WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

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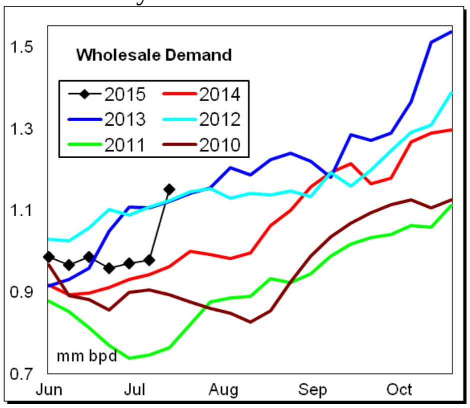
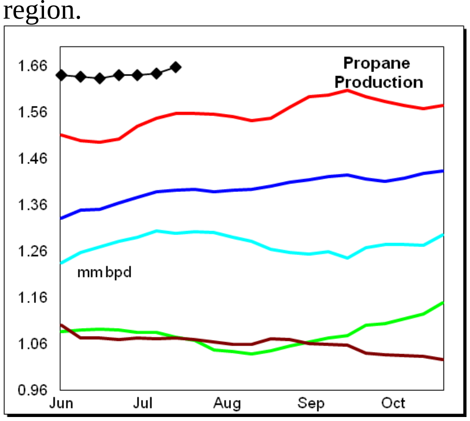
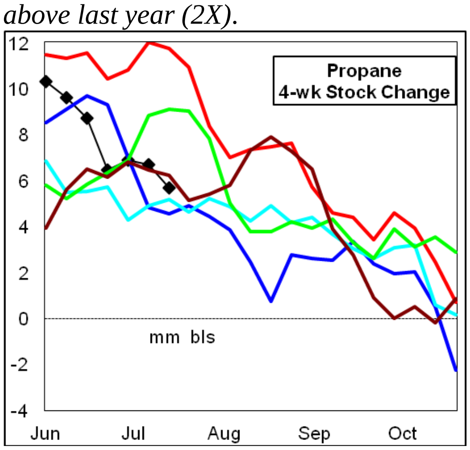
Summary[1]:
Wholesale demand jumped +210,000 bpd last week, to a level that matched historic highs for the period - likely driven by higher exports compared to the EIA monthly estimate.



Production increased +5,000 bpd last week, concentrated in the Midwest region.



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



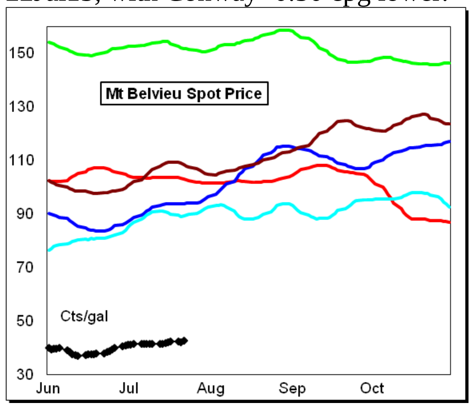
[1] Source is latest EIA Weekly Statistics

Stocks increased +0.3 million barrels on the week, sharply below the average for the period.

The cumulative seasonal stock build of +34 million barrels compares to a year ago build +40 million barrels.

The rate of stock build was +5.7 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 +1 cpg last week ending 22Jul15, with Conway -0.50 cpg lower.



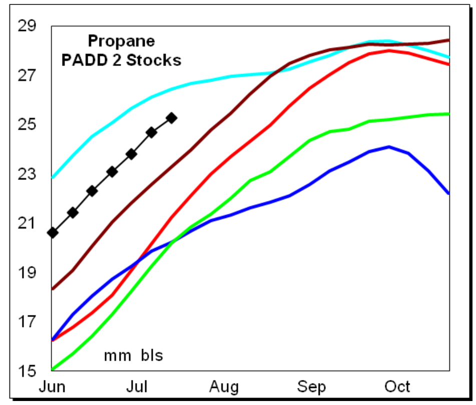
The Conway – Mt Belvieu price spread trended lower on the week, ending at a level well below the last 2-yrs.

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

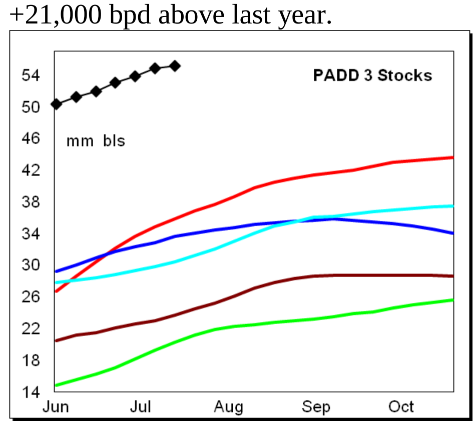
The propane / crude oil price spread trended higher last week, ending at a level above recent earlier lows.

PADD 1 stocks were unchanged on the week. Stocks ended the week near the 5-yr mid range for the period. Supply for the latest 4-wk period was +65,000 bpd above last year on a +43% increase in production.

PADD 2 supply fell increased +26,000 bpd last week, on higher imports and production. Production for the latest 4-wk period was +45,000 bpd above last year (+15%). Stocks increased +0.6 million barrels on the week. Stock levels ended the week near 5-yr highs for the period.



PAD 3 stocks fell -0.5 million barrels on the week, due in part to higher exports. Stock levels ended the week +53% 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 increased +0.2 million barrels on the week, to a level +0.5 million barrels above last year, and a record high.

Emerging Trends This weeks' -0.5 million barrel stock draw in the Gulf, likely included a restatement of inventories in the region after the higher than normal +2.1 million build the prior week. The latest 4-wk rate of stock building at +5.7 million barrels is sharply below the nearly +12 million barrels last year, pointing to a sharp increase in year-on-year exports. The domestic market remains over supplied with Midwest stocks now near 5-yr highs.

The rise in exports and slow down in rate of stock build should provide a floor under wholesale prices.

PROPANE: Graph Link and Weekly Summary

July 23, 2015

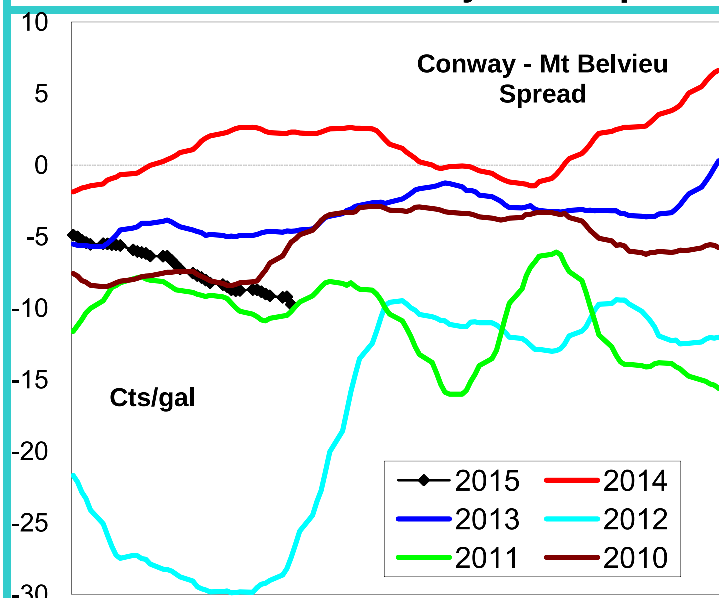
Fundamental Trends for the Week Ending: Friday, July 17, 2015

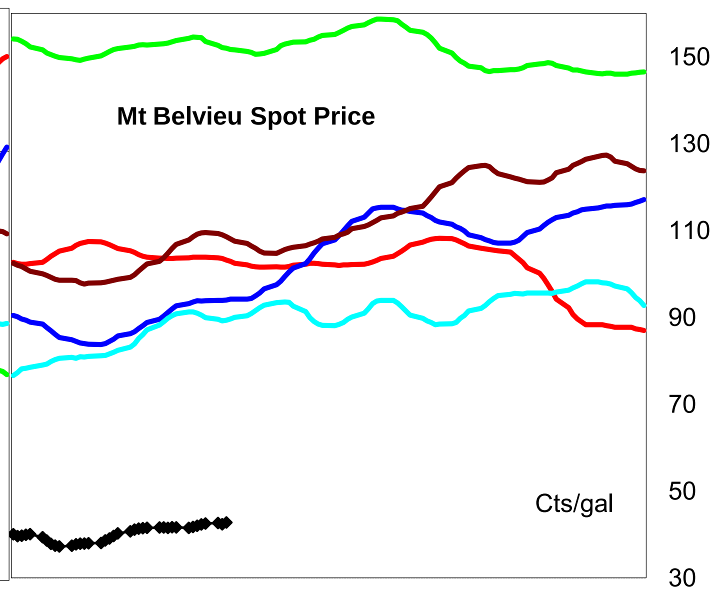
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S.	PADD				U.S.	PADD			
	Total	1	2	3	4&5	Total	1	2	3	4&5
Stocks	87,690	4,207	25,246	55,180	3,057	308	42	610	-520	176
Propylene Stocks	5,049					-95				
Production	1,657	216	346	929	166	5	0	13	-2	-6
Imports	88	21	51	0	16	12	-3	13	0	2
Whsle Demand	1,101					210				

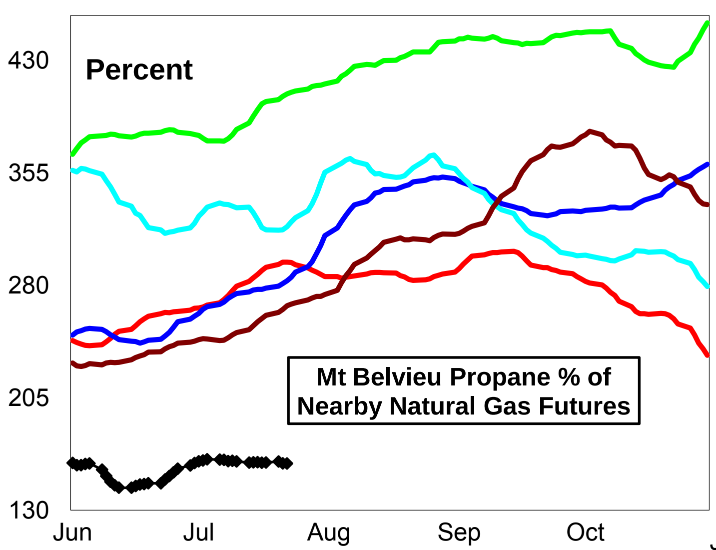
Price Trends for the Week Ending: Tuesday, July 07, 2015

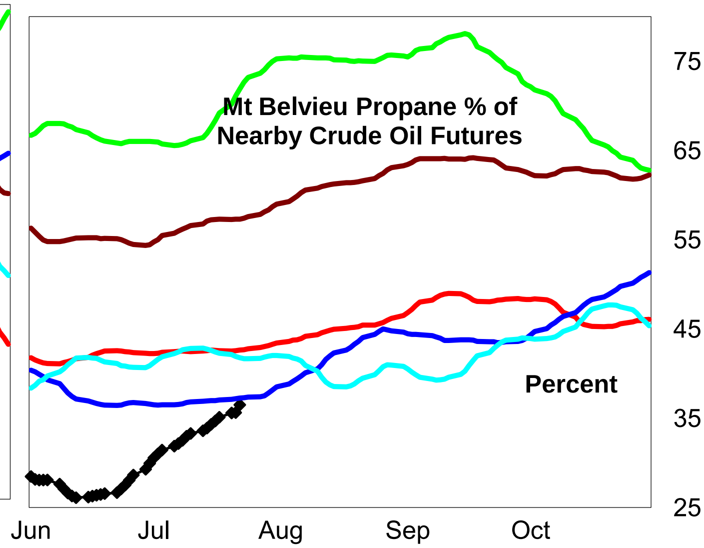
Cents/gal	Average for week ending:				Change from:			% change from:		
	7/7/15	6/30/15	6/9/15	7/9/14	6/30/15	6/9/15	7/9/14	6/30/15	6/9/15	7/9/14
Mont Belvieu Spot	42.6	41.7	36.9	104.2	0.93	4.84	-67.36	2.2	13.1	-64.6
Conway Spot	33.4	33.1	30.7	106.3	0.32	2.41	-75.68	1.0	7.9	-71.2

Key Price Spreads and Differentials

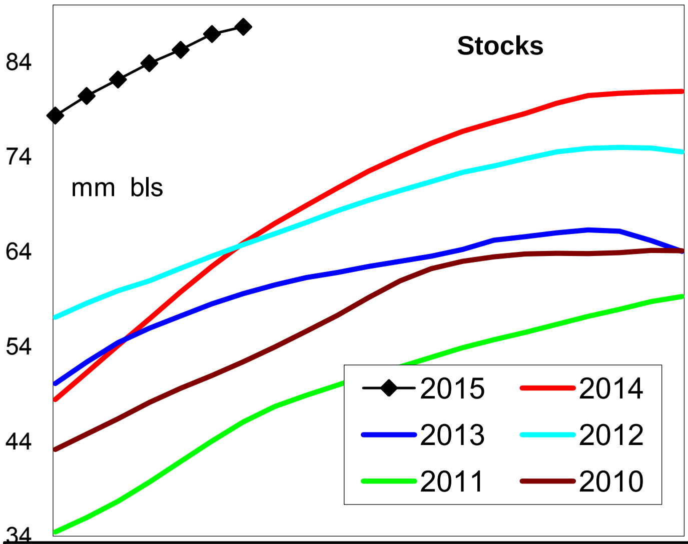


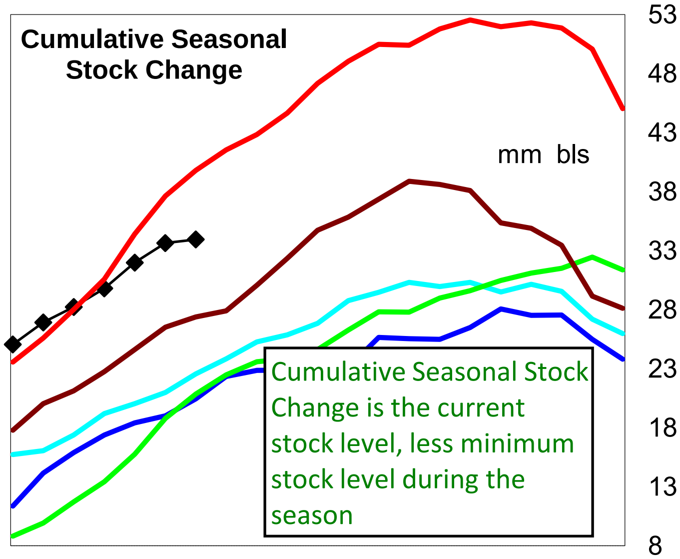


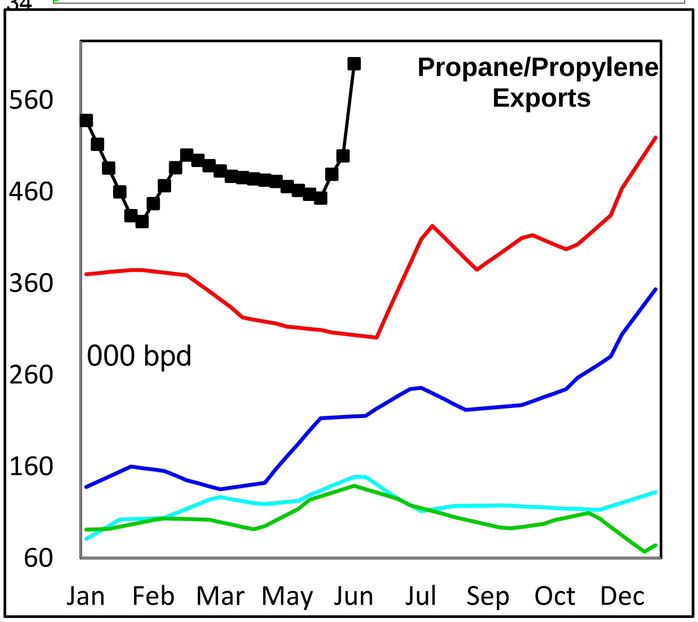


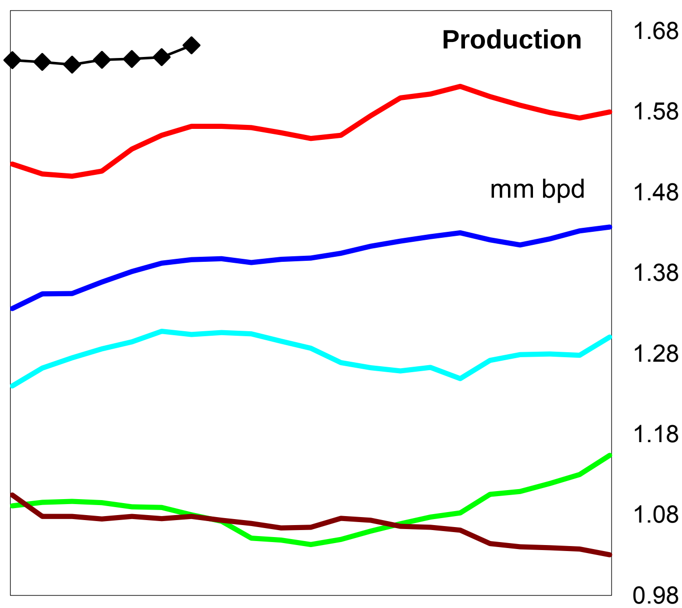


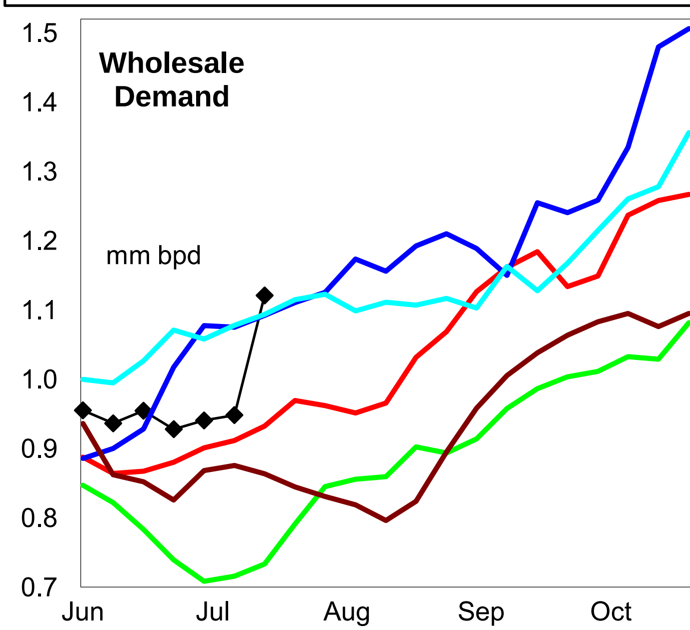
U. S. Propane Supply and Demand Balance

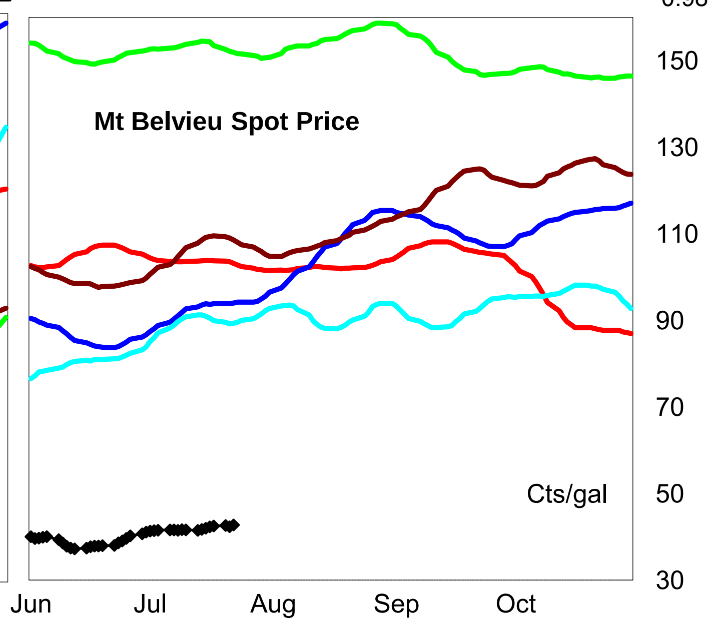












4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Jun	May	Apr
000 bpd (000 bls stks)	22,239	-5,847	104	20		41	43	121	-22
% change	34.0	-15	6.8	31.6		4.6	4.6	15.8	-2.2

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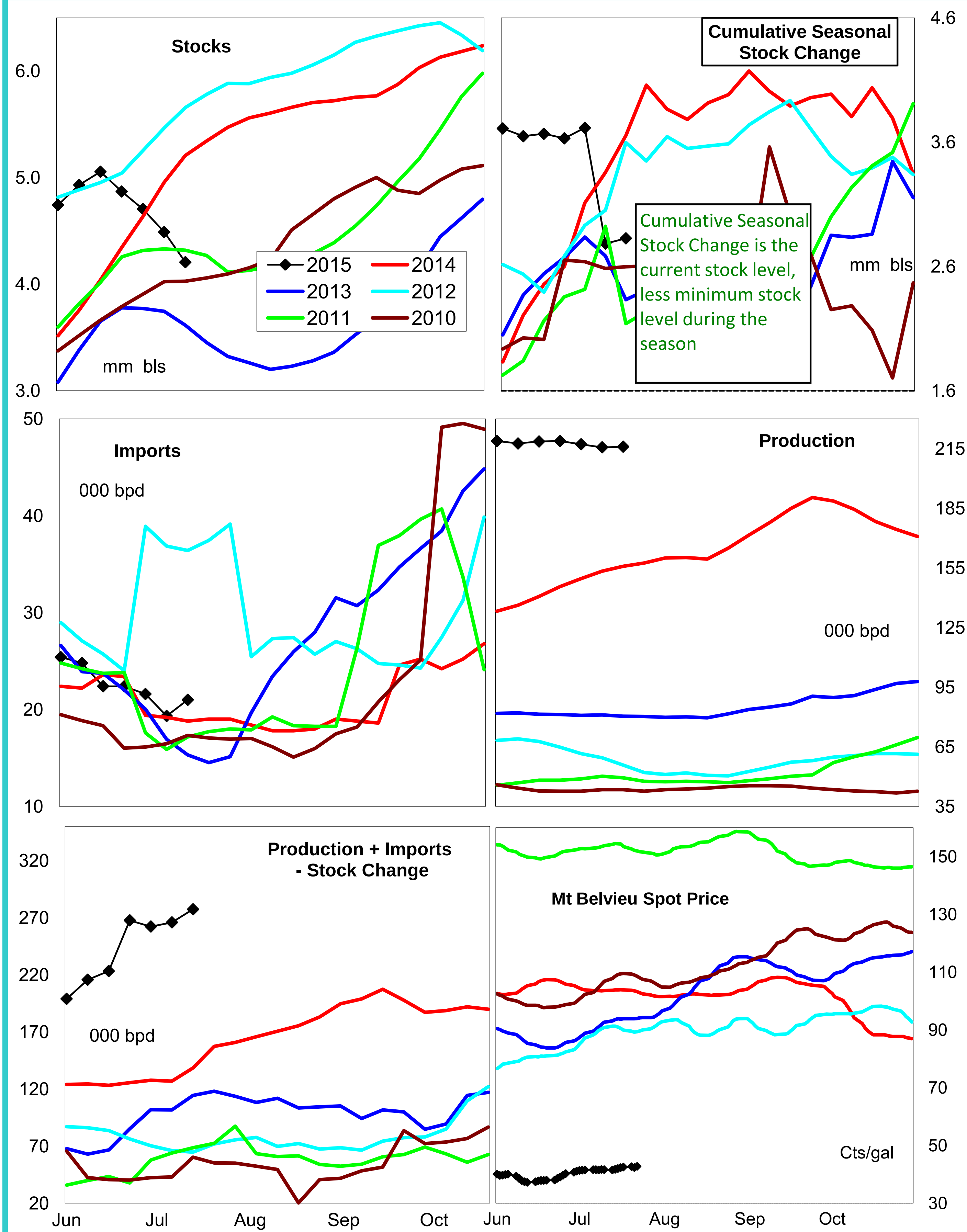
PADD 1 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-1,046	-827	64	1	139
% change	-19.9	-22.6	42.6	5.2	107.0

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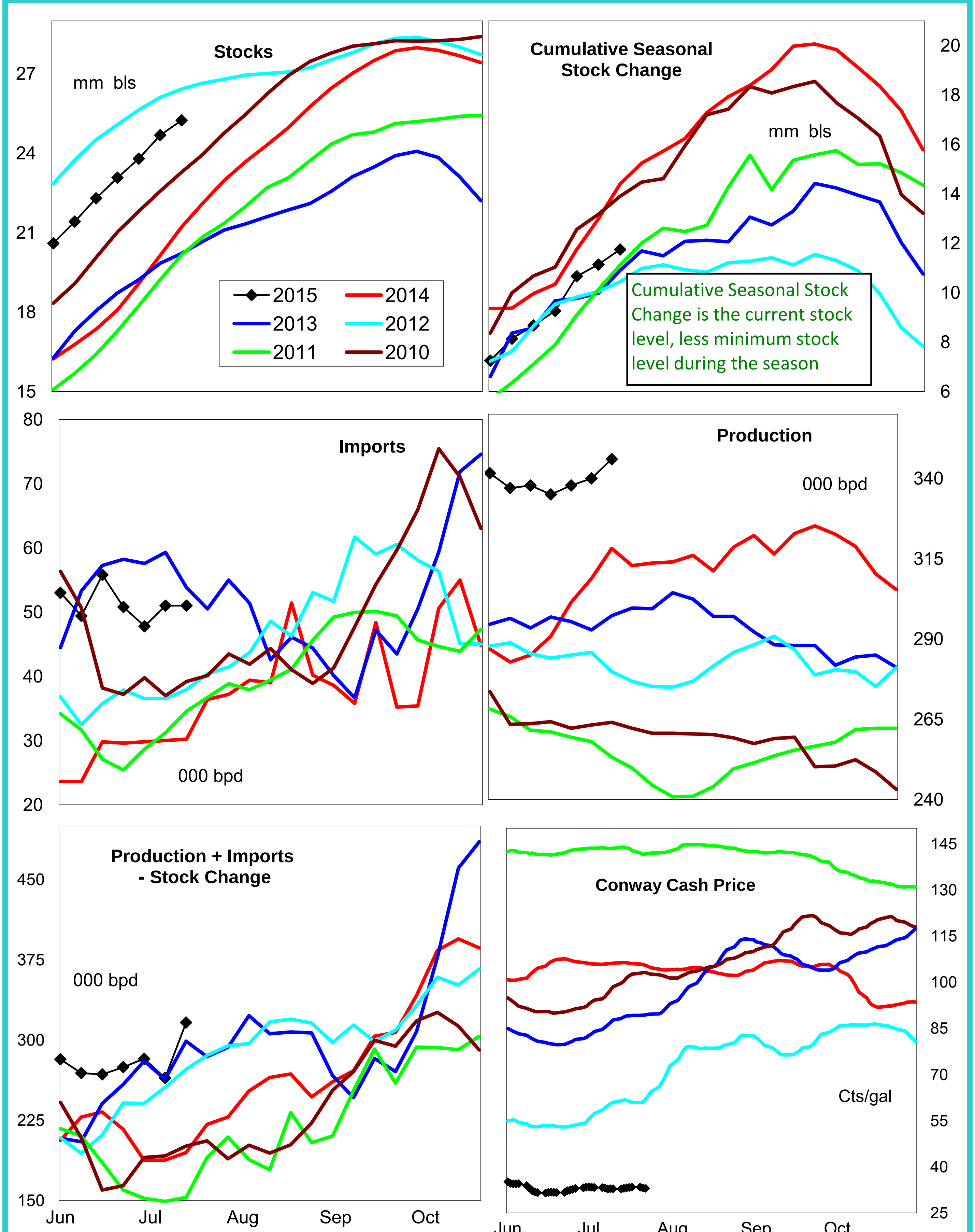
PADD 2 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	3,654	-2,649	28	17	88
% change	16.9	-18.4	9.1	55.6	44.6

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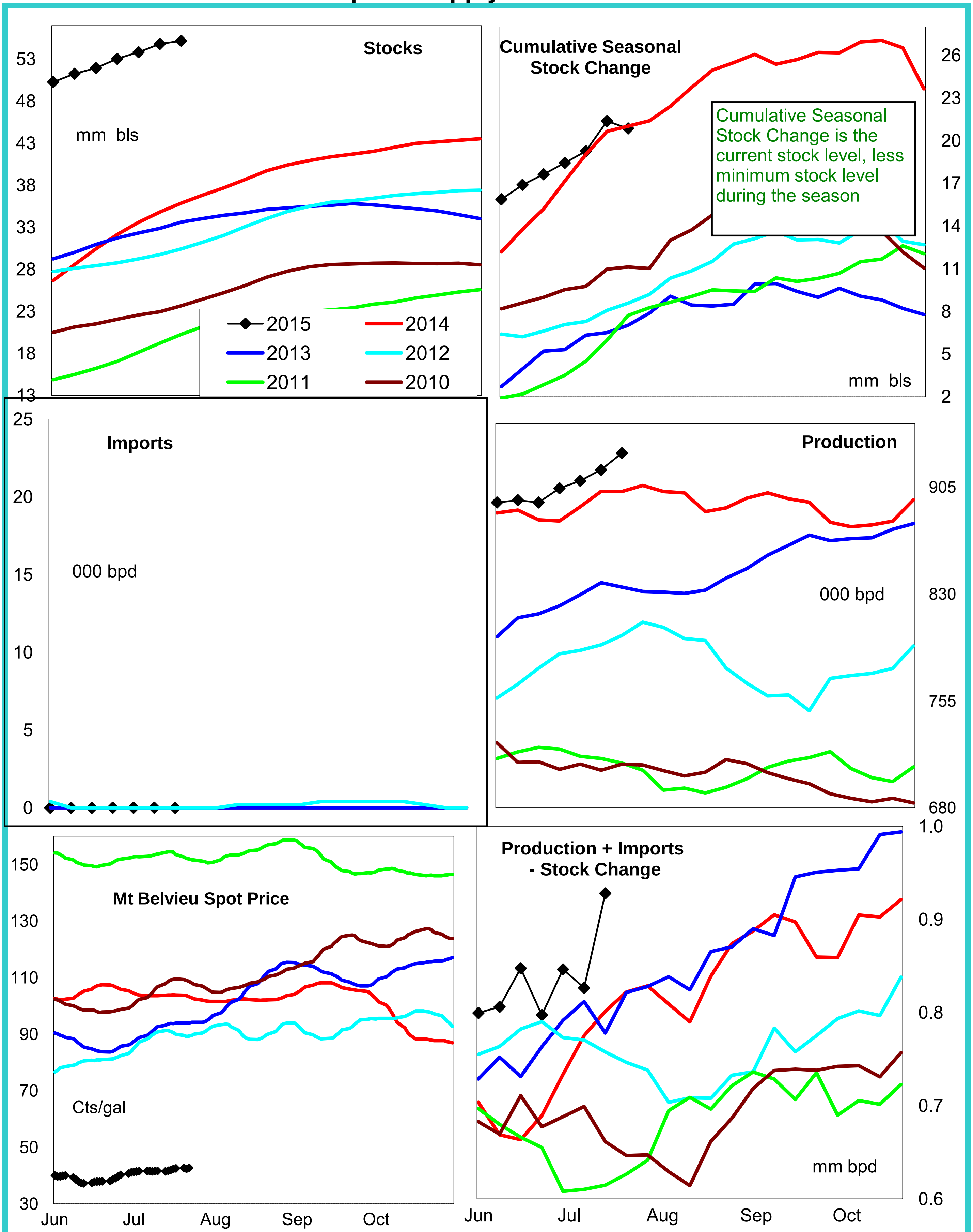
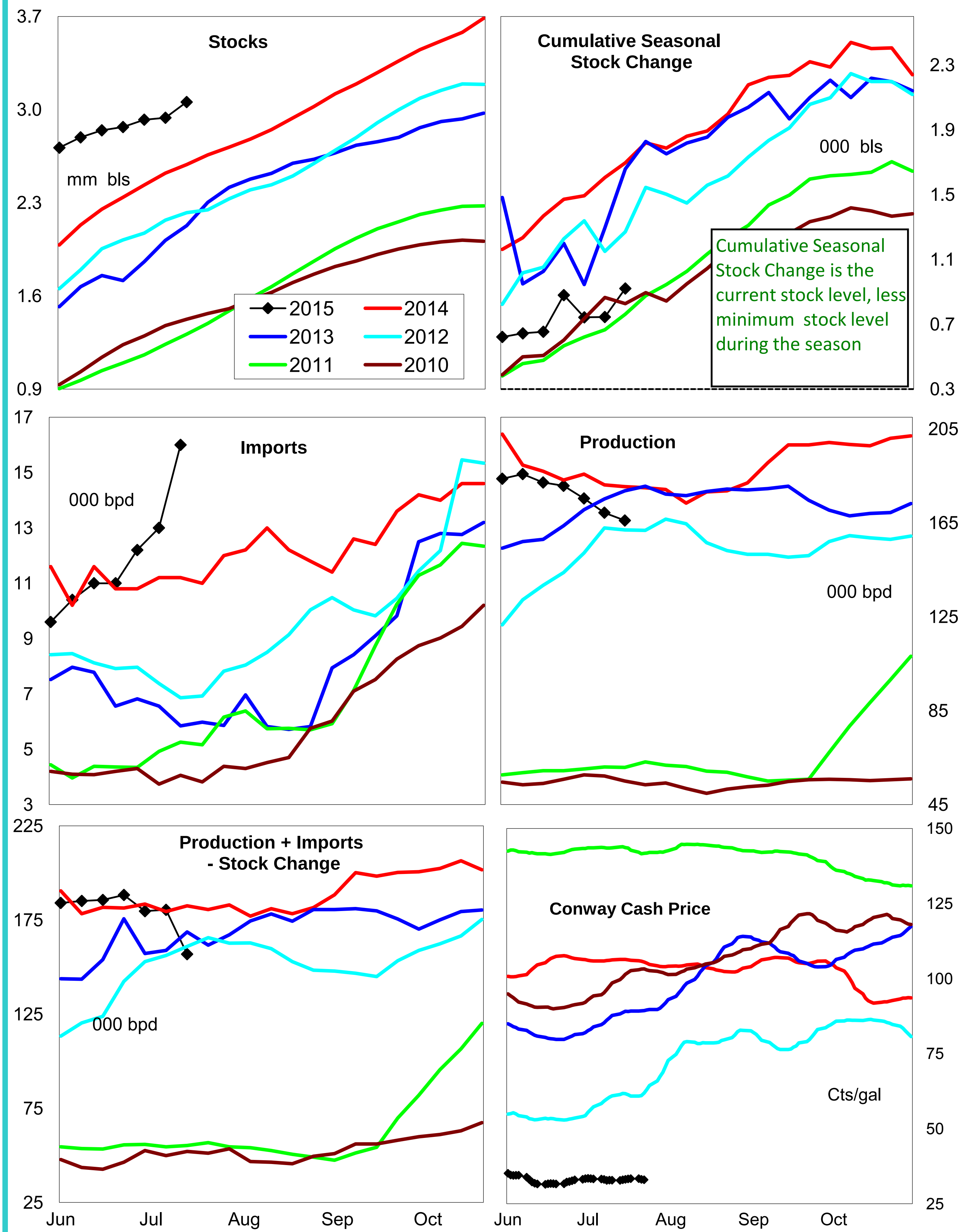
PADD 3 Propane Supply and Demand Balance



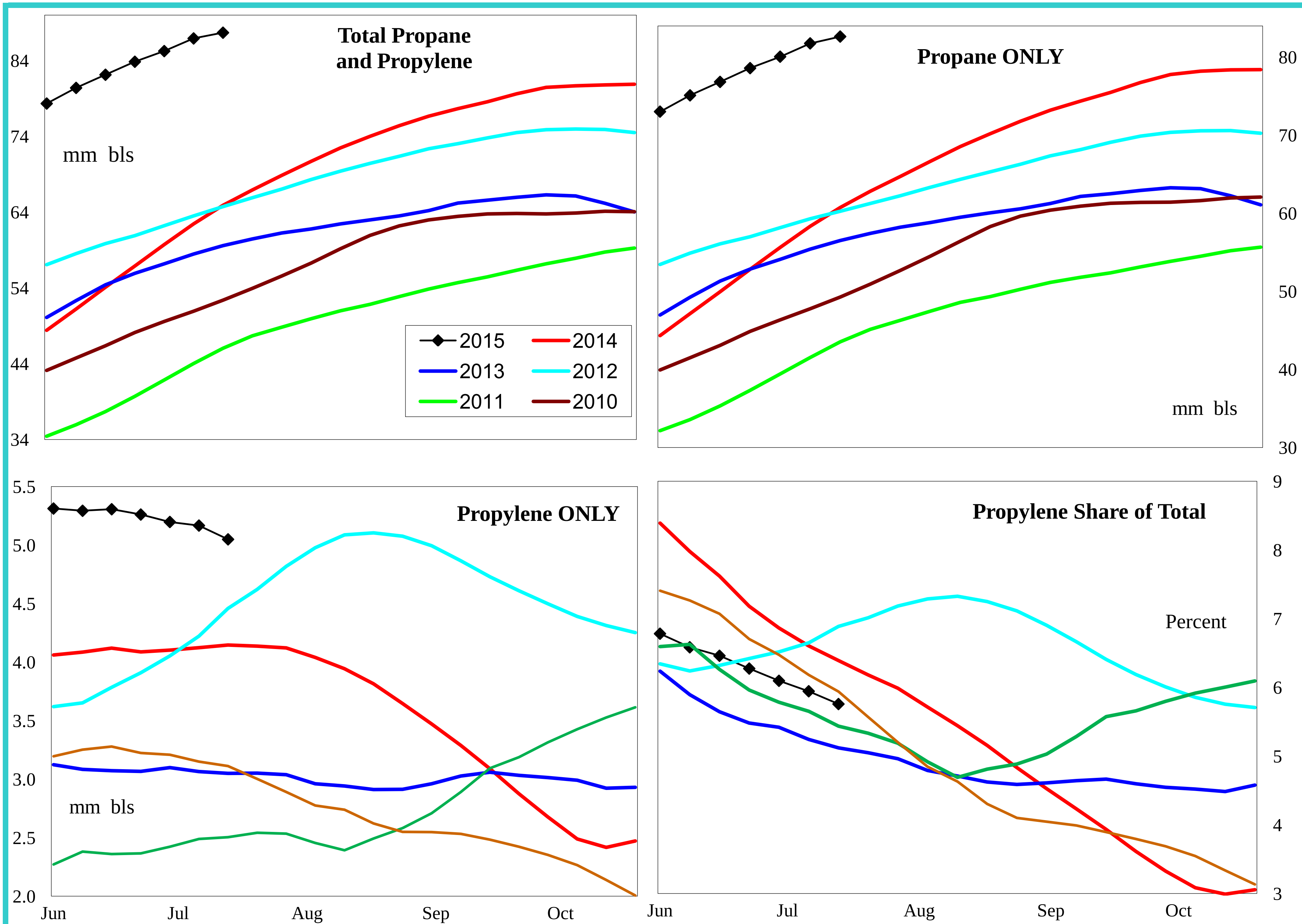
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	19,177	-165	21	0	100
% change	53.3	-1	2.3	#DIV/0!	14.2

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)	454	-776	-9	1	-5
% change	17.4	-45.7	-4.9	10.9	-3.0

U. S. Propane and Propylene Stocks



Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	22,239	21,351	902
% change	34.0	34.8	21.8

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