



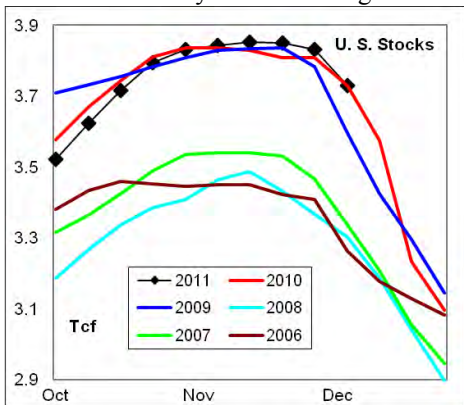
## WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

### A Fundamental Petroleum Trends Weekly Report

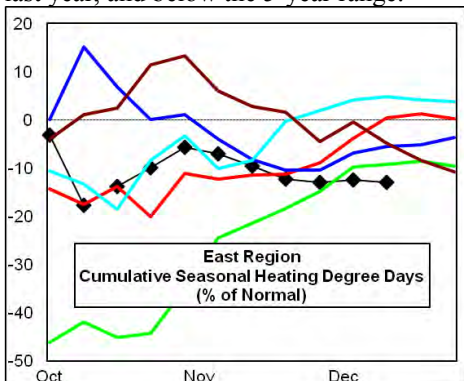
Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Thursday, December 15, 2011



**Summary**<sup>1</sup> The stock draw of -102 Bcf for the week was less than the 5-year mid range for the week. Stock levels ended the week even to last years' record high.



Cumulative heating degree days for the key East Region market were -13% below last year, and below the 5-year range.



In the East Region stocks decreased -50 Bcf for the week, a draw that matched the lowest draw of the last 5-years for the period. Stocks fell -24 Bcf in the West Region, a draw that was greater than average for the week. The stock draw of -28 Bcf in the Producing Region was less than the mid range for the week.

Heating degree days were -10% below normal in the East Region, +50% above normal in the West Region and +48% above normal in the Producing Region for the week ending 10Dec11.

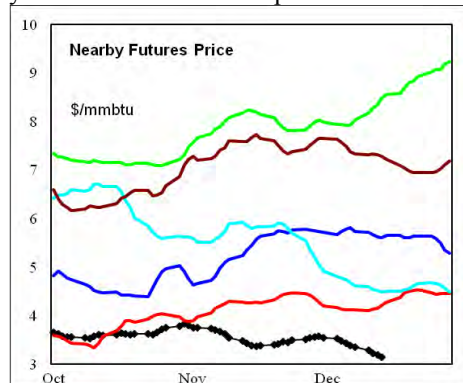
**Heating degree days** were +3% above normal for the week ended 10Dec11, and forecast to be -13% below normal for the

week ending 17Dec11.

The 6-10 day NWS forecast for the week ending 24Dec11 is for below normal heating degree days in the upper mid west, great lakes and New England regions, with near normal heating degree days in other areas of the country.

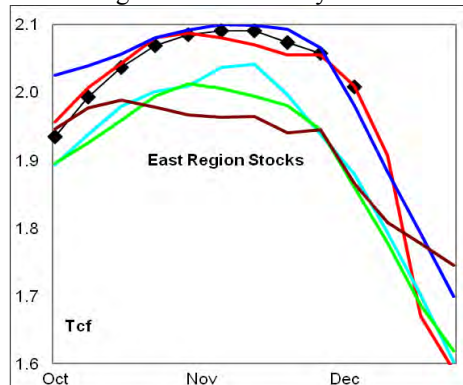
The 8-14 day NWS forecast for the week ending 28Dec11 is for an extension of the 6-10 day outlook - below normal heating degrees in the upper mid west, great lakes and New England, near normal elsewhere.

**Prices:** Nearby gas futures prices decreased -\$0.32/mmbtu for the week ending 15Dec11; a level -\$1.08/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 15Dec11 at a level below the last 2-years.

**East Region** stocks decreased -50 Bcf for the week, a draw that matched the lowest draw of the last 5-years for the period. The latest 4-wk stock build matched the historic high for this time of year.

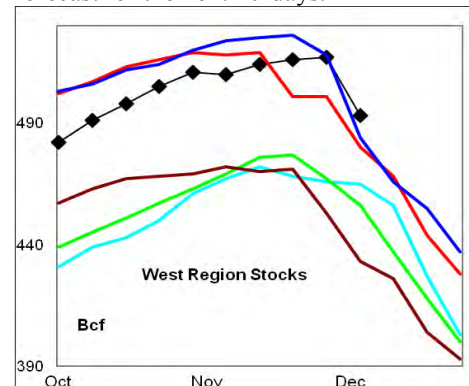


Heating degree days in the region were -10% below normal for the week ending 10Dec11, and forecast to be -16% below normal for the week ending 17Dec11. Below normal heating degree days are forecast for the next 10-days.

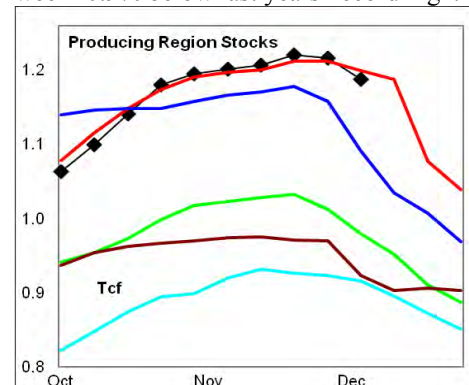
**West Region** stocks decreased -24 Bcf on the week, a draw that was greater than the

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

Heating degree days were +50% above normal for the week ending 10Dec11, and forecast to be +24% above normal for the week ending 17Dec11. Near normal heating degree days are forecast for the next 10-days.



**Producing Region** stocks experienced a draw of -28 Bcf on the week, a draw that was less than the mid range for the period. The monthly stock build was above the 5-year mid range. Stock levels ended the week -0.9% below last years' record high.



Heating degree days were +48% above normal for the week ending 10Dec11, and forecast to be -21% below normal for the week ending 17Dec11. Slightly above 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 key north central and great lakes heating markets through month end. 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](http://Data Source is EIA Weekly Statistics)

[National Weather Service 6-10 Day](http://National Weather Service 6-10 Day)

[National Weather Service 10-14 Day](http://National Weather Service 10-14 Day)



## NATURAL GAS: Graph Link and Weekly Summary

Report prepared as of: December 15, 2011

For the week ending: 9-Dec-11

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

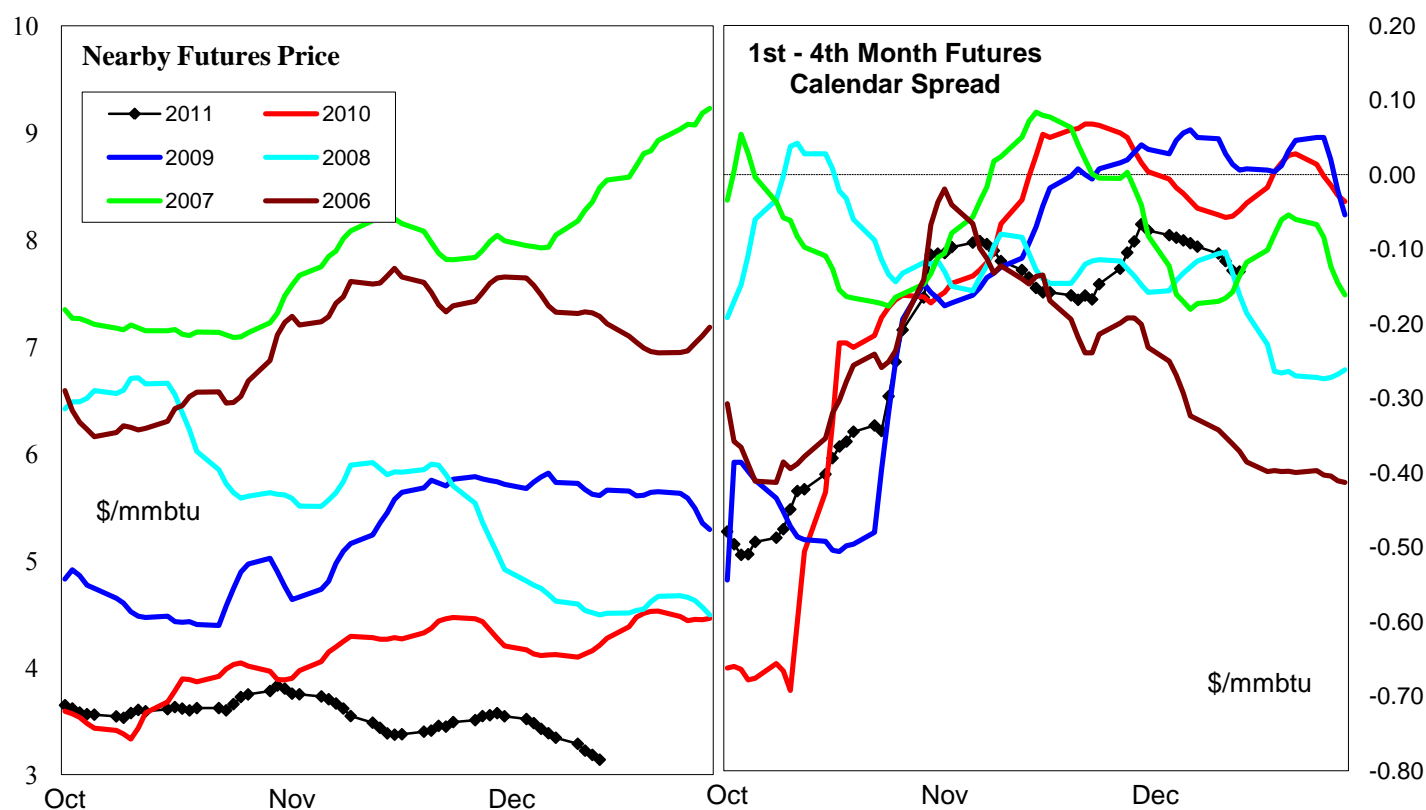
Week ending:	9-Dec-11			3-Dec-11		10-Dec-11		17-Dec-11	
Region	Weekly Stocks			Weekly Heating Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	3,729	-102	0.0	36	-10%	33	3%	-17	-13%
East	2,008	-50	0.0	33	-16%	27	-10%	-1	-16%
West	493	-24	2.7	8	-5%	56	50%	-27	24%
Producing	1,228	-28	-0.9	64	22%	39	48%	-70	-21%

### Seasonal Trends in Stocks and Heating Degree Days

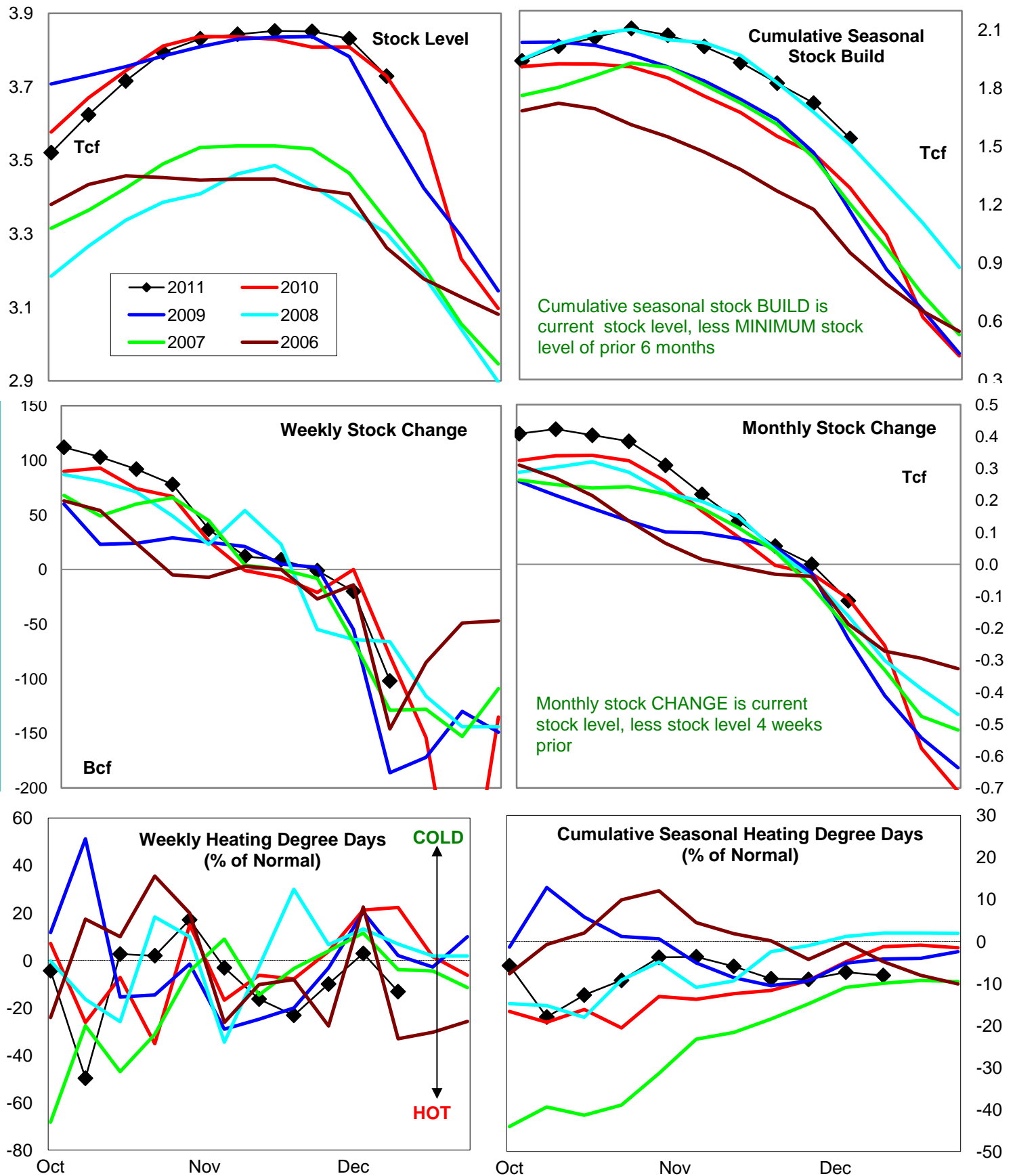
	Cumulative Stock Change			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
<b>U.S. Total</b>	<b>1,542</b>	<b>255</b>	<b>16.5</b>	<b>156</b>	<b>-9.0</b>	<b>189</b>	<b>-7.3</b>	<b>172</b>	<b>-8.1</b>
<b>East</b>	<b>1,048</b>	<b>179</b>	<b>17.1</b>	<b>162</b>	<b>-12.9</b>	<b>189</b>	<b>-12.5</b>	<b>188</b>	<b>-13.0</b>
<b>West</b>	<b>204</b>	<b>133</b>	<b>65.2</b>	<b>163</b>	<b>1.6</b>	<b>219</b>	<b>7.3</b>	<b>192</b>	<b>9.1</b>
<b>Producing</b>	<b>290</b>	<b>-57</b>	<b>-19.7</b>	<b>133</b>	<b>10.2</b>	<b>172</b>	<b>17.3</b>	<b>102</b>	<b>10.8</b>

### Futures Market Price Trends

Date:	15-Dec-11	Change vs prior week, month, year		
		9-Dec-11	17-Nov-11	15-Dec-10
<b>1st month Futures</b>	<b>3.14</b>	<b>-0.18</b>	<b>-0.18</b>	<b>-1.15</b>
<b>% change</b>	xxxxx	<b>-5.3</b>	<b>-5.4</b>	<b>-26.8</b>



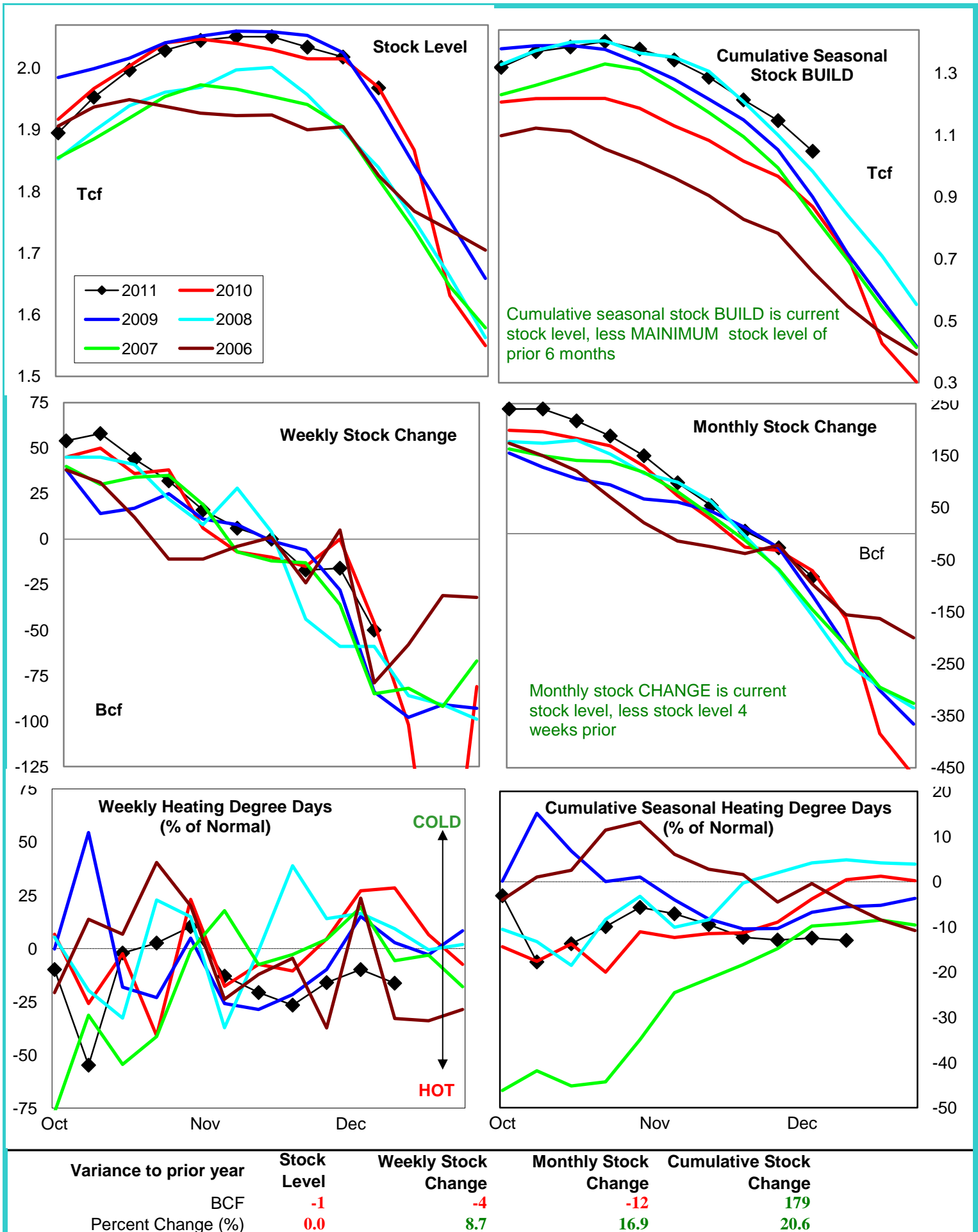
# United States Natural Gas Stock and Weather Trends



Variance to prior year

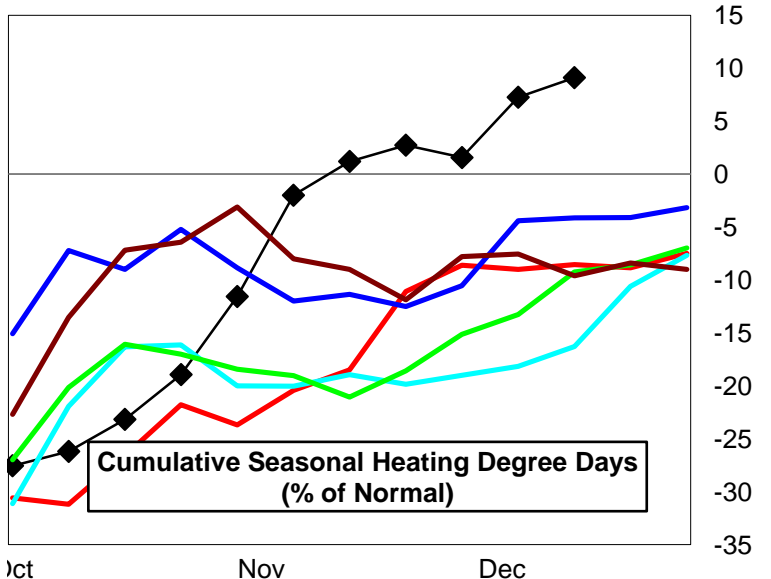
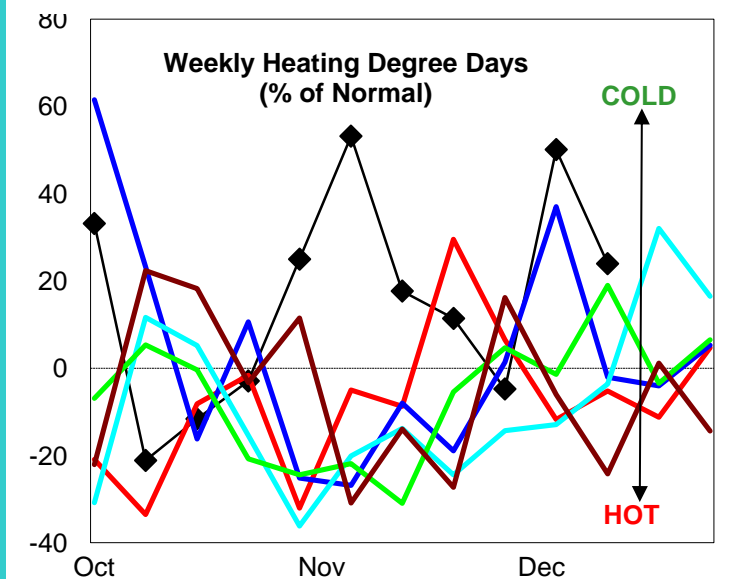
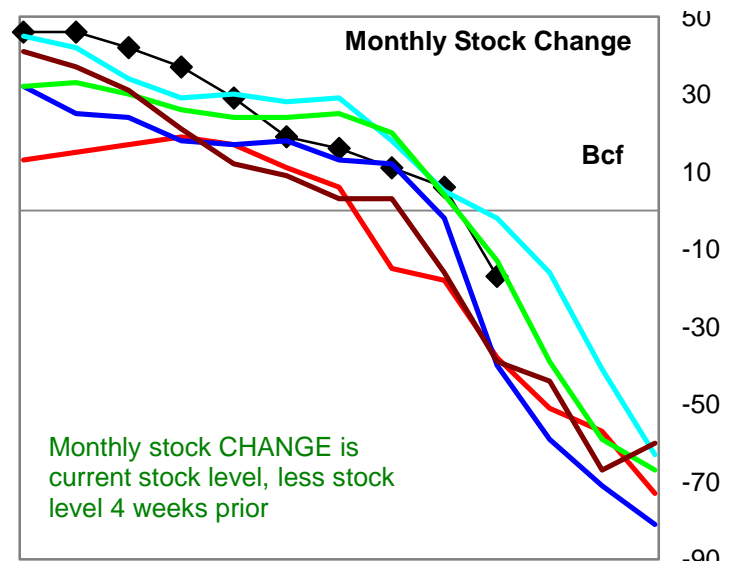
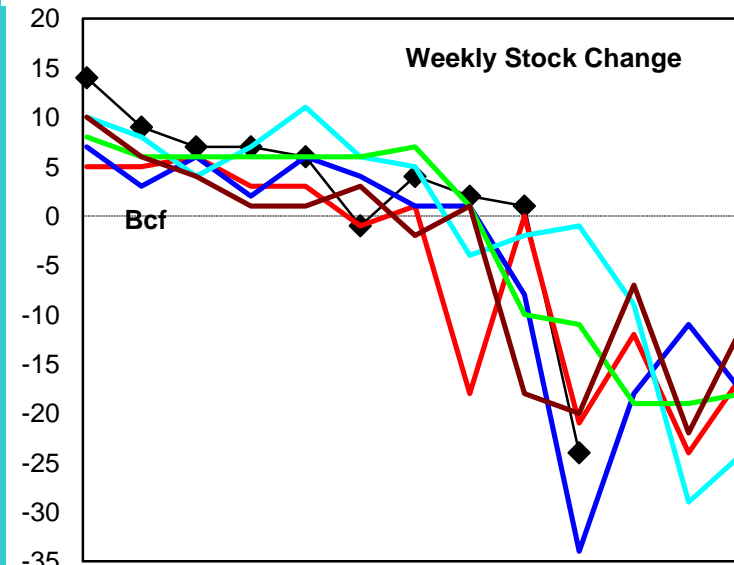
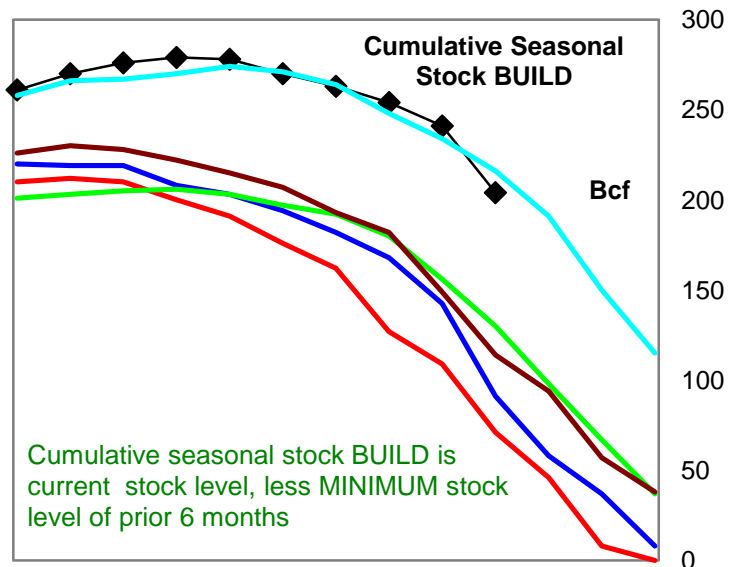
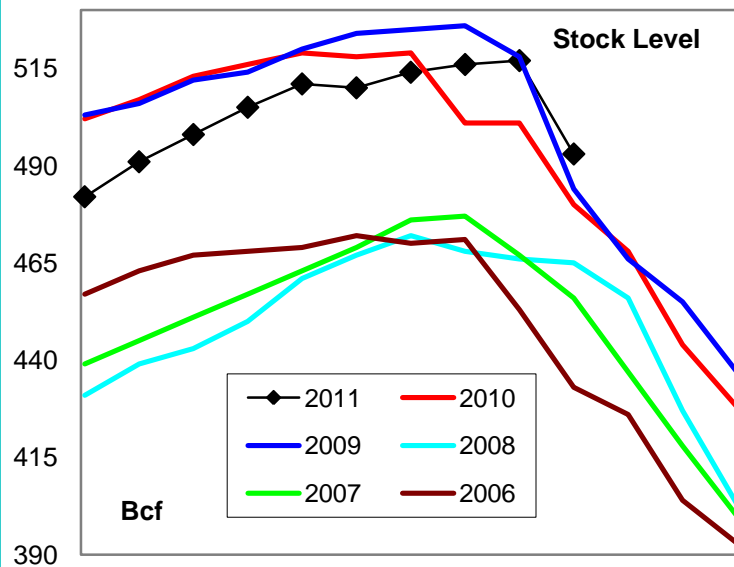
Stock  
LevelWeekly Stock  
ChangeMonthly Stock  
ChangeCumulative Stock  
ChangeBCF  
Percent Change (%)0  
0.0-23  
29.1-7  
6.5255  
19.8

# 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

13

-3

21

133

Percent Change (%)

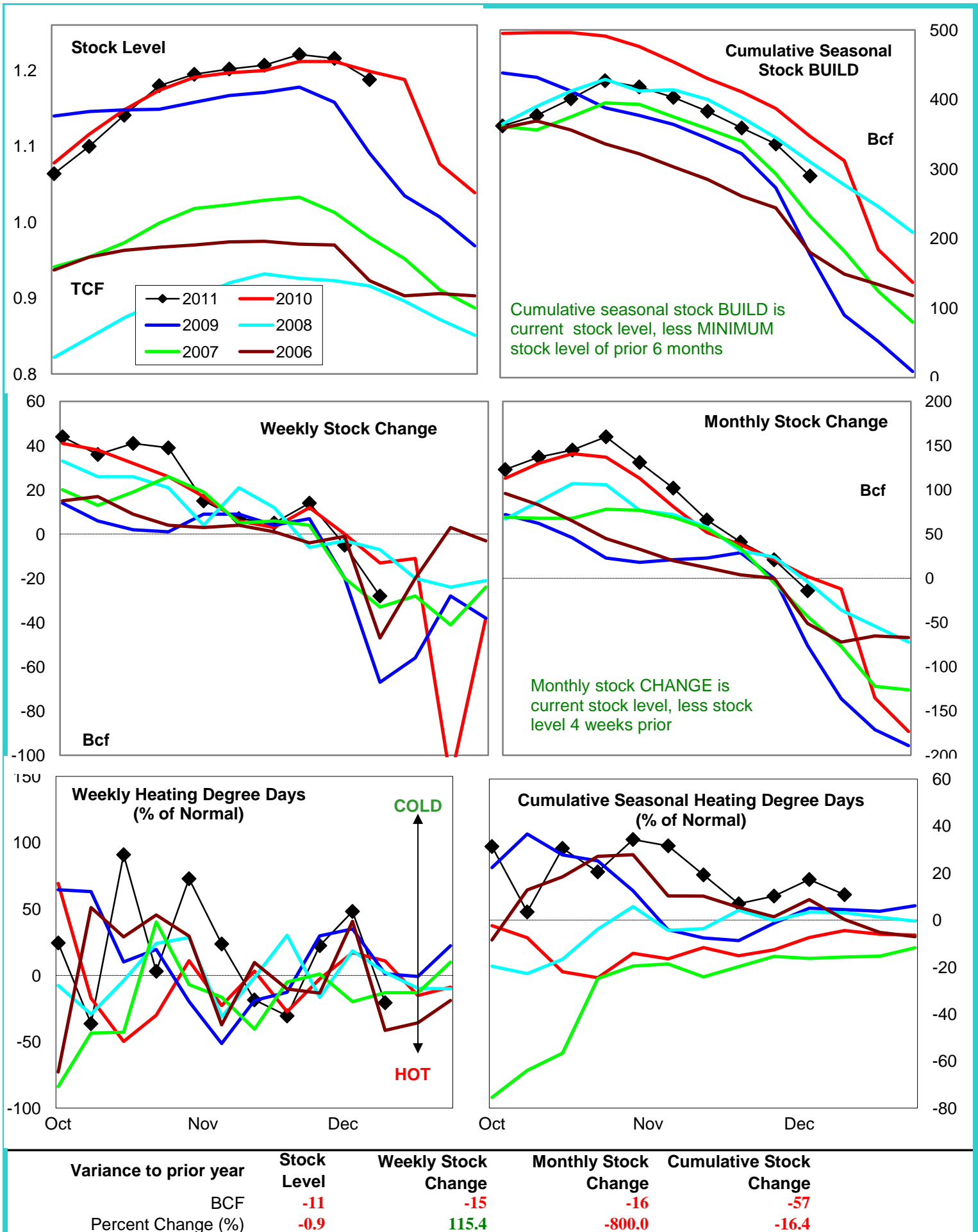
2.7

14.3

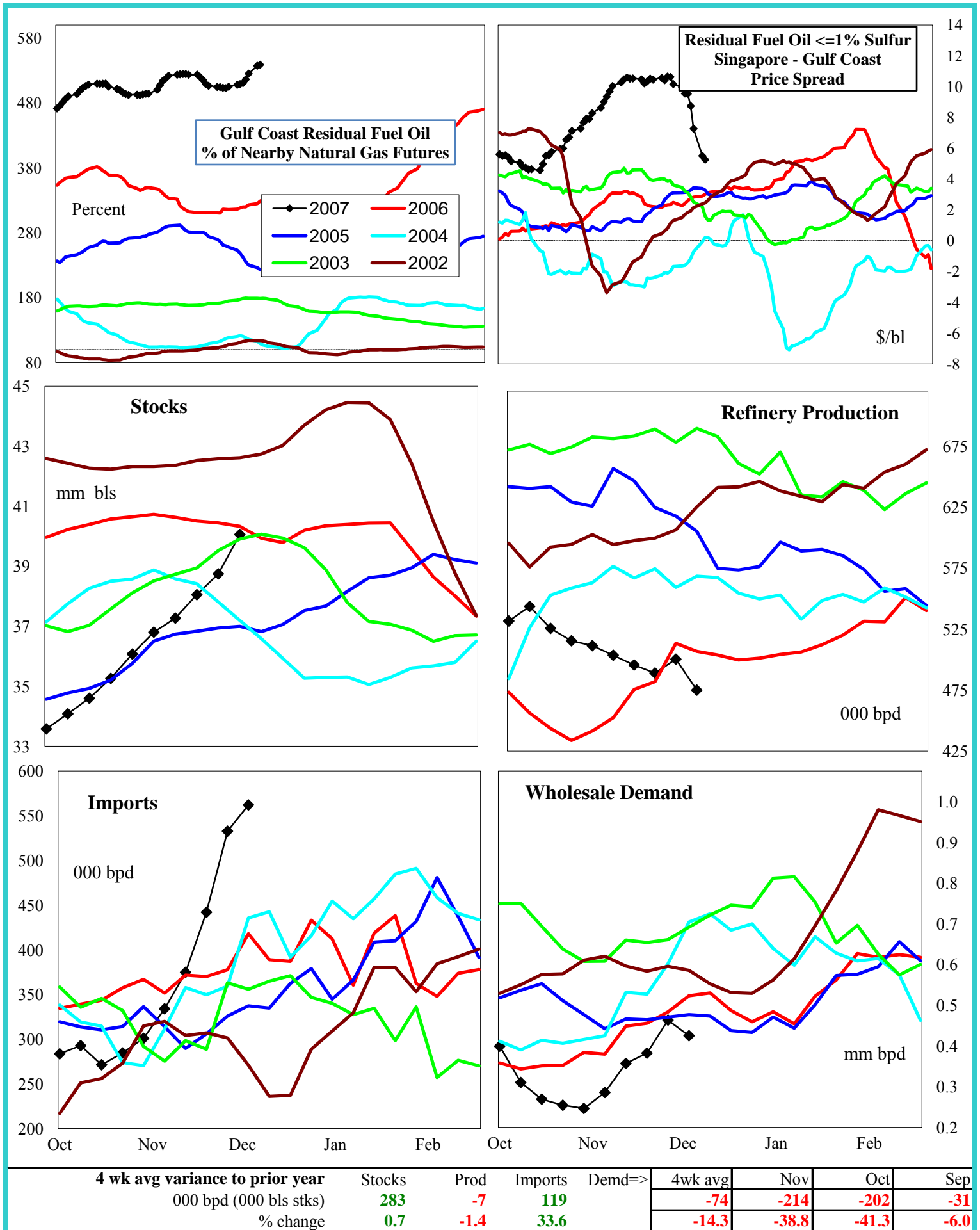
-55.3

187.3

# Natural Gas Producing Region Stock and Weather Trends

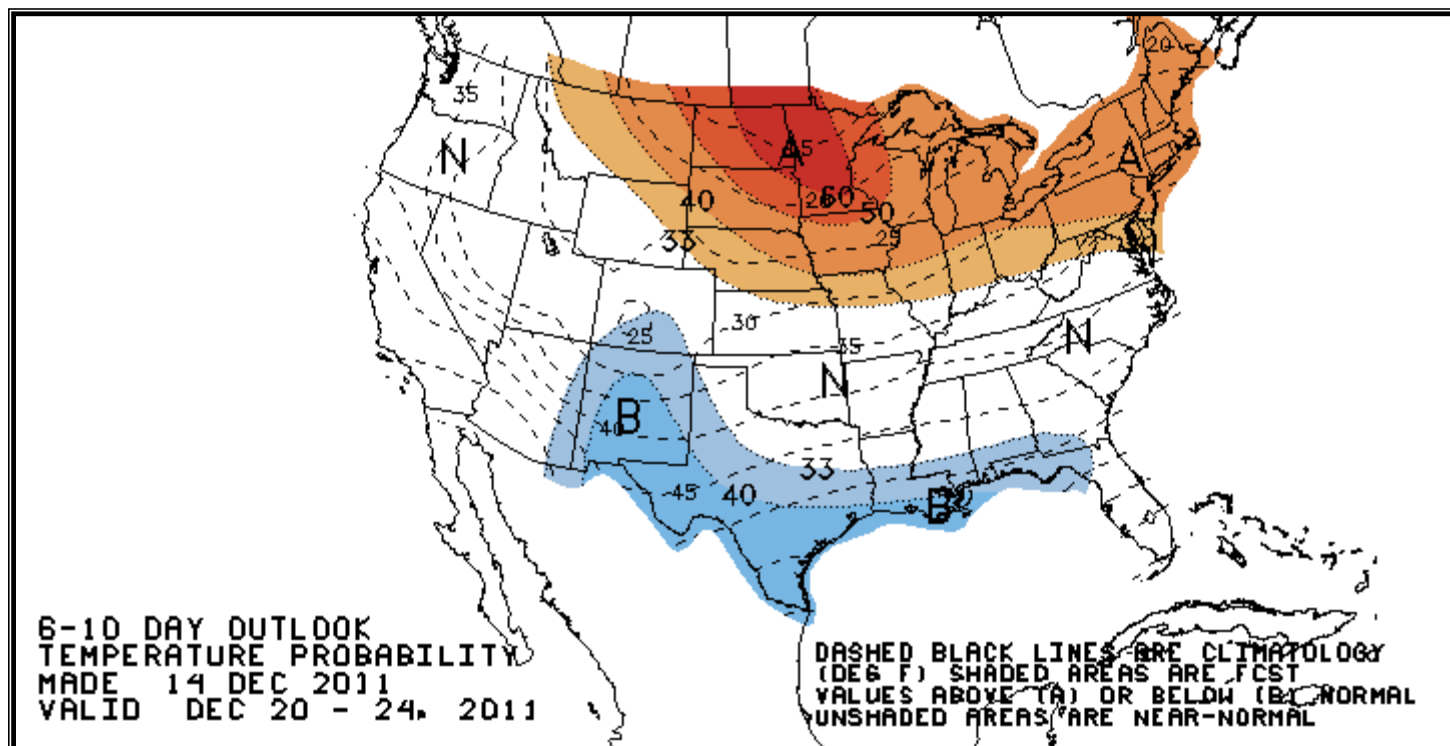


# U.S. Residual Fuel Oil Price Spreads and Supply Balance



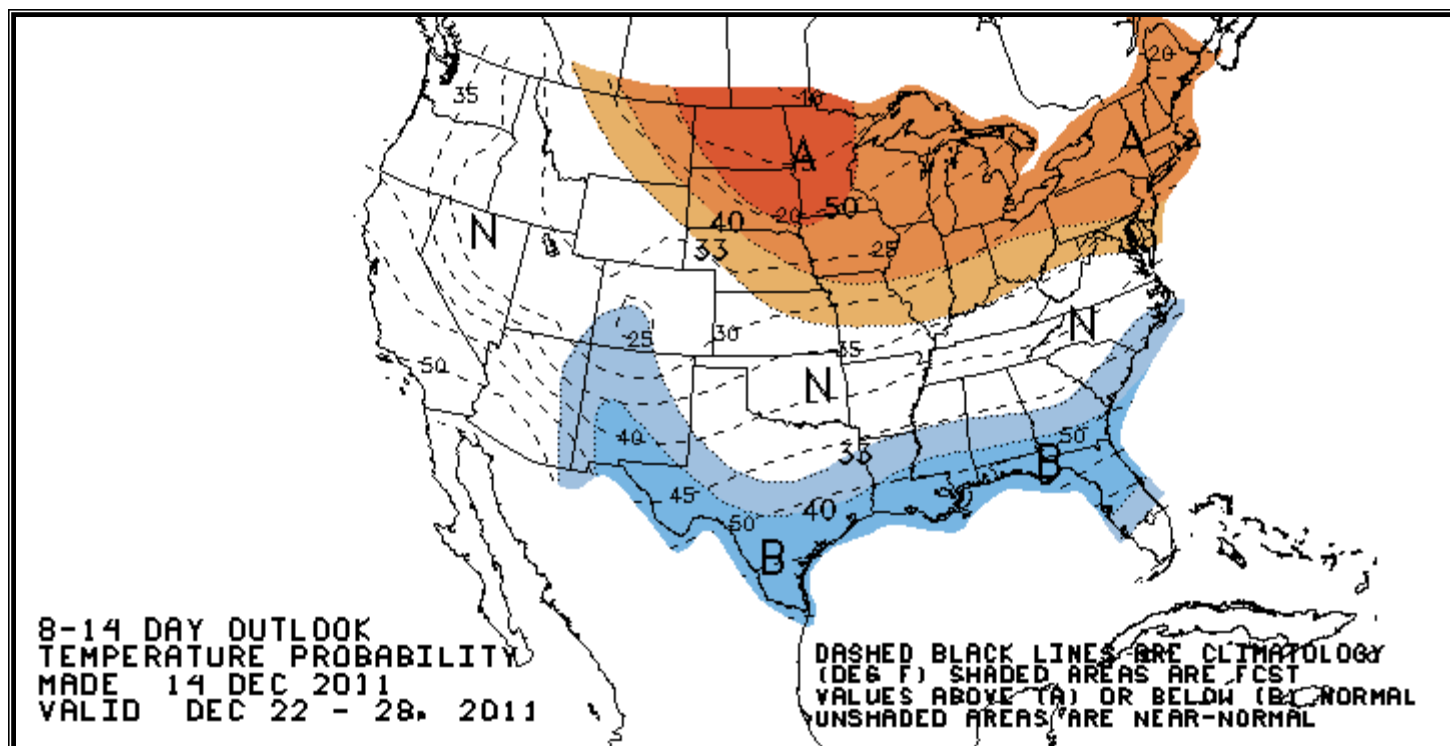
## National Weather Service Climate Prediction Center

## Degree Days 6 - 10 Day Temperature Forecast



## National Weather Service Climate Prediction Center

## Degree Days 8 - 14 Day Temperature Forecast





# American Gas Association Regions

