

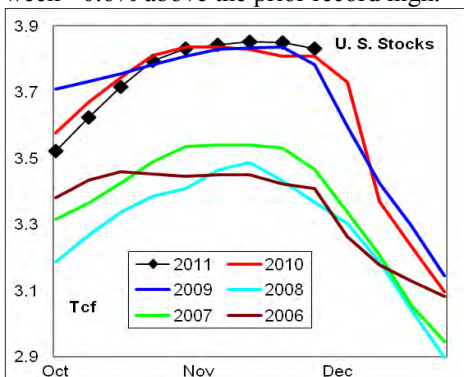
# WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

## A Fundamental Petroleum Trends Weekly Report

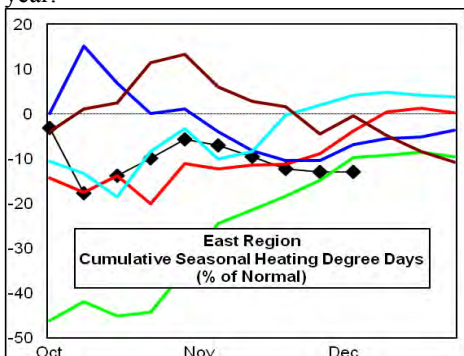
Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Thursday, December 08, 2011



**Summary**<sup>1</sup> The stock draw of -20 Bcf for the week was less than the 5-year mid range for the week. Stock levels ended the week +0.6% above the prior record high.



Cumulative heating degree days for the U.S. market were -13% below last year, and less than four of the last 5-years. The East Region cumulative heating degree days were a record low for this time of year.



In the East Region stocks decreased -16 Bcf for the week, a draw that was less than the mid range for this time of year. Stocks increased +1 Bcf in the West Region, a build that was above the historic range for the week. The stock draw of -5 Bcf in the Producing Region matched the mid range for the week.

Heating degree days were -16% below normal in the East Region, -5% below normal in the West Region and +22% above normal in the Producing Region for the week ending 203Dec11.

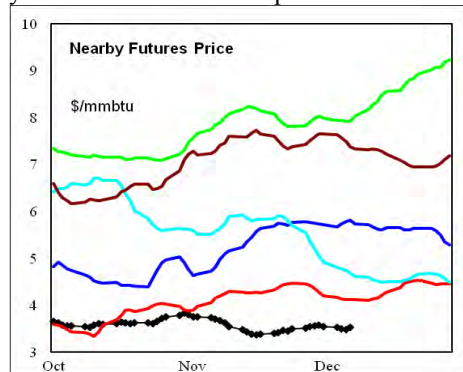
**Heating degree days** were -10% below normal for the week ended 03Dec11, and

forecast to be -6% below normal for the week ending 10Dec11.

The 6-10 day NWS forecast for the week ending 17Dec11 is for below normal heating degree days in the Eastern 1/3rd of the country and above normal heating degree days in the Western 1/3rd of the country.

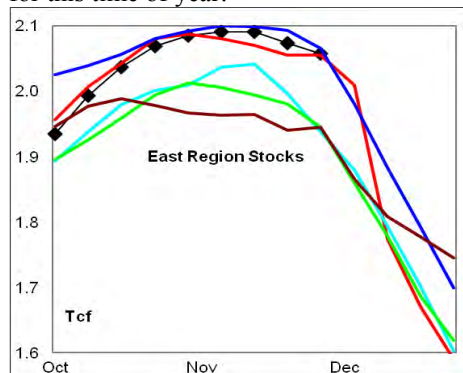
The 8-14 day NWS forecast for the week ending 21Dec11 is for below normal heating degrees in the central 1/3rd of the country and above normal heating degree days in the Western 1/3rd of the country.

**Prices:** Nearby gas futures prices decreased -\$0.15/mmbtu for the week ending 08Dec11; a level -\$1.12/mmbtu below last years' record low for the period.



The 1<sup>st</sup> - 4<sup>th</sup> month forward price curve trended lower for the week ending 08Dec11 at a level below the last 2-years.

**East Region** stocks decreased -16 Bcf for the week, a draw that was less than the mid range for this time of year. The latest 4-wk stock build matched the historic mid range for this time of year.

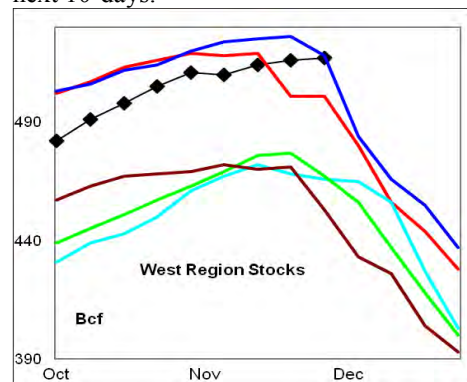


Heating degree days in the region were -16% below normal for the week ending 03Dec11, and forecast to be -14% below normal for the week ending 10Dec11. Well below normal heating degree days are forecast for the next 10-days.

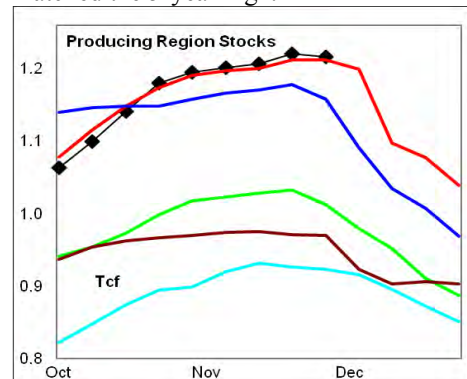
**West Region** stocks increased +1 Bcf on the week, a build that was above the historic range for the week period. Stock

levels ended the week at a level that matched 5-year highs. The latest 4-wk stock build matched the mid range for the week.

Heating degree days were -5% below normal for the week ending 03Dec11, and forecast to be +13% above normal for the week ending 10Dec11. Above normal heating degree days are forecast for the next 10-days.



**Producing Region** stocks experienced a draw of -5 Bcf on the week, a draw that matched the historic mid range for the period. The monthly stock build was at the upper end of the historic range. Stock levels ended the week at a level that matched the 5-year high.



Heating degree days were +22% above normal for the week ending 03Dec11, and forecast to be +20% above normal for the week ending 10Dec11. 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:** Temperatures are forecast to remain above normal in the Eastern 1/2 of the country for the next 2-wks. Stock levels match or exceed 5-year highs in all regional markets. These trends point to continued price weakness.

### <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: December 8, 2011

For the week ending: 2-Dec-11

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

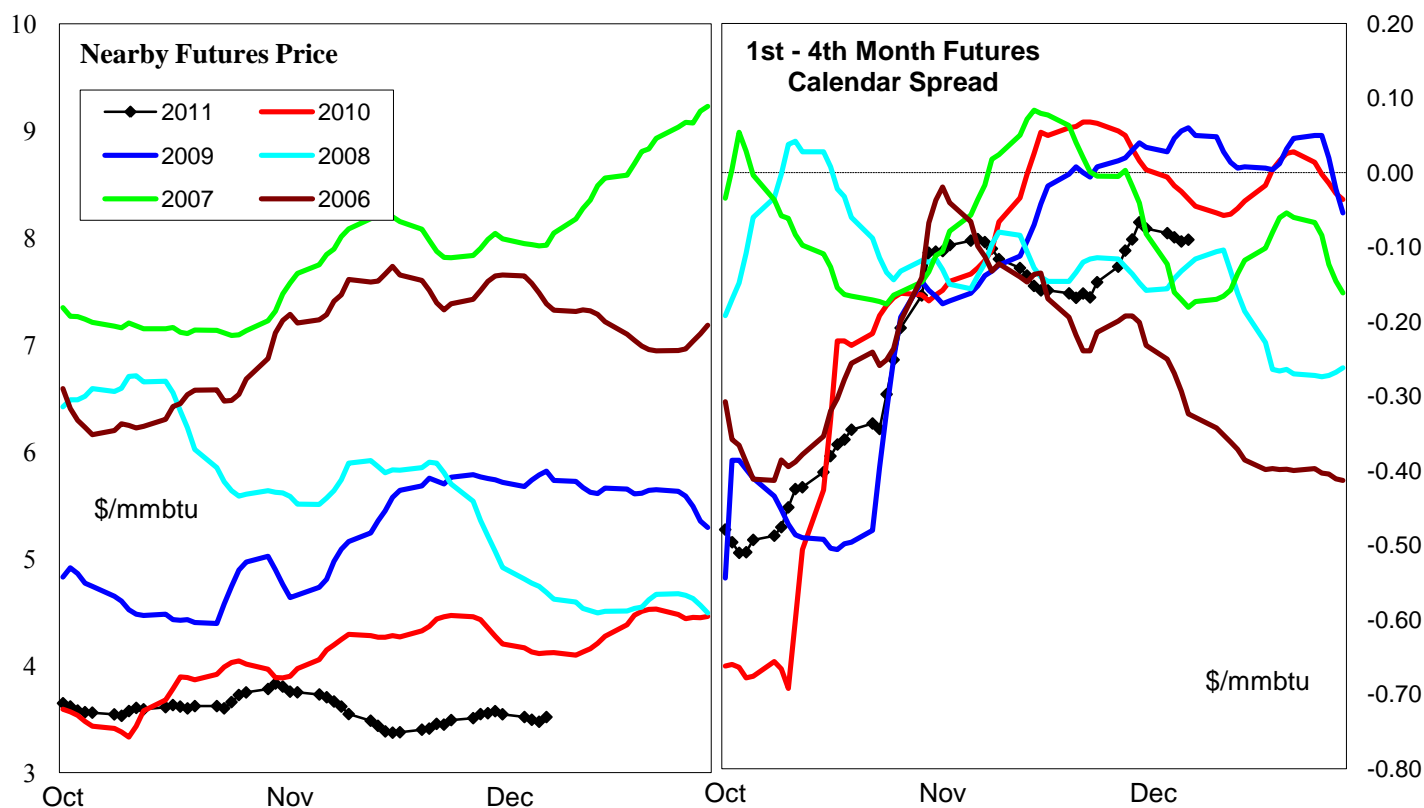
Week ending:	2-Dec-11			26-Nov-11		3-Dec-11		10-Dec-11	
Region	Weekly Stocks			Weekly Heating Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	3,831	-20	0.6	5	-23%	36	-10%	30	-6%
East	2,058	-16	0.1	4	-27%	33	-16%	25	-14%
West	517	1	3.2	5	11%	8	-5%	54	13%
Producing	1,256	-5	0.3	8	-31%	64	22%	32	20%

### Seasonal Trends in Stocks and Heating Degree Days

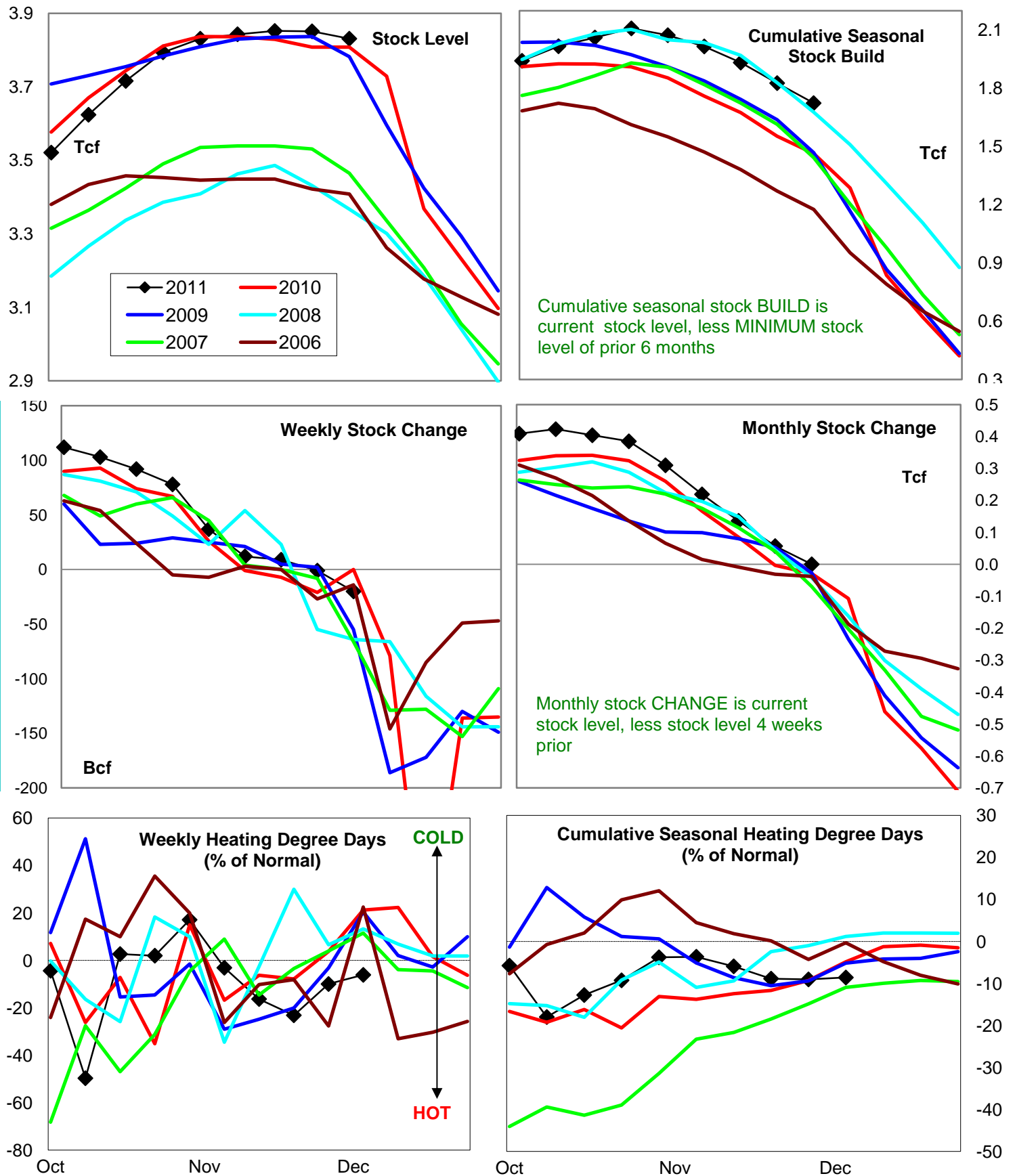
	Cumulative Stock Change			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
<b>U.S. Total</b>	<b>1,724</b>	<b>260</b>	<b>15.1</b>	<b>120</b>	<b>-8.9</b>	<b>156</b>	<b>-9.0</b>	<b>186</b>	<b>-8.6</b>
<b>East</b>	<b>1,147</b>	<b>180</b>	<b>15.7</b>	<b>129</b>	<b>-12.3</b>	<b>162</b>	<b>-12.9</b>	<b>187</b>	<b>-13.0</b>
<b>West</b>	<b>241</b>	<b>132</b>	<b>54.8</b>	<b>155</b>	<b>2.7</b>	<b>163</b>	<b>1.6</b>	<b>217</b>	<b>3.3</b>
<b>Producing</b>	<b>336</b>	<b>-51</b>	<b>-15.2</b>	<b>69</b>	<b>6.9</b>	<b>133</b>	<b>10.2</b>	<b>165</b>	<b>12.2</b>

### Futures Market Price Trends

Date:	8-Dec-11	Change vs prior week, month, year		
		2-Dec-11	10-Nov-11	8-Dec-10
<b>1st month Futures</b>	<b>3.52</b>	<b>-0.06</b>	<b>-0.06</b>	<b>-0.63</b>
<b>% change</b>	xxxxx	<b>-1.8</b>	<b>-1.7</b>	<b>-15.2</b>



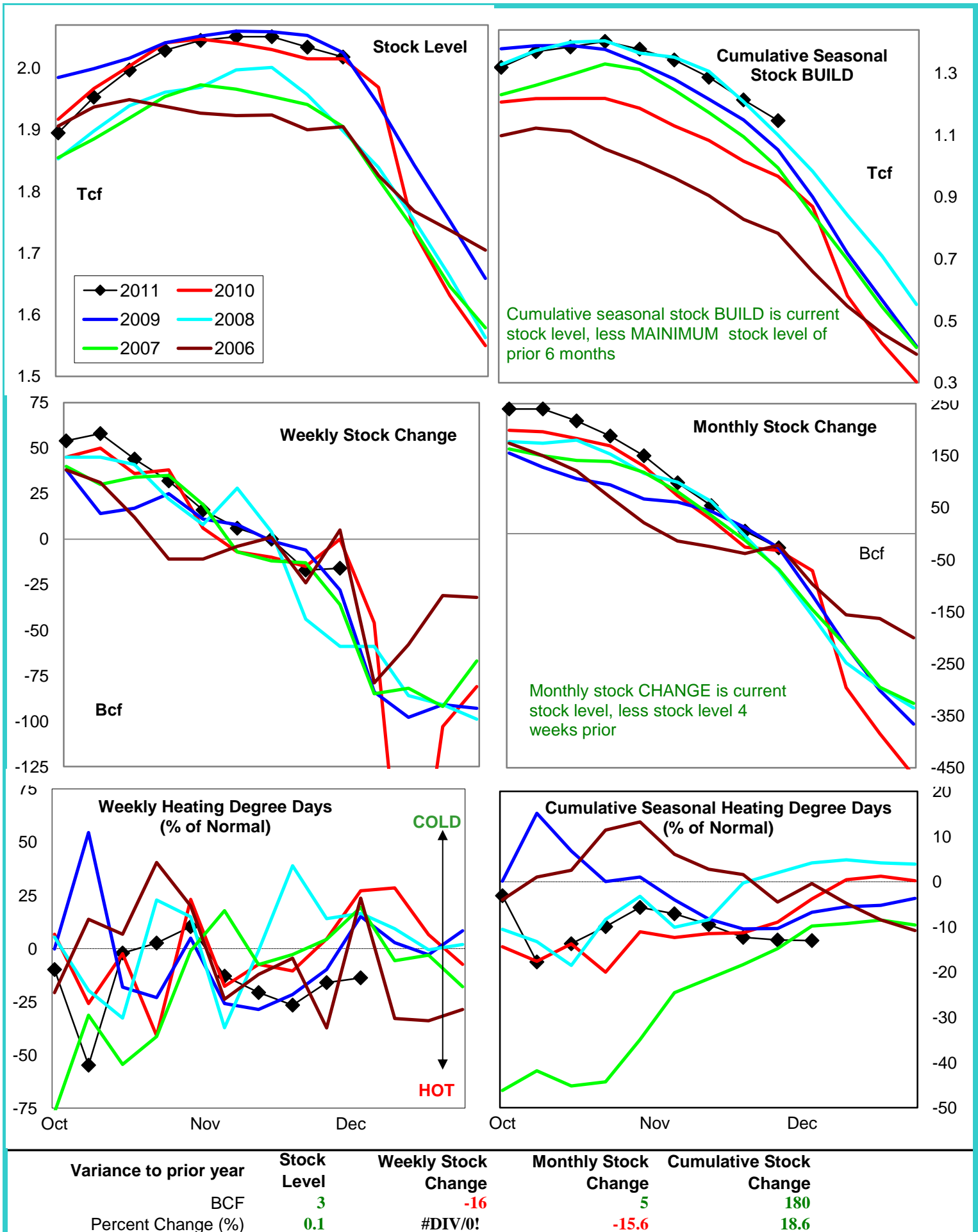
# United States Natural Gas Stock and Weather Trends



Variance to prior year

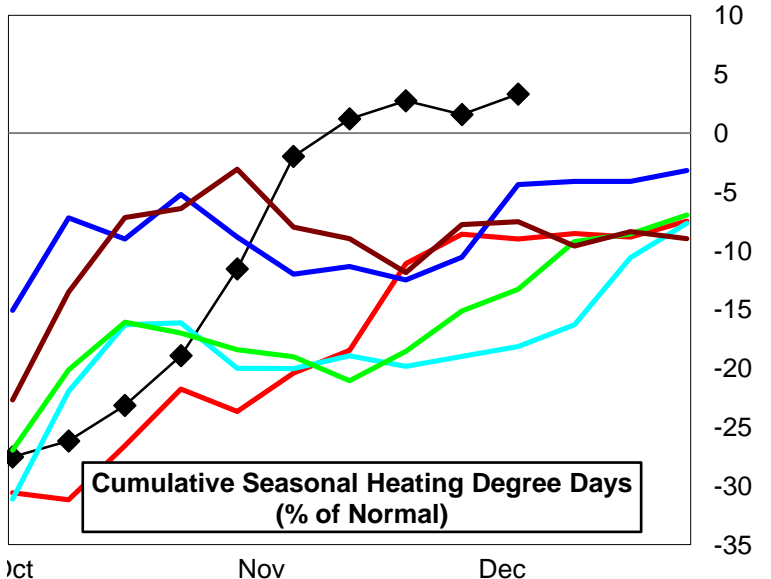
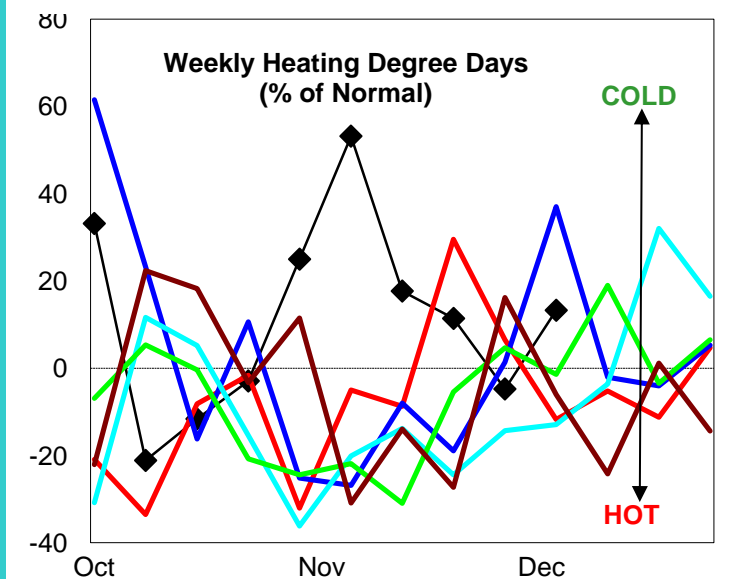
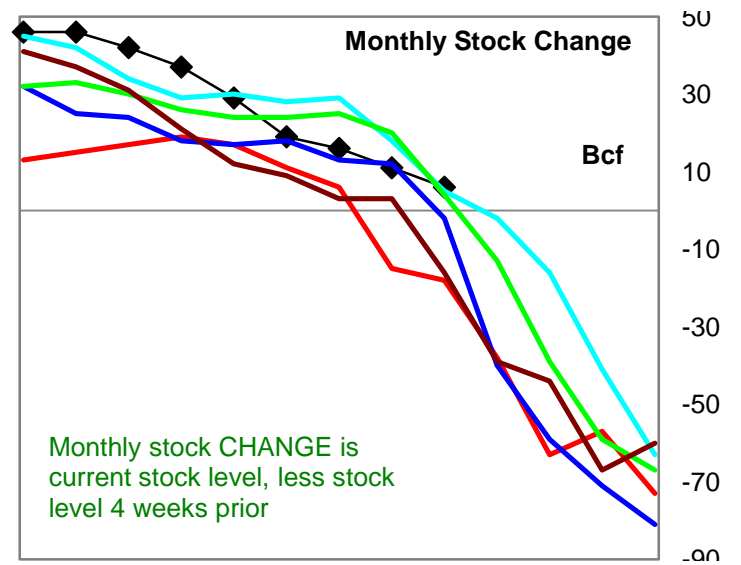
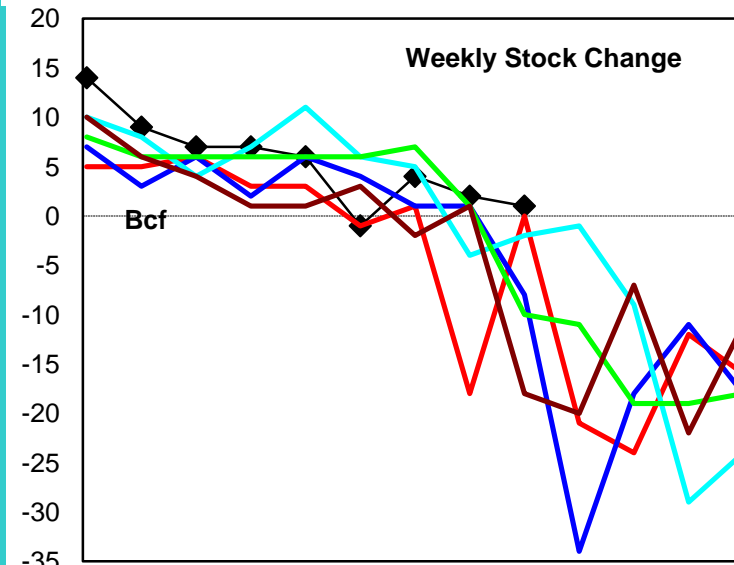
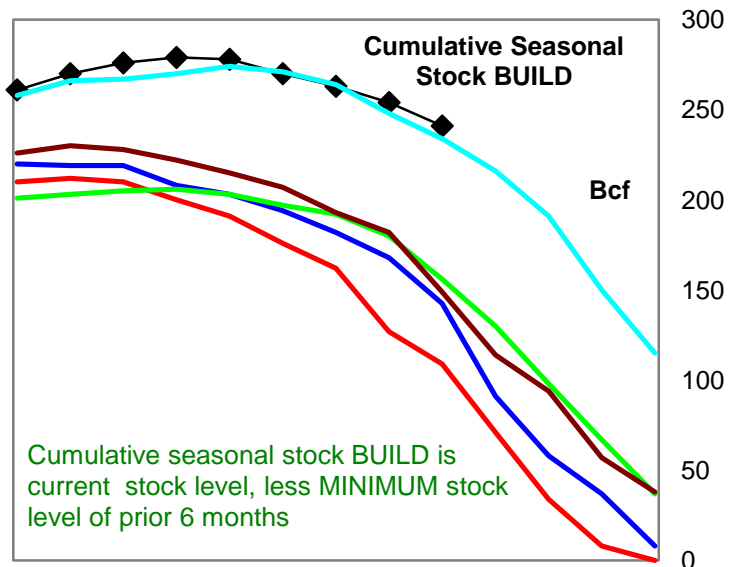
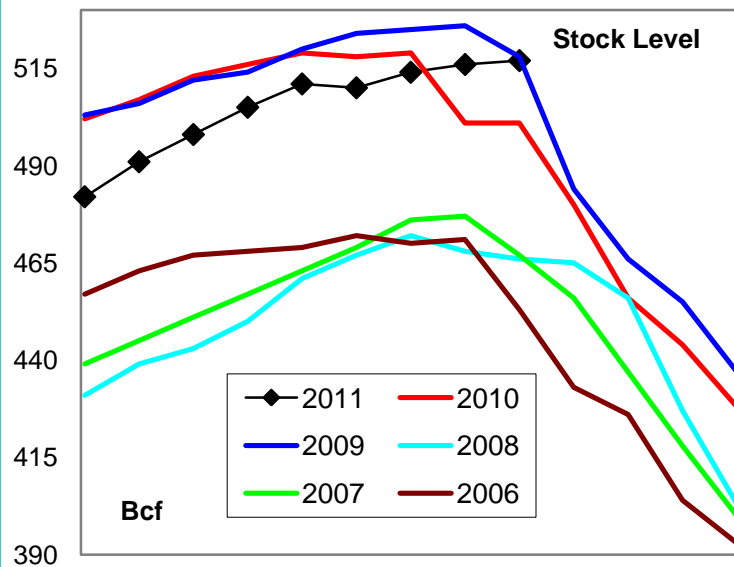
Stock  
LevelWeekly Stock  
ChangeMonthly Stock  
ChangeCumulative Stock  
ChangeBCF  
Percent Change (%)23  
0.6-20  
#DIV/0!29  
-100.0260  
17.8

# 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 (%)

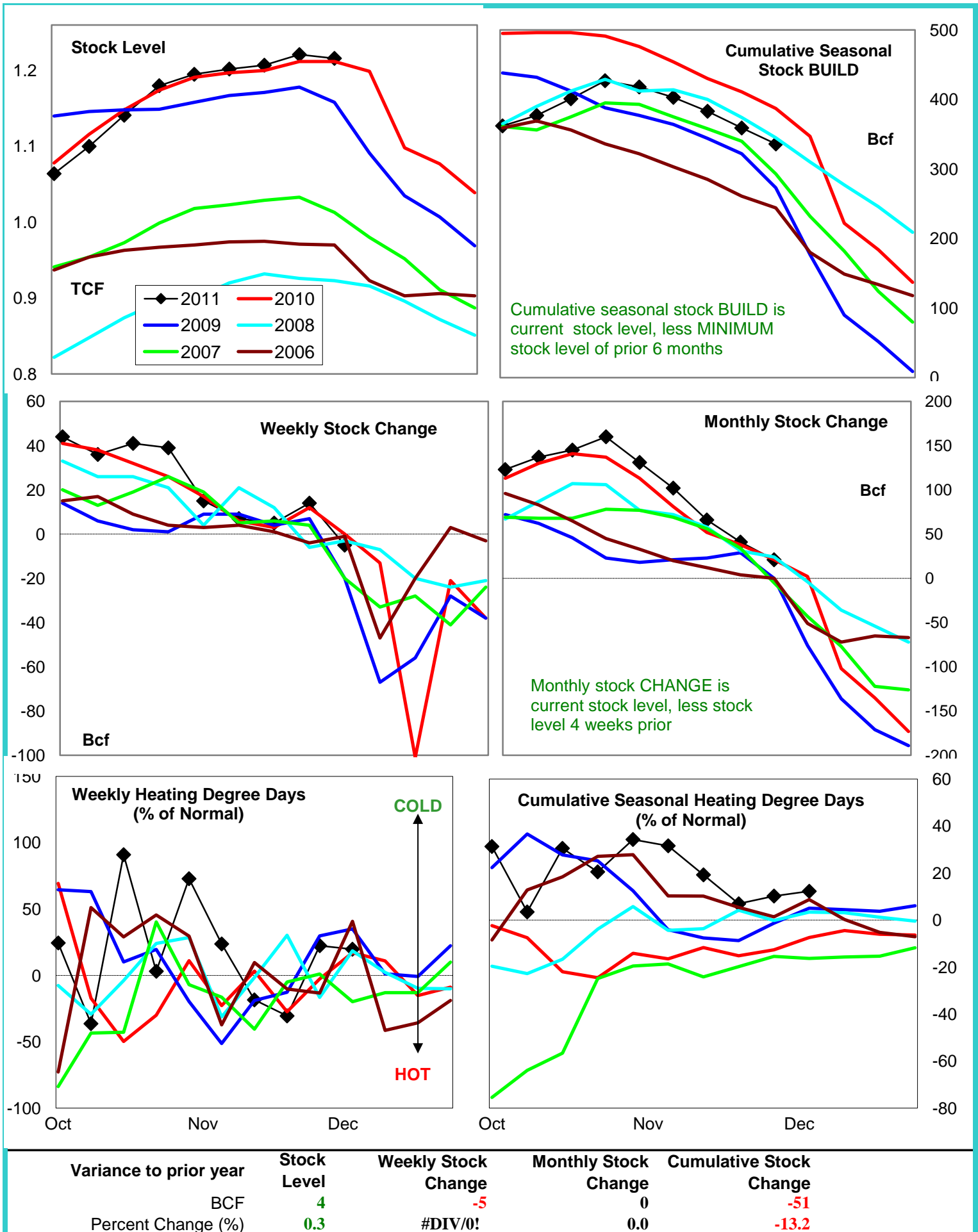
16  
3.2

1  
#DIV/0!

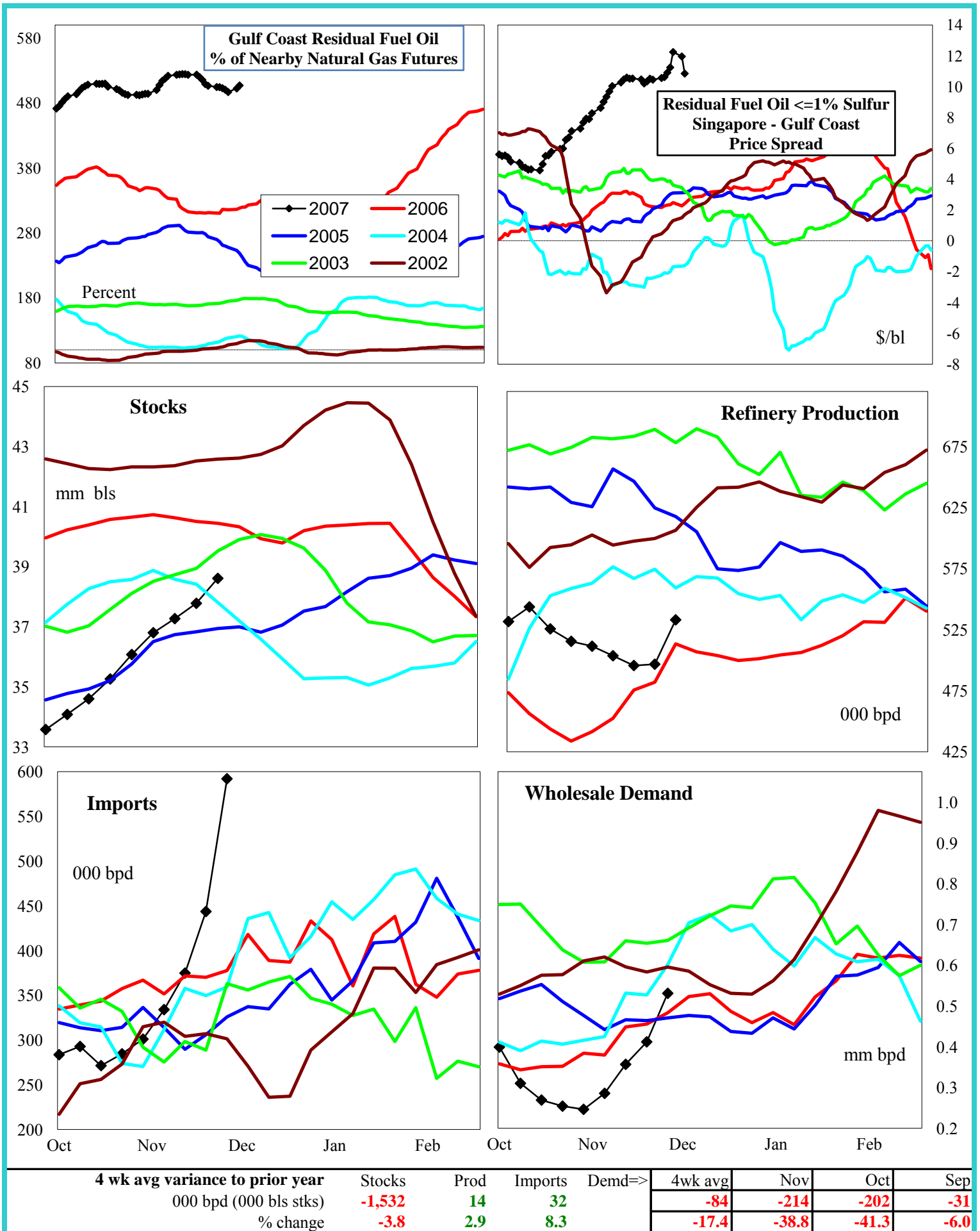
24  
-133.3

132  
121.1

# Natural Gas Producing Region Stock and Weather Trends

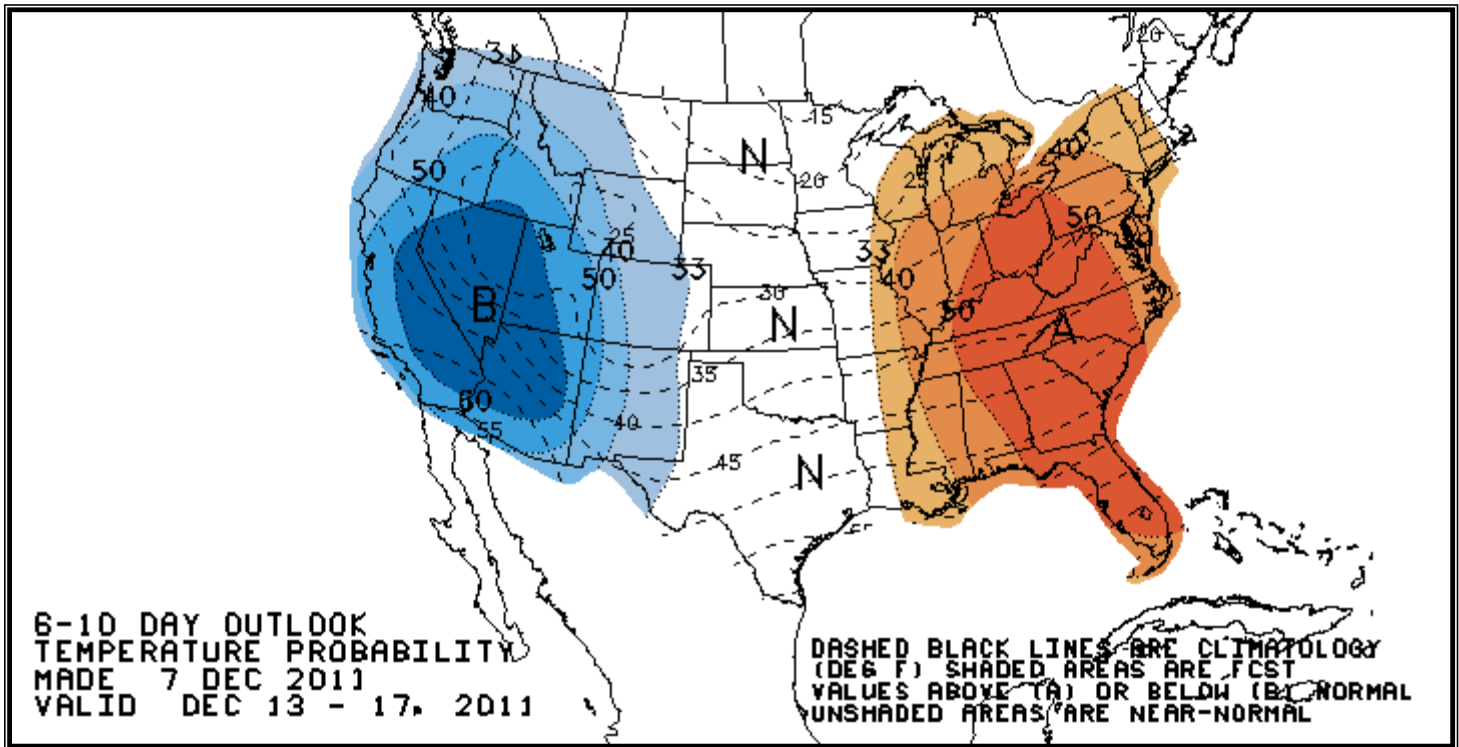


# U.S. Residual Fuel Oil Price Spreads and Supply Balance



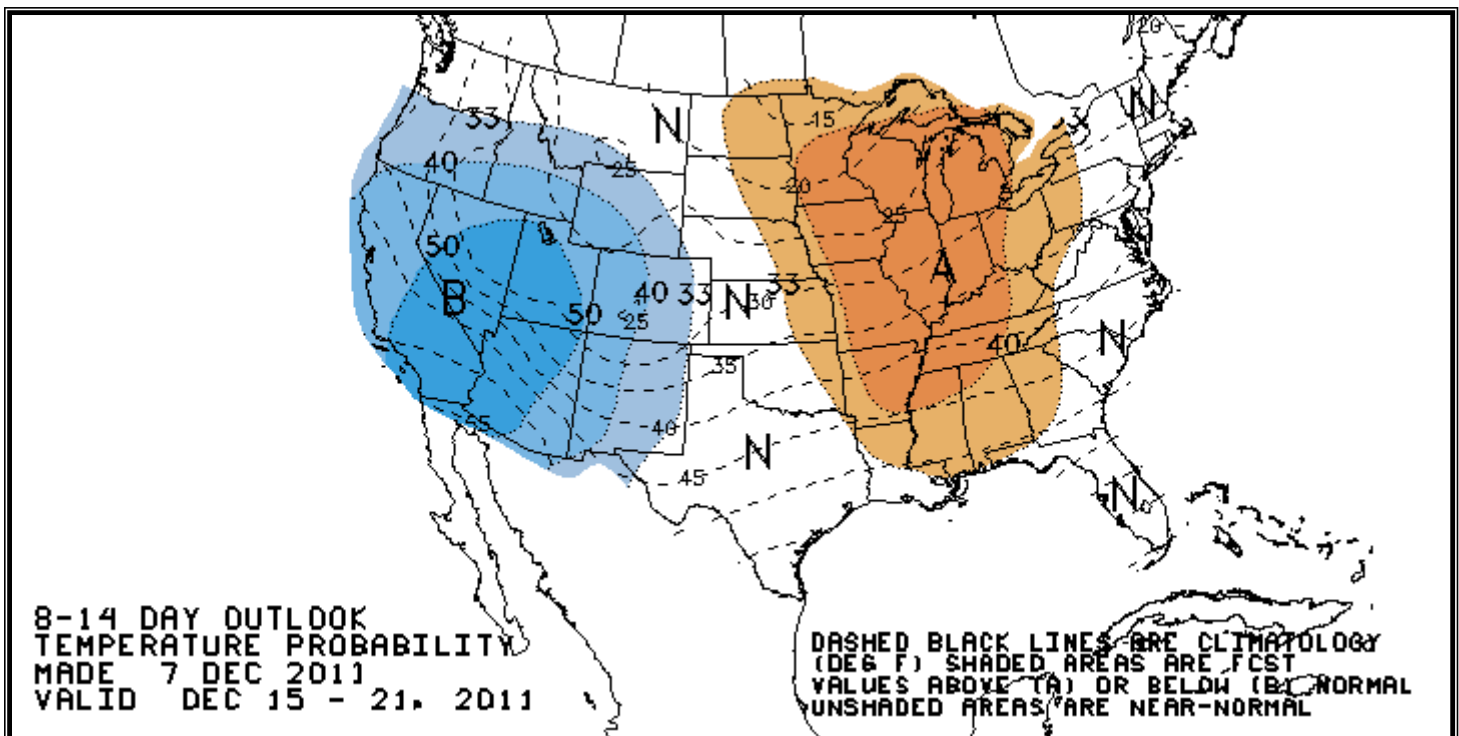
## National Weather Service Climate Prediction Center

## Degree Days 6 - 10 Day Temperature Forecast



## National Weather Service Climate Prediction Center

## Degree Days 8 - 14 Day Temperature Forecast





# American Gas Association Regions

