



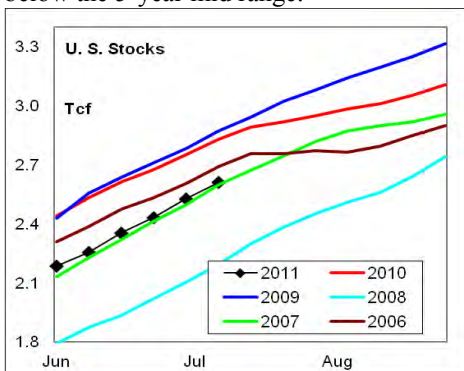
WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

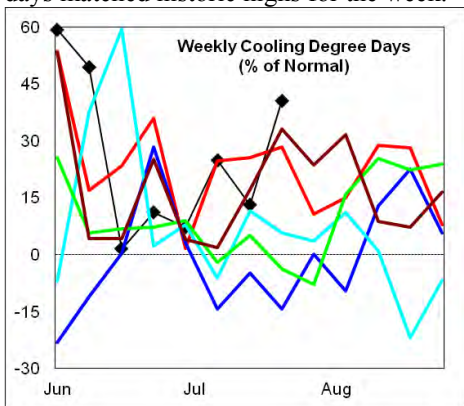
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Monday, July 18, 2011



Summary¹ The stock build of +84 Bcf for the week matched the 5-year mid range for the period. Stock levels ended the week below the 5-year mid range.



The latest 4-wk stock build was near historic highs, even though cooling degree days matched historic highs for the week.



In the East Region stocks increased +59 Bcf for the period, a level near the historic mid range for the week. Stocks increased +11 Bcf in the West Region, a level that matched the mid range on the week. The stock build of +14 Bcf in the Producing Region was below the historic range.

Cooling degree days were +22% above normal in the East Region, +38% above normal in the West Region and +22% above normal in the Producing Region for the week ending 09Jul11.

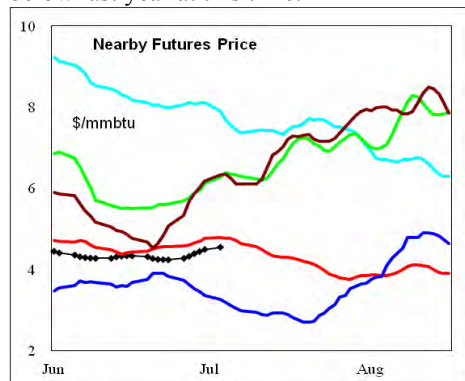
Heating degree days were +18% above normal for the week ended 09Jul11, +13% above normal for the week ending 16Jul11 and forecast to be +41% above normal for

the week ending 23Jul11.

The 6-10 day NWS forecast for the week ending 28Jul11 is for much above normal temperatures across the eastern 2/3rds of the country and near normal in the western 1/3rd of the country.

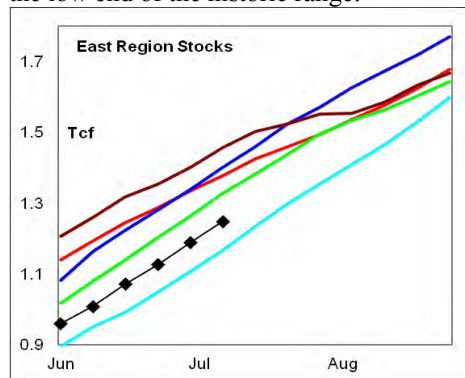
The 8-14 day NWS forecast for the week ending 01Aug11 is for an extension of the 6-10 day forecast.

Prices: Nearby gas futures prices increased +\$0.26/mmbtu for the week ending 18Jul11 on unusually high cooling degree days. Price levels ended the week slightly below last year at this time.



The 1st - 4th month forward price curve trended higher for the week ending 18Jul11. The spread ended the week at a record low carry.

East Region stocks increased +59 Bcf last week, a level near the mid range. The latest 4-wk build was near historic highs for this time of year. Stock levels were at the low end of the historic range.

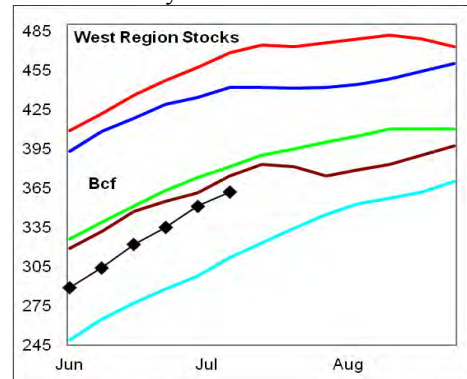


Cooling degree days in the region were +22% above normal for the week ending 09Jul11, +20% above normal for the week ending 16Jul11 and forecast to be +58% above normal for the week ending 23Jul11. Much above normal cooling degree days are forecast for the next 10-days.

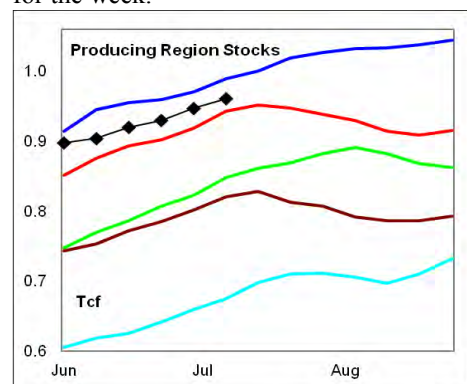
West Region stocks increased +11 Bcf on the week, a level that matched the historic mid range. Stock levels ended the week below the mid range. The latest 4-wk

stock build was a record high for this time of year.

Cooling degree days were +38% above normal for the week ending 09Jul11, -25% below normal for the week ending 16Jul11, and forecast to be +20% above normal for the week ending 23Jul11. Near normal cooling degree days are forecast for the next 10-days.



Producing Region stocks saw a build of +14 Bcf on the week, a record low level for the week. The monthly stock build was below the mid range for this time of year. Stock levels were below the 5-year high for the week.



Cooling degree days were +22% above normal for the week ending 09Jul11, +26% above normal for the week ending 16Jul11 and forecast to be +15% above normal for the week ending 23Jul11. Much above normal cooling degree days 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: Unusually high cooling degree days through month end should continue to support prices. In the absence of hurricane disruptions, expect price weakness on any forecast of below normal cooling degree days; driven by high production that underlies the above average rate of stock building.

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: July 18, 2011

For the week ending: 8-Jul-11

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

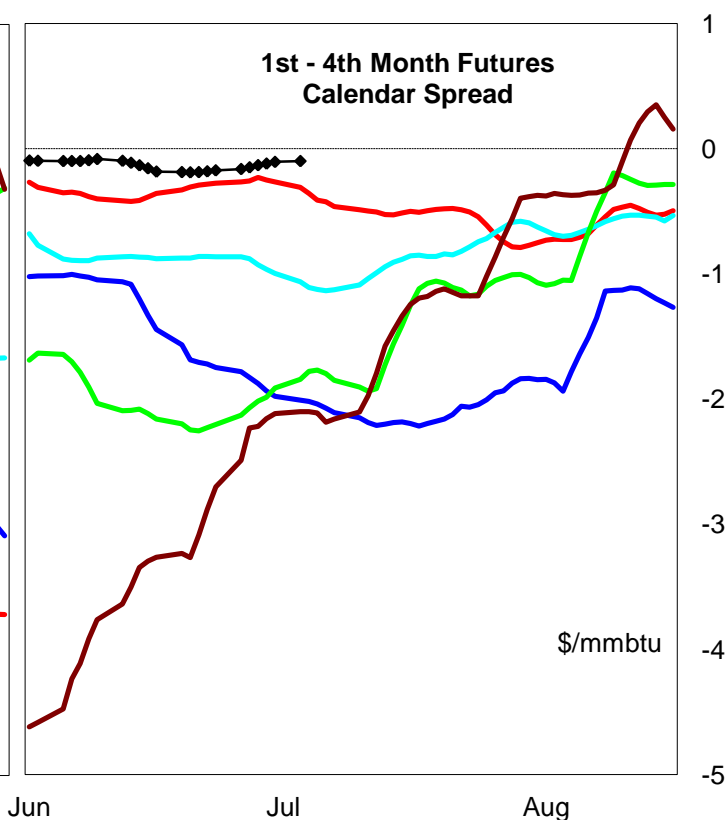
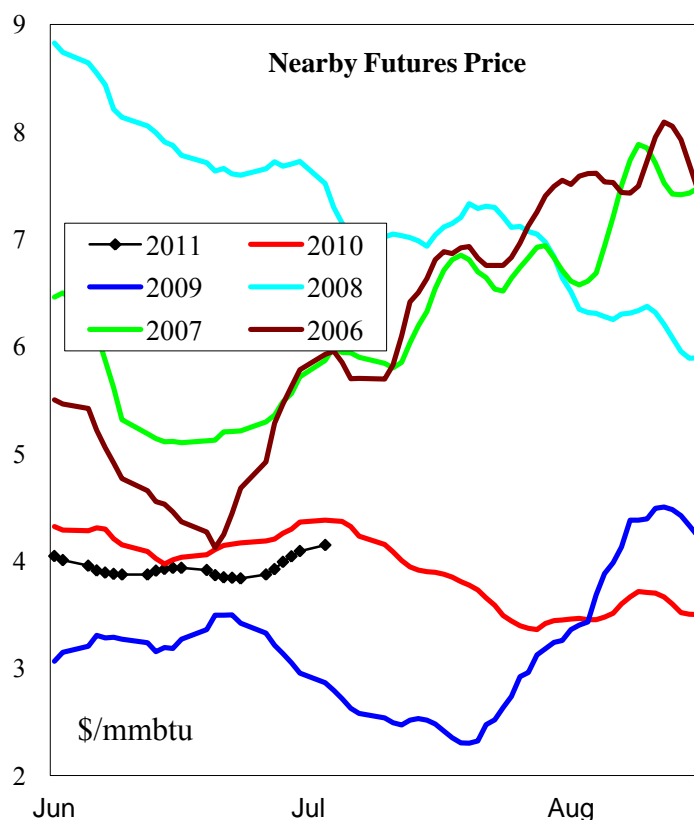
Week ending:	8-Jul-11			9-Jul-11		16-Jul-11		23-Jul-11	
Region	Weekly Stocks			Weekly Cooling Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	2,611	84	-7.7	18	25%	-4	13%	22	41%
East	1,248	59	-9.4	19	22%	3	20%	29	58%
West	362	11	-22.6	26	38%	-30	-25%	25	20%
Producing	1,001	14	1.8	2	22%	9	26%	-11	15%

Seasonal Trends in Stocks and Cooling Degree Days

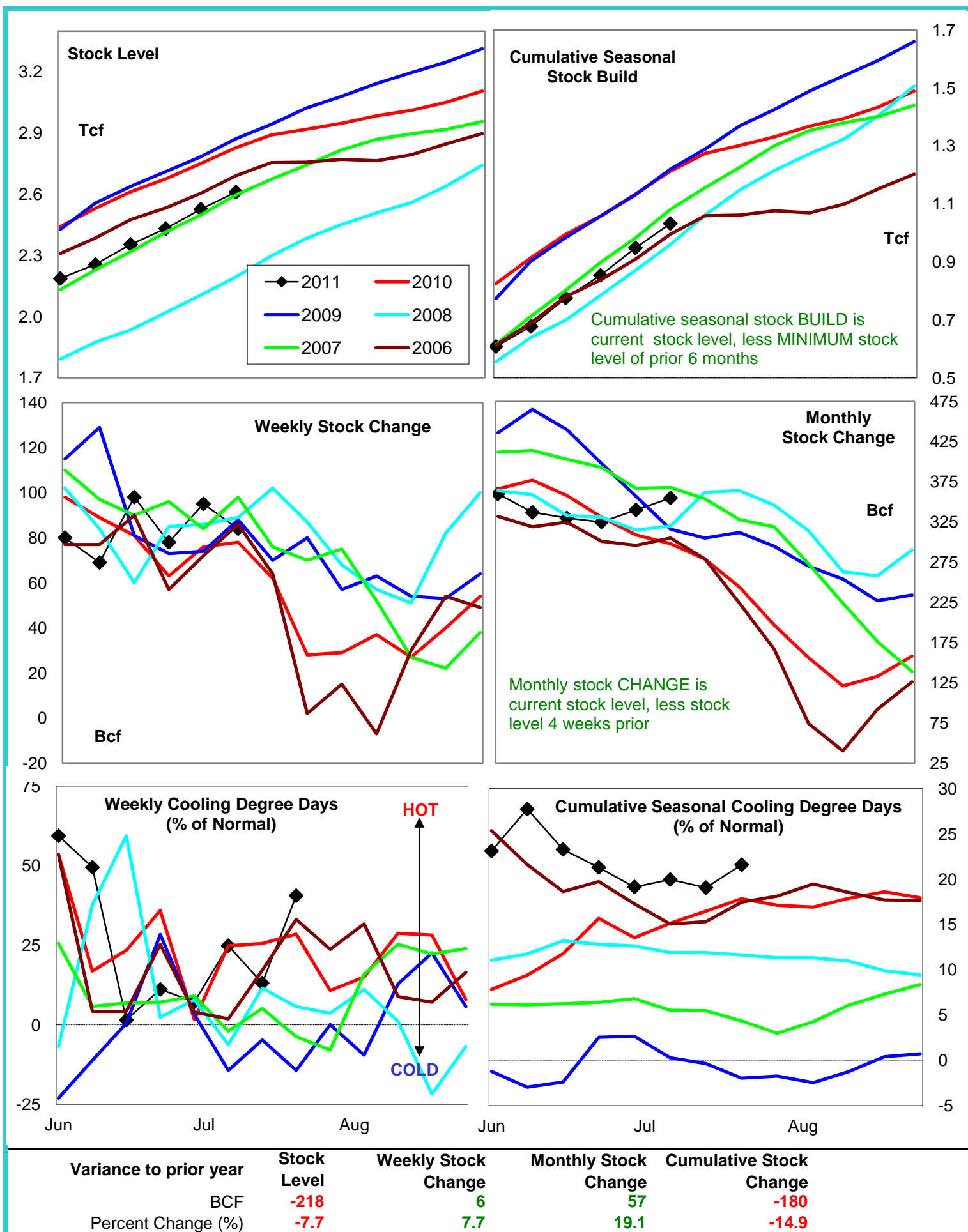
	Cumulative Stock change			Cumulative Cooling Degree Days					
	Bcf	Change vs prior year Bcf	%	CCDD's vs normal	% of normal	CCDD's vs normal	% of normal	CCDD's vs normal	% of normal
U.S. Total	1,032	-180	-17.4	98	20%	107	19%	138	22%
East	632	4	0.6	321	25%	351	24%	369	28%
West	146	-38	-26.0	-69	-21%	-82	-21%	-72	-16%
Producing	314	-116	-36.9	321	35%	351	34%	369	32%

Futures Market Price Trends

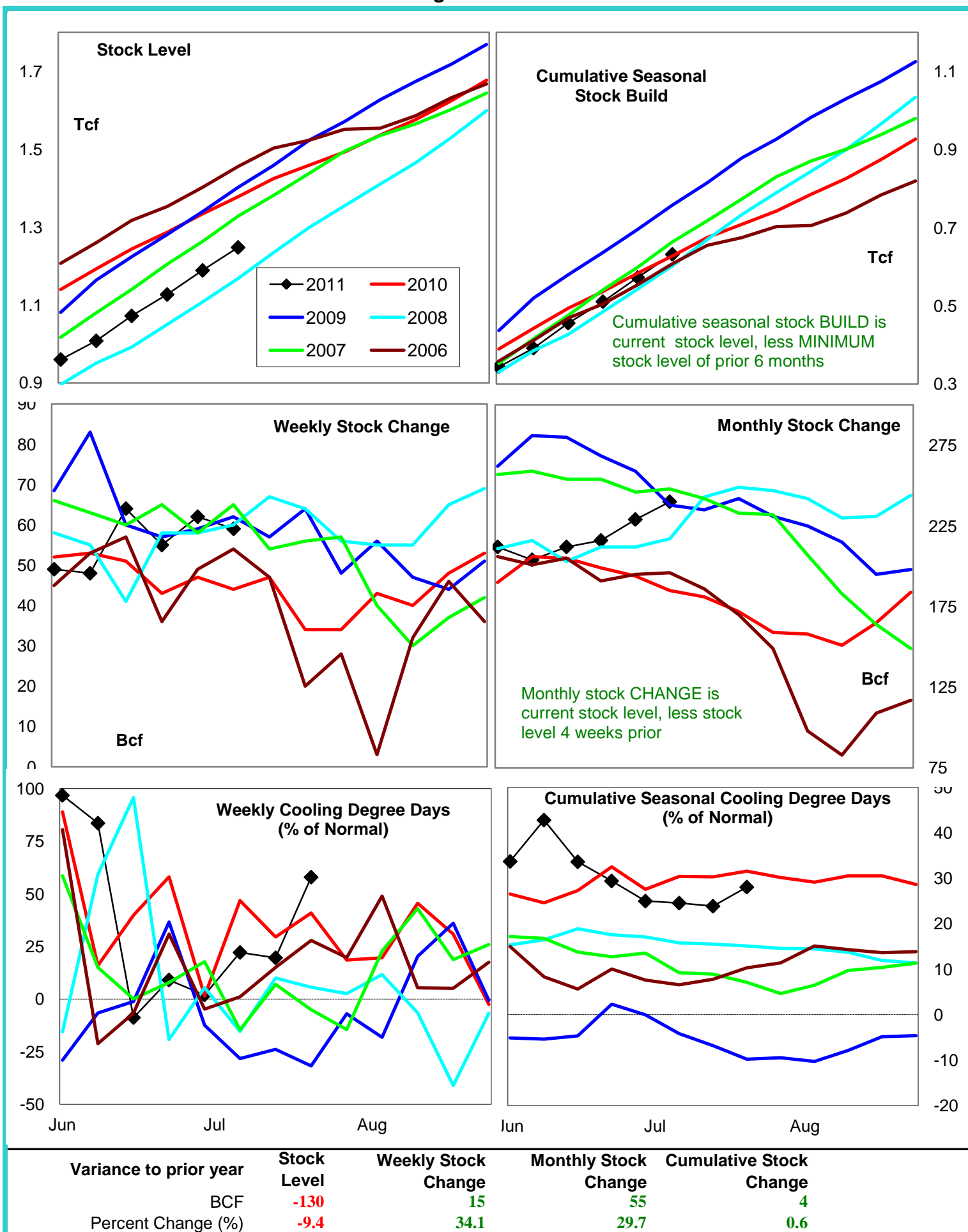
Date:	18-Jul-11	Change vs prior week, month, year		
		12-Jul-11	20-Jun-11	8-Jul-10
1st month Futures	4.55	0.22	0.16	-0.37
% change	xxxxx	5.0	3.6	-7.6



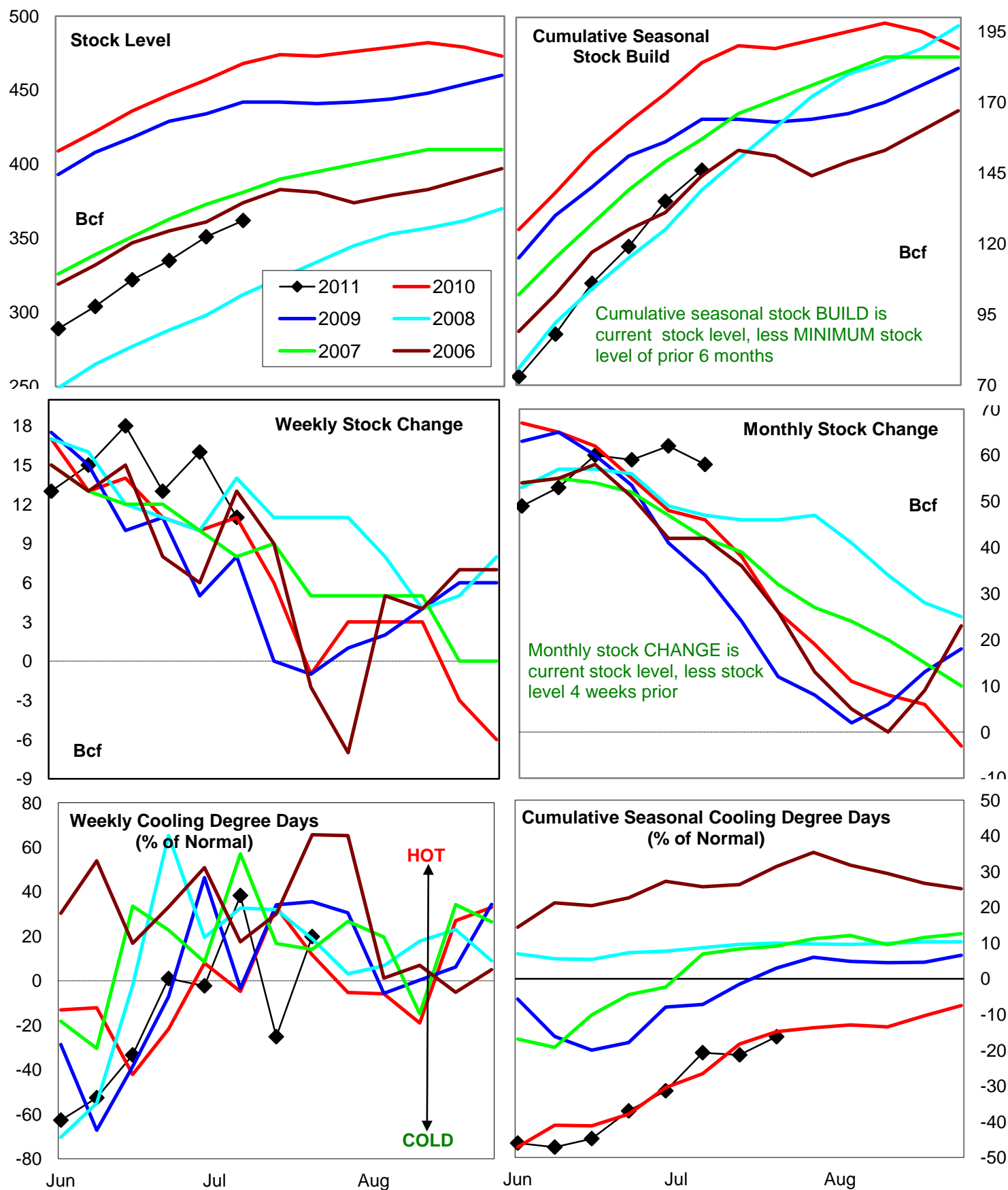
United States Natural Gas Stock and Weather Trends



Natural Gas East Region Stock and Weather Trends



Natural Gas West Region Stock and Weather Trends



Variance to prior year

Stock Level

Weekly Stock Change

Monthly Stock Change

Cumulative Stock Change

BCF

-106

0

12

-38

Percent Change (%)

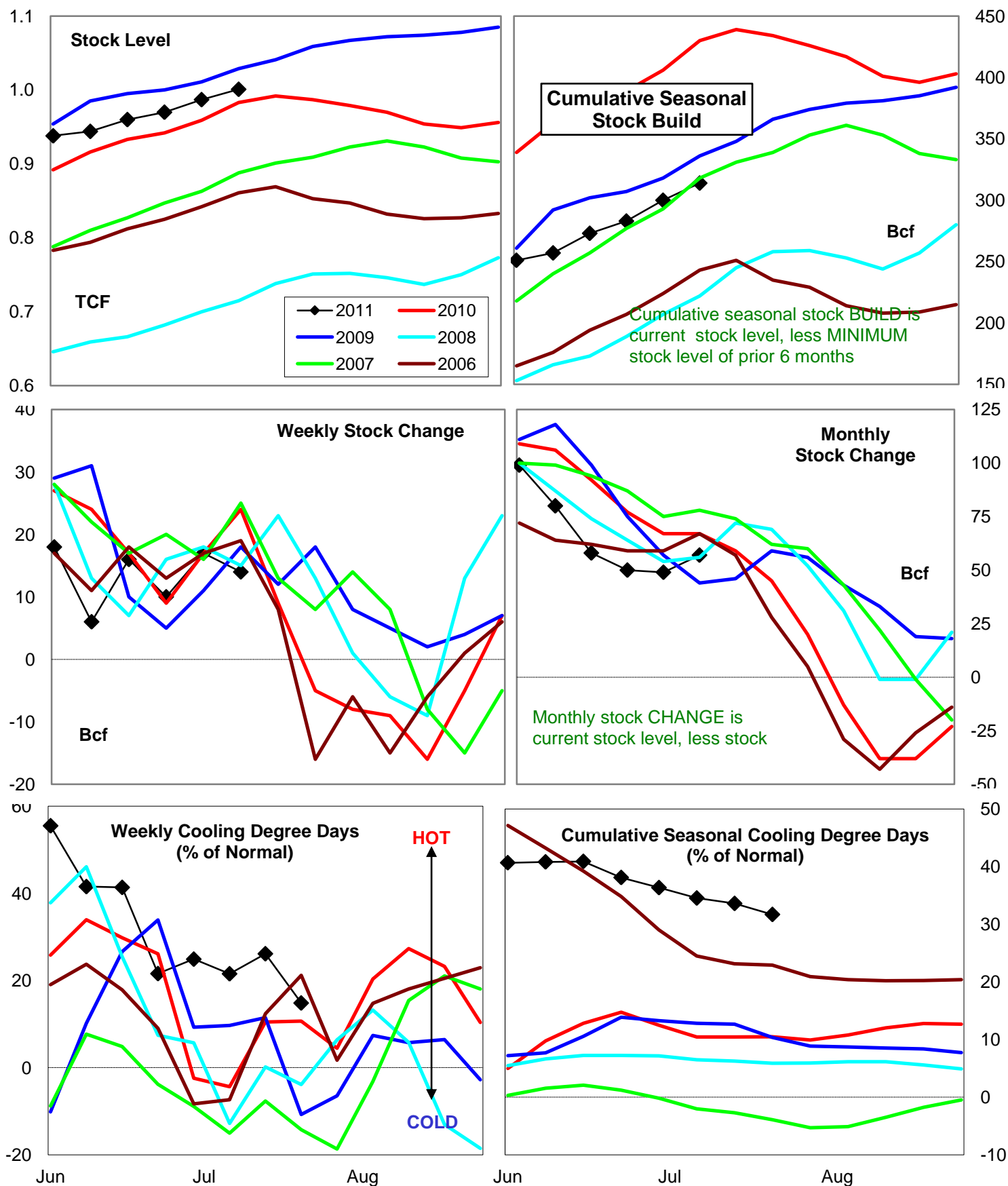
-22.6

0.0

26.1

-20.7

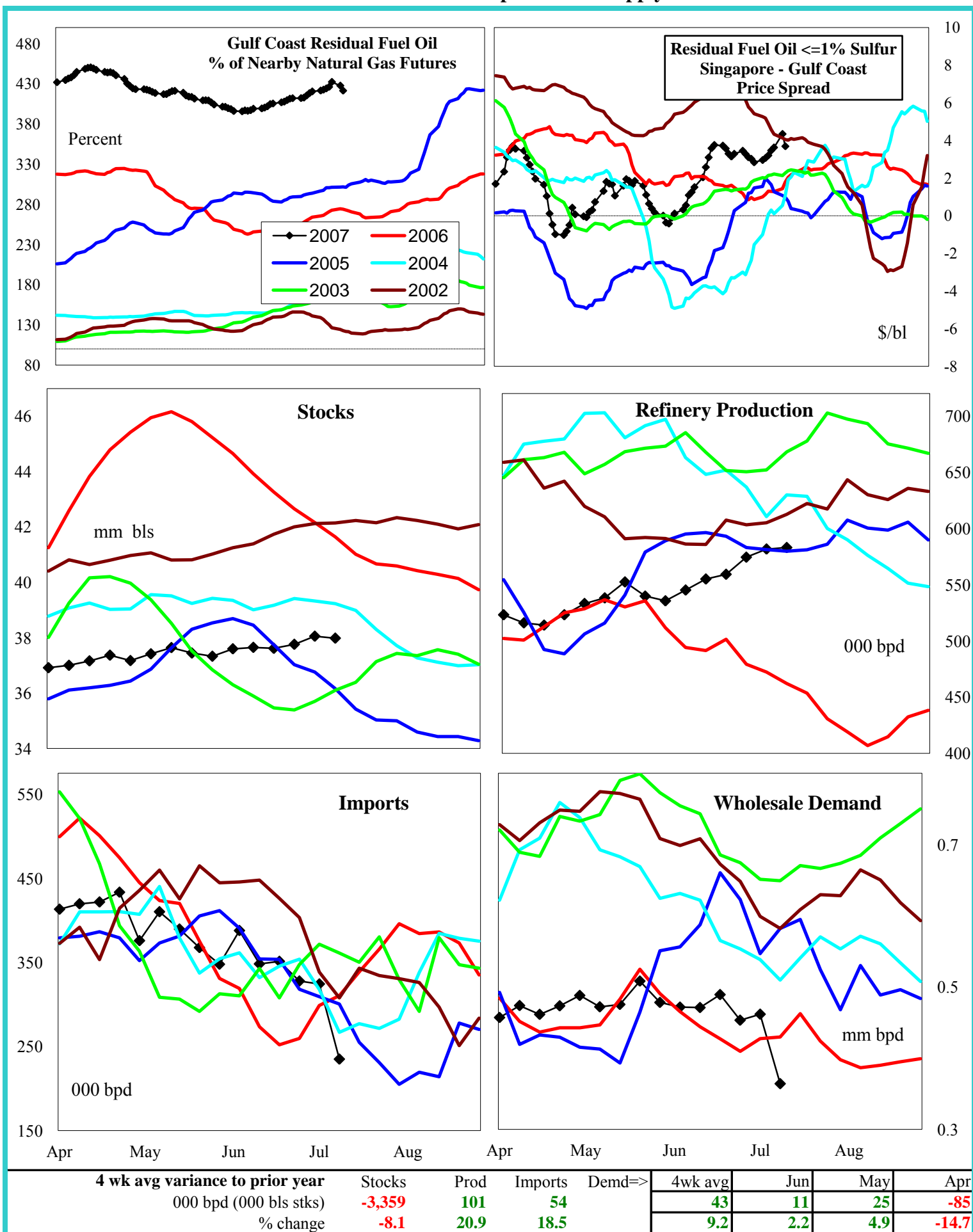
Natural Gas Producing Region Stock and Weather Trends



Variance to prior year

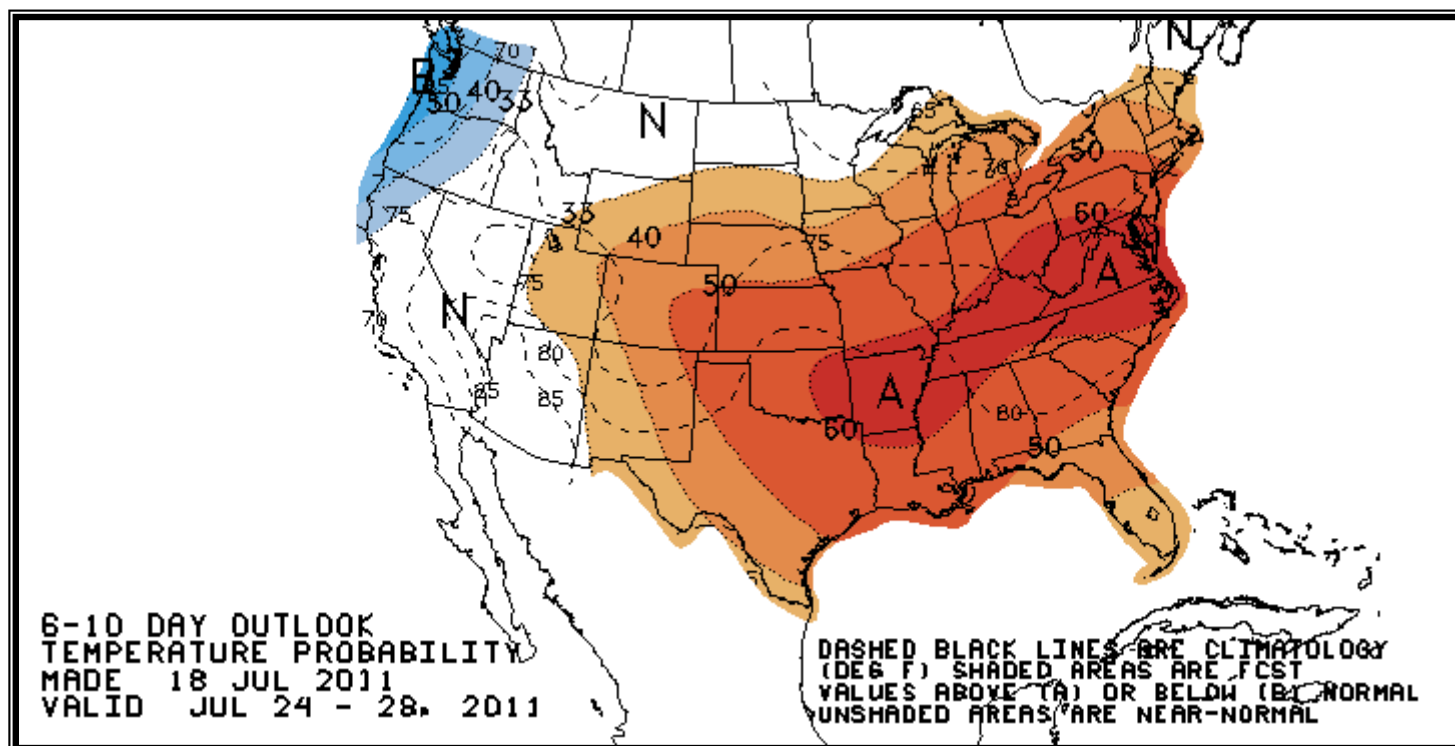
Stock
LevelWeekly Stock
ChangeMonthly Stock
ChangeCumulative Stock
ChangeBCF
Percent Change (%)18
1.8-10
-41.7-10
-14.9-116
-27.0

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



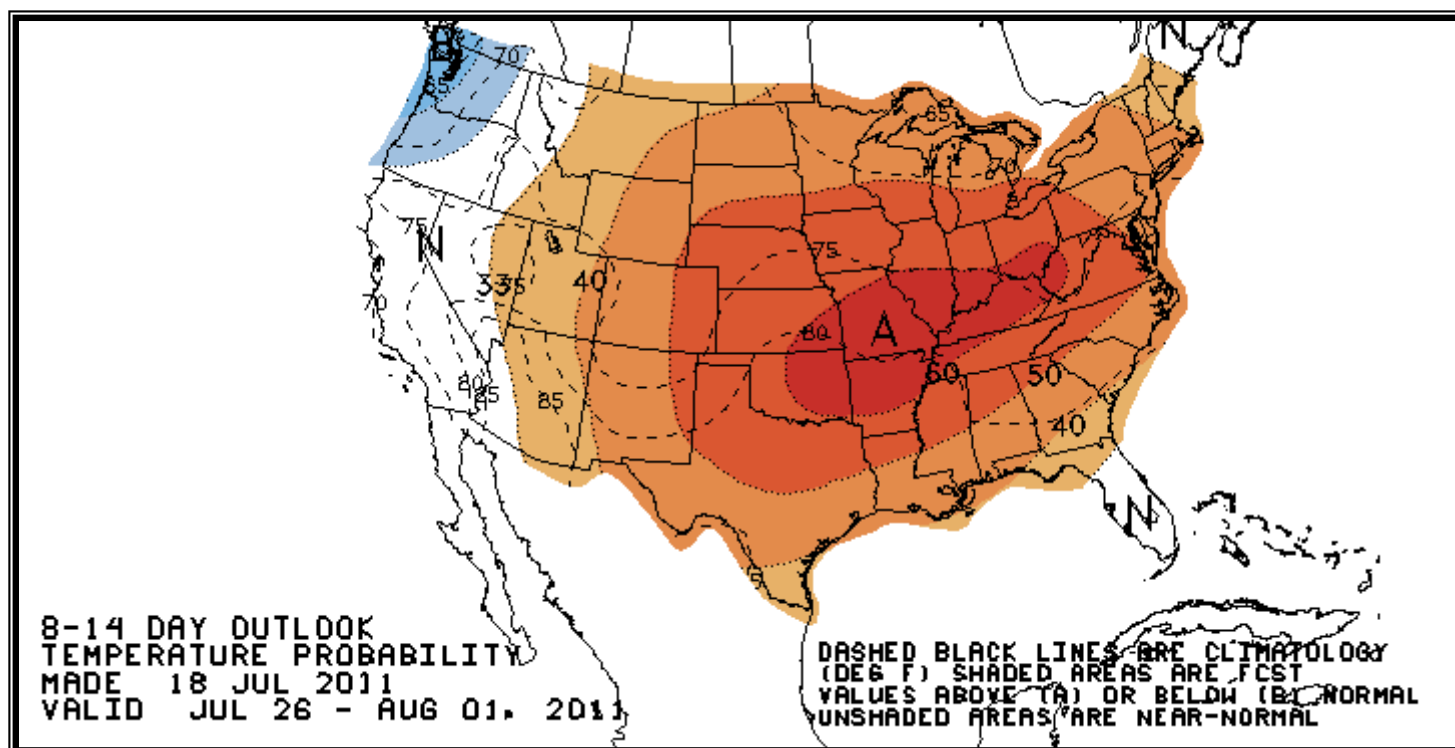
National Weather Service Climate Prediction Center

Degree Days 6 - 10 Day Temperature Forecast



National Weather Service Climate Prediction Center

Degree Days 8 - 14 Day Temperature Forecast



American Gas Association Regions

