WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

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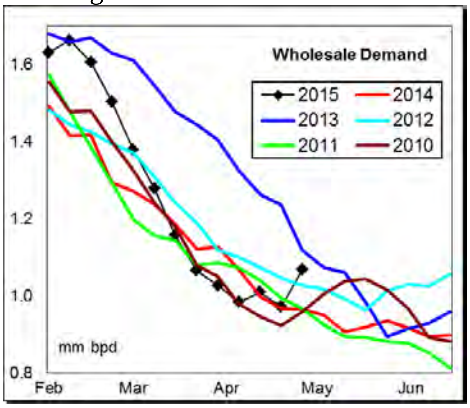
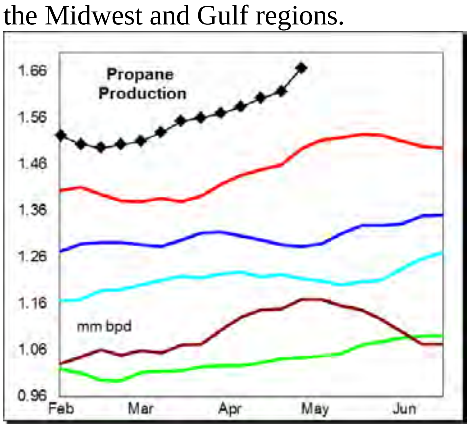
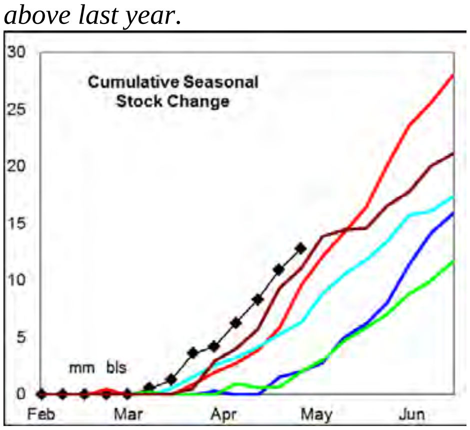
Summary[1]:
Wholesale demand increased +157,000 bpd last week, to a level above the 3-yr mid range.



Production increased +71,000 bpd last week, with the increase concentrated in the Midwest and Gulf regions.

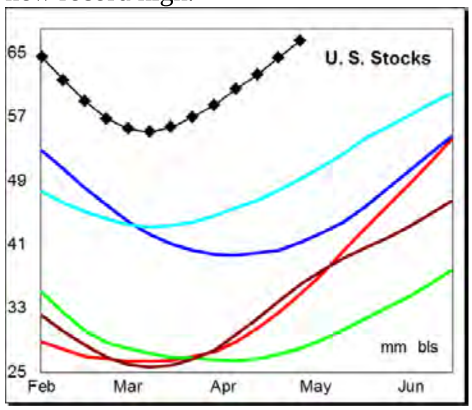


Exports for the week ending 24Apr15 were +470,000 bpd, +152,000 bpd above last year.

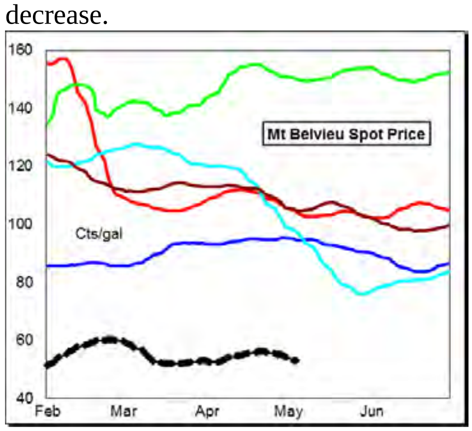


Stocks increased +1.8 million barrels on the week, lifting the cumulative seasonal stock build to +12.7 million barrels, a record high for this time of year.

Significant stock builds occurred in all regional markets. Stock levels are +31 million barrels above last year and a new record high.



Price and Spreads Mt Belvieu spot price decreased -3.5 cpg last week ending 05May15, while Conway saw a -4 cpg decrease.



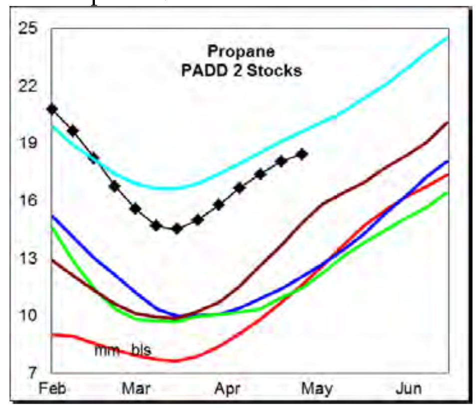
The Conway – Mt Belvieu price spread traded sideways on the week, ending at a level near the 3-yr mid range.

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

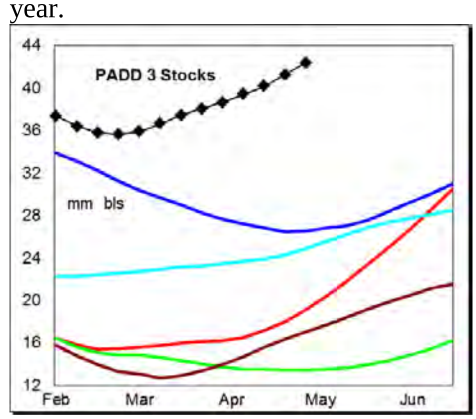
The propane / crude oil price spread fell sharply on the week, ending at a level well below the 5-yr range.

PADD 1 stocks increased +0.5 million barrels last week. Stocks ended the week at a level above the 3-yr mid range. Supply for the latest 4-wk period was +77,000 bpd above last year on a +52% increase in production.

PADD 2 supply increased +17,000 bpd on the week, driven by higher production. Production for the latest 4-wk period was +59,000 bpd above last year (+21%). Stocks increased +0.1 million barrels on the week. Stock levels ended the week at a level near 5-yr highs for the period.



PAD 3 stocks increased +1.1 million barrels on the week, to a new record high. In the absence of very high exports, stock levels are so high that the region risk storage constraints during the next 2-quarters. Supplies for the latest 4-wk period were +11,000 bpd above last year.



PADDs 4 & 5 stocks increased +0.1 million barrels on the week, to a level +1.1 million barrels above last year, and a record high.

Emerging Trends Production for the latest 4-wk period was +142,000 bpd above last year, while imports wre +17,000 bpd higher. Wholesale demand remains lackluster at a level below a year ago. The market is highly dependent on exports to balance supplies, which has led to extremely high stocks in the Gulf region. These over supplied markets risk price weakness when stocks reach storage capacity limits.

[1] Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

May 6, 2015

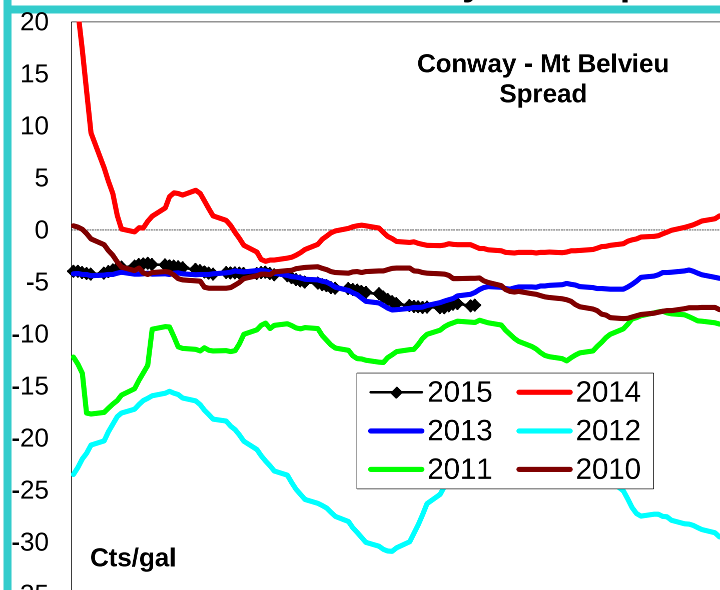
Fundamental Trends for the Week Ending: Friday, May 01, 2015

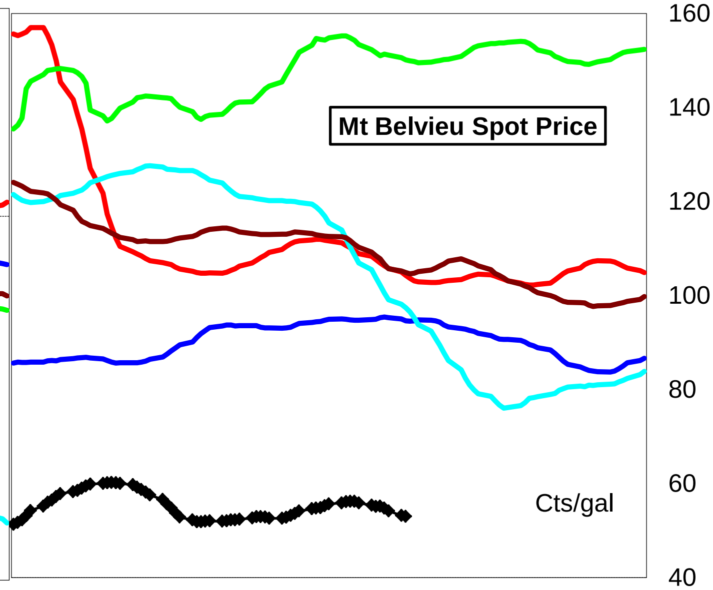
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S.	PADD				U.S.	PADD			
	Total	1	2	3	4&5	Total	1	2	3	4&5
Stocks	66,516	3,224	18,430	42,381	2,481	1,849	538	99	1,111	101
Propylene Stocks	4,954					192				
Production	1,666	207	366	902	191	71	8	42	33	-12
Imports	86	30	49	0	7	-25	0	-25	0	0
Whsle Demand	1,018					157				

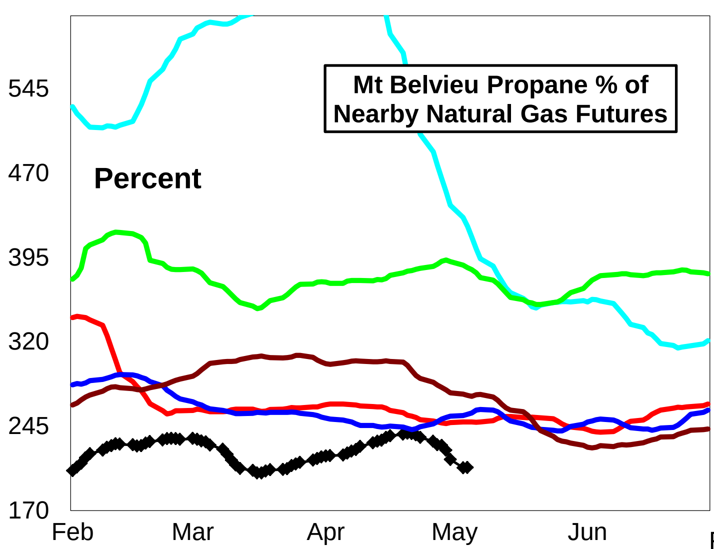
Price Trends for the Week Ending: Tuesday, May 05, 2015

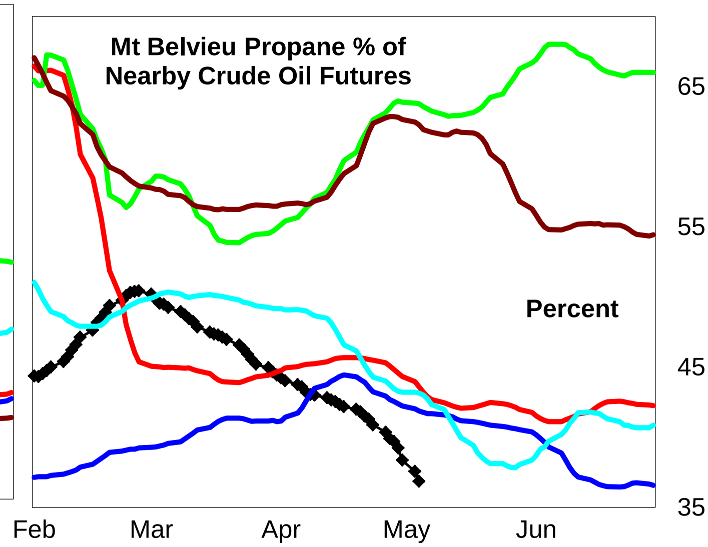
Cents/gal	Average for week ending:				Change from:			% change from:		
	5/5/15	4/28/15	4/6/15	5/7/14	4/28/15	4/6/15	5/7/14	4/28/15	4/6/15	5/7/14
Mont Belvieu Spot	54.2	56.1	52.5	105.4	-1.90	3.60	-52.88	-3.4	6.9	-50.2
Conway Spot	47.1	48.4	46.9	104.1	-1.28	1.55	-57.28	-2.6	3.3	-55.0

Key Price Spreads and Differentials









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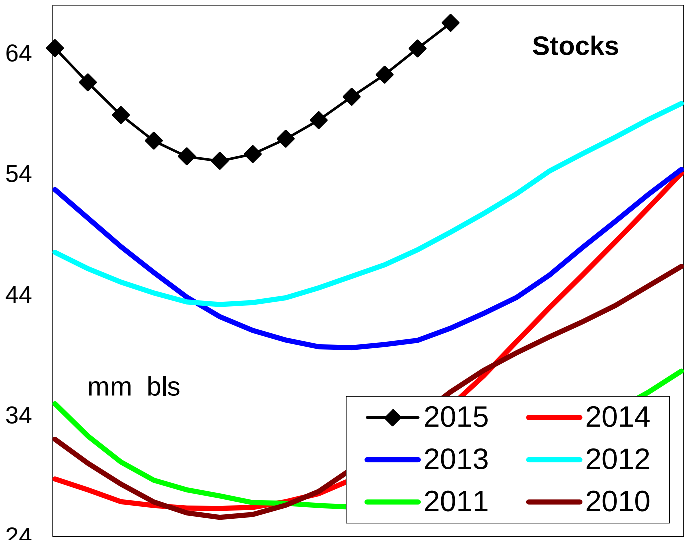
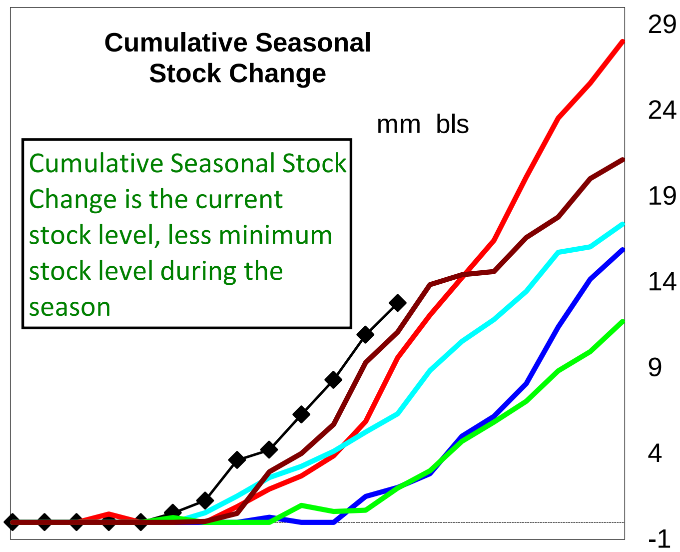
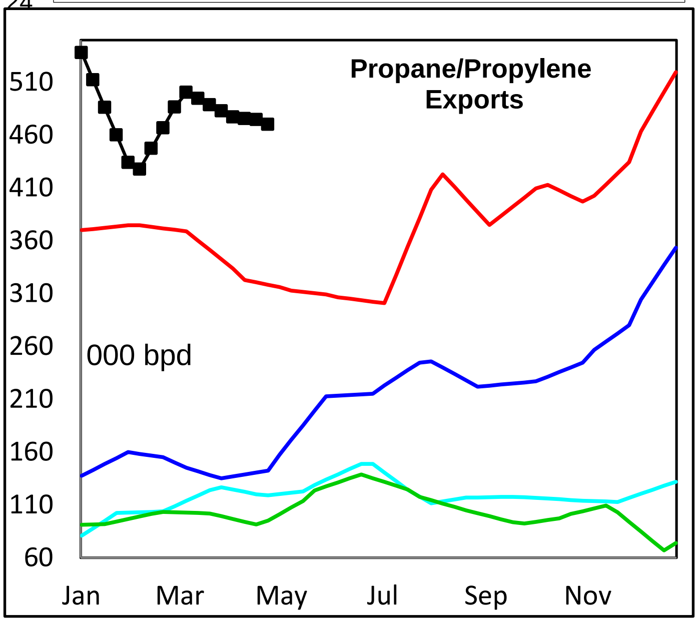
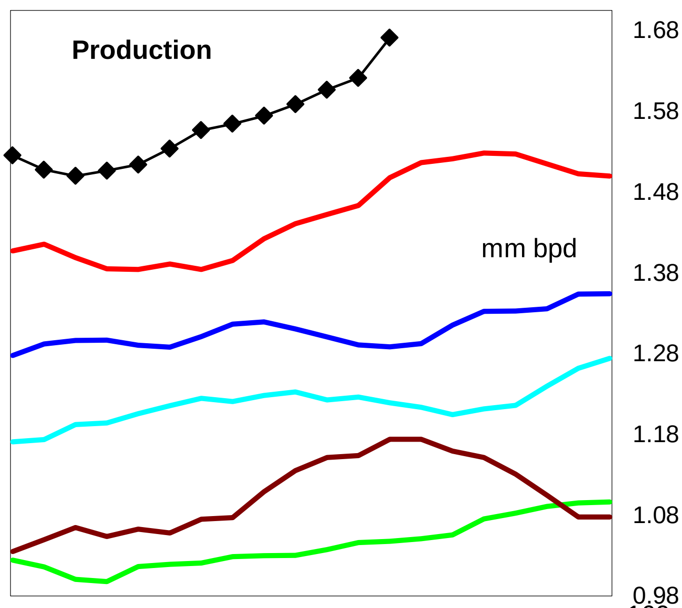
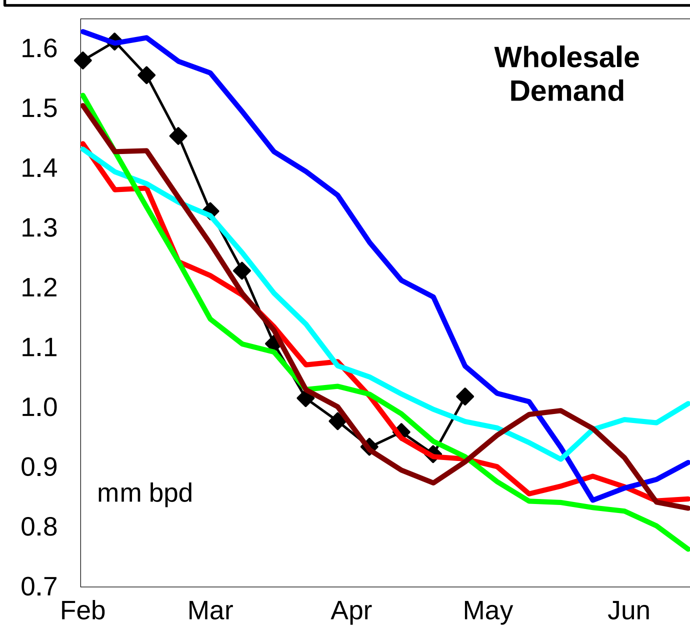
U. S. Propane Supply and Demand Balance

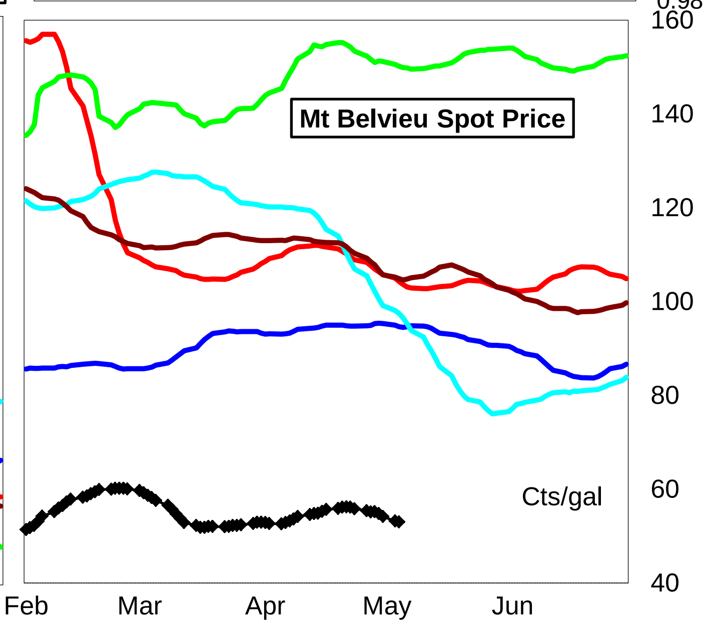












4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Mar	Feb	Jan
000 bpd (000 bls stks)	31,267	3,181	142	17		-27	-171	171	-135
% change	88.7	33	9.8	24.5		-2.9	-14.0	11.9	-7.9

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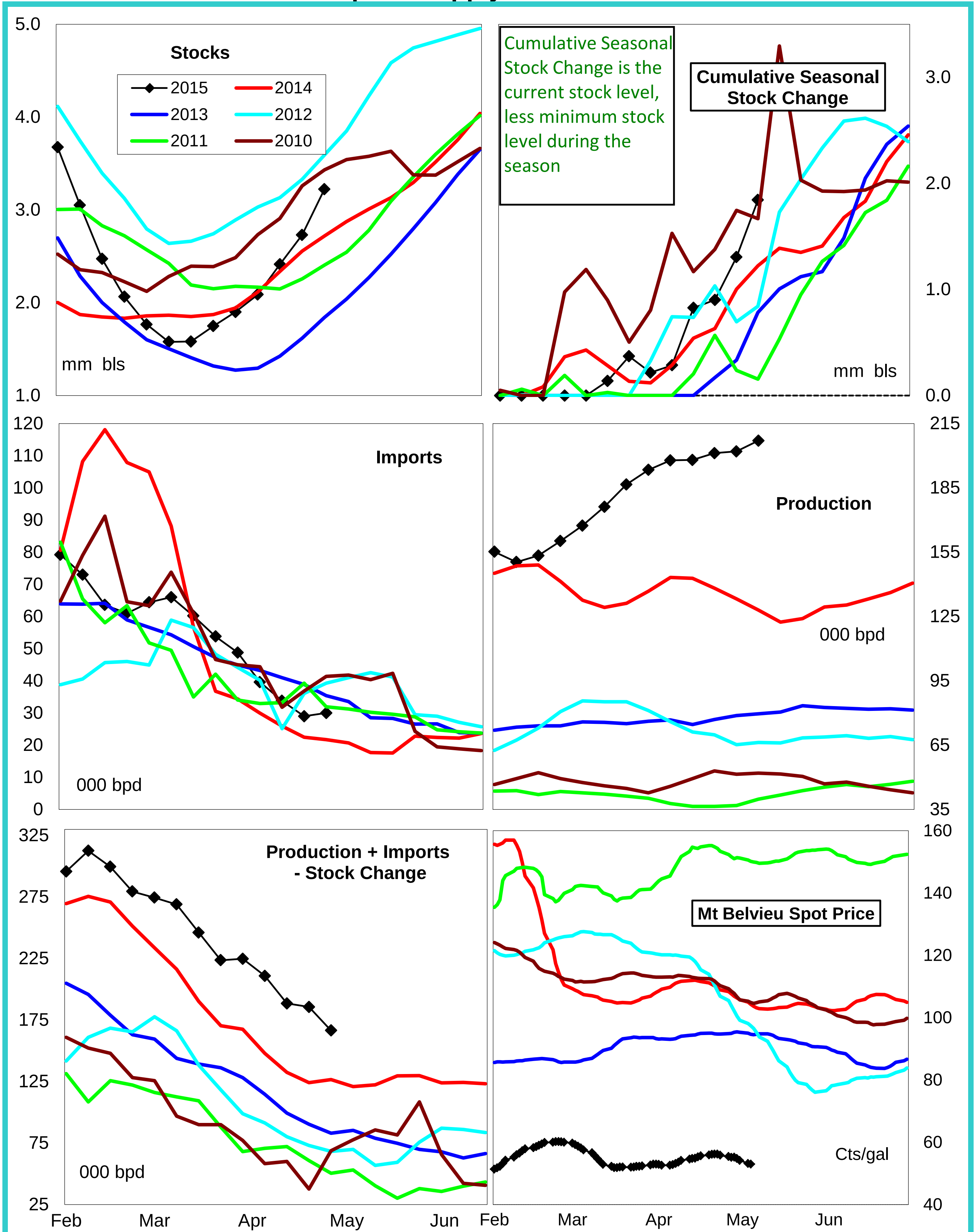
PADD 1 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	401	620	70	7	55
% change	14.2	50.7	52.0	27.6	41.5

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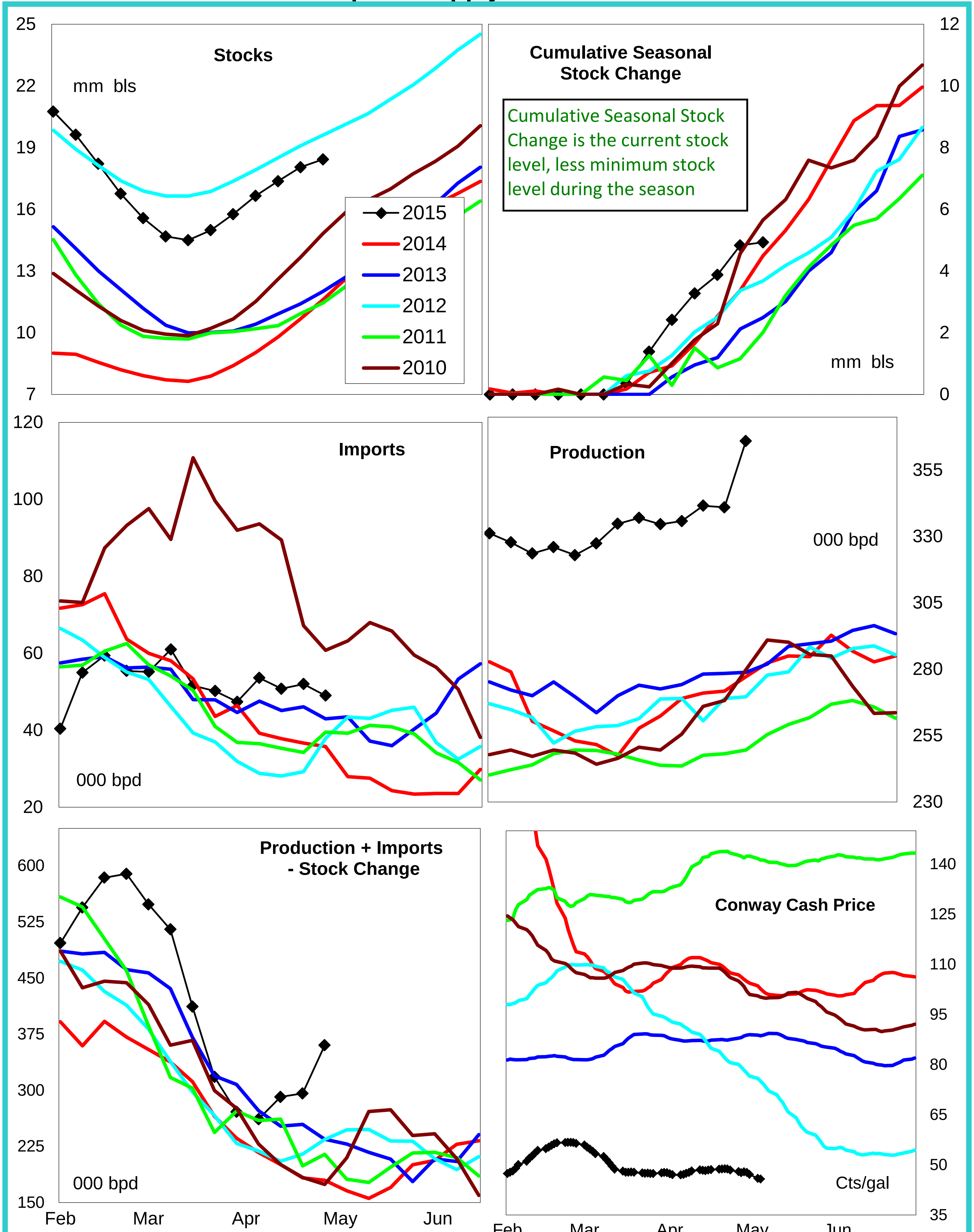
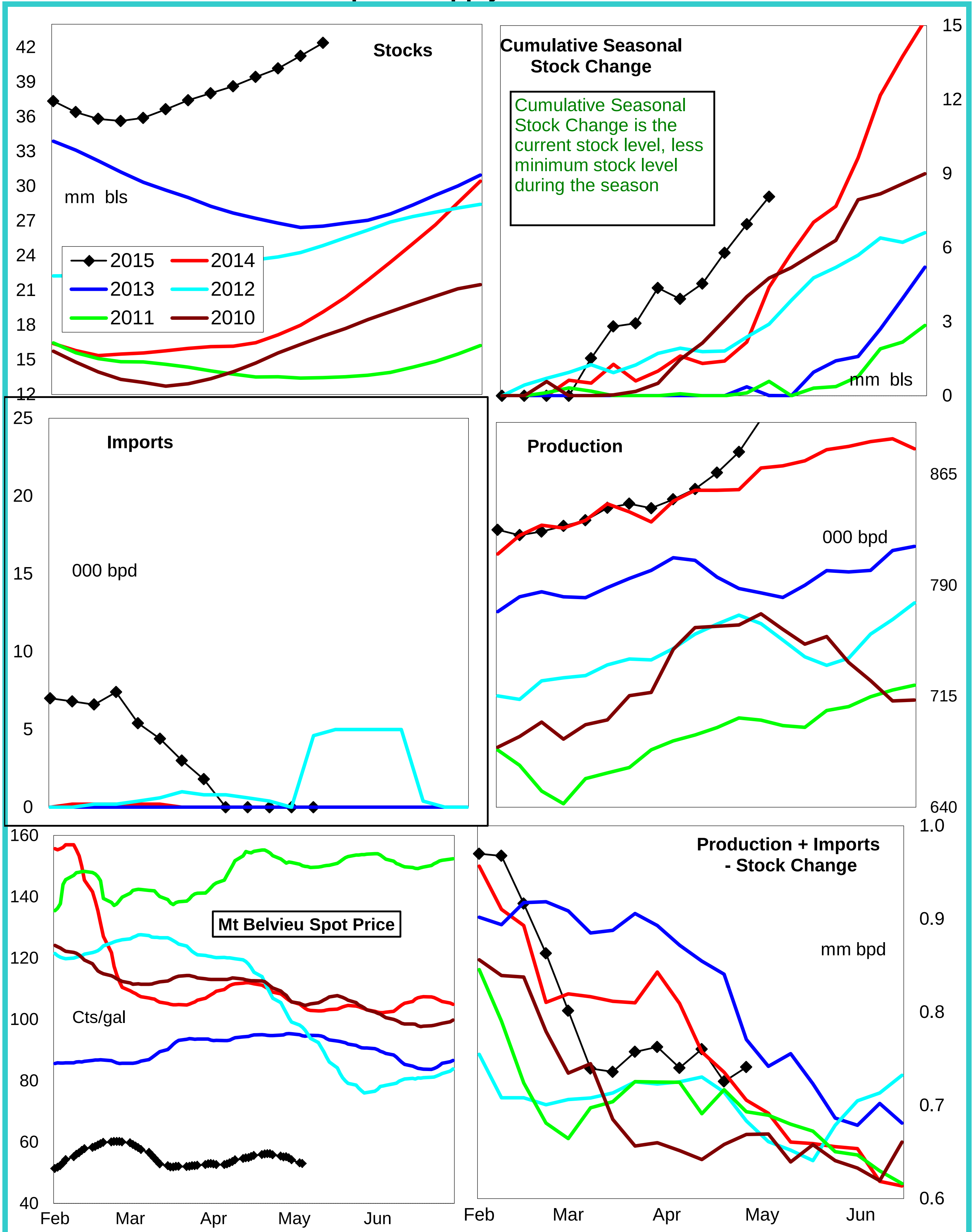
PADD 2 Propane Supply and Demand Balance



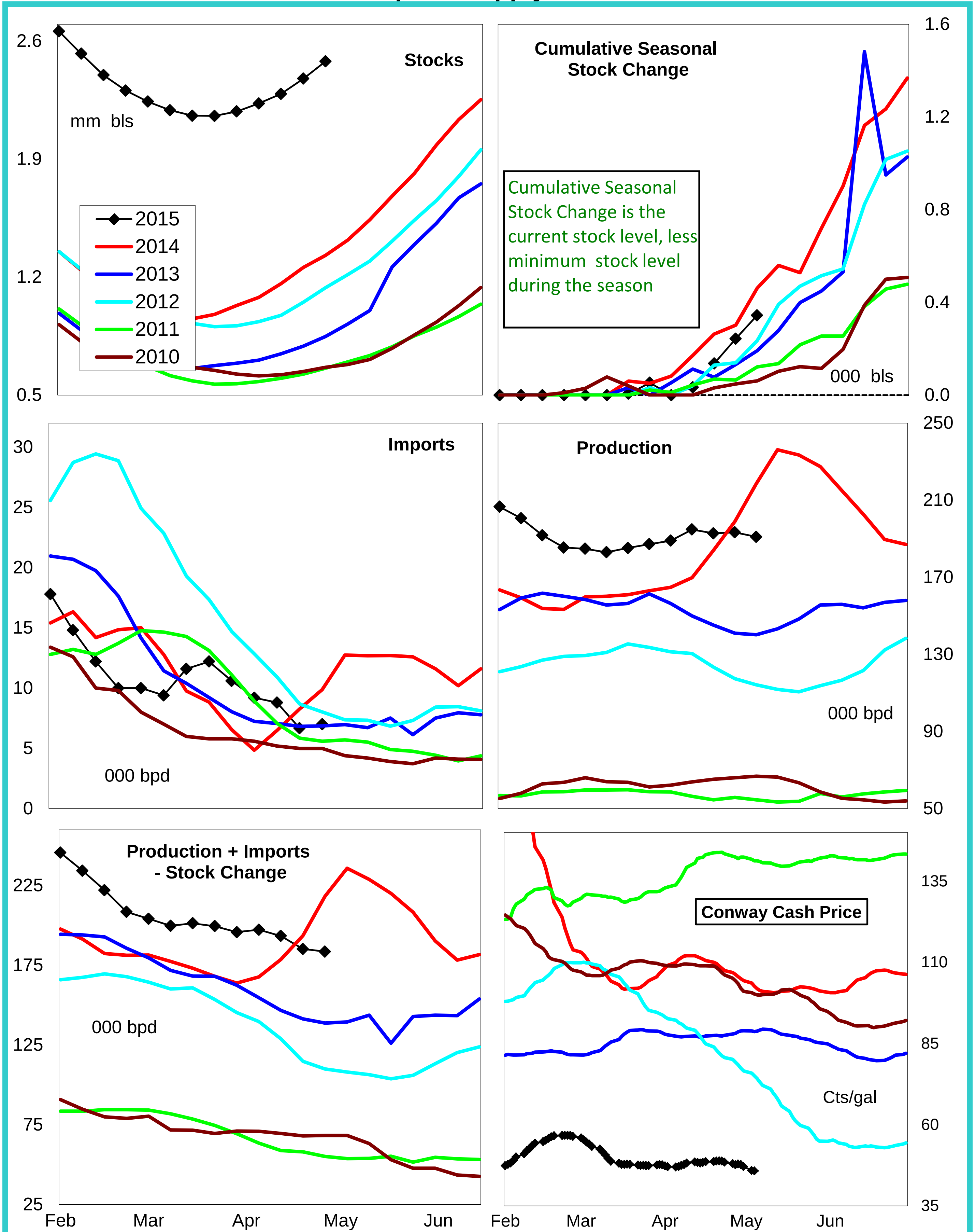
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	6,741	438	59	11	107
% change	57.7	9.8	21.1	27.6	54.9

PADD 3 Propane Supply and Demand Balance



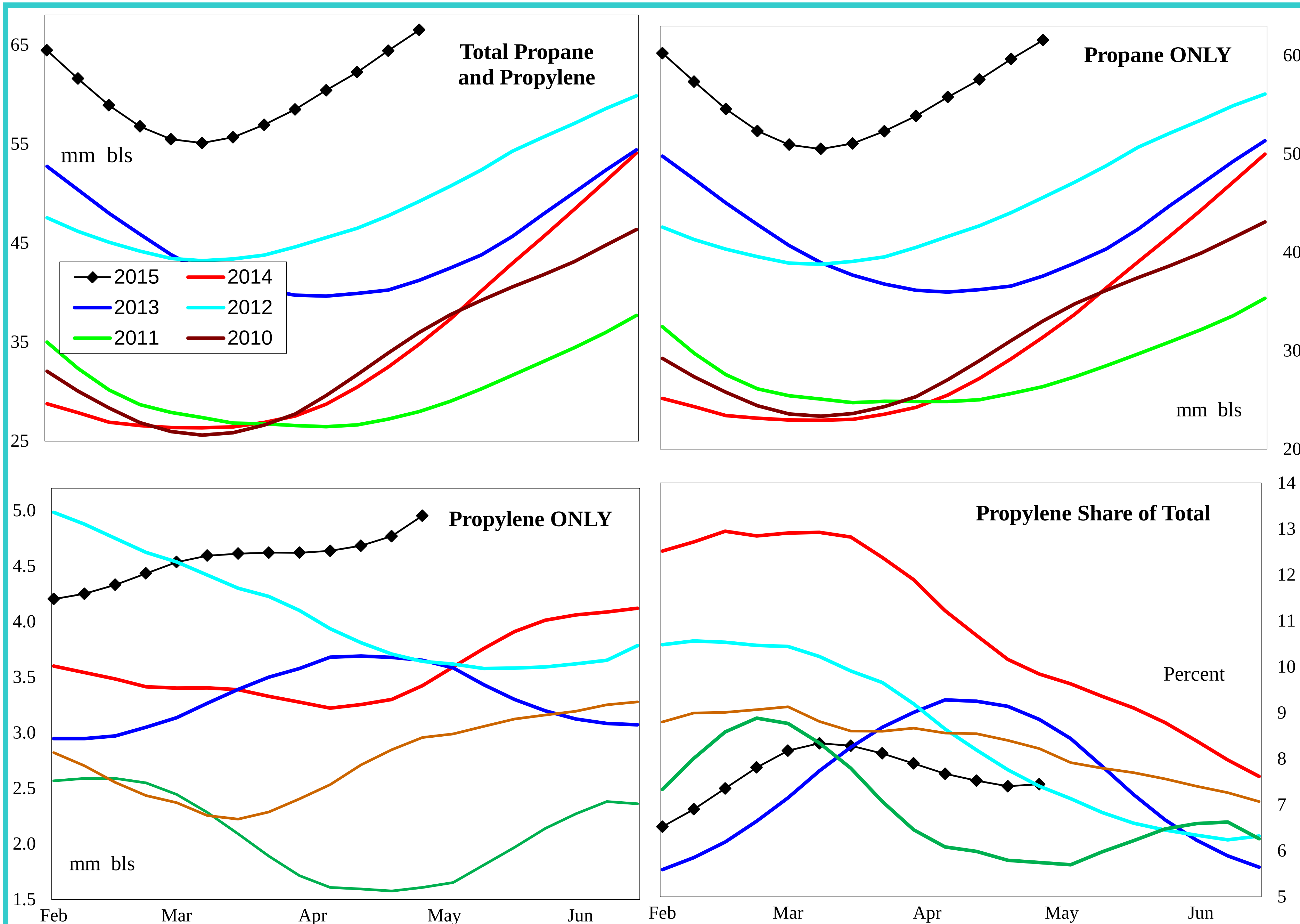
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	23,011	3,669	11	0	-10
% change	118.8	84	1.3	#DIV/0!	-1.3

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)	1,113	-117	3	0	0
% change	81.4	-25.4	1.7	-3.1	0.1

U. S. Propane and Propylene Stocks



Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	**31,267**	**29,793**	**1,530**
% change	**88.7**	**93.8**	**44.7**

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