FUNDAMENTAL PETROLEUM TRENDS

WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com

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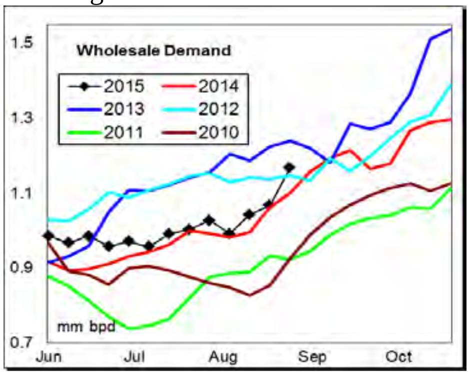
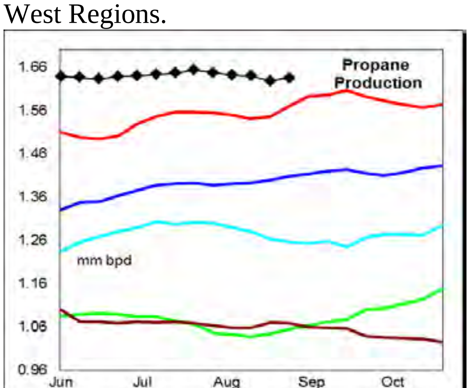
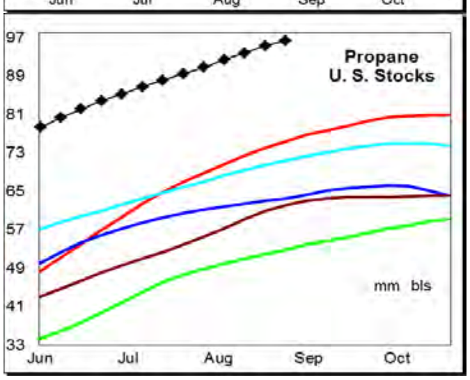
Summary[1]:
Wholesale demand increased +194,000 bpd last week, to a level near the 3-yr mid range.



Production increased +5,000 bpd last week, concentrated in the Midwest and West Regions.

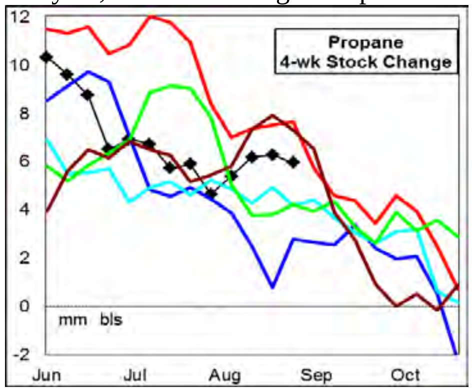




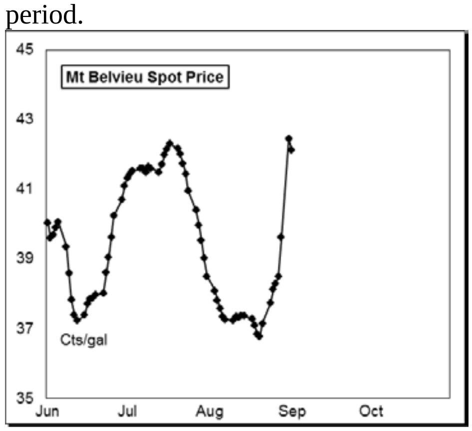
Exports for the week ending 21Aug15 were +110,000 bpd above last year

Stocks increased +0.6 million barrels on the week, concentrated in the East and Midwest Regions. The cumulative seasonal stock build of +43 million barrels compares to a year ago build +50 million barrels.

The rate of stock build was +6 million barrels during the latest 4-wk period, compared to +7.3 million barrels last year, the result of higher exports.



Price and Spreads Mt Belvieu spot price increased +6 cpg last week ending 01Sep15, with Conway up +5 cpg for the period.



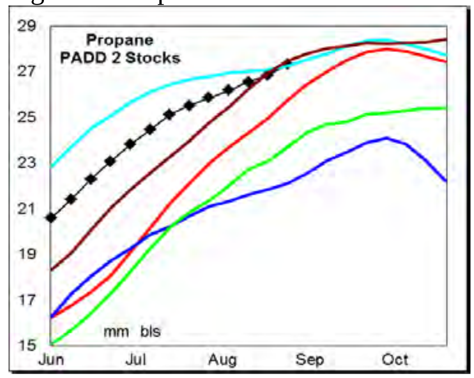
The Conway – Mt Belvieu price spread traded sideways on the week, ending at a level below the last 2-yrs.

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

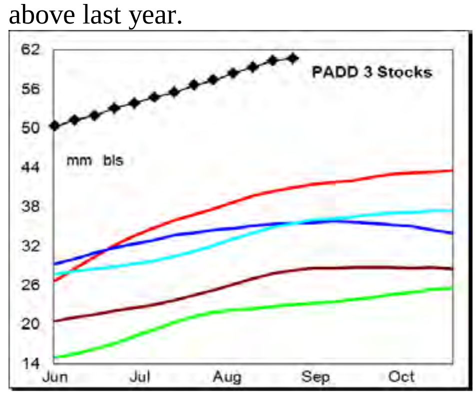
The propane / crude oil price spread trended higher last week, ending at a level just below historic lows for the period.

PADD 1 stocks increased +0.2 million barrels on the week, ending at a level near the 5-yr mid range. Production decreased -1,000 bpd on the week; with supply for the latest 4-wk period +29,000 bpd above last year.

PADD 2 supply increased +23,000 bpd last week, on higher production. Production for the latest week was a record high, with the latest 4-wk period +35,000 bpd above last year (+11%). Stocks increased +0.4 million barrels on the week, to a level that matched 5-yr highs for the period.



PAD 3 stocks were unchanged on the week, due in part to lower receipts from other regions and upturn in exports. Stock levels ended the week +46% above the prior 5-yr high. Supplies for the latest 4-wk period were +64,000 bpd above last year.



PADDs 4 & 5 stocks were unchanged on the week, at a level +0.7 million barrels above last year, and a new record high.

Emerging Trends Wholesale demand increased to match the 3-yr mid range last week for this time of year. A lack of stock building in the Gulf region, while stocks increased in the East and Midwest regions points to an upturn in exports for the week.

Stock levels remain very high in all markets except the East region.

Propane prices rebounded last week on the uptrend in global energy prices and an upturn in wholesale demand. Look for an uptrend in wholesale propane prices on the start of fall harvest season.

[1] Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

September 2, 2015

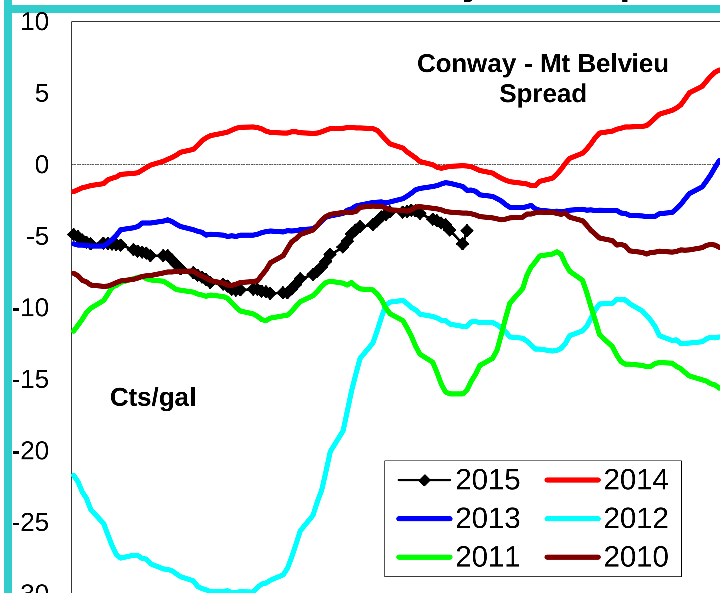
Fundamental Trends for the Week Ending: Friday, August 28, 2015

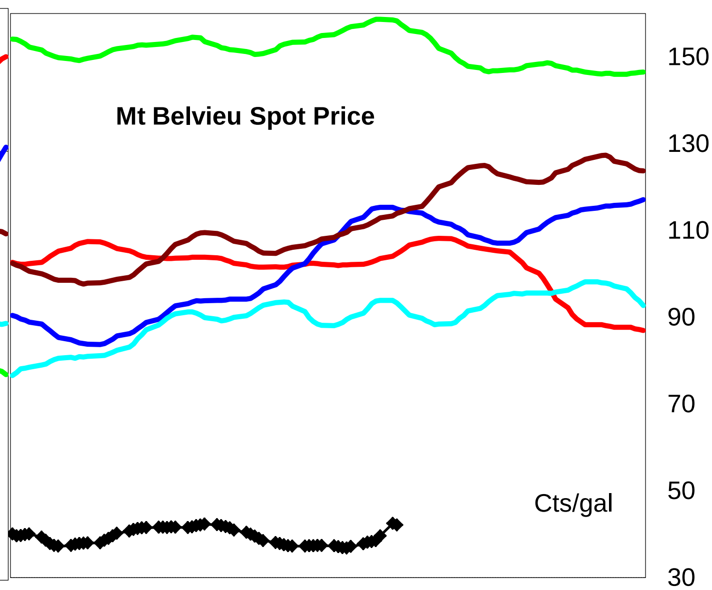
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S.	PADD				U.S.	PADD			
	Total	1	2	3	4&5	Total	1	2	3	4&5
Stocks	96,344	4,530	27,317	60,688	3,809	620	216	433	4	-33
Propylene Stocks	4,612					88				
Production	1,635	183	363	929	160	5	-1	14	-19	11
Imports	76	23	41	0	12	13	2	9	0	2
Whsle Demand	1,117					194				

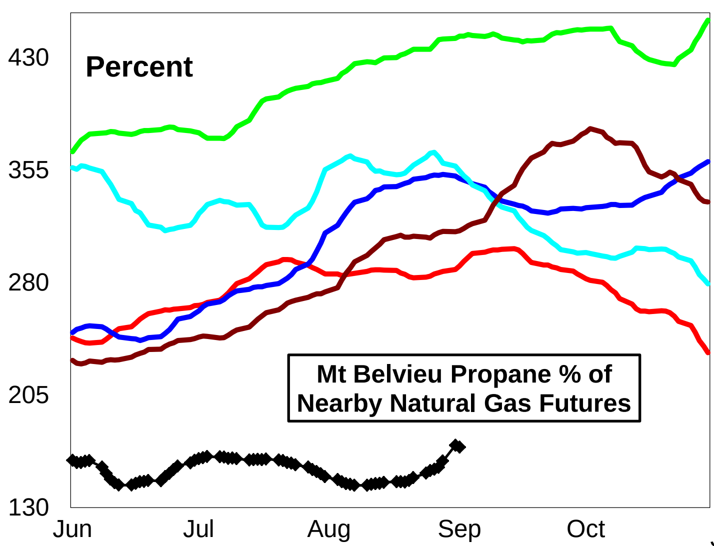
Price Trends for the Week Ending: Tuesday, September 01, 2015

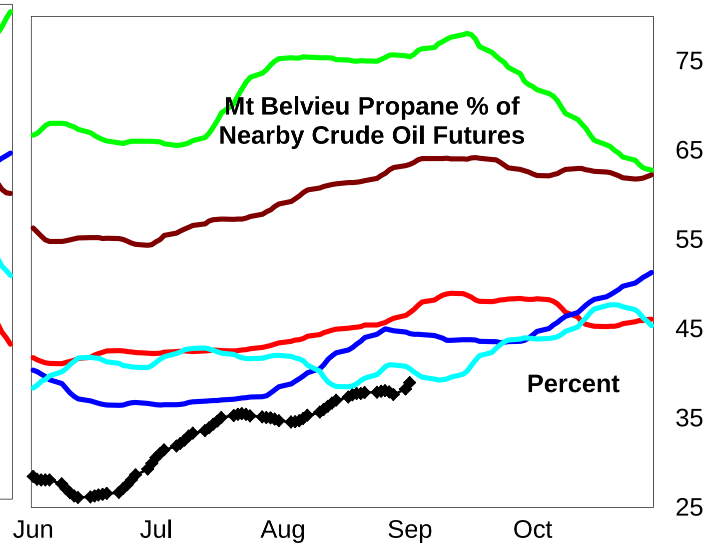
Cents/gal	Average for week ending:				Change from:			% change from:		
	9/1/15	8/25/15	8/4/15	9/3/14	8/25/15	8/4/15	9/3/14	8/25/15	8/4/15	9/3/14
Mont Belvieu Spot	39.6	36.7	38.0	103.1	2.92	-1.32	-65.11	7.9	-3.5	-63.1
Conway Spot	35.1	33.3	32.3	103.5	1.72	1.03	-71.15	5.2	3.2	-68.8

Key Price Spreads and Differentials

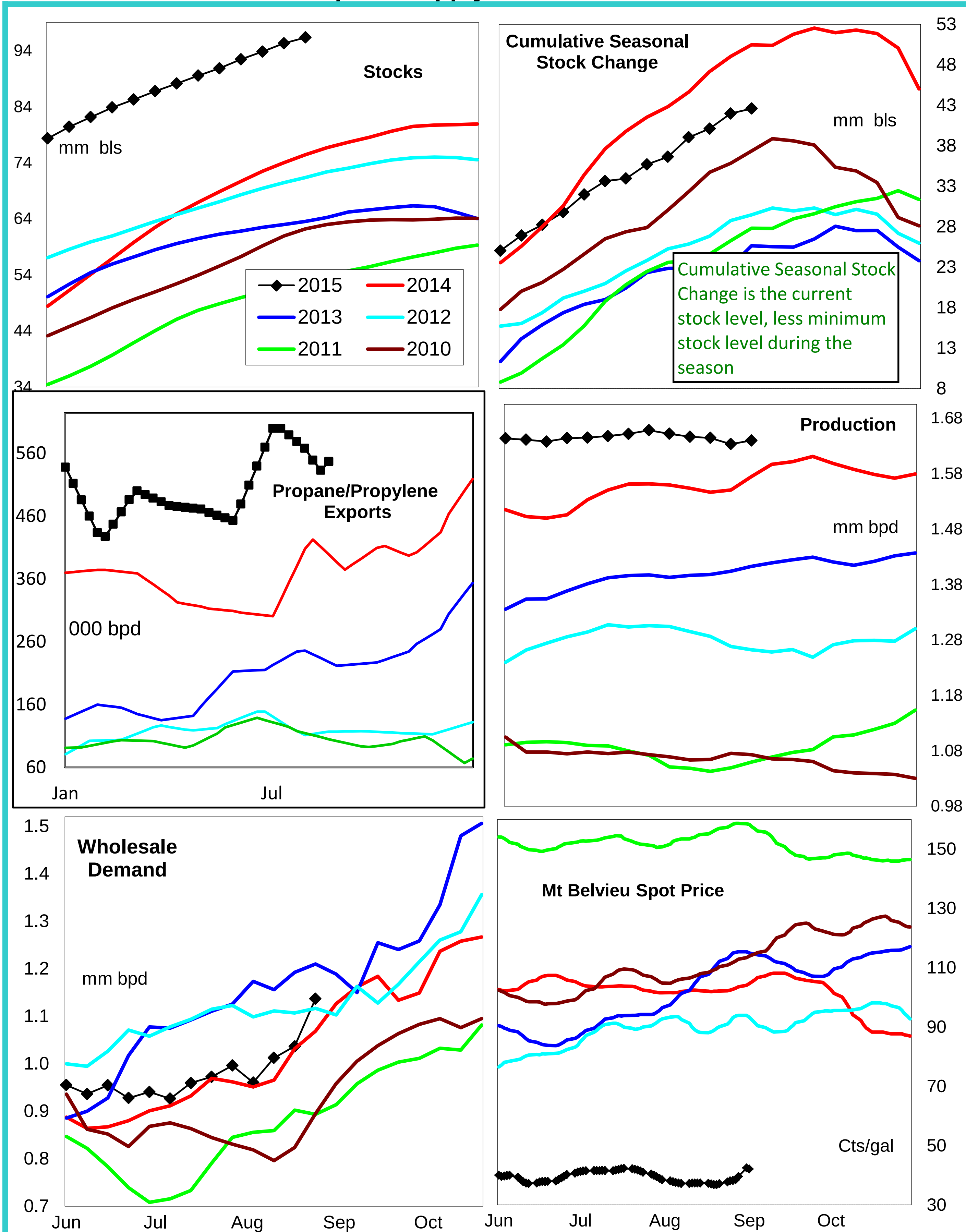








U. S. Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Jul	Jun	May
000 bpd (000 bls stks)	20,220	-7,866	102	9		50	13	43	37
% change	26.6	-16	6.7	11.6		5.3	1.4	4.6	4.8

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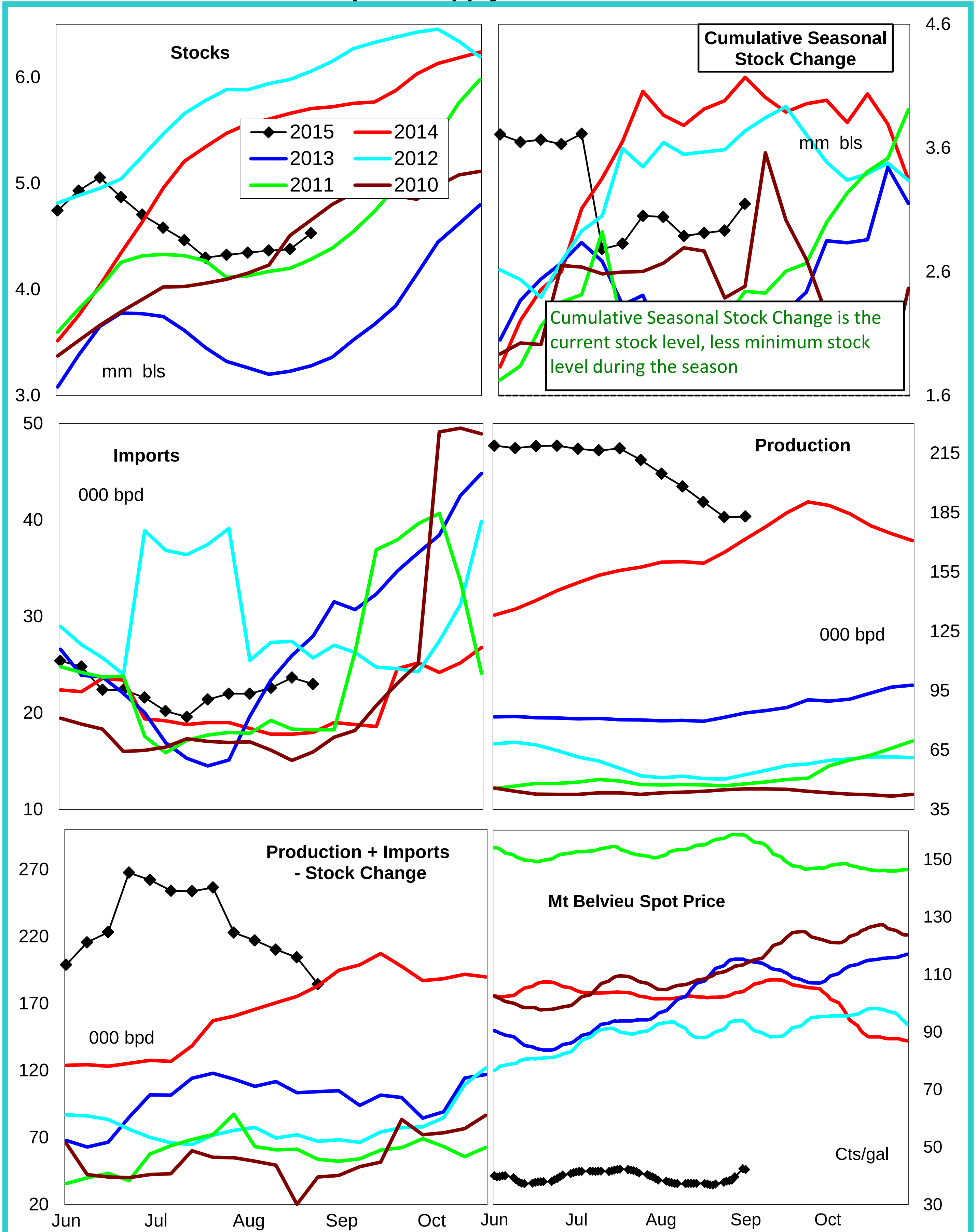
PADD 1 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-1,360	-1,022	24	5	30
% change	-23.1	-24.5	14.9	29.2	17.5

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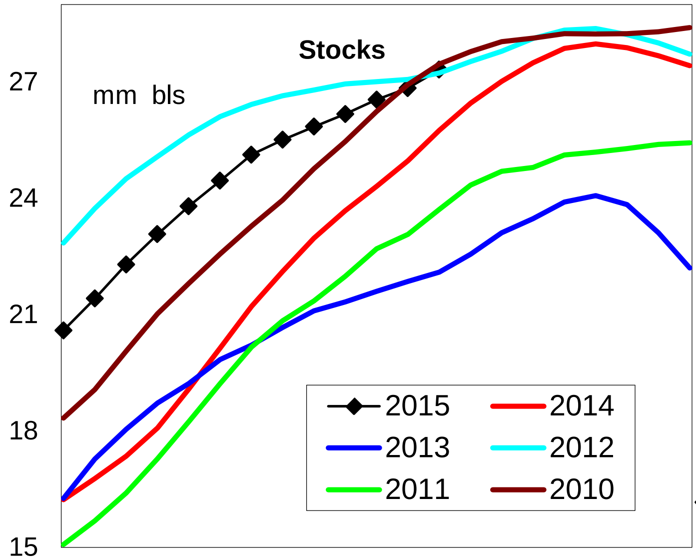
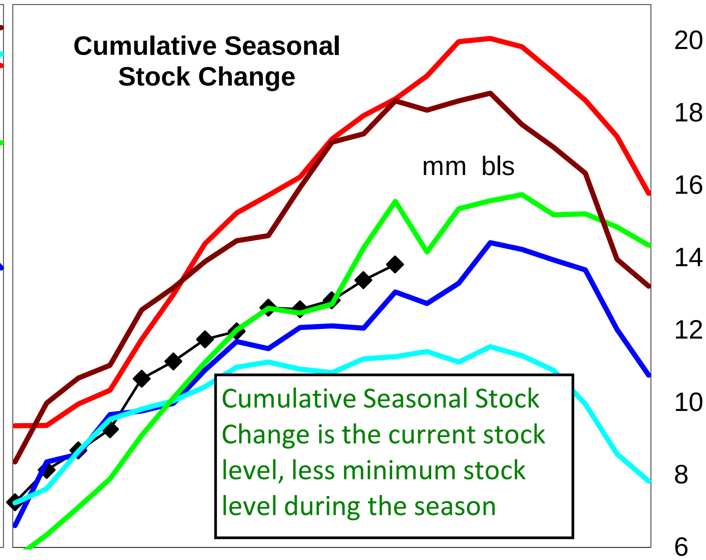
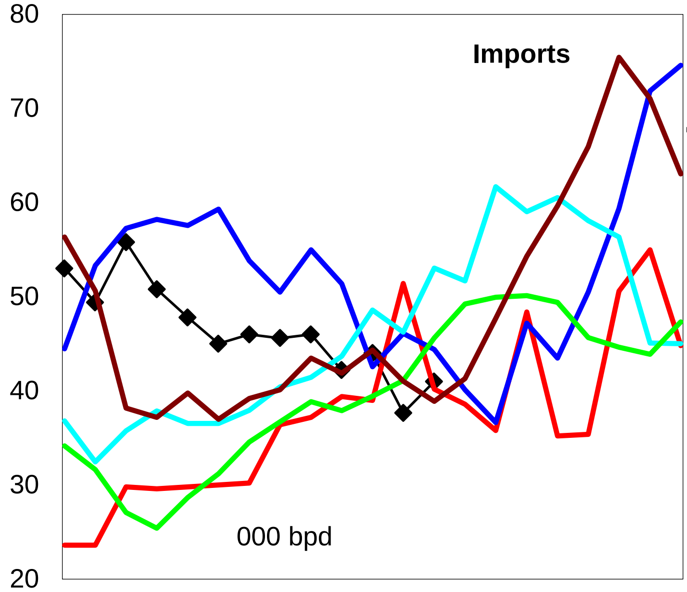
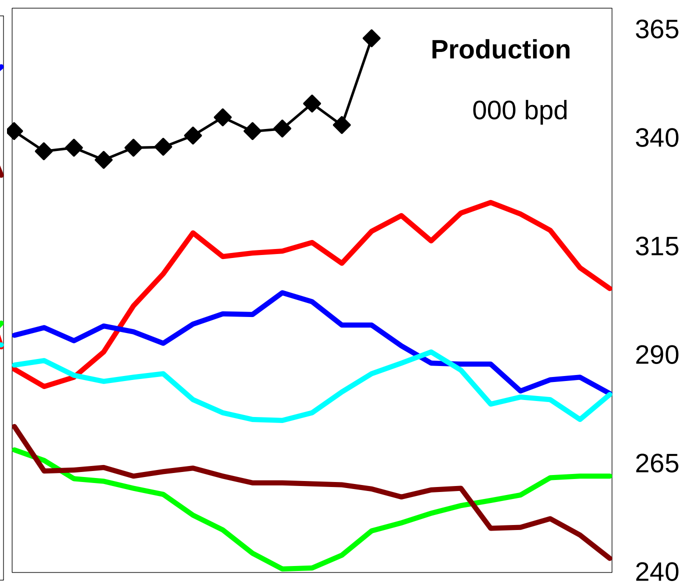
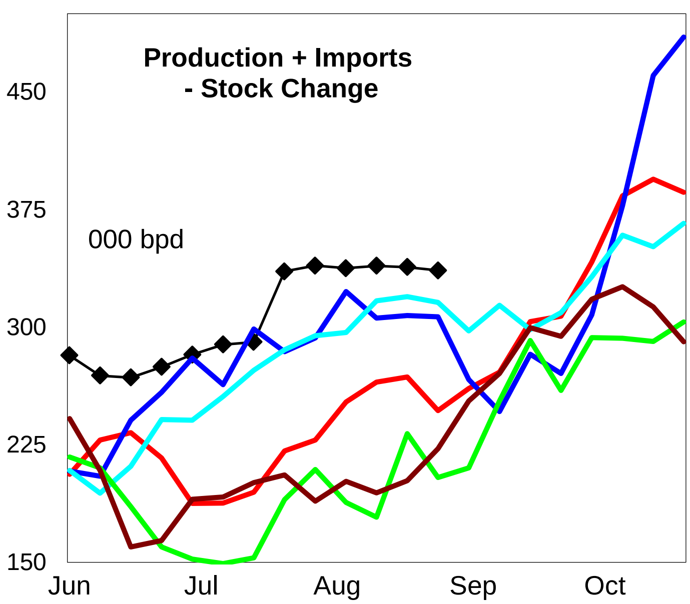
PADD 2 Propane Supply and Demand Balance

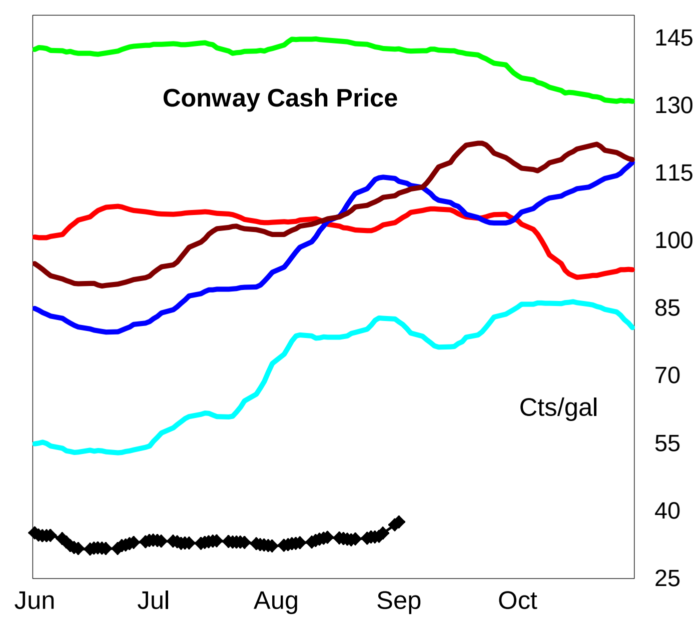












4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	1,727	-4,576	35	2	80
% change	6.7	-24.9	11.3	5.4	30.9

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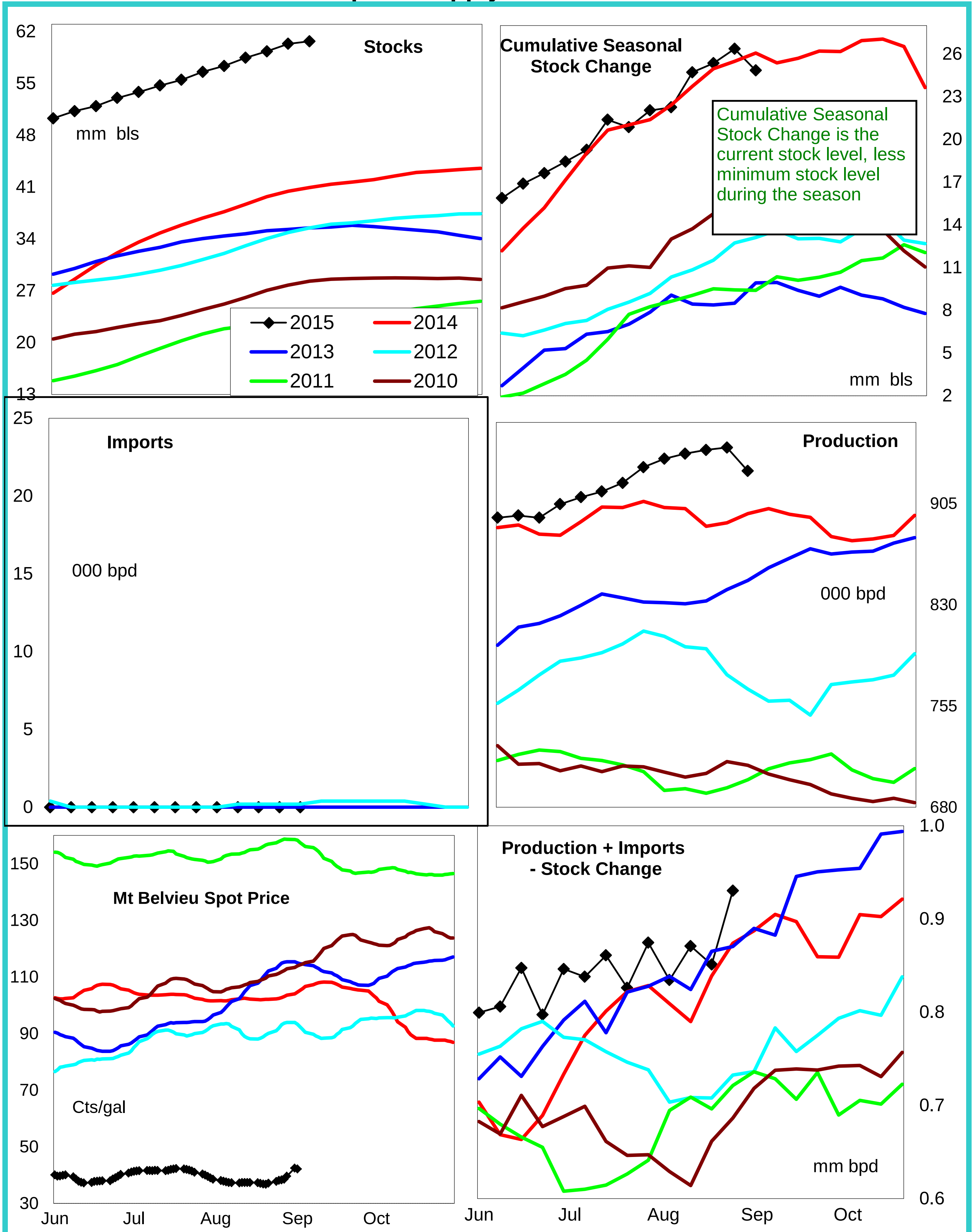
PADD 3 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	19,127	-1,219	64	0	44
% change	46.0	-5	7.2	#DIV/0!	5.6

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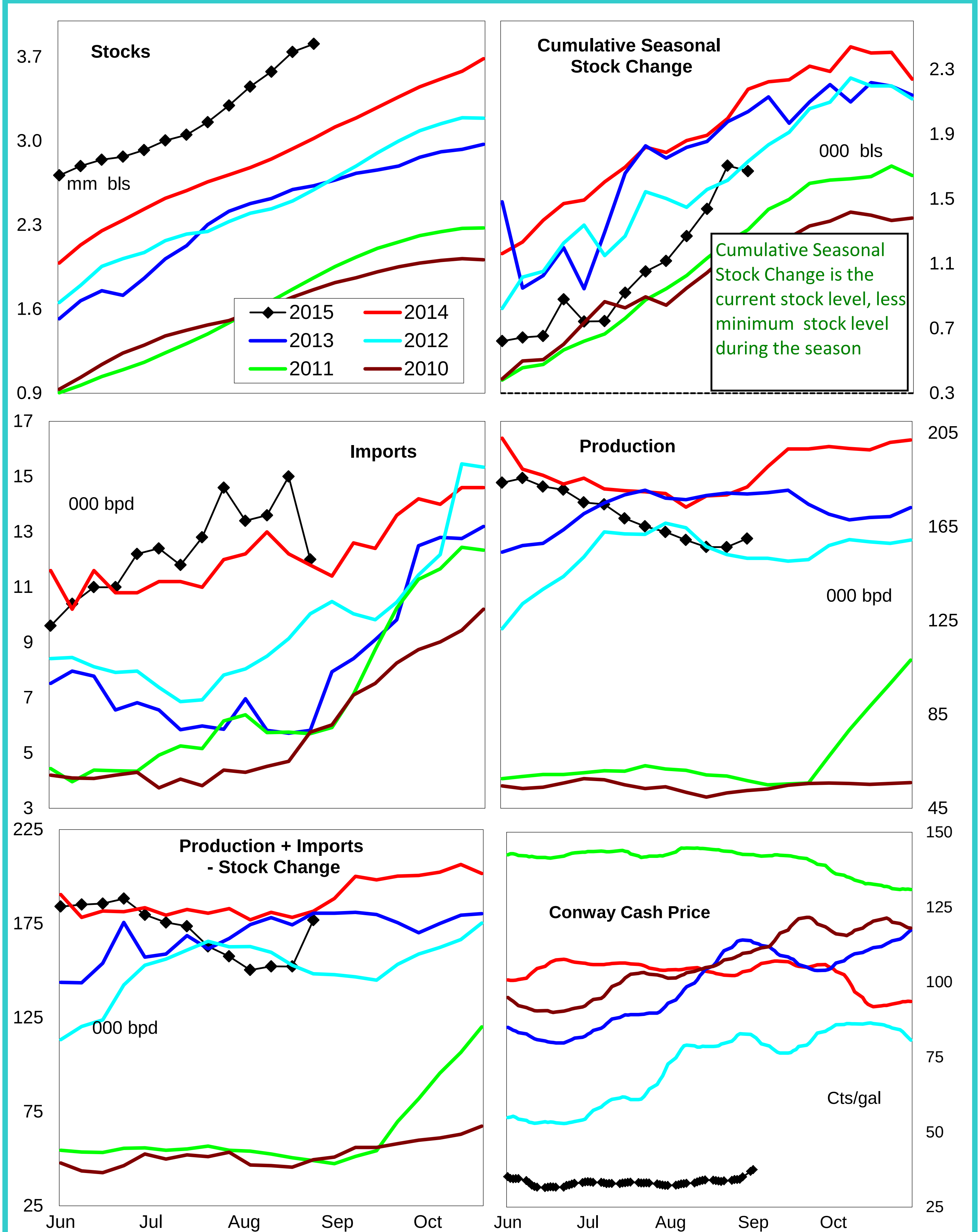
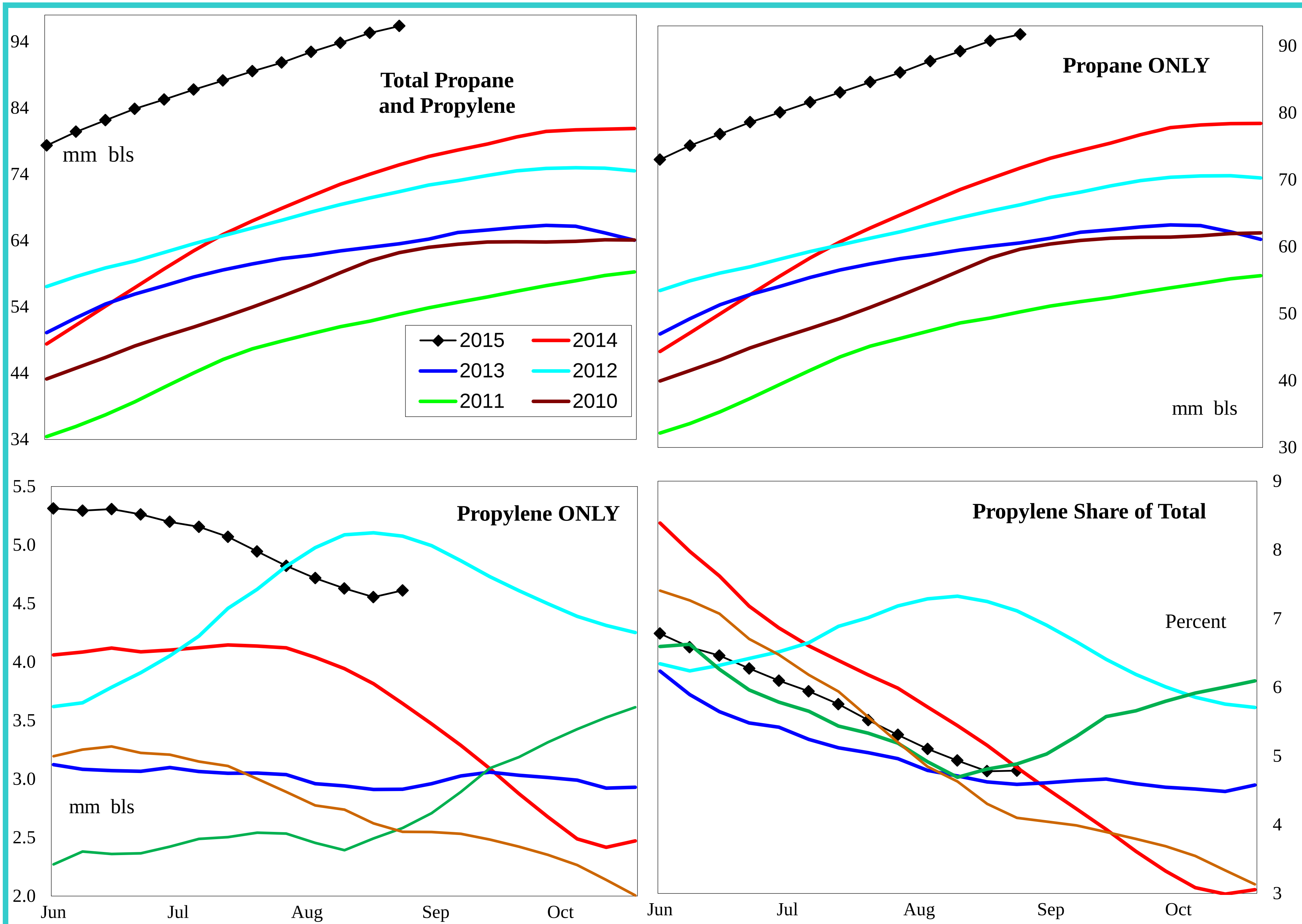
PADDs 4 and 5 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	724	-506	-21	1	-22
% change	23.5	-23.2	-11.8	7.3	-12.0

U. S. Propane and Propylene Stocks



Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	20,220	19,256	966
% change	26.6	26.6	26.5

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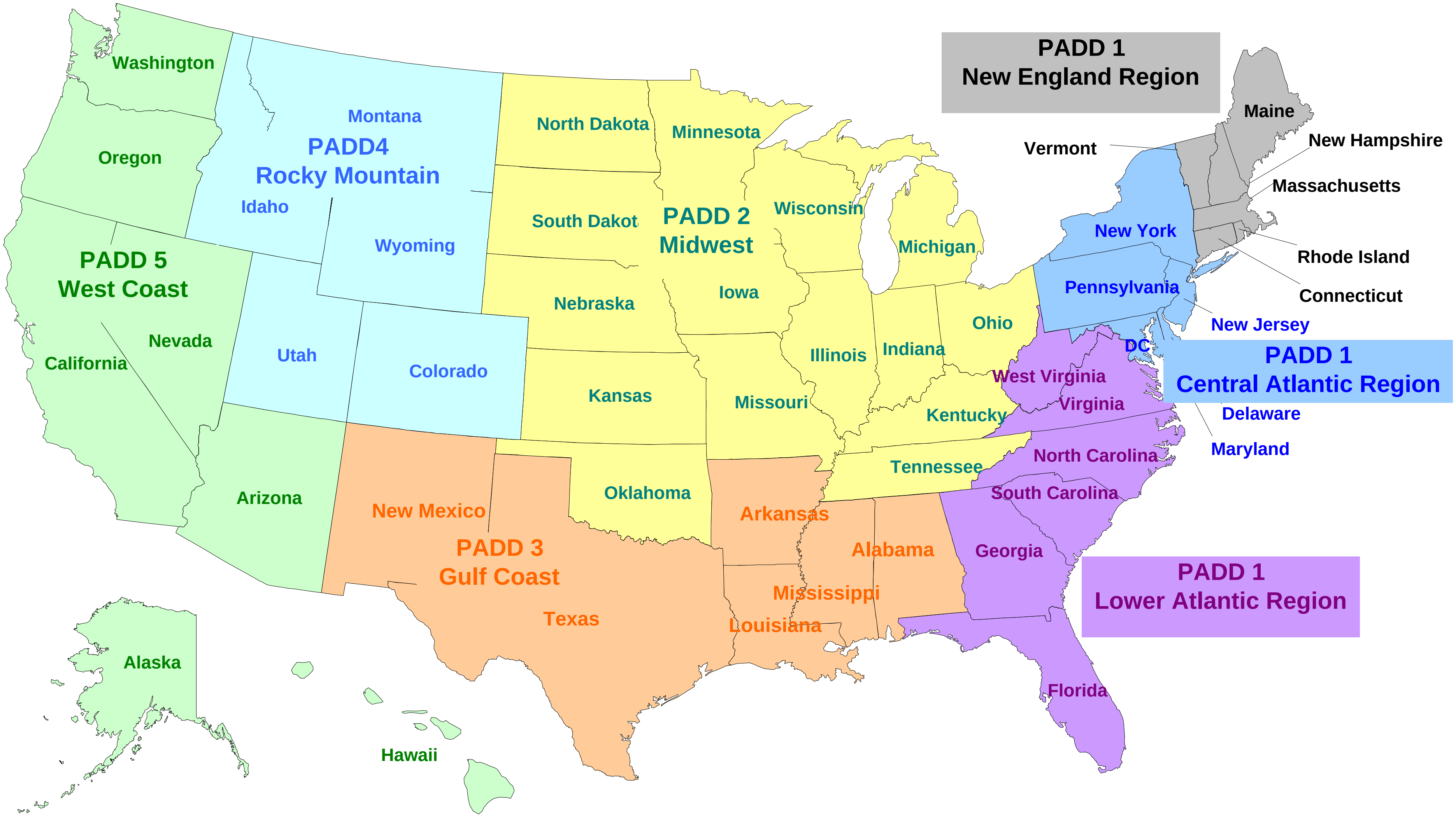
U. S. Petroleum Administrative for Defense Districts (PADDs)



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