

WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

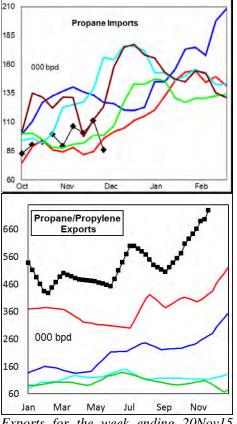
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Summary 1:

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.



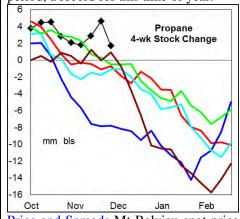
Imports fell-72,000 bpd last week, concentrated in the Midwest region.



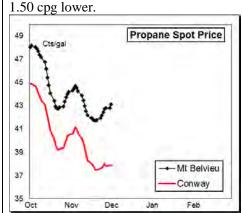
Exports for the week ending 20Nov15 were +302,000 bpd above last year.

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 -



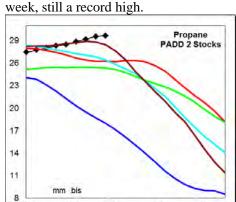
The Conway – Mt Belvieu price spread decreased last week, ending at a level near 3-yr lows for the period. Lack of heating demand in the Midwest risk further decrease in Conway relative to Mt Belvieu.

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

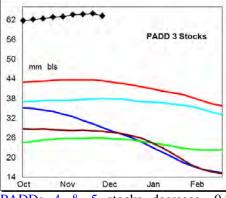
The propane / crude oil price spread trended higher last week, ending at a level above the 3-yr mid range.

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



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 +0.1 million 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.

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¹ Source is latest EIA Weekly Statistics

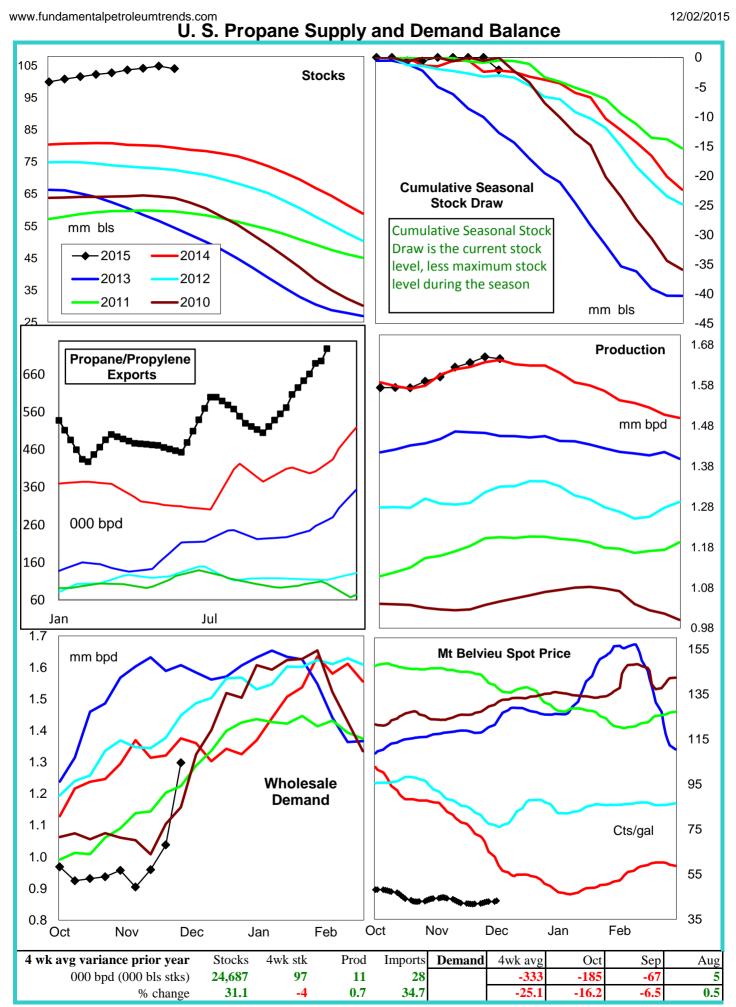
PROPANE: Graph Link and Weekly Summary

December 2, 2015

Fundamental Trends for the Week Ending: Friday, November 27, 2015										27, 2015
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S.	PADD				U.S.	PADD			
	Total	1	2	3	4&5	Total	1	2	3	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 Average for week ending: Change from: % change from: Cents/gal 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 41.9 44.8 2.2 42.8 65.2 0.94 -2.98 -20.36 -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 10 Mt Belvieu Spot Price Conway - Mt Belvieu 150 5 **Spread** 130 0 -5 110 Cts/gal -10 2015 2014 90 2013 2012 -15 2011 2010 70 -20 Cts/gal 50 -25 -30 30 75 580 Mt Belvieu Propane % of Mt Belvieu Propane % of **Nearby Natural Gas Futures Nearby Crude Oil Futures** 505 **Percent** 65 430 355 55 280 45 205 **Percent** 130 35 Oct Nov Dec Jan Feb Oct Nov Dec Jan Feb



mm bls

000 bpd

←2015

2013

2011

6.8

5.8

4.8

3.8

2.8

1.8

100

90

80

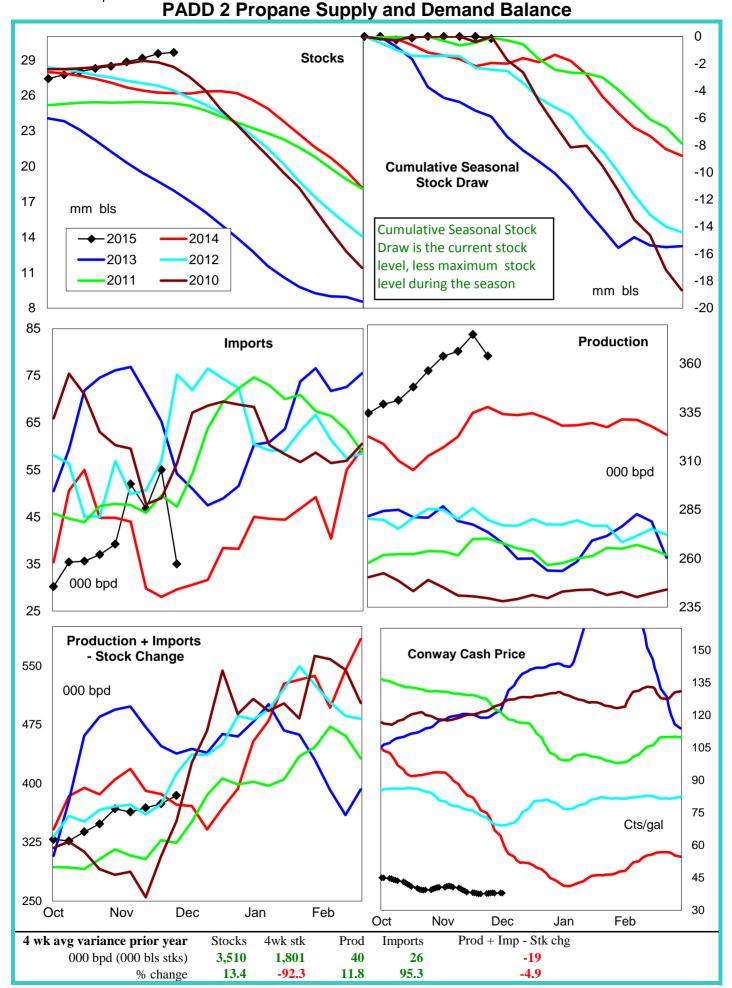
70

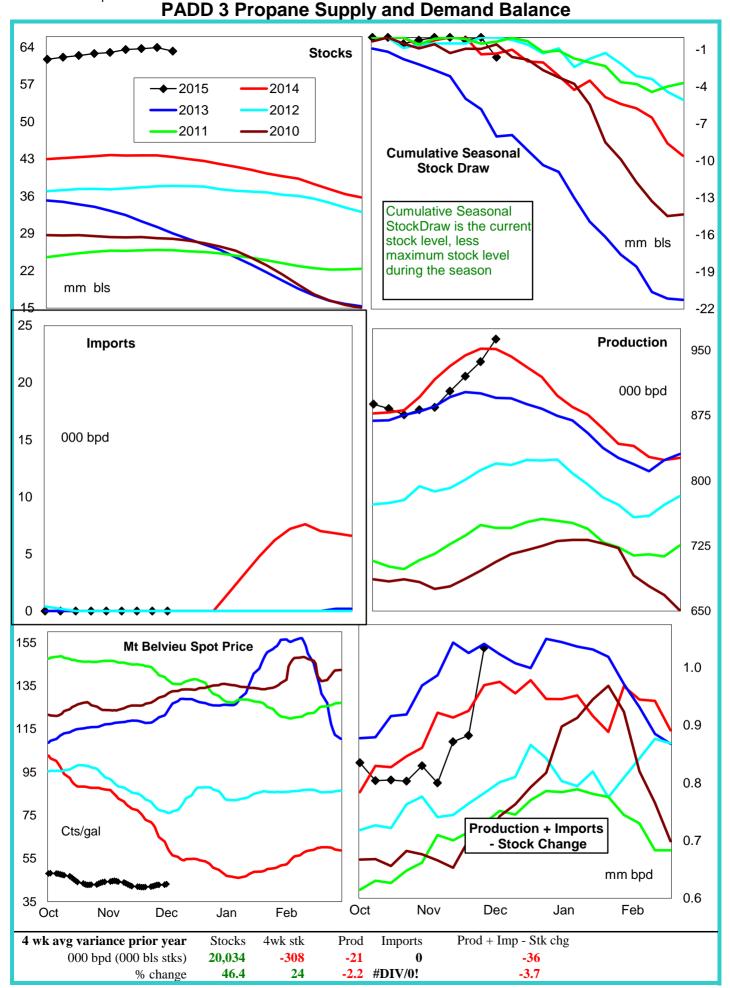
60

50

40

12/02/2015 **PADD 1 Propane Supply and Demand Balance Stocks** -0.5 -1.5 **Cumulative Seasonal** -2.5 Stock Draw **Cumulative Seasonal Stock** 2014 -3.5 Draw is the current stock 2012 level, less maximum stock 2010 level during the season mm bls -4.5 185 **Production Imports** 155 125 000 bpd 95 65 35 155 Mt Belvieu Spot Price 135 115 95 75 Cts/gal





PADDs 4 and 5 Propane Supply and Demand Balance 0.0 **Stocks** 000 bls 4.2 -0.4 mm bls 3.5 **Cumulative Seasonal** -0.8 **Stock Draw** 2.8 -1.2 **Cumulative Seasonal** 2.1 Stock Draw is the -1.6 current stock level, less -2015 2014 maximum stock level 1.4 -2.0 2013 2012 during the season 2011 2010 0.7 -2.4 32 **Imports Production** 205 000 bpd 28 165 24 20 125 16 000 bpd 85 12 45 158 **Production + Imports Conway Cash Price** - Stock Change 255 133 205 108 155 83 000 bpd Cts/gal 105 58 55 33 Oct Nov Feb Dec Jan Oct Nov Dec Jan Feb 4 wk avg variance prior year Prod + Imp - Stk chg Stocks 4wk stk Prod **Imports** 000 bpd (000 bls stks) **76** -574 -14 2 0

% change

1.9

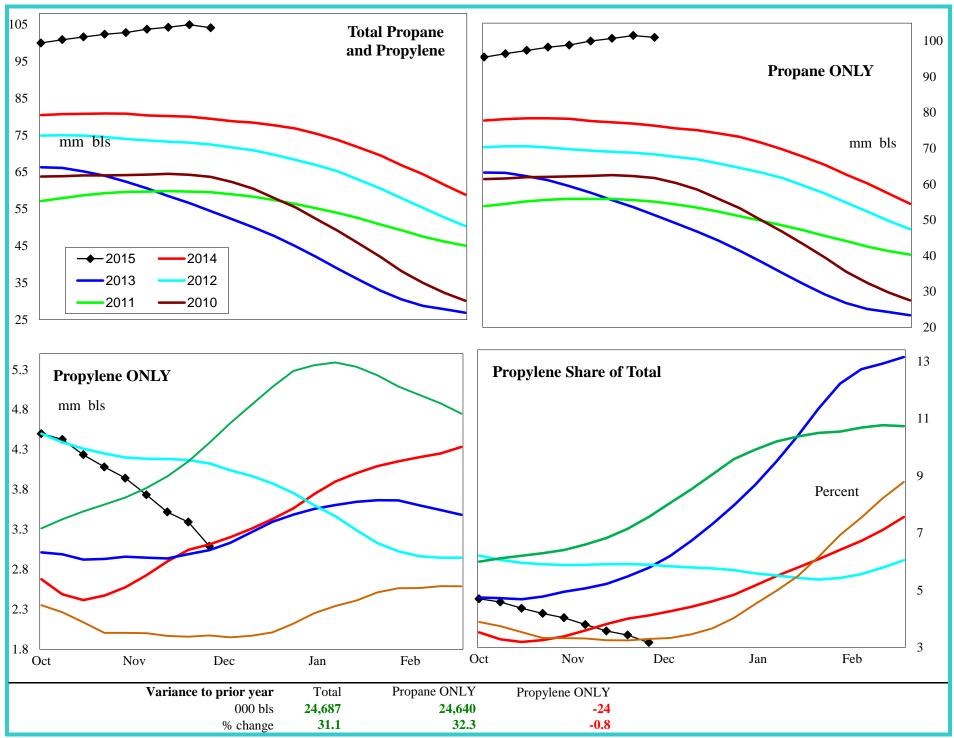
1,304.5

8.3

-7.1

0.2

U. S. Propane and Propylene Stocks



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