WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

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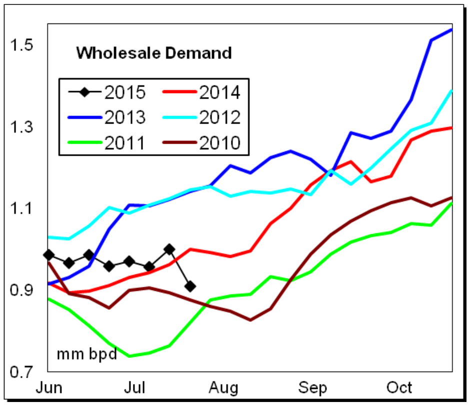
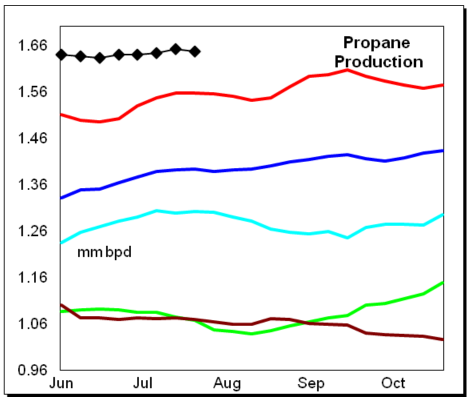
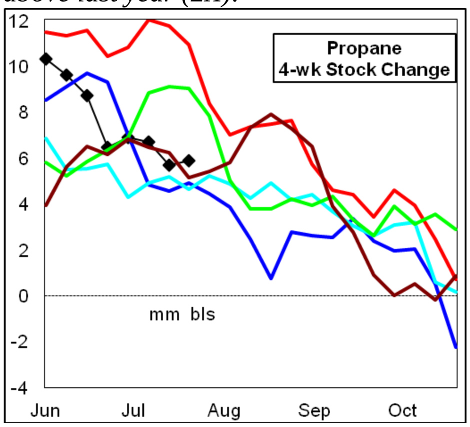
Summary[1]:
Wholesale demand fell -243,000 bpd last week, to a level below the last 3-yrs - likely driven by lower exports on the week.



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



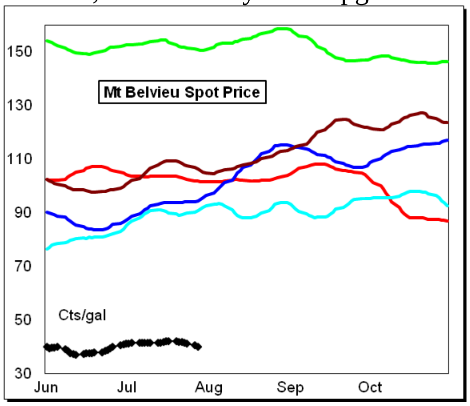
Exports for the week ending 19Jun15 were +0.6 million bpd, +297,000 bpd above last year (2X).



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.



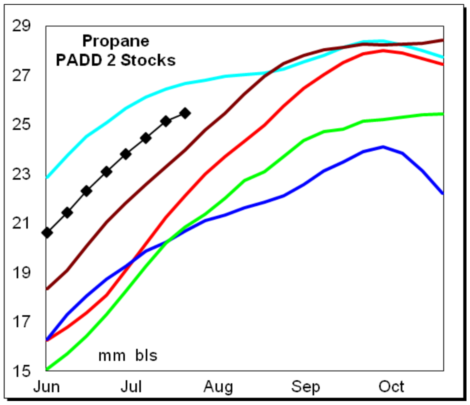
The Conway – Mt Belvieu price spread traded sideways on the week, ending at a level more than -5 cpg below 2-yr lows.

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

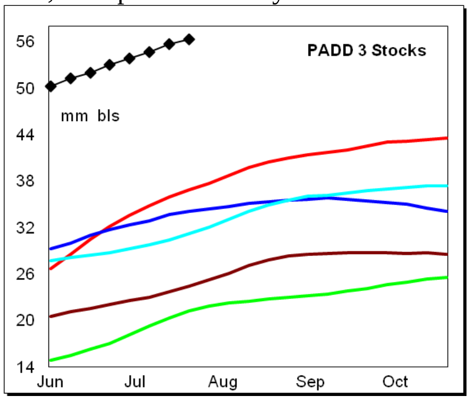
The propane / crude oil price spread trended lower late last week, ending at a level below the 5-yr range.

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.

[1] Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

July 29, 2015

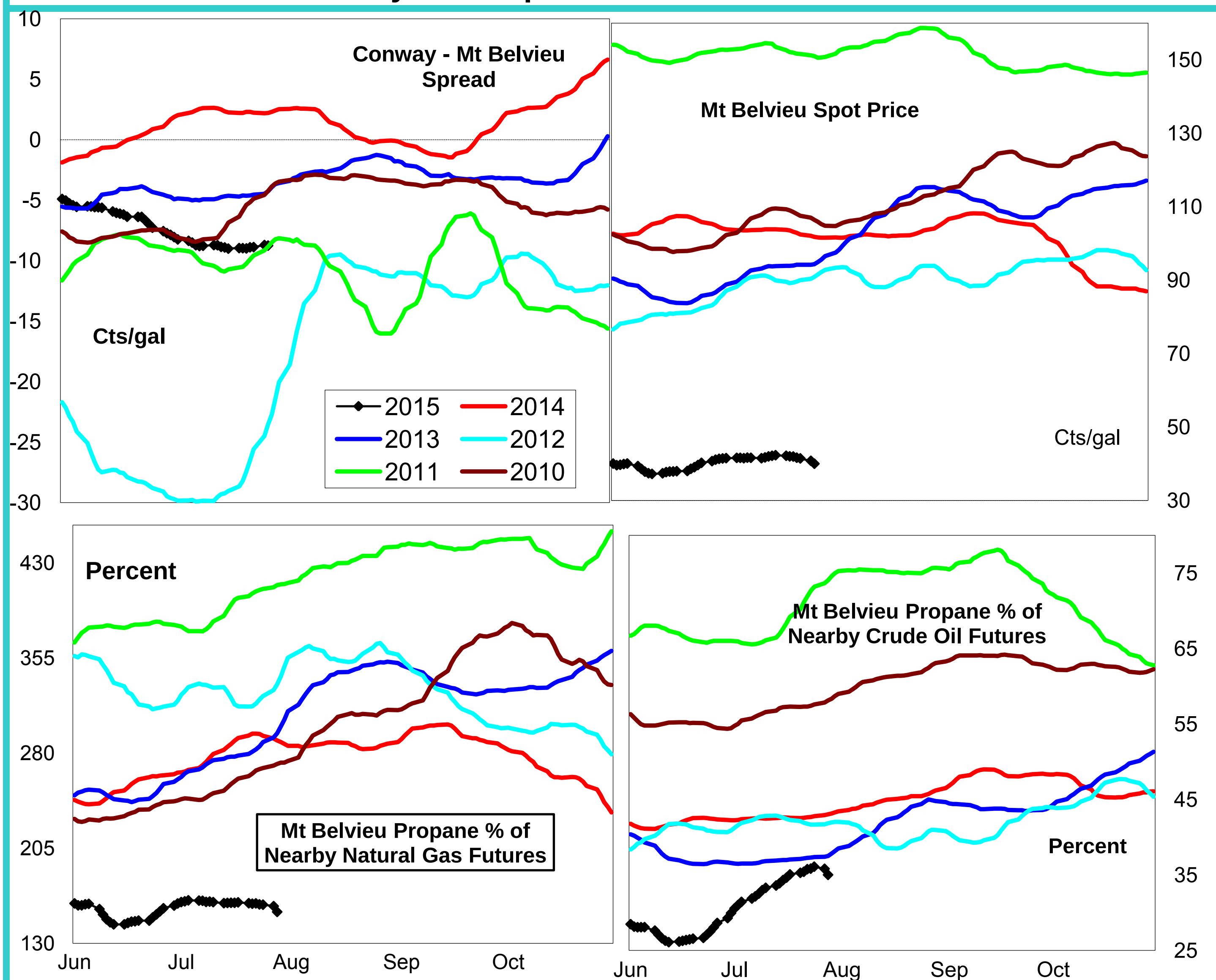
Fundamental Trends for the Week Ending: Friday, July 24, 2015

000 bpd Stocks 000 bls	Weekly Supply-Demand U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5	Change from prior week: U.S. Total	PADD 1	PADD 2	PADD 3	PADD 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

Cents/gal	Average for week ending: 7/28/15	7/21/15	6/30/15	7/30/14	Change from: 7/21/15	6/30/15	7/30/14	% change from: 7/21/15	6/30/15	7/30/14
Mont Belvieu Spot	41.5	42.5	41.3	103.0	-1.10	1.22	-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



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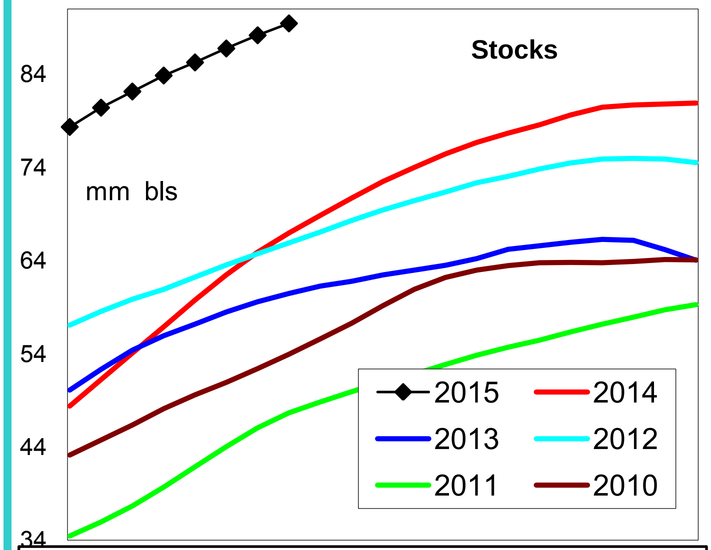
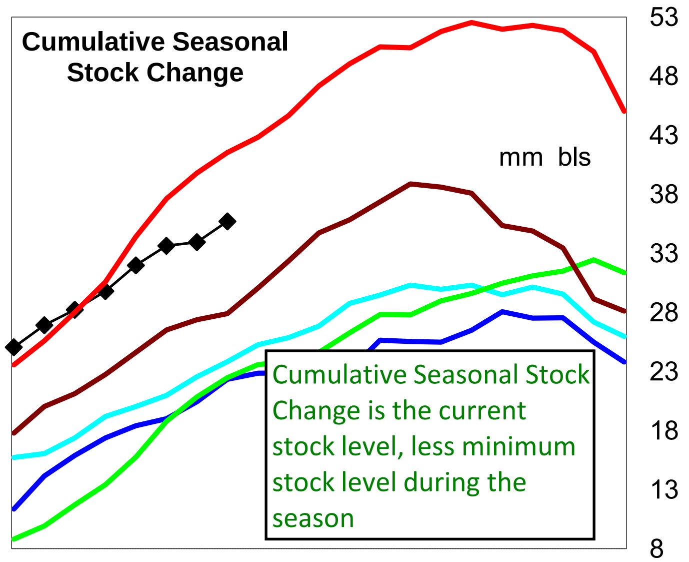
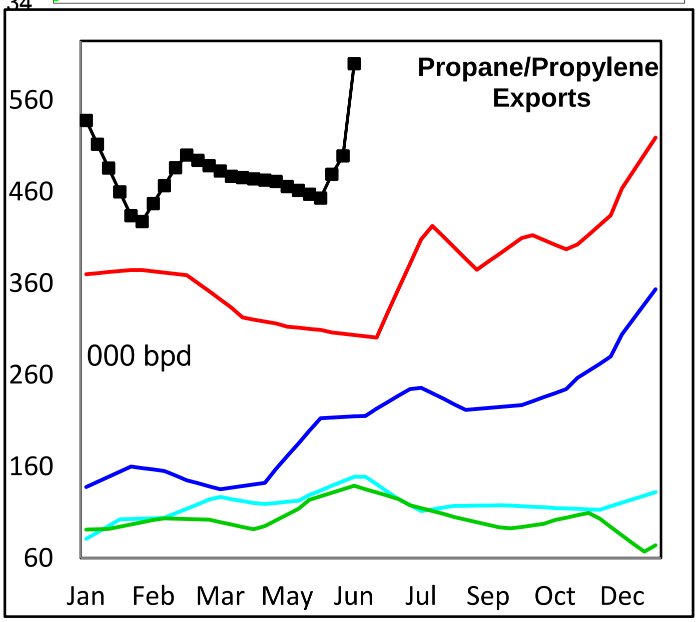
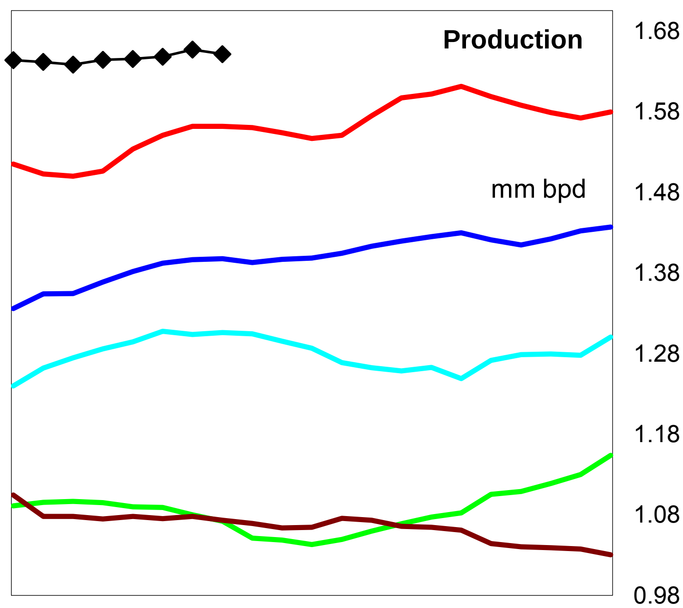
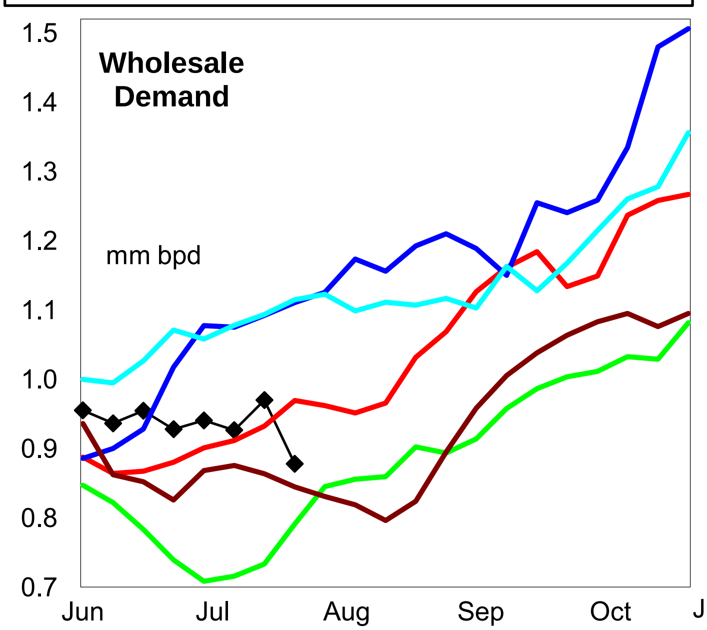
U. S. Propane Supply and Demand Balance

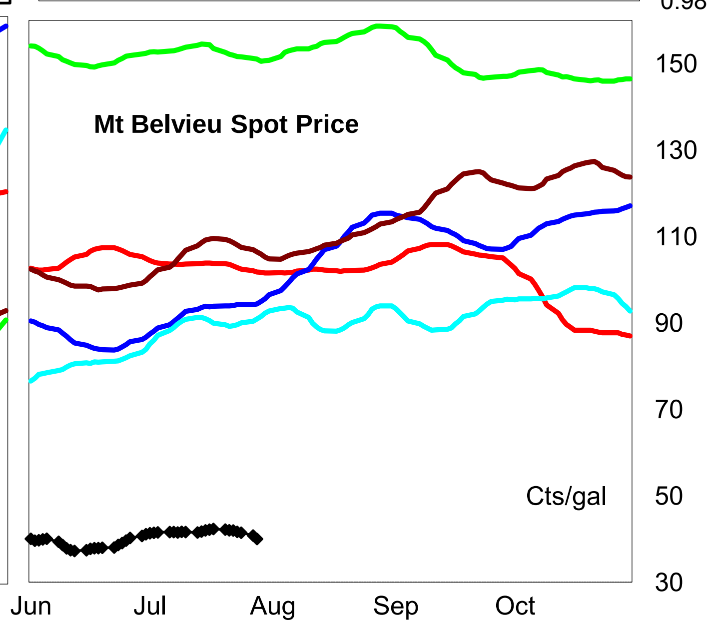












4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Jun	May	Apr
000 bpd (000 bls stks)	22,245	-5,841	93	17		25	43	121	-22
% change	33.1	-14	6.0	27.8		2.9	4.6	15.8	-2.2

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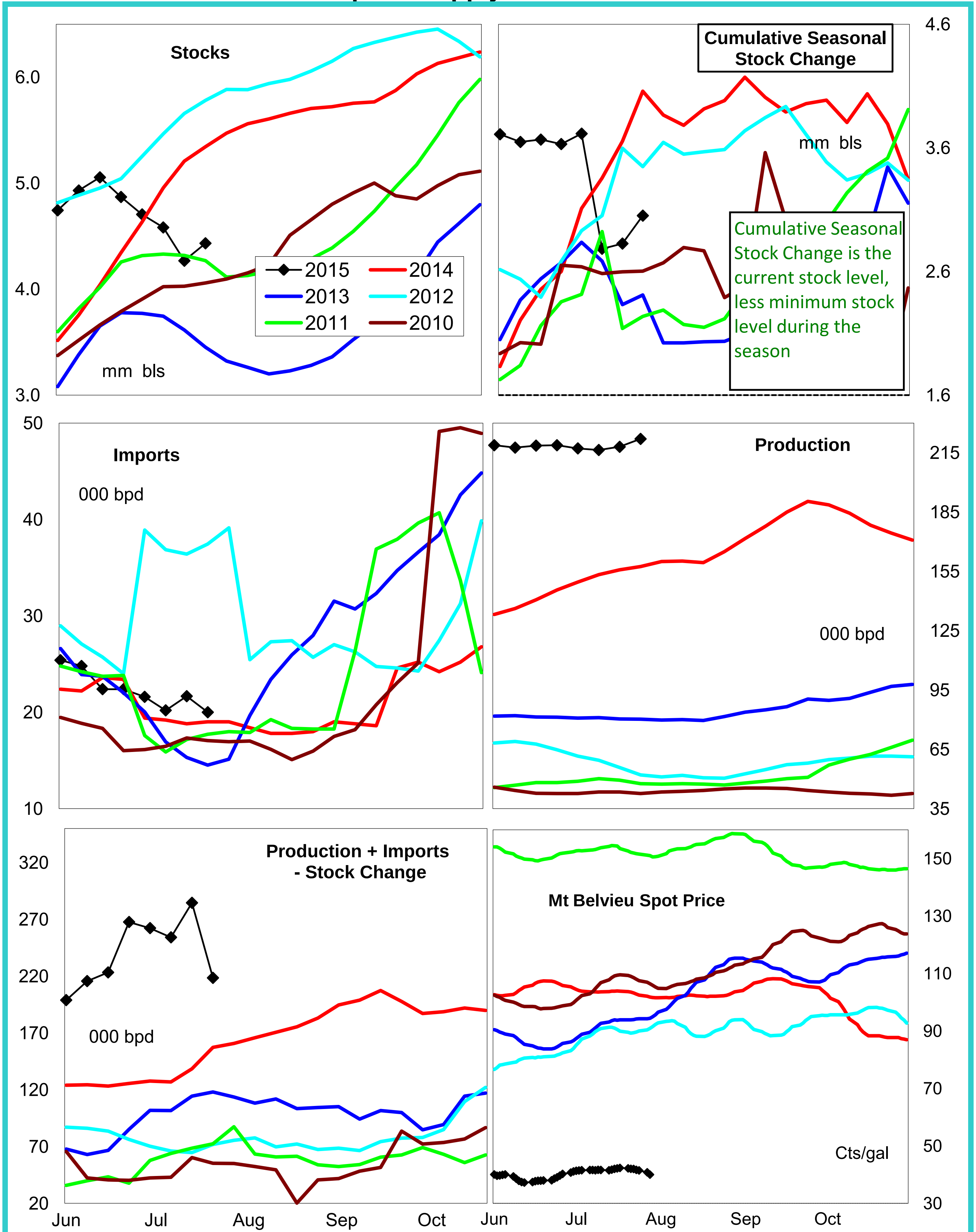
PADD 1 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-1,226	-1,007	62	0	117
% change	-21.7	-24.8	39.9	1.3	85.3

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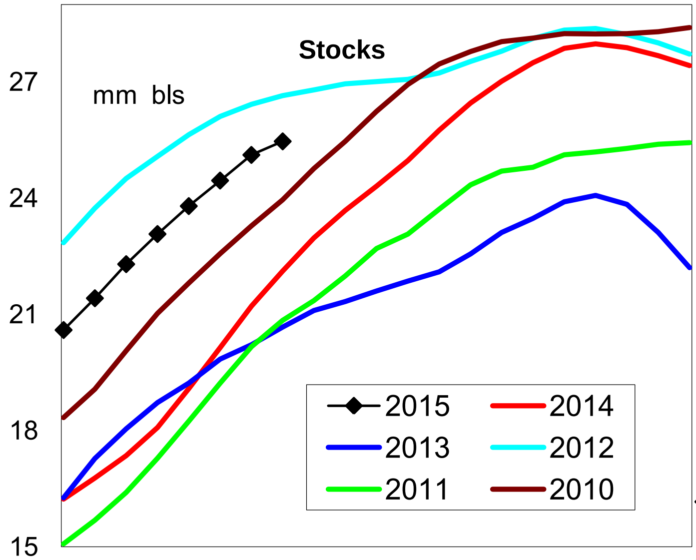
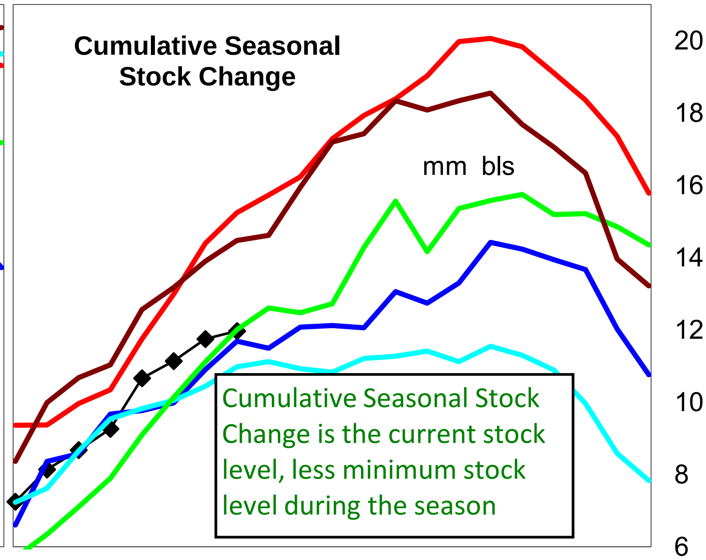
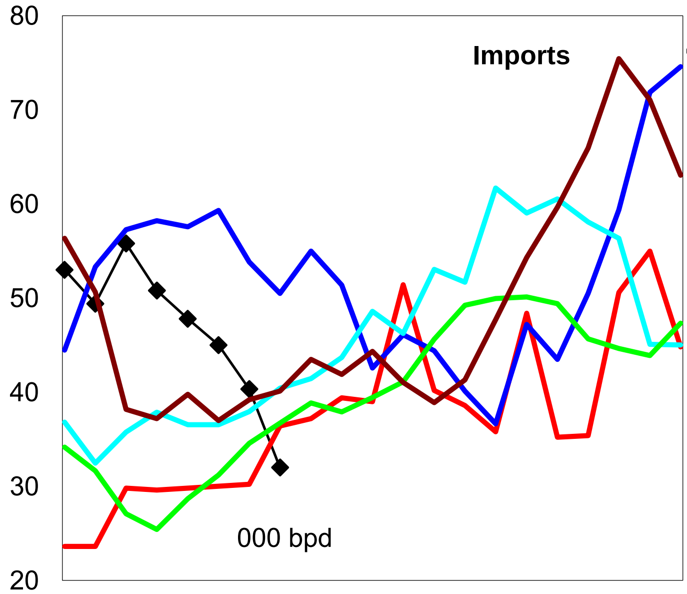
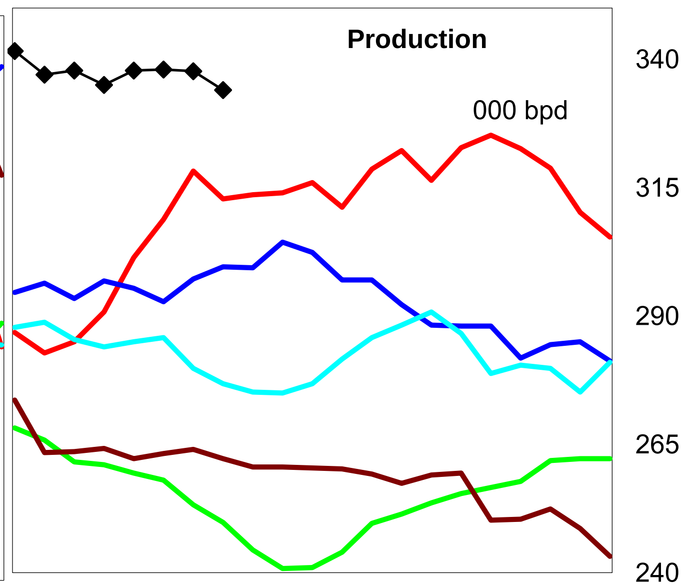
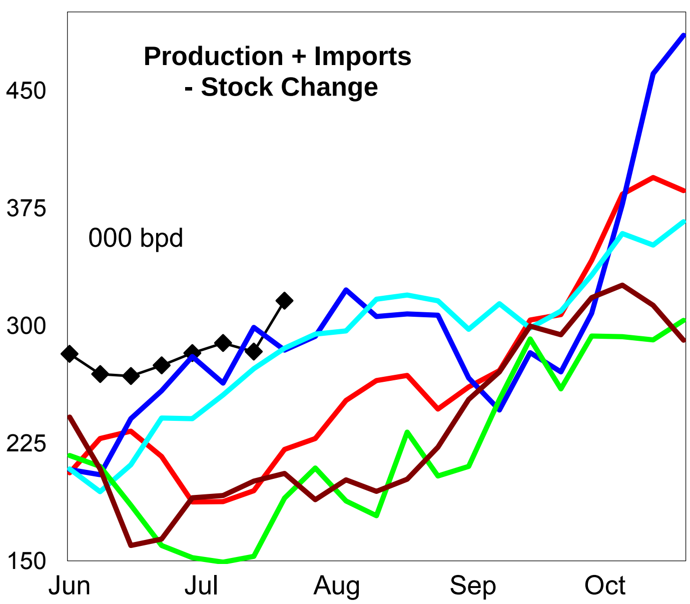
PADD 2 Propane Supply and Demand Balance

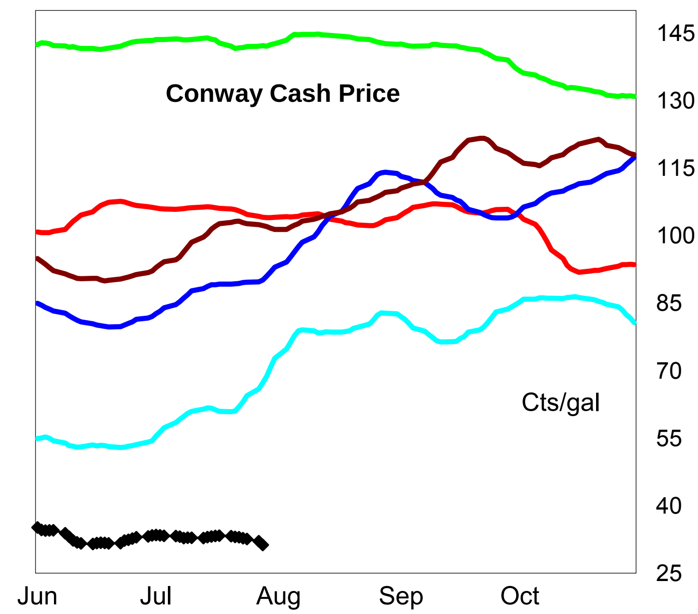






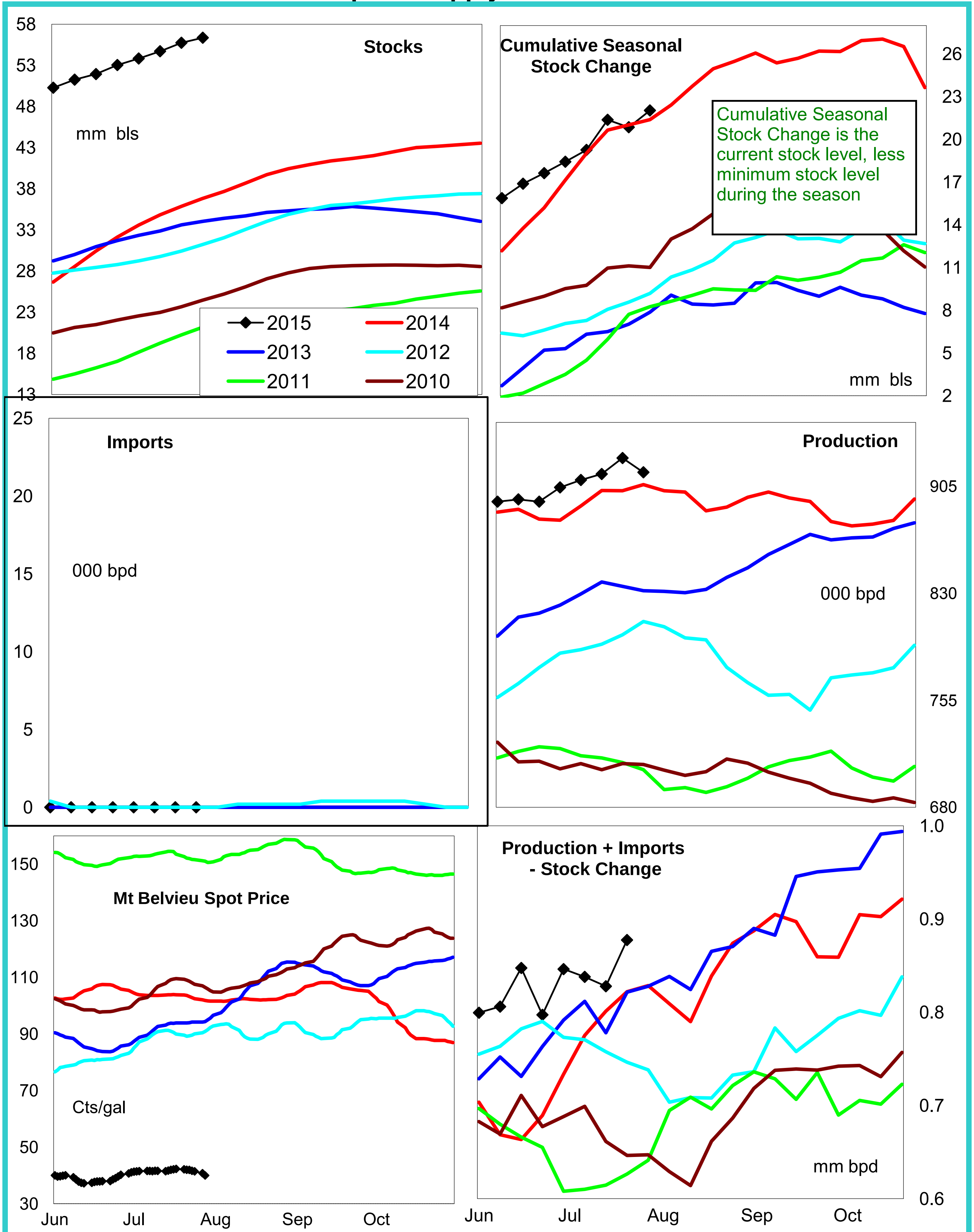






4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	3,028	-3,275	23	16	95
% change	13.5	-21.5	7.4	51.6	48.0

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)	19,982	640	16	0	64
% change	54.9	3	1.8	#DIV/0!	8.8

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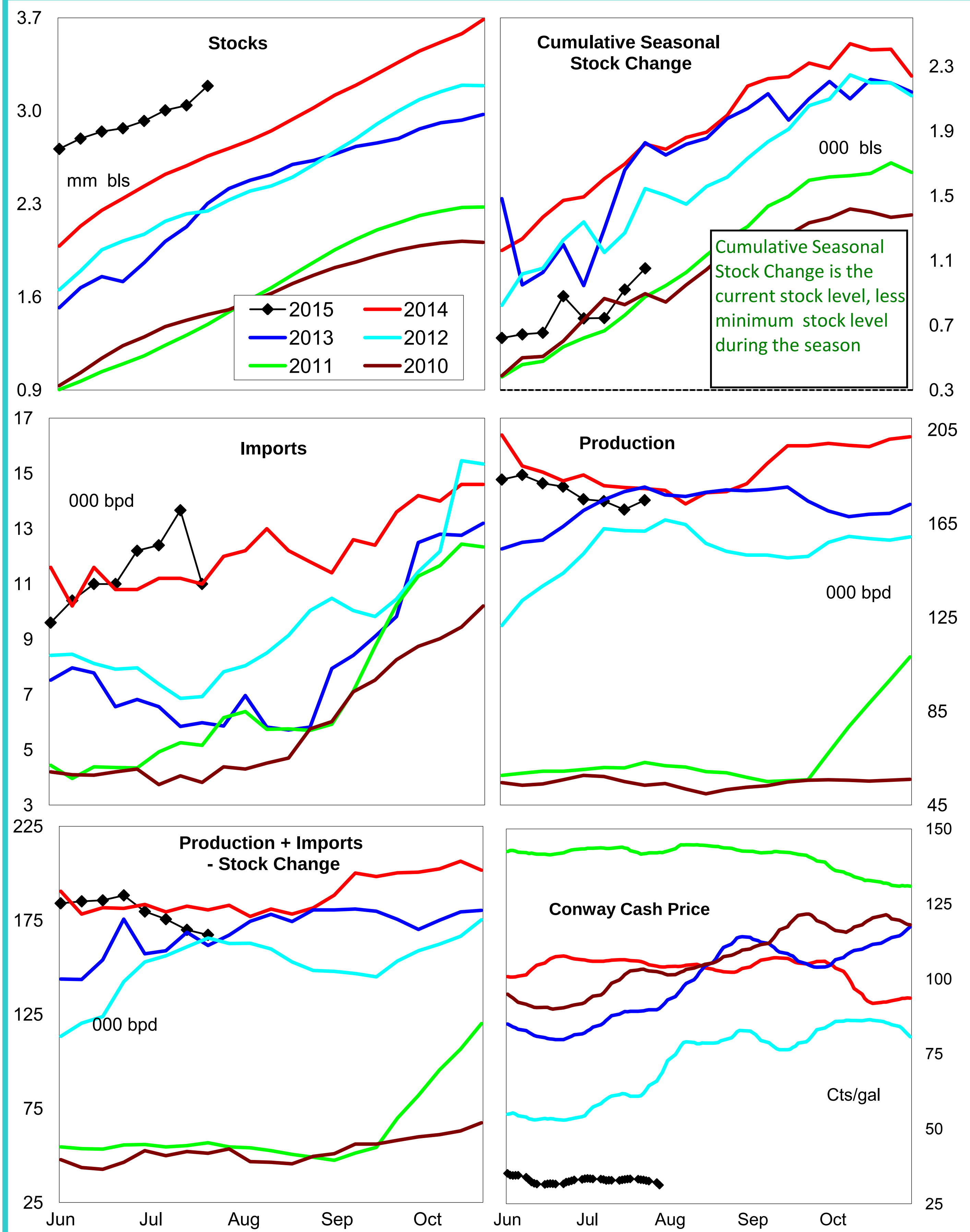
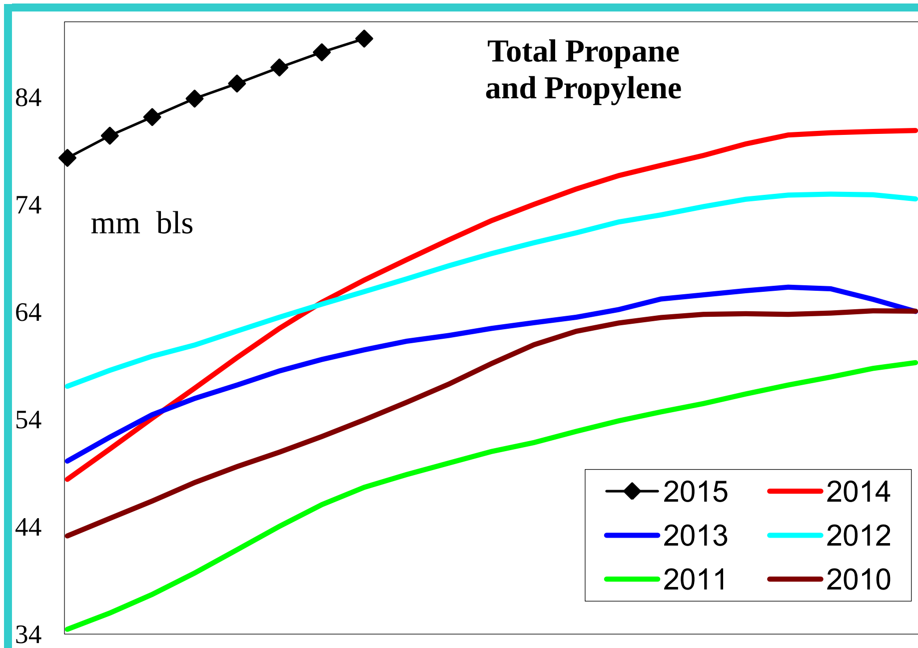
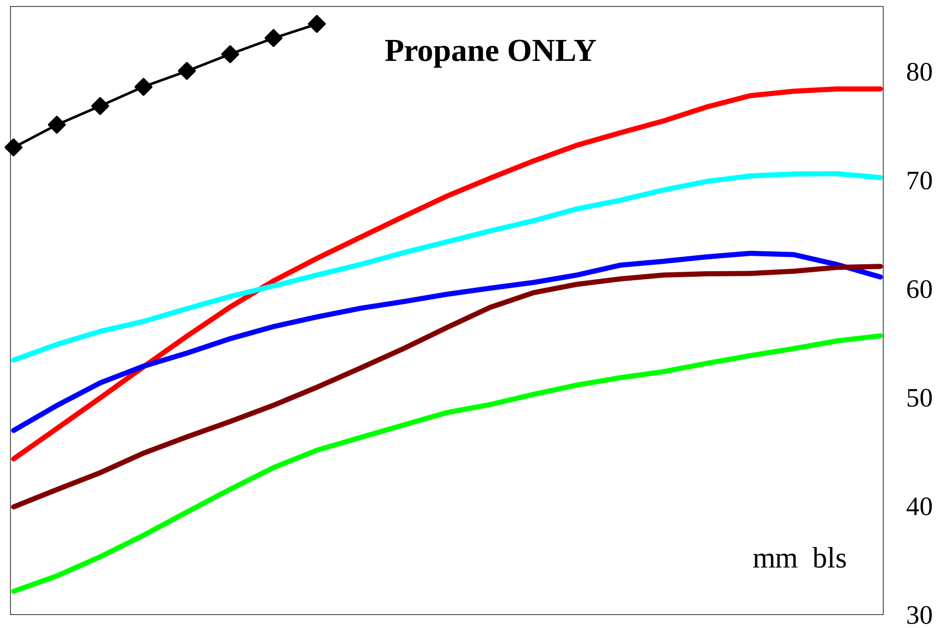
PADDs 4 and 5 Propane Supply and Demand Balance

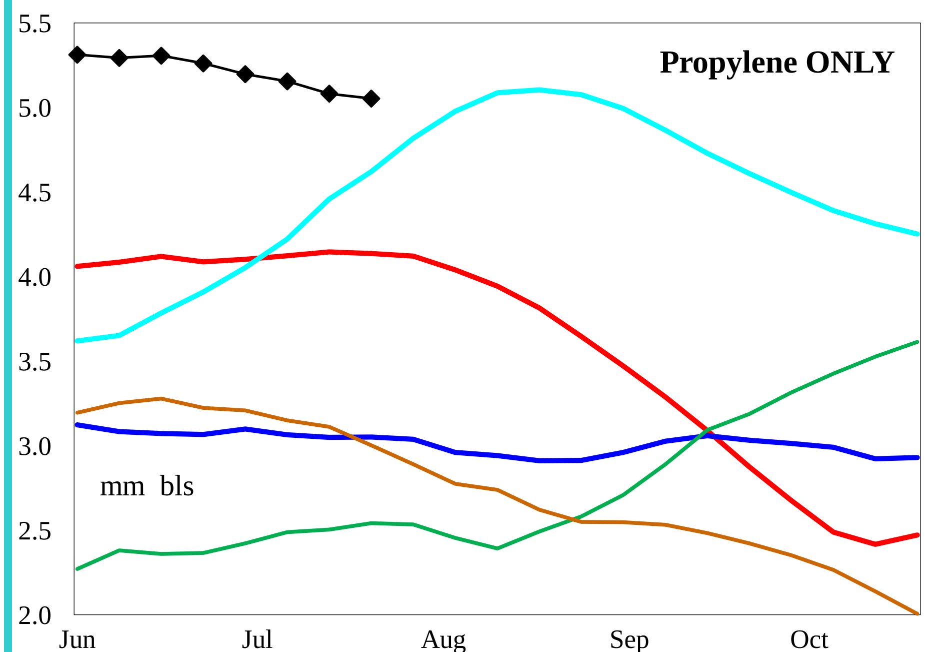


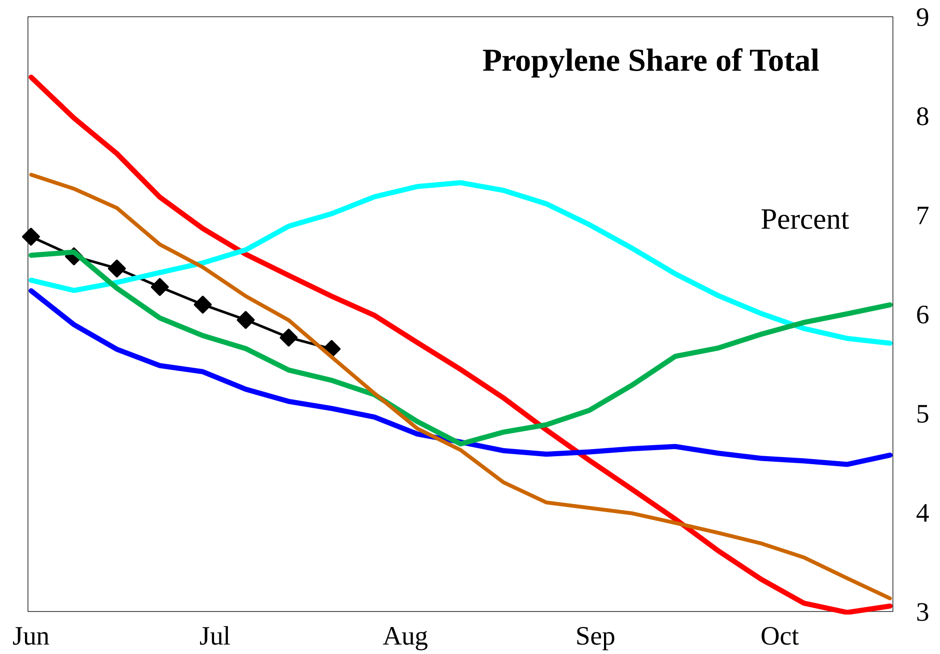
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	462	-768	-8	1	-8
% change	16.9	-42.2	-4.6	8.7	-4.6

U. S. Propane and Propylene Stocks









Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	**22,245**	**21,319**	**916**
% change	**33.1**	**33.8**	**22.1**

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