



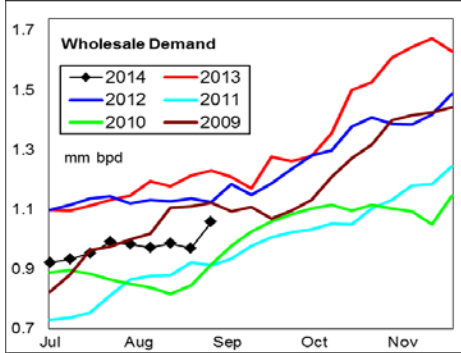
WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

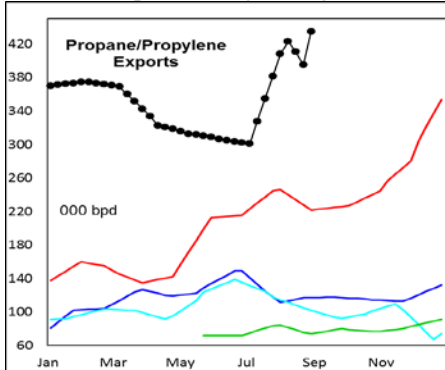
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com

Summary¹ ?

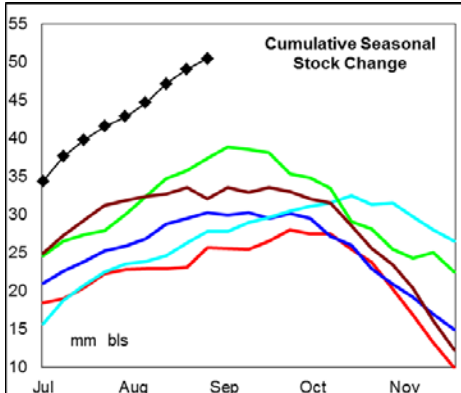
Wholesale demand increased +32,000 bpd last week, a level below each of the last 2-yr.



Production decreased -22,000 bpd on the week, concentrated in the Midwest and Gulf regions. Exports for the week ending 29Aug14 were 375,000 bpd, up +153,000 bpd over a year ago.



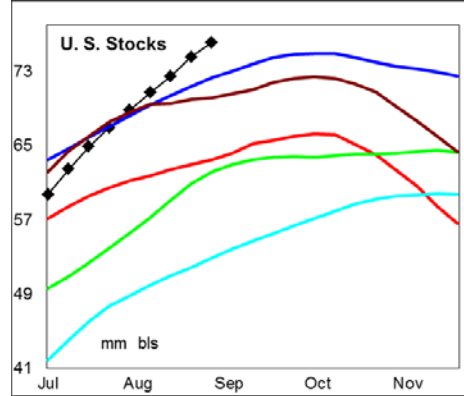
Imports decreased -12,000 bpd last week, concentrated in the Midwest.



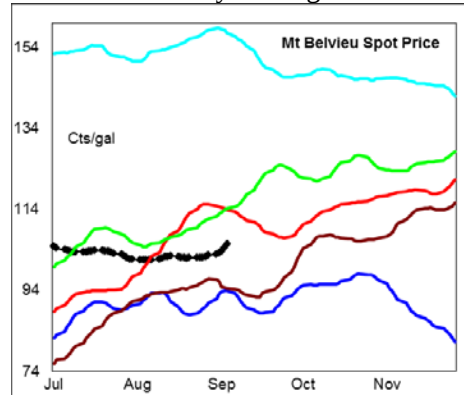
Combined production and imports during the latest 4-wk period were +142,000 bpd above a year ago. Production was +140,000 bpd above last

year (+10%), while imports were +2,000 bpd higher. The latest 4-wk average demand was -207,000 bpd below last year.

Stocks increased +1.4 million barrels last week, lifting the level to a new record high for the period. The cumulative seasonal stock build of +50 million barrels, was 2X the +25 million barrels last year.



Price and Spreads Mt Belvieu spot price increased +3 cpg last week ending 05Sep14, while Conway increased +2 cpg. Prices ended the week at a level above the latest 2-yr average.



The Conway – Mt Belvieu price spread traded sideways last week, ending at a level above a year ago.

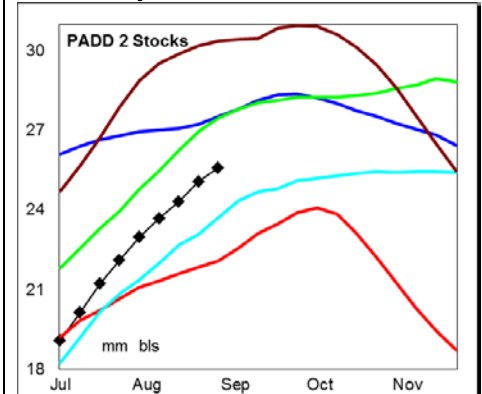
The propane to natural gas price spread trended higher on the week, at a level well below the last 2-yr.

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

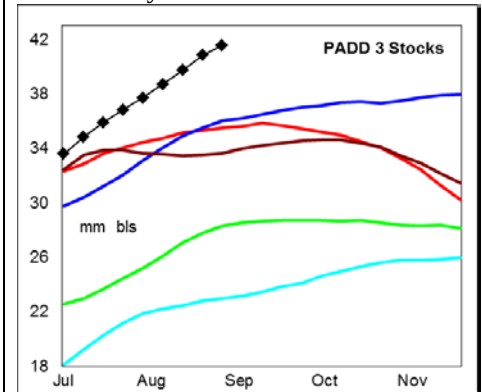
PADD 1 stocks increased +0.2 million barrels on the week, ending +2.6 million barrels above last year. Supply for the latest 4-wk period was +72,000 bpd

above last year; driven by a 2X increase in production over a year ago.

PADD 2 stocks increased +0.5 million barrels on the week. Production was +12,000 bpd above a year ago, and a record high for the season. Stock levels ended the week +3.1 million barrels above last year.



PADD 3 stocks increased +0.6 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 +50,000 bpd above a year ago. The cumulative seasonal stock build of +26.1 million barrels compared to +9.4 million barrels last year.



PADDs 4 & 5 stocks increased +0.2 million barrels on the week, with the level above the 5-yr range.

Emerging Trends U.S. stocks continue to build at an above average rate, with builds in all regions last week. Midwest stock levels are now above the 3-yr mid range; however, an expected large demand for fall grain drying risk a tightening of supply during the fall quarter. Look for wholesale prices to extend the recent uptrend.

¹ Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary



September 7, 2014

Fundamental Trends for the Week Ending:

Friday, August 29, 2014

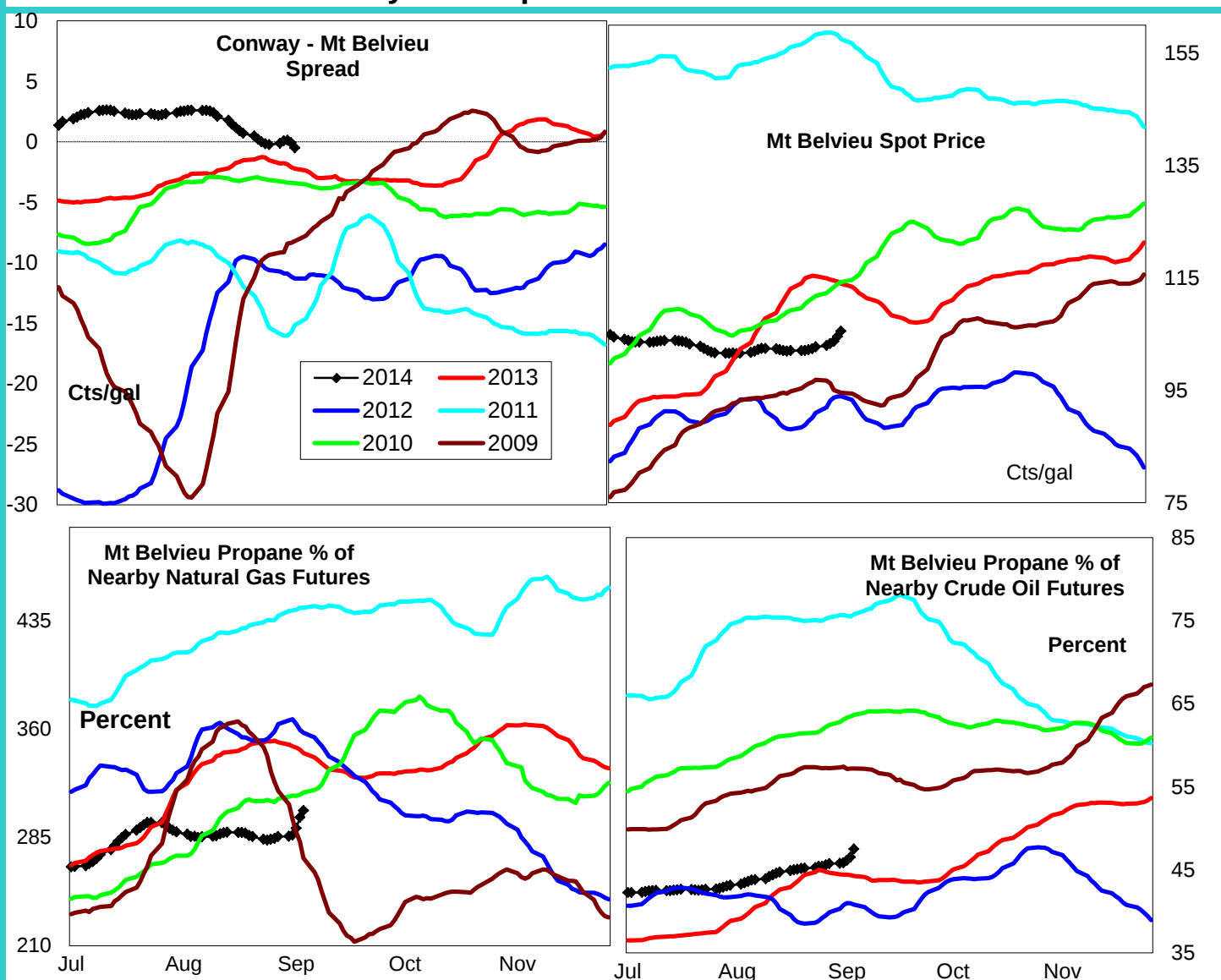
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD				U.S. Total	PADD			
		1	2	3	4&5		1	2	3	4&5
Stocks	76,124	5,890	25,590	41,561	3,083	1,415	189	464	583	179
Propylene Stocks	3,648					-104				
Production	1,540	160	311	873	196	-22	3	-27	-30	32
Imports	54	16	24	0	14	-12	-3	-10	0	1
Whsle Demand	1,017					32				

Price Trends for the Week Ending:

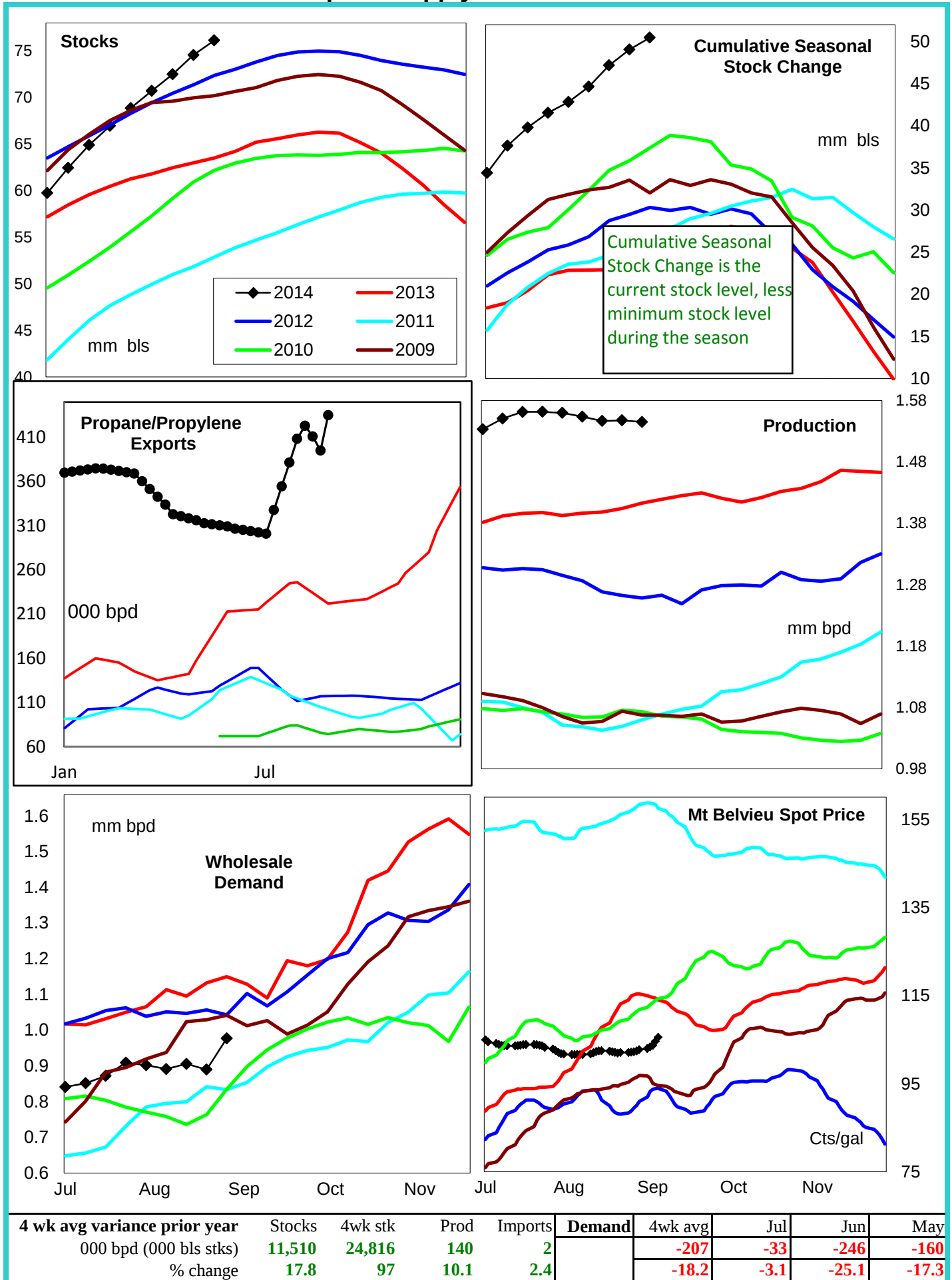
Friday, September 05, 2014

Cents/gal	Average for week ending:				Change from:			% change from:		
	9/5/14	8/29/14	8/8/14	9/10/13	8/29/14	8/8/14	9/10/13	8/29/14	8/8/14	9/10/13
Mont Belvieu Spot	103.7	101.9	100.7	115.2	1.75	1.27	-14.57	1.7	1.3	-12.6
Conway Spot	103.8	101.4	103.1	113.1	2.37	-1.67	-9.98	2.3	-1.6	-8.8

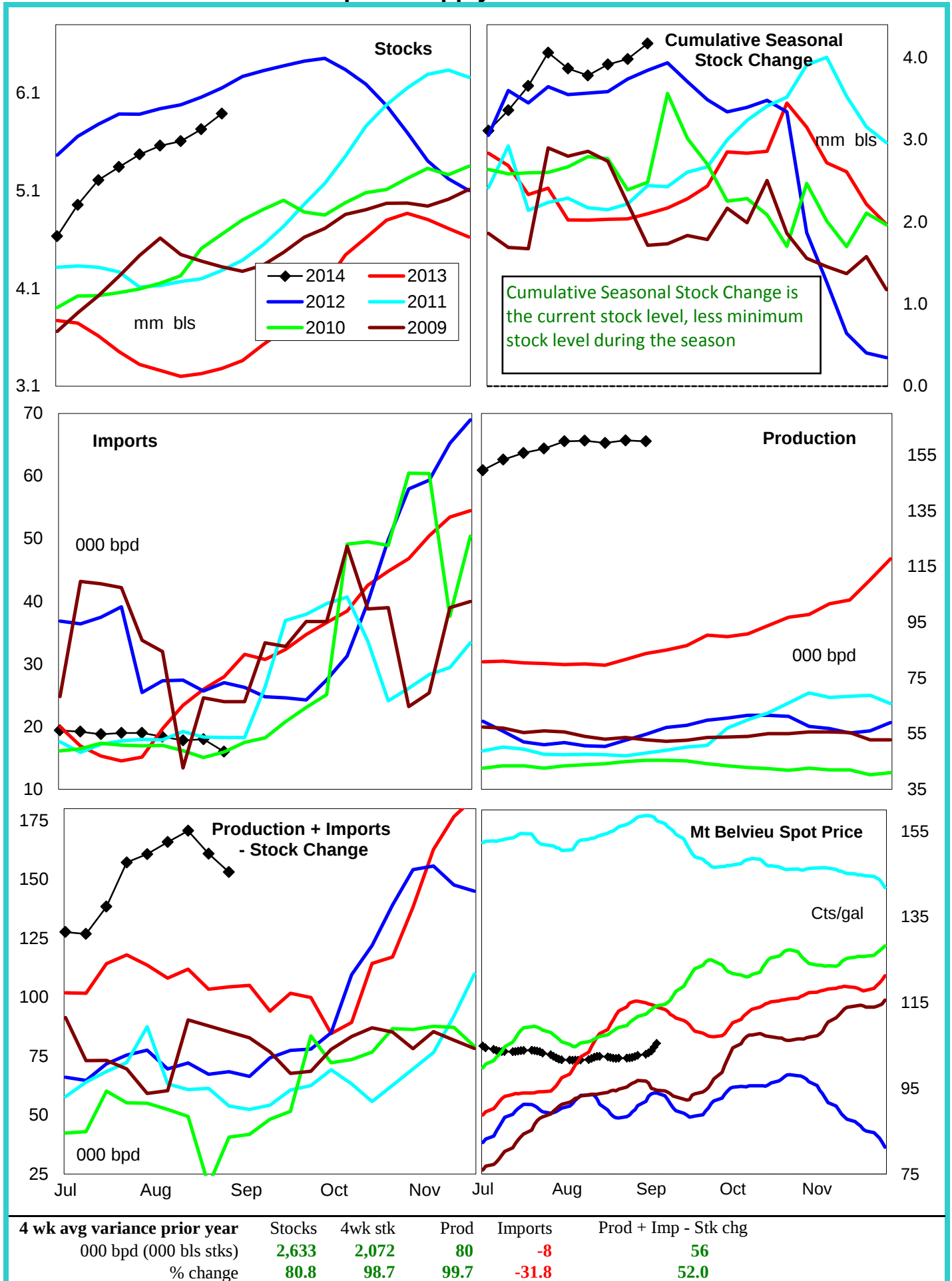
Key Price Spreads and Differentials



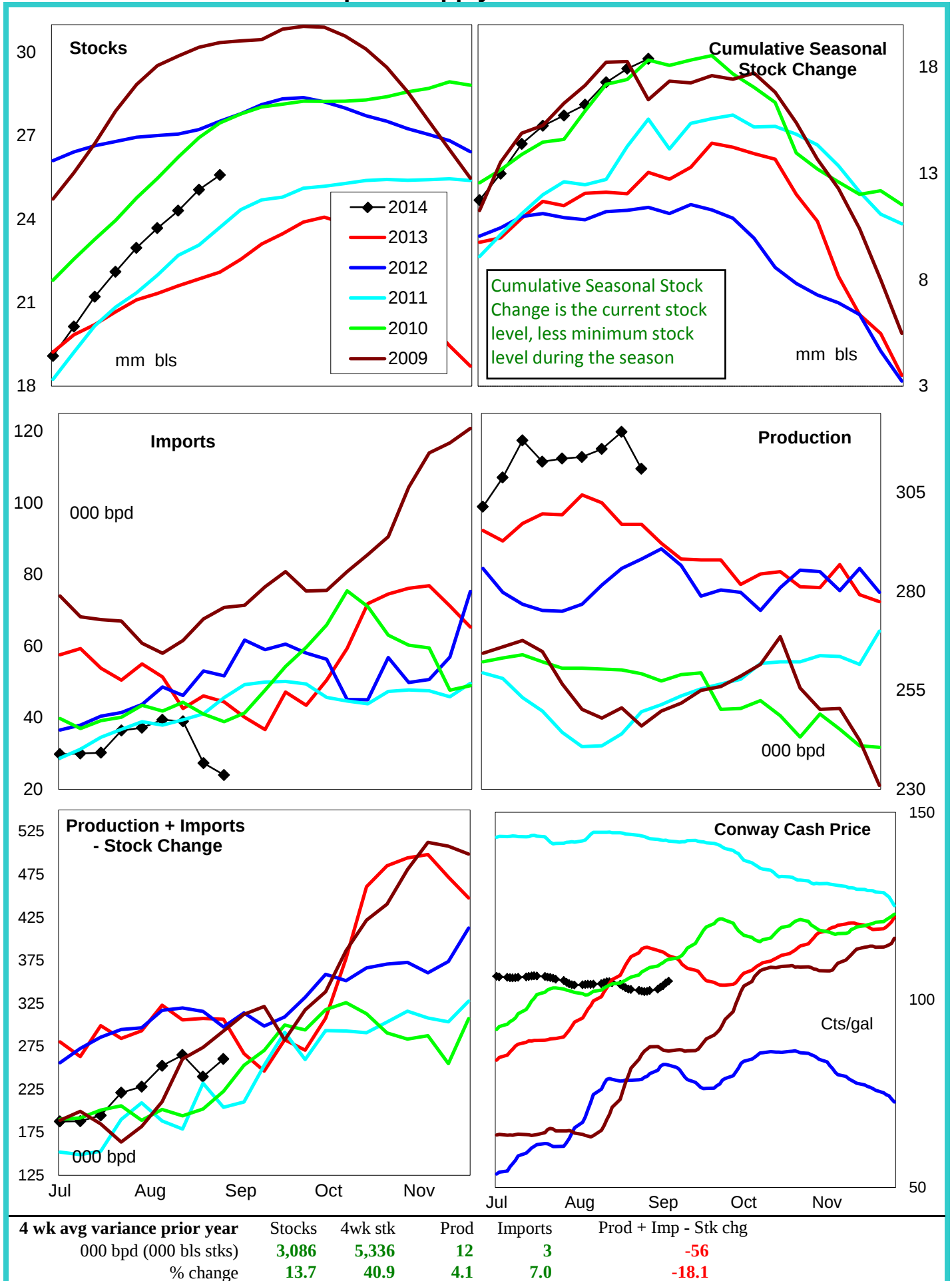
U. S. Propane Supply and Demand Balance



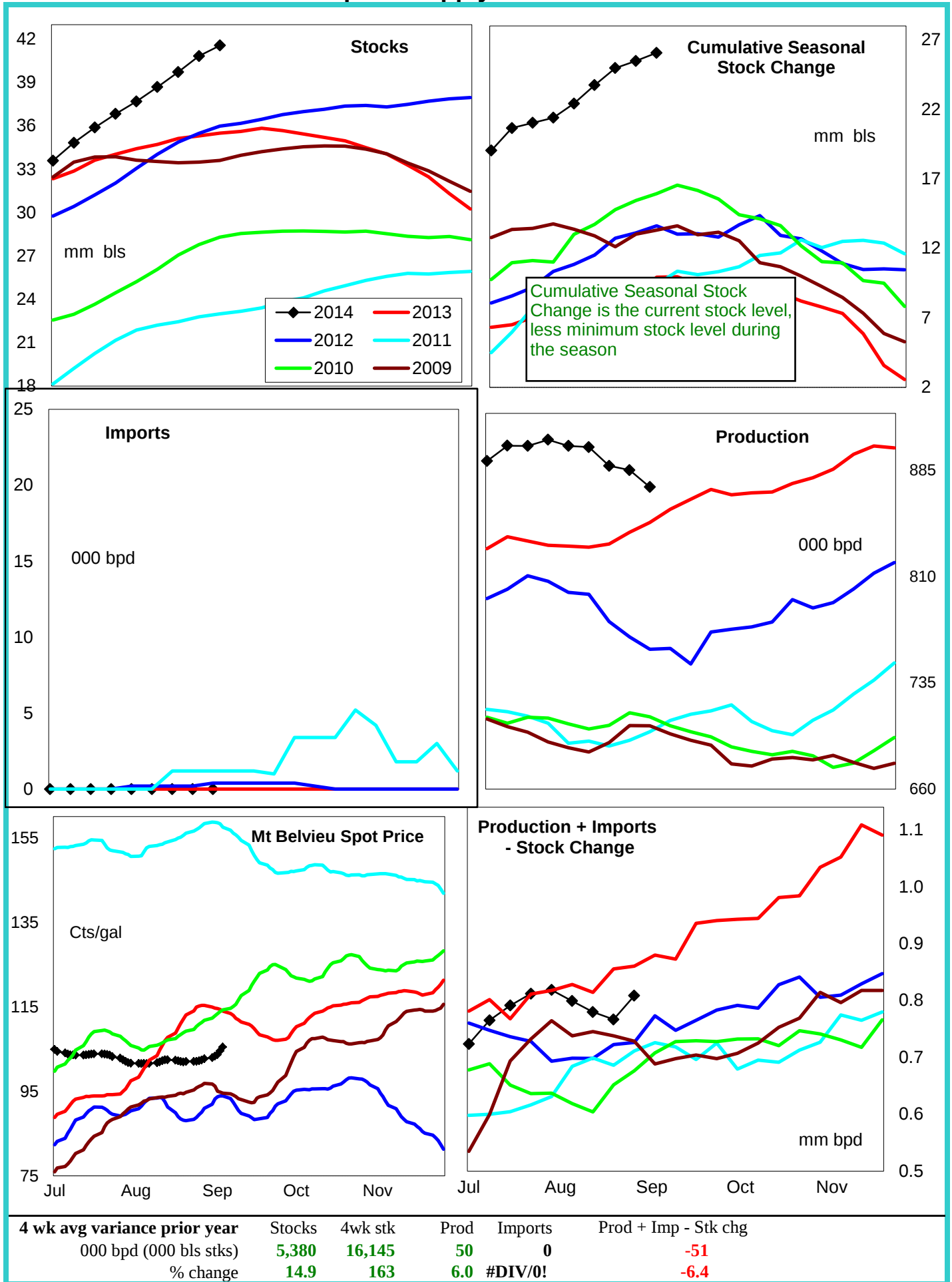
PADD 1 Propane Supply and Demand Balance



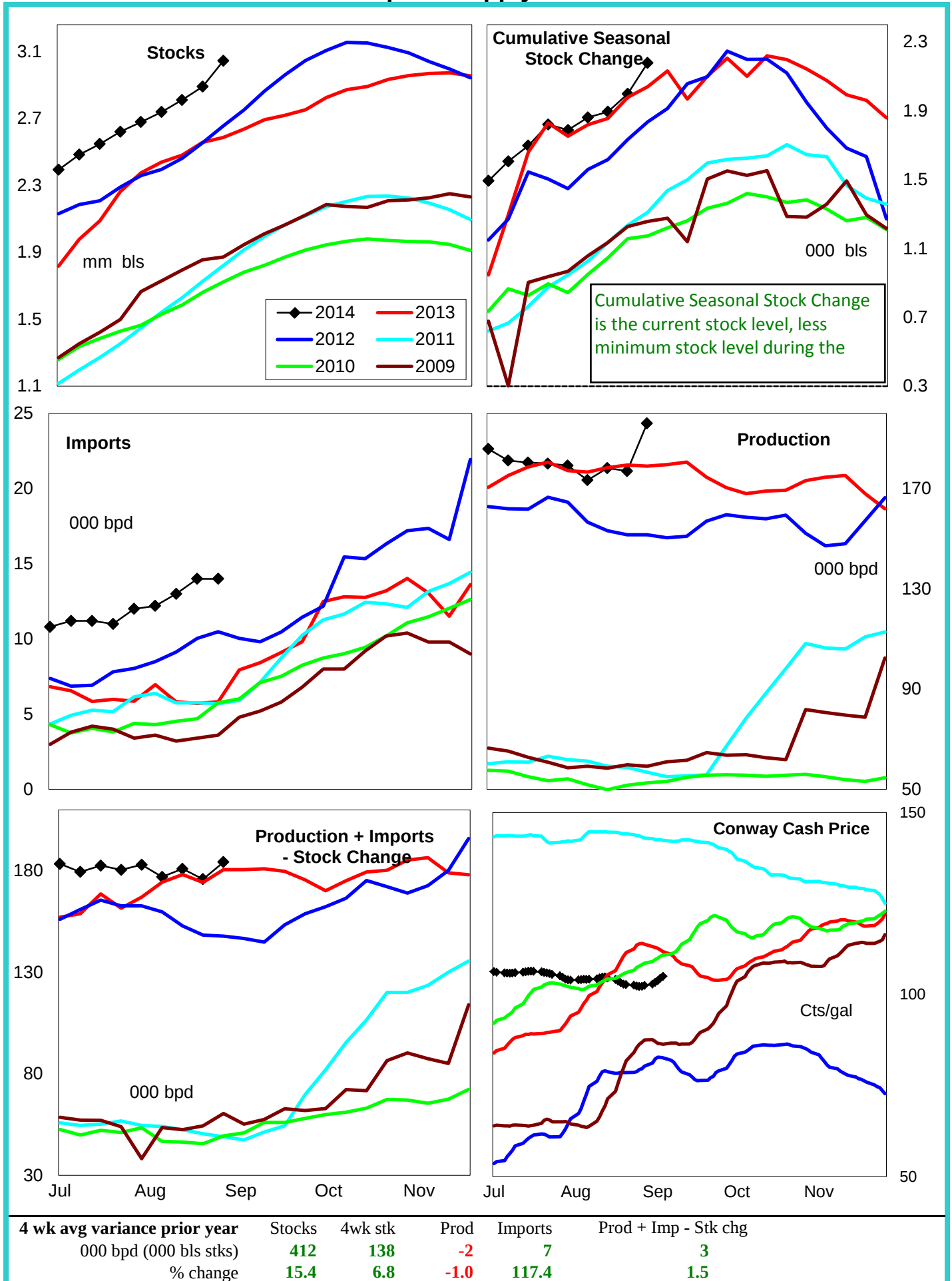
PADD 2 Propane Supply and Demand Balance



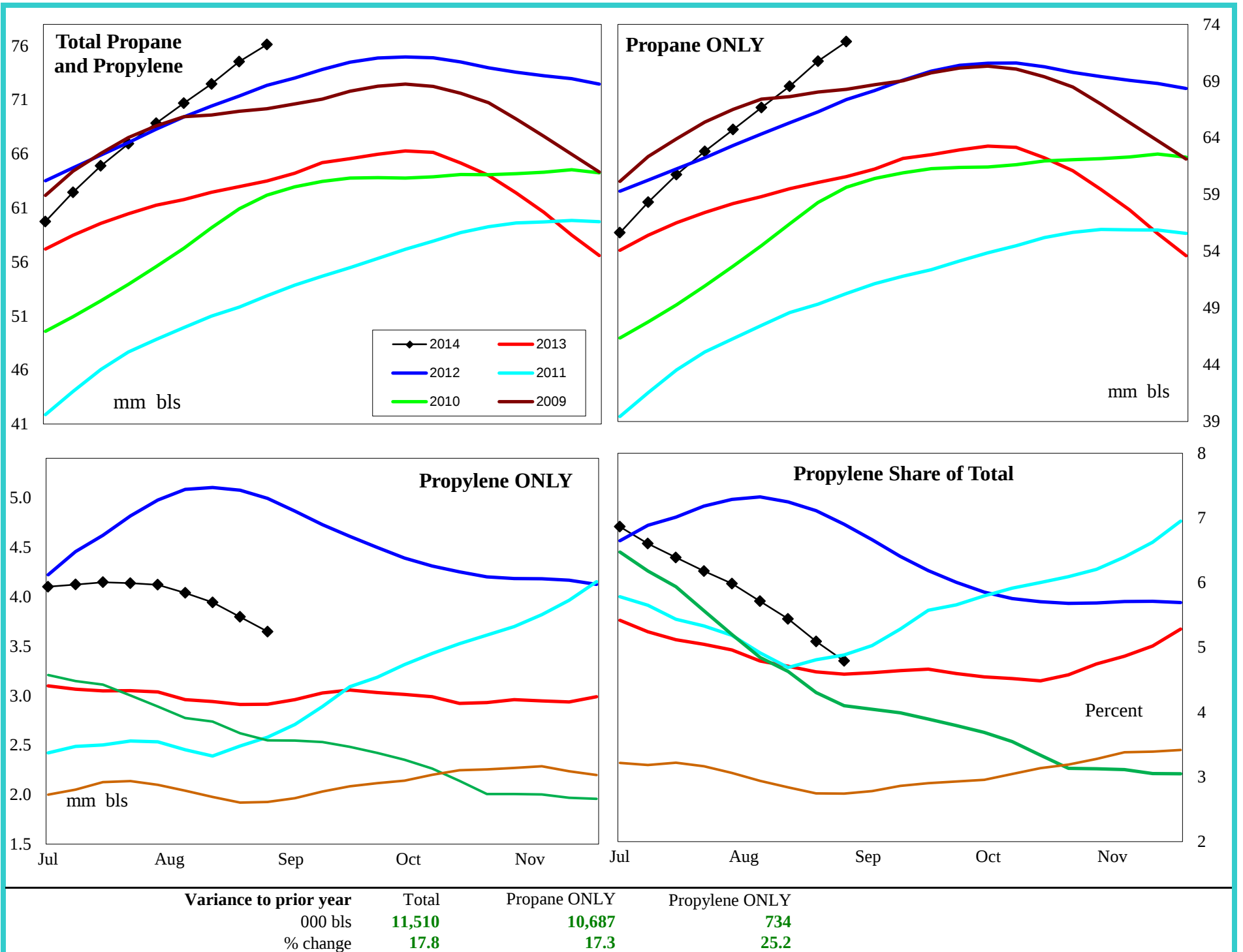
PADD 3 Propane Supply and Demand Balance



PADDs 4 and 5 Propane Supply and Demand Balance



U. S. Propane and Propylene Stocks



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

