WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

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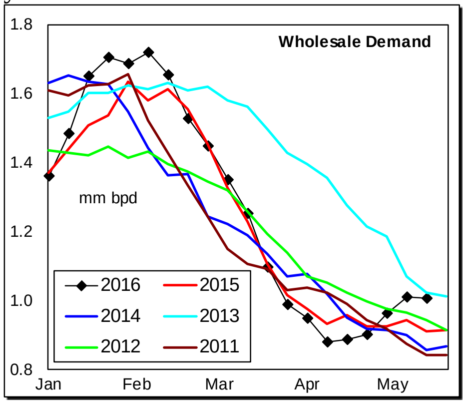
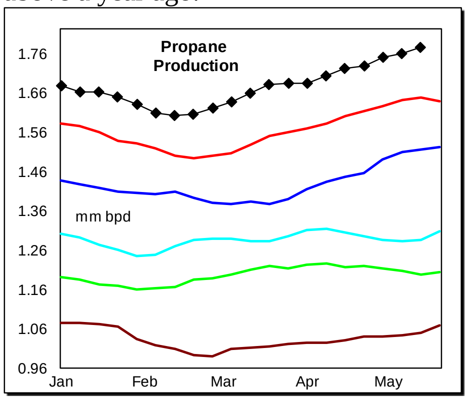
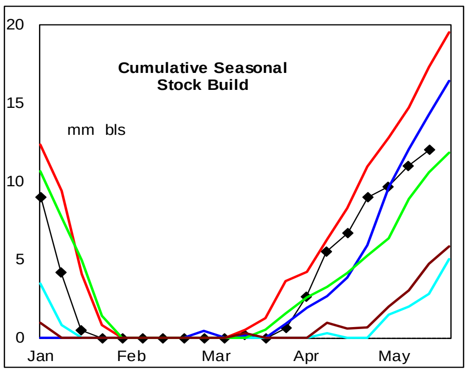
Summary[1]:
Wholesale demand increased +89,000 bpd last week, to a level above the last 2-yrs.



Production increased +48,000 bpd on the week, concentrated in the Gulf. The latest 4-wk average was +127,000 bpd above a year ago.

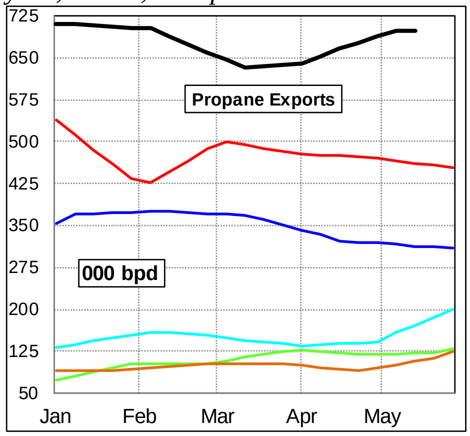


Stocks increased +1 million barrels on the week.

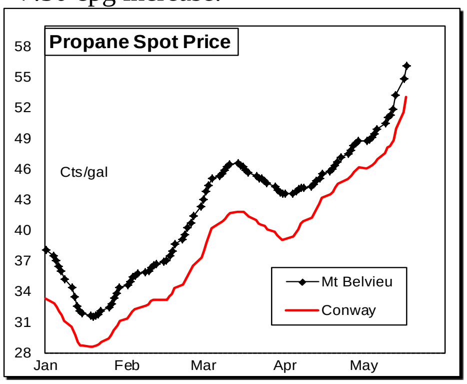


The cumulative seasonal stock build of +12 million barrels, was below the last 2-yrs. Stock levels ended the week +3.2 million barrels above a year ago, and a 5-yr high for the period.

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 +7.75 cpg last week ending 17May16, while Conway prices saw a +7.50 cpg increase.



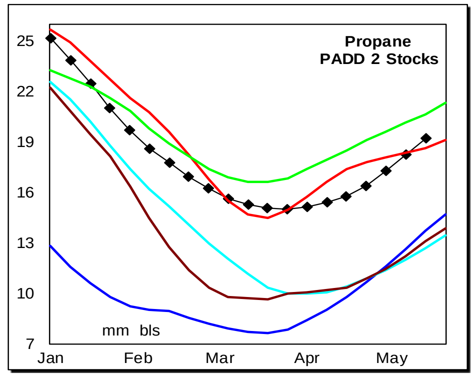
The Conway – Mt Belvieu price spread traded sideways last week, ending at a level near 3-yr highs.

The propane to natural gas price spread trended sharply higher last week, ending at a level above the last 3-yrs.

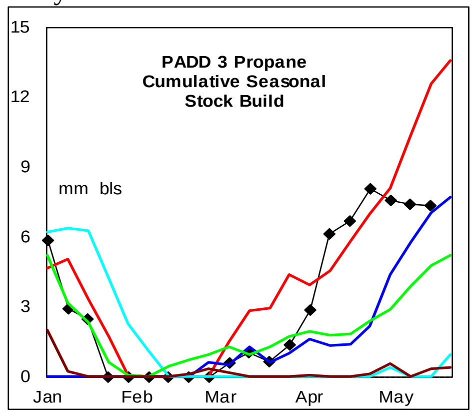
The propane / crude oil price spread trended sharply higher on the week, ending at a level well above the last 4-yrs for the period.

PADD 1 stocks were unchanged on the week, at a level comparable to a year ago. Supply increased +15,000 bpd on the week.

PADD 2 supply decreased -3,000 bpd last week, on lower imports. Production for the latest 4-wk period was +73,000 bpd above a year ago. Stocks increased +0.8 million barrels on the week, to a level +5% above last year.



PAD 3 stocks were unchanged on the week, the 3rd consecutive week without a build; driven by record exports. Stock levels ended the week +5% above the prior 5-yr high. Supplies for the latest 4-wk period were +113,000 bpd above last year.



PADDs 4 & 5 stocks increased +0.3 million barrels on the week. Stock levels ended the week -12% below last year, but well above four of the last 5-yrs.

Emerging Trends Stocks in the Gulf region have decreased -0.7 million barrels during the last 3-wks; driven by robust exports. Stock levels in the region are now less than +5% above last year.

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

[1] Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

May 18, 2016

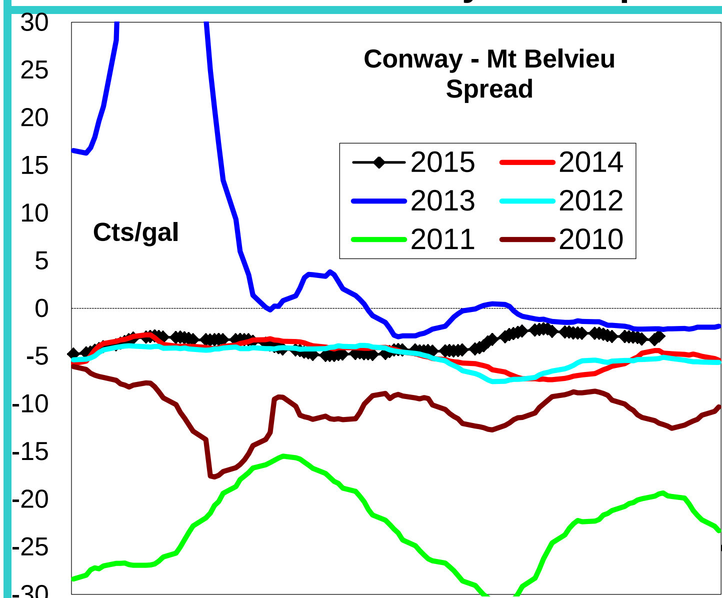
Fundamental Trends for the Week Ending: Friday, May 13, 2016

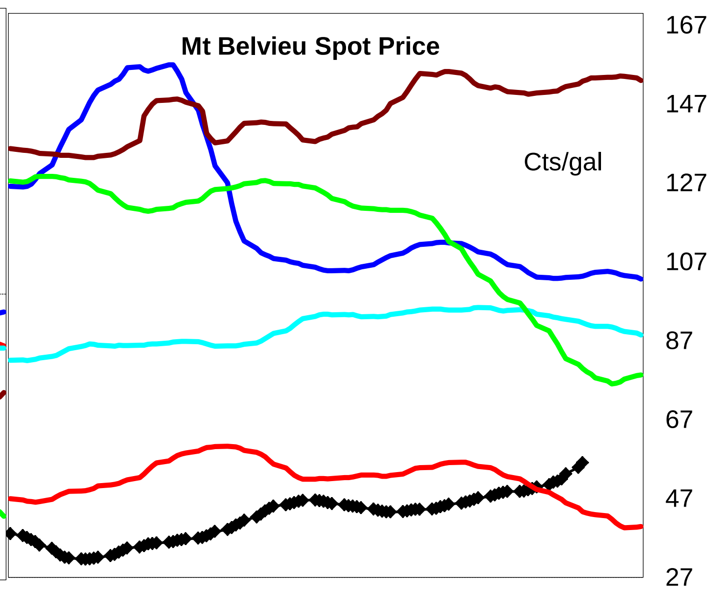
000 bpd Stocks 000 bls	Weekly Supply-Demand U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5	Change from prior week: U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5
Stocks	74,216	3,665	19,239	49,141	2,171	1,040	32	793	-36	251
Propylene Stocks	3,992					120				
Production	1,777	158	414	1,013	192	48	7	9	27	5
Imports	78	34	29	0	15	2	8	-12	0	6
Whsle Demand	1,007					89				

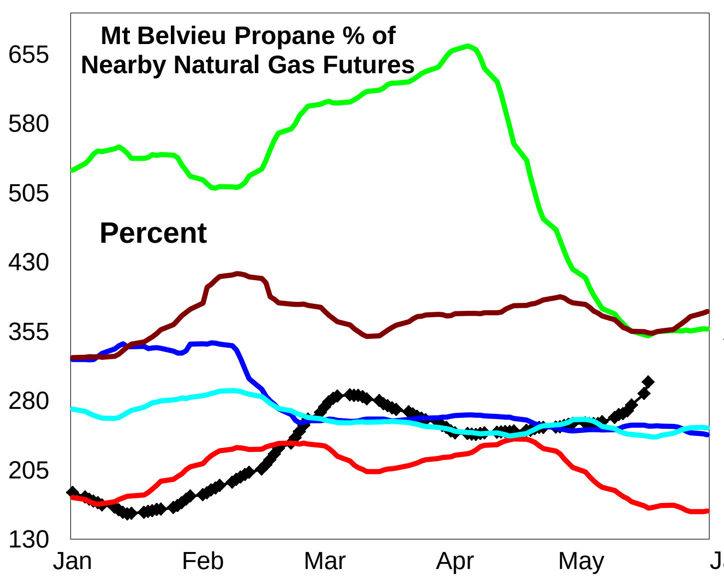
Price Trends for the Week Ending: Tuesday, May 17, 2016

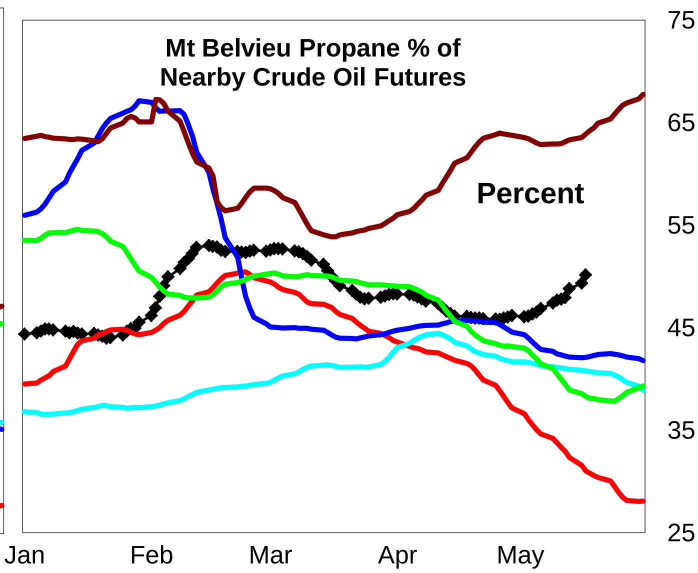
Cents/gal	Average for week ending: 5/17/16	5/10/16	4/19/16	5/21/15	Change from: 5/10/16	4/19/16	5/21/15	% change from: 5/10/16	4/19/16	5/21/15
Mont Belvieu Spot	54.2	48.5	45.1	45.9	5.70	3.43	-0.77	11.8	7.6	-1.7
Conway Spot	50.9	45.8	43.3	41.1	5.10	2.48	2.20	11.1	5.7	5.4

Key Price Spreads and Differentials

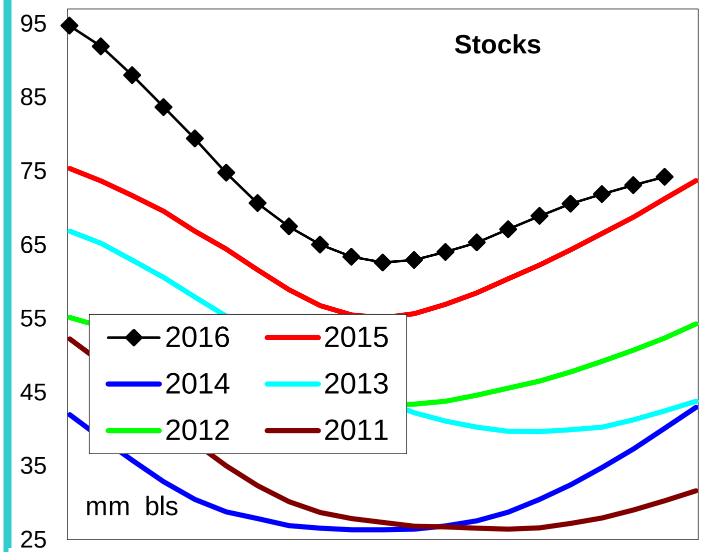


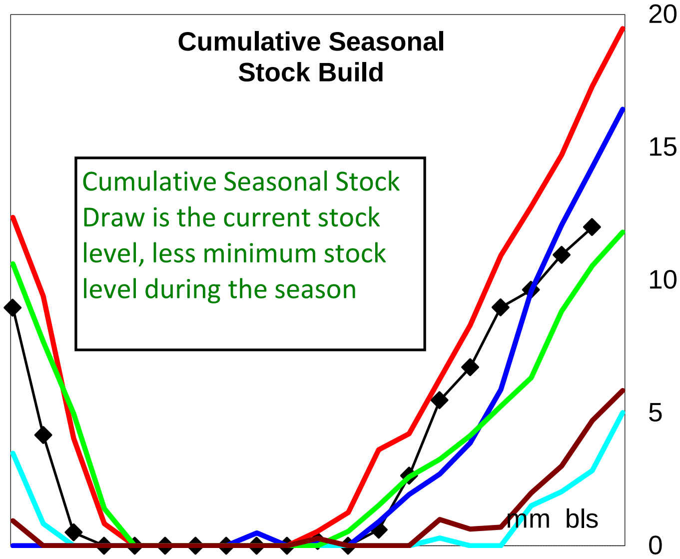


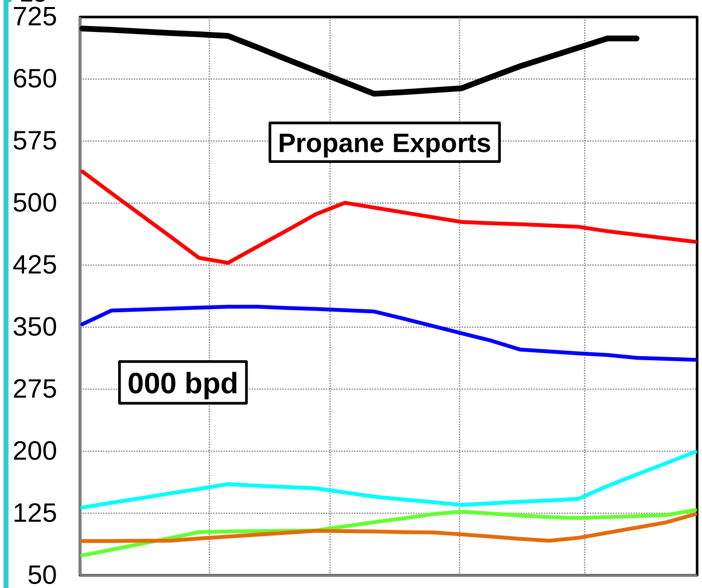


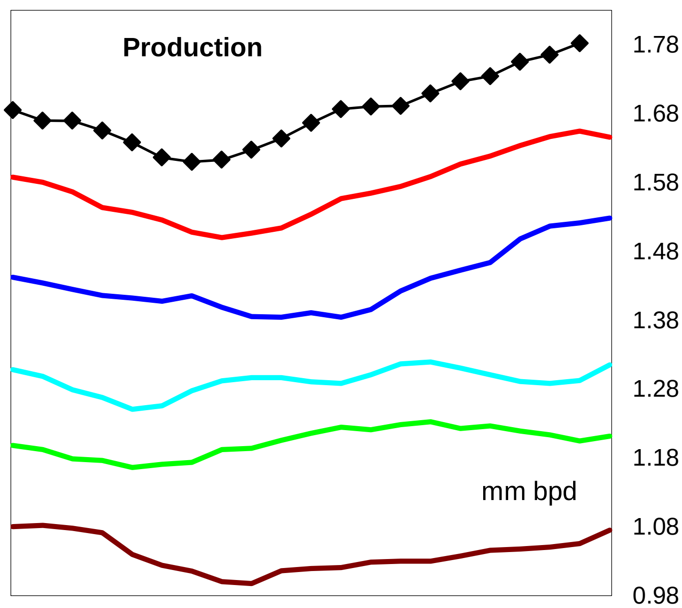


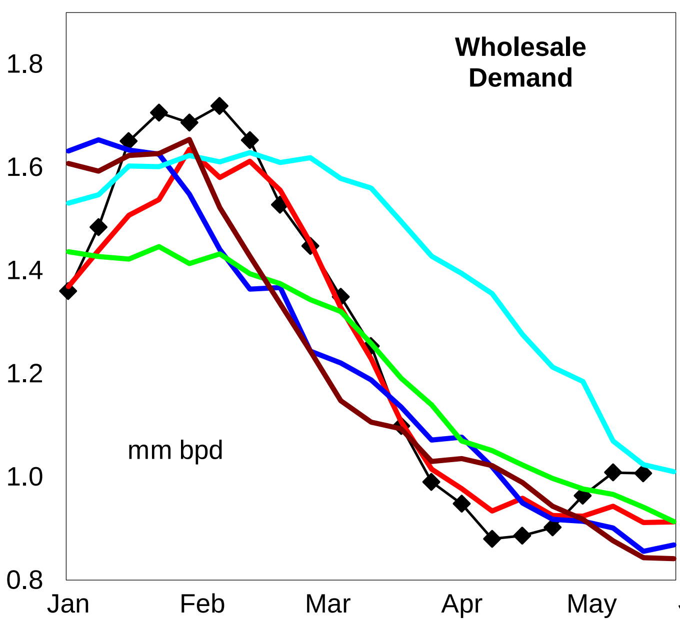
U. S. Propane Supply and Demand Balance

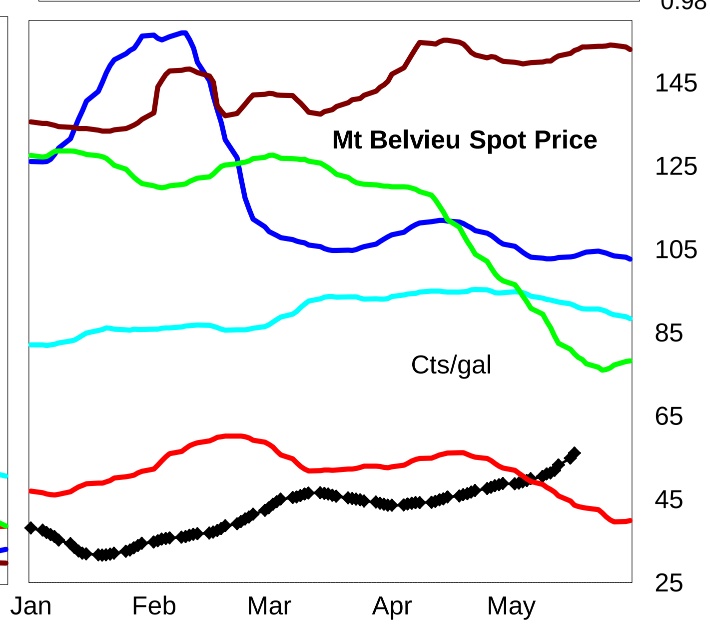












4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	**Demand**	4wk avg	Mar	Feb	Jan
000 bpd (000 bls stks)	3,174	-5,308	127	4		36	-127	48	9
% change	4.5	-31	7.8	4.9		3.8	-10.7	3.1	0.6

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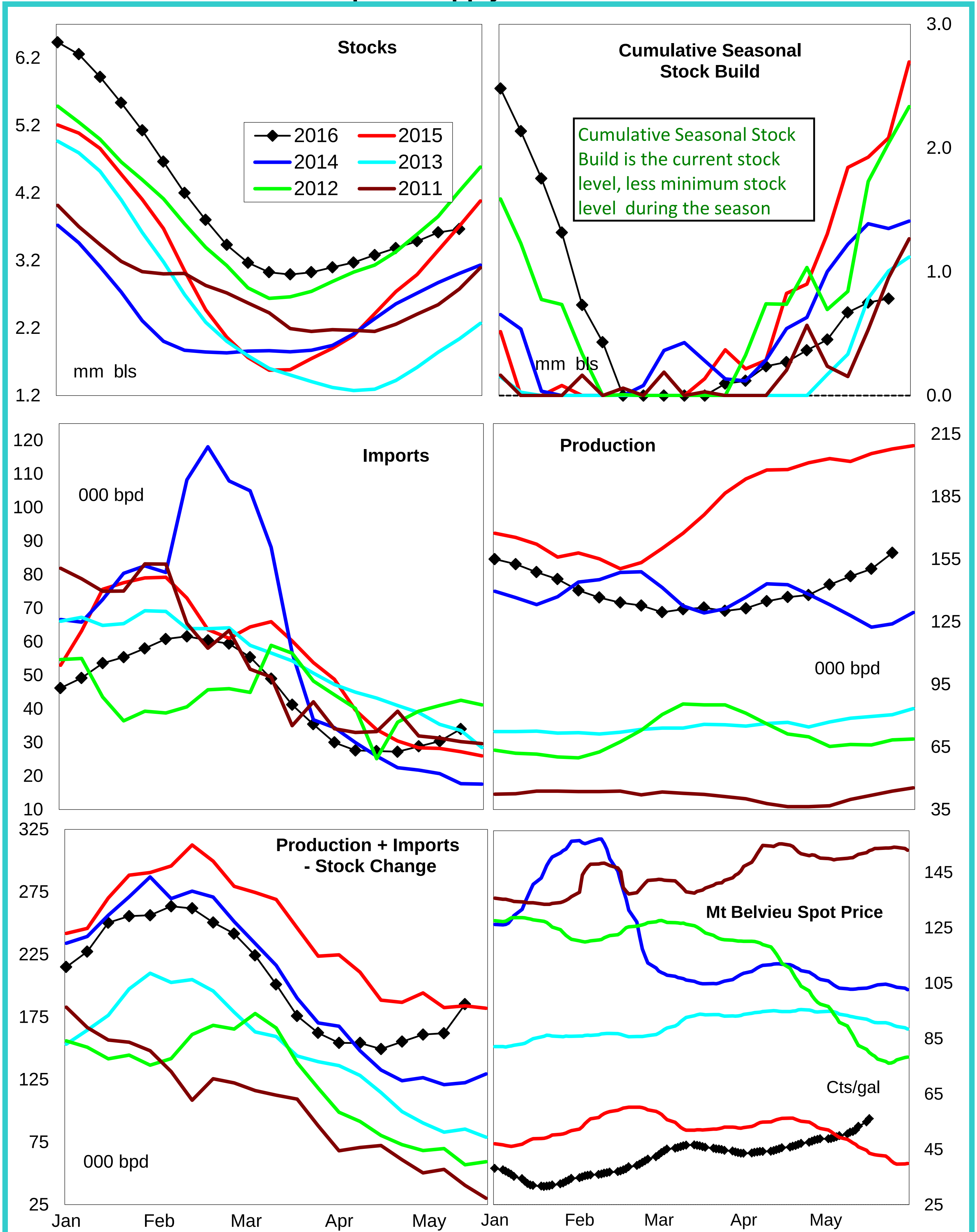
PADD 1 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	202	-1,299	-53	1	-21
% change	5.8	-62.4	-26.1	2.6	-11.2

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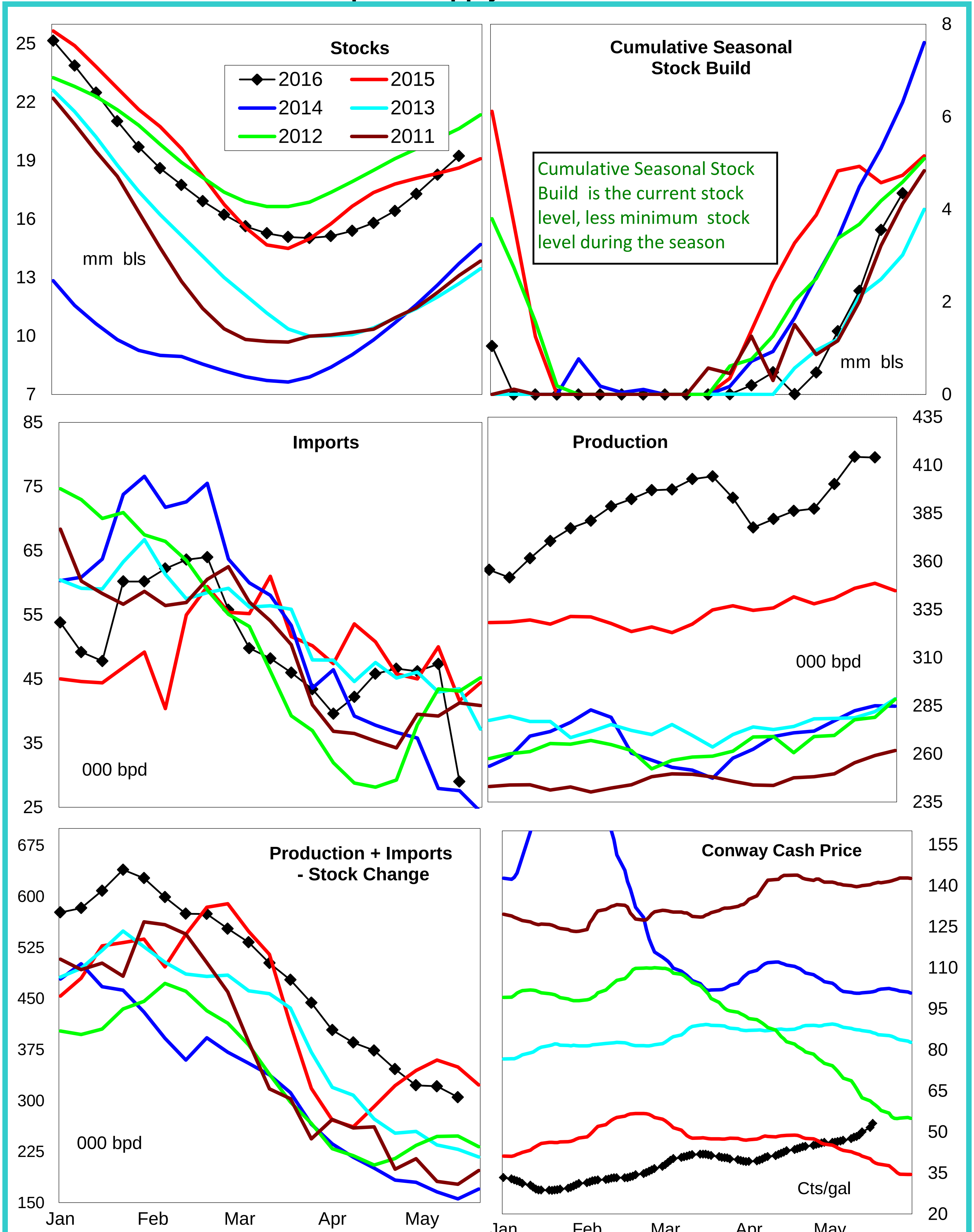
PADD 2 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	1,004	-387	73	0	-20
% change	5.5	-8.2	21.3	0.0	-5.9

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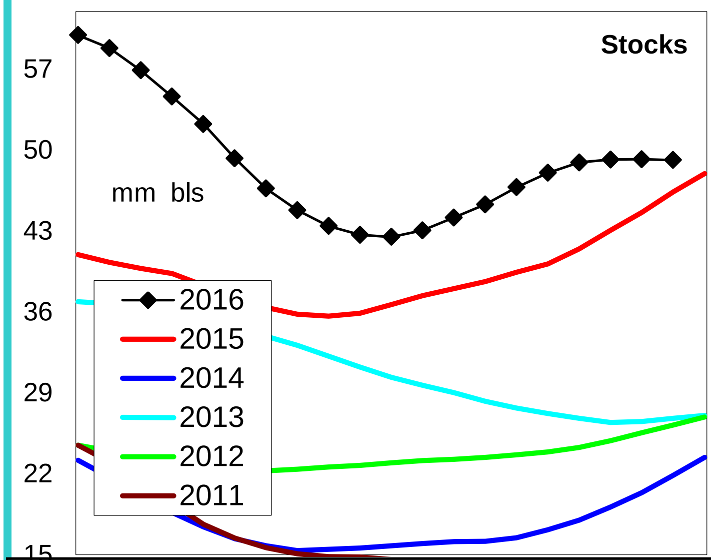
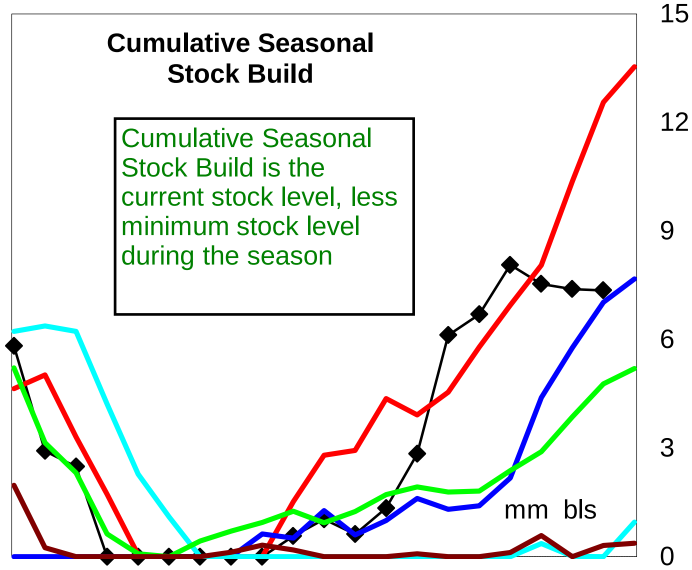
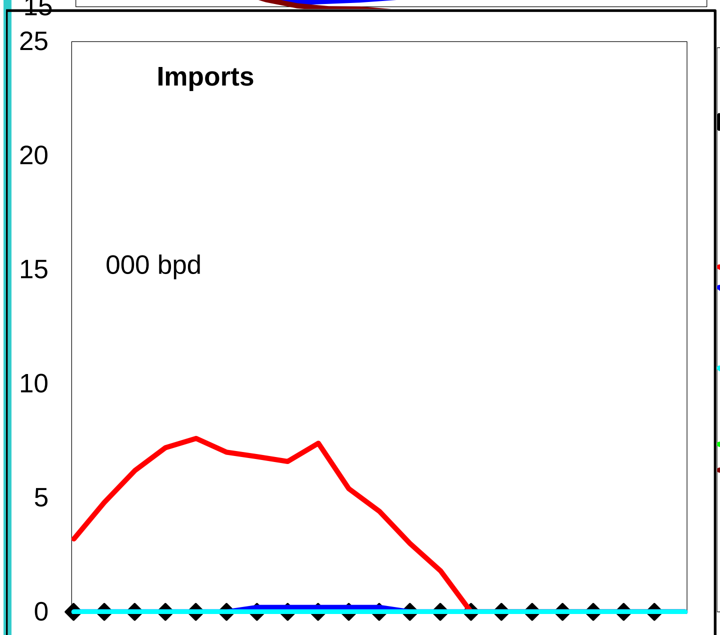
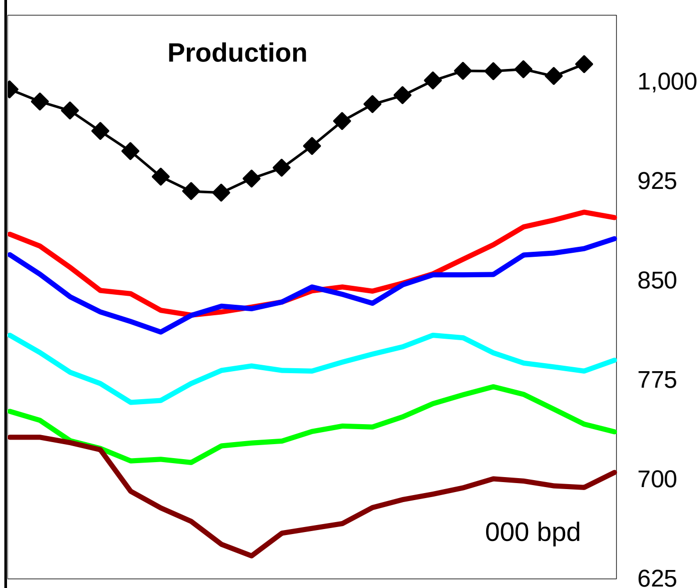
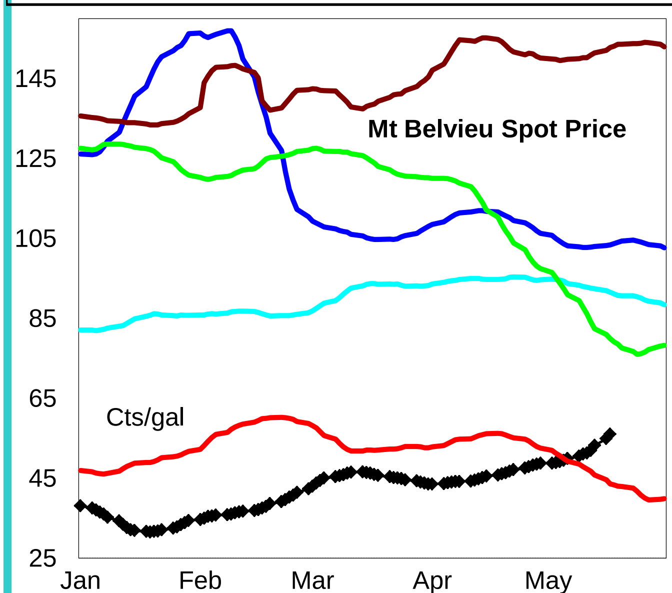
PADD 3 Propane Supply and Demand Balance

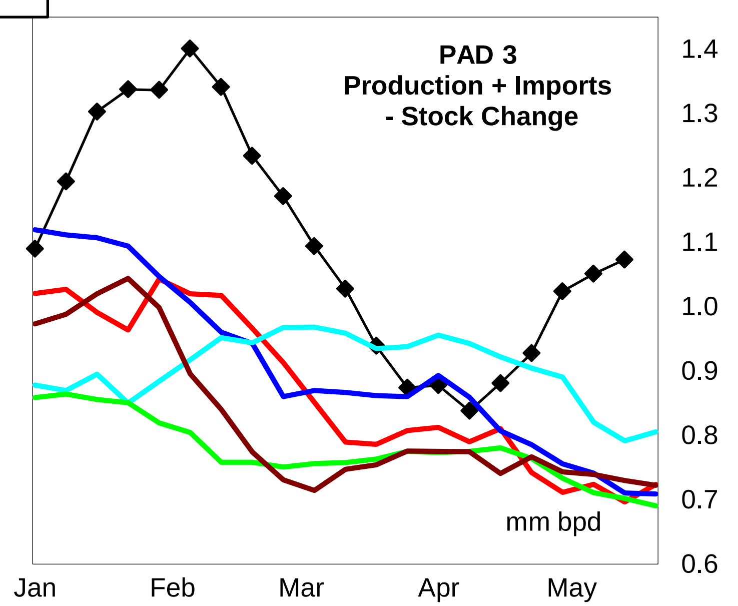












4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	2,259	-5,202	113	0	300
% change	4.8	-41	12.6	#DIV/0!	44.9

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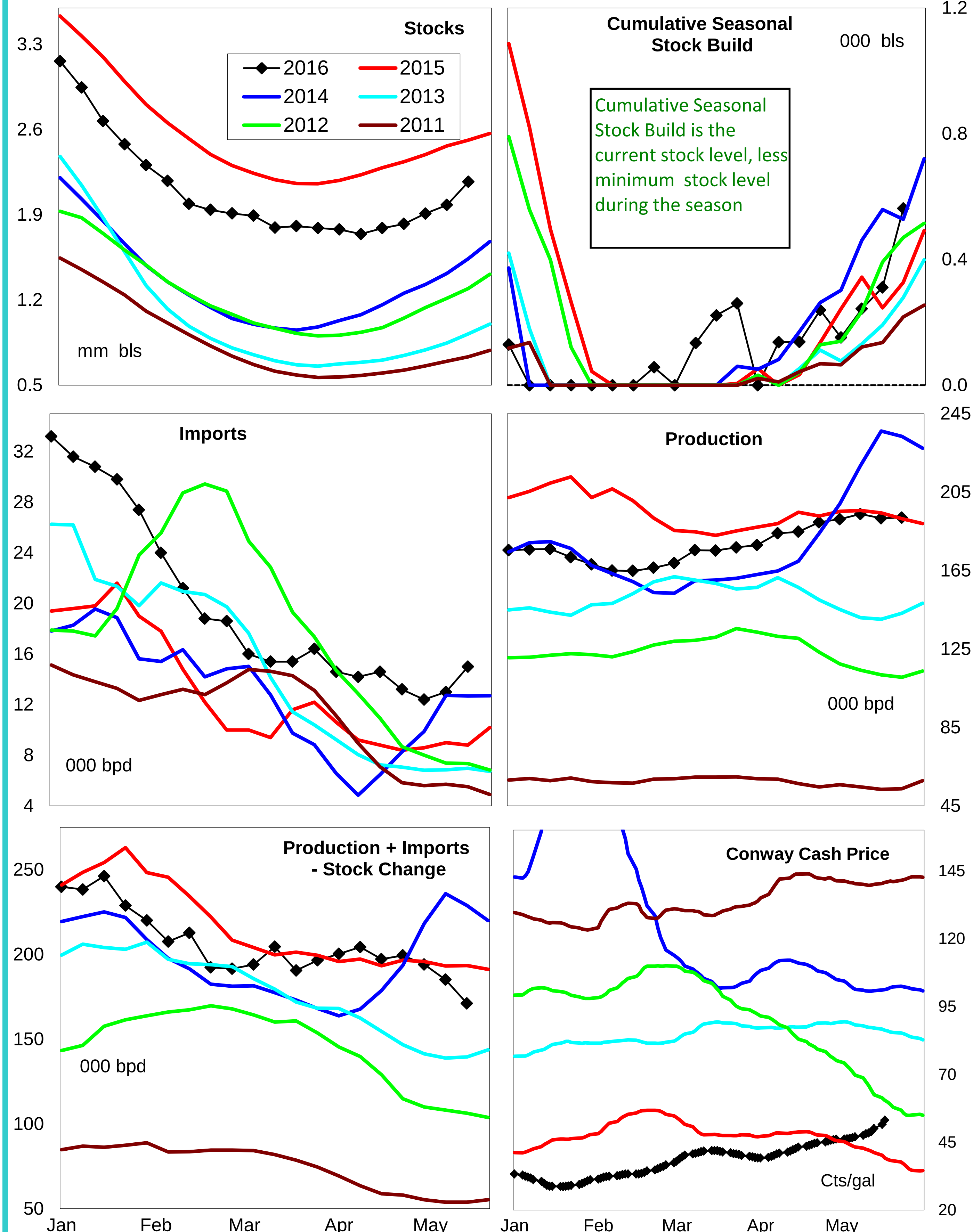
PADDs 4 and 5 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-292	235	-6	4	-7
% change	-11.9	71.9	-2.8	37.8	-3.8

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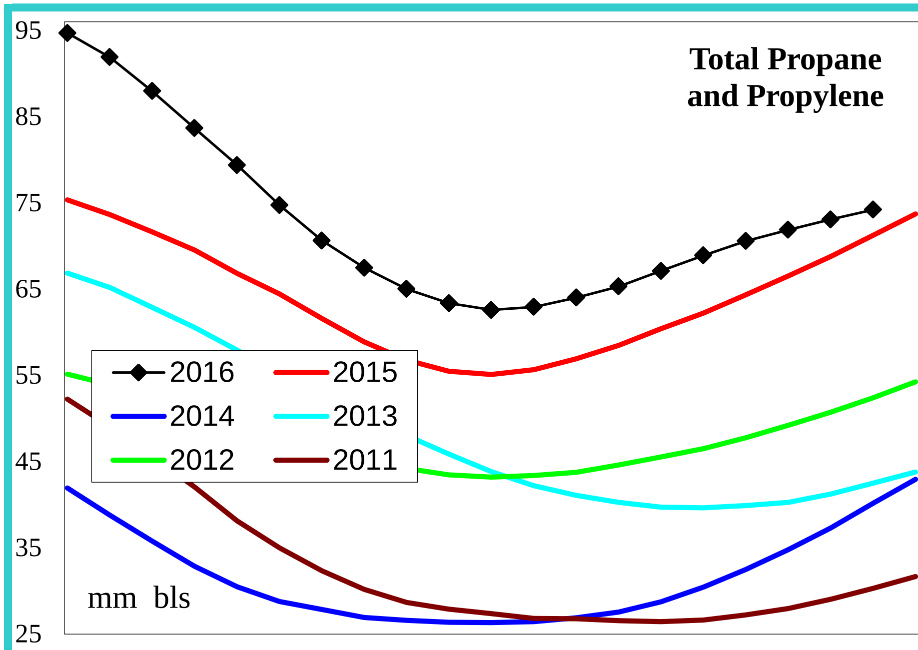
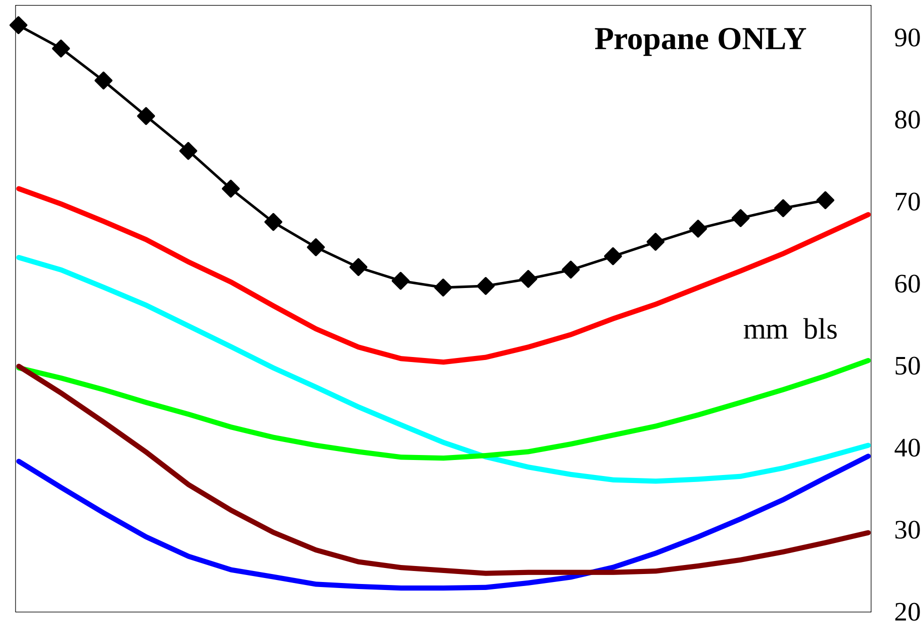
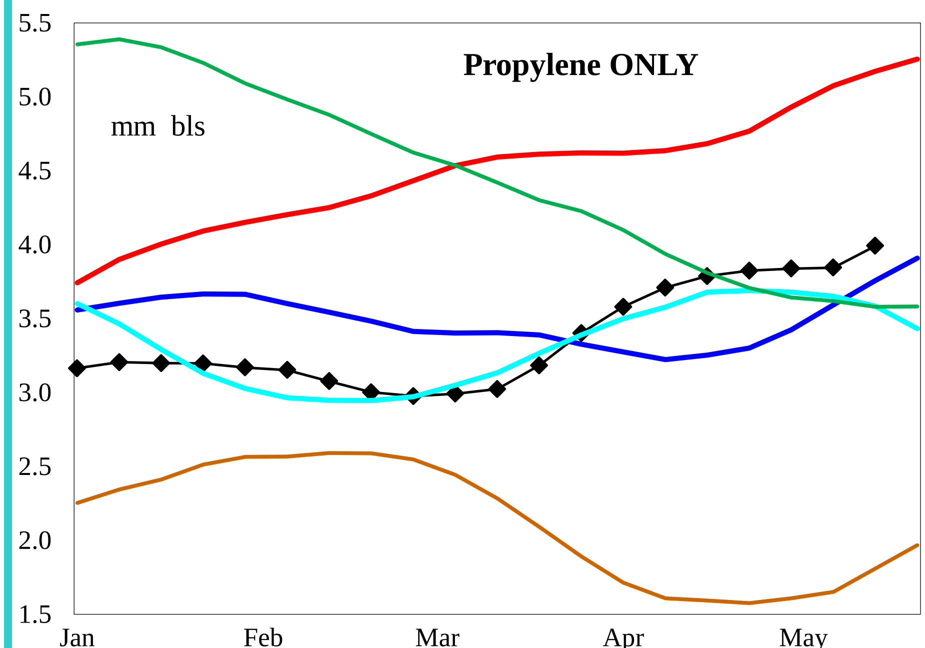
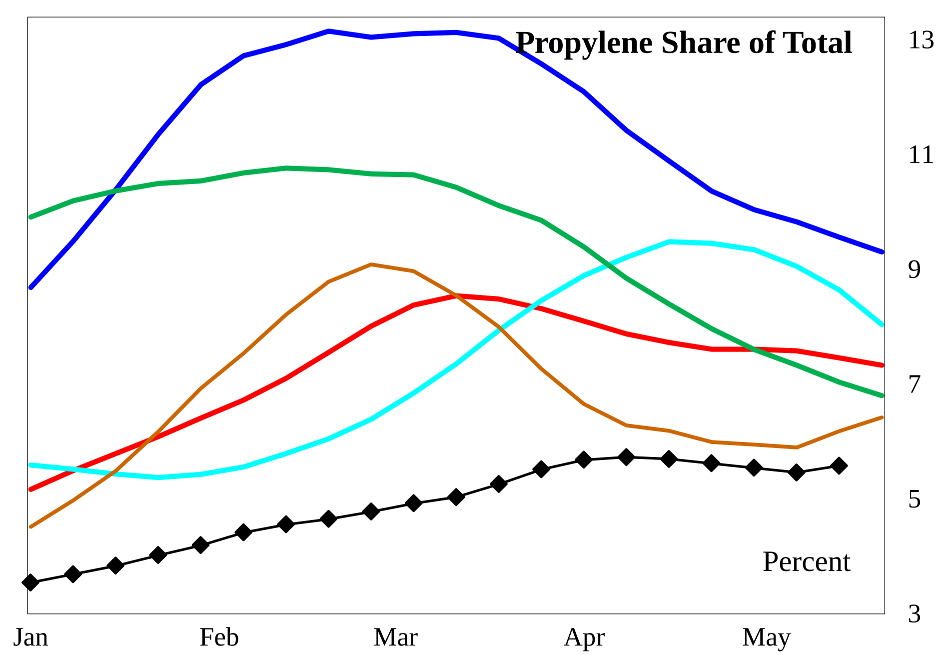
U. S. Propane and Propylene Stocks









Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	3,174	4,559	-1,181
% change	4.5	6.9	-22.8

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

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