FUNDAMENTAL PETROLEUM TRENDS

WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

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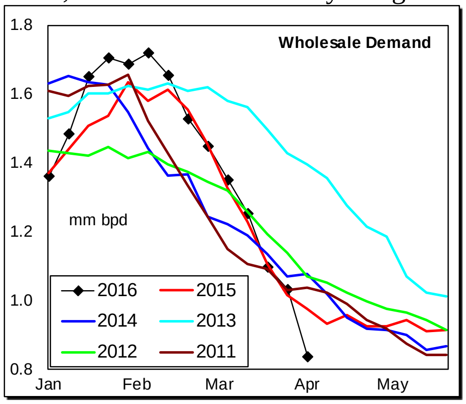
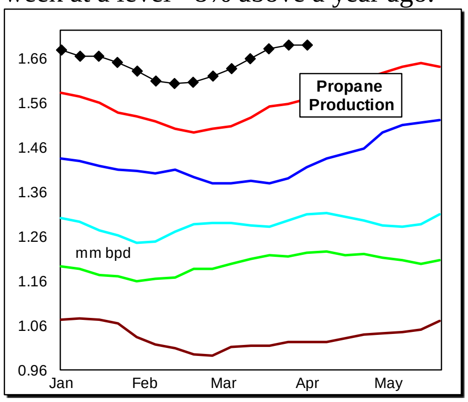
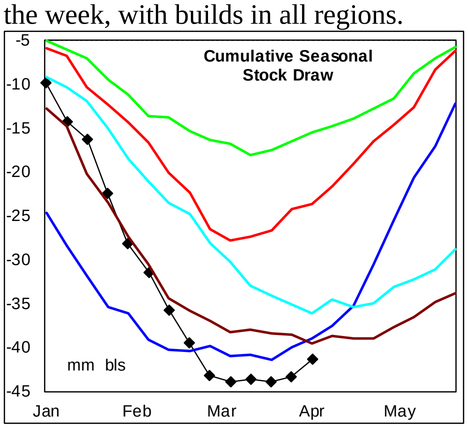
Summary[1]:
Wholesale demand fell -231,000 bpd last week, to a level below the 5-yr range.



Production was nearly unchanged on the week at a level +8% above a year ago.

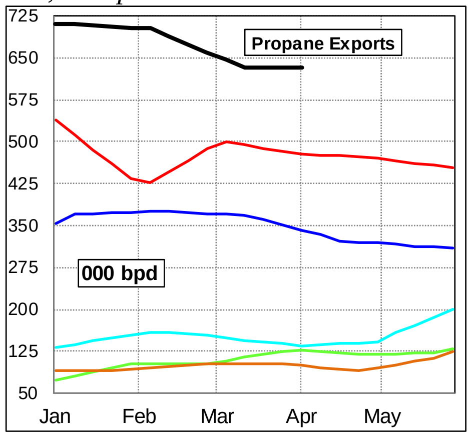


Stocks increased +2 million barrels on the week, with builds in all regions.

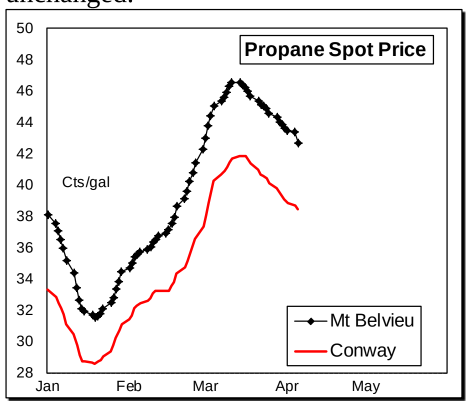


The cumulative seasonal stock draw of -41 million barrels was a record, driven by the rise in exports. Stock levels ended the week +6.9 million barrels above a year ago, and a 5-yr high for the period.

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 cpg last week ending 05Apr16, while Conway prices were unchanged.



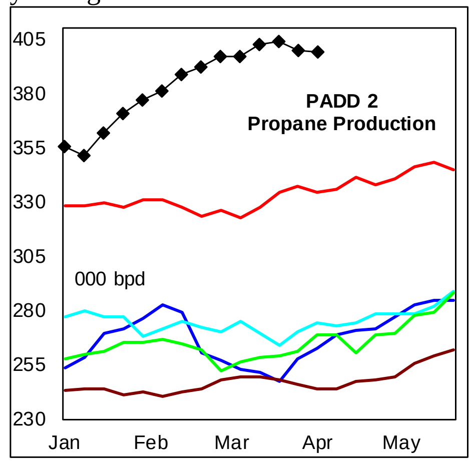
The Conway – Mt Belvieu price spread traded sideways last week, ending at a level equal to the 3-yr mid range.

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

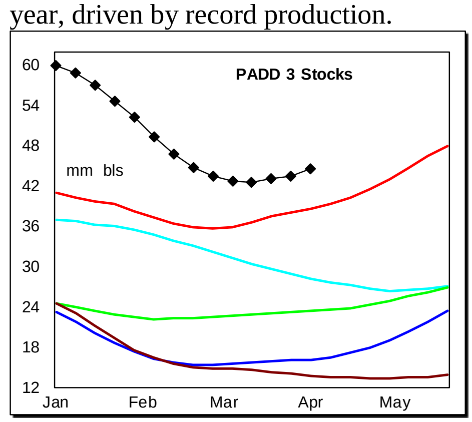
The propane / crude oil price spread trended higher on the week, ending at a level above the last 3-yrs for the period.

PADD 1 stocks increased +0.1 million barrels on the week ending at a level +87% above last year and above the 5-yr range. Supply increased +4,000 bpd on the week.

PADD 2 supply decreased -21,000 bpd last week. Production for the latest 4-wk period was +65,000 bpd above a year ago. Stocks increased +0.3 million barrels on the week, at a level comparable with last year and near prior year highs.



PAD 3 stocks increased +1.5 million barrels on the week. Stock levels ended the week +17% above the prior 5-yr high. Supplies for the latest 4-wk period were +130,000 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 -18% below last year, and significantly above four of the last 5-yrs.

Emerging Trends The above average build last week of +2 million barrels was due to lower exports for the period (supported by the +1.5 million build in the Gulf region).

Record production and carry out stocks +6.9 million barrels above the prior 5-yr high, underlie the pull back in wholesale prices.

Risk of further price weakness persist on any extended slowdown in exports.

[1] Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

April 6, 2016

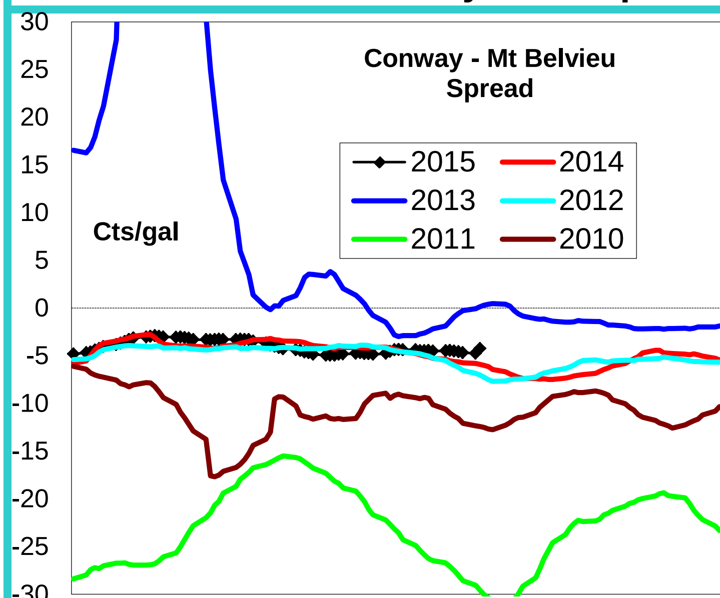
Fundamental Trends for the Week Ending: Friday, April 01, 2016

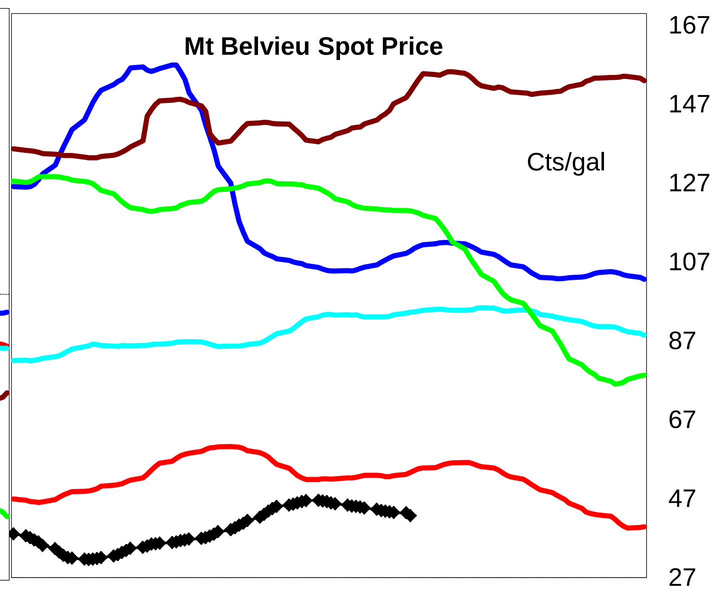
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5	U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5
Stocks	64,858	3,119	15,370	44,624	1,745	2,033	118	280	1,499	136
Propylene Stocks	3,688					405				
Production	1,691	126	399	987	179	3	-11	-4	11	7
Imports	80	27	37	0	16	-19	-5	-17	0	3
Whsle Demand	838					-231				

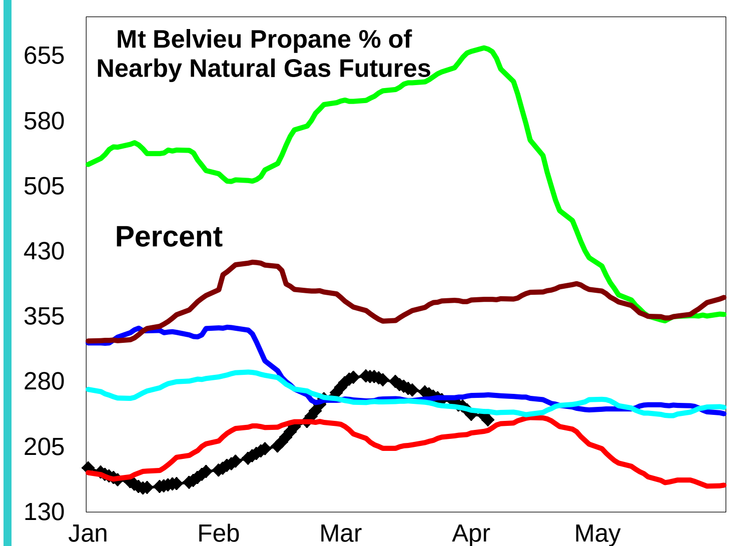
Price Trends for the Week Ending: Tuesday, April 05, 2016

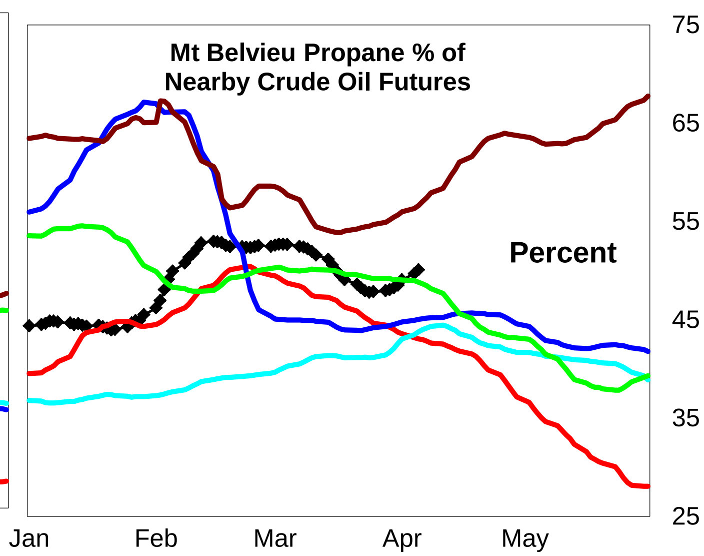
Cents/gal	Average for week ending:				Change from:			% change from:		
	4/5/16	3/29/16	3/8/16	4/8/15	3/29/16	3/8/16	4/8/15	3/29/16	3/8/16	4/8/15
Mont Belvieu Spot	43.5	44.2	45.1	52.5	-0.67	-0.95	-7.38	-1.5	-2.1	-14.0
Conway Spot	38.9	39.8	39.9	47.0	-0.95	-0.13	-7.05	-2.4	-0.3	-15.0

Key Price Spreads and Differentials

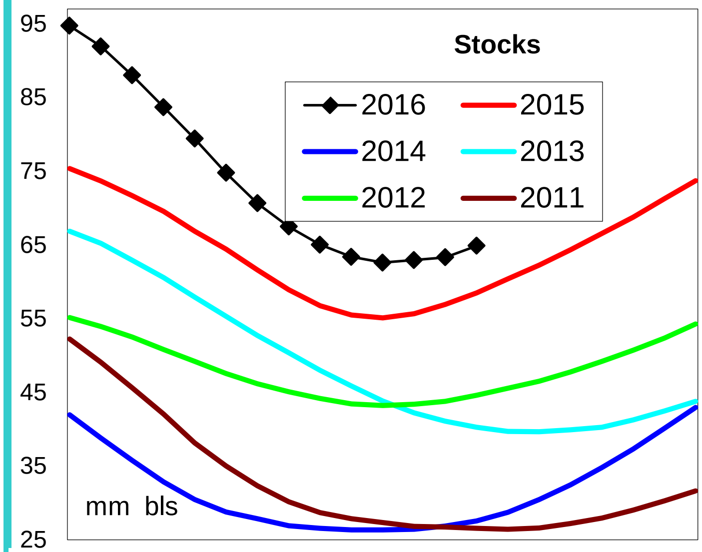


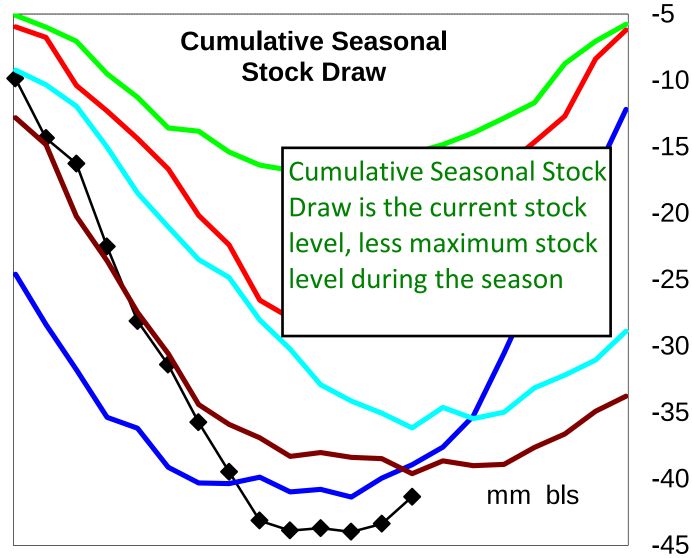


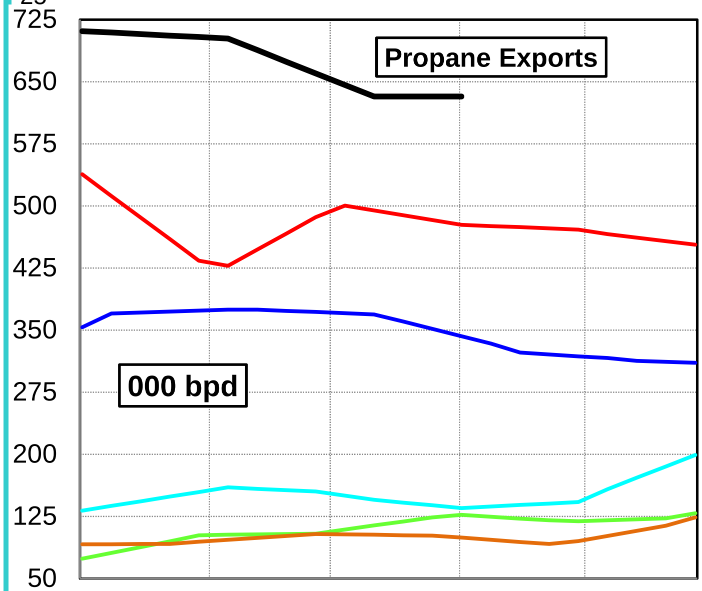


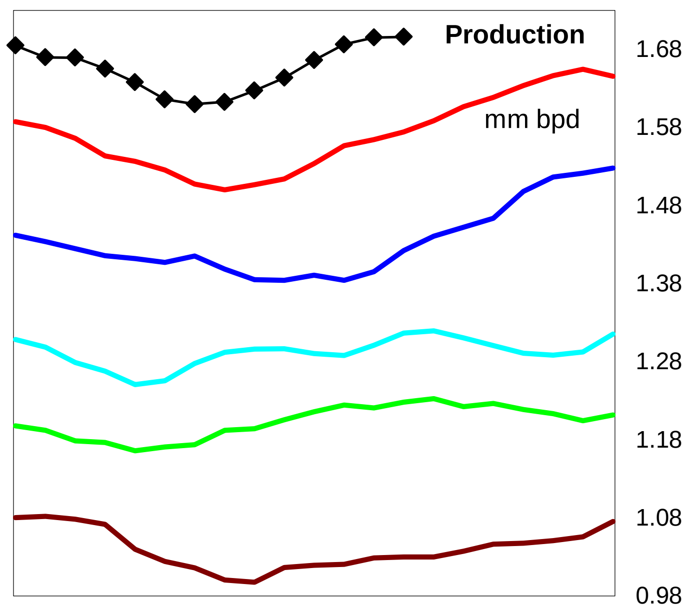


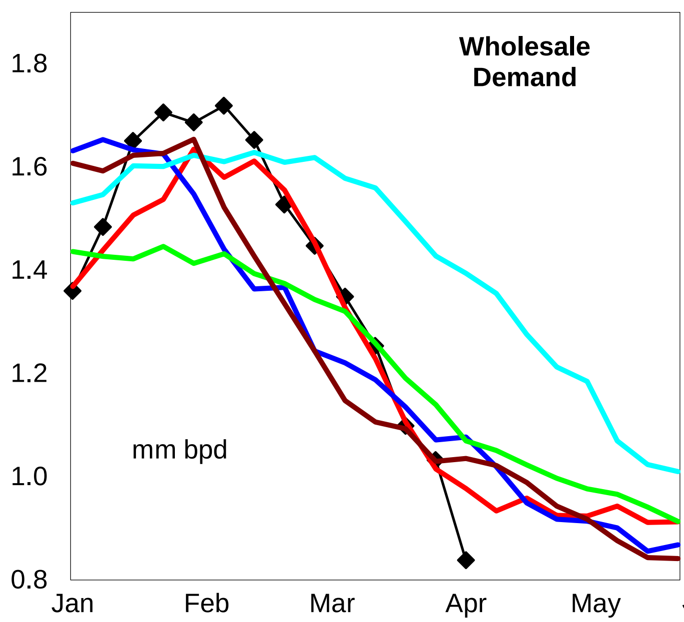
U. S. Propane Supply and Demand Balance

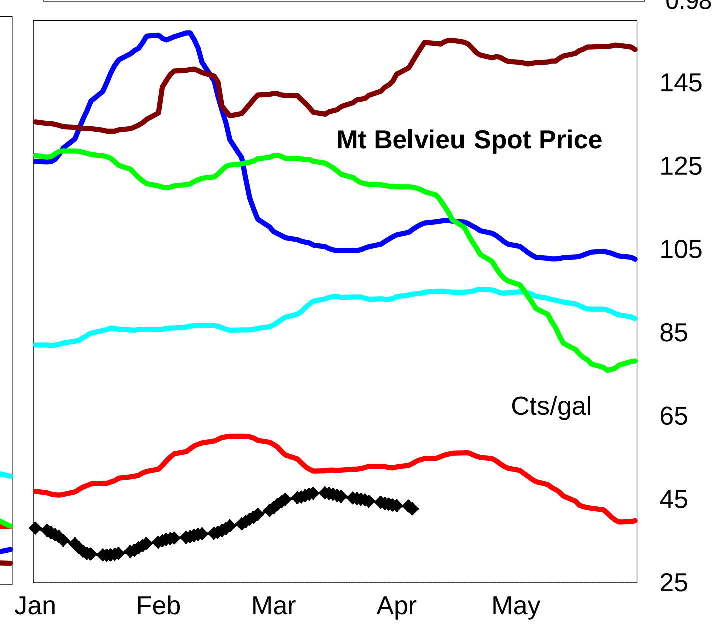






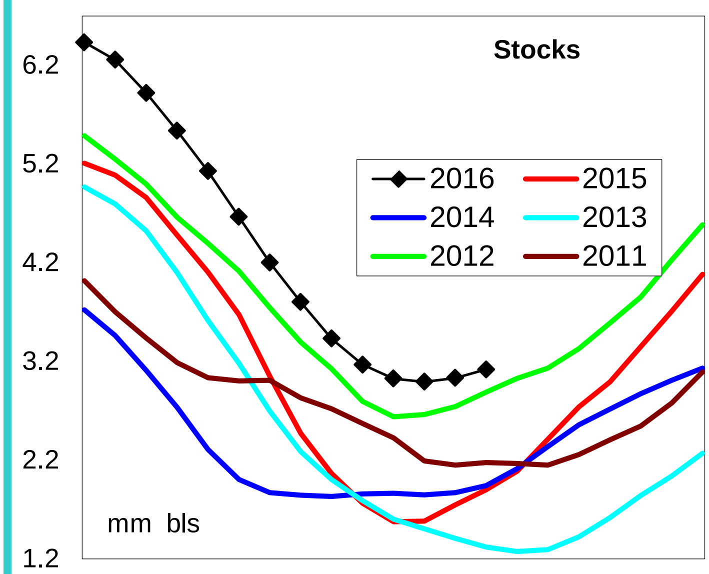


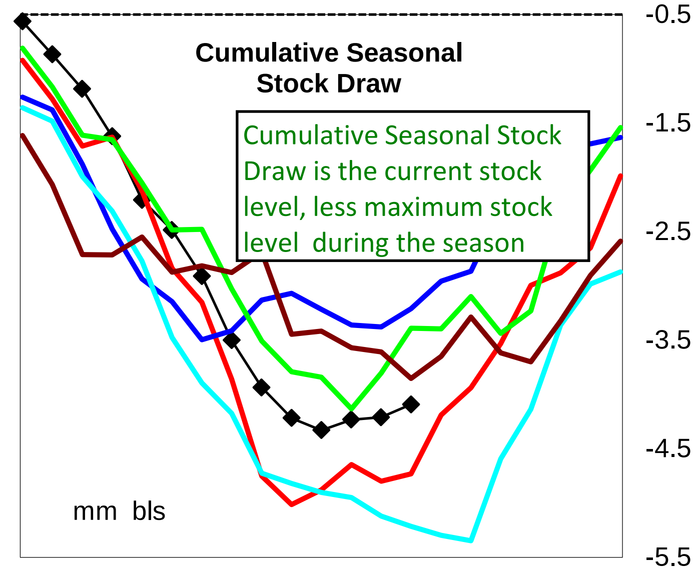


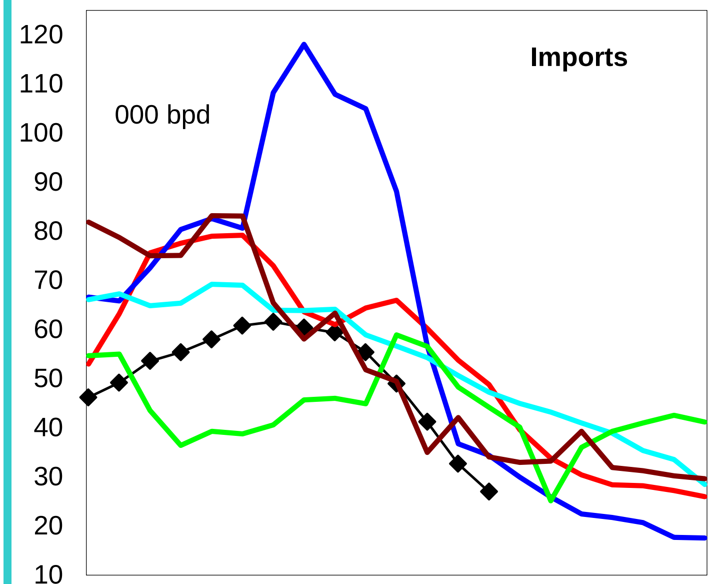


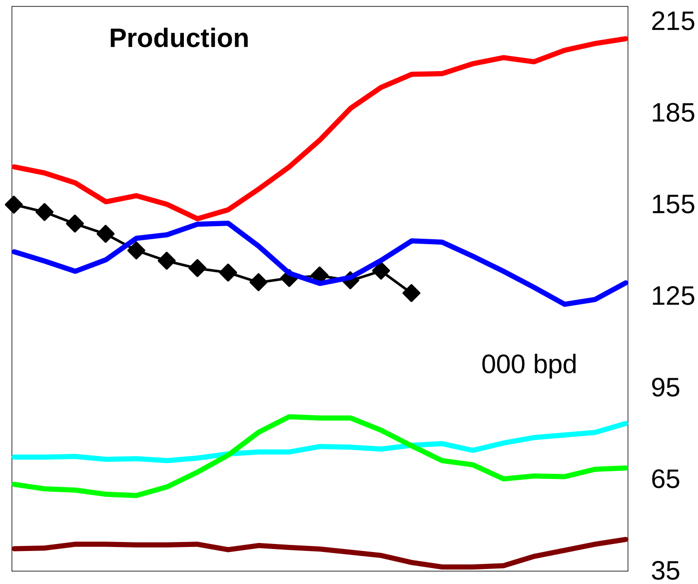
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Feb	Jan	Dec
000 bpd (000 bls stks)	6,899	-17,691	127	-26		11	48	175	-31
% change	11.9	75	8.1	-20.3		1.0	3.1	11.2	-2.2

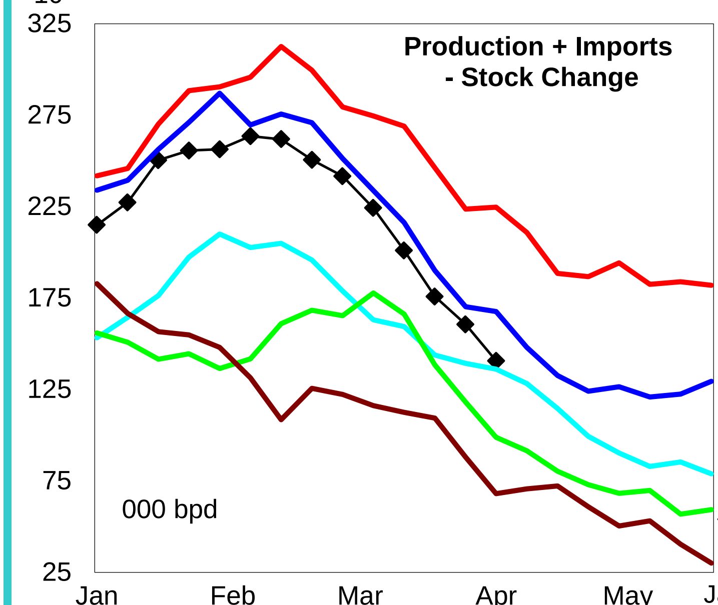
PADD 1 Propane Supply and Demand Balance

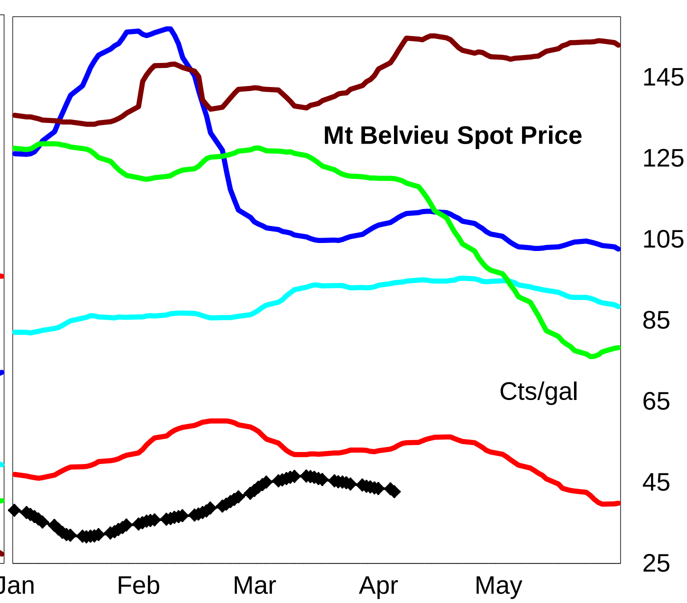






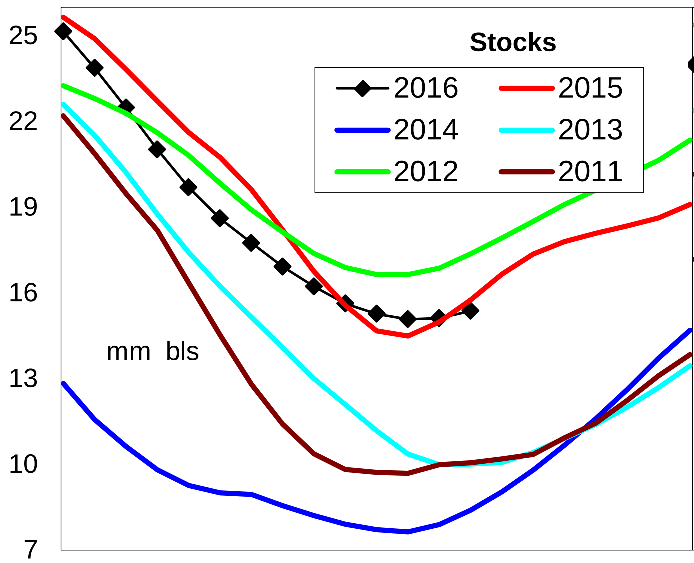


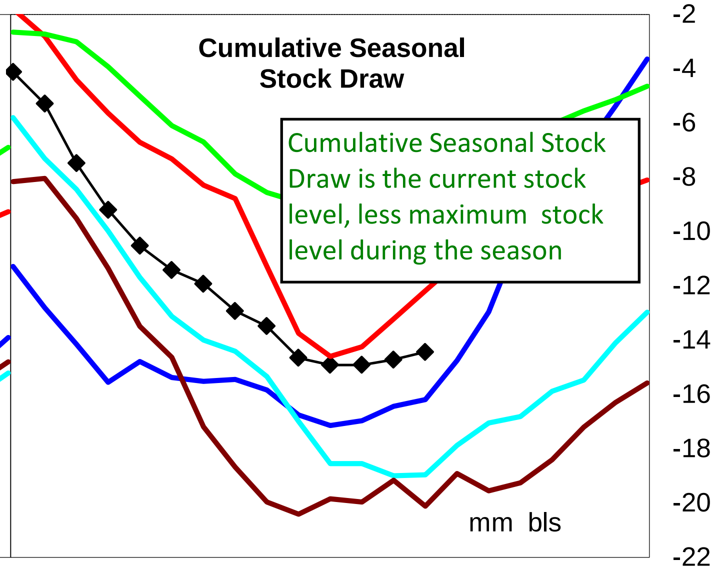


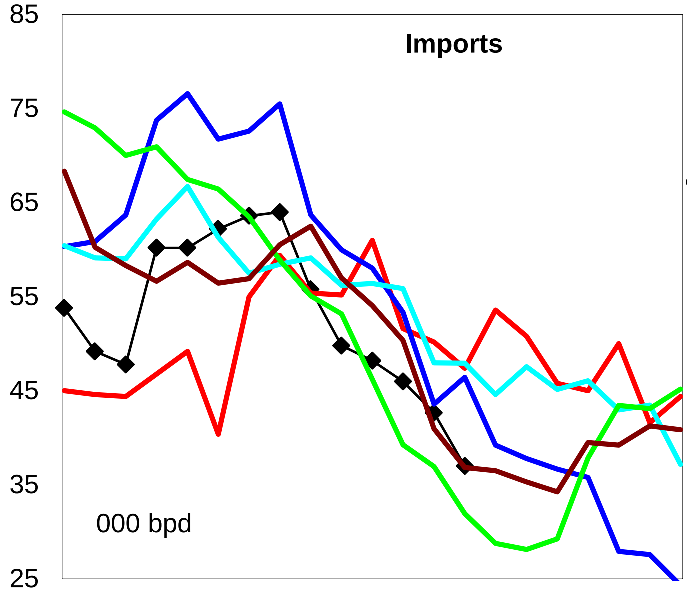


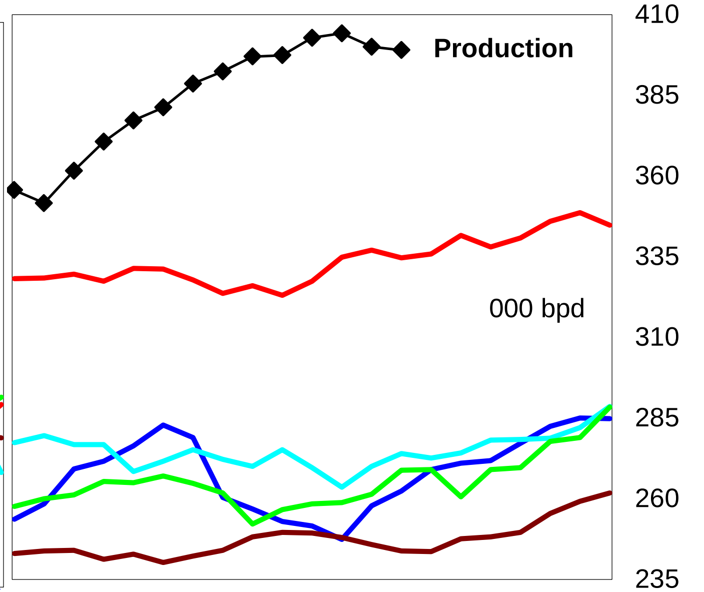
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	1,453	638	-60	-21	-71
% change	87.2	-13.5	-31.7	-35.2	-29.6

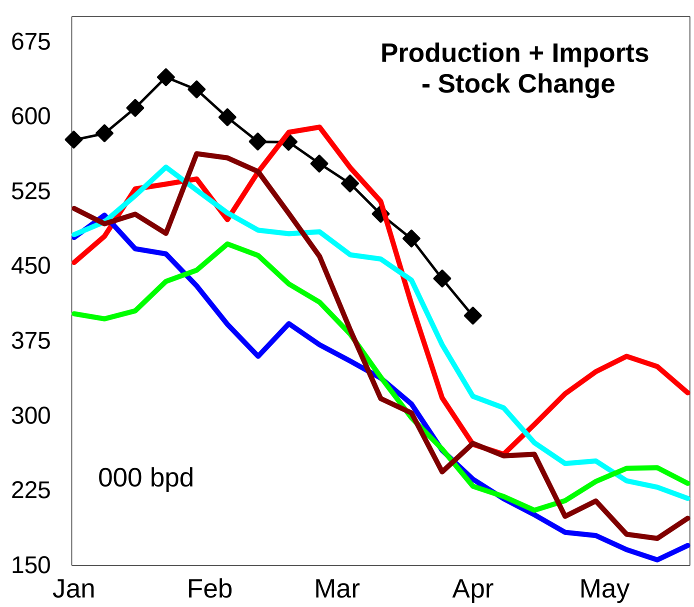
PADD 2 Propane Supply and Demand Balance

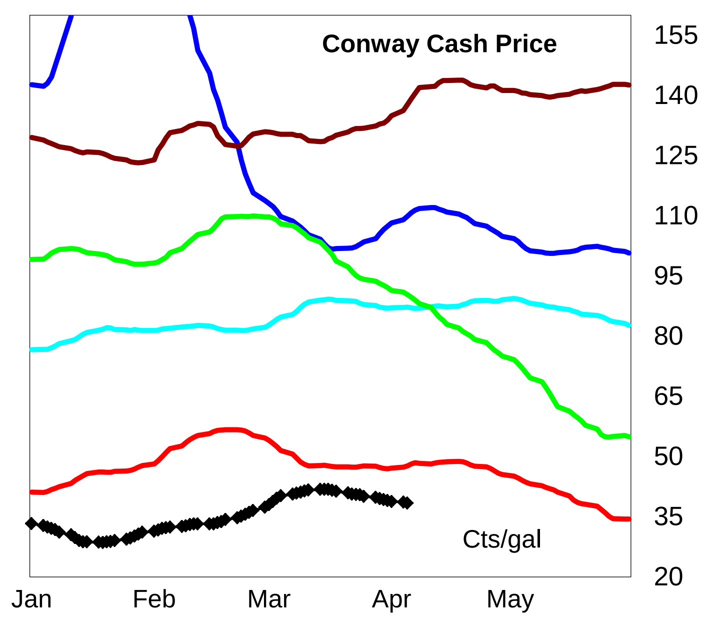












4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-547	-2,256	65	-5	75
% change	-3.4	18.5	19.0	-10.1	19.8

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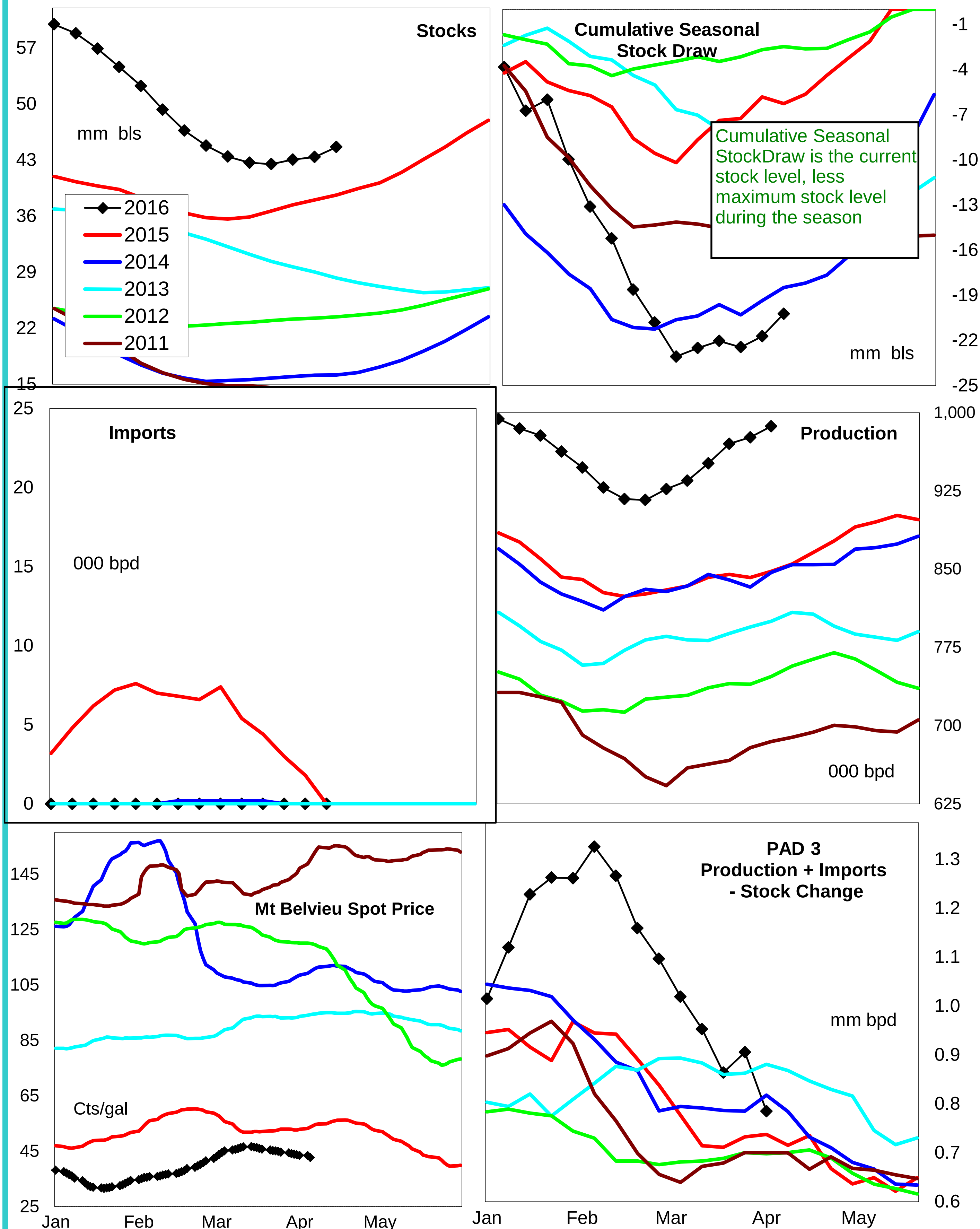
PADD 3 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	6,384	-13,958	132	-2	153
% change	16.7	223	15.6	-100.0	20.4

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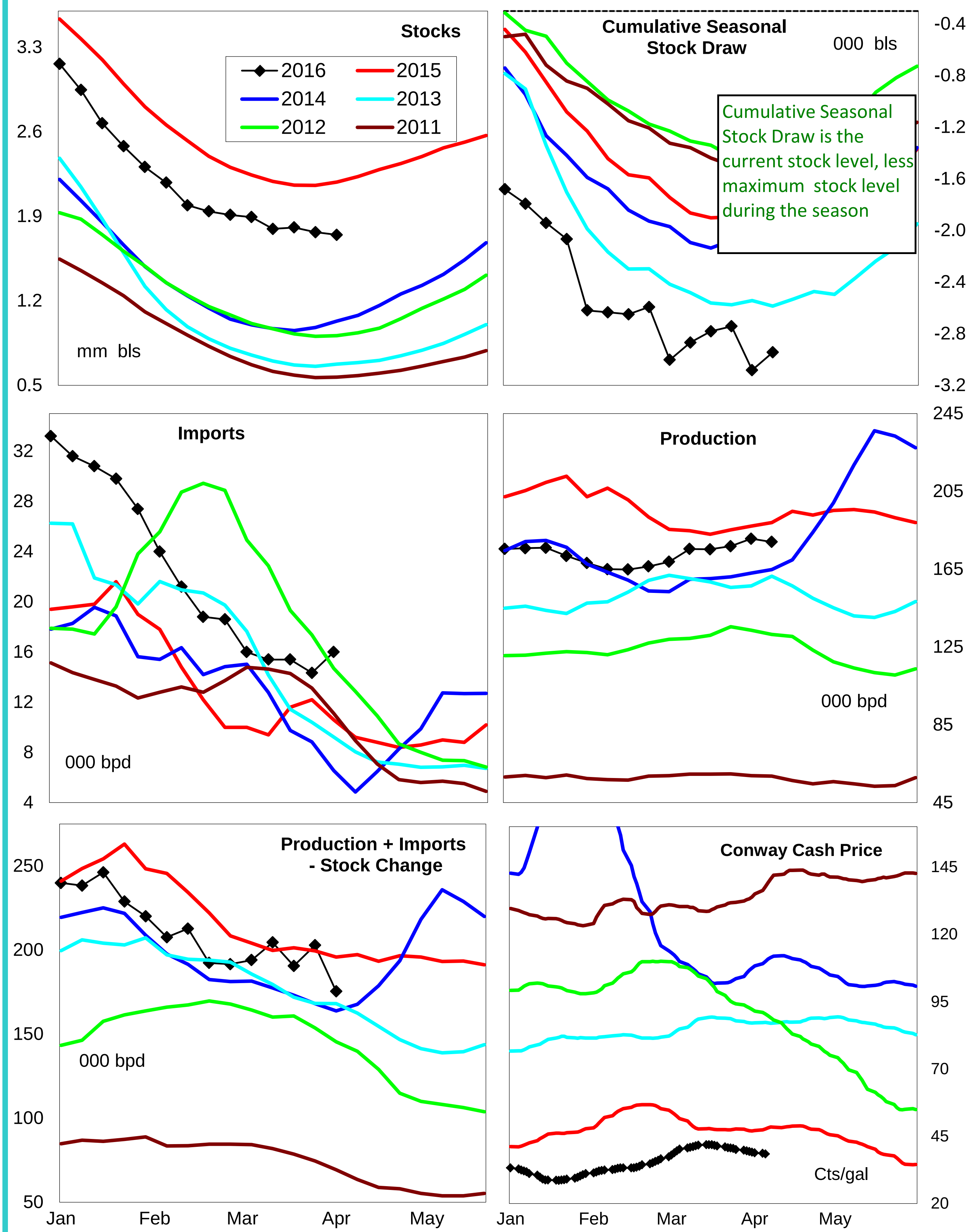
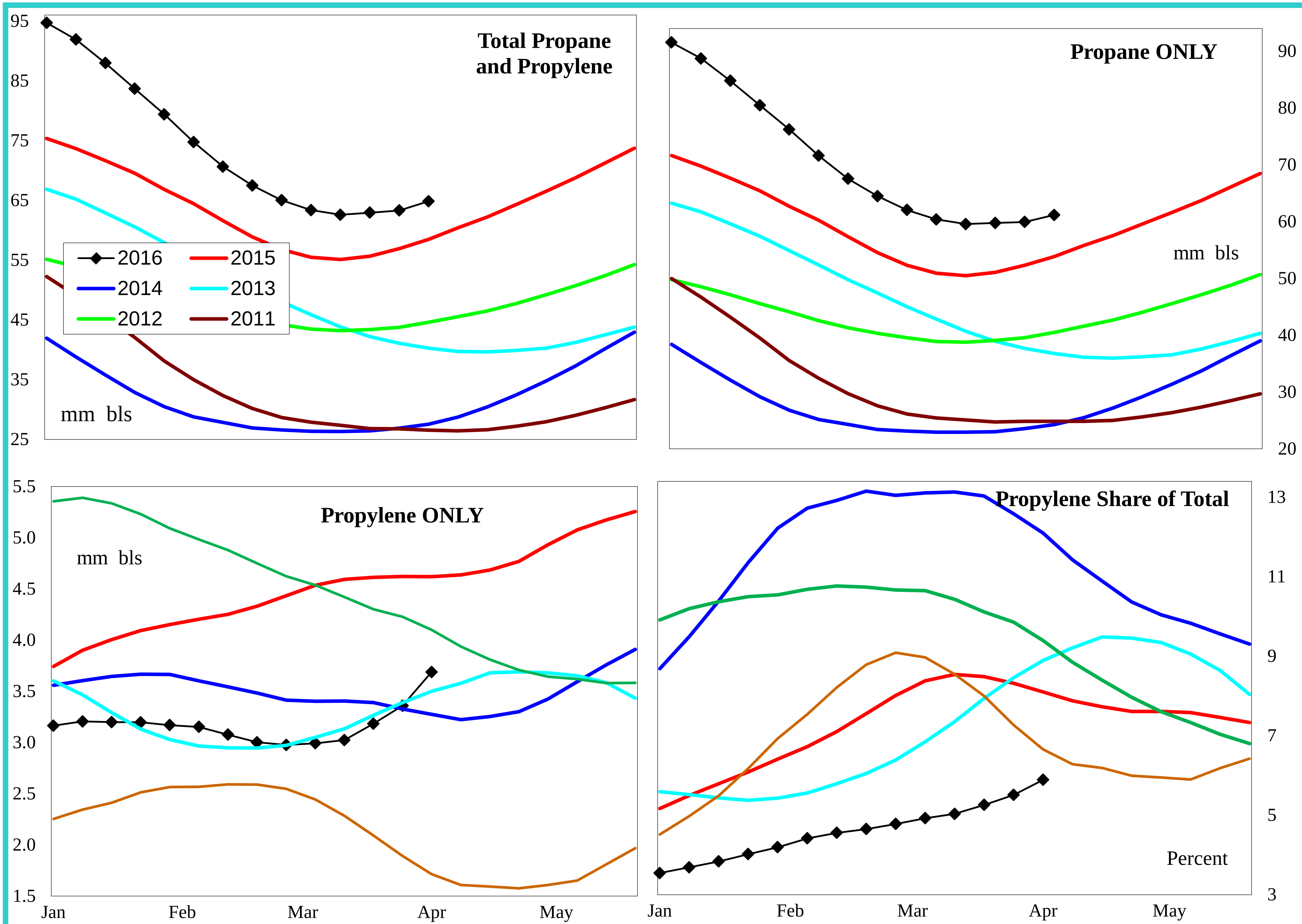
PADDs 4 and 5 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-390	-1,040	-10	3	-6
% change	-18.3	54.6	-5.2	18.9	-2.9

U. S. Propane and Propylene Stocks



Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	6,899	7,764	-932
% change	11.9	14.5	-20.2

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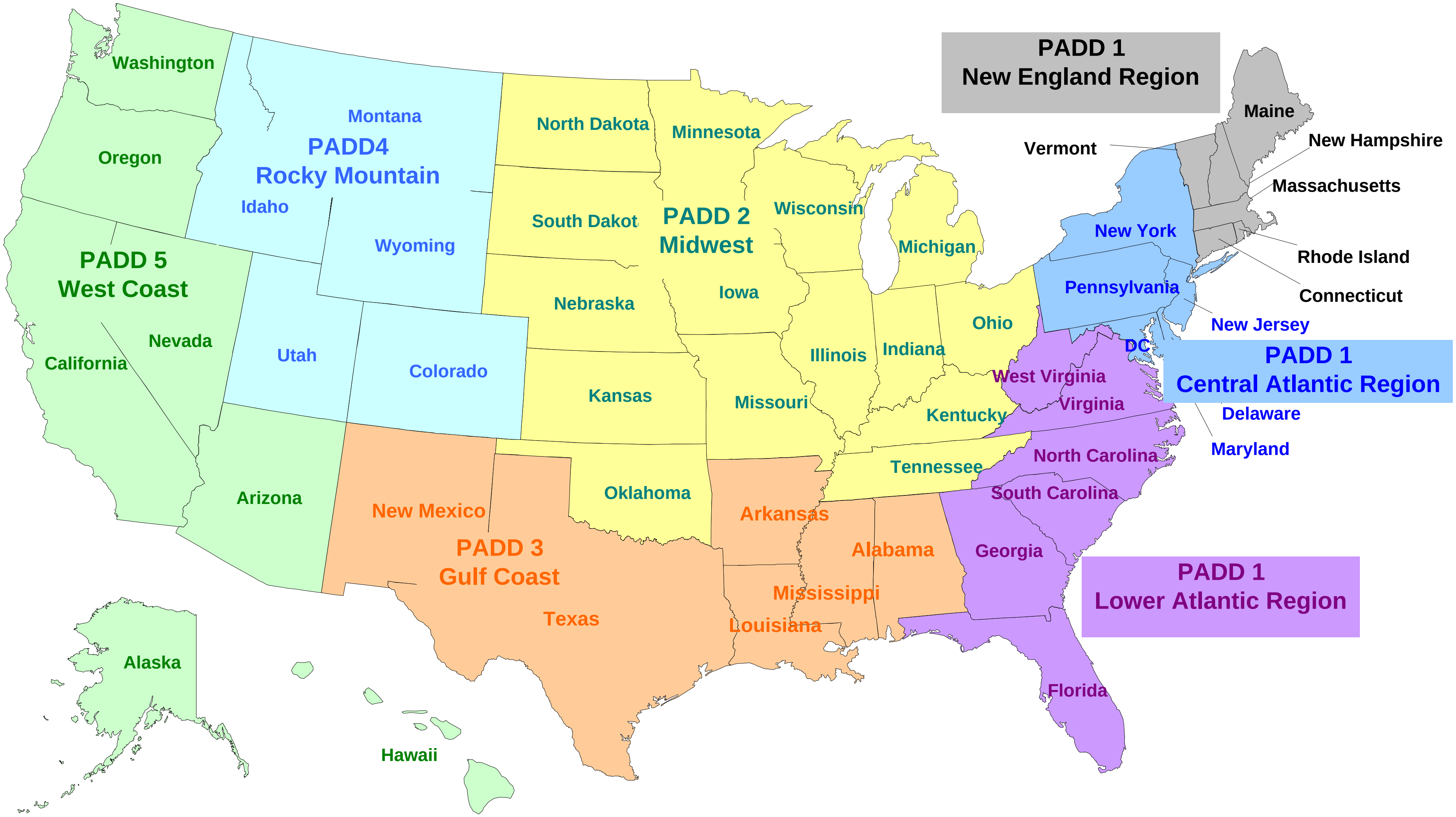
U. S. Petroleum Administrative for Defense Districts (PADDs)



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