



**FUNDAMENTAL
PETROLEUM
TRENDS**

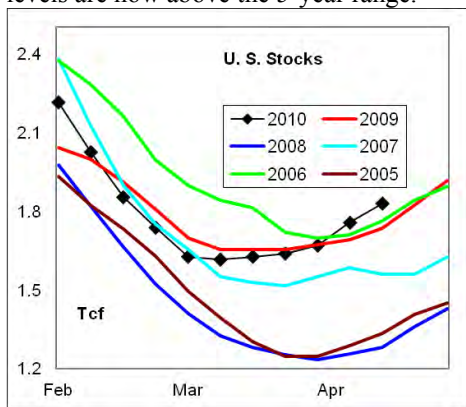
WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Thursday, April 22, 2010



Summary¹ Stocks increased +73 Bcf last week, a record high for the period. Weekly stock builds have matched or exceeded historic highs for each of the past 6-wks on unusually warm temperatures for this time of year in key markets. Stock levels are now above the 5-year range.



In the East Region stocks increased +34 Bcf, which was a record build for the period. The +8 Bcf build in the West Region was above the 5-year range for the week. The stock build of +31 Bcf in the Producing Region was a record build for the period.

Heating degree days were -37% below normal in the East Region, -15% below normal in the West Region and -40% below normal in the Producing Region for the week ending April 17th.

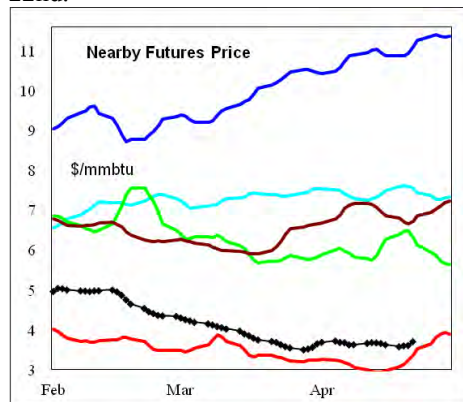
Heating degree days were -35% below normal for the week ending April 17th and forecast to be -15% below normal for the week ending April 24th.

The 6-10 day NWS forecast for the week ending May 1st is for colder than normal temperatures in the western 1/3rd and northeast region of the country and above normal in the south central region.

The 8-14 day NWS forecast for the week ending May 5th is for cooler than normal temperatures in the western 1/ of the country and warmer than normal in the southeast region.

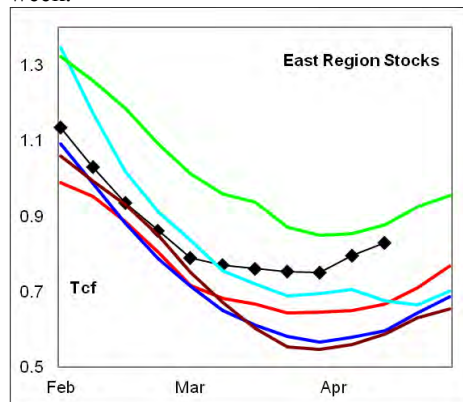
Prices: Nearby gas futures prices increased

+\$0.12/mmbtu for the week ending April 22nd.



The 1st - 4th month forward price curve traded sideways on the week. The forward curve is above the historic mid range for the period.

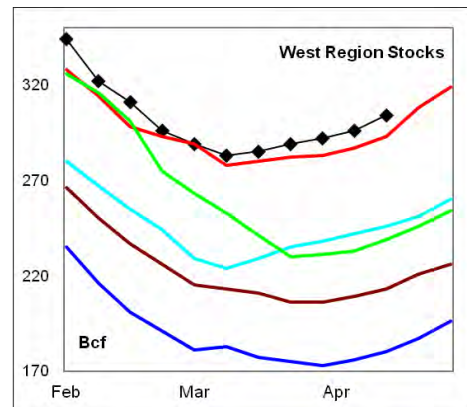
East Region stocks increased +34 Bcf on the week, a record build for the period. The latest 4-wk stock change was a record build for the period during the last 5-years. Stock levels are near historic highs for the week.



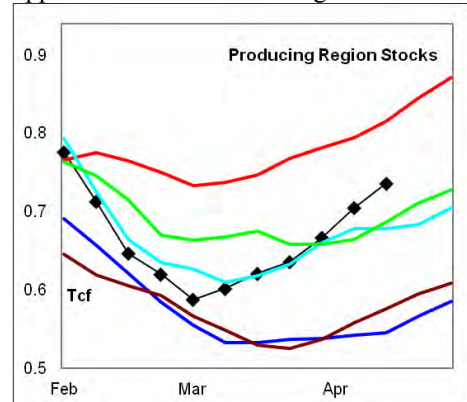
Heating degrees in the region were -37% below normal for the week ending April 17th and forecast to be -15% below normal for the week ending April 24th. Slightly below normal temperatures are forecast for the next 10-days.

West Region stocks increased +8 Bcf on the week, which was above the 5-year range for the week. The latest 4-wk stock build above the historic range last week. Stock levels are at a new 5-year high for the period.

Heating degree days were -15% below normal for the week ending April 17th, and forecast to be -22% below normal for the week ending April 24th. Cooler than normal temperatures are forecast for the next 10-days.



Producing Region stocks increased +31 Bcf on the week, a record build for the week. The latest 4-wk build was a 5-year high for the period. Stock levels are at the upper end of the historic range.



Heating degree days were -40% below normal for the week ending April 17th, and forecast to be +4% above normal for the week ending April 24th. Cooler than normal temperatures are forecast for the next 10 days.

Residual Fuel Oil Switching: The price spread between residual fuel oil and natural gas remains at a record high, in favor of natural gas. Residual fuel oil demand (including exports) was +11% above year ago levels for the latest 4-wk period.

Outlook: Weekly stock builds have exceeded the historic range for the last 6-weeks, driven by high production and low heating demand. As a result stock levels are now at new 5-year highs for this time of year. Expect moderate temperatures and continued high production to drive above average stock builds during the 2nd quarter. Expect continued price weakness in the spring quarter.

¹ 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: April 22, 2010

For the week ending: 16-Apr-10

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

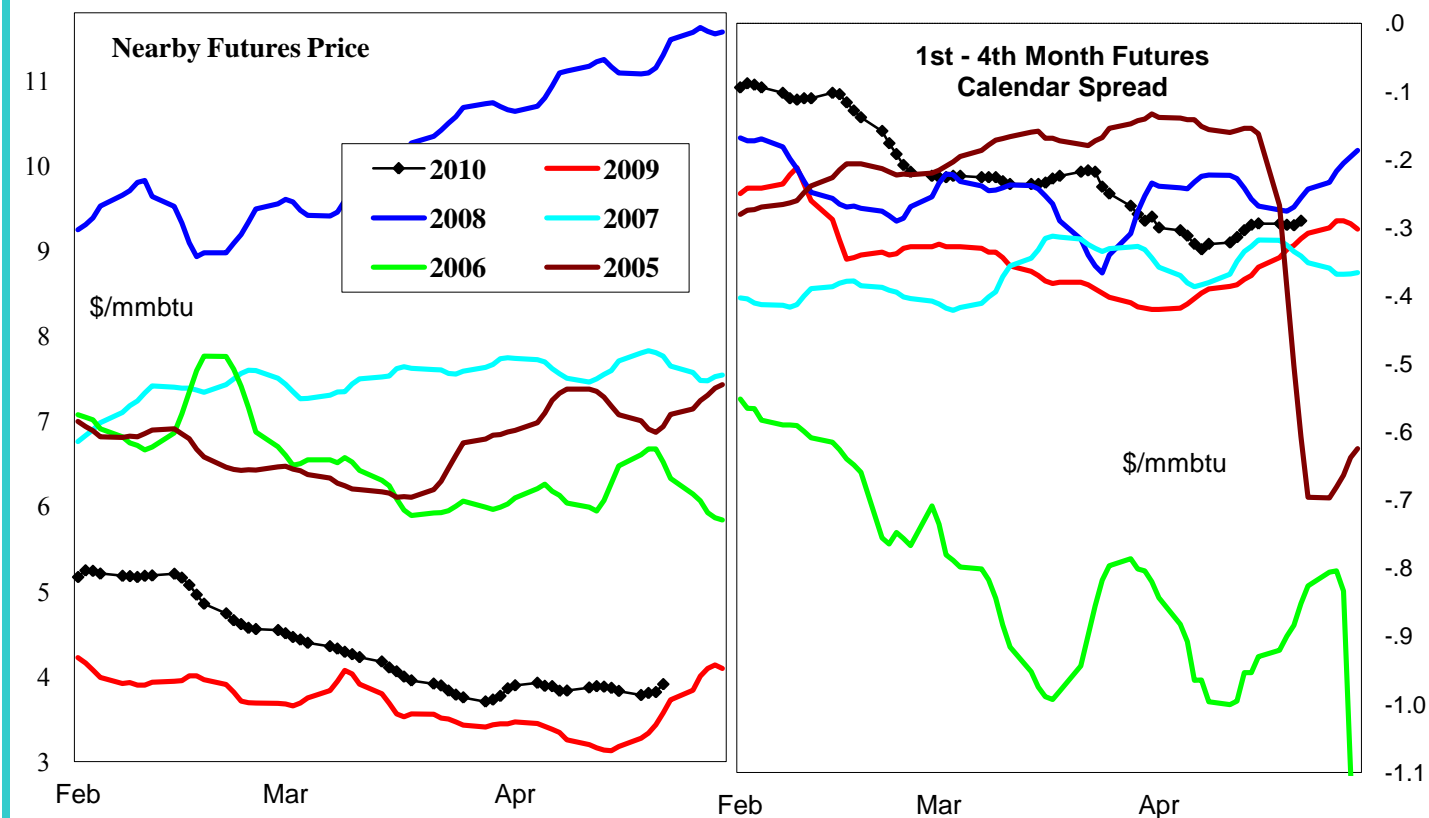
Week ending:	16-Apr-10			10-Apr-10		17-Apr-10		24-Apr-10	
Region	Weekly Stocks			Weekly Heating Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	1,829	73	5.5	-19	-42%	-2	-35%	6	-15%
East	829	34	24.5	-26	-51%	7	-37%	10	-15%
West	304	8	3.8	6	4%	-32	-15%	-17	-22%
Producing	696	31	-10.3	-7	-25%	-13	-40%	7	4%

Seasonal Trends in Stocks and Heating Degree Days

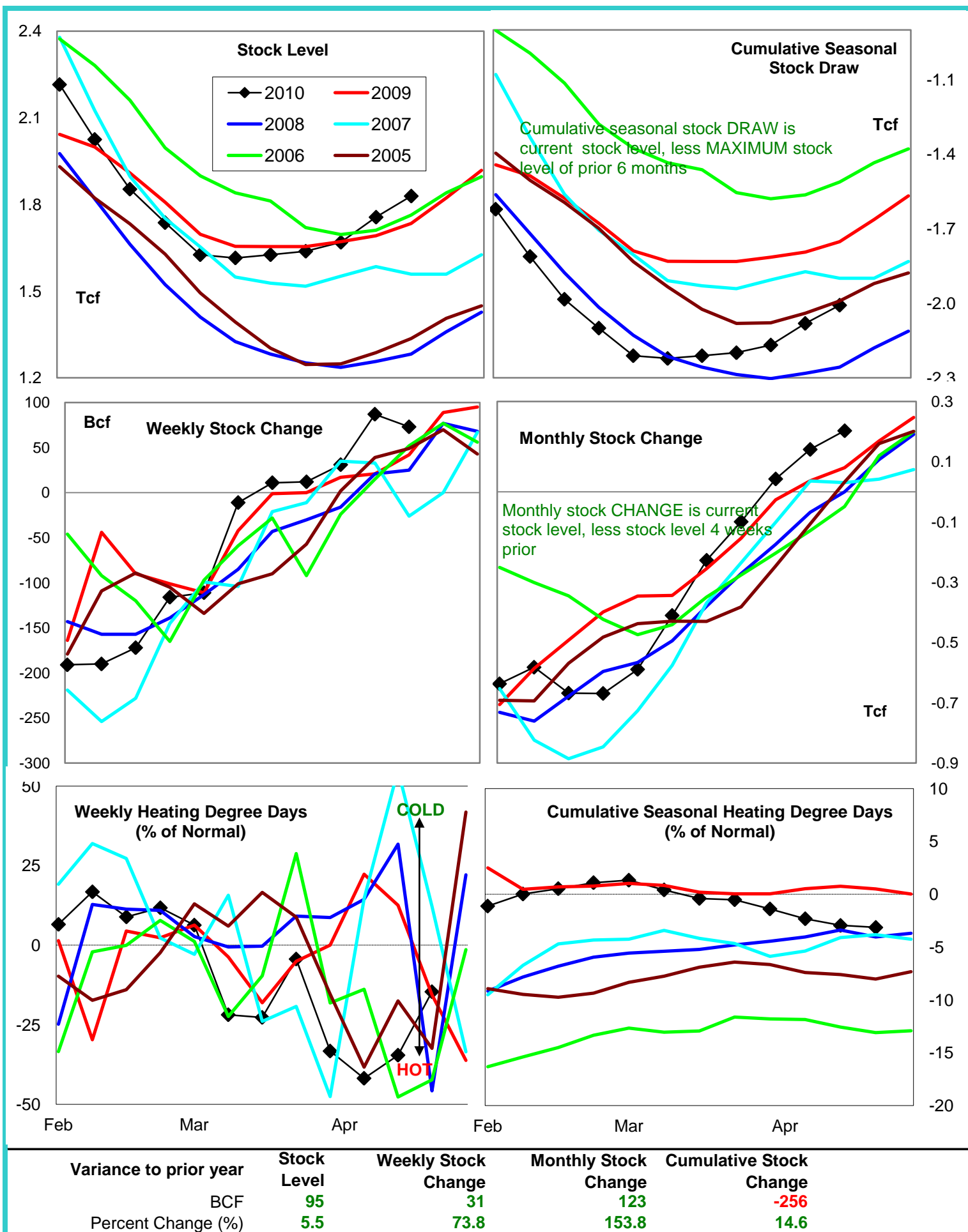
	Cumulative Stock Draw			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
U.S. Total	-2,008	-256	12.7	63	-2.3	61	-2.9	68	-3.1
East	-1,272	103	-8.1	61	-4.3	68	-5.0	78	-5.1
West	-222	-43	19.4	120	-3.4	89	-3.6	72	-4.0
Producing	-523	-327	62.5	35	11.2	22	10.6	30	10.5

Futures Market Price Trends

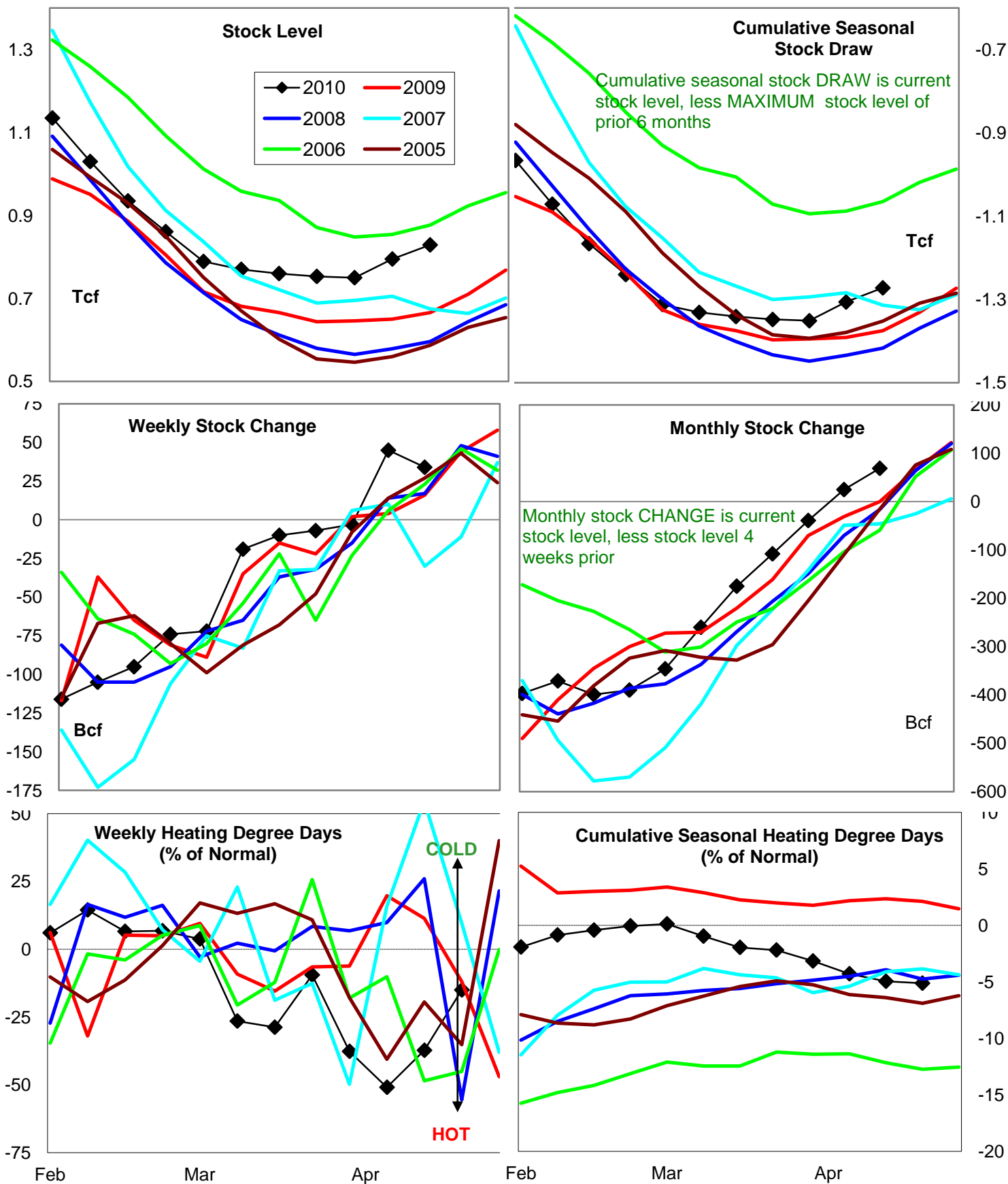
Date:	30-Apr-10	Change vs prior week, month, year		
		27-Apr-10	6-Apr-10	30-Apr-09
1st month Futures	4.11	0.07	0.24	0.22
% change	xxxxx	1.7	6.2	5.7



United States Natural Gas Stock and Weather Trends



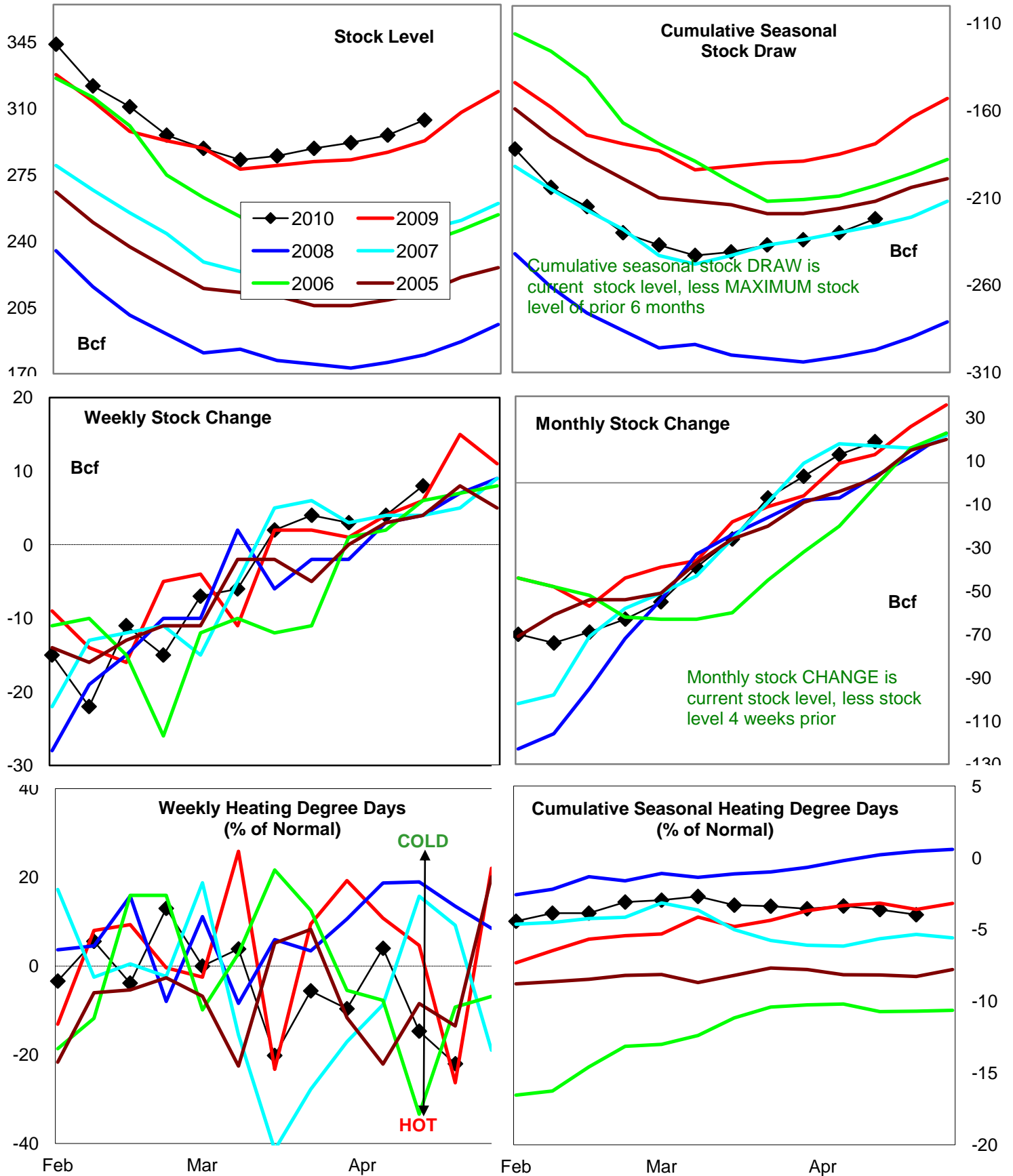
Natural Gas East Region Stock and Weather Trends



Variance to prior year

Stock
LevelWeekly Stock
ChangeMonthly Stock
ChangeCumulative Stock
ChangeBCF
Percent Change (%)163
24.518
112.569
#DIV/0!103
-7.5

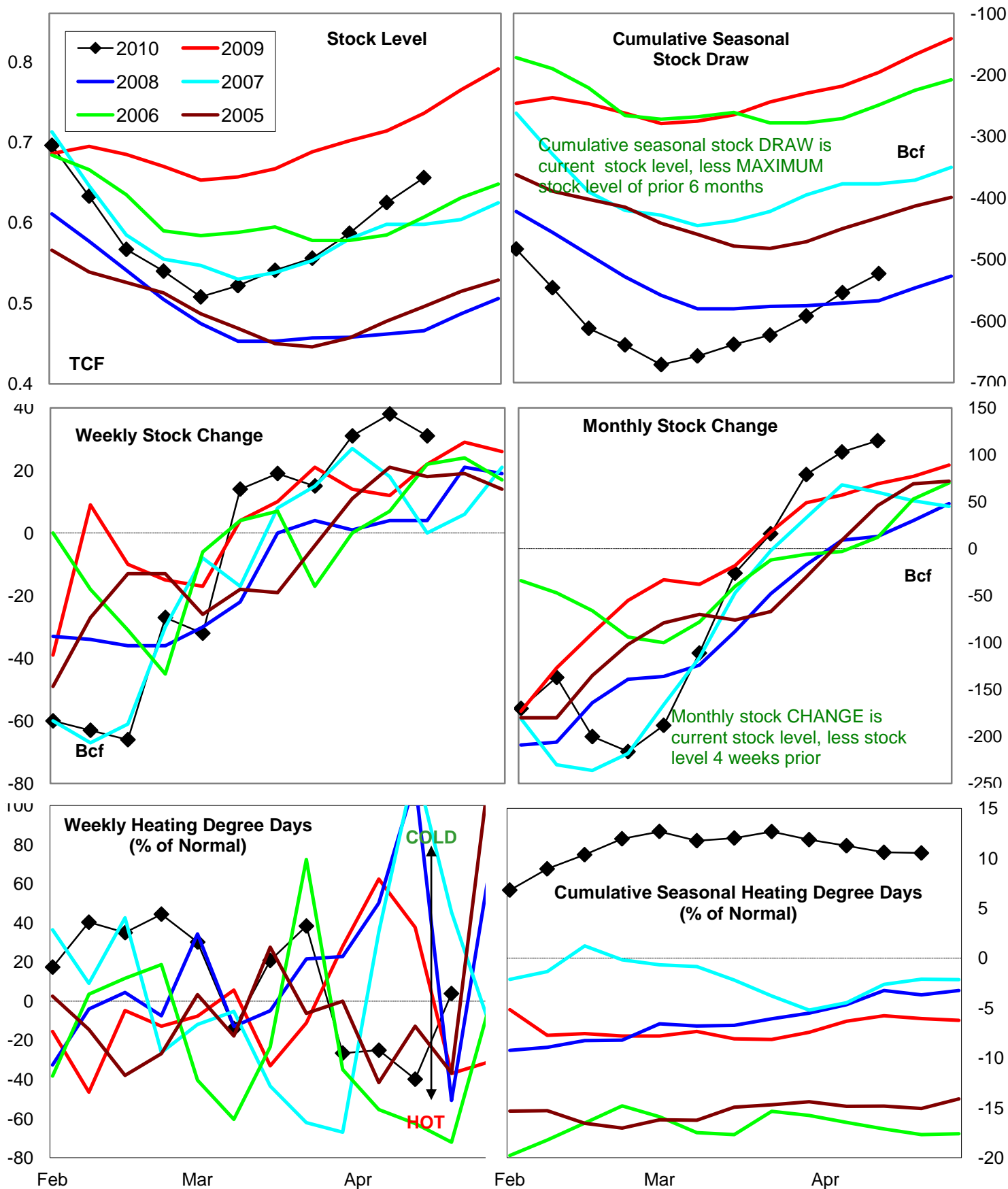
Natural Gas West Region Stock and Weather Trends



Variance to prior year

Stock
LevelWeekly Stock
ChangeMonthly Stock
ChangeCumulative Stock
ChangeBCF
Percent Change (%)11
3.82
33.36
46.2-43
24.0

Natural Gas Producing Region Stock and Weather Trends



Variance to prior year

Stock Level

Weekly Stock Change

Monthly Stock Change

Cumulative Stock Change

BCF

-80

9

46

-327

Percent Change (%)

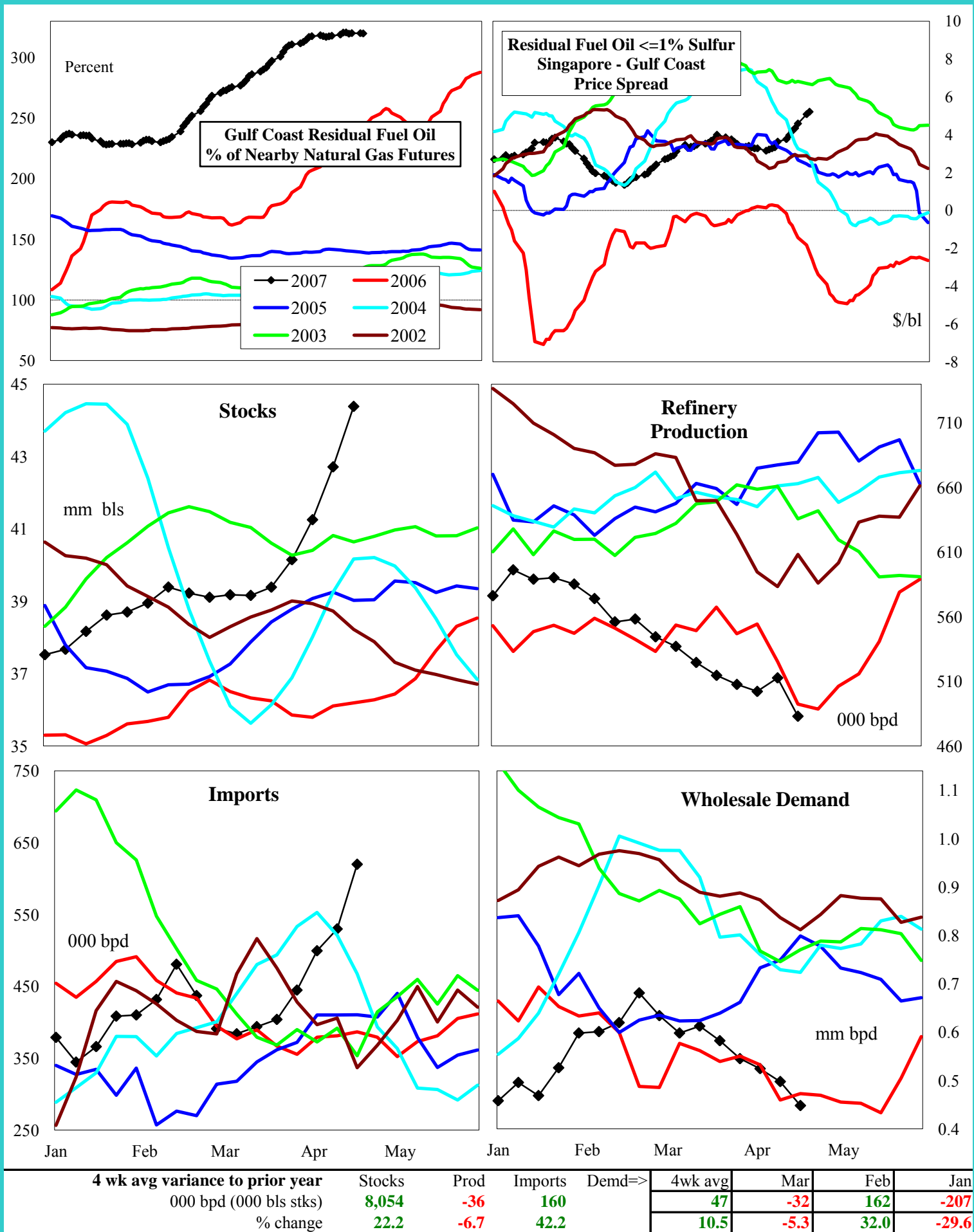
-10.3

40.9

66.7

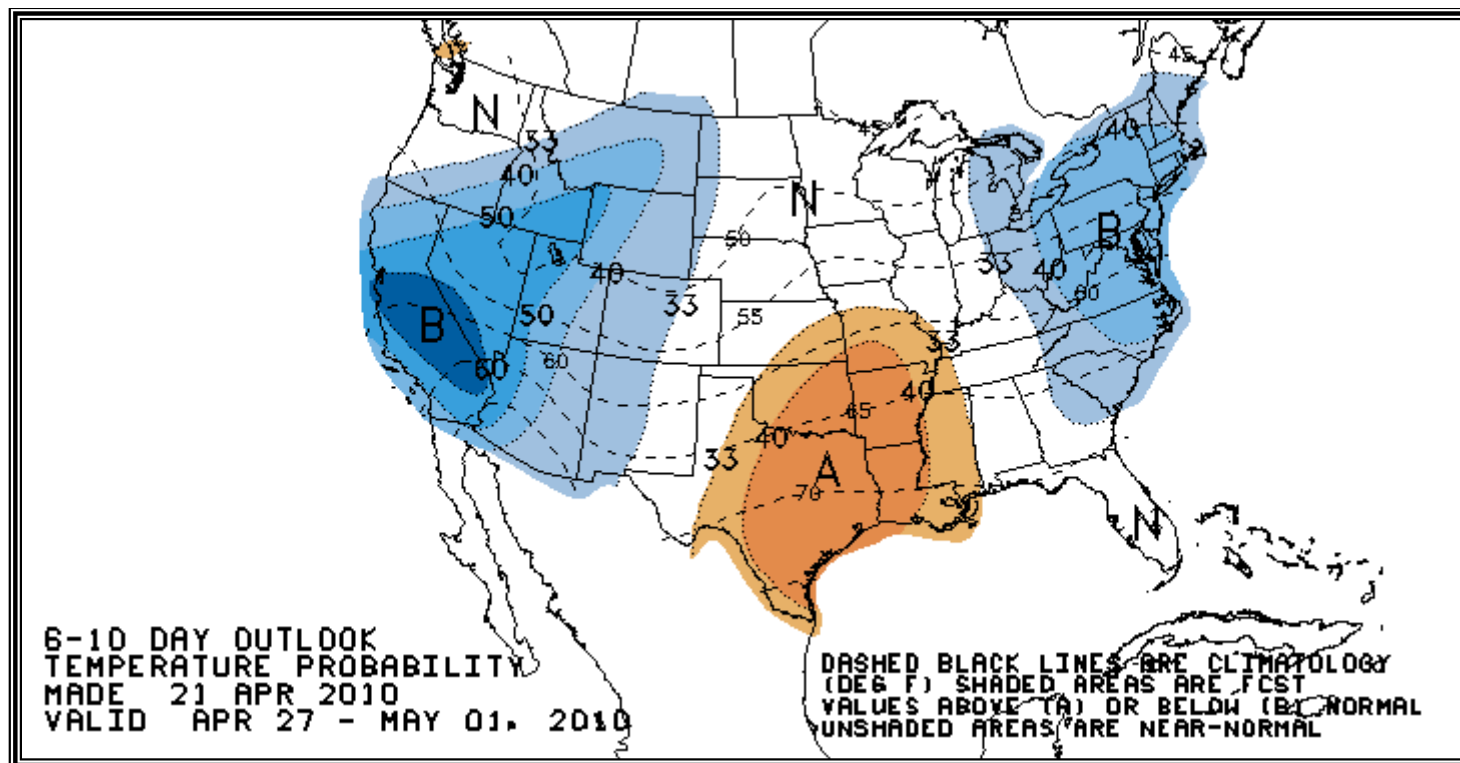
166.8

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



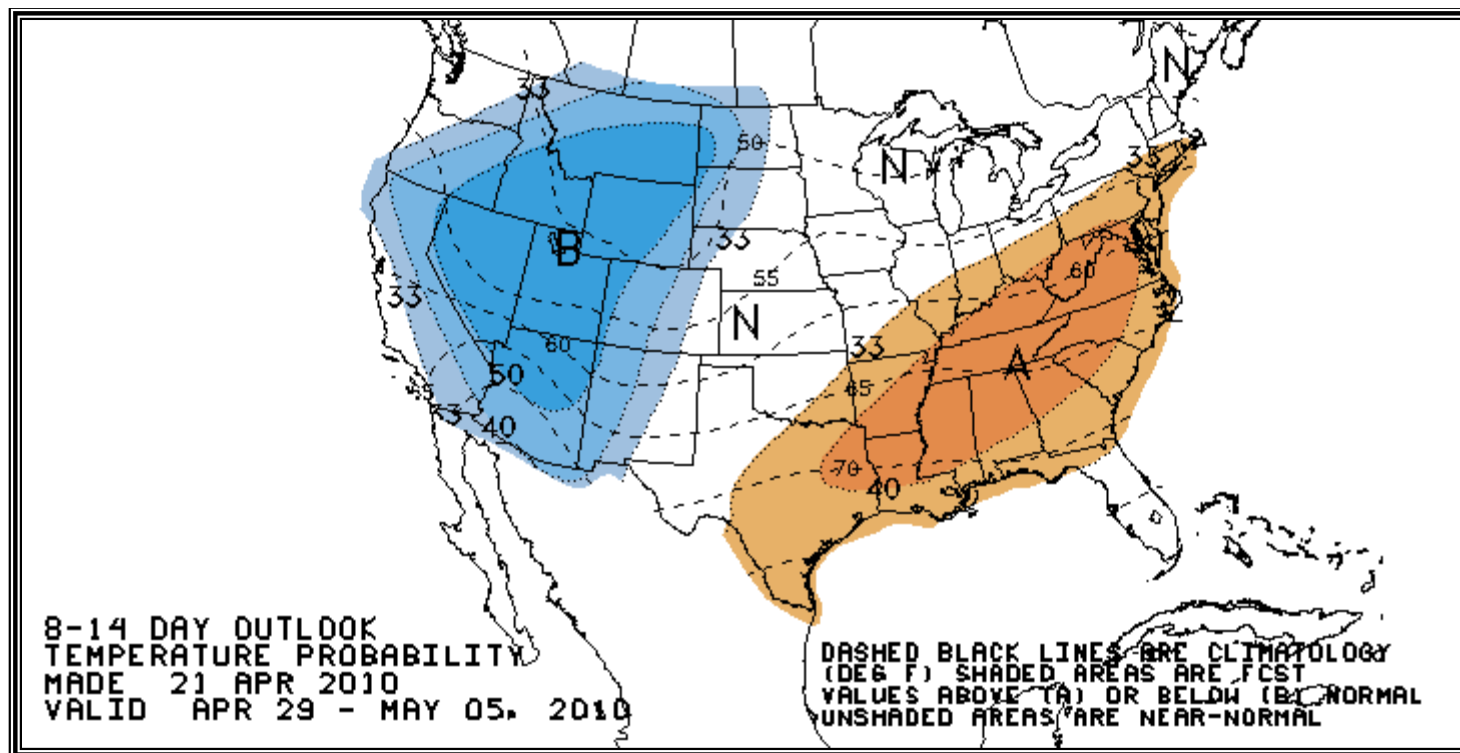
National Weather Service Climate Prediction Center Cooling

Degree Days 6 - 10 Day Forecast



National Weather Service Climate Prediction Center Cooling

Degree Days 8 - 14 Day Forecast



American Gas Association Regions

