



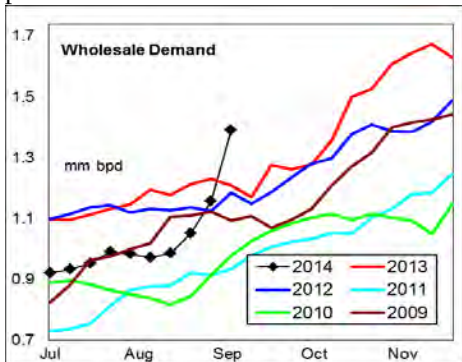
WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

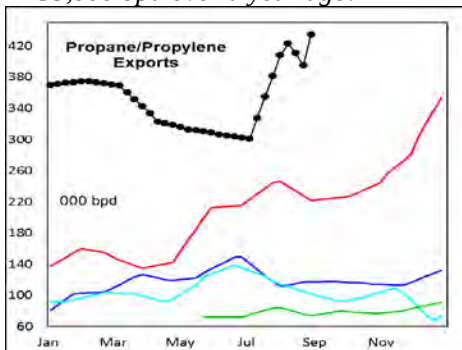
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com

Summary¹: ?

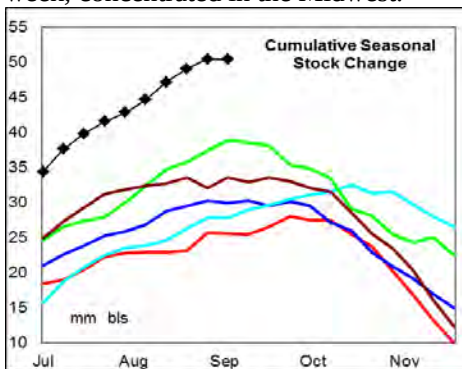
Wholesale demand increased +333,000 bpd last week, a record high for the period as distributors filled inventories.



Production increased +60,000 bpd on the week, concentrated in the East and Gulf Regions. Exports for the week ending 29Aug14 were 375,000 bpd, up +153,000 bpd over a year ago.



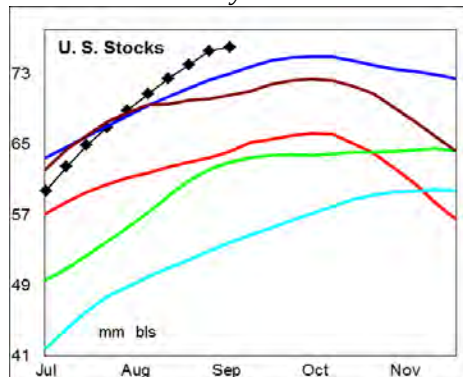
Imports increased +60,000 bpd last week, concentrated in the Midwest.



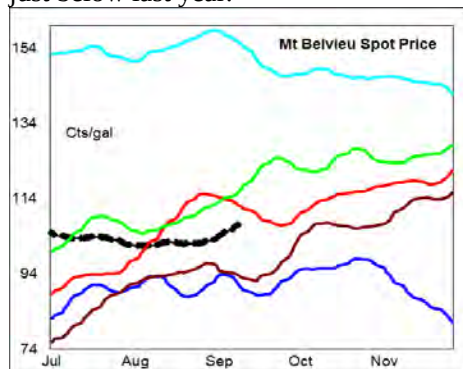
Combined production and imports during the latest 4-wk period were +139,000 bpd above a year ago. Production was +149,000 bpd above last year (+11%), while imports were -10,000 bpd lower. The latest 4-wk

average demand was -140,000 bpd below last year.

Stocks decreased -0.1 million barrels last week, an earlier than normal draw as distributors filled inventories. The cumulative seasonal stock build of +50.4 million barrels, was 2X the +25.5 million barrels last year.



Price and Spreads Mt Belvieu spot price increased +3.5 cpg last week ending 10Sep14, while Conway increased +2.5 cpg. Prices ended the week at a level just below last year.



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

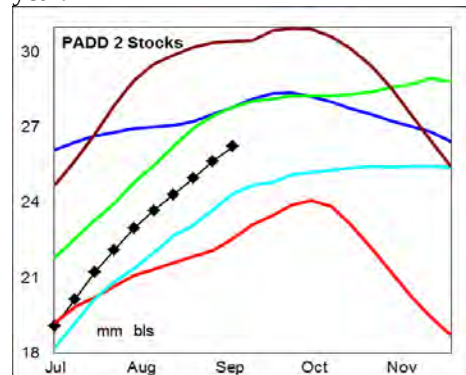
The propane to natural gas price spread traded sideways on the week, at a level well below the last 2-yrs.

The propane / crude oil price spread trended sharply higher last week on rising propane prices and falling crude oil.

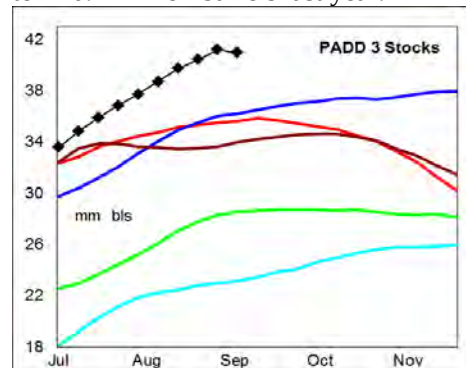
PADD 1 stocks declined -0.2 million barrels on the week, ending +2.4 million barrels above last year. Supply for the latest 4-wk period was +75,000 bpd above last year; driven by a 2X increase in production over a year ago.

PADD 2 stocks increased +0.6 million

barrels on the week. Imports jumped +67,000 bpd on the week to a record high for the period. Stock levels ended the week +4 million barrels above last year.



PADD 3 stocks fell -0.6 million barrels on the week, indicating an increase in exports. Supplies for the latest 4-wk period were +47,000 bpd above a year ago. The cumulative seasonal stock build of +25.4 million barrels compared to +10.4 million barrels last year.



PADDs 4 & 5 stocks were unchanged on the week, with the level above the 5-yr range.

Emerging Trends Stocks failed to build last week on a surge in wholesale demand and increased exports. Stock levels are near the seasonal peak, which usually occurs in the 1st half of October. While stock levels are above a year ago in the Midwest, and at record levels in the Gulf, look for very high grain drying demand and increased exports to support prices even in the face of lower global energy prices.

¹ Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary



September 11, 2014

Fundamental Trends for the Week Ending:

Friday, September 05, 2014

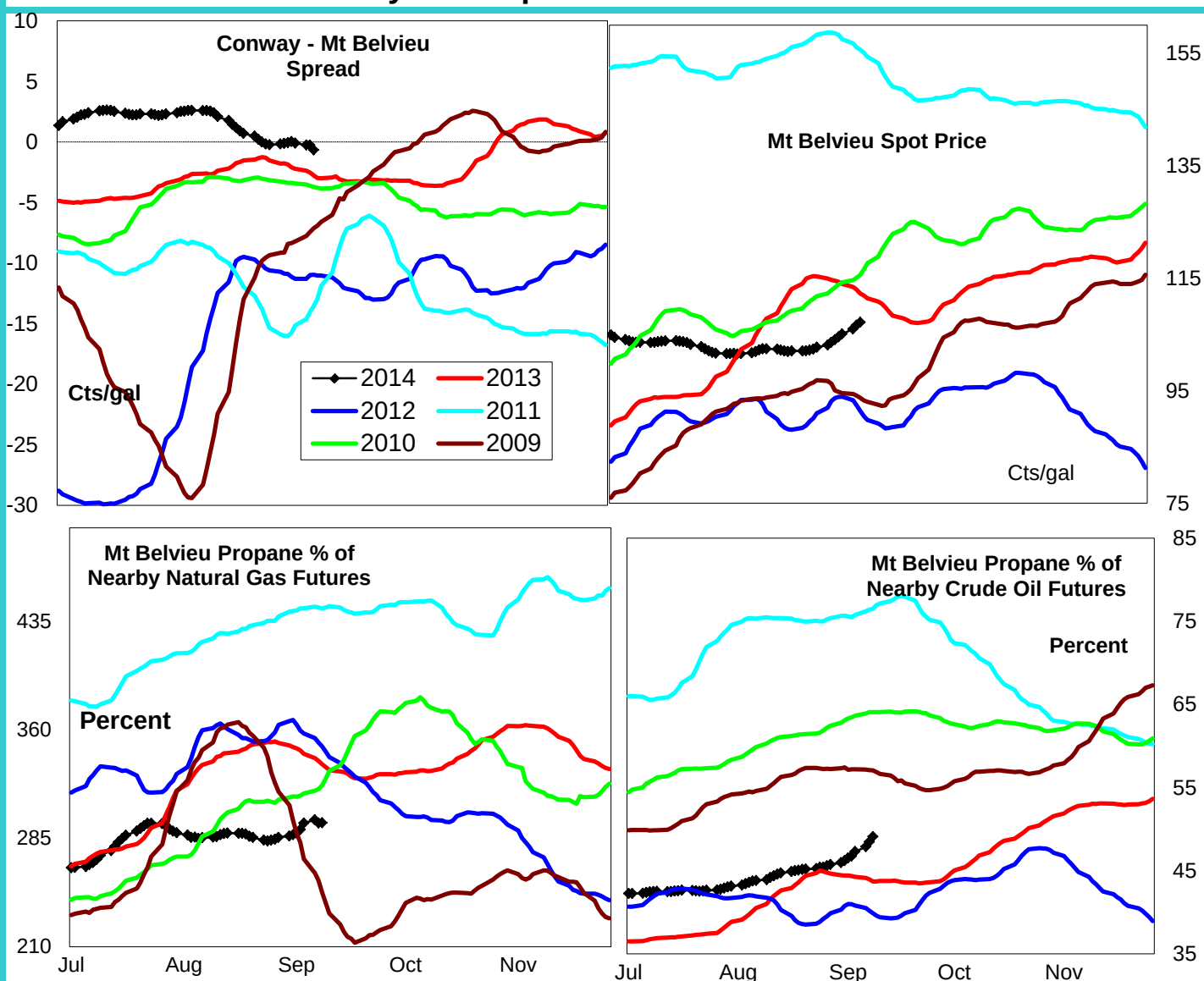
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD				U.S. Total	PADD			
		1	2	3	4&5		1	2	3	4&5
Stocks	76,046	5,728	26,228	40,960	3,130	-78	-162	638	-601	47
Propylene Stocks	3,545					-103				
Production	1,600	186	306	920	188	60	26	-5	47	-8
Imports	114	17	91	0	6	60	1	67	0	-8
Whsle Demand	1,350					333				

Price Trends for the Week Ending:

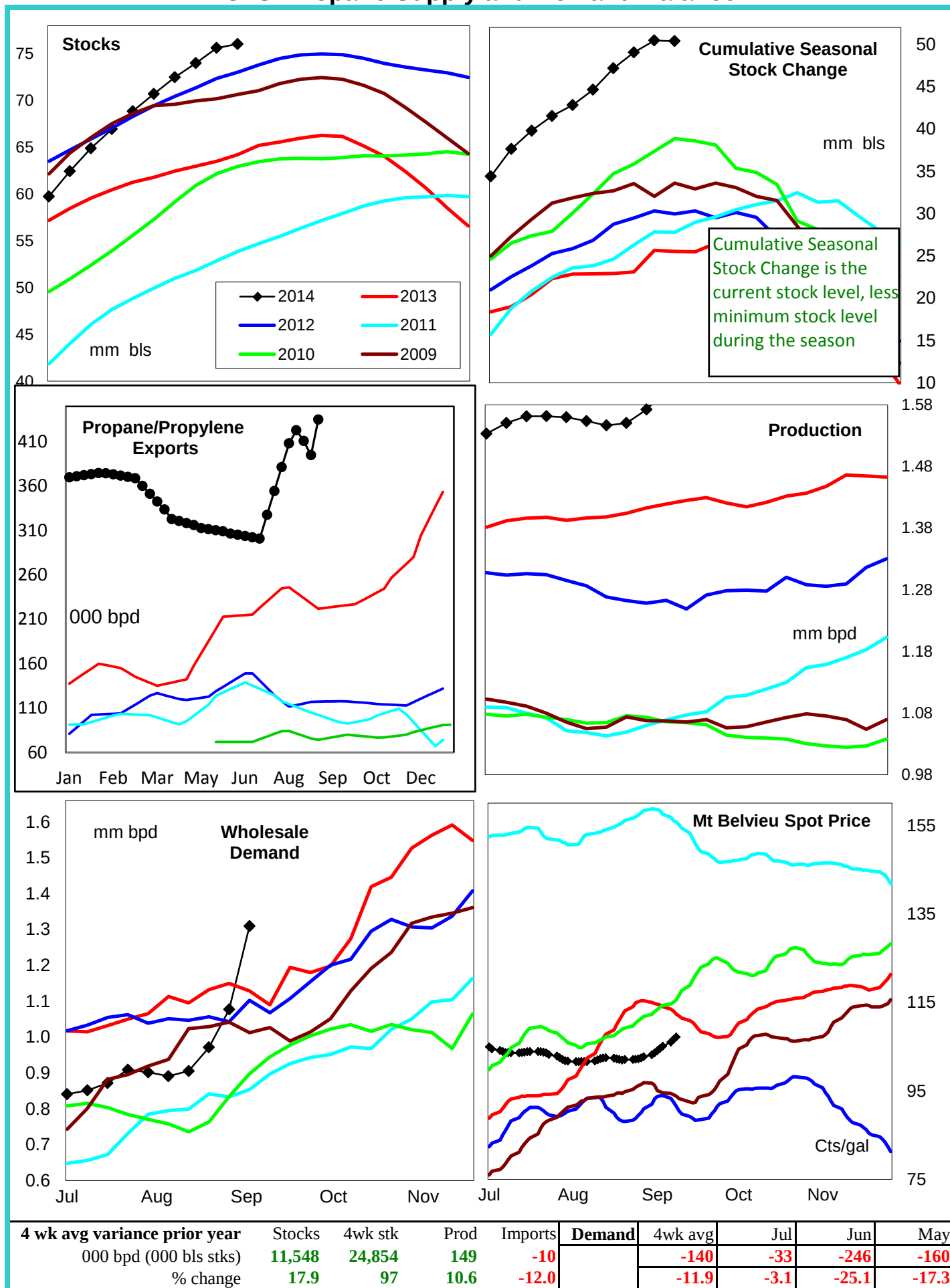
Friday, September 05, 2014

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	106.0	102.6	102.8	111.6	3.35	-0.16	-8.76	3.3	-0.2	-7.9
Conway Spot	105.7	102.9	105.3	109.0	2.87	-2.48	-3.62	2.8	-2.4	-3.3

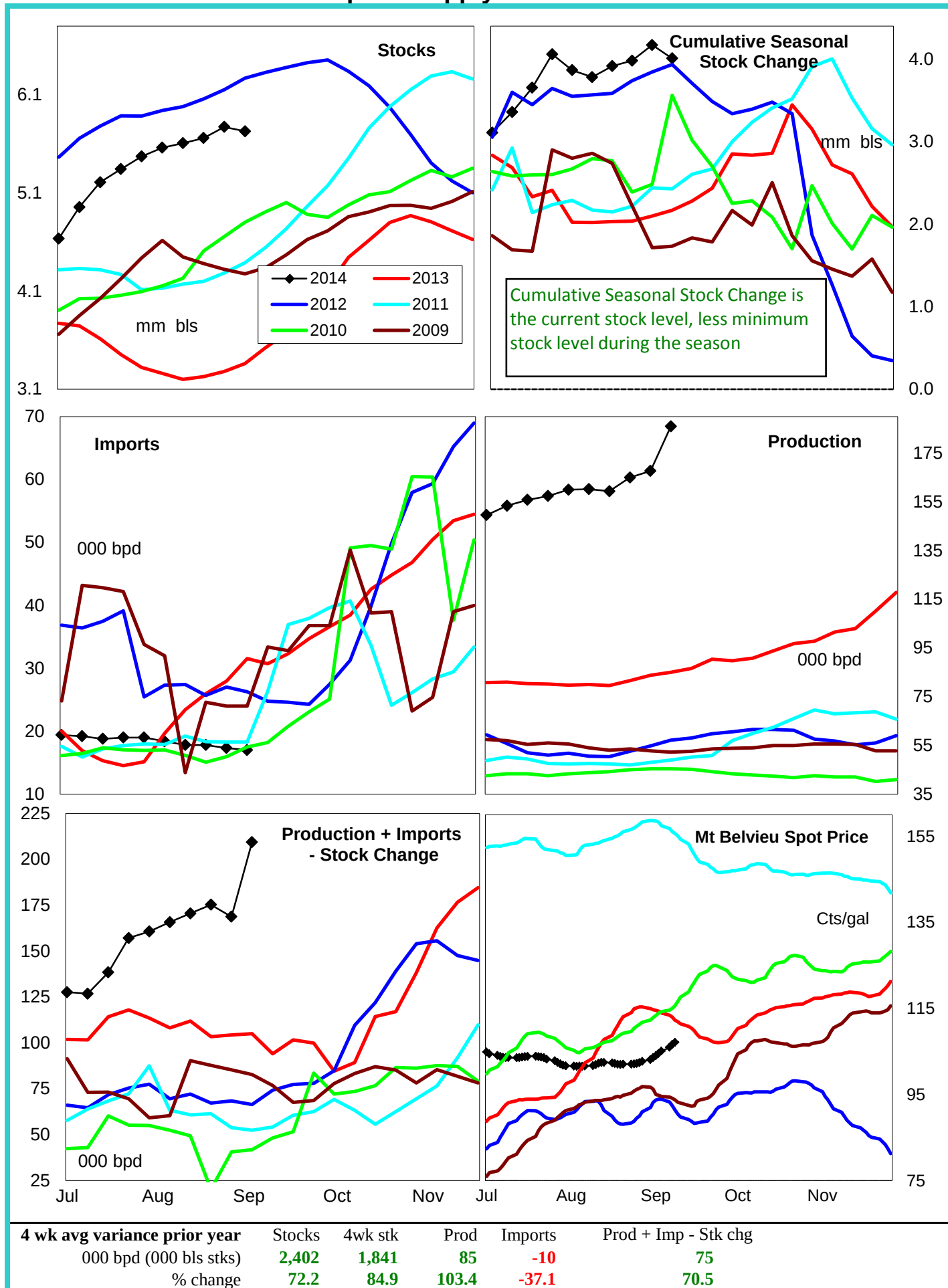
Key Price Spreads and Differentials



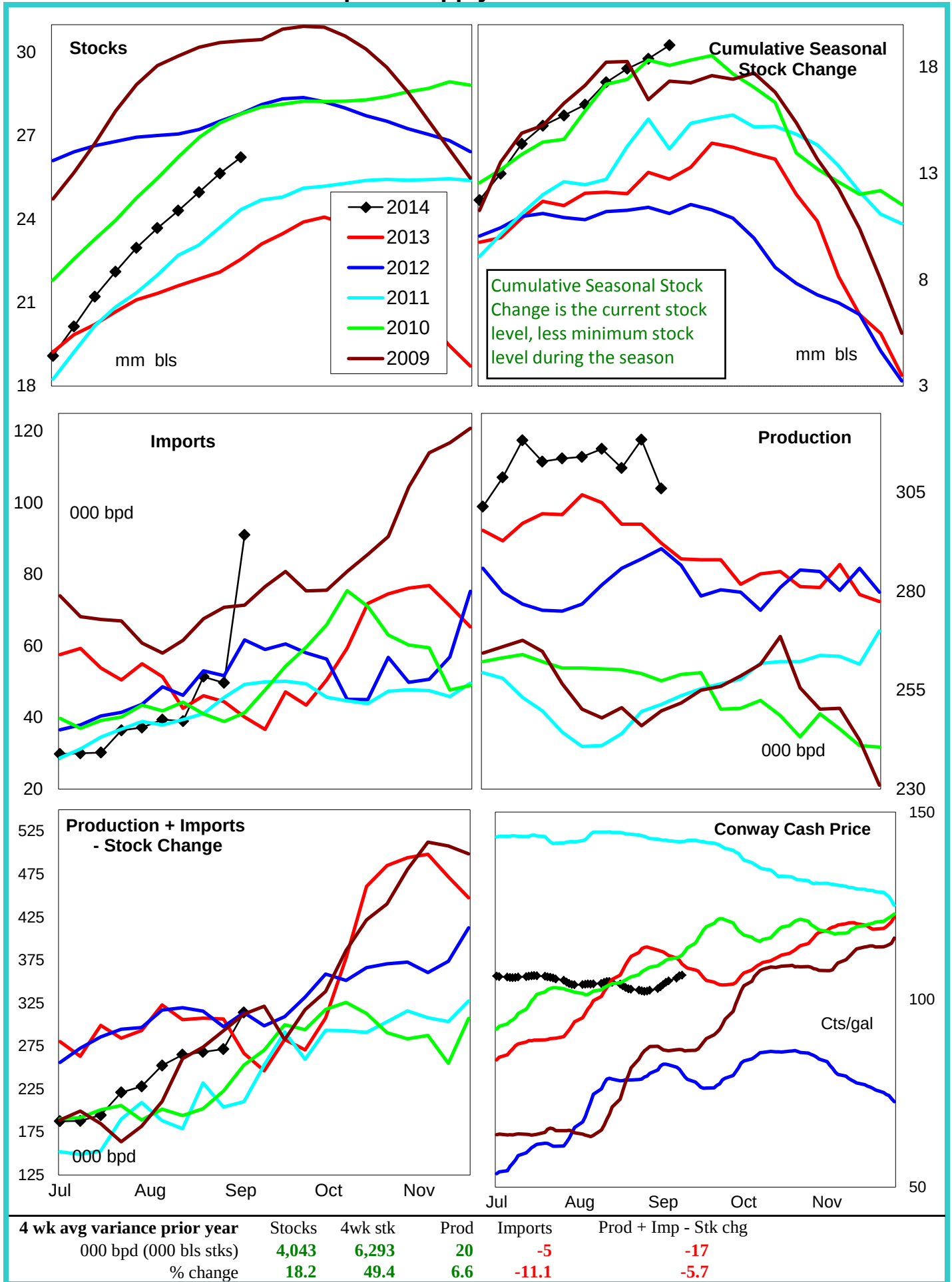
U. S. Propane Supply and Demand Balance



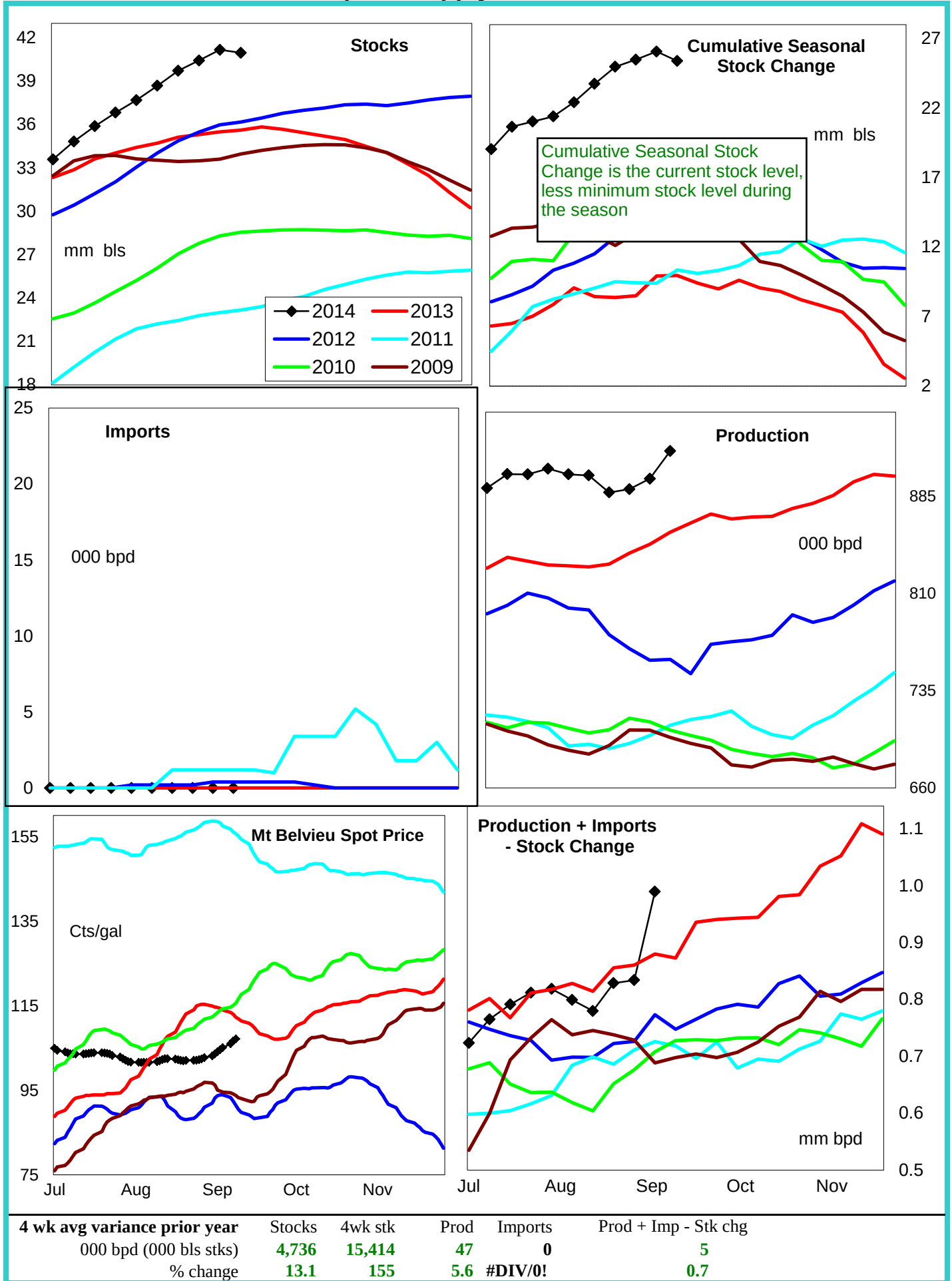
PADD 1 Propane Supply and Demand Balance



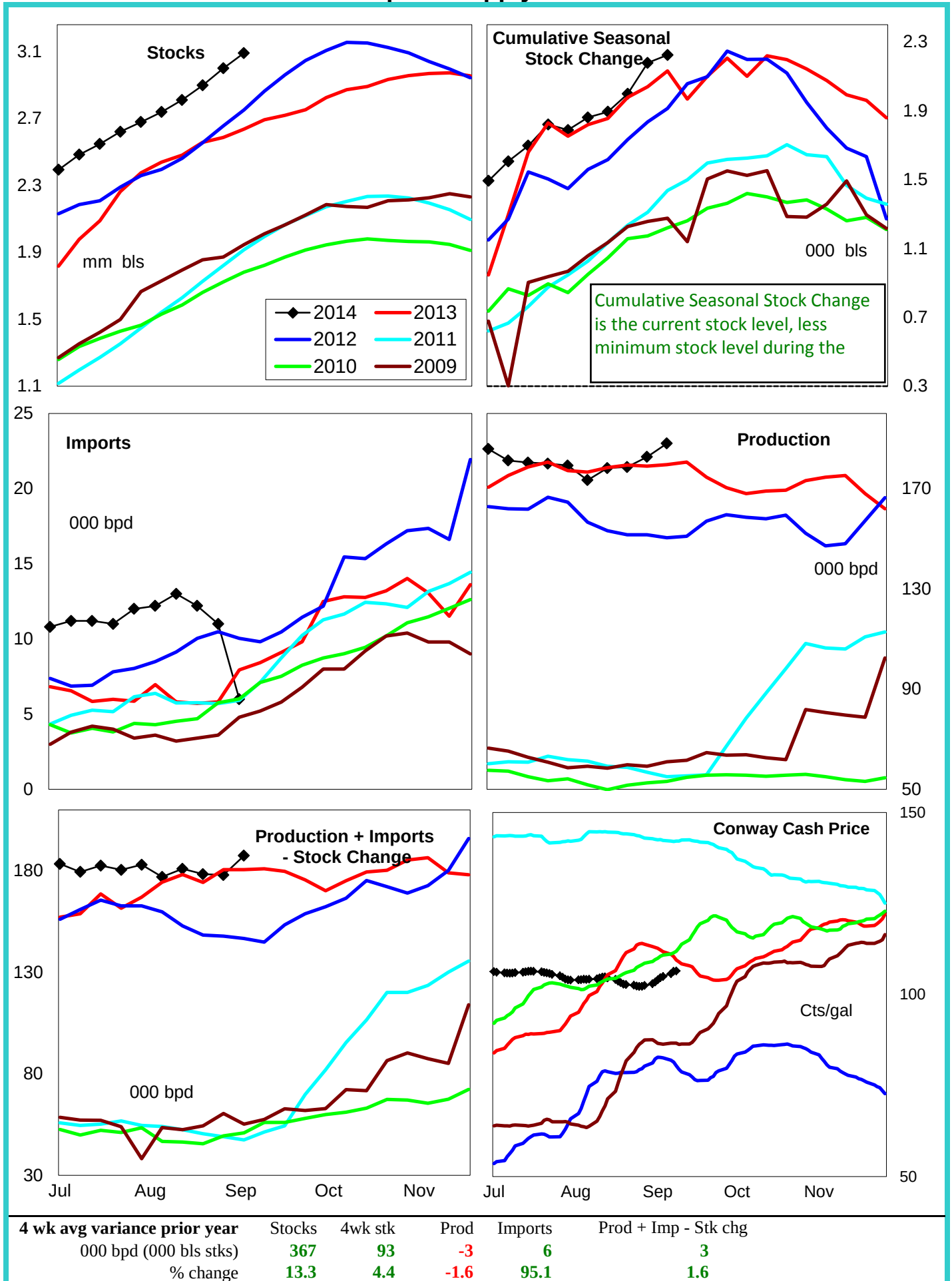
PADD 2 Propane Supply and Demand Balance



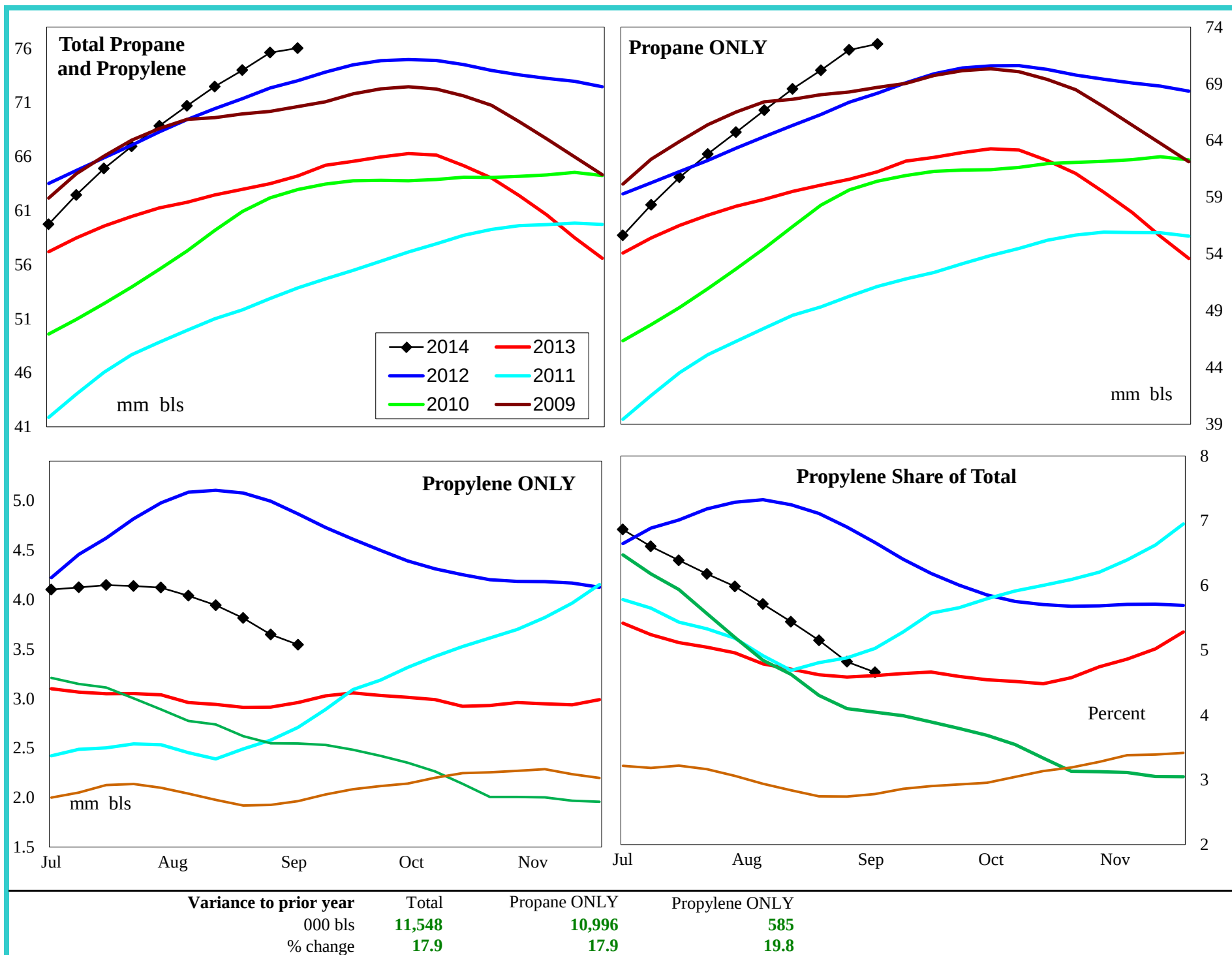
PADD 3 Propane Supply and Demand Balance



PADDs 4 and 5 Propane Supply and Demand Balance



U. S. Propane and Propylene Stocks



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

