

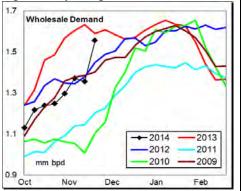
WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

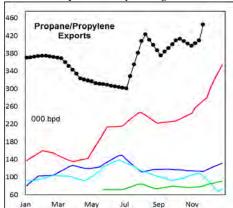
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Summary¹:

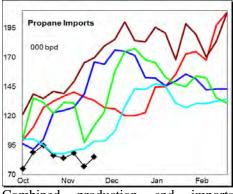
Wholesale demand increased +214,000 bpd last week, to a level near historic highs set a year ago.



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.



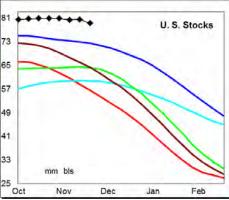
Imports increased +11,000 bpd on the week, at a record low level for the period.



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.



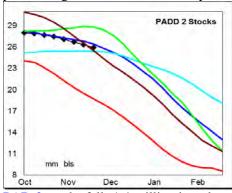
The Conway – Mt Belvieu price spread traded sideways on the week, ending at a level above the historic range in favor of Conway.

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

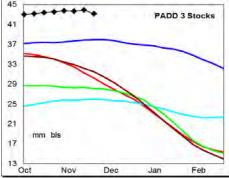
The propane / crude oil price spread trended higher late in the week, ending at a level near historic lows for the period. PADD 1 stocks decreased -0.1 million barrels last week, ending +1.5 million

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 4wk 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.

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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										1, 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 Average for week ending: Change from: % change from: Cents/gal 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 116.8 74.6 75.4 89.1 -0.76-27.76 -1.0 -15.3 -23.8 **Conway Spot** 78.1 79.3 94.7 117.2 -1.15 -1.5 -15.43 -22.52 -16.3 -19.2

Key Price Spreads and Differentials 20 160 Mt Belvieu Spot Price Conway - Mt Belvieu 15 **Spread** 10 140 5 0 120 -5 -10 100 2014 2013 2012 2011 Cts/gal -15 2010 2009 Cts/gal -20 80 -25 -30 60 610 85 Mt Belvieu Propane % of Mt Belvieu Propane % of **Nearby Natural Gas Futures Nearby Crude Oil Futures** 535 75 **Percent** Percent 460 65 385 55 310 45 235 160 35 Oct Nov Dec Feb Jan Oct Nov Dec Jan Feb

11/30/2014 www.fundamentalpetroleumtrends.com U. S. Propane Supply and Demand Balance 0 Stocks -5 75 -10 -15 65 -20 55 mm bls -25 **Cumulative Seasonal Stock Change** -30 45 -35 mm bls **←**2014 2013 Cumulative Seasonal Stock Change is the -40 35 2012 2011 current stock level, less maximum stock -45 2010 2009 level during the season -50 460 Propane/Propylene 1.68 **Production Exports** 410 1.58 360 1.48 310 260 1.38 mm bpd 000 bpd 210 1.28 160 1.18 110 1.08 60 Feb Mar May Jun Aug Sep 0.98 160 1.7 Mt Belvieu Spot Price mm bpd 1.6 140 1.5 Cts/ga 1.4 120 1.3 100 Wholesale 1.2 **Demand** 1.1 80 1.0 0.9 60 Feb Oct Nov Dec Jan Feb Oct Nov Dec Jan

% change

Stocks

22,261

39.1

4wk stk

7,674

-76

Prod

161

11.0

Imports

-42.7

Demand

4wk avg

-287

-17.7

4 wk avg variance prior year

000 bpd (000 bls stks)

Sep

25

2.3

Aug

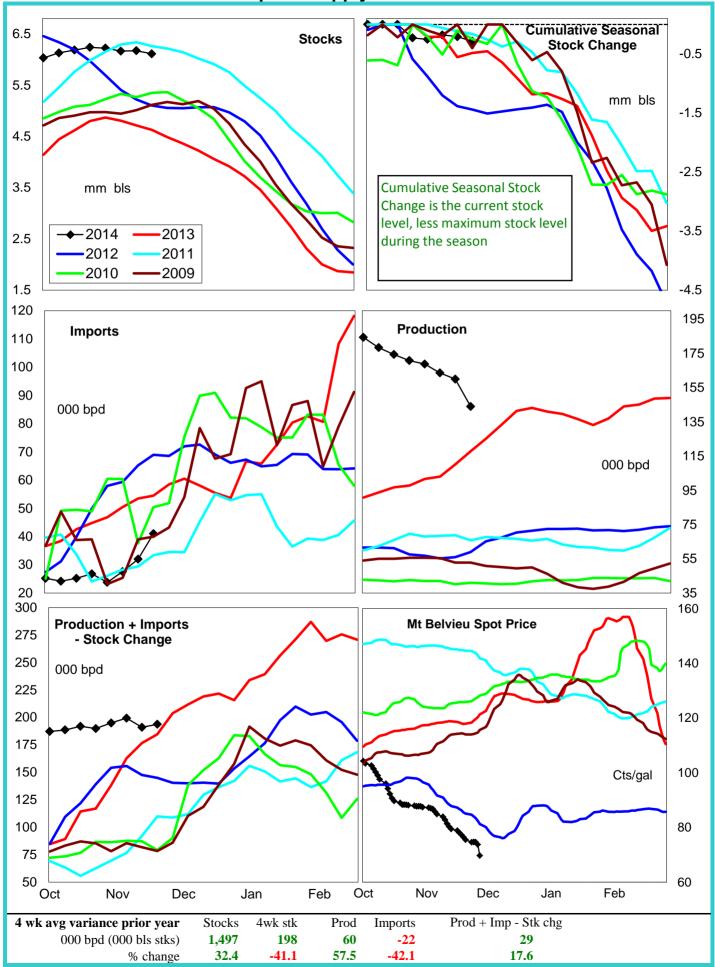
-43

Oct

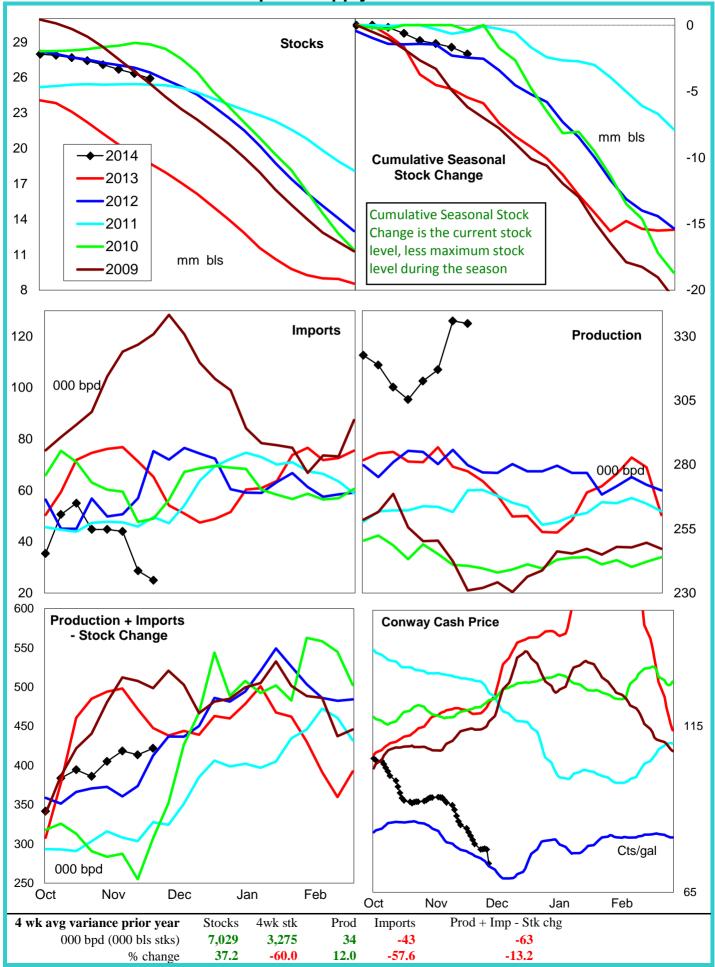
-48

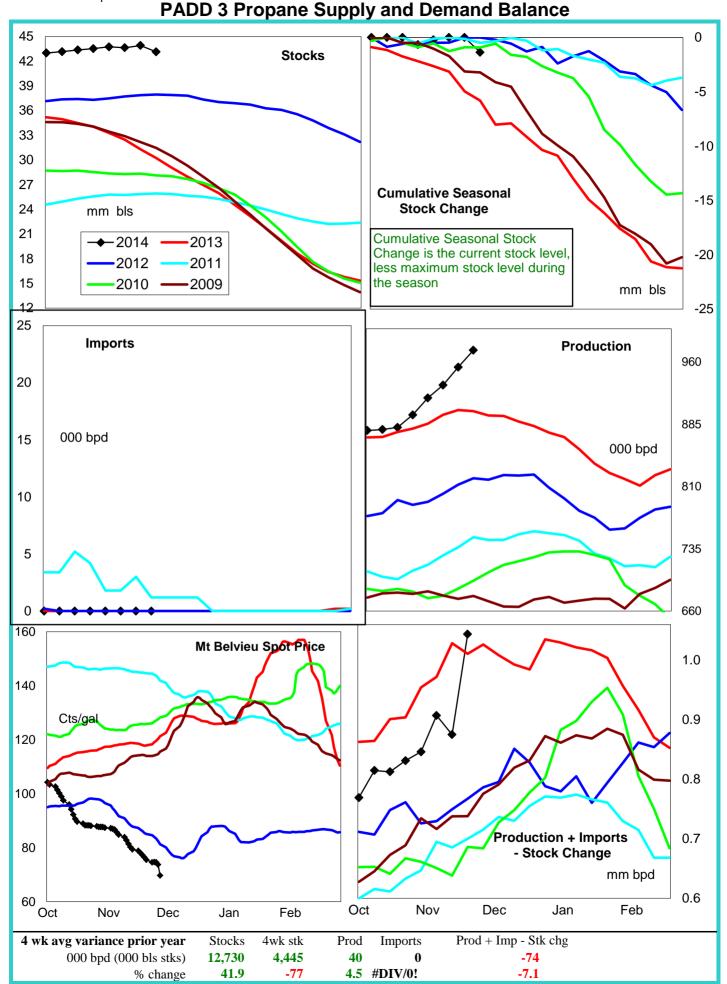
-3.7

PADD 1 Propane Supply and Demand Balance



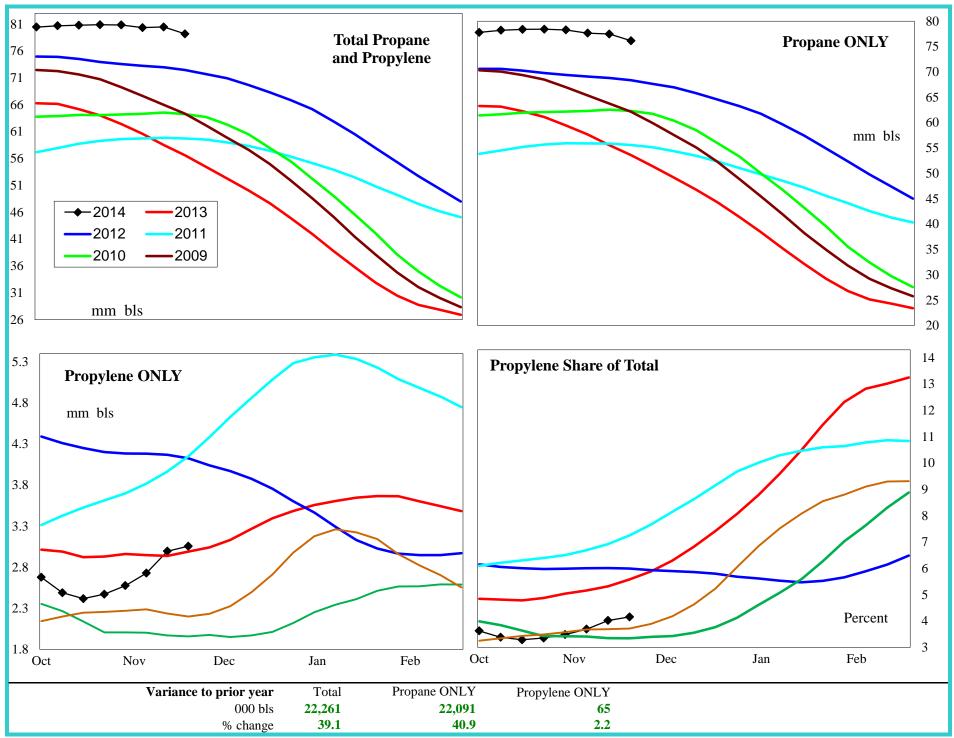
PADD 2 Propane Supply and Demand Balance





PADDs 4 and 5 Propane Supply and Demand Balance 0.0 3.9 Stocks -0.4 3.5 000 bls 3.1 -0.8 **Cumulative Seasonal** 2.7 mm bls **Stock Change** -1.2 2.3 1.9 -1.6 **Cumulative Seasonal Stock Change** 1.5 is the current stock level, less -2014 2013 -2.0 maximum stock level during the 2011 2012 1.1 2009 2010 0.7 -2.4 210 **Production** 30 **Imports** 170 25 000 bpd 20 130 15 000 bpd 90 10 50 5 250 **Production + Imports Conway Cash Price** - Stock Change 200 115 150 100 000 bp Cts/gal 50 65 Oct Nov Feb Dec Jan Oct Nov Dec Jan Feb 4 wk avg variance prior year Prod + Imp - Stk chg Stocks 4wk stk Prod **Imports** 000 bpd (000 bls stks) 1,006 7 27 19 33.3 -35.0 15.4 47.9 10.3 % change

U. S. Propane and Propylene Stocks



www.fundamentalpetroleumtrends.com 11/30/2014

