



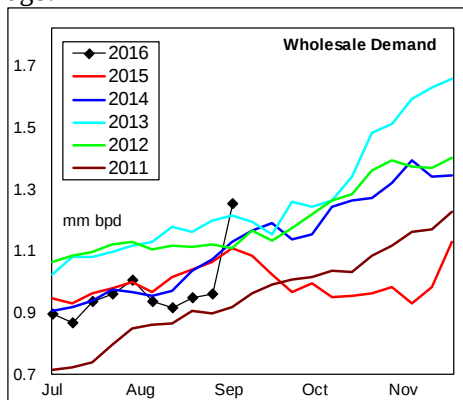
WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

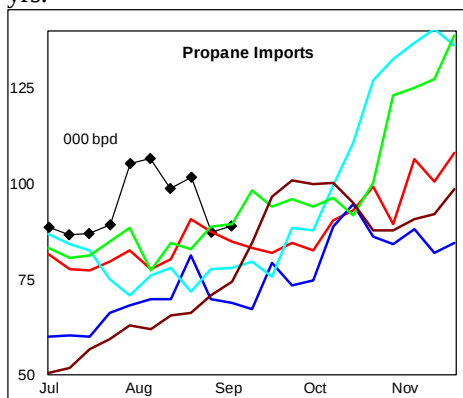
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com

Summary¹:

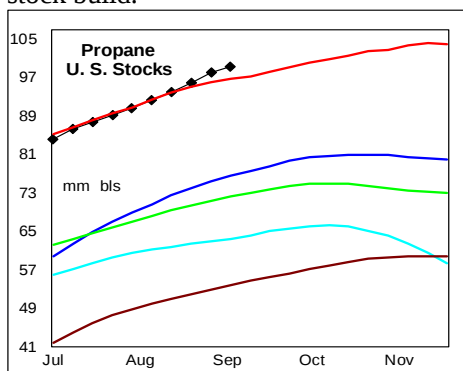
Wholesale demand jumped +0.44 million bpd last week, with the latest 4-wk average -113,000 bpd below a year ago.



Production +44,000 bpd last week; with the latest 4-wk average +99,000 above a year ago. Imports increased +6,000 bpd for the week, to a level above the last 3-yrs.

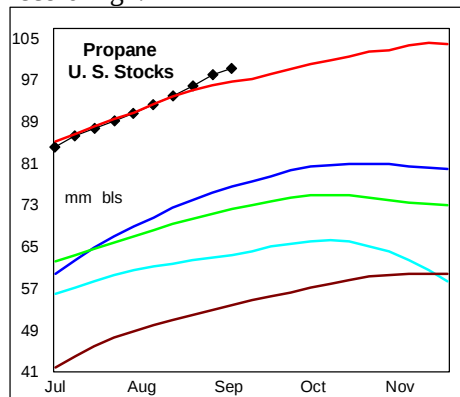


The rebound in wholesale demand led to a below average +0.6 million barrel stock build.



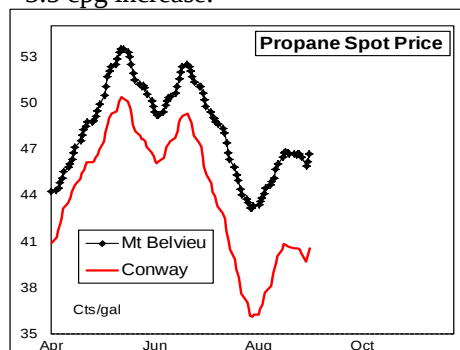
The cumulative seasonal stock build of

+37 million barrels, was -5 million barrels below last year. Stock levels ended the week +3% above last year's record high.



Exports for the week ending 26Aug16 were +139,000 bpd above last year, at 644,000 bpd.

Price and Spreads Mt Belvieu spot prices increased +1 cpg last week ending 07Sep16, while Conway prices saw a +3.5 cpg increase.



The Conway – Mt Belvieu price spread trended higher on the week, though still at a level below the last 3-yrs.

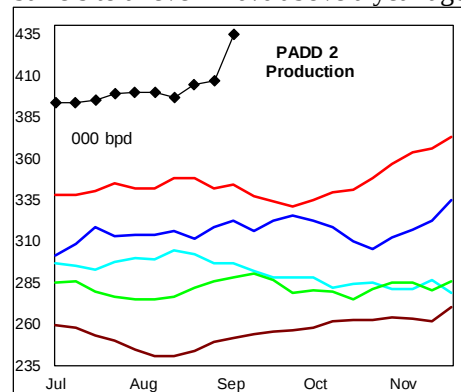
The propane to natural gas price spread trended higher on the week, to a level that matched last year's record low.

The propane / crude oil price spread traded higher on the week, ending at a level equal to the 3-yr mid range.

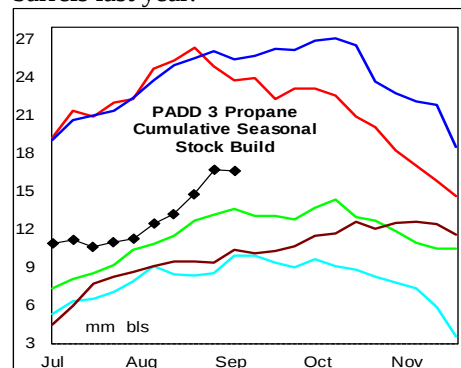
PADD 1 stocks increased +0.3million barrels on the week. Stock levels ended the week +36% above a year ago, driven by earlier than normal seasonal increase in imports. Supplies were -26,000 bpd below last year, due to a reclassification by EIA of production to the Midwest and Gulf regions.

PADD 2 supply increased +54,000 bpd on the week, driven by record

production. Production for the latest 4-wk period was +58,000 bpd above a year ago. Stocks increased +0.4 million barrels to a level +10% above a year ago.



PAD 3 stocks were unchanged on the week; the result of a rebound in exports. Stock levels ended the week -1.9 million barrels below last year. Supply for the latest 4-wk period was +36,000 bpd above last year. The cumulative seasonal build of +16.6 million barrels compares to a build of +24 million barrels last year.



PADDs 4 & 5 stocks were unchanged last week, as supplies decreased -9,000 bpd. Stock levels ended the week -6% below last year's record high.

Emerging Trends A rebound in wholesale demand was driven by increased exports (leading to no change in Gulf stocks for the week). Midwest production jumped +47,000 bpd to a new all time record. Stock levels remain very high in all regional markets, led by the Midwest and East Coast which are at record levels.

A seasonal upturn in purchases for the fall heating season should provide support to wholesale propane prices.

¹ Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

September 8, 2016

Fundamental Trends for the Week Ending:

Friday, September 02, 2016

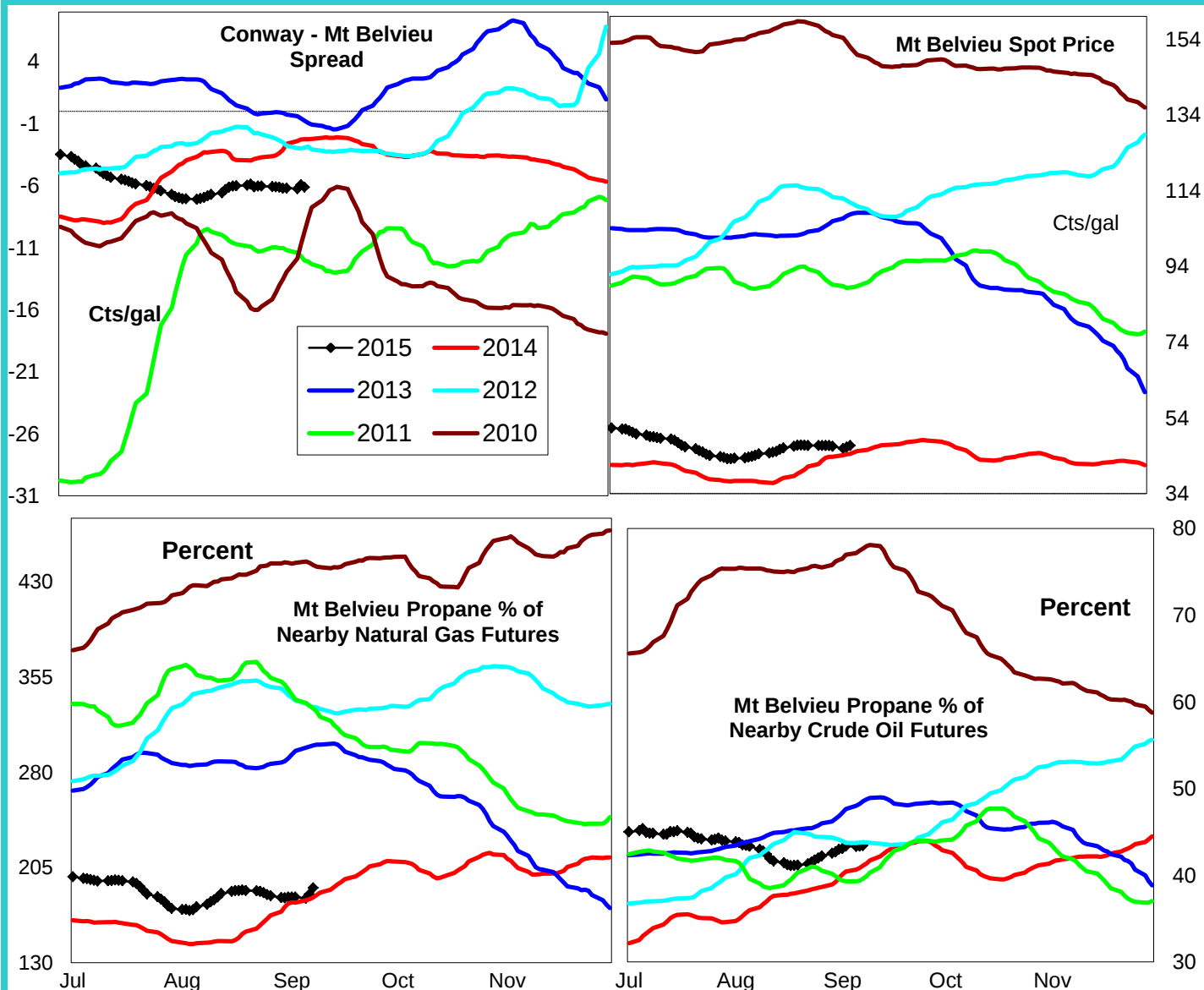
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD				U.S. Total	PADD			
		1	2	3	4&5		1	2	3	4&5
Stocks	99,127	7,171	29,186	59,051	3,719	617	275	383	-22	-19
Propylene Stocks	2,324					121				
Production	1,730	149	435	954	192	44	0	47	2	-5
Imports	89	23	53	0	13	6	3	7	0	-4
Whsle Demand	1,228					442				

Price Trends for the Week Ending:

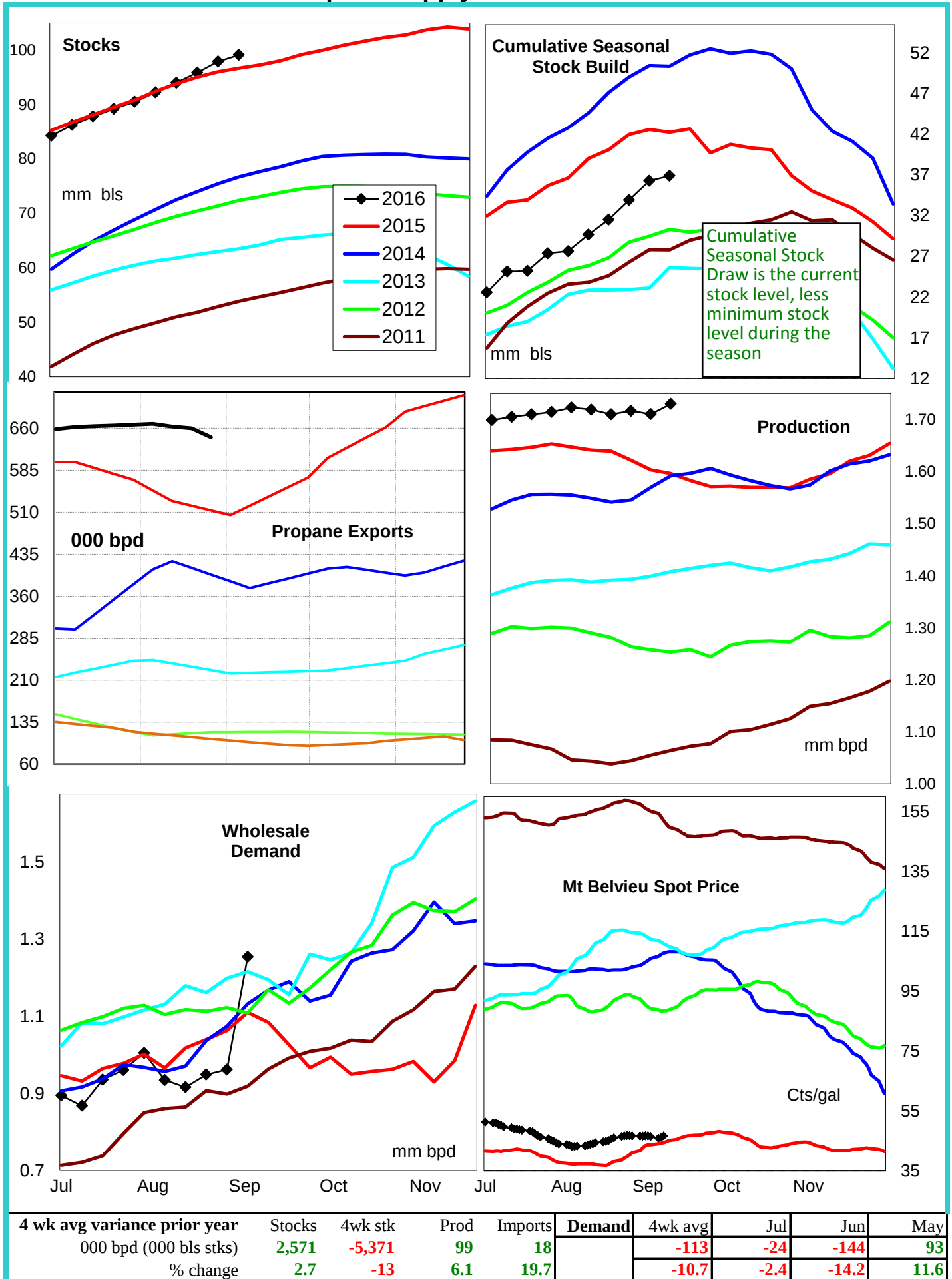
Wednesday, September 07, 2016

Cents/gal	Average for week ending:				Change from:			% change from:		
	9/7/16	8/31/16	8/10/16	9/11/15	8/31/16	8/10/16	9/11/15	8/31/16	8/10/16	9/11/15
Mont Belvieu Spot	45.8	47.6	43.3	43.9	-1.85	4.38	-0.65	-3.9	10.1	-1.5
Conway Spot	40.0	41.0	35.9	41.8	-0.98	5.08	-5.85	-2.4	14.1	-14.0

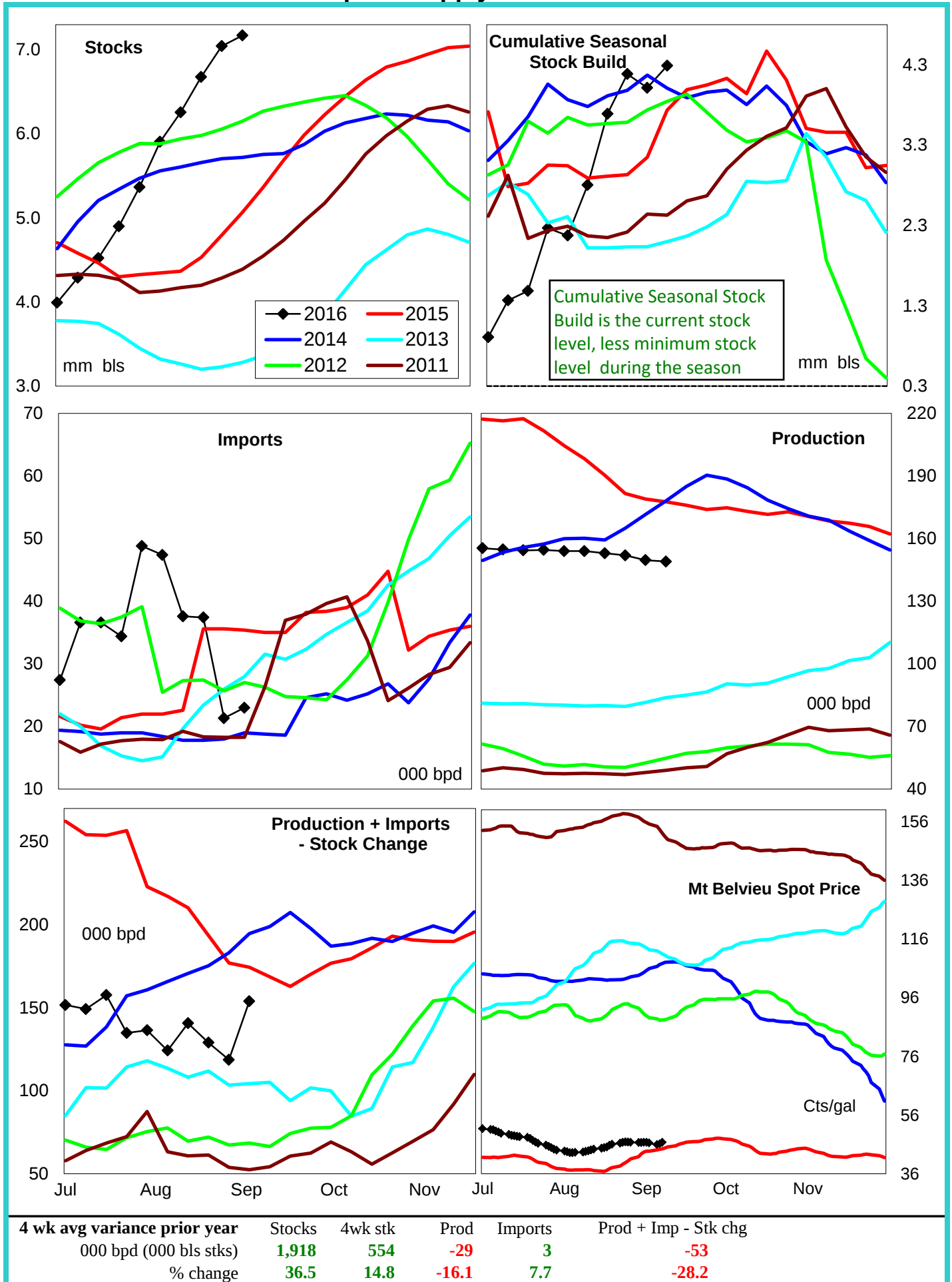
Key Price Spreads and Differentials



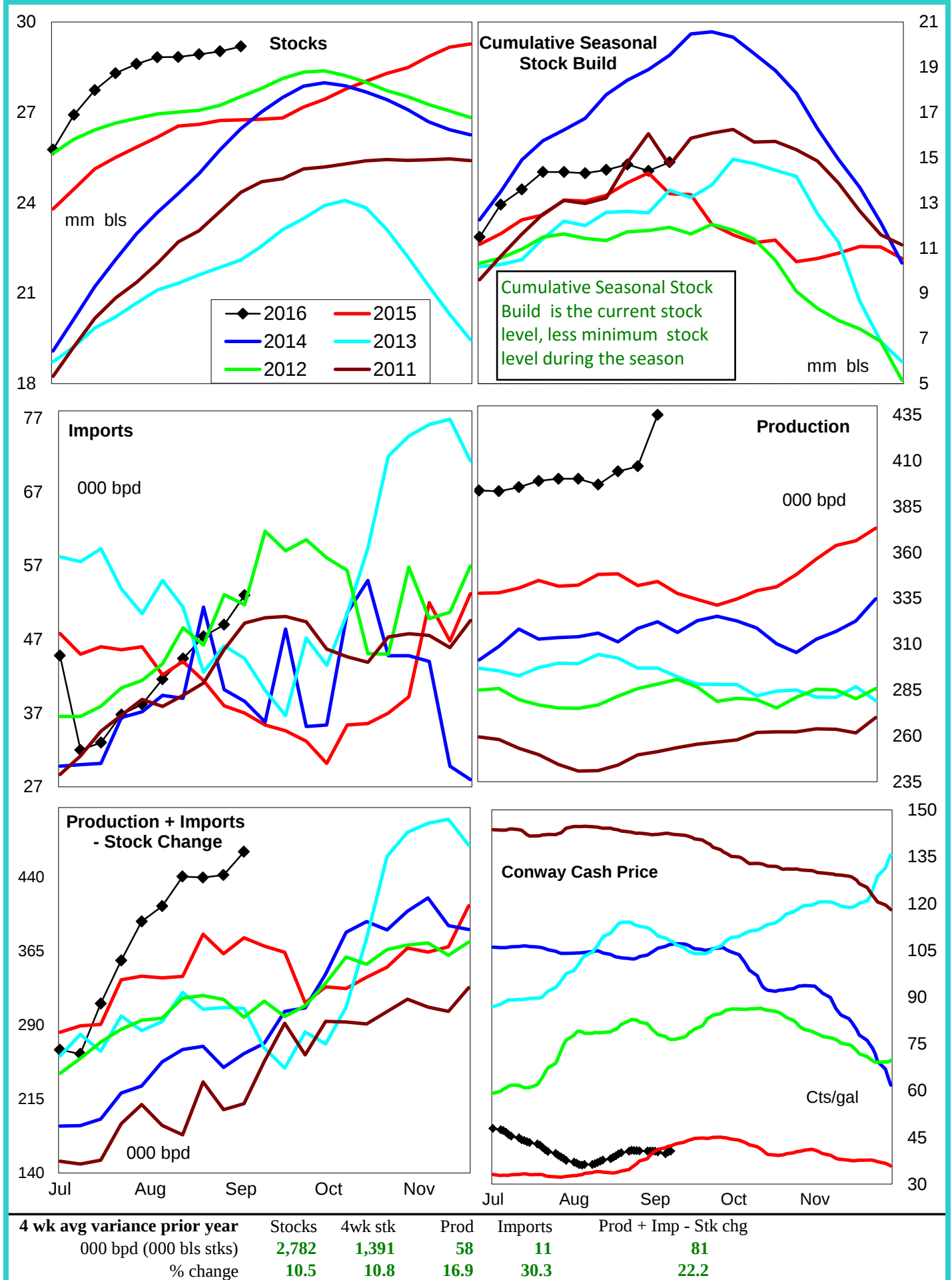
U. S. Propane Supply and Demand Balance



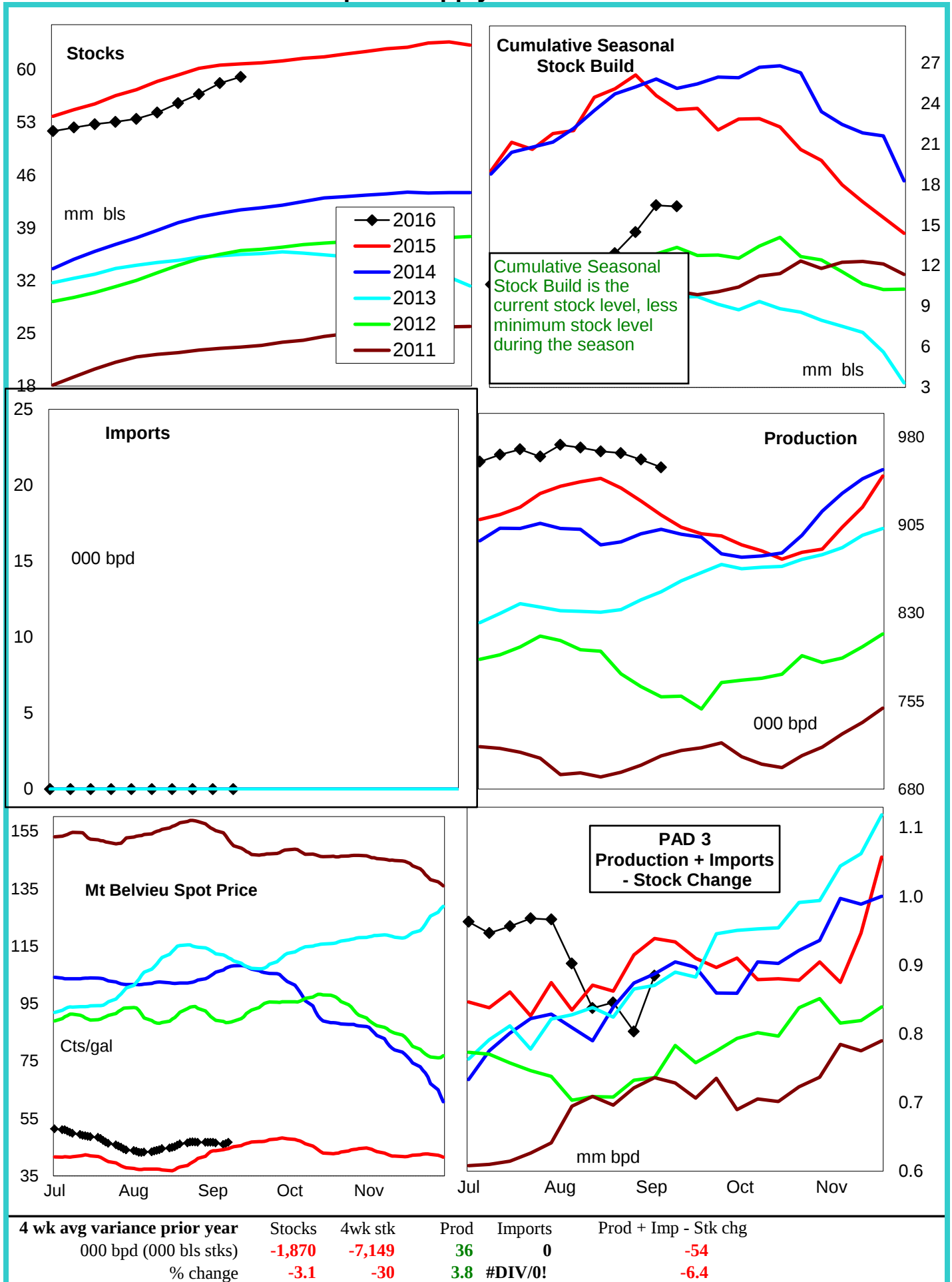
PADD 1 Propane Supply and Demand Balance



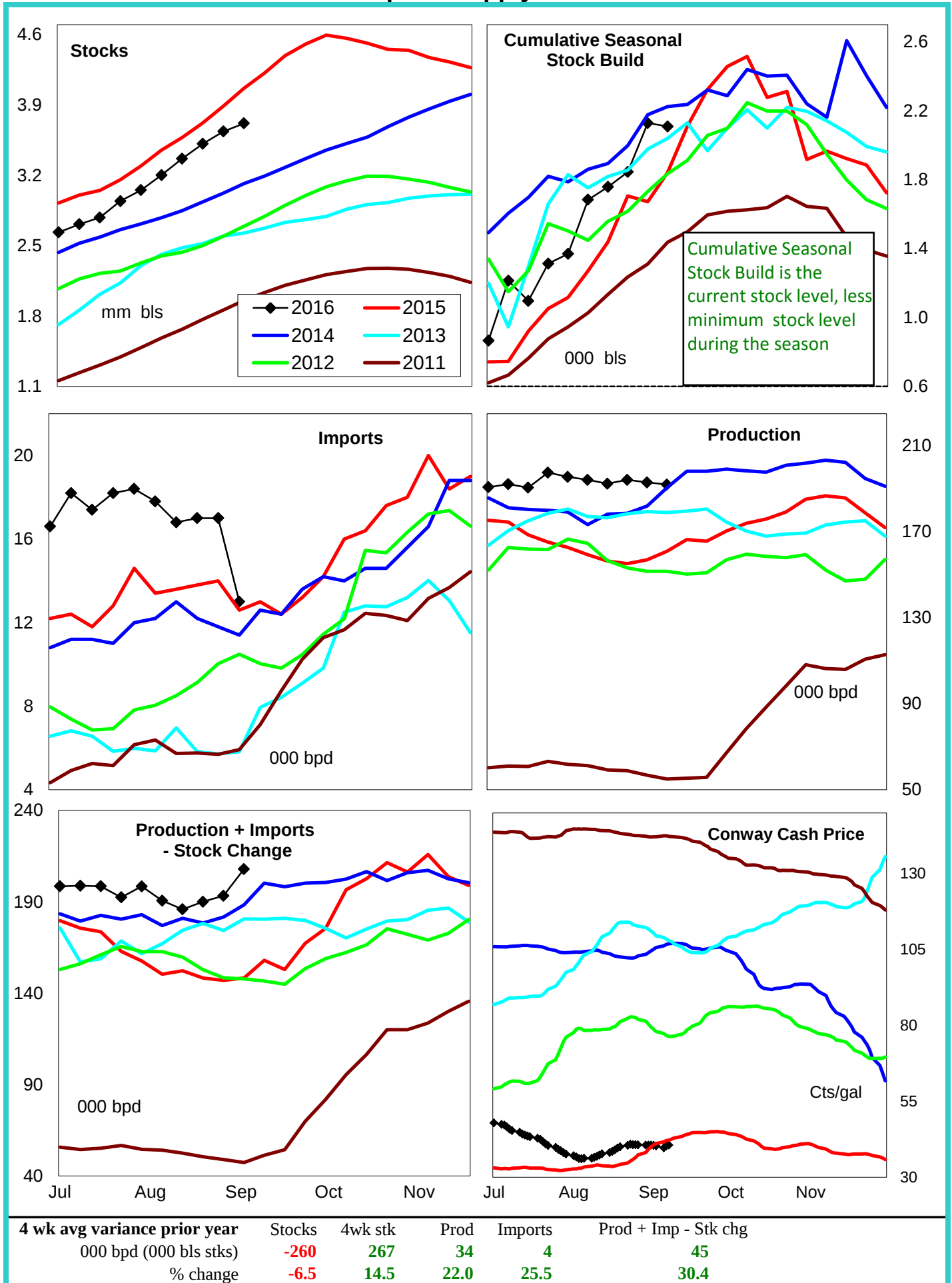
PADD 2 Propane Supply and Demand Balance



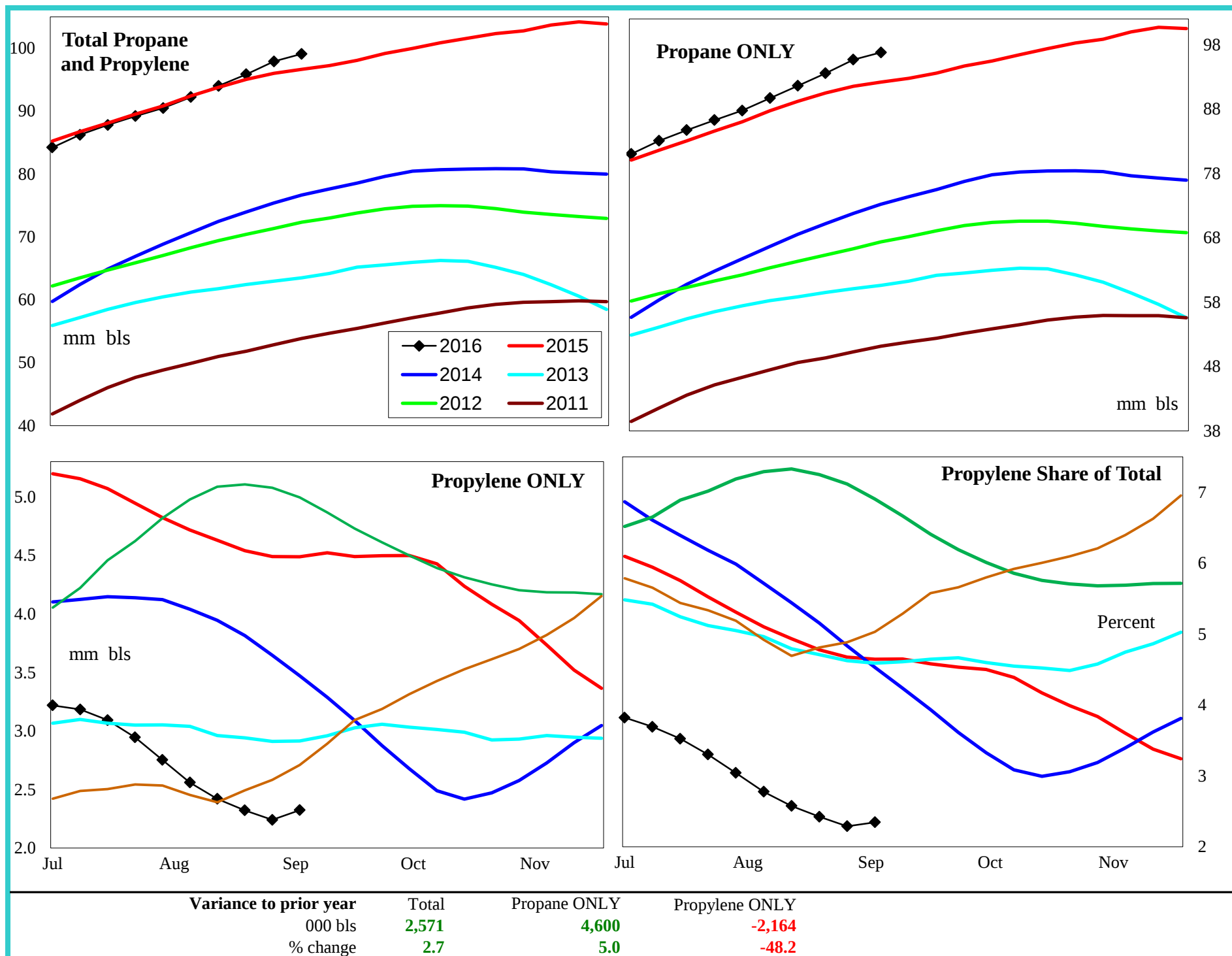
PADD 3 Propane Supply and Demand Balance



PADDs 4 and 5 Propane Supply and Demand Balance



U. S. Propane and Propylene Stocks



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

