FUNDAMENTAL PETROLEUM TRENDS

WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

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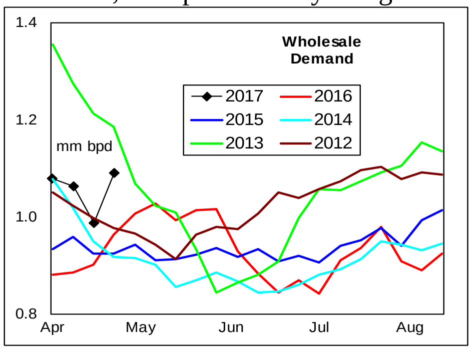
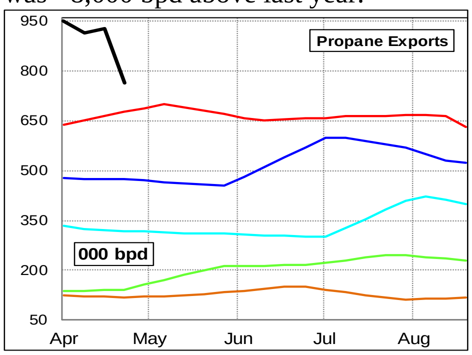
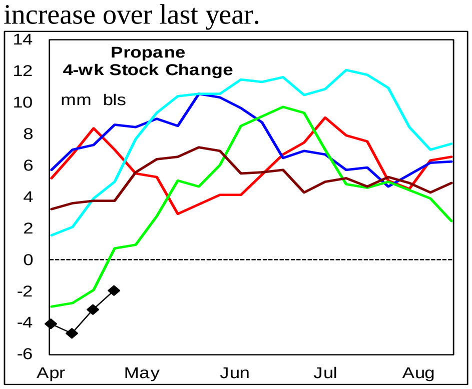
Summary[1]:
Wholesale demand increased +143,000 bpd last week to a level above the last 3-yrs. The latest 4-wk wholesale demand was +132,000 bpd above a year ago.



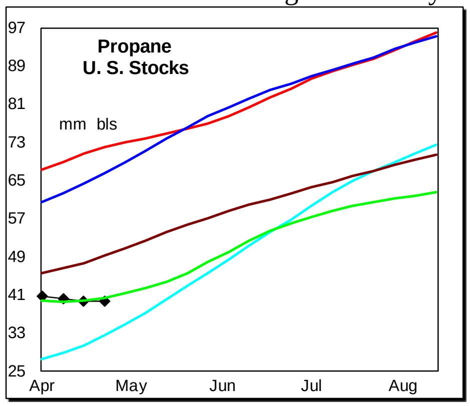
Production decreased -29,000 bpd last week, while imports were -33,000 bpd lower. Production for the latest 4-wk period averaged +56,000 above a year ago. The latest 4-wk average of imports was +8,000 bpd above last year.



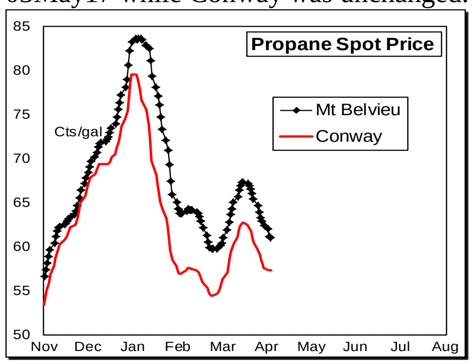
Exports for the week ending 28Apr17 were 0.76 million bpd, a +65,000 bpd increase over last year.



Stocks were unchanged on the week, with individual regions reporting changes of no more than 175,000 barrels. Stock levels ended the week -45% below last year and at the low end of the 5-yr range for the period. The latest 4-wk stock change was a draw of -1.9 million barrels, compared to an average build of +7 million barrels during the last 3-yrs.



Price and Spreads Mt Belvieu spot price decreased -2 cpg last week ending 03May17 while Conway was unchanged.



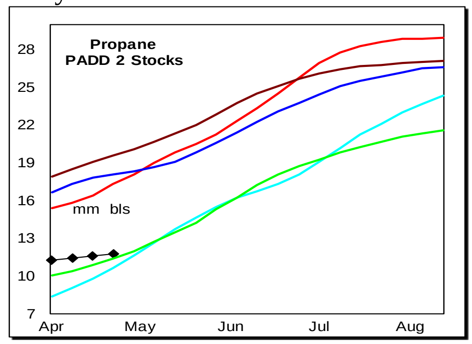
The Conway – Mt Belvieu price spread trended higher on the week to trade near the 3-yr mid range for this time of year.

The propane to natural gas price spread trended lower on the week, trading at historic lows for the period.

The propane / crude oil price spread trended lower last week, although the level remains well above the 5-yr range for the period.

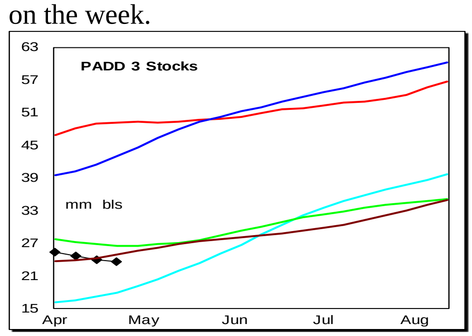
PADD 1 stocks decreased -0.1 million barrels last week. Stock levels ended the week -30% below the prior 5-yr high for the period. Supply decreased -4,000 bpd on lower production.

PADD 2 supply decreased -10,000 bpd on lower imports. Production for the latest 4-wk period was +73,000 bpd above a year ago while imports decreased -5,000 bpd. Midwest supply continues on a trend of +70,000 bpd above the prior record high, which was last year.



Stocks decreased -0.2 million barrels on the week. Stock levels ended the week -31% below last year, and near historic lows for this time of year.

PAD 3 stocks increased +0.15 million barrels on the week. Stock levels ended the week -52% below last year's record high, and at the low end of the 5-yr range for the period. Supply fell -61,000 bpd on the week.



PADDs 4 & 5 stocks increased +0.14 million barrels last week. Supply increased +13,000 bpd on a higher production. Stock levels ended the week -8% below last year.

Emerging Trends Stocks were unchanged last week, with the level -45% below last year for the period.

The latest 4-wk stock change was -9 million barrel variance (below) the average of the last 3-yrs; driven by higher wholesale demand and exports, partially offset by increased supply.

Exports fell sharply last week, to a level just +65,000 bpd above a year ago. The slowdown in export year-on-year growth, if sustained, should allow stocks to begin a seasonal build in the near term.

[1] Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

May 4, 2017

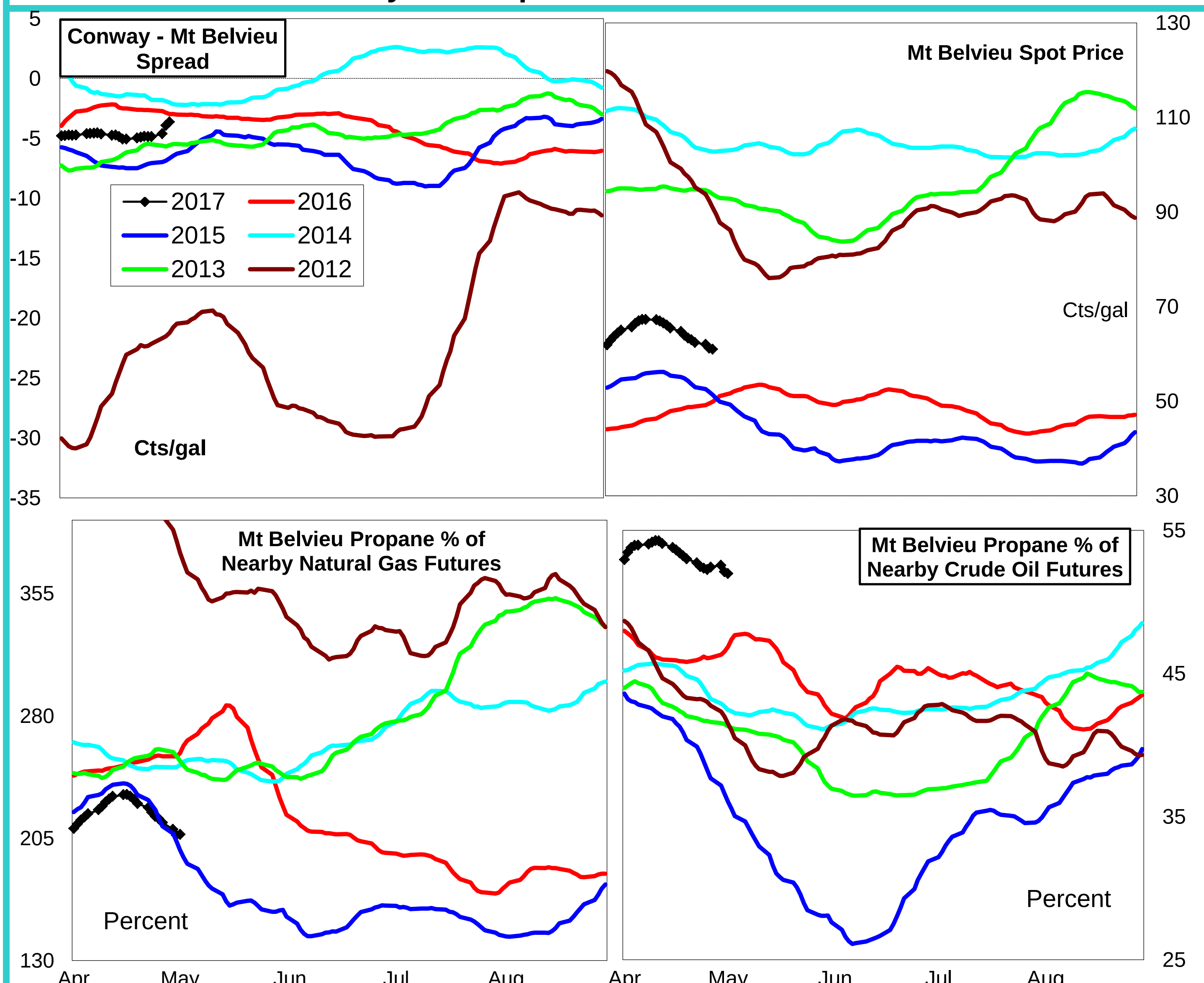
Fundamental Trends for the Week Ending: Friday, April 28, 2017

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	39,667	2,497	11,771	23,699	1,700	16	-99	-175	149	141
Propylene Stocks	2,965					282				
Production	1,770	153	477	924	216	-29	-4	10	-61	26
Imports	86	24	39	0	23	-33	0	-20	0	-13
Whsle Demand	1,090					143				

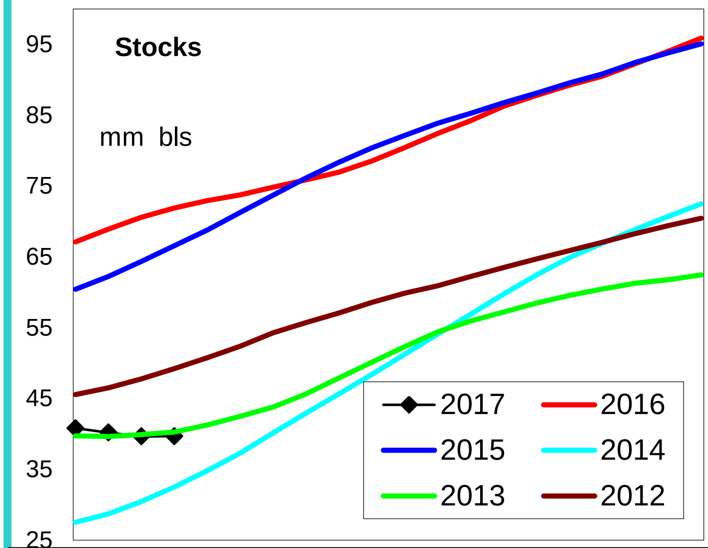
Price Trends for the Week Ending: Wednesday, May 03, 2017

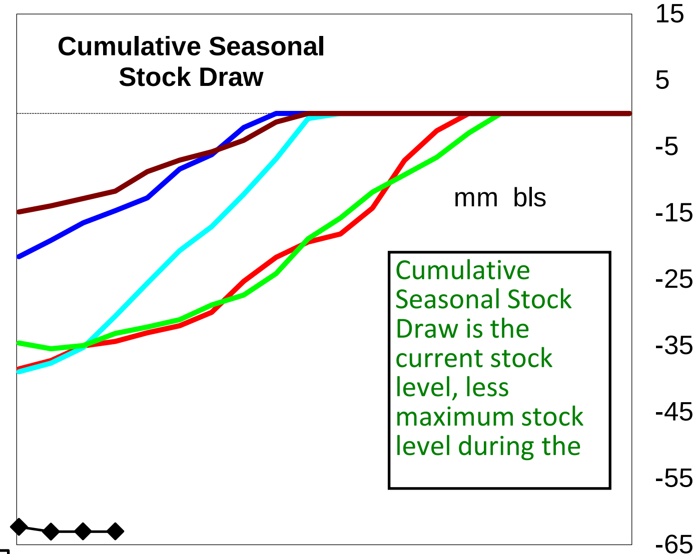
Cents/gal	Average for week ending:				Change from:			% change from:		
	5/3/17	4/26/17	4/5/17	5/6/16	4/26/17	4/5/17	5/6/16	4/26/17	4/5/17	5/6/16
Mont Belvieu Spot	61.6	64.3	61.4	49.0	-2.63	2.83	12.40	-4.1	4.6	25.3
Conway Spot	57.2	58.9	56.5	46.2	-1.70	2.40	10.30	-2.9	4.2	22.3

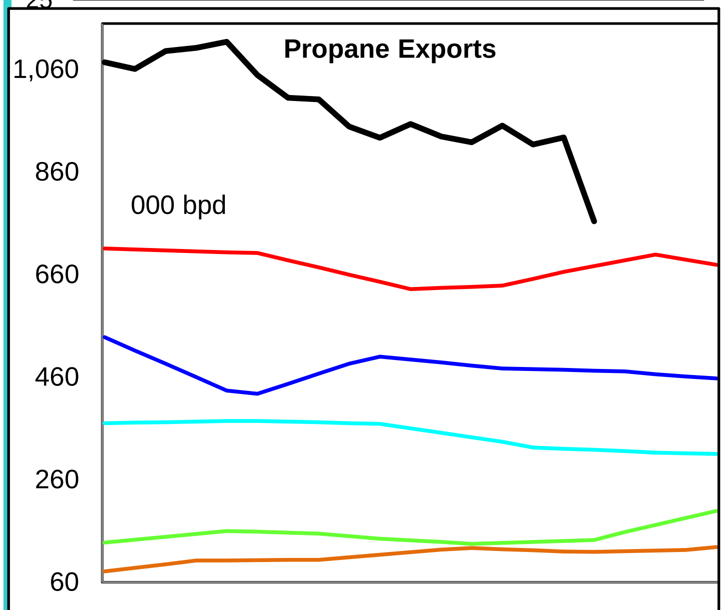
Key Price Spreads and Differentials

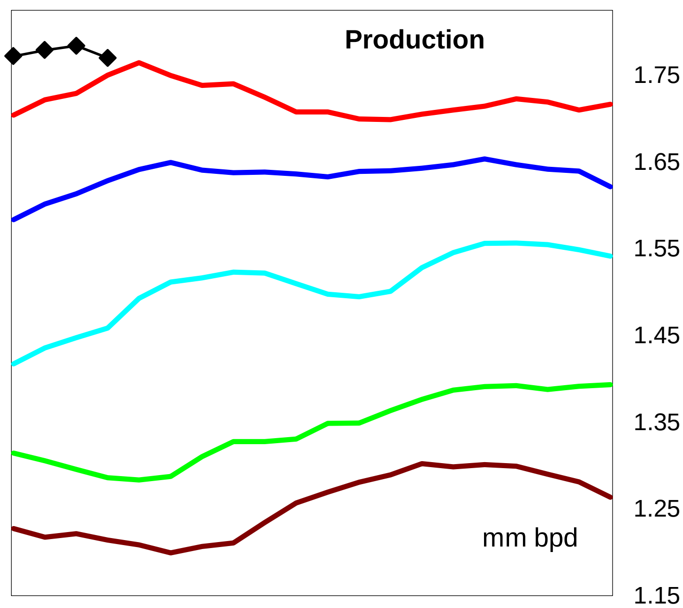


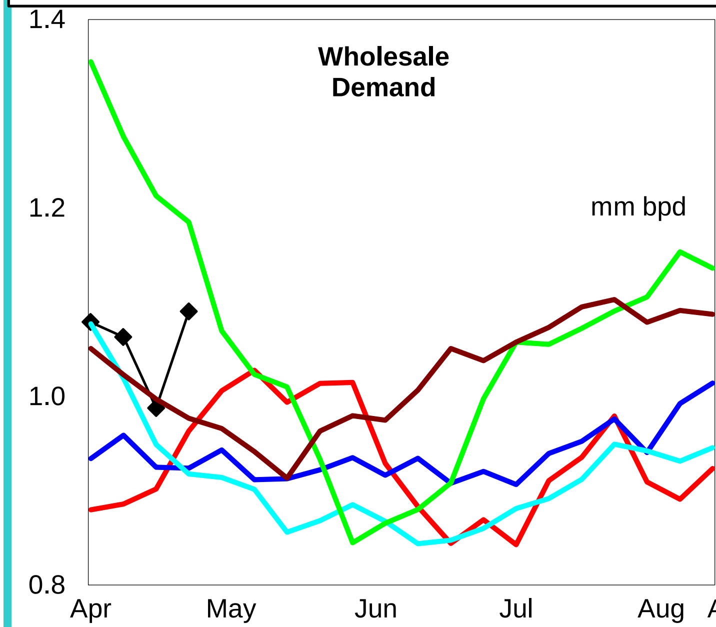
U. S. Propane Supply and Demand Balance

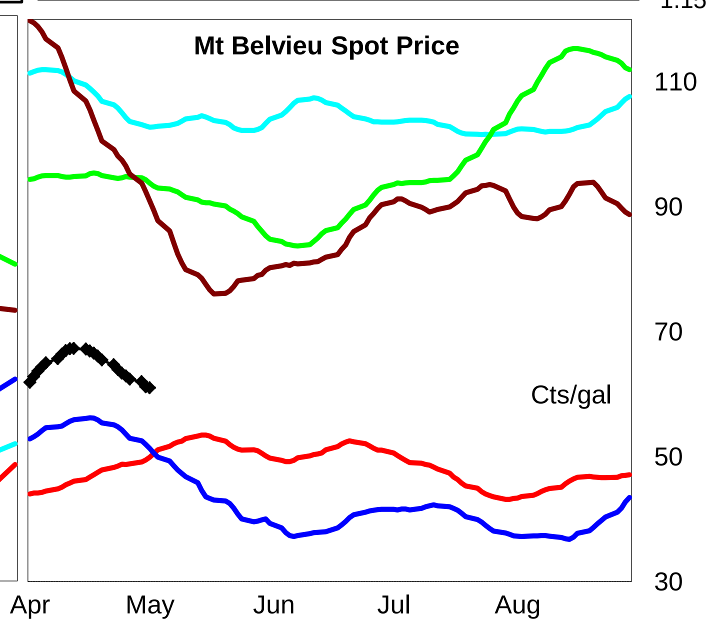






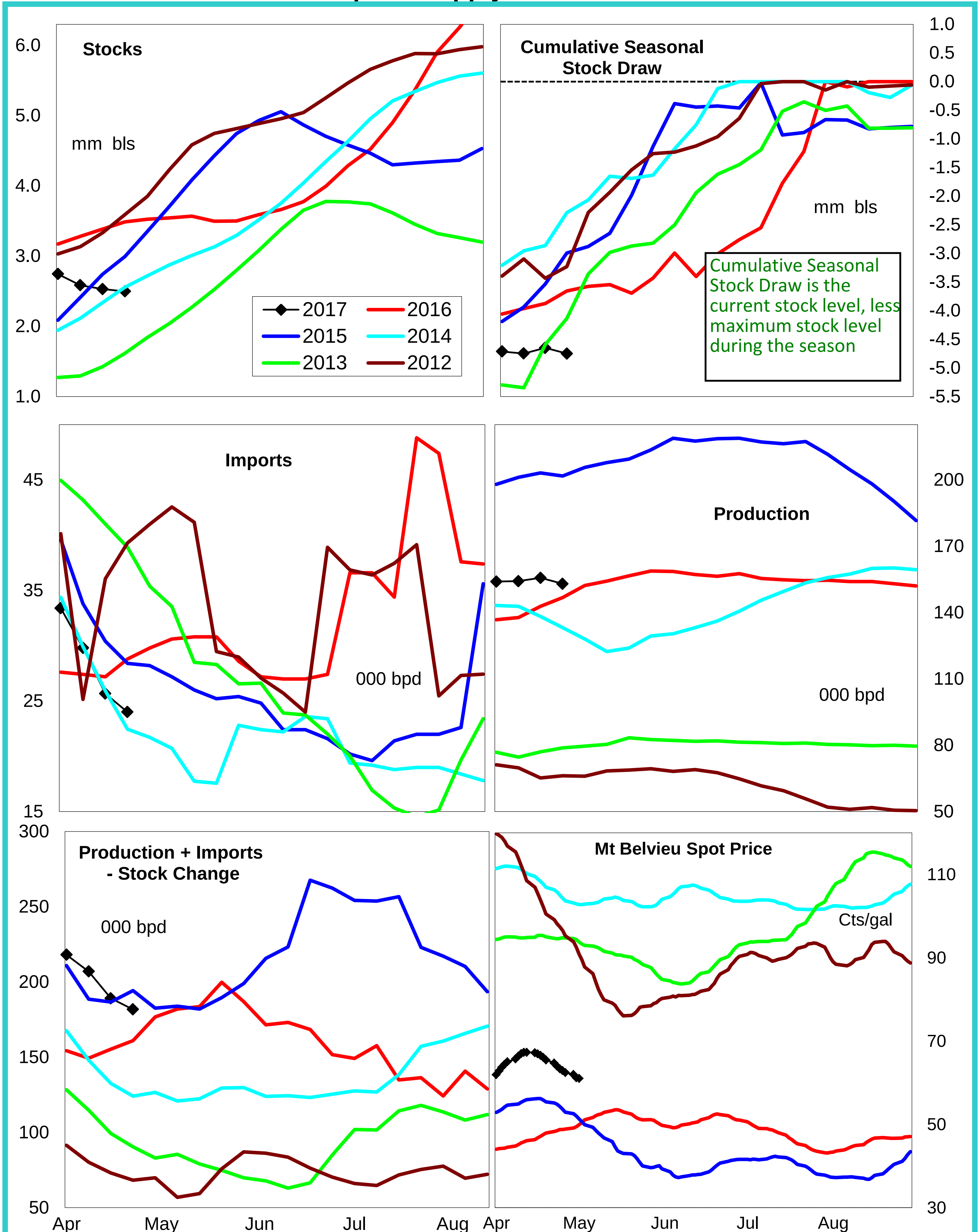






4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Mar	Feb	Jan
000 bpd (000 bls stks)	-32,191	-28,657	56	8		132	-70	-206	110
% change	-44.8	83	3.2	8.6		14.7	-6.0	-13.8	7.0

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)	-1,057	-1,093	15	0	44
% change	-29.7	29.9	10.8	0.0	28.4

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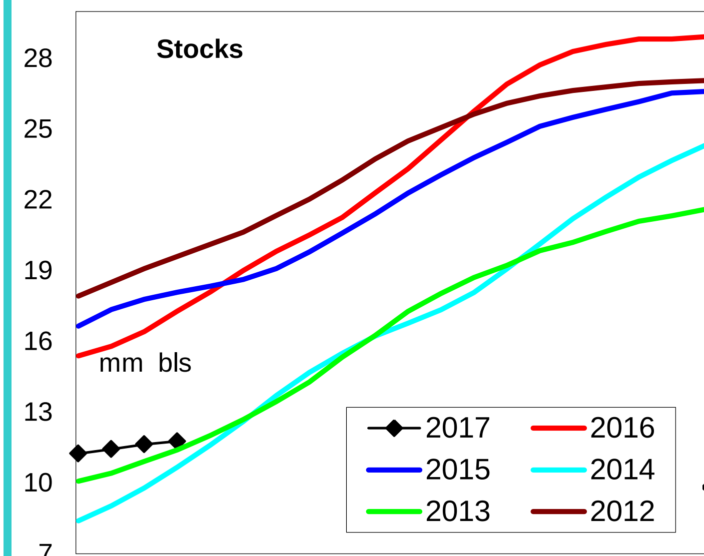
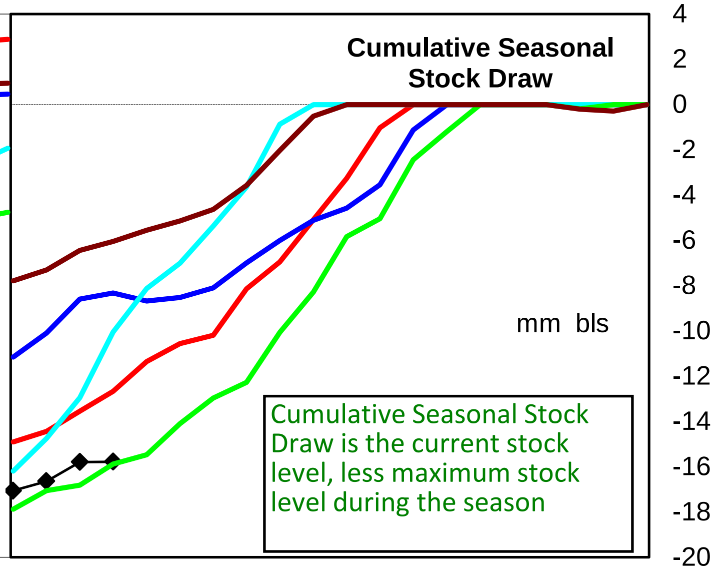
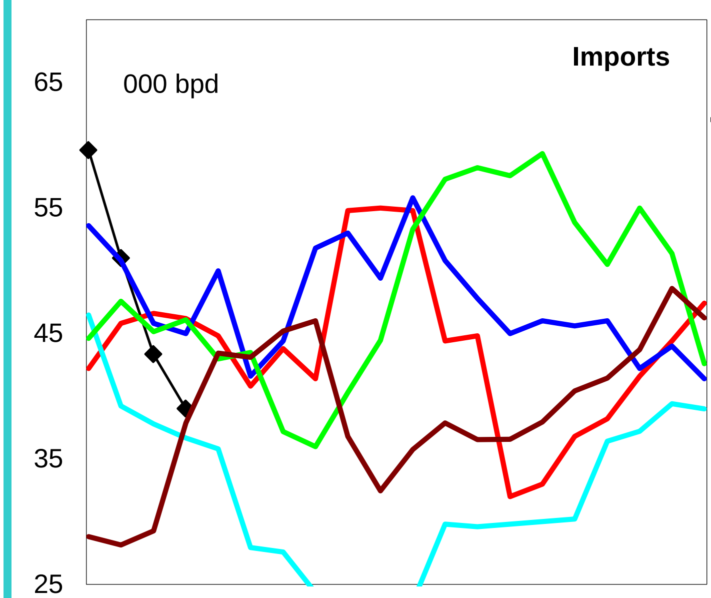
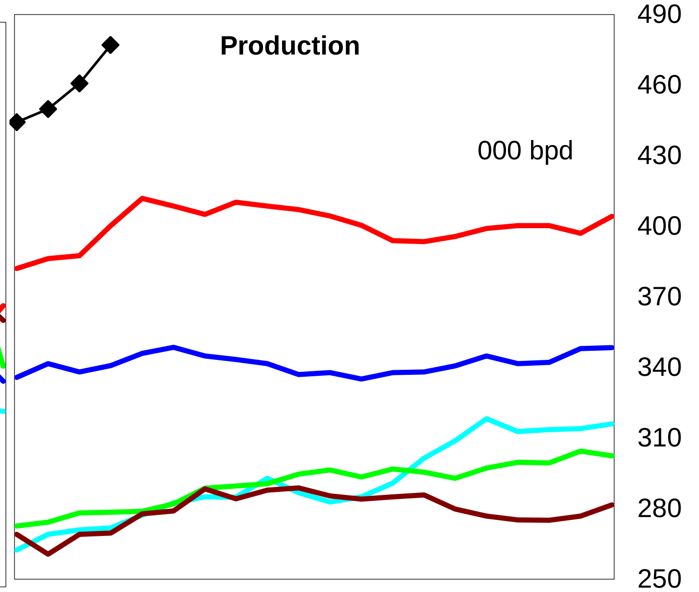
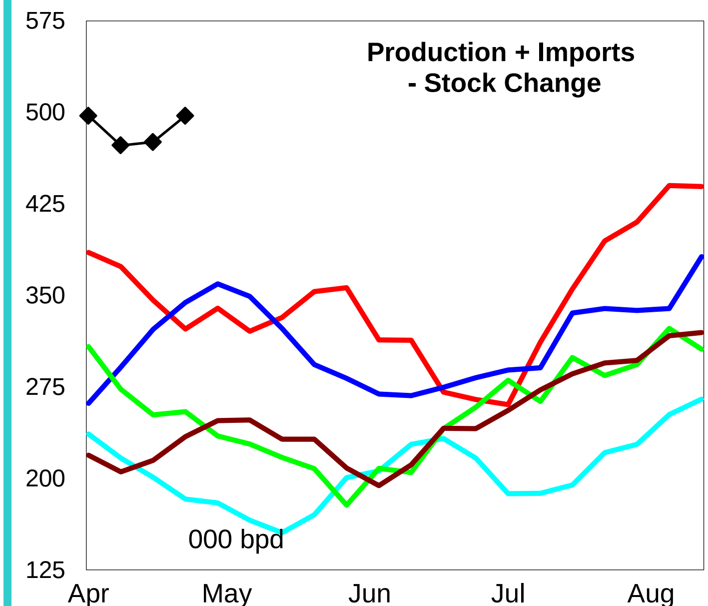
PADD 2 Propane Supply and Demand Balance

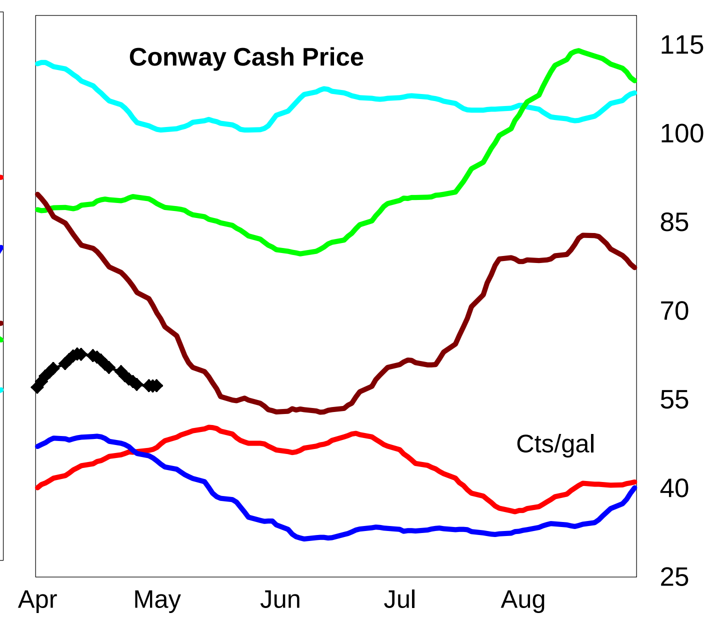












4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-5,361	-3,110	73	-5	129
% change	-31.3	24.5	19.1	-9.9	36.1

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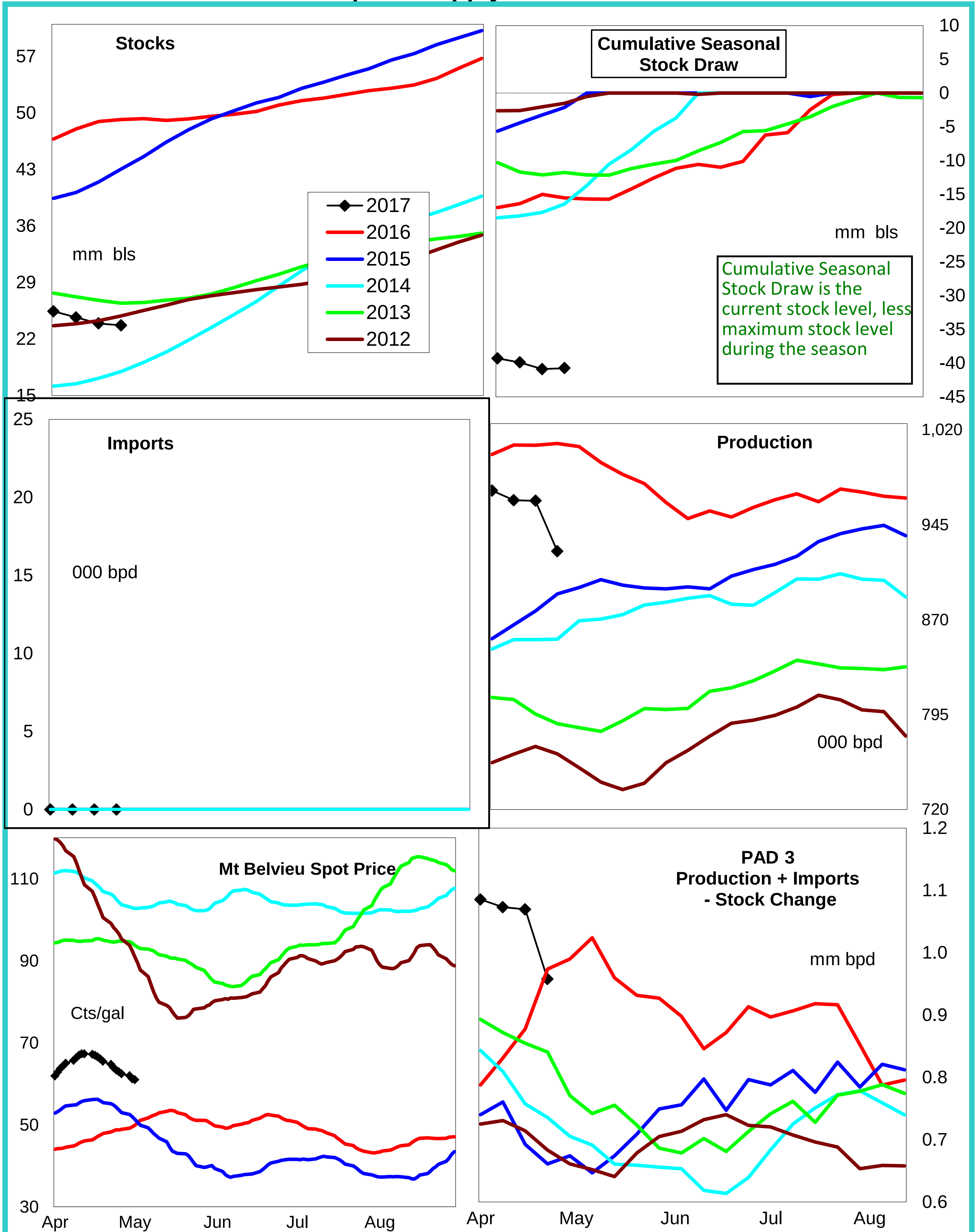
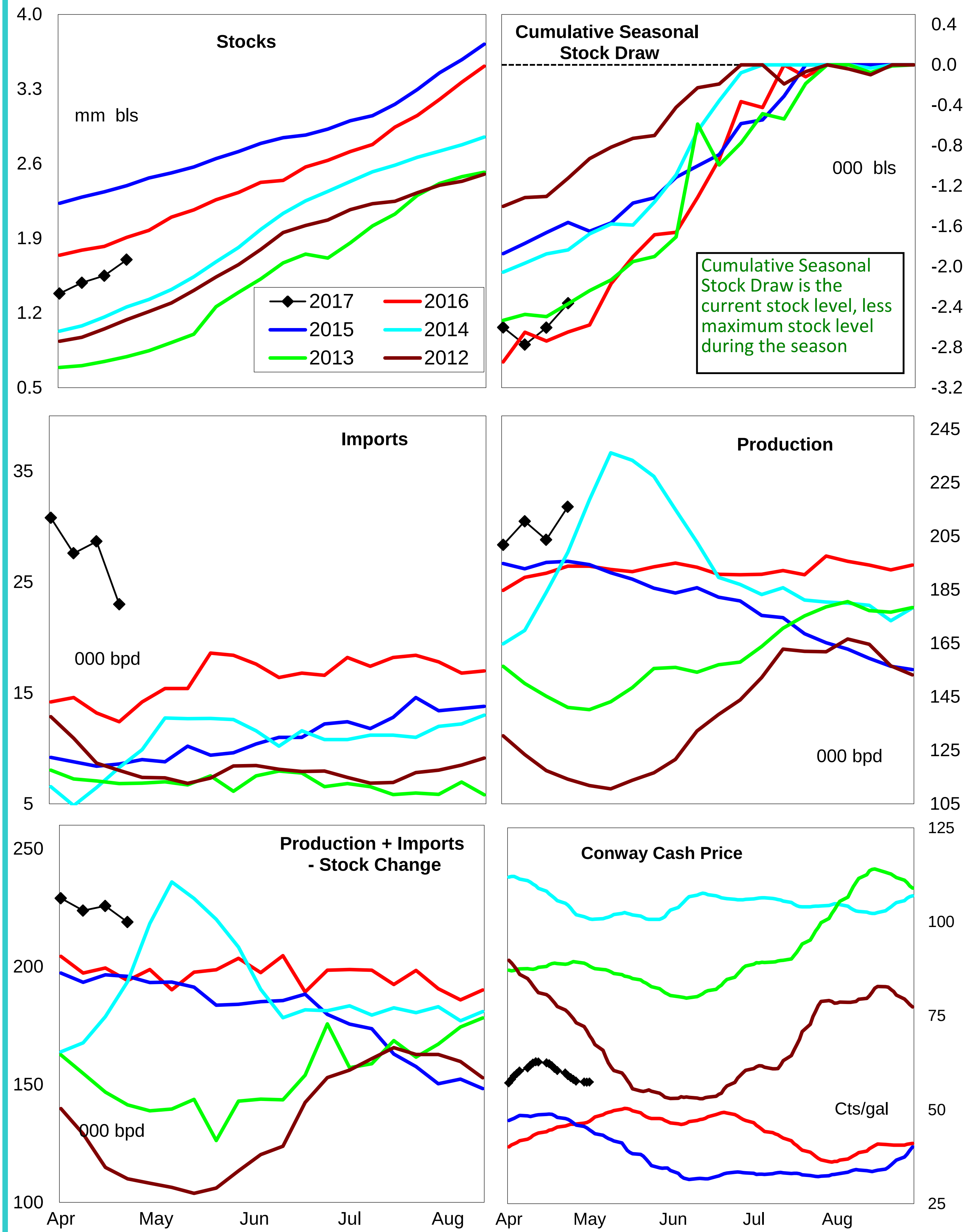
PADD 3 Propane Supply and Demand Balance



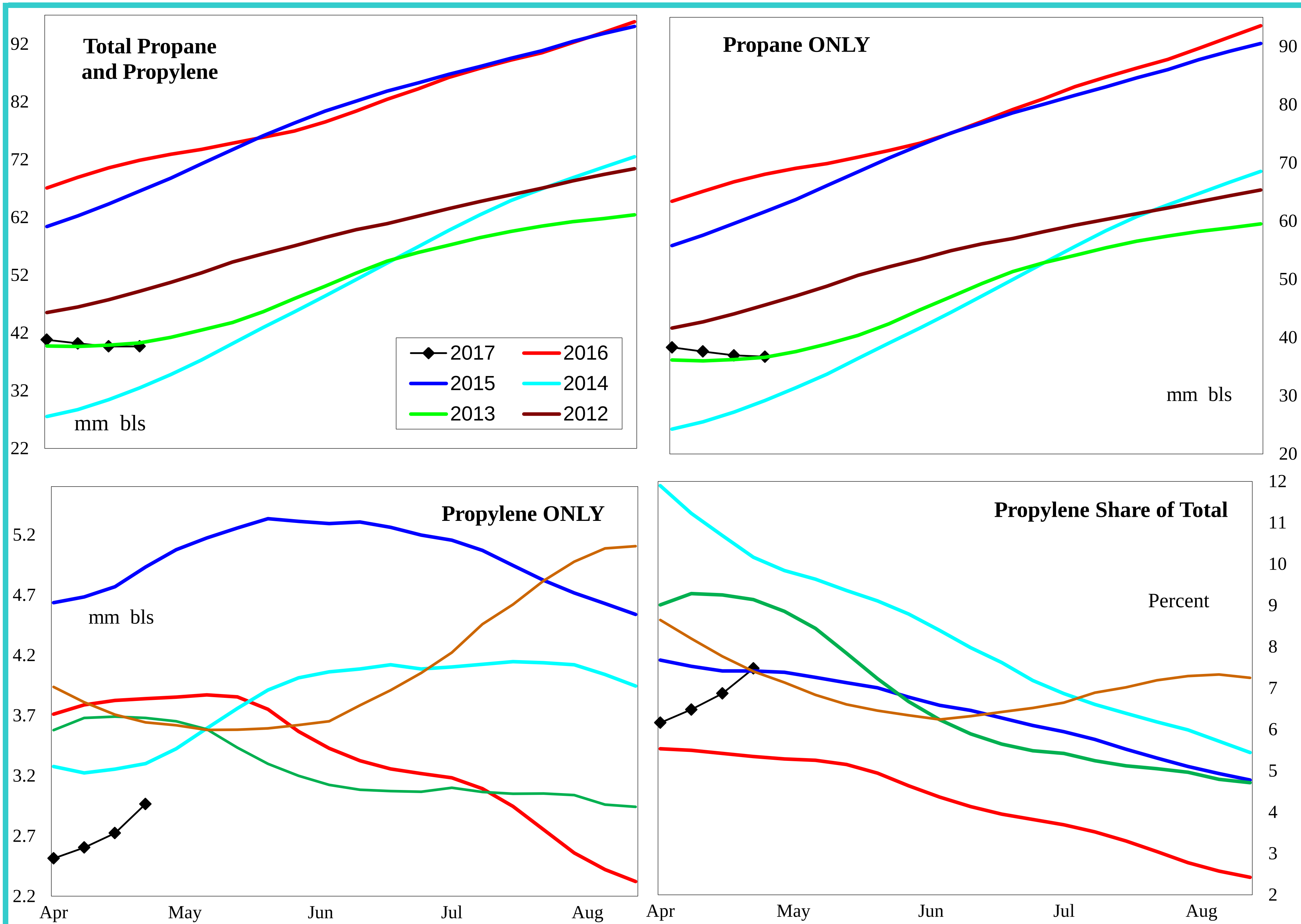
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-25,621	-25,215	-47	0	179
% change	-51.9	162	-4.6	#DIV/0!	20.6

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)	-152	283	14	13	26
% change	-8.2	-10.7	7.3	87.7	12.9

U. S. Propane and Propylene Stocks



Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	-32,191	-31,486	-874
% change	-44.8	-46.2	-22.8

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