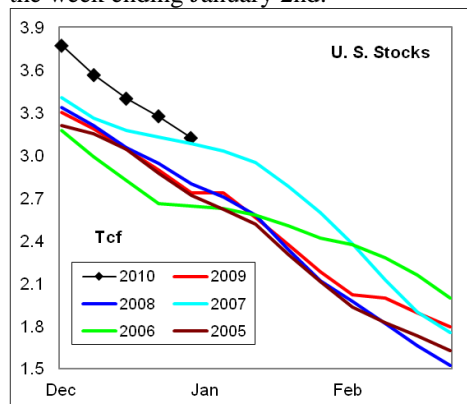


**Summary**<sup>1</sup> Stocks decreased -153 Bcf last week, nearly matching the largest draw of the last 5-years for the week. Heating degree days were +10% above normal for the week ending January 2nd.



In the East Region stocks declined -93 Bcf, which was nearly equal to the largest draw of the last 5-years for the period. The -19 Bcf draw in the West Region matched the largest draw for the week during the last 5-years. The stock draw of -41 Bcf in the Producing Region was near the record draw for this time of year during the last 5-years.

Heating degree days were +8% above normal in the East Region, +5% above normal in the West Region and +22% above normal in the Producing Region for the week ending January 2nd.

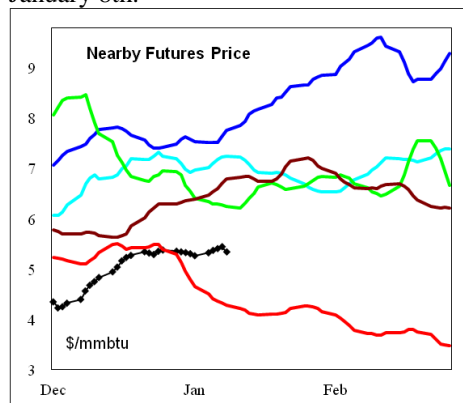
**Heating degree days** were +10% above normal for the week ending January 2nd and forecast to be 22% above normal for the week ending January 9th.

The 6-10 day NWS forecast for the week ending January 17th is for much warmer than normal temperatures on the west coast, northwest and upper mid west and near normal temperatures in other areas.

The 8-14 day NWS forecast for the week ending January 21st is for near normal temperatures across the country except the great lakes and New England which is forecast to be warmer than

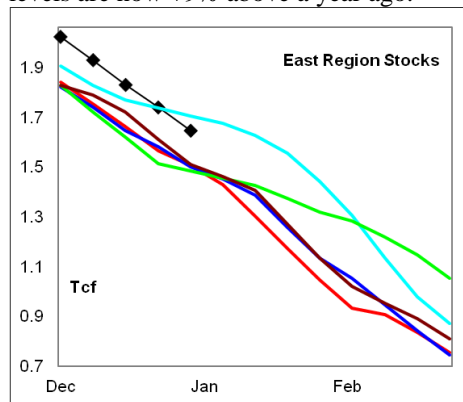
normal.

**Prices:** Nearby gas futures prices increased +\$0.18/mmbtu for the week ending January 8th.



The 1<sup>st</sup> - 4<sup>th</sup> month forward price curve strengthened during the week in favor of the prompt month, ending well above the five year range.

**East Region** stocks decreased -93 Bcf on the week, which was nearly equal to the largest draw of the last 5-years for the period. The latest 4-wk stock draw was a record draw for this time of year. Stock levels are now +9% above a year ago.

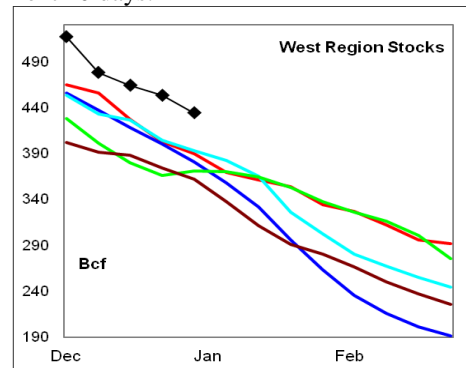


Heating degrees in the region were +8% above normal for the week ending January 2nd and forecast to be +20% above normal for the week ending January 9th. Near normal temperatures are forecast for the next 10-days.

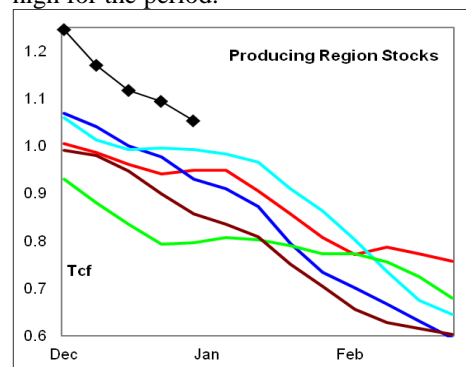
**West Region** stocks decreased -19 Bcf on the week, which matched the largest draw for the week during the last 5-years. The latest 4-wk stock draw was a record draw for the last five years during this period. Stock levels are now +11% above a year ago and a record high for the period.

Heating degree days were +5% above normal for the week ending January 2nd, and forecast to be +35 above normal for the week ending January 9th. Above normal temperatures are forecast for the

next 10 days.



**Producing Region** stocks decreased -41 Bcf on the week, was near the record draw for the week during the last 5-years. The latest 4-wk draw was a record draw for the period during the last 5-years. Stock levels are now +11% above last year and a record high for the period.



Heating degree days were +22% above normal for the week ending January 2nd and forecast to be +39% above normal for the week ending January 9th. Colder than normal temperatures are forecast for the next 10 days.

**Residual Fuel Oil Switching:** The price spread between residual fuel oil and natural gas trended higher last week on strength in residual fuel oil prices, and remains above the historic range in favor of switching to gas. Residual fuel oil demand (including exports) was -41% below year ago levels for the latest 4-wk period. The residual fuel oil market is relatively tight.

**Outlook:** Stock draws should reach record levels for the current week. Then temperatures are forecast to be above normal in the West, Northwest, northern tier states and Great Lakes by mid month. Stock levels remain very high in all regional markets. These trends point toward a downside bias in prices during the 2nd half of the month.

<sup>1</sup> **Related Web Sites:**

[Data Source is EIA Weekly Statistics](#)

[National Weather Service 6-10 Day](#)

[National Weather Service 10-14 Day](#)



## NATURAL GAS: Graph Link and Weekly Summary

Report prepared as of: January 8, 2010

For the week ending: 1-Jan-10

### Weekly Trends in Stocks and Heating Degree Days for the week ending:

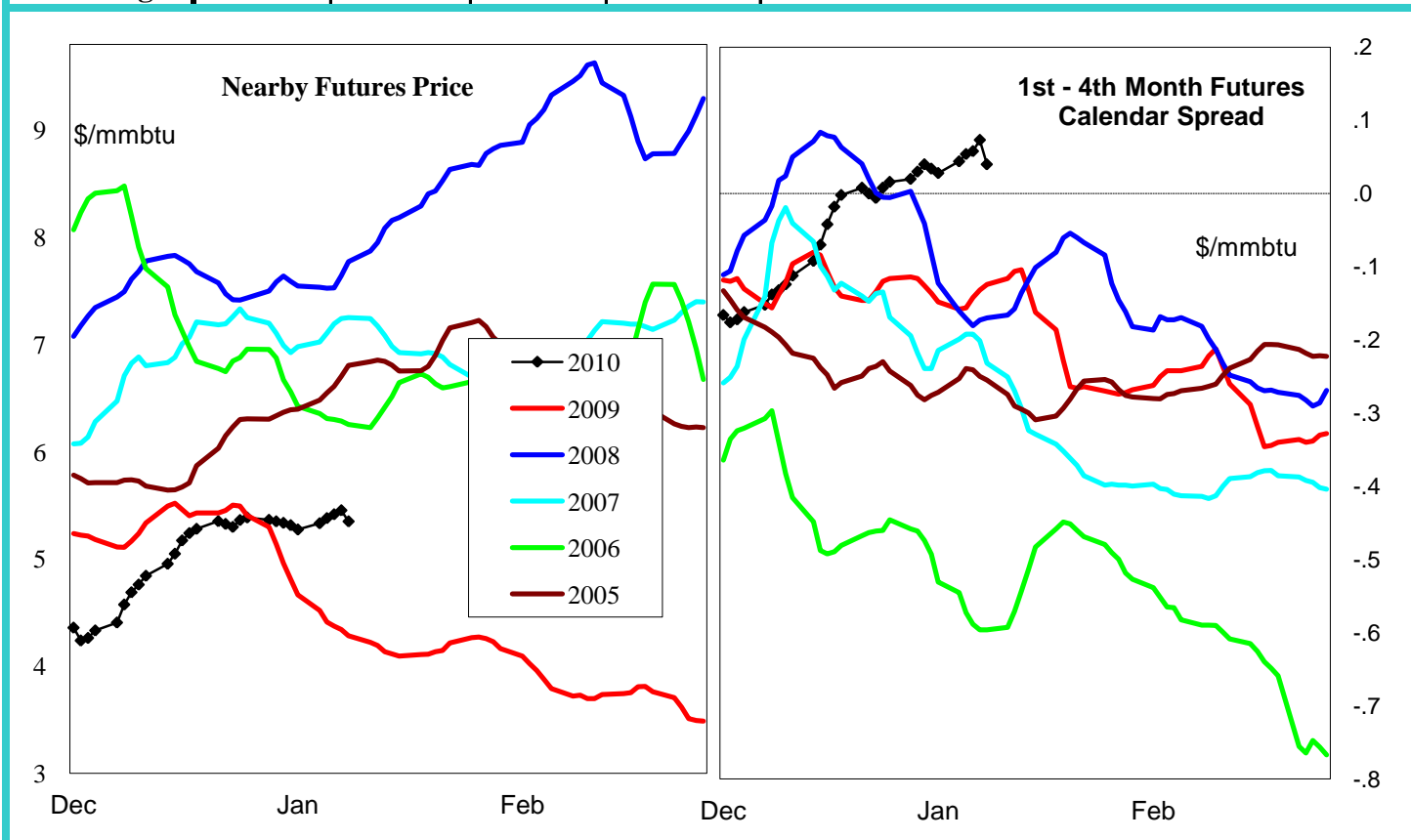
Week ending:	1-Jan-10			26-Dec-09		2-Jan-10		9-Jan-10	
Region	Weekly Stocks			Weekly Heating Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	3,123	-153	14.1	1	-3%	38	10%	31	21%
East	1,686	-93	9.0	0	-3%	38	8%	37	20%
West	434	-19	11.3	3	-4%	24	5%	-4	3%
Producing	1,003	-41	11.4	6	-1%	43	22%	32	39%

### Seasonal Trends in Stocks and Heating Degree Days

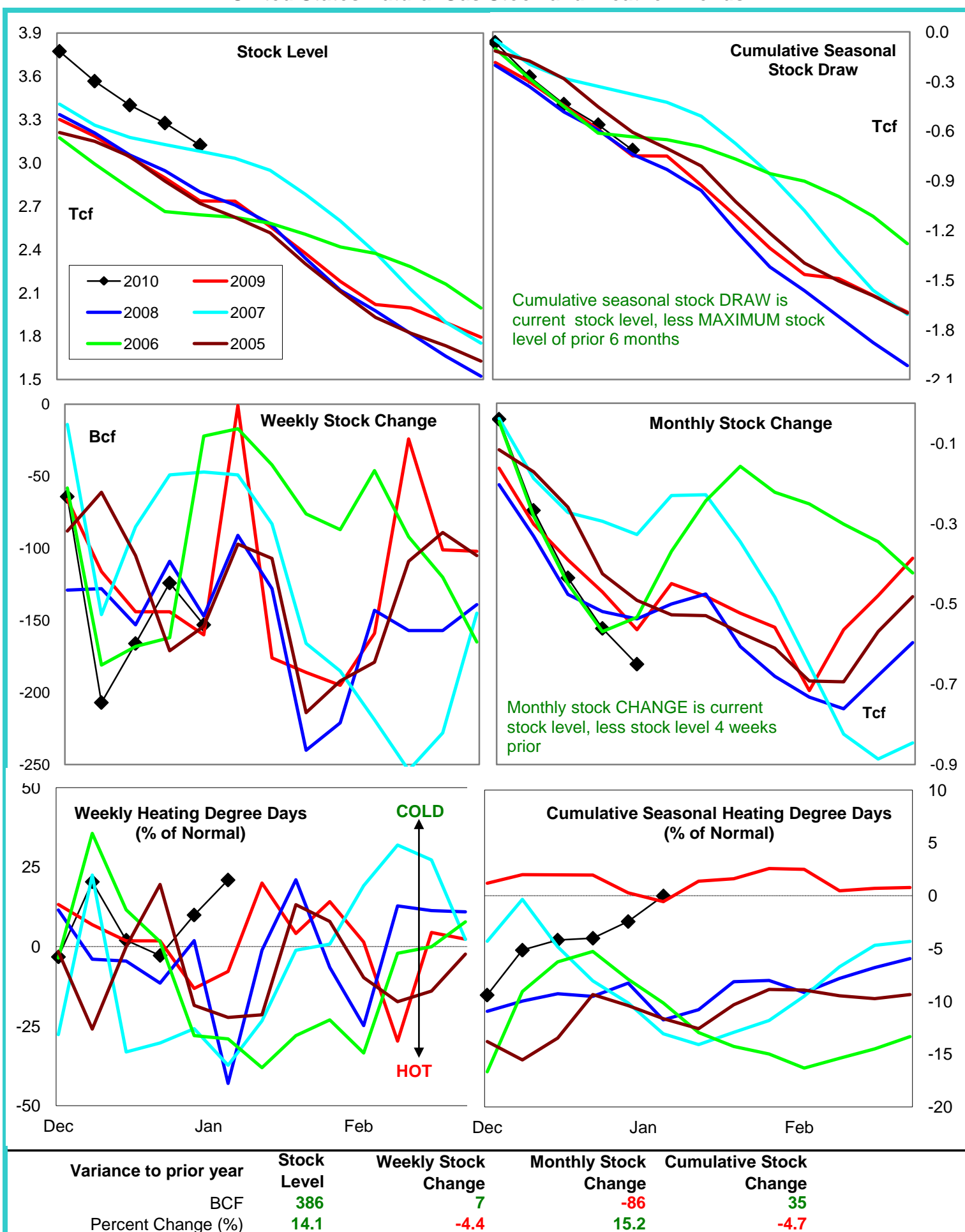
	Cumulative Stock Draw			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
<b>U.S. Total</b>	<b>-714</b>	<b>35</b>	<b>-4.9</b>	<b>216</b>	<b>-4.0</b>	<b>254</b>	<b>-2.4</b>	<b>285</b>	<b>0.0</b>
<b>East</b>	<b>-415</b>	<b>79</b>	<b>-19.0</b>	<b>237</b>	<b>-5.2</b>	<b>275</b>	<b>-3.7</b>	<b>312</b>	<b>-1.2</b>
<b>West</b>	<b>-92</b>	<b>-10</b>	<b>10.9</b>	<b>203</b>	<b>-4.1</b>	<b>226</b>	<b>-3.2</b>	<b>223</b>	<b>-2.6</b>
<b>Producing</b>	<b>-216</b>	<b>-144</b>	<b>66.7</b>	<b>153</b>	<b>3.7</b>	<b>197</b>	<b>6.1</b>	<b>228</b>	<b>10.0</b>

### Futures Market Price Trends

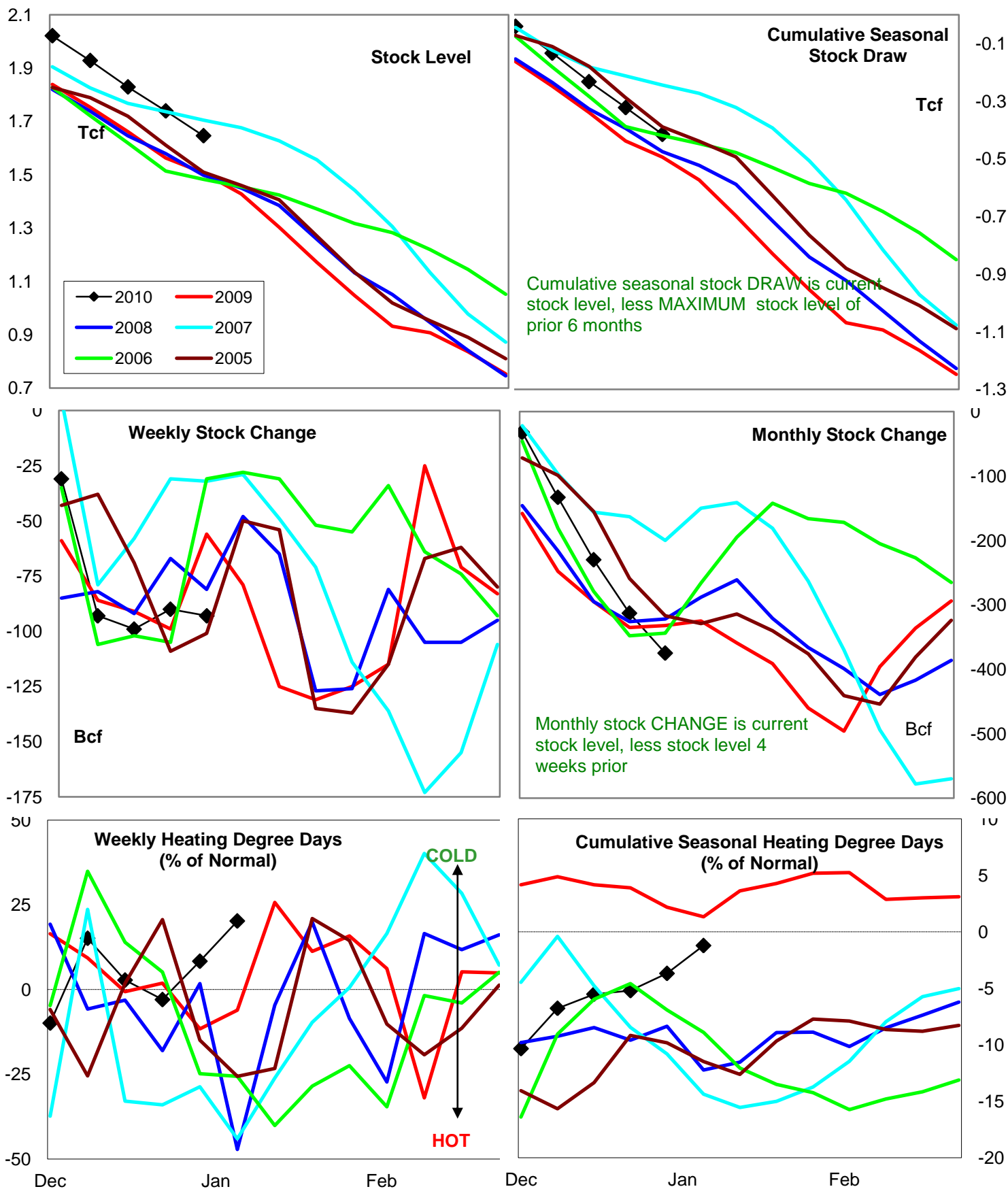
Date:	5-Jan-10	Change vs prior week, month, year		
		29-Dec-09	7-Dec-09	2-Jan-09
<b>1st month Futures</b>	<b>5.75</b>	<b>-0.13</b>	<b>0.42</b>	<b>1.07</b>
<b>% change</b>	xxxxx	<b>-2.2</b>	<b>7.9</b>	<b>22.9</b>



# United States Natural Gas Stock and Weather Trends



# Natural Gas East Region Stock and Weather Trends



Variance to prior year

Stock  
LevelWeekly Stock  
ChangeMonthly Stock  
ChangeCumulative Stock  
Change

BCF

139

-37

-43

79

Percent Change (%)

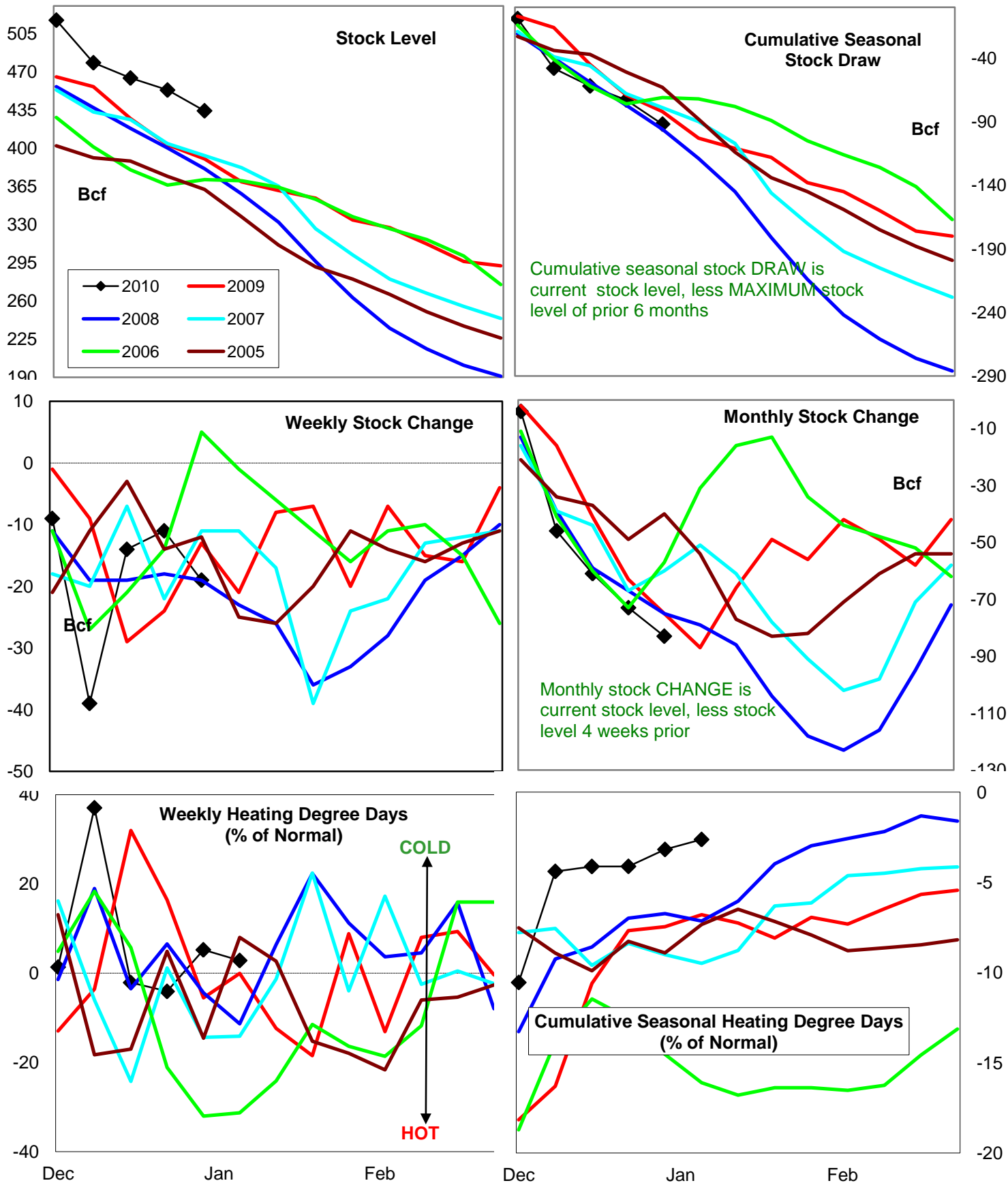
9.0

66.1

13.0

-16.0

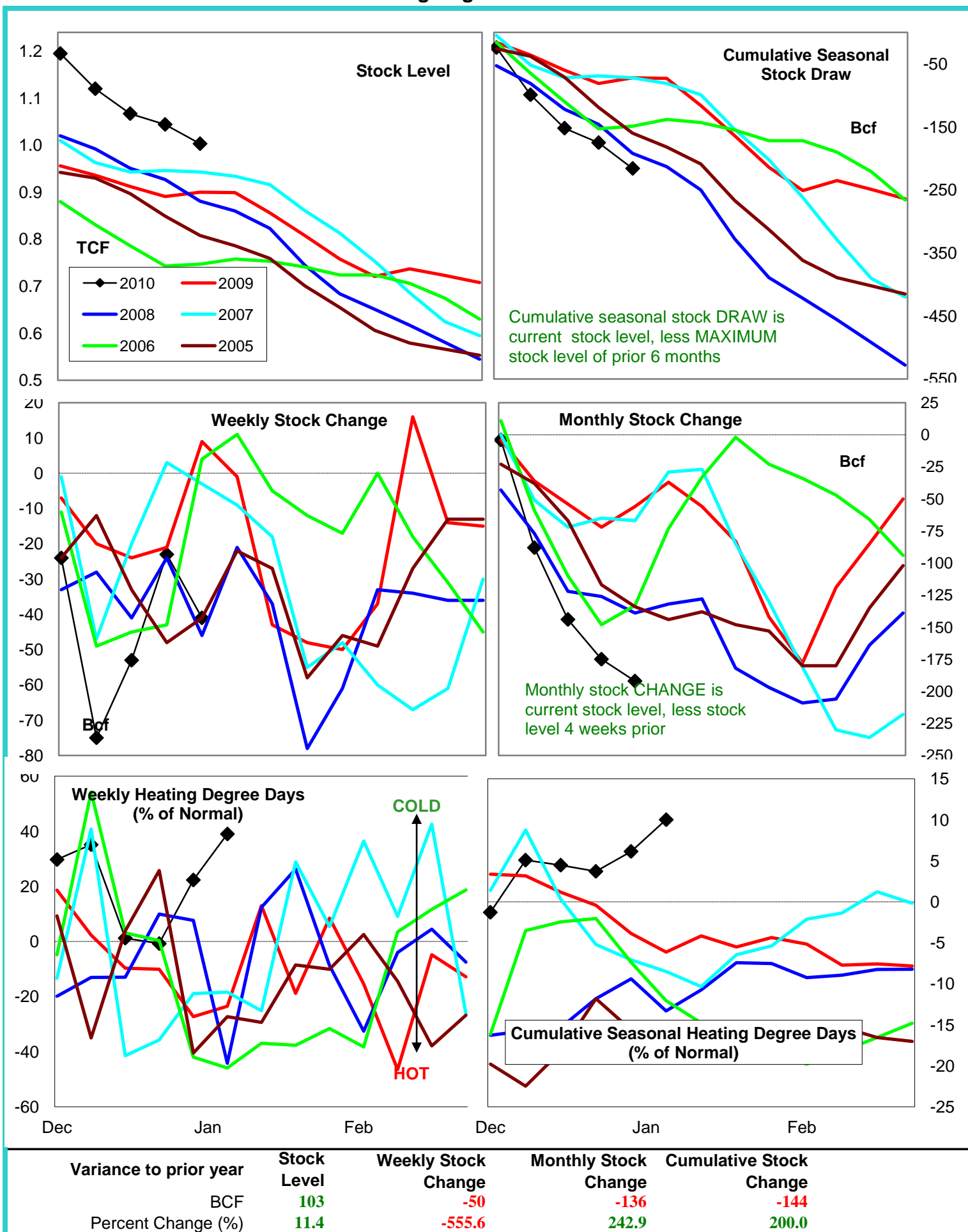
# Natural Gas West Region Stock and Weather Trends



Variance to prior year

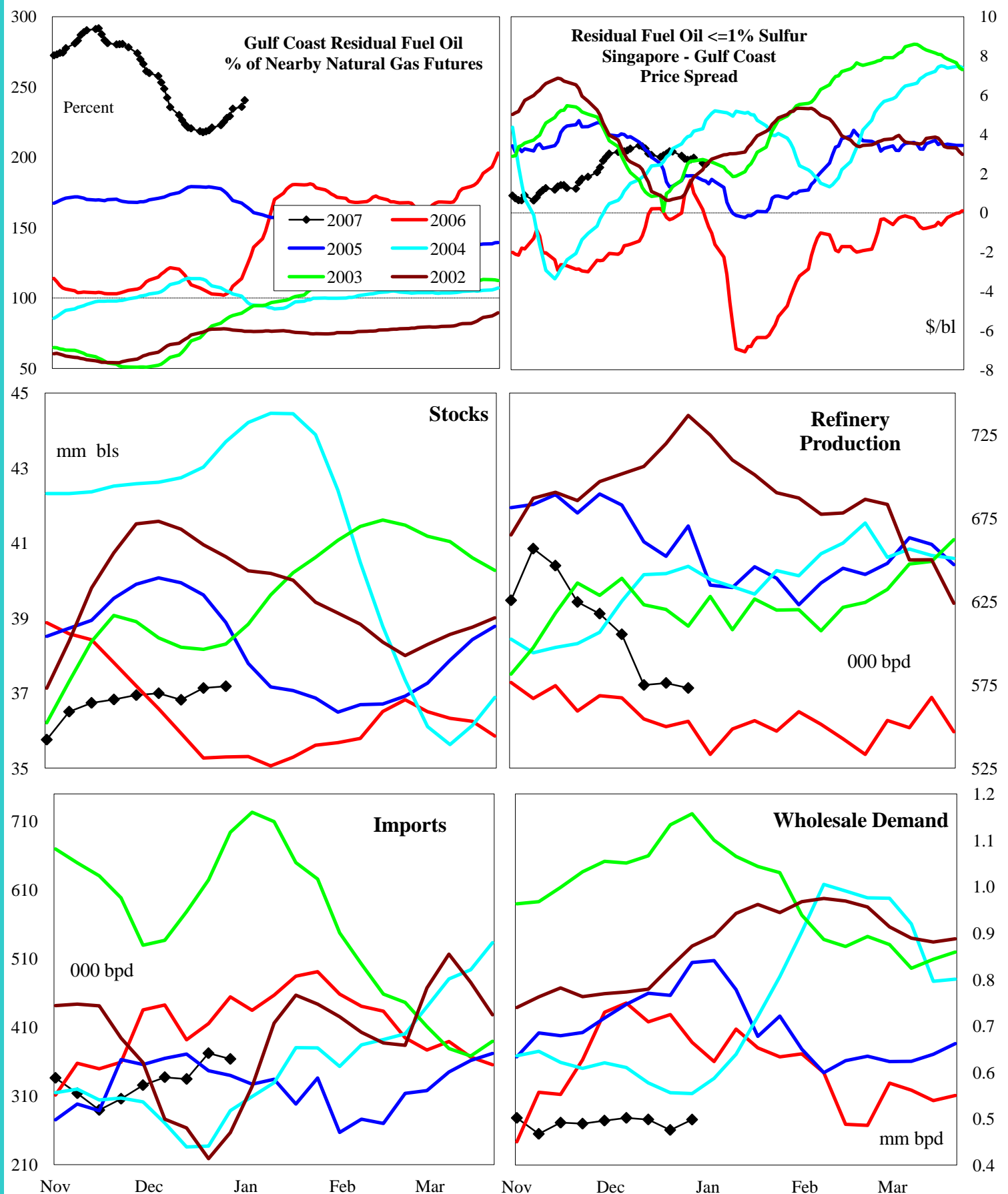
Stock  
LevelWeekly Stock  
ChangeMonthly Stock  
ChangeCumulative Stock  
ChangeBCF  
Percent Change (%)44  
11.3-6  
46.2-8  
10.7-10  
12.2

## Natural Gas Producing Region Stock and Weather Trends





# U.S. Residual Fuel Oil Price Spreads and Supply Balance


**4 wk avg variance to prior year**

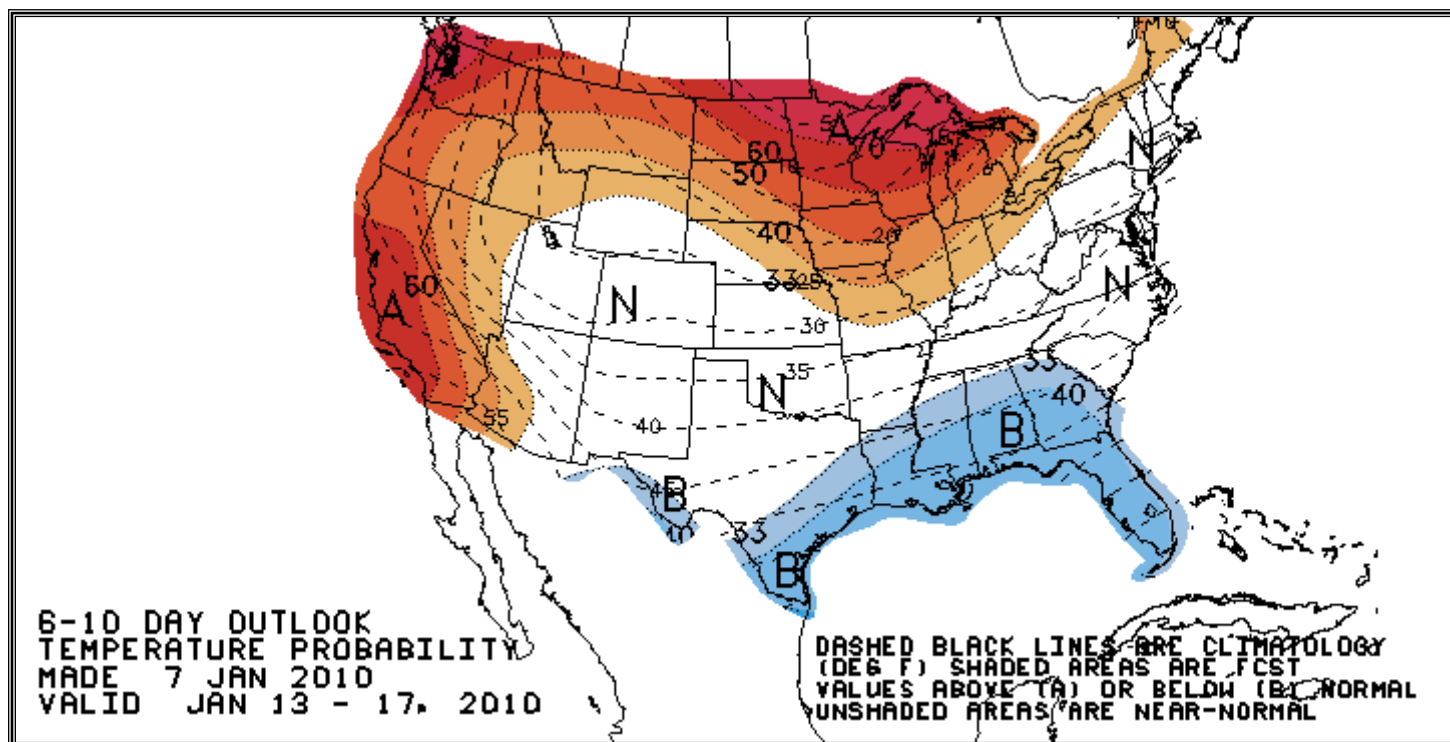
000 bpd (000 bls stks)

% change

**Stocks**
**3,303**
**9.7**
**Prod**
**25**
**4.6**
**Imports**
**-50**
**-12.1**
**Demd=>**
**4wk avg**
**-316**
**-40.5**
**Nov**
**-41**
**-7.9**
**Oct**
**-4**
**-0.7**
**Sep**
**-179**
**-34.4**

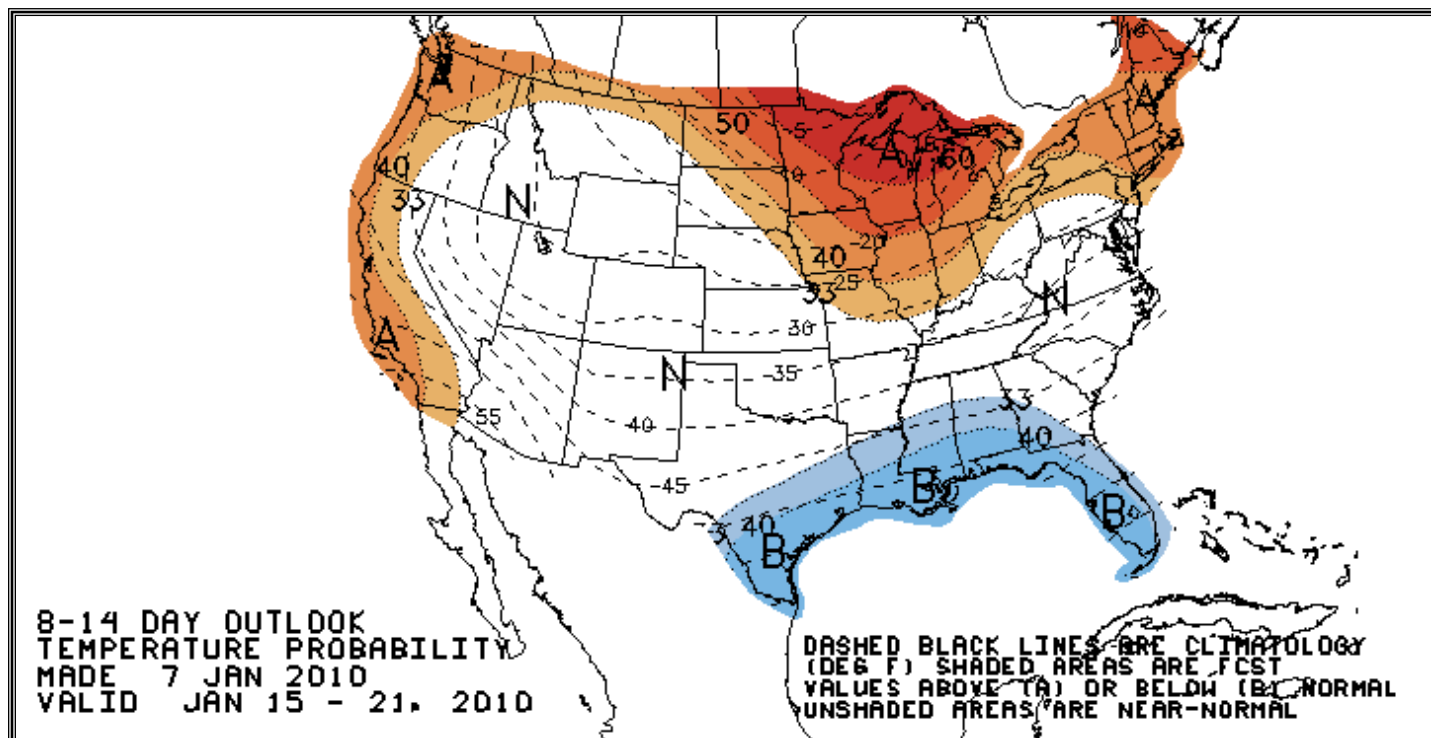
## National Weather Service Climate Prediction Center

### Heating Degree Days 6 - 10 Day Forecast



## National Weather Service Climate Prediction Center

### Heating Degree Days 8 - 14 Day Forecast





# American Gas Association Regions

