WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

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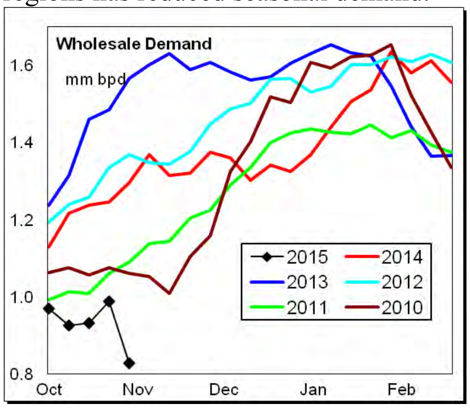
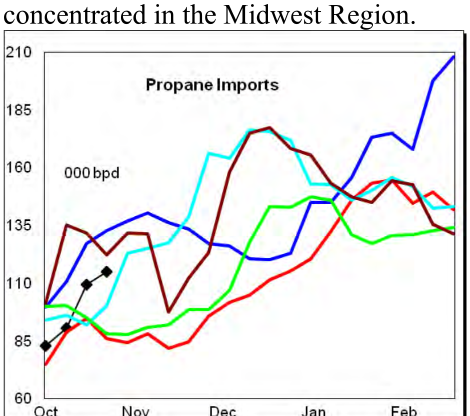
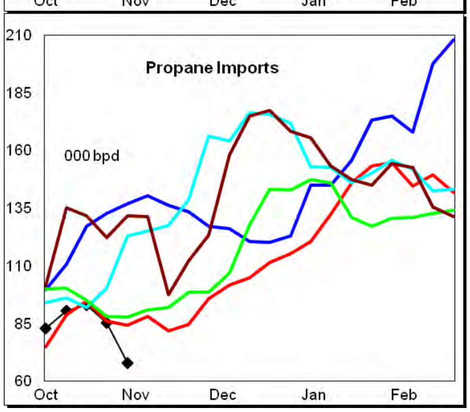
Summary[1]:
Wholesale demand decreased -196,000 bpd last week, to a level well below the last 3-yrs. Above normal temperatures and lack of rain in grain harvesting regions has reduced seasonal demand.



Imports fell -47,000 bpd last week, concentrated in the Midwest Region.

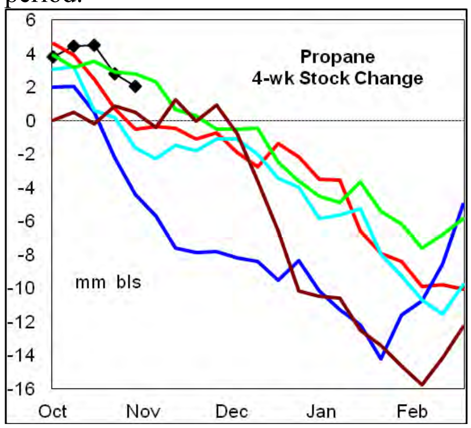




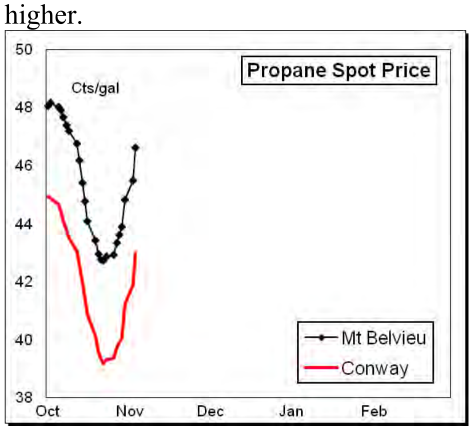
Exports for the week ending 26Sep15 were +185,000 bpd above last year

Stocks increased +0.8 million barrels last week, with the build concentrated in the Midwest and Gulf regions. The cumulative seasonal stock *draw* of -0.1 million barrels (stocks are -0.1 million barrels below the season high) matches the historic record.

The rate of stock build was +2.1 million barrels during the latest 4-wk period, near the historic high for the period.



Price and Spreads Mt Belvieu spot price increased +5 cpg last week ending 03Nov15, while Conway was +6 cpg higher.



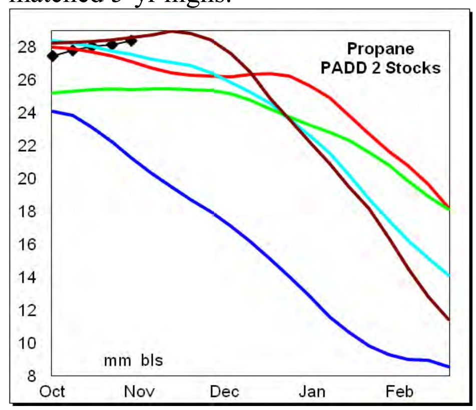
The Conway – Mt Belvieu price spread was unchanged for the week, ending at a level below the 3-yr mid range.

The propane to natural gas price spread trended higher last week, ending at a level equal to a year ago.

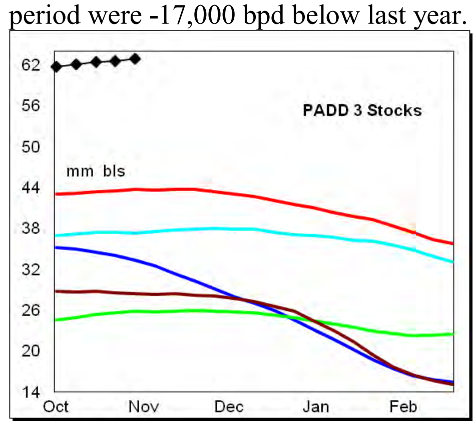
The propane / crude oil price spread trended higher last week, ending at a level below the historic range.

PADD 1 stocks were unchanged on the week at a level +10 percent above the prior 5-yr high for the period. Supply increased +15,000 bpd last week.

PADD 2 supply fell -61,000 bpd last week, on lower production and imports. Production remains above the historic range. Stocks increased +0.2 million barrels on the week, to a level that matched 5-yr highs.



PAD 3 stocks increased +0.5 million barrels on the week. Stock levels ended the week +45% above the prior 5-yr high. Supplies for the latest 4-wk period were -17,000 bpd below last year.



PADDs 4 & 5 stock were unchanged on the week, at a level +0.8 million barrels above last year.

Emerging Trends Wholesale demand remains extremely weak on above normal temperatures and dry weather that has limited demand for grain drying and heating. The latest 4-wk stock build was nearly a record for this time of year. Stock levels in each region are equal to or above the prior 5-yr high.

Political tension in the Syria led to strength in global oil prices last wee. However weak wholesale demand and very high stock levels risk renewed price weakness during the quarter.

[1] Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

November 4, 2015

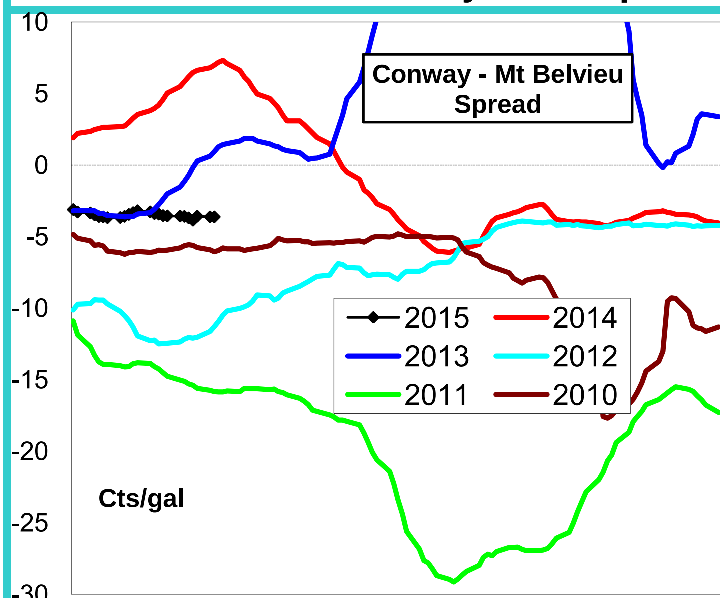
Fundamental Trends for the Week Ending: Friday, October 30, 2015

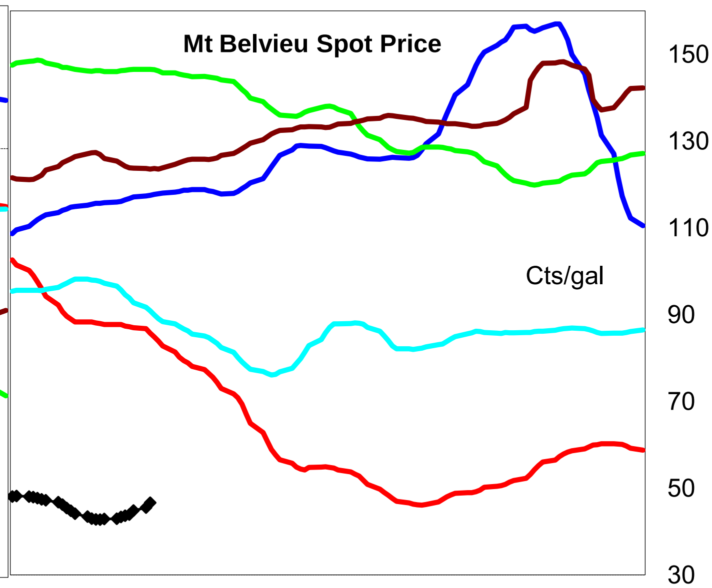
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5	U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5
Stocks	102,411	6,769	28,349	62,945	4,348	848	36	240	523	49
Propylene Stocks	3,731					-435				
Production	1,560	182	326	860	192	-25	15	-25	-17	2
Imports	68	29	25	0	14	-47	0	-36	0	-11
Whsle Demand	827					-196				

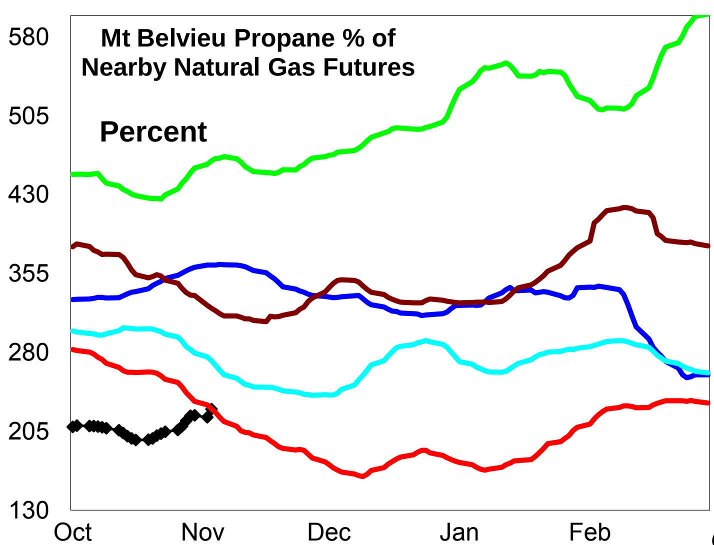
Price Trends for the Week Ending: Tuesday, November 03, 2015

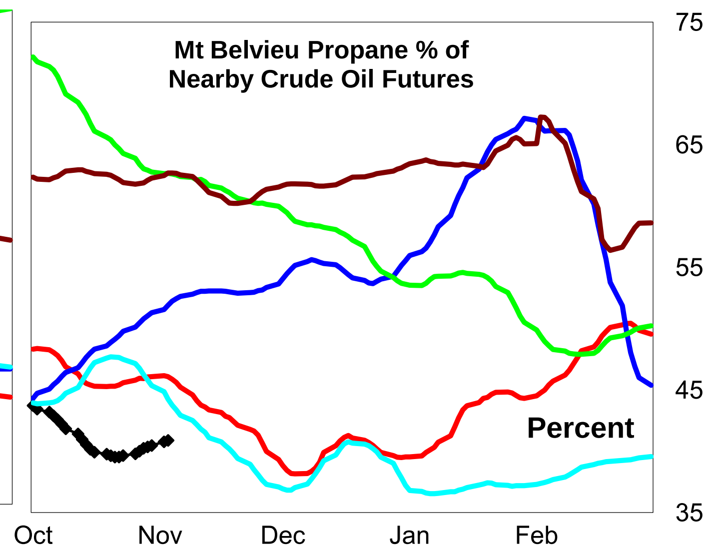
Cents/gal	Average for week ending:				Change from:			% change from:		
	11/3/15	10/27/15	10/6/15	11/5/14	10/27/15	10/6/15	11/5/14	10/27/15	10/6/15	11/5/14
Mont Belvieu Spot	44.8	42.1	47.8	87.4	2.70	-5.65	-39.61	6.4	-11.8	-45.3
Conway Spot	41.3	38.4	44.2	94.2	2.83	-5.73	-50.00	7.4	-13.0	-53.1

Key Price Spreads and Differentials

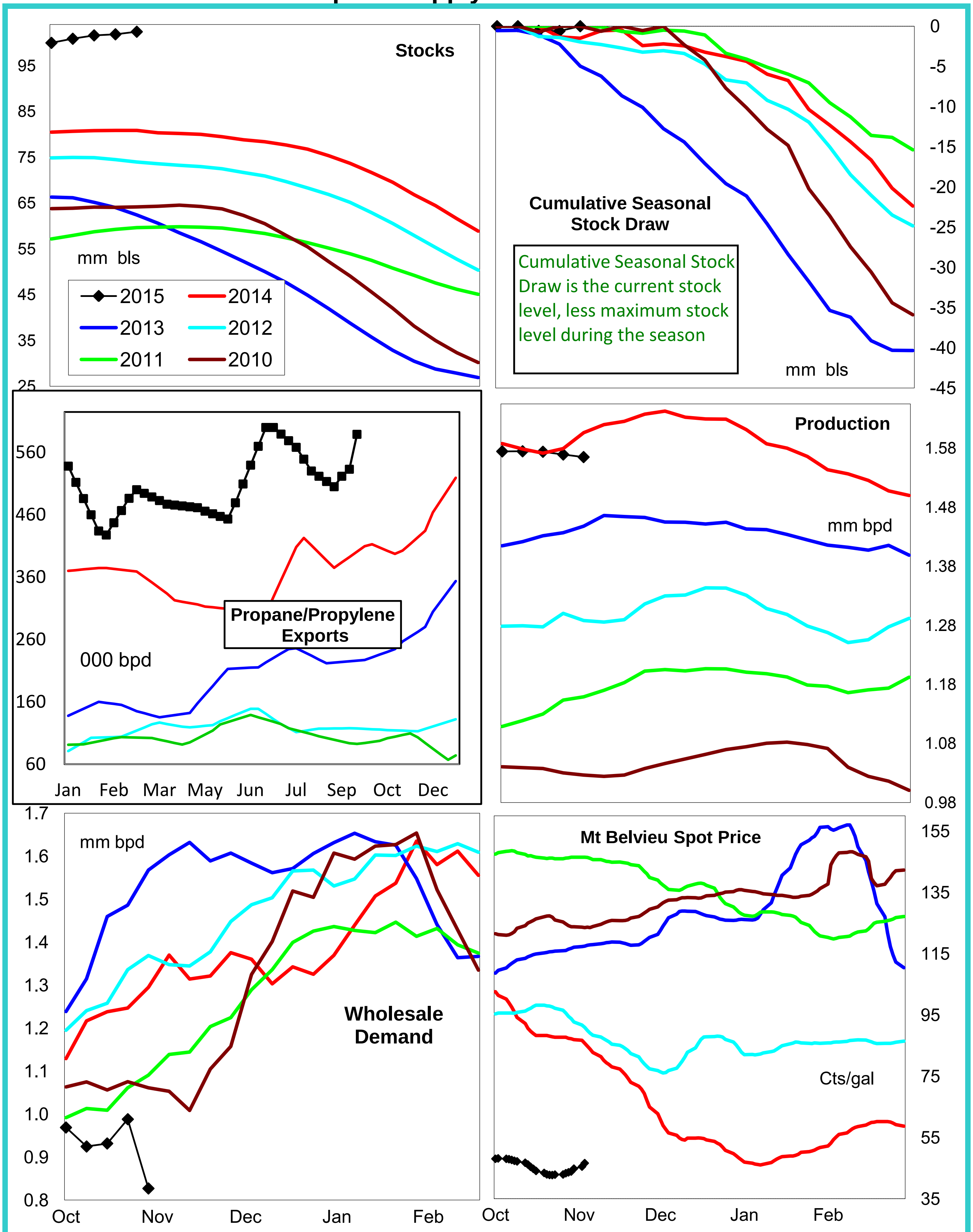






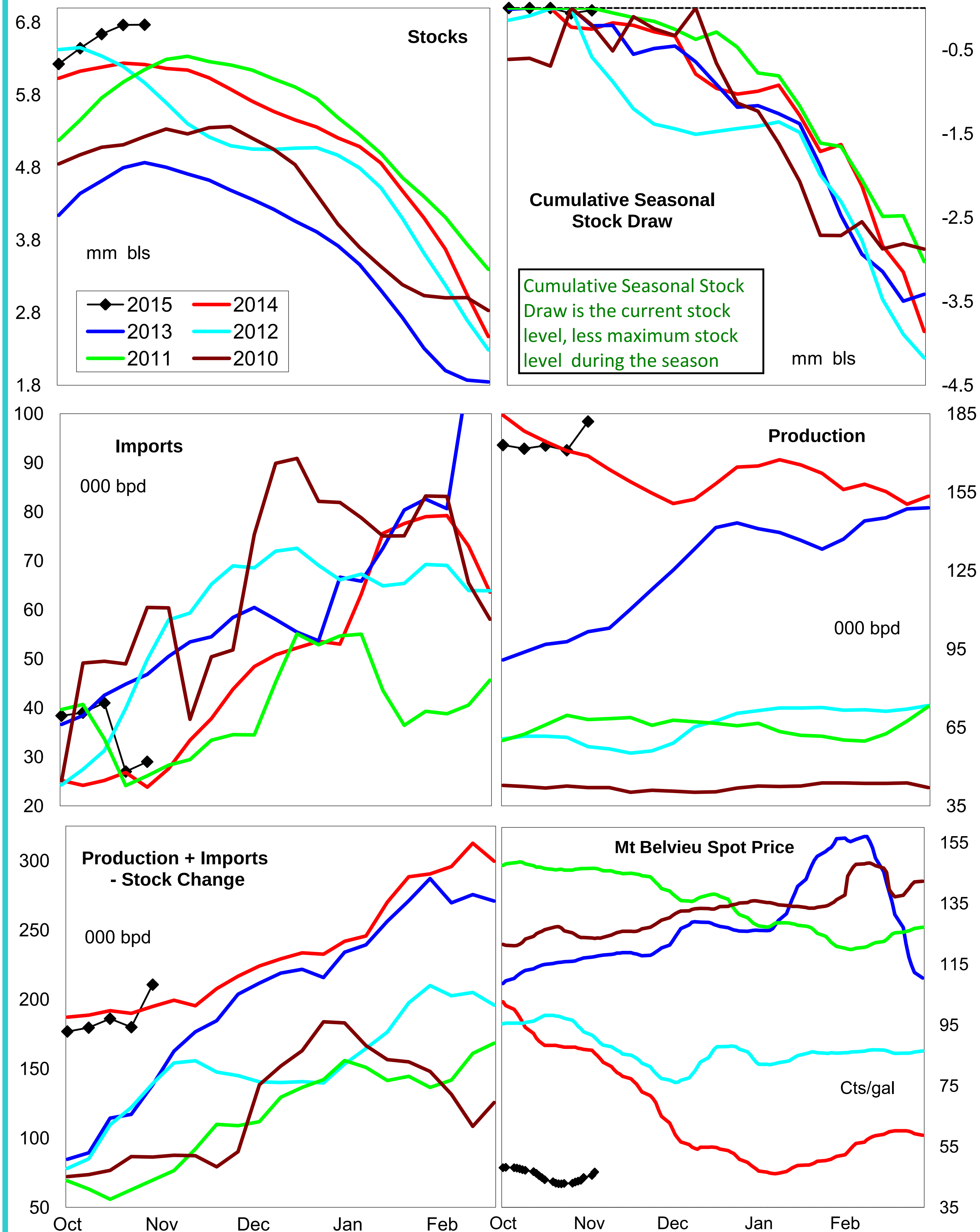


U. S. Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Sep	Aug
000 bpd (000 bls stks)	22,284	1,485	5	9		-308	17	-16
% change	27.8	-100	0.3	10.3		-24.3	1.7	-1.6

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)	626	224	2	18	-2
% change	10.2	-88.9	0.9	64.0	-1.2

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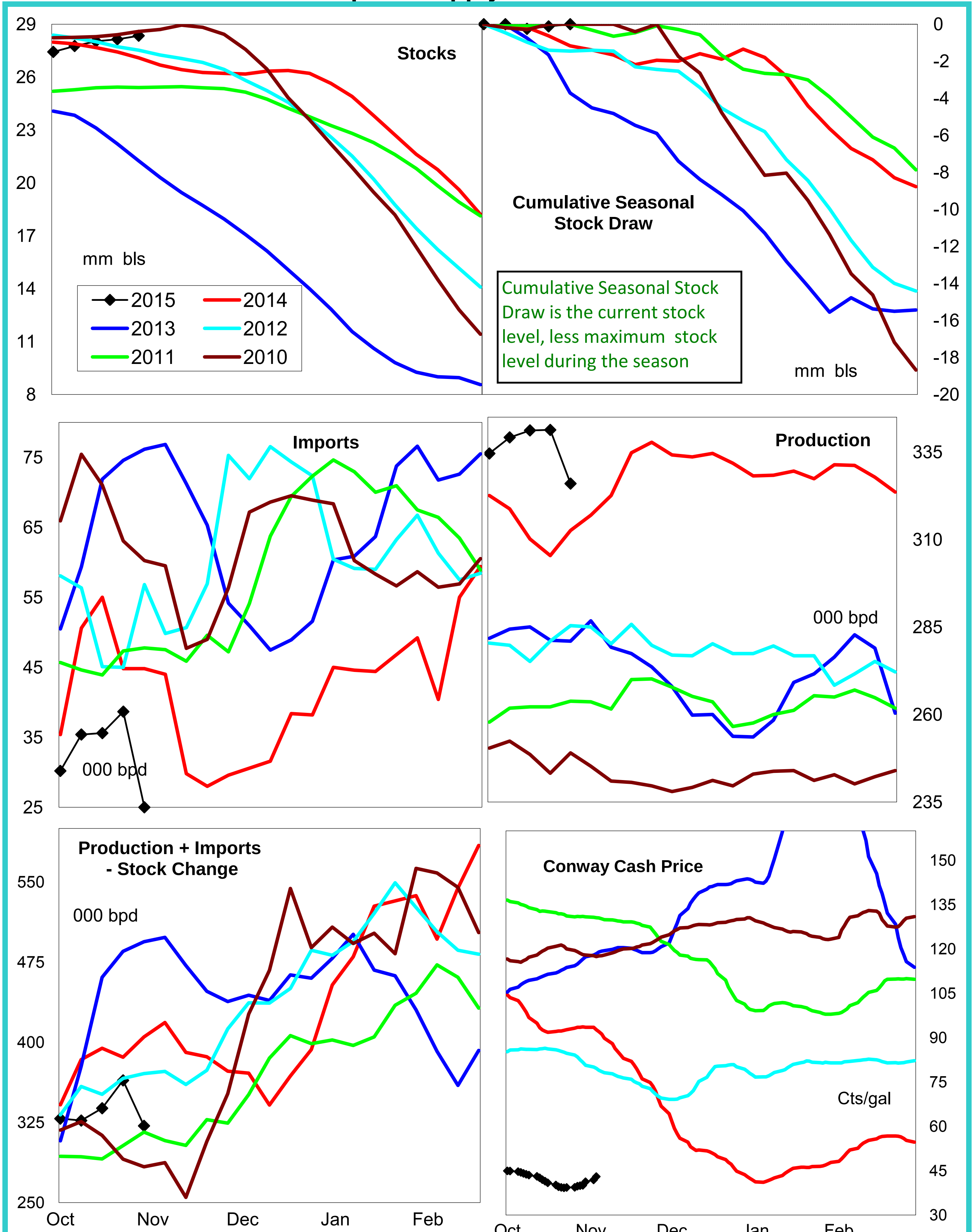
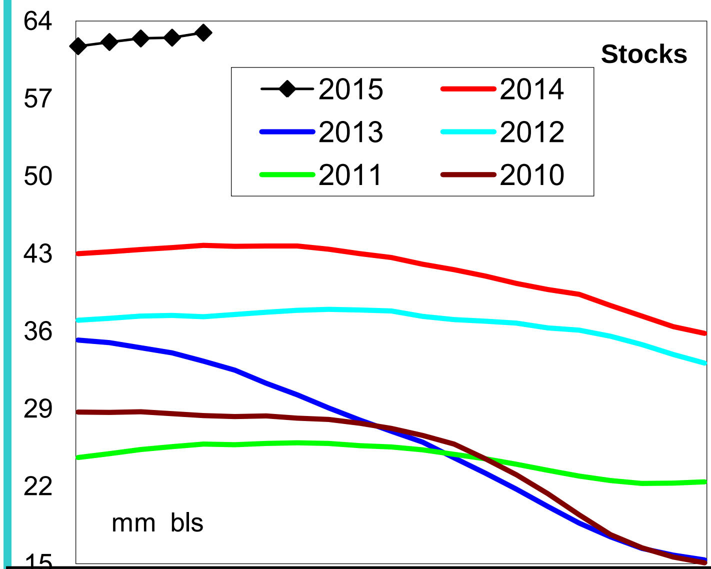
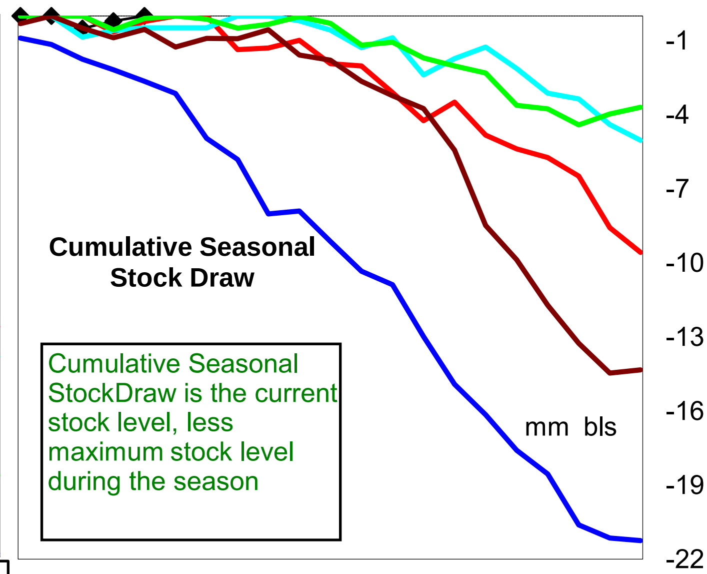
PADD 2 Propane Supply and Demand Balance

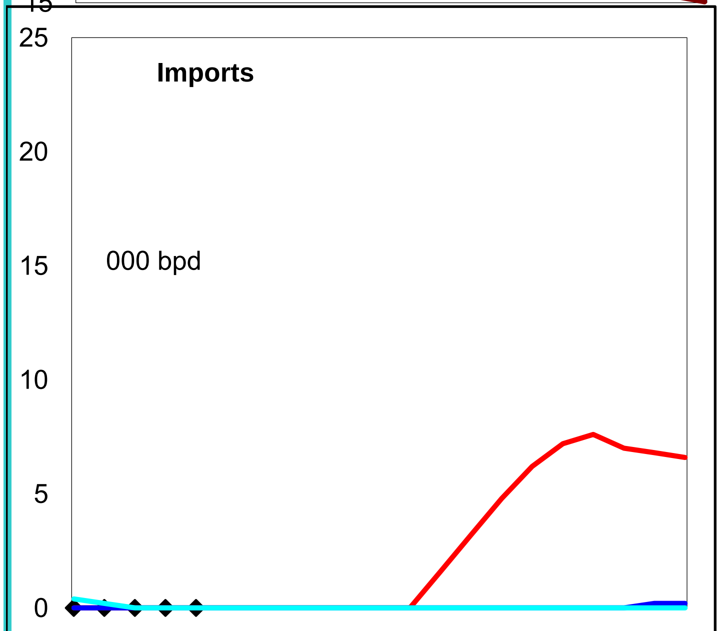


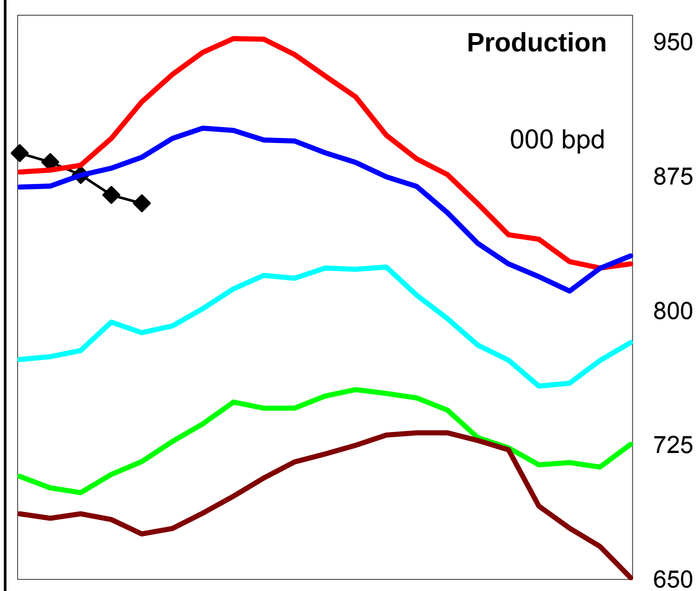
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	1,419	1,165	38	-12	-55
% change	5.3	-100.0	12.5	-25.0	-13.9

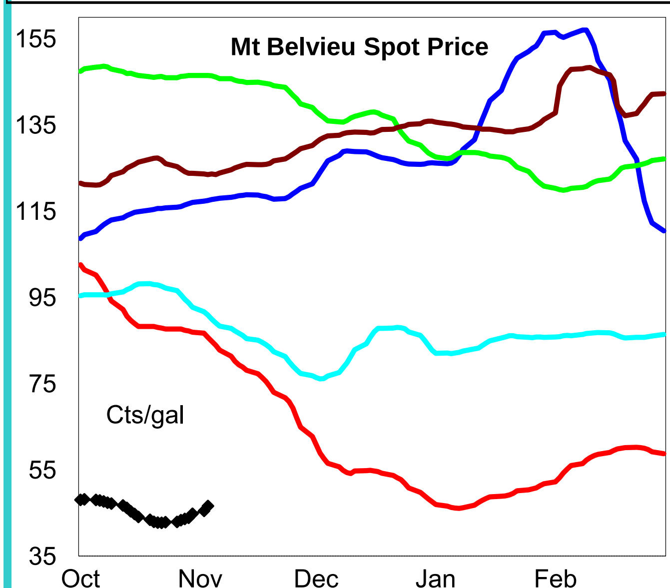
PADD 3 Propane Supply and Demand Balance

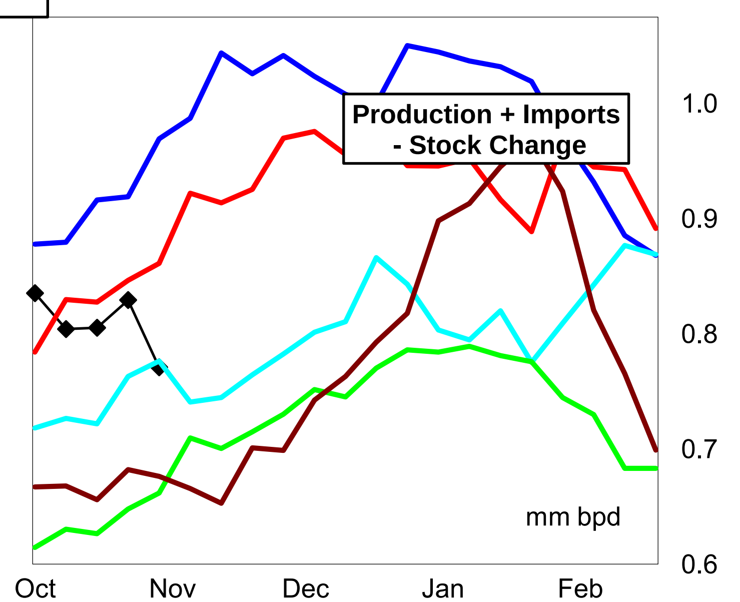












4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	19,486	219	-17	0	-39
% change	44.8	-100	-1.9	#DIV/0!	-4.5

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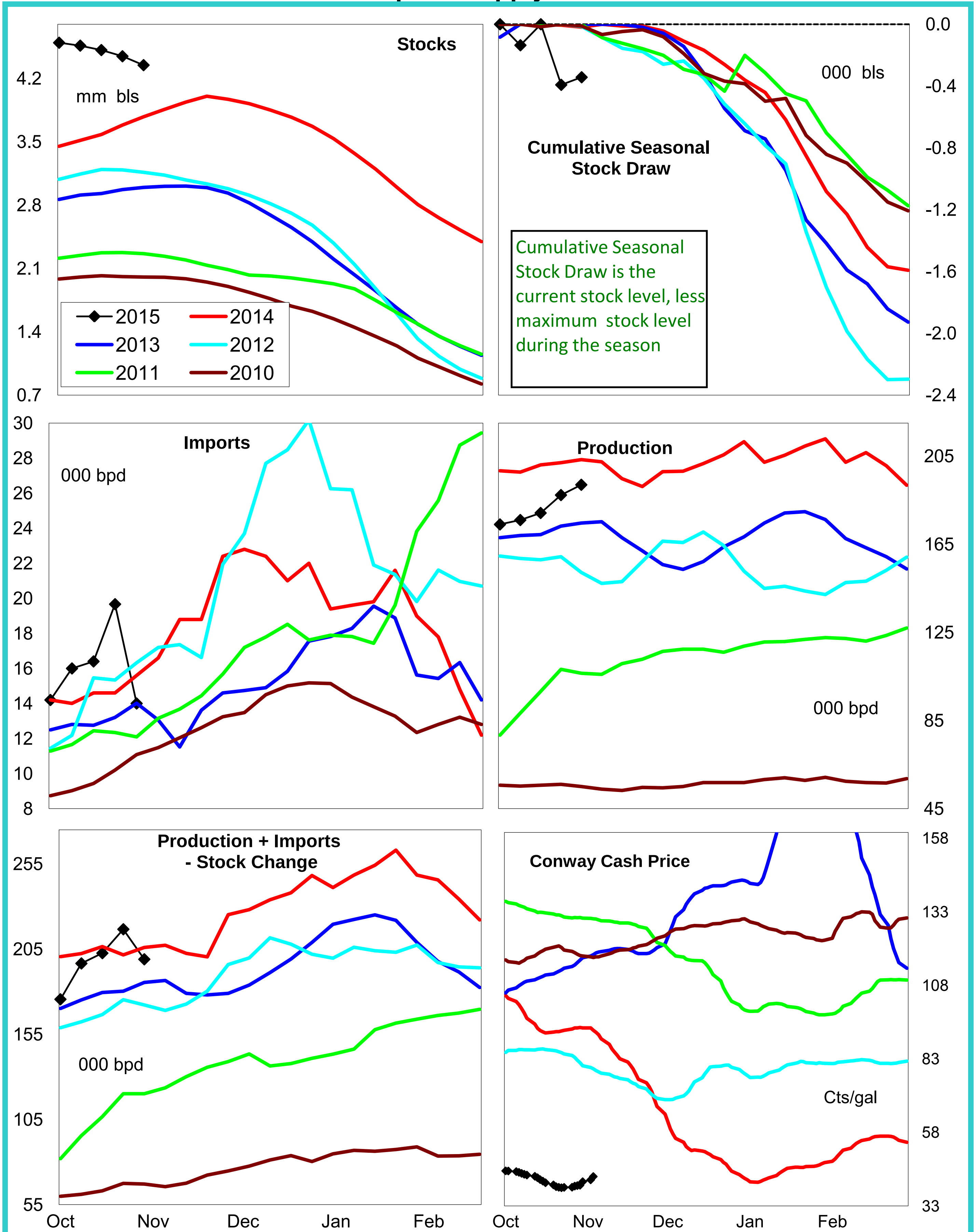
PADDs 4 and 5 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	752	-325	-17	3	0
% change	20.9	1,805.6	-8.5	21.7	-0.2

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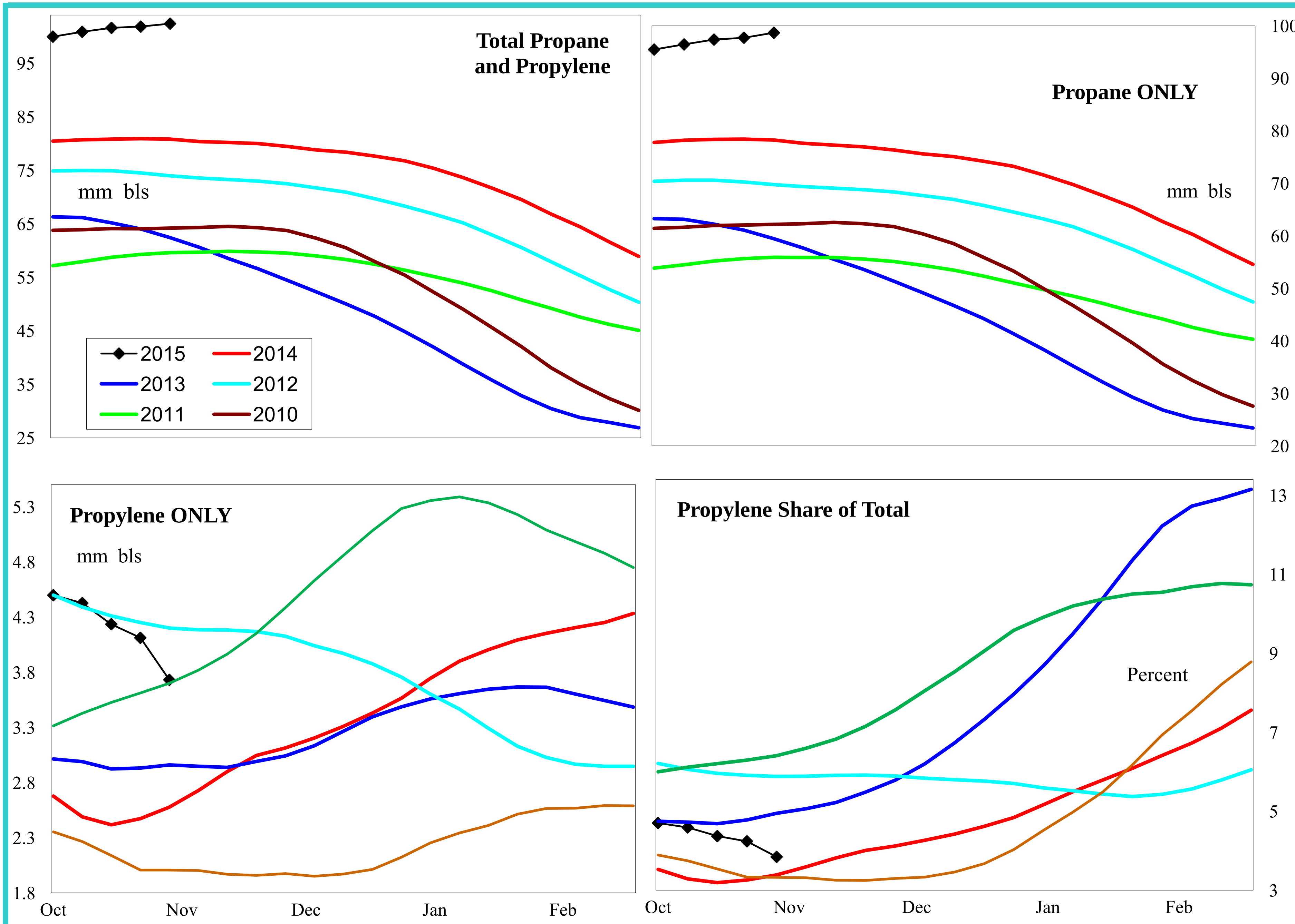
U. S. Propane and Propylene Stocks



Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	22,284	21,025	1,154
% change	27.8	27.1	44.8

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