



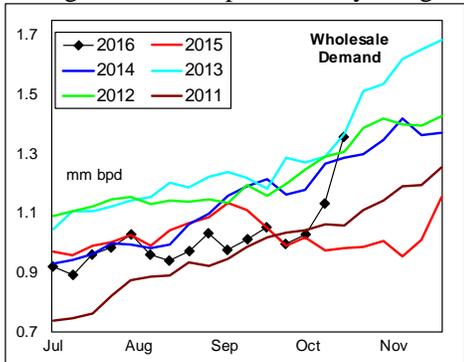
WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

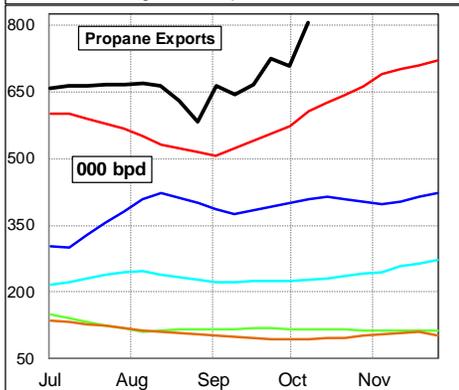
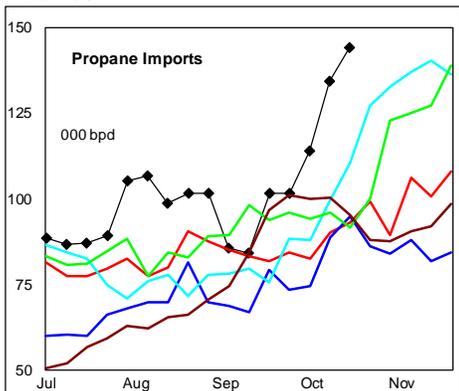
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Summary¹:

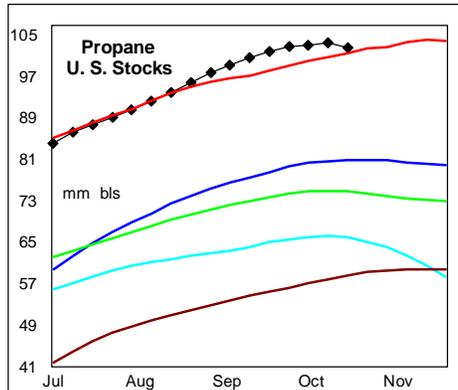
Wholesale demand climbed +374,000 bpd last week, with the latest 4-wk average +153,000 bpd above a year ago.



Production increased +32,000 bpd on the week with increases in all regions, except the Gulf. Production for the latest 4-wk average was +102,000 above a year ago. Imports were +54,000 bpd higher on the week, concentrated in the Midwest.

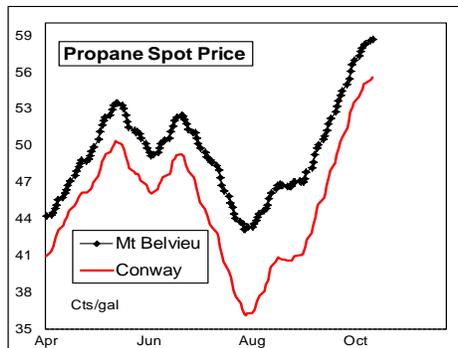


Exports for the week ending 07Oct16 were 805,000 bpd, compared to +589,000 bpd a year ago.



Stocks decreased -1.2 million barrels on the week, with draws in all regions except the Gulf. Stock levels ended the week +1.1% above last year.

Price and Spreads Mt Belvieu spot prices increased +1 cpg for the week ending 18Oct16, while Conway prices saw a similar increase.



The Conway – Mt Belvieu price spread traded sideways on the week, ending at a level that matched 3-yr lows.

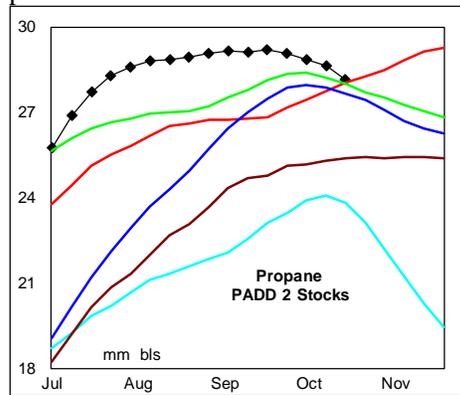
The propane to natural gas price spread was nearly unchanged on the week, at a level that matched year ago lows.

The propane / crude oil price spread trended higher on the week, ending at a level near 3-yr highs for the period.

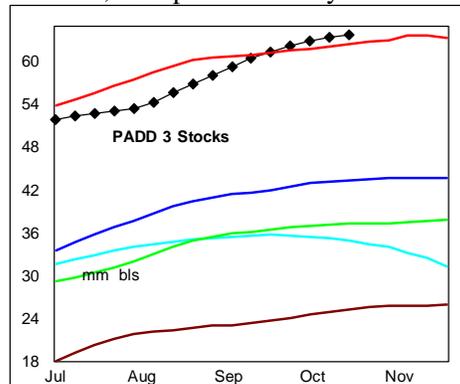
PADD 1 stocks decreased -0.6 million barrels on the week. Stock levels ended the week +2% above a year ago. Supplies were -45,000 bpd below last year, due to lower production and imports.

PADD 2 supply climbed +64,000 bpd on the week, partially reversing the prior week decrease on higher production and imports. Production for the latest 4-wk period was +40,000 bpd above a year ago while stocks increased +43,000 bpd

yea-on-year. Stocks declined -0.4 million barrels. Stock levels ended the week equal to historic highs for the period.



PAD 3 stocks increased +0.1 million barrels on the week. Stock levels ended the week +2.4% above last year's record high. Supply for the latest 4-wk period was +78,000 bpd above last year.



PADDs 4 & 5 stocks decreased -0.3 million barrels last week. Supply increased +19,000 bpd on higher production. Stock levels ended the week -17% below last year's record high.

Emerging Trends Peak grain drying season is under way, leading to the surge in wholesale demand. With the stock draw last week, stock levels are now slightly above prior 5-yr highs for the period. Domestic wholesale demand of 1.3 million bpd compares to 0.8 million bpd of exports for the most recent period. The growth in exports is driving the uptrend in wholesale prices.

High propane stock levels and mild temperatures in major heating markets, risk a post grain drying season pull back in wholesale prices.

¹ Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

October 19, 2016

Fundamental Trends for the Week Ending:

Friday, October 14, 2016

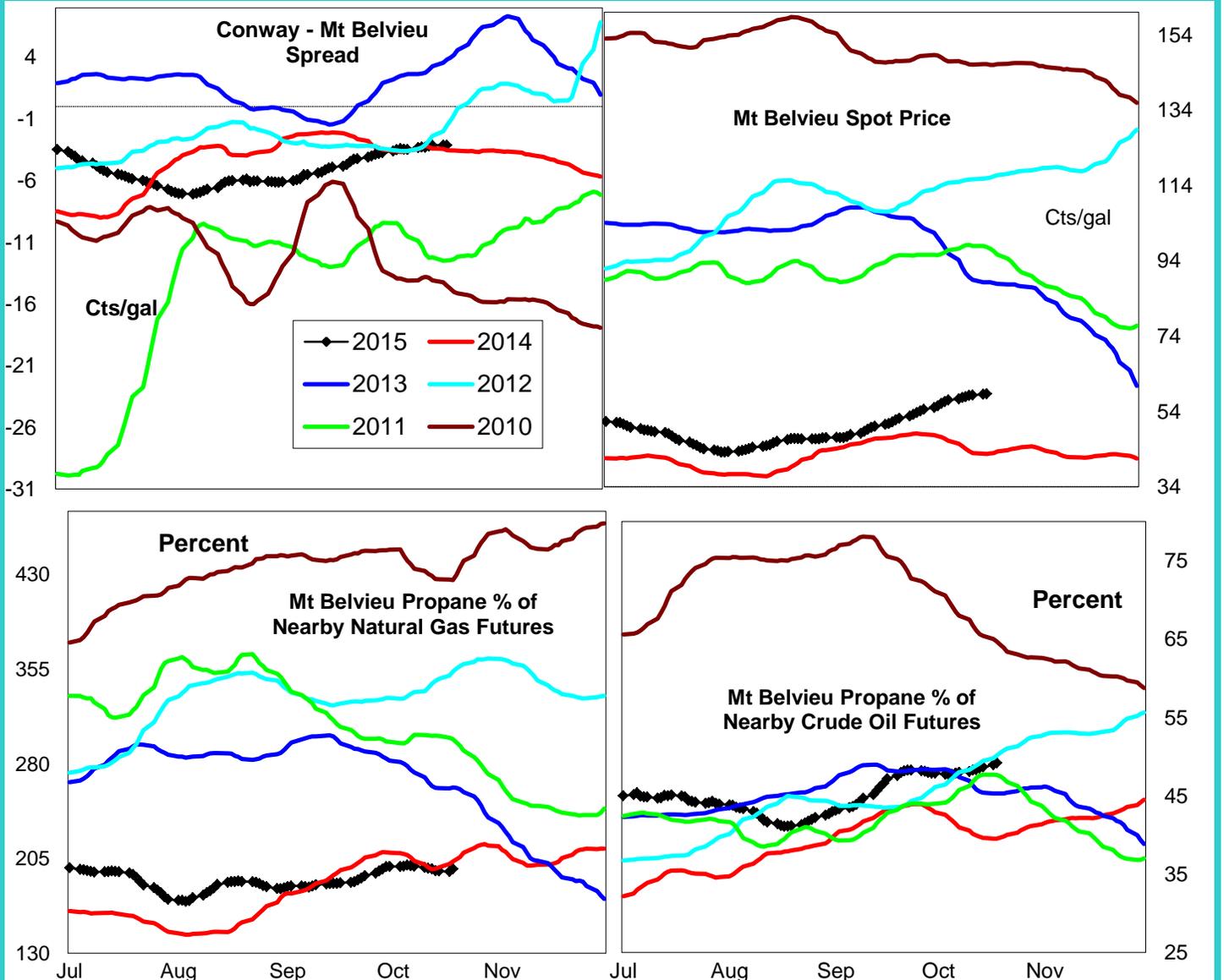
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD				U.S. Total	PADD			
		1	2	3	4&5		1	2	3	4&5
Stocks	102,682	6,965	28,183	63,635	3,899	-1,246	-646	-445	102	-257
Propylene Stocks	3,015					240				
Production	1,668	148	373	953	194	32	14	15	-10	13
Imports	144	25	89	0	30	54	-1	49	0	6
Whsle Demand	1,305					374				

Price Trends for the Week Ending:

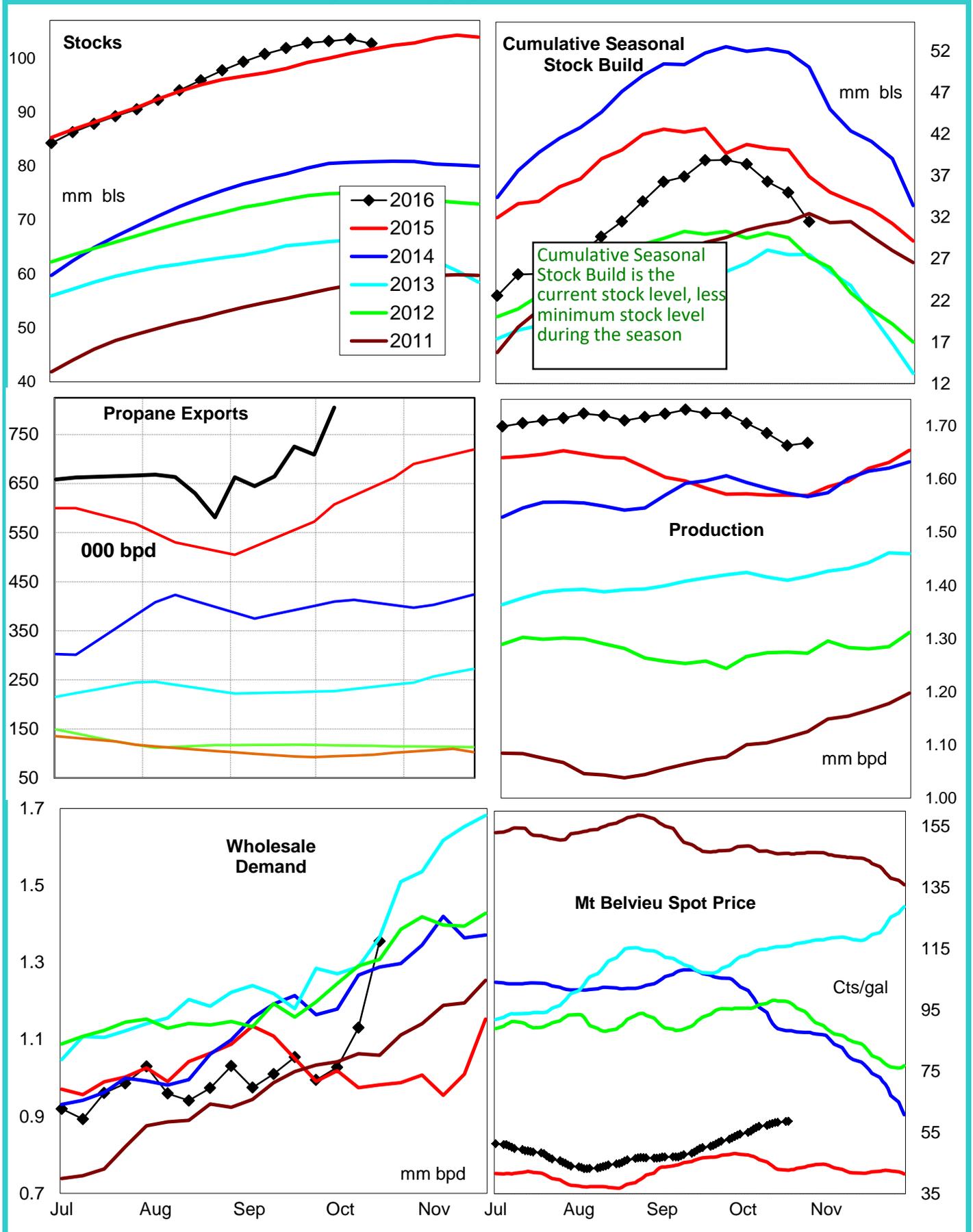
Tuesday, October 18, 2016

Cents/gal	Average for week ending:				Change from:			% change from:		
	10/18/16	10/11/16	9/20/16	10/22/15	10/11/16	9/20/16	10/22/15	10/11/16	9/20/16	10/22/15
Mont Belvieu Spot	58.4	57.5	49.6	42.7	0.95	7.85	6.95	1.7	15.8	16.3
Conway Spot	55.2	54.0	44.8	39.4	1.20	9.25	5.38	2.2	20.7	13.6

Key Price Spreads and Differentials

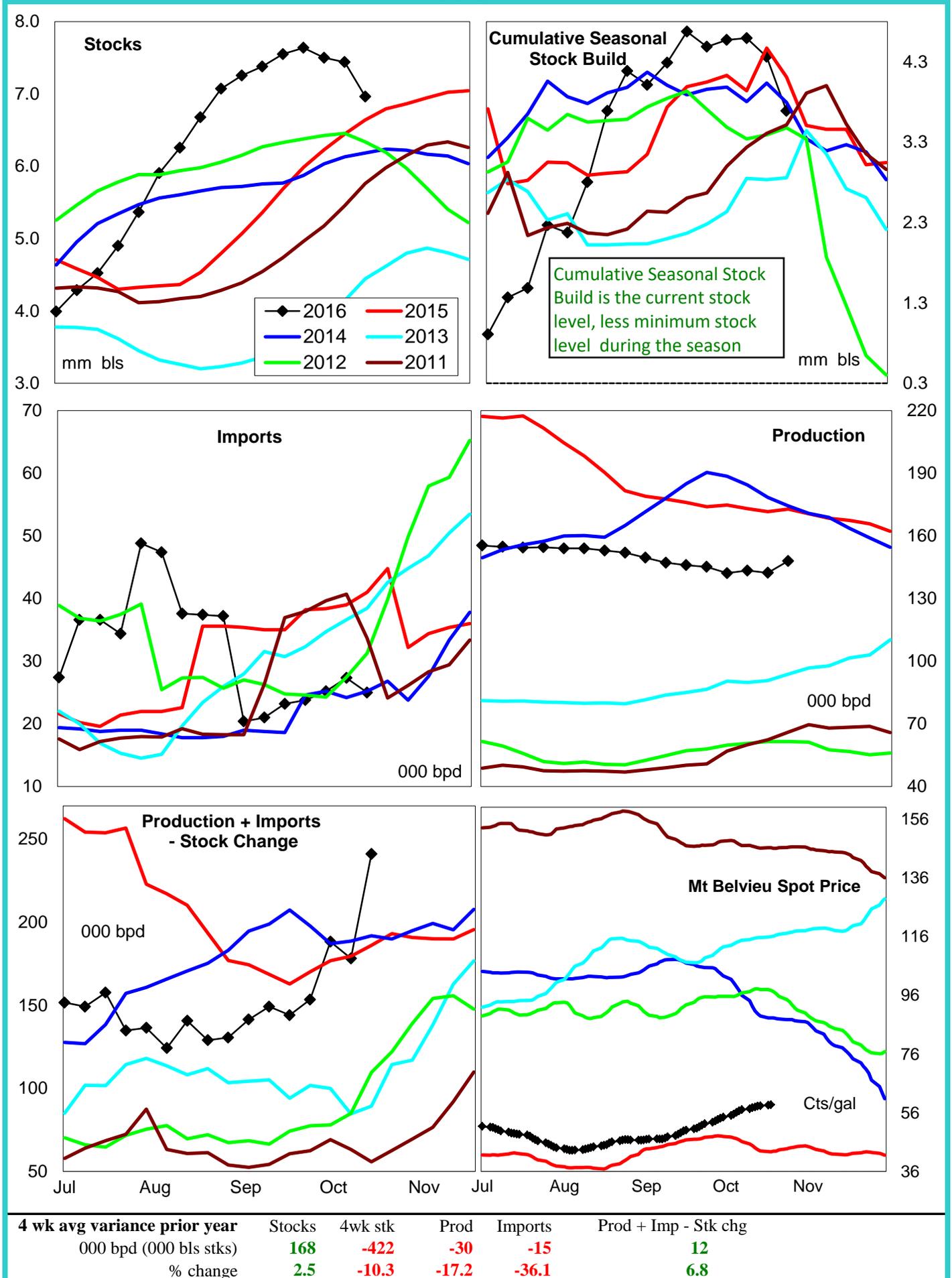


U. S. Propane Supply and Demand Balance

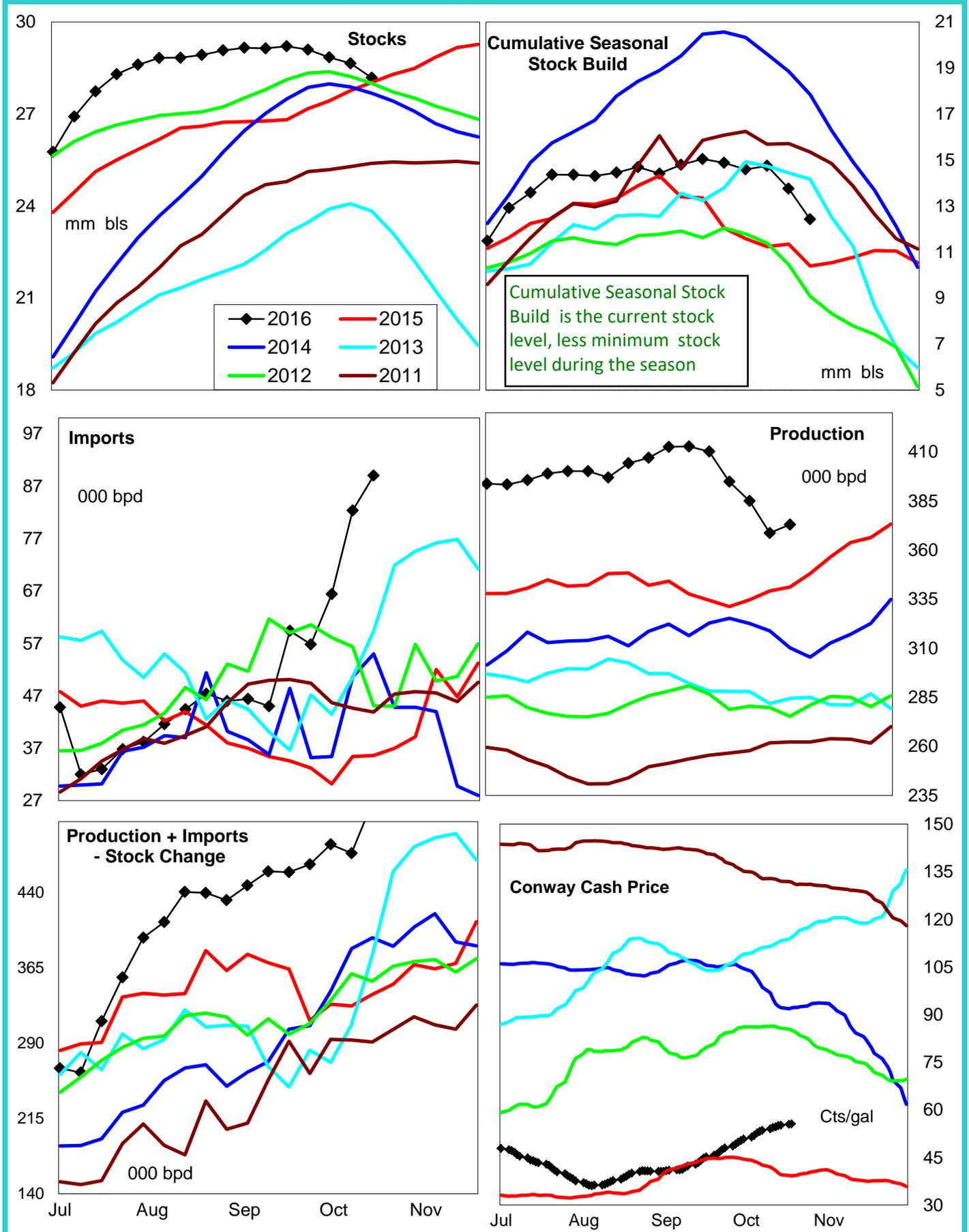


4 wk avg variance prior year 000 bpd (000 bls stks) % change	Stocks 1,095	4wk stk -5,437	Prod 102	Imports 38	Demand	4wk avg	Sep	Aug	Jul
	1.1	-15	6.5	44.5		153	52	-57	-53
						17.0	5.8	-5.7	-5.4

PADD 1 Propane Supply and Demand Balance

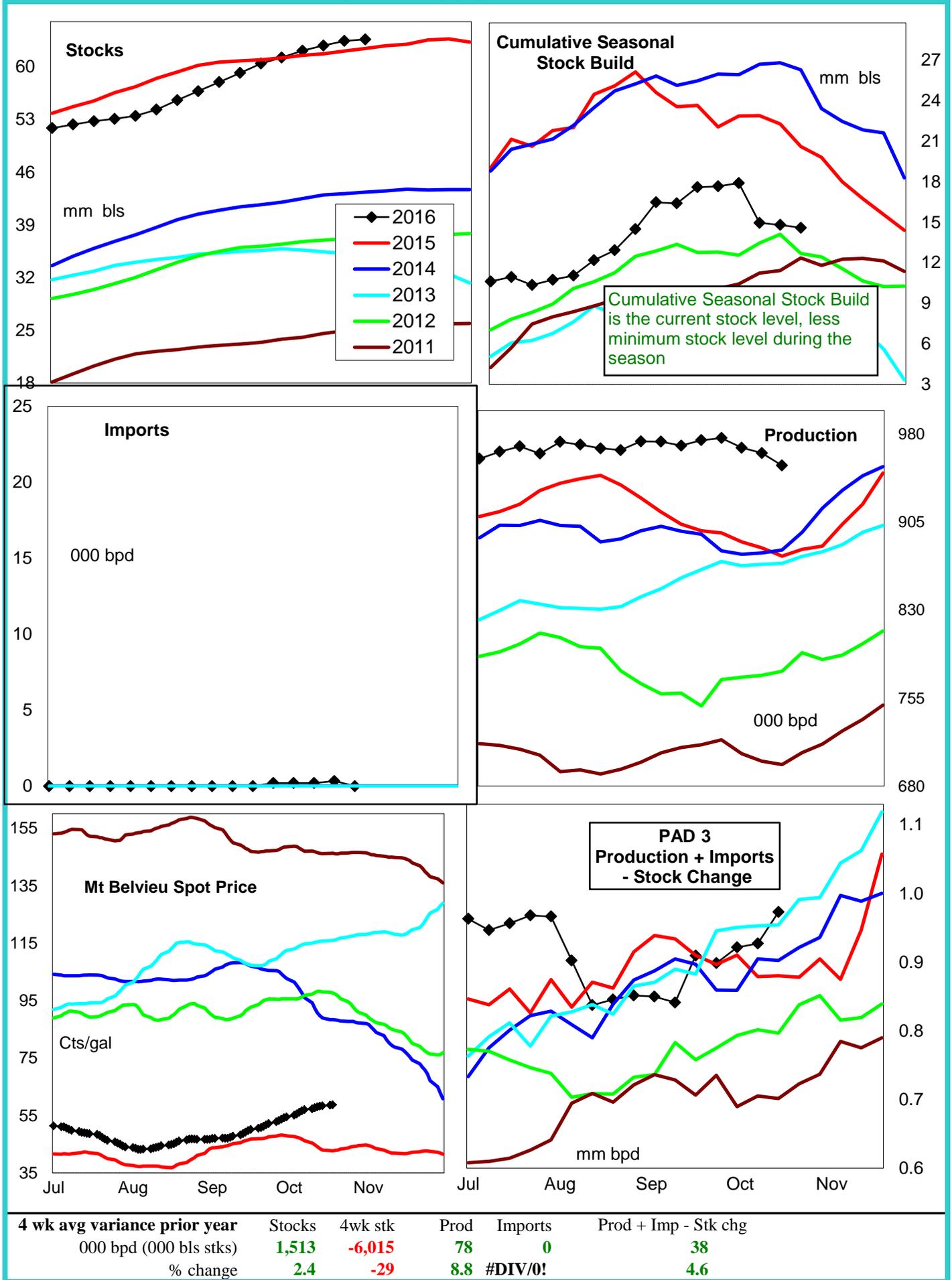


PADD 2 Propane Supply and Demand Balance

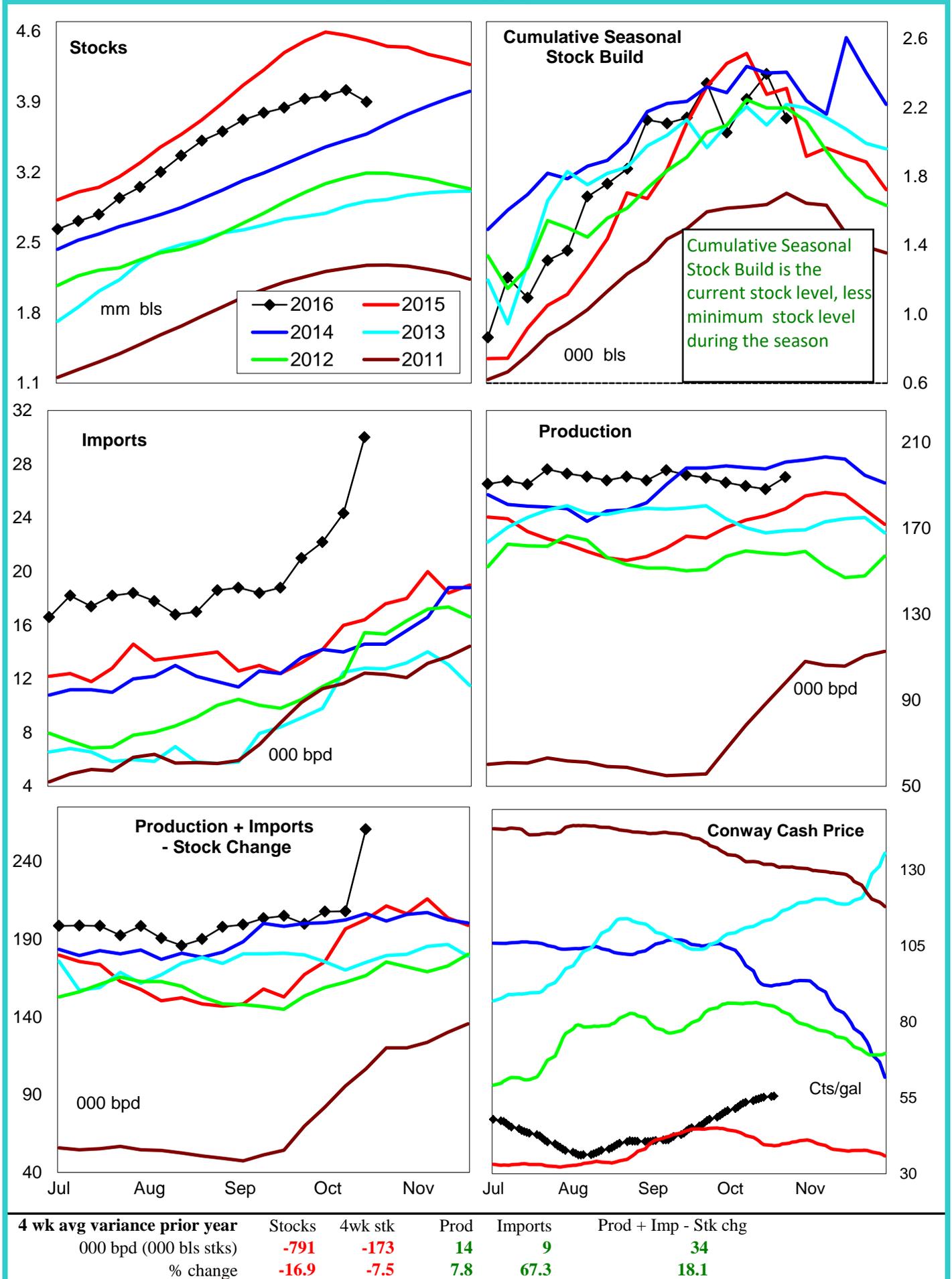


4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	207	2,025	40	43	164
% change	0.7	20.5	11.9	148.3	50.3

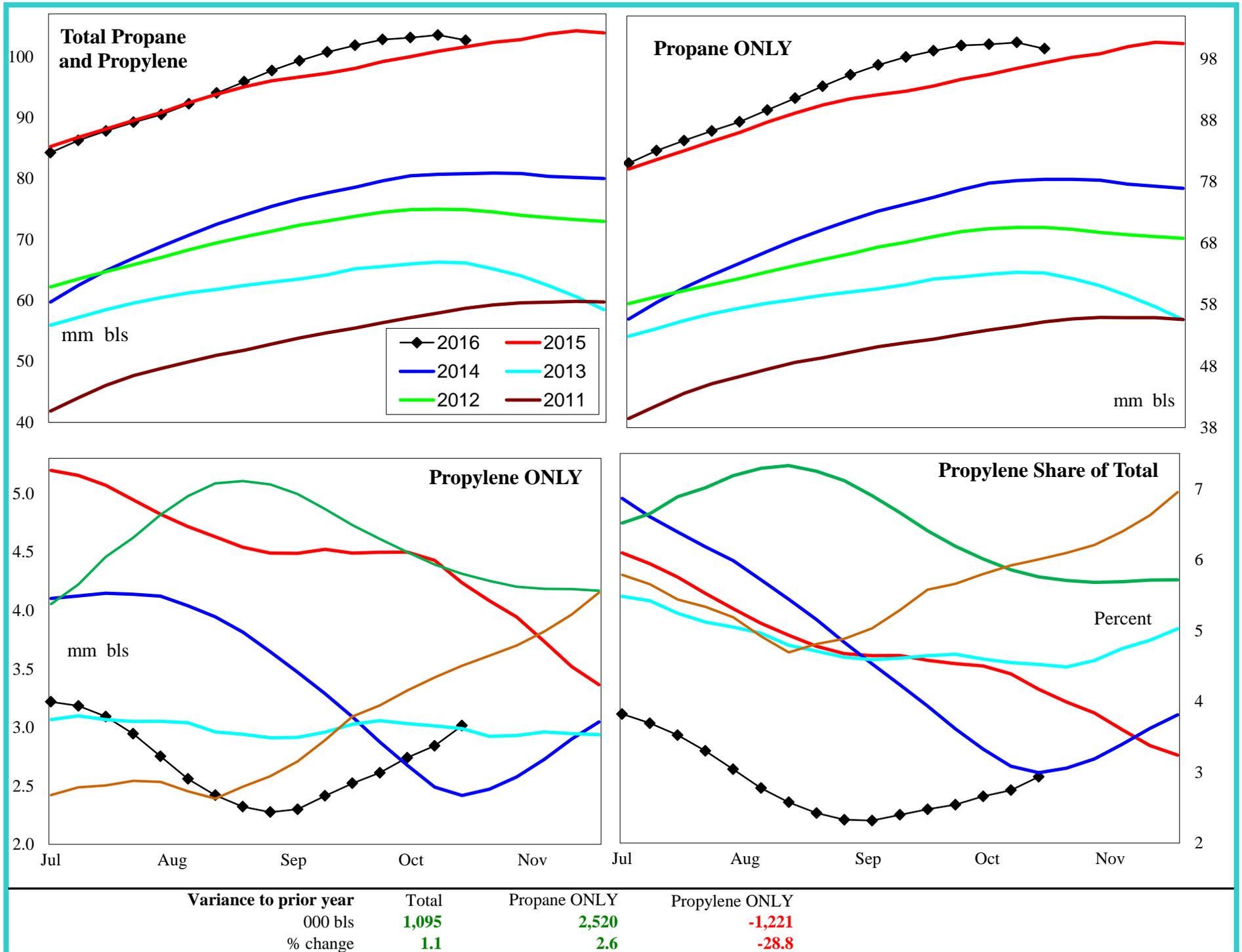
PADD 3 Propane Supply and Demand Balance



PADDs 4 and 5 Propane Supply and Demand Balance



U. S. Propane and Propylene Stocks



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

