# WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

**A Fundamental Petroleum Trends Weekly Report**

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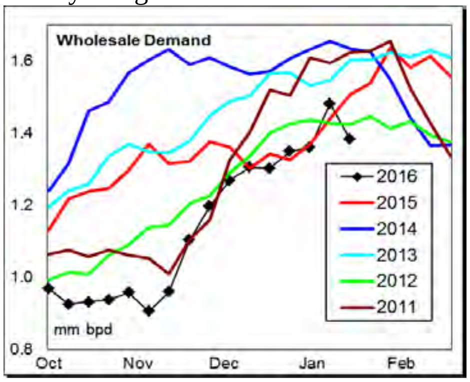
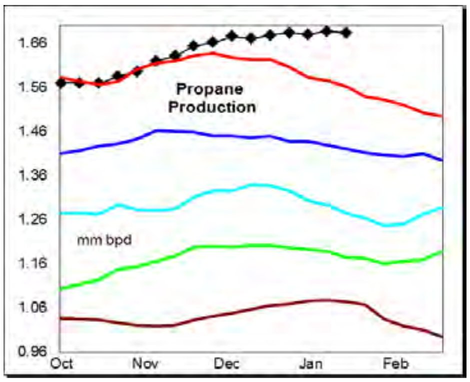
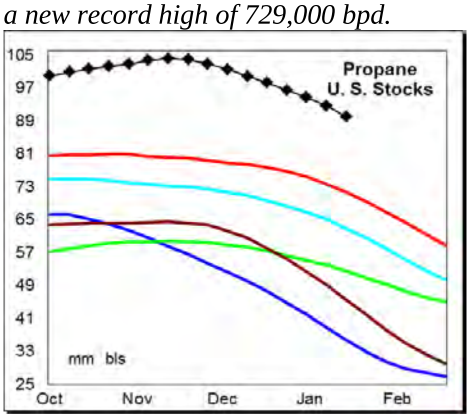
Summary[1]:
Wholesale demand decreased -0.4 million bpd last week, to a level below the 5-yr range.




Imports decreased -17,000 bpd last week, with declines in regions East of the Rockies.



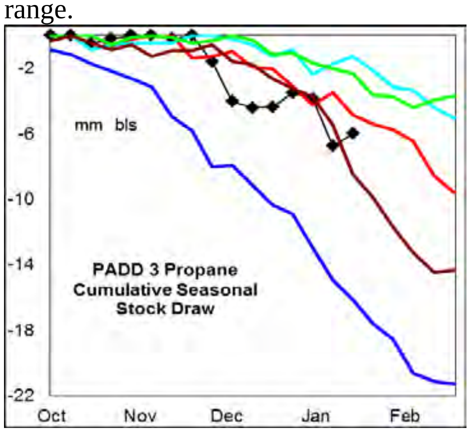

*Exports for the week ending 18Dec15 were +204,000 bpd above last year, and a new record high of 729,000 bpd.*



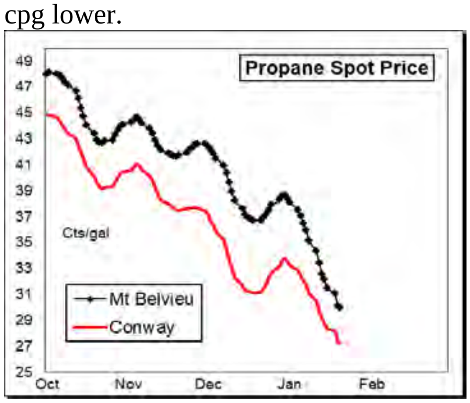

Stocks decreased -1.9 million barrels last week, concentrated in the Midwest region. Stock levels ended the week +26% above the prior historic high for the period.

[1] Source is latest EIA Weekly Statistics

The rate of stock draw was -7.7 million barrels during the latest 4-wk period, a larger draw than the 3-yr mid range.




Price and Spreads Mt Belvieu spot price decreased -3.5 cpg last week ending 20Jan16, while Conway prices were -3 cpg lower.



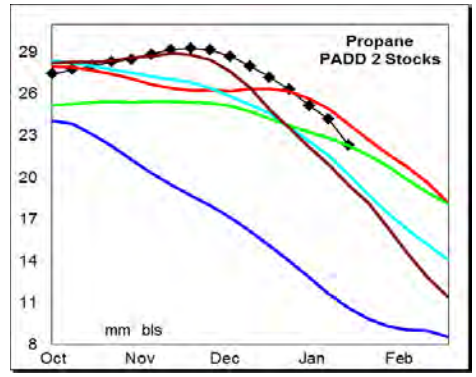

The Conway – Mt Belvieu price spread trended higher last week, ending at a level equal to the 3-yr midrange for the period.

The propane to natural gas price spread trended lower last week, ending at a record low.

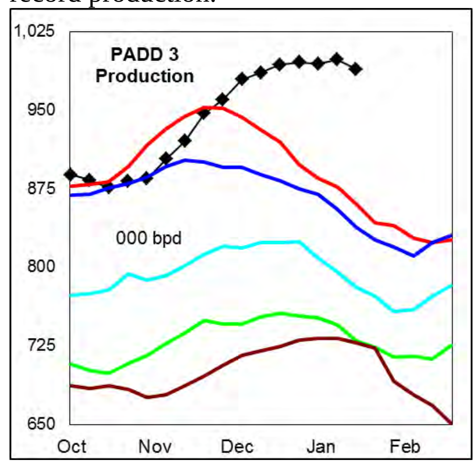
The propane / crude oil price spread traded sideways on the week, ending at a level comparable with a year ago.

PADD 1 stocks decreased -0.3 million barrels on the week ending at a level +29% above a year ago and above the 5-yr range. Supply decreased -3,000 bpd on the week.

PADD 2 supply decreased -22,000 bpd last week, with production and imports each lower. Stocks decreased -2.2 million barrels on the week, to a level just below 5-yr highs for the period.




PAD 3 stocks increased +0.7 million barrels on the week, driven by lower exports. Stock levels ended the week +48% above the prior 5-yr high. Supplies for the latest 4-wk period were +111,000 bpd above last year, driven by record production.




PADDs 4 & 5 stocks decreased -0.1 million barrels on the week. Cumulative season stock draws continued at a record rate, driving stock levels to -14% below a year ago.

**Emerging Trends** Temperatures are forecast to be above normal over the next 2-wks in key heating markets.

Peak winter demand and robust exports should lead to above average stock draws; limited by record production.

The propane market remains extremely over supplied, which combined with a forecast of above average temperatures through month end, may offset any bounce in global energy prices from current lows.

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# PROPANE: Graph Link and Weekly Summary

January 21, 2016

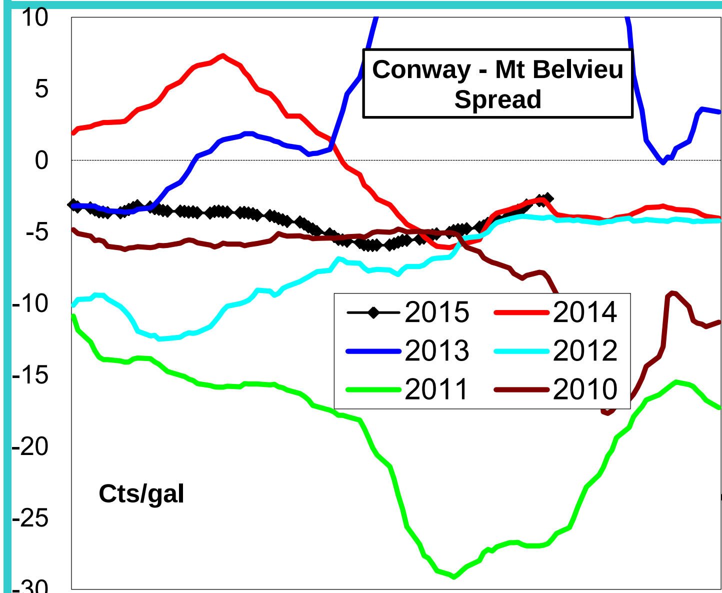
## Fundamental Trends for the Week Ending: Friday, January 15, 2016

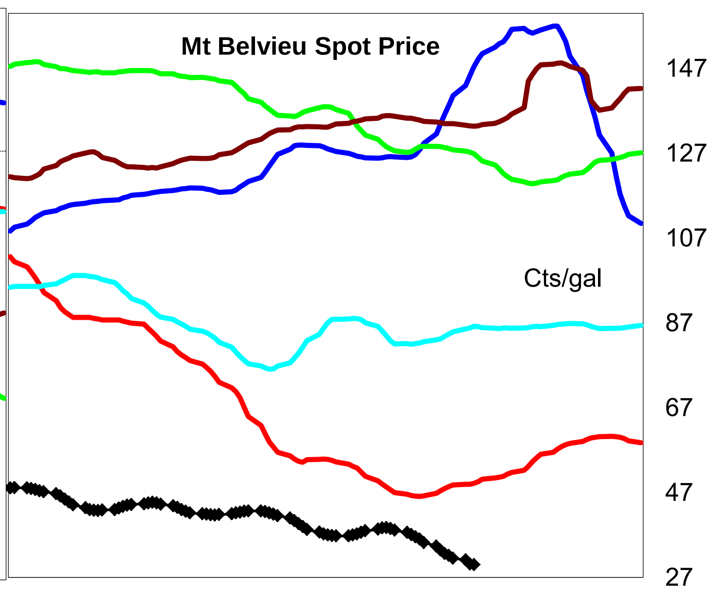
| 000 bpd Stocks 000 bls | Weekly Supply-Demand | | | | | Change from prior week: | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | U.S. | PADD | | | | U.S. | PADD | | | |
| | Total | 1 | 2 | 3 | 4&5 | Total | 1 | 2 | 3 | 4&5 |
| Stocks | 89,943 | 6,024 | 22,325 | 58,845 | 2,749 | -1,915 | -318 | -2,193 | 744 | -148 |
| Propylene Stocks | 3,218 | | | | | 58 | | | | |
| Production | 1,684 | 150 | 356 | 989 | 189 | -14 | -7 | -7 | -13 | 13 |
| Imports | 135 | 50 | 52 | 0 | 33 | -17 | 4 | -15 | 0 | -6 |
| Whsle Demand | 1,382 | | | | | -397 | | | | |

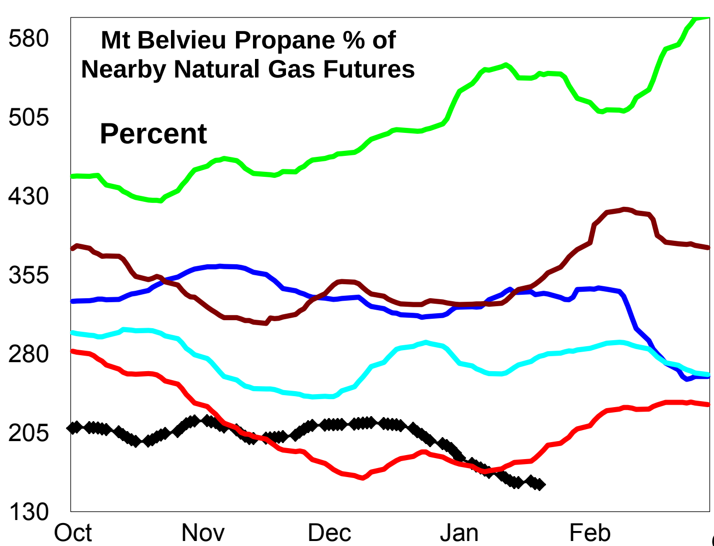
## Price Trends for the Week Ending: Wednesday, January 20, 2016

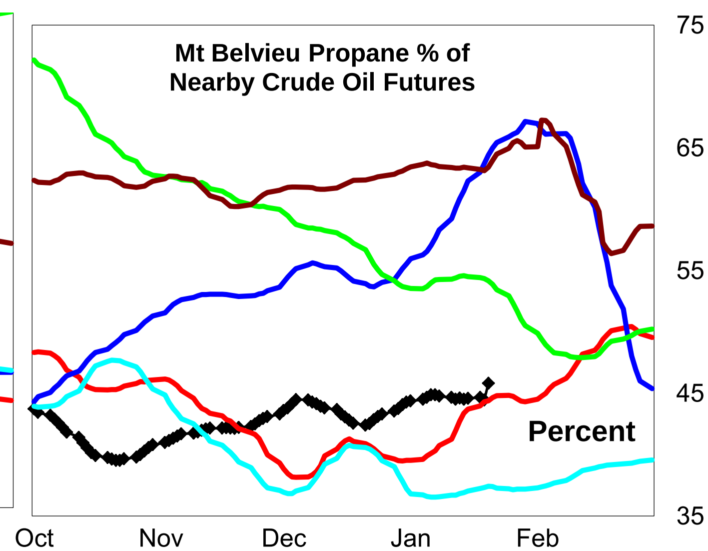
| Cents/gal | Average for week ending: | | | | Change from: | | | % change from: | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1/20/16 | 1/13/16 | 12/23/15 | 1/22/15 | 1/13/16 | 12/23/15 | 1/22/15 | 1/13/16 | 12/23/15 | 1/22/15 |
| Mont Belvieu Spot | 30.6 | 33.8 | 36.2 | 49.9 | -3.13 | -2.40 | -13.75 | -9.3 | -6.6 | -27.6 |
| Conway Spot | 27.8 | 29.7 | 30.8 | 46.6 | -1.90 | -1.05 | -15.83 | -6.4 | -3.4 | -34.0 |

## Key Price Spreads and Differentials

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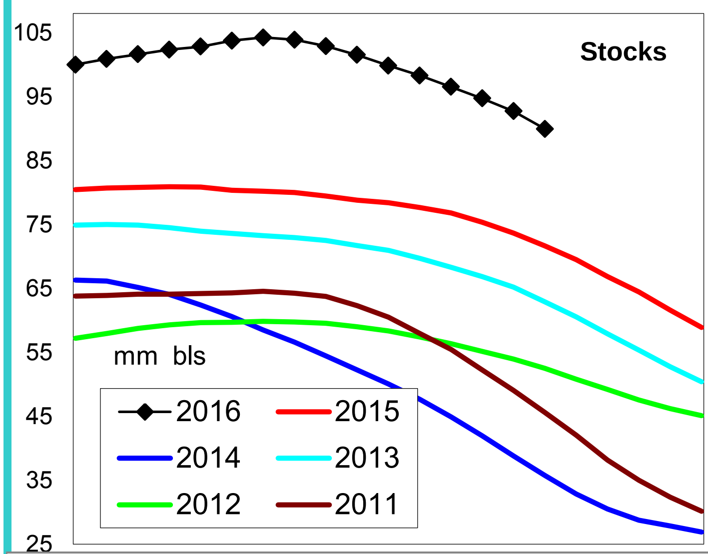
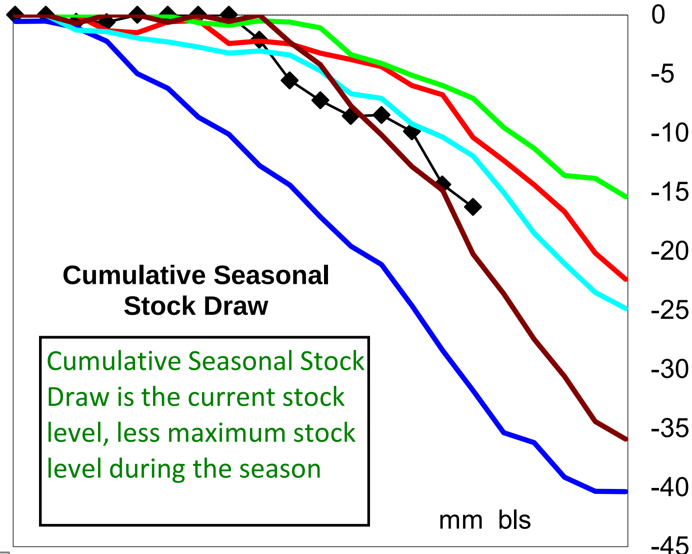
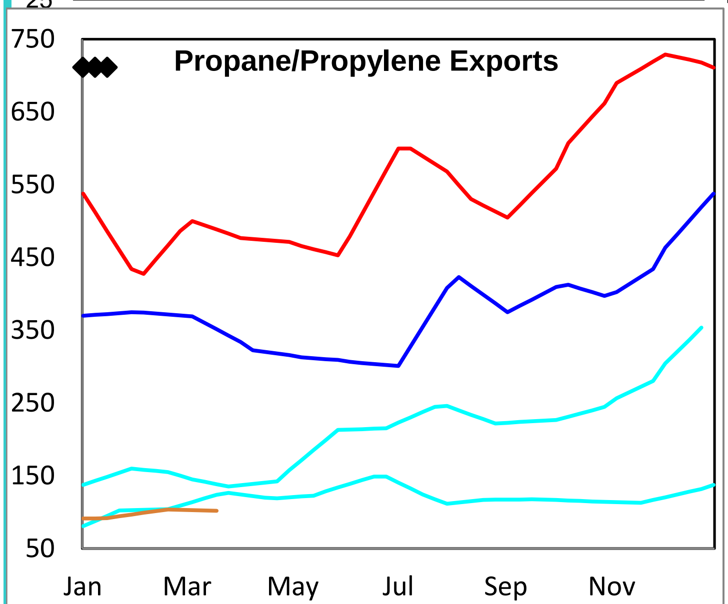
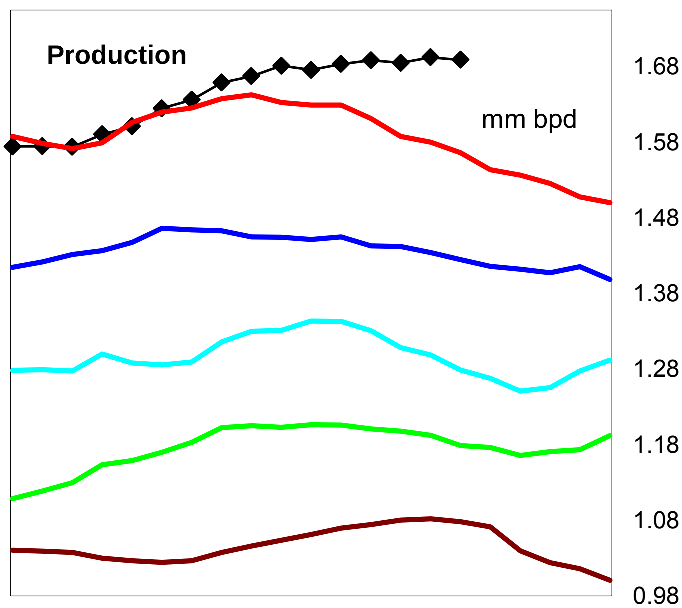
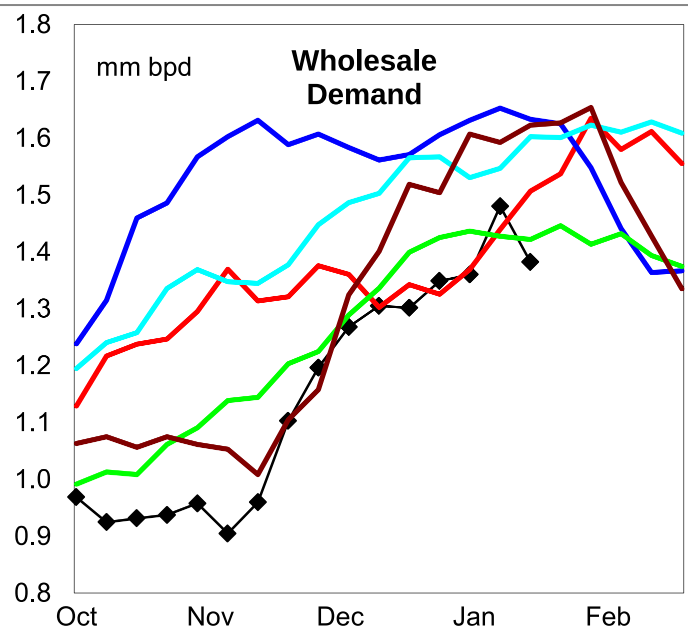
# U. S. Propane Supply and Demand Balance

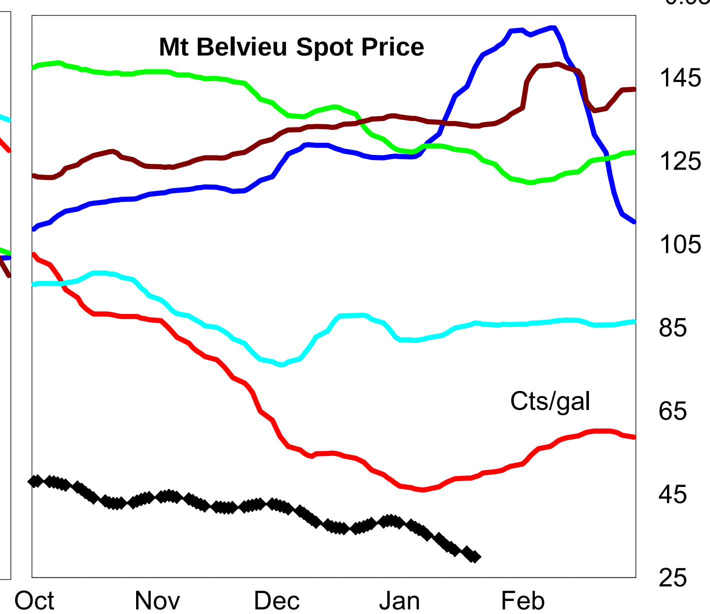



| 4 wk avg variance prior year | Stocks | 4wk stk | Prod | Imports | Demand | 4wk avg | Dec | Nov | Oct |
|---|---|---|---|---|---|---|---|---|---|
| 000 bpd (000 bls stks) | 18,697 | -5,893 | 103 | 5 | | -27 | -146 | -335 | -123 |
| % change | 26.2 | 57 | 6.5 | 3.6 | | -1.9 | -10.5 | -25.2 | -10.8 |

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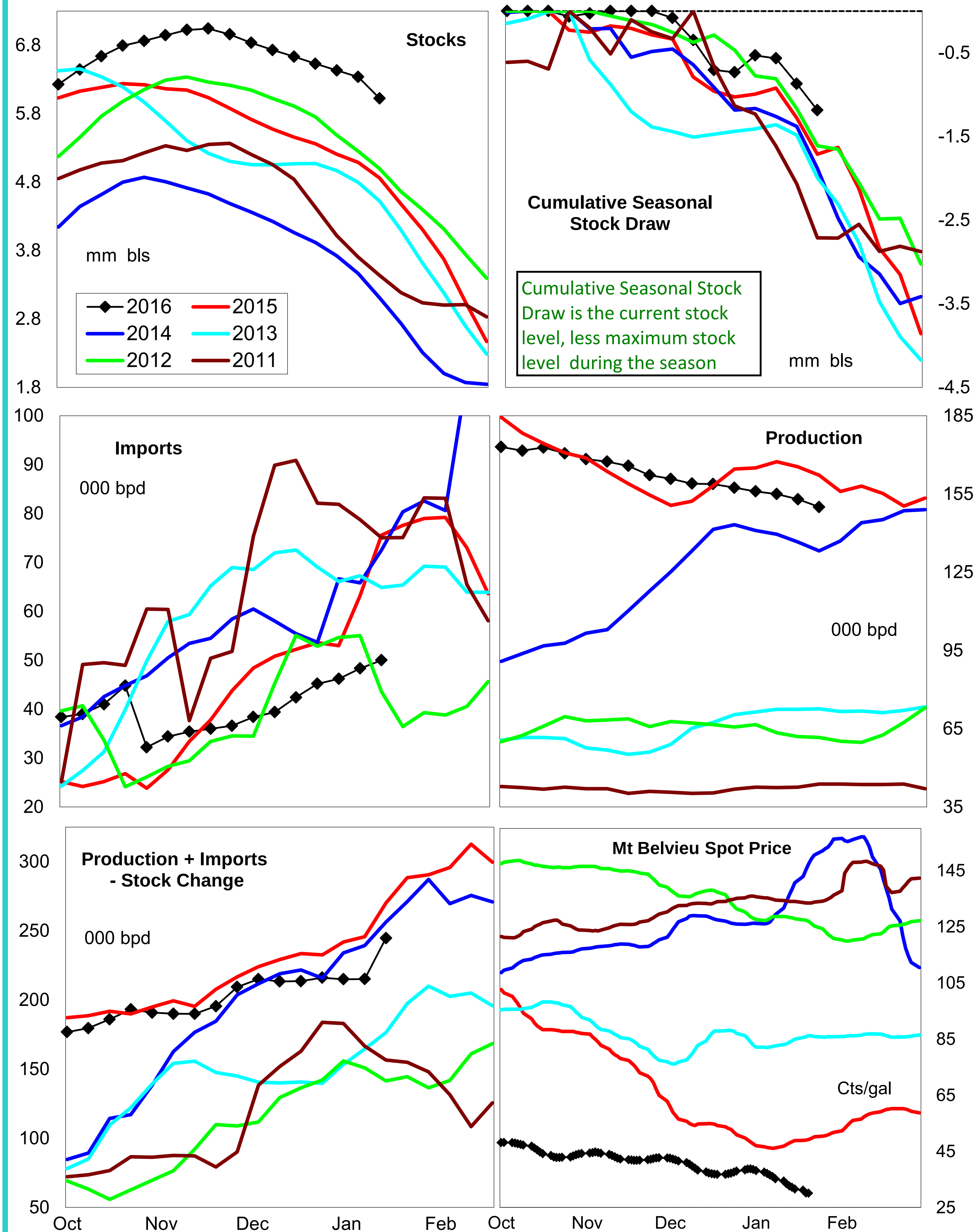
# PADD 1 Propane Supply and Demand Balance




| 4 wk avg variance prior year | Stocks | 4wk stk | Prod | Imports | Prod + Imp - Stk chg |
|---|---|---|---|---|---|
| 000 bpd (000 bls stks) | 1,340 | 525 | -11 | -7 | -25 |
| % change | 28.6 | -30.7 | -6.8 | -12.4 | -10.0 |

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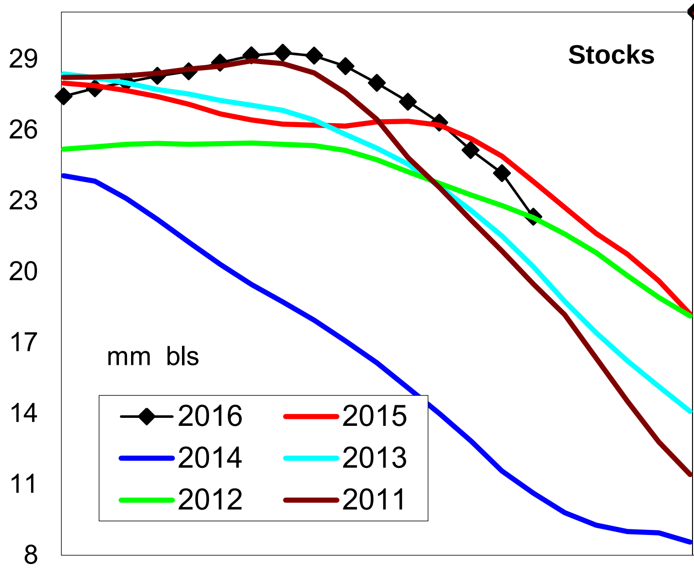
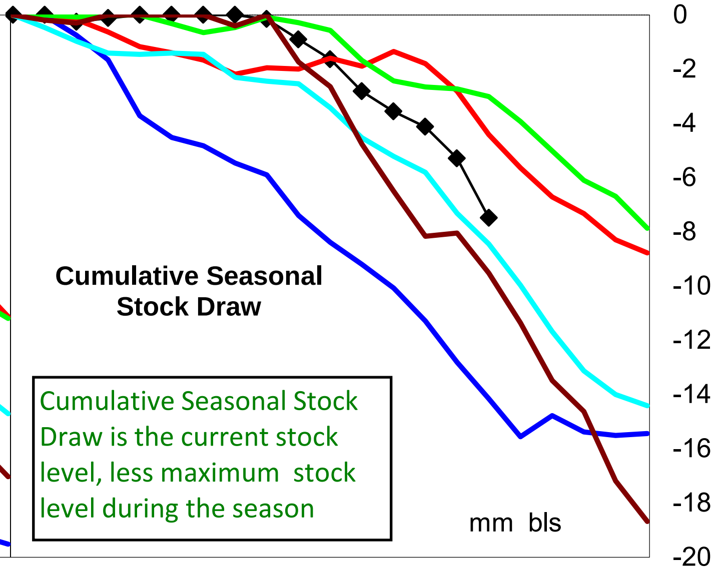
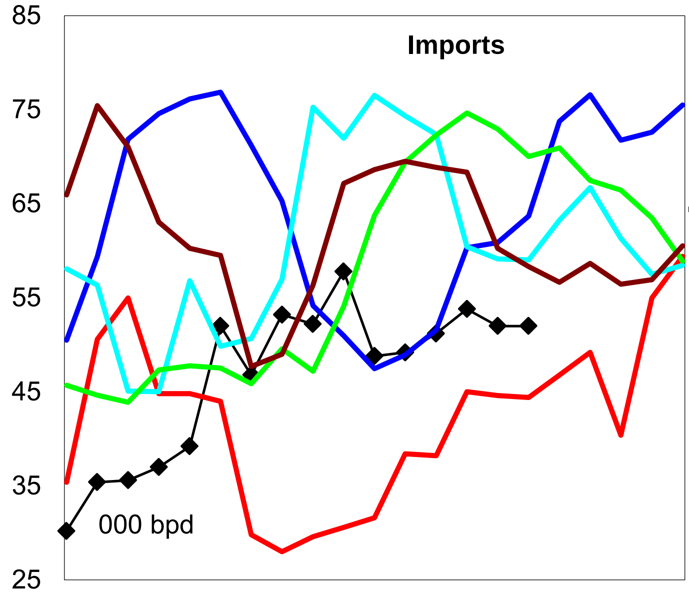
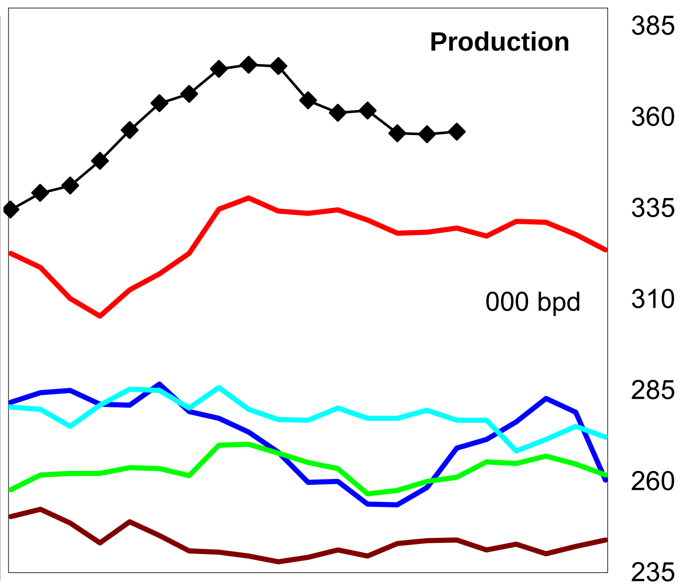
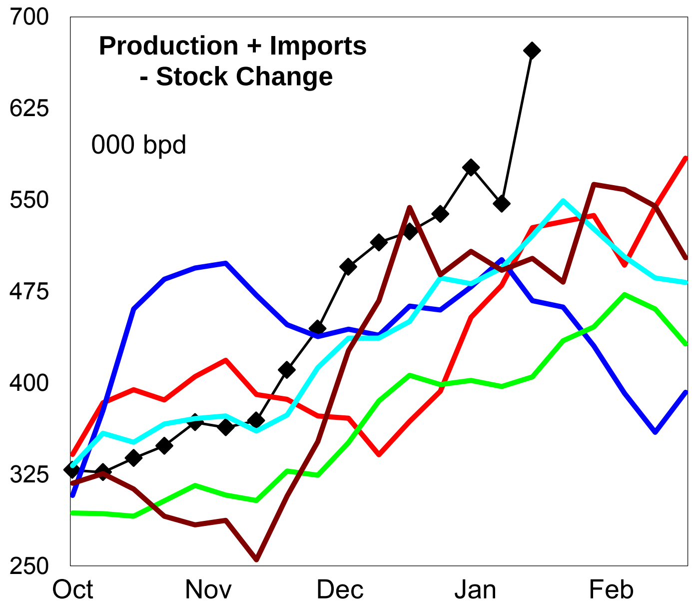
# PADD 2 Propane Supply and Demand Balance

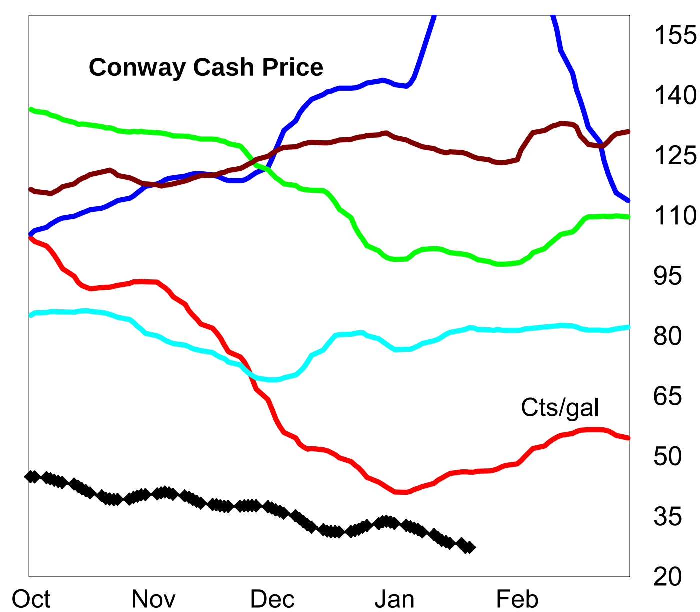



| 4 wk avg variance prior year | Stocks | 4wk stk | Prod | Imports | Prod + Imp - Stk chg |
|---|---|---|---|---|---|
| 000 bpd (000 bls stks) | -1,365 | -3,074 | 25 | 3 | 120 |
| % change | -5.8 | 69.8 | 7.5 | 5.1 | 25.9 |

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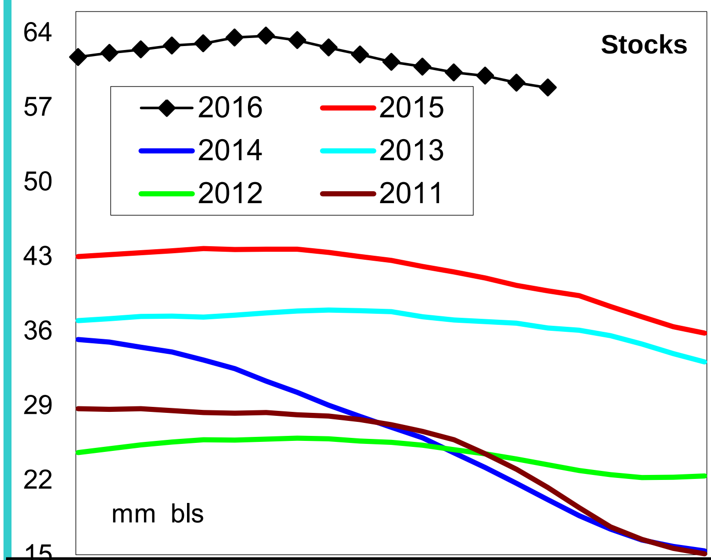
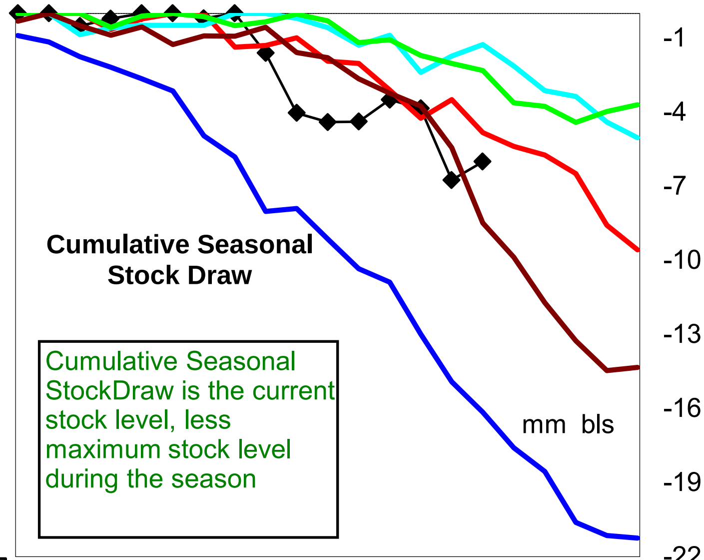
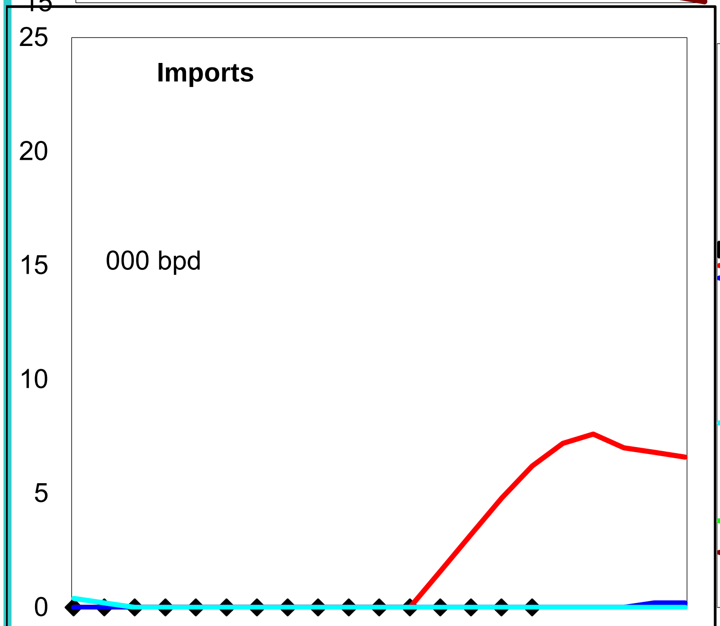
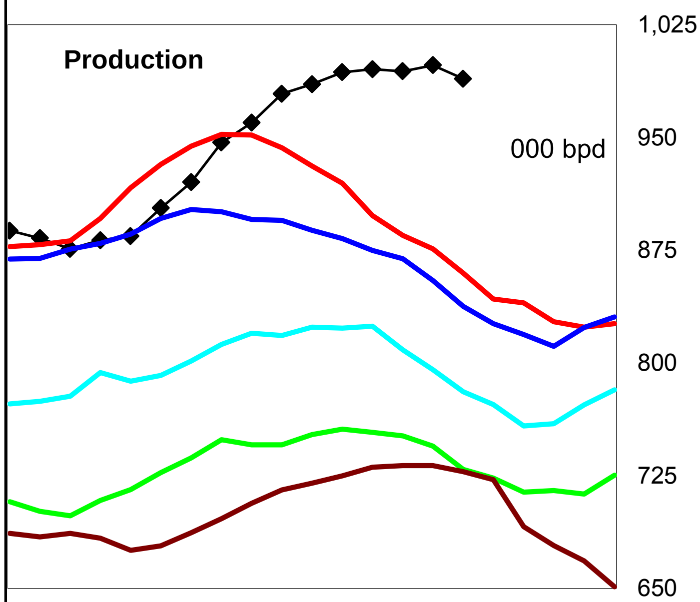
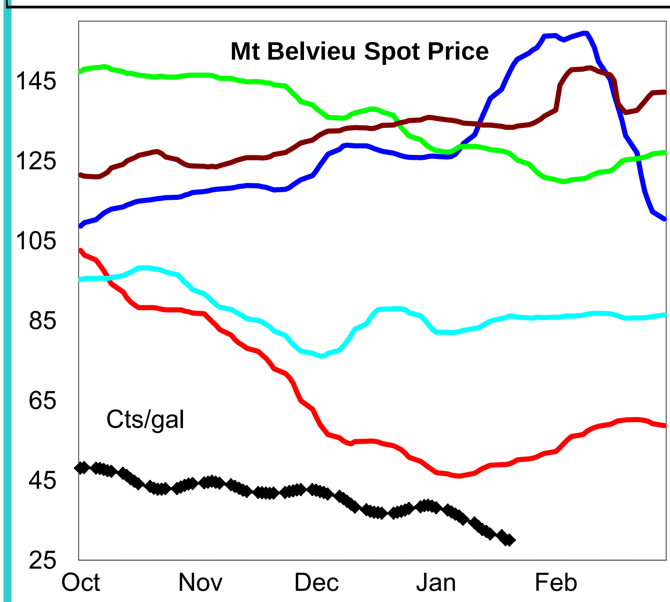
# PADD 3 Propane Supply and Demand Balance

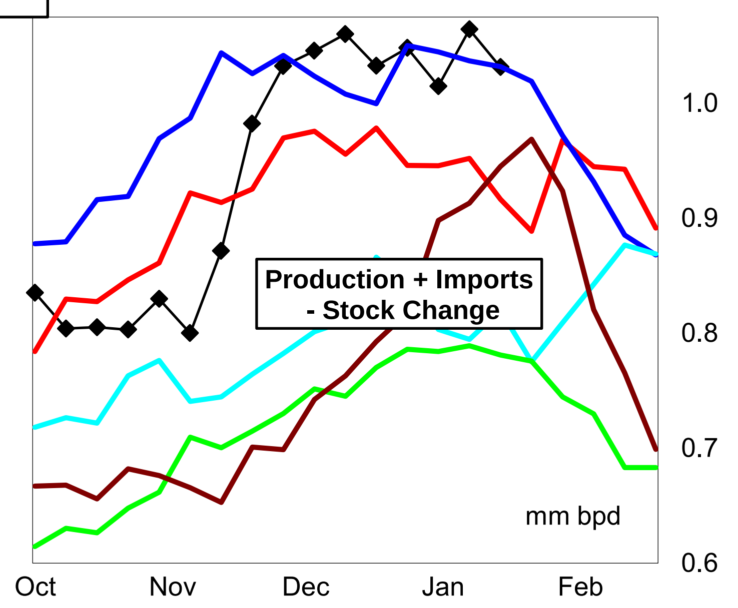



| 4 wk avg variance prior year | Stocks | 4wk stk | Prod | Imports | Prod + Imp - Stk chg |
|---|---|---|---|---|---|
| 000 bpd (000 bls stks) | 19,164 | -1,178 | 115 | -4 | 100 |
| % change | 48.3 | 24 | 13.1 | -100.0 | 10.3 |

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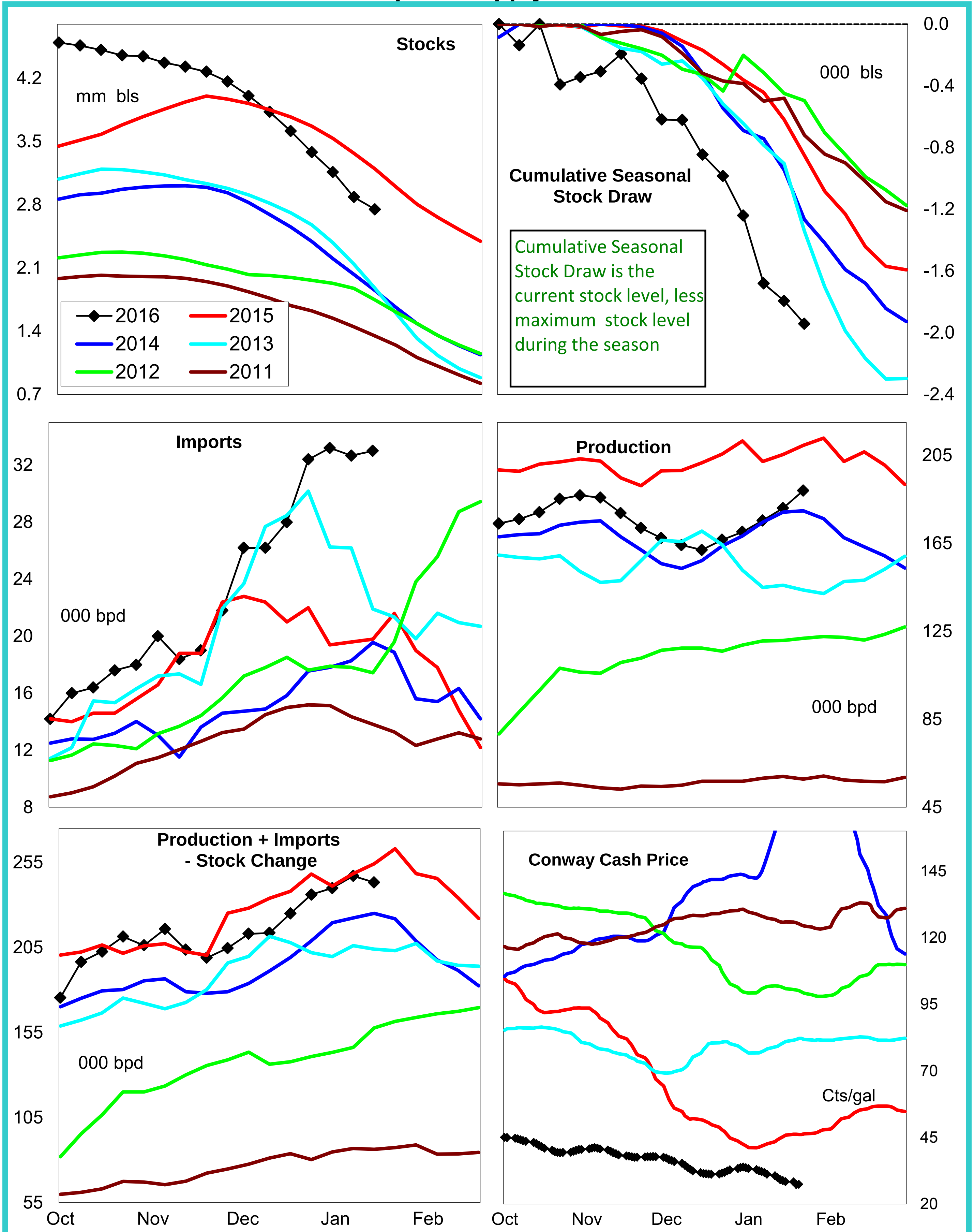
# PADDs 4 and 5 Propane Supply and Demand Balance




| 4 wk avg variance prior year | Stocks | 4wk stk | Prod | Imports | Prod + Imp - Stk chg |
|---|---|---|---|---|---|
| 000 bpd (000 bls stks) | -442 | -1,092 | -26 | 13 | -6 |
| % change | -13.9 | 128.5 | -12.7 | 64.1 | -2.6 |

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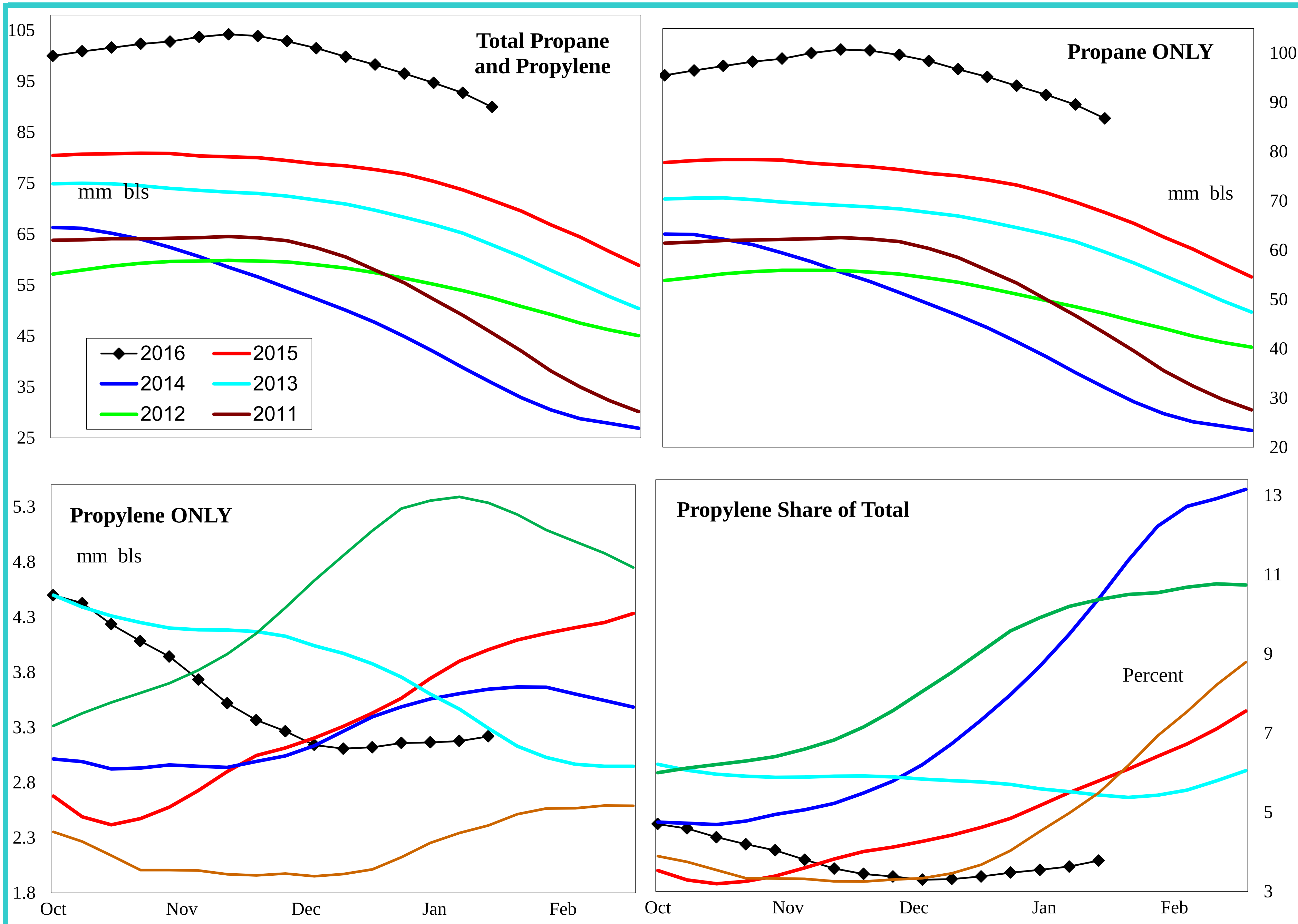
# U. S. Propane and Propylene Stocks




| Variance to prior year | Total | Propane ONLY | Propylene ONLY |
|---|---|---|---|
| 000 bls | 18,697 | 19,650 | -787 |
| % change | 26.2 | 29.3 | -19.7 |

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