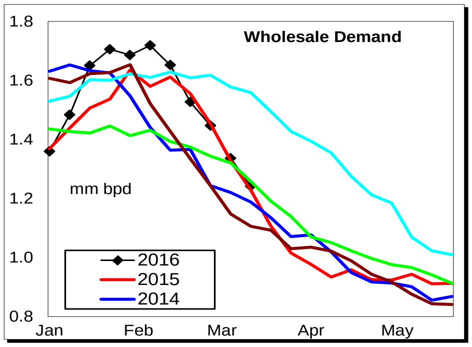
WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

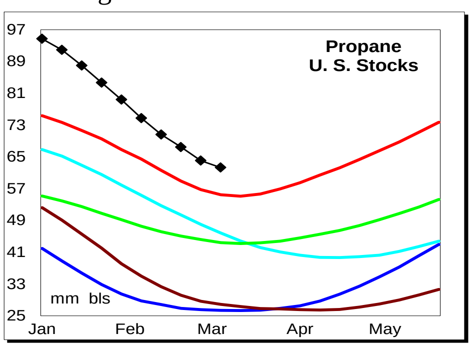
A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com

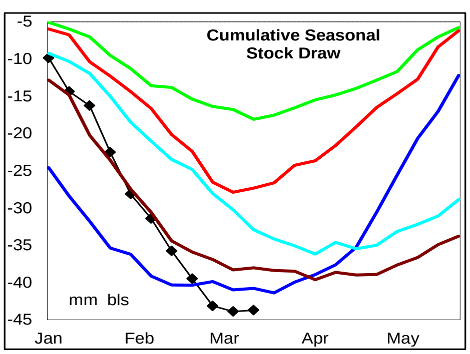
Summary[1]:
Wholesale demand decreased -86,000 bpd last week on lower seasonal demand.



Production climbed +28,000 bpd on the week, with the Midwest reaching a new record high.

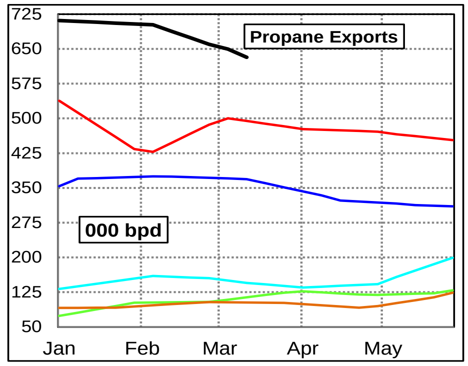


Stocks increased +0.2 million barrels on the week, including a +0.5 million barrel build in the Gulf.

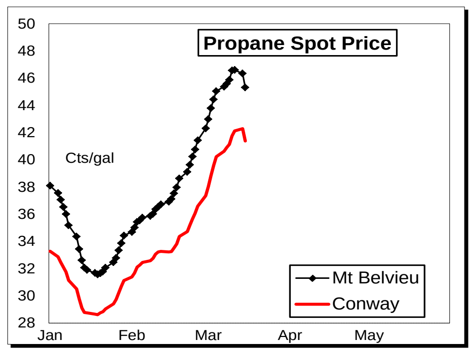


The cumulative seasonal stock draw of -44 million barrels was a record, driven by the rise in exports. Stock levels ended the week +8.2 million barrels above a year ago, and a 5-yr high for the period.

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



Price and Spreads Mt Belvieu spot price decreased -1.5 cpg last week ending 15Mar16, while Conway prices were -0.5 cpg lower.



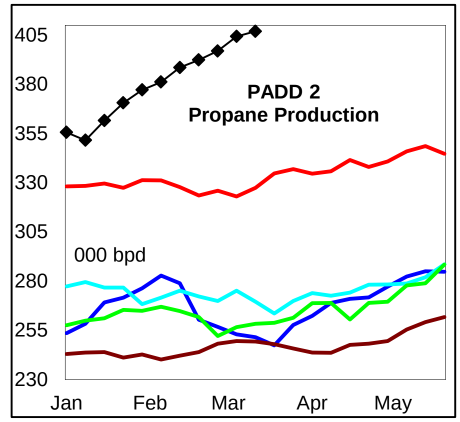
The Conway – Mt Belvieu price spread trended higher last week, ending at a level equal to the 3-yr mid range.

The propane to natural gas price spread trended lower last week, ending at a level that matched the 3-yr mid range.

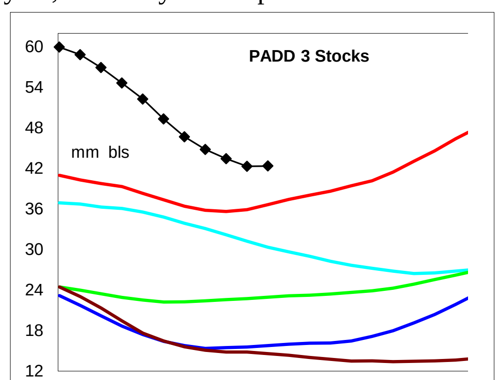
The propane / crude oil price spread traded sideways on the week, ending at a level above the last 3-yrs for the period.

PADD 1 stocks decreased -0.1 million barrels on the week ending at a level near 2X times a year ago and above the 5-yr range. Supply decreased -15,000 bpd on the week.

PADD 2 supply increased +23,000 bpd last week. Production increased to a new record high, +73,000 bpd, +23% above a year ago. Stocks decreased -0.3 million barrels on the week, to a level comparable with last year and near prior year highs.



PAD 3 stocks increased +0.5 million barrels on the week. Stock levels ended the week +15% above the prior 5-yr high. Supplies for the latest 4-wk period were +86,000 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 -11% below last year, although above four of the last 5-yrs.

Emerging Trends Temperatures are forecast to be near normal over the next 10-days in the eastern 1/3rd of the country.

Carry out stocks are +8.2 million barrels above the prior 5-yr high, driven by above normal temperatures and +120,000 bpd year-on-year increase in production.

Robust exports and an uptrend in global energy prices should support end of season wholesale propane prices.

[1] Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

March 16, 2016

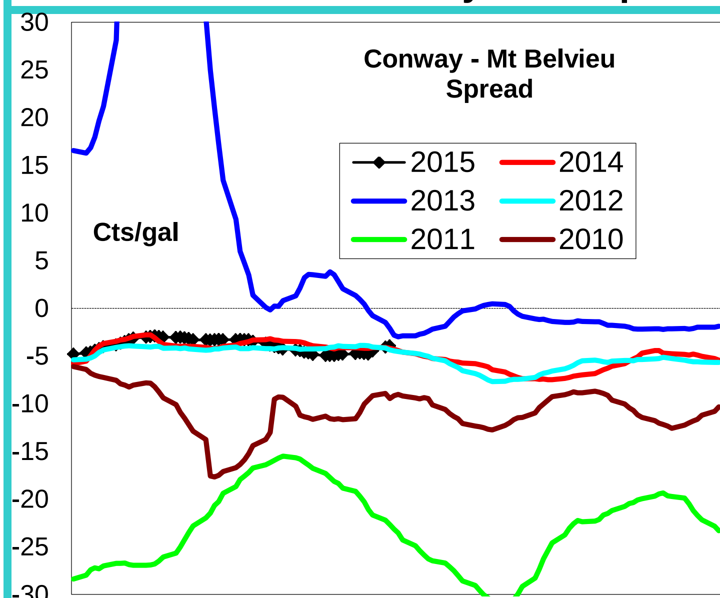
Fundamental Trends for the Week Ending: Friday, March 11, 2016

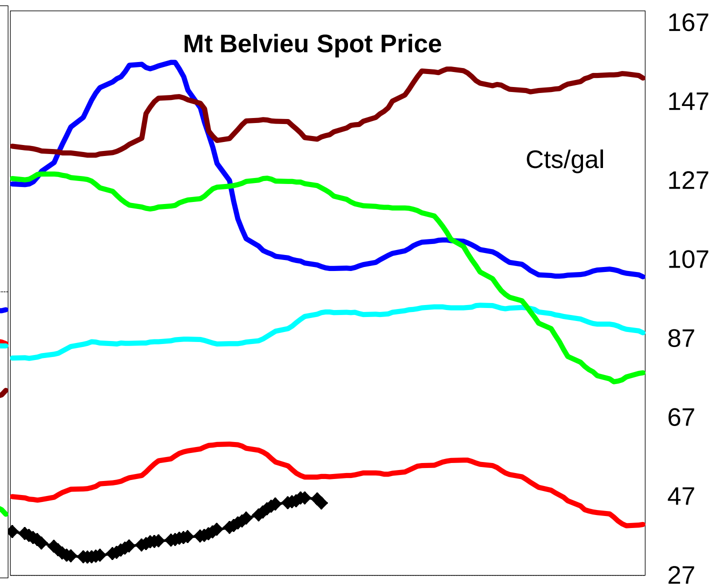
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S.	PADD				U.S.	PADD			
	Total	1	2	3	4&5	Total	1	2	3	4&5
Stocks	62,500	2,882	14,892	42,815	1,911	180	-112	-262	465	89
Propylene Stocks	3,013					188				
Production	1,682	119	415	979	169	28	-13	9	36	-4
Imports	131	53	58	0	20	18	-2	14	0	6
Whsle Demand	1,155					-86				

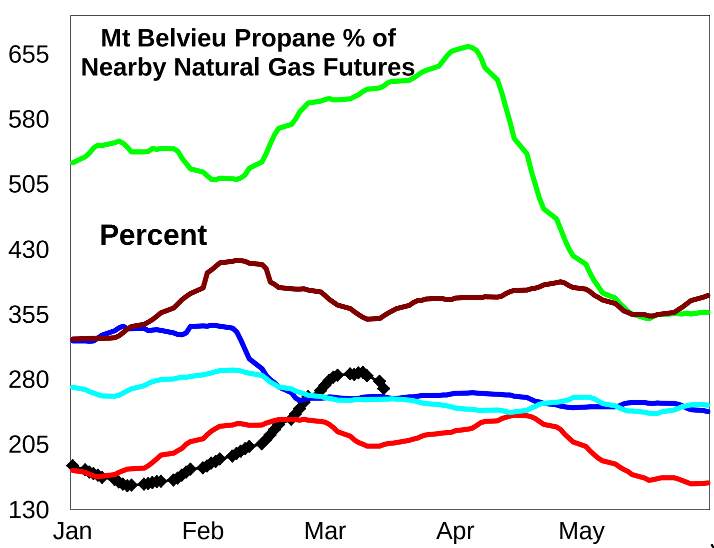
Price Trends for the Week Ending: Tuesday, March 15, 2016

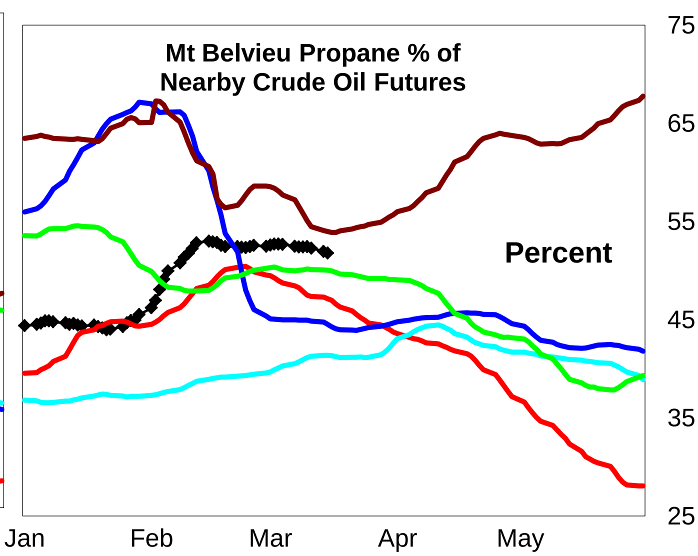
Cents/gal	Average for week ending:				Change from:			% change from:		
	3/15/16	3/8/16	2/16/16	3/18/15	3/8/16	2/16/16	3/18/15	3/8/16	2/16/16	3/18/15
Mont Belvieu Spot	46.6	45.1	36.3	51.2	1.50	8.83	-14.88	3.3	24.3	-29.1
Conway Spot	42.4	39.9	33.1	47.0	2.43	6.88	-13.95	6.1	20.8	-29.7

Key Price Spreads and Differentials

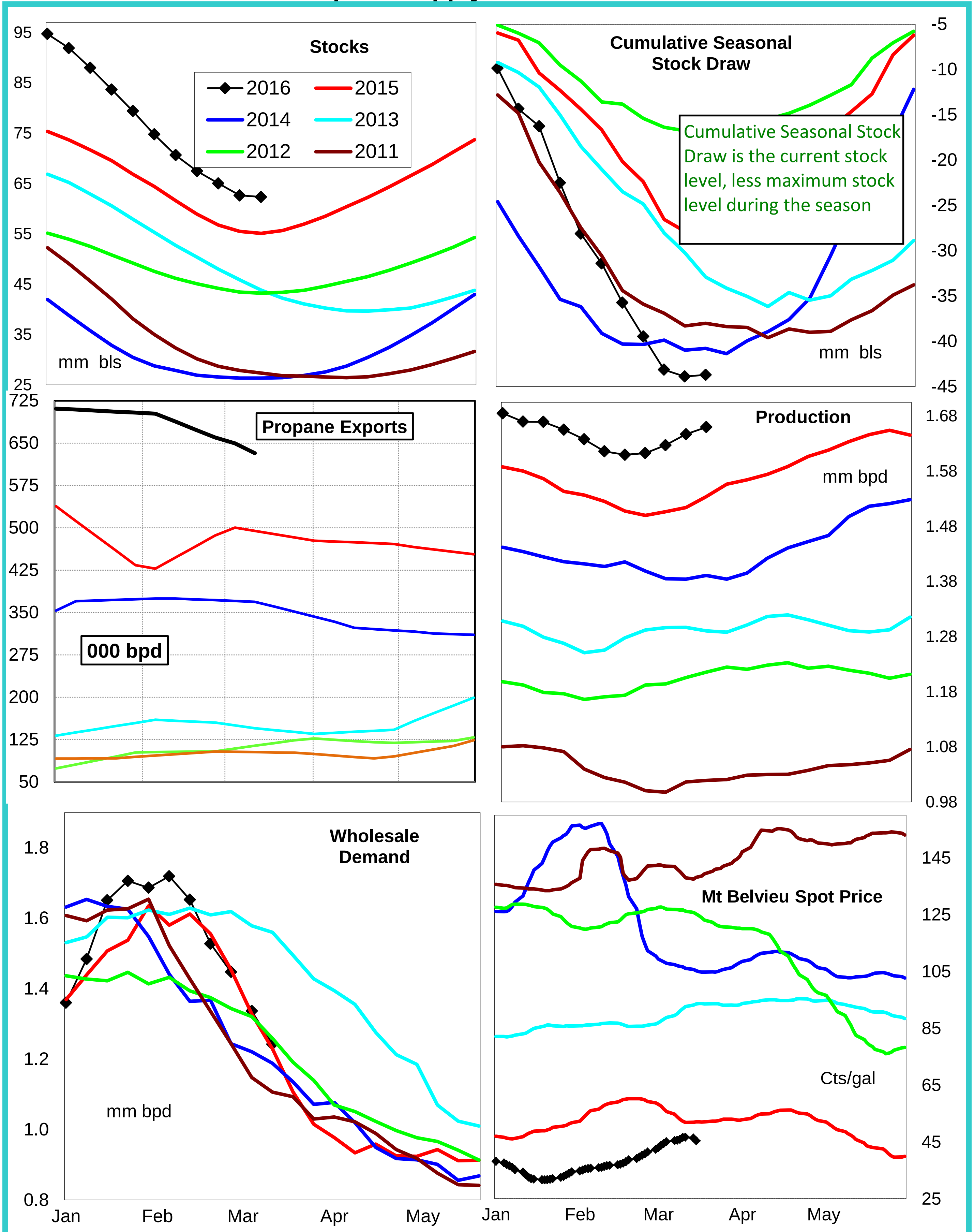








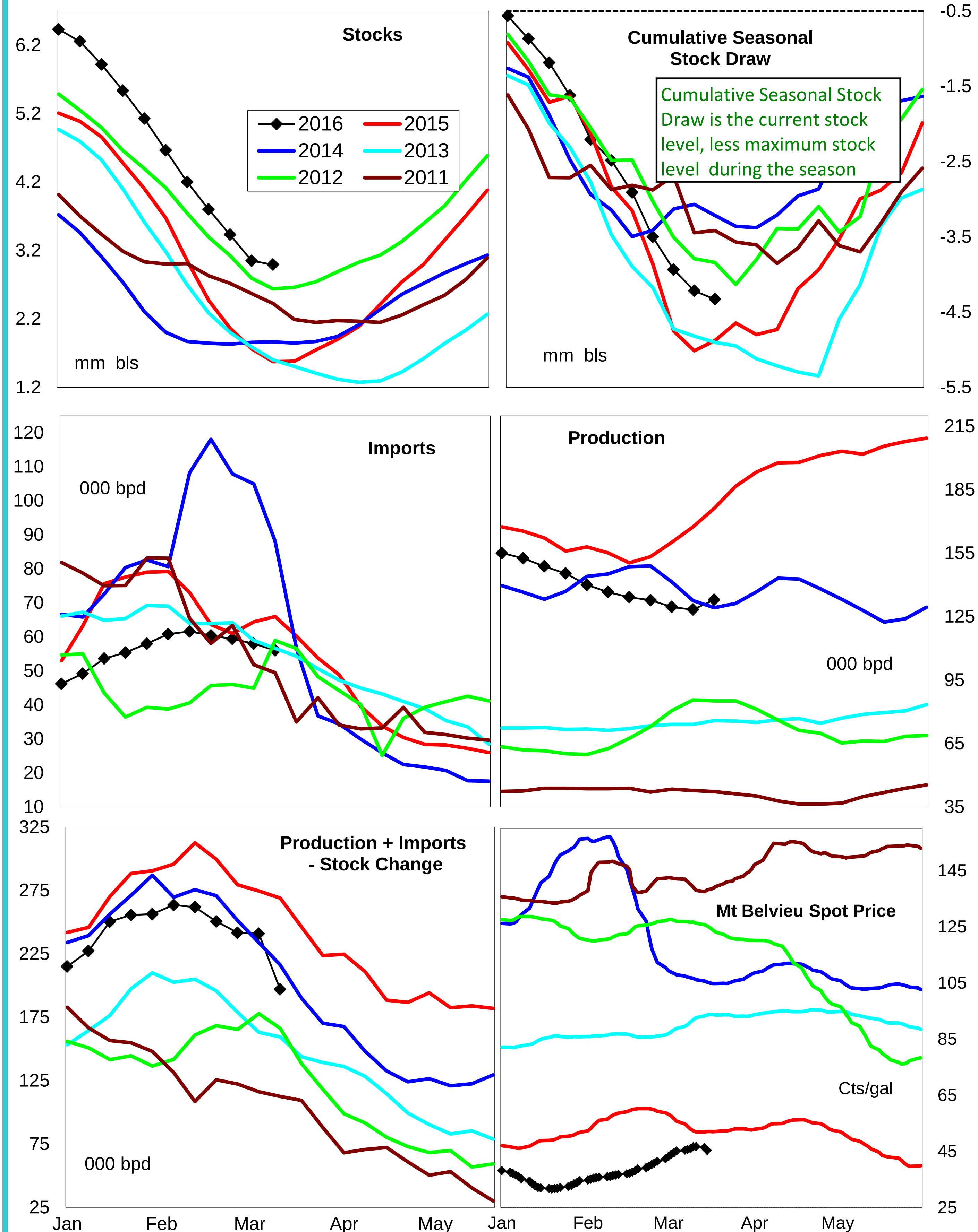
U. S. Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Feb	Jan	Dec
000 bpd (000 bls stks)	8,216	-16,374	120	-7		-2	48	175	-31
% change	15.1	60	8.0	-4.8		-0.2	3.1	11.2	-2.2

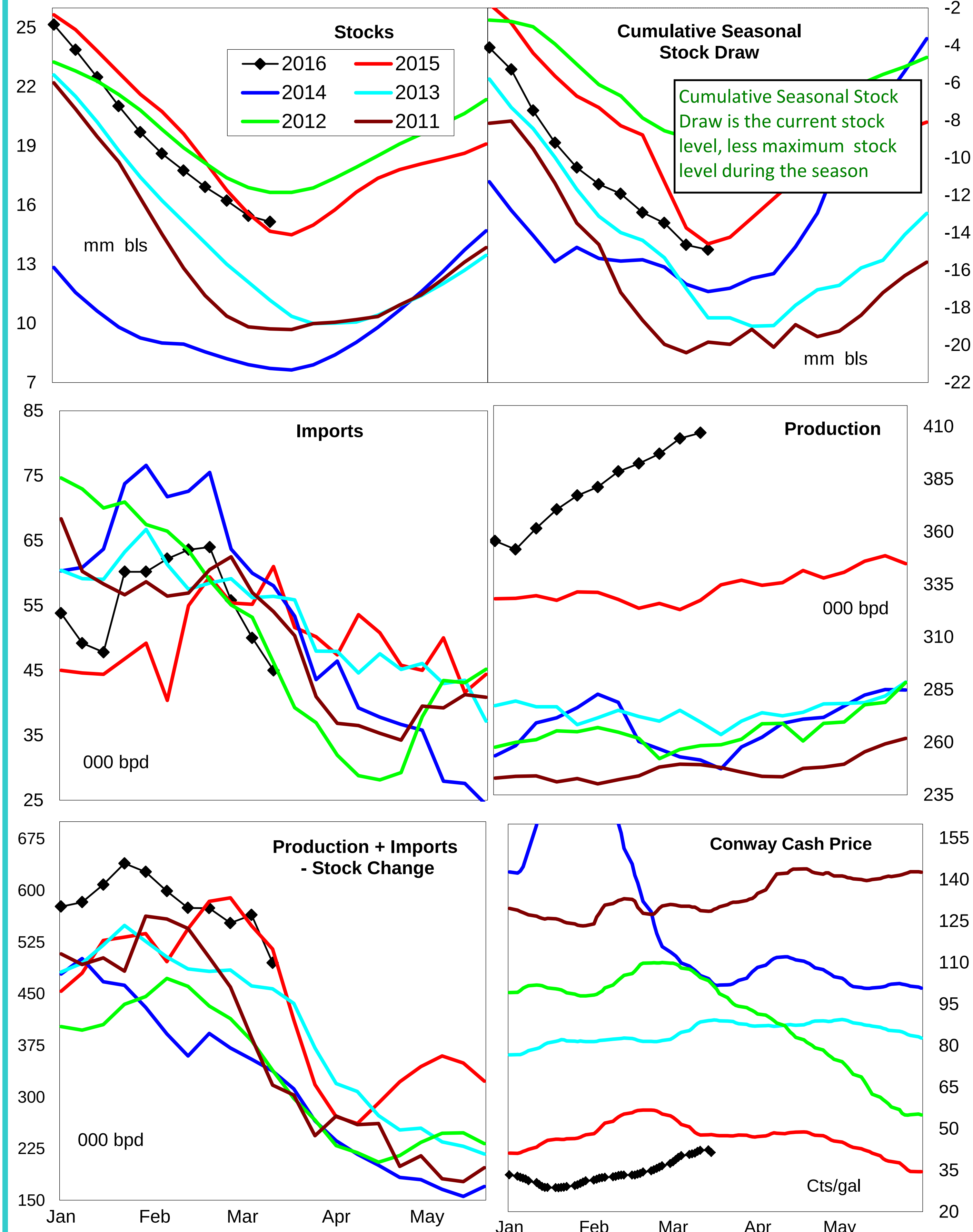
Lehi German Tel: 816.505.0980

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)	1,364	549	-30	-2	-48
% change	89.9	-11.3	-18.9	-3.3	-17.2

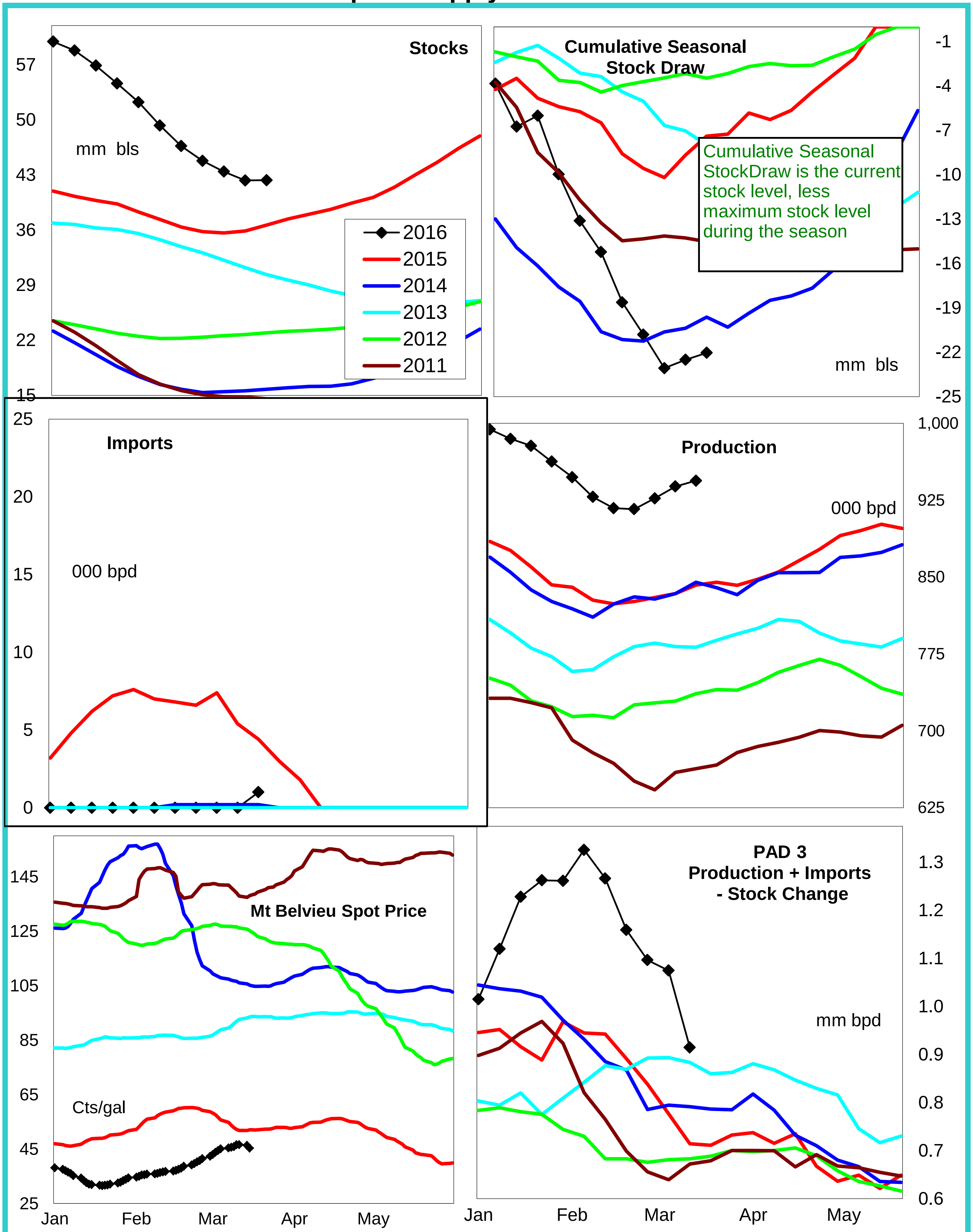
PADD 2 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	1,391	-318	73	-5	-13
% change	10.3	2.2	22.5	-9.0	-2.3

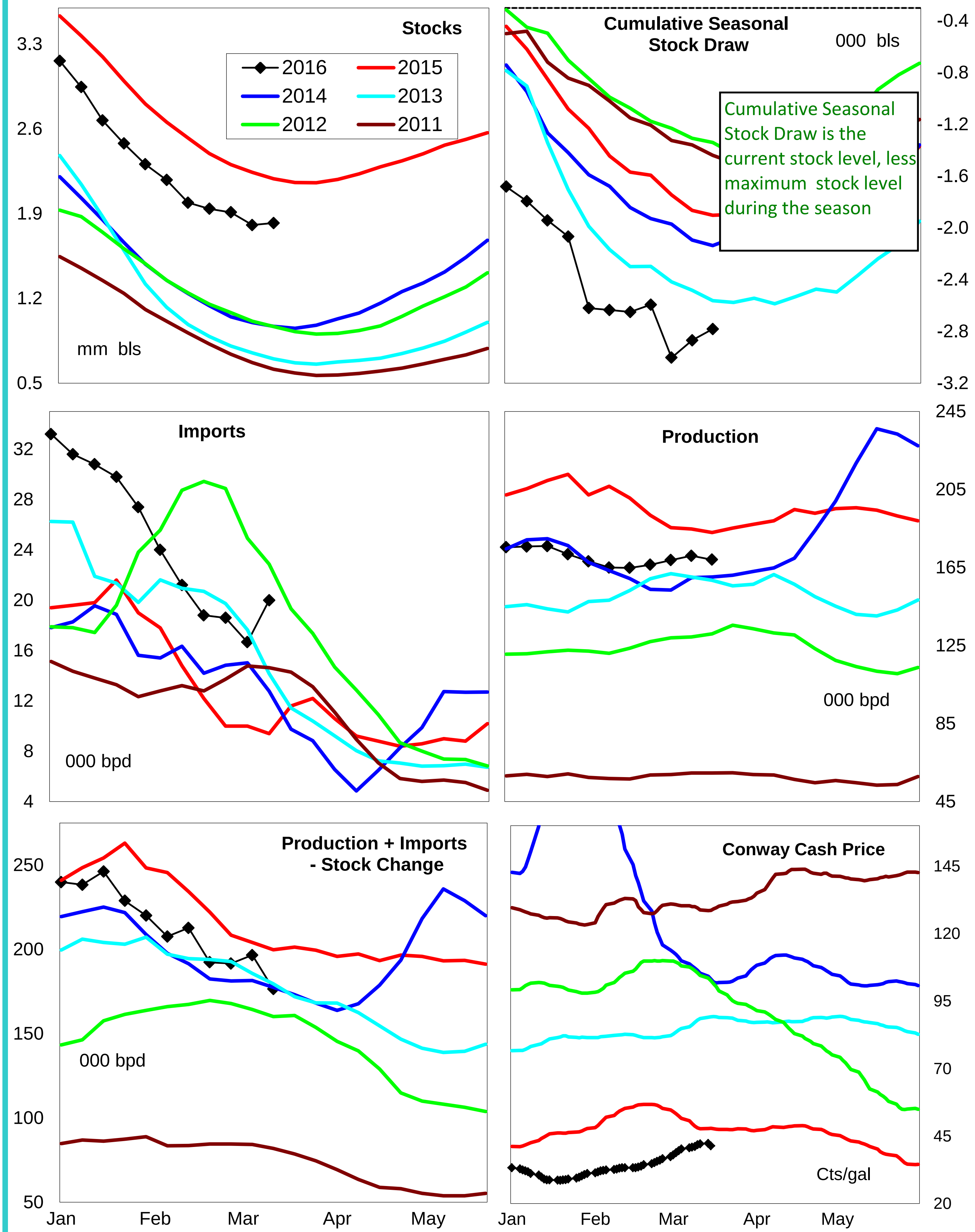
Lehi German Tel: 816.505.0980

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)	5,689	-14,653	93	-7	256
% change	15.3	198	11.2	-100.0	30.9

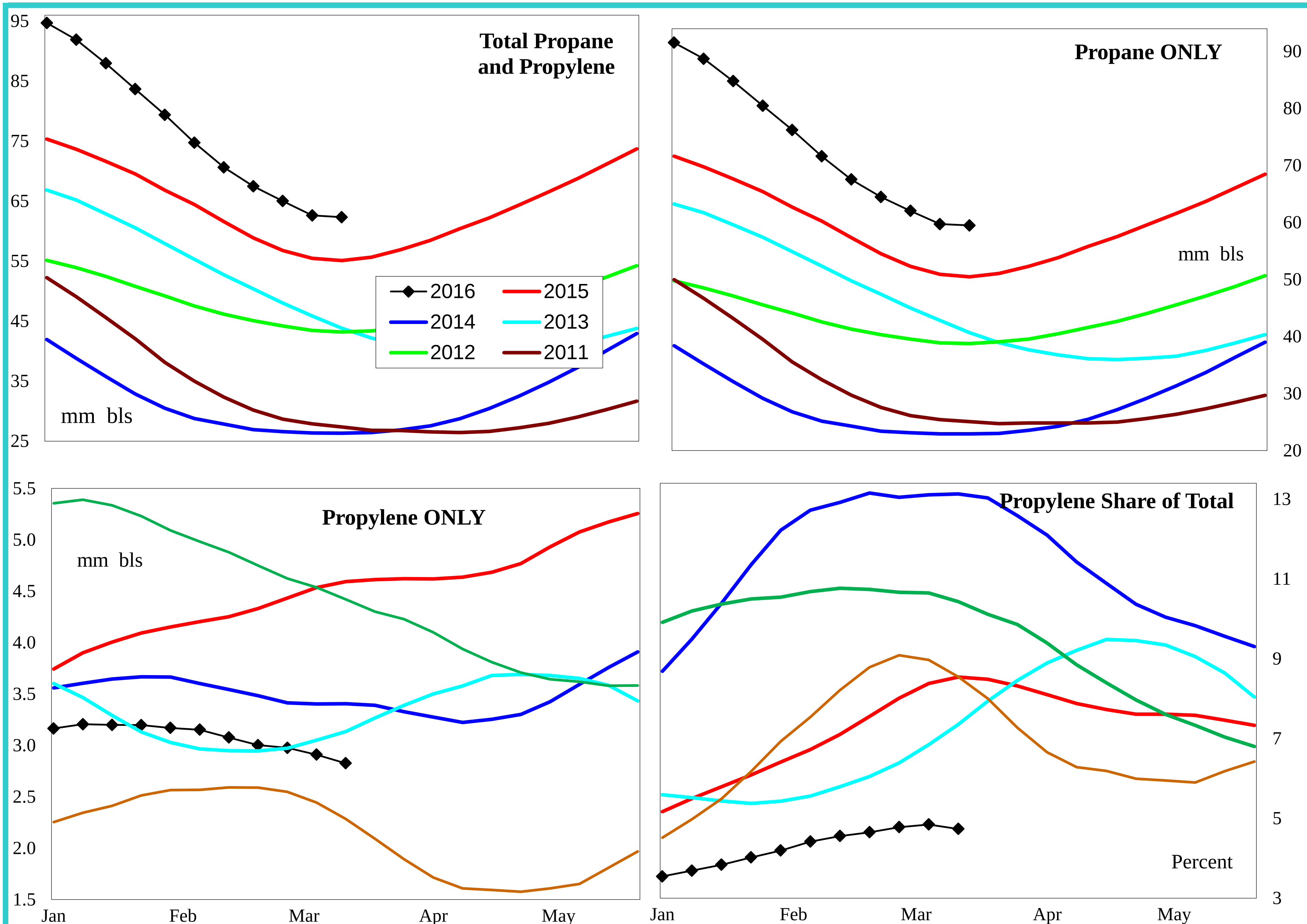
PADDs 4 and 5 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-229	-879	-16	8	-19
% change	-10.7	46.2	-8.5	83.3	-9.3

Lehi German Tel: 816.505.0980

U. S. Propane and Propylene Stocks



Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	8,216	9,800	-1,768
% change	15.1	19.7	-38.5

Lehi German Tel: 816.505.0980

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

Lehi German Tel: 816.505.0980