FUNDAMENTAL PETROLEUM TRENDS

WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

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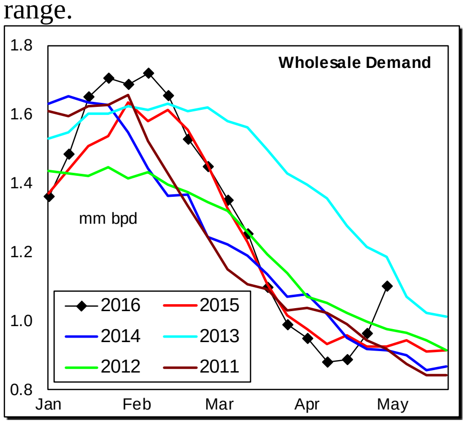
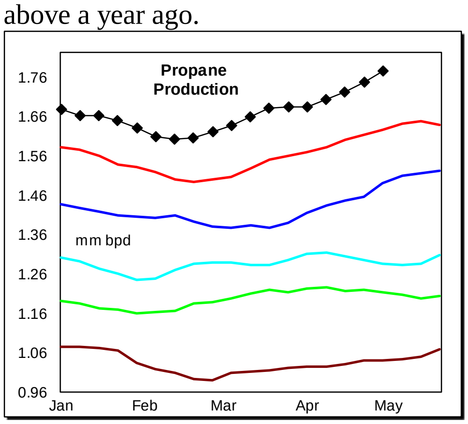
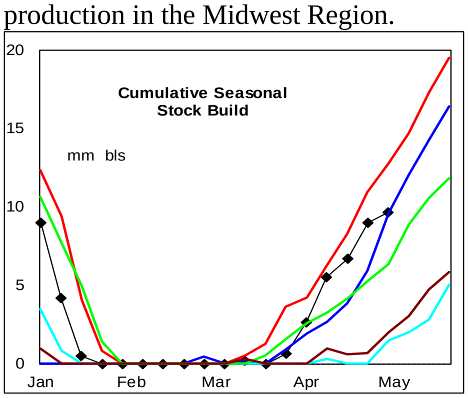
Summary[1]:
Wholesale demand increased +250,000 bpd last week, a level above the 5-yr range.



Production decreased -8,000 bpd on the week, concentrated in the Gulf. The latest 4-wk average was +129,000 bpd above a year ago.

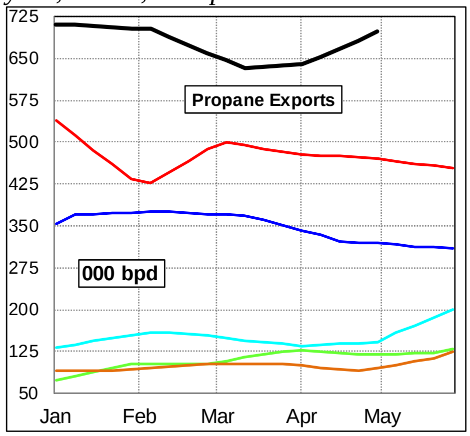


Stocks increased +0.7 million barrels on the week, driven by record imports and production in the Midwest Region.

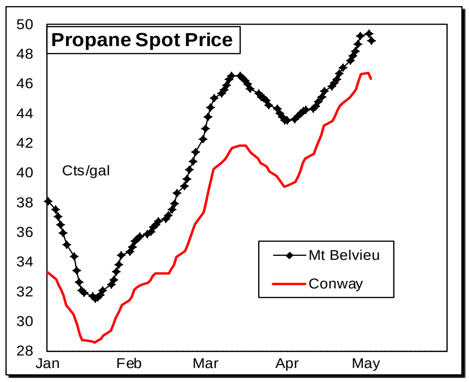


The cumulative seasonal stock build of +9.6 million barrels, was below a year ago, matching 2014 levels. Stock levels ended the week +5.3 million barrels above a year ago, and a 5-yr high for the period.

Exports for the week ending 22Apr16 were +229,000 bpd above last year, at 699,000 bpd.



Price and Spreads Mt Belvieu spot price increased +0.25 cpg last week ending 03May16, while Conway prices saw a similar incrase



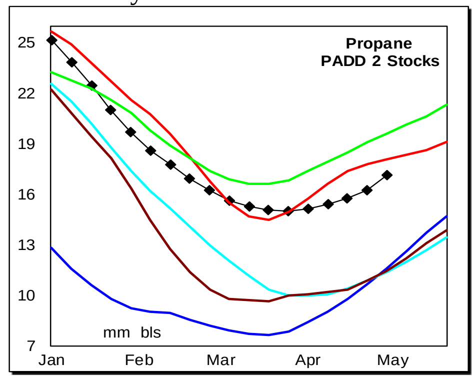
The Conway – Mt Belvieu price spread traded sideways last week, ending at a level near 3-yr highs.

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

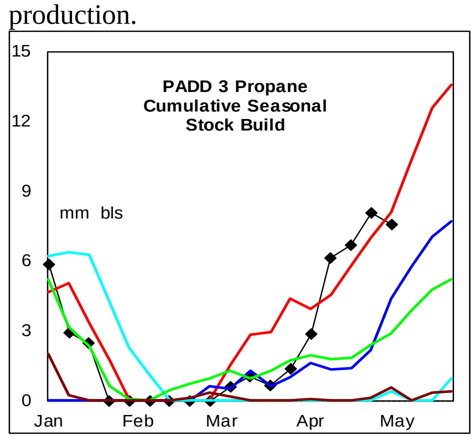
The propane / crude oil price spread increased late in the week, ending at a level just above the last 4-yrs for the period.

PADD 1 stocks increased +0.2 million barrels on the week, to a level +10% above last year, matching prior record highs. Supply decreased -1,000 bpd on the week.

PADD 2 supply increased +27,000 bpd last week, to new records for both imports and production for the 2nd quarter. Production for the latest 4-wk period was +44,000 bpd above a year ago. Stocks increased +0.9 million barrels on the week, to a level -7% below last year.



PAD 3 stocks decreased -0.5 million barrels on the week, leading to a pull back in the seasonal stock build. Stock levels ended the week +16% above the prior 5-yr high. Supplies for the latest 4-wk period were +146,000 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 -25% below last year, but well above four of the last 5-yrs.

Emerging Trends Exports were nearly +50% above last year for the most recent week; offsetting record production and imports. As a result the rate of seasonal stock building is below last year. Stock levels are now +8% above last year's record level.

The increase in exports and global energy prices continues to support the uptrend in propane prices.

[1] Source is latest EIA Weekly Statistics

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PROPANE: Graph Link and Weekly Summary

May 4, 2016

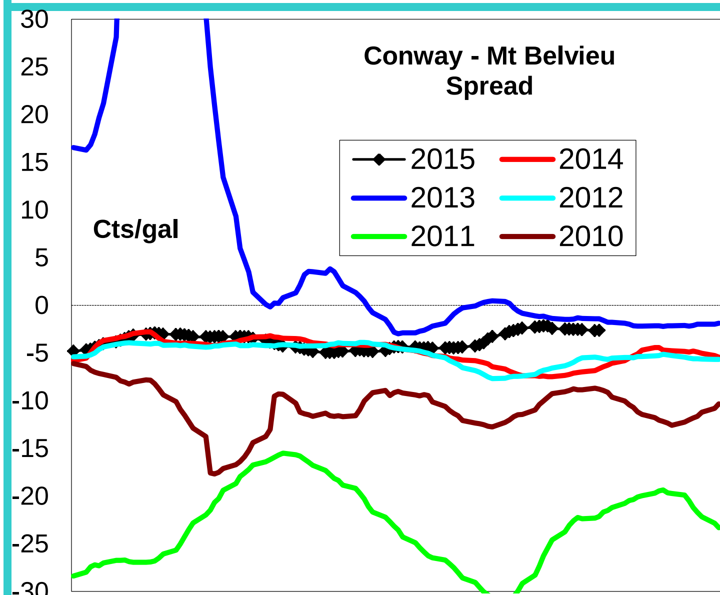
Fundamental Trends for the Week Ending: Friday, April 29, 2016

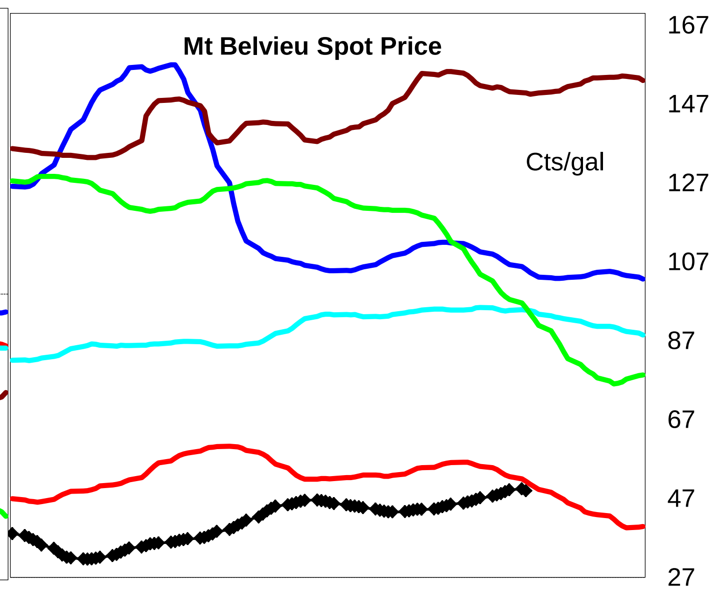
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S.	PADD				U.S.	PADD			
	Total	1	2	3	4&5	Total	1	2	3	4&5
Stocks	71,858	3,554	17,132	49,320	1,852	659	220	875	-526	90
Propylene Stocks	3,670					-89				
Production	1,775	142	424	1,013	196	-8	-5	4	-8	1
Imports	118	31	72	0	15	29	4	22	0	3
Whsle Demand	1,100					250				

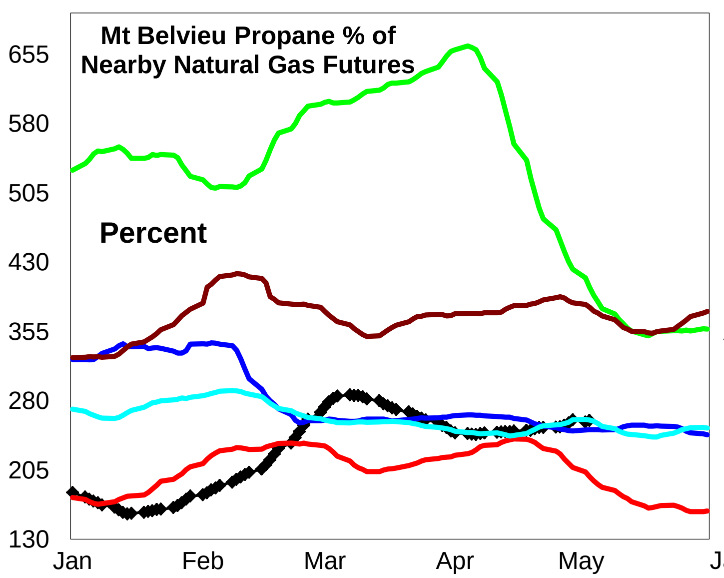
Price Trends for the Week Ending: Tuesday, May 03, 2016

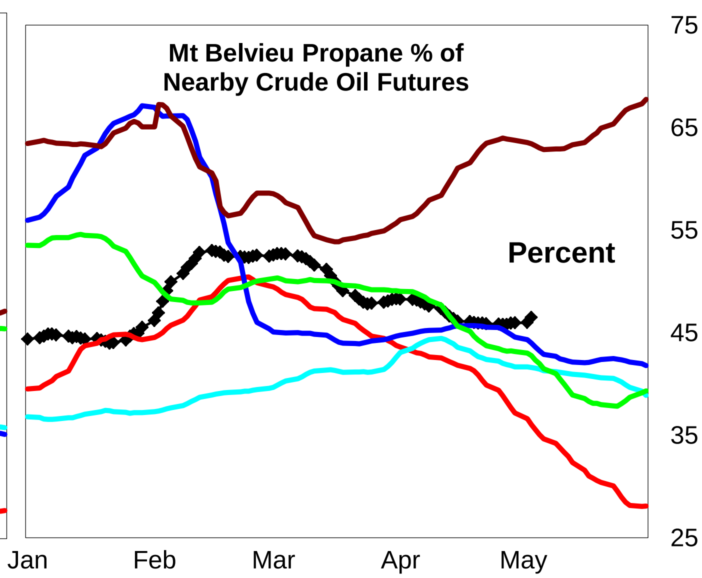
Cents/gal	Average for week ending:				Change from:			% change from:		
	5/3/16	4/26/16	4/5/16	5/7/15	4/26/16	4/5/16	5/7/15	4/26/16	4/5/16	5/7/15
Mont Belvieu Spot	49.4	47.0	43.5	52.0	2.33	3.53	-8.50	4.9	8.1	-16.3
Conway Spot	46.8	44.5	38.9	44.9	2.30	5.65	-6.00	5.2	14.5	-13.4

Key Price Spreads and Differentials









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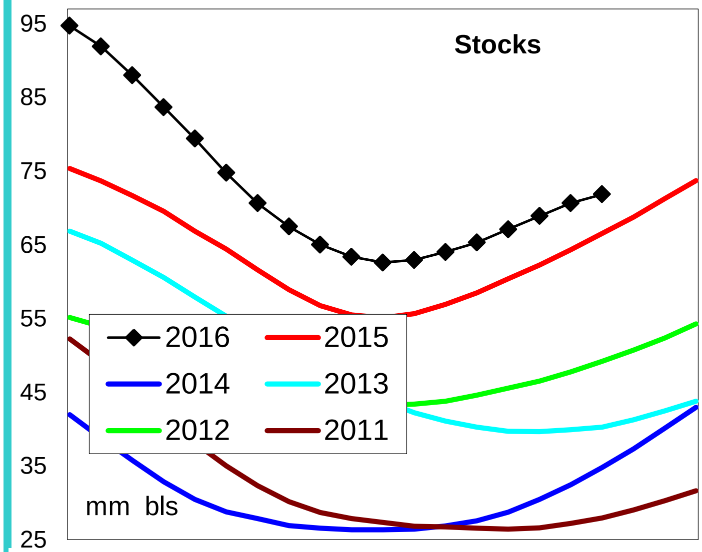
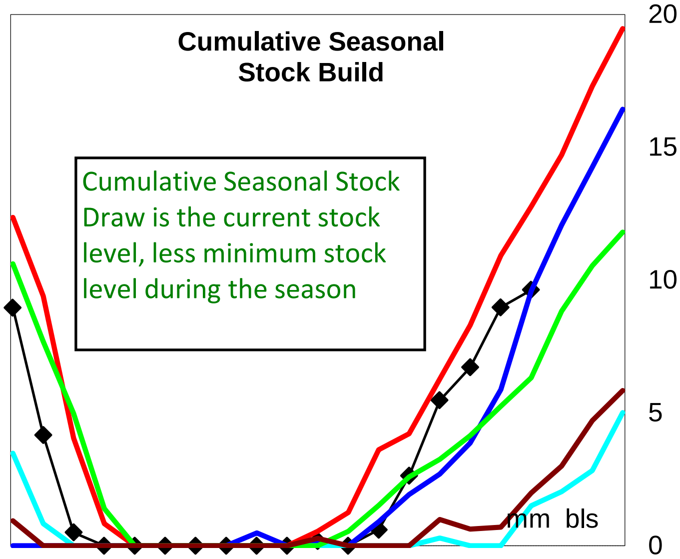
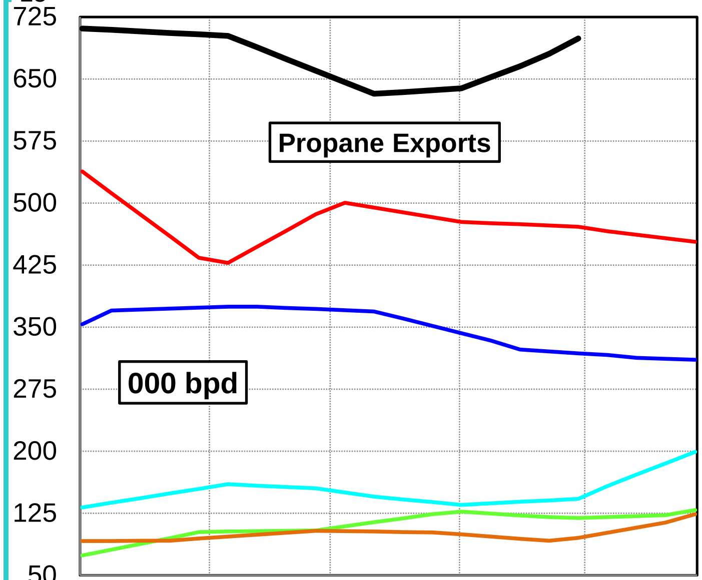
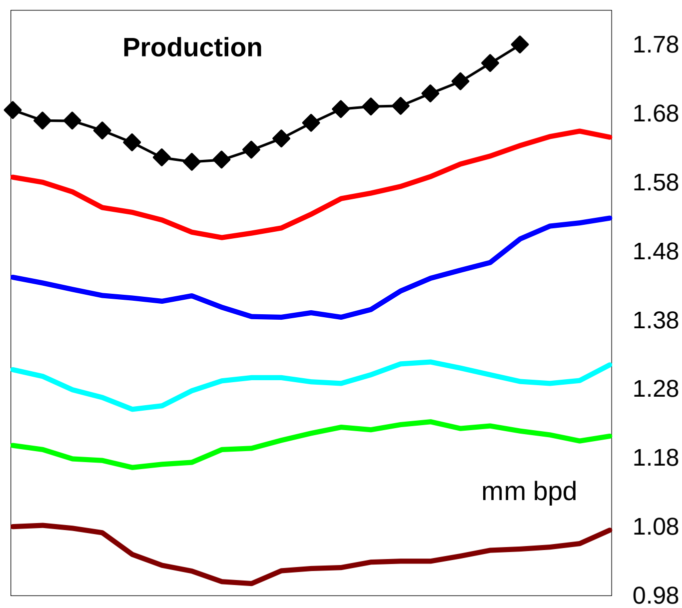
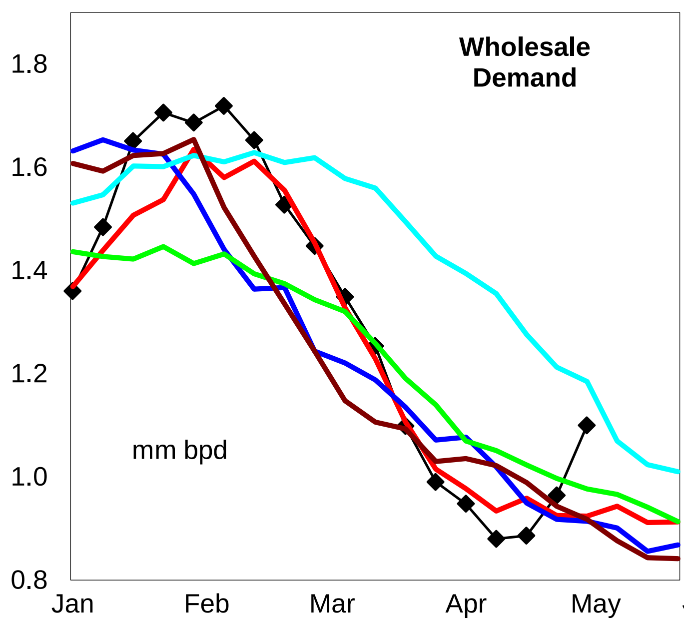
U. S. Propane Supply and Demand Balance

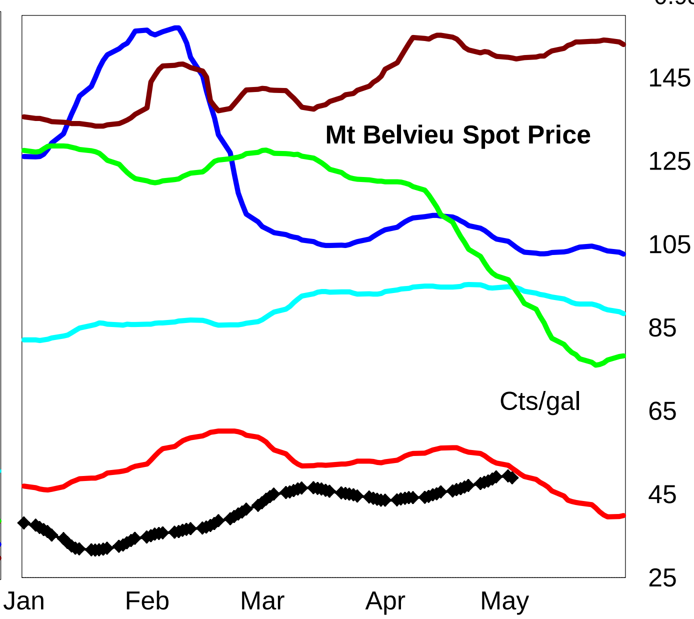












4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Mar	Feb	Jan
000 bpd (000 bls stks)	5,342	-3,140	129	2		-11	-127	48	9
% change	8.0	-25	8.1	2.3		-1.2	-10.7	3.1	0.6

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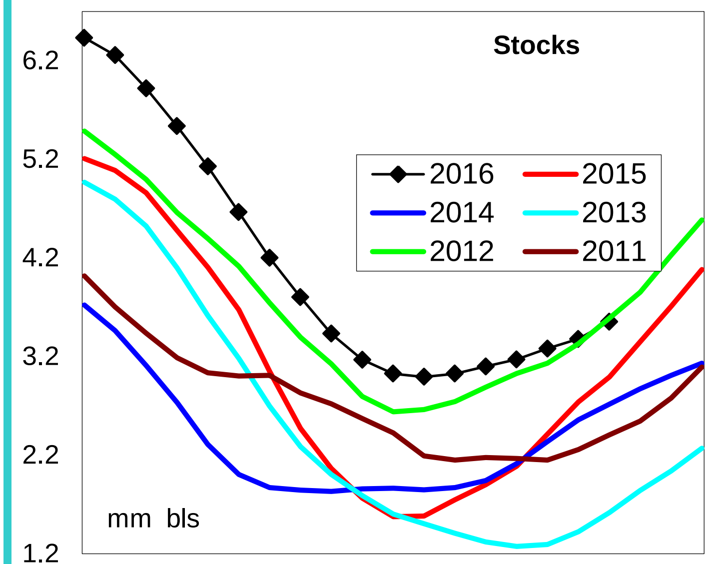
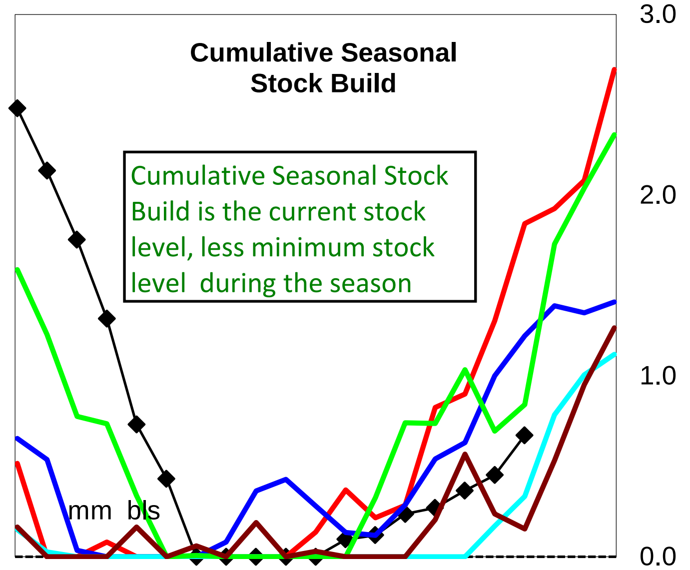
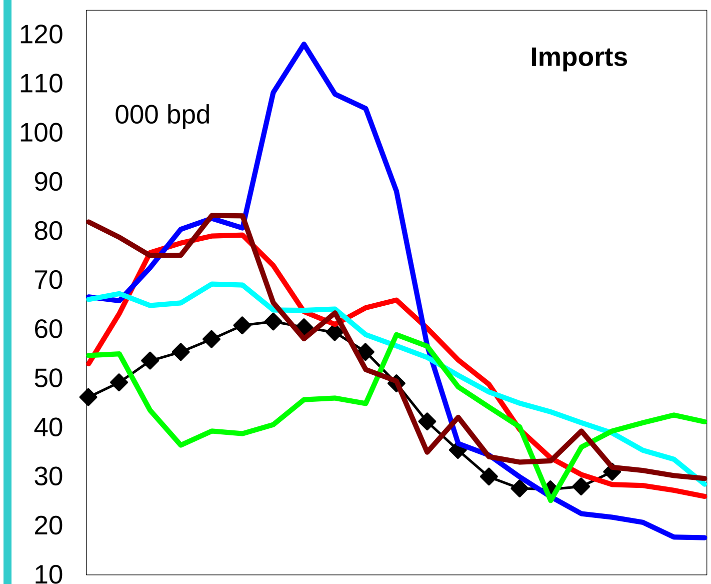
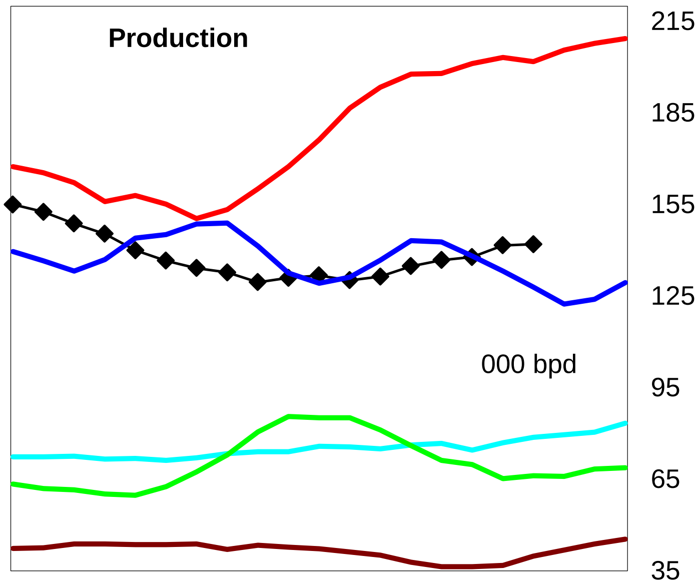
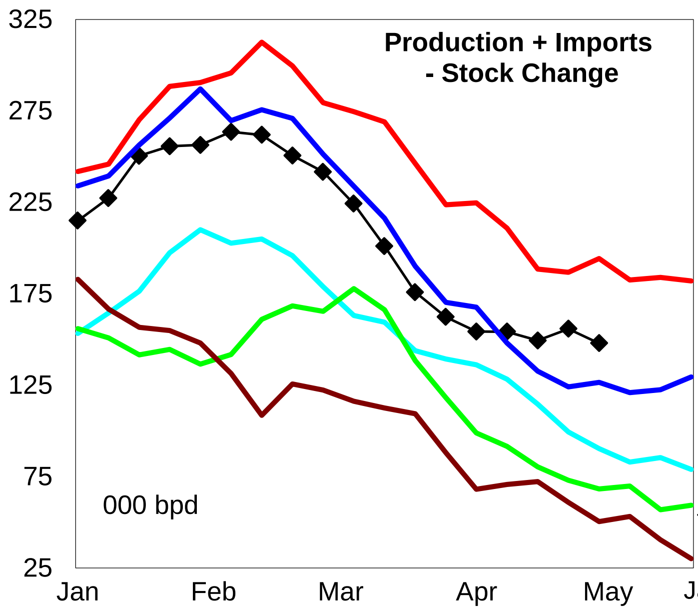
PADD 1 Propane Supply and Demand Balance

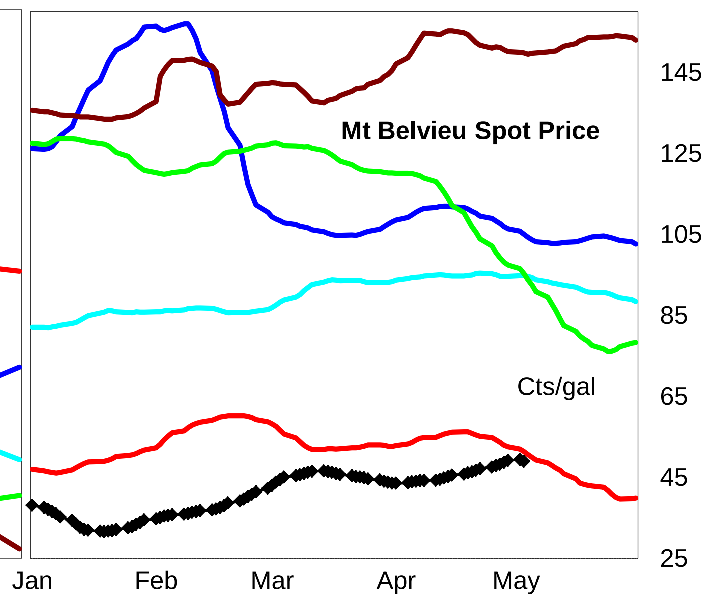












4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	330	-1,171	-63	-3	-43
% change	10.2	-63.5	-30.8	-10.6	-22.2

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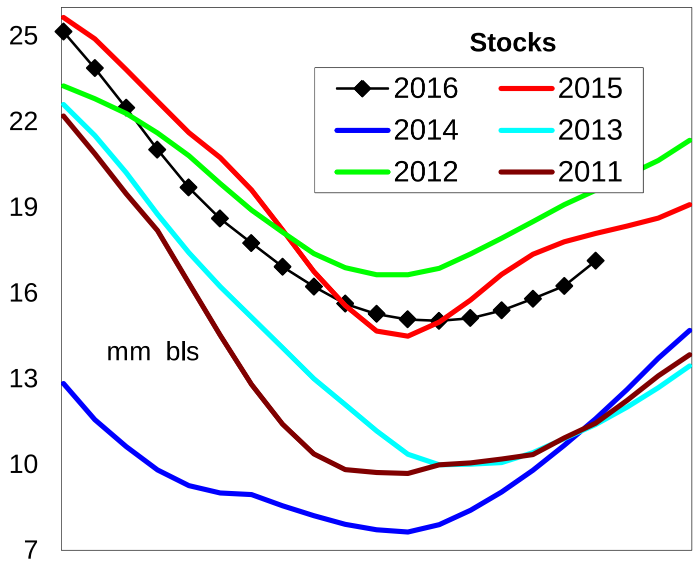
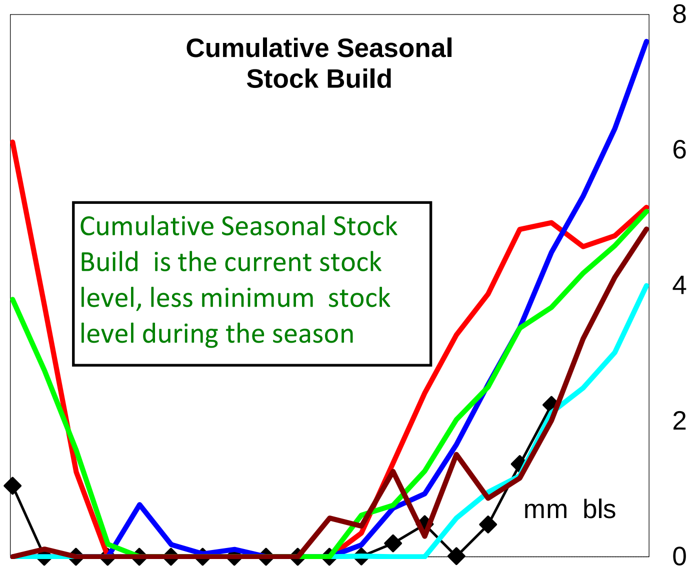
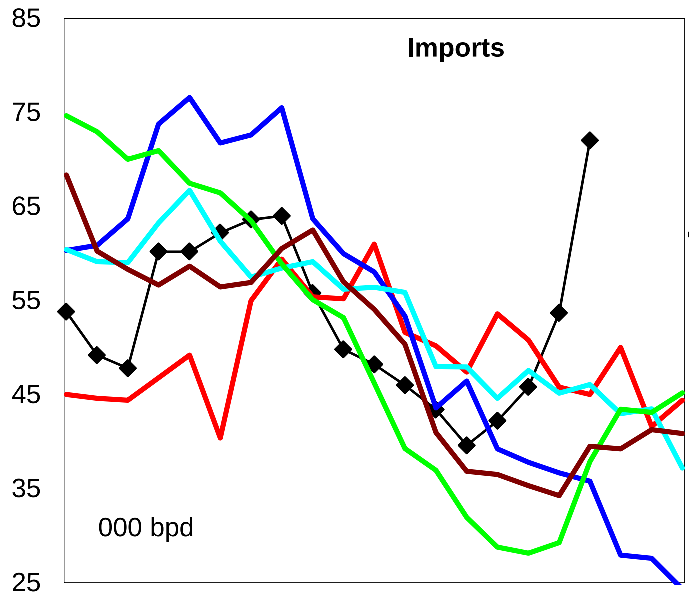
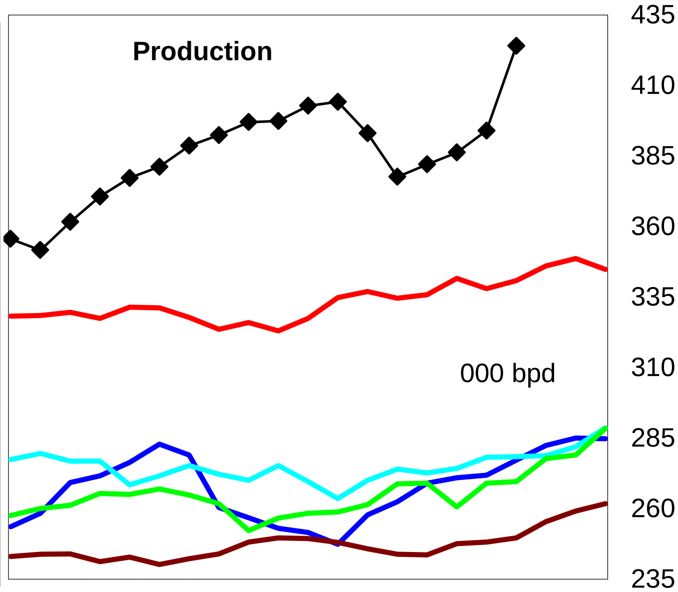
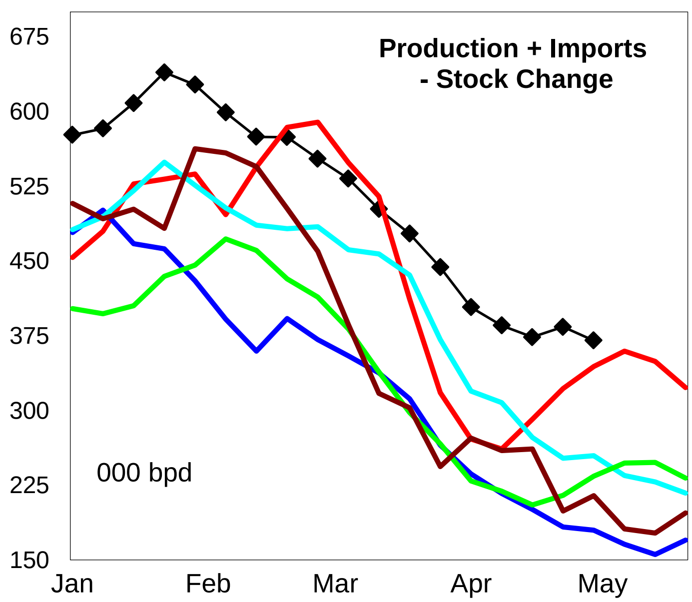
PADD 2 Propane Supply and Demand Balance

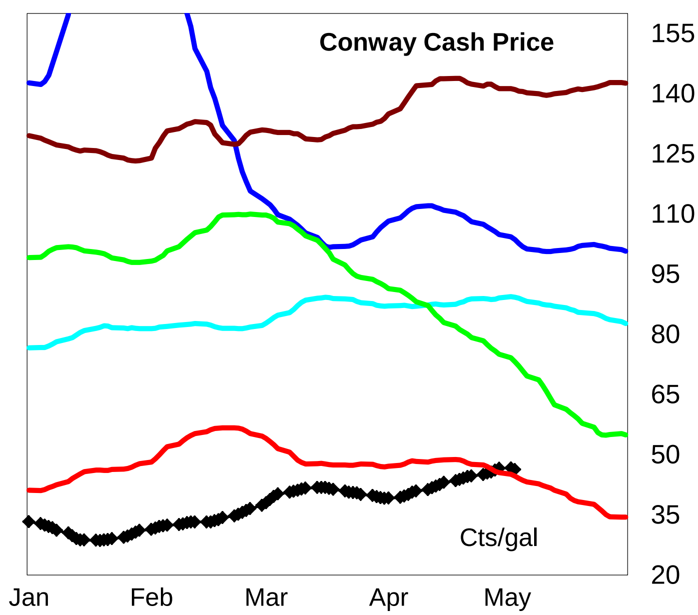












4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-1,298	-2,689	45	-2	74
% change	-7.0	-54.6	13.4	-4.0	24.1

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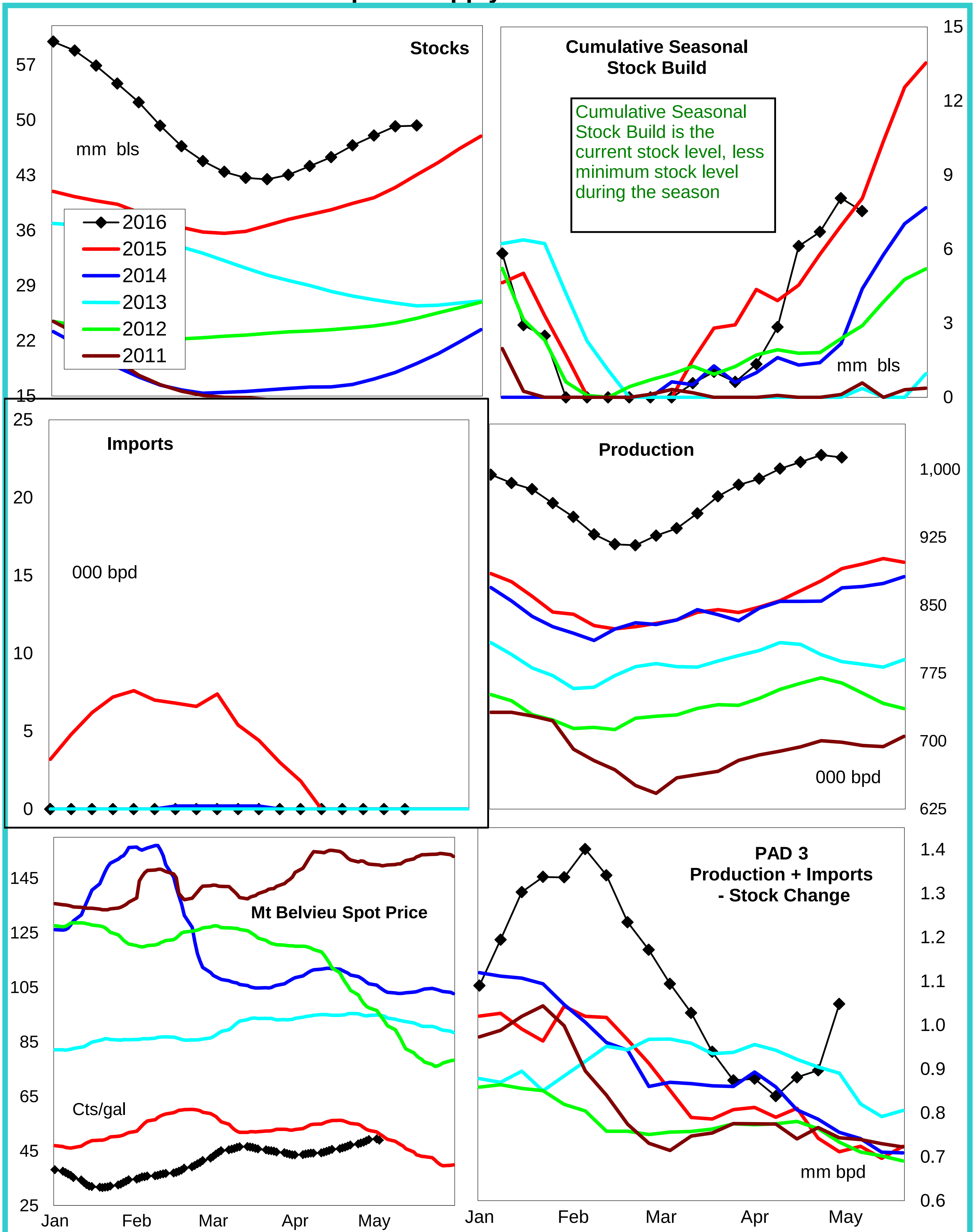
PADD 3 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	6,939	-522	146	0	152
% change	16.4	-6	16.8	#DIV/0!	21.3

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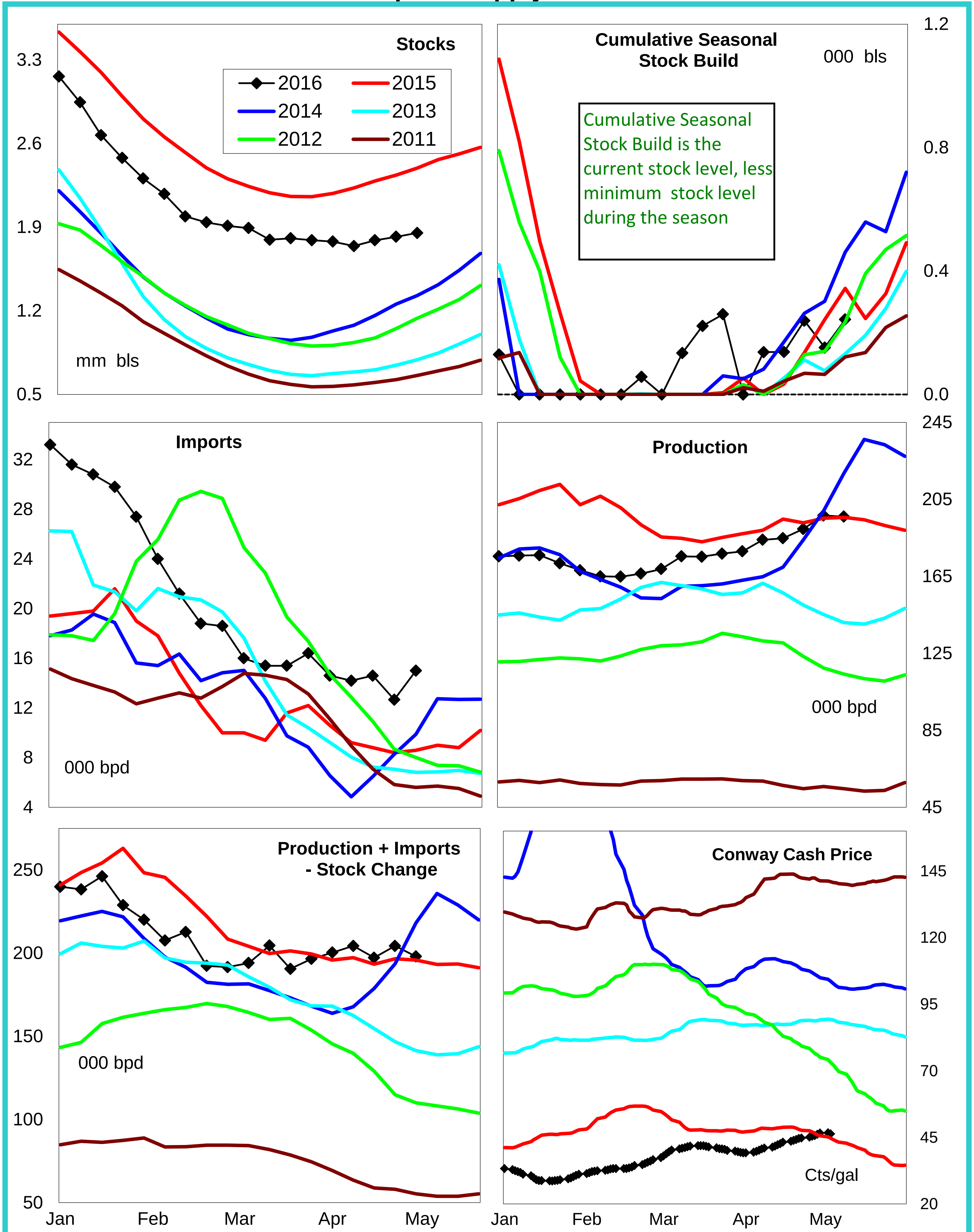
PADDs 4 and 5 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-628	-101	1	7	5
% change	-25.3	-29.4	0.4	103.6	2.7

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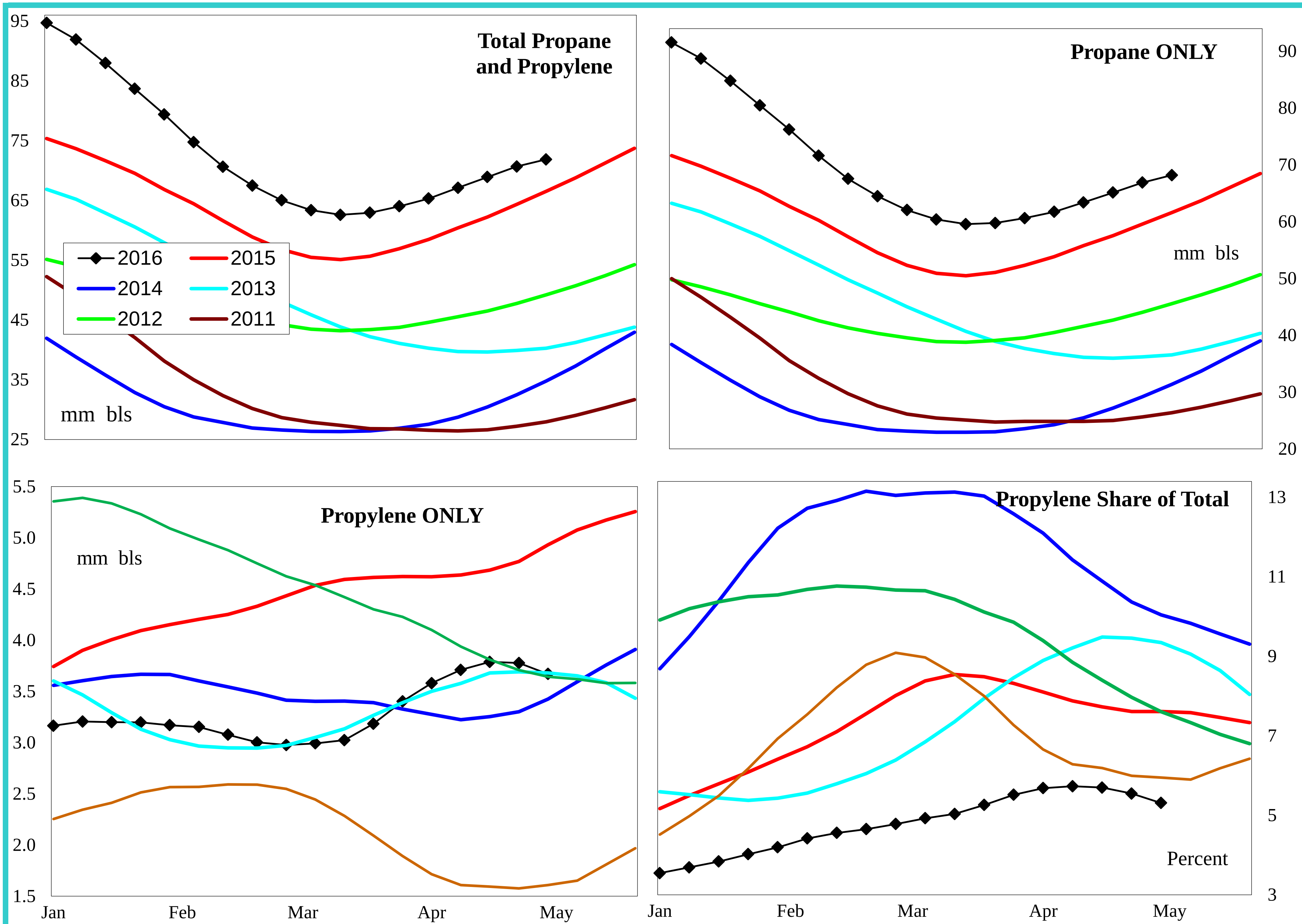
U. S. Propane and Propylene Stocks



Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	5,342	6,626	-1,262
% change	8.0	10.8	-25.6

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