

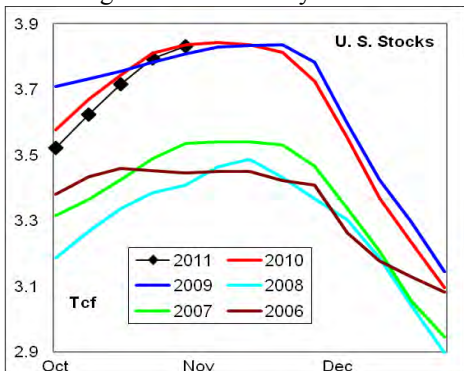
# WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

## A Fundamental Petroleum Trends Weekly Report

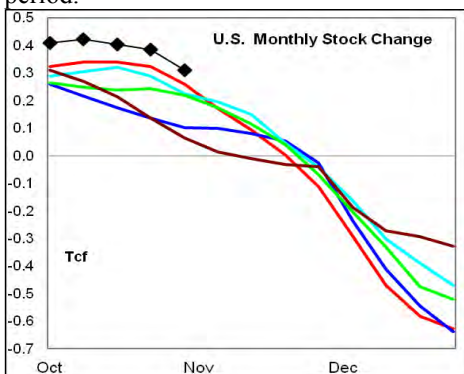
Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Friday, November 11, 2011



**Summary**<sup>1</sup> The stock build of +37 Bcf for the week was above the mid range for the week. Stock levels match last years' record high for this time of year.



The latest 4-wk stock build was +19.2% above last years' record increase for the period.



In the East Region stocks increased +16 Bcf for the period, a level near the upper end of the historic range. Stocks increased +6 Bcf in the West Region, a level that matched the mid range for the week. The stock build of +15 Bcf in the Producing Region was above the mid range for this time of year.

Heating degree days were +10% above normal in the East Region, +25% above normal in the West Region and +73% above normal in the Producing Region for the week ending 05Nov11.

**Heating degree days** were +17% above normal for the week ended 05Nov11, and forecast to be -12% below normal for the week ending 12Nov11.

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

[Data Source is EIA Weekly Statistics](#)

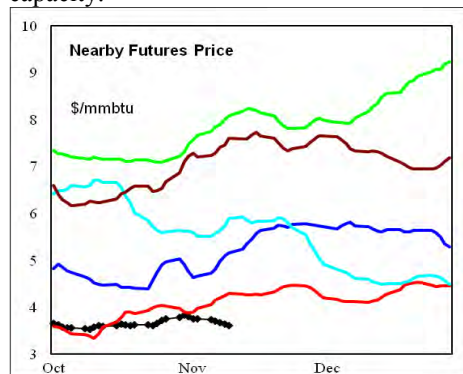
[National Weather Service 6-10 Day](#)

[National Weather Service 10-14 Day](#)

The 6-10 day NWS forecast for the week ending 20Nov11 is for below normal heating degree days in the Eastern 1/3rd of the country, near normal in the plains states and slightly cooler than normal in the western 1/4th of the country.

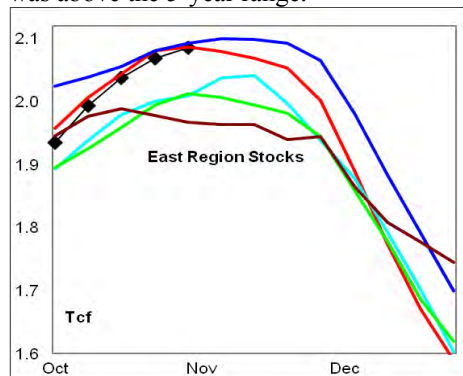
The 8-14 day NWS forecast for the week ending 24Nov11 is for below normal heating degree days in the Eastern 1/2 of the country, near normal in the Plains states and slightly below normal in the Western 1/4th of the country.

**Prices:** Nearby gas futures prices decreased -\$0.17/mmbtu for the week ending 11Nov11; falling to a record low for this time of year. The price decrease was driven by record stock levels, moderate temperatures and excess production capacity.



The 1<sup>st</sup> - 4<sup>th</sup> month forward price curve traded sideways for the week ending 11Nov11 at the mid range level of the last 5-years.

**East Region** stocks increased +16 Bcf last week, a level near the upper end of the historic range. The latest 4-wk stock build was above the 5-year range.

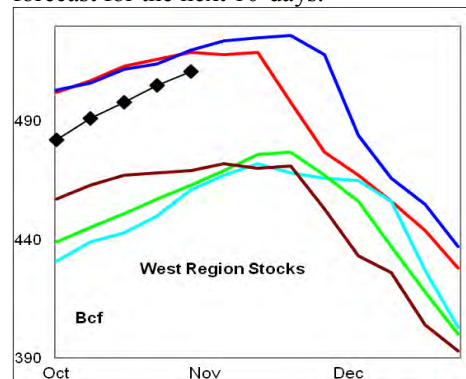


Heating degree days in the region were +10% above normal for the week ending 05Nov11, forecast to be -20% below normal for the week ending 12Nov11. Much below normal heating degree days are forecast for the next 10-days.

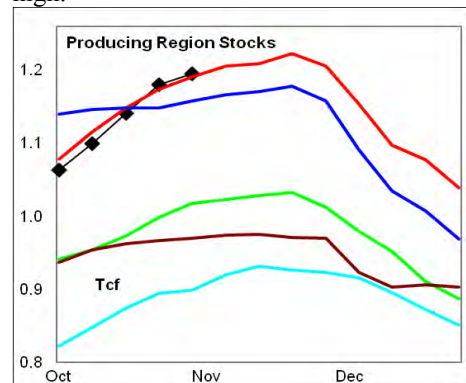
**West Region** stocks increased +6 Bcf on

the week, a level that matched the mid range for the week. Stock levels ended the week -1.5% below the 5-year high. The latest 4-wk stock build matched the historic high for the period.

Heating degree days were +25% above normal for the week ending 05Nov11, forecast to be +33% above normal for the week ending 11Nov11. Above normal heating degree days are forecast for the next 10-days.



**Producing Region** stocks experienced a build of +15 Bcf on the week, a level that was above the mid range. The monthly stock build was above the historic range for the period. Stock levels ended the week +0.3% above the previous record high.



Heating degree days were +73% above normal for the week ending 05Nov11, and forecast to be +4% above normal for the week ending 11Nov11. Below normal heating 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:** Mild weather, high stock levels and record production capacity should constrain prices during the heating season. Any colder than normal weather forecast in major heating regions is unlikely to lift prices from the current low range due to excess supplies.



## NATURAL GAS: Graph Link and Weekly Summary

Report prepared as of: November 11, 2011

For the week ending: 4-Nov-11

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

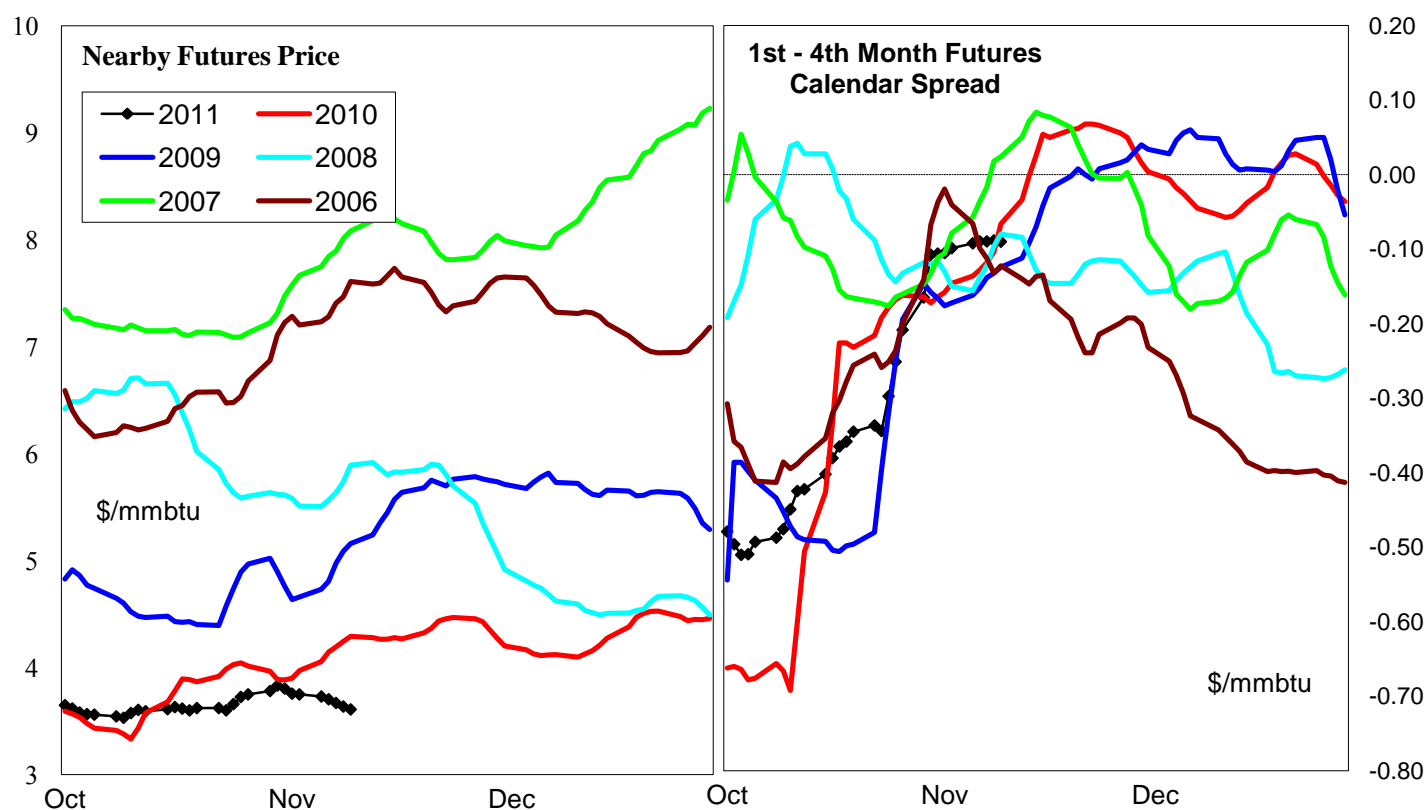
Week ending:	4-Nov-11			29-Oct-11		5-Nov-11		12-Nov-11	
Region	Weekly Stocks			Weekly Heating Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	3,831	37	-0.2	18	2%	26	17%	-17	-12%
East	2,085	16	-0.1	21	3%	25	10%	-24	-20%
West	511	6	-1.5	27	-3%	23	25%	25	33%
Producing	1,235	15	0.3	0	3%	30	73%	-16	4%

### Seasonal Trends in Stocks and Heating Degree Days

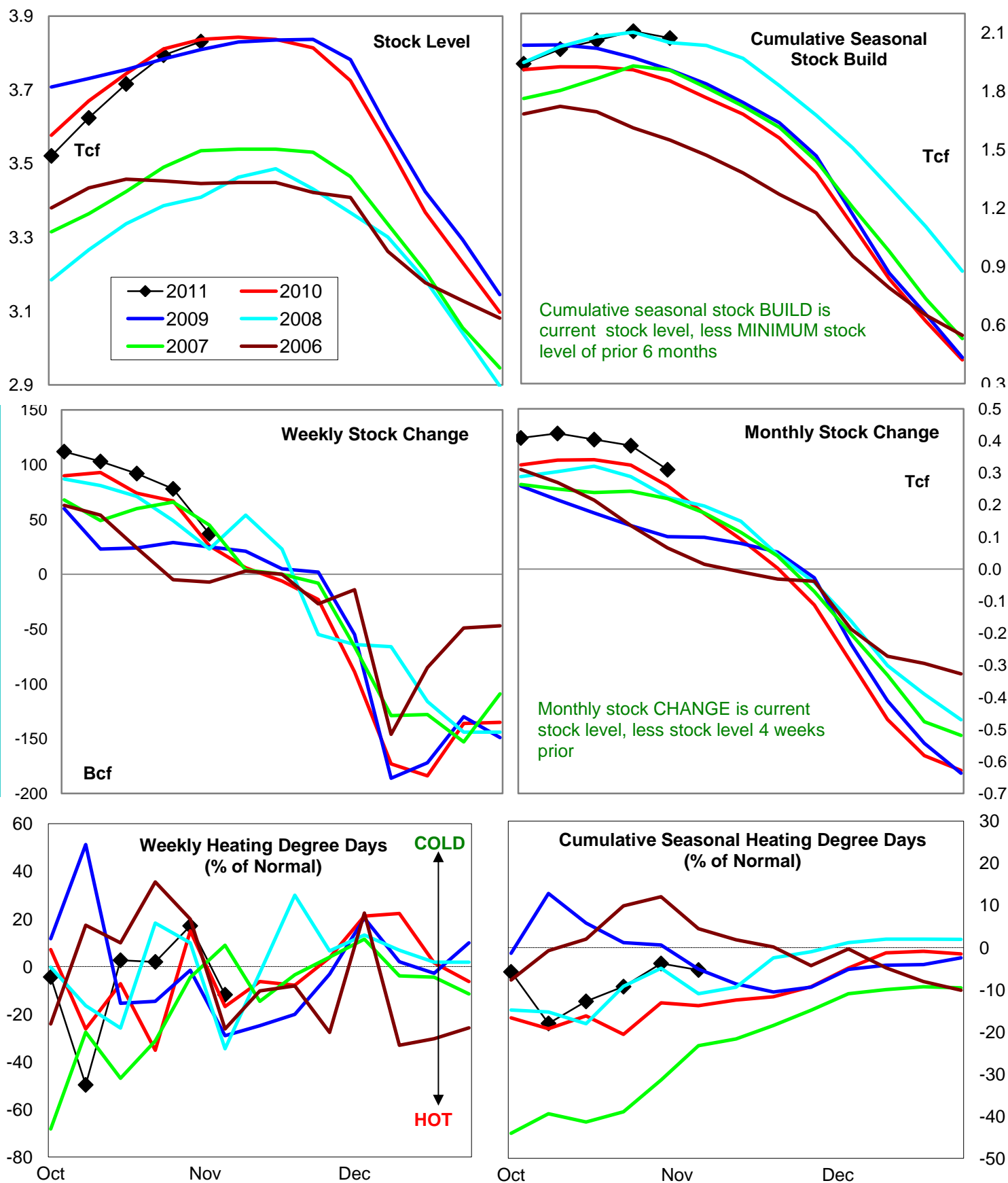
	Cumulative Stock Change			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
<b>U.S. Total</b>	<b>2,074</b>	<b>220</b>	<b>10.6</b>	<b>97</b>	<b>-9.3</b>	<b>123</b>	<b>-3.8</b>	<b>106</b>	<b>-5.3</b>
<b>East</b>	<b>1,378</b>	<b>191</b>	<b>13.9</b>	<b>111</b>	<b>-9.9</b>	<b>137</b>	<b>-5.7</b>	<b>112</b>	<b>-8.4</b>
<b>West</b>	<b>278</b>	<b>87</b>	<b>31.3</b>	<b>95</b>	<b>-18.9</b>	<b>118</b>	<b>-11.6</b>	<b>143</b>	<b>-4.4</b>
<b>Producing</b>	<b>418</b>	<b>-58</b>	<b>-13.9</b>	<b>47</b>	<b>20.5</b>	<b>77</b>	<b>34.3</b>	<b>61</b>	<b>26.5</b>

### Futures Market Price Trends

Date:	11-Nov-11	Change vs prior week, month, year		
		7-Nov-11	17-Oct-11	11-Nov-10
<b>1st month Futures</b>	<b>3.61</b>	<b>-0.09</b>	<b>-0.08</b>	<b>-0.66</b>
<b>% change</b>	<b>xxxxx</b>	<b>-2.3</b>	<b>-2.1</b>	<b>-15.5</b>



# United States Natural Gas Stock and Weather Trends



Variance to prior year

Stock  
LevelWeekly Stock  
ChangeMonthly Stock  
ChangeCumulative Stock  
Change

BCF

-6

11

50

220

Percent Change (%)

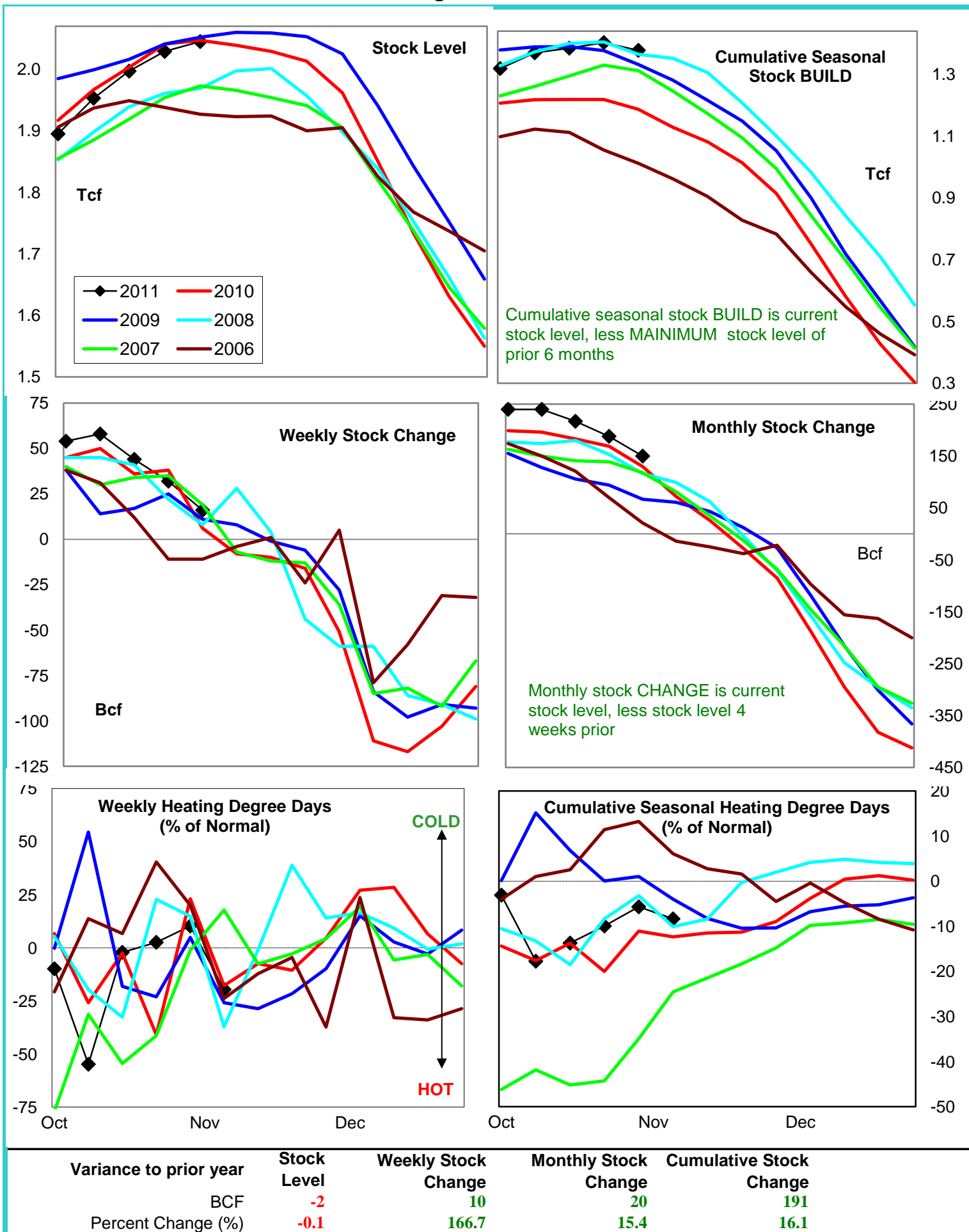
-0.2

42.3

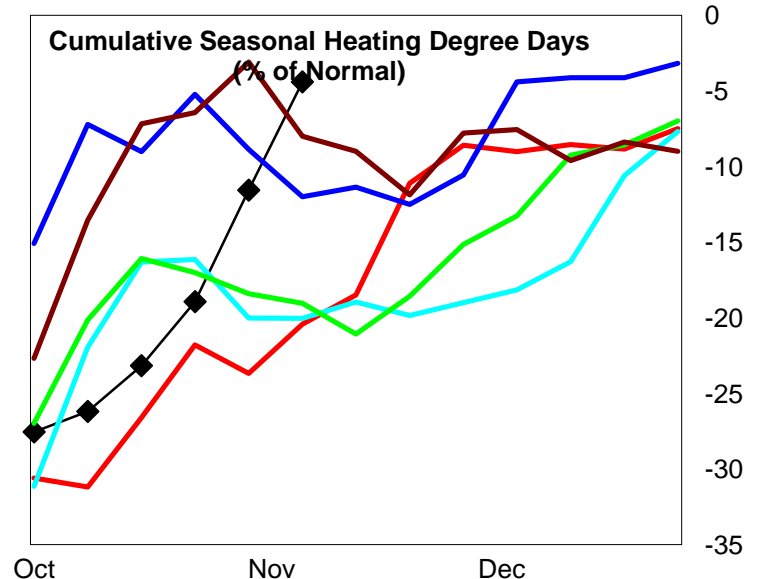
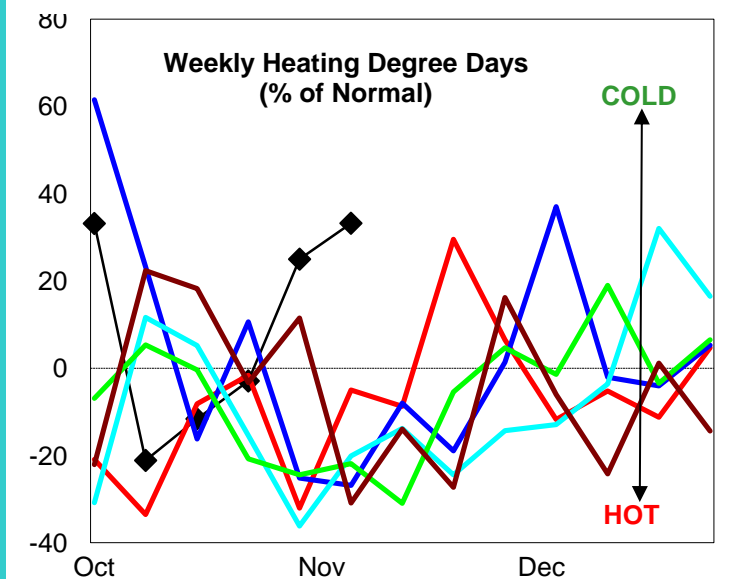
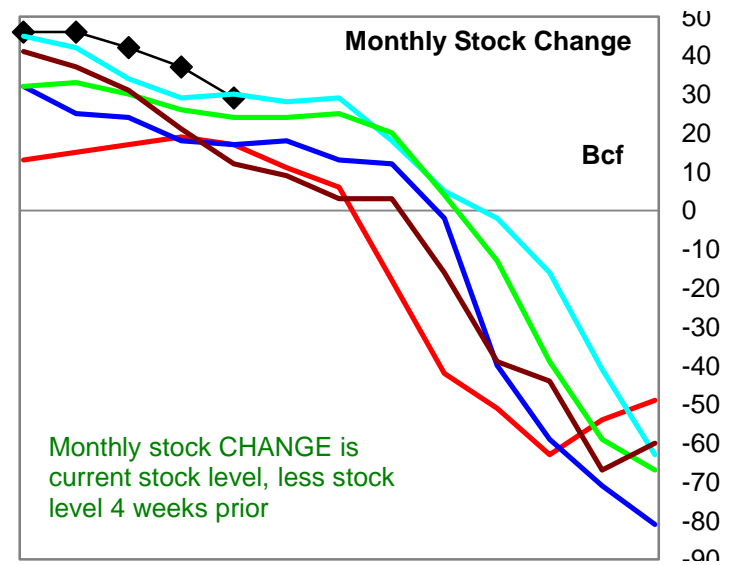
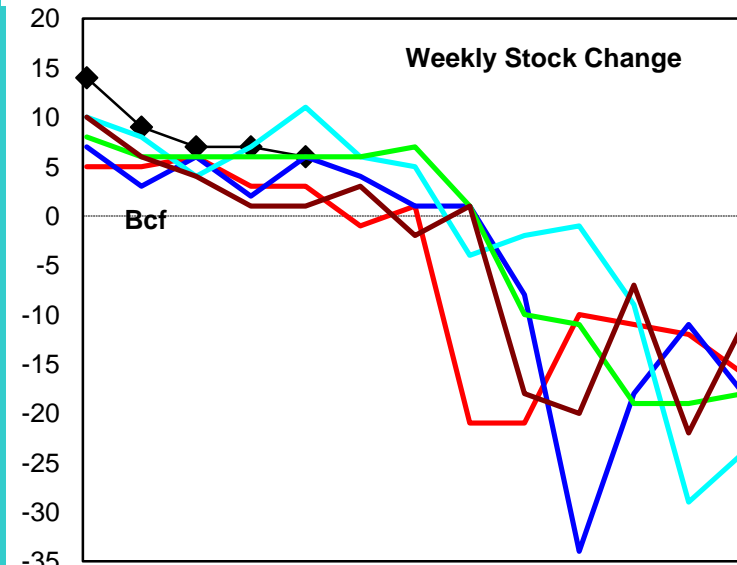
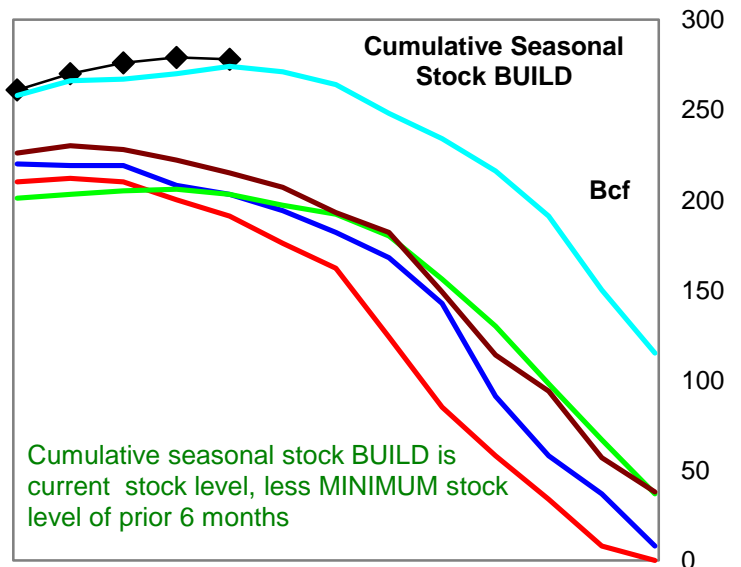
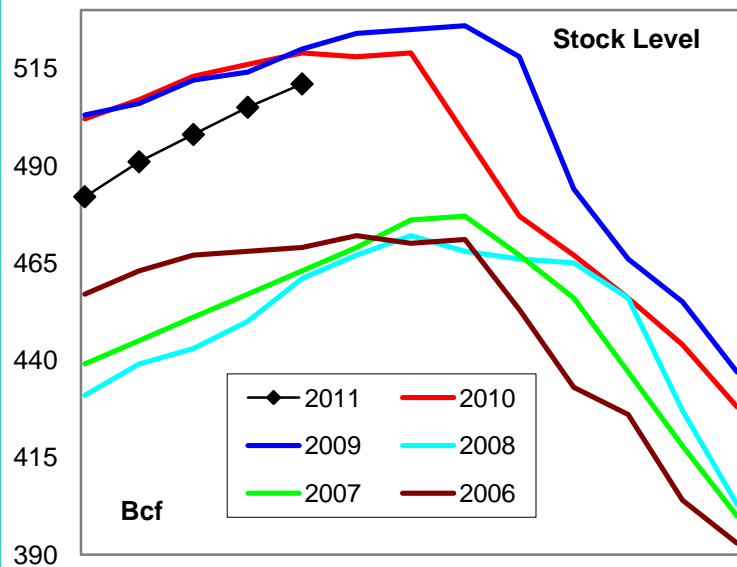
19.2

11.9

# 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  
Percent Change (%)

-8

-1.5

3

100.0

12

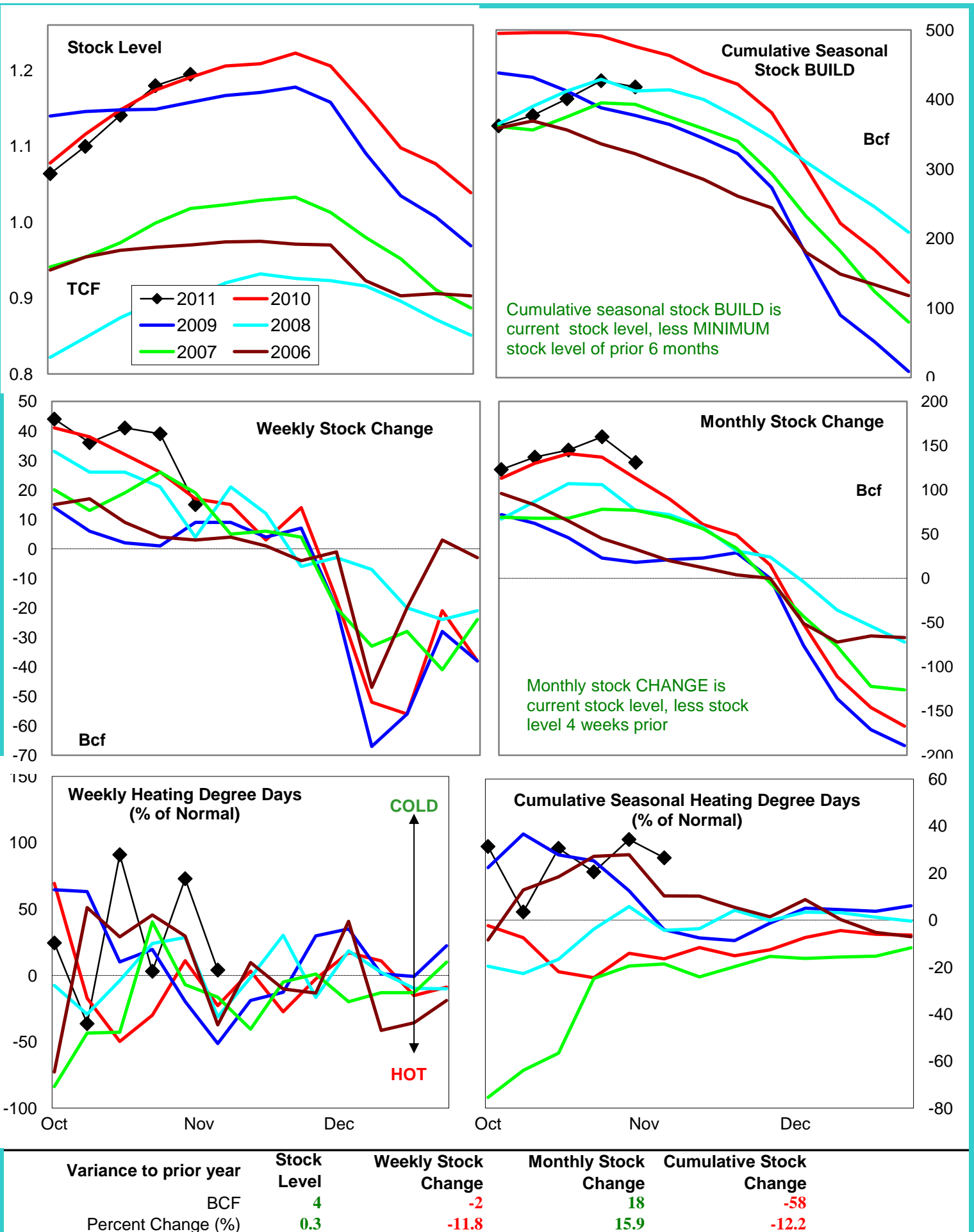
70.6

87

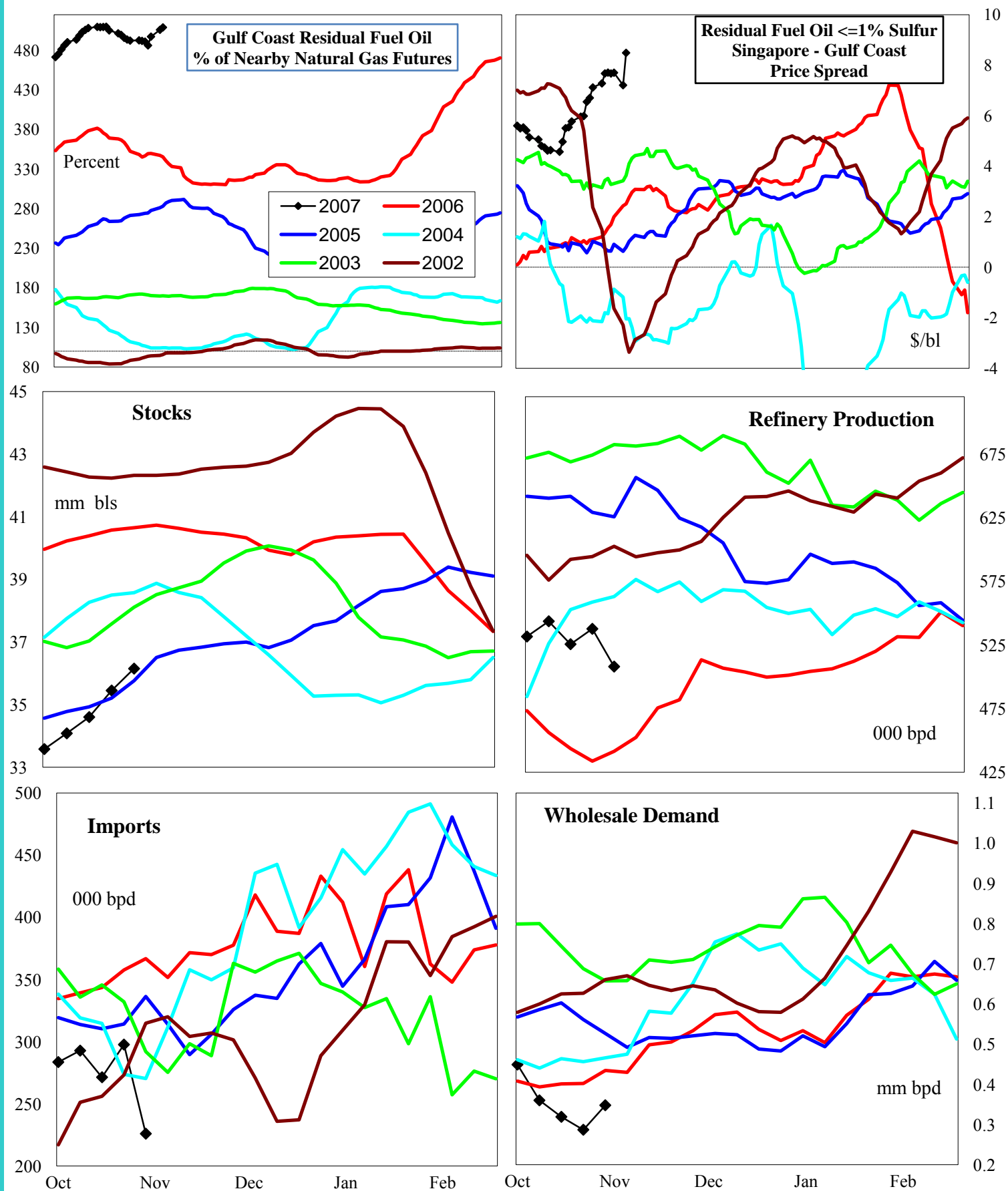
45.5



# 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 bls stks)

% change

Stocks

-4,255

-10.5

Prod

86

19.7

Imports

-62

-18.4

Demd=>

4wk avg

-105

-27.2

Sep

19

3.7

Aug

-62

-13.0

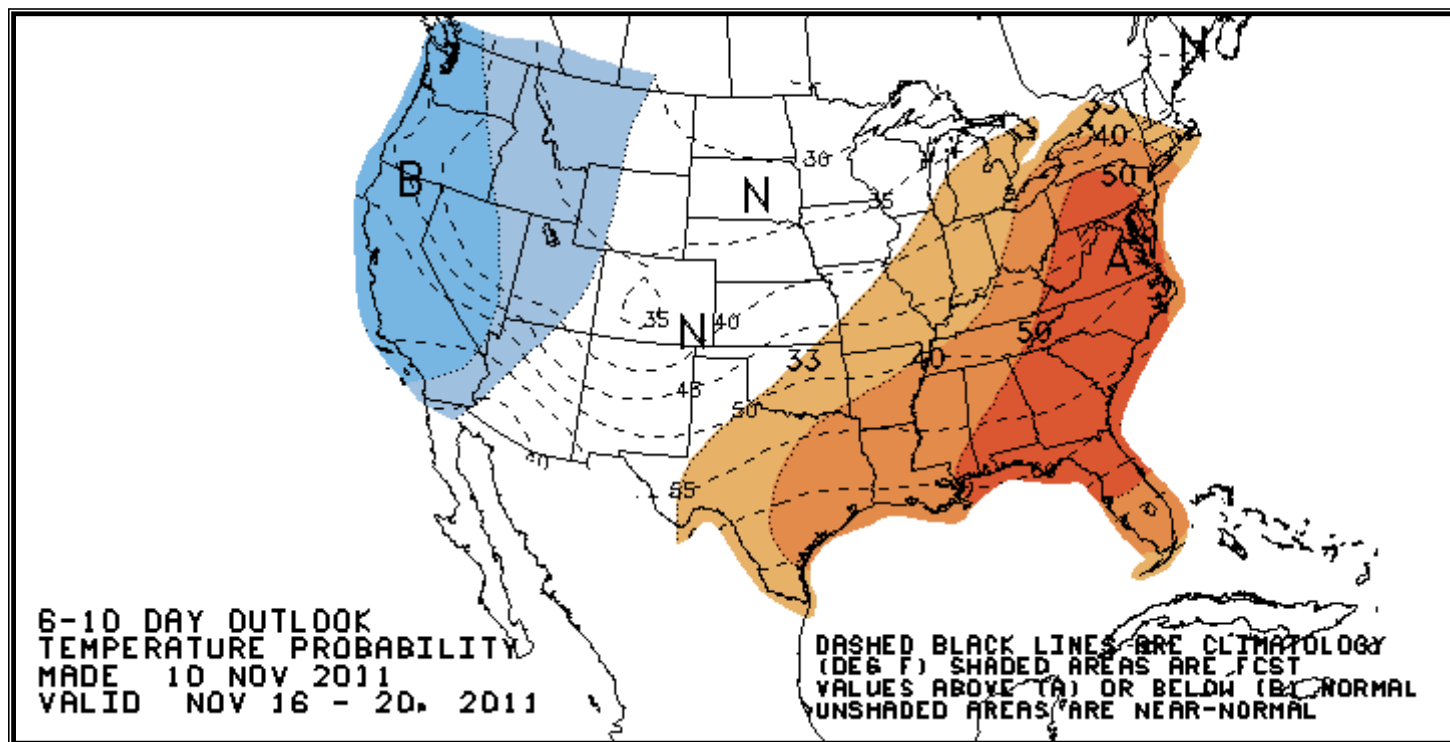
Jul

-279

-46.9

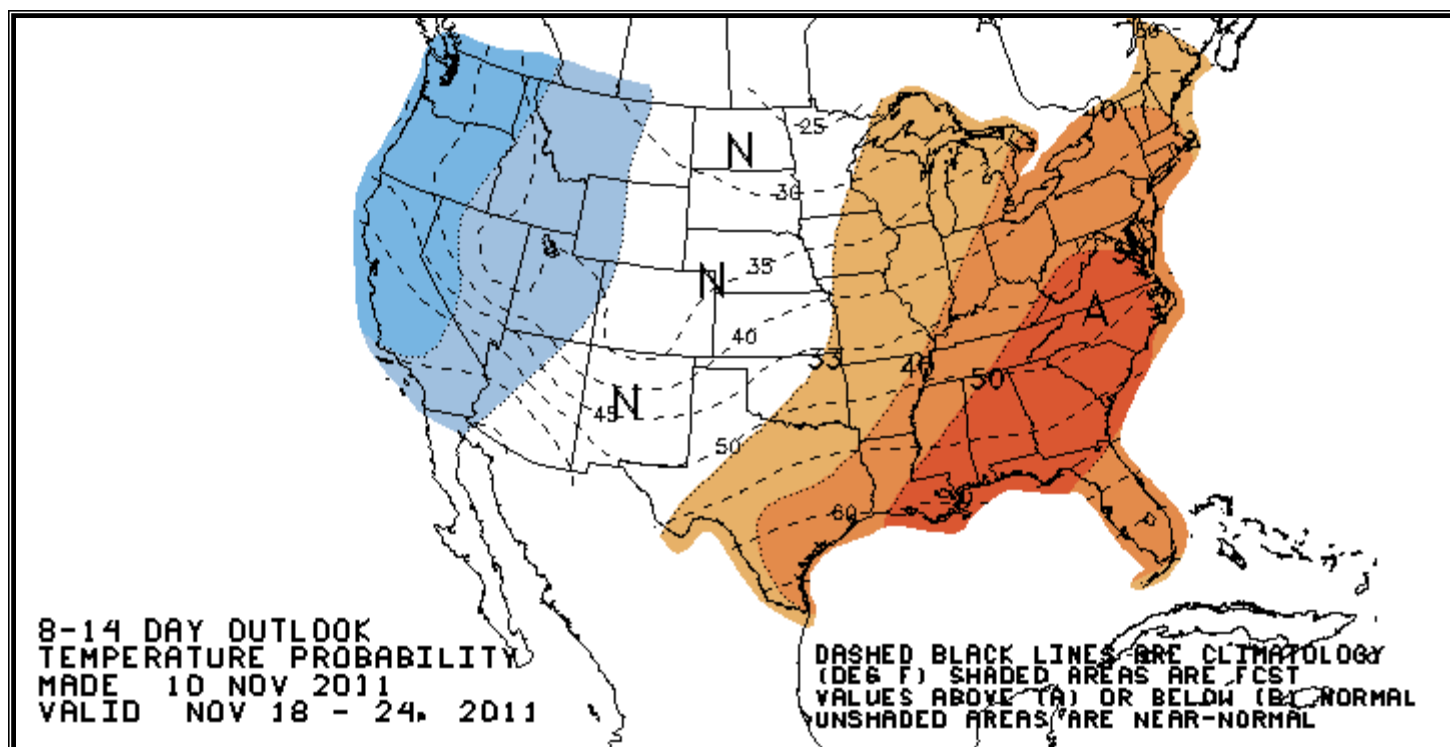
## National Weather Service Climate Prediction Center

## Degree Days 6 - 10 Day Temperature Forecast



## National Weather Service Climate Prediction Center

## Degree Days 8 - 14 Day Temperature Forecast





# American Gas Association Regions

