

WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

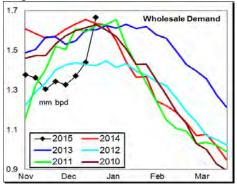
A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com

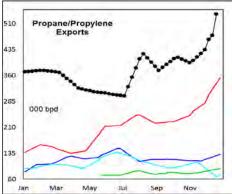


Summary¹:

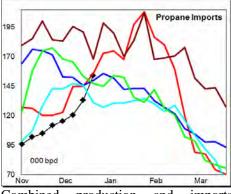
Finally some winter demand! Wholesale demand climbed +447,000 bpd last week, to a level just above the historic range.



Production increased +11,000 bpd on the week, with higher output 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.



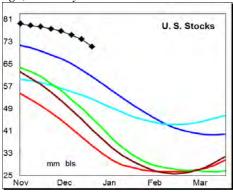
Imports jumped +35,000 bpd on the week, a level equal to the 2-yr average.



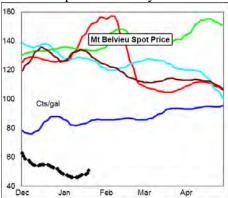
Combined production and imports during the latest 4-wk period were +110,000 bpd above a year ago.

Production was +137,000 bpd above last year (+10%), while imports were -27,000 bpd lower. The latest 4-wk average demand was -258,000 bpd below last year.

Stocks fell -3.6 million barrels last week, including a -1.6 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 +3.5 cpg last week ending 21Jan15, with Conway up +2.5 cpg for the period. Spot prices have trended higher in the last 2-wks on colder than normal temperatures in key markets.



The Conway – Mt Belvieu price spread decreased late last week, with Conway below Mt Belvieu.

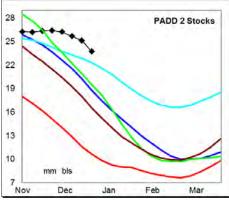
The propane to natural gas price spread trended higher last week on very weak gas prices, ending at a level well below the 5-yr range.

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

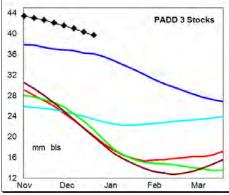
PADD 1 stocks decreased -0.4 million barrels last week, ending +1.5 million barrels above last year. Supply for the

latest 4-wk period was +10,000 bpd above last year.

PADD 2 supply increased +49,000 bpd on the week. Production for the latest 4-wk period was +73,000 bpd above last year (+29%). Stocks fell -1.6 million barrels on the week. Stock levels ended the week more than 2.3X last year.



PAD 3 stocks fell -1.3 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 +80% above the last 3-yrs.

Emerging Trends Temperatures are forecast to be slightly above normal through month end in the Midwest, turning colder than normal in early February east of the Mississippi River.

Winter heating demand will peak during the next 30-days, with prices likely trending higher on significant stock draws. However, record carry out stock levels and production risk another price pullback by end of the winter quarter.

Disclaimer - The information contained on this website and in all its reports reflects the opinion of Fundamental Petroleum Trends. Futures and commodities trading involve significant risk and may not be suitable for every investor. Information contained herein is strictly the opinion of its author and is intended for informational purposes and is not to be construed as a recommendation to sell or buy, or trade in any commodity mentioned herein. Information is obtained from sources believed reliable, but is in no way guaranteed. Opinions, market data and recommendations are subject to change at any time. Past results are not indicative of future results. Charts are developed by Fundamental Petroleum Trends from EIA, NWS, other public

¹ Source is latest EIA Weekly Statistics

January 22, 2015

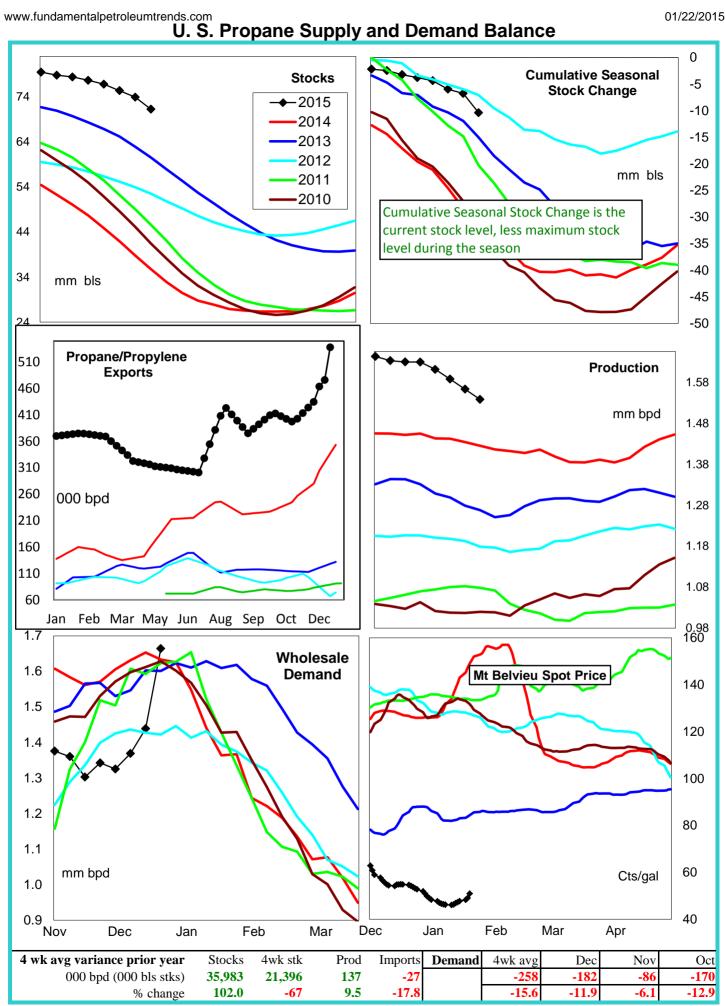
?

PROPANE: Graph Link and Weekly Summary

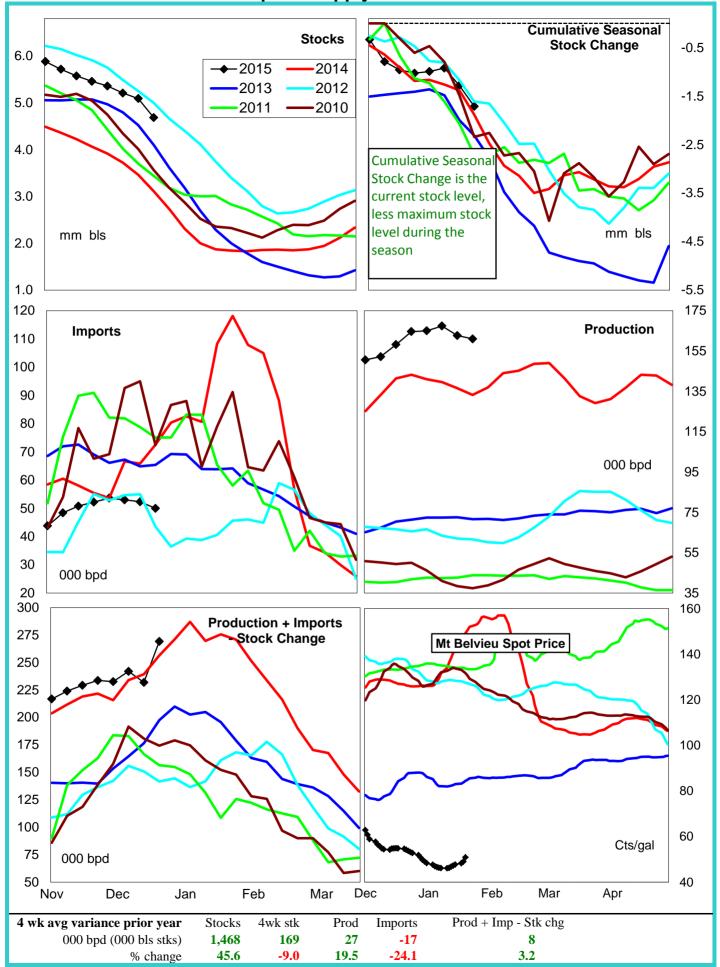
Fundamental Trends for the Week Ending: Friday, January 16, 2015 **Weekly Supply-Demand** Change from prior week: 000 bpd **PADD** U.S. U.S. **PADD** Stocks 000 bls Total 2 3 4&5 **Total** 1 2 3 4&5 71,246 4,684 23,690 39,681 3,191 -3.607 -432 -1,601 -1,342-232 Stocks **Propylene Stocks** 4,171 294 **Production** 1,533 161 316 868 188 11 9 3 41 -42 **Imports** 154 **50** 8 18 35 -2 46 0 -9 **78** Whsle Demand 1,664 447

Price Trends for the Week Ending: Thursday, January 01, 2015 Average for week ending: Change from: % change from: Cents/gal 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 48.3 45.7 55.2 148.5 2.55 -9.45 -93.37 5.6 -17.1 -62.9 46.2 Conway Spot 41.3 50.8 328.0 4.90 -9.50 -277.23 11.9 -18.7 -84.5

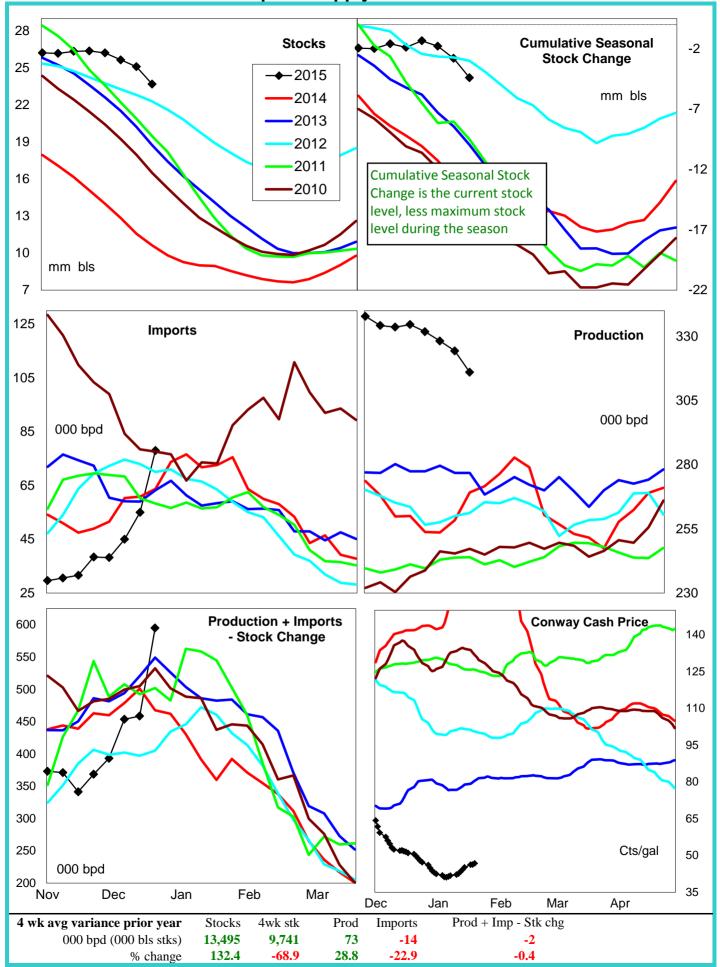
Key Price Spreads and Differentials 20 160 Conway - Mt Belvieu 15 Mt Belvieu Spot Price **Spread** 140 10 -2015 2014 5 2013 2012 120 2010 2011 0 -5 100 -10 Cts/gal -15 80 -20 -25 60 Cts/gal -30 -35 40 590 Mt Belvieu Propane % of 75 **Nearby Crude Oil Futures** Mt Belvieu Propane % of 515 **Nearby Natural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



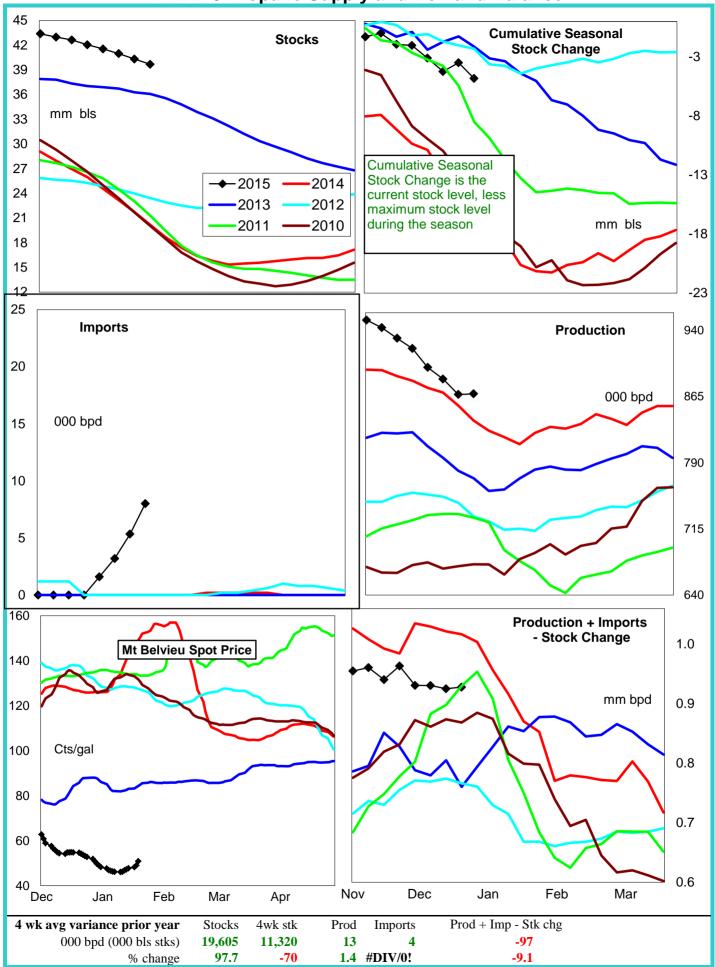
PADD 1 Propane Supply and Demand Balance



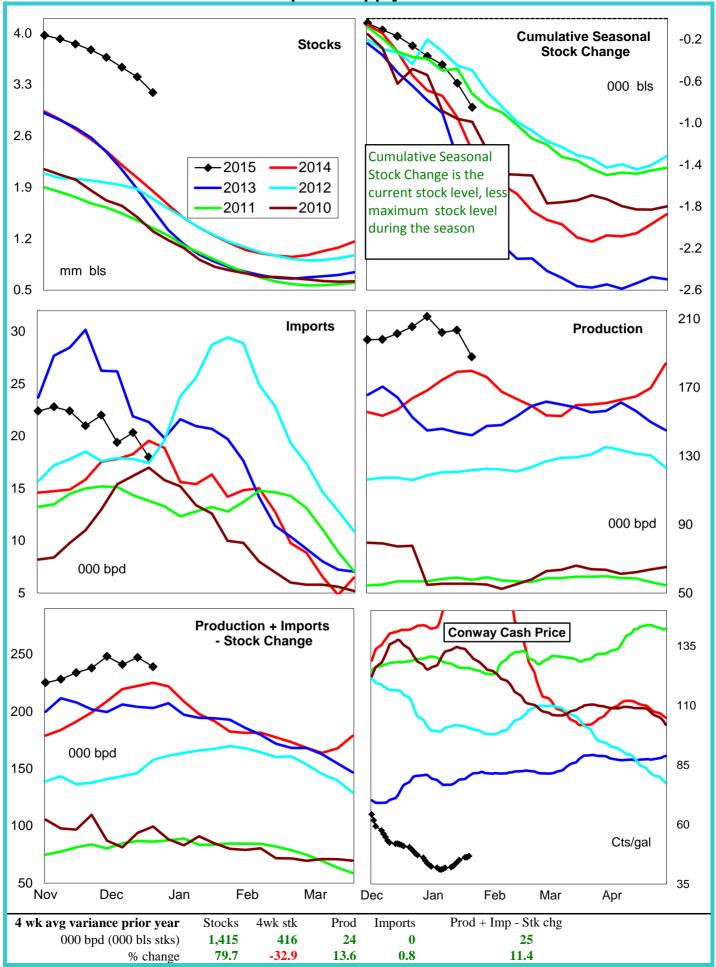
PADD 2 Propane Supply and Demand Balance



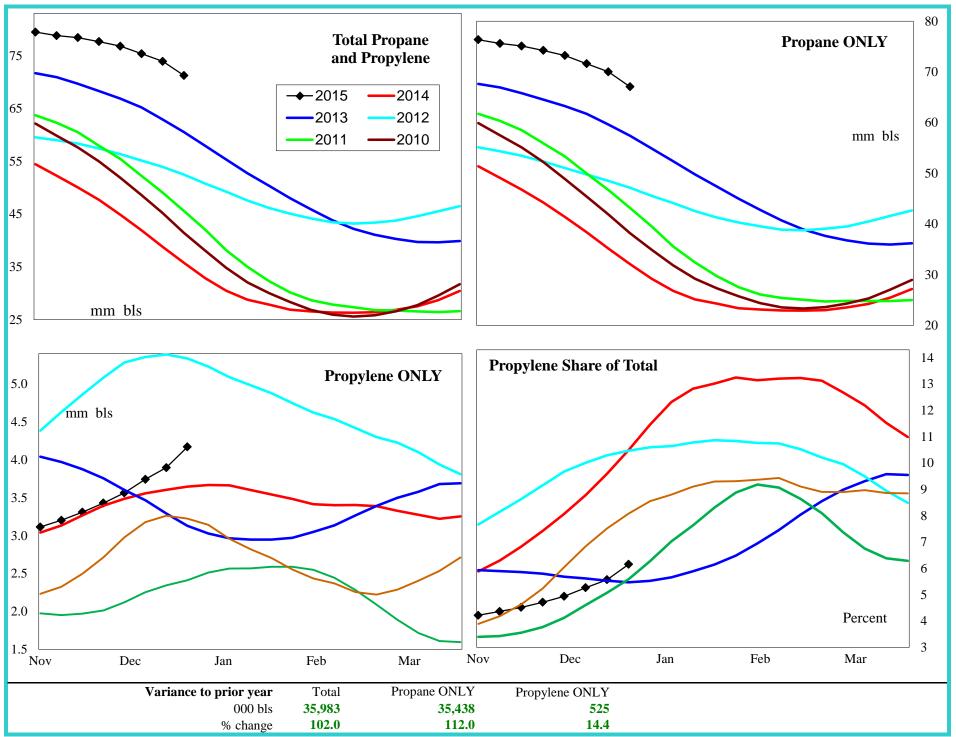
PADD 3 Propane Supply and Demand Balance



PADDs 4 and 5 Propane Supply and Demand Balance



U. S. Propane and Propylene Stocks



www.fundamentalpetroleumtrends.com 01/22/2015

