WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

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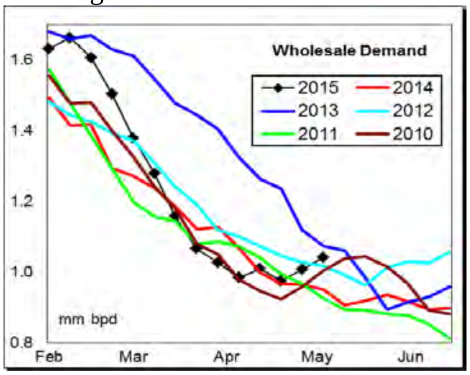
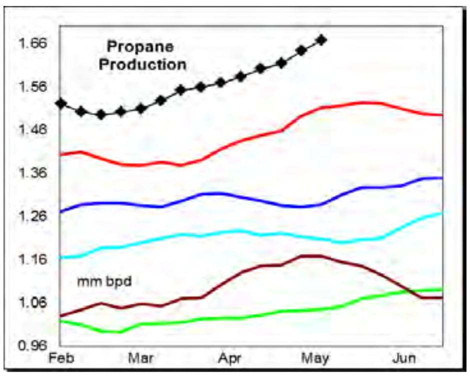
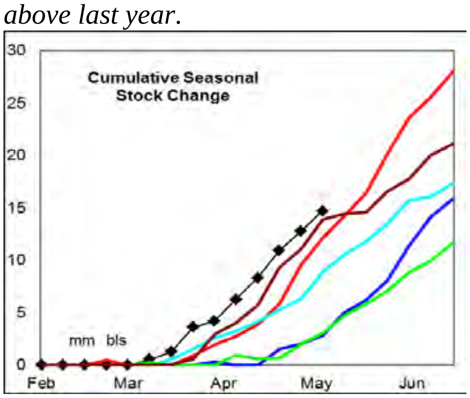
Summary[1]:
Wholesale demand decreased -27,000 bpd last week, to a level above the 3-yr mid range.



Production increased +1,000 bpd last week, including a -27,000 bpd decrease in the Midwest.

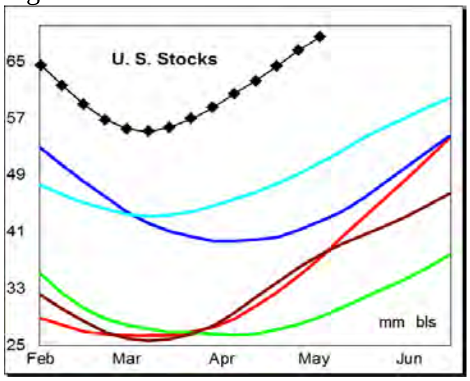


Exports for the week ending 24Apr15 were +470,000 bpd, +152,000 bpd above last year.

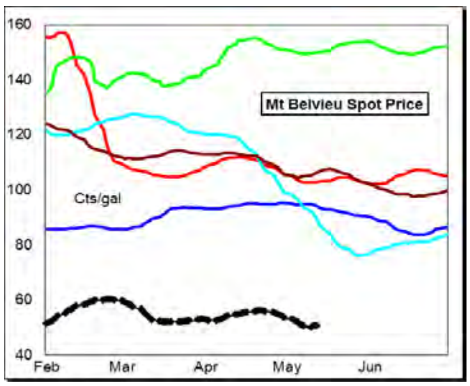


Stocks increased +1.9 million barrels on the week, lifting the cumulative seasonal stock build to +14.7 million barrels, a record high for this time of year.

The build was concentrated in the Gulf where stocks increased +2.3 million barrels, offset by a -0.4 million barrel draw in the Midwest – pointing to significant shipments from that region to the Gulf. Stock levels are +31 million barrels above last year and a new record high.



Price and Spreads Mt Belvieu spot price decreased -1 cpg last week ending 13May15, while Conway saw a +1 cpg increase.



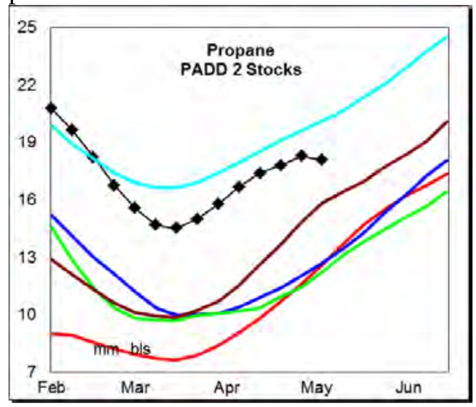
The Conway – Mt Belvieu price spread trended slightly higher on the week, ending at a level near the 3-yr mid range.

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

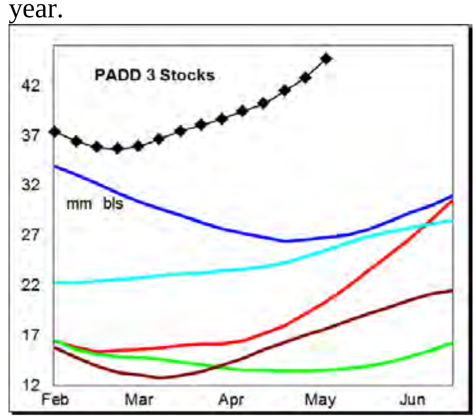
The propane / crude oil price spread traded sideways on the week, ending at a level well below the 5-yr range.

PADD 1 stocks increased +0.1 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 +82,000 bpd above last year on a +59% increase in production.

PADD 2 supply fell -47,000 bpd on the week, on lower production and imports. Production for the latest 4-wk period was +68,000 bpd above last year (+25%). Stocks declined -0.4 million barrels on the week. Stock levels ended the week at a level below 5-yr highs for the period.



PAD 3 stocks increased +2.3 million barrels on the week, driven by receipts from the East and Midwest regions. 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 +20,000 bpd above last year.



PADDs 4 & 5 stocks decreased -0.1 million barrels on the week, to a level +0.9 million barrels above last year, and a record high.

Emerging Trends Production for the latest 4-wk period was +150,000 bpd above last year (+10%), while imports were +14,000 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 14, 2015

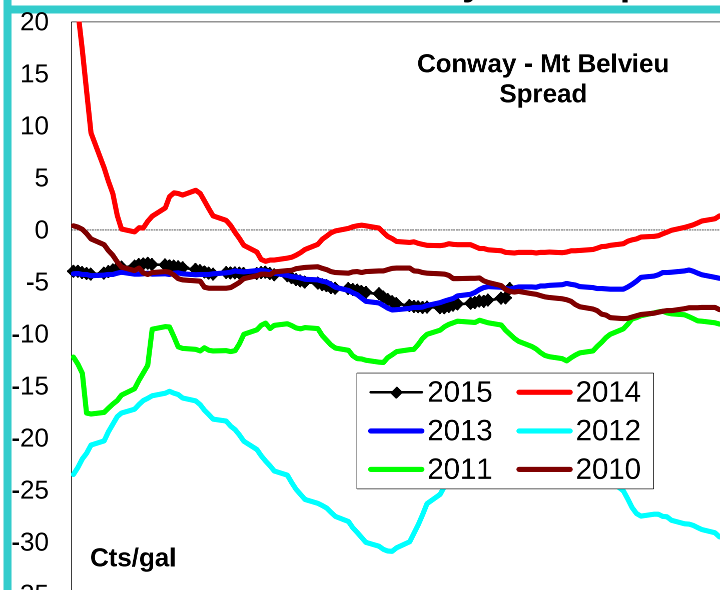
Fundamental Trends for the Week Ending: Friday, May 08, 2015

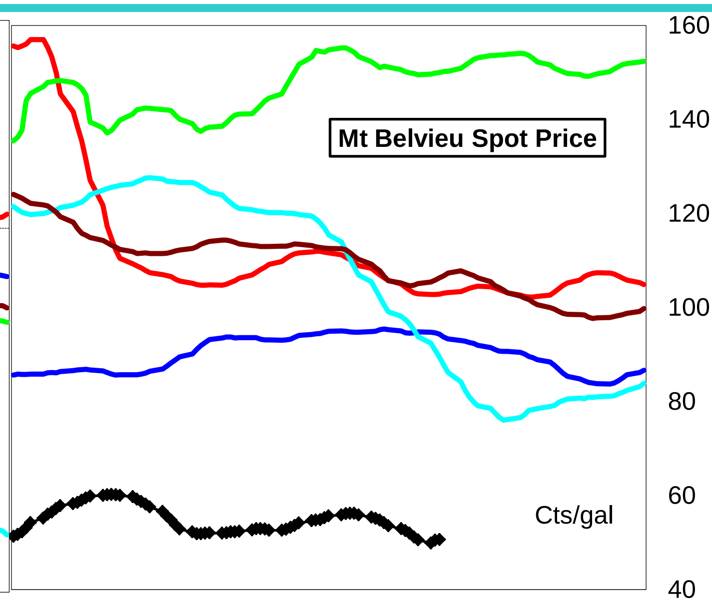
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5	U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5
Stocks	68,459	3,308	18,075	44,695	2,381	1,943	84	-355	2,314	-100
Propylene Stocks	4,975					21				
Production	1,667	203	339	915	210	1	-4	-27	13	19
Imports	72	29	29	0	14	-14	-1	-20	0	7
Whsle Demand	991					-27				

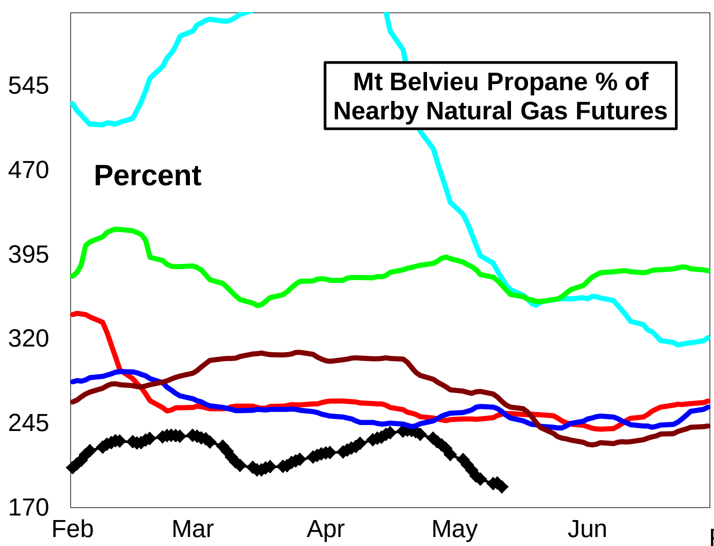
Price Trends for the Week Ending: Tuesday, May 05, 2015

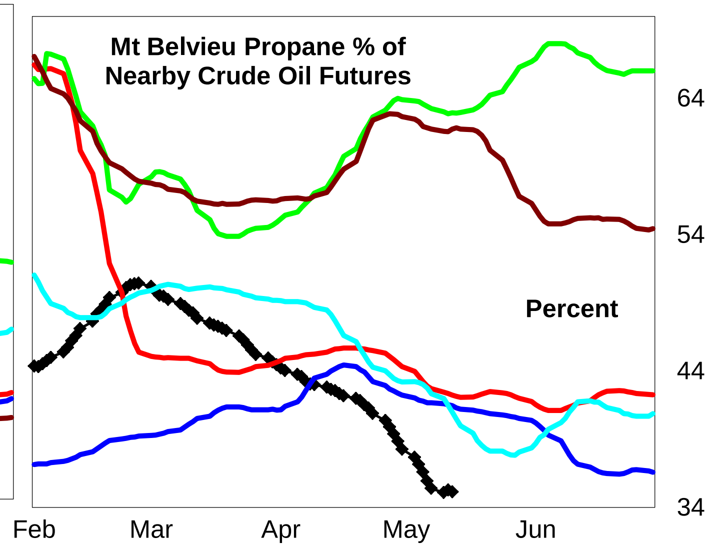
Cents/gal	Average for week ending:				Change from:			% change from:		
	5/5/15	4/28/15	4/6/15	5/7/14	4/28/15	4/6/15	5/7/14	4/28/15	4/6/15	5/7/14
Mont Belvieu Spot	49.9	53.3	54.2	101.9	-3.40	-0.82	-47.79	-6.4	-1.5	-46.9
Conway Spot	43.4	46.1	48.1	99.7	-2.78	-1.98	-51.56	-6.0	-4.1	-51.7

Key Price Spreads and Differentials

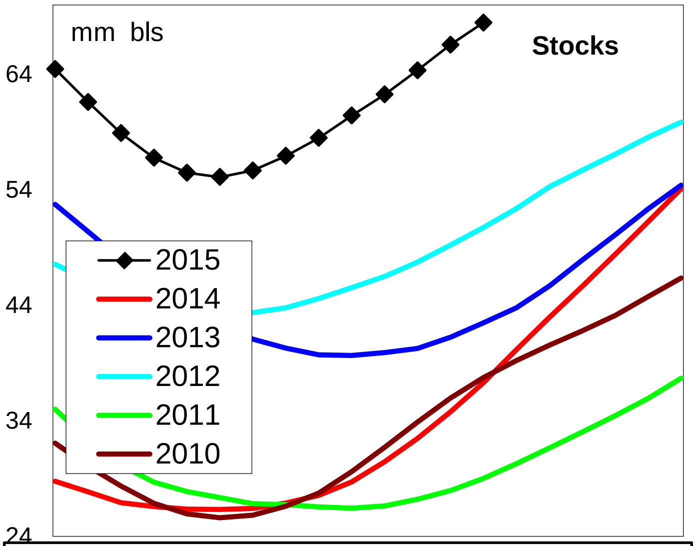


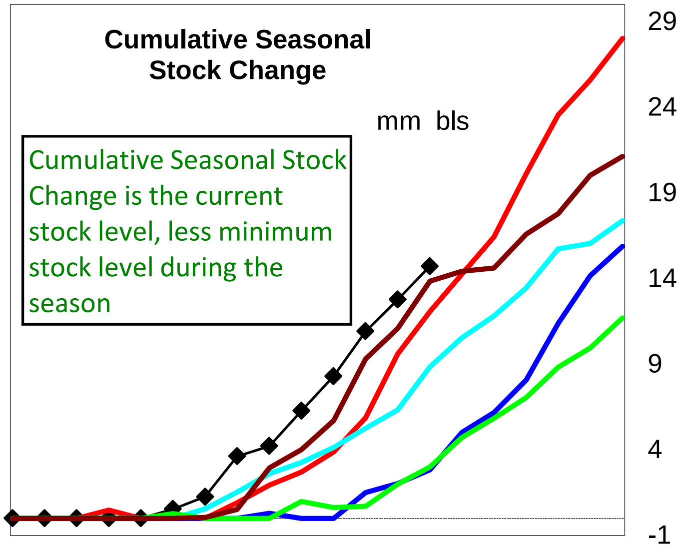


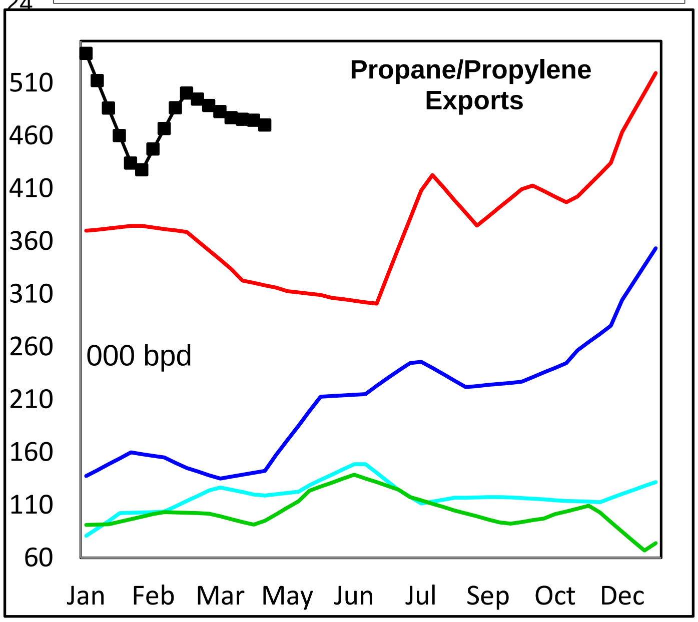


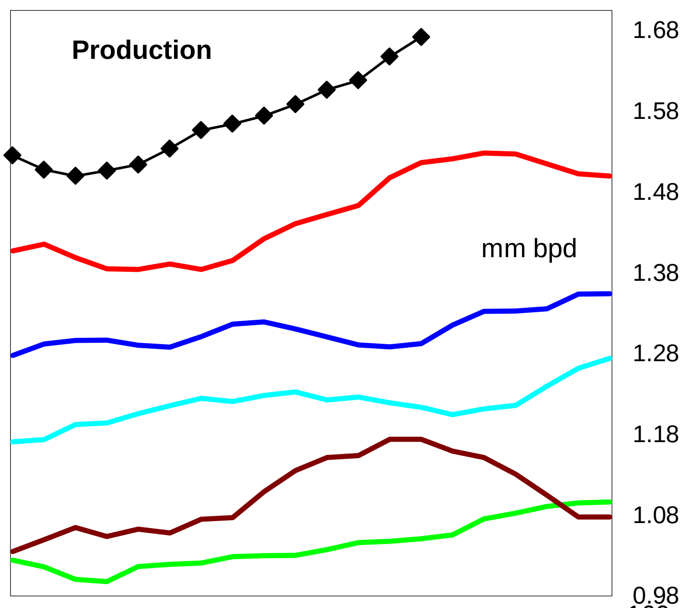


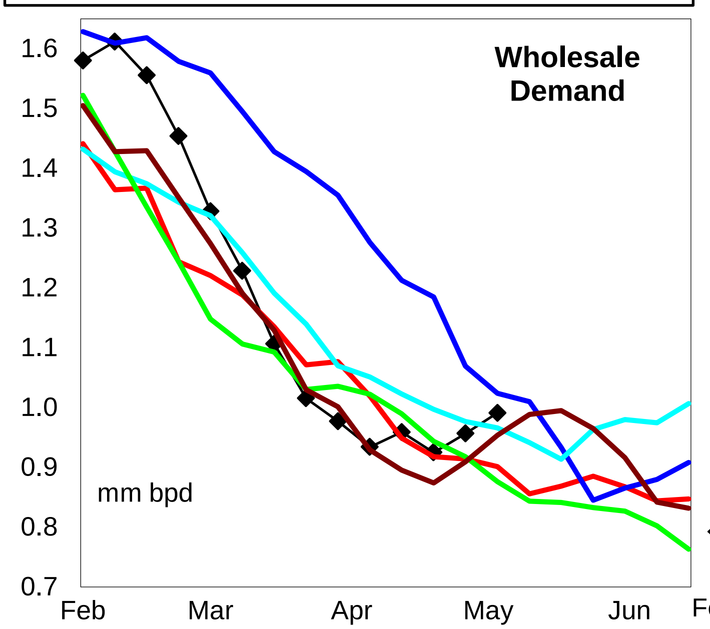
U. S. Propane Supply and Demand Balance

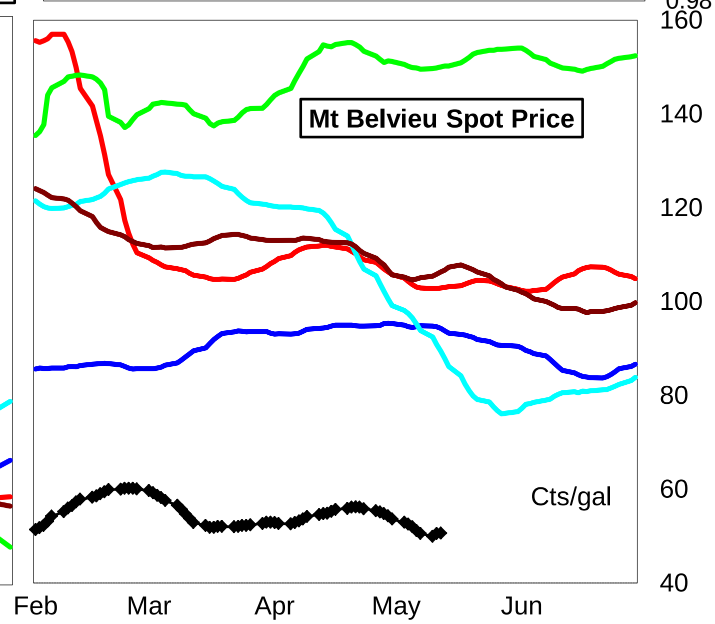






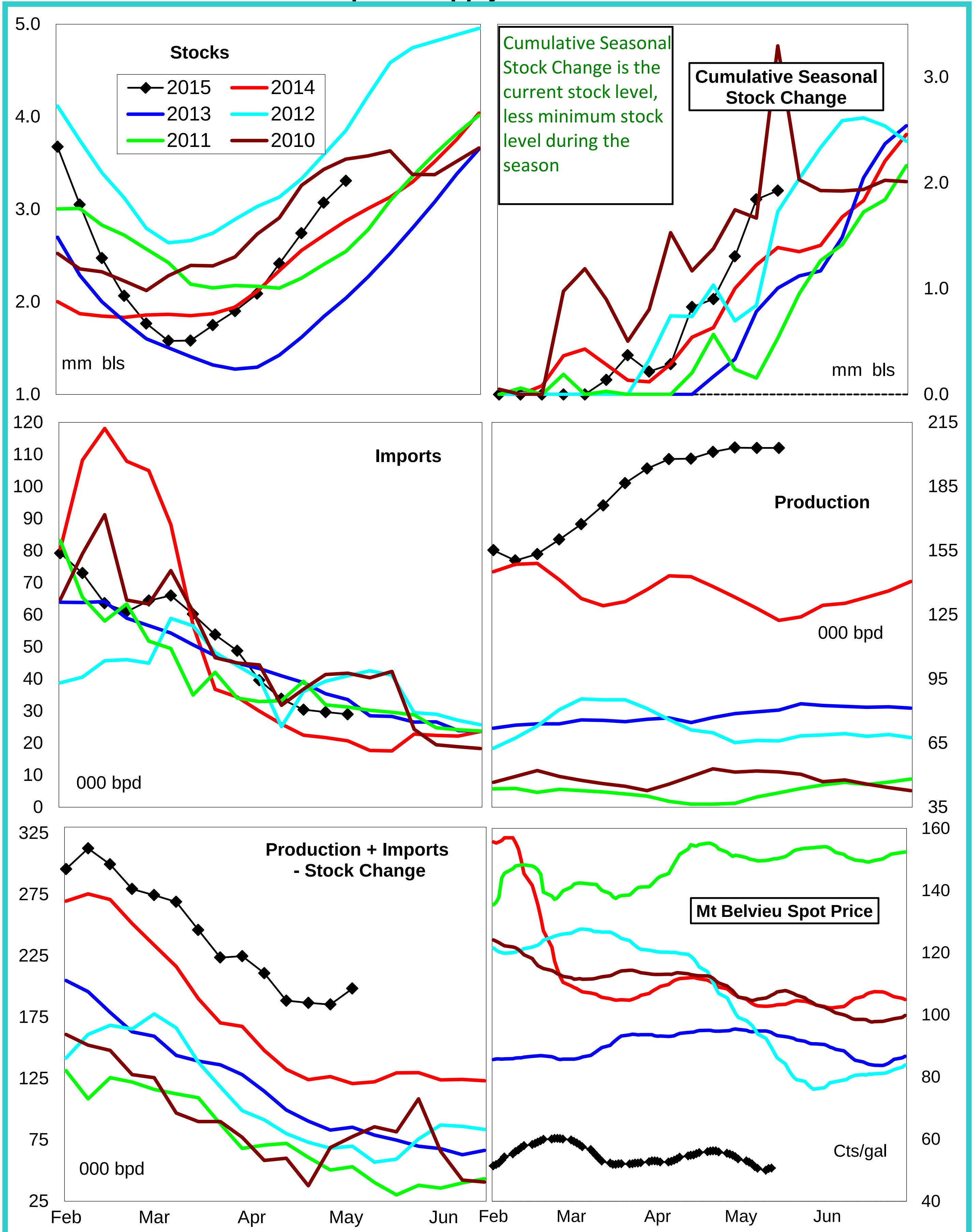






4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Apr	Mar	Feb
000 bpd (000 bls stks)	30,734	2,648	150	14		42	-74	-171	109
% change	81.5	22	10.2	20.5		4.7	-7.5	-14.0	7.6

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)	319	538	75	7	64
% change	10.7	38.7	58.9	33.9	50.5

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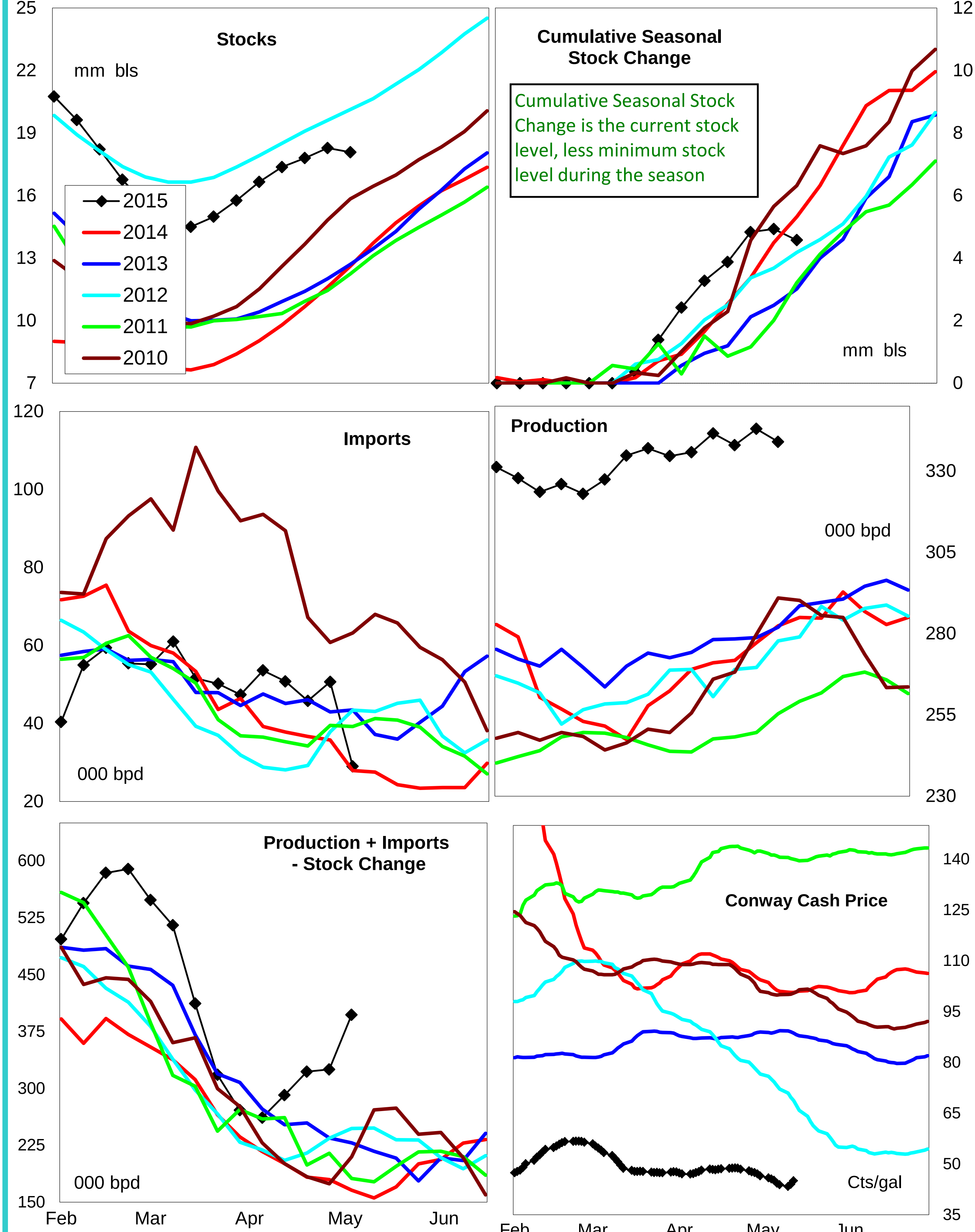
PADD 2 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	5,556	-747	68	8	151
% change	44.4	-14.0	24.7	19.4	83.1

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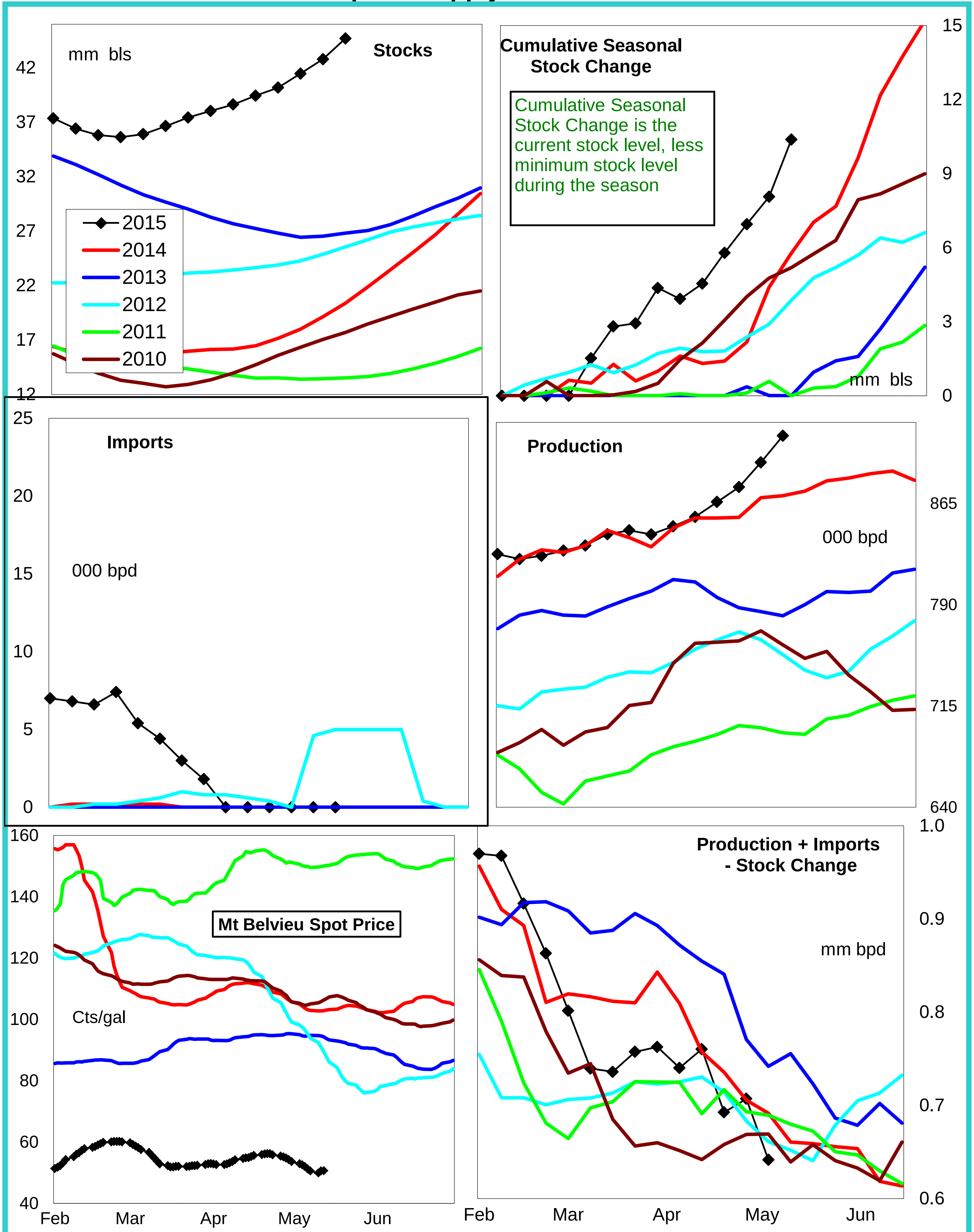
PADD 3 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	23,944	4,602	20	0	-22
% change	115.4	80	2.2	#DIV/0!	-3.1

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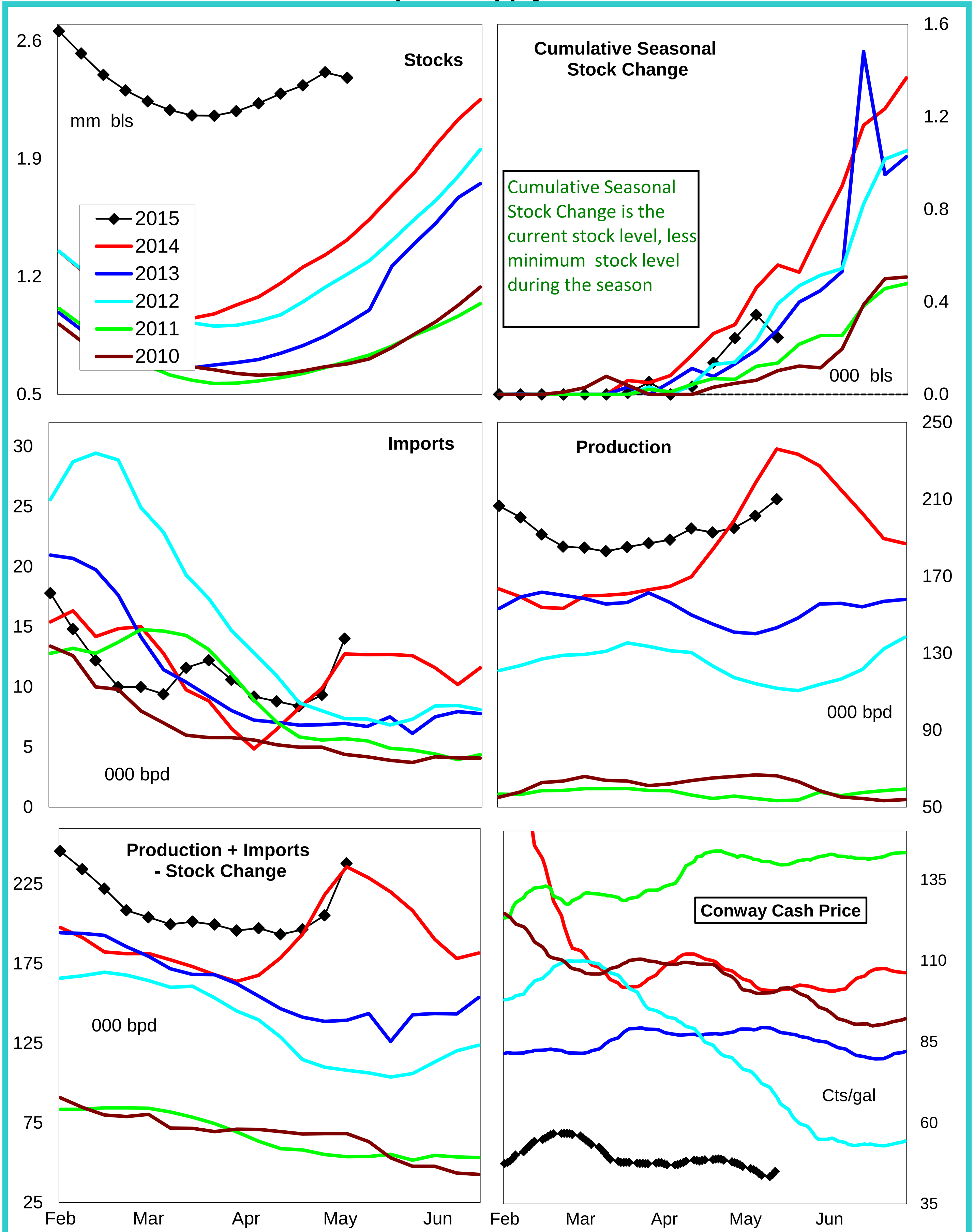
PADDs 4 and 5 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	917	-313	-12	-1	2
% change	62.6	-56.0	-5.6	-6.6	0.8

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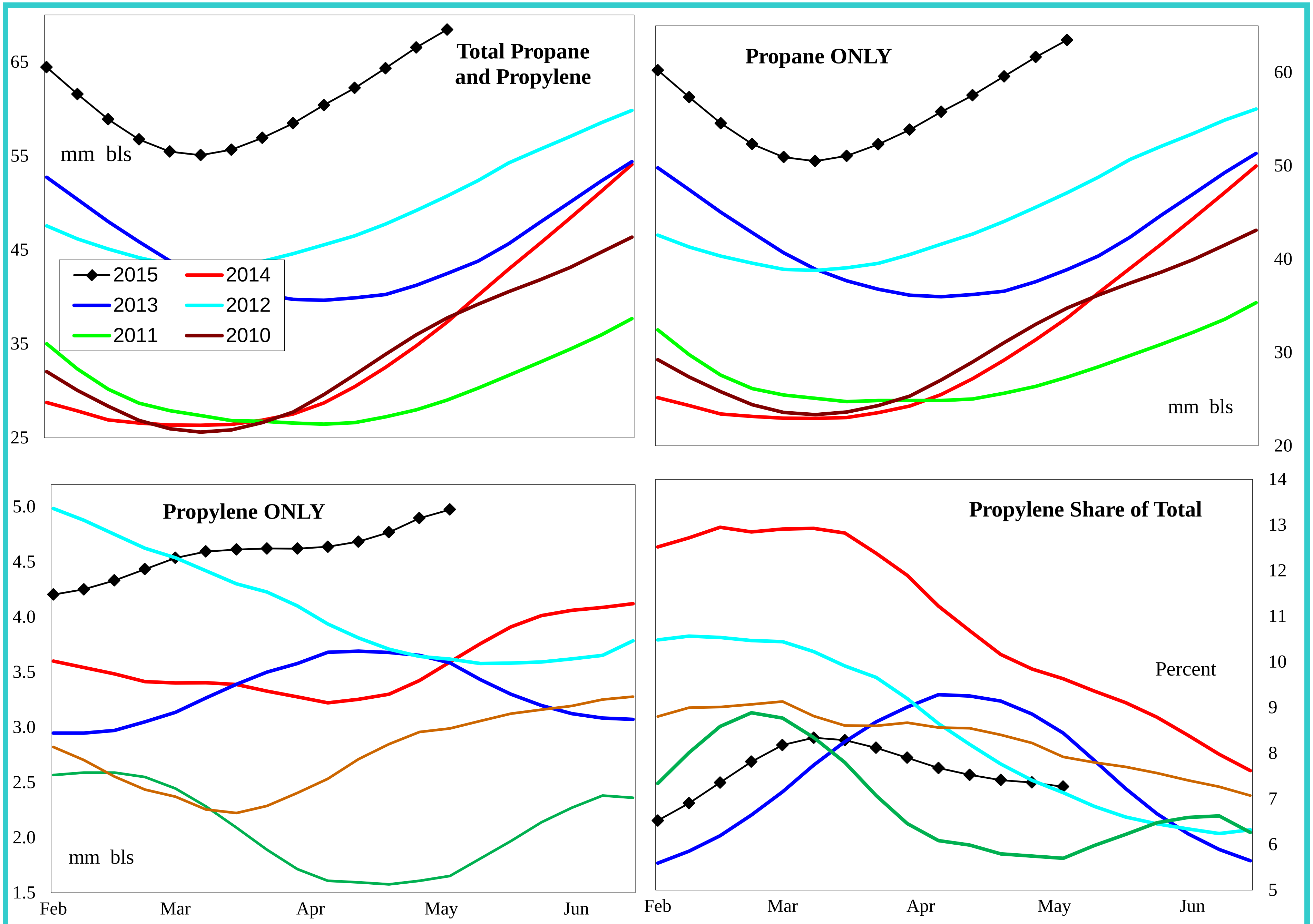
U. S. Propane and Propylene Stocks



Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	**30,734**	**29,332**	**1,382**
% change	**81.5**	**85.9**	**38.5**

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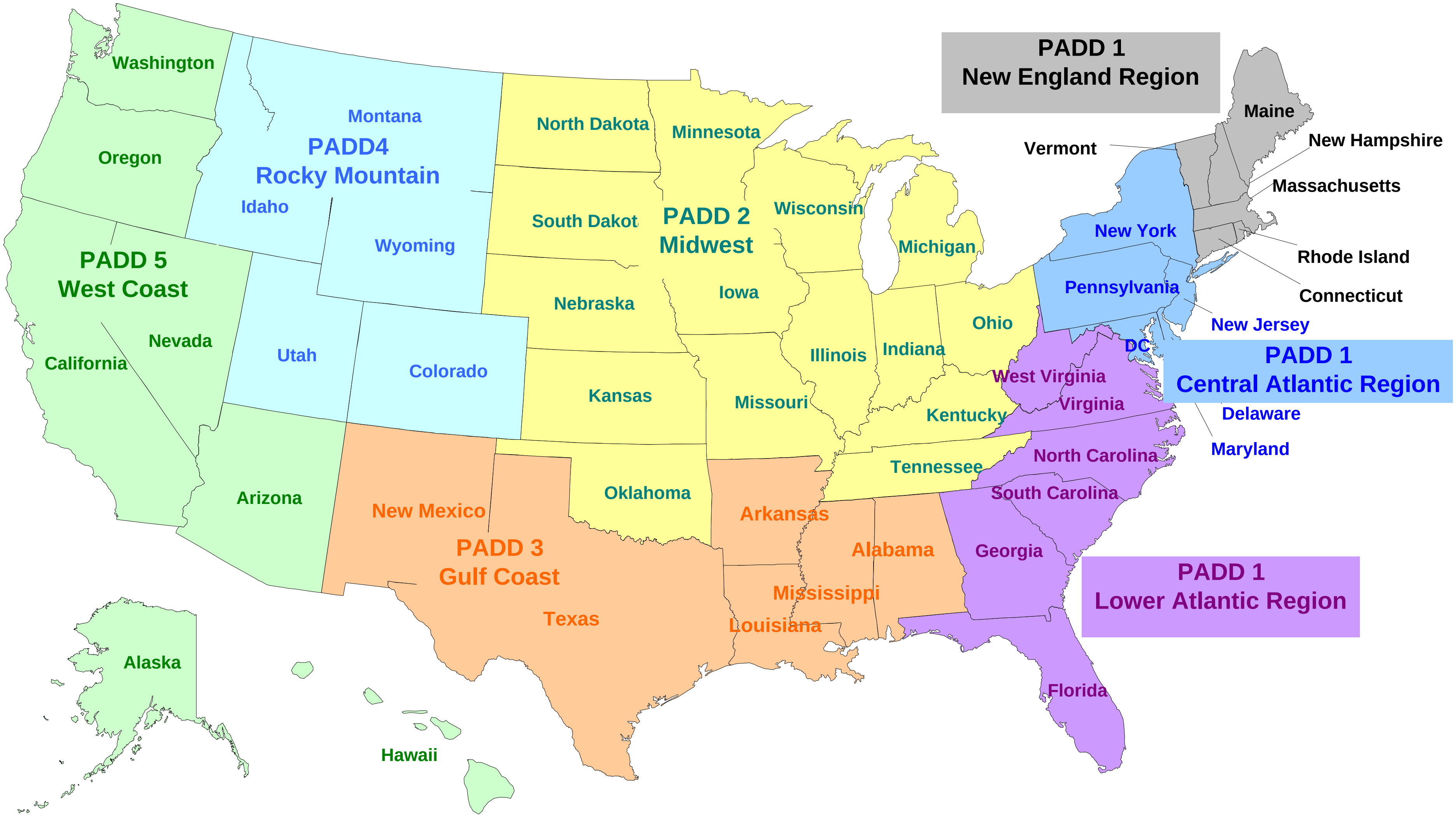
U. S. Petroleum Administrative for Defense Districts (PADDs)



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