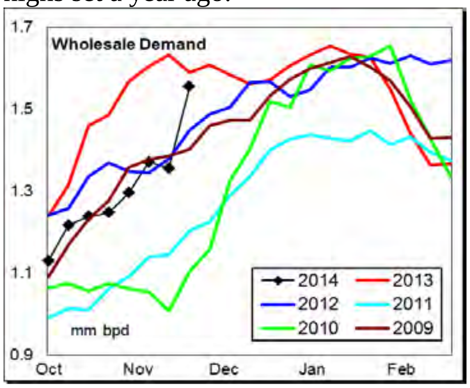
WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

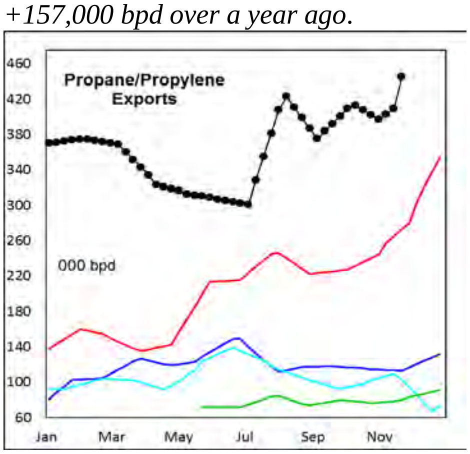
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com

Table of Contents

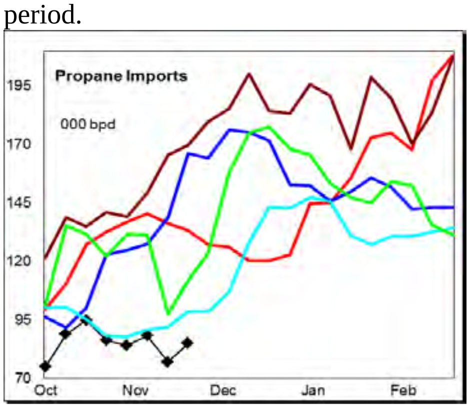
Summary[1]: Wholesale demand increased +214,000 bpd last week, to a level near historic highs set a year ago.



Production decreased -37,000 bpd on the week, with declines in all regions except the Gulf. *Exports for the week ending 21Nov14 were 445,000 bpd, up +157,000 bpd over a year ago.*

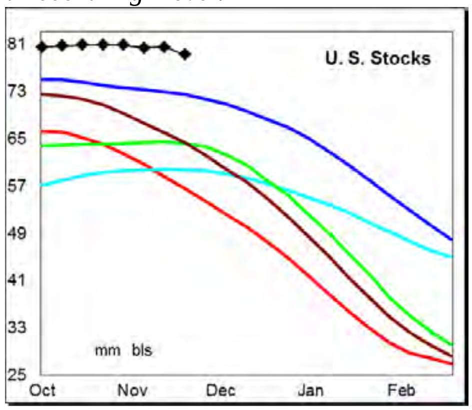


Imports increased +11,000 bpd on the week, at a record low level for the period.

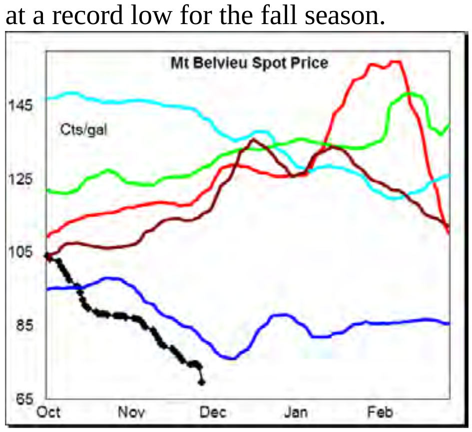


Combined production and imports during the latest 4-wk period were +102,000 bpd above a year ago. Production was +161,000 bpd above last year (+11%), while imports were -59,000 bpd lower. The latest 4-wk average demand was -287,000 bpd below last year.

Stocks fell -2 million barrels last week, including a -1.4 million barrel draw in the Gulf. *Stocks ended the week +22 million barrels over a year ago and a record high level.*



Price and Spreads Mt Belvieu spot price fell an *estimated* -6 cpg last week ending 28Nov14, while Conway decreased -5 cpg. Mt Belvieu prices ended the week at a record low for the fall season.



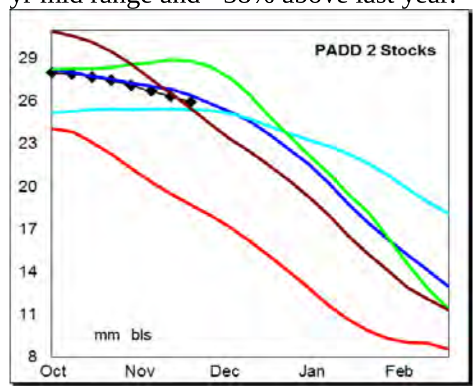
The Conway – Mt Belvieu price spread traded sideways on the week, ending at a level above the historic range in favor of Conway.

The propane to natural gas price trended lower last week, ending at a level well below the 5-yr range.

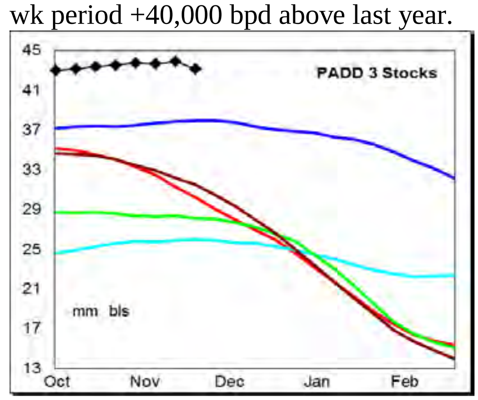
The propane / crude oil price spread trended higher late in the week, ending at a level near historic lows for the period.

PADD 1 stocks decreased -0.1 million barrels last week, ending +1.5 million barrels above last year. Supply for the latest 4-wk period was +38,000 bpd above last year; driven by a record year-on-year increase in production.

PADD 2 supply decreased -19,000 bpd last week on lower production. Stocks decreased -0.5 million barrels last week. Stock levels ended the week above the 3-yr mid range and +38% above last year.



PAD 3 stocks fell -1.4 million barrels on the week, to a level +13 million barrels above last year. Supplies for the latest 4-wk period +40,000 bpd above last year.



PADDs 4 & 5 stocks were unchanged last week, with the level +33% above the last 2-yrs.

Emerging Trends Weakness in the global energy market, high propane stock levels and a forecast of much warmer than normal weather in all heating regions for the next 10-days has pressured prices sharply lower.

Record exports have not caused a meaningful draw in Gulf region stocks, due in part to record production rates and demand below year ago levels.

The wholesale propane market remains very weak ahead of the start of winter heating season.

[1] Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

November 30, 2014

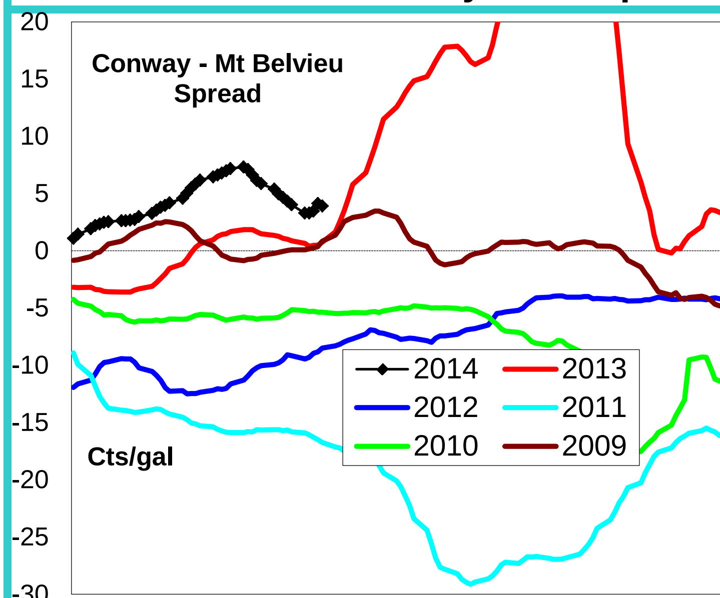
Fundamental Trends for the Week Ending: Friday, November 21, 2014

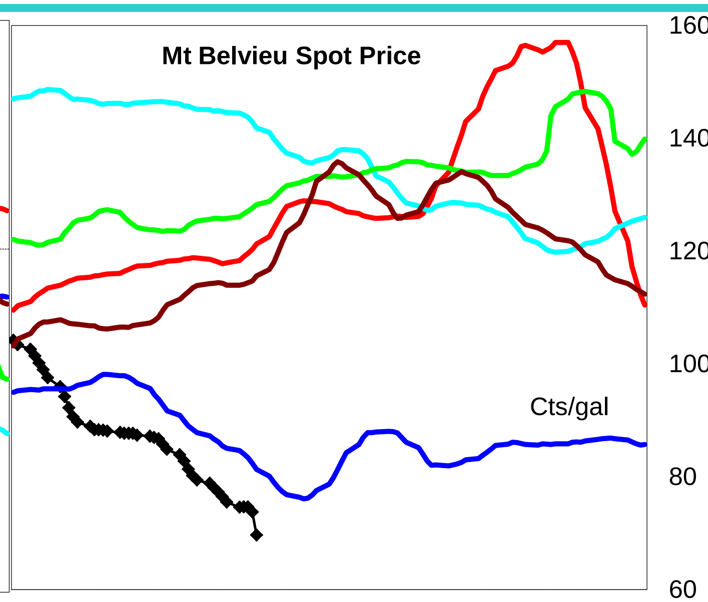
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S.	PADD				U.S.	PADD			
	Total	1	2	3	4&5	Total	1	2	3	4&5
Stocks	79,201	6,111	25,915	43,147	4,028	-1,951	-76	-511	-1,362	-2
Propylene Stocks	3,056					59				
Production	1,635	144	335	974	182	-37	-23	-19	23	-18
Imports	85	41	25	0	19	11	9	0	0	2
Whsle Demand	1,554					214				

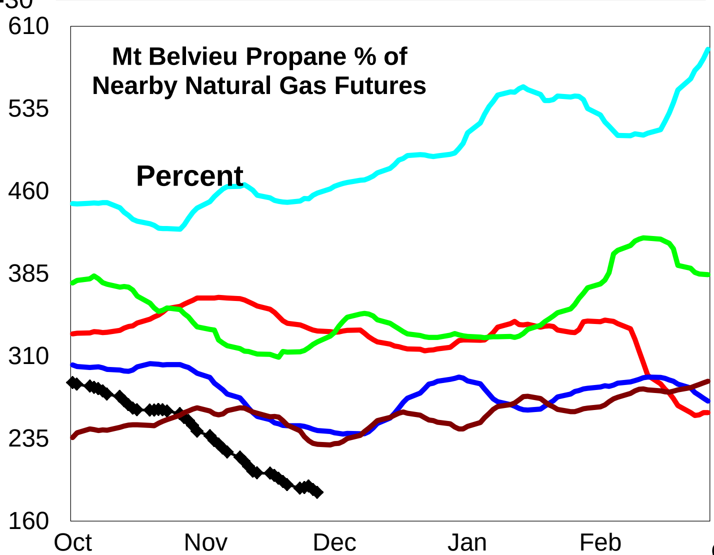
Price Trends for the Week Ending: Friday, November 28, 2014

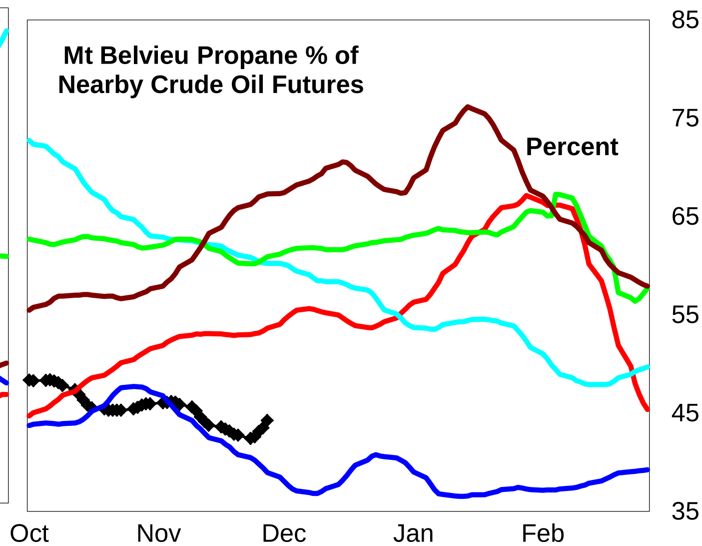
Cents/gal	Average for week ending:				Change from:			% change from:		
	11/28/14	11/21/14	10/31/14	12/3/13	11/21/14	10/31/14	12/3/13	11/21/14	10/31/14	12/3/13
Mont Belvieu Spot	74.6	75.4	89.1	116.8	-0.76	-13.67	-27.76	-1.0	-15.3	-23.8
Conway Spot	78.1	79.3	94.7	117.2	-1.15	-15.43	-22.52	-1.5	-16.3	-19.2

Key Price Spreads and Differentials









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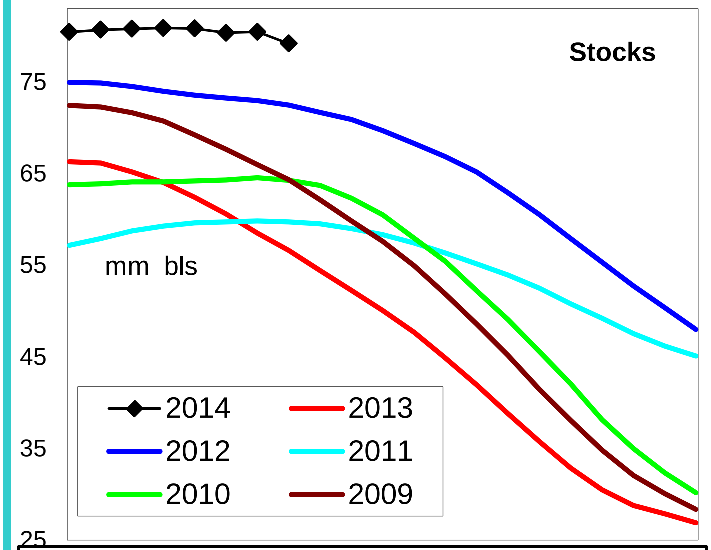
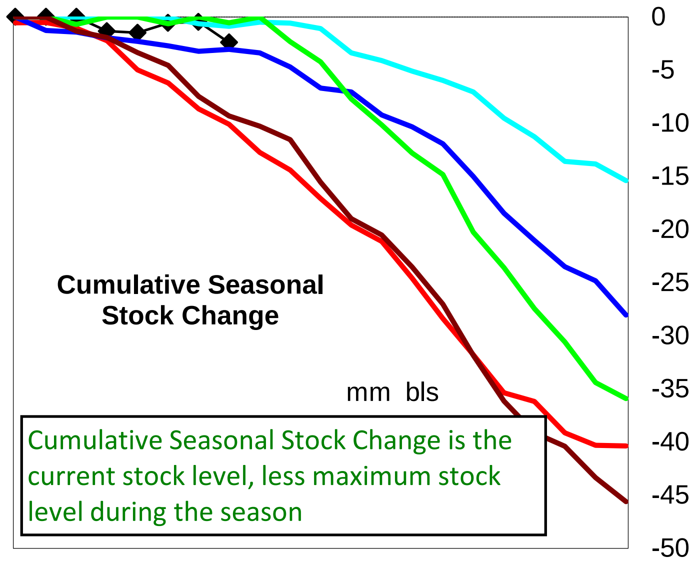
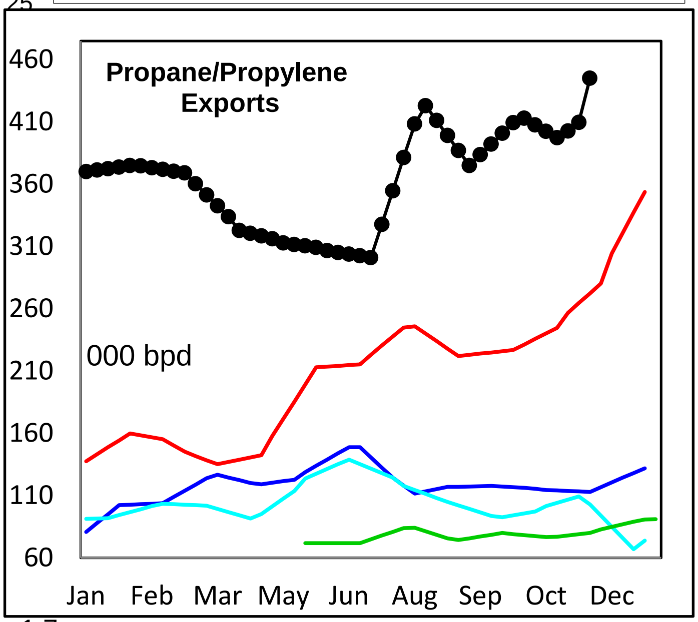
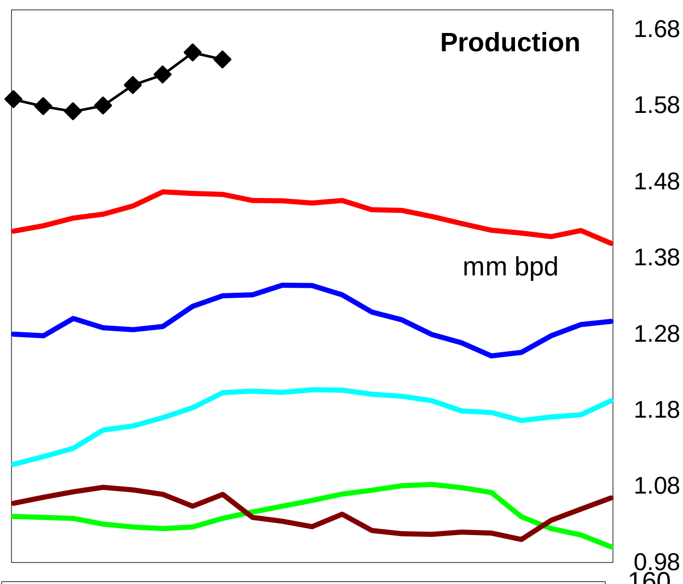
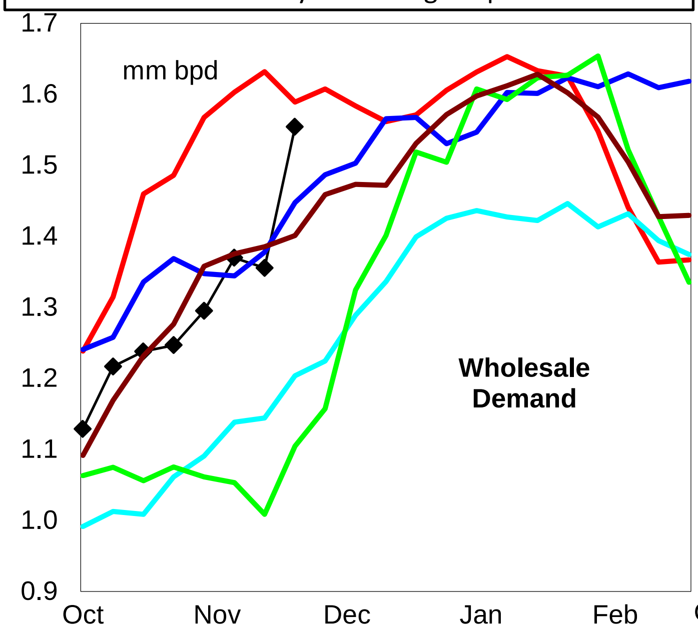
U. S. Propane Supply and Demand Balance

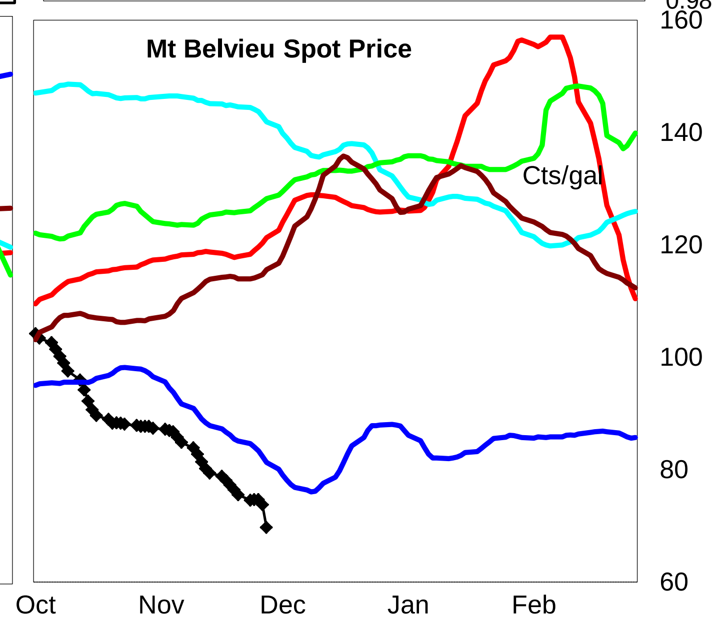












4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Oct	Sep	Aug
000 bpd (000 bls stks)	22,261	7,674	161	-59		-287	-48	25	-43
% change	39.1	-76	11.0	-42.7		-17.7	-3.7	2.3	-4.2

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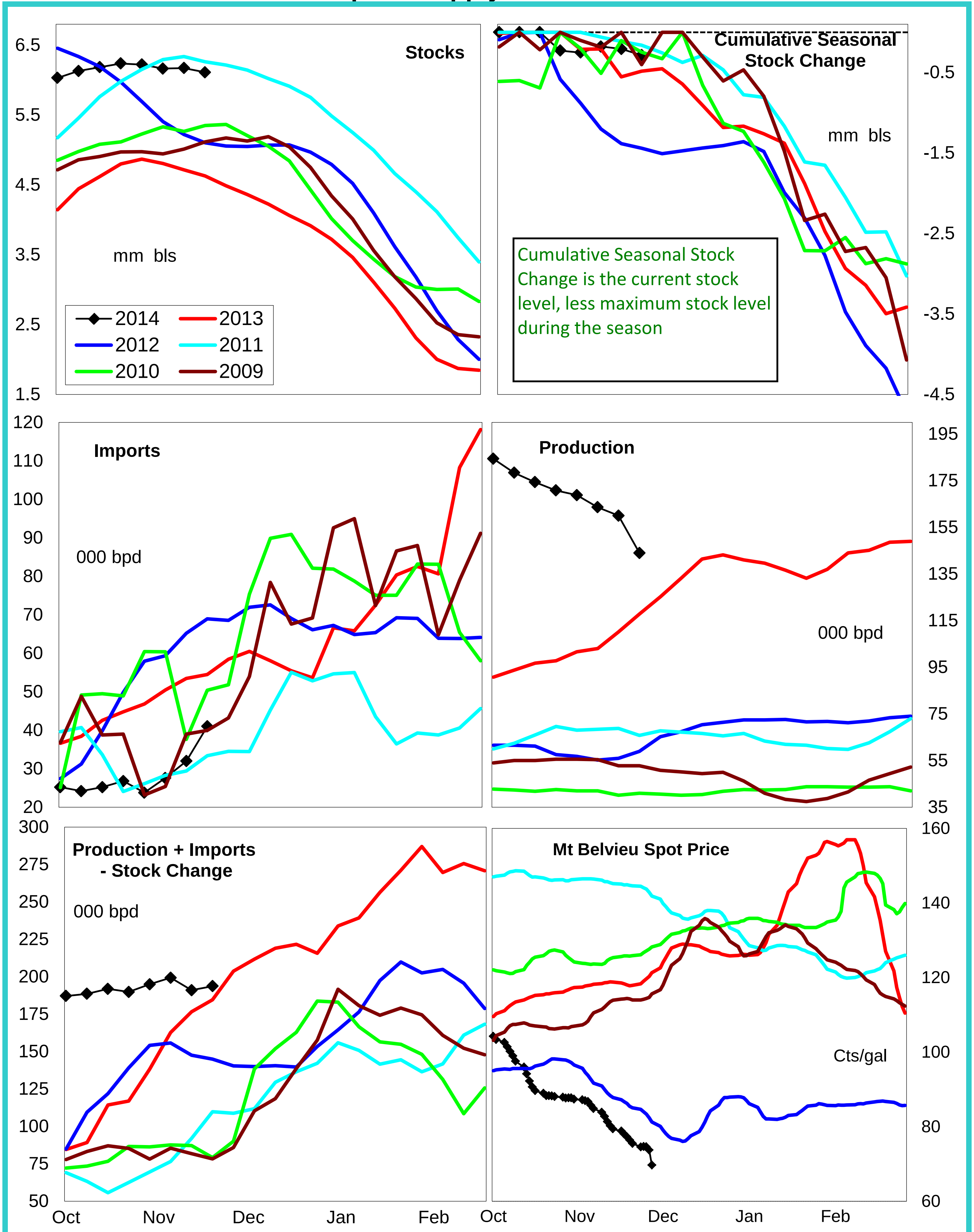
PADD 1 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	1,497	198	60	-22	29
% change	32.4	-41.1	57.5	-42.1	17.6

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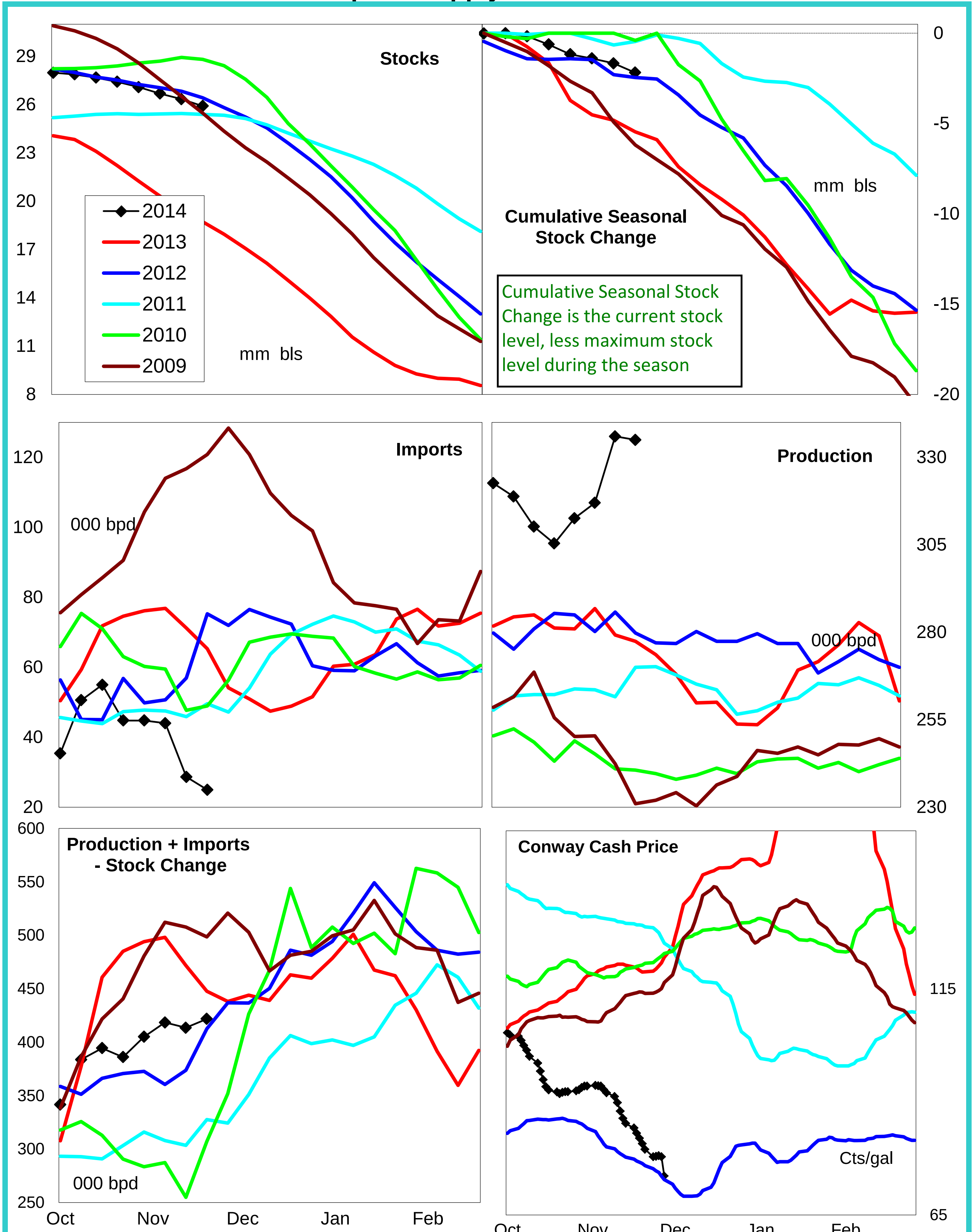
PADD 2 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	7,029	3,275	34	-43	-63
% change	37.2	-60.0	12.0	-57.6	-13.2

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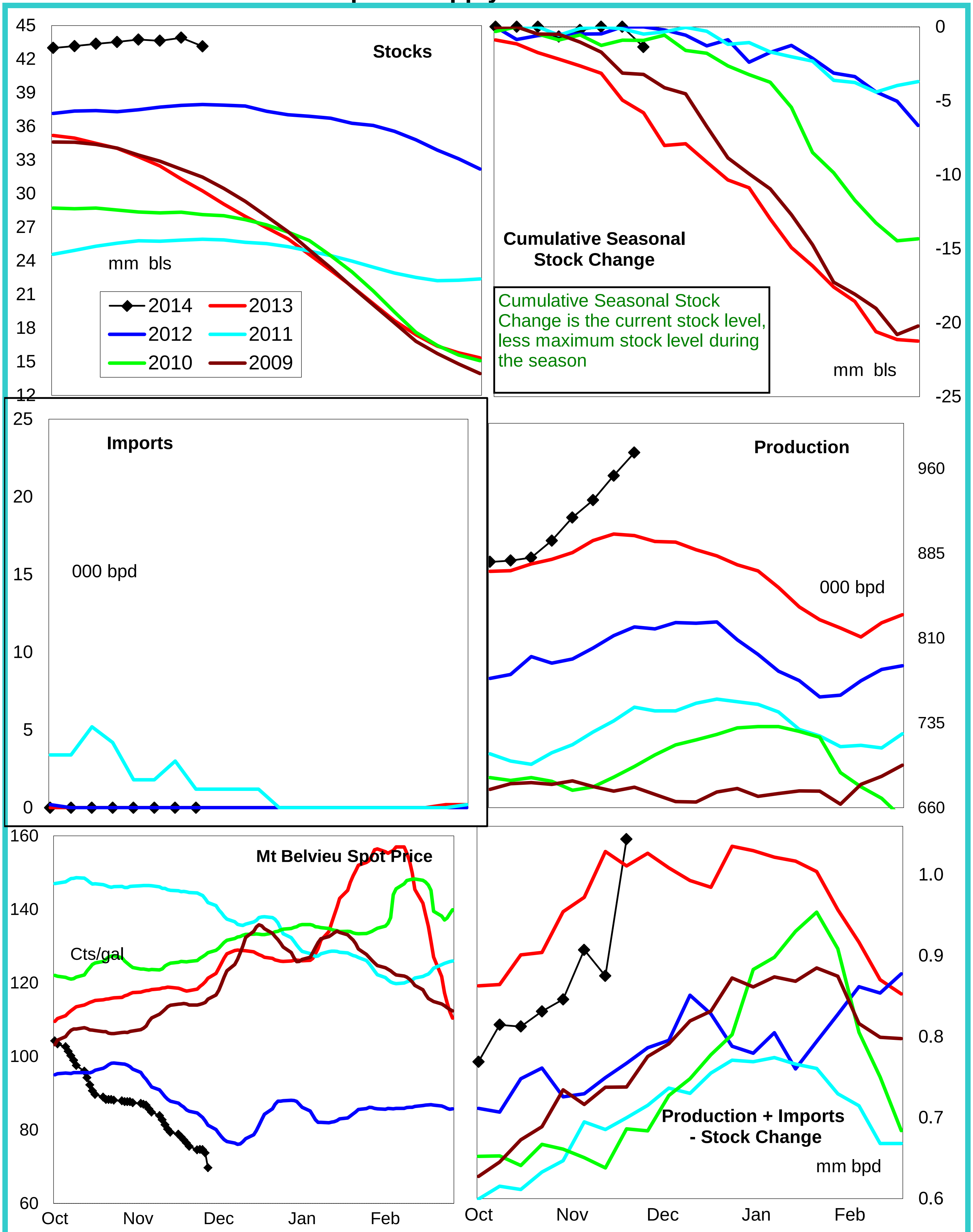
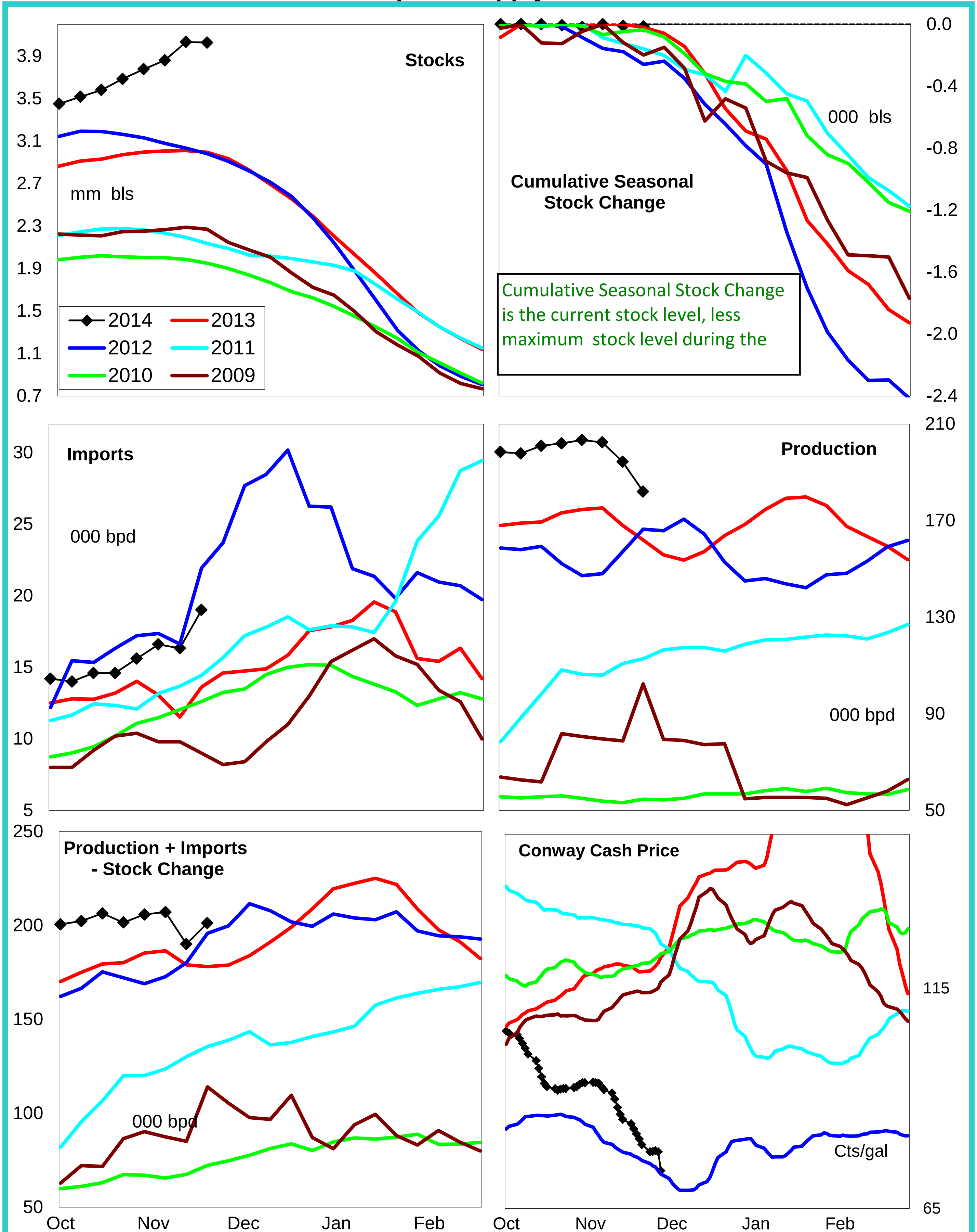
PADD 3 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	12,730	4,445	40	0	-74
% change	41.9	-77	4.5	#DIV/0!	-7.1

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)	1,006	7	27	6	19
% change	33.3	-35.0	15.4	47.9	10.3

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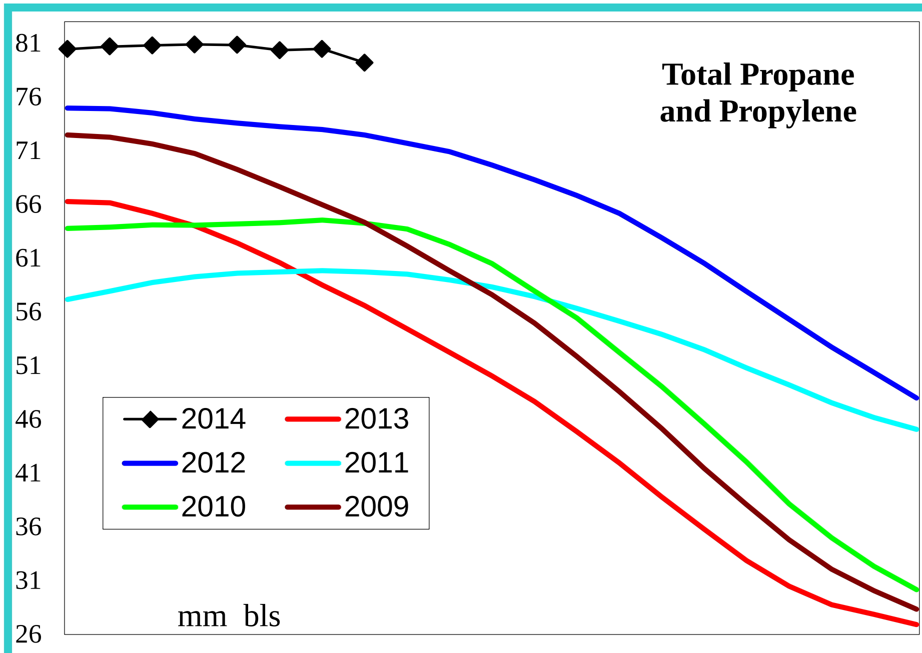
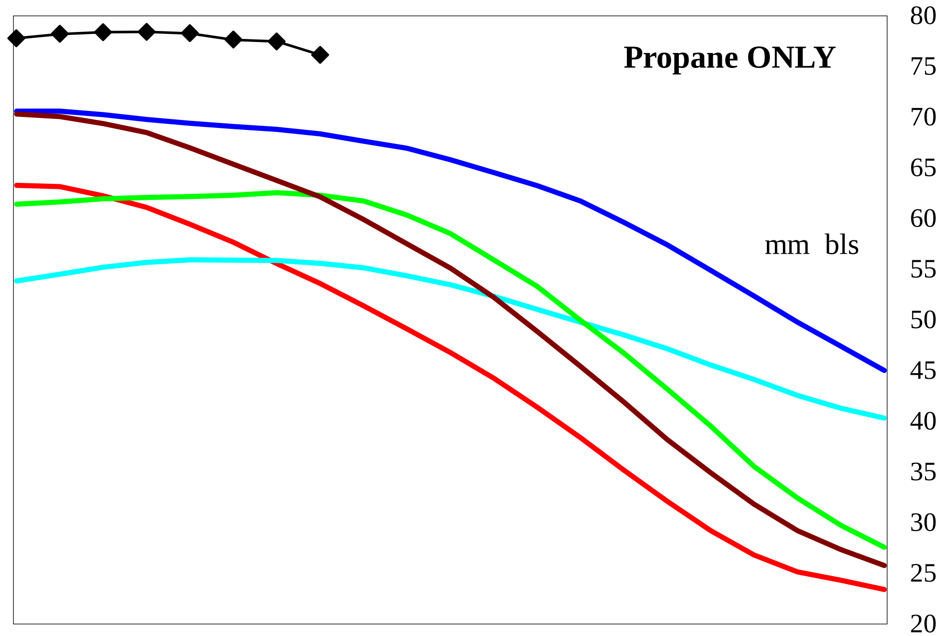
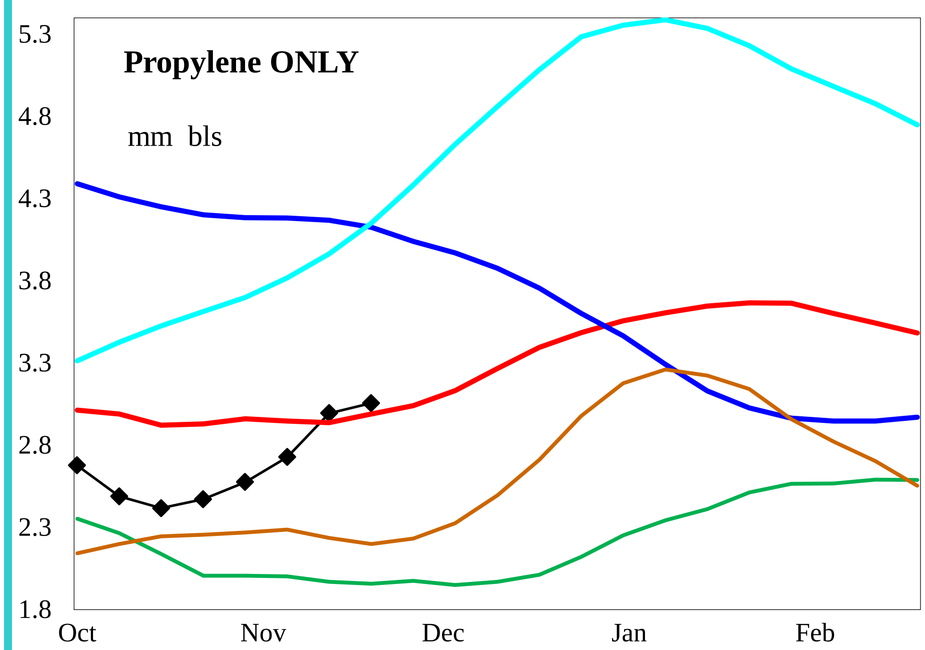
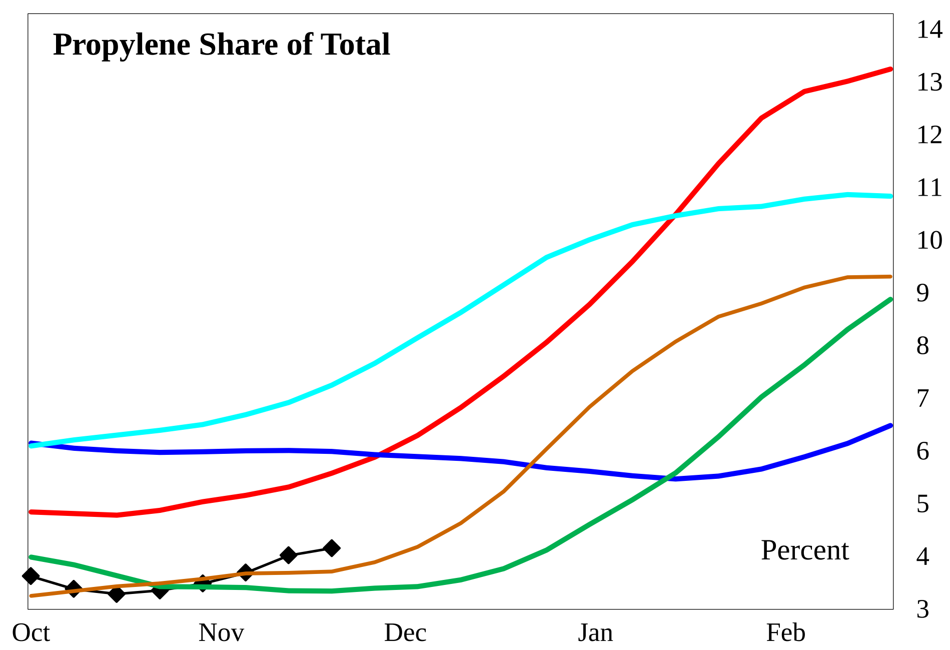
U. S. Propane and Propylene Stocks









Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	**22,261**	**22,091**	**65**
% change	**39.1**	**40.9**	**2.2**

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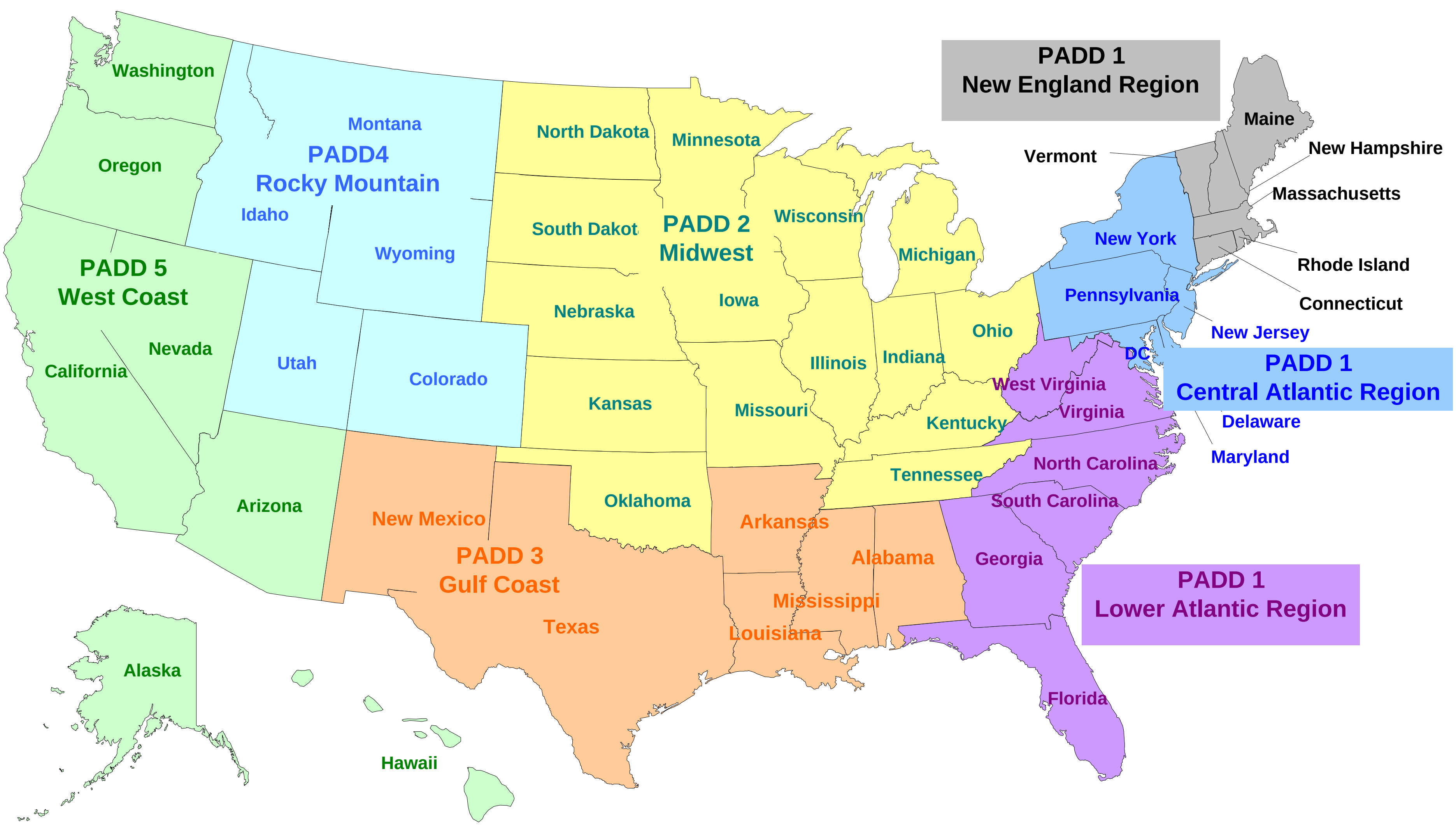
U. S. Petroleum Administrative for Defense Districts (PADDs)



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