WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

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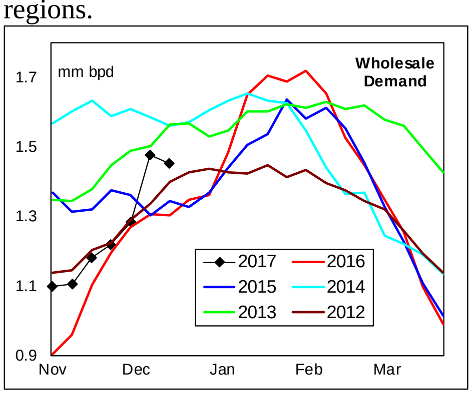
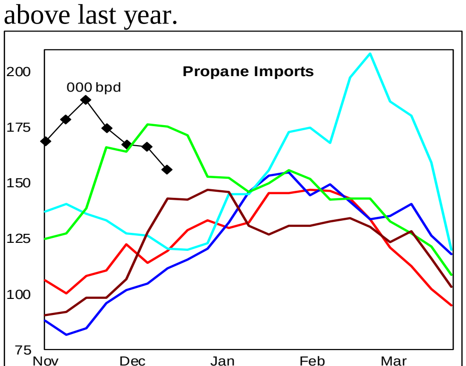
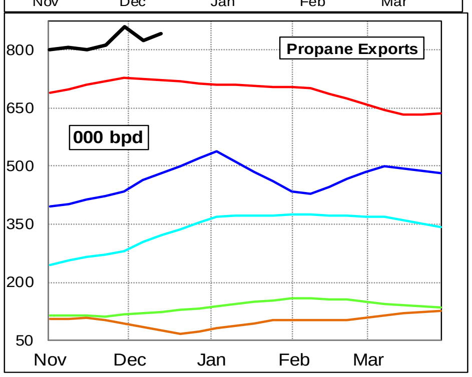
Summary[1]:
Wholesale demand decreased -49,000 bpd last week, although the level remains above the last 2-yrs on below normal temperatures in key heating regions.



Production decreased -31,000 bpd on the week, concentrated in the Midwest and East Regions. Production for the latest 4-wk average was +60,000 above a year ago. Imports decreased -1,000 on the week, concentrated in the West. The latest 4-wk average was +54,000 bpd above last year.

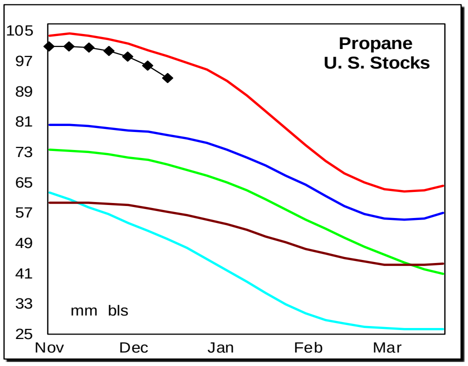




Exports for the week ending 16Dec16 were 0.84 million bpd, a level well above last year.

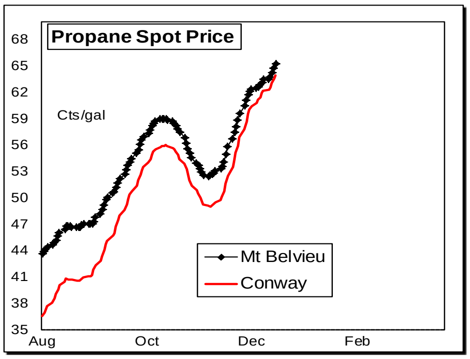
[1] Source is latest EIA Weekly Statistics

Stocks decreased -3.1 million barrels on the week, driven by the high level of of wholesale demand.



The latest 4-wk stock draw of -10.1 million barrels, was a record draw for this time of year.

Price and Spreads Mt Belvieu spot price increased +2.4 cpg for the week ending 23Dec16 while Conway saw a +2 cpg increase.



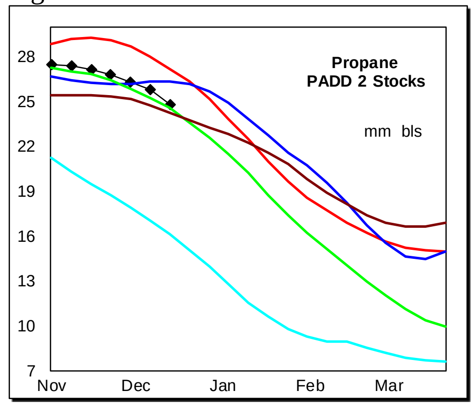
The Conway – Mt Belvieu price spread was unchanged last week, ending at a level above the last 2-yrs.

The propane to natural gas price spread decreased late in the week, to end at a level equal to a year ago.

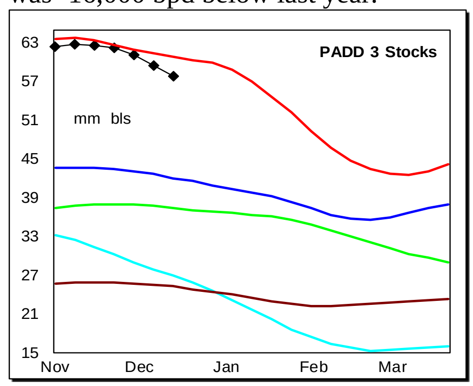
The propane / crude oil price spread trended higher on the week, ending at a level near highs for the last 3-yrs.

PADD 1 stocks decreased -0.6 million barrels last week. Stock levels ended the week slightly below last year. Supply increased +1000 bpd on the week.

PADD 2 supply fell -33,000 bpd on the week, on lower production. Production for the latest 4-wk period was +60,000 bpd above a year ago while imports increased +23,000 bpd. Midwest supply continues on a trend of +80,000 bpd above the prior record high, which was last year. Stocks decreased -1.1 million barrels on the week. Stock levels ended the week -8% below last years' record high.



PAD 3 stocks fell -1.3 million barrels on the week, driven by the high level of wholesale demand. Stock levels ended the week -5% below last year's record high. Supply for the latest 4-wk period was -16,000 bpd below last year.



PADDs 4 & 5 stocks decreased -0.1 million barrels last week. Supply was +35,000 bpd higher than last year on record imports. Stock levels ended the week -5% below last year.

Emerging Trends Wholesale demand should remain at an above average level on a new forecast of below normal temperatures across all heating regions during the next 10-days. Stocks have experienced a record rate of draw during the last month. Stock levels remain ample for a colder than normal winter, with the level near last year's record high.

Below normal temperatures and robust stock draws should drive wholesale prices higher during the 1st half of January.

PROPANE: Graph Link and Weekly Summary

December 27, 2016

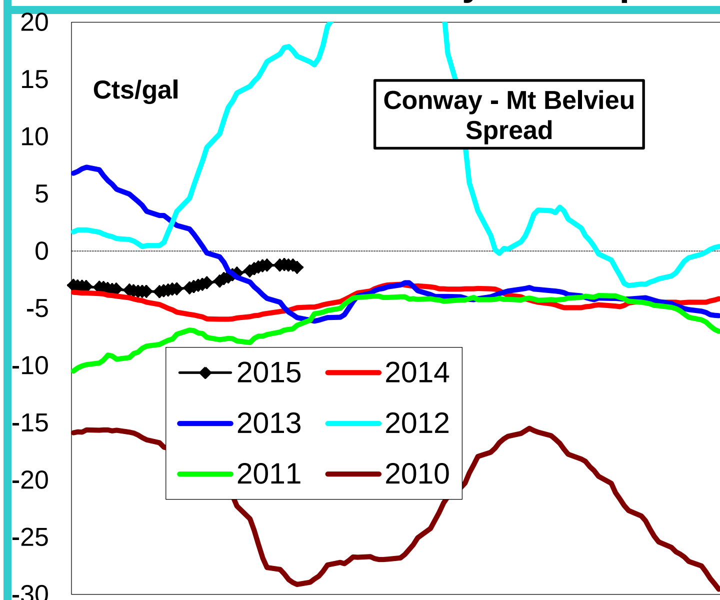
Fundamental Trends for the Week Ending: Friday, December 16, 2016

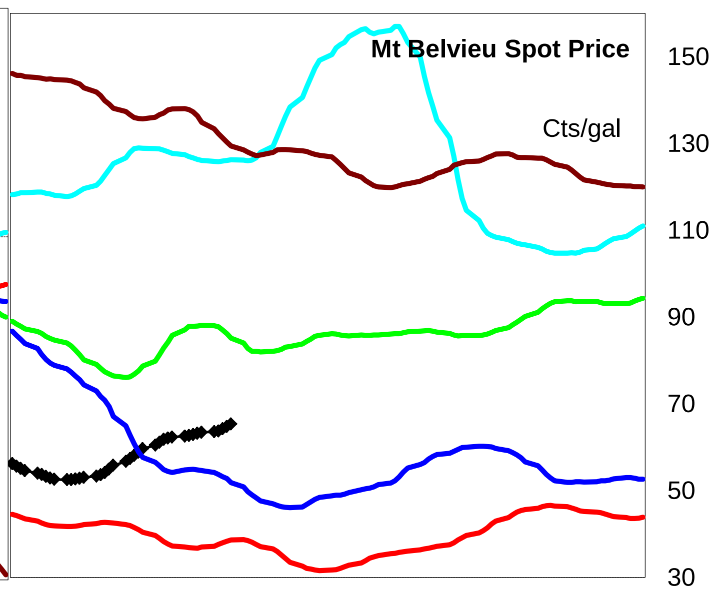
000 bpd Stocks 000 bls	Weekly Supply-Demand U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5	Change from prior week: U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5
Stocks	92,539	6,464	24,804	57,752	3,519	-3,084	-561	-1,127	-1,309	-87
Propylene Stocks	4,601					-51				
Production	1,698	151	401	976	170	-31	-10	-42	19	2
Imports	156	60	59	0	37	-1	11	9	0	-21
Whsle Demand	1,453					-49				

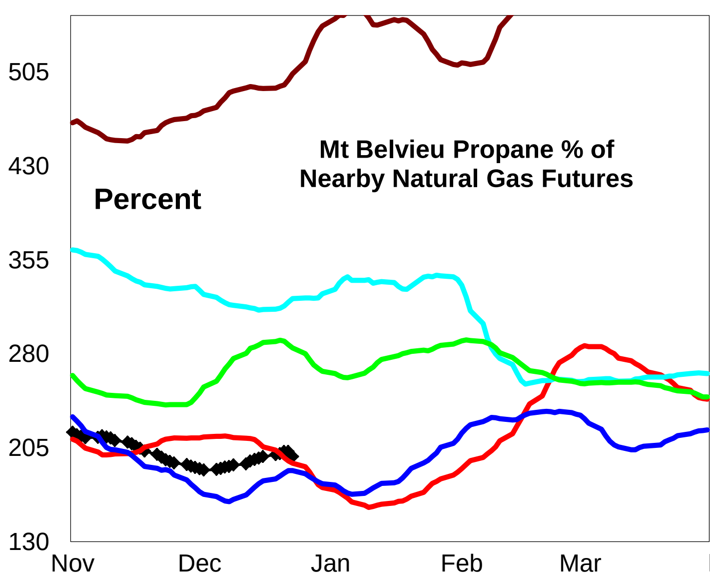
Price Trends for the Week Ending: Friday, December 23, 2016

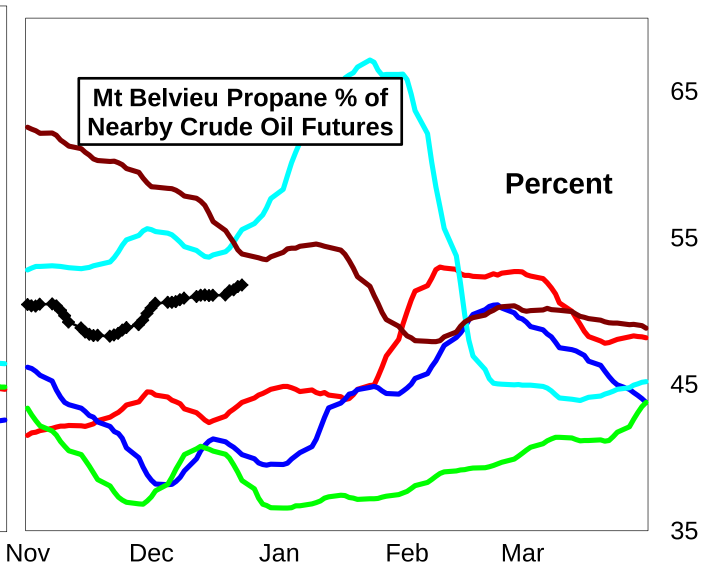
Cents/gal	Average for week ending: 12/23/16	12/16/16	11/25/16	12/29/15	Change from: 12/16/16	11/25/16	12/29/15	% change from: 12/16/16	11/25/16	12/29/15
Mont Belvieu Spot	64.5	62.7	54.1	38.6	1.80	8.53	15.58	2.9	15.8	40.4
Conway Spot	63.3	61.4	50.8	33.5	1.85	10.63	17.30	3.0	20.9	51.7

Key Price Spreads and Differentials

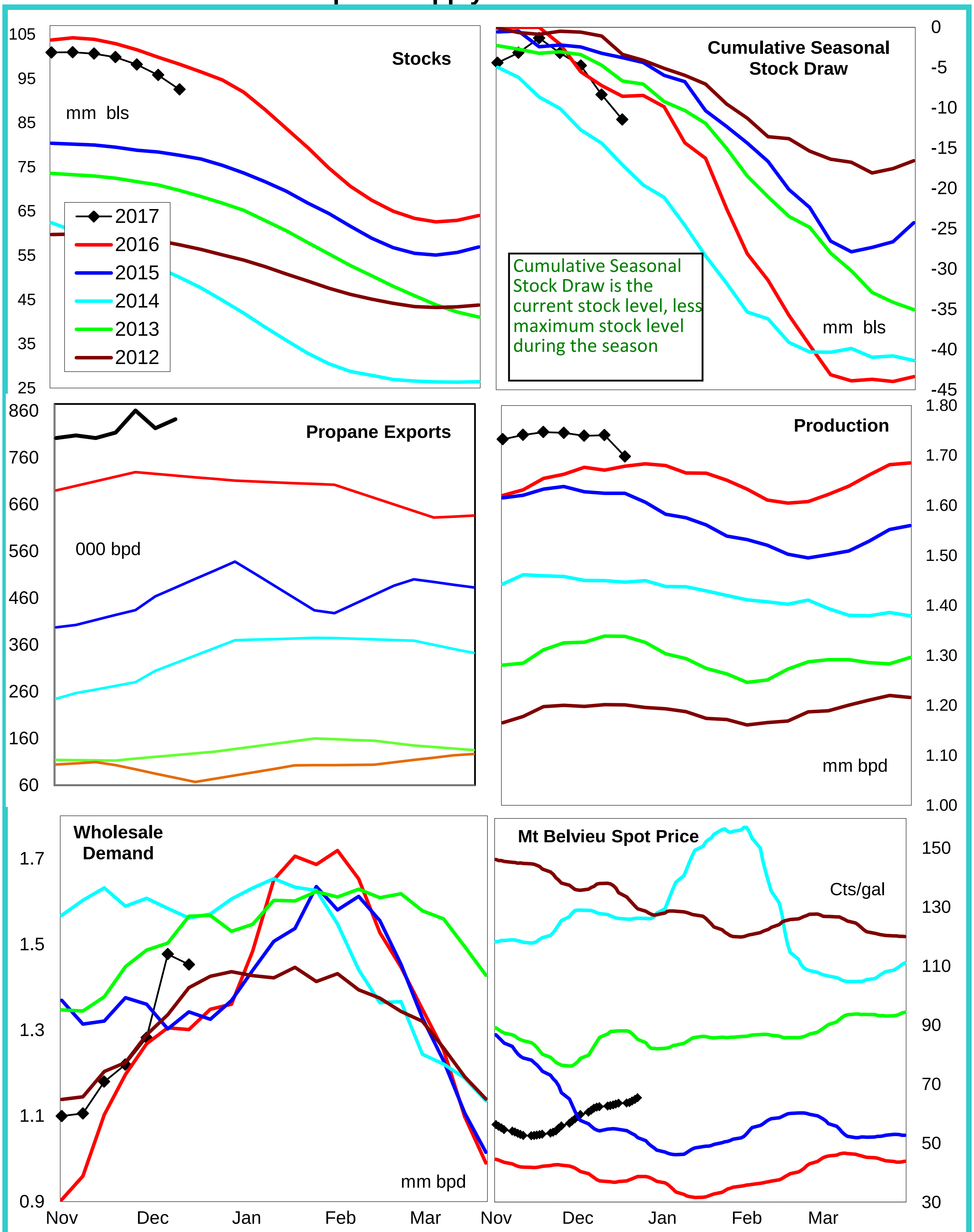








U. S. Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Nov	Oct	Sep
000 bpd (000 bls stks)	-5,099	-2,897	60	54		25	4	191	200
% change	-5.2	34	3.6	47.4		1.8	0.3	18.7	22.3

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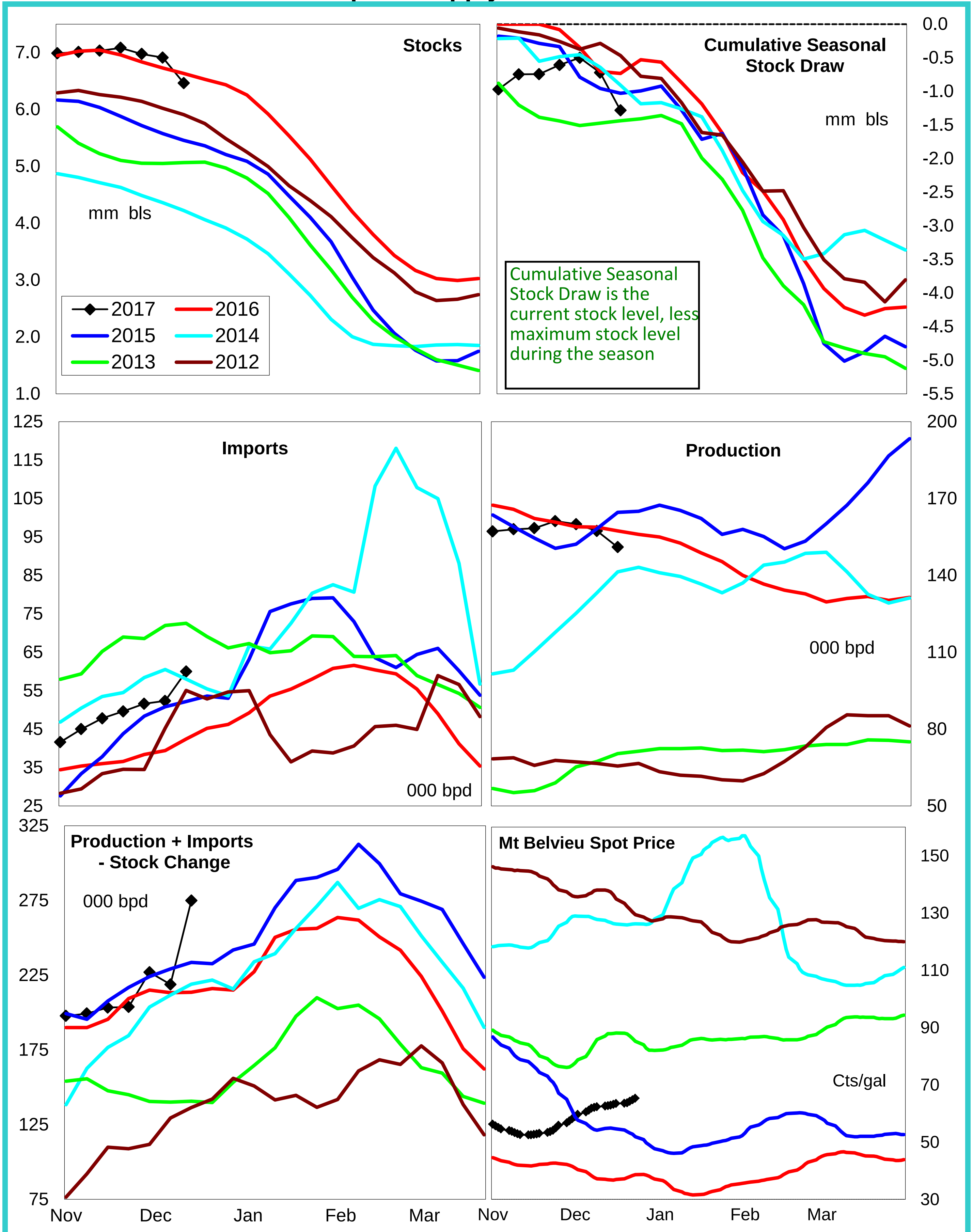
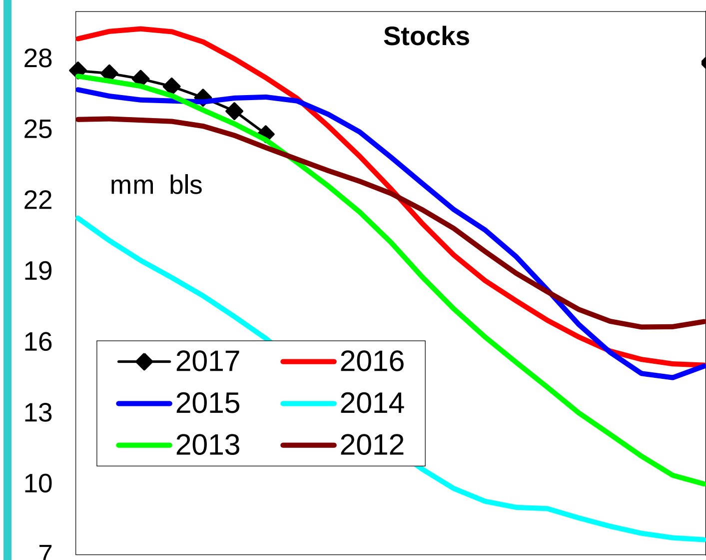
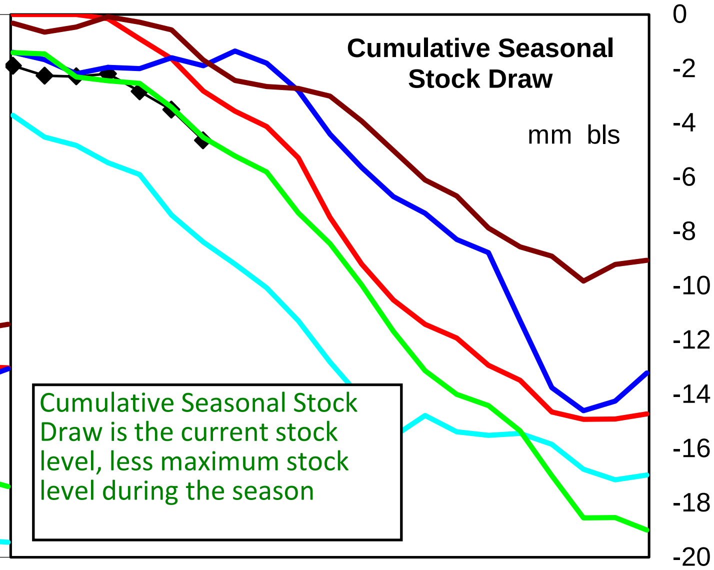
PADD 1 Propane Supply and Demand Balance

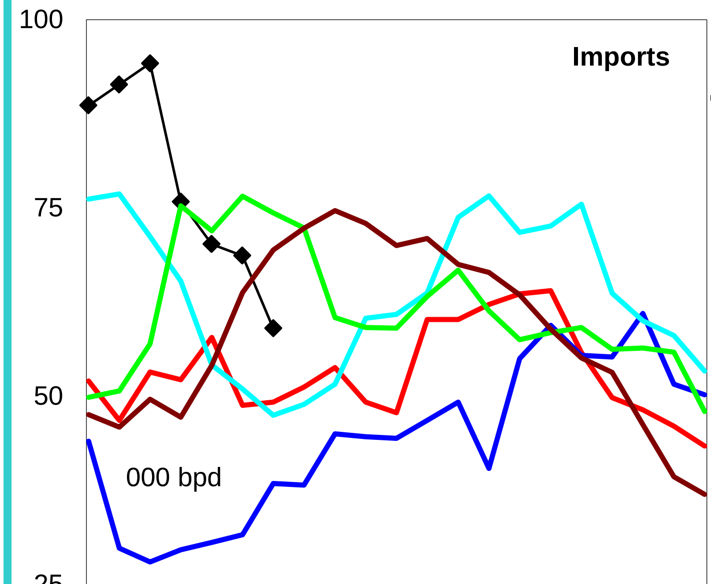


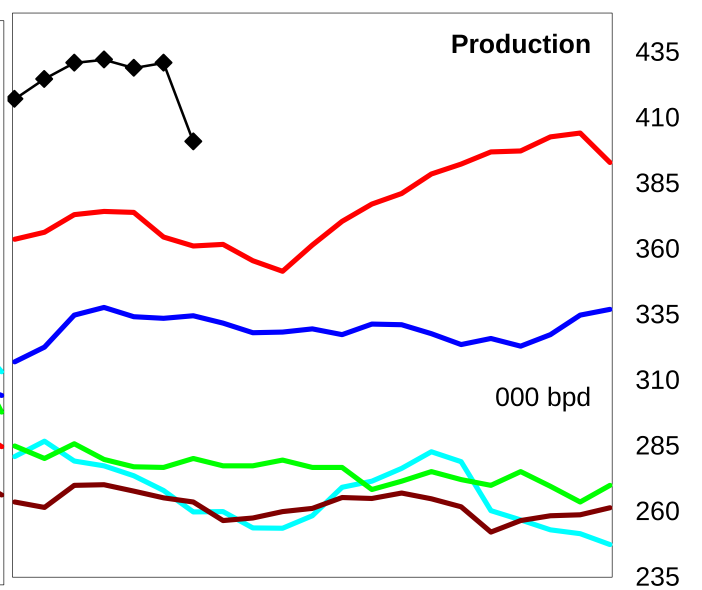
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-14	-551	0	12	18
% change	-0.2	75.3	-0.2	29.1	8.6

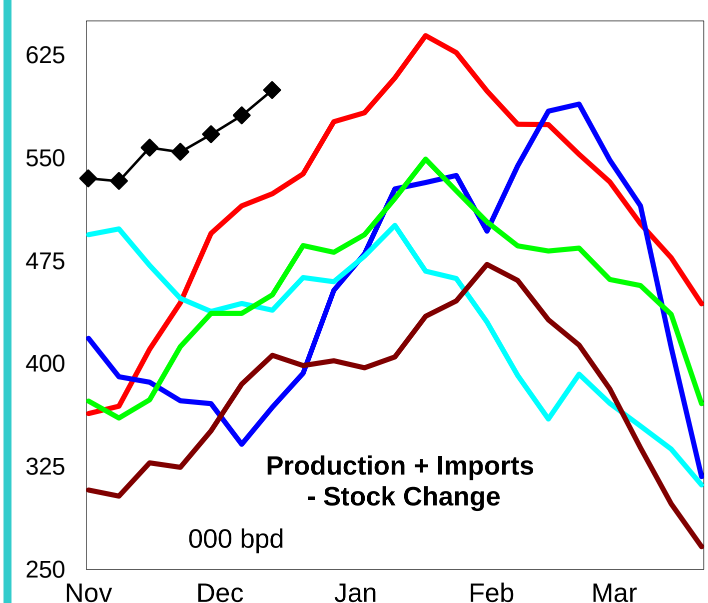
PADD 2 Propane Supply and Demand Balance

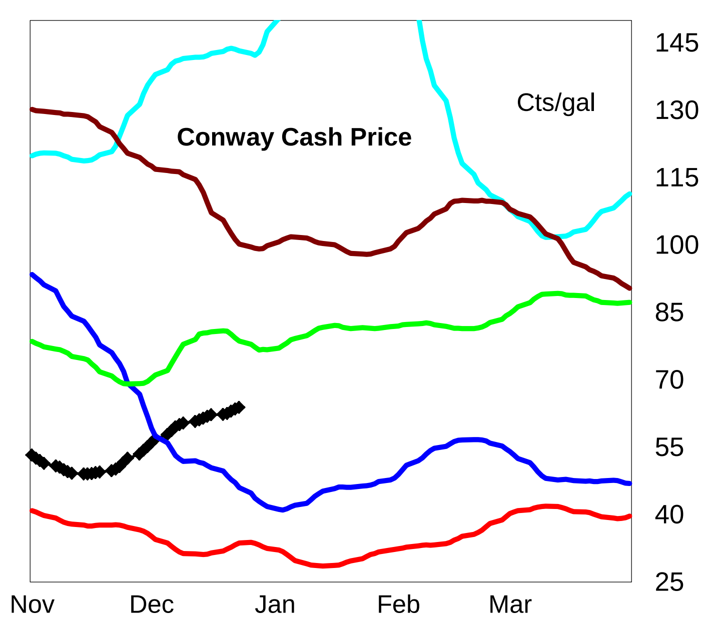






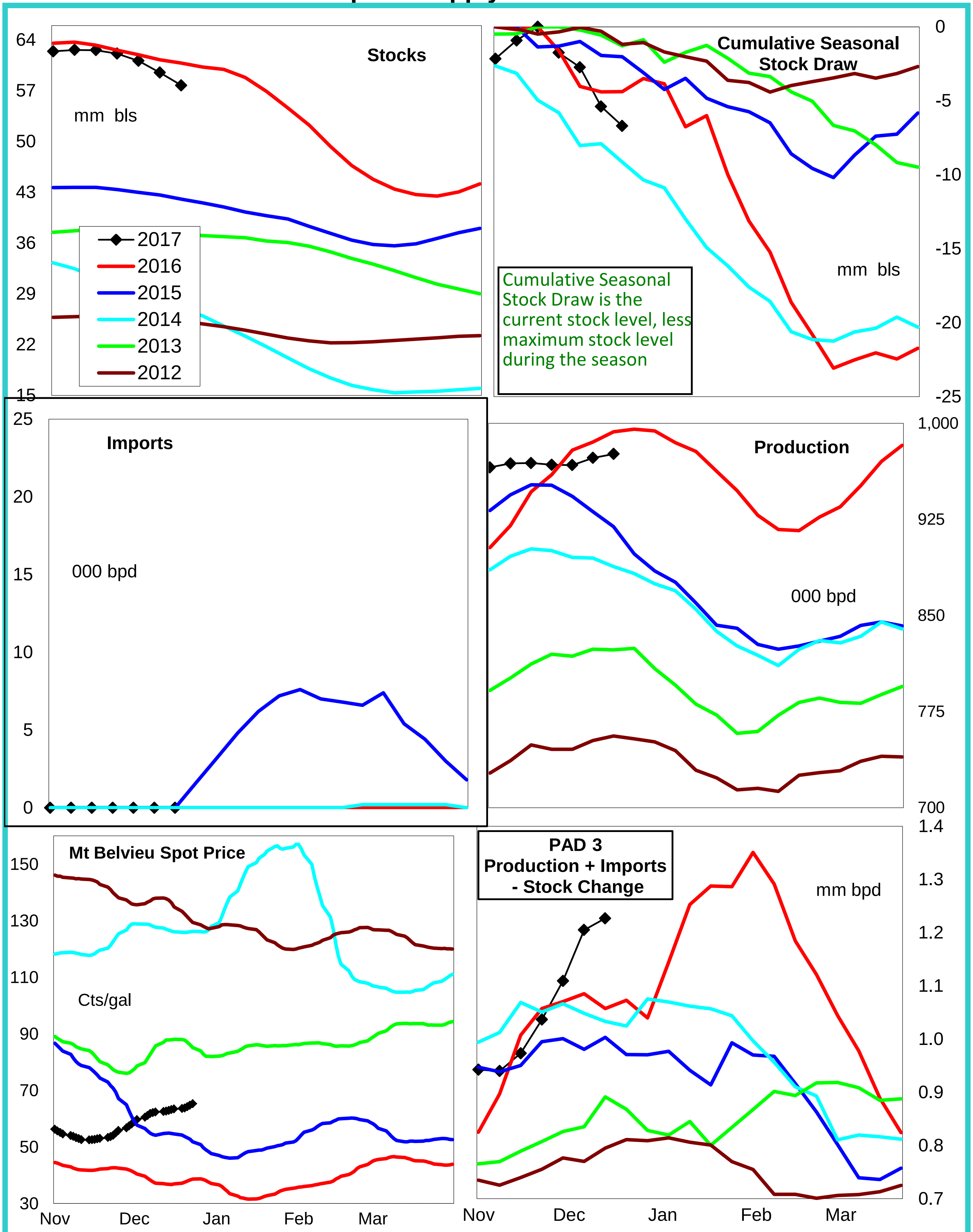






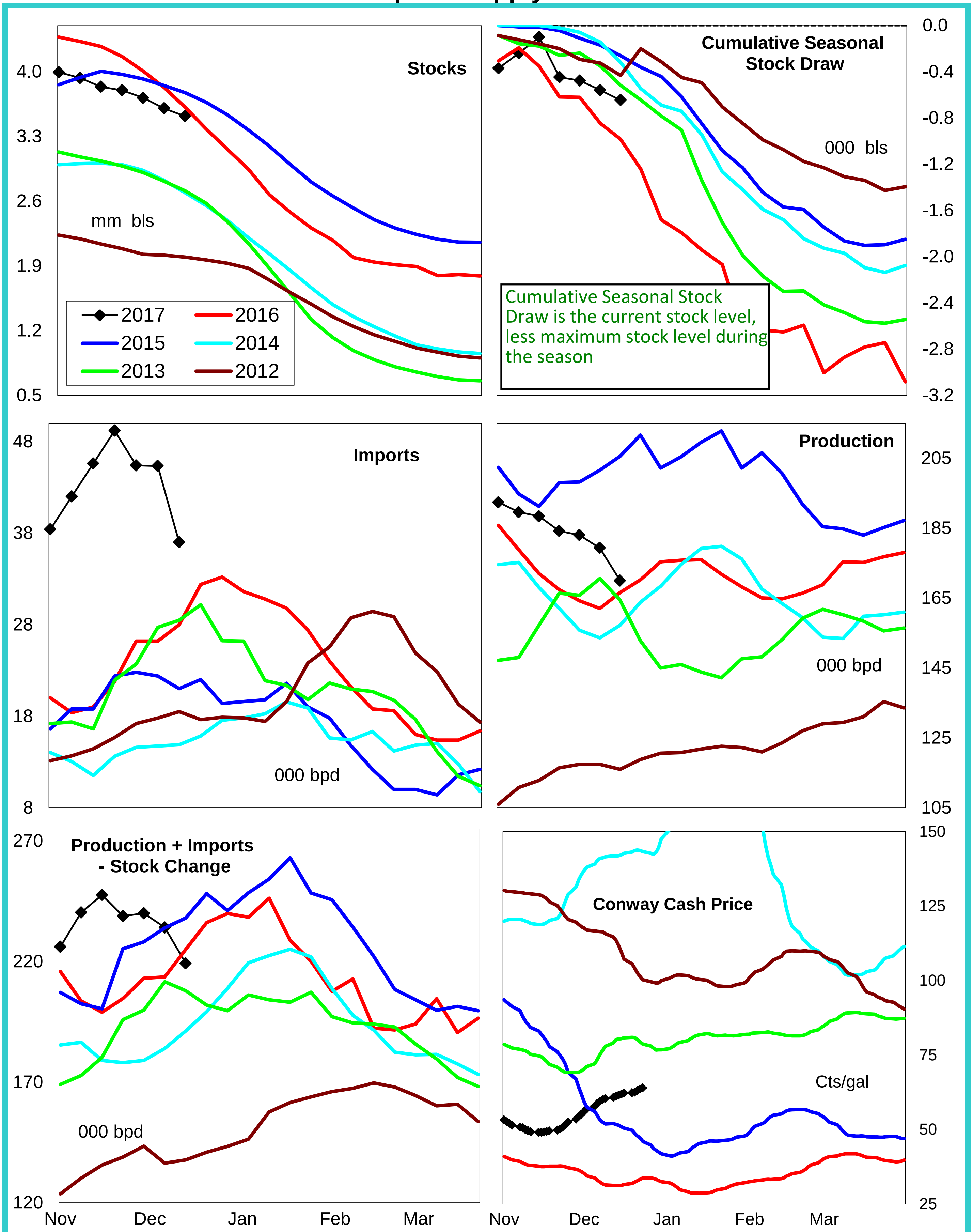
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-2,181	-1,818	60	23	81
% change	-8.1	64.5	16.2	47.2	16.3

PADD 3 Propane Supply and Demand Balance



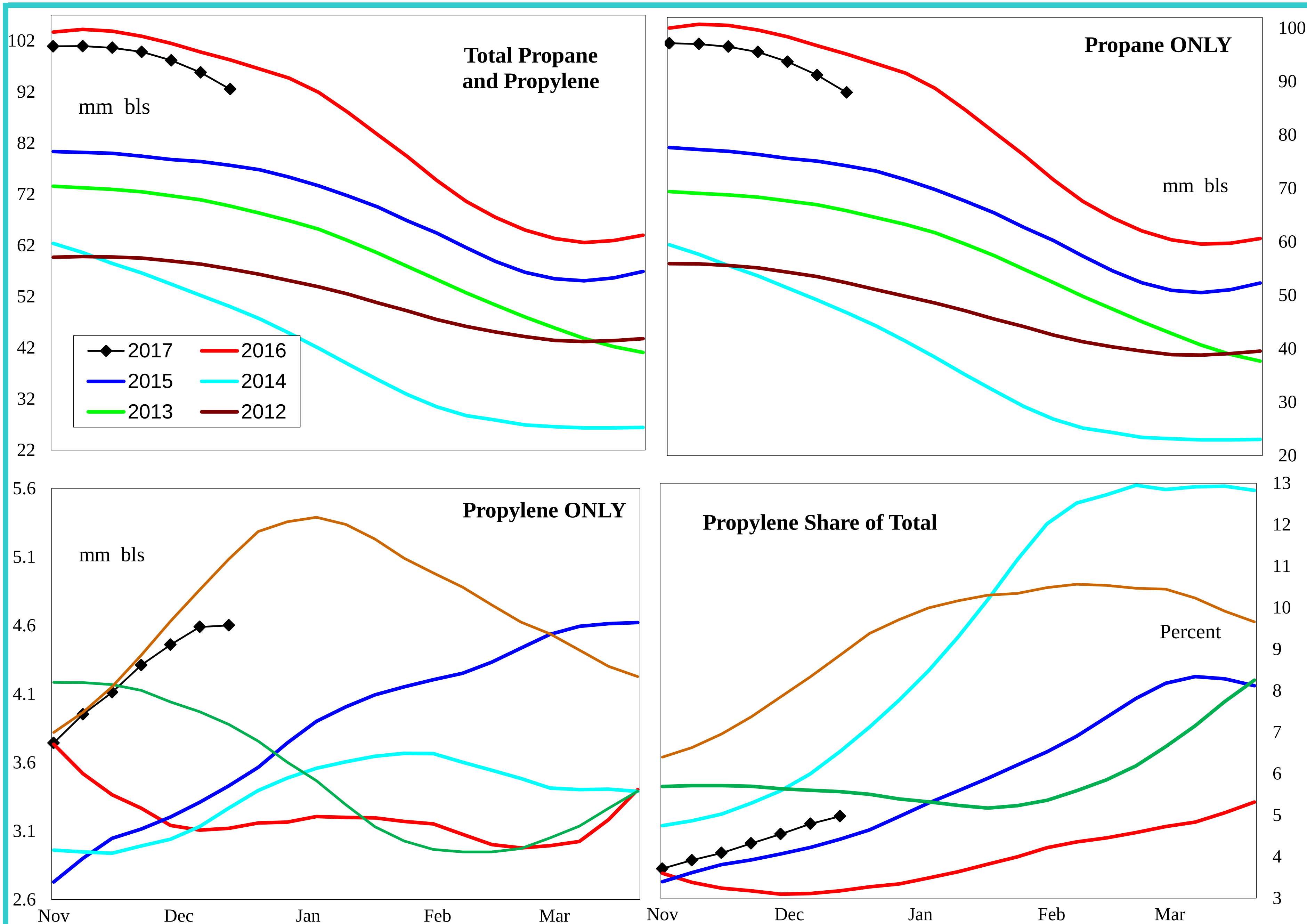
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-2,716	-2,310	-16	0	77
% change	-4.5	53	-1.6	#DIV/0!	7.2

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)	-188	339	16	19	19
% change	-5.1	-34.5	10.1	76.2	8.9

U. S. Propane and Propylene Stocks



Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	-5,099	-6,636	1,482
% change	-5.2	-7.0	47.5

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

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