



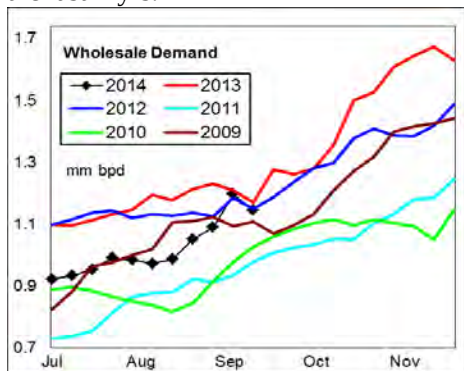
WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

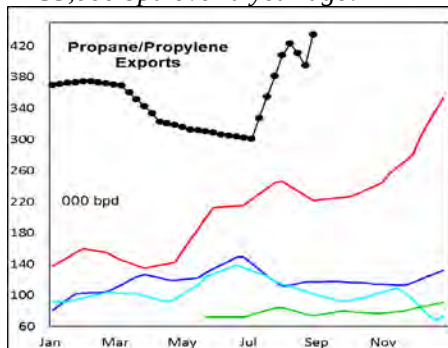
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com

Summary¹: ?

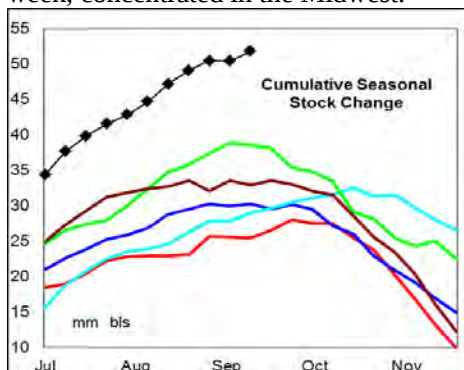
Wholesale demand decreased -246,000 bpd last week, to a level comparable to the last 2-yr.



Production increased +20,000 bpd on the week, concentrated in the Midwest Region. Exports for the week ending 29Aug14 were 375,000 bpd, up +153,000 bpd over a year ago.



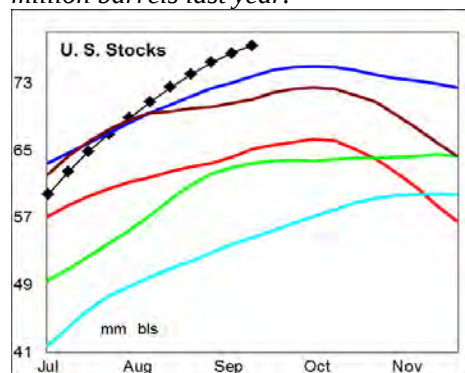
Imports decreased -56,000 bpd last week, concentrated in the Midwest.



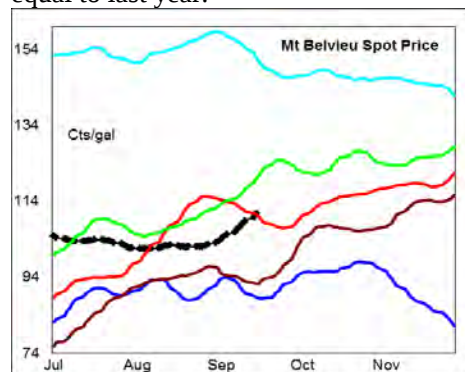
Combined production and imports during the latest 4-wk period were +166,000 bpd above a year ago. Production was +170,000 bpd above last year (+12%), while imports were -4,000

bpd lower. The latest 4-wk average demand was -60,000 bpd below last year.

Stocks increased +1.4 million barrels last week, lifting the level to a +20% increase over last year. The cumulative seasonal stock build of +52 million barrels, was 2X the +25.5 million barrels last year.



Price and Spreads Mt Belvieu spot price increased +4.5 cpg last week ending 16Sep14, while Conway increased +3.5 cpg. Prices ended the week at a level equal to last year.



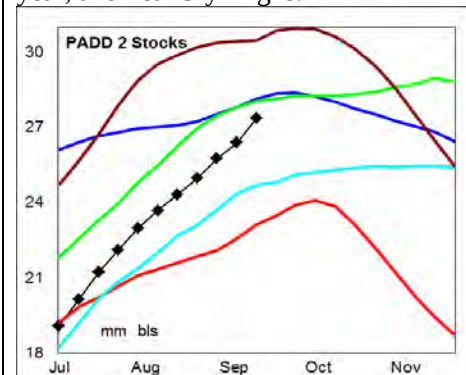
The Conway – Mt Belvieu price spread traded sideways last week, ending at a level above the 5-yr range.

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

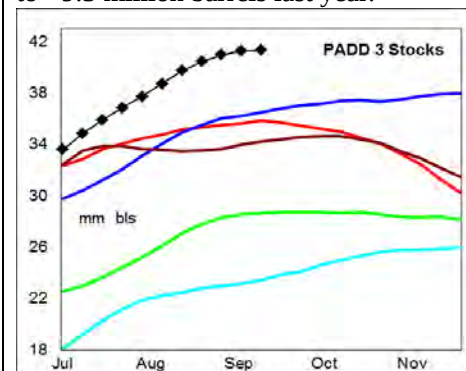
The propane / crude oil price spread trended sharply higher last week on rising propane prices and falling crude oil prices.

PADD 1 stocks declined -0.1 million barrels on the week, ending +2.2 million barrels above last year. Supply for the latest 4-wk period was +77,000 bpd above last year; driven by a 2.25X increase in production over a year ago.

PADD 2 stocks increased +1.1 million barrels on the week. Imports declined -63,000 bpd on the week to level below the historic range. Stock levels ended the week +4.6 million barrels above last year, and near 3-yr highs.



PADD 3 stocks increased +0.3 million barrels on the week, +5.6 million barrels above last year. Supplies for the latest 4-wk period were +51,000 bpd above a year ago. The cumulative seasonal stock build of +25.7 million barrels compared to +9.3 million barrels last year.



PADDs 4 & 5 stocks increased +0.1 million barrels on the week, to a new record level for the period.

Emerging Trends Stocks extended the seasonal build last week, concentrated in the Midwest region. Stock levels are near the seasonal peak, which usually occurs in the 1st half of October. While stock levels are above the last 3-yr 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 17, 2014

Fundamental Trends for the Week Ending:

Friday, September 12, 2014

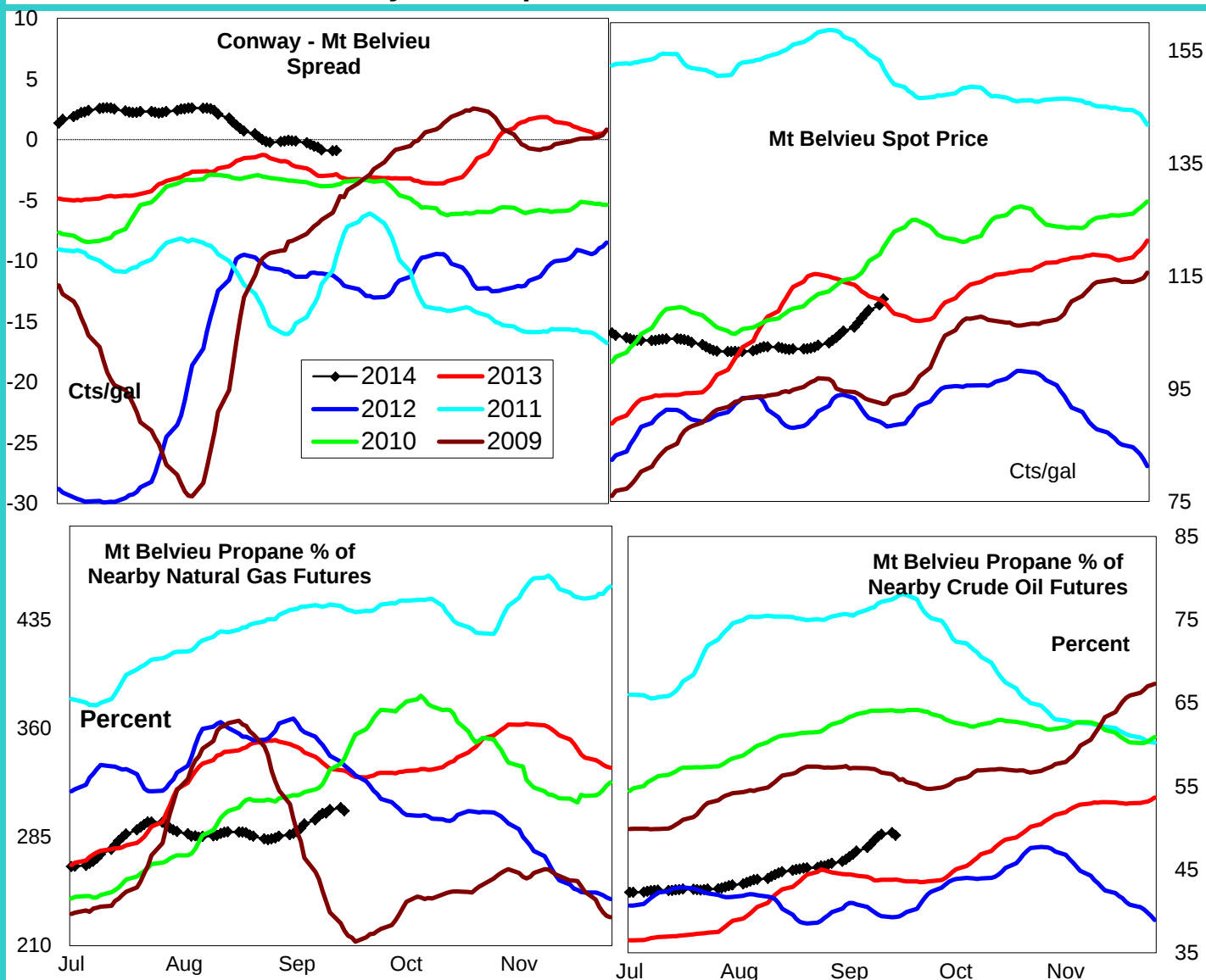
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD				U.S. Total	PADD			
		1	2	3	4&5		1	2	3	4&5
Stocks	77,438	5,609	27,349	41,285	3,195	1,392	-119	1,121	325	65
Propylene Stocks	3,293					-252				
Production	1,620	191	326	912	191	20	5	20	-8	3
Imports	58	19	28	0	11	-56	2	-63	0	5
Whsle Demand	1,104					-246				

Price Trends for the Week Ending:

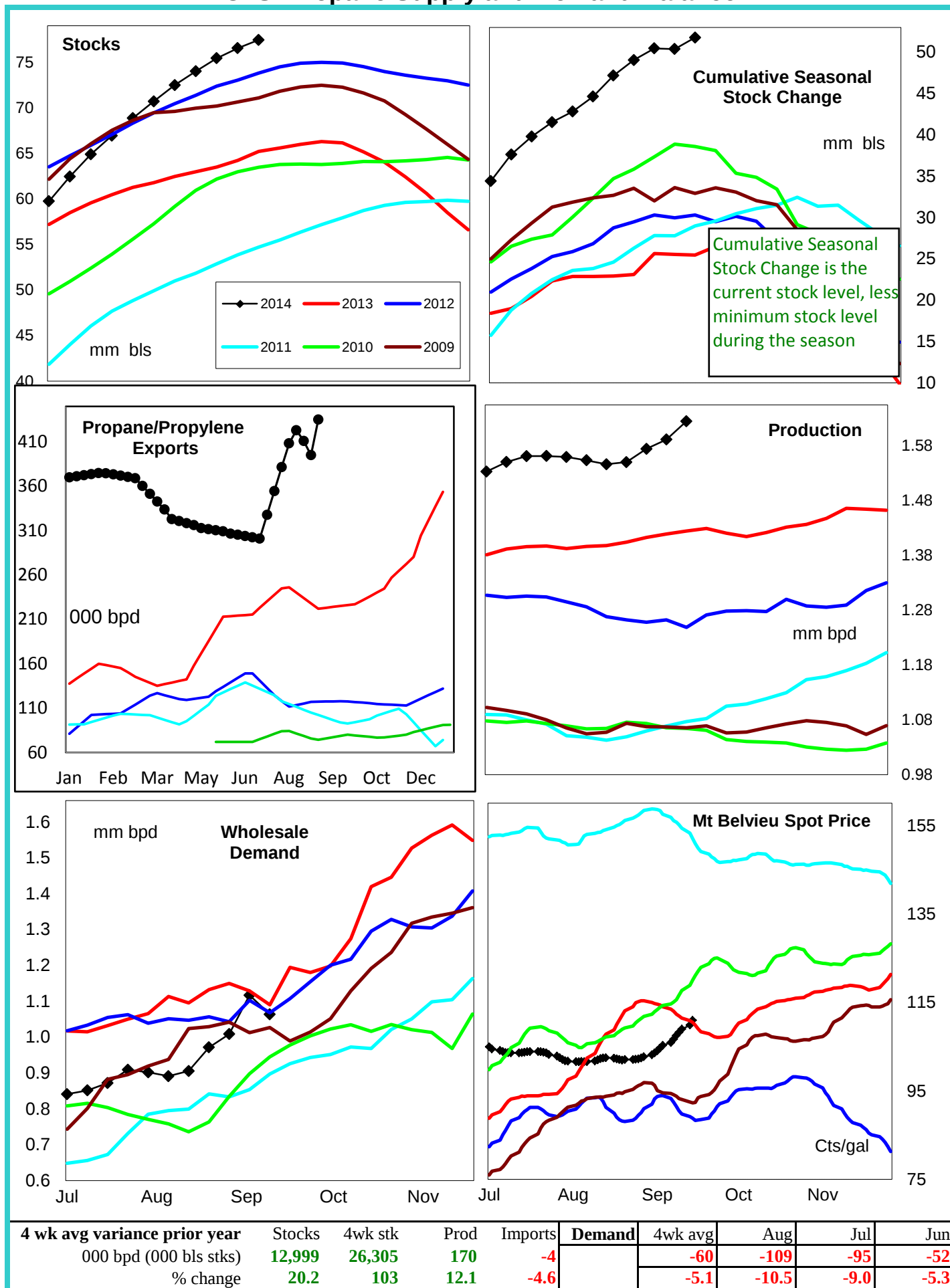
Tuesday, September 16, 2014

Cents/gal	Average for week ending:				Change from:			% change from:		
	9/16/14	9/9/14	8/19/14	9/19/13	9/9/14	8/19/14	9/19/13	9/9/14	8/19/14	9/19/13
Mont Belvieu Spot	108.9	105.3	102.3	113.6	3.64	3.04	-11.29	3.5	3.0	-9.9
Conway Spot	108.1	105.2	105.1	110.8	2.86	0.15	-5.73	2.7	0.1	-5.2

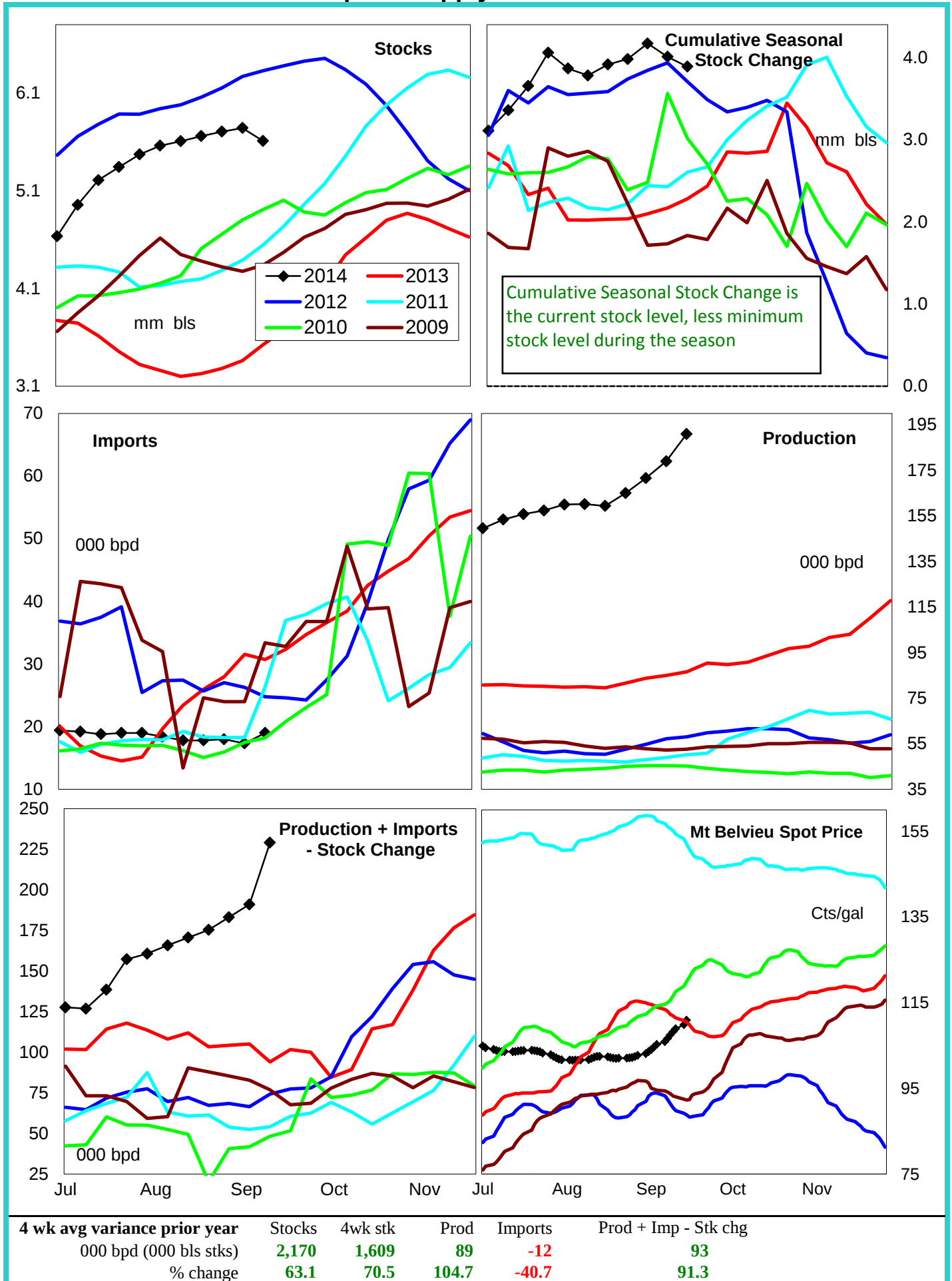
Key Price Spreads and Differentials



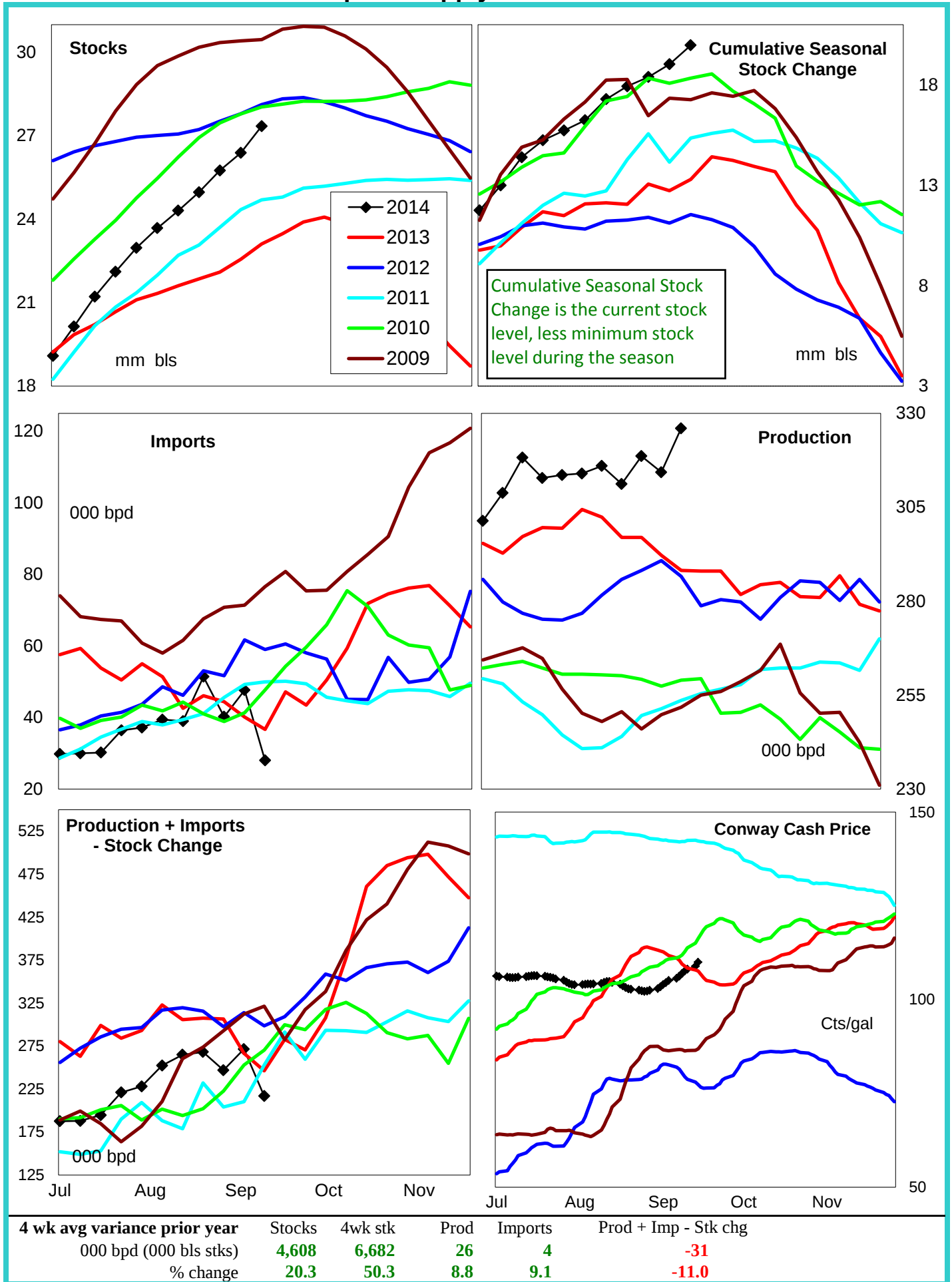
U. S. Propane Supply and Demand Balance



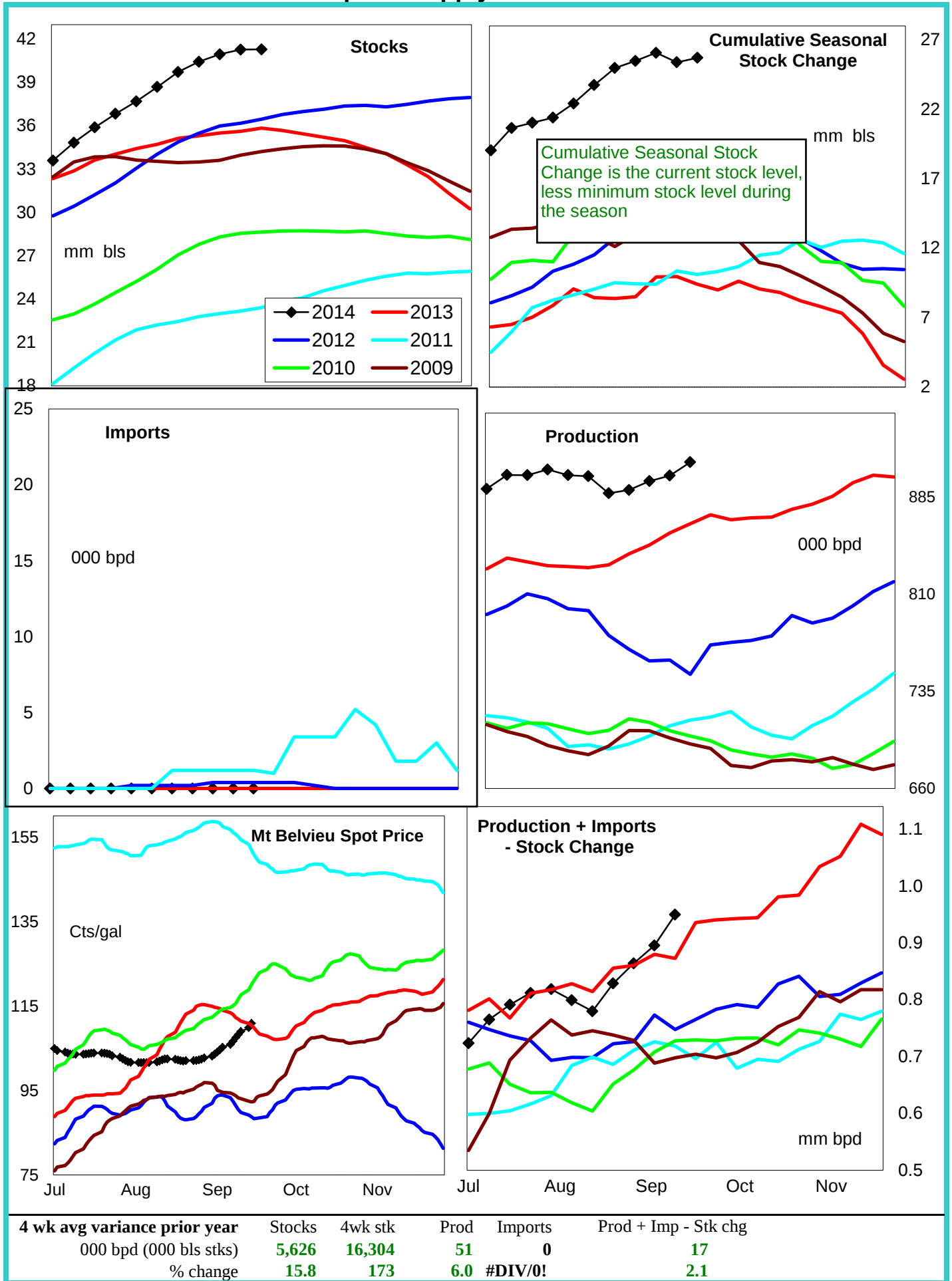
PADD 1 Propane Supply and Demand Balance



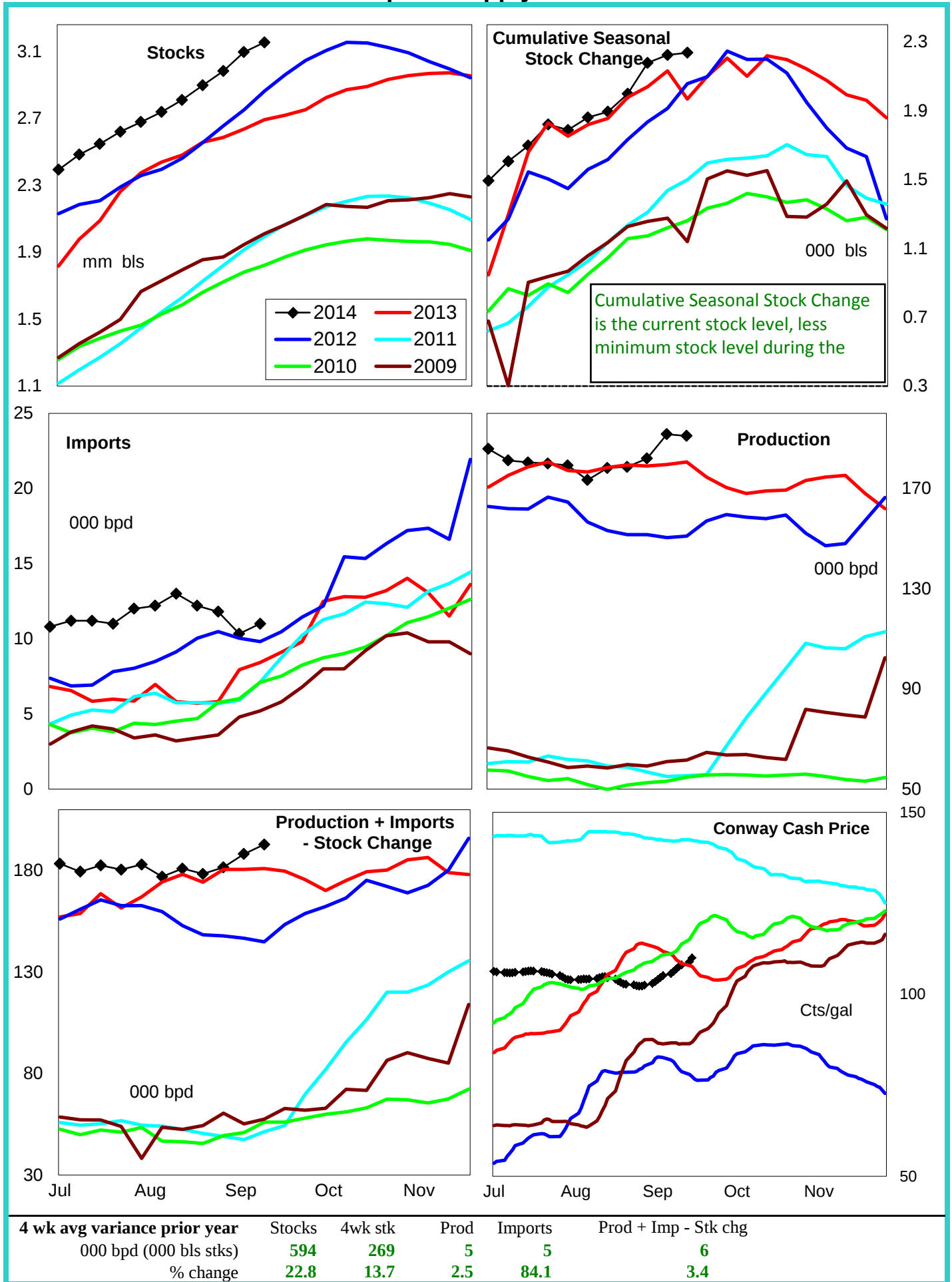
PADD 2 Propane Supply and Demand Balance



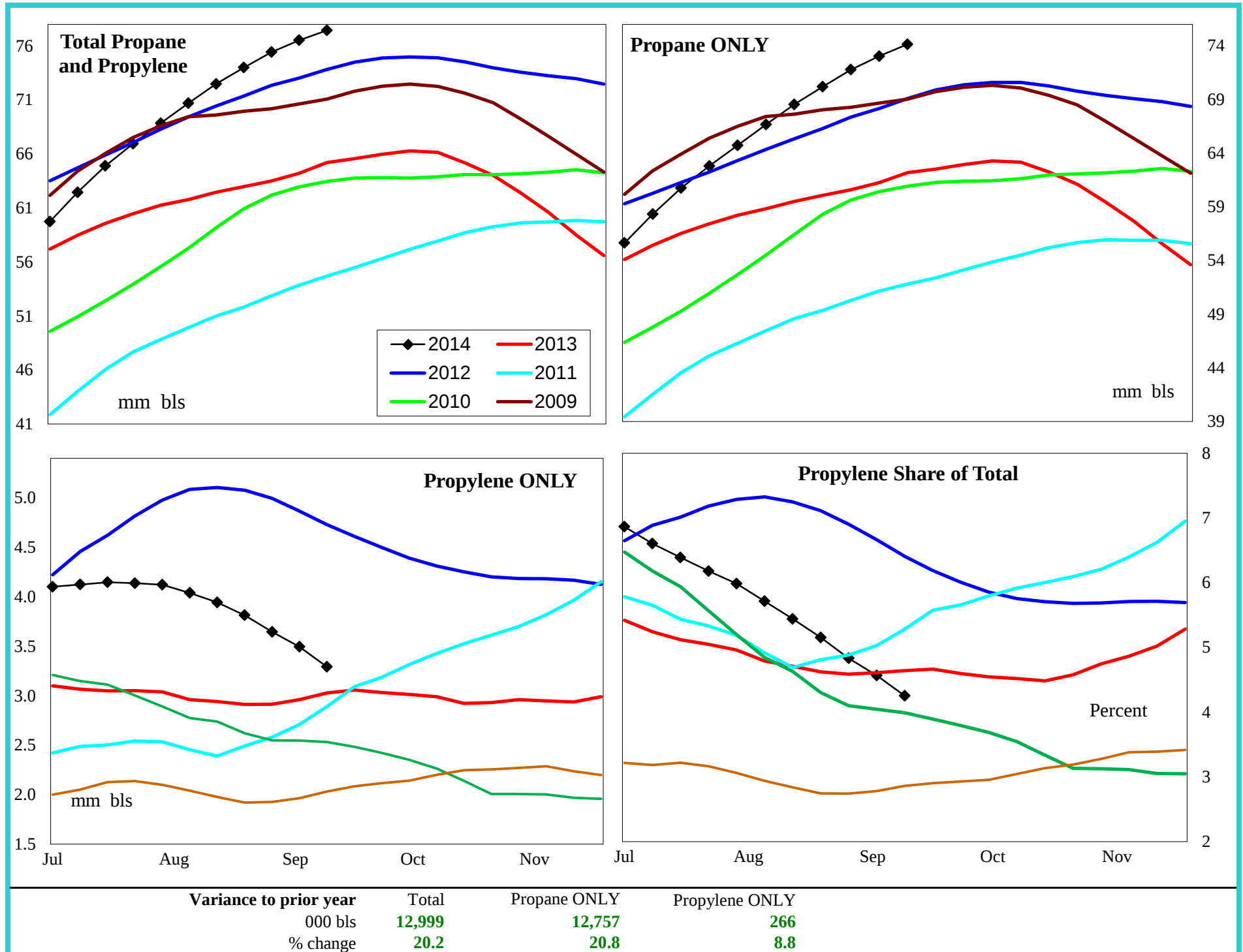
PADD 3 Propane Supply and Demand Balance



PADDs 4 and 5 Propane Supply and Demand Balance



U. S. Propane and Propylene Stocks



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

