WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

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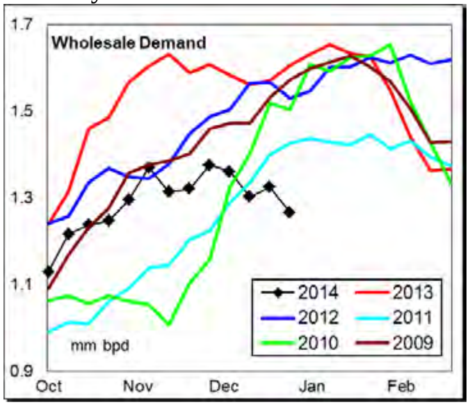
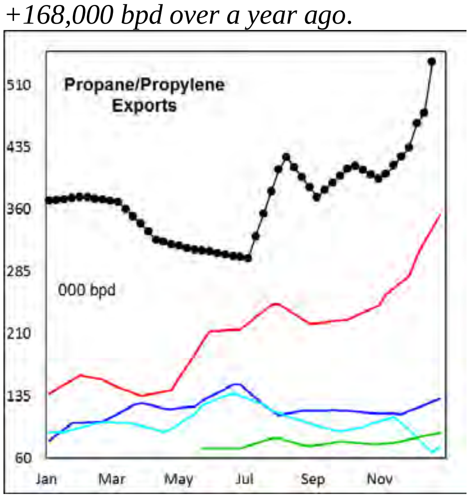
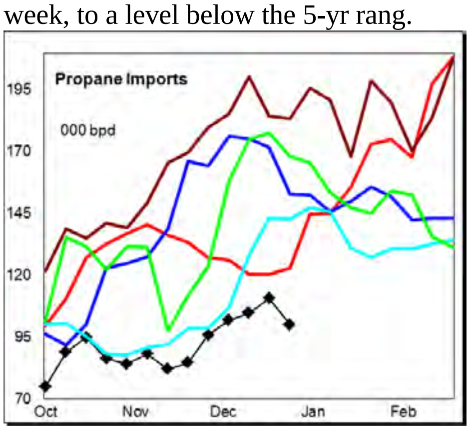
Summary[1]:
Wholesale demand was unchanged last week, ending at a record low for this time of year.



Production decreased -1,000 bpd on the week. *Exports for the week ending 19Dec14 were 538,000 bpd, up +168,000 bpd over a year ago.*

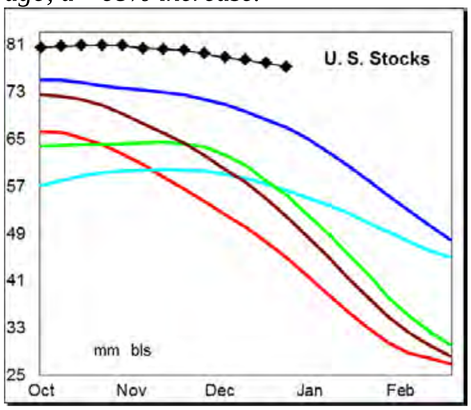


Imports decreased -4,000 bpd on the week, to a level below the 5-yr rang.

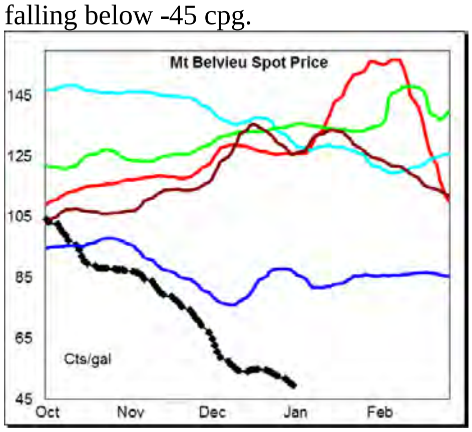


Combined production and imports during the latest 4-wk period were +171,000 bpd above a year ago. Production was +182,000 bpd above last year (+13%), while imports were -11,000 bpd lower. The latest 4-wk average demand was -214,000 bpd below last year.

Stocks decreased -0.6 million barrels last week, including a +0.5 million barrel build in the Midwest. *Stocks ended the week +31 million barrels above a year ago, a +68% increase.*



Price and Spreads Mt Belvieu spot price decreased -4 cpg last week ending 31Dec14, with Conway down -5 cpg for the period. Mt Belvieu prices ended the week at 5-yr lows, with Conway prices falling below -45 cpg.



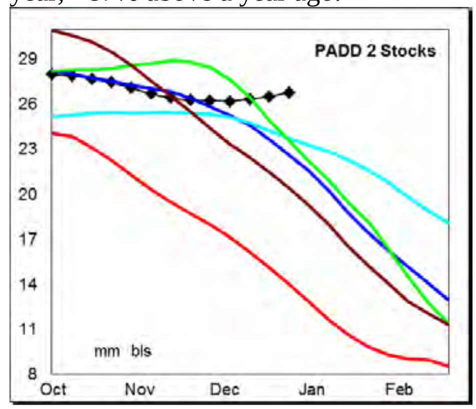
The Conway – Mt Belvieu price spread extended the 2-month downtrend, with Conway sharply below Mt Belvieu.

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

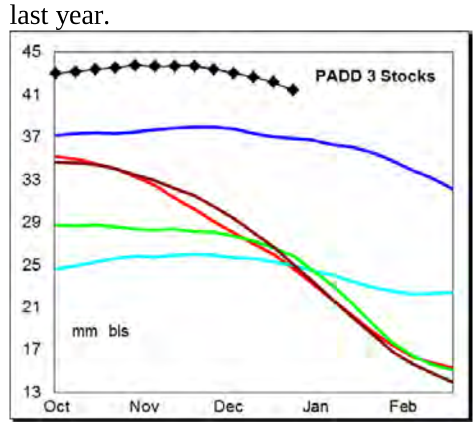
The propane / crude oil price spread trended lower last week, ending at a level equal to historic lows.

PADD 1 stocks were unchanged last week, ending +1.5 million barrels above last year. Supply for the latest 4-wk period was +14,000 bpd above last year.

PADD 2 supply decreased -4,000 bpd on the week. Production for the latest 4-wk period was +72,000 bpd above last year (+28%). Stocks increased +0.5 million barrels on the week. Stock levels ended the week at a record high for this time of year, +87% above a year ago.



PAD 3 stocks decreased -1.1 million barrels on the week, to a level +63% above a year ago. Supplies for the latest 4-wk period were +41,000 bpd above last year.



PADDs 4 & 5 stocks decreased -0.1 million barrels, with the level +56% above the last 2-yrs.

Emerging Trends The Midwest propane market is extremely over supplied with production up +27% from a year ago; stocks at 27 million barrels versus 14 million barrels a year ago. The Gulf region did experience a -1.1 million barrel stock draw for the week, driven in part by the increase in exports. The market remains exceptionally over supplied in all regions.

[1] Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

January 2, 2015

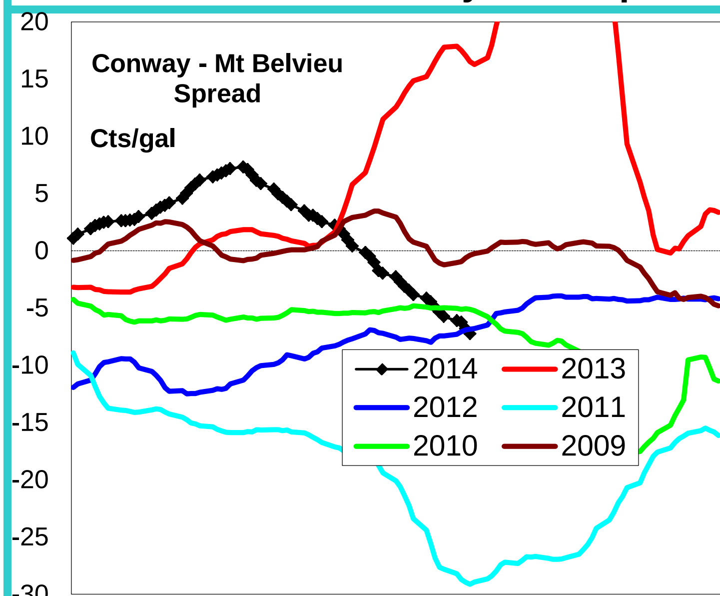
Fundamental Trends for the Week Ending: Friday, December 26, 2014

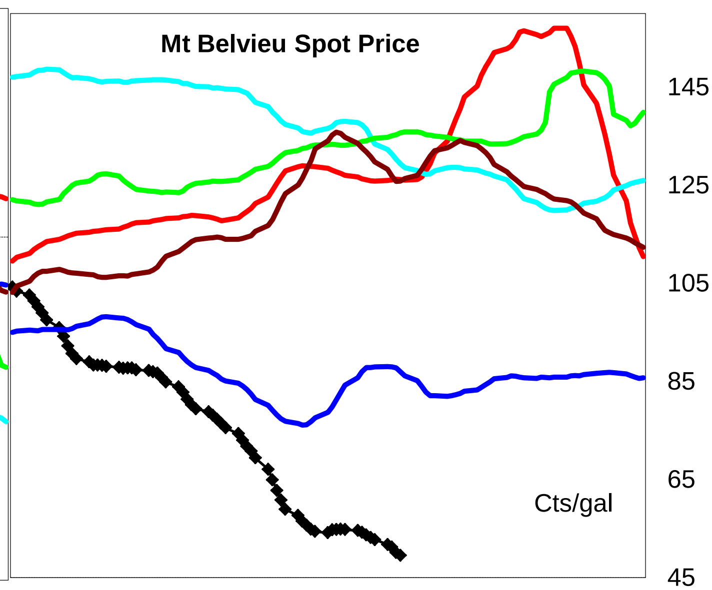
000 bpd / Stocks 000 bls	Weekly Supply-Demand: U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5	Change from prior week: U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5
Stocks	77,244	5,403	26,753	41,408	3,680	-596	35	545	-1,077	-99
Propylene Stocks	3,586					147				
Production	1,619	174	332	914	199	-1	-1	-4	6	-2
Imports	100	53	30	0	17	-4	-2	0	0	-2
Whsle Demand	1,266					2				

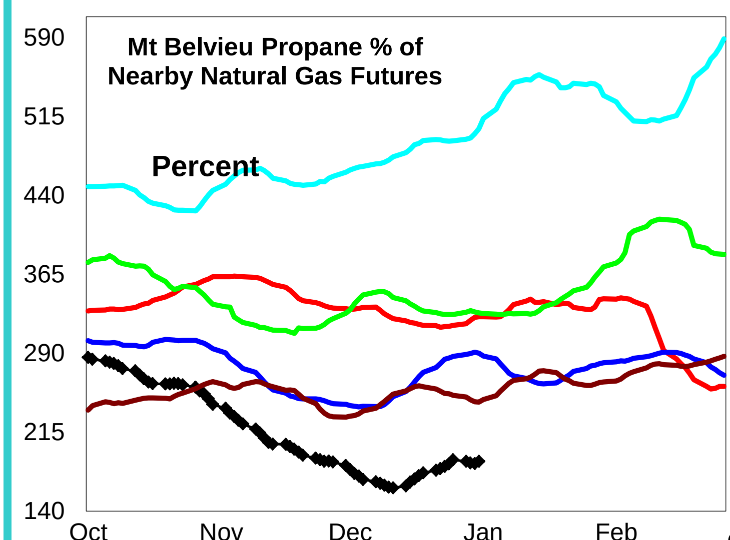
Price Trends for the Week Ending: Thursday, January 01, 2015

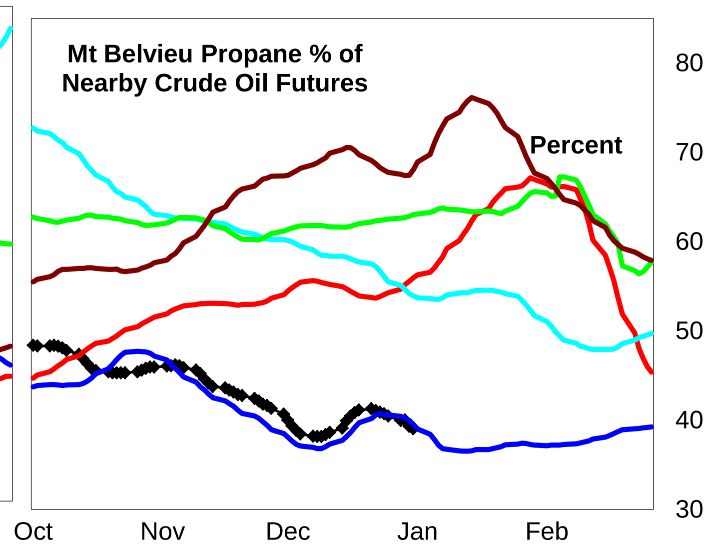
Cents/gal	Average for week ending: 1/1/15	12/25/14	12/4/14	1/6/14	Change from: 12/25/14	12/4/14	1/6/14	% change from: 12/25/14	12/4/14	1/6/14
Mont Belvieu Spot	51.3	55.0	65.2	124.8	-3.75	-10.19	-59.63	-6.8	-15.6	-47.8
Conway Spot	45.0	50.3	67.6	143.5	-5.25	-17.32	-75.88	-10.4	-25.6	-52.9

Key Price Spreads and Differentials

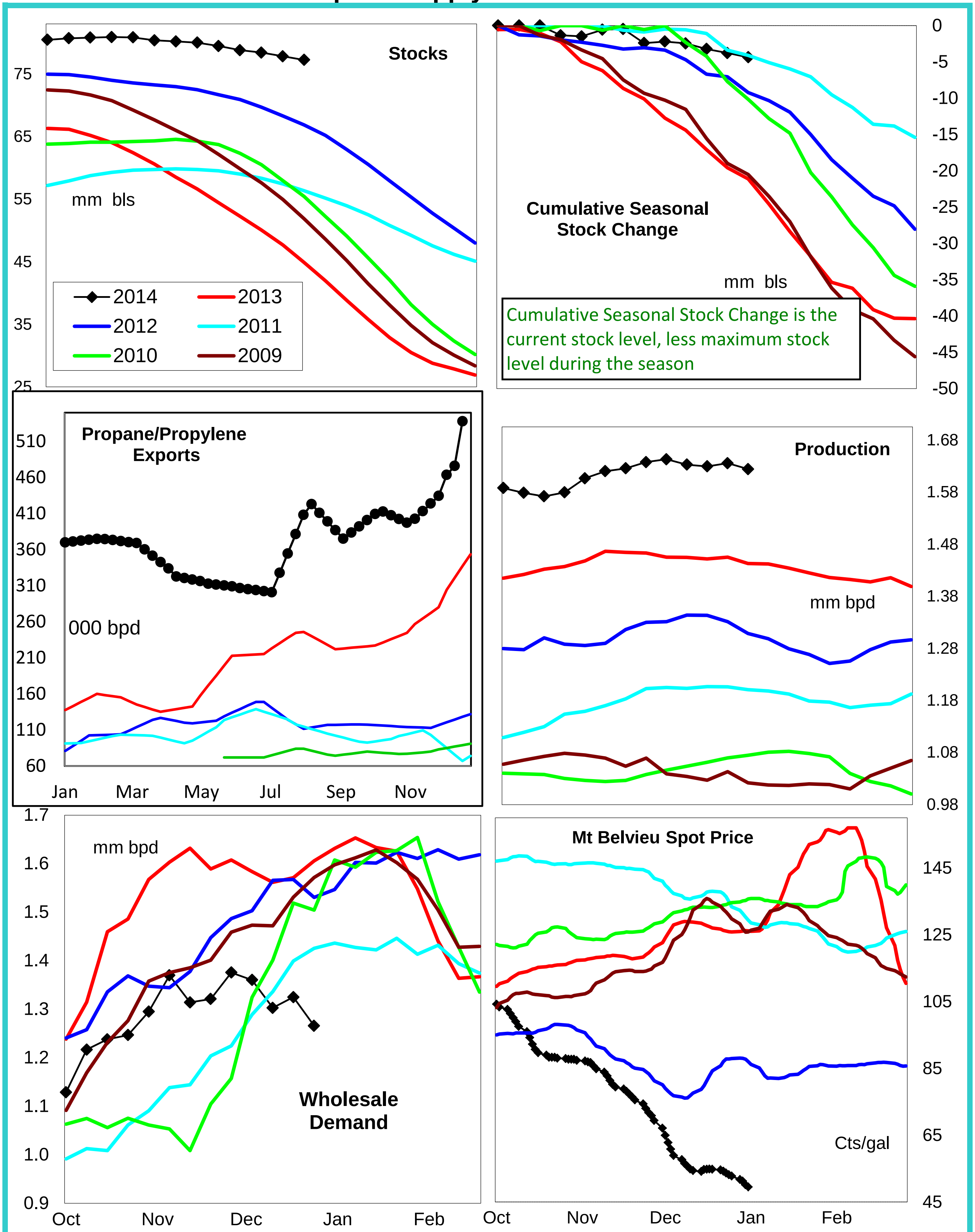








U. S. Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Nov	Oct	Sep
000 bpd (000 bls stks)	31,343	16,756	182	-11		-214	-86	-48	-66
% change	68.3	-79	12.6	-9.2		-13.9	-6.1	-3.7	-6.0

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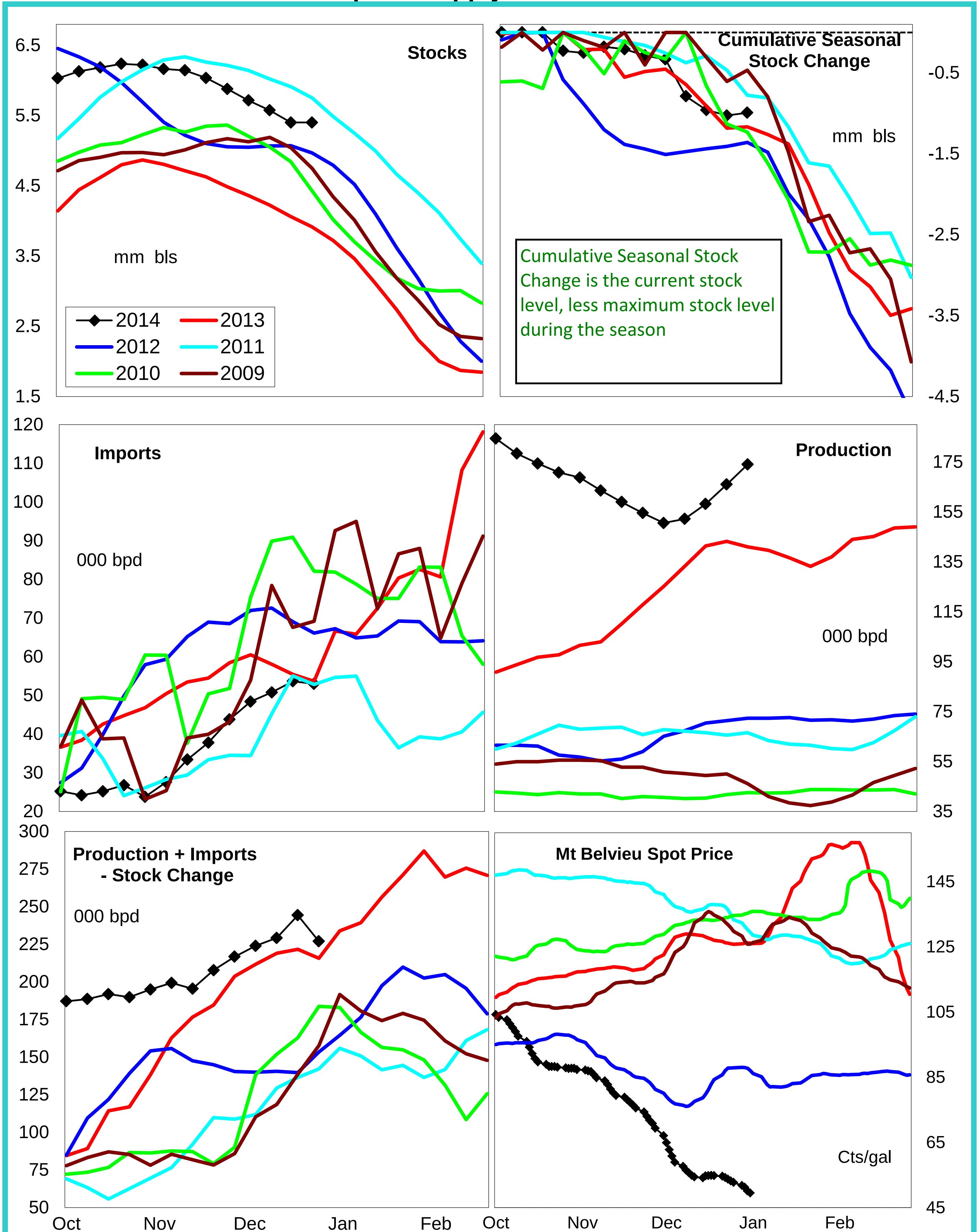
PADD 1 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	1,473	174	20	-6	14
% change	37.5	-14.9	13.7	-9.8	6.5

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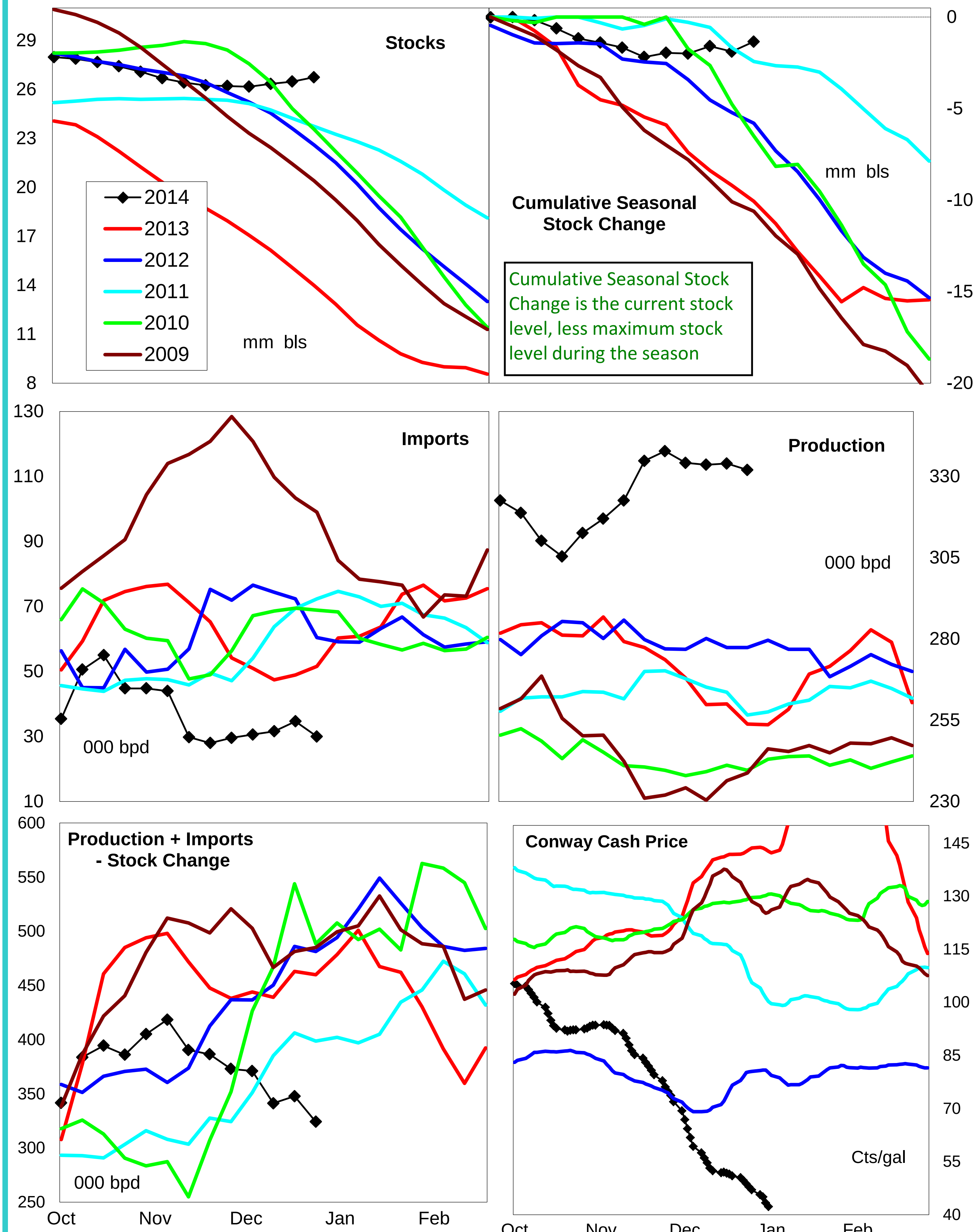
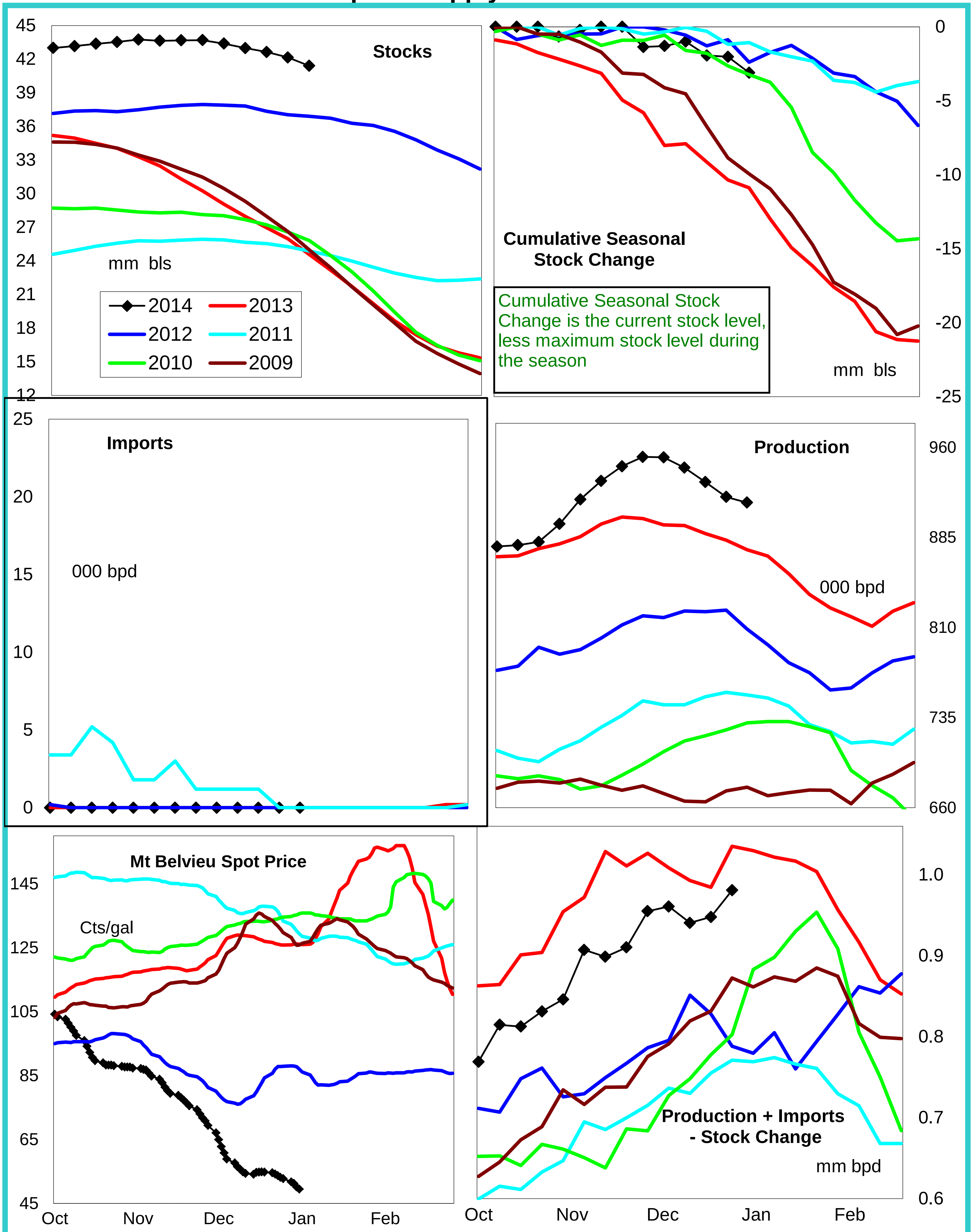
PADD 2 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	12,482	8,728	72	-11	-105
% change	87.5	-86.7	27.8	-25.1	-23.3

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)	16,061	7,776	41	0	-48
% change	63.4	-71	4.7	#DIV/0!	-4.6

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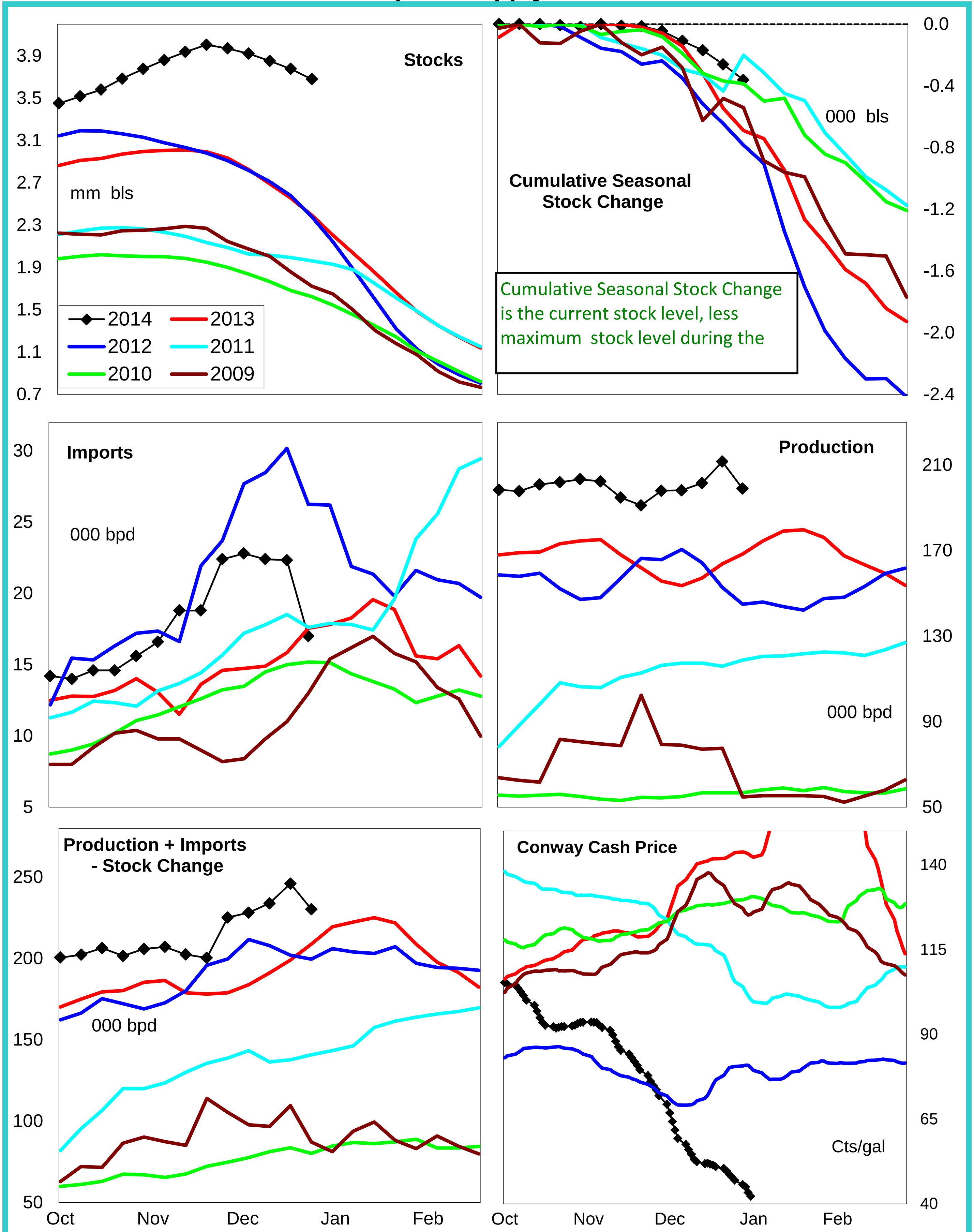
PADDs 4 and 5 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	1,327	328	49	6	39
% change	56.4	-47.6	30.5	37.1	19.8

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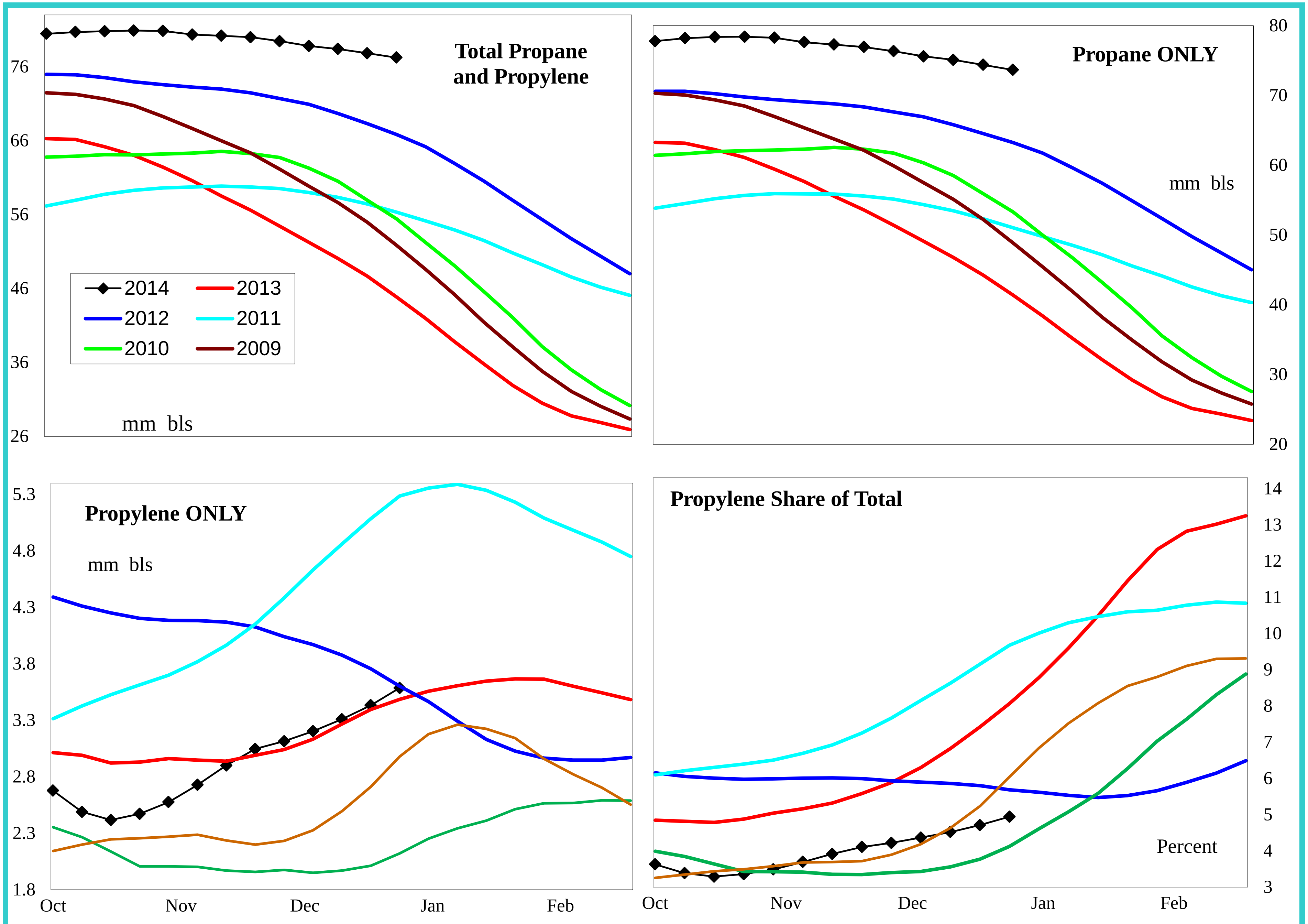
U. S. Propane and Propylene Stocks



Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	31,343	31,310	100
% change	68.3	73.9	2.9

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