WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

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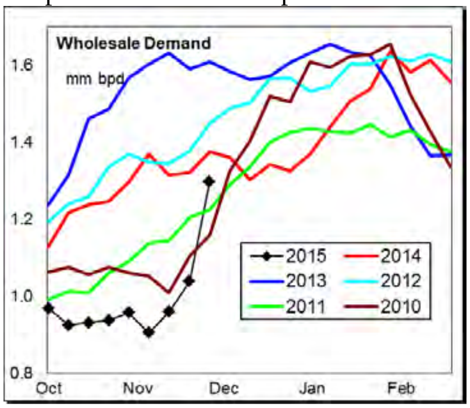
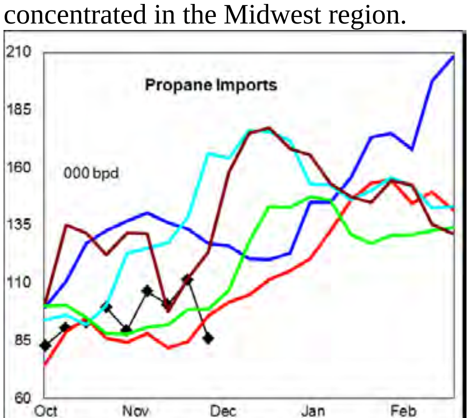
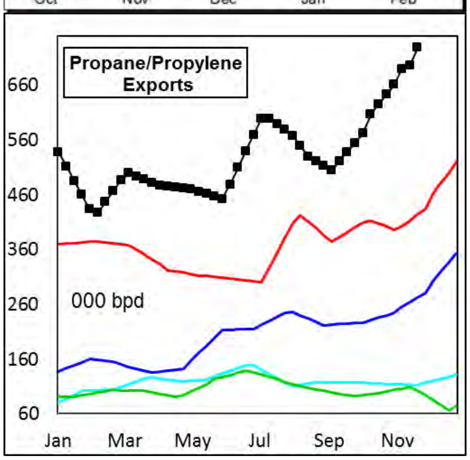
Summary[1]:

Wholesale demand climbed +0.45 million bpd last week, a level still below the last 3-yrs for the period. The latest 4-wk average demand was -25% below a year ago; driven by much above normal temperatures and record production.



Imports fell-72,000 bpd last week, concentrated in the Midwest region.



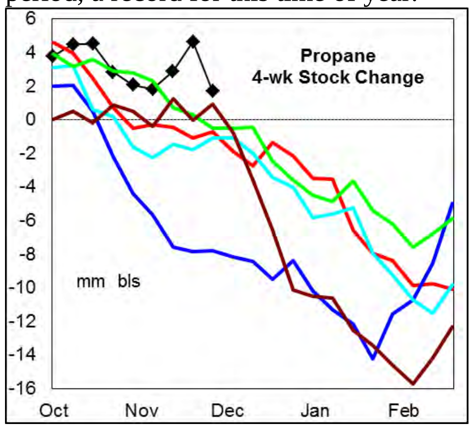


Exports for the week ending 20Nov15 were +302,000 bpd above last year.

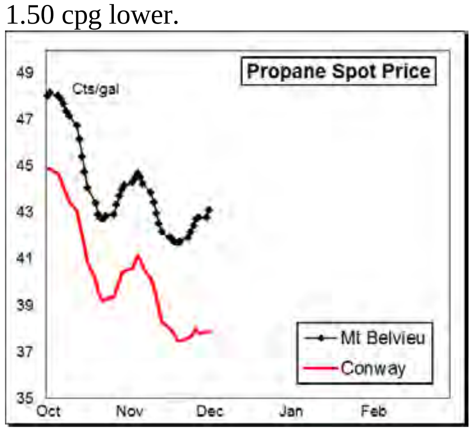
[1] Source is latest EIA Weekly Statistics

Stocks fell -2.1 million barrels last week, with draws in all regions. Stocks remain extremely high in these two key regions. Stock levels remain above the 5-yr range in all regions.

The rate of stock build was +1.7 million barrels during the latest 4-wk period, a record for this time of year.



Price and Spreads Mt Belvieu spot price decreased -0.5 cpg last week ending 01Dec15, while Conway prices were -1.50 cpg lower.



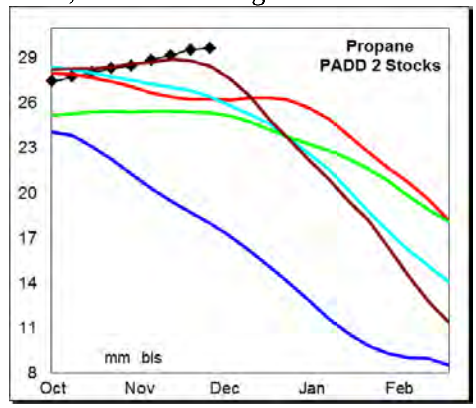
The Conway – Mt Belvieu price spread decreased last week, ending at a level near 3-yr lows for the period. Lack of heating demand in the Midwest risk further decrease in Conway relative to Mt Belvieu.

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

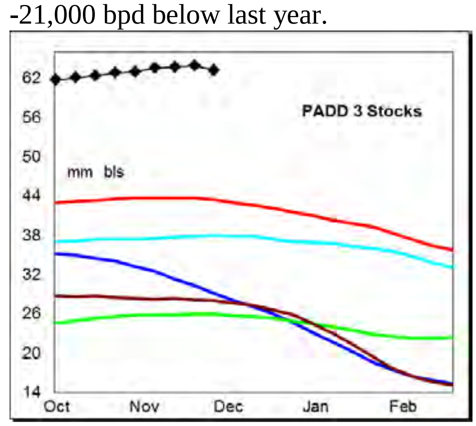
The propane / crude oil price spread trended higher last week, ending at a level above the 3-yr mid range.

PADD 1 stocks decreased -0.1 million barrels on the week to a level +18% above a year ago and a record high. Supply was unchanged last week.

PADD 2 supply fell -79,000 bpd last week, on lower imports. Stocks decreased -0.2 million barrels on the week, still a record high.



PAD 3 stocks fell -1.6 million barrels on the week. Stock levels ended the week +46% above the prior 5-yr high. Supplies for the latest 4-wk period were -21,000 bpd below last year.



PADDs 4 & 5 stocks decrease -0.3 million barrels on the week, to a level +0.1million barrels above last year.

Emerging Trends Temperatures are forecast to be significantly above normal for the next 2-wks across all heating areas.

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.

Very high stock levels and production combined with sharply above average temperatures points toward continued weakness in wholesale prices. Look for a further widening of the spread between Midwest and Gulf region spot prices.

PROPANE: Graph Link and Weekly Summary

December 2, 2015

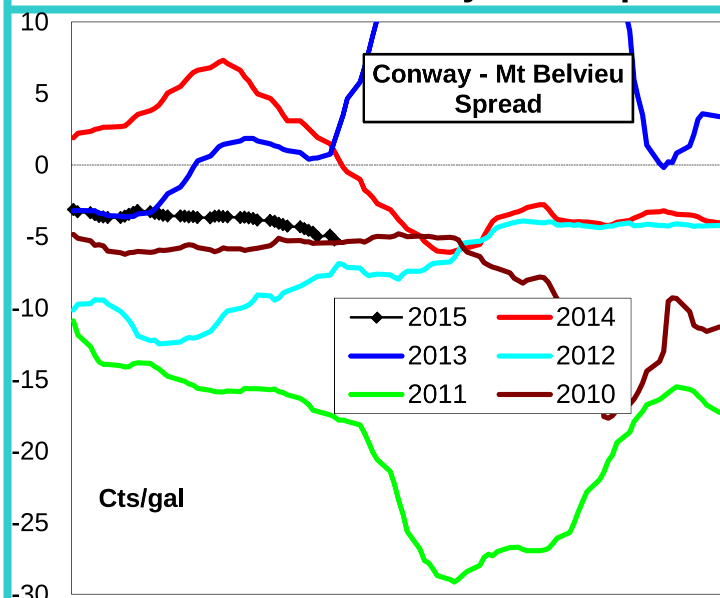
Fundamental Trends for the Week Ending: Friday, November 27, 2015

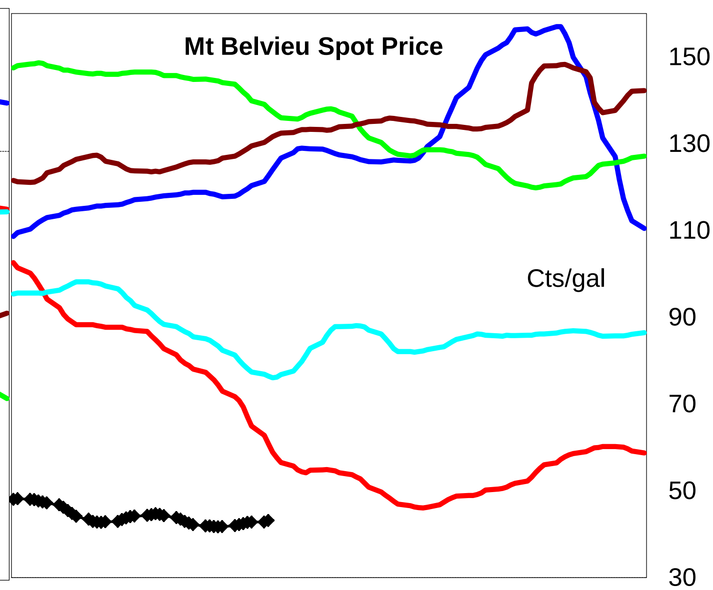
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5	U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5
Stocks	104,103	7,128	29,654	63,248	4,073	-2,099	-82	-150	-1,603	-264
Propylene Stocks	3,091					-307				
Production	1,641	159	364	963	155	-27	0	-20	13	-20
Imports	86	34	35	0	17	-72	0	-59	0	-13
Whsle Demand	1,298					449				

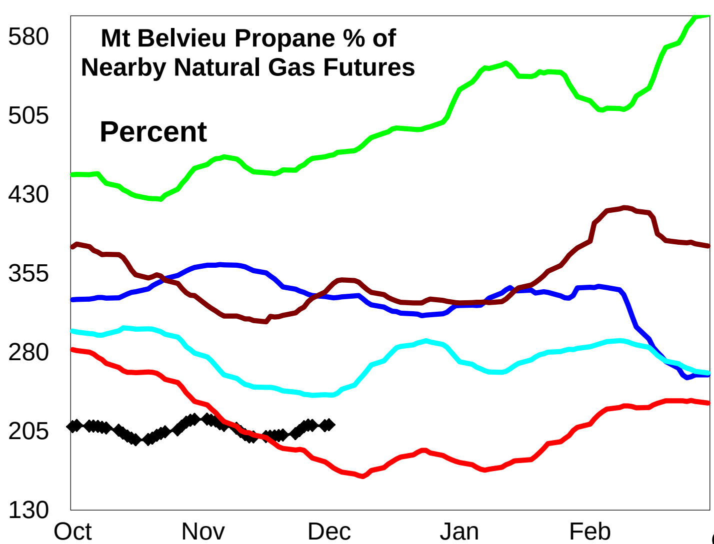
Price Trends for the Week Ending: Tuesday, December 01, 2015

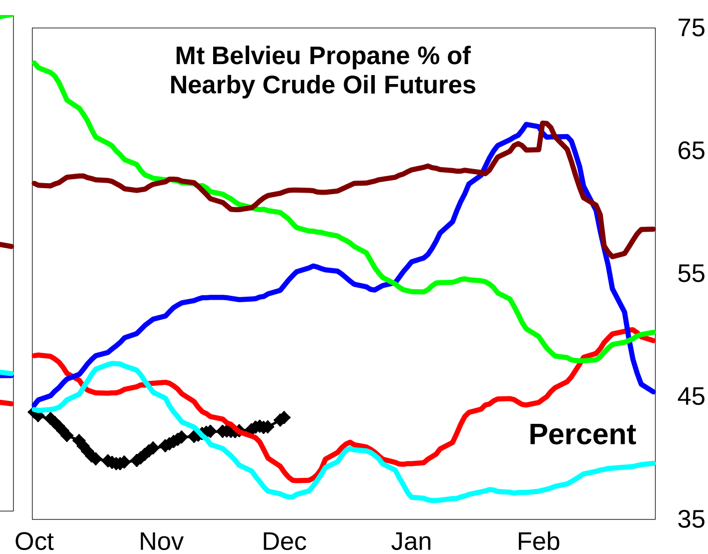
Cents/gal	Average for week ending:				Change from:			% change from:		
	12/1/15	11/24/15	11/3/15	12/3/14	11/24/15	11/3/15	12/3/14	11/24/15	11/3/15	12/3/14
Mont Belvieu Spot	42.8	41.9	44.8	65.2	0.94	-2.98	-20.36	2.2	-6.6	-31.2
Conway Spot	37.8	37.8	41.3	67.6	0.04	-3.50	-26.32	0.1	-8.5	-39.0

Key Price Spreads and Differentials

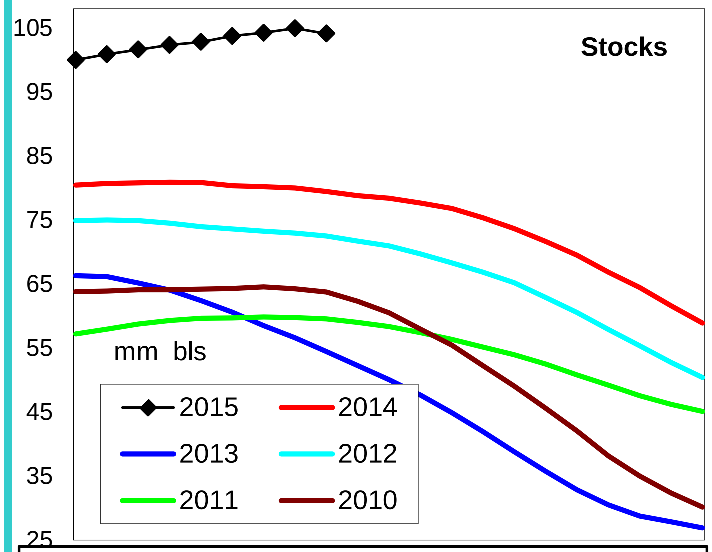


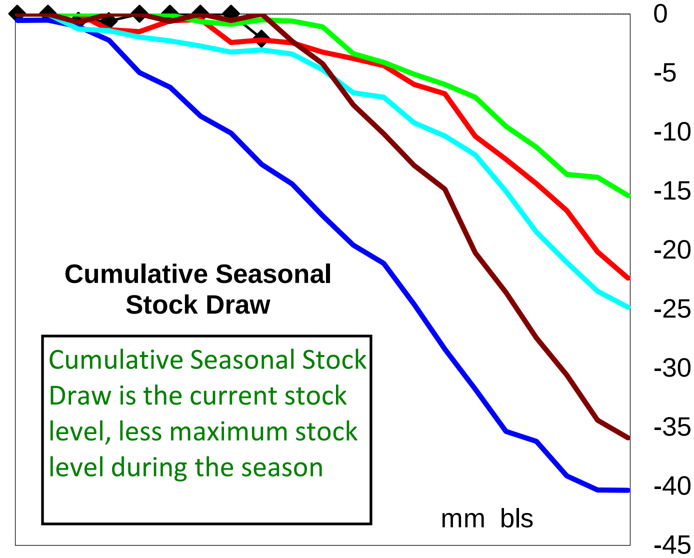


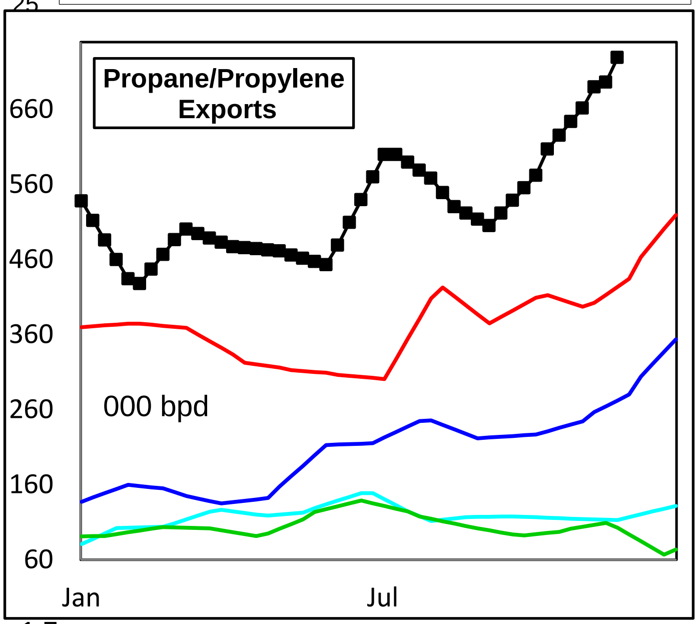


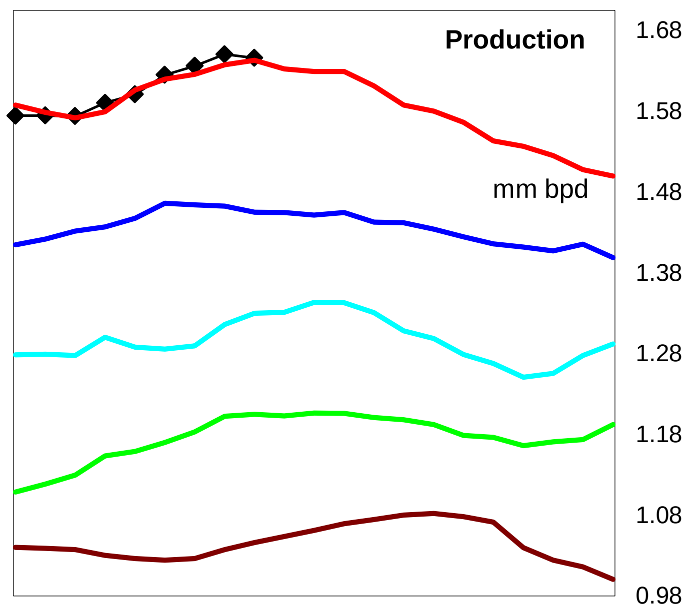


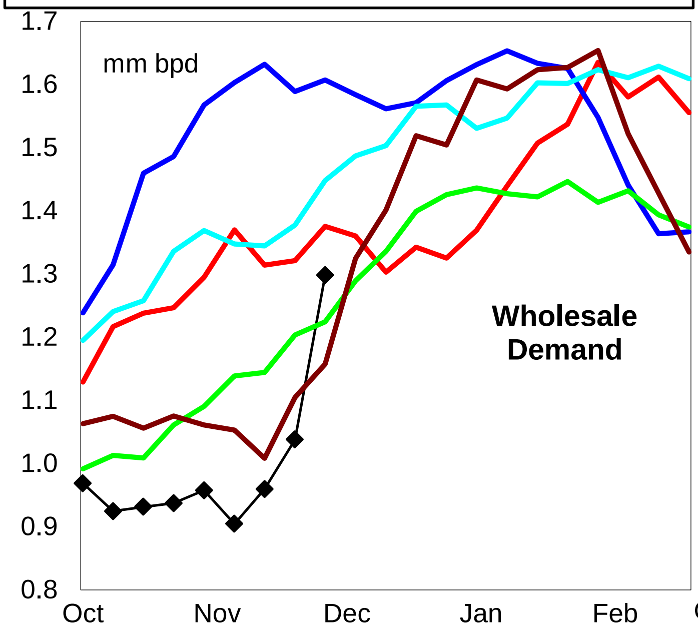
U. S. Propane Supply and Demand Balance

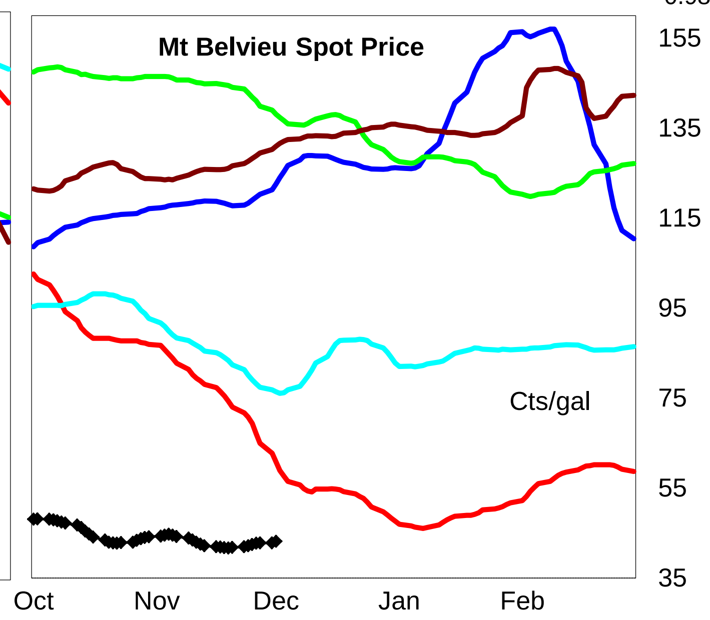












4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Oct	Sep	Aug
000 bpd (000 bls stks)	24,687	97	11	28		-333	-185	-67	5
% change	31.1	-4	0.7	34.7		-25.1	-16.2	-6.5	0.5

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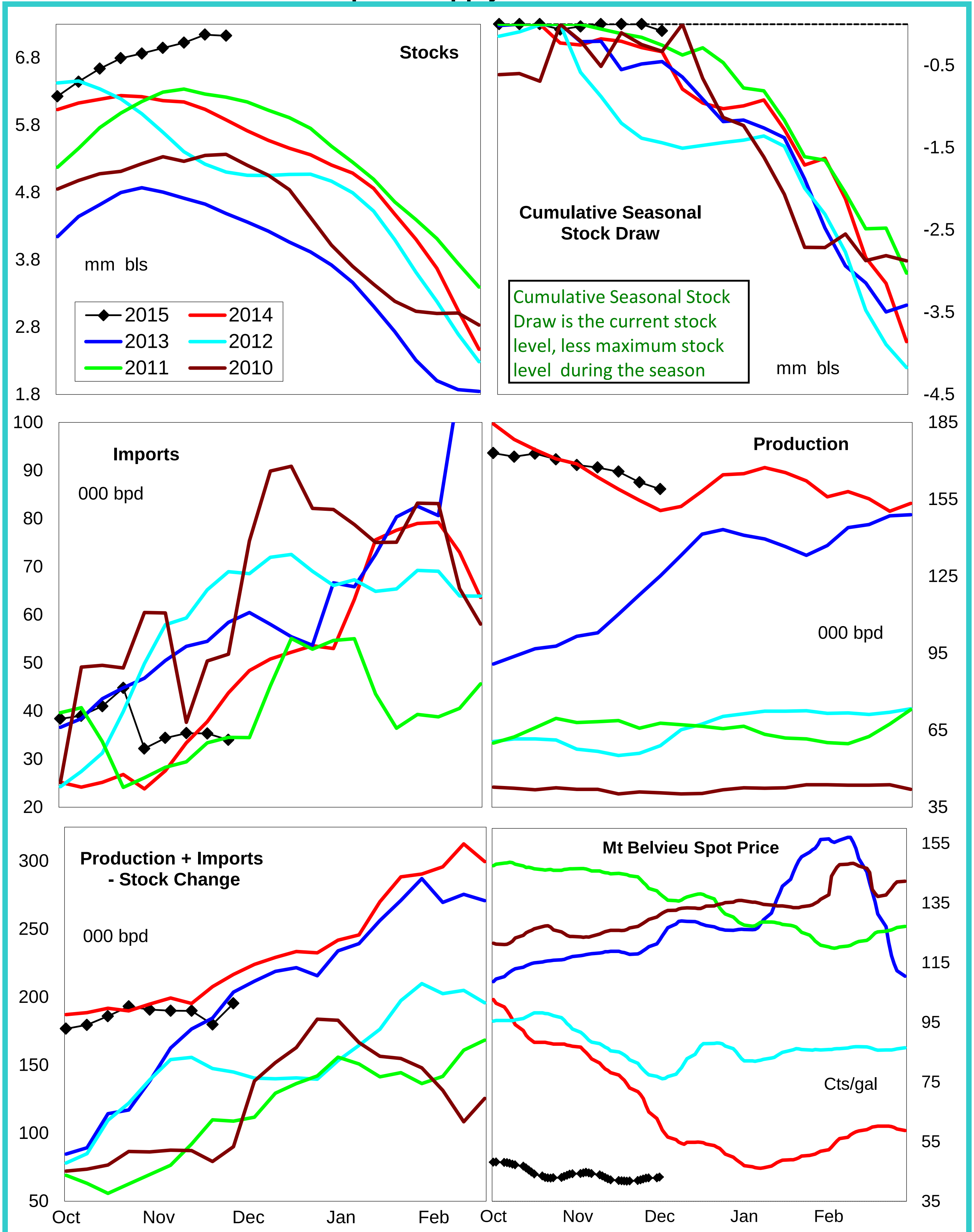
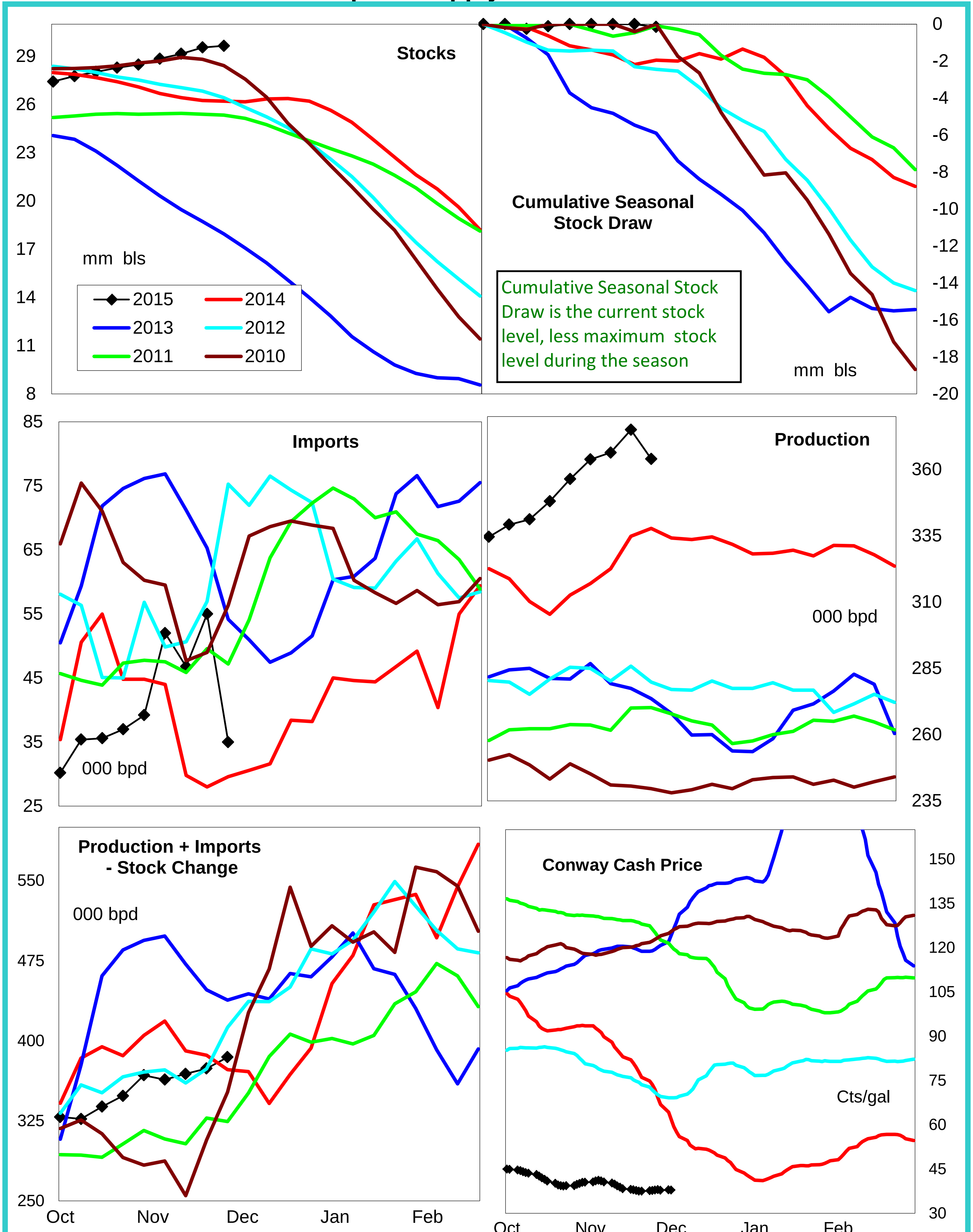
PADD 1 Propane Supply and Demand Balance



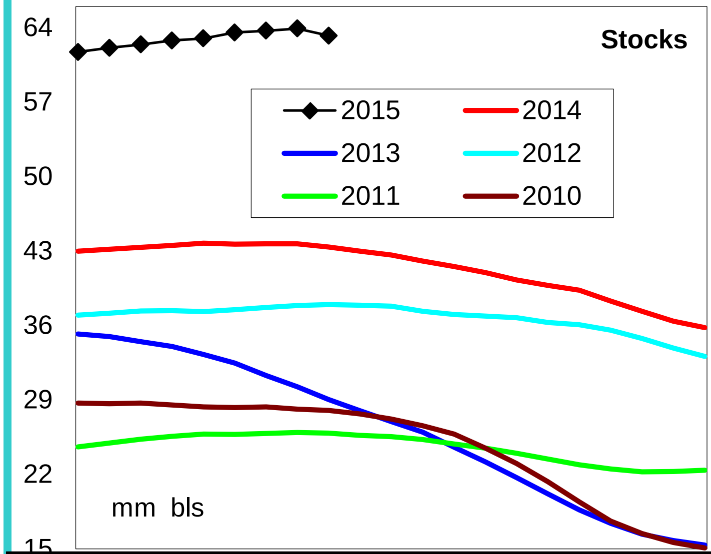
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	1,067	252	6	1	-16
% change	17.6	-75.4	3.9	2.8	-7.8

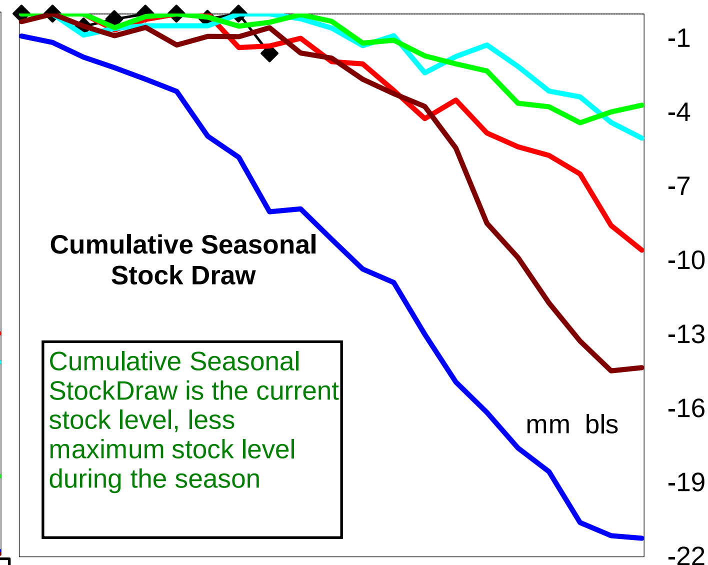
PADD 2 Propane Supply and Demand Balance

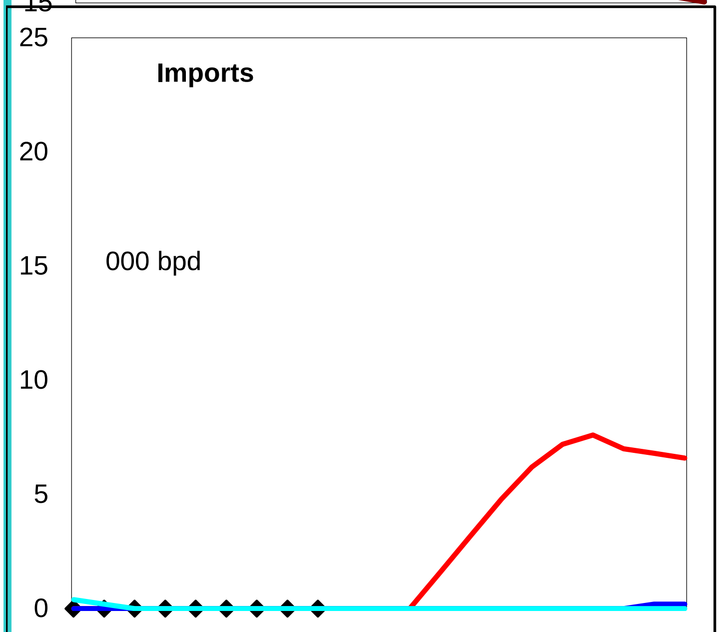


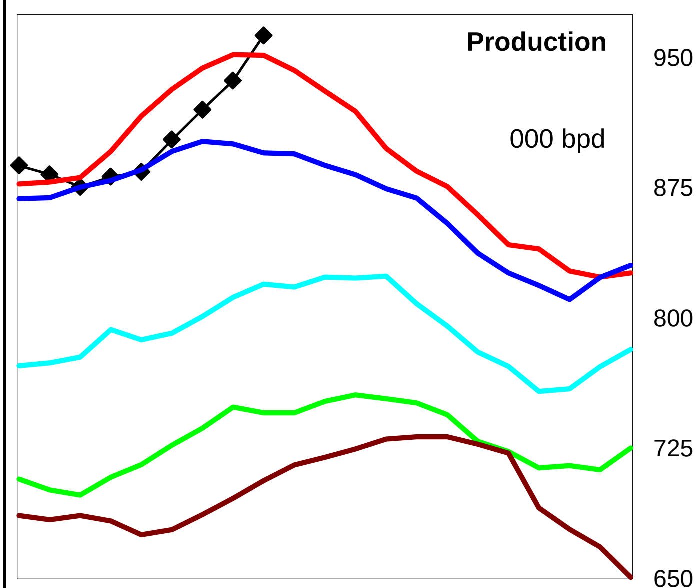
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	3,510	1,801	40	26	-19
% change	13.4	-92.3	11.8	95.3	-4.9

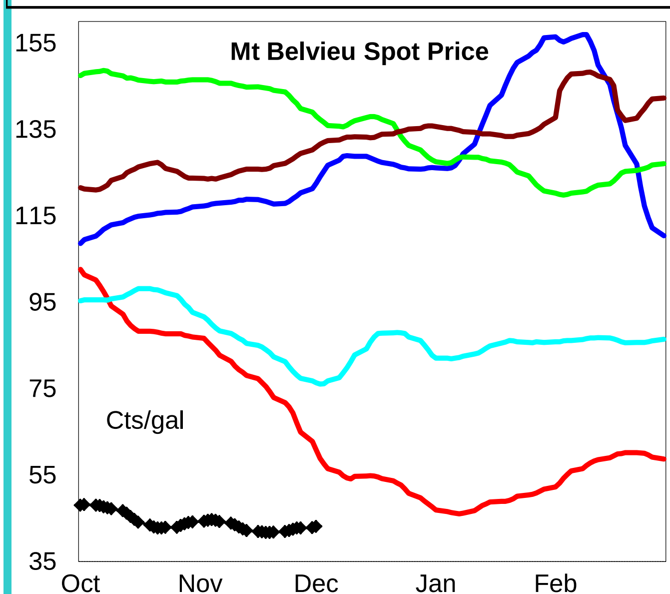
PADD 3 Propane Supply and Demand Balance

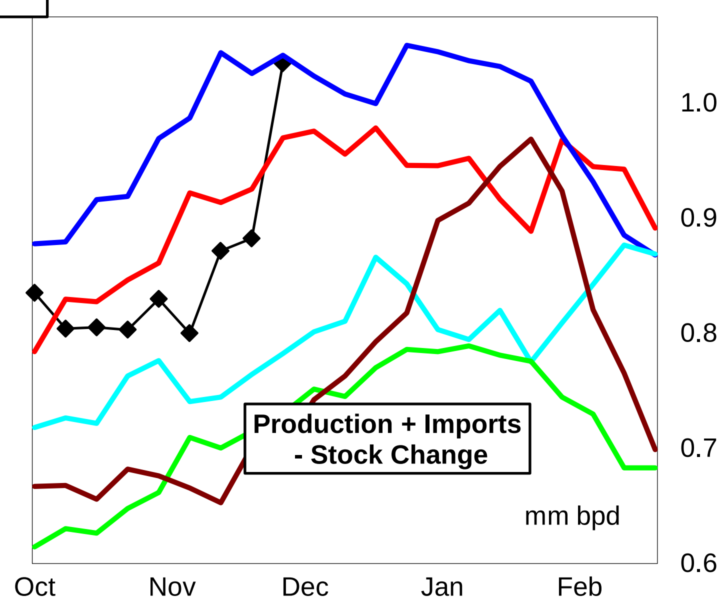






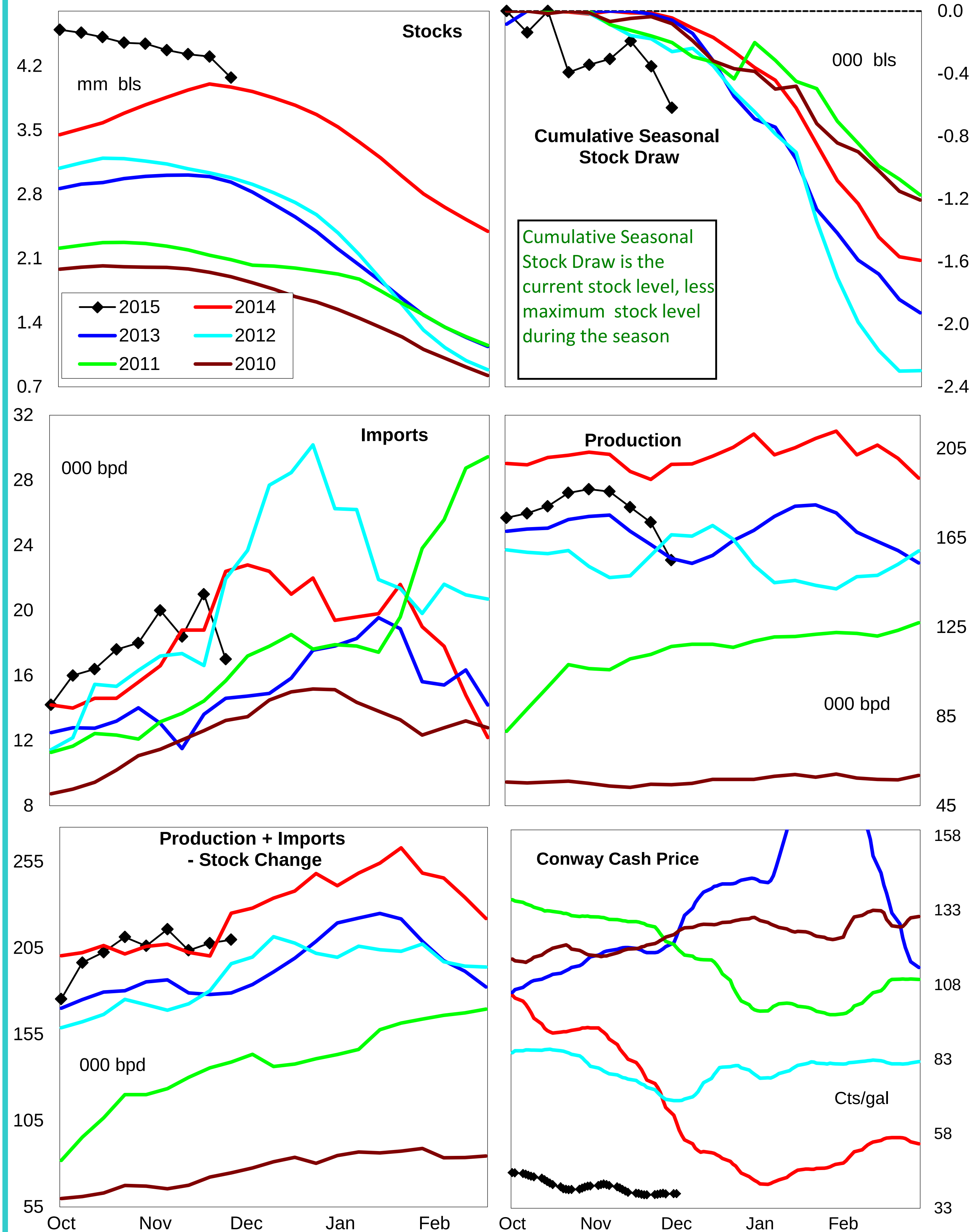






4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	20,034	-308	-21	0	-36
% change	46.4	24	-2.2	#DIV/0!	-3.7

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)	76	-574	-14	2	0
% change	1.9	1,304.5	-7.1	8.3	0.2

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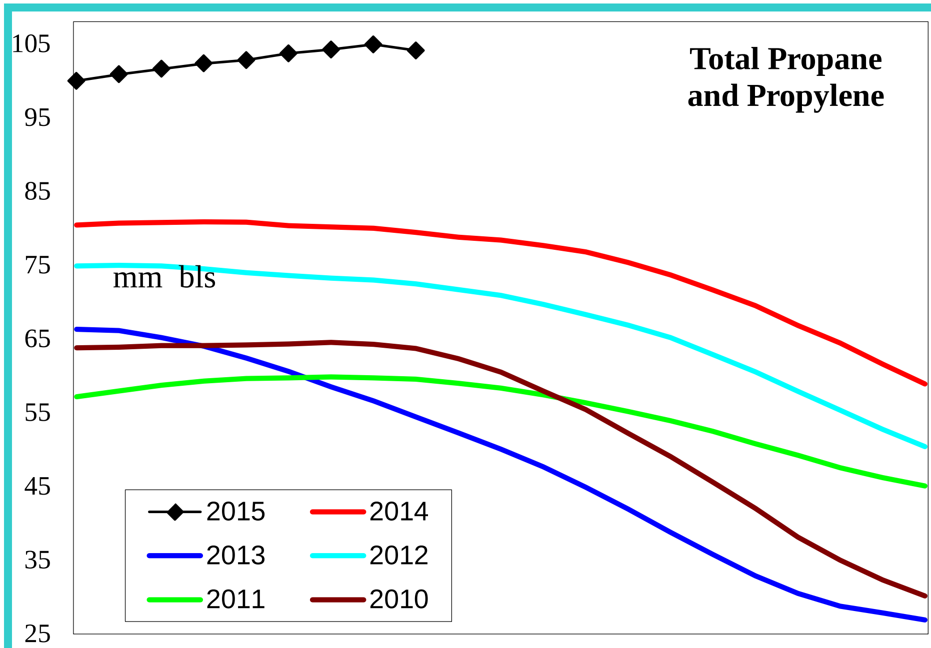
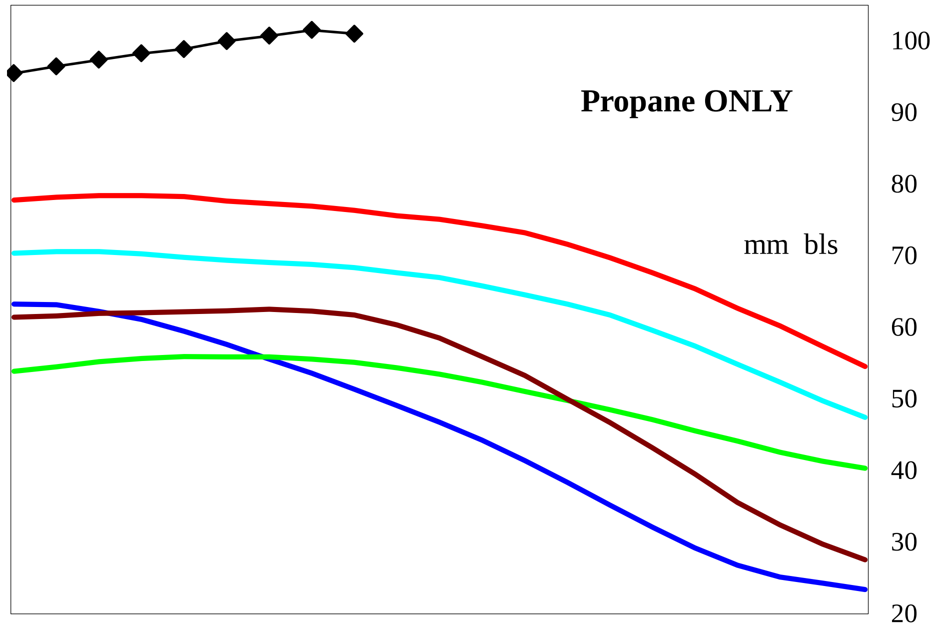
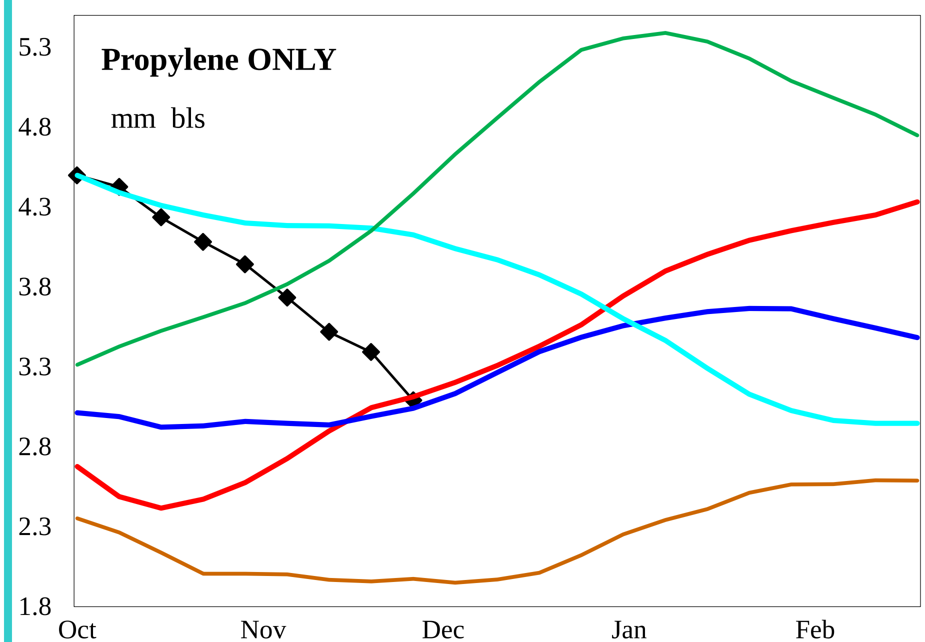
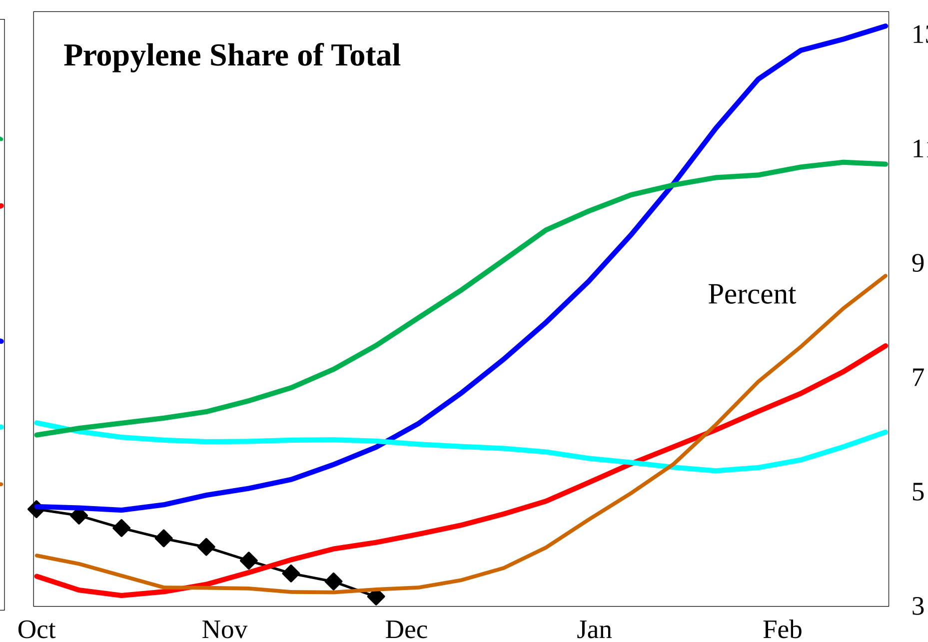
U. S. Propane and Propylene Stocks









Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	**24,687**	**24,640**	**-24**
% change	**31.1**	**32.3**	**-0.8**

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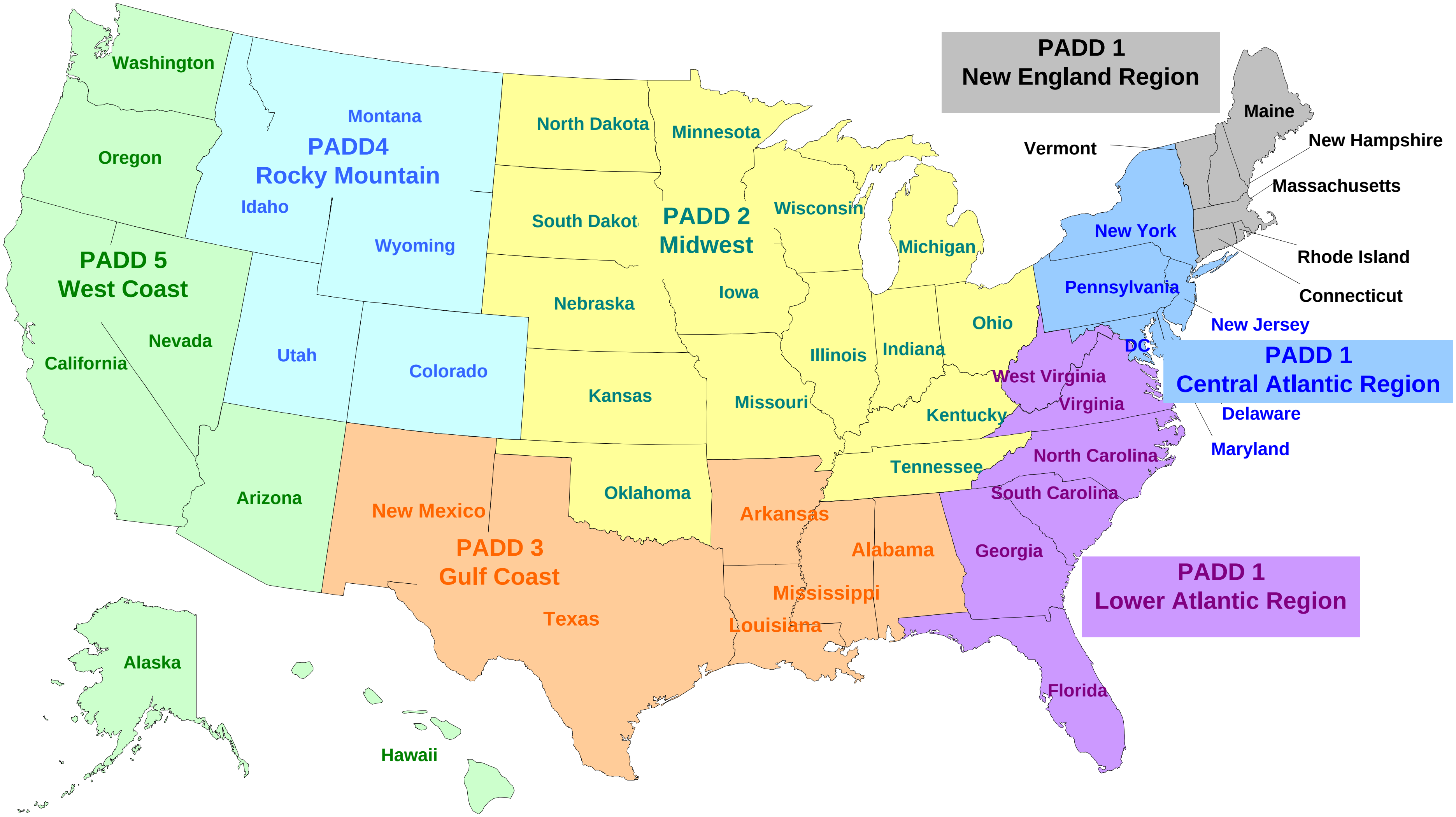
U. S. Petroleum Administrative for Defense Districts (PADDs)



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