



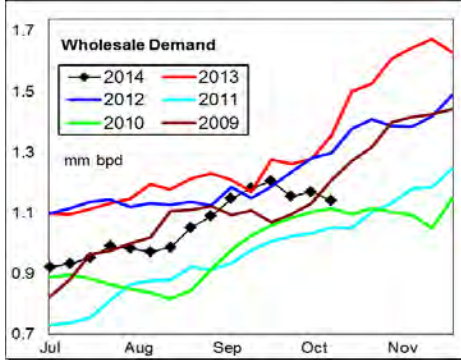
WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

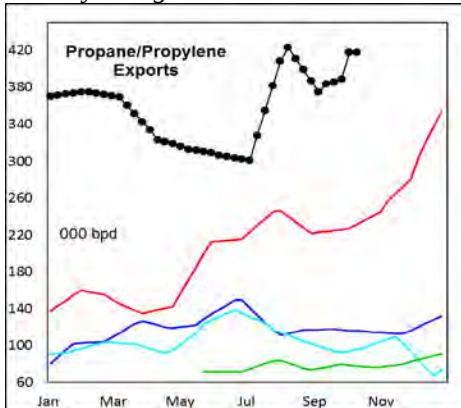
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com

Summary¹ ?

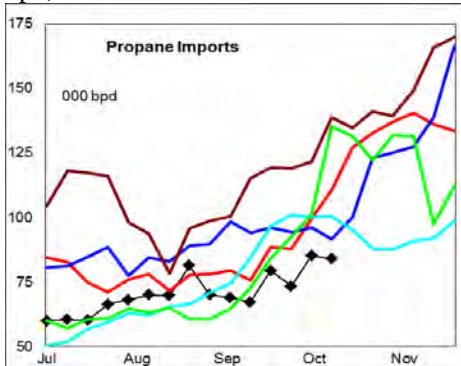
Wholesale demand declined -30,000 bpd last week, with the level sharply below the last 2-yrs.



Production decreased -50,000 bpd on the week, concentrated in the Midwest. Exports for the week ending 26Sep14 were 418,000 bpd, up +190,000 bpd over a year ago.



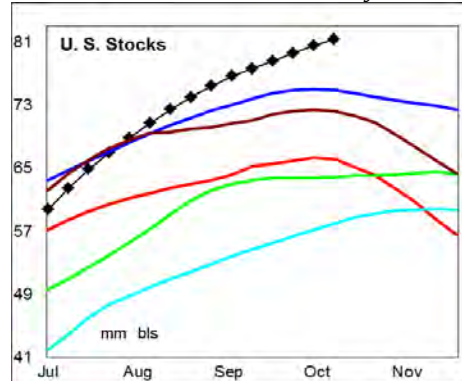
Imports were also lower, down -31,000 bpd, and concentrated in the Midwest.



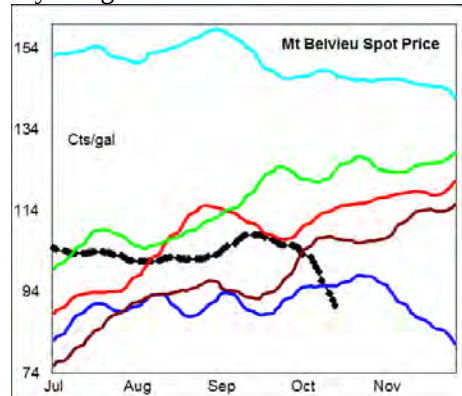
Combined production and imports during the latest 4-wk period were +151,000 bpd above a year ago.

Production was +169,000 bpd above last year (+12%), while imports were -18,000 bpd lower. The latest 4-wk average demand was -97,000 bpd below last year.

Stocks increased +0.7 million barrels last week, up +22% 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 FELL -13 cpg last week ending 15Oct14, while Conway was -12 cpg lower. Prices ended the week below the 5-yr range.



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

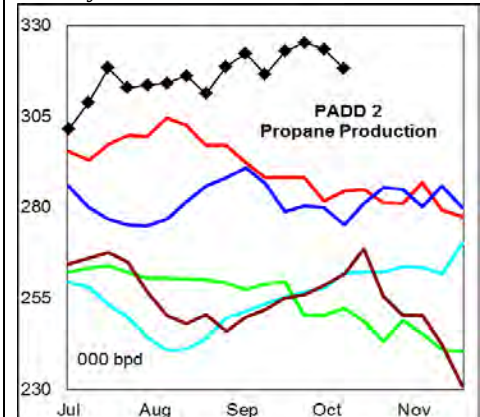
The propane to natural gas price spread trended lower last week, at a level well below the last 2-yrs.

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

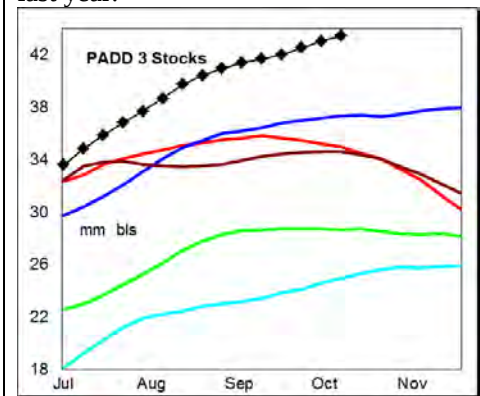
PADD 1 stocks increased +0.3 million barrels on the week, ending +2.1 million barrels above last year. Supply for the latest 4-wk period was +88,000 bpd above last year; driven by a 2.2X

increase in production over a year ago.

PADD 2 supply fell -87,000 bpd last week, reversing the prior week gains. Production remains at record levels. Stock levels ended the week above the last 3-yrs.



PADD 3 stocks increased +0.2 million barrels on the week, with the level +8.4 million barrels above last year. Supplies for the latest 4-wk period were +2,000 bpd above a year ago. The cumulative seasonal stock build of +27 million barrels compared to +8.8 million barrels last year.



PADDs 4 & 5 stocks increased +0.1 million barrels on the week, with the level at a 5-yr high.

Emerging Trends The sharp pull back in global oil prices, very weak propane demand, and continued stock builds led to the decline in propane prices last week. A forecast of much above normal temperatures through month end and very ample stock levels should constrain prices ahead of the start of winter heating.

¹ Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary



October 16, 2014

Fundamental Trends for the Week Ending:

Friday, October 10, 2014

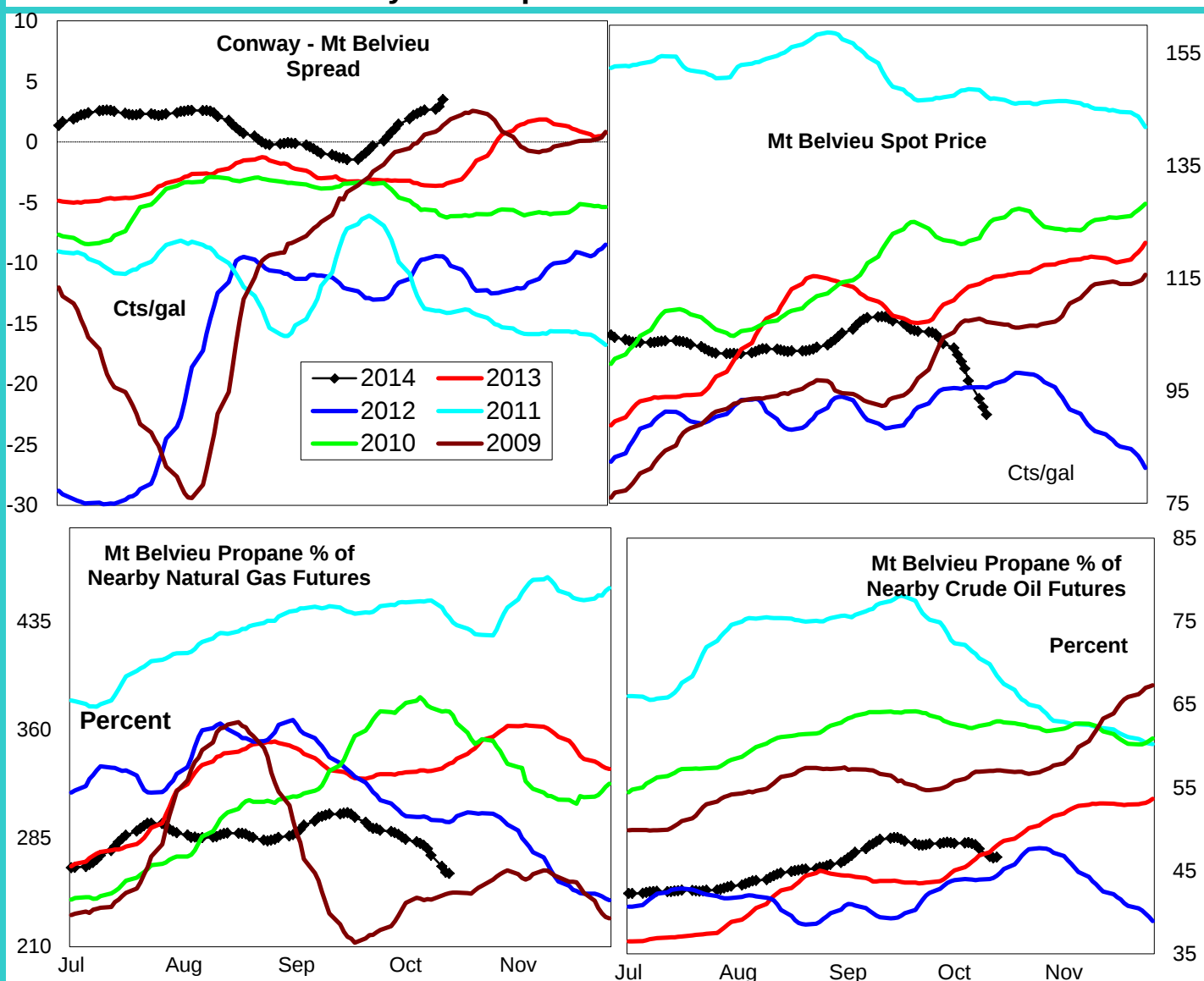
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD				U.S. Total	PADD			
		1	2	3	4&5		1	2	3	4&5
Stocks	81,376	6,269	28,095	43,441	3,571	731	322	137	218	54
Propylene Stocks	2,476					-181				
Production	1,537	177	318	849	193	-50	-10	-25	-12	-3
Imports	84	47	25	0	12	-31	32	-62	0	-1
Whsle Demand	1,099					-30				

Price Trends for the Week Ending:

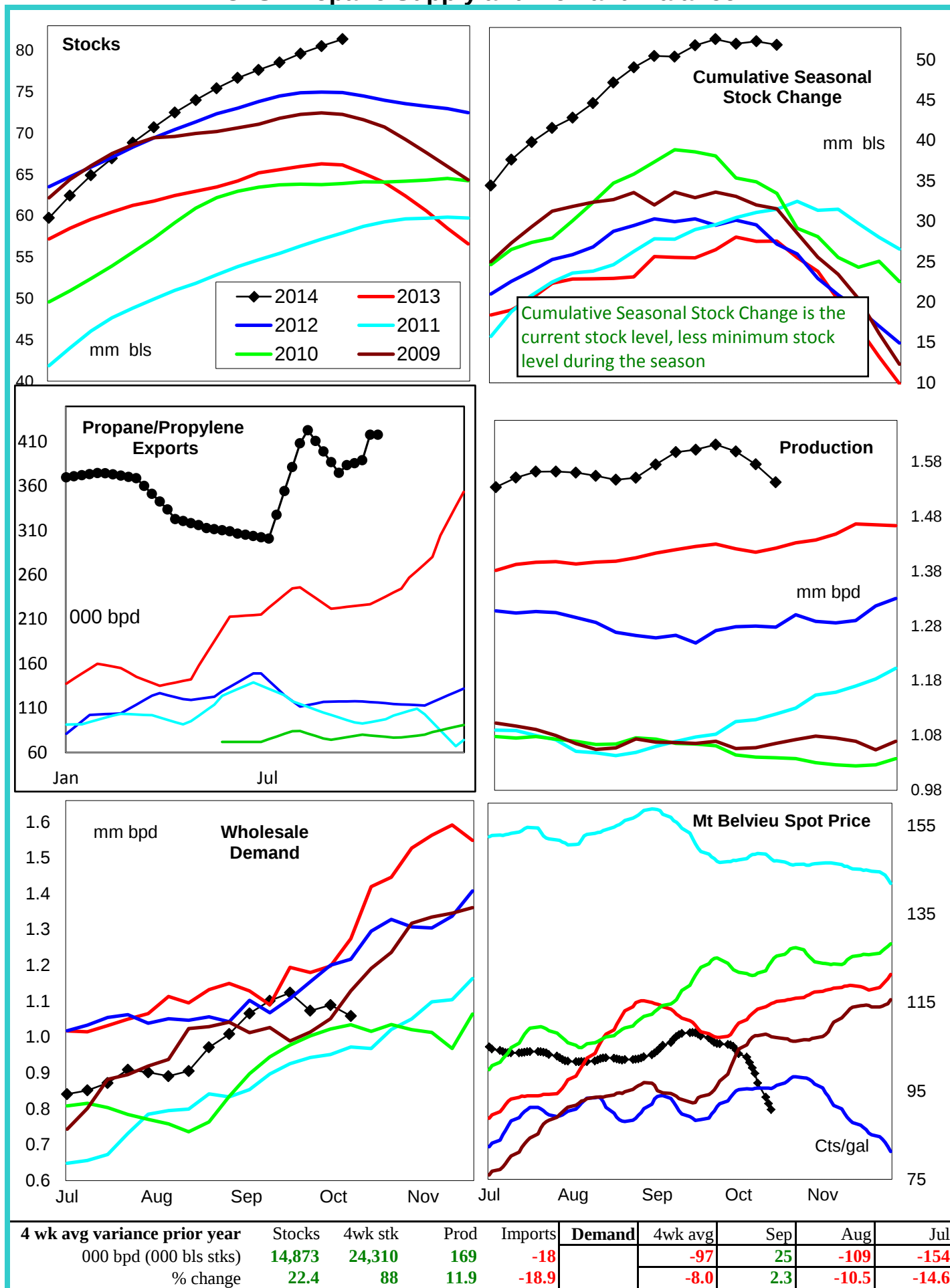
Wednesday, September 24, 2014

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	93.6	105.8	109.3	114.9	-12.19	-3.50	-5.61	-11.5	-3.2	-4.9
Conway Spot	96.3	107.9	108.2	111.3	-11.59	-0.35	-3.06	-10.7	-0.3	-2.8

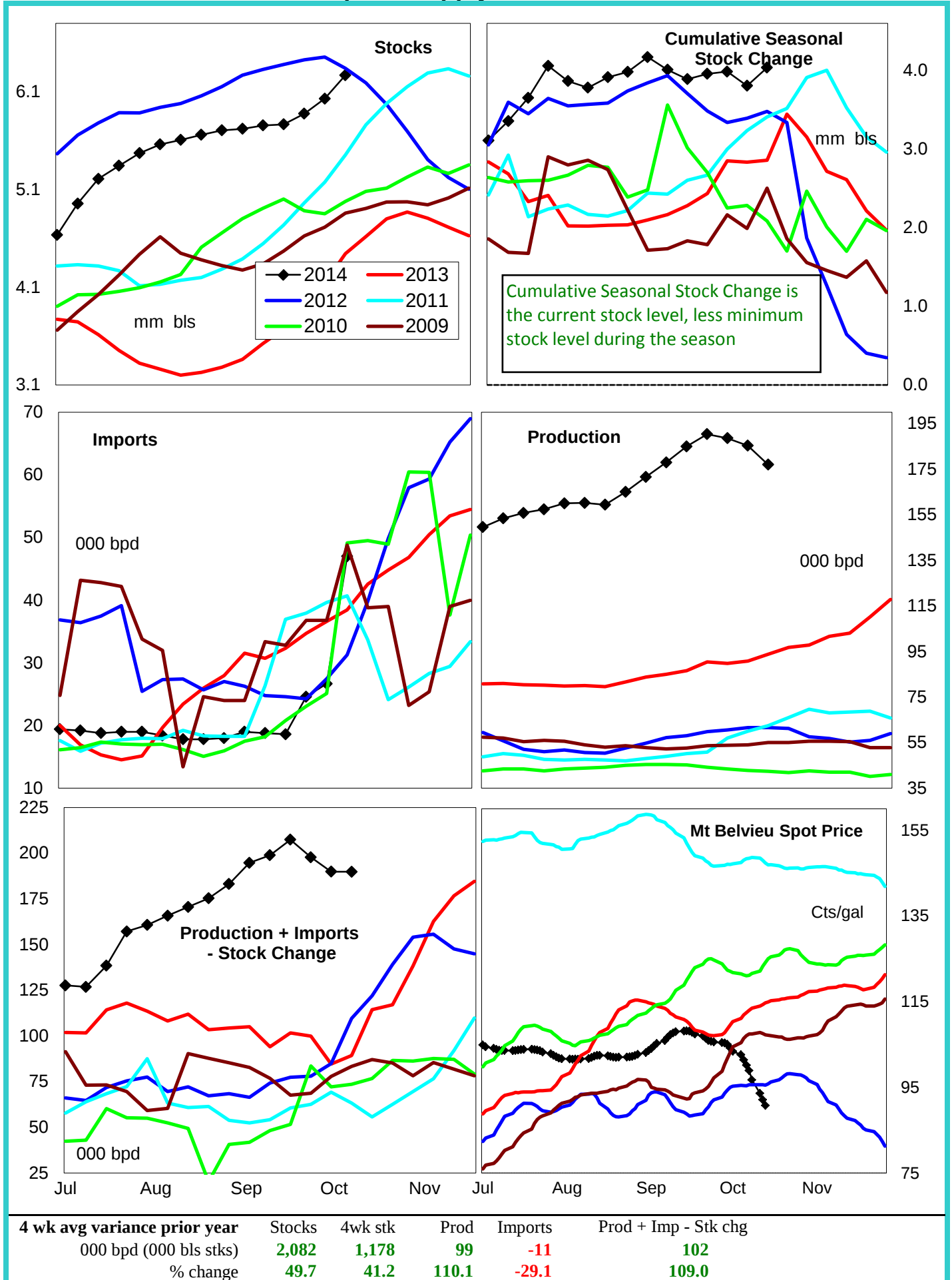
Key Price Spreads and Differentials



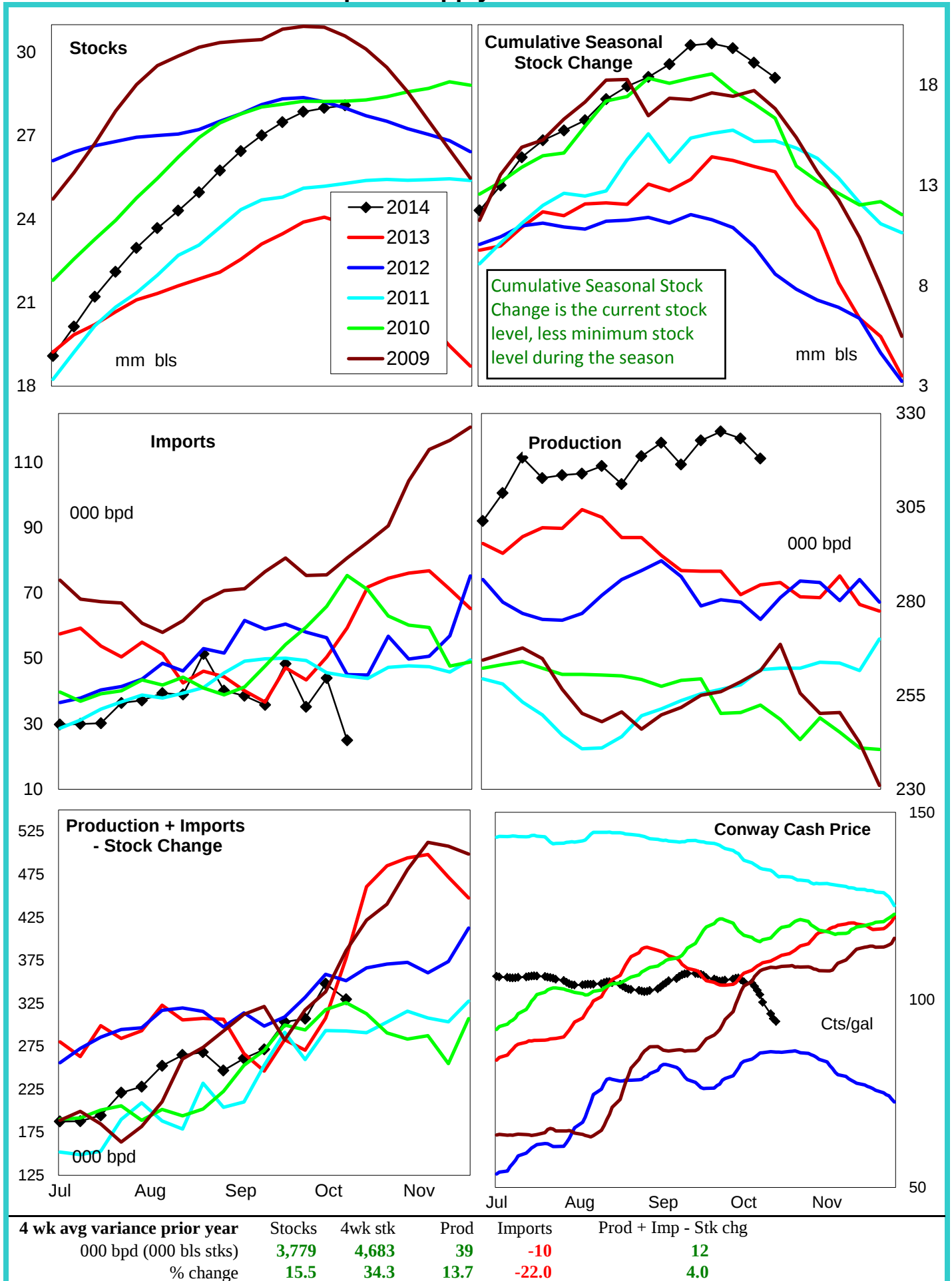
U. S. Propane Supply and Demand Balance



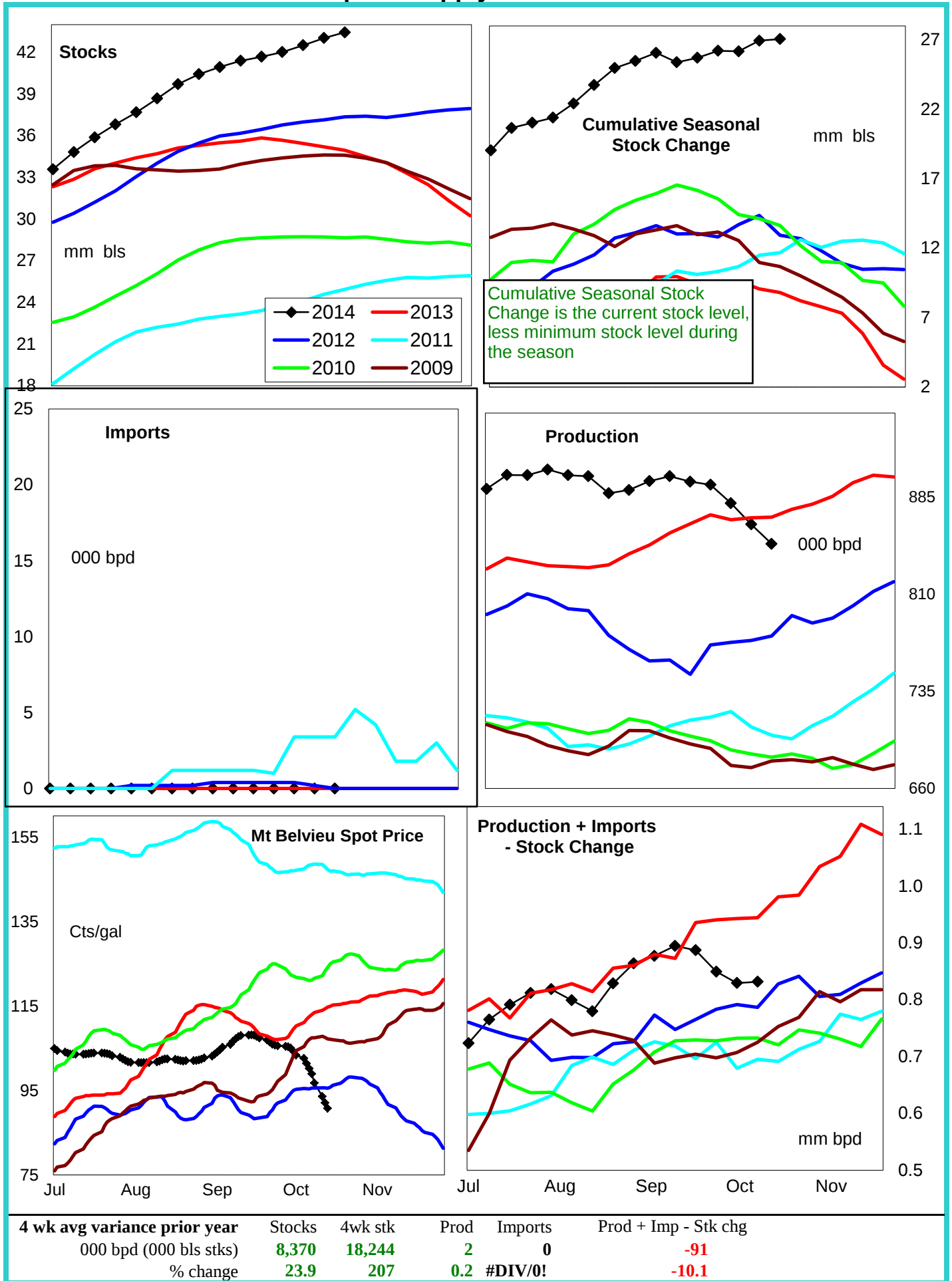
PADD 1 Propane Supply and Demand Balance



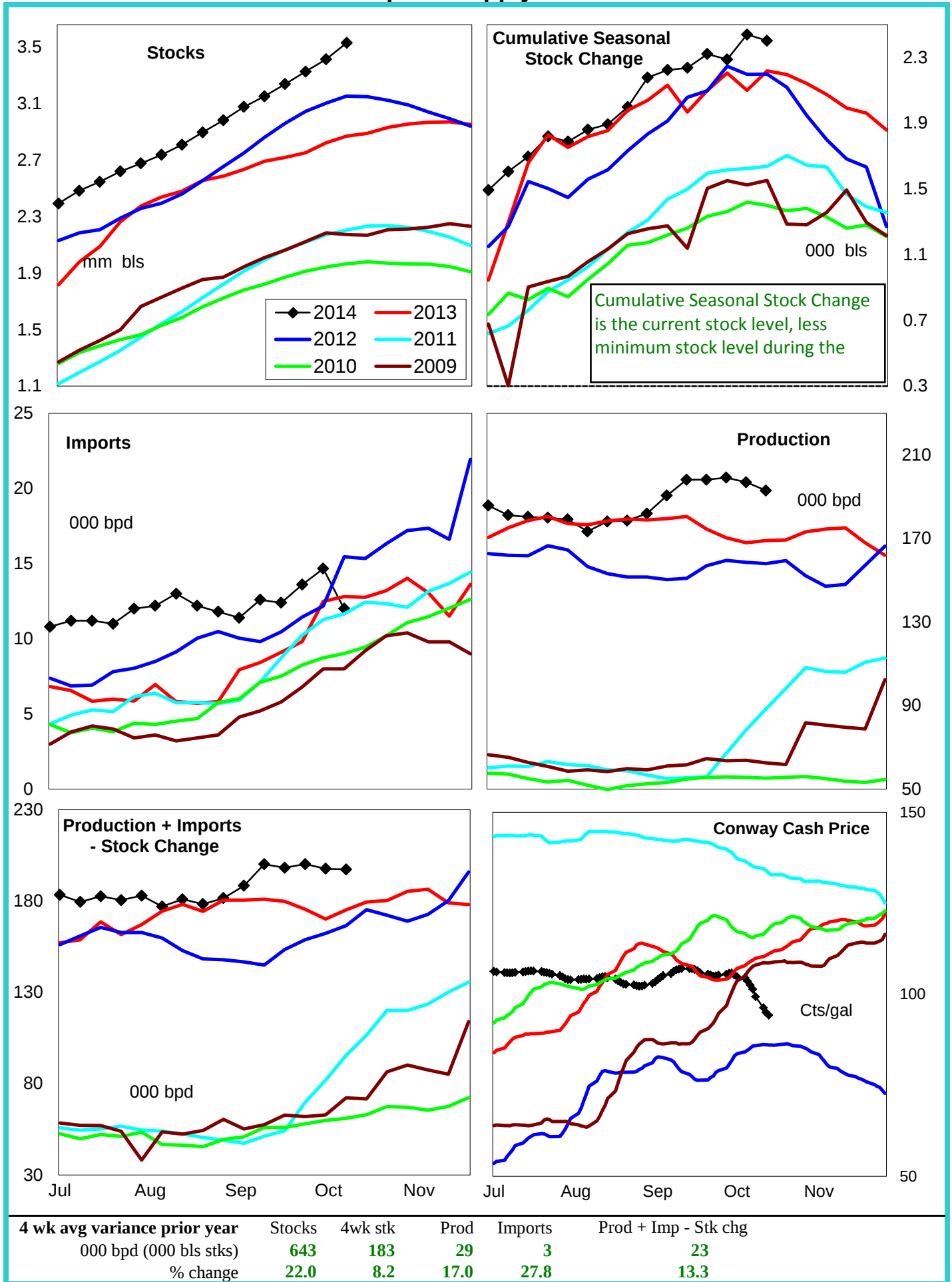
PADD 2 Propane Supply and Demand Balance



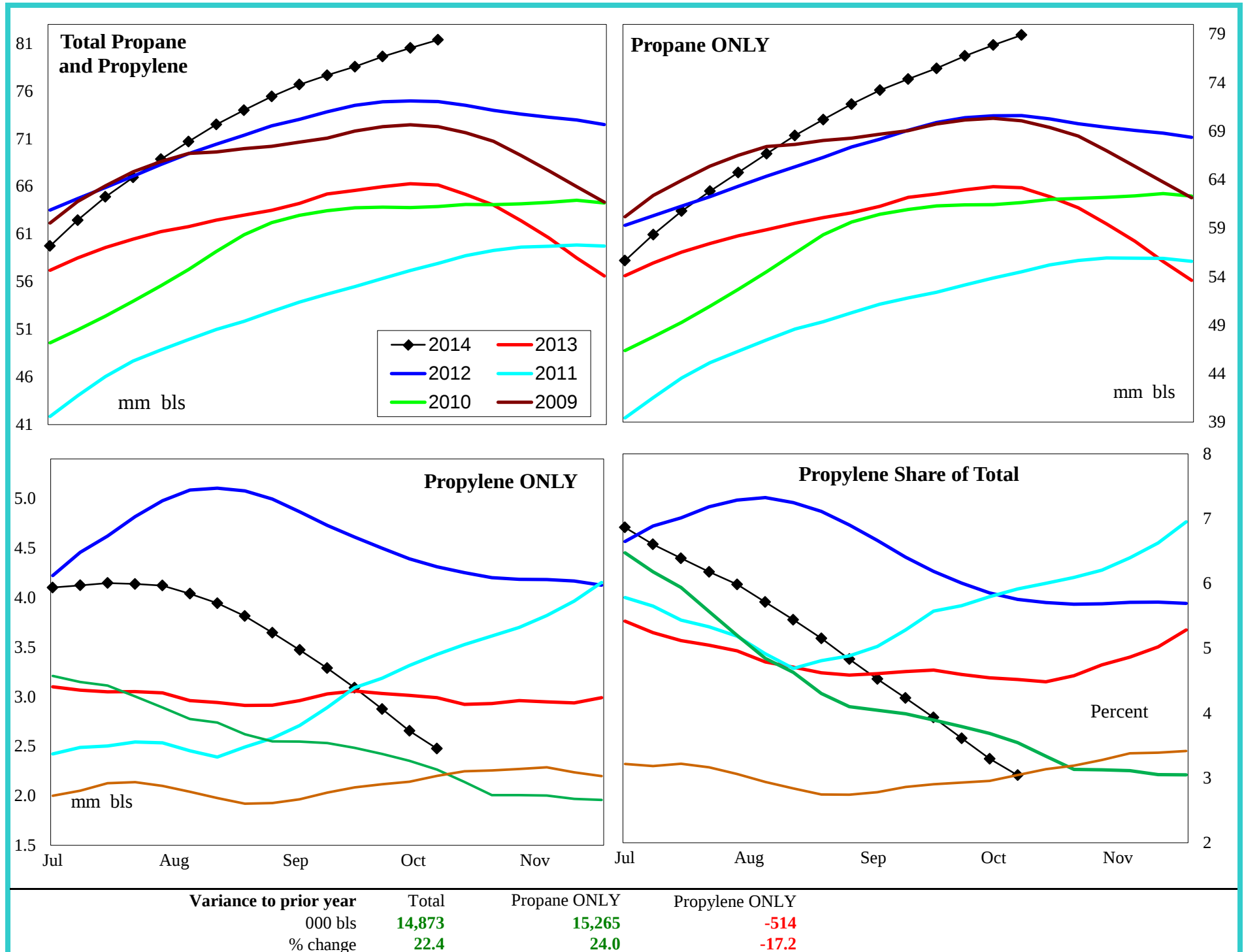
PADD 3 Propane Supply and Demand Balance



PADDs 4 and 5 Propane Supply and Demand Balance



U. S. Propane and Propylene Stocks



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

