



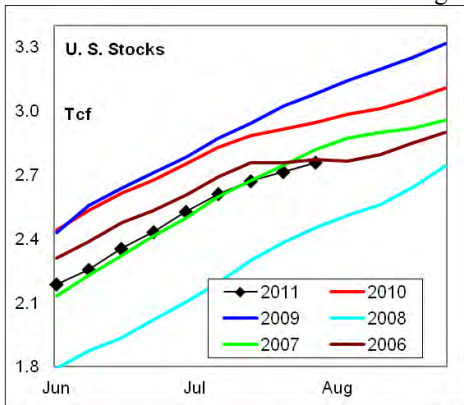
WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

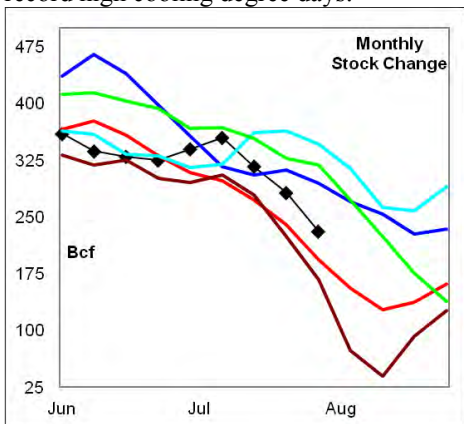
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Thursday, August 04, 2011



Summary¹ The stock build of +44 Bcf for the week was below the historic mid range.



The latest 4-wk stock build dropped below the mid range, less than expected based on record high cooling degree days.



In the East Region stocks increased +42 Bcf for the period, a level below the mid range for the week. Stocks increased +7 Bcf in the West Region, a level that was above four of the last 5-years for the week. The stock draw of -5 Bcf in the Producing Region was below the mid range.

Cooling degree days were +36% above normal in the East Region, +6% above normal in the West Region and +23% above normal in the Producing Region for the week ending 30Jul11.

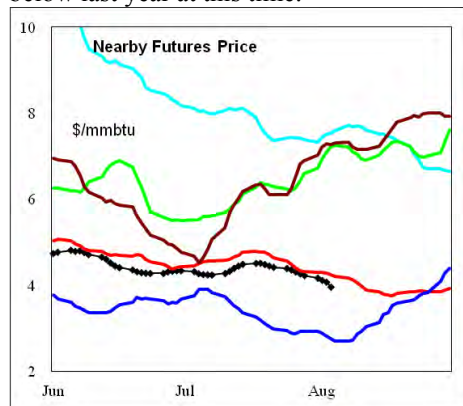
Heating degree days were +28% above normal for the week ended 30Jul11, and forecast to be +33% above normal for the week ending 06Aug11.

The 6-10 day NWS forecast for the

week ending 13Aug11 is for much above normal temperatures across the southern 1/2 of the country, and cooler than normal across the northern 1/2 of the country.

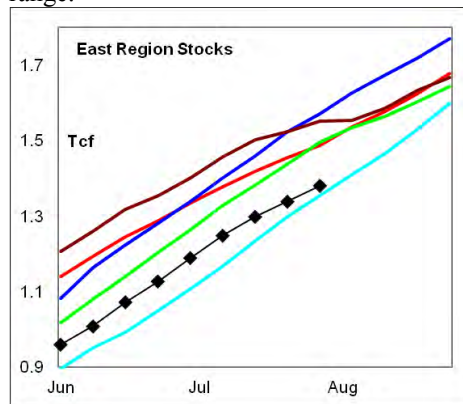
The 8-14 day NWS forecast for the week ending 17Aug11 is for above normal cooling degree days across the southern 1/2 half of the country, and near normal across the northern 1/2 and western states.

Prices: Nearby gas futures prices decreased -\$0.28/mmbtu for the week ending 04Aug11. Price levels ended the week below last year at this time.



The 1st - 4th month forward price curve trended lower for the week ending 04Aug11. The spread ended the week nearly flat across the curve.

East Region stocks increased +42 Bcf last week, a level below the mid range. The latest 4-wk stock build remains below the mid range for this time of year. Stock levels were at the low end of the historic range.

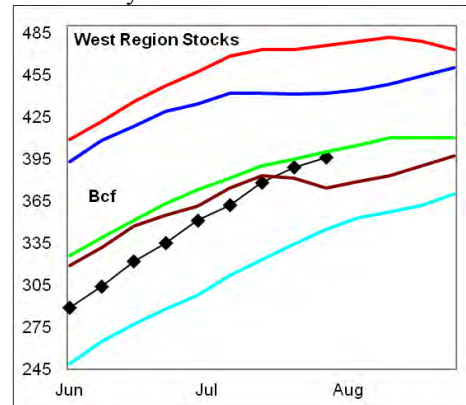


Cooling degree days in the region were +36% above normal for the week ending 30Jul11, and forecast to be +38% above normal for the week ending 06Aug11. Much above normal cooling degree days are forecast for the next 10-days.

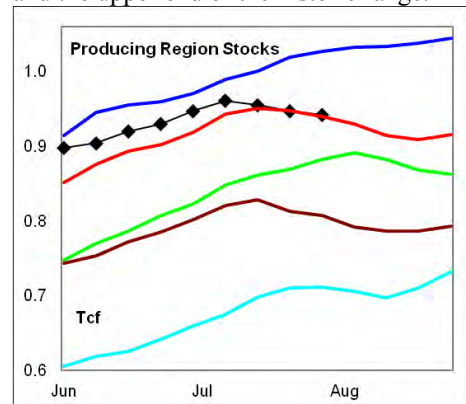
West Region stocks increased +7 Bcf on the week, a level that was above four of the last 5-years for the week. Stock levels

ended the week near the mid range. The latest 4-wk stock build matched the historic high for this time of year.

Cooling degree days were +23% above normal for the week ending 30Jul11, and forecast to be +31% above normal for the week ending 06Aug11. Below normal cooling degree days are forecast for the next 10-days.



Producing Region stocks experienced a draw of -5 Bcf on the week, a level below the mid range for the period. The monthly stock build was also a record low for the period. Stock levels match a year ago, and the upper end of the historic range.



Cooling degree days were +23% above normal for the week ending 30Jul11, and forecast to be +31% above normal for the week ending 06Aug11. 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: Cooling degree days continue to match record highs, on exceptionally high levels in the Producing Region. In the absence of hurricane disruptions, expect continued price weakness on slower global growth, high production and weak domestic demand.

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: August 4, 2011

For the week ending: 29-Jul-11

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

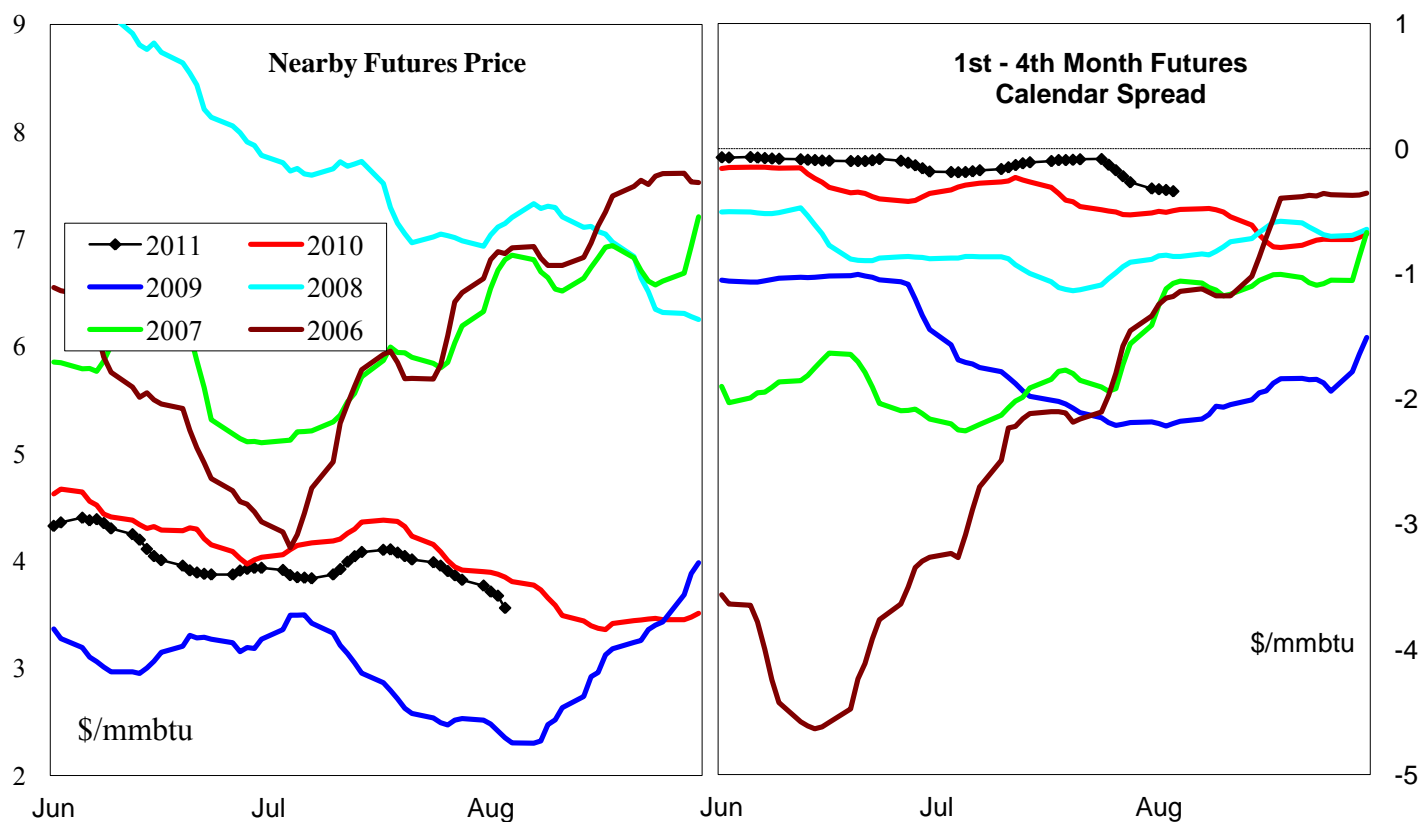
Week ending:	29-Jul-11			23-Jul-11		30-Jul-11		6-Aug-11	
Region	Weekly Stocks			Weekly Cooling Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	2,758	44	-6.3	23	41%	-9	28%	2	33%
East	1,380	42	-7.3	33	61%	-18	36%	-2	38%
West	396	7	-16.8	16	1%	4	6%	7	23%
Producing	982	-5	0.2	-3	22%	2	23%	9	31%

Seasonal Trends in Stocks and Cooling Degree Days

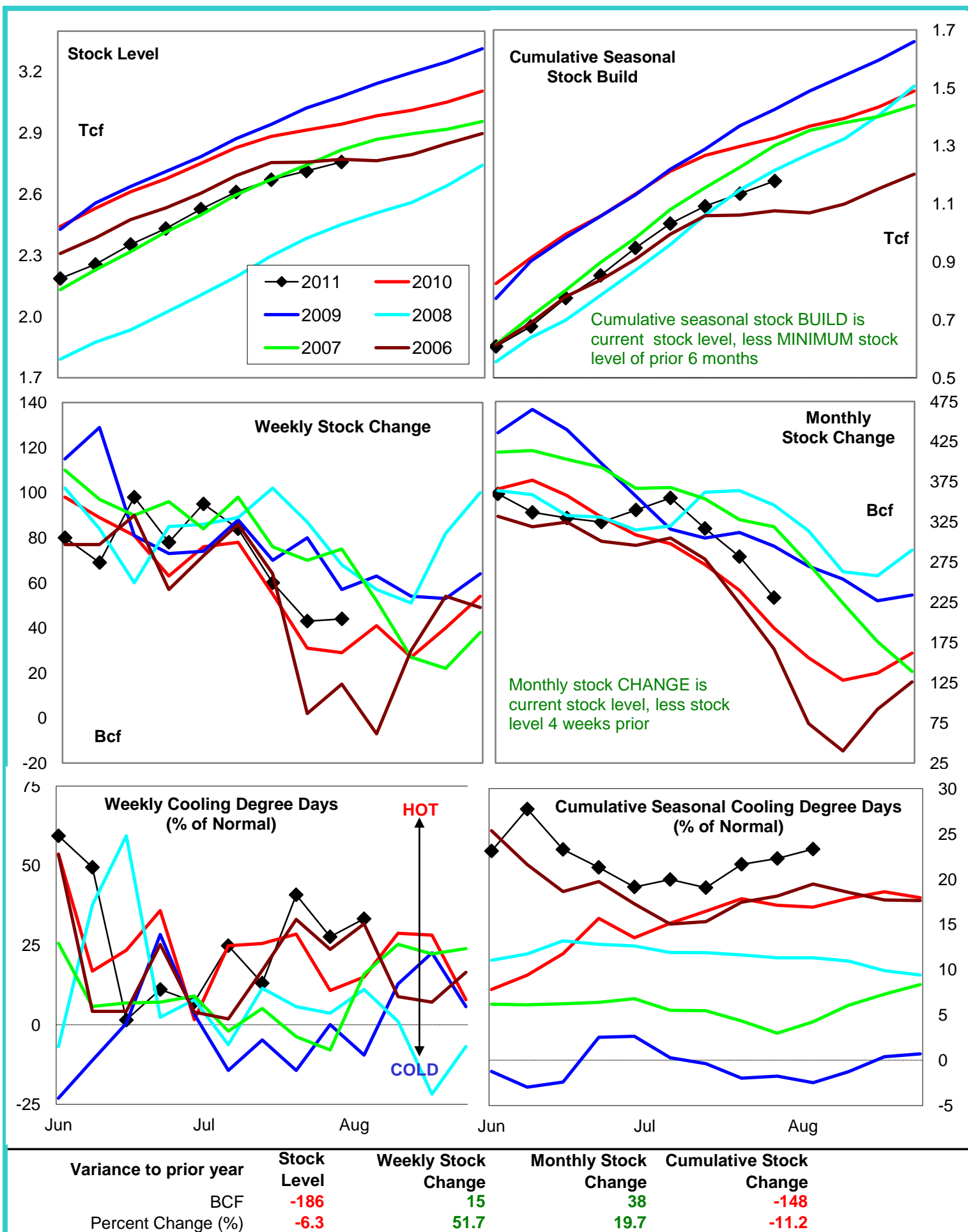
	Cumulative Stock change			Cumulative Cooling Degree Days					
	Bcf	Change vs prior year Bcf	%	CCDD's vs normal	% of normal	CCDD's vs normal	% of normal	CCDD's vs normal	% of normal
U.S. Total	1,179	-148	-12.6	138	22%	159	22%	184	23%
East	764	26	3.4	378	29%	405	29%	443	30%
West	180	-12	-6.7	-82	-18%	-78	-16%	-66	-12%
Producing	295	-132	-44.7	378	32%	405	32%	443	32%

Futures Market Price Trends

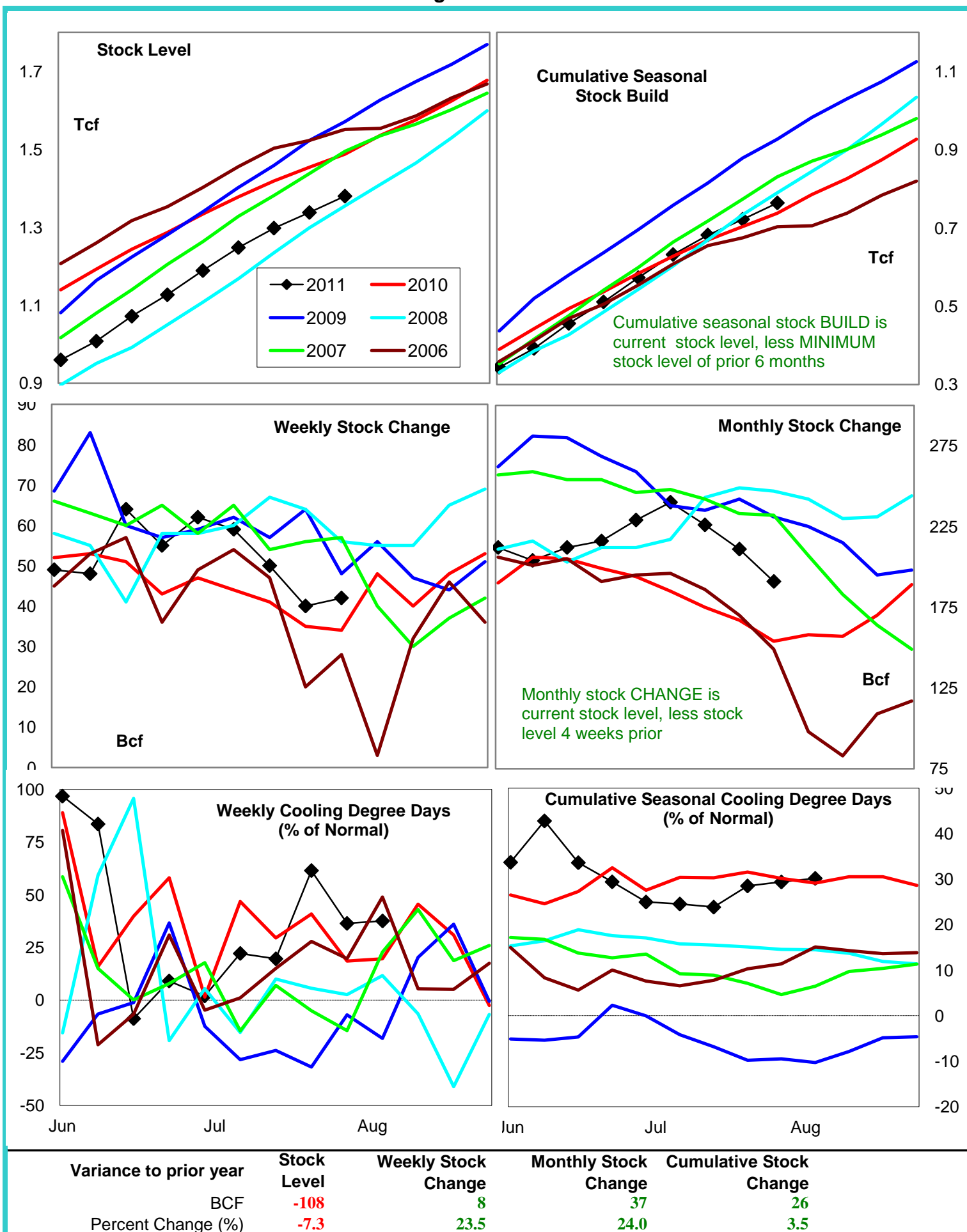
Date:	4-Aug-11	Change vs prior week, month, year		
		28-Jul-11	7-Jul-11	26-Jul-10
1st month Futures	3.96	-0.19	-0.25	-0.28
% change	xxxxx	-4.6	-5.9	-6.6



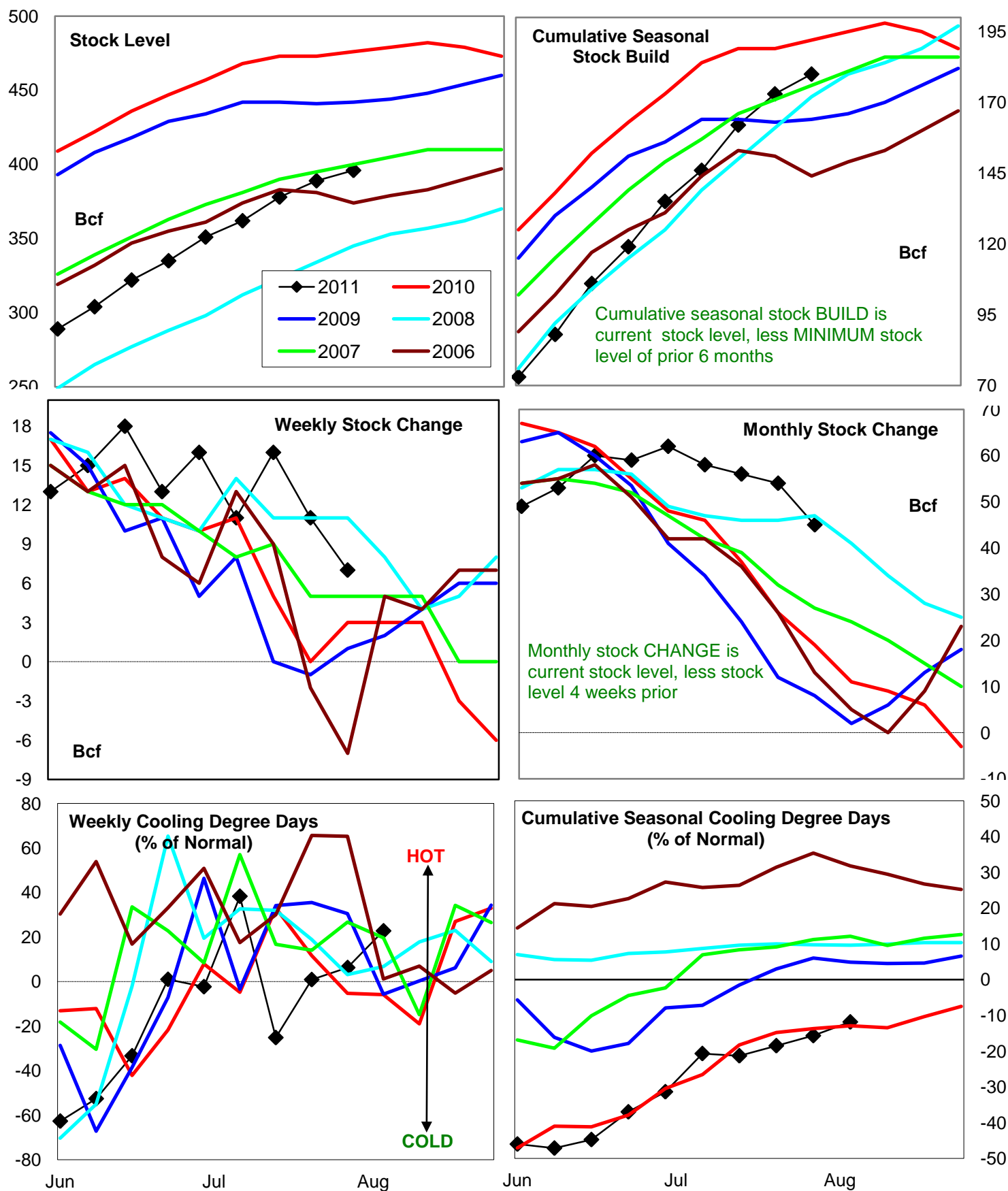
United States Natural Gas Stock and Weather Trends



Natural Gas East Region Stock and Weather Trends



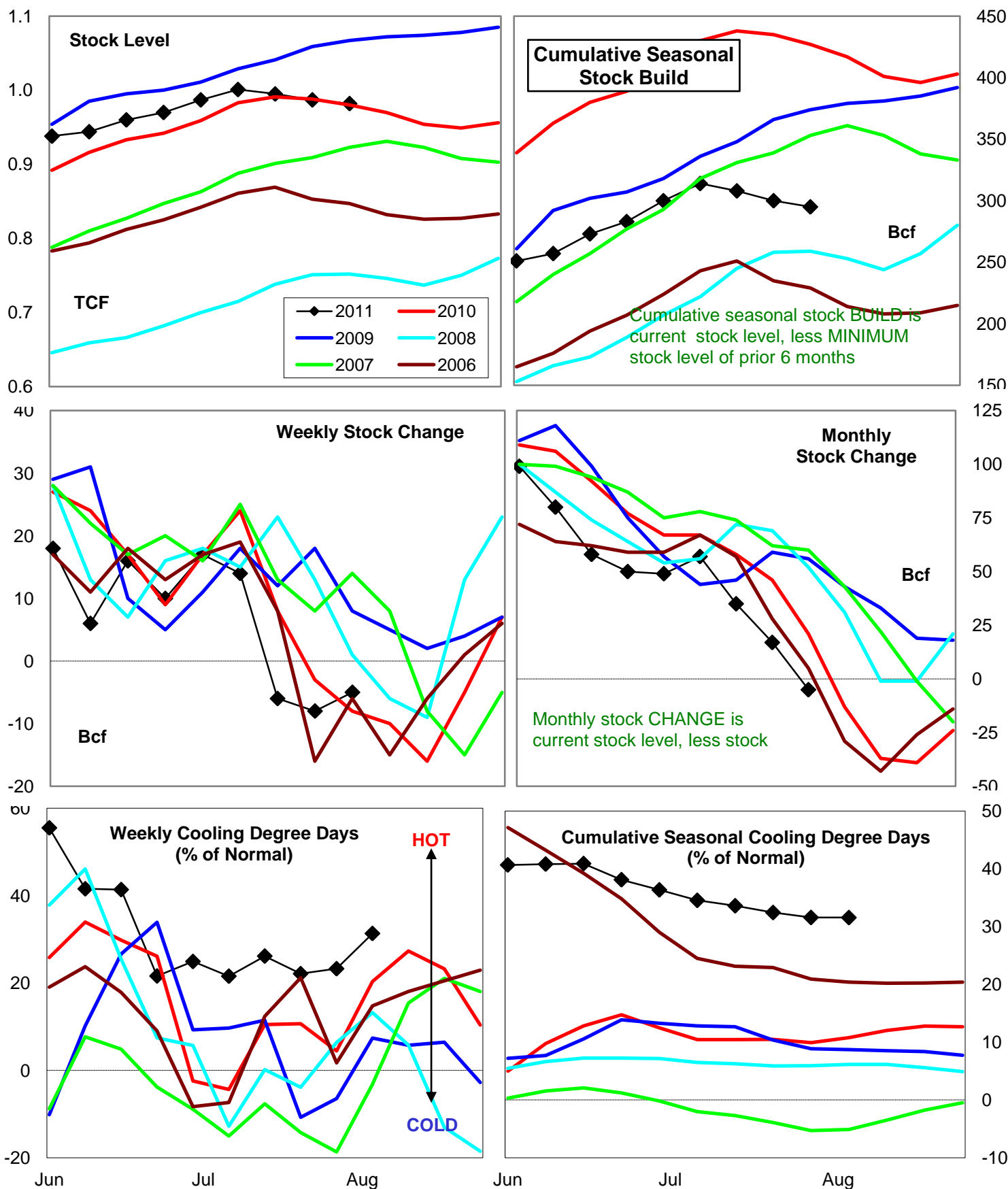
Natural Gas West Region Stock and Weather Trends



Variance to prior year

Stock
LevelWeekly Stock
ChangeMonthly Stock
ChangeCumulative Stock
ChangeBCF
Percent Change (%)-80
-16.84
133.326
136.8-12
-6.3

Natural Gas Producing Region Stock and Weather Trends



Variance to prior year

Stock Level

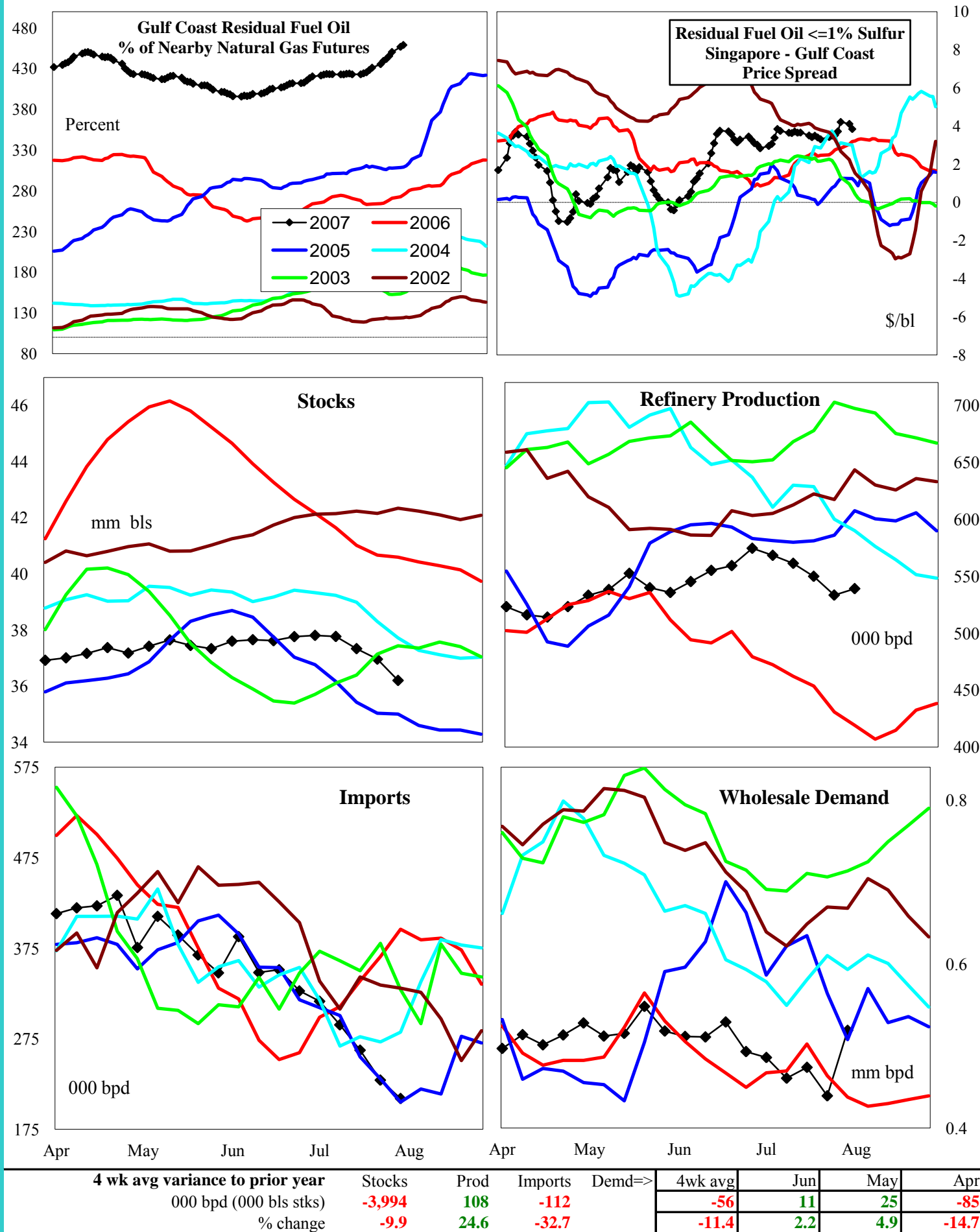
Weekly Stock Change

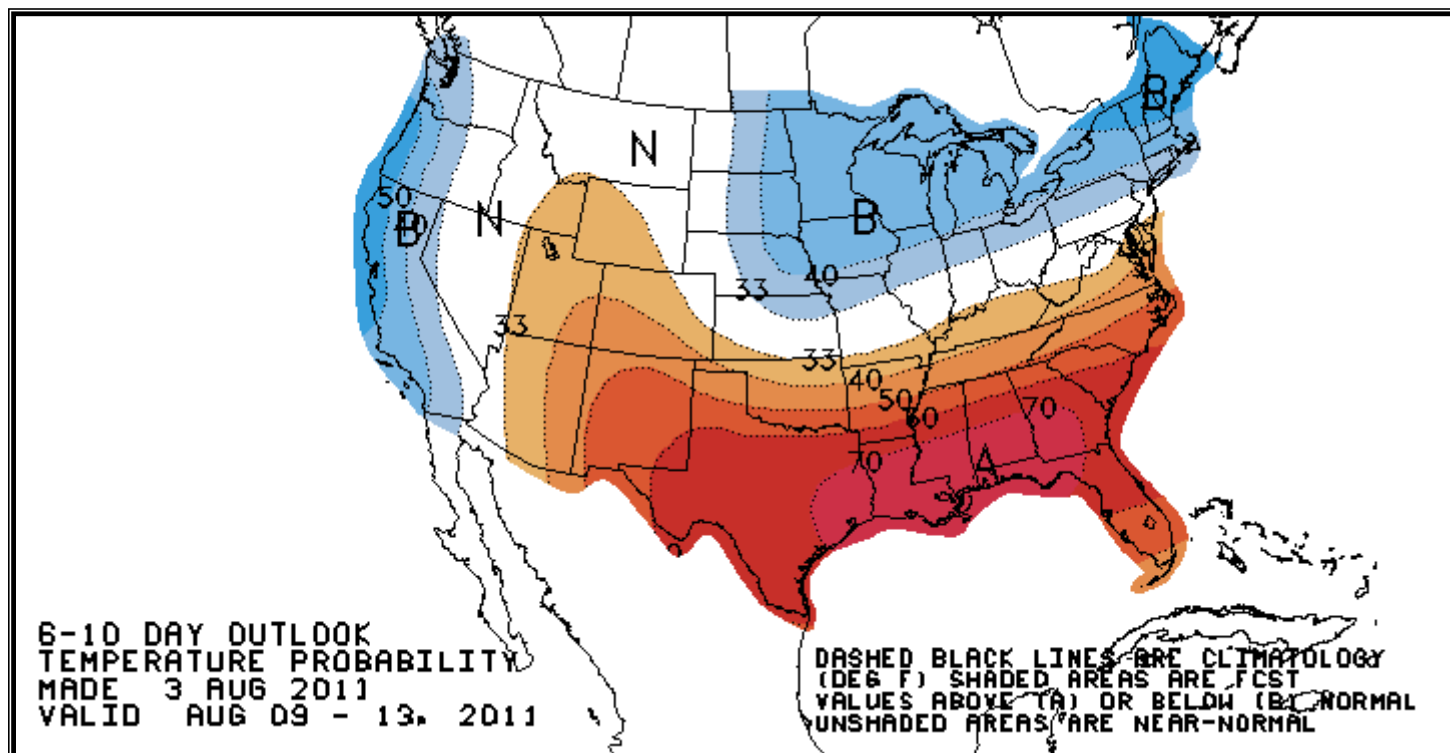
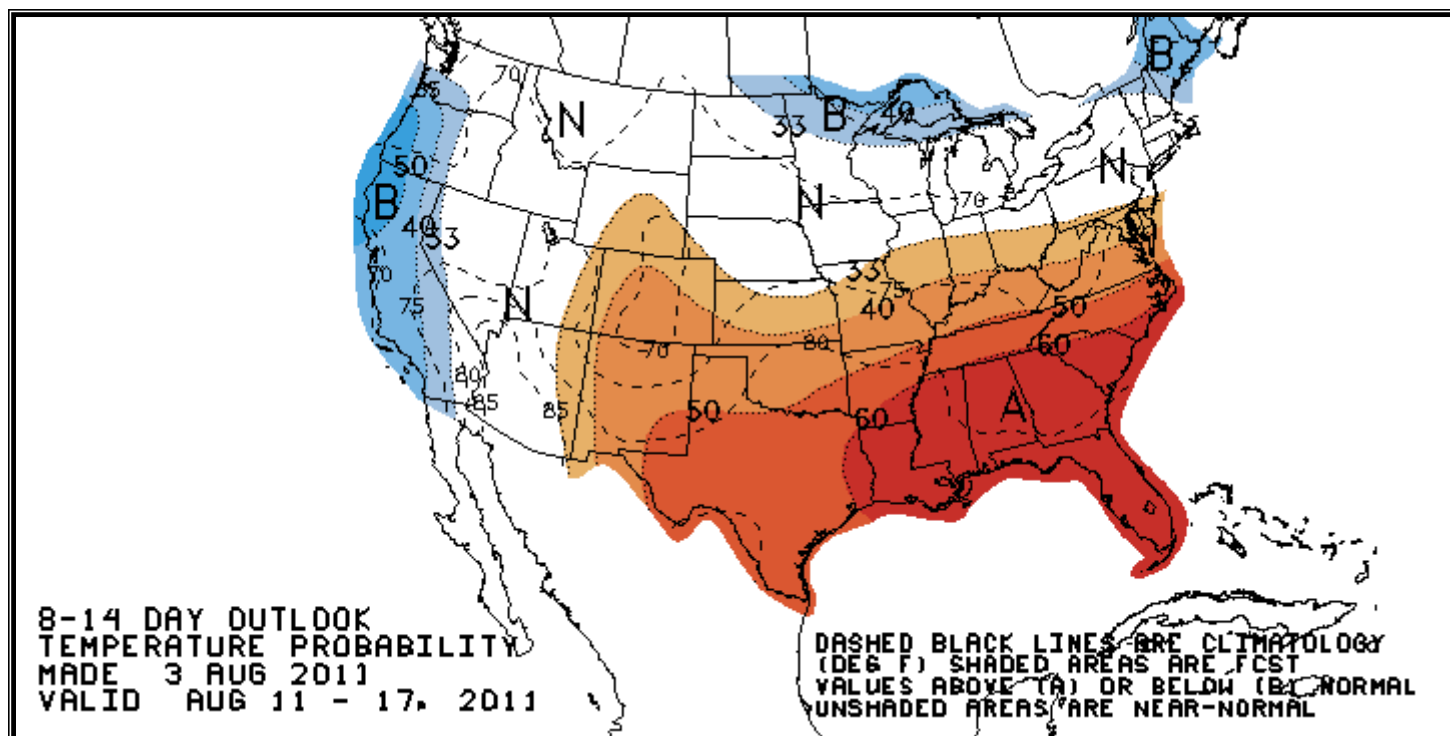
Monthly Stock Change

Cumulative Stock Change

BCF
Percent Change (%)2
0.23
-37.5-26
-123.8-132
-30.9

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

