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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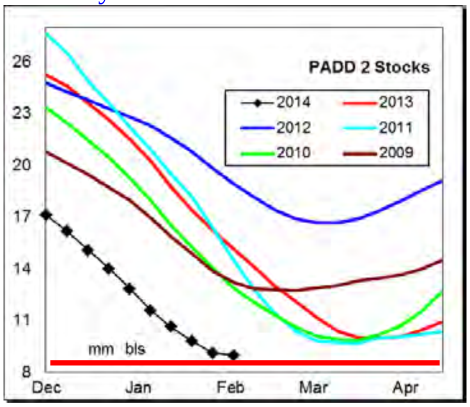
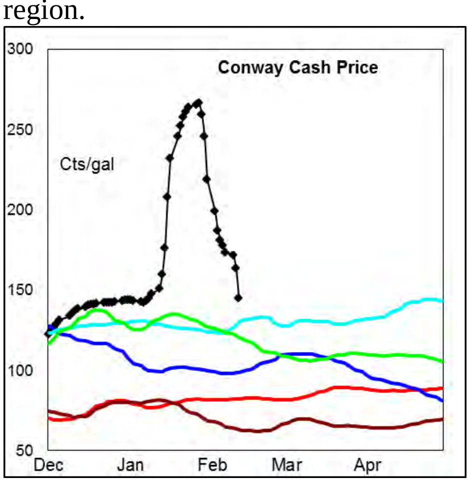
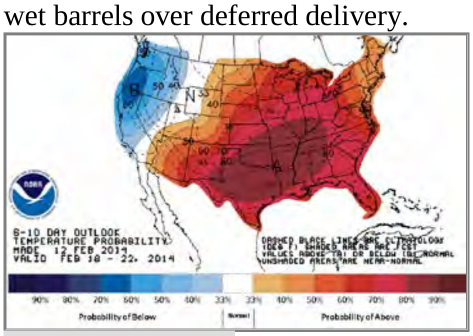


Stocks in the Midwest declined -0.6 million barrels last week, limited by a jump in receipts from outside the region.

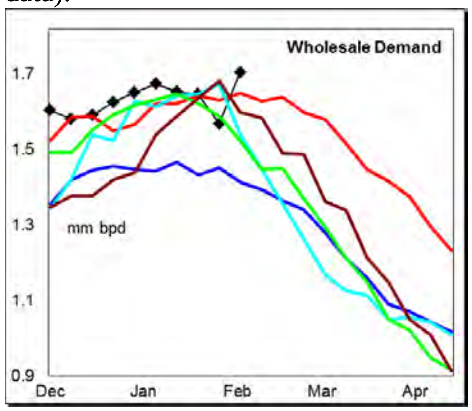


Conway spot prices fell sharply, although premiums remain for prompt wet barrels over deferred delivery.

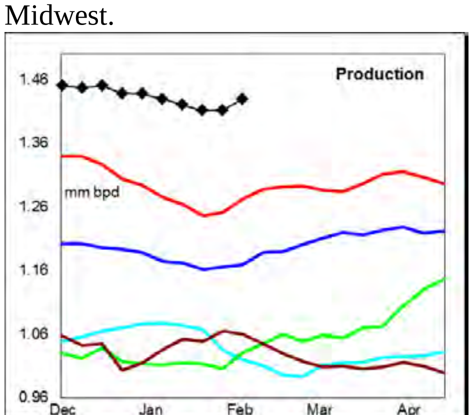


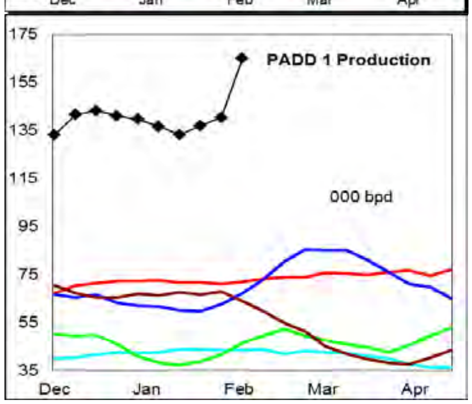
Midwest Outlook *A major change in weather patterns is forecast over the next 10-days with temperature much above normal across all major propane markets.*

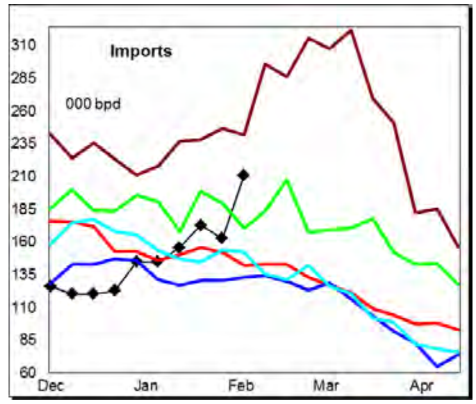
U.S. Summary Wholesale demand jumped +376,000 bpd last week, to a record level for this time of year. The latest 4-wk average was -43,000 bpd below last year - pointing to a drop in exports (included in intra month EIA data).



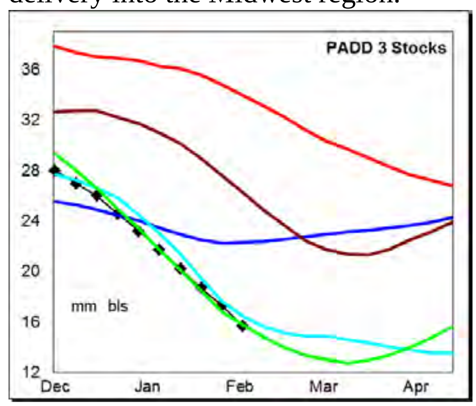
Production increased +23,000 bpd, inlcuding a record high level on the East Coast. Imports climbed +52,000 bpd on the week, concentrated in the Midwest.







Exports for the latest week were 376,000 bpd, an increase of +212,000 bpd over a year ago. The spike in Midwest prices has resulted in cancelation of some export cargoes, for delivery into the Midwest region.



Stocks fell -2.9 million barrels last week, including a -2.1 million barrel draw in the Gulf region. The Gulf draw reflects increased deliveries to the Midwest. PADD 3 stocks ended the week +3 million barrels above the 5-yr low normally reached in Mid March.

Emerging Trends The dramatic warming trend and customers buying hand-to-mouth has led to a collapse in Midwest deferred spot propane prices, with prompt wet barrel prices also falling sharply.

Look for the prompt and deferred pricing gap to close as the warming trend continues.

[1] Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

February 13, 2014

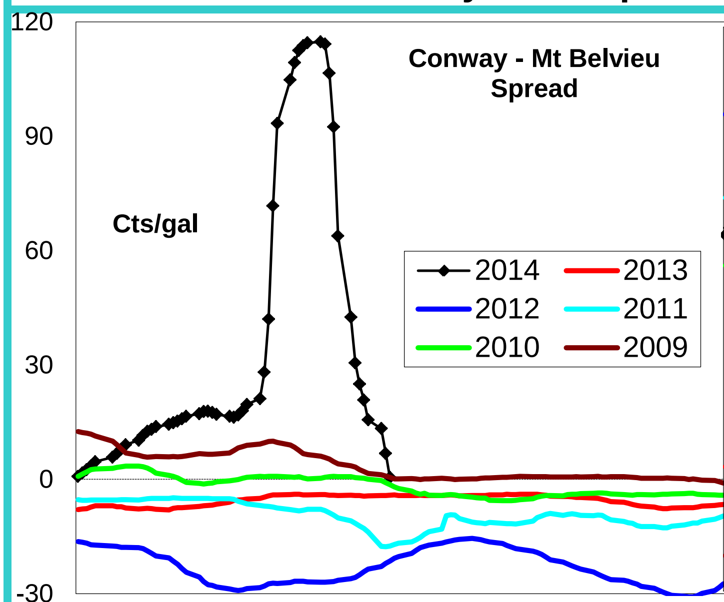
Fundamental Trends for the Week Ending: Friday, February 07, 2014

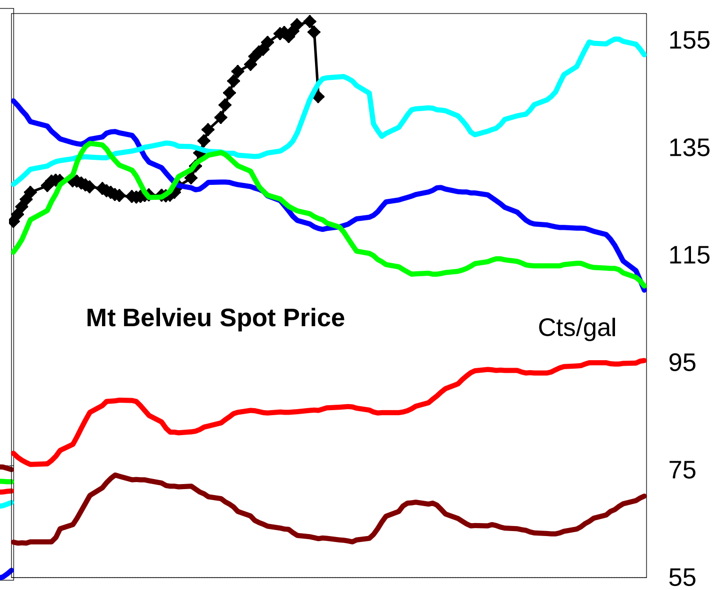
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S.	PADD				U.S.	PADD			
	Total	1	2	3	4&5	Total	1	2	3	4&5
Stocks	27,901	1,953	8,969	15,616	1,363	-2,941	-207	-591	-2,055	-88
Propylene Stocks	3,726					-31				
Production	1,429	165	272	831	161	23	38	-36	36	-15
Imports	211	88	112	0	11	52	12	49	0	-9
Whsle Demand	1,684					376				

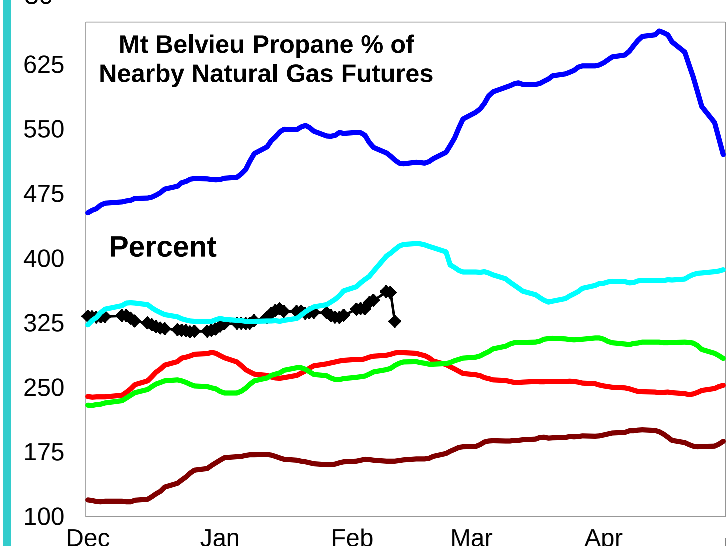
Price Trends for the Week Ending: Wednesday, February 05, 2014

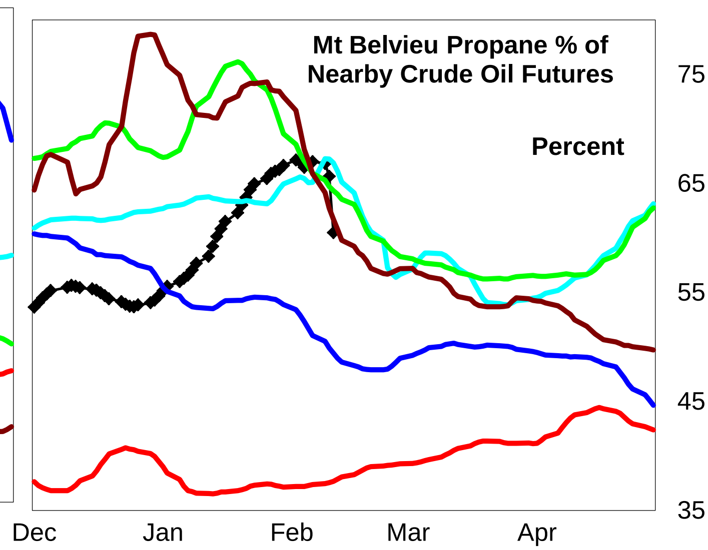
Cents/gal	Average for week ending:				Change from:			% change from:		
	2/5/14	1/29/14	1/8/14	2/8/13	1/29/14	1/8/14	2/8/13	1/29/14	1/8/14	2/8/13
Mont Belvieu Spot	158.5	153.9	127.5	85.4	4.65	26.37	42.08	3.0	20.7	49.3
Conway Spot	171.8	185.6	142.3	81.3	-13.80	43.35	60.93	-7.4	30.5	74.9

Key Price Spreads and Differentials









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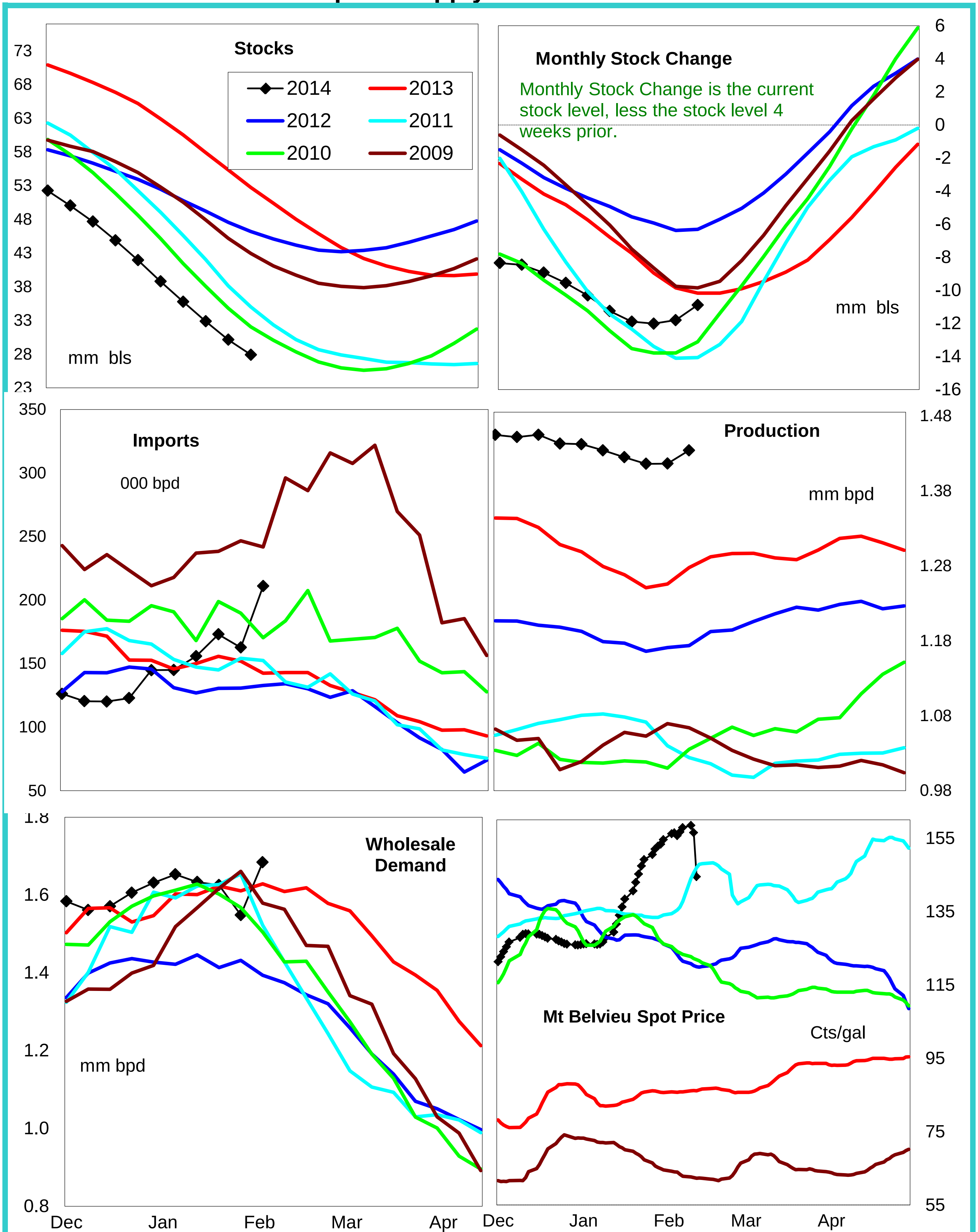
U. S. Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Dec	Nov	Oct
000 bpd (000 bls stks)	-24,510	-710	175	26		-43	81	338	40
% change	-46.8	7	14.1	16.5		-2.6	5.6	26.9	3.1

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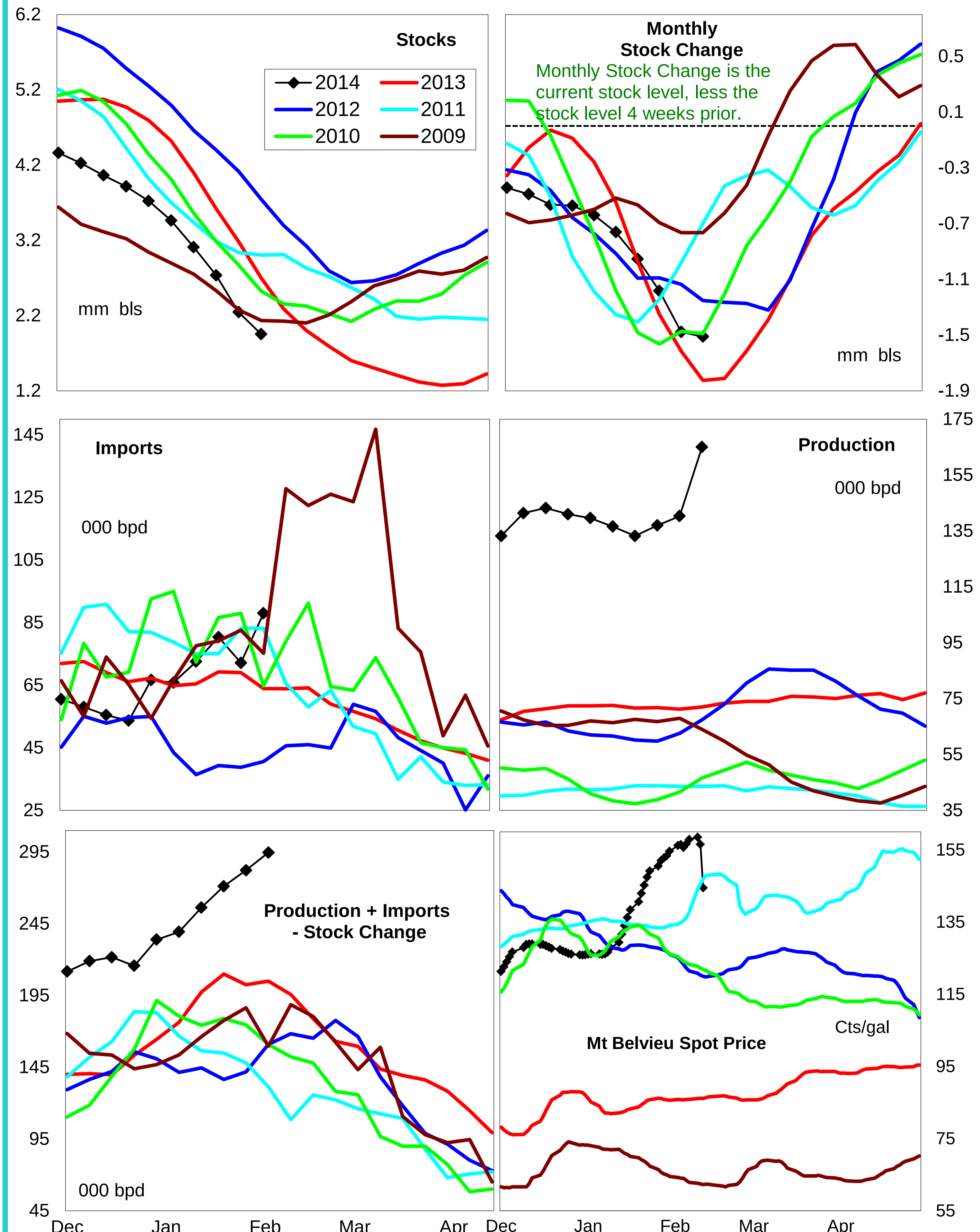
PADD 1 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-659	314	67	18	72
% change	-25.2	-17.2	94.4	26.4	35.5

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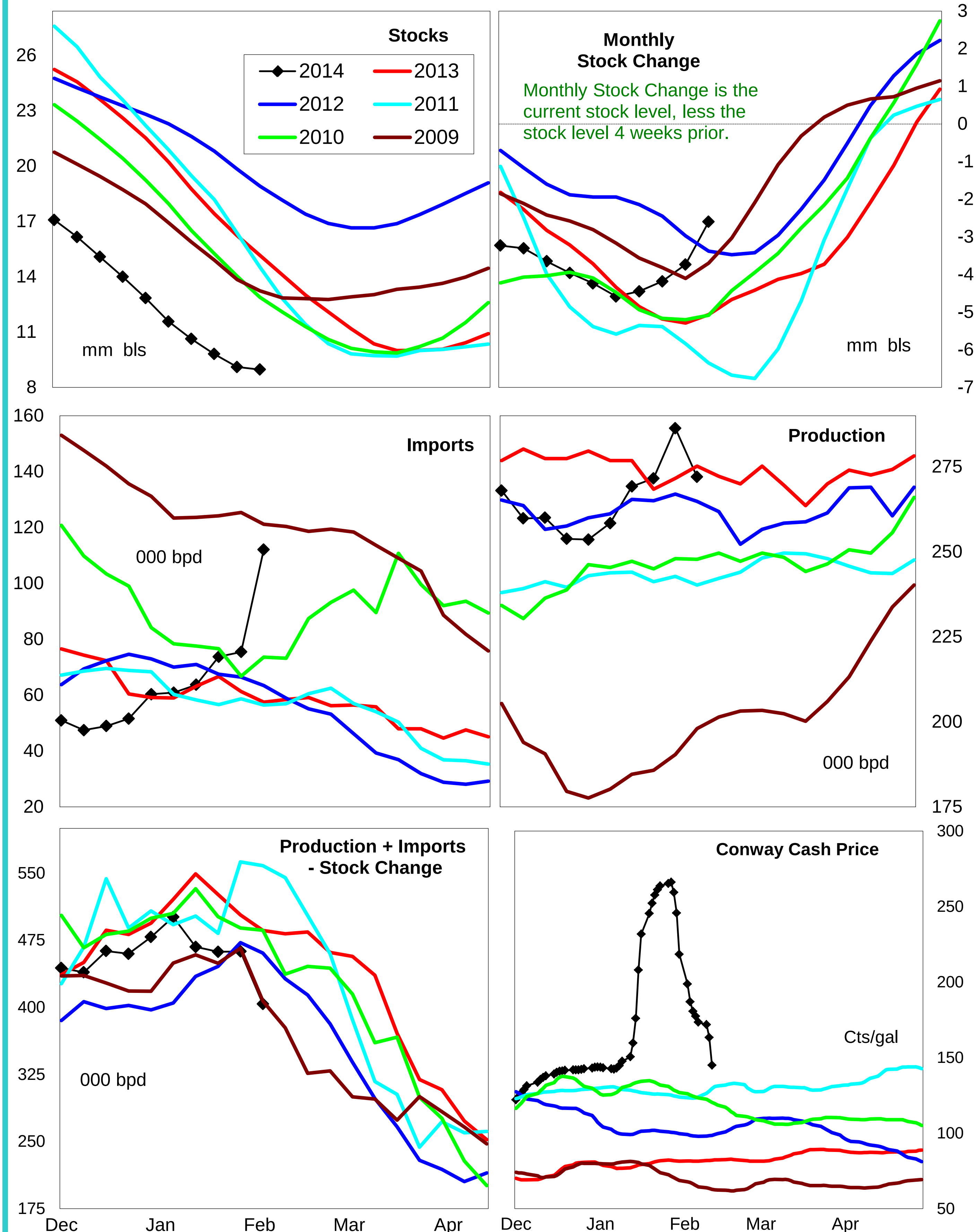
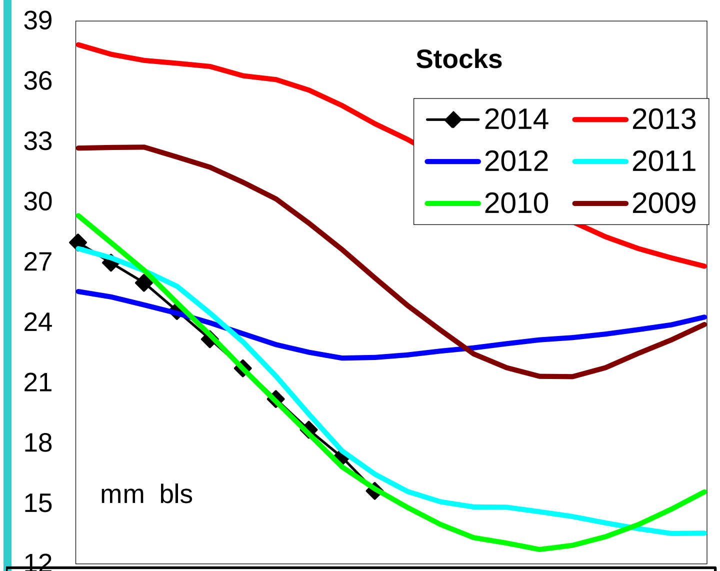
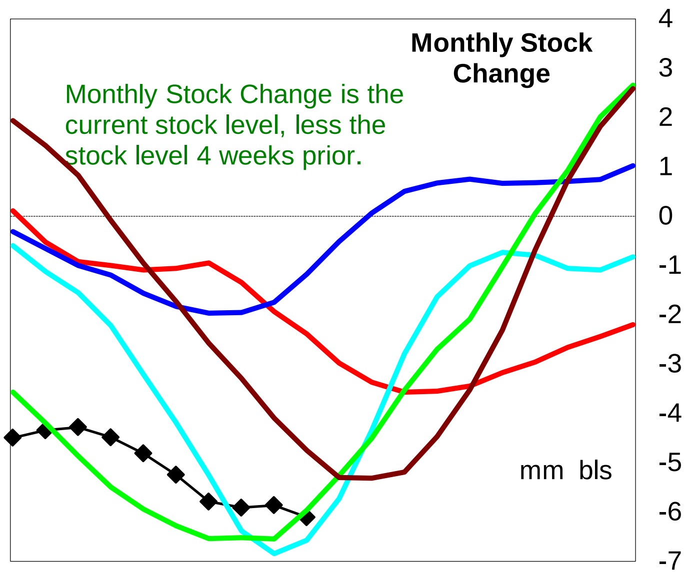
PADD 2 Propane Supply and Demand Balance

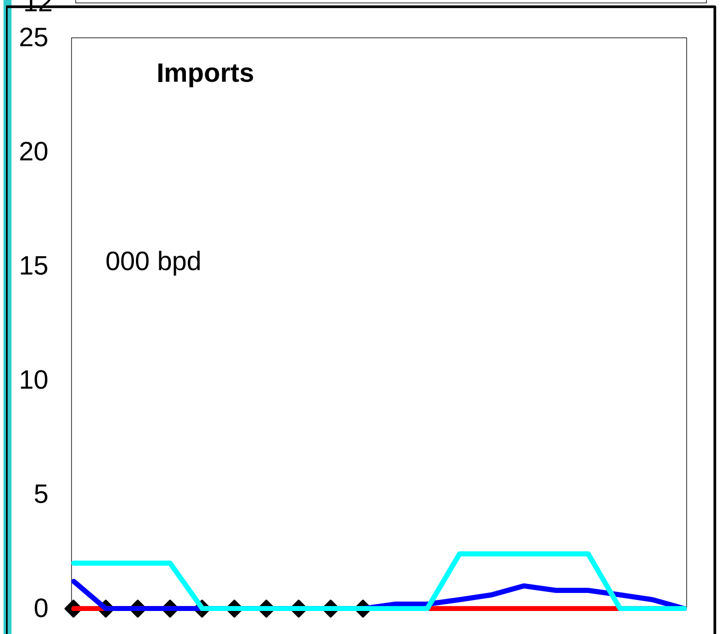


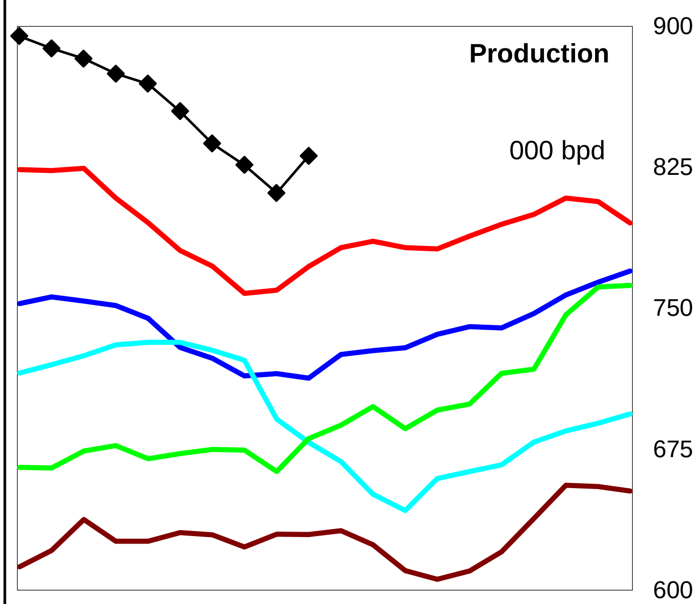
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-5,900	2,468	8	12	-67
% change	-39.7	-48.7	3.1	18.1	-13.0

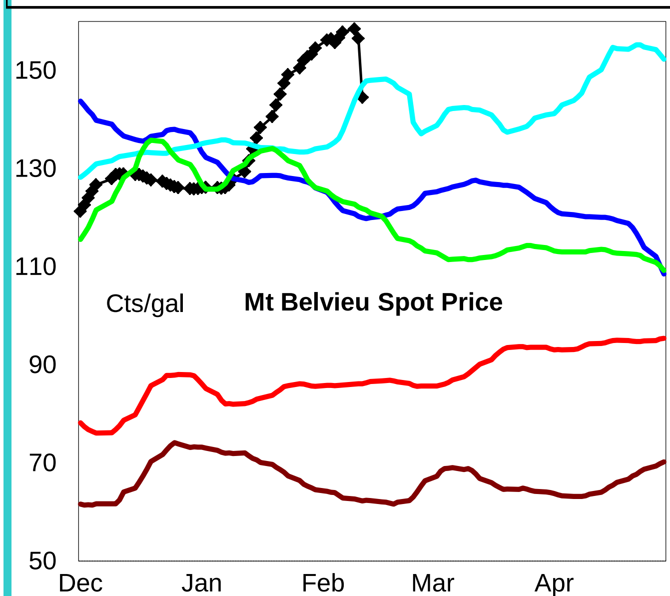
PADD 3 Propane Supply and Demand Balance

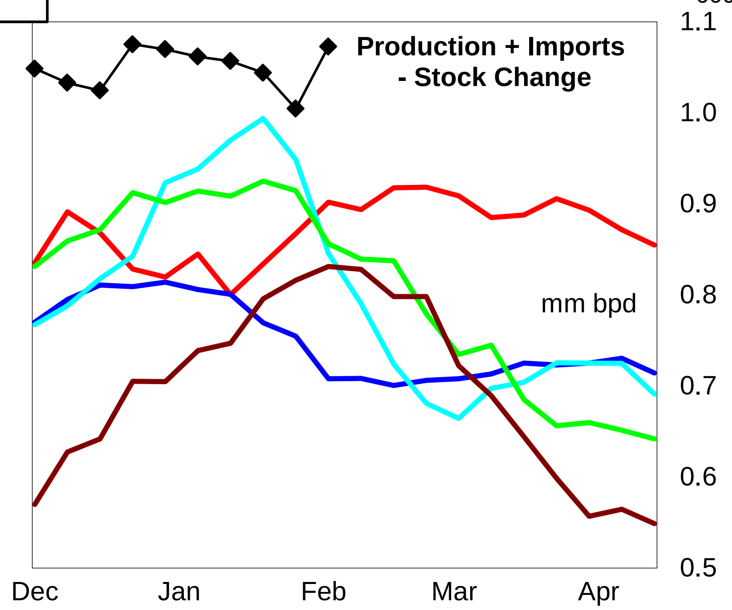






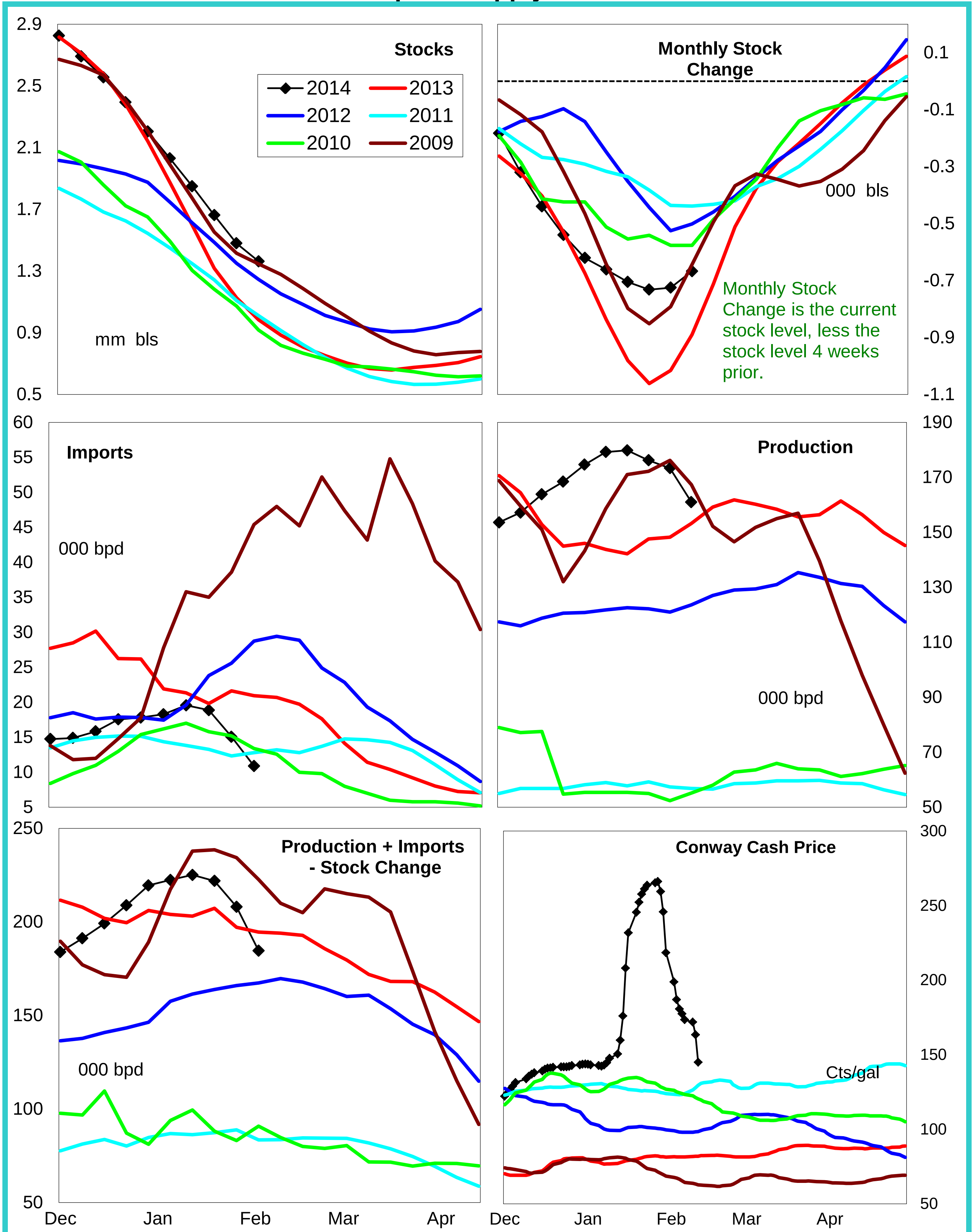






4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-18,395	-3,714	70	0	194
% change	-54.1	155	9.3	#DIV/0!	22.8

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)	444	223	29	-5	9
% change	48.3	-25.0	20.3	-22.3	4.7

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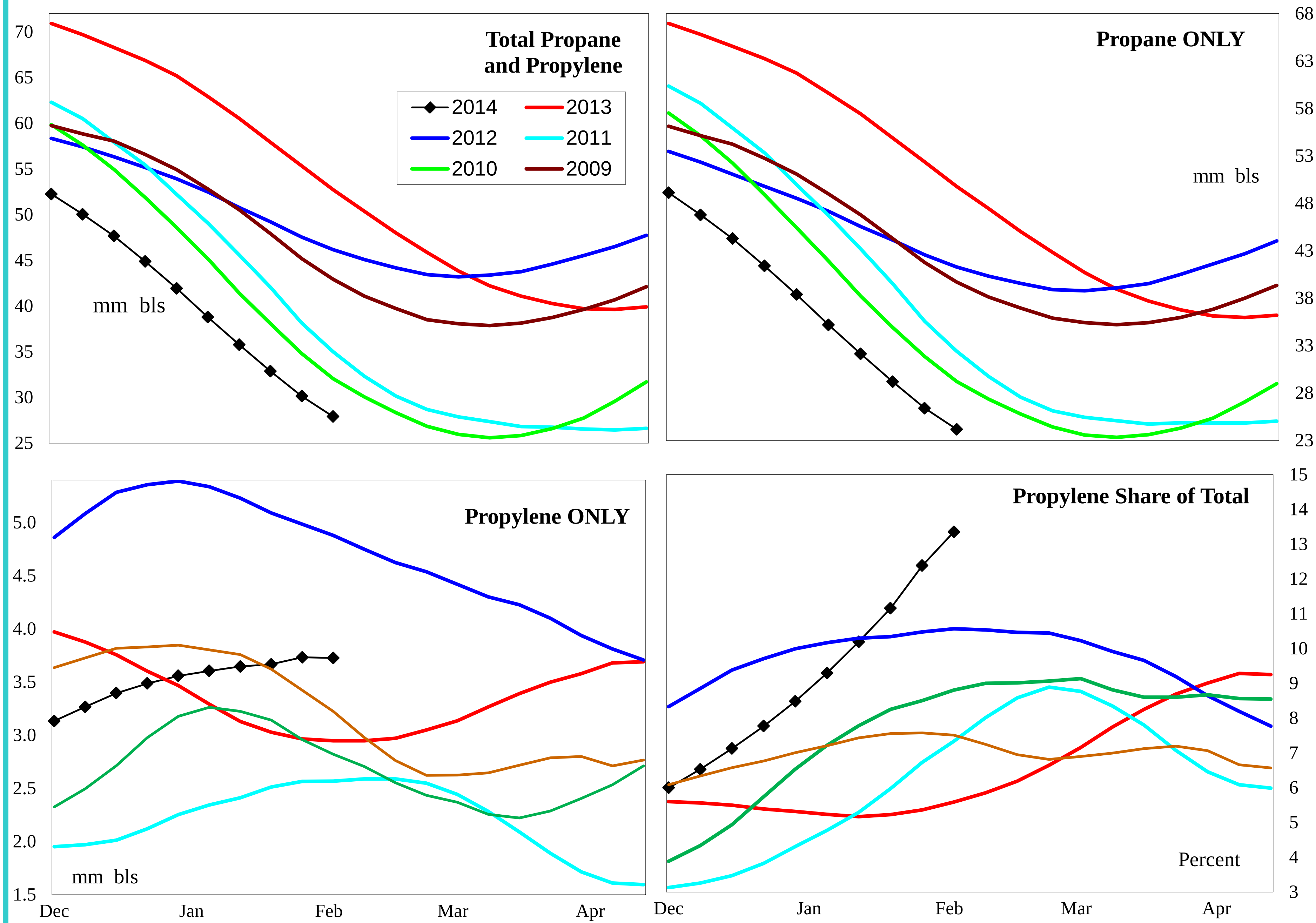
U. S. Propane and Propylene Stocks



Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	-24,510	-25,273	778
% change	-46.8	-51.1	26.4

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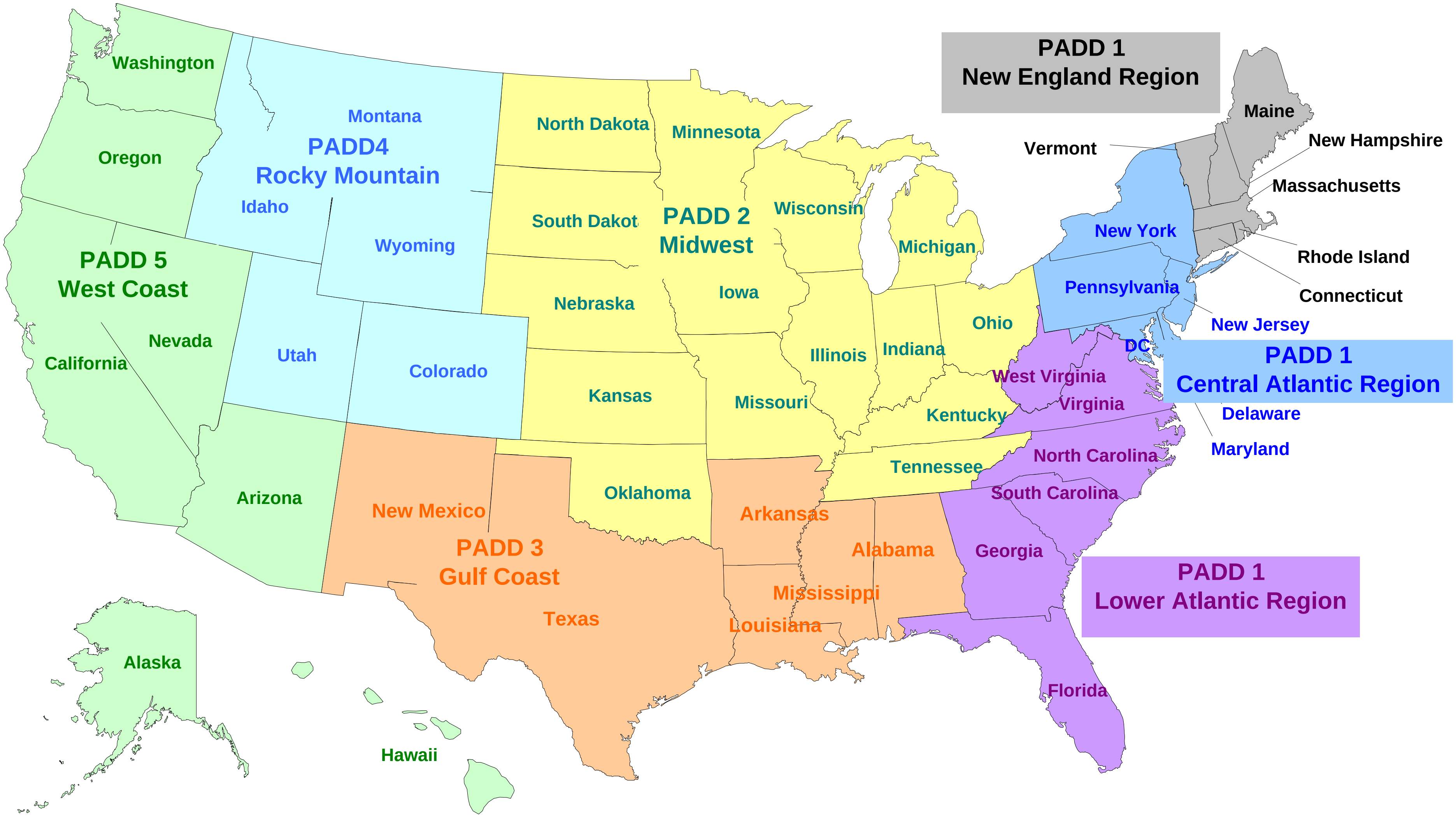
U. S. Petroleum Administrative for Defense Districts (PADDs)



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