FUNDAMENTAL PETROLEUM TRENDS

WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

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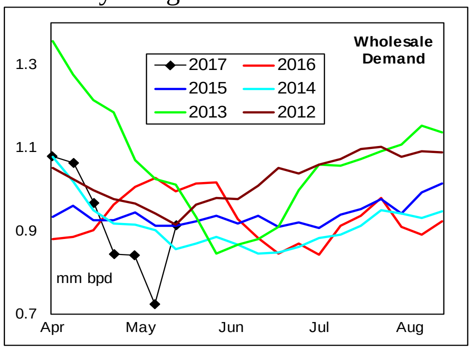
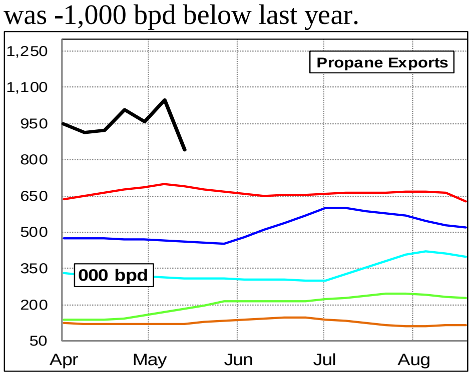
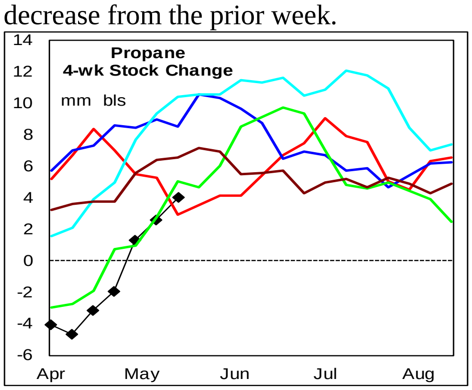
Summary[1]:
Wholesale demand climbed +0.36 million bpd last week. The latest 4-wk wholesale demand was -231,000 bpd below a year ago.



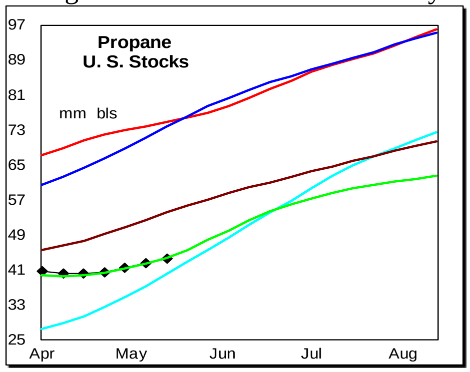
Production increased +66,000 bpd last week, while imports were +14,000 bpd higher. Production for the latest 4-wk period averaged +33,000 above a year ago. The latest 4-wk average of imports was -1,000 bpd below last year.



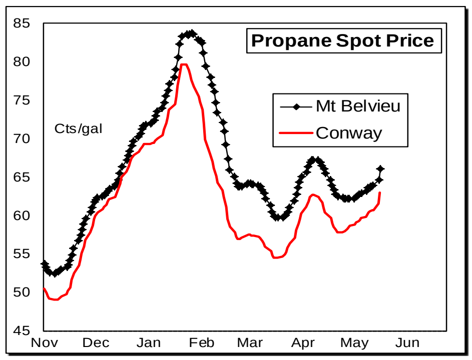
Exports for the week ending 19May17 were 0.84 million bpd, a -413,000 bpd decrease from the prior week.



Stocks increased +1.5 million barrels last week, with builds in all regions except the West. Stock levels ended the week -41% 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 +4 million barrels, compared to an average build of +5.5 million barrels during the last 2-yrs.



Price and Spreads Mt Belvieu spot price increased +4.5 cpg last week ending 23May17 while Conway reported a similar increase.



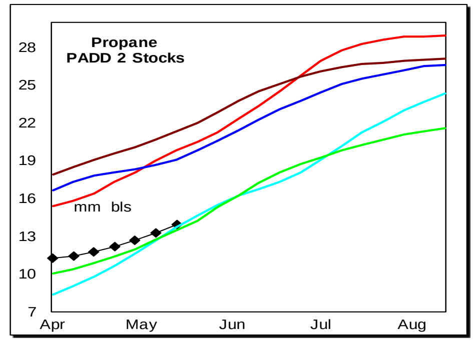
The Conway – Mt Belvieu price spread was unchanged on the week to trade near the 3-yr mid range for this time of year.

The propane to natural gas price spread trended higher on the week, trading above the average of the last 2-yrs for the period.

The propane / crude oil price spread was unchanged week at a record level for the spring/summer period.

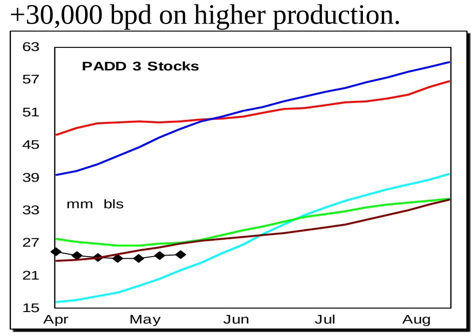
PADD 1 stocks increased +0.4 million barrels on the week. Stock levels ended the week -12% below a year ago for the period. Supply was unchanged on the week.

PADD 2 supply increased +24,000 bpd on higher production. Production for the latest 4-wk period was +48,000 bpd above a year ago while imports decreased -6,000 bpd.



Stocks increased +0.7 million barrels on the week. Stock levels ended the week -28% below last year, and near historic lows for this time of year.

PAD 3 stocks increased +0.4 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 +30,000 bpd on higher production.



PADDs 4 & 5 stocks were unchanged last week. Supply increased +24,000 bpd on higher production and imports. Stock levels ended the week -18% below last year.

Emerging Trends Exports were 0.84 million bpd last week, down 0.4 million bpd from the prior week. Wholesale demand rebounded from earlier lows, up +360,000 bpd on the week.

The latest 4-wk stock build of +4 million barrels was slightly above a year ago, but well below the 2014/2015 average of +9 million barrels.

Stock levels are now -41% below a year ago and at the low end of the 5-yr range.

The slow rate of stock build and low level of stocks should provide support to wholesale propane prices.

[1] Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

May 24, 2017

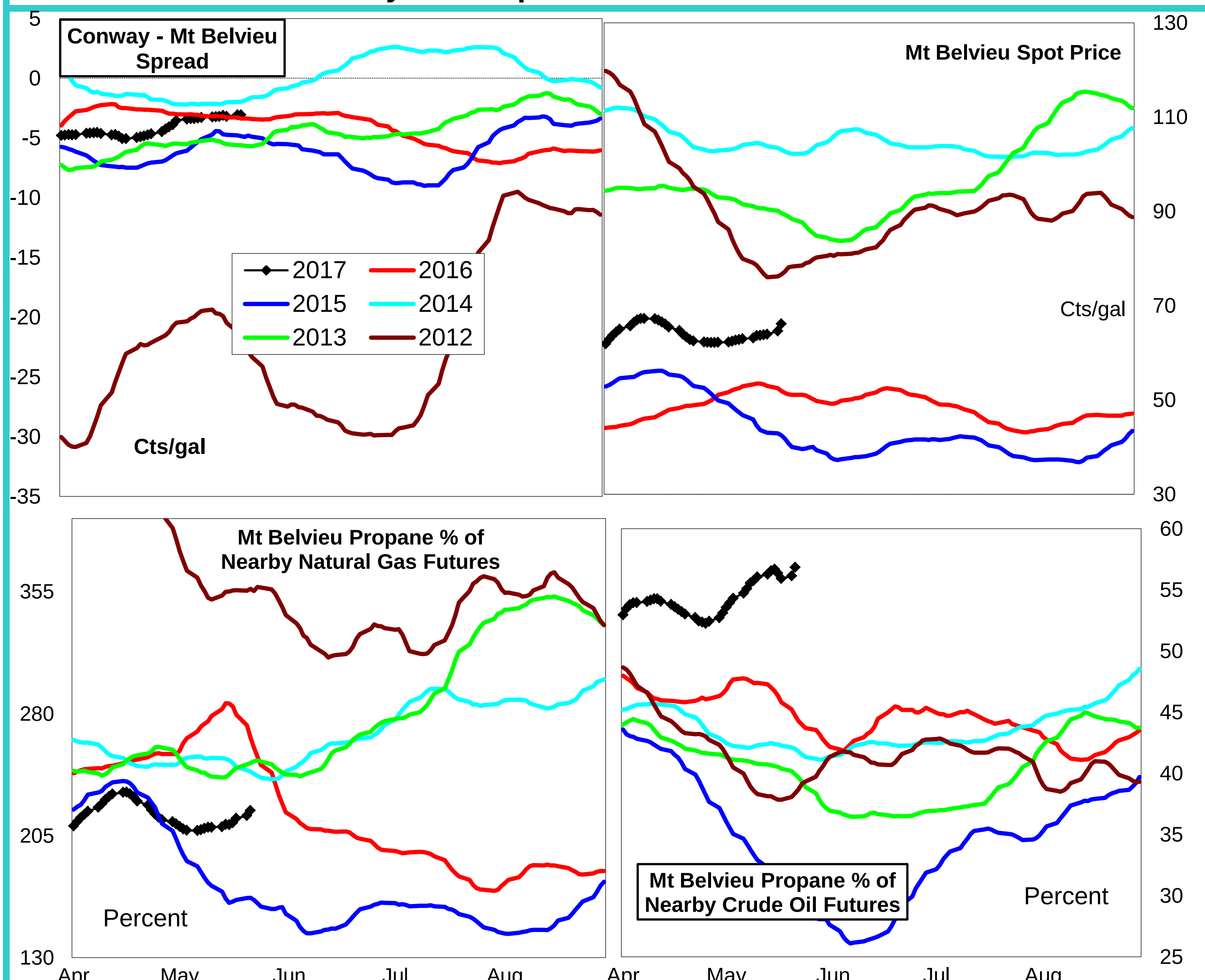
Fundamental Trends for the Week Ending: Friday, May 19, 2017

000 bpd / Stocks 000 bls	Weekly Supply-Demand: U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5	Change from prior week: U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5
Stocks	43,686	3,009	13,958	24,929	1,790	1,478	415	675	424	-36
Propylene Stocks	3,098					-59				
Production	1,869	171	478	1,007	213	66	-2	24	30	14
Imports	95	23	33	0	39	14	3	1	0	10
Whsle Demand	912					364				

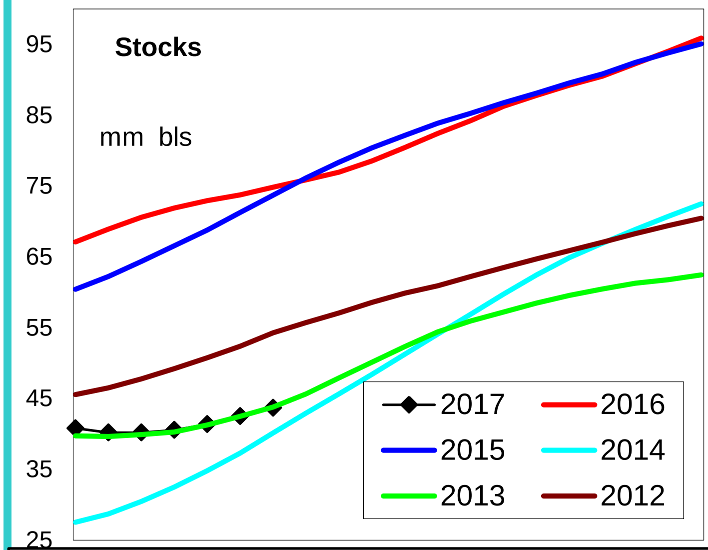
Price Trends for the Week Ending: Tuesday, May 23, 2017

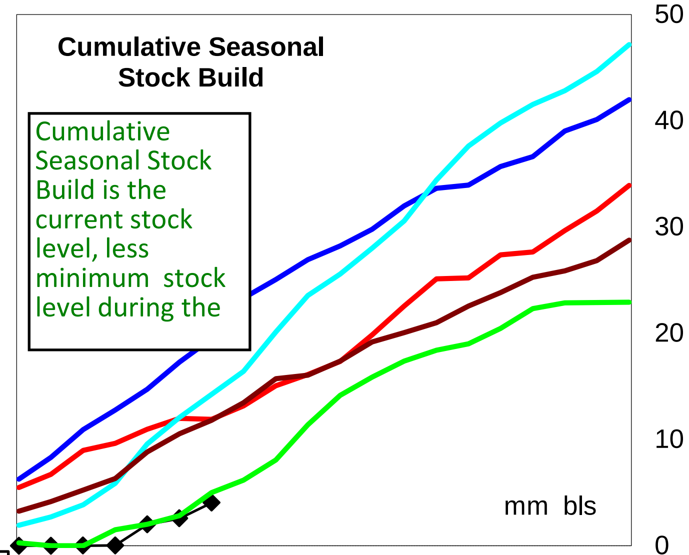
Cents/gal	Average for week ending: 5/23/17	5/16/17	4/25/17	5/26/16	Change from: 5/16/17	4/25/17	5/26/16	% change from: 5/16/17	4/25/17	5/26/16
Mont Belvieu Spot	64.2	63.3	65.0	52.1	0.95	-1.75	12.93	1.5	-2.7	24.8
Conway Spot	61.1	60.0	59.9	49.0	1.05	0.10	10.90	1.8	0.2	22.2

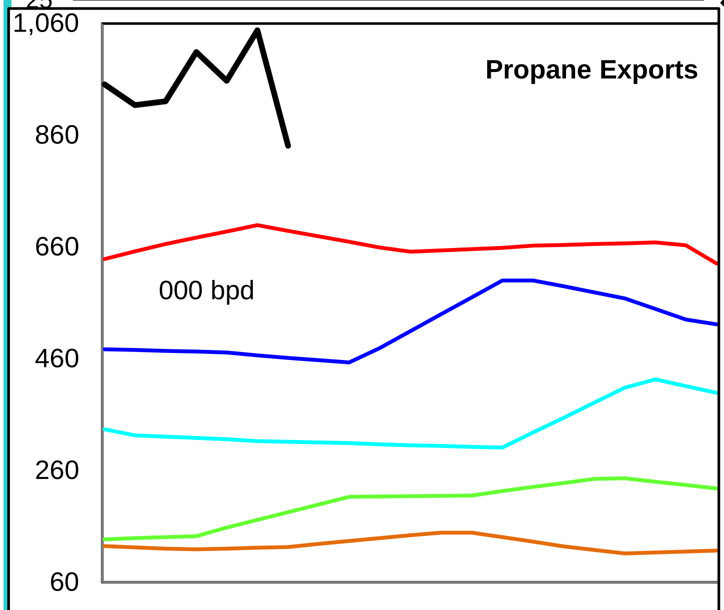
Key Price Spreads and Differentials

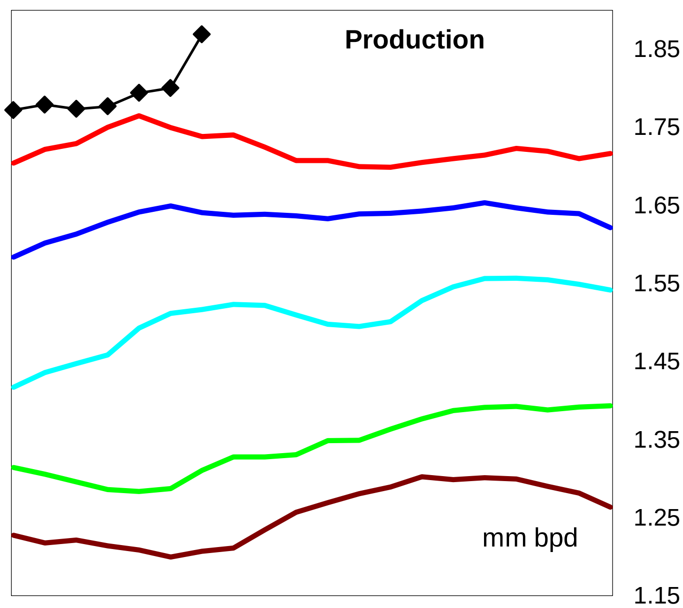


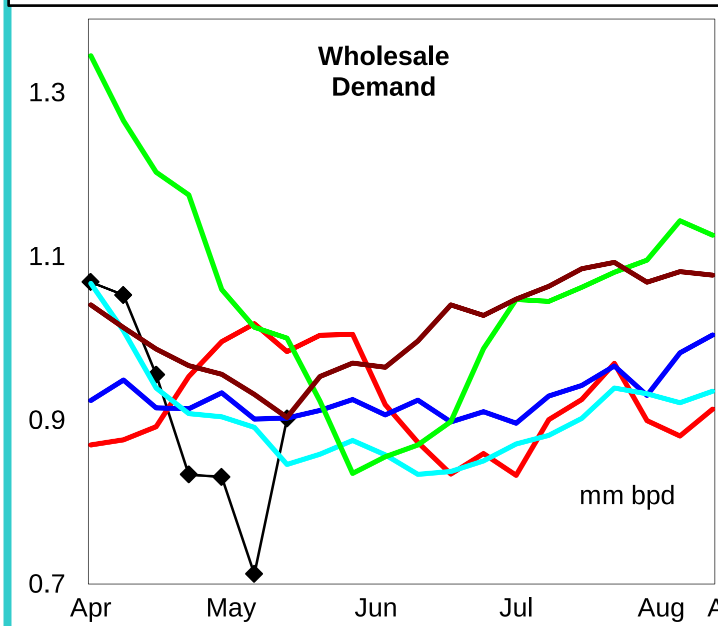
U. S. Propane Supply and Demand Balance

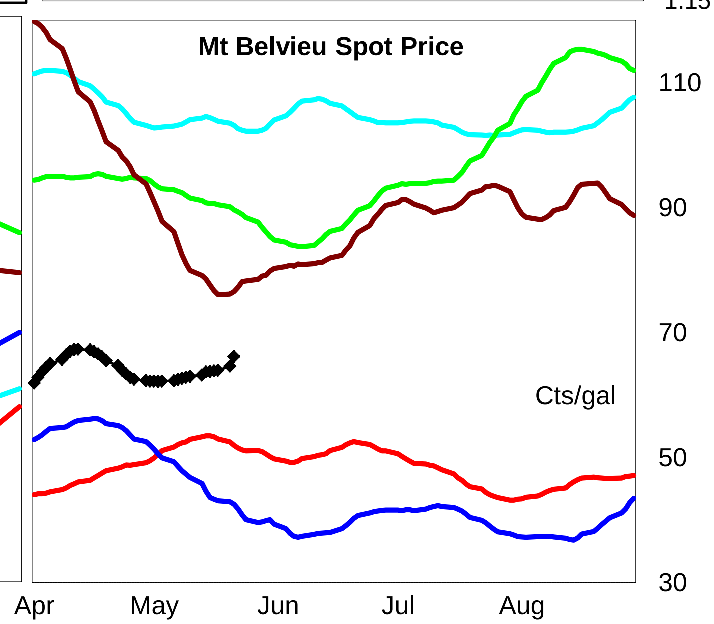












4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Apr	Mar	Feb
000 bpd (000 bls stks)	-30,443	-7,860	33	-1		-231	112	-70	-169
% change	-41.1	-66	1.9	-1.1		-22.1	12.2	-6.0	-11.3

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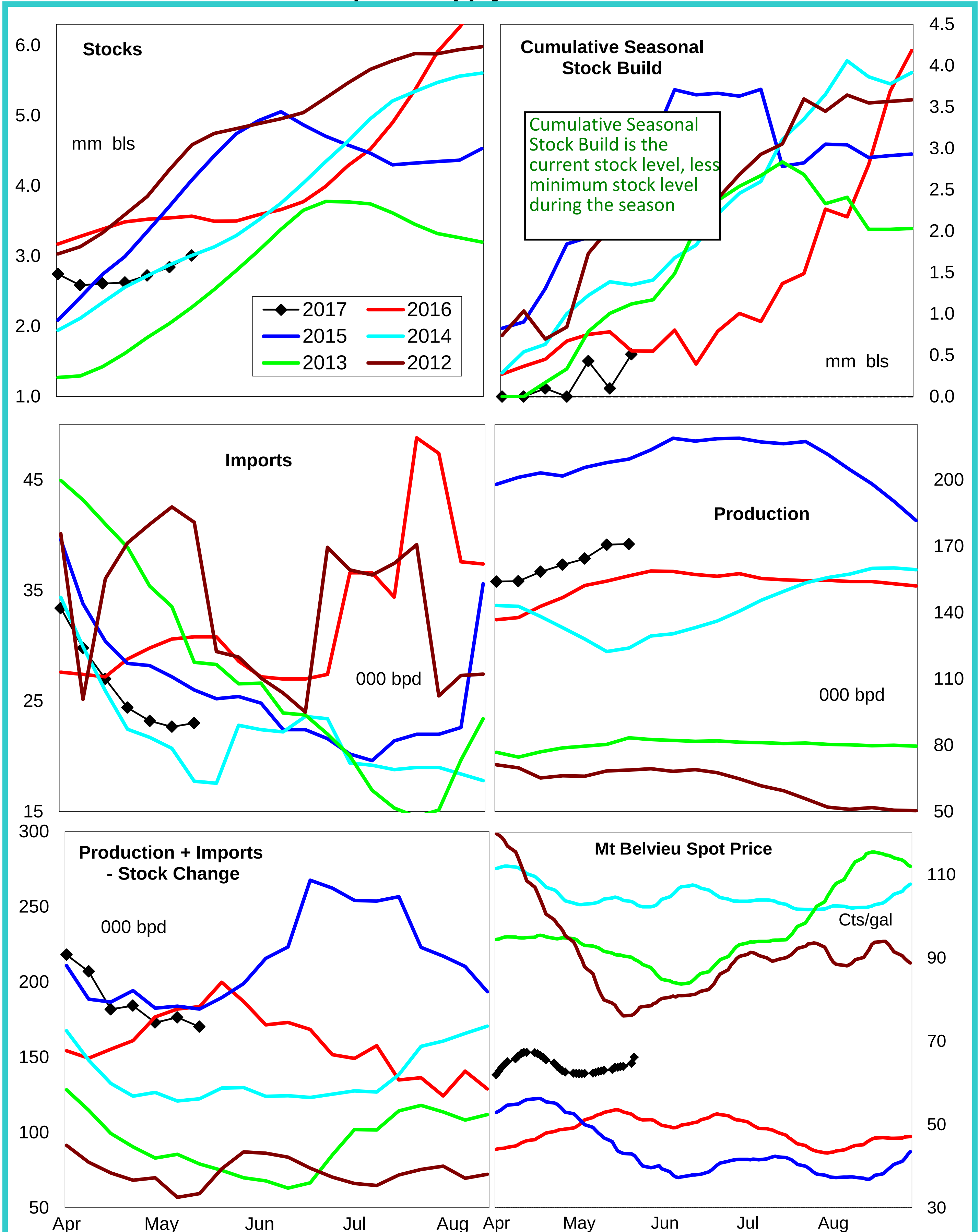
PADD 1 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-425	-40	13	-8	0
% change	-12.4	-7.2	8.3	-24.6	0.1

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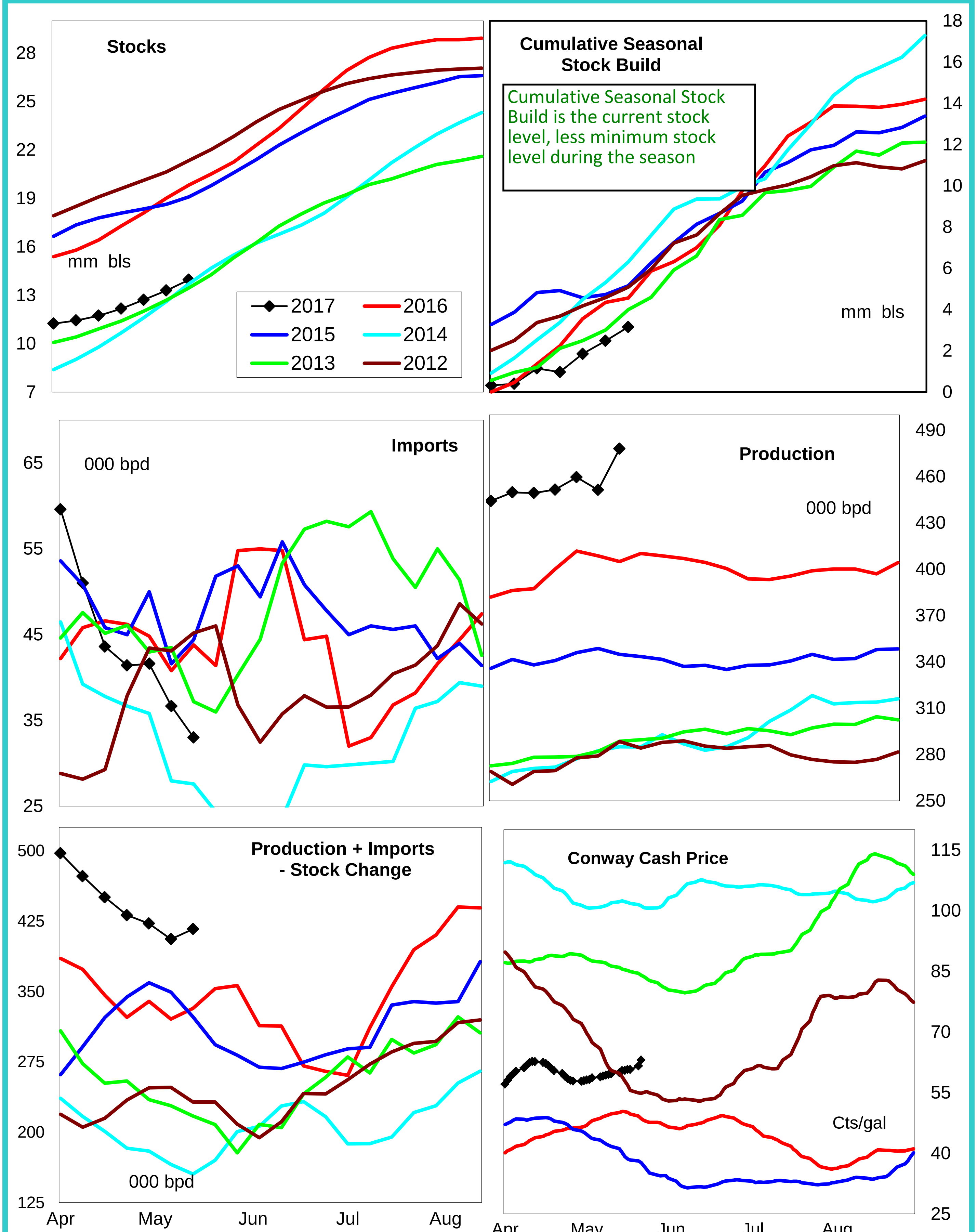
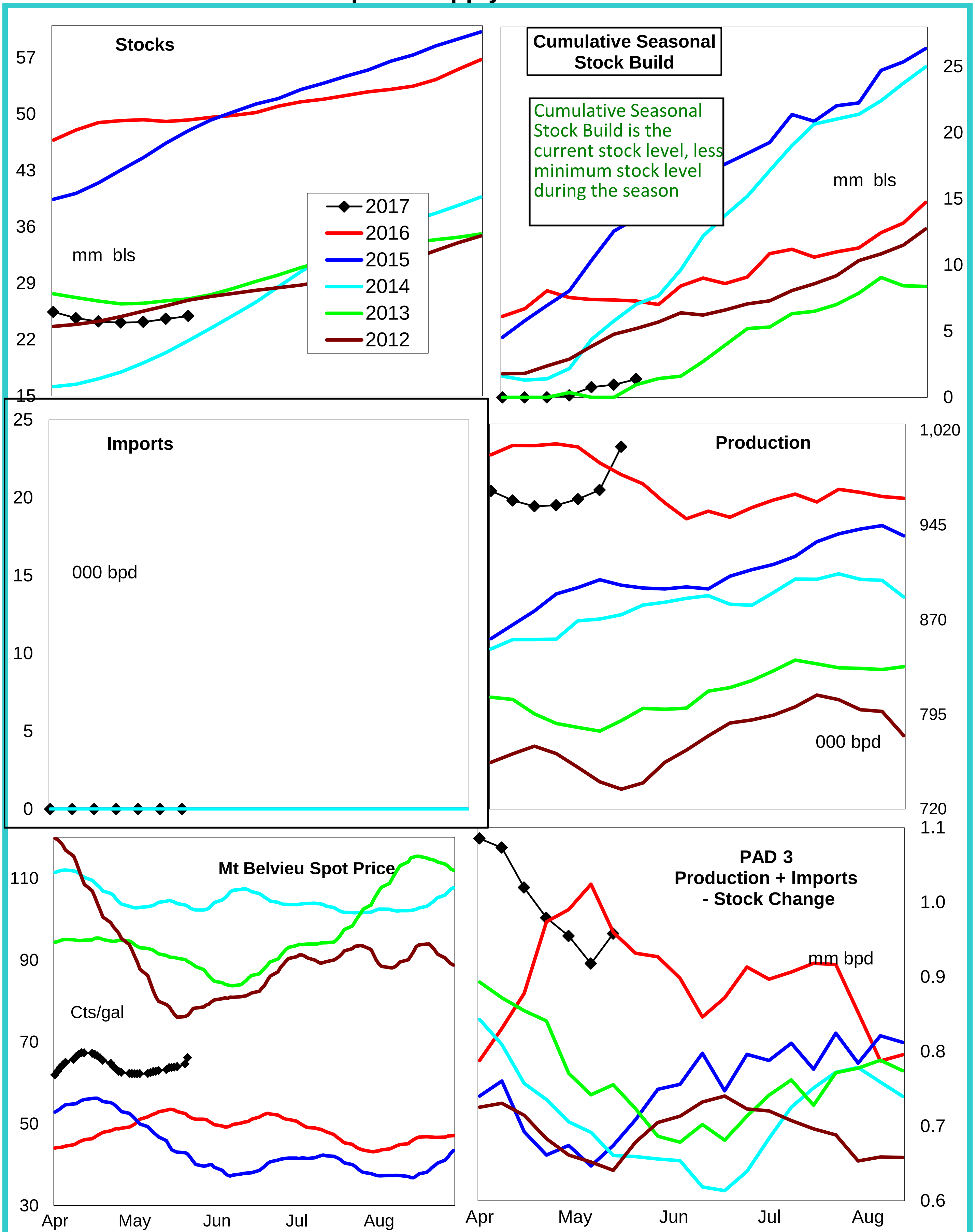
PADD 2 Propane Supply and Demand Balance



4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-5,503	-1,407	48	-6	90
% change	-28.3	-30.8	11.7	-14.4	27.5

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)	-24,134	-5,903	-43	0	-35
% change	-49.2	-81	-4.3	#DIV/0!	-3.5

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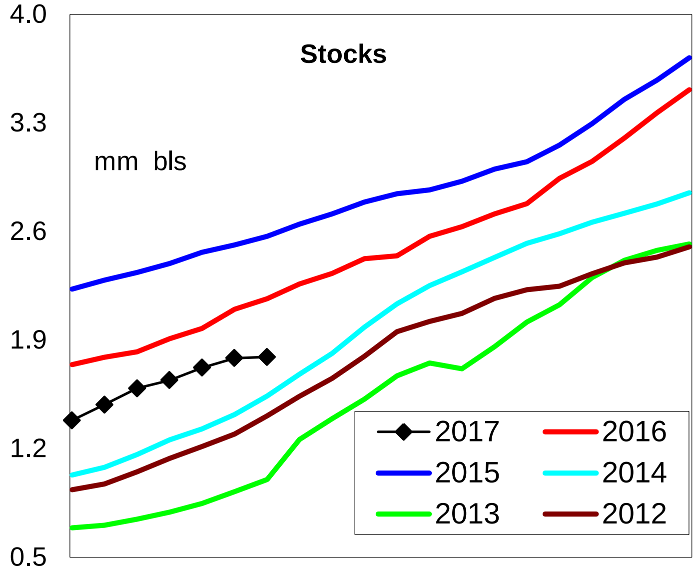
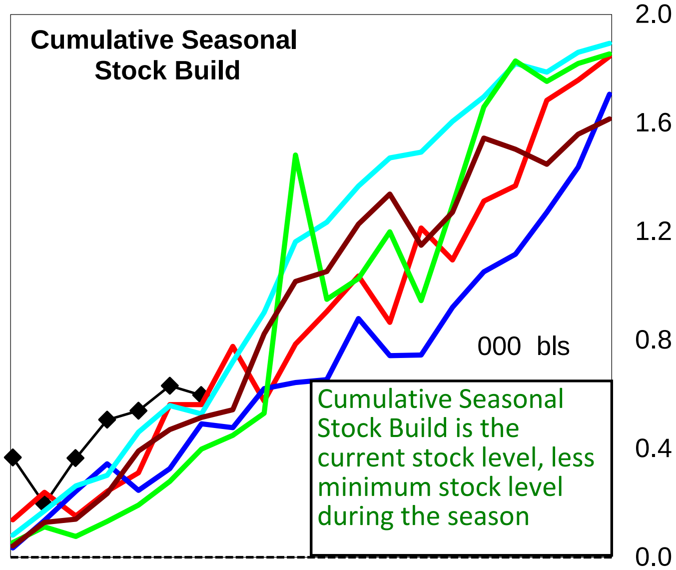
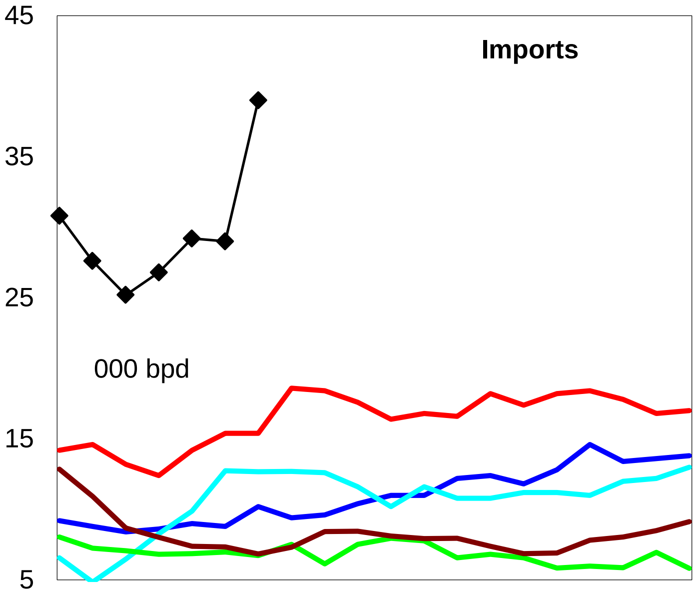
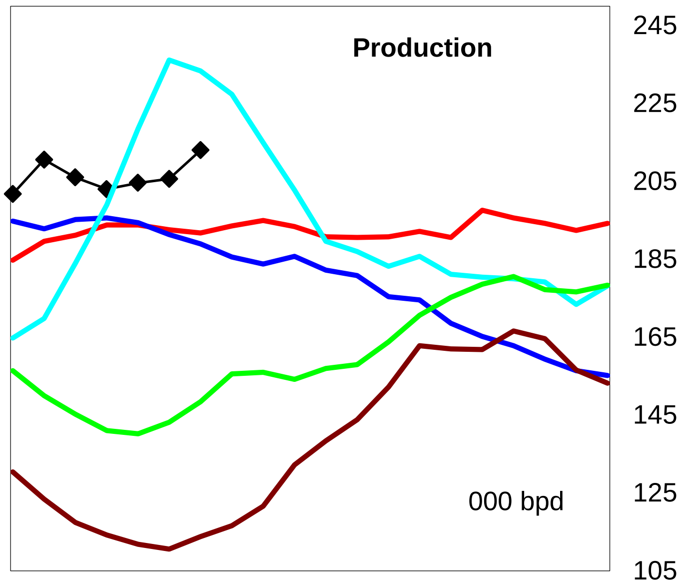
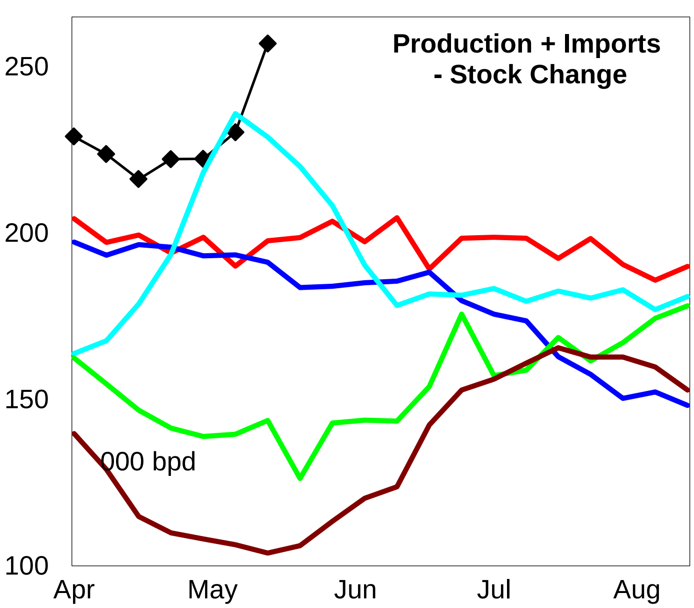
PADDs 4 and 5 Propane Supply and Demand Balance

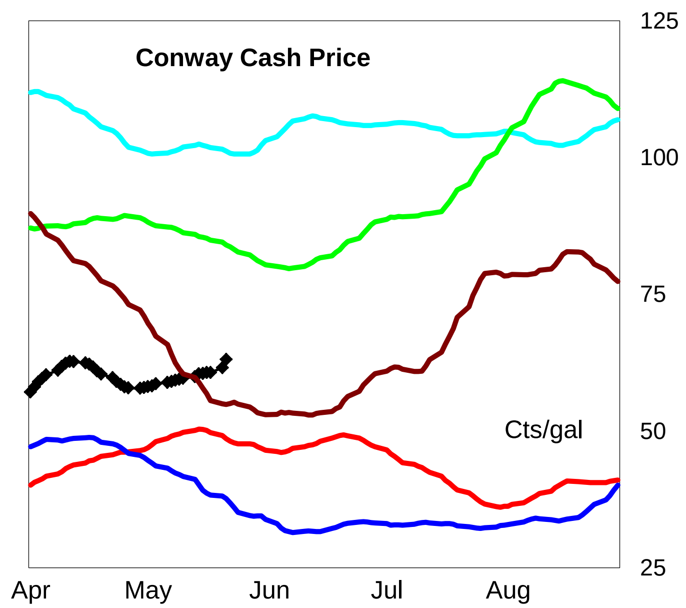












4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-380	35	15	13	38
% change	-17.5	6.2	7.6	86.4	19.4

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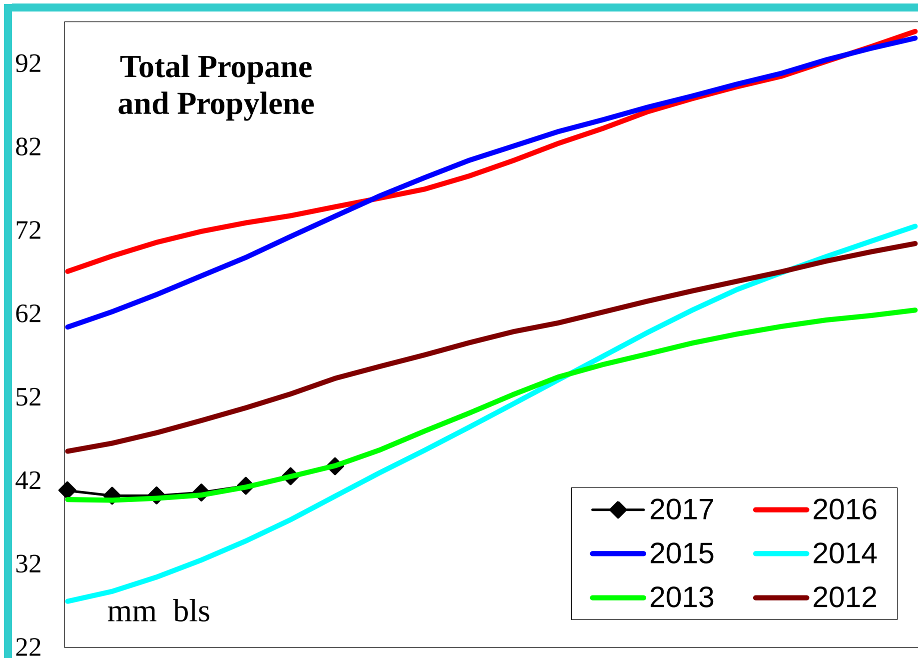
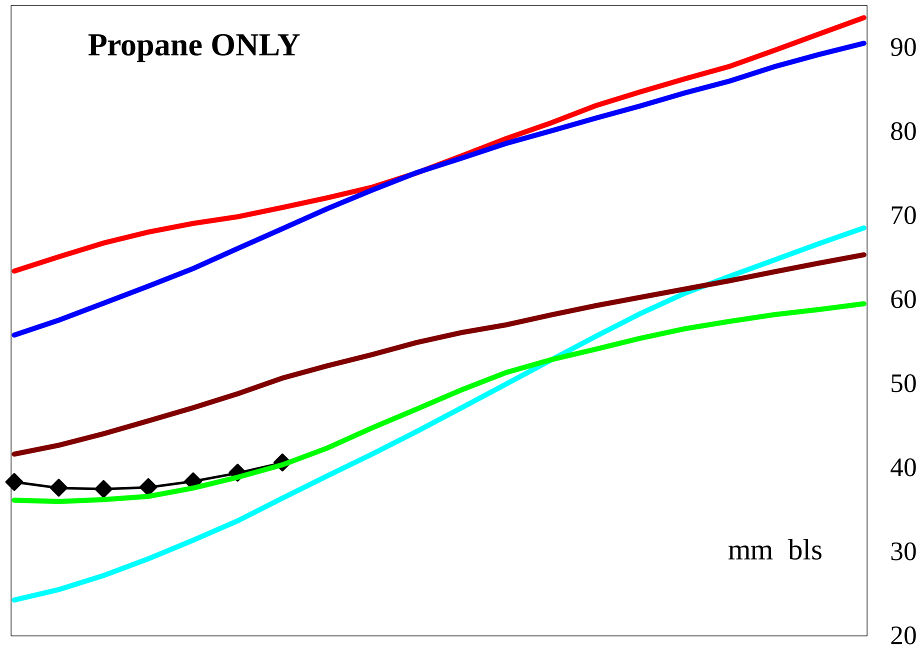
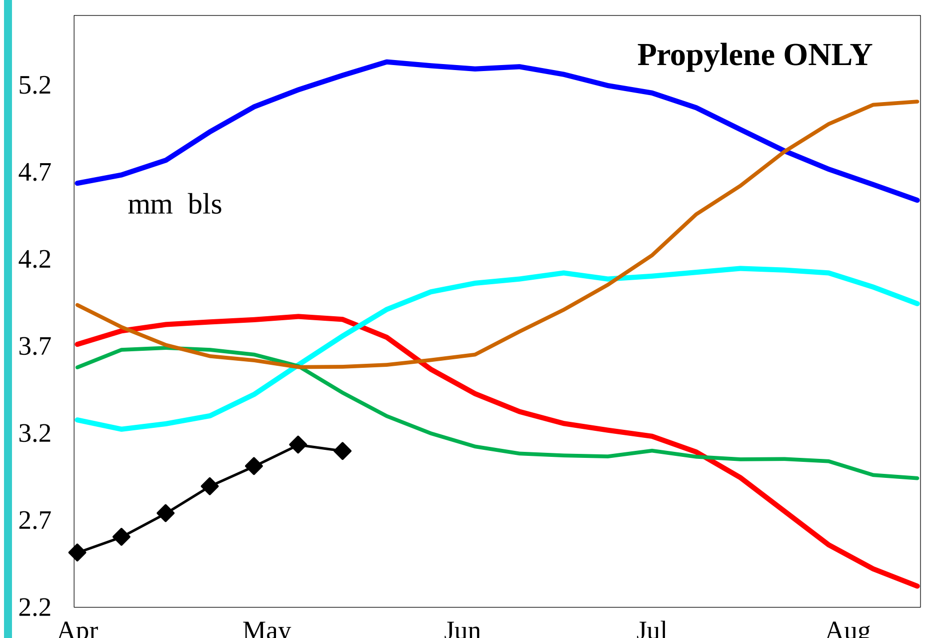
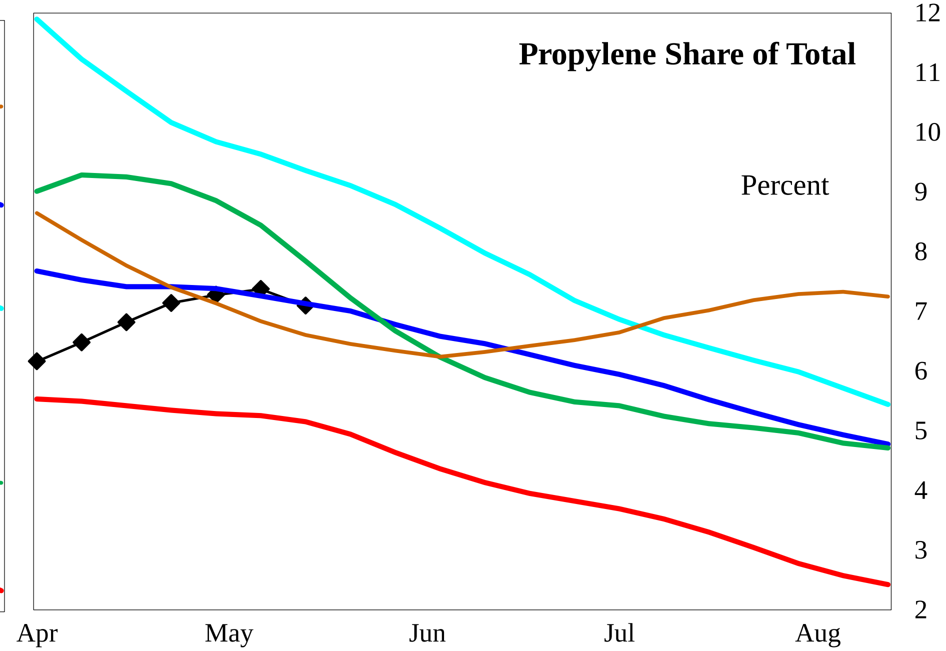
U. S. Propane and Propylene Stocks









Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	-30,443	-29,575	-757
% change	-41.1	-42.2	-19.6

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