FUNDAMENTAL PETROLEUM TRENDS

WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

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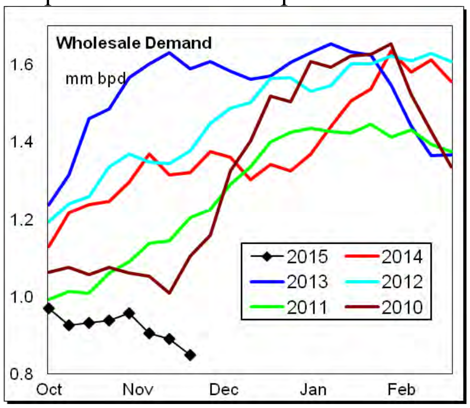
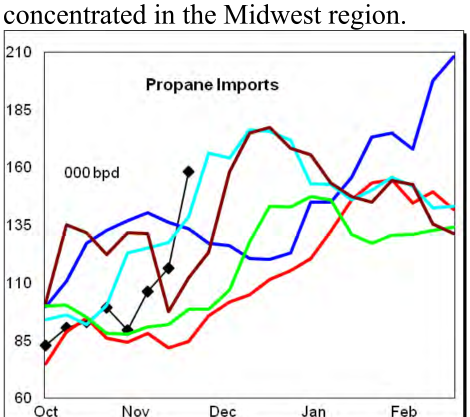
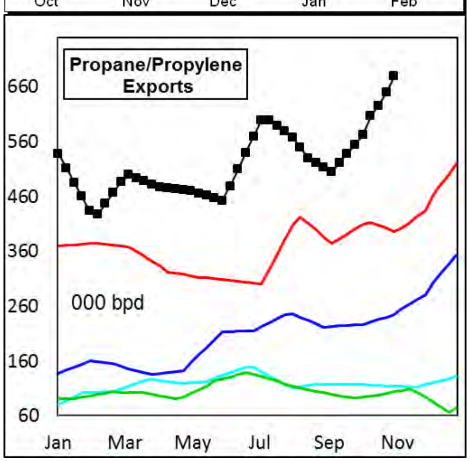
Summary[1]:
Wholesale demand decreased -118,000 bpd last week, a level sharply below the 5-yr range. The latest 4-wk average demand was -35% below a year ago; driven by much above normal temperatures and record production.



Imports climbed +68,000 bpd last week, concentrated in the Midwest region.

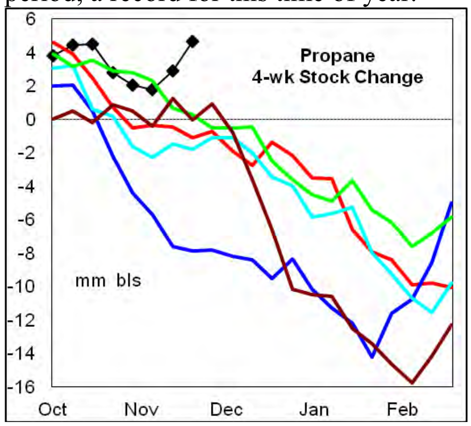




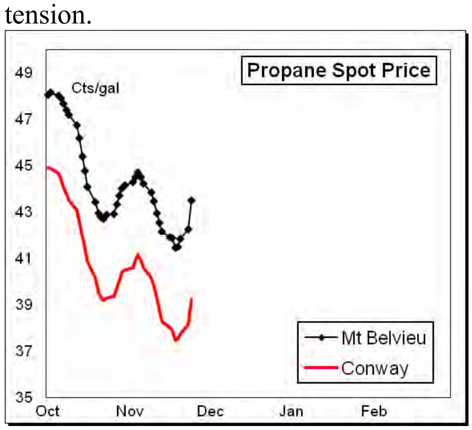
Exports for the week ending 30Oct15 were +288,000 bpd above last year.

Stocks increased +1.7 million barrels last week, with the build concentrated in the Gulf and Midwest. Stocks remain extremely high in these two key regions.

The rate of stock build was +4.6 million barrels during the latest 4-wk period, a record for this time of year.



Price and Spreads Mt Belvieu spot price increased +3 cpg last week ending 24Nov15, while Conway prices were +2.50 cpg higher. The increase was driven the rise in Middle east political tension.



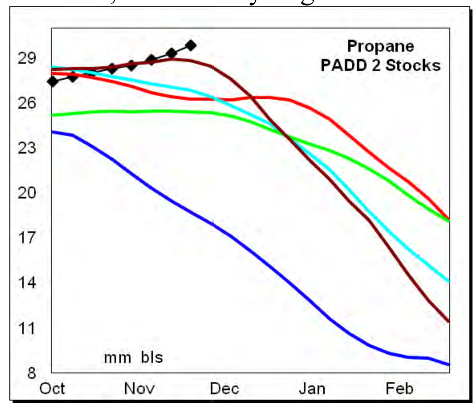
The Conway – Mt Belvieu price spread was nearly unchanged last week, ending at a level well below the last 2-yrs.

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

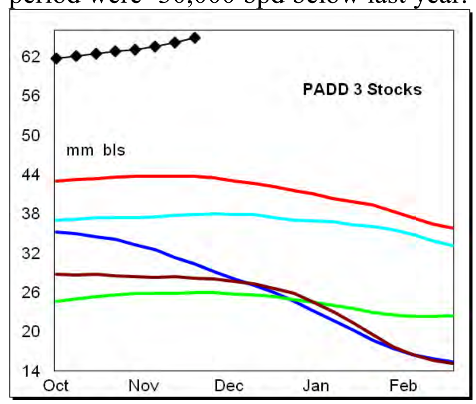
The propane / crude oil price spread trended higher last week, ending at a level equal to the 3-yr mid range.

PADD 1 stocks increased +0.1 million barrels on the week to a level +18% above the prior 5-yr high for the period. Supply decreased -12,000 bpd last week week.

PADD 2 supply climbed +65,000 bpd last week, on sharply higher imports. Stocks increased +0.6 million barrels on the week, to a new 5-yr high.



PAD 3 stocks increased +1.2 million barrels on the week. Stock levels ended the week +50% above the prior 5-yr high. Supplies for the latest 4-wk period were -30,000 bpd below last year.



PADDs 4 & 5 stocks decrease -0.2 million barrels on the week, to a level +0.3 million barrels above last year.

Emerging Trends Look for continued weak wholesale demand with temperatures forecast to return to above normal levels in key heating markets. Record production combined with a surge in imports to the Midwest points to ongoing extreme over supply in the region.

The strengthening $dollar and global over supply of crude oil continues to depress energy prices; partially offsetting the impact of increased Middle East political tension.

Based on these fundamental trends, expect ongoing weakness in wholesale propane prices.

[1] Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

November 25, 2015

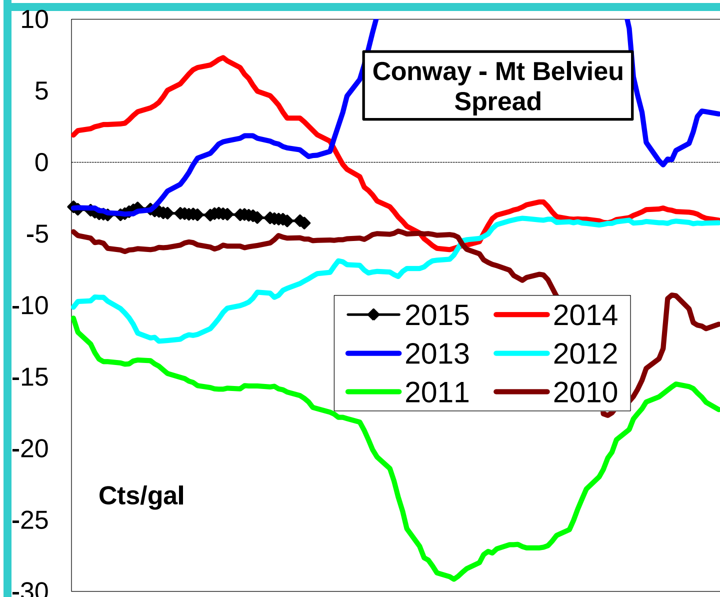
Fundamental Trends for the Week Ending: Friday, November 20, 2015

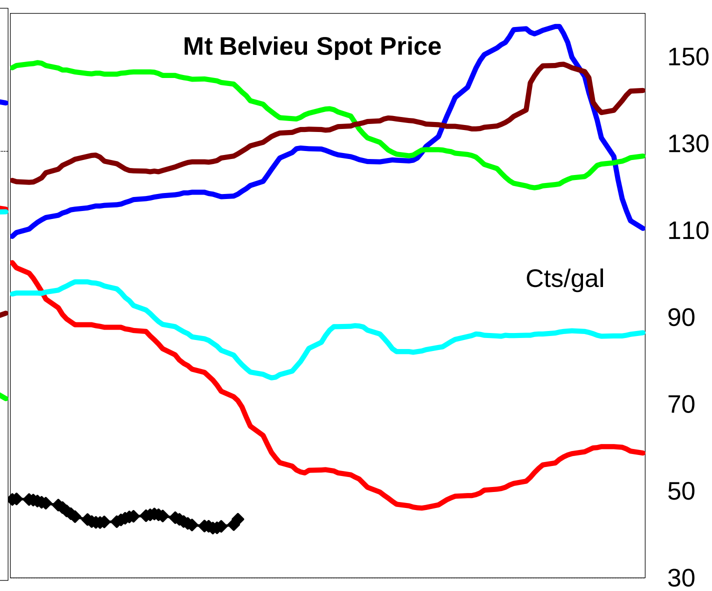
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5	U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5
Stocks	106,202	7,210	29,804	64,851	4,337	1,733	114	602	1,179	-162
Propylene Stocks	3,398					-291				
Production	1,668	159	384	950	175	40	-8	7	52	-11
Imports	158	34	94	0	30	68	-4	58	0	14
Whsle Demand	849					-118				

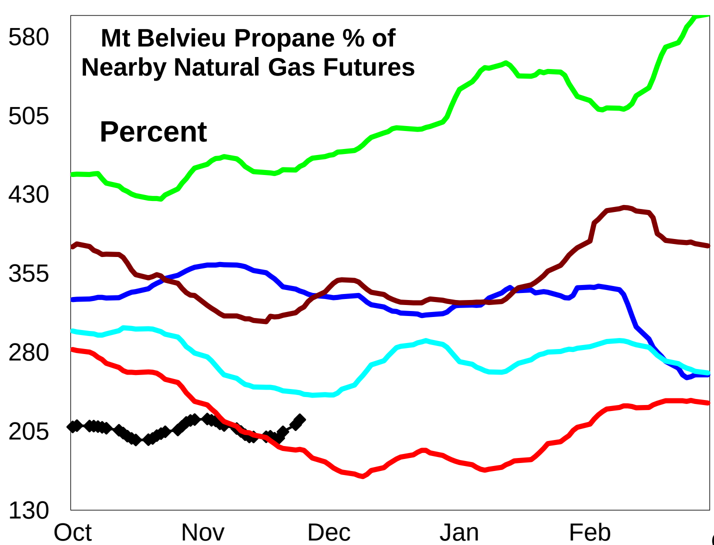
Price Trends for the Week Ending: Tuesday, November 24, 2015

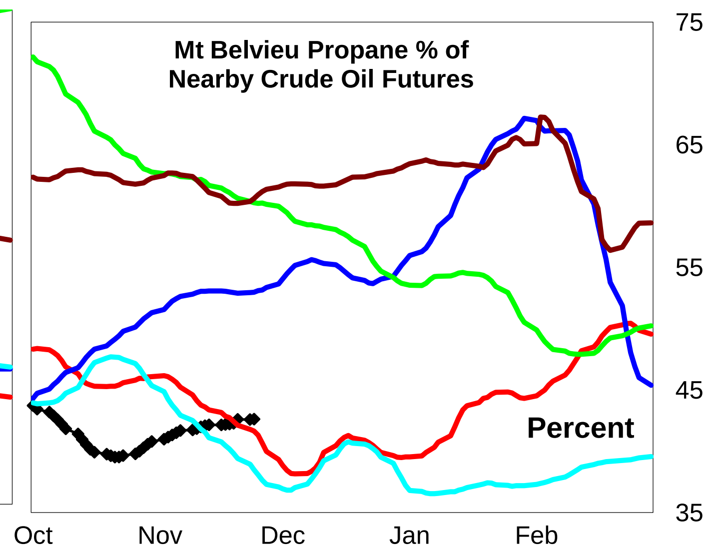
Cents/gal	Average for week ending:				Change from:			% change from:		
	11/24/15	11/17/15	10/27/15	11/26/14	11/17/15	10/27/15	11/26/14	11/17/15	10/27/15	11/26/14
Mont Belvieu Spot	41.9	41.5	42.1	75.8	0.40	-0.67	-33.63	1.0	-1.6	-44.4
Conway Spot	37.8	37.6	38.4	79.1	0.15	-0.82	-40.66	0.4	-2.1	-51.4

Key Price Spreads and Differentials

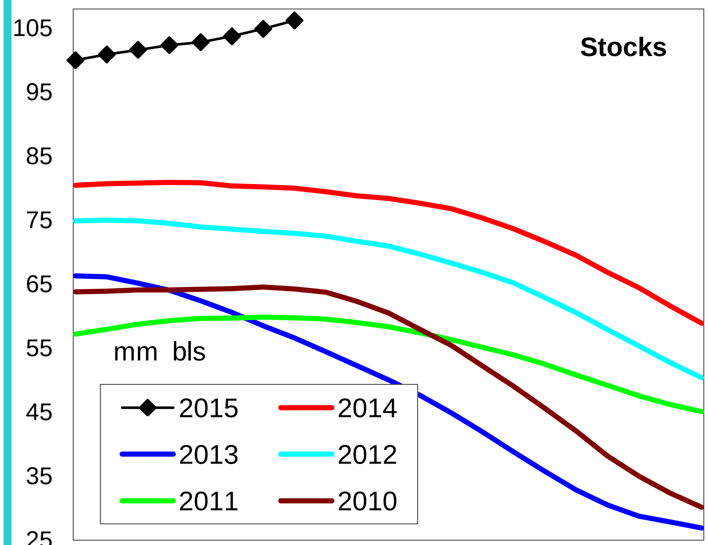


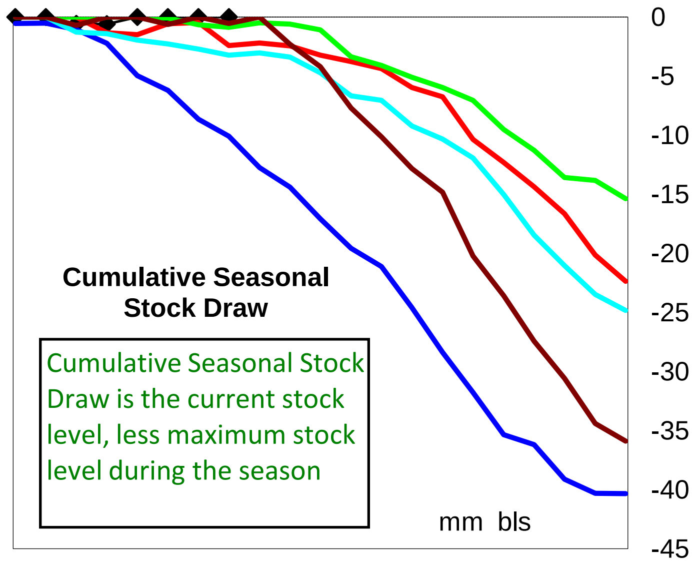


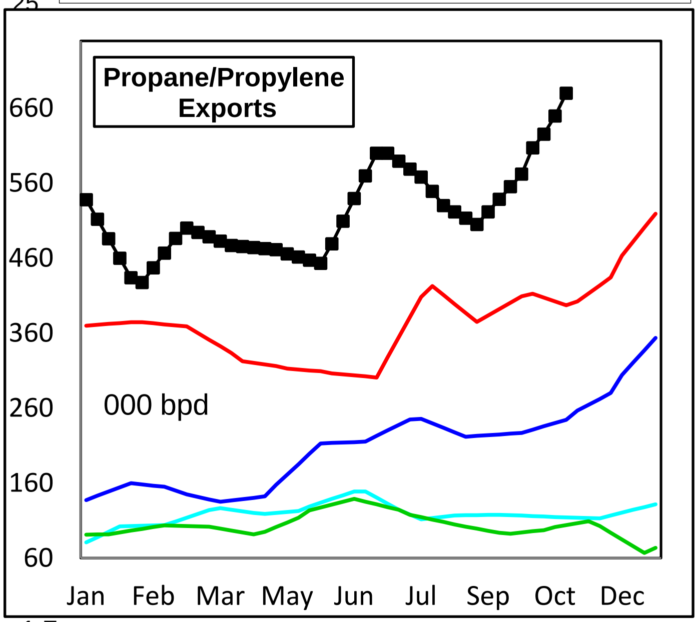


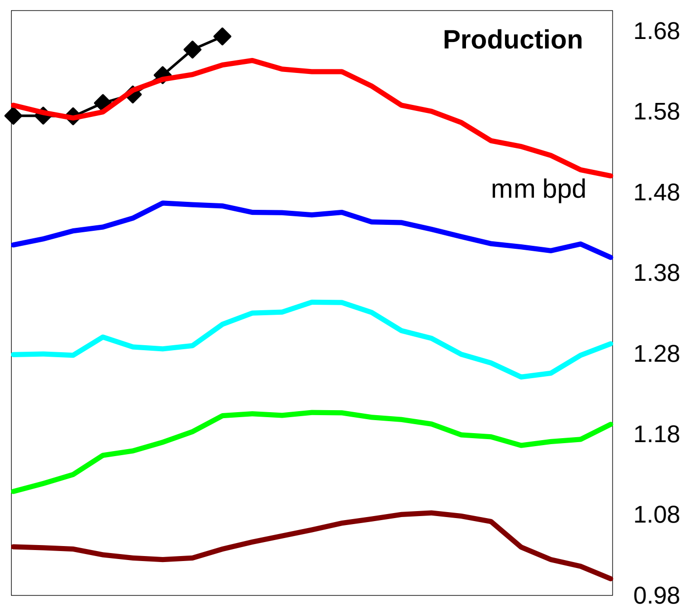


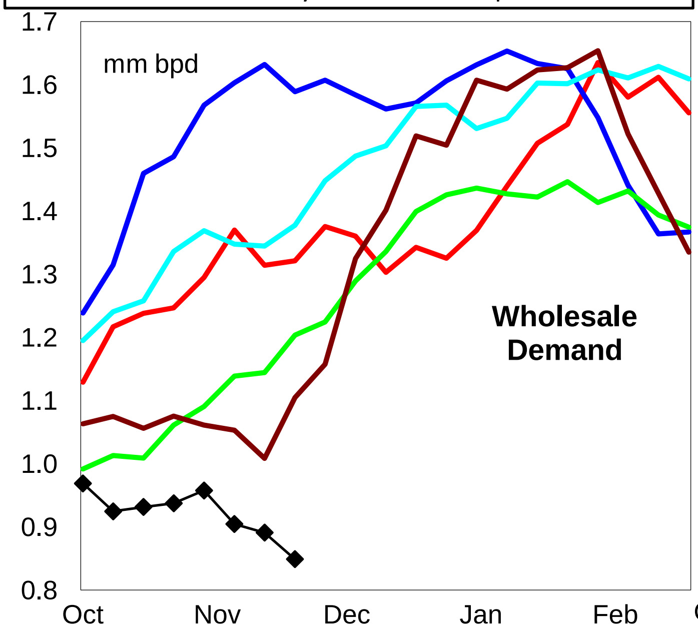
U. S. Propane Supply and Demand Balance

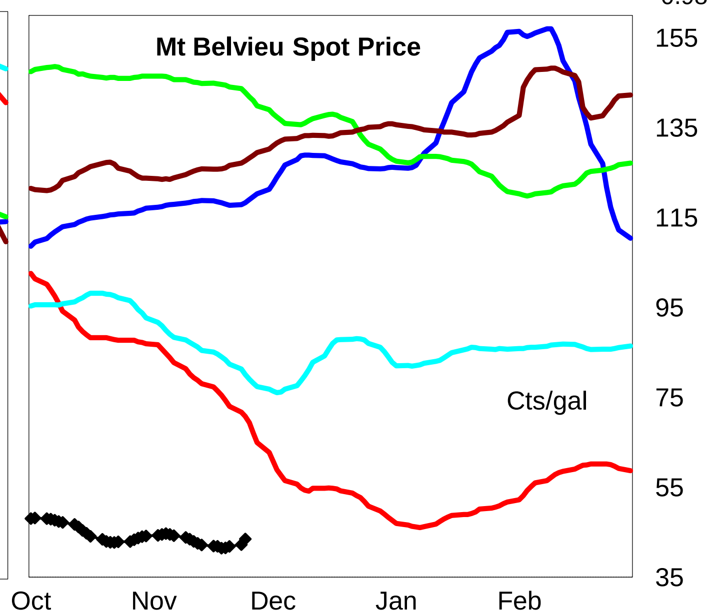












4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Oct	Sep	Aug
000 bpd (000 bls stks)	27,001	2,411	8	25		-459	-185	-67	5
% change	34.1	-100	0.5	31.1		-34.4	-16.2	-6.5	0.5

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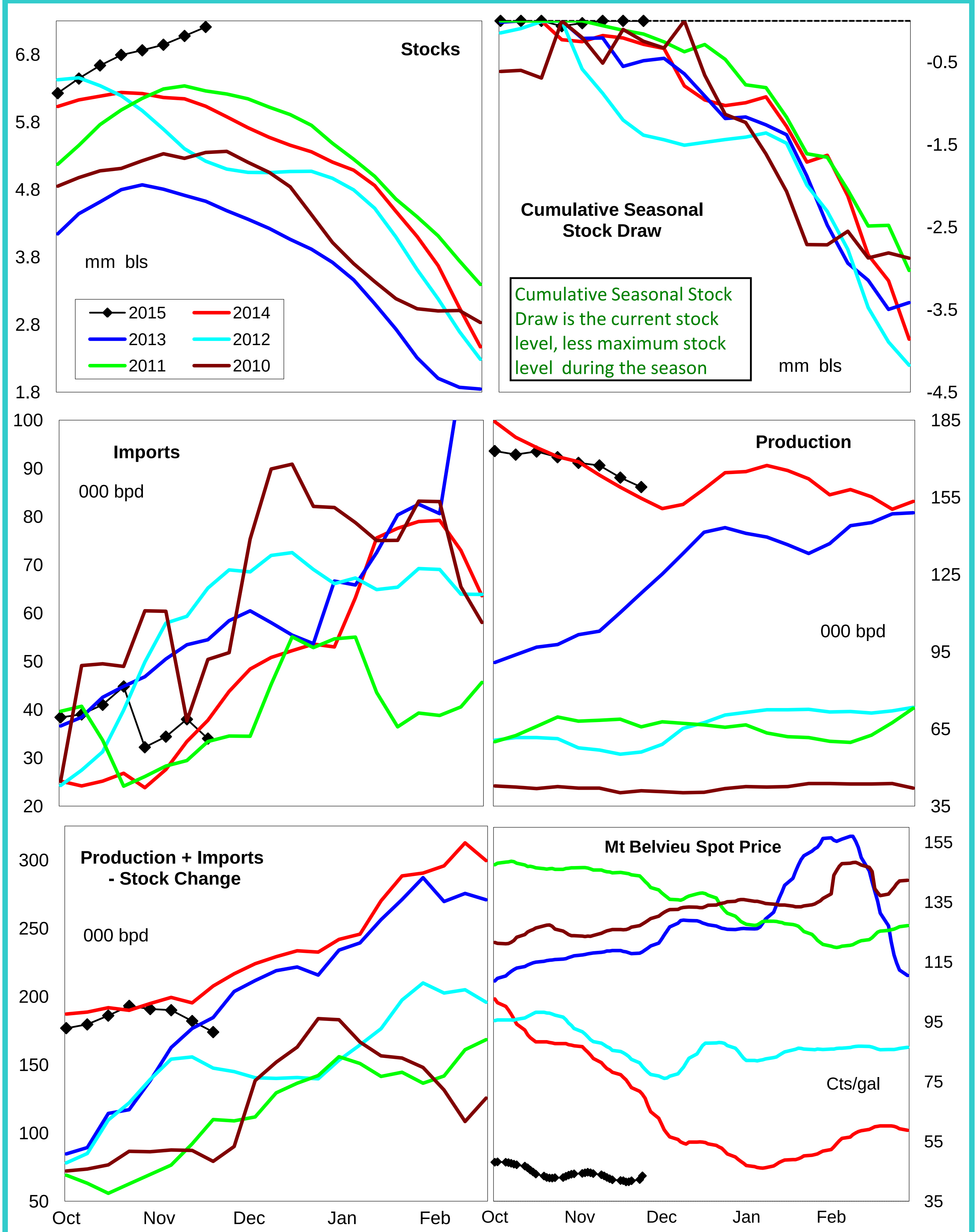
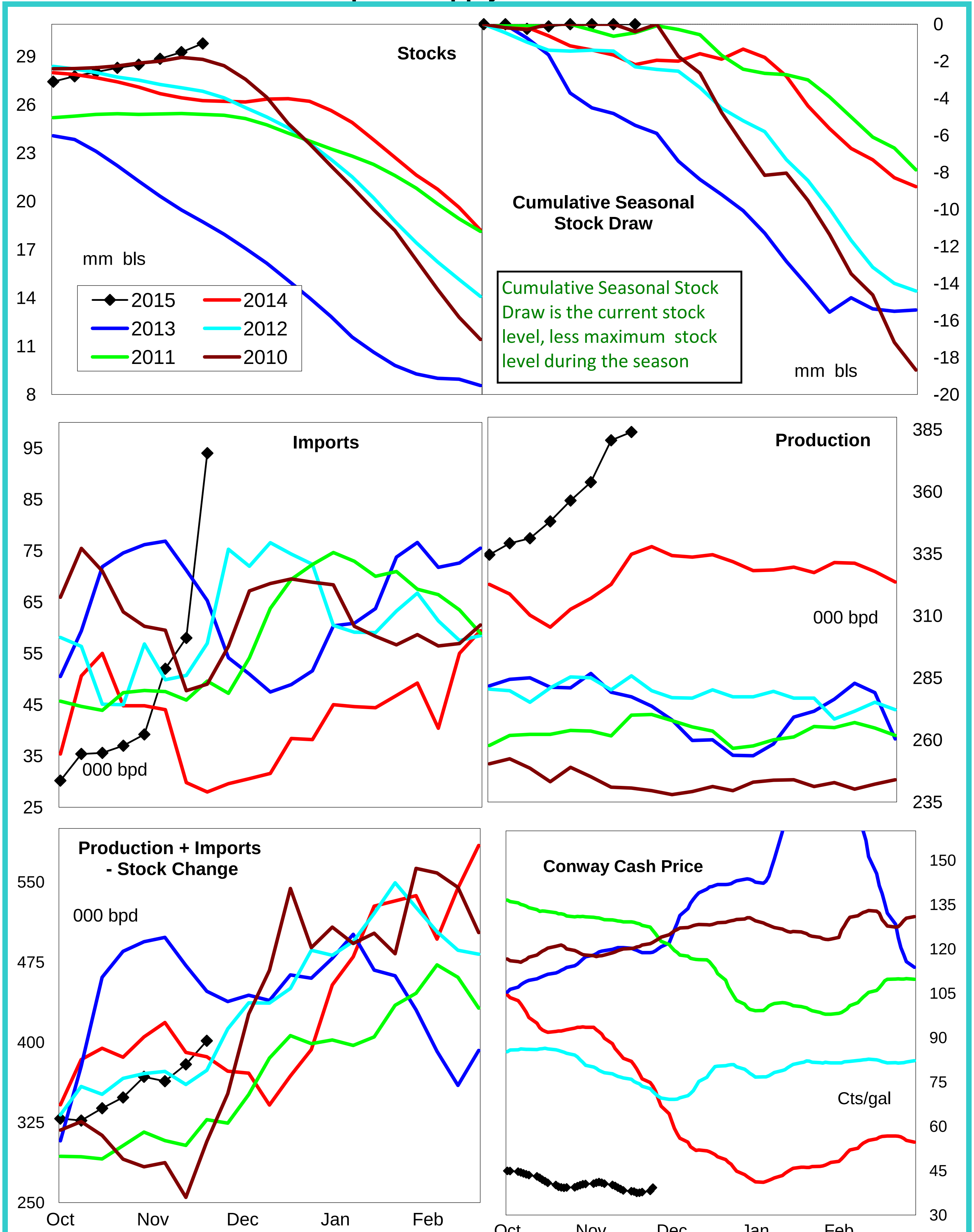
PADD 1 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	1,099	284	5	6	-15
% change	18.0	-100.0	2.8	20.2	-7.6

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)	3,889	2,180	49	18	-22
% change	15.0	-100.0	15.2	55.5	-5.5

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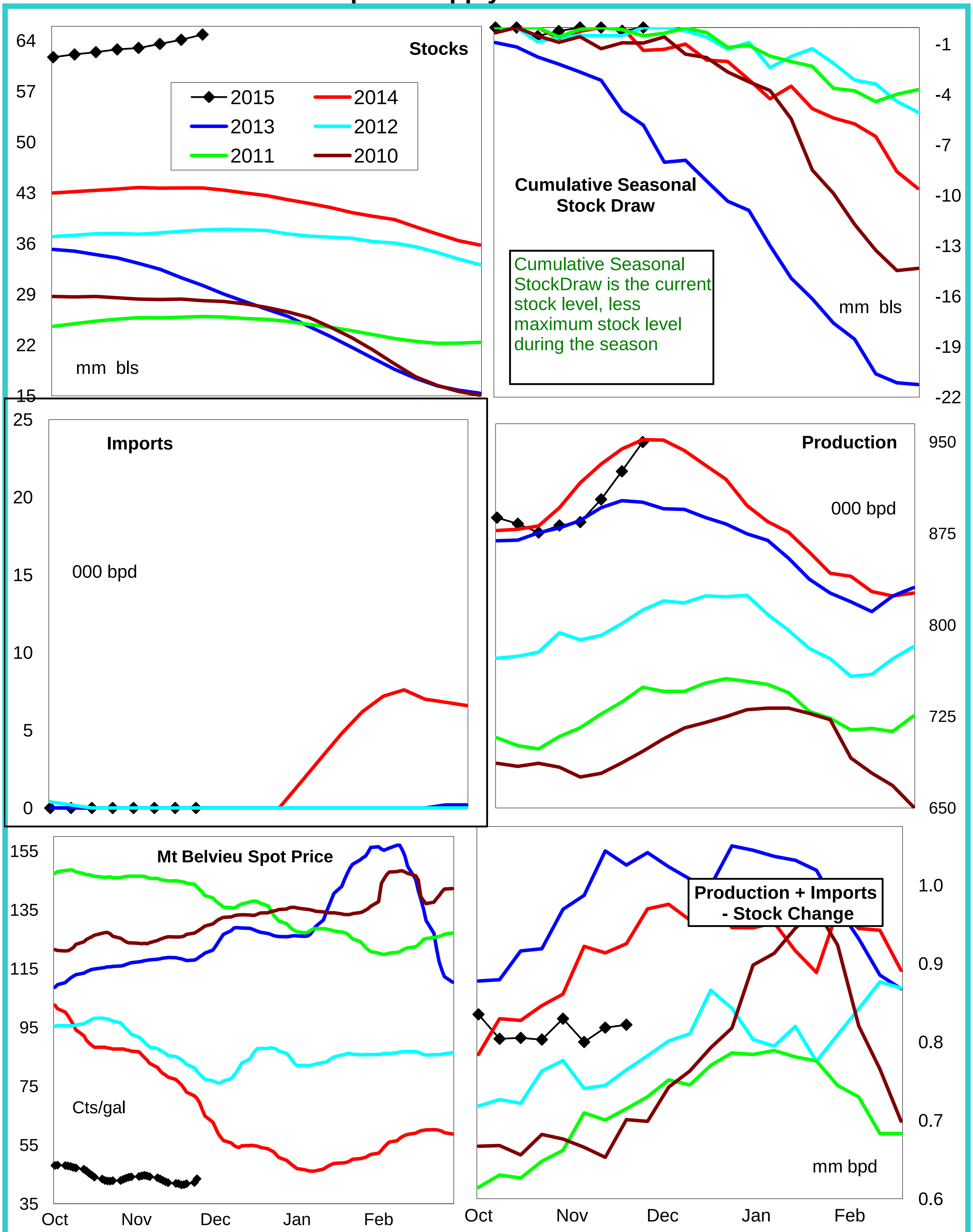
PADD 3 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	21,704	1,362	-30	0	-88
% change	50.3	-100	-3.1	#DIV/0!	-9.5

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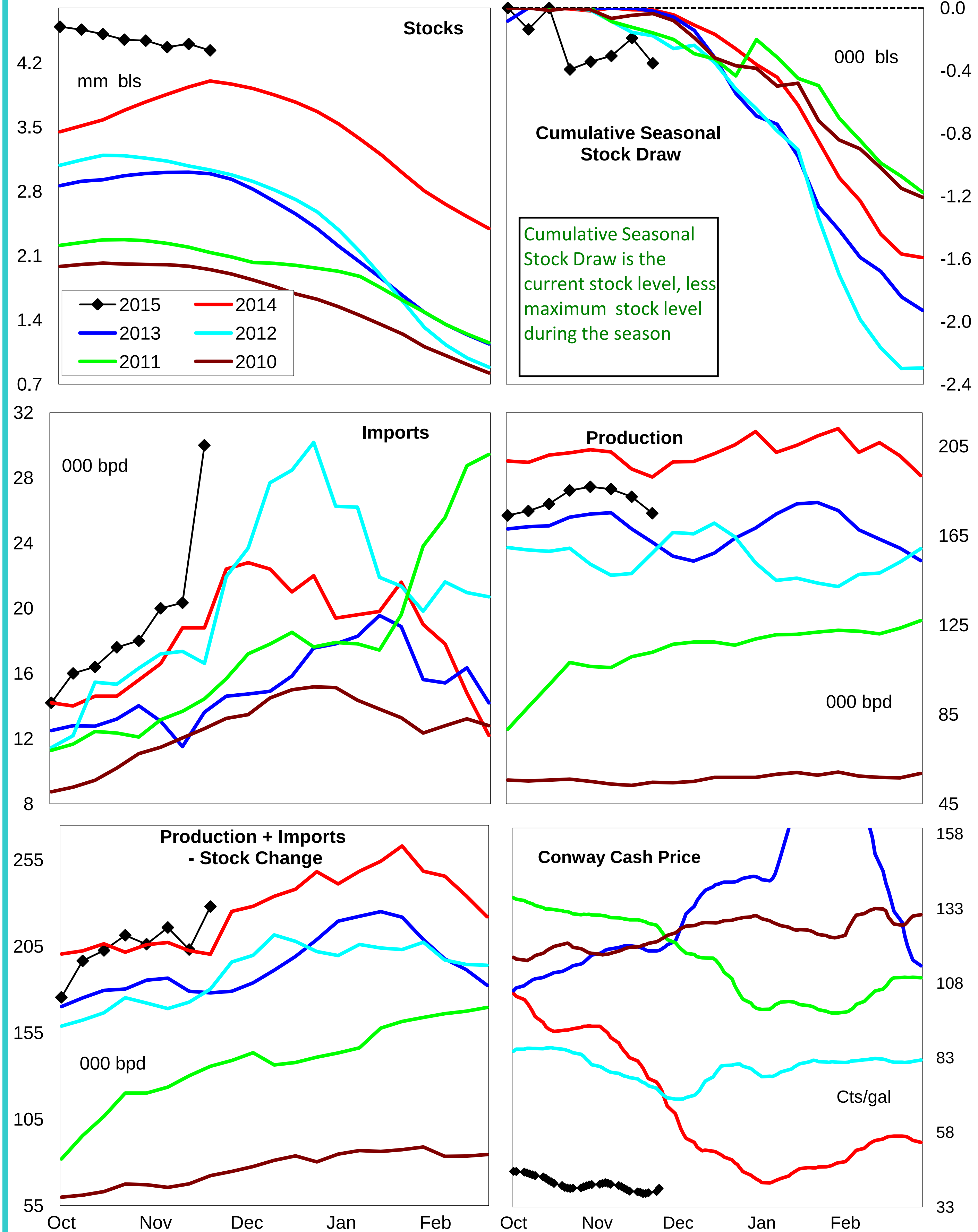
PADDs 4 and 5 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	310	-340	-16	1	9
% change	7.7	2,615.4	-7.7	5.6	4.6

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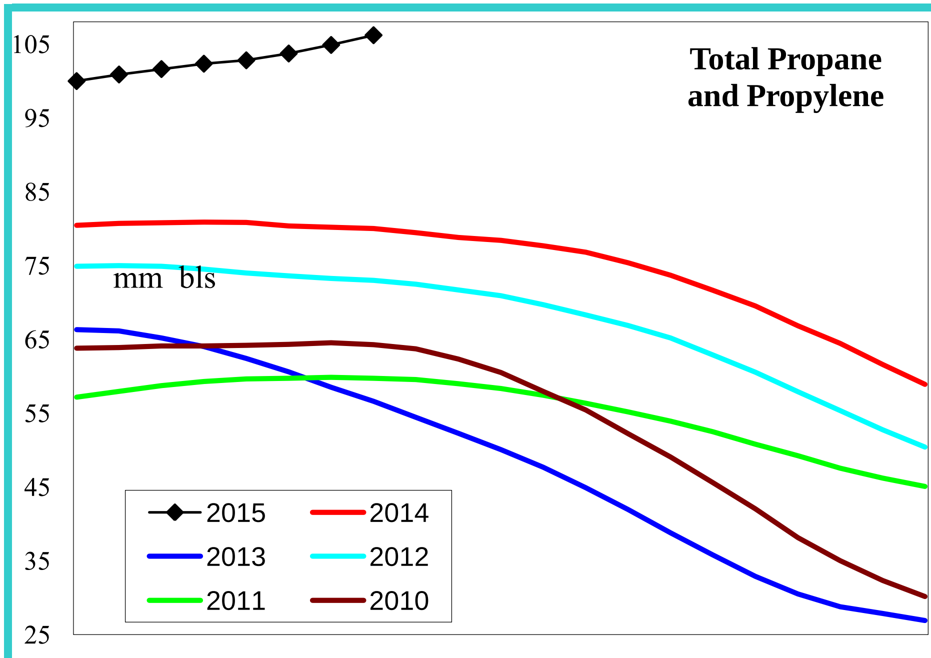
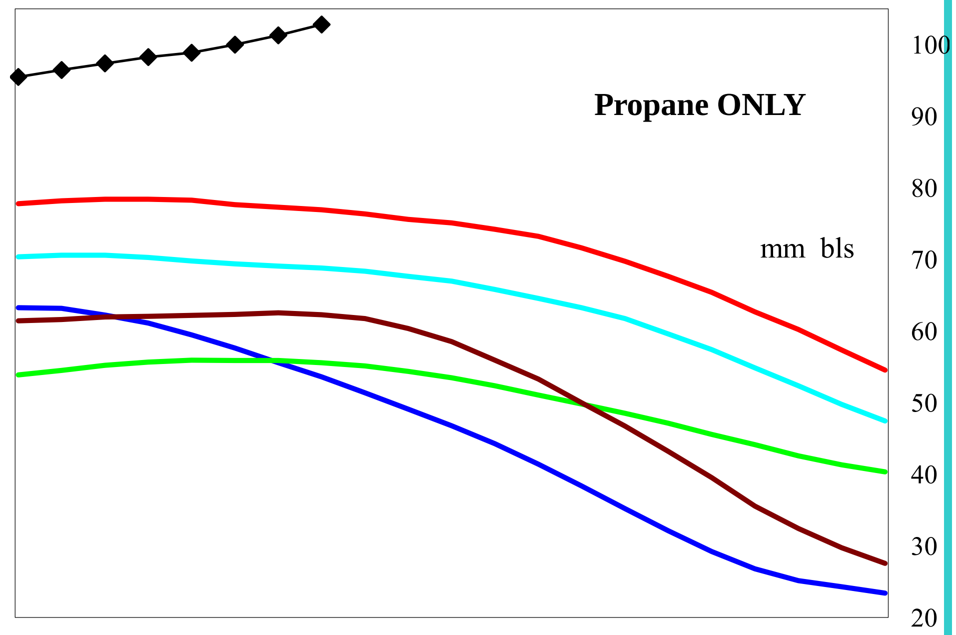
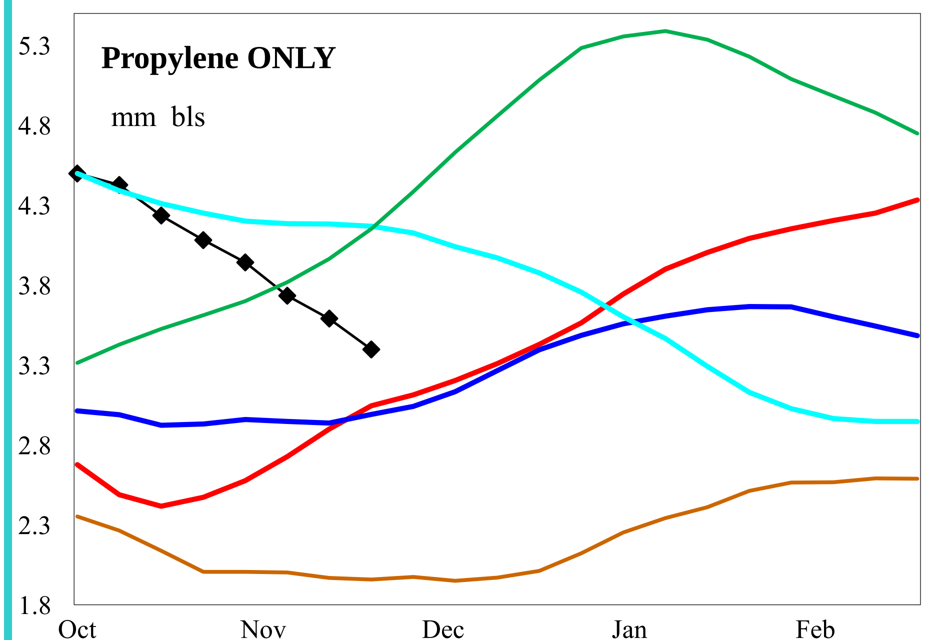
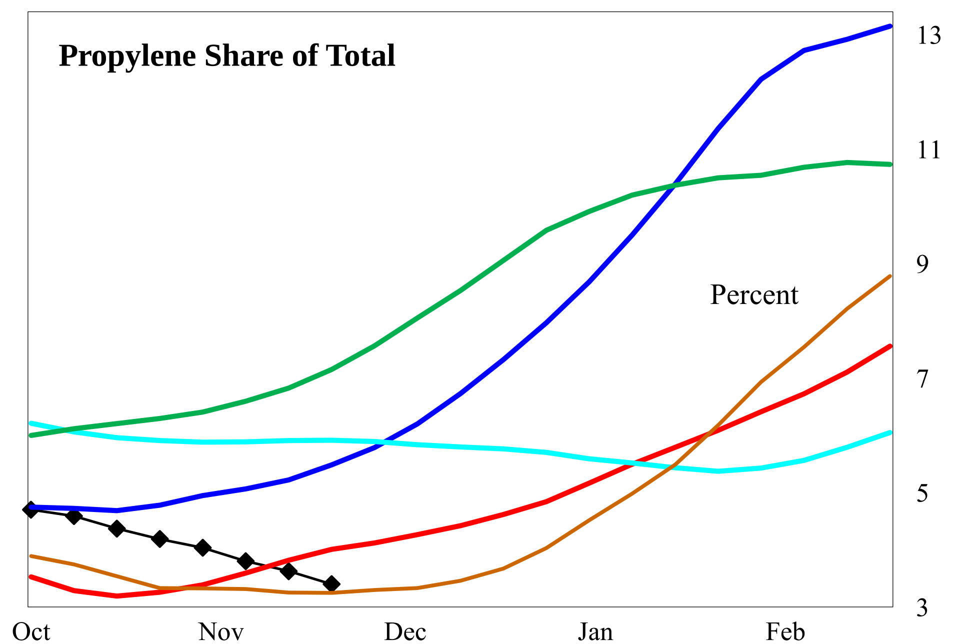
U. S. Propane and Propylene Stocks









Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	27,001	26,659	352
% change	34.1	35.0	11.5

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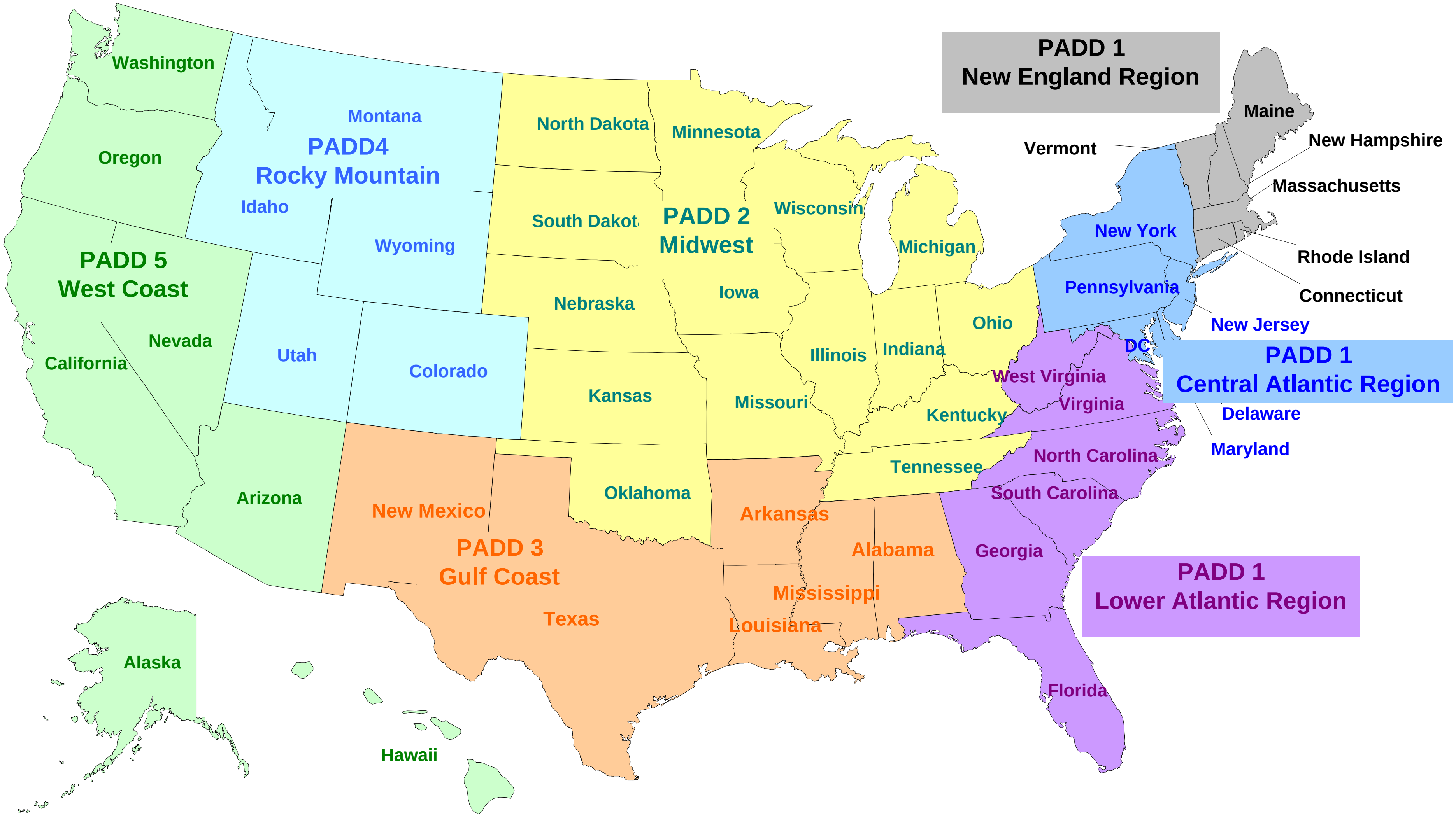
U. S. Petroleum Administrative for Defense Districts (PADDs)



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