WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

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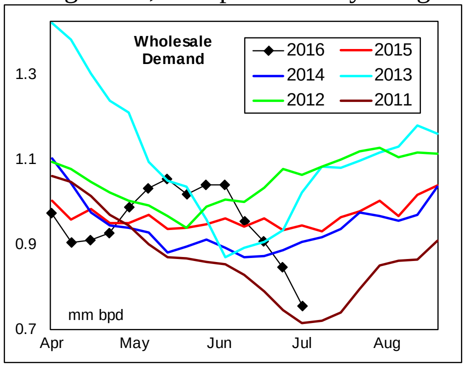
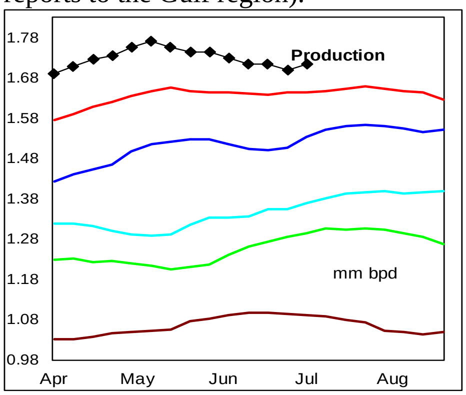
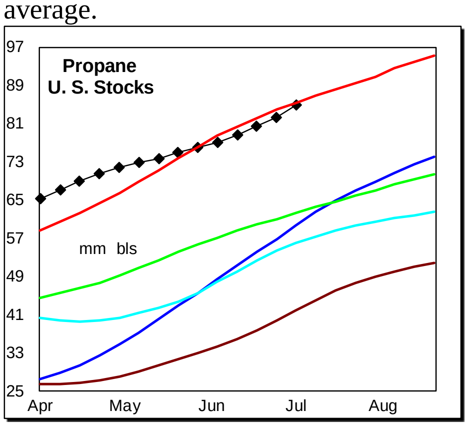
Summary[1]:
Wholesale demand for the last 4-wks averaged -41,000 bpd below a year ago.



Production increased +69,000 bpd during the last month compared to a year ago. The increase was concentrated in the Gulf and Midwest regions. Production decreased -63,000 bpd in the East Region (volumes shifted by EIA reports to the Gulf region).

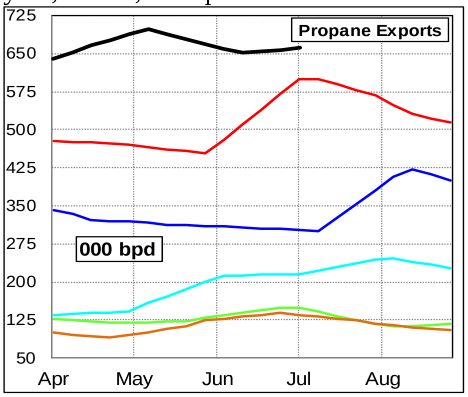


Stocks increased +2.7 million barrels on the week, a rate above the 2nd quarter average.

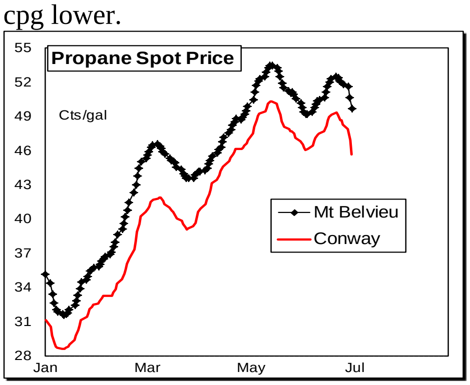


The cumulative seasonal stock build of +22.6 million barrels, was -9.5 million barrels below last year. Stock levels ended the week -0.9 million barrels below a year ago.

Exports for the week ending 24Jun16 were +61,000 bpd above last year, at 661,000 bpd.



Price and Spreads Mt Belvieu spot price decreased -4 cpg last week ending 06Jul16, while Conway prices were -6 cpg lower.



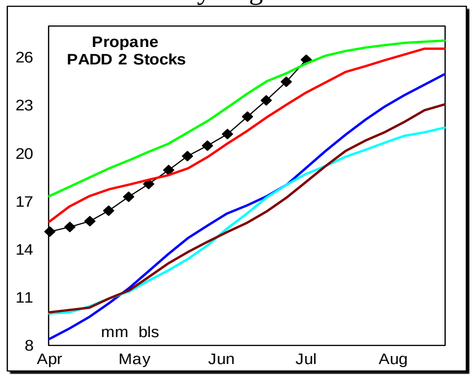
The Conway – Mt Belvieu price spread trended lower last week, ending at a level near the 3-yr mid range.

The propane to natural gas price spread extended a downtrend, driven by sharply higher gas prices, to trade a level near 5-yr lows.

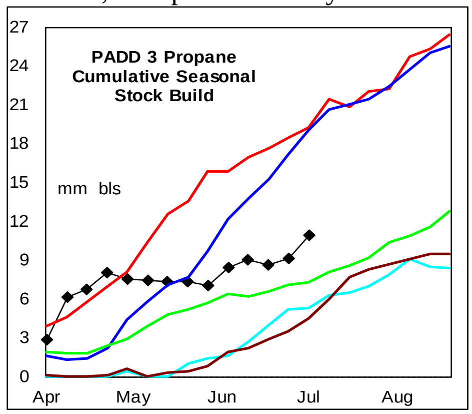
The propane / crude oil price spread trended lower on the week, ending at a level above four of the last 5-yrs.

PADD 1 stocks decreased -0.1 million barrels on the week, a level -26% below last year. Shipments to the Gulf region for export have led constrained stock builds during the last month. Supply increased +3,000 bpd last week.

PADD 2 supply decreased -1,000 bpd last week, on lower imports. Production for the latest 4-wk period was +69,000 bpd above a year ago. Stocks increased +1.2 million barrels on the week, lifting stock levels to 5-yr highs.



PAD 3 stocks increased +1.85 million barrels on the week. Stock levels ended the week -0.9 million barrels below last year. Supply for the latest 4-wk period was +56,000 bpd above last year.



PADDs 4 & 5 stocks decreased -0.2 million barrels last week, driven by a -19,000 bpd drop in supply. Stock levels ended the week -14% below last year, but above four of the last 5-yrs.

Emerging Trends Stock levels ended the week -1% below last year's record high for this time of year. The cumulative seasonal stock build, remains -9.5 million barrels below last year, but is down from nearly -12 million barrels last month.

Weakness in global energy prices and an increased rate of stock building underlies the recent price pull back. Slowing global economic growth risk further weakness in wholesale prices during the 3rd quarter.

[1] Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

July 7, 2016

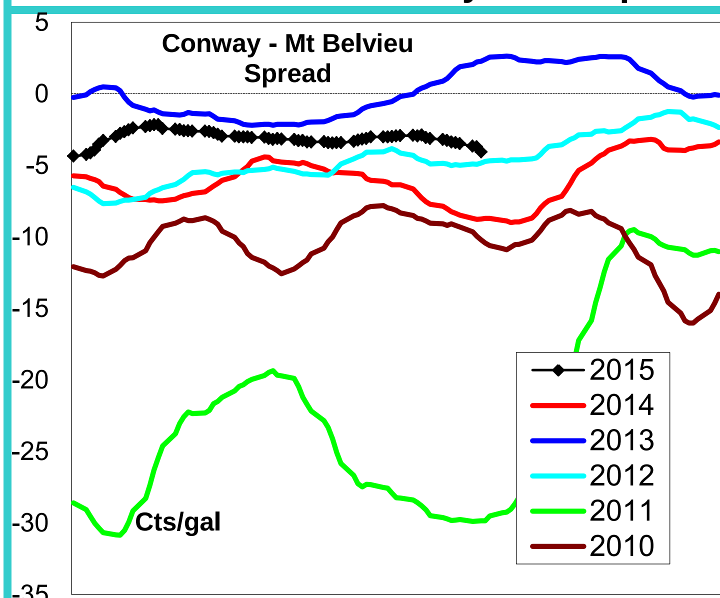
Fundamental Trends for the Week Ending: Friday, July 01, 2016

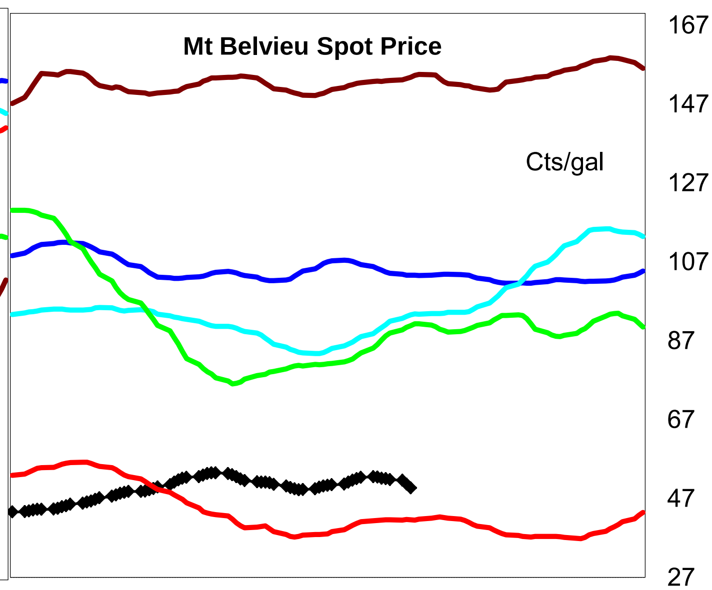
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5	U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5
Stocks	84,788	3,790	25,878	52,645	2,475	2,715	-97	1,223	1,761	-172
Propylene Stocks	3,344					77				
Production	1,708	153	391	988	176	35	-3	3	50	-15
Imports	71	30	29	0	12	-2	6	-4	0	-4
Whsle Demand	730					4				

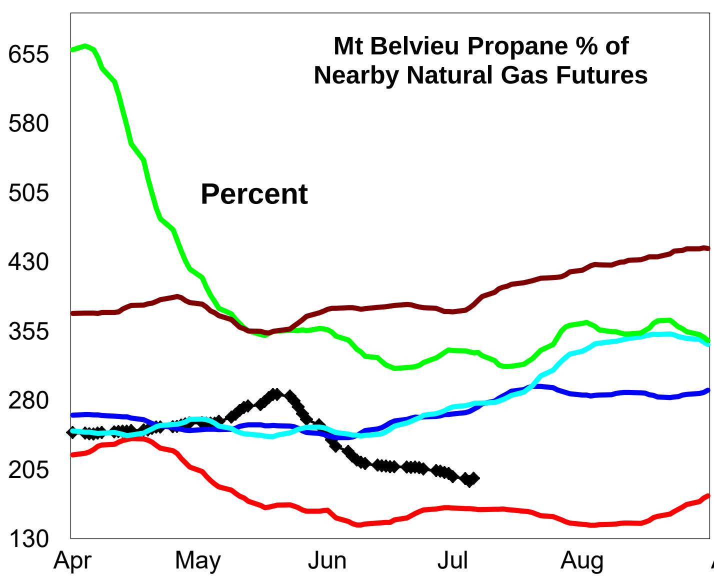
Price Trends for the Week Ending: Wednesday, July 06, 2016

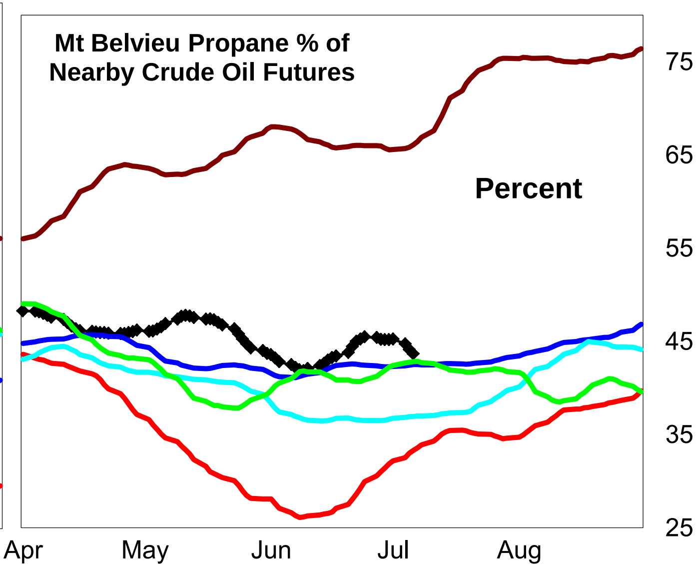
Cents/gal	Average for week ending:				Change from:			% change from:		
	7/6/16	6/29/16	6/8/16	7/10/15	6/29/16	6/8/16	7/10/15	6/29/16	6/8/16	7/10/15
Mont Belvieu Spot	51.1	53.0	49.5	40.4	-1.83	3.48	9.05	-3.4	7.0	22.4
Conway Spot	47.2	50.1	46.1	32.0	-2.85	3.97	14.03	-5.7	8.6	43.8

Key Price Spreads and Differentials

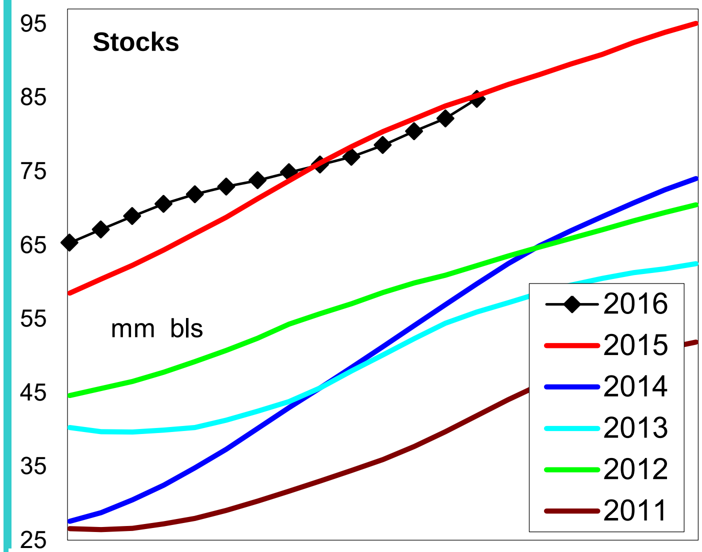


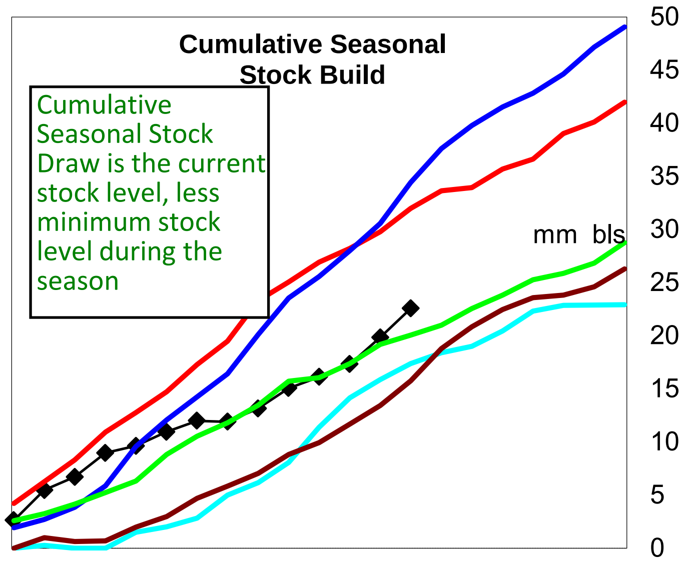


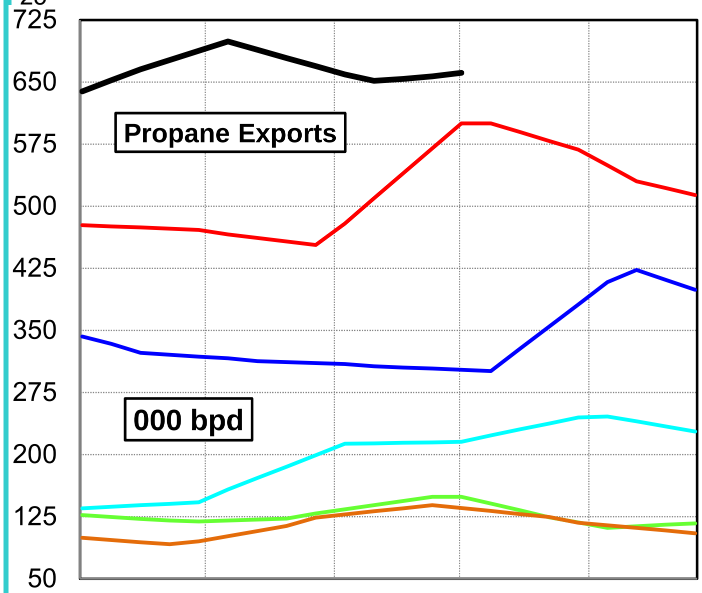


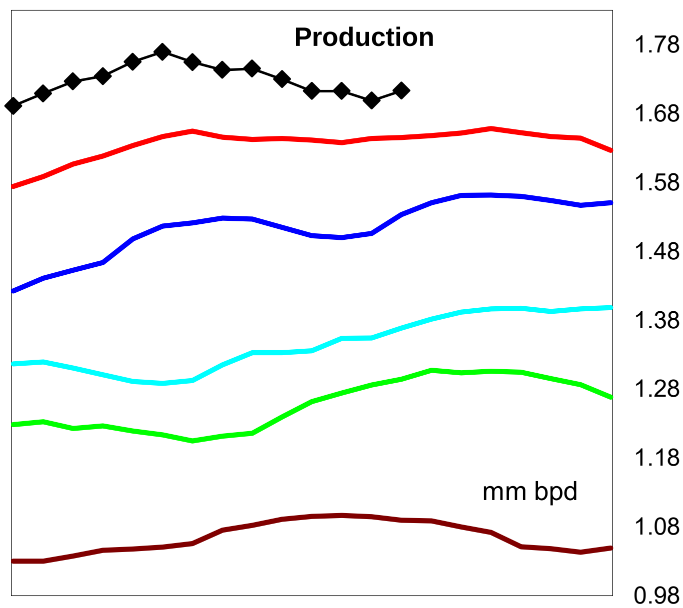


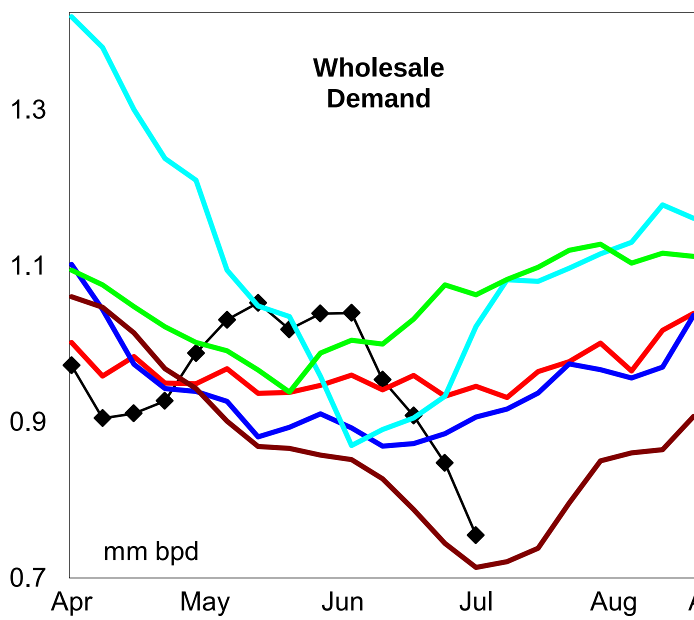
U. S. Propane Supply and Demand Balance

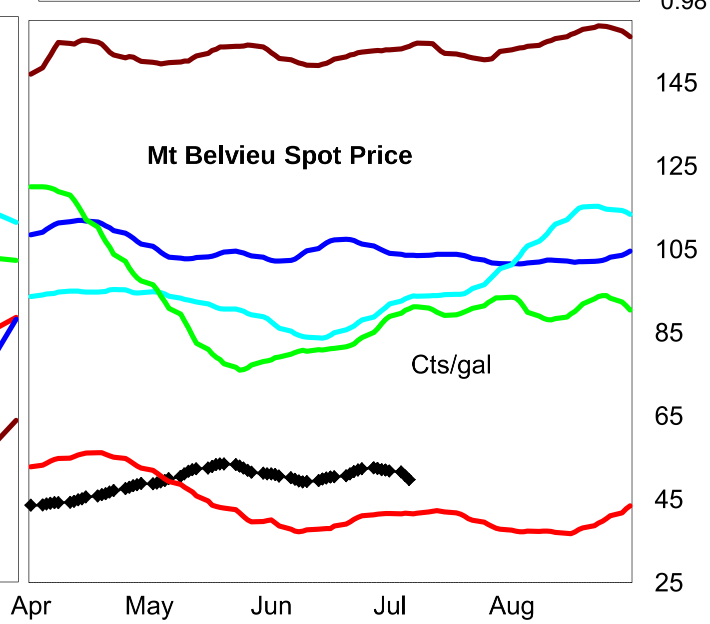












4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	May	Apr	Mar
000 bpd (000 bls stks)	-936	-9,418	69	3		-41	212	-63	-30
% change	-1.1	-29	4.2	3.5		-4.5	26.5	-6.6	-2.5

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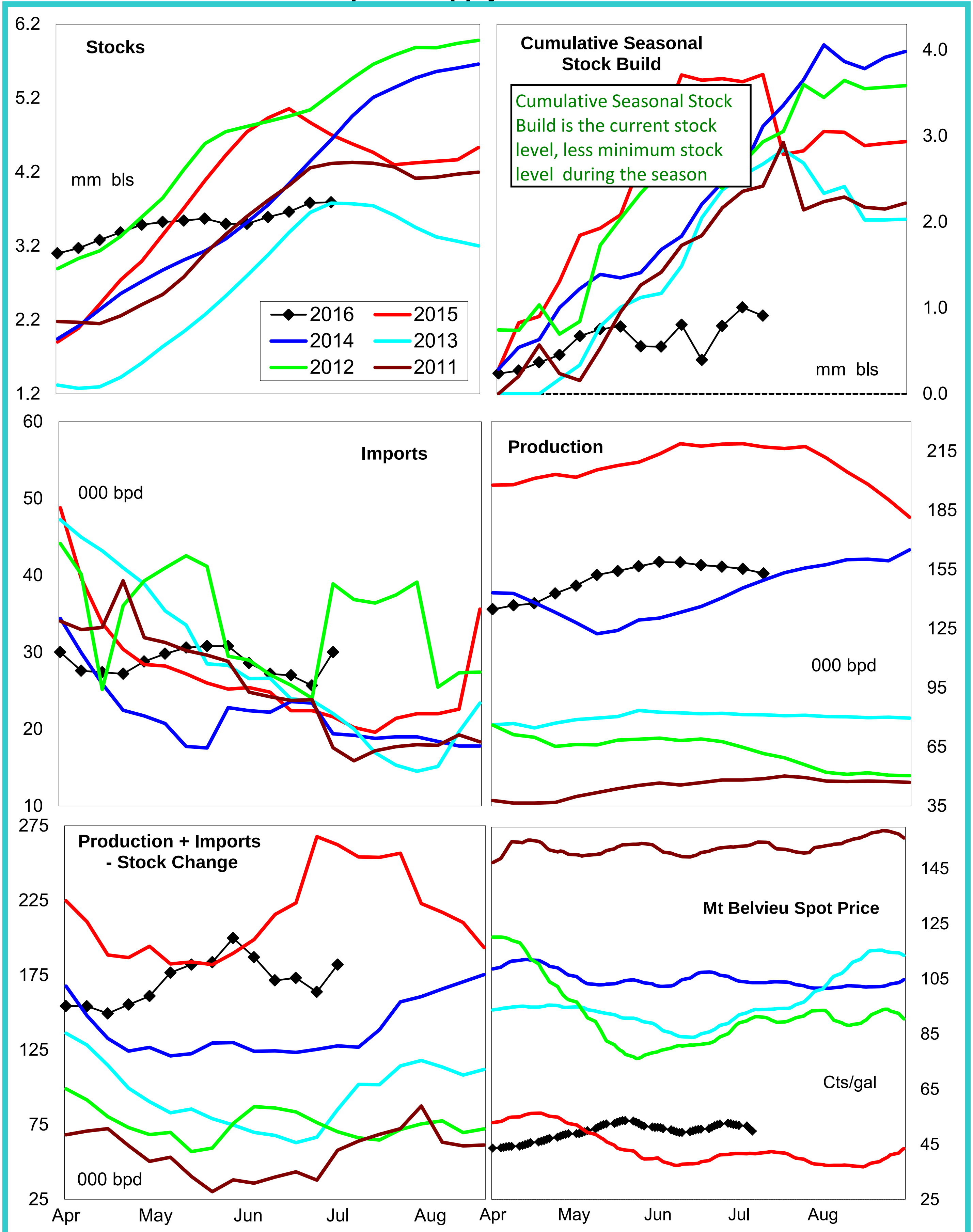
PADD 1 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-1,306	-2,807	-63	4	-70
% change	-25.6	-75.6	-28.5	17.0	-28.8

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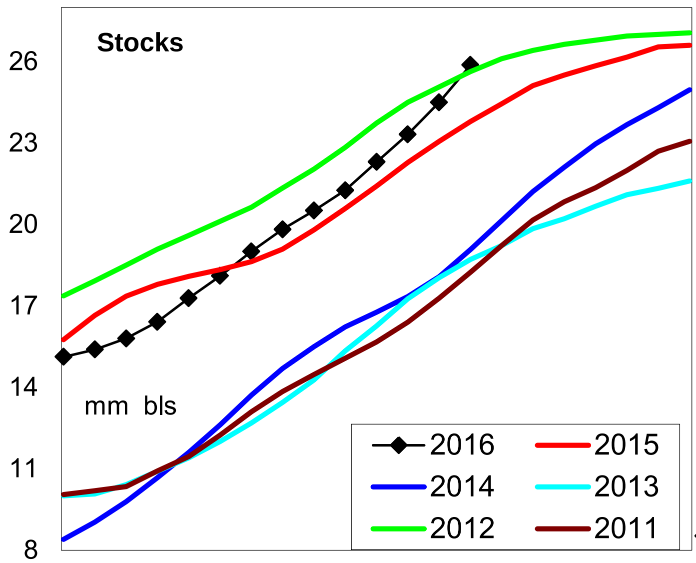
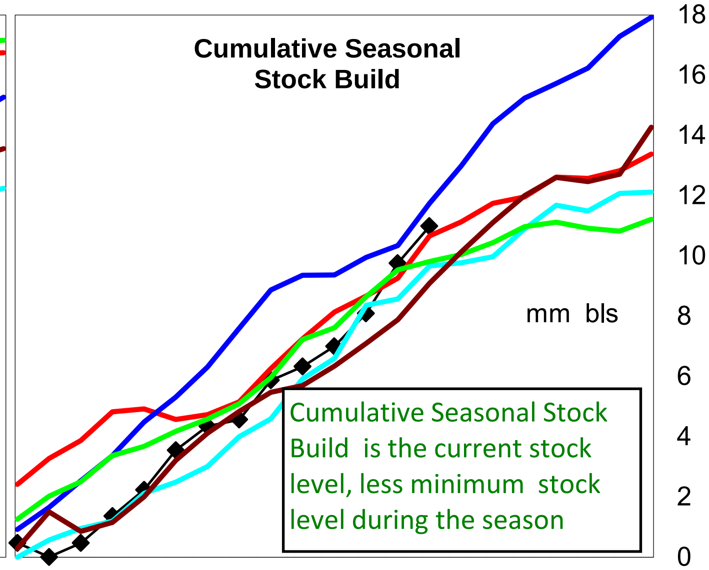
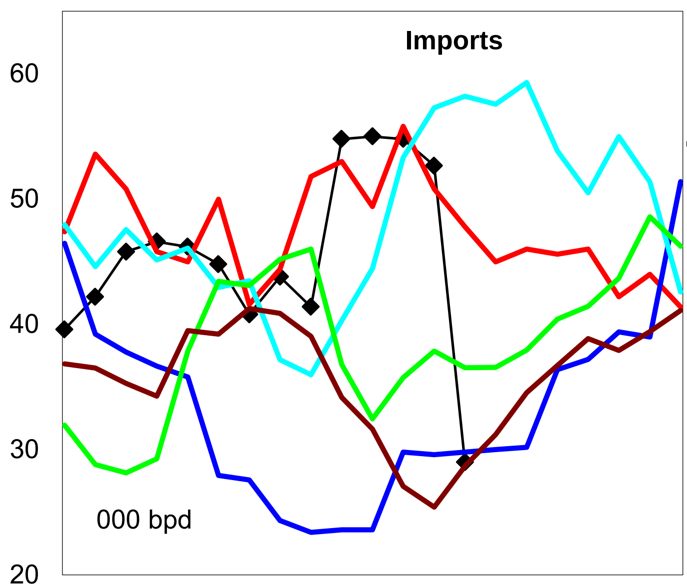
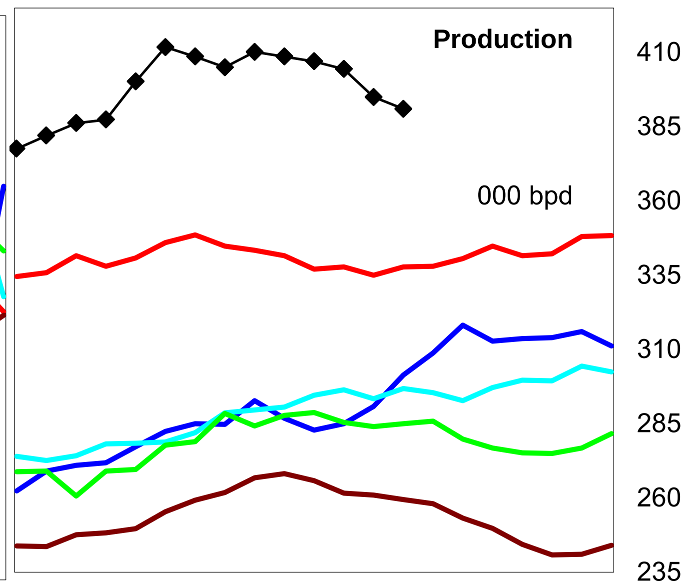
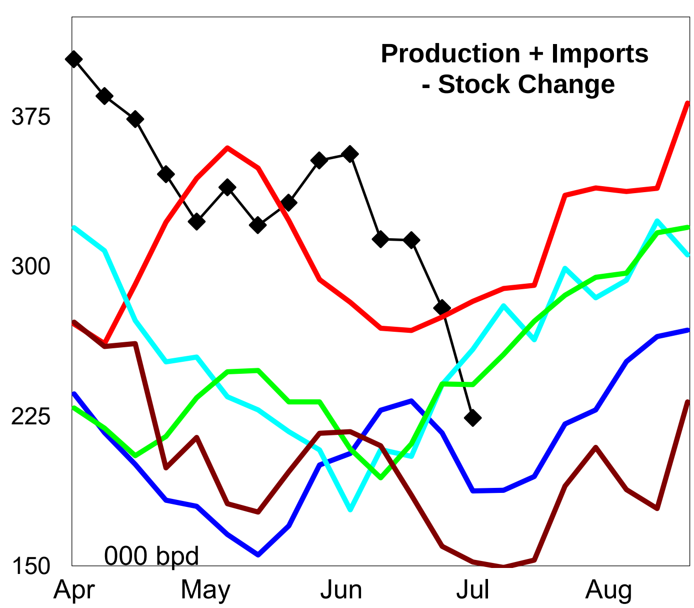
PADD 2 Propane Supply and Demand Balance

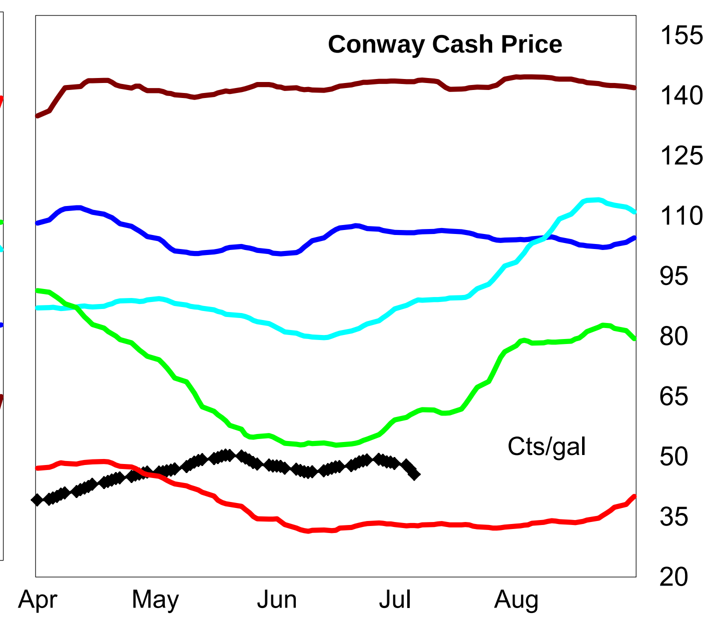












4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	1,716	325	69	-7	9
% change	7.1	3.0	20.4	-13.4	3.3

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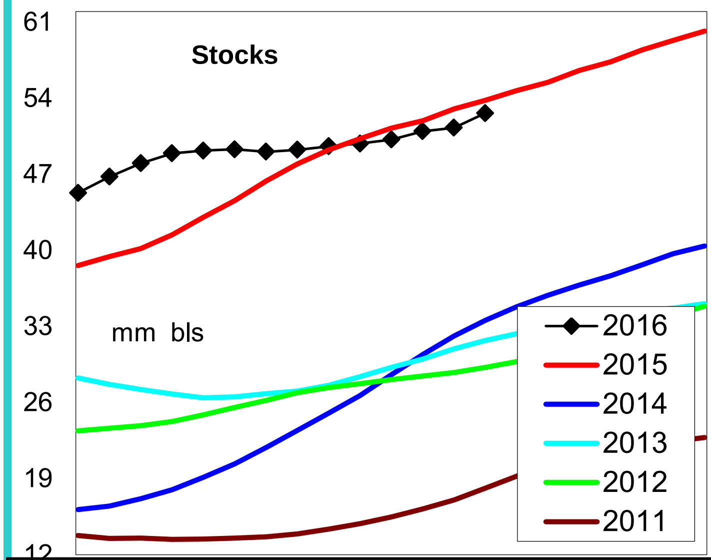
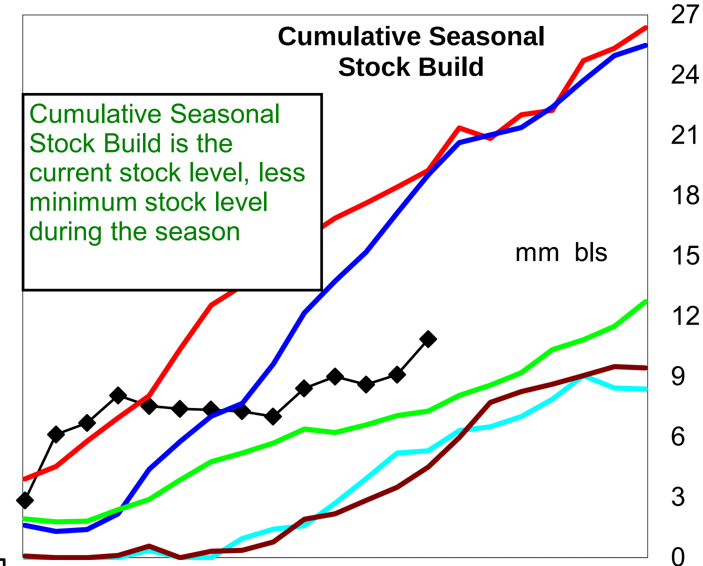
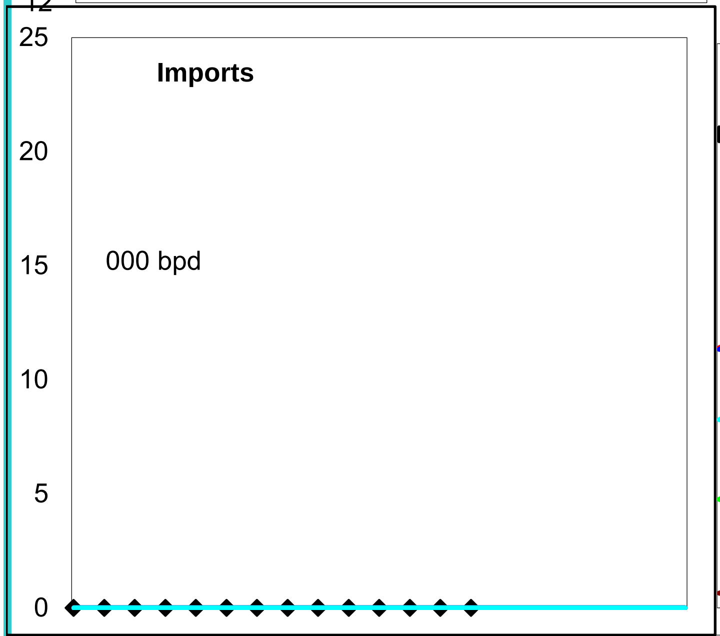
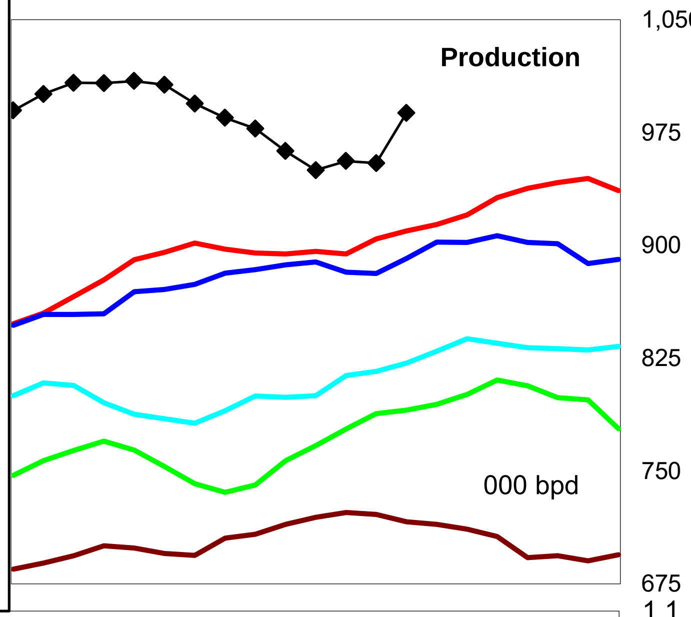
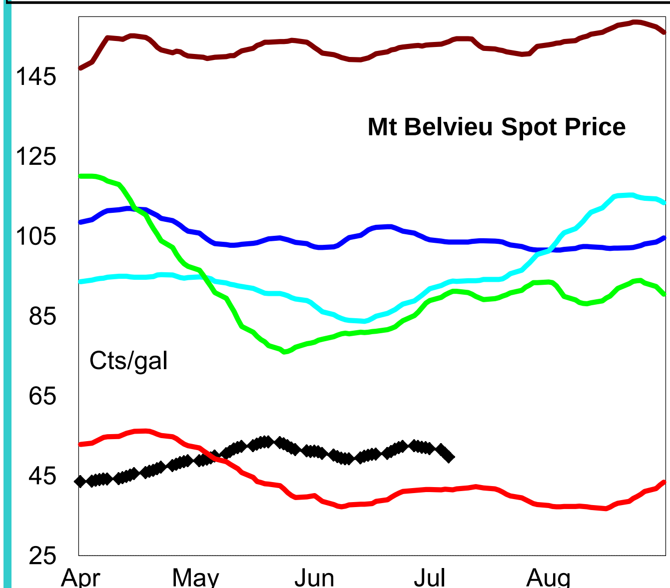
PADD 3 Propane Supply and Demand Balance

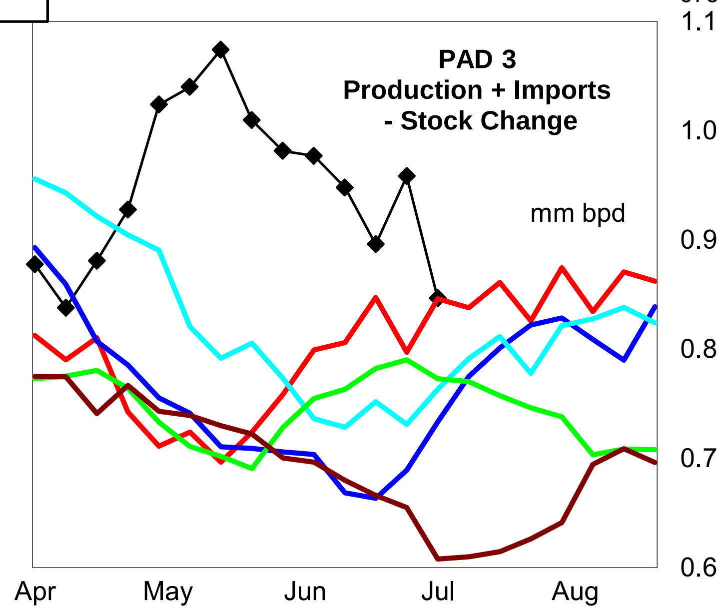






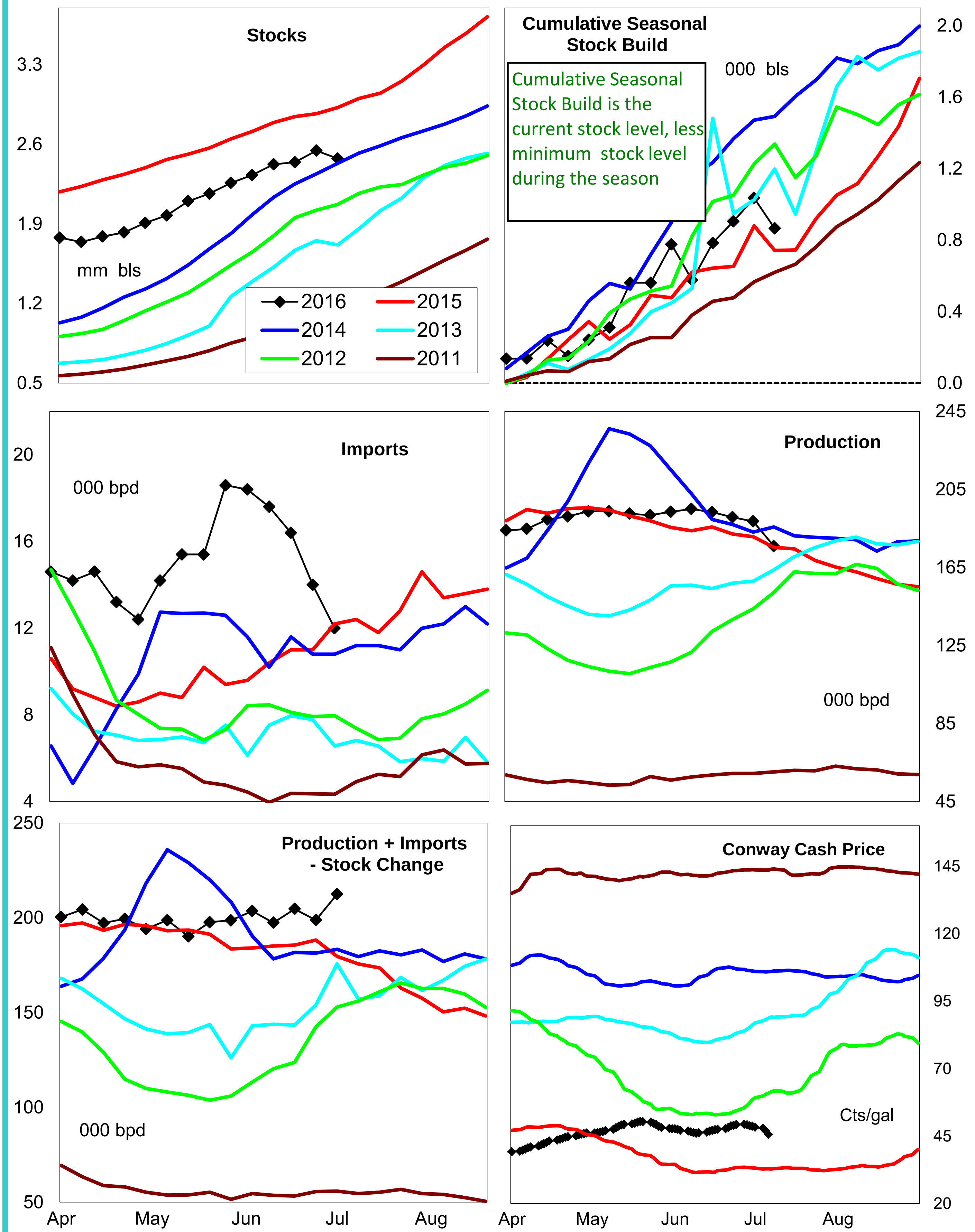






4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-942	-8,403	56	0	88
% change	-1.8	-44	6.2	#DIV/0!	11.4

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)	-404	123	8	7	19
% change	-14.0	16.6	4.1	63.4	10.1

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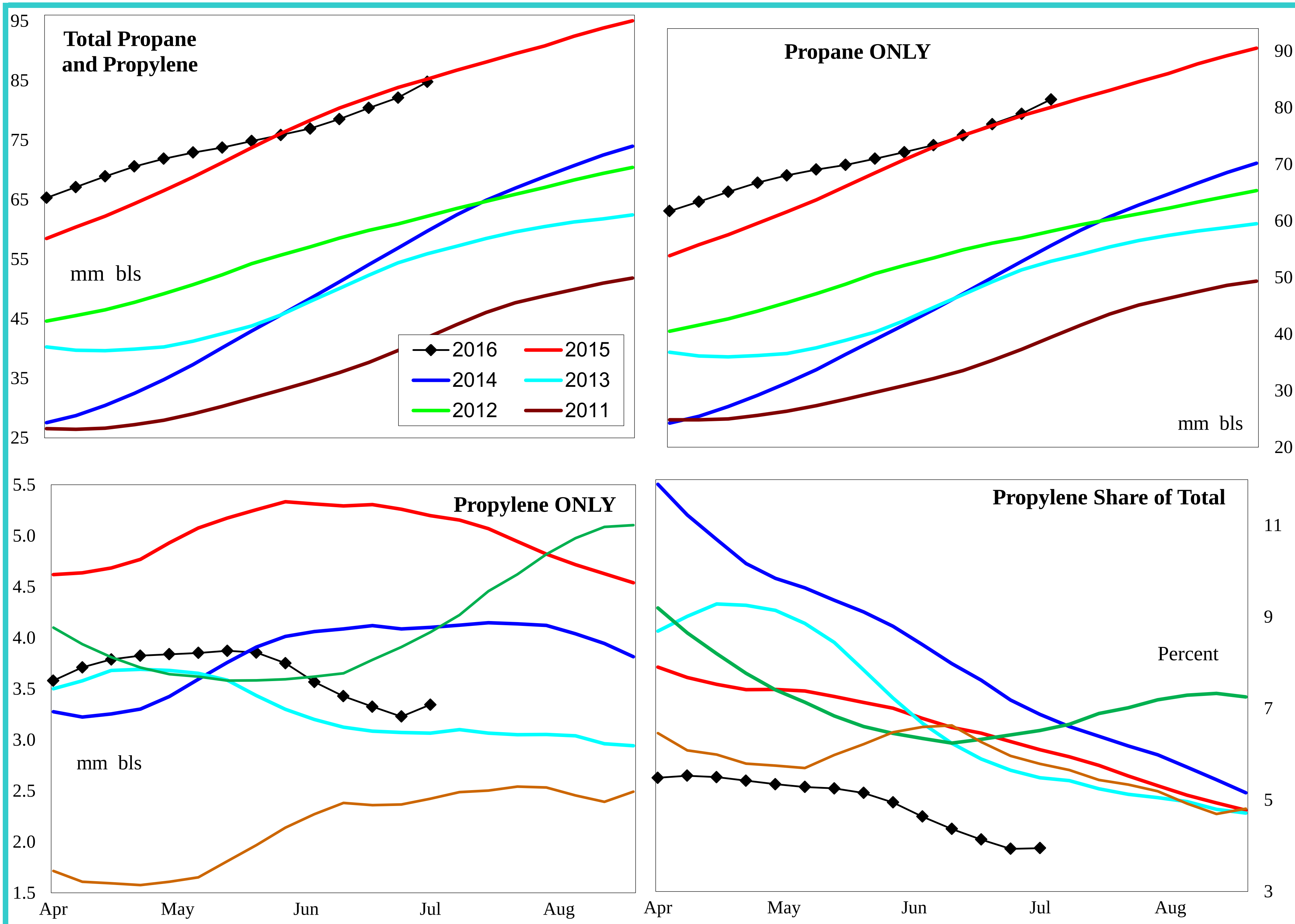
U. S. Propane and Propylene Stocks



Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	-936	1,028	-1,854
% change	-1.1	1.3	-35.7

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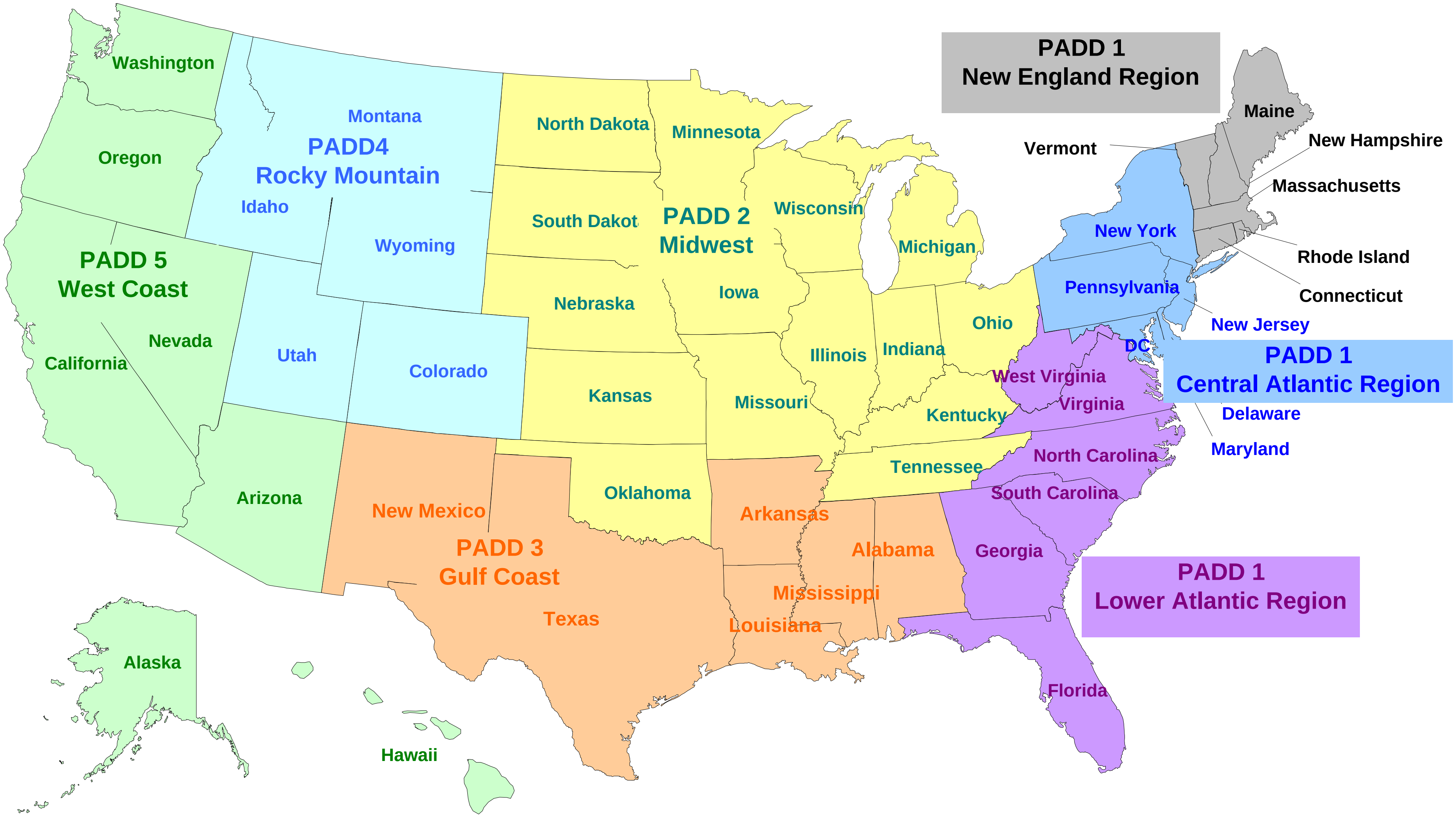
U. S. Petroleum Administrative for Defense Districts (PADDs)



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