FUNDAMENTAL PETROLEUM TRENDS

WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

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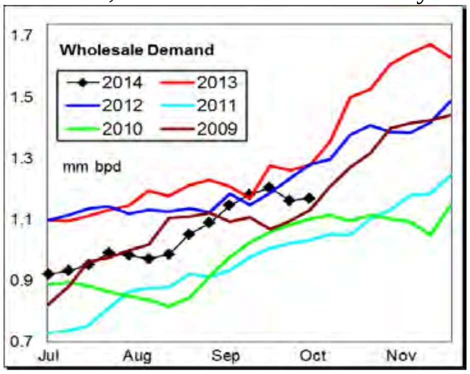
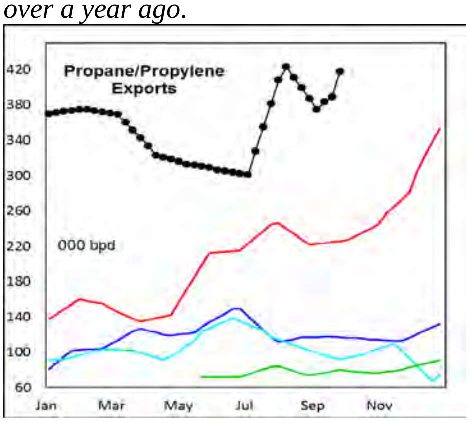
Summary[1]: ? **Table of Contents**

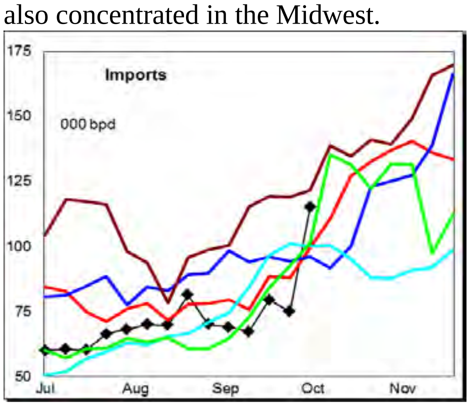
Wholesale demand declined -32,000 bpd last week, at a level below the last 2-yrs.



Production increased +2,000 bpd on the week, concentrated in the Midwest and offset by lower output in the Gulf region. *Exports for the week ending 26Sep14 were 418,000 bpd, up +190,000 bpd over a year ago.*

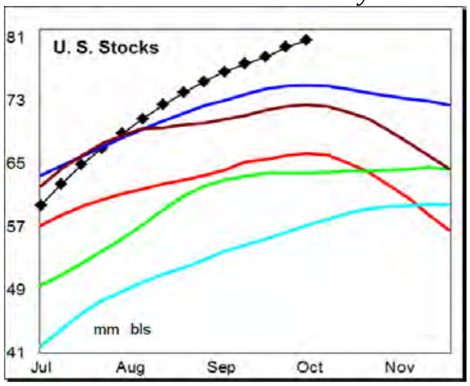


Imports climbed +58,000 bpd last week, also concentrated in the Midwest.

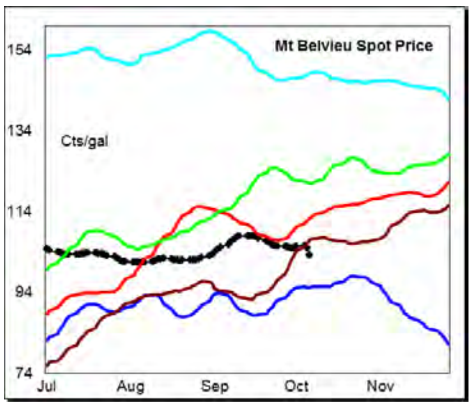


Combined production and imports during the latest 4-wk period were +171,000 bpd above a year ago. Production was +185,000 bpd above last year (+13%), while imports were -14,000 bpd lower. The latest 4-wk average demand was -94,000 bpd below last year.

Stocks increased +1.1 million barrels last week, up +21% over last year. *The cumulative seasonal stock build of +52 million barrels, was nearly 2X the +27 million barrels last year.*



Price and Spreads Mt Belvieu spot price decreased -2 cpg last week ending 08Oct14, while Conway was -1 cpg lower. Prices ended the week near 2-wk lows.



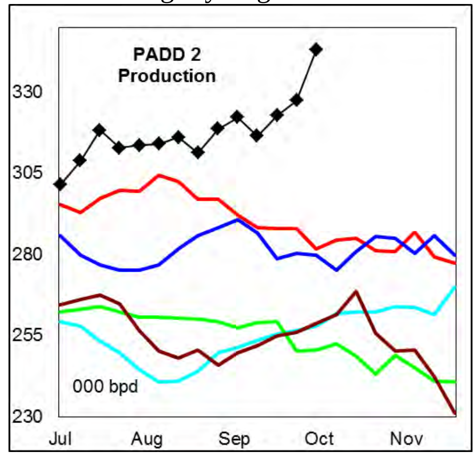
The Conway – Mt Belvieu price spread trended higher last week, ending at a level above the 5-yr range.

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

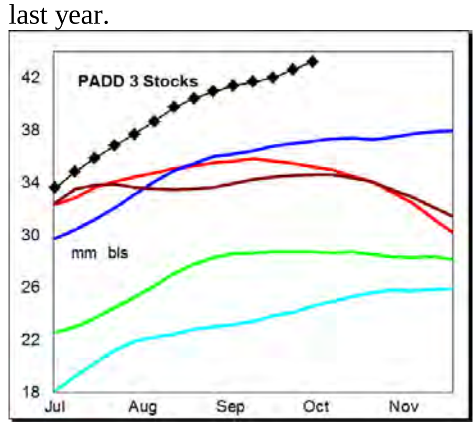
The propane / crude oil price spread trended higher on the week driven by weakness in crude oil prices.

PADD 1 stocks increased +0.1 million barrels on the week, ending +2 million barrels above last year. Supply for the latest 4-wk period was +56,000 bpd above last year; driven by a 2X increase in production over a year ago.

PADD 2 supply climbed +101,000 bpd last week on record highs for both production and imports. Even with record disappearance in the region last week, stocks were unchanged – with the level matching 3-yr highs.



PAD 3 stocks increased +0.8 million barrels on the week, with the level +7.9 million barrels above last year. Supplies for the latest 4-wk period were +17,000 bpd above a year ago. The cumulative seasonal stock build of +27 million barrels compared to +9.1 million barrels last year.



PADDs 4 & 5 stocks increased +0.2 million barrels on the week, with the level at a 5-yr high.

Emerging Trends Supply in the Midwest region climbed over +100,000 bpd last week on record imports and production. Combined with continued weakness in global crude oil markets, wholesale propane prices ended the week lower. The sharp increase in Midwest supplies and lower global oil prices, may limit the seasonal price uptrend.

[1] Source is latest EIA Weekly Statistics

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PROPANE: Graph Link and Weekly Summary

October 8, 2014

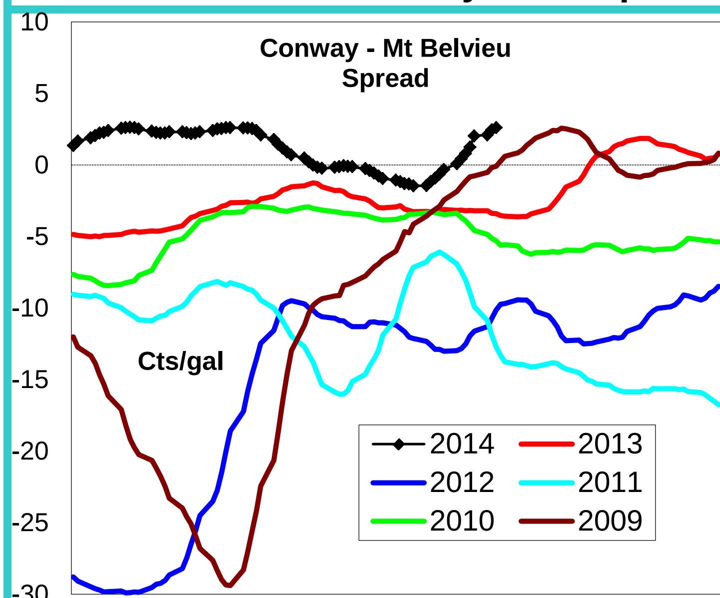
Fundamental Trends for the Week Ending: Friday, October 03, 2014

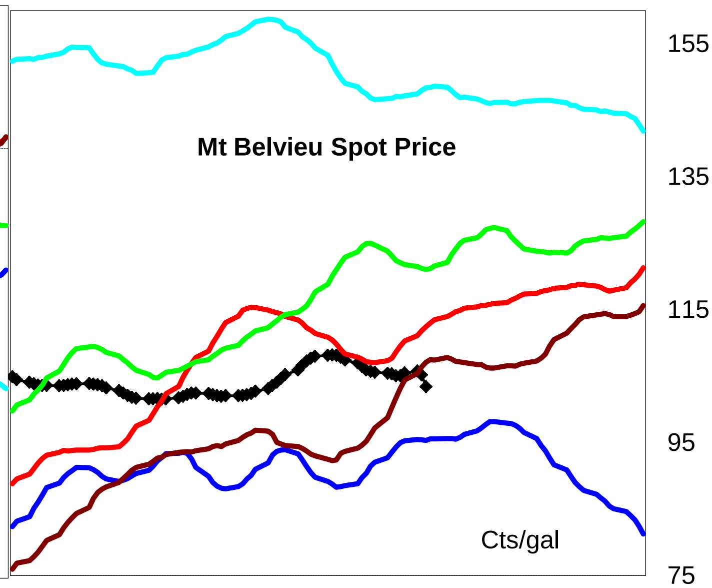
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S.	PADD				U.S.	PADD			
	Total	1	2	3	4&5	Total	1	2	3	4&5
Stocks	80,645	5,947	27,958	43,223	3,517	1,085	74	3	768	240
Propylene Stocks	2,657					-175				
Production	1,587	187	343	861	196	2	-5	34	-21	-6
Imports	115	15	87	0	13	58	-3	67	0	-6
Whsle Demand	1,129					-32				

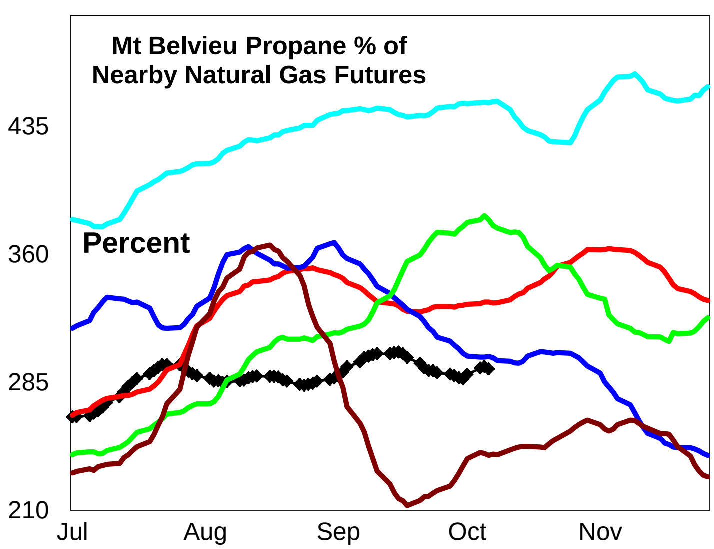
Price Trends for the Week Ending: Wednesday, September 24, 2014

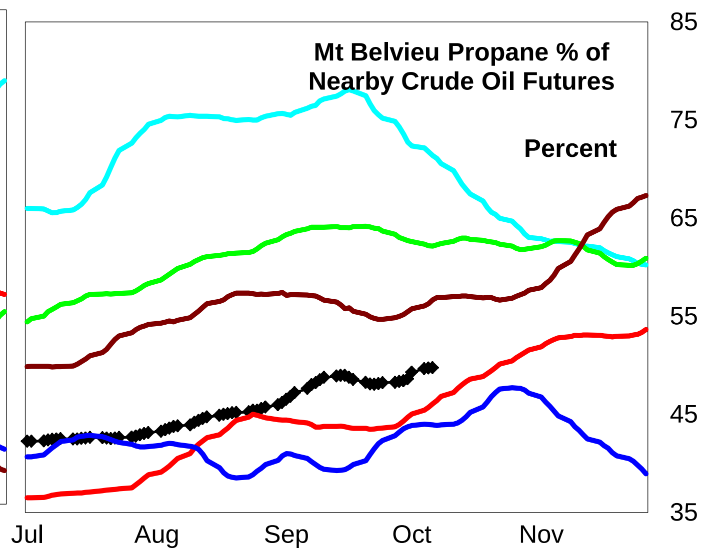
Cents/gal	Average for week ending:				Change from:			% change from:		
	9/24/14	9/17/14	8/27/14	9/27/13	9/17/14	8/27/14	9/27/13	9/17/14	8/27/14	9/27/13
Mont Belvieu Spot	105.8	104.1	106.0	110.6	1.63	-1.85	-4.57	1.6	-1.7	-4.1
Conway Spot	107.9	104.1	105.7	107.3	3.78	-1.64	-1.55	3.6	-1.6	-1.4

Key Price Spreads and Differentials









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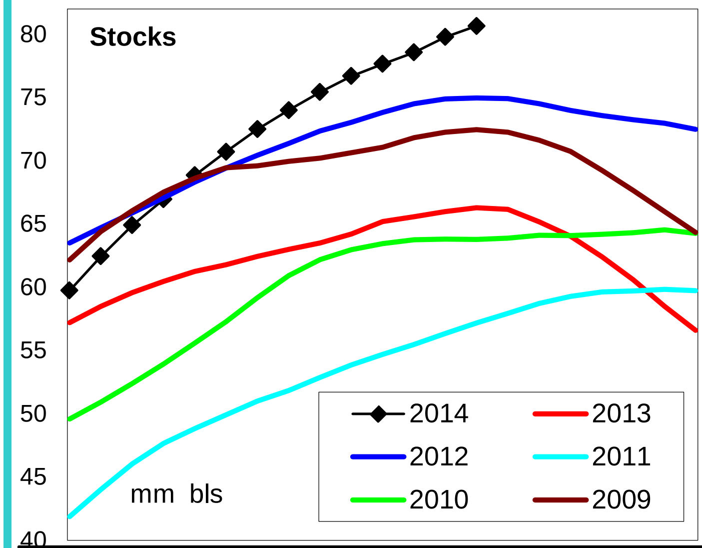
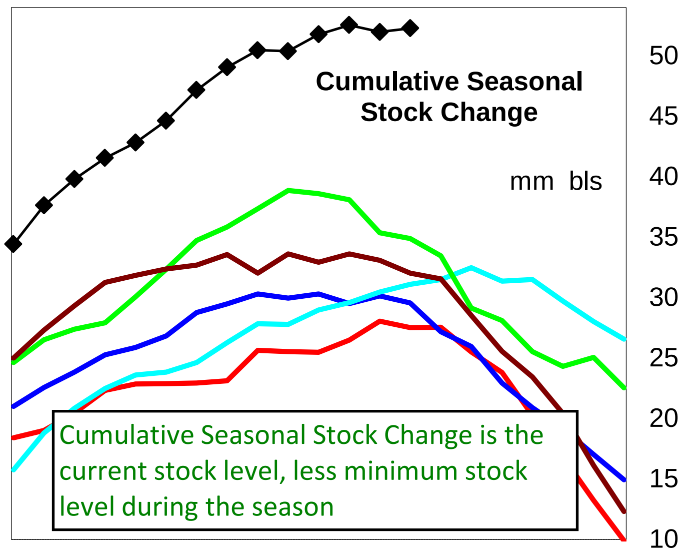
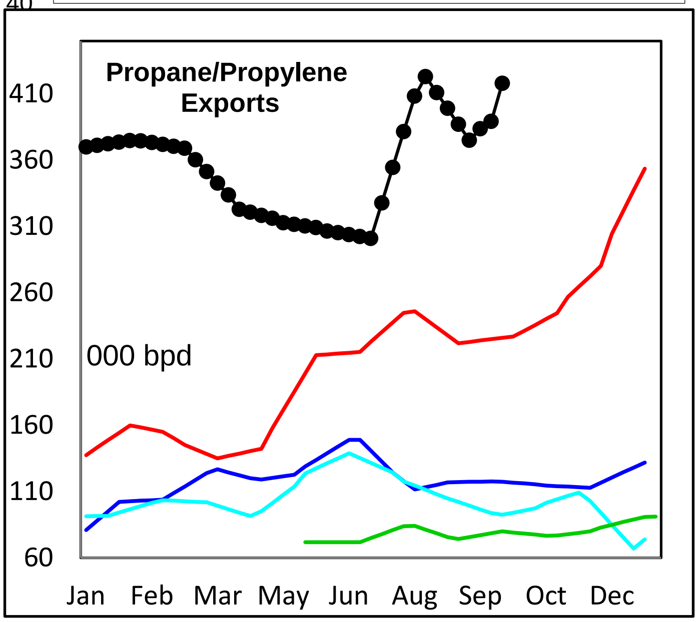
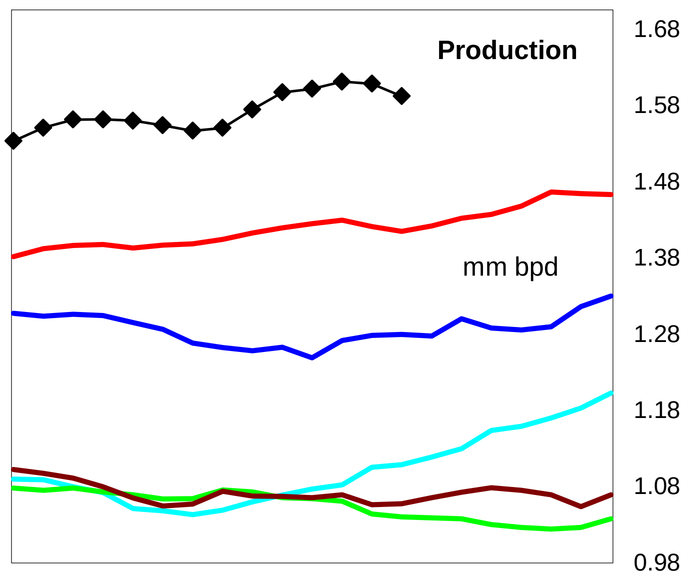
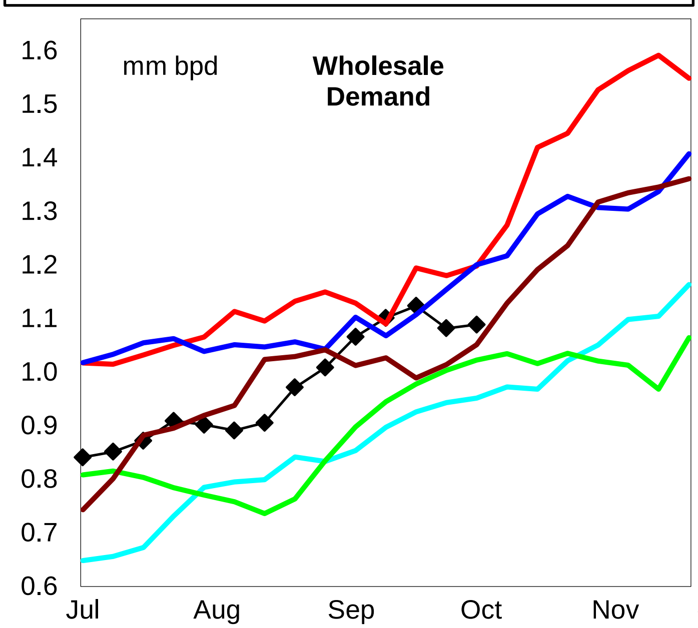
U. S. Propane Supply and Demand Balance

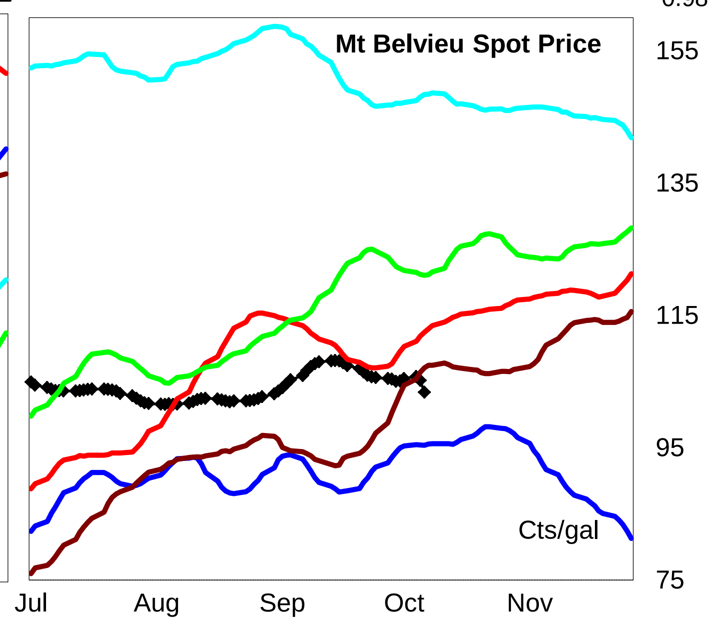












4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Aug	Jul	Jun
000 bpd (000 bls stks)	14,168	24,775	185	-14		-94	-109	-95	-52
% change	21.3	90	13.0	-16.8		-7.8	-10.5	-9.0	-5.3

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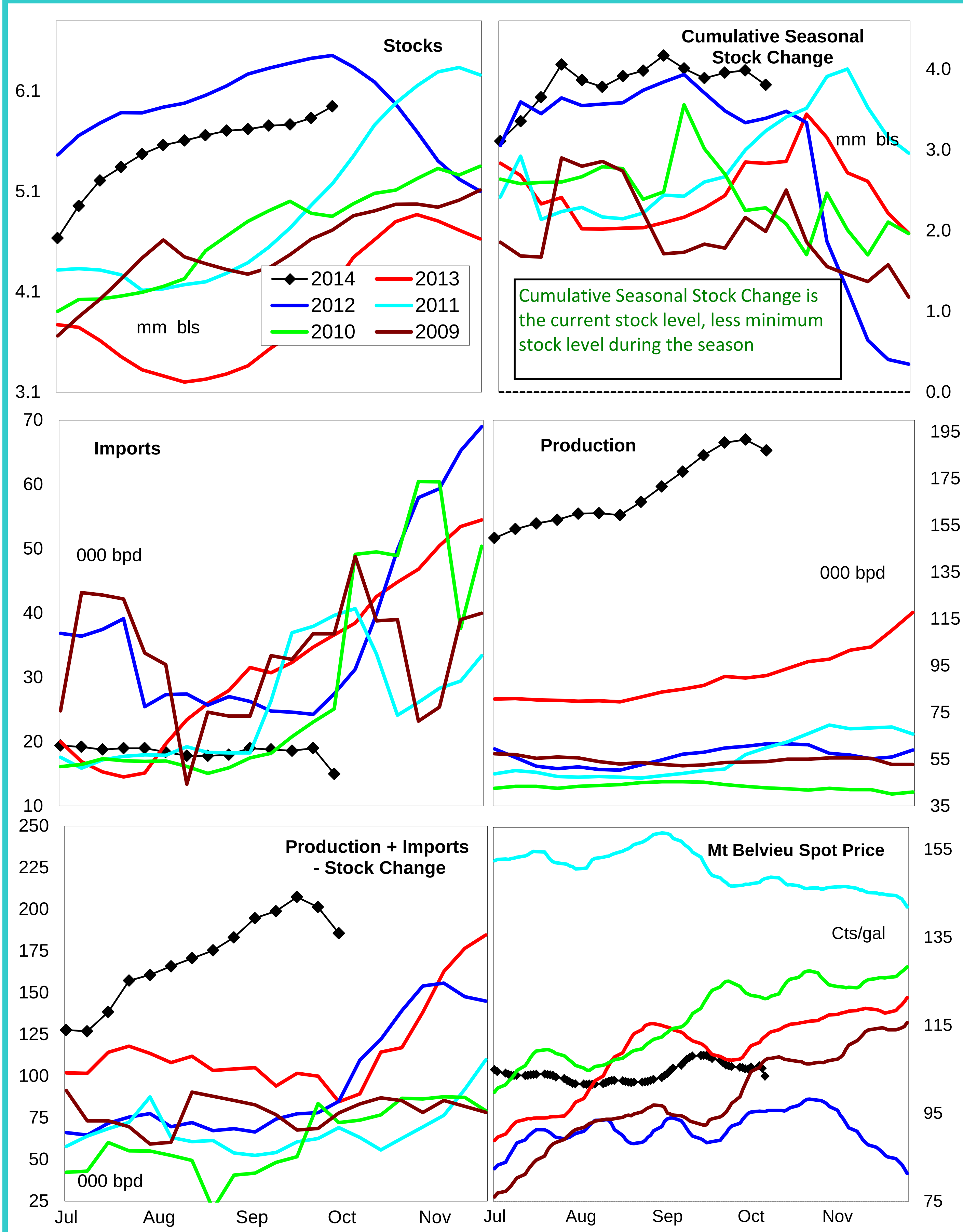
PADD 1 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	1,954	971	101	-15	103
% change	48.9	34.3	110.4	-44.7	108.6

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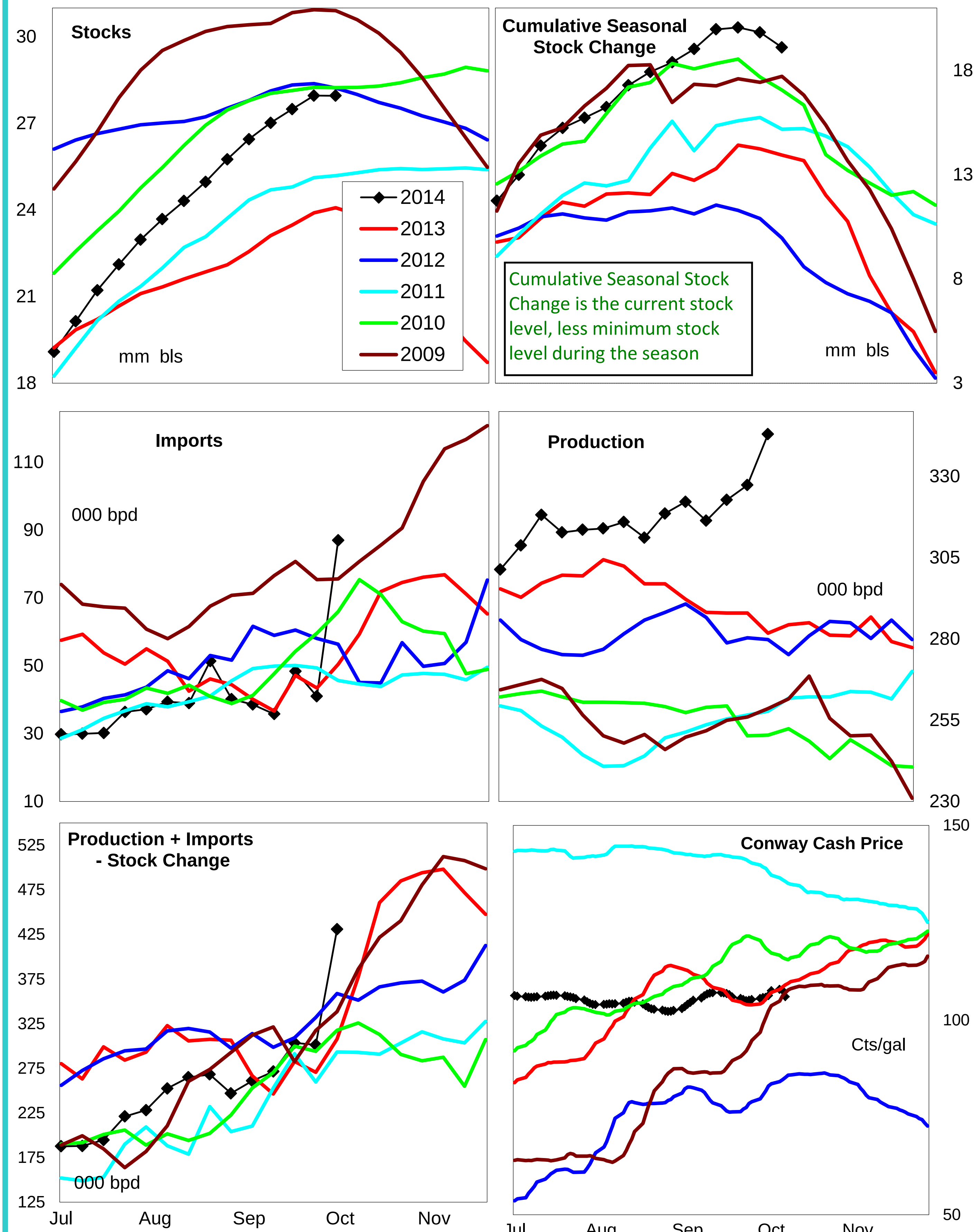
PADD 2 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	3,617	5,167	38	-2	50
% change	14.9	37.1	13.1	-5.9	18.0

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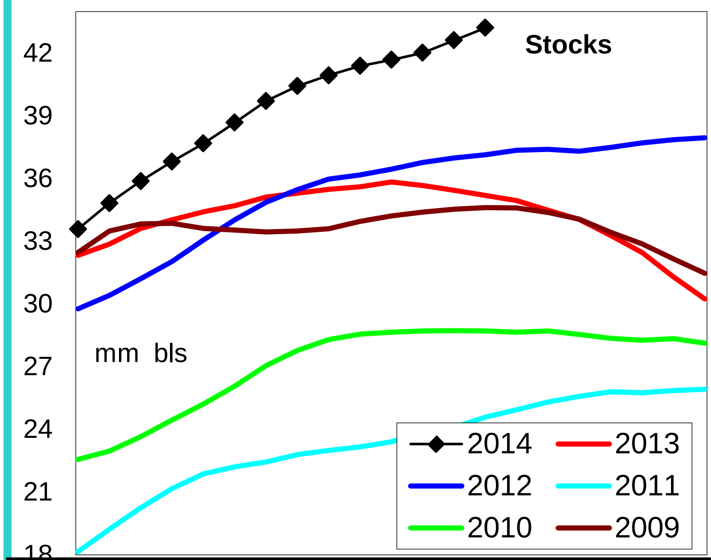
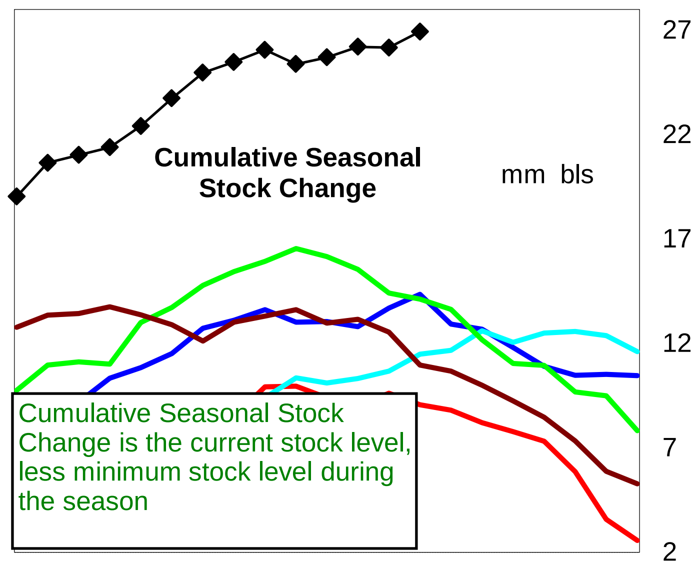
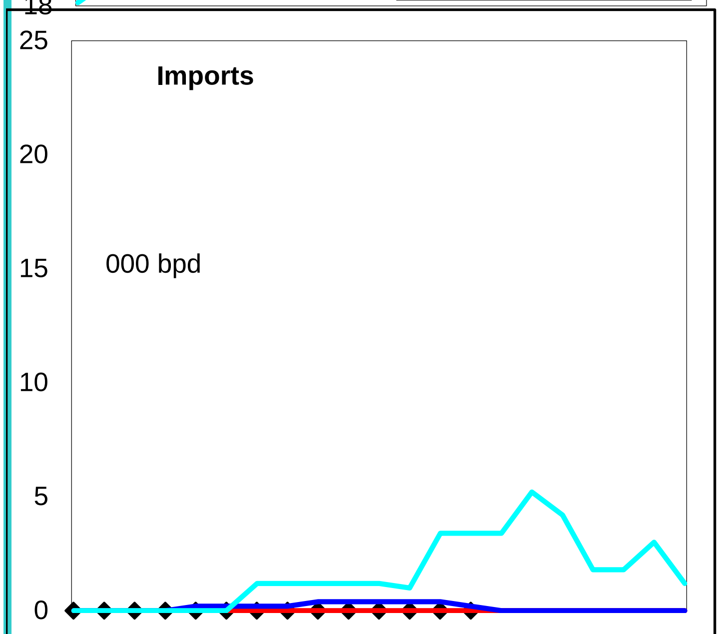
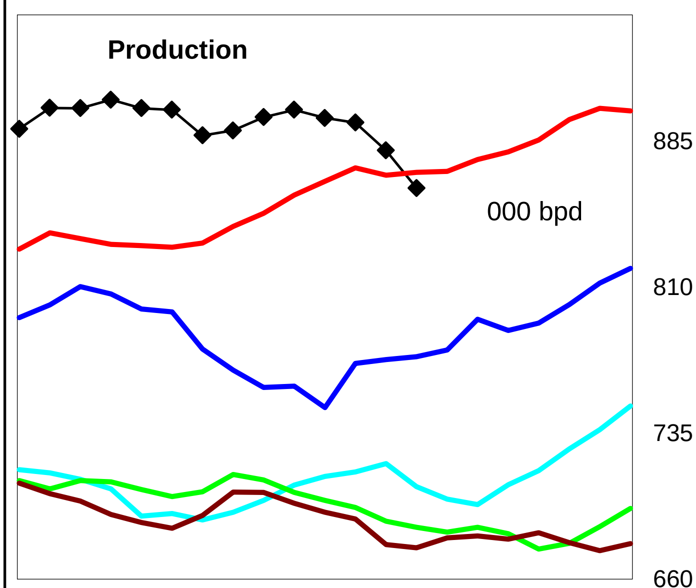
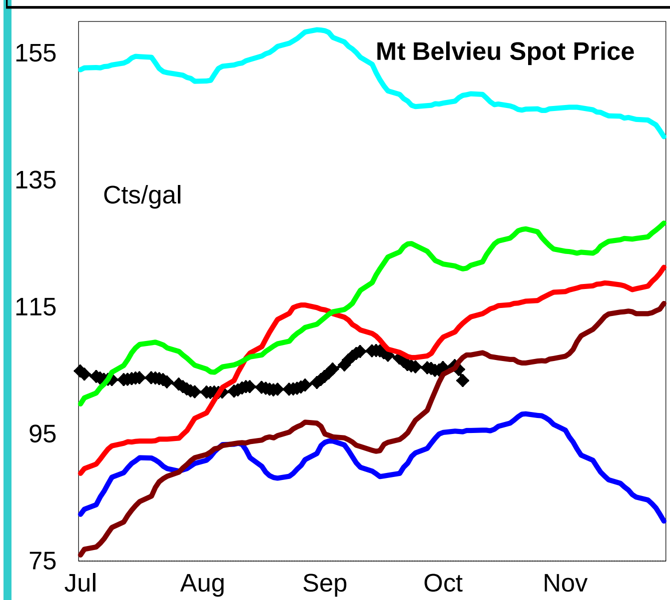
PADD 3 Propane Supply and Demand Balance

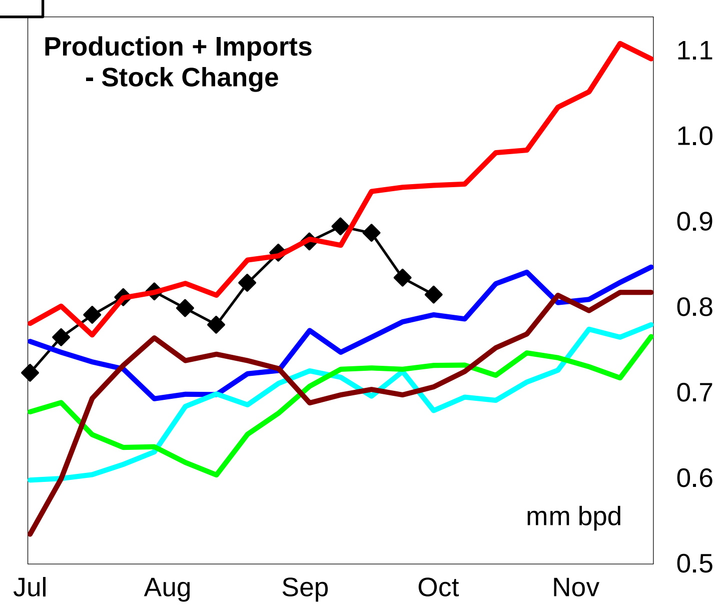












4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	7,889	17,862	17	0	-65
% change	22.3	197	2.0	#DIV/0!	-7.4

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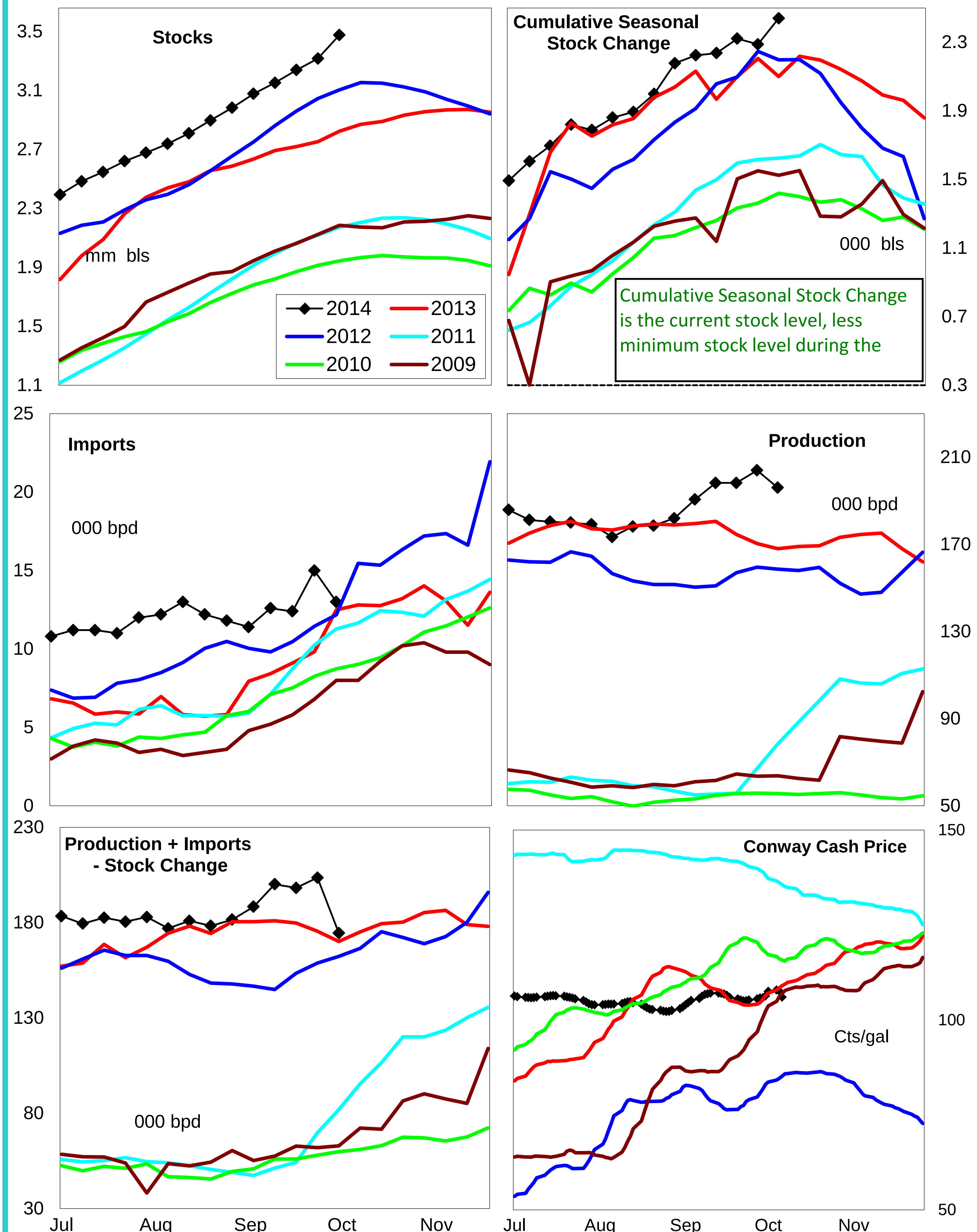
PADDs 4 and 5 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	708	340	29	3	18
% change	25.2	16.2	16.7	32.7	9.9

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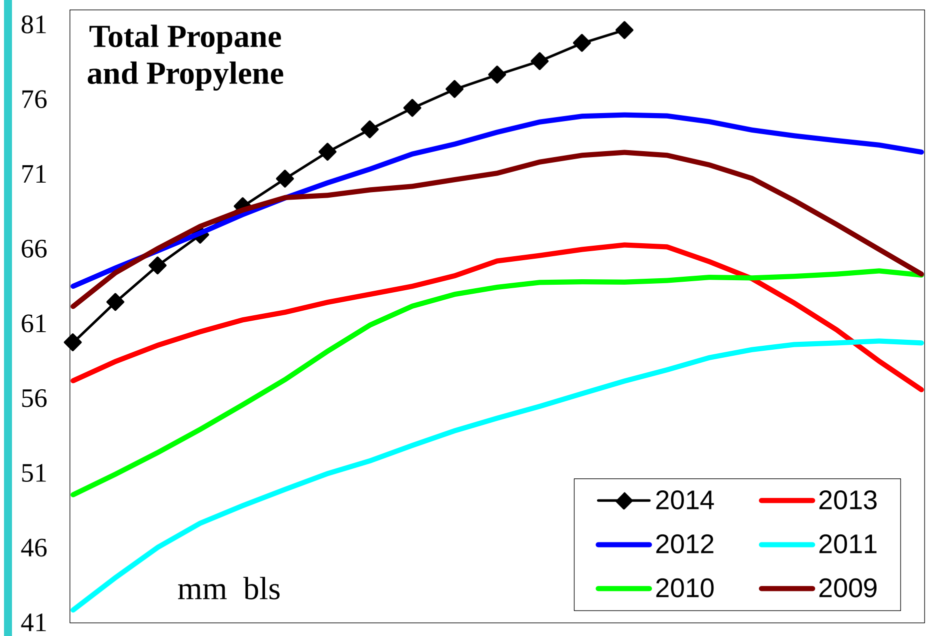
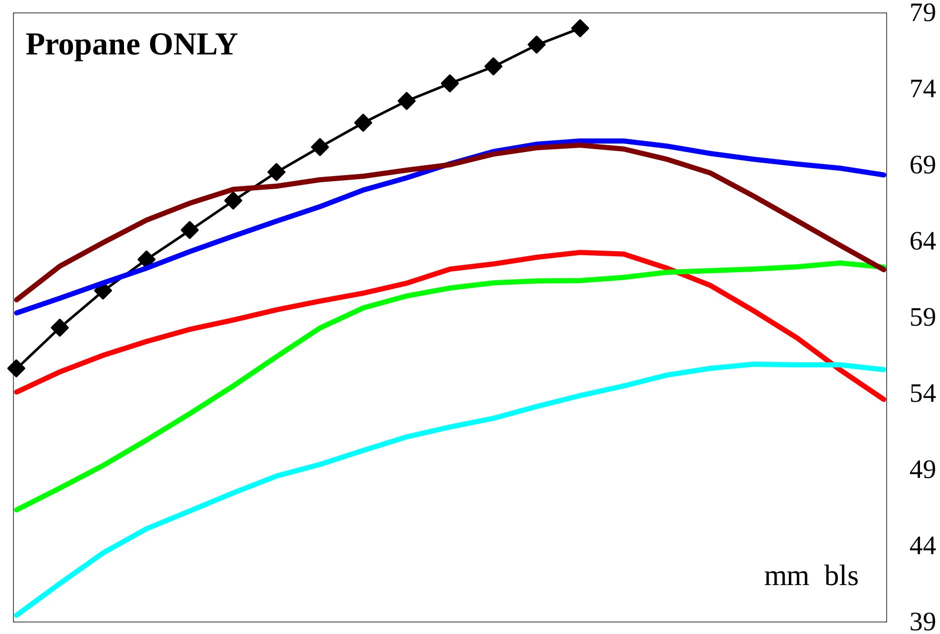
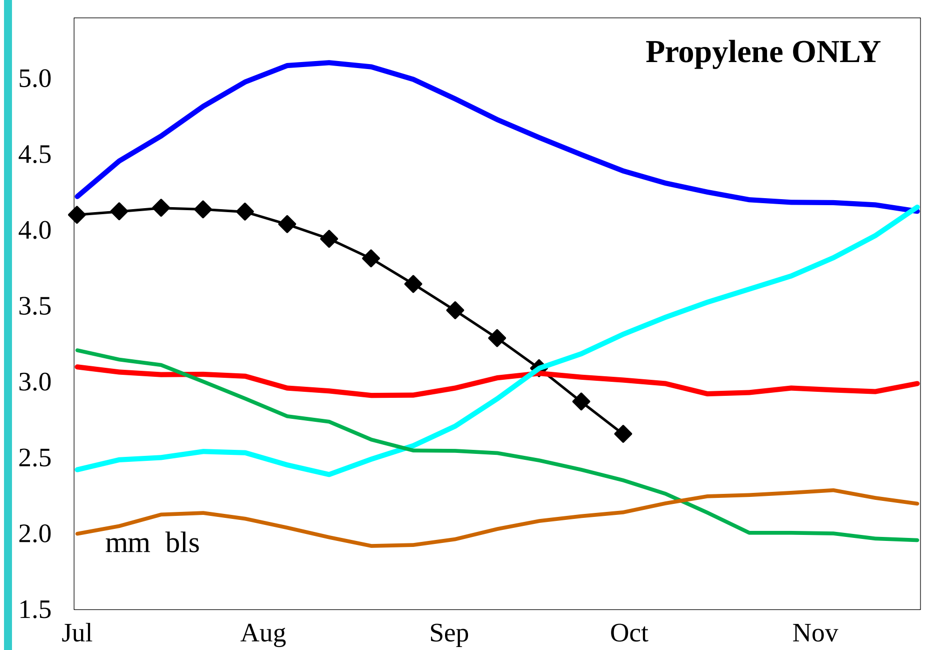
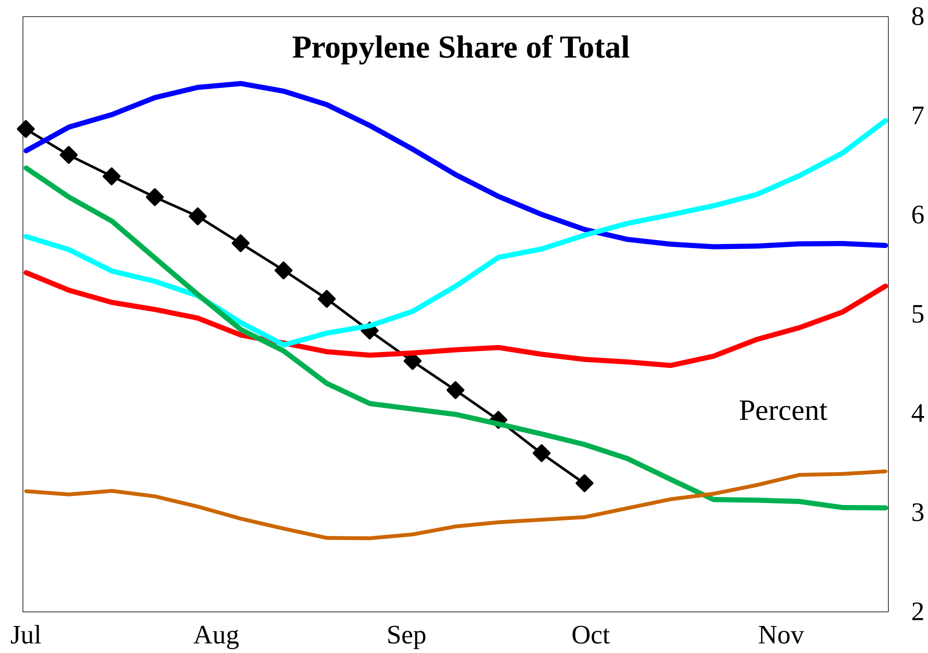
U. S. Propane and Propylene Stocks









Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	**14,168**	**14,490**	**-357**
% change	**21.3**	**22.8**	**-11.8**

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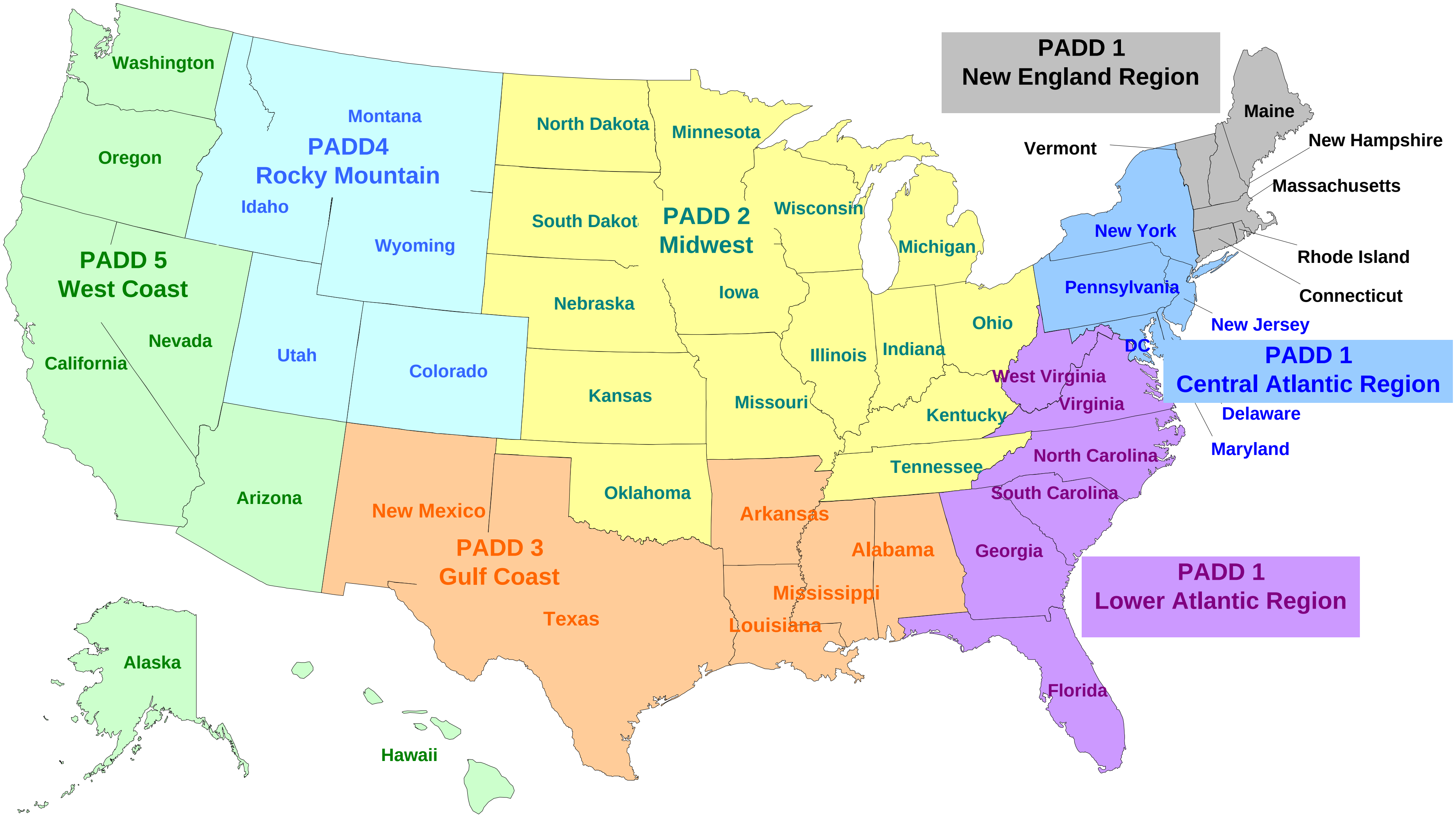
U. S. Petroleum Administrative for Defense Districts (PADDs)



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