



**FUNDAMENTAL  
PETROLEUM  
TRENDS**

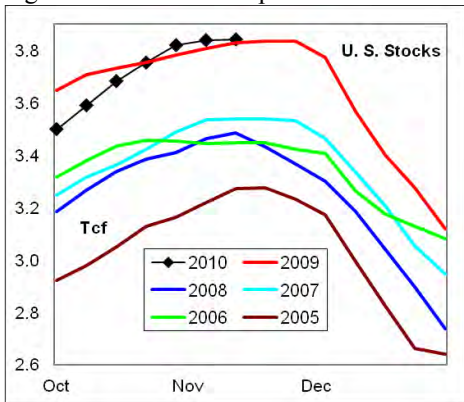
## WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

### A Fundamental Petroleum Trends Weekly Report

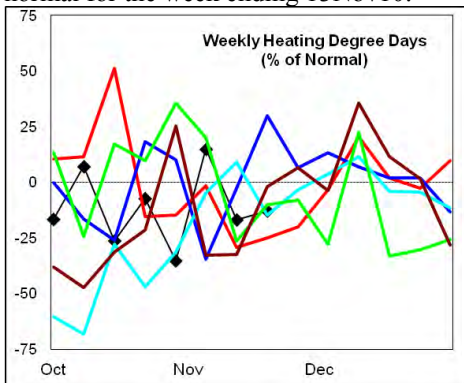
Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Thursday, November 18, 2010



**Summary**<sup>1</sup> Stocks increased +3 Bcf last week, a level near historic lows for the week. Stock levels match the prior 5-year high set in 2009 for the period.



Heating degree days were -17% below normal for the week ending 13Nov10.



In the East Region stocks decreased -8 Bcf for the period, a level that matched lows for the week. Stocks decreased -2 Bcf in the West Region, which was a record draw for the week. The stock build of +13 Bcf in the Producing Region was above the historic mid range for the week.

Heating degree days were -18% below normal in the East Region, -5% below normal in the West Region and -23% below normal in the Producing Region for the week ending 13Nov10.

**Heating degree days** were -17% below normal for the week ended 13Nov10, and forecast to be -13% below normal for the week ending 20Nov10.

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

[Data Source is EIA Weekly Statistics](http://Data Source is EIA Weekly Statistics)

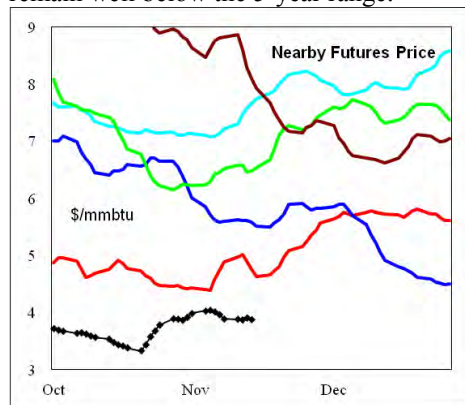
[National Weather Service 6-10 Day](http://National Weather Service 6-10 Day)

[National Weather Service 10-14 Day](http://National Weather Service 10-14 Day)

The 6-10 day NWS forecast for the week ending November 27th is for significantly colder than normal temperatures across the western and northern 2/3rds of the country. The southeast will be warmer than normal.

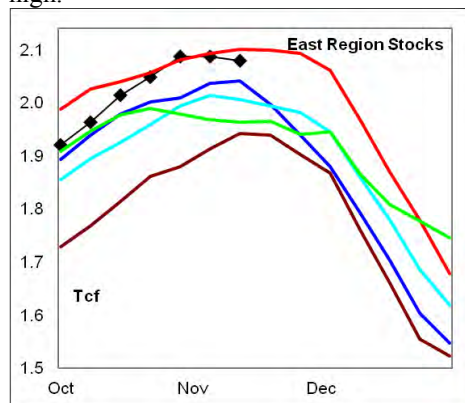
The 8-14 day NWS forecast for the week ending December 1st is for colder than normal temperatures in the eastern 1/2 of the country and near normal in the west.

**Prices:** Nearby gas futures prices decreased -\$0.05/mmbtu for the week ending 18Nov10. Prompt month futures prices remain well below the 5-year range.



The 1<sup>st</sup> - 4<sup>th</sup> month forward price curve traded sideways on the week, with the spread ending the week at the historic mid range.

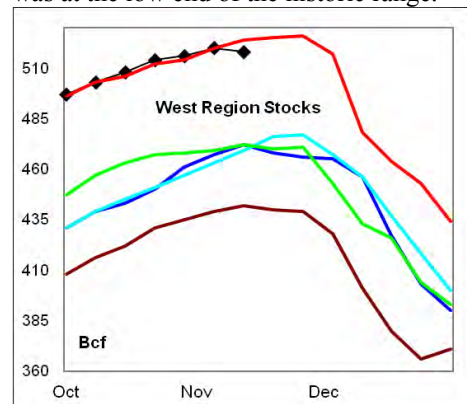
**East Region** stocks decreased -8 Bcf last week, a level that matched lows for the period. The latest 4-wk stock build matched the historic mid range. Stock levels were -1% below the prior record high.



Heating degree days in the region are forecast to be -13% below normal for the week ending 20Nov10. Much above normal heating degree days are forecast for the next 10-days.

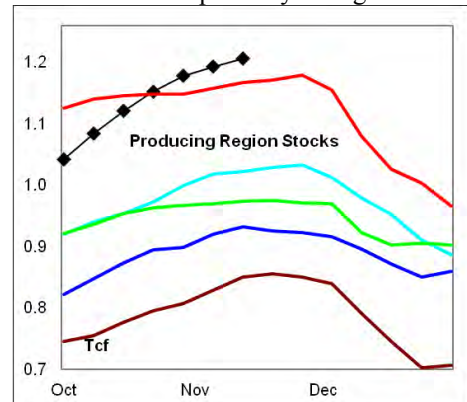
**West Region** stocks decreased -2 Bcf on the week, a record draw for the week. Stock levels were -1.1% below the prior

record high. The latest 4-wk stock build was at the low end of the historic range.



Heating degree days are forecast to be -15% below normal for the week ending 20Nov10. Much colder than normal temperatures are forecast for the next 10-days.

**Producing Region** stocks increased +13 Bcf on the week, a level at the upper end of the 5-year range. The latest 4-wk stock build was a record high. Stock levels were +3.2% above the prior 5-year high.



Heating degree days are forecast to be -8% below normal for the week ending 20Nov10. Warmer than normal temperatures are forecast for the next 10 days.

**Residual Fuel Oil Switching:** The price spread between fuel oil and natural gas remains highly favorable for gas.

**Outlook:** Temperatures are forecast to turn markedly colder during the next 10-days, extending through month end across most of the country except the southeast.

Much above normal heating degree days should provide modest support to natural gas prices even with record supplies.



## NATURAL GAS: Graph Link and Weekly Summary

Report prepared as of: November 18, 2010

For the week ending: 12-Nov-10

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

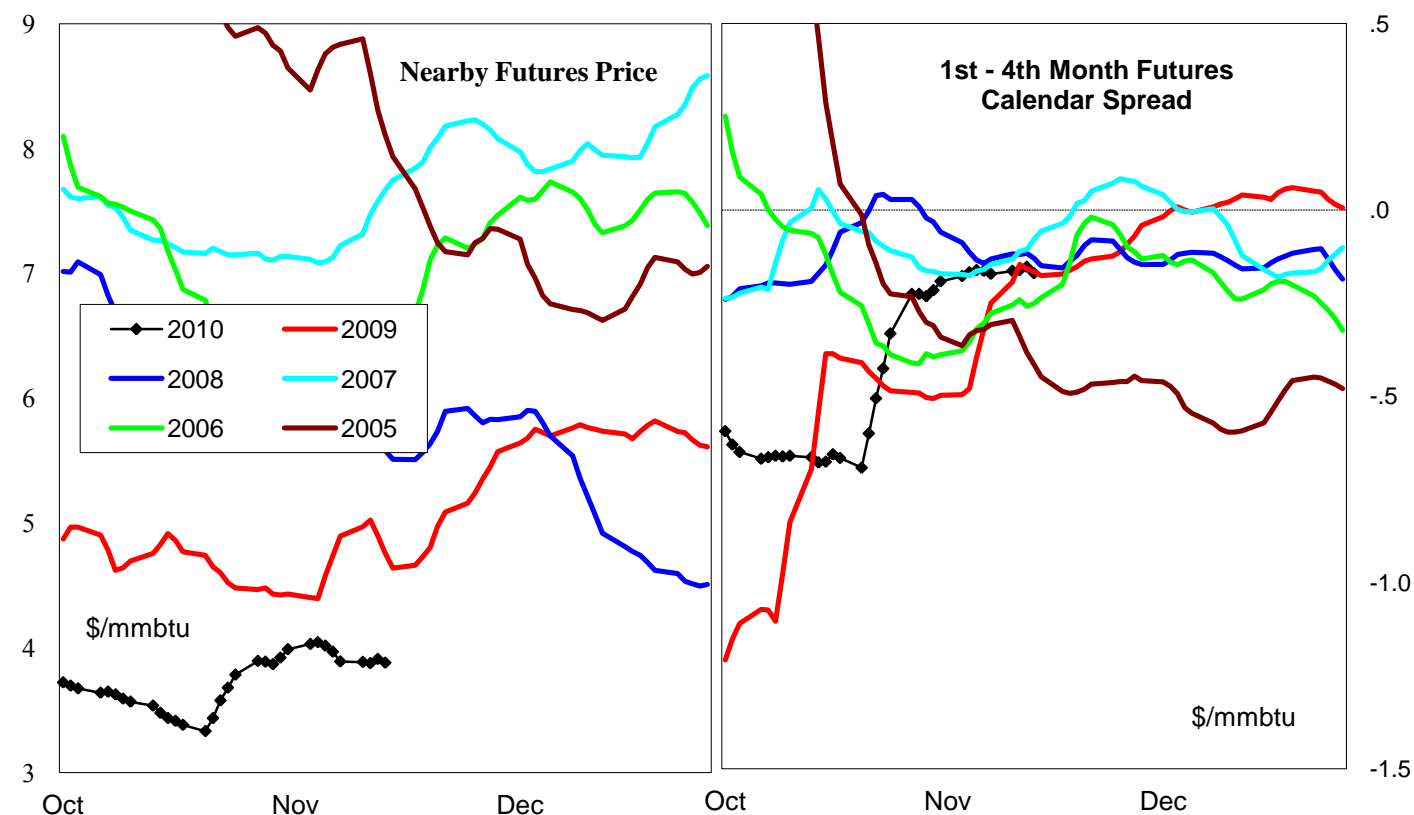
Week ending:	12-Nov-10			6-Nov-10		13-Nov-10		20-Nov-10	
Region	Weekly Stocks			Weekly Heating Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	3,843	3	0.3	66	15%	-22	-17%	20	-13%
East	2,079	-8	-1.0	90	23%	-38	-18%	21	-13%
West	518	-2	-1.1	-19	-32%	50	-5%	2	-15%
Producing	1,246	13	3.2	36	11%	-10	-23%	26	-8%

### Seasonal Trends in Stocks and Heating Degree Days

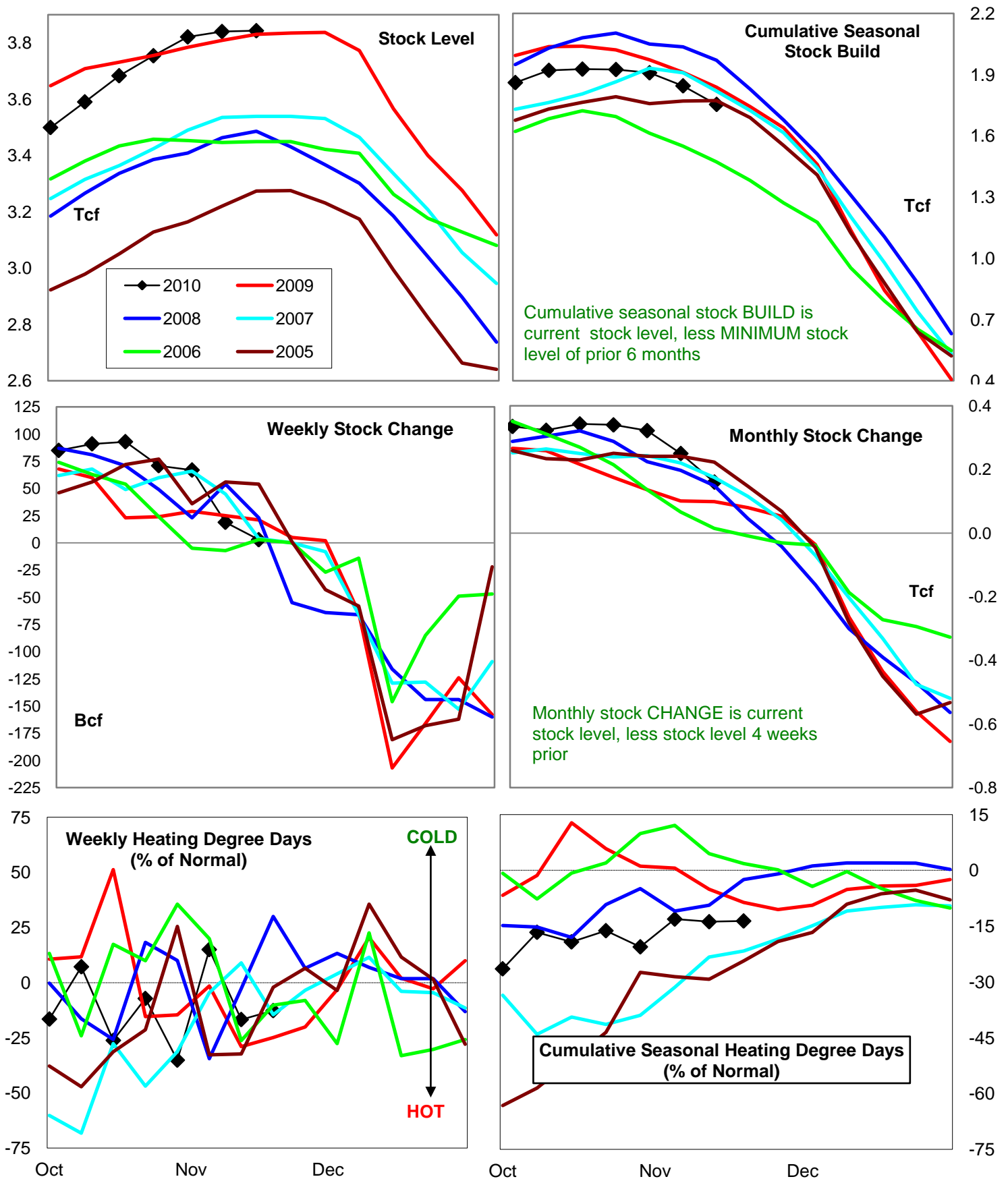
	Cumulative Stock Draw			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
<b>U.S. Total</b>	<b>1,754</b>	<b>-84</b>	<b>-4.8</b>	<b>129</b>	<b>-13.1</b>	<b>107</b>	<b>-13.8</b>	<b>127</b>	<b>-13.6</b>
<b>East</b>	<b>1,121</b>	<b>-160</b>	<b>-14.3</b>	<b>155</b>	<b>-11.1</b>	<b>117</b>	<b>-12.3</b>	<b>138</b>	<b>-12.5</b>
<b>West</b>	<b>174</b>	<b>-20</b>	<b>-11.5</b>	<b>81</b>	<b>-23.7</b>	<b>131</b>	<b>-20.4</b>	<b>132</b>	<b>-19.5</b>
<b>Producing</b>	<b>459</b>	<b>95</b>	<b>20.7</b>	<b>70</b>	<b>-14.2</b>	<b>60</b>	<b>-16.5</b>	<b>86</b>	<b>-14.4</b>

### Futures Market Price Trends

Date:	31-Dec-10	Change vs prior week, month, year		
		27-Dec-10	6-Dec-10	4-Jan-10
<b>1st month Futures</b>	<b>3.88</b>	<b>0.08</b>	<b>0.55</b>	<b>-0.65</b>
<b>% change</b>	xxxxx	<b>2.1</b>	<b>16.5</b>	<b>-14.3</b>



# United States Natural Gas Stock and Weather Trends



Variance to prior year

Stock  
LevelWeekly Stock  
ChangeMonthly Stock  
ChangeCumulative Stock  
ChangeBCF  
Percent Change (%)

13

0.3

-18

-85.7

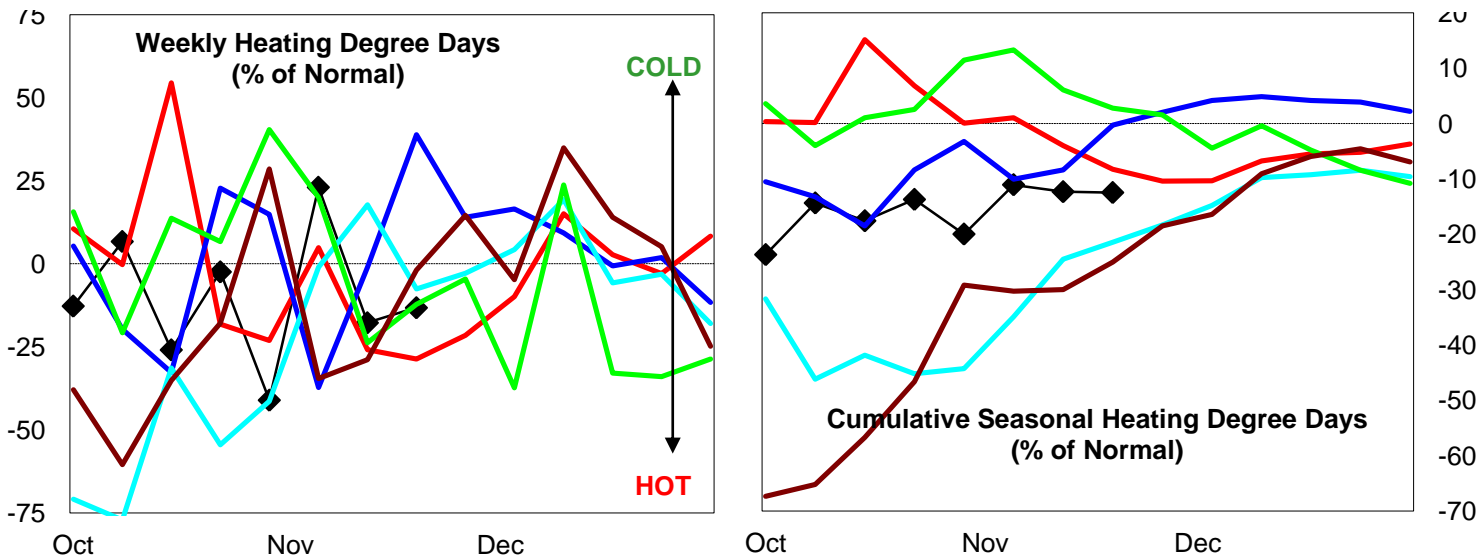
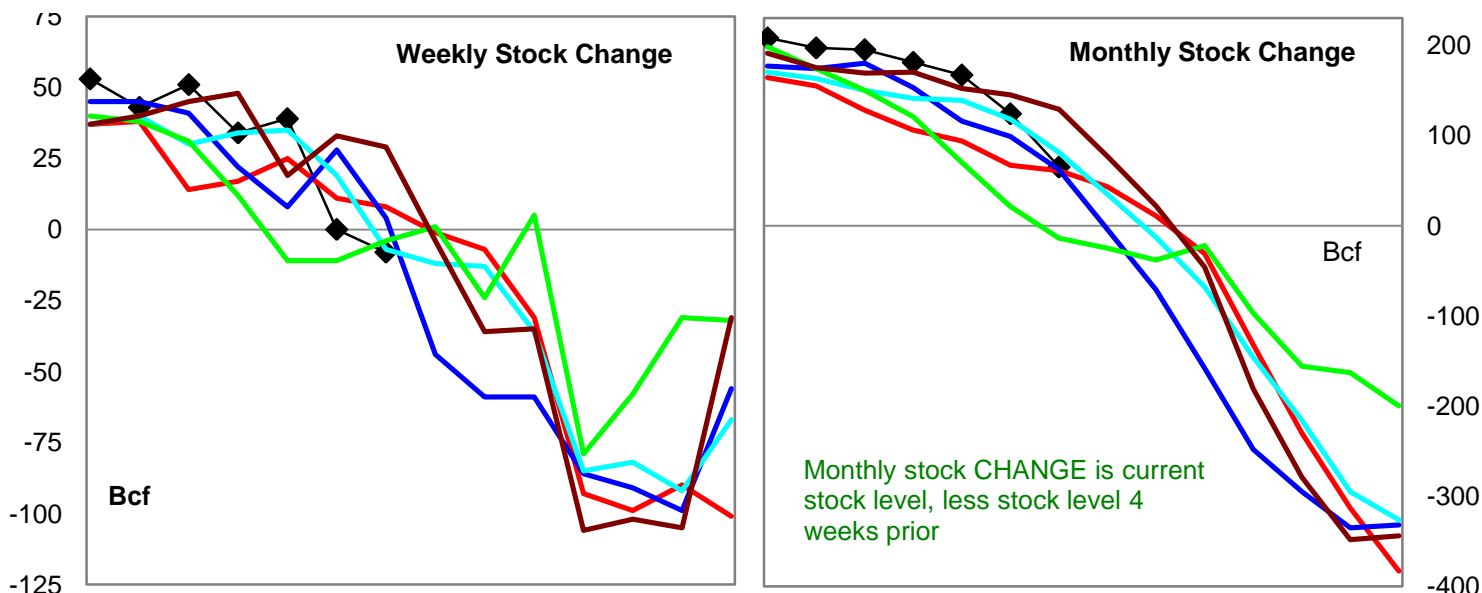
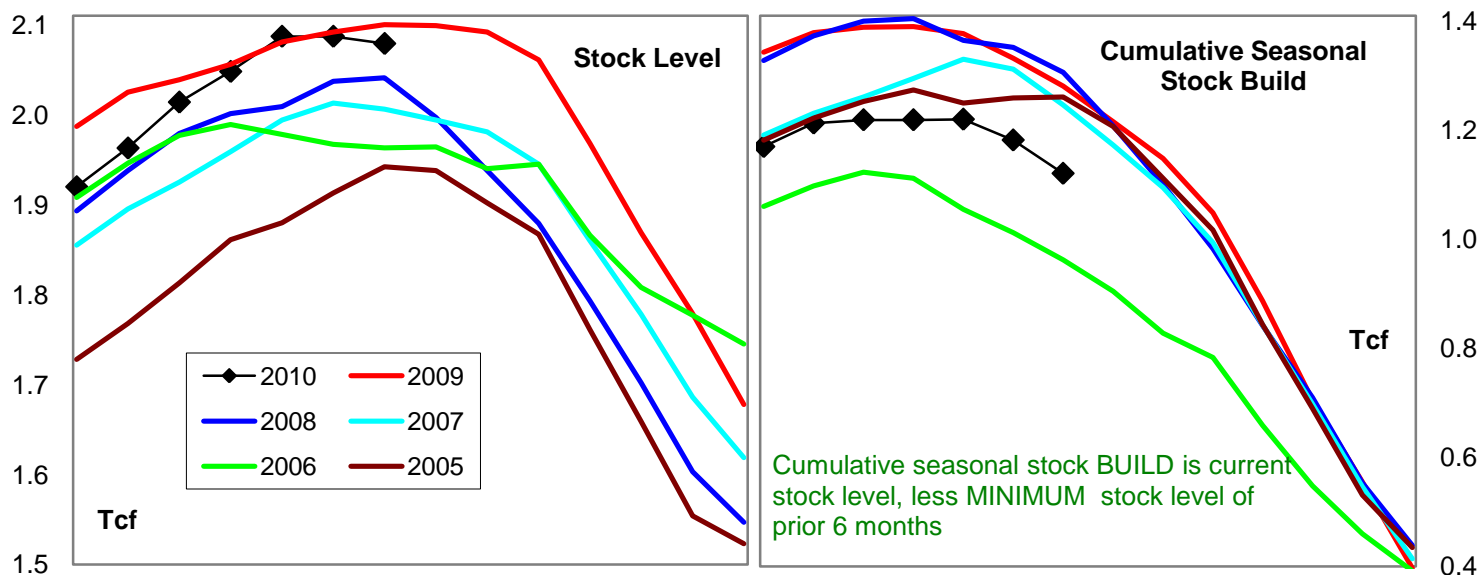
61

61.6

-84

-4.6

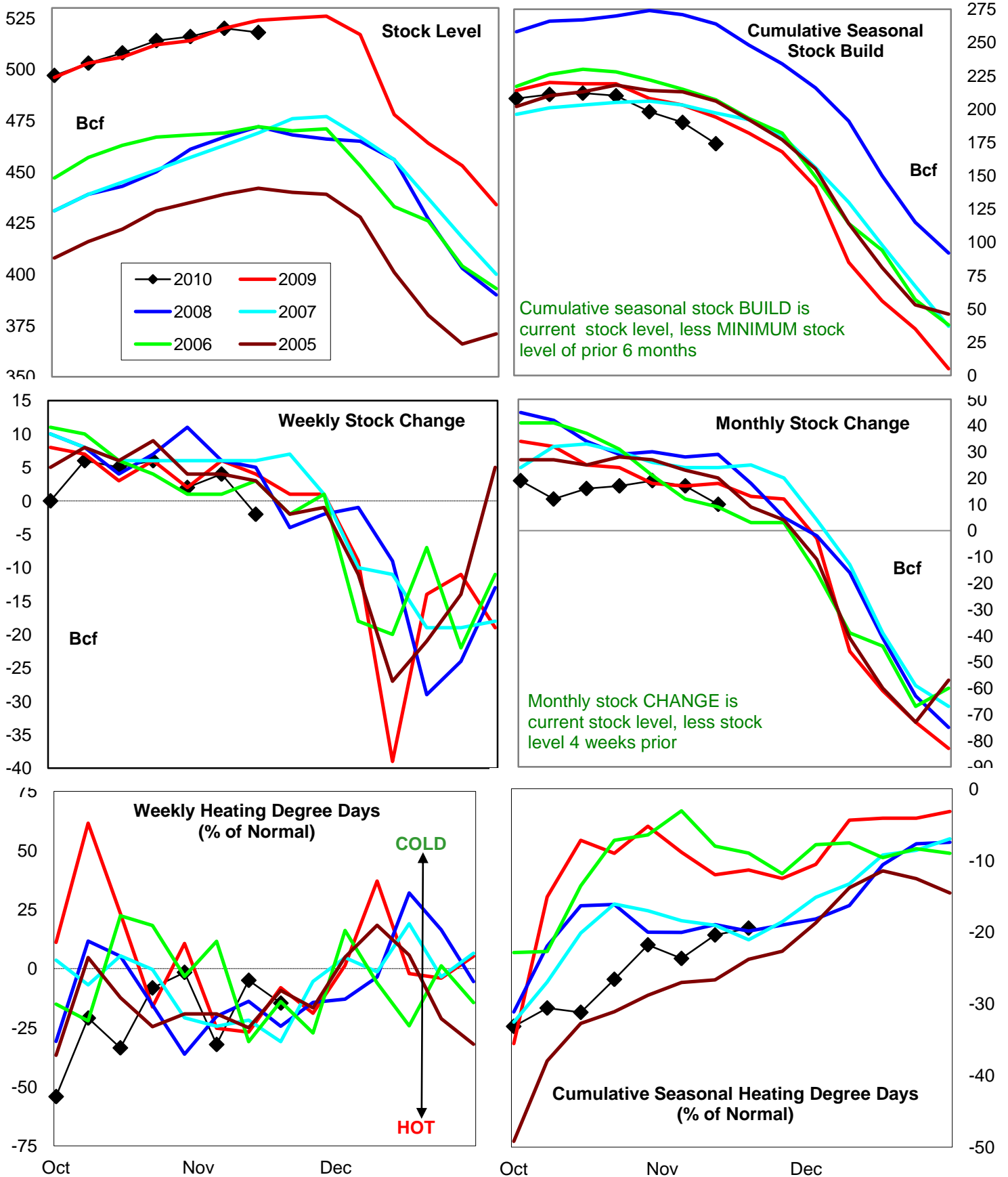
# Natural Gas East Region Stock and Weather Trends



Variance to prior year	Stock Level	Weekly Stock Change	Monthly Stock Change	Cumulative Stock Change
BCF	-21	-16	4	-160
Percent Change (%)	-1.0	-200.0	6.6	-12.5



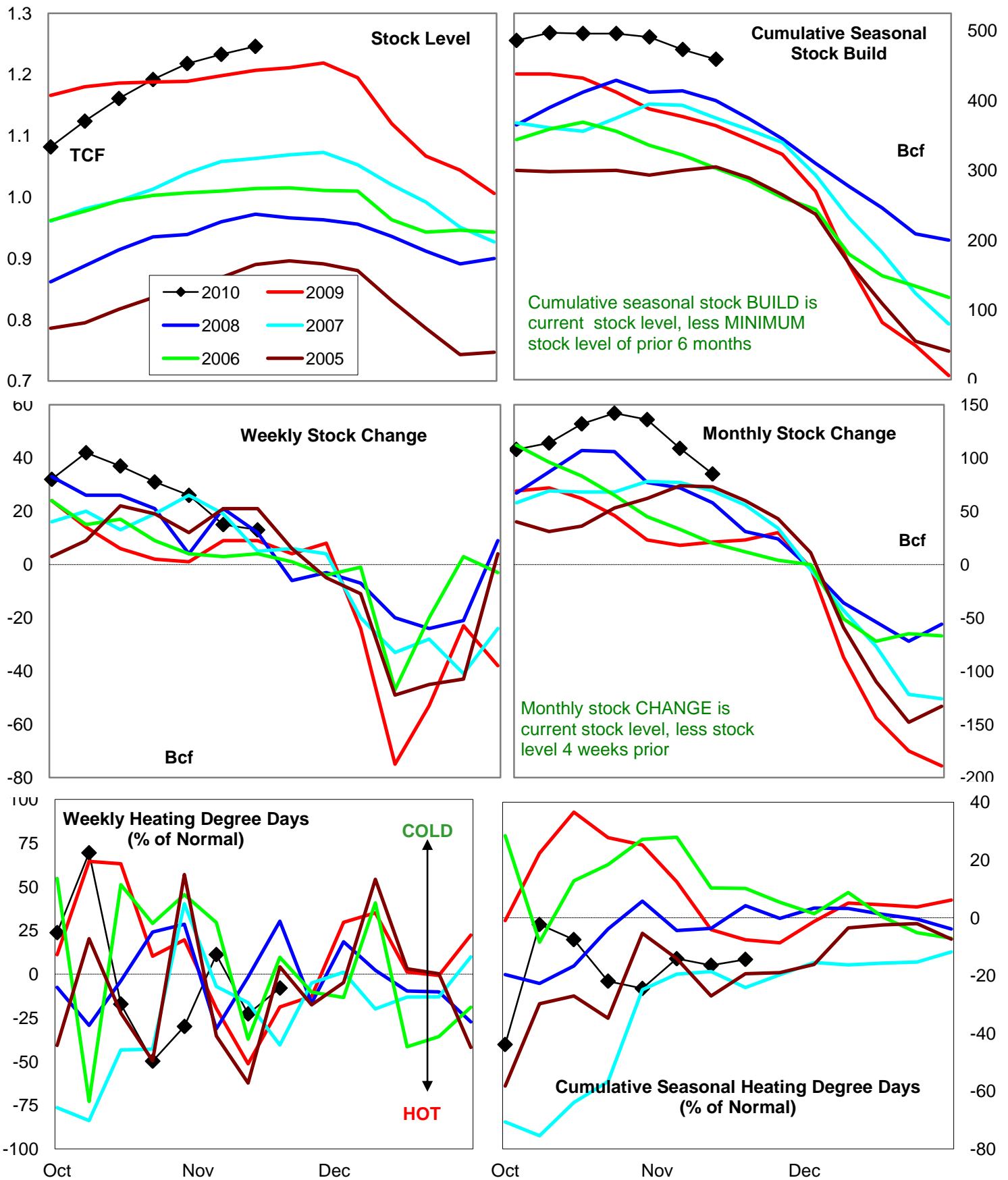
# Natural Gas West Region Stock and Weather Trends



Variance to prior year

Stock  
LevelWeekly Stock  
ChangeMonthly Stock  
ChangeCumulative Stock  
ChangeBCF  
Percent Change (%)-6  
-1.1-6  
-150.0-8  
-44.4-20  
-10.3

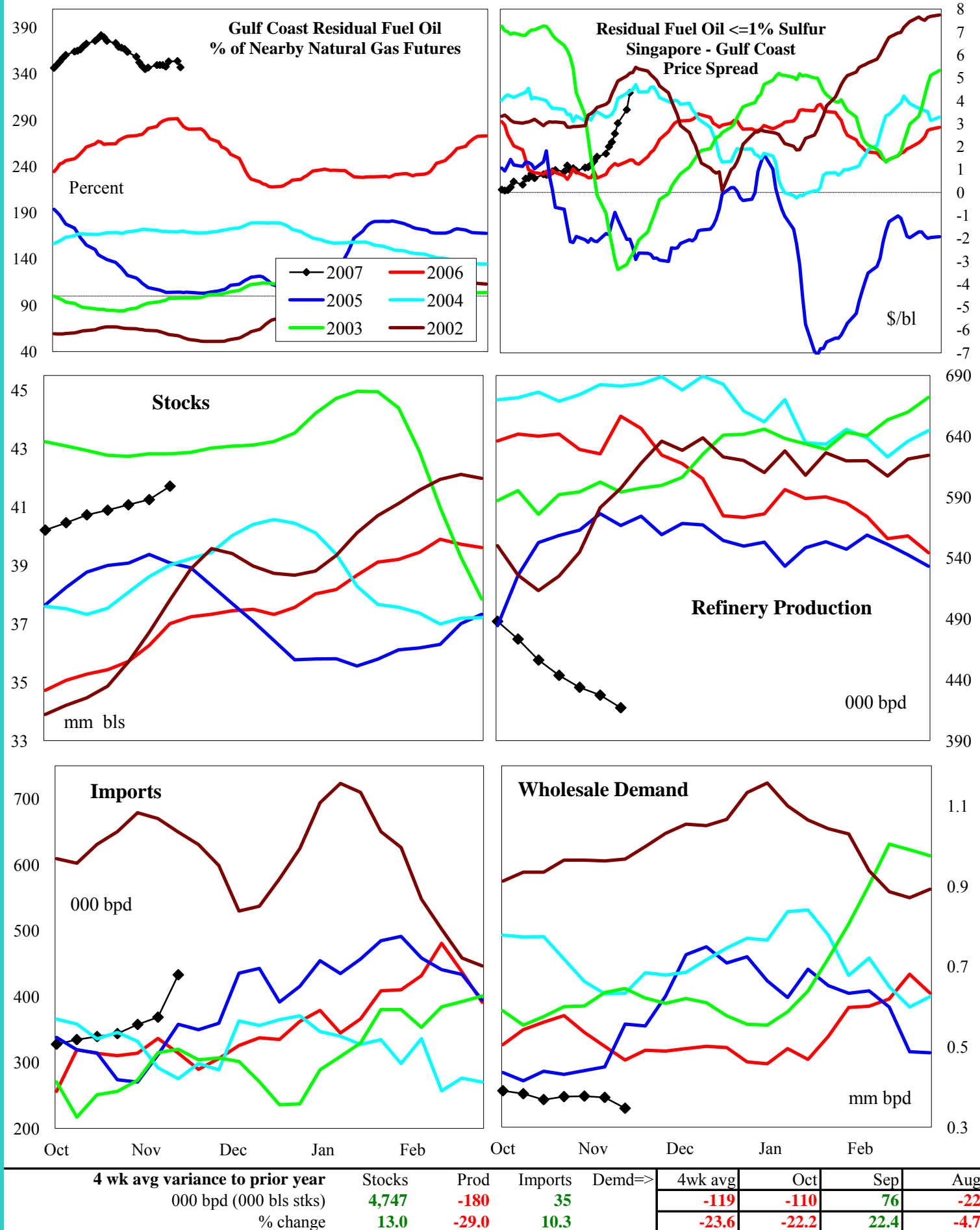
# Natural Gas Producing Region Stock and Weather Trends



Variance to prior year

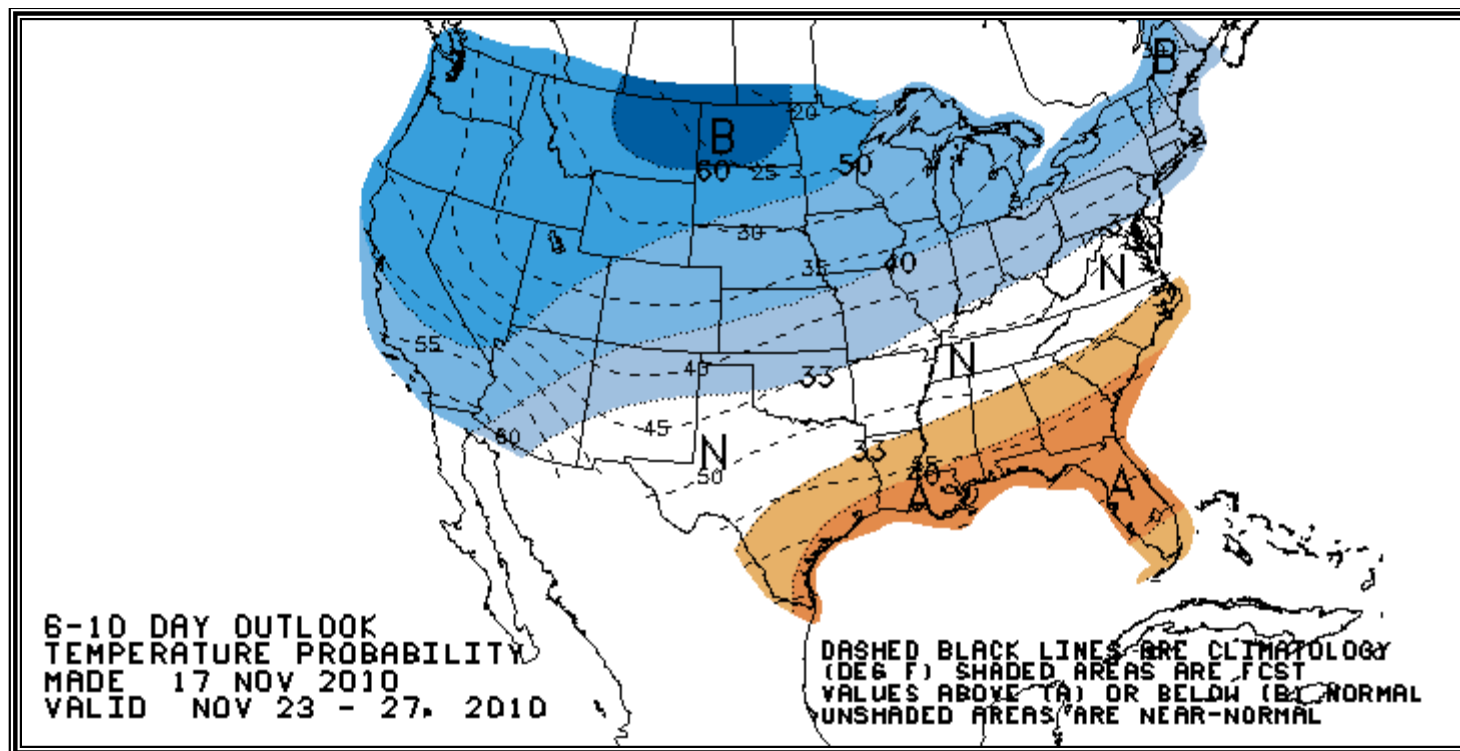
Stock  
LevelWeekly Stock  
ChangeMonthly Stock  
ChangeCumulative Stock  
ChangeBCF  
Percent Change (%)39  
3.24  
44.464  
304.895  
26.1

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



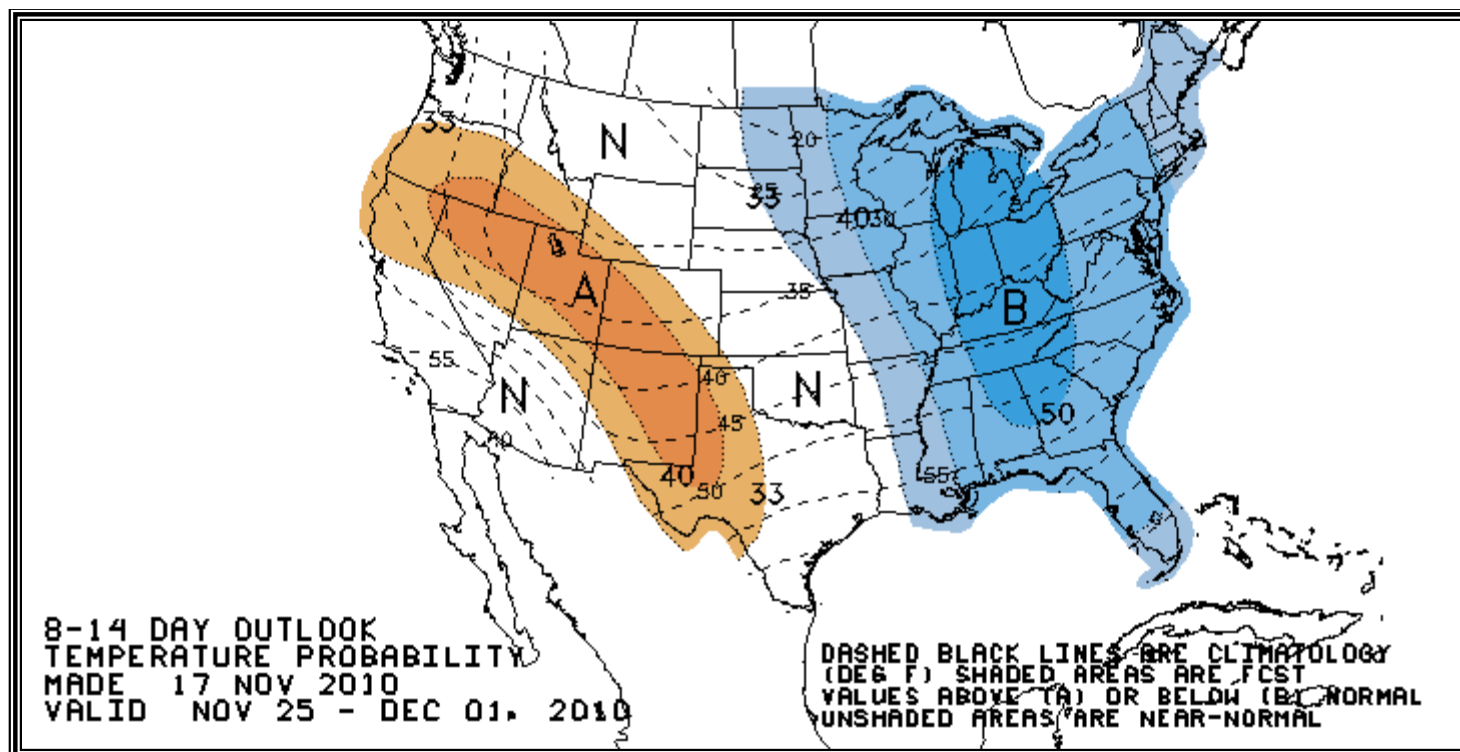
## National Weather Service Climate Prediction Center

## Degree Days 6 - 10 Day Temperature Forecast



## National Weather Service Climate Prediction Center

## Degree Days 8 - 14 Day Temperature Forecast





# American Gas Association Regions

