

WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

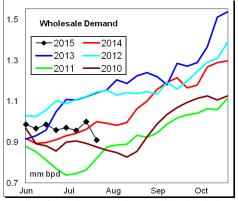
A Fundamental Petroleum Trends Weekly Report

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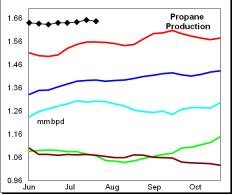
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Summary¹:

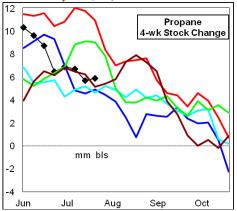
Wholesale demand fell -243,000 bpd last week, to a level below the last 3-yrs - likely driven by lower exports on the week.



Production decreased -11,000 bpd last week, concentrated in the Midwest and Gulf.



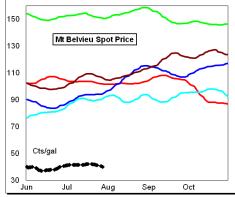
Exports for the week ending 19Jun15 were +0.6 million bpd, +297,000 bpd above last year (2X).



Stocks increased +1.8 million barrels on

the week. The cumulative seasonal stock build of +35.7 million barrels compares to a year ago build +42 million barrels.

The rate of stock build was +5.9 million barrels during the latest 4-wk period, compared to +8.4 million barrels last year, the result of increased exports. Price and Spreads Mt Belvieu spot price decreased -2.75 cpg last week ending 29Jul15, with Conway -1.75 cpg lower.



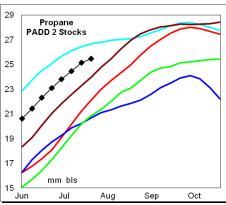
The Conway – Mt Belvieu price spread traded sideways on the week, ending at a level more than -5 cpg below 2-yr lows.

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

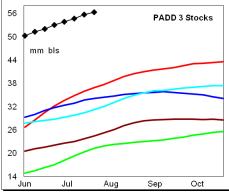
The propane / crude oil price spread trended lower late last week, ending at a level below the 5-yr range.

PADD 1 stocks increased +0.2 million barrels on the week. Stocks ended the week near the 5-yr mid range for the period. Supply for the latest 4-wk period was +62,000 bpd above last year on a +40% increase in production.

PADD 2 supply decreased -31,000 bpd last week, on lower production and imports. Production for the latest 4-wk period was +23,000 bpd above last year (+7%). Stocks increased +0.2 million barrels on the week. Stock levels ended the week near 5-yr highs for the period.



PAD 3 stocks increased +1.2 million barrels on the week, due in part to lower exports. Stock levels ended the week +55% above the prior 5-yr high, driven by receipts from the Utica shale area. Supplies for the latest 4-wk period were +16,000 bpd above last year.



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

Emerging Trends This weeks' +1.2 million barrel build in the Gulf region points to a slowing of export loadings.

The latest 4-wk rate of stock building at +5.9 million barrels is below the nearly +8.4 million barrels last year, pointing to an increase in year-on-year exports for the last month. The domestic market remains over supplied with Midwest stocks now near 5-yr highs, pressuring the Conway discount.

The rise in exports has provided support to Gulf spot prices, where the spread over Conway of nearly +9 cpg during the last month is a record for the last 2-yrs.

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Source is latest EIA Weekly Statistics



PROPANE: Graph Link and Weekly Summary

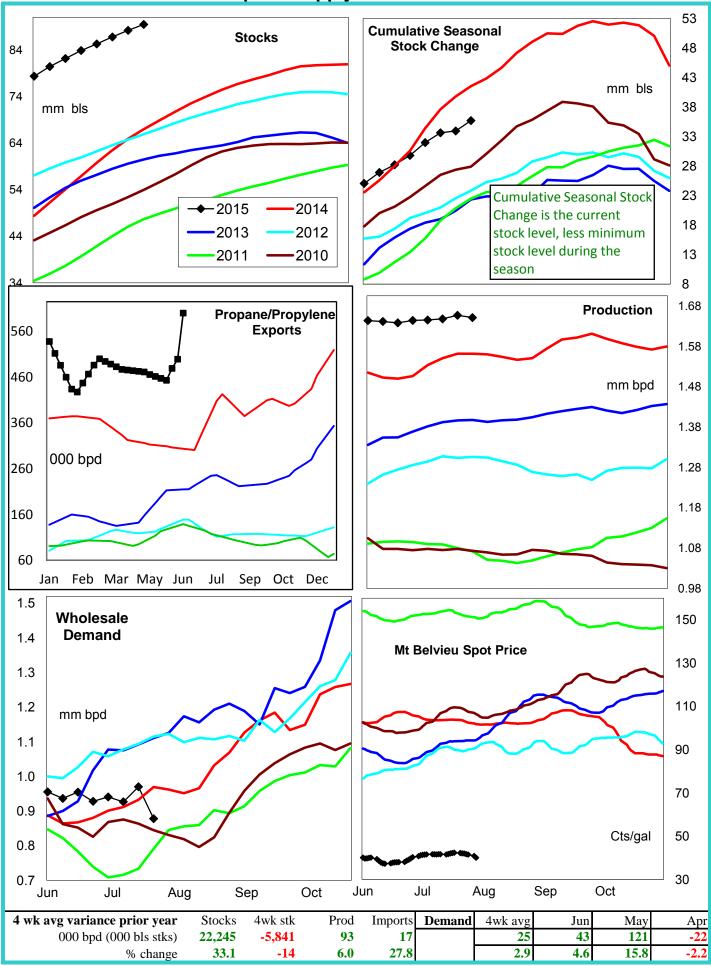
July 29, 2015

Fundamental Trends for the Week Ending: Friday, Ju									, July 24, 2	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	89,446	4,433	25,467	56,359	3,187	1,756	226	221	1,179	130
Propylene Stocks	5,053					4				
Production	1,646	222	334	915	175	-11	6	-12	-14	9
Imports	63	20	32	0	11	-25	-1	-19	0	-5
Whsle Demand	858					-243				

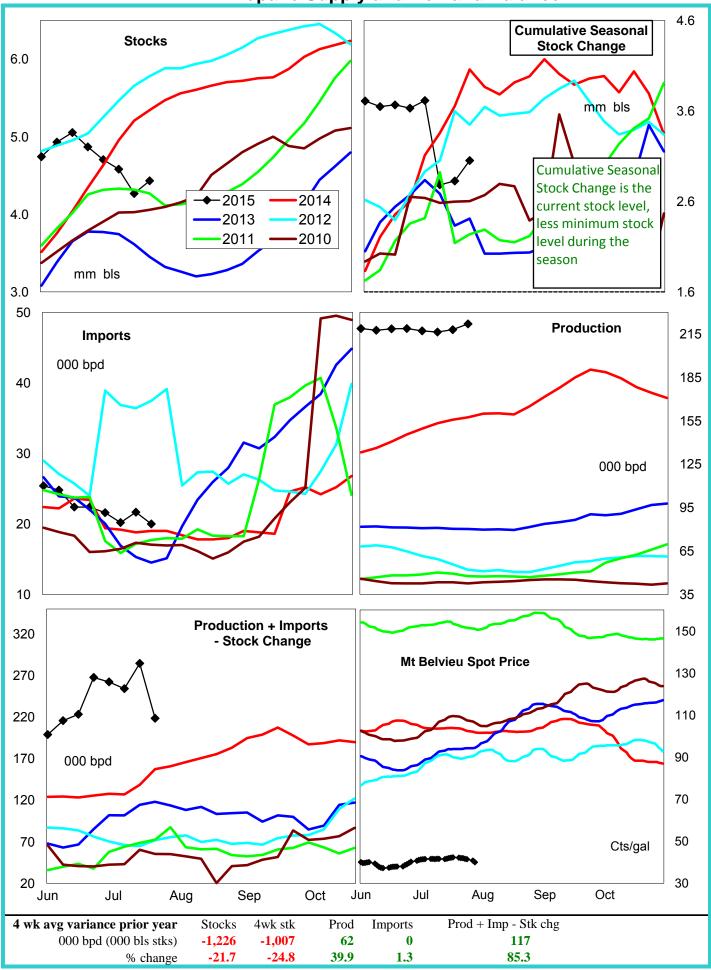
Price Trends for the Week Ending: Tuesday, July 28, 2015 Average for week ending: **Change from:** % change from: Cents/gal 7/28/15 7/21/15 6/30/15 7/30/14 7/21/15 6/30/15 7/30/14 7/21/15 6/30/15 7/30/14 Mont Belvieu Spot 41.5 42.5 103.0 1.22 41.3 -1.10 -61.68 -2.6 3.0 -59.9 **Conway Spot** 32.6 33.5 34.6 105.0 -0.89 -1.11 -70.38 -2.6 -3.2-67.1

Key Price Spreads and Differentials 10 Conway - Mt Belvieu 150 Spread 5 Mt Belvieu Spot Price 130 0 -5 110 -10 90 -15 Cts/gal 70 -20 -2015 2014 50 2013 2012 Cts/gal -25 2011 2010 30 -30 430 **Percent** 75 Mt Belvieu Propane % of **Nearby Crude Oil Futures** 65 355 55 280 45 Mt Belvieu Propane % of 205 Percent Nearby Natural Gas Futures 35 130 25 Jul Aug Sep Oct Jun Jul Aug Jun Sep Oct

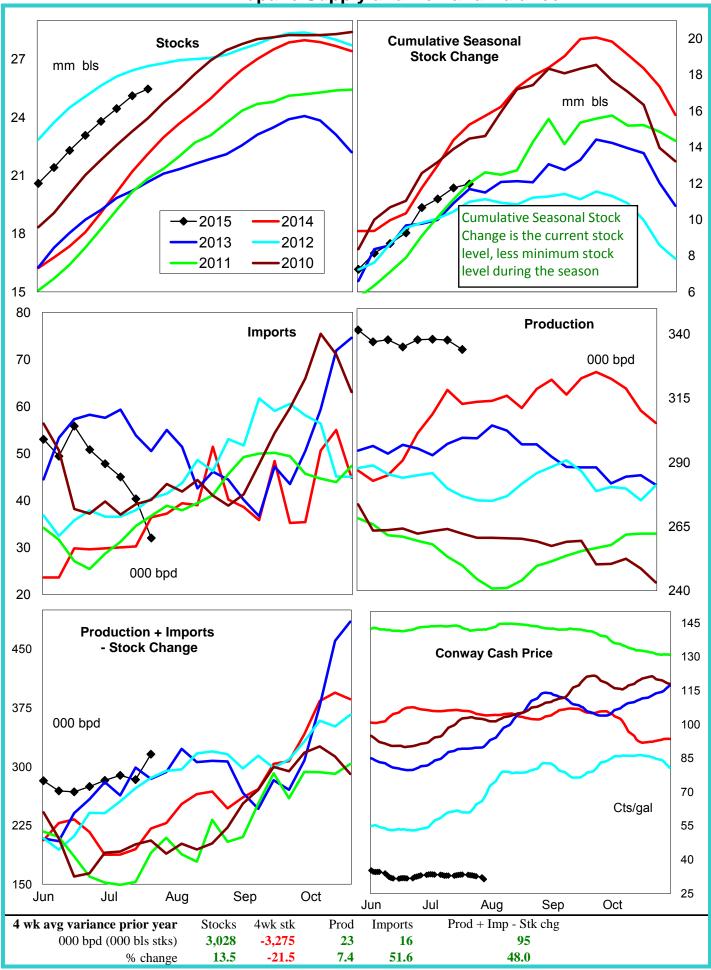
U. S. Propane Supply and Demand Balance



PADD 1 Propane Supply and Demand Balance



PADD 2 Propane Supply and Demand Balance



www.fundamentalpetroleumtrends.com 07/29/2015 **PADD 3 Propane Supply and Demand Balance** 58 Cumulative Seasonal **Stocks** 26 53 **Stock Change** 23 48 **Cumulative Seasonal** Stock Change is the mm bls 20 43 current stock level, less minimum stock level 17 38 during the season 14 33 11 28 8 23 -2015 2014 2013 2012 18 5 2011 2010 mm bls 2 25 **Production Imports** 905 20 000 bpd 15 000 bpd 830 10 755 5 680 1.0 **Production + Imports** 150 - Stock Change Mt Belvieu Spot Price 0.9 130 110 8.0 90 70 0.7 Cts/gal 50

000 bpd (000 bls stks)

Aug

% change

Sep

Stocks

19,982

54.9

Oct

4wk stk

640

Jul

4 wk avg variance prior year

30

Jun

1.8 #DIV/0!

Jun

Prod

16

Jul

Imports

Aug

Prod + Imp - Stk chg

64

8.8

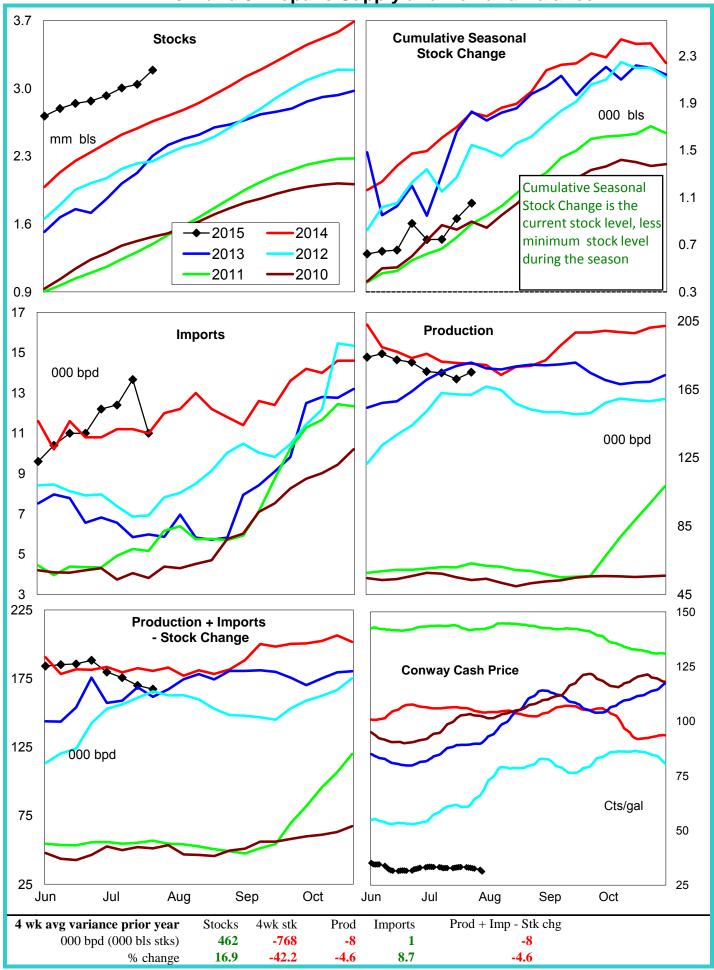
Sep

0.6

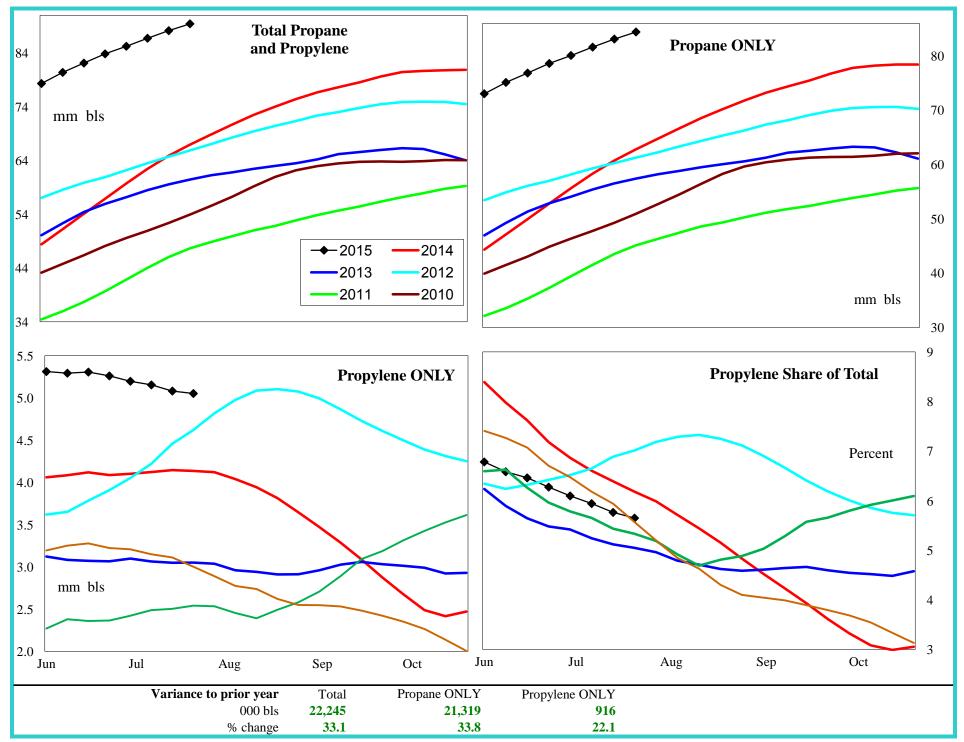
mm bpd

Oct

PADDs 4 and 5 Propane Supply and Demand Balance



U. S. Propane and Propylene Stocks



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