WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

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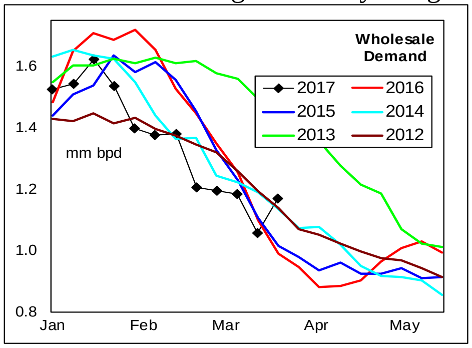
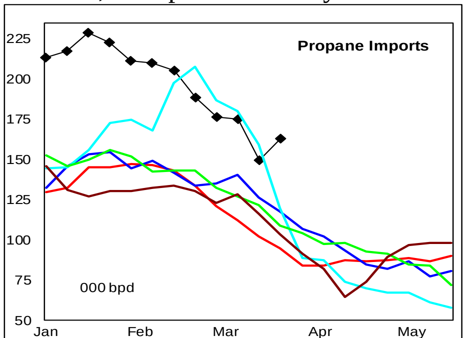
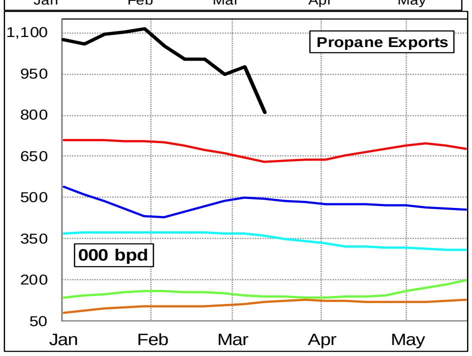
Summary[1]:
Wholesale demand increased +0.1 million bpd last week to a level above the last 3-yrs. The latest 4-wk wholesale demand was unchanged from a year ago.



Production decreased -28,000 bpd last week, while imports increased an equal amount. Production for the latest 4-wk period averaged +62,000 above a year ago. The latest 4-wk average of imports was +49,000 bpd above last year.

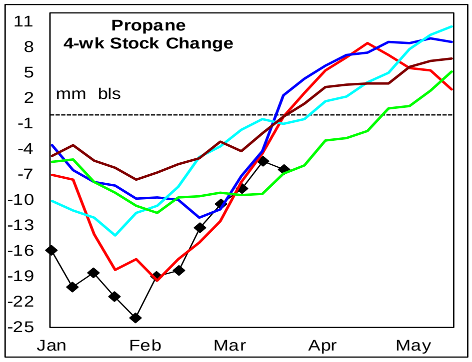




Exports for the week ending 17Mar17 were 0.8 million bpd, well below the 1.1 million bpd earlier peak.

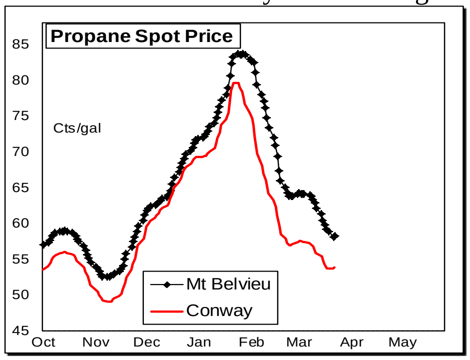
Stocks decreased -1.5 million barrels on the week, concentrated in regions outside the Gulf.

[1] Source is latest EIA Weekly Statistics



The latest 4-wk stock draw of -6.5 million barrels, was a record for this time of year.

Price and Spreads Mt Belvieu spot price increased +2 cpg last week ending 28Mar17 while Conway was unchanged.



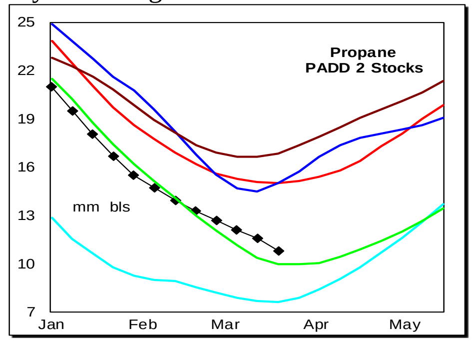
The Conway – Mt Belvieu price spread strengthened in favor of Conway last week, to trade at the 3-yr mid range for this time of year.

The propane to natural gas price spread extended a sharp downtrend on strength in gas prices, trading below the 5-yr range for the period.

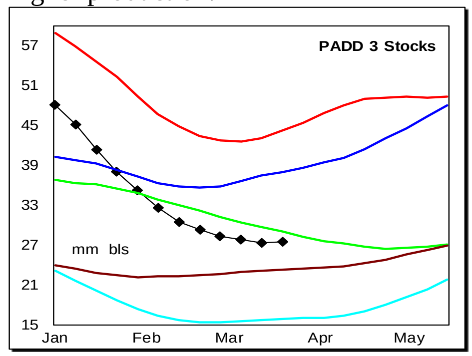
The propane / crude oil price spread was unchanged on the week, trading at a level above the 5-yr range for the period.

PADD 1 stocks decreased -0.4 million barrels last week. Stock levels ended the week +10% above the prior 5-yr high for the period. Supply increased +4,000 bpd on higher production.

PADD 2 supply was unchanged last week with lower production offset by an increase in imports. Production for the latest 4-wk period was +45,000 bpd above a year ago while imports increased +23,000 bpd. Midwest supply continues on a trend of +70,000 bpd above the prior record high, which was last year. Stocks decreased -0.9 million barrels on the week. Stock levels ended the week -29% below last year, and well below the 3-yr mid range.



PAD 3 stocks were unchanged on the week. Stock levels ended the week -36% below last year's record high, and well below the 3-yr mid range for the period. Supply increased +8,000 bpd on higher production.



PADDs 4 & 5 stocks decreased -0.2 million barrels last week. Supply decreased -11,000 bpd on lower production. Stock levels ended the week -26% below last year.

Emerging Trends Extremely mild temperatures are forecast for the next 2-wks across the entire country; which should lead to the first stock build of the season.

Stocks are -20 million barrels below last year, with the Gulf accounting for 16 million of the total. Look for near term support to prices on an uptick in global oil prices. There is risk of wholesale price weakness on the end to heating season and beginning of seasonal stock builds.

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PROPANE: Graph Link and Weekly Summary

March 29, 2017

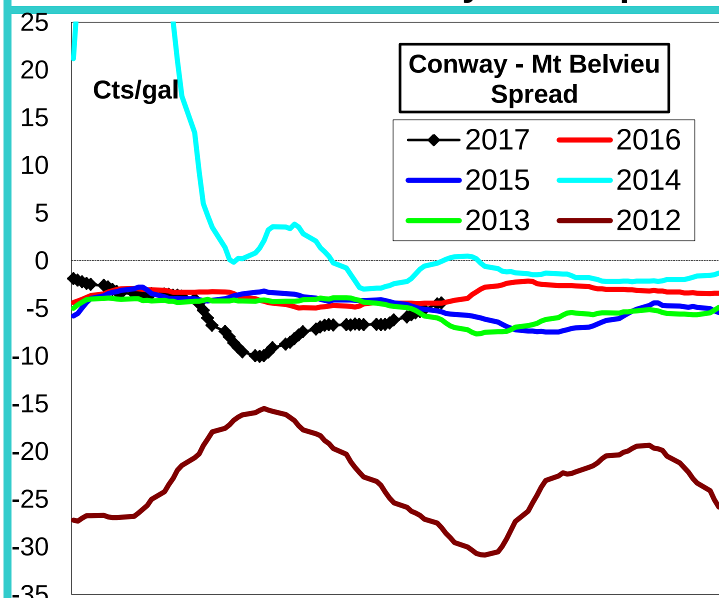
Fundamental Trends for the Week Ending: Friday, March 24, 2017

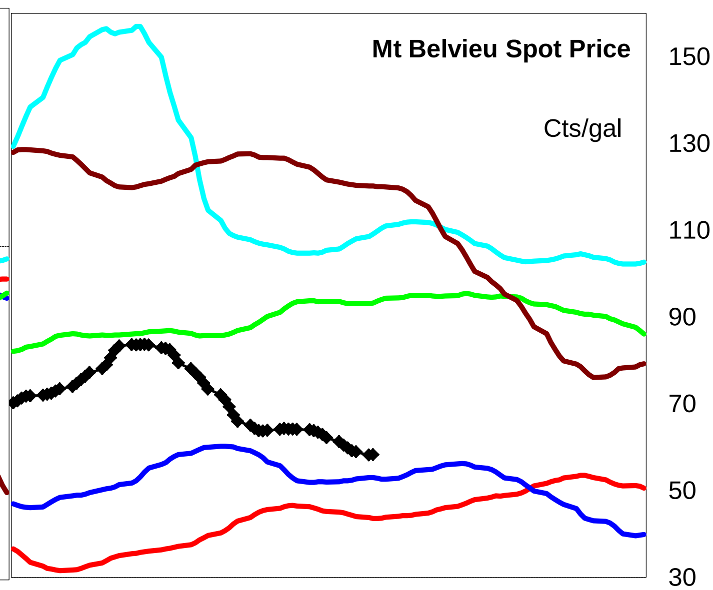
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S.	PADD				U.S.	PADD			
	Total	1	2	3	4&5	Total	1	2	3	4&5
Stocks	42,795	3,301	10,796	27,504	1,194	-1,538	-367	-920	-13	-238
Propylene Stocks	2,514					64				
Production	1,735	152	449	962	172	-28	3	-23	8	-16
Imports	163	42	82	0	39	28	1	22	0	5
Whsle Demand	1,169					60				

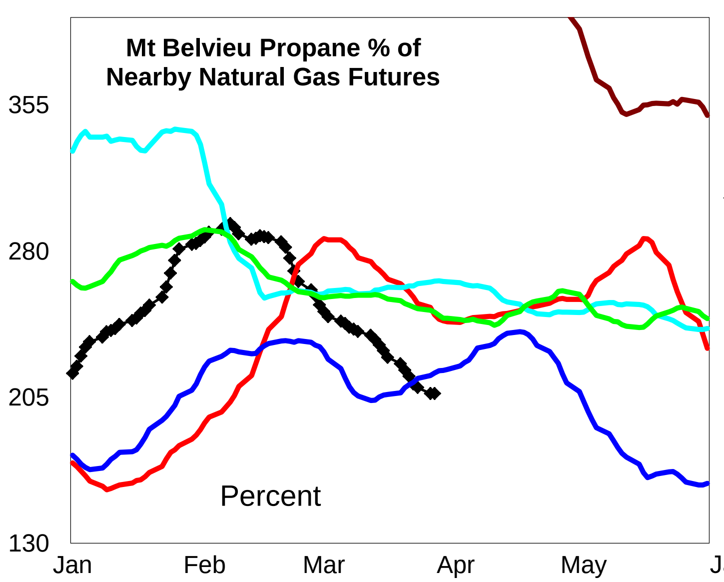
Price Trends for the Week Ending: Tuesday, March 28, 2017

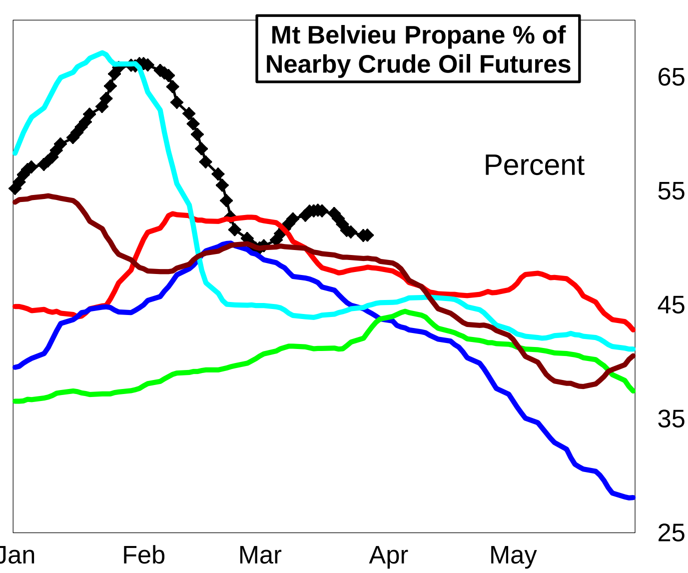
Cents/gal	Average for week ending:				Change from:			% change from:		
	3/28/17	3/21/17	2/28/17	3/31/16	3/21/17	2/28/17	3/31/16	3/21/17	2/28/17	3/31/16
Mont Belvieu Spot	58.5	61.1	65.5	44.0	-2.58	-4.38	21.45	-4.2	-6.7	48.8
Conway Spot	53.7	55.0	57.8	39.5	-1.33	-2.85	18.38	-2.4	-4.9	46.6

Key Price Spreads and Differentials









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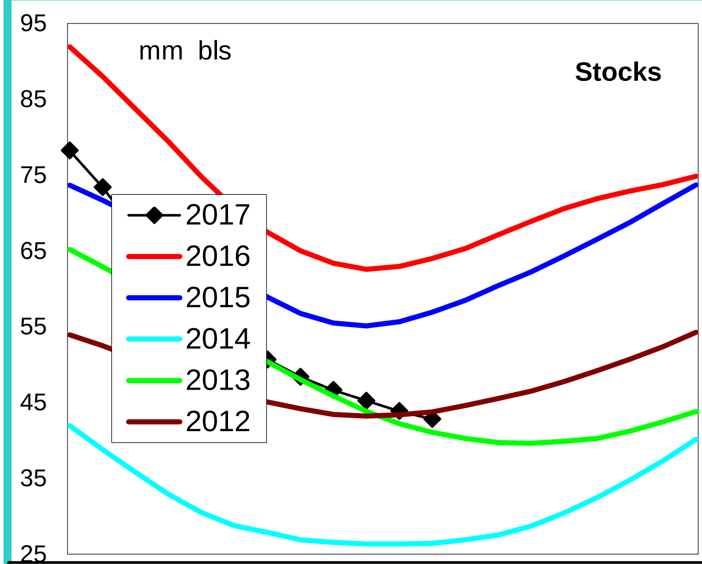
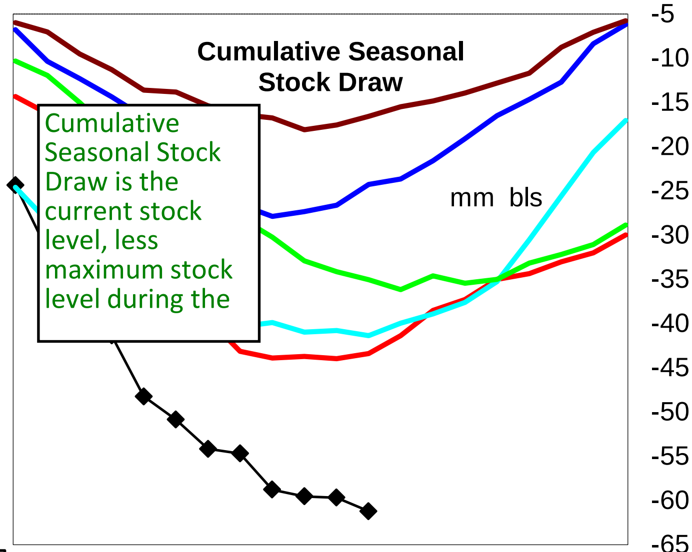
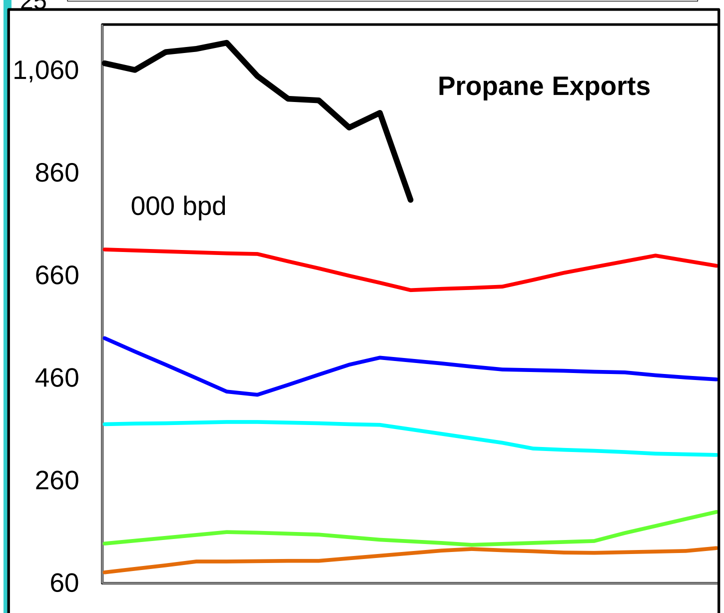
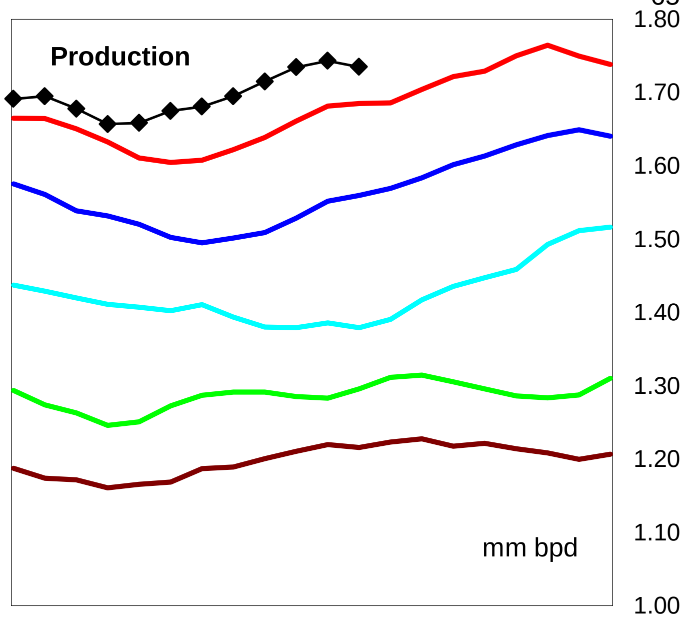
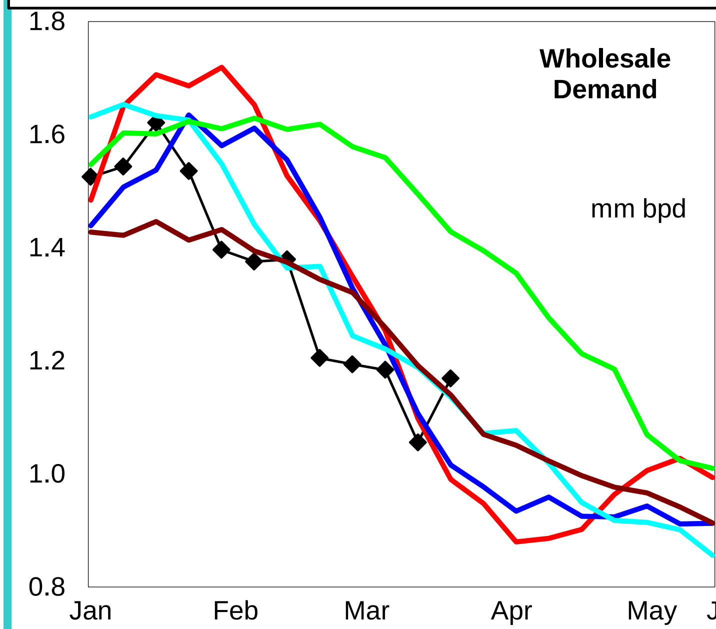
U. S. Propane Supply and Demand Balance

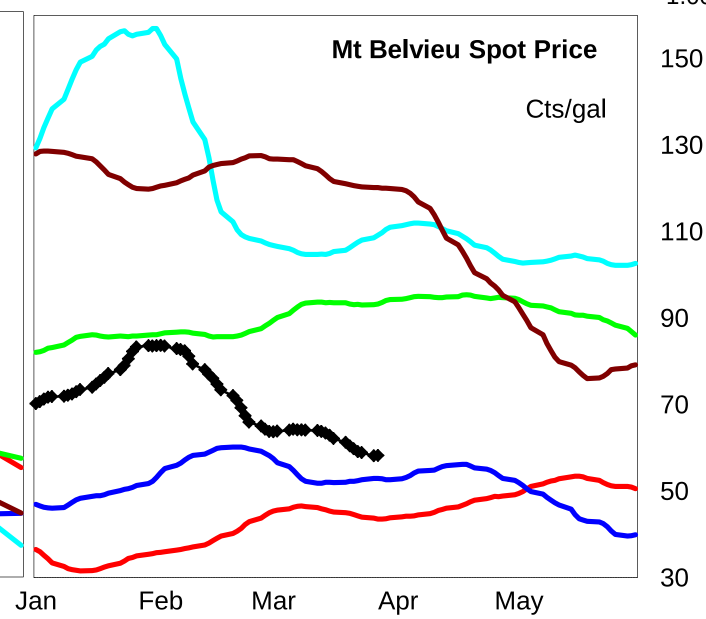












4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Feb	Jan	Dec
000 bpd (000 bls stks)	-20,030	-17,828	62	49		-4	-206	51	19
% change	-31.9	41	3.7	45.0		-0.3	-13.8	3.2	1.4

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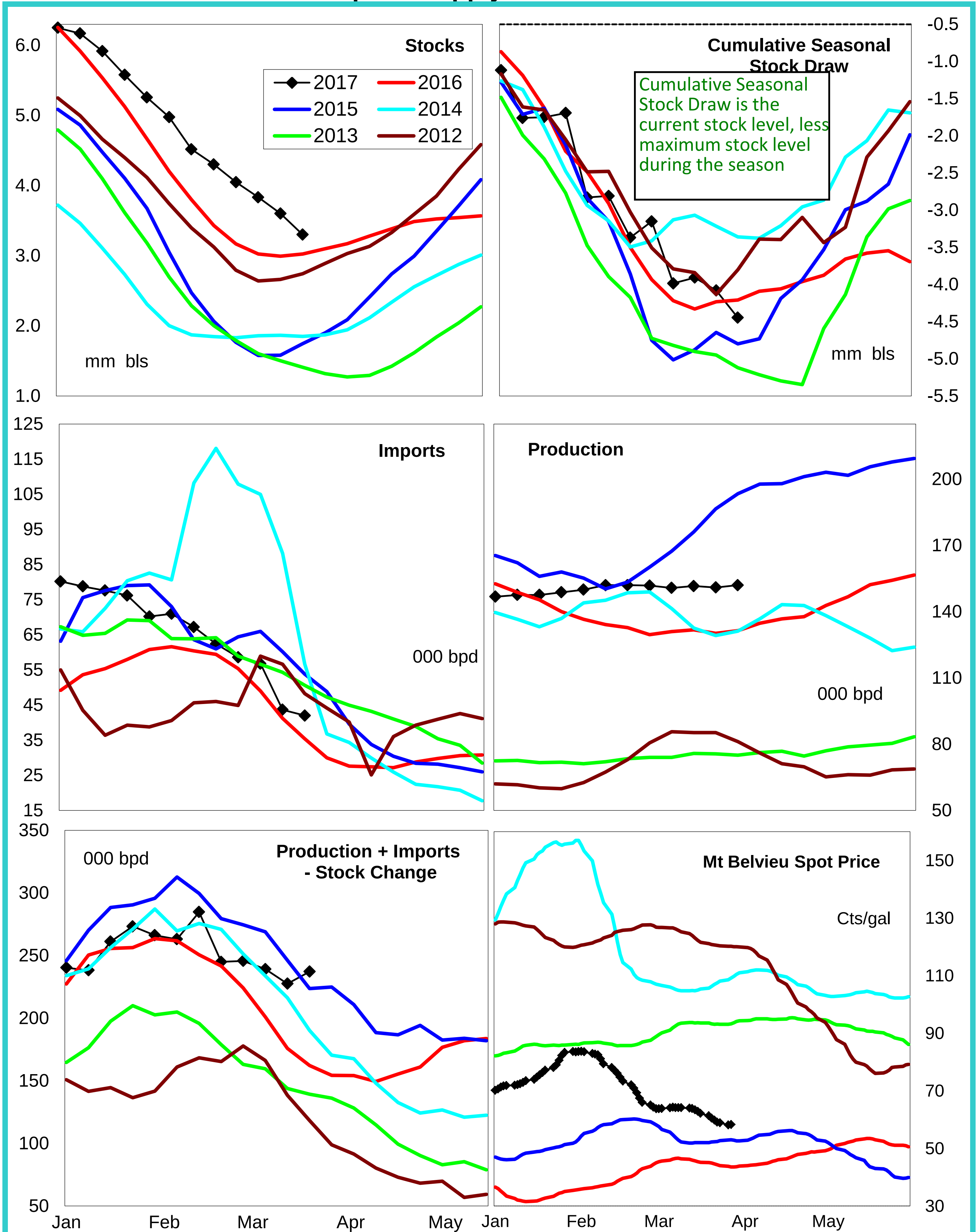
PADD 1 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	300	-237	20	2	47
% change	10.0	5.6	15.4	3.9	24.4

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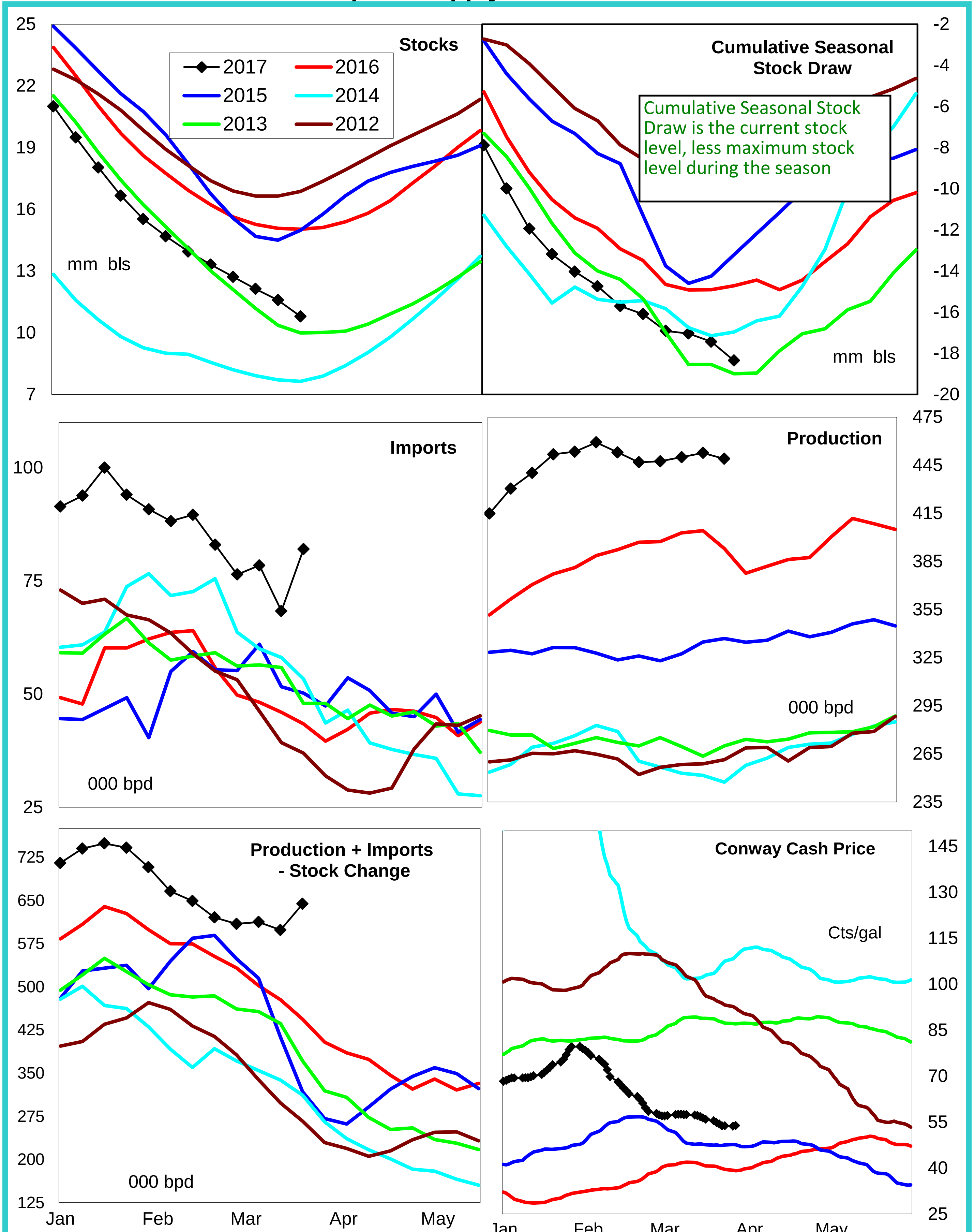
PADD 2 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-4,294	-3,638	45	23	127
% change	-28.5	24.7	11.0	46.6	26.0

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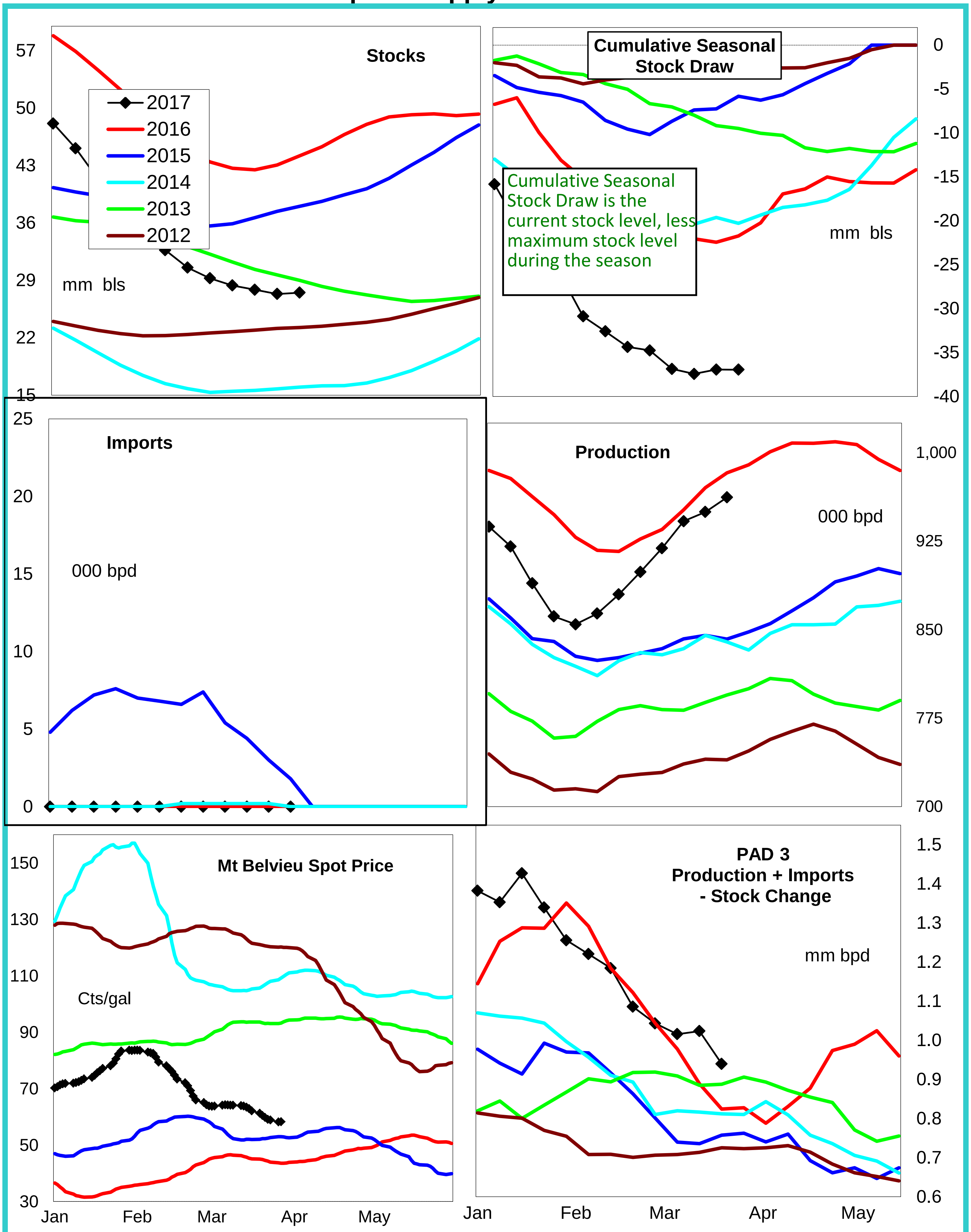
PADD 3 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-15,621	-15,215	-16	0	72
% change	-36.2	70	-1.7	#DIV/0!	7.7

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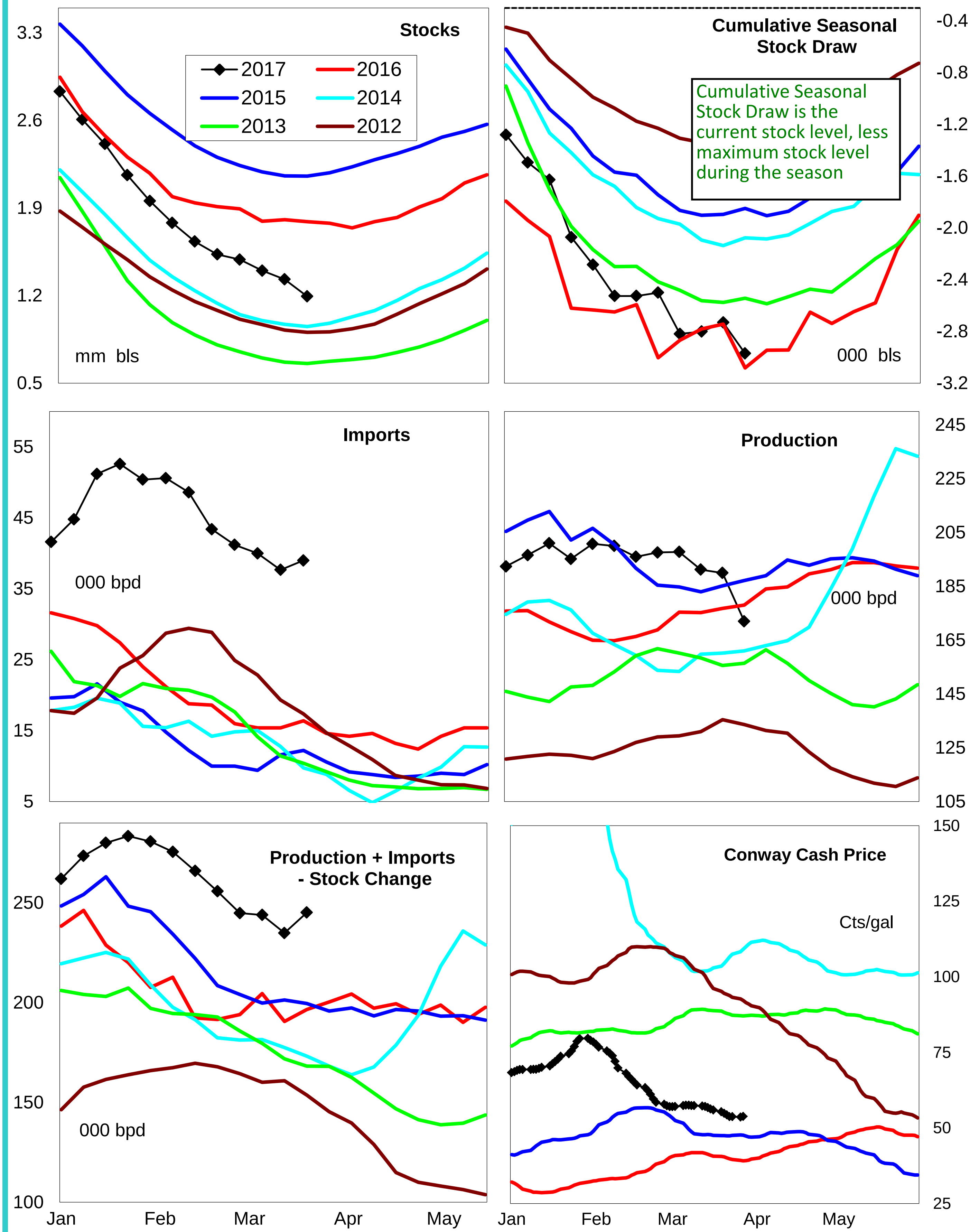
PADDs 4 and 5 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-415	112	13	25	46
% change	-25.8	-3.6	7.2	160.7	23.3

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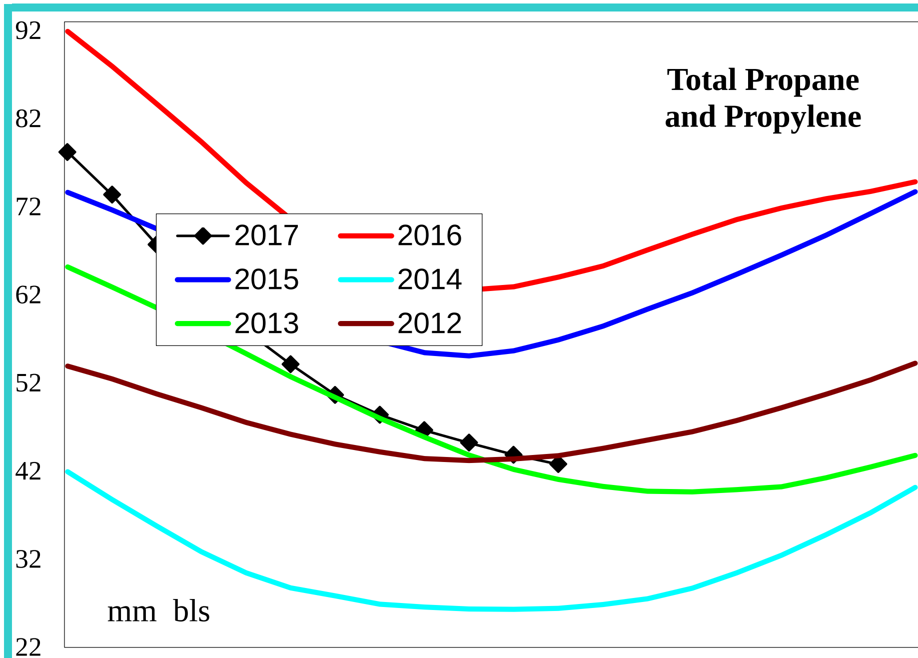
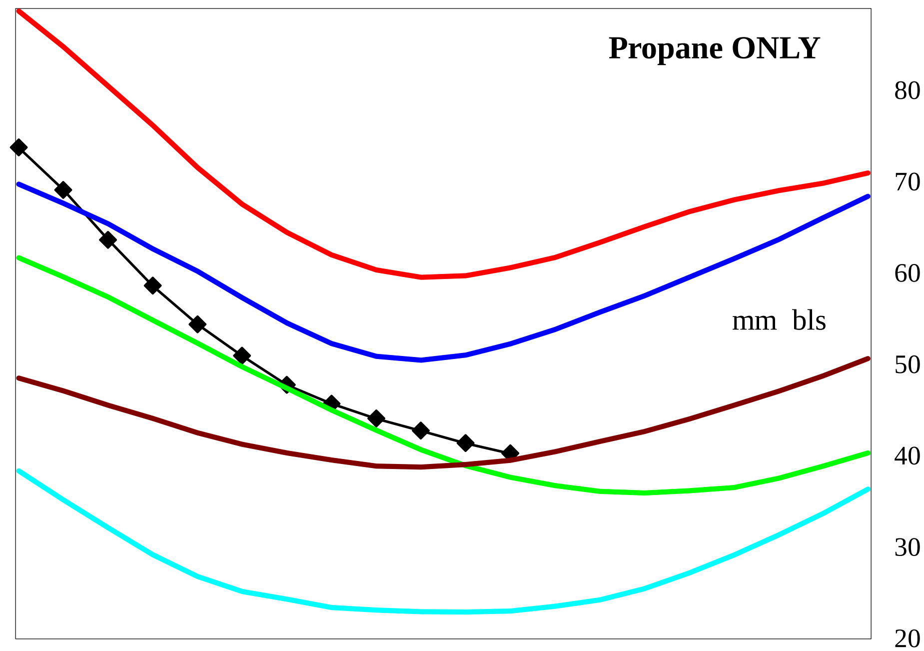
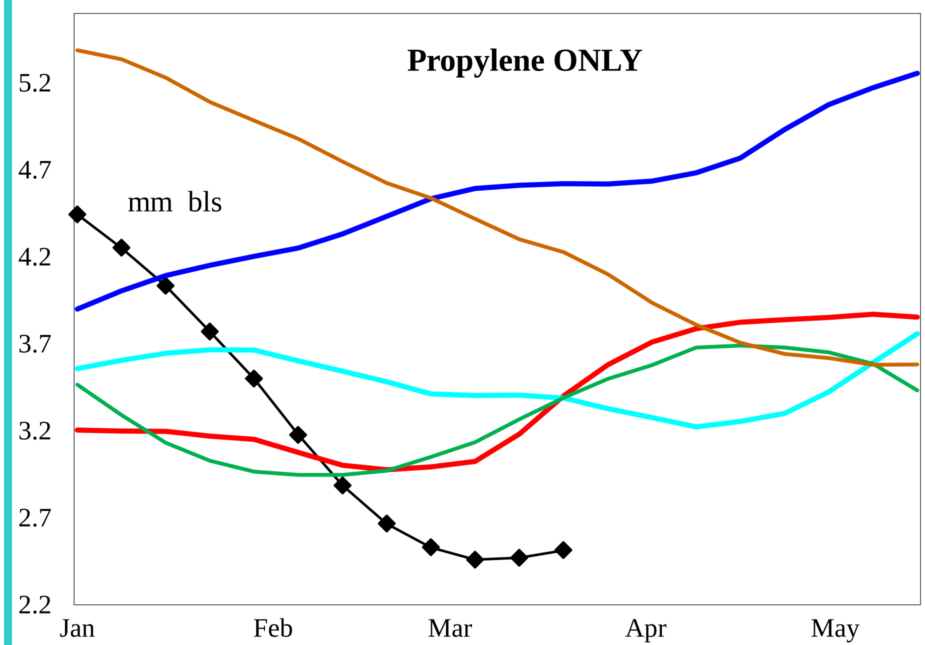
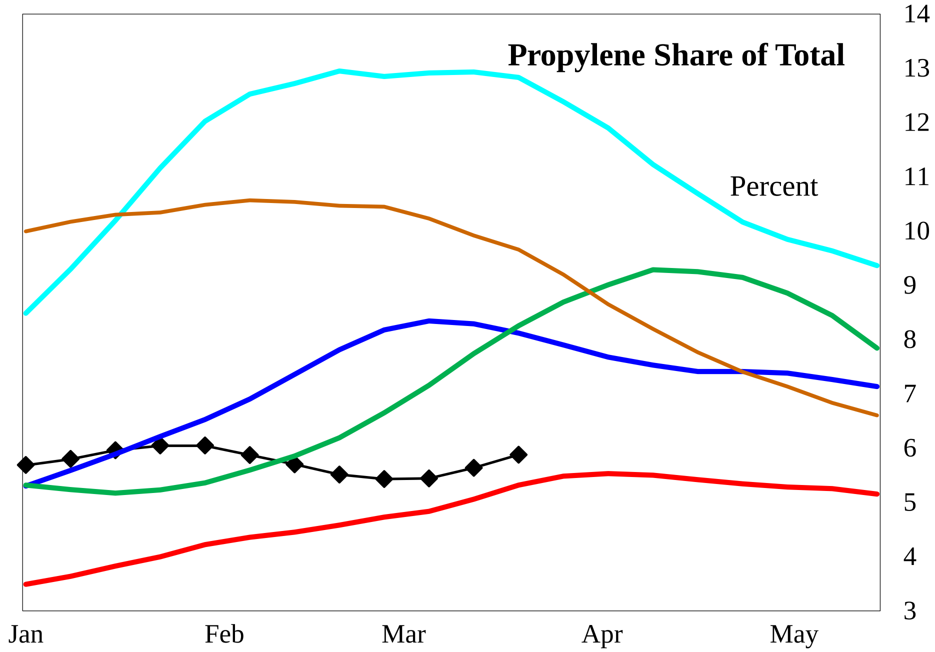
U. S. Propane and Propylene Stocks









Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	-20,030	-19,261	-888
% change	-31.9	-32.3	-26.1

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