



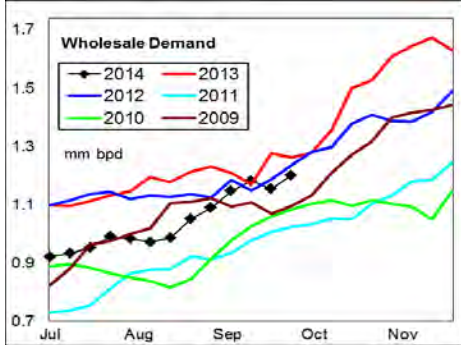
WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

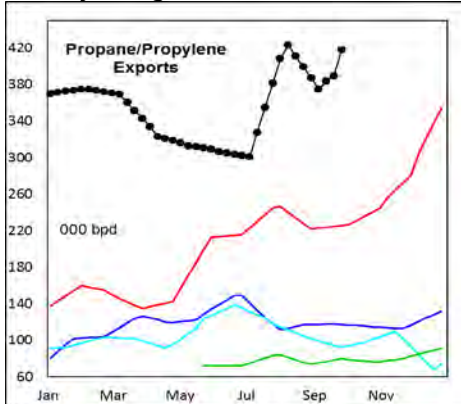
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com

Summary¹ ?

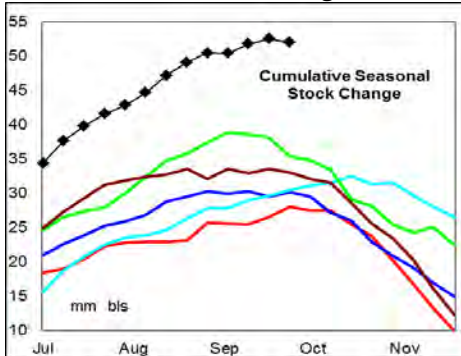
Wholesale demand increased +85,000 bpd last week, at a level below the last 2-yr.



Production fell -53,000 bpd on the week, concentrated in the Midwest and Gulf. Exports for the week ending 26Sep14 were 418,000 bpd, up +190,000 bpd over a year ago.



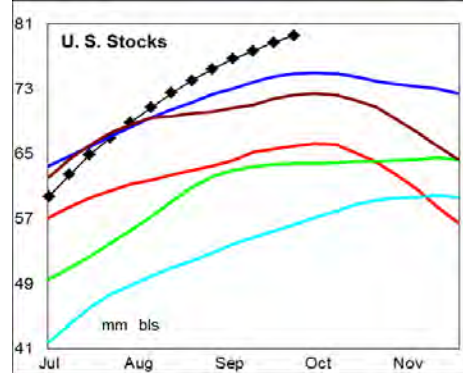
Imports increased +4,000 bpd last week, concentrated in the West Region.



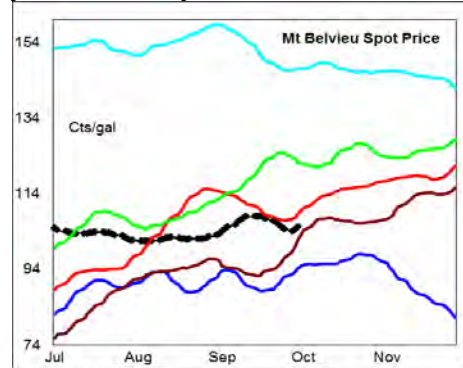
Combined production and imports during the latest 4-wk period were +176,000 bpd above a year ago. Production was +185,000 bpd above last

year (+13%), while imports were -9,000 bpd lower. The latest 4-wk average demand was -22,000 bpd below last year.

Stocks increased +0.4 million barrels last week, lifting the level to a +19% increase over last year. The cumulative seasonal stock build of +52 million barrels, was nearly 2X the +28 million barrels last year.



Price and Spreads Mt Belvieu spot price decreased -1 cpg last week ending 01Oct14, while Conway increased +2.5 cpg. Prices ended the week at a level just below last year.



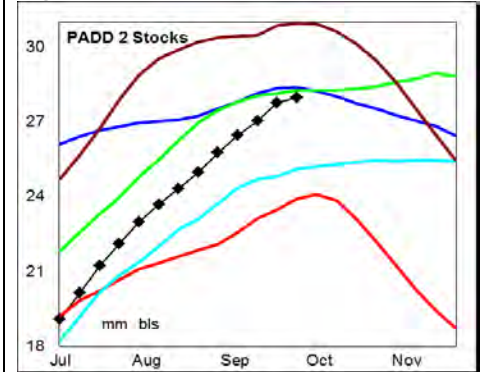
The Conway – Mt Belvieu price spread trended higher last week, ending at a level above the 5-yr range.

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

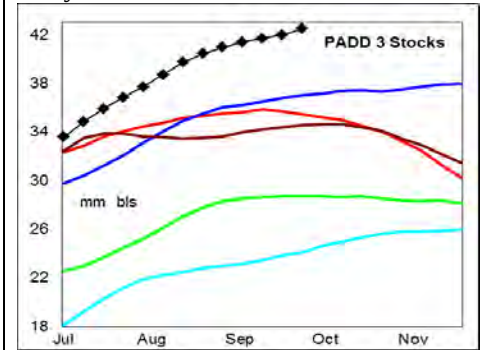
The propane / crude oil price spread traded sideways on the week ending at a level above the last 2-yr.

PADD 1 stocks increased +0.2 million barrels on the week, ending +1.9 million barrels above last year. Supply for the latest 4-wk period was +92,000 bpd above last year; driven by a 2.2X increase in production over a year ago.

PADD 2 stocks were unchanged on the week. Production decreased -21,000 bpd last week with the latest 4-wk average +29,000 bpd above last week. Stock levels ended the week +3.7 million barrels above last year, and near 3-yr highs.



PADD 3 stocks increased +0.3 million barrels on the week, with the level +6.6 million barrels above last year. Supplies for the latest 4-wk period were +35,000 bpd above a year ago. The cumulative seasonal stock build of +26.2 million barrels compared to +9.6 million barrels last year.



PADDs 4 & 5 stocks were unchanged on the week, with the level at a 5-yr high.

Emerging Trends Production for the latest 4-wk period was +185,000 bpd above a year ago. Midwest spot price spread to Mt Belvieu has increased to a record high for this time of year in favor of the Midwest as fall grain drying demand begins. Look for a seasonal uptrend on grain drying demand and start of fall heating during the current month.

¹ Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary



October 1, 2014

Fundamental Trends for the Week Ending:

Friday, September 26, 2014

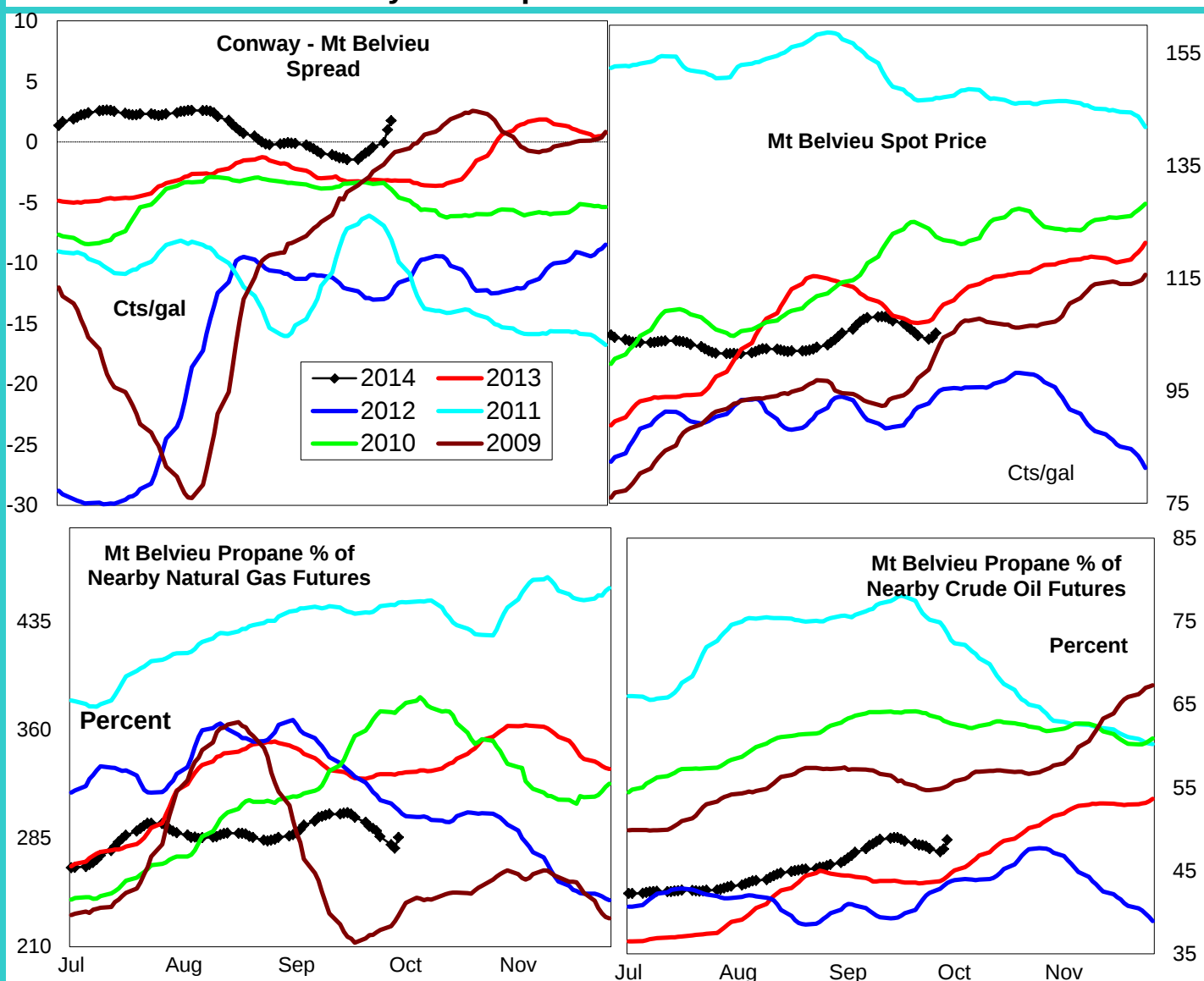
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD				U.S. Total	PADD			
		1	2	3	4&5		1	2	3	4&5
Stocks	79,560	5,873	27,955	42,455	3,277	443	196	-22	269	0
Propylene Stocks	2,832					-290				
Production	1,585	192	309	882	202	-53	-4	-21	-16	-12
Imports	57	18	20	0	19	4	-6	4	0	6
Whsle Demand	1,161					85				

Price Trends for the Week Ending:

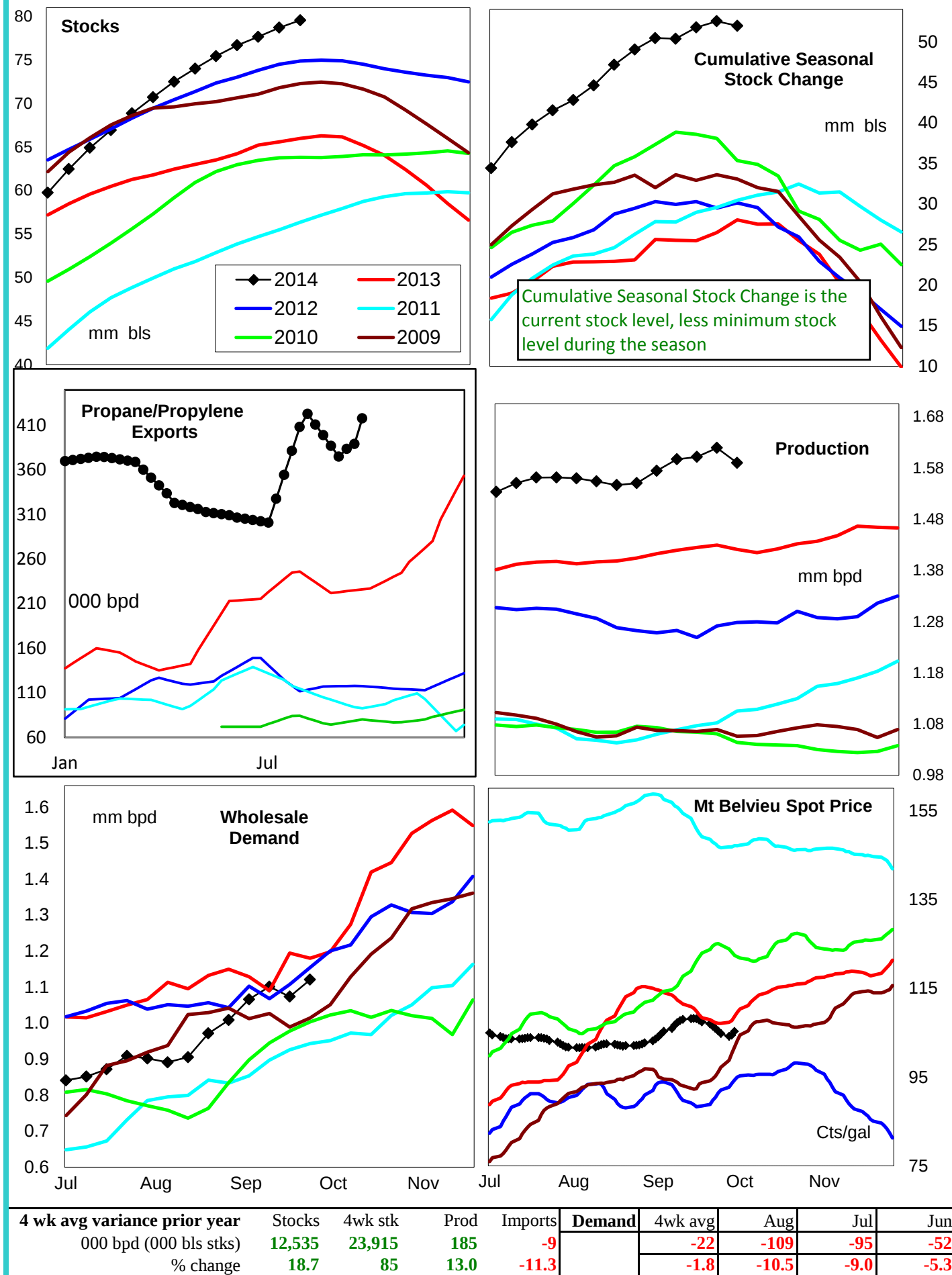
Wednesday, September 24, 2014

Cents/gal	Average for week ending:				Change from:			% change from:		
	9/24/14	9/17/14	8/27/14	9/27/13	9/17/14	8/27/14	9/27/13	9/17/14	8/27/14	9/27/13
Mont Belvieu Spot	104.1	107.2	102.6	107.7	-3.03	4.53	-5.09	-2.8	4.4	-4.7
Conway Spot	104.1	105.5	102.9	104.7	-1.40	2.63	-1.80	-1.3	2.6	-1.7

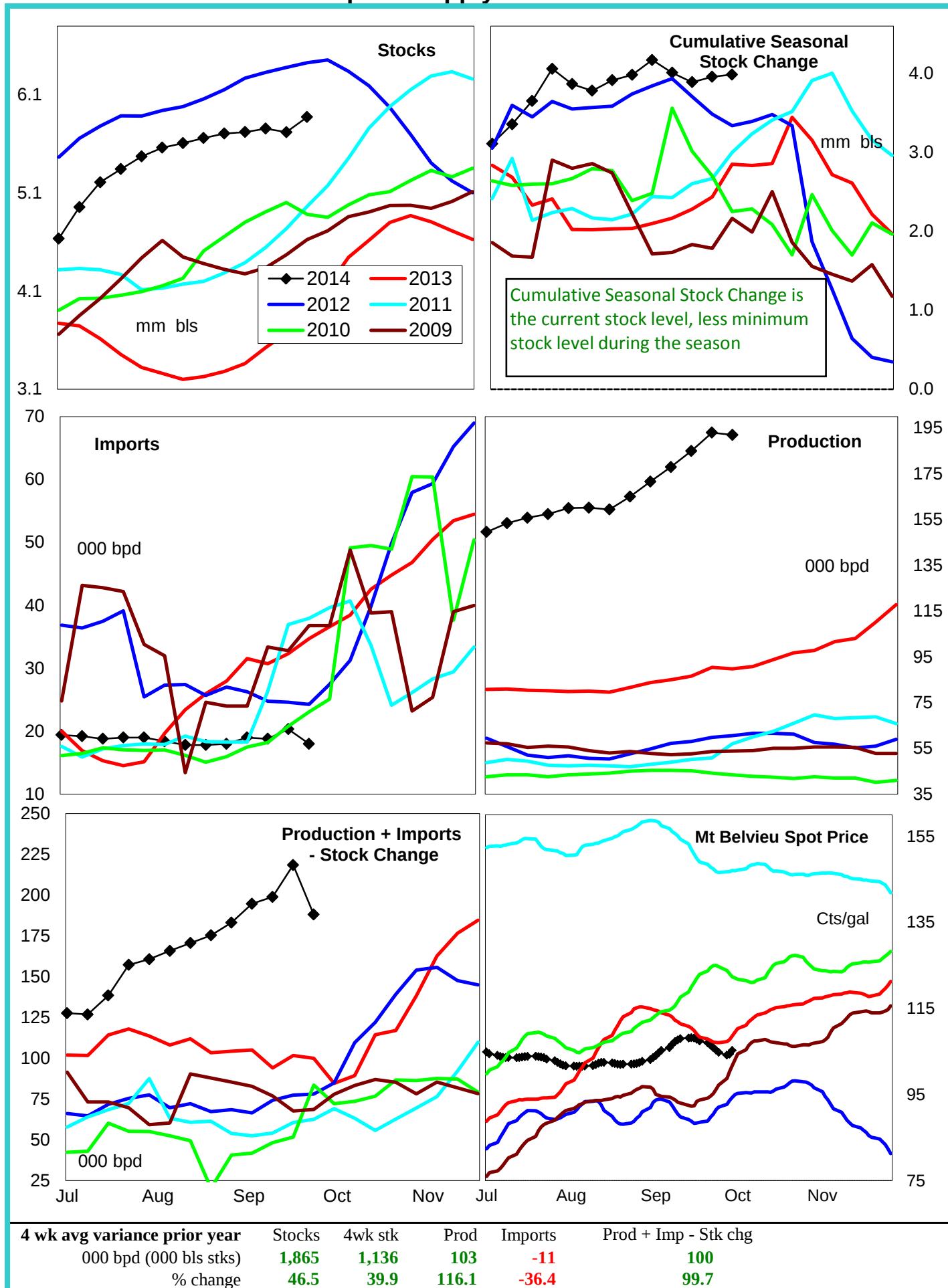
Key Price Spreads and Differentials



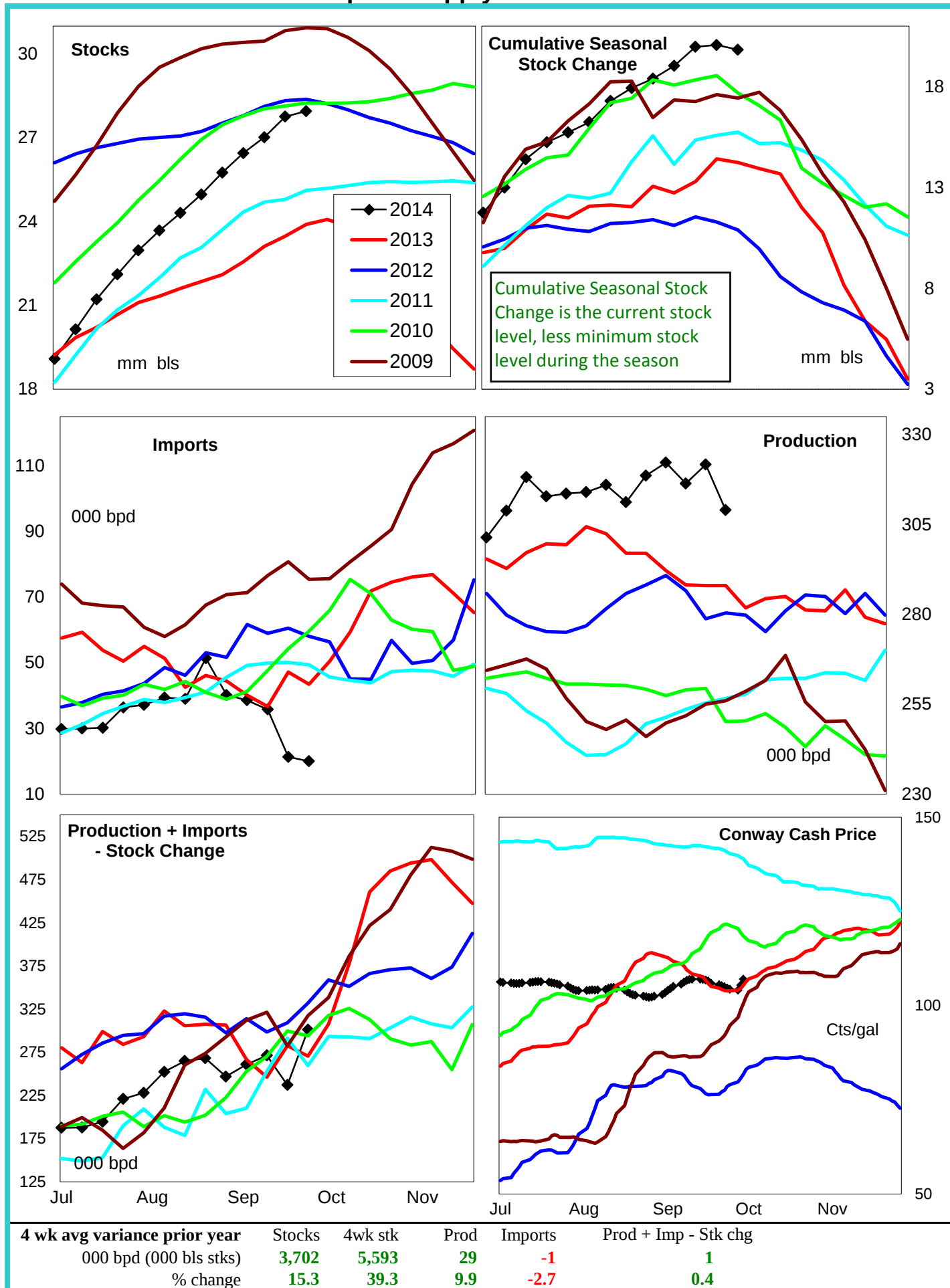
U. S. Propane Supply and Demand Balance



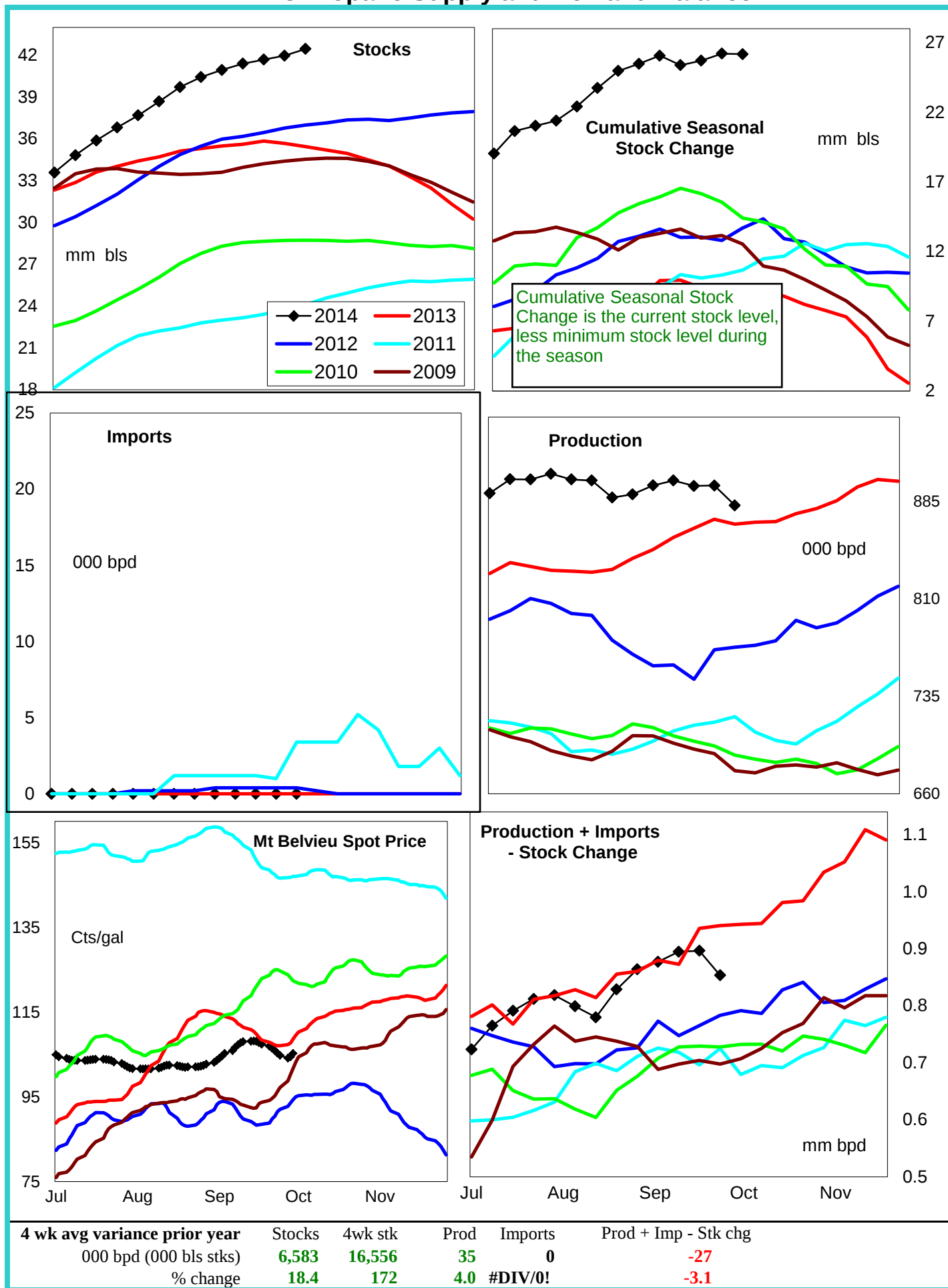
PADD 1 Propane Supply and Demand Balance



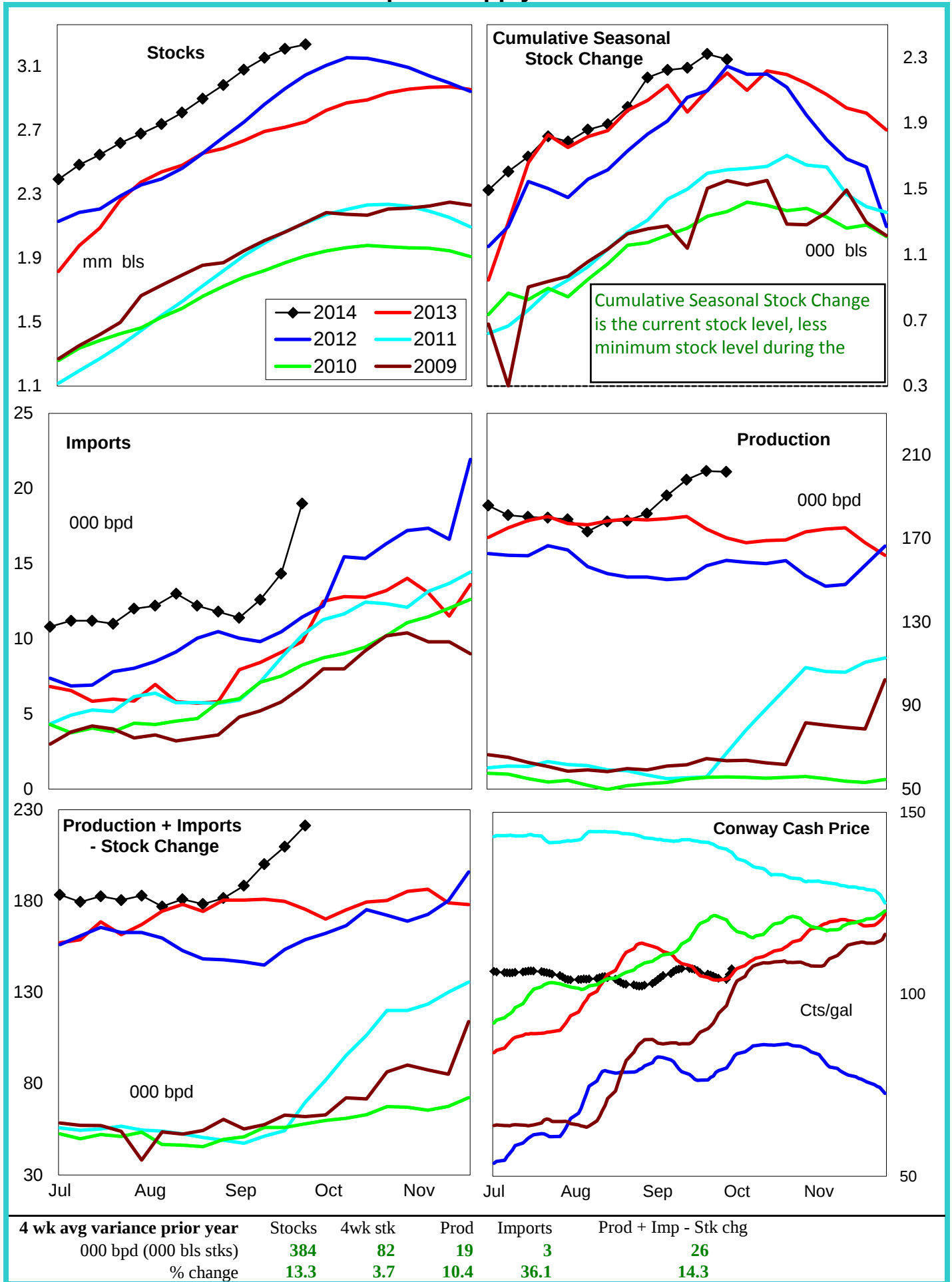
PADD 2 Propane Supply and Demand Balance



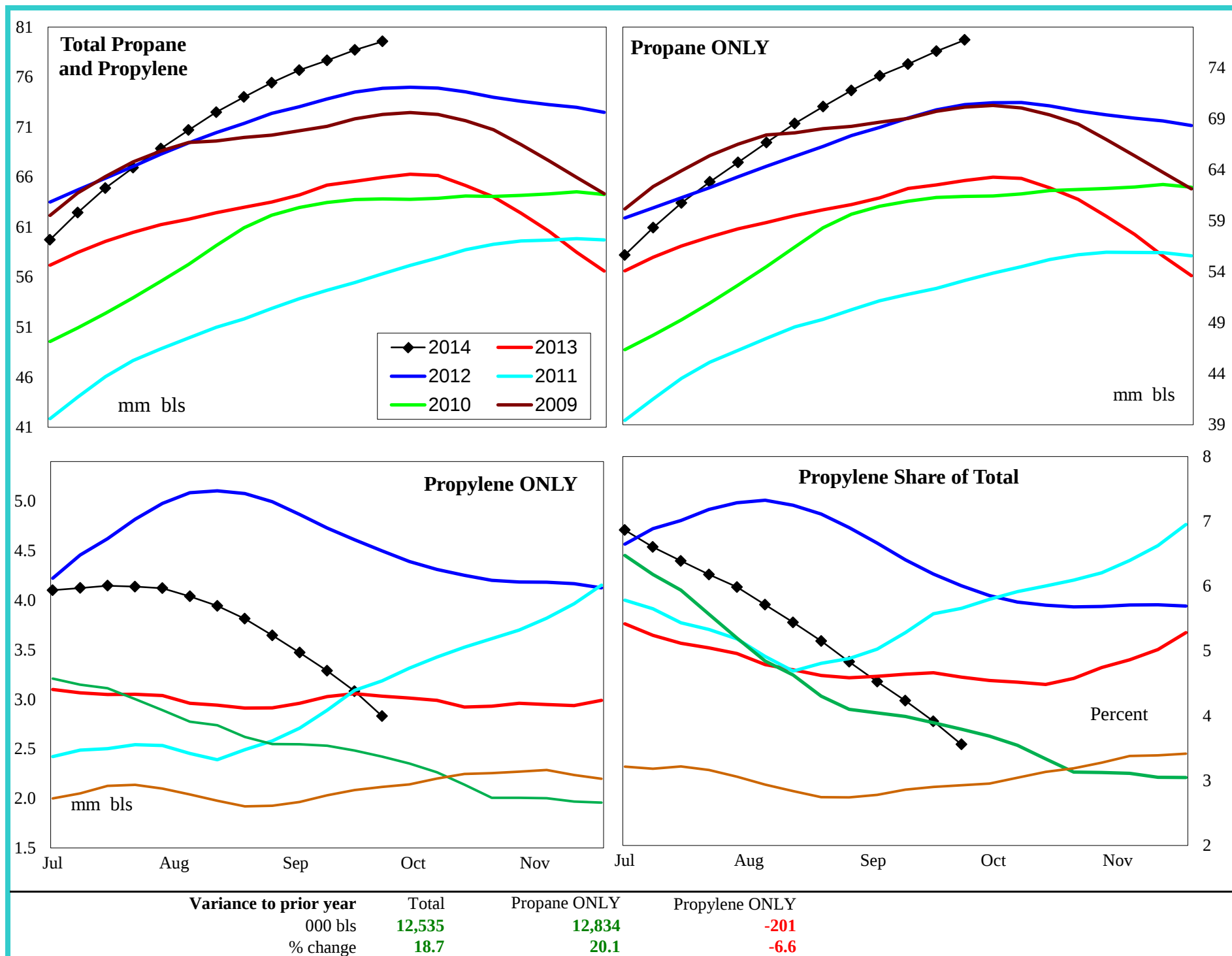
PADD 3 Propane Supply and Demand Balance



PADDs 4 and 5 Propane Supply and Demand Balance



U. S. Propane and Propylene Stocks



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

