



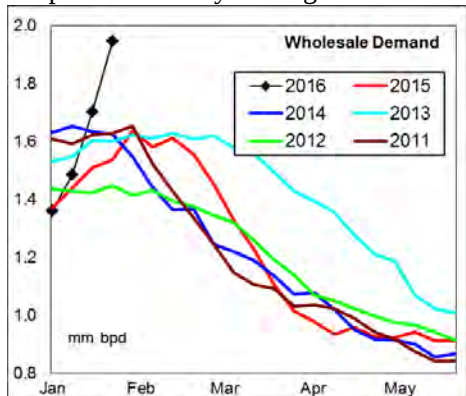
WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

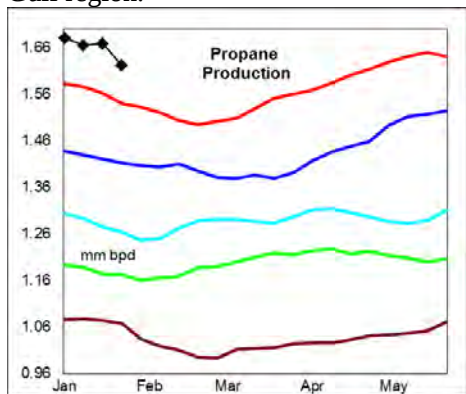
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com

Summary¹:

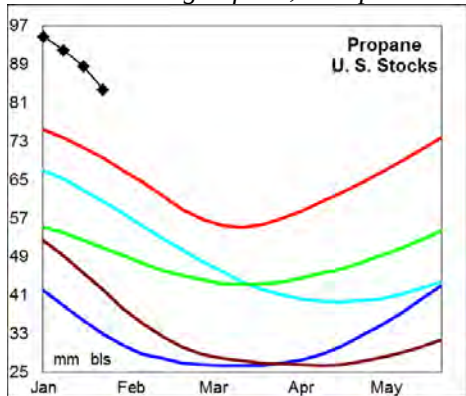
Wholesale demand increased +0.6 million bpd last week, on below normal temperatures in key heating markets.



Production fell -63,000 bpd on the week, with the decrease concentrated in the Gulf region.



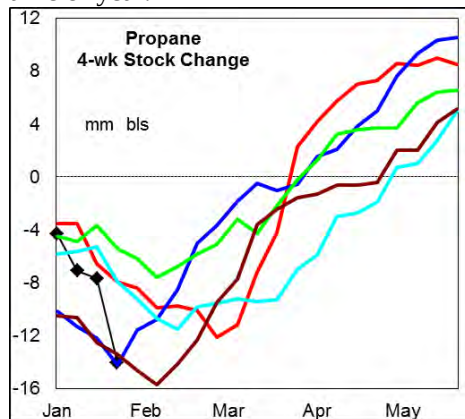
Exports for the week ending 18Dec15 were +204,000 bpd above last year, and a new record high of 729,000 bpd.



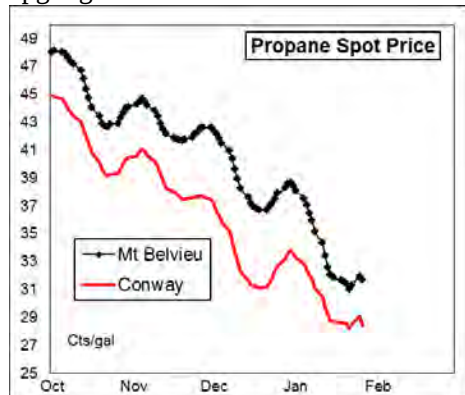
Stocks fell -6.2 million barrels last week, concentrated in the Gulf and Midwest regions. Stock levels ended the week

+21% above the prior historic high for the period.

The rate of stock draw was -13.4 million barrels during the latest 4-wk period, equal to the record draw for this time of year.



Price and Spreads Mt Belvieu spot price increased +1.5 cpg last week ending 26Jan16, while Conway prices were +1 cpg higher.



The Conway - Mt Belvieu price spread trended was unchanged last week, ending at a level equal to last year.

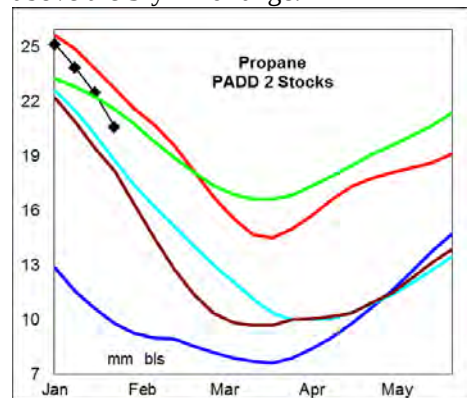
The propane to natural gas price spread traded sideways last week, ending at a record low.

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

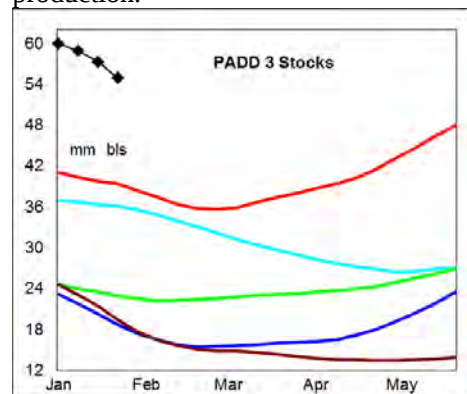
PADD 1 stocks decreased -0.4 million barrels on the week ending at a level +17% above a year ago and above the 5-yr range. Supply increased +8,000 bpd on the week.

PADD 2 supply decreased -12,000 bpd last week, with production and imports each lower. Stocks decreased -1.7 million barrels on the week, to a level

above the 3-yr mid range.



PADD 3 stocks fell -4 million barrels on the week, driven by a surge in exports. Stock levels ended the week +40% above the prior 5-yr high. Supplies for the latest 4-wk period were +113,000 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 -11% below a year ago.

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

Peak winter demand and robust exports led to the -6.2 million barrel stock draw last week.

Continued high exports and peak winter demand should offset record stock levels and production for this time of year, providing support to wholesale prices in the near term.

¹ Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

January 27, 2016

Fundamental Trends for the Week Ending:

Friday, January 22, 2016

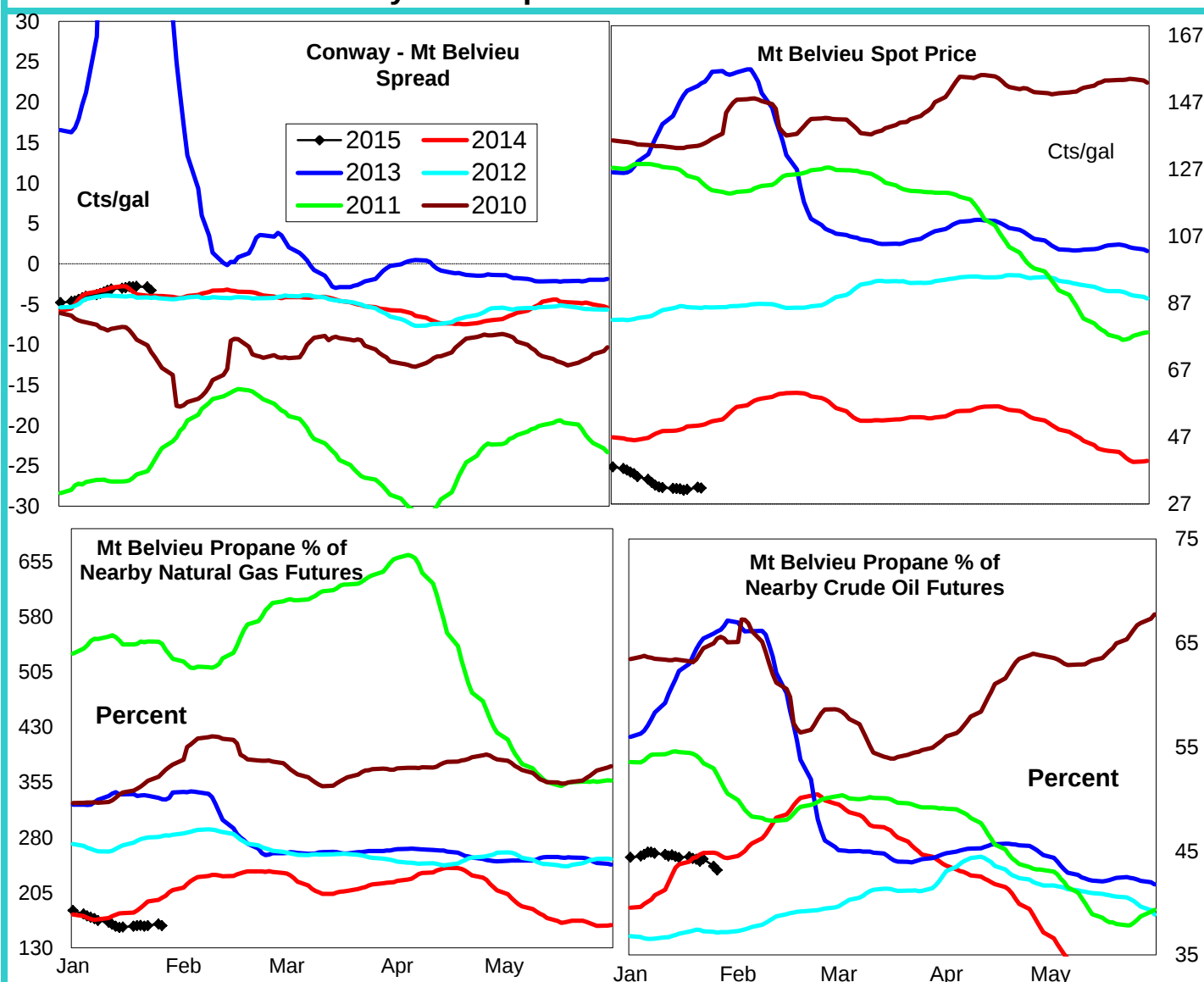
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD				U.S. Total	PADD			
		1	2	3	4&5		1	2	3	4&5
Stocks	83,695	5,587	20,608	54,877	2,623	-6,248	-437	-1,717	-3,968	-126
Propylene Stocks	3,269					51				
Production	1,621	146	355	948	172	-63	-4	-1	-41	-17
Imports	133	62	41	0	30	-2	12	-11	0	-3
Whsle Demand	1,945					563				

Price Trends for the Week Ending:

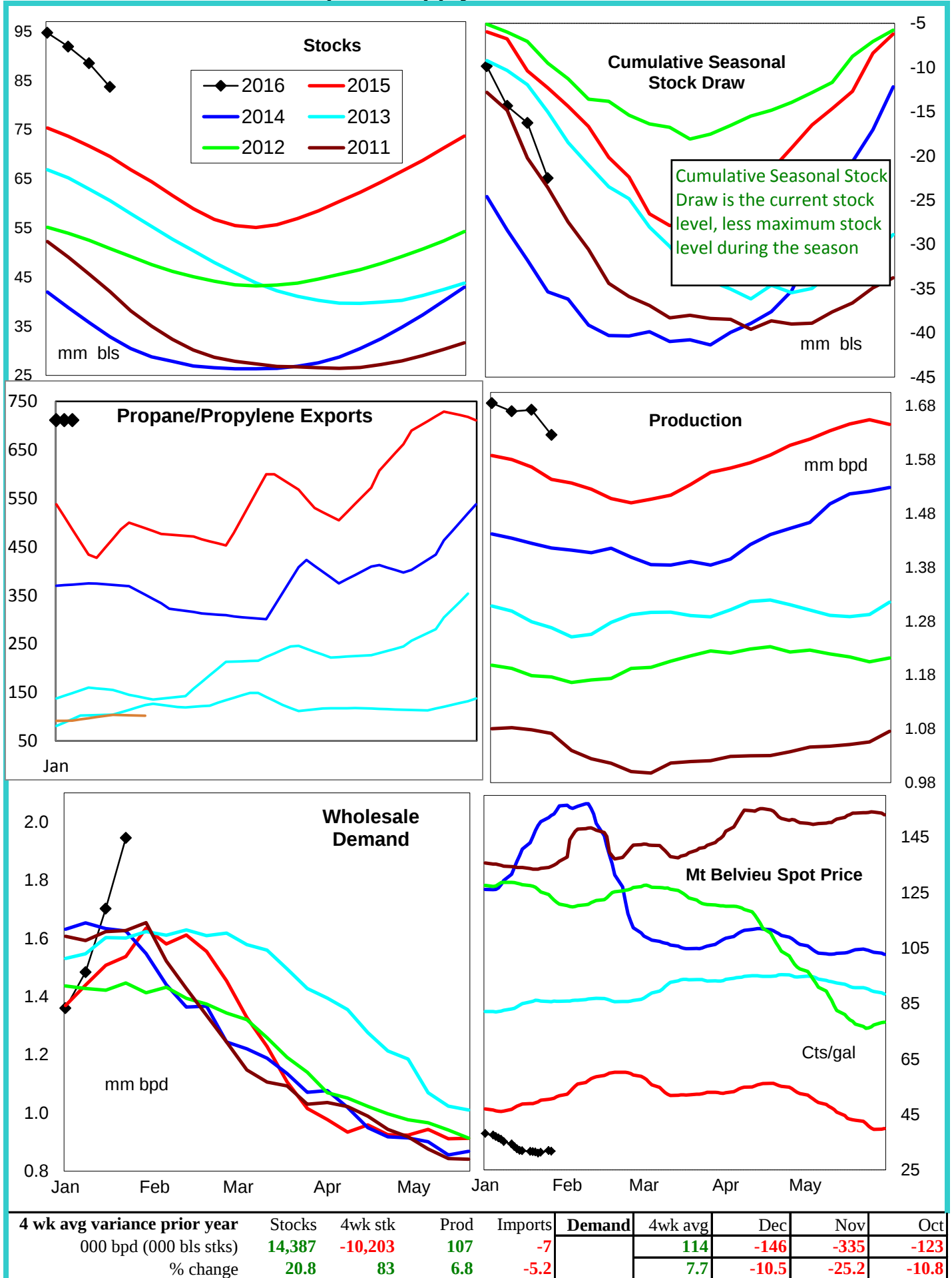
Tuesday, January 26, 2016

Cents/gal	Average for week ending:				Change from:			% change from:		
	1/26/16	1/19/16	12/29/15	1/28/15	1/19/16	12/29/15	1/28/15	1/19/16	12/29/15	1/28/15
Mont Belvieu Spot	31.6	31.3	38.6	49.1	0.32	-7.25	-10.50	1.0	-18.8	-21.4
Conway Spot	28.8	28.4	33.5	45.9	0.38	-5.05	-12.40	1.3	-15.1	-27.0

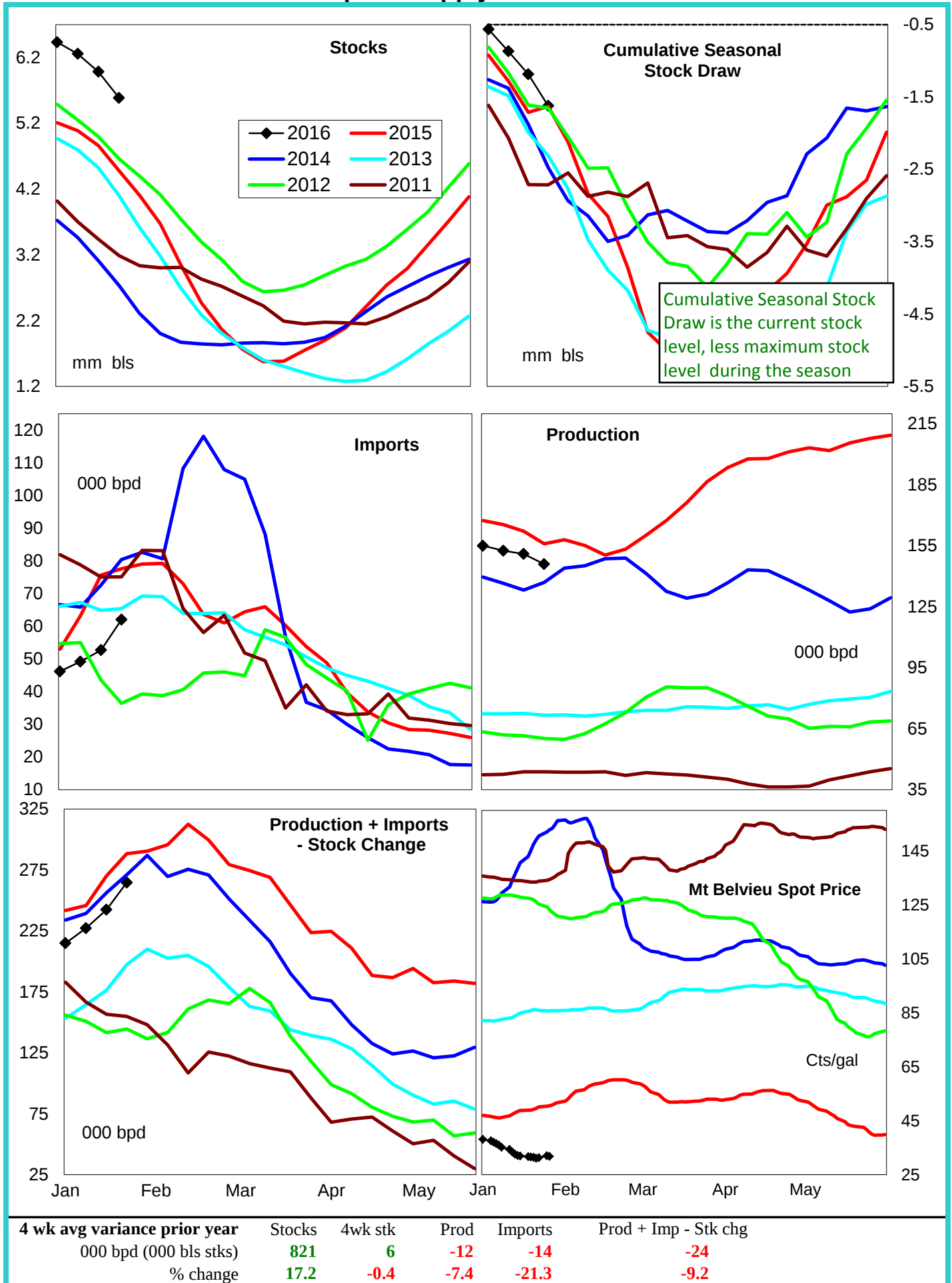
Key Price Spreads and Differentials



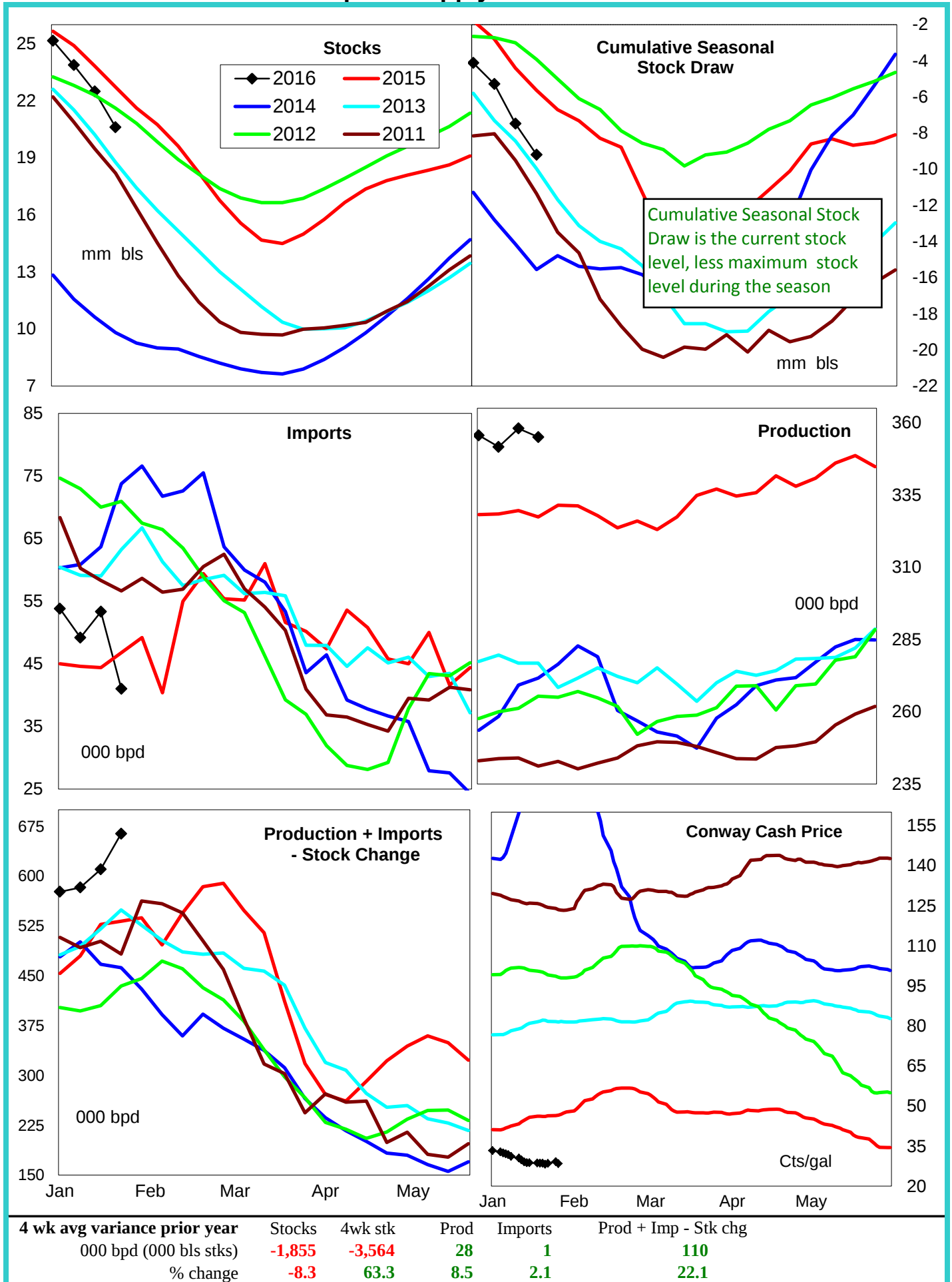
U. S. Propane Supply and Demand Balance



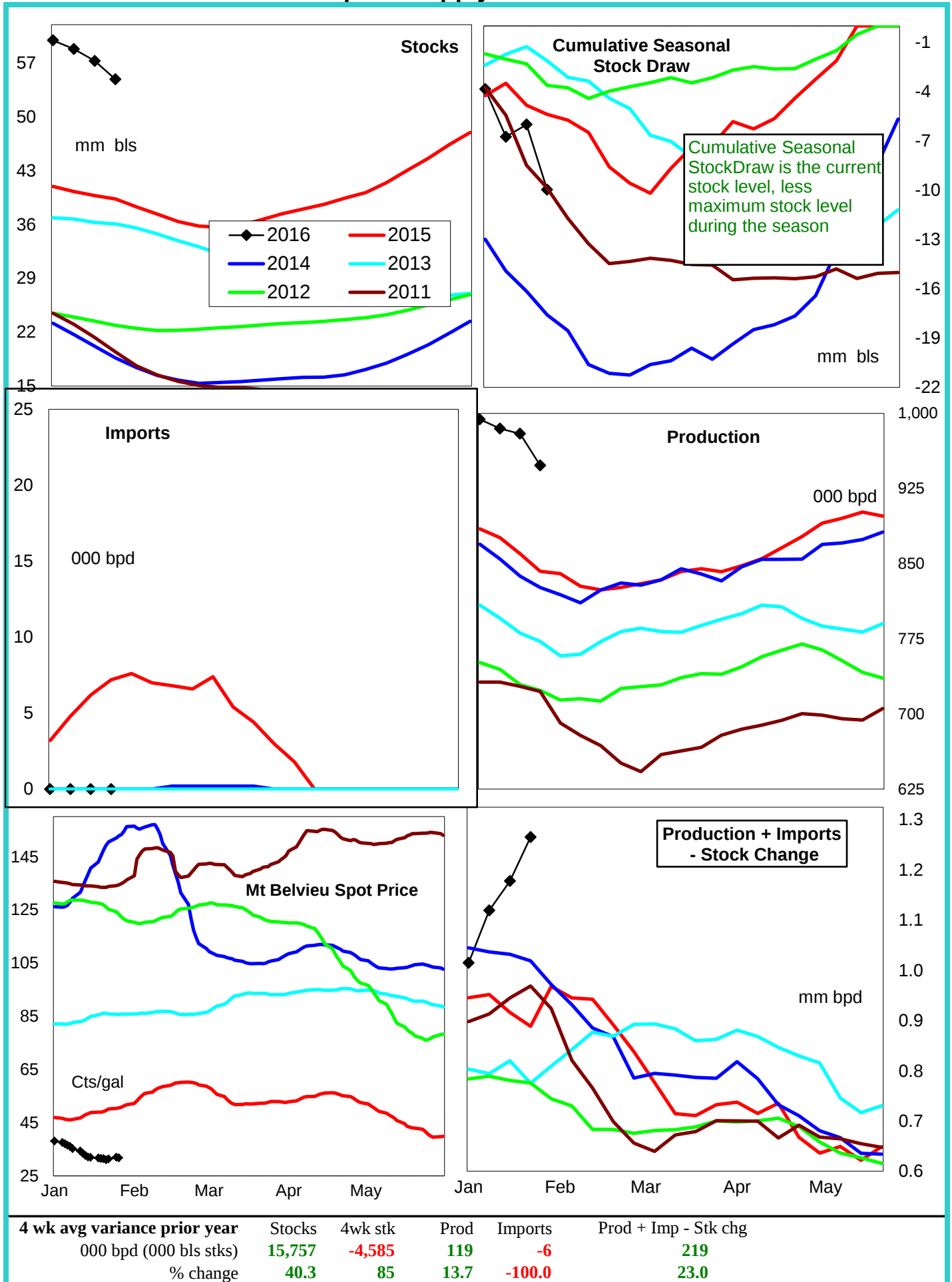
PADD 1 Propane Supply and Demand Balance



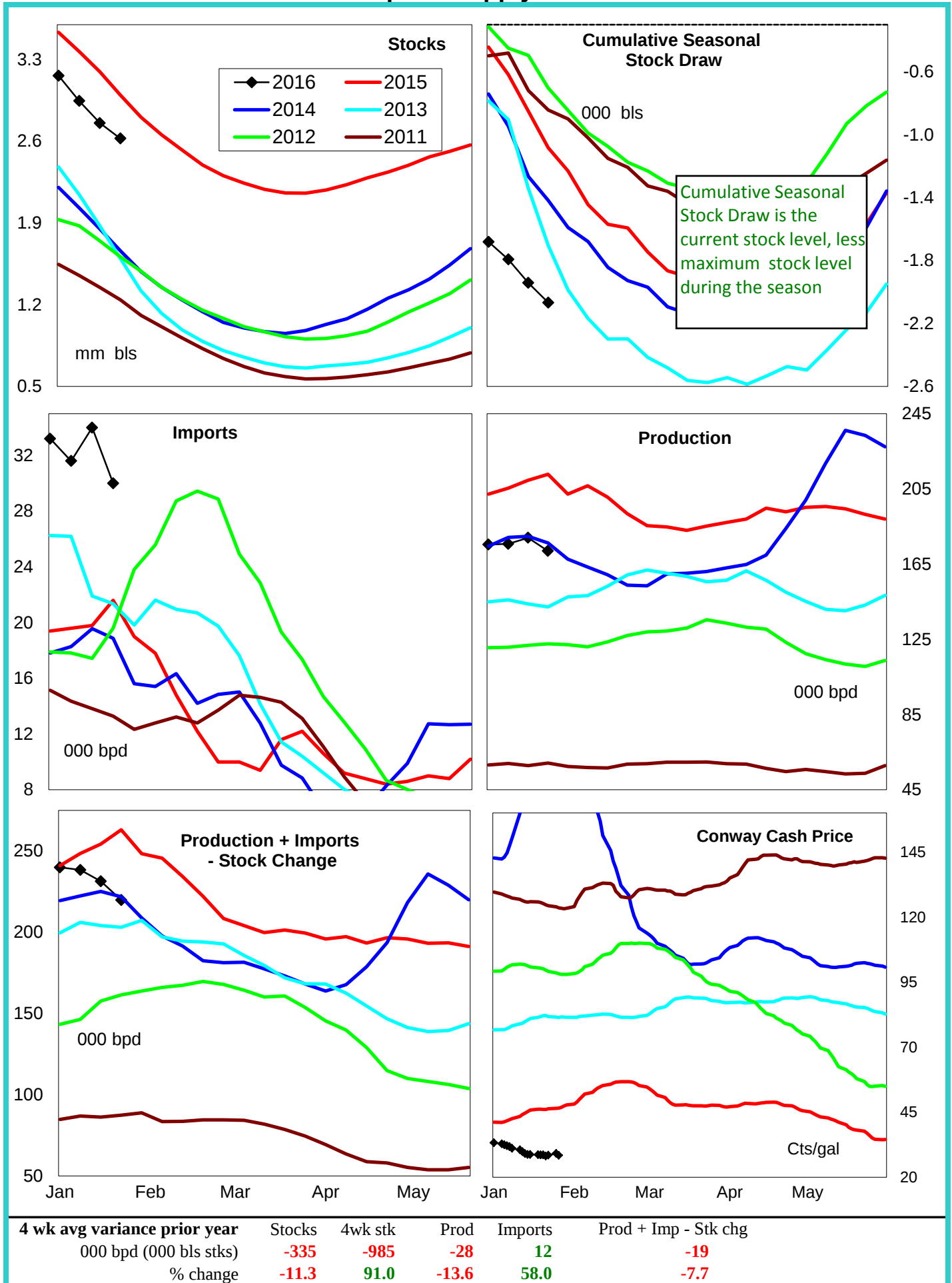
PADD 2 Propane Supply and Demand Balance



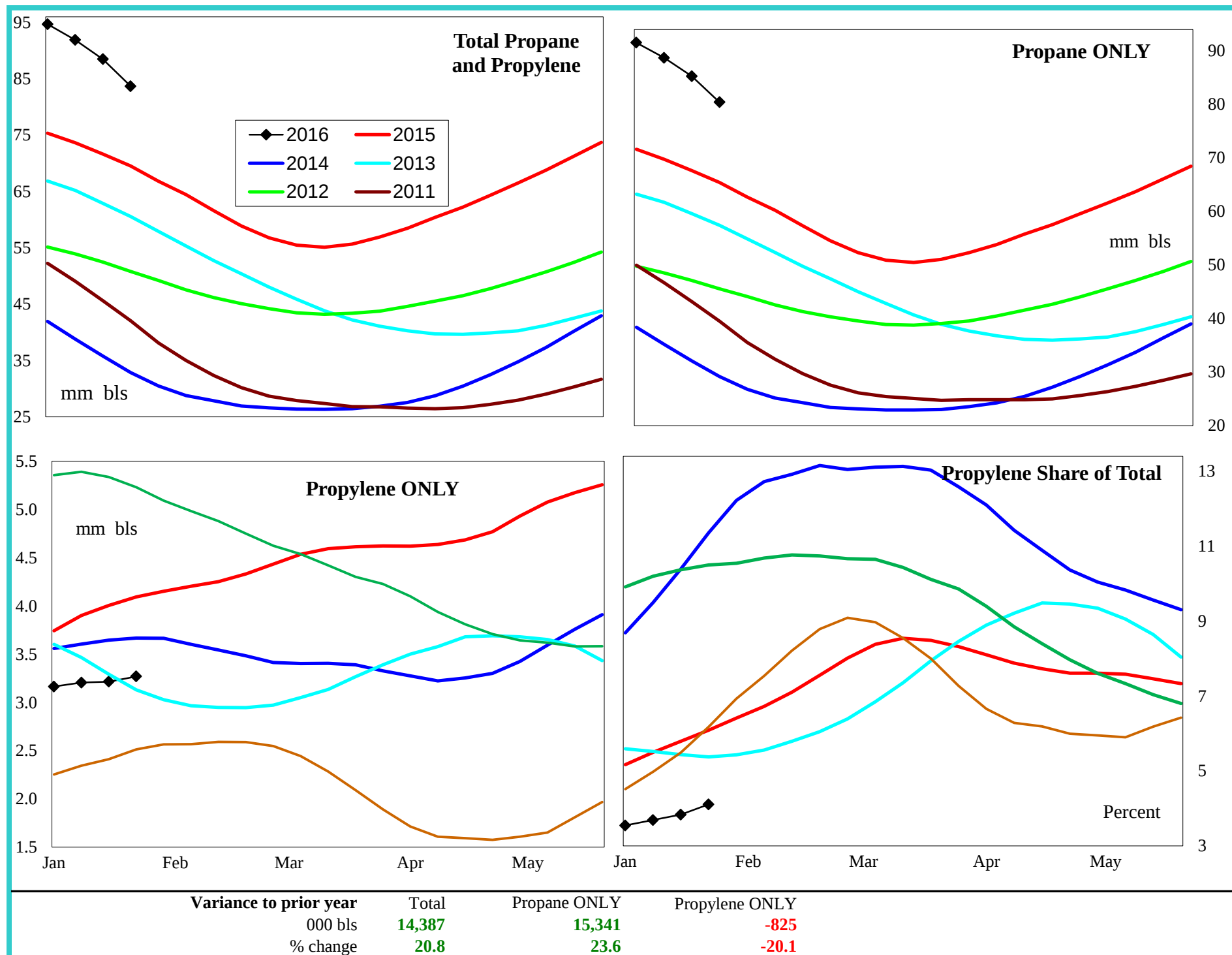
PADD 3 Propane Supply and Demand Balance



PADDs 4 and 5 Propane Supply and Demand Balance



U. S. Propane and Propylene Stocks



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

