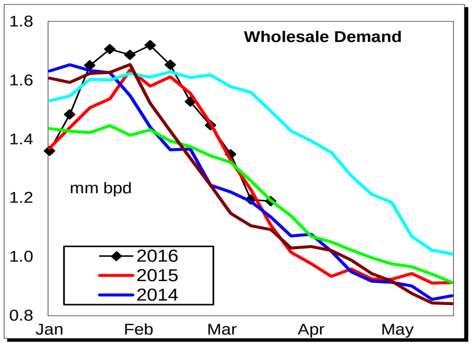
WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

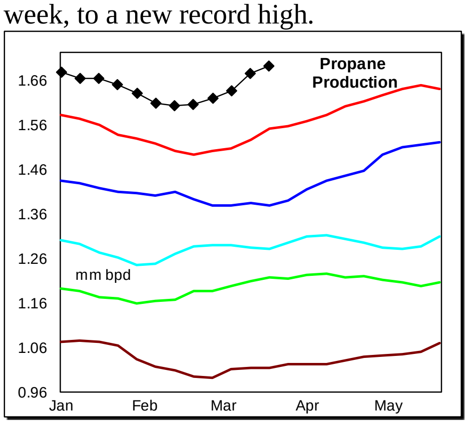
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com

Summary[1]:

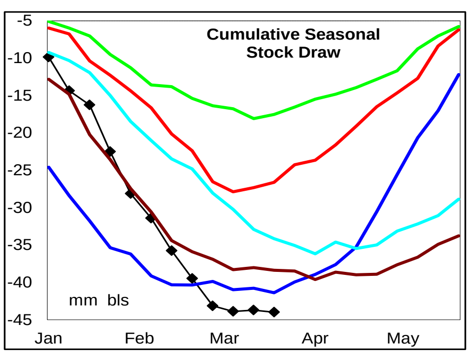
Wholesale demand increased 34,000 bpd last week, to a level above the last 2-yrs.



Production increased +10,000 bpd on the week, to a new record high.

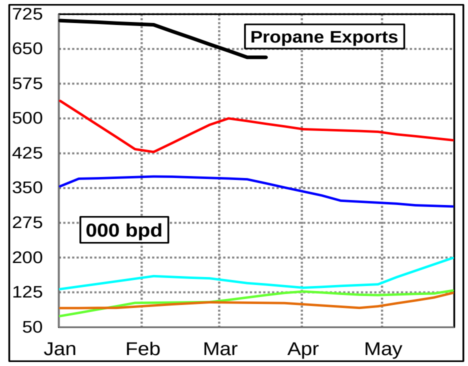


Stocks decreased -0.3 million barrels on the week, including a -0.4 million barrel draw in the Gulf.

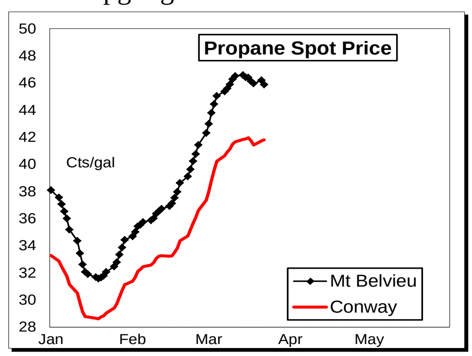


The cumulative seasonal stock draw of -44 million barrels was a record, driven by the rise in exports. Stock levels ended the week +7.2 million barrels above a year ago, and a 5-yr high for the period.

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



Price and Spreads Mt Belvieu spot price increased +1 cpg last week ending 22Mar16, while Conway prices were also +1 cpg higher.



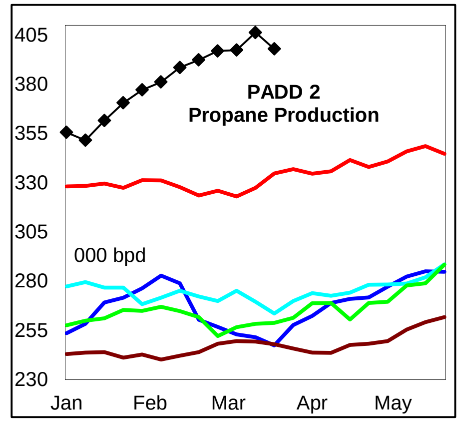
The Conway – Mt Belvieu price spread traded sideways last week, ending at a level equal to the 3-yr mid range.

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

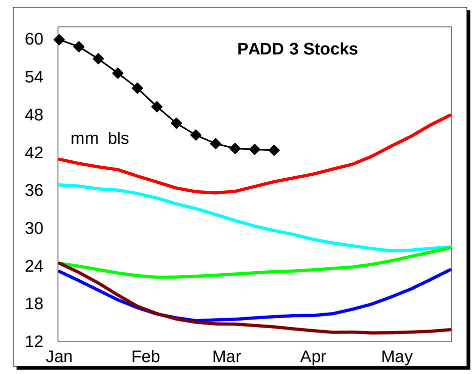
The propane / crude oil price spread trended lower on the week, ending at a level above the last 3-yrs for the period.

PADD 1 stocks increased +0.1 million barrels on the week ending at a level +70% above last year and above the 5-yr range. Supply increased +4,000 bpd on the week.

PADD 2 supply fell -38,000 bpd last week. Production for the latest 4-wk period was +78,000 bpd above a year ago. Stocks were unchanged on the week, at a level comparable with last year and near prior year highs.



PAD 3 stocks decreased -0.4 million barrels on the week. Stock levels ended the week +14% above the prior 5-yr high. Supplies for the latest 4-wk period were +98,000 bpd above last year, driven by record production.



PADDs 4 & 5 stocks were unchanged on the week. Stock levels ended the week -9% below last year, although significantly above four of the last 5-yrs.

Emerging Trends Temperatures are forecast to be below normal over the next 2-wks across ¾ of the country.

Carry out stocks are +7.2 million barrels above the prior 5-yr high, driven by above normal temperatures and +138,000 bpd year-on-year increase in production.

Robust export growth should provide support to wholesale prices during the next quarter.

[1] Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

March 23, 2016

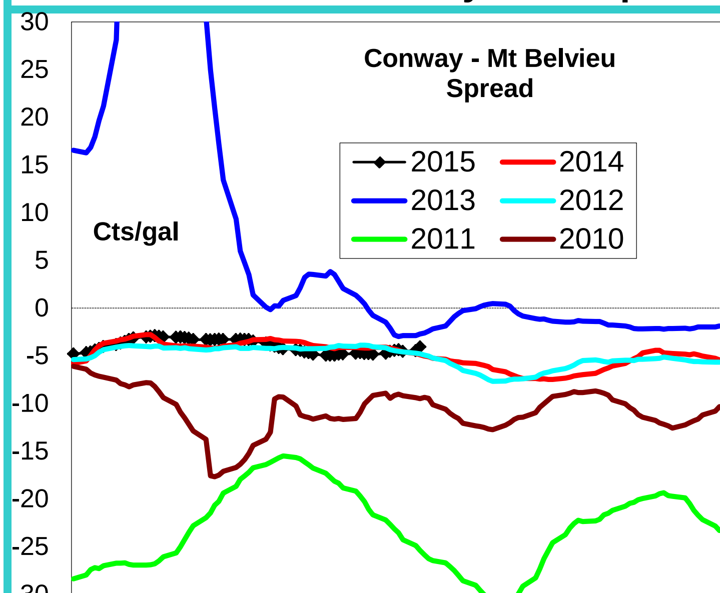
Fundamental Trends for the Week Ending: Friday, March 18, 2016

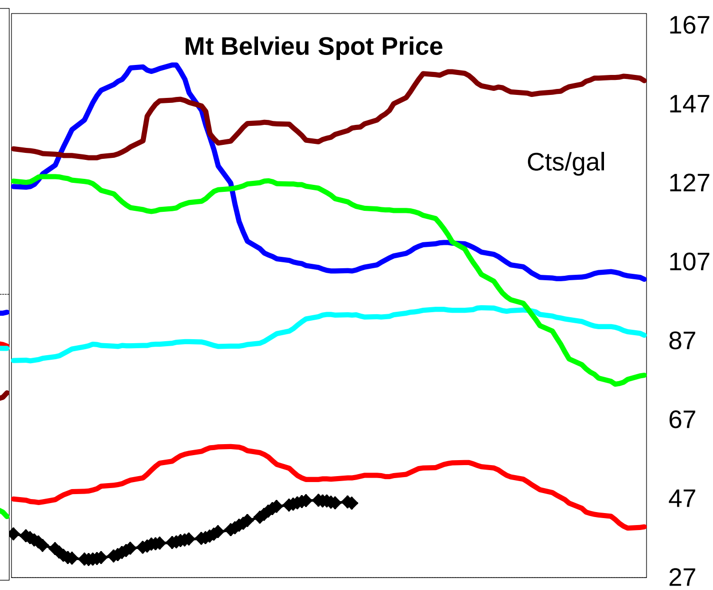
000 bpd / Stocks 000 bls	Weekly Supply-Demand: U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5	Change from prior week: U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5
Stocks	62,226	2,978	14,895	42,405	1,948	-274	96	3	-410	37
Propylene Stocks	3,108					95				
Production	1,692	137	398	966	191	10	18	-17	-13	22
Imports	90	39	37	0	14	-41	-14	-21	0	-6
Whsle Demand	1,189					34				

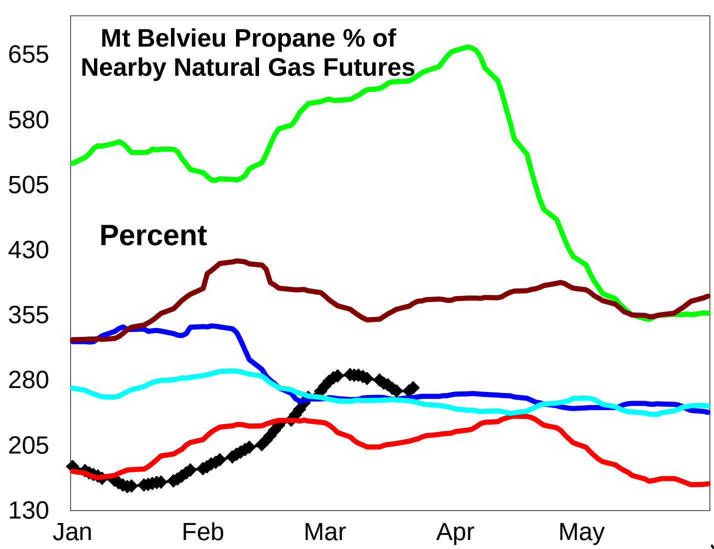
Price Trends for the Week Ending: Tuesday, March 22, 2016

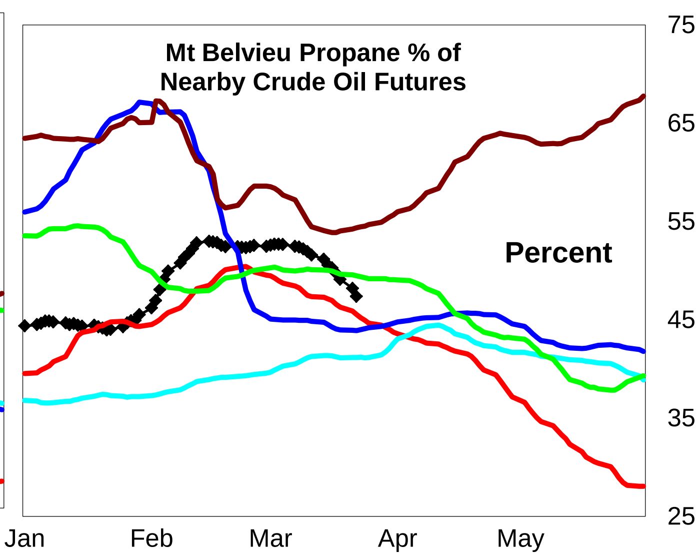
Cents/gal	Average for week ending: 3/22/16	3/15/16	2/23/16	3/25/15	Change from: 3/15/16	2/23/16	3/25/15	% change from: 3/15/16	2/23/16	3/25/15
Mont Belvieu Spot	46.2	46.6	38.3	52.5	-0.45	8.38	-14.20	-1.0	21.9	-27.1
Conway Spot	41.6	42.4	33.7	48.2	-0.77	8.63	-14.50	-1.8	25.6	-30.1

Key Price Spreads and Differentials

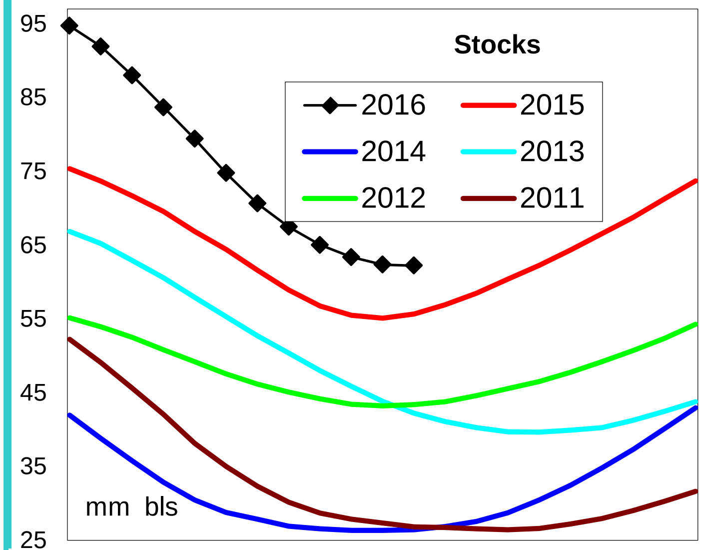


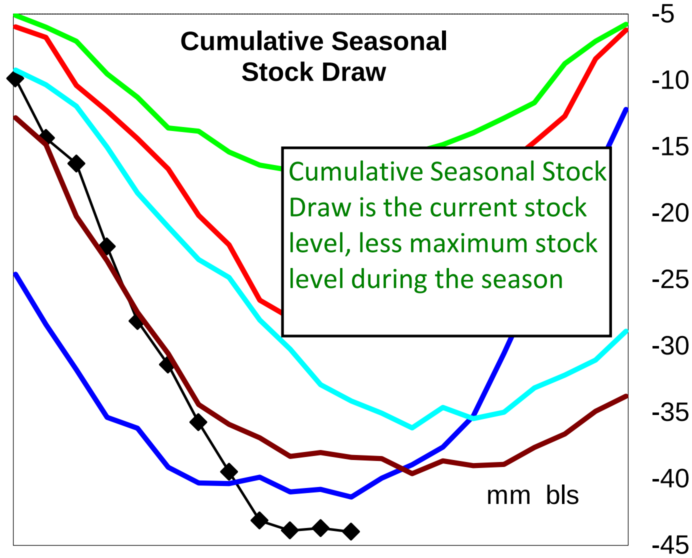


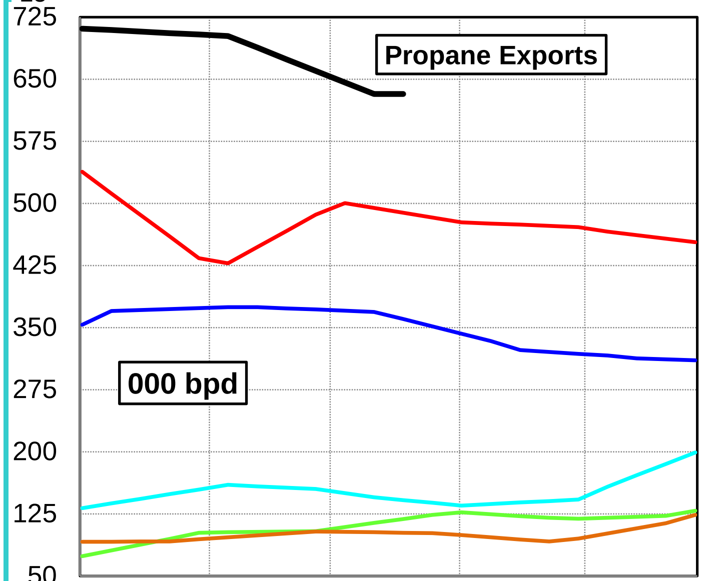


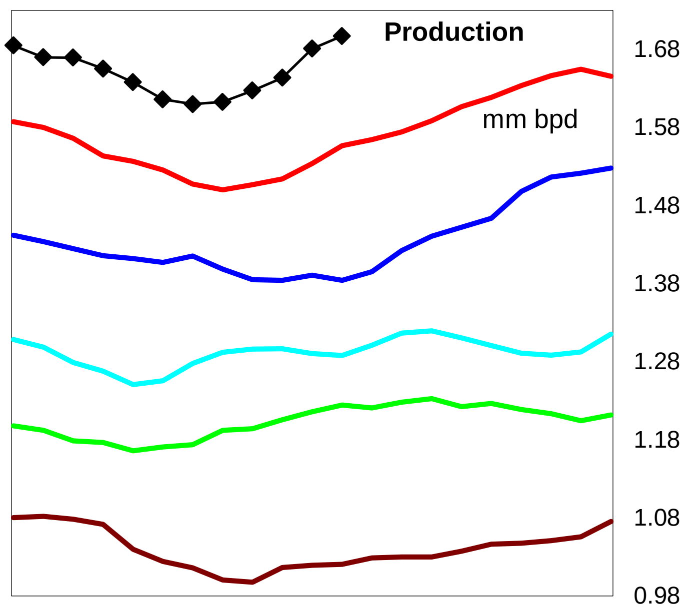


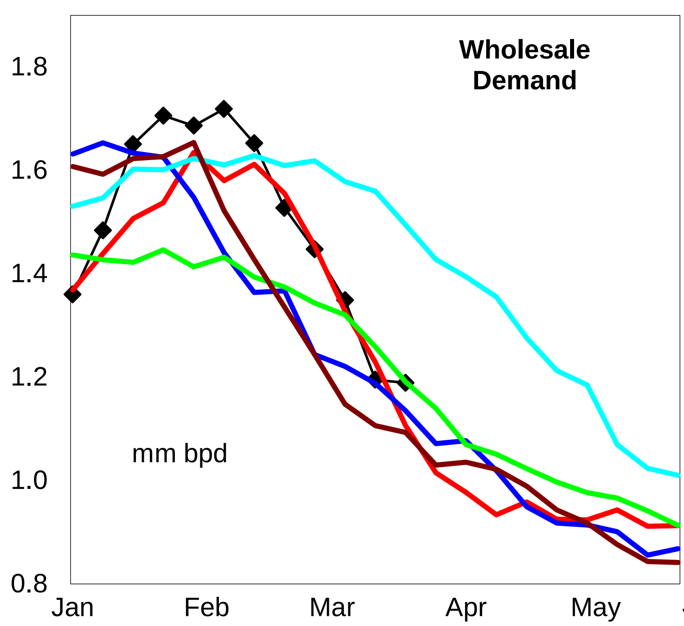
U. S. Propane Supply and Demand Balance

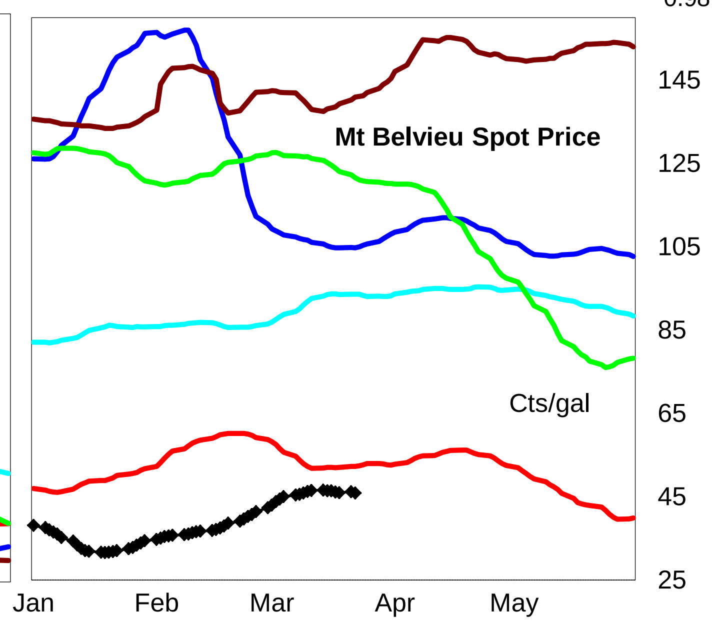






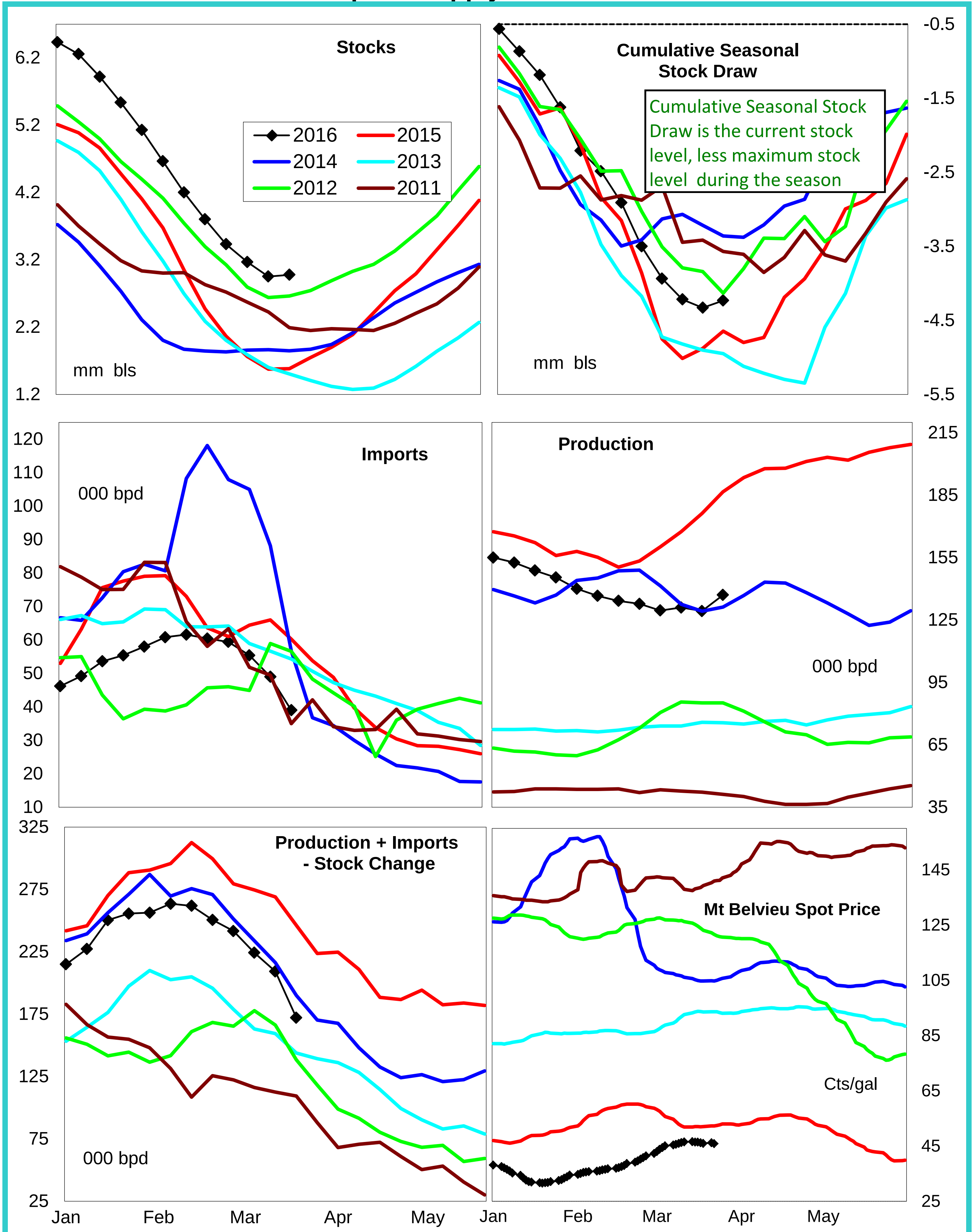






4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Feb	Jan	Dec
000 bpd (000 bls stks)	7,223	-17,367	138	-27		-13	48	175	-31
% change	13.1	65	9.1	-19.0		-1.0	3.1	11.2	-2.2

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)	1,227	412	-42	-15	-55
% change	70.1	-8.9	-24.3	-21.4	-20.8

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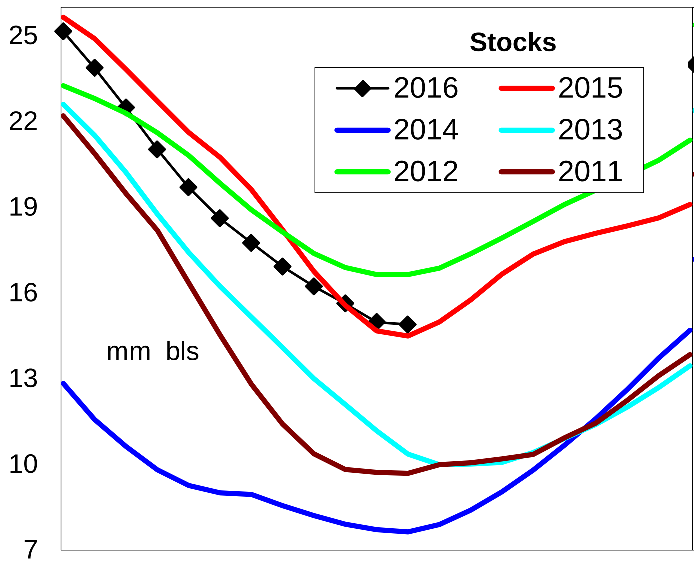
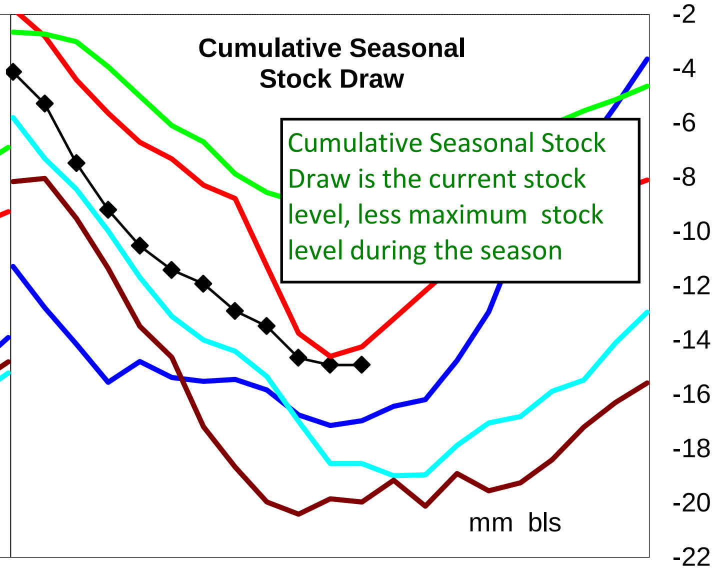
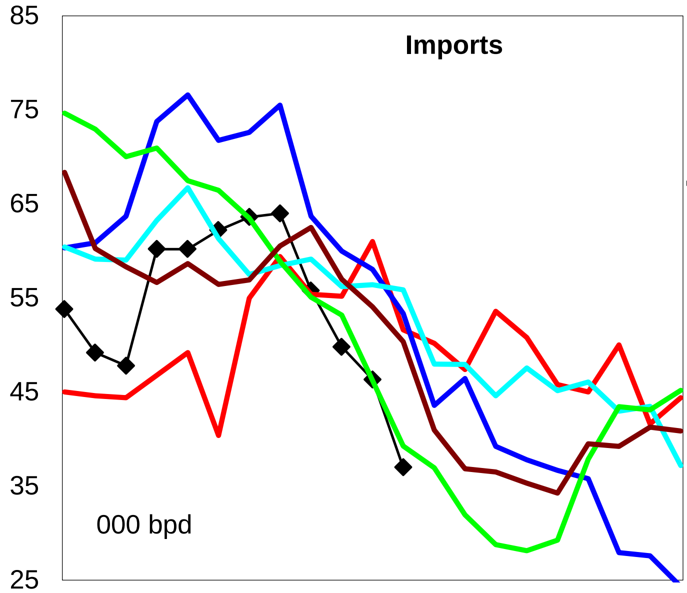
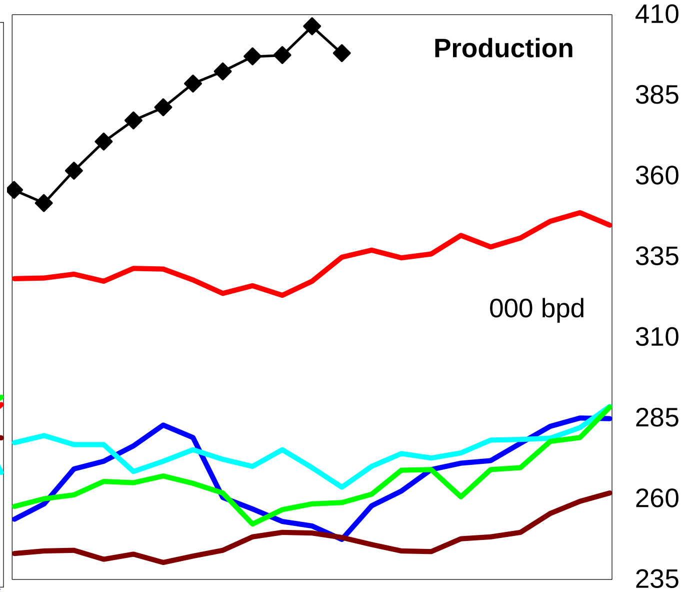
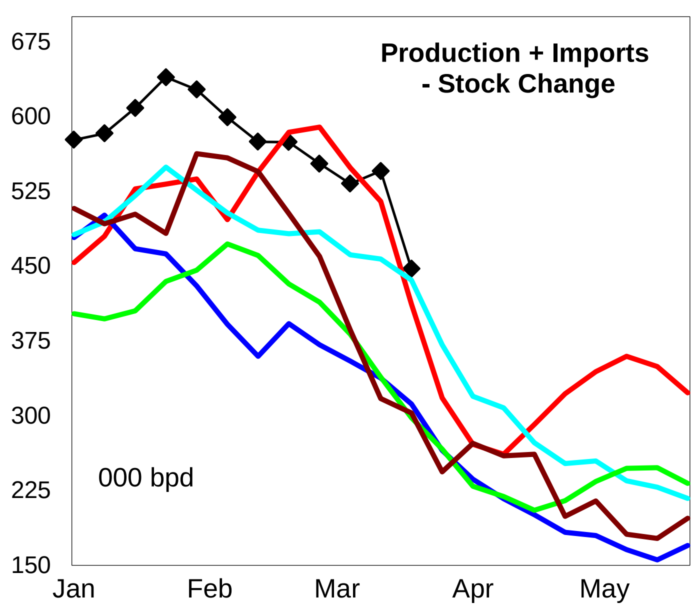
PADD 2 Propane Supply and Demand Balance

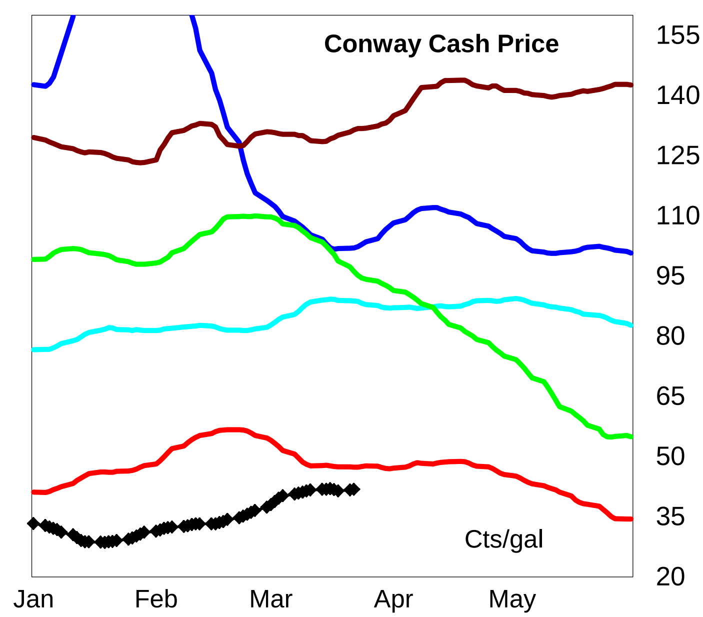






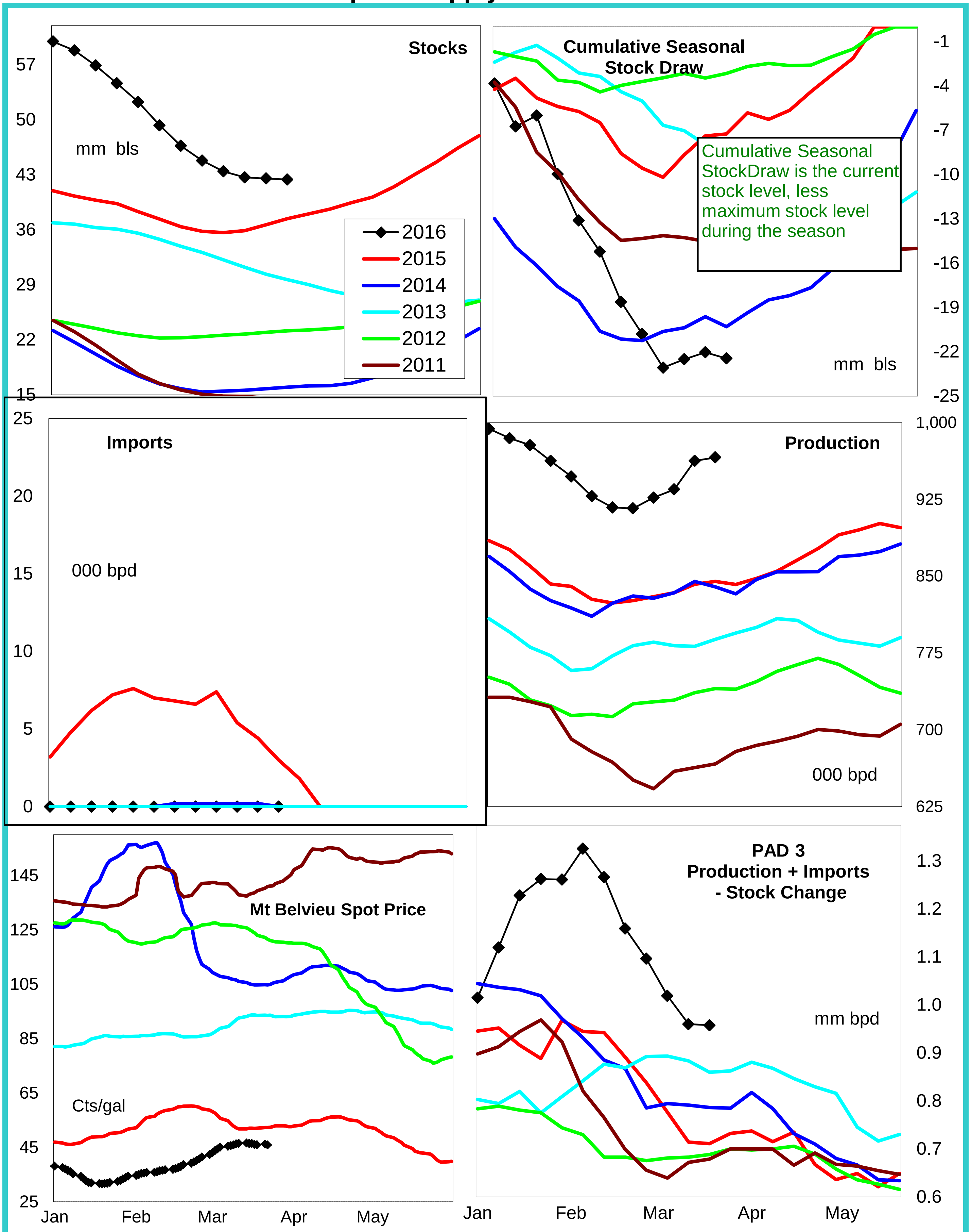






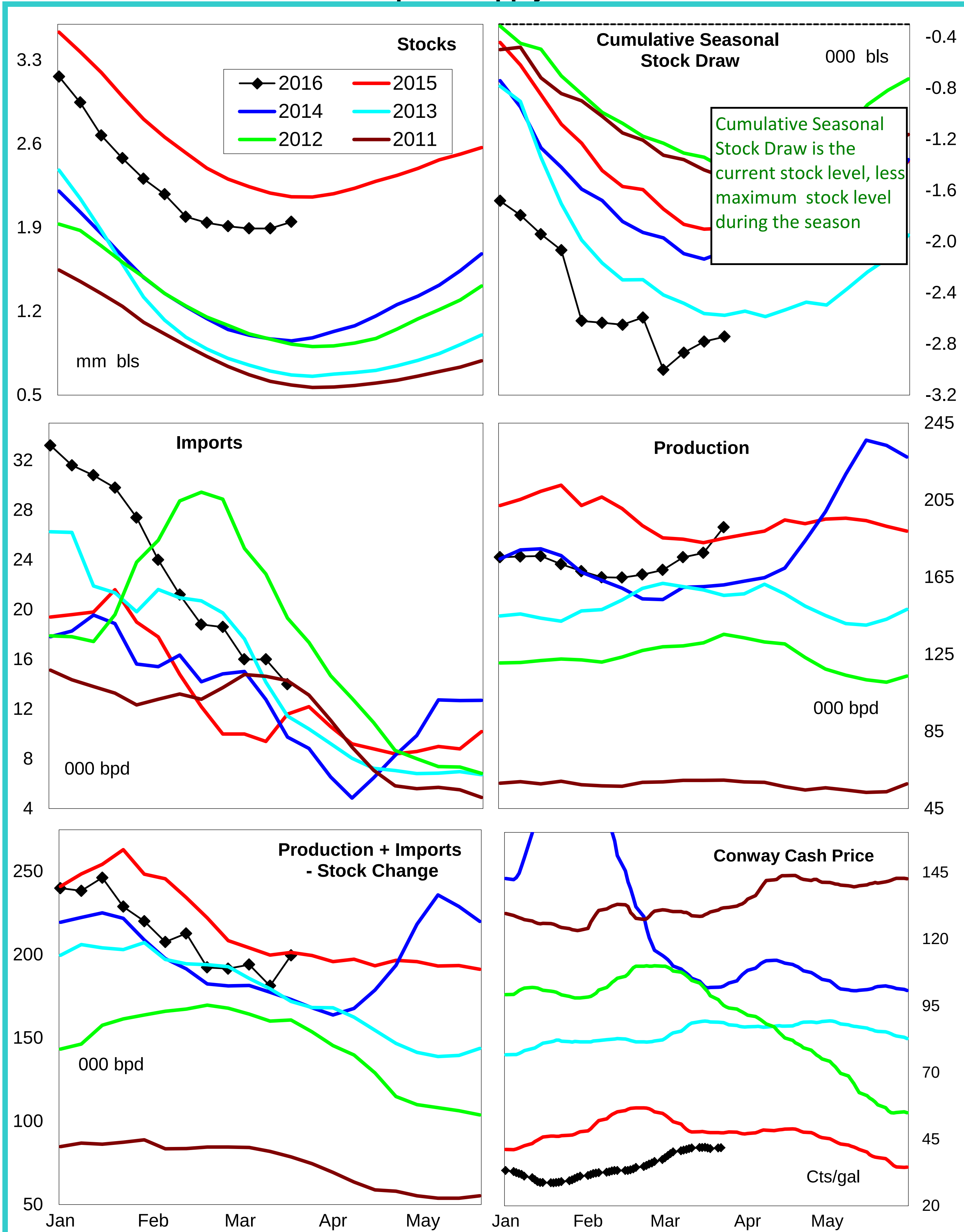
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	1,043	-666	78	-14	3
% change	7.5	4.7	23.9	-22.7	0.6

PADD 3 Propane Supply and Demand Balance



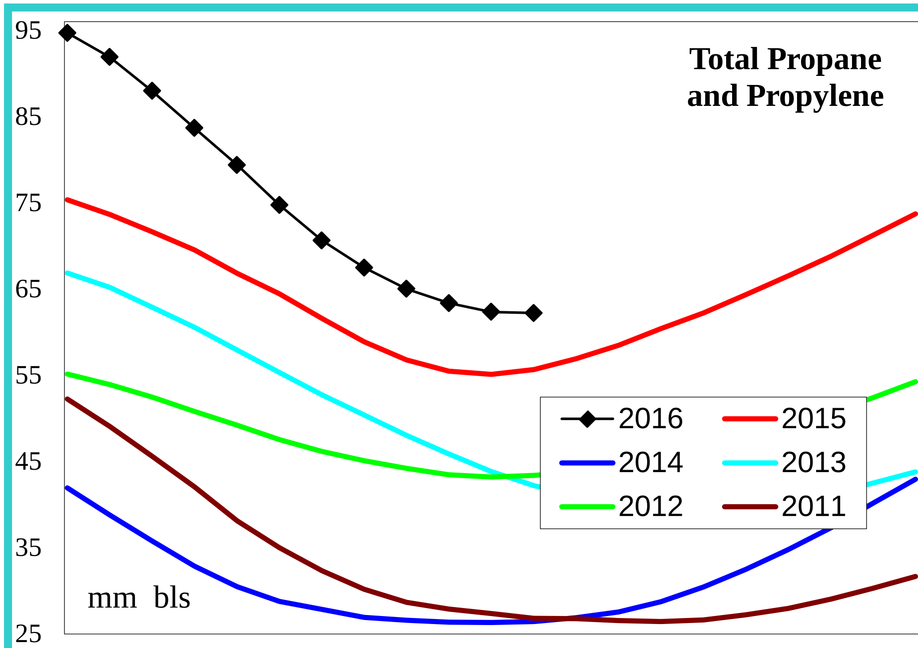
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	5,150	-15,192	104	-6	248
% change	13.8	209	12.4	-100.0	31.6

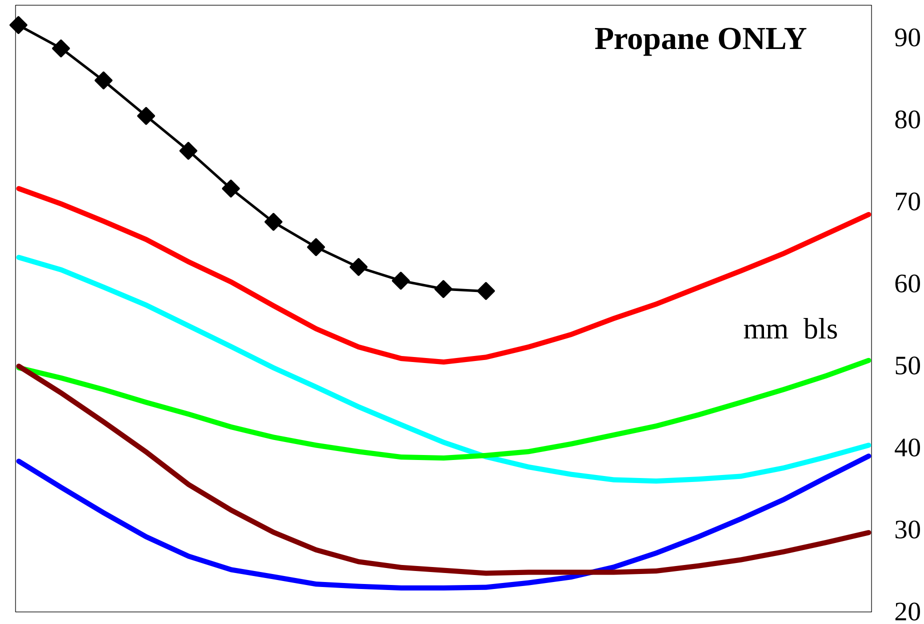
PADDs 4 and 5 Propane Supply and Demand Balance

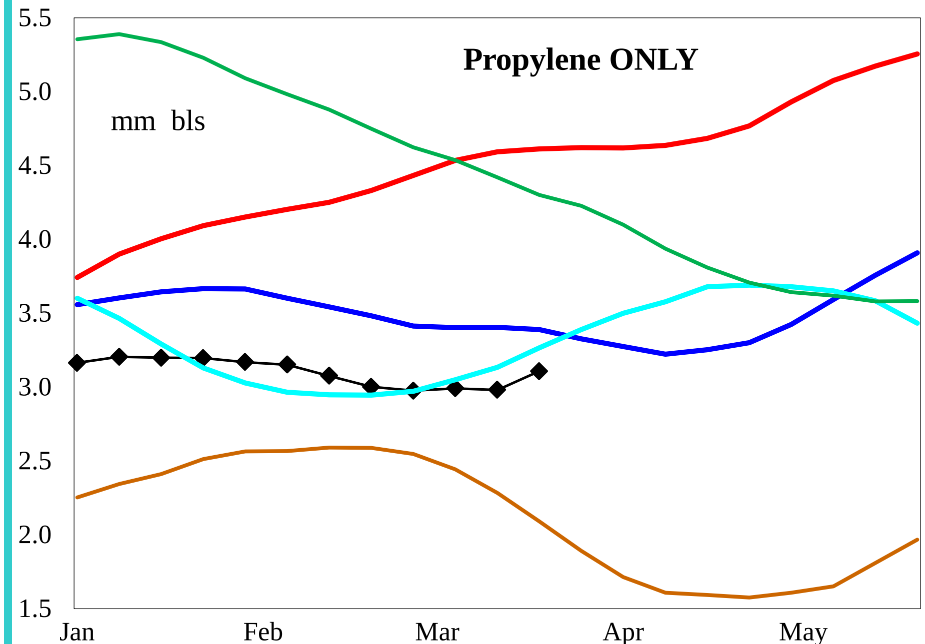


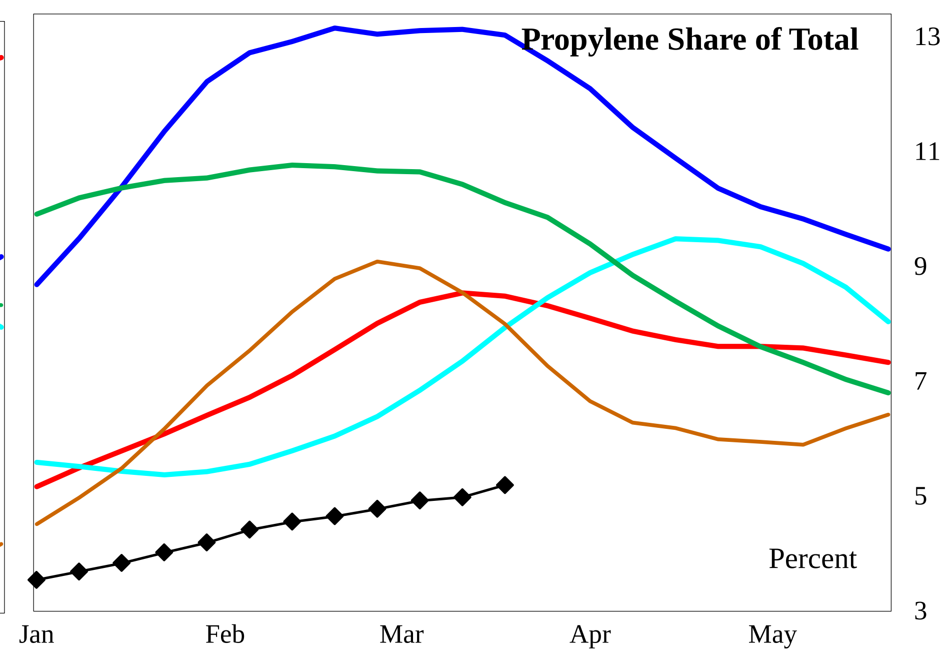
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-197	-847	-3	7	-12
% change	-9.2	44.7	-1.4	68.4	-5.8

U. S. Propane and Propylene Stocks









Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	7,223	8,793	-1,505
% change	13.1	17.5	-32.6

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