



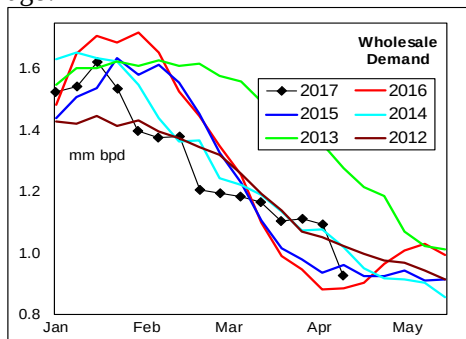
WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

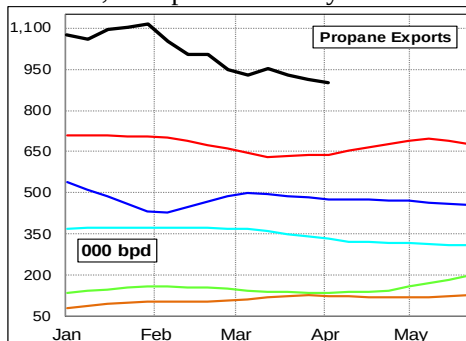
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com

Summary¹:

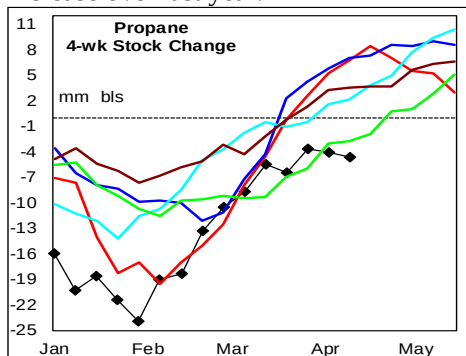
Wholesale demand decreased -232,000 bpd last week to a level comparable with the last 2-yr. The latest 4-wk wholesale demand was +225,000 bpd above a year ago.



Production decreased -4,000 bpd last week, while imports decreased -9,000 bpd. Production for the latest 4-wk period averaged +81,000 above a year ago. The latest 4-wk average of imports was +42,000 bpd above last year.



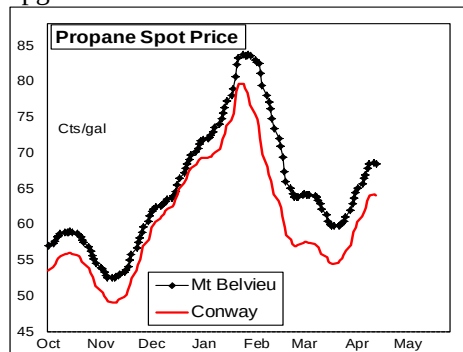
Exports for the week ending 07Apr17 were 0.9 million bpd, a +250,000 bpd increase over last year.



Stocks decreased -0.7 million barrels on the week, with -0.6 million occurring in the Gulf region. Stocks in the Midwest

increased +0.1 million barrels on the week. The latest 4-wk stock draw of -4.7 million barrels, was a record draw for this time of year.

Price and Spreads Mt Belvieu spot price increased +1 cpg last week ending 18Apr17 while Conway reported a +1/2 cpg increase.



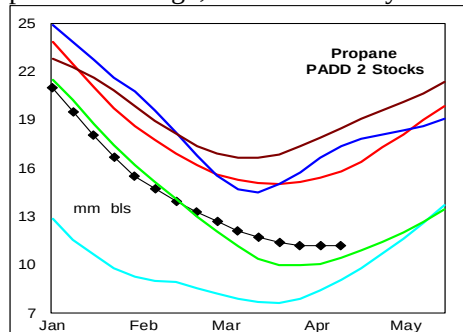
The Conway - Mt Belvieu price spread traded below the 3-yr mid range for this time of year.

The propane to natural gas price spread trended higher on strength in propane prices, trading at historic lows for the period.

The propane / crude oil price spread pulled back late in the week, although the level remains well above the 5-yr range for the period.

PADD 1 stocks were unchanged last week. Stock levels ended the week -23% below the prior 5-yr high for the period. Supply decreased -4,000 bpd on lower imports.

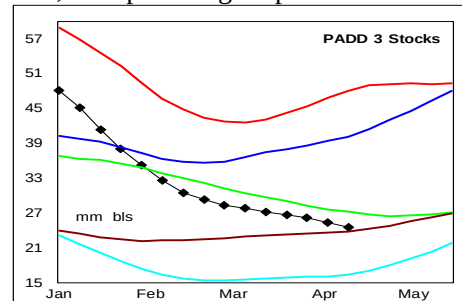
PADD 2 supply decreased -16,000 bpd on lower imports. Production for the latest 4-wk period was +66,000 bpd above a year ago while imports increased +20,000 bpd. Midwest supply continues on a trend of +80,000 bpd above the prior record high, which was last year.



Stocks increased +0.1 million barrels on

the week. Stock levels ended the week -27% below last year, and near historic lows for this time of year.

PADD 3 stocks decreased -0.7 million barrels on the week. Stock levels ended the week -49% below last year's record high, and at the low end of the 5-yr range for the period. Supply increased +10,000 bpd on higher production.



PADDs 4 & 5 stocks decreased -0.2 million barrels last week. Supply decreased -3,000 bpd on a lower production. Stock levels ended the week -25% below last year.

Emerging Trends Stocks have failed to begin the normal seasonal build (see chart above of 4-wk stock change) where the average build for the most recent month during 2015 and 2016 was +7 million barrels versus a draw of -4.7 million barrels this year.

The 11.7 million barrel swing in stock change during the last month is driven by; a +225,000 bpd higher wholesale demand, and +250,000 bpd higher exports compared to a year ago, partially offset by a +123,000 bpd increase in supply over last year. The net -352,000 bpd deficit over 30-days is 10.5 million barrels.

IF exports continue to average +350,000 bpd above last year and are partially offset by a +125,000 bpd increase in supply this leaves a net impact of -225,000 bpd lower rate of stock build or approximately -6.7 million barrels per month reduction in the rate of stock build.

The increase in export capacity should lead to an equalization of domestic and global propane prices, while reducing the seasonal build/draw in U.S. propane stocks.

¹ Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

April 19, 2017

Fundamental Trends for the Week Ending:

Friday, April 14, 2017

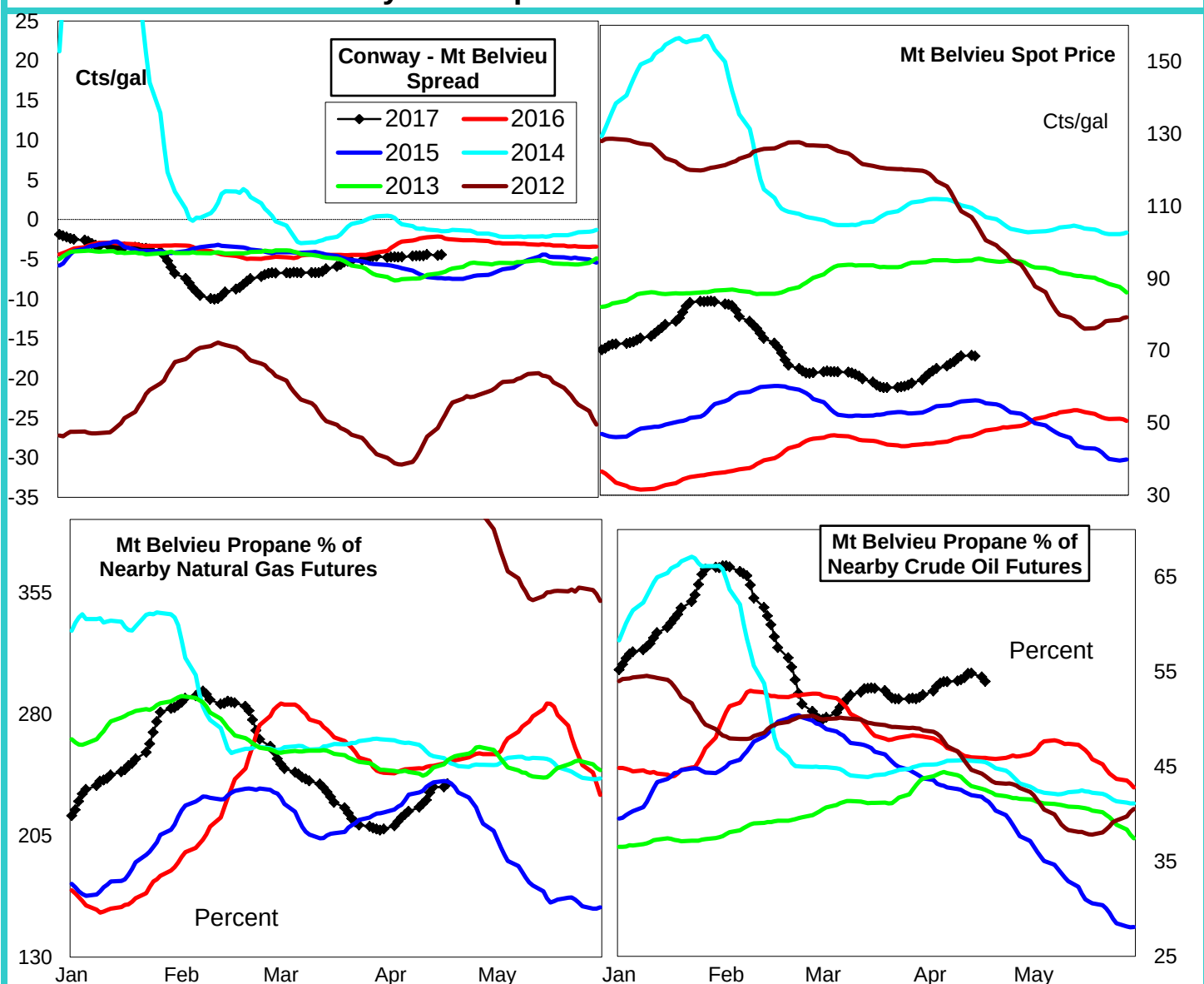
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD				U.S. Total	PADD			
		1	2	3	4&5		1	2	3	4&5
Stocks	39,643	2,498	11,201	24,554	1,390	-724	-34	76	-595	-171
Propylene Stocks	2,523					141				
Production	1,783	157	438	983	205	-4	0	-5	10	-9
Imports	88	29	32	0	27	-9	-4	-11	0	6
Whsle Demand	926					-232				

Price Trends for the Week Ending:

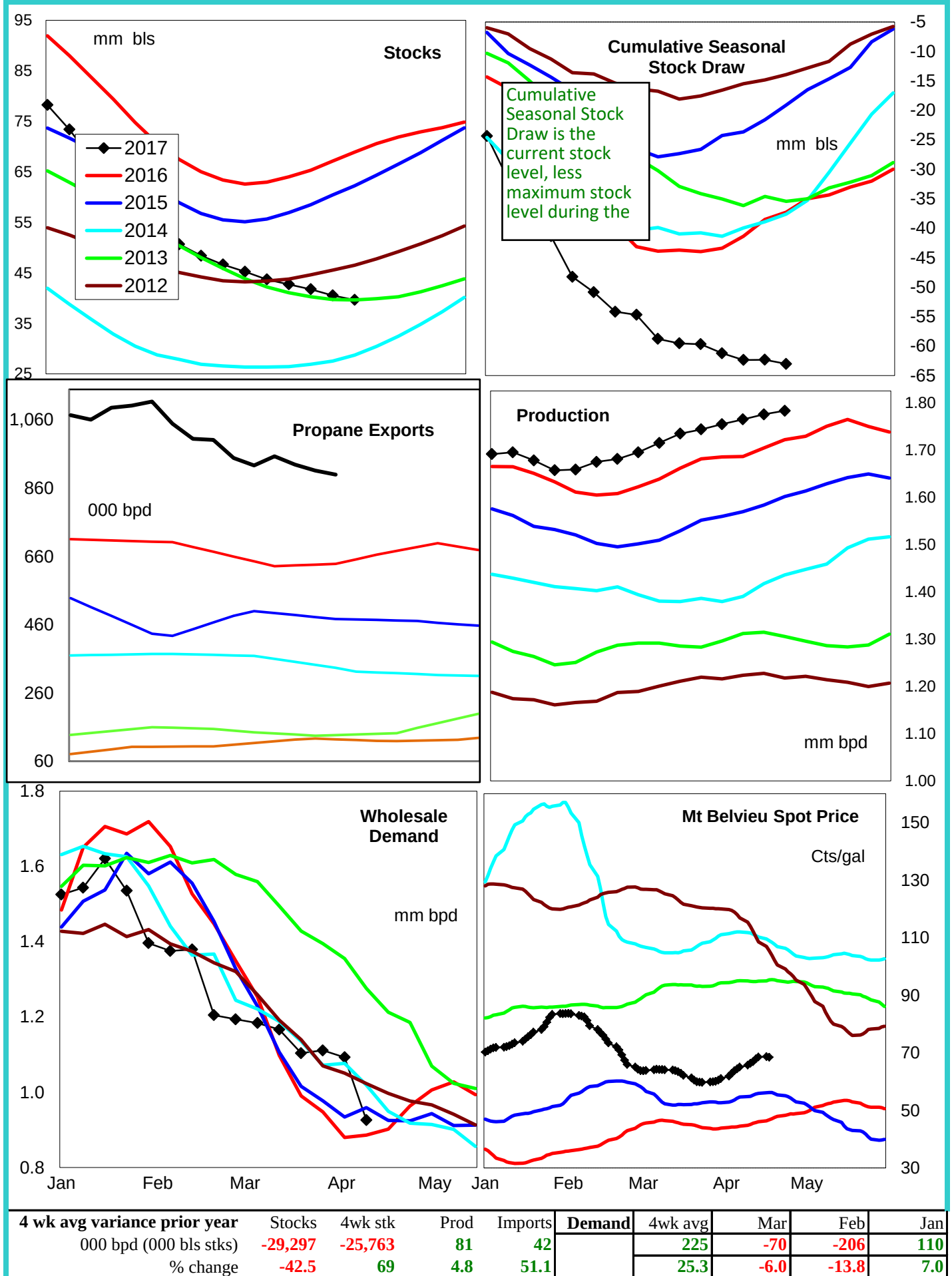
Tuesday, April 18, 2017

Cents/gal	Average for week ending:				Change from:			% change from:		
	4/18/17	4/11/17	3/21/17	4/21/16	4/11/17	3/21/17	4/21/16	4/11/17	3/21/17	4/21/16
Mont Belvieu Spot	68.7	65.2	61.1	45.4	3.52	4.08	15.70	5.4	6.7	34.6
Conway Spot	64.2	60.5	55.0	43.0	3.77	5.48	11.98	6.2	10.0	27.8

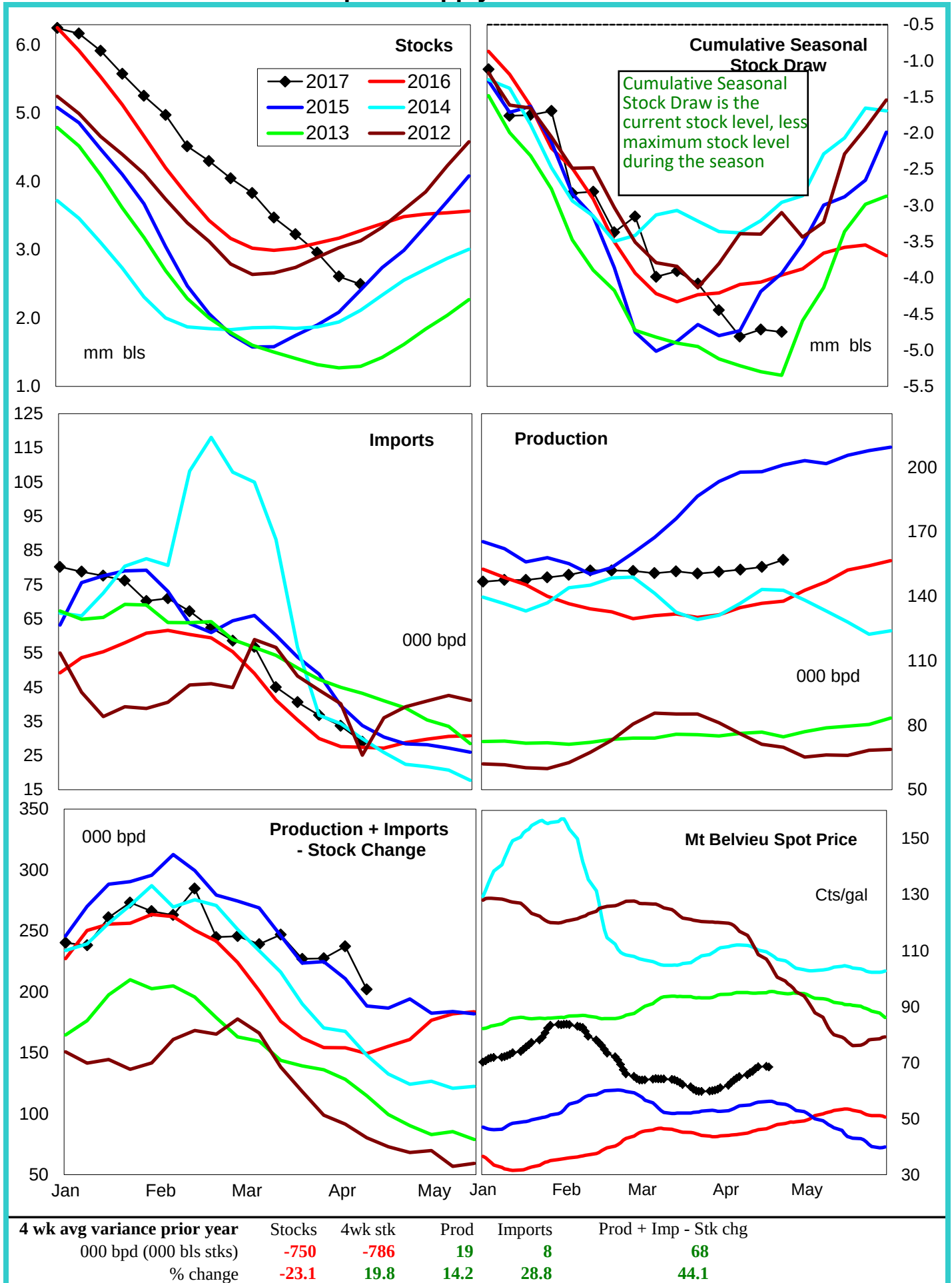
Key Price Spreads and Differentials



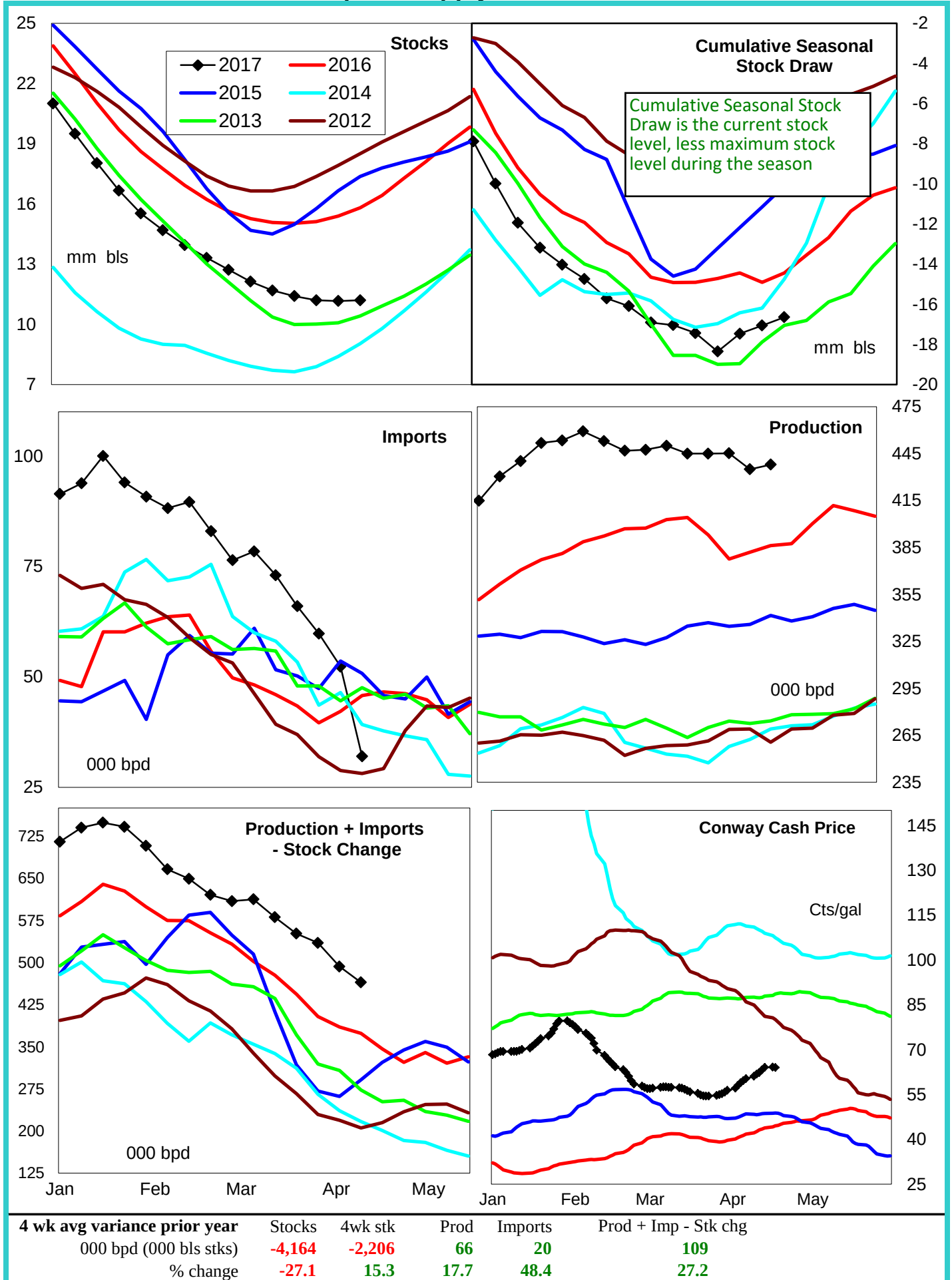
U. S. Propane Supply and Demand Balance



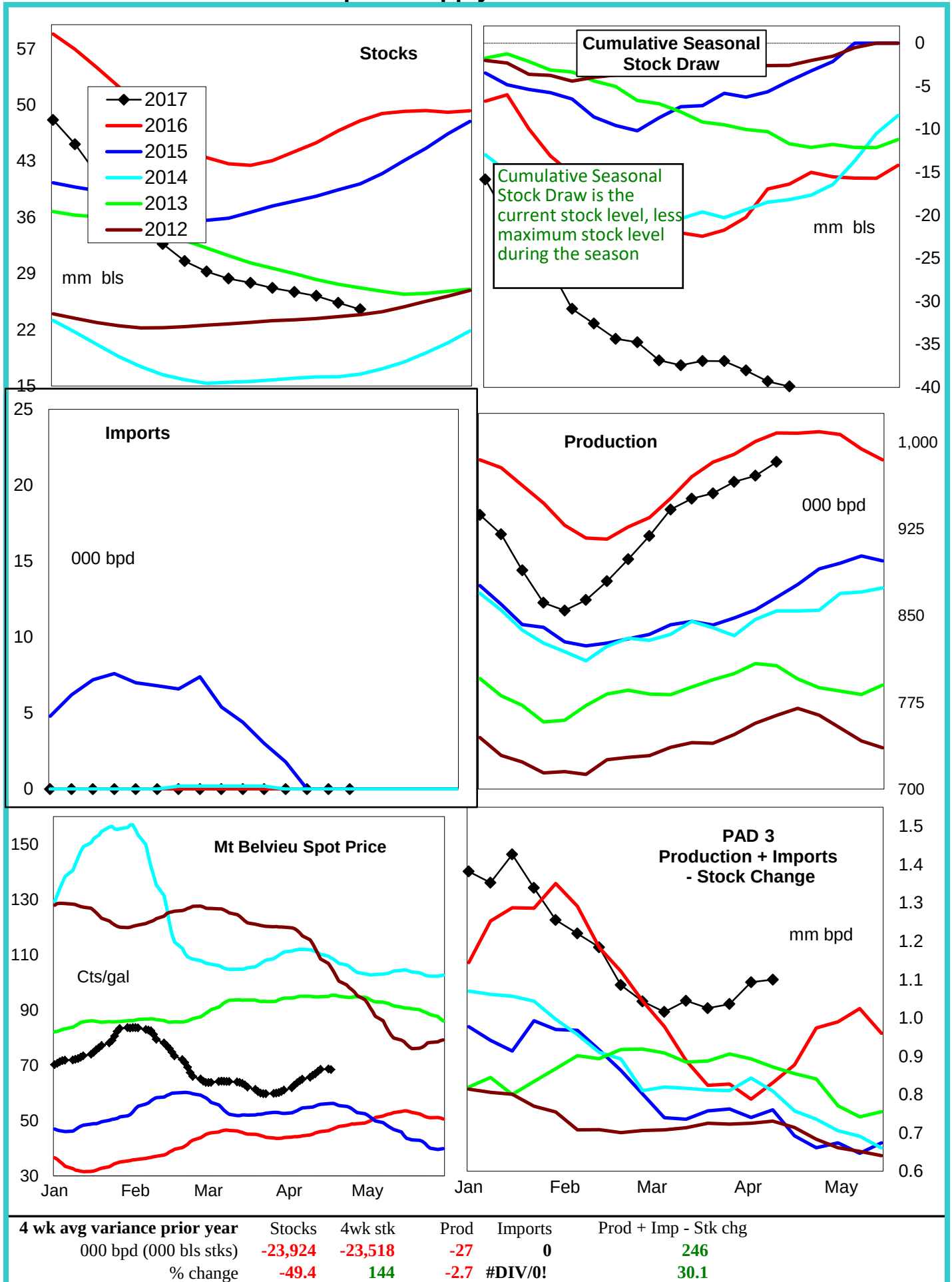
PADD 1 Propane Supply and Demand Balance



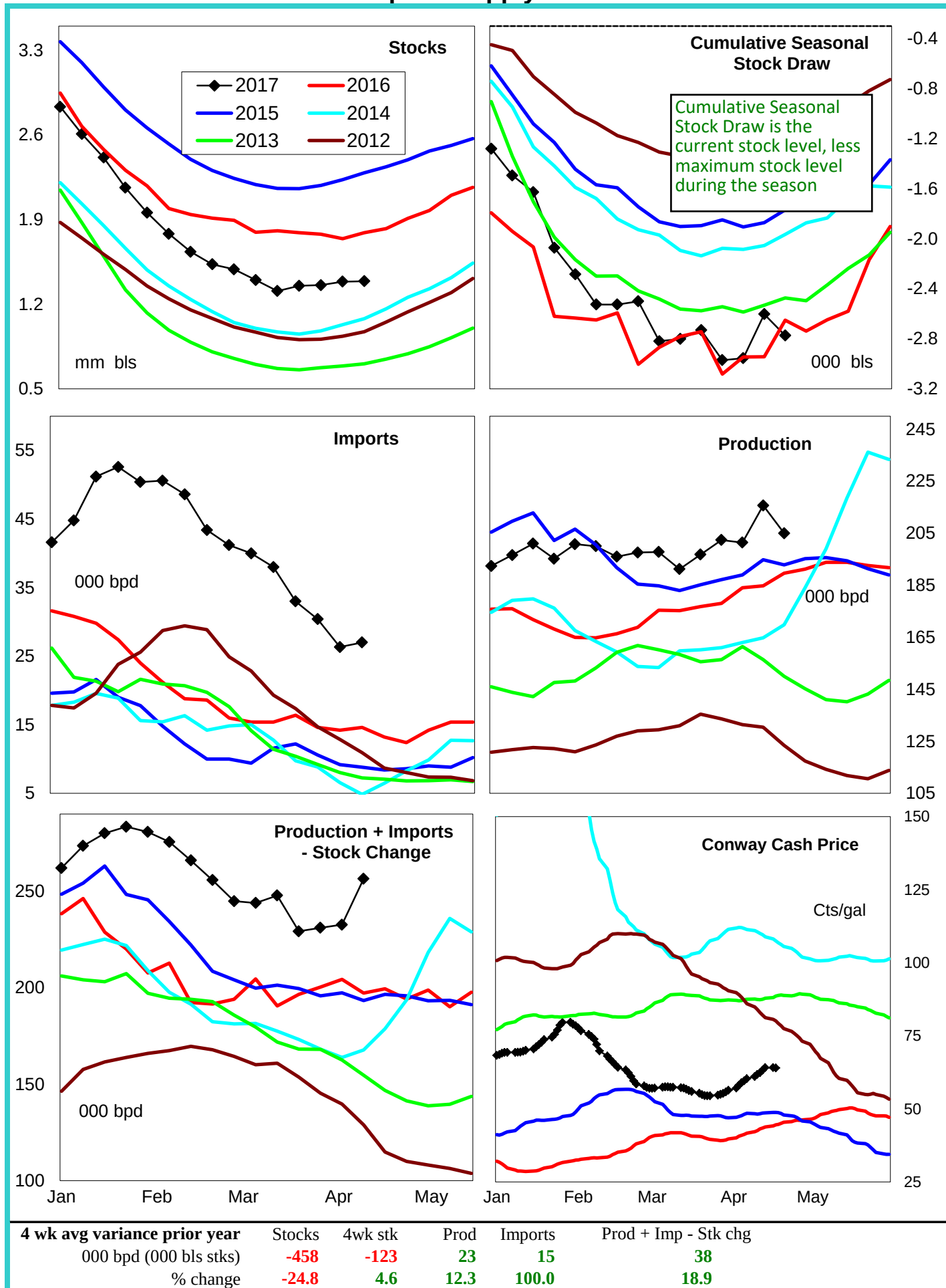
PADD 2 Propane Supply and Demand Balance



PADD 3 Propane Supply and Demand Balance



PADDs 4 and 5 Propane Supply and Demand Balance



U. S. Propane and Propylene Stocks

