WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

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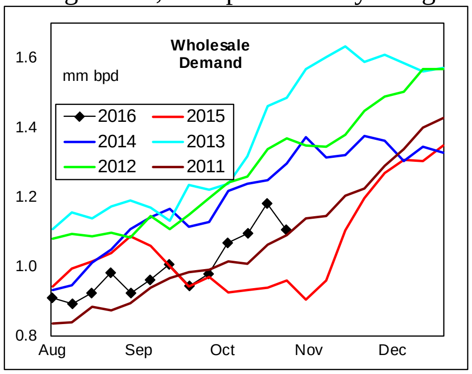
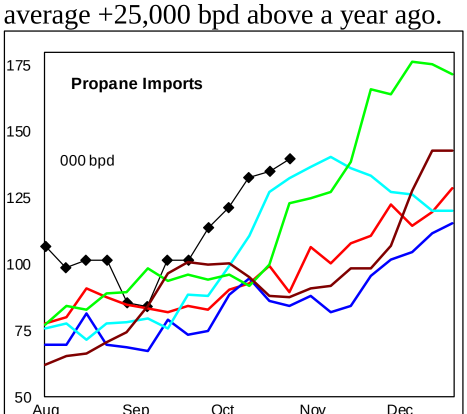
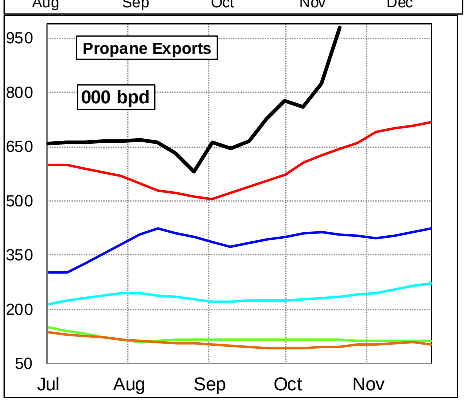
Summary[1]:
Wholesale demand decreased -24,000 bpd last week, with the latest 4-wk average +161,000 bpd above a year ago.



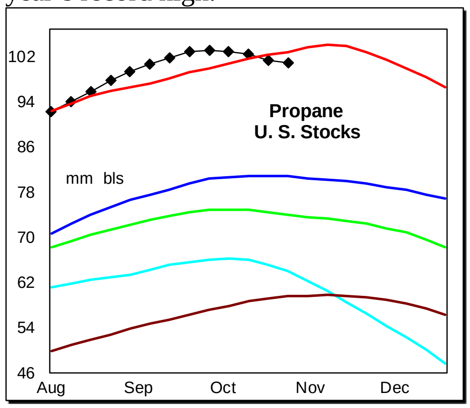
Production increased +78,000 bpd on the week, with increases in all regions except the East Coast. Production for the latest 4-wk average was +123,000 above a year ago. Imports increased +19,000 bpd on the week, with the 4-wk average +25,000 bpd above a year ago.





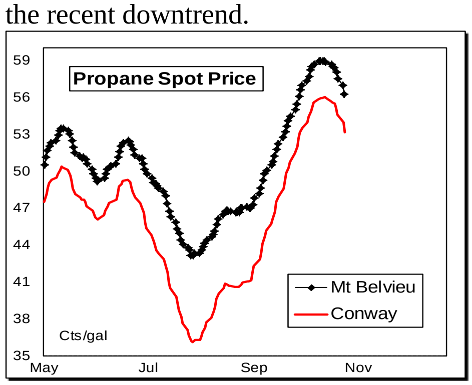
Exports for the week ending 21Oct16 were 981,000 bpd, the 2nd highest weekly level ever reported.

Stocks increased +0.3 million barrels on the week, to a level -1% below last year's record high.



The latest 4-wk stock draw of -3.1 million barrels was a record draw for this time of year.

Price and Spreads Mt Belvieu and Conway spot prices decreased -2.5 cpg for the week ending 01Nov16; extended the recent downtrend.



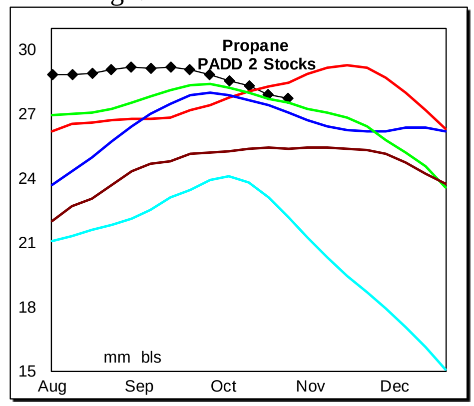
The Conway – Mt Belvieu price spread traded sideways on the week, ending at a level that matched 3-yr lows.

The propane to natural gas price spread trended lower late in the week, ending at a level that matched historic lows for the period.

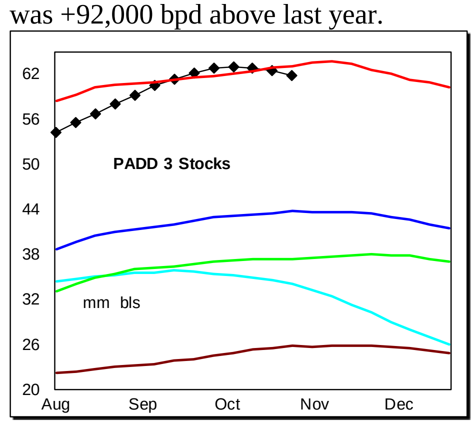
The propane / crude oil price spread trended higher on the week, ending at a level near 3-yr highs for the period.

PADD 1 stocks increased +0.1 million barrels last week. Stock levels ended the week +6% above a year ago. Supplies were -40,000 bpd below last year, due to lower production and imports.

PADD 2 supply increased +38,000 bpd on the week, with higher production and imports. Production for the latest 4-wk period was +47,000 bpd above a year ago while imports increased +35,000 bpd year-on-year. Stocks declined -0.1 million barrels last week. Stock levels ended the week -2% below last years' record high.



PAD 3 stocks increased +0.2 million barrels on the week. Stock levels ended the week -2% below last year's record high. Supply for the latest 4-wk period was +92,000 bpd above last year.



PADDs 4 & 5 stocks increased +0.1 million barrels last week. Supply increased +18,000 bpd on higher production. Stock levels ended the week -4% below last year's record high.

Emerging Trends Fall grain drying use has peaked while temperatures remain well above normal in key heating markets. Production and imports are each at record levels. Stocks are only slightly below last year's record highs.

Even with record exports, the high stock levels and mild temperatures in major heating markets risk further price weakness ahead of the winter heating season.

[1] Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

November 2, 2016

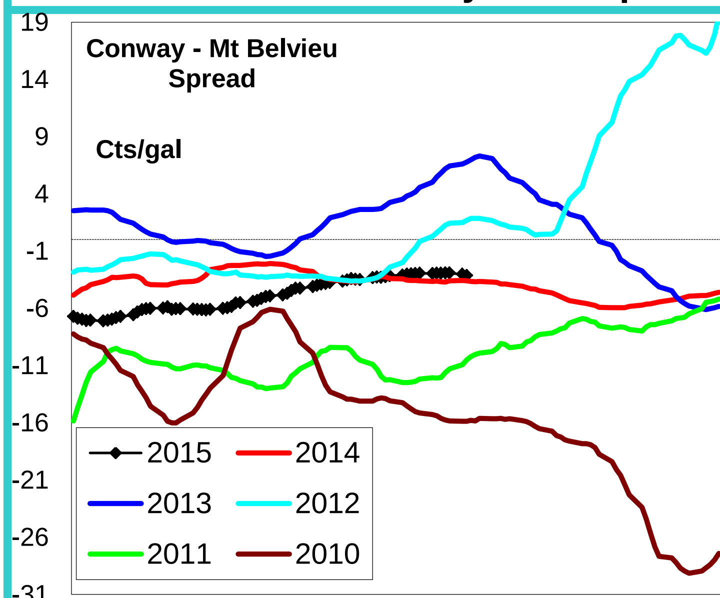
Fundamental Trends for the Week Ending: Friday, October 28, 2016

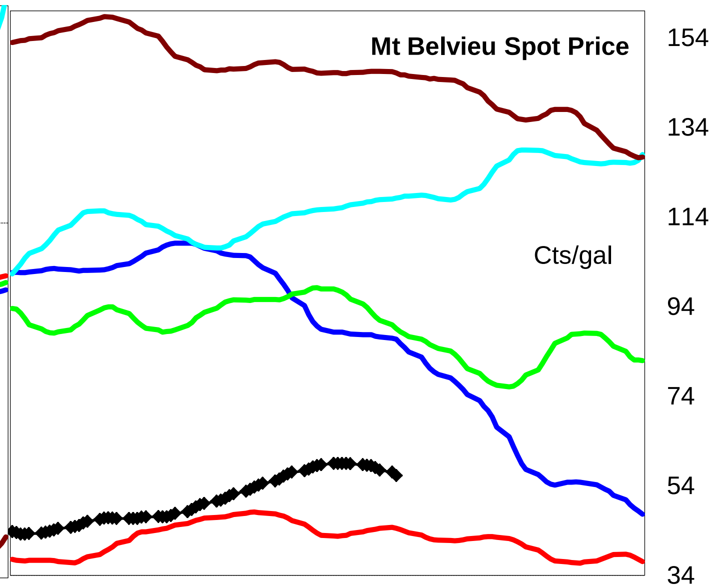
000 bpd / Stocks 000 bls	Weekly Supply-Demand U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5	Change from prior week: U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5
Stocks	100,913	7,146	27,738	61,865	4,164	346	135	-108	178	141
Propylene Stocks	3,710					283				
Production	1,766	158	418	984	206	78	-1	22	38	19
Imports	140	34	83	0	23	19	4	16	0	-1
Whsle Demand	1,106					-24				

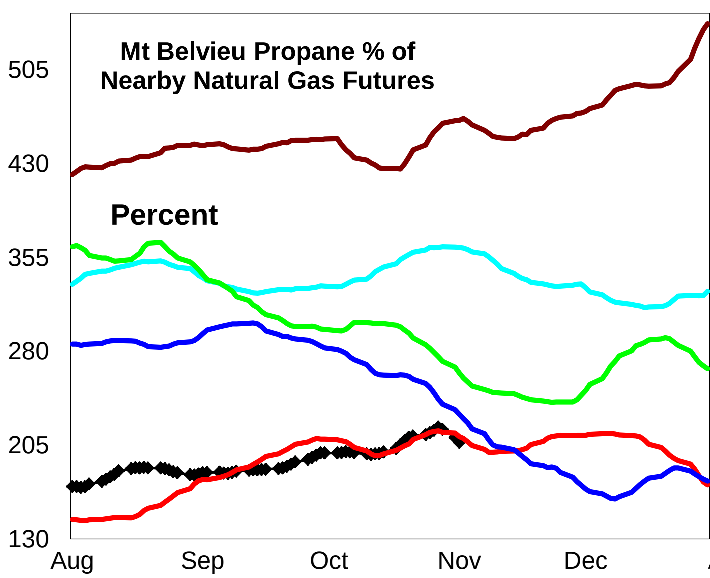
Price Trends for the Week Ending: Tuesday, November 01, 2016

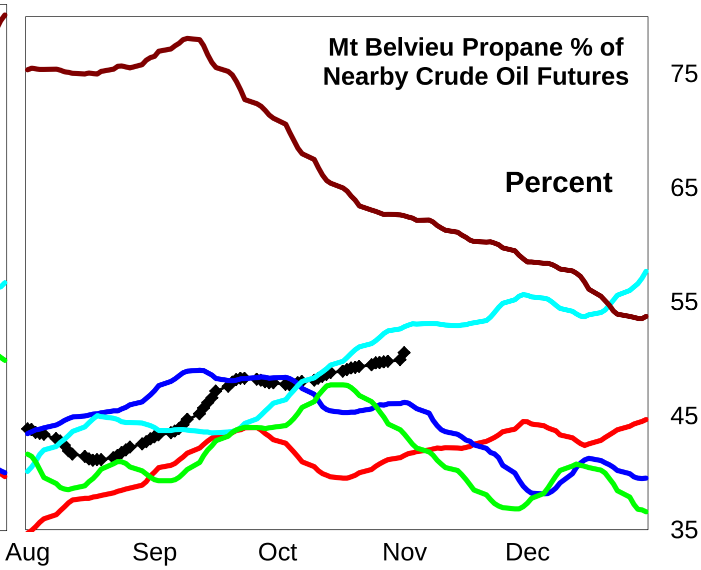
Cents/gal	Average for week ending: 11/1/16	10/25/16	10/4/16	11/5/15	Change from: 10/25/16	10/4/16	11/5/15	% change from: 10/25/16	10/4/16	11/5/15
Mont Belvieu Spot	57.2	59.7	54.4	45.6	-2.47	5.28	8.78	-4.1	9.7	19.2
Conway Spot	54.2	56.8	51.0	42.2	-2.58	5.80	8.85	-4.5	11.4	21.0

Key Price Spreads and Differentials

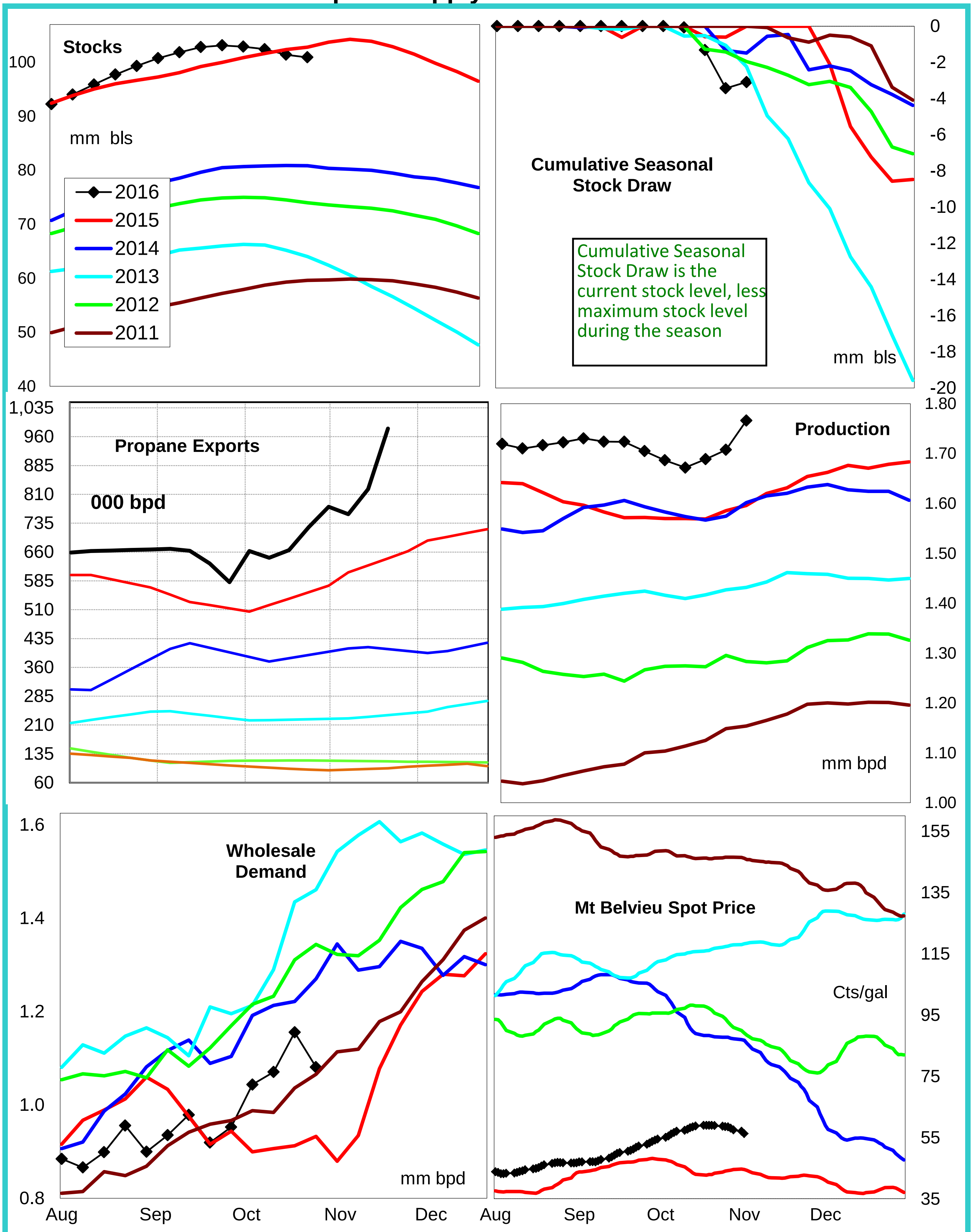








U. S. Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Sep	Aug	Jul
000 bpd (000 bls stks)	-1,498	-3,087	123	25		161	52	-57	-53
% change	-1.5	#DIV/0!	7.8	25.0		16.8	5.8	-5.7	-5.4

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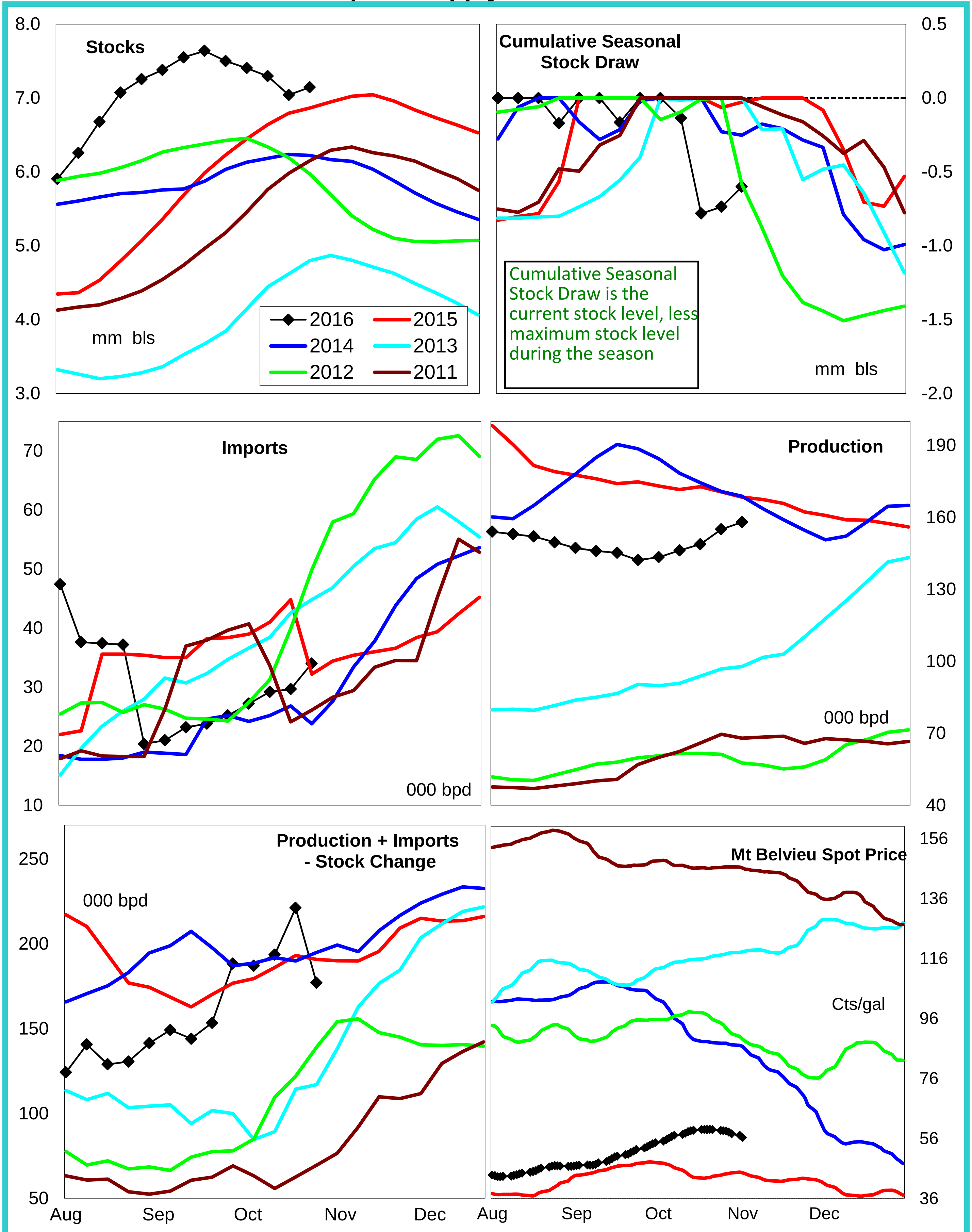
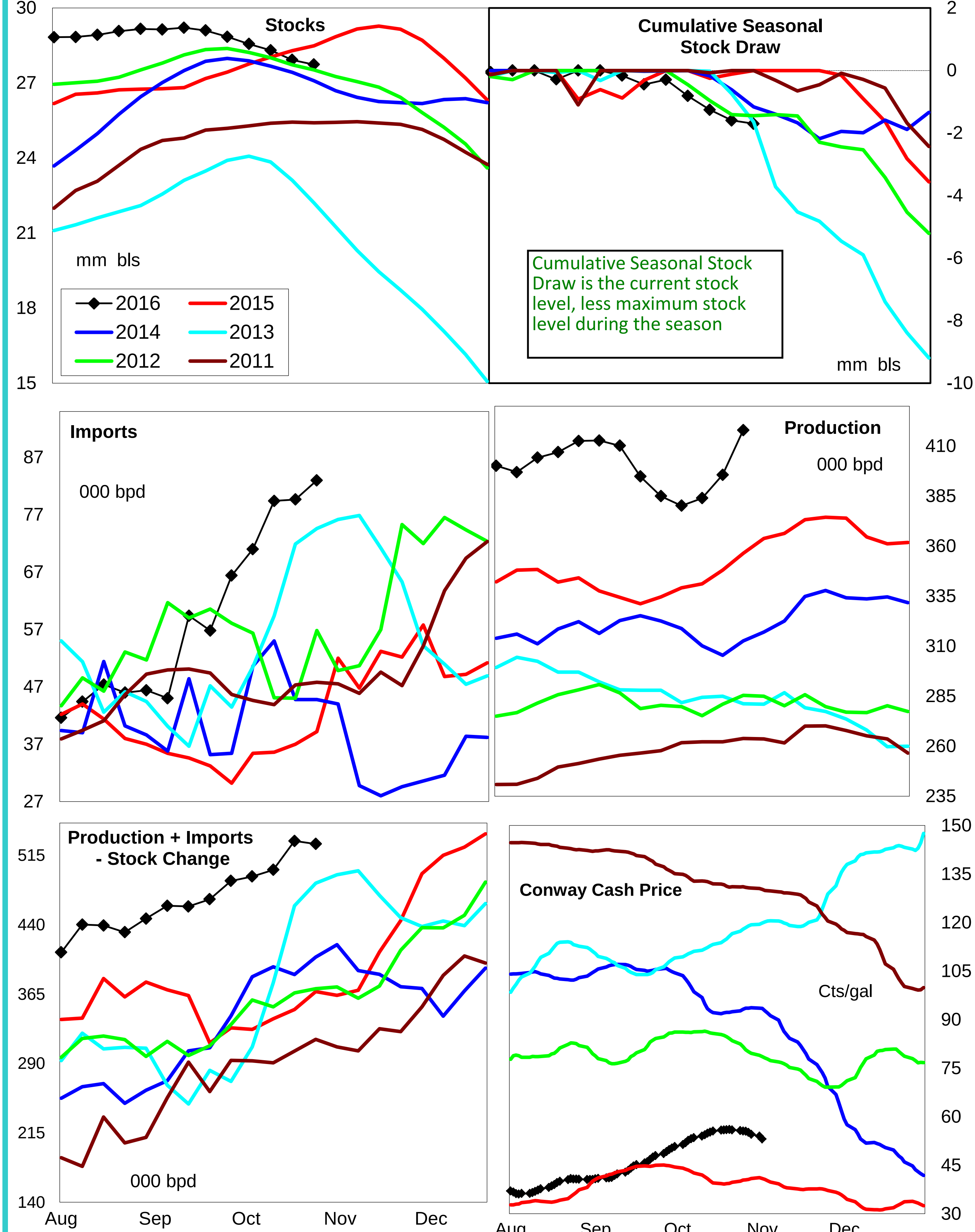
PADD 1 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	377	-573	-23	-17	7
% change	5.6	2,046.4	-13.3	-36.8	3.9

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)	-611	-1,703	47	35	167
% change	-2.2	#DIV/0!	13.7	97.9	48.4

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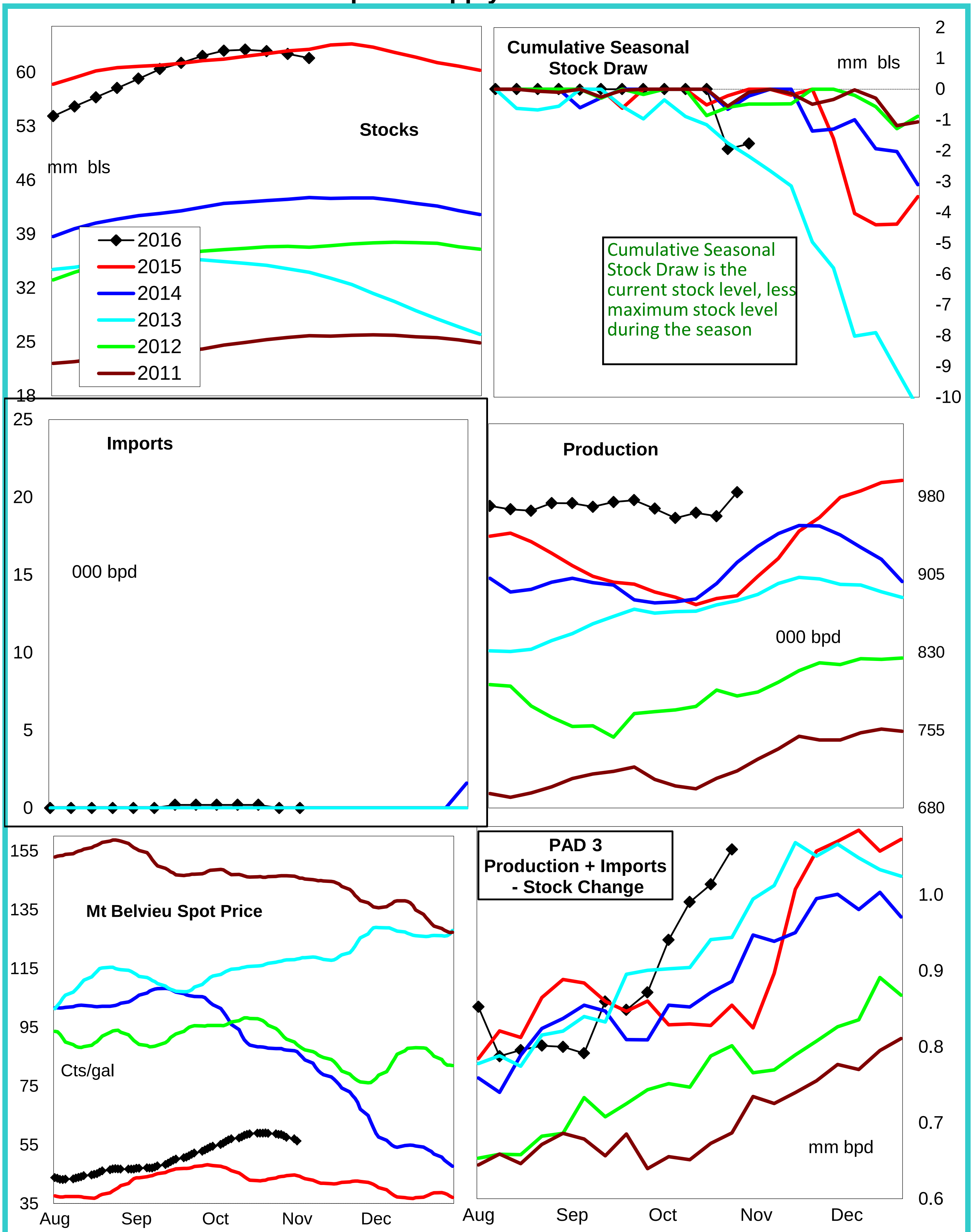
PADD 3 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-1,080	-1,770	92	0	166
% change	-1.7	#DIV/0!	10.6	#DIV/0!	19.8

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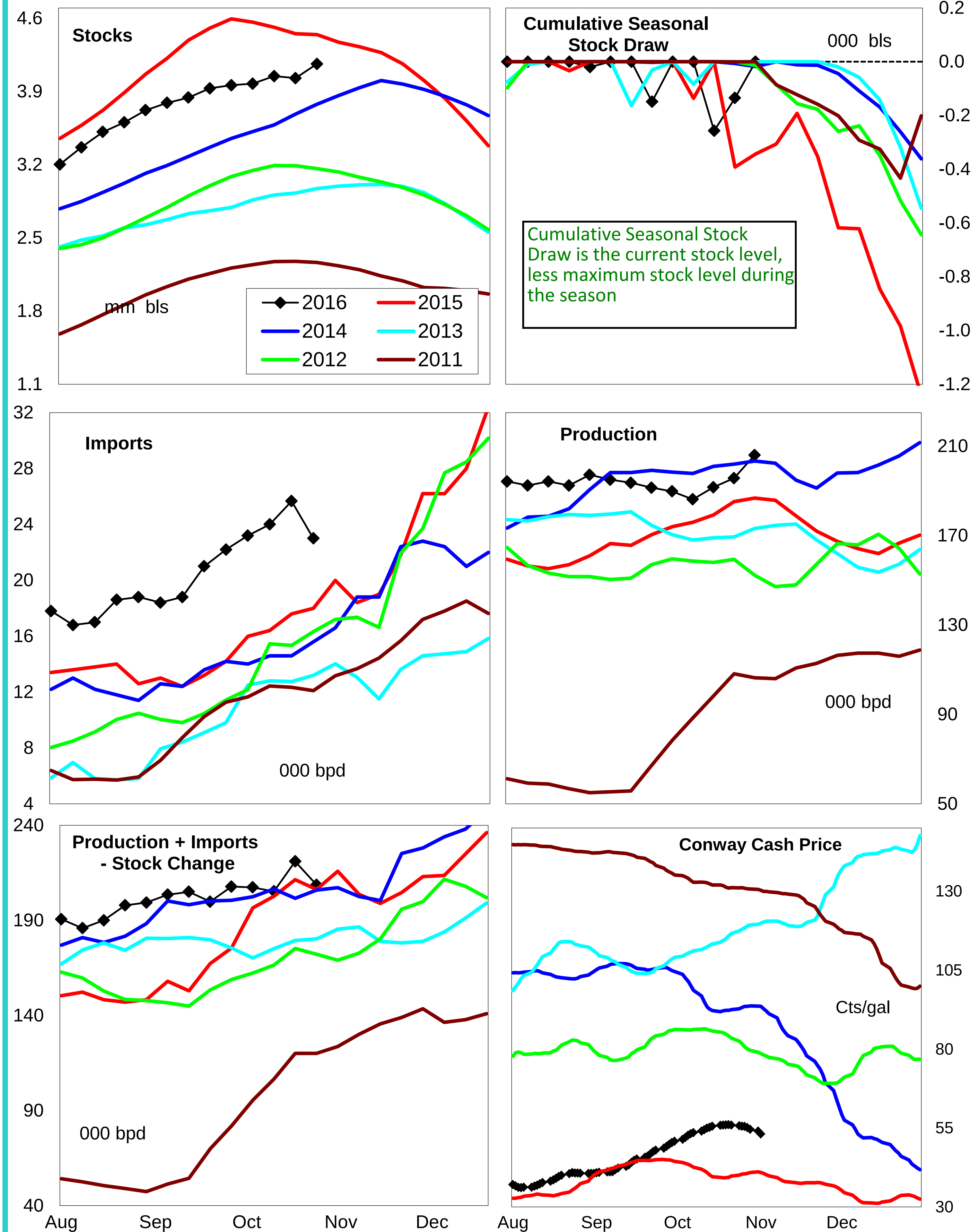
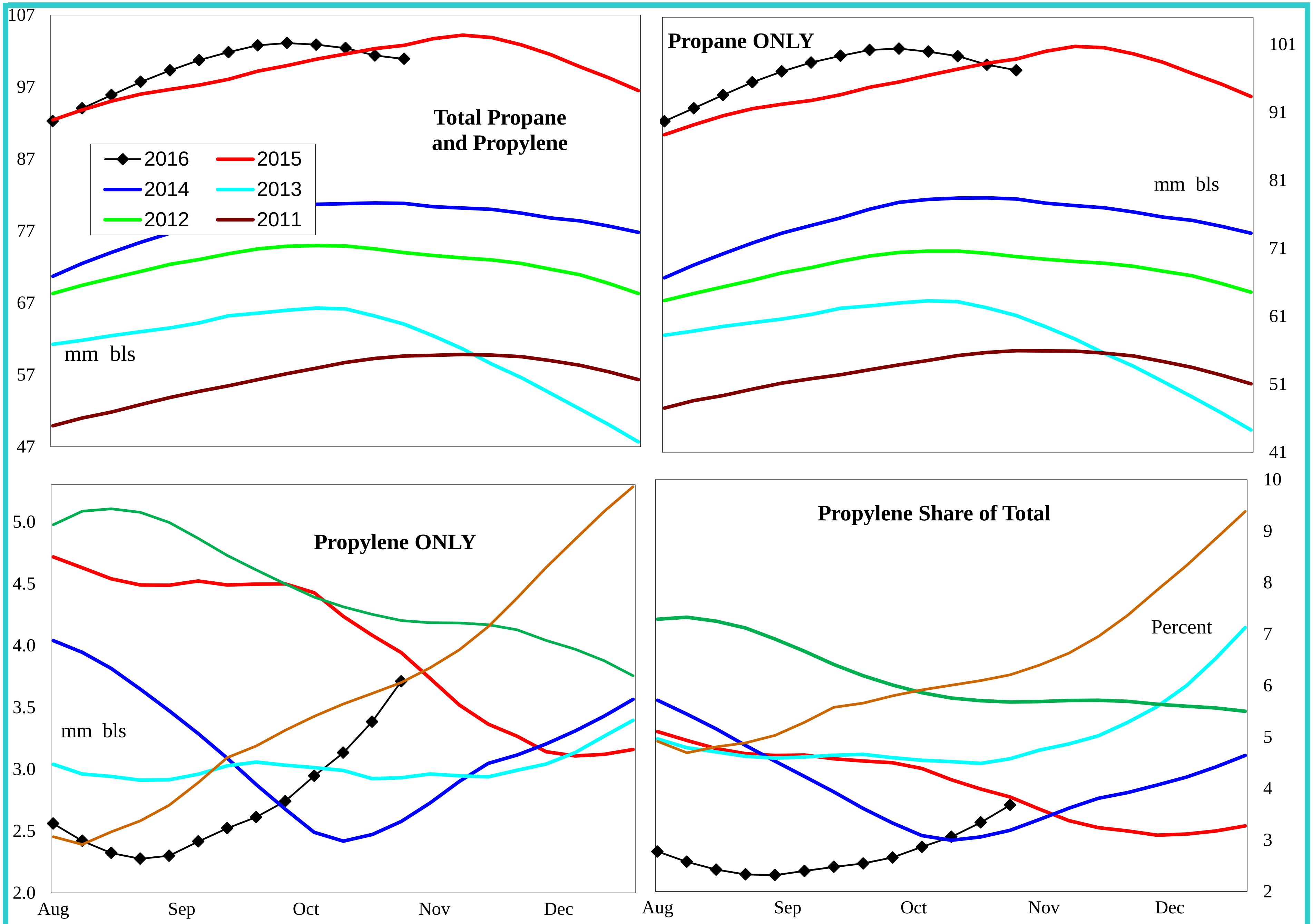
PADDs 4 and 5 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-184	343	7	7	6
% change	-4.2	-100.0	3.8	38.4	3.1

U. S. Propane and Propylene Stocks



Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	-1,498	-1,477	-233
% change	-1.5	-1.5	-5.9

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