FUNDAMENTAL PETROLEUM TRENDS

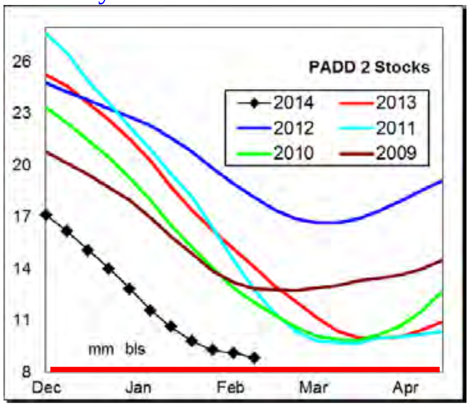
WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

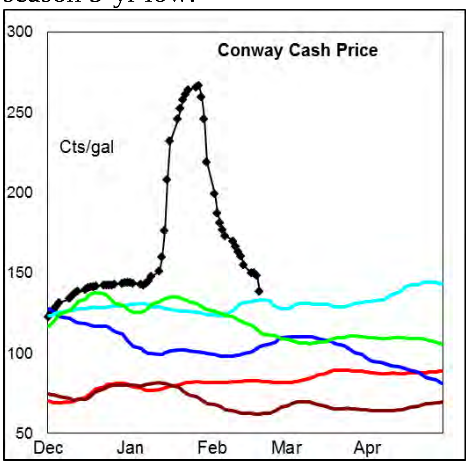
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com

Summary[1]: ?

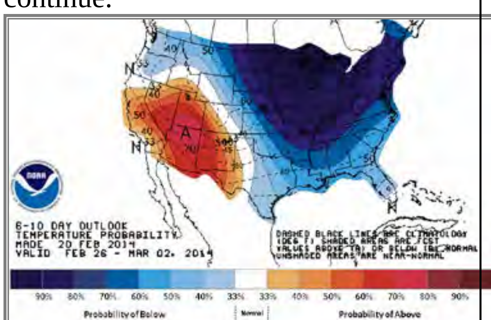
Table of Contents



Stocks in the Midwest declined -0.1 million barrels last week, -1 million barrels below the previous end of season 5-yr low.

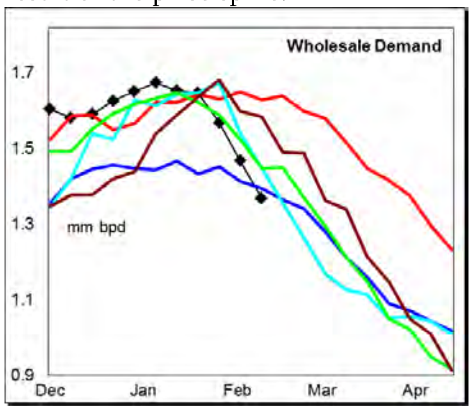


Conway spot prices extended the downtrend, although significant prompt premiums for 'wet barrels' continue.

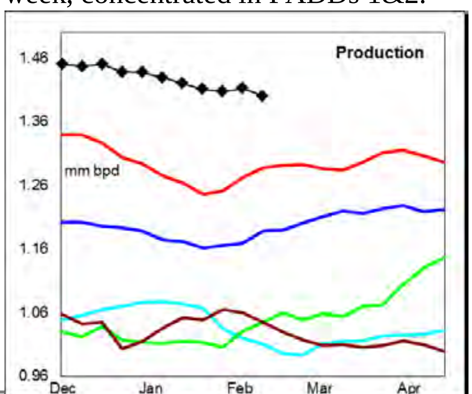


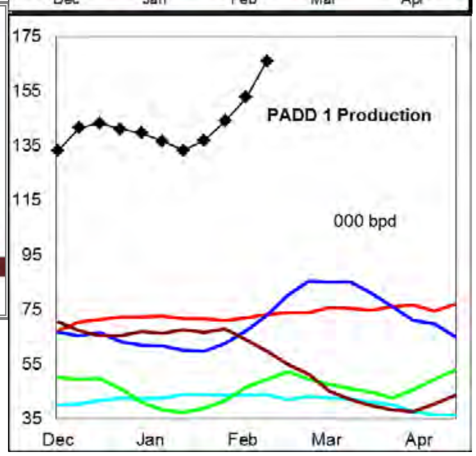
Midwest Outlook *The 10-day forecast is for sharply below normal temperatures east of the Rockies which should extend the prompt premiums for 'wet barrels.*

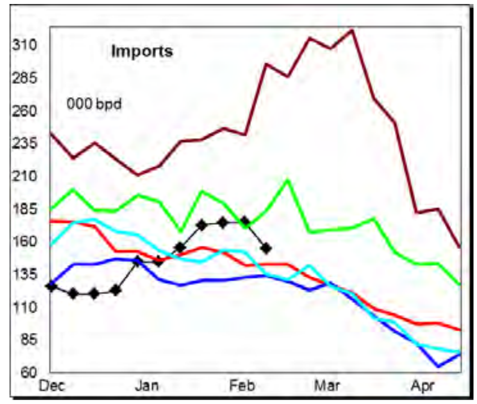
U.S. Summary Wholesale demand declined -336,000 bpd last week, as a result of the earlier warming trend in key heating markets. The latest 4-wk average was -99,000 bpd below last year on end user conservation as a result of the price spike.



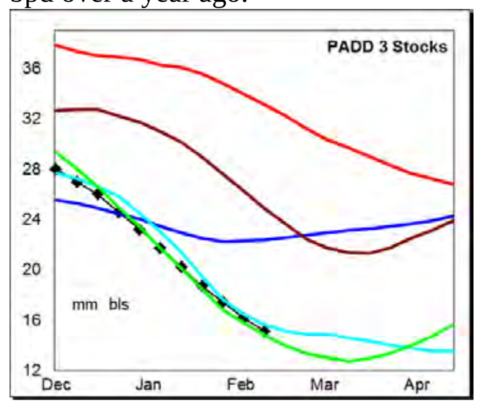
Production decreased -29,000 bpd, including a new record on the East Coast. Imports fell -56,000 bpd on the week, concentrated in PADDs 1&2.







Exports for the latest week were 376,000 bpd, an increase of +212,000 bpd over a year ago.



Stocks fell -1.2 million barrels last week, including a -0.5 million barrel draw in the Gulf region. PADD 3 stocks ended the week +2 million barrels above the 5-yr low normally reached in Mid March.

Emerging Trends The sharply colder temperature forecast should maintain a prompt premium for 'wet barrels' and wide differentials between rack and spot prices; with risk of a supply squeeze at month end.

[1] Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

February 20, 2014

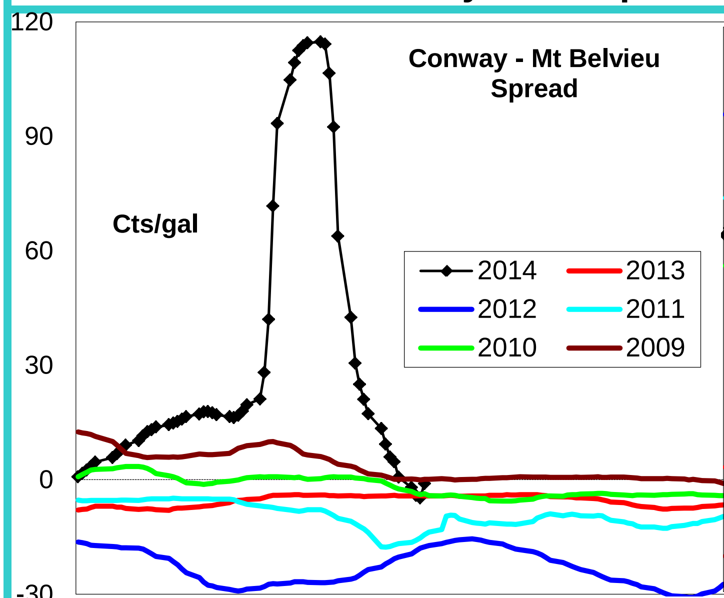
Fundamental Trends for the Week Ending: Friday, February 14, 2014

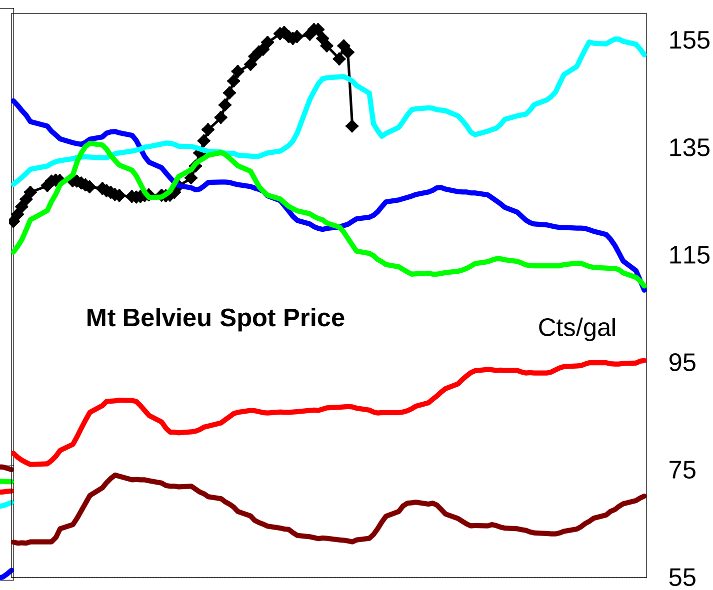
000 bpd / Stocks 000 bls	Weekly Supply-Demand: U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5	Change from prior week: U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5
Stocks	26,715	1,600	8,832	15,083	1,200	-1,186	-353	-137	-533	-163
Propylene Stocks	3,499					-227				
Production	1,400	166	278	810	146	-29	1	6	-21	-15
Imports	155	62	78	0	15	-56	-26	-34	0	4
Whsle Demand	1,348					-336				

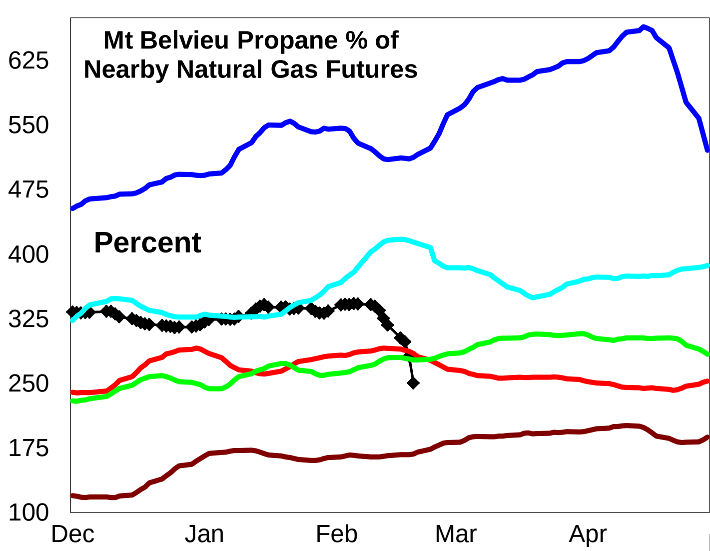
Price Trends for the Week Ending: Wednesday, February 05, 2014

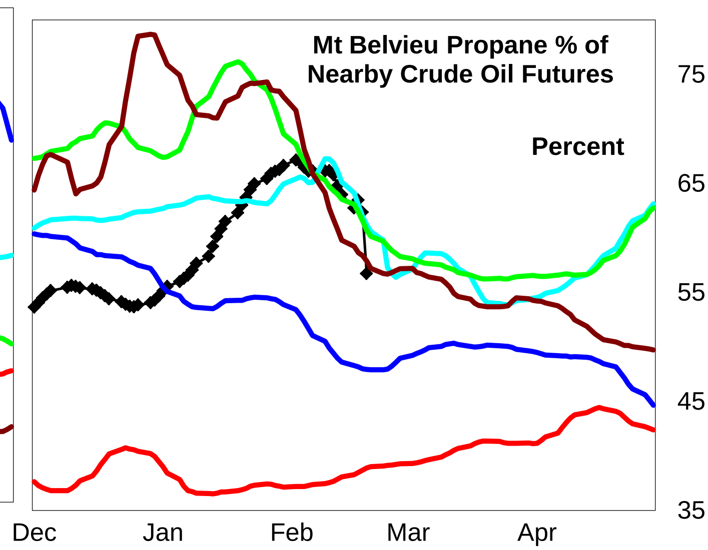
Cents/gal	Average for week ending: 2/5/14	1/29/14	1/8/14	2/8/13	Change from: 1/29/14	1/8/14	2/8/13	% change from: 1/29/14	1/8/14	2/8/13
Mont Belvieu Spot	154.0	156.5	145.9	87.3	-2.55	10.58	58.64	-1.6	7.3	67.2
Conway Spot	149.8	167.5	282.9	83.4	-17.70	-115.36	199.48	-10.6	-40.8	239.2

Key Price Spreads and Differentials



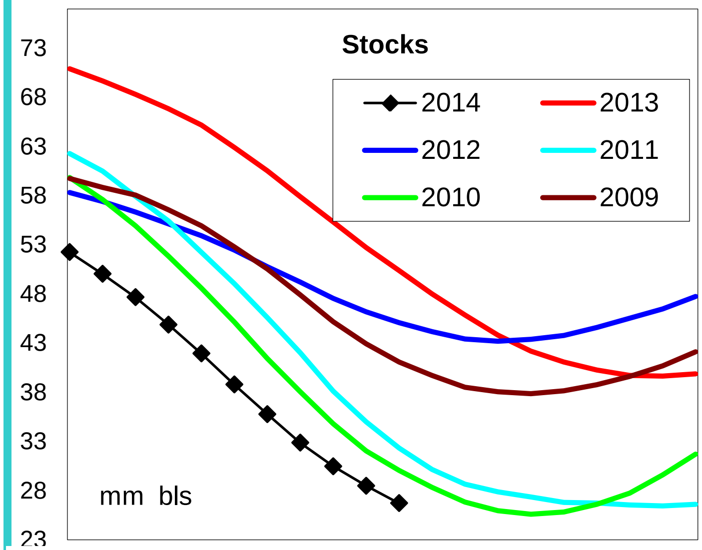


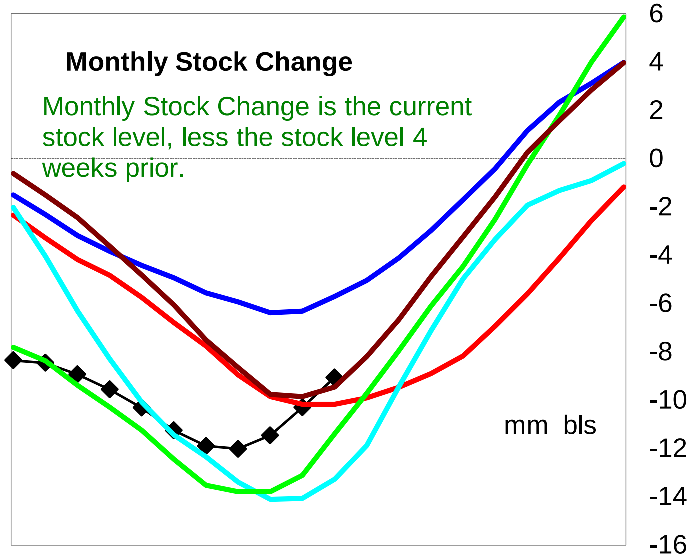


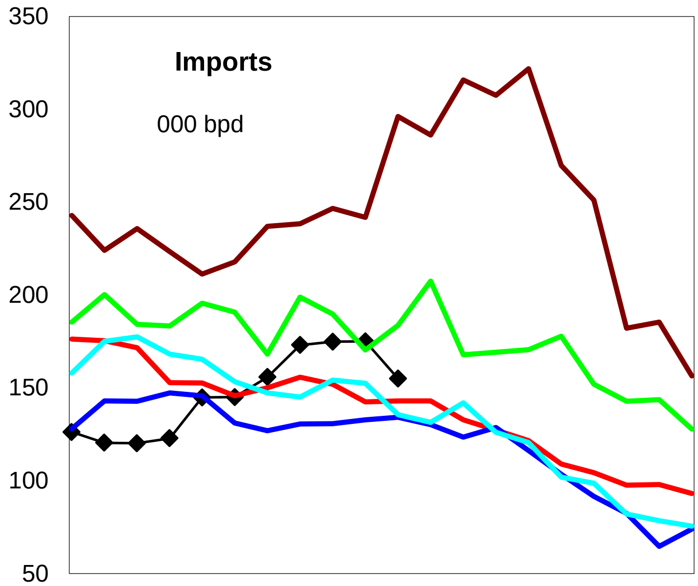


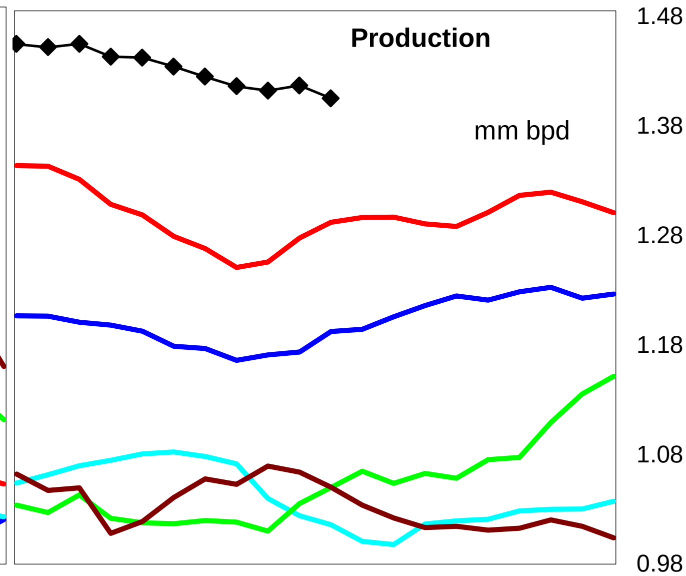
  Lehi German Tel: 816.505.0980

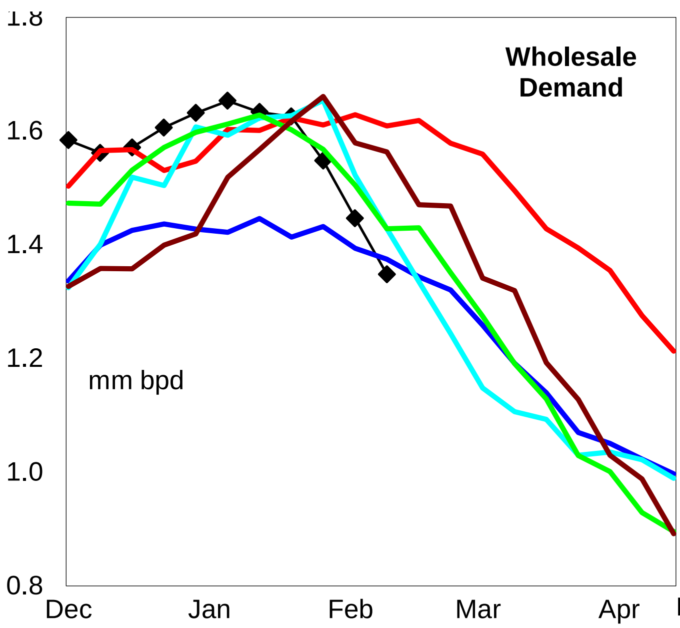
U. S. Propane Supply and Demand Balance

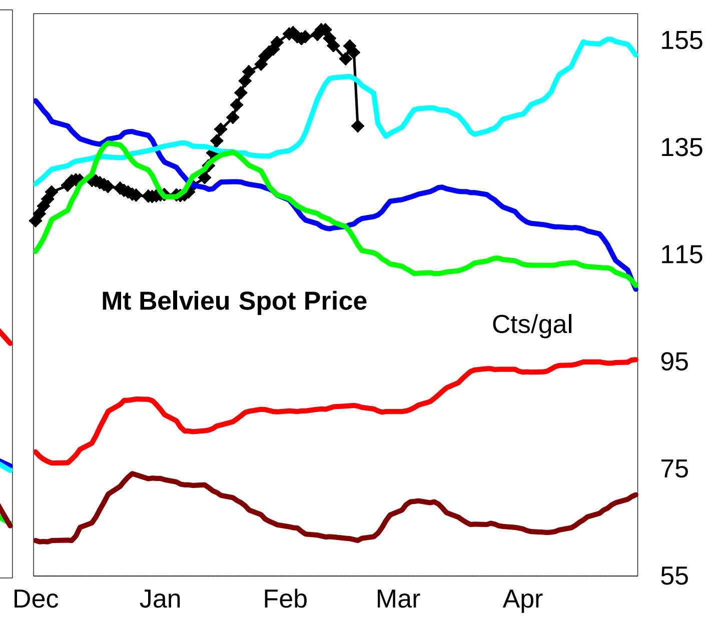






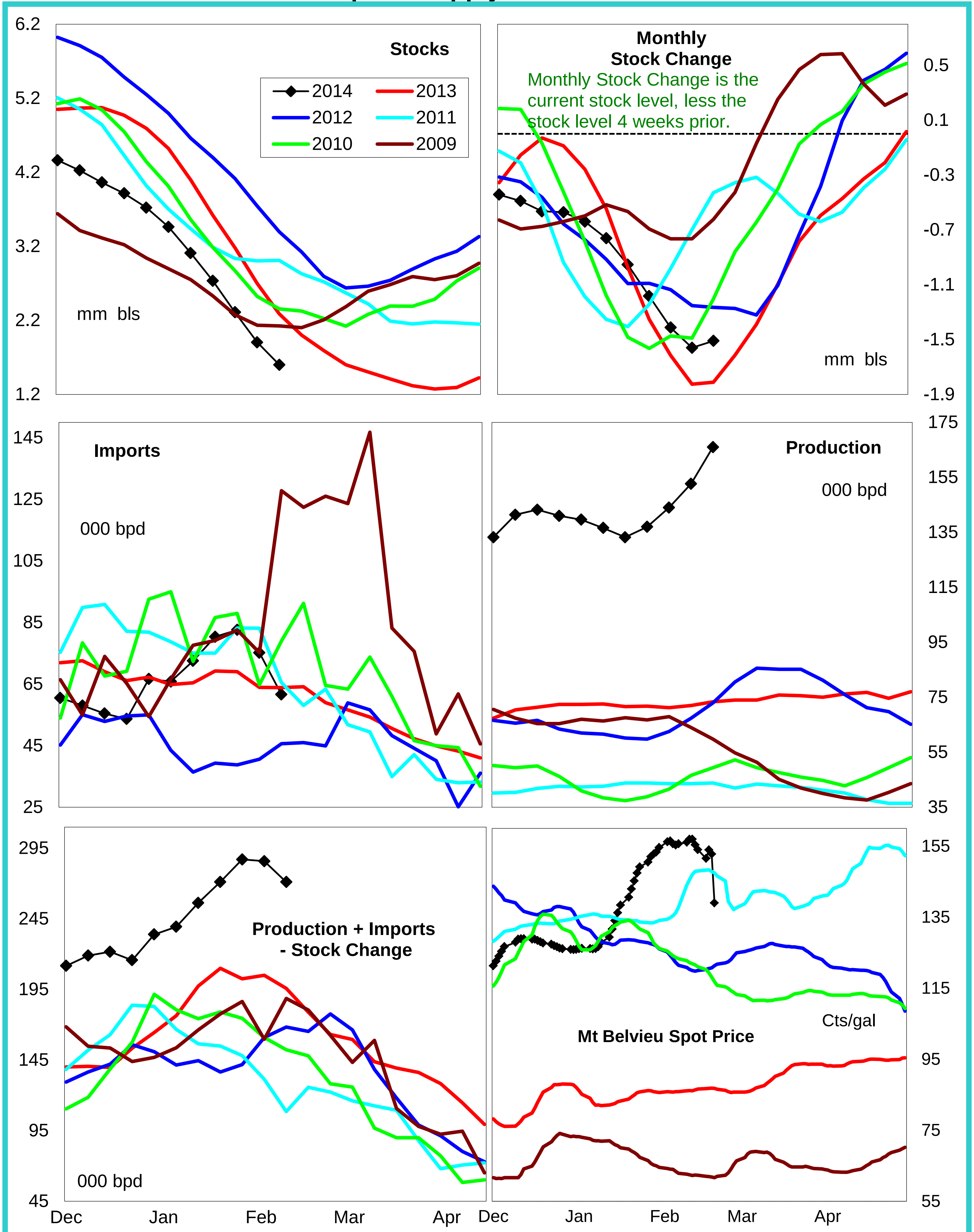






4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Jan	Dec	Nov
000 bpd (000 bls stks)	-24,361	1,108	148	14		-99	-82	122	154
% change	-47.7	-11	11.8	9.5		-6.2	-4.8	8.4	12.2

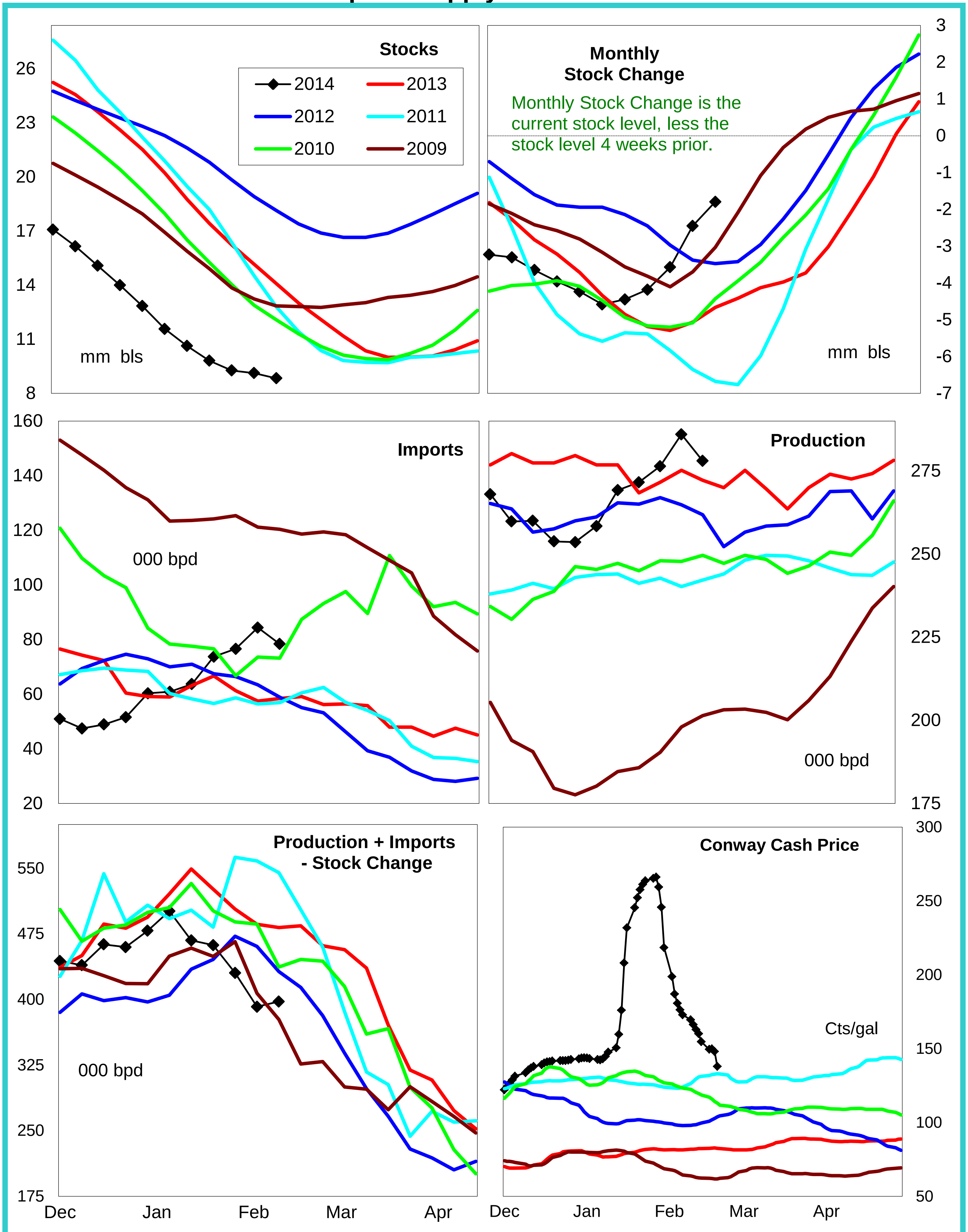
PADD 1 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-732	301	76	2	75
% change	-31.4	-16.6	106.7	2.8	37.1

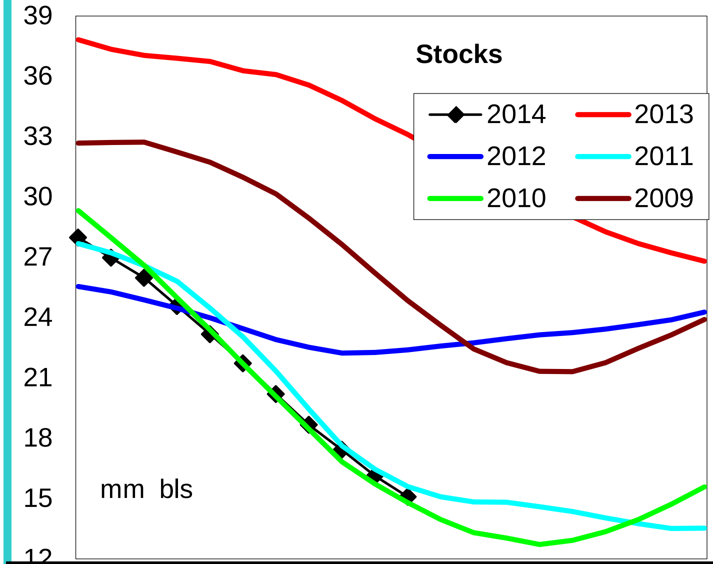
Lehi German Tel: 816.505.0980

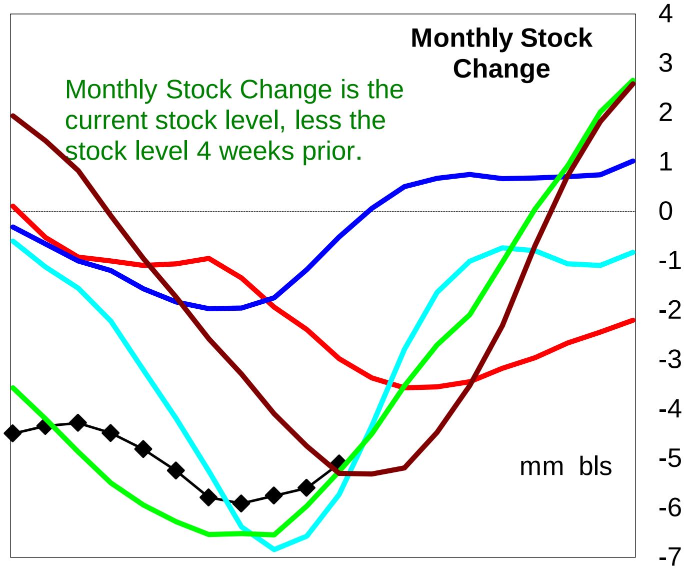
PADD 2 Propane Supply and Demand Balance

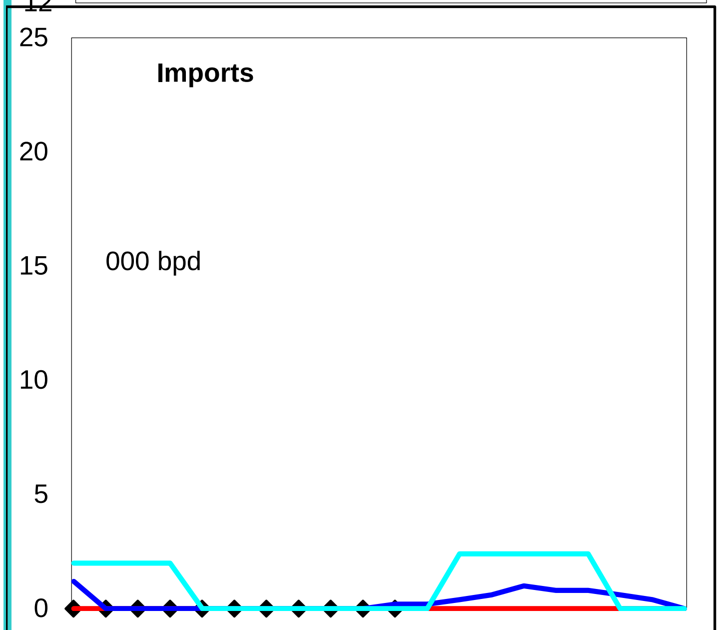


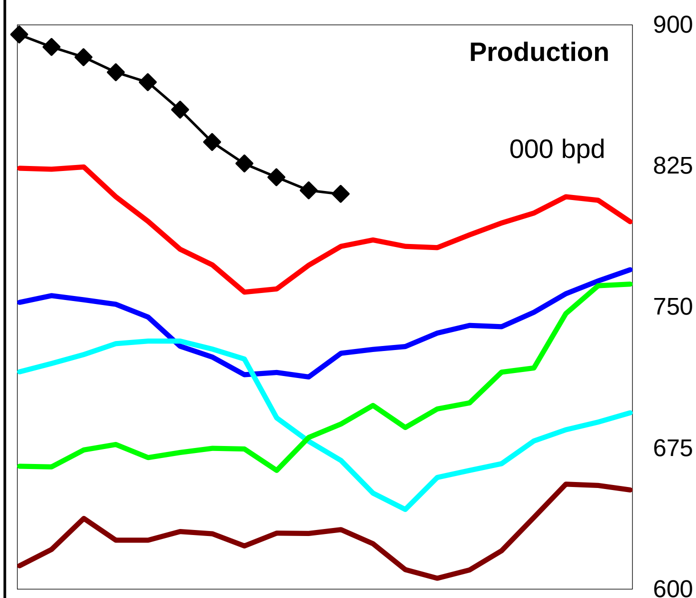
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-5,618	2,870	15	18	-79
% change	-38.9	-61.5	5.4	30.2	-15.8

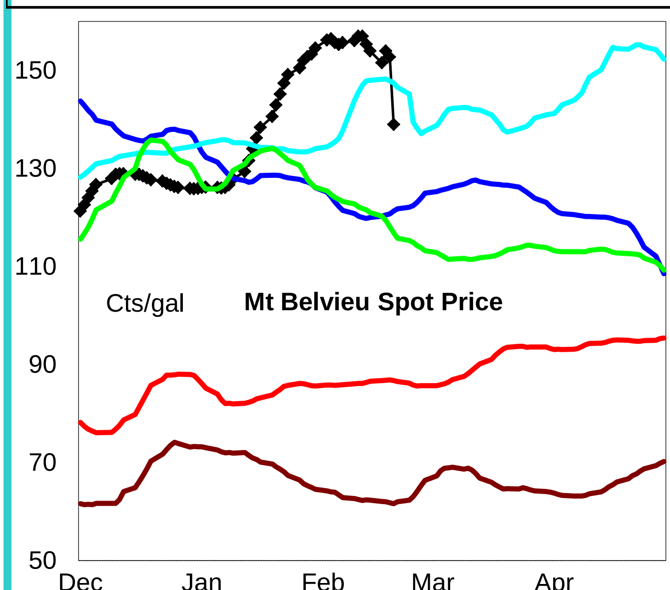
PADD 3 Propane Supply and Demand Balance

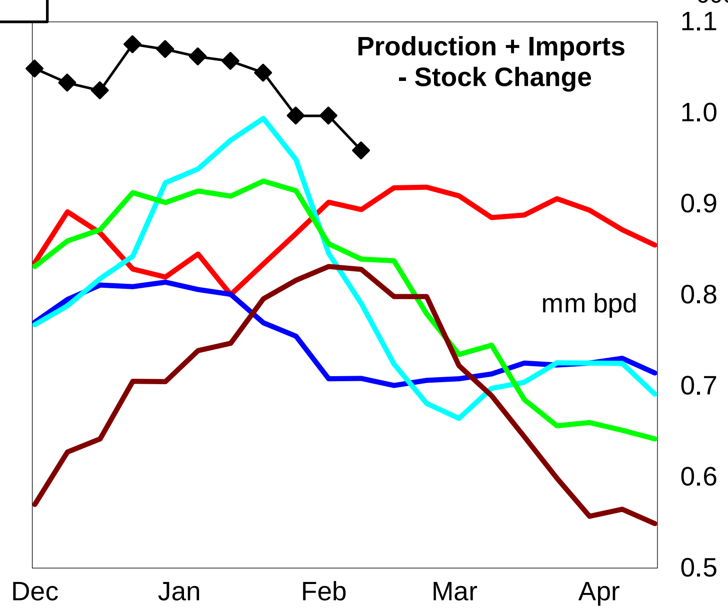






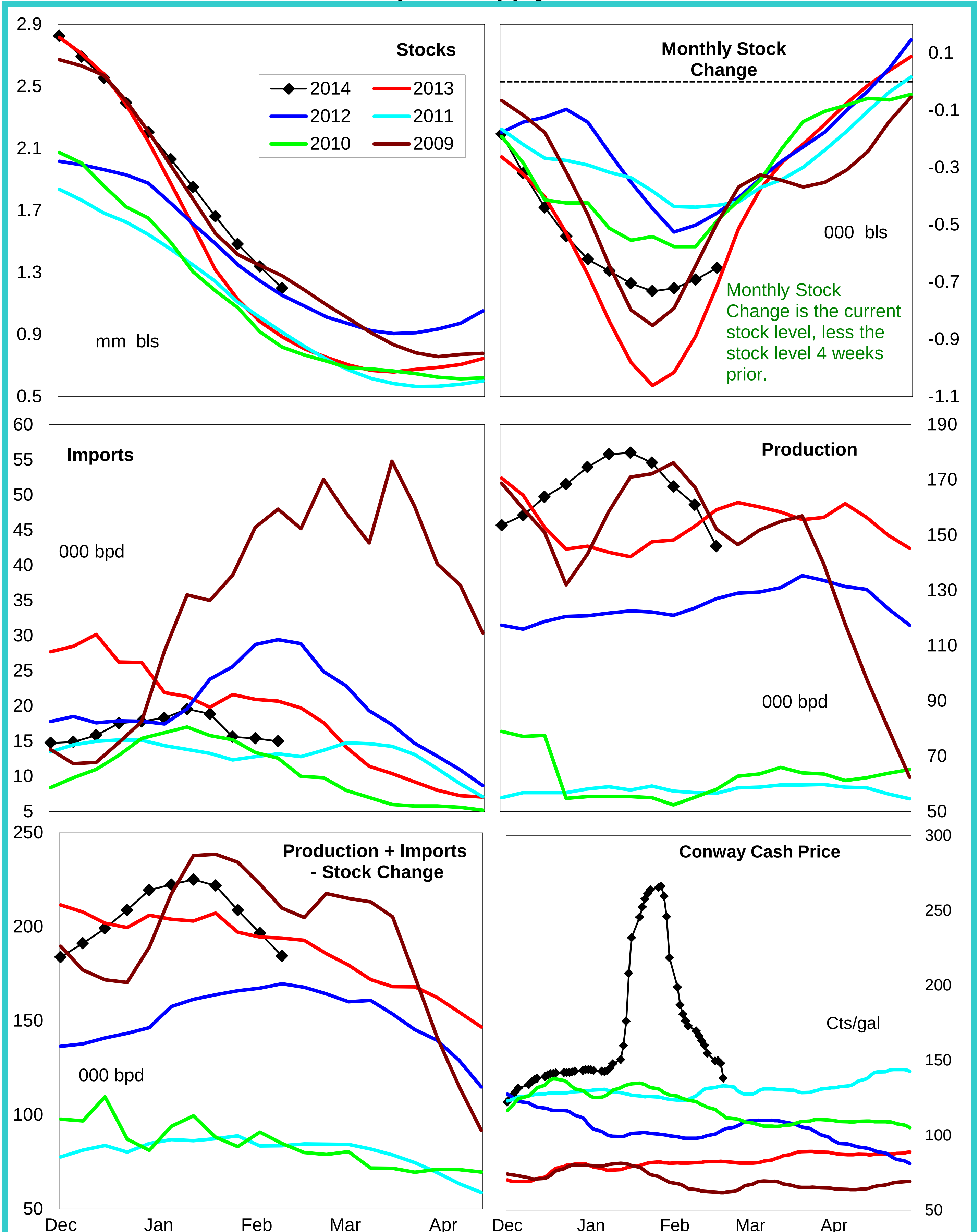






4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-18,291	-2,125	42	0	125
% change	-54.8	71	5.5	#DIV/0!	14.3

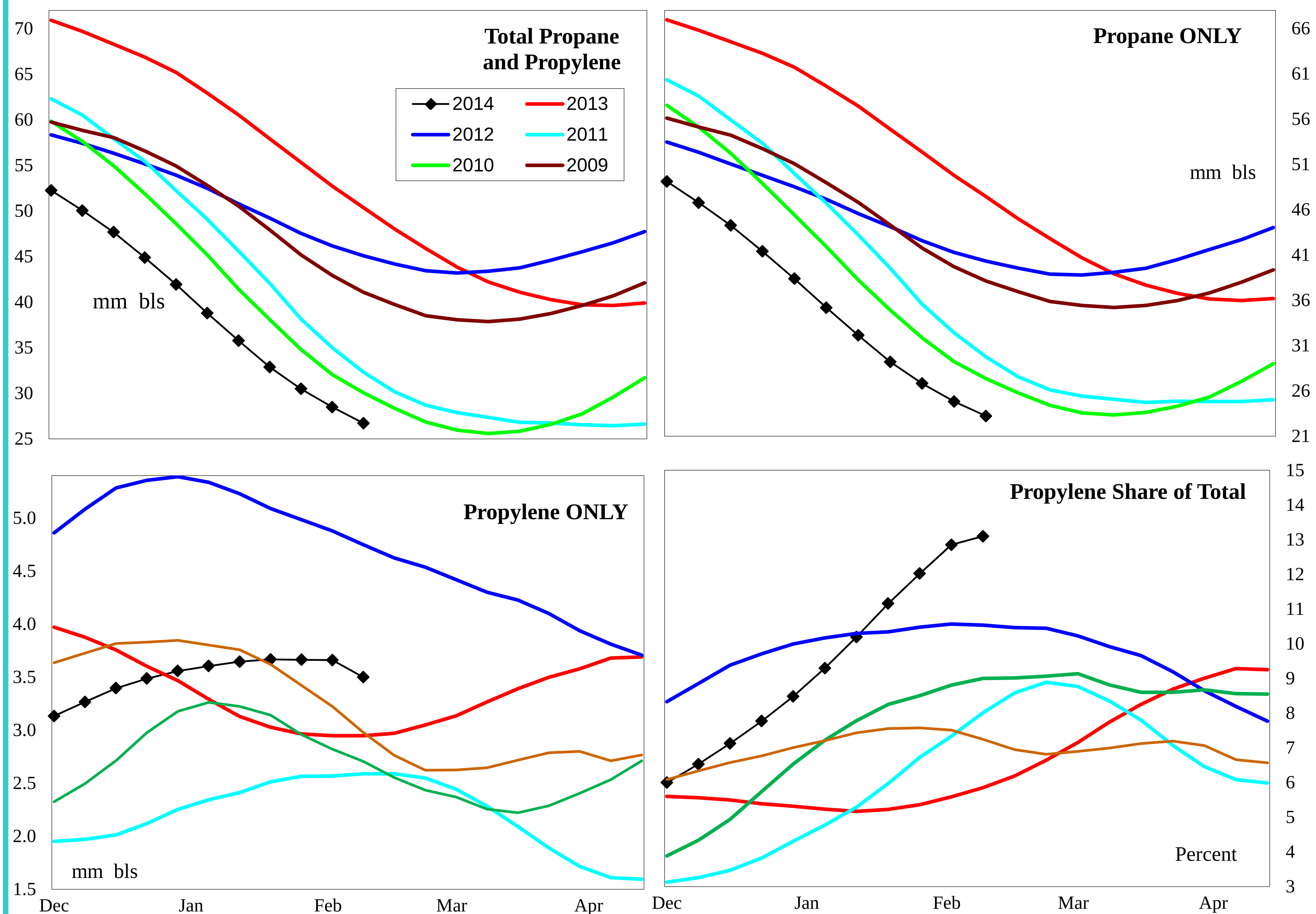
PADDs 4 and 5 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	278	61	16	-6	5
% change	30.2	-8.6	10.6	-26.9	2.4

Lehi German Tel: 816.505.0980

U. S. Propane and Propylene Stocks



Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	-24,361	-24,943	552
% change	-47.7	-51.8	18.7

Lehi German Tel: 816.505.0980

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

Lehi German Tel: 816.505.0980