



WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

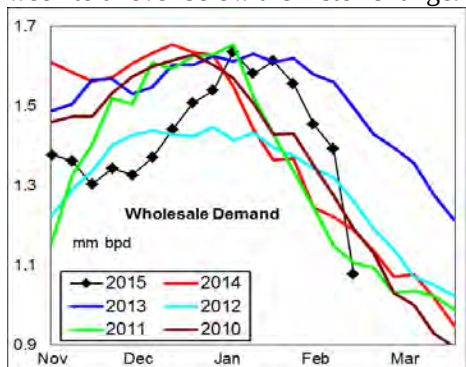
A Fundamental Petroleum Trends Weekly Report

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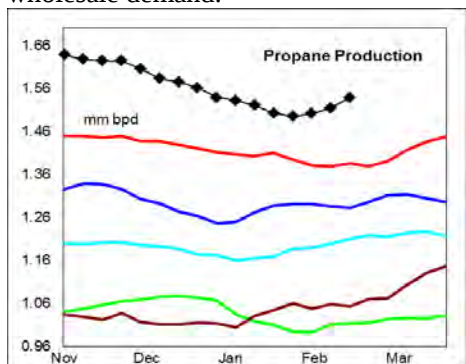


Summary¹:

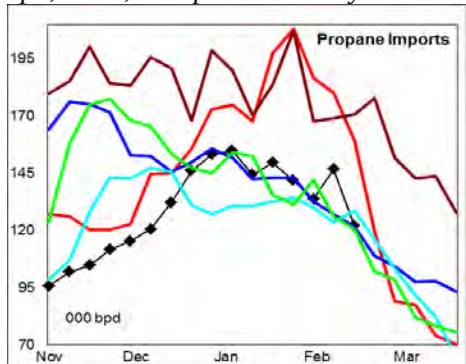
Wholesale demand fell -246,000 bpd last week to a level below the historic range.



Much above normal temperatures across key heating markets through month end should lead to well below average wholesale demand.



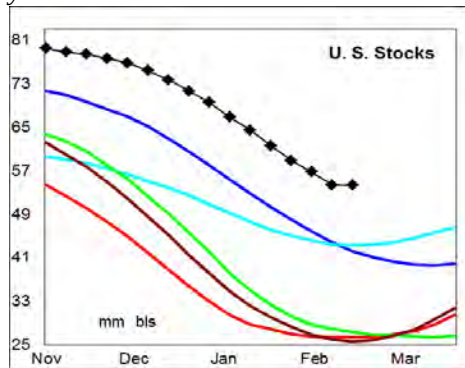
Production increased +28,000 bpd on the week, with the increase concentrated in the Midwest region. Exports for the week ending 20Feb15 were +506,000 bpd, +135,000 bpd above last year.



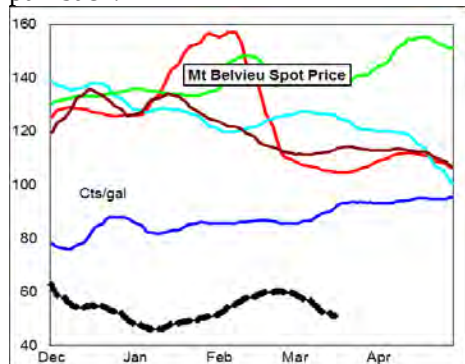
Imports decreased -8,000 bpd on the week, concentrated on the East Coast. Combined production and imports during the latest 4-wk period were

+71,000 bpd above a year ago. Production was +130,000 bpd above last year (+9%), while imports were -59,000 bpd lower. The latest 4-wk average demand was +173,000 bpd above last year.

Stocks increased +0.5 million barrels last week, with a +1.3 million barrel build in the Gulf, partially offset by a -0.8 million barrel draw in the Midwest. Stocks ended the week +28 million barrels above a year ago, 2X last year's level.



Price and Spreads Mt Belvieu spot price decreased -3cpg last week ending 18Mar15, with Conway seeing a similar decline. Above normal temperatures and record production underlies the price pull back.



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

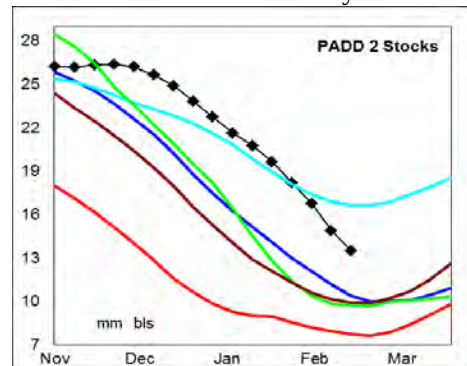
The propane to natural gas price spread trended lower last week, ending at a level well below the 5-yr range.

The propane / crude oil price spread traded sideways last week, ending at a level above the 3-yr mid range for this time of year.

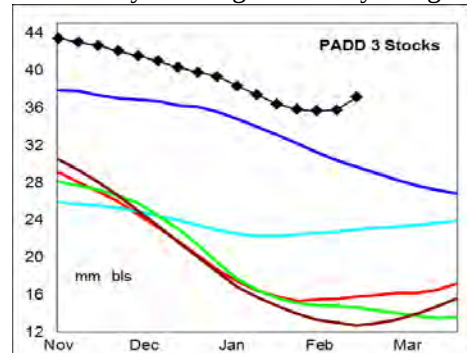
PADD 1 stocks increased +0.1 million

barrels last week. Stocks ended the week at a record low level for the week. Supply for the latest 4-wk period was -33,000 bpd below last year (a period of extremely high imports).

PADD 2 supply increased +24,000 bpd on the week, driven by higher imports. Production for the latest 4-wk period was +73,000 bpd above last year (+29%). Stocks fell -0.8 million barrels on the week. Stock levels ended the week at a level above four of the last 5-ys.



PADD 3 stocks increased +1.3 million barrels on the week, to a level 2.3X last year. Supplies for the latest 4-wk period were nearly unchanged from a year ago.



PADDs 4 & 5 stocks were unchanged on the week, million barrels last week, with the level extremely high for this time of year.

Emerging Trends Carryout stocks are extremely high in the Gulf and West regions. Production in the Midwest was nearly +30% above last year, driven by new processing plants in the Bakken crude oil field. These fundamental trends point to an extremely over supplied market which should depress propane prices going forward.

¹ Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary



March 18, 2015

Fundamental Trends for the Week Ending:

Friday, March 13, 2015

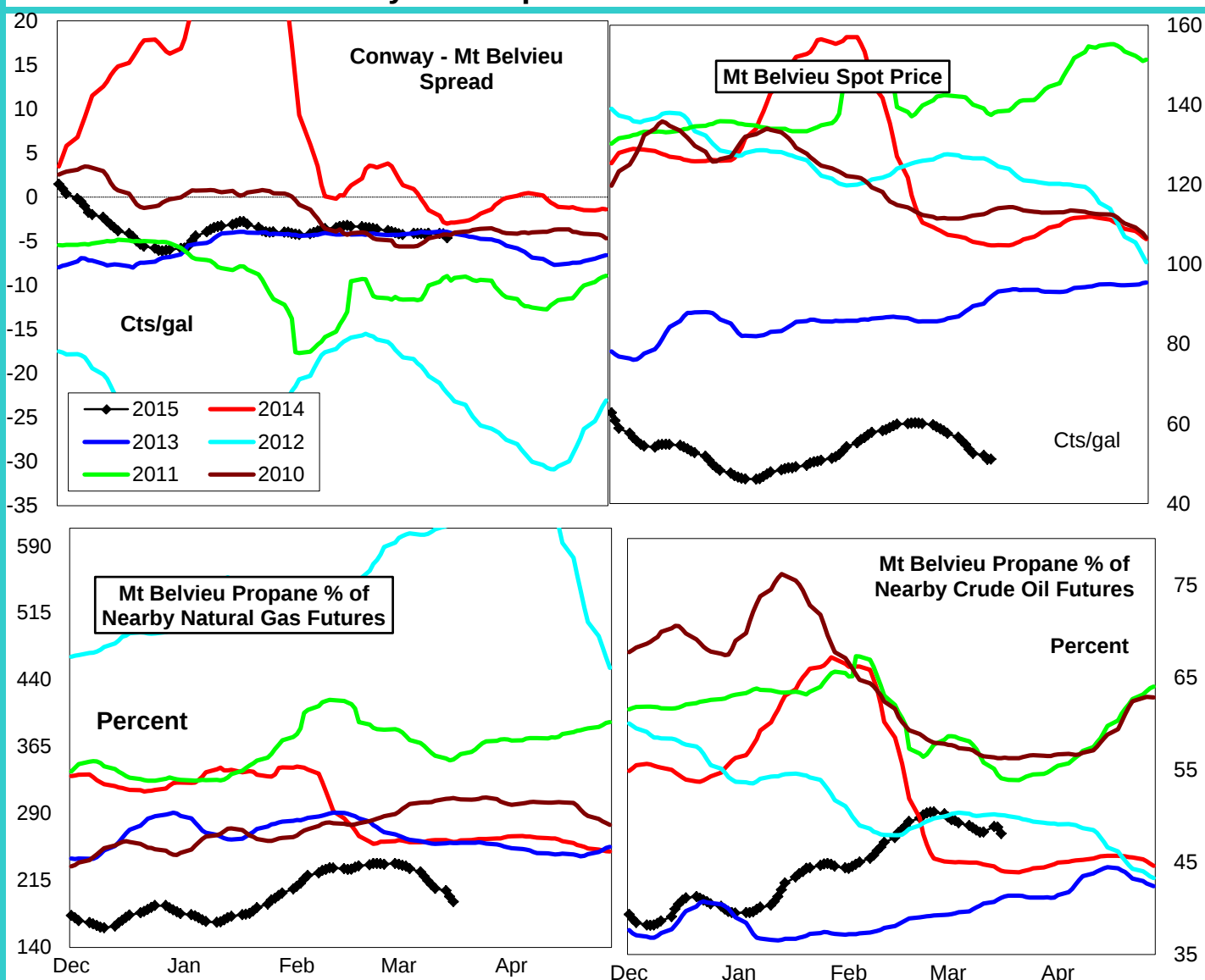
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD				U.S. Total	PADD			
		1	2	3	4&5		1	2	3	4&5
Stocks	54,284	1,518	13,501	37,126	2,139	540	137	-845	1,285	-37
Propylene Stocks	4,597					82				
Production	1,539	178	345	839	177	28	5	28	-6	1
Imports	122	52	47	9	14	-8	-16	-4	3	9
Whsle Demand	1,078					-246				

Price Trends for the Week Ending:

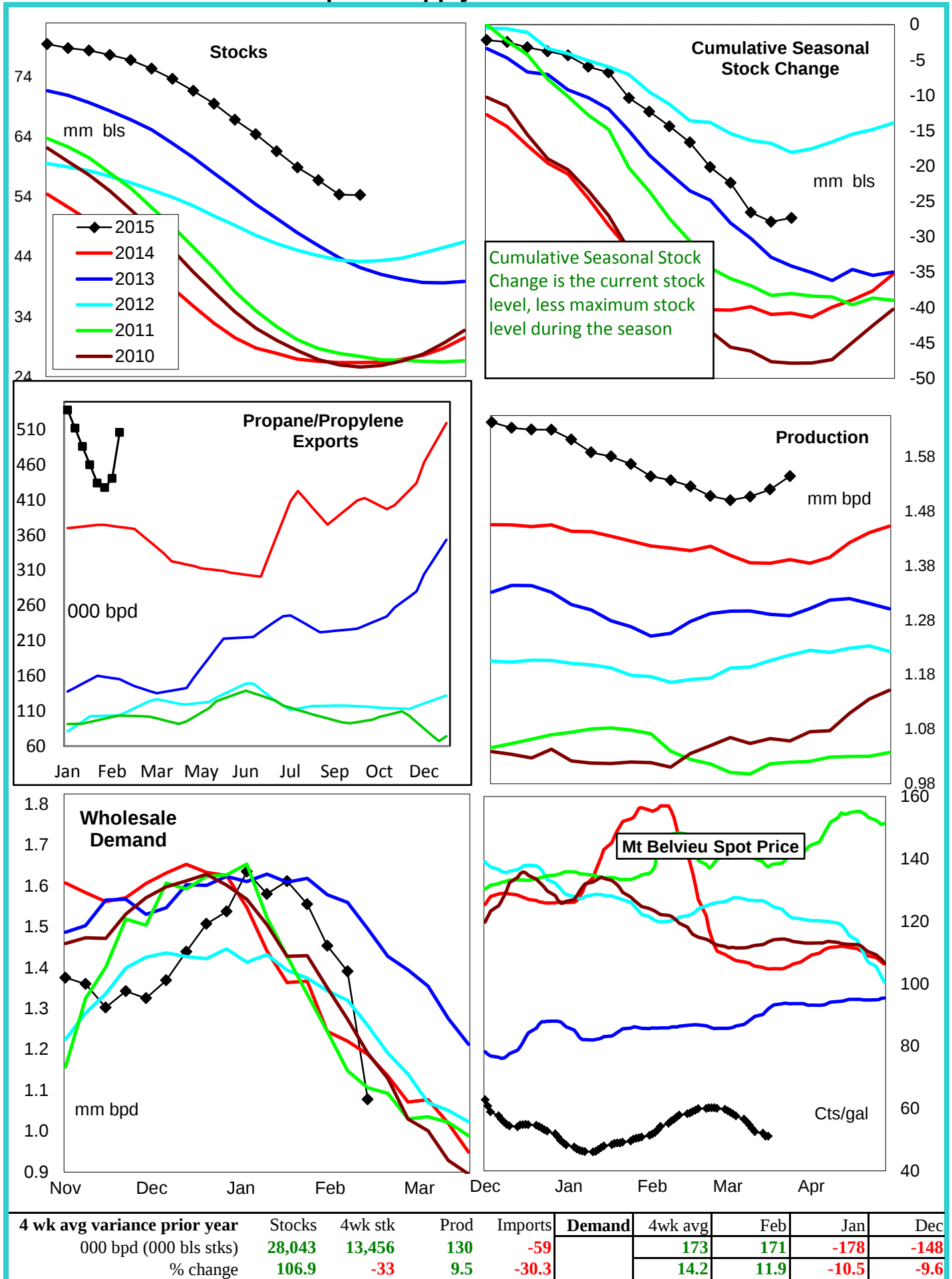
Wednesday, February 18, 2015

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	52.1	56.2	59.4	104.7	-4.15	-3.13	-45.36	-7.4	-5.3	-43.3
Conway Spot	48.0	52.1	55.8	101.8	-4.10	-3.75	-45.99	-7.9	-6.7	-45.2

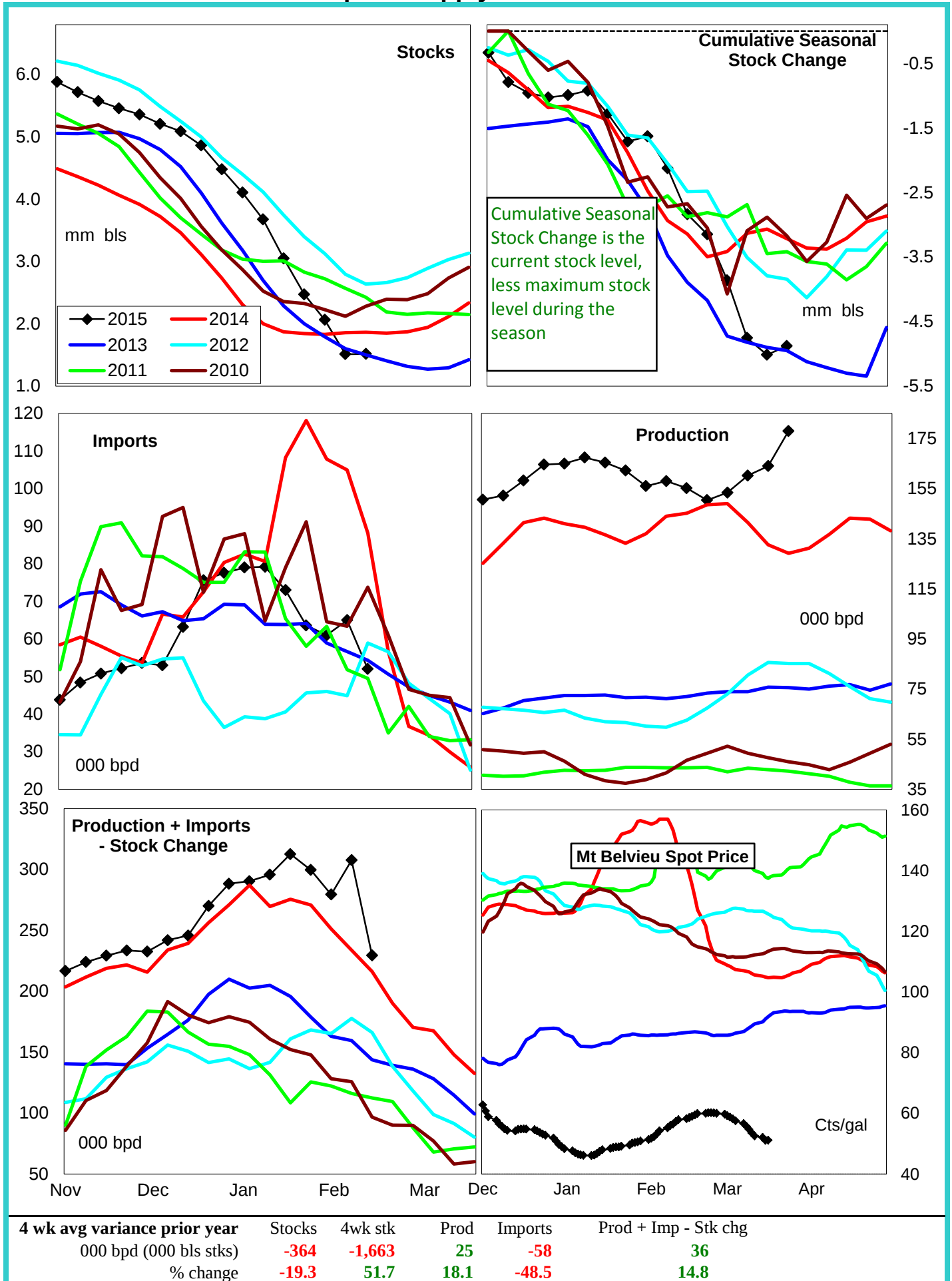
Key Price Spreads and Differentials



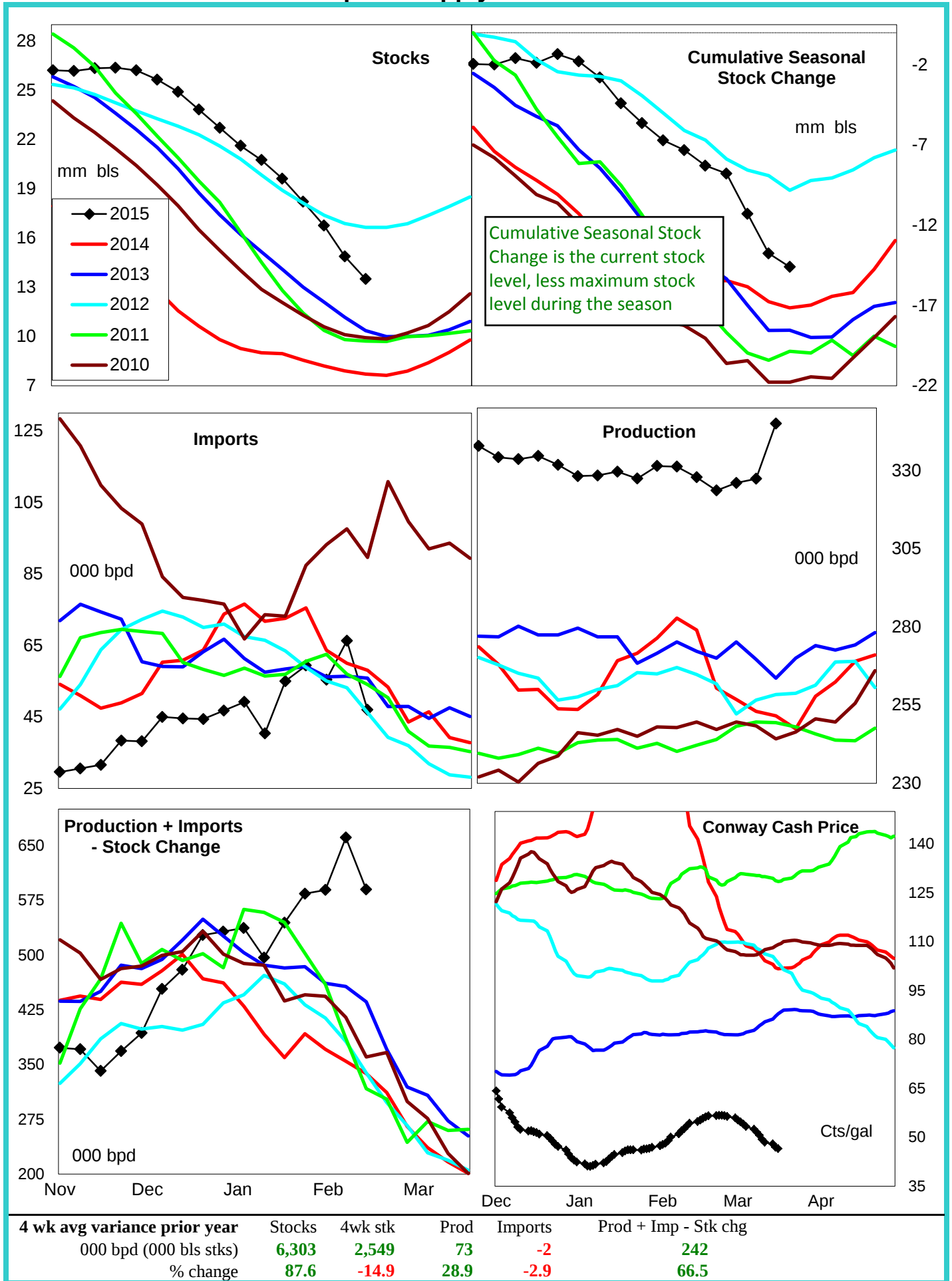
U. S. Propane Supply and Demand Balance



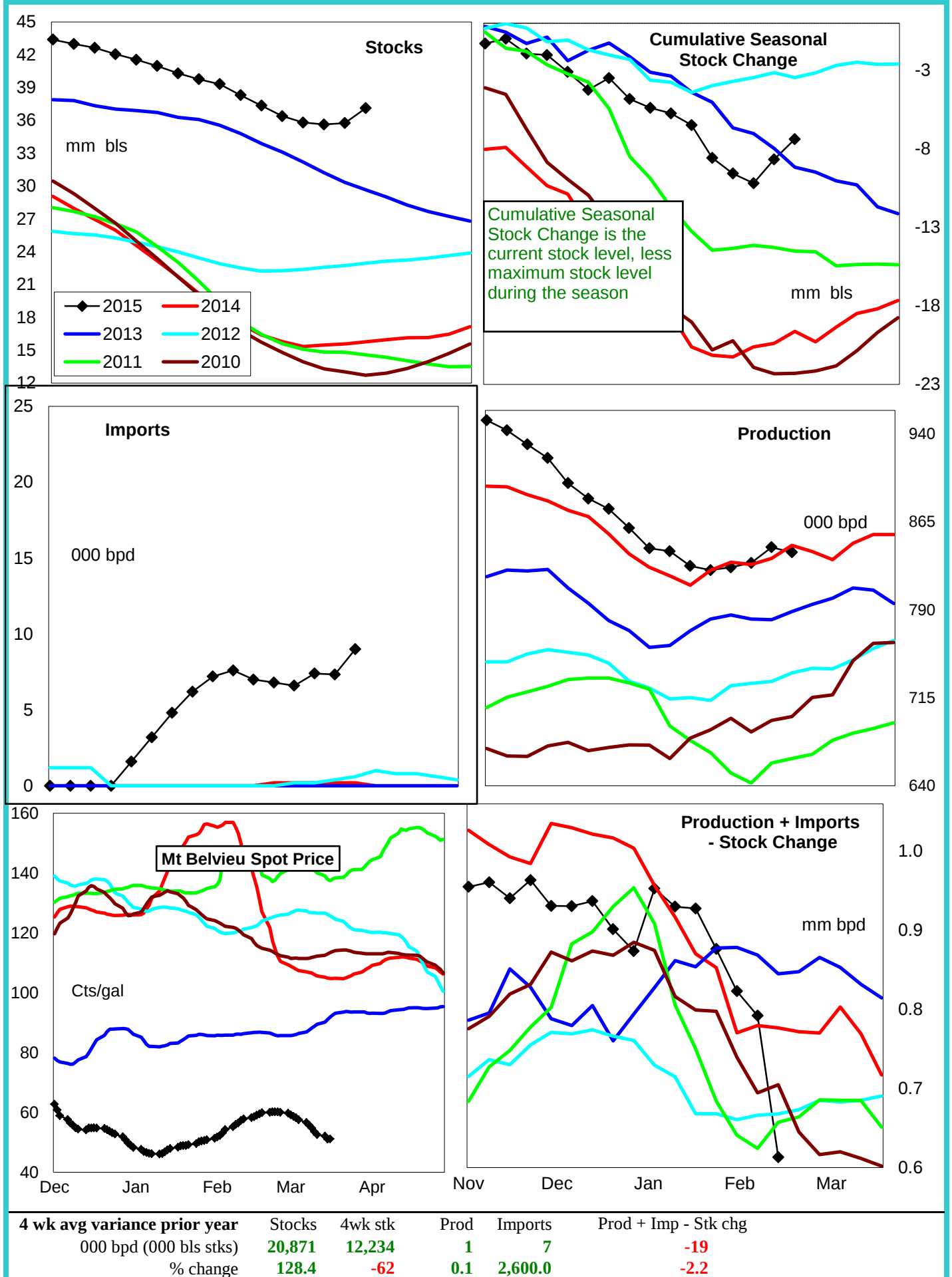
PADD 1 Propane Supply and Demand Balance



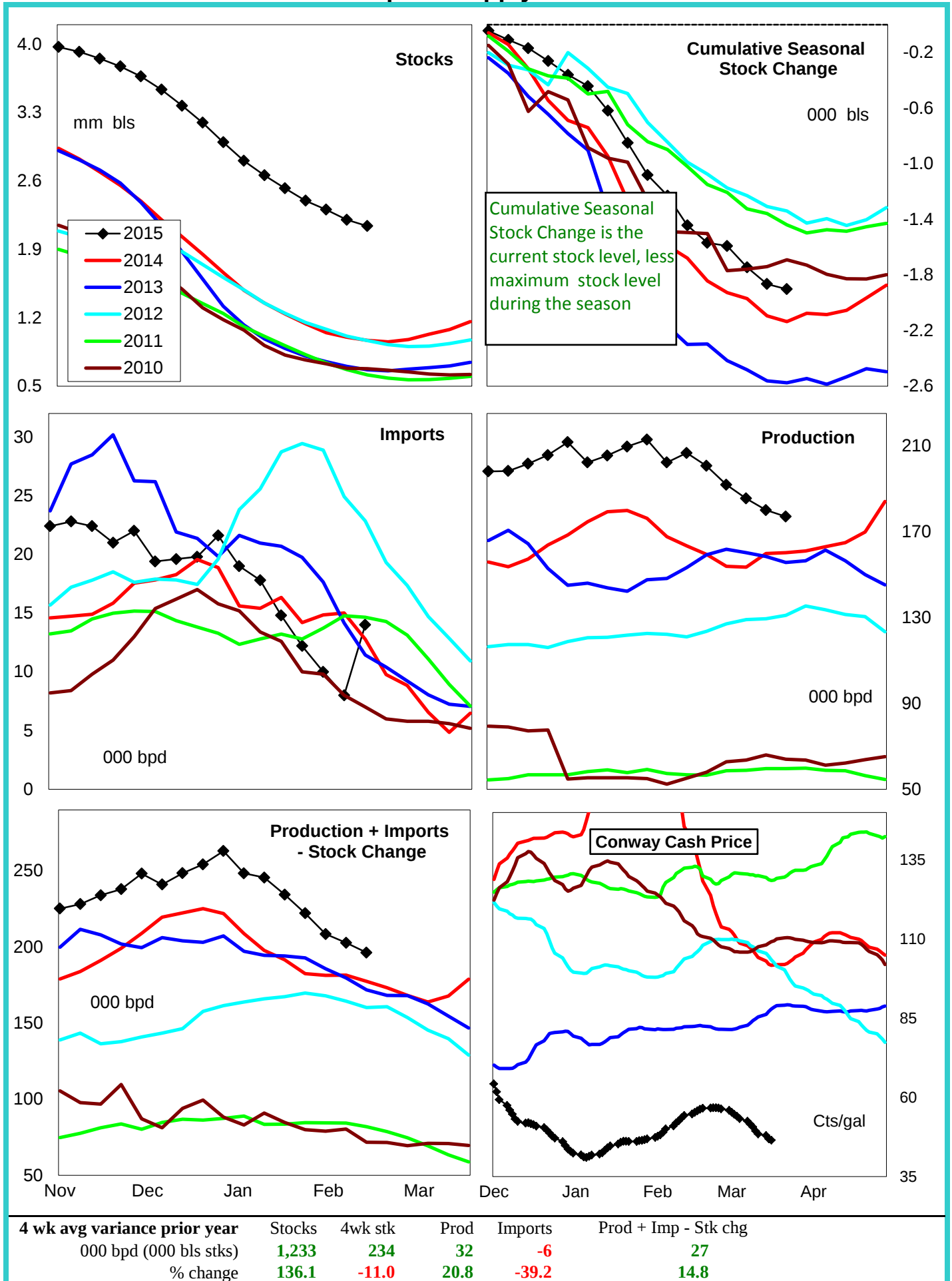
PADD 2 Propane Supply and Demand Balance



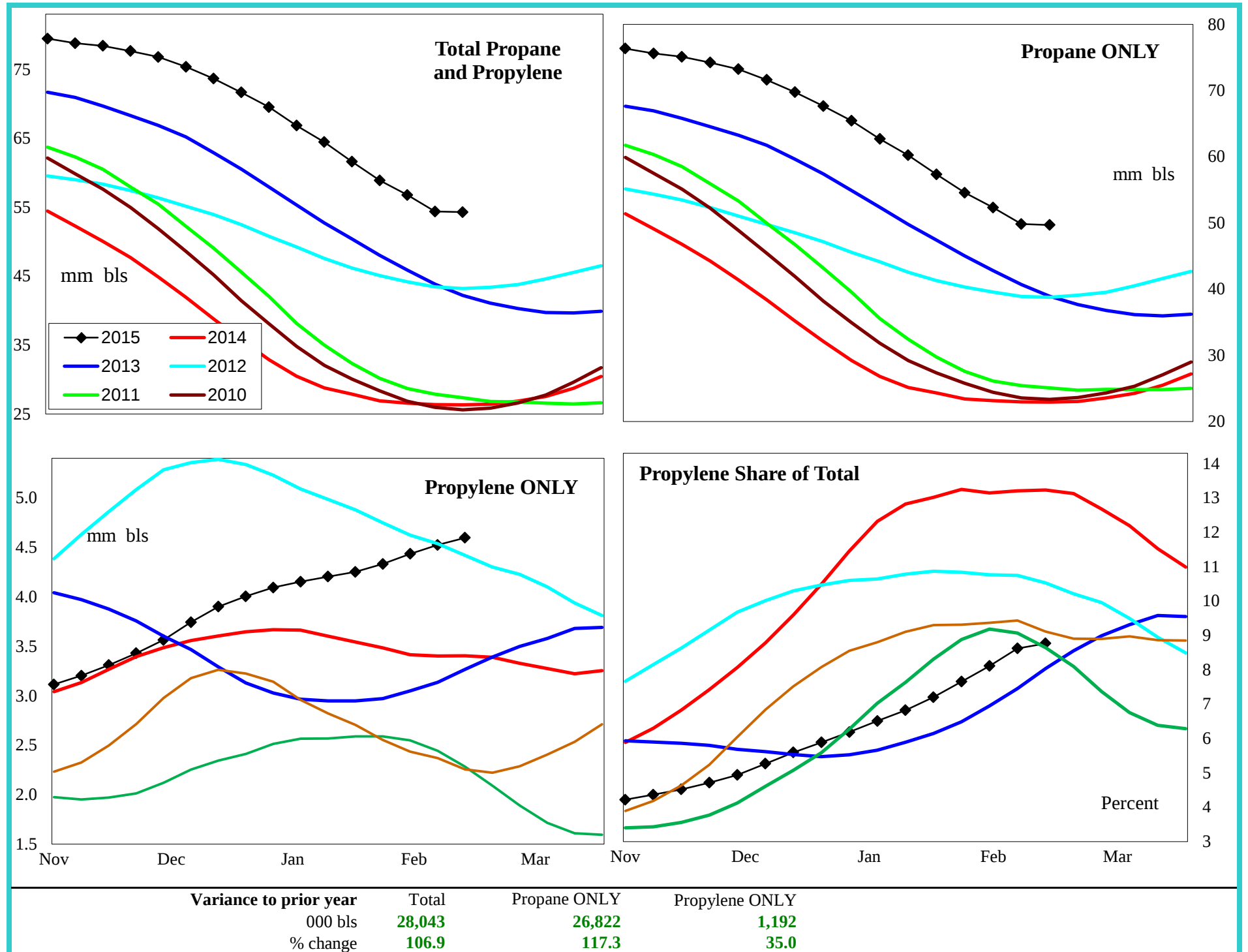
PADD 3 Propane Supply and Demand Balance



PADDs 4 and 5 Propane Supply and Demand Balance



U. S. Propane and Propylene Stocks



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

