FUNDAMENTAL PETROLEUM TRENDS

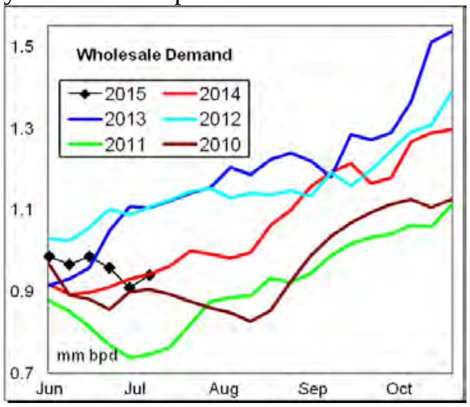
# WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

**A Fundamental Petroleum Trends Weekly Report**

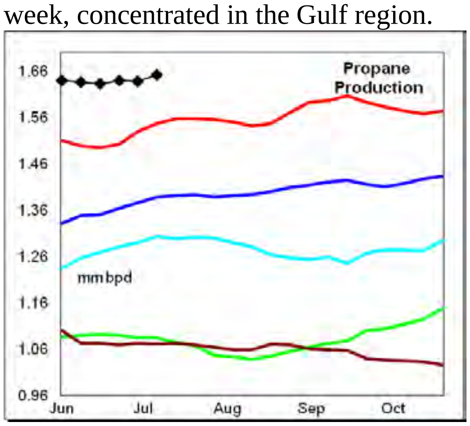
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com



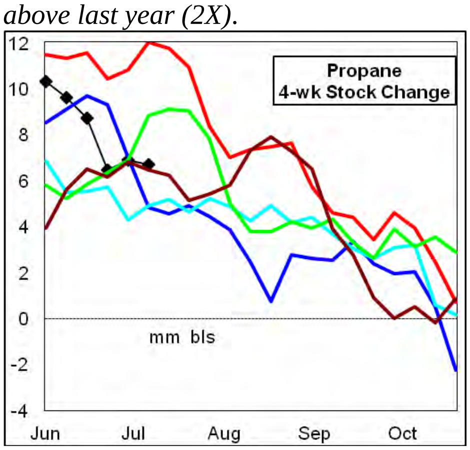
Summary[1]:
Wholesale demand increased +98,000 bpd last week, to a level that matched 3-yr lows for the period.




Production increased +34,000 bpd last week, concentrated in the Gulf region.




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

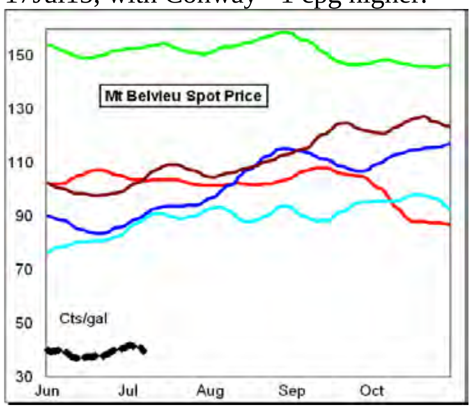



Stocks increased +1.7 million barrels on the week, with builds concentrated in the Gulf and Midwest regions. A restatement of stocks in the East region led to a -0.9 million barrel draw in that area.

The cumulative seasonal stock build of +33.6 million barrels was below last year's build.

The rate of stock build was +6.4 million barrels during the latest 4-wk period, down from nearly +12 million barrels a year ago - driven by increased exports.

Price and Spreads Mt Belvieu spot price increased +2 cpg last week ending 17Jul15, with Conway +1 cpg higher.



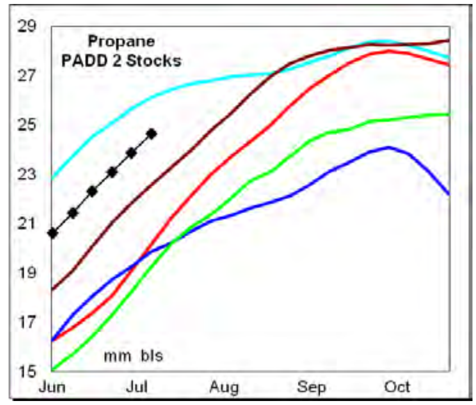

The Conway – Mt Belvieu price spread trended lower on the week, ending at a level well below the last 2-yrs.

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

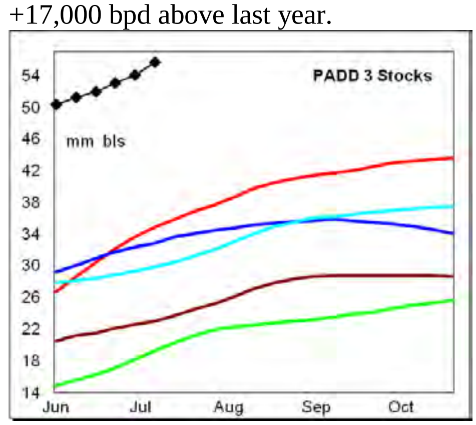
The propane / crude oil price spread trended lower late last week, ending at a level above recent earlier lows.

PADD 1 stocks fell -0.9 million barrels last week on a sharp increase in deliveries to the Gulf. Stocks ended the week near the 5-yr mid range for the period. Supply for the latest 4-wk period was +73,000 bpd above last year on a +47% increase in production.

PADD 2 supply fell -34,000 bpd last week, on lower imports. Production for the latest 4-wk period was +43,000 bpd above last year (+15%). Stocks increased +0.5 million barrels on the week. Stock levels ended the week near 5-yr highs for the period.




PAD 3 stocks increased +2.1 million barrels on the week, due in part to a jump in receipts from the East Region. Stock levels ended the week +56% above the prior 5-yr high, driven by receipts from the Utica shale area. Supplies for the latest 4-wk period were +17,000 bpd above last year.




PADDs 4 & 5 stocks were unchanged on the week, at a level +0.4 million barrels above last year, and a record high.

**Emerging Trends** A surge in receipts from the East Region led to a +2.1 million barrel build on the Gulf Coast. While the rate of stock build has declined sharply during the last month on higher exports, the domestic market remains extremely over supplied.

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

[1] Source is latest EIA Weekly Statistics

# PROPANE: Graph Link and Weekly Summary

July 19, 2015

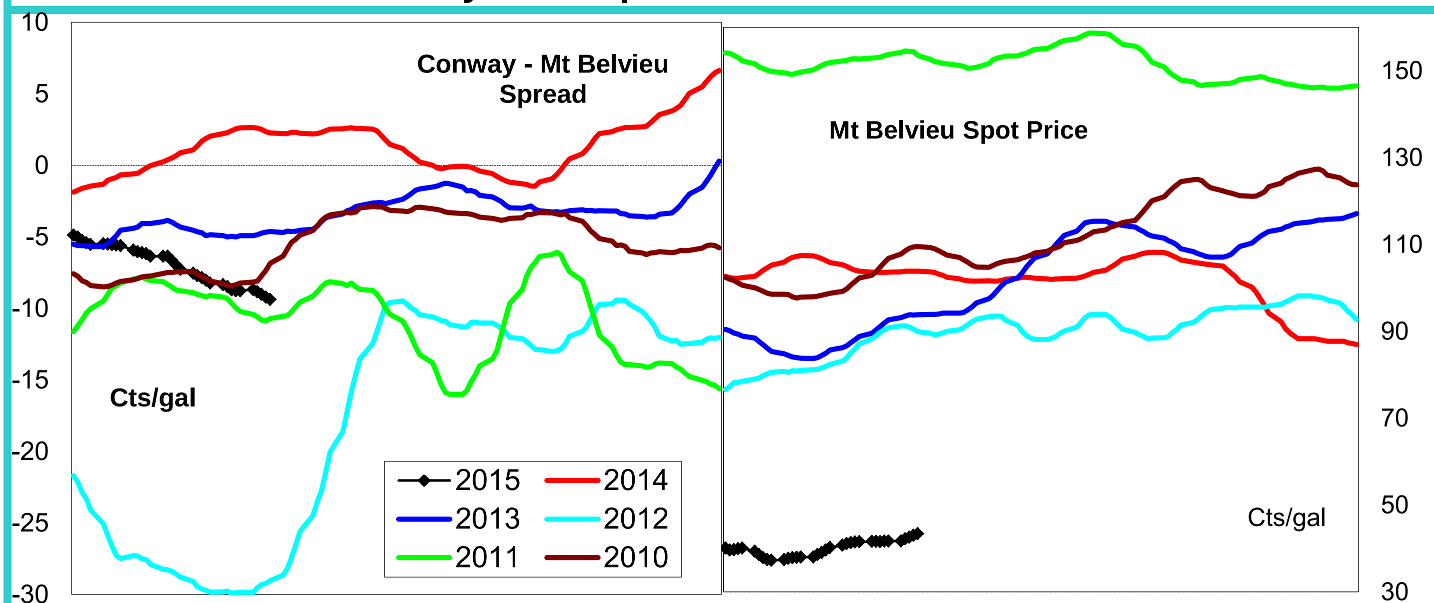
## Fundamental Trends for the Week Ending: Friday, July 10, 2015

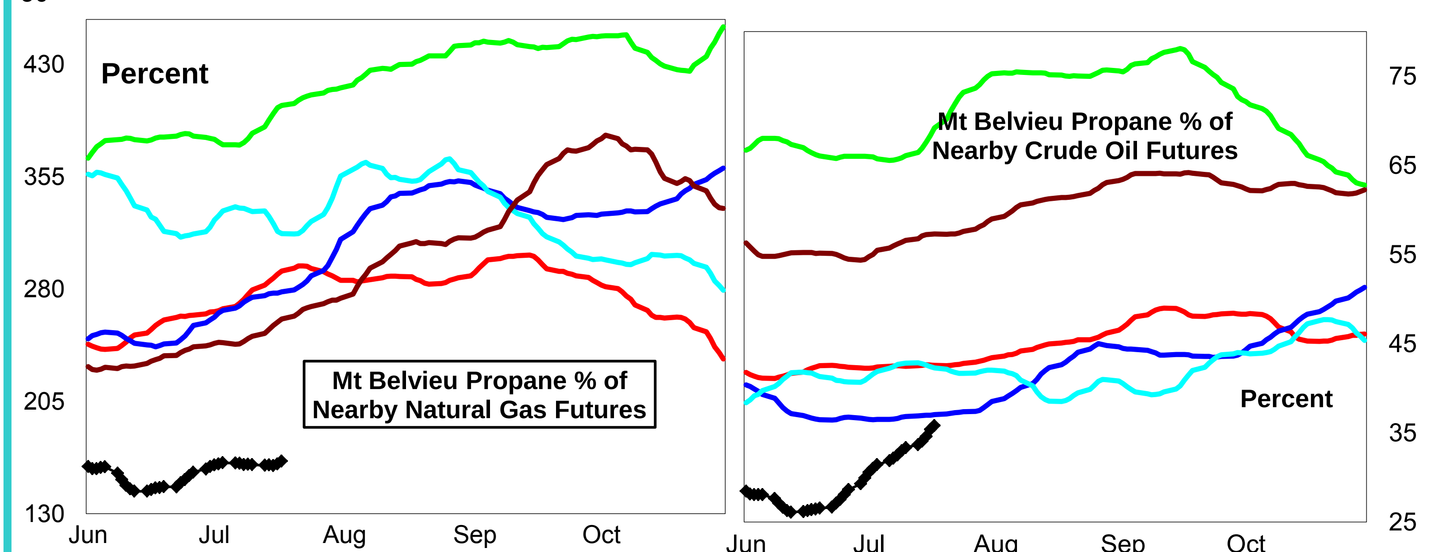
| 000 bpd Stocks 000 bls | Weekly Supply-Demand | | | | | Change from prior week: | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | U.S. Total | PADD 1 | PADD 2 | PADD 3 | PADD 4&5 | U.S. Total | PADD 1 | PADD 2 | PADD 3 | PADD 4&5 |
| Stocks | 87,382 | 4,165 | 24,636 | 55,700 | 2,881 | 1,658 | -931 | 474 | 2,113 | 2 |
| Propylene Stocks | 5,144 | | | | | -164 | | | | |
| Production | 1,652 | 216 | 333 | 931 | 172 | 34 | 1 | -8 | 39 | 2 |
| Imports | 76 | 24 | 38 | 0 | 14 | -10 | 11 | -26 | 0 | 5 |
| Whsle Demand | 891 | | | | | 98 | | | | |

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

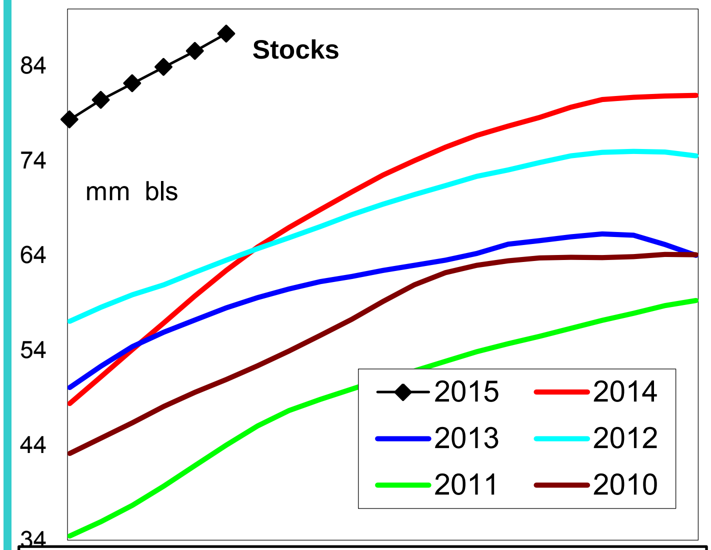
| Cents/gal | Average for week ending: | | | | Change from: | | | % change from: | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 7/7/15 | 6/30/15 | 6/9/15 | 7/9/14 | 6/30/15 | 6/9/15 | 7/9/14 | 6/30/15 | 6/9/15 | 7/9/14 |
| Mont Belvieu Spot | 42.6 | 40.4 | 36.4 | 103.9 | 2.17 | 4.03 | -67.47 | 5.4 | 11.1 | -65.0 |
| Conway Spot | 33.6 | 32.0 | 30.4 | 106.6 | 1.52 | 1.65 | -76.16 | 4.7 | 5.4 | -71.5 |

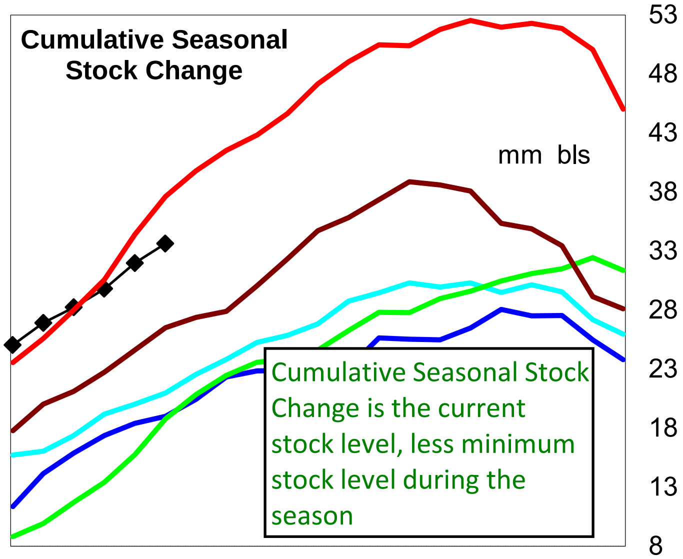
## Key Price Spreads and Differentials

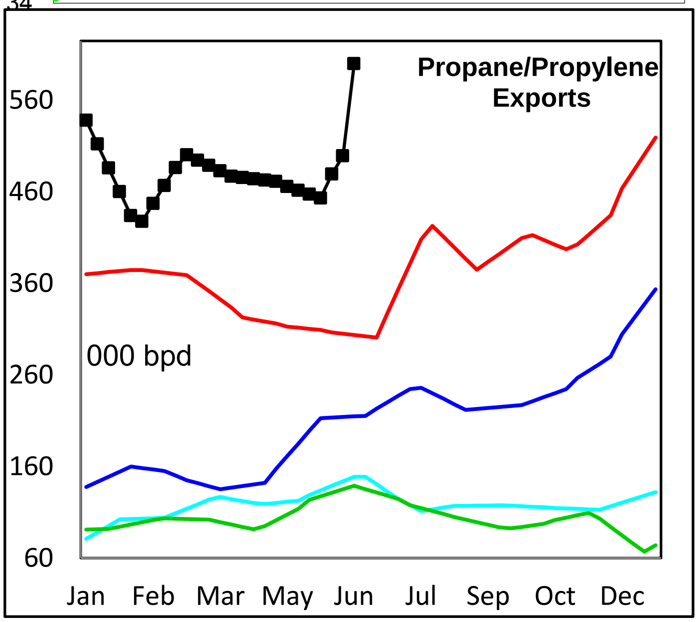


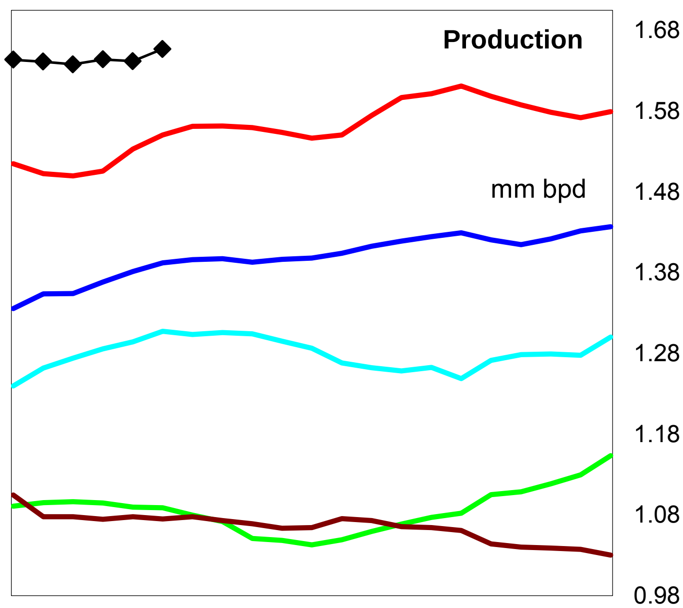



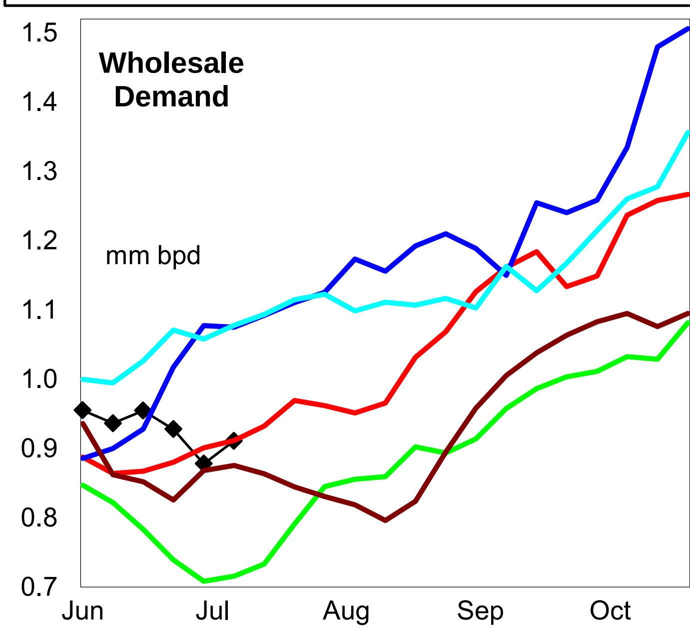
# U. S. Propane Supply and Demand Balance

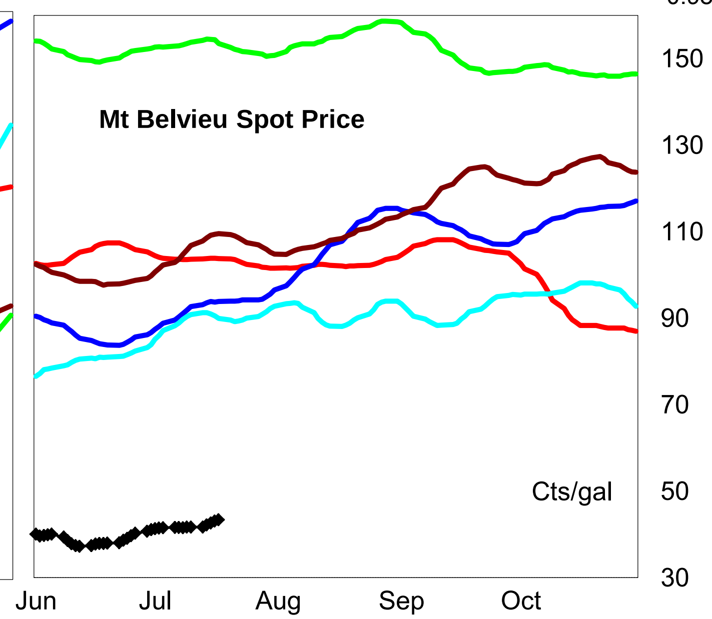



| 4 wk avg variance prior year | Stocks | 4wk stk | Prod | Imports | Demand | 4wk avg | Jun | May | Apr |
|---|---|---|---|---|---|---|---|---|---|
| 000 bpd (000 bls stks) | 24,094 | -3,992 | 124 | 19 | | 34 | 43 | 121 | -22 |
| % change | 38.1 | -11 | 8.2 | 31.7 | | 4.0 | 4.6 | 15.8 | -2.2 |



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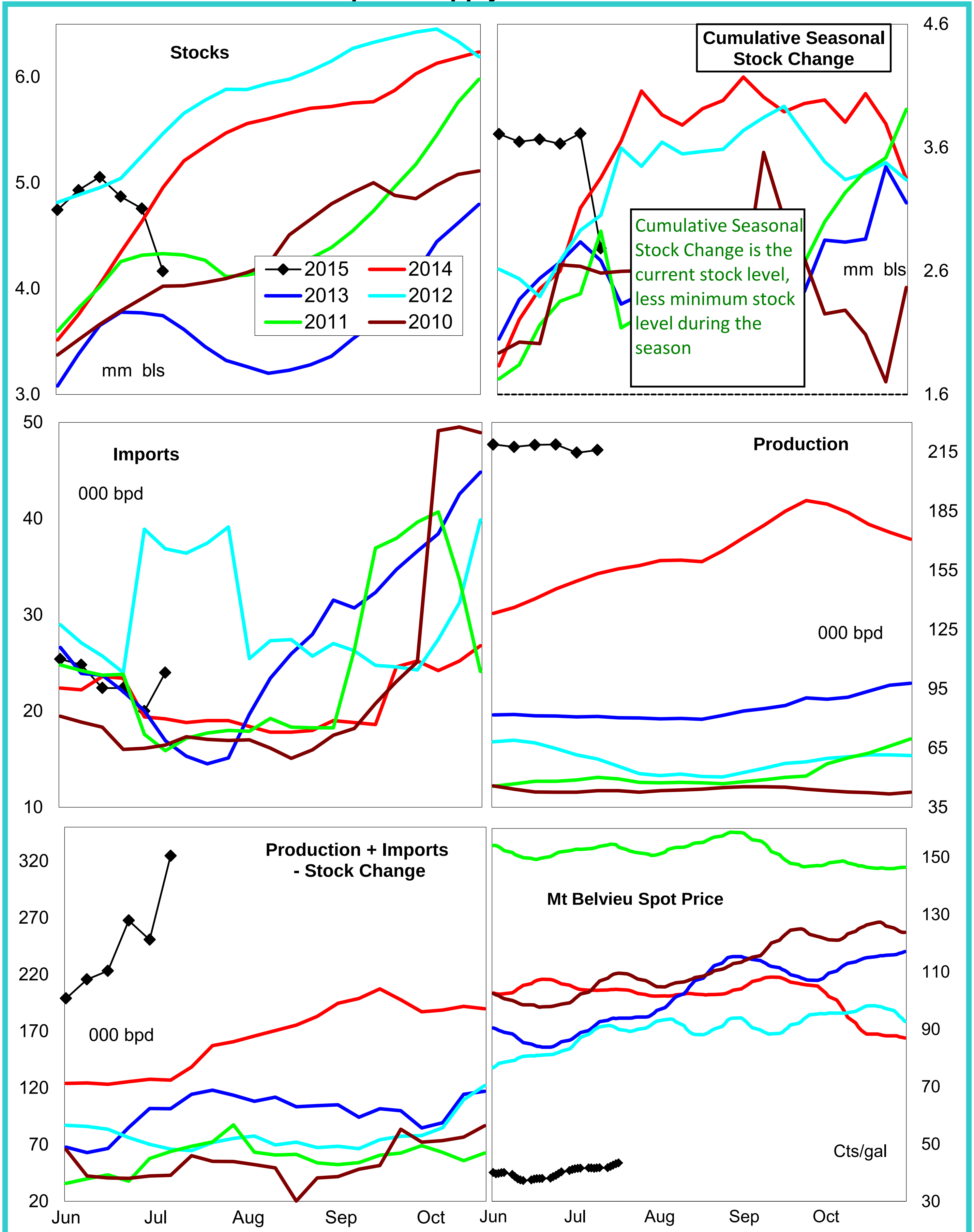
# PADD 1 Propane Supply and Demand Balance




| 4 wk avg variance prior year | Stocks | 4wk stk | Prod | Imports | Prod + Imp - Stk chg |
|---|---|---|---|---|---|
| 000 bpd (000 bls stks) | -792 | -573 | 70 | 3 | 141 |
| % change | -16.0 | -17.1 | 47.0 | 16.0 | 111.9 |



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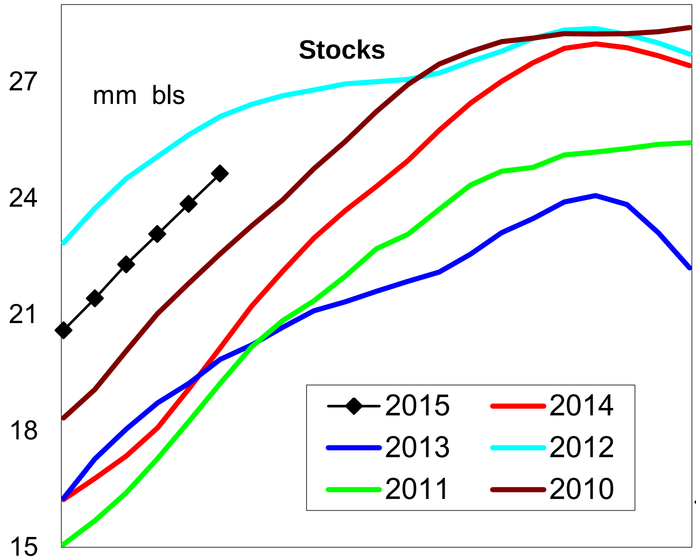
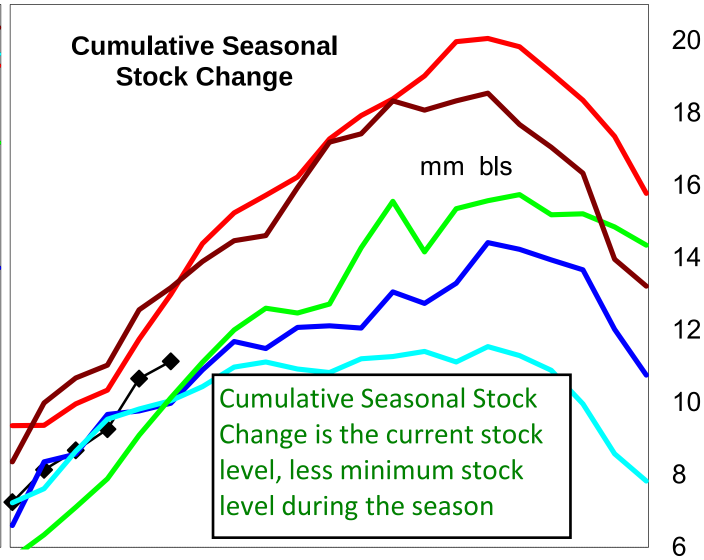
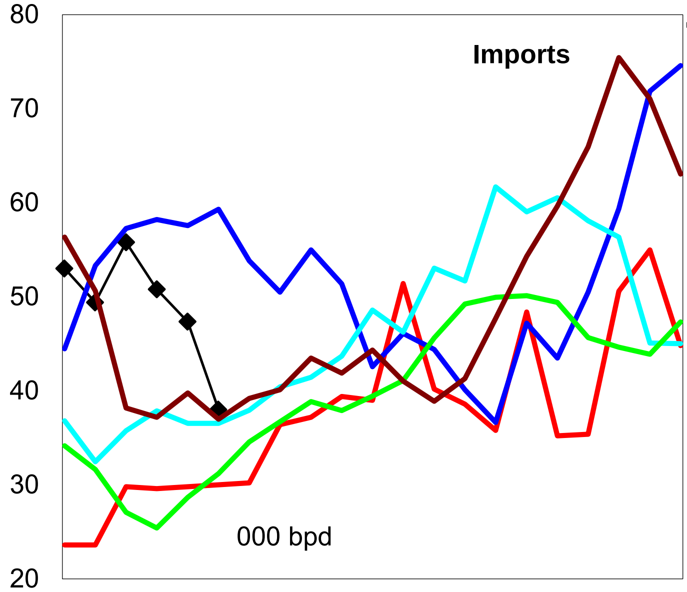
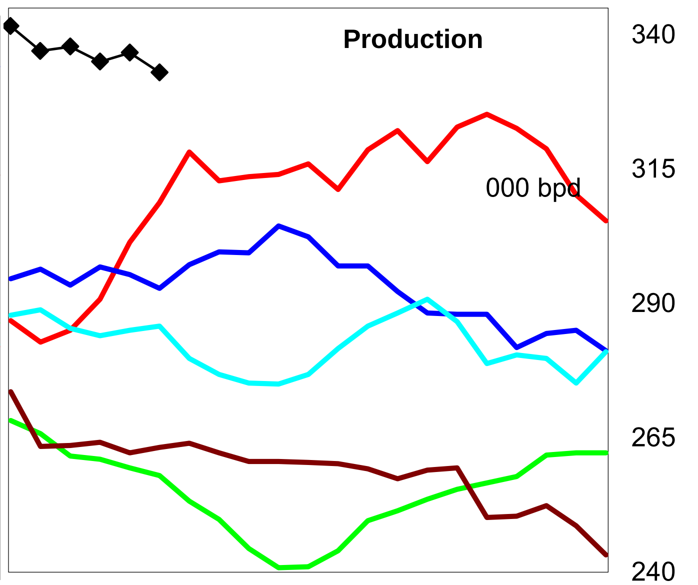
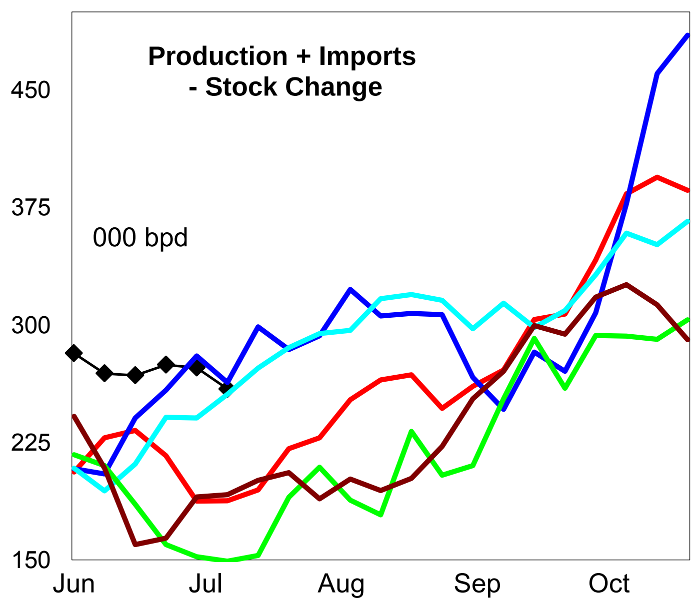
# PADD 2 Propane Supply and Demand Balance

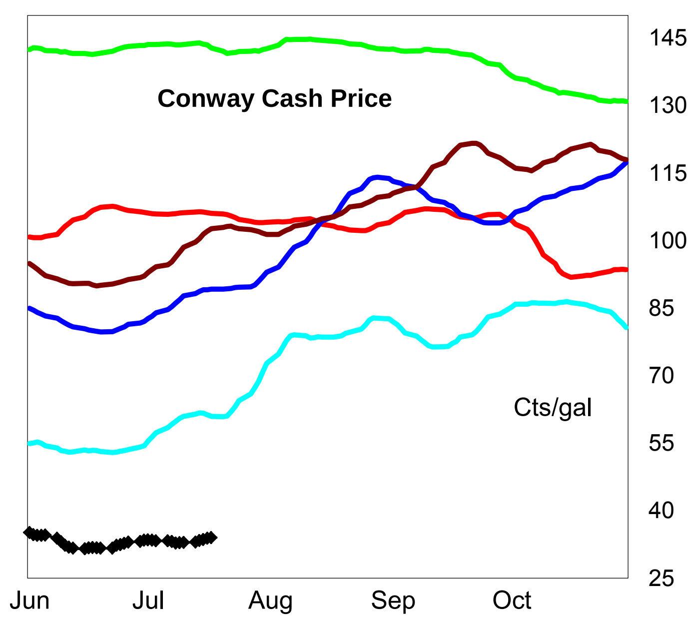


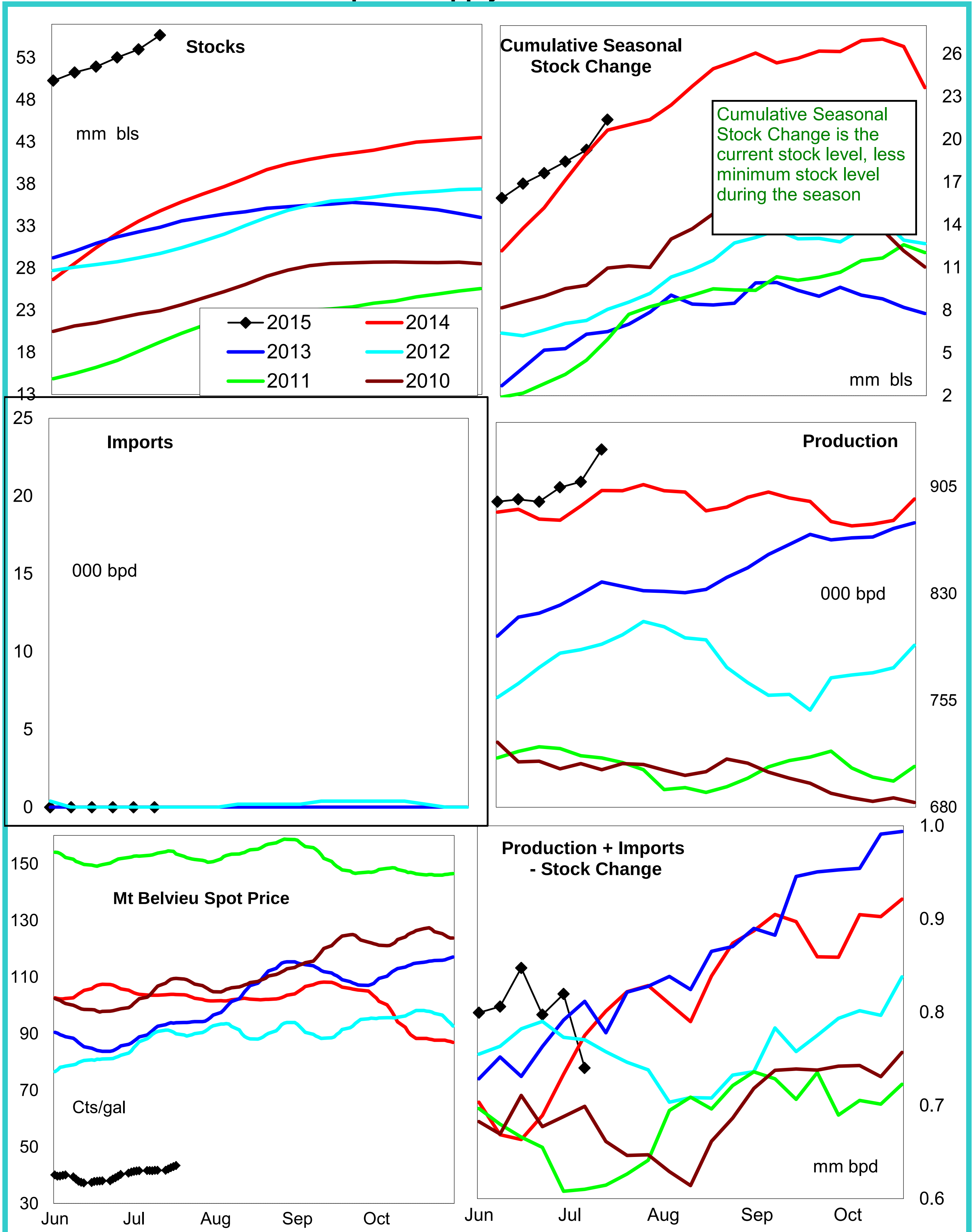



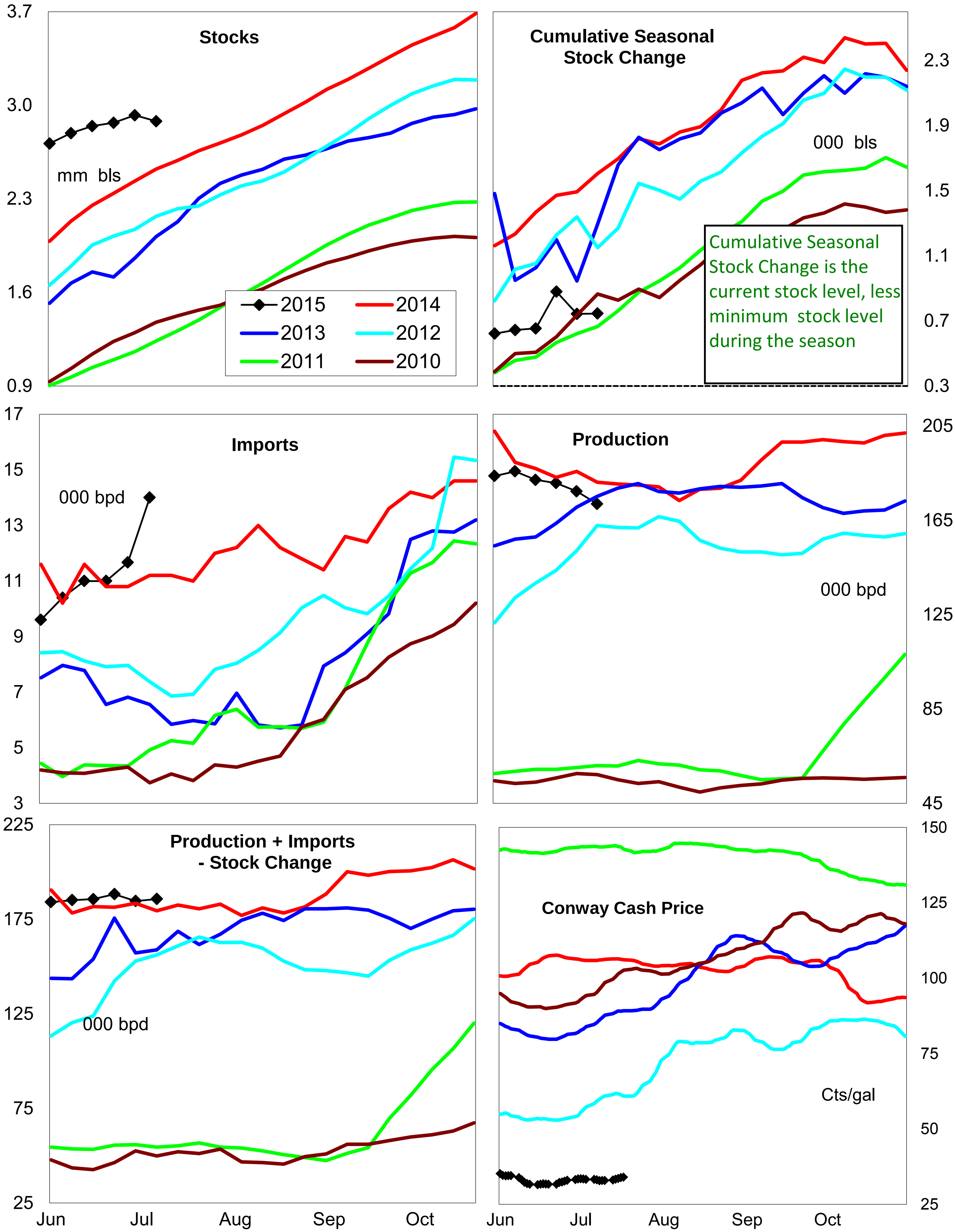

| 4 wk avg variance prior year | Stocks | 4wk stk | Prod | Imports | Prod + Imp - Stk chg |
|---|---|---|---|---|---|
| 000 bpd (000 bls stks) | 4,447 | -1,856 | 43 | 16 | 62 |
| % change | 22.0 | -14.3 | 14.7 | 49.2 | 30.3 |

# PADD 3 Propane Supply and Demand Balance



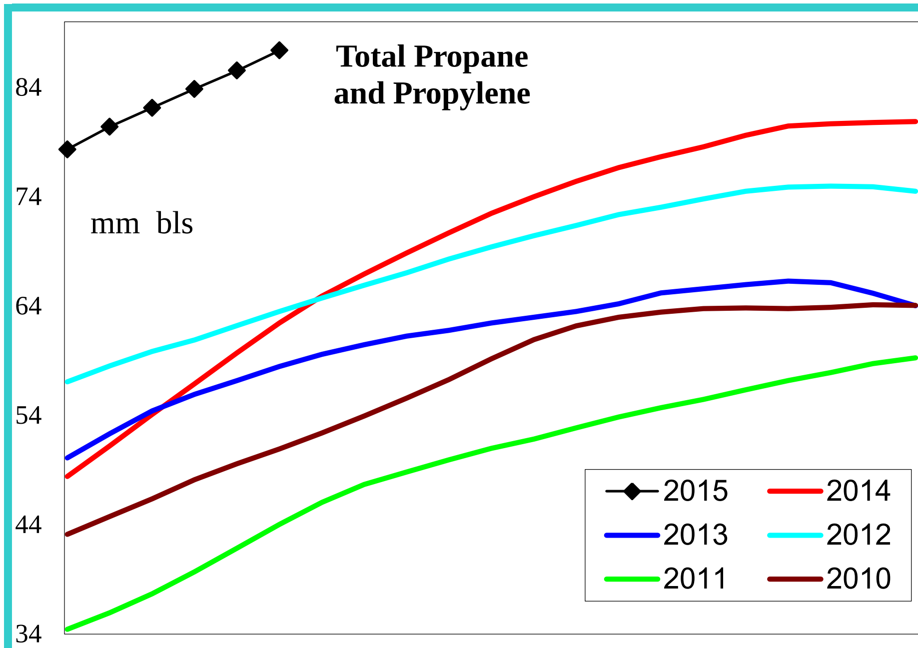

| 4 wk avg variance prior year | Stocks | 4wk stk | Prod | Imports | Prod + Imp - Stk chg |
|---|---|---|---|---|---|
| 000 bpd (000 bls stks) | 20,071 | 729 | 17 | 0 | 86 |
| % change | 56.3 | 4 | 1.9 | #DIV/0! | 12.9 |

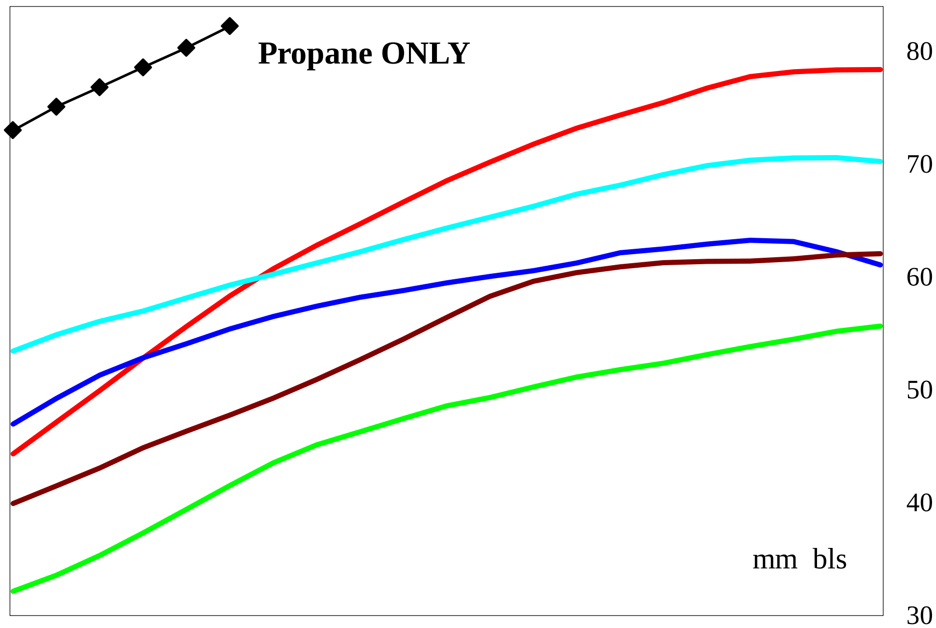
# PADDs 4 and 5 Propane Supply and Demand Balance

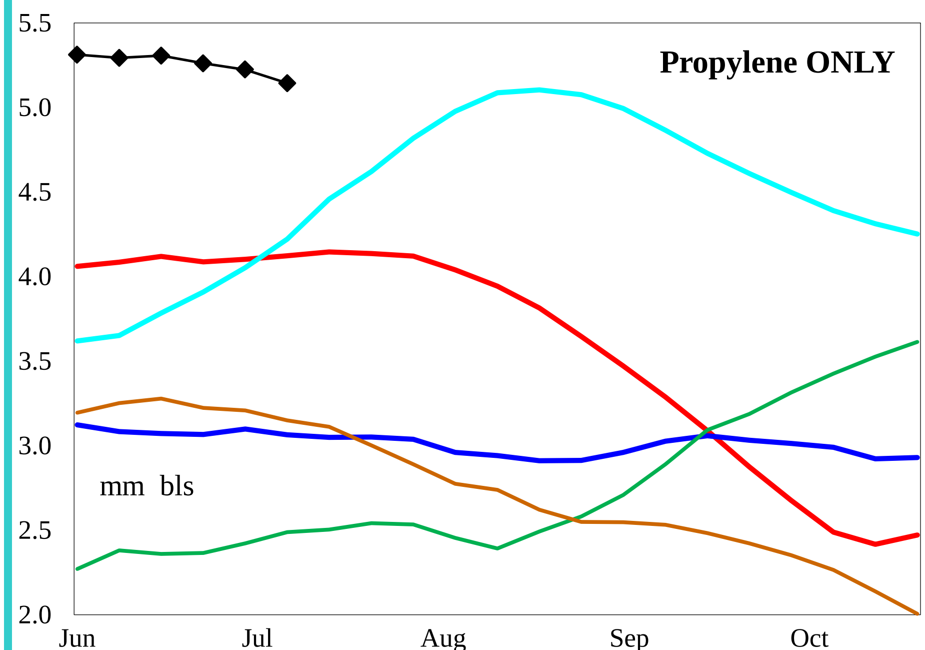


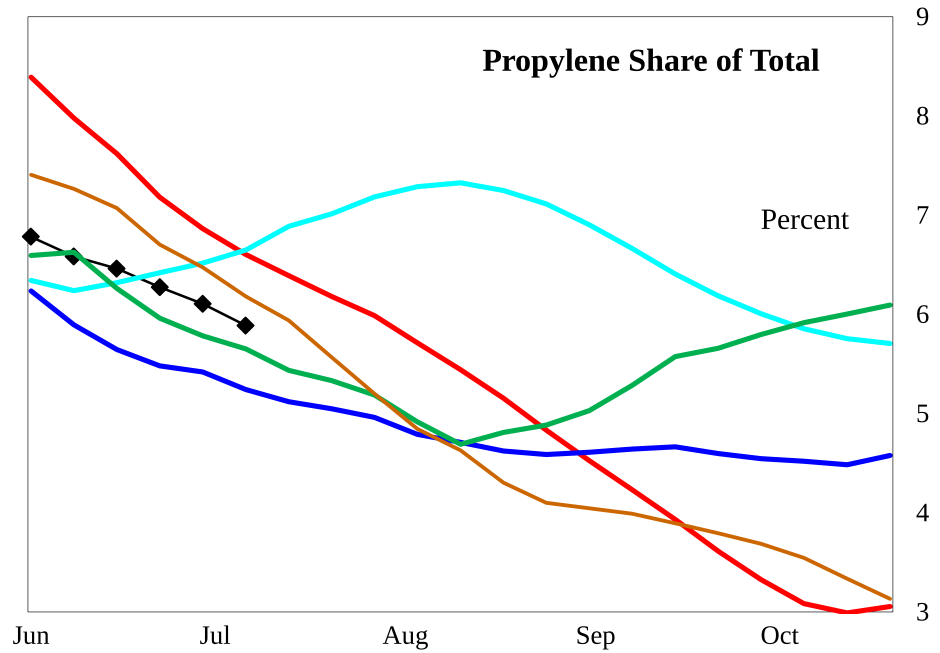

| 4 wk avg variance prior year | Stocks | 4wk stk | Prod | Imports | Prod + Imp - Stk chg |
|---|---|---|---|---|---|
| 000 bpd (000 bls stks) | 369 | -861 | -6 | 1 | 5 |
| % change | 14.7 | -53.6 | -3.4 | 7.1 | 2.5 |

# U. S. Propane and Propylene Stocks




| Variance to prior year | Total | Propane ONLY | Propylene ONLY |
|---|---|---|---|
| 000 bls | 24,094 | 23,020 | 1,020 |
| % change | 38.1 | 38.9 | 24.7 |



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