WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

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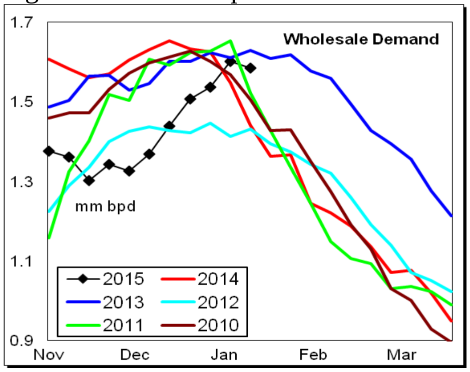
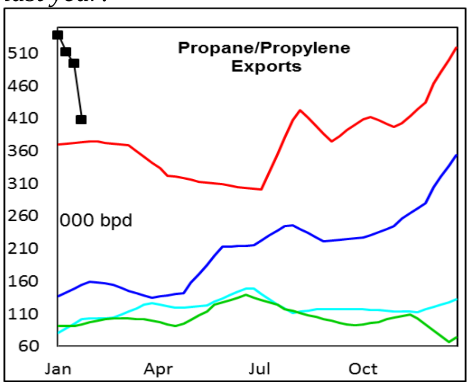
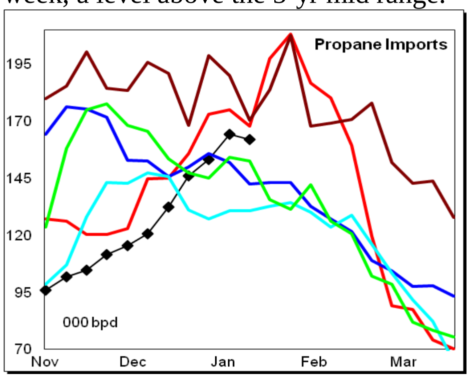
Summary[1]:
Wholesale demand decreased -20,000 bpd last week, to a level near historic highs for the winter peak.



Production decreased 43,000 bpd on the week, with declines in all regions. *Exports for the week ending 23Jan15 were 408,000 bpd, +34,000 bpd above last year*.

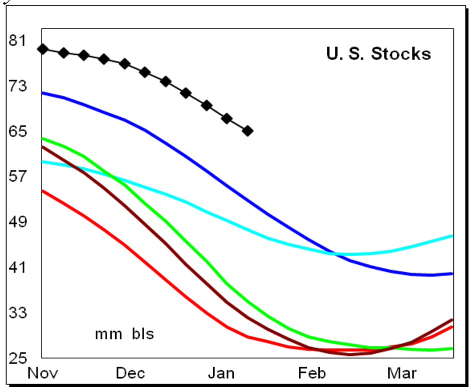


Imports decreased -7,000 bpd on the week, a level above the 5-yr mid range.

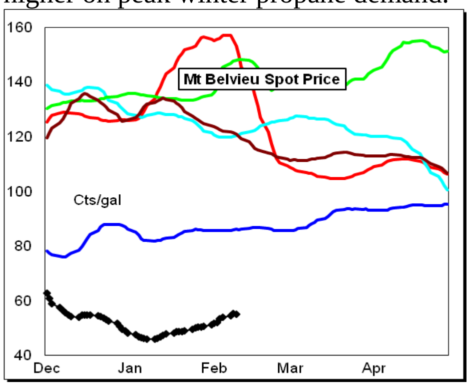


Combined production and imports during the latest 4-wk period were +116,000 bpd above a year ago. Production was +134,000 bpd above last year (+10%), while imports were -18,000 bpd lower. The latest 4-wk average demand was +20,000 bpd above last year.

Stocks declined -2.3 million barrels last week, including a -0.7 million barrel draw on the East Coast - hard hit by much colder than normal temperatures. *Stocks ended the week +37 million barrels above a year ago, 2.3X last year's level.*



Price and Spreads Mt Belvieu spot price increased +4 cpg last week ending 11Feb15, with Conway +5 cpg higher for the period. Spot prices trended higher on peak winter propane demand.



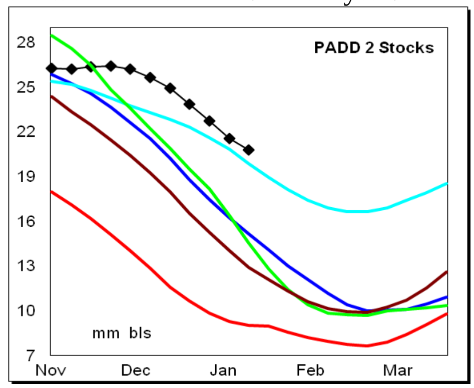
The Conway – Mt Belvieu price spread was nearly unchanged last week, with Conway slightly below Mt Belvieu.

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

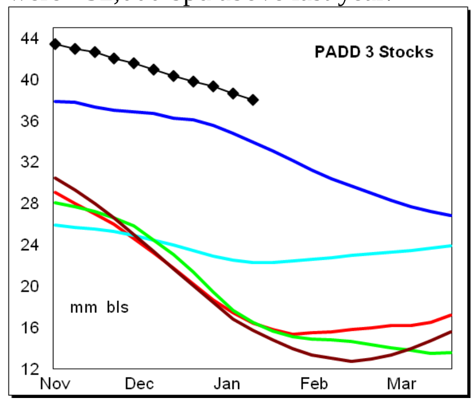
The propane / crude oil price spread trended higher last week, ending at a level near the 3-yr mid range.

PADD 1 stocks decreased -0.7 million barrels last week, driven by colder than normal temperatures in the region. Stocks ended the week at a level near historic highs for the period. Supply for the latest 4-wk period was +15,000 bpd above last year.

PADD 2 supply increased +33,000 bpd on the week, driven by sharply higher imports. Production for the latest 4-wk period was +55,000 bpd above last year (+20%). Stocks declined -0.6 million barrels on the week. Stock levels ended the week more than 2.3X last year.



PAD 3 stocks decreased -0.2 million barrels on the week, to a level 2.4X last year. Supplies for the latest 4-wk period were +32,000 bpd above last year.



PADDs 4 & 5 stocks decreased -0.2 million barrels, with the level nearly 2X the prior record high for the period.

Emerging Trends Temperatures are forecast to be sharply below normal in the eastern 3/4ths of the country for the next 10-days.

Much colder temperatures than normal should support near record demand for propane through late in the month. This weather driven peak demand should support a near term price uptrend. A likely record level of carry out stocks and very high production risk a price pull back on any warming trend.

[1] Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

February 11, 2015

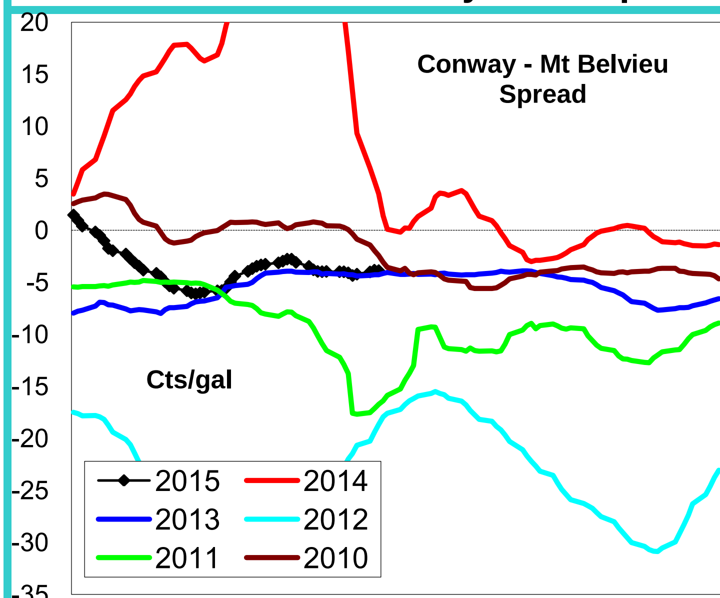
Fundamental Trends for the Week Ending: Friday, February 06, 2015

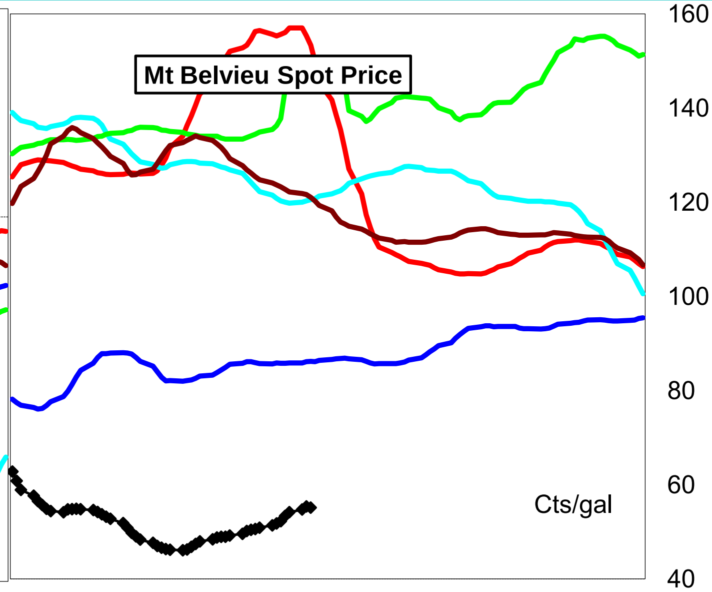
000 bpd Stocks 000 bls	Weekly Supply-Demand U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5	Change from prior week: U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5
Stocks	64,955	3,558	20,776	38,024	2,597	-2,282	-714	-609	-745	-214
Propylene Stocks	4,086					-25				
Production	1,506	144	333	820	209	-43	-14	-5	-13	-11
Imports	162	65	67	5	25	-7	-50	38	-2	7
Whsle Demand	1,586					-20				

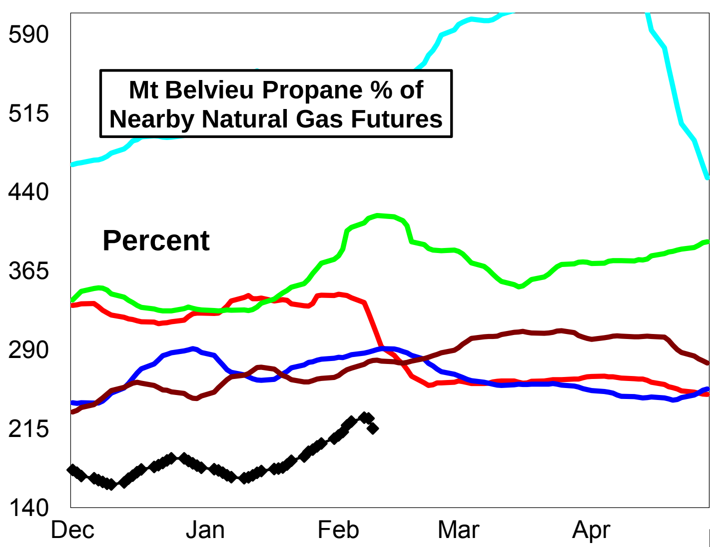
Price Trends for the Week Ending: Wednesday, February 04, 2015

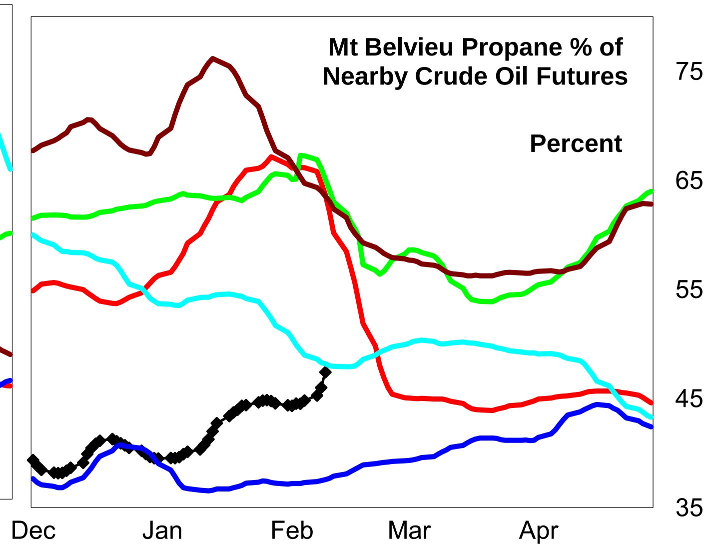
Cents/gal	Average for week ending: 2/4/15	1/28/15	1/7/15	2/7/14	Change from: 1/28/15	1/7/15	2/7/14	% change from: 1/28/15	1/7/15	2/7/14
Mont Belvieu Spot	54.7	50.8	45.7	154.4	3.93	5.10	-108.65	7.7	11.2	-70.4
Conway Spot	50.7	46.4	41.3	159.0	4.38	5.05	-117.70	9.4	12.2	-74.0

Key Price Spreads and Differentials

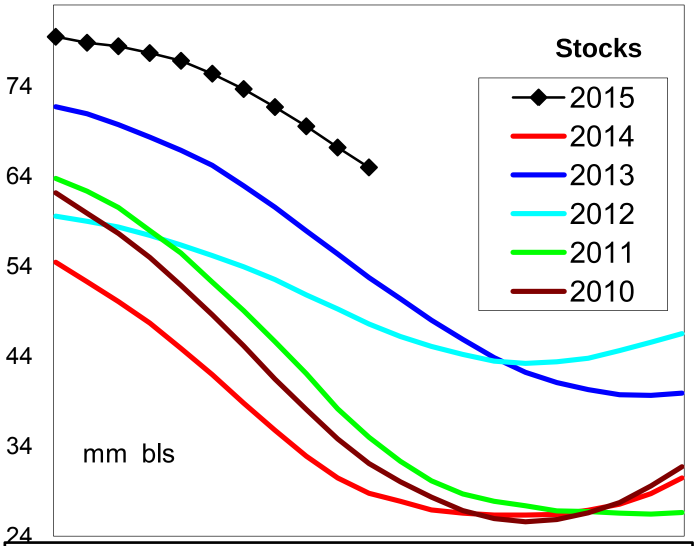


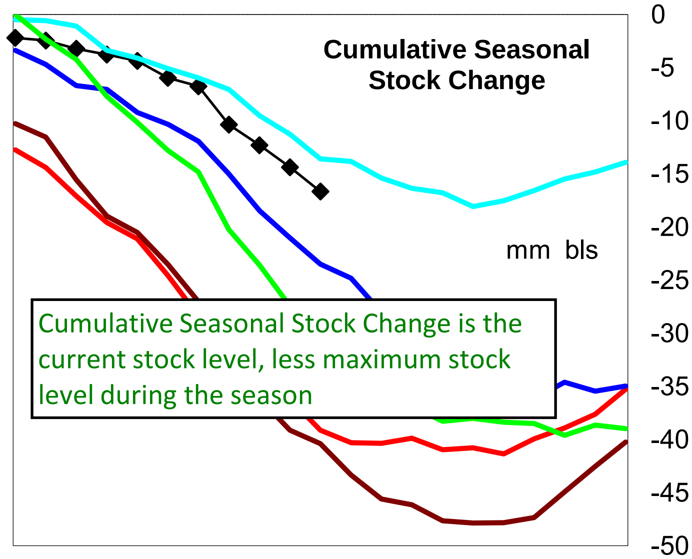


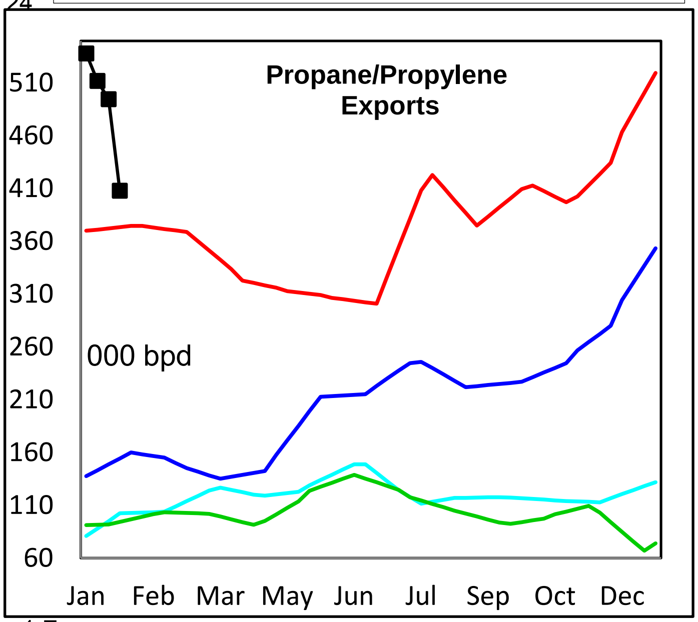


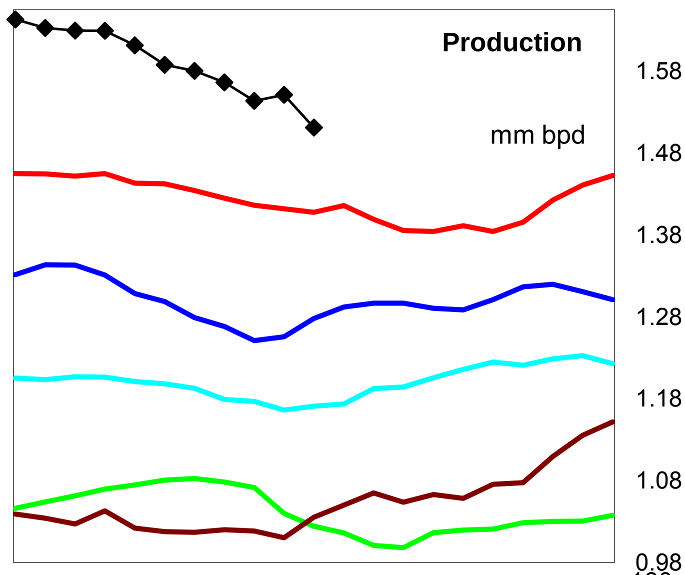


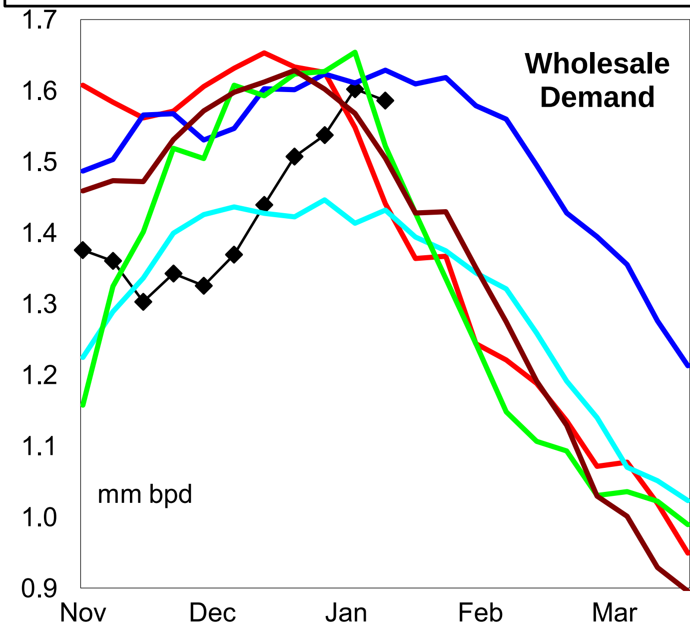
U. S. Propane Supply and Demand Balance

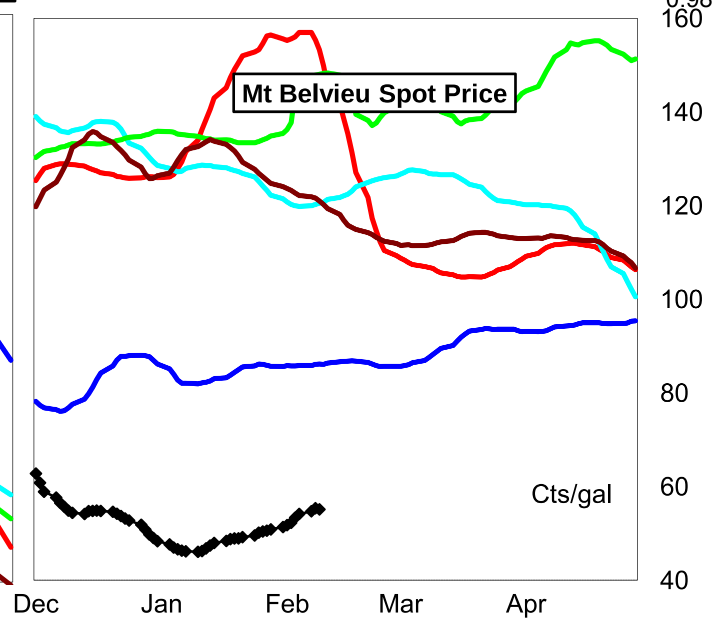












4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Dec	Nov	Oct
000 bpd (000 bls stks)	37,054	22,467	134	-18		20	-182	-86	-170
% change	132.8	-57	9.5	-10.0		1.2	-11.9	-6.1	-12.9

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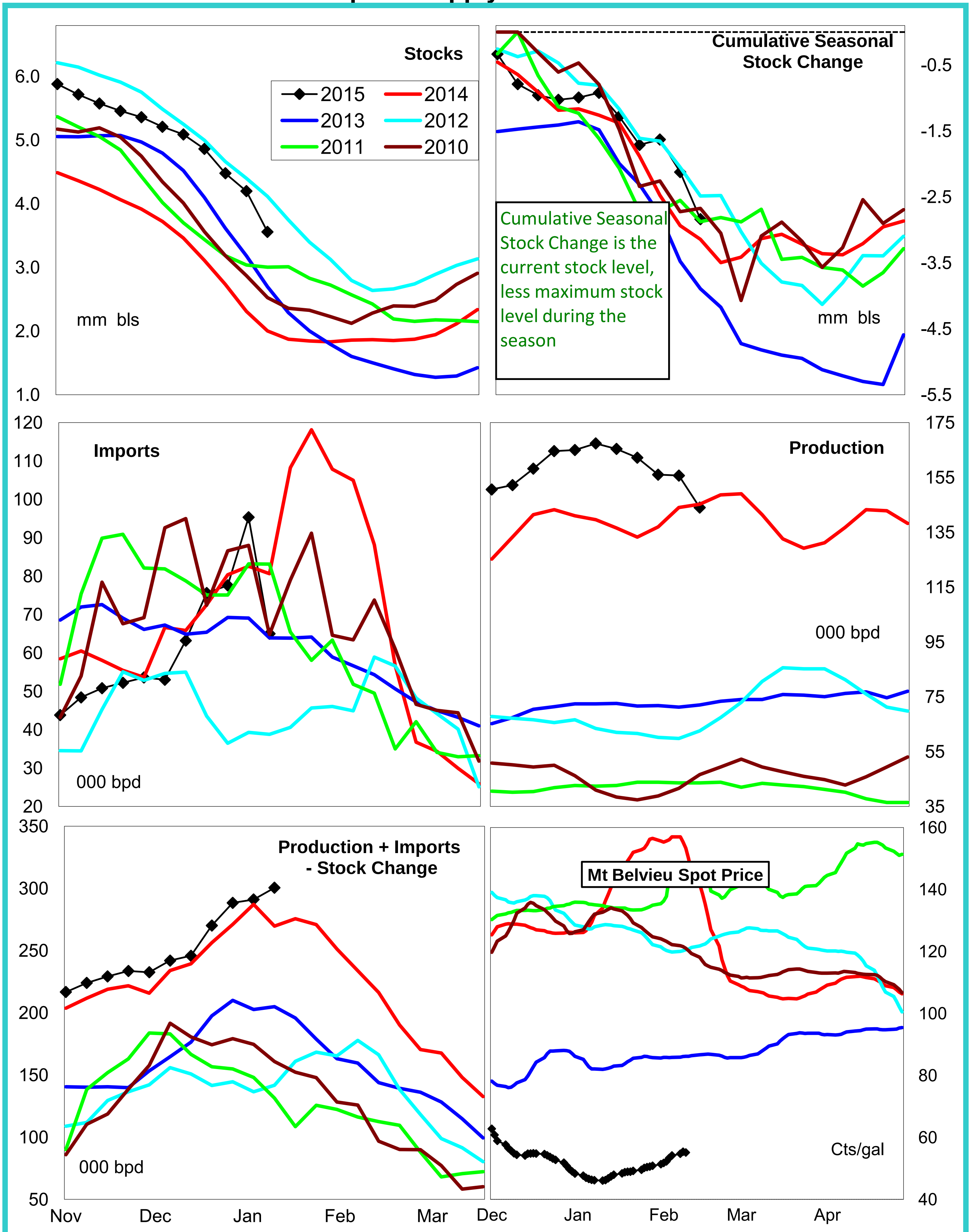
PADD 1 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	1,605	306	19	-4	16
% change	82.2	-9.7	13.4	-4.4	6.1

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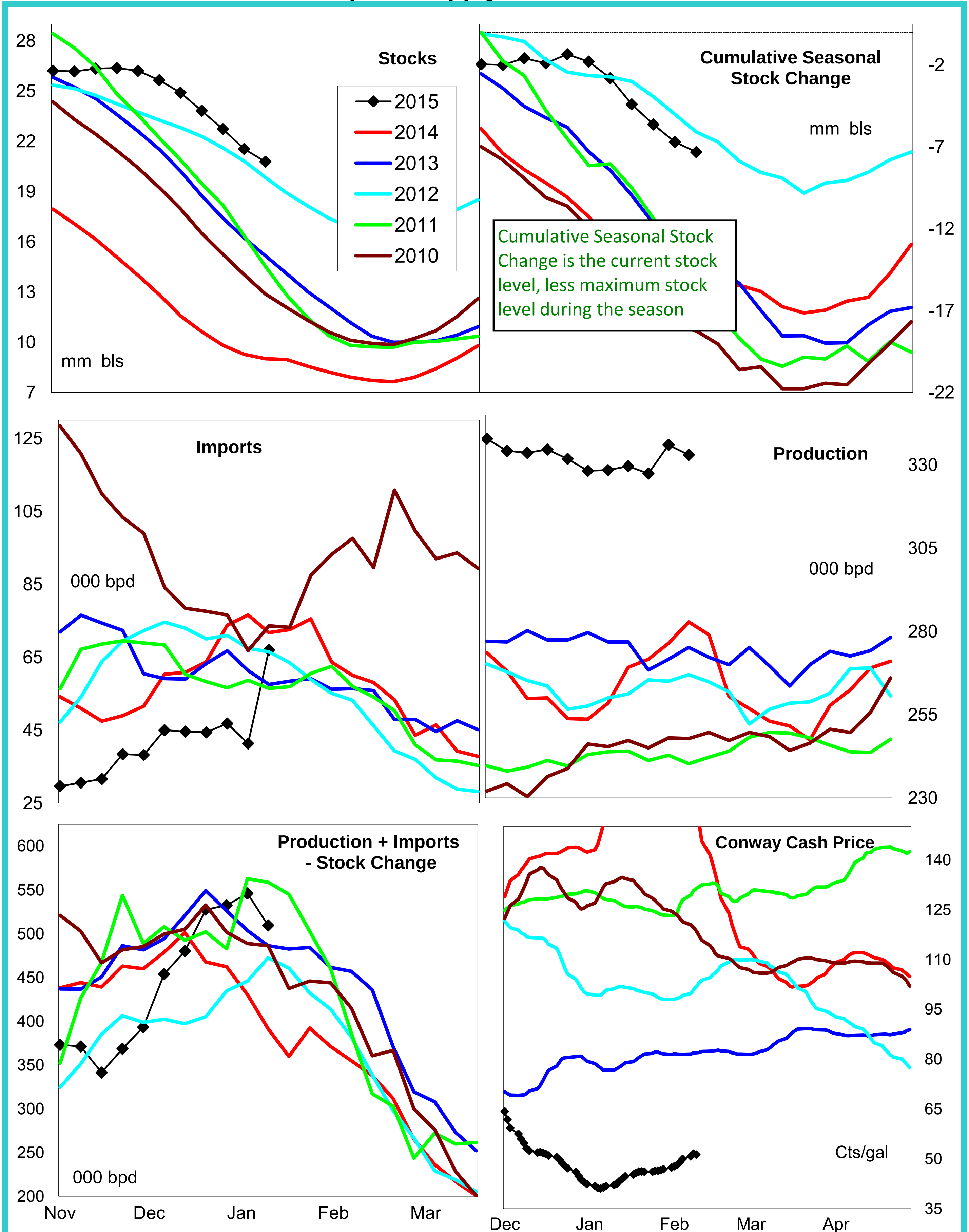
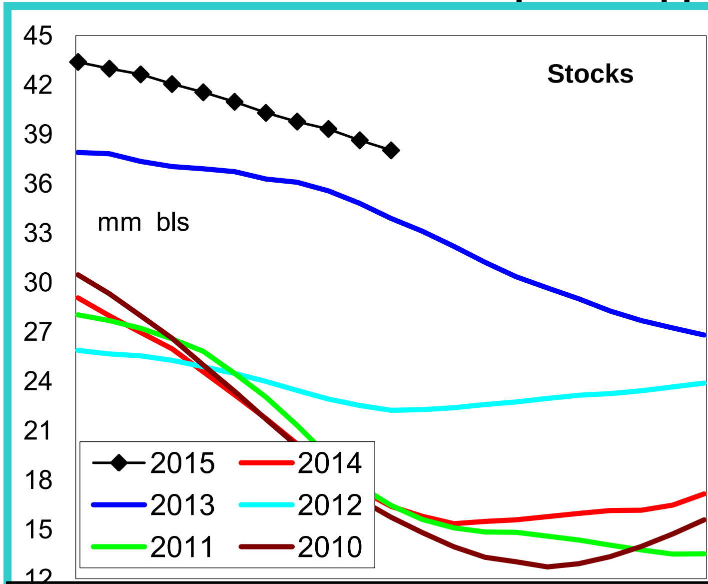
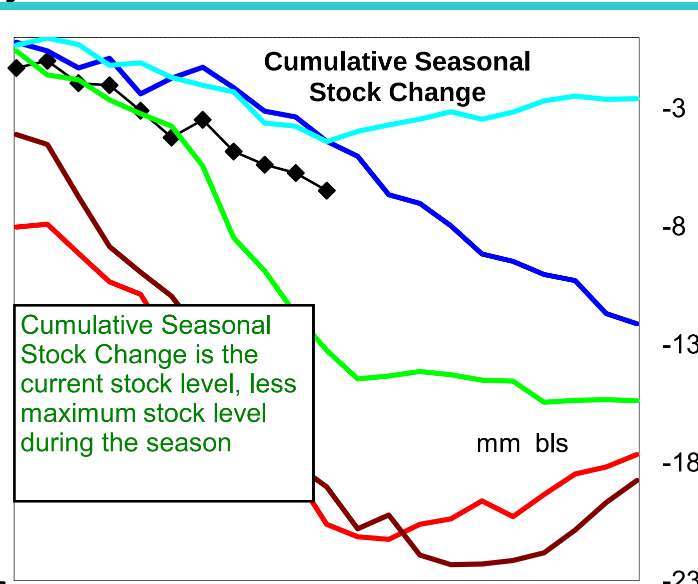
PADD 2 Propane Supply and Demand Balance

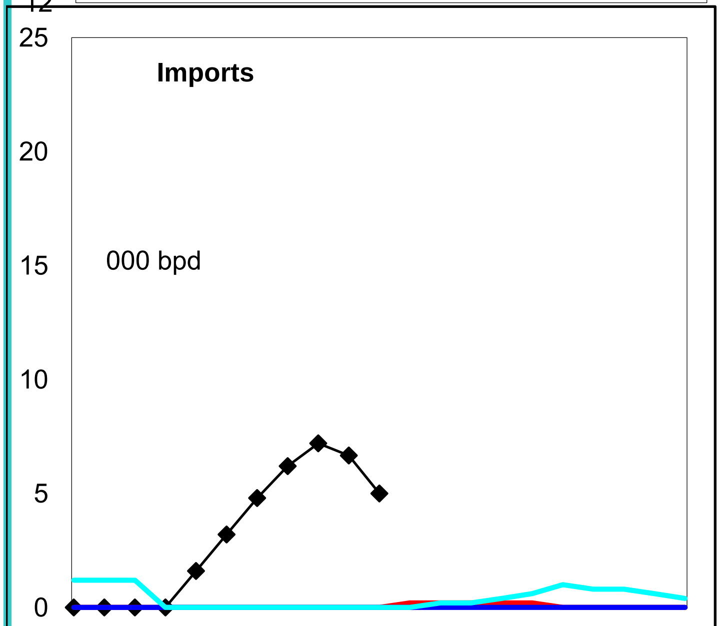


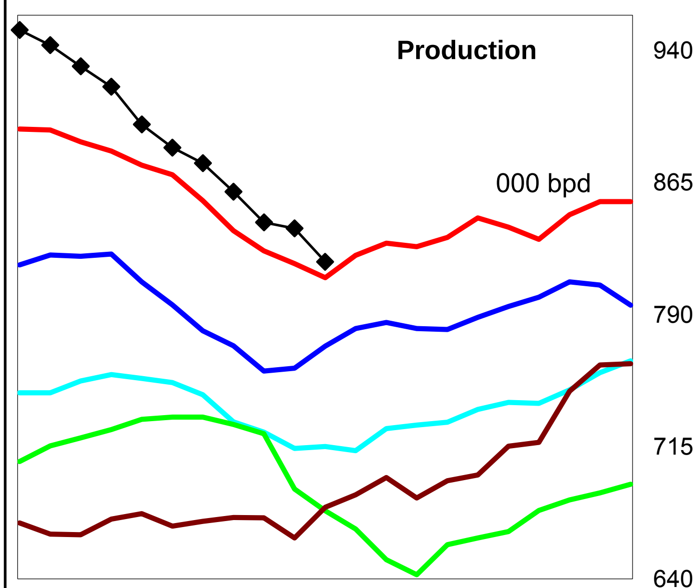
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	11,807	8,053	55	-26	91
% change	131.6	-52.4	19.9	-33.7	20.7

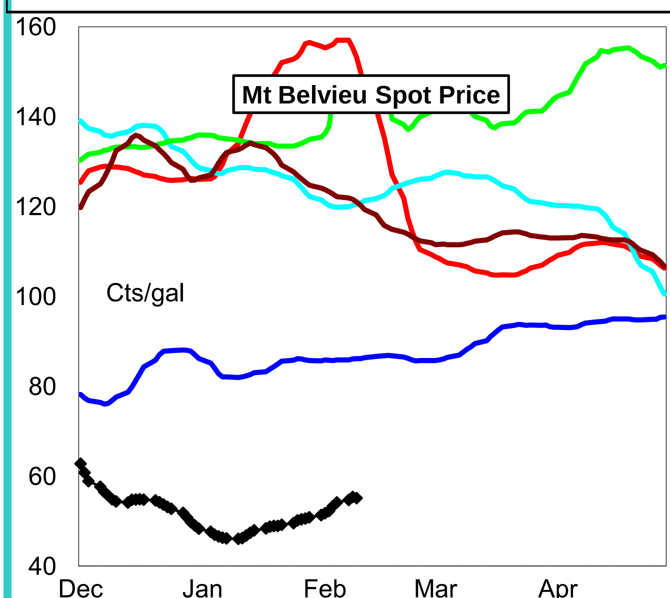
PADD 3 Propane Supply and Demand Balance

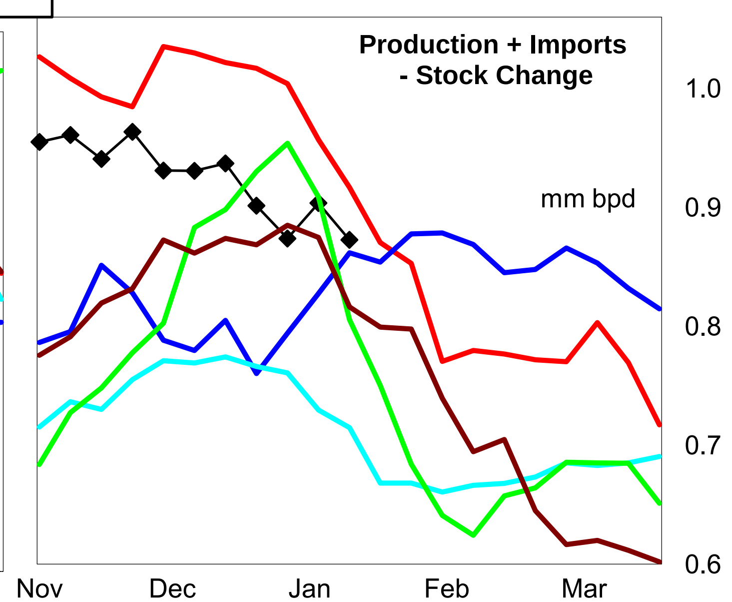












4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	22,408	14,123	25	7	-86
% change	143.5	-69	3.0	#DIV/0!	-8.5

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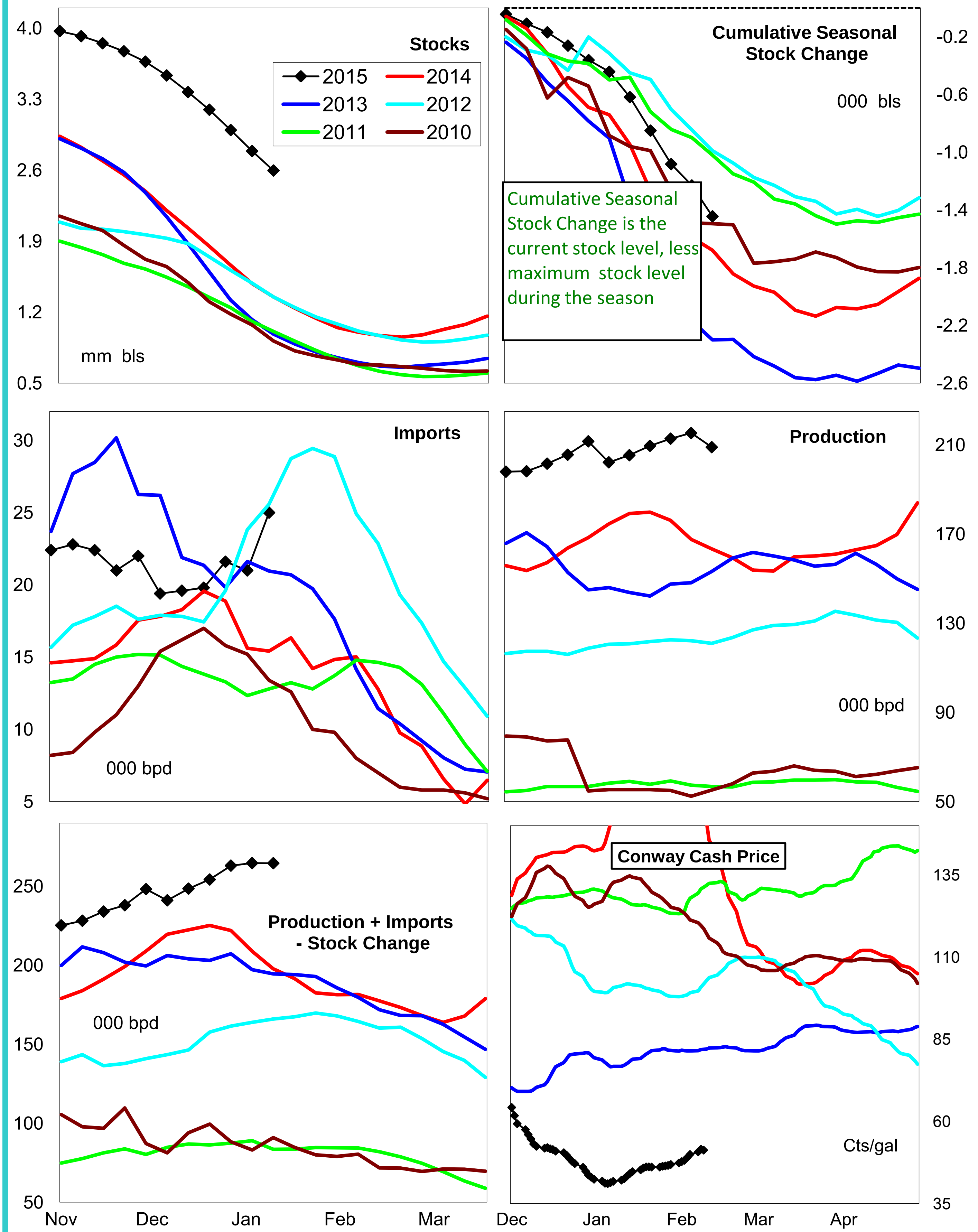
PADDs 4 and 5 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	1,234	235	36	4	48
% change	90.5	-14.0	20.5	28.4	22.6

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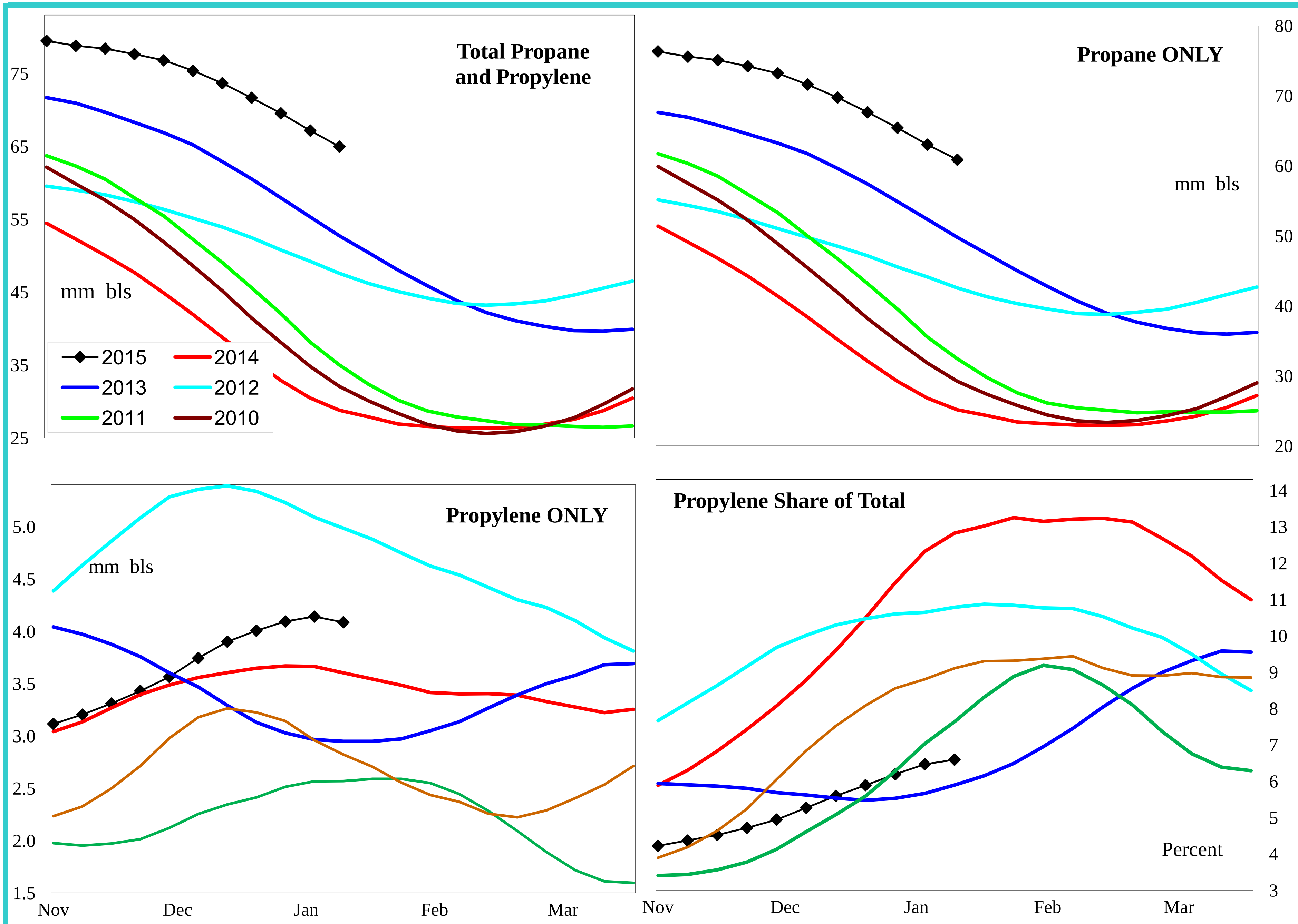
U. S. Propane and Propylene Stocks



Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	37,054	36,694	484
% change	132.8	151.8	13.4

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