



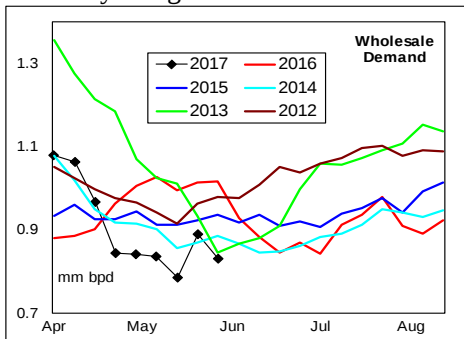
WEEKLY PROPANE SUPPLY-DEMAND-PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

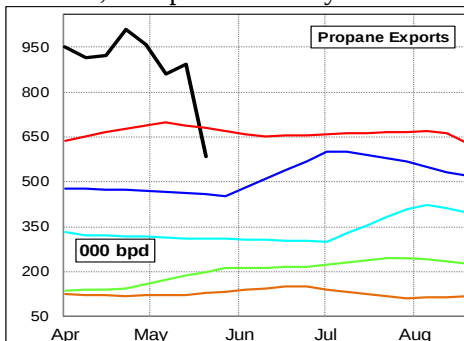
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com

Summary¹:

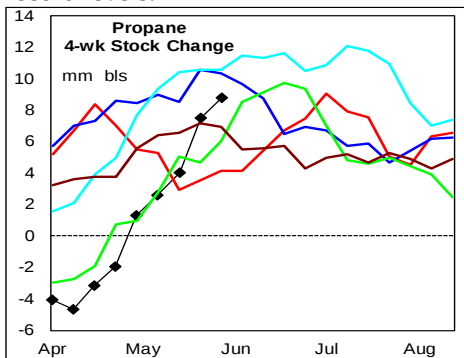
Wholesale demand decreased -96,000 bpd last week. The latest 4-wk wholesale demand was -208,000 bpd below a year ago.



Production increased +56,000 bpd on the week, while imports were -129,000 lower. Production for the latest 4-wk period averaged +90,000 above a year ago. The latest 4-wk average of imports was +22,000 bpd above last year.

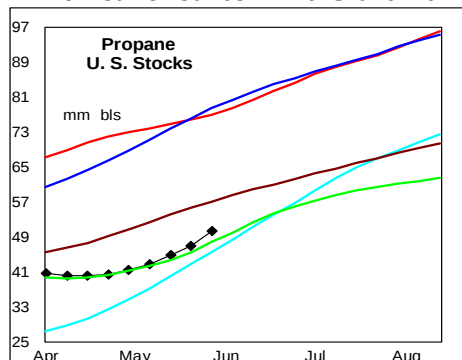


Exports for the most recent week are not updated; for the week ending 26May17 were 586,000 bpd, sharply below earlier record levels.

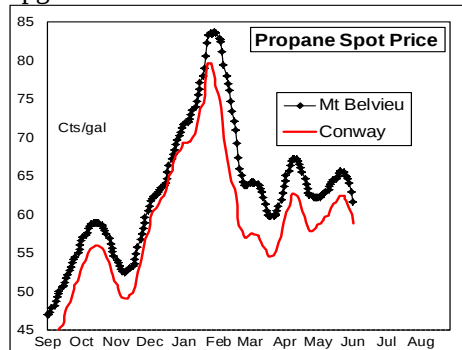


Stocks increased +3.3 million barrels last week, with builds in all regions. Stock levels ended the week -35% below last

year and at the low end of the 5-yr range for the period. The latest 4-wk stock change was a build of +8.9 million barrels, above last year's build of +4.1 million barrels, but below the +10.5 million barrel builds in 2015 and 2014.



Price and Spreads Mt Belvieu spot price decreased -5 cpg for the week ending 06June17, while Conway reported a -4 cpg decrease.

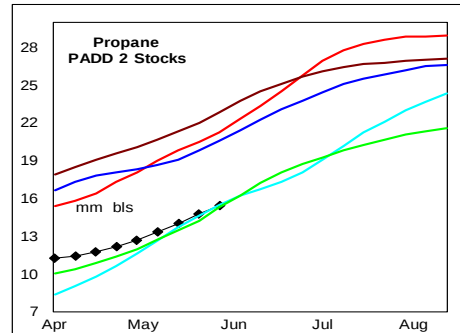


The Conway - Mt Belvieu price spread trended higher on the week to trade at the 3-yr mid range for this time of year.

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.

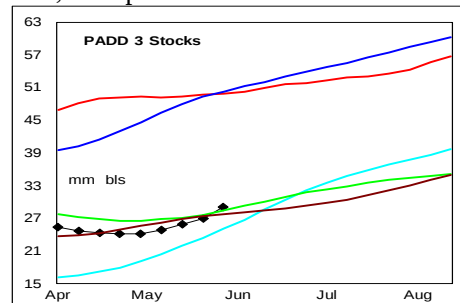
The propane / crude oil price spread trended lower last week although the level remains well above the historic range for the period.

PADD 1 stocks increased +0.1 million barrels on the week, to a level above the 3-yr mid range. Stock levels ended the week comparable to last year. Supply decreased -63,000 bpd on lower imports. **PADD 2** supply decreased -26,000 bpd on a sharp drop in imports. Production for the latest 4-wk period was +50,000 bpd above a year ago while imports were nearly unchanged.



Stocks increased +0.5 million barrels on the week. Stock levels ended the week -27% below last year, and near historic lows for this time of year.

PAD 3 stocks increased +2.3 million barrels on the week. Stock levels ended the week -42% below last year's record high, and at the low end of the 5-yr range for the period. Supply increased +23,000 bpd.



PADDs 4 & 5 stocks increased +0.3 million barrels on the week. Supply decreased -7,000 bpd on lower imports. Stock levels ended the week +7% above last year.

Emerging Trends The 4-wk rate of stock build was nearly +9 million barrels last week, sharply above last year and slightly below the previous 2-yr. Wholesale demand for the most recent 4-wks was -200,000 bpd below a year ago.

Stock levels do remain -35% below a year ago.

Weak wholesale demand, and lower exports has led to a rapid build in stocks. An improving supply balance, combined with recent weakness in global energy prices underlies the pull back in spot propane price. There is risk of further price weakness on lower exports and above average stock build rate.

¹ Source is latest EIA Weekly Statistics

PROPANE: Graph Link and Weekly Summary

June 7, 2017

Fundamental Trends for the Week Ending:

Friday, June 02, 2017

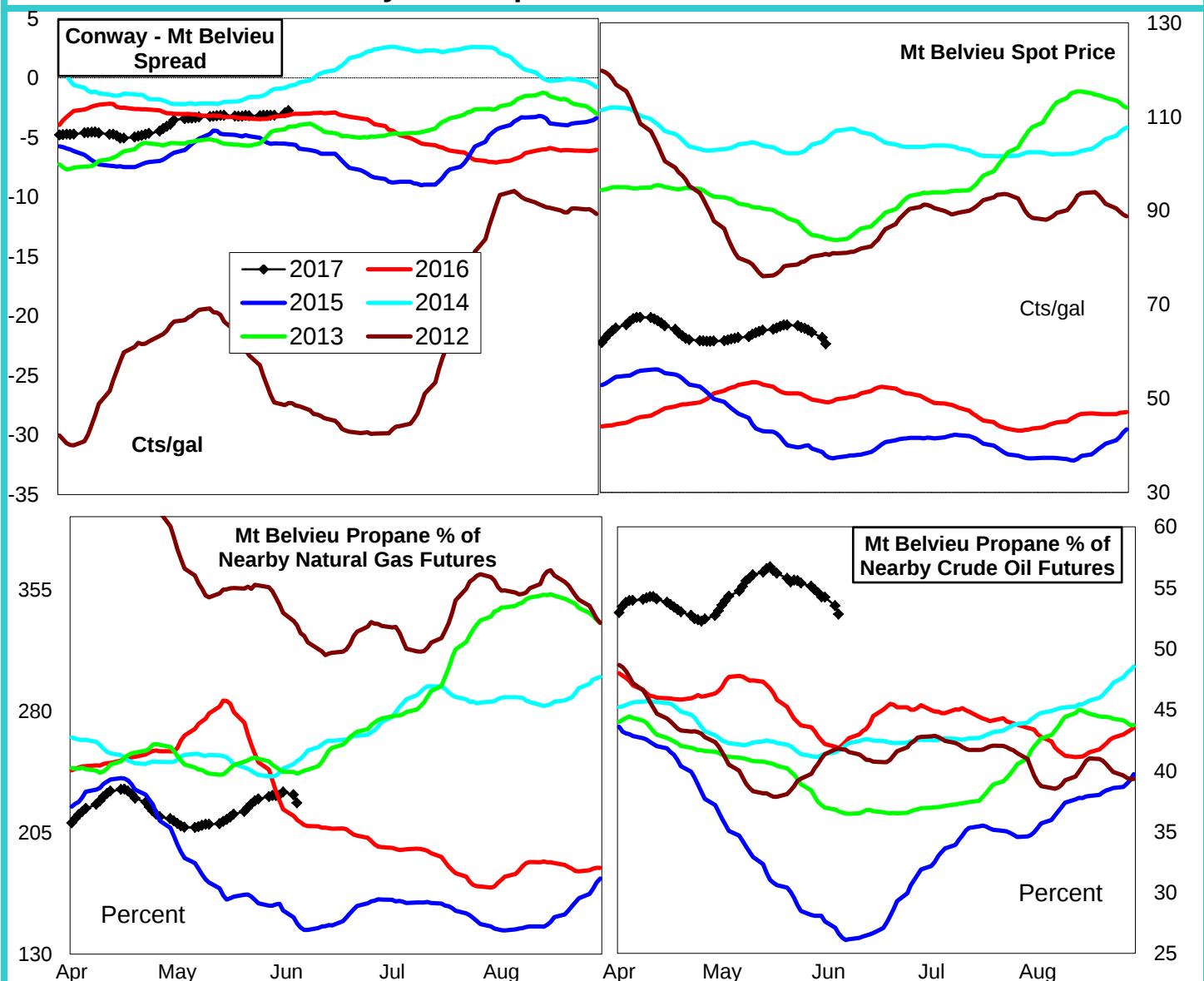
000 bpd Stocks 000 bls	Weekly Supply-Demand					Change from prior week:				
	U.S. Total	PADD				U.S. Total	PADD			
		1	2	3	4&5		1	2	3	4&5
Stocks	50,425	3,629	15,451	29,002	2,343	3,293	143	499	2,341	310
Propylene Stocks	2,794					-239				
Production	1,853	165	458	1,029	201	56	-3	29	23	7
Imports	79	23	31	0	25	-129	-60	-55	0	-14
Whsle Demand	831					-96				

Price Trends for the Week Ending:

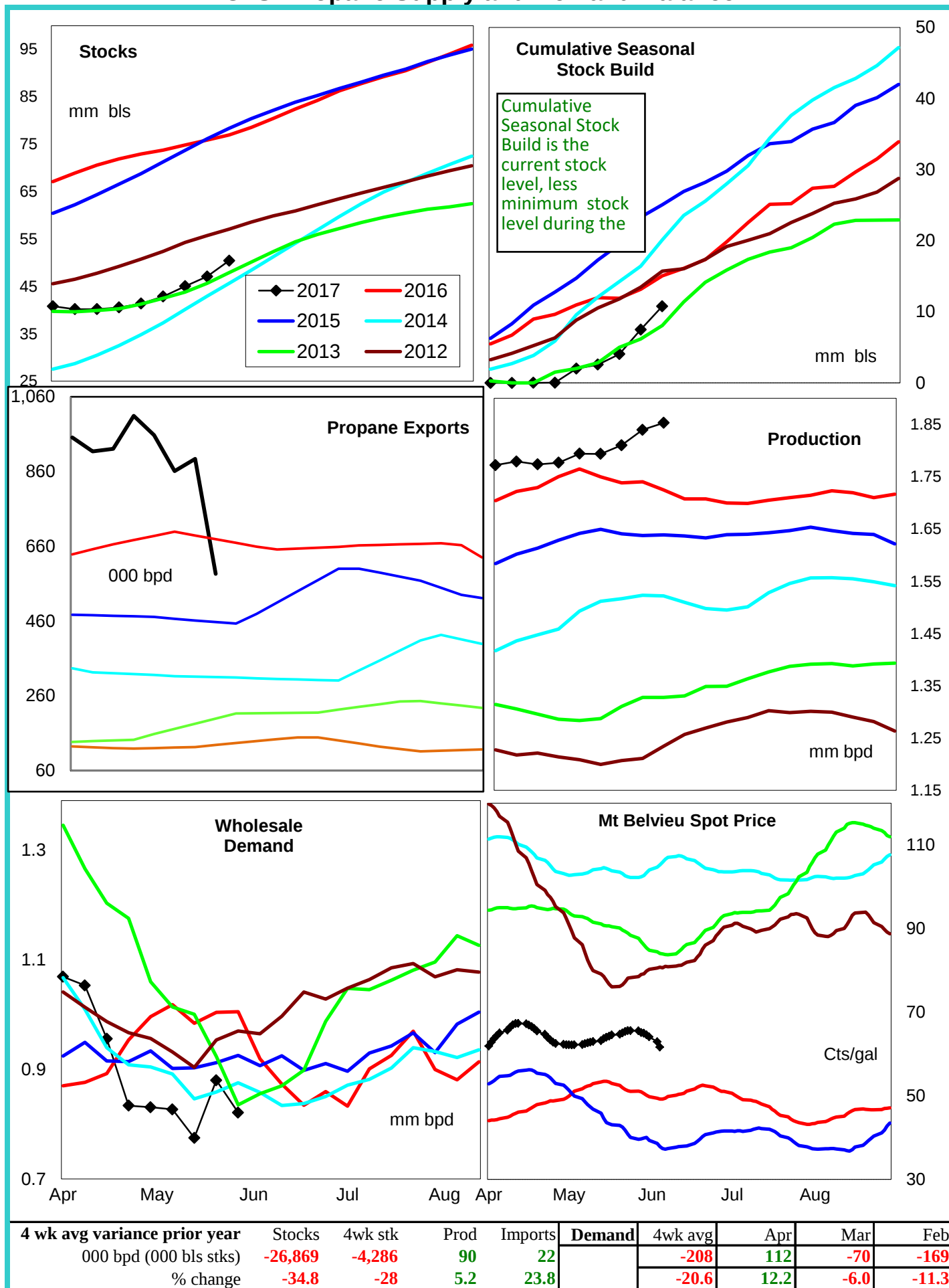
Tuesday, June 06, 2017

Cents/gal	Average for week ending:				Change from:			% change from:		
	6/6/17	5/30/17	5/9/17	6/9/16	5/30/17	5/9/17	6/9/16	5/30/17	5/9/17	6/9/16
Mont Belvieu Spot	63.6	66.3	62.2	49.9	-2.68	4.15	12.25	-4.0	6.7	24.5
Conway Spot	60.6	63.1	58.7	46.7	-2.50	4.43	12.00	-4.0	7.5	25.7

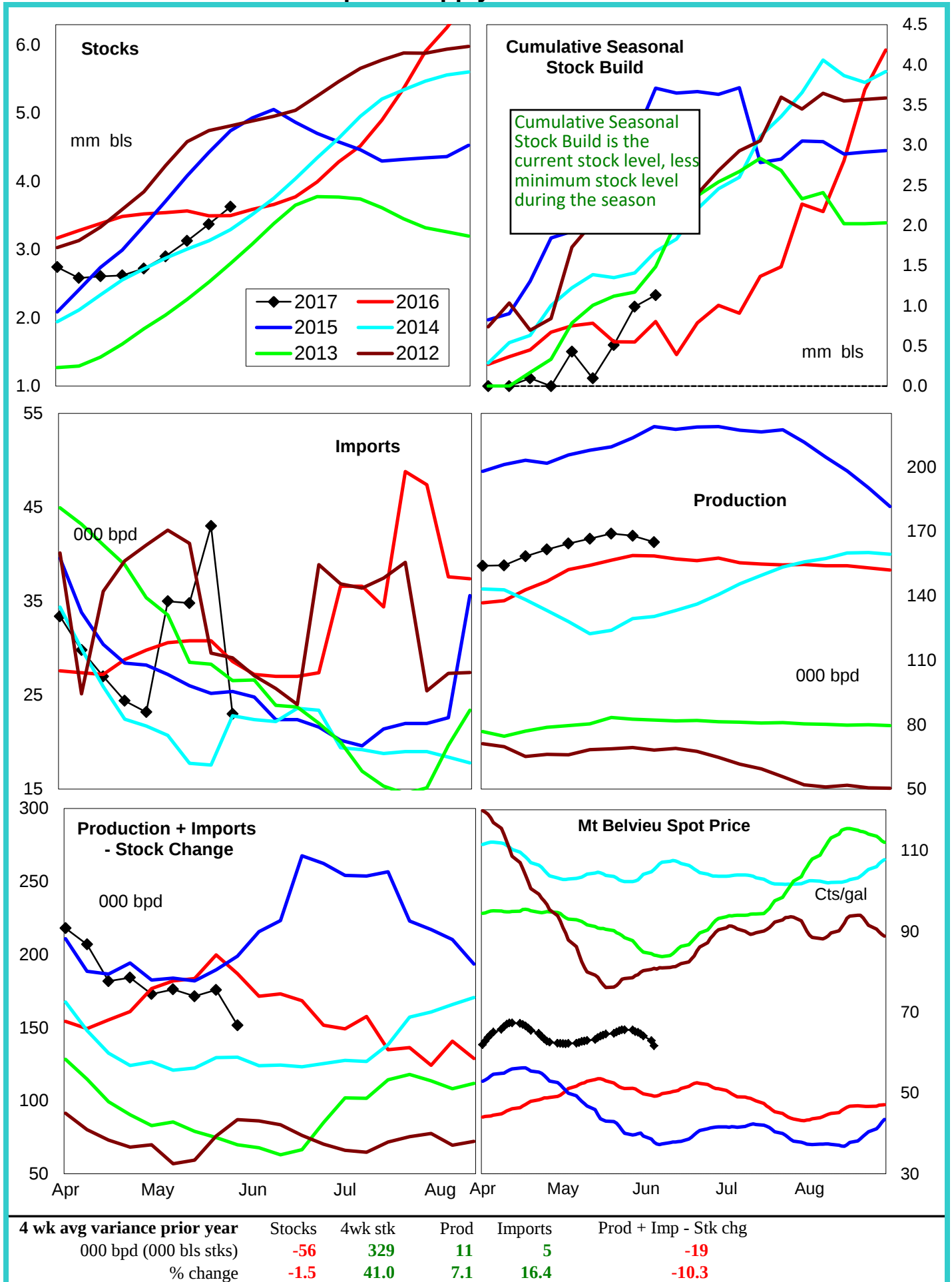
Key Price Spreads and Differentials



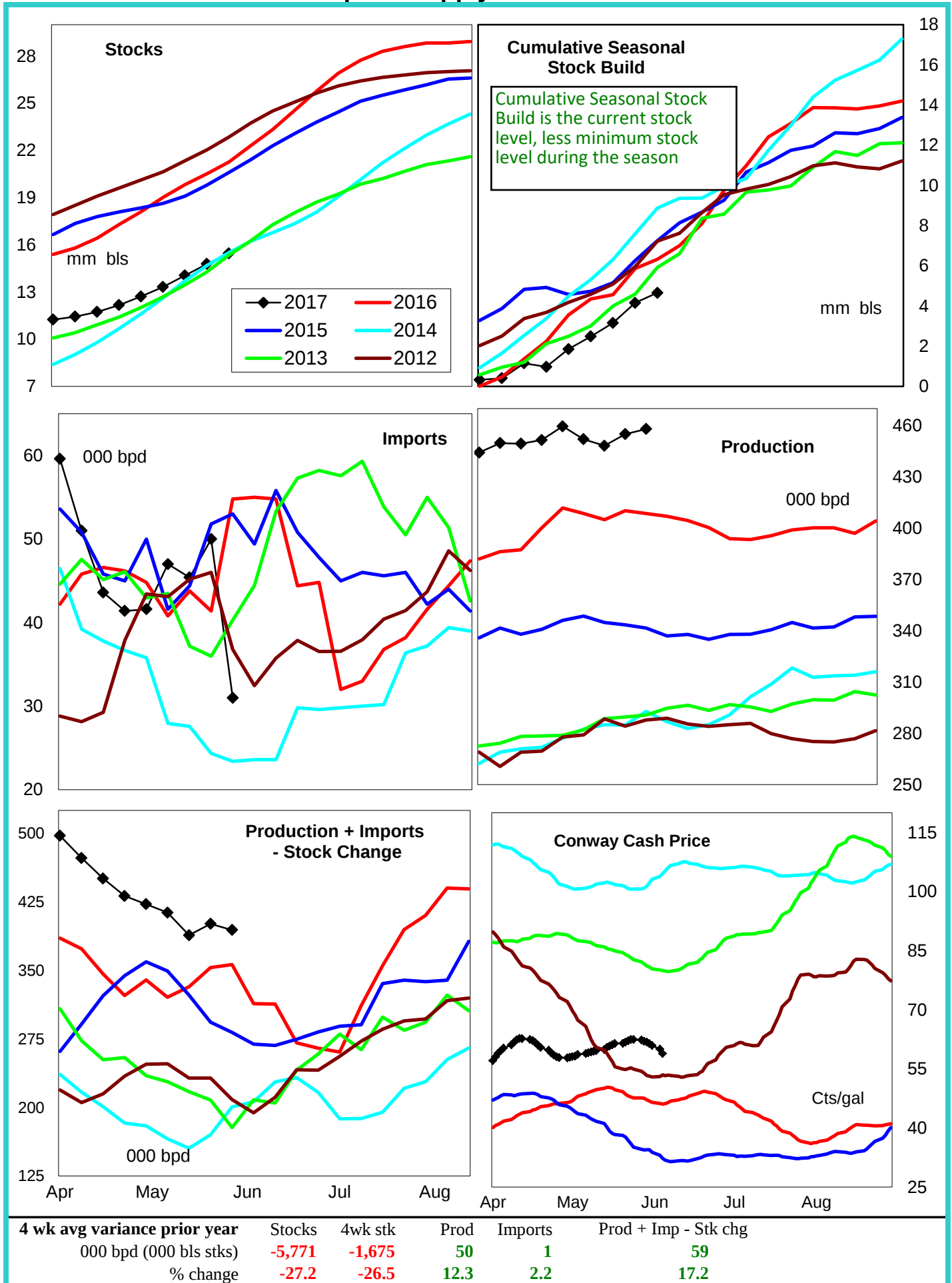
U. S. Propane Supply and Demand Balance



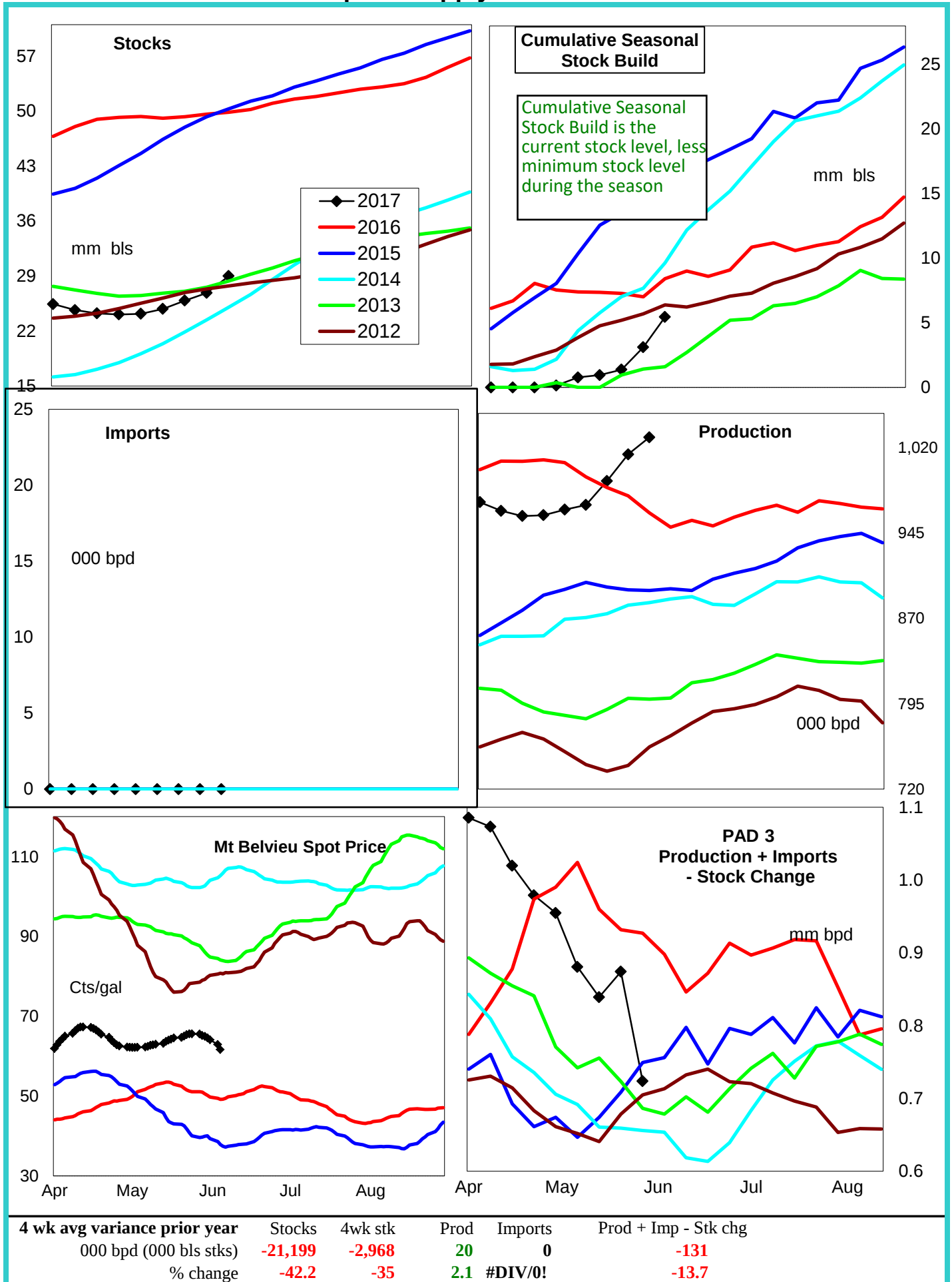
PADD 1 Propane Supply and Demand Balance



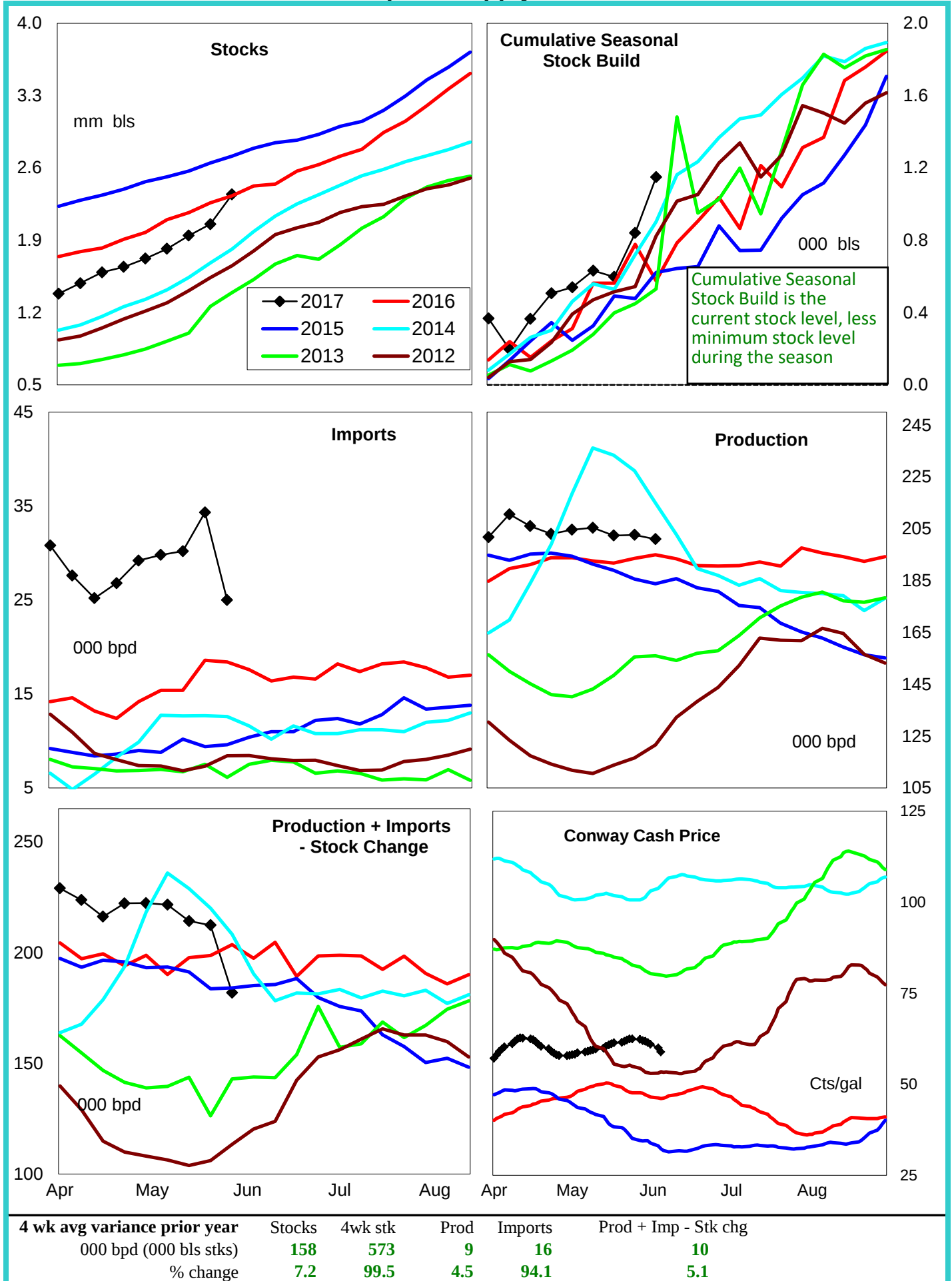
PADD 2 Propane Supply and Demand Balance



PADD 3 Propane Supply and Demand Balance



PADDs 4 and 5 Propane Supply and Demand Balance



U. S. Propane and Propylene Stocks

