



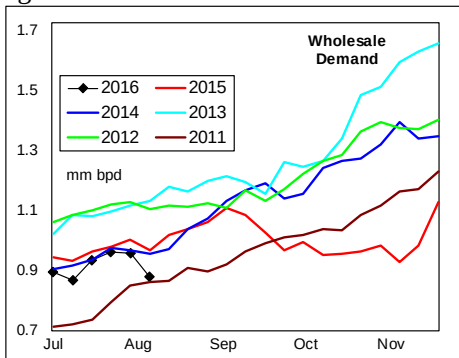
WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

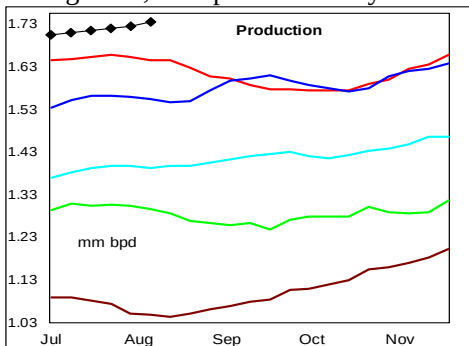
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com

Summary¹:

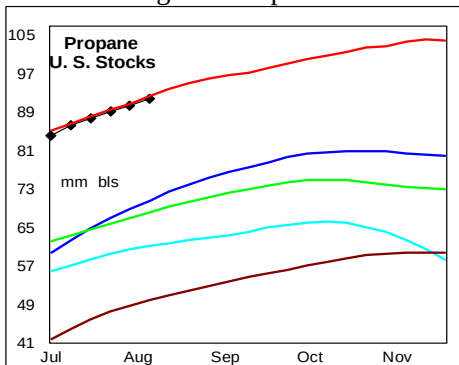
Wholesale demand decreased -0.2 million bpd last week, with the latest 4-wk average +18,000 bpd above a year ago.



Production increased +33,000 bpd last week; lifting the latest 4-wk average to +70,000 above a year ago. Imports also increased on the week, with the 4-wk average +10,000 bpd above last year.



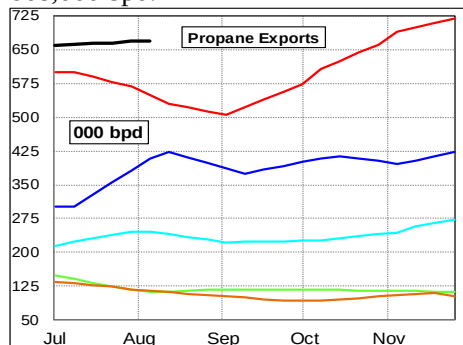
The increase in supply led to +2 million barrel stock build, a level near the historic average for the period.



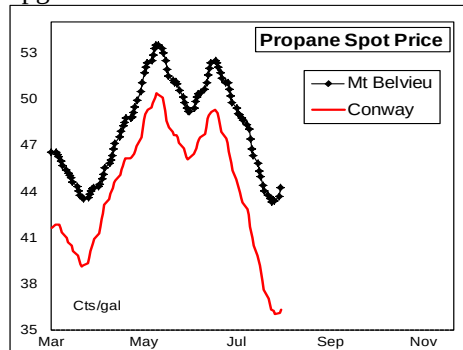
The cumulative seasonal stock build of +30 million barrels, was -6.6 million barrels below last year. Stock levels ended the week nearly unchanged from a

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 decreased -2 cpq last week ending 09Aug16, while Conway prices saw a -1 cpq decrease.



The Conway – Mt Belvieu price spread extended a longer term downtrend last week, ending at a level below the last 3-yr on extremely high stock levels in the Midwest.

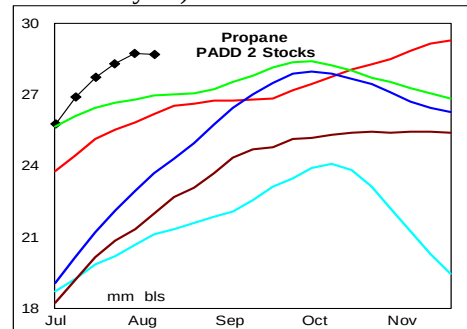
The propane to natural gas price spread trended higher late in the week, the result of weak gas prices.

The propane / crude oil price spread traded sideways on the week, ending at a level near the 3-yr mid range for this time of year.

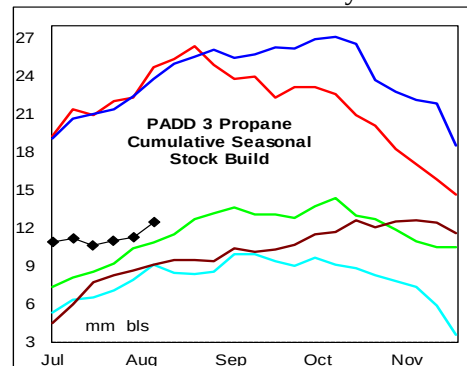
PADD 1 stocks increased +0.6 million barrels on the week. Stock levels ended the week above the last 3-yr. Supplies are -57,000 bpd below last year, due to a reclassification by EIA of production to the Midwest and Gulf regions.

PADD 2 supply decreased -5,000 bpd on the week. Production for the latest 4-wk period was +55,000 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 +1.1 million barrels on the week. Stock levels ended the week -4.8 million barrels below last year. Supply for the latest 4-wk period was +37,000 bpd above last year. The cumulative seasonal build of +12.4 million barrels compares to a build of +25 million barrels the last 2-yr.



PADDs 4 & 5 stocks increased +0.3 million barrels last week, as supplies increased +32,000 bpd. Stock levels ended the week -3% below last year, but above the 3-yr mid range.

Emerging Trends A +41,000 bpd increase in supply last week contributed to the +2 million barrel stock build. Stock levels remain at record levels in the Midwest, with the Gulf only slightly below last year's record high.

A seasonal upturn in purchases for the fall heating season should provide modest support to wholesale propane prices; limited by weakness in the global energy market. Extremely high stocks in the Midwest should continue to depress Conway prices compared to Mt Belvieu.

¹ Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

August 10, 2016

Fundamental Trends for the Week Ending:

Friday, August 05, 2016

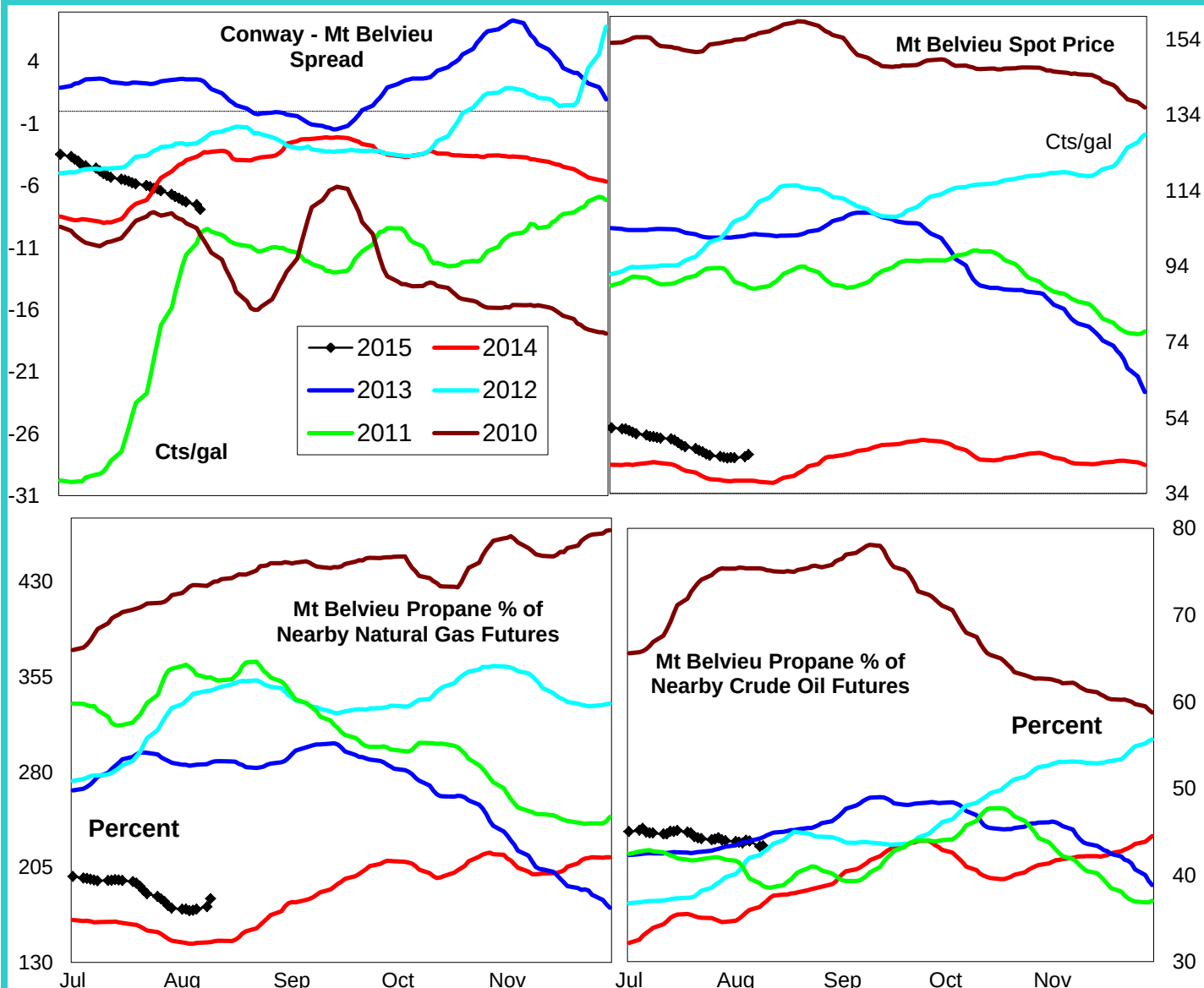
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD				U.S. Total	PADD			
		1	2	3	4&5		1	2	3	4&5
Stocks	91,903	5,686	28,701	54,223	3,293	2,038	630	-50	1,142	316
Propylene Stocks	2,605					-209				
Production	1,730	154	408	957	211	33	0	9	-4	28
Imports	83	19	48	0	16	9	-5	10	0	4
Whsle Demand	854					-211				

Price Trends for the Week Ending:

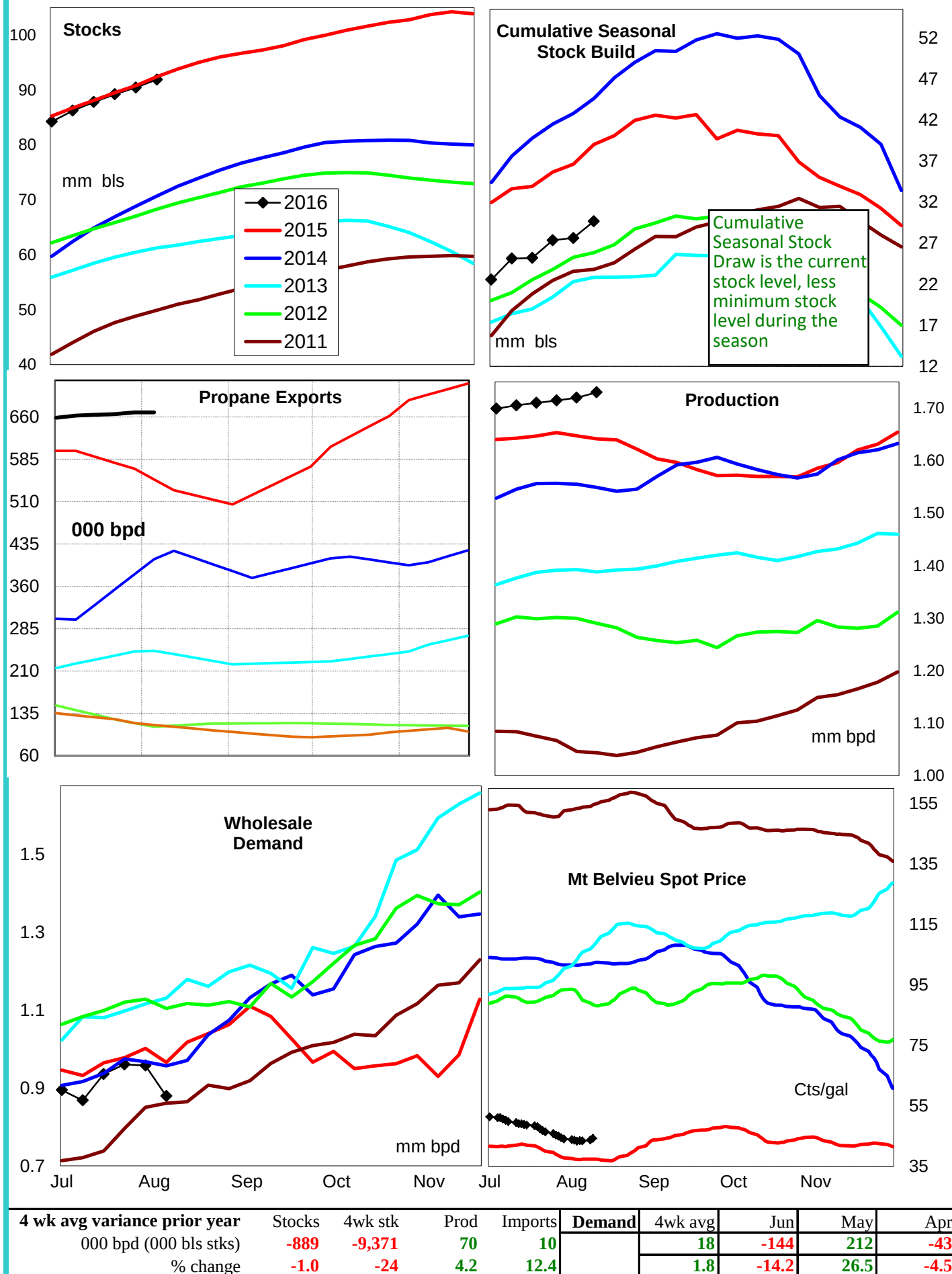
Tuesday, August 09, 2016

Cents/gal	Average for week ending:				Change from:			% change from:		
	8/9/16	8/2/16	7/12/16	8/13/15	8/2/16	7/12/16	8/13/15	8/2/16	7/12/16	8/13/15
Mont Belvieu Spot	43.7	43.0	49.6	37.1	0.65	-6.63	12.55	1.5	-13.4	33.9
Conway Spot	36.2	36.5	45.3	33.8	-0.28	-8.85	11.48	-0.8	-19.5	33.9

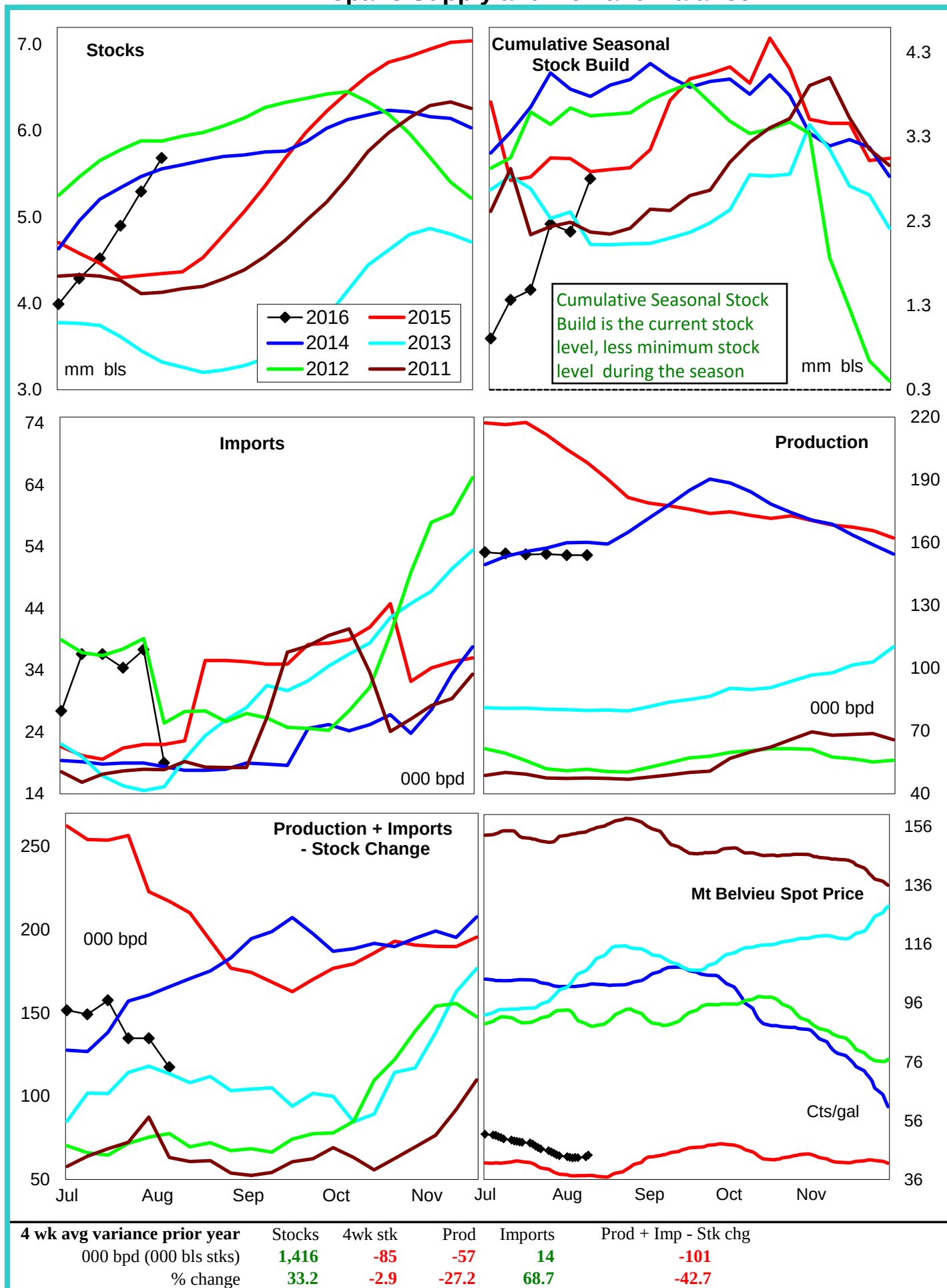
Key Price Spreads and Differentials



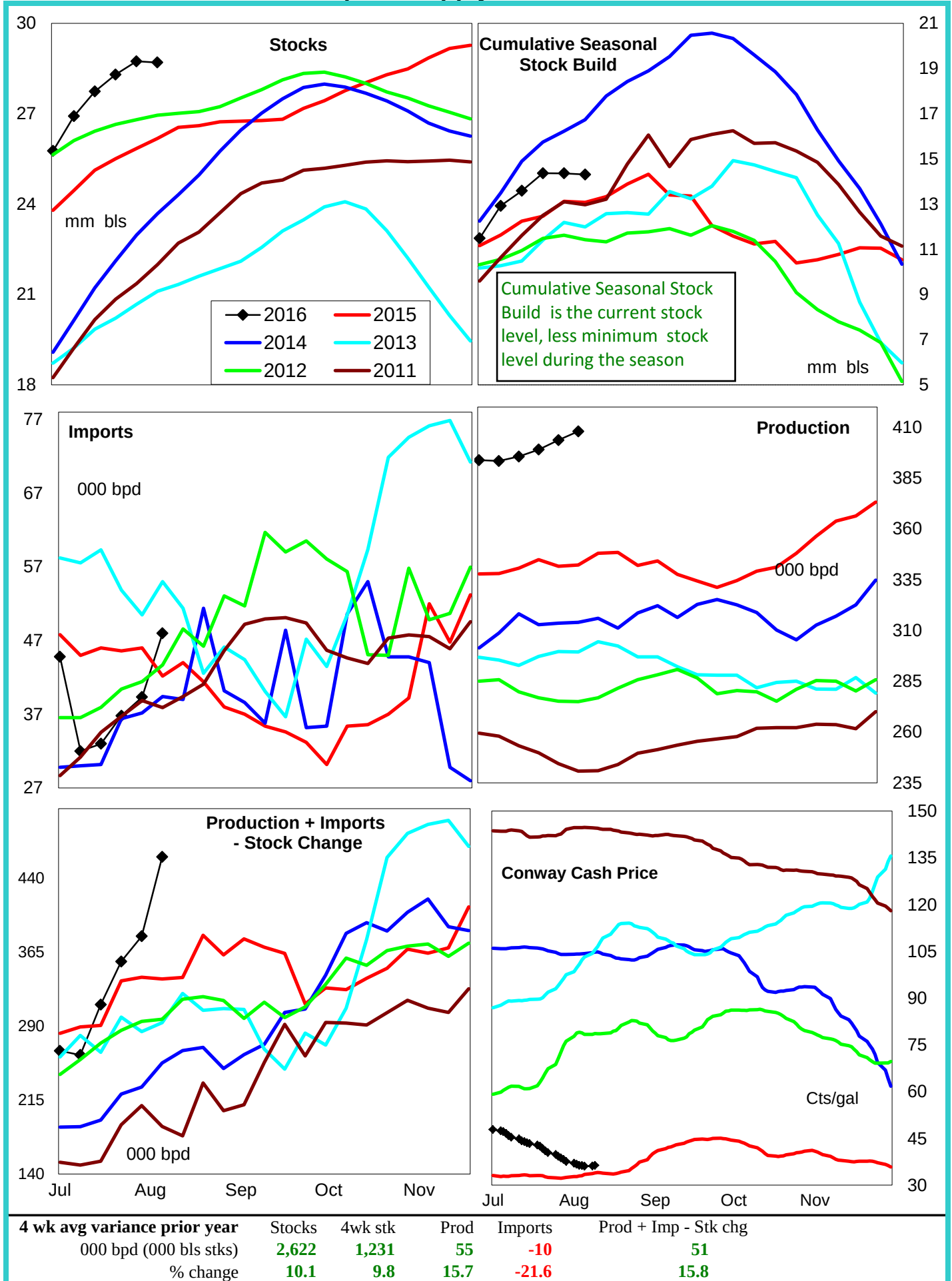
U. S. Propane Supply and Demand Balance



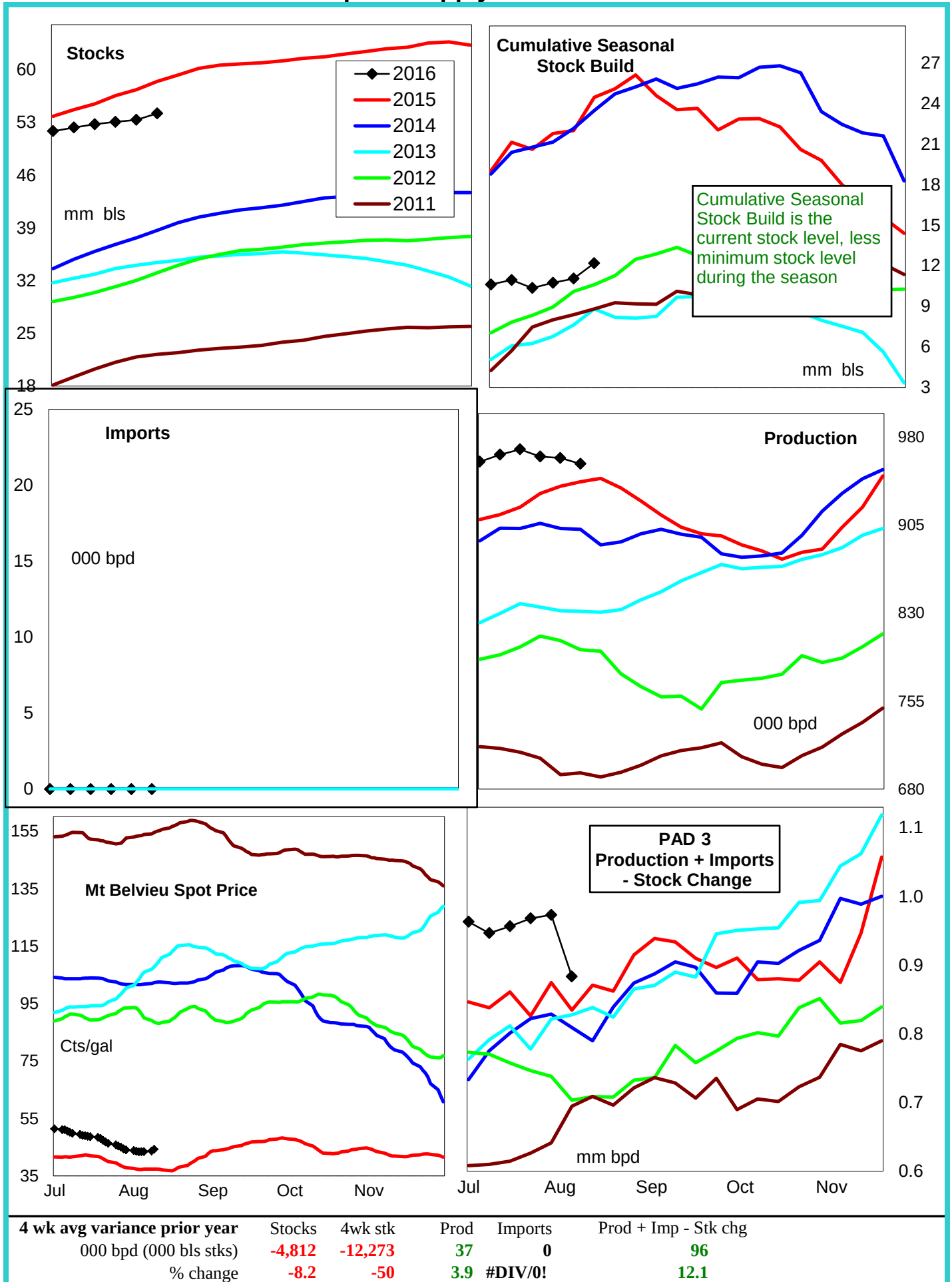
PADD 1 Propane Supply and Demand Balance



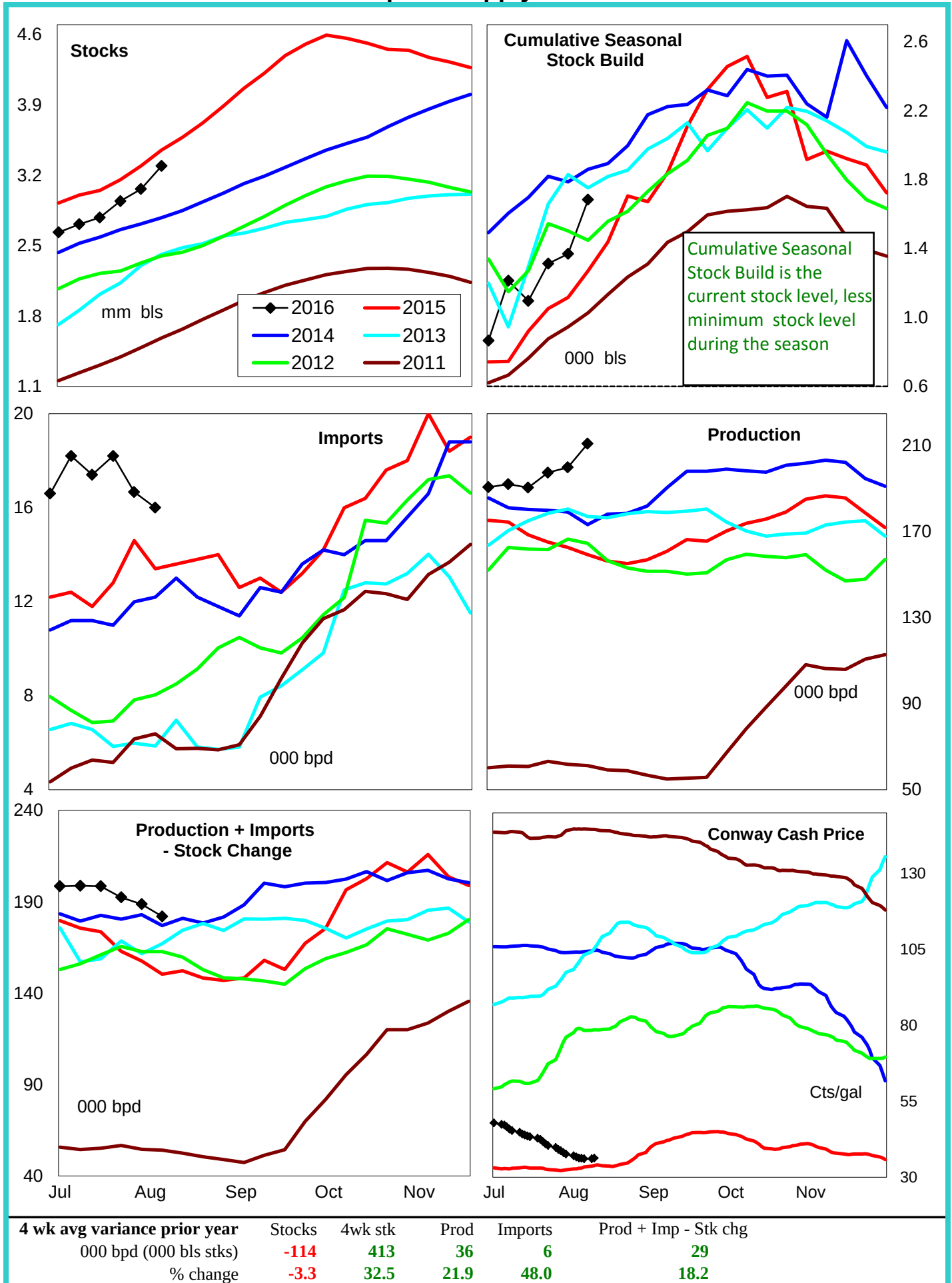
PADD 2 Propane Supply and Demand Balance



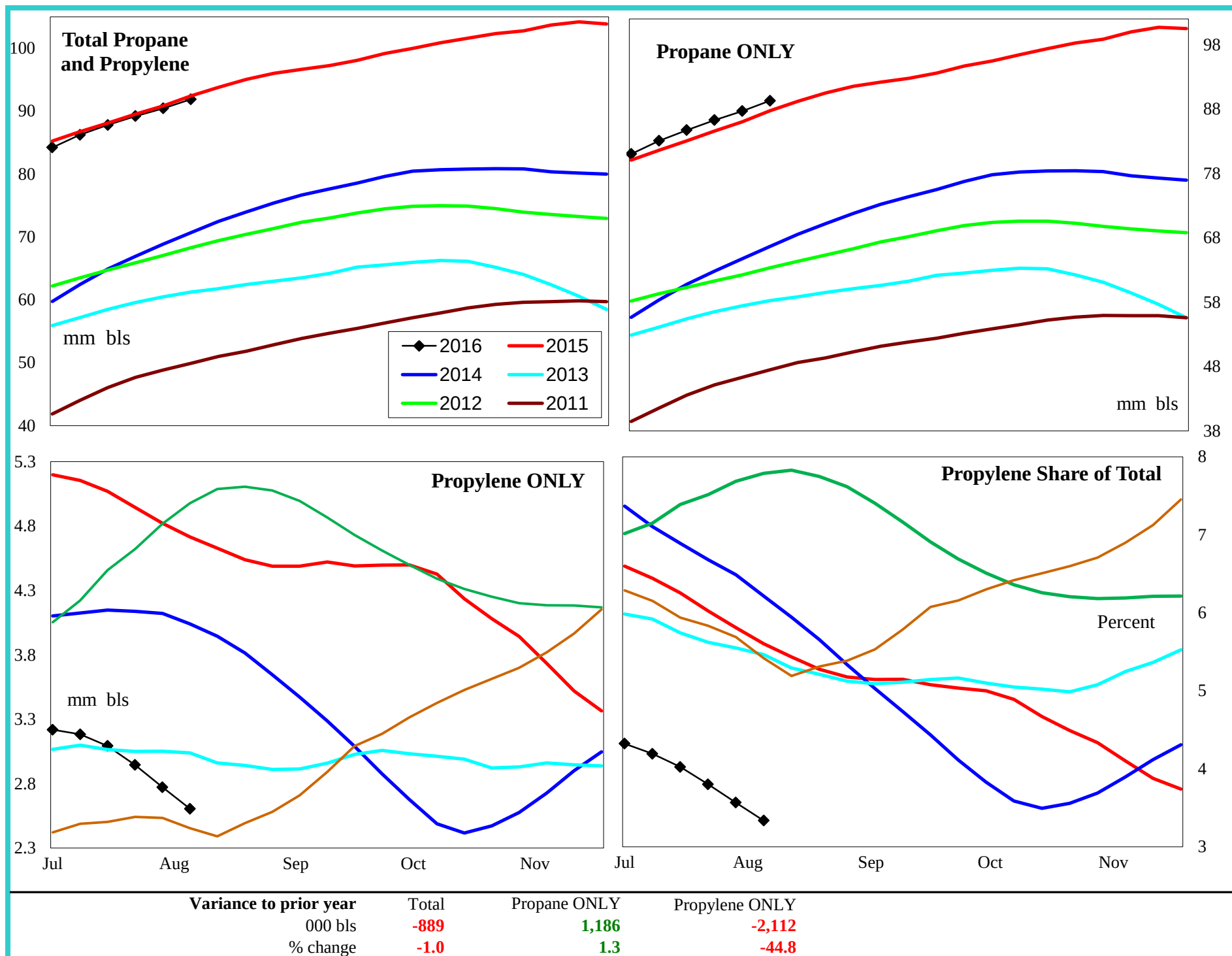
PADD 3 Propane Supply and Demand Balance



PADDs 4 and 5 Propane Supply and Demand Balance



U. S. Propane and Propylene Stocks



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

