



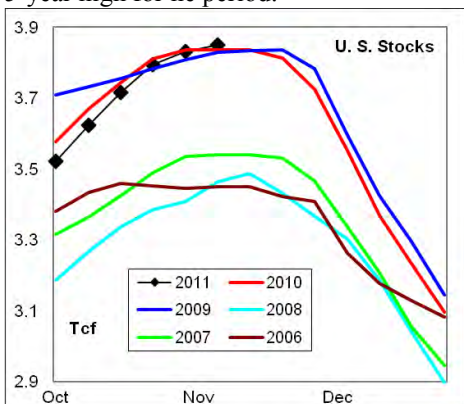
## WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

### A Fundamental Petroleum Trends Weekly Report

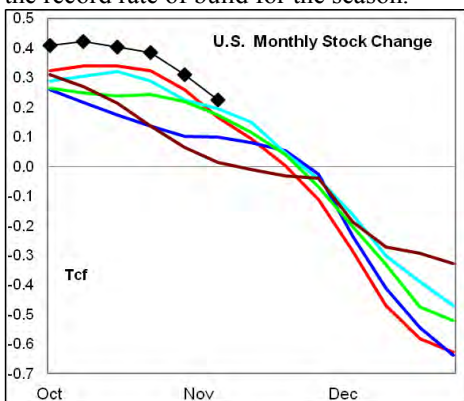
Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Thursday, November 17, 2011



**Summary**<sup>1</sup> The stock build of +19 Bcf for the week was slightly above the mid range for the week. Stock levels reached a new 5-year high for the period.



The latest 4-wk stock build was extended the record rate of build for the season.



In the East Region stocks increased +9 Bcf for the period, a level above the historic mid range for the week. Stocks decreased -1 Bcf in the West Region, a record draw for the week. The stock build of +11 Bcf in the Producing Region was above the mid range for this time of year.

Heating degree days were -13% below normal in the East Region, +53% above normal in the West Region and +24% above normal in the Producing Region for the week ending 12Nov11.

**Heating degree days** were -3% below normal for the week ended 12Nov11, and forecast to be -20% below normal for the week ending 19Nov11.

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

[Data Source is EIA Weekly Statistics](#)

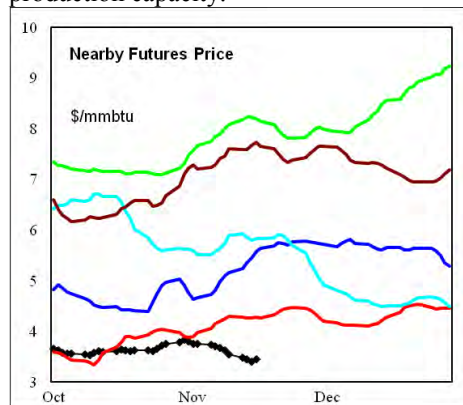
[National Weather Service 6-10 Day](#)

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

The 6-10 day NWS forecast for the week ending 26Nov11 is for sharply below normal heating degree days in the Eastern 3/4ths of the country, and near normal in the west.

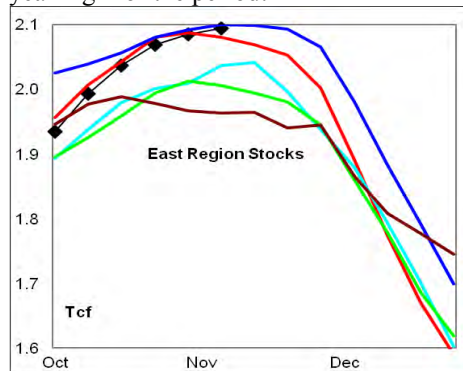
The 8-14 day NWS forecast for the week ending 30Nov11 is for well below normal heating degree days in the Eastern 2/3rds of the country, and near normal in western 1/4th of the country.

**Prices:** Nearby gas futures prices decreased -\$0.21/mmbtu for the week ending 17Nov11; falling to a 5-year low. 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 +9 Bcf last week, a level above the historic mid range. The latest 4-wk stock build matched the 5-year high for the period.

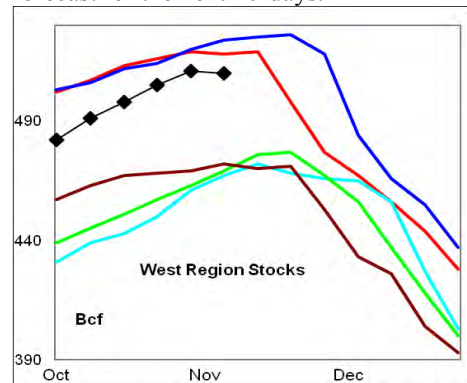


Heating degree days in the region were -13% below normal for the week ending 12Nov11, and forecast to be -23% below normal for the week ending 19Nov11. Sharply below normal heating degree days are forecast for the next 10-days.

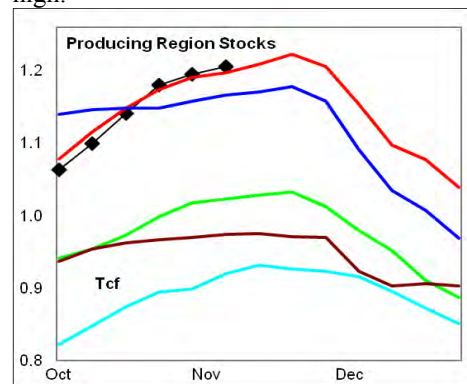
**West Region** stocks decreased -1 Bcf on the week, a record draw for the week. Stock levels ended the week -1.5% below

the 5-year high. The latest 4-wk stock build matched the mid range for the week.

Heating degree days were +53% above normal for the week ending 12Nov11, forecast to be +4% above normal for the week ending 19Nov11. Near normal heating degree days are forecast for the next 10-days.



**Producing Region** stocks experienced a build of +11 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 +0.7% above the previous record high.



Heating degree days were +24% above normal for the week ending 12Nov11, and forecast to be -22% below normal for the week ending 19Nov11. Sharply 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:** Significantly below normal heating degrees, record 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 17, 2011

For the week ending: 11-Nov-11

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

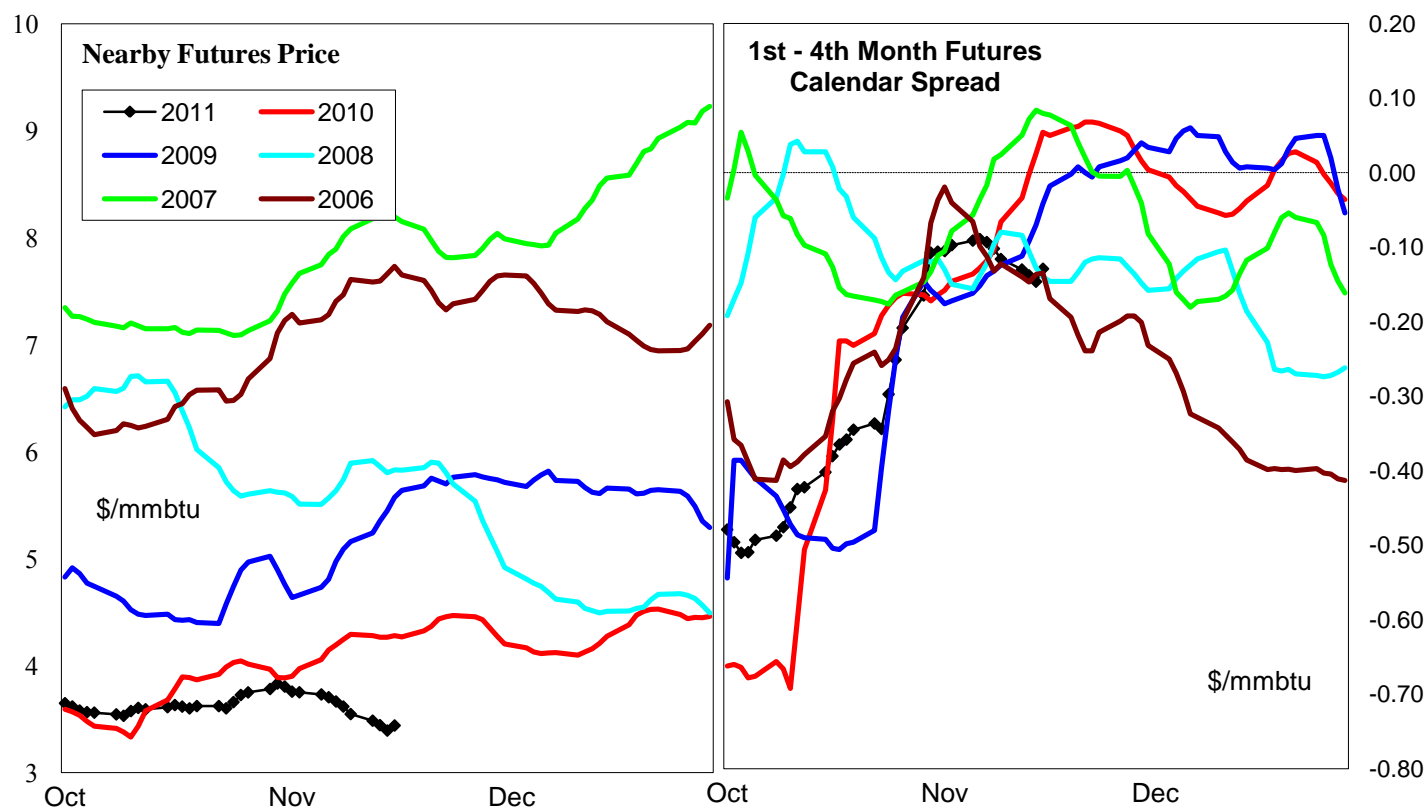
Week ending:	11-Nov-11			5-Nov-11		12-Nov-11		19-Nov-11	
Region	Weekly Stocks			Weekly Heating Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	3,850	19	0.4	26	17%	-8	-3%	-5	-20%
East	2,094	9	0.7	25	10%	-15	-13%	-2	-23%
West	510	-1	-1.5	23	25%	31	53%	-13	4%
Producing	1,246	11	0.7	30	73%	-5	24%	-14	-22%

### Seasonal Trends in Stocks and Heating Degree Days

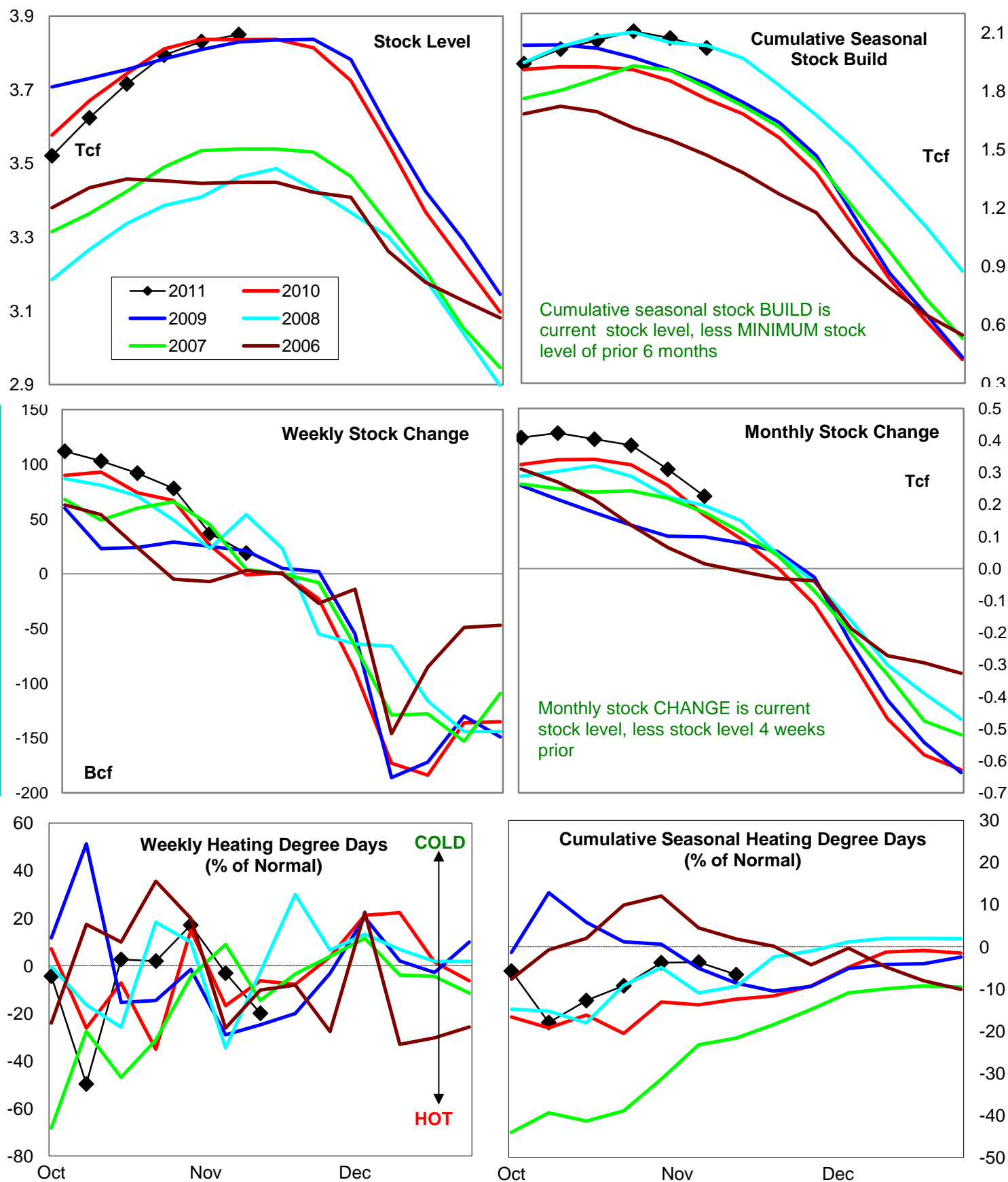
	Cumulative Stock Change			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
<b>U.S. Total</b>	<b>2,023</b>	<b>263</b>	<b>13.0</b>	<b>123</b>	<b>-3.8</b>	<b>115</b>	<b>-3.7</b>	<b>110</b>	<b>-6.6</b>
<b>East</b>	<b>1,346</b>	<b>216</b>	<b>16.0</b>	<b>137</b>	<b>-5.7</b>	<b>122</b>	<b>-7.1</b>	<b>120</b>	<b>-9.9</b>
<b>West</b>	<b>270</b>	<b>94</b>	<b>34.8</b>	<b>118</b>	<b>-11.6</b>	<b>149</b>	<b>-2.0</b>	<b>137</b>	<b>-1.1</b>
<b>Producing</b>	<b>407</b>	<b>-47</b>	<b>-11.5</b>	<b>77</b>	<b>34.3</b>	<b>72</b>	<b>31.6</b>	<b>58</b>	<b>18.4</b>

### Futures Market Price Trends

Date:	17-Nov-11	Change vs prior week, month, year		
		11-Nov-11	21-Oct-11	17-Nov-10
<b>1st month Futures</b>	<b>3.44</b>	<b>-0.14</b>	<b>-0.19</b>	<b>-0.83</b>
<b>% change</b>	xxxxx	<b>-3.9</b>	<b>-5.2</b>	<b>-19.4</b>



# United States Natural Gas Stock and Weather Trends



Variance to prior year

Stock  
LevelWeekly Stock  
ChangeMonthly Stock  
ChangeCumulative Stock  
ChangeBCF  
Percent Change (%)

14

0.4

20

-2,000.0

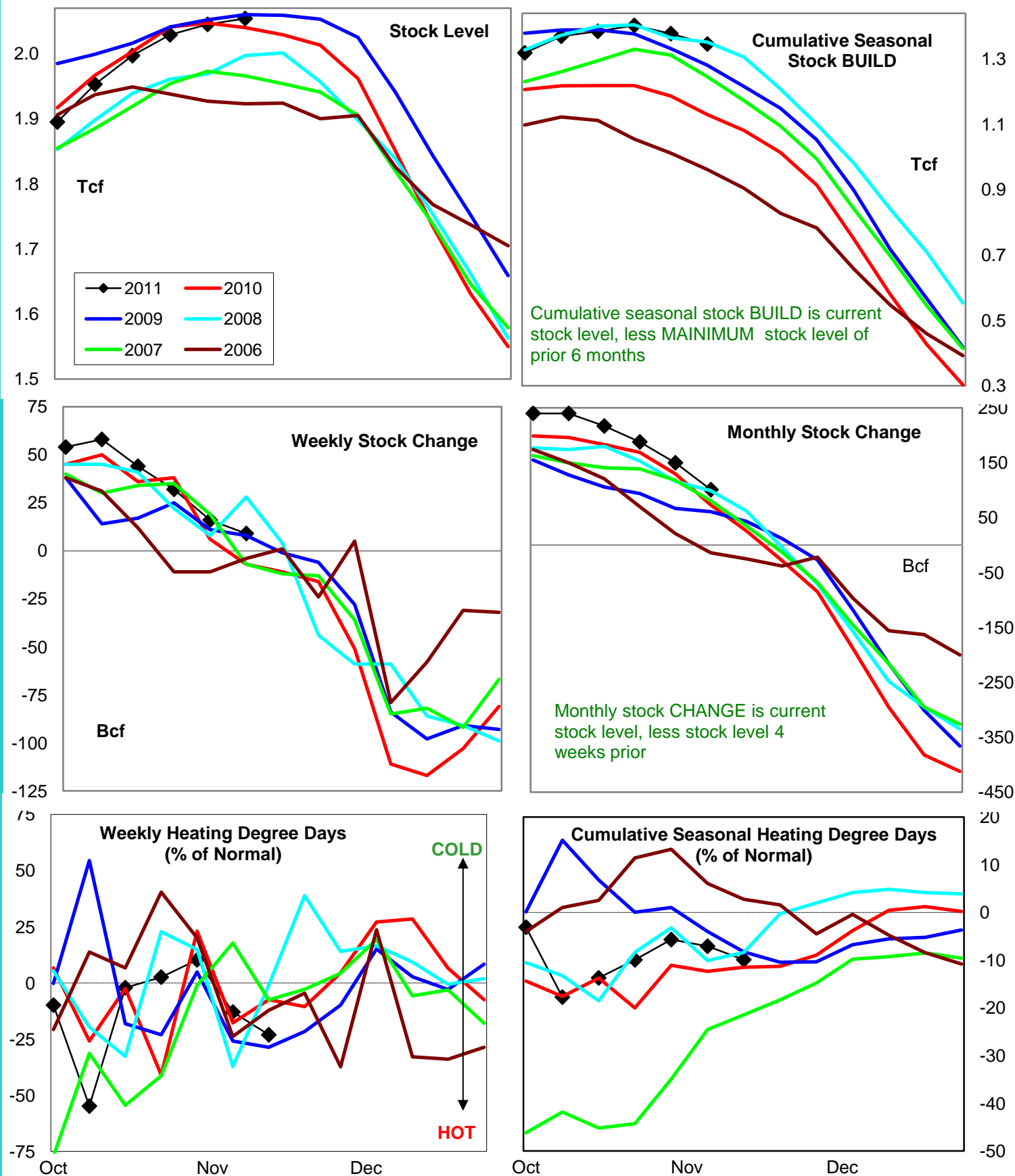
60

36.1

263

14.9

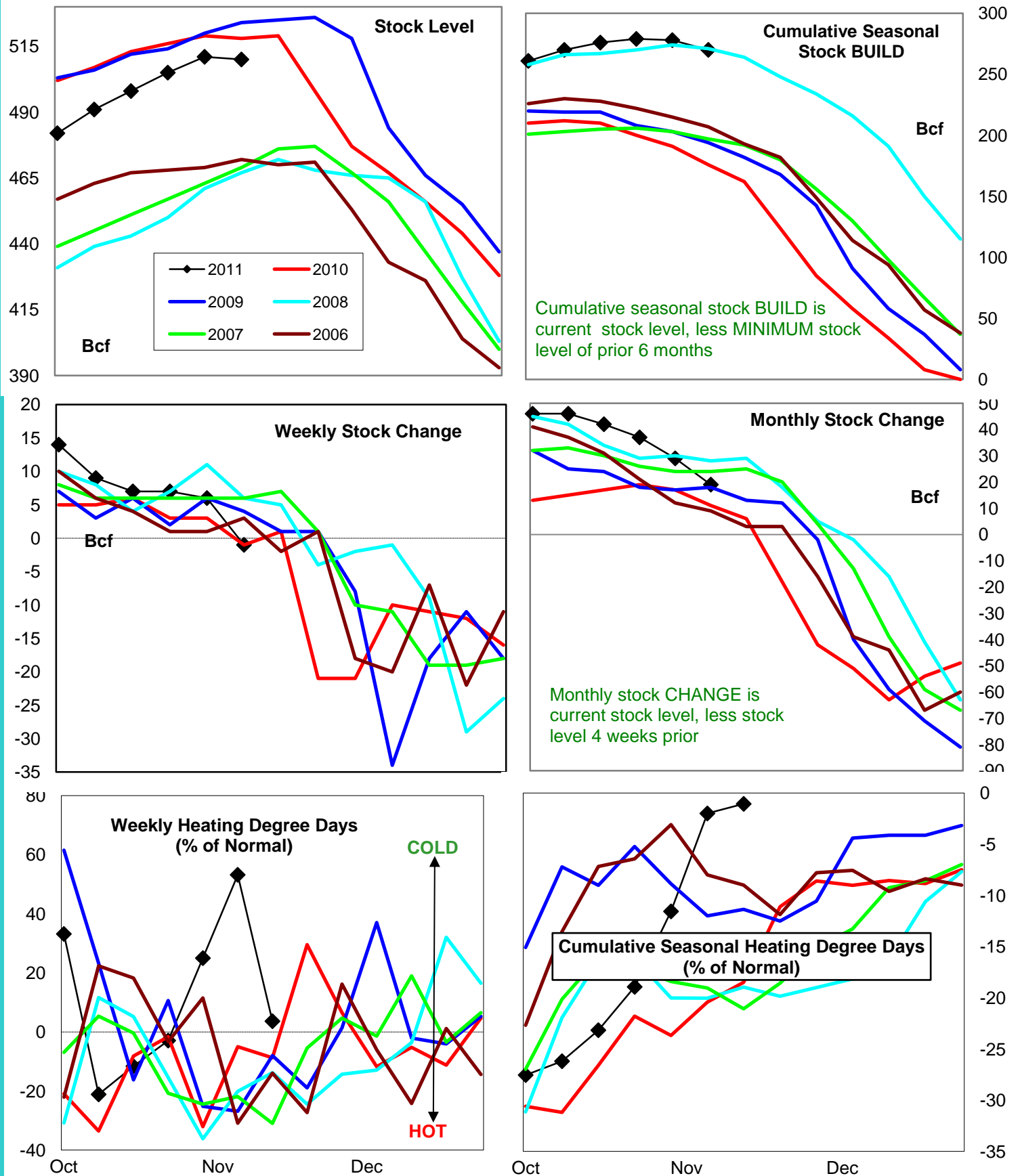
# Natural Gas East Region Stock and Weather Trends



Variance to prior year

Stock  
LevelWeekly Stock  
ChangeMonthly Stock  
ChangeCumulative Stock  
ChangeBCF  
Percent Change (%)14  
0.716  
-228.628  
38.4216  
19.1

# Natural Gas West Region Stock and Weather Trends



Variance to prior year

Stock  
LevelWeekly Stock  
ChangeMonthly Stock  
ChangeCumulative Stock  
ChangeBCF  
Percent Change (%)

-8

-1.5

0.0

8

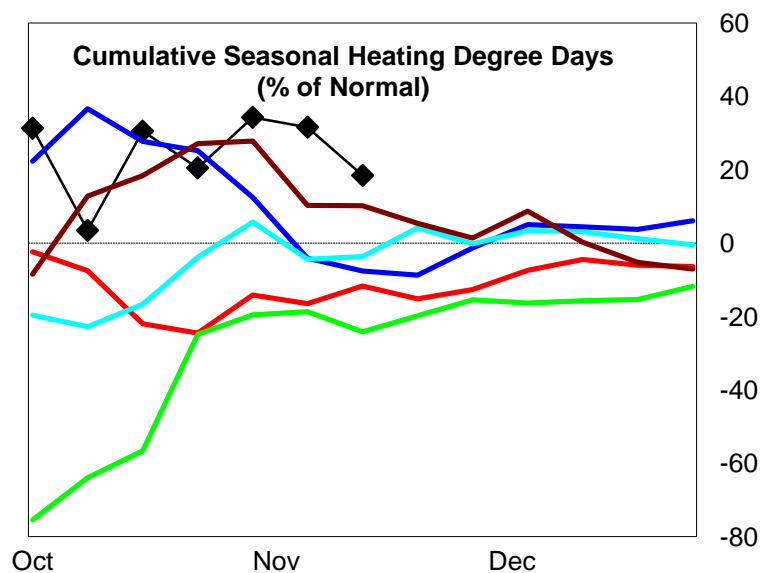
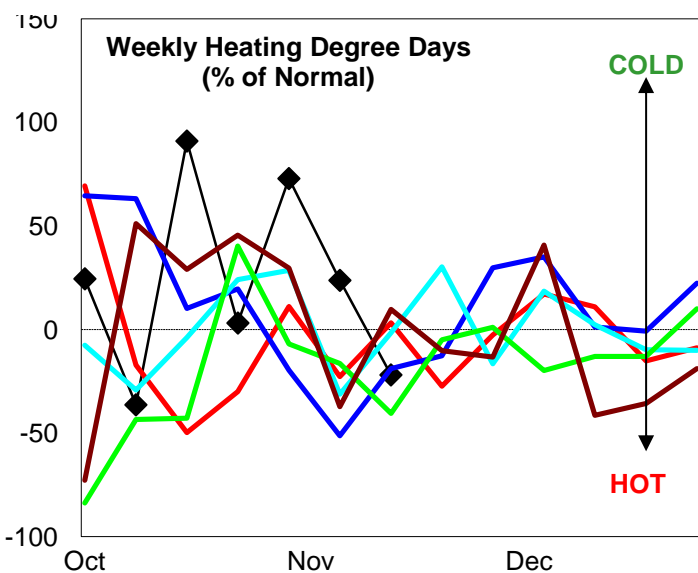
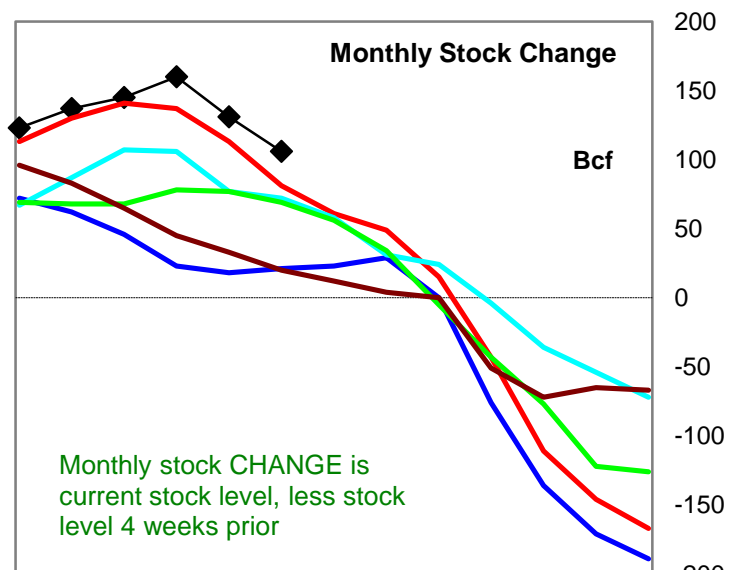
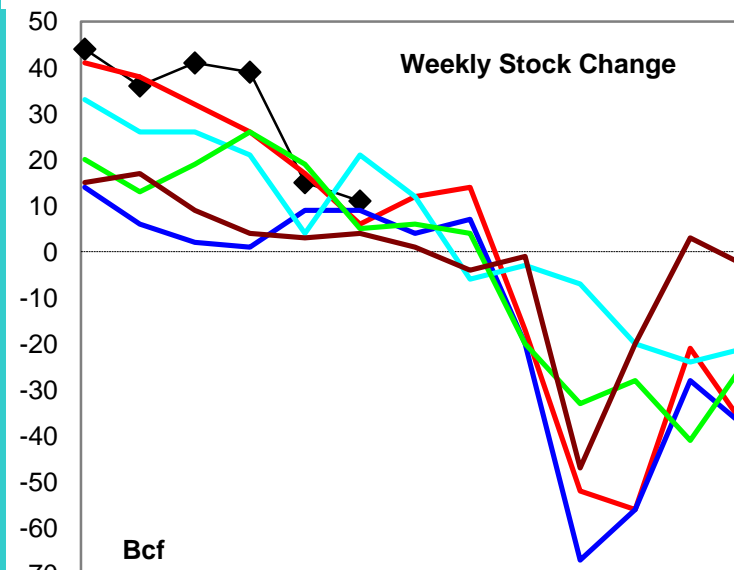
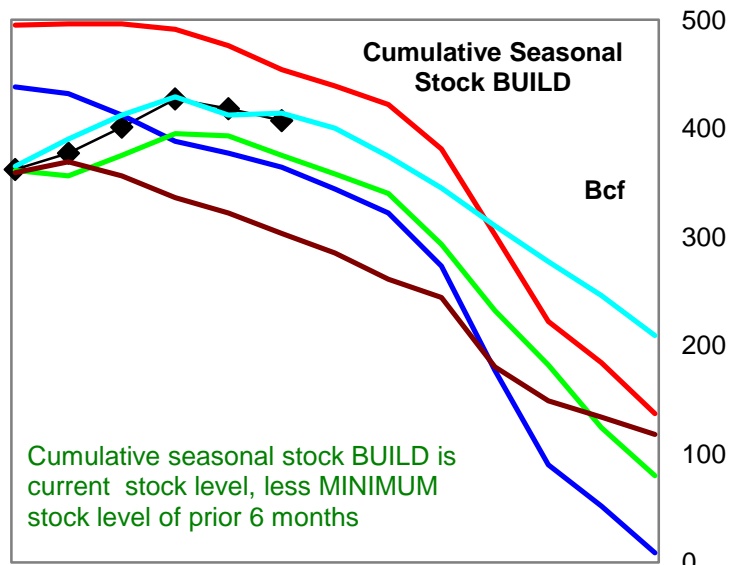
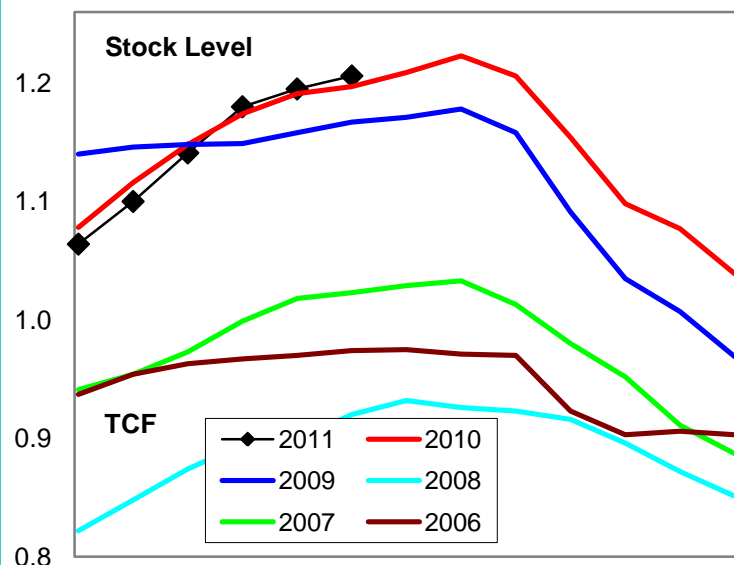
72.7

94

53.4



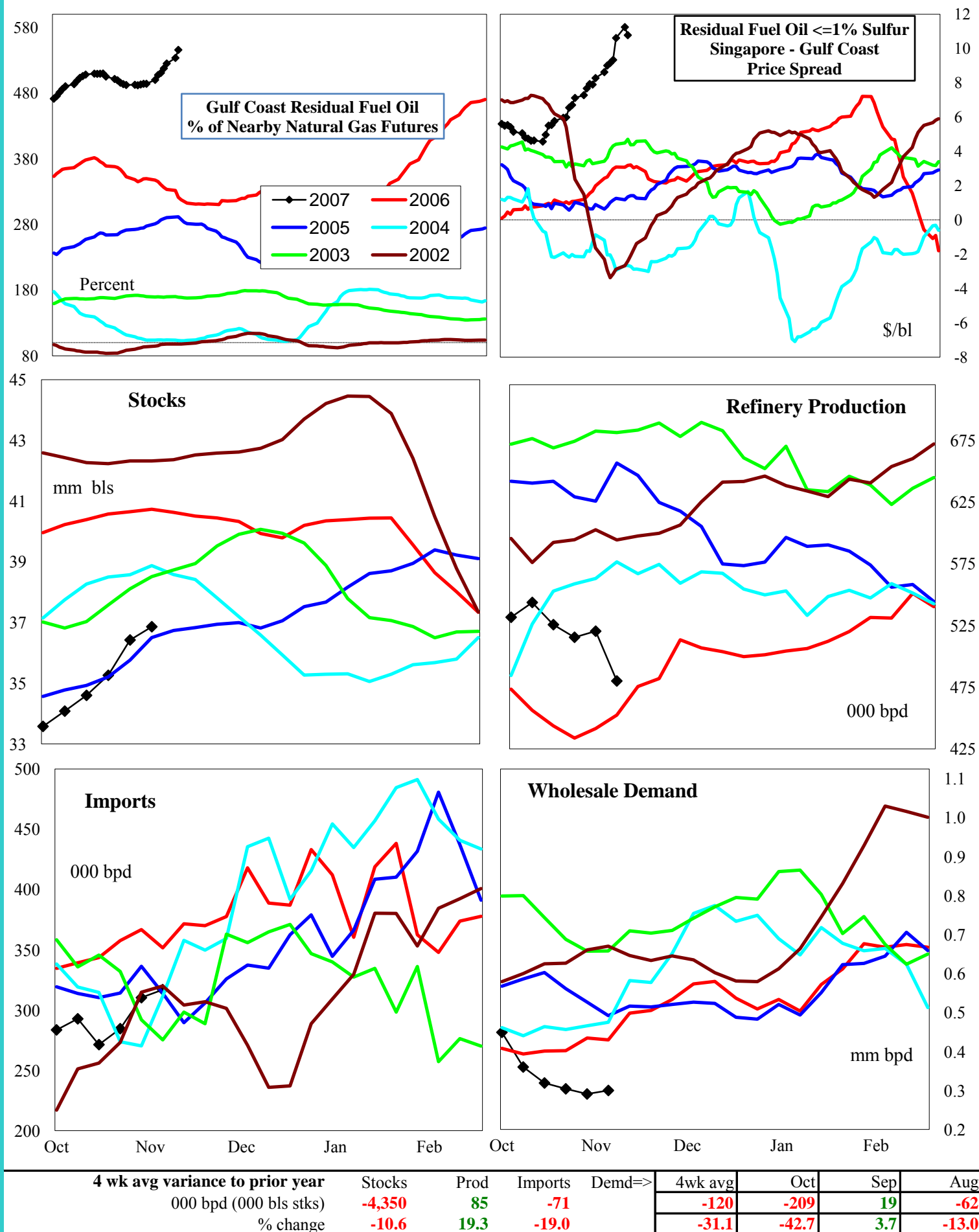
# Natural Gas Producing Region Stock and Weather Trends



Variance to prior year

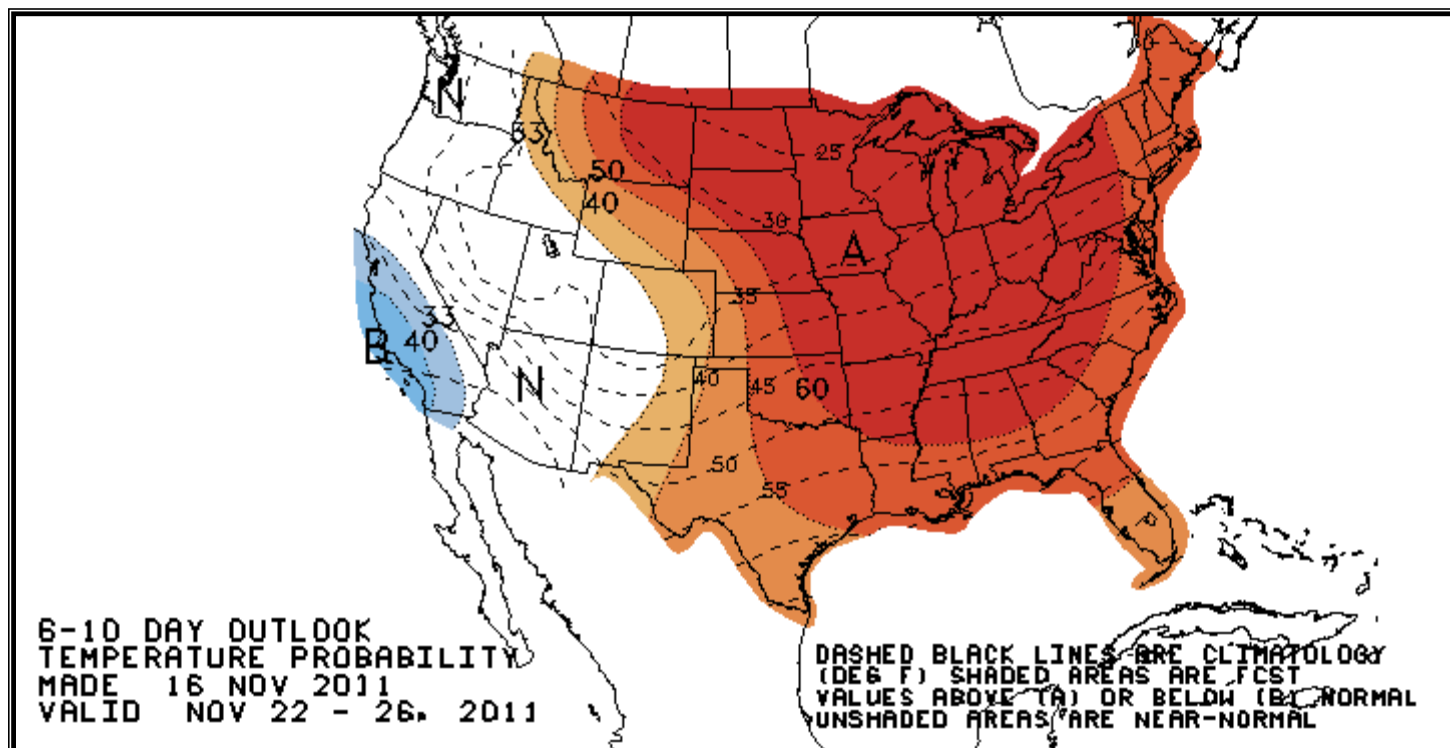
Stock  
LevelWeekly Stock  
ChangeMonthly Stock  
ChangeCumulative Stock  
ChangeBCF  
Percent Change (%)9  
0.75  
83.325  
30.9-47  
-10.4

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



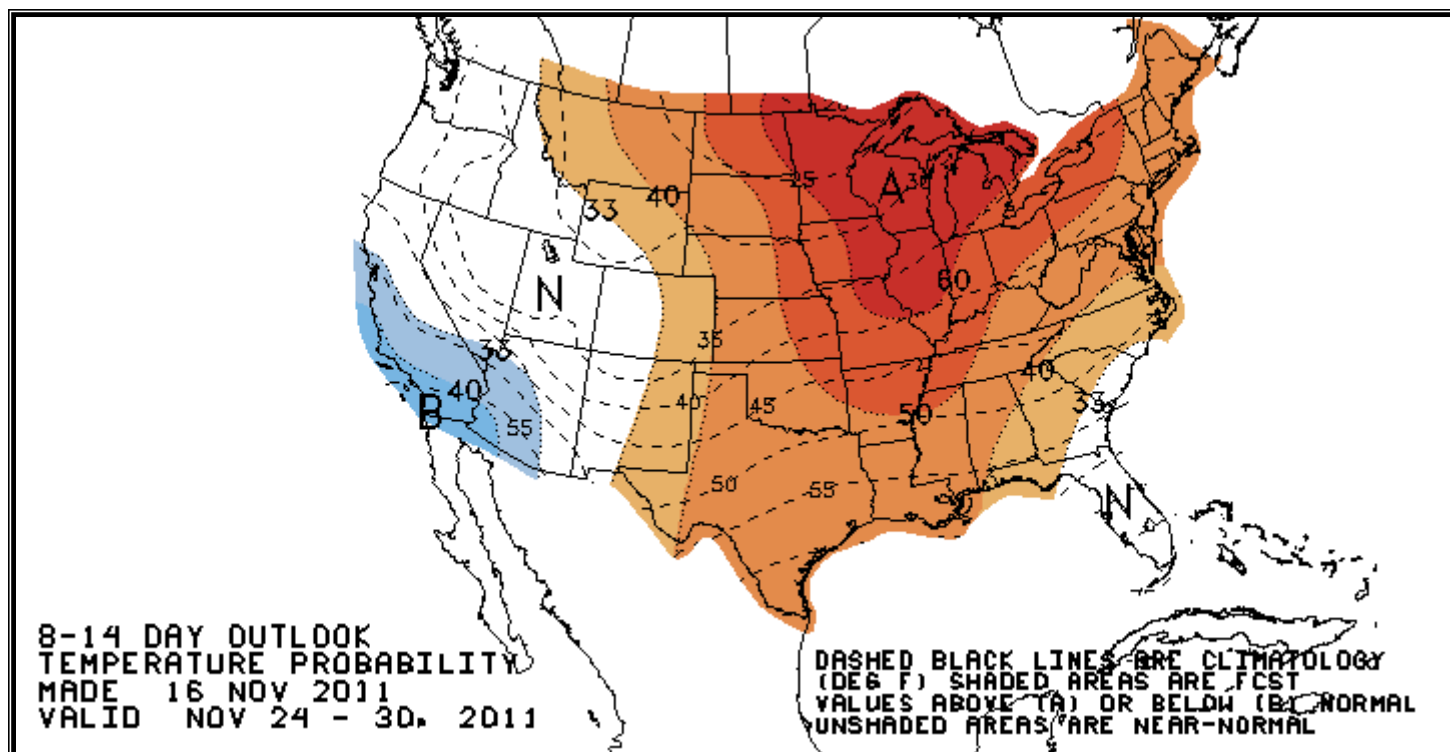
## National Weather Service Climate Prediction Center

## Degree Days 6 - 10 Day Temperature Forecast



## National Weather Service Climate Prediction Center

## Degree Days 8 - 14 Day Temperature Forecast





# American Gas Association Regions

