WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

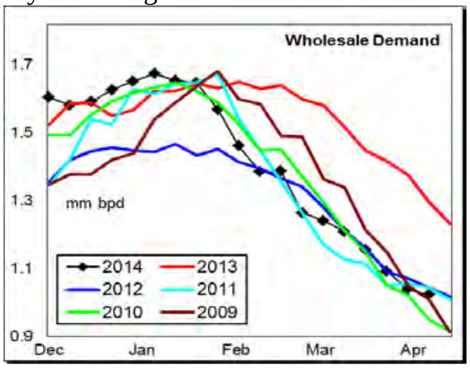
A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com

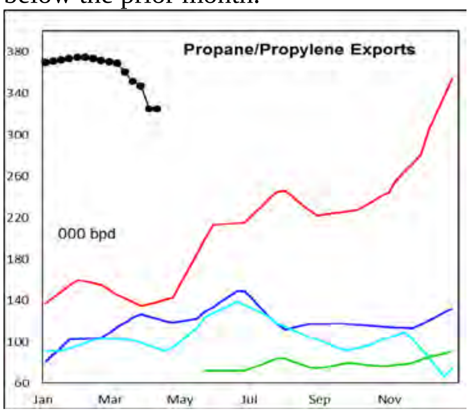
Table of Contents

Summary[1]:

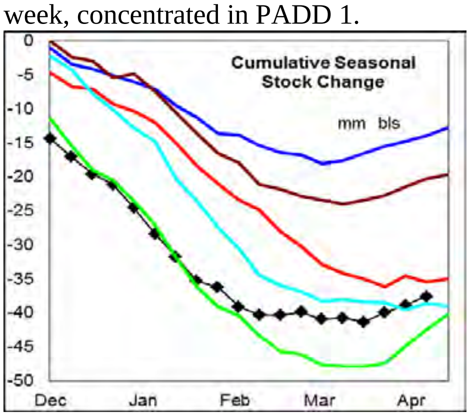
Wholesale demand was nearly unchanged last week, at a level near the 3-yr mid range.



Production decreased -28,000 bpd for the week. Production in PADD 2 increased +28,000 bpd, but was offset by a -48,000 bpd drop in the Gulf region. Exports for the most recent week were -44,000 bpd below the prior month.



Imports declined -10,000 bpd on the week, concentrated in PADD 1.

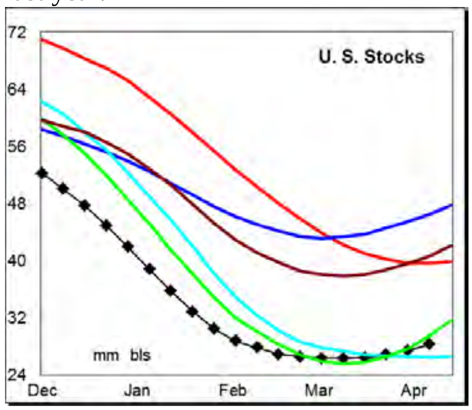


Combined production and imports during the latest 4-wk period were +57,000 bpd above a year ago.

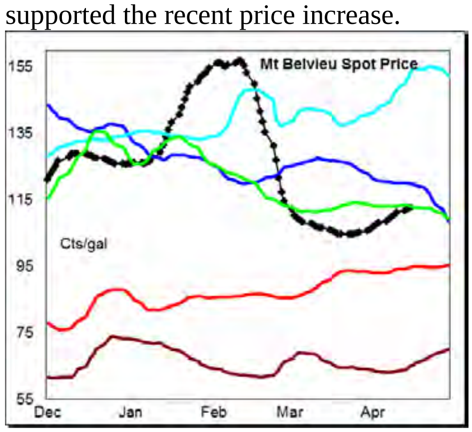
[1] Source is latest EIA Weekly Statistics

Production was +72,000 bpd above last year (+5%), while imports were -15,000 bpd lower. The latest 4-wk average demand was -318,000 bpd below last year.

Stocks increased +0.8 million barrels last week, but remain -27% below a year ago. The cumulative seasonal stock draw of -37 million barrels, compared to -35 million barrels last year.



Price and Spreads Mt Belvieu spot price increased +2 cpg for the week ending 16Apr14, while Conway decreased -1 cpg. Continued cold temperatures and an uptrend in global energy prices has supported the recent price increase.



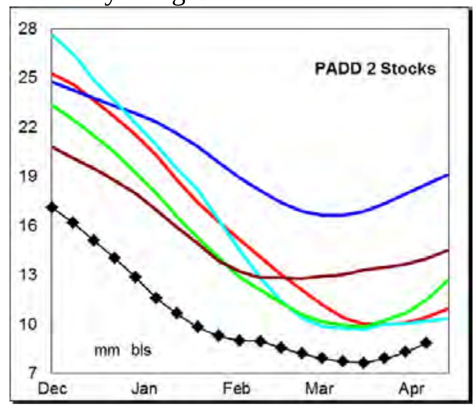
The Conway – Mt Belvieu price spread traded sideways last week, at a level that matched historic highs for the period.

The propane to natural gas price spread trended higher on the week, ending at a level above last year.

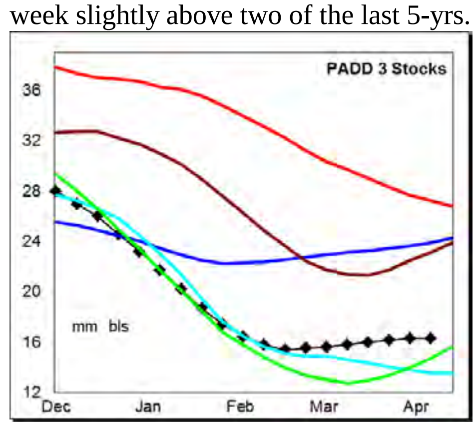
The propane / crude oil price spread trended higher last week ending at a level just above a year ago.

PADD 1 stocks increased +0.3 million barrels on the week, ending the week +1 million barrels above last year. Supply for the latest 4-wk period was +51,000 bpd above last year, on record production.

PADD 2 stocks increased +0.7 million barrels on the week. The latest 4-wk supply was -21,000 bpd below a year ago. Stock levels ended the week -15% below a year ago.



PAD 3 stocks decreased -0.3 million barrels on the week. Supplies for the latest 4-wk period were +24,000 bpd above a year ago. Stock levels ended the week slightly above two of the last 5-yrs.



PADDs 4 & 5 stocks increased +0.1 million barrels on the week, with the level above the 5-yr range.

Emerging Trends Wholesale prices have increased over +15 cpg since lows in late March on continued heating demand in key markets and political tensions in the Ukraine. Look for an above average stock build on startup of new gas processing plants in the shale fields during 2014 to restrain wholesale propane prices.

PROPANE: Graph Link and Weekly Summary

April 16, 2014

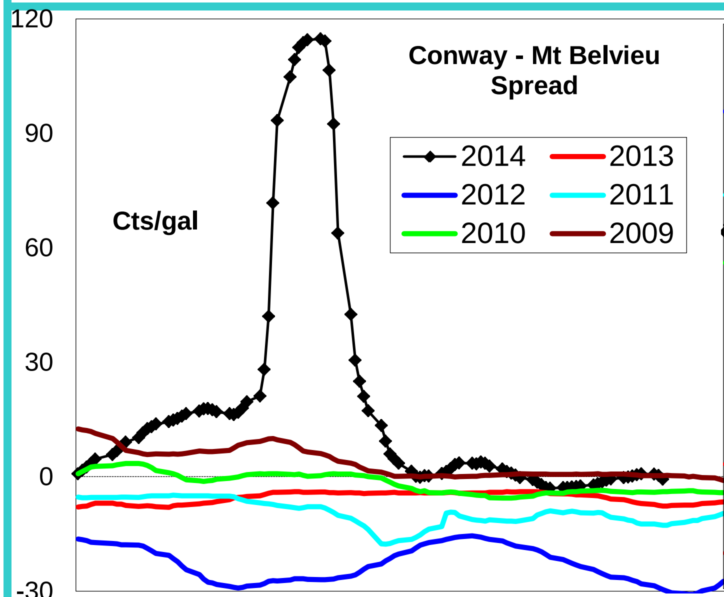
Fundamental Trends for the Week Ending: Friday, April 11, 2014

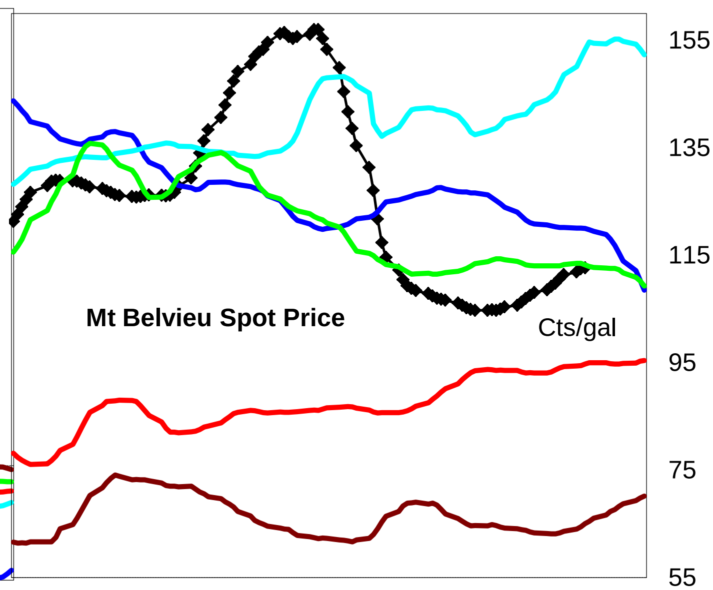
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S.	PADD				U.S.	PADD			
	Total	1	2	3	4&5	Total	1	2	3	4&5
Stocks	28,357	2,141	8,852	16,287	1,077	773	254	726	-297	90
Propylene Stocks	3,154					-190				
Production	1,378	157	267	796	158	-28	1	28	-48	-9
Imports	59	26	28	0	5	-10	-8	-4	0	2
Whsle Demand	1,002					-3				

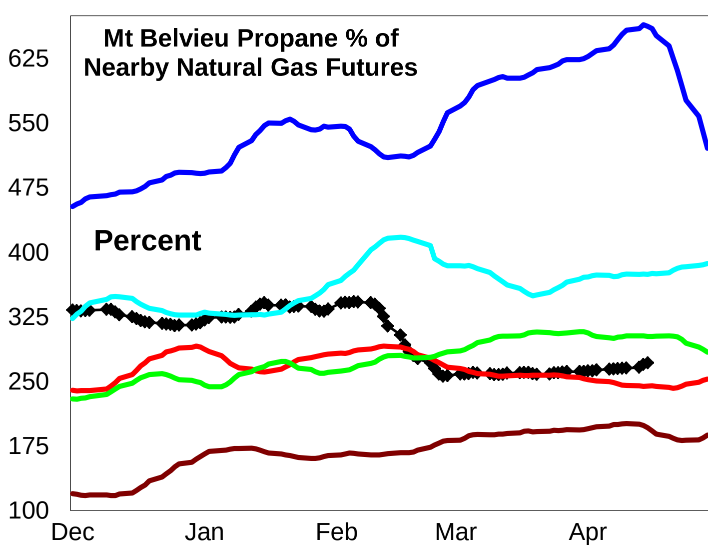
Price Trends for the Week Ending: Wednesday, April 16, 2014

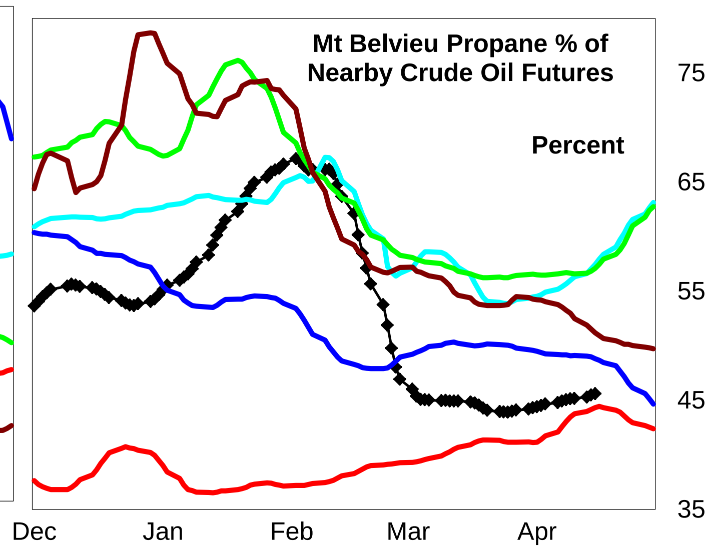
Cents/gal	Average for week ending:				Change from:			% change from:		
	4/16/14	4/9/14	3/19/14	4/19/13	4/9/14	3/19/14	4/19/13	4/9/14	3/19/14	4/19/13
Mont Belvieu Spot	111.9	108.6	105.9	95.0	3.22	2.70	10.96	3.0	2.5	11.5
Conway Spot	112.5	108.7	103.5	86.9	3.83	5.22	16.59	3.5	5.0	19.1

Key Price Spreads and Differentials

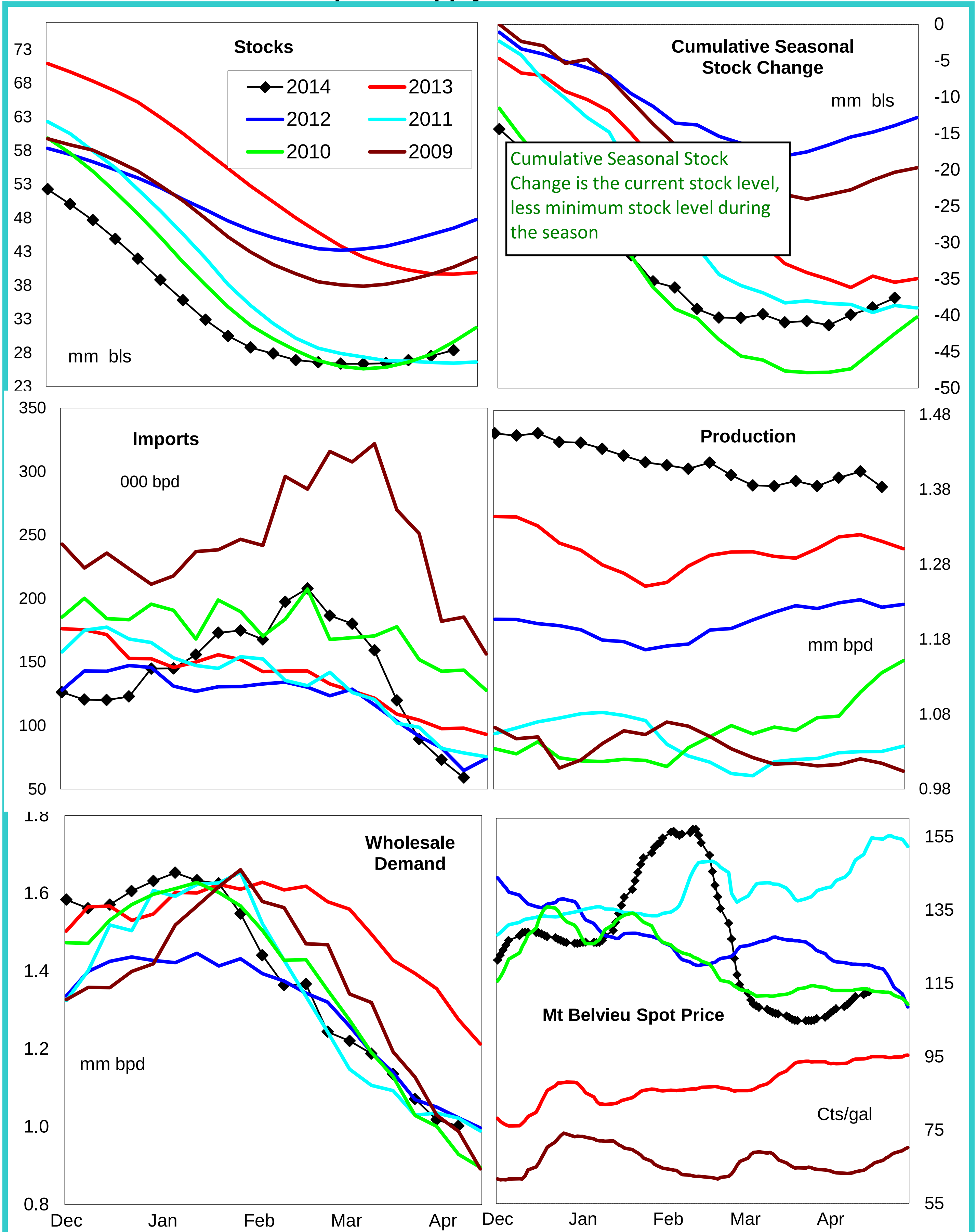








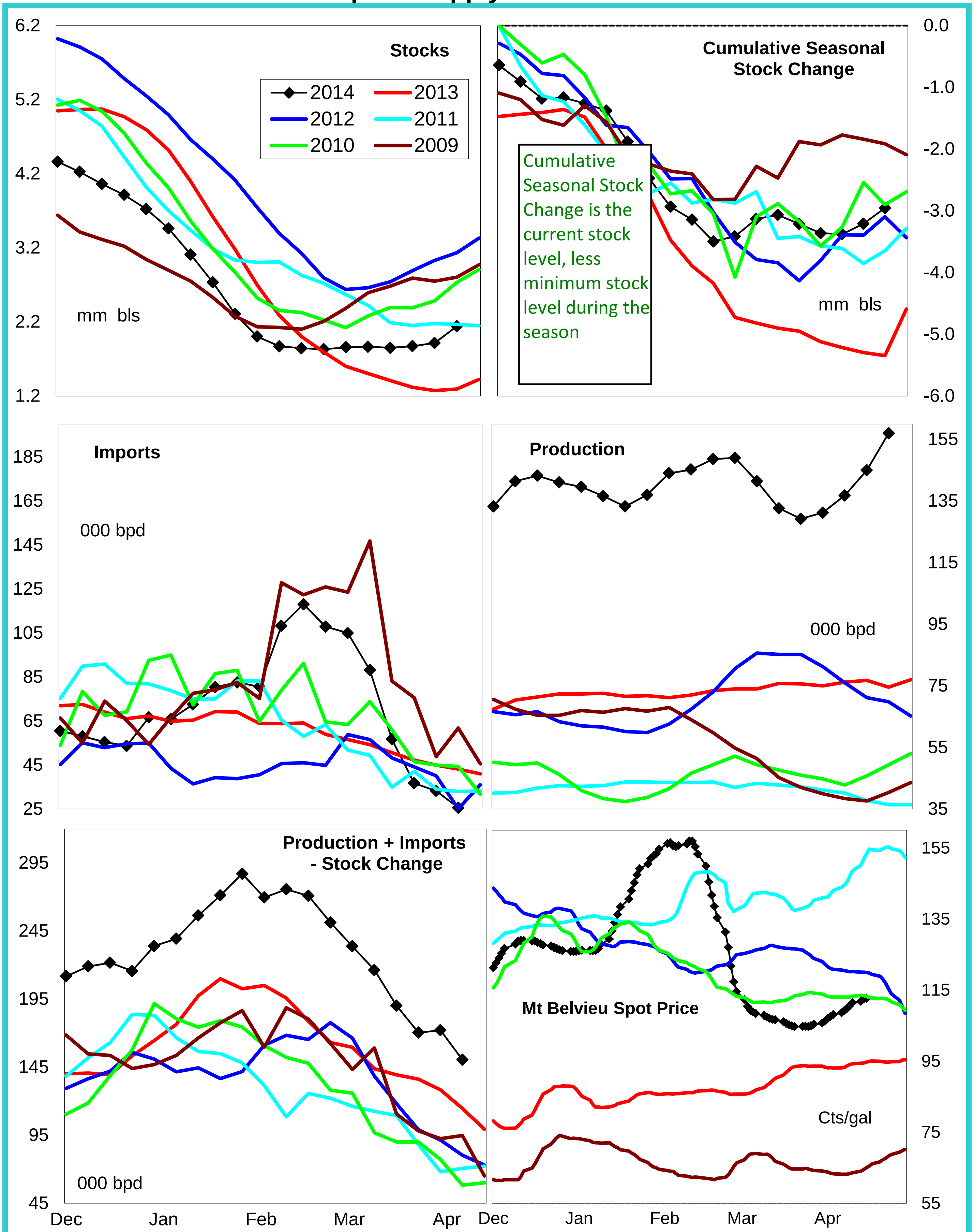
U. S. Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Mar	Feb	Jan
000 bpd (000 bls stks)	-10,669	-2,164	72	-15		-318	-208	-219	10
% change	-27.3	6	5.4	-15.1		-22.9	-15.1	-13.7	0.6

Lehi German Tel: 816.505.0980

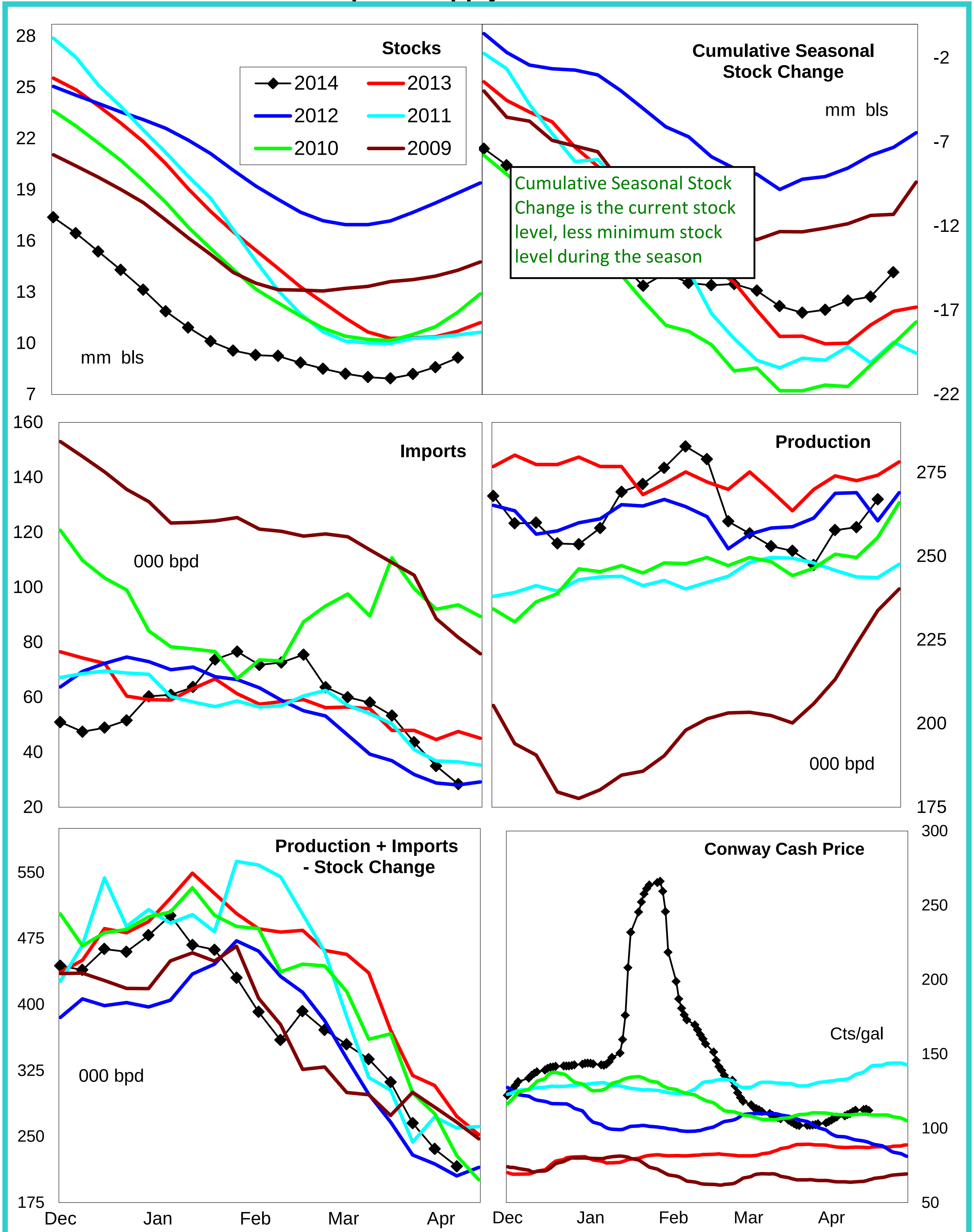
PADD 1 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	983	2,391	62	-9	41
% change	84.9	-44.7	80.8	-19.6	31.7

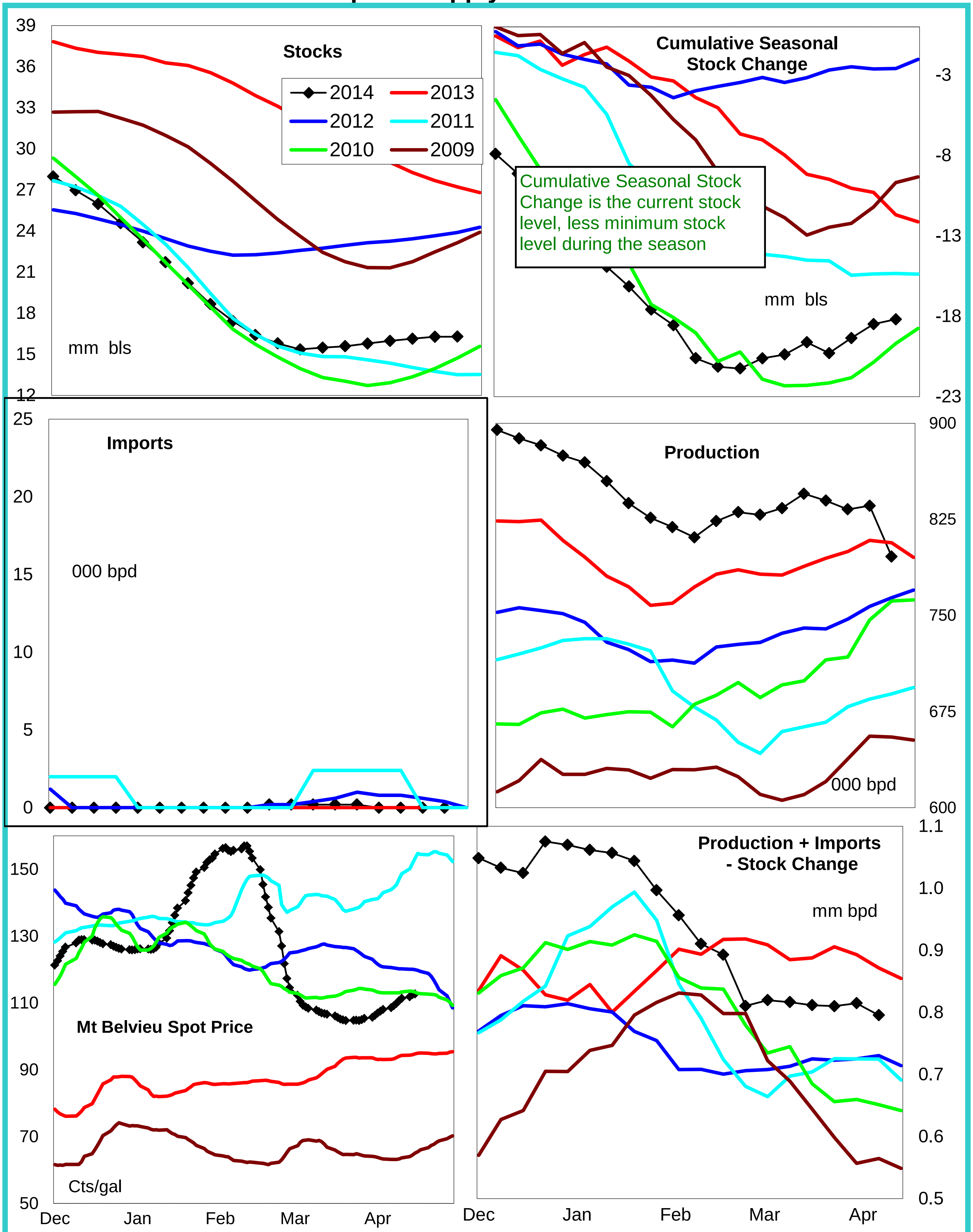
Lehi German Tel: 816.505.0980

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)	-1,550	2,308	-16	-5	-61
% change	-14.9	-13.5	-5.8	-10.7	-19.1

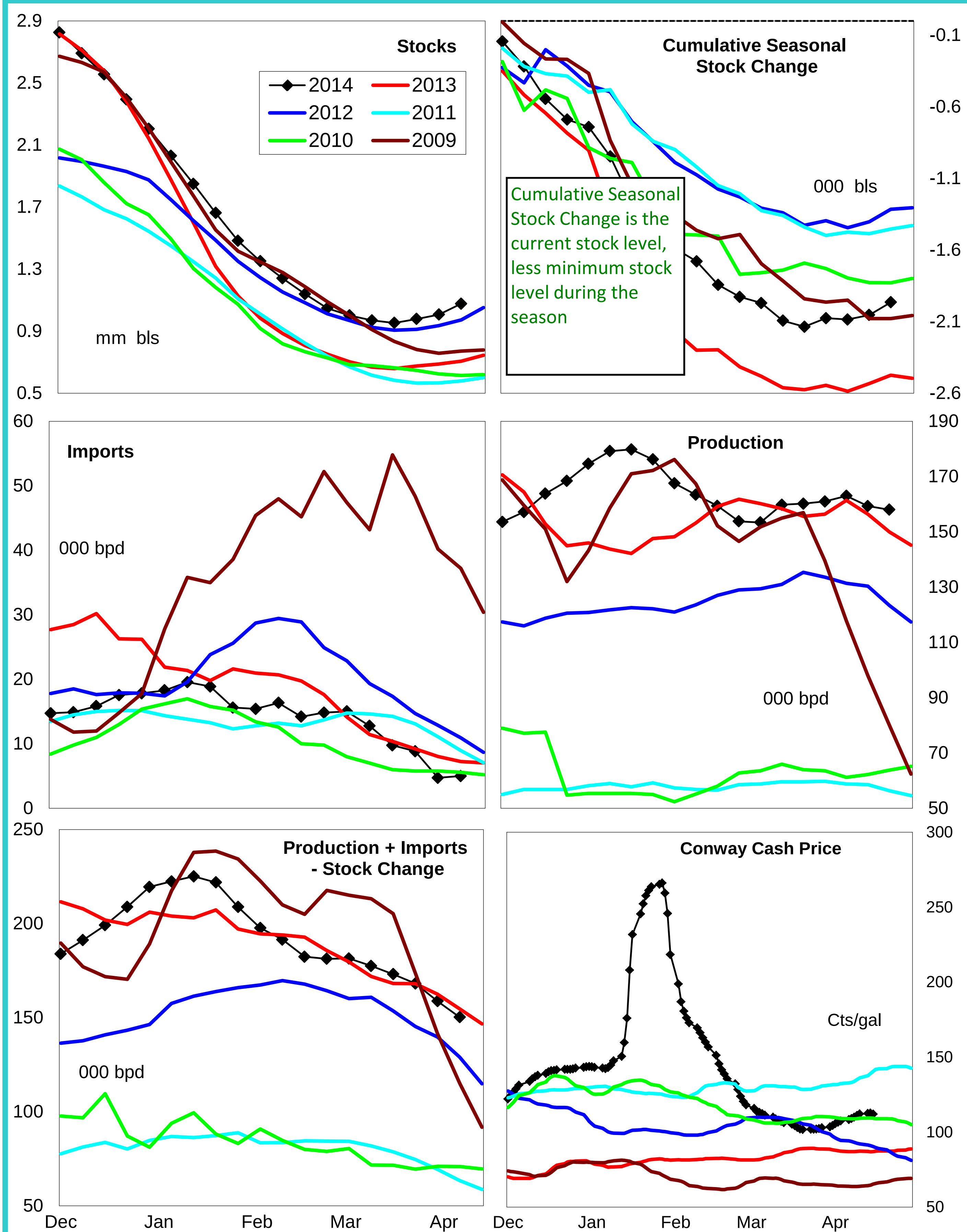
PADD 3 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-10,435	-6,504	24	0	-82
% change	-39.1	56	2.9	#DIV/0!	-9.2

Lehi German Tel: 816.505.0980

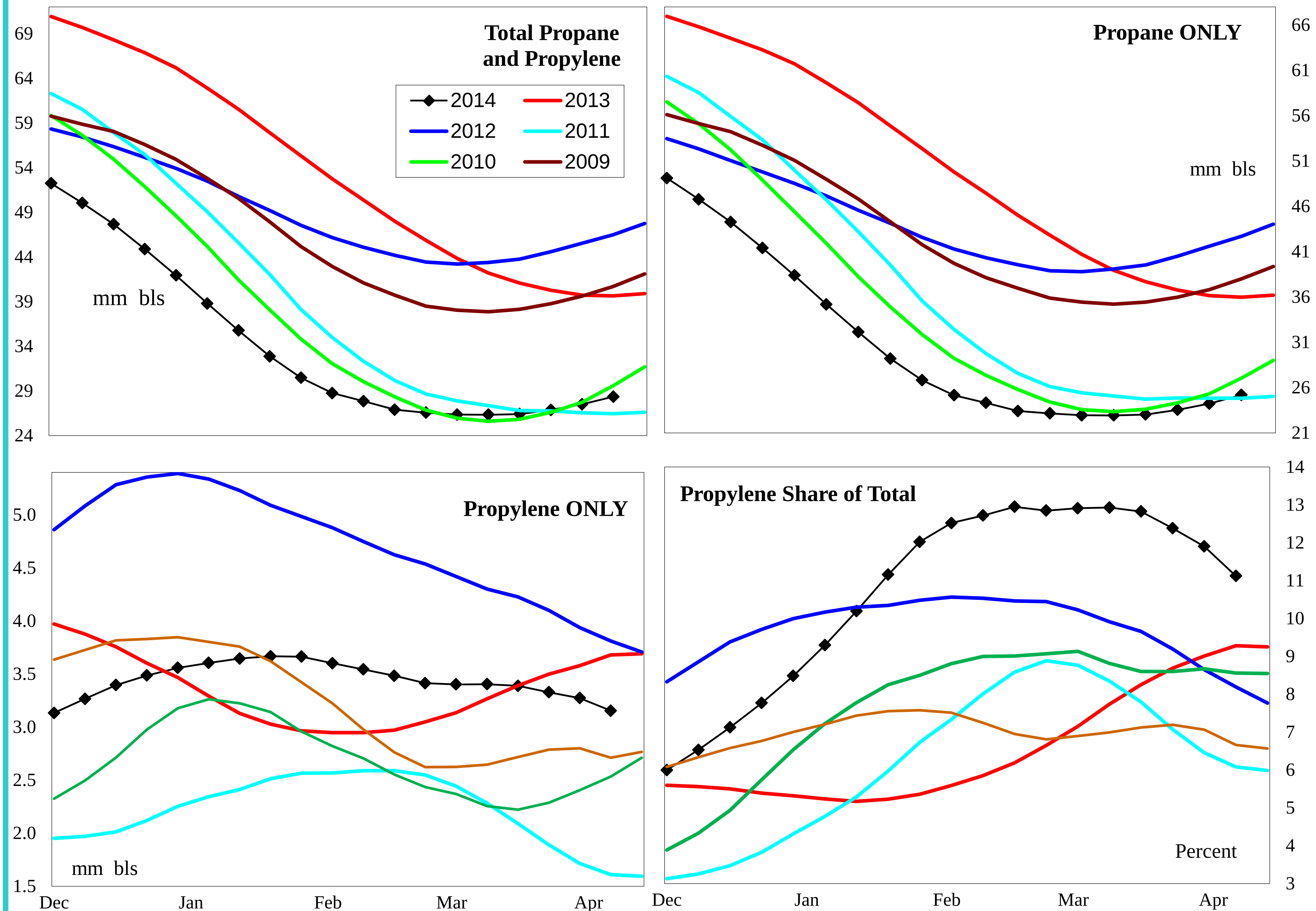
PADDs 4 and 5 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	333	509	2	-1	-1
% change	44.8	-20.6	1.2	-15.4	-0.5

Lehi German Tel: 816.505.0980

U. S. Propane and Propylene Stocks



Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	-10,669	-10,219	-526
% change	-27.3	-28.8	-14.3

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