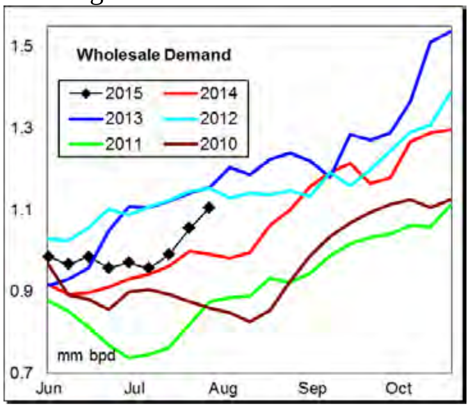
WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

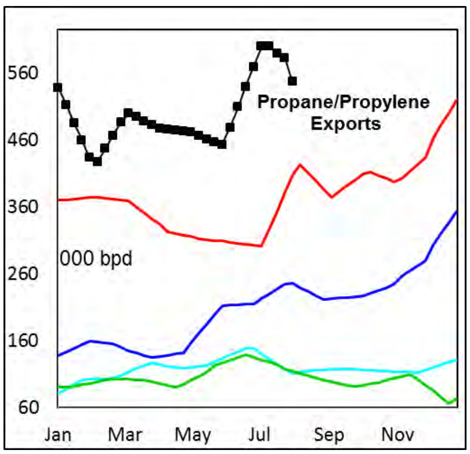
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com

Table of Contents

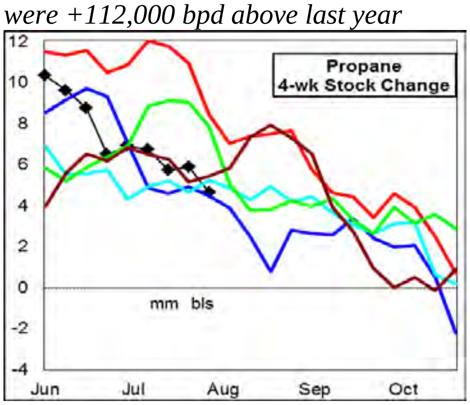
Summary[1]:
Wholesale demand increased +197,000 bpd last week, to a level near the 3-yr mid range.



Production increased +15,000 bpd last week, concentrated in the Midwest and Gulf.



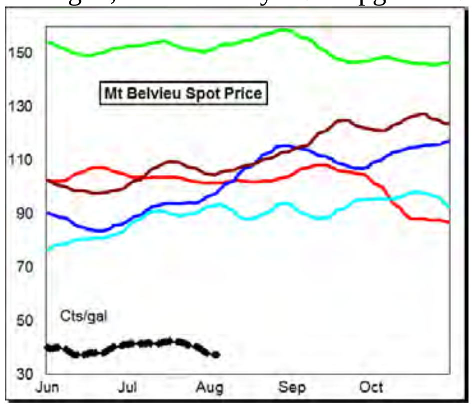
Exports for the week ending 31Jul15 were +112,000 bpd above last year



Stocks increased +0.9 million barrels on the week. The cumulative seasonal stock build of +36.6 million barrels compares to a year ago build +42.8 million barrels.

The rate of stock build was +5.2 million barrels during the latest 4-wk period, compared to +7.8 million barrels last year, the result of higher exports.

Price and Spreads Mt Belvieu spot price decreased -2.50 cpg last week ending 04Aug15, with Conway -0.50 cpg lower.



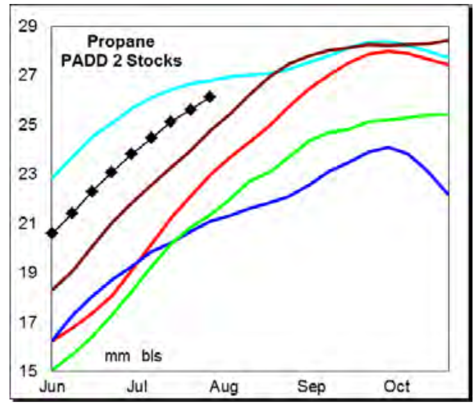
The Conway – Mt Belvieu price spread trended higher on the week, ending at a level below the last 2-yrs.

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

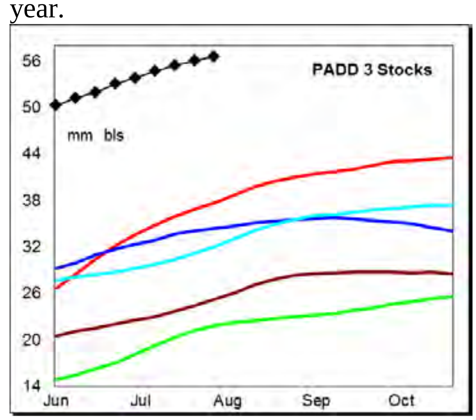
The propane / crude oil price spread traded sideways last week, ending at a level below the 5-yr range.

PADD 1 stocks were unchanged on the week. Stocks ended the week above the 5-yr mid range for the period. Supply for the latest 4-wk period was +63,000 bpd above last year on a +39% increase in production.

PADD 2 supply increased +28,000 bpd last week, on higher production and imports. Production for the latest 4-wk period was +22,000 bpd above last year (+7%). Stocks increased +0.7 million barrels on the week. Stock levels ended the week near 5-yr highs for the period.



PAD 3 stocks increased +0.2 million barrels on the week, due in part to higher export loadings. Stock levels ended the week +51% above the prior 5-yr high, driven by receipts from the Utica shale area. Supplies for the latest 4-wk period were +14,000 bpd above last year.



PADDs 4 & 5 stocks increased +0.1 million barrels on the week, to a level +0.6 million barrels above last year, and a record high.

Emerging Trends The +0.9 million barrel stock build last week was well below the historic average, driven by stock building in the downstream supply chain. The latest 4-wk rate of stock building at +5.7 million barrels was near 5-yr lows for this time of year. The domestic market remains over supplied with Midwest stocks now near 5-yr highs.

Very high stock levels in all regions except the East Coast continues to constrain wholesale prices at historic lows for this time of year.

[1] Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

August 5, 2015

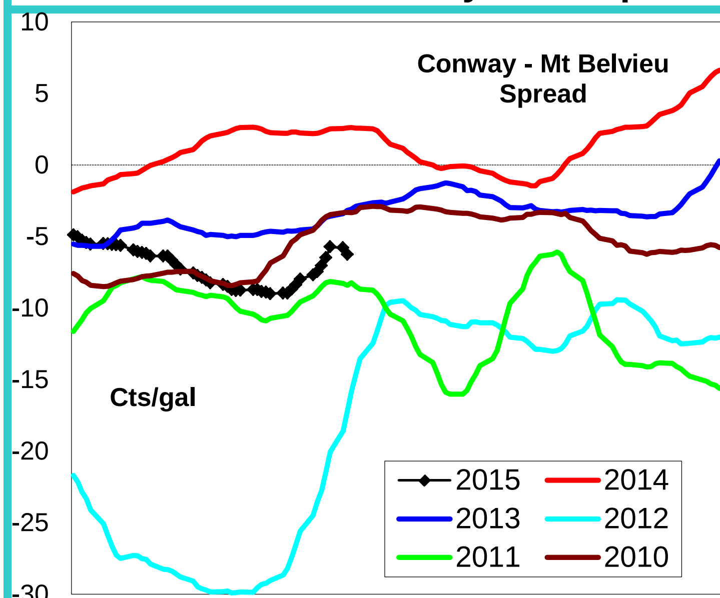
Fundamental Trends for the Week Ending: Friday, July 31, 2015

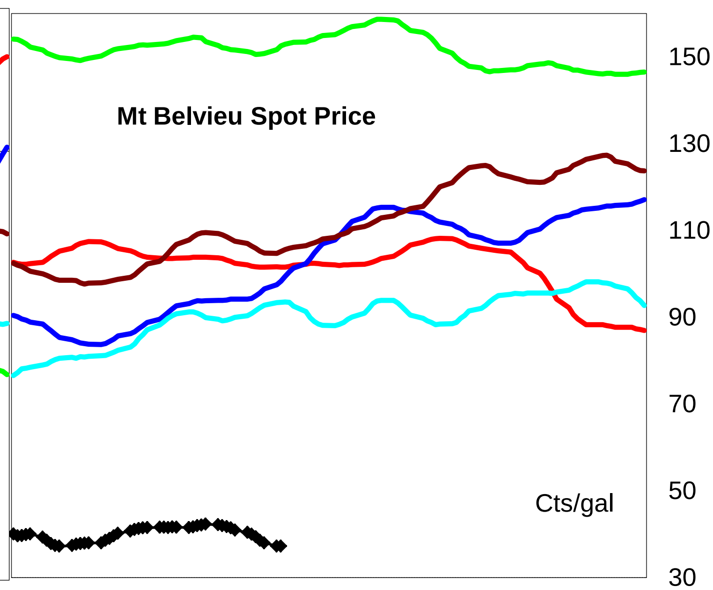
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S.	PADD				U.S.	PADD			
	Total	1	2	3	4&5	Total	1	2	3	4&5
Stocks	90,378	4,424	26,123	56,578	3,253	932	-9	656	219	66
Propylene Stocks	4,798					-255				
Production	1,661	218	349	934	160	15	-4	15	19	-15
Imports	74	20	45	0	9	11	0	13	0	-2
Whsle Demand	1,055					197				

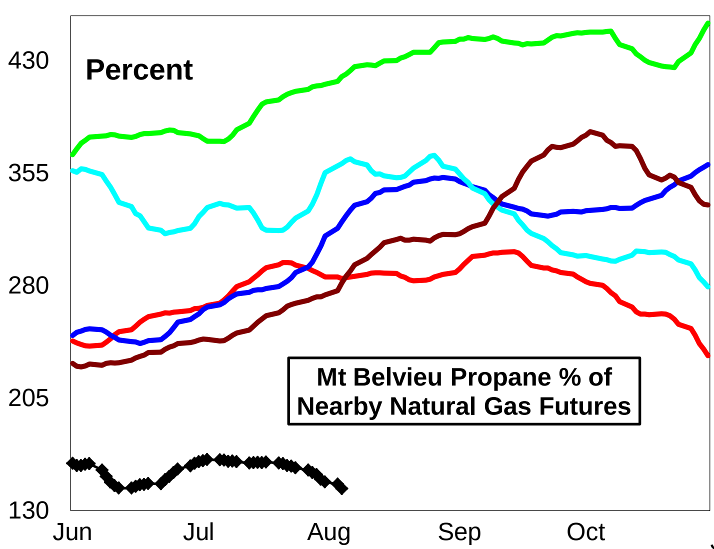
Price Trends for the Week Ending: Tuesday, August 04, 2015

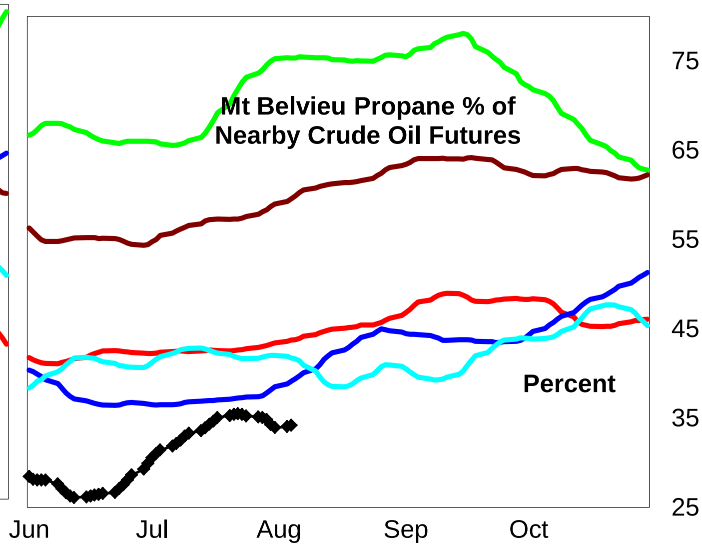
Cents/gal	Average for week ending:				Change from:			% change from:		
	8/4/15	7/28/15	7/7/15	8/6/14	7/28/15	7/7/15	8/6/14	7/28/15	7/7/15	8/6/14
Mont Belvieu Spot	38.0	41.5	41.6	100.2	-3.43	-0.10	-58.61	-8.3	-0.2	-58.5
Conway Spot	32.3	32.6	32.6	102.8	-0.28	-0.02	-70.15	-0.8	-0.1	-68.3

Key Price Spreads and Differentials









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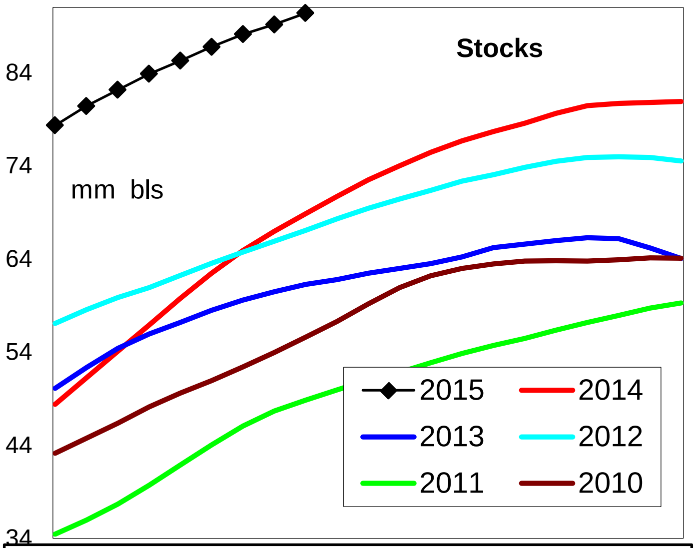
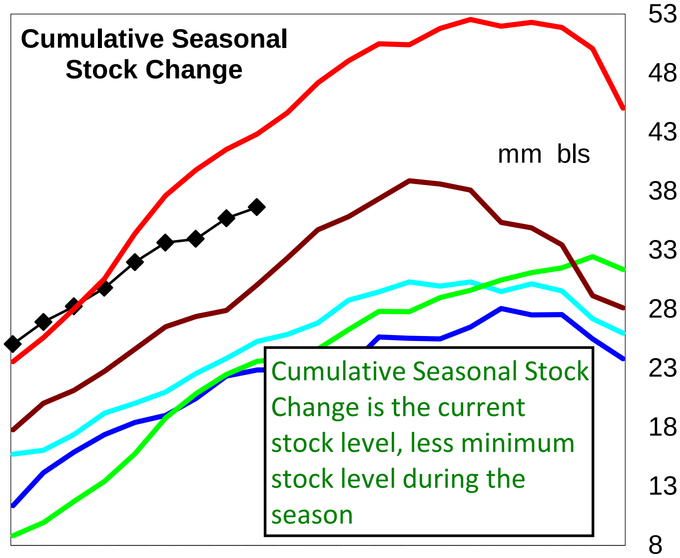
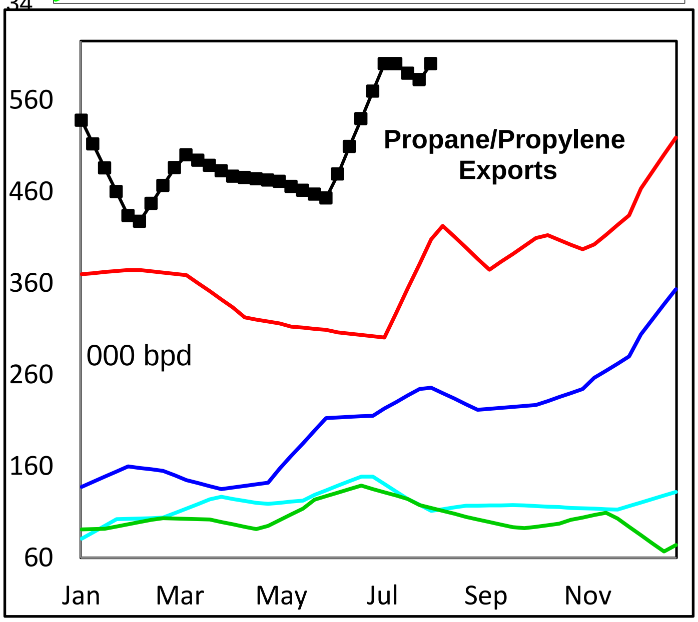
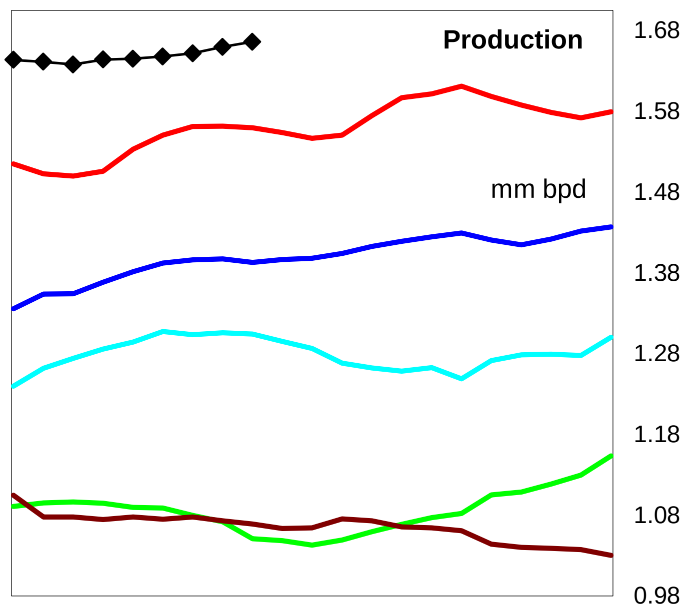
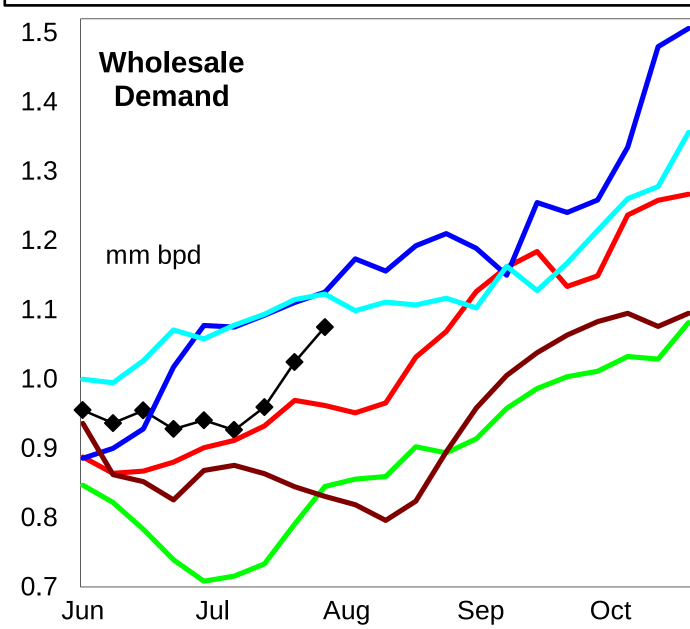
U. S. Propane Supply and Demand Balance

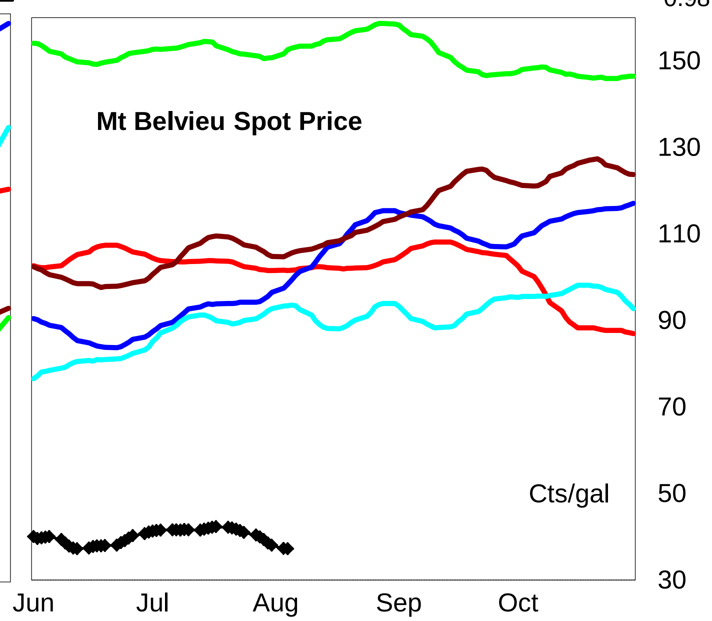












4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Jul	Jun	May
000 bpd (000 bls stks)	21,898	-6,188	83	21		19	13	43	37
% change	32.0	-14	5.3	38.7		2.0	1.4	4.6	4.8

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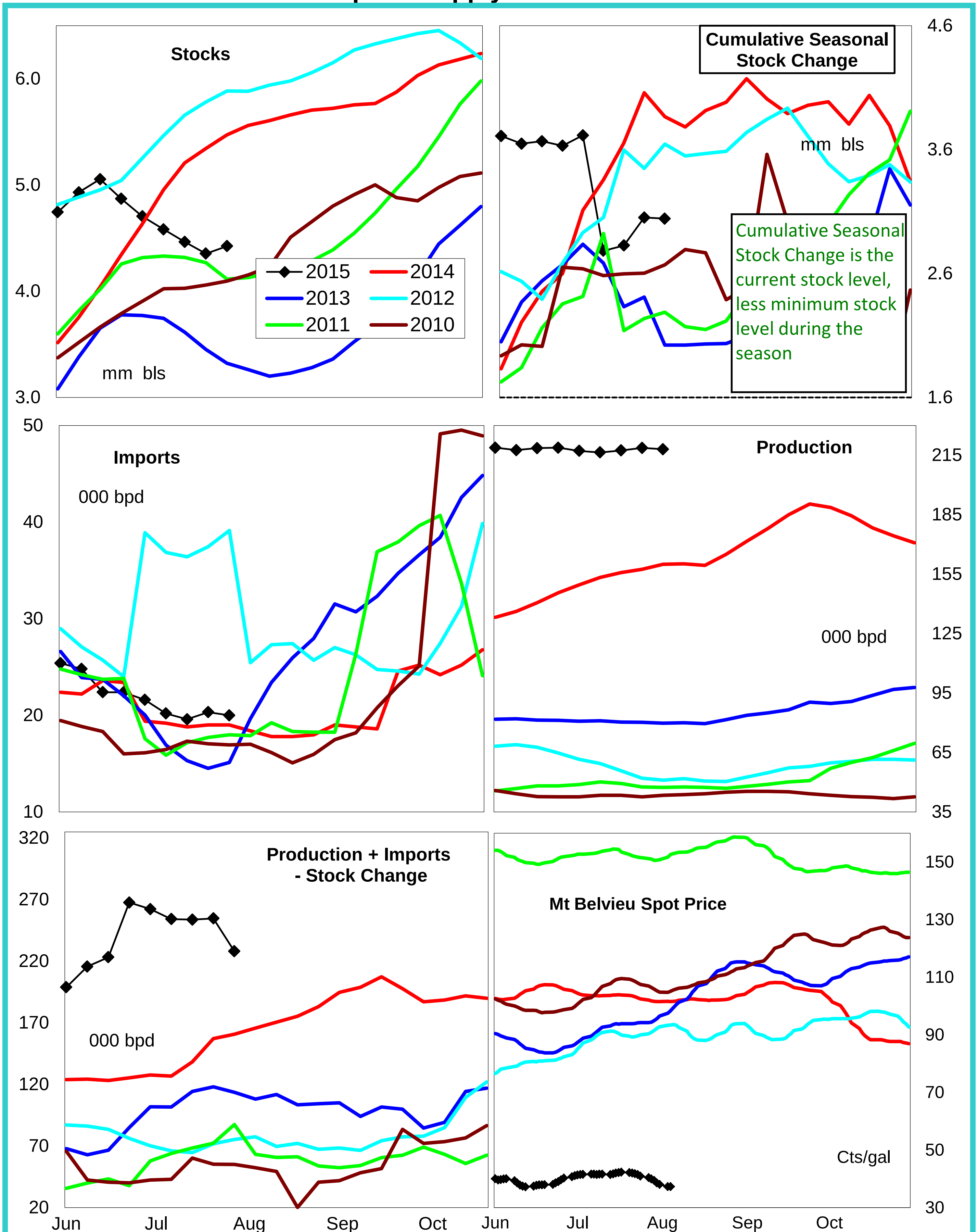
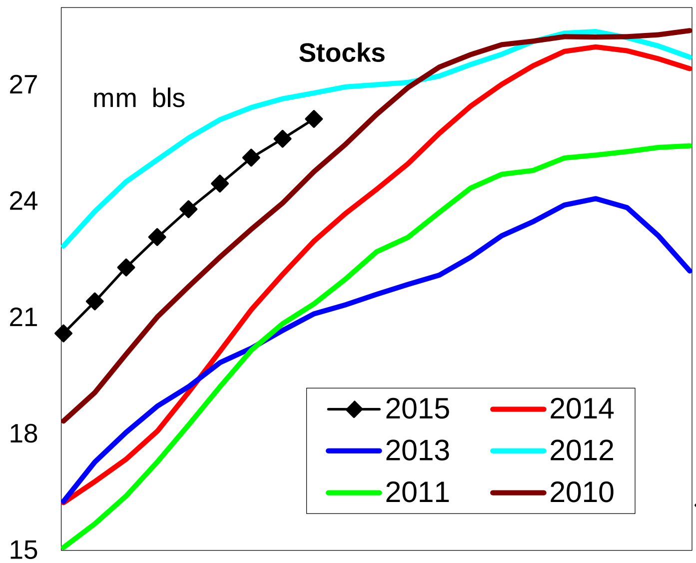
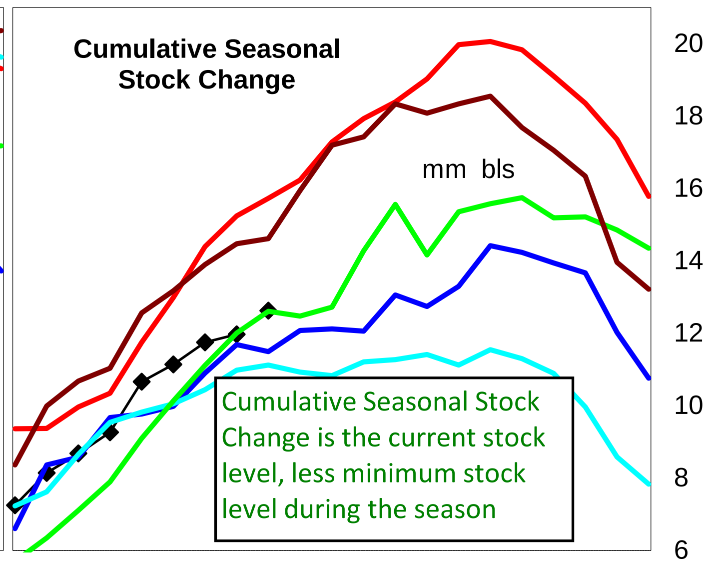
PADD 1 Propane Supply and Demand Balance

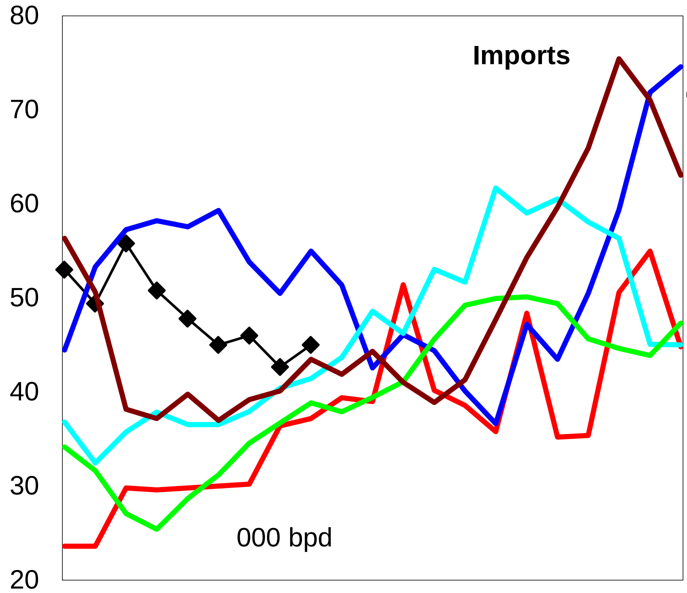


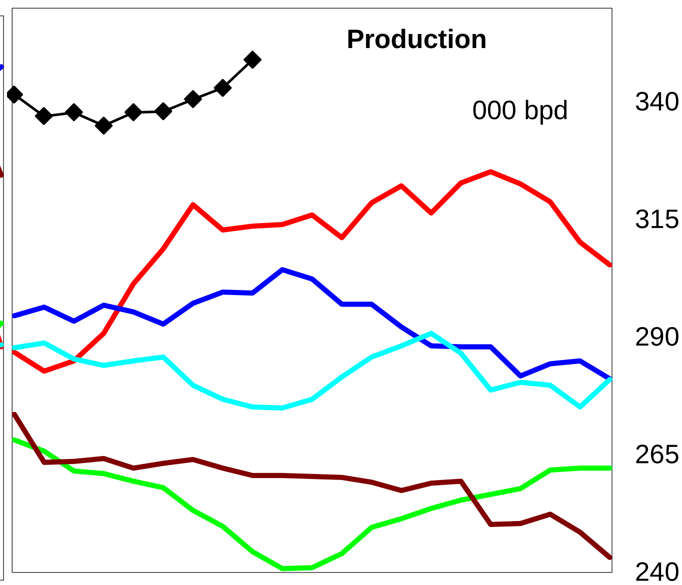
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-1,042	-823	61	2	102
% change	-19.1	-21.3	38.6	10.4	69.9

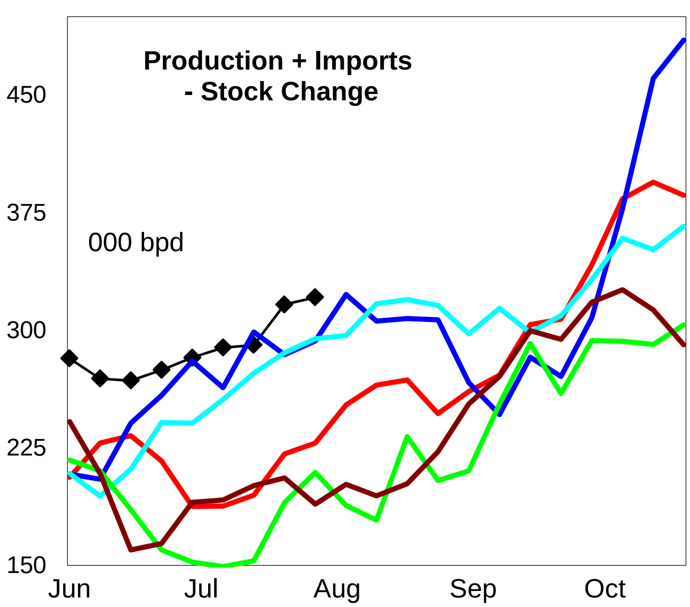
PADD 2 Propane Supply and Demand Balance

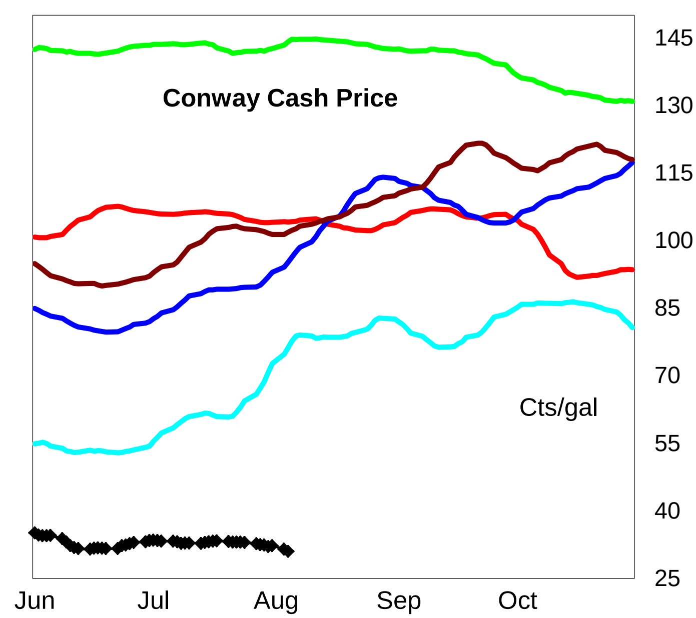












4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	3,200	-3,103	22	17	96
% change	14.0	-19.7	6.8	69.4	46.3

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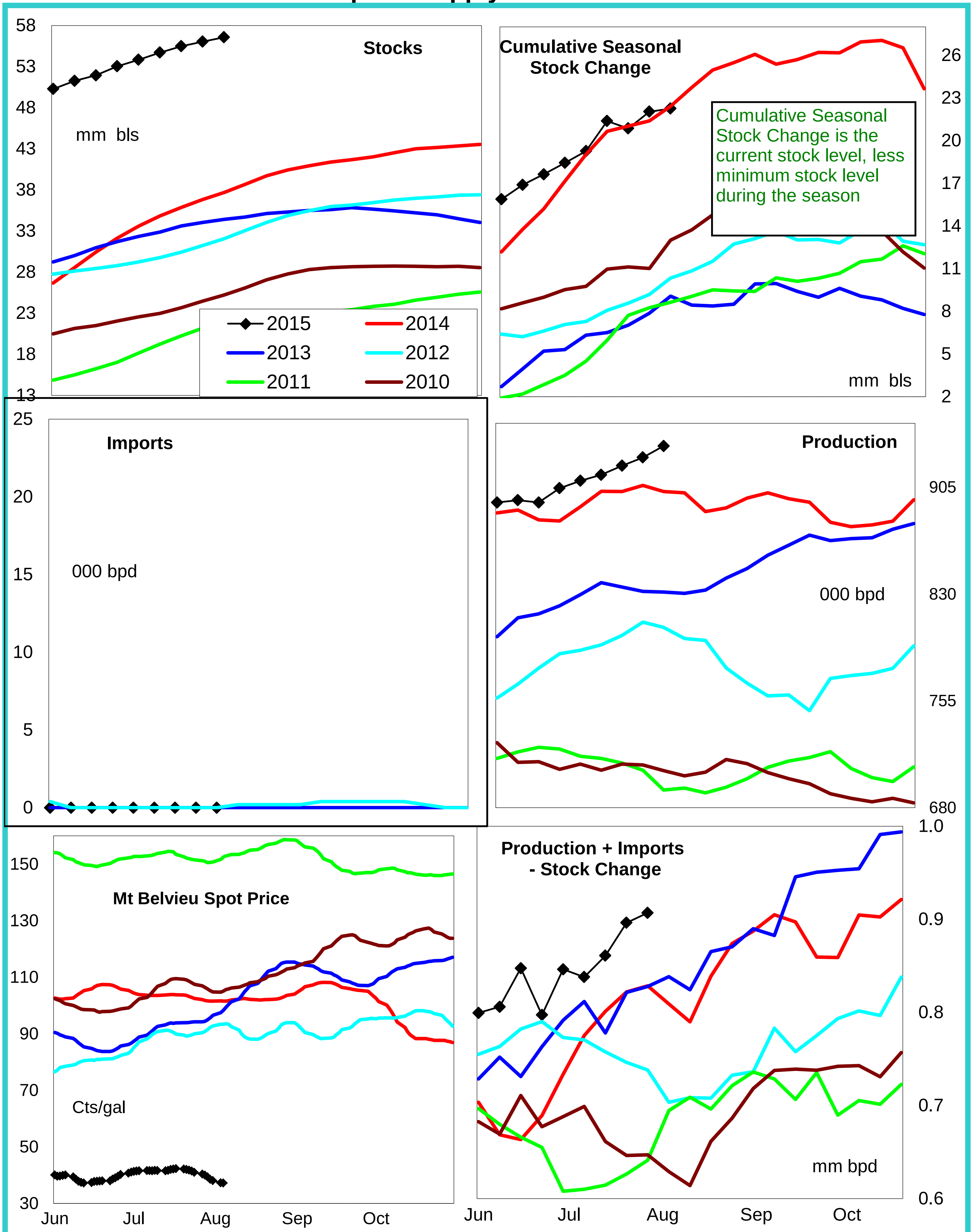
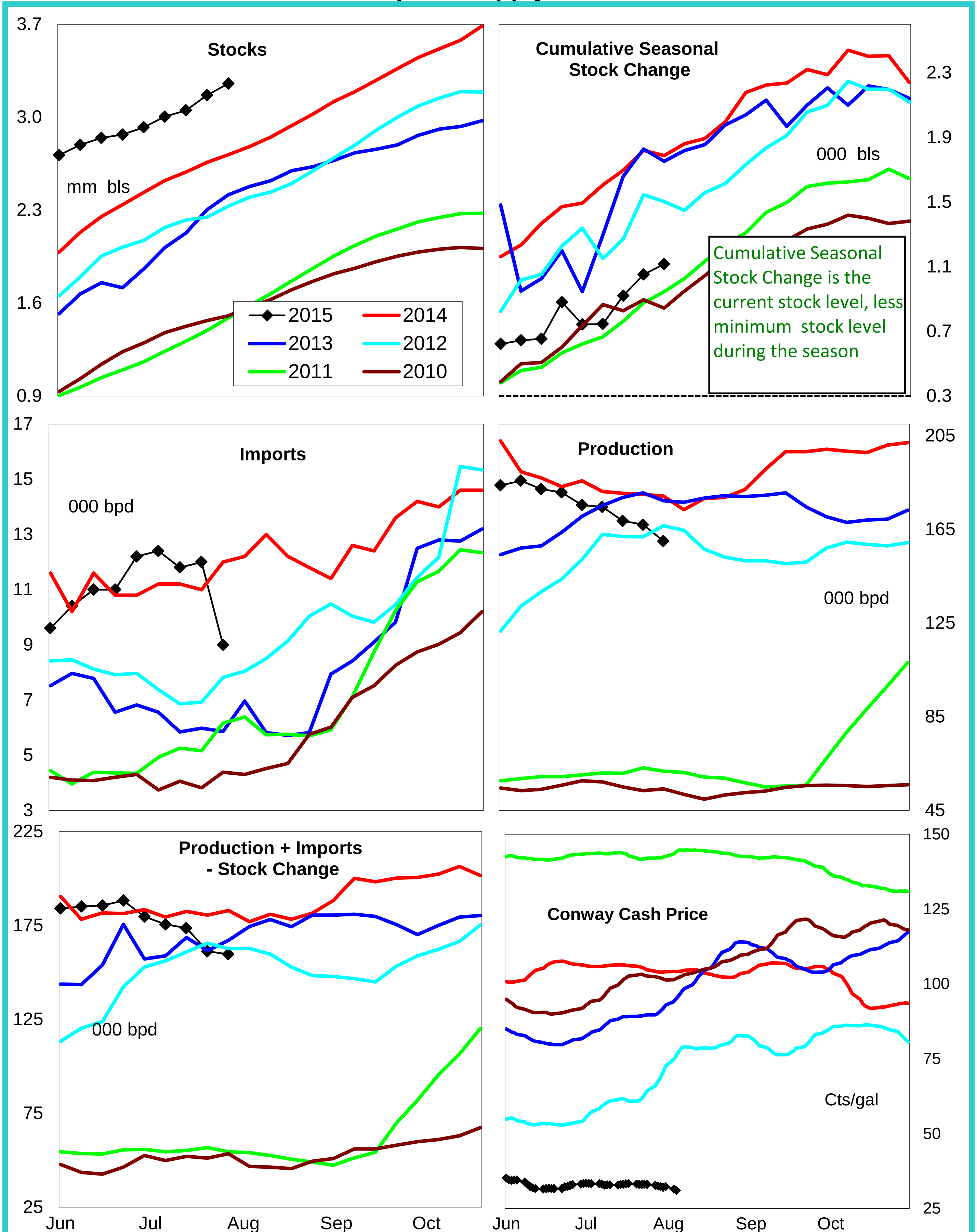
PADD 3 Propane Supply and Demand Balance



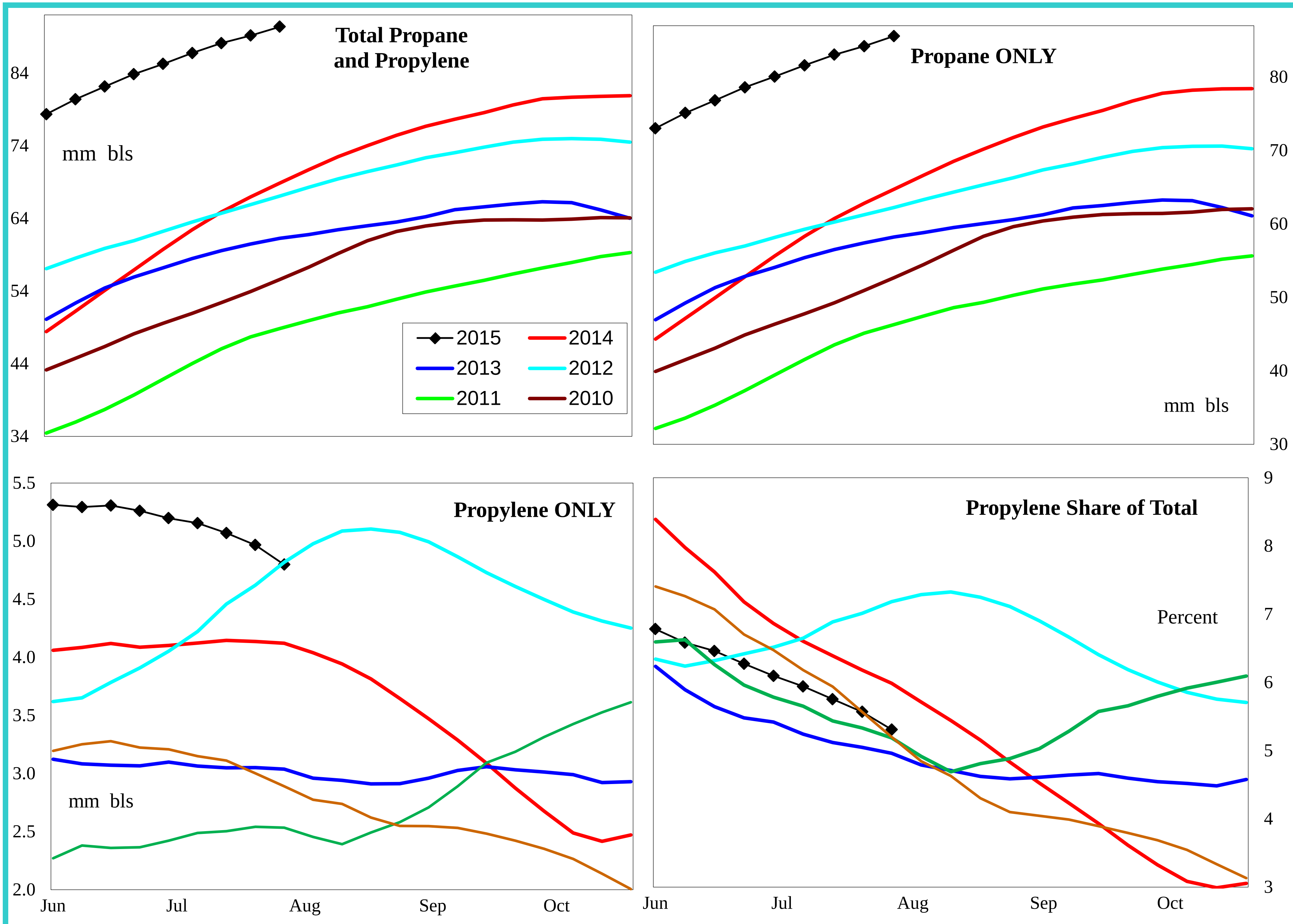
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	19,181	-161	14	0	69
% change	51.3	-1	1.5	#DIV/0!	9.1

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)	559	-671	-13	2	-14
% change	20.7	-37.5	-7.3	19.0	-7.6

U. S. Propane and Propylene Stocks



Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	21,898	21,294	676
% change	32.0	33.1	16.4

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