FUNDAMENTAL PETROLEUM TRENDS

WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

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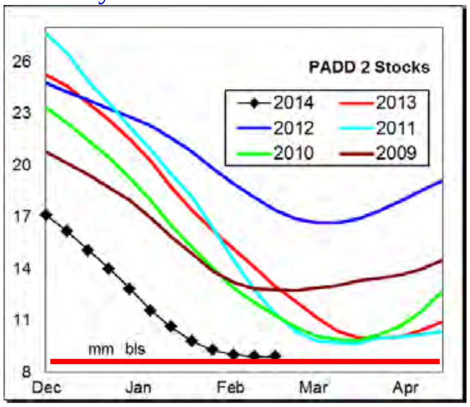
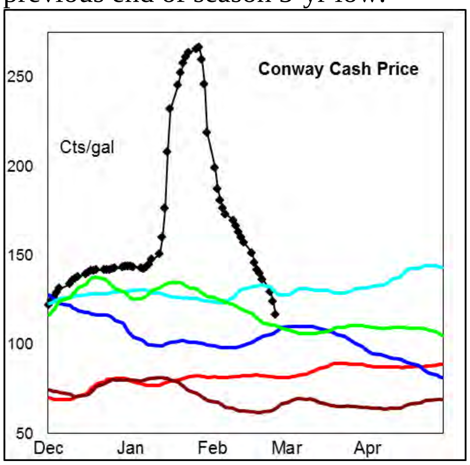
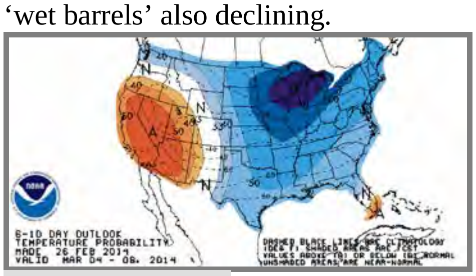
Summary[1]: ? **Table of Contents**



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

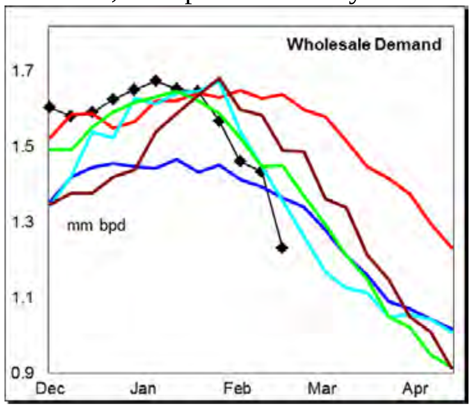


Conway spot prices extended the collapse, with prompt premiums for 'wet barrels' also declining.

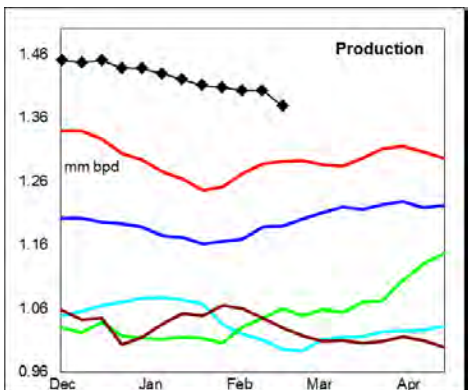


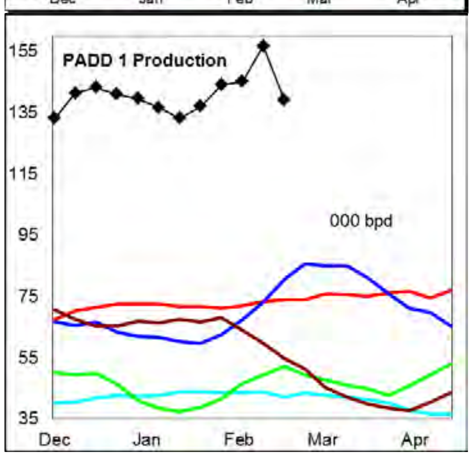
Midwest Outlook *The 10-day forecast is for continued below normal temperatures east of the Rockies, although consumer conservation has sharply reduced demand.*

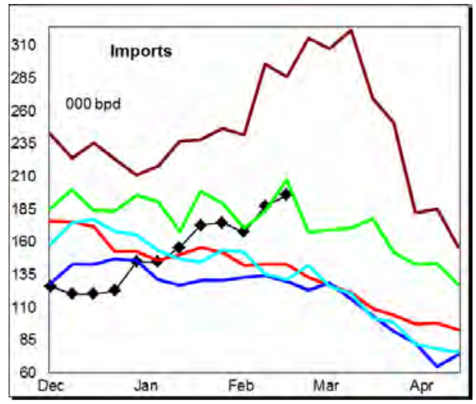
U.S. Summary Wholesale demand declined -137,000 bpd last week, as consumers continue to minimize use in response to the earlier price spike and slow decline of retail prices. The latest 4-wk average wholesale demand was -219,000 bpd below last year.



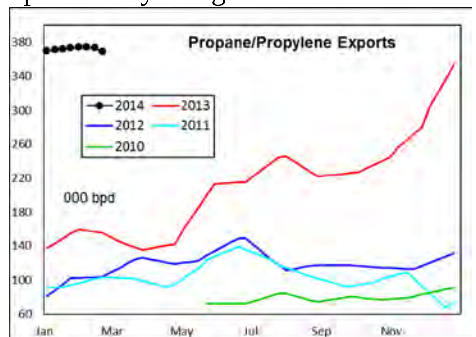
Production decreased -22,000 bpd, concentrated on the East Coast. Imports climbed +41,000 bpd on the week, again concentrated on the East Coast.

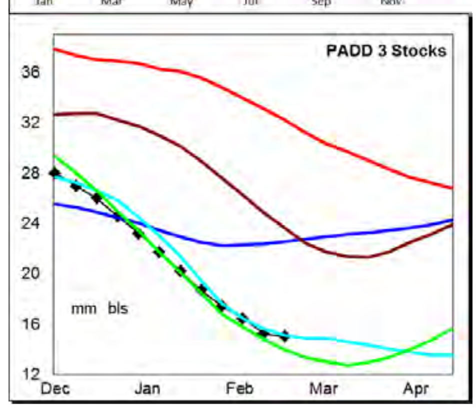






Exports for the latest week were 369,000 bpd, an increase of +214,000 bpd over a year ago.





Stocks were nearly unchanged last week, with changes of less than +/100,000 barrels in all regions. PADD 3 stocks ended the slightly above 5-yr lows for the period.

Emerging Trends Conservation driven by the earlier spike in retail prices and slow decline as wholesalers attempt to recover cost should extend through the end of the heating season. Exports of nearly 375,000 bpd will limit stock rebuilding during the 2nd quarter, providing support to prices.

[1] Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

February 26, 2014

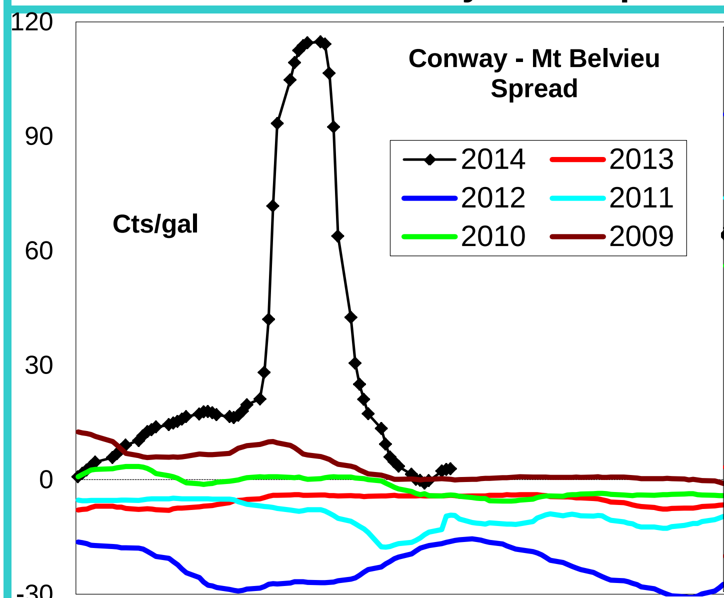
Fundamental Trends for the Week Ending: Friday, February 21, 2014

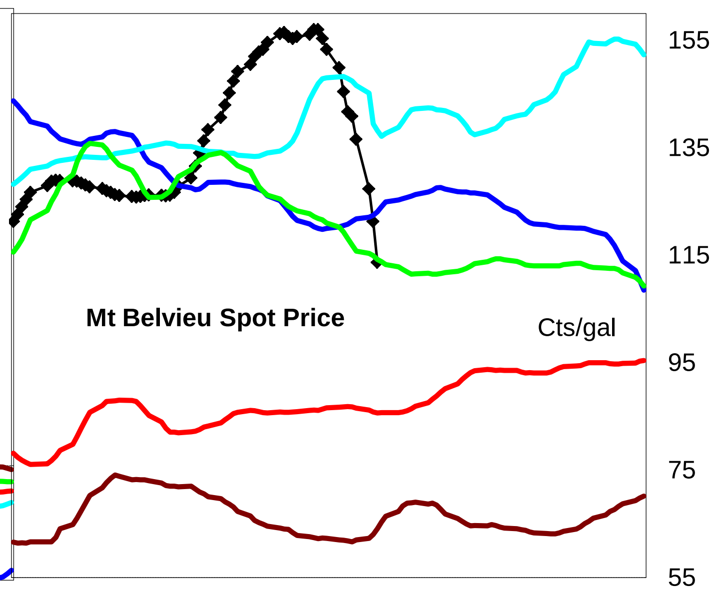
000 bpd / Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5	U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5
Stocks	26,676	1,682	8,900	14,978	1,116	-39	82	68	-105	-84
Propylene Stocks	3,311					-188				
Production	1,378	139	277	811	151	-22	-27	-1	1	5
Imports	196	125	54	0	17	41	64	-24	0	2
Whsle Demand	1,211					-137				

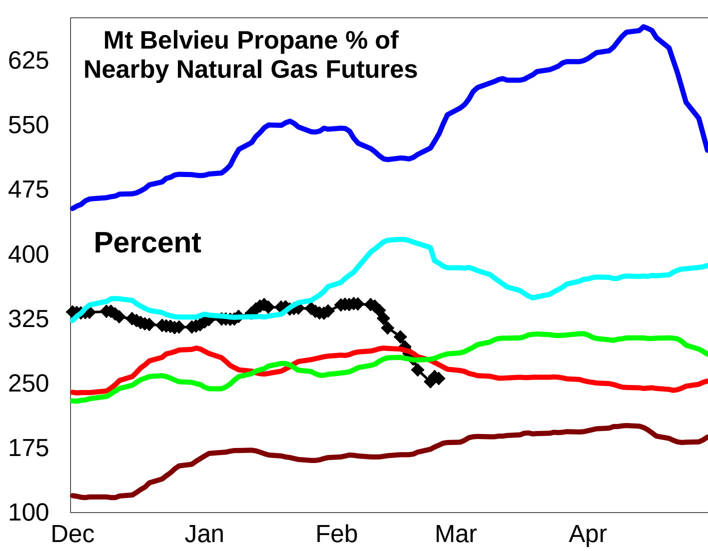
Price Trends for the Week Ending: Wednesday, February 26, 2014

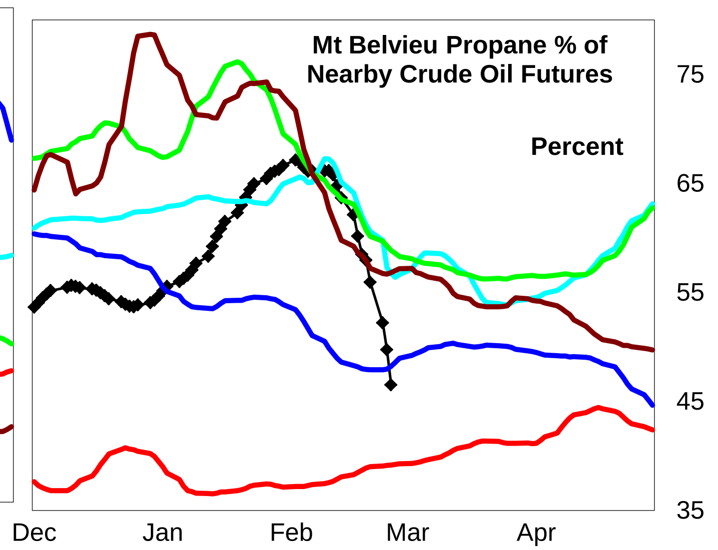
Cents/gal	Average for week ending:				Change from:			% change from:		
	2/26/14	2/19/14	1/29/14	3/1/13	2/19/14	1/29/14	3/1/13	2/19/14	1/29/14	3/1/13
Mont Belvieu Spot	127.4	155.5	152.2	86.6	-28.09	3.30	65.57	-18.1	2.2	75.7
Conway Spot	129.6	152.7	320.2	82.5	-23.08	-167.50	237.75	-15.1	-52.3	288.4

Key Price Spreads and Differentials

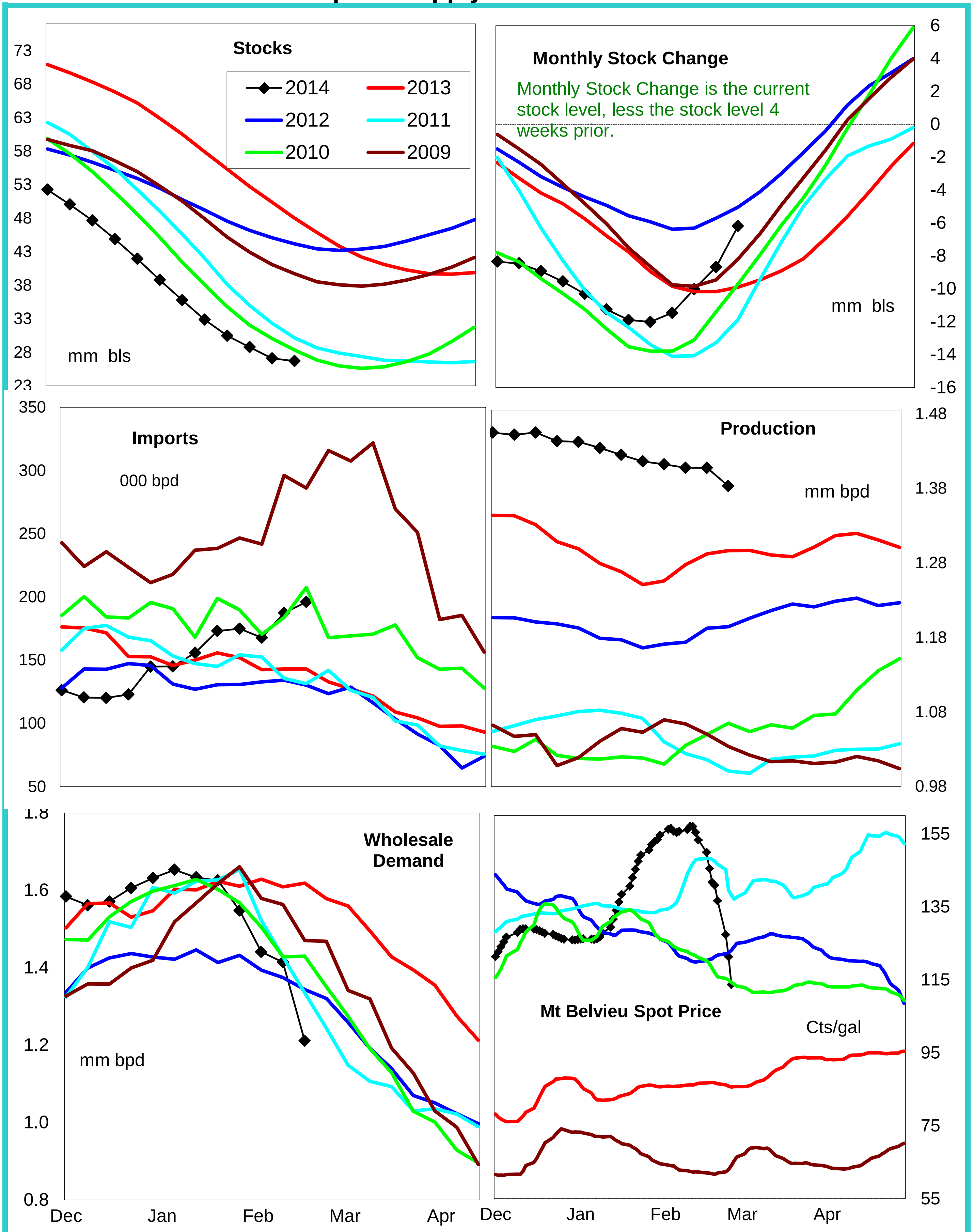






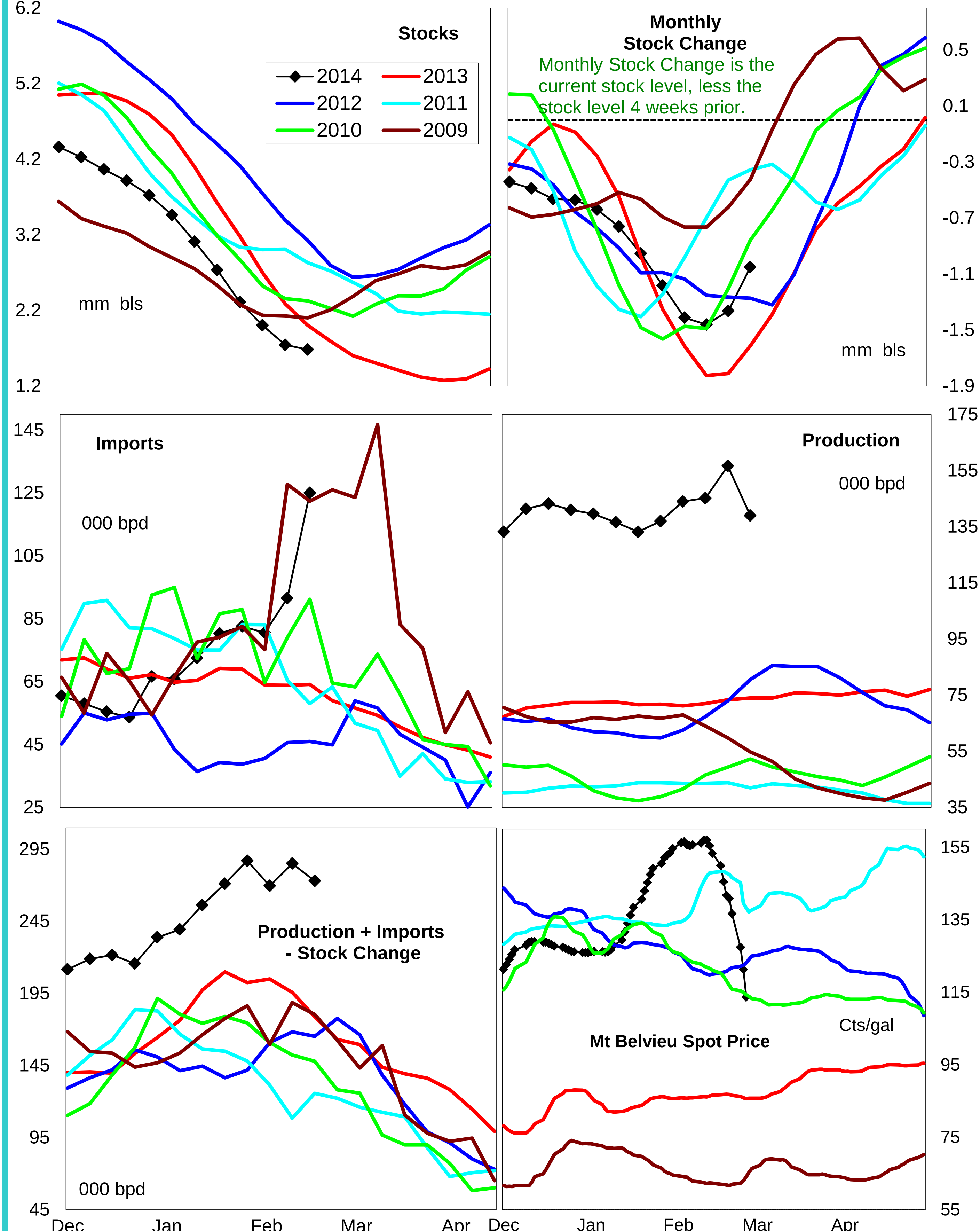


U. S. Propane Supply and Demand Balance



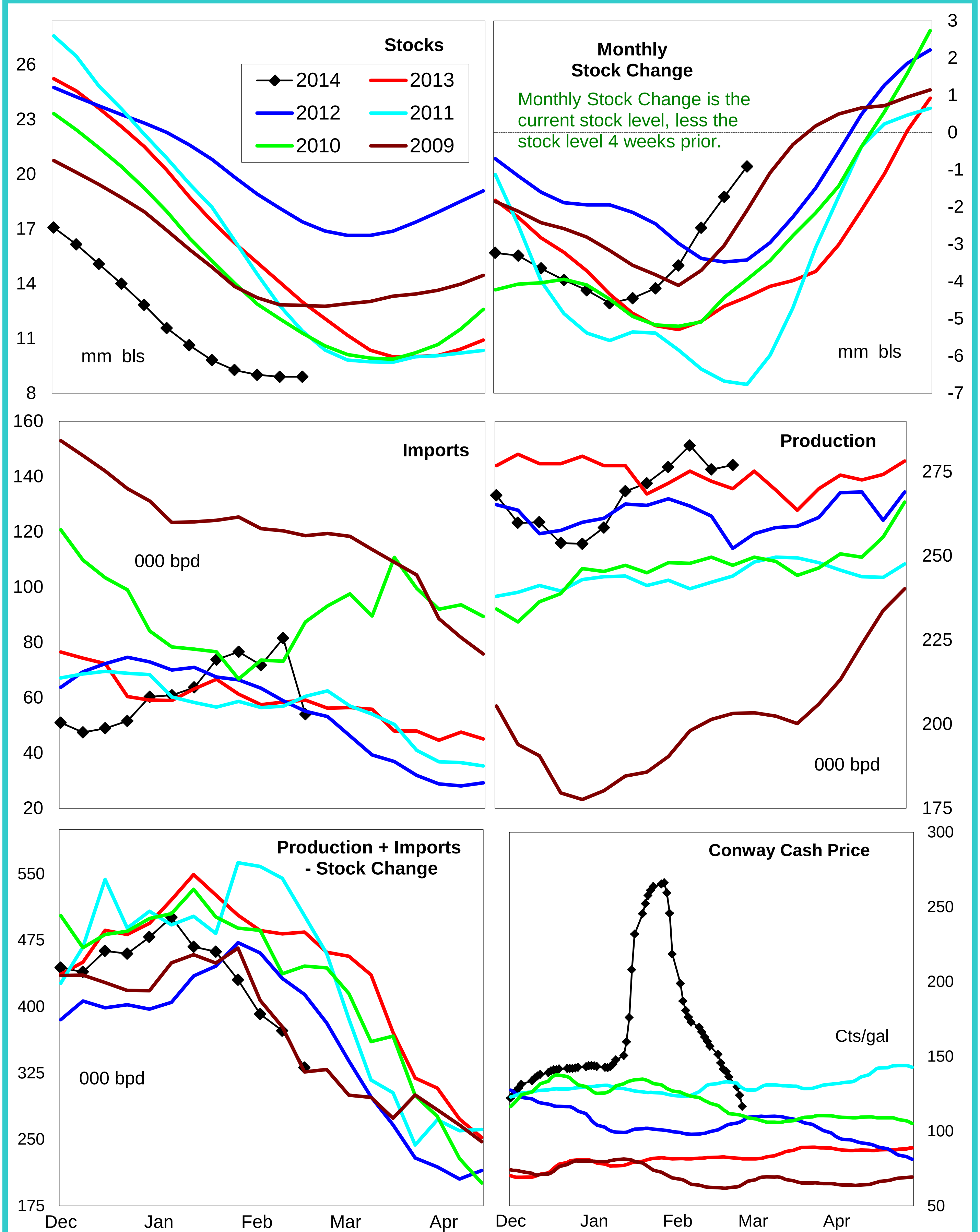
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Jan	Dec	Nov
000 bpd (000 bls stks)	-21,178	3,717	122	39		-219	-82	122	154
% change	-44.3	-38	9.5	27.4		-13.6	-4.8	8.4	12.2

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)	-98	563	77	24	83
% change	-5.5	-34.9	106.6	36.7	42.5

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)	-4,624	3,504	7	21	-108
% change	-34.2	-79.4	2.6	38.1	-22.0

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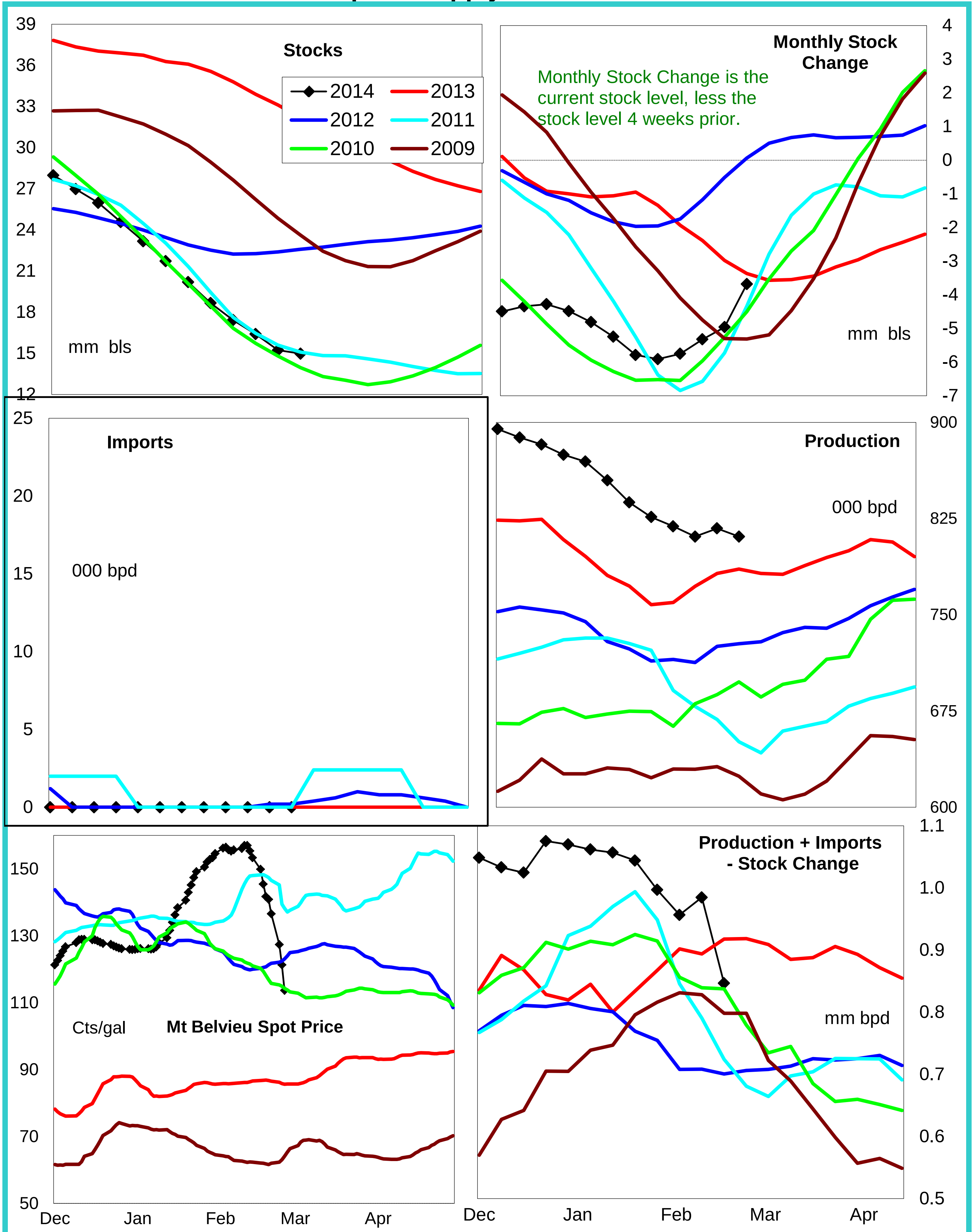
PADD 3 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-16,769	-315	35	0	51
% change	-52.8	9	4.5	#DIV/0!	5.7

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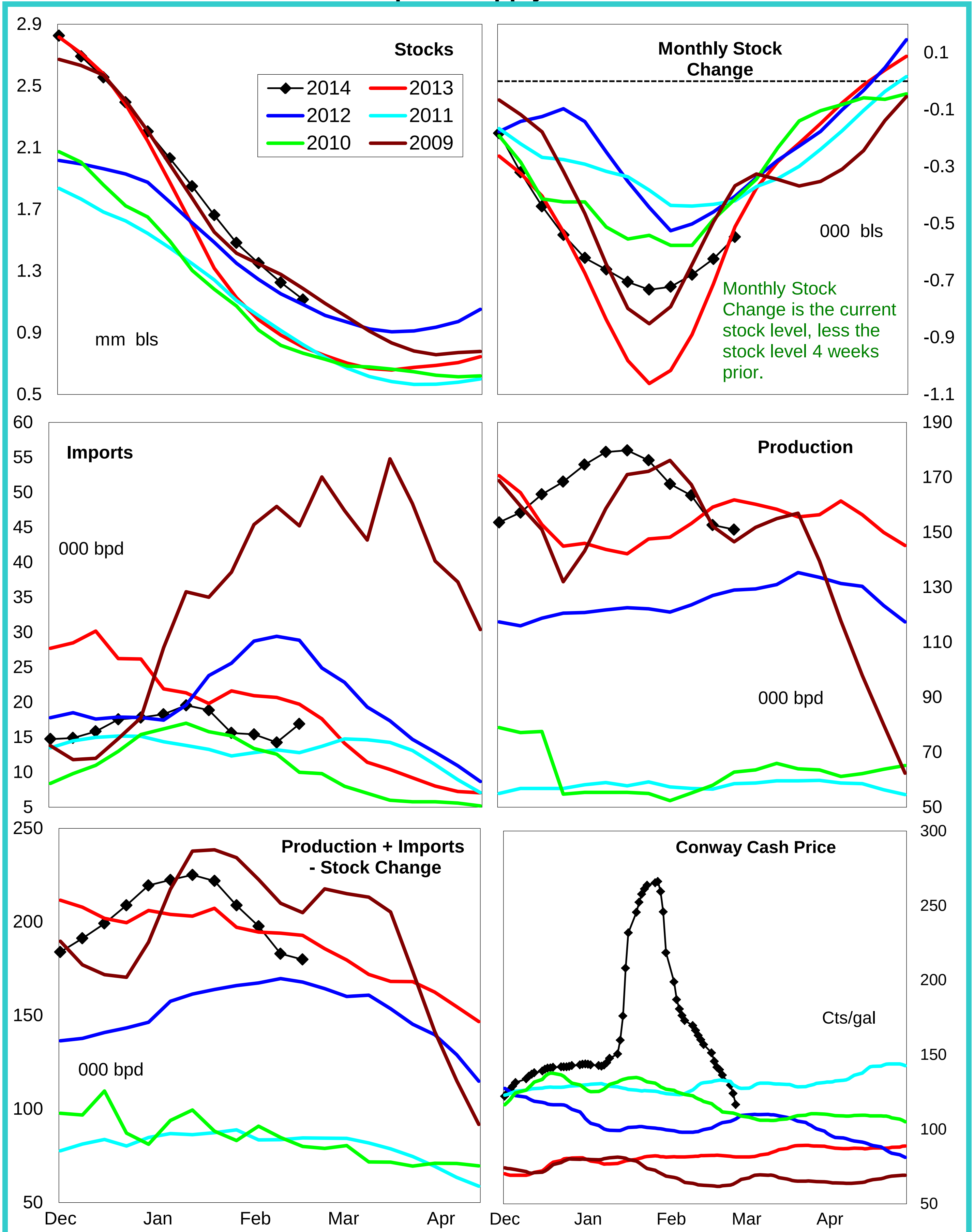
PADDs 4 and 5 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	313	-36	3	-6	-2
% change	39.0	7.0	1.8	-27.5	-1.2

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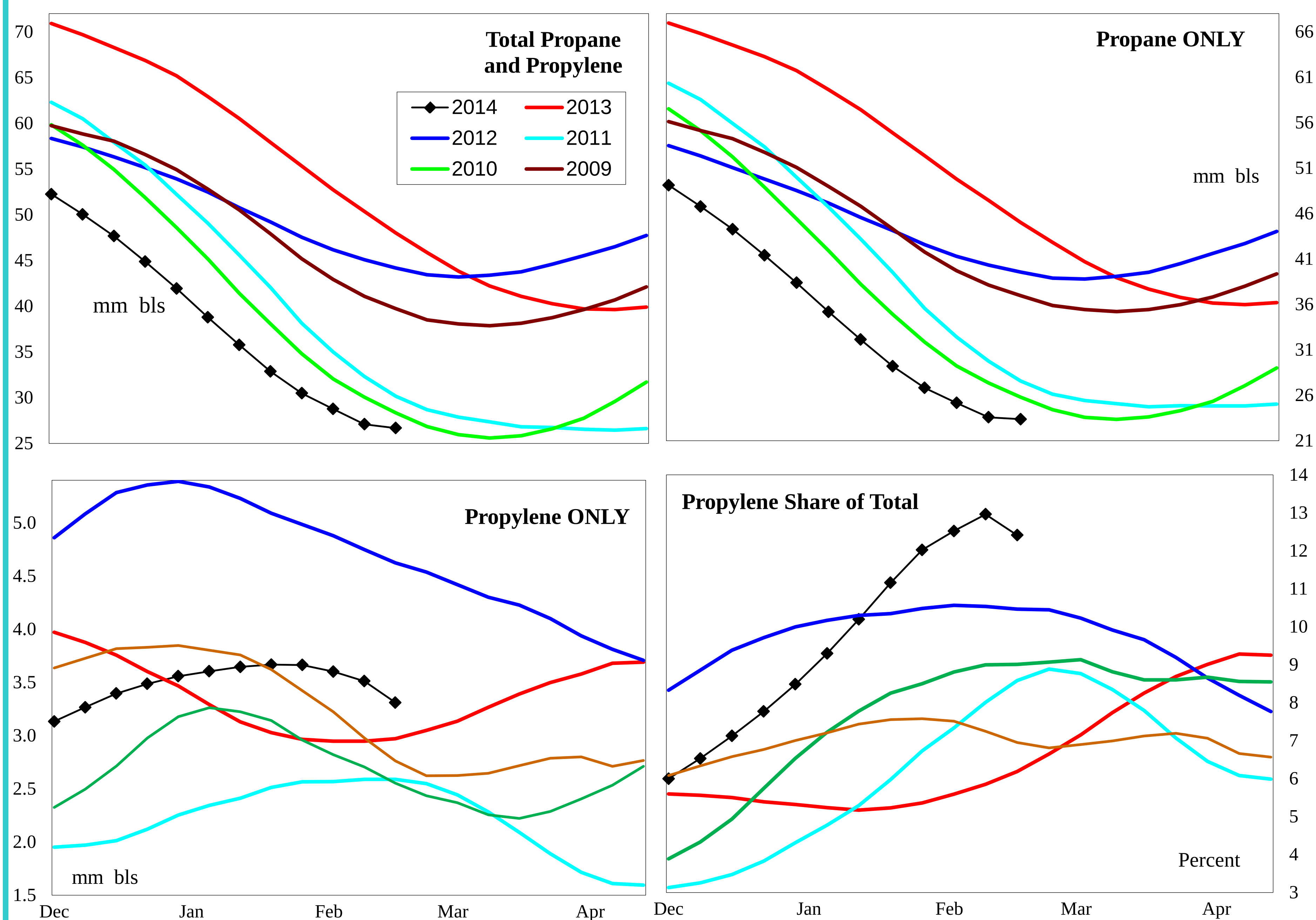
U. S. Propane and Propylene Stocks



Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	-21,178	-21,532	340
% change	-44.3	-48.0	11.4

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