



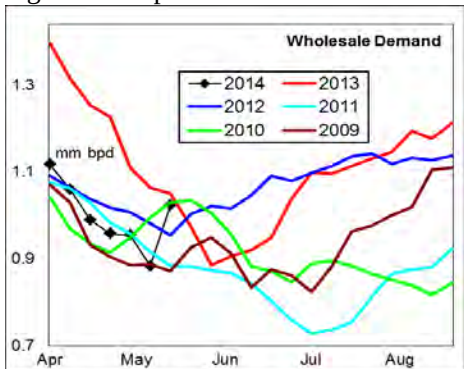
WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

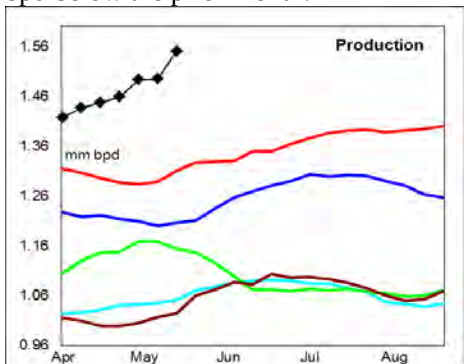
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com

Summary¹: ?

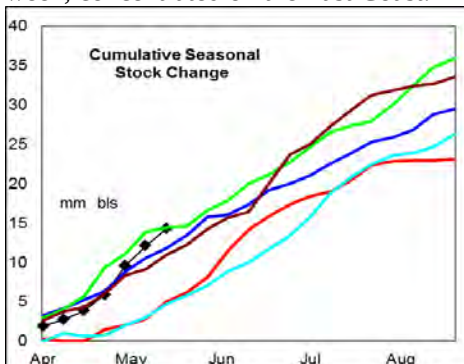
Wholesale demand increased +134,000 bpd last week, to a level near historic highs for the period.



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.



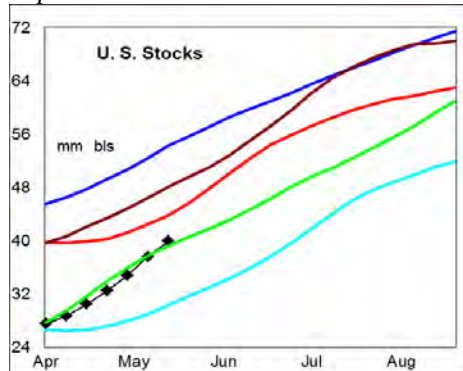
Imports increased +4,000 bpd on the week, concentrated on the East Coast.



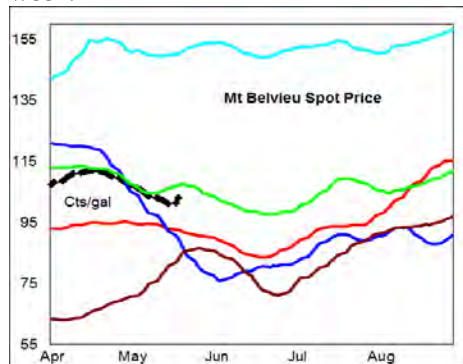
Combined production and imports during the latest 4-wk period were +180,000 bpd above a year ago. Production was +205,000 bpd above last

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.

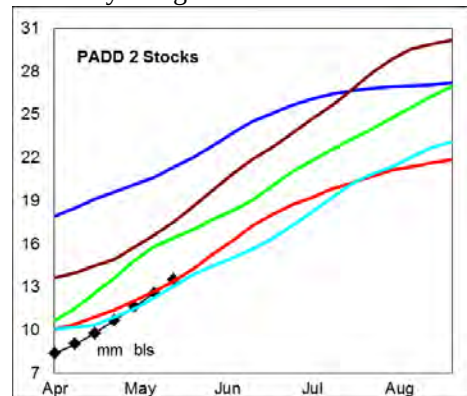
The propane to natural gas price spread traded sideways on the week, ending at a level equal to last year.

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

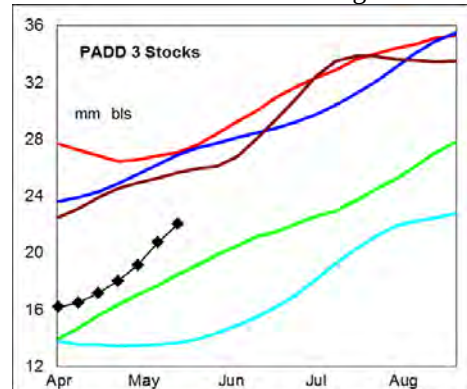
PADD 1 stocks were unchanged on the week, ending +0.7 million barrels above last year. Supply for the latest 4-wk period was +27,000 bpd above last year;

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.

¹ Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary



May 21, 2014

Fundamental Trends for the Week Ending:

Friday, May 16, 2014

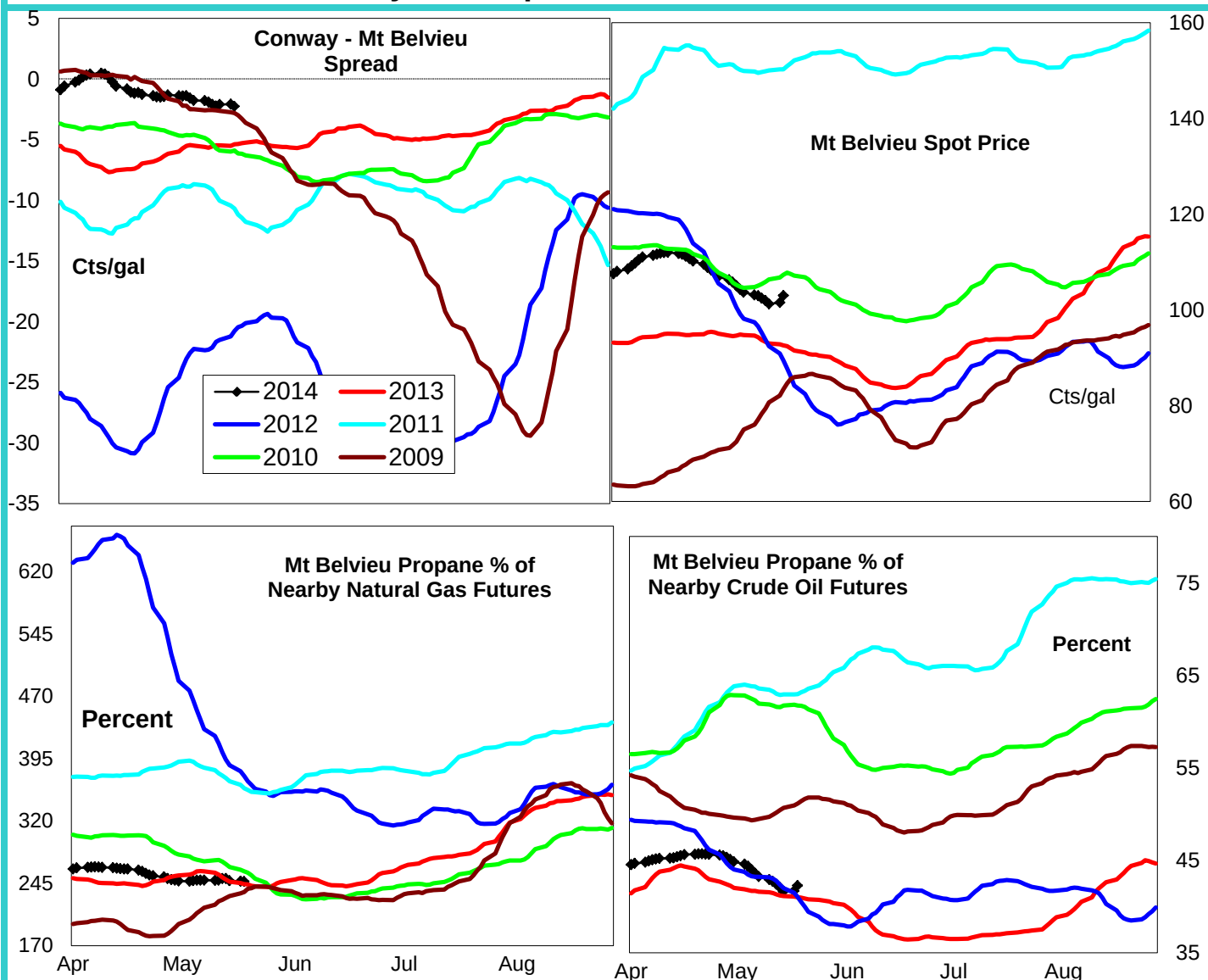
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD				U.S. Total	PADD			
		1	2	3	4&5		1	2	3	4&5
Stocks	39,911	2,950	13,514	22,013	1,434	2,186	-39	995	1,262	-32
Propylene Stocks	3,773					200				
Production	1,550	131	294	869	256	88	0	51	23	14
Imports	59	22	24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

Price Trends for the Week Ending:

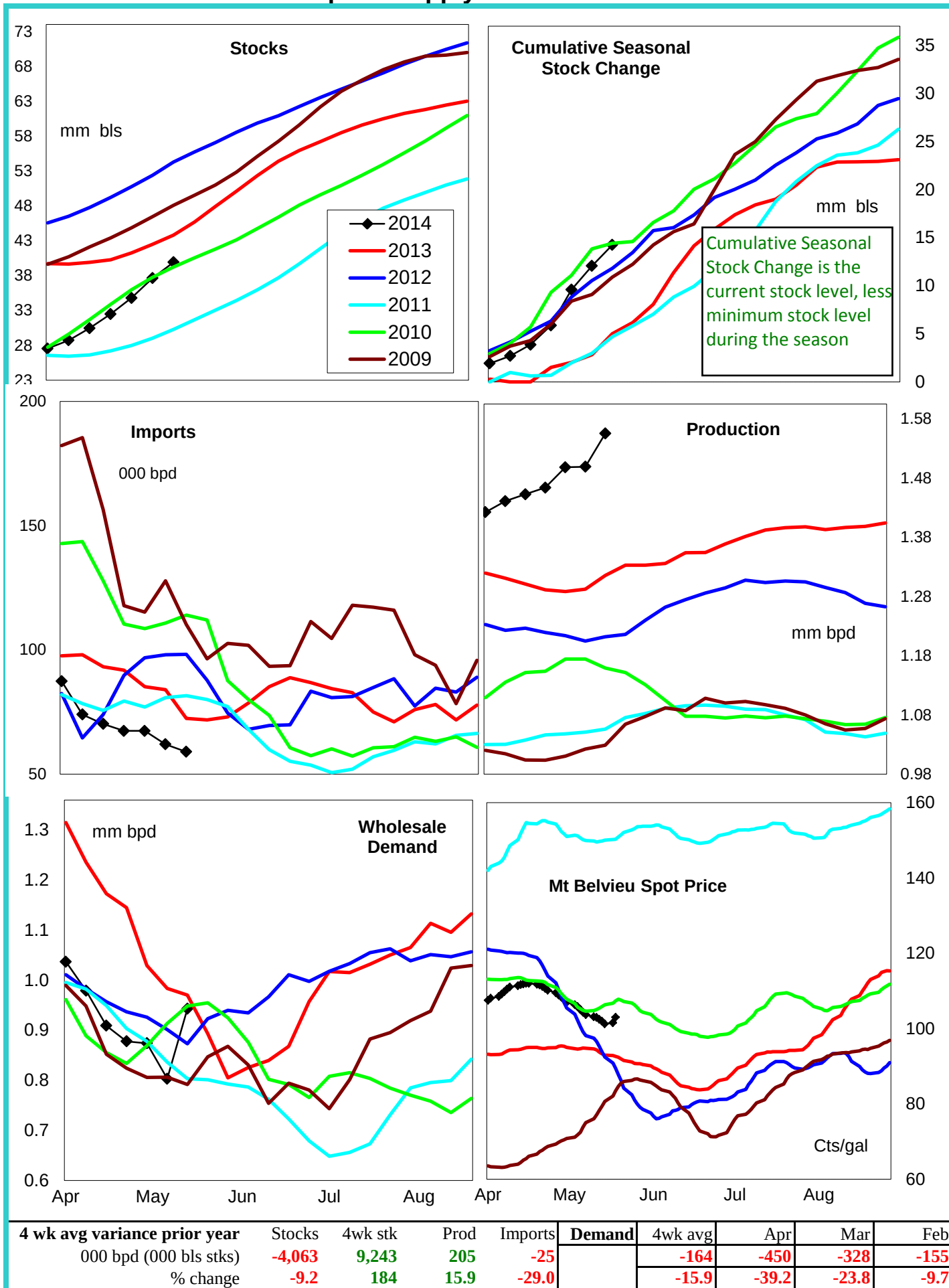
Tuesday, May 20, 2014

Cents/gal	Average for week ending:				Change from:			% change from:		
	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
Conway Spot	99.2	102.2	111.9	87.8	-3.03	-9.74	24.10	-3.0	-8.7	27.4

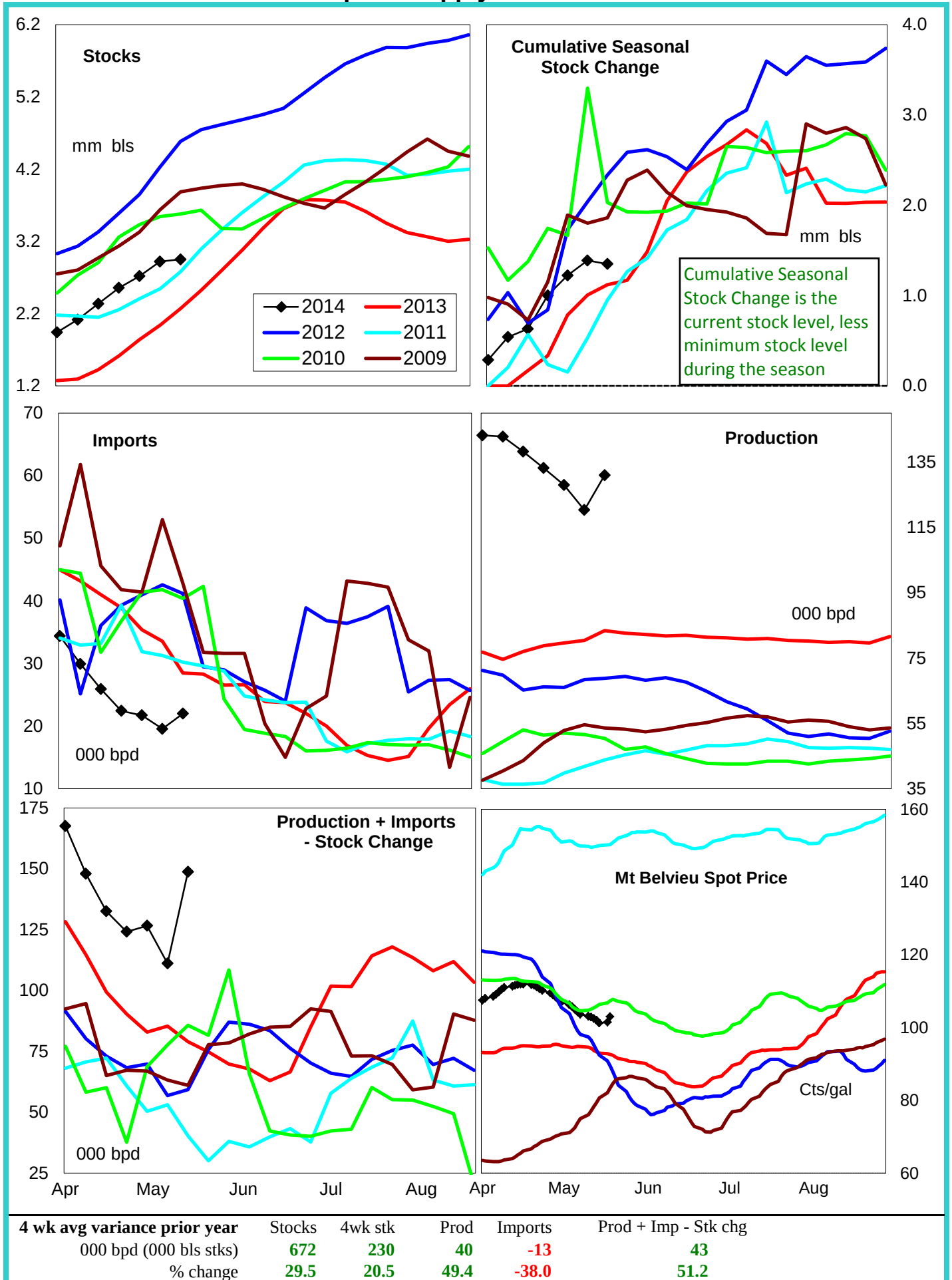
Key Price Spreads and Differentials



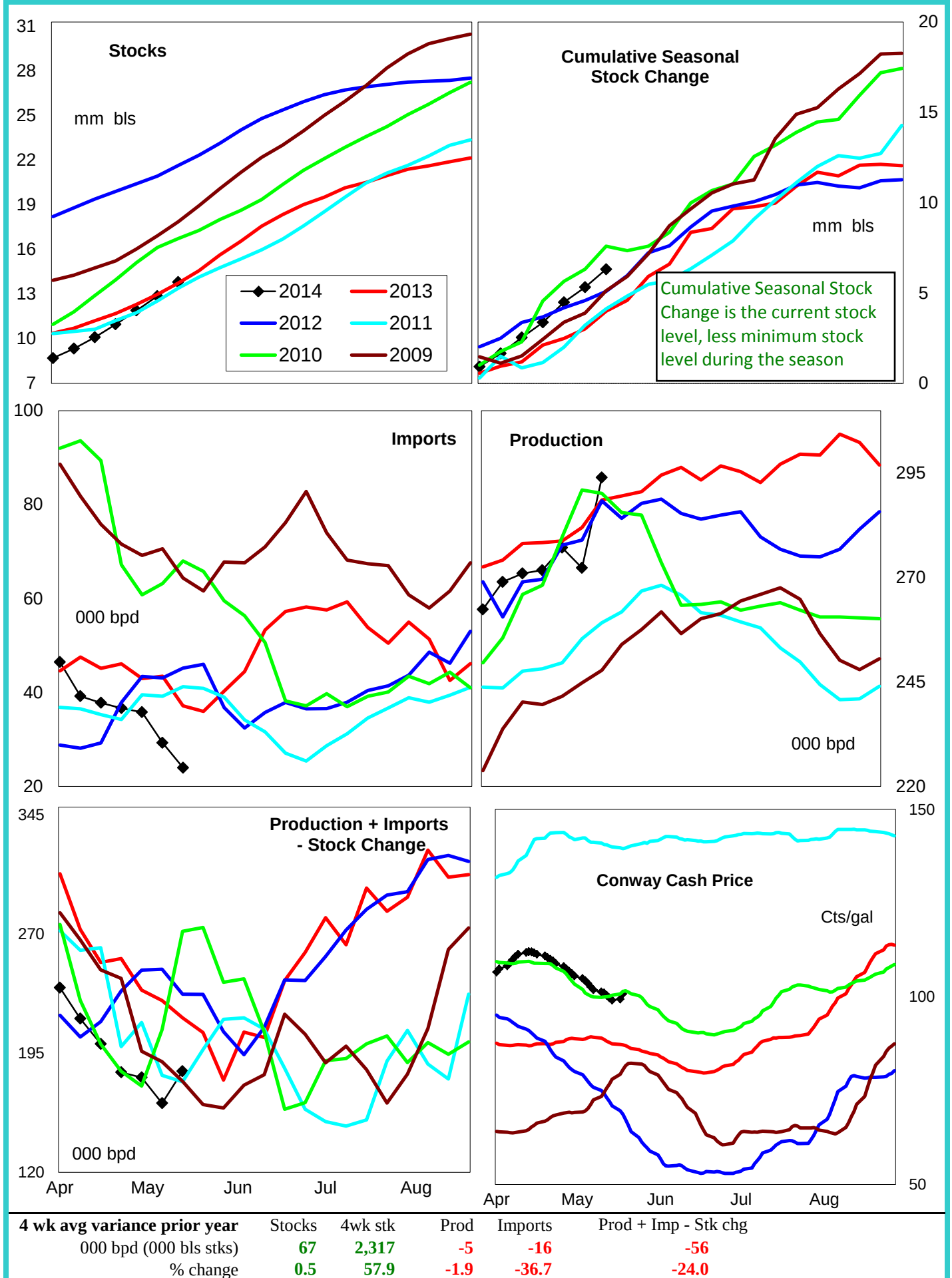
U. S. Propane Supply and Demand Balance



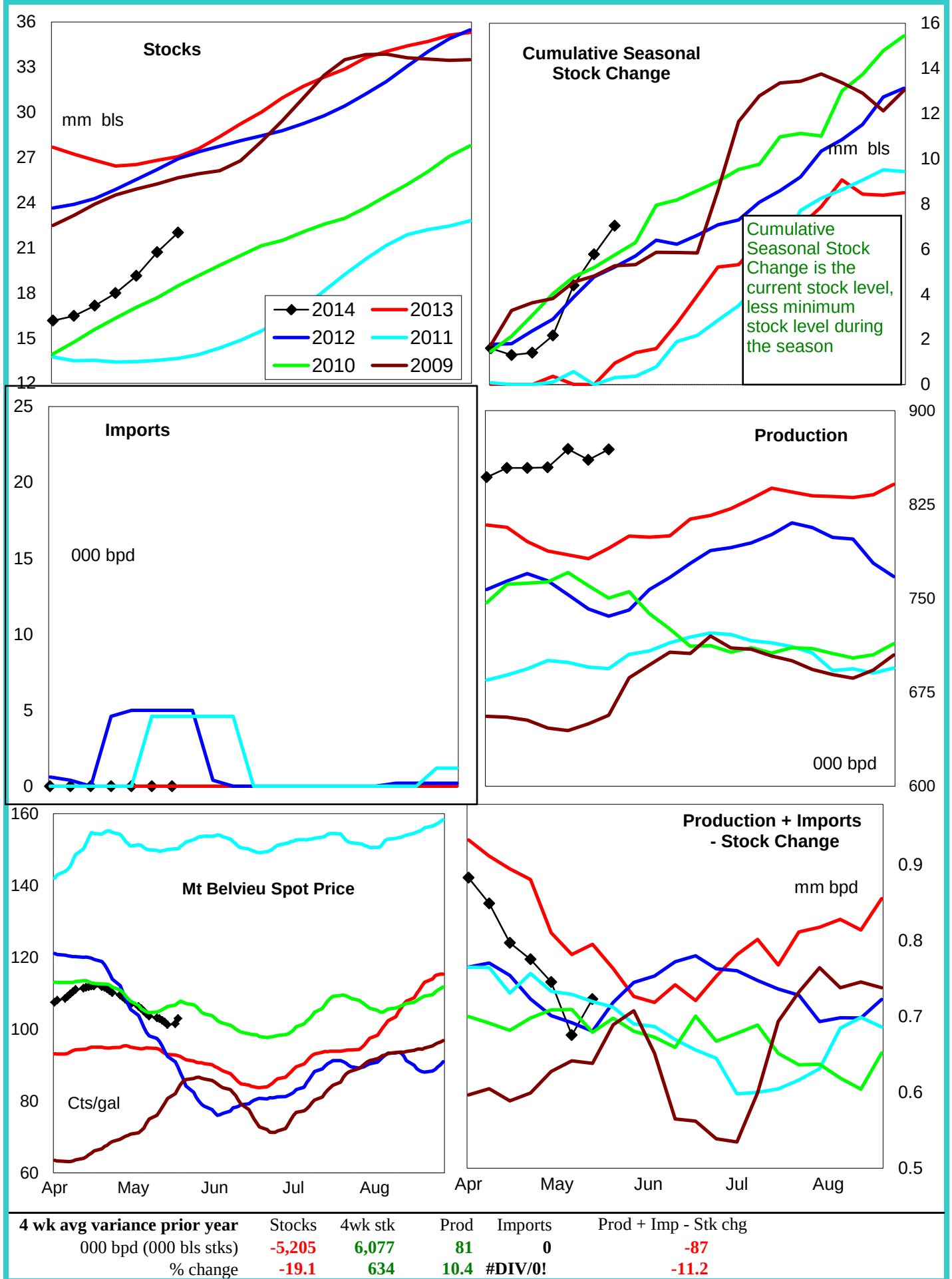
PADD 1 Propane Supply and Demand Balance



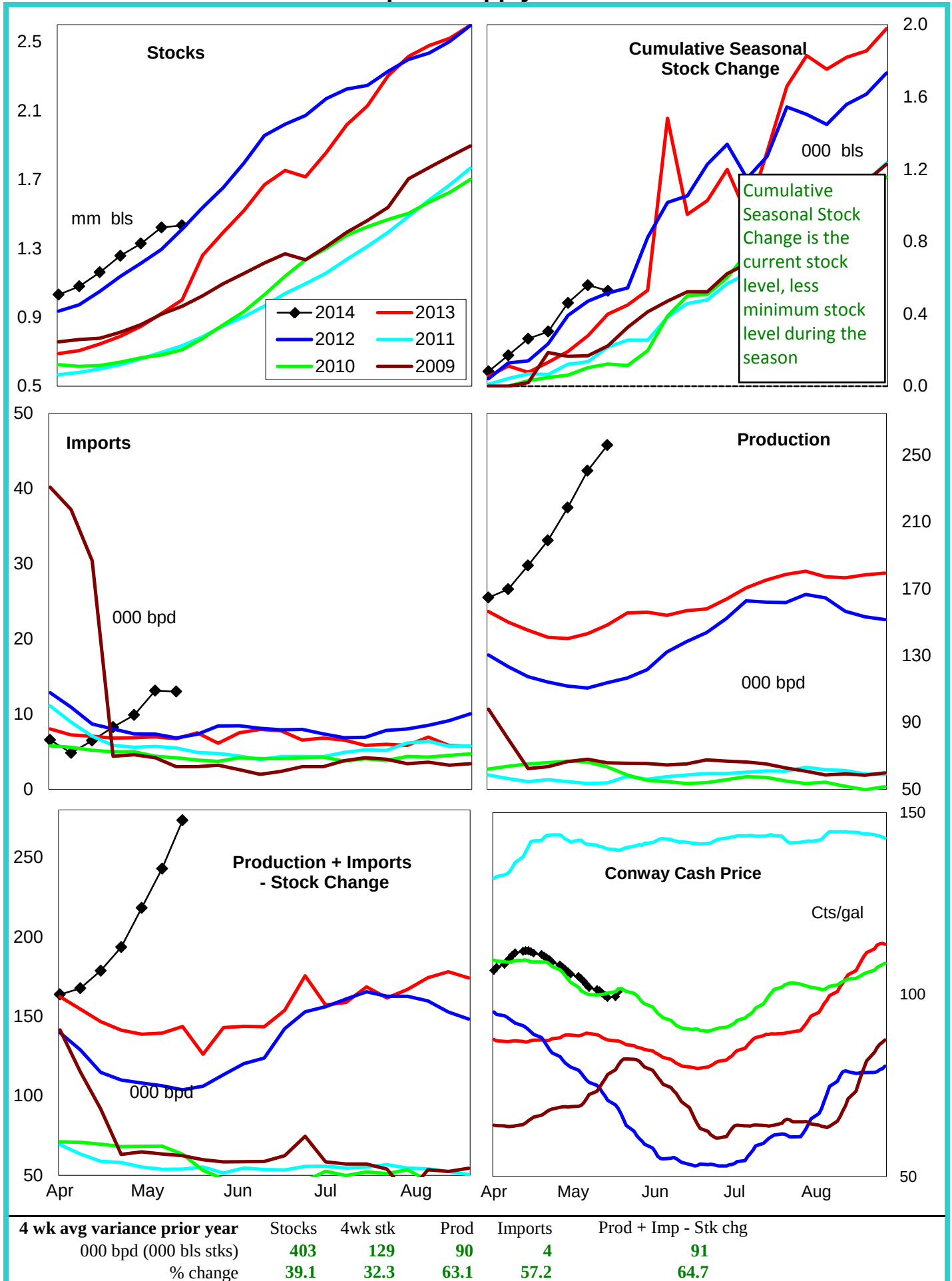
PADD 2 Propane Supply and Demand Balance



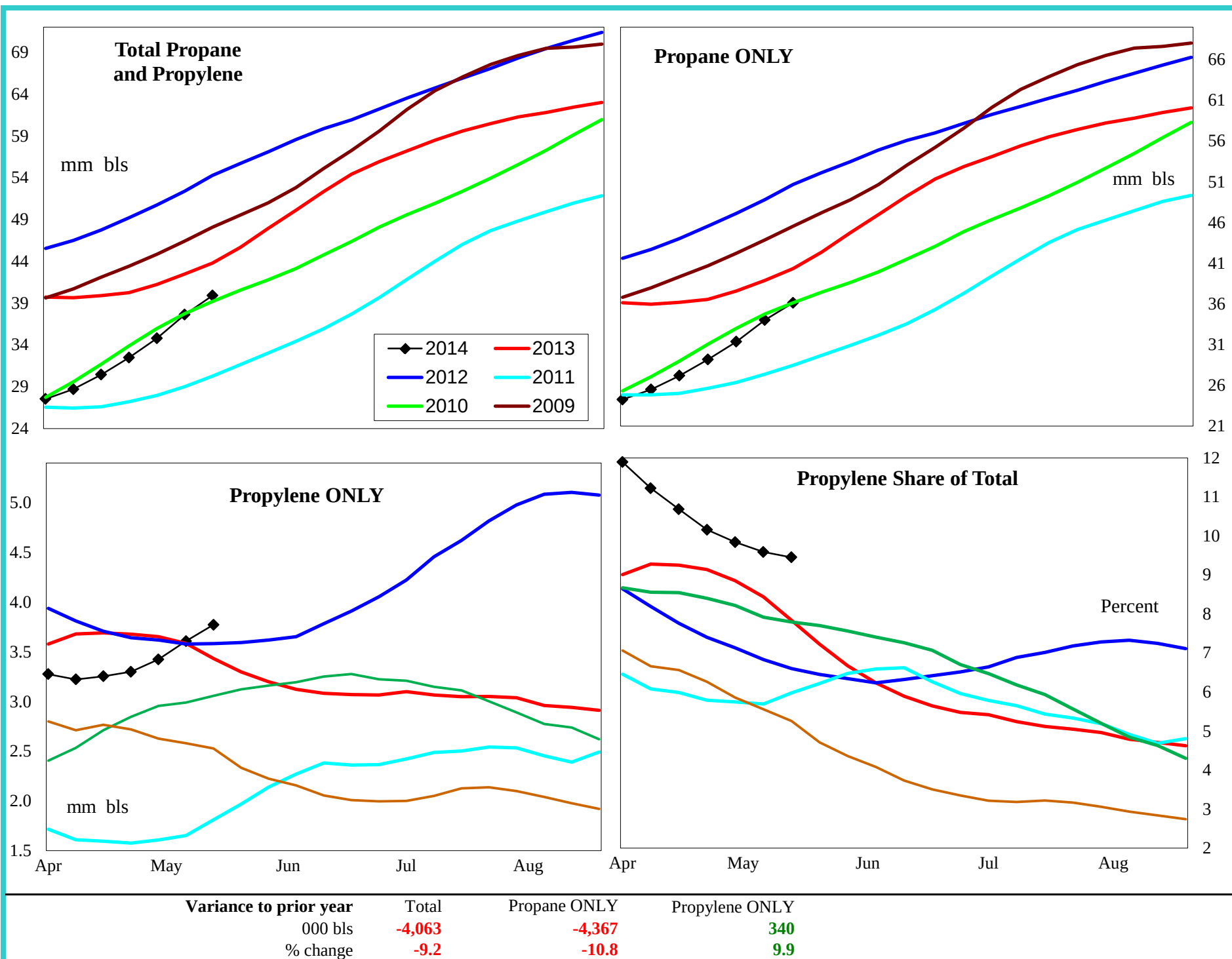
PADD 3 Propane Supply and Demand Balance



PADDs 4 and 5 Propane Supply and Demand Balance



U. S. Propane and Propylene Stocks



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

