FUNDAMENTAL PETROLEUM TRENDS

WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

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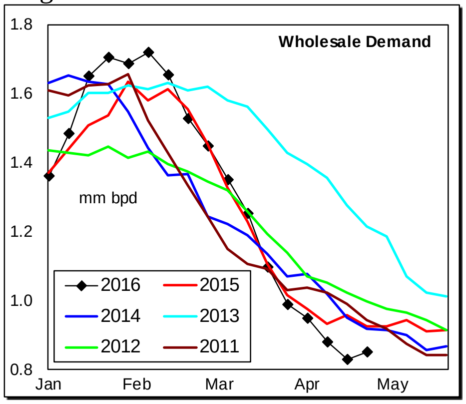
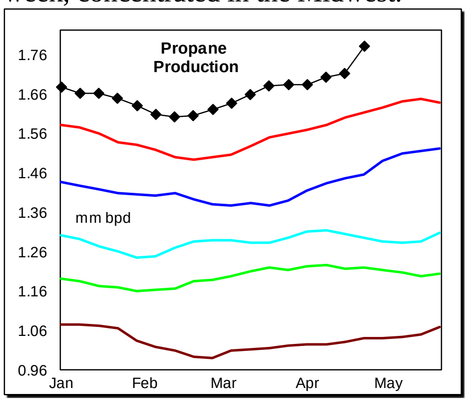
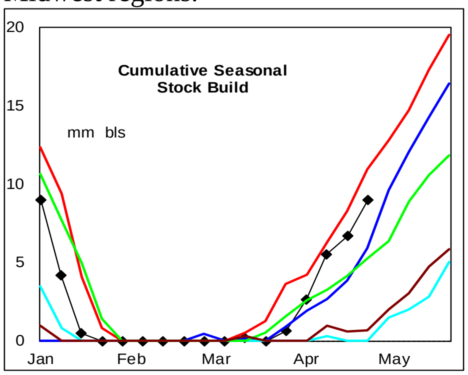
Summary[1]:
Wholesale demand decreased -92,000 bpd last week, a level below the 5-yr range.



Production increased +97,000 bpd on the week, concentrated in the Midwest.

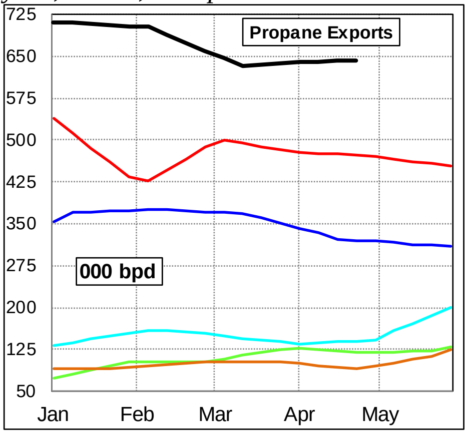


Stocks increased +2.3 million barrels on the week, concentrated in the Gulf and Midwest regions.

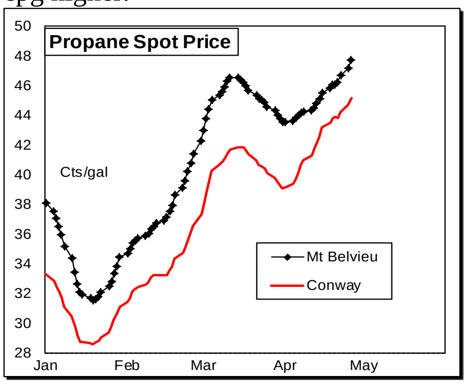


The cumulative seasonal stock build of +9 million barrels, was below a year ago, but above the prior 4-years. Stock levels ended the week +6.5 million barrels above a year ago, and a 5-yr high for the period.

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 +3.5 cpg last week ending 26Apr16, while Conway prices were +3 cpg higher.



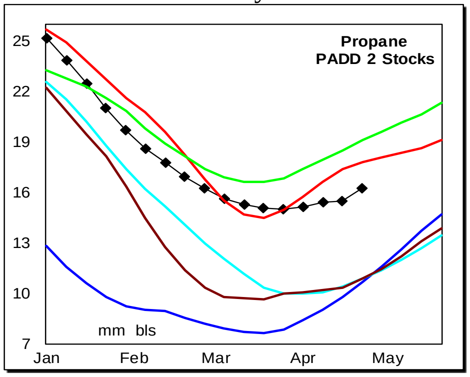
The Conway – Mt Belvieu price spread traded sideways last week, ending at a level near 3-yr highs.

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

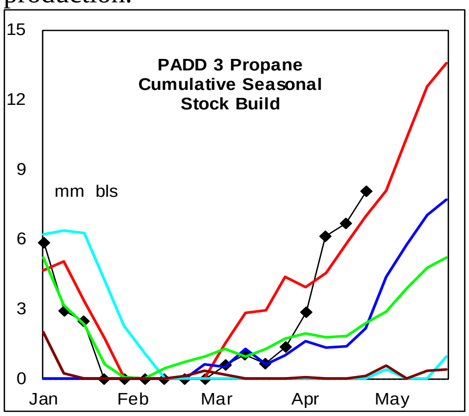
The propane / crude oil price spread was nearly unchanged on the week, ending at a level just above the last 3-yrs for the period.

PADD 1 stocks increased +0.1 million barrels on the week, to a level +24% above last year, matching prior record highs. Supply increased +12,000 bpd on the week.

PADD 2 supply jumped +93,000 bpd last week, to a new record. Production for the latest 4-wk period was +41,000 bpd above a year ago. Stocks increased +0.9 million barrels on the week, to a level -11% below last year.



PAD 3 stocks increased +1.4 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 +150,000 bpd above last year, driven by an +18% increase in production.



PADDs 4 & 5 stocks decreased -0.1 million barrels on the week. Stock levels ended the week -26% below last year, but well above four of the last 5-yrs.

Emerging Trends Record production underlies the high rate of stock building during the last month; even with the growth in exports. Stock levels are now +10% above last year's record level.

The increase in global energy prices continues to offset excess propane supply, lifting propane prices to new highs for 2016.

[1] Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

April 27, 2016

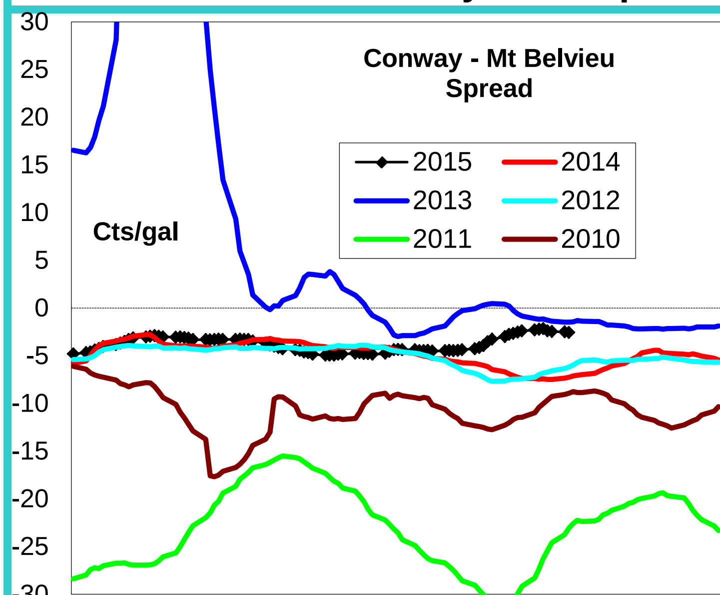
Fundamental Trends for the Week Ending: Friday, April 22, 2016

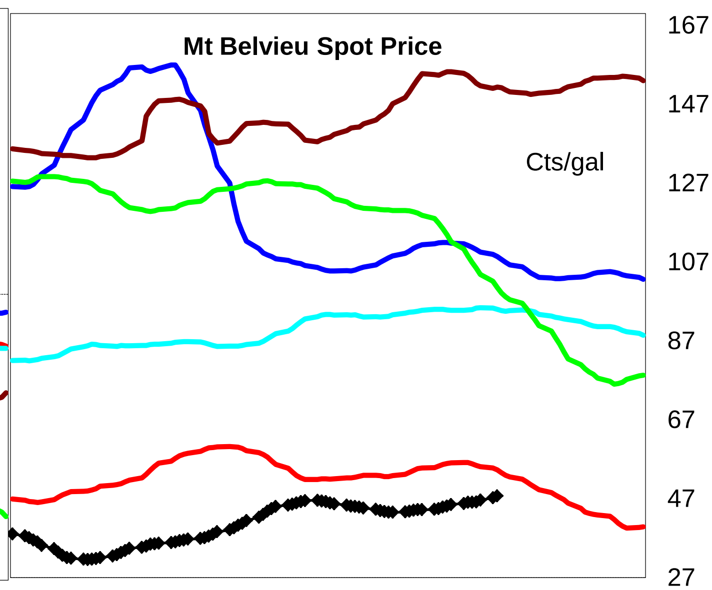
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S.	PADD				U.S.	PADD			
	Total	1	2	3	4&5	Total	1	2	3	4&5
Stocks	71,199	3,334	16,257	49,846	1,762	2,259	86	892	1,368	-87
Propylene Stocks	3,759					-143				
Production	1,783	147	420	1,021	195	97	11	82	8	-4
Imports	89	27	50	0	12	13	1	11	0	1
Whsle Demand	850					-92				

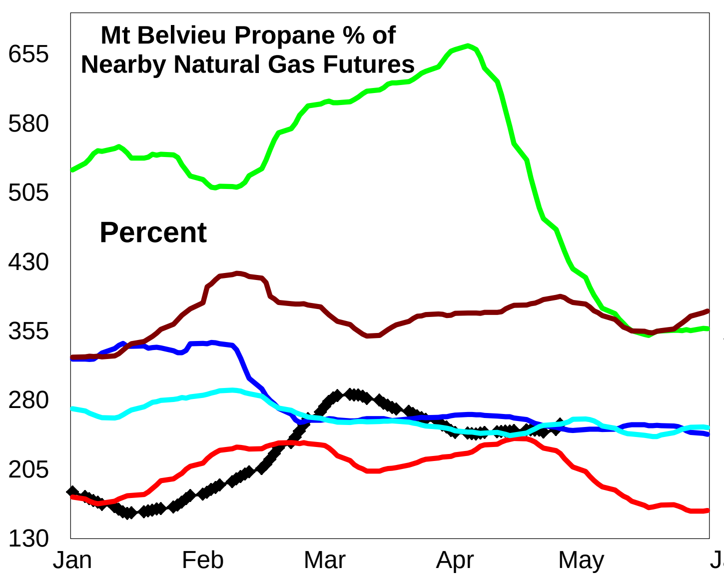
Price Trends for the Week Ending: Tuesday, April 26, 2016

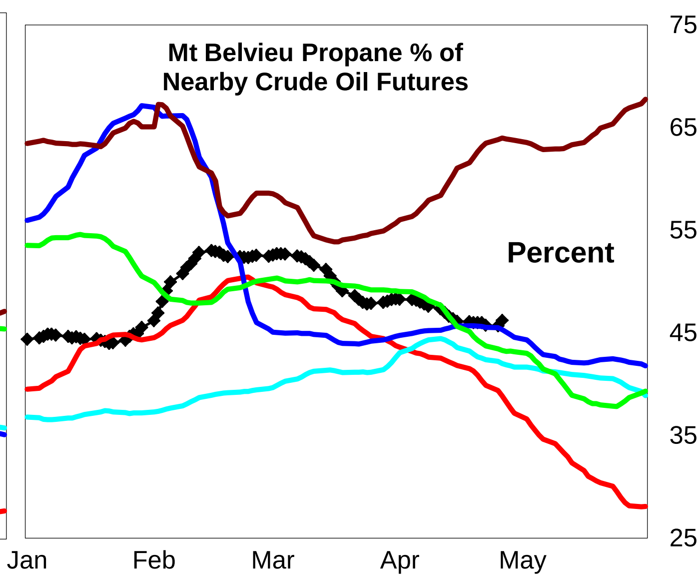
Cents/gal	Average for week ending:				Change from:			% change from:		
	4/26/16	4/19/16	3/29/16	4/30/15	4/19/16	3/29/16	4/30/15	4/19/16	3/29/16	4/30/15
Mont Belvieu Spot	47.0	45.1	44.2	56.1	1.95	0.90	-11.95	4.3	2.0	-21.3
Conway Spot	44.5	43.3	39.8	48.9	1.23	3.48	-9.10	2.8	8.7	-18.6

Key Price Spreads and Differentials

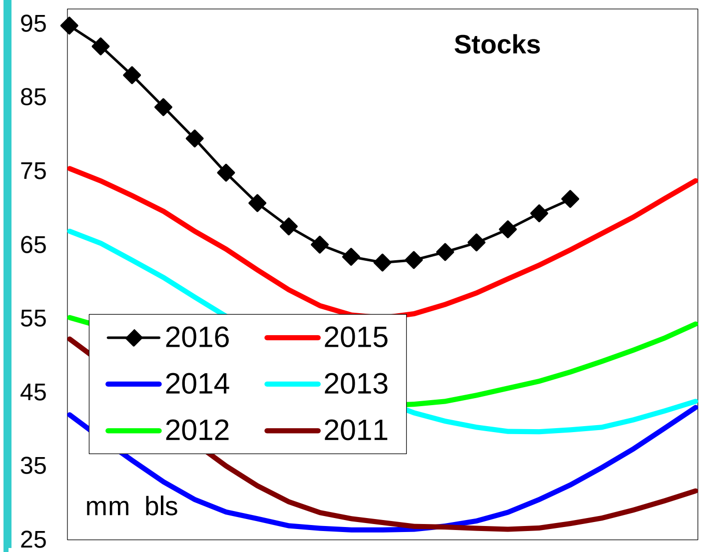


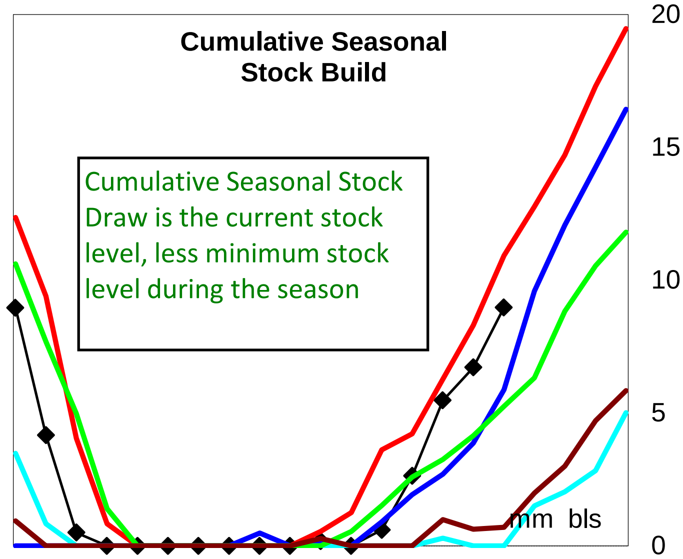


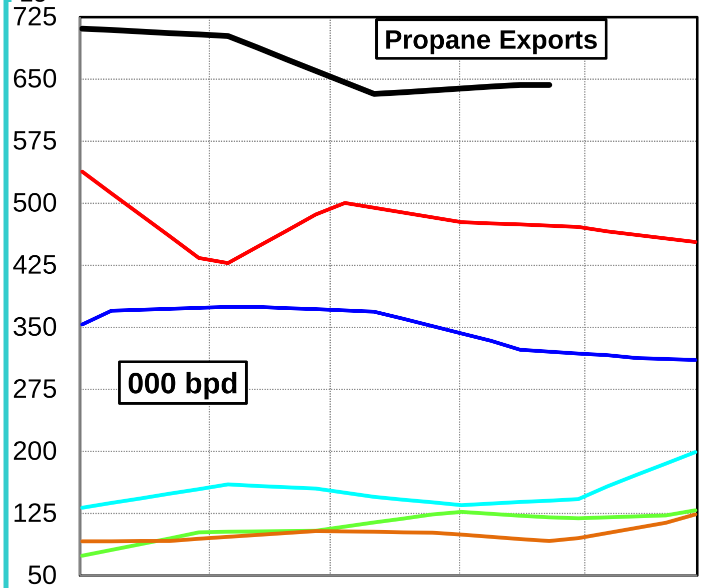


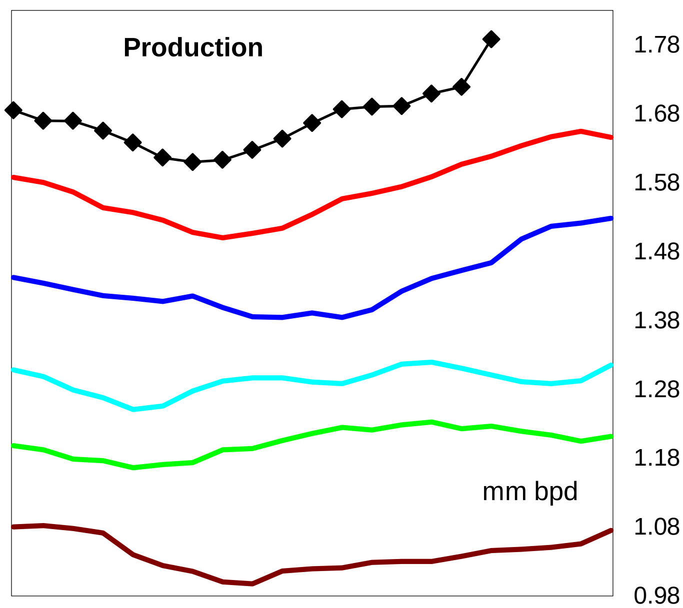


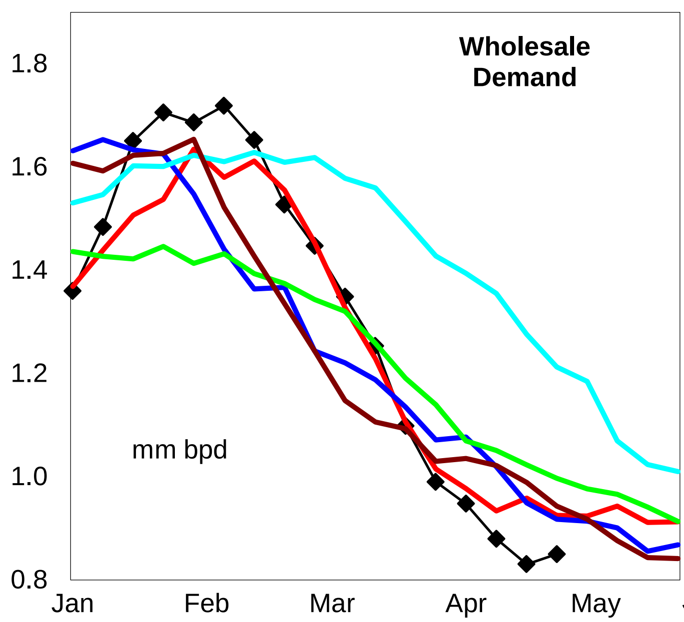
U. S. Propane Supply and Demand Balance

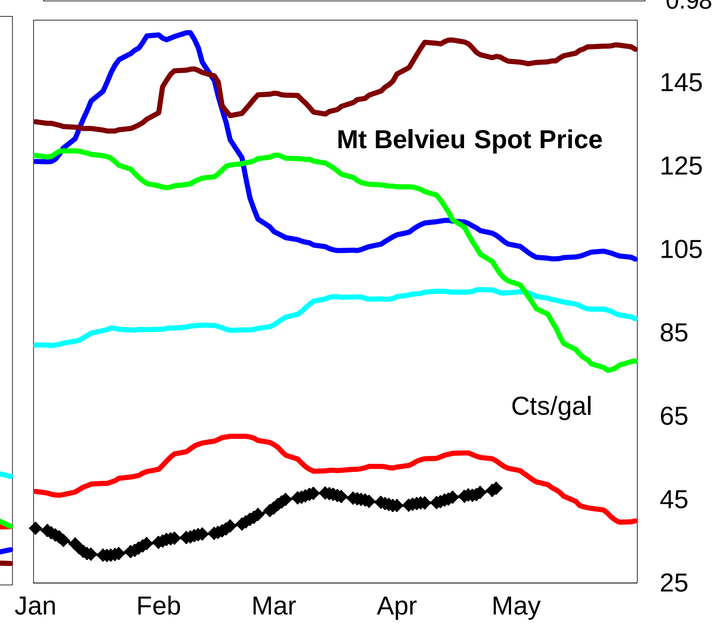












4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Mar	Feb	Jan
000 bpd (000 bls stks)	6,532	-1,950	123	-15		-112	-127	48	9
% change	10.1	-18	7.7	-15.7		-11.8	-10.7	3.1	0.6

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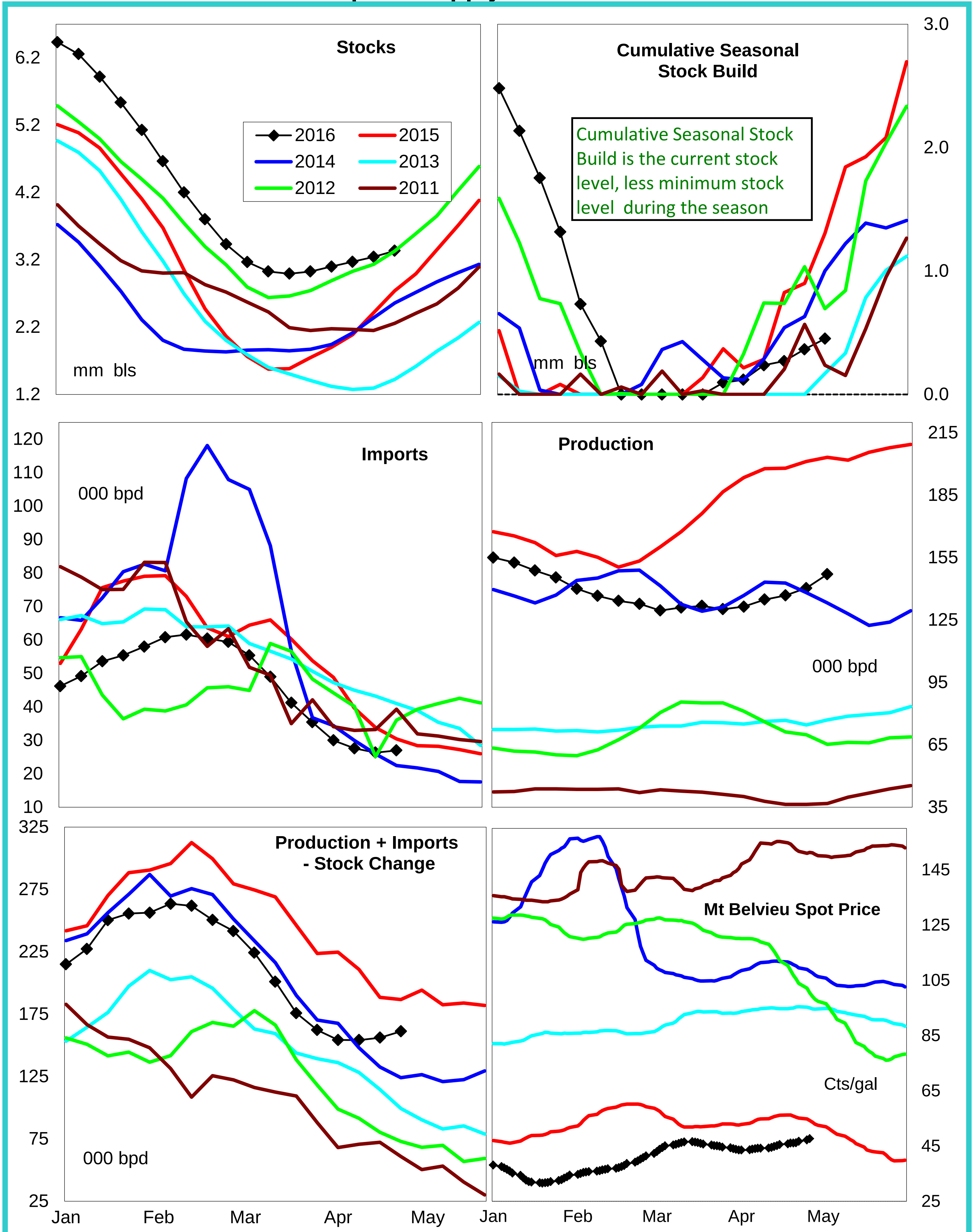
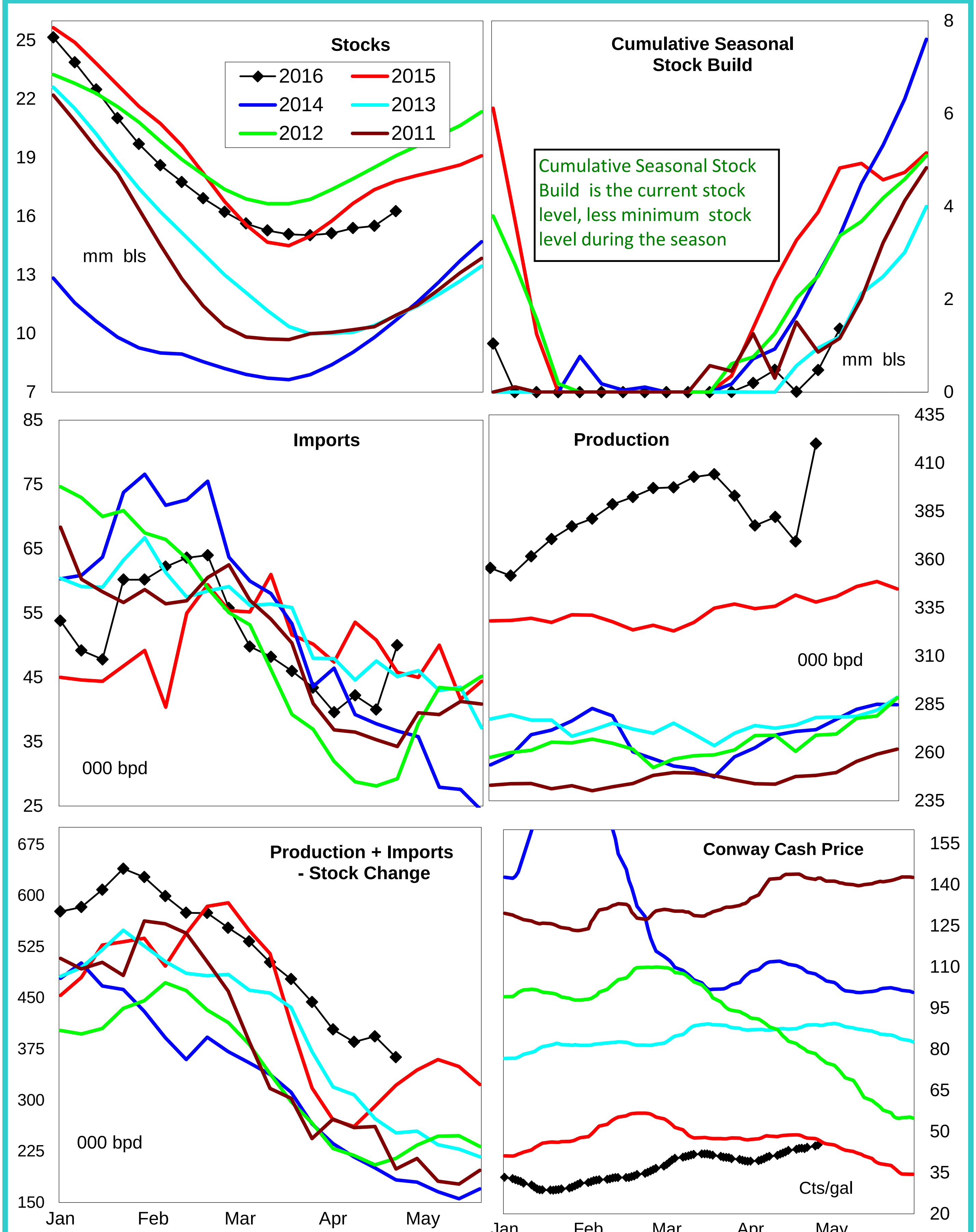
PADD 1 Propane Supply and Demand Balance



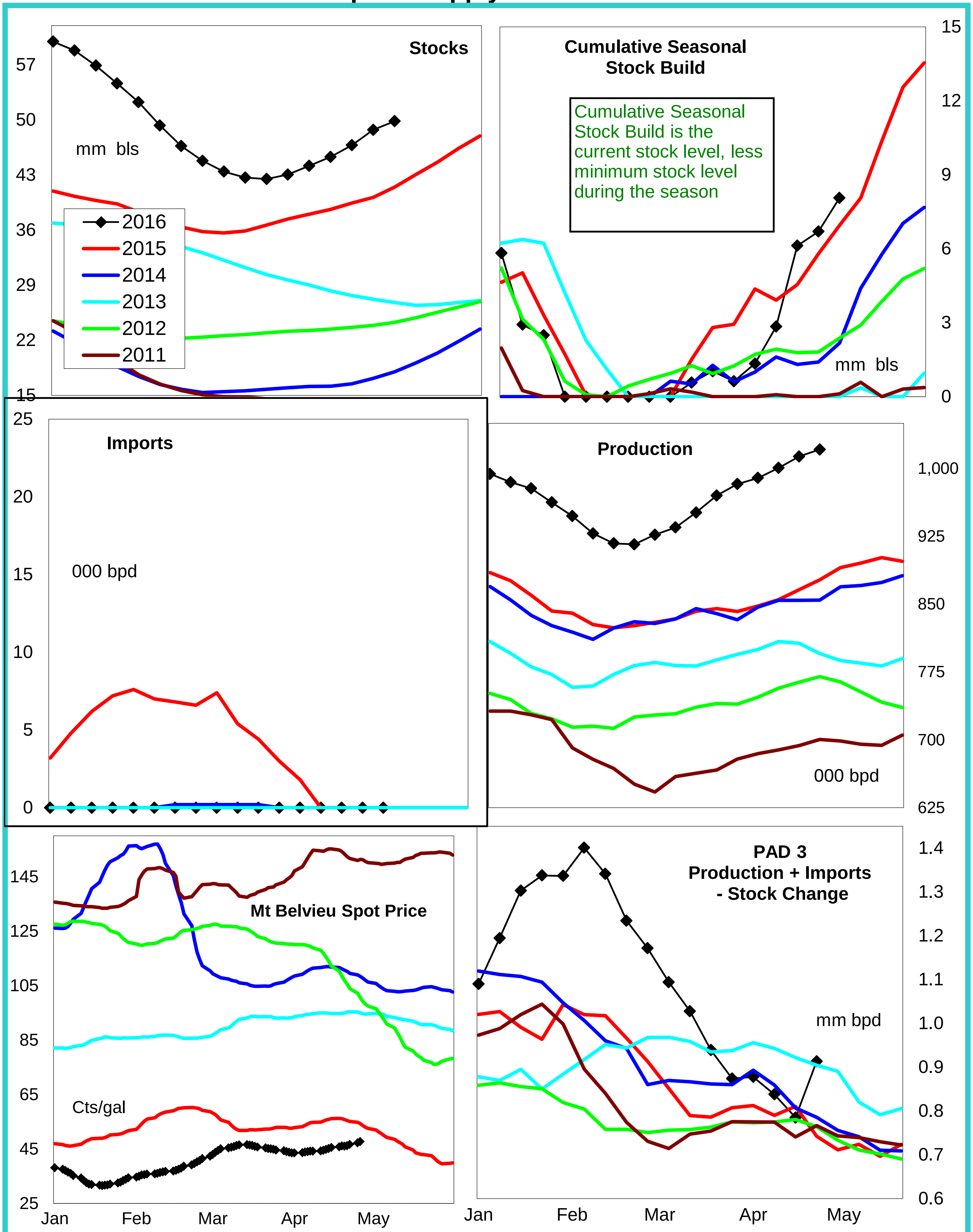
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	648	-853	-63	-8	-46
% change	24.1	-65.4	-31.5	-23.7	-22.8

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)	-2,074	-3,465	41	-12	100
% change	-11.3	-71.7	12.3	-23.4	34.9

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)	8,576	1,115	150	0	65
% change	20.8	16	17.5	#DIV/0!	8.7

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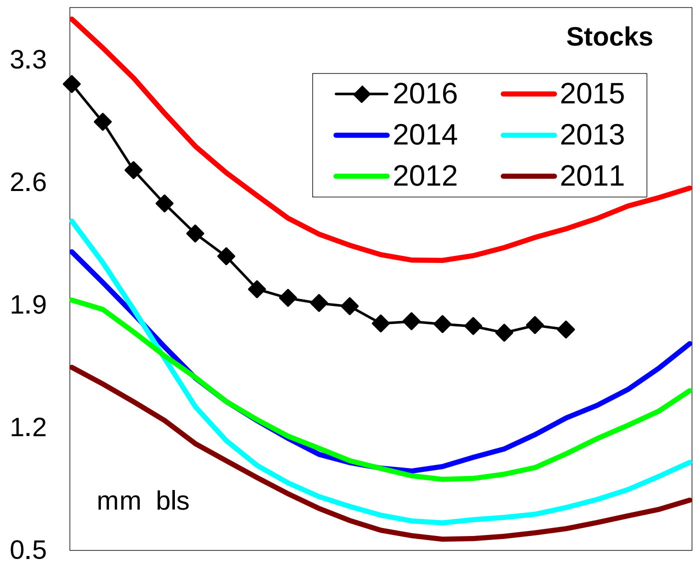
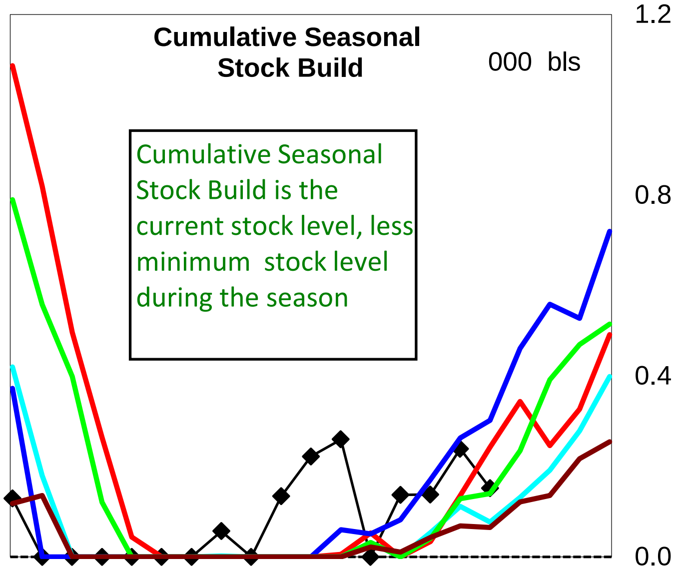
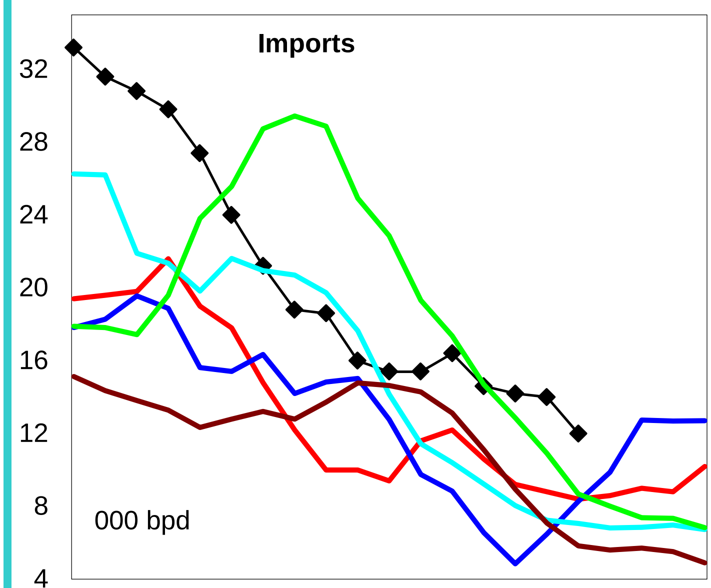
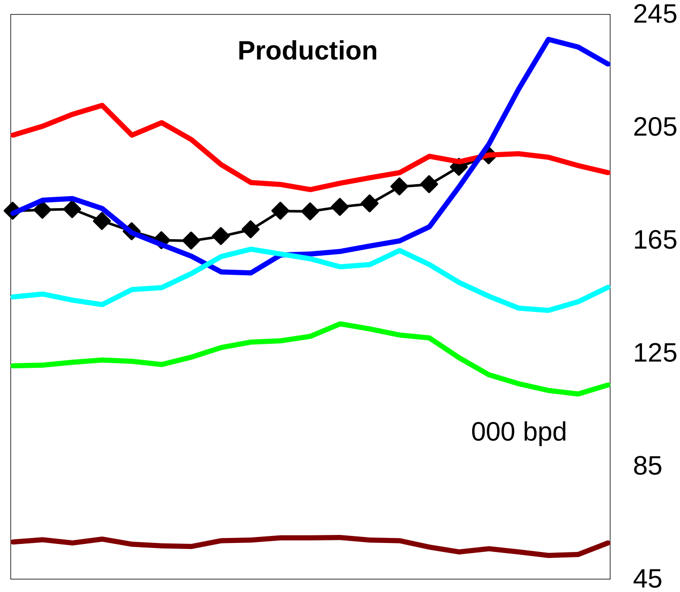
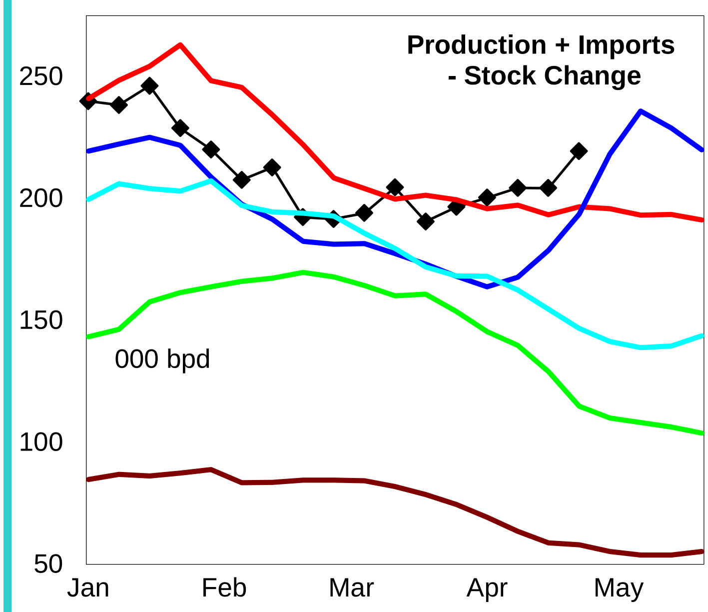
PADDs 4 and 5 Propane Supply and Demand Balance

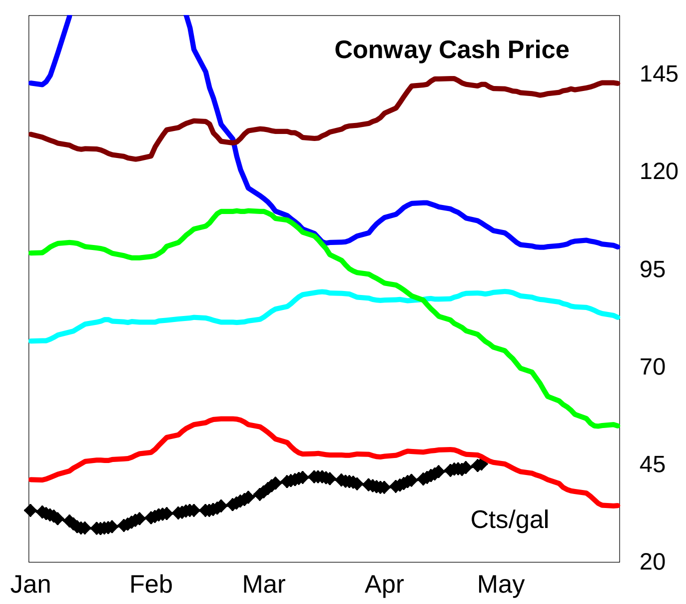












4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-618	-91	-5	5	11
% change	-26.0	-37.4	-2.7	56.8	5.8

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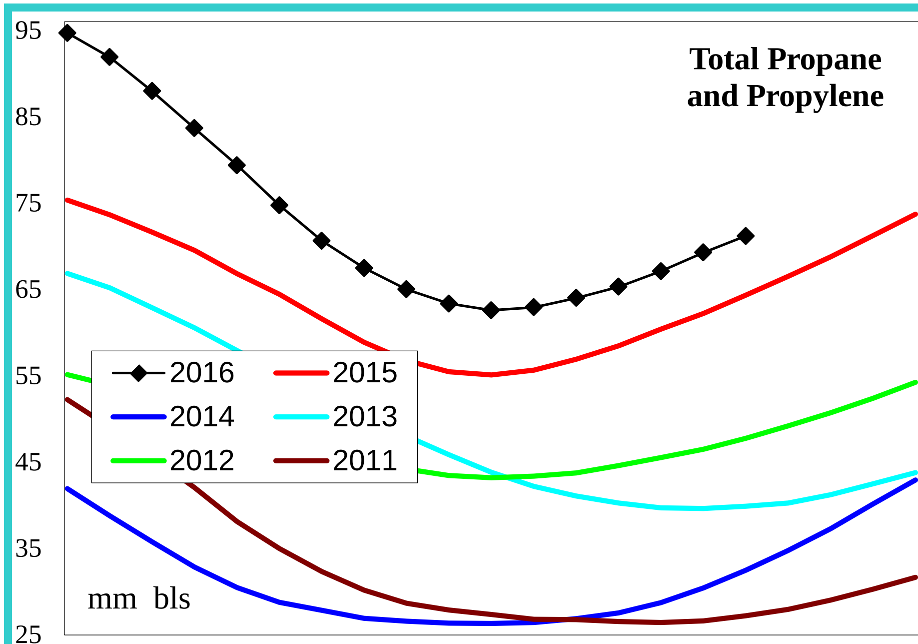
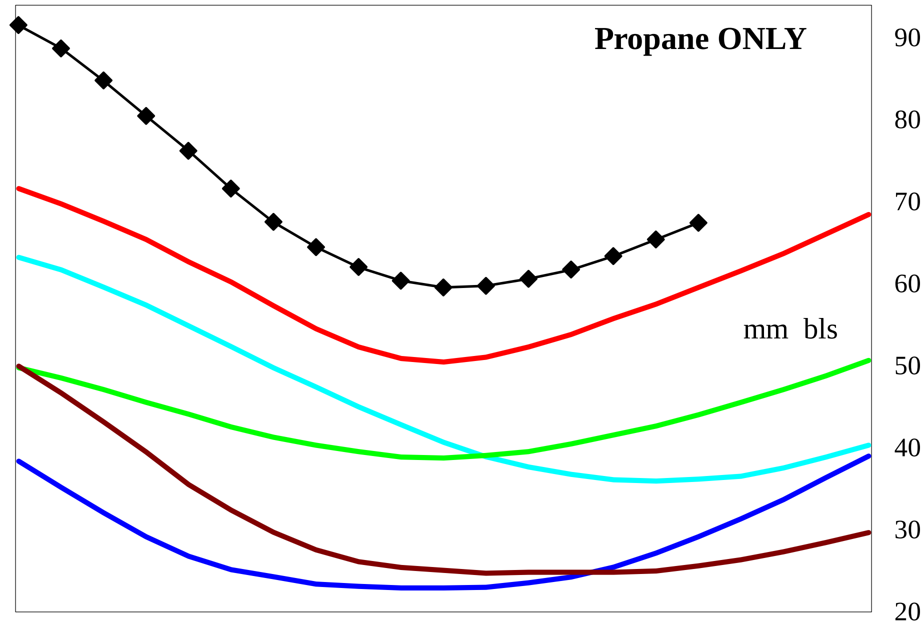
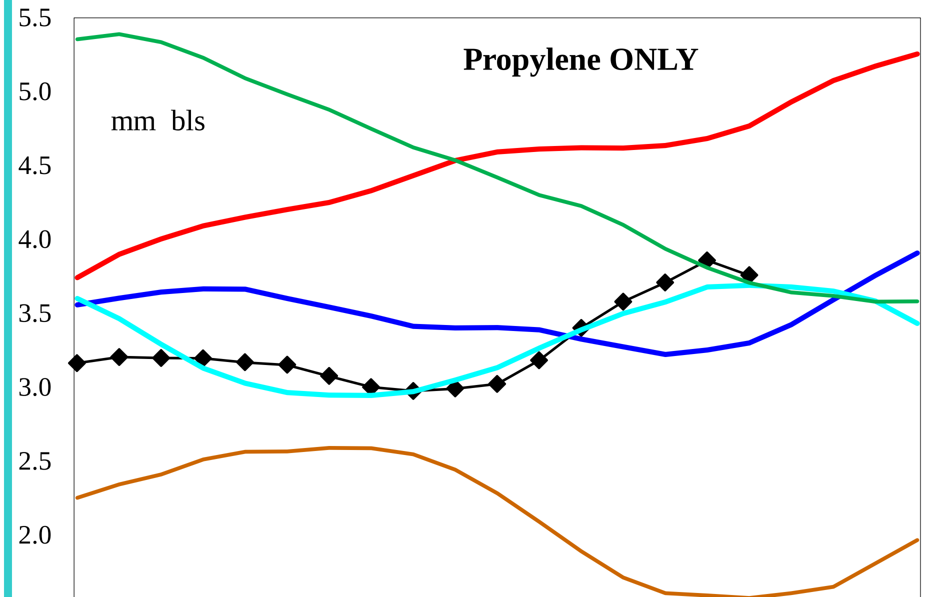
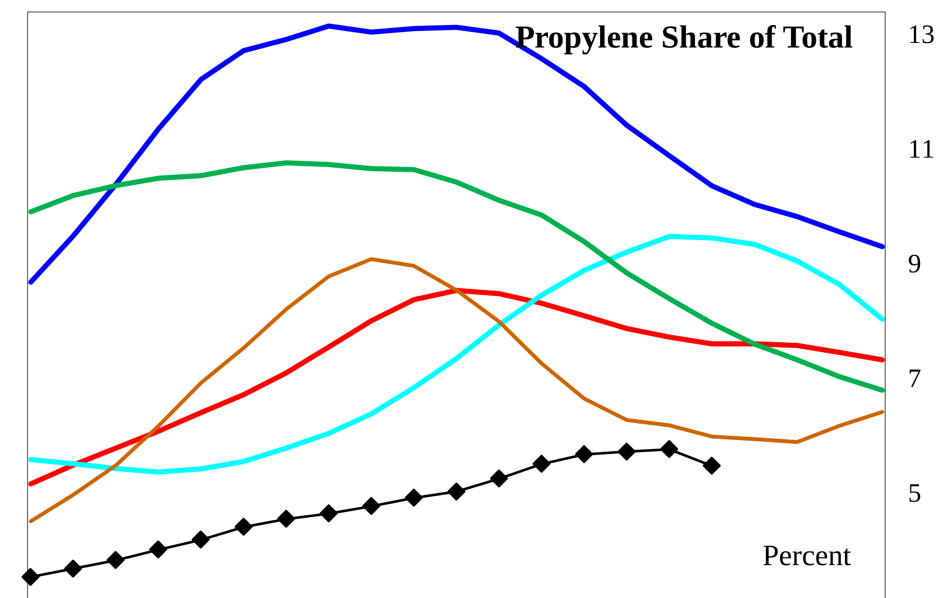
U. S. Propane and Propylene Stocks









Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	6,532	7,535	-1,009
% change	10.1	12.6	-21.2

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