

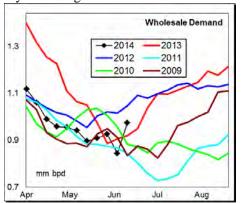
WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

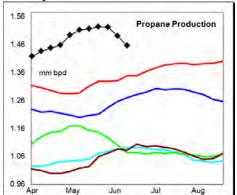
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Summary¹:

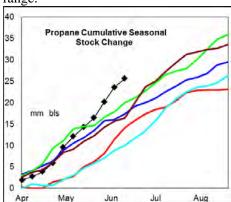
Wholesale demand increased +174,000 bpd last week, with the level above the 3-yr mid range.



Production declined -48,000 bpd on the week, concentrated in the Gulf Region. Exports for the week ending 23May14 were 308,000 bpd, up +95,000 bpd over a year ago, but -70,000 bpd below the winter peak.



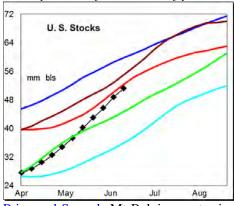
Imports increased +21,000 bpd week, with the level near the 3-yr mid range.



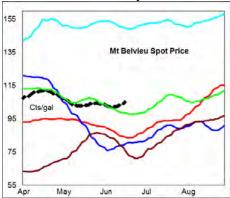
¹ Source is latest EIA Weekly Statistic

Combined production and imports during the latest 4-wk period were +171,000 bpd above a year ago. Production was +186,000 bpd above last year (+14%), while imports were -15,000 bpd lower. The latest 4-wk average demand was +22,000 bpd above last year.

Stocks increased +2 million barrels last week, with the level -1.9 below a year ago. The cumulative seasonal stock build of +25.6 million barrels, was a new 5-yr record for this time of year.



Price and Spreads Mt Belvieu spot price increased +3 cpg for the week ending 17Jun14, while Conway increased +4 cpg. Prices ended the week at a level above four of the last 5-yrs.



The Conway - Mt Belvieu price spread trended higher last week, at a level above the 5-yr range, in favor of Conway.

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

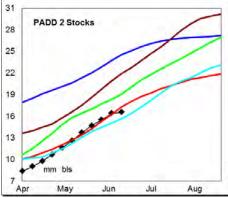
The propane / crude oil price spread traded sideways last week ending at a level comparable to the last 2-yrs.

PADD 1 stocks increased +0.4 million

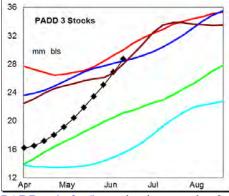
barrels on the week, ending +0.3 million barrels above last year. Supply for the latest 4-wk period was +45,000 bpd above last year; driven by a +58% increase in production over a year ago.

PADD 2 stocks were unchanged on the The latest 4-wk supply was -17,000 bpd below a year ago, on lower imports. Stock levels ended the week -

1.2 million barrels below last year.



stocks increased +1.6 million barrels on the week. Supplies for the latest 4-wk period were +87,000 bpd above a year ago. Stock levels ended the week at the historic mid range.



PADDs 4 & 5 stocks increased +0.1 million barrels on the week. Supplies were up +56,000 bpd on higher production.

Emerging Trends The rate of stock builds slowed last week on higher wholesale demand and lower production. Stock levels ended the week near the 5yr mid range. Prices have trended higher on increased wholesale demand and a civil war in Iraq. Look for a return to above average stock building on record production.

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June 18, 2014

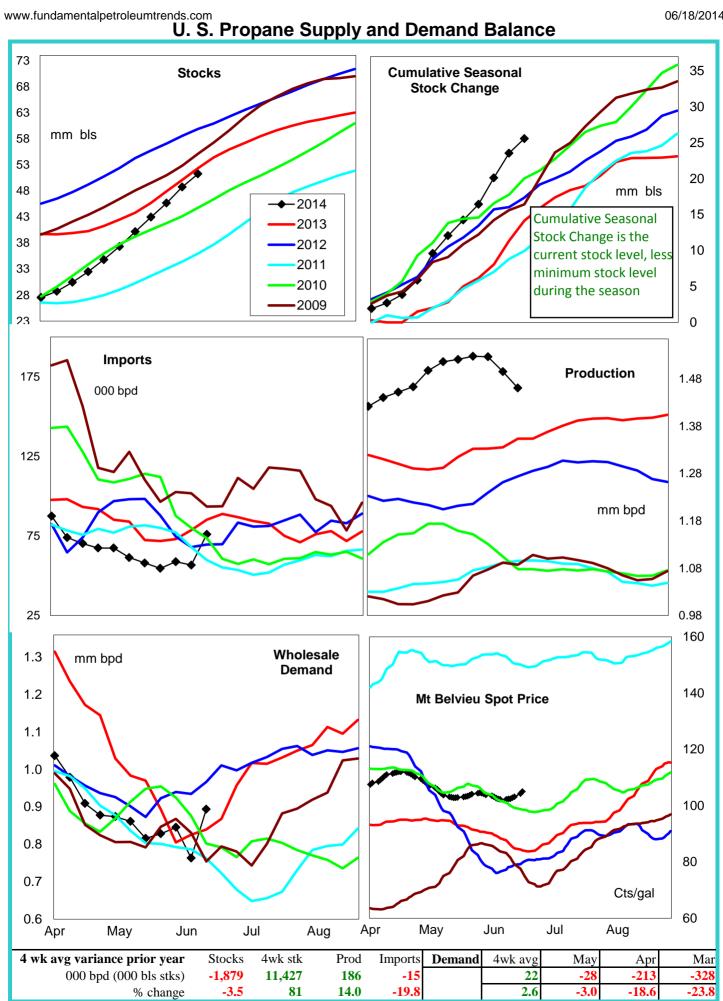
PROPANE: Graph Link and Weekly Summary

Fundamental Trends for the Week Ending: Friday, June 13, 2014

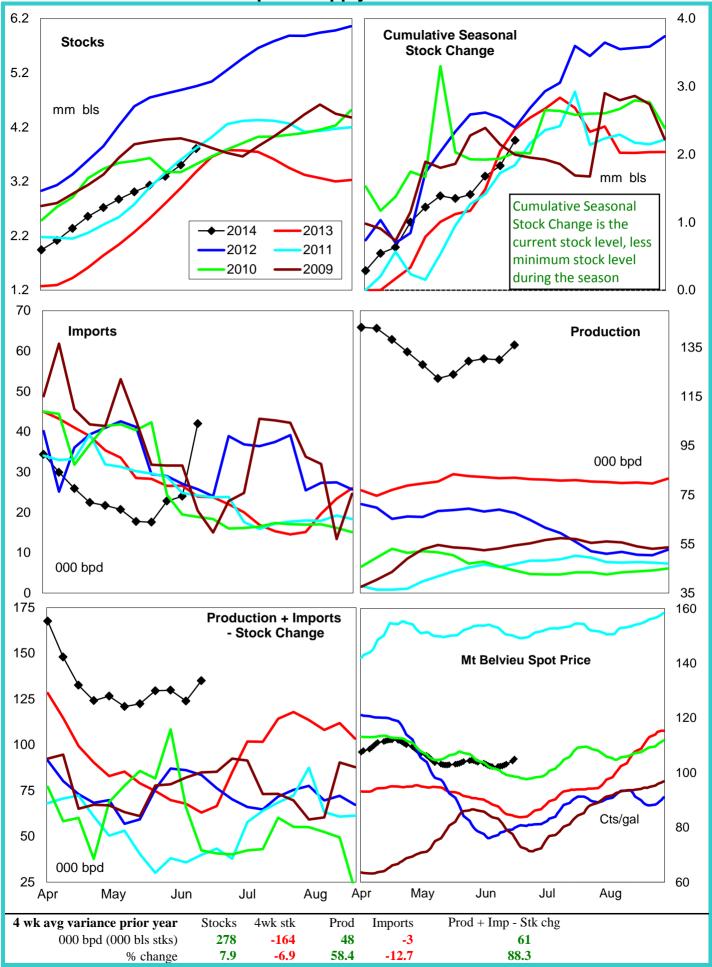
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:					
	U.S.	U.S. PADD					U.S. PADD				
	Total	1	2	3	4&5	Total	1	2	3	4&5	
Stocks	51,241	3,806	16,565	28,729	2,141	2,027	374	9	1,572	72	
Propylene Stocks	4,085					-154					
Production	1,456	136	283	857	180	-48	10	4	-48	-14	
Imports	76	42	22	0	12	21	22	1	0	-2	
Whsle Demand	934					174					

Price Trends for the Week Ending					T uesday, June 10, 2014						
Cents/gal	Average for week ending:				Change from:			% change from:			
	6/10/14	6/3/14	5/13/14	6/13/13	6/3/14	5/13/14	6/13/13	6/3/14	5/13/14	6/13/13	
Mont Belvieu Spot	103.1	101.4	101.3	84.1	1.77	0.12	17.15	1.7	0.1	20.4	
Conway Spot	102.1	99.6	99.2	80.0	2.52	0.43	19.14	2.5	0.4	23.9	
	II				II						

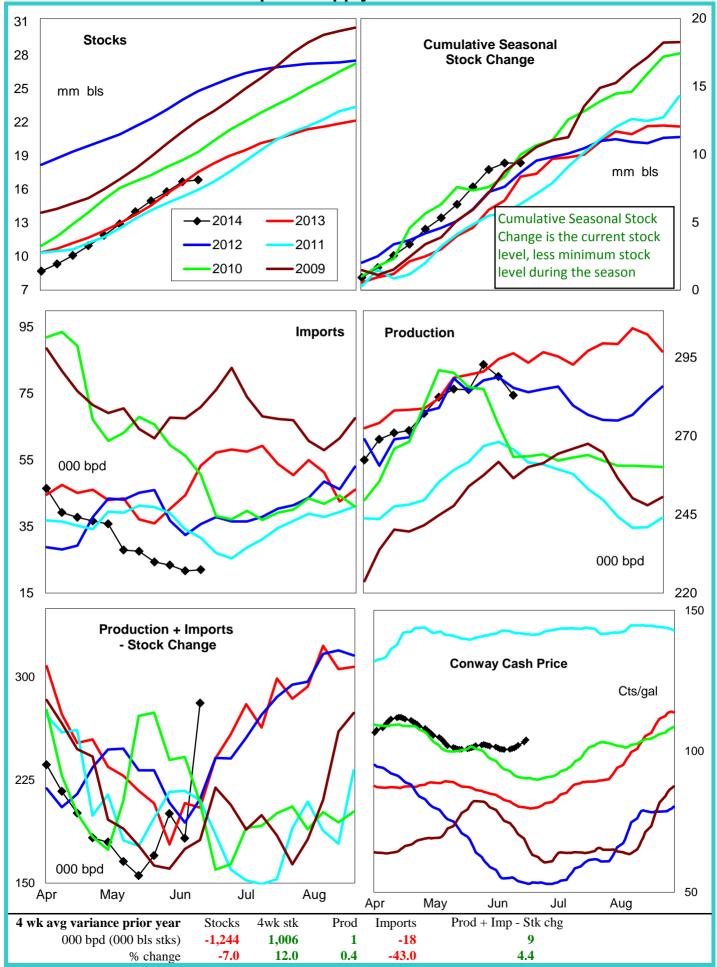
Key Price Spreads and Differentials 5 160 Conway - Mt Belvieu **Spread** 0 140 -5 Mt Belvieu Spot Price -10 120 -15 Cts/gal 100 -20 -25 2014 2013 Cts/gal 80 2012 2011 -30 2010 2009 60 -35 Mt Belvieu Propane % of Mt Belvieu Propane % of 620 75 **Nearby Crude Oil Futures Nearby Natural Gas Futures** 545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



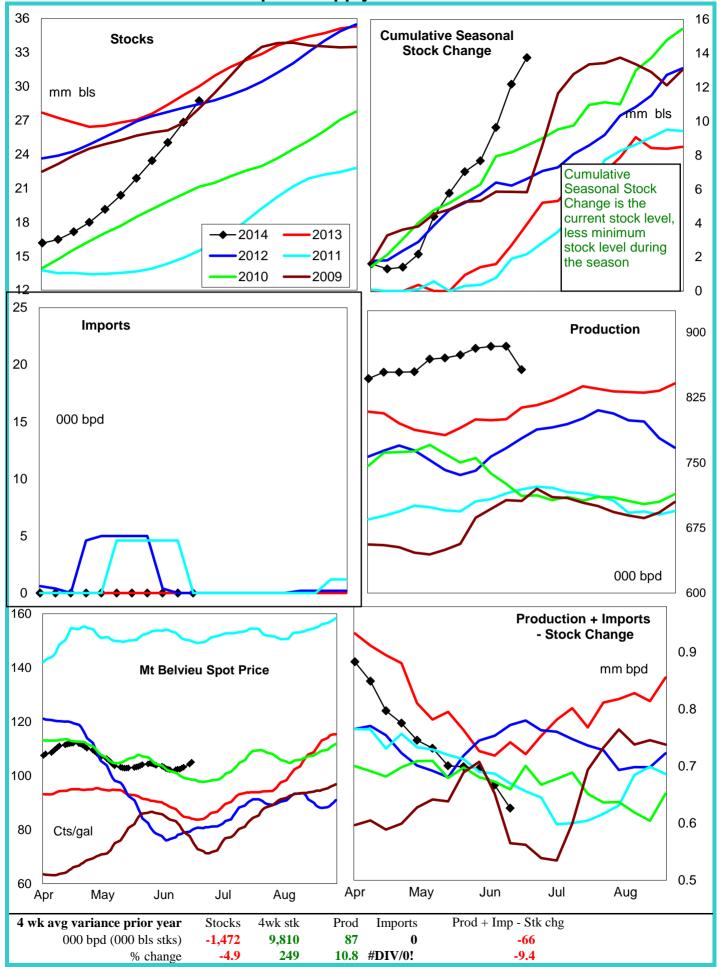
PADD 1 Propane Supply and Demand Balance



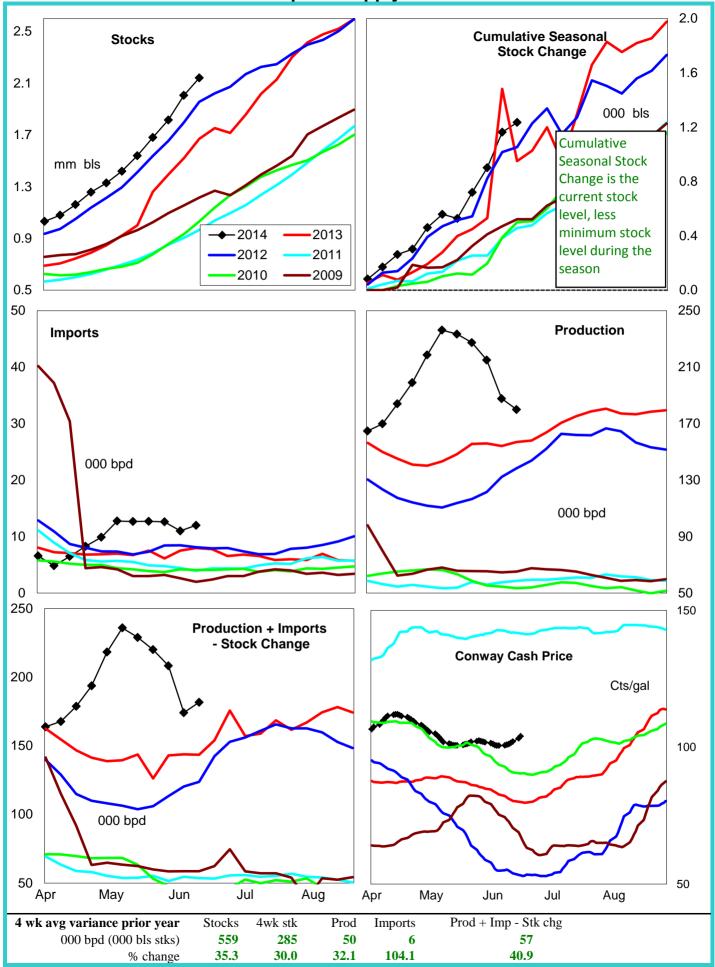
PADD 2 Propane Supply and Demand Balance



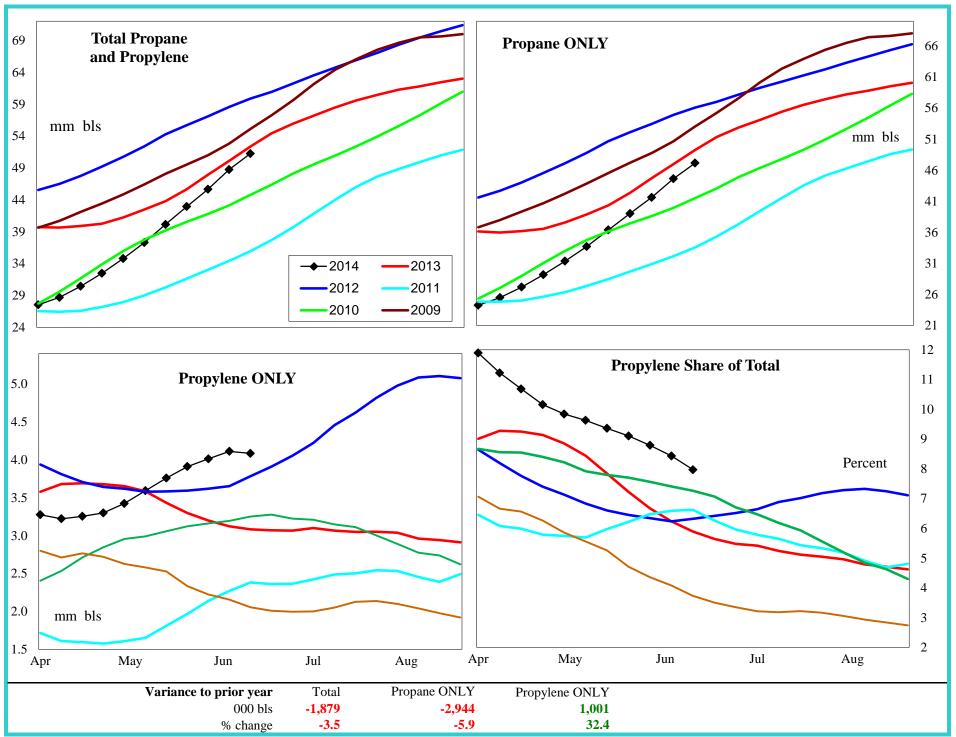
PADD 3 Propane Supply and Demand Balance



PADDs 4 and 5 Propane Supply and Demand Balance



U. S. Propane and Propylene Stocks



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