FUNDAMENTAL PETROLEUM TRENDS

WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

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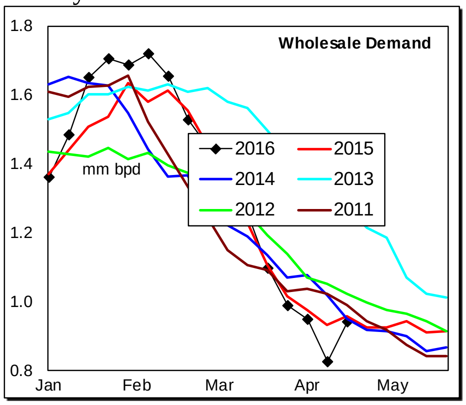
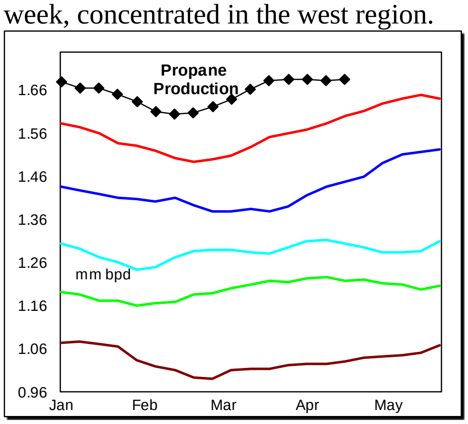
Summary[1]:

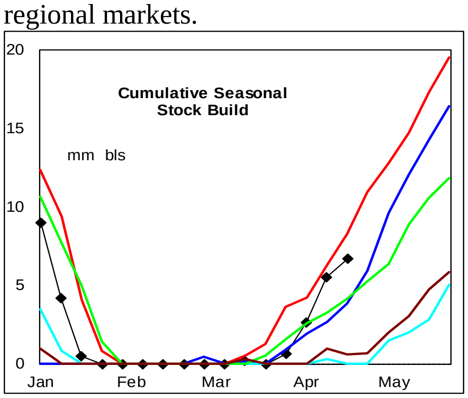
Wholesale demand increased +242,000 bpd last week, to a level that matched the last 2-yrs.



Production increased +13,000 bpd on the week, concentrated in the west region.

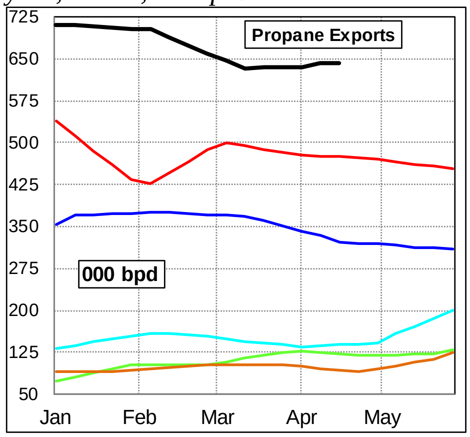


Stocks increased +1.2 million barrels on the week, with average builds in all regional markets.

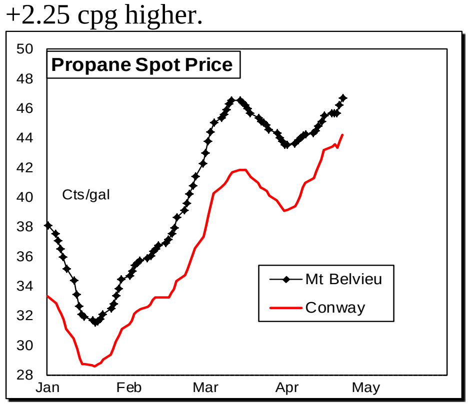


The cumulative seasonal stock build of +6.37 million barrels, was below a year ago, but above the prior 4-years. Stock levels ended the week +7 million barrels above a year ago, and a 5-yr high for the period.

Exports for the week ending 01Apr16 were +166,000 bpd above last year, at 643,000 bpd.



Price and Spreads Mt Belvieu spot price increased +2.5 cpg last week ending 22Apr16, while Conway prices were +2.25 cpg higher.



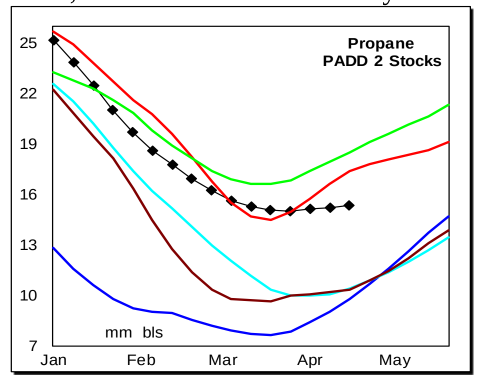
The Conway – Mt Belvieu price spread traded sideways last week, ending at a level near 3-yr highs.

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

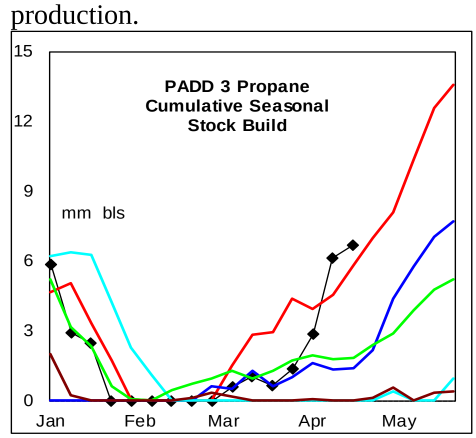
The propane / crude oil price spread extended the 60-day downtrend on the week, ending at a level near 3-yr highs for the period.

PADD 1 stocks increased +0.1 million barrels on the week, to a level +42% above last year, matching prior record highs. Supply decreased -2,000 bpd on the week.

PADD 2 supply decreased -4,000 bpd last week, to the lowest level of 2016. Production for the latest 4-wk period was +34,000 bpd above a year ago. Stocks increased +0.5 million barrels on the week, to a level -12% below last year.



PAD 3 stocks increased +0.6 million barrels on the week, with a record cumulative seasonal build. Stock levels ended the week +21% above the prior 5-yr high. Supplies for the latest 4-wk period were +144,000 bpd above last year, driven by an +17% increase in production.



PADDs 4 & 5 stocks increased +0.1 million barrels on the week. Stock levels ended the week -19% below last year, but well above four of the last 5-yrs.

Emerging Trends A rebound in wholesale demand reflects above trend exports for the period and very low production in the Midwest (driven by refinery maintenance that reduced crude oil runs by over -0.5 million bpd). While high, the seasonal stock build was below a year ago, limiting stock levels to +11% above a year ago.

The increase in global energy prices offset excess propane supply, lifting propane prices to the highest level of 2016.

[1] Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

April 25, 2016

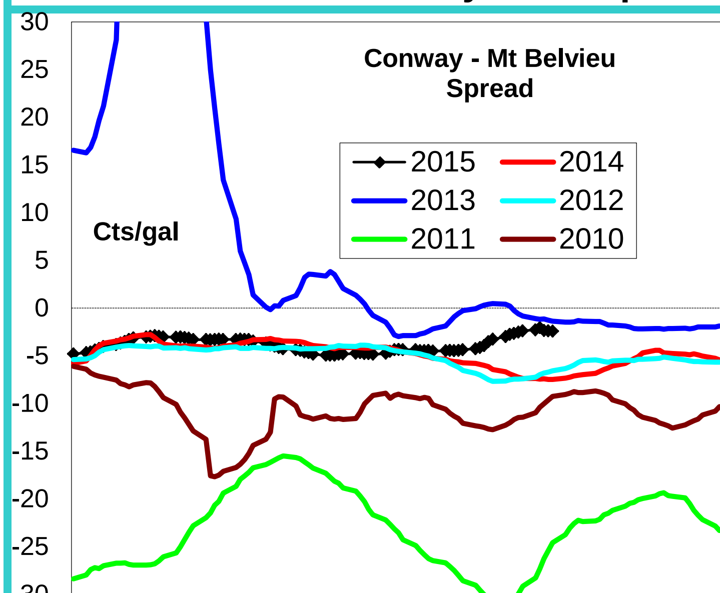
Fundamental Trends for the Week Ending: Friday, April 15, 2016

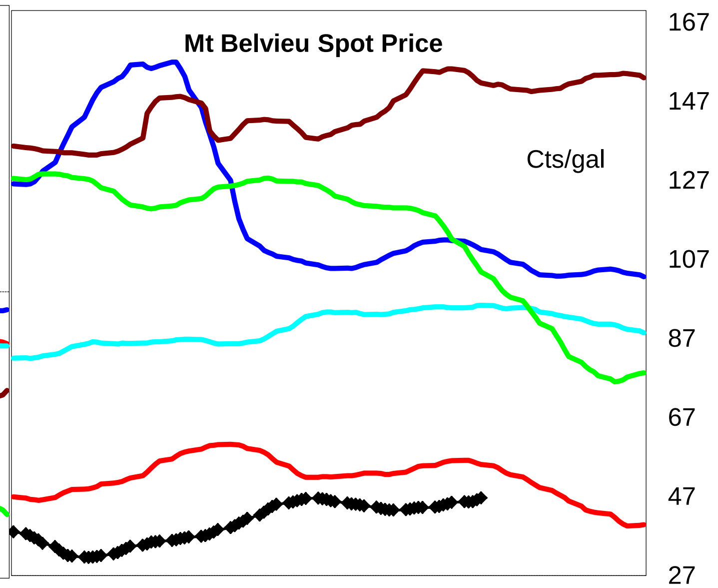
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S.	PADD				U.S.	PADD			
	Total	1	2	3	4&5	Total	1	2	3	4&5
Stocks	68,940	3,248	15,365	48,478	1,849	1,238	96	466	573	103
Propylene Stocks	3,902					-16				
Production	1,686	136	338	1,013	199	13	-2	-12	7	20
Imports	76	26	39	0	11	0	0	8	0	-8
Whsle Demand	942					242				

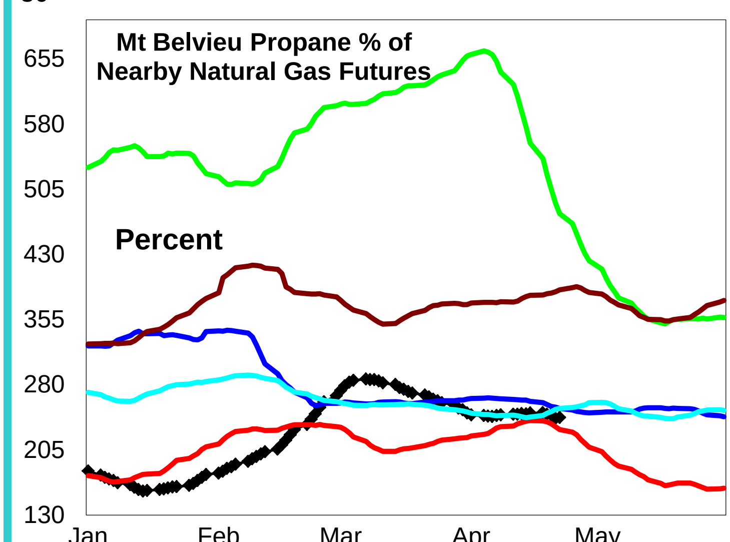
Price Trends for the Week Ending: Friday, April 22, 2016

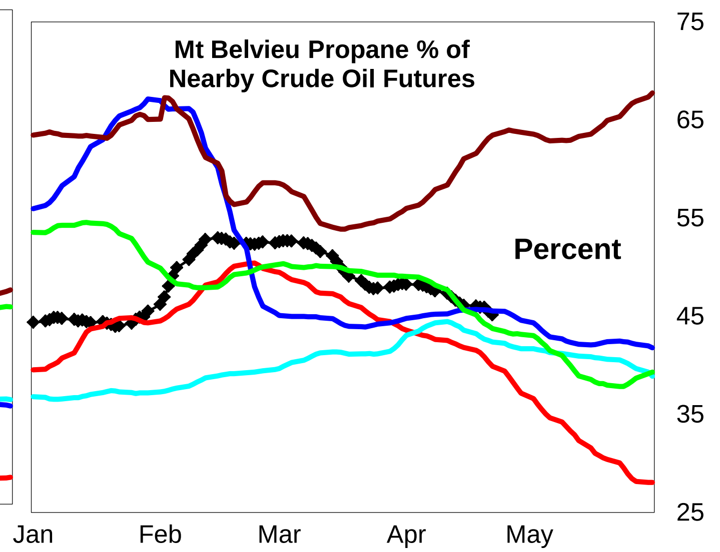
Cents/gal	Average for week ending:				Change from:			% change from:		
	4/22/16	4/15/16	3/25/16	4/28/15	4/15/16	3/25/16	4/28/15	4/15/16	3/25/16	4/28/15
Mont Belvieu Spot	45.9	45.5	45.1	56.1	0.40	0.38	-11.00	0.9	0.8	-19.6
Conway Spot	43.5	43.3	40.9	48.4	0.13	2.43	-7.50	0.3	5.9	-15.5

Key Price Spreads and Differentials

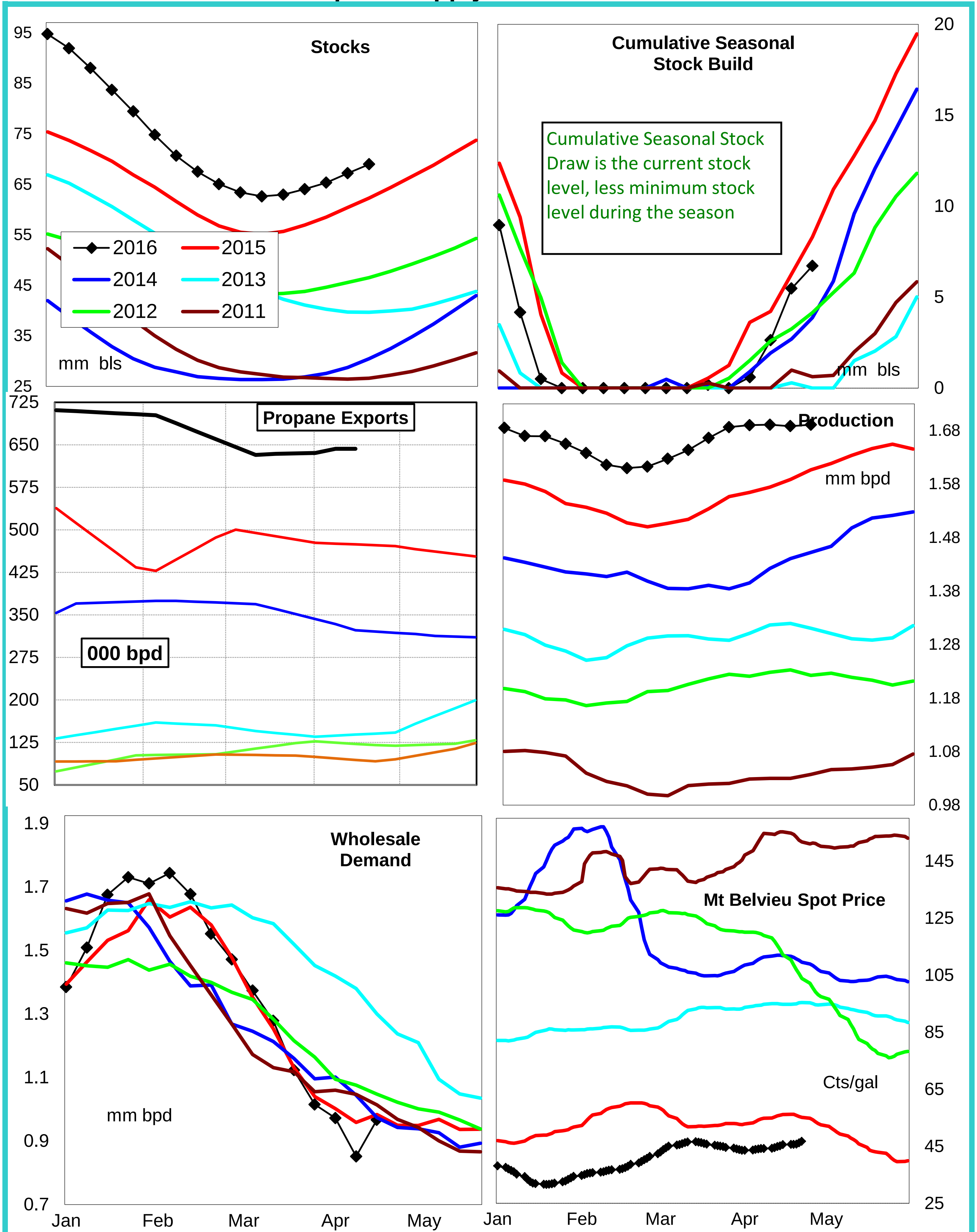








U. S. Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Mar	Feb	Jan
000 bpd (000 bls stks)	6,896	-1,586	104	-18		-65	-127	48	9
% change	11.1	-19	6.6	-17.5		-6.8	-10.7	3.1	0.6

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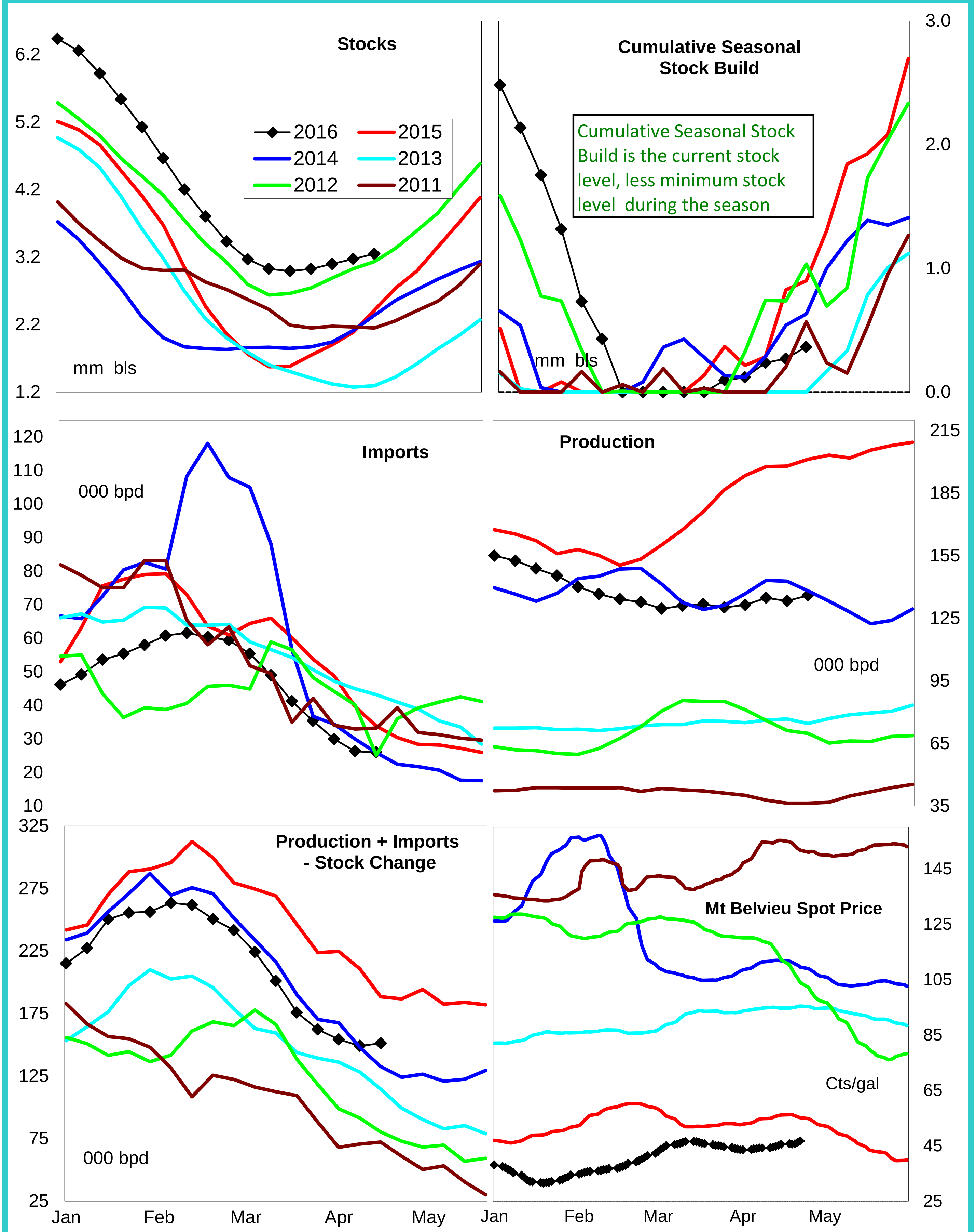
PADD 1 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	966	-535	-64	-14	-58
% change	42.3	-59.4	-32.1	-33.9	-27.2

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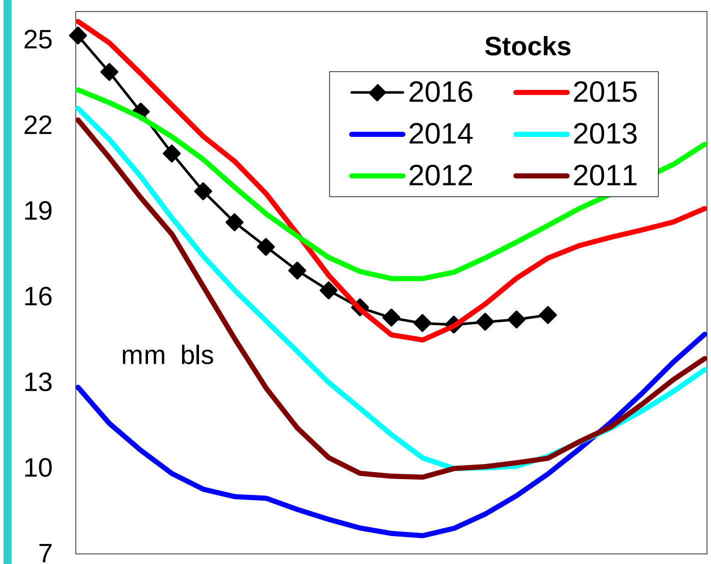
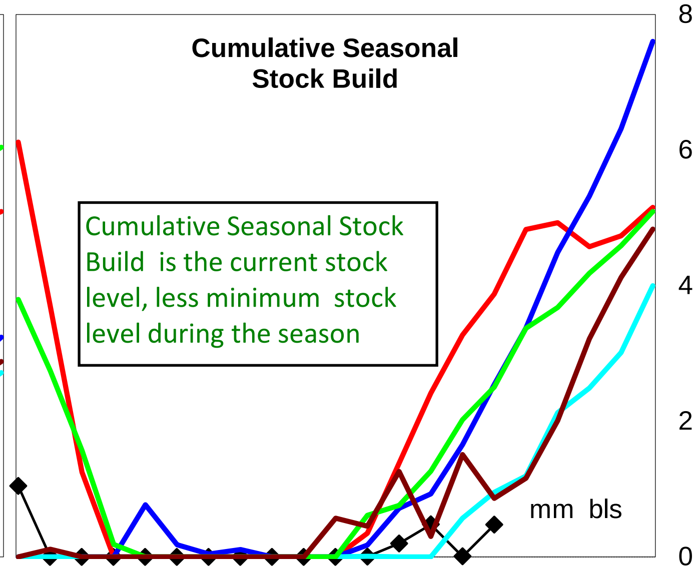
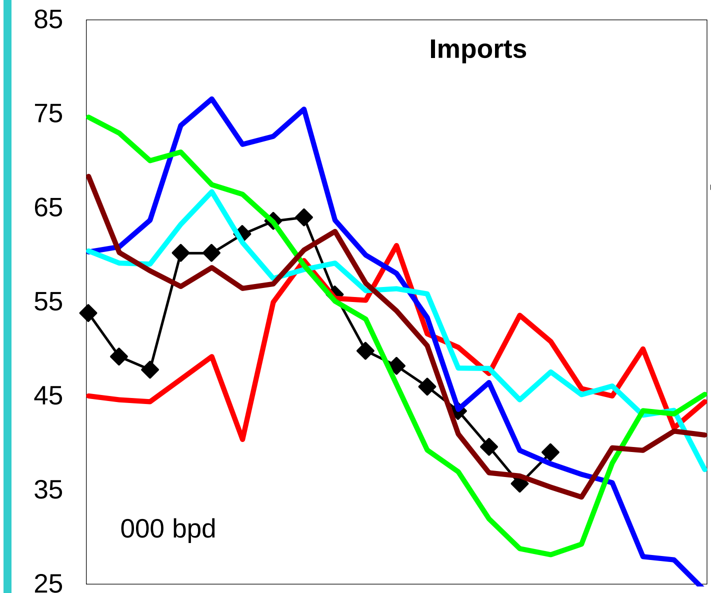
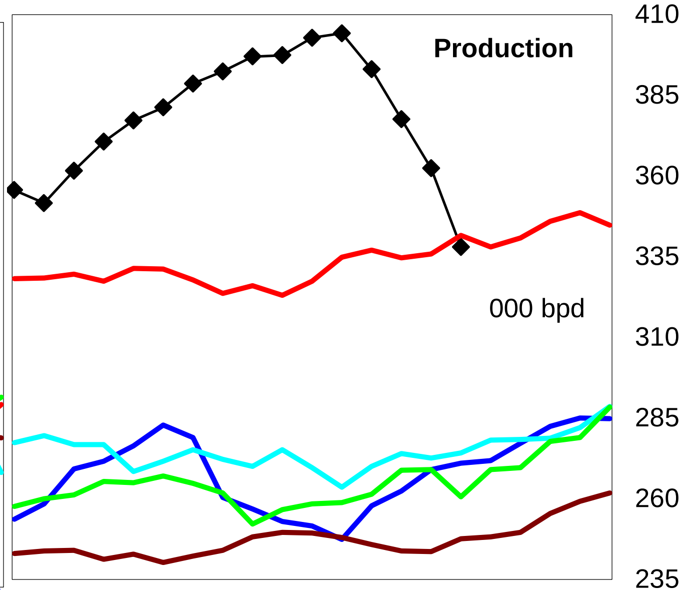
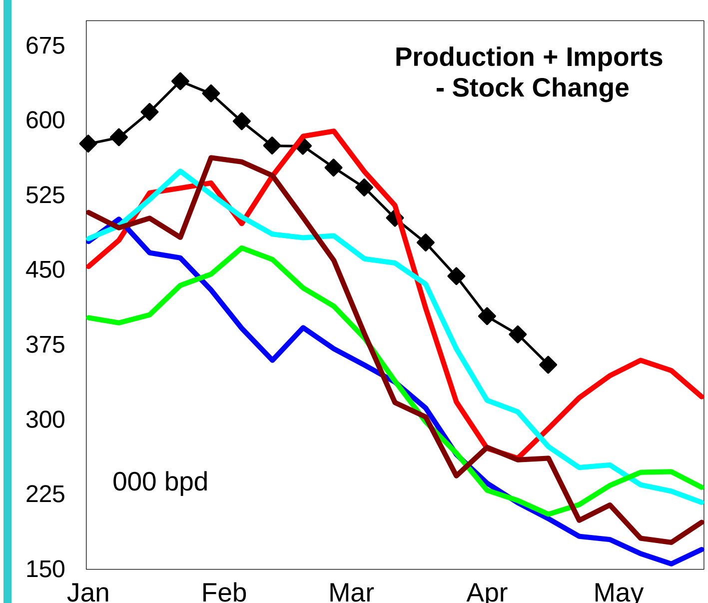
PADD 2 Propane Supply and Demand Balance

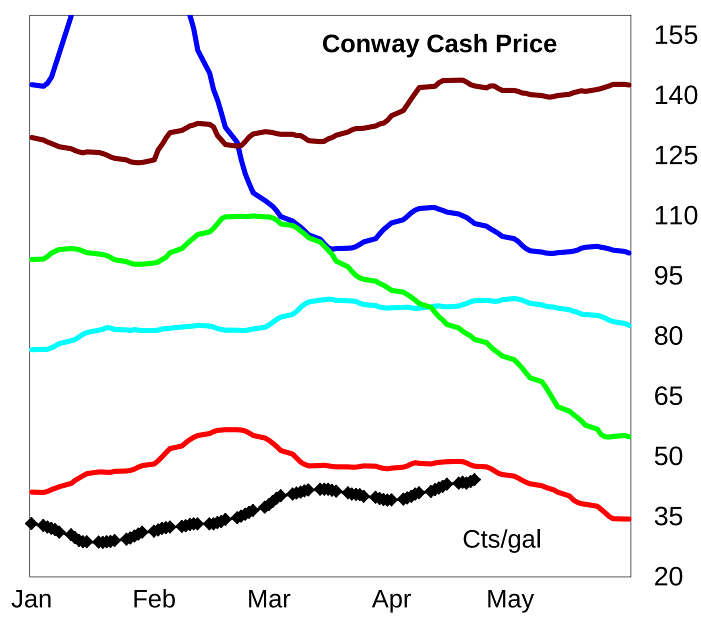






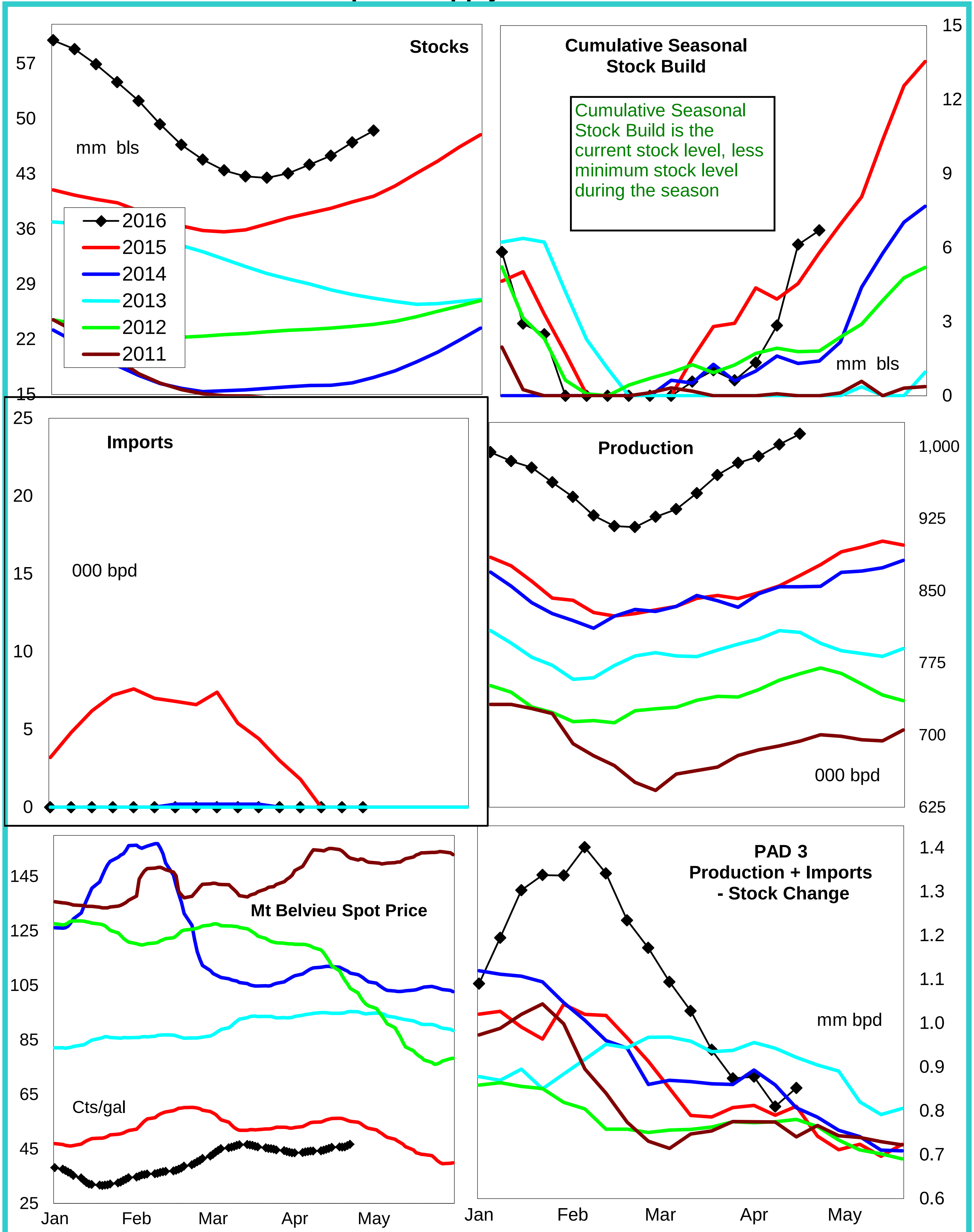






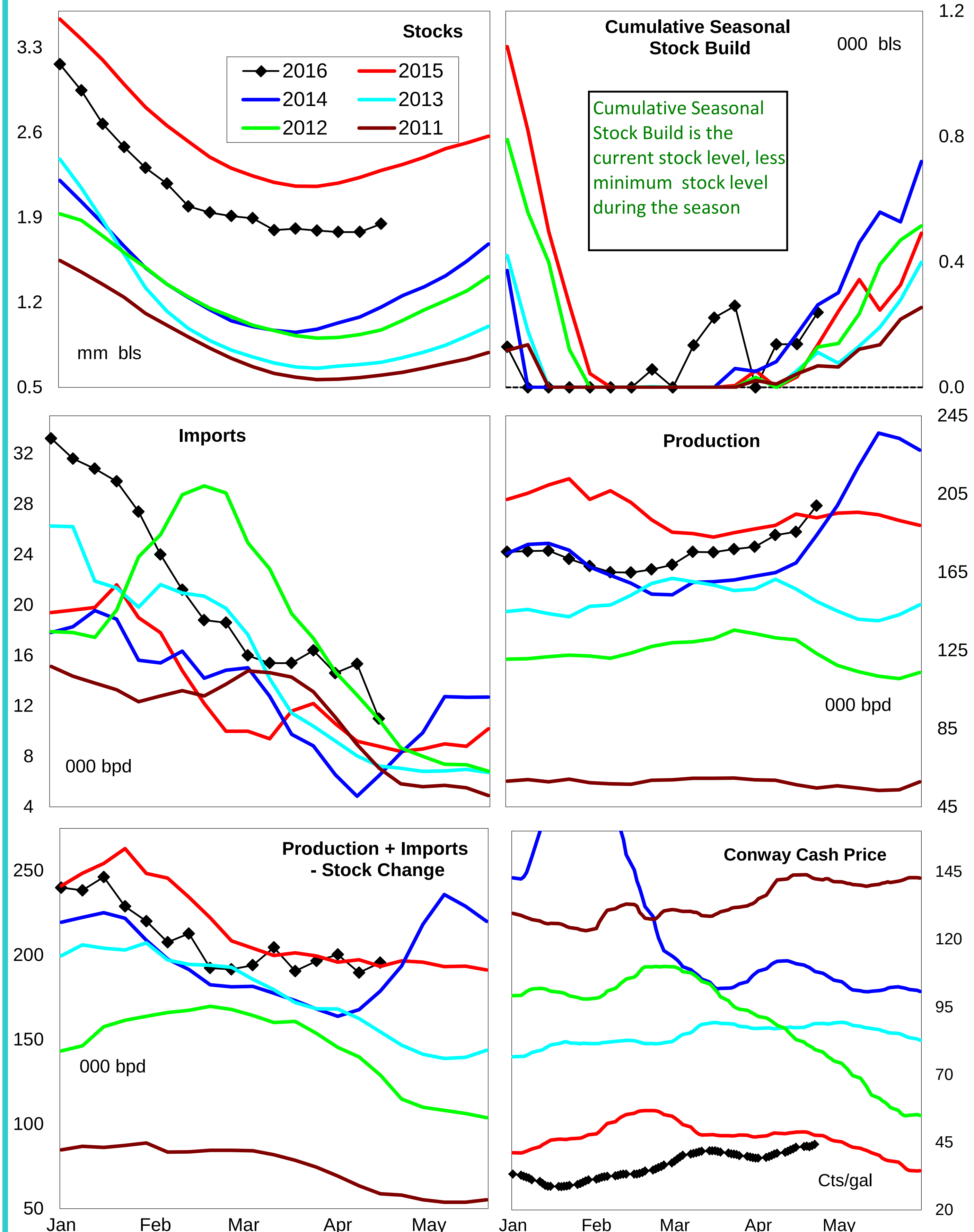
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-2,013	-3,404	34	-8	112
% change	-11.6	-87.8	10.0	-17.0	39.1

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)	8,366	905	144	0	48
% change	20.9	16	16.9	#DIV/0!	6.4

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)	-424	103	-11	5	-1
% change	-18.7	75.7	-5.4	51.3	-0.5

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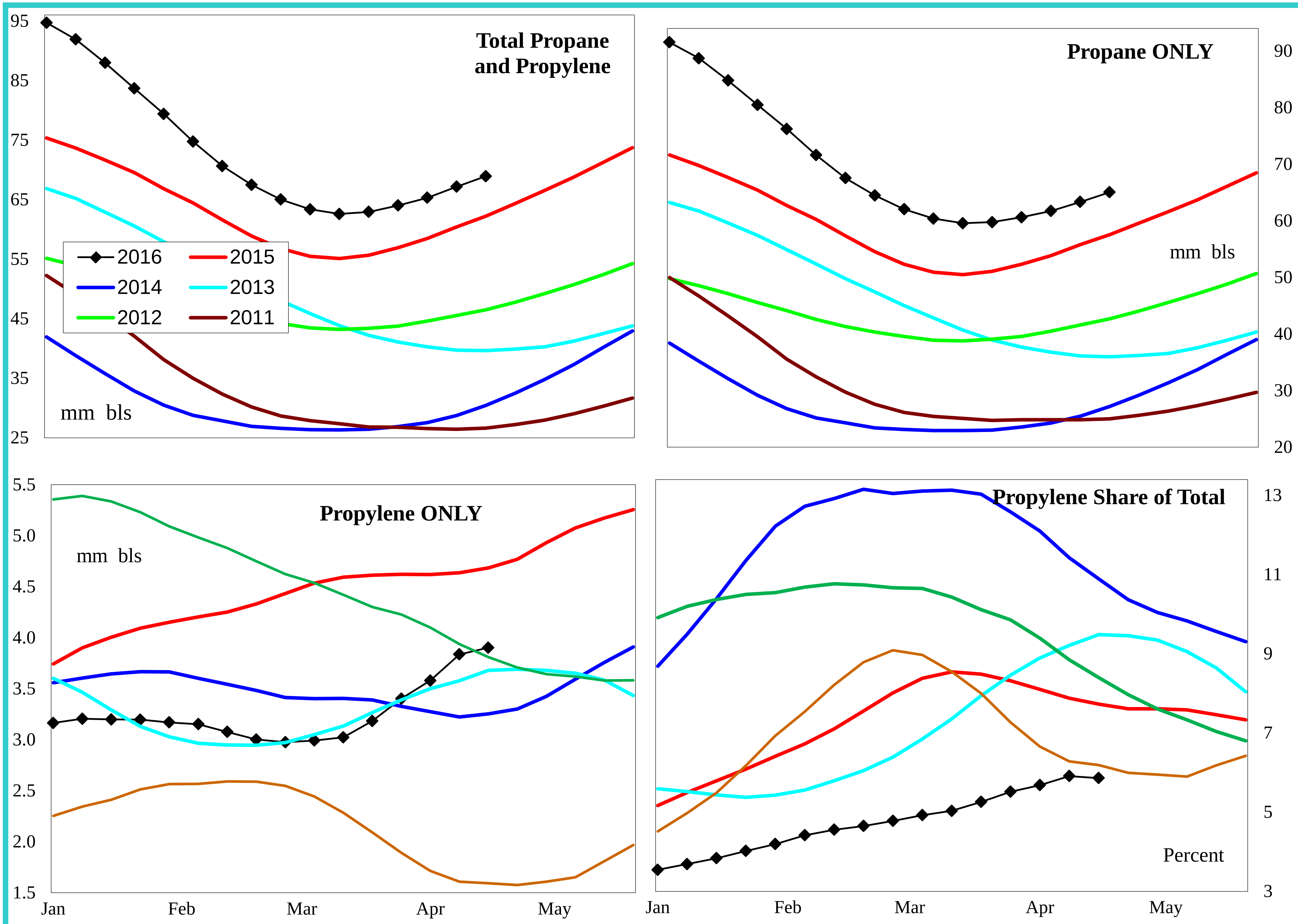
U. S. Propane and Propylene Stocks



Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	6,896	7,587	-782
% change	11.1	13.2	-16.7

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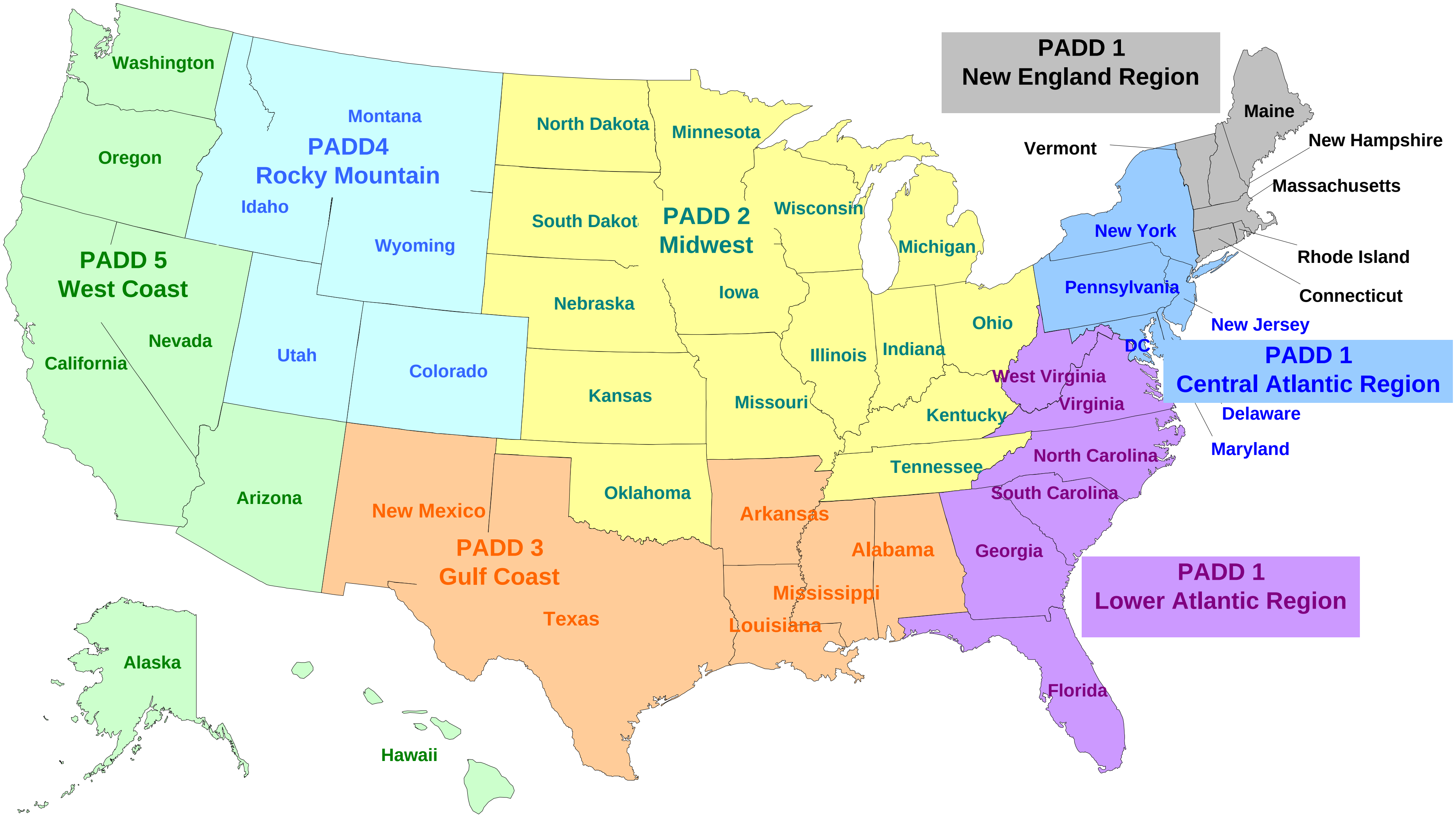
U. S. Petroleum Administrative for Defense Districts (PADDs)



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