

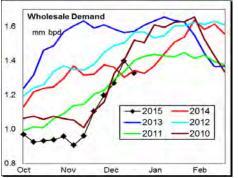
### WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

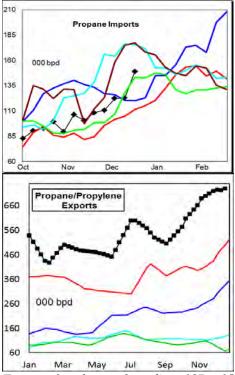
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com

## Summary<sup>1</sup>:

Wholesale demand was unchanged last week, at a level that matched 5-yr lows for the period; driven by continued mild temperatures East of the Rockies.



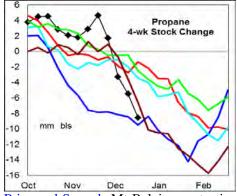
Imports increased +36,000 bpd last week, concentrated in the Midwest and Rockies.



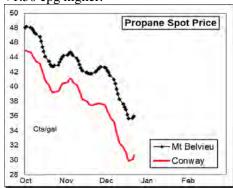
Exports for the week ending 18Dec15 were +204,000 bpd above last year, and a new record high of 729,000 bpd.

Stocks decreased -1.3 million barrels last week, concentrated in the Midwest. Stock levels ended the week +25% above the prior historic high for the period.

The rate of stock draw was a -8.6 million barrels during the latest 4-wk period, a larger draw than four of the last 5-yrs; driven by exports and cold weather in the West Region.



Price and Spreads Mt Belvieu spot price were unchanged last week ending 22Dec15, while Conway prices were +1.50 cpg higher.



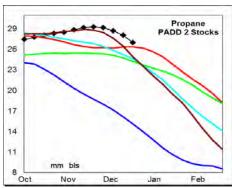
The Conway – Mt Belvieu price spread was nearly unchanged last week, ending at a level near the 3-yr midrange for the period.

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

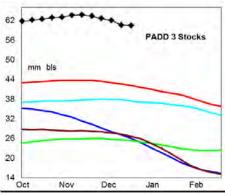
The propane / crude oil price spread was nearly unchanged for the week, ending at a level slightly above two of the last 3-yrs.

PADD 1 stocks were unchanged on the week at a level +21% above a year ago and above the 5-yr range. Supply increased +5,000 bpd on the week.

PADD 2 supply increased +13,000 bpd last week, with production +38,000 bpd above last year for the week. Stocks decreased -1.2 million barrels on the week, with the level still above the 5-yr range.



PAD 3 stocks were unchanged on the week. Stock levels ended the week +42% above the prior 5-yr high. Supplies for the latest 4-wk period were +51,000 bpd above last year.



PADDs 4 & 5 stocks decreased -0.1 million barrels on the week. Stocks continue to draw at a record rate, driven by colder than normal temperatures in the region.

**Emerging Trends** Temperatures are forecast to be sharply above normal for the next 2-wks across the eastern 1/2 of the country. Exports have climbed to new record levels, partially offsetting weak domestic use.

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

Very high stock levels, record production combined with much above normal average temperatures point toward exceptional weakness in wholesale prices.

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<sup>&</sup>lt;sup>1</sup> Source is latest EIA Weekly Statistics

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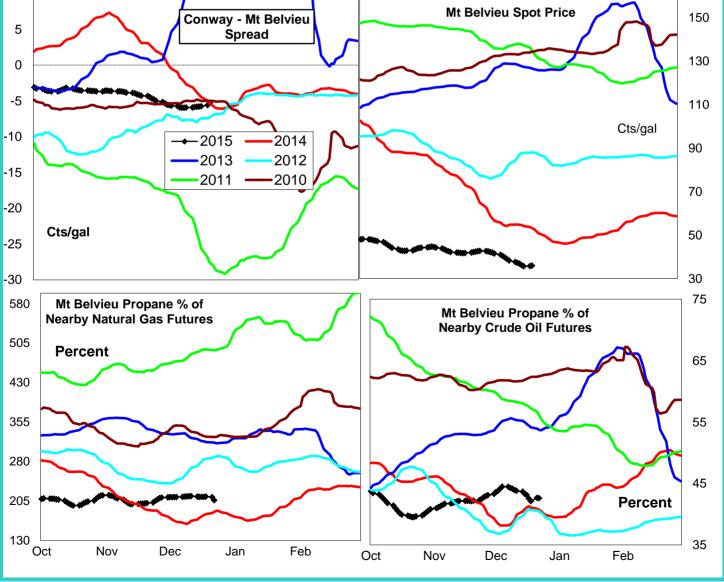
# **PROPANE: Graph Link and Weekly Summary**

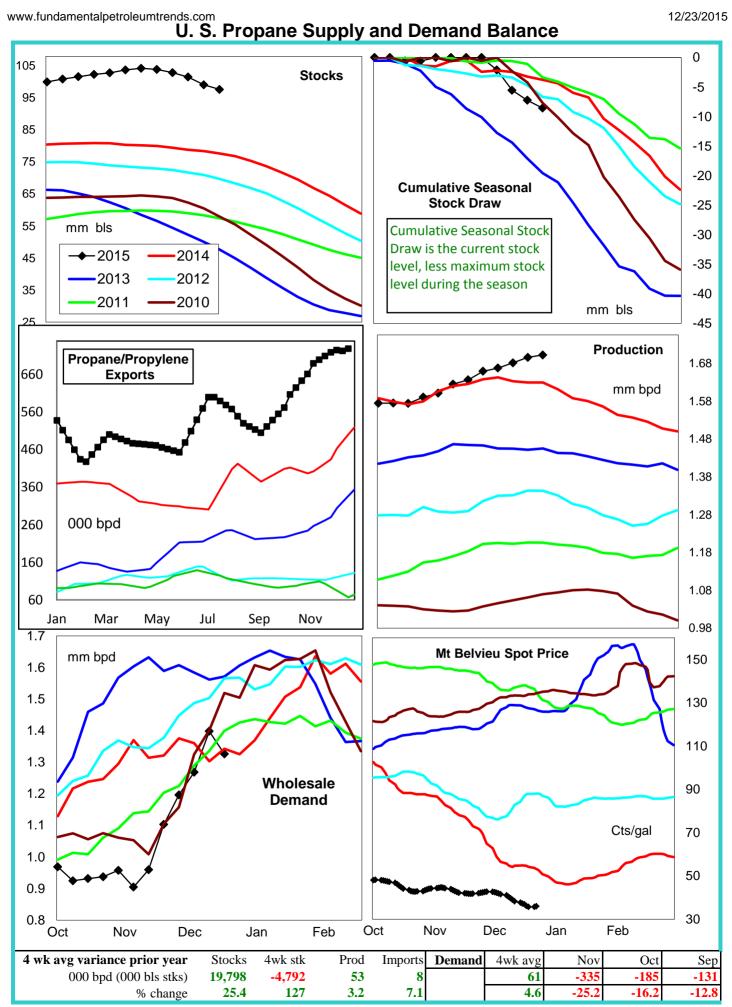
December 23, 2015

Fundamental Trends for the Week Ending: Friday, December 18, 2015										8, 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	97,638	6,478	26,985	60,468	3,707	-1,337	-28	-1,188	17	-138
Propylene Stocks	3,064					-125				
Production	1,697	158	375	994	170	-4	3	-12	-2	7
Imports	149	47	64	0	38	36	2	25	0	9
Whsle Demand	1,326					1				

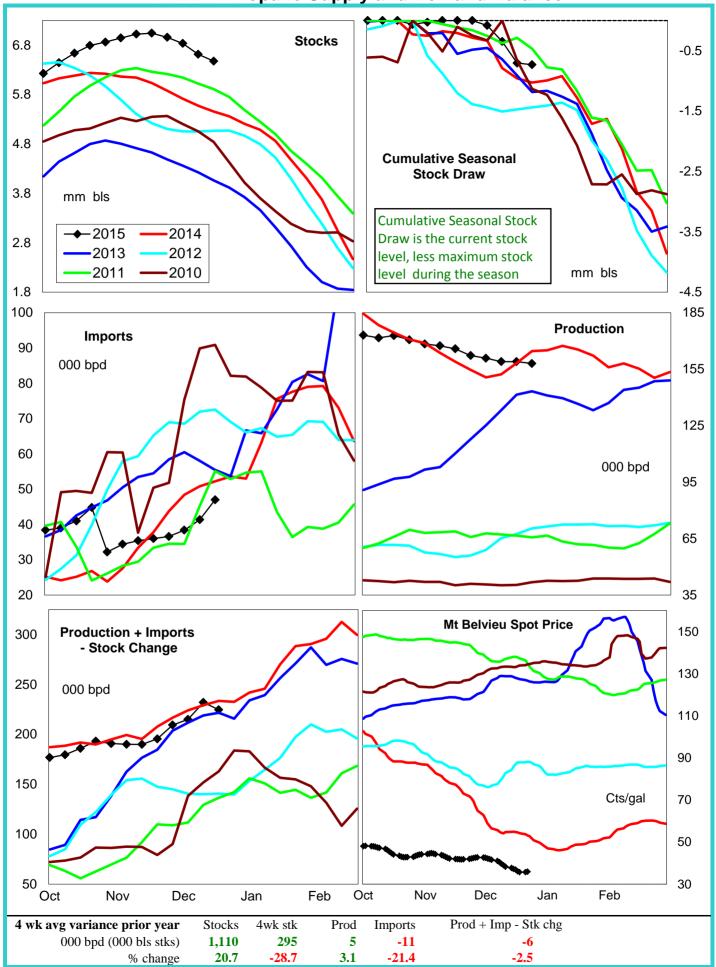
### **Price Trends for the Week Ending:** Tuesday, December 22, 2015 Average for week ending: Change from: % change from: Cents/gal 12/22/15 12/15/15 11/24/15 12/24/14 12/15/15 11/24/15 12/24/14 12/15/15 11/24/15 12/24/14 Mont Belvieu Spot 41.9 35.6 38.2 55.0 -2.63 -3.65 -13.1 -6.9 -8.7 -23.9 **Conway Spot** 30.0 32.2 37.8 50.3 -2.20 -5.60 -12.50 -6.8 -14.8 -24.9

# Key Price Spreads and Differentials





**PADD 1 Propane Supply and Demand Balance** 



www.fundamentalpetroleumtrends.com 12/23/2015 **PADD 2 Propane Supply and Demand Balance** 0 Stocks 29 -2 -4 26 -6 23 -8 20 **Cumulative Seasonal** -10 Stock Draw -12 17 mm bls -14 **Cumulative Seasonal Stock** 14 -2015 2014 Draw is the current stock -16 2012 2013 level, less maximum stock 11 2010 2011 -18 level during the season mm bls 8 -20 385 **Production Imports** 95 360 85 75 335 65 310 000 bpd 55 285 45 260 35 000 bpd 235 25 160 **Production + Imports Conway Cash Price** - Stock Change 145 550 000 bpd 130 115 475 100 400 85 70 Cts/gal 325 55 40 250 25 Oct Nov Dec Feb Jan Oct Nov Dec Jan Feb 4 wk avg variance prior year Imports Prod + Imp - Stk chg Stocks 4wk stk Prod 000 bpd (000 bls stks) 777 -932 38 17 149

3.0

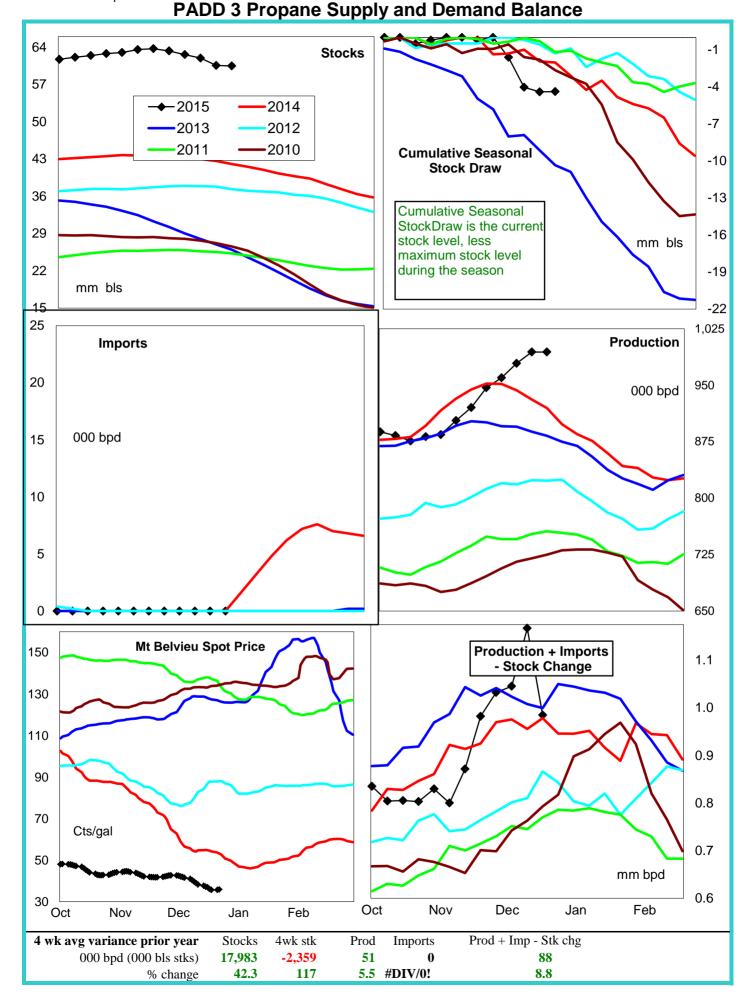
49.4

% change

52.3

41.1

11.2



4.2

3.5

2.8

2.1

1.4

0.7

40

36

32

28

24

20

16

12

255

205

155

105

55

Oct

Nov

000 bpd (000 bls stks)

% change

4 wk avg variance prior year

12/23/2015 **PADDs 4 and 5 Propane Supply and Demand Balance** 0.0 **Stocks** 000 bls -0.4 mm bls -0.8 **Cumulative Seasonal Stock Draw** -1.2 **Cumulative Seasonal** Stock Draw is the -1.6 current stock level, less 2014 -2015 maximum stock level -2.0 2013 2012 during the season 2011 2010 -2.4 **Imports Production** 205 000 bpd 165 125 000 bpd 85 45 **Production + Imports** 150 **Conway Cash Price** - Stock Change 125 100 000 bpd 75 Cts/gal 50

Dec

Feb

Prod

-20.1

-41

Oct

**Imports** 

2

6.3

Nov

Dec

Prod + Imp - Stk chg

-18

-7.7

Jan

Jan

4wk stk

-723

277.0

Stocks

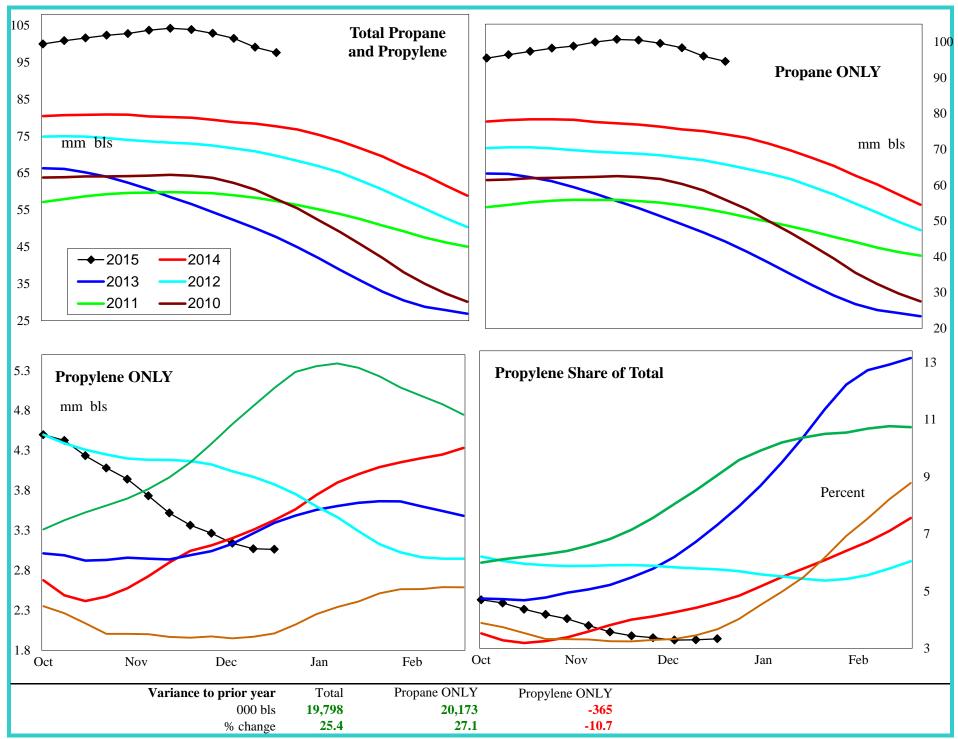
-73

-1.9

Feb

25

# U. S. Propane and Propylene Stocks



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