WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

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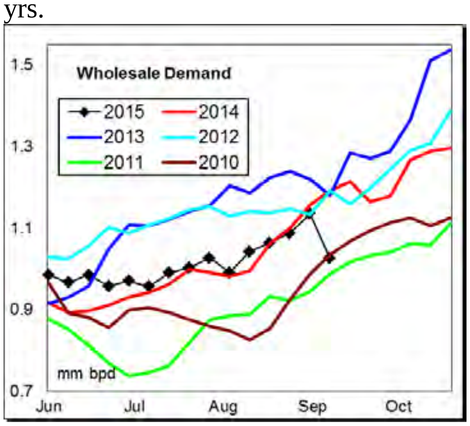
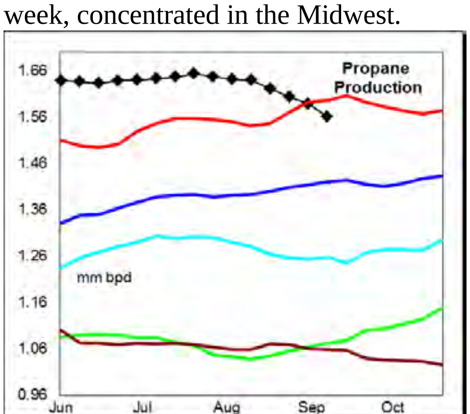
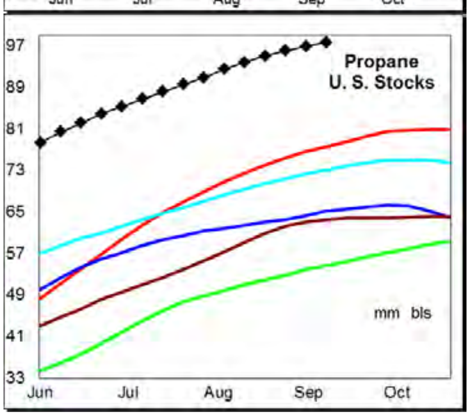
Summary[1]:

Wholesale demand declined -189,000 bpd last week, to a level below the last 3-yrs.



Production decreased -12,000 bpd last week, concentrated in the Midwest.

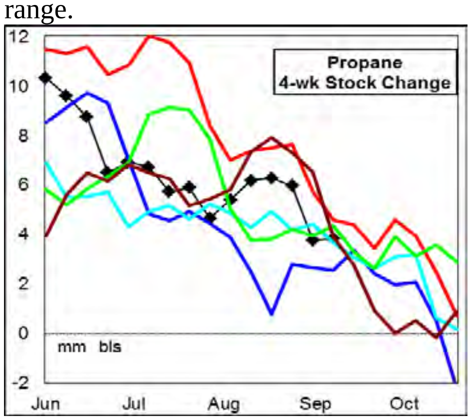




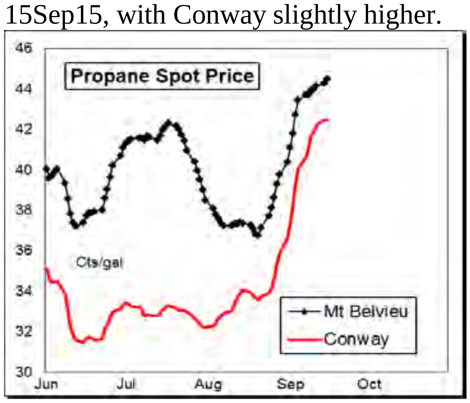
Exports for the week ending 21Aug15 were +110,000 bpd above last year

Stocks increased +1.1 million barrels on the week, with builds in all regions. The cumulative seasonal stock build of +43 million barrels compares to a year ago build +52 million barrels.

The rate of stock build was +3.9 million barrels during the latest 4-wk period, a level equal to the 3-yr mid range.



Price and Spreads Mt Belvieu spot price increased +1 cpg last week ending 15Sep15, with Conway slightly higher.



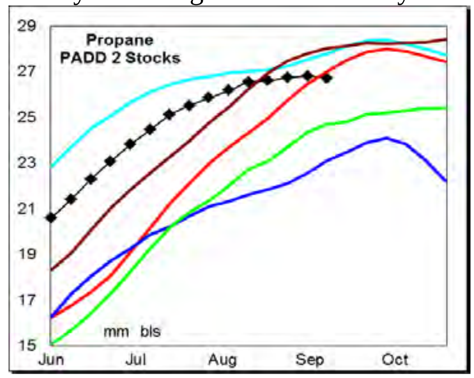
The Conway – Mt Belvieu price spread traded sideways on the week, ending at a level near the average of the last 2-yrs.

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

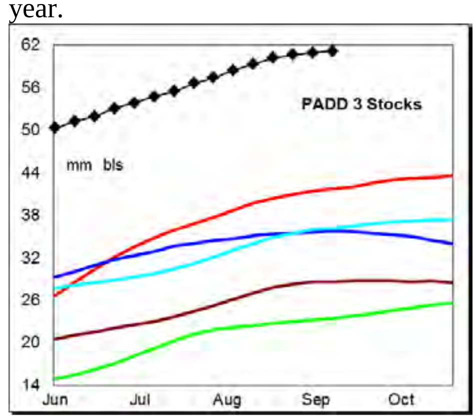
The propane / crude oil price spread trended higher last week, ending at a level equal to lows of he 5-yr range.

PADD 1 stocks increased +0.3 million barrels on the week, even with a -63,000 bpd drop in imports. Production decreased -1,000 bpd on the week; with supply for the latest 4-wk period +25,000 bpd above last year.

PADD 2 supply decreased -8,000 bpd last week, on lower production. Production levels were a the lowest rate of the last quarter, with the latest 4-wk period +28,000 bpd above last year (+9%). Stocks increased +0.3 million barrels on the week, to a level just below the 3-yr mid range for this time of year.



PAD 3 stocks increased +0.2 million barrels on the week. Stock levels ended the week +48% above the prior 5-yr high. Supplies for the latest 4-wk period were +14,000 bpd above last year.



PADDs 4 & 5 stocks increased +0.3 million barrels on the week, to a level +1.1 million barrels above last year, and a new record high.

Emerging Trends Imports to the East Coast fell last week, reversing the prior week surge. Production levels extended the downtrend, falling below last year for the week. The +1.1 million barrel stock build was due to drop in wholesale demand last week, which more than offset lower imports and production.

Stock levels in the Midwest have slipped below the 3-yr mid range – due in part to lower production.

Propane prices continued to trend higher last week, reaching the highest level of the summer. Look for the uptrend in wholesale propane prices to continue.

[1] Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

September 16, 2015

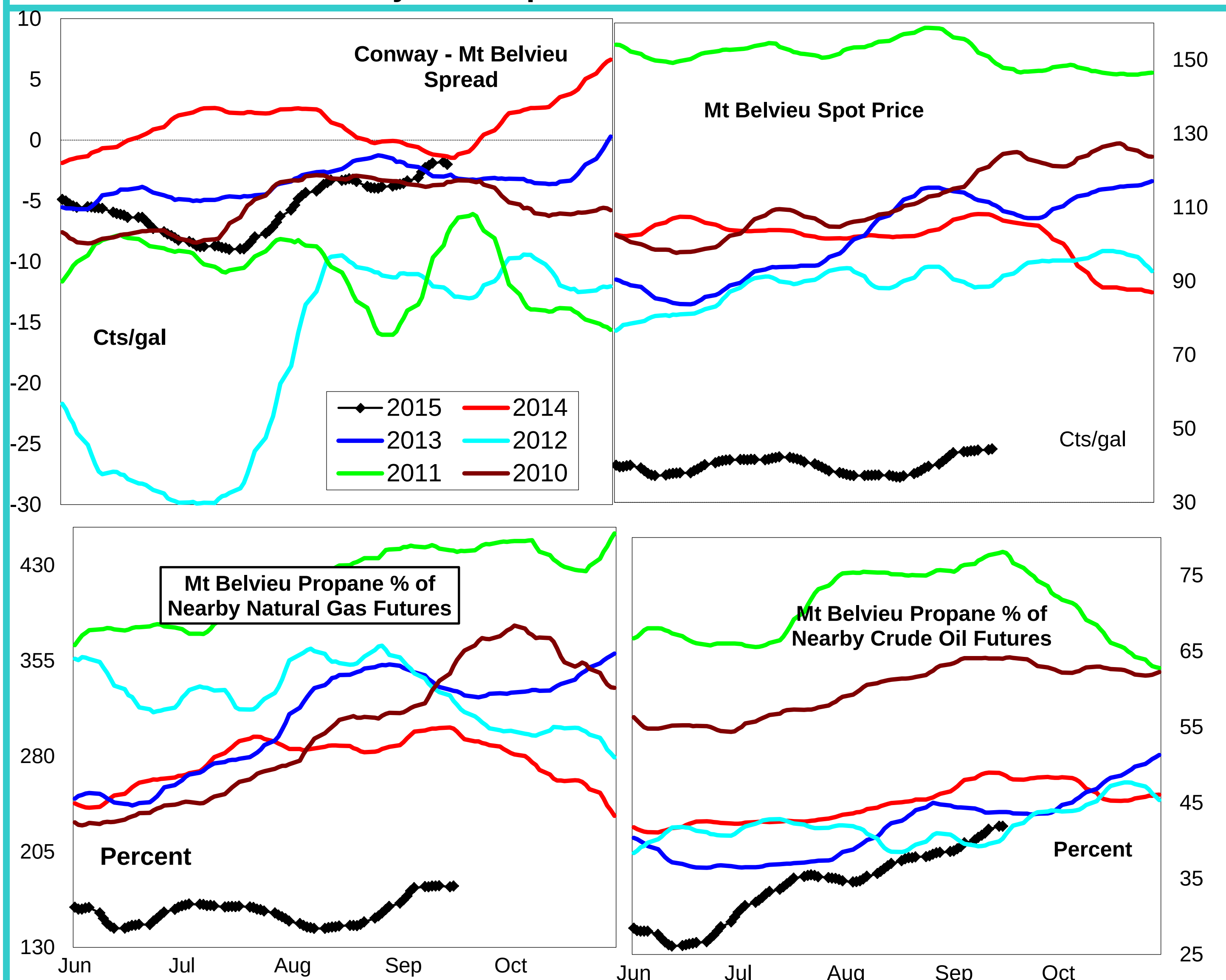
Fundamental Trends for the Week Ending: Friday, September 11, 2015

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	97,693	5,587	26,708	61,151	4,247	1,137	334	304	230	269
Propylene Stocks	4,429					76				
Production	1,560	173	330	895	162	-12	-1	-21	2	8
Imports	82	22	45	0	15	-45	-63	13	0	5
Whsle Demand	975					-189				

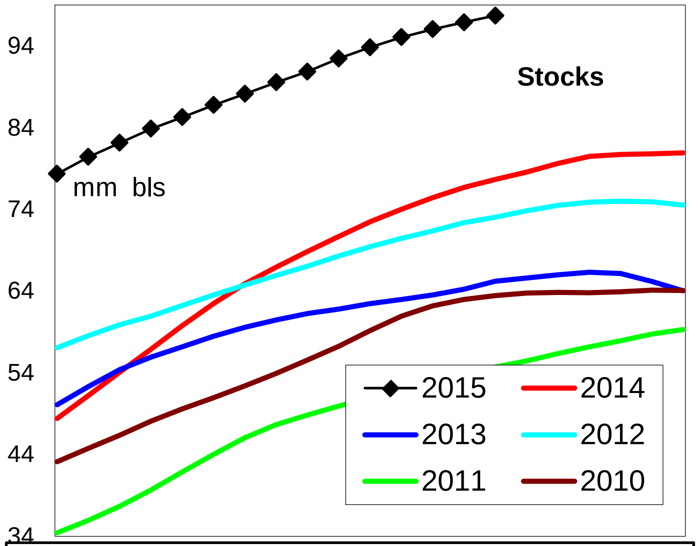
Price Trends for the Week Ending: Tuesday, September 15, 2015

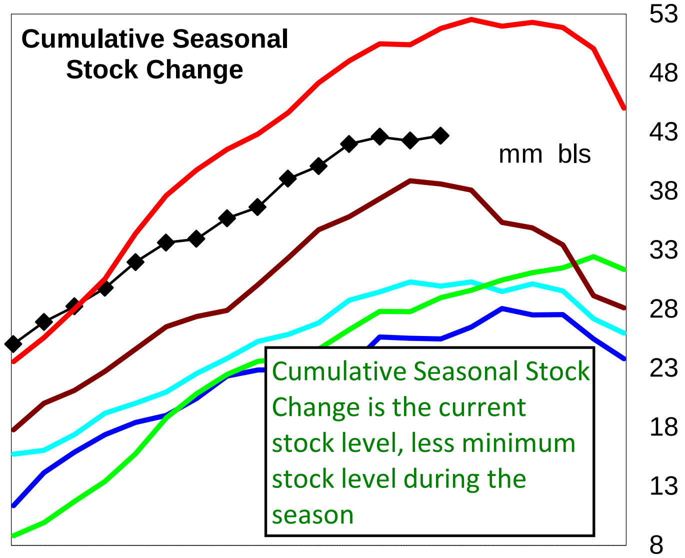
Cents/gal	Average for week ending:				Change from:			% change from:		
	9/15/15	9/8/15	8/18/15	9/17/14	9/8/15	8/18/15	9/17/14	9/8/15	8/18/15	9/17/14
Mont Belvieu Spot	44.2	43.7	37.6	109.3	0.50	6.10	-71.76	1.1	16.2	-65.6
Conway Spot	42.3	40.7	34.5	108.0	1.55	6.25	-73.58	3.8	18.1	-68.1

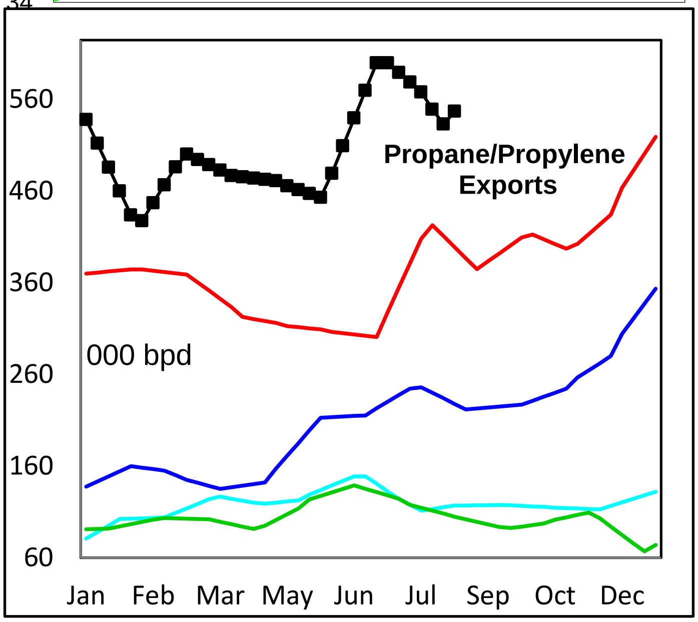
Key Price Spreads and Differentials

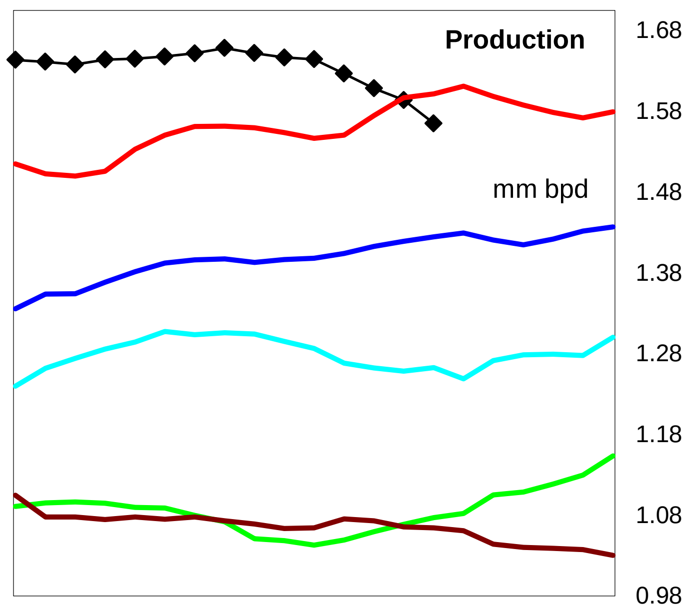


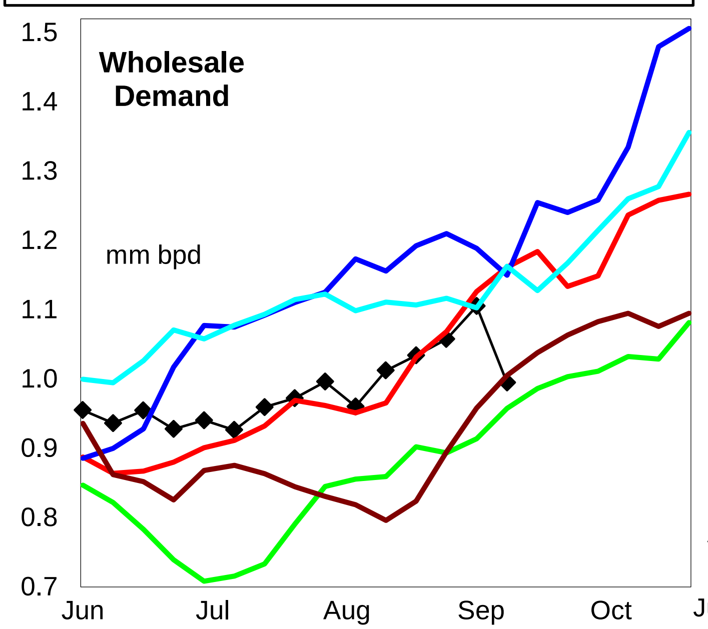
U. S. Propane Supply and Demand Balance

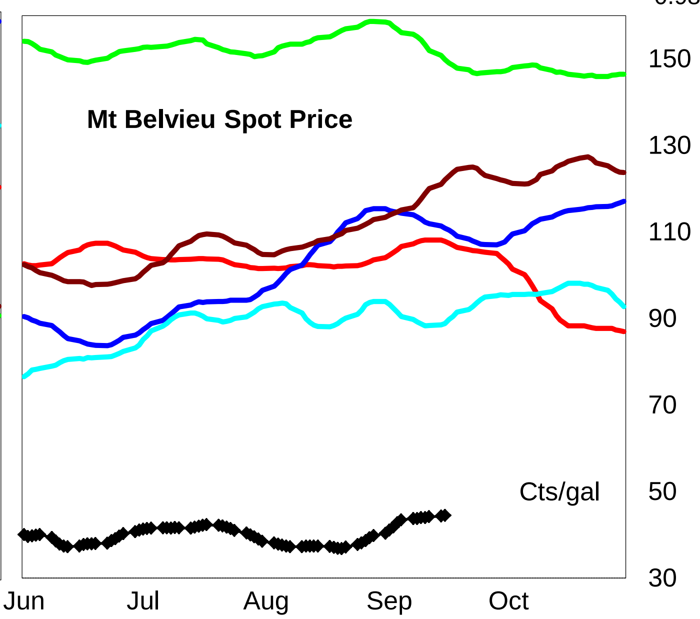












4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Aug	Jul	Jun
000 bpd (000 bls stks)	20,255	-9,090	19	14		-69	-16	78	89
% change	26.2	-18	1.2	19.2		-6.2	-1.6	8.7	9.6

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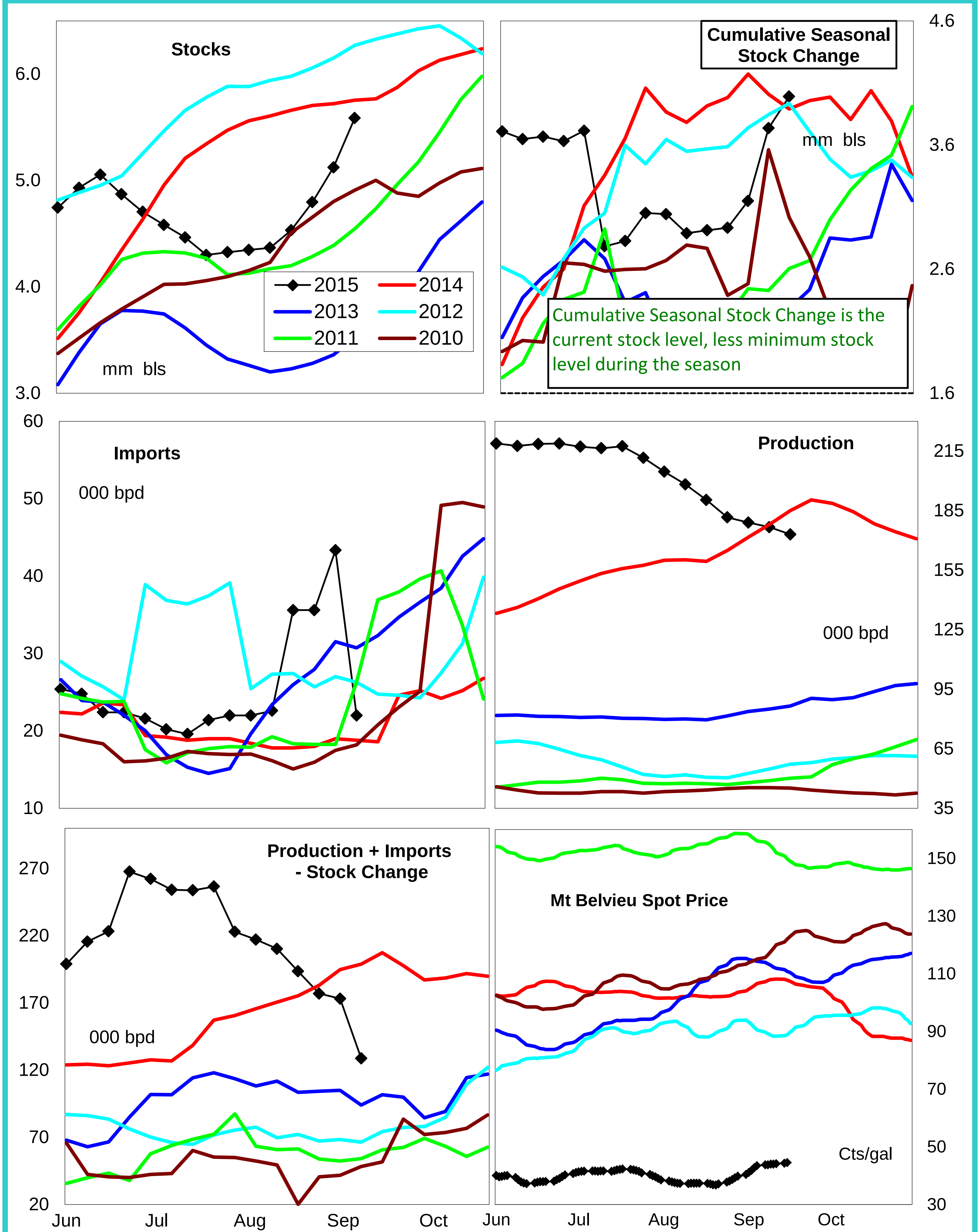
PADD 1 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-22	100	5	20	-20
% change	-0.4	2.6	2.9	112.7	-10.6

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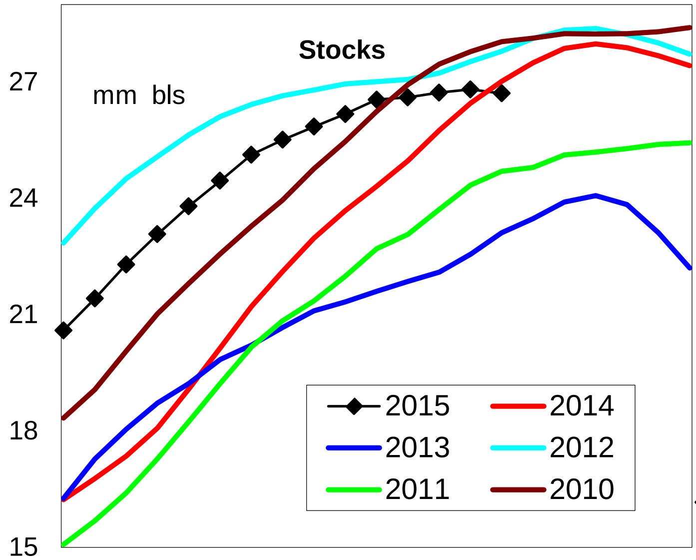
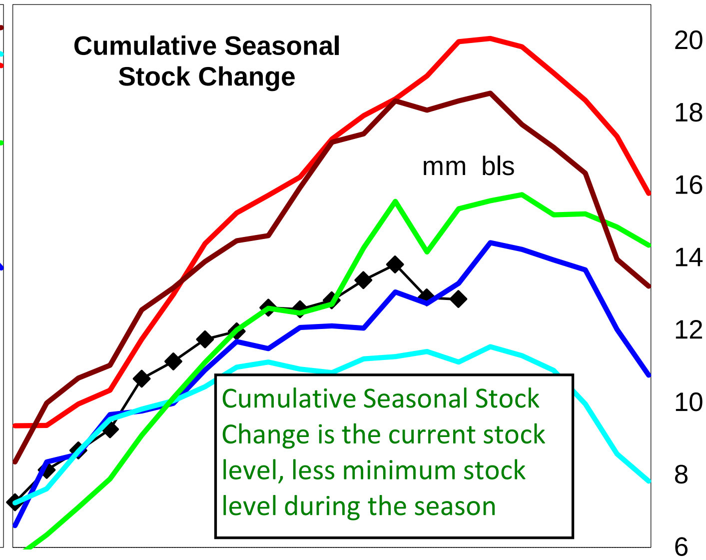
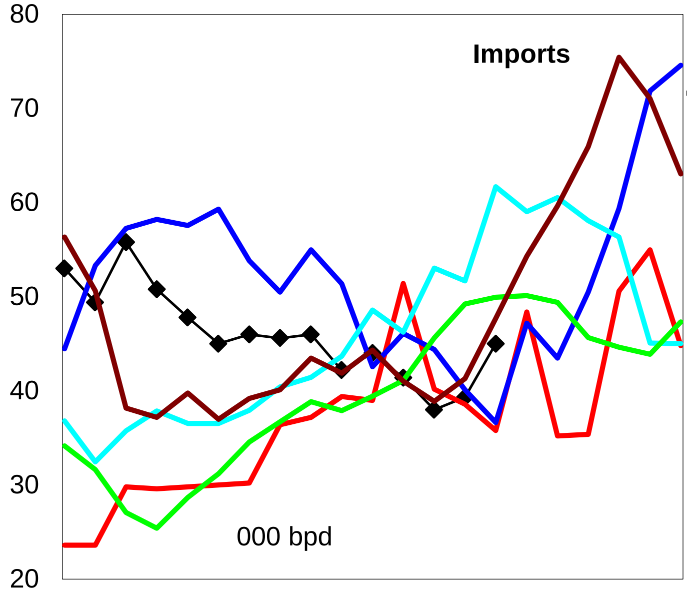
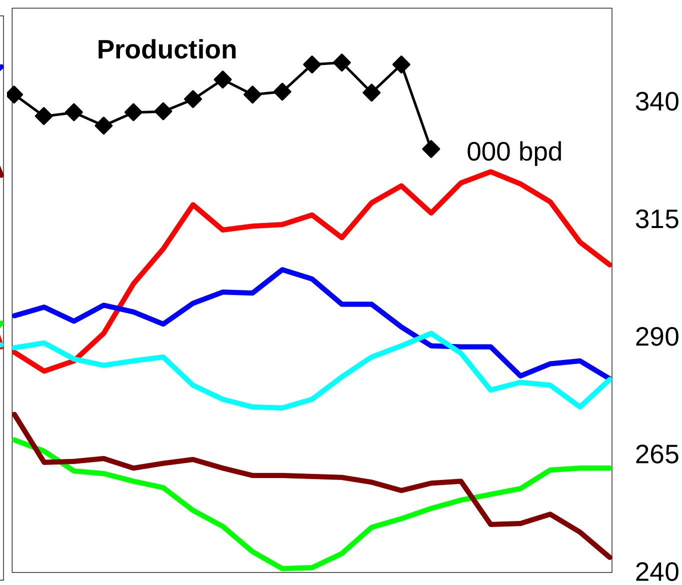
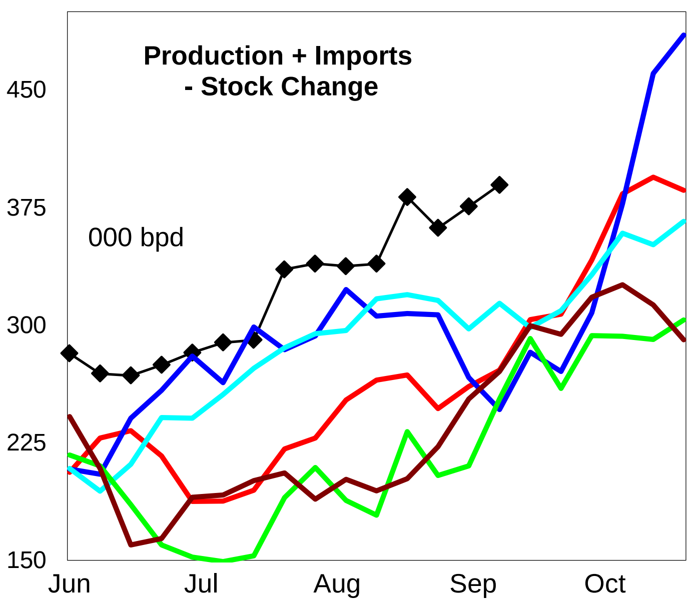
PADD 2 Propane Supply and Demand Balance

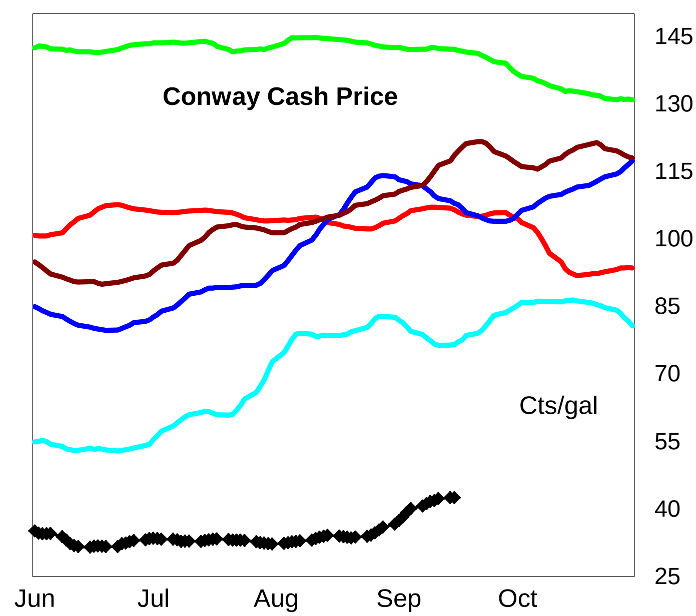












4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-641	-7,119	28	-7	115
% change	-2.3	-35.6	8.7	-15.3	44.1

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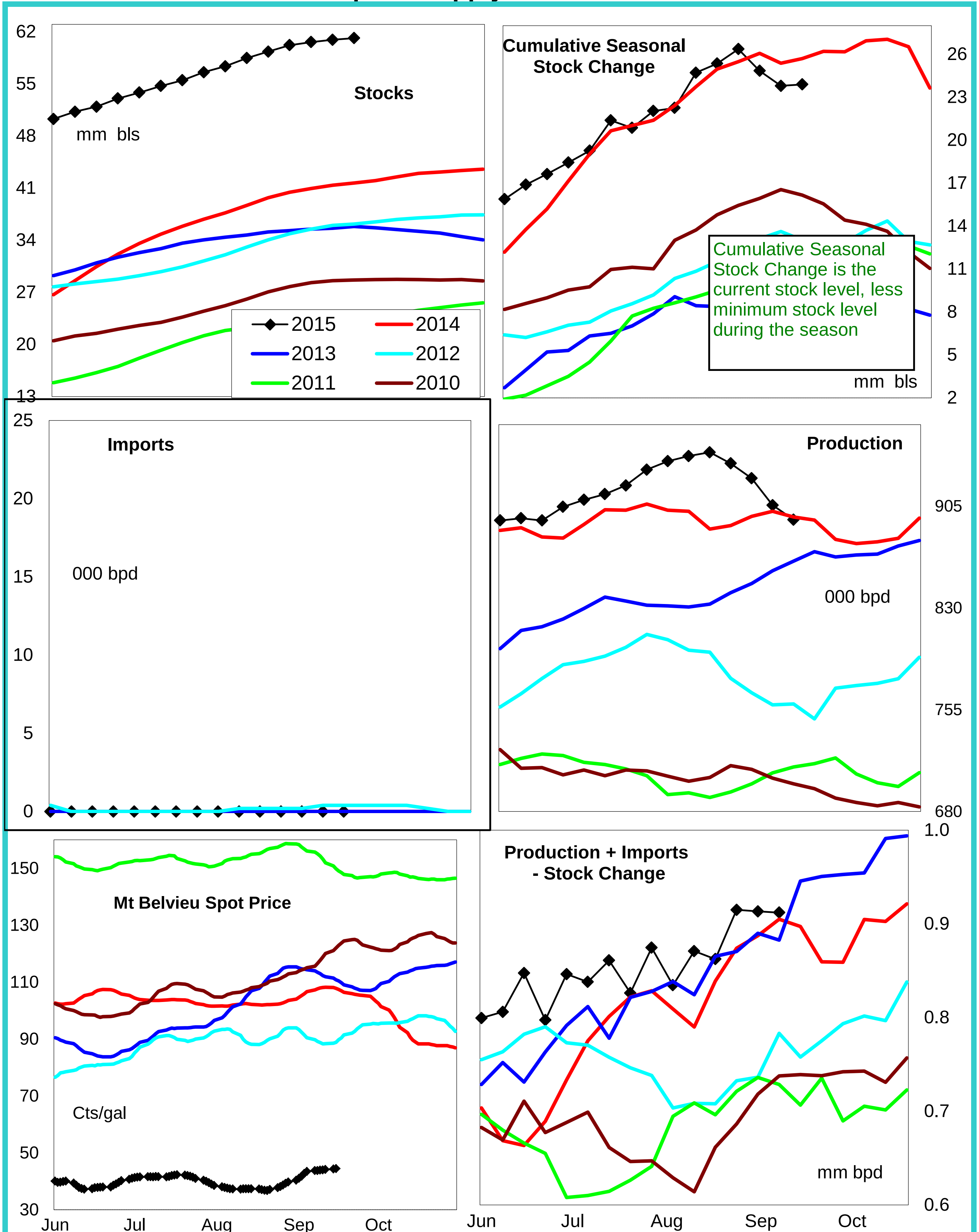
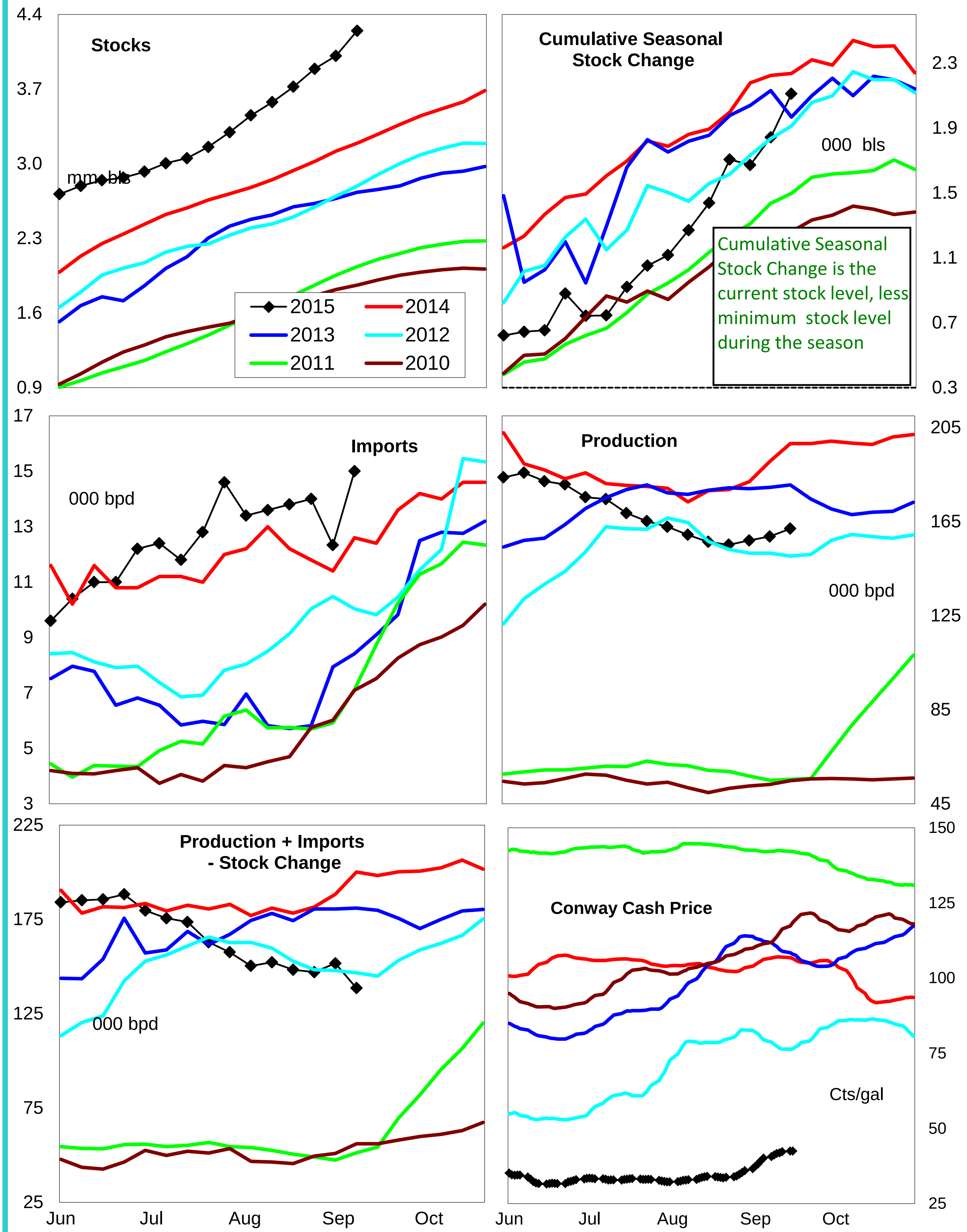
PADD 3 Propane Supply and Demand Balance



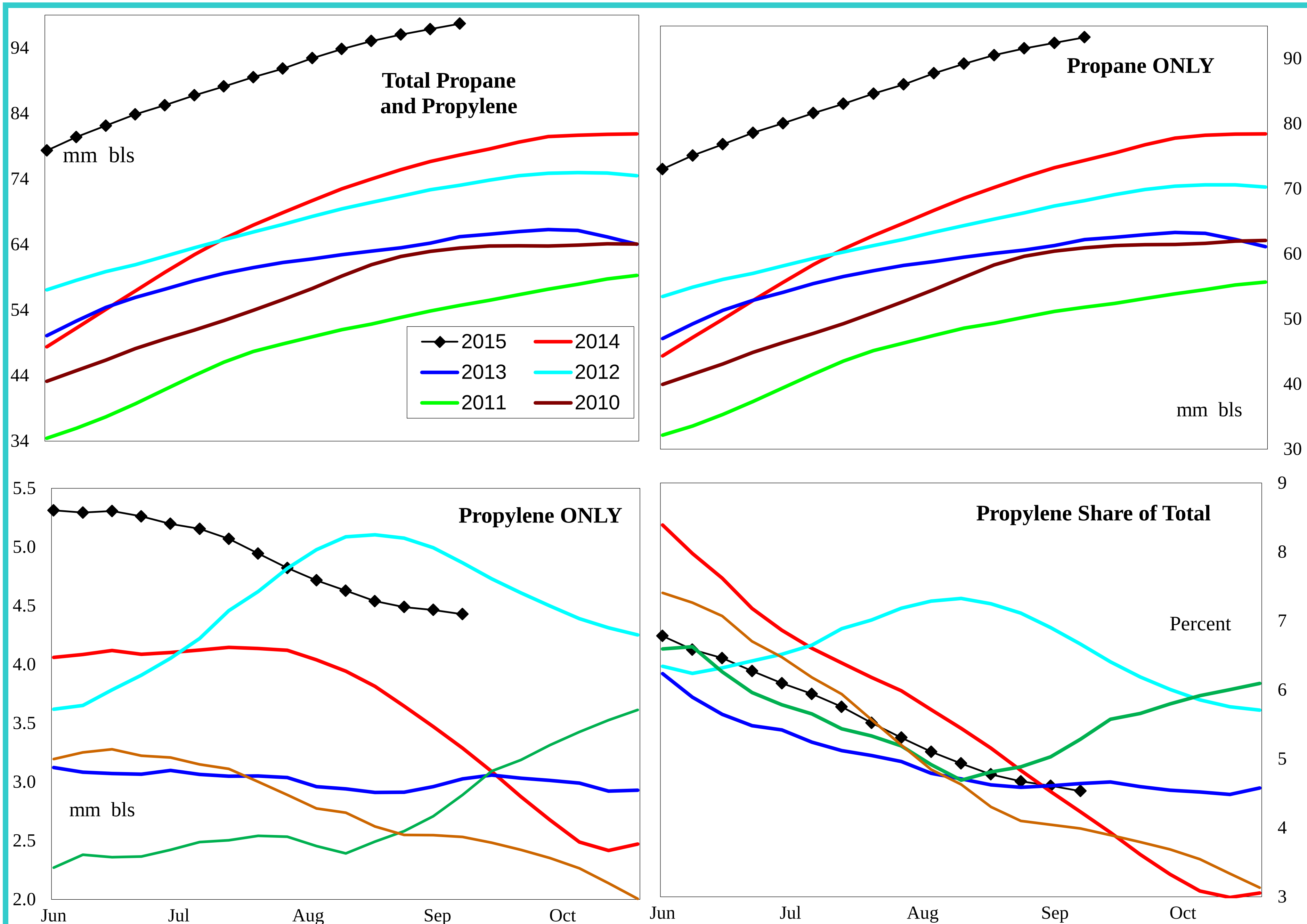
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	19,866	-1,807	14	0	24
% change	48.1	-7	1.6	#DIV/0!	3.0

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)	1,053	-126	-29	1	-41
% change	33.0	-5.6	-15.4	6.8	-21.8

U. S. Propane and Propylene Stocks



Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	20,255	19,119	1,141
% change	26.2	25.8	34.7

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

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