WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

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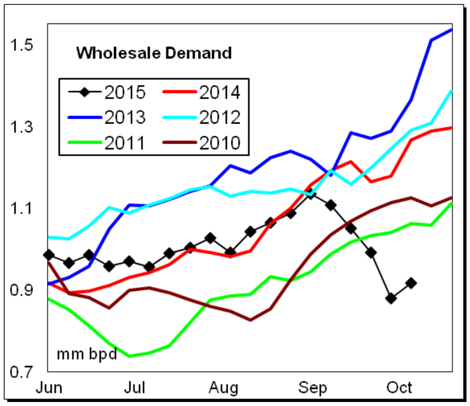
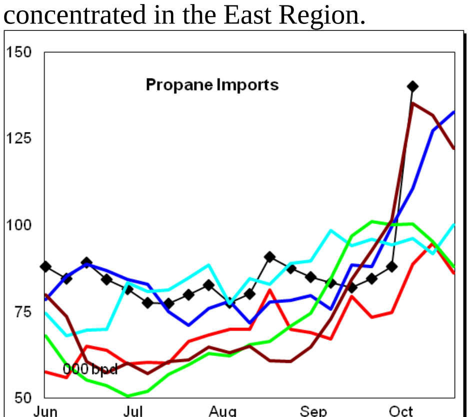
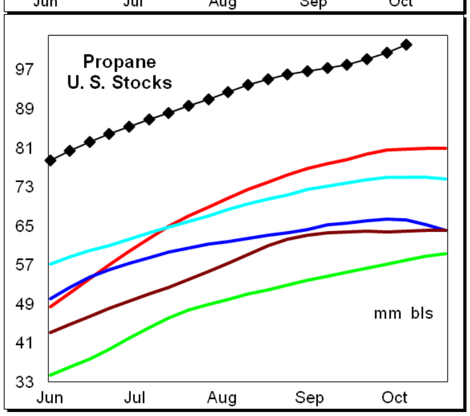
Summary[1]:
Wholesale demand increased +38,000 bpd last week, although the level remains well below the historic range. Above normal temperatures and lack of rain in grain harvesting regions has reduced seasonal demand.



Imports jumped +71,000 bpd last week, concentrated in the East Region.

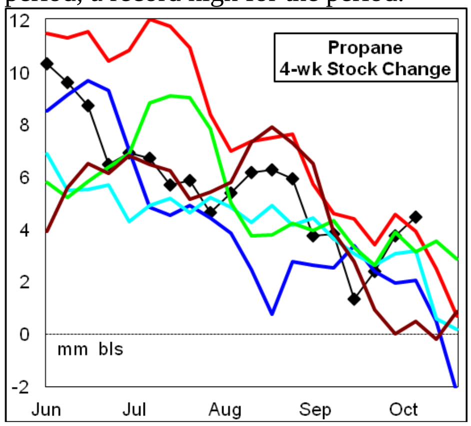




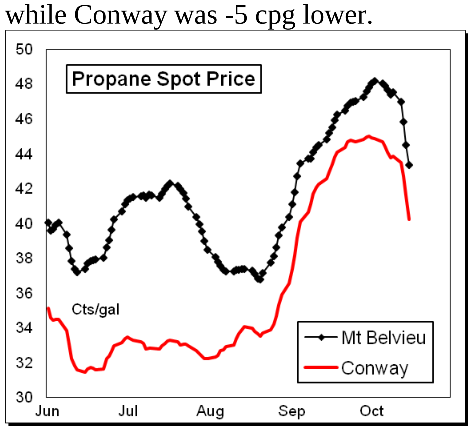
Exports for the week ending 26Sep15 were +185,000 bpd above last year

Stocks increased +1.8 million barrels on the week, with builds in all regions except the west. The cumulative seasonal stock build of +40 million barrels compares to a year ago build of +50 million barrels.

The rate of stock build was +4.5 million barrels during the latest 4-wk period, a record high for the period.



Price and Spreads Mt Belvieu spot price fell -7 cpg last week ending 15Oct15, while Conway was -5 cpg lower.



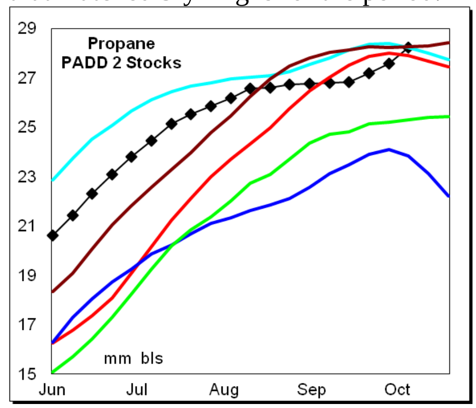
The Conway – Mt Belvieu price spread increased last week, ending at a level equal to the 3-yr mid range.

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

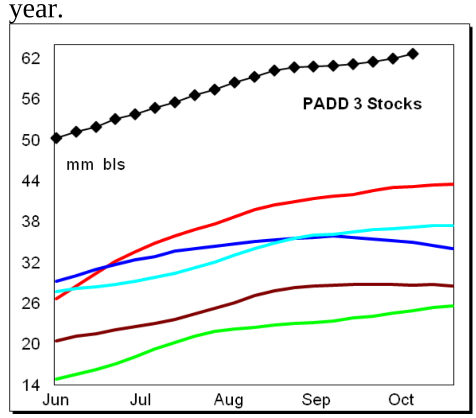
The propane / crude oil price spread fell last week, ending at a level below the last 3-yrs for the period.

PADD 1 stocks increased +0.6 million barrels on the week to a level above the historic range. The increase was driven by a +78,000 bpd jump in imports.

PADD 2 supply decreased -22,000 bpd last week, on lower imports and production. Imports fell to a record low while production remains above the historic range. Stocks increased +0.7 million barrels on the week, to a level that matched 5-yr highs for the period.



PAD 3 stocks increased +0.6 million barrels on the week. Stock levels ended the week +44% above the prior 5-yr high. Supplies for the latest 4-wk period were +23,000 bpd above last year.



PADDs 4 & 5 stocks decreased -0.1 million barrels on the week, to a level +1 million barrels above last year, and a record high for the period.

Emerging Trends Wholesale demand remains very weak on much above average temperatures and dry weather that has limited demand for grain drying and heating. The latest 4-wk stock build was a record for this time of year. Stock levels in each region match or exceed prior 5-yr highs.

Weak wholesale demand and very high stock levels risk further price weakness before the start of winter heating season.

[1] Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

October 16, 2015

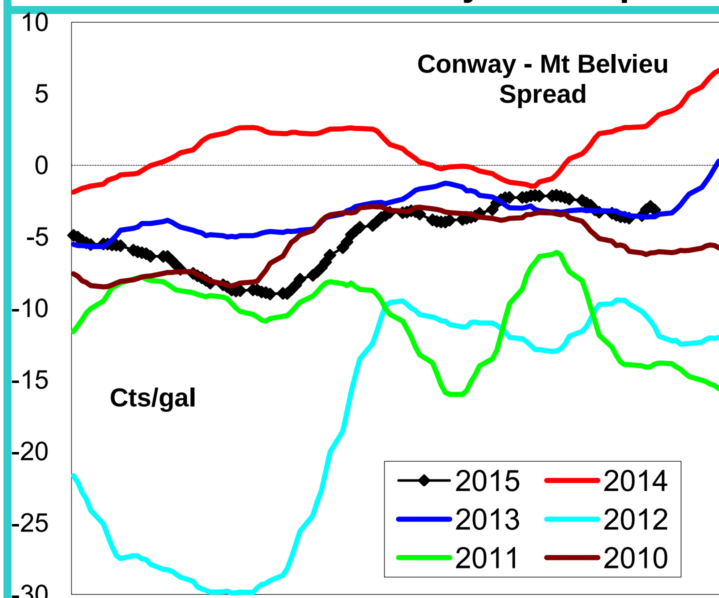
Fundamental Trends for the Week Ending: Friday, October 09, 2015

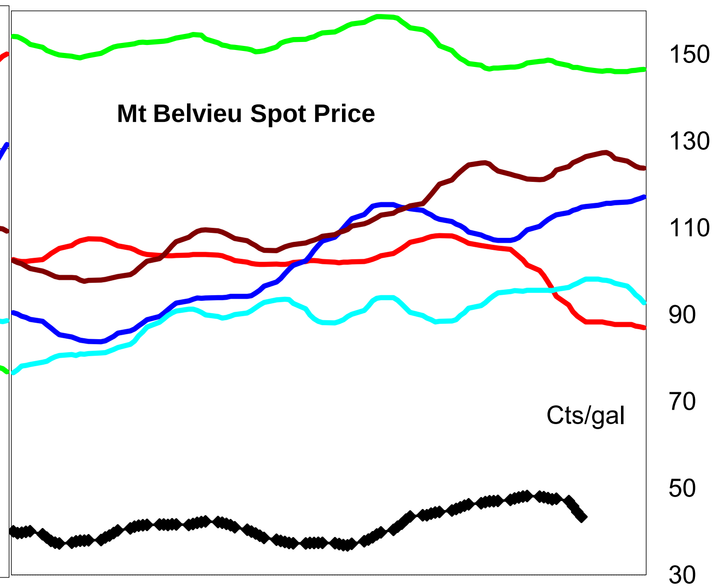
000 bpd Stocks 000 bls	Weekly Supply-Demand: U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5	Change from prior week: U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5
Stocks	102,164	6,754	28,226	62,634	4,550	1,822	608	711	638	-135
Propylene Stocks	4,386					-71				
Production	1,575	178	335	884	178	-2	5	-12	-17	22
Imports	140	101	25	0	14	71	78	-12	0	5
Whsle Demand	866					38				

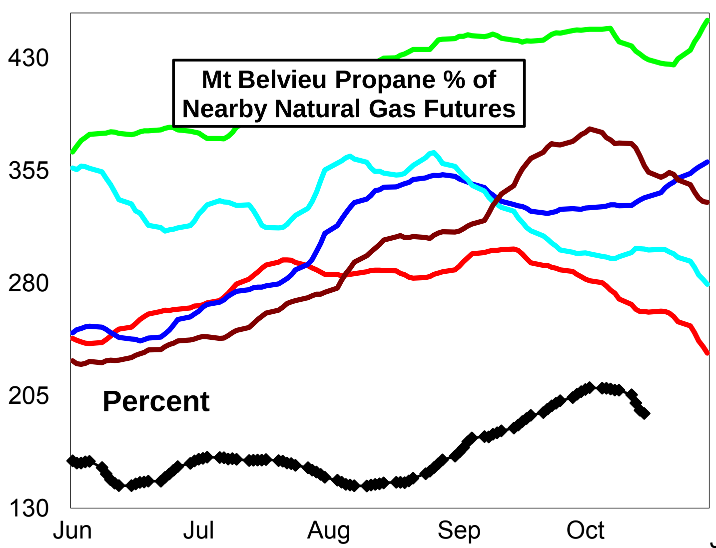
Price Trends for the Week Ending: Thursday, October 15, 2015

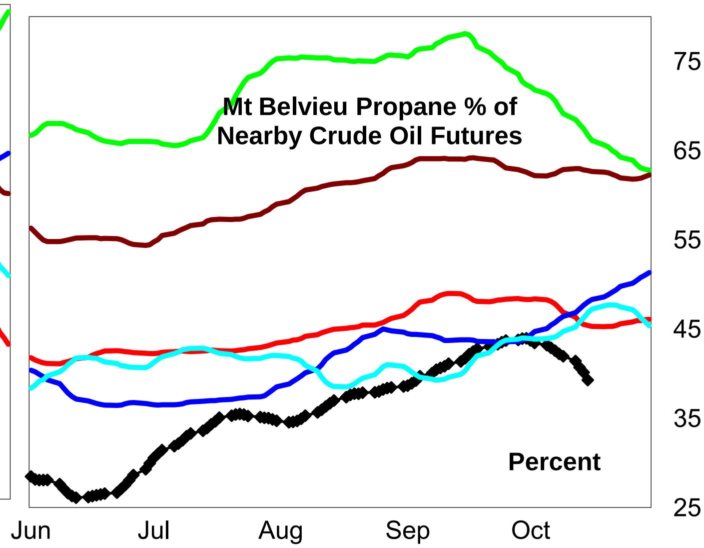
Cents/gal	Average for week ending: 10/15/15	10/8/15	9/17/15	10/17/14	Change from: 10/8/15	9/17/15	10/17/14	% change from: 10/8/15	9/17/15	10/17/14
Mont Belvieu Spot	45.8	49.2	45.1	90.7	-3.33	4.08	-45.61	-6.8	9.0	-50.3
Conway Spot	42.7	44.9	43.1	93.5	-2.18	1.80	-50.40	-4.8	4.2	-53.9

Key Price Spreads and Differentials









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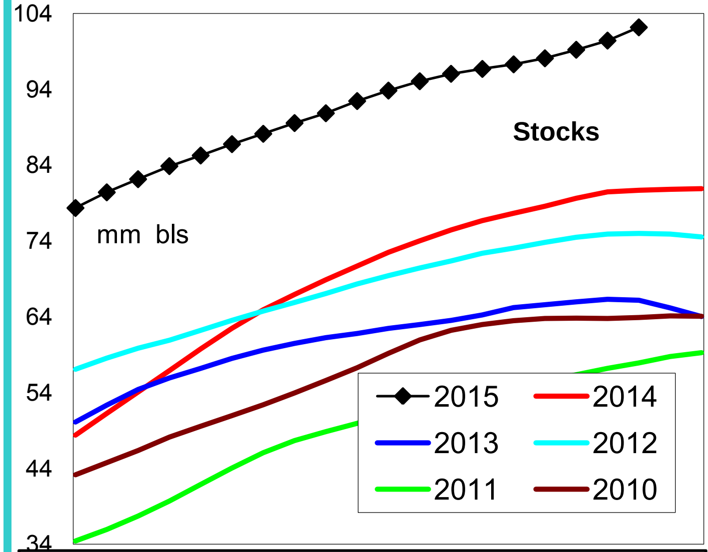
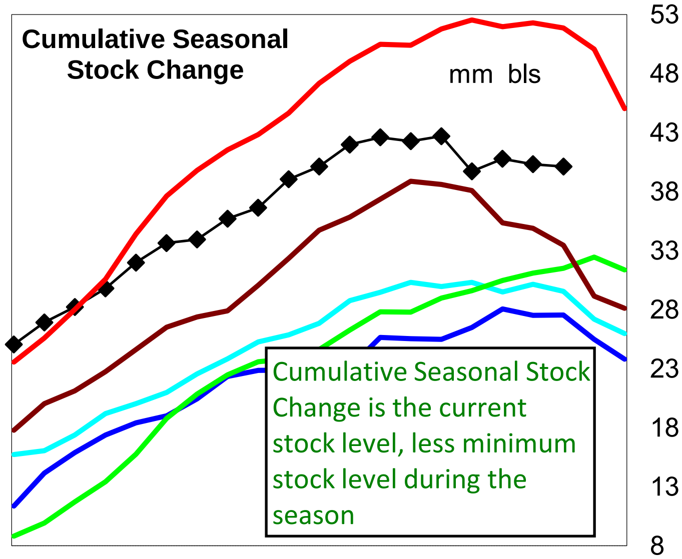
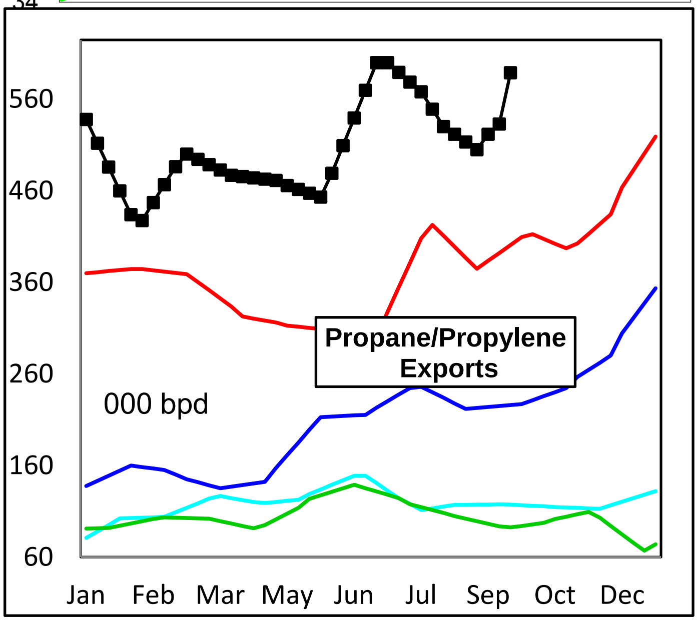
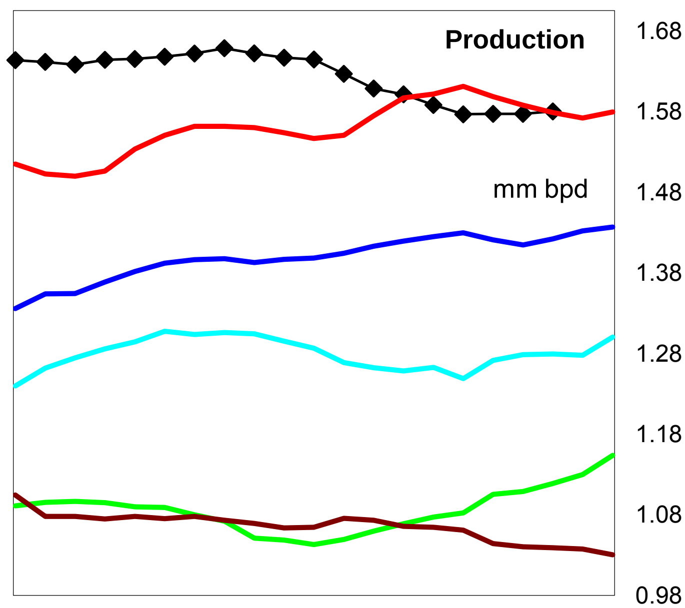
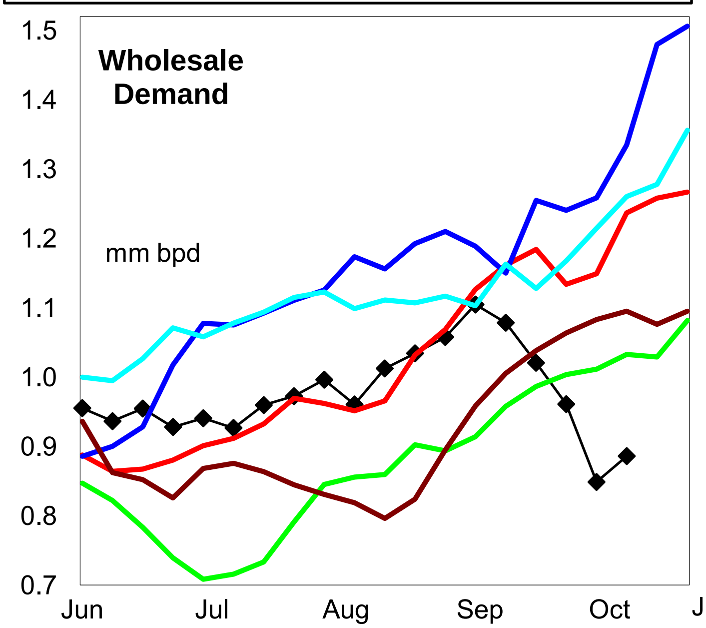
U. S. Propane Supply and Demand Balance

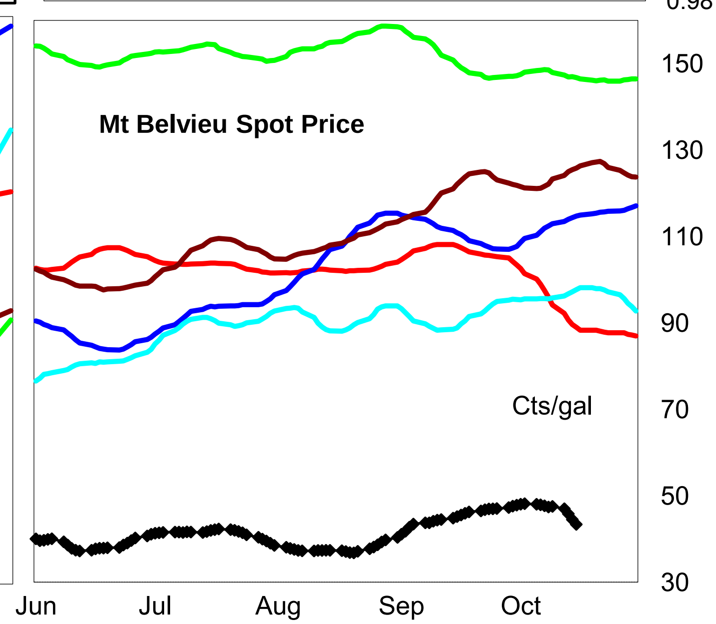






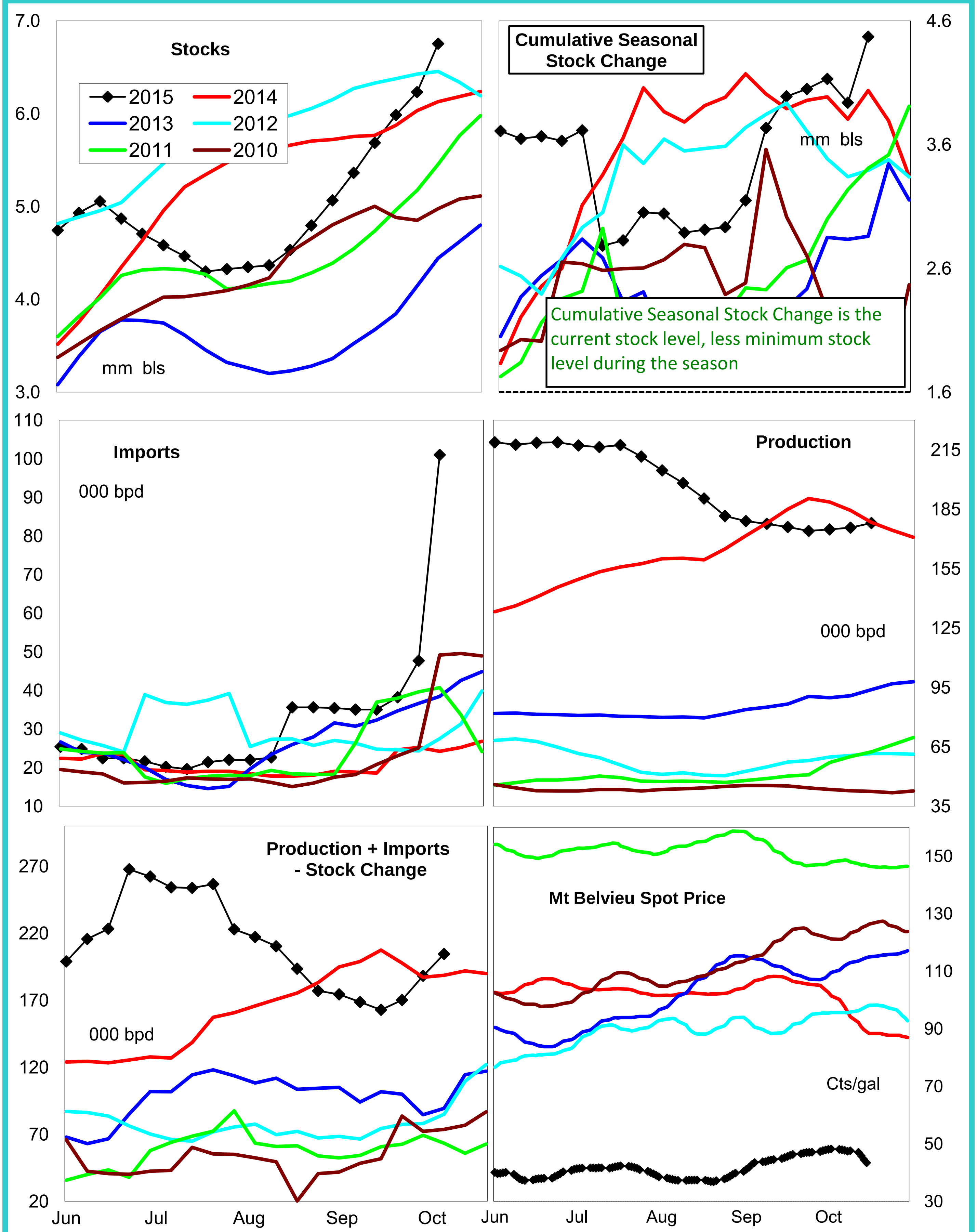






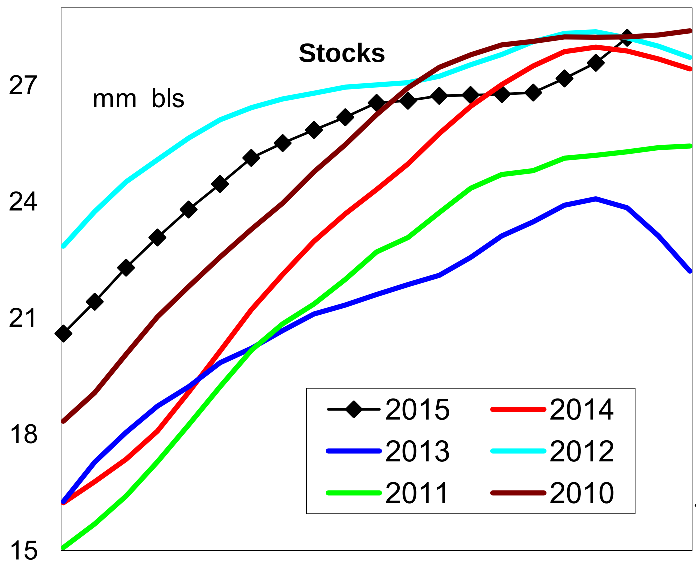
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Sep	Aug	Jul
000 bpd (000 bls stks)	20,788	-11,729	-12	8		-184	17	-16	82
% change	25.5	-23	-0.7	10.4		-16.5	1.7	-1.6	9.1

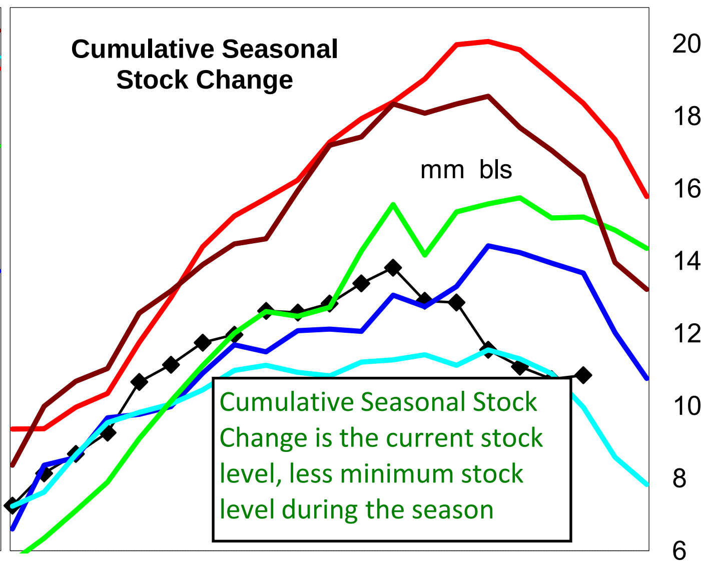
PADD 1 Propane Supply and Demand Balance

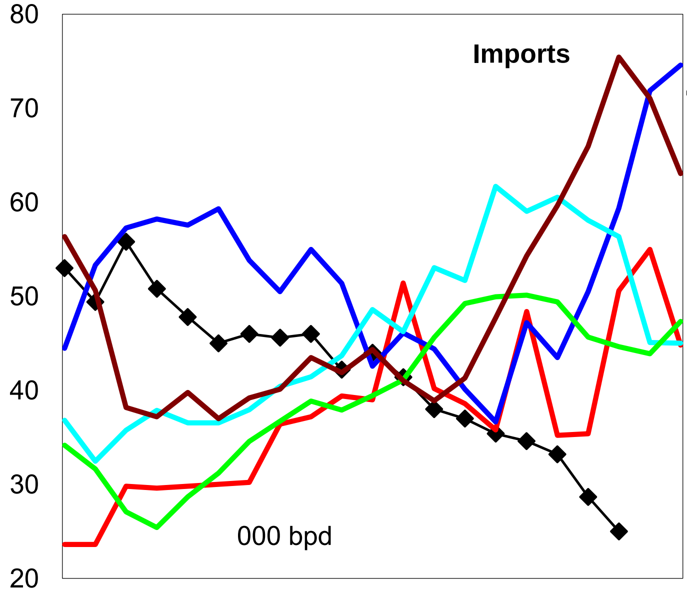


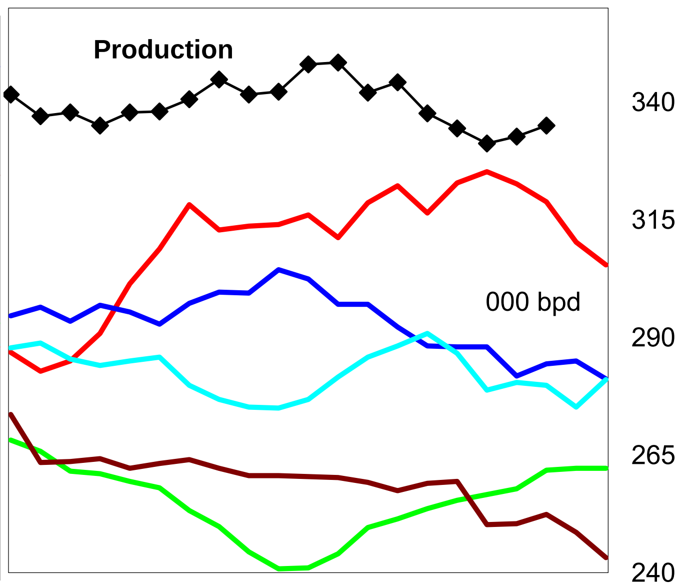
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	485	435	-13	16	-14
% change	7.7	10.8	-6.8	62.5	-7.1

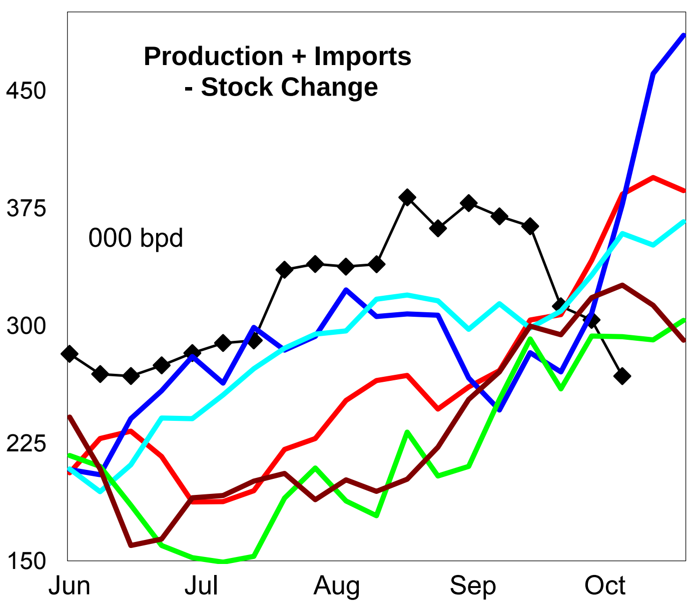
PADD 2 Propane Supply and Demand Balance

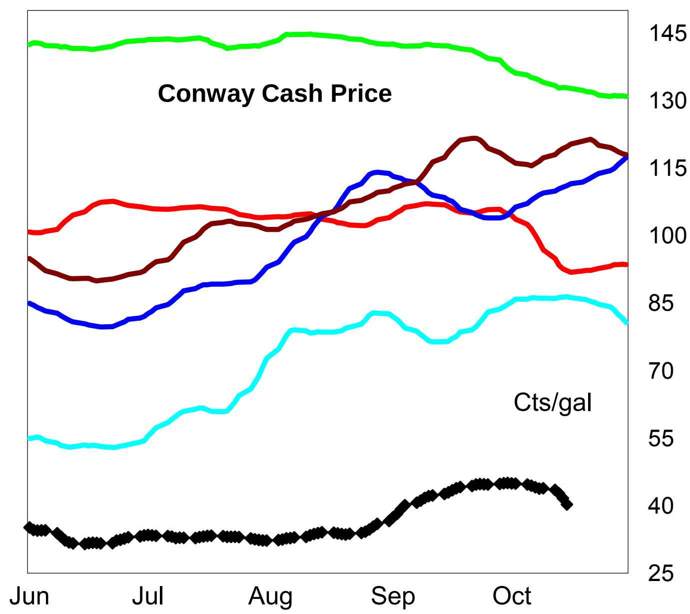






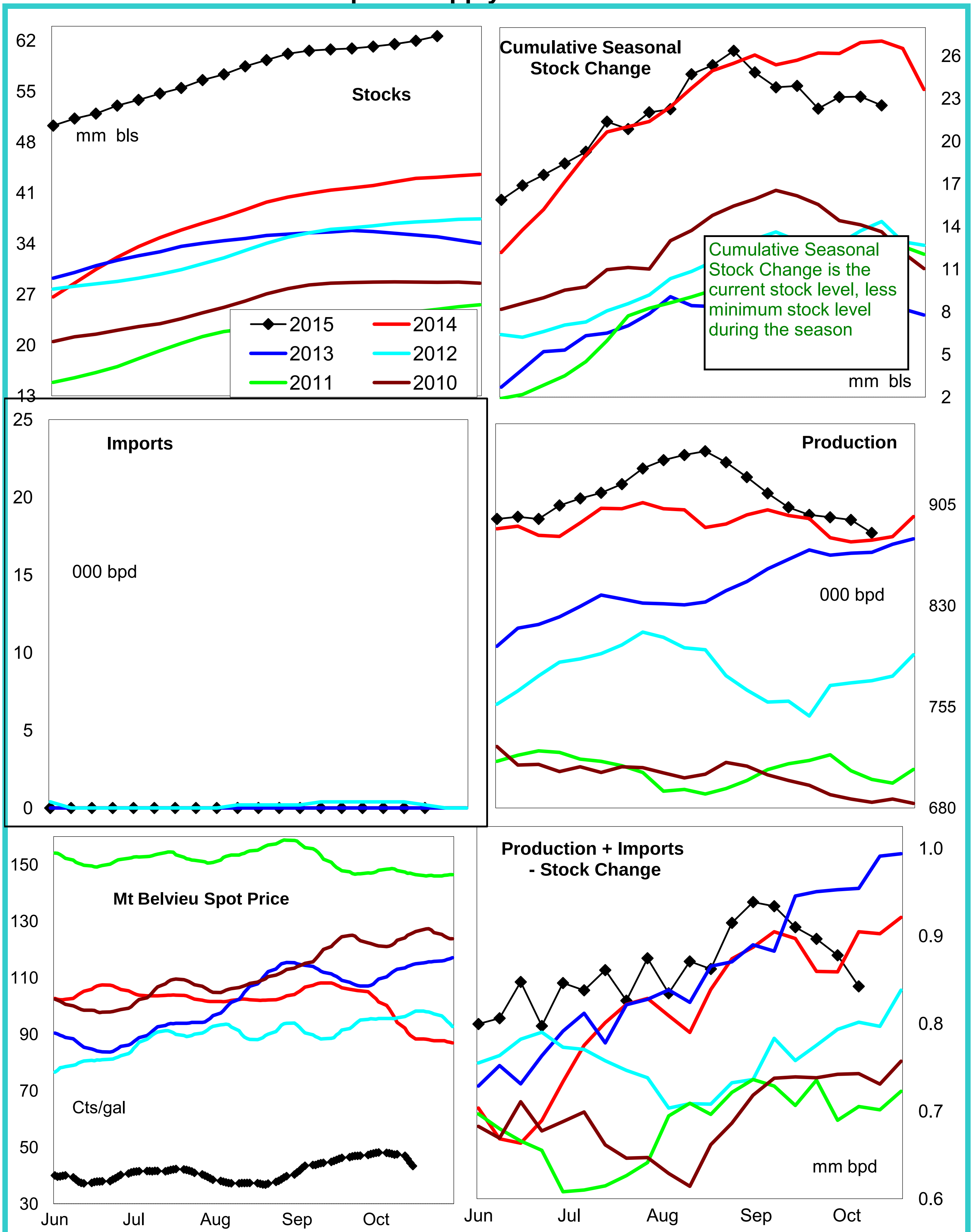






4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	131	-7,507	7	-7	-22
% change	0.5	-40.9	2.0	-18.2	-6.6

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)	19,193	-4,533	23	0	2
% change	44.2	-17	2.7	#DIV/0!	0.2

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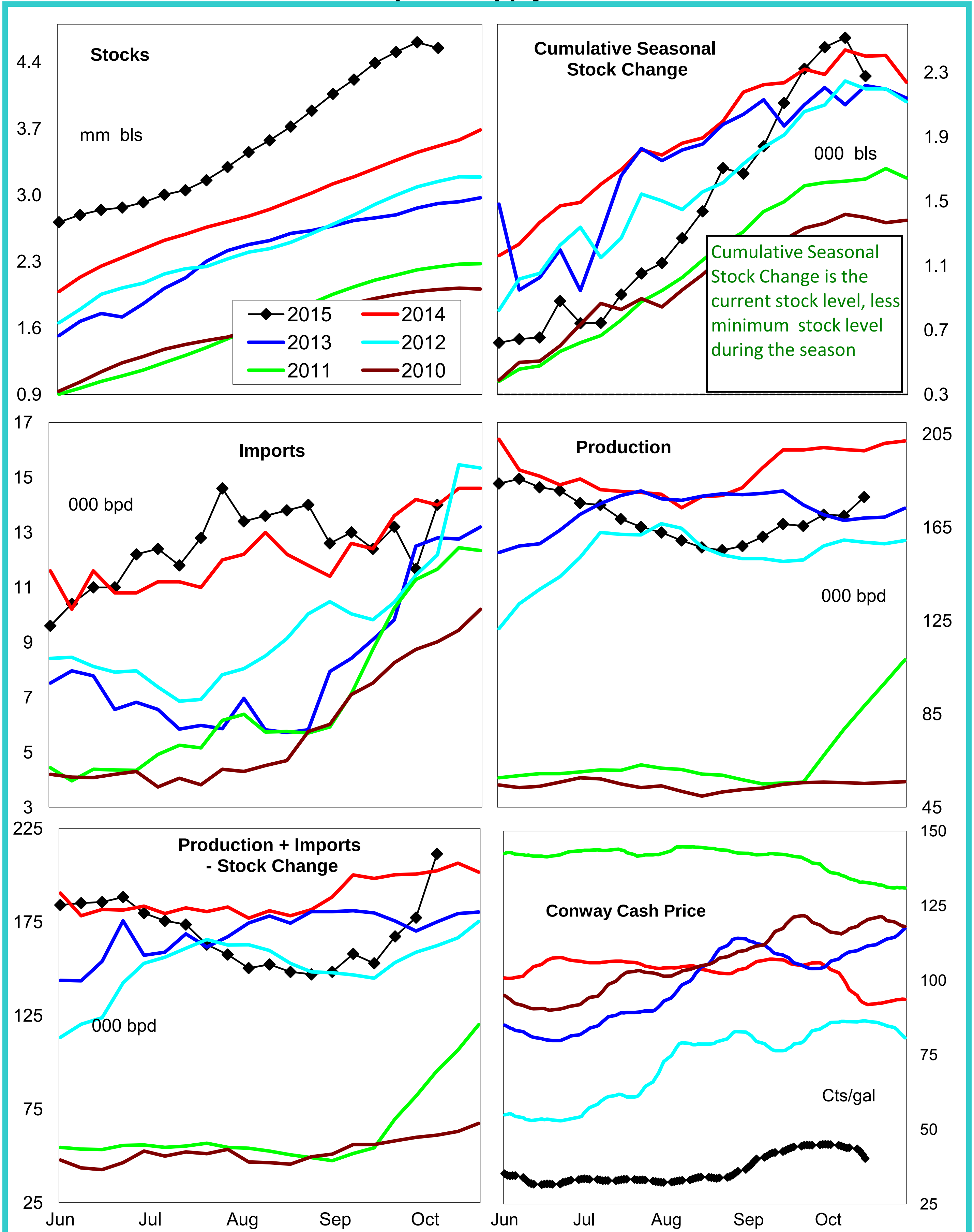
PADDs 4 and 5 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	979	-124	-29	-2	-23
% change	27.4	-5.2	-14.3	-10.5	-11.5

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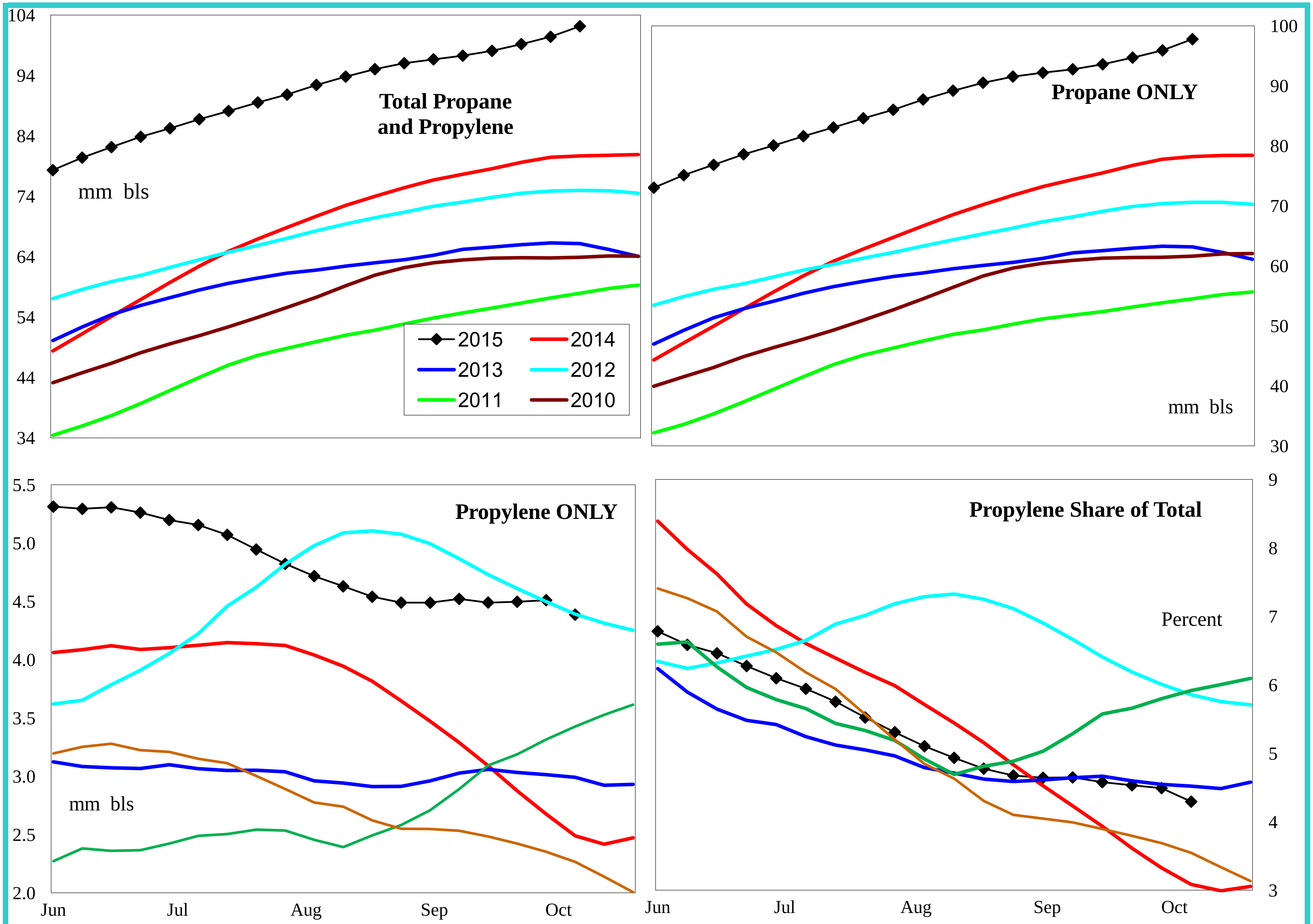
U. S. Propane and Propylene Stocks



Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	20,788	18,878	1,897
% change	25.5	23.9	76.2

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