



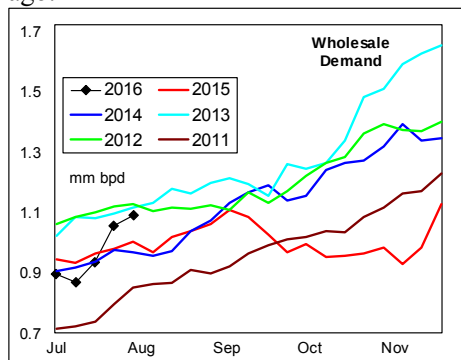
WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

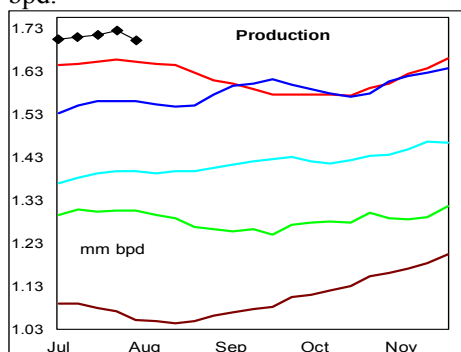
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com

Summary¹:

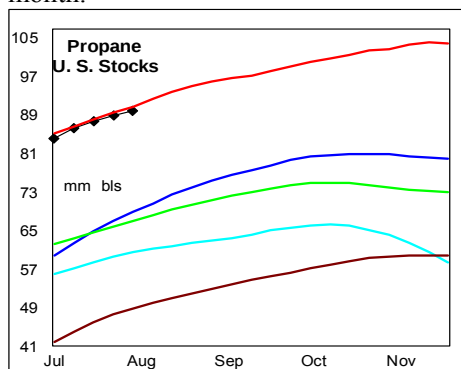
Wholesale demand increased +0.2 million bpd last week, with the latest 4-wk average -21,000 bpd below a year ago.



Production decreased -35,000 bpd last week; although the latest 4-wk average was +57,000 above a year ago. Imports also fell on the week, declining -49,000 bpd.



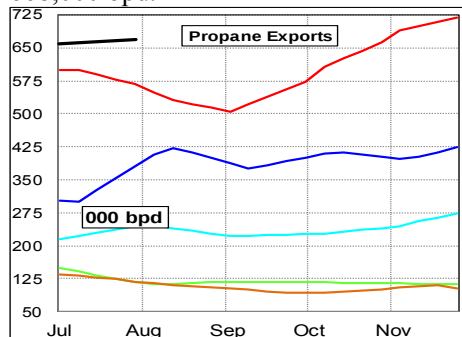
The decrease in supply led to only a +0.3 million barrel stock build, sharply below the over +2 million barrel average last month.



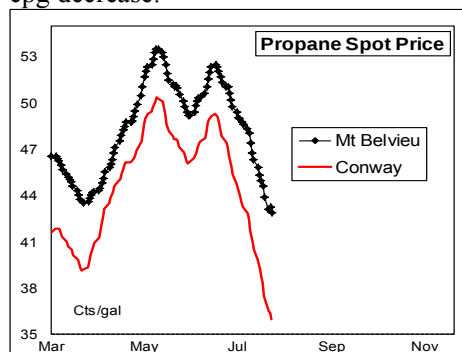
The cumulative seasonal stock build of +27.6 million barrels, was -9 million barrels below last year. Stock levels

ended the week nearly unchanged from a year ago for the period.

Exports for the week ending 22Jul16 were +89,000 bpd above last year, at 668,000 bpd.



Price and Spreads Mt Belvieu spot prices were unchanged last week ending 03Aug16, while Conway prices saw a -1 cpg decrease.



The Conway - Mt Belvieu price spread trended lower last week, ending at a level below the last 3-yr on extremely high stock levels in the Midwest.

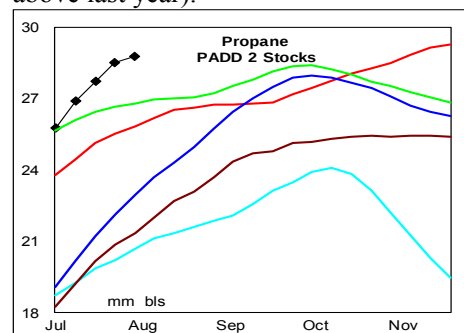
The propane to natural gas price spread trended lower during week, the result of relative strength in gas prices.

The propane / crude oil price spread trended higher late in the week, ending at a level just above four of the last 5-yr.

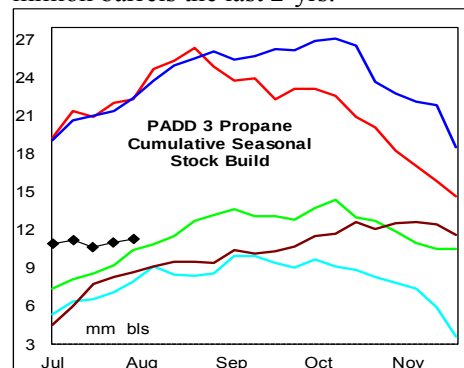
PADD 1 stocks decreased -0.1 million barrels on the week, due in part to a -45,000 bpd decrease in imports. Stock levels are near 3-yr highs for this time of year. Supplies are -46,000 bpd below last year, due to a reclassification by EIA of production to the Midwest and Gulf regions.

PADD 2 supply was unchanged on the week. Production for the latest 4-wk period was +56,000 bpd above a year ago. Stocks were unchanged on the week, with the level at 5-yr highs (+10%

above last year).



PAD 3 stocks increased +0.3 million barrels on the week. Stock levels ended the week -3.5 million barrels below last year. Supply for the latest 4-wk period was +38,000 bpd above last year. The cumulative seasonal build of +11 million barrels compares to a build of +22.5 million barrels the last 2-yr.



PADDs 4 & 5 stocks increased +0.1 million barrels last week, as supplies fell -33,000 bpd. Stock levels ended the week -9% below last year, but above the 3-yr mid range.

Emerging Trends A -84,000 bpd decrease in supply last week contributed to the lack of a meaningful stock build. However, stock levels remain at record levels in the Midwest, with the Gulf only slightly below last year's record high.

Weakness in global energy prices and high stock levels continue to pressure wholesale prices. Extremely high stocks in the Midwest are driving a significant decrease in Conway compared to Mt Belvieu prices. Slowing global economic growth and strength in the \$dollar risk further weakness in wholesale prices.

¹ Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

August 3, 2016

Fundamental Trends for the Week Ending:

Friday, July 29, 2016

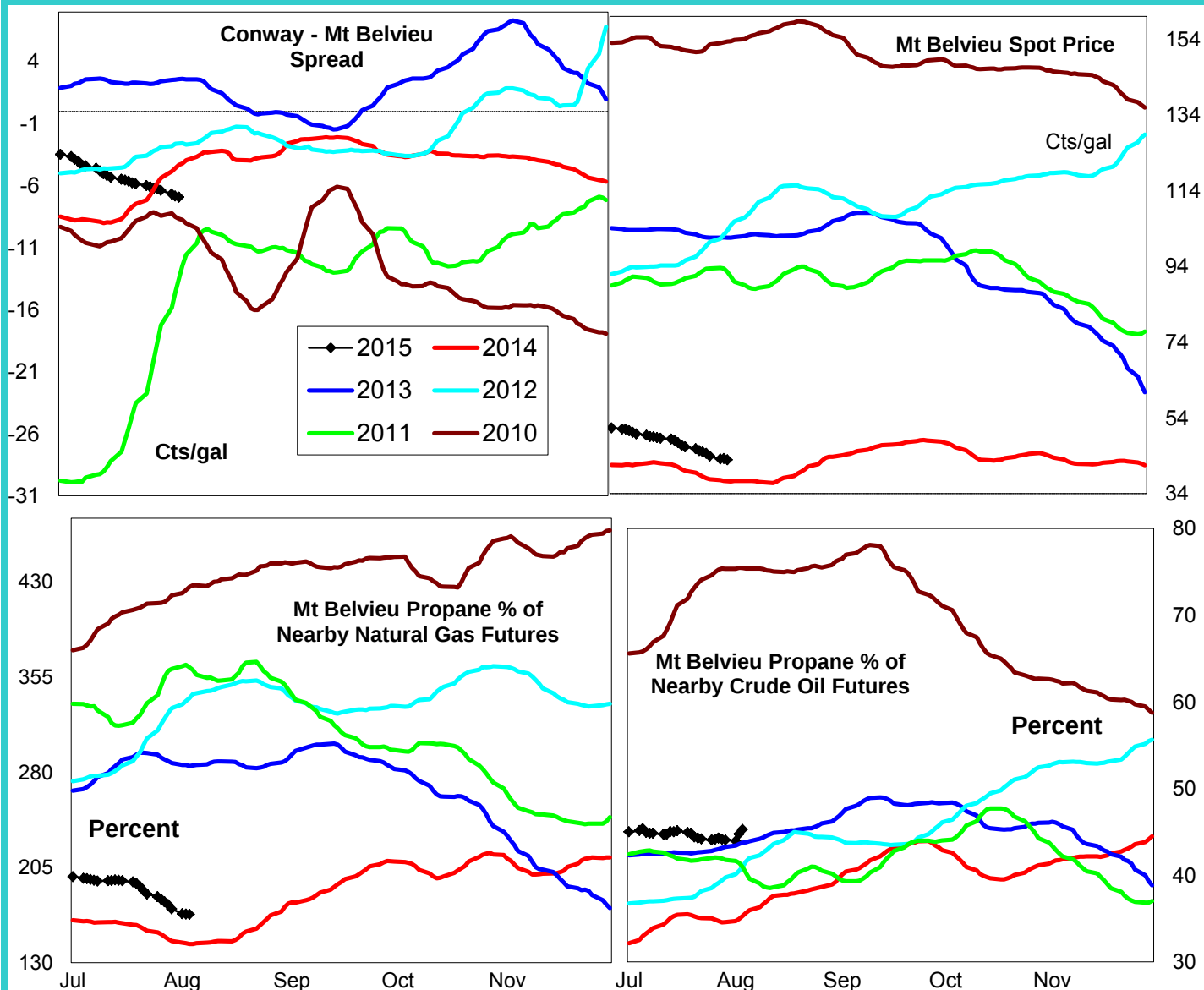
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD				U.S. Total	PADD			
		1	2	3	4&5		1	2	3	4&5
Stocks	89,865	5,056	28,751	53,081	2,977	266	-93	-7	311	55
Propylene Stocks	2,814					-84				
Production	1,697	154	399	961	183	-35	0	-5	-7	-23
Imports	74	24	38	0	12	-49	-45	6	0	-10
Whsle Demand	1,065					187				

Price Trends for the Week Ending:

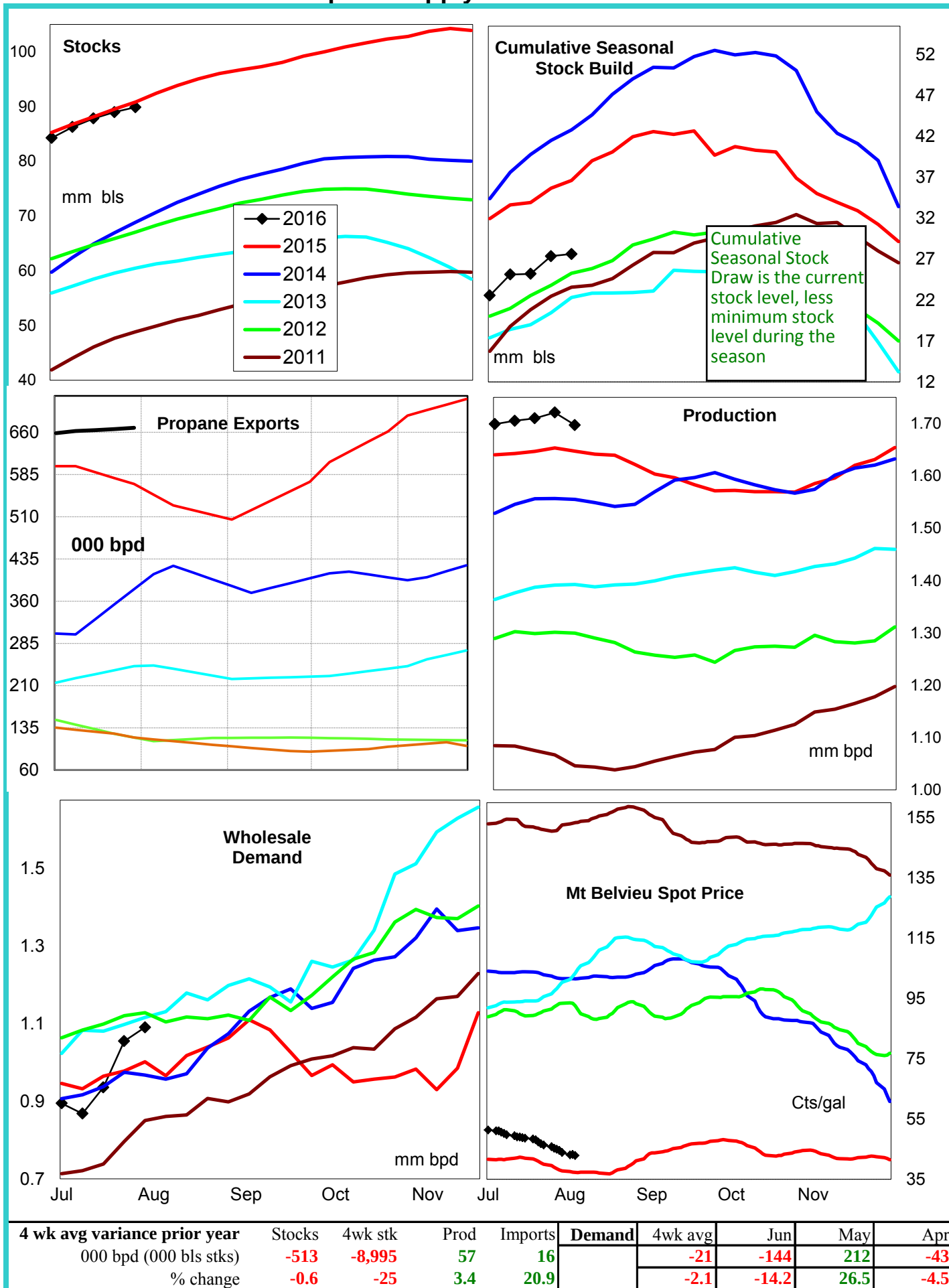
Wednesday, August 03, 2016

Cents/gal	Average for week ending:				Change from:			% change from:		
	8/3/16	7/27/16	7/6/16	8/7/15	7/27/16	7/6/16	8/7/15	7/27/16	7/6/16	8/7/15
Mont Belvieu Spot	43.0	46.2	51.1	37.0	-3.13	-4.98	14.15	-6.8	-9.7	38.3
Conway Spot	36.2	40.5	47.2	31.6	-4.25	-6.73	15.60	-10.5	-14.2	49.4

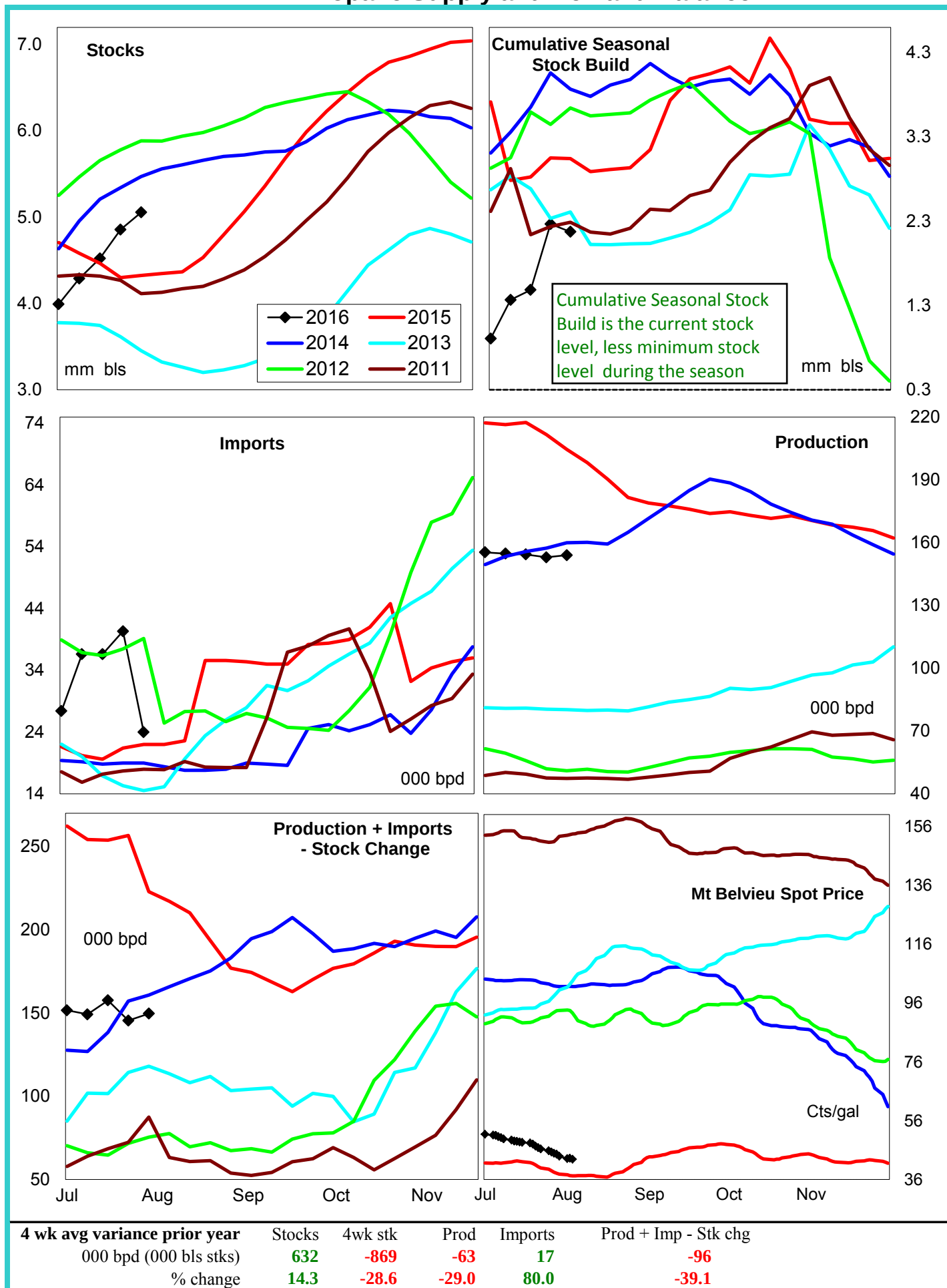
Key Price Spreads and Differentials



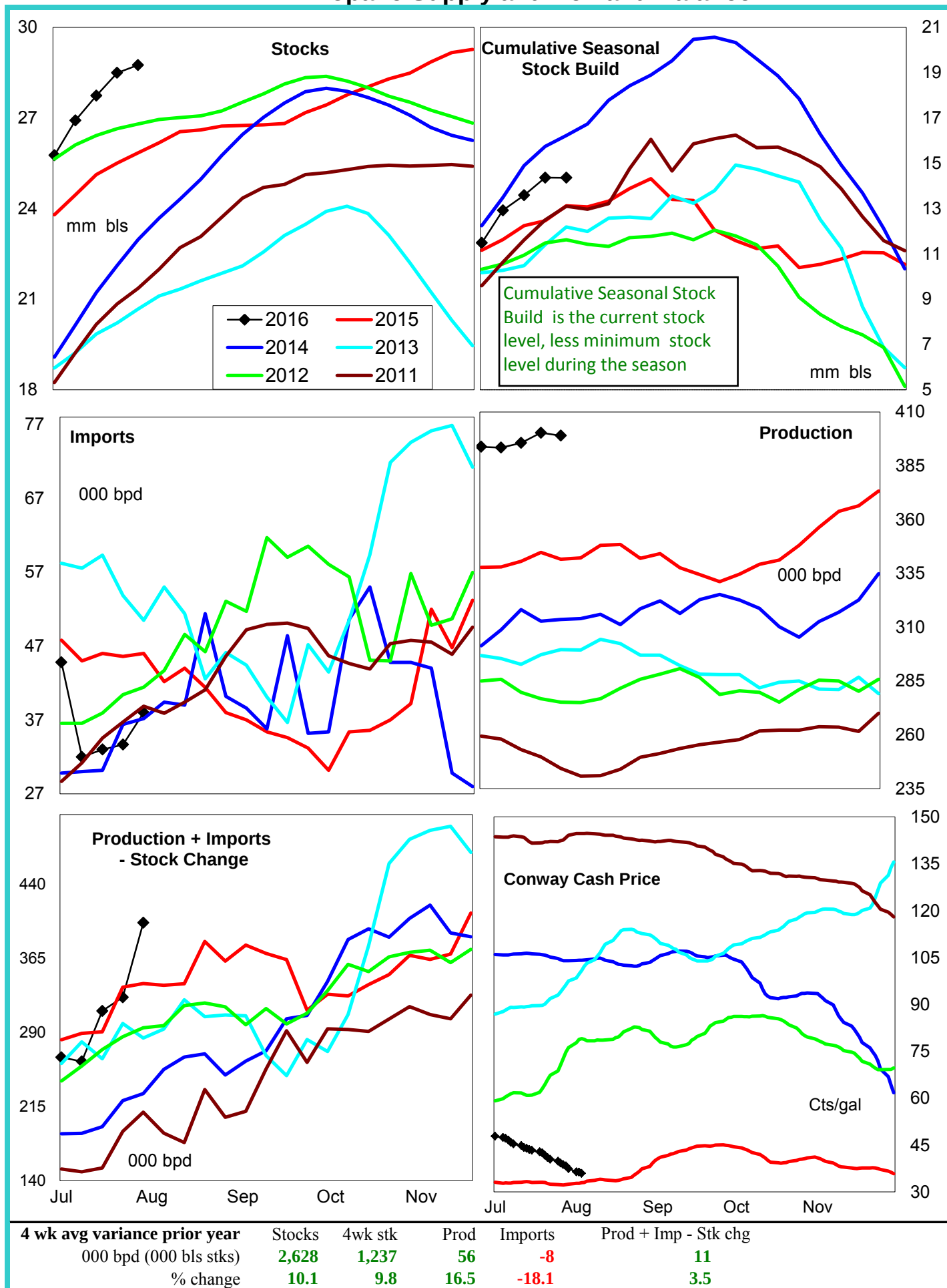
U. S. Propane Supply and Demand Balance



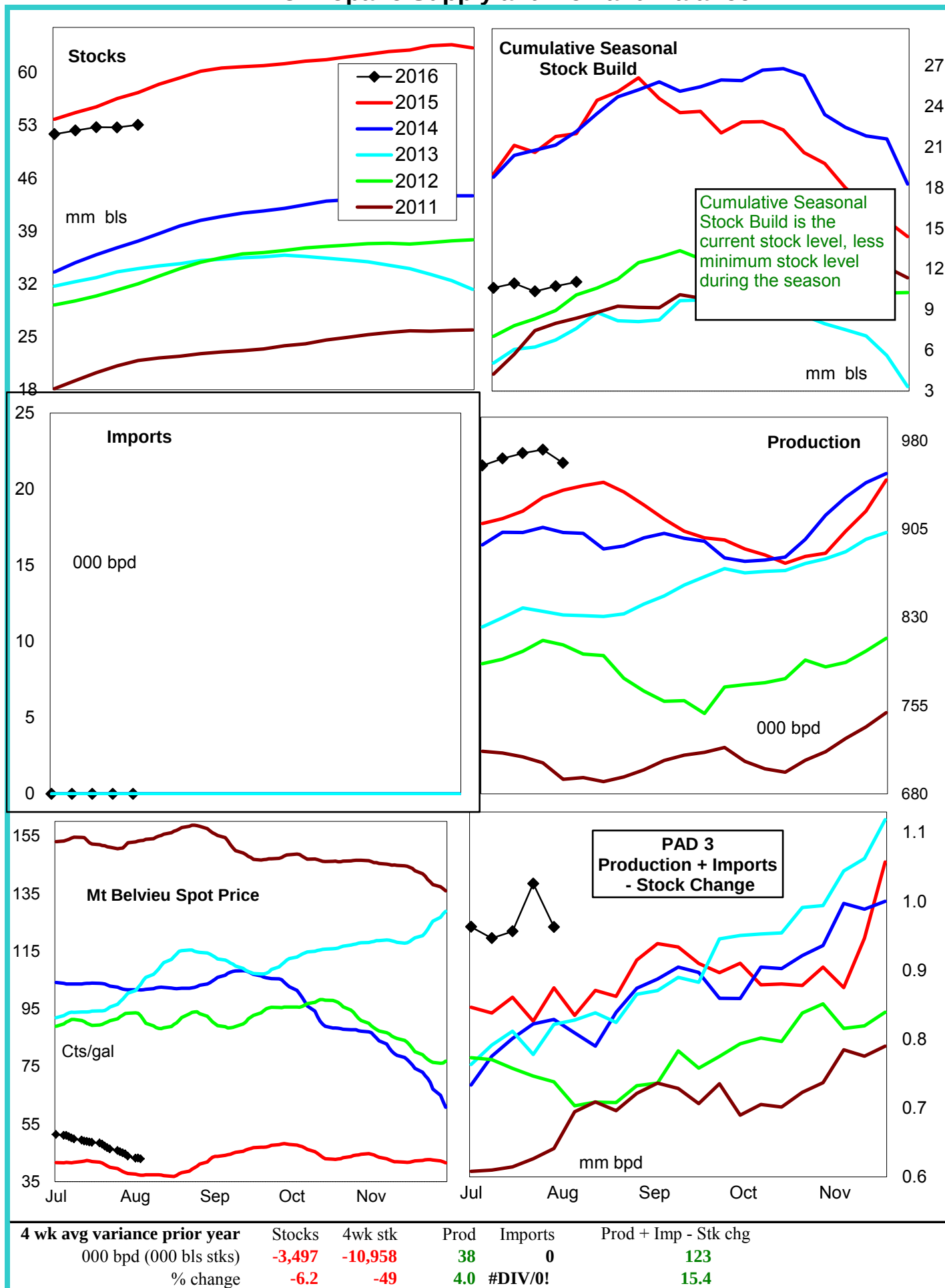
PADD 1 Propane Supply and Demand Balance



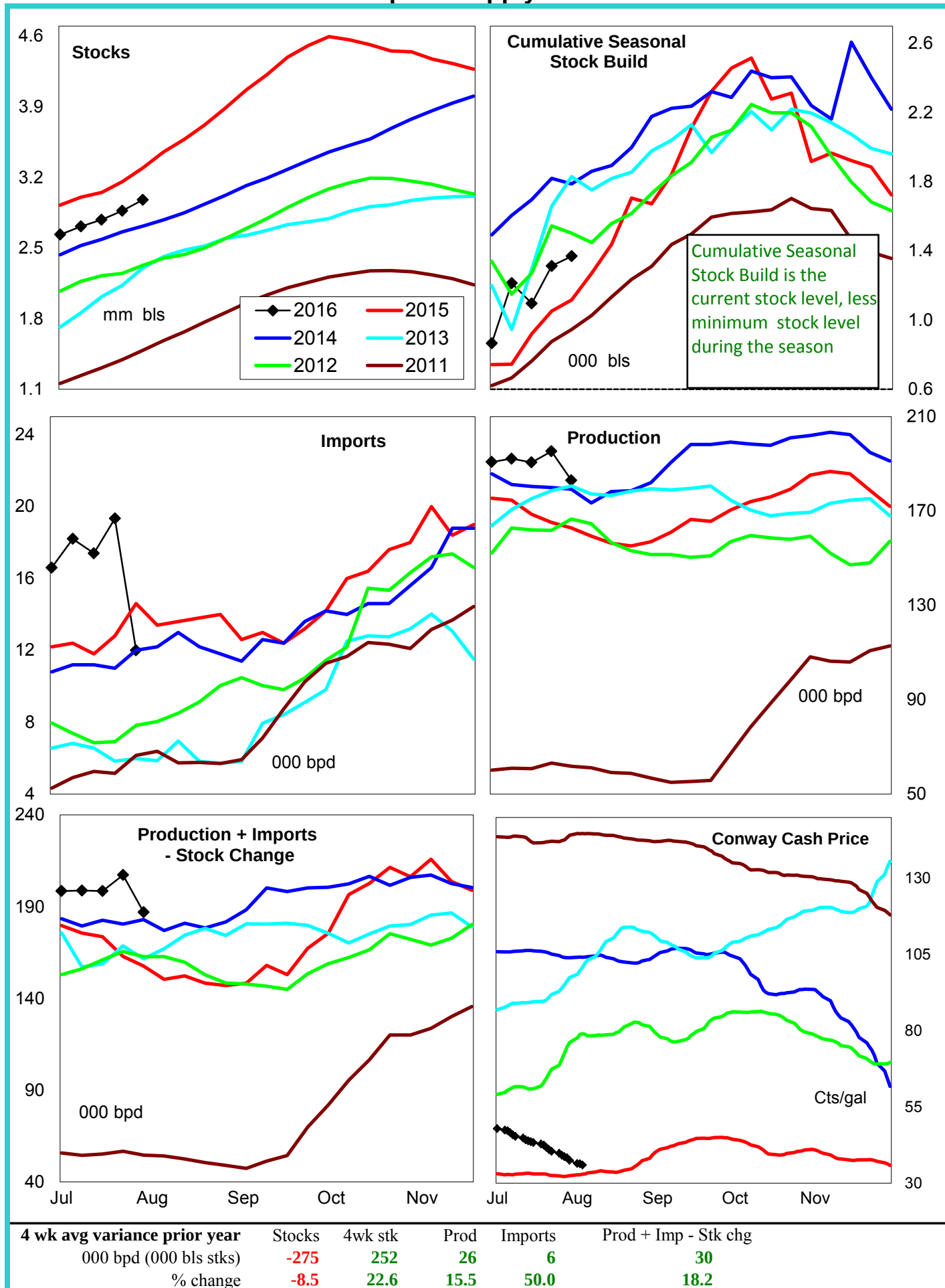
PADD 2 Propane Supply and Demand Balance



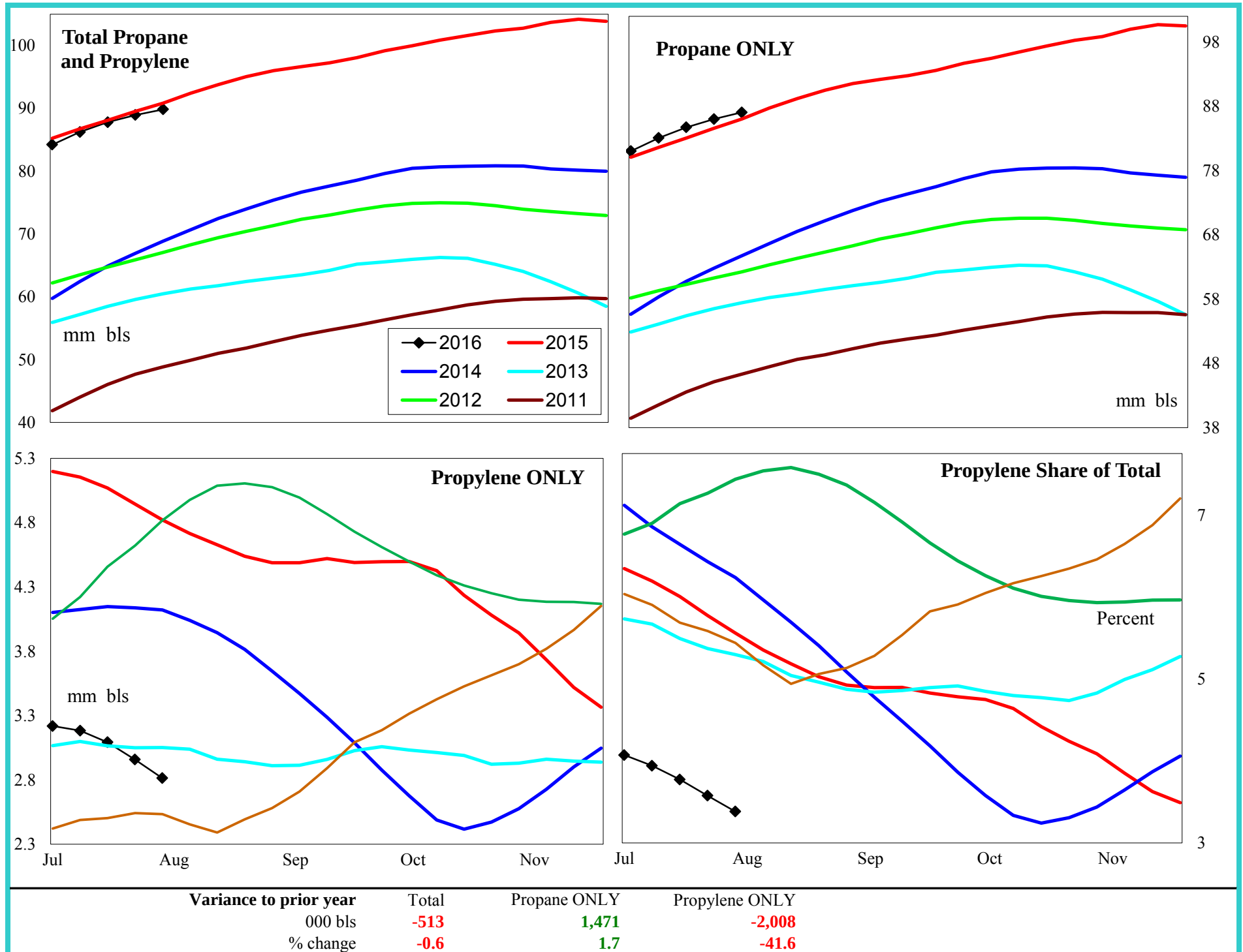
PADD 3 Propane Supply and Demand Balance



PADDs 4 and 5 Propane Supply and Demand Balance



U. S. Propane and Propylene Stocks



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

