



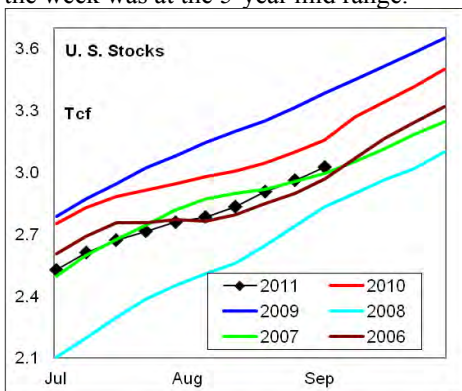
## WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

### A Fundamental Petroleum Trends Weekly Report

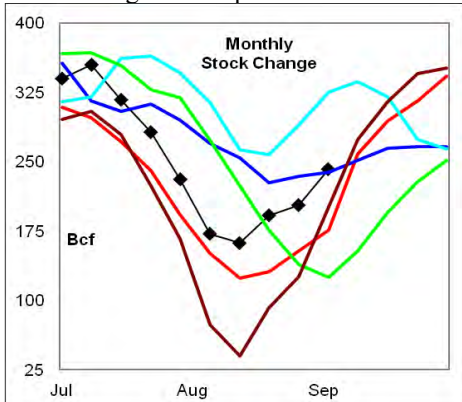
Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Monday, September 12, 2011



**Summary**<sup>1</sup> The stock build of +64 Bcf for the week was at the 5-year mid range.



The latest 4-wk stock build was well above the mid range for the period.



In the East Region stocks increased +58 Bcf for the period, a level near 5-year highs for the week. Stocks increased +4 Bcf in the West Region, a level at the 5-year mid range. The stock build of +2 Bcf in the Producing Region was near the historic low for the week.

Cooling degree days were +29% above normal in the East Region, +31% above normal in the West Region and +43% above normal in the Producing Region for the week ending 03Sep11.

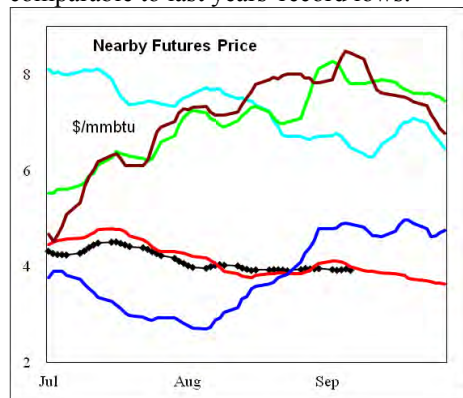
**Heating degree days** were +33% above normal for the week ended 03Sep11, -5% below normal for the week ending 10Sep11 and forecast to be +3% above normal for the week ending 17Sep11.

The 6-10 day NWS forecast for the

week ending 21Sep11 is for below normal cooling degree days in the eastern 1/3rd of the country and above normal cooling degree days in the western 2/3rds.

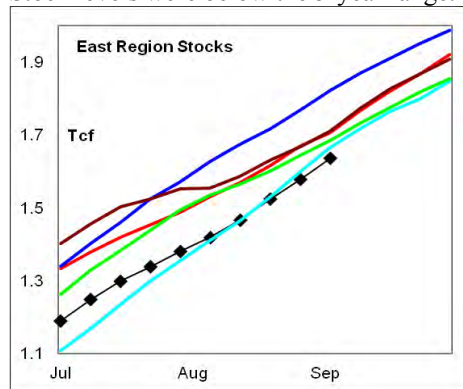
The 8-14 day NWS forecast for the week ending 25Sep11 is for near normal cooling degree days in the eastern 1/3rd of the country and above normal in the western 2/3rds of the country.

**Prices:** Nearby gas futures prices increased +\$0.05/mmbtu for the week ending 09Sep11. Price levels ended the week comparable to last years' record lows.



The 1<sup>st</sup> - 4<sup>th</sup> month forward price curve trended higher for the week ending 09Sep11. The spread ended the week above the mid range for this time of year.

**East Region** stocks increased +58 Bcf last week, a level near 5-year highs for the week. The latest 4-wk stock build was above four of the last 5-years for the week. Stock levels were below the 5-year range.

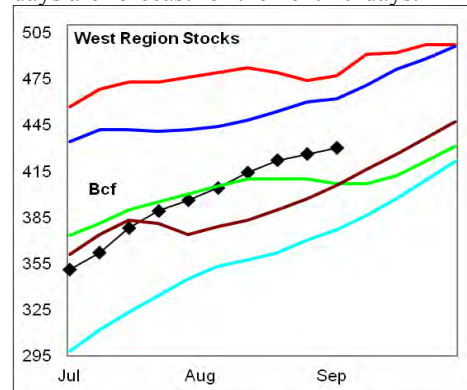


Cooling degree days in the region were +29% above normal for the week ending 03Sep11, -11% below normal for the week ending 10Sep11, and forecast to be -4% below normal for the week ending 17Sep11. Near normal cooling degree days are forecast for the next 10-days.

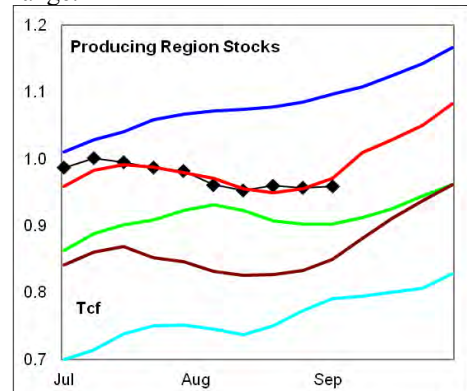
**West Region** stocks increased +4 Bcf on the week, a level at the mid range. Stock levels ended the week well above the mid range. The latest 4-wk stock build was

that the upper end of the historic range for this time of year.

Cooling degree days were +31% above normal for the week ending 03Sep11, +51% above normal for the week ending 10Sep11 and forecast to be +7% above normal for the week ending 17Sep11. Above normal cooling degree days are forecast for the next 10-days.



**Producing Region** stocks experienced a build of +2 Bcf on the week, a level that was near the historic low for the period. The monthly stock change was at the low end of the historic range. Stock levels fell below last year, but were above the mid range.



Cooling degree days were +43% above normal for the week ending 03Sep11, -34% below normal for the week ending 10Sep11 and forecast to be +13% above normal for the week ending 17Sep11. Near 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:** Average to below average cooling degree days in the eastern 1/2 of the country through month end, combined with slow economic growth should keep prices near 5-year lows for this time of year.

#### <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: September 12, 2011

For the week ending: 2-Sep-11

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

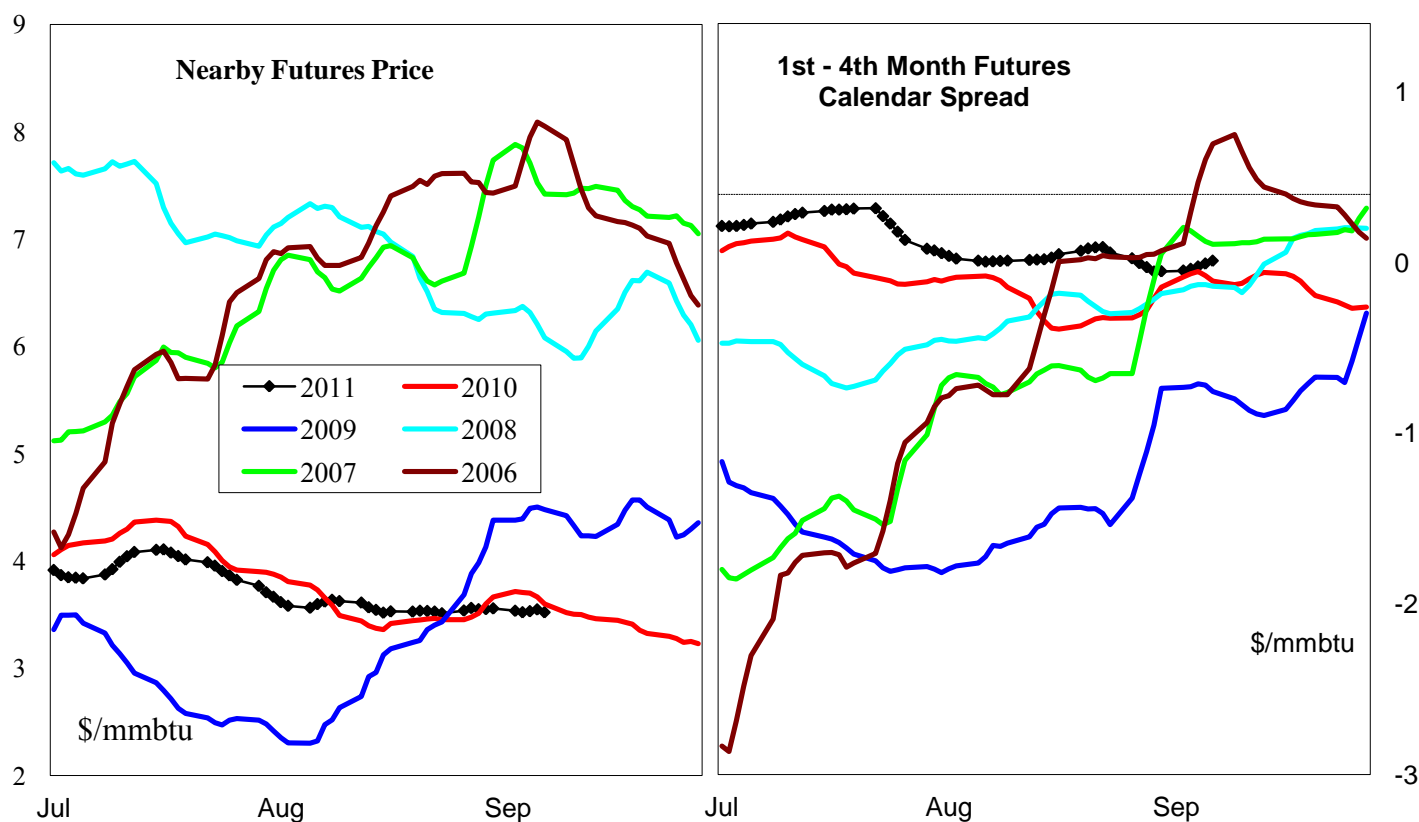
Week ending:	2-Sep-11			3-Sep-11		10-Sep-11		17-Sep-11	
Region	Weekly Stocks			Weekly Cooling Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	3,025	64	-4.2	-5	33%	-28	-5%	-4	3%
East	1,636	58	-4.2	-2	29%	-25	-11%	-4	-4%
West	430	4	-9.9	-14	31%	2	51%	-25	7%
Producing	959	2	-1.2	-4	43%	-83	-34%	28	13%

### Seasonal Trends in Stocks and Cooling Degree Days

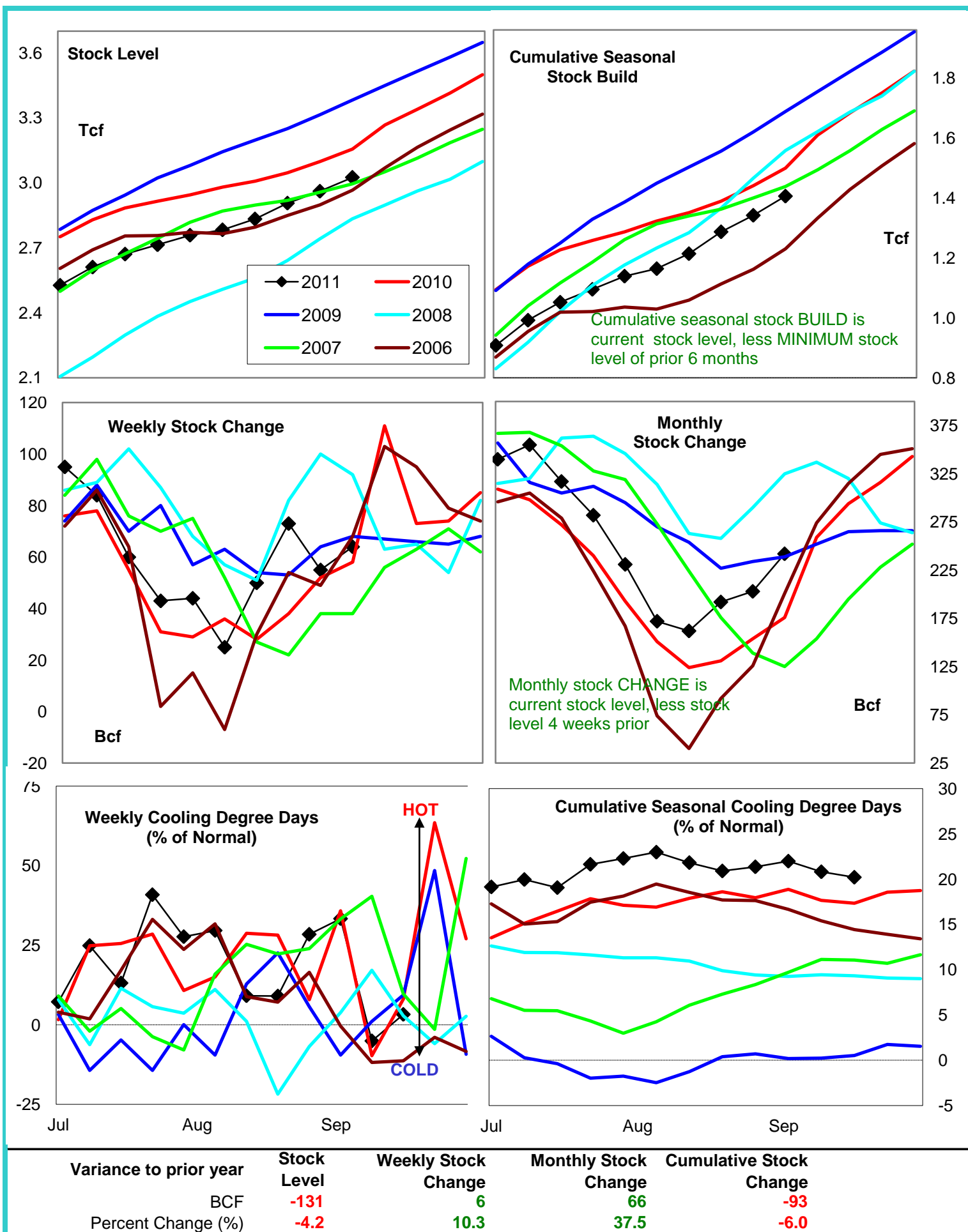
	Cumulative Stock change			Cumulative Cooling Degree Days					
	Bcf	Change vs prior year Bcf	%	CCDD's vs normal	% of normal	CCDD's vs normal	% of normal	CCDD's vs normal	% of normal
<b>U.S. Total</b>	<b>1,446</b>	<b>-93</b>	<b>-6.4</b>	<b>229</b>	<b>22%</b>	<b>227</b>	<b>21%</b>	<b>228</b>	<b>20%</b>
<b>East</b>	<b>1,020</b>	<b>63</b>	<b>6.2</b>	<b>588</b>	<b>26%</b>	<b>557</b>	<b>24%</b>	<b>567</b>	<b>23%</b>
<b>West</b>	<b>214</b>	<b>21</b>	<b>9.8</b>	<b>-37</b>	<b>-5%</b>	<b>-17</b>	<b>-2%</b>	<b>-15</b>	<b>-2%</b>
<b>Producing</b>	<b>263</b>	<b>-155</b>	<b>-58.9</b>	<b>588</b>	<b>32%</b>	<b>557</b>	<b>29%</b>	<b>567</b>	<b>28%</b>

### Futures Market Price Trends

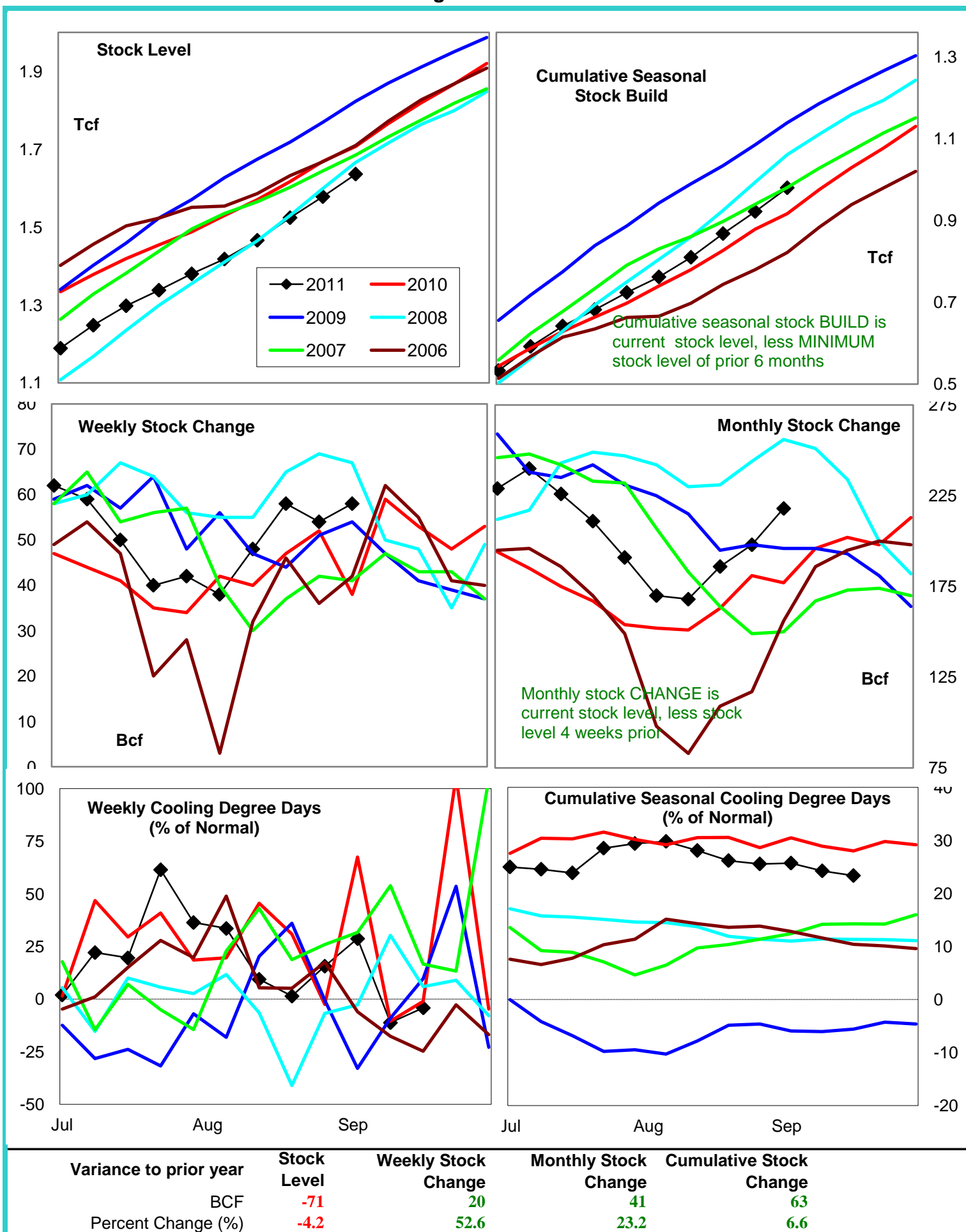
Date:	7-Sep-11	Change vs prior week, month, year		
		31-Aug-11	10-Aug-11	27-Aug-10
<b>1st month Futures</b>	<b>3.92</b>	<b>0.05</b>	<b>-0.10</b>	<b>-0.10</b>
<b>% change</b>	xxxxx	<b>1.3</b>	<b>-2.5</b>	<b>-2.5</b>



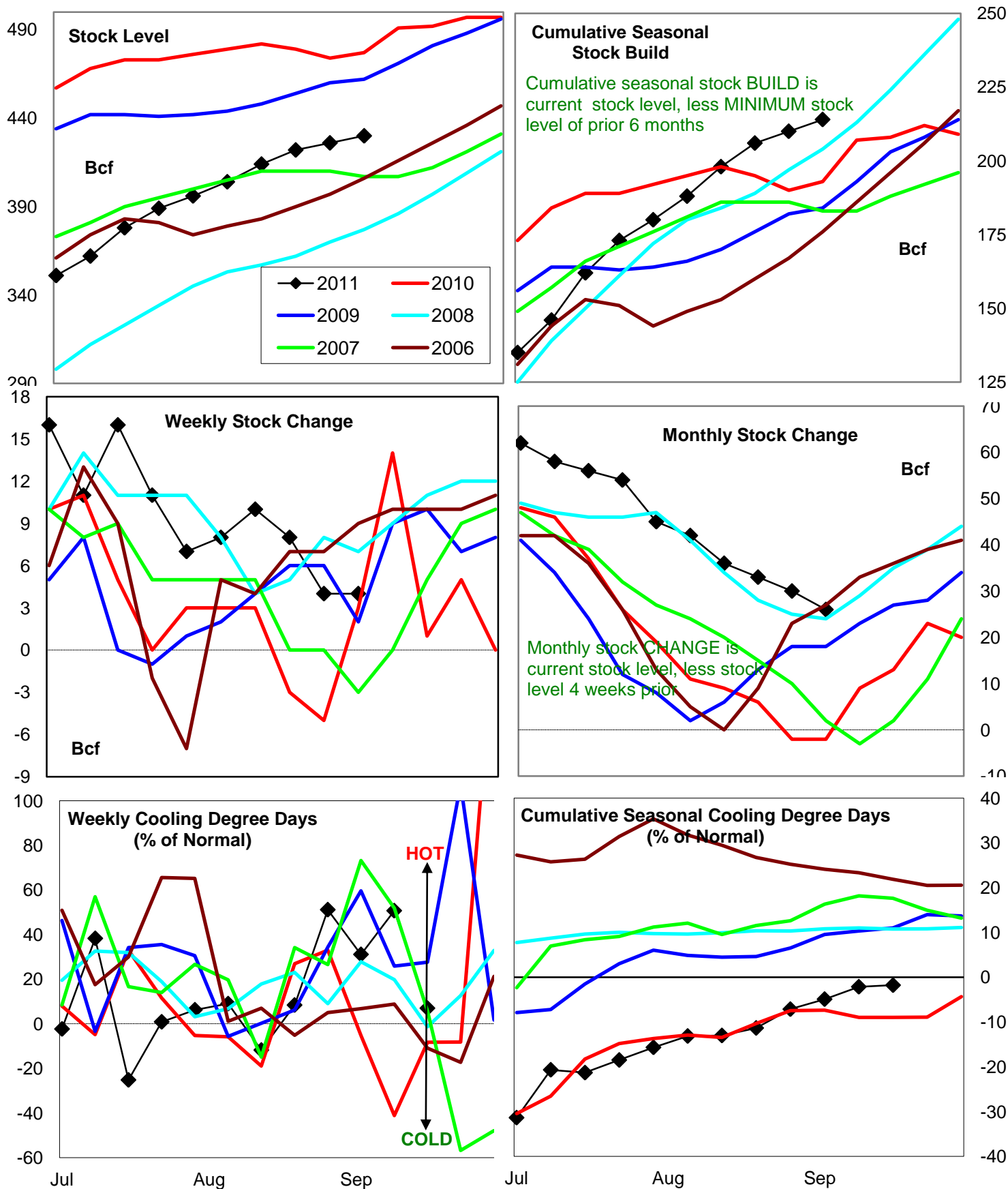
# United States Natural Gas Stock and Weather Trends



# 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 (%)

-47

1

28

21

Percent Change (%)

-9.9

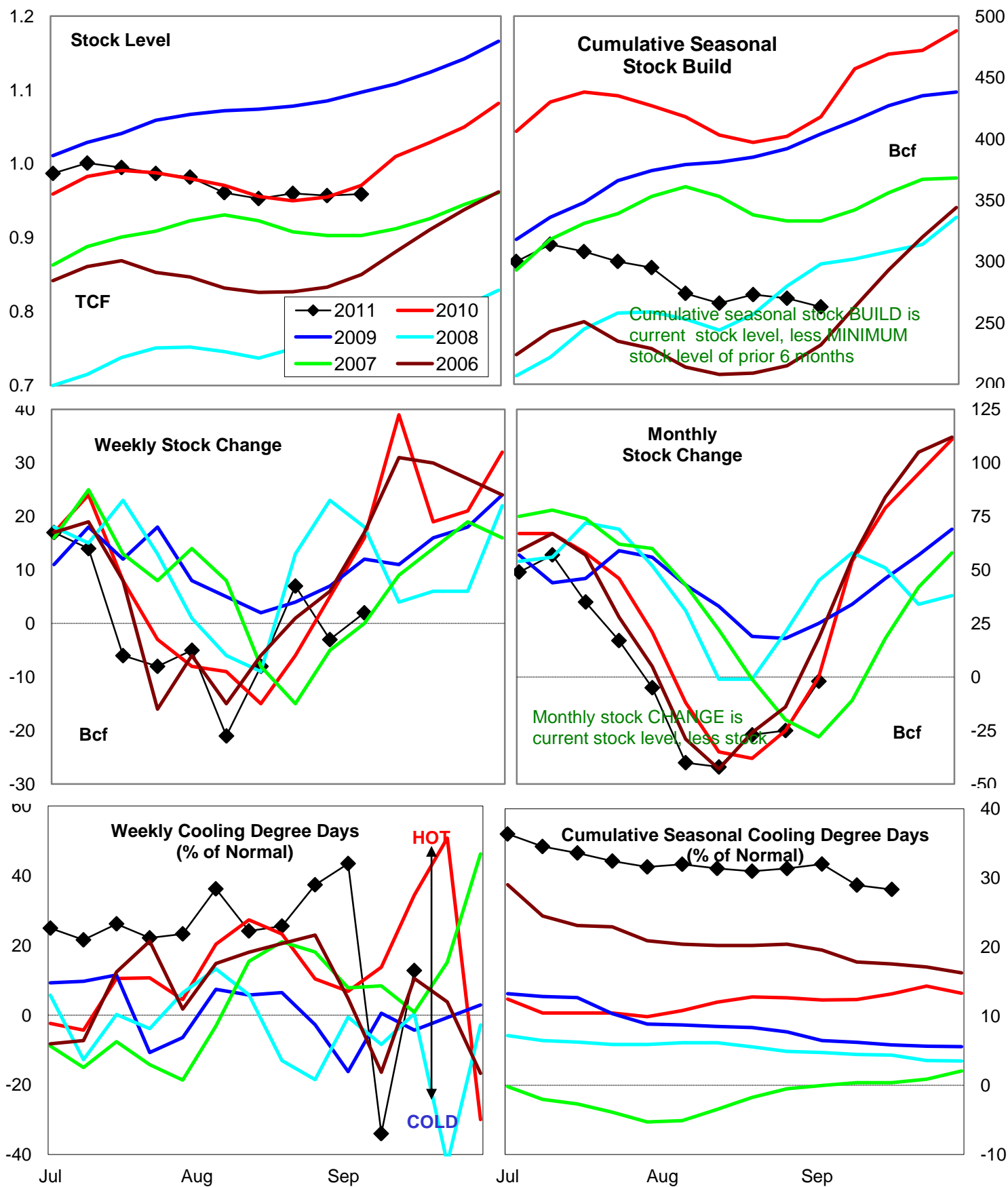
33.3

-1,400.0

10.9



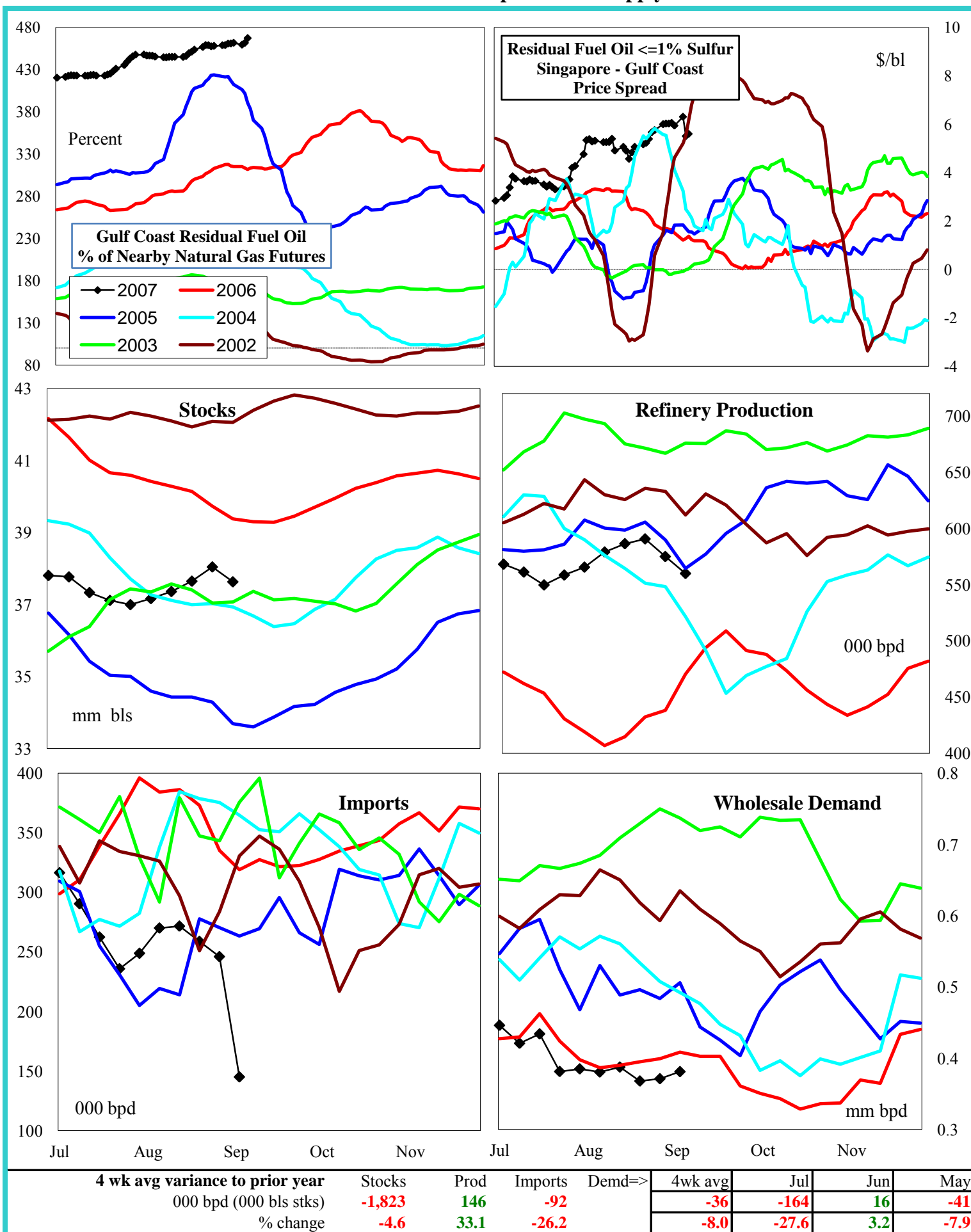
# Natural Gas Producing Region Stock and Weather Trends



Variance to prior year

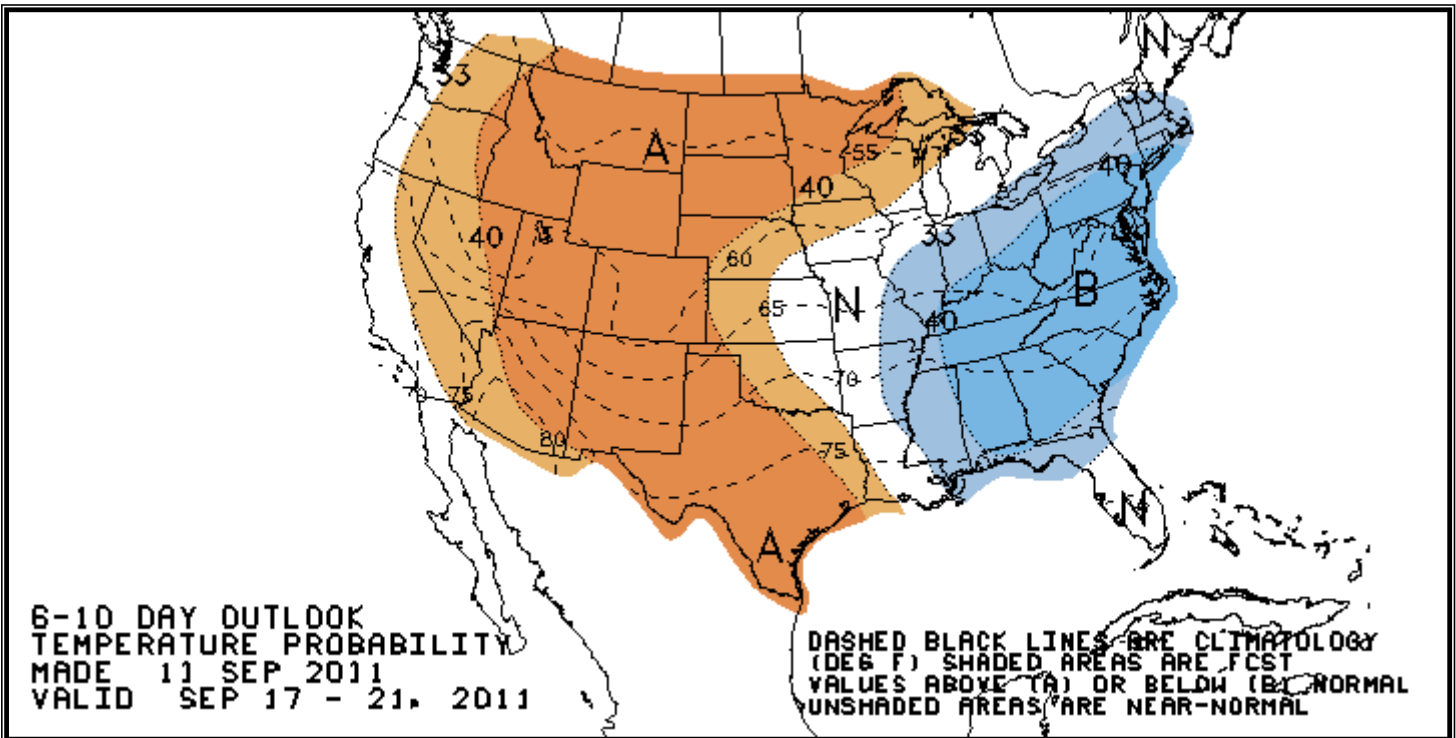
Stock  
LevelWeekly Stock  
ChangeMonthly Stock  
ChangeCumulative Stock  
ChangeBCF  
Percent Change (%)-12  
-1.2-14  
-87.5-2  
#DIV/0!-155  
-37.1

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



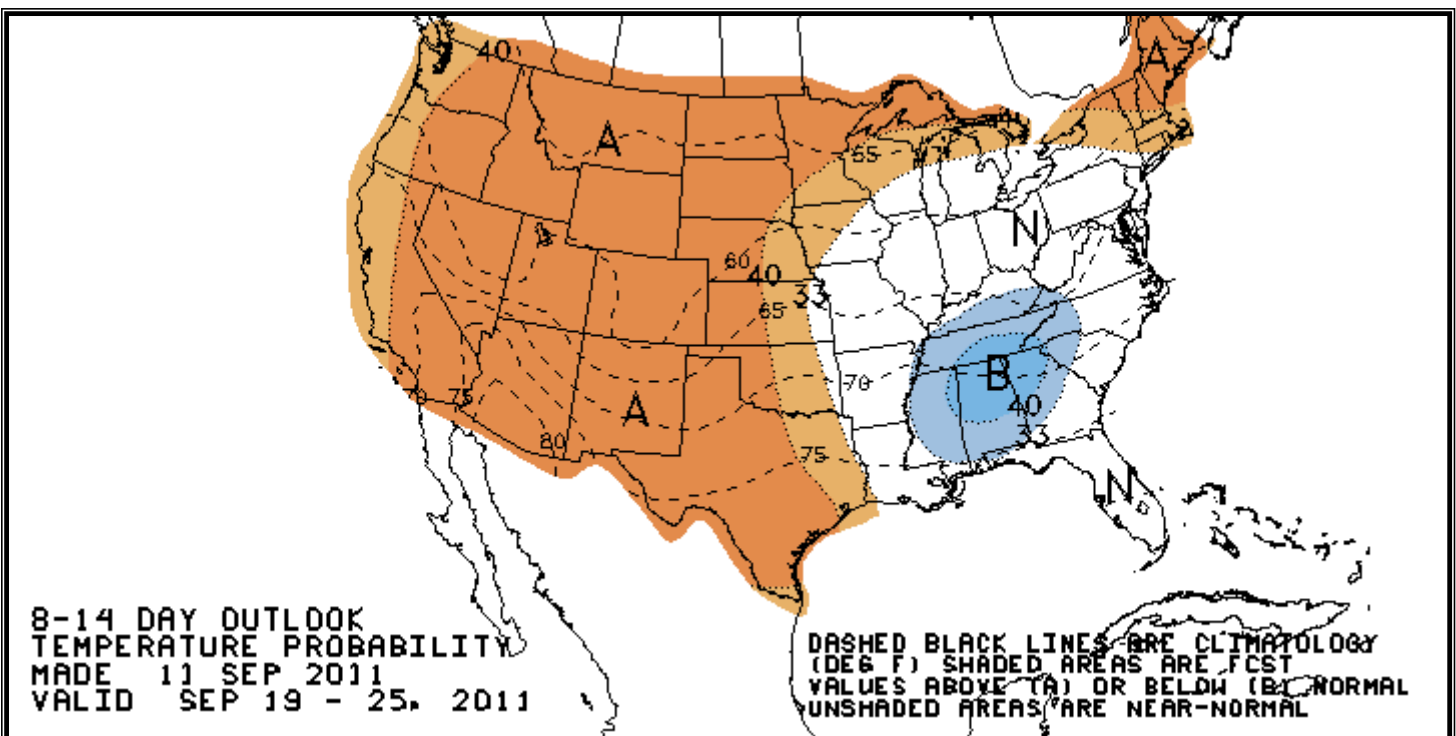
## National Weather Service Climate Prediction Center

## Degree Days 6 - 10 Day Temperature Forecast



## National Weather Service Climate Prediction Center

## Degree Days 8 - 14 Day Temperature Forecast





# American Gas Association Regions

