# WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

**A Fundamental Petroleum Trends Weekly Report**

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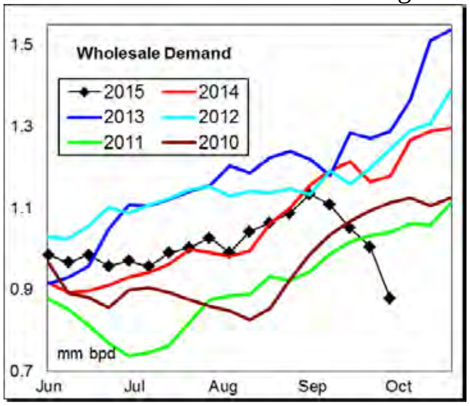
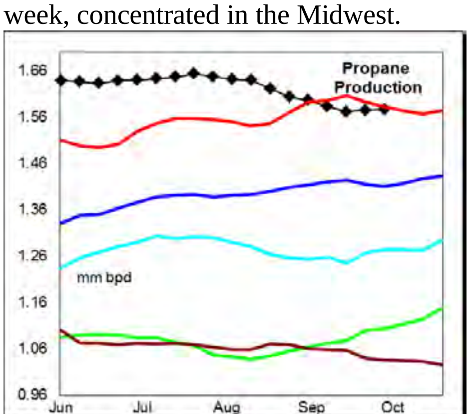
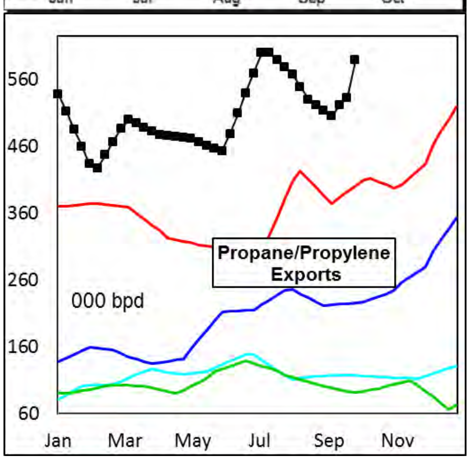
Summary[1]:
Wholesale demand increased +36,000 bpd last week, although the level remains well below the historic range.




Production increased +13,000 bpd last week, concentrated in the Midwest.

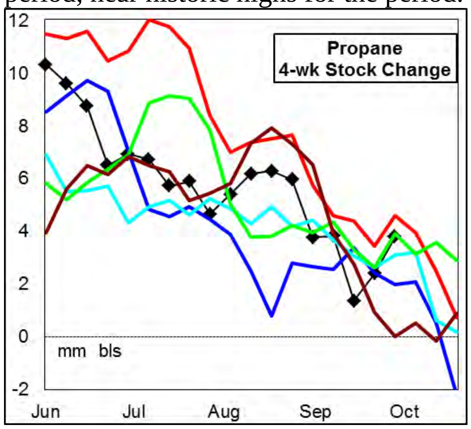


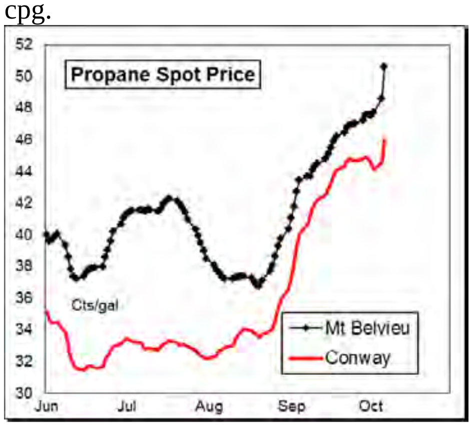

*Exports for the week ending 26Sep15 were +185,000 bpd above last year*

Stocks increased +1.6 million barrels on the week, with builds in all regions. The cumulative seasonal stock build of +40 million barrels compares to a year ago build of +52 million barrels.

The rate of stock build was +3.9 million barrels during the latest 4-wk period, near historic highs for the period.




Price and Spreads Mt Belvieu spot price increased +3.75 cpg last week ending 06Oct15, while Conway increased +1 cpg.



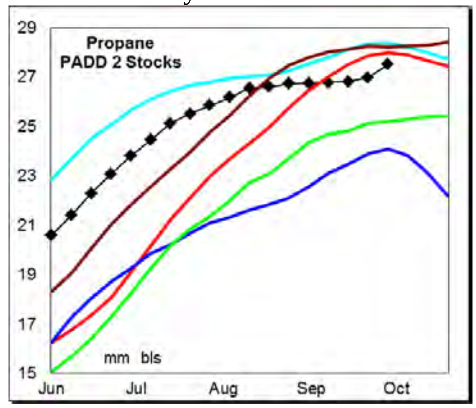

The Conway – Mt Belvieu price spread declined last week, ending at a level below the last 2-yrs.

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

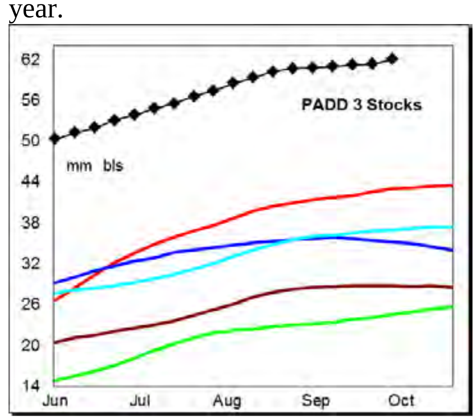
The propane / crude oil price spread traded sideways last week, ending at a level equal to 3-yr lows for the period.

PADD 1 stocks increased +0.3 million barrels on the week to a level above the 3-yr mid range. Supply was nearly unchanged last week with the latest 4-wk average -14,000 bpd below last year.

PADD 2 supply jumped +44,000 bpd last week, on higher imports and production. Production levels were at a record level, with the latest 4-wk average +3,000 bpd above last year. Stocks increased +0.5 million barrels on the week, to a level near the 3-yr mid range for this time of year.




PAD 3 stocks increased +0.6 million barrels on the week. Stock levels ended the week +43% above the prior 5-yr high. Supplies for the latest 4-wk period were +10,000 bpd above last year.




PADDs 4 & 5 stocks increased +0.1 million barrels on the week, to a level +1.2 million barrels above last year, and a new record high.

**Emerging Trends** Wholesale demand remains very weak on above average temperatures that have limited demand for grain drying and heating. The latest 4-wk stock build was at the upper end of the historic range for this time of year. Midwest supplies jumped +44,000 bpd on higher production and imports.

An uptrend in global energy prices lifted wholesale propane prices to new highs for the season. Weak wholesale demand and high stock levels risk price weakness during the quarter.

[1] Source is latest EIA Weekly Statistics

# PROPANE: Graph Link and Weekly Summary

October 7, 2015

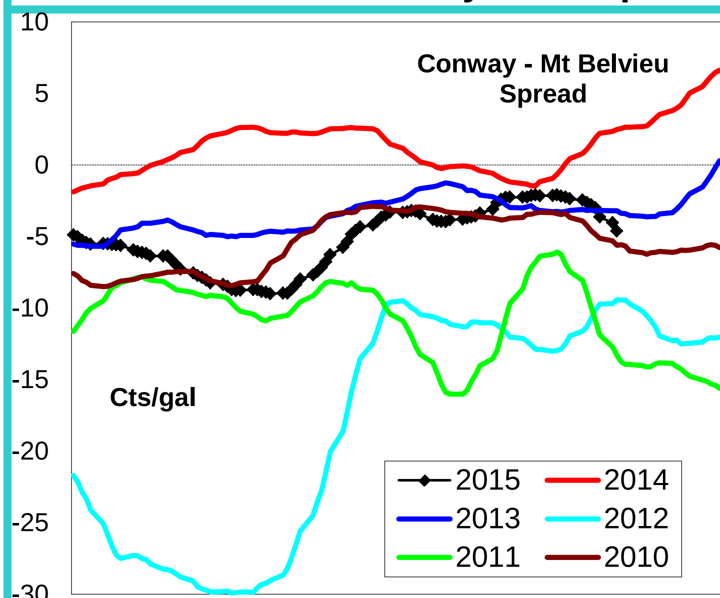
## Fundamental Trends for the Week Ending: Friday, October 02, 2015

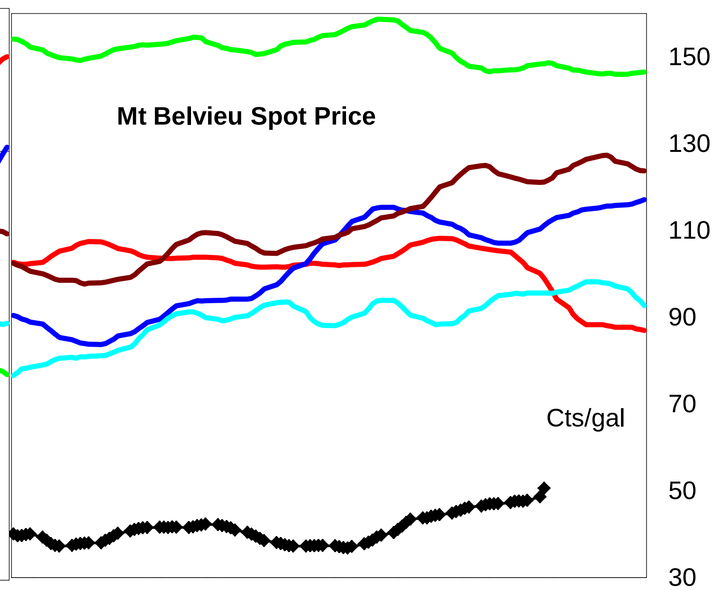
| 000 bpd<br>Stocks 000 bls | Weekly Supply-Demand<br>U.S. Total | PADD 1 | PADD 2 | PADD 3 | PADD 4&5 | Change from prior week:<br>U.S. Total | PADD 1 | PADD 2 | PADD 3 | PADD 4&5 |
|---|---|---|---|---|---|---|---|---|---|---|
| Stocks | 100,342 | 6,146 | 27,515 | 61,996 | 4,685 | 1,601 | 349 | 514 | 646 | 92 |
| Propylene Stocks | 4,457 | | | | | -230 | | | | |
| Production | 1,577 | 173 | 347 | 901 | 156 | 13 | -3 | 31 | 5 | -20 |
| Imports | 69 | 23 | 37 | 0 | 9 | 14 | 4 | 13 | 0 | -3 |
| Whsle Demand | 828 | | | | | 36 | | | | |

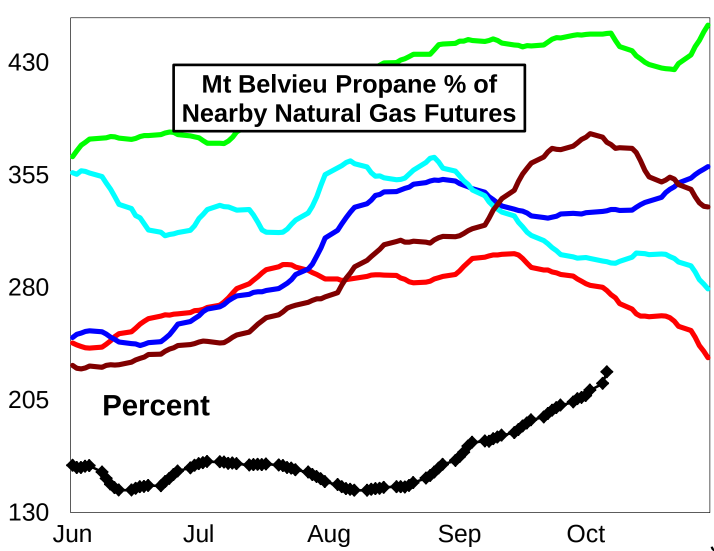
## Price Trends for the Week Ending: Tuesday, October 06, 2015

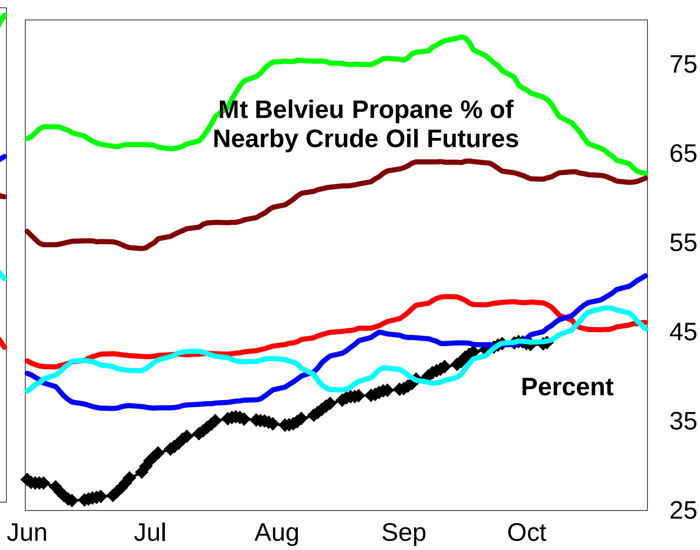
| Cents/gal | Average for week ending:<br>10/6/15 | 9/29/15 | 9/8/15 | 10/8/14 | Change from:<br>9/29/15 | 9/8/15 | 10/8/14 | % change from:<br>9/29/15 | 9/8/15 | 10/8/14 |
|---|---|---|---|---|---|---|---|---|---|---|
| Mont Belvieu Spot | 47.8 | 47.5 | 43.7 | 103.8 | 0.27 | 3.85 | -60.18 | 0.6 | 8.8 | -58.0 |
| Conway Spot | 44.2 | 45.8 | 40.7 | 106.0 | -1.68 | 5.13 | -65.28 | -3.7 | 12.6 | -61.6 |

## Key Price Spreads and Differentials

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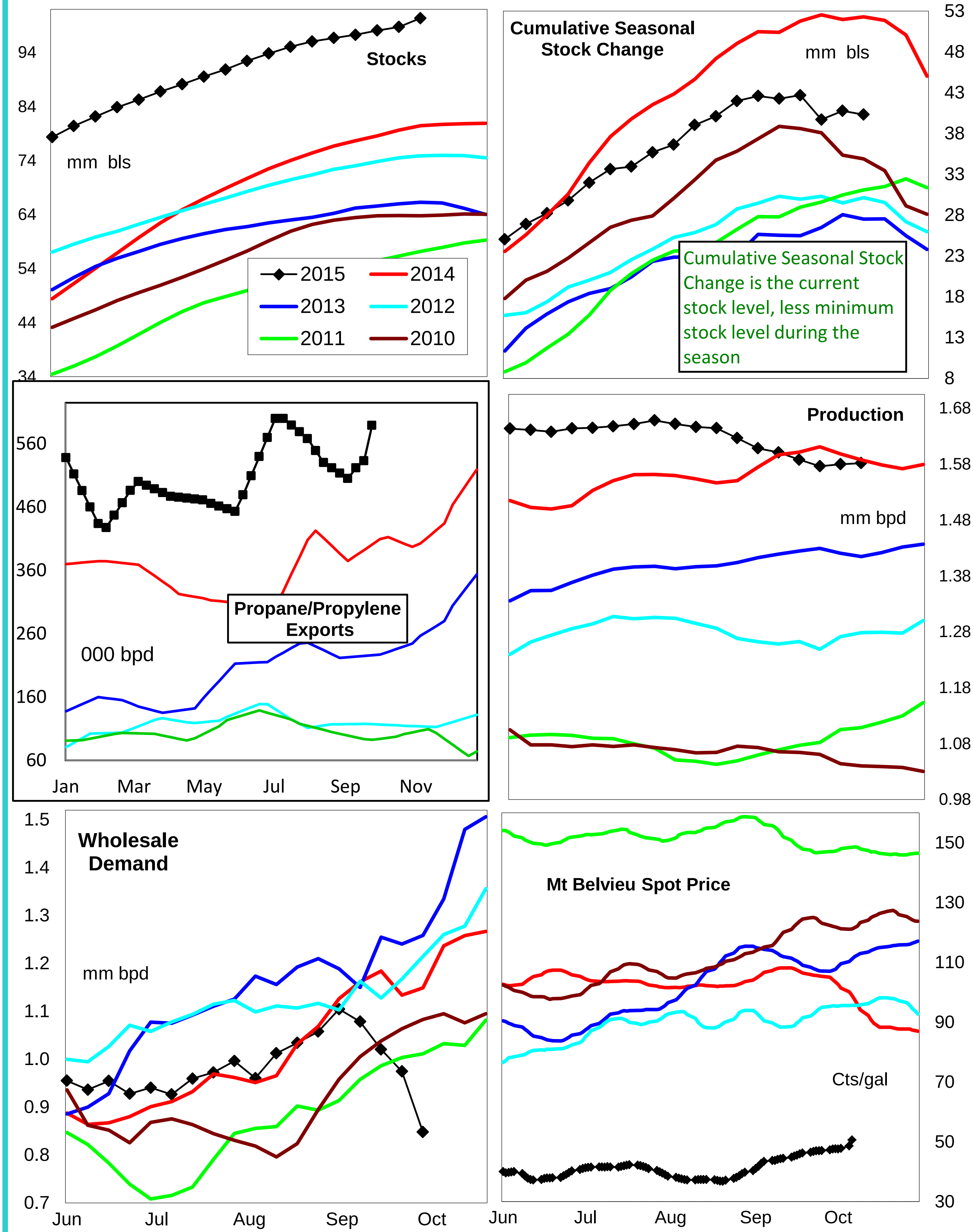
# U. S. Propane Supply and Demand Balance




| 4 wk avg variance prior year | Stocks | 4wk stk | Prod | Imports | Demand | 4wk avg | Sep | Aug | Jul |
|---|---|---|---|---|---|---|---|---|---|
| 000 bpd (000 bls stks) | 19,697 | -11,963 | -36 | 0 | | -158 | 17 | -16 | 82 |
| % change | 24.4 | -23 | -2.3 | 0.0 | | -14.1 | 1.7 | -1.6 | 9.1 |



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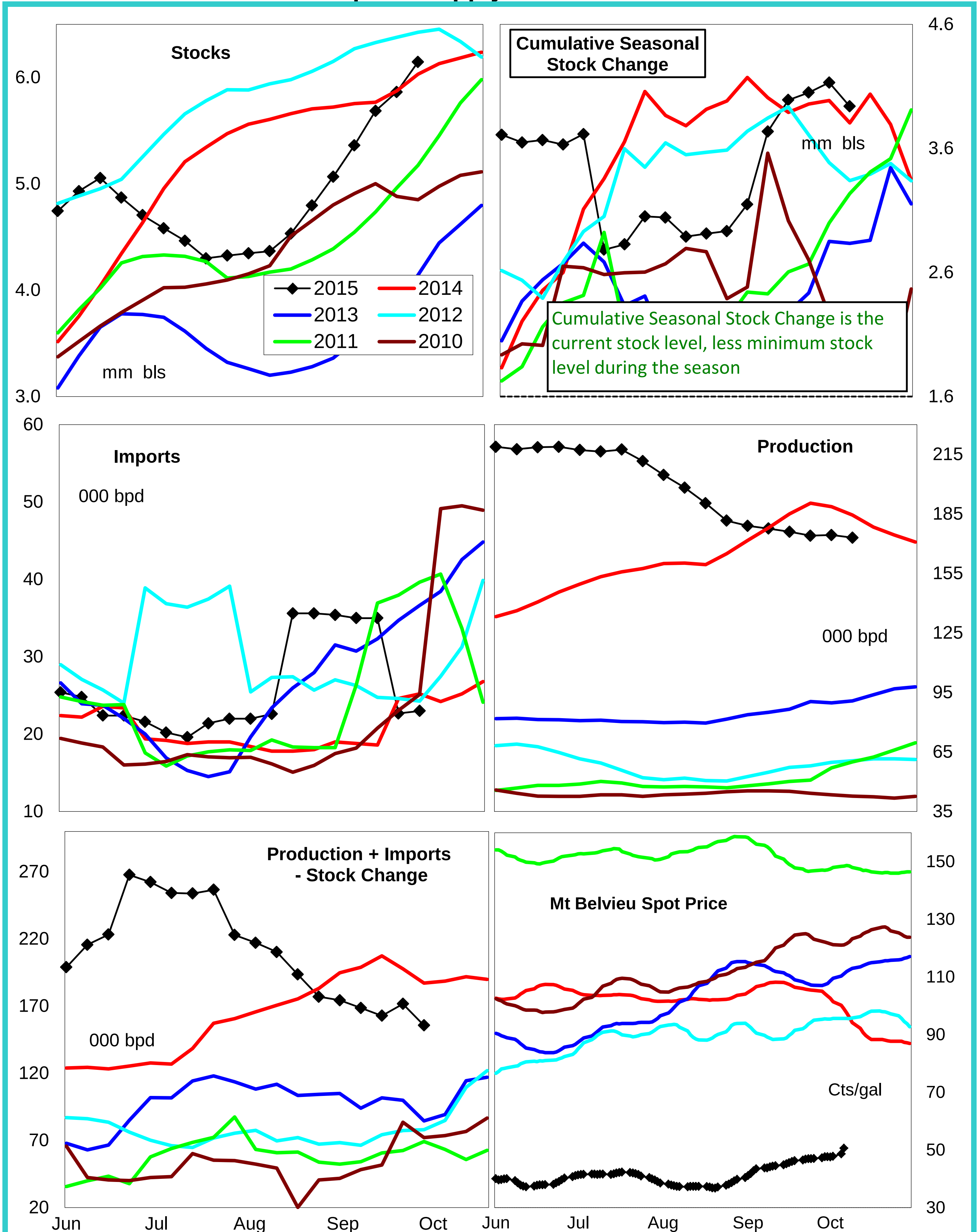
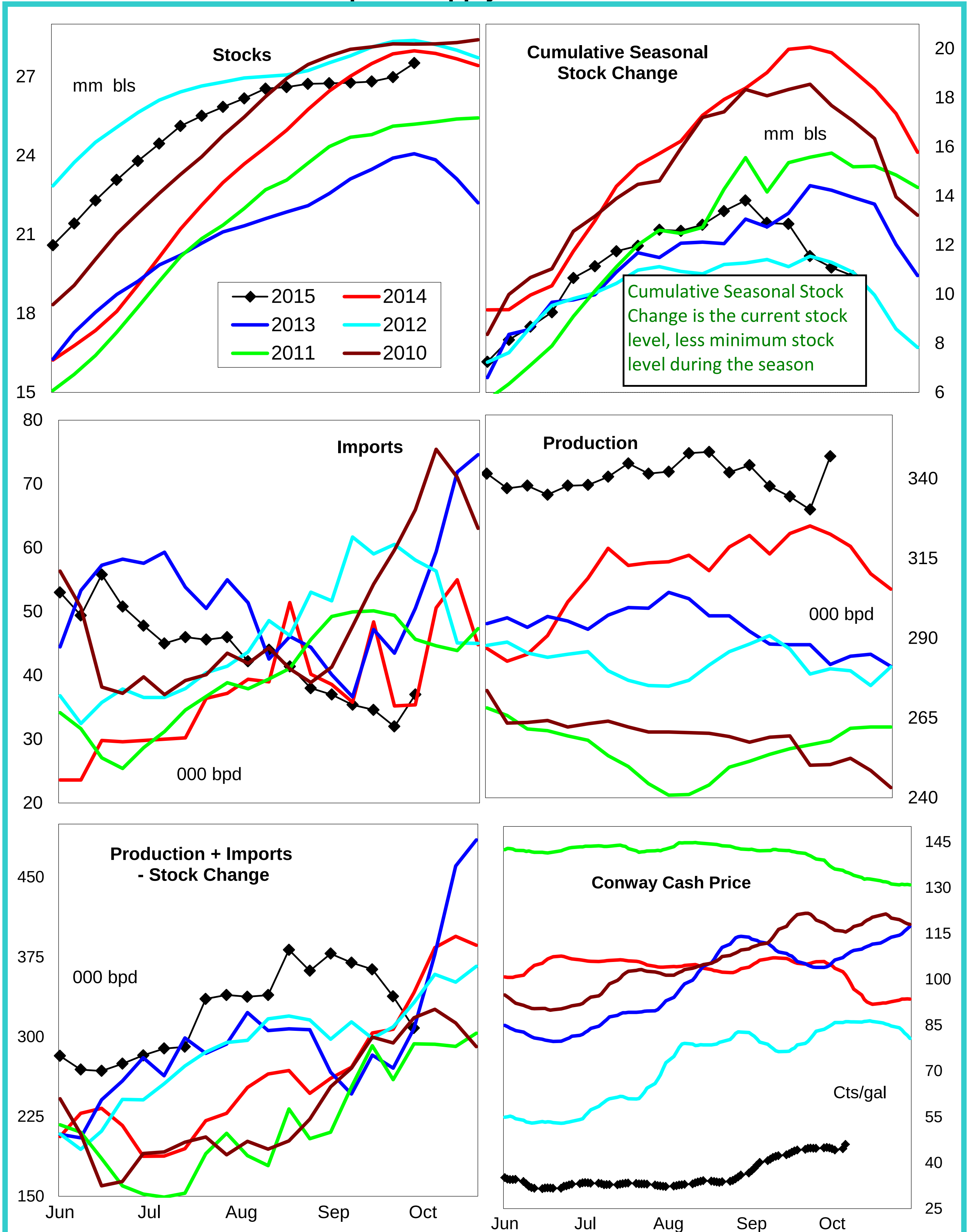
# PADD 1 Propane Supply and Demand Balance




| 4 wk avg variance prior year | Stocks | 4wk stk | Prod | Imports | Prod + Imp - Stk chg |
|---|---|---|---|---|---|
| 000 bpd (000 bls stks) | 199 | 133 | -18 | 4 | -33 |
| % change | 3.3 | 3.5 | -9.1 | 18.4 | -16.7 |

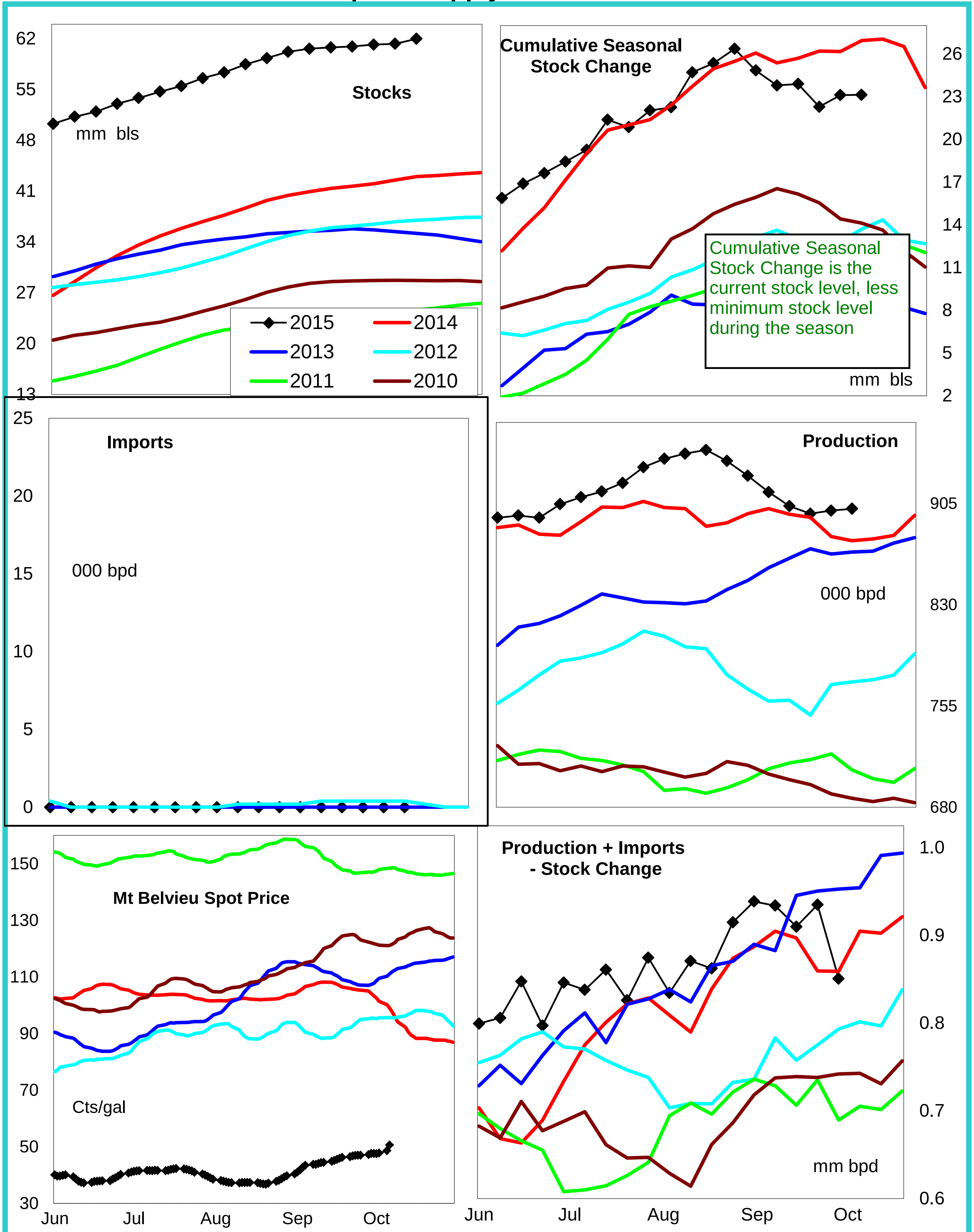
# PADD 2 Propane Supply and Demand Balance




| **4 wk avg variance prior year** | Stocks | 4wk stk | Prod | Imports | Prod + Imp - Stk chg |
|---|---|---|---|---|---|
| 000 bpd (000 bls stks) | -443 | -8,367 | 3 | -3 | 39 |
| % change | -1.6 | -43.8 | 1.0 | -6.6 | 12.7 |

# 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) | 18,773 | -3,804 | 10 | 0 | 27 |
| % change | 43.4 | -14 | 1.2 | #DIV/0! | 3.3 |



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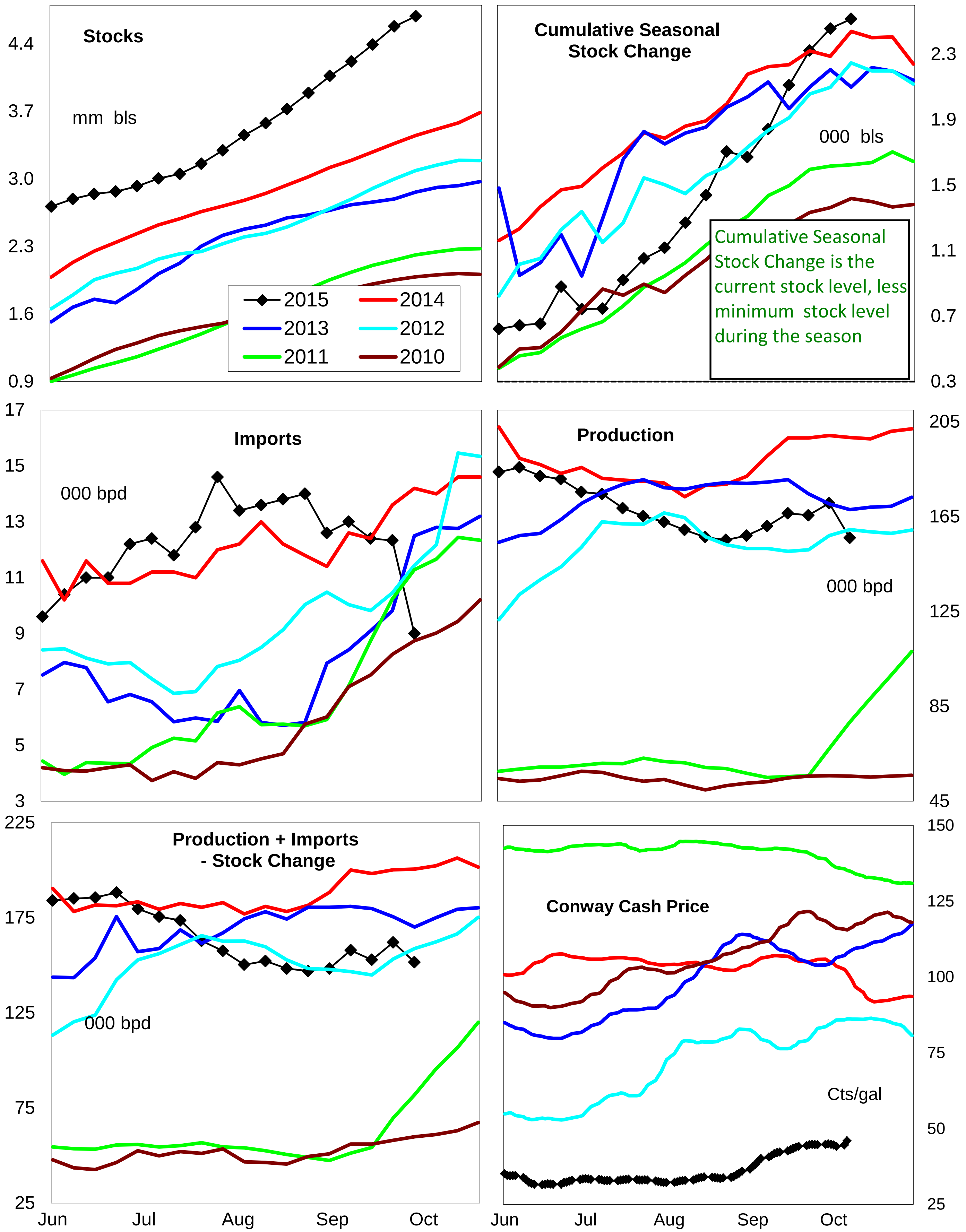
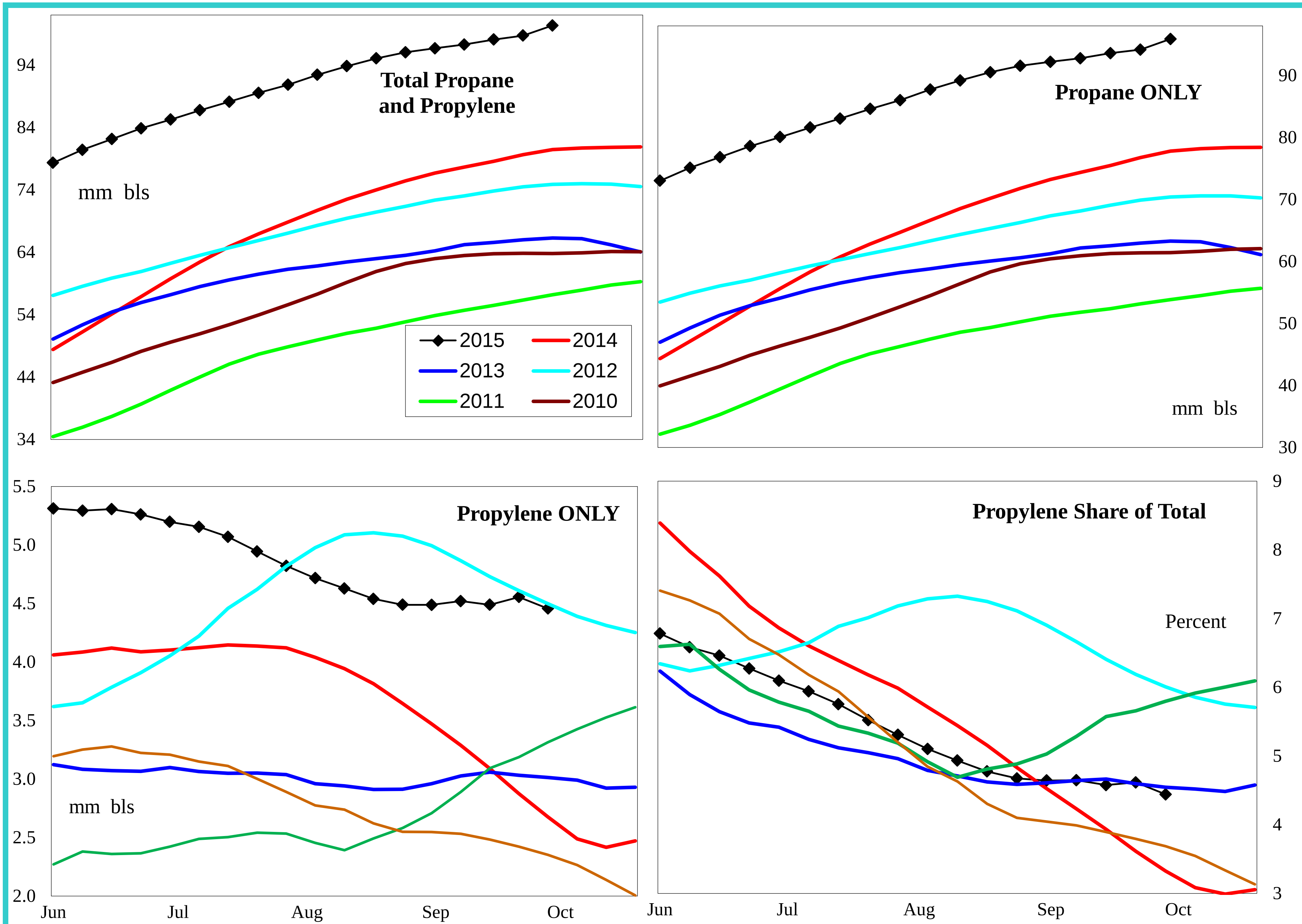
# PADDs 4 and 5 Propane Supply and Demand Balance




| 4 wk avg variance prior year | Stocks | 4wk stk | Prod | Imports | Prod + Imp - Stk chg |
|---|---|---|---|---|---|
| 000 bpd (000 bls stks) | 1,169 | 76 | -32 | -1 | -44 |
| % change | 33.2 | 3.1 | -16.1 | -7.1 | -21.8 |

# U. S. Propane and Propylene Stocks




| **Variance to prior year** | Total | Propane ONLY | Propylene ONLY |
|---|---|---|---|
| 000 bls | **19,697** | **17,897** | **1,780** |
| % change | **24.4** | **22.9** | **66.5** |



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