FUNDAMENTAL PETROLEUM TRENDS

WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

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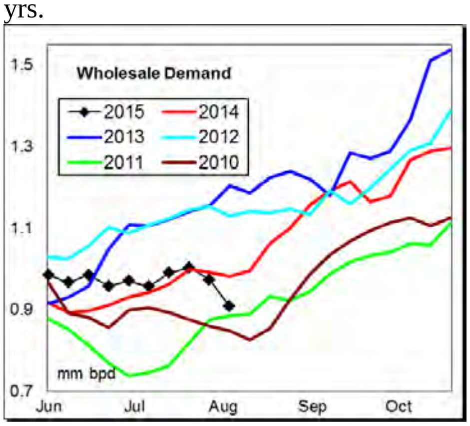
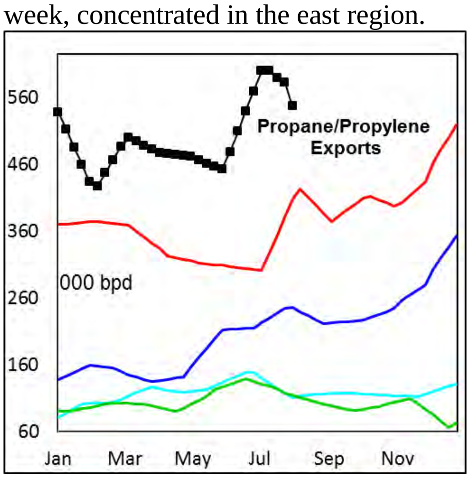
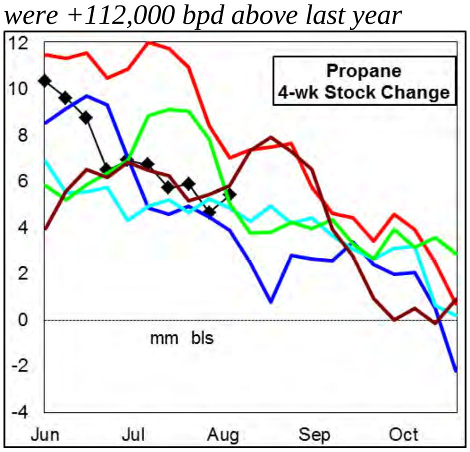
Summary[1]:
Wholesale demand decreased -198,000 bpd last week, to a level below the last 3-yrs.



Production decreased -10,000 bpd last week, concentrated in the east region.



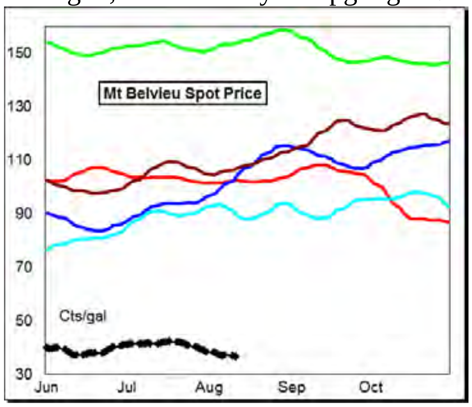
Exports for the week ending 31Jul15 were +112,000 bpd above last year



Stocks increased +2.4 million barrels on the week, concentrated in the Gulf Region. The cumulative seasonal stock build of +39 million barrels compares to a year ago build +44.6 million barrels.

The rate of stock build was +5.8 million barrels during the latest 4-wk period, compared to +7 million barrels last year, the result of higher exports.

Price and Spreads Mt Belvieu spot price decreased -0.50 cpg last week ending 11Aug15, with Conway +2 cpg higher.



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

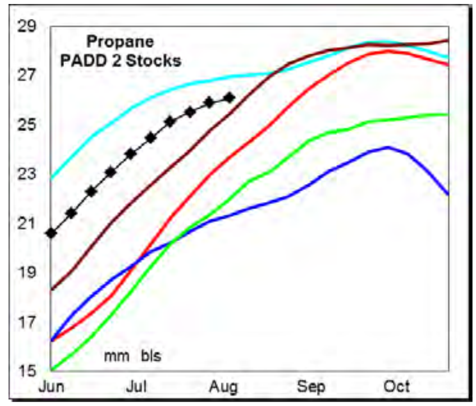
The propane to natural gas price spread trended lower last week, ending at a level well below the historic range.

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

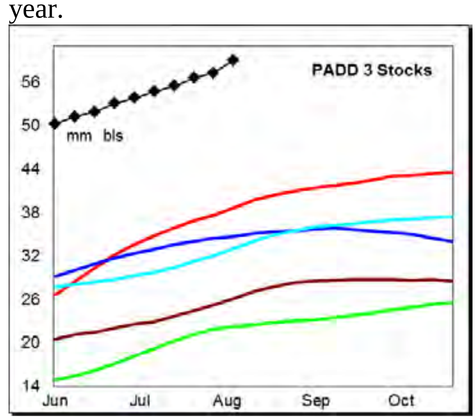
PADD 1 stocks decreased -0.2 million barrels on the week. Stocks ended the week near the 5-yr mid range for the period. Production fell -32,000 bpd on the week; with supply for the latest 4-wk period +54,000 bpd above last year.

PADD 2 supply increased +30,000 bpd last week, on higher production and imports. Production for the latest week was +48,000 bpd above a year ago, with the latest 4-wk period +34,000 bpd above last year (+11%). Stocks were unchanged on the week. Stock levels ended the week near 5-yr highs for the period.

An increase in deliveries to the Gulf region has off set a surge in imports and production, limiting stock building in the area.



PAD 3 stocks increased +2.5 million barrels on the week, due in part to increased receipts from the Midwest. Stock levels ended the week +53% above the prior 5-yr high, driven by receipts from adjacent producing regions. Supplies for the latest 4-wk period were +24,000 bpd above last year.



PADDs 4 & 5 stocks increased +0.2 million barrels on the week, to a level +0.6 million barrels above last year, and a record high.

Emerging Trends The +2.4 million barrel stock build last week, was due in part to the very low prior week build.

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

Look for stock building by the downstream supply chain ahead of fall grain harvest to limit stock builds while providing modest support to wholesale prices.

[1] Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

August 12, 2015

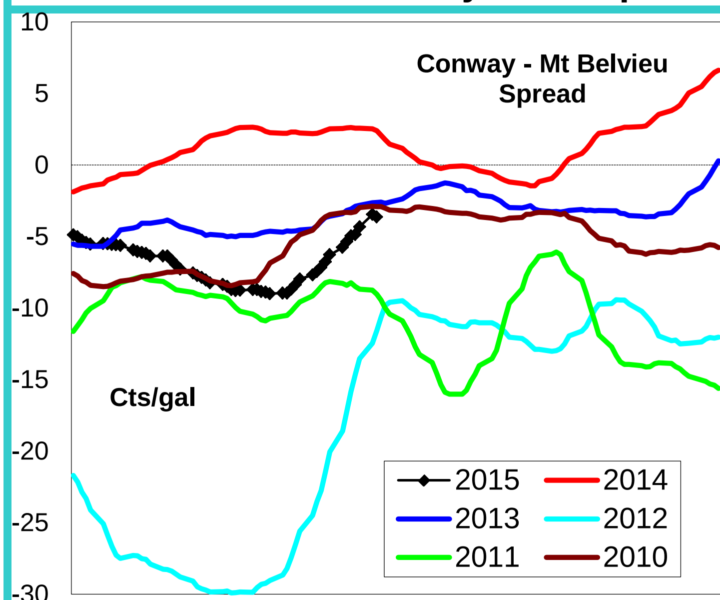
Fundamental Trends for the Week Ending: Friday, August 07, 2015

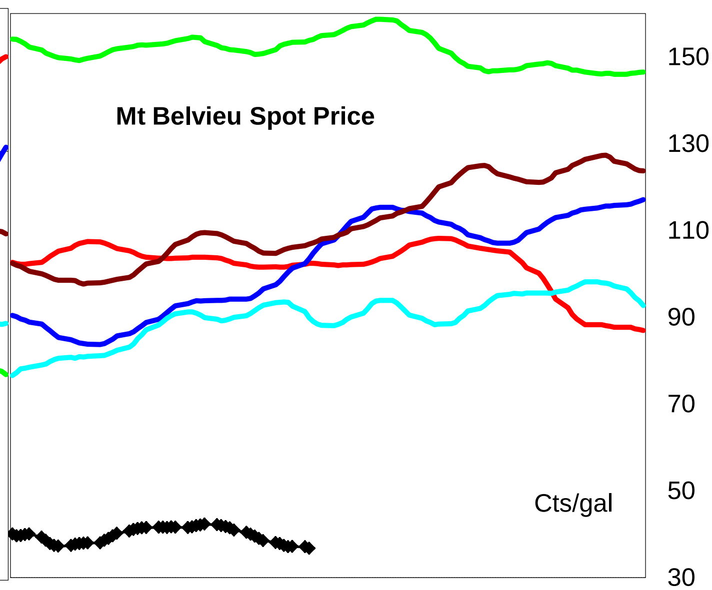
000 bpd / Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S.	PADD				U.S.	PADD			
	Total	1	2	3	4&5	Total	1	2	3	4&5
Stocks	92,792	4,270	26,079	59,035	3,408	2,414	-154	-44	2,457	155
Propylene Stocks	4,680					-118				
Production	1,651	186	362	950	153	-10	-32	13	16	-7
Imports	98	22	62	0	14	24	2	17	0	5
Whsle Demand	857					-198				

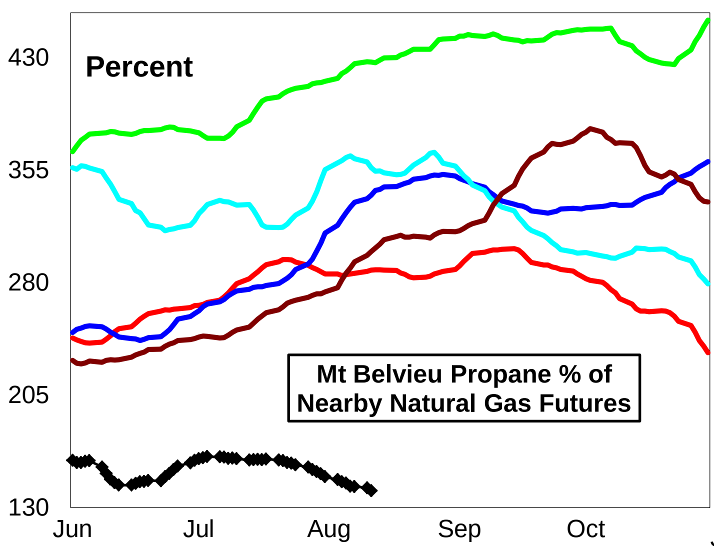
Price Trends for the Week Ending: Tuesday, August 11, 2015

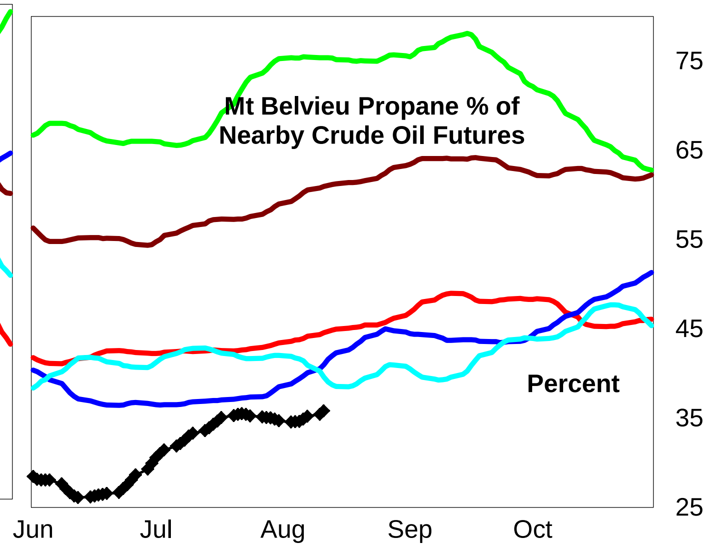
Cents/gal	Average for week ending:				Change from:			% change from:		
	8/11/15	8/4/15	7/14/15	8/13/14	8/4/15	7/14/15	8/13/14	8/4/15	7/14/15	8/13/14
Mont Belvieu Spot	37.2	38.0	41.3	102.8	-0.85	-3.25	-61.57	-2.2	-7.9	-59.9
Conway Spot	32.9	32.3	32.8	105.4	0.55	-0.52	-72.59	1.7	-1.6	-68.9

Key Price Spreads and Differentials

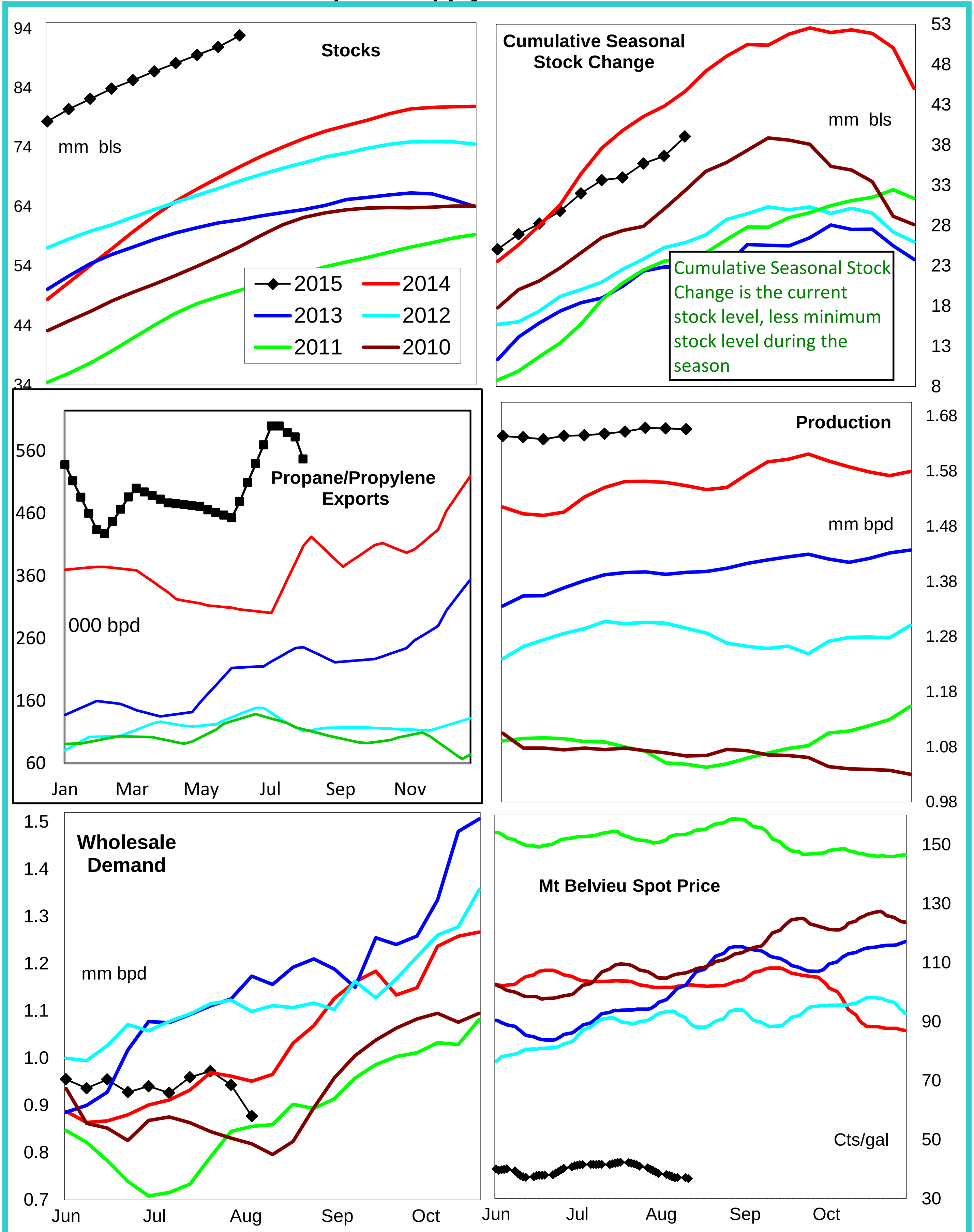






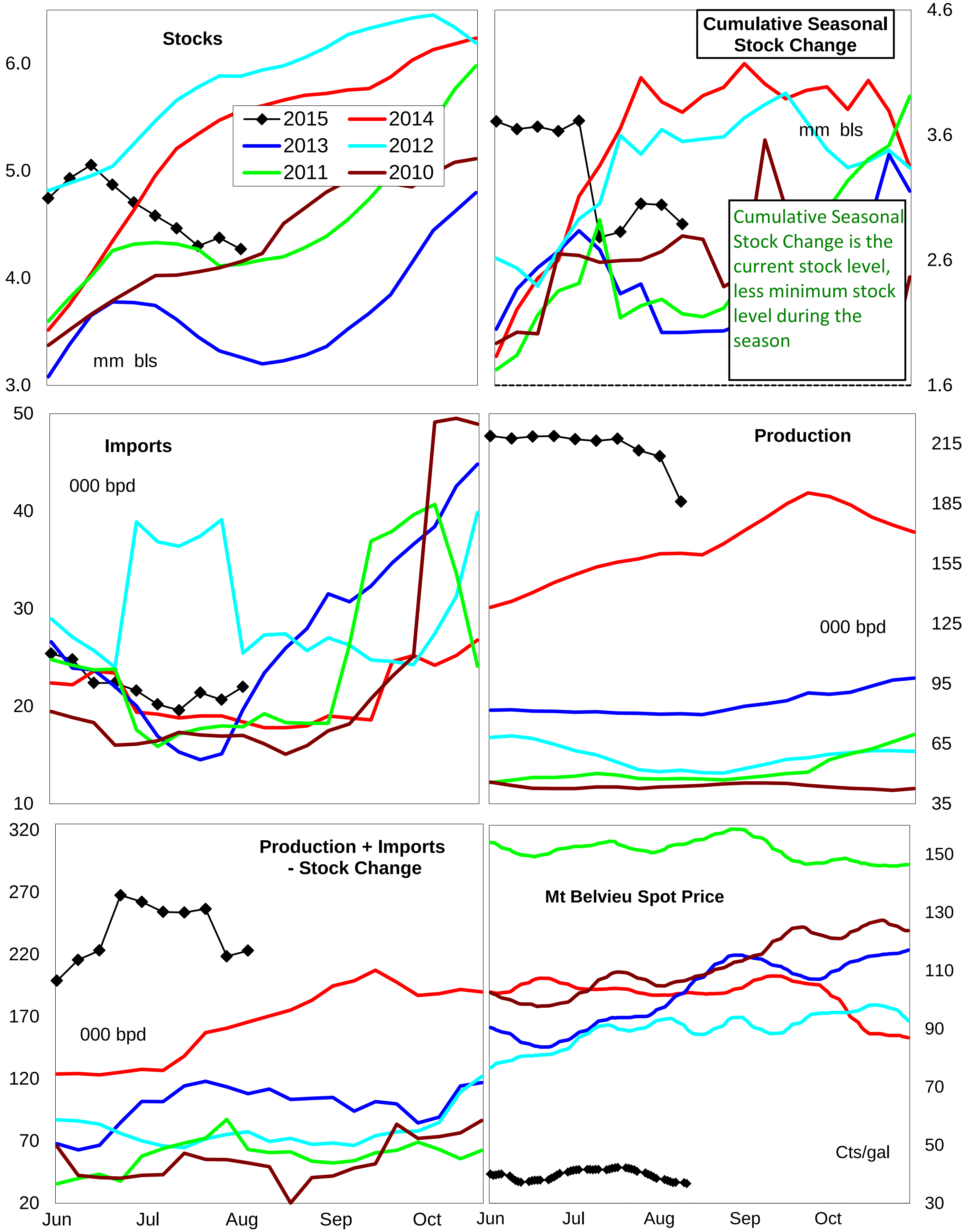


U. S. Propane Supply and Demand Balance



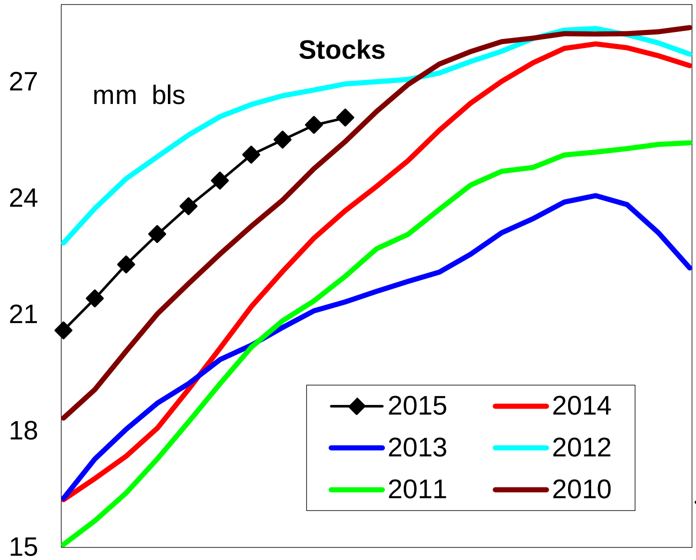
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Jul	Jun	May
000 bpd (000 bls stks)	22,492	-5,594	92	10		-13	13	43	37
% change	32.0	-13	5.9	14.1		-1.3	1.4	4.6	4.8

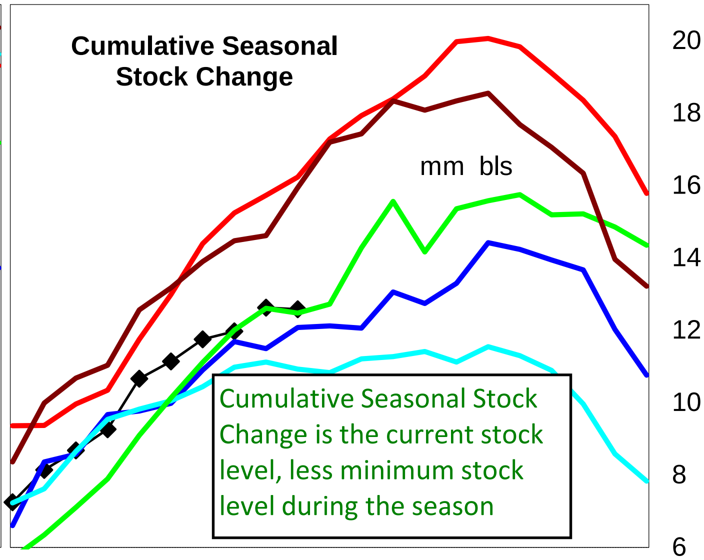
PADD 1 Propane Supply and Demand Balance

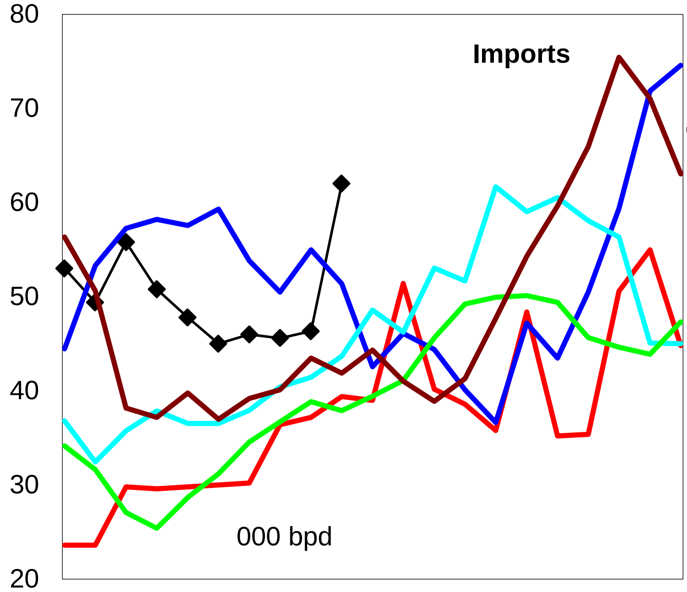


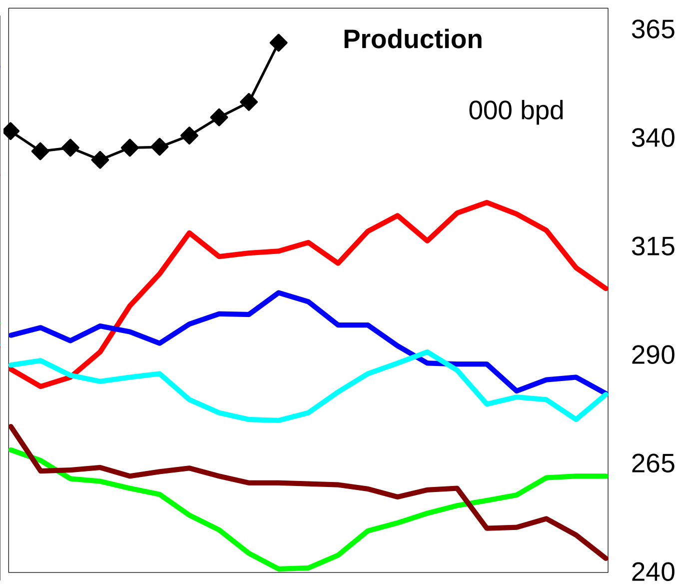
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-1,112	-893	52	2	82
% change	-20.7	-23.6	32.4	9.2	53.0

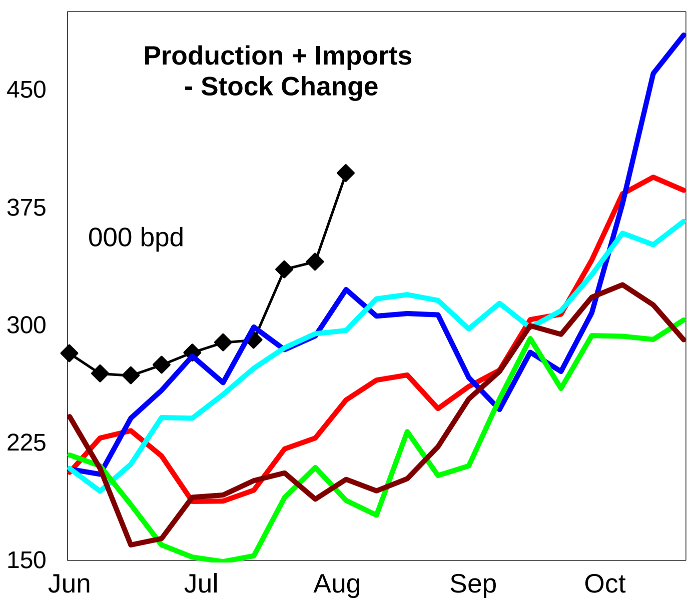
PADD 2 Propane Supply and Demand Balance

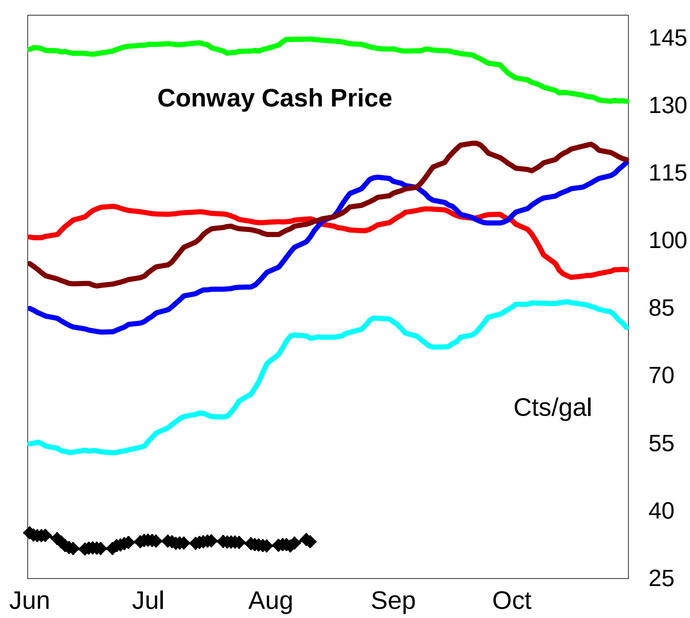












4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	2,646	-3,657	34	7	117
% change	11.3	-22.5	10.7	17.3	52.1

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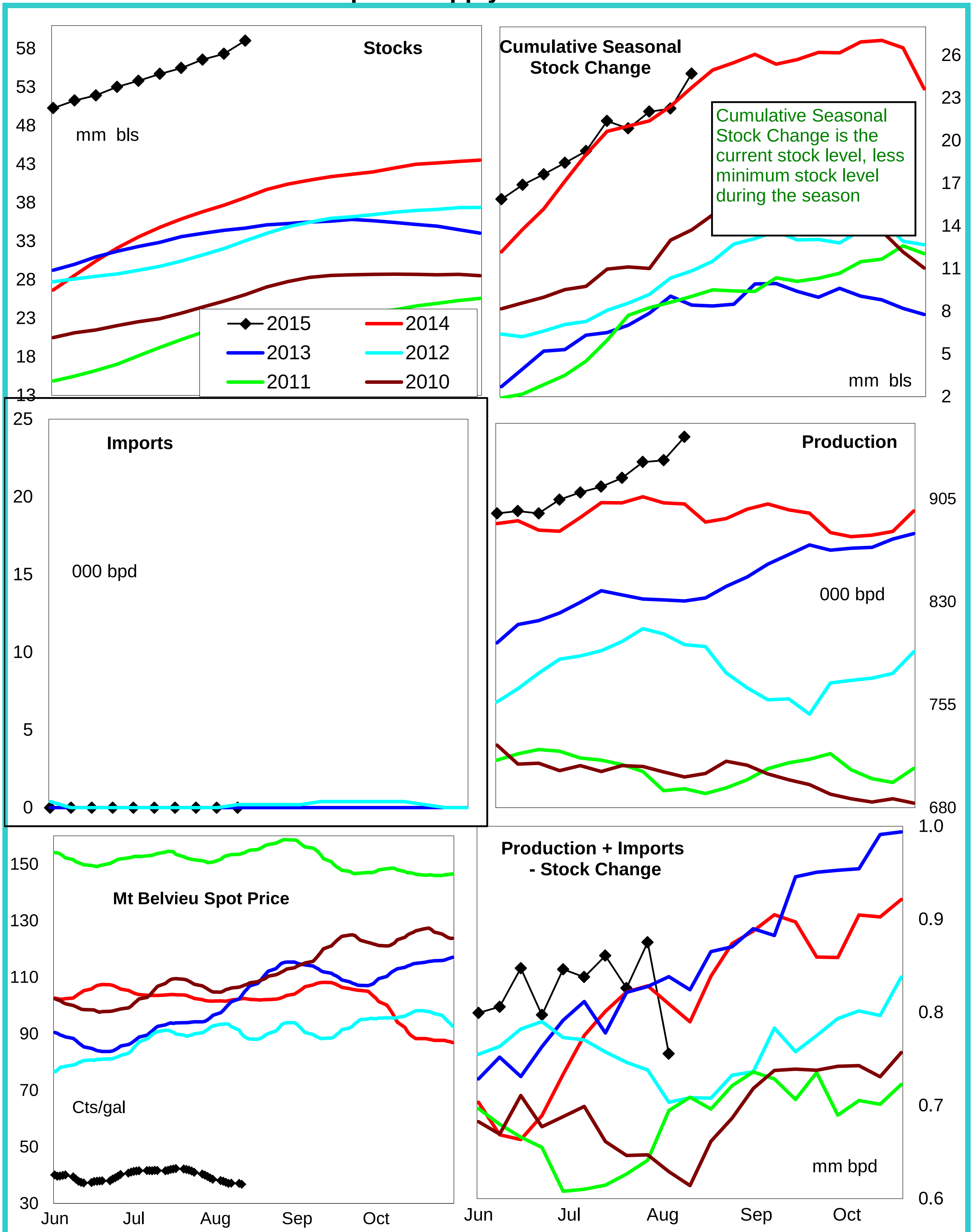
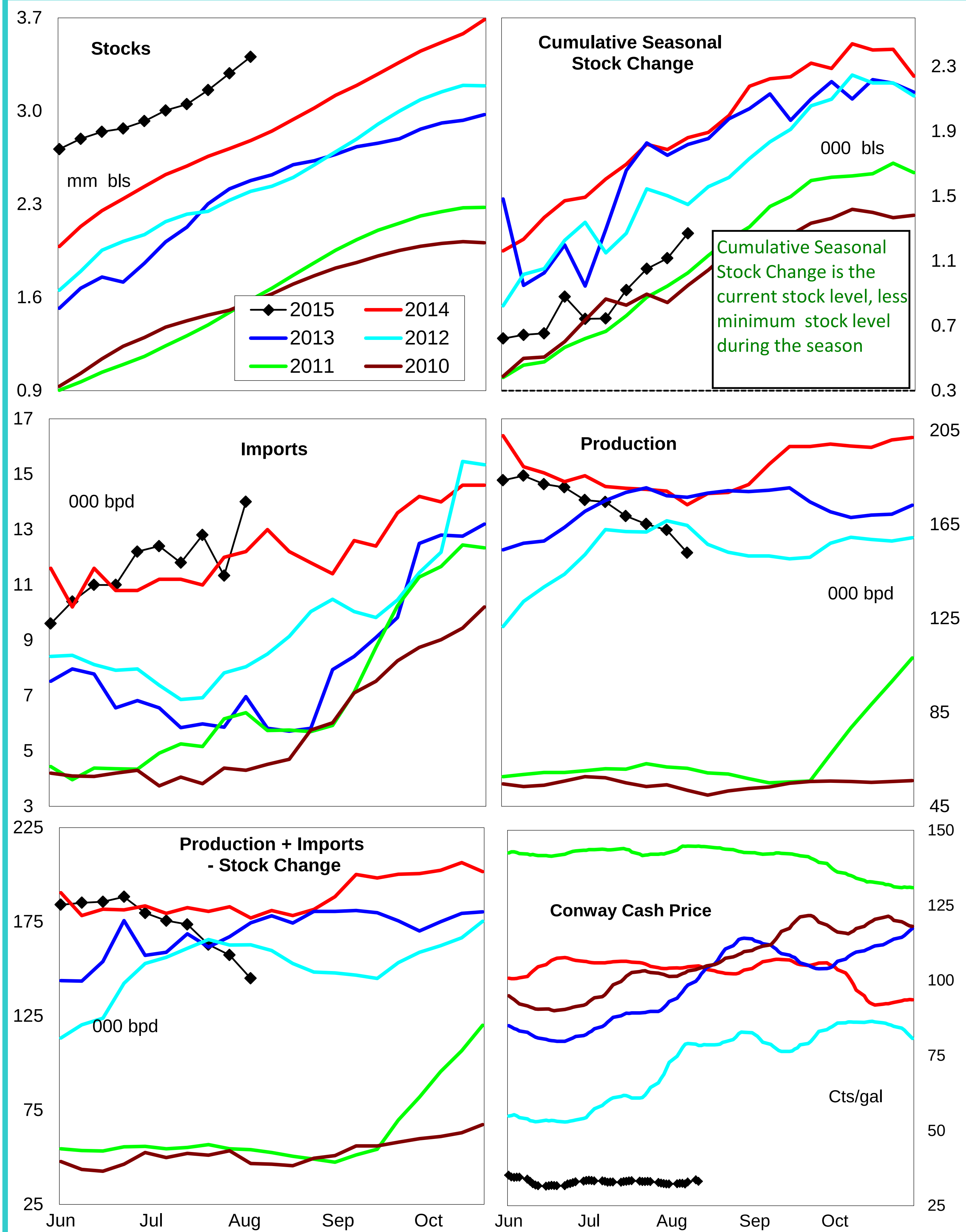
PADD 3 Propane Supply and Demand Balance



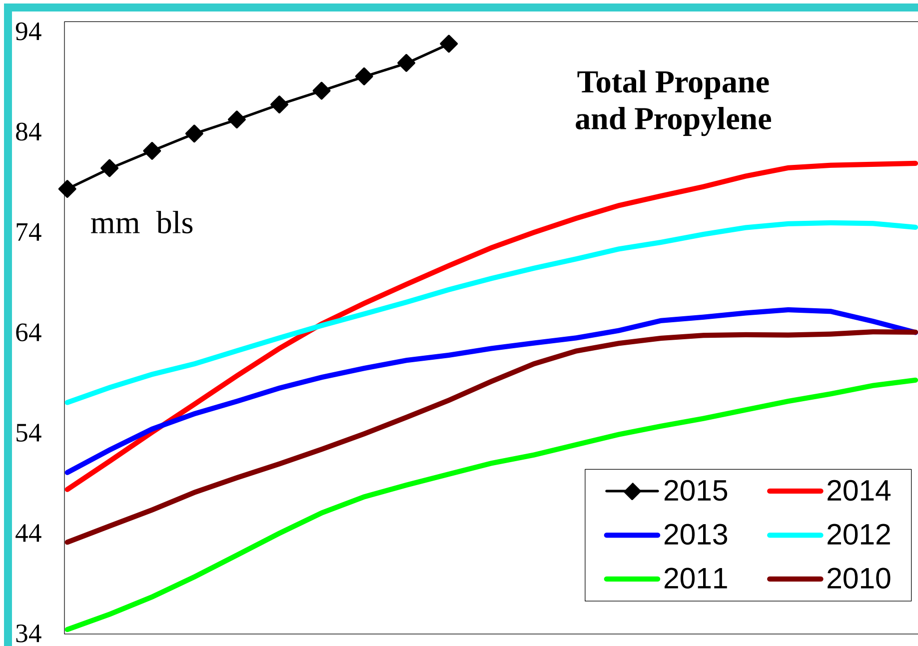
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	20,317	975	24	0	14
% change	52.5	4	2.7	#DIV/0!	1.9

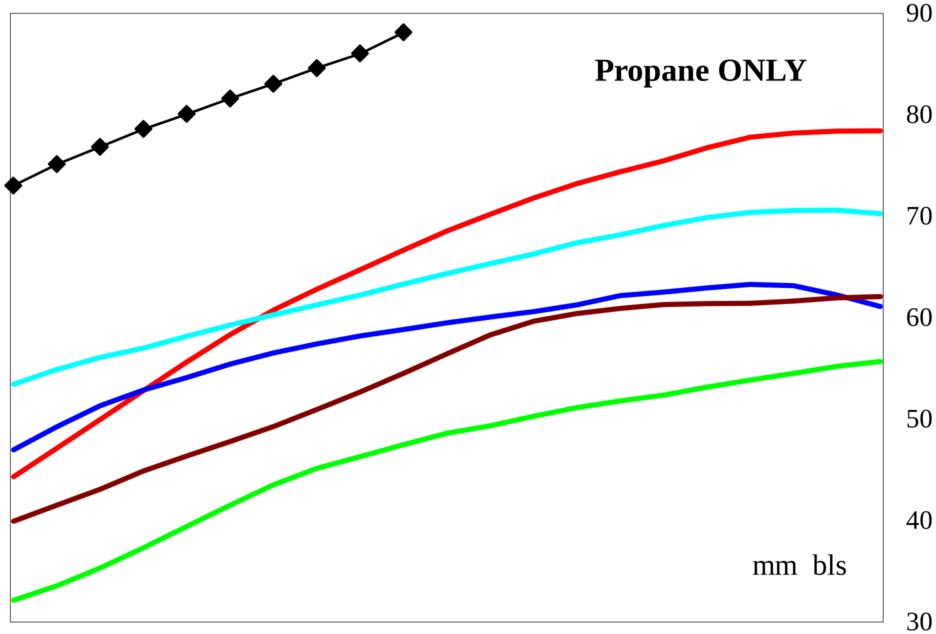
PADDs 4 and 5 Propane Supply and Demand Balance

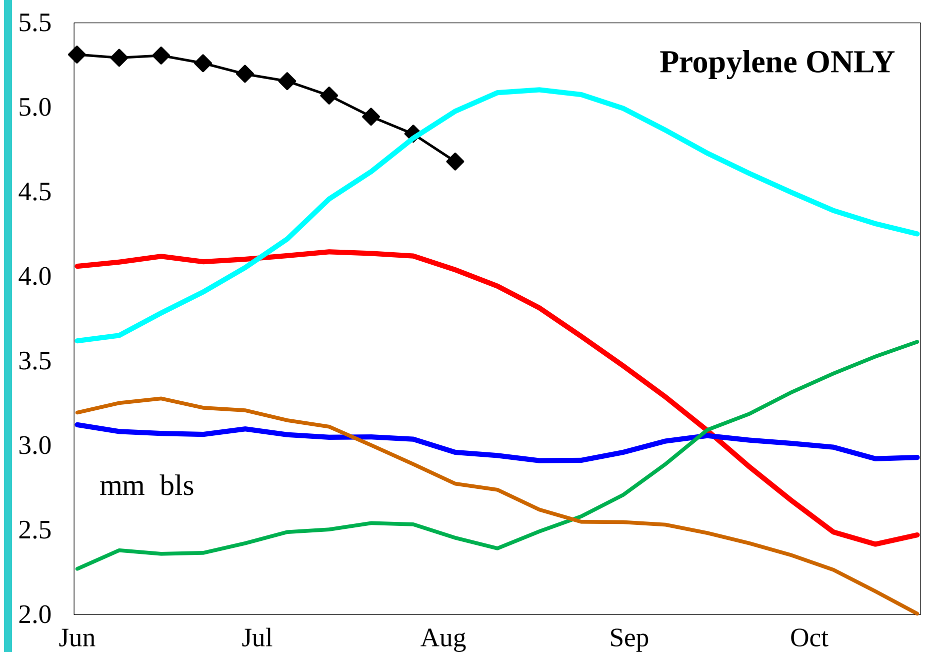


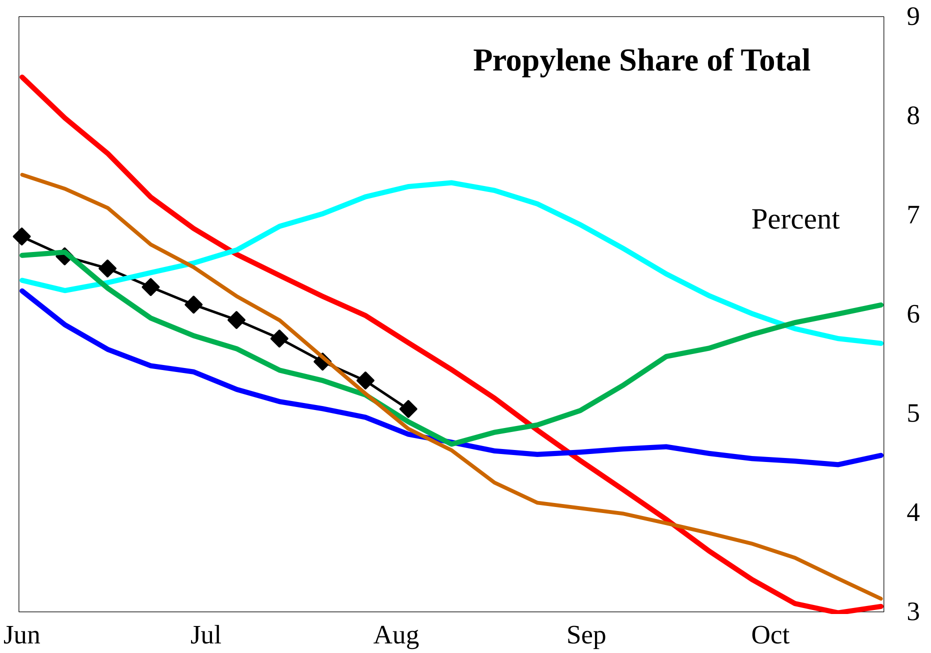
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	640	-590	-18	1	-21
% change	23.1	-31.7	-9.8	11.1	-11.6

U. S. Propane and Propylene Stocks









Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	**22,492**	**21,947**	**640**
% change	**32.0**	**33.2**	**15.8**

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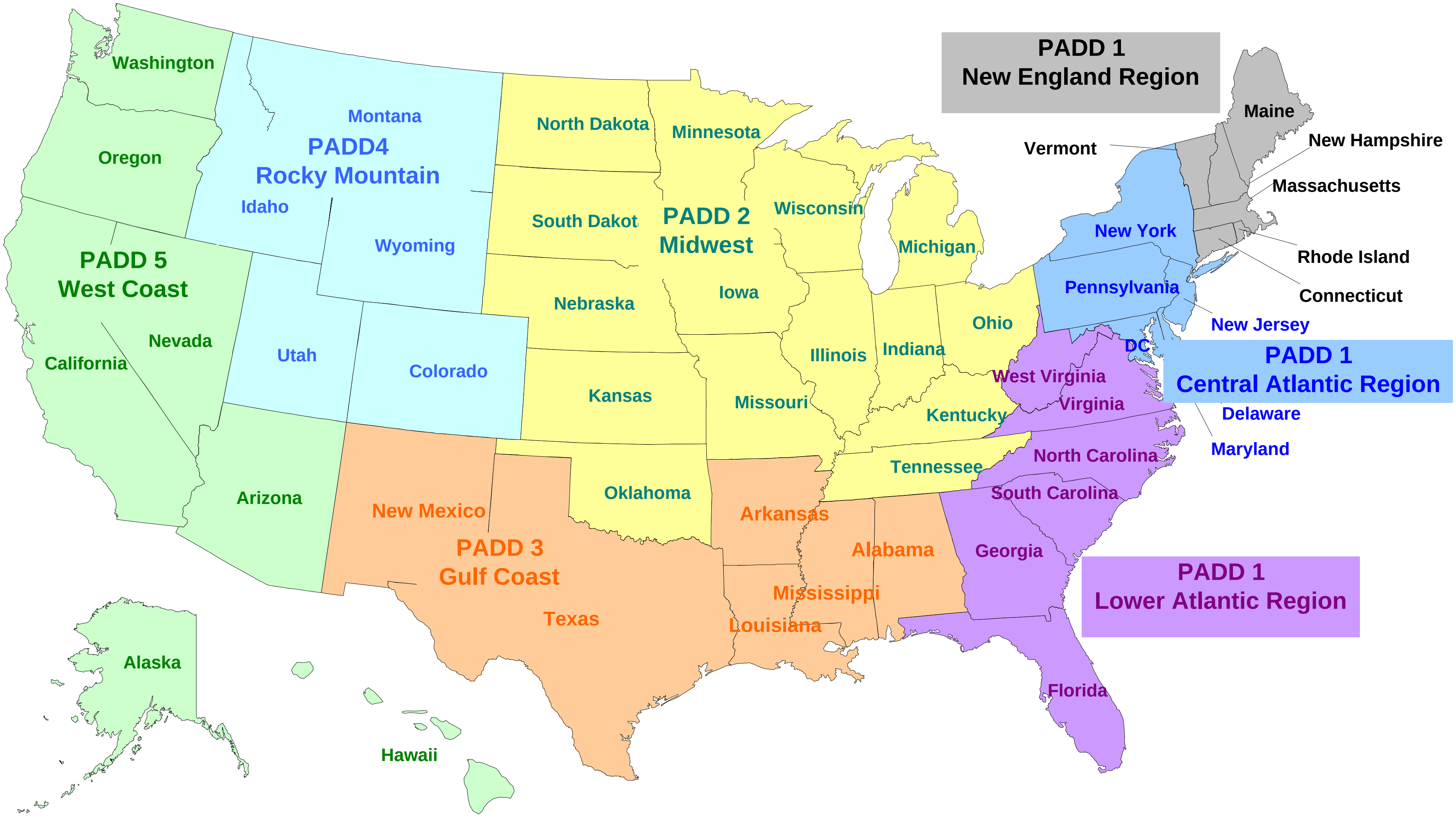
U. S. Petroleum Administrative for Defense Districts (PADDs)



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