



WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

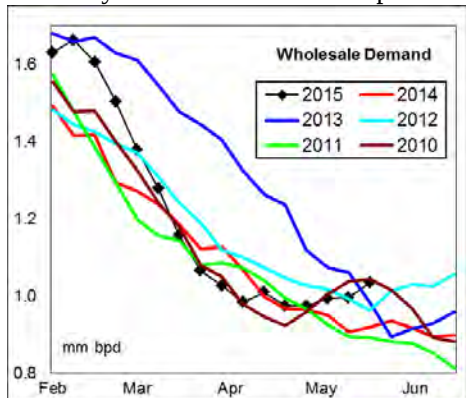
A Fundamental Petroleum Trends Weekly Report

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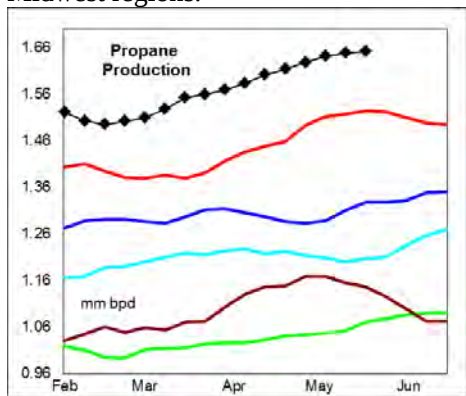


Summary¹:

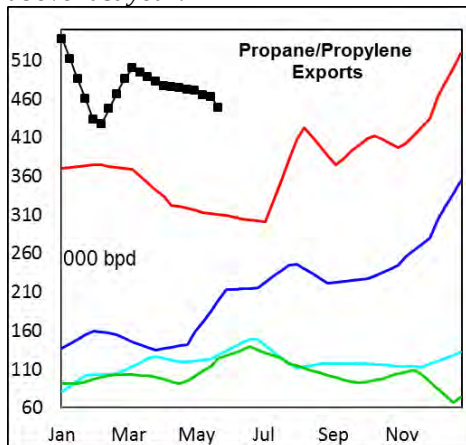
Wholesale demand increased +121,000 bpd last week, reflecting increase use as a refinery fuel due to record low prices.



Production increased +25,000 bpd last week, concentrated in the East and Midwest regions.



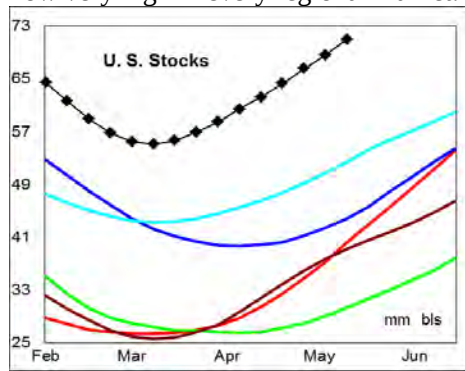
Exports for the week ending 22May15 were +449,000 bpd, +139,000 bpd above last year.



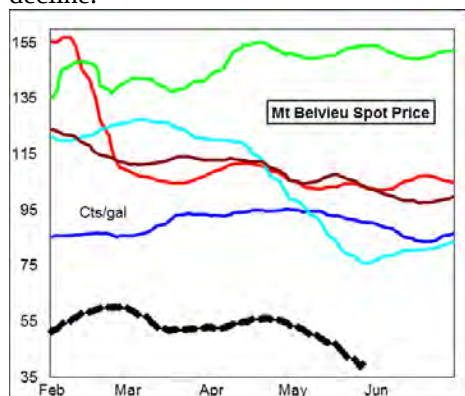
Stocks increased +2.2 million barrels on the week, lifting the cumulative seasonal

stock build to +19.5 million barrels, a record high for this time of year.

Significant builds were reported in all regional markets. Stock levels are now very high in every regional market.



Price and Spreads Mt Belvieu spot price decreased -4 cpg last week ending 28May15, while Conway saw a similar decline.



The Conway – Mt Belvieu price spread decreased late in the week, ending at a level equal to the 3-yr mid range.

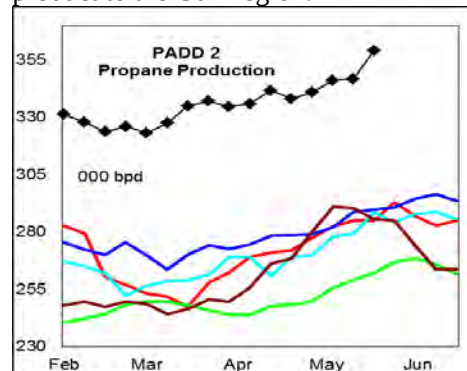
The propane to natural gas price spread trended lower last week, ending at a new record low level.

The propane / crude oil price spread trended lower on the week, ending at a new record low.

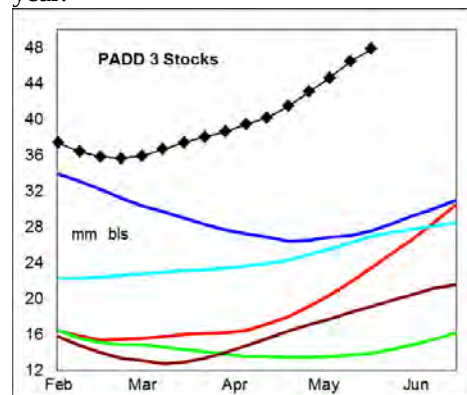
PADD 1 stocks increased +0.6 million barrels last week, driven by over supply in the Utica Shale region. Stocks ended the week at a level near 5-yr highs. Supply for the latest 4-wk period was +92,000 bpd above last year on a +69% increase in production.

PADD 2 supply increased +35,000 bpd on the week, on higher production and imports. Production for the latest 4-wk period was +72,000 bpd above last year

(+25%). Stocks increased +0.4 million barrels on the week. Stock levels ended the week at a level below 5-yr highs for the period as shippers continue to move product to the Gulf region.



PAD 3 stocks increased +1 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 +32,000 bpd above last year.



PADDs 4 & 5 stocks increased +0.2 million barrels on the week, to a level +1 million barrels above last year, and a record high.

Emerging Trends Production for the latest 4-wk period was +136,000 bpd above last year (+9%), while imports were +19,000 bpd higher. Wholesale demand has increased on fuel use by refiners. Production in the Midwest and East regions is driving the unprecedented stock build in the Gulf region. Look for an extended period of price weakness.

¹ Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary



May 28, 2015

Fundamental Trends for the Week Ending:

Friday, May 22, 2015

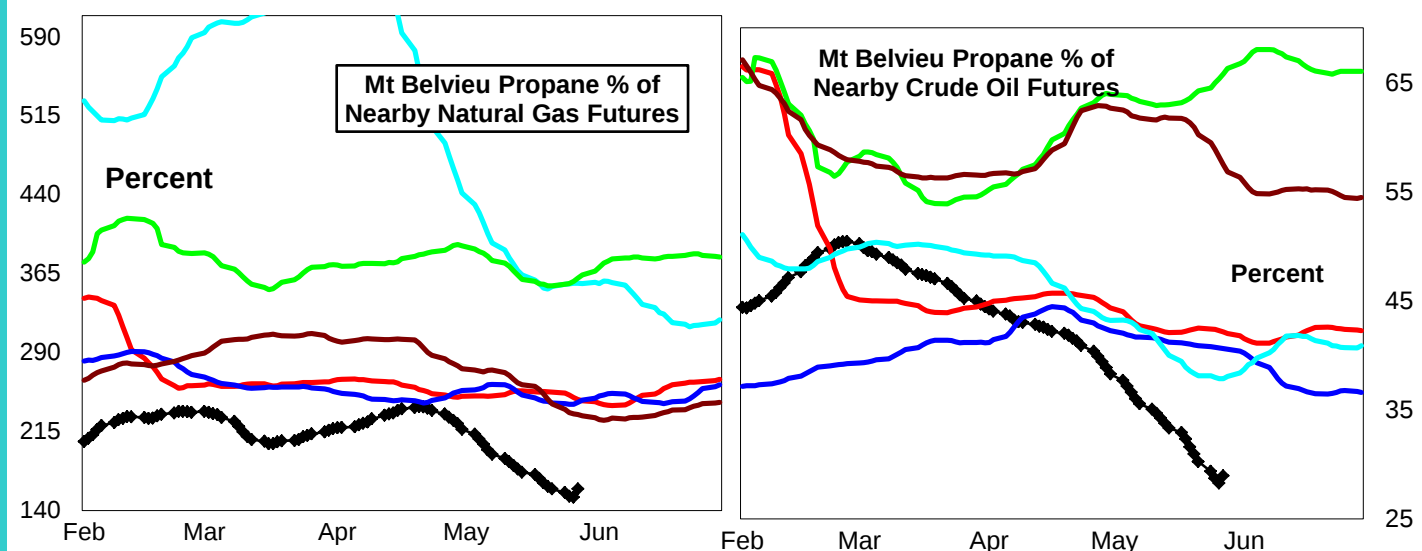
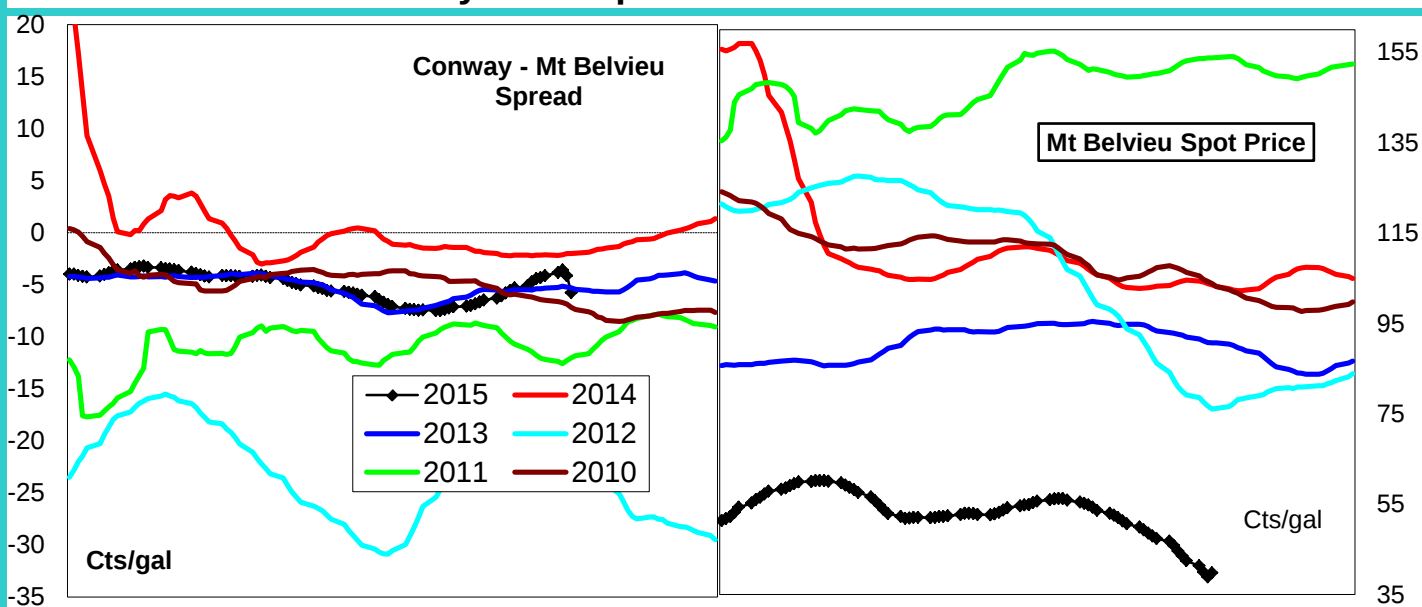
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD				U.S. Total	PADD			
		1	2	3	4&5		1	2	3	4&5
Stocks	73,218	4,076	18,658	47,857	2,627	2,176	613	423	975	165
Propylene Stocks	5,315					-62				
Production	1,652	219	359	894	180	25	19	17	-3	-8
Imports	92	26	58	0	8	17	0	18	0	-1
Whsle Demand	984					121				

Price Trends for the Week Ending:

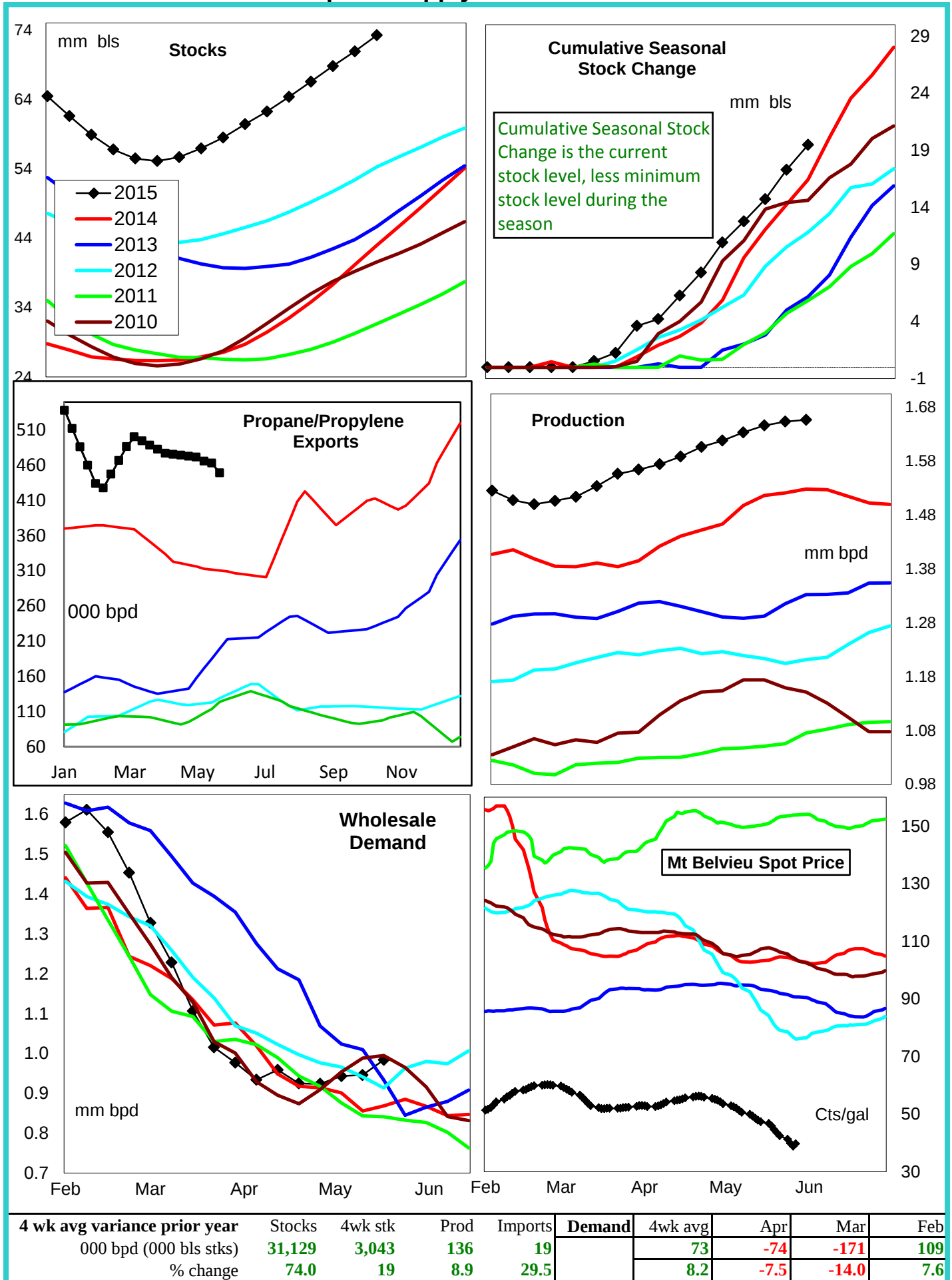
Thursday, May 28, 2015

Cents/gal	Average for week ending:				Change from:			% change from:		
	5/28/15	5/21/15	4/30/15	5/30/14	5/21/15	4/30/15	5/30/14	5/21/15	4/30/15	5/30/14
Mont Belvieu Spot	22.5	44.1	54.9	103.5	-21.58	-10.85	-48.58	-49.0	-19.8	-46.9
Conway Spot	19.7	39.6	47.9	101.3	-19.90	-8.28	-53.45	-50.3	-17.3	-52.7

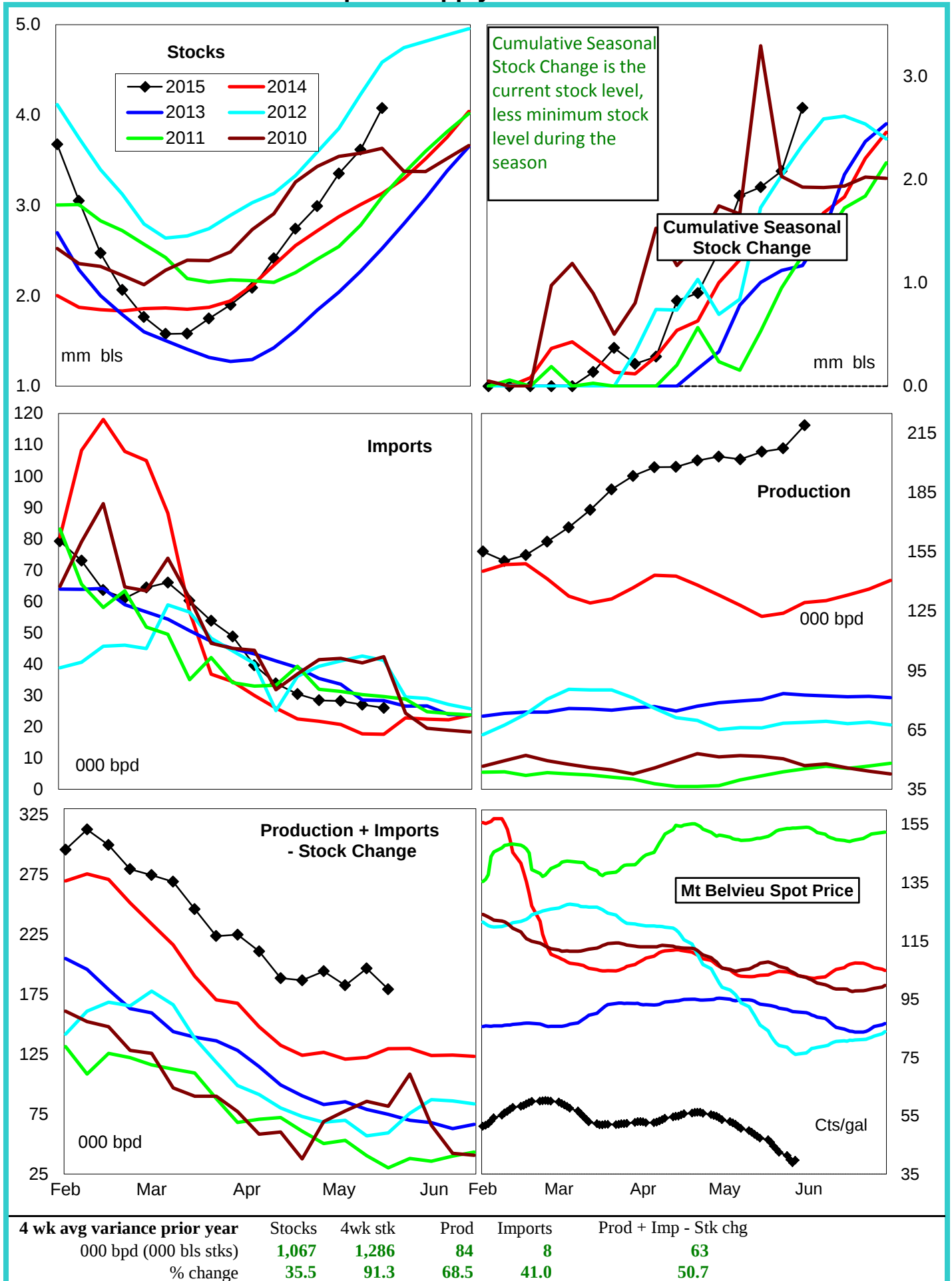
Key Price Spreads and Differentials



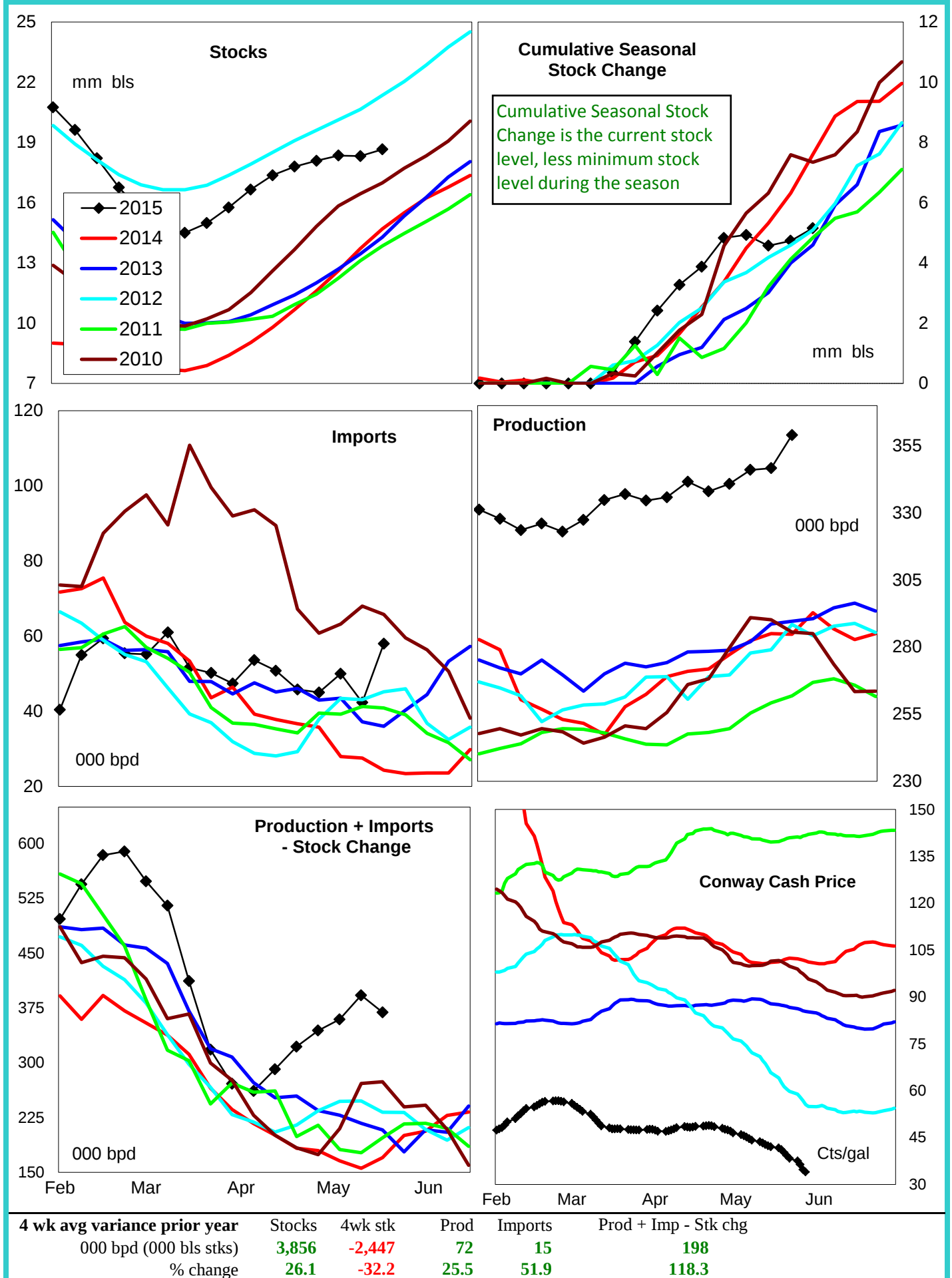
U. S. Propane Supply and Demand Balance



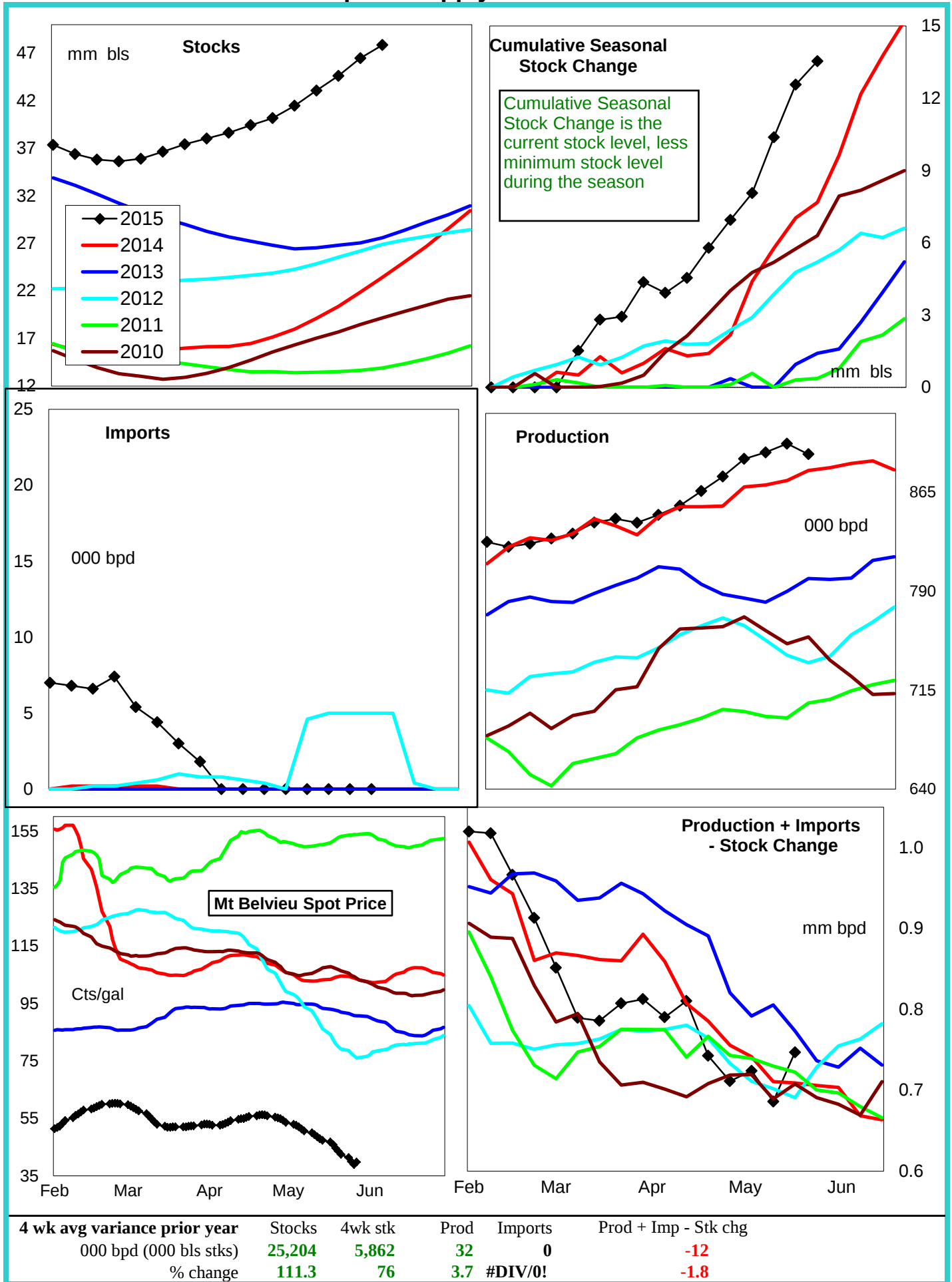
PADD 1 Propane Supply and Demand Balance



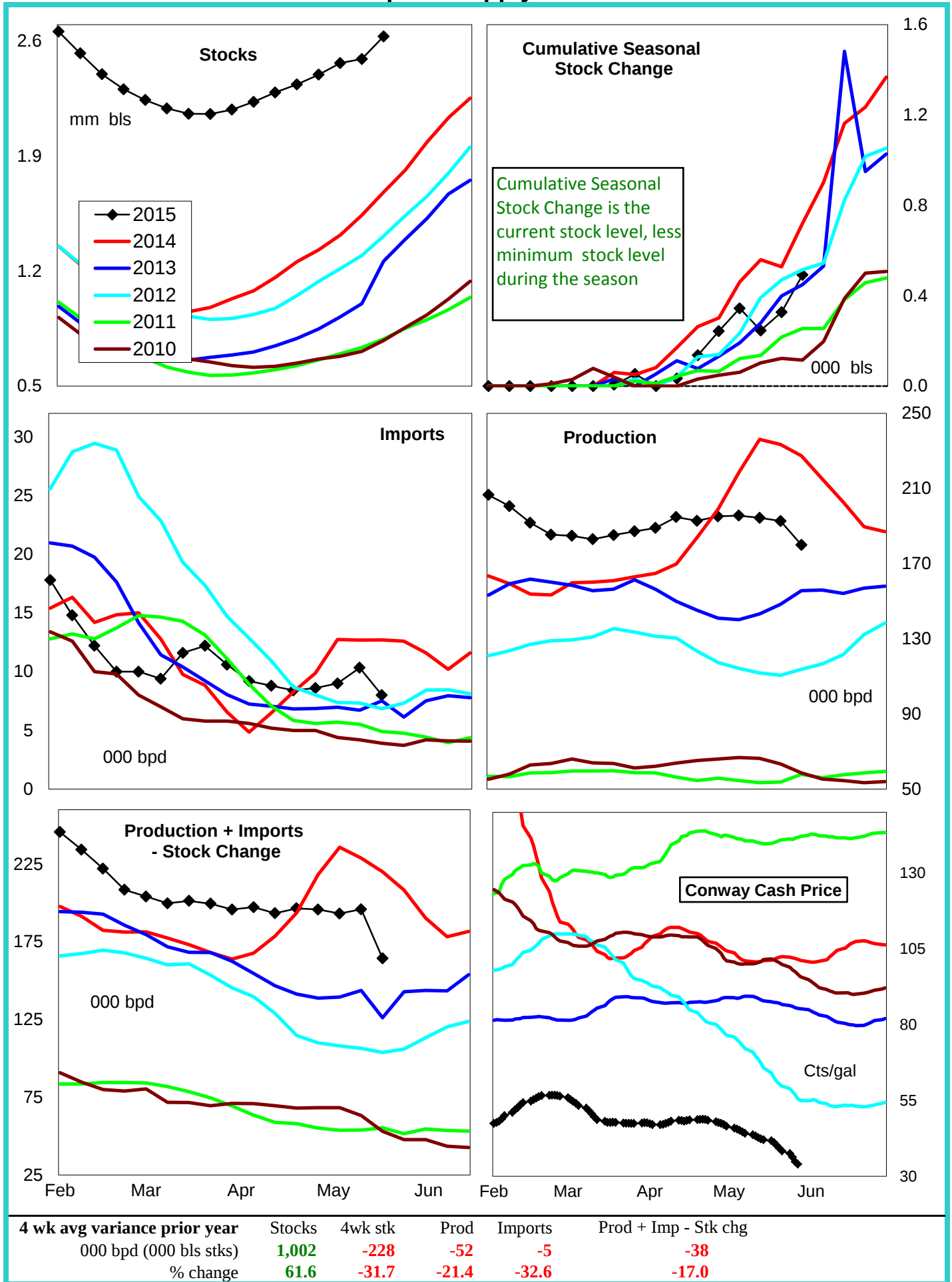
PADD 2 Propane Supply and Demand Balance



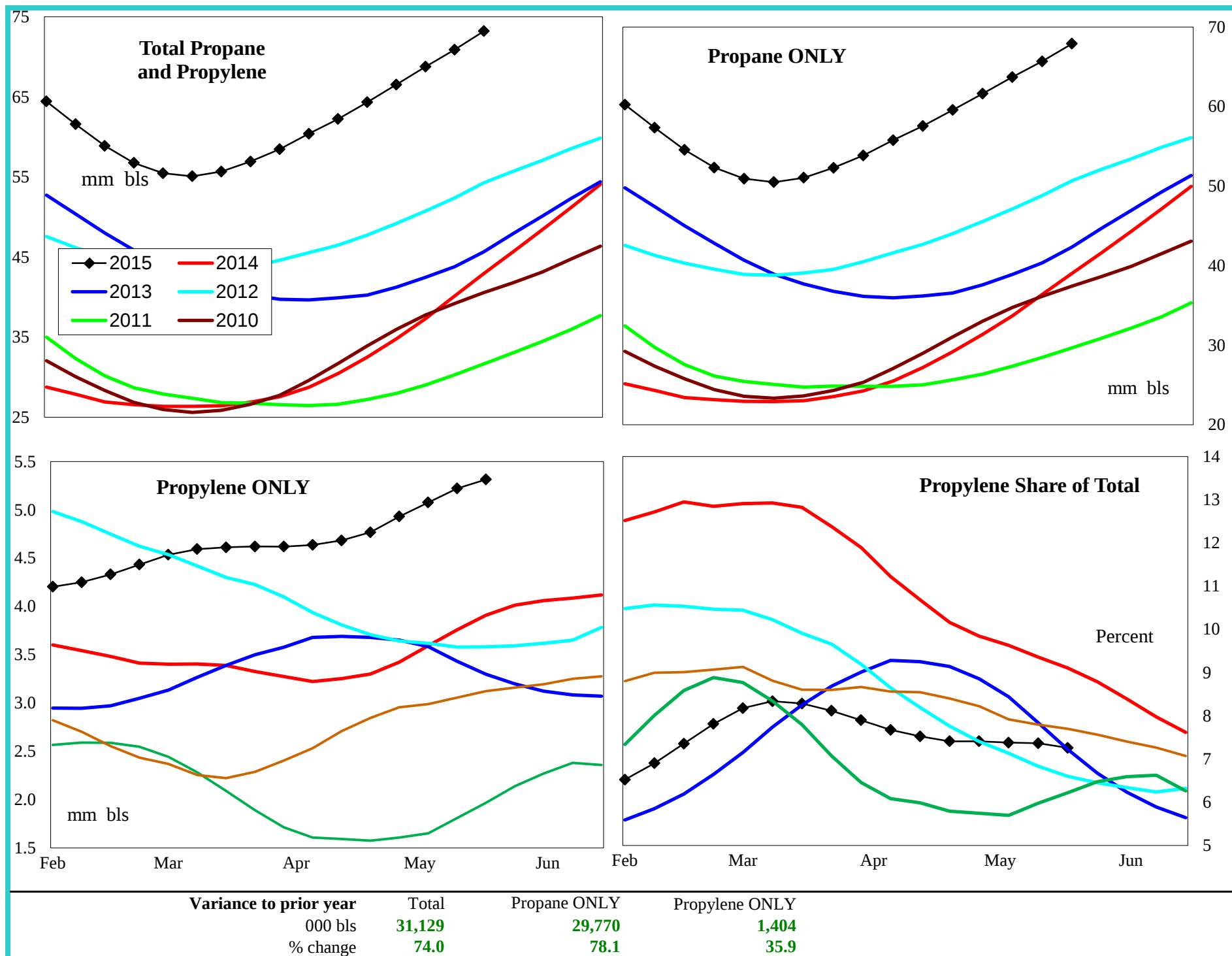
PADD 3 Propane Supply and Demand Balance



PADDs 4 and 5 Propane Supply and Demand Balance



U. S. Propane and Propylene Stocks



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

