

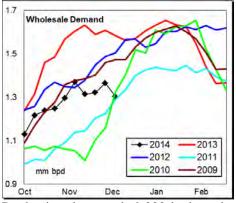
WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

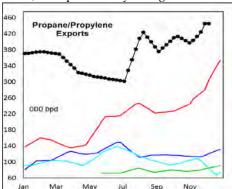
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Summary¹:

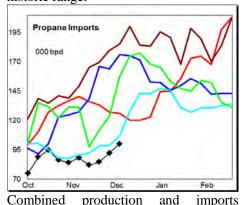
Wholesale demand increased +67,000 bpd last week, although the level remains equal to historic lows for the period.



Production decreased -9,000 bpd on the week, concentrated in the Gulf and Midwest. Exports for the week ending 21Nov14 were 445,000 bpd, +157,000 bpd over a year ago.

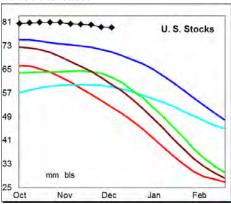


Imports increased +8,000 bpd on the week, but the level remains below the historic range.

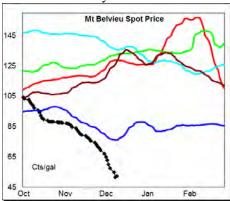


during the latest 4-wk period were +132,000 bpd above a year ago. Production was +173,000 bpd above last year (+12%), while imports were -The latest 4-wk 41,000 bpd lower. average demand was -247,000 bpd below last year.

Stocks decreased -0.3 million barrels last week, concentrated on the East Stocks ended the week +26 million barrels above a year ago, a +50% increase.



Price and Spreads Mt Belvieu spot price fell -11 cpg last week ending 10Dec14, with Conway collapsed -17 cpg for the Mt Belvieu prices ended the week at a fresh 5-yr low.



The Conway - Mt Belvieu price spread fell sharply on the week, with Conway falling below Mt Belvieu for the first time this fall.

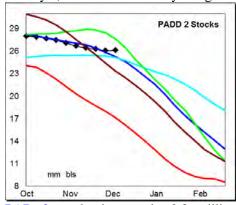
The propane to natural gas price trended lower last week, ending at a level well below the 5-yr range.

The propane / crude oil price spread trended lower last week, ending at a level below the 5-yr range.

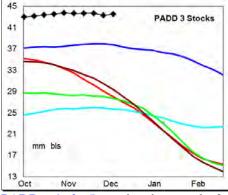
PADD 1 stocks decreased -0.5 million

barrels last week, ending +1.2 million barrels above last year. Supply for the latest 4-wk period was +16,000 bpd above last year, due to a +24% increase in production.

PADD 2 supply was unchanged last week. Production for the latest 4-wk period was +58,000 bpd above last year. Stocks were unchanged last week. Stock levels ended the week above four of the last 5-yrs, and +54% above a year ago.



PAD 3 stocks increased +0.3 million barrels on the week, to a level +54% above a year ago. Supplies for the latest 4-wk period were +56,000 bpd above last year.



PADDs 4 & 5 stocks decreased -0.1 million barrels, with the level +36% above the last 2-yrs.

Emerging Trends Exceptionally warm temperatures are forecast across the entire heating region through the 3rd week of the month. Stock levels are +50% above a year ago, with non existent stock draws in major markets. Midwest prices have dropped below the Gulf on lack of demand. Price risk remains to the downside.

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¹ Source is latest EIA Weekly Statistic

PROPANE: Graph Link and Weekly Summary

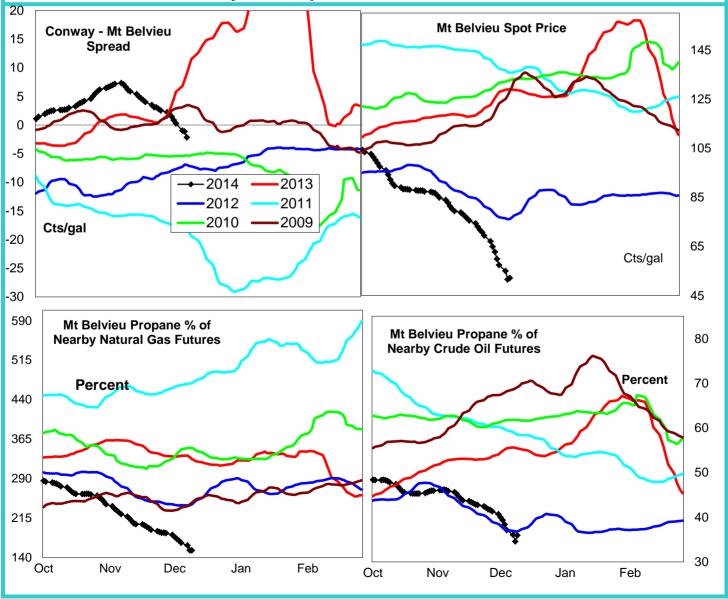
Fundamental Trends for the Week Ending: Friday, December 05, 2014

December 10, 2014

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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	79,159	5,606	26,102	43,519	3,932	-257	-455	-42	305	-65
Propylene Stocks	3,203					159				
Production	1,611	150	327	934	200	-9	7	-12	-31	27
Imports	100	45	33	0	22	8	-3	12	0	-1
Whsle Demand	1,303					67				

Price Trends for the Week Ending: Wednesday, December 10, 2014 Average for week ending: Change from: % change from: Cents/gal 12/10/14 12/3/14 11/12/14 12/13/1312/3/14 11/12/14 12/13/13 12/3/14 11/12/14 12/13/13 Mont Belvieu Spot 68.0 55.0 84.0 130.2 -13.01 -16.02 -46.2 -19.1 -19.1 -35.5 **Conway Spot** 54.0 71.4 91.4 137.5 -19.98 -46.15 -21.9 -17.39 -24.4 -33.6

Key Price Spreads and Differentials



www.fundamentalpetroleumtrends.com 12/10/2014 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 Mar May Jul Sep Nov Jan 0.98 1.7 Mt Belvieu Spot Price mm bpd 1.6 145 1.5 125 1.4 105 1.3 **Wholesale** 1.2 85 **Demand** 1.1 65 Cts/gal 1.0 0.9 45 Feb Oct Nov Dec Jan Feb Oct Nov Dec Jan

Stocks

26,542

50.4

4wk stk

11,955

-83

Prod

173

11.9

Imports

-31.8

Demand

4wk avg

-247

4 wk avg variance prior year

000 bpd (000 bls stks)

% change

Sep

25

2.3

Aug

-43

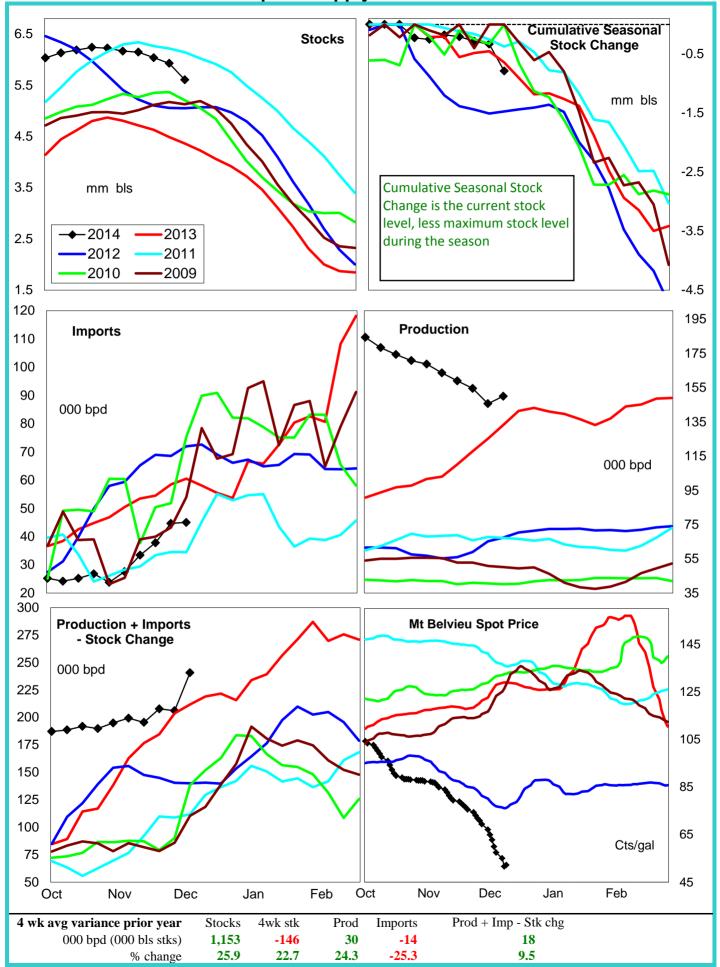
-4.2

Oct

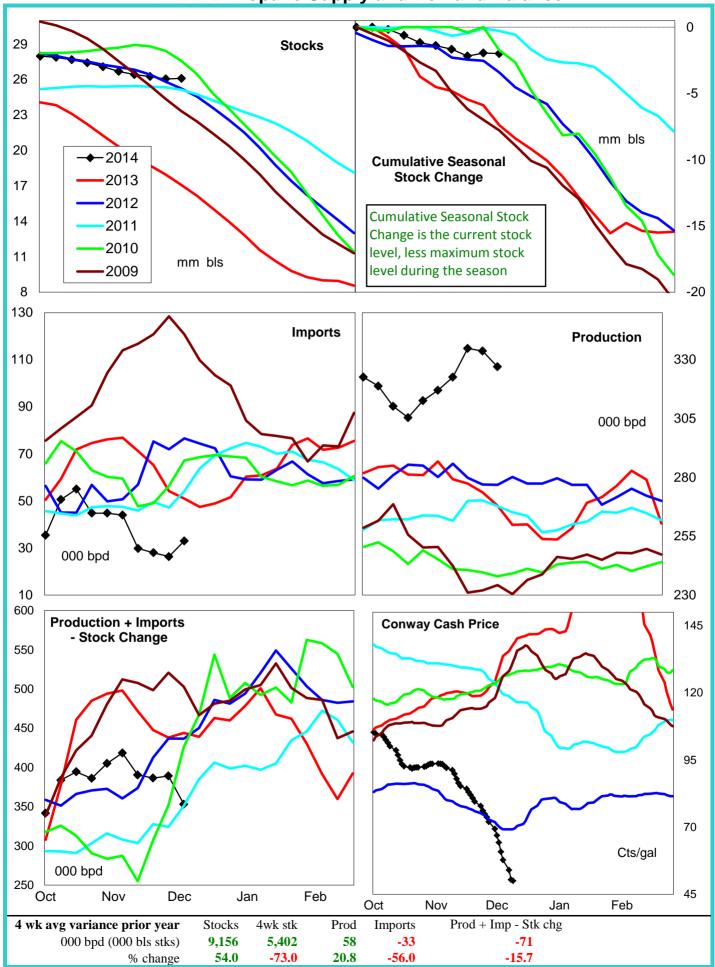
-48

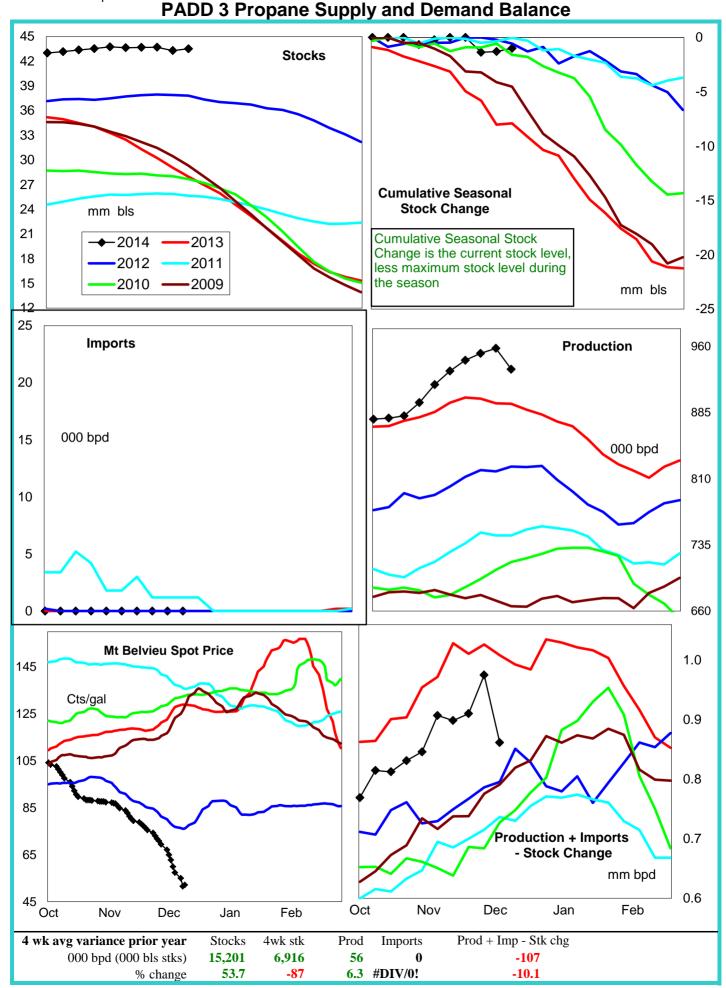
-3.7

PADD 1 Propane Supply and Demand Balance



PADD 2 Propane Supply and Demand Balance





www.fundamentalpetroleumtrends.com 12/10/2014 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** 145 - Stock Change 200 120 150 000 bpd 95 100 70 Cts/gal 50 45 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**

29

43.6

18.3

34

% change

1,033

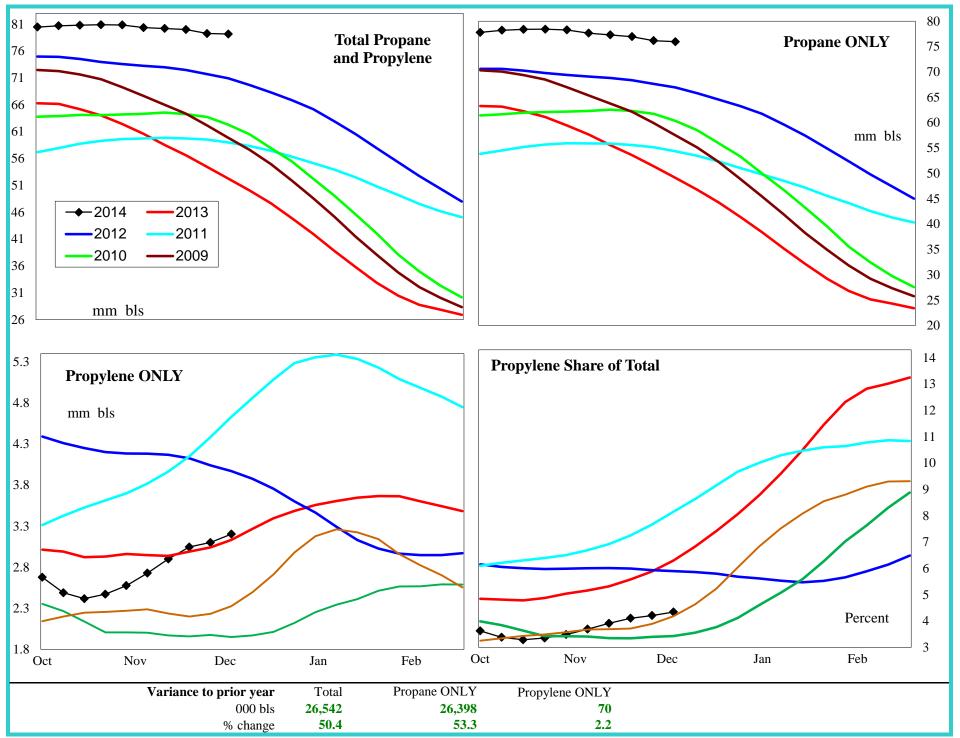
35.6

000 bpd (000 bls stks)

31

17.4

U. S. Propane and Propylene Stocks



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