FUNDAMENTAL PETROLEUM TRENDS

WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

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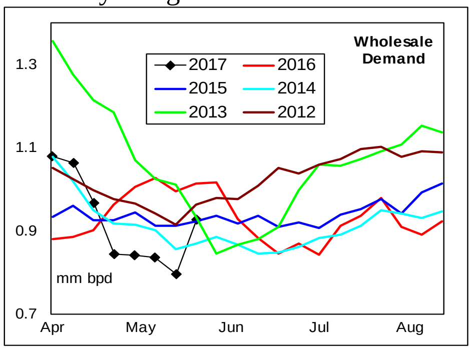
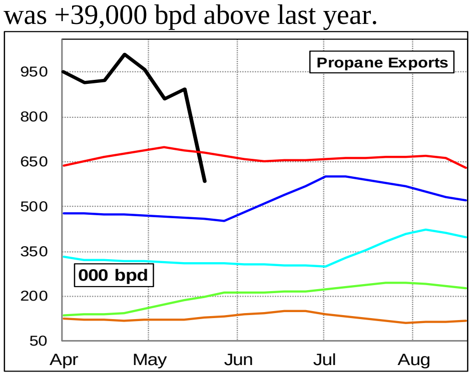
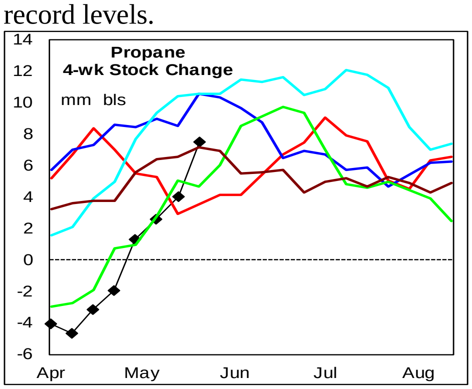
Summary[1]:
Wholesale demand increased +15,000 bpd last week. The latest 4-wk wholesale demand was -236,000 bpd below a year ago.



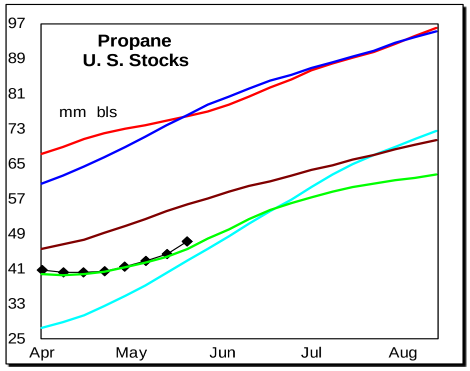
Production fell -72,000 bpd on the week, while imports were +113,000 bpd higher. Production for the latest 4-wk period averaged +56,000 above a year ago. The latest 4-wk average of imports was +39,000 bpd above last year.



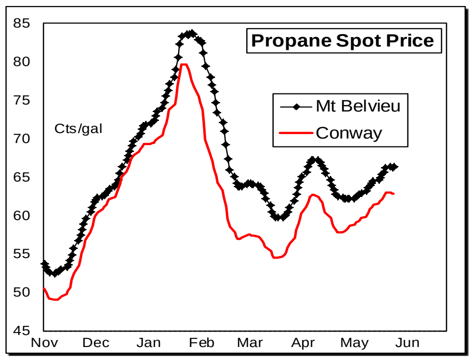
Exports for the week ending 26May17 were 586,000 bpd, sharply below earlier record levels.



Stocks increased +3.4 million barrels last week, with builds in all regions. Stock levels ended the week -38% 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 +7.5 million barrels, above last year's build of +3.5 million barrels, but below the +10 million barrel builds in 2015 and 2014.



Price and Spreads Mt Belvieu spot price was unchanged last week ending 31ay17 while Conway reported a -1 cpg decrease.



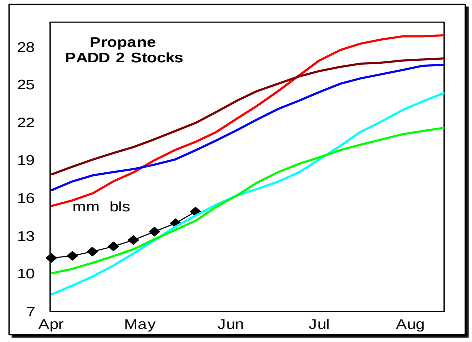
The Conway – Mt Belvieu price spread trended lower on the week to trade near the 3-yr mid range for this time of year.

The propane to natural gas price spread trended higher on the week, trading at a level equal to the 3-yr mid range for the period.

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

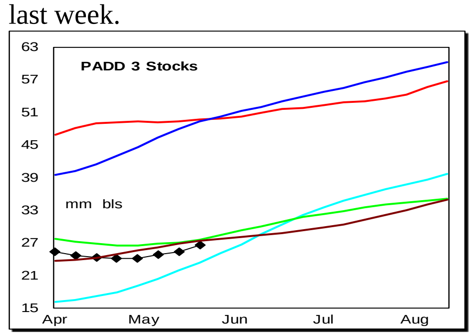
PADD 1 stocks increased +0.5 million barrels on the week, driven by a spike in imports. Stock levels ended the week +2% above a year ago for the period. Supply climbed +57,000 bpd on record imports.

PADD 2 supply was nearly unchanged with a -49,000 bpd drop in production offset by a similar increase in imports. Production for the latest 4-wk period was +41,000 bpd above a year ago while imports increased +16,000 bpd.



Stocks increased +1 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 +1.7 million barrels on the week. Stock levels ended the week -45% below last year's record high, and at the low end of the 5-yr range for the period. Supply was unchanged last week.



PADDs 4 & 5 stocks increased +0.2 million barrels on the week. Supply decreased -19,000 bpd on lower production. Stock levels ended the week -15% below last year.

Emerging Trends Imports jumped +113,000 bpd last week, with both the East Coast and Midwest up over +50,000 bpd. Wholesale demand remains below a year ago.

The latest 4-wk stock build of +7.5 million barrels was well above last year, due in part to the sharp drop in exports.

Stock levels are now -38% below a year ago and at the low end of the 5-yr range.

The drop in exports, higher imports and weak wholesale demand has led to the increased rate of stock builds. However, low stock levels should provide support to wholesale propane prices.

[1] Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

June 1, 2017

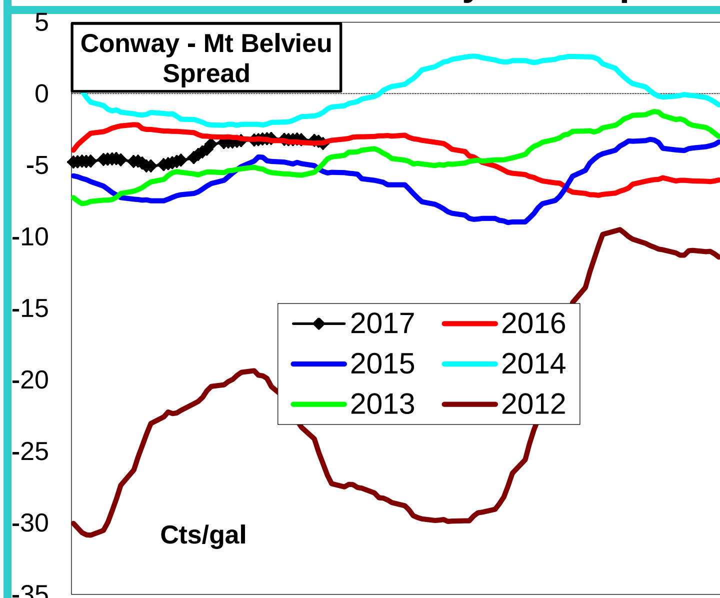
Fundamental Trends for the Week Ending: Friday, May 26, 2017

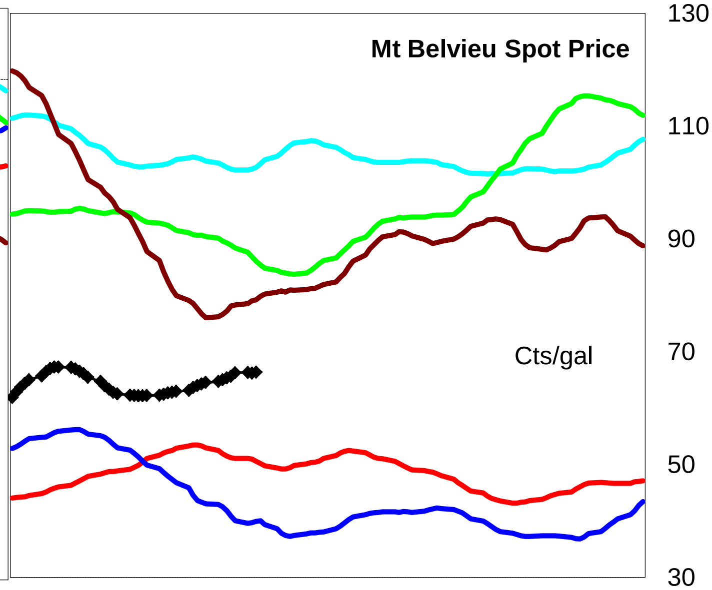
000 bpd / Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5	U.S. Total	PADD 1	PADD 2	PADD 3	PADD 4&5
Stocks	47,132	3,486	14,952	26,661	2,033	3,446	477	994	1,732	243
Propylene Stocks	3,033					-65				
Production	1,797	168	429	1,006	194	-72	-3	-49	-1	-19
Imports	208	83	86	0	39	113	60	53	0	0
Whsle Demand	927					15				

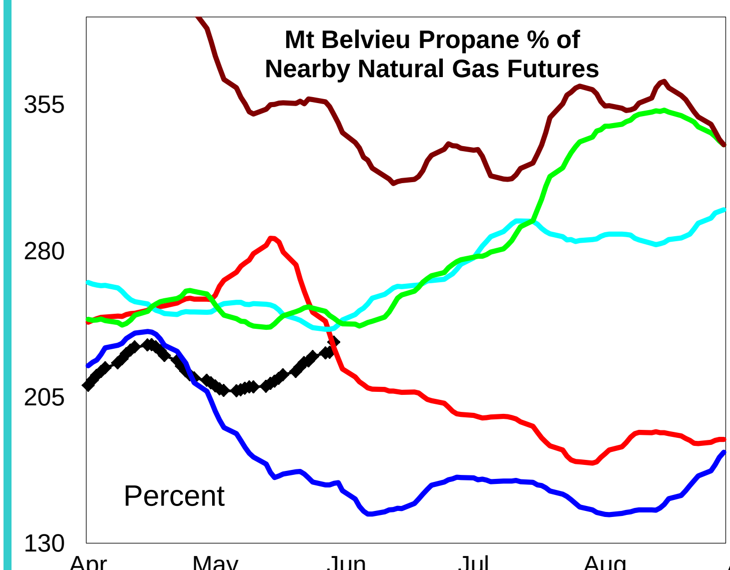
Price Trends for the Week Ending: Wednesday, May 31, 2017

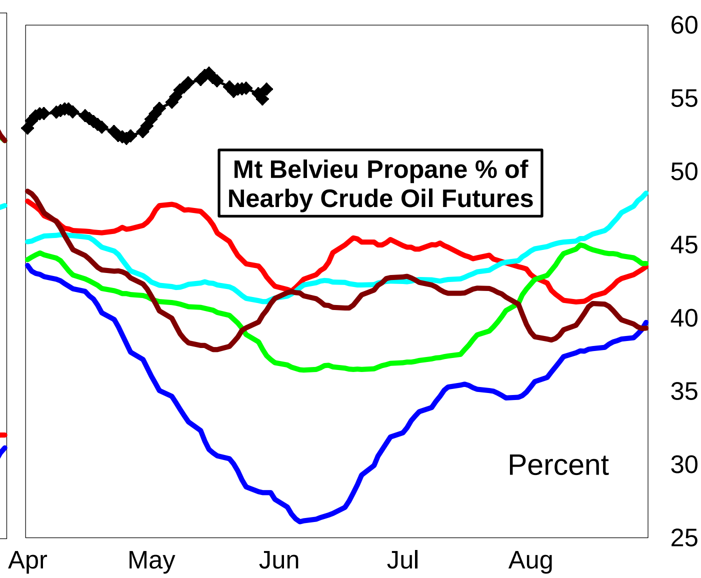
Cents/gal	Average for week ending:				Change from:			% change from:		
	5/31/17	5/24/17	5/3/17	6/3/16	5/24/17	5/3/17	6/3/16	5/24/17	5/3/17	6/3/16
Mont Belvieu Spot	66.2	65.1	61.6	50.7	1.18	3.43	10.93	1.8	5.6	21.6
Conway Spot	62.9	62.0	57.2	47.2	0.85	4.80	10.08	1.4	8.4	21.4

Key Price Spreads and Differentials

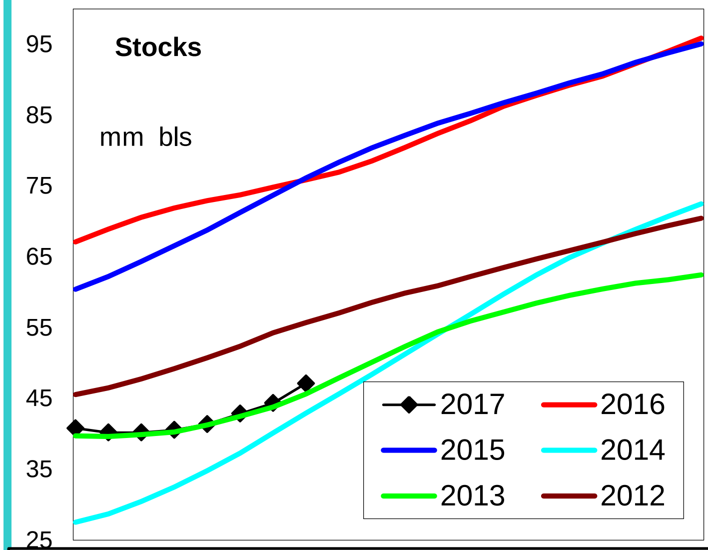


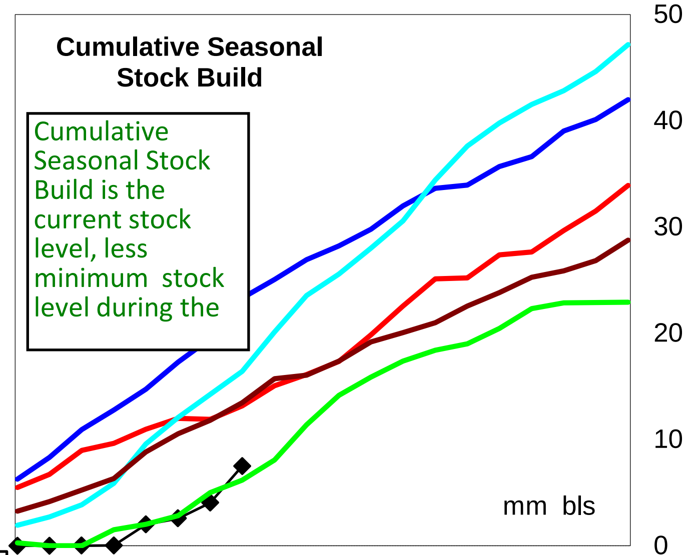


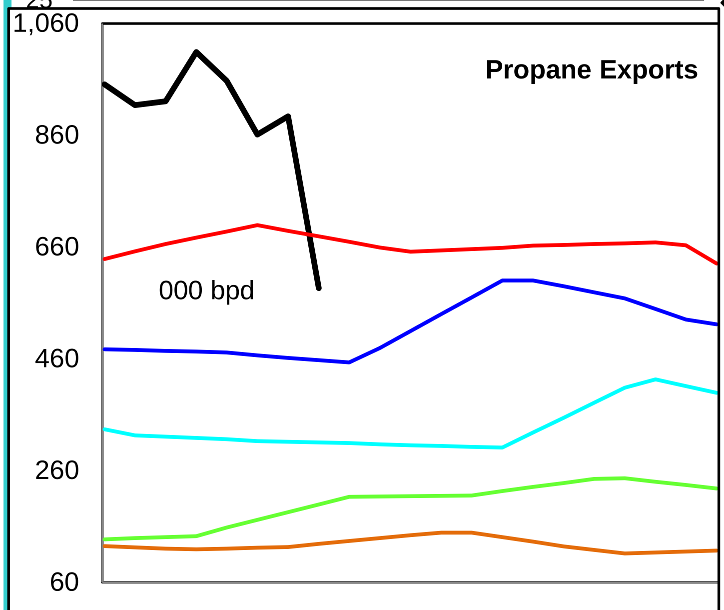


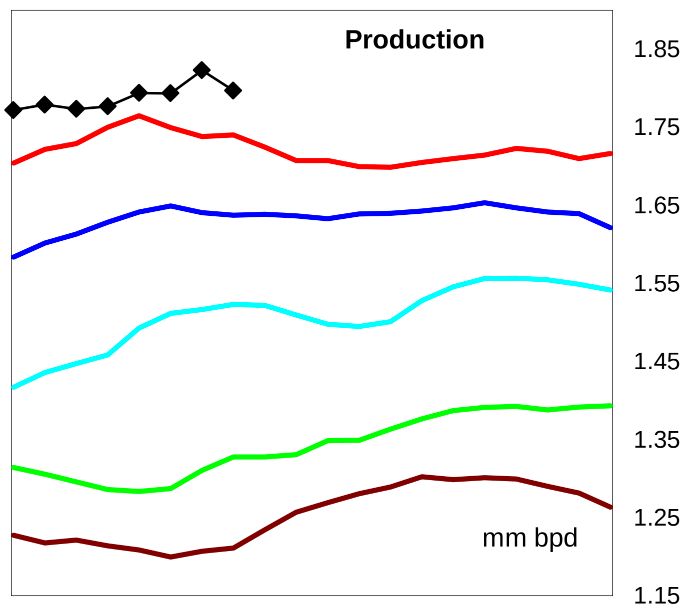


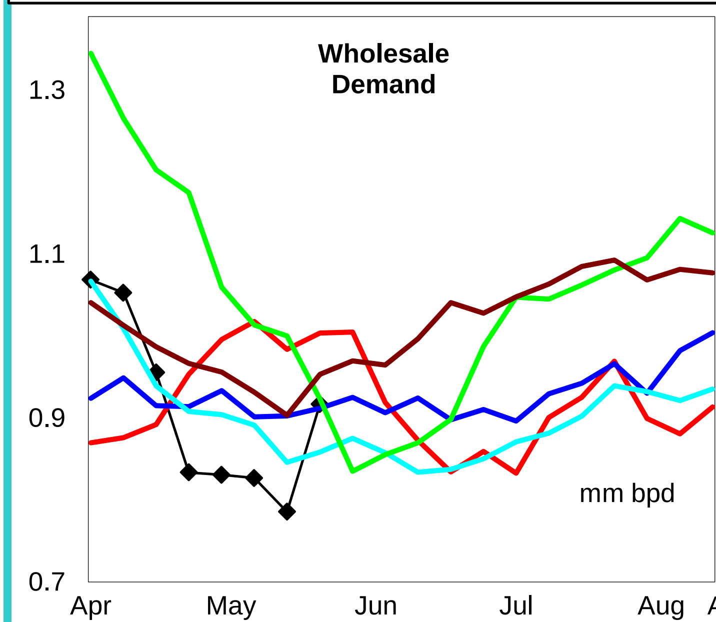
U. S. Propane Supply and Demand Balance

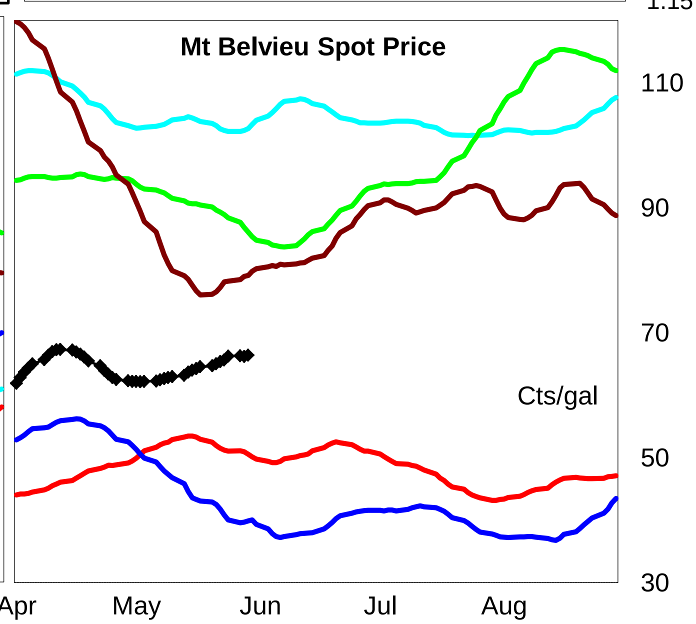












4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Demand	4wk avg	Apr	Mar	Feb
000 bpd (000 bls stks)	-28,249	-5,666	56	39		-236	112	-70	-169
% change	-37.5	-43	3.2	49.7		-23.4	12.2	-6.0	-11.3

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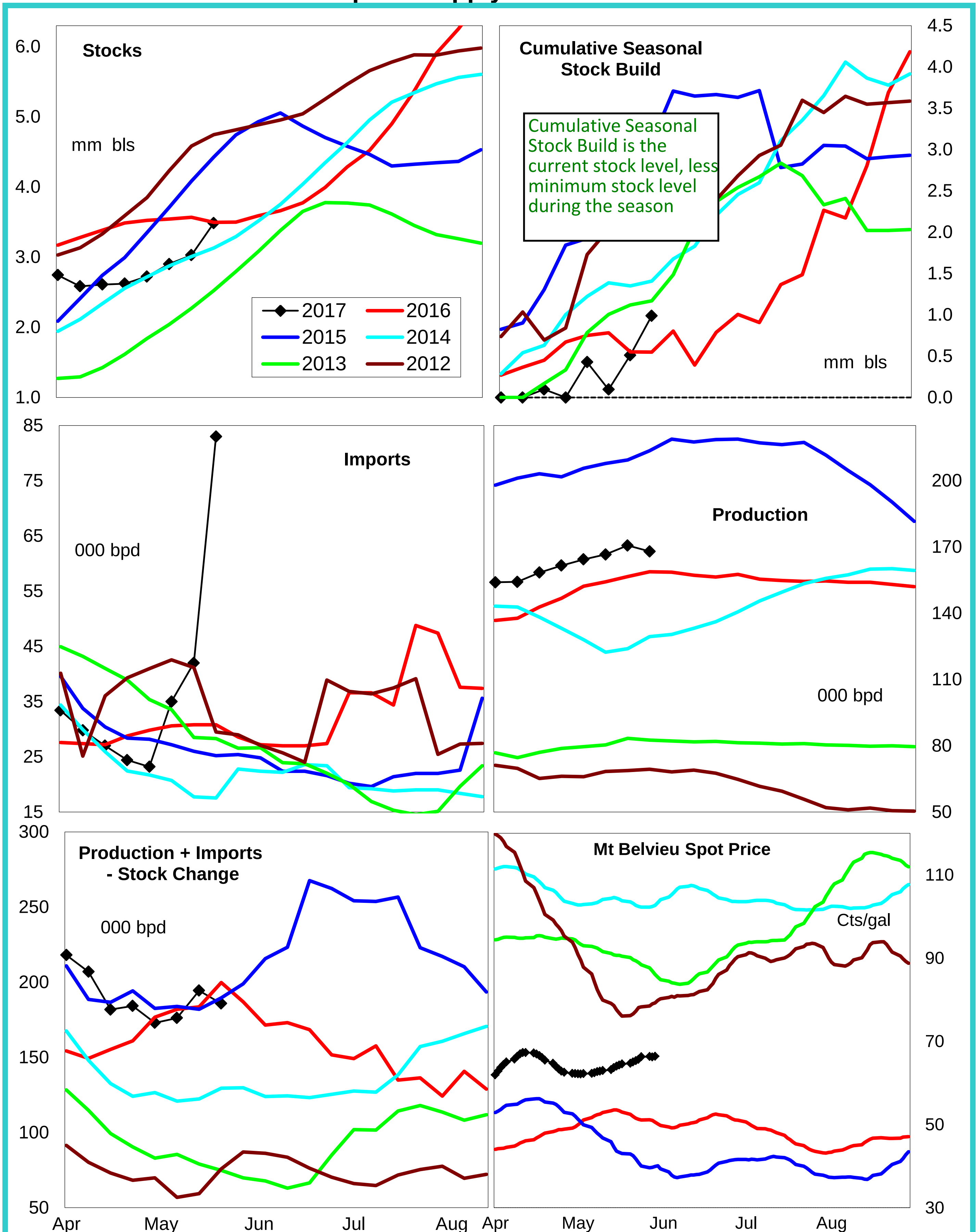
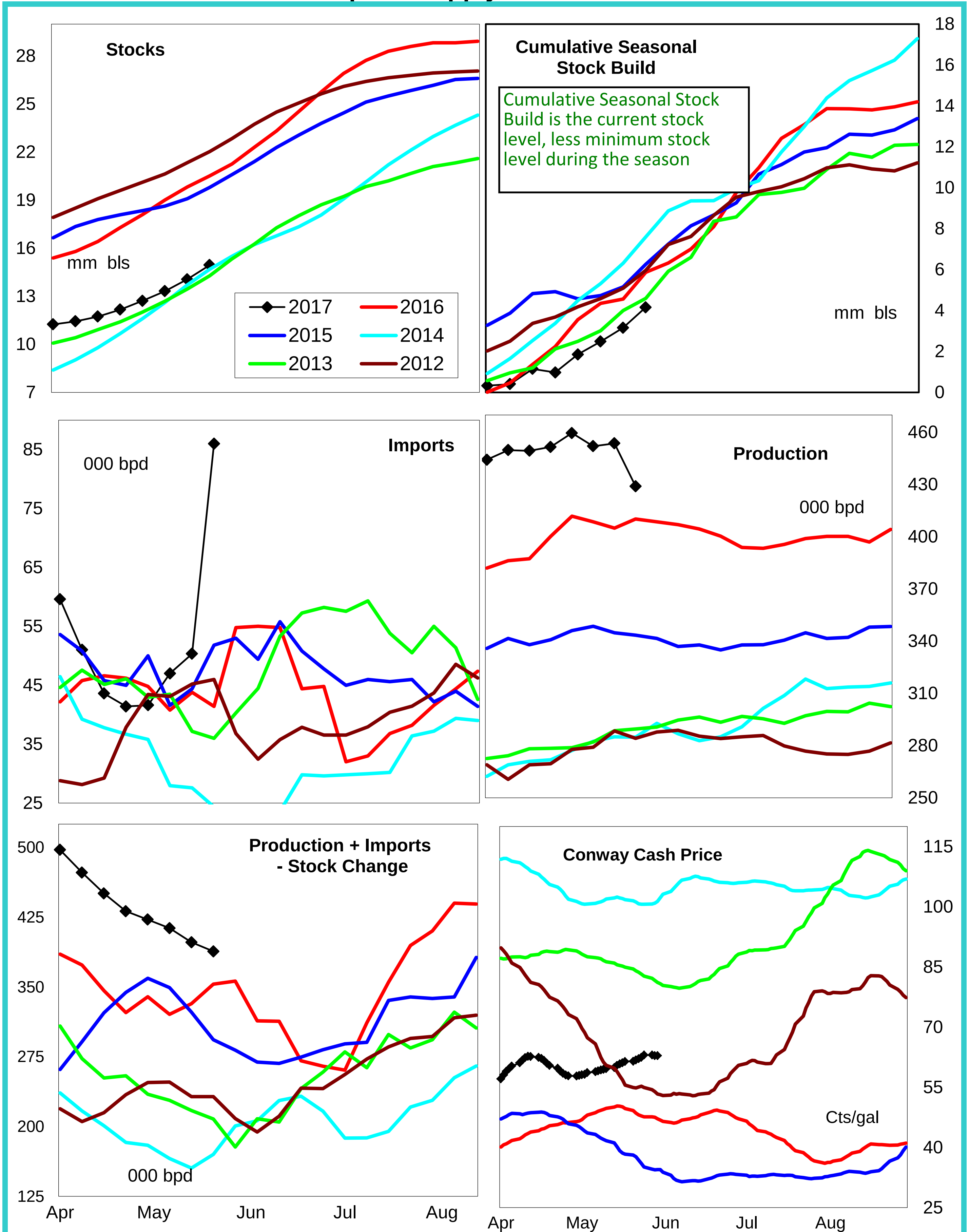
PADD 1 Propane Supply and Demand Balance



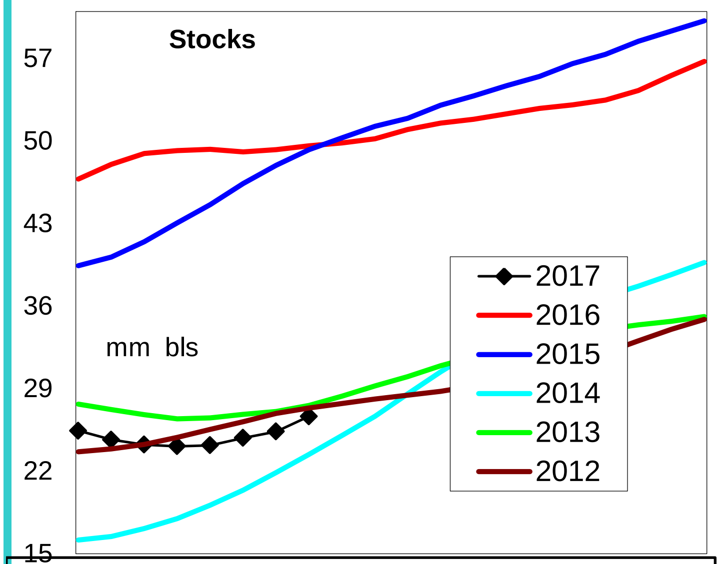
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	55	440	13	7	-3
% change	1.6	80.1	8.1	23.8	-1.7

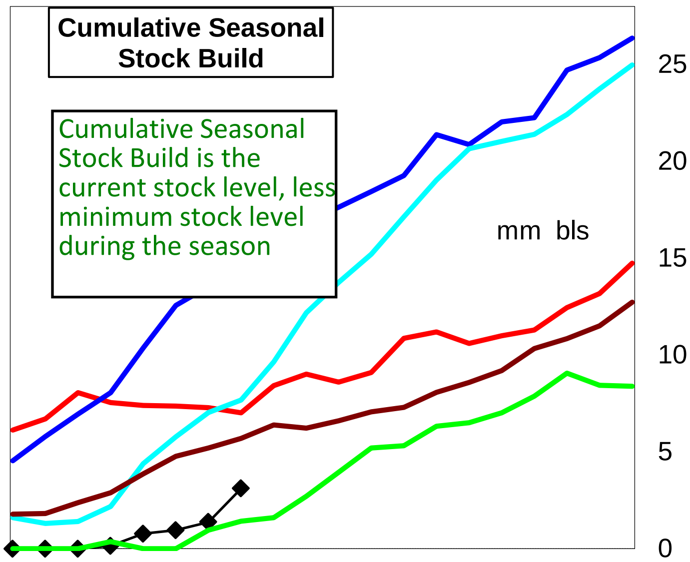
PADD 2 Propane Supply and Demand Balance

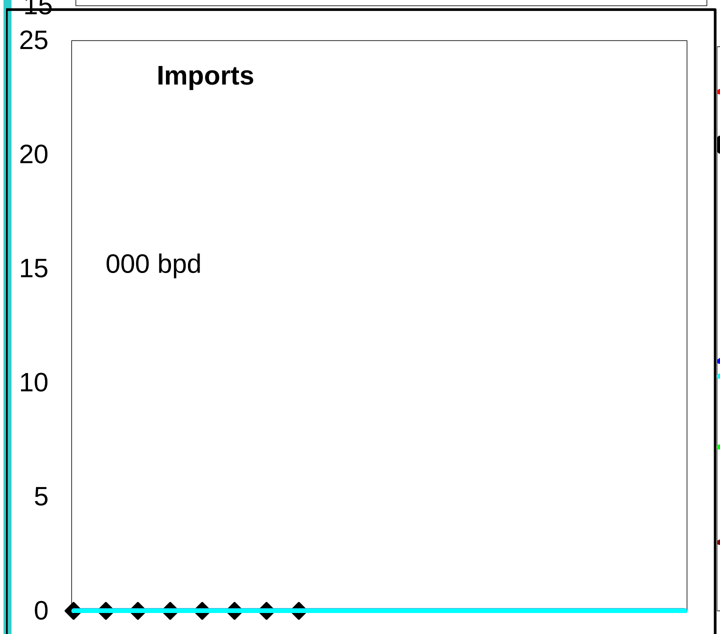


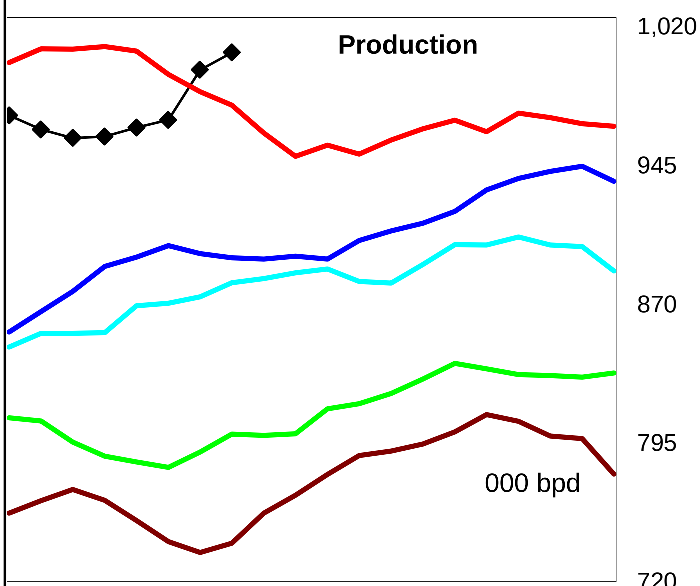
4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-5,814	-1,718	41	16	69
% change	-28.0	-29.2	10.1	48.5	20.6

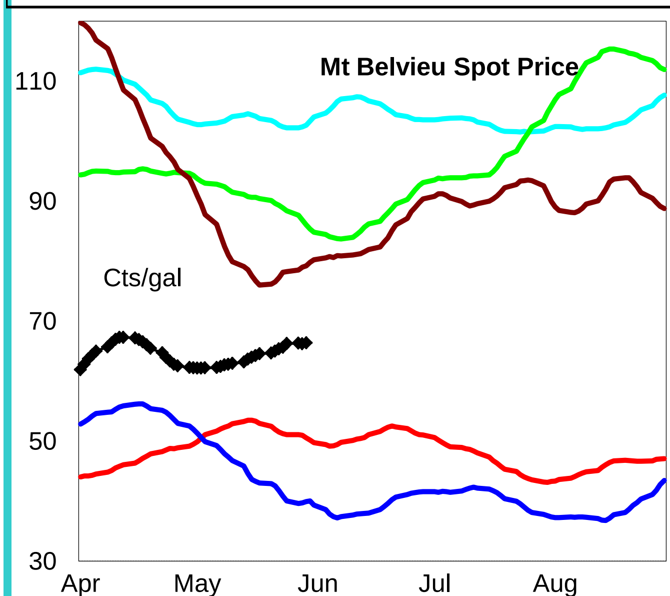
PADD 3 Propane Supply and Demand Balance

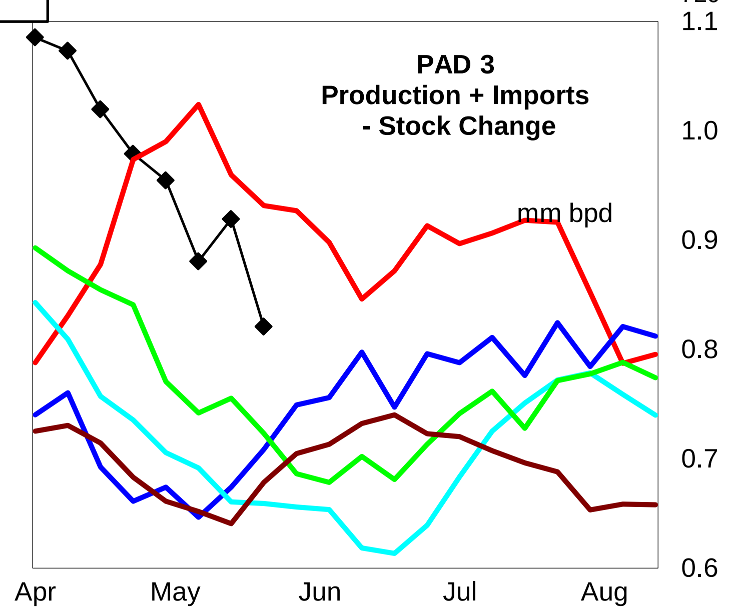






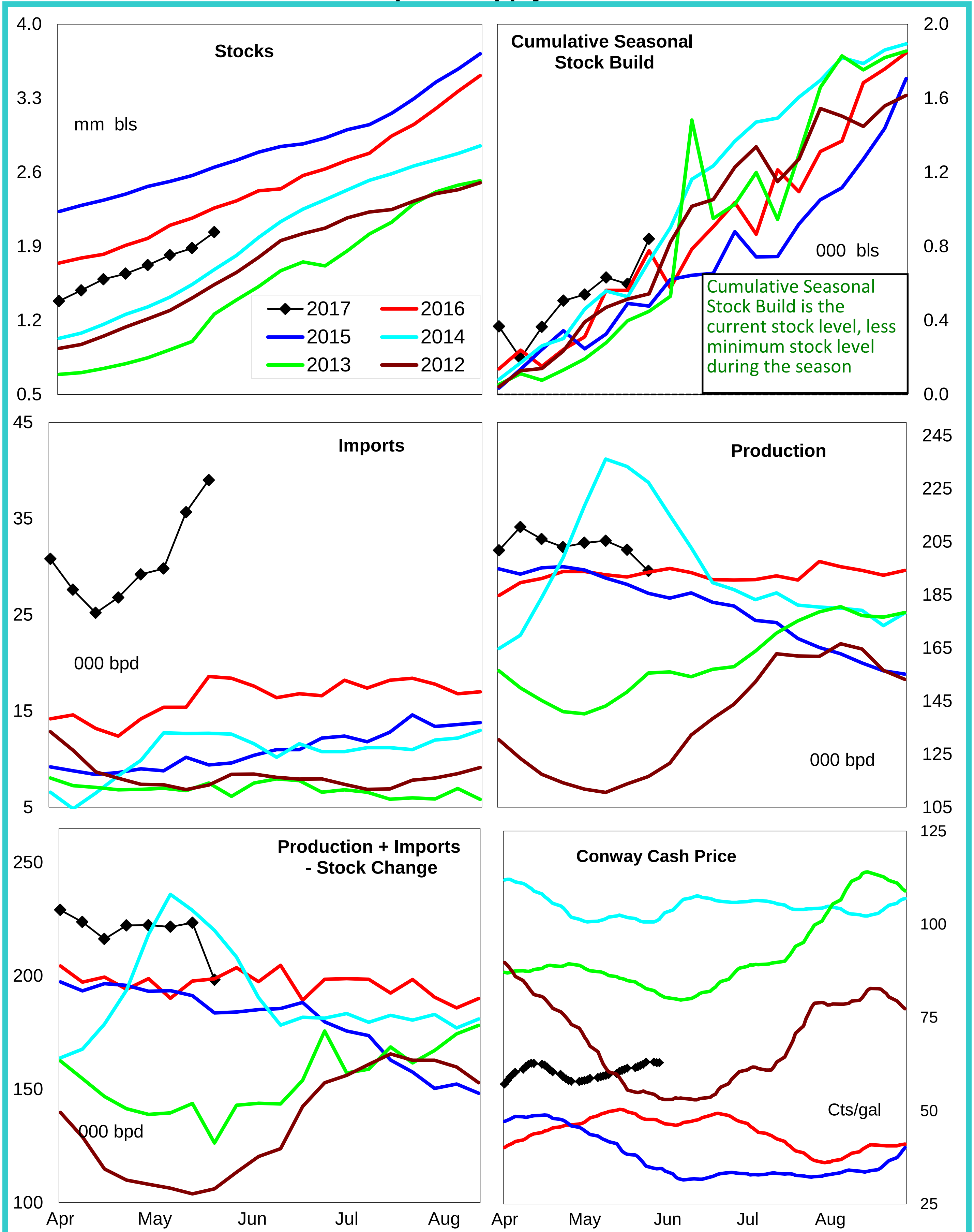






4 wk avg variance prior year	Stocks	4wk stk	Prod	Imports	Prod + Imp - Stk chg
000 bpd (000 bls stks)	-22,137	-3,906	-9	0	-82
% change	-45.4	-56	-0.9	#DIV/0!	-8.4

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)	-352	63	11	16	20
% change	-14.8	8.1	5.7	103.2	10.2

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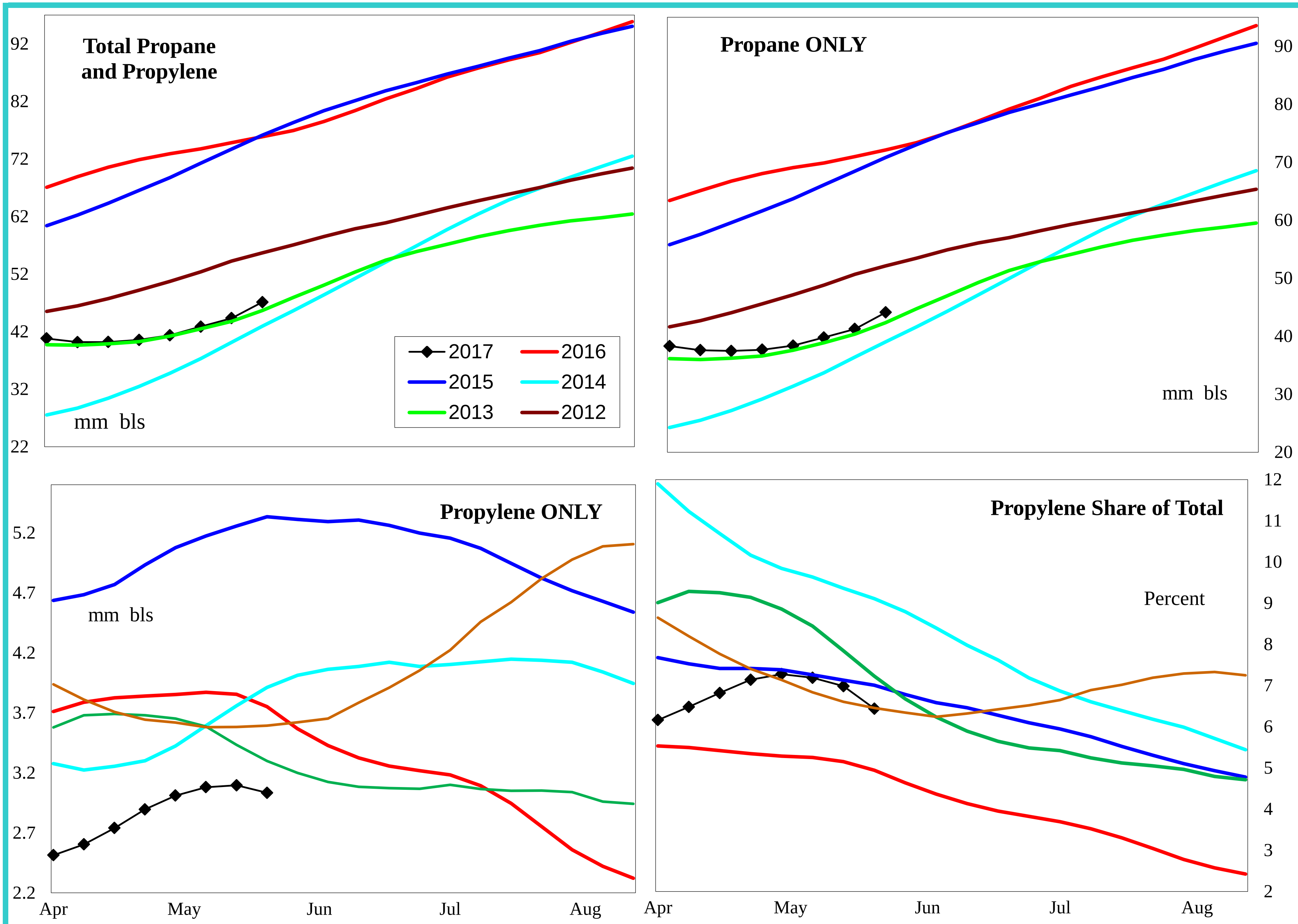
U. S. Propane and Propylene Stocks



Variance to prior year	Total	Propane ONLY	Propylene ONLY
000 bls	-28,249	-27,423	-718
% change	-37.5	-38.3	-19.1

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