FUNDAMENTAL PETROLEUM TRENDS

WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

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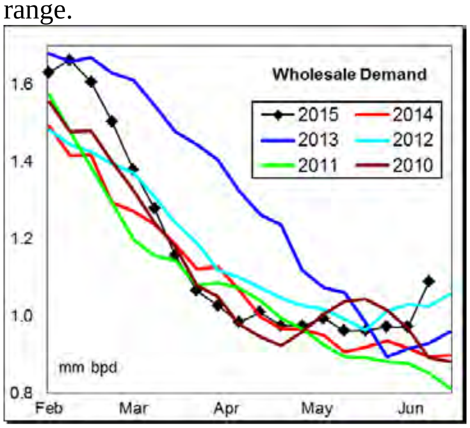
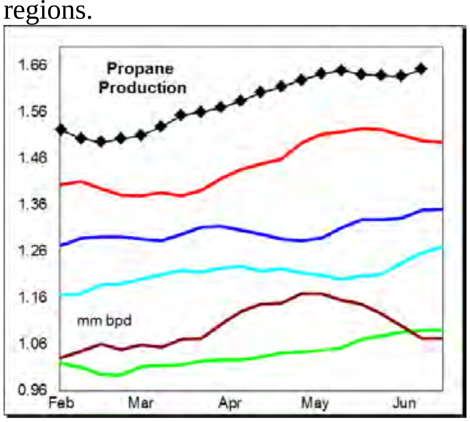
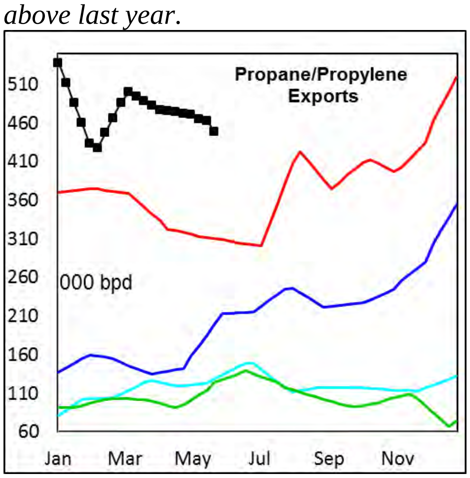
Summary[1]:
Wholesale demand increased +14,000 bpd last week, a level above the historic range.



Production increased +30,000 bpd last week, concentrated in the Gulf and west regions.

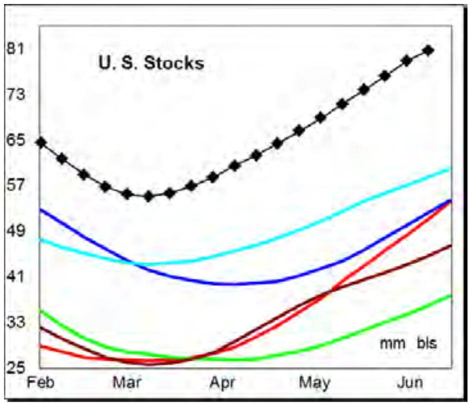


Exports for the week ending 22May15 were +449,000 bpd, +139,000 bpd above last year.

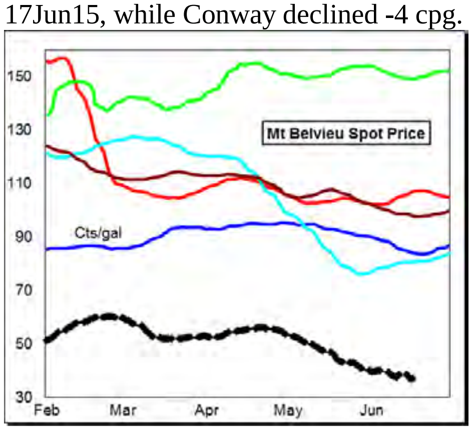


Stocks increased +1.9 million barrels on the week, concentrated in the Gulf and Midwest regions.

Stock levels are now at record levels in all regional markets, except the Midwest.



Price and Spreads Mt Belvieu spot price decreased -3 cpg last week ending 17Jun15, while Conway declined -4 cpg.



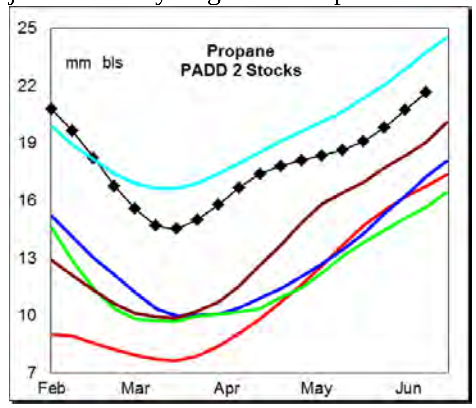
The Conway – Mt Belvieu price spread traded sideways on the week, ending at a level equal to the 3-yr mid range.

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

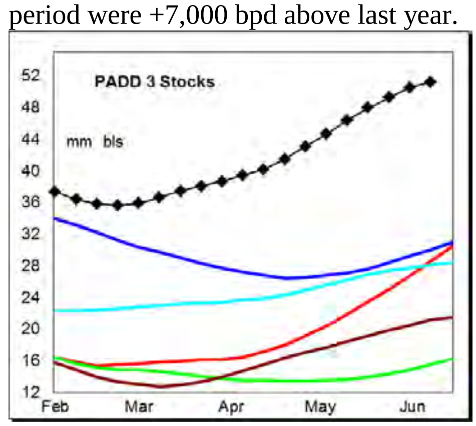
The propane / crude oil price spread trended lower on the week, ending at a new record low.

PADD 1 stocks decreased -0.1 barrels last week, with lack of build due to increased deliveries to the Gulf region. Stocks ended the week at a 5-yr high. Supply for the latest 4-wk period was +89,000 bpd above last year on a +67% increase in production.

PADD 2 supply decreased -12,000 bpd last week, on lower production. Production for the latest 4-wk period was +51,000 bpd above last year (+17%). Stocks increased +0.9 million barrels on the week. Stock levels ended the week just below 5-yr highs for the period.



PAD 3 stocks increased +1 million barrels on the week. Stock levels ended the week +78% above the prior 5-yr high, driven by receipts from the Utica shale area. Supplies for the latest 4-wk period were +7,000 bpd above last year.



PADDs 4 & 5 stocks were unchanged on the week, at a level +0.6 million barrels above last year, and a record high.

Emerging Trends Look for flooding in the Gulf region to limit exports during the current week, therefore, a larger than normal stock build. Record production in the Midwest and East regions continues to drive rapid stock builds, pushing stock levels to extremely high levels. Look for an extended period of depressed prices.

[1] Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

June 17, 2015

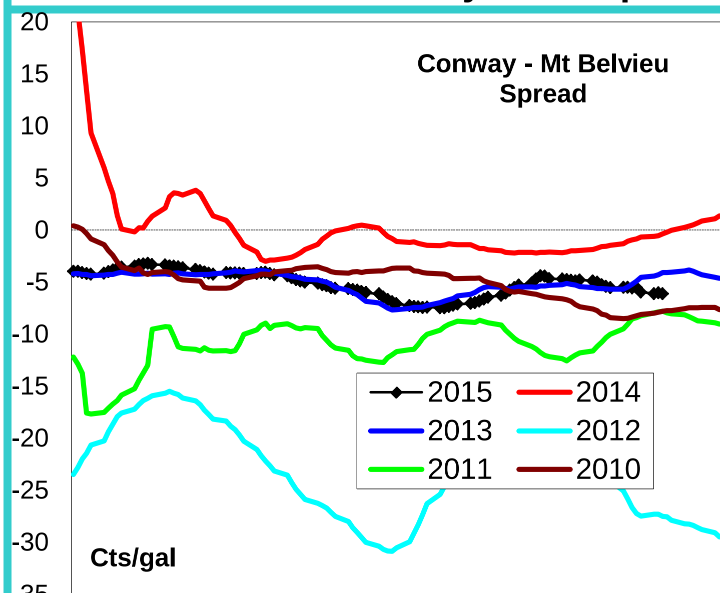
Fundamental Trends for the Week Ending: Friday, June 12, 2015

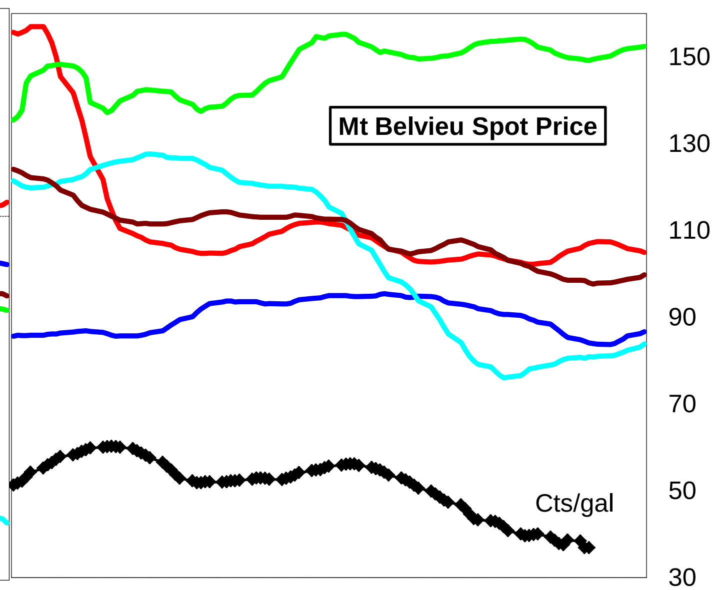
000 bpd / Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S.	PADD				U.S.	PADD			
	Total	1	2	3	4&5	Total	1	2	3	4&5
Stocks	80,660	5,029	21,638	51,213	2,780	1,865	-62	891	1,014	22
Propylene Stocks	5,367					-3				
Production	1,652	224	332	903	193	30	9	-15	22	14
Imports	101	25	66	0	10	0	1	3	0	-4
Whsle Demand	1,038					14				

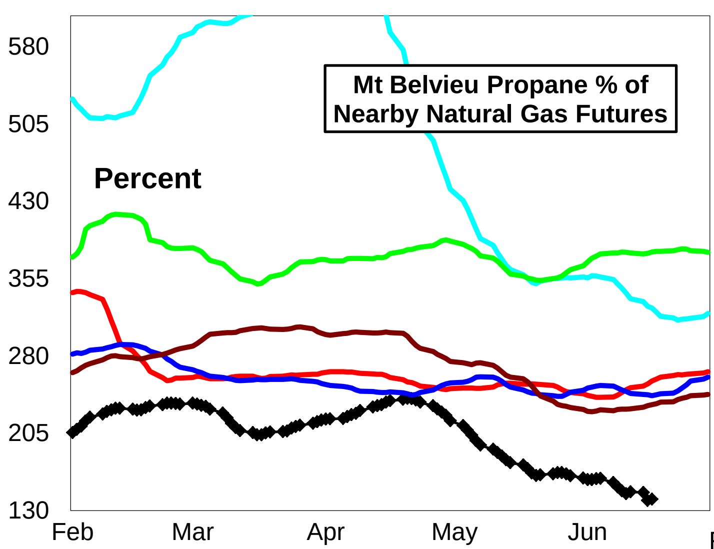
Price Trends for the Week Ending: Wednesday, June 17, 2015

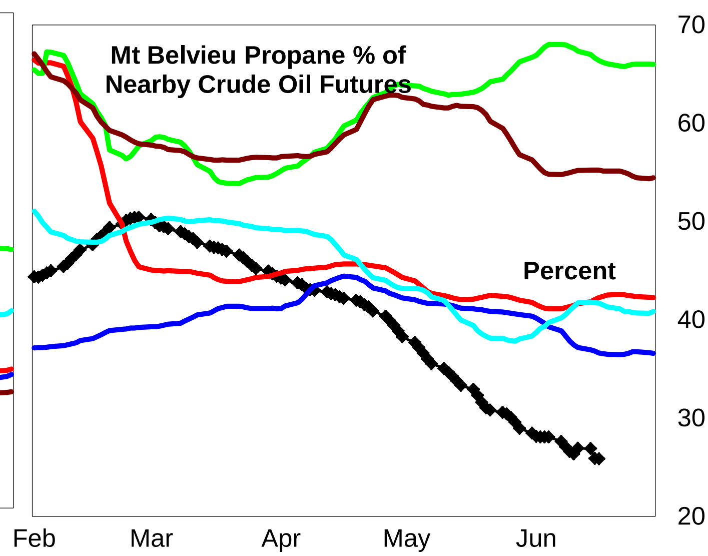
Cents/gal	Average for week ending:				Change from:			% change from:		
	6/17/15	6/10/15	5/20/15	6/19/14	6/10/15	5/20/15	6/19/14	6/10/15	5/20/15	6/19/14
Mont Belvieu Spot	38.4	36.6	46.7	106.6	1.88	-10.10	-59.96	5.1	-21.7	-56.2
Conway Spot	32.3	31.6	41.9	106.1	0.67	-10.25	-64.26	2.1	-24.5	-60.5

Key Price Spreads and Differentials

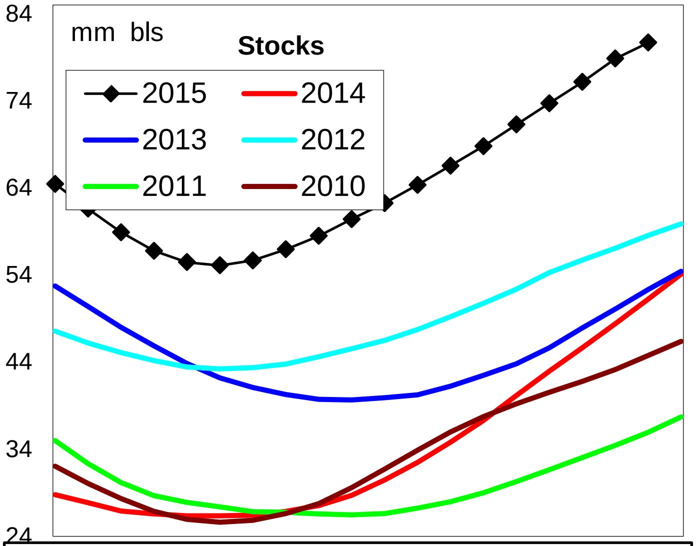


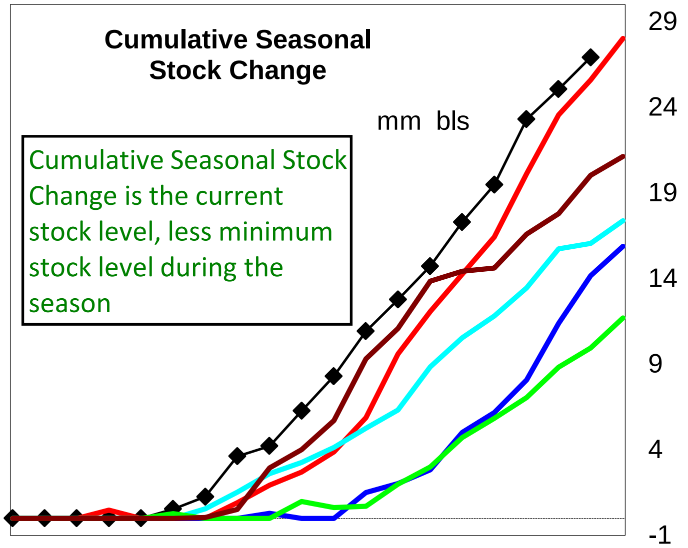


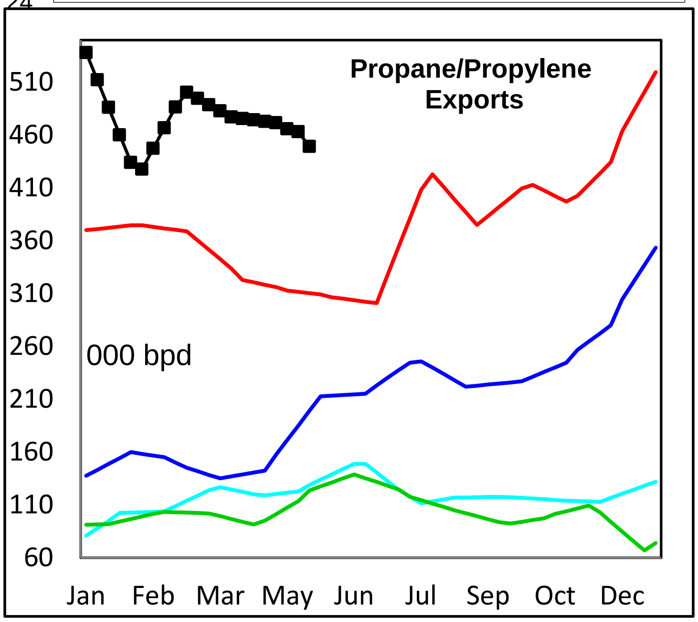


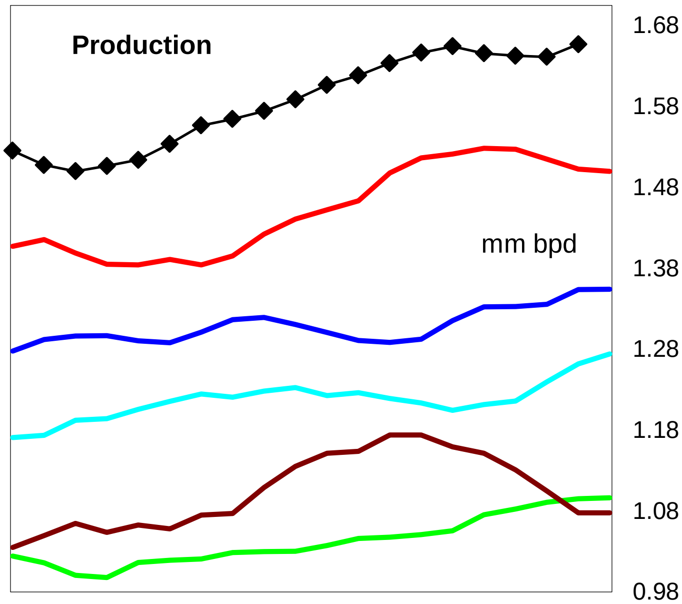


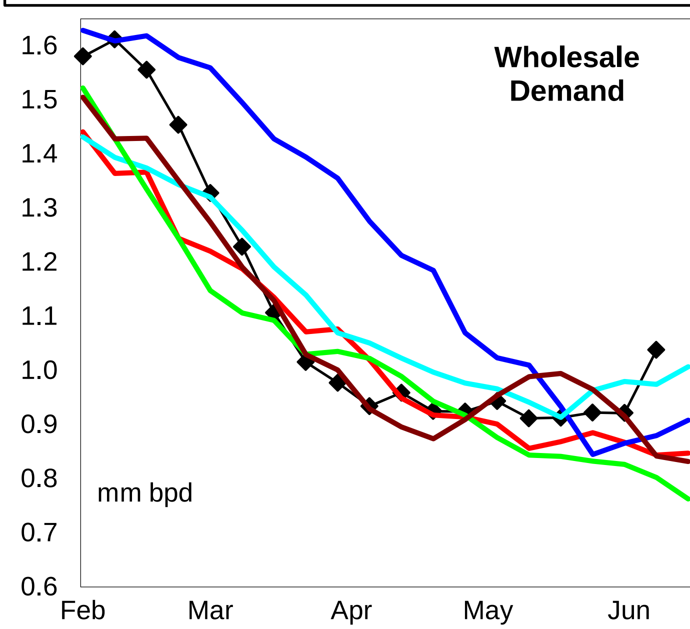
U. S. Propane Supply and Demand Balance

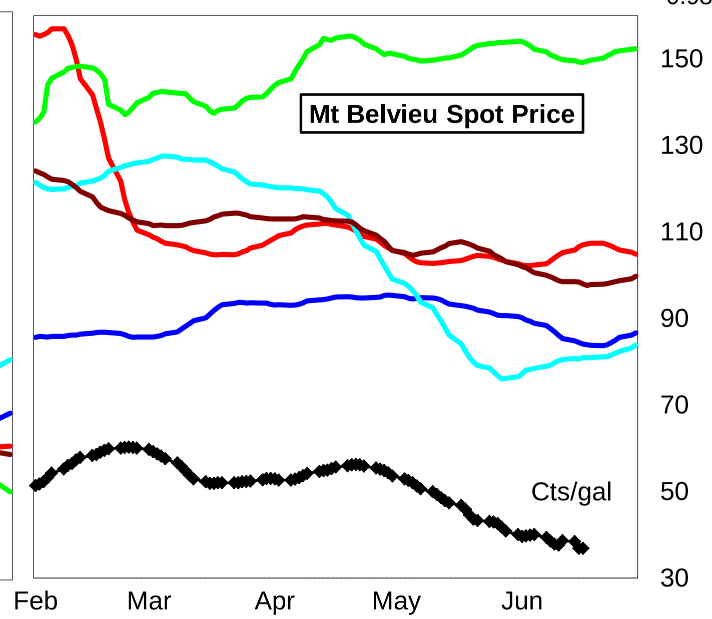






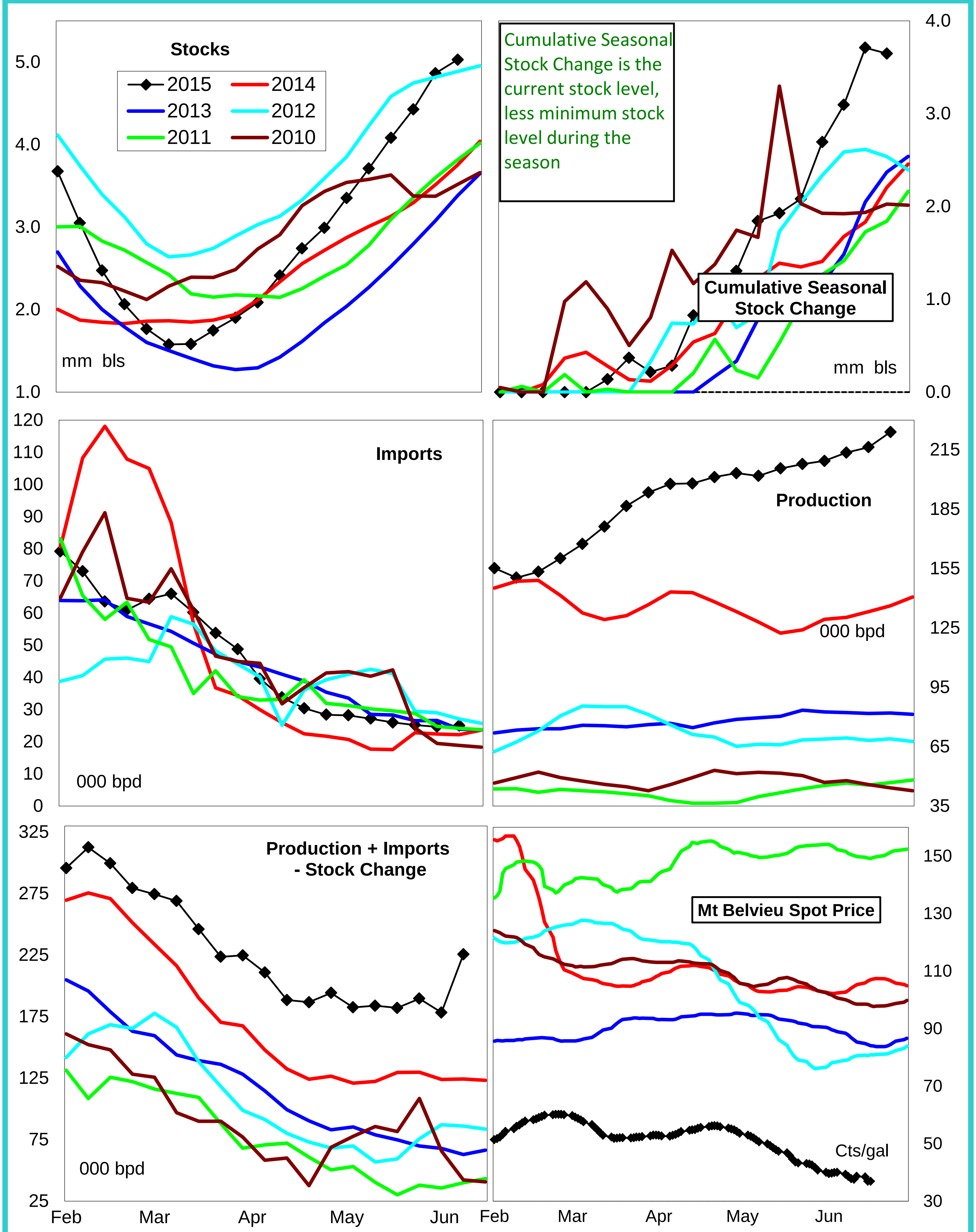






4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	May	Apr	Mar
000 bpd (000 bls stks)	29,419	1,333	125	31		76	121	-74	-33
% change	57.4	5	8.3	51.9		8.8	15.8	-7.5	-2.7

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)	1,223	1,442	87	2	67
% change	32.1	65.4	66.6	8.7	52.8

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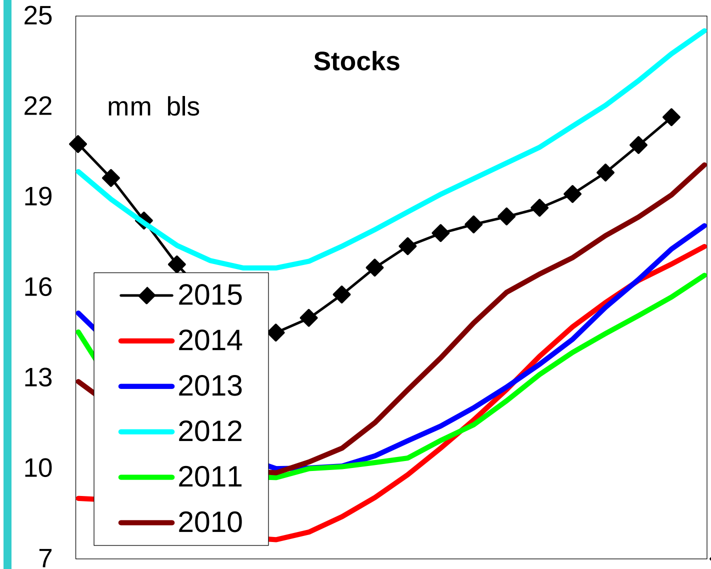
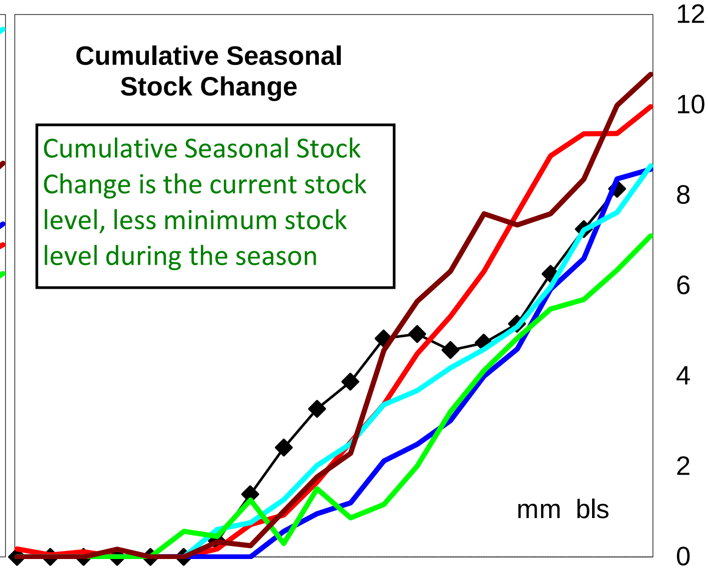
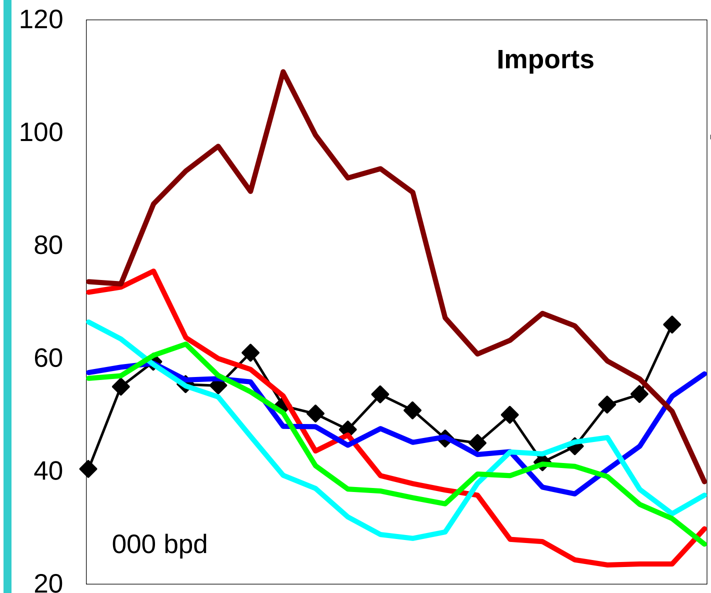
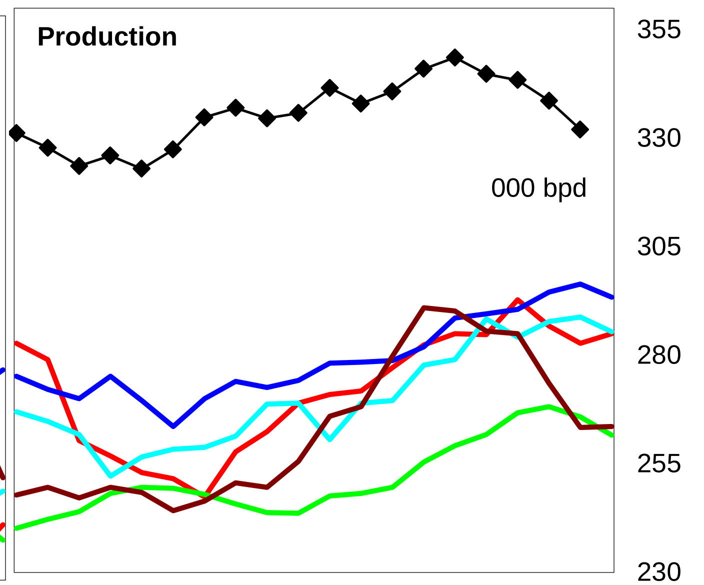
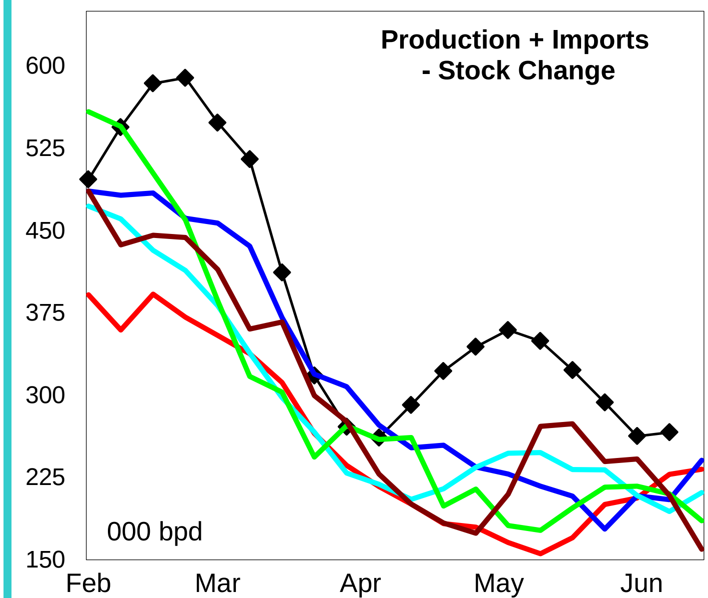
PADD 2 Propane Supply and Demand Balance

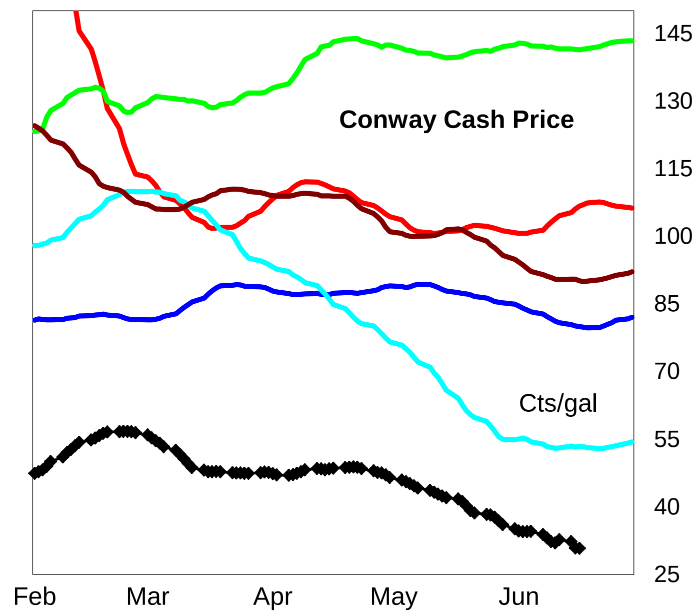












4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	5,073	-1,230	51	32	85
% change	30.6	-13.1	17.5	135.5	42.3

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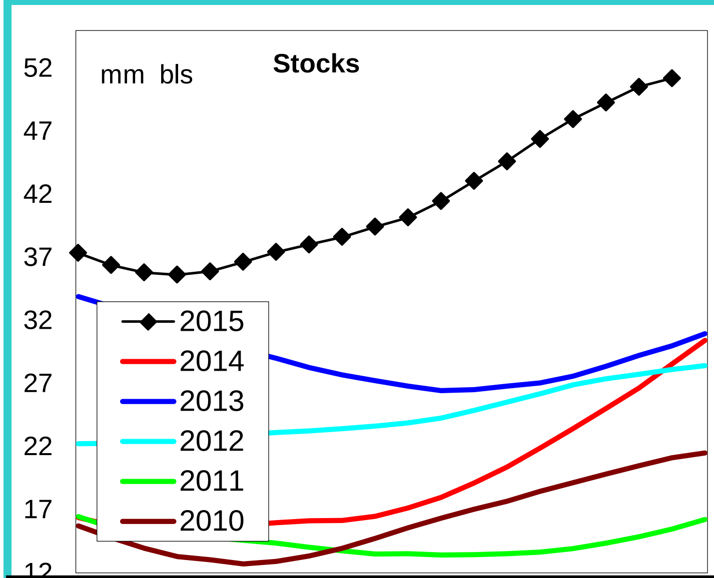
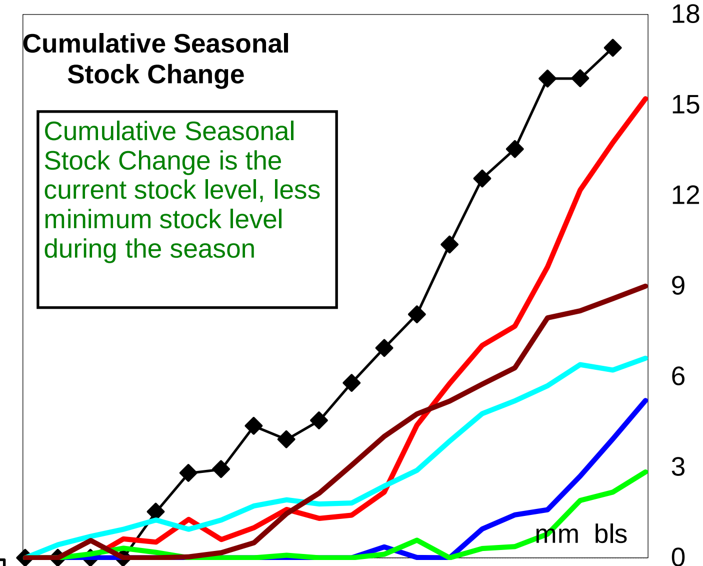
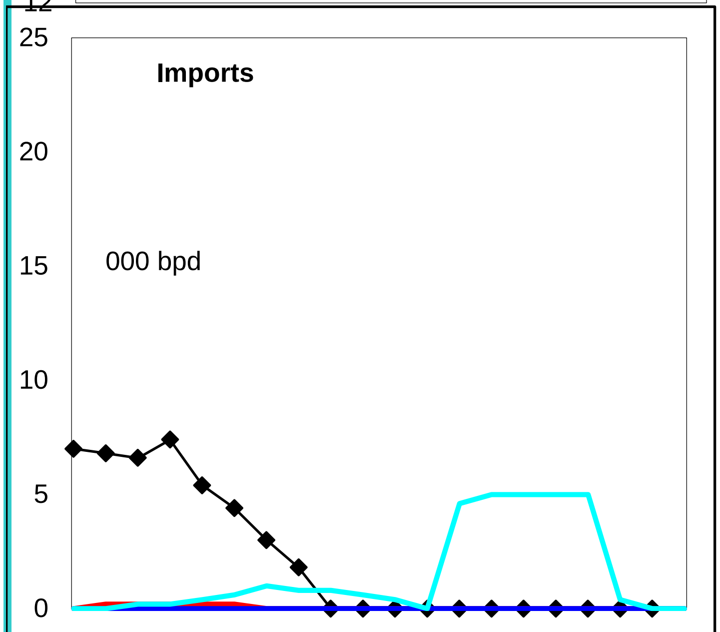
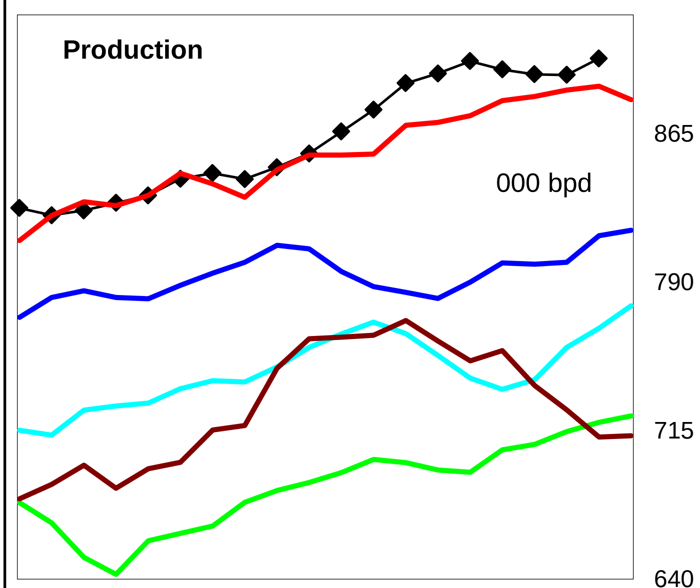
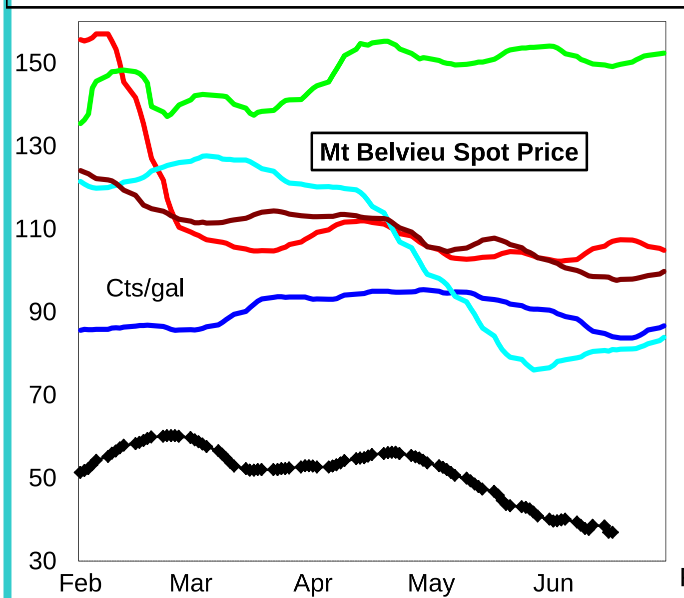
PADD 3 Propane Supply and Demand Balance

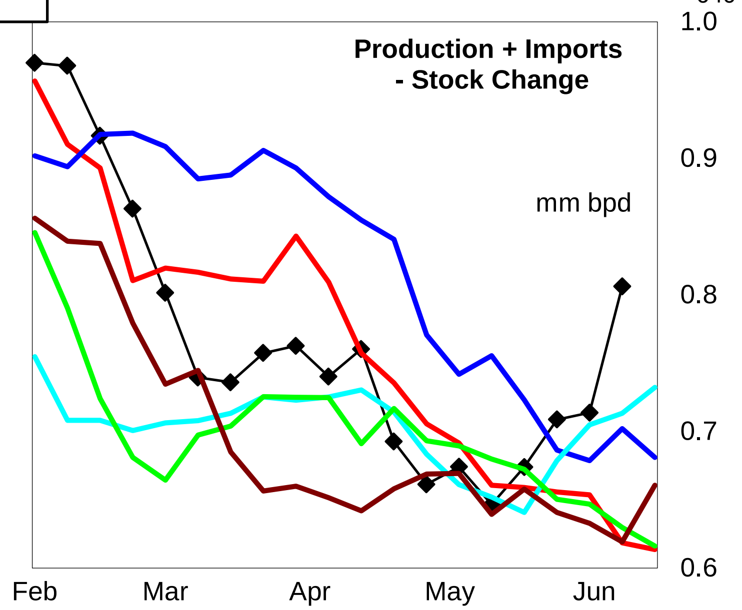






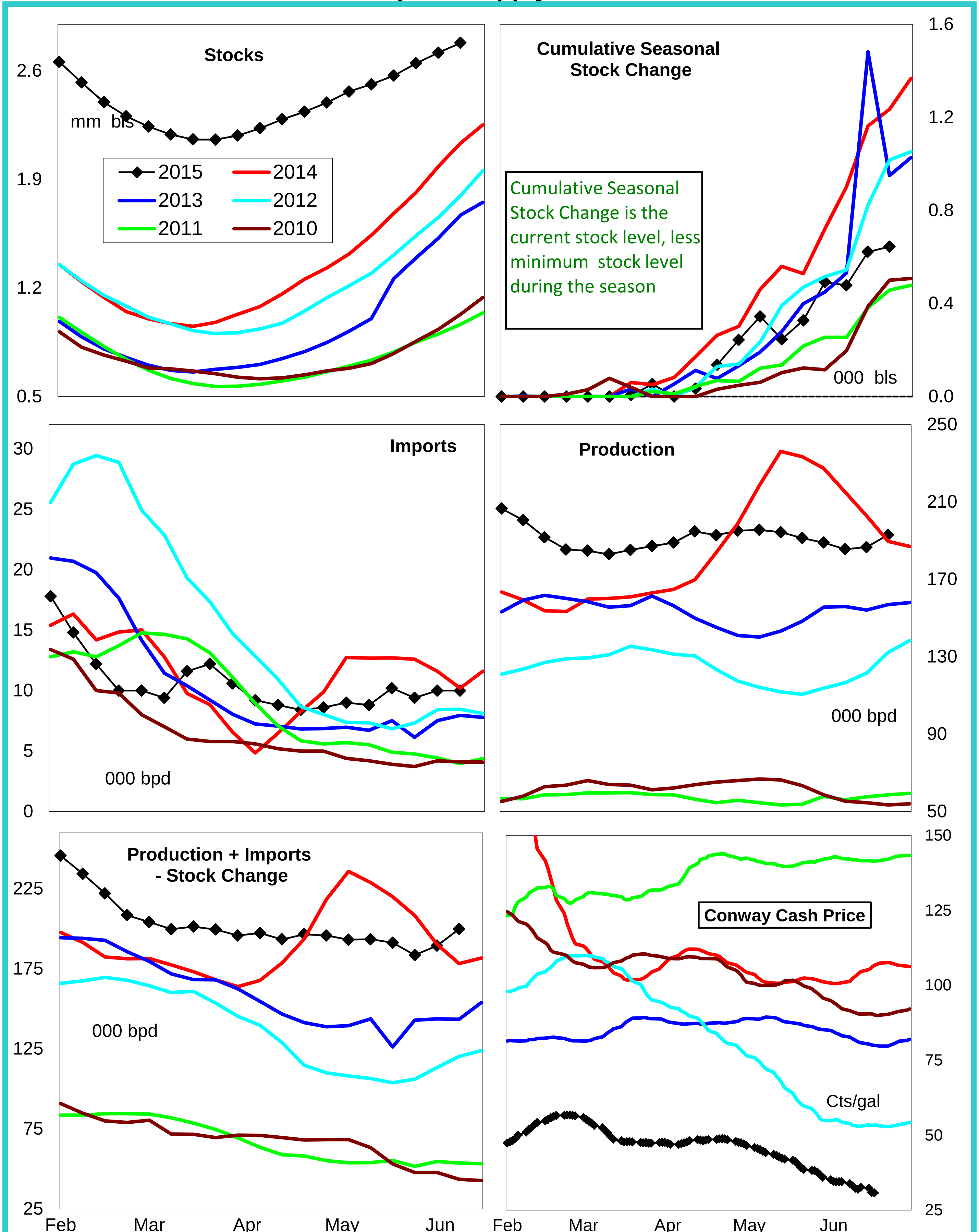






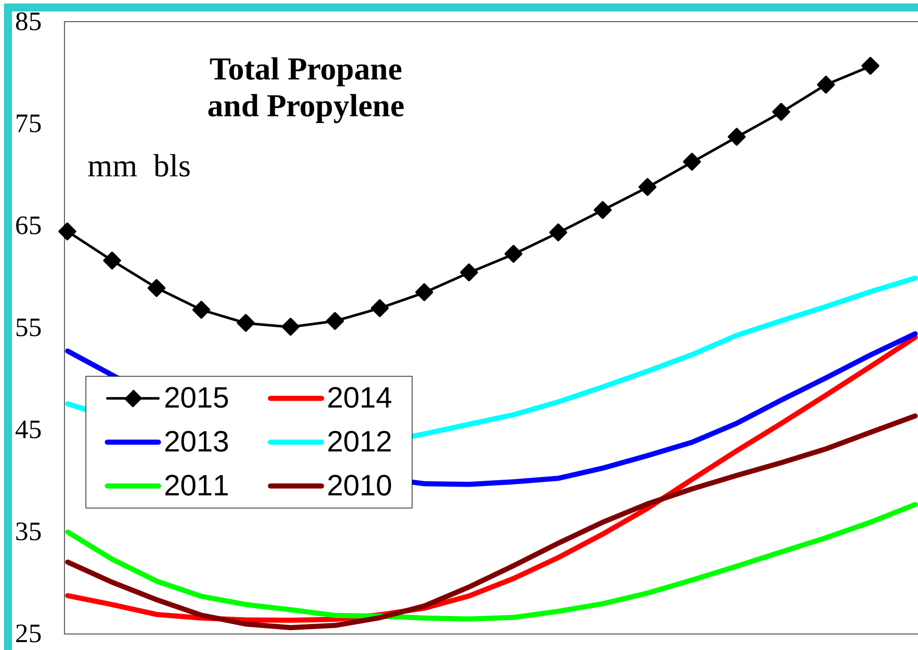
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	**22,484**	**3,142**	**7**	**0**	**79**
% change	**78.3**	**23**	**0.8**	**#DIV/0!**	**12.2**

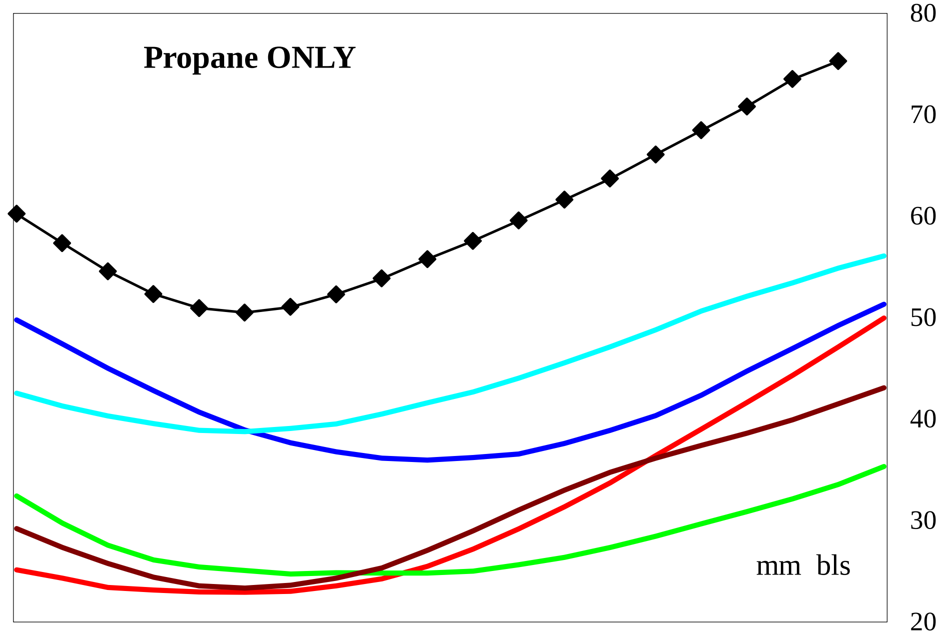
PADDs 4 and 5 Propane Supply and Demand Balance

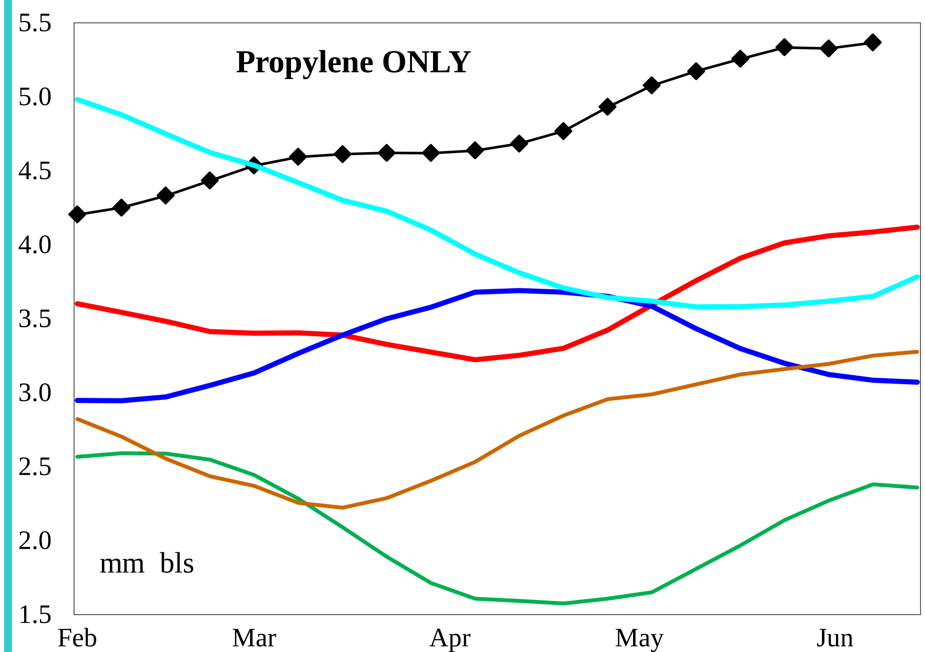


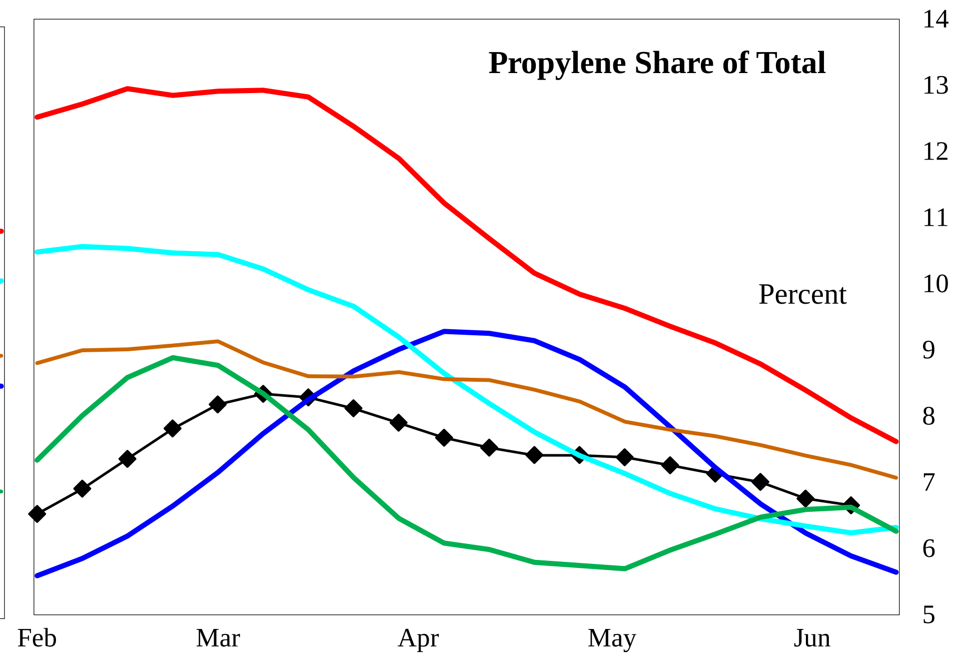
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	639	-591	-20	-3	-8
% change	29.8	-47.9	-9.6	-24.0	-4.1

U. S. Propane and Propylene Stocks









Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	**29,419**	**28,137**	**1,281**
% change	**57.4**	**59.7**	**31.3**

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