



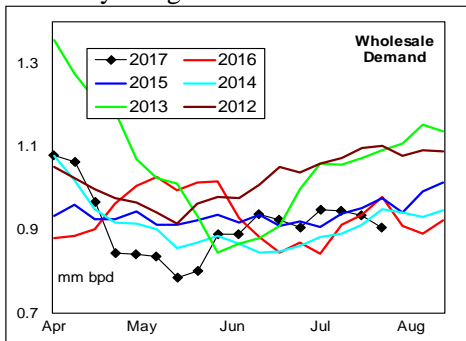
WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

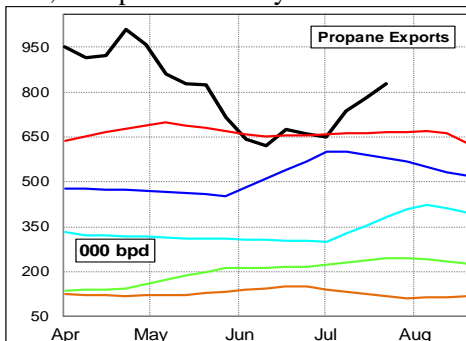
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com

Summary¹:

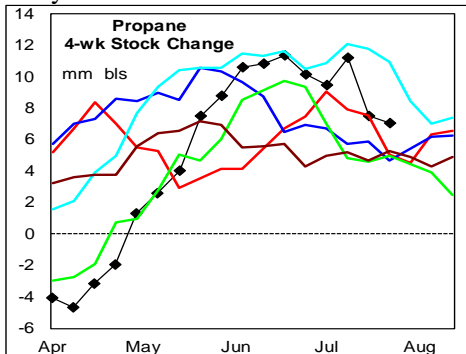
Wholesale demand decreased -0.3 million bpd last week. The latest 4-wk wholesale demand was -64,000 bpd below a year ago.



Production decreased -28,000 bpd on the week, while imports up +1,000 bpd. Production for the latest 4-wk period averaged +137,000 above a year ago. The latest 4-wk average of imports was +16,000 bpd above last year.

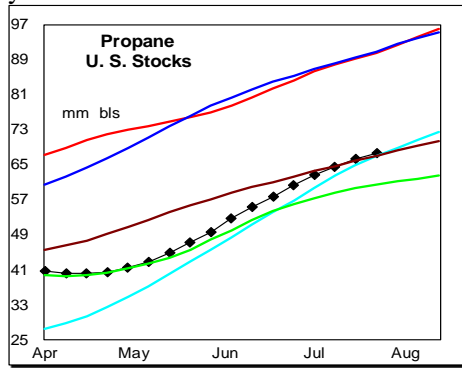


Exports for the week ending 29Jul17 were 827,000 bpd, +160,000 bpd above last year.

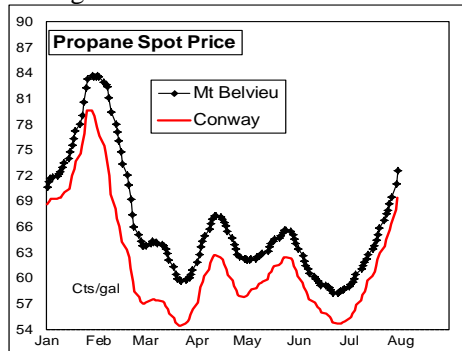


Stocks increased +1.7 million barrels last week, above average for this time of year. Stock levels ended the week -25% below last year. The latest 4-wk stock

change was a build of +7 million barrels, above two of the last 3-yrs. The cumulative stock build for the season of +28 million barrels was equal to last year.



Price and Spreads Mt Belvieu spot price increased +7 cpg while Conway saw a similar jump for the week ending 01Aug17.



The Conway – Mt Belvieu price spread was unchanged on the week to trade above the 3-yr mid range for this time of year.

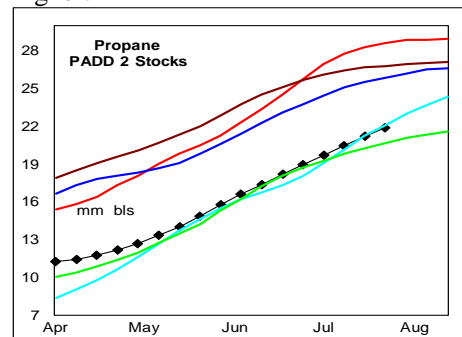
The propane to natural gas price spread trended higher last week, to trade at a level equal to 3-yr highs for the period.

The propane / crude oil price spread trended higher on the week with the level +20 percentage points above the historic range for the period.

PADD 1 stocks decreased -0.1 million barrels on the week, to a level below the 3-yr mid range for the period. Stock levels ended the week -3% below last year. Supply decreased -9,000 bpd on lower imports.

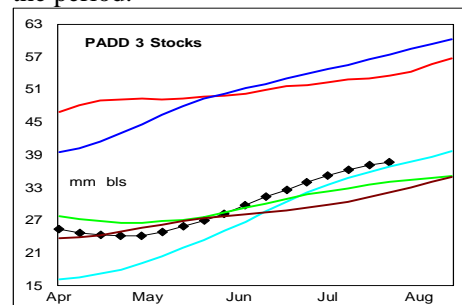
PADD 2 supply increased +13,000 bpd on the week. Production for the latest 4-wk period was +46,000 bpd above a year ago while imports were +9,000 bpd

higher.



Stocks increased +0.7 million barrels on the week. Stock levels ended the week -24% below last year, and near historic lows for this time of year.

PAD 3 stocks increased +1 million barrels last week. Stock levels ended the week -29% below last year's record high, but above three of the last 5-yrs for the period.



PADDs 4 & 5 stocks increased +0.1 million barrels on the week. Stock levels ended the week +4% above last year.

Emerging Trends The latest 4-wk rate of stock build was above the last 2-yrs; however, the level of stocks remains -25% below last year in both the Midwest and Gulf regions. The low level of stocks and rising global energy prices underlies the recent price uptrend. While exports are above a year ago, they are down sharply from the 1st 4-months of the year.

Stock levels -22 million barrels below last year, combined with a slowing in the rate of stock build should continue to support wholesale prices.

¹ Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

August 2, 2017

Fundamental Trends for the Week Ending:

Friday, July 28, 2017

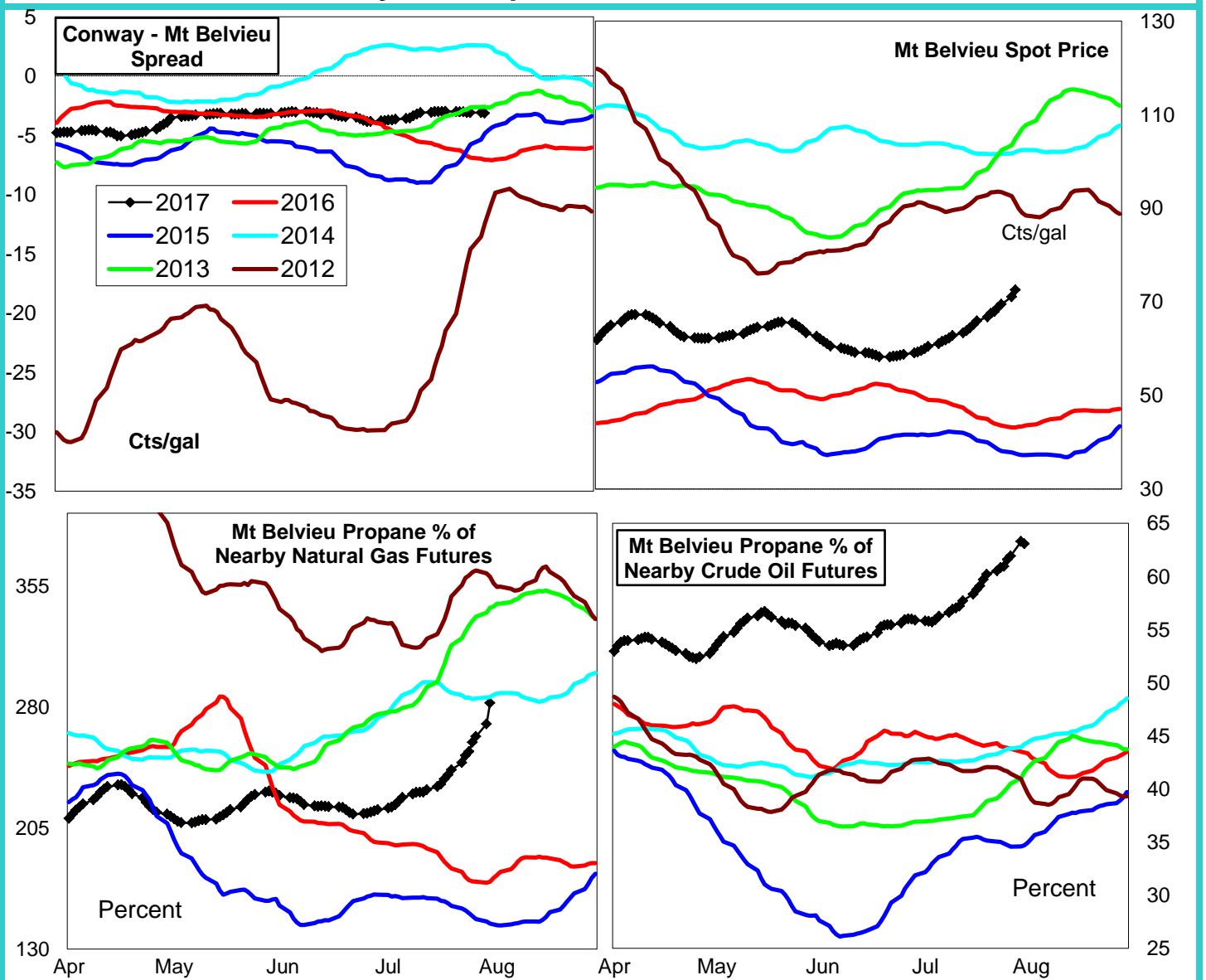
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD				U.S. Total	PADD			
		1	2	3	4&5		1	2	3	4&5
Stocks	67,605	4,901	21,885	37,718	3,101	1,672	-113	693	1,012	80
Propylene Stocks	2,817					207				
Production	1,852	181	457	1,006	208	-28	-1	2	-28	-1
Imports	118	26	55	0	37	1	-8	11	0	-2
Whsle Demand	904					-296				

Price Trends for the Week Ending:

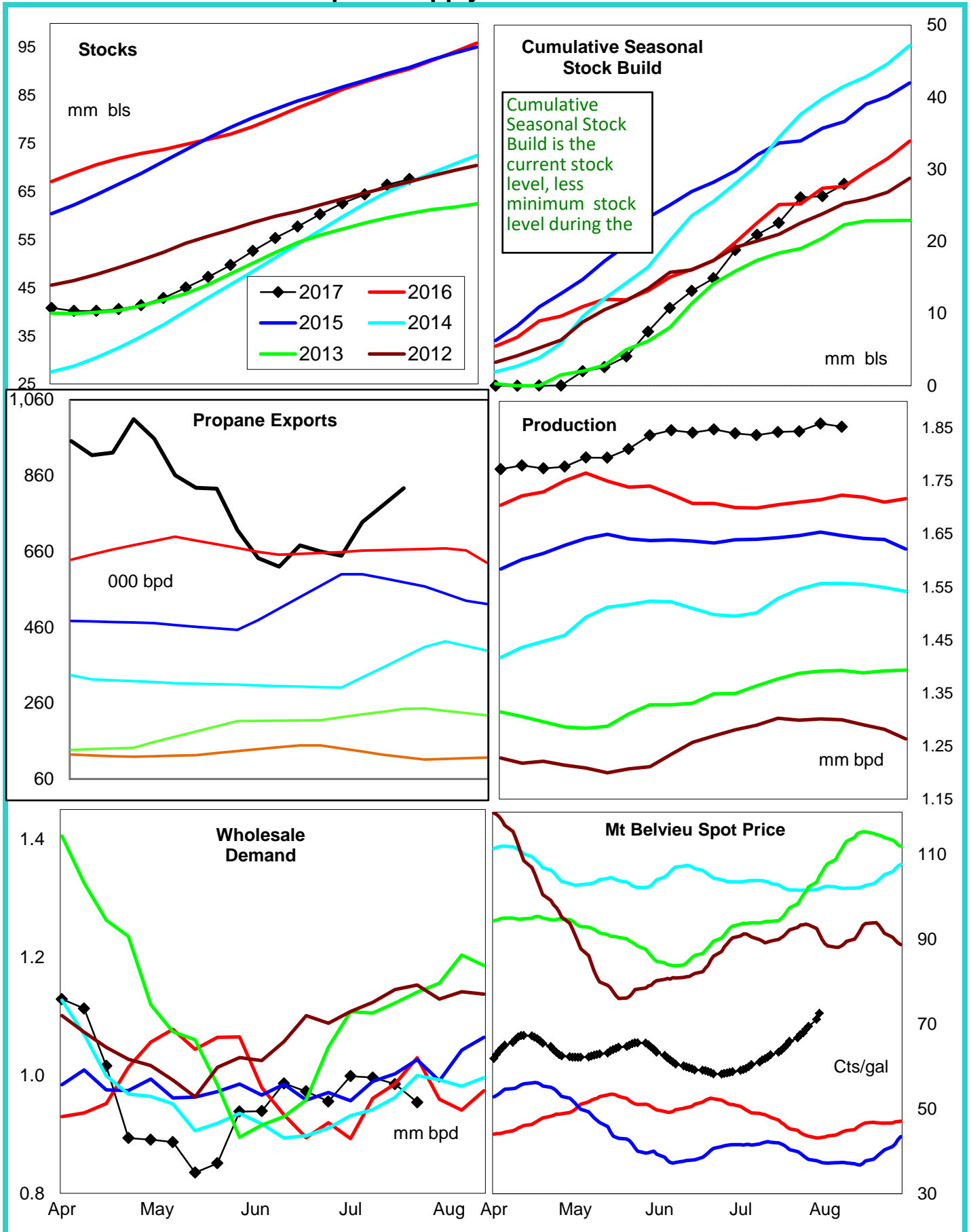
Wednesday, August 02, 2017

Cents/gal	Average for week ending:				Change from:			% change from:		
	8/2/17	7/26/17	7/5/17	8/5/16	7/26/17	7/5/17	8/5/16	7/26/17	7/5/17	8/5/16
Mont Belvieu Spot	70.2	65.6	58.5	43.1	4.60	7.10	15.35	7.0	12.1	35.6
Conway Spot	67.1	62.7	54.8	36.4	4.38	7.90	18.43	7.0	14.4	50.7

Key Price Spreads and Differentials

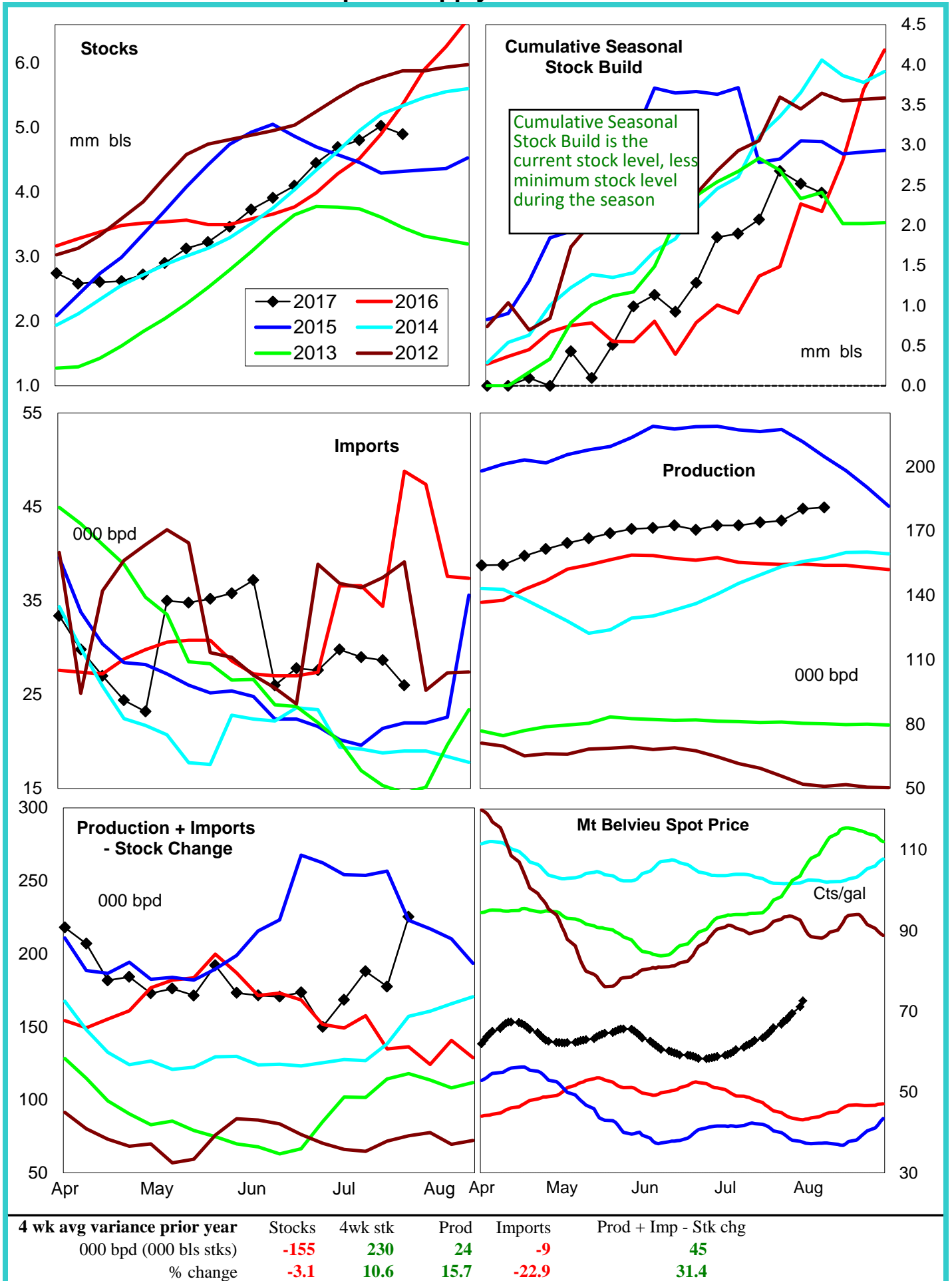


U. S. Propane Supply and Demand Balance

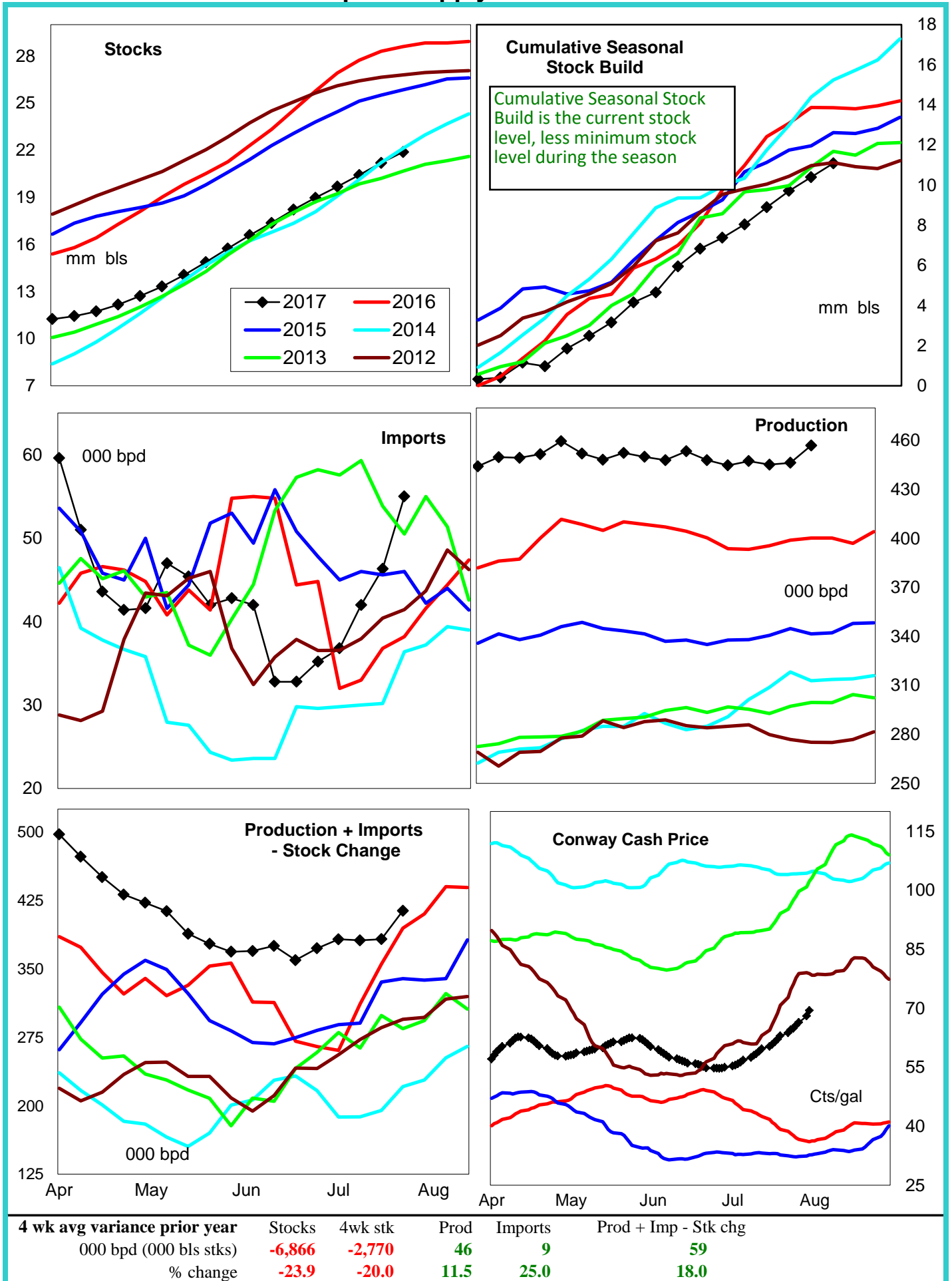


4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Jul	Jun	May
					000 bpd (000 bls stks)				
	-22,260	323	137	16	-64	-35	147	-31	
% change	-24.8	1	8.0	17.6	-6.6	-3.8	18.0	-3.5	

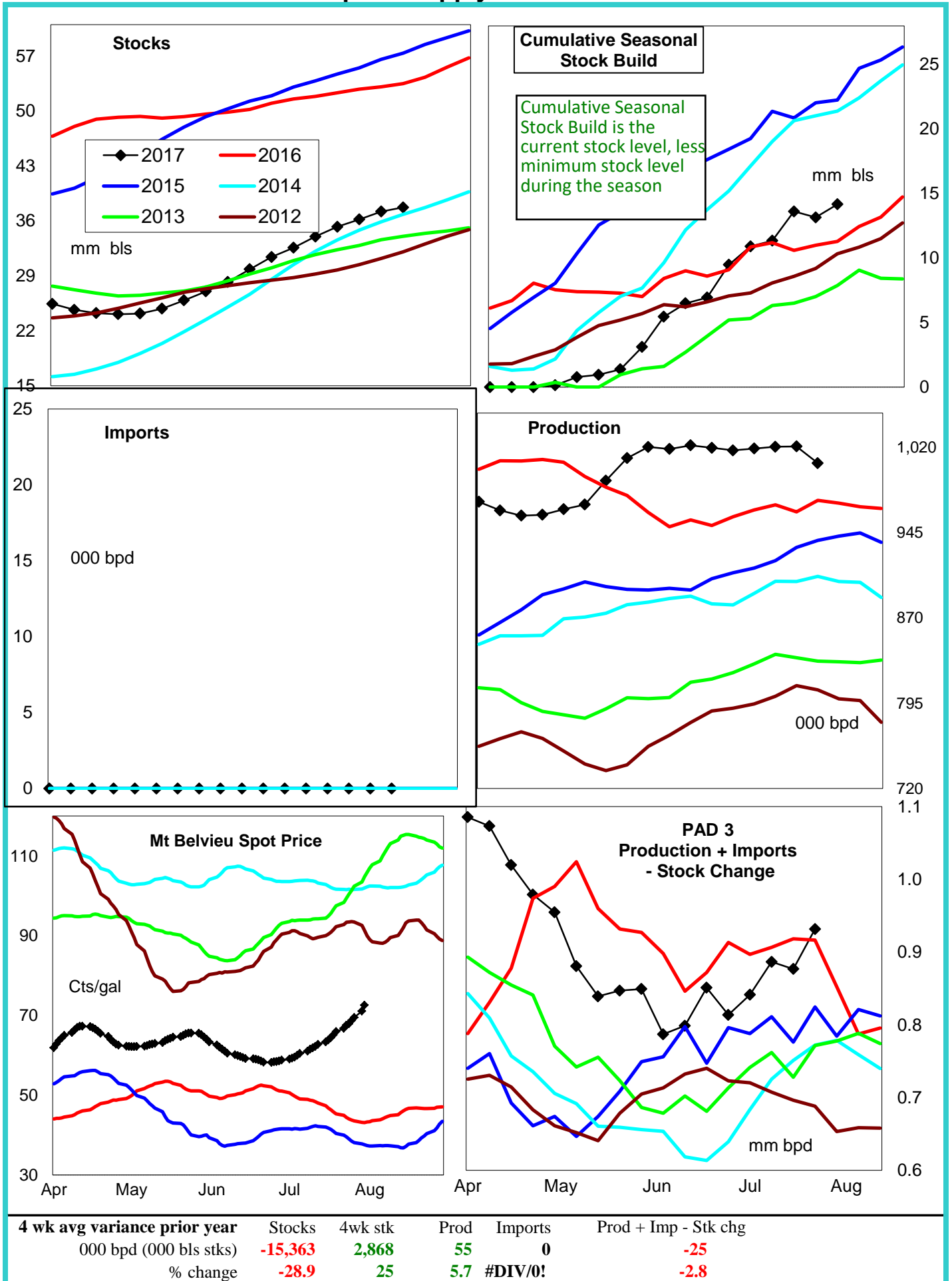
PADD 1 Propane Supply and Demand Balance



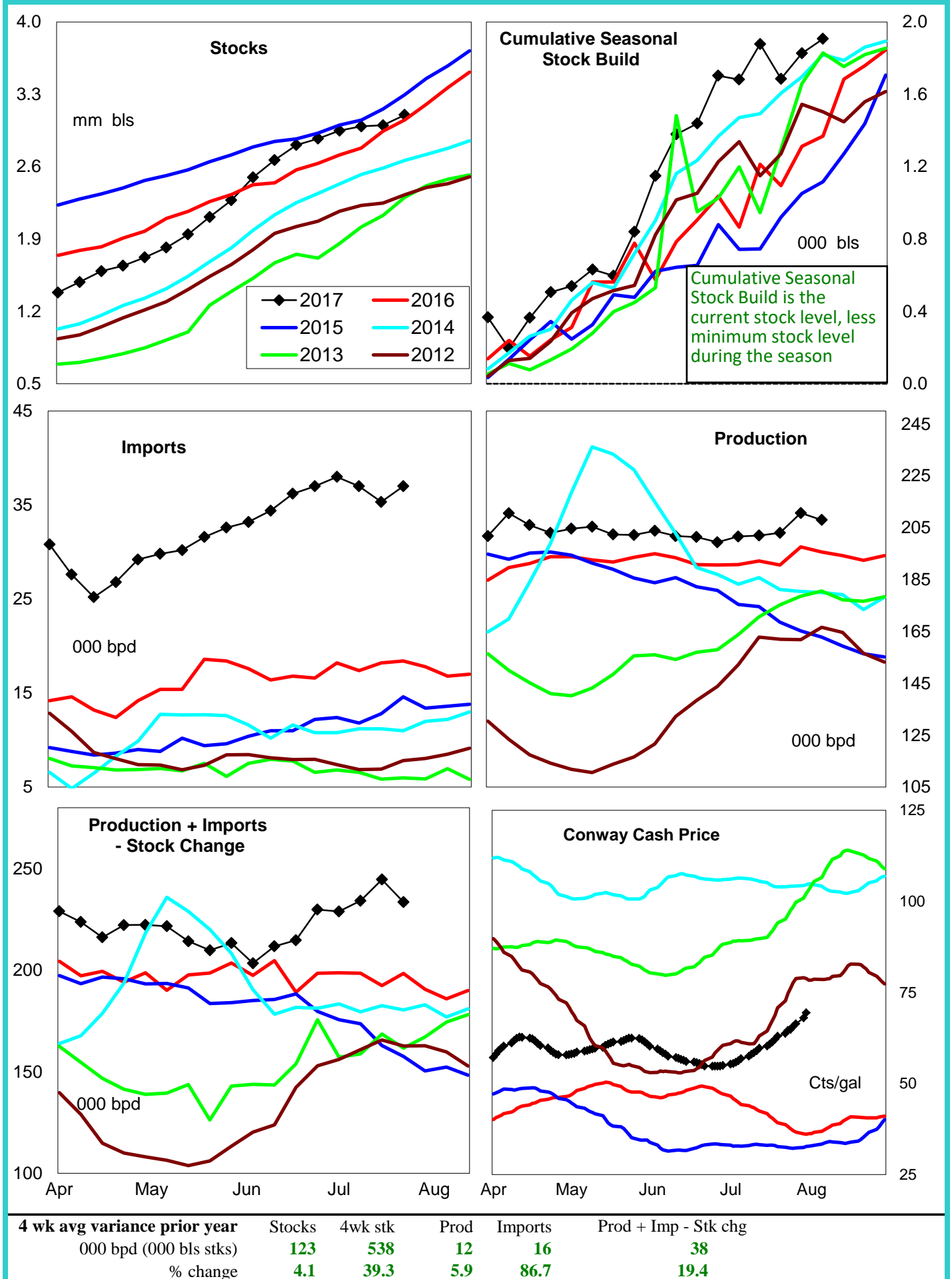
PADD 2 Propane Supply and Demand Balance



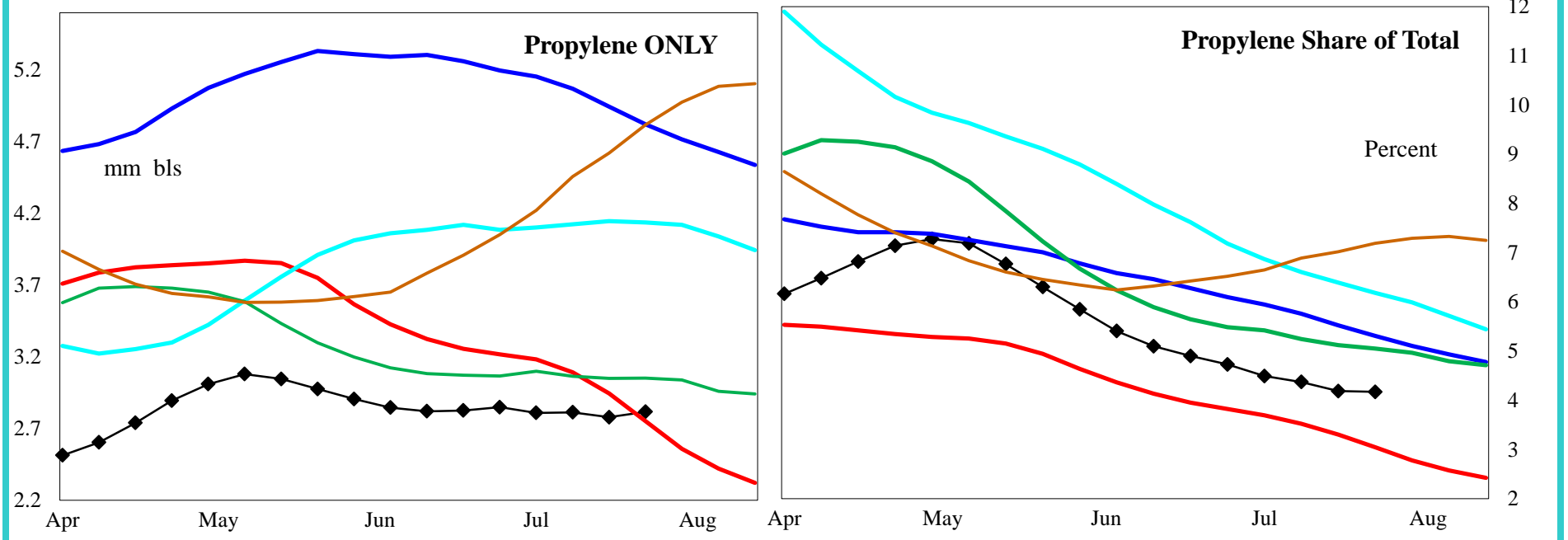
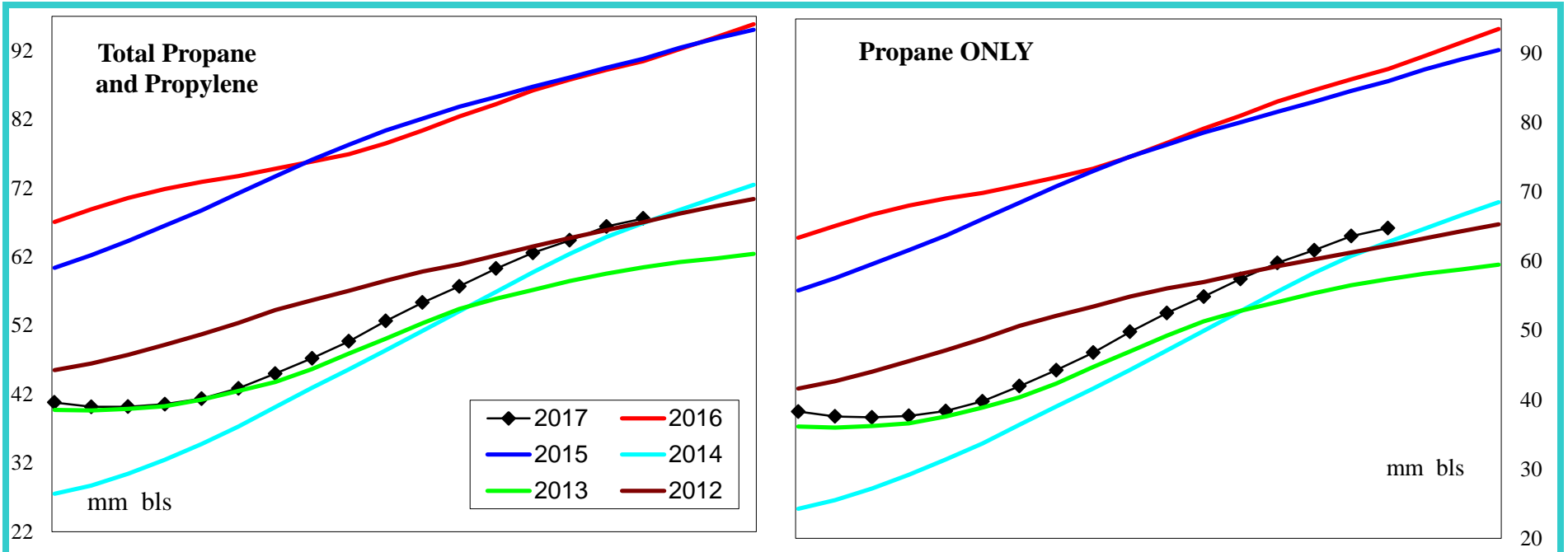
PADD 3 Propane Supply and Demand Balance



PADDs 4 and 5 Propane Supply and Demand Balance



U. S. Propane and Propylene Stocks



Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bbls	-22,260	-22,263	64
% change	-24.8	-25.6	2.3