

#### WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

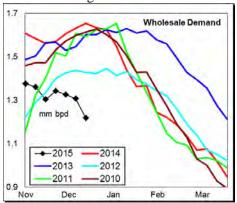
A Fundamental Petroleum Trends Weekly Report

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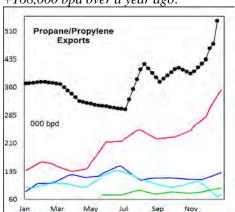


#### Summary<sup>1</sup>:

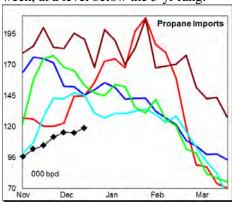
Wholesale demand declined -218,000 bpd last week, to a level sharply below the historic range.



Production fell -97,000 bpd on the week, with declines in all regions east of the Rockies. *Exports for the week ending 19Dec14 were 538,000 bpd, up* +168,000 bpd over a year ago.



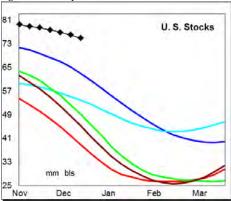
Imports decreased -7,000 bpd on the week, at a level below the 5-yr rang.



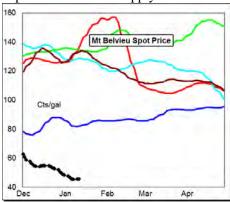
Combined production and imports

during the latest 4-wk period were +138,000 bpd above a year ago. Production was +149,000 bpd above last year (+10%), while imports were -11,000 bpd lower. The latest 4-wk average demand was -308,000 bpd below last year.

Stocks decreased -0.8 million barrels last week, including a -1 million barrel draw in the Midwest. Stocks ended the week +36 million barrels above a year ago, 2X last year's level.



Price and Spreads Mt Belvieu spot price increased +1 cpg last week ending 13Jan15, with Conway up +2.5 cpg for the period. Spot prices remain extremely depressed on excess supply.



The Conway – Mt Belvieu price spread trended slightly higher last week, with Conway below Mt Belvieu.

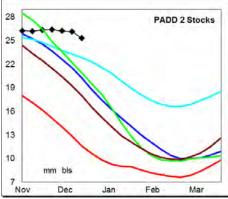
The propane to natural gas price spread traded sideways last week, ending at a level well below the 5-yr range.

The propane / crude oil price spread trended higher last week, ending at a level just above historic lows.

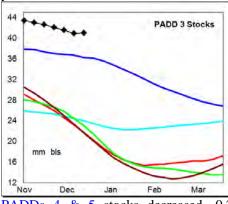
PADD 1 stocks decreased -0.4 million barrels last week, ending +1.4 million

barrels above last year. Supply for the latest 4-wk period was +32,000 bpd above last year.

PADD 2 supply fell -54,000 bpd on the week. Production for the latest 4-wk period was +76,000 bpd above last year (+30%). Stocks decreased -1 million barrels on the week. Stock levels ended the week more than 2X last year.



PAD 3 stocks increased +0.8 million barrels on the week, to a level nearly 2X last year. Supplies for the latest 4-wk period were +17,000 bpd above last year.



PADDs 4 & 5 stocks decreased -0.2 million barrels, with the level +33% above the last 2-yrs.

**Emerging Trends** The major Midwest and Gulf markets each have inventories 2X year ago levels, due in part to a -19% year-on-year decline in wholesale demand. Production fell a combined -134,000 bpd in regions east of the Rockies.

Peak winter demand is unlikely to provide support to prices in the Midwest, because of the extreme excess supply.

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<sup>&</sup>lt;sup>1</sup> Source is latest EIA Weekly Statistics

January 14, 2015

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# **PROPANE: Graph Link and Weekly Summary**

**Fundamental Trends for the Week Ending:** Friday, January 09, 2015 **Weekly Supply-Demand** Change from prior week: 000 bpd **PADD** U.S. U.S. **PADD** Stocks 000 bls **Total** 2 3 4&5 **Total** 2 3 4&5 74,853 25,291 41,023 752 -177 5,116 3,423 Stocks -797 -358 -1,014 **Propylene Stocks** 3,877 232 827 **Production** 1,522 152 313 230 -97 -23 -31 -80 37 **Imports** 119 **52** 32 8 27 -23 8 11 -3 Whsle Demand 1,217 -218

Pri	ice Trend	ds for the	e Week	Thursday, January 01, 2015						
Cents/gal	Average for week ending:				Change from:			% change from:		
	1/1/15	12/25/14	12/4/14	1/6/14	12/25/14	12/4/14	1/6/14	12/25/14	12/4/14	1/6/14
Mont Belvieu Spot	45.3	47.8	54.4	128.1	-2.58	-6.53	-73.78	-5.4	-12.0	-57.6
Conway Spot	40.3	41.2	52.5	146.7	-0.85	-11.28	-94.25	-2.1	-21.5	-64.2

#### **Key Price Spreads and Differentials** 20 160 Conway - Mt Belvieu 15 Mt Belvieu Spot Price **Spread** 140 10 -2015 2014 5 2013 2012 120 2010 2011 0 -5 100 -10 Cts/gal -15 80 -20 -25 60 Cts/gal -30 -35 40 590 Mt Belvieu Propane % of 75 **Nearby Crude Oil Futures** Mt Belvieu Propane % of 515 **Nearby Natural Gas Futures** Percent 65 440 **Percent** 365 55 290 45 215 140 35 Jan Feb Mar Dec Apr Dec Jan Feb Mar Apr

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U. S. Propane Supply and Demand Balance 01/14/2015 0 **Cumulative Seasonal Stocks** -5 **Stock Change** 74 2014 2015 -10 2013 2012 -15 64 2011 2010 -20 mm bls 54 -25 Cumulative Seasonal Stock Change is the -30 current stock level, less maximum stock 44 -35 level during the season -40 34 mm bls -45 -50 Propane/Propylene 510 **Production Exports** 1.58 460 410 mm bpd 1.48 **1**360 1.38 310 260 000 bpd 1.28 210 160 1.18 110 1.08 60 Feb Mar May Jun Aug Sep 0.98 160 1.7 **Wholesale** 1.6 **Demand** Mt Belvieu Spot Price 140 1.5 120 1.4 1.3 100 1.2 80

Nov	Dec	Jan	F	eb	Mar	Dec	Jan	Feb	Mar	Apr	. •
4 wk avg v	ariance prior y	ear	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Dec	Nov	Oct
00	0 bpd (000 bls s	tks)	36,199	21,612	149	-11		-308	-182	-86	-170
	% cha	ınge	93.6	-76	10.3	-8.9		-19.2	-11.9	-6.1	-12.9

1.1

1.0

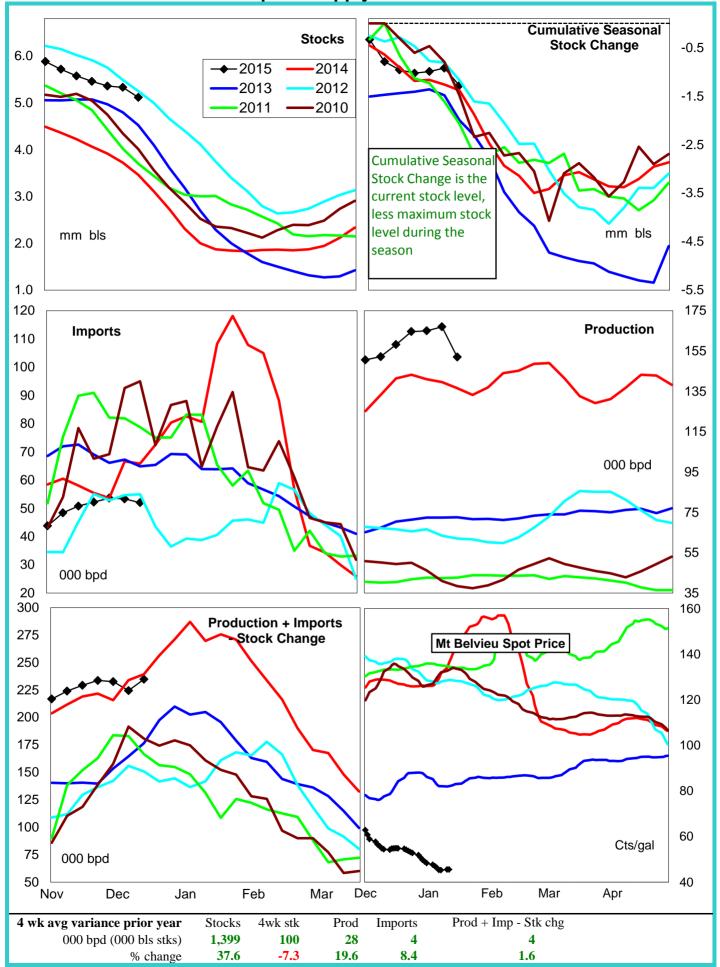
mm bpd

Cts/gal

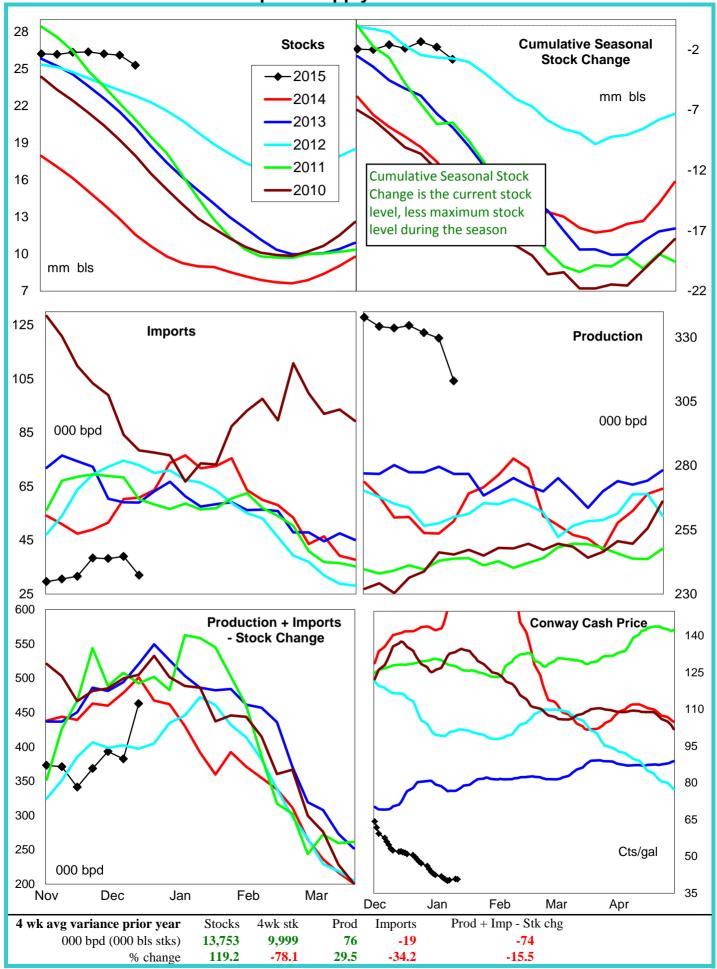
60

40

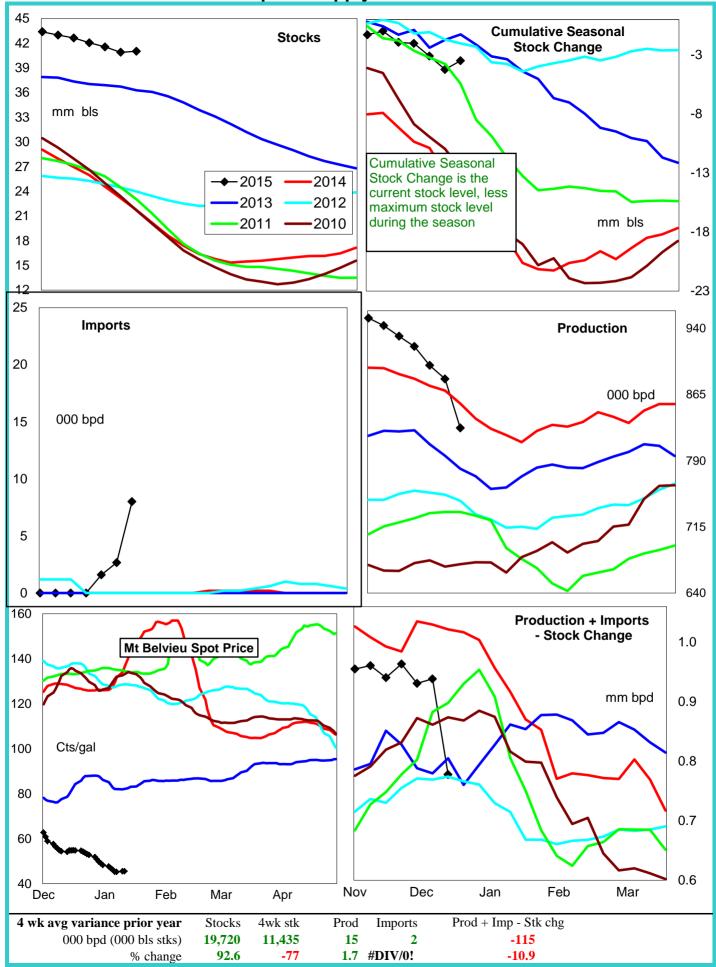
### **PADD 1 Propane Supply and Demand Balance**



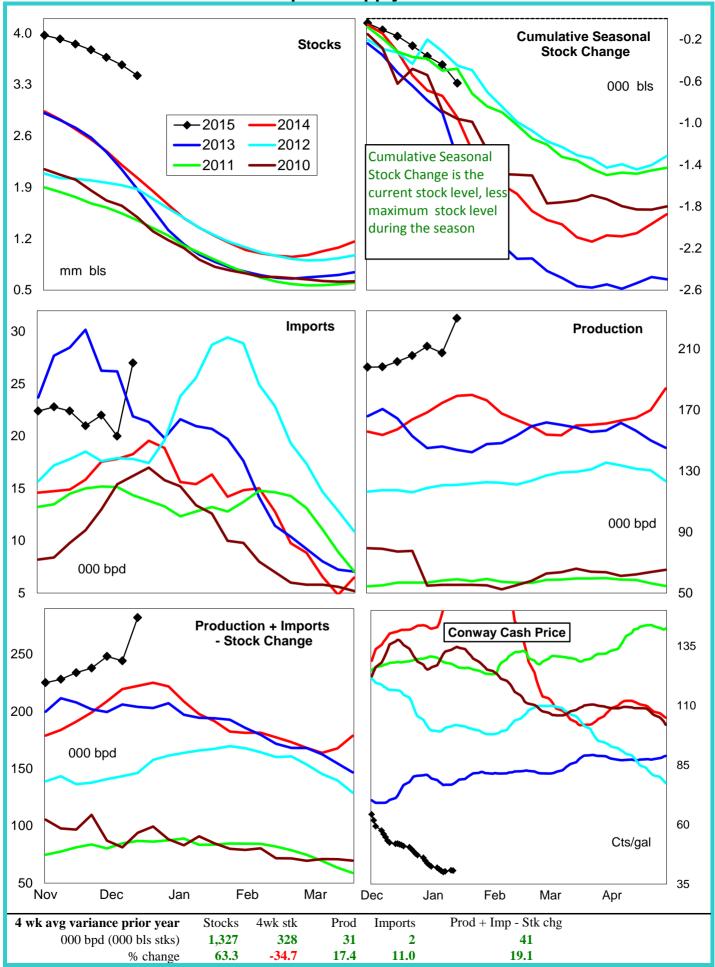
### **PADD 2 Propane Supply and Demand Balance**



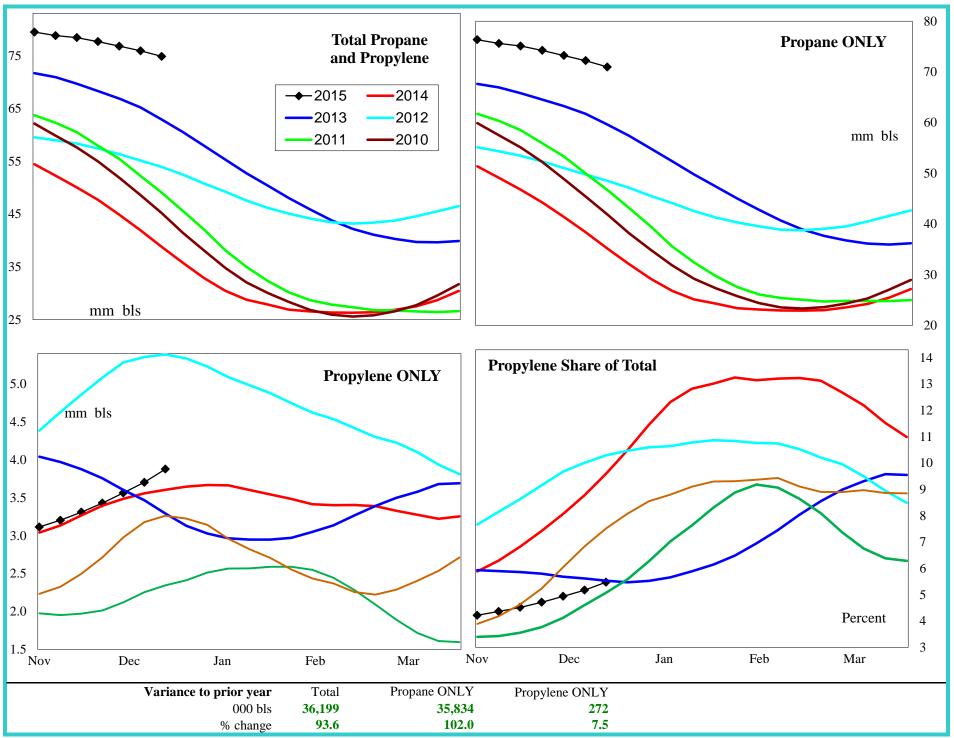
### **PADD 3 Propane Supply and Demand Balance**



### **PADDs 4 and 5 Propane Supply and Demand Balance**



## **U. S. Propane and Propylene Stocks**



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