



WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

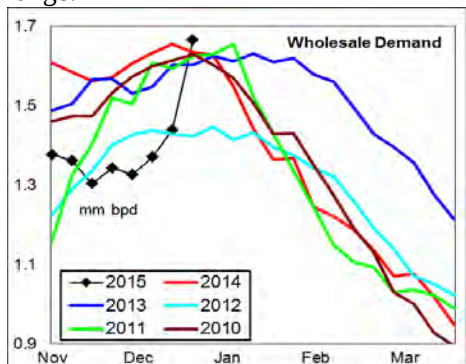
A Fundamental Petroleum Trends Weekly Report

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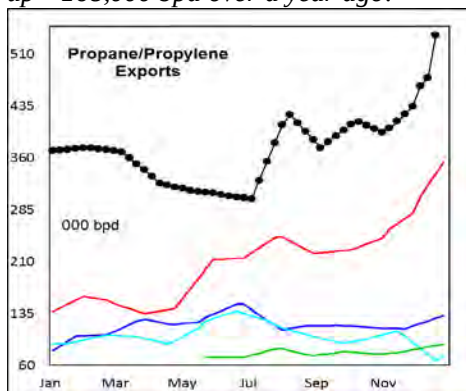


Summary¹:

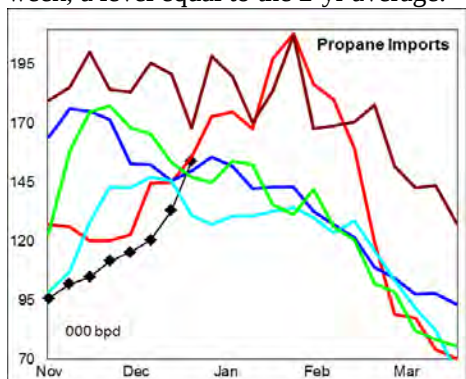
Finally some winter demand! Wholesale demand climbed +447,000 bpd last week, to a level just above the historic range.



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.



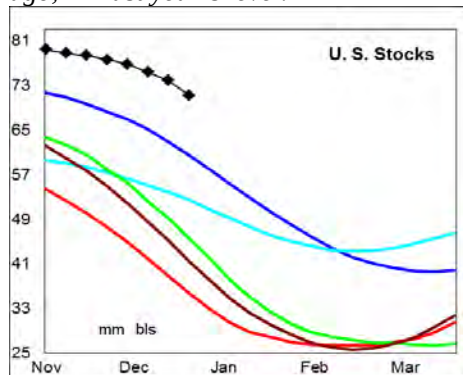
Imports jumped +35,000 bpd on the week, a level equal to the 2-yr average.



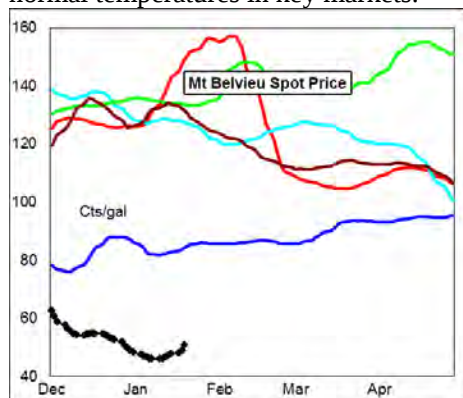
Combined production and imports during the latest 4-wk period were +110,000 bpd above a year ago.

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.

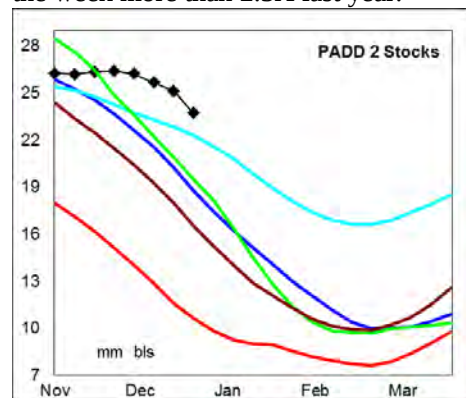
The propane to natural gas price spread trended higher last week on very weak gas prices, ending at a level well below the 5-yr range.

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

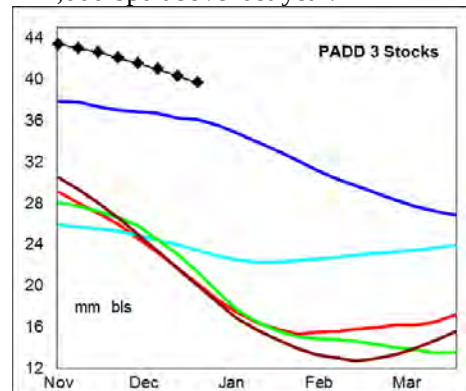
PADD 1 stocks decreased -0.4 million barrels last week, ending +1.5 million barrels above last year. Supply for the

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.



PADD 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.

¹ Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary



January 22, 2015

Fundamental Trends for the Week Ending:

Friday, January 16, 2015

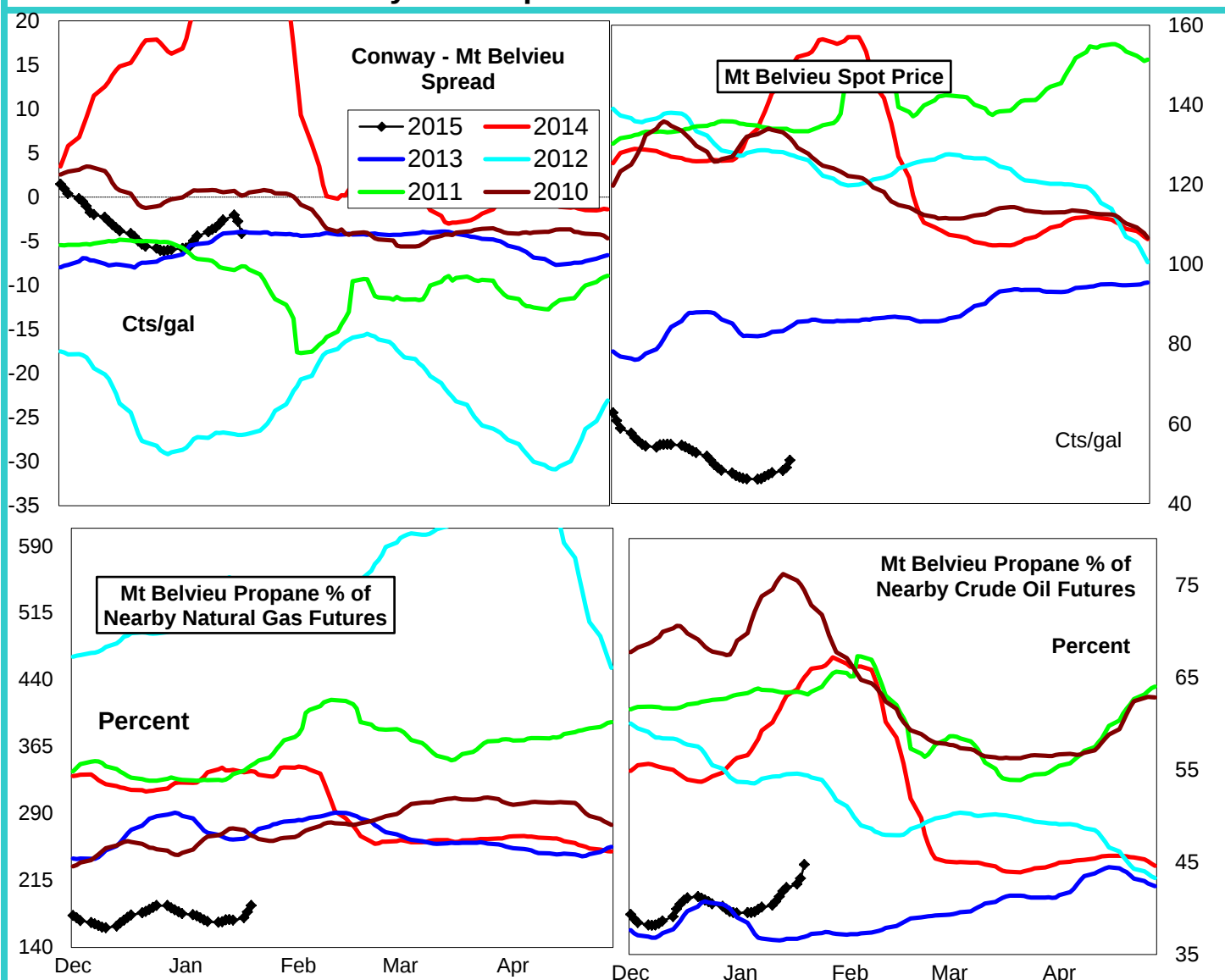
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD				U.S. Total	PADD			
		1	2	3	4&5		1	2	3	4&5
Stocks	71,246	4,684	23,690	39,681	3,191	-3,607	-432	-1,601	-1,342	-232
Propylene Stocks	4,171					294				
Production	1,533	161	316	868	188	11	9	3	41	-42
Imports	154	50	78	8	18	35	-2	46	0	-9
Whsle Demand	1,664					447				

Price Trends for the Week Ending:

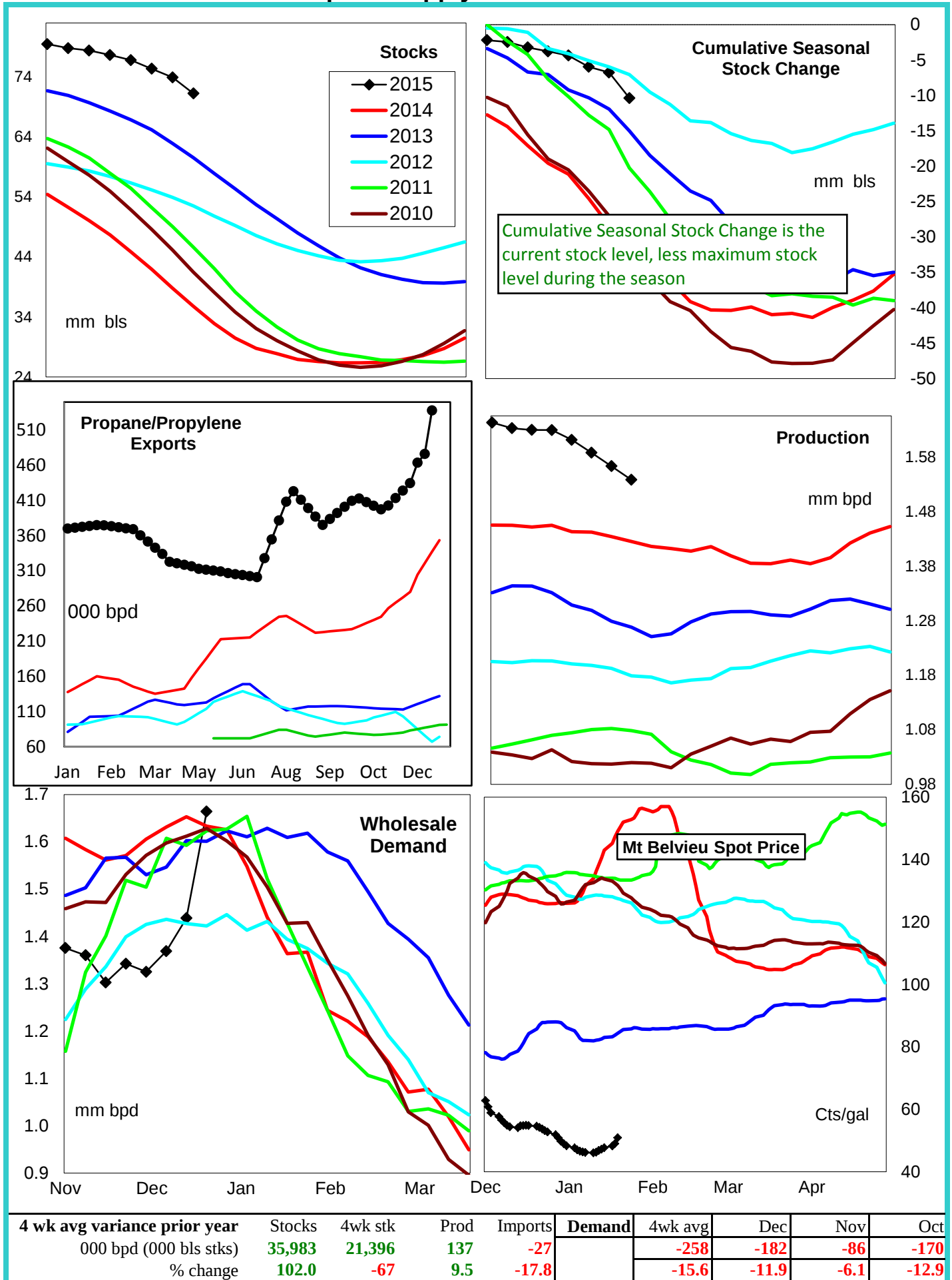
Thursday, January 01, 2015

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	48.3	45.7	55.2	148.5	2.55	-9.45	-93.37	5.6	-17.1	-62.9
Conway Spot	46.2	41.3	50.8	328.0	4.90	-9.50	-277.23	11.9	-18.7	-84.5

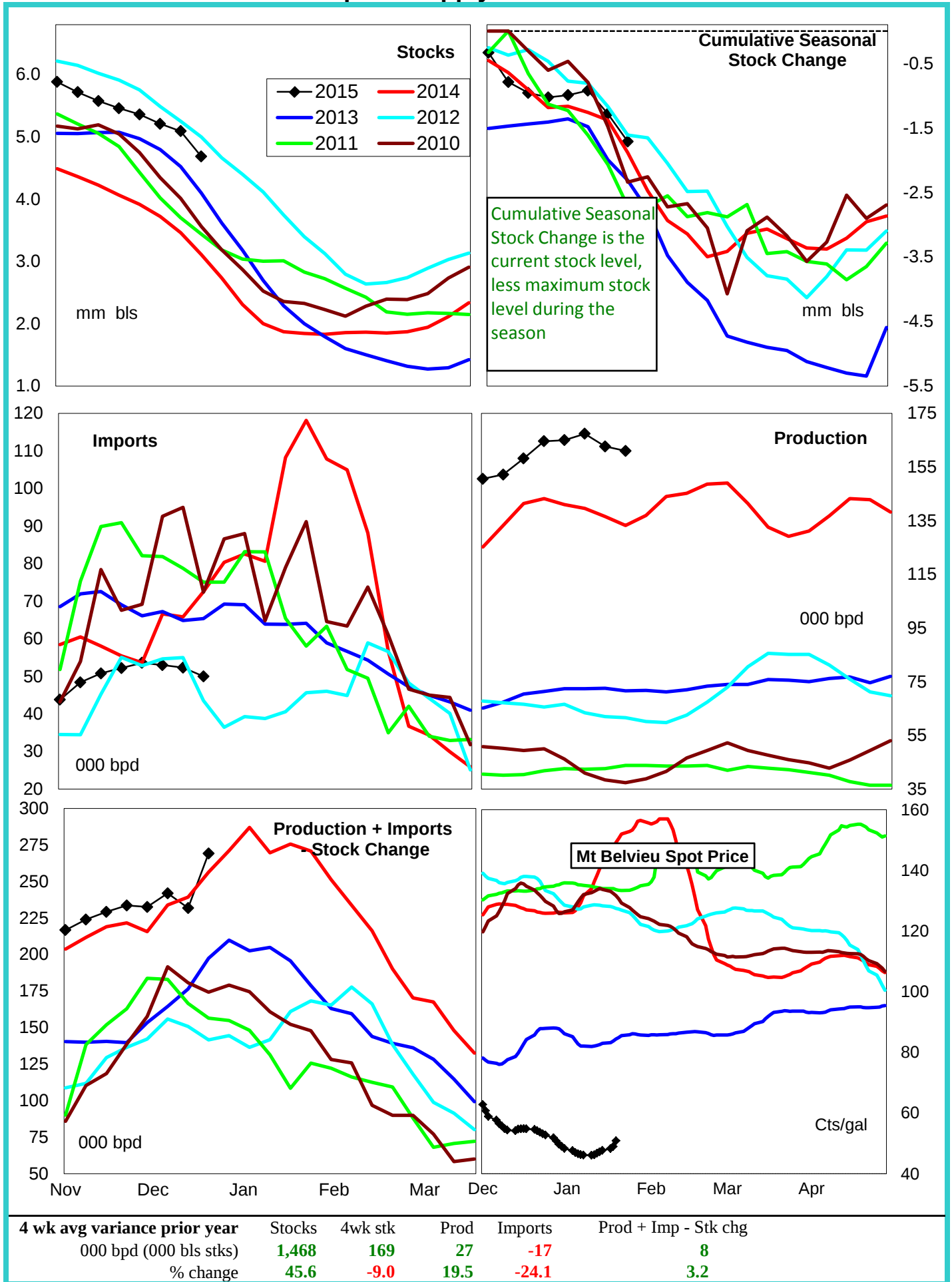
Key Price Spreads and Differentials



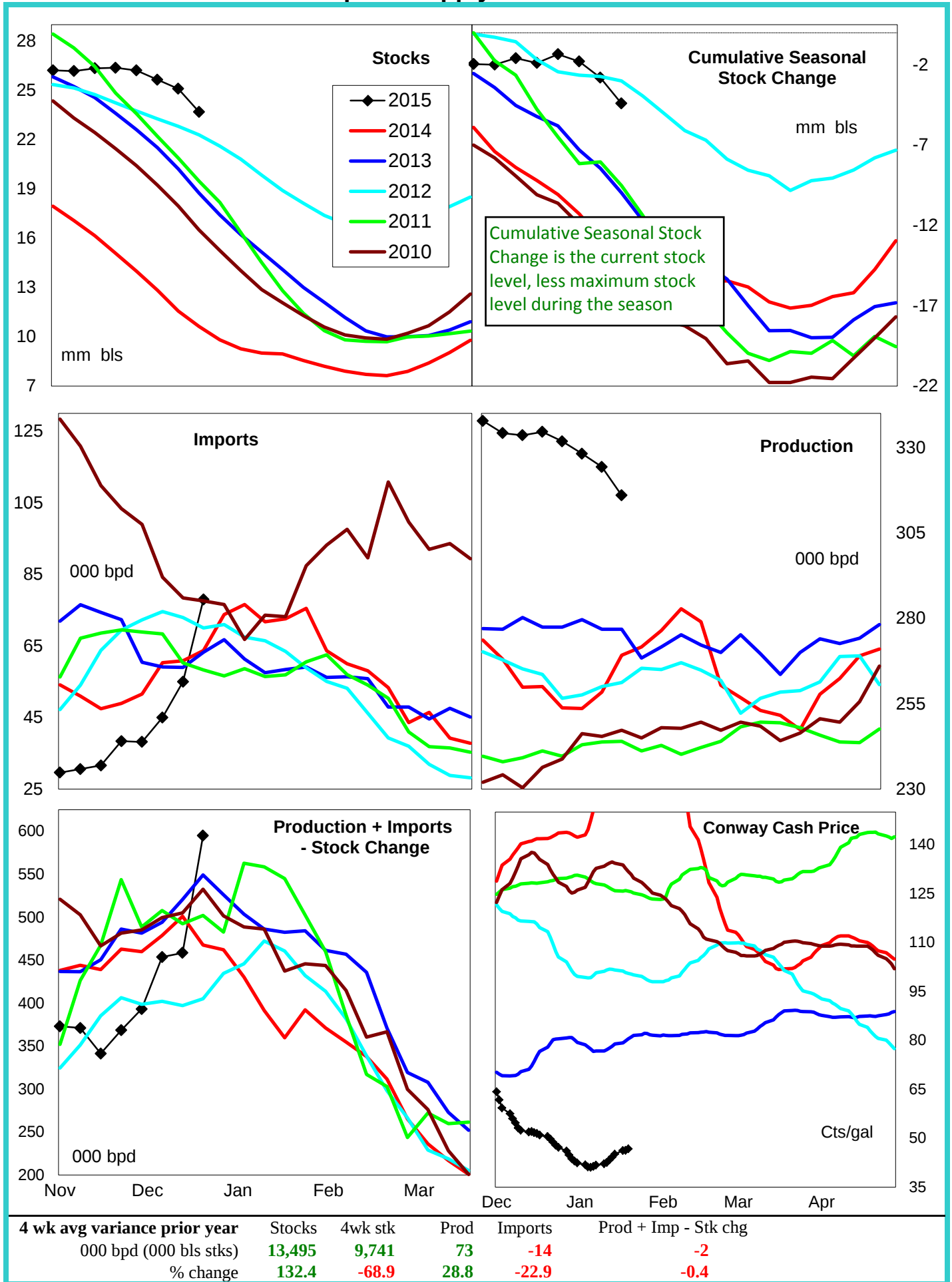
U. S. Propane Supply and Demand Balance



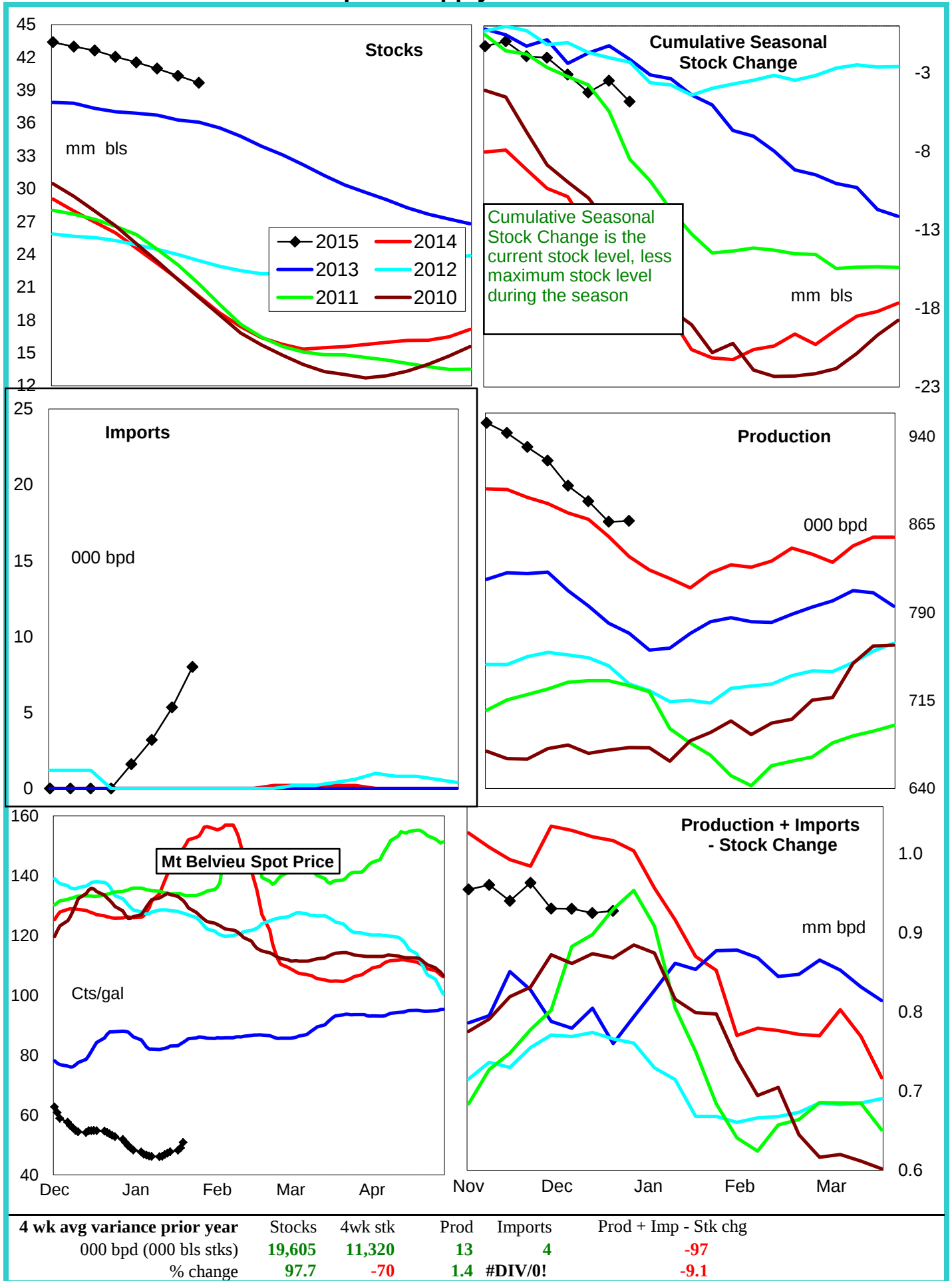
PADD 1 Propane Supply and Demand Balance



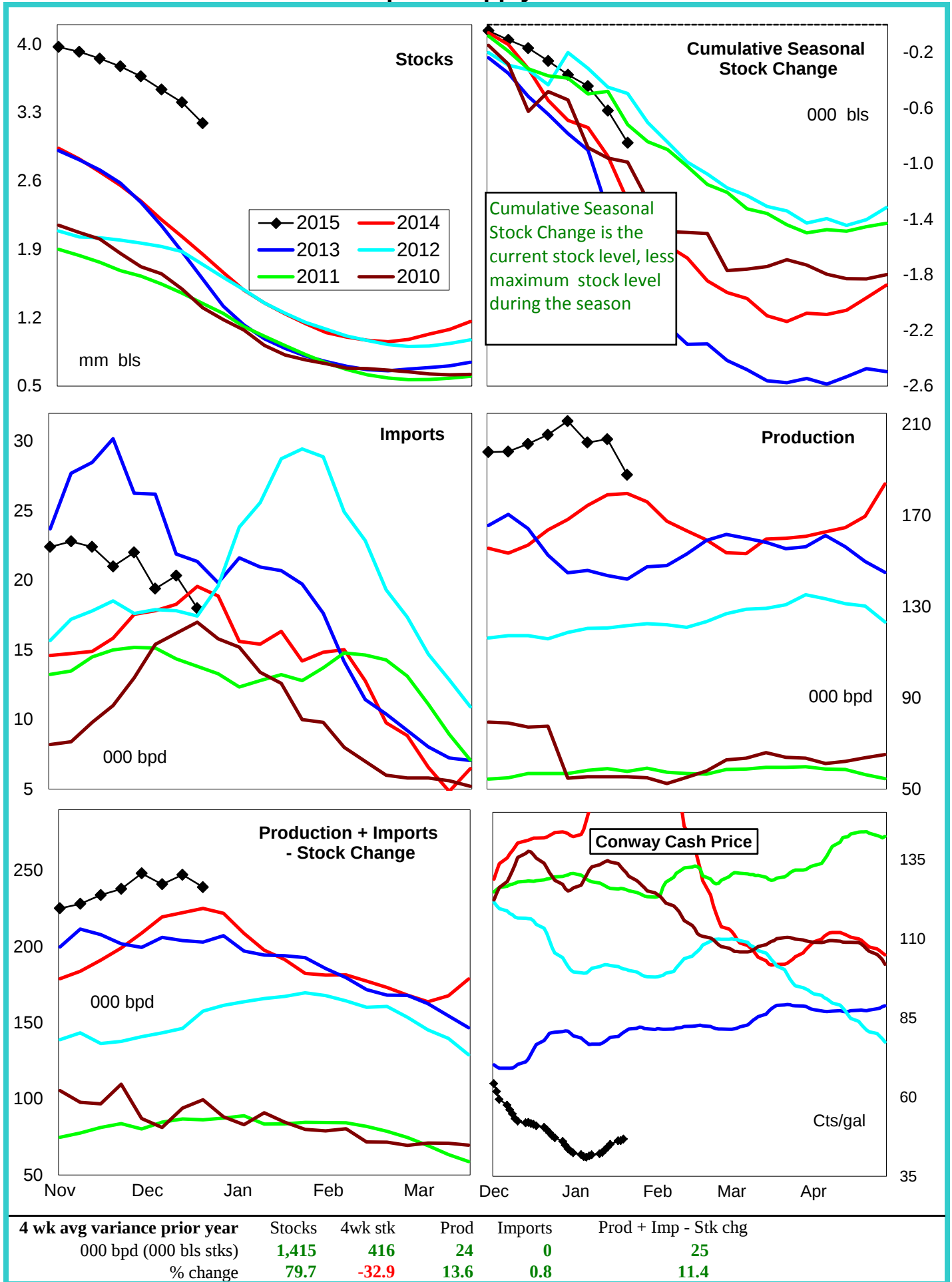
PADD 2 Propane Supply and Demand Balance



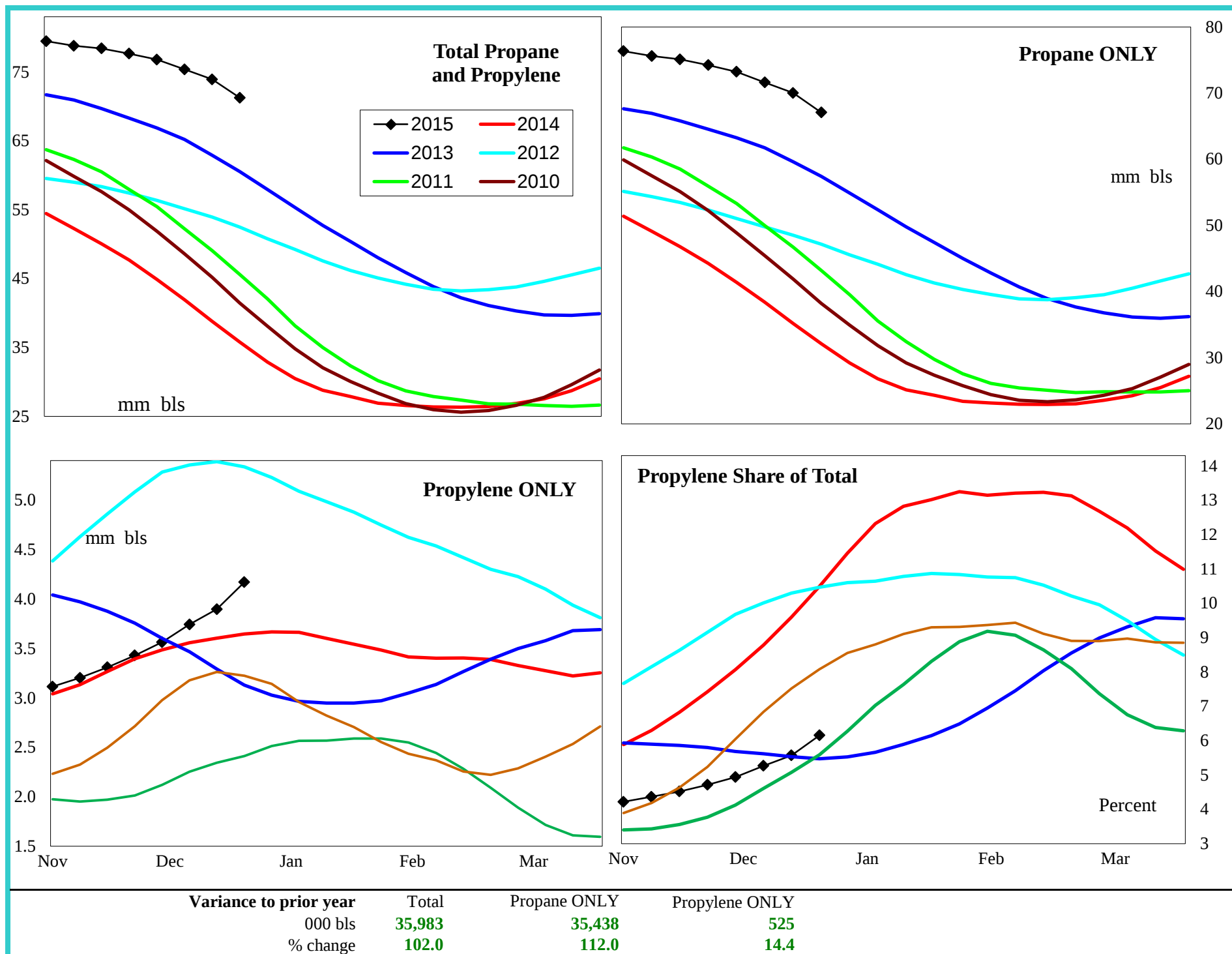
PADD 3 Propane Supply and Demand Balance



PADDs 4 and 5 Propane Supply and Demand Balance



U. S. Propane and Propylene Stocks



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

