



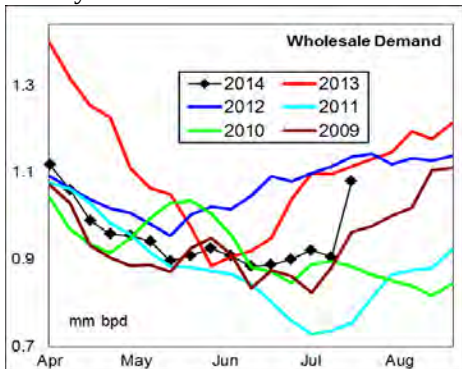
WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

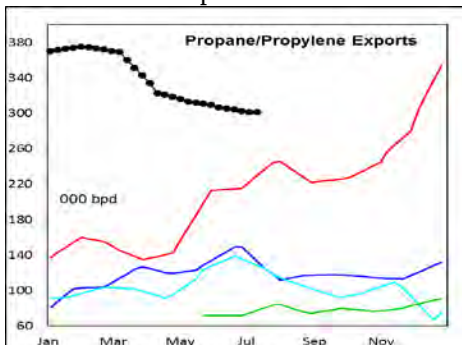
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com

Summary¹: ?

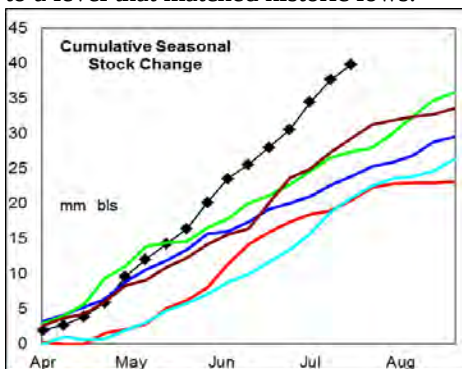
Wholesale demand increased +215,000 bpd last week, to a level just below the last 2-yr.



Production increased +57,000 bpd on the week, concentrated in the Midwest and West. Exports for the week ending 20Jun14 were 301,000 bpd, up +86,000 bpd over a year ago, but -75,000 bpd below the winter peak.



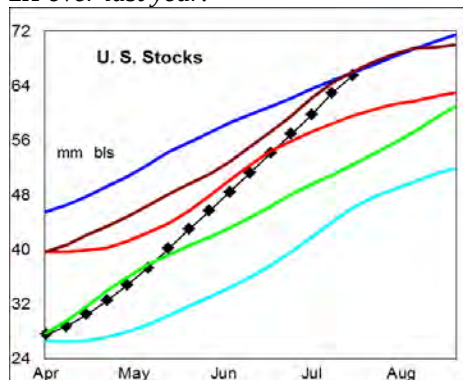
Imports increased +8,000 bpd last week, to a level that matched historic lows.



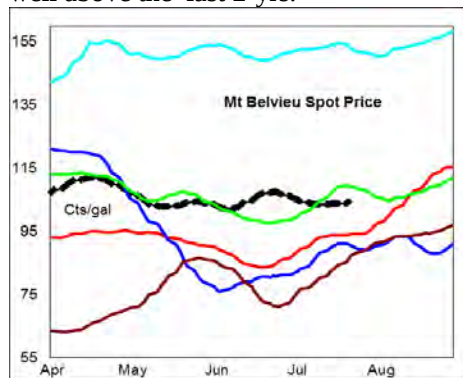
Combined production and imports during the latest 4-wk period were +132,000 bpd above a year ago. Production was +151,000 bpd above last

year (+11%), while imports were -19,000 bpd lower. The latest 4-wk average demand was -201,000 bpd below last year.

Stocks increased +2.2 million barrels last week, to a level that matched 5-yr highs. The cumulative seasonal stock build of +39.8 million barrels was 2X over last year.



Price and Spreads Mt Belvieu spot price increased +1 cpg last week ending 22Jul14, while Conway increased +1/2 cpg. Prices ended the week at a level well above the last 2-yr.



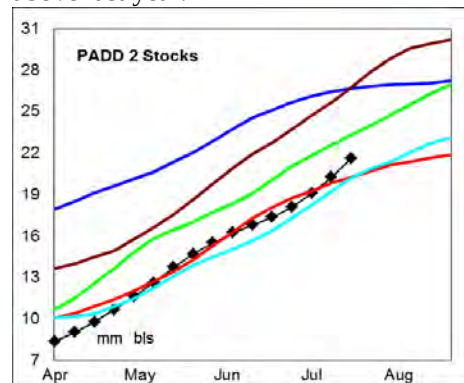
The Conway – Mt Belvieu price spread traded sideways last week, at a record high for the period, in favor of Conway.

The propane to natural gas price spread trended higher on the week, driven by weakness in natural gas prices.

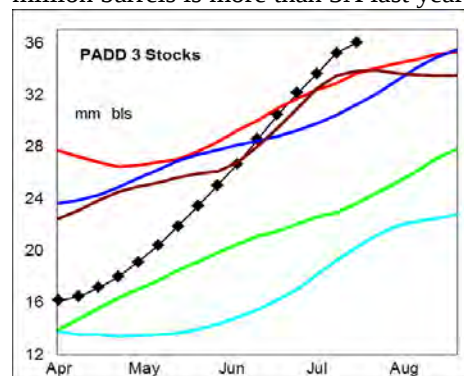
The propane / crude oil price spread traded slightly lower last week ending at a level matching highs of the last 2-yr.

PADD 1 stocks increased +0.3 million barrels on the week, ending +1.8 million barrels above last year. Supply for the latest 4-wk period was +71,000 bpd above last year; driven by a + 86% increase in production over a year ago.

PADD 2 stocks increased +1.4 million barrels on the week. The latest 4-wk supply was -7,000 bpd below a year ago, driven by very low imports. Stock levels ended the week +1.2 million barrels above last year.



PADD 3 stocks increased +0.4 million barrels on the week, lifting the level to a new record high for this time of year. Supplies for the latest 4-wk period were +55,000 bpd above a year ago. The cumulative seasonal stock build of +21 million barrels is more than 3X last year.



PADDs 4 & 5 stocks increased +0.1 million barrels last week. Supplies were up +14,000 bpd on higher production.

Emerging Trends A jump in wholesale demand limited stock builds in the Gulf region last week. The increase was partially offset by record high production for the week. Production rates are above the 5-yr range in all regional markets, including a surge in the Midwest. The risk continues that Gulf storage capacity may constrain output before start of the fall heating season, placing pressure on wholesale prices.

¹ Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary



July 23, 2014

Fundamental Trends for the Week Ending:

Friday, July 18, 2014

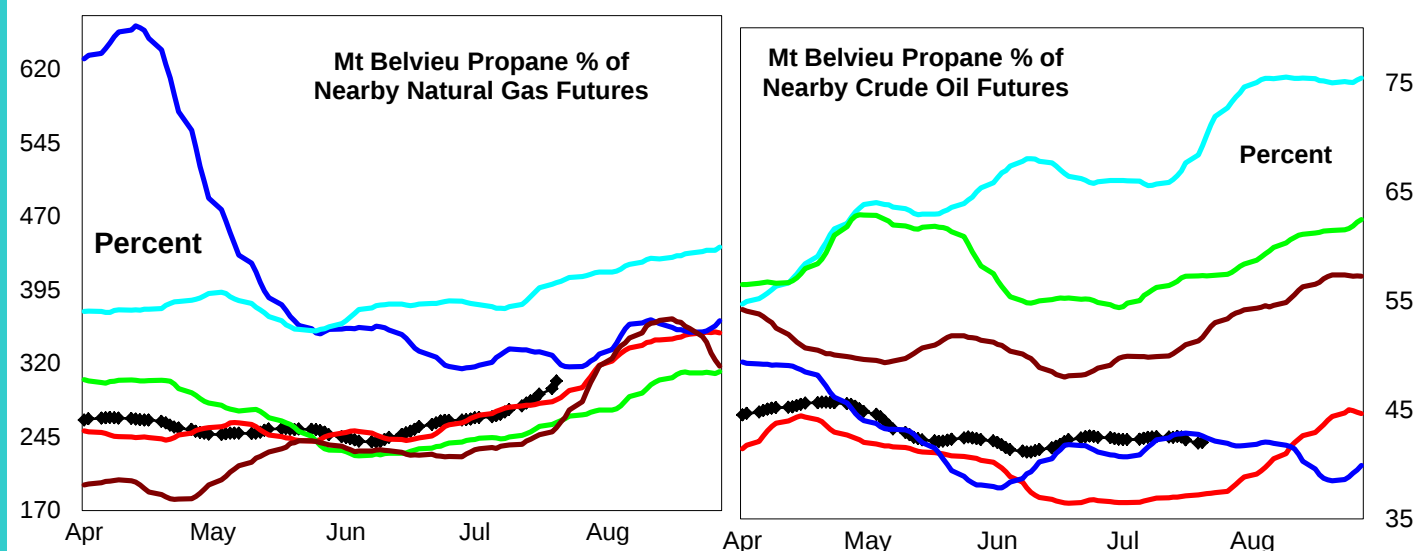
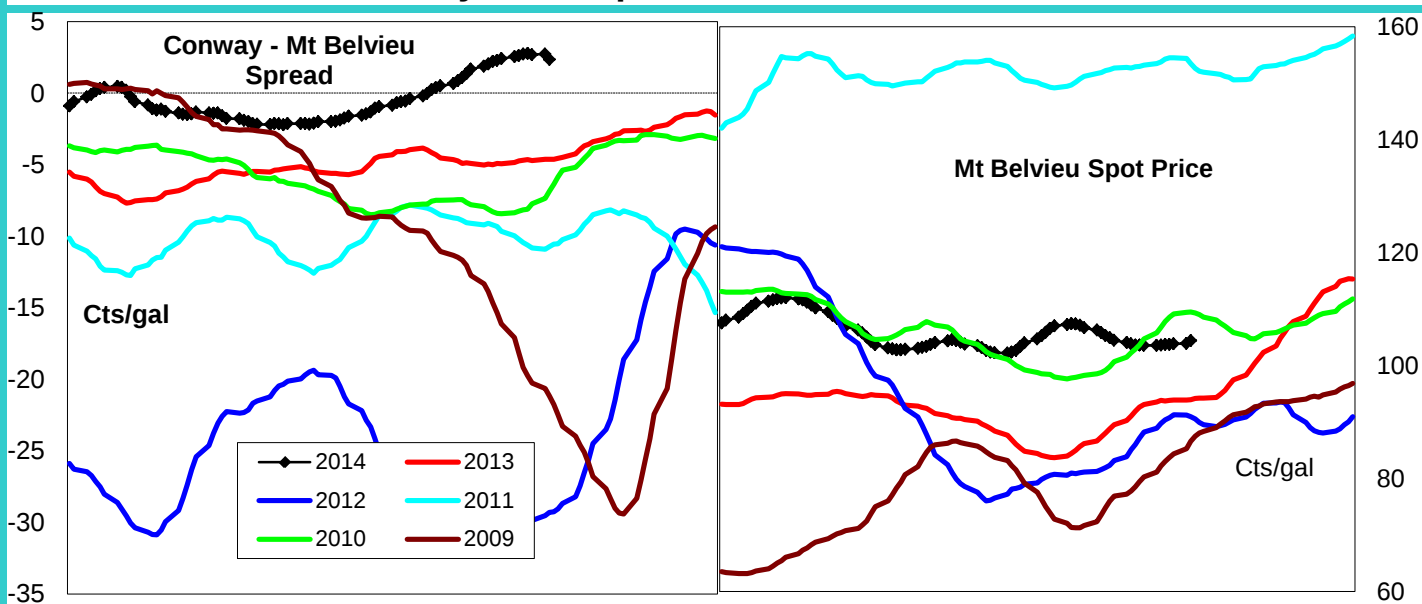
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD				U.S. Total	PADD			
		1	2	3	4&5		1	2	3	4&5
Stocks	65,451	5,253	21,592	36,003	2,603	2,163	296	1,403	374	90
Propylene Stocks	4,161					91				
Production	1,592	156	336	907	193	57	5	28	6	18
Imports	57	22	23	0	12	8	3	3	0	2
Whsle Demand	1,039					215				

Price Trends for the Week Ending:

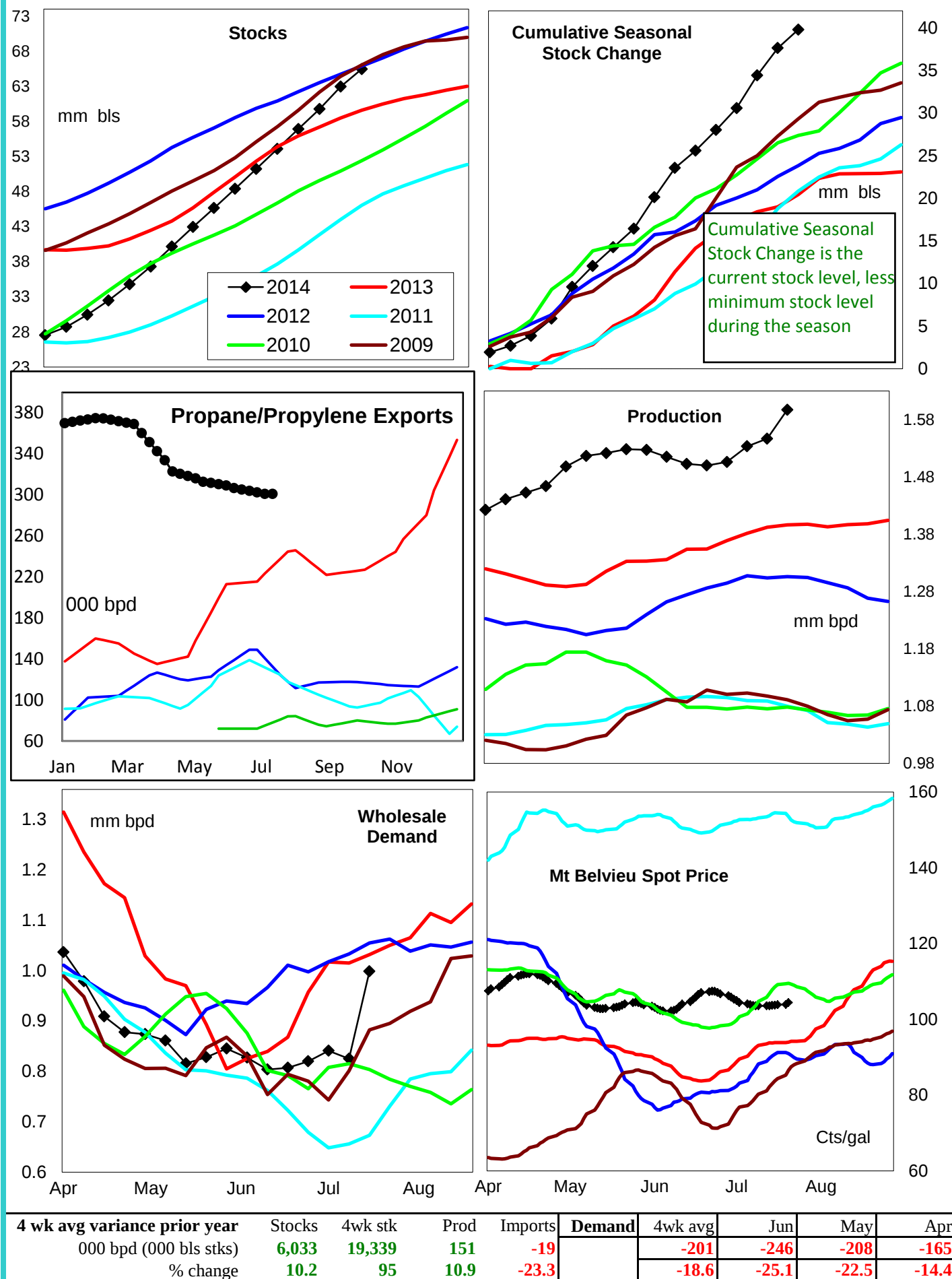
Tuesday, July 22, 2014

Cents/gal	Average for week ending:				Change from:			% change from:		
	7/22/14	7/15/14	6/24/14	7/25/13	7/15/14	6/24/14	7/25/13	7/15/14	6/24/14	7/25/13
Mont Belvieu Spot	103.9	103.4	108.1	94.7	0.47	-4.66	13.36	0.5	-4.3	14.1
Conway Spot	106.6	106.1	108.0	90.0	0.50	-1.90	17.96	0.5	-1.8	20.0

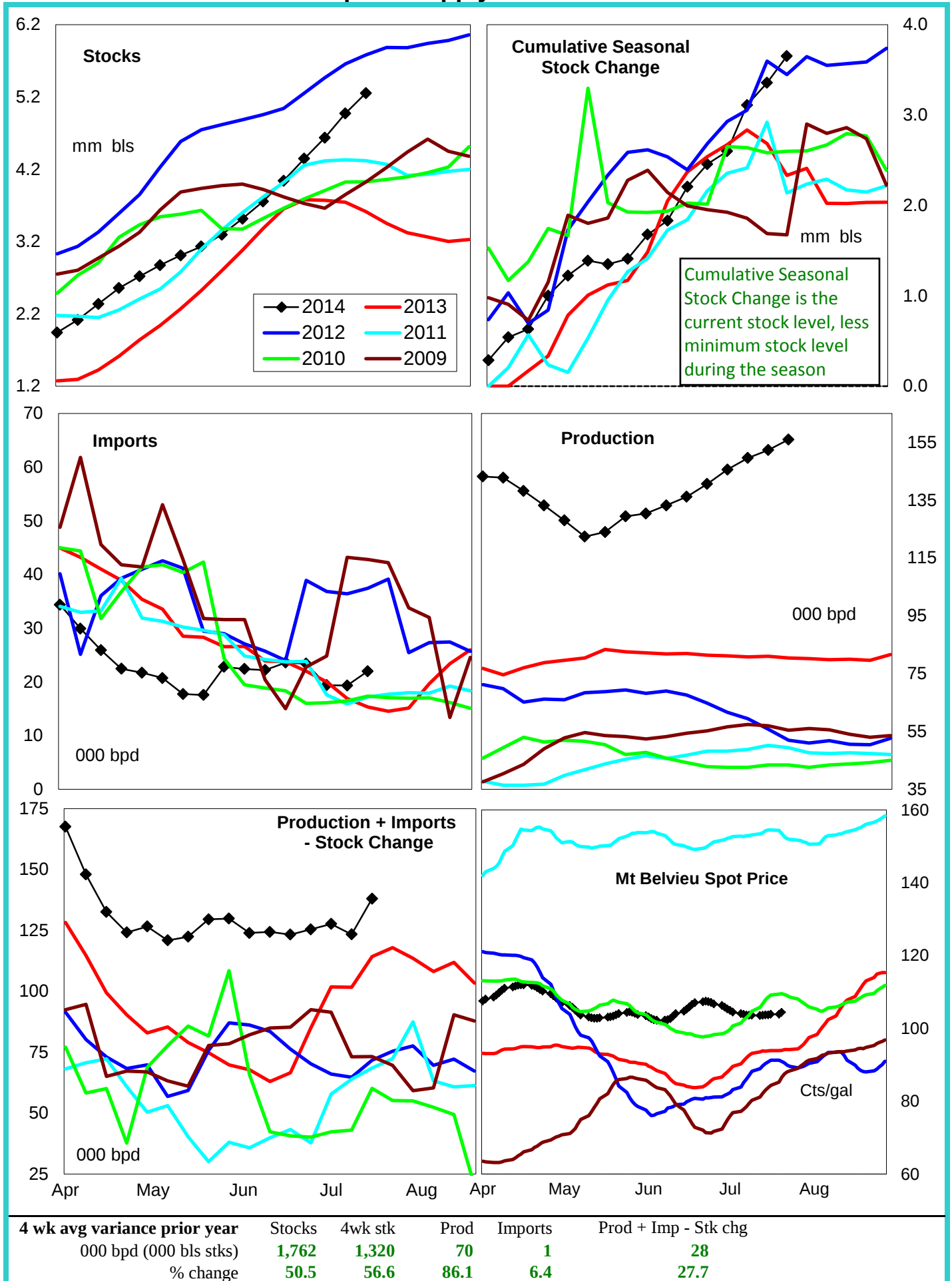
Key Price Spreads and Differentials



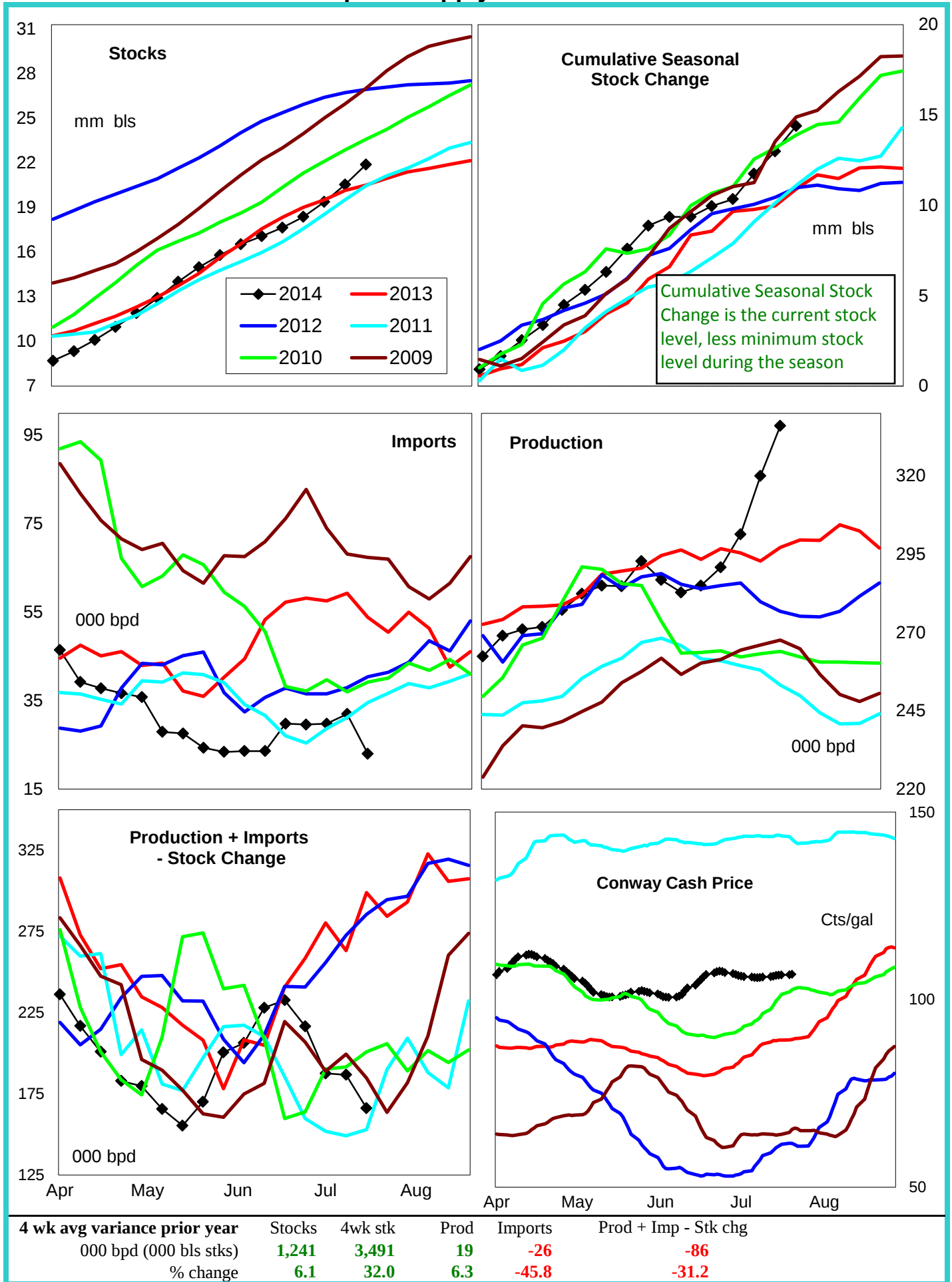
U. S. Propane Supply and Demand Balance



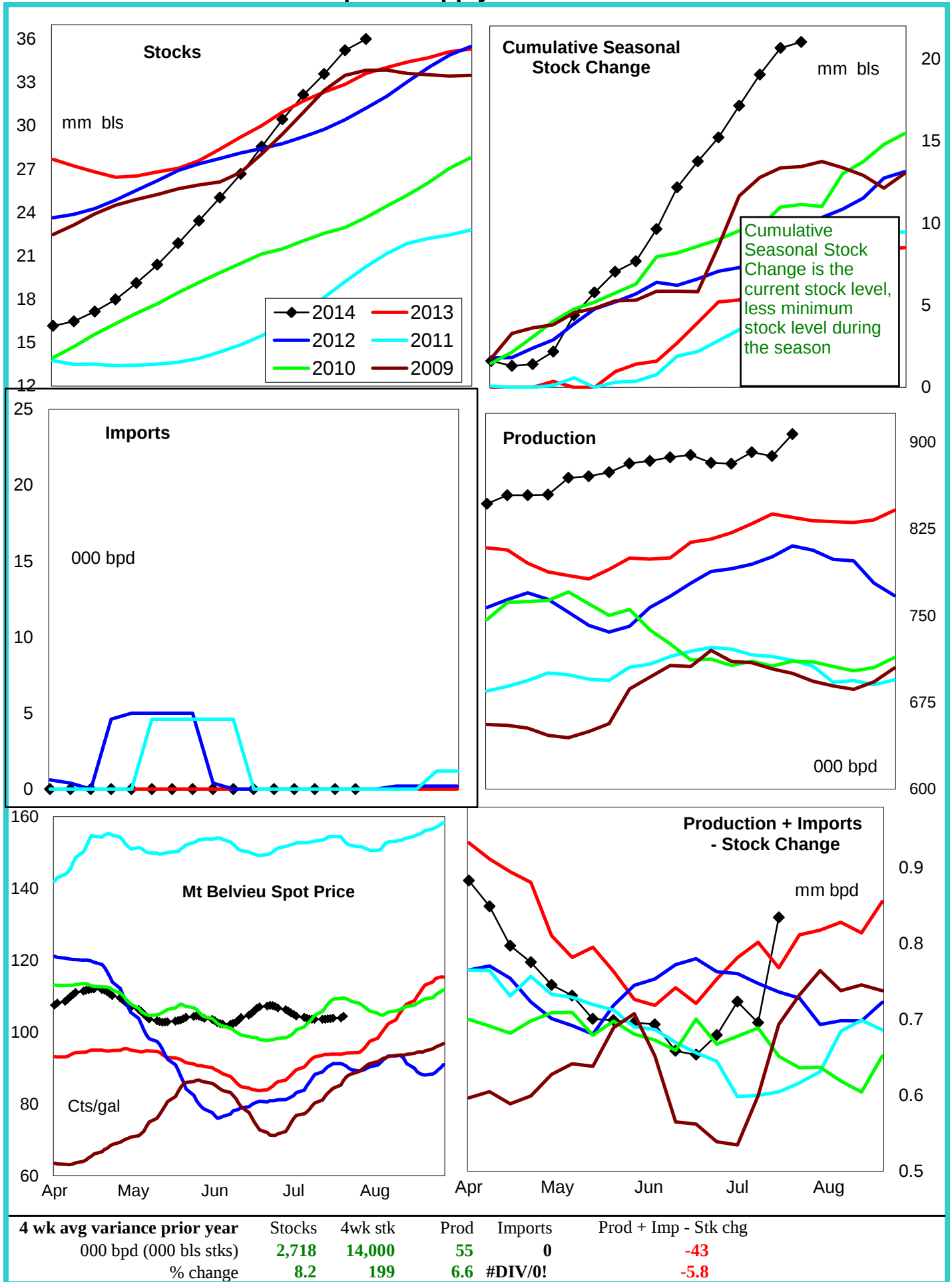
PADD 1 Propane Supply and Demand Balance



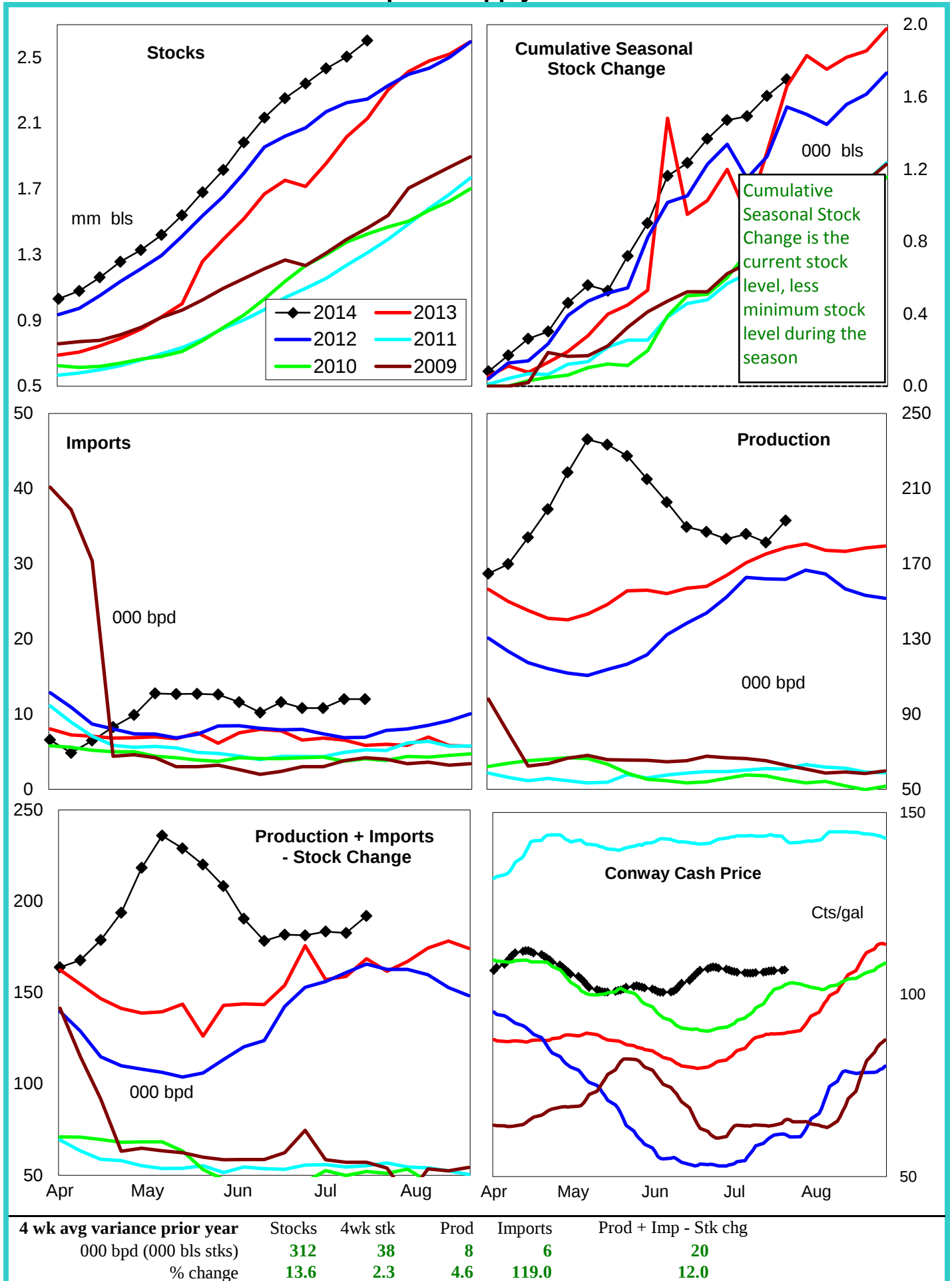
PADD 2 Propane Supply and Demand Balance



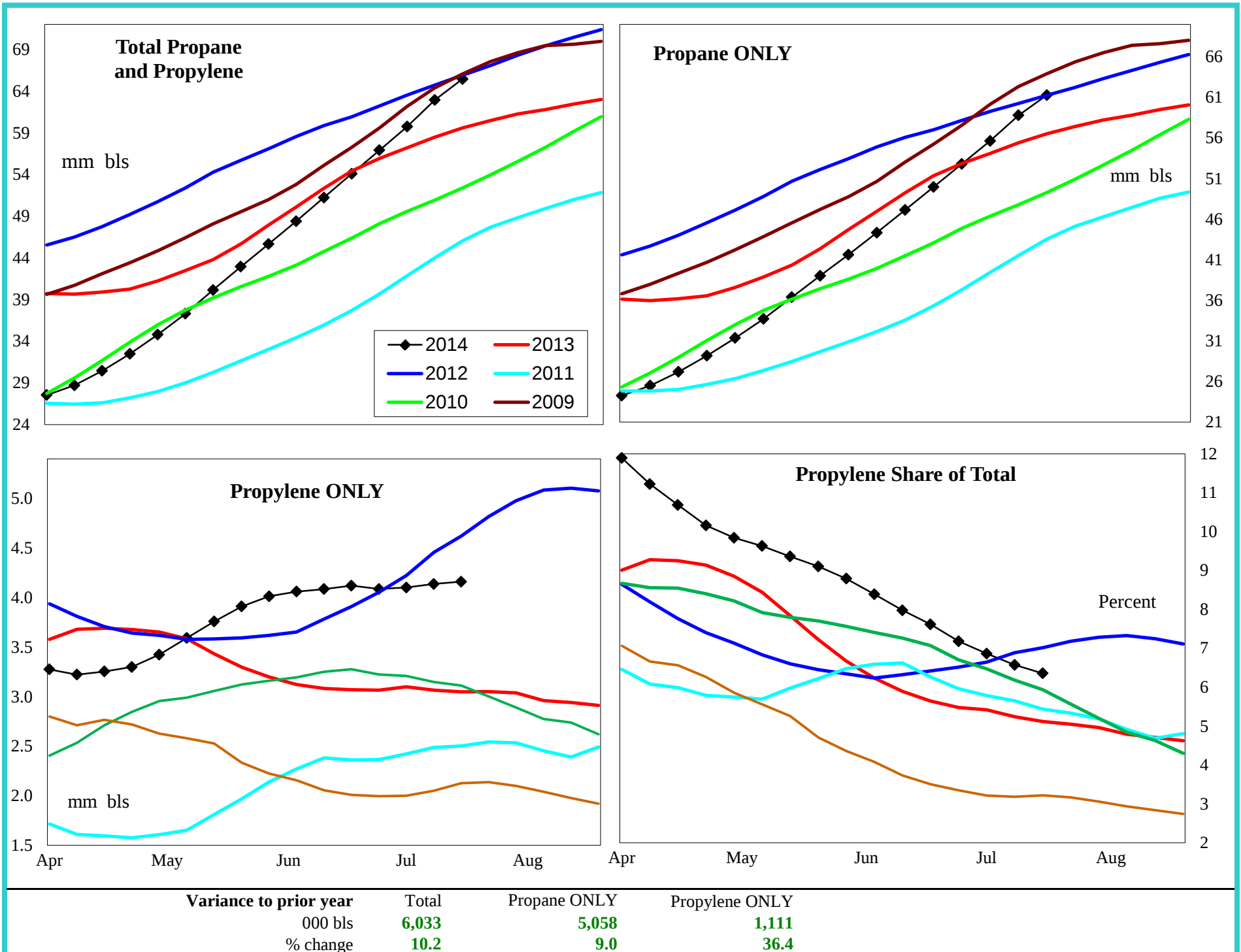
PADD 3 Propane Supply and Demand Balance



PADDs 4 and 5 Propane Supply and Demand Balance



U. S. Propane and Propylene Stocks



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

