



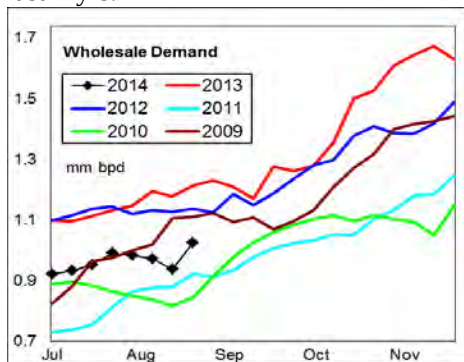
WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

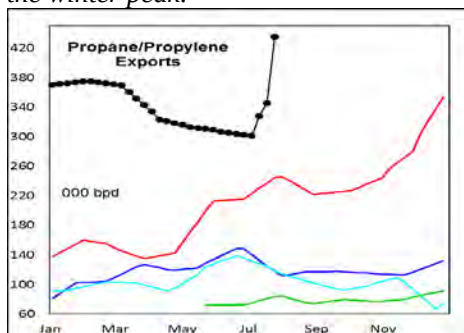
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com

Summary¹: ?

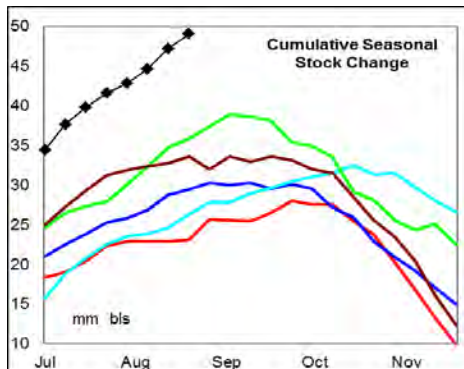
Wholesale demand increased +197,000 bpd last week, a level below each of the last 2-yr.



Production increased +36,000 bpd on the week, concentrated in the Midwest. Exports for the week ending 25Jul14 were 435,000 bpd, up +183,000 bpd over a year ago, and +59,000 bpd above the winter peak.



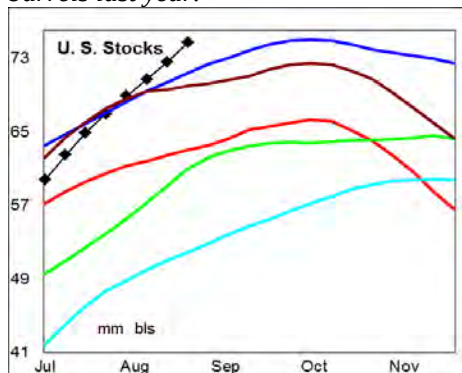
Imports increased +8,000 bpd last week, concentrated in the Midwest.



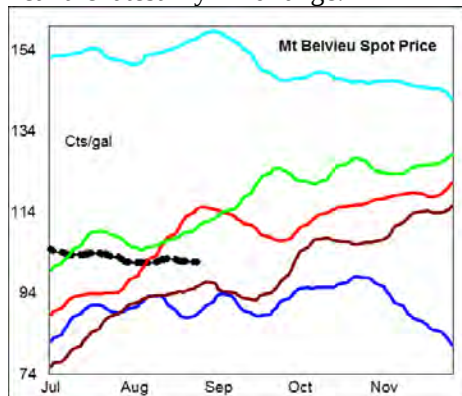
Combined production and imports during the latest 4-wk period were +149,000 bpd above a year ago. Production was +150,000 bpd above last year (+11%), while imports were -1,000

bpd lower. The latest 4-wk average demand was -274,000 bpd below last year.

Stocks increased +1.9 million barrels last week, lifting the level to a new record high for the period. The cumulative seasonal stock build of +47 million barrels, was 2X the +23 million barrels last year.



Price and Spreads Mt Belvieu spot price decreased -0.50 cpg last week ending 26Aug14, while Conway declined -4 cpg. Prices ended the week at a level near the latest 2-yr mid range.



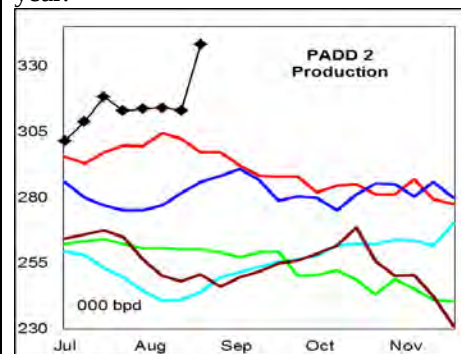
The Conway – Mt Belvieu price spread declined last week, ending at a level that matched last year.

The propane to natural gas price spread traded sideways on the week, at a level below the historic range.

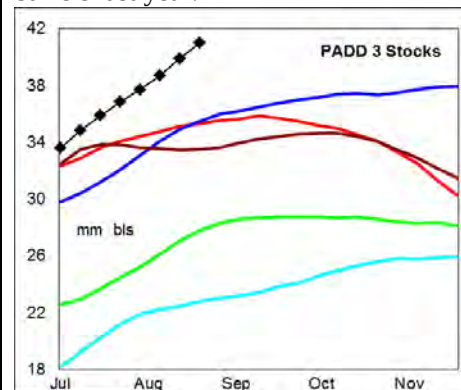
The propane / crude oil price spread trended higher last week ending at a level above the last 2-yr.

PADD 1 stocks increased +0.1 million barrels on the week, ending +2.5 million barrels above last year. Supply for the latest 4-wk period was +77,000 bpd above last year; driven by a 2X increase in production over a year ago.

PADD 2 stocks increased +0.6 million barrels on the week. Production was +40,000 bpd above a year ago, pointing to startup of new gas processing plants in the Bakken region. Stock levels ended the week +3.6 million barrels above last year.



PAD 3 stocks increased +1 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 +63,000 bpd above a year ago. The cumulative seasonal stock build of +25.5 million barrels compared to +8.5 million barrels last year.



PADDs 4 & 5 stocks increased +0.1 million barrels on the week, with the level above the 5-yr range.

Emerging Trends U.S. stocks continue to build at a record rate, concentrated in the Gulf Region. Stock levels in the Midwest may reach the historic mid range on higher production in the region. Mild weather and ample moisture underlies a forecast of record corn production this year – risking a spike in propane demand for grain drying. There risk of tight propane supply in the Midwest during the late fall.

¹ Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary



August 27, 2014

Fundamental Trends for the Week Ending:

Friday, August 22, 2014

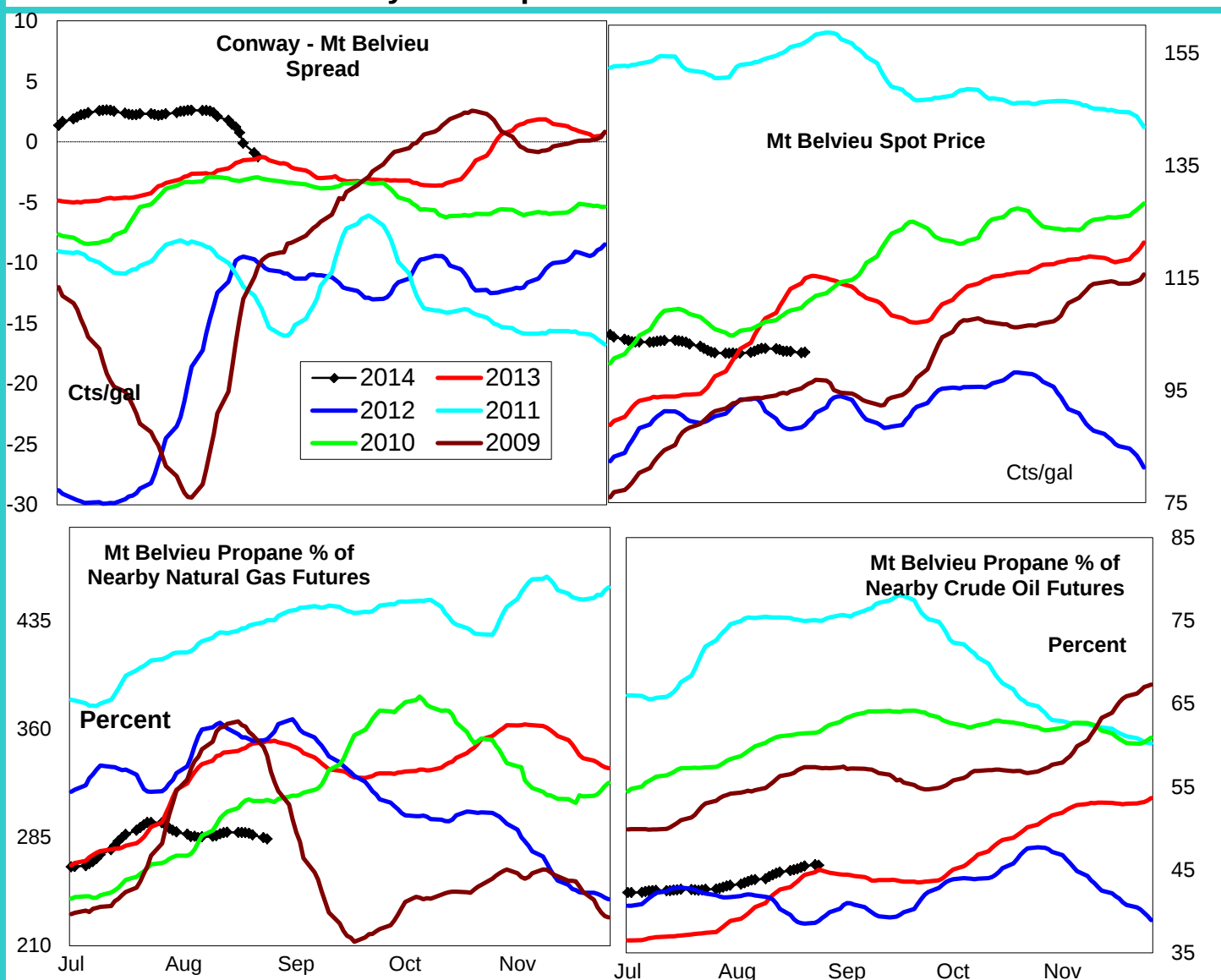
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD				U.S. Total	PADD			
		1	2	3	4&5		1	2	3	4&5
Stocks	74,709	5,701	25,126	40,978	2,904	1,879	104	642	1,030	103
Propylene Stocks	3,752					-240				
Production	1,562	157	338	903	164	36	-7	26	24	-7
Imports	66	19	34	0	13	8	0	10	0	-2
Whsle Demand	985					197				

Price Trends for the Week Ending:

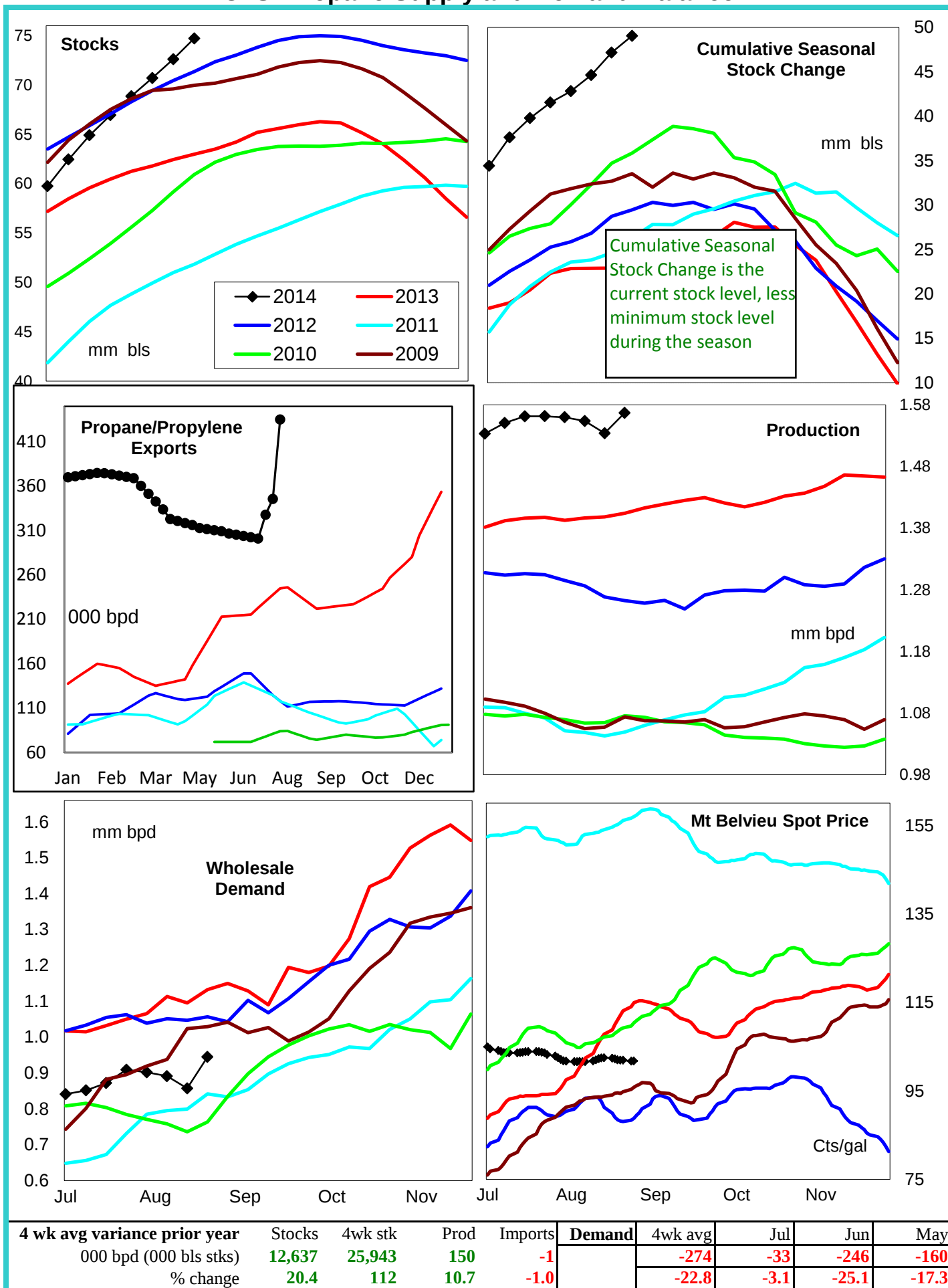
Friday, August 15, 2014

Cents/gal	Average for week ending:				Change from:			% change from:		
	8/15/14	8/8/14	7/18/14	8/20/13	8/8/14	7/18/14	8/20/13	8/8/14	7/18/14	8/20/13
Mont Belvieu Spot	101.9	102.3	103.8	112.9	-0.33	-1.54	-9.10	-0.3	-1.5	-8.1
Conway Spot	101.8	105.1	105.6	111.6	-3.27	-0.48	-6.07	-3.1	-0.5	-5.4

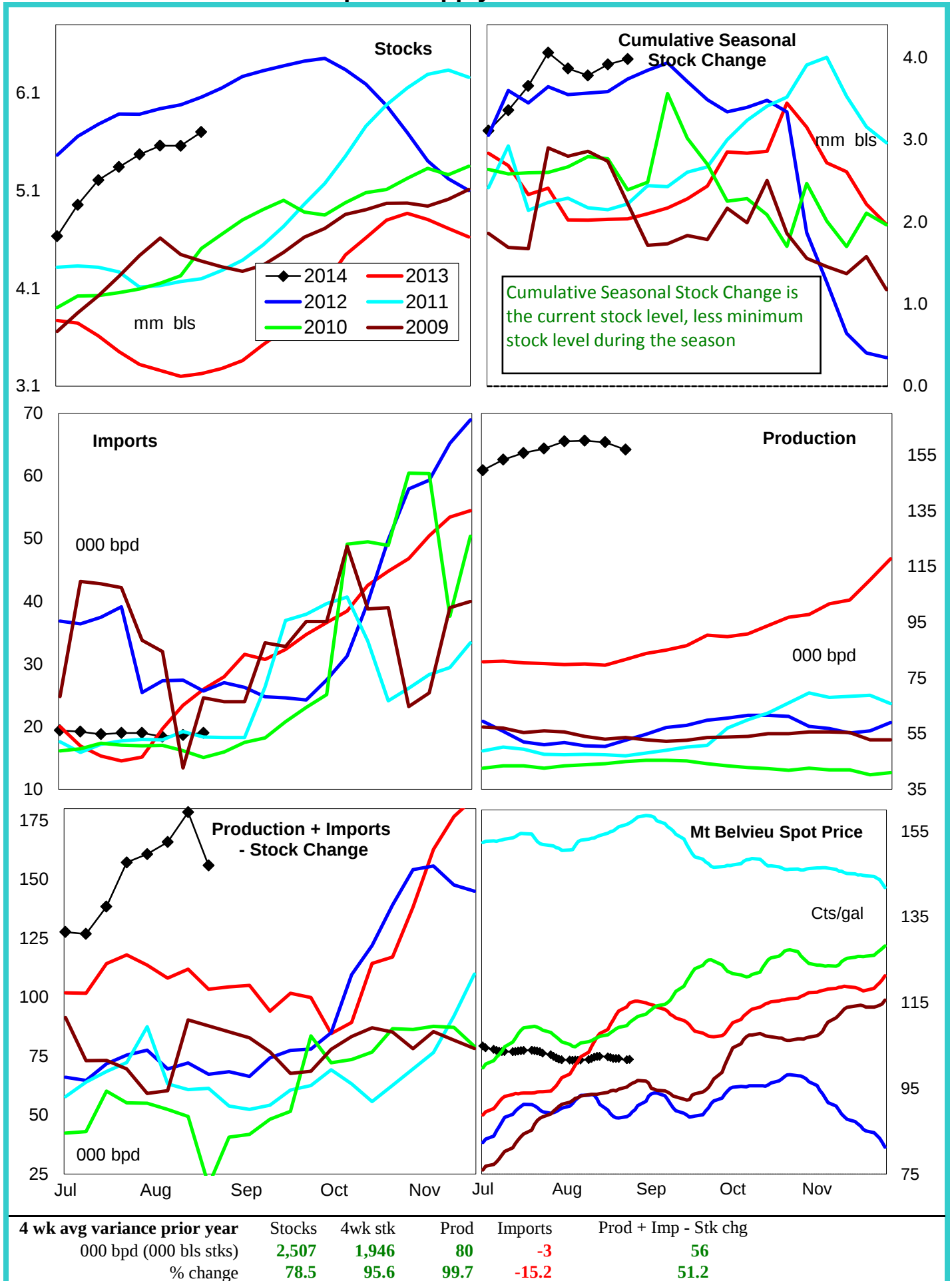
Key Price Spreads and Differentials



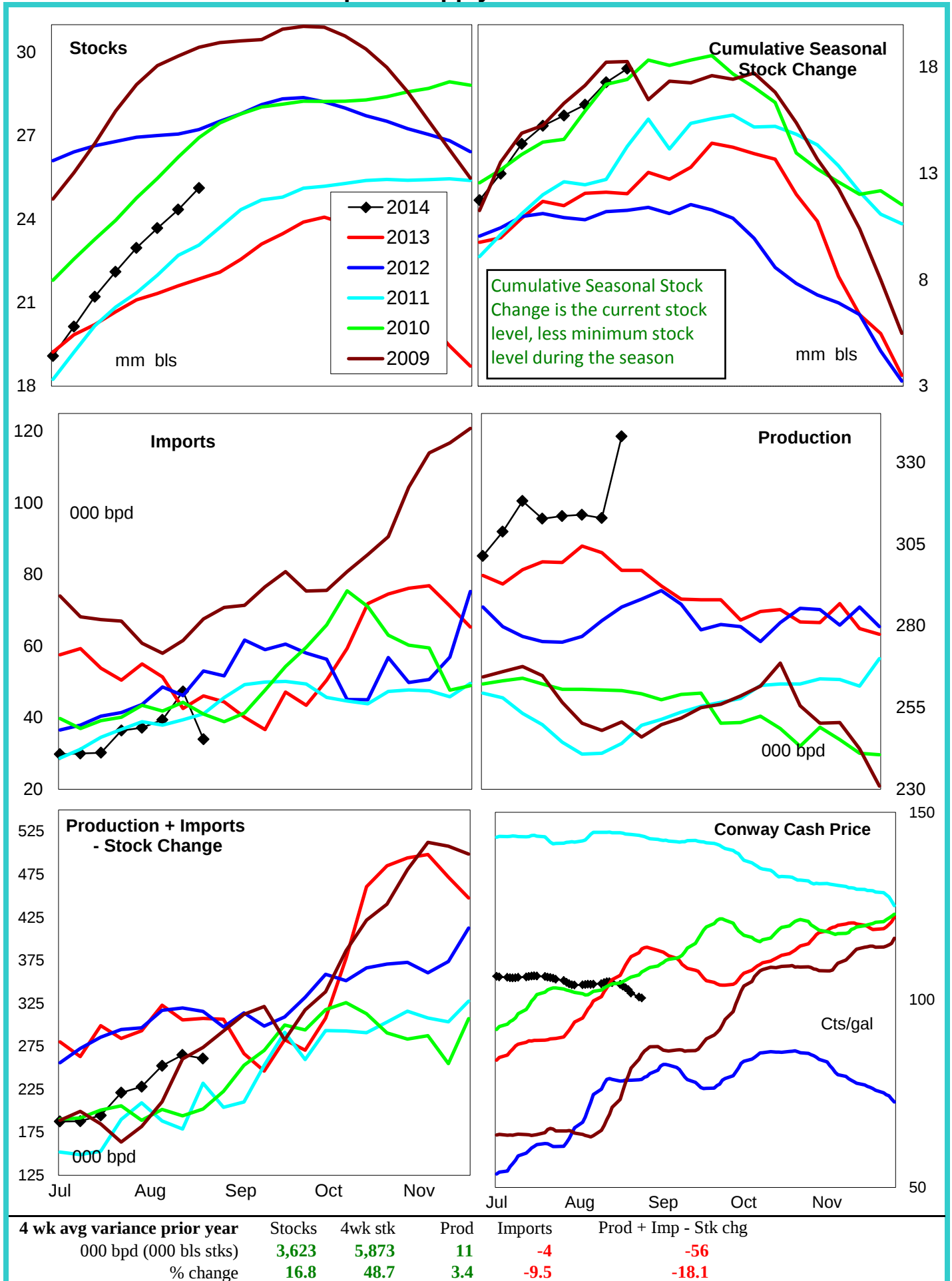
U. S. Propane Supply and Demand Balance



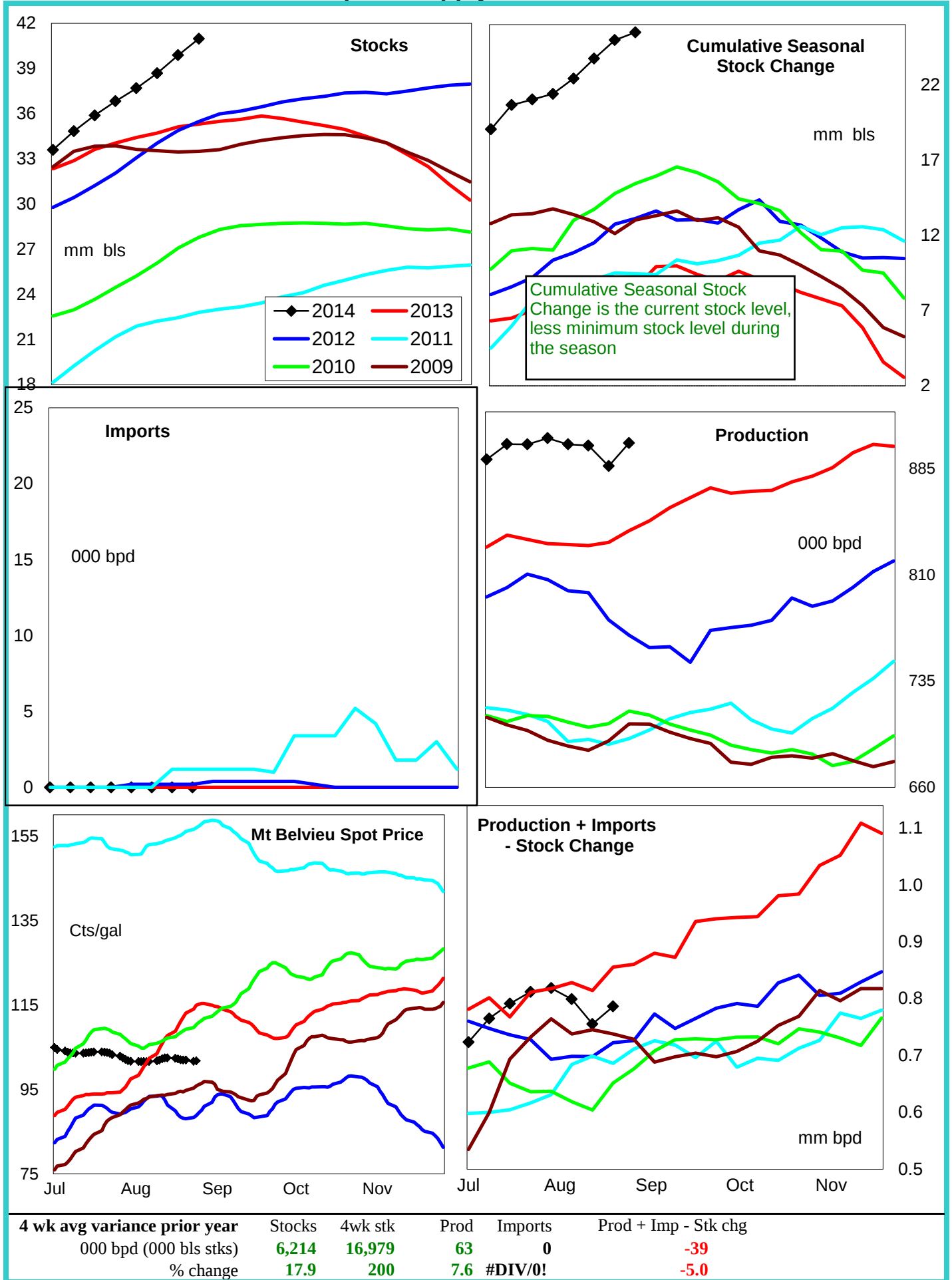
PADD 1 Propane Supply and Demand Balance



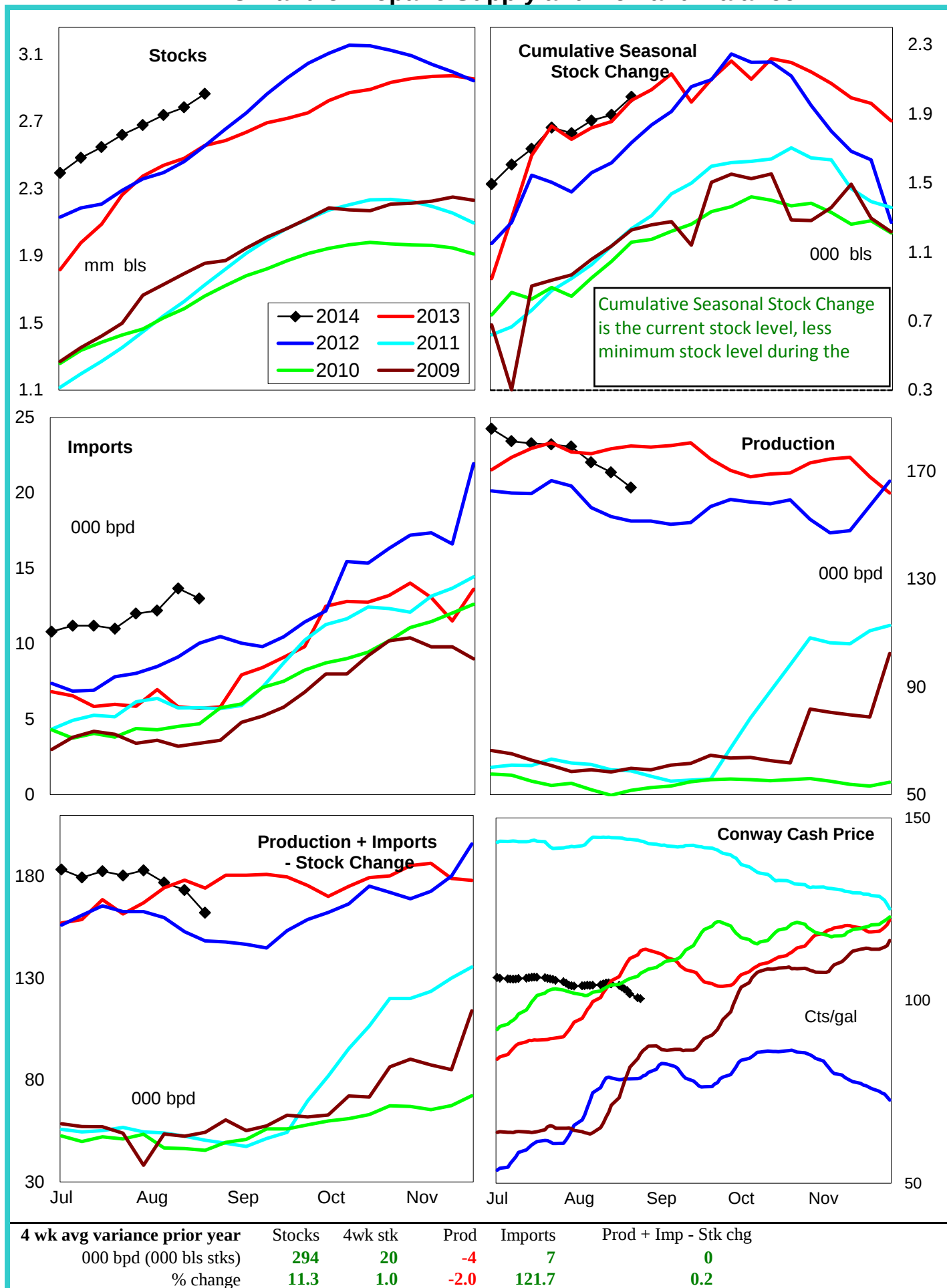
PADD 2 Propane Supply and Demand Balance



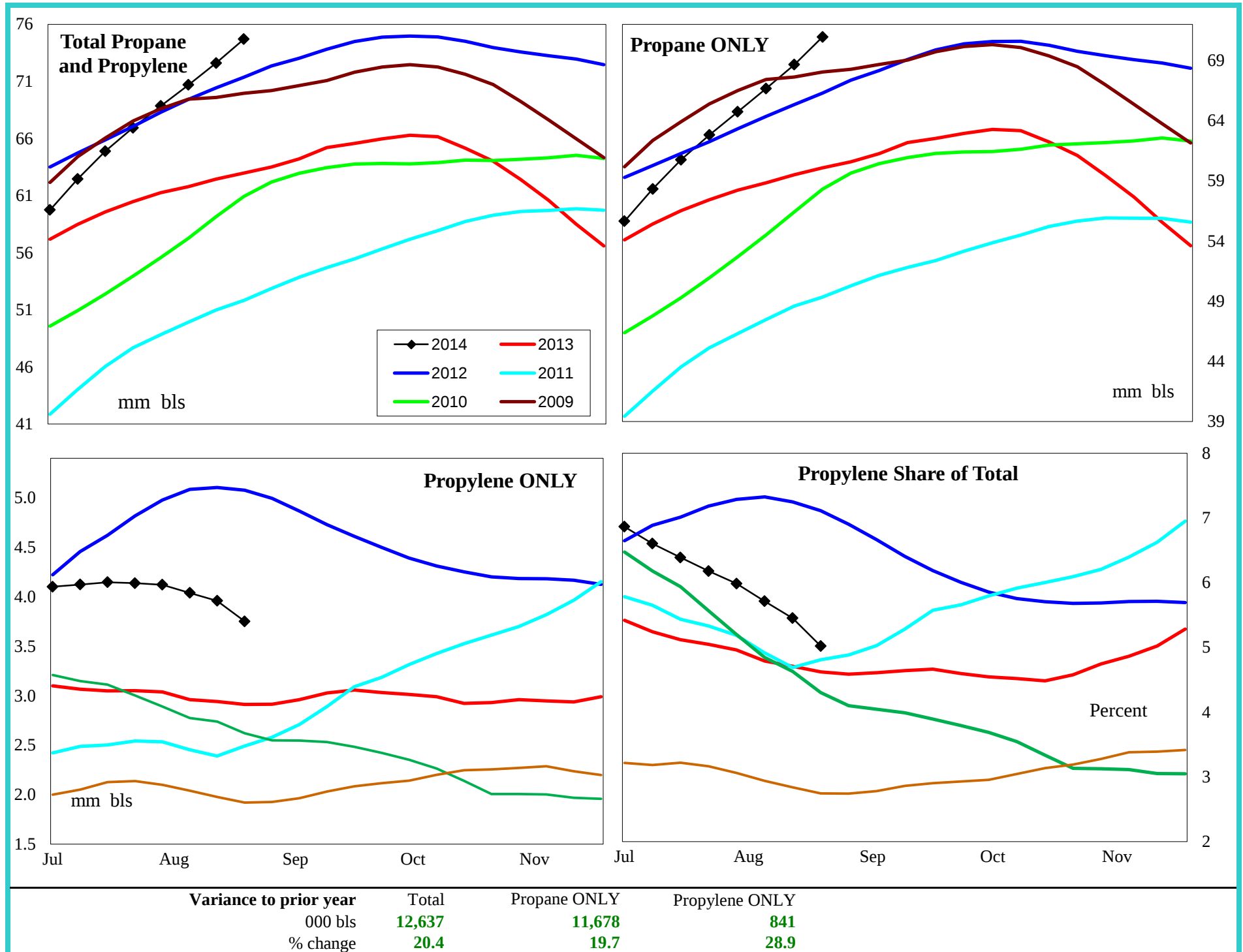
PADD 3 Propane Supply and Demand Balance



PADDs 4 and 5 Propane Supply and Demand Balance



U. S. Propane and Propylene Stocks



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

