



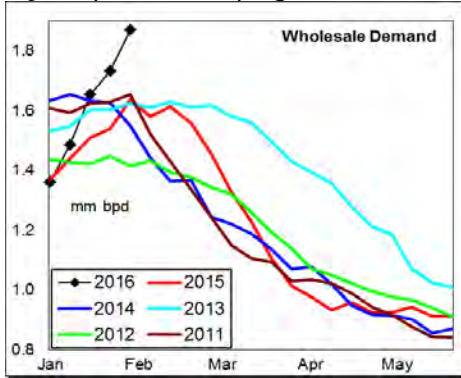
WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

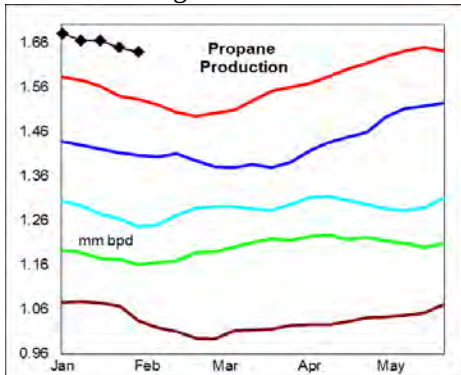
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com

Summary¹:

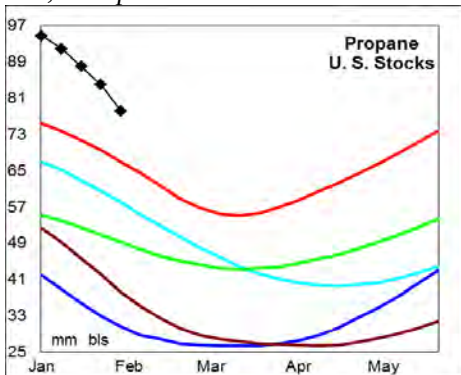
Wholesale demand decreased -0.1 million bpd last week, although the level remains sharply above the historic range. The high level is due in part to a spike in exports from the Gulf region.



Production increased +18,000 bpd on the week, with the increase concentrated in the Midwest region.



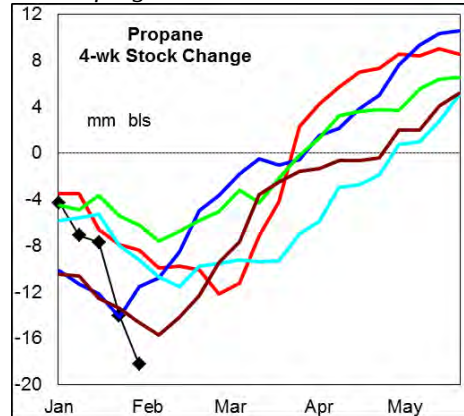
Exports for the week ending 22Jan16 were +251,000 bpd above last year, at 702,000 bpd.



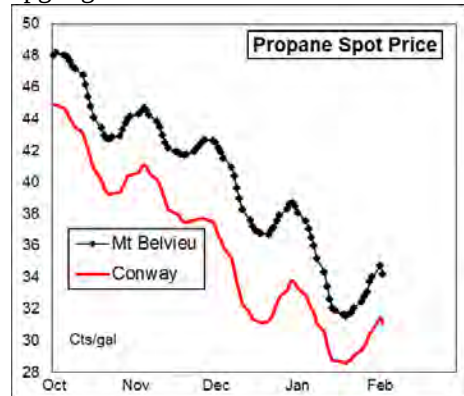
Stocks fell -5.6 million barrels last week, with significant draws in all regions. Stock levels ended the week +16%

above the prior historic high for the period.

The rate of stock draw was -18.3 million barrels during the latest 4-wk period, a record draw for this time of year –driven by a spike in exports from the Gulf region.



Price and Spreads Mt Belvieu spot price increased +2.5 cpg last week ending 02Feb16, while Conway prices were +2 cpg higher.



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

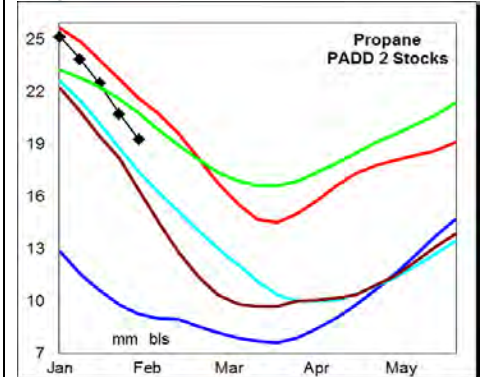
The propane to natural gas price spread trended higher last week, ending at a level below the 5-yr range.

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

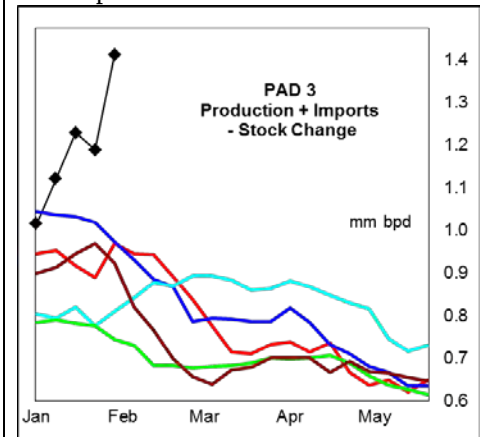
PADD 1 stocks decreased -0.6 million barrels on the week ending at a level +17% above a year ago and above the 5-yr range. Supply decreased -14,000 bpd on the week.

PADD 2 supply increased +33,000 bpd last week, driven by record production. Stocks decreased -1.3 million barrels on

the week, to a level above the 3-yr mid range.



PADD 3 stocks fell -3.1 million barrels on the week, driven by extremely high exports. Stock levels ended the week +33% above the prior 5-yr high. Supplies for the latest 4-wk period were +116,000 bpd above last year, driven by record production.



PADDs 4 & 5 stocks decreased -0.6 million barrels on the week. Cumulative season stock draws continued at a record rate, driving stock levels to -26% below a year ago.

Emerging Trends Temperatures are forecast to be below normal over the next 2-wks in the Eastern ½ of the country.

A surge in exports and peak winter demand has led to a record stock draw during the last month.

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

February 3, 2016

Fundamental Trends for the Week Ending:

Friday, January 29, 2016

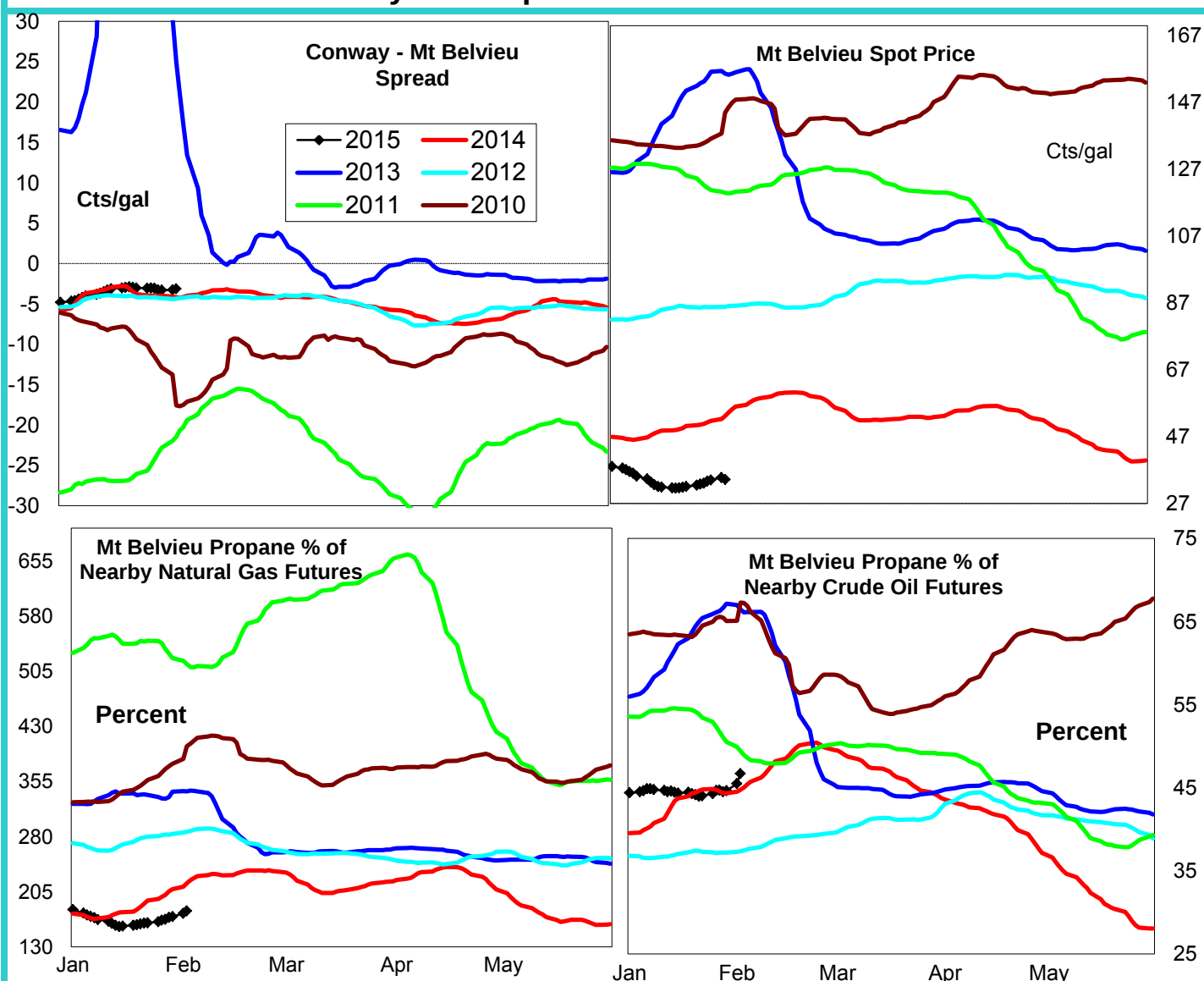
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD				U.S. Total	PADD			
		1	2	3	4&5		1	2	3	4&5
Stocks	78,086	5,002	19,280	51,733	2,071	-5,609	-585	-1,328	-3,144	-552
Propylene Stocks	3,198					-71				
Production	1,639	139	387	948	165	18	-7	32	0	-7
Imports	129	61	42	0	26	-4	-1	1	0	-4
Whsle Demand	1,867					-78				

Price Trends for the Week Ending:

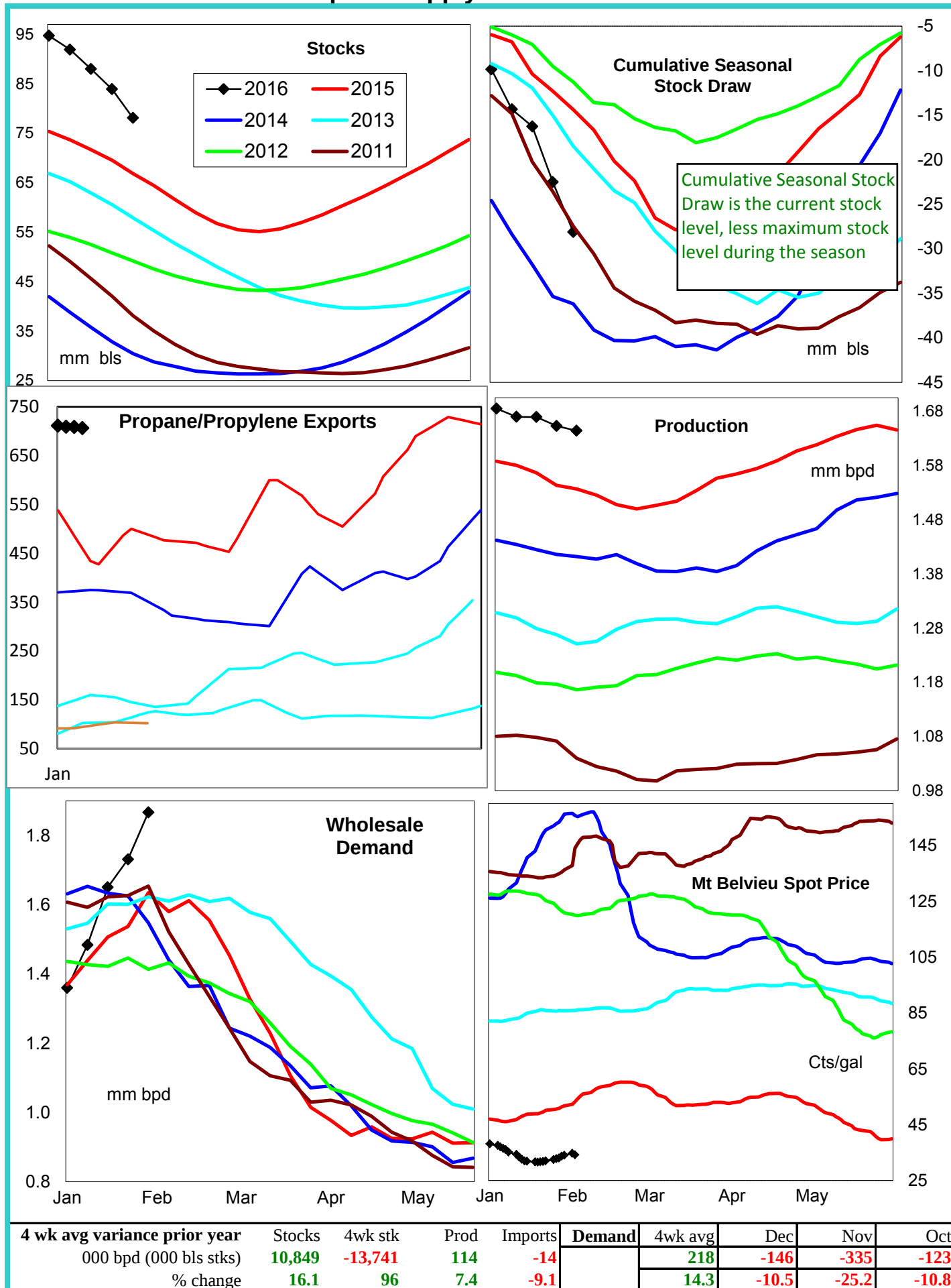
Tuesday, February 02, 2016

Cents/gal	Average for week ending:				Change from:			% change from:		
	2/2/16	1/26/16	1/5/16	2/4/15	1/26/16	1/5/16	2/4/15	1/26/16	1/5/16	2/4/15
Mont Belvieu Spot	34.5	31.6	39.2	51.9	2.90	-7.60	-12.65	9.2	-19.4	-24.4
Conway Spot	31.2	28.8	34.4	47.2	2.40	-5.60	-12.78	8.3	-16.3	-27.1

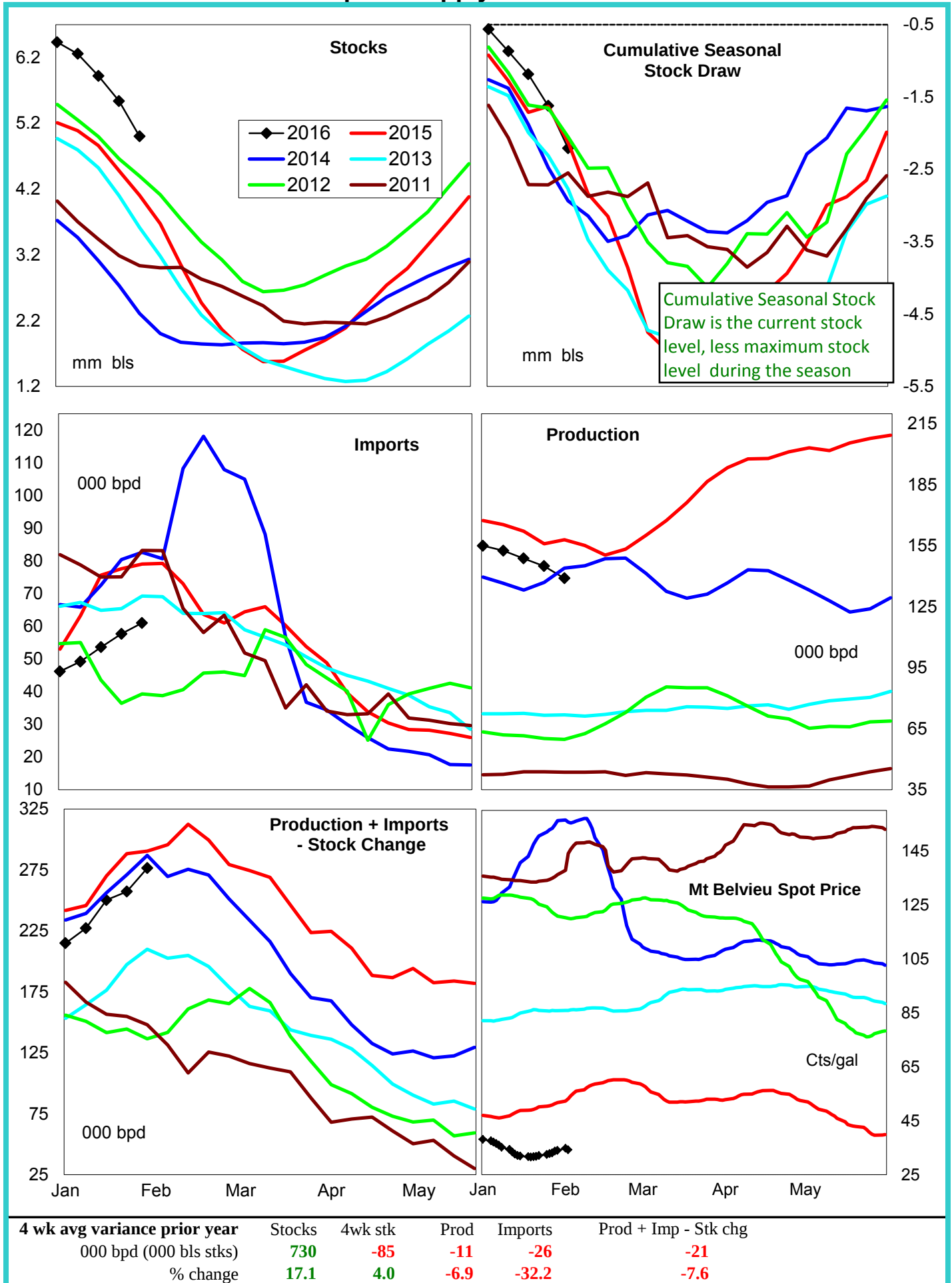
Key Price Spreads and Differentials



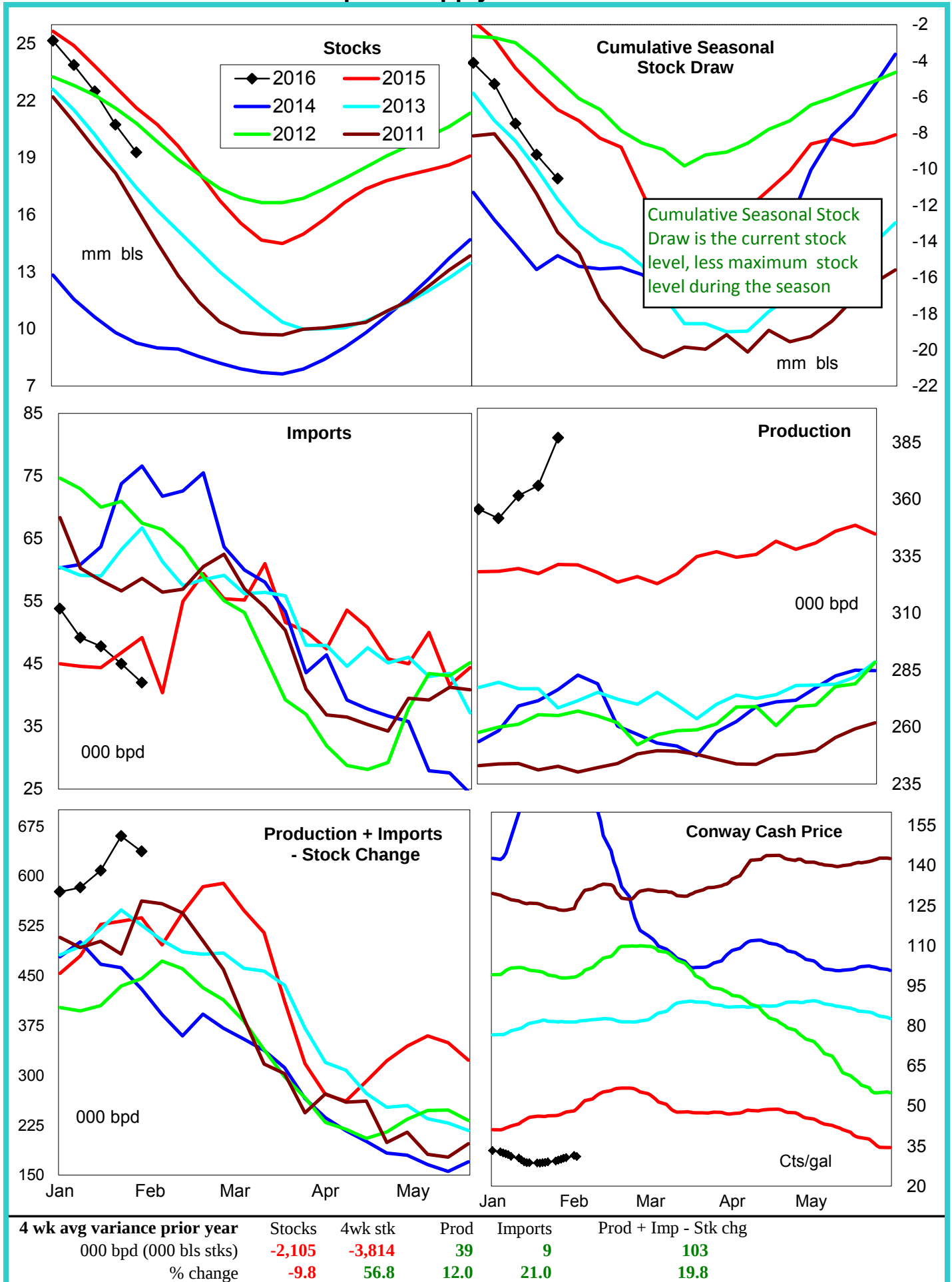
U. S. Propane Supply and Demand Balance



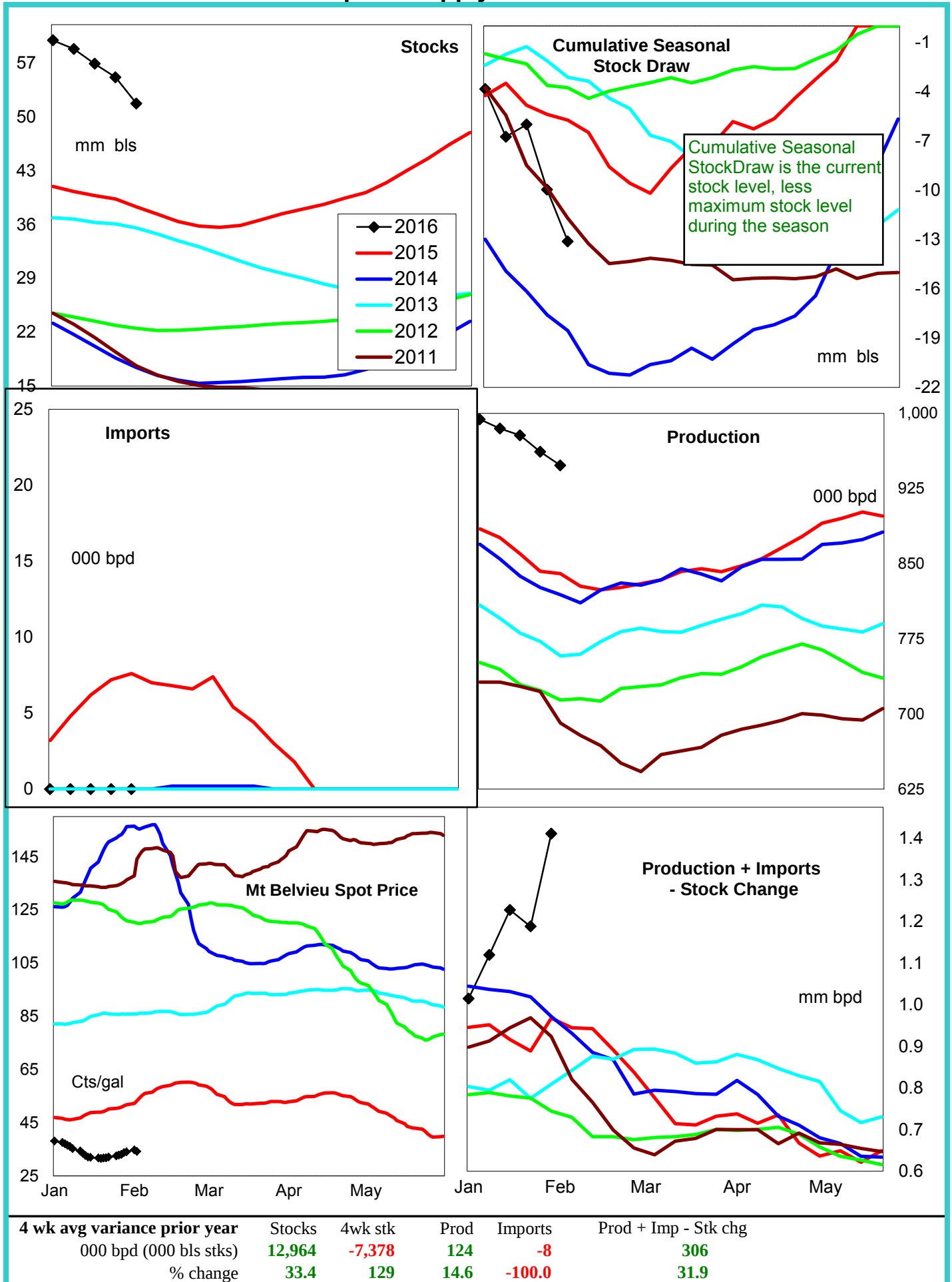
PADD 1 Propane Supply and Demand Balance



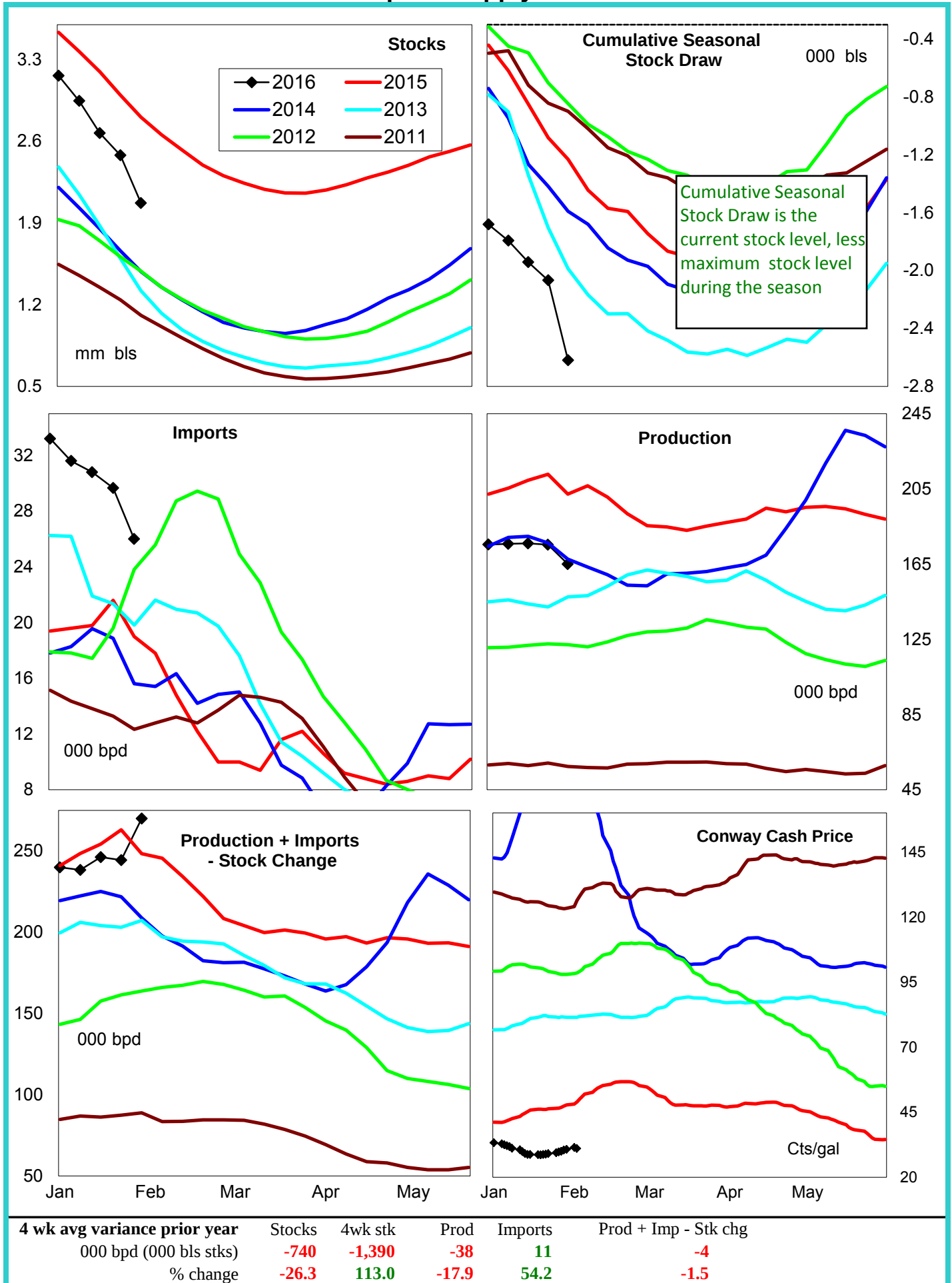
PADD 2 Propane Supply and Demand Balance



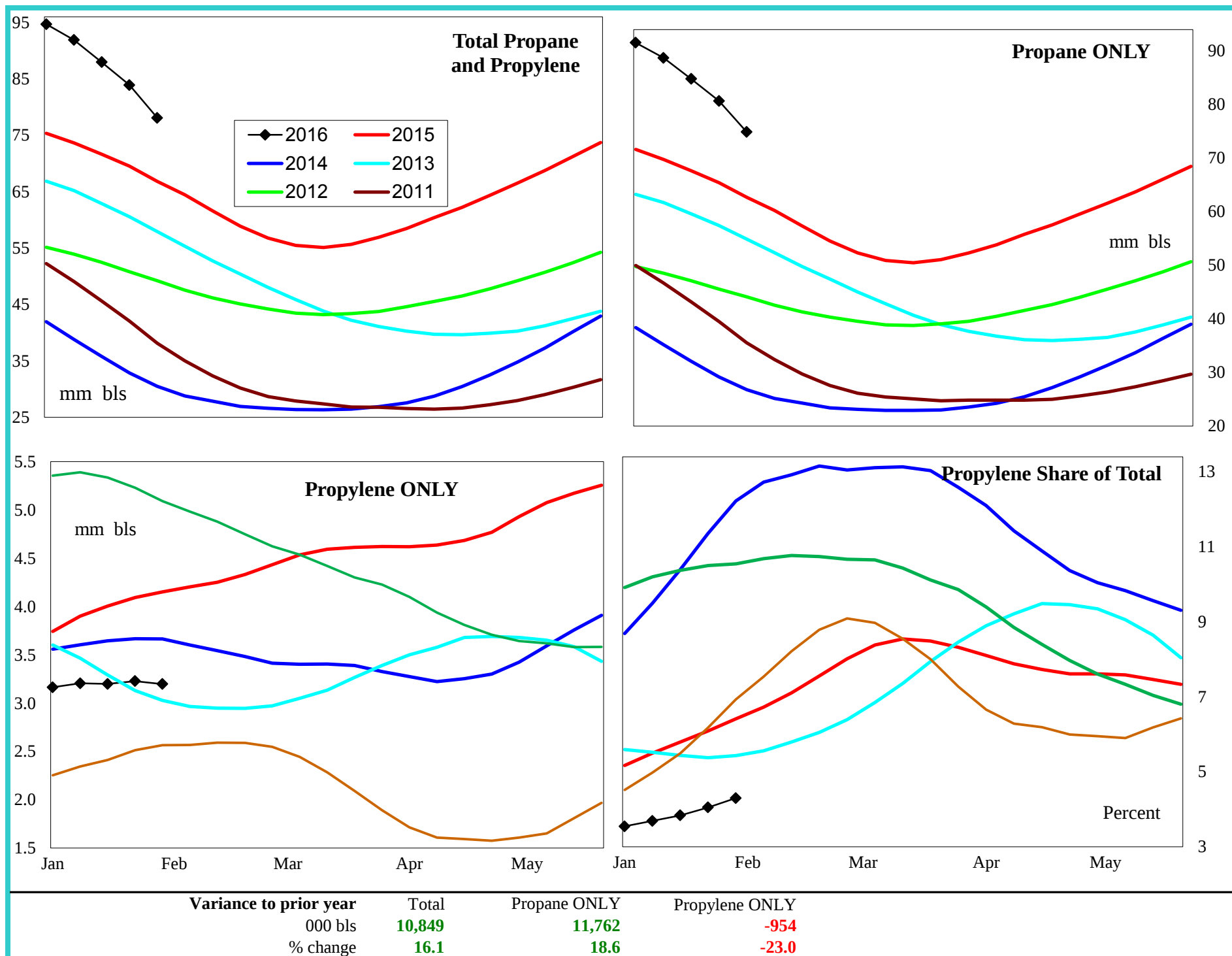
PADD 3 Propane Supply and Demand Balance



PADDs 4 and 5 Propane Supply and Demand Balance



U. S. Propane and Propylene Stocks



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

