FUNDAMENTAL PETROLEUM TRENDS

WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

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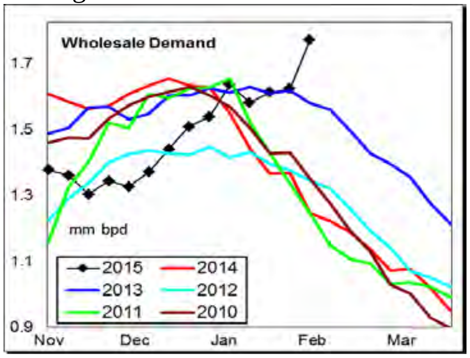
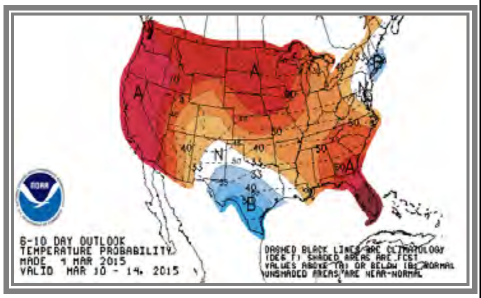
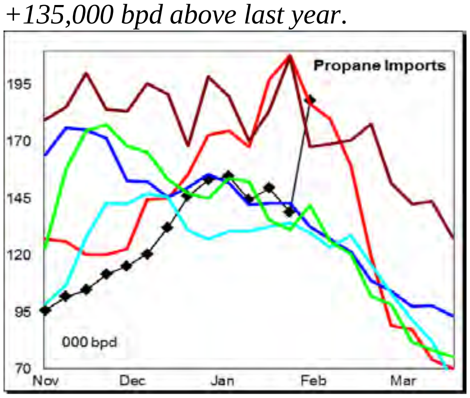
Summary[1]:
Wholesale demand spiked last week by +0.4 million bpd to a record level on the extremely cold temperatures in key heating markets.



Temperatures are forecast to be much above normal across nearly the entire country, beginning the week of 10Mar15 – bringing to an end winter heating demand.

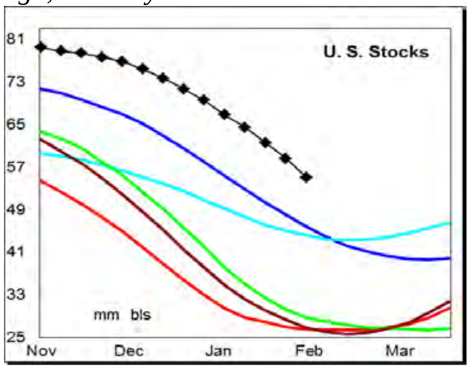


Production increased +17,000 bpd on the week, with the increase concentrated in the Gulf region. *Exports for the week ending 20Feb15 were +506,000 bpd, +135,000 bpd above last year*.

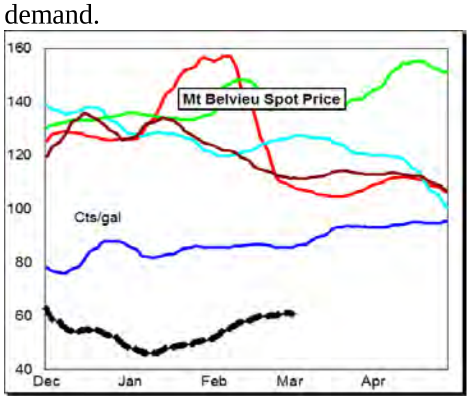


Imports jumped +86,000 bpd on the week, concentrated in the East and Midwest regions. Combined production and imports during the latest 4-wk period were +17,000 bpd above a year ago. Production was +79,000 bpd above last year (+5%), while imports were -62,000 bpd lower. The latest 4-wk average demand was +235,000 bpd above last year.

Stocks fell -4.2 million barrels last week, with large draws in all markets east of the Rockies. *Stocks ended the week +28 million barrels above a year ago, 2X last year's level.*



Price and Spreads Mt Belvieu spot price increased +1 cpg last week ending 04Mar15, with Conway unchanged for the period. Spot prices traded sideways on the week, even with the spike in demand.



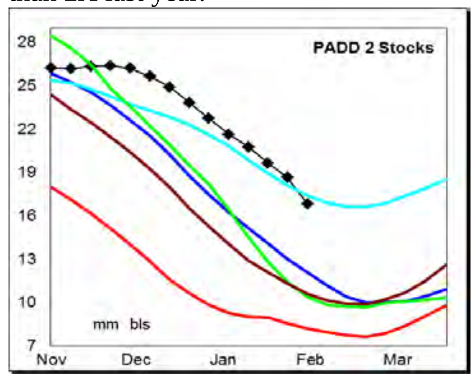
The Conway – Mt Belvieu price spread was unchanged last week, with Conway slightly below Mt Belvieu.

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

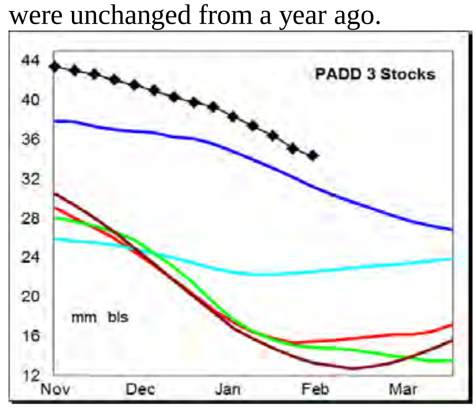
The propane / crude oil price spread trended lower last week, ending at a level near highs of the last 3-wks for this time of year.

PADD 1 stocks decreased -0.9 million barrels last week, driven by colder than normal temperatures in the region. Stocks ended the week at a record low level for the week. Supply for the latest 4-wk period was -60,000 bpd below last year (a period of extremely high imports).

PADD 2 supply increased +72,000 bpd on the week, driven by surge in imports. Production for the latest 4-wk period was +54,000 bpd above last year (+20). Stocks fell -2.5 million barrels on the week. Stock levels ended the week more than 2X last year.



PAD 3 stocks decreased -0.6 million barrels on the week, to a level 2.2X last year. Supplies for the latest 4-wk period were unchanged from a year ago.



PADDs 4 & 5 stocks decreased -0.2 million barrels last week, with the level 2.1X the prior high for the period.

Emerging Trends Stocks saw the largest weekly draw on extremely cold temperatures last week. Temperatures remain well below normal this week. However temperatures are forecast to be sharply above normal in all major heating markets beginning early next week. The spring warmup in all heating markets risk a spring price pull back in spot prices early in the 2nd quarter.

[1] Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

March 4, 2015

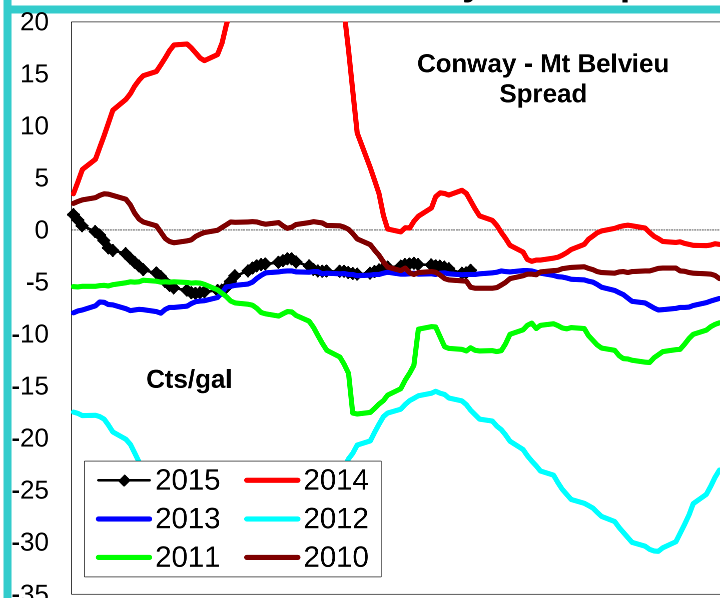
Fundamental Trends for the Week Ending: Friday, February 27, 2015

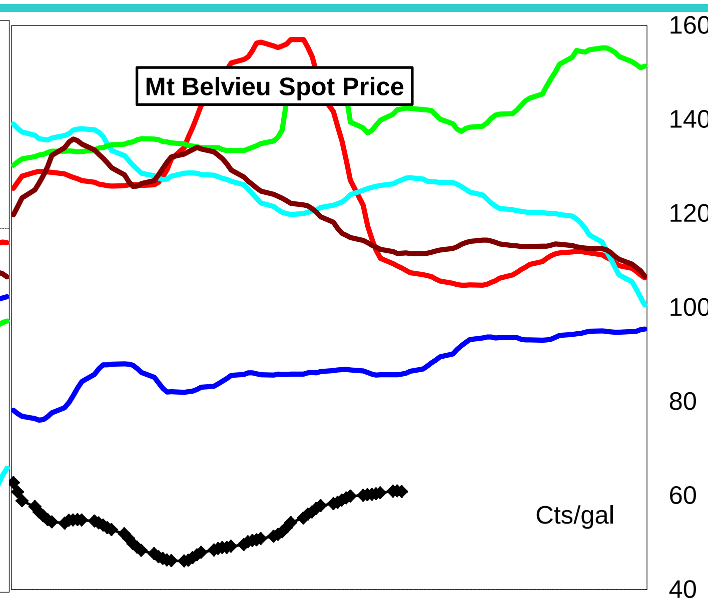
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5	U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5
Stocks	55,070	1,643	16,811	34,320	2,296	-4,168	-893	-2,505	-617	-153
Propylene Stocks	4,459					28				
Production	1,494	141	320	846	187	17	-6	5	41	-23
Imports	188	75	101	7	5	86	24	67	2	-7
Whsle Demand	1,771					380				

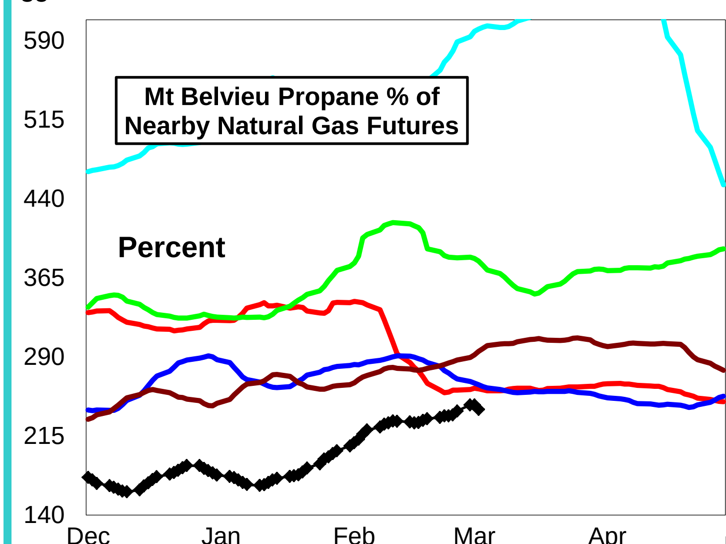
Price Trends for the Week Ending: Wednesday, February 18, 2015

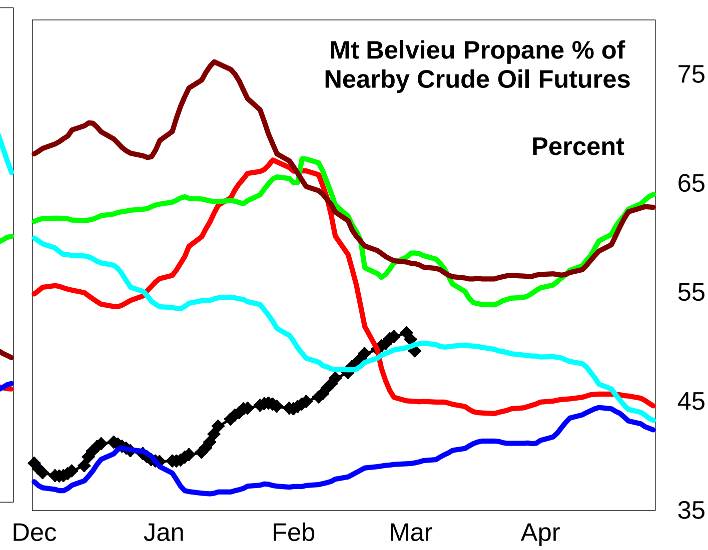
Cents/gal	Average for week ending:				Change from:			% change from:		
	2/18/15	2/11/15	1/21/15	2/21/14	2/11/15	1/21/15	2/21/14	2/11/15	1/21/15	2/21/14
Mont Belvieu Spot	61.0	59.5	50.8	108.3	1.43	8.73	-57.45	2.4	17.2	-53.1
Conway Spot	56.8	56.7	46.4	111.6	0.15	10.30	-65.20	0.3	22.2	-58.4

Key Price Spreads and Differentials

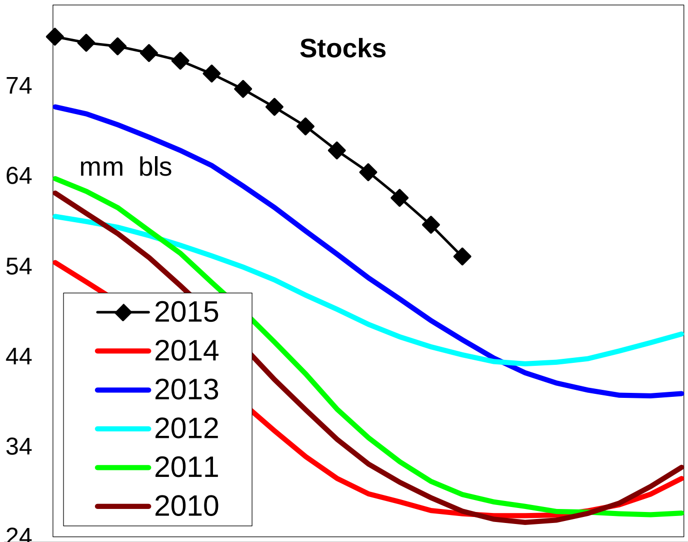


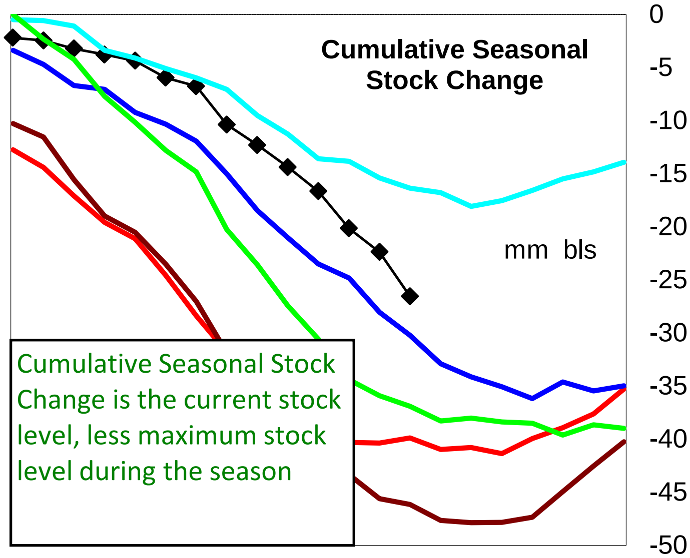


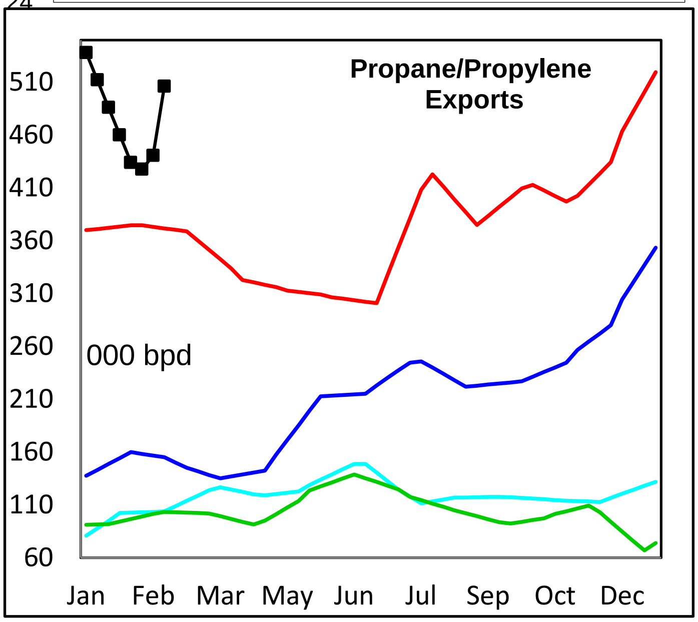


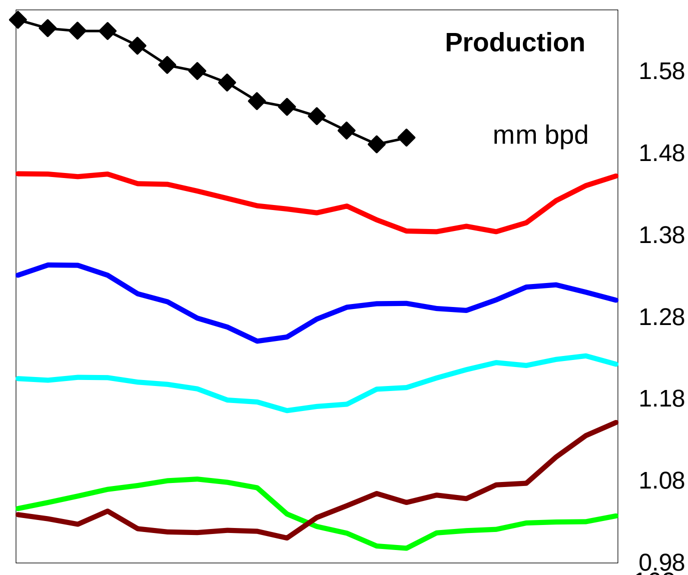


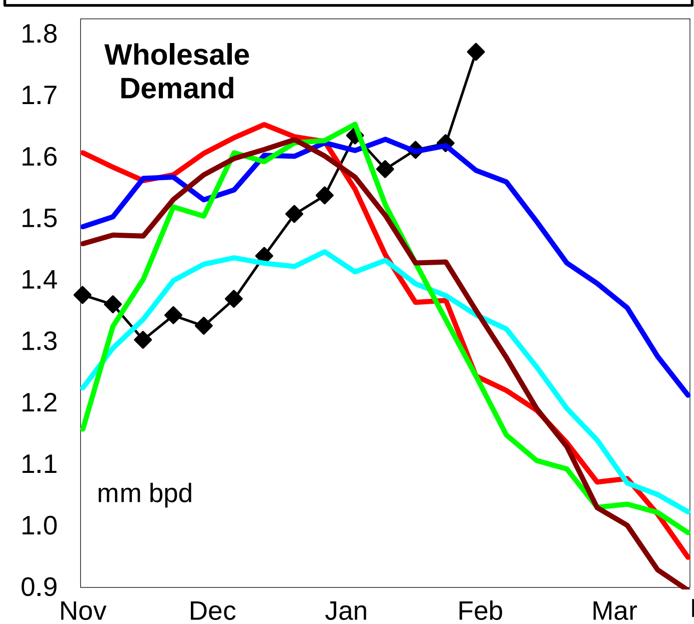
U. S. Propane Supply and Demand Balance

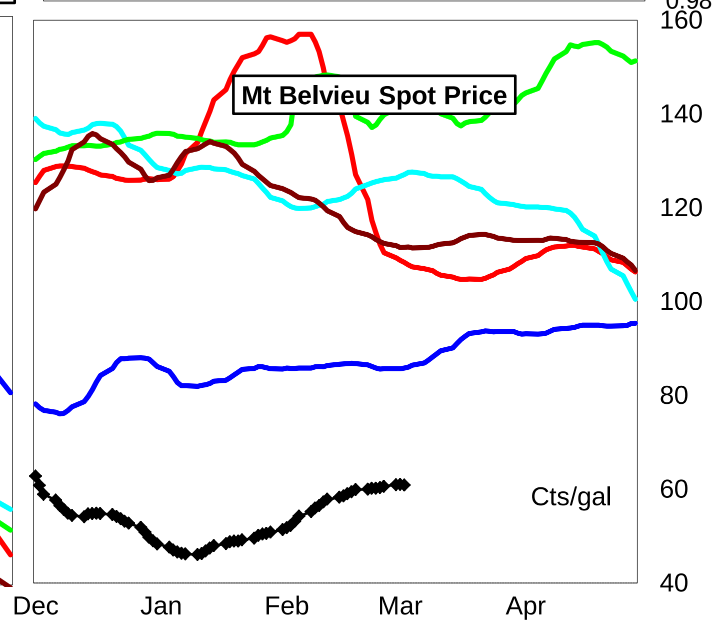












4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Jan	Dec	Nov
000 bpd (000 bls stks)	27,915	13,328	79	-62		235	-178	-182	-84
% change	102.8	-33	5.6	-30.1		17.1	-10.5	-11.9	-5.9

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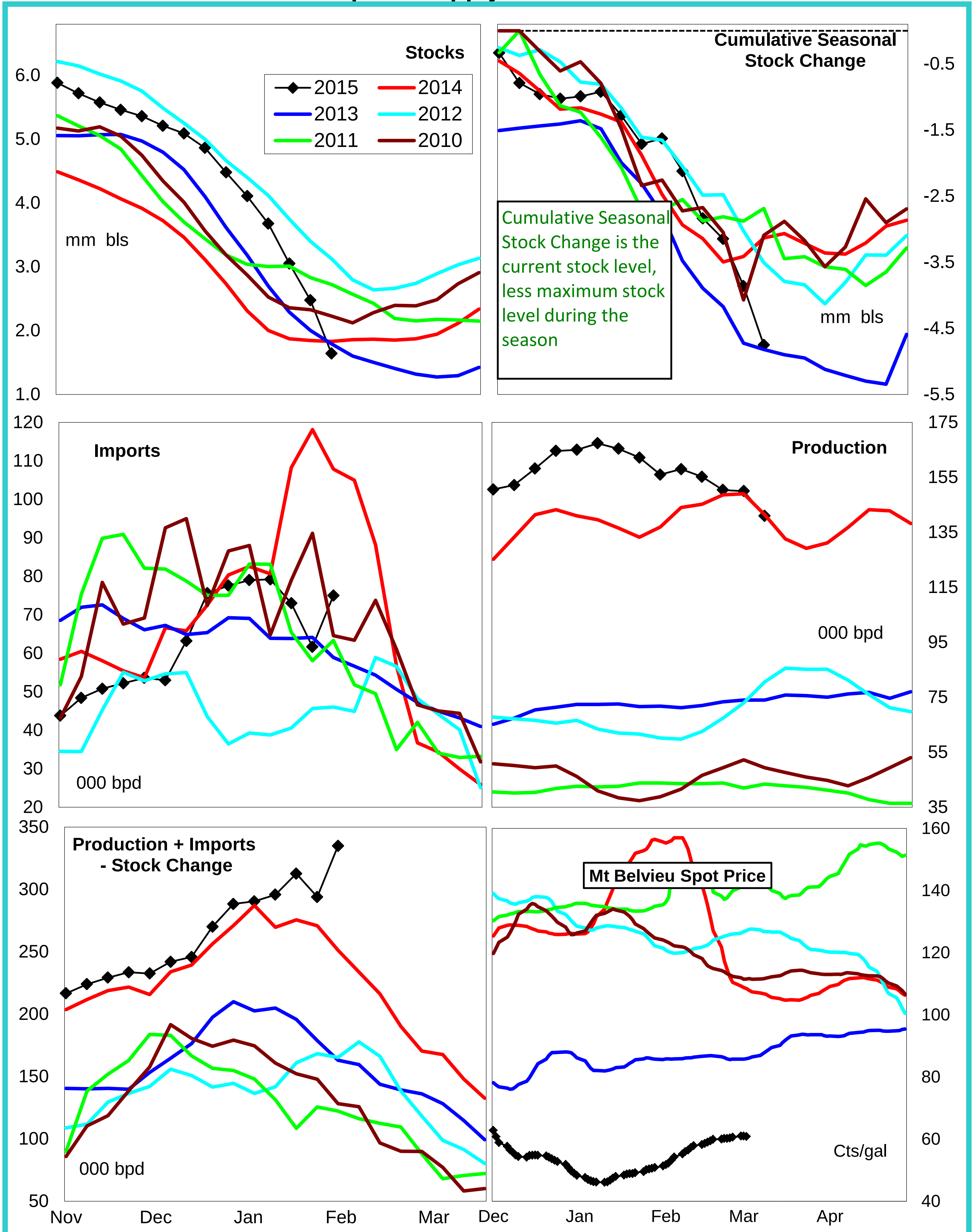
PADD 1 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-322	-1,621	-6	-54	42
% change	-16.4	51.8	-3.6	-46.3	15.9

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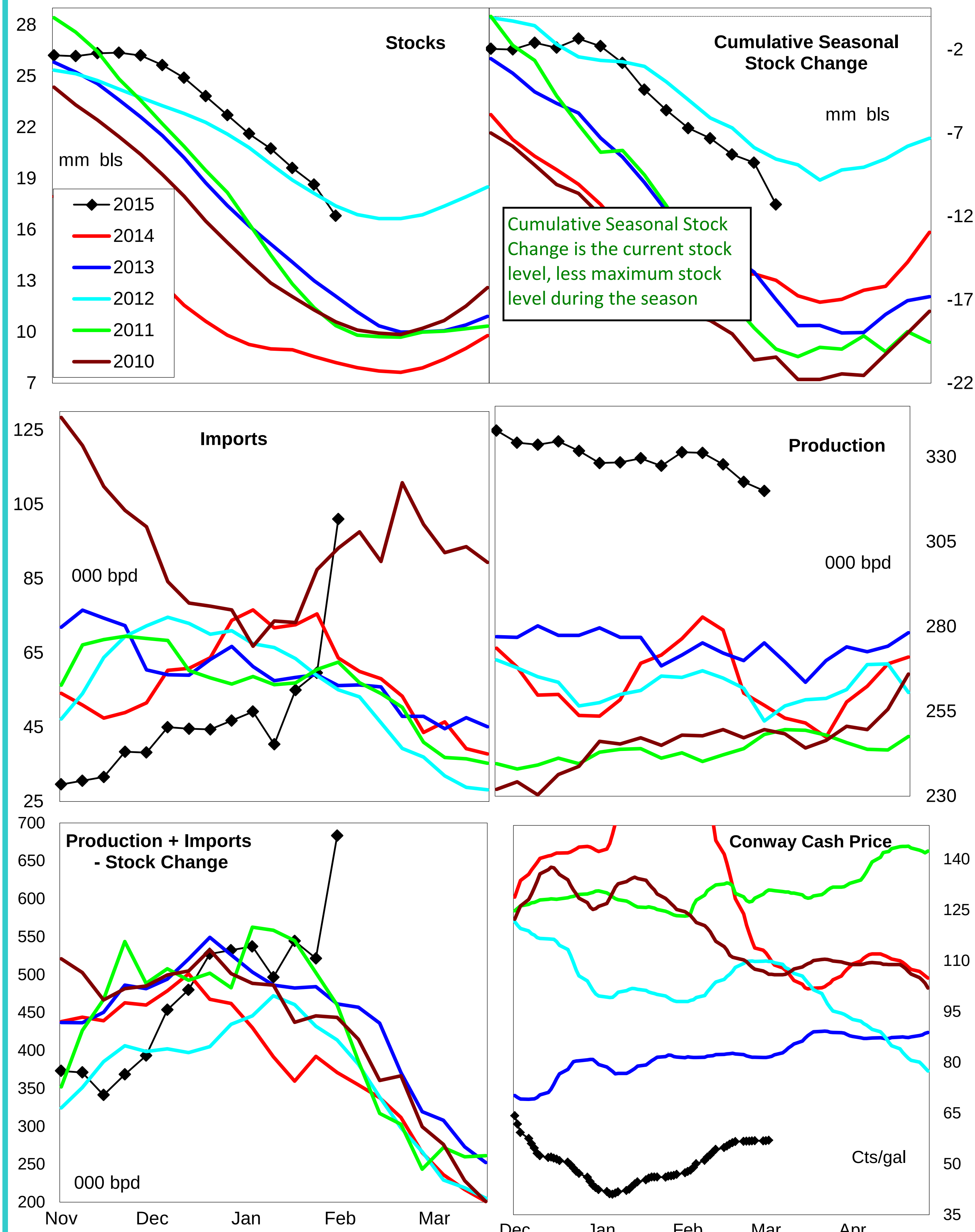
PADD 2 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	8,302	4,548	54	-14	183
% change	97.6	-28.7	19.7	-18.1	48.3

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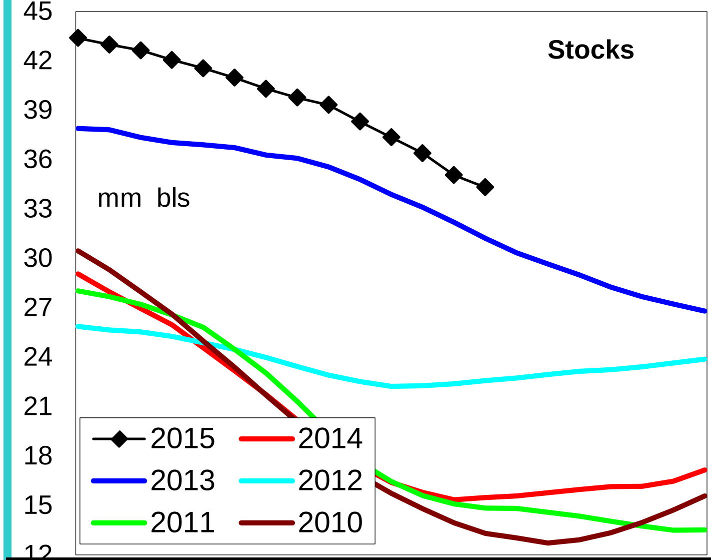
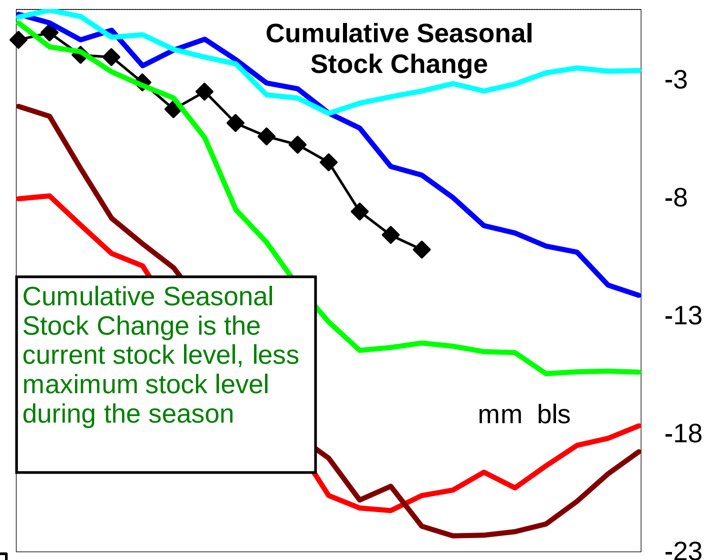
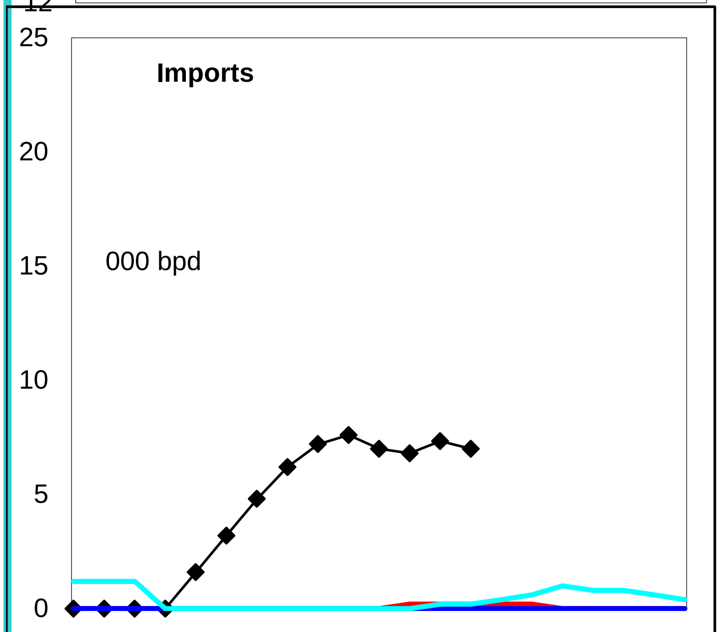
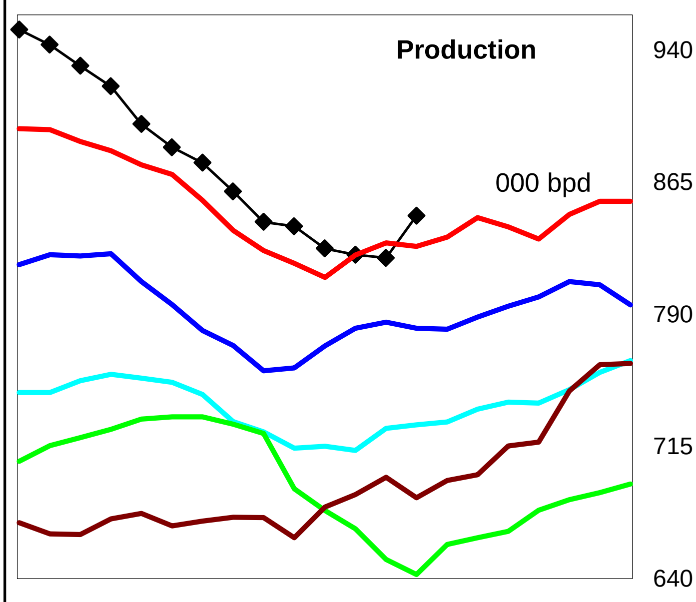
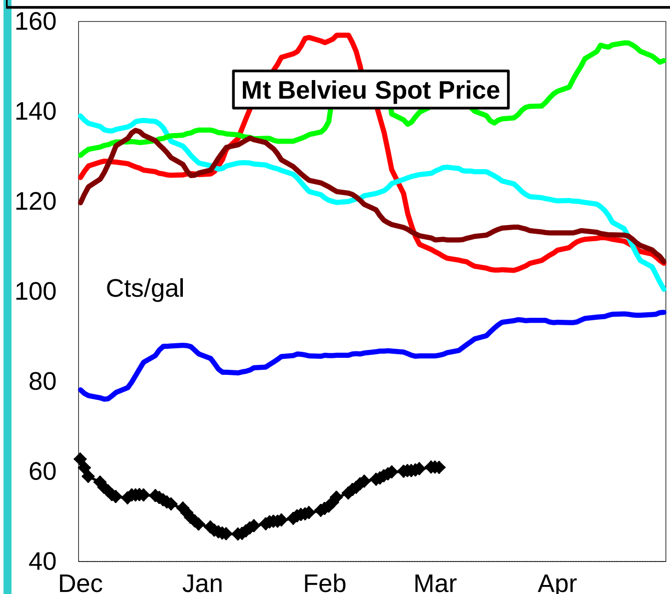
PADD 3 Propane Supply and Demand Balance

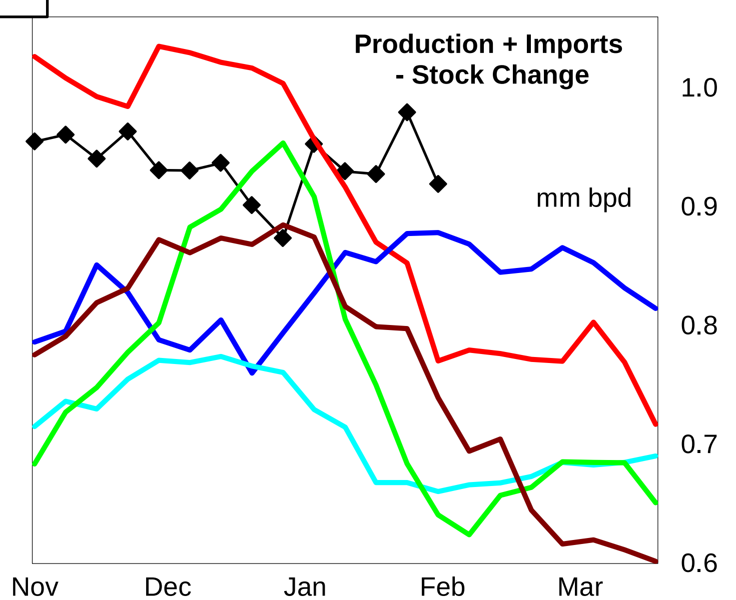












4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	18,711	10,426	-9	7	87
% change	119.9	-51	-1.1	2,600.0	9.7

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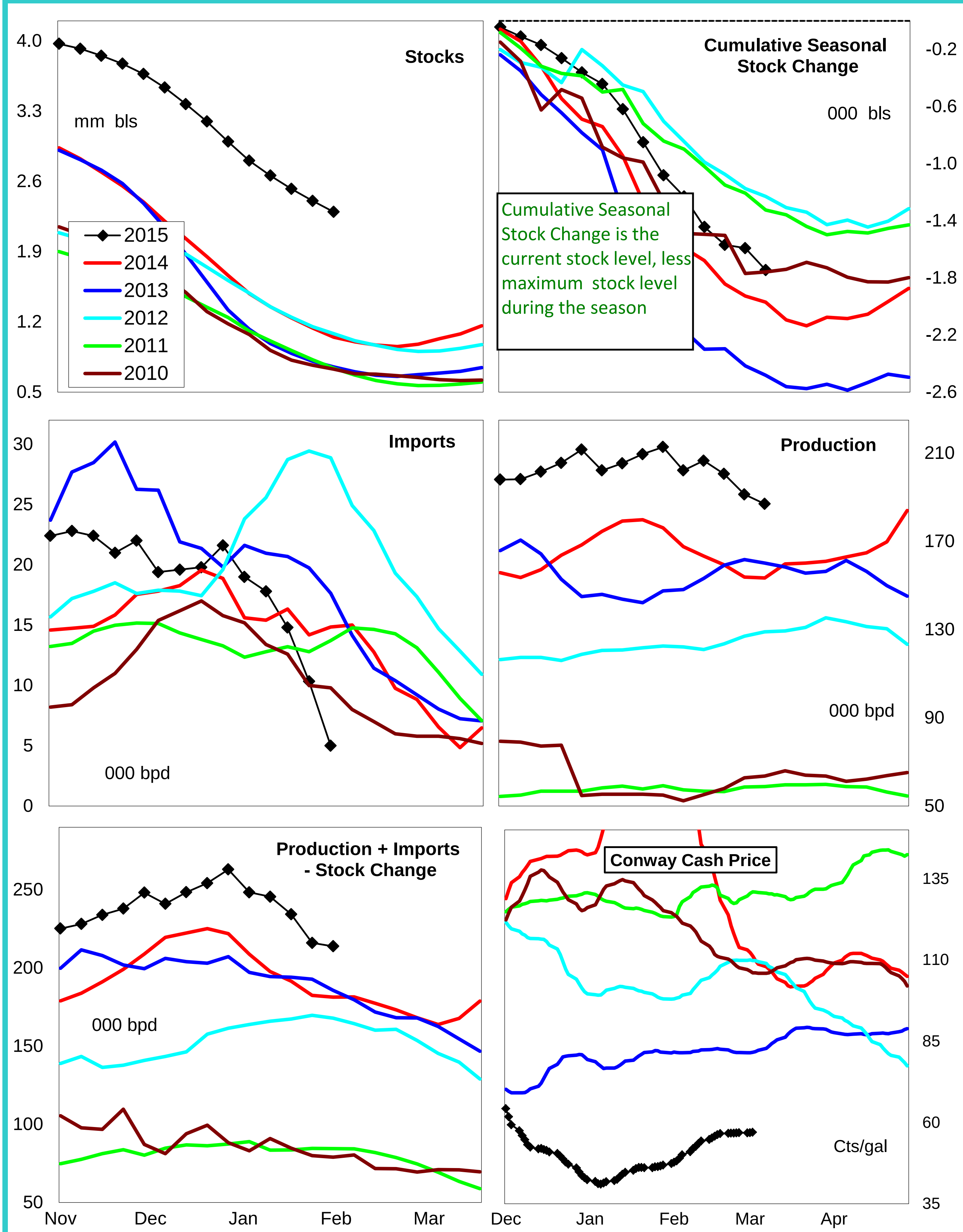
PADDs 4 and 5 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	1,224	225	41	-1	39
% change	114.2	-11.4	26.1	-8.8	20.8

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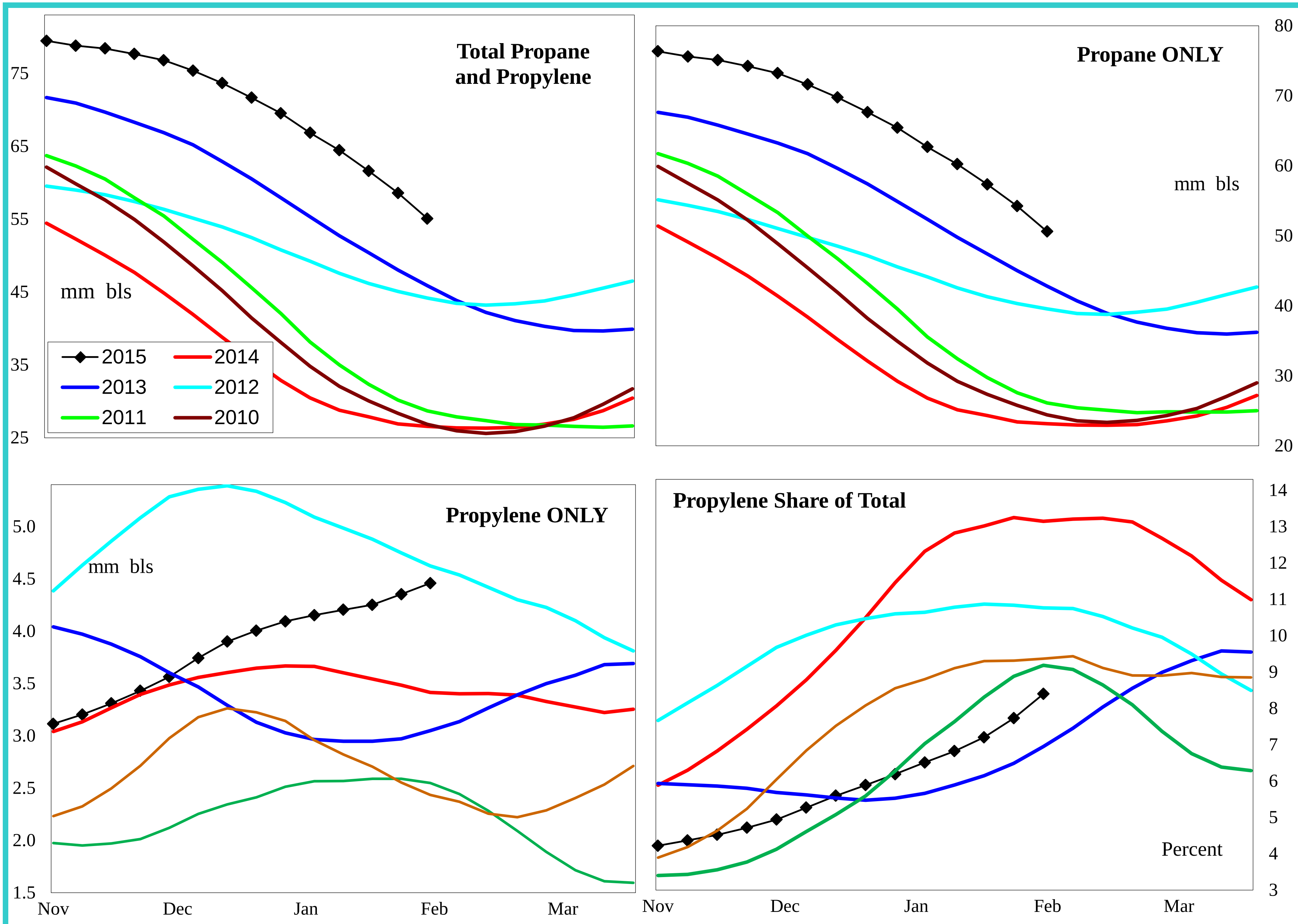
U. S. Propane and Propylene Stocks



Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	27,915	26,880	1,045
% change	102.8	113.3	30.6

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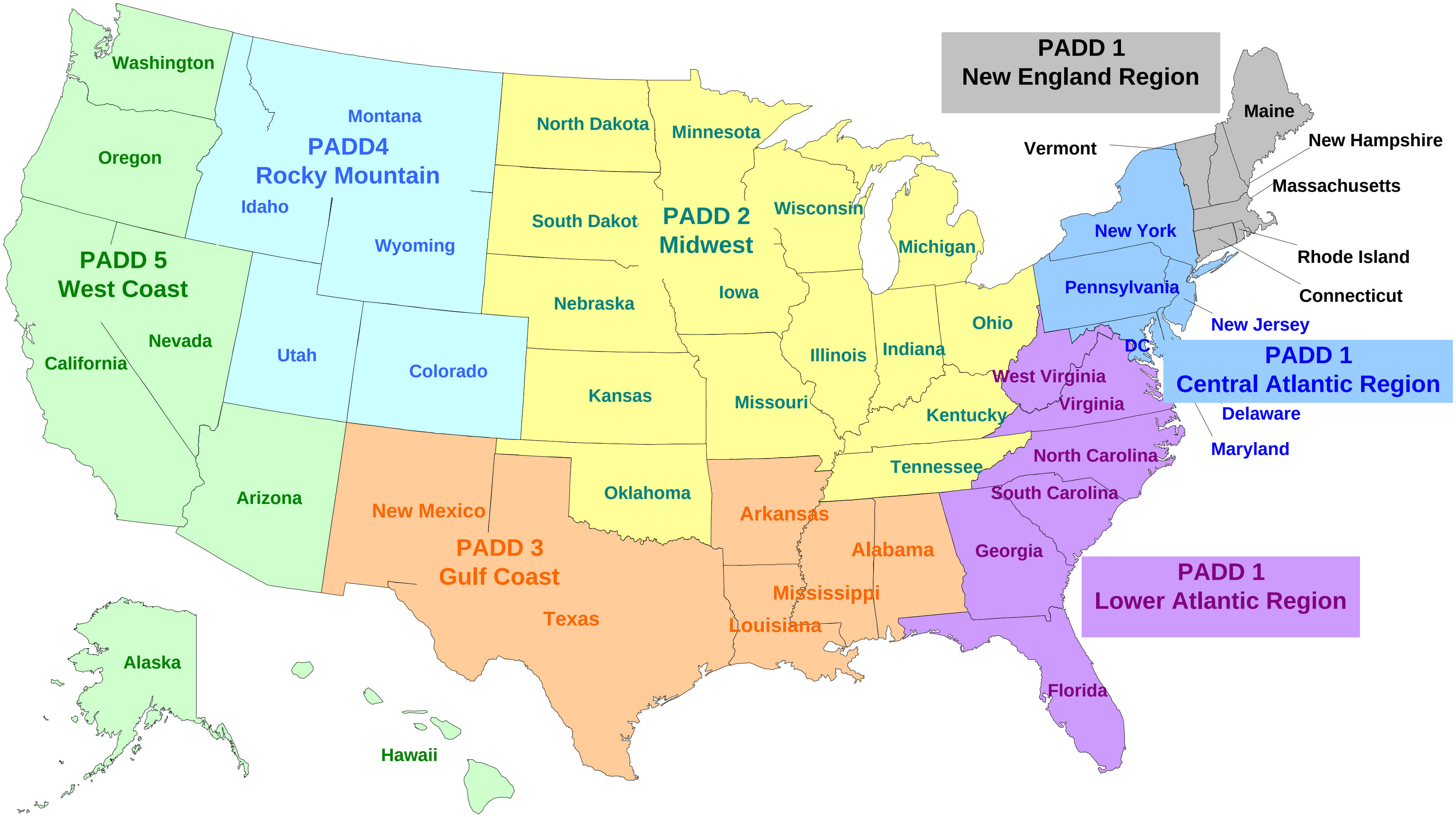
U. S. Petroleum Administrative for Defense Districts (PADDs)



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