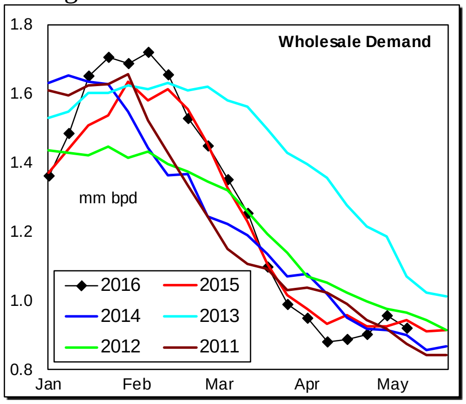
WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

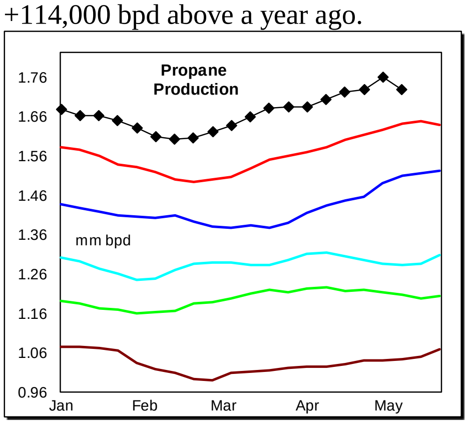
A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com

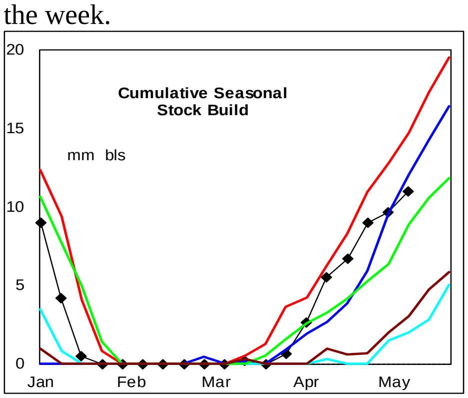
Summary[1]:
Wholesale demand decreased -182,000 bpd last week, a level equal to the 2-yr average.



Production decreased -46,000 bpd on the week, concentrated in the Midwest and Gulf. The latest 4-wk average was +114,000 bpd above a year ago.

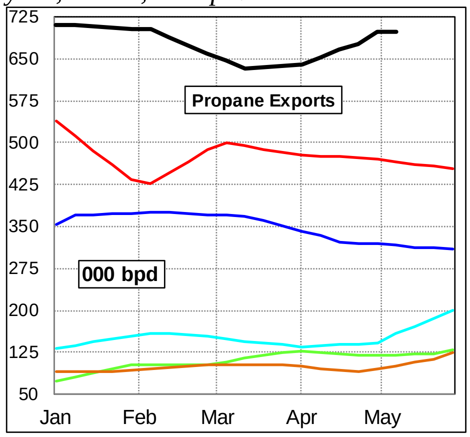


Stocks increased +1.3 million barrels on the week.

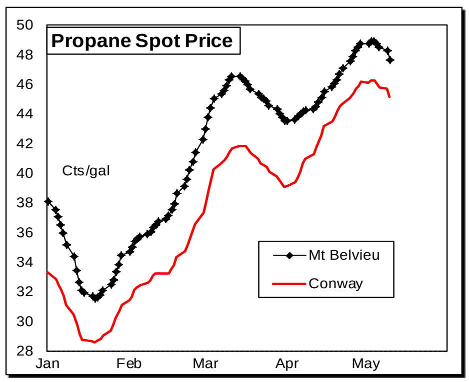


The cumulative seasonal stock build of +11 million barrels, was below the last 2-yrs. Stock levels ended the week +4.7 million barrels above a year ago, and a 5-yr high for the period.

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



Price and Spreads Mt Belvieu spot price decreased -0.25 cpg last week ending 10May16, while Conway prices saw a similar decrease.



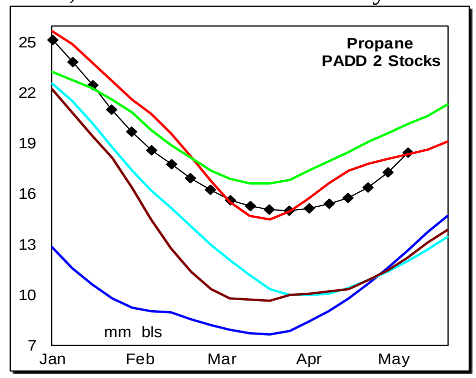
The Conway – Mt Belvieu price spread traded sideways last week, ending at a level near 3-yr highs.

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

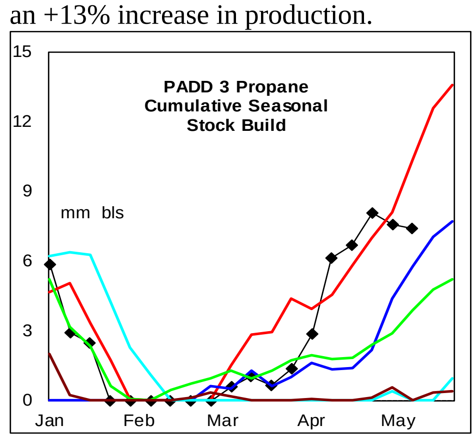
The propane / crude oil price spread trended lower late in the week, ending at a level above the last 4-yrs for the period.

PADD 1 stocks increased +0.1 million barrels on the week, to a level +10% above last year, near prior record highs. Supply increased +4,000 bpd on the week.

PADD 2 supply fell -50,000 bpd last week, on lower imports and production. Production for the latest 4-wk period was +56,000 bpd above a year ago. Stocks increased +1.3 million barrels on the week, to a level +2% above last year.



PAD 3 stocks decreased -0.1 million barrels on the week, leading extending the downtrend in the seasonal stock build. Stock levels ended the week +10% above the prior 5-yr high. Supplies for the latest 4-wk period were +120,000 bpd above last year, driven by an +13% 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 Exports were nearly +50% above last year for the most recent week; offsetting record production and imports. Robust exports have led to 2-consecutive weeks of stock draws in the Gulf region. Stock levels are now +7% above last year's record level.

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

[1] Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

May 11, 2016

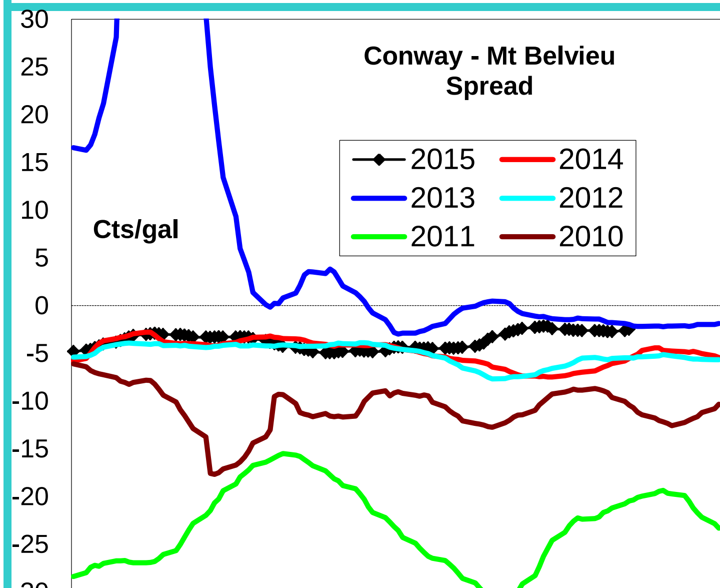
Fundamental Trends for the Week Ending: Friday, May 06, 2016

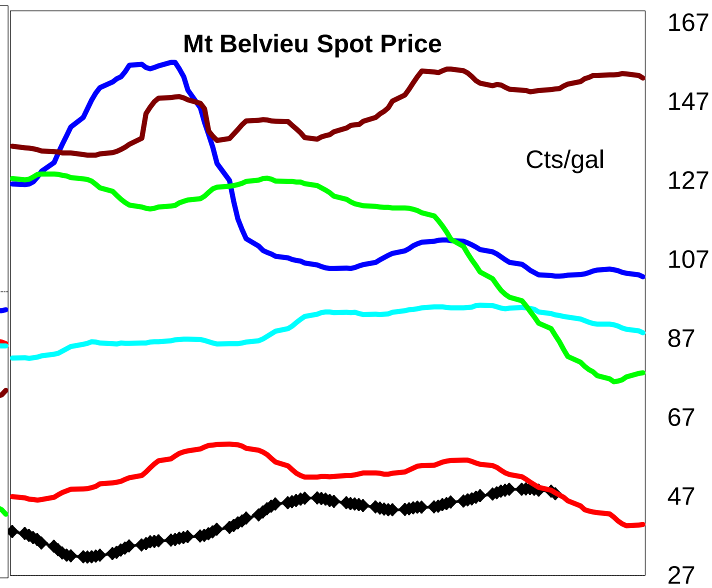
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S.	PADD				U.S.	PADD			
	Total	1	2	3	4&5	Total	1	2	3	4&5
Stocks	73,176	3,633	18,446	49,177	1,920	1,318	79	1,314	-143	68
Propylene Stocks	3,872					202				
Production	1,729	151	405	986	187	-46	9	-19	-27	-9
Imports	76	26	41	0	9	-42	-5	-31	0	-6
Whsle Demand	918					-182				

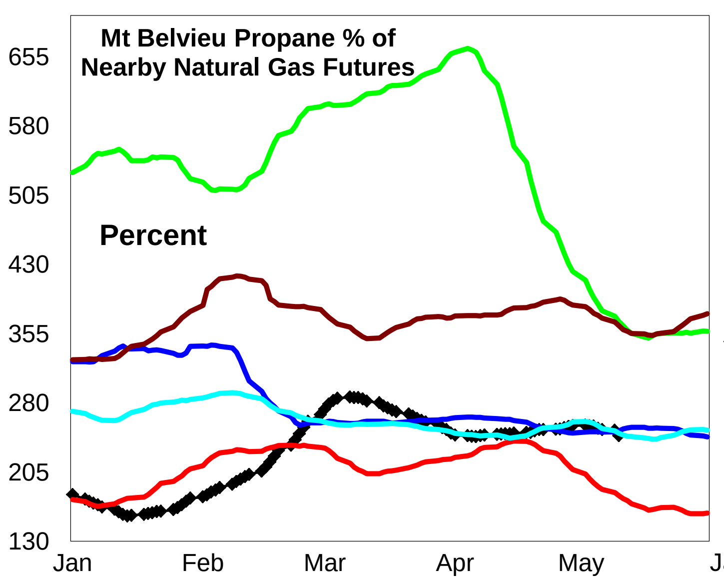
Price Trends for the Week Ending: Tuesday, May 10, 2016

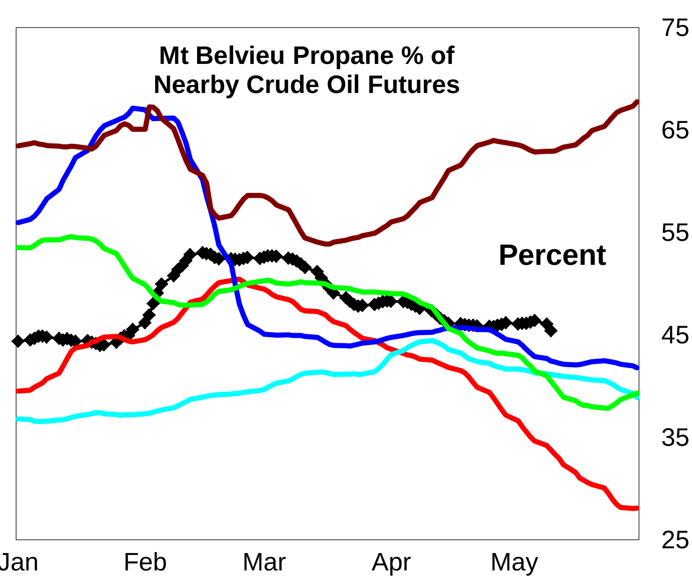
Cents/gal	Average for week ending:				Change from:			% change from:		
	5/10/16	5/3/16	4/12/16	5/14/15	5/3/16	4/12/16	5/14/15	5/3/16	4/12/16	5/14/15
Mont Belvieu Spot	48.5	49.4	44.3	49.7	-0.85	5.05	-5.43	-1.7	11.4	-10.9
Conway Spot	45.8	46.8	40.8	43.7	-1.05	6.03	-2.88	-2.2	14.8	-6.6

Key Price Spreads and Differentials

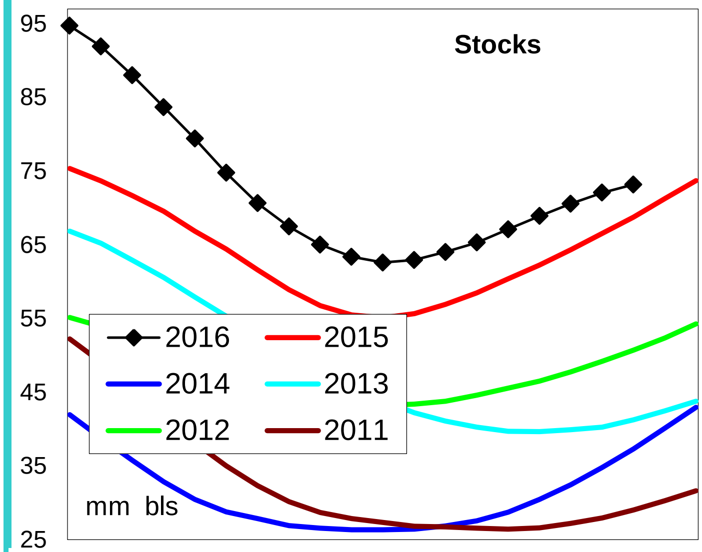


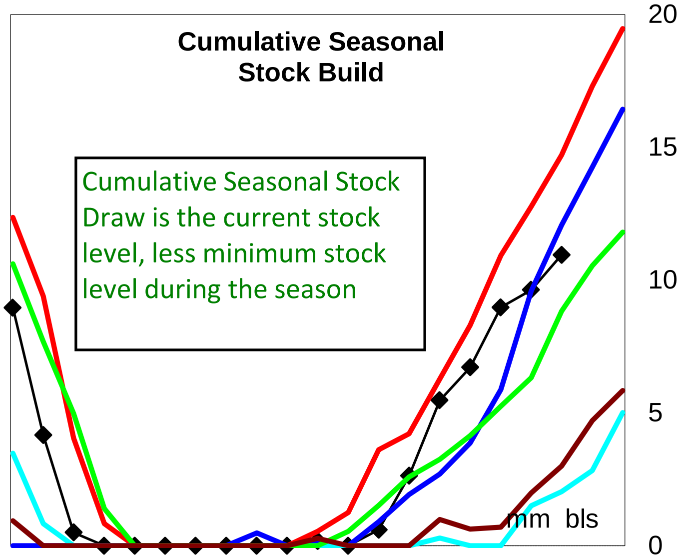


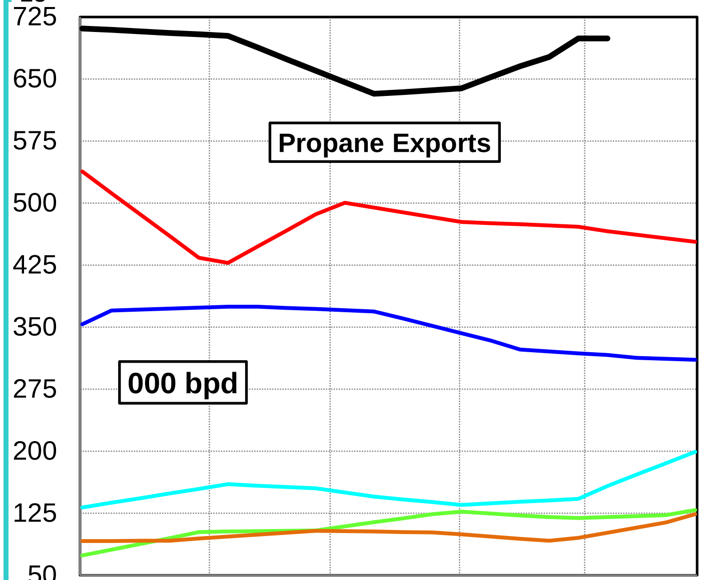


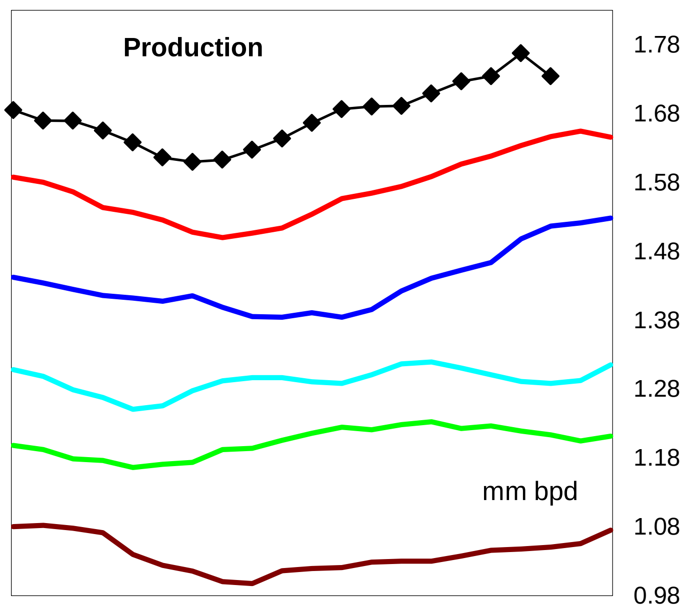


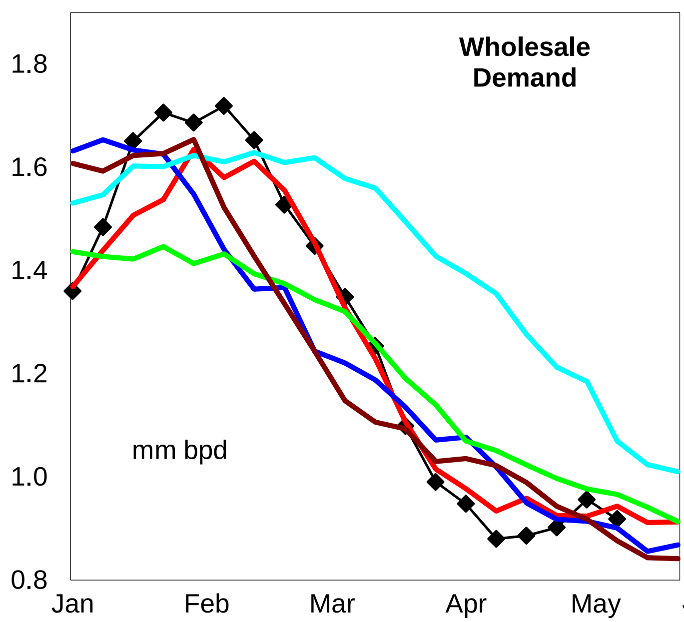
U. S. Propane Supply and Demand Balance

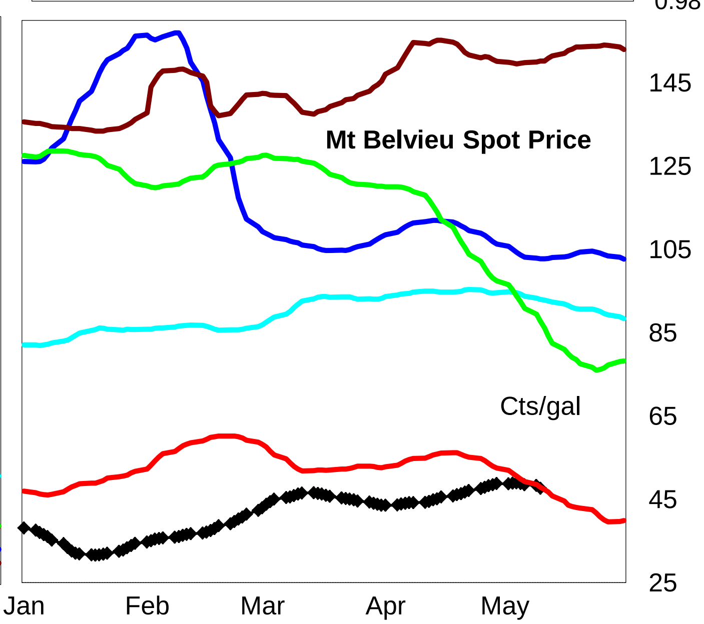






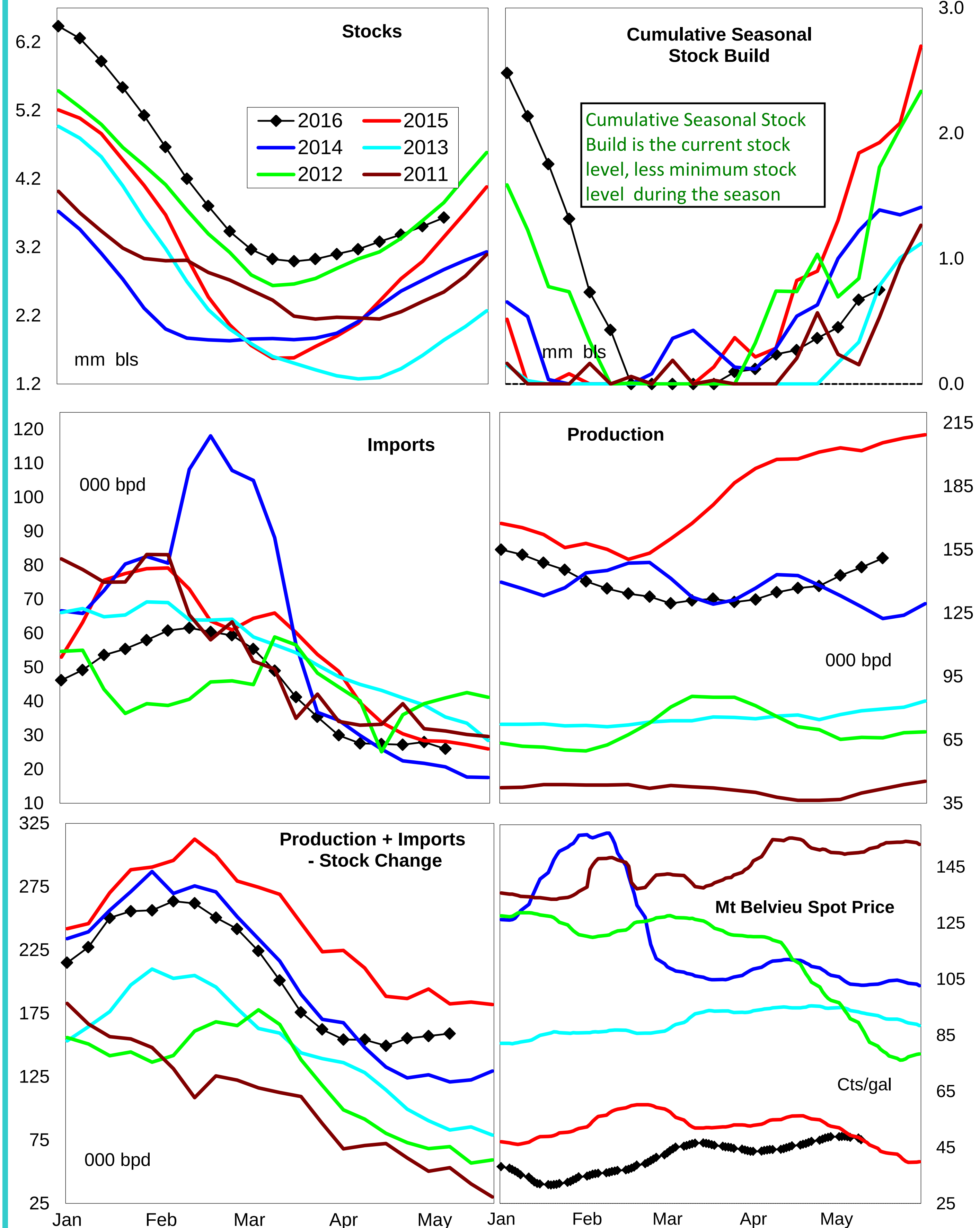






4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Mar	Feb	Jan
000 bpd (000 bls stks)	4,717	-3,765	114	6		13	-127	48	9
% change	6.9	-26	7.0	7.2		1.4	-10.7	3.1	0.6

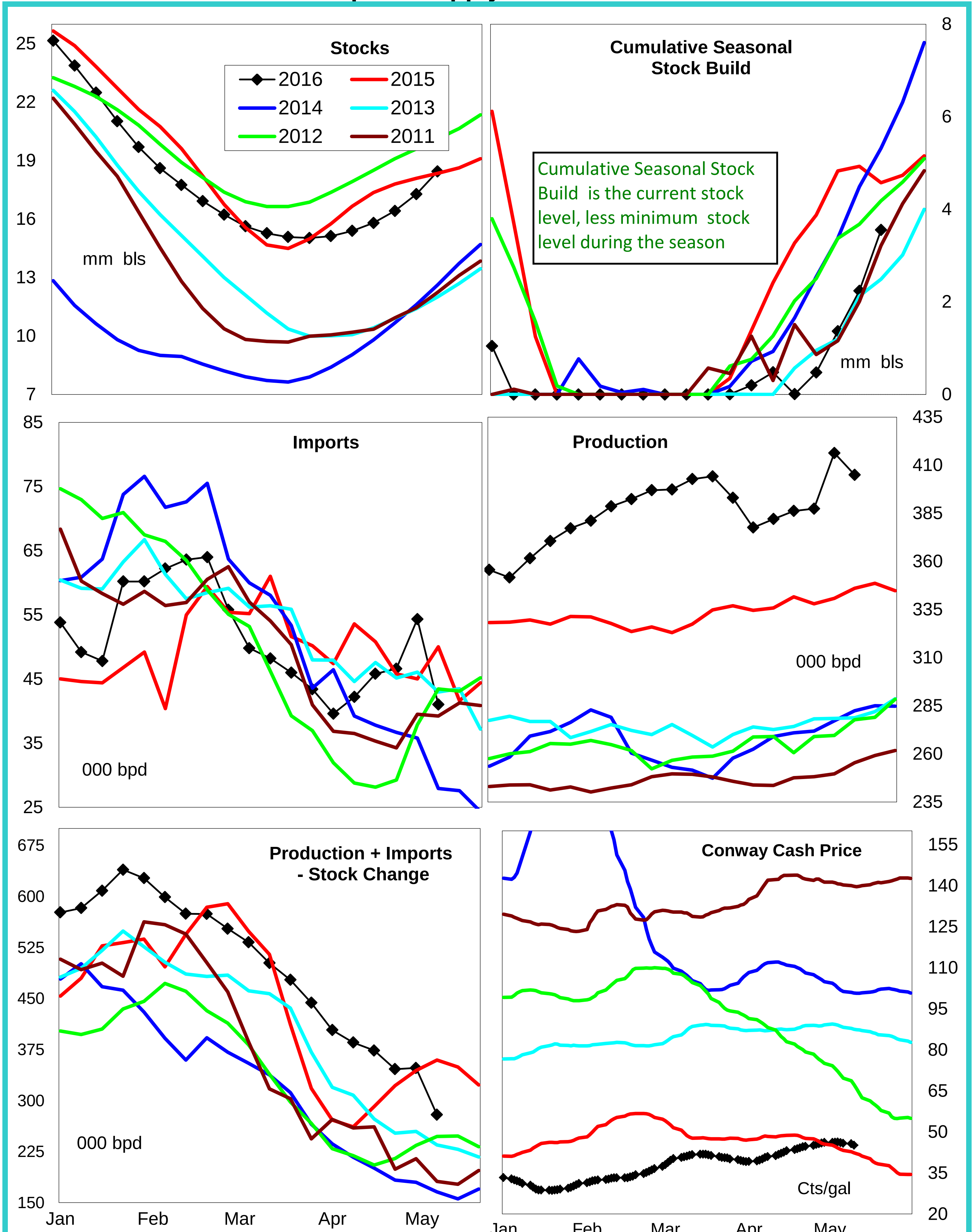
PADD 1 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	325	-1,176	-58	-2	-33
% change	9.8	-61.0	-28.8	-5.2	-17.4

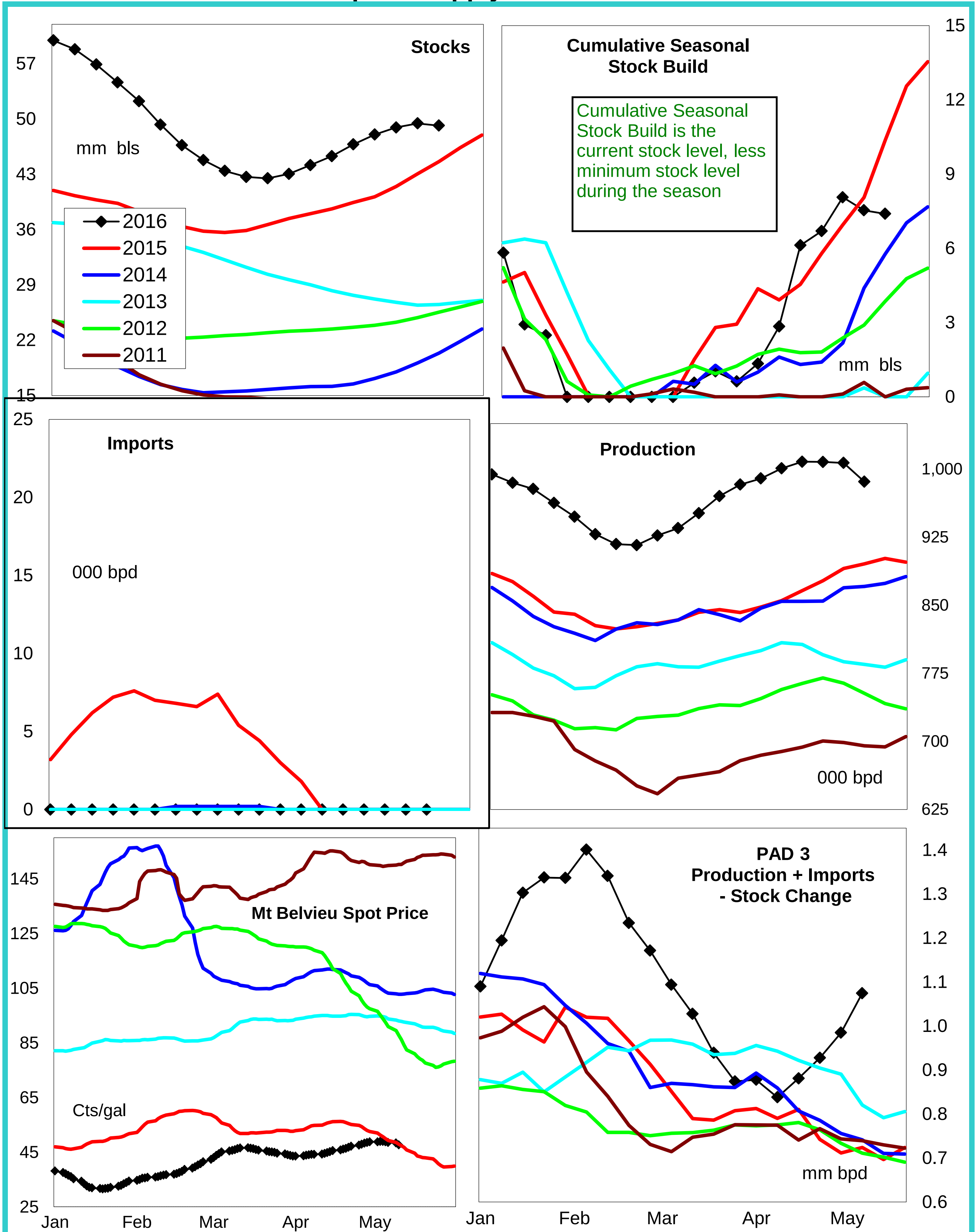
  Lehi German Tel: 816.505.0980

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)	371	-1,020	56	4	8
% change	2.1	-22.3	16.5	9.2	2.3

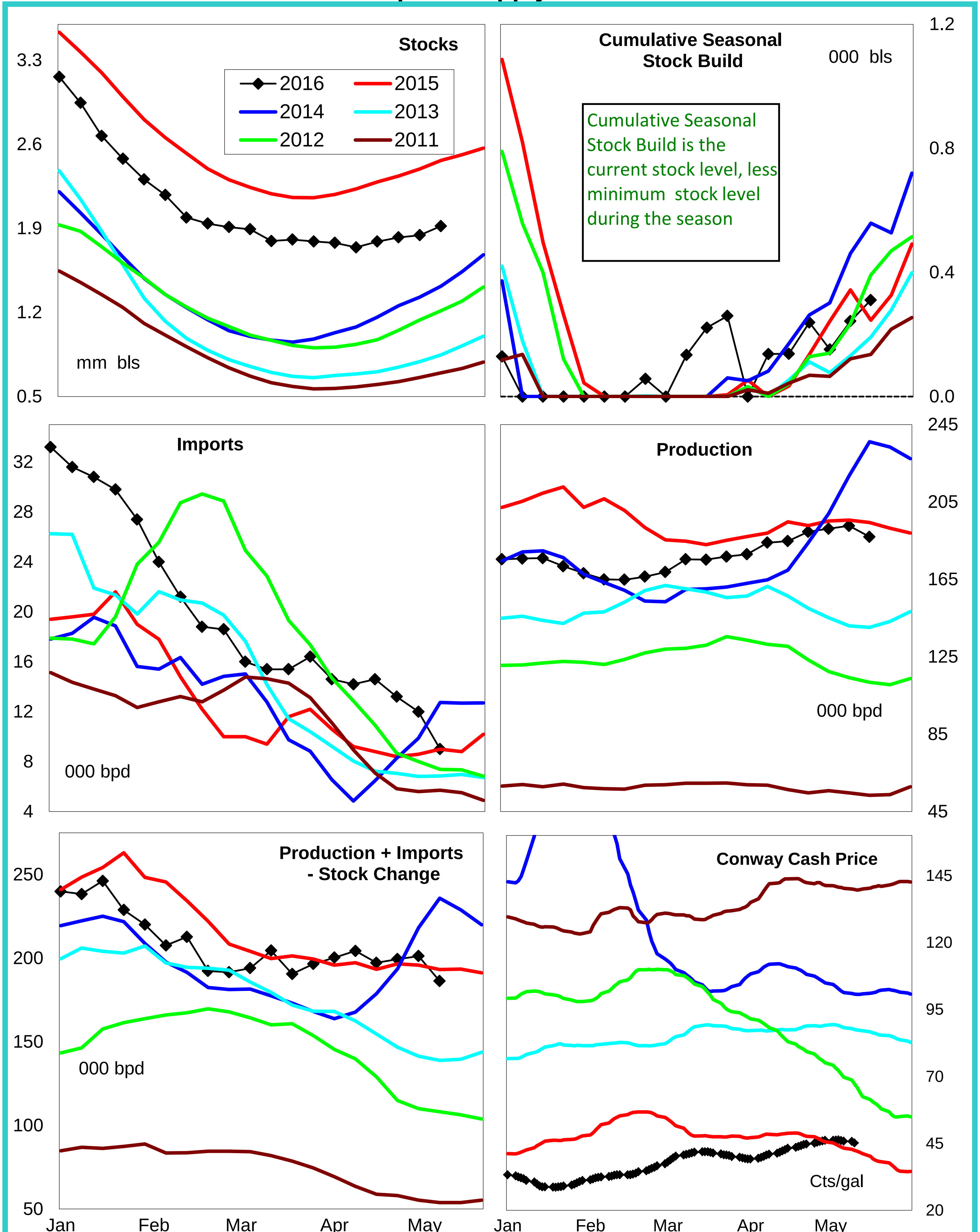
PADD 3 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	4,482	-2,979	120	0	220
% change	10.0	-29	13.4	#DIV/0!	31.6

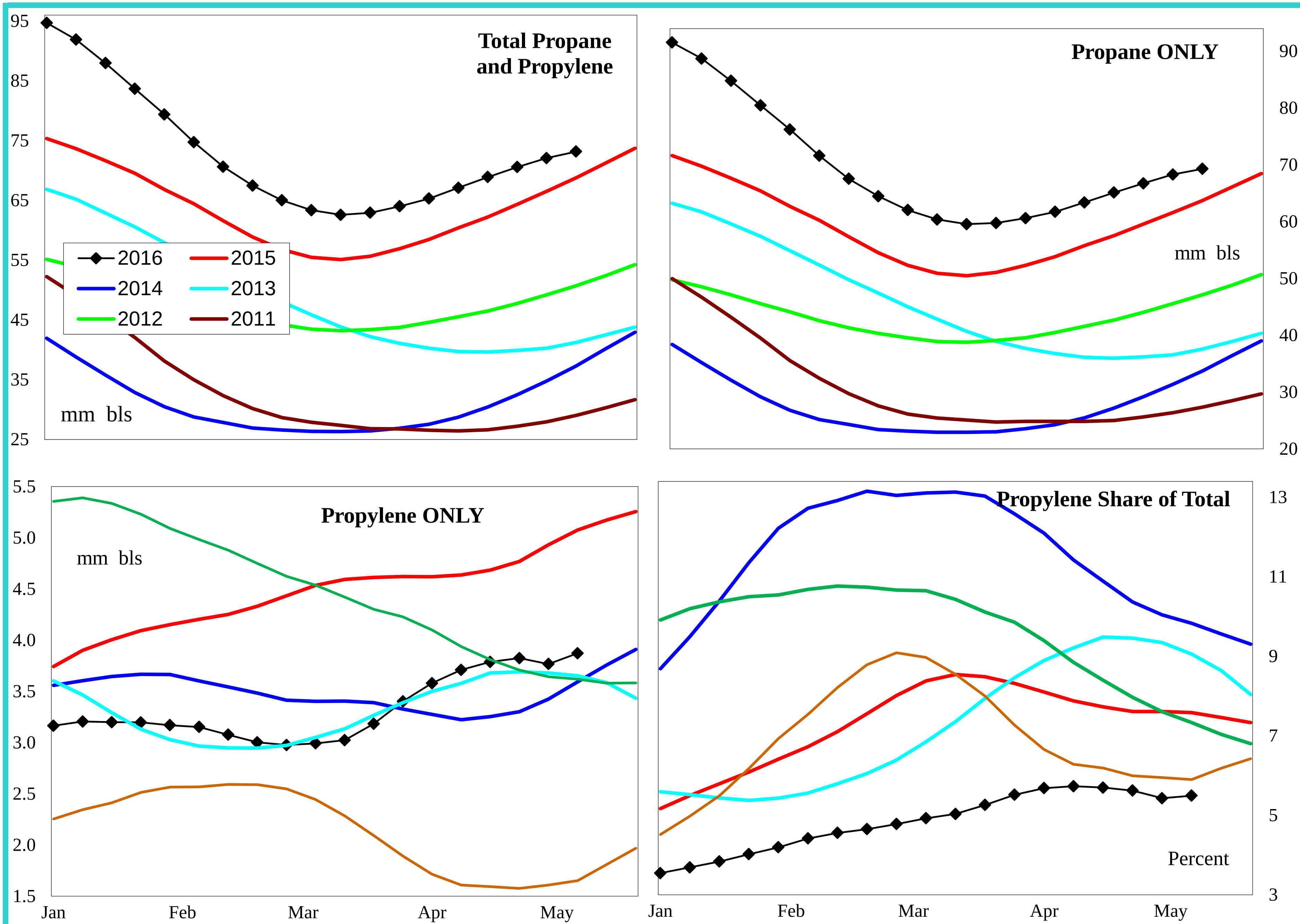
Lehi German Tel: 816.505.0980

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)	-462	65	-3	3	1
% change	-19.4	26.4	-1.6	38.2	0.7

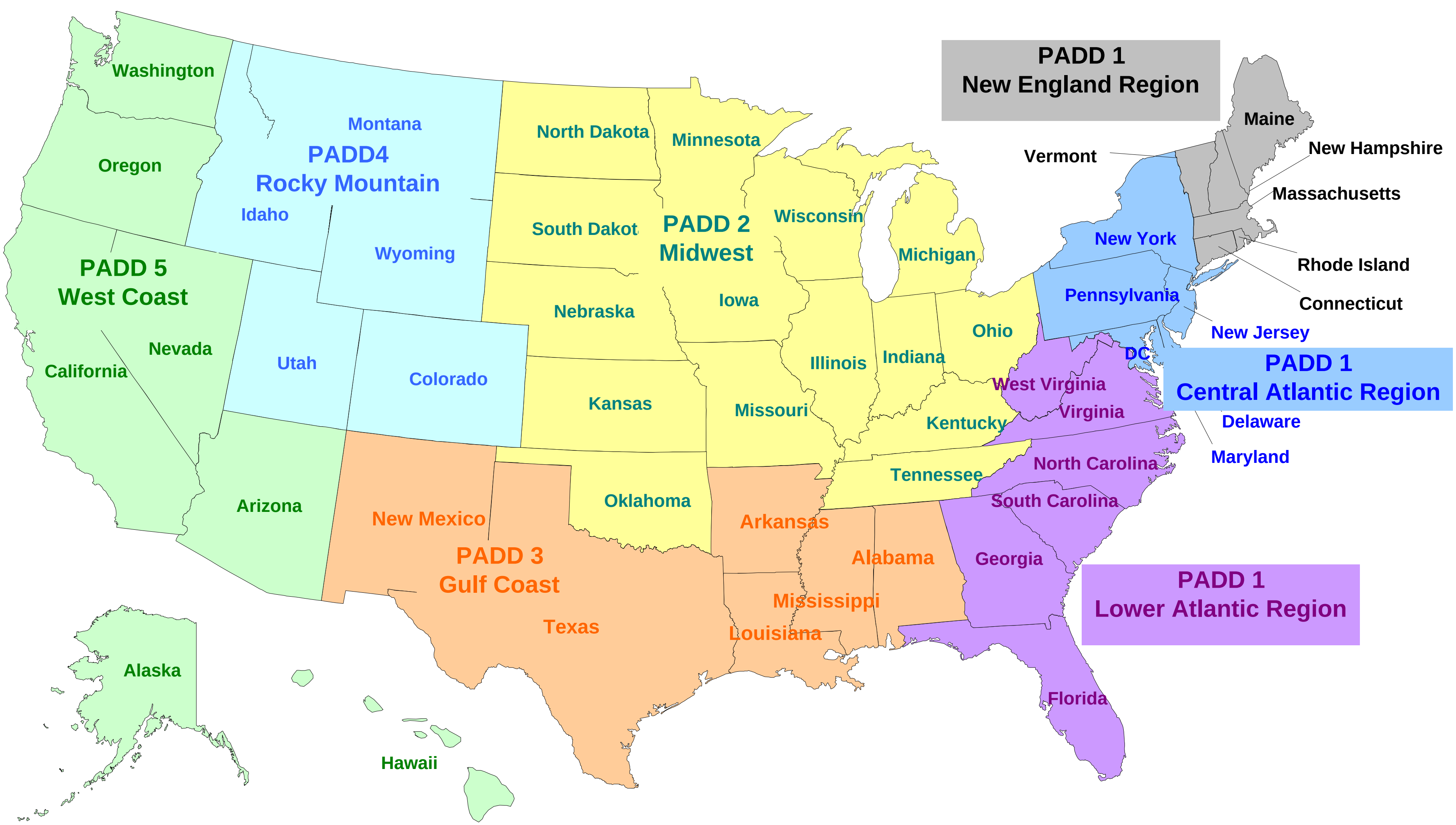
U. S. Propane and Propylene Stocks



Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	4,717	5,820	-1,205
% change	6.9	9.2	-23.7

Lehi German Tel: 816.505.0980

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



Lehi German Tel: 816.505.0980