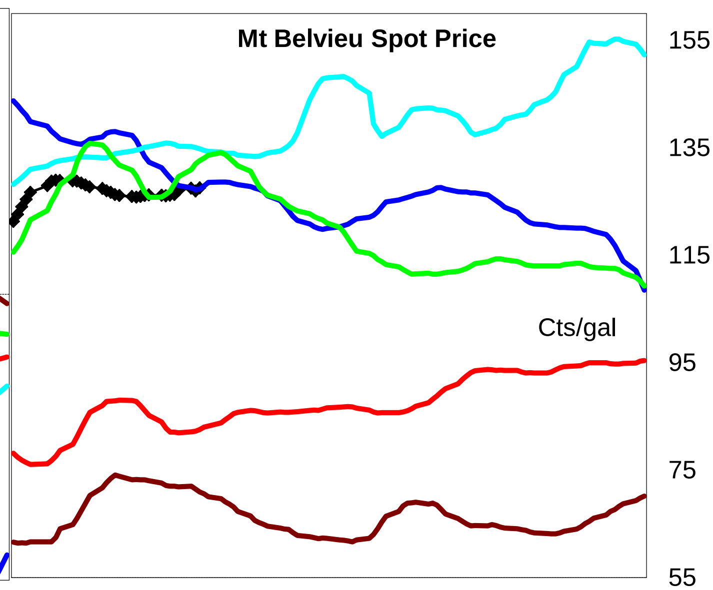
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5	U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5
Stocks	38,654	3,717	11,538	21,303	2,096	-3,779	-118	-1,517	-1,938	-206
Propylene Stocks	3,512					-109				
Production	1,420	131	254	846	189	-53	-15	-6	-42	10
Imports	146	51	64	0	31	21	2	2	0	17
Whsle Demand	1,736					13				

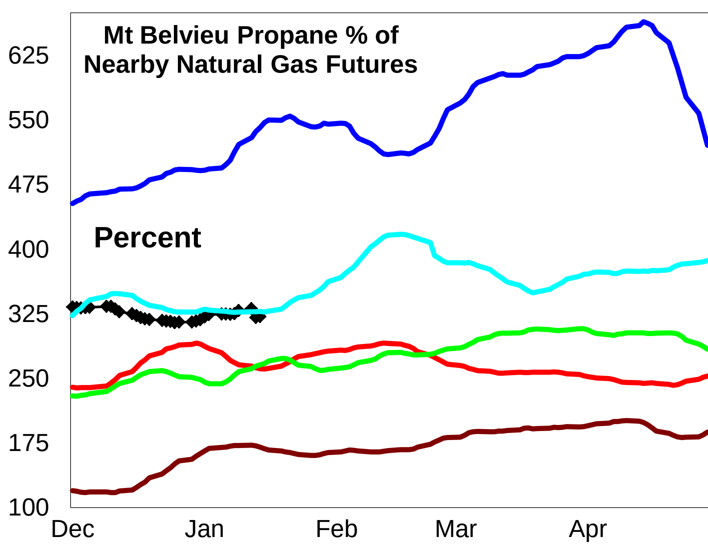
Price Trends for the Week Ending: Wednesday, January 15, 2014

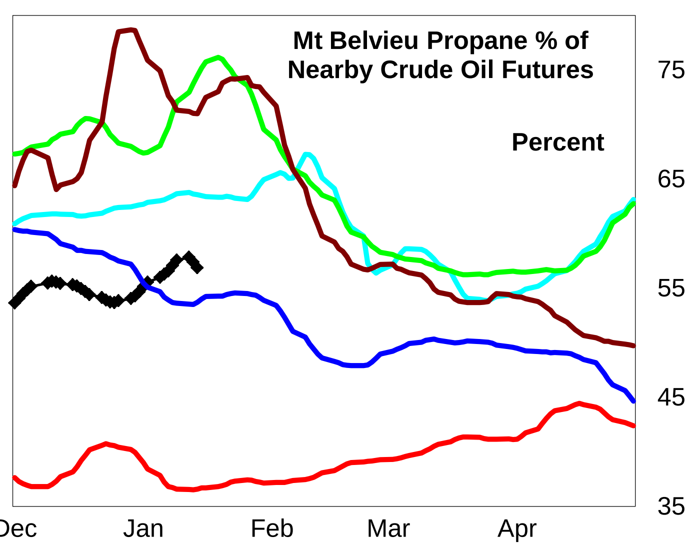
Cents/gal	Average for week ending:				Change from:			% change from:		
	1/15/14	1/8/14	12/18/13	1/18/13	1/8/14	12/18/13	1/18/13	1/8/14	12/18/13	1/18/13
Mont Belvieu Spot	127.5	124.8	130.5	80.5	2.64	-5.61	50.00	2.1	-4.3	62.2
Conway Spot	142.3	143.6	142.2	76.2	-1.30	1.40	66.00	-0.9	1.0	86.7

Key Price Spreads and Differentials

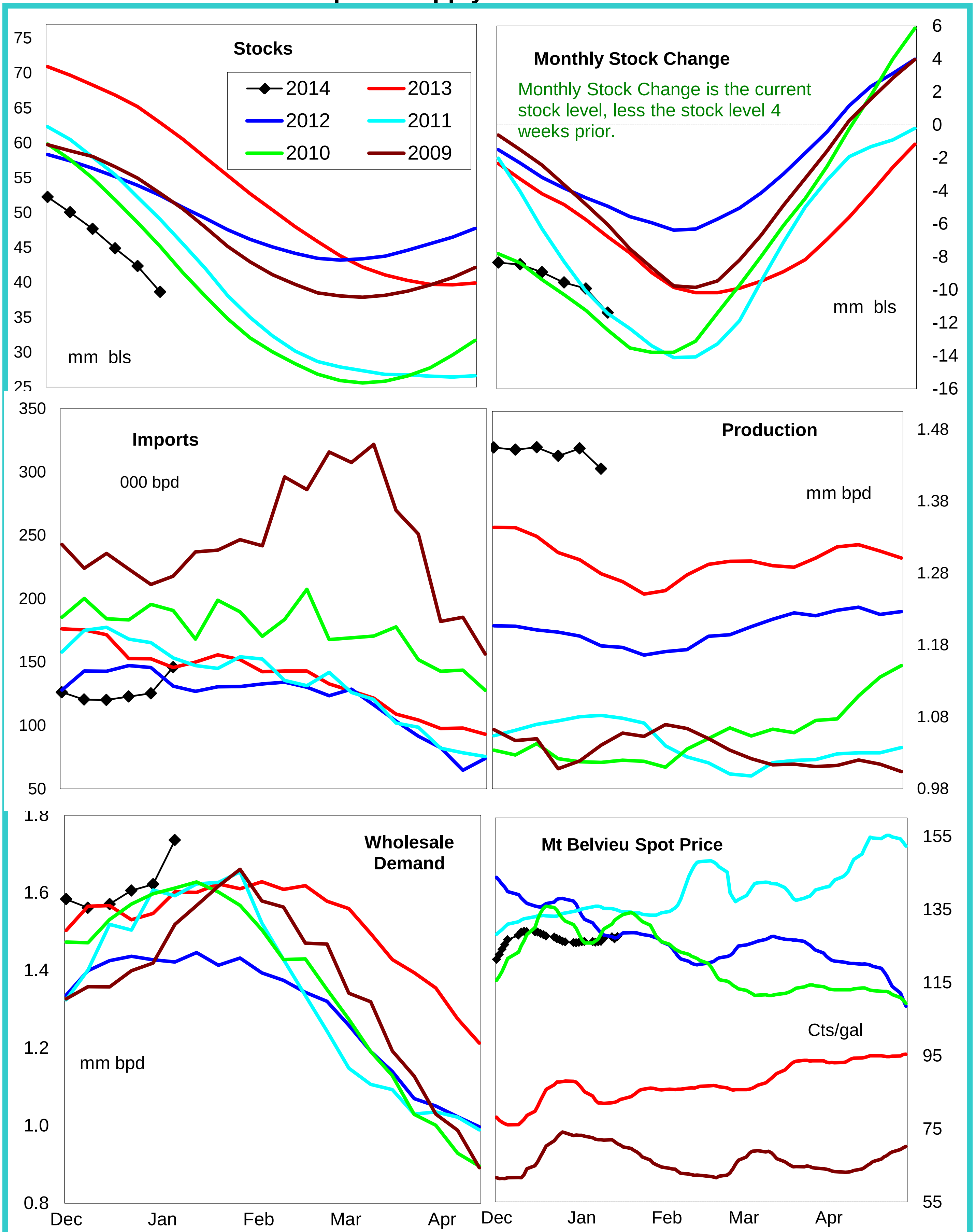






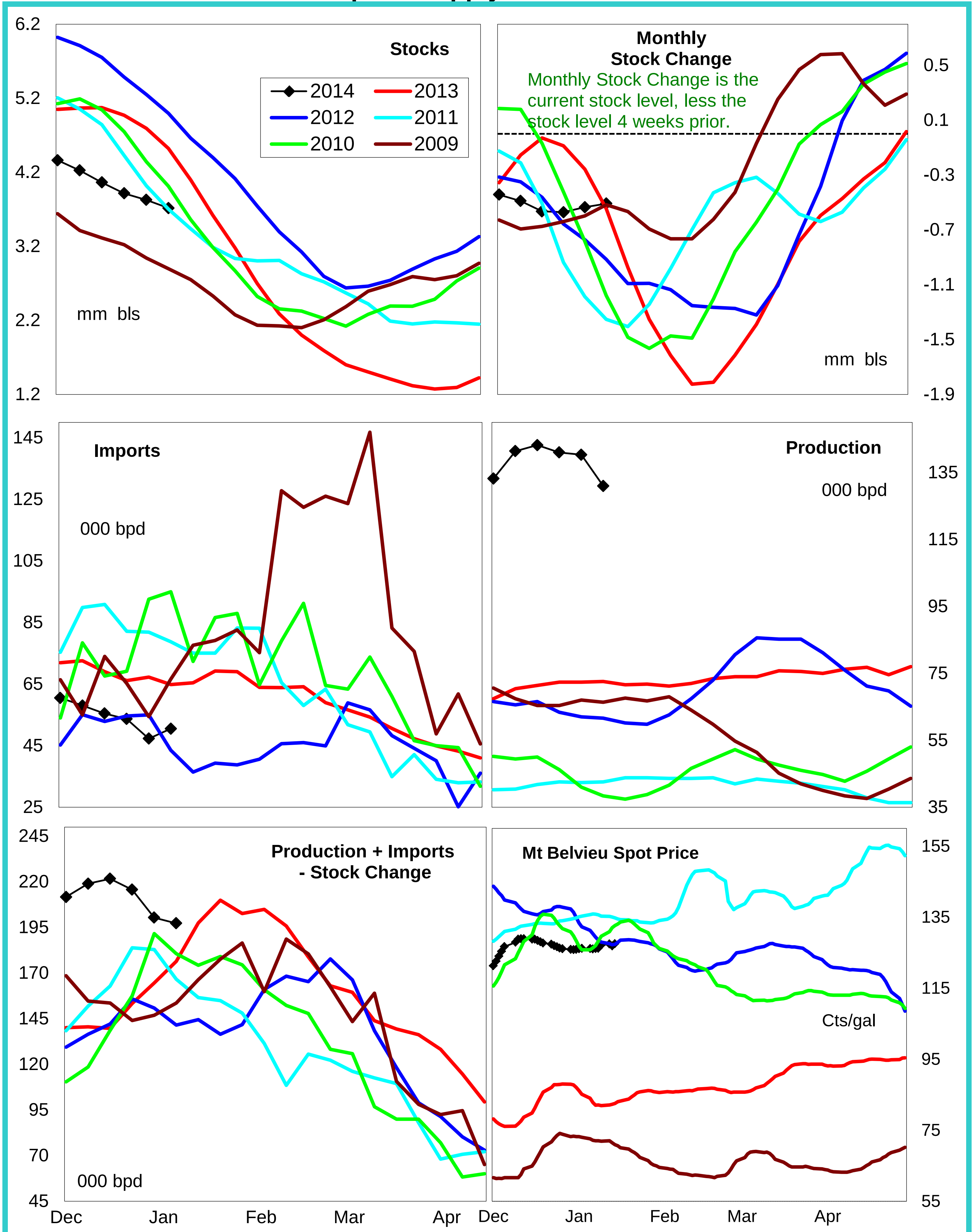


U. S. Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Dec	Nov	Oct
000 bpd (000 bls stks)	-25,302	-4,600	132	-24		86	81	338	40
% change	-39.6	68	10.1	-16.4		5.6	5.6	26.9	3.1

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)	-796	37	69	-16	50
% change	-17.6	-6.9	94.8	-24.2	31.7

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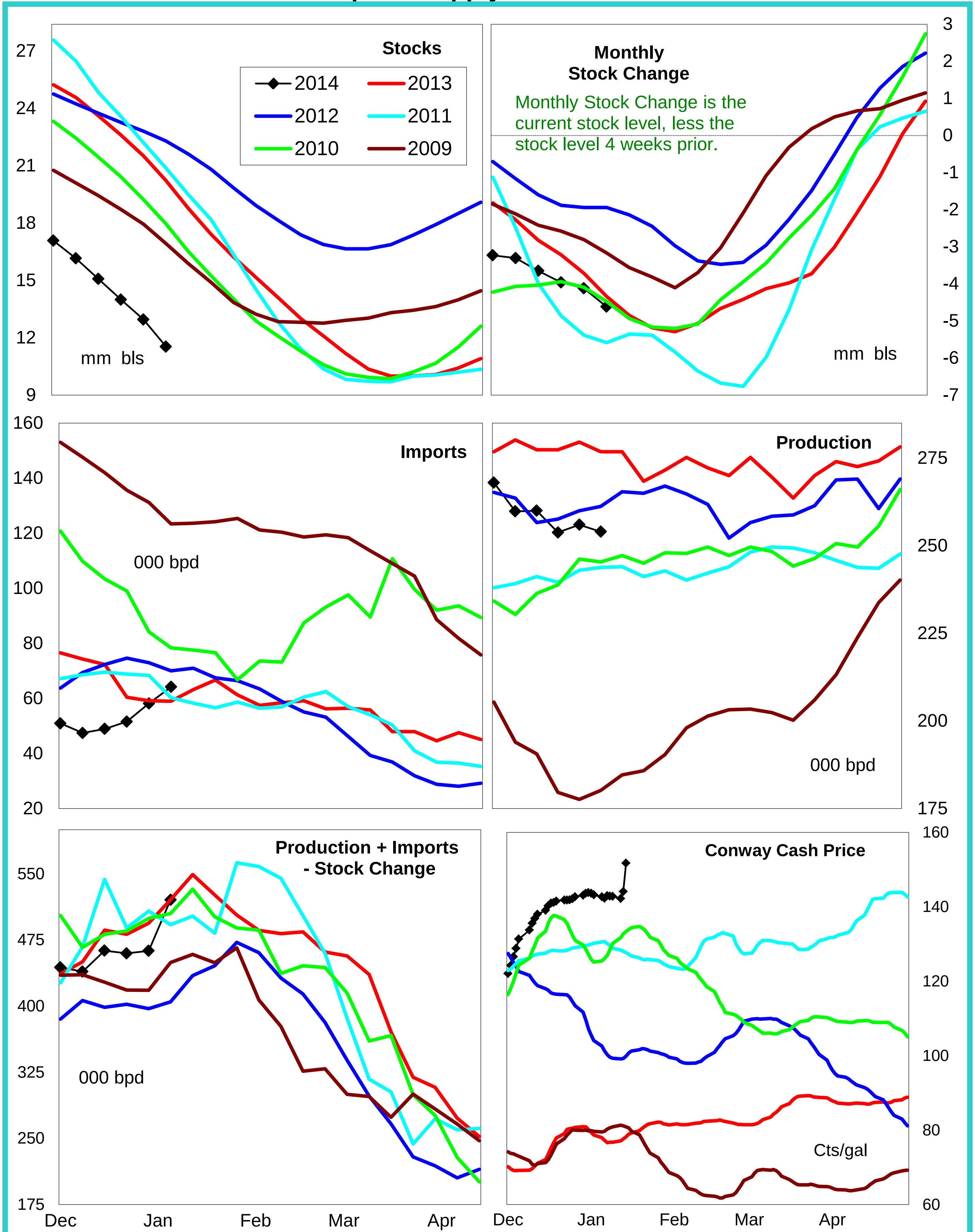
PADD 2 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-8,879	-275	-24	0	-19
% change	-43.5	6.3	-8.6	0.2	-3.8

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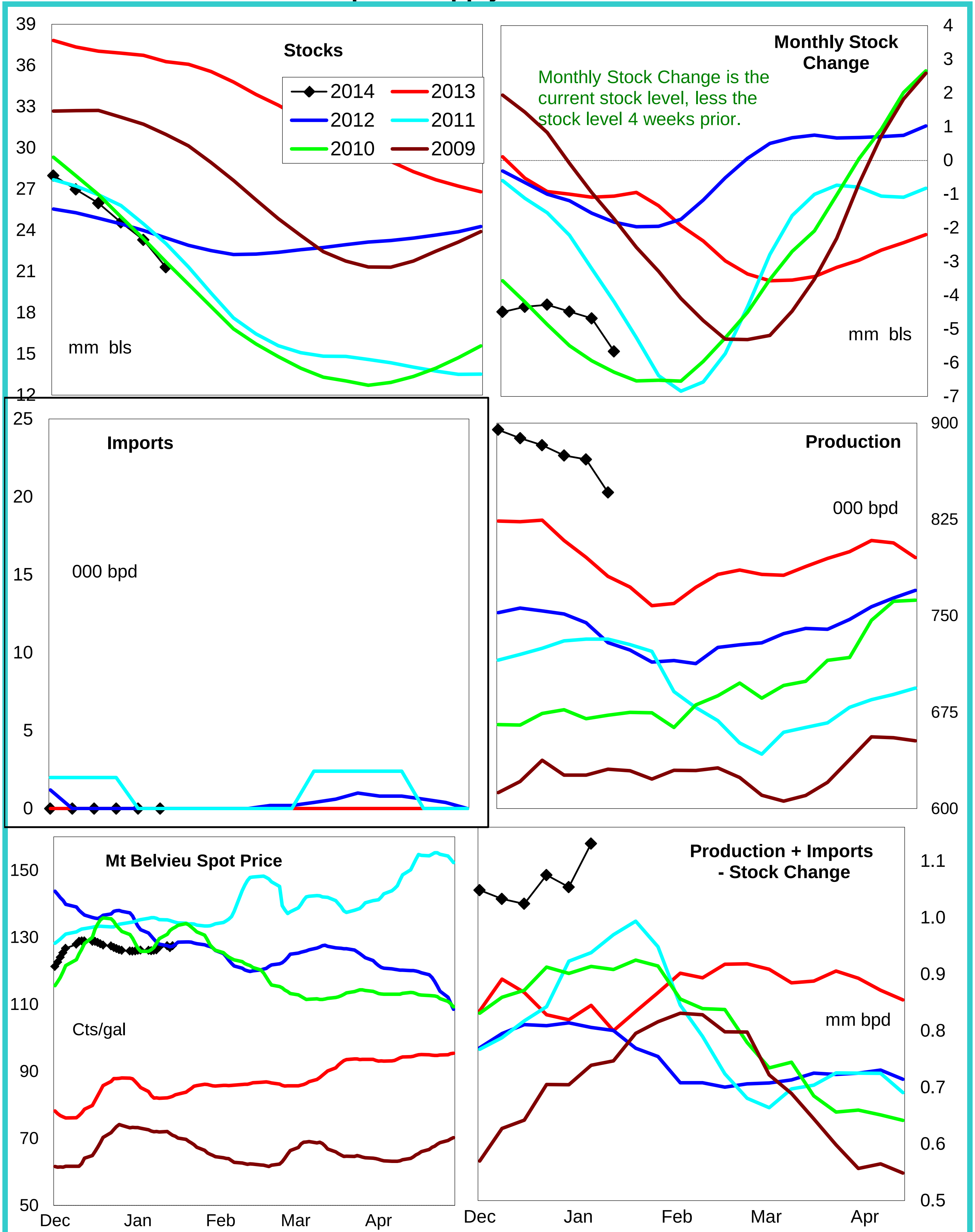
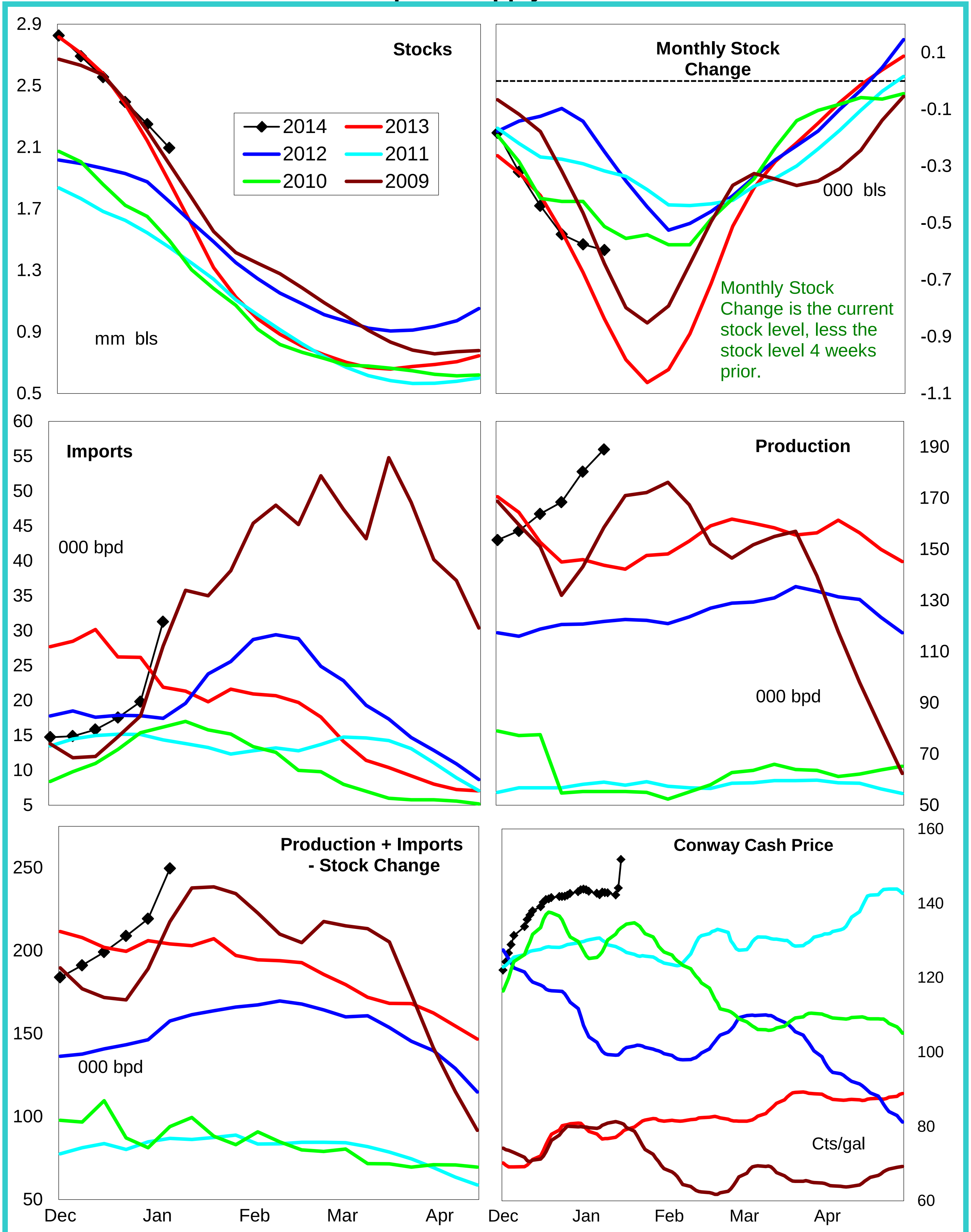
PADD 3 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-15,847	-4,604	60	0	231
% change	-42.7	434	7.4	#DIV/0!	27.5

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)	219	242	28	-9	16
% change	11.7	-28.9	18.6	-32.4	8.0

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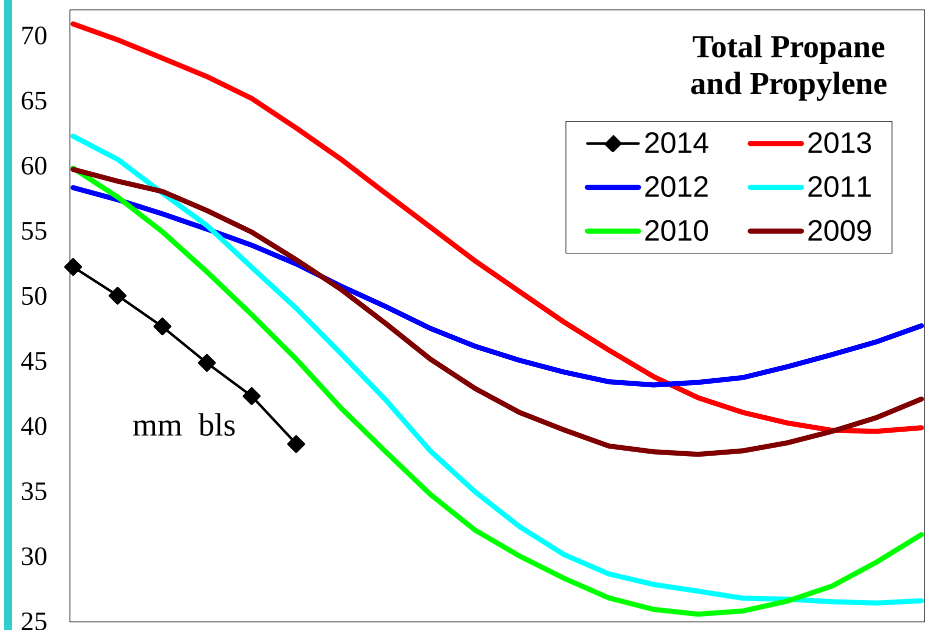
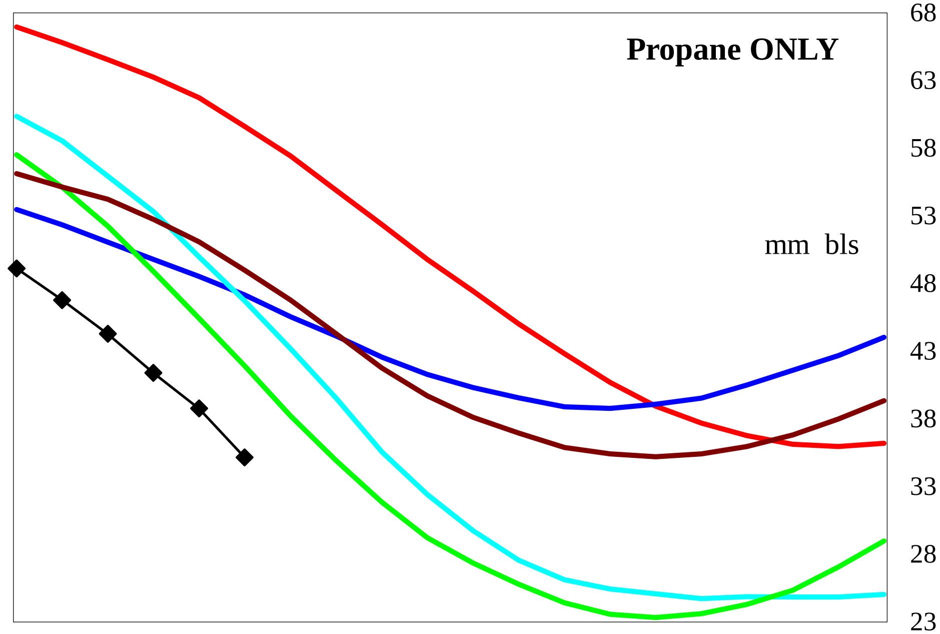
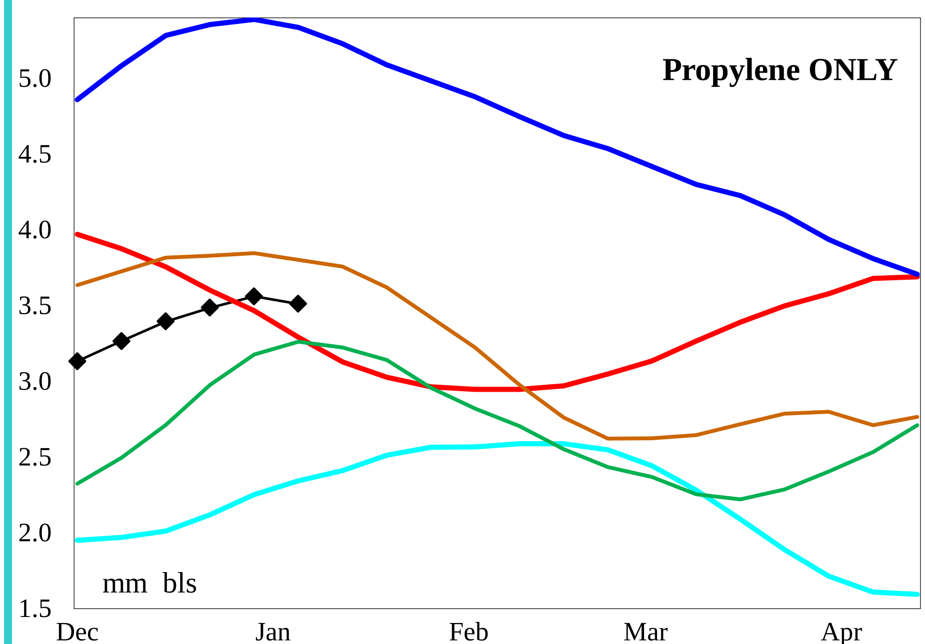
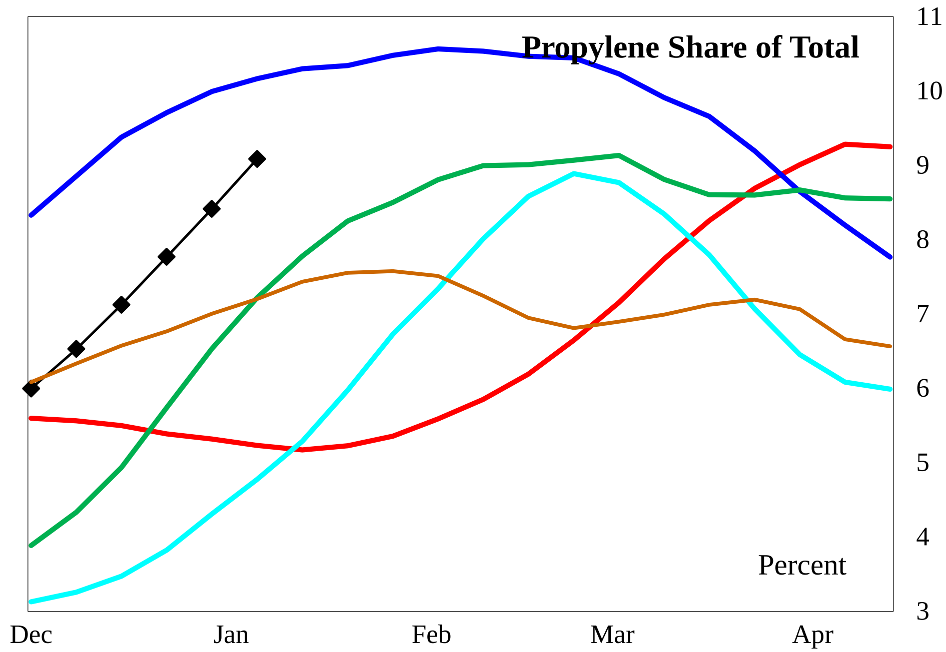
U. S. Propane and Propylene Stocks









Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	-25,302	-25,584	220
% change	-39.6	-42.1	6.7

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