

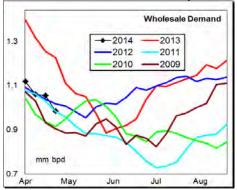
#### WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

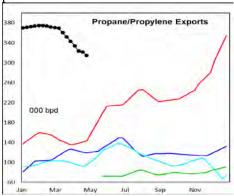
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# Summary<sup>1</sup>:

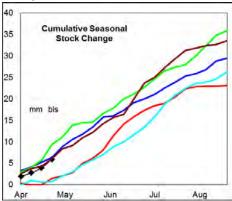
Wholesale demand fell -155,000 bpd last week, to a level below the last 2-yrs.



Production declined -7,000 bpd for the week. Production in PADD 1 fell - 39,000 bpd, offset by an increase in PADDs 4&5. Exports for the most recent week were -11,000 bpd below the prior month.



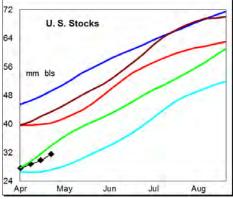
Imports decreased -39,000 bpd on the week, concentrated in the Midwest.



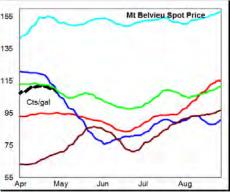
Combined production and imports during the latest 4-wk period were +109,000 bpd above a year ago.

Production was +138,000 bpd above last year (+11%), while imports were -29,000 bpd lower. The latest 4-wk average demand was -225,000 bpd below last year.

Stocks increased +2 million barrels last week, but remain -22% below a year ago. The cumulative seasonal stock build of +6 million barrels, was +4.5 million barrels above last year.



Price and Spreads Mt Belvieu spot price decreased -3.5 cpg for the week ending 30Apr14, while Conway decreased -1.75 cpg. An end to heating demand, increased supply and above average rate of stock building contributed to the modest price weakness.



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

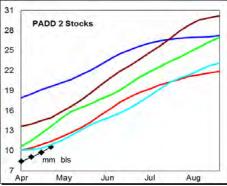
The propane to natural gas price spread trended lower on the week, ending at a level equal to a year ago.

The propane / crude oil price spread trended higher last week ending at a level comparable to the last 2-yrs.

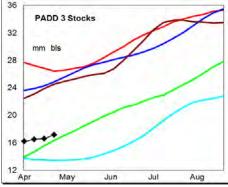
PADD 1 stocks increased +0.4 million barrels on the week, ending the week +1.1 million barrels above last year.

Supply for the latest 4-wk period was +57,000 bpd above last year, on record production.

PADD 2 stocks increased +0.8 million barrels on the week. The latest 4-wk supply was -16,000 bpd below a year ago. Stock levels ended the week -9% below a year ago.



PAD 3 stocks increased +0.8 million barrels on the week. Supplies for the latest 4-wk period were +47,000 bpd above a year ago. Stock levels ended the week slightly above two of the last 5-yrs.



PADDs 4 & 5 stocks were unchanged on the week, with the stock level above the 5-yr range.

Emerging Trends Wholesale prices extended the recent downtrend last week, with an end to heating demand, increased production and above average rate of stock building contributing to the weakness. Political tension in Eastern Europe risk higher global energy prices. Otherwise, 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.

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<sup>&</sup>lt;sup>1</sup> Source is latest EIA Weekly Statistics

April 30, 2014

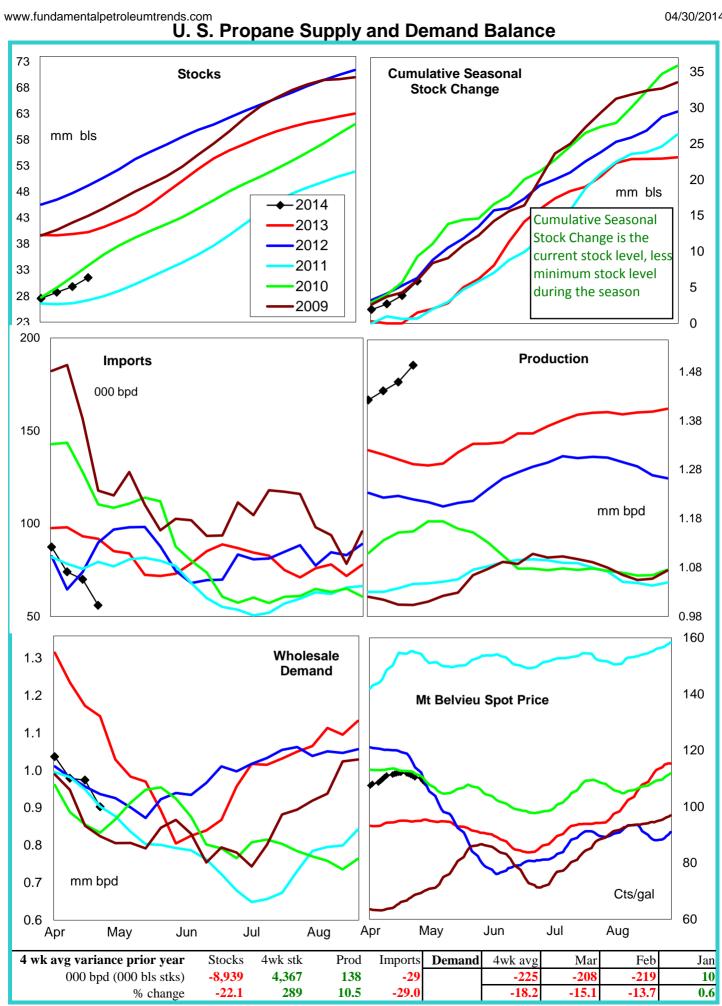
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# **PROPANE: Graph Link and Weekly Summary**

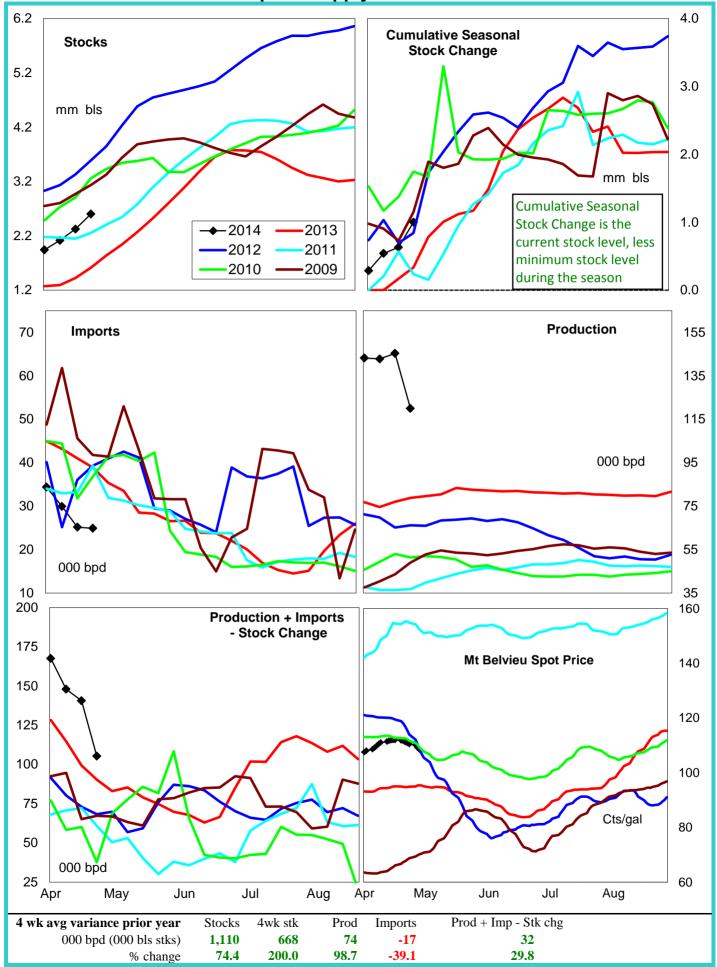
Fundamental Trends for the Week Ending: Friday, April 25, 2014 Weekly Supply-Demand Change from prior week: 000 bpd **PADD** U.S. PADD U.S. Stocks 000 bls Total 2 3 4&5 **Total** 1 2 3 4&5 31,537 2,602 10,574 17,153 1,208 370 834 767 39 Stocks 2,010 **Propylene Stocks** 3,181 67 873 **Production** 1,488 120 292 203 -7 -39 15 -18 35 -44 5 **Imports** 56 25 24 0 0 0 Whsle Demand 943 -155

| Pri               | : 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 | 110.1                       | 112.0  | 105.8   | 94.7    | -1.92        | 6.26    | 11.08   | -1.7           | 5.9     | 11.7    |
| Conway Spot       | 108.2                       | 111.5  | 103.4   | 87.4    | -3.30        | 8.06    | 16.03   | -3.0           | 7.8     | 18.3    |
|                   |                             |        |         |         |              |         | _       |                |         |         |

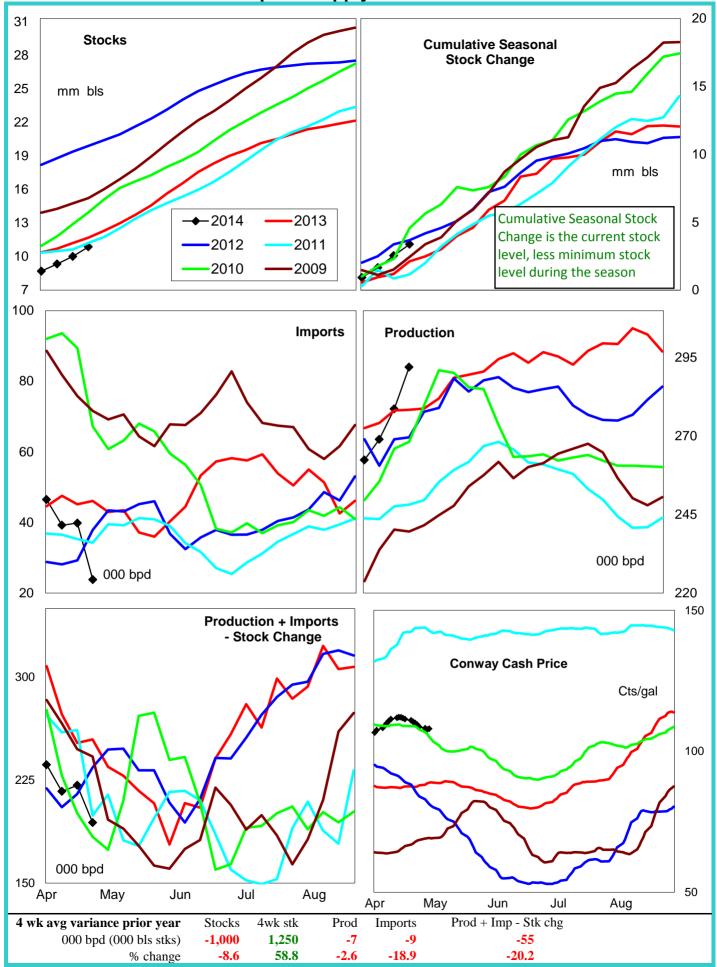
#### **Key Price Spreads and Differentials** 5 160 Conway - Mt Belvieu **Spread** 0 140 -5 Mt Belvieu Spot Price -10 120 2014 2013 -15 Cts/gal 2012 2011 2010 2009 100 -20 -25 Cts/gal 80 -30 -35 60 Mt Belvieu Propane % of Mt Belvieu Propane % of 620 75 **Nearby Crude Oil Futures Nearby Natural Gas Futures** 545 Percent 65 470 **Percent** 395 55 320 45 245 170 35 Apr Jun Jul May Aug Apr May Jun Jul Aug



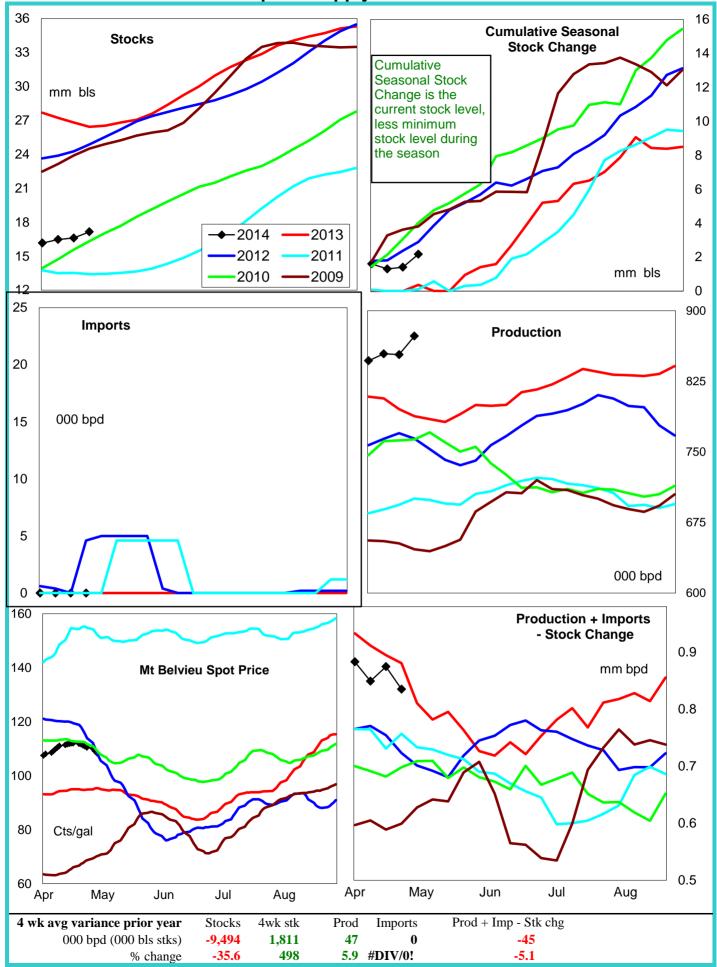
### **PADD 1 Propane Supply and Demand Balance**



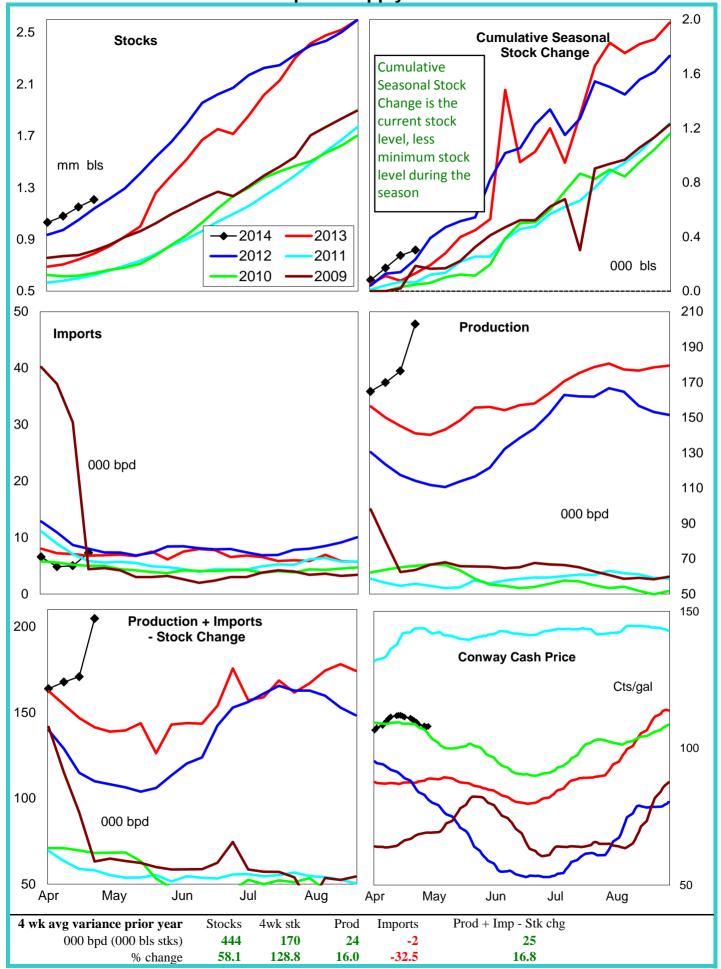
### **PADD 2 Propane Supply and Demand Balance**



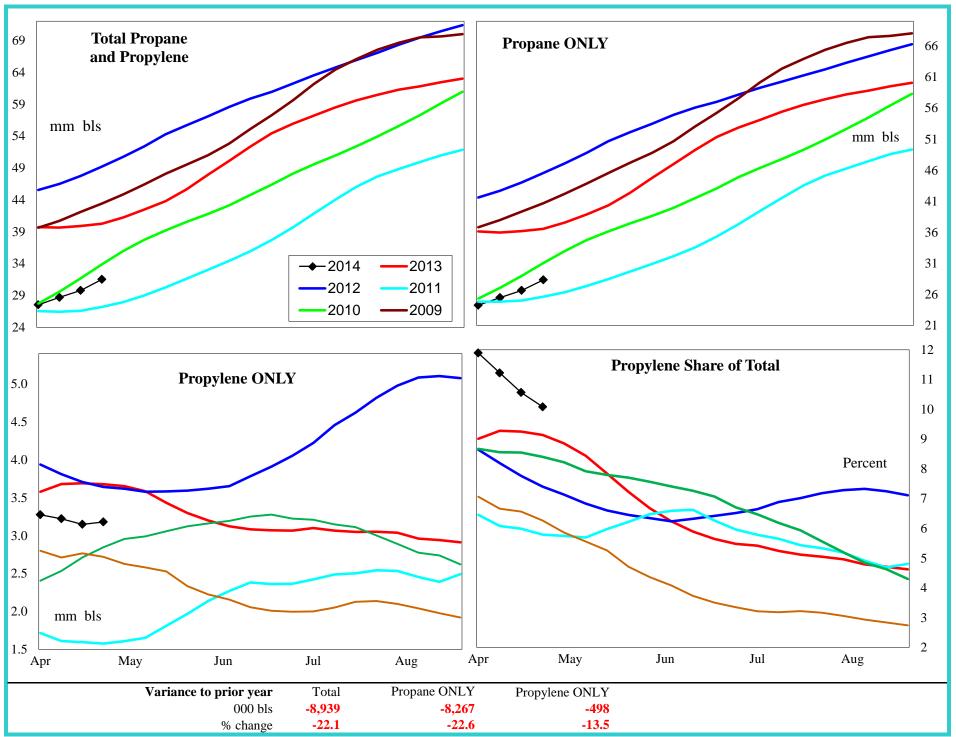
### **PADD 3 Propane Supply and Demand Balance**



### PADDs 4 and 5 Propane Supply and Demand Balance



## **U. S. Propane and Propylene Stocks**



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