



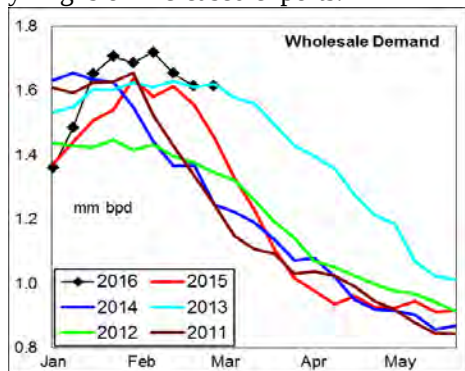
WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

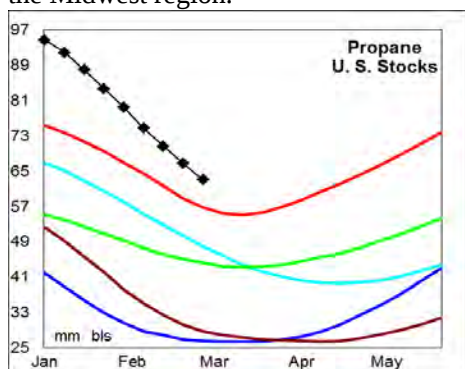
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Summary¹:

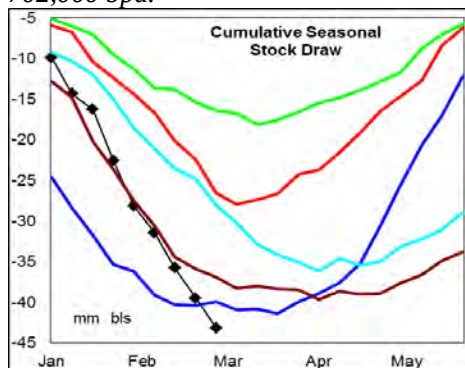
Wholesale demand increased +67,000 bpd last week to a level that matched 5-yr highs on increased exports.



Imports decreased -12,000 bpd on the week, with the decline concentrated in the Midwest region.

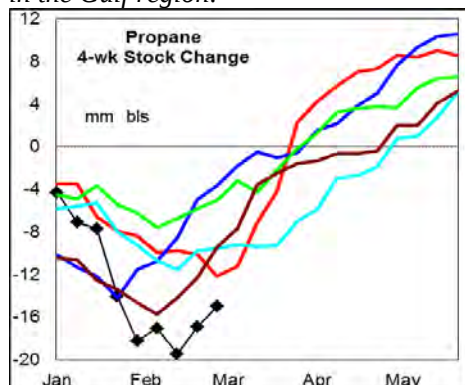


Exports for the week ending 22Jan16 were +251,000 bpd above last year, at 702,000 bpd.



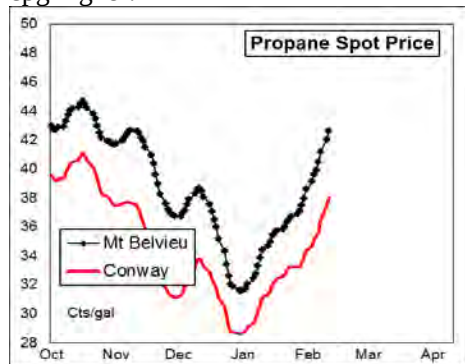
Stocks fell -3.7 million barrels last week, including a -2.3 million barrel draw in the Gulf region. The cumulative seasonal stock draw of -43 million barrels was a record draw for the winter season.

The rate of stock draw was -15 million barrels during the latest 4-wk period, a record draw for this time of year – driven by sharply higher exports in the Gulf region.



Stock levels ended the week +15% above the prior historic high for the period.

Price and Spreads Mt Belvieu spot price increased +4 cpg last week ending 01Mar16, while Conway prices were +5 cpg higher.



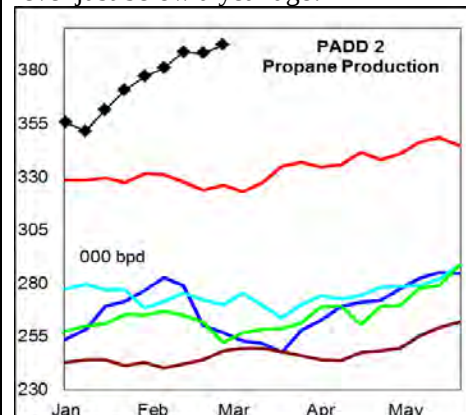
The Conway – Mt Belvieu price spread trended lower last week, ending at a level comparable with the 3-yr mid range.

The propane to natural gas price spread trended higher last week, ending at a level above the last 3-yr on a collapse in natural gas prices.

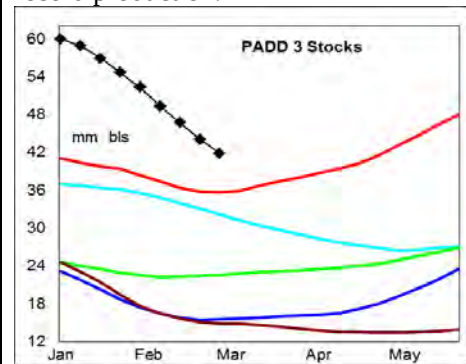
The propane / crude oil price spread traded sideways on the week, ending at a level above the last 3-yr for the period. **PADD 1** stocks decreased -0.4 million barrels on the week ending at a level +2X times a year ago and above the 5-yr range. Supply increased +3,000 bpd on the week.

PADD 2 supply increased +2,000 bpd last week. Production rates continue at a

record high, +66,000 bpd above last year for the week (+20%). Stocks decreased -0.6 million barrels on the week, to a level just below a year ago.



PAD 3 stocks decreased -2.3 million barrels on the week, driven by very high exports. Stock levels ended the week +22% above the prior 5-yr high. Supplies for the latest 4-wk period were +81,000 bpd above last year, driven by record production.



PADDs 4 & 5 stocks fell -0.4 million barrels on the week. Cumulative season stock draws continued at a record rate, driving stock levels to -27% below a year ago.

Emerging Trends Temperatures are forecast to be much above normal over the next 2-wks in the eastern 2/3rds of the country.

Record cumulative stock draws in the West and Gulf regions are driven by colder than normal temperatures in the West and record exports in the Gulf. f

Low price levels that limit imports and record exports may support prices at end of the heating season, when prices frequently pull back in the face of high carry out stocks and record production.

¹ Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

March 2, 2016

Fundamental Trends for the Week Ending:

Friday, February 26, 2016

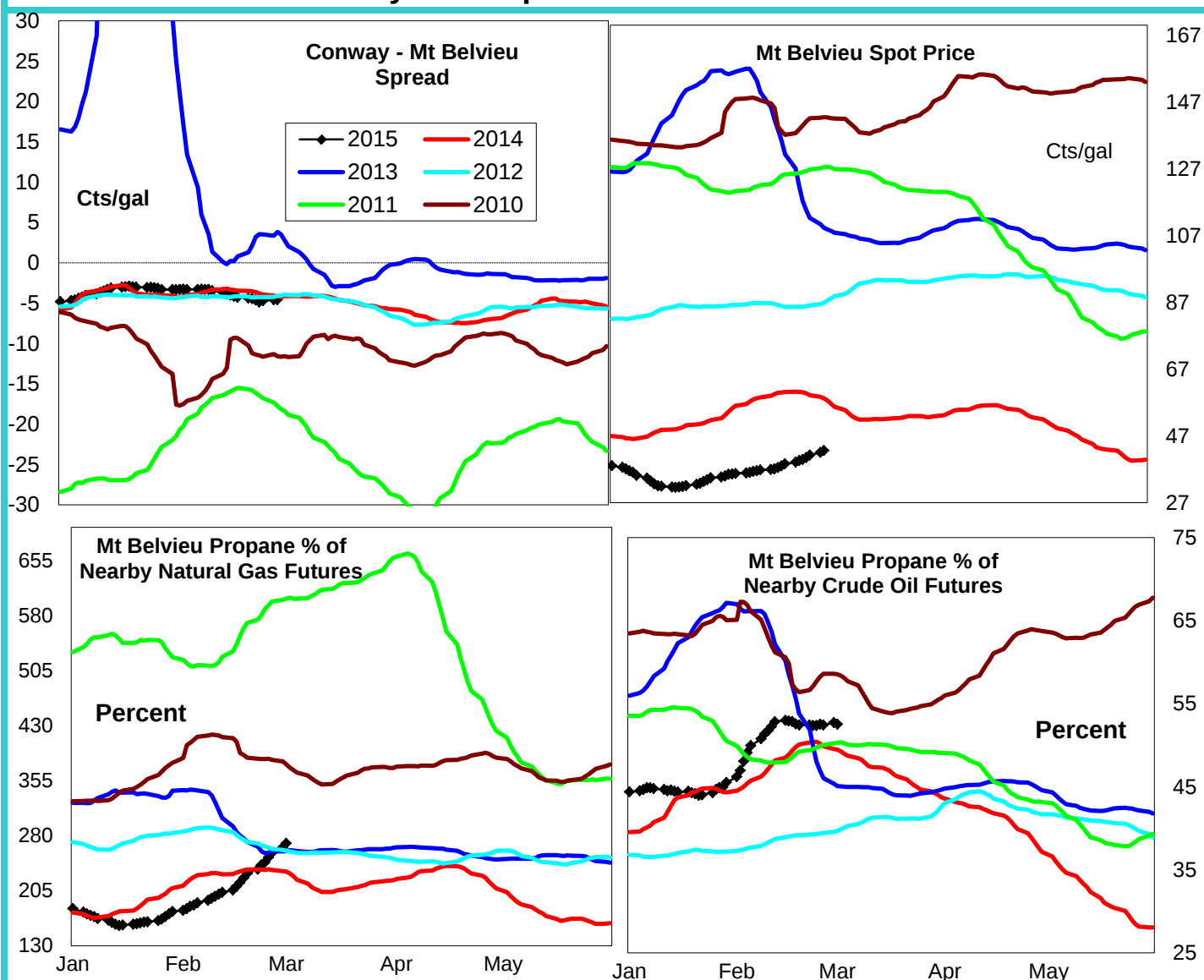
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD				U.S. Total	PADD			
		1	2	3	4&5		1	2	3	4&5
Stocks	63,065	3,275	16,321	41,781	1,688	-3,675	-435	-559	-2,270	-411
Propylene Stocks	2,891					-236				
Production	1,590	134	392	893	171	15	1	16	0	-2
Imports	130	66	48	0	16	-12	2	-14	0	0
Whsle Demand	1,613					67				

Price Trends for the Week Ending:

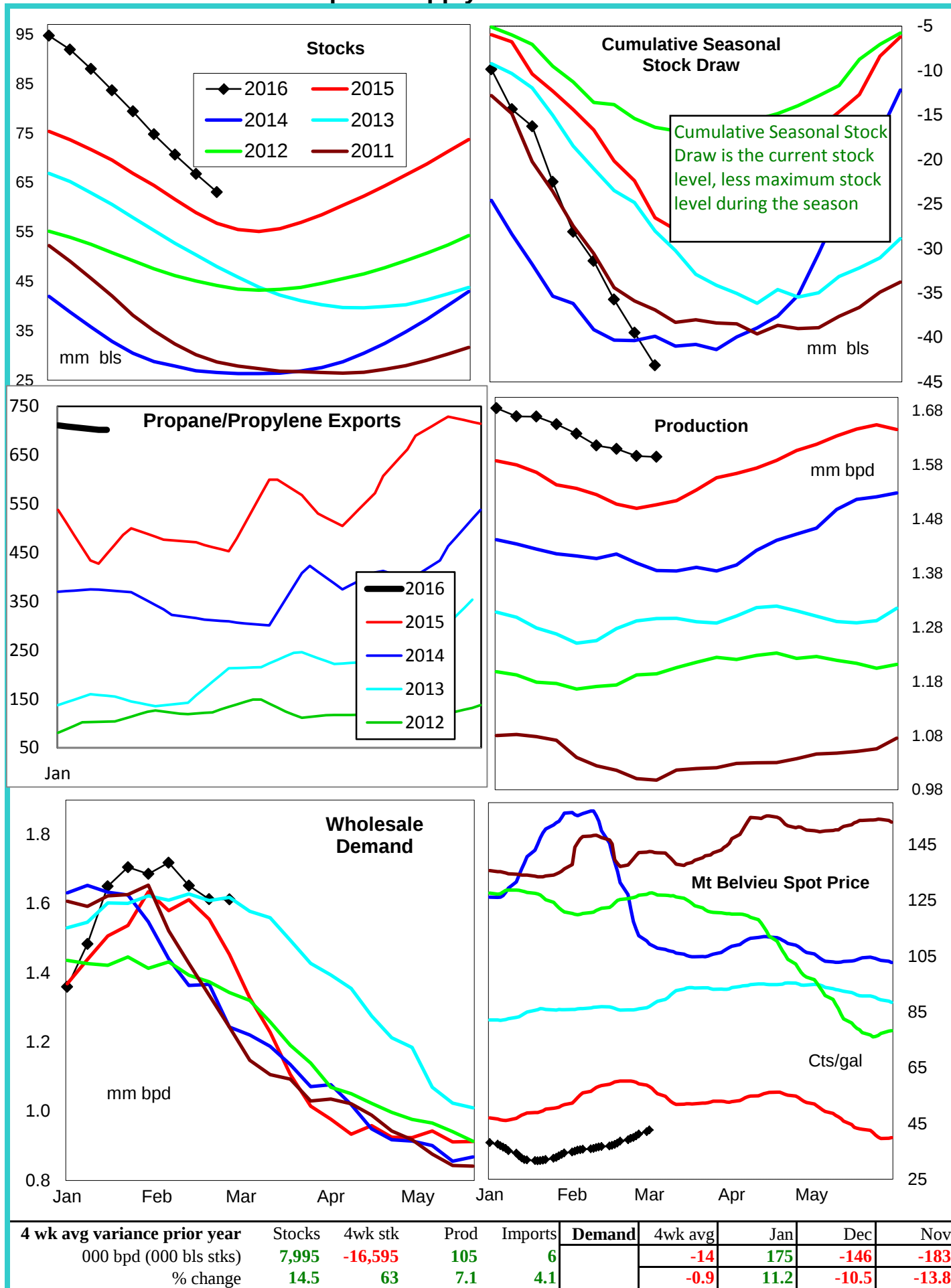
Tuesday, March 01, 2016

Cents/gal	Average for week ending:				Change from:			% change from:		
	3/1/16	2/23/16	2/2/16	3/4/15	2/23/16	2/2/16	3/4/15	2/23/16	2/2/16	3/4/15
Mont Belvieu Spot	41.7	38.3	34.5	60.9	3.43	3.73	-26.38	9.0	10.8	-43.3
Conway Spot	37.0	33.7	31.2	56.6	3.28	2.53	-25.40	9.7	8.1	-44.9

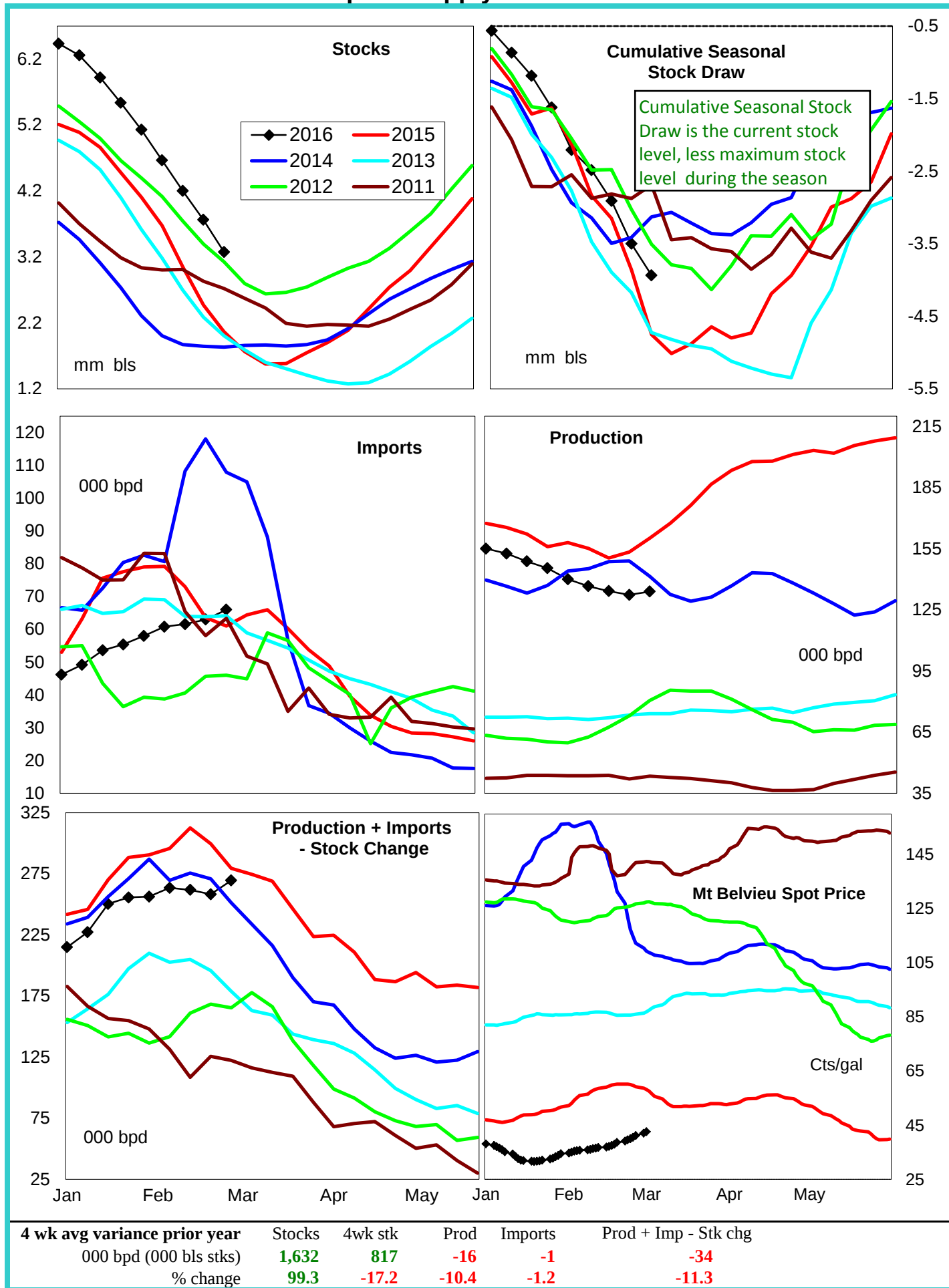
Key Price Spreads and Differentials



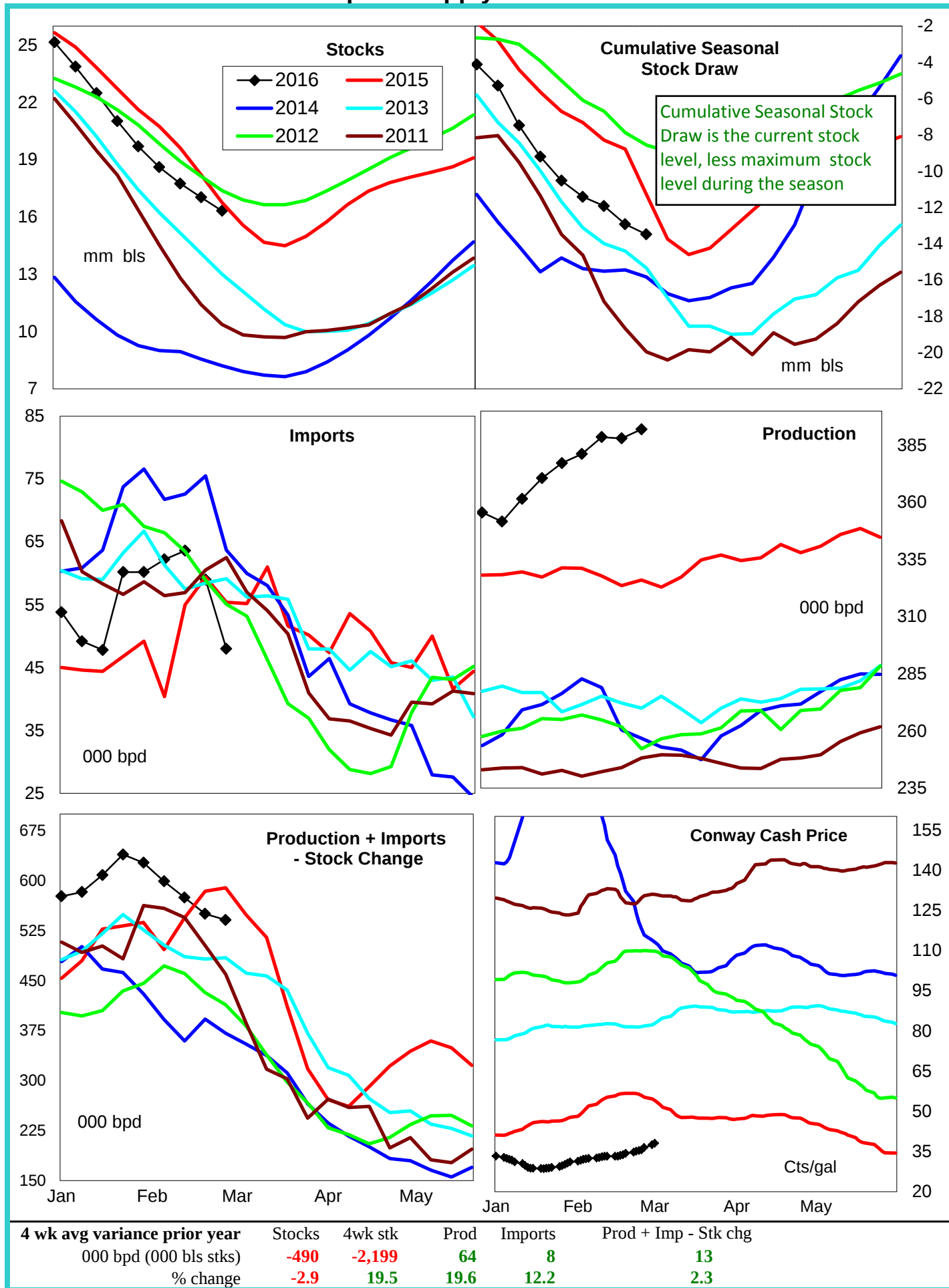
U. S. Propane Supply and Demand Balance



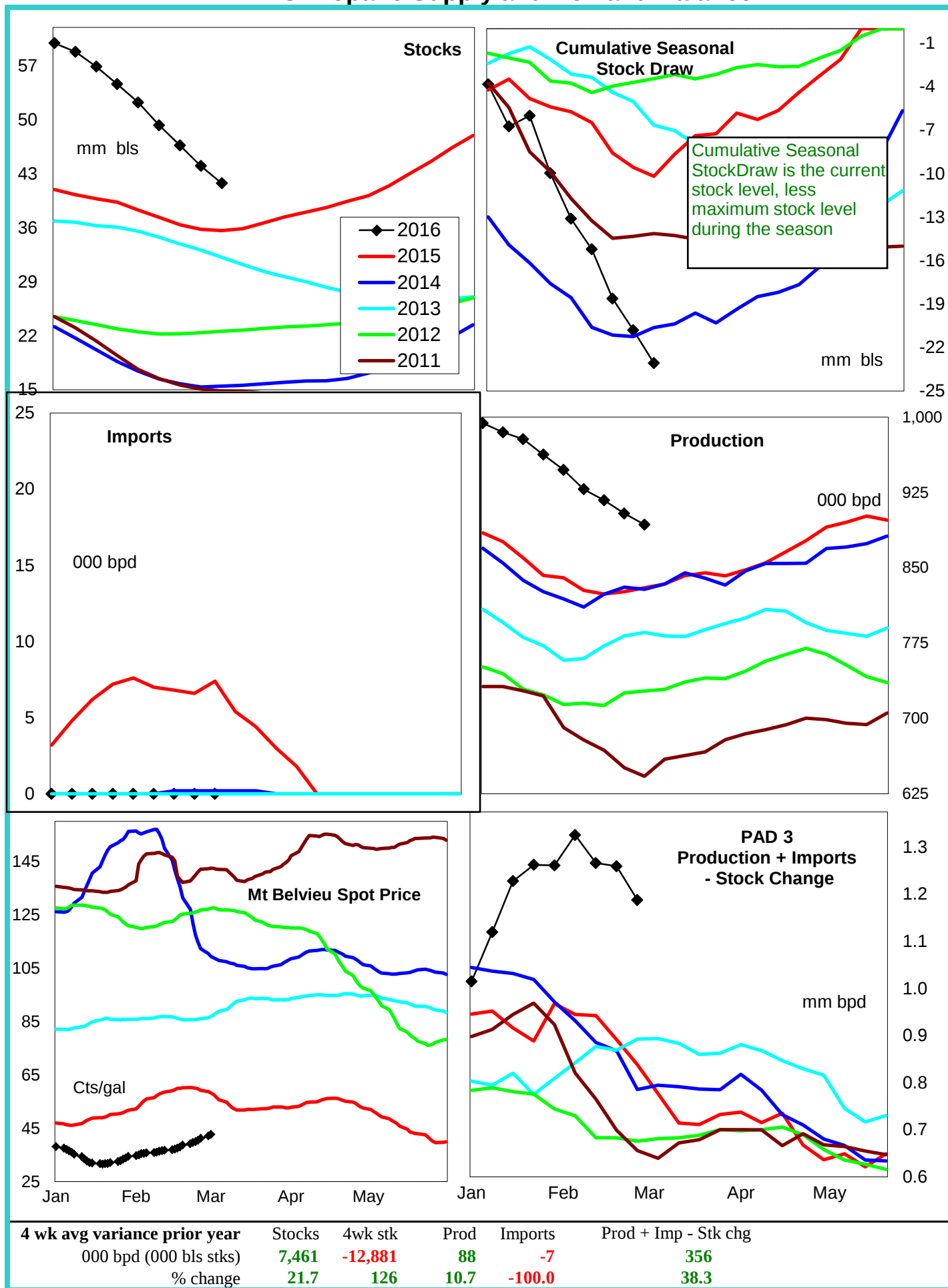
PADD 1 Propane Supply and Demand Balance



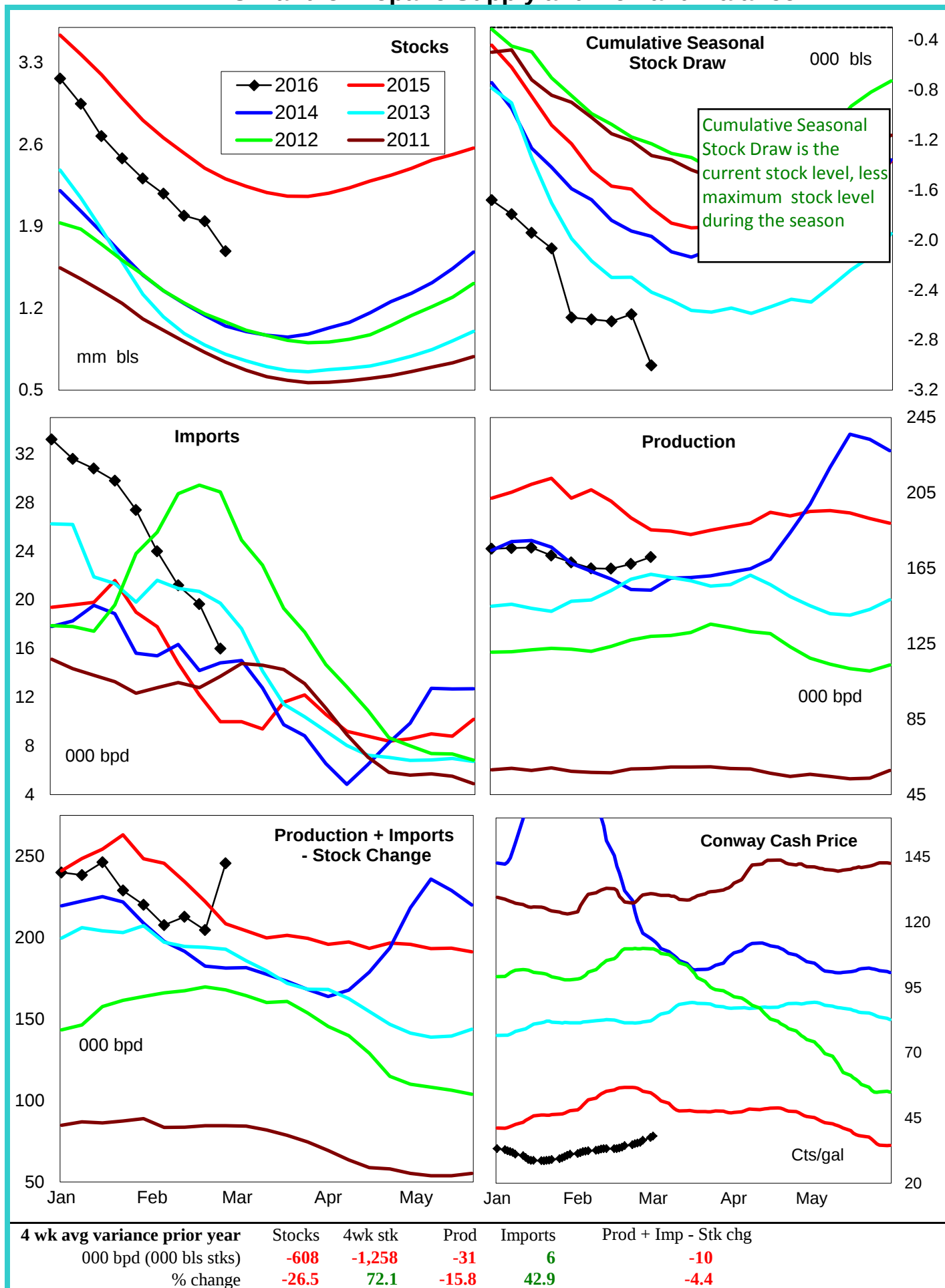
PADD 2 Propane Supply and Demand Balance



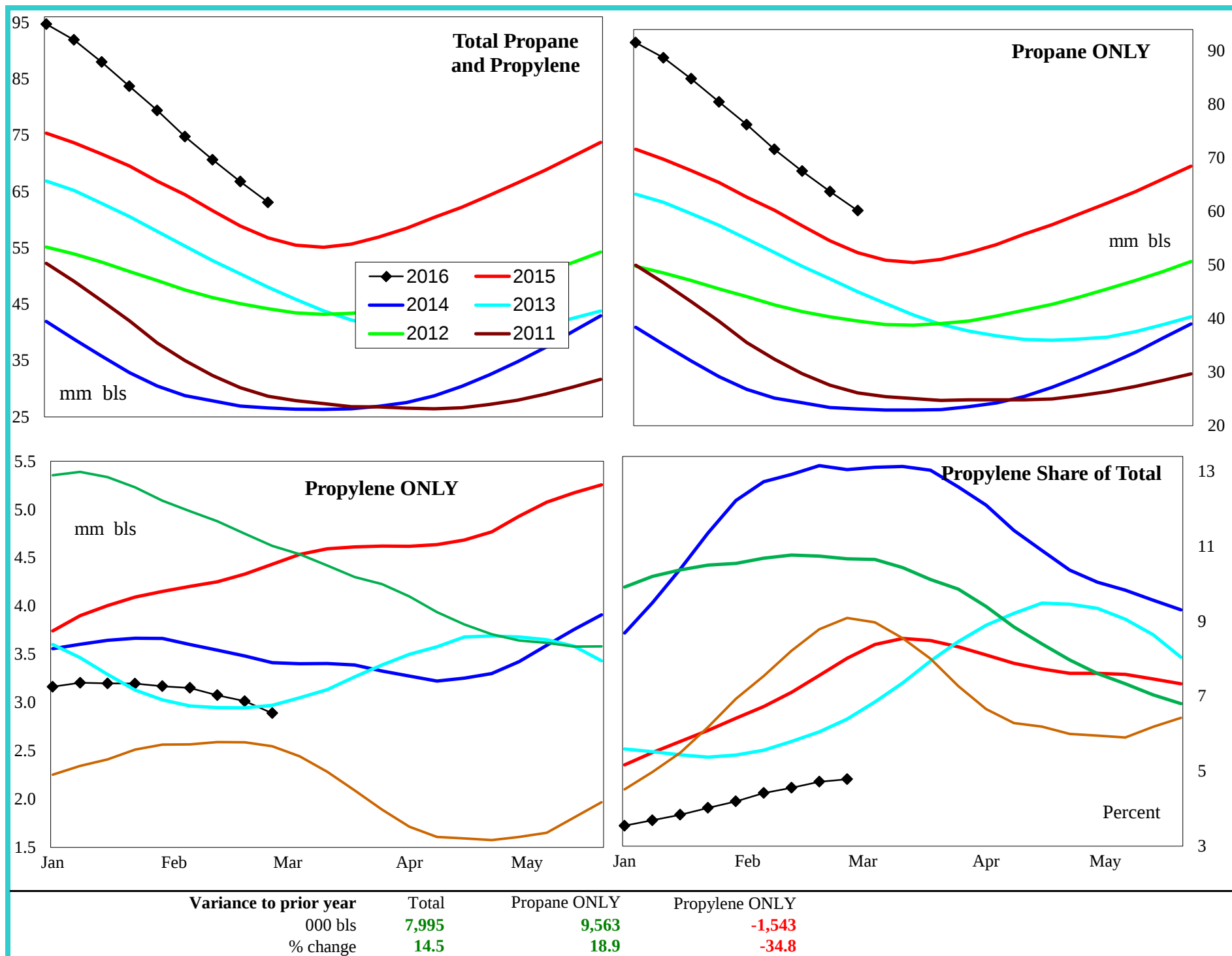
PADD 3 Propane Supply and Demand Balance



PADDs 4 and 5 Propane Supply and Demand Balance



U. S. Propane and Propylene Stocks



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

