FUNDAMENTAL PETROLEUM TRENDS

WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

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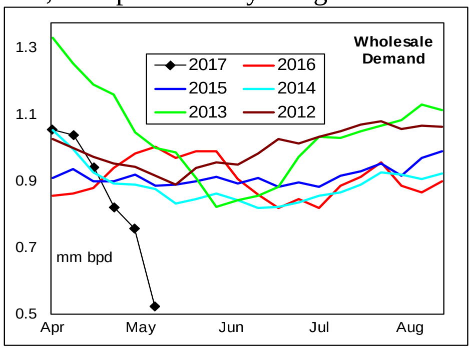
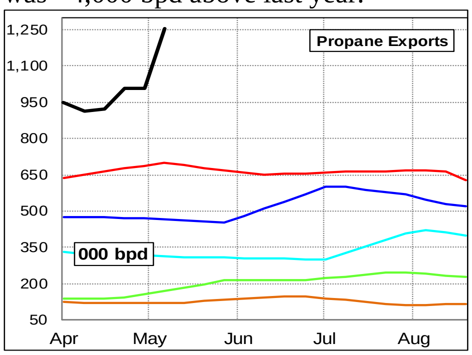
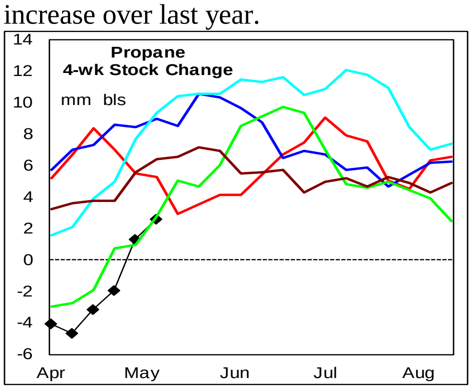
Summary[1]:
Wholesale demand declined -0.54 million bpd during the last 2-wks. The latest 4-wk wholesale demand was -146,000 bpd below a year ago.



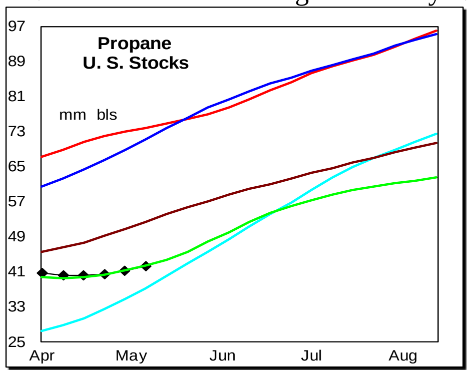
Production increased +74,000 bpd last week, while imports were -8,000 bpd lower. Production for the latest 4-wk period averaged +9,000 above a year ago. The latest 4-wk average of imports was +4,000 bpd above last year.



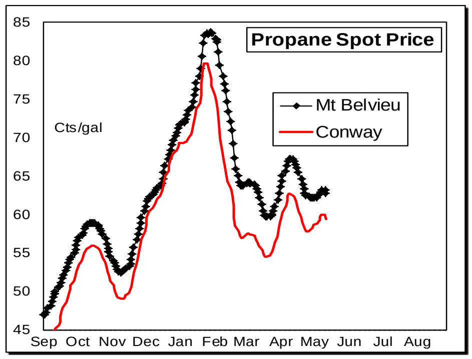
Exports for the week ending 12May17 were 1.25 million bpd, a +555,000 bpd increase over last year.



Stocks increased +0.6 million barrels last week, concentrated in the Midwest. Stock levels ended the week -43% below last year and at the low end of the 5-yr range for the period. The latest 4-wk stock change was a build of +2.8 million barrels, compared to an average build of +8.1 million barrels during the last 3-yrs.



Price and Spreads Mt Belvieu spot price decreased -1/2 cpg last week ending 16May17 while Conway reported a similar decrease.



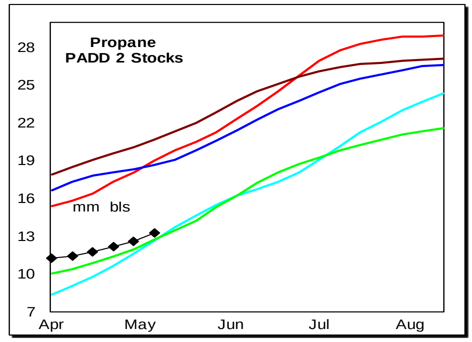
The Conway – Mt Belvieu price spread was unchanged on the week to trade near the 3-yr mid range for this time of year.

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

The propane / crude oil price spread trended higher last week on weakness in crude oil prices, to a level well above the 5-yr range for the period.

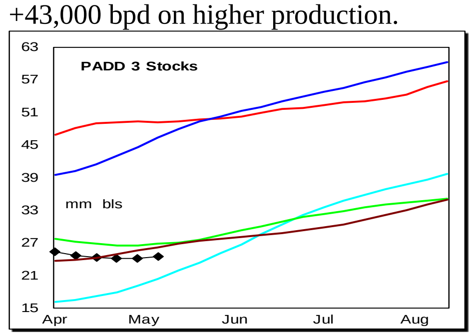
PADD 1 stocks decreased -0.3 million barrels last week. Stock levels ended the week -29% below a year ago for the period. Supply was unchanged on the week.

PADD 2 supply increased +19,000 bpd on higher production. Production for the latest 4-wk period was +39,000 bpd above a year ago while imports decreased -4,000 bpd.



Stocks increased +0.6 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 +0.2 million barrels on the week. Stock levels ended the week -50% below last year's record high, and at the low end of the 5-yr range for the period. Supply increased +43,000 bpd on higher production.



PADDs 4 & 5 stocks increased +0.1 million barrels last week. Supply increased +4,000 bpd on higher imports. Stock levels ended the week -16% below last year.

Emerging Trends Imports rebounded last week to 1.25 million bpd, a +424,000 bpd jump from the prior week. The increase more than offset very low domestic wholesale demand.

The latest 4-wk stock build of +2.8 million barrels matched the 5-yr record low build set in 2013. This compared to the average build of +8.1 million barrels during the last 3-yrs.

Stock levels are now -43% below a year ago and at the low end of the 5-yr range.

A renewed uptrend in global energy prices should provide support to wholesale propane prices.

[1] Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

May 17, 2017

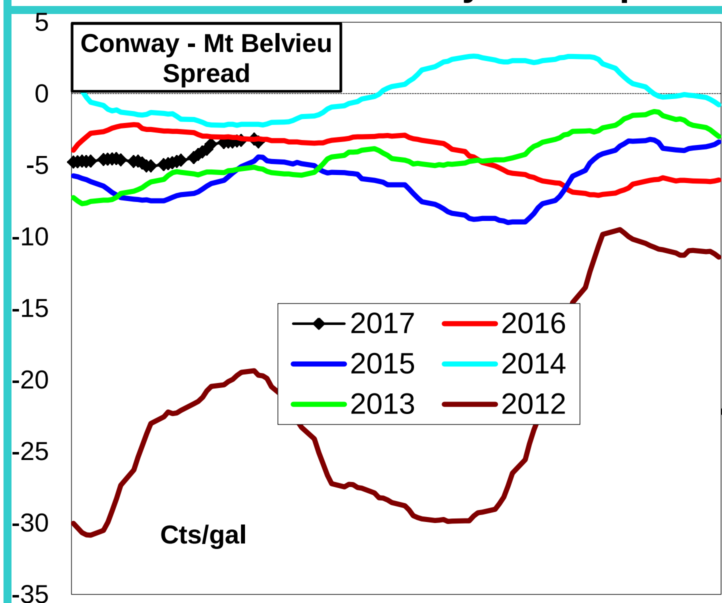
Fundamental Trends for the Week Ending: Friday, May 12, 2017

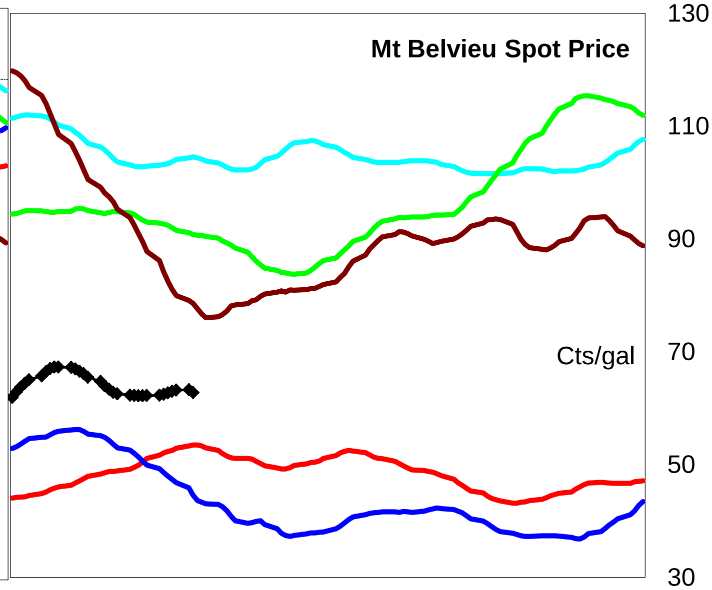
000 bpd / Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5	U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5
Stocks	42,208	2,594	13,283	24,505	1,826	575	-331	634	181	91
Propylene Stocks	3,157					10				
Production	1,803	173	454	977	199	74	5	32	43	-6
Imports	81	20	32	0	29	-8	-5	-13	0	10
Whsle Demand	548					-159				

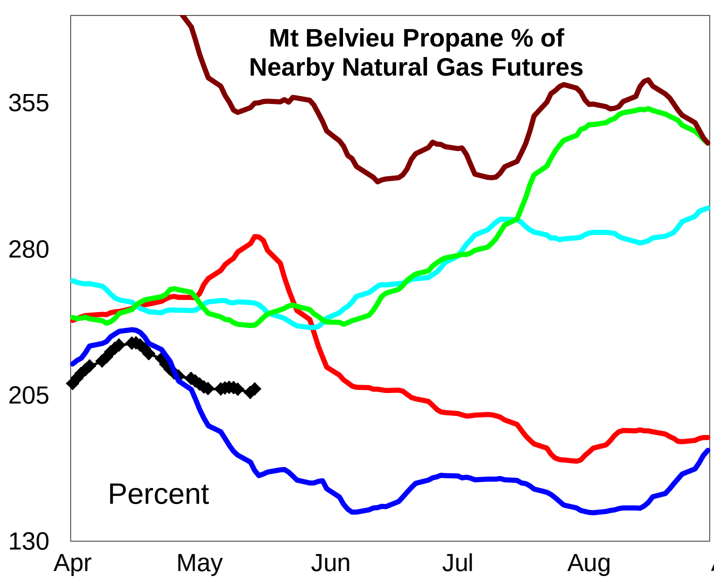
Price Trends for the Week Ending: Tuesday, May 16, 2017

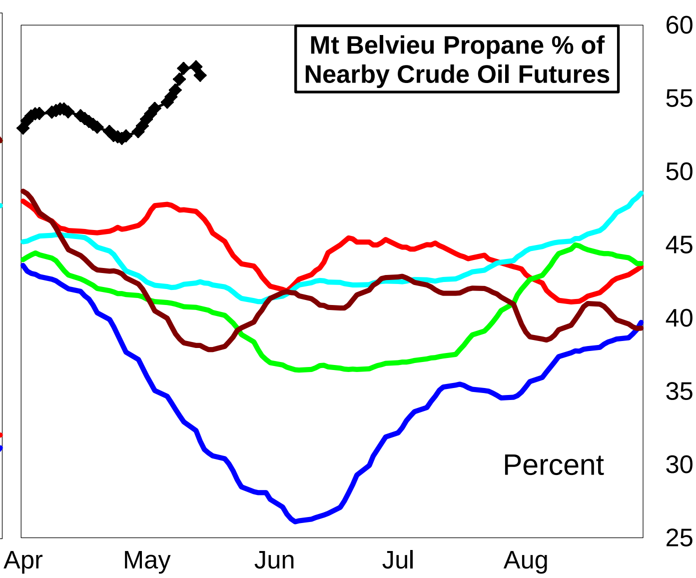
Cents/gal	Average for week ending:				Change from:			% change from:		
	5/16/17	5/9/17	4/18/17	5/19/16	5/9/17	4/18/17	5/19/16	5/9/17	4/18/17	5/19/16
Mont Belvieu Spot	63.3	62.2	68.7	55.1	1.10	-6.53	13.63	1.8	-9.5	24.8
Conway Spot	60.0	58.7	64.2	51.9	1.35	-5.58	12.30	2.3	-8.7	23.7

Key Price Spreads and Differentials

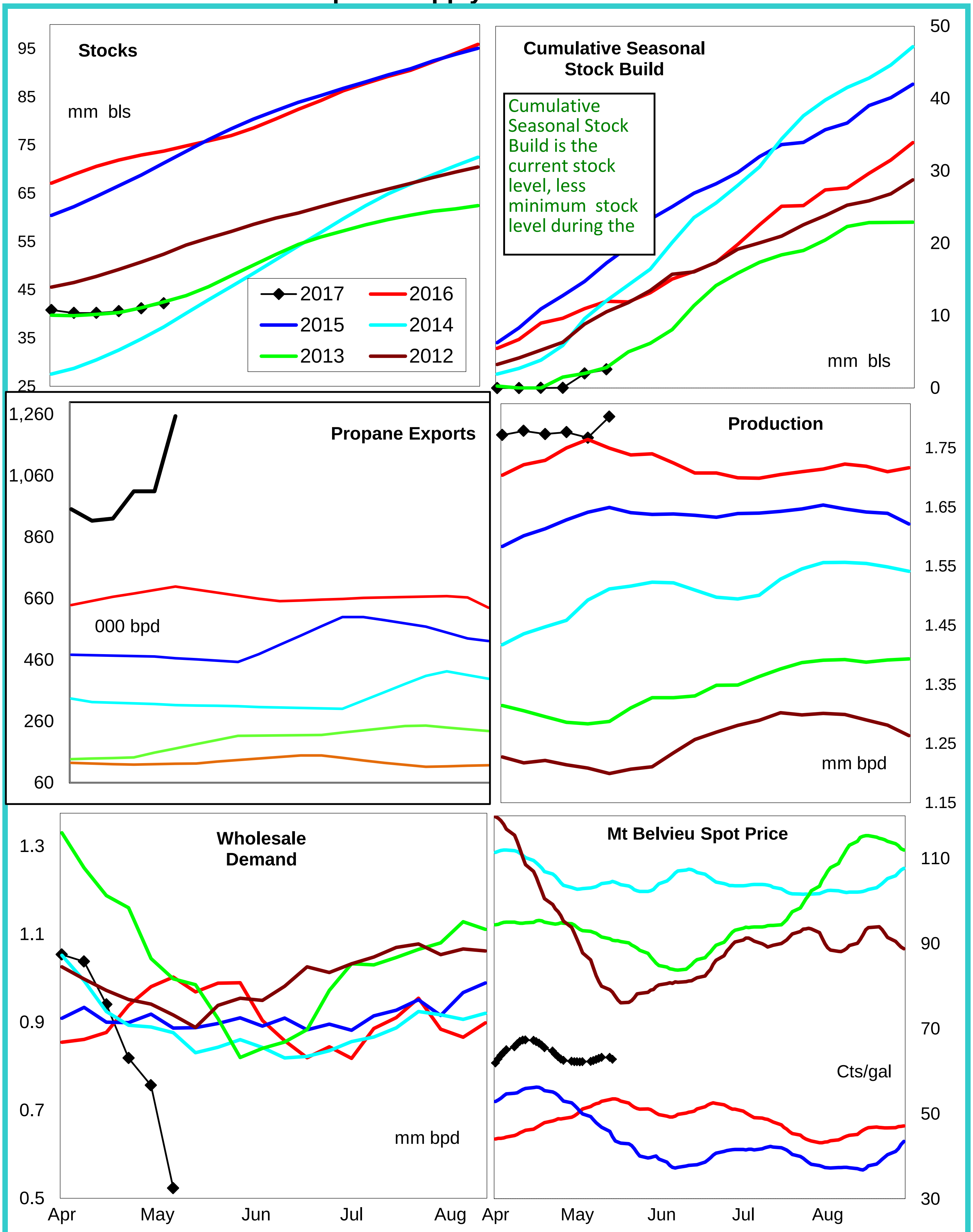








U. S. Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Apr	Mar	Feb
000 bpd (000 bls stks)	-32,008	-9,425	9	4		-146	112	-70	-169
% change	-43.1	-79	0.5	3.9		-15.0	12.2	-6.0	-11.3

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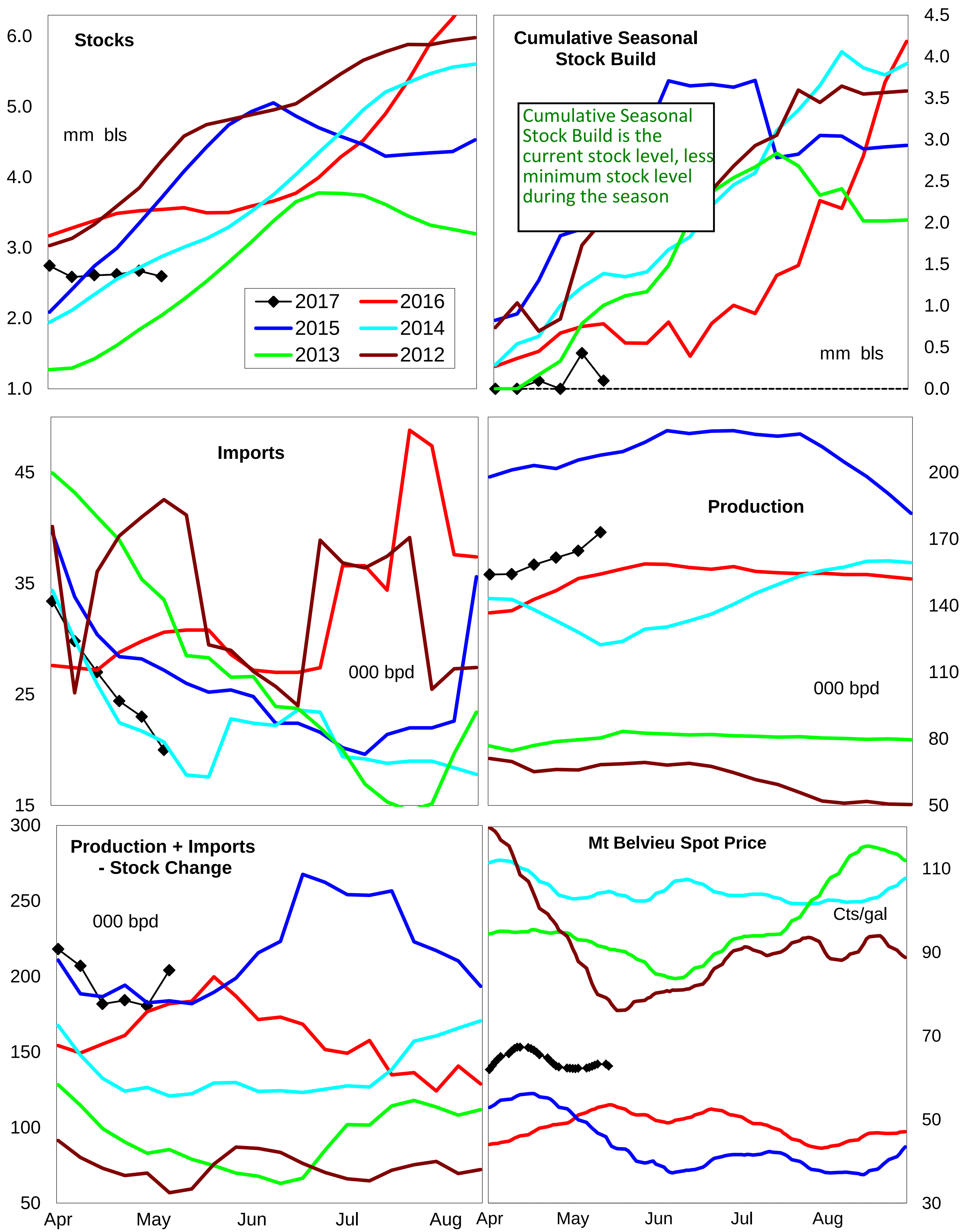
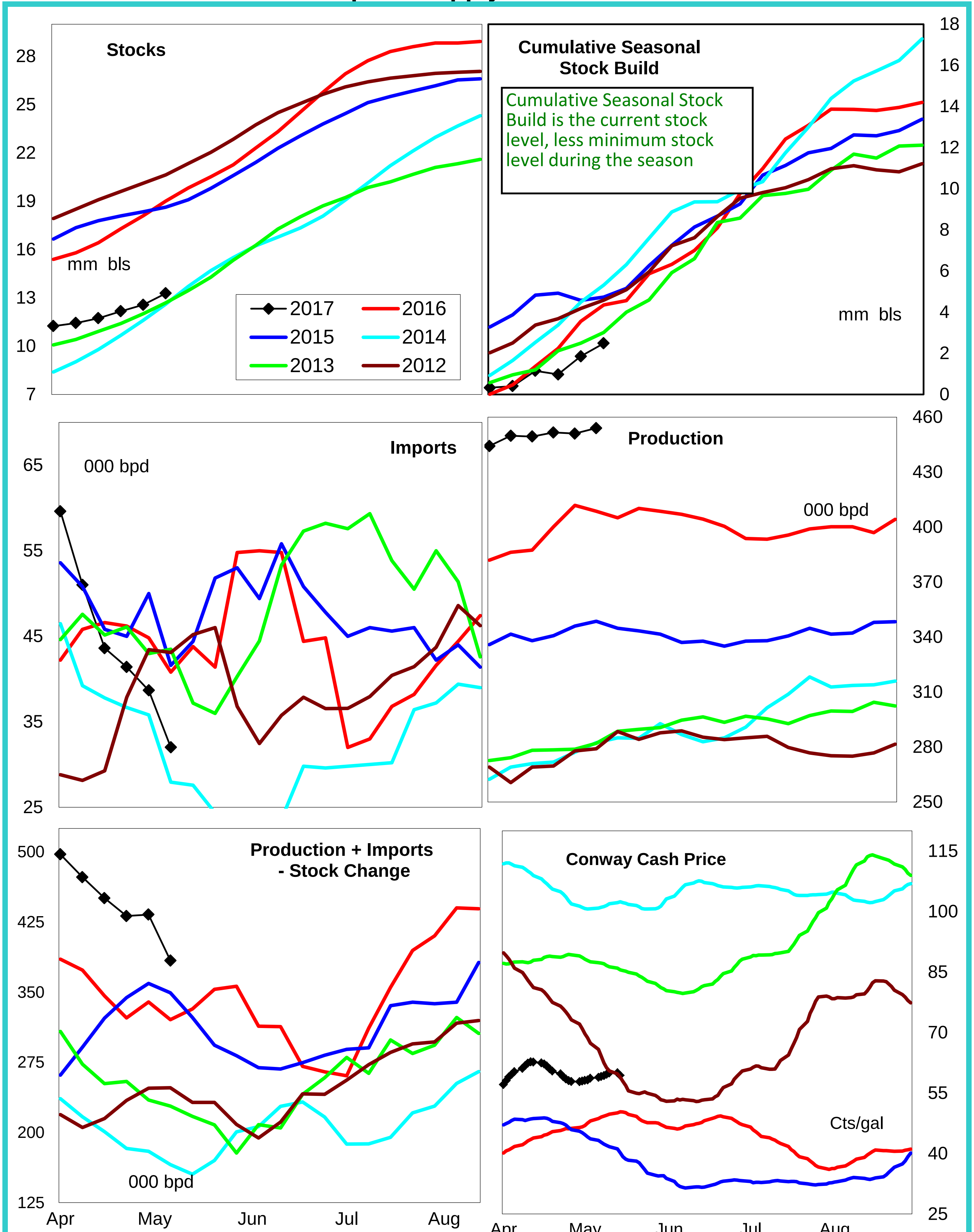
PADD 1 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-1,071	-686	13	-6	19
% change	-29.2	-87.6	8.9	-21.2	11.2

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)	-5,956	-1,860	39	-4	92
% change	-31.0	-42.8	9.4	-8.9	27.8

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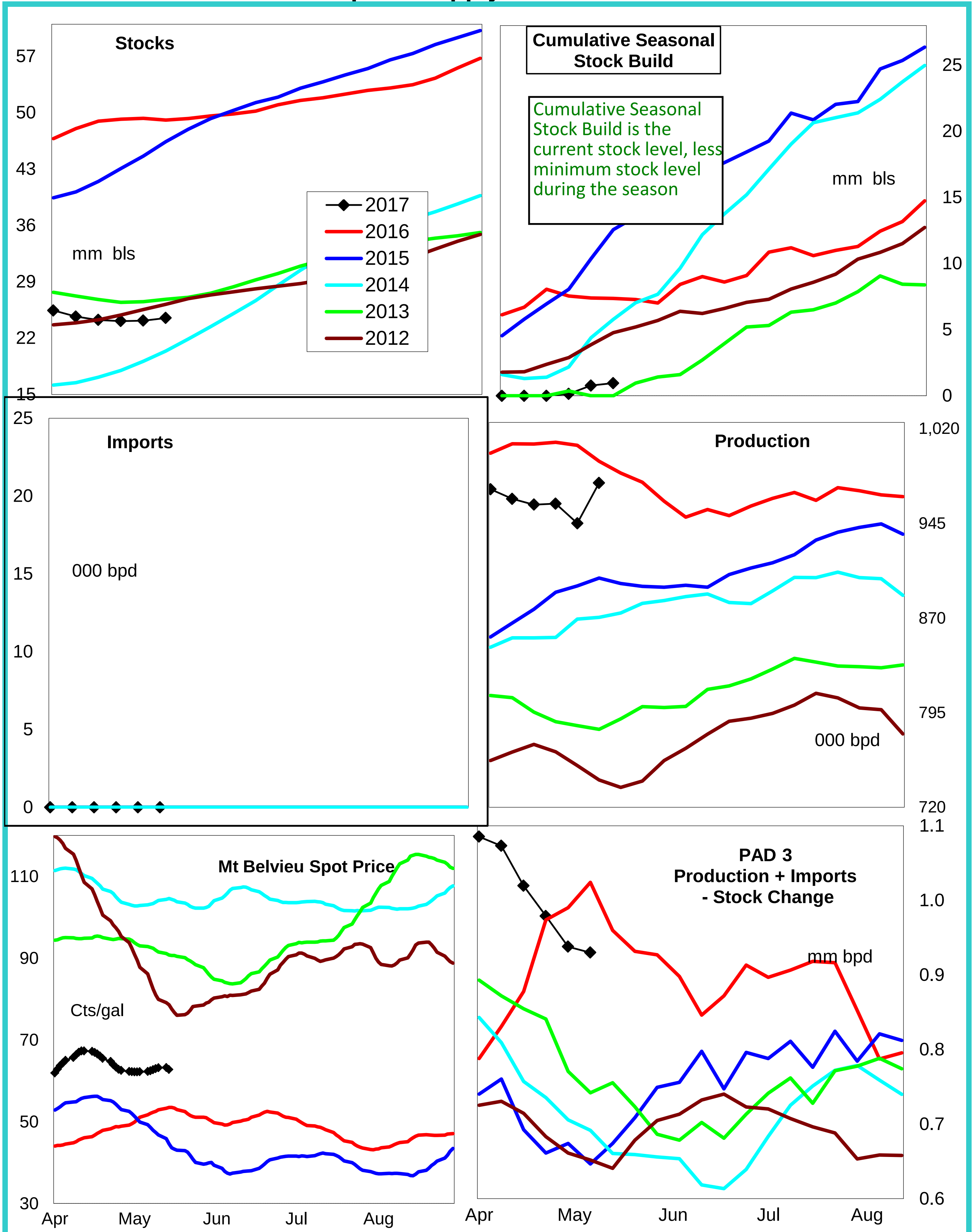
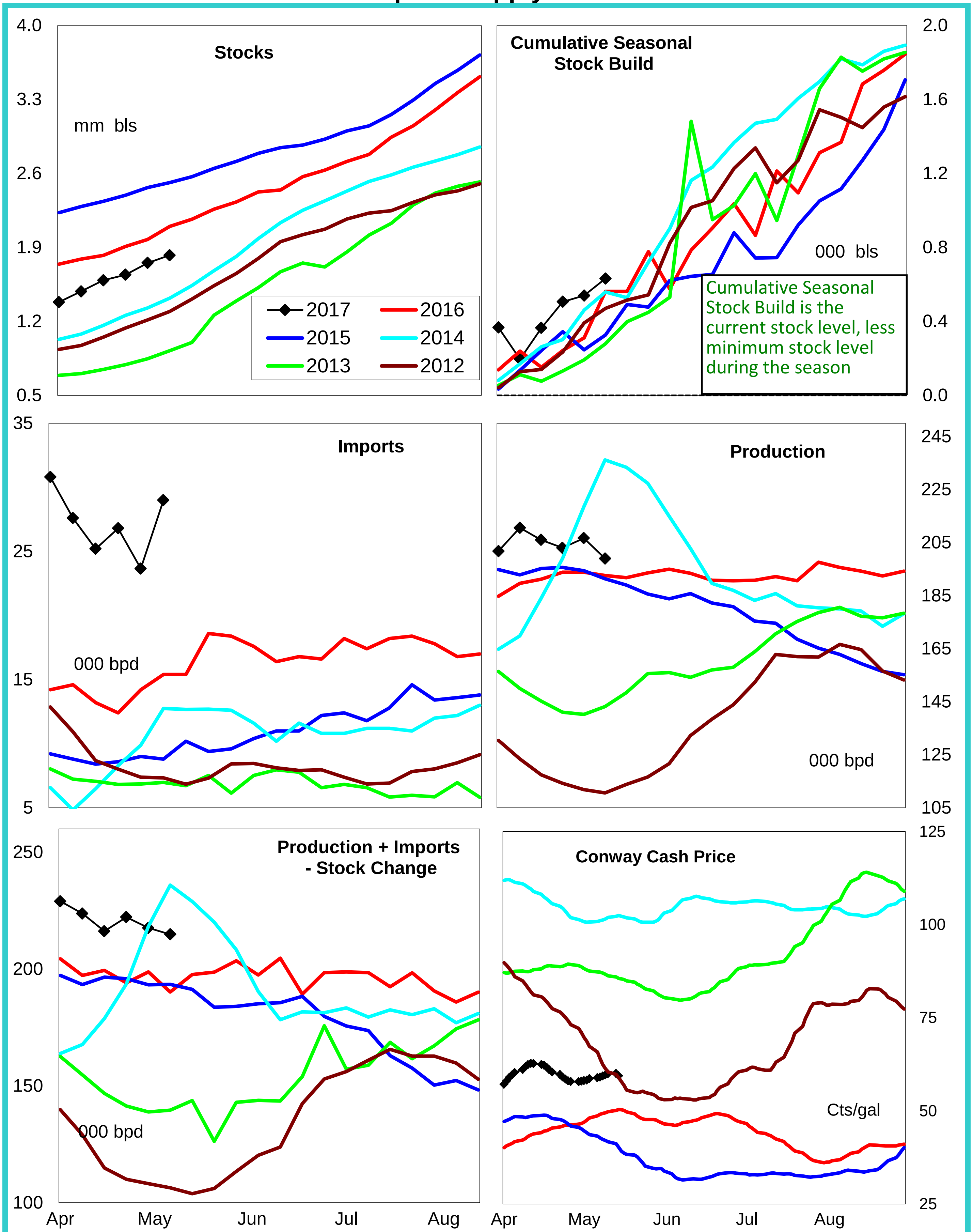
PADD 3 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-24,636	-6,405	-53	0	0
% change	-50.1	-87	-5.3	#DIV/0!	0.0

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)	-345	70	10	14	22
% change	-15.9	12.5	5.2	109.8	11.3

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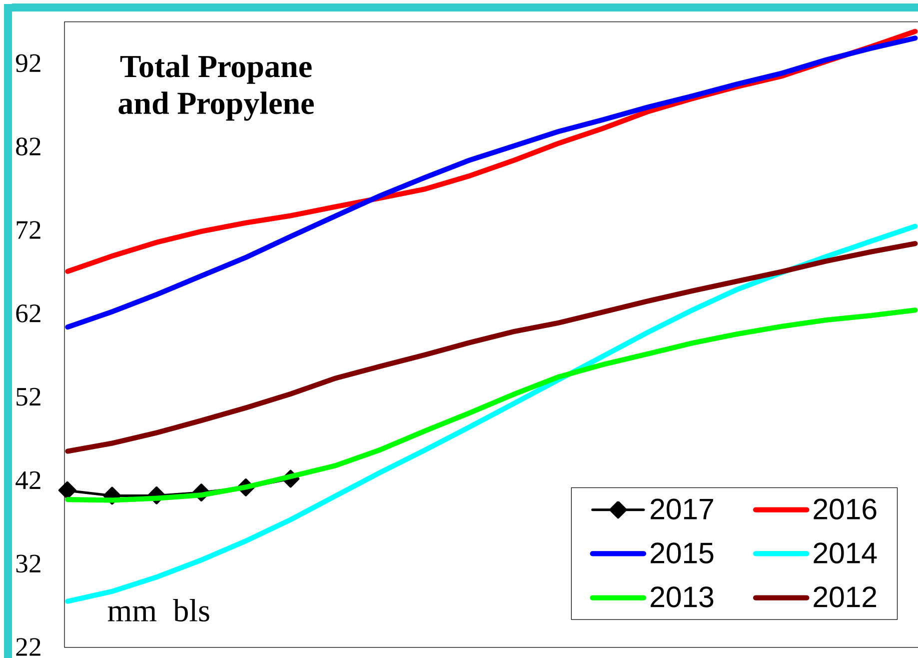
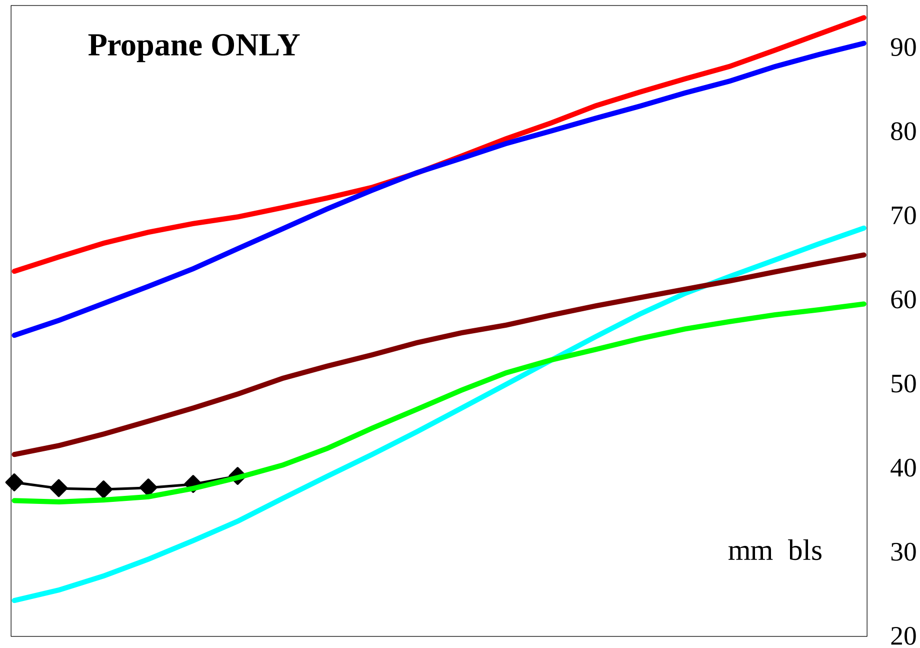
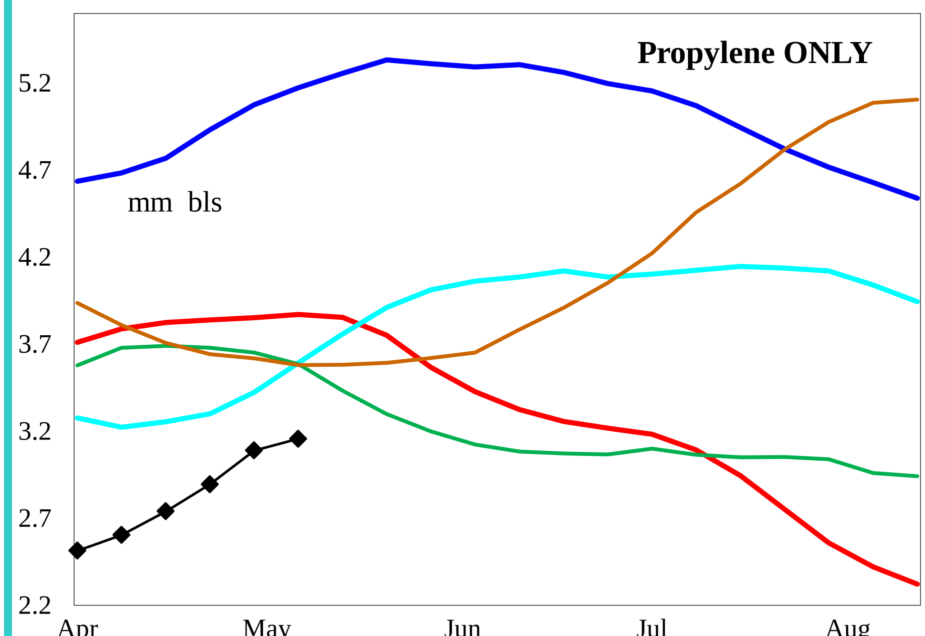
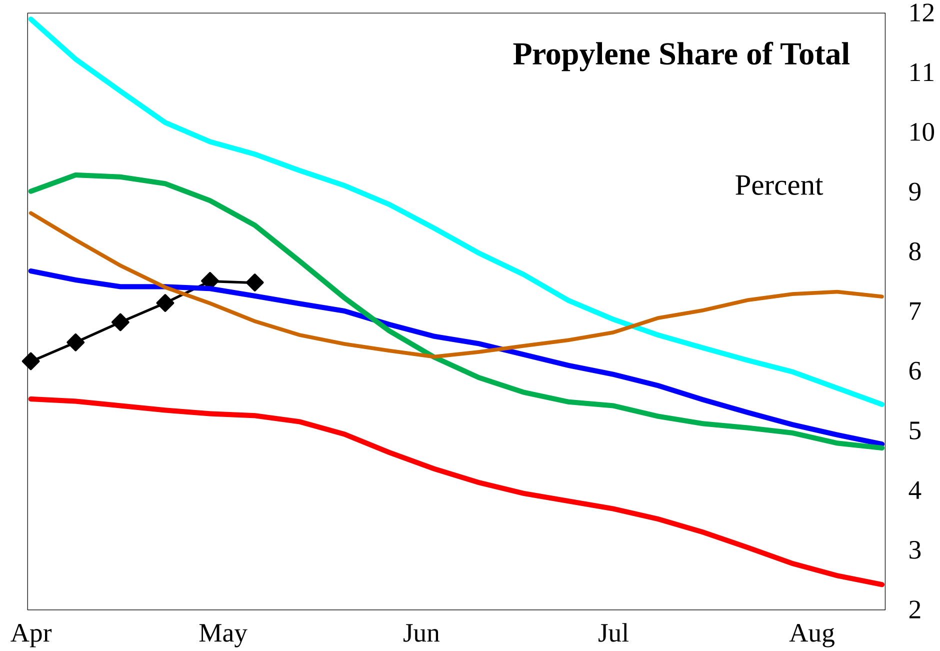
U. S. Propane and Propylene Stocks









Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	-32,008	-31,173	-715
% change	-43.1	-44.4	-18.5

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