



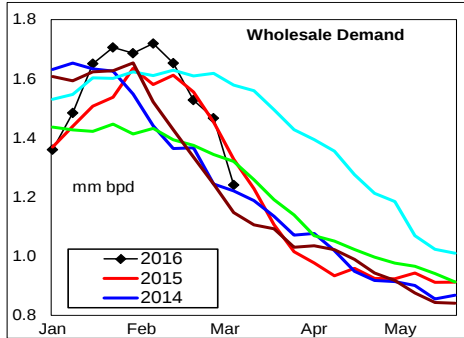
WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

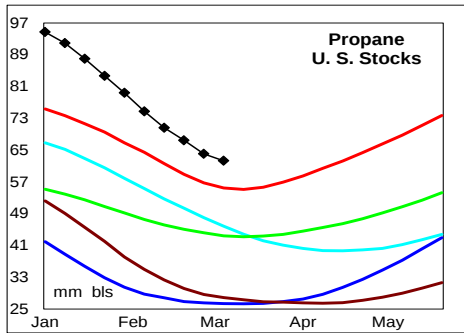
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com

Summary¹:

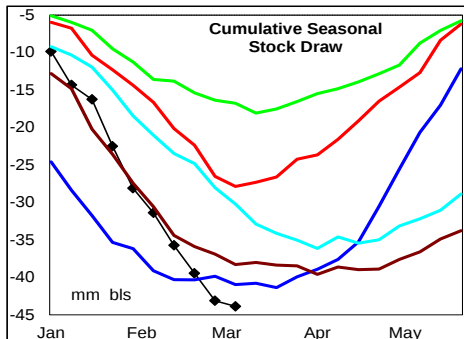
Wholesale demand fell -372,000 bpd last week on lower seasonal demand.



Production climbed +64,000 bpd on the week, with the Midwest reaching a new record high.

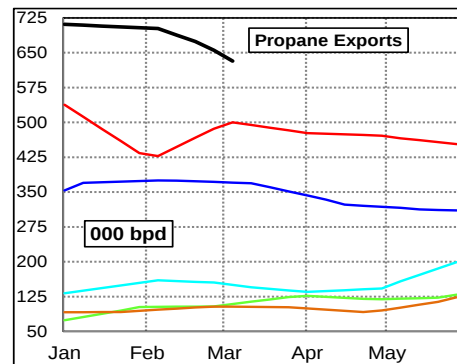


Stocks decreased -0.7 million barrels on the week, including a -1.2 million barrel draw in the midwest.

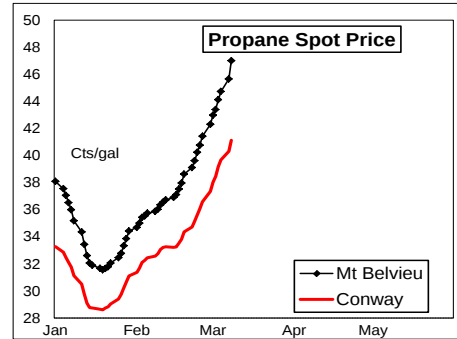


The cumulative seasonal stock draw of -44 million barrels was a record, driven by the rise in exports. Stock levels ended the week +8.6 million barrels above a year ago, and a 5-yr high for the period.

Exports for the week ending 26Feb were +191,000 bpd above last year, at 632,000 bpd.



Price and Spreads Mt Belvieu spot price increased +3.75 cpg last week ending 08Mar16, while Conway prices were +2.5 cpg higher.



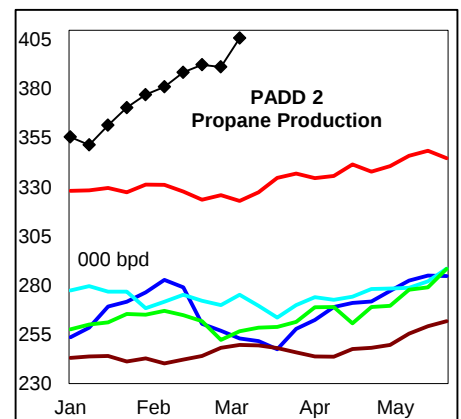
The Conway - Mt Belvieu price spread trended lower last week, ending at a level below each of the last 3-yr; driven by increased exports.

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.

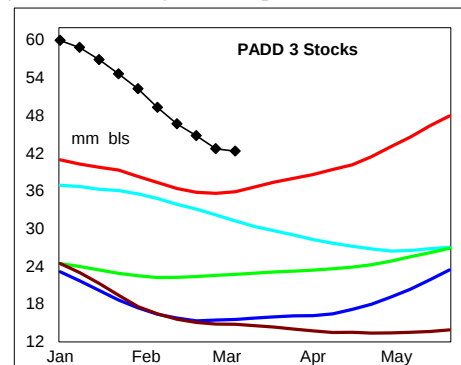
The propane / crude oil price spread traded sideways on the week, ending at a level above the last 3-yr for the period.

PADD 1 stocks decreased -0.3 million barrels on the week ending at a level +2.2X times a year ago and above the 5-yr range. Supply decreased -13,000 bpd on the week.

PADD 2 supply increased +10,000 bpd last week. Production increased to a new record high, +83,000 bpd, +26% above a year ago. Stocks decreased -1.2 million barrels on the week, to a level comparable with last year and near prior year highs.



PAD 3 stocks increased +0.6 million barrels on the week. Stock levels ended the week +18% above the prior 5-yr high. Supplies for the latest 4-wk period were +79,000 bpd above last year, driven by record production.



PADDs 4 & 5 stocks increased +0.1 million barrels on the week. Stock levels ended the week -16% below last year, although above four of the last 5-yr.

Emerging Trends Temperatures are forecast to be significantly 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.

Robust exports and an uptrend in global energy prices should support end of season wholesale propane prices. The propane market remains over supplied with record carry out stocks and production levels.

¹ Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

March 9, 2016

Fundamental Trends for the Week Ending:

Friday, March 04, 2016

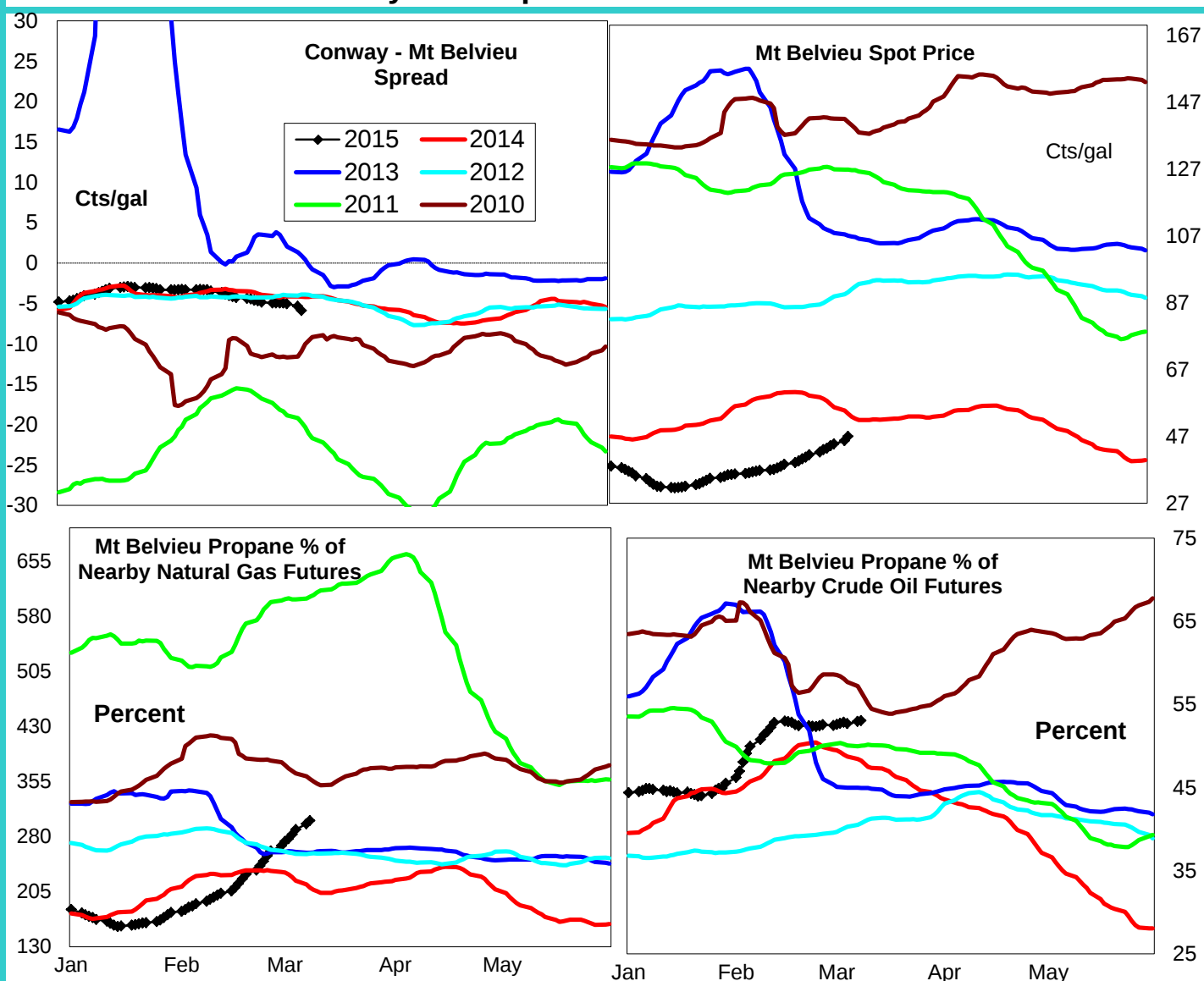
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD				U.S. Total	PADD			
		1	2	3	4&5		1	2	3	4&5
Stocks	62,320	2,994	15,154	42,350	1,822	-745	-281	-1,167	569	134
Propylene Stocks	2,825					-66				
Production	1,654	132	406	943	173	64	-2	14	50	2
Imports	113	55	44	0	14	-17	-11	-4	0	-2
Whsle Demand	1,241					-372				

Price Trends for the Week Ending:

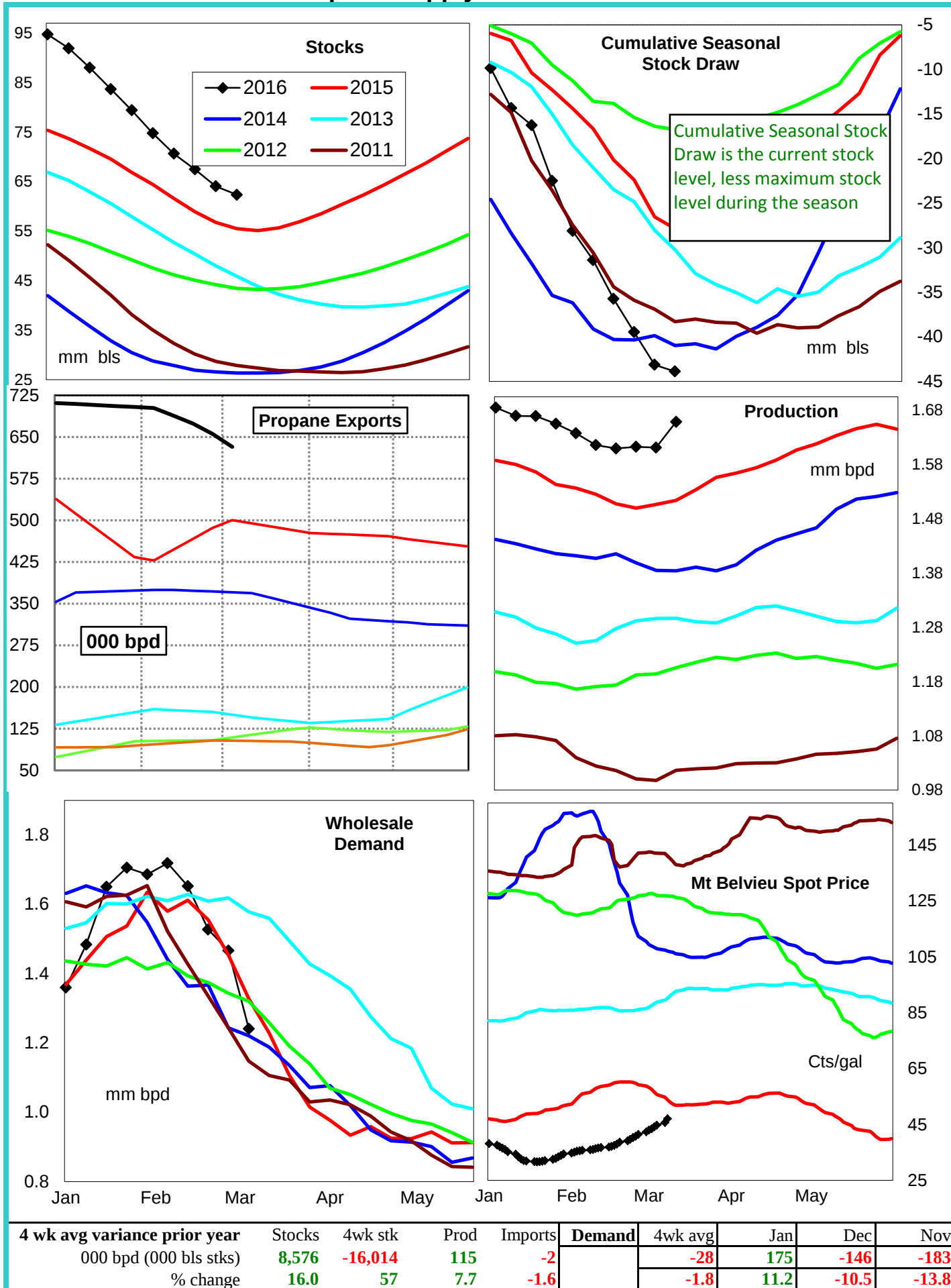
Tuesday, March 08, 2016

Cents/gal	Average for week ending:				Change from:			% change from:		
	3/8/16	3/1/16	2/9/16	3/11/15	3/1/16	2/9/16	3/11/15	3/1/16	2/9/16	3/11/15
Mont Belvieu Spot	45.1	41.7	36.2	55.2	3.45	5.47	-18.98	8.3	15.1	-34.4
Conway Spot	39.9	37.0	32.9	51.0	2.93	4.15	-18.10	7.9	12.6	-35.5

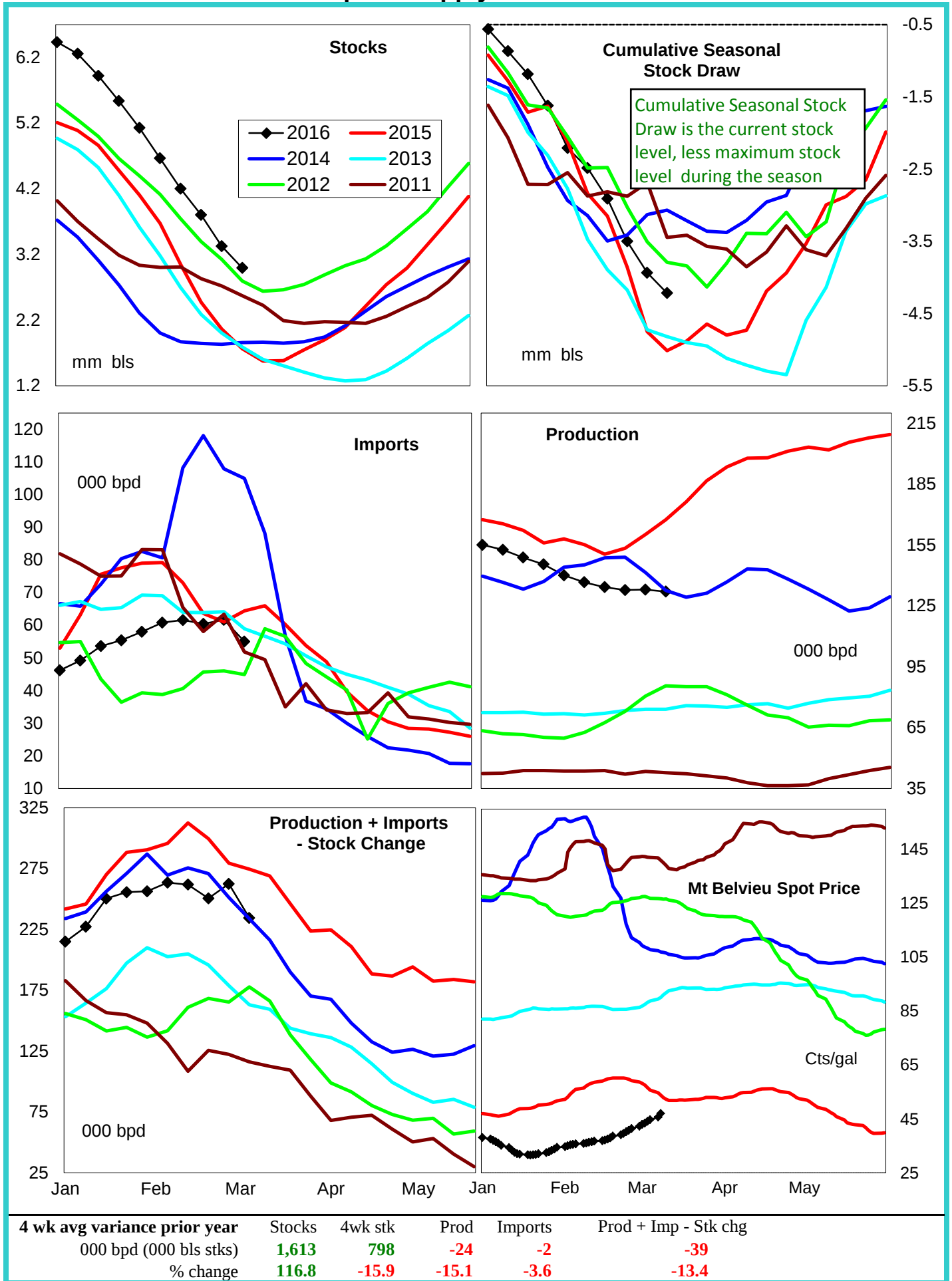
Key Price Spreads and Differentials



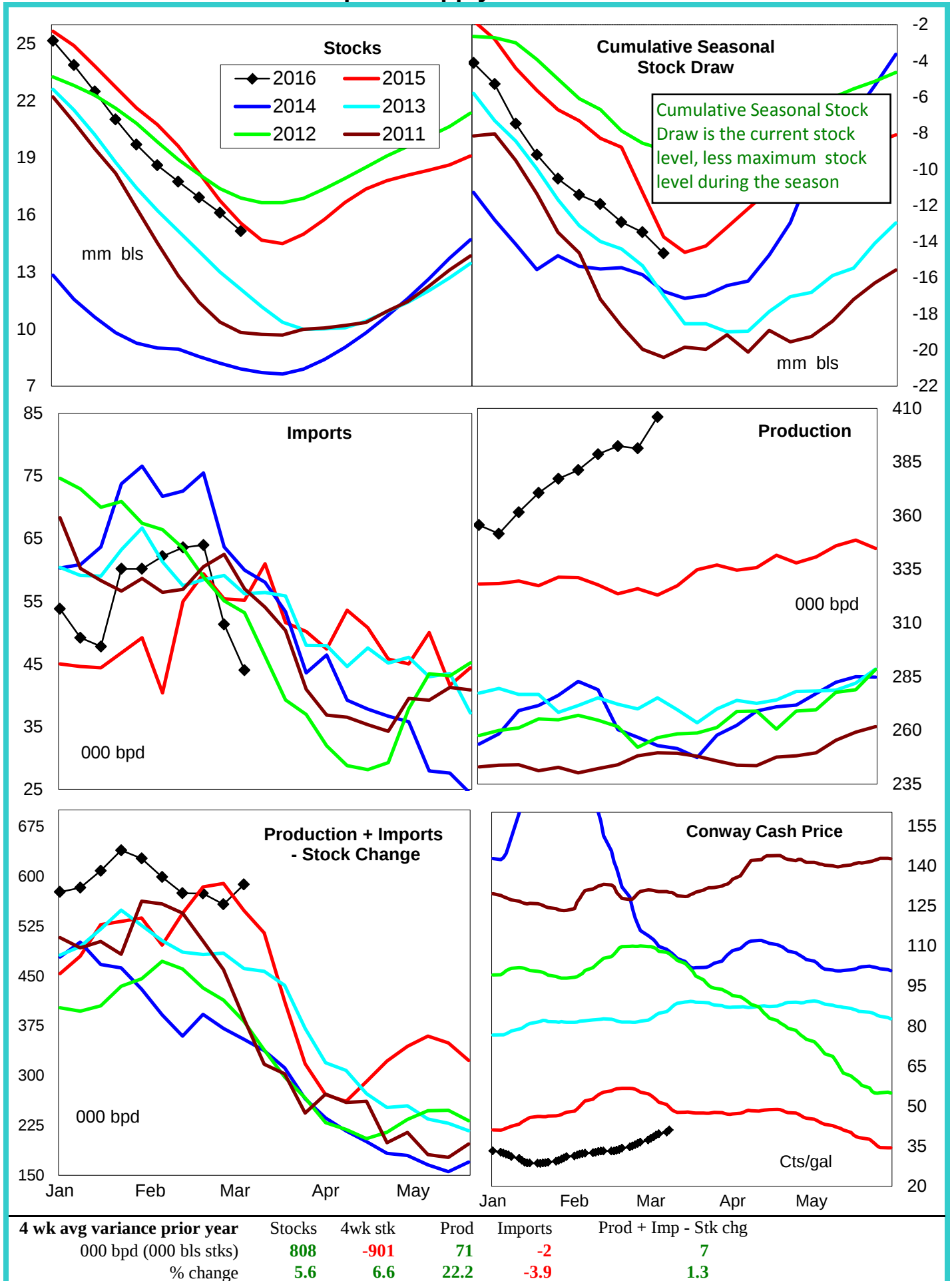
U. S. Propane Supply and Demand Balance



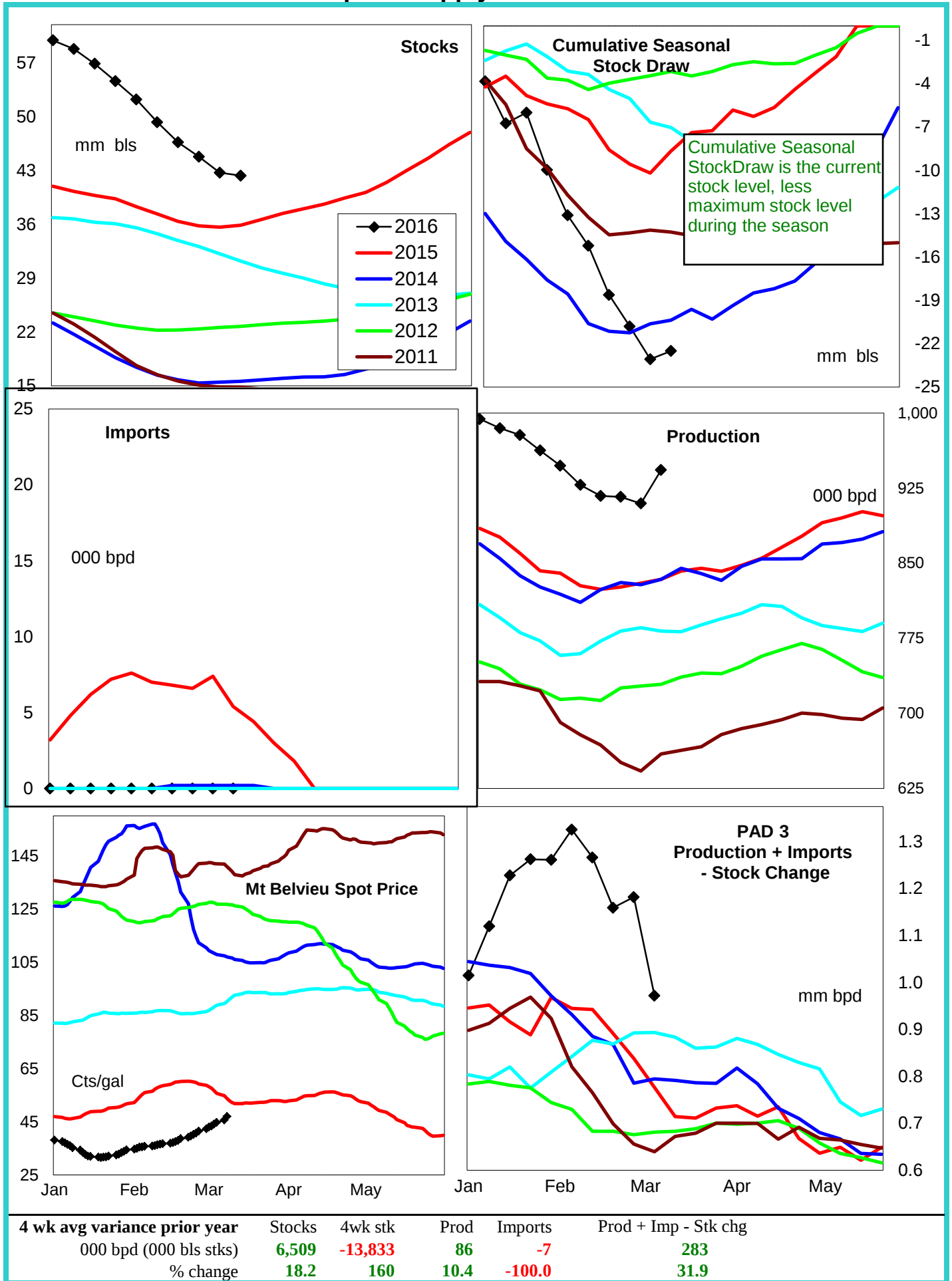
PADD 1 Propane Supply and Demand Balance



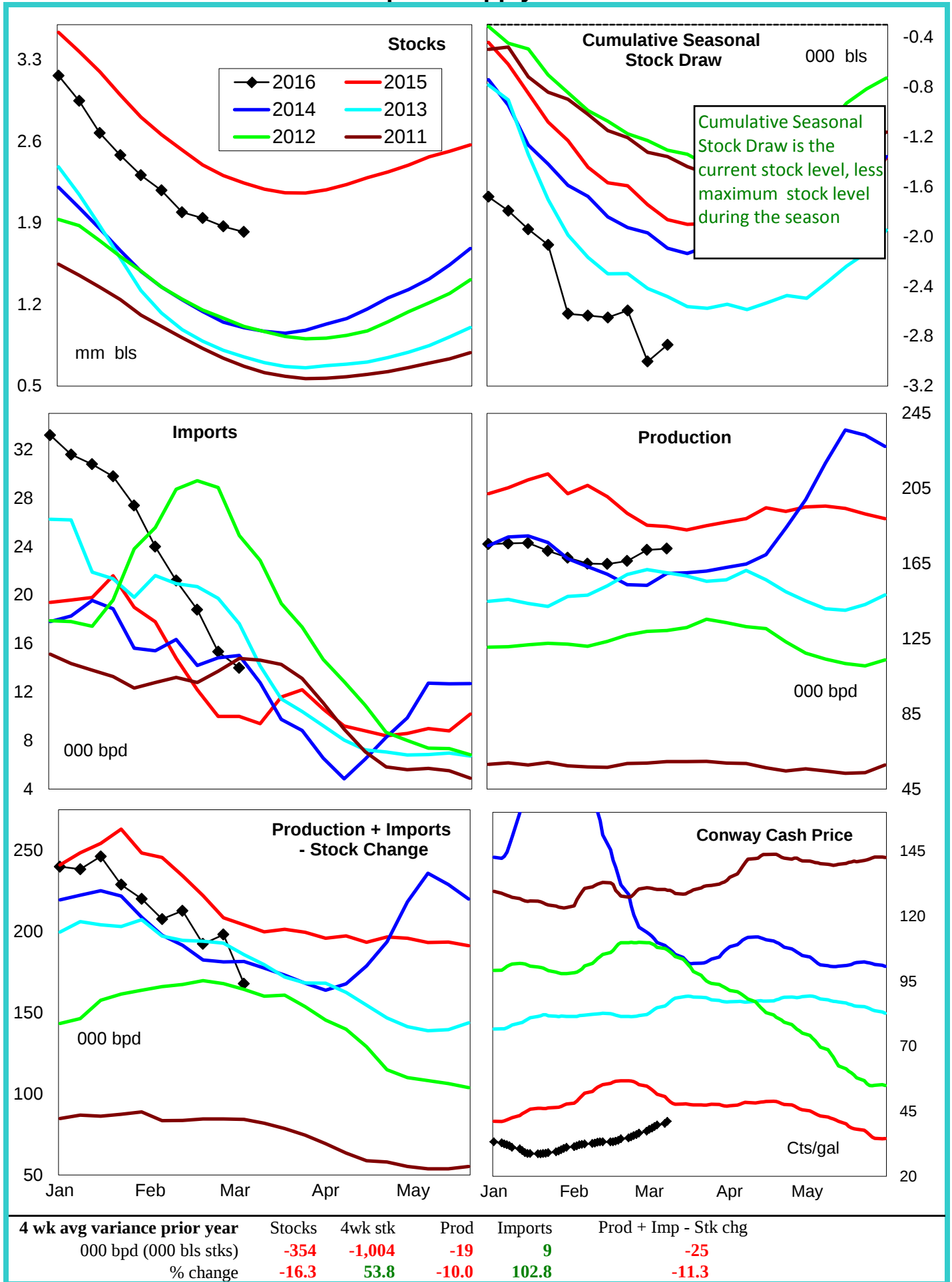
PADD 2 Propane Supply and Demand Balance



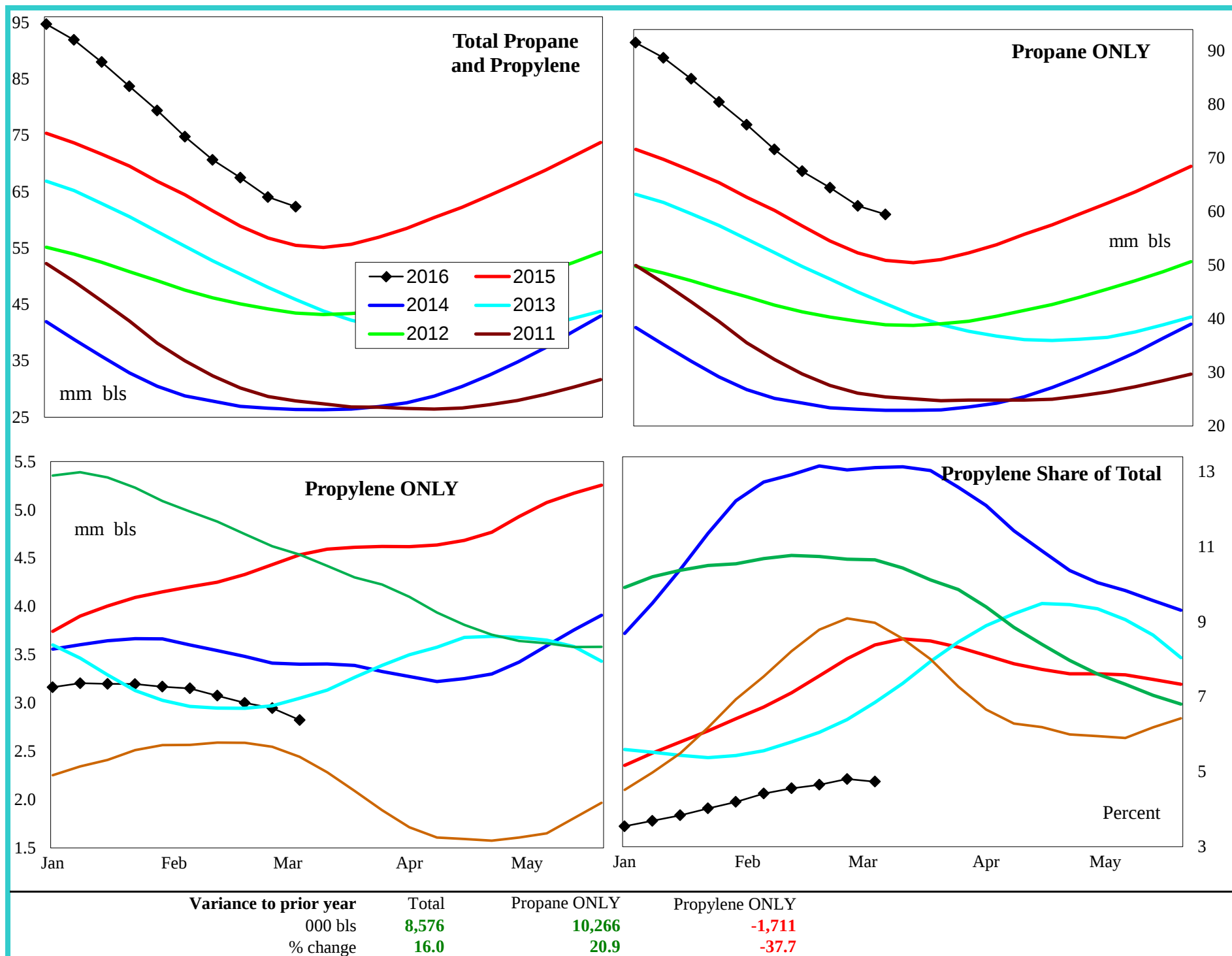
PADD 3 Propane Supply and Demand Balance



PADDs 4 and 5 Propane Supply and Demand Balance



U. S. Propane and Propylene Stocks



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

