



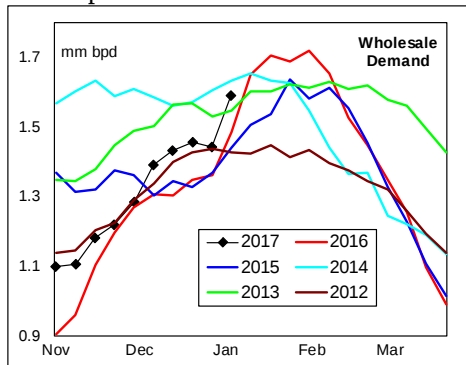
WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

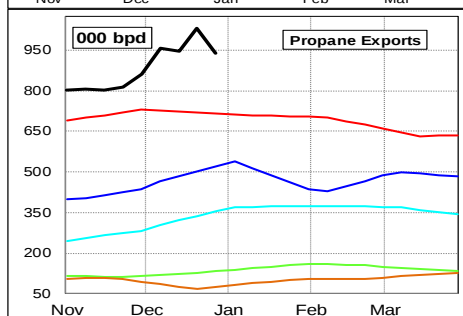
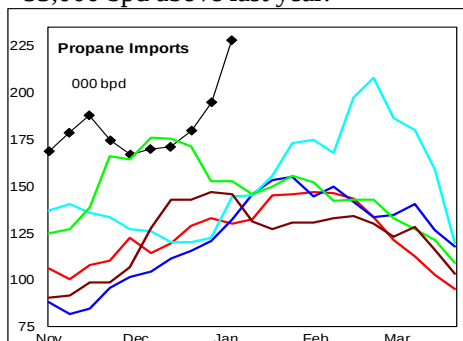
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Summary¹:

Wholesale demand increased +216,000 bpd last week, a level near historic highs for the period.



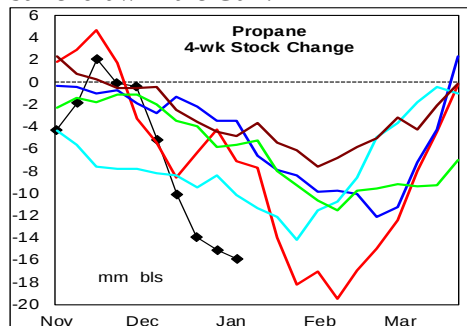
Production increased +22,000 bpd on the week, concentrated in the West Region. Production for the latest 4-wk average was +45,000 above a year ago. Imports increased +51,000 on the week to a record high for the winter quarter. The increase was concentrated in the Midwest. The latest 4-wk average was +53,000 bpd above last year.



Exports for the week ending 30Dec16 were 0.94 million bpd, continuing a trend of sharply higher imports compared to a year ago.

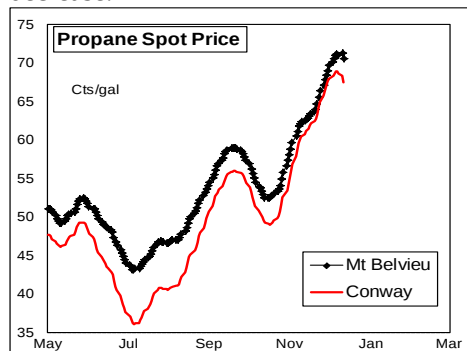
Stocks decreased -4.5 million barrels

on the week, including a -3.8 million barrel draw in the Gulf.



The latest 4-wk stock draw of -16 million barrels, was the 4th consecutive record draw for this time of year.

Price and Spreads Mt Belvieu spot price was unchanged for the week ending 10Jan17 while Conway saw -2 cpg decrease.



The Conway – Mt Belvieu price spread declined last week, ending at a level equal to the average of the last 2-yrs.

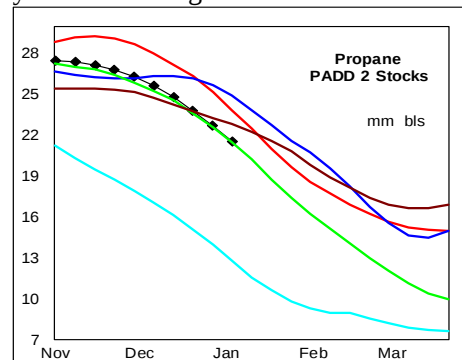
The propane to natural gas price spread was sharply higher last week on continued weak natural gas prices to end at a level well above the last 2-yrs.

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

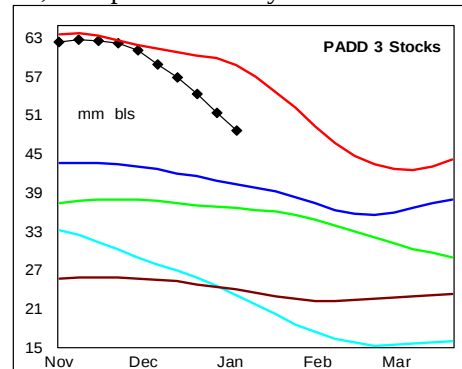
PADD 1 stocks increased +0.5 million barrels last week. Stock levels ended the week at a record high for the period. Supply decreased -16,000 bpd on the week; due to lower imports.

PADD 2 supply increased +50,000 bpd on the week, driven by record imports. Production for the latest 4-wk period was +51,000 bpd above a year ago while imports increased +22,000 bpd. Midwest supply continues on a trend of +70,000 bpd above the prior record high, which was last year. Stocks decreased -

1.2 million barrels on the week. Stock levels ended the week -12% below last years' record high.



PAD 3 stocks decreased -3.8 million barrels on the week, driven by higher wholesale demand and very high exports. Stock levels ended the week -16% below last year's record high. Supply for the latest 4-wk period was -16,000 bpd below last year.



PADDs 4 & 5 stocks were unchanged last week. Supply was +40,000 bpd higher than last year on increased production. Stock levels ended the week unchanged from a year ago.

Emerging Trends Very high exports continued to drive down stocks in the Gulf while record imports limited stock draws in the Midwest. Given the +300,000 bpd increase in exports over prior records, an expansion in capacity points to ongoing increased export volumes.

The forecast of above normal temperatures in much of the country during the next 2-wks may offset the increase in exports, with a market price top occurring by month end.

¹ Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

January 11, 2017

Fundamental Trends for the Week Ending:

Friday, January 06, 2017

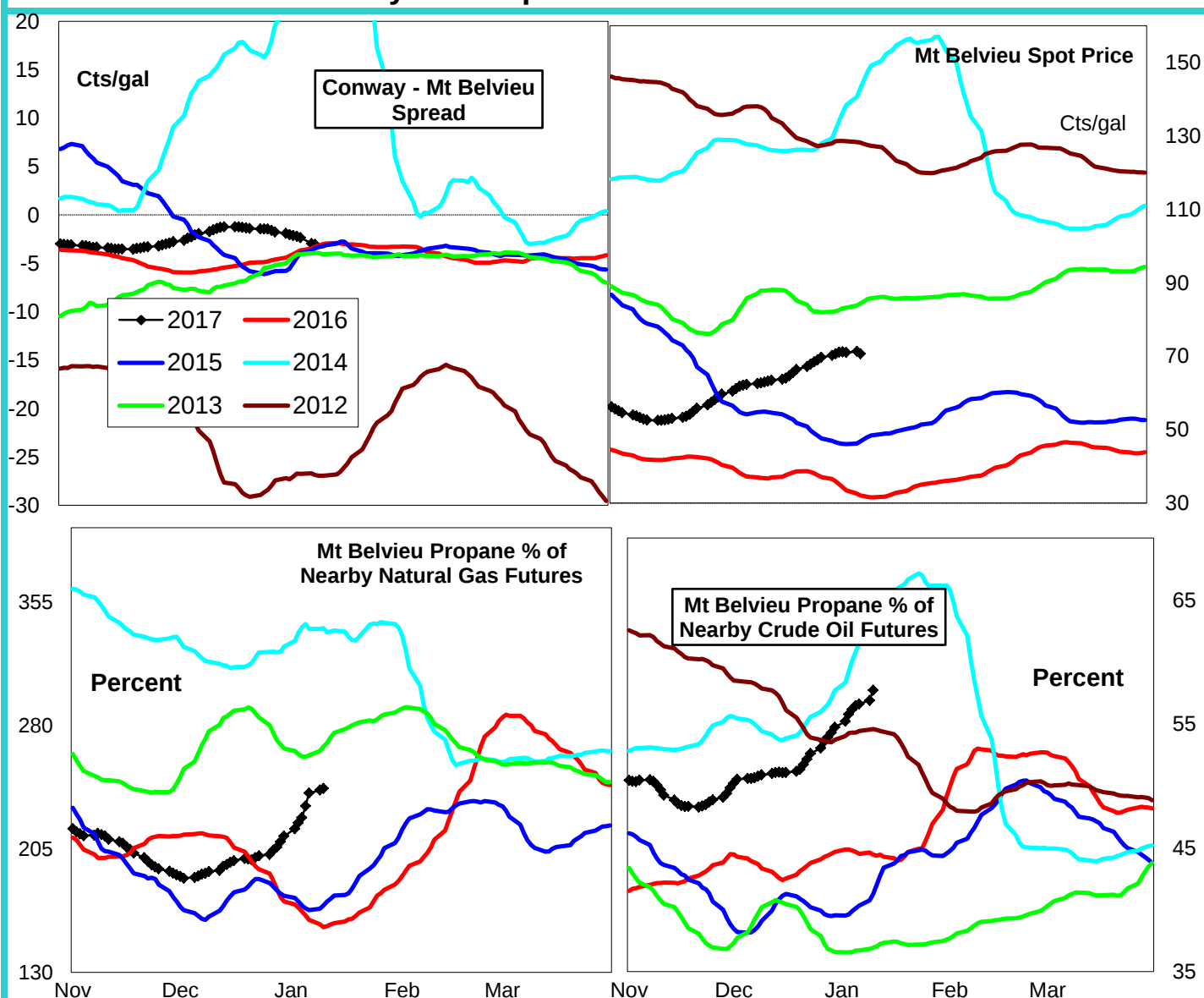
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD				U.S. Total	PADD			
		1	2	3	4&5		1	2	3	4&5
Stocks	79,659	6,629	21,554	48,593	2,883	-4,464	454	-1,164	-3,782	28
Propylene Stocks	4,447					-195				
Production	1,768	148	411	993	216	22	-5	-8	-1	36
Imports	228	67	123	0	38	51	-11	58	0	4
Whsle Demand	1,591					216				

Price Trends for the Week Ending:

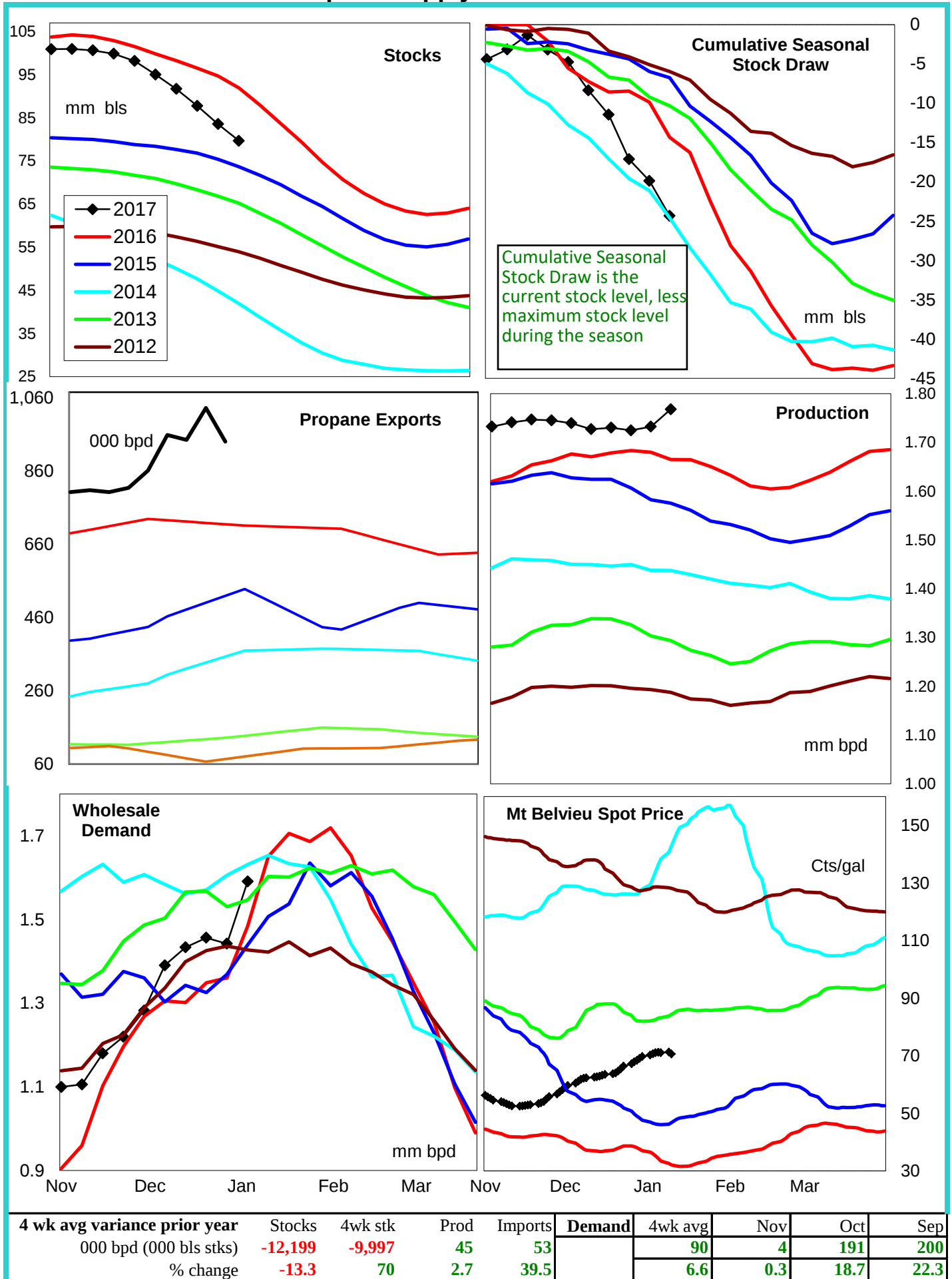
Tuesday, January 10, 2017

Cents/gal	Average for week ending:				Change from:			% change from:		
	1/10/17	1/3/17	12/13/16	1/14/16	1/3/17	12/13/16	1/14/16	1/3/17	12/13/16	1/14/16
Mont Belvieu Spot	71.1	71.0	62.5	33.2	0.08	8.49	29.35	0.1	13.6	88.5
Conway Spot	68.5	69.4	60.8	29.5	-0.93	8.65	31.25	-1.3	14.2	105.9

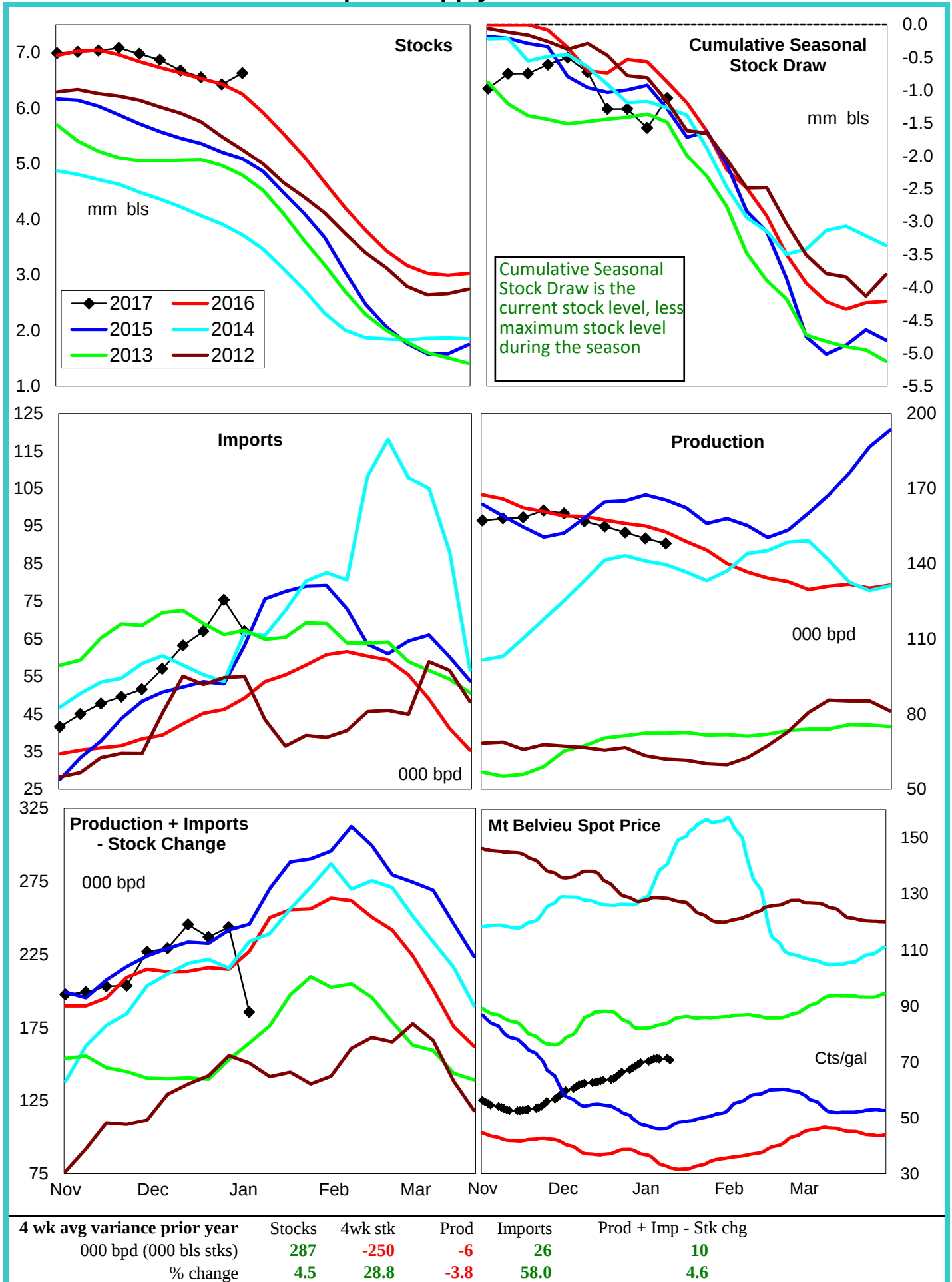
Key Price Spreads and Differentials



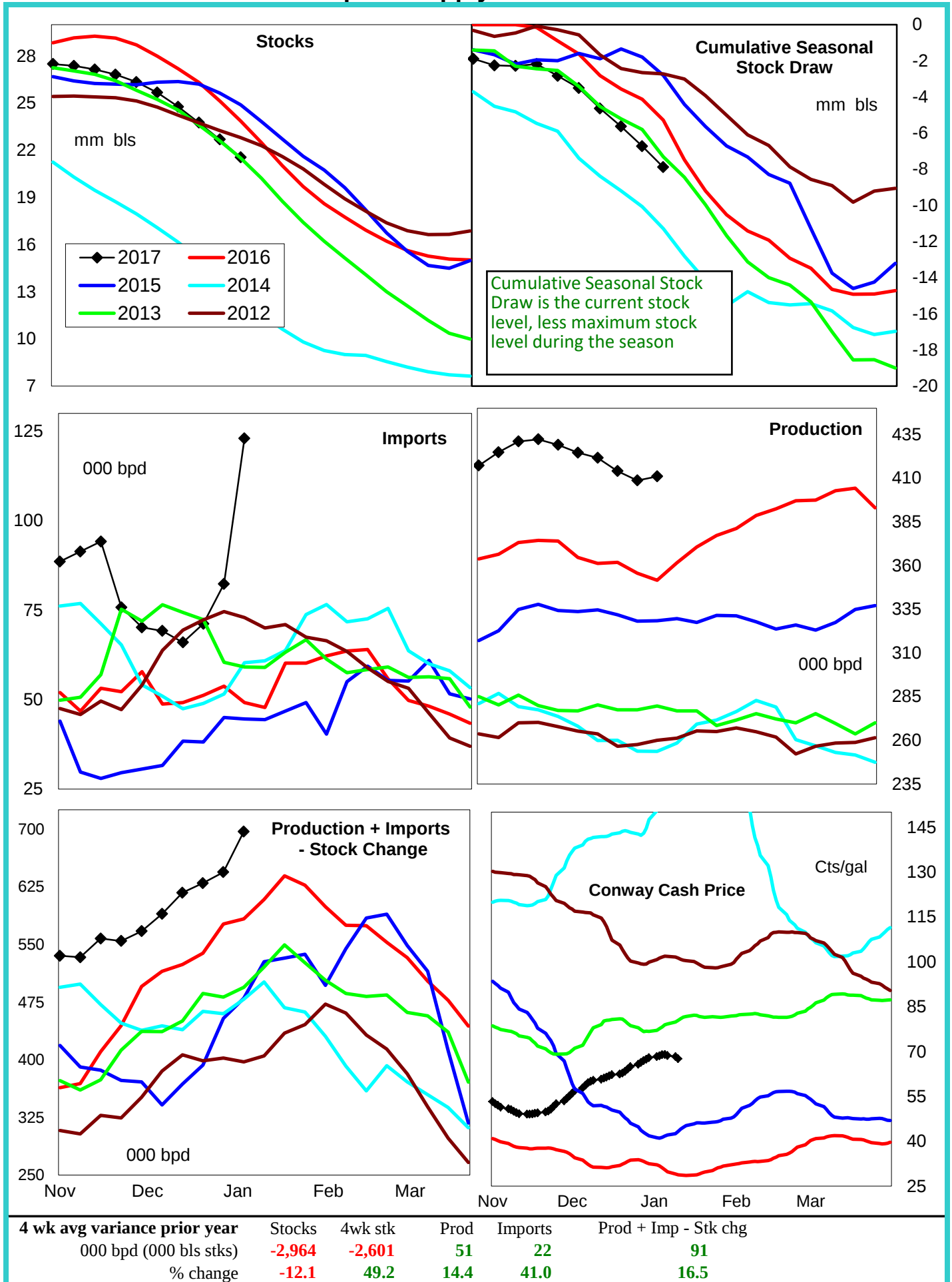
U. S. Propane Supply and Demand Balance



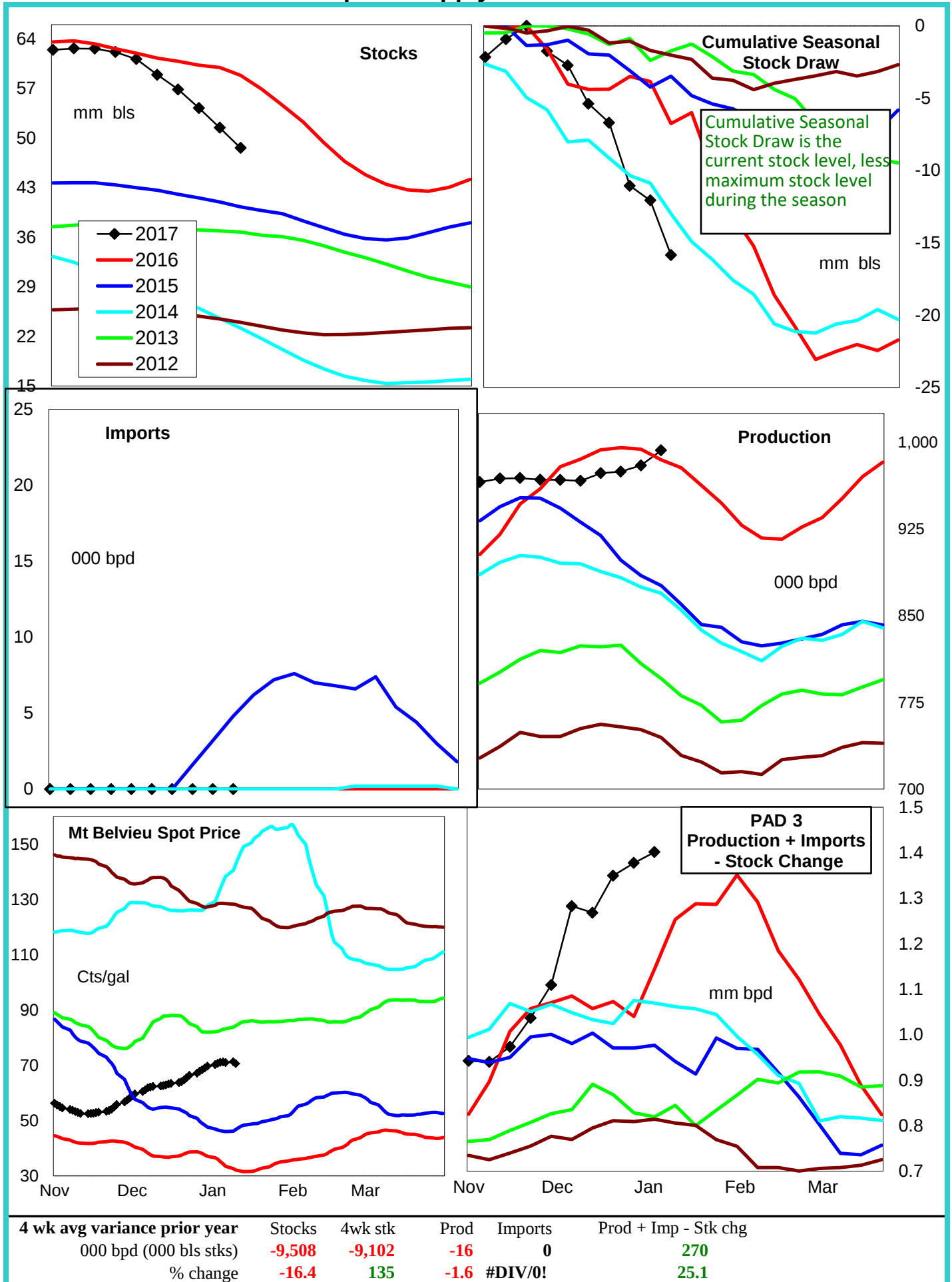
PADD 1 Propane Supply and Demand Balance



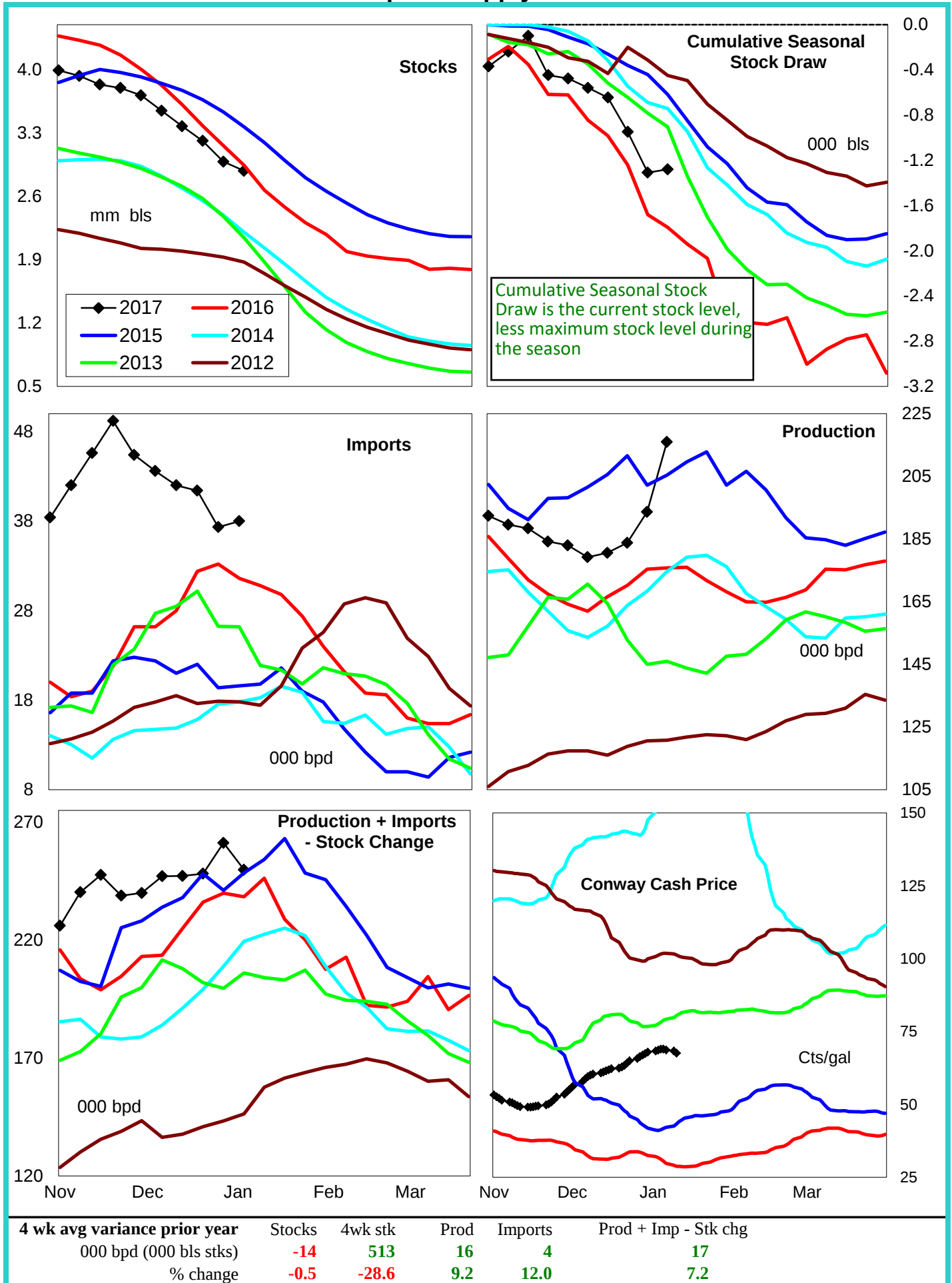
PADD 2 Propane Supply and Demand Balance



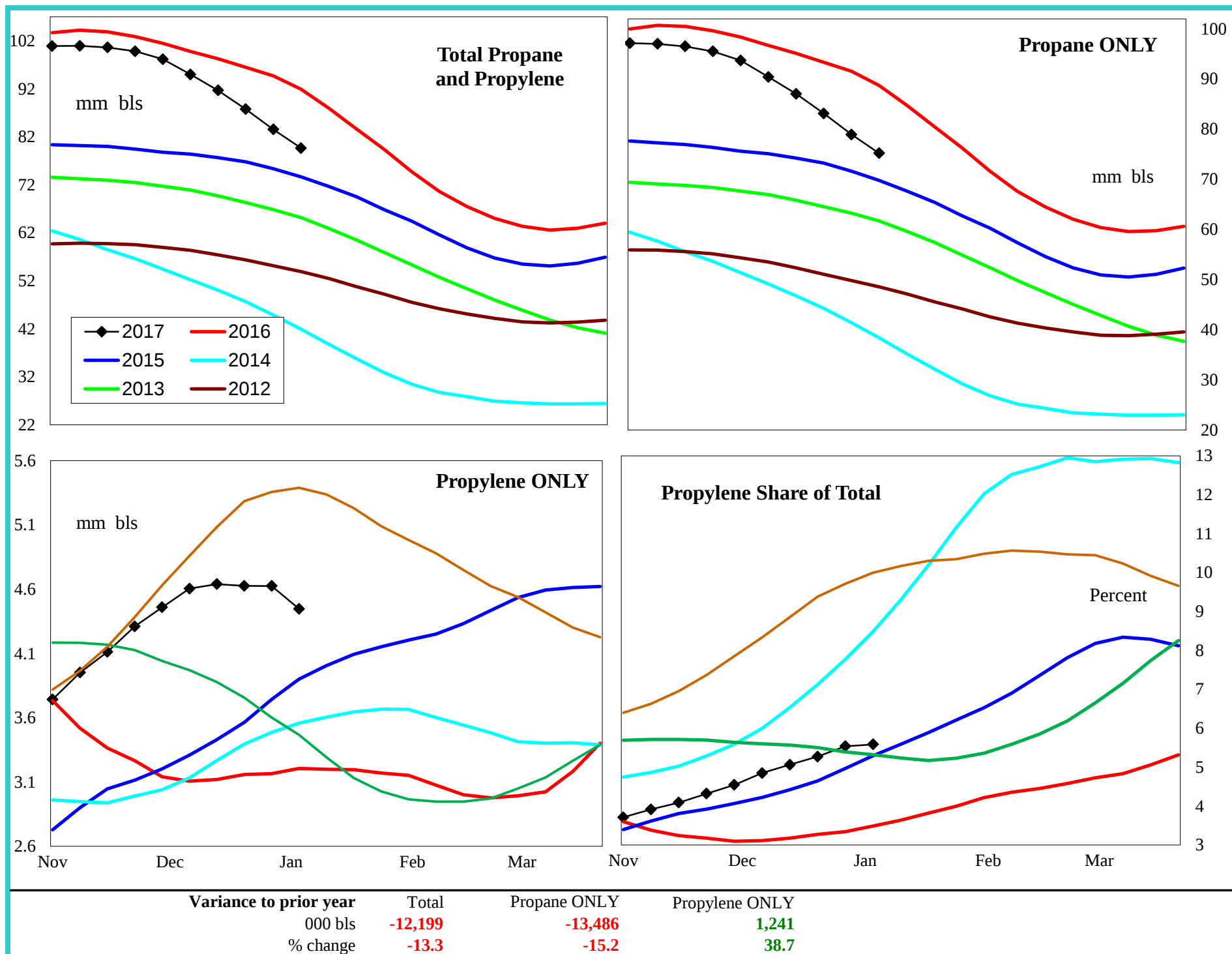
PADD 3 Propane Supply and Demand Balance



PADDs 4 and 5 Propane Supply and Demand Balance



U. S. Propane and Propylene Stocks



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

