

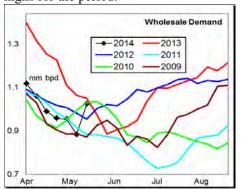
WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

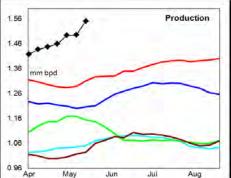
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com

Summary¹:

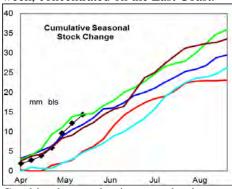
Wholesale demand increased +134,000 bpd last week, to a level near historic highs for the period.



Production climbed +88,000 bpd for the week, to a new all time record high. Production was increased in all regional markets except the East Coast. Exports for the most recent week were -11,000 bpd below the prior month.



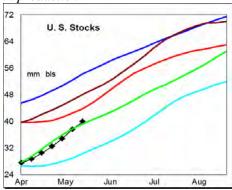
Imports increased +4,000 bpd on the week, concentrated on the East Coast.



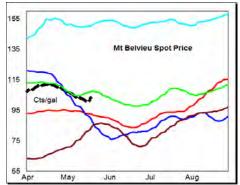
Combined production and imports during the latest 4-wk period were +180,000 bpd above a year ago. Production was +205,000 bpd above last

year (+16%), while imports were -25,000 bpd lower. The latest 4-wk average demand was -164,000 bpd below last year.

Stocks increased +2.2 million barrels last week, but remain -9% below a year ago. The cumulative seasonal stock build of +14.4 million barrels, matched the 5-yr high, driven the surge in production



Price and Spreads Mt Belvieu spot price decreased -1 cpg for the week ending 20May14, while Conway decreased -0.50 cpg. However, prices have seen a modest rebound from lows early in the week.



The Conway – Mt Belvieu price spread trended lower last week, at a level that matched historic highs, in favor of Conway.

The propane to natural gas price spread traded sideways on the week, ending at a level equal to last year.

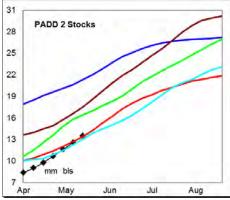
The propane / crude oil price spread trended higher late in the week ending at a level comparable to the last 2-yrs.

PADD 1 stocks were unchanged on the

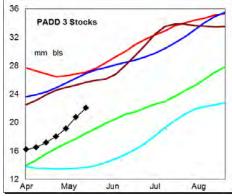
week, ending +0.7 million barrels above last year. Supply for the latest 4-wk period was +27,000 bpd above last year;

driven by a +50% increase in production over a year ago.

PADD 2 stocks increased +1 million barrels on the week. The latest 4-wk supply was -21,000 bpd below a year ago. Stock levels ended the week +0.5% above a year ago.



PAD 3 stocks increased +1.3 million barrels on the week. Supplies for the latest 4-wk period were +81,000 bpd above a year ago. Stock levels ended the week near the historic mid range.



PADDs 4 & 5 stocks were unchanged last week, as the +90,000 bpd rise in production is being shipped to other regional markets.

Emerging Trends Wholesale prices have seen a small rebound from the longer term downtrend; driven by an upturn in wholesale demand. A +16% year on year increase in production has led to a record rate of stock building during the last month. Stock levels are now just -9 million barrels below last year. The surge in supply risk further price weakness during the next quarter.

Disclaimer - The information contained on this website and in all its reports reflects the opinion of Fundamental Petroleum Trends. Futures and commodities trading involve significant risk and may not be suitable for every investor. Information contained herein is strictly the opinion of its author and is intended for informational purposes and is not to be construed as a recommendation to sell or buy, or trade in any commodity mentioned herein. Information is obtained from sources believed reliable, but is in no way guaranteed. Opinions, market data and recommendations are subject to change at any time. Past results are not indicative of future results. Charts are developed by Fundamental Petroleum Trends from EIA, NWS, other public

¹ Source is latest EIA Weekly Statistics

May 21, 2014

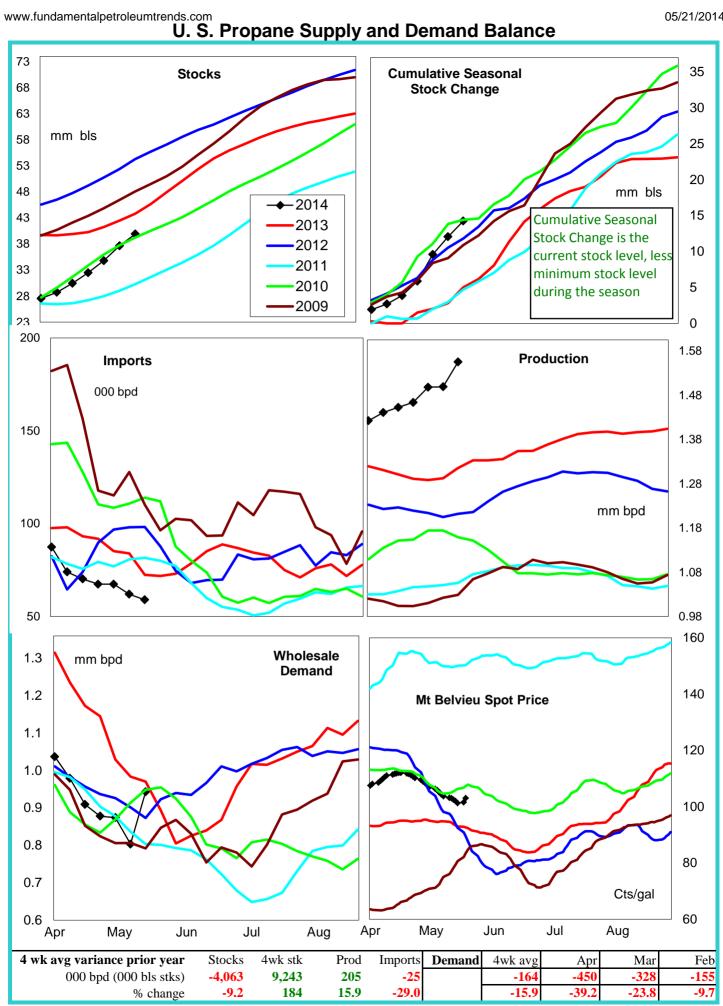
?

PROPANE: Graph Link and Weekly Summary

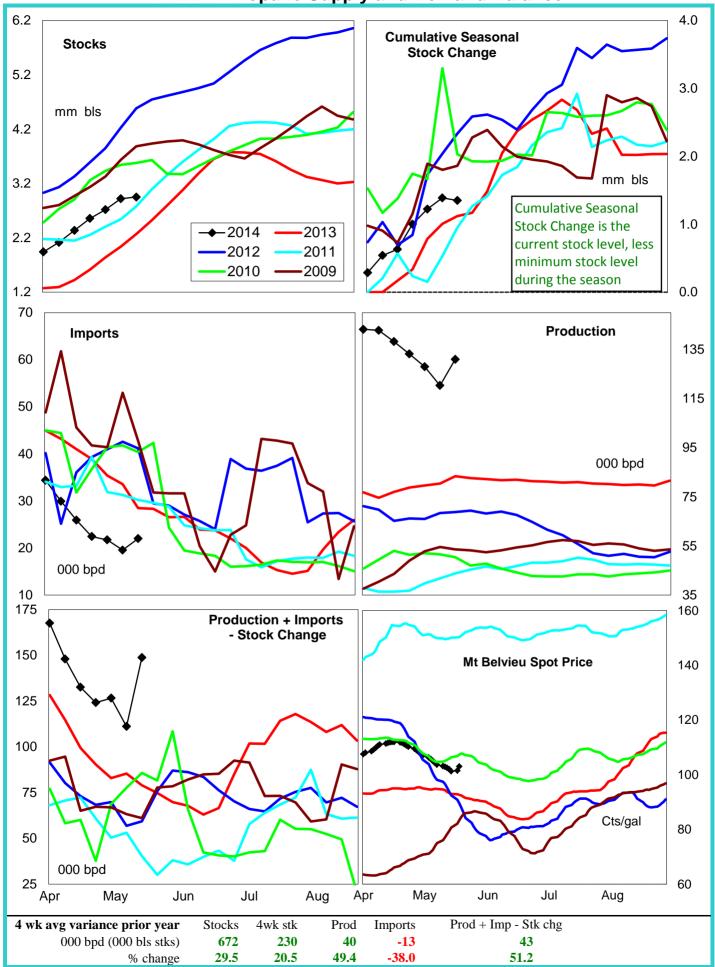
Fundamental Trends for the Week Ending: Friday, May 16, 2014 **Weekly Supply-Demand** Change from prior week: 000 bpd PADD U.S. U.S. **PADD** Stocks 000 bls Total 2 3 4&5 **Total** 1 2 4&5 22,013 39,911 2,950 13,514 1,434 2,186 -39 995 1,262 Stocks -32 **Propylene Stocks** 3,773 200 **Production** 1,550 131 294 869 256 88 0 51 23 14 **Imports** 22 24 0 13 6 -3 0 1 59 Whsle Demand 983 134

Price Trends for the Week Ending: Tuesday, May 20, 2014 Average for week ending: Change from: % change from: Cents/gal 5/20/14 5/13/14 4/22/14 5/23/13 5/13/14 4/22/14 5/23/13 5/13/14 4/22/14 5/23/13 Mont Belvieu Spot 101.3 104.1 112.2 94.0 -2.82 -8.13 18.20 -2.7 -7.2 19.4 99.2 102.2 24.10 -3.0 Conway Spot 111.9 87.8 -3.03 -9.74 -8.7 27.4

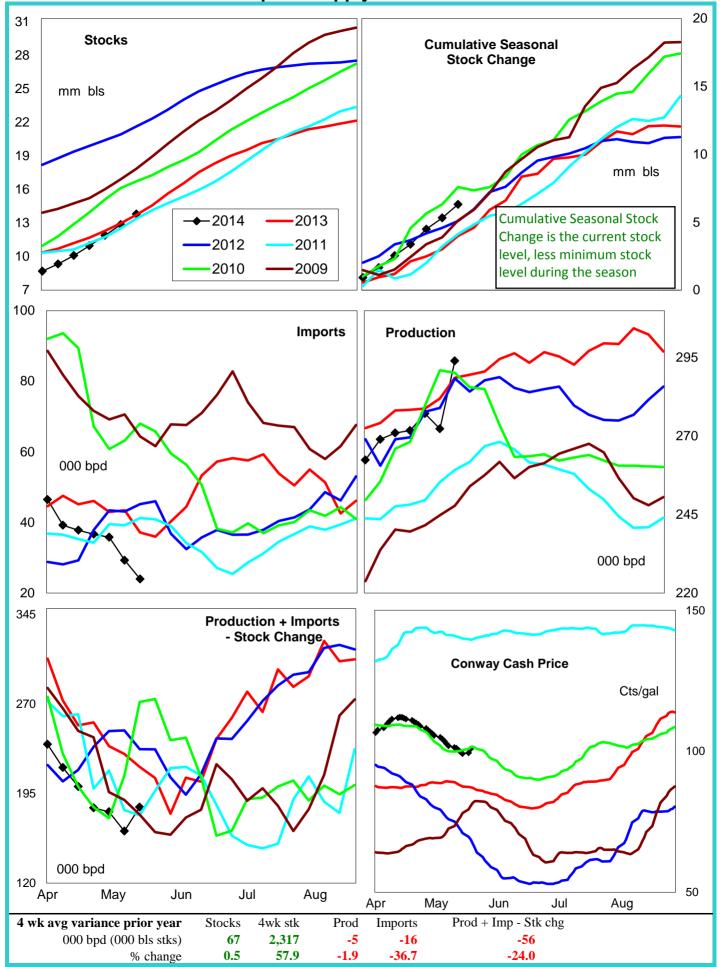
Key Price Spreads and Differentials 5 160 Conway - Mt Belvieu **Spread** 0 140 -5 Mt Belvieu Spot Price -10 120 -15 Cts/gal 100 -20 -25 2013 2014 Cts/gal 80 2011 2012 -30 2010 2009 -35 60 Mt Belvieu Propane % of Mt Belvieu Propane % of 620 75 **Nearby Crude Oil Futures Nearby Natural Gas Futures** 545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



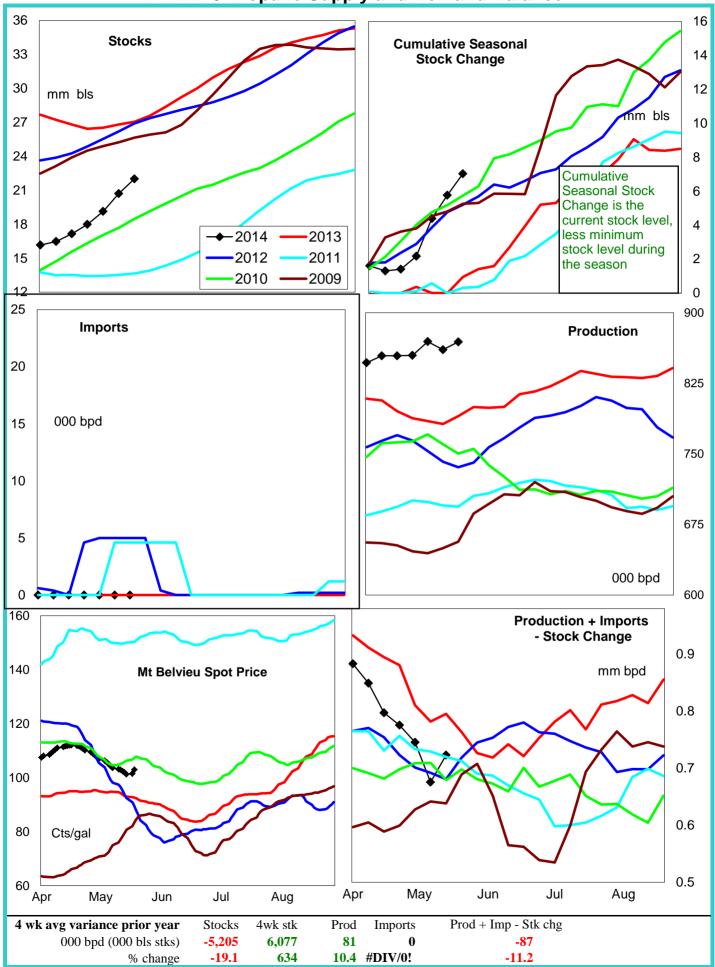
PADD 1 Propane Supply and Demand Balance



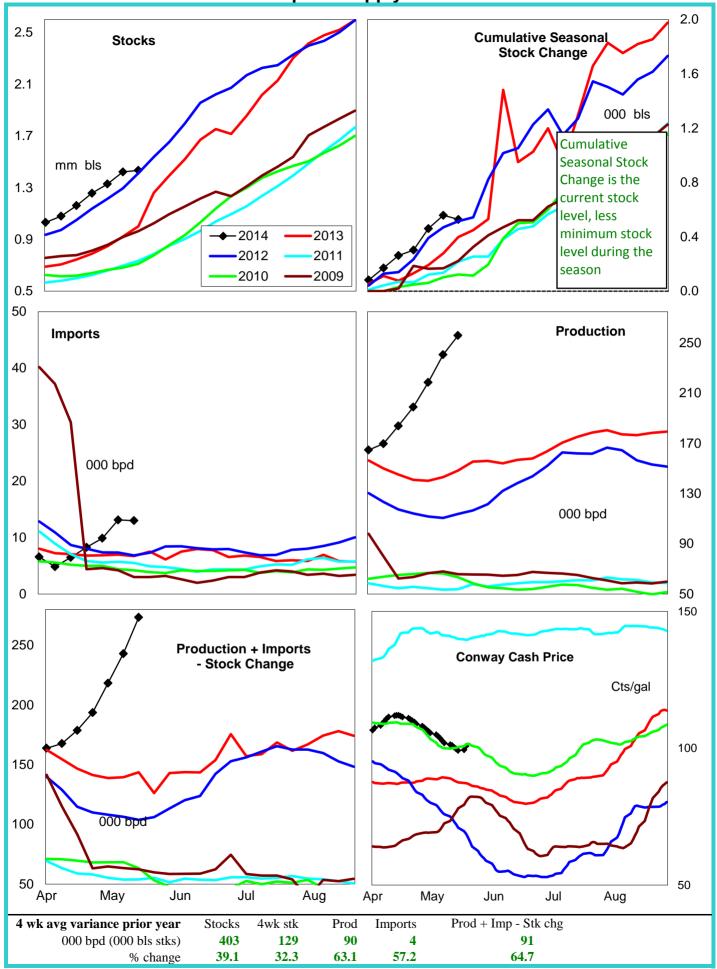
PADD 2 Propane Supply and Demand Balance



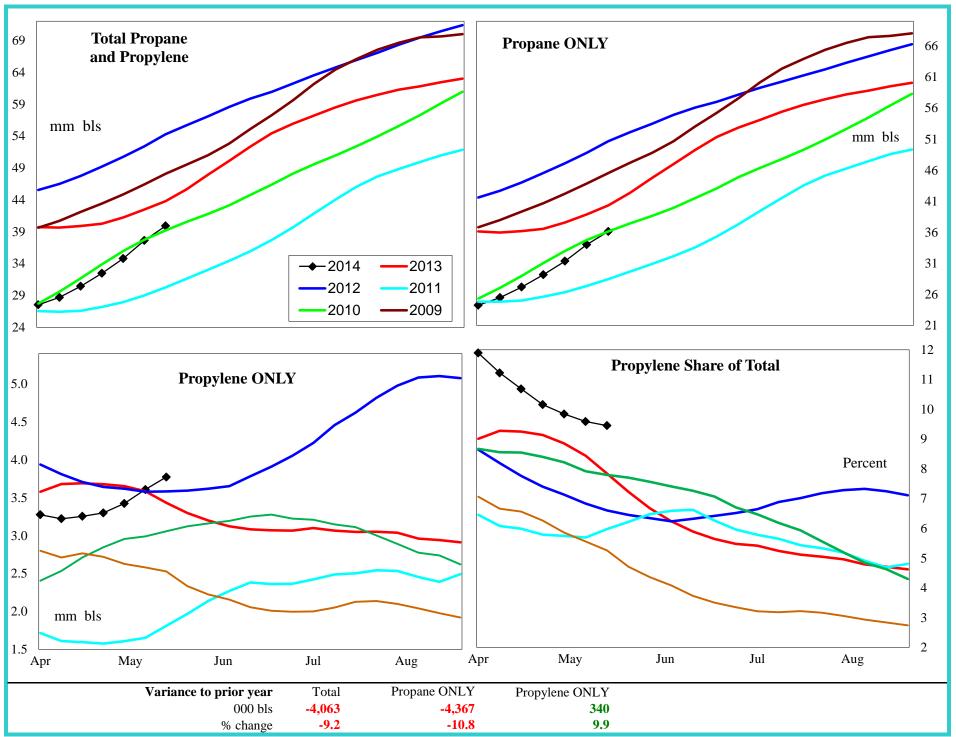
PADD 3 Propane Supply and Demand Balance



PADDs 4 and 5 Propane Supply and Demand Balance



U. S. Propane and Propylene Stocks



www.fundamentalpetroleumtrends.com 05/21/2014

