FUNDAMENTAL PETROLEUM TRENDS

WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

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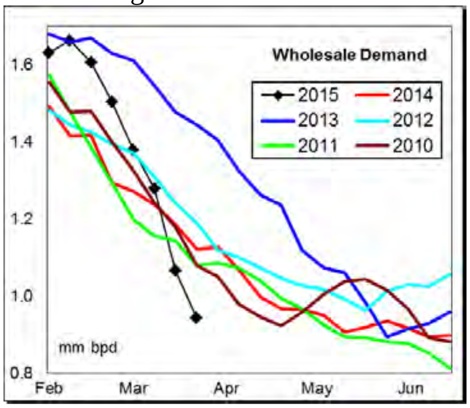
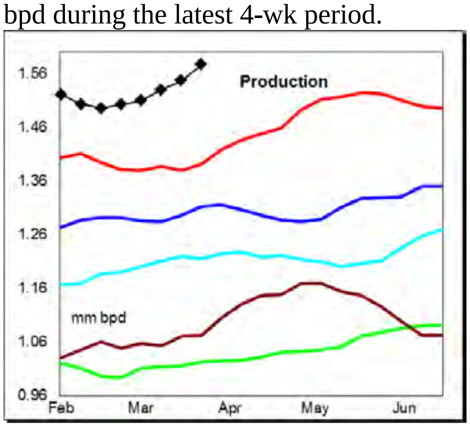
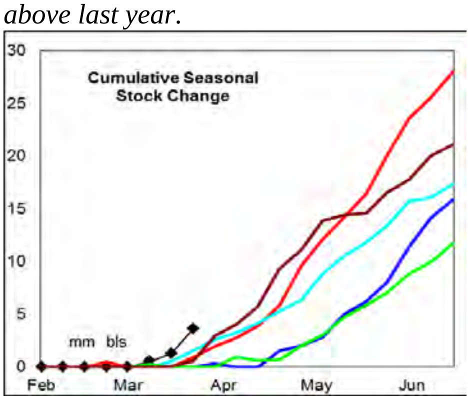
Summary[1]:
Wholesale demand fell -184,000 bpd last week, to a level sharply below the historic range.



Production increased +52,000 bpd last week, to a new all time high. Production increases are widespread with the East Region up +48,000 bpd, Midwest +80,000 bpd and the West up +23,000 bpd during the latest 4-wk period.

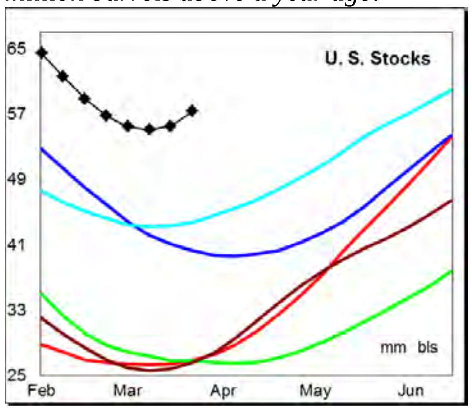


Exports for the week ending 20Mar15 were +477,000 bpd, +123,000 bpd above last year.

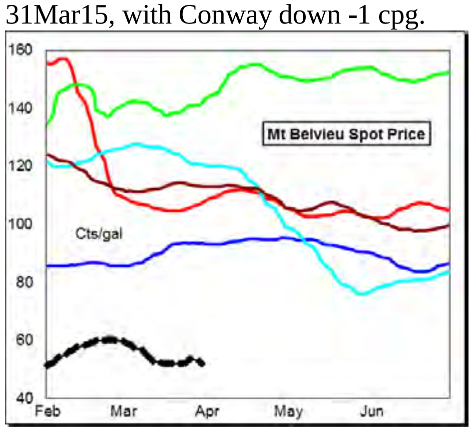


The drop in wholesale demand and year on year increase in production has led to a record cumulative stock build of +3.6 million barrels.

Stocks increased +2.4 million barrels last week, with builds above +1 million barrels in the Midwest and Gulf regions. *Stocks ended the week +31 million barrels above a year ago.*



Price and Spreads Mt Belvieu spot price increased +0.5 cpg last week ending 31Mar15, with Conway down -1 cpg.



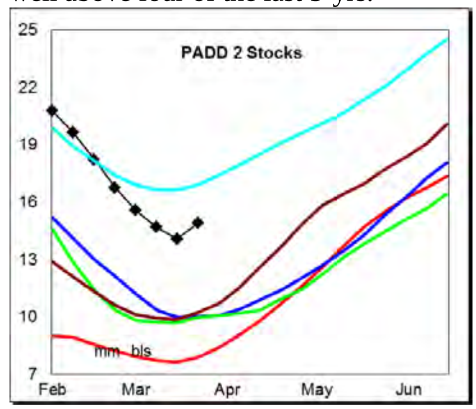
The Conway – Mt Belvieu price spread trended lower last week, with Conway below Mt Belvieu.

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

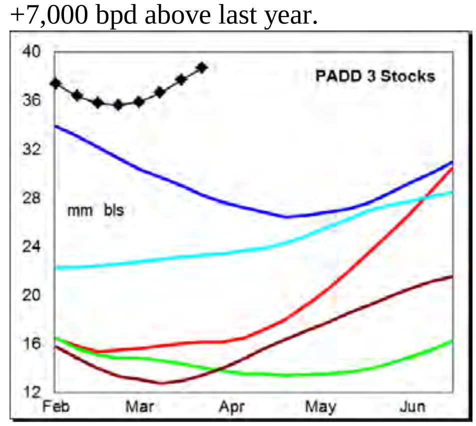
The propane / crude oil price spread trended lower last week, ending at a level above the 3-yr mid range for this time of year.

PADD 1 stocks decreased -0.2 million barrels last week. Stocks ended the week at a level near historic lows for the season. Supply for the latest 4-wk period was +61,000 bpd above last year on record high production.

PADD 2 supply increased +39,000 bpd on the week, driven by higher imports and production. Production for the latest 4-wk period was +80,000 bpd above last year (+32%). Stocks increased +1 million barrels on the week. Stock levels ended the week at a level well above four of the last 5-yrs.



PAD 3 stocks increased +1.4 million barrels on the week, to a record level for the winter quarter. *Stock levels are so high that the region risk storage constraints during the next 2-quarters.* Supplies for the latest 4-wk period were +7,000 bpd above last year.



PADDs 4 & 5 stocks were unchanged on the week, with the level +1.2 million barrels above last year, and a record high.

Emerging Trends Carryout stocks are very high in the Midwest, Gulf and West regions. Combined with record production in the Midwest, East and West Regions, the market risk very depressed prices going forward.

[1] Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

April 1, 2015

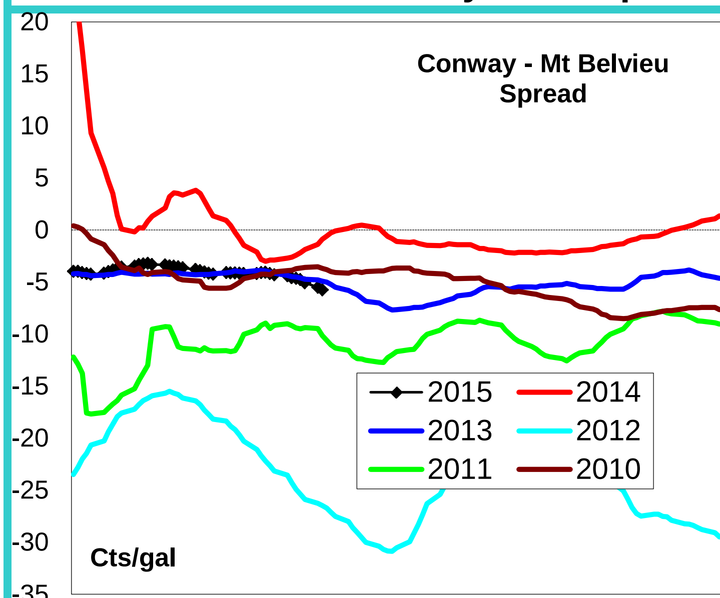
Fundamental Trends for the Week Ending: Friday, March 27, 2015

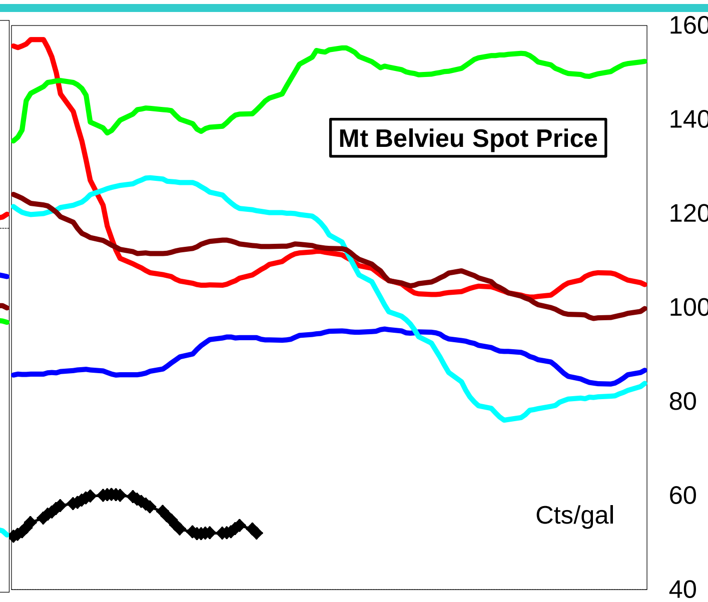
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5	U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5
Stocks	57,360	1,597	14,885	38,686	2,192	2,357	-154	1,033	1,431	47
Propylene Stocks	4,721					43				
Production	1,576	191	337	847	201	52	-7	19	13	27
Imports	131	59	63	0	9	-2	-17	20	0	-5
Whsle Demand	893					-184				

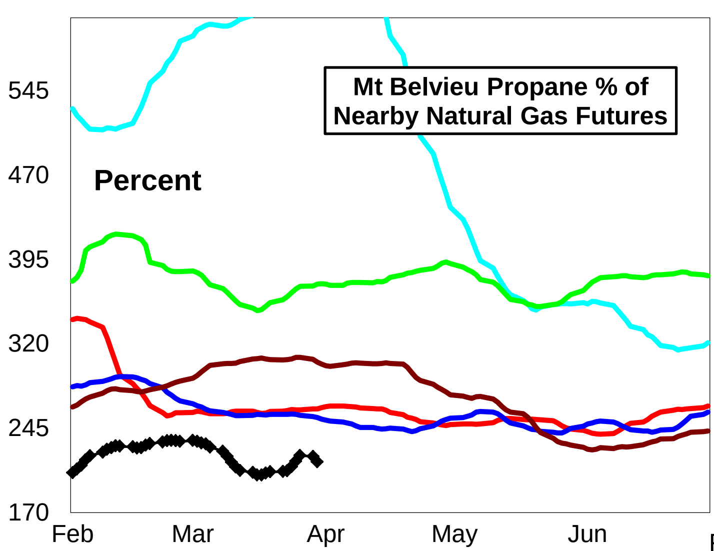
Price Trends for the Week Ending: Tuesday, March 31, 2015

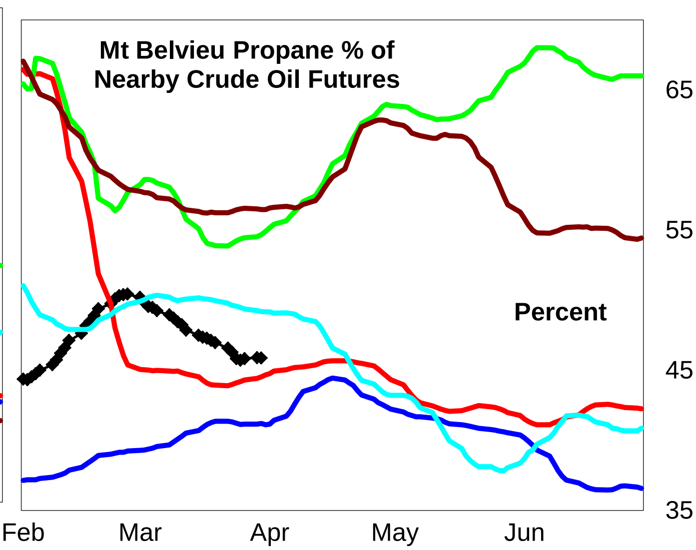
Cents/gal	Average for week ending:				Change from:			% change from:		
	3/31/15	3/24/15	3/3/15	4/3/14	3/24/15	3/3/15	4/3/14	3/24/15	3/3/15	4/3/14
Mont Belvieu Spot	53.7	50.7	60.8	106.1	2.95	-10.08	-45.31	5.8	-16.6	-42.7
Conway Spot	48.6	46.5	56.8	104.1	2.10	-10.35	-47.28	4.5	-18.2	-45.4

Key Price Spreads and Differentials

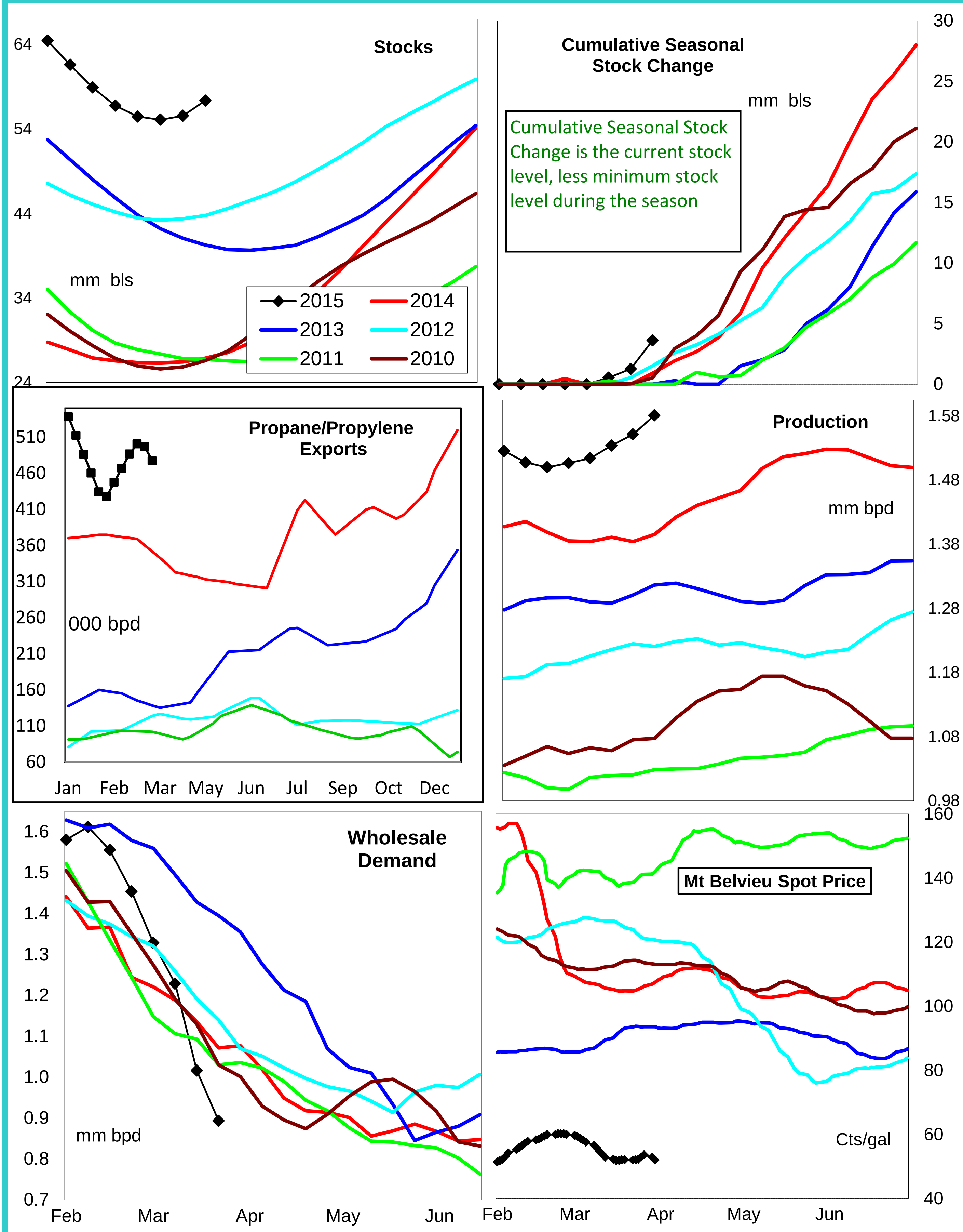








U. S. Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Feb	Jan	Dec
000 bpd (000 bls stks)	30,792	2,706	165	-4		-75	171	-178	-148
% change	115.9	297	12.0	-2.6		-6.4	11.9	-10.5	-9.6

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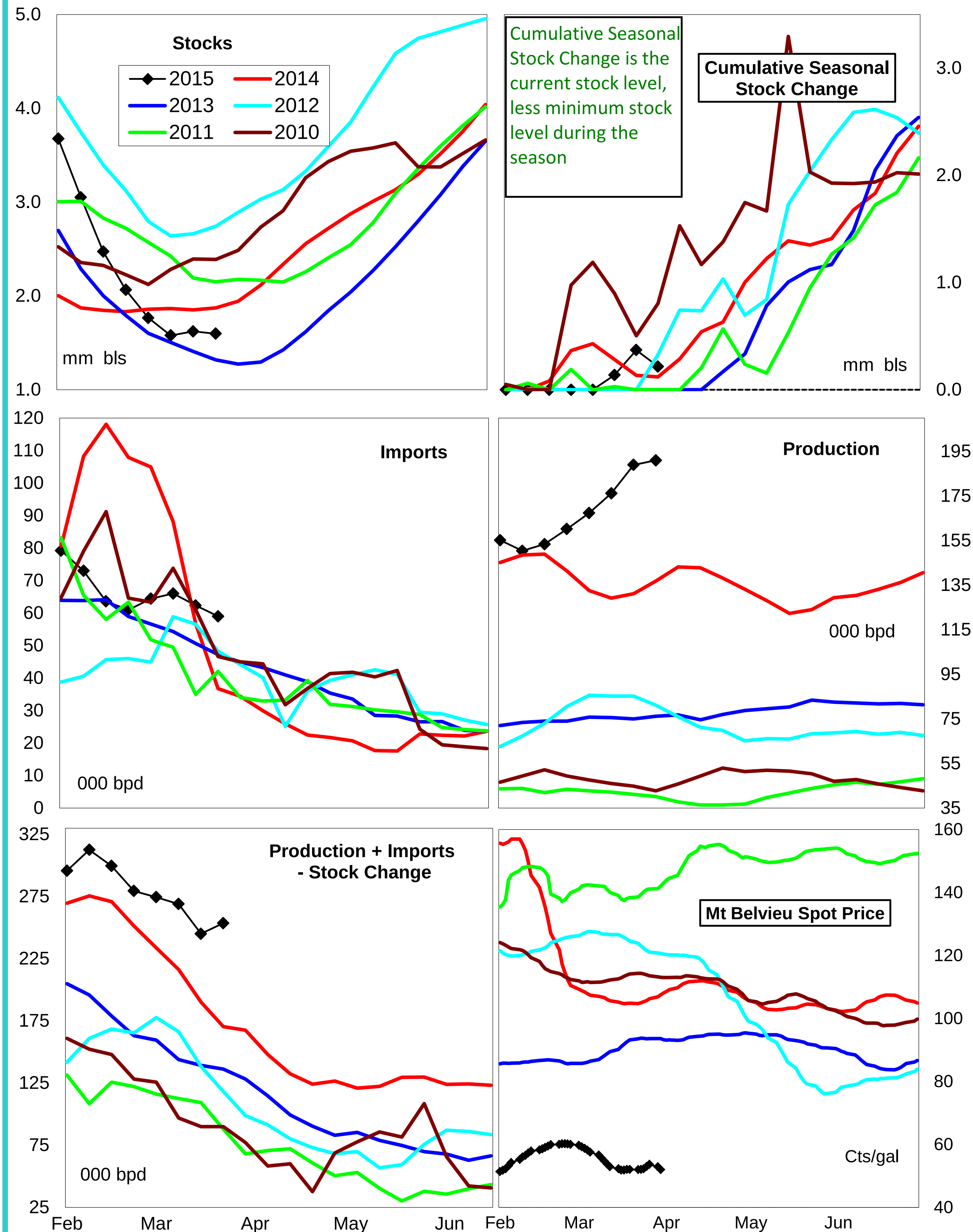
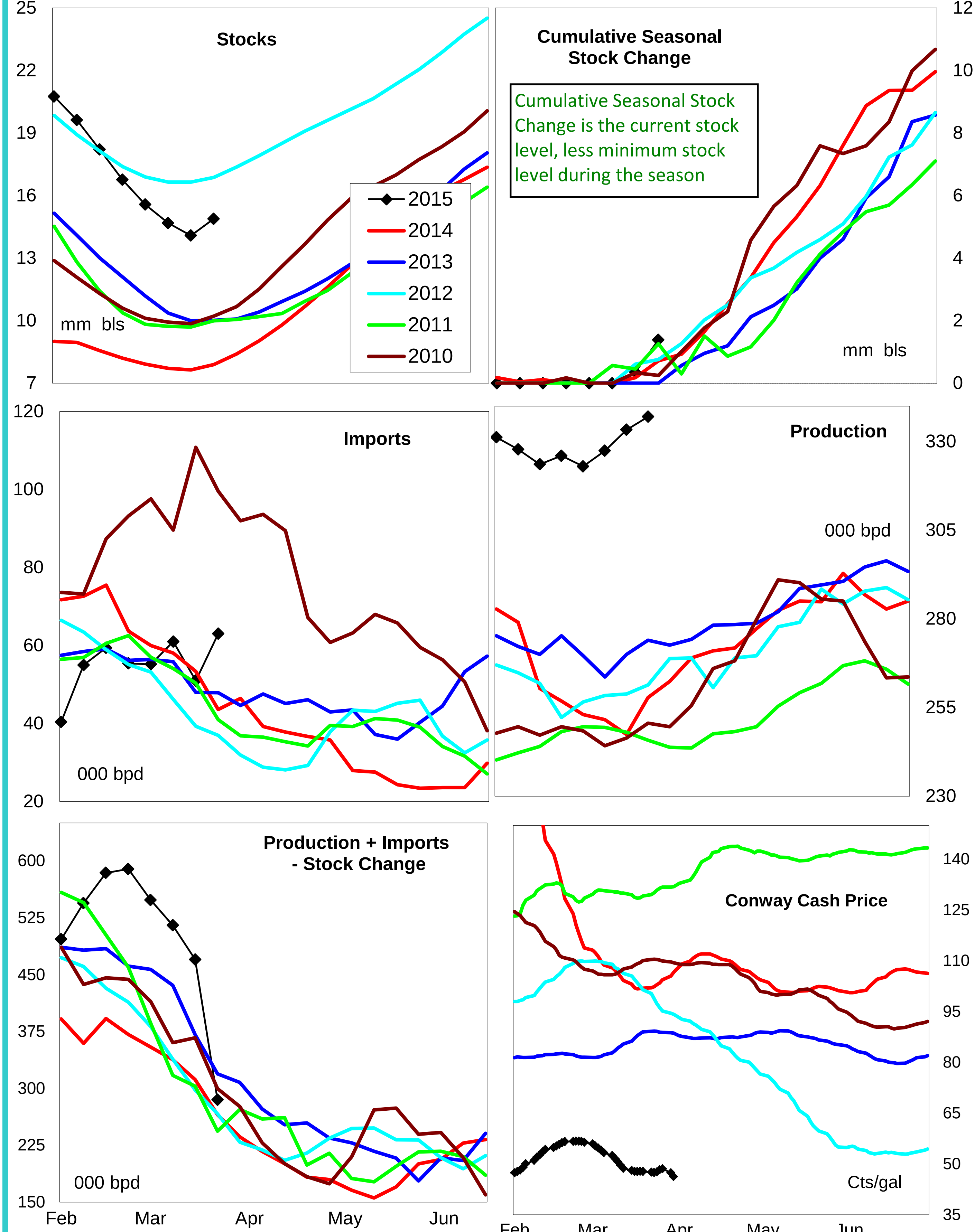
PADD 1 Propane Supply and Demand Balance



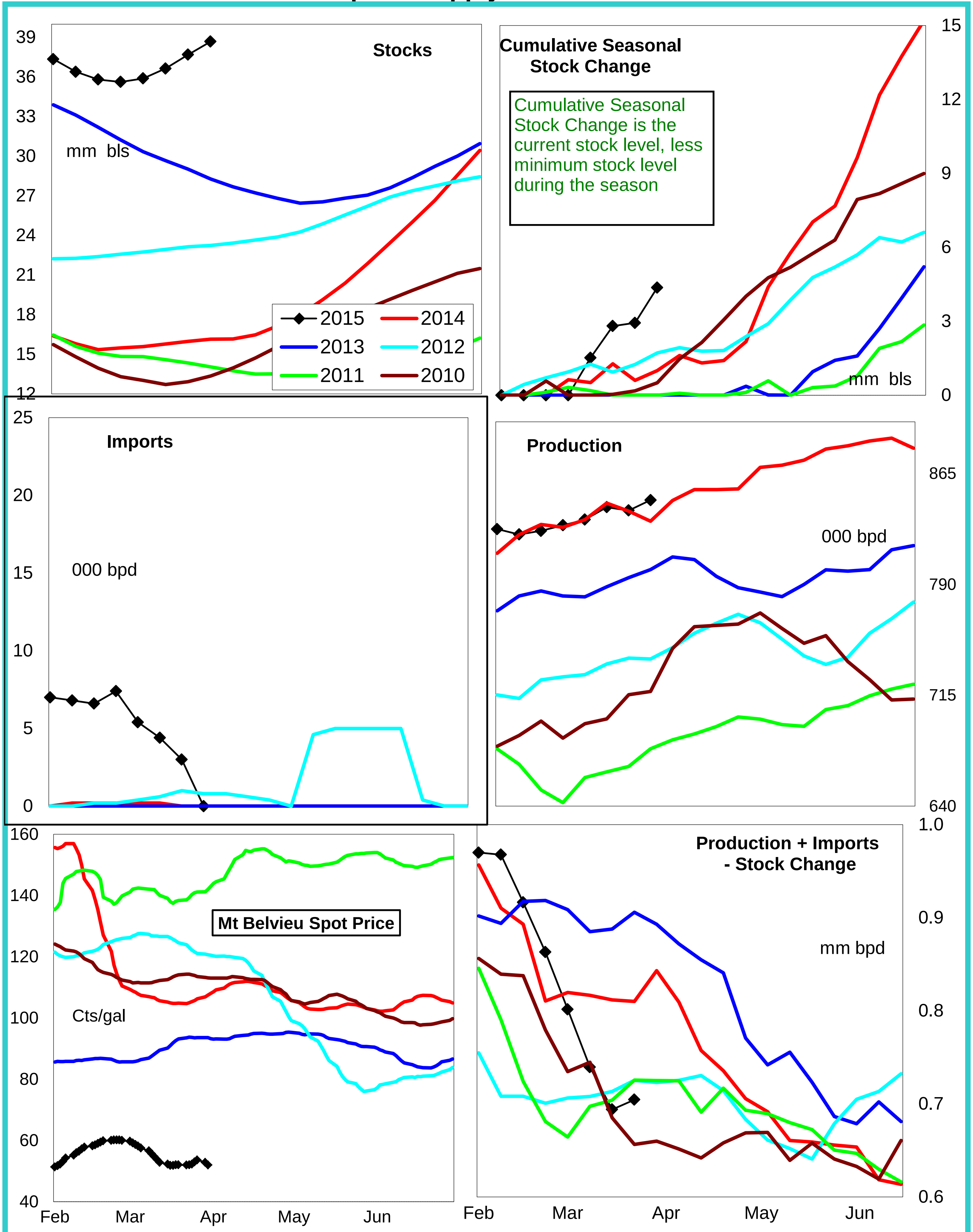
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-122	97	60	1	58
% change	-7.1	81.5	48.0	1.9	28.6

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)	6,972	669	80	-8	137
% change	88.1	93.6	32.0	-13.0	43.2

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)	22,707	3,365	3	4	-80
% change	142.1	336	0.3	#DIV/0!	-9.8

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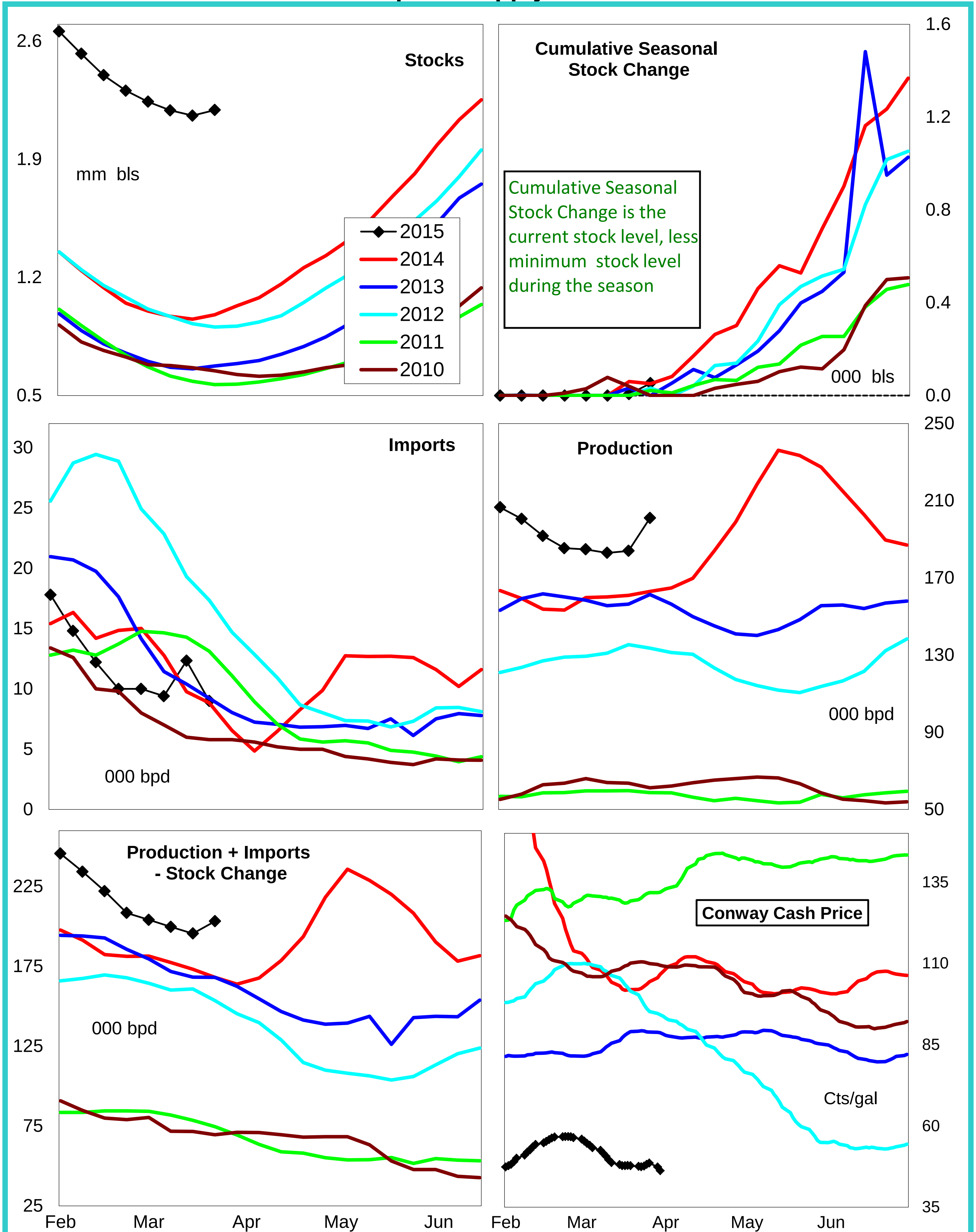
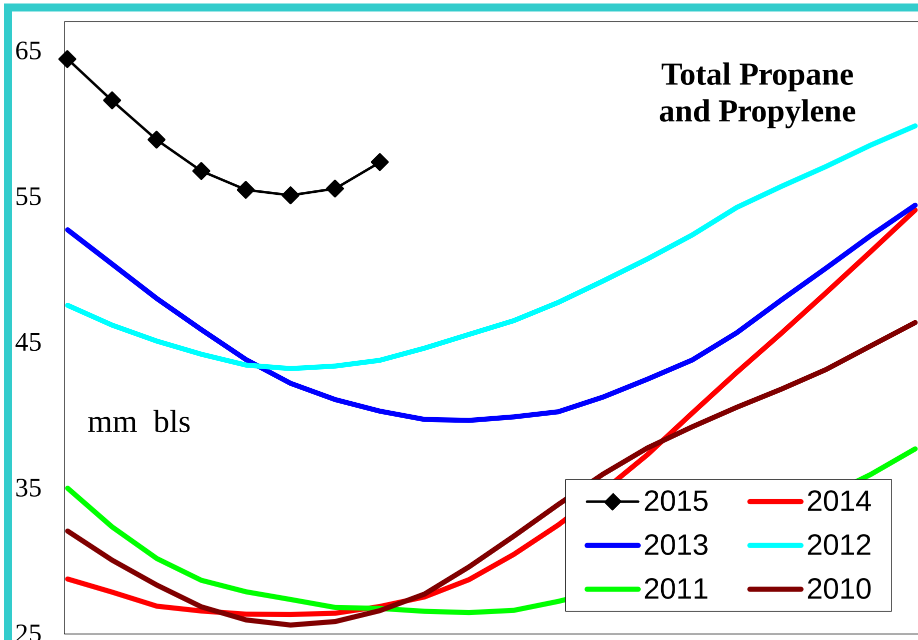
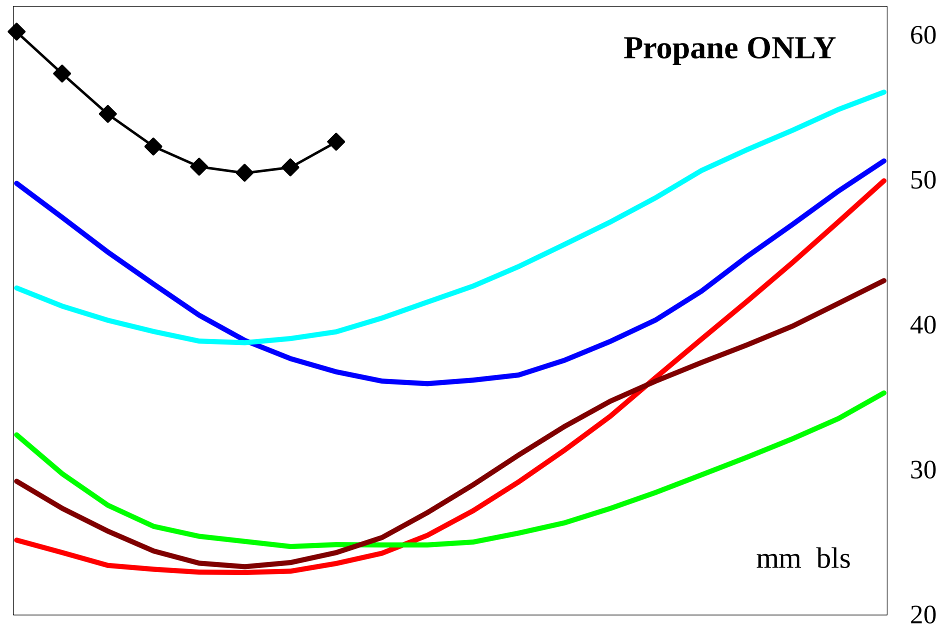
PADDs 4 and 5 Propane Supply and Demand Balance

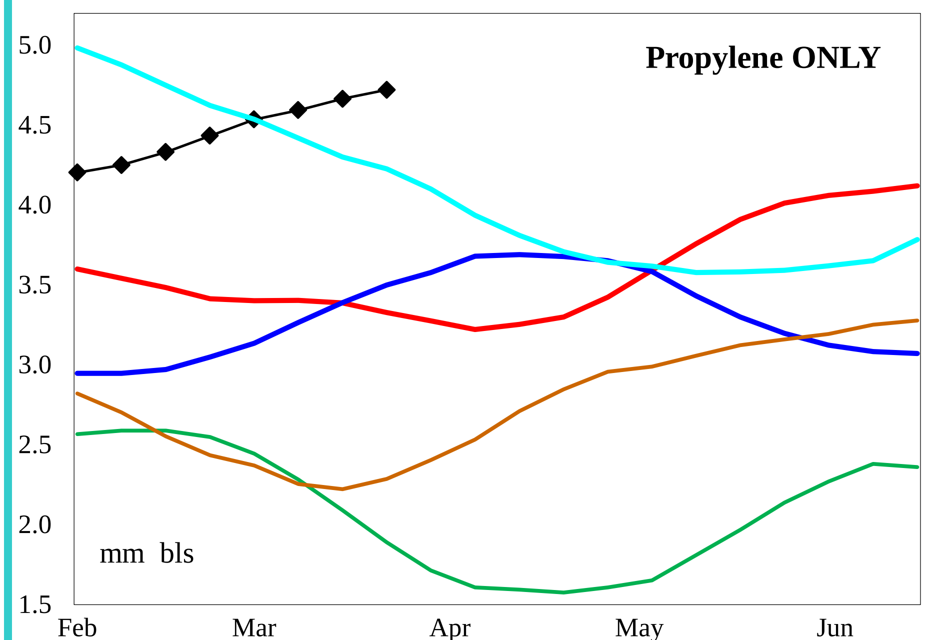


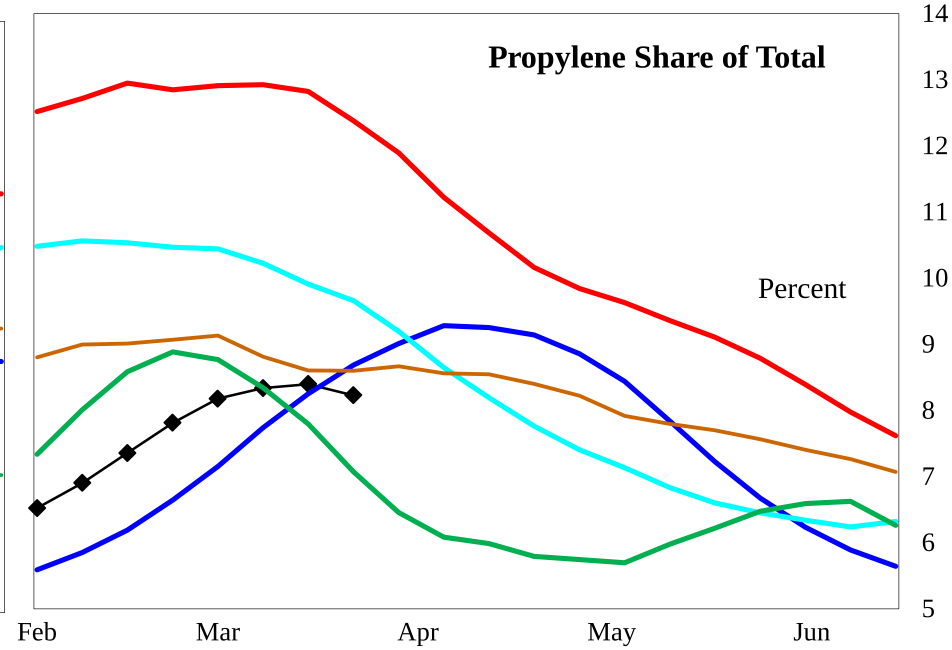
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	1,235	2	23	-1	26
% change	129.0	3.9	14.1	-7.3	14.6

U. S. Propane and Propylene Stocks









Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	**30,792**	**29,393**	**1,393**
% change	**115.9**	**126.4**	**41.8**

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