



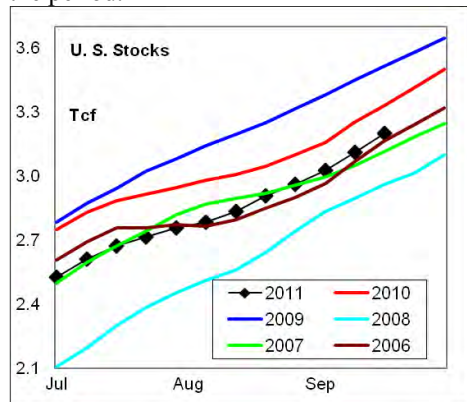
WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

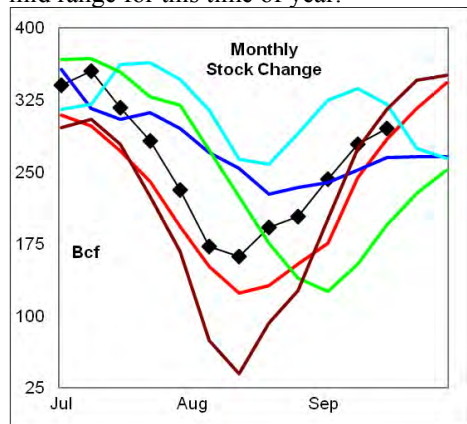
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Thursday, September 22, 2011



Summary¹ The stock build of +89 Bcf for the week was near 5-year record highs for the period.



The latest 4-wk stock build was above the mid range for this time of year.



In the East Region stocks increased +58 Bcf for the period, a record build for the week. Stocks increased +9 Bcf in the West Region, a level below the mid range for the period. The stock build of +22 Bcf in the Producing Region was well above the mid range for this time of year.

Cooling degree days were +1% above normal in the East Region, -18% below normal in the West Region and +8% above normal in the Producing Region for the week ending 17Sep11.

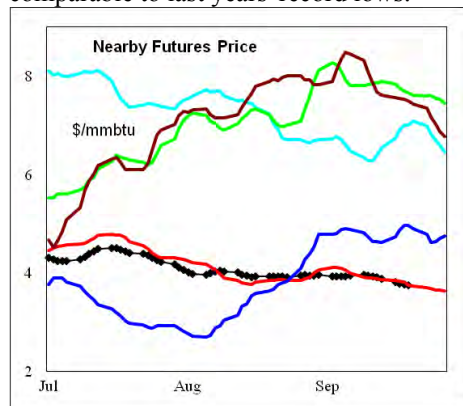
Heating degree days were -51 below normal for the week ended 17Sep11, and forecast to be +16% above normal for the week ending 24Sep11.

The 6-10 day NWS forecast for the

week ending 01Oct11 is for sharply above normal cooling degree days in the western 2/3rds of the country, with near normal cooling degree days in the eastern 1/3rd.

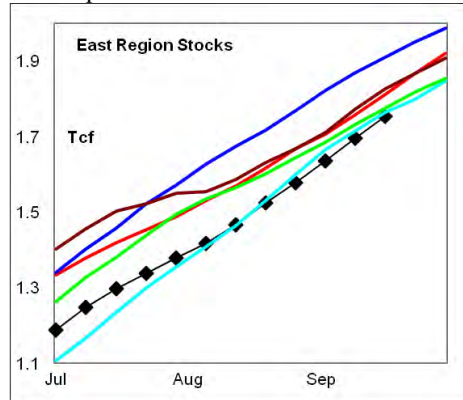
The 8-14 day NWS forecast for the week ending 05Oct11 is for much above normal cooling degree days in the western 3/4ths of the country and near normal in the southeast region.

Prices: Nearby gas futures prices decreased -\$0.14/mmbtu for the week ending 22Sep11. Price levels ended the week comparable to last years' record lows.



The 1st – 4th month forward price curve traded sideways for the week ending 22Sep11. The spread ended the week below the mid range for this time of year.

East Region stocks increased +58 Bcf last week, record build for the week. The latest 4-wk stock build matched the 5-year high for the period.

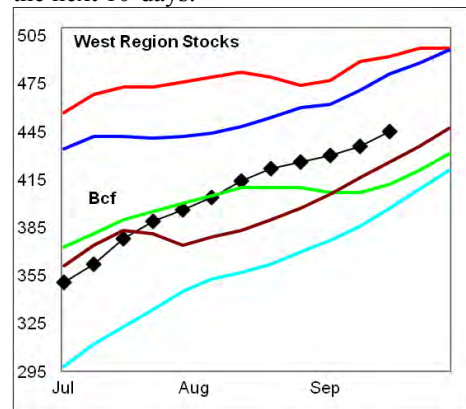


Cooling degree days in the region were +1% above normal for the week ending 17Sep11, and forecast to be +9% above normal for the week ending 24Sep11. Near normal cooling degree days are forecast for the next 10-days.

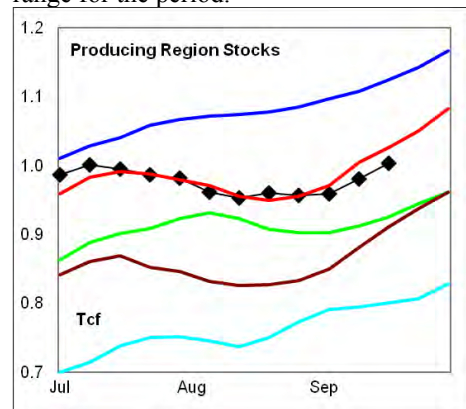
West Region stocks increased +9 Bcf on the week, a level below the mid range for the period. Stock levels ended the week well above the mid range. The latest 4-wk stock build was below the mid range for

this time of year.

Cooling degree days were -18% below normal for the week ending 17Sep11, and forecast to be +55% above normal for the week ending 24Sep11. Much above normal cooling degree days are forecast for the next 10-days.



Producing Region stocks experienced a build of +22 Bcf on the week, a level that was well above the mid range for this time of year. The monthly stock change was below the historic mid range. Stock levels were below last year, but above the mid range for the period.



Cooling degree days were +8% above normal for the week ending 17Sep11, and forecast to be -1% below normal for the week ending 24Sep11. 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: Above average cooling degree days across much of the country through month end, points to low heating demand and above average stock building. Combined with slow economic growth prices should extend the longer term seasonal downtrend.

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: September 15, 2011

For the week ending: 9-Sep-11

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

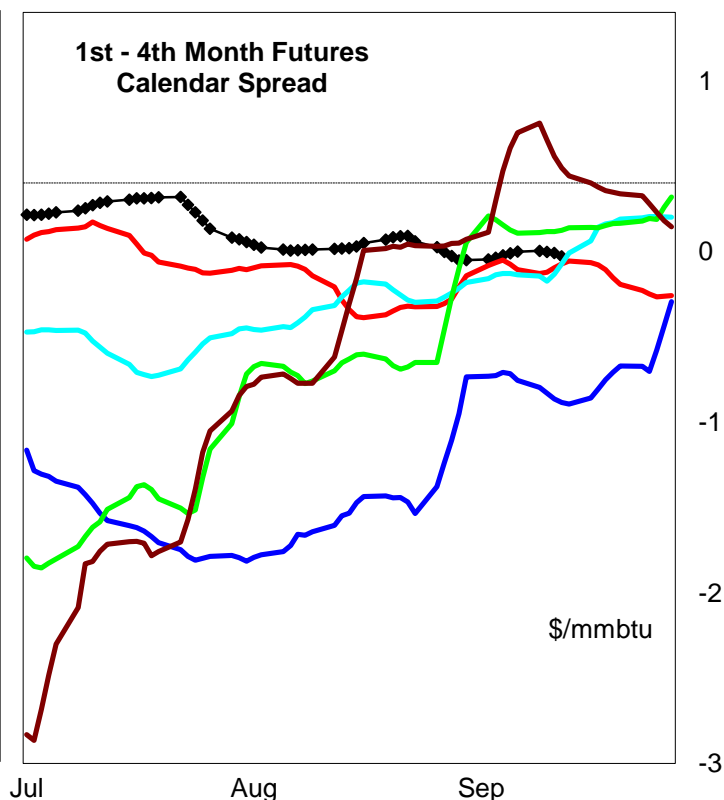
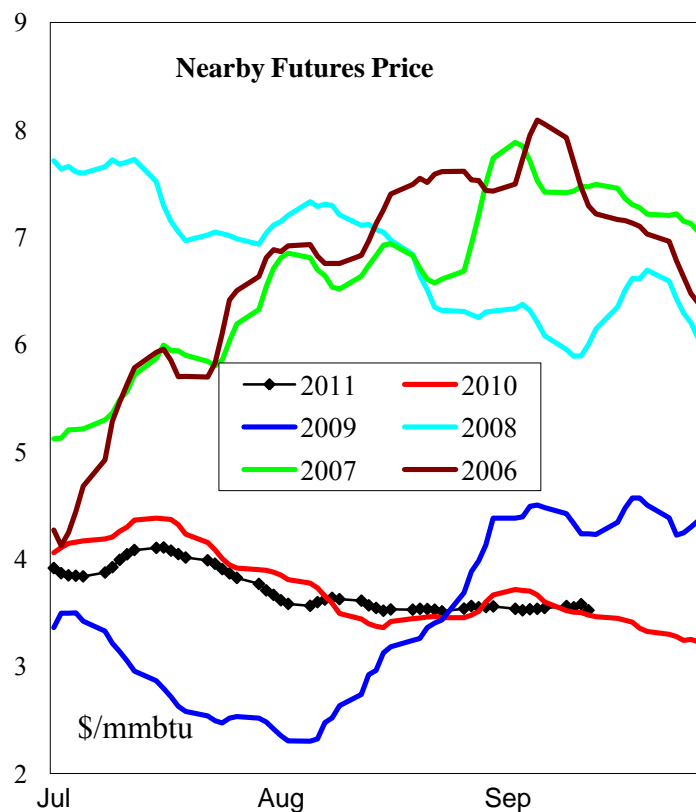
Week ending:	9-Sep-11			3-Sep-11		10-Sep-11		17-Sep-11	
Region	Weekly Stocks			Weekly Cooling Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	3,112	87	-4.3	-5	33%	-28	-5%	-4	3%
East	1,695	59	-3.6	-2	29%	-25	-11%	-4	-4%
West	436	6	-10.8	-14	31%	2	51%	-25	7%
Producing	981	22	-2.4	-4	43%	-83	-34%	28	13%

Seasonal Trends in Stocks and Cooling Degree Days

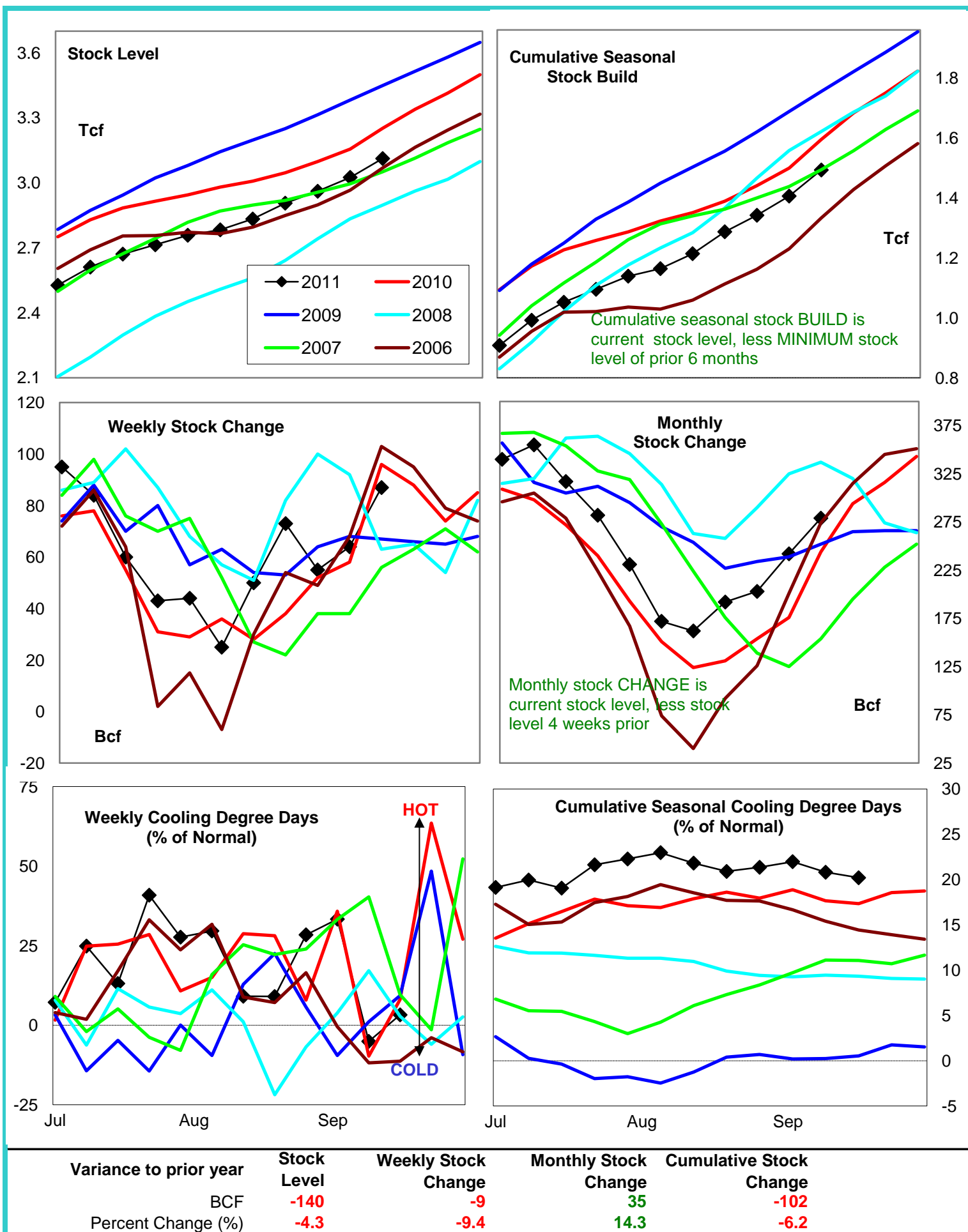
	Cumulative Stock change			Cumulative Cooling Degree Days					
	Bcf	Change vs prior year Bcf	%	CCDD's vs normal	% of normal	CCDD's vs normal	% of normal	CCDD's vs normal	% of normal
U.S. Total	1,533	-102	-6.7	229	22%	227	21%	228	20%
East	1,079	71	6.6	588	26%	557	24%	567	23%
West	220	15	6.8	-37	-5%	-17	-2%	-15	-2%
Producing	281	-171	-60.9	588	32%	557	29%	567	28%

Futures Market Price Trends

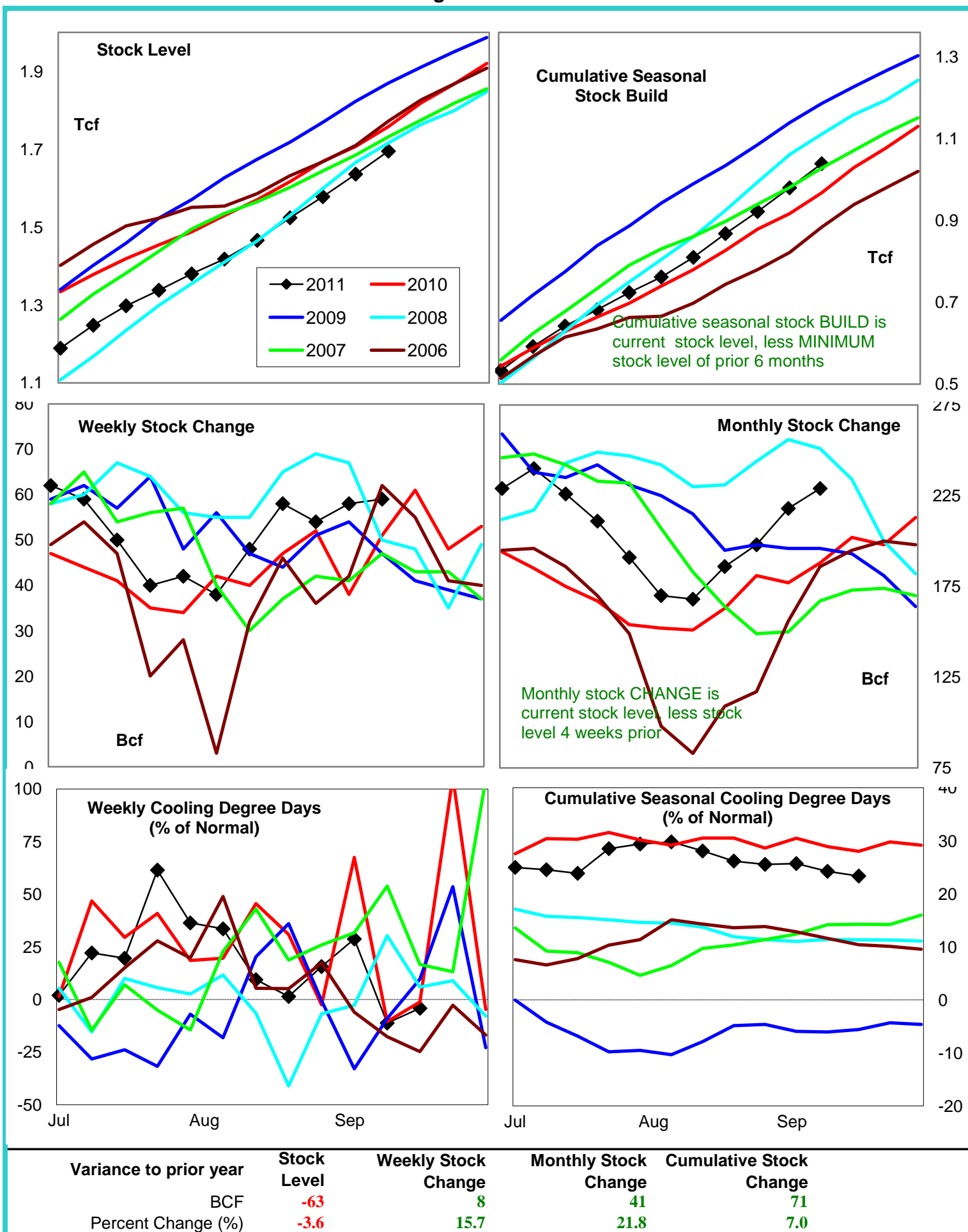
Date:	13-Sep-11	Change vs prior week, month, year		
		7-Sep-11	16-Aug-11	2-Sep-10
1st month Futures	3.92	0.00	-0.02	-0.04
% change	xxxxx	0.0	-0.5	-1.0



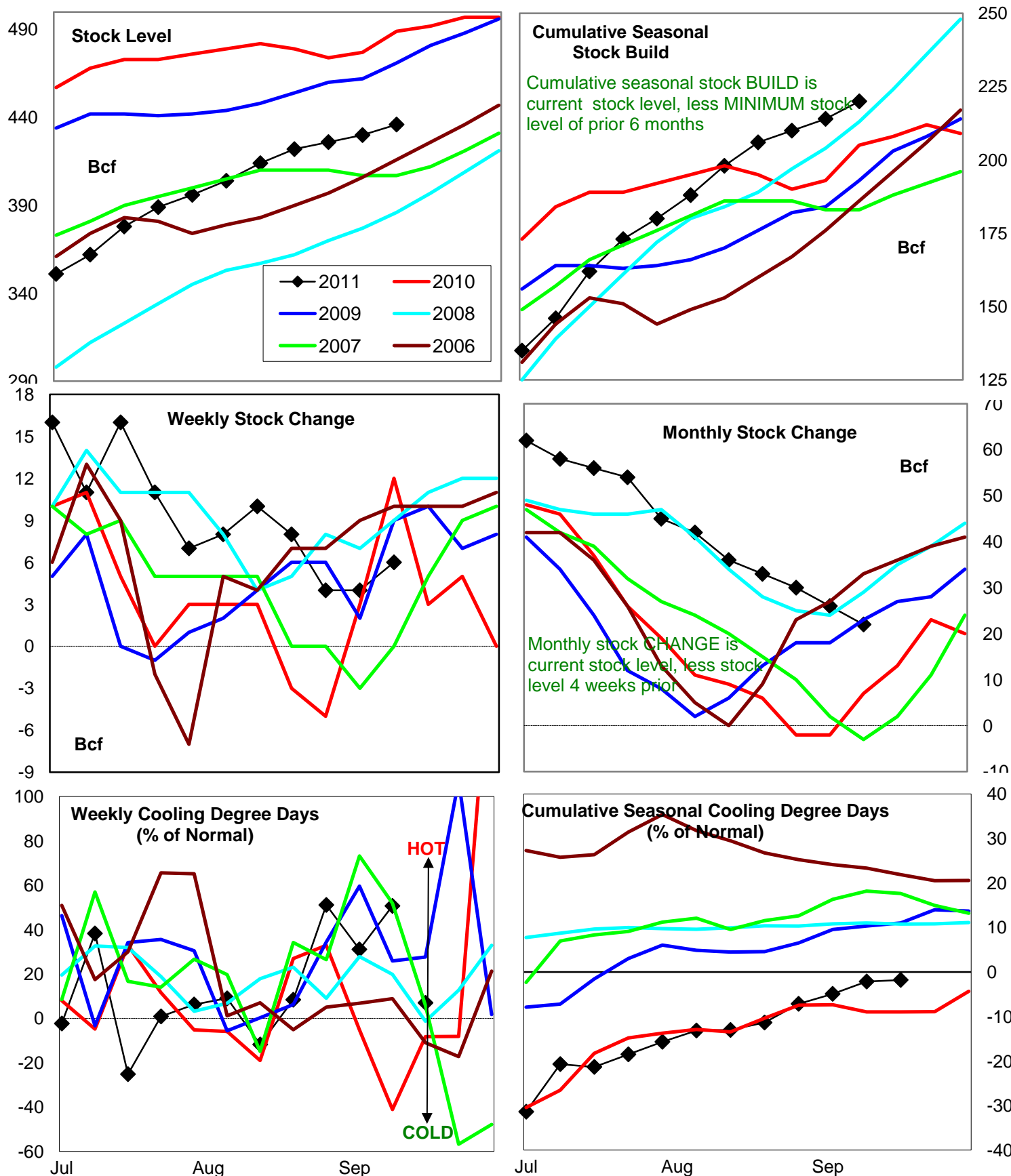
United States Natural Gas Stock and Weather Trends



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
Change

BCF

-53

-6

15

15

Percent Change (%)

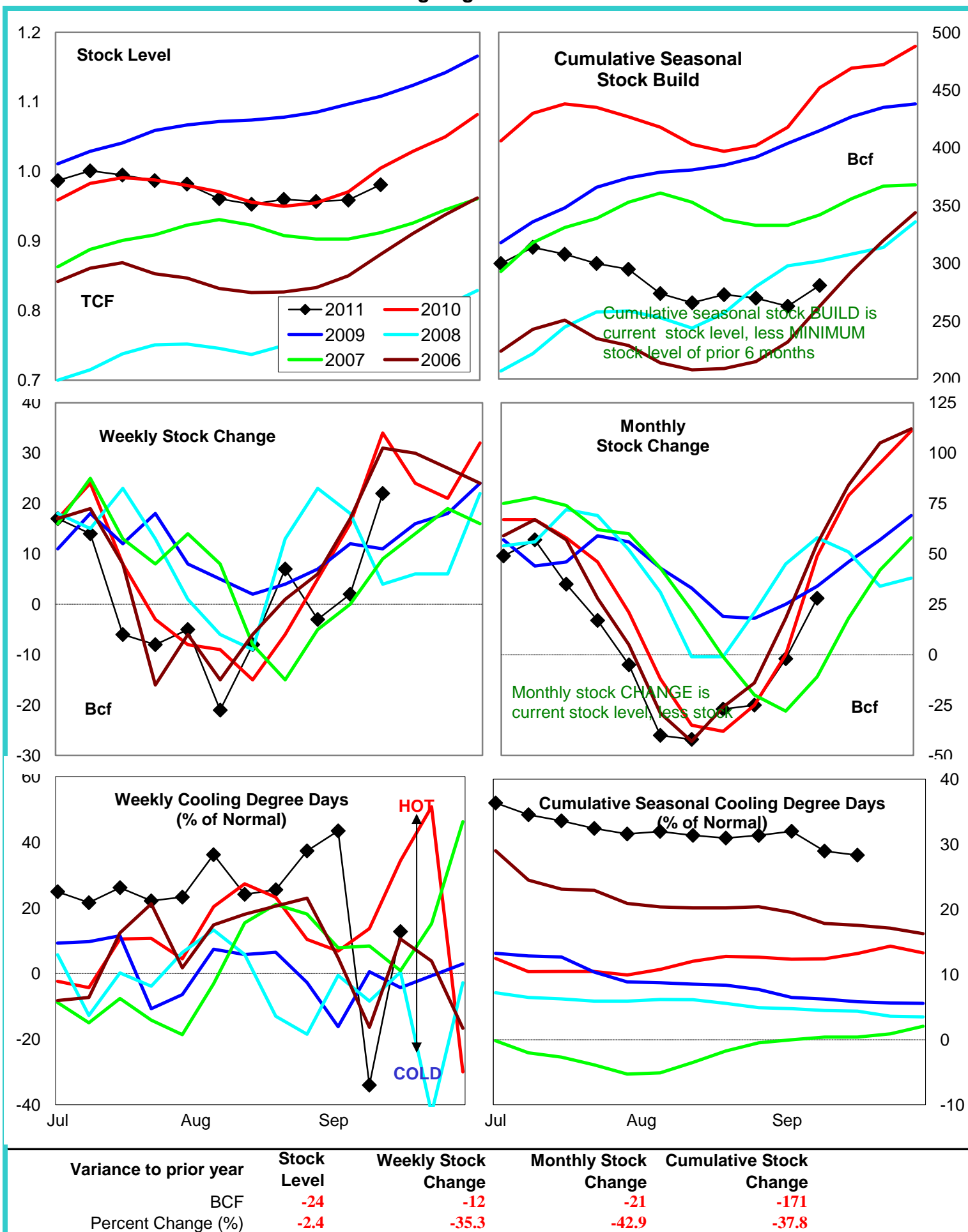
-10.8

-50.0

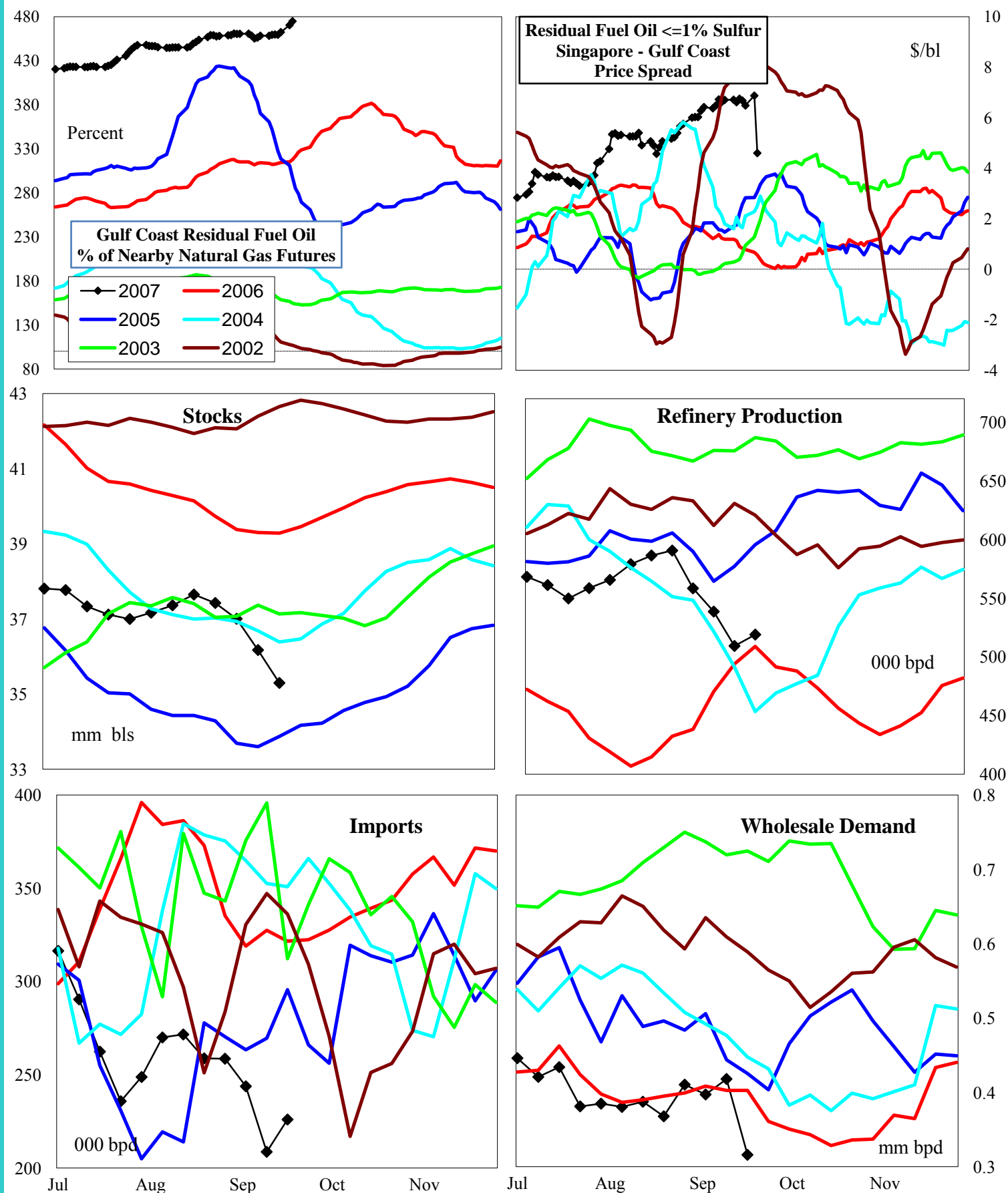
214.3

7.3

Natural Gas Producing Region Stock and Weather Trends



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



4 wk avg variance to prior year

000 bpd (000 bbls stks)

% change

Stocks

-3,932

-10.0

Prod

34

6.9

Imports

-104

-31.3

Demd=>

4wk avg

-3

-0.7

Aug

-62

-13.0

Jul

-164

-27.6

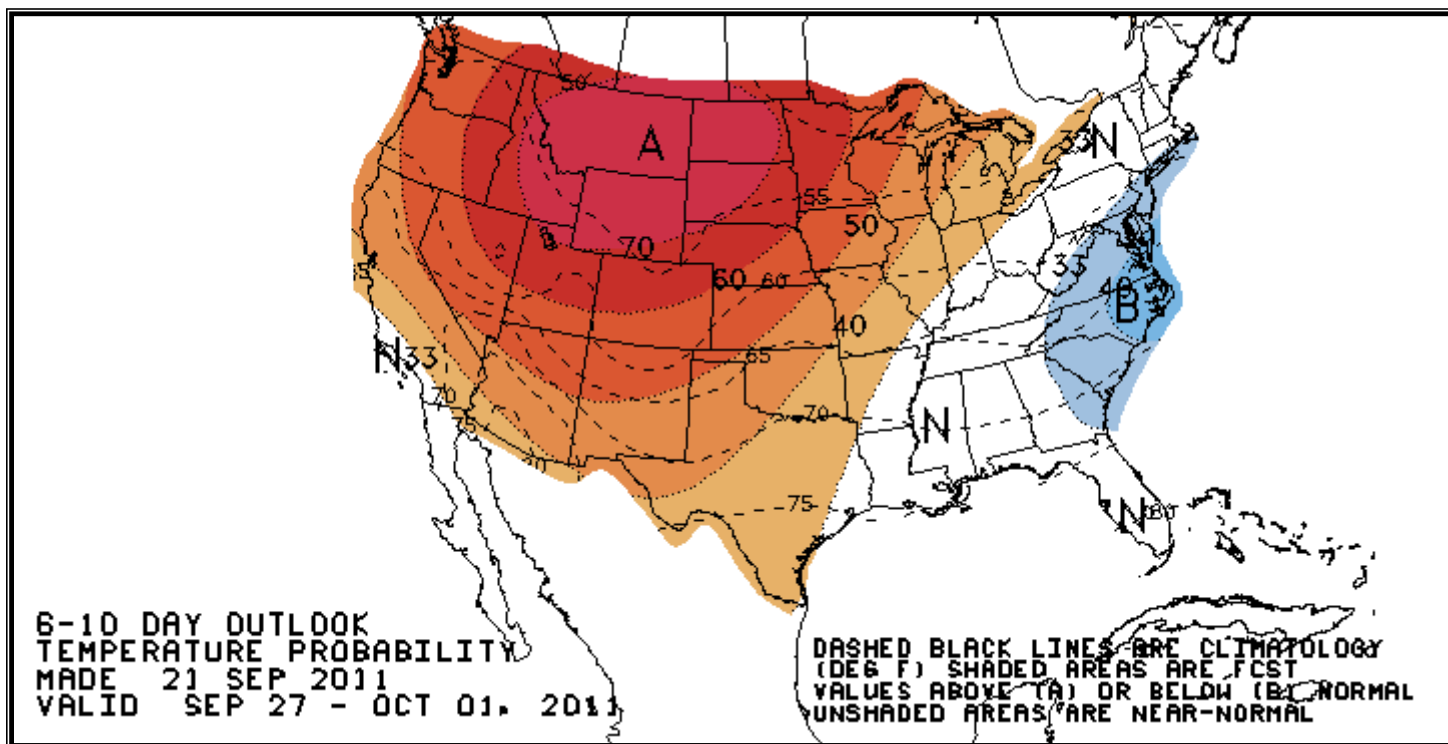
Jun

-29

-5.8

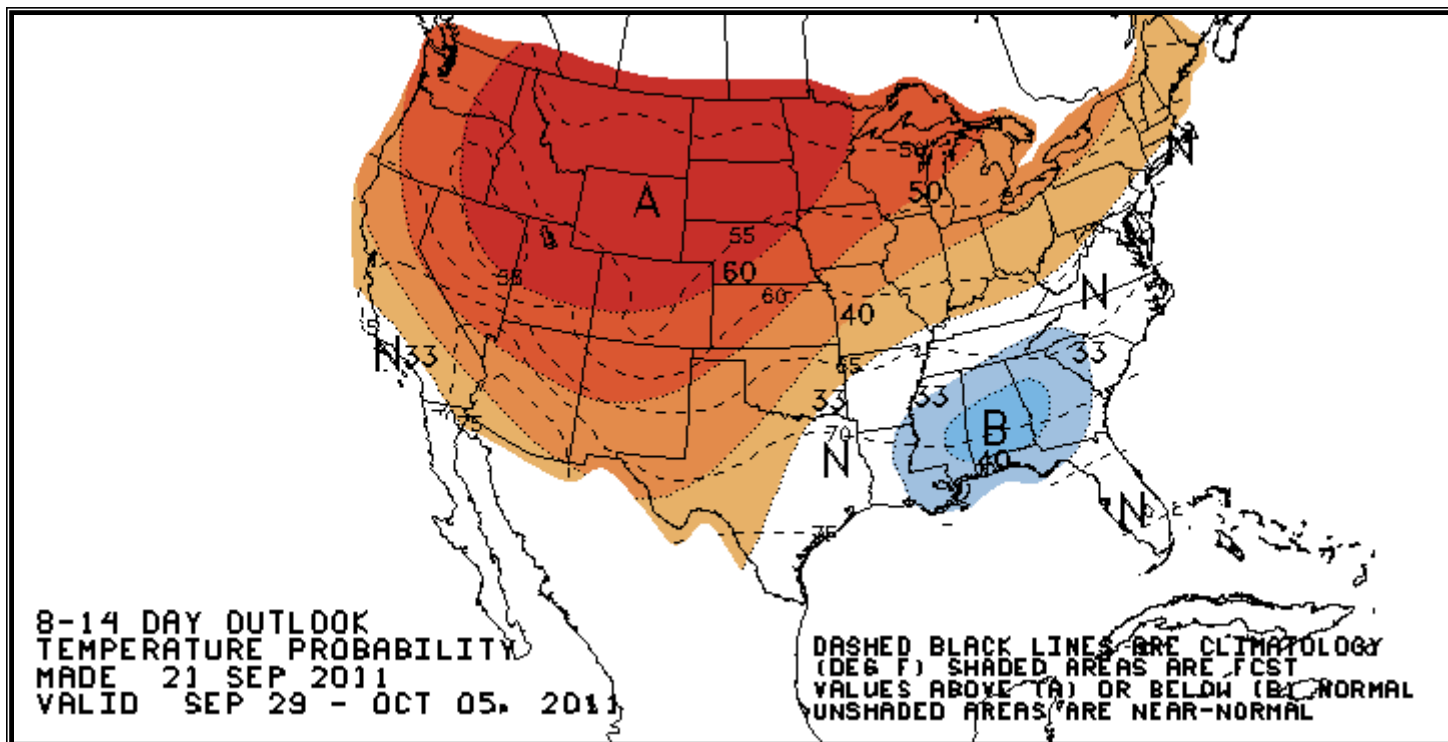
National Weather Service Climate Prediction Center

Degree Days 6 - 10 Day Temperature Forecast



National Weather Service Climate Prediction Center

Degree Days 8 - 14 Day Temperature Forecast



American Gas Association Regions

