WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

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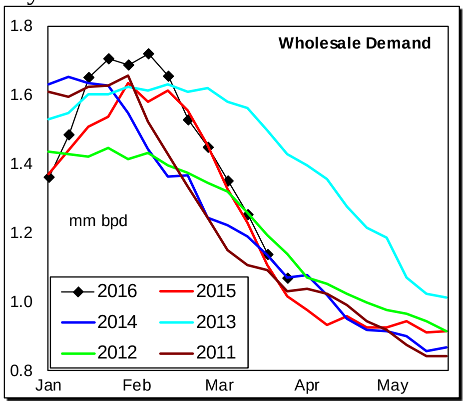
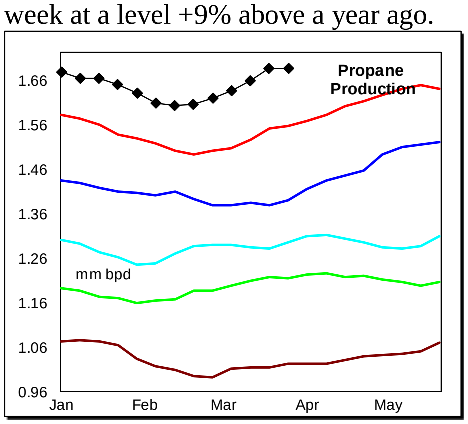
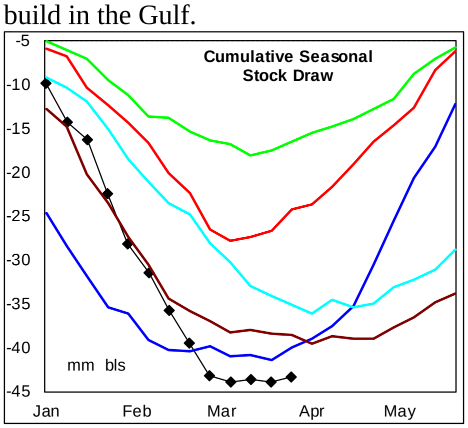
Summary[1]:
Wholesale demand fell -120,000 bpd last week, to a level comparable with the last 2-yrs.



Production was nearly unchanged on the week at a level +9% above a year ago.

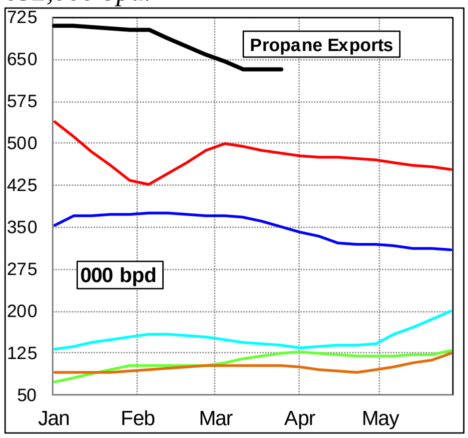


Stocks increased +0.6 million barrels on the week, including a +0.7 million barrel build in the Gulf.

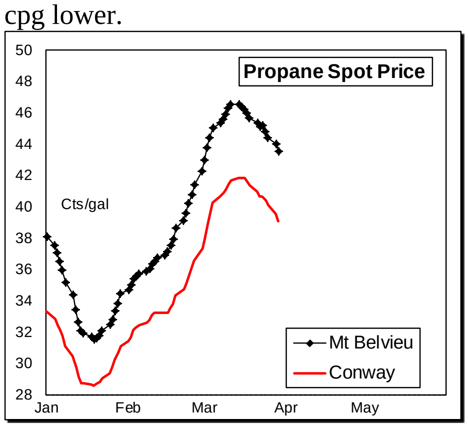


The cumulative seasonal stock draw of -43 million barrels was a record, driven by the rise in exports. Stock levels ended the week +5.5 million barrels above a year ago, and a 5-yr high for the period.

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 -2 cpg last week ending 29Mar16, while Conway prices were -3 cpg lower.



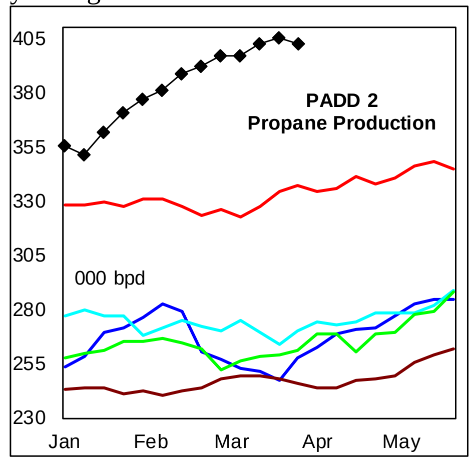
The Conway – Mt Belvieu price spread traded sideways last week, ending at a level equal to the 3-yr mid range.

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

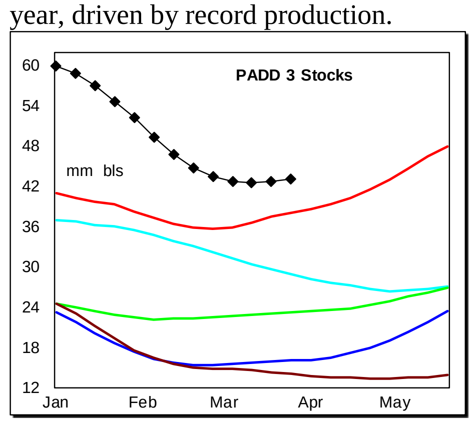
The propane / crude oil price spread trended lower on the week, ending at a level above the last 3-yrs for the period.

PADD 1 stocks were unchanged on the week ending at a level +88% above last year and above the 5-yr range. Supply increased +4,000 bpd on the week.

PADD 2 supply increased +22,000 bpd last week. Production for the latest 4-wk period was +76,000 bpd above a year ago. Stocks increased +0.2 million barrels on the week, at a level comparable with last year and near prior year highs.



PAD 3 stocks increased +0.7 million barrels on the week. Stock levels ended the week +11% above the prior 5-yr high. Supplies for the latest 4-wk period were +121,000 bpd above last year, driven by record production.



PADDs 4 & 5 stocks fell -0.3 million barrels on the week. Stock levels ended the week -27% below last year, although significantly above four of the last 5-yrs.

Emerging Trends Temperatures are forecast to be below normal in the eastern 1/3rd of the country and above normal in the west for the next 2-wks.

Carry out stocks are +5.5 million barrels above the prior 5-yr high, driven by above normal temperatures and +142,000 bpd year-on-year increase in production.

The current price pull back reflects record carry out stocks and production; which should be partially offset by robust exports during the next quarter.

[1] Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

March 30, 2016

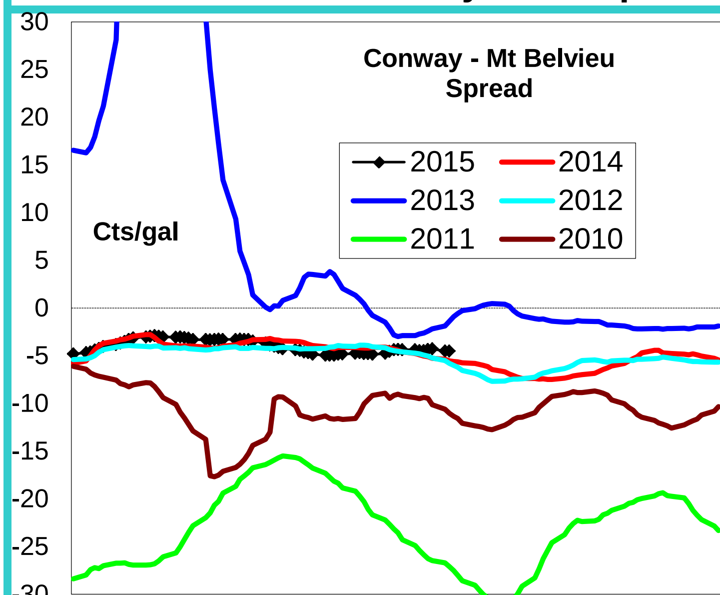
Fundamental Trends for the Week Ending: Friday, March 25, 2016

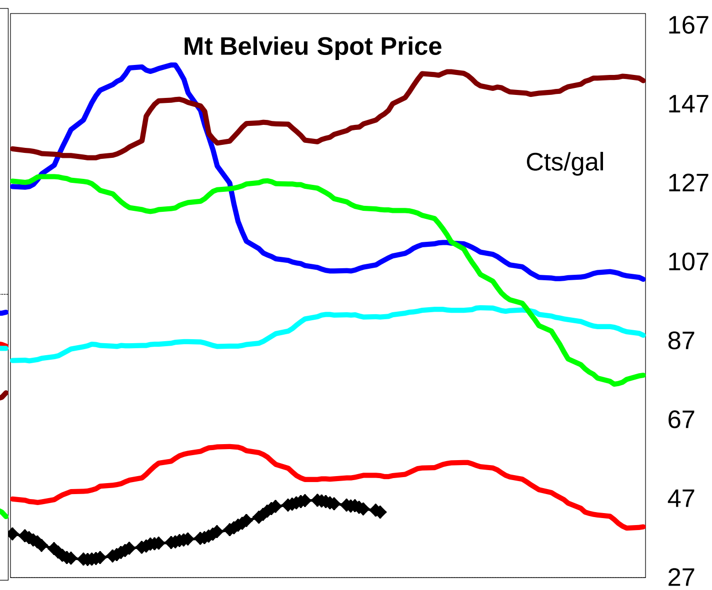
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S.	PADD				U.S.	PADD			
	Total	1	2	3	4&5	Total	1	2	3	4&5
Stocks	62,825	3,001	15,090	43,125	1,609	599	23	195	720	-339
Propylene Stocks	3,283					175				
Production	1,688	137	403	976	172	-4	0	5	10	-19
Imports	99	32	54	0	13	9	-7	17	0	-1
Whsle Demand	1,069					-120				

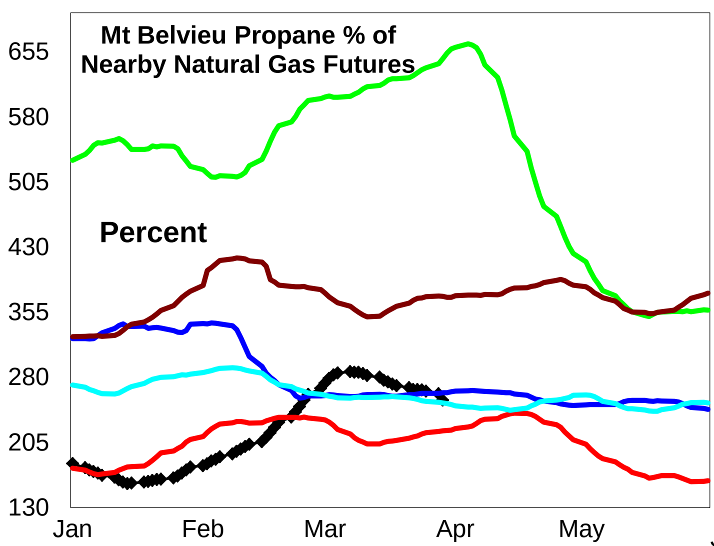
Price Trends for the Week Ending: Tuesday, March 29, 2016

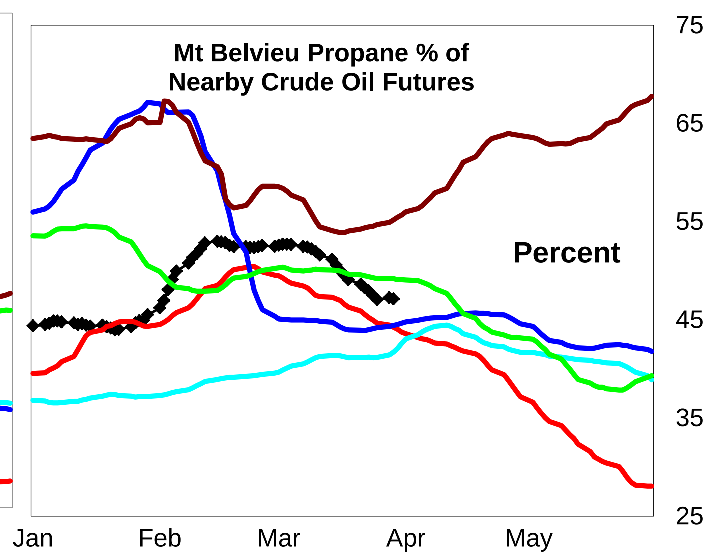
Cents/gal	Average for week ending:				Change from:			% change from:		
	3/29/16	3/22/16	3/1/16	4/1/15	3/22/16	3/1/16	4/1/15	3/22/16	3/1/16	4/1/15
Mont Belvieu Spot	44.2	46.2	41.7	52.6	-2.00	4.50	-10.95	-4.3	10.8	-20.8
Conway Spot	39.8	41.6	37.0	47.0	-1.78	4.58	-9.95	-4.3	12.4	-21.2

Key Price Spreads and Differentials

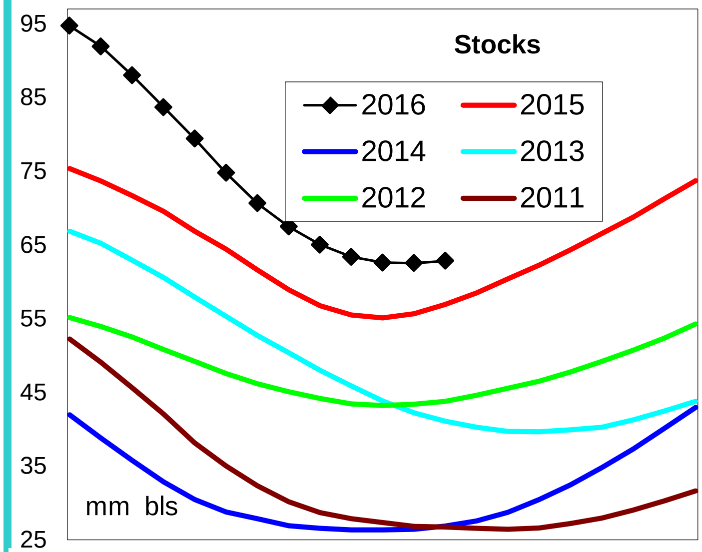


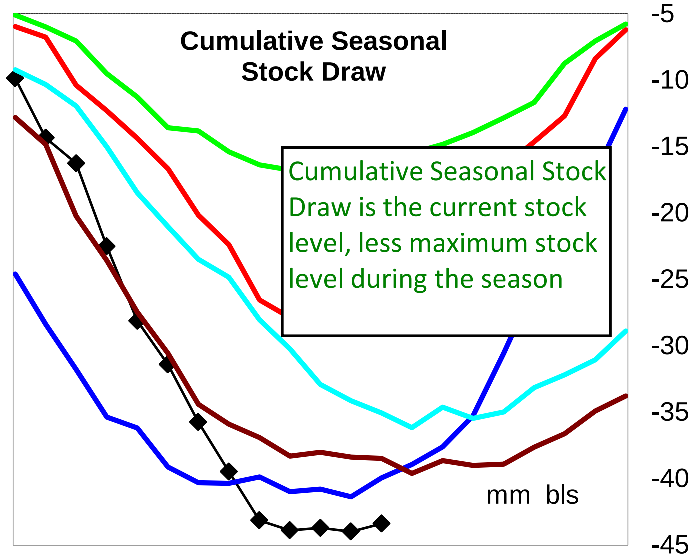


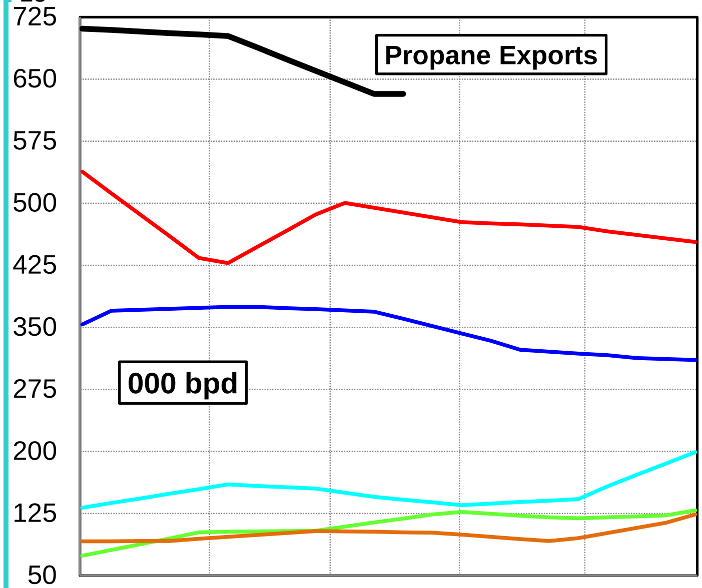


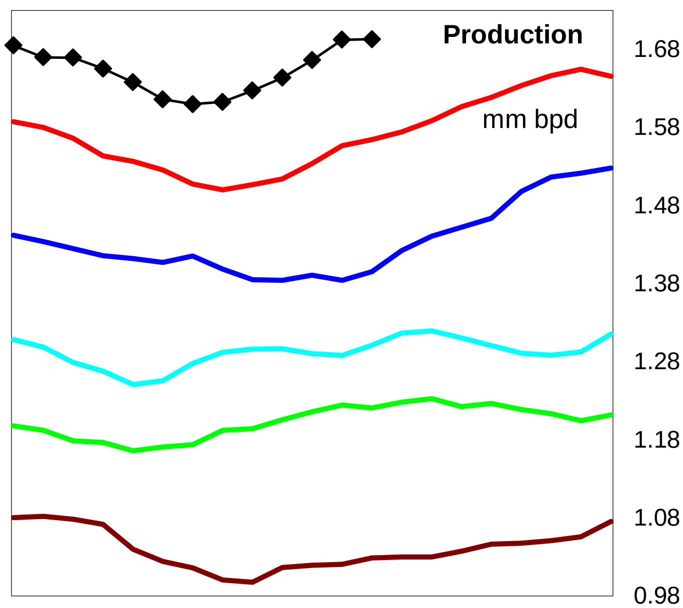


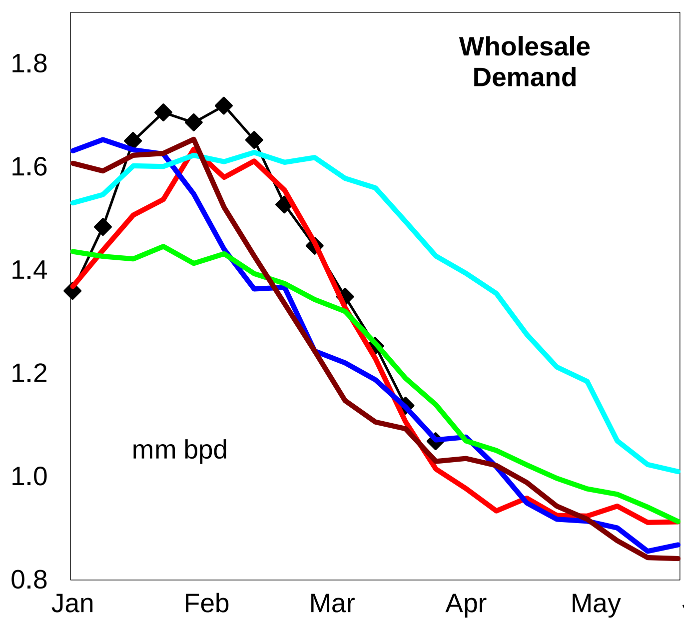
U. S. Propane Supply and Demand Balance

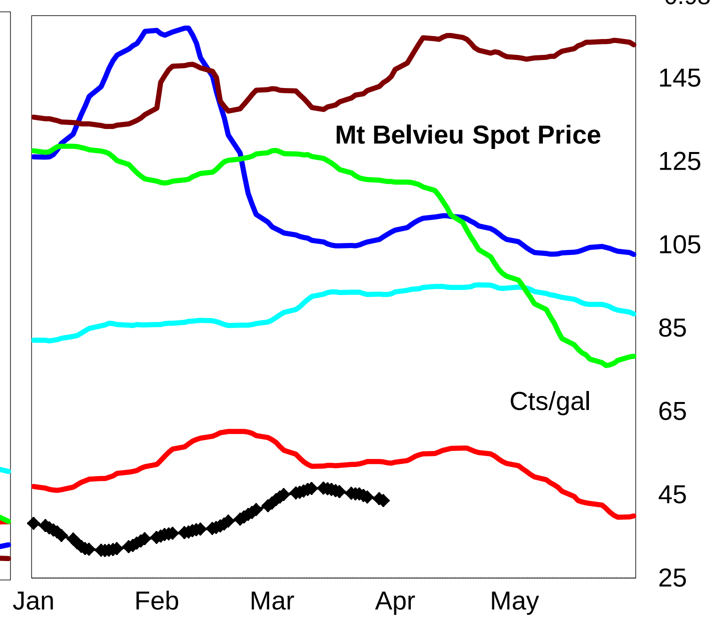












4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Feb	Jan	Dec
000 bpd (000 bls stks)	5,465	-19,125	142	-21		71	48	175	-31
% change	9.5	79	9.2	-16.1		6.5	3.1	11.2	-2.2

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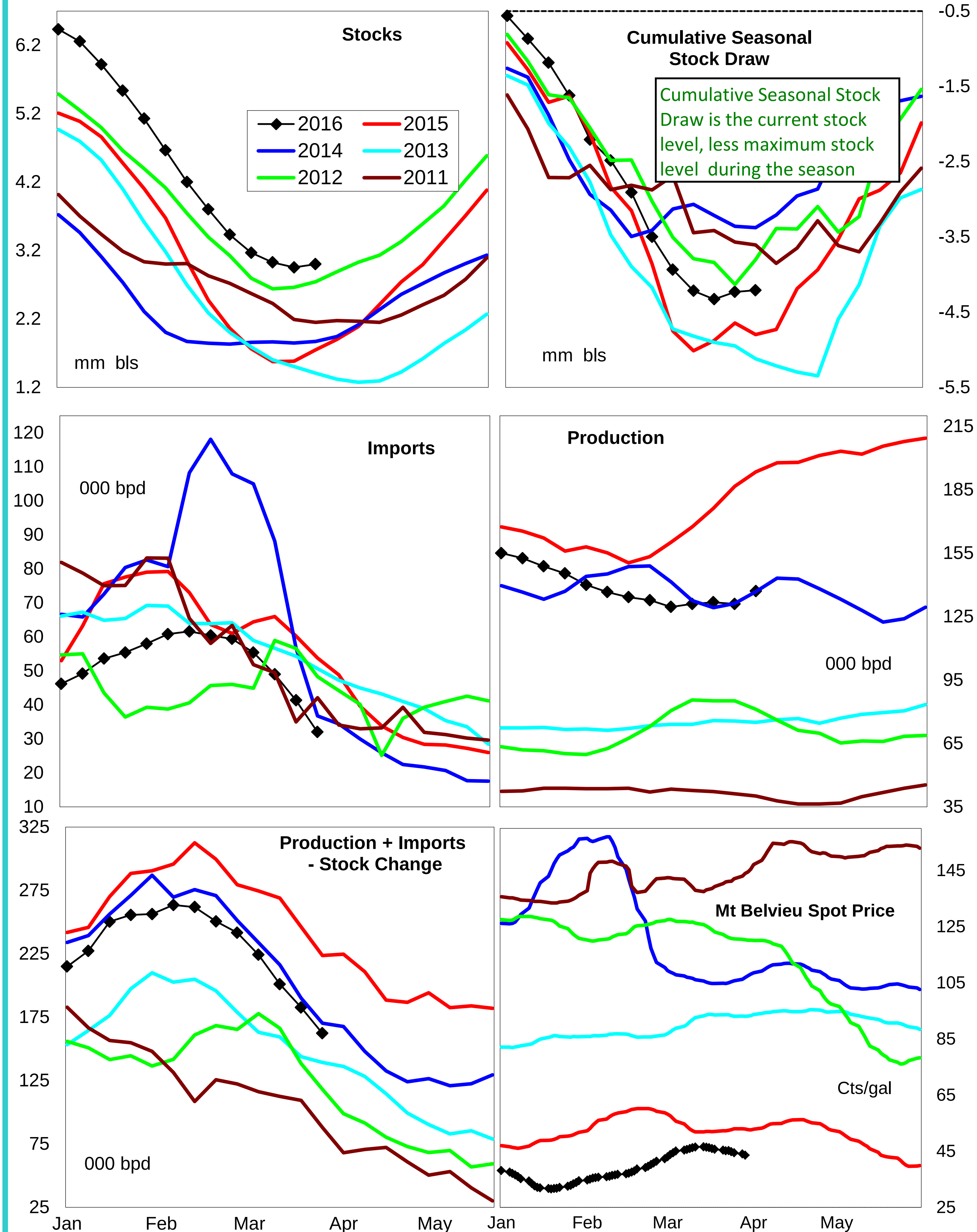
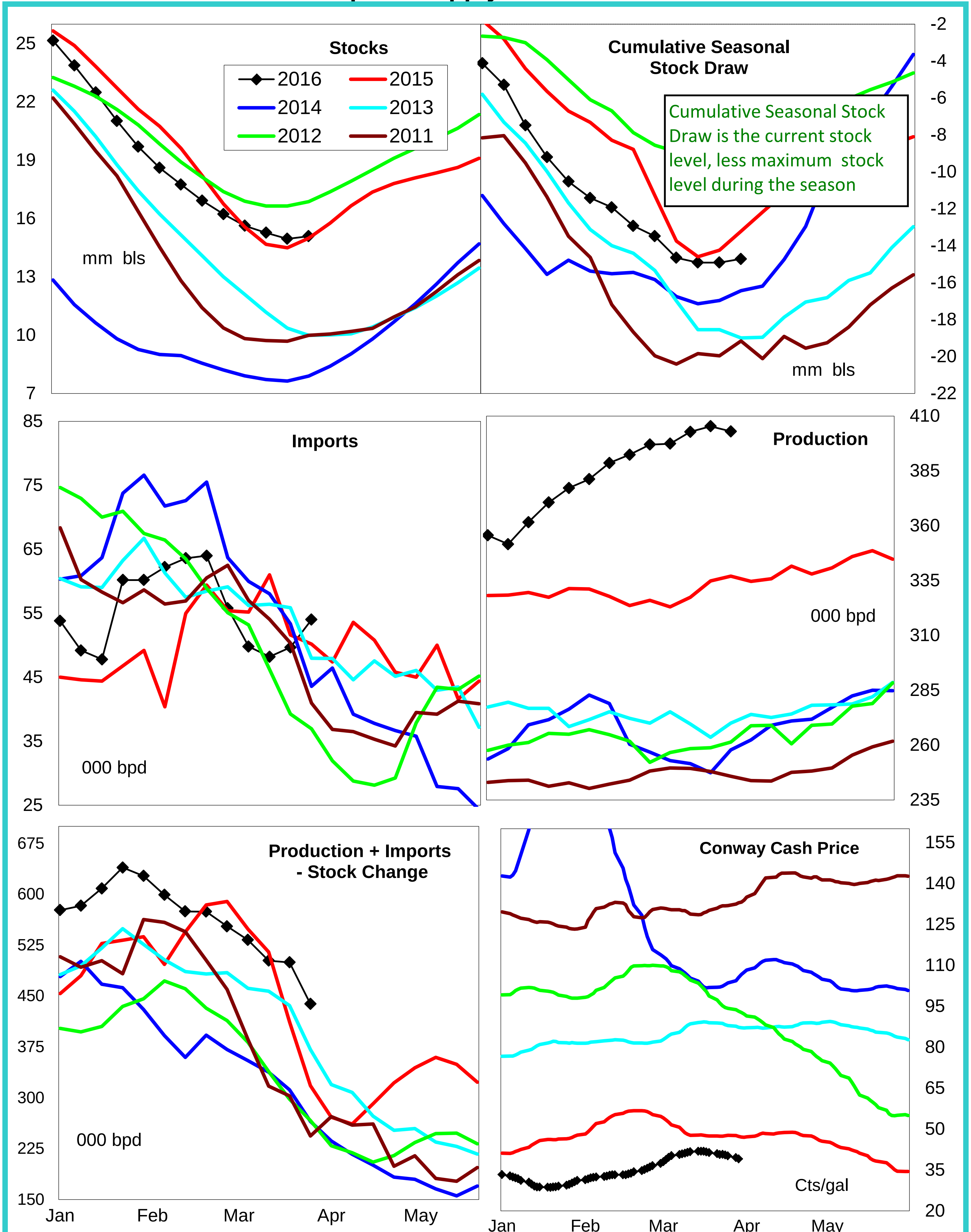
PADD 1 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	1,404	589	-54	-19	-61
% change	87.9	-12.3	-29.1	-29.8	-24.0

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)	205	-1,504	76	-3	45
% change	1.4	11.4	23.2	-5.4	10.0

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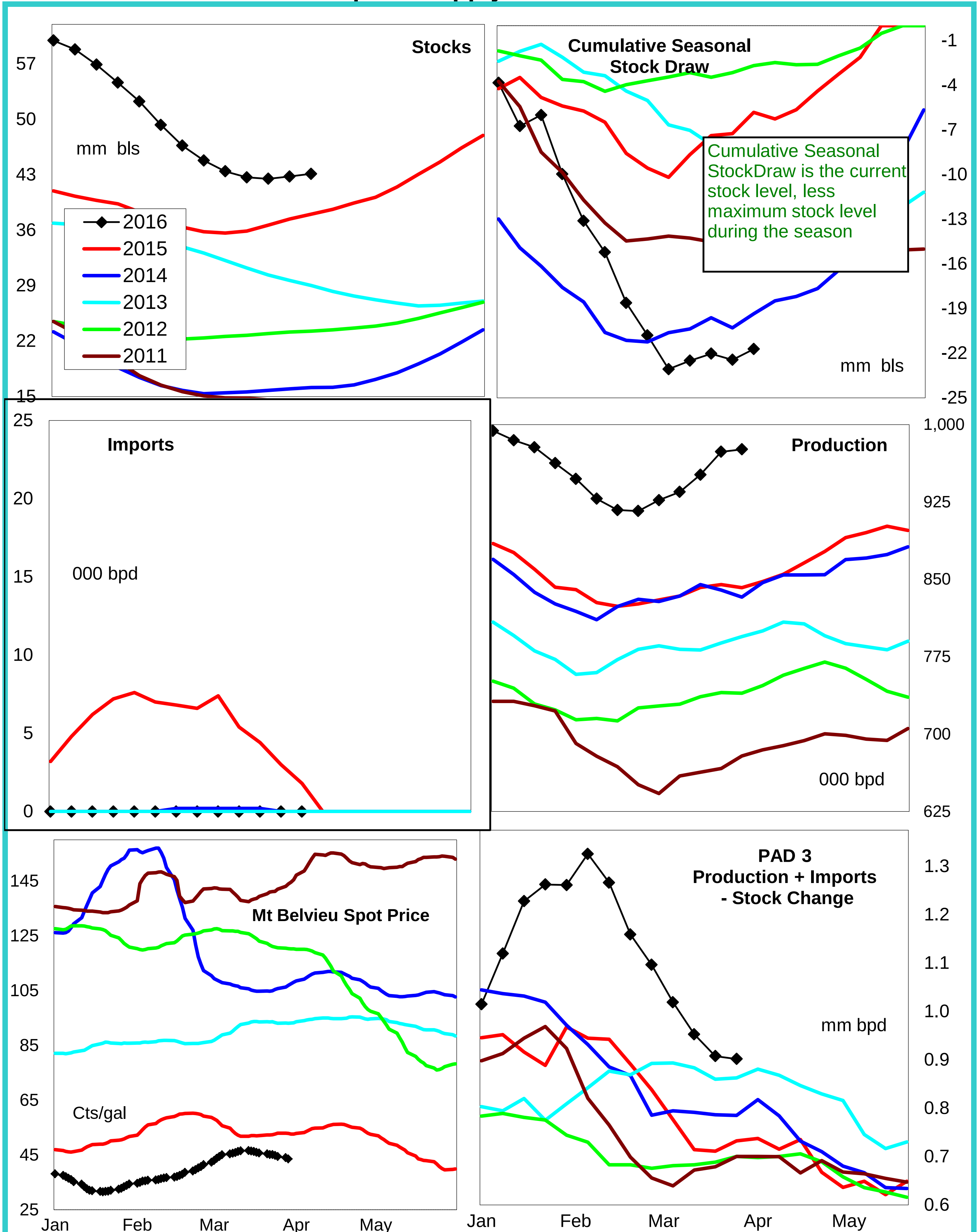
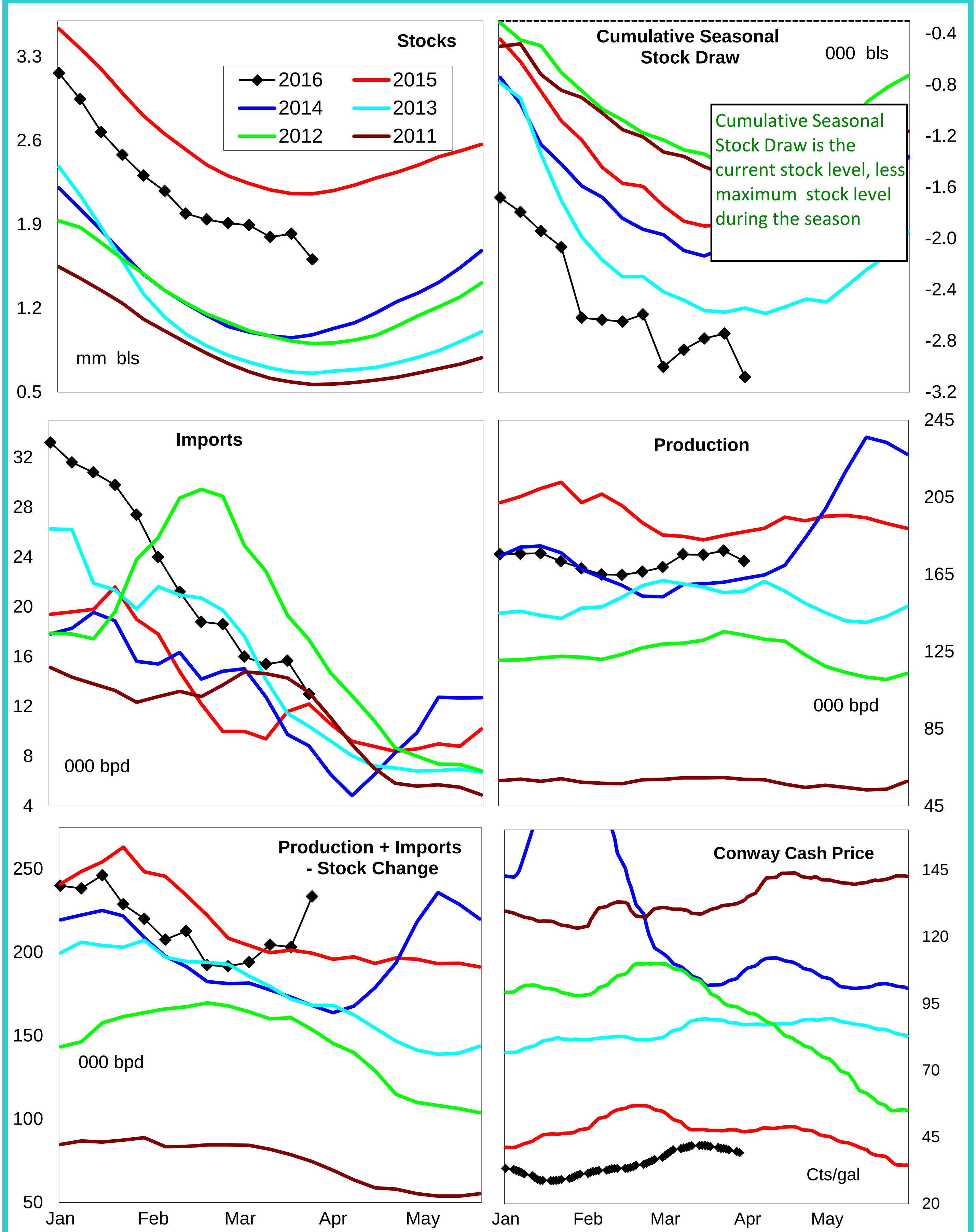
PADD 3 Propane Supply and Demand Balance



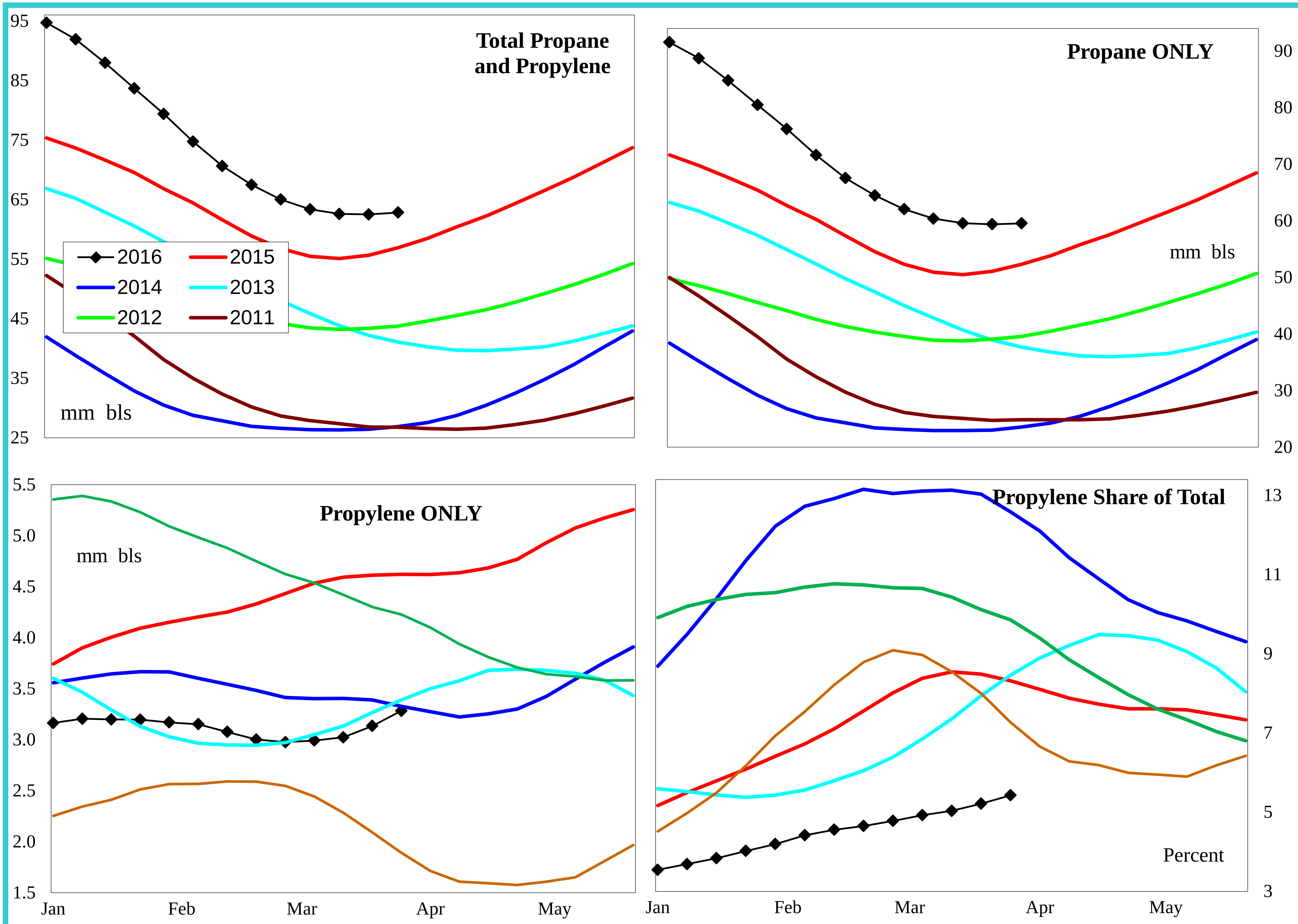
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	4,439	-15,903	125	-4	212
% change	11.5	273	14.8	-100.0	27.9

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)	-583	-1,233	-6	5	8
% change	-26.6	66.7	-3.2	45.2	3.8

U. S. Propane and Propylene Stocks



Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	5,465	6,903	-1,338
% change	9.5	13.1	-29.0

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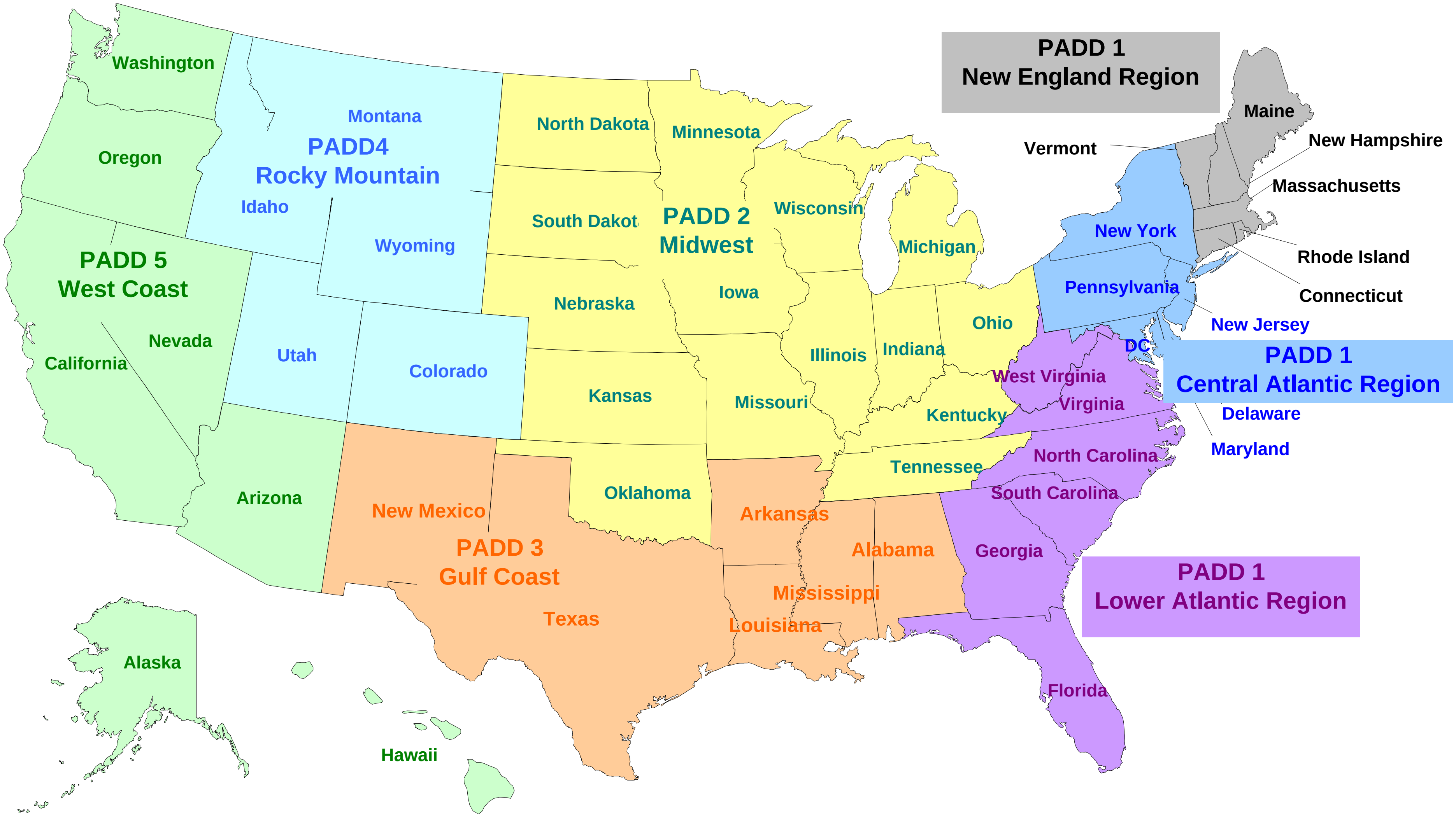
U. S. Petroleum Administrative for Defense Districts (PADDs)



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