WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

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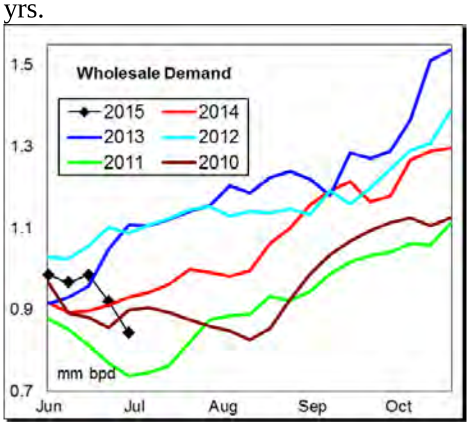
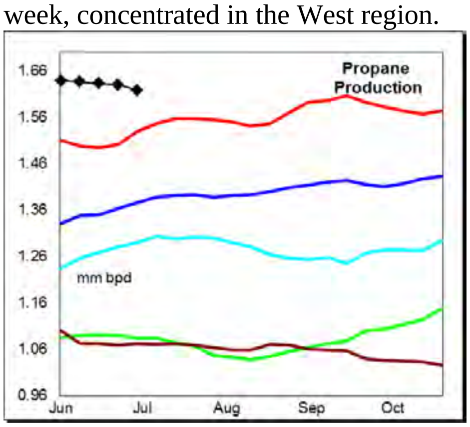
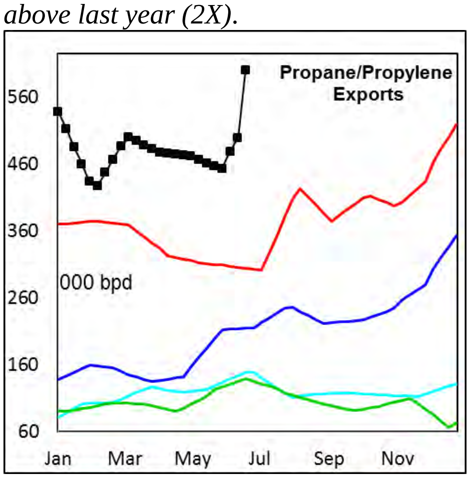
Summary[1]:
Wholesale demand decreased -97,000 bpd last week, to a level below the last 3-yrs.



Production decreased -23,000 bpd last week, concentrated in the West region.

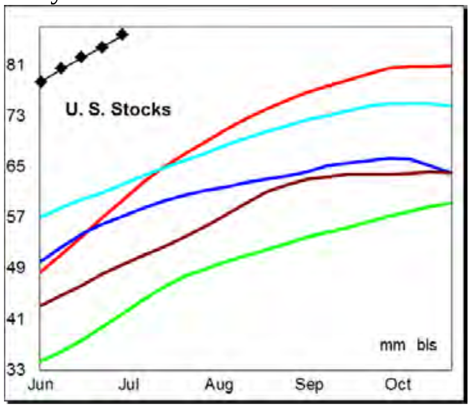


Exports for the week ending 19Jun15 were +0.6 million bpd, +297,000 bpd above last year (2X).

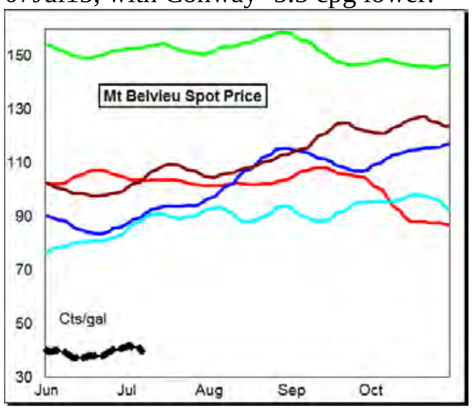


Stocks increased +2.2 million barrels on the week, with builds concentrated in the Gulf and Midwest regions.

The cumulative seasonal stock build of +32 million barrels was just below last year's build.



Price and Spreads Mt Belvieu spot price decreased -3.75 cpg last week ending 07Jul15, with Conway -5.5 cpg lower.



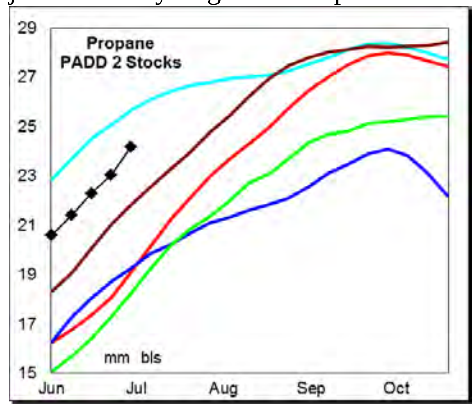
The Conway – Mt Belvieu price spread trended lower on the week, ending at a level well below the last 2-yrs.

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

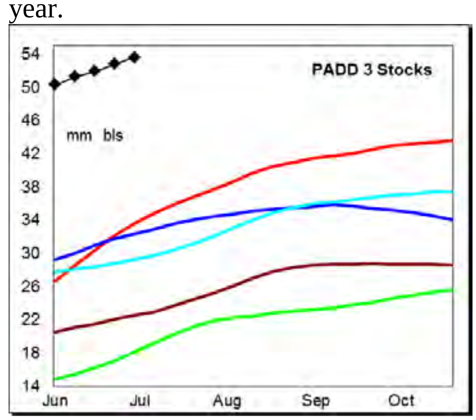
The propane / crude oil price spread trended lower late last week, ending at a level above recent earlier lows.

PADD 1 stocks increased +0.1 million barrels last week. Stocks ended the week near the 5-yr high for the period. Supply for the latest 4-wk period was +72,000 bpd above last year on a +52% increase in production.

PADD 2 supply increased +29,000 bpd last week, on higher imports. Production for the latest 4-wk period was +71,000 bpd above last year (+23%). Stocks increased +1.4 million barrels on the week. Stock levels ended the week just below 5-yr highs for the period.



PAD 3 stocks increased +0.8 million barrels on the week. Stock levels ended the week +57% above the prior 5-yr high, driven by receipts from the Utica shale area. Supplies for the latest 4-wk period were +21,000 bpd above last year.



PADDs 4 & 5 stocks decreased -0.1 million barrels on the week, at a level +0.5 million barrels above last year, and a record high.

Emerging Trends Exports reached +0.6 million bpd for the most recent week, 2X a year ago for the same period; and +151,000 bpd above the prior month. Exports of 0.6 million bpd compares to wholesale demand of 0.8 million bpd, so that exports equal 3/4ths of domestic use.

The rise in exports points to increased loading capacity and ship availability. Continued growth in exports should provide support to wholesale prices.

[1] Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

July 8, 2015

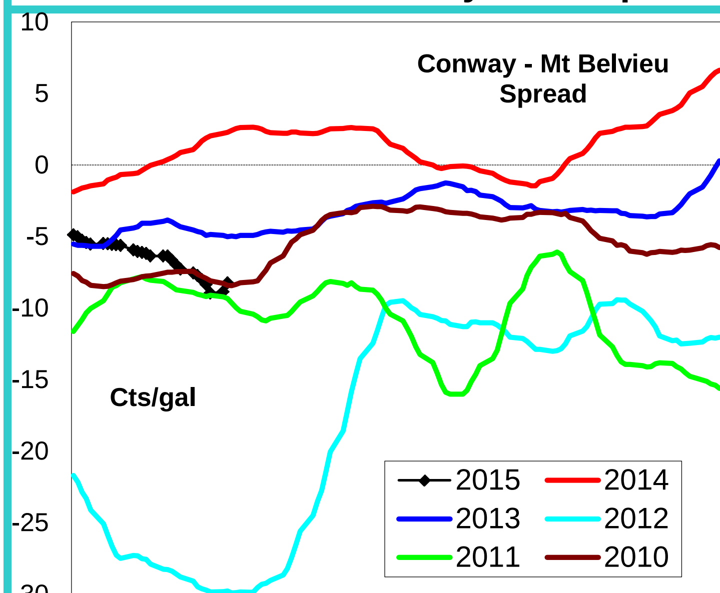
Fundamental Trends for the Week Ending: Friday, July 03, 2015

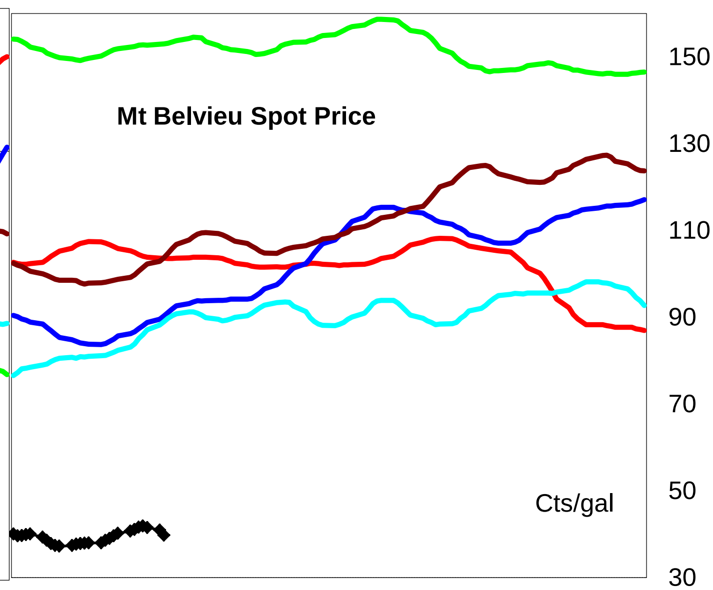
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5	U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5
Stocks	85,724	5,096	24,162	53,587	2,879	2,177	84	1,400	831	-138
Propylene Stocks	5,308					88				
Production	1,618	215	341	892	170	-23	2	5	-10	-20
Imports	86	13	64	0	9	11	-10	24	0	-3
Whsle Demand	793					-97				

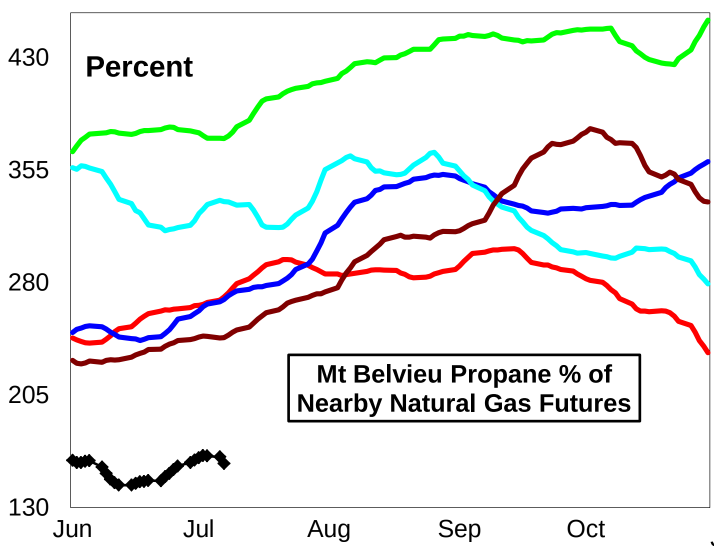
Price Trends for the Week Ending: Tuesday, July 07, 2015

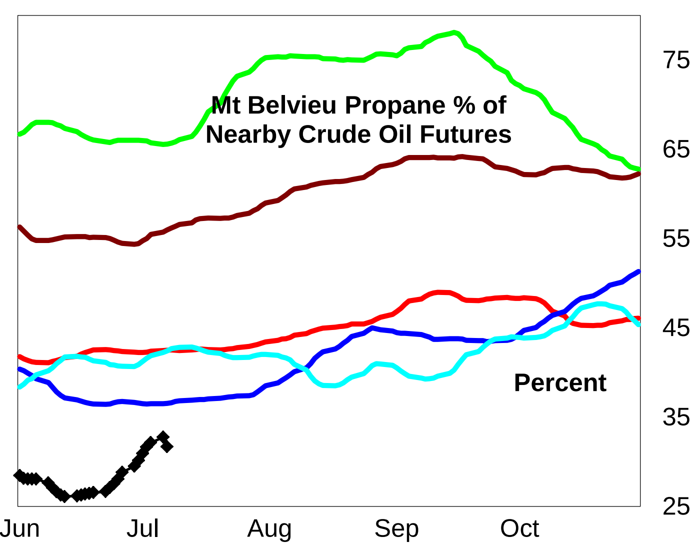
Cents/gal	Average for week ending:				Change from:			% change from:		
	7/7/15	6/30/15	6/9/15	7/9/14	6/30/15	6/9/15	7/9/14	6/30/15	6/9/15	7/9/14
Mont Belvieu Spot	41.6	41.3	36.8	103.6	0.22	4.55	-66.84	0.5	12.4	-64.5
Conway Spot	32.6	34.6	31.8	105.5	-1.98	2.80	-73.74	-5.7	8.8	-69.9

Key Price Spreads and Differentials

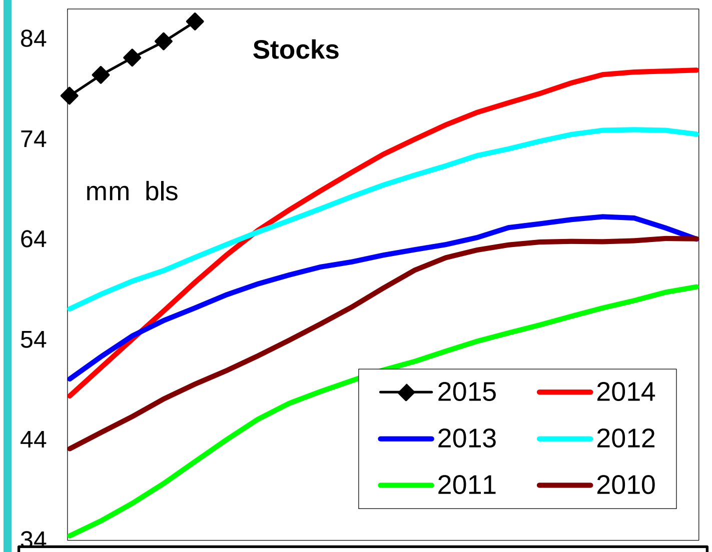


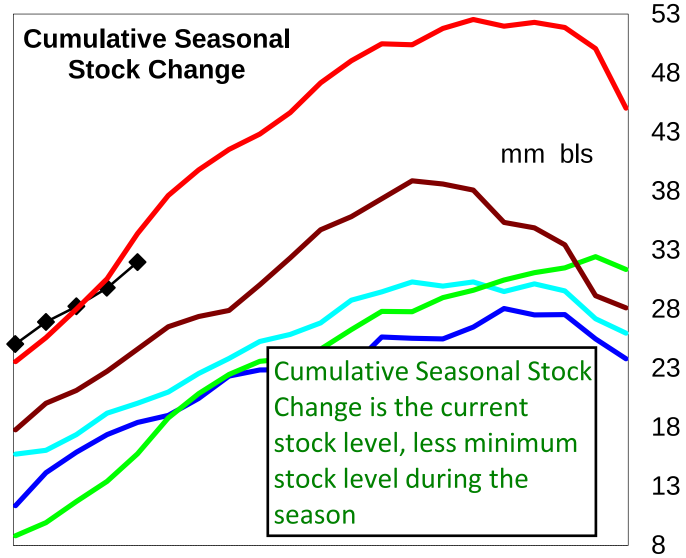


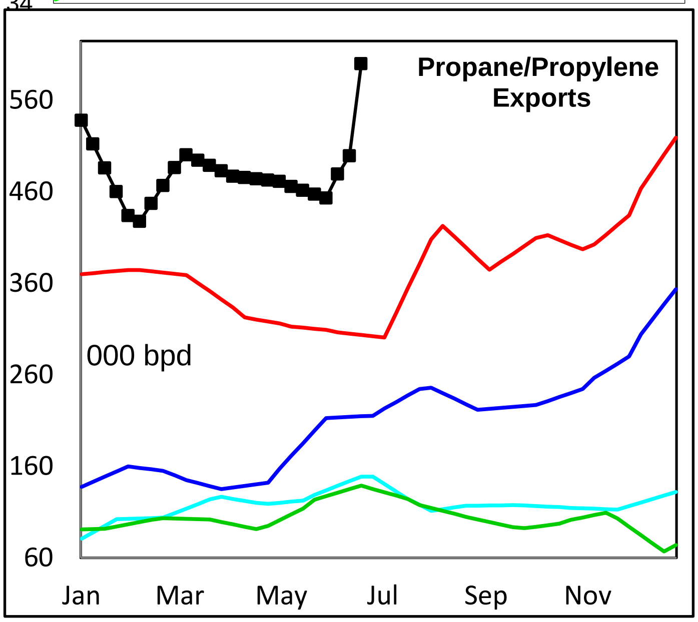


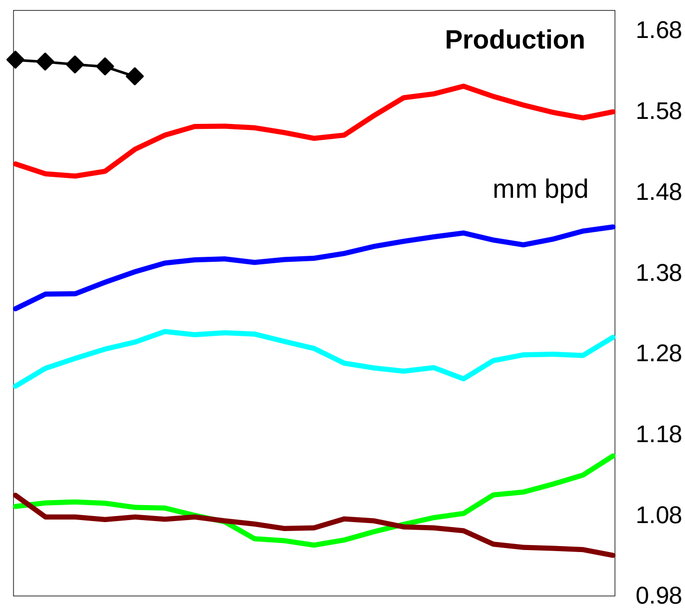


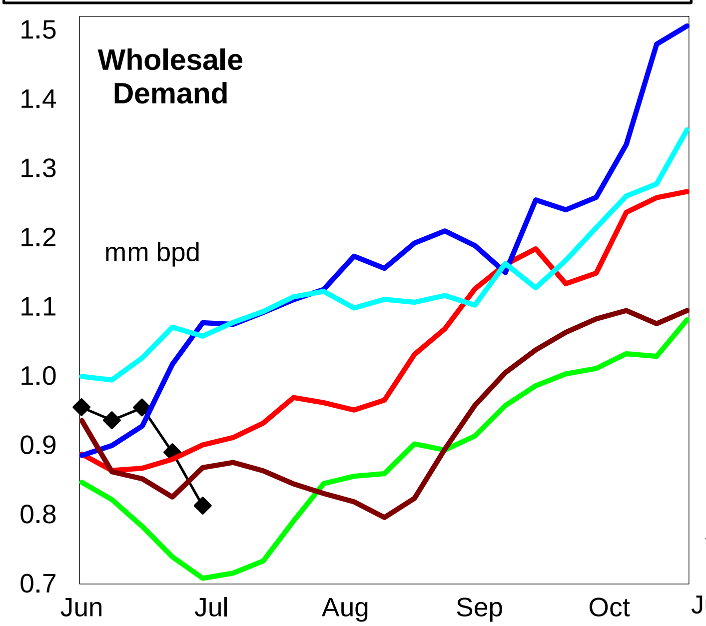
U. S. Propane Supply and Demand Balance

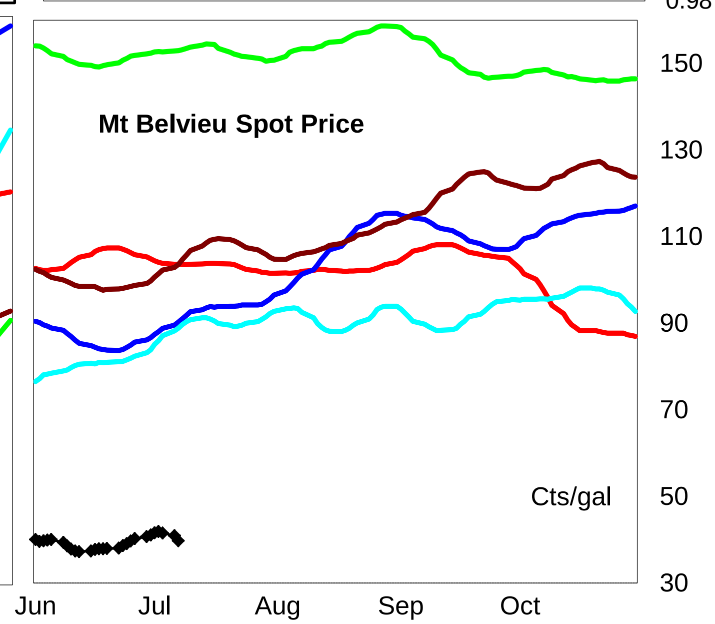






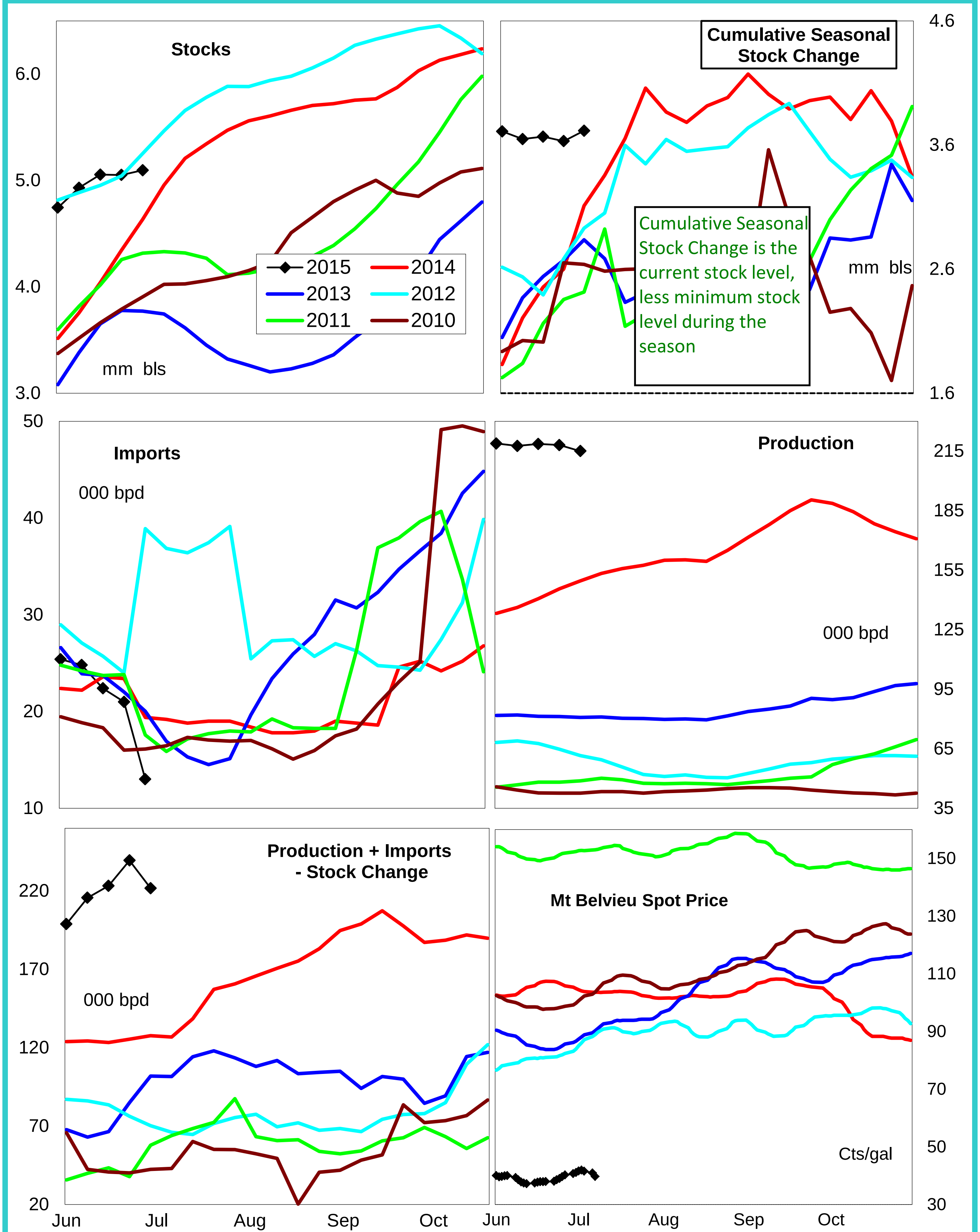






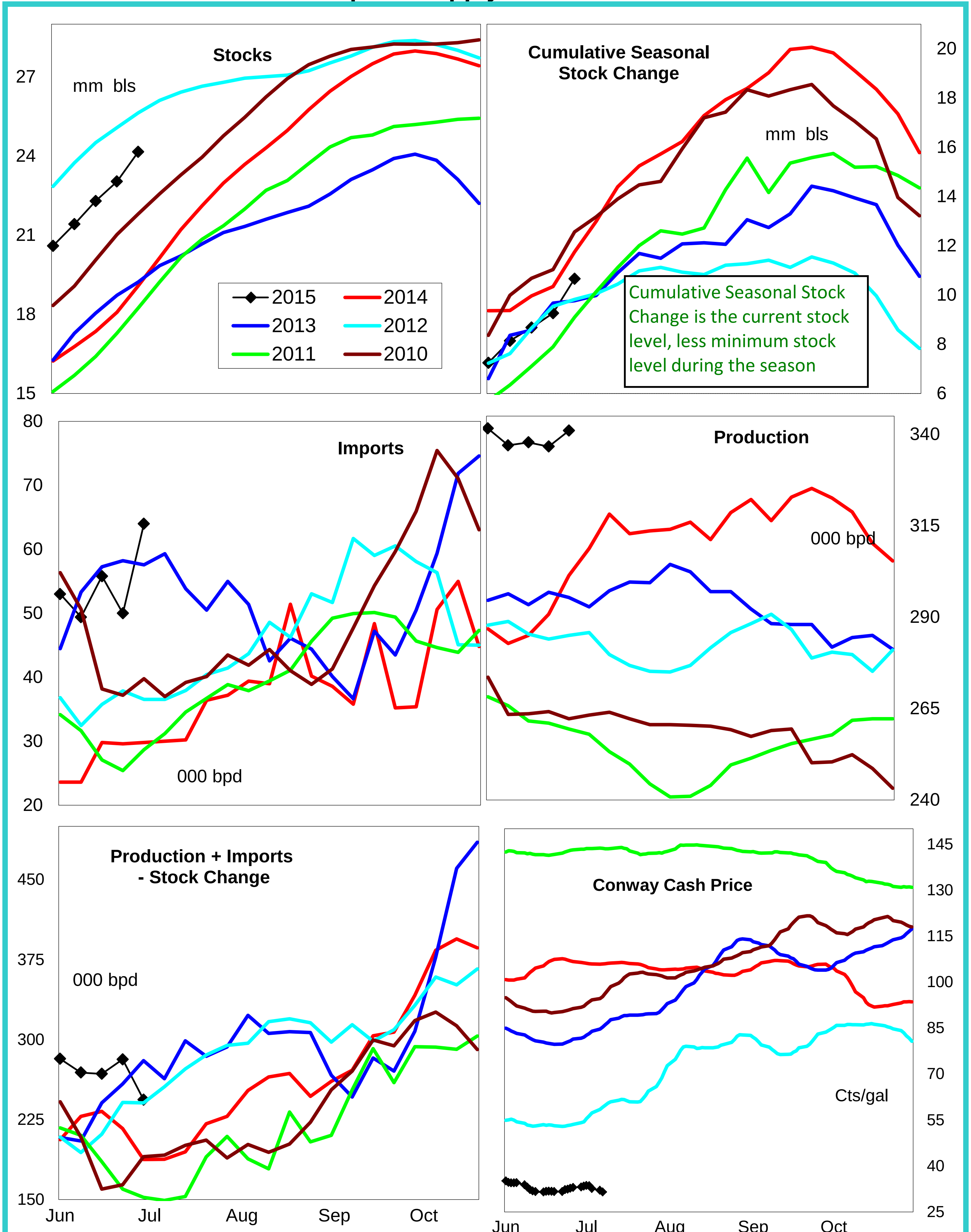
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Jun	May	Apr
000 bpd (000 bls stks)	25,651	-2,435	143	19		43	43	121	-22
% change	42.7	-7	9.6	27.8		4.9	4.6	15.8	-2.2

PADD 1 Propane Supply and Demand Balance



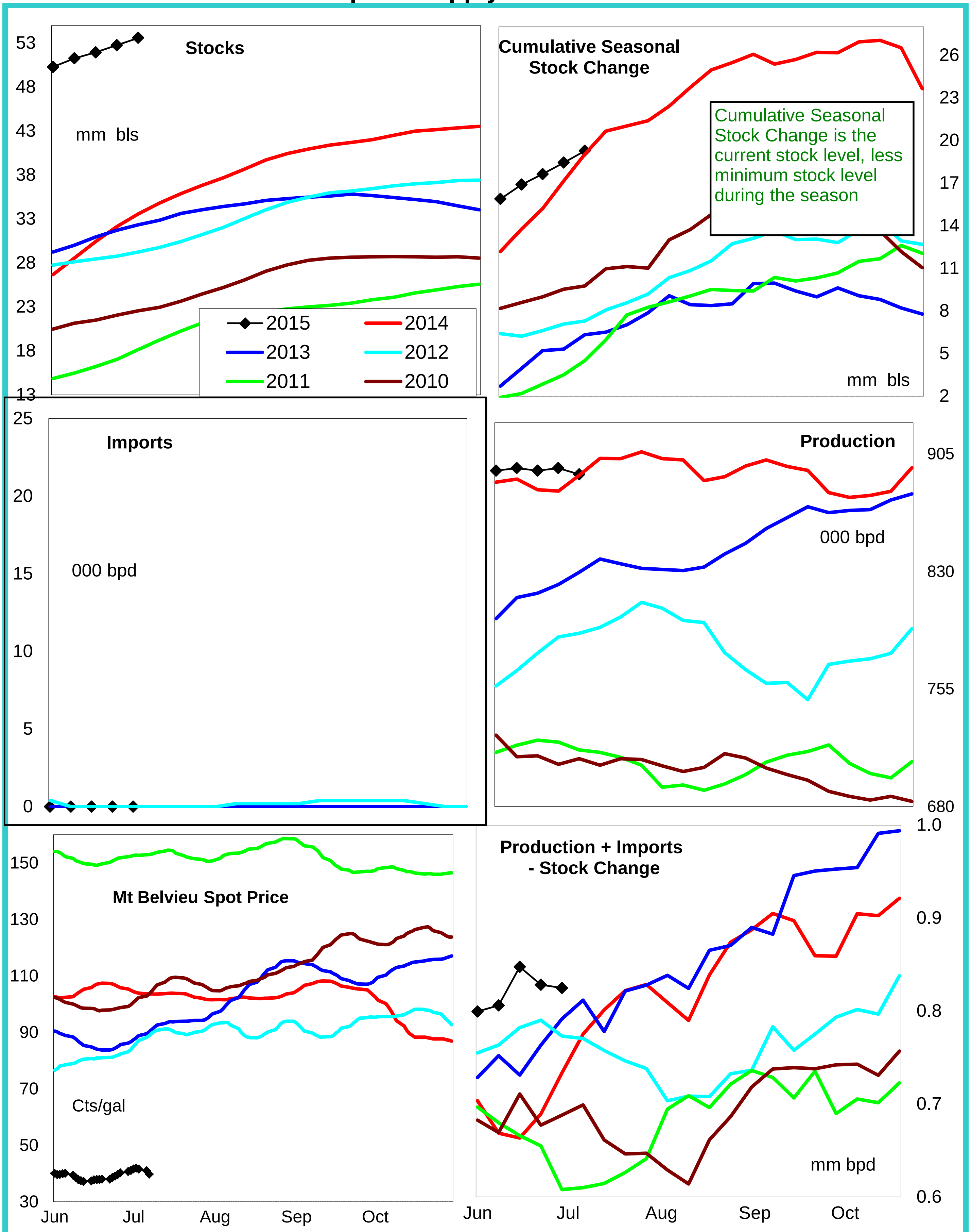
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	386	605	75	-3	100
% change	8.2	19.5	52.2	-10.2	79.8

PADD 2 Propane Supply and Demand Balance



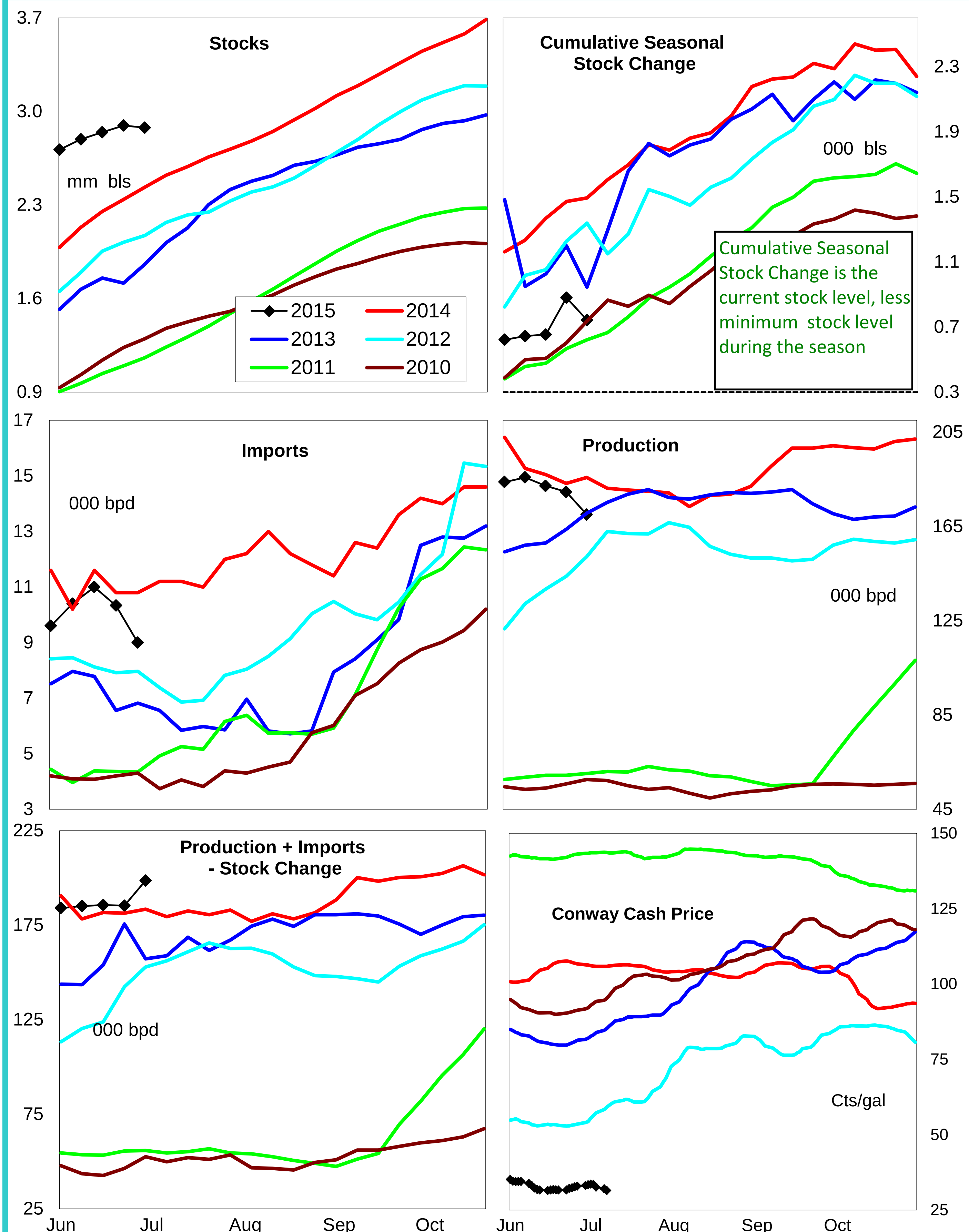
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	5,215	-1,088	49	22	49
% change	27.5	-9.3	17.1	68.8	22.8

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)	19,570	228	21	0	138
% change	57.5	1	2.4	#DIV/0!	21.6

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)	480	-750	-2	-1	7
% change	20.0	-50.2	-1.2	-6.8	4.1

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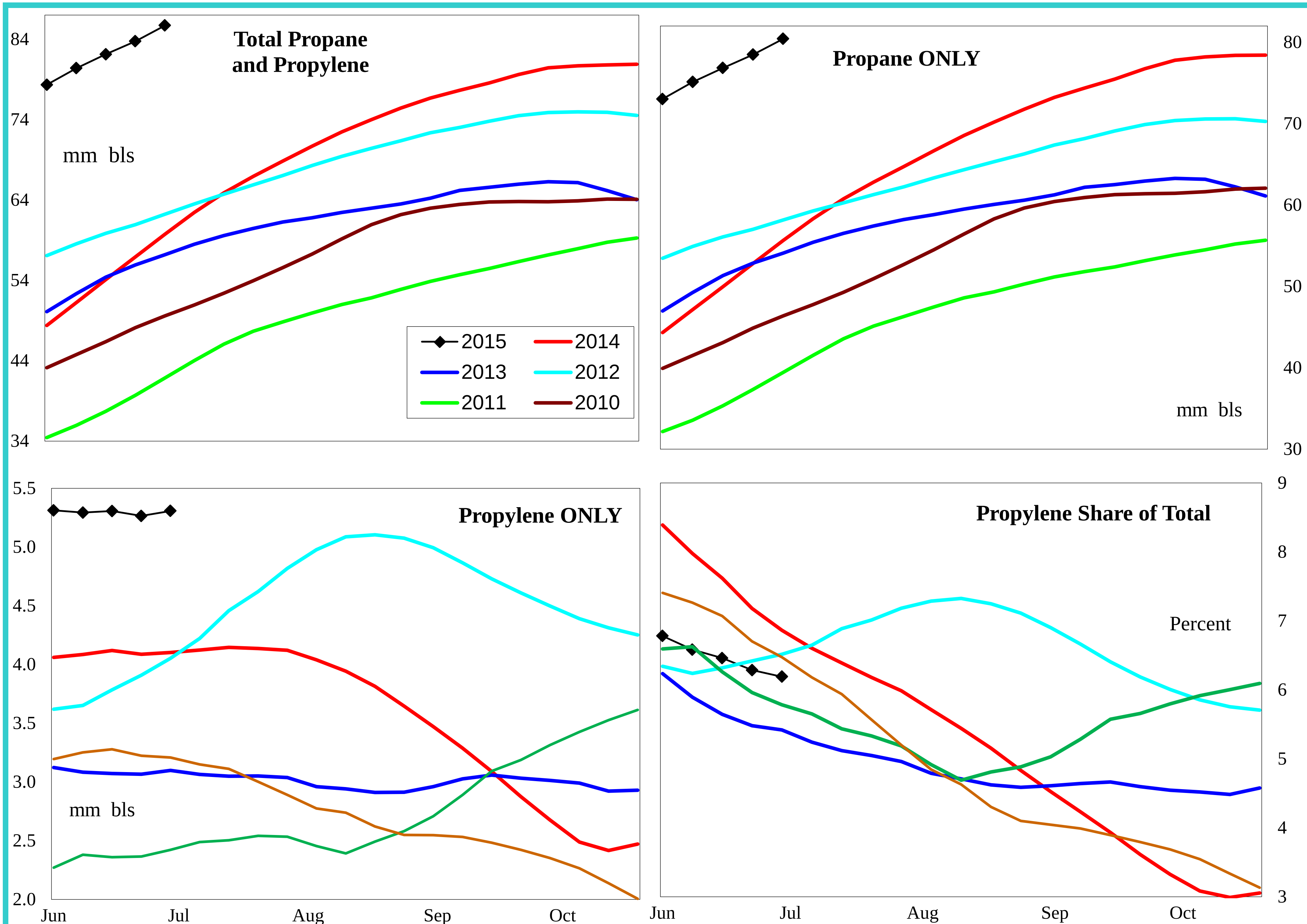
U. S. Propane and Propylene Stocks



Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	**25,651**	**24,526**	**1,206**
% change	**42.7**	**43.9**	**29.4**

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

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