FUNDAMENTAL PETROLEUM TRENDS

WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

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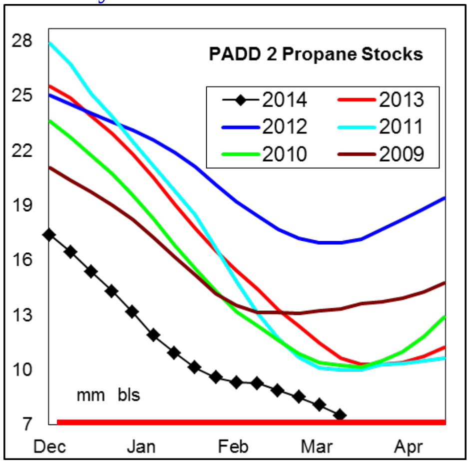
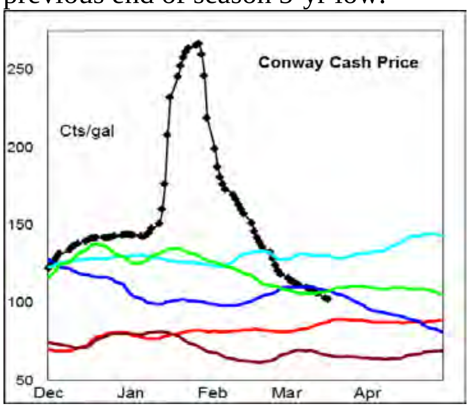
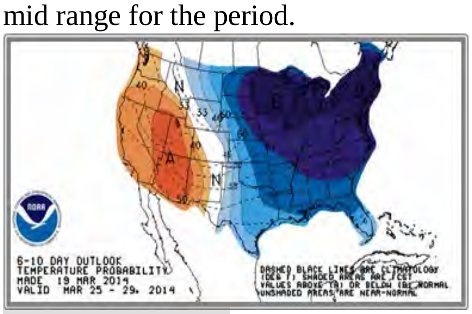
Summary[1]:



Stocks in the Midwest decreased -0.4 million barrels last week, ending the week -2.7 million barrels below the previous end of season 5-yr low.

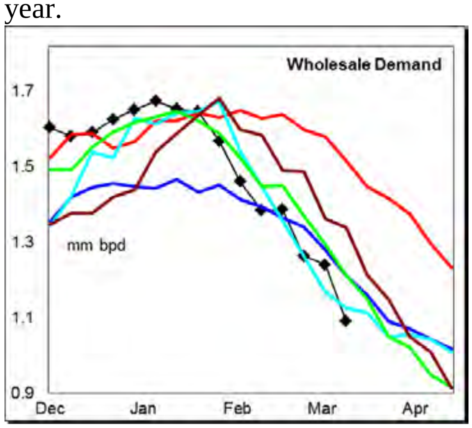


Conway spot prices trended lower last week, at a level below the latest 3-yr mid range for the period.

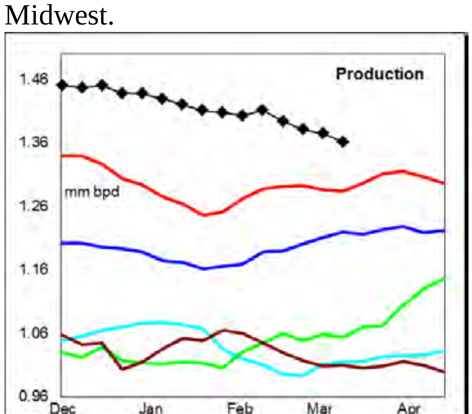


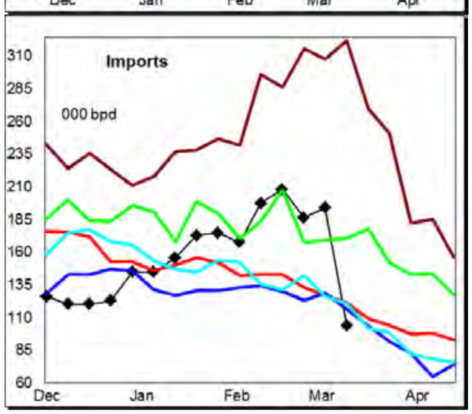
Midwest Outlook *The 10-day forecast is for significantly below normal temperatures east of the Rockies. Production rebounded +39,000 bpd last week, but remains below the last 2-yrs. Even with extremely low carryout stocks and cold temperatures forecast, the focus of the market is now on stock building for the summer season.*

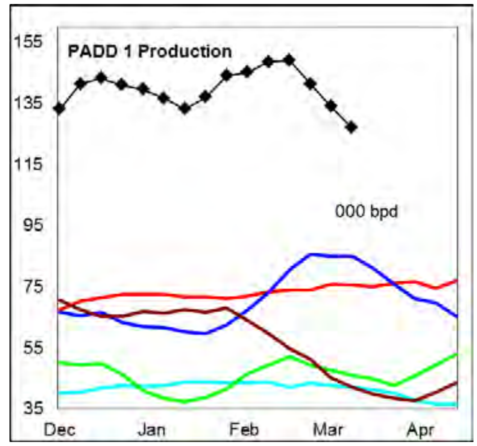
U.S. Summary Wholesale demand fell -252,000 bpd last week, with demand below the historic range for the period. The latest 4-wk average wholesale demand was -383,000 bpd below last year.



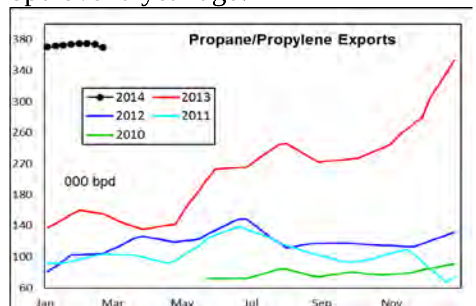
Production increased +39,000 bpd, concentrated in the Midwest. Imports fell -108,000 bpd on the week, concentrated on the East Coast and Midwest.

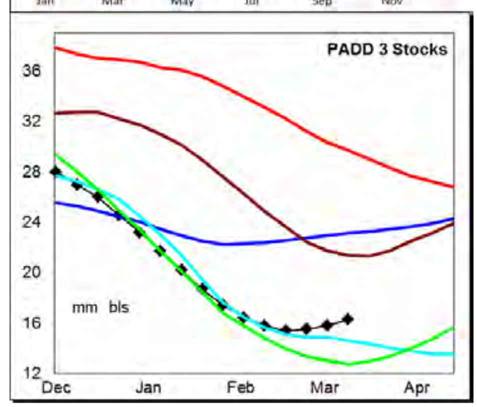






Exports for the latest week were 369,000 bpd, an increase of +214,000 bpd over a year ago.





Stocks increased +0.2 million barrels last week, with the latest 4-wk average stock change a record low draw for the period. PADD 3 stocks ended the week +3.5 million barrels above the previous 5-yr low.

Emerging Trends Startup of new gas processing plants in major shale gas producing regions during 2014 should offset increased exports, and support meaningful stock building during the next 6-months, pointing to risk of lower spot prices.

[1] Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

March 19, 2014

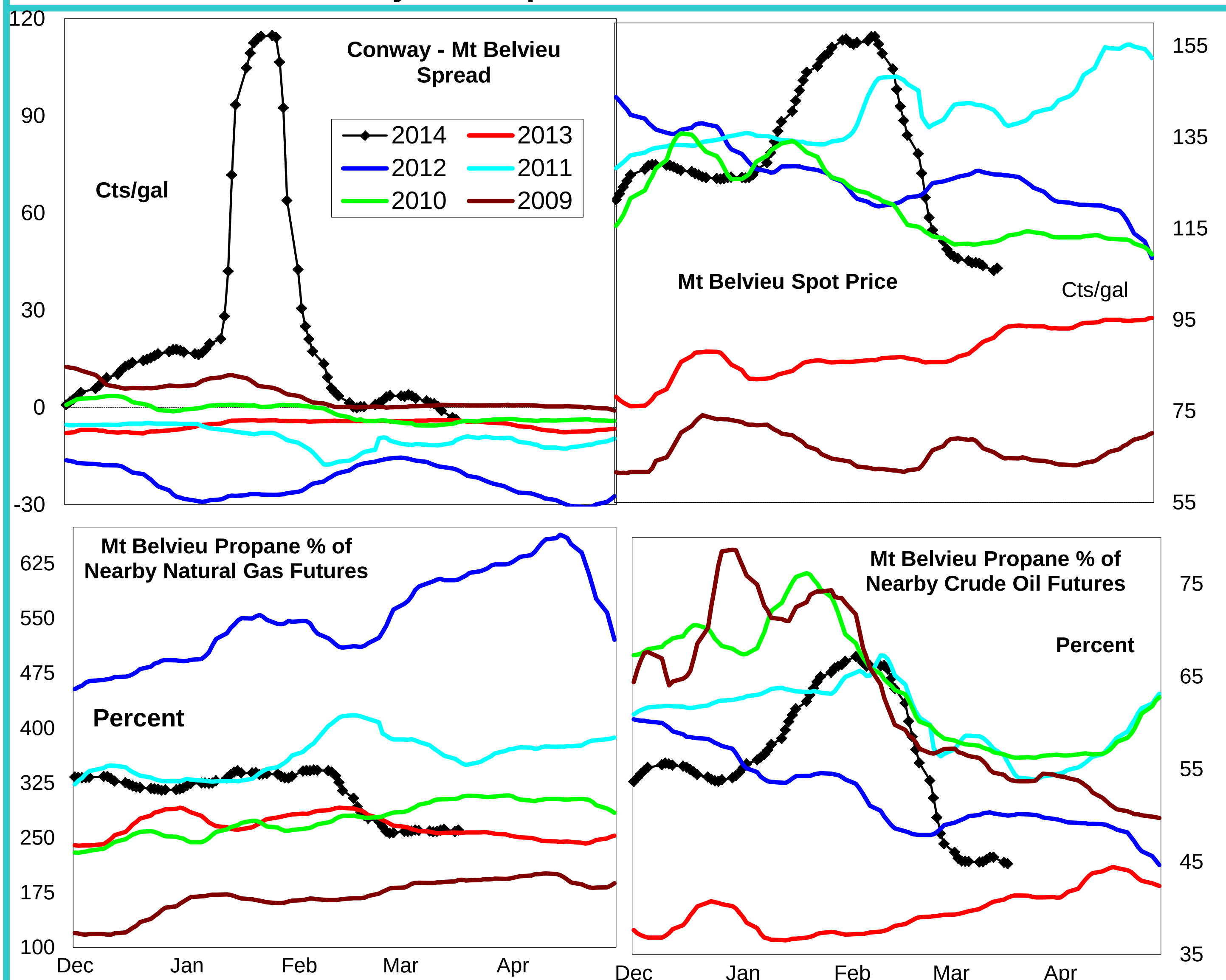
Fundamental Trends for the Week Ending: Friday, March 14, 2014

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	26,241	1,882	7,198	16,255	906	182	-147	-389	760	-42
Propylene Stocks	3,376					-82				
Production	1,361	127	254	821	159	39	-2	39	-9	11
Imports	104	37	53	0	14	-108	-88	-24	0	5
Whsle Demand	1,070					-252				

Price Trends for the Week Ending: Tuesday, March 18, 2014

Cents/gal	Average for week ending:				Change from:			% change from:		
	3/18/14	3/11/14	2/18/14	3/21/13	3/11/14	2/18/14	3/21/13	3/11/14	2/18/14	3/21/13
Mont Belvieu Spot	106.8	107.8	153.3	90.5	-0.96	-45.50	62.76	-0.9	-29.7	69.4
Conway Spot	105.8	111.3	152.1	86.7	-5.55	-40.80	65.37	-5.0	-26.8	75.4

Key Price Spreads and Differentials



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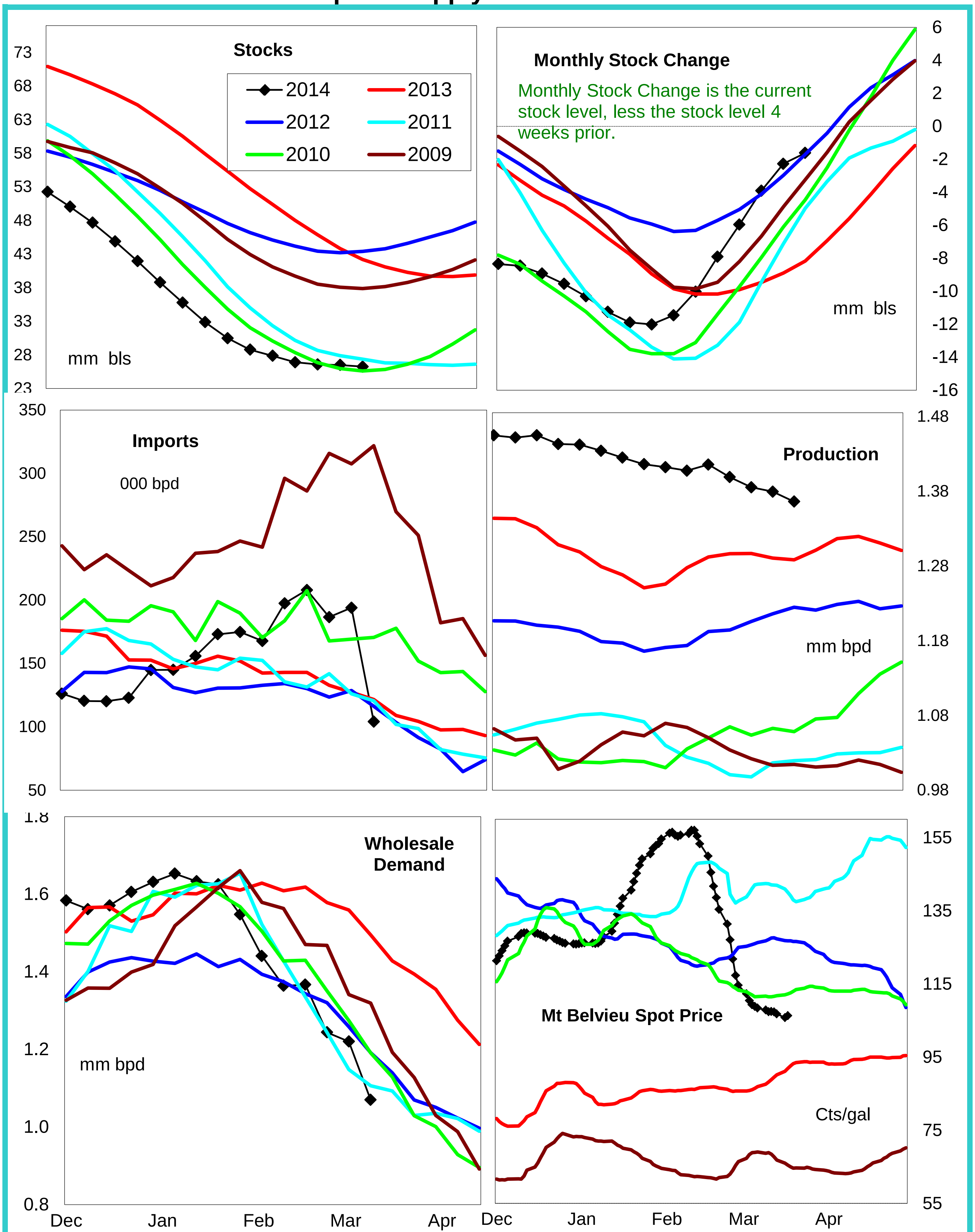
U. S. Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Feb	Jan	Dec
000 bpd (000 bls stks)	-15,518	6,557	90	64		-383	-219	-1,693	83
% change	-37.2	-80	7.0	49.3		-23.9	-13.7	-100.0	5.7

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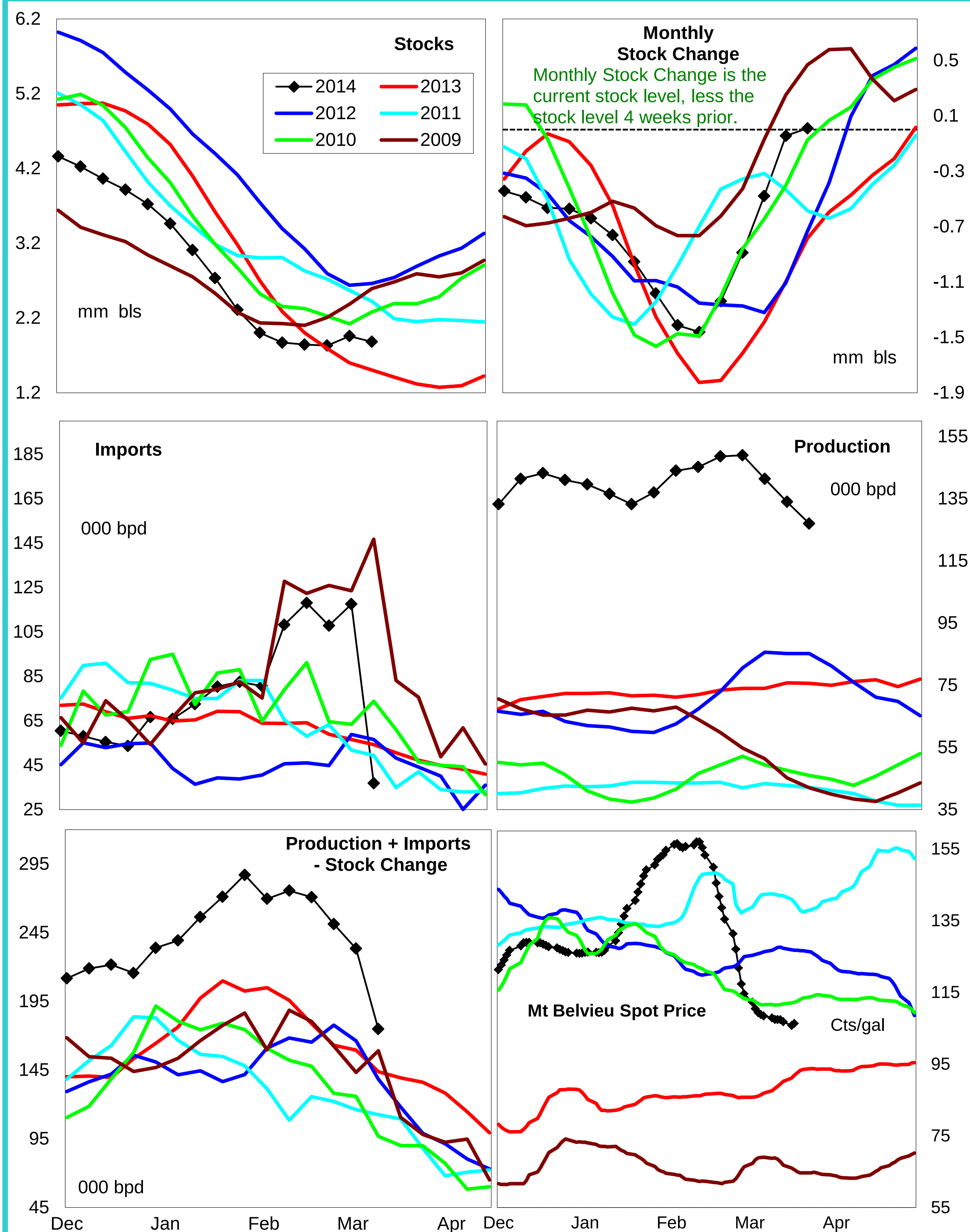
PADD 1 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	325	793	61	63	71
% change	20.9	-101.3	80.9	110.2	44.2

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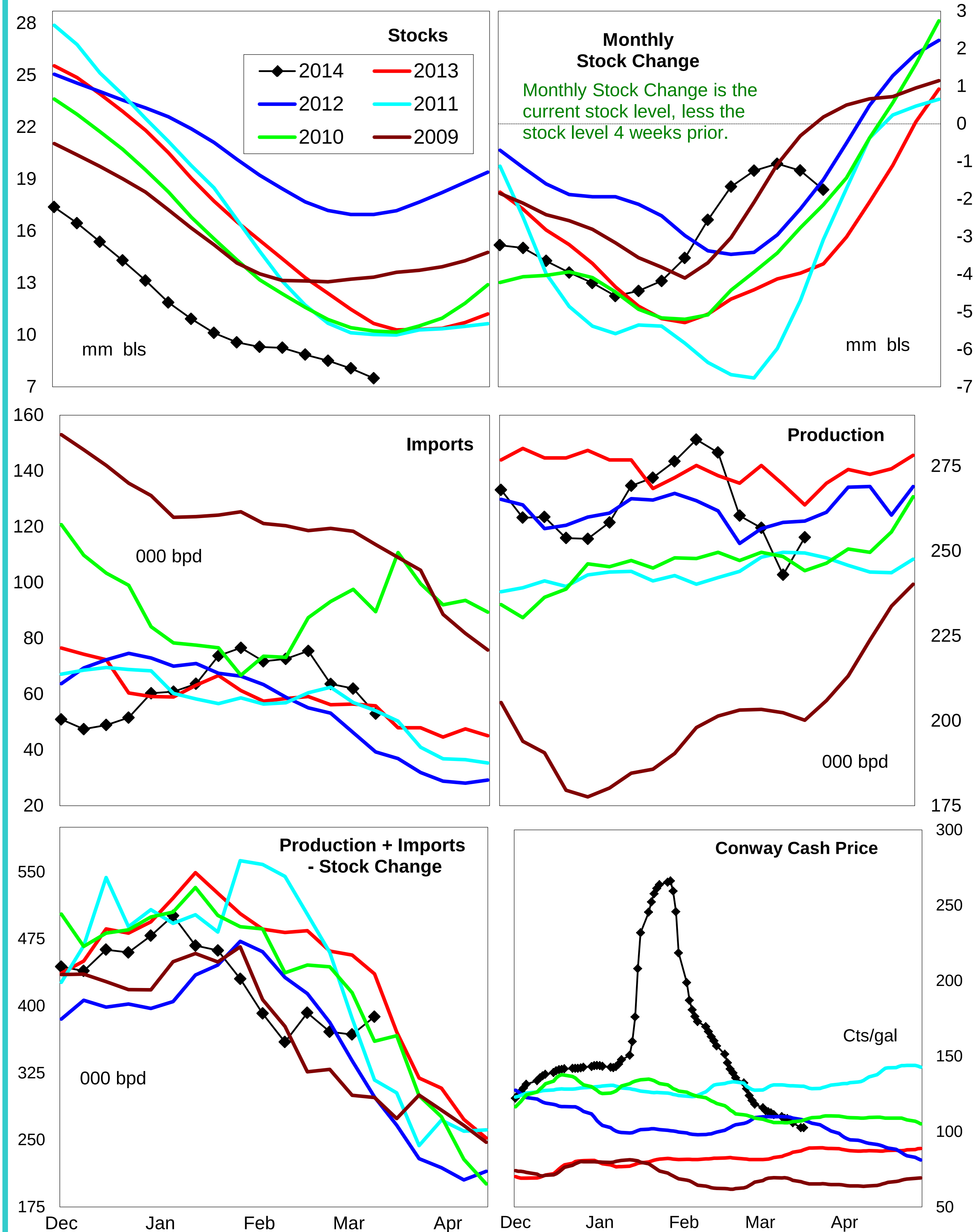
PADD 2 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-3,122	1,972	-21	2	-80
% change	-30.3	-52.9	-7.6	3.3	-17.4

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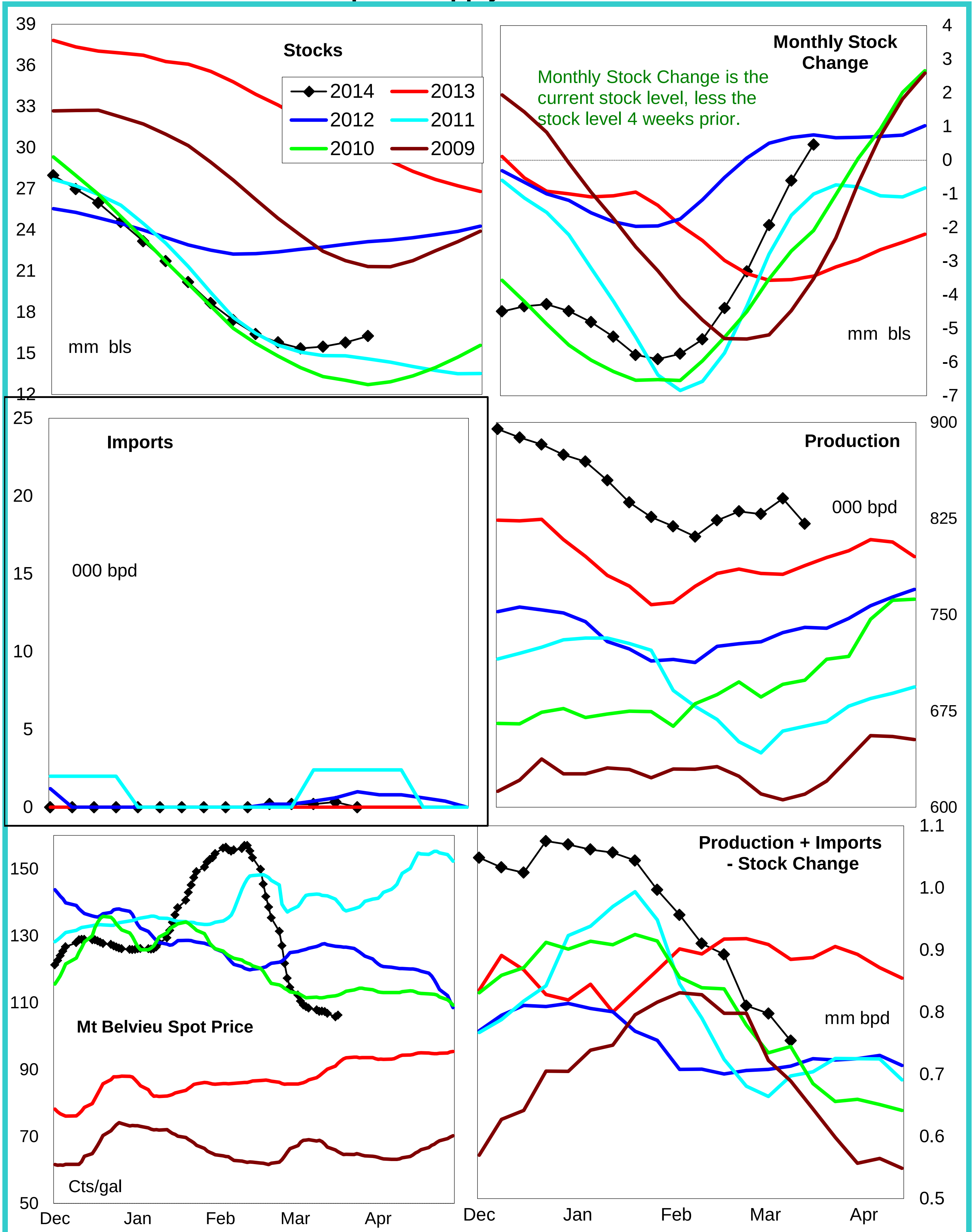
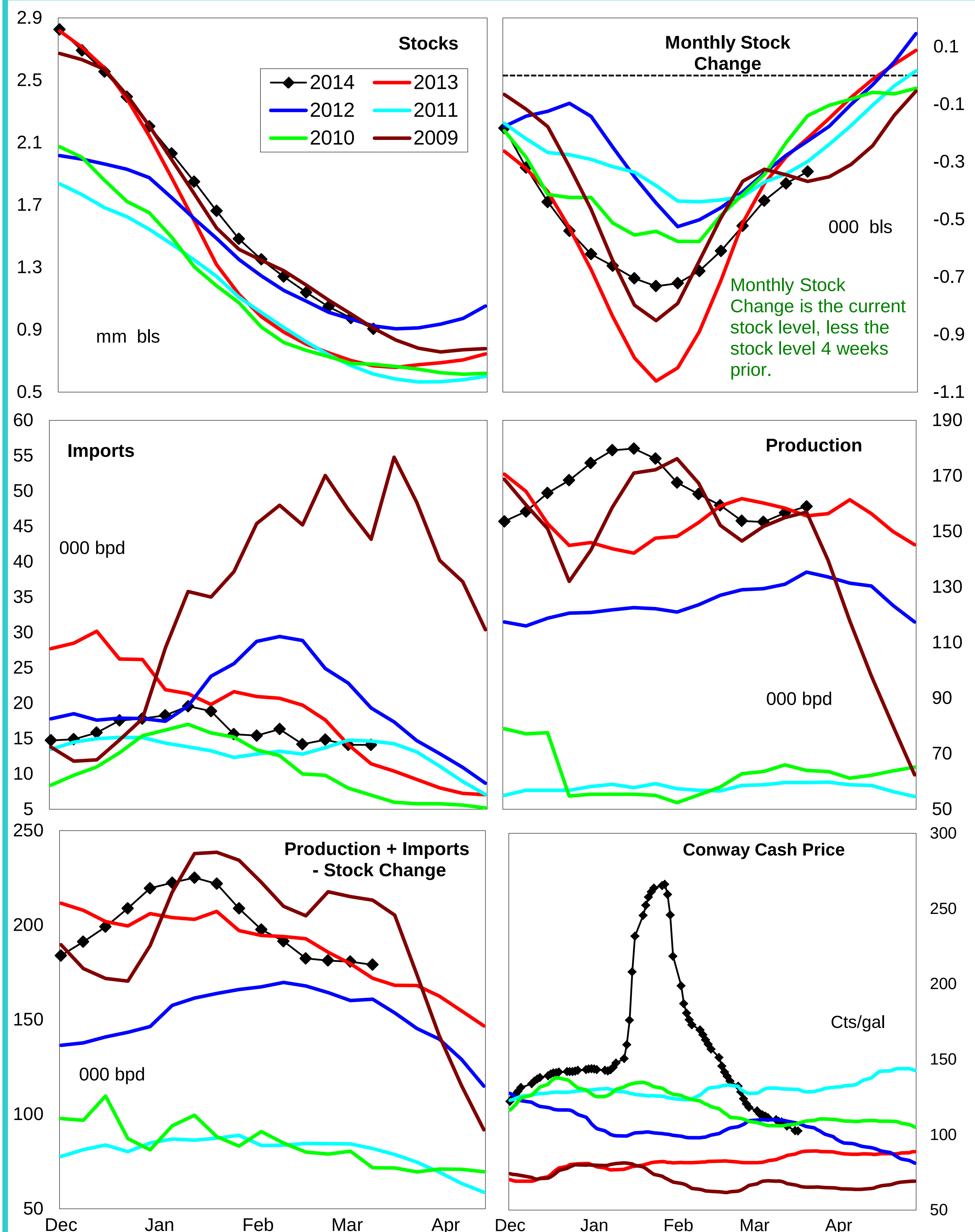
PADD 3 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-12,985	3,908	54	0	-94
% change	-44.4	-113	6.9	#DIV/0!	-10.3

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)	264	-117	-4	-1	-2
% change	41.1	53.6	-2.2	-3.4	-0.9

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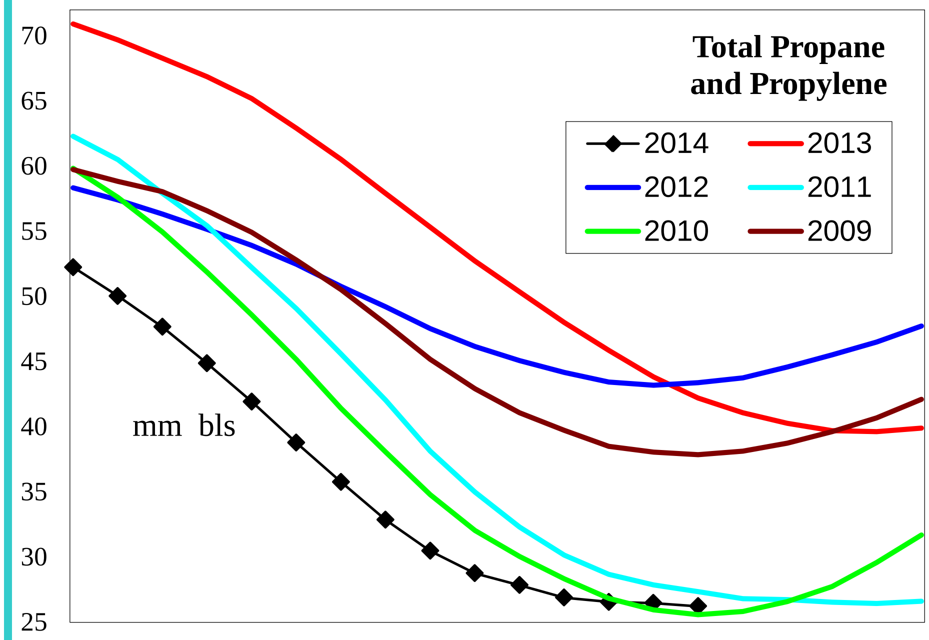
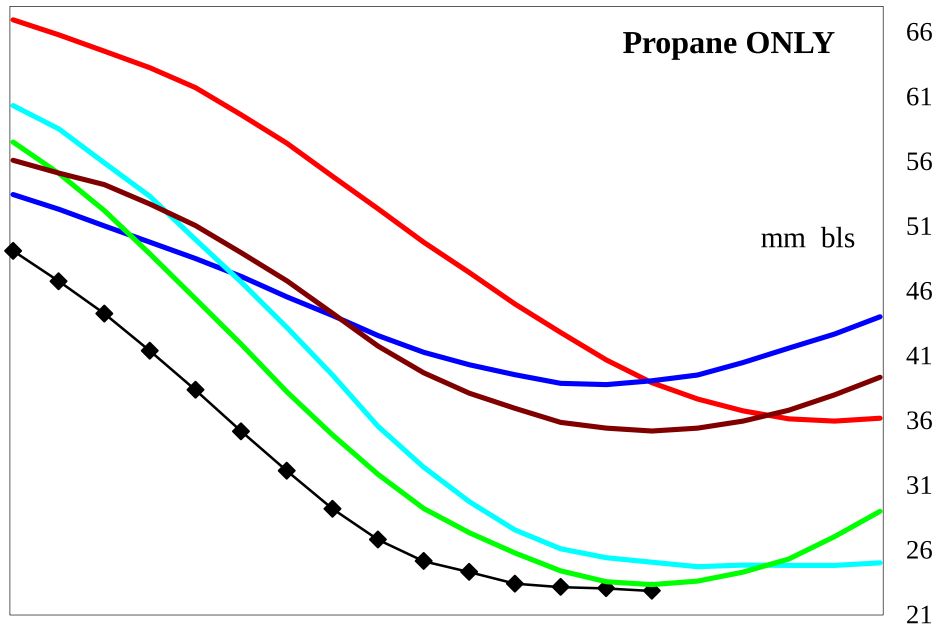
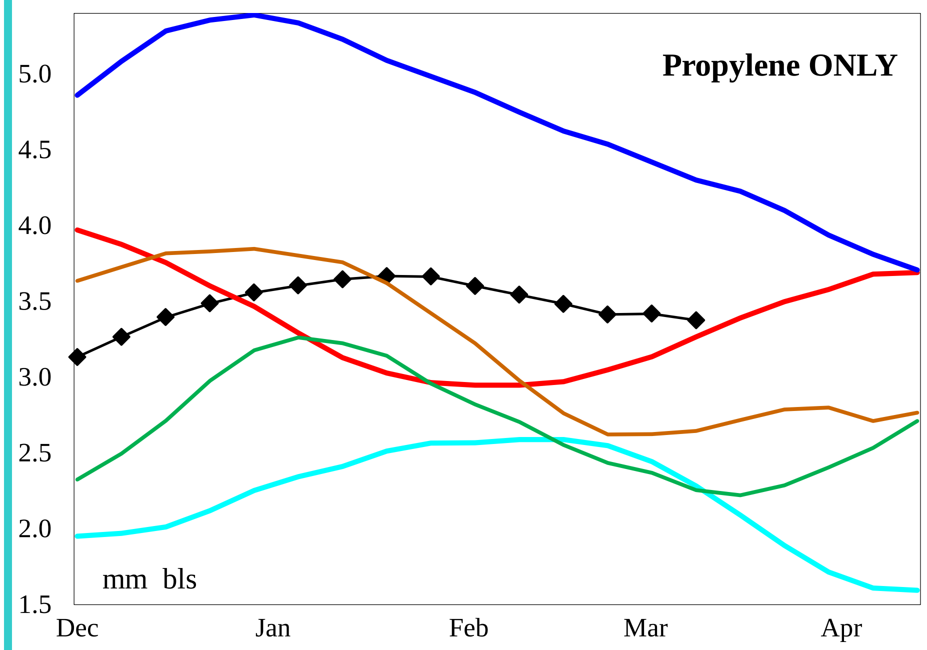
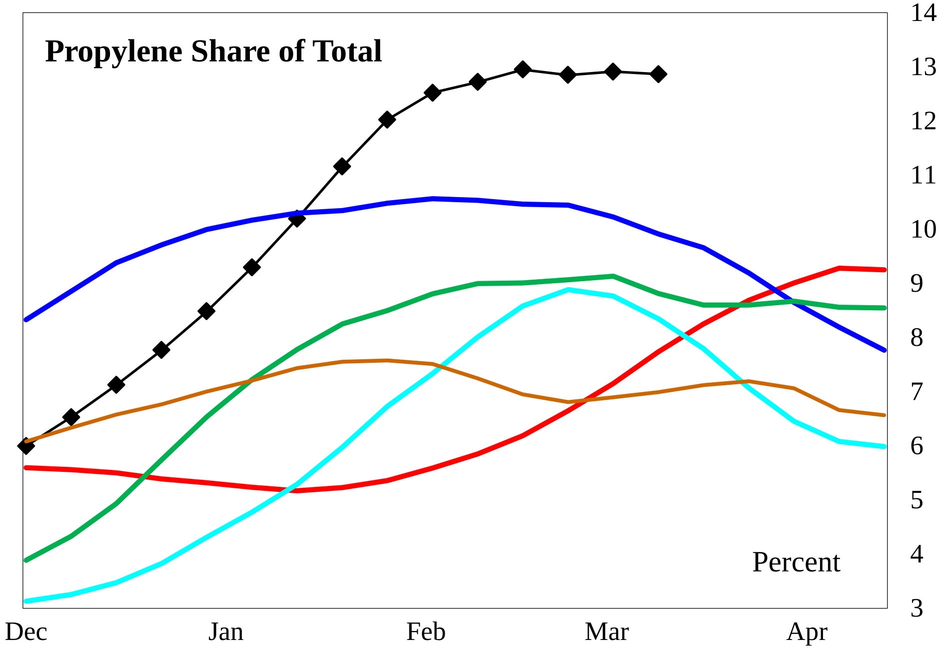
U. S. Propane and Propylene Stocks









Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	-15,518	-15,540	109
% change	-37.2	-40.5	3.3

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