



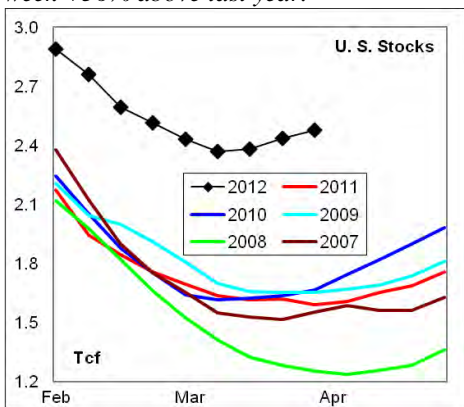
# WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

## A Fundamental Petroleum Trends Weekly Report

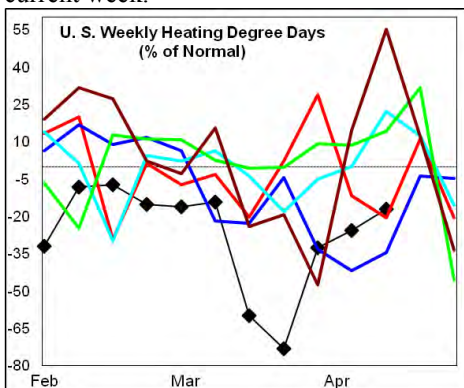
Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Monday, April 09, 2012



**Summary**<sup>1</sup> The stock build of +42 Bcf for the week matched the prior 5-year record build for week. *Stock levels ended the week +56% above last year.*



Heating degree days for the week ending 31Mar12 were -33% below normal and forecast to be -17% below normal for the current week.



In the East Region stocks increased +11 Bcf for the week, matching the prior record build for the period. Stocks increased +5 Bcf in the West Region, a record build for the week. The stock build of +26 Bcf in the Producing Region was near prior 5-year highs.

Heating degree days were -29% below normal in the East Region, -21% below normal in the West Region and -80% below normal in the Producing Region for the week ending 31Mar12.

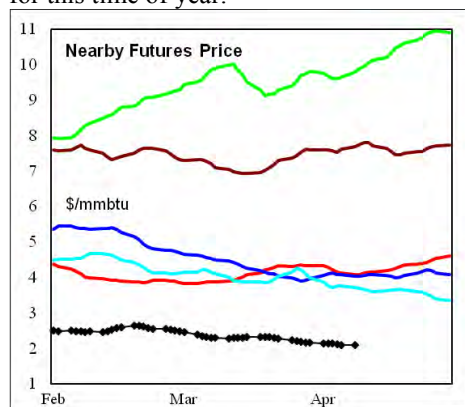
**Heating degree days** were -33% below normal for the week ended 31Mar12, and forecast to be -17% below normal for the

current week.

The 6-10 day NWS forecast for the week ending 18Apr12 is for below normal heating degree days in the eastern 1/2 of the country and the northwest, with above normal heating degree days in the southwest.

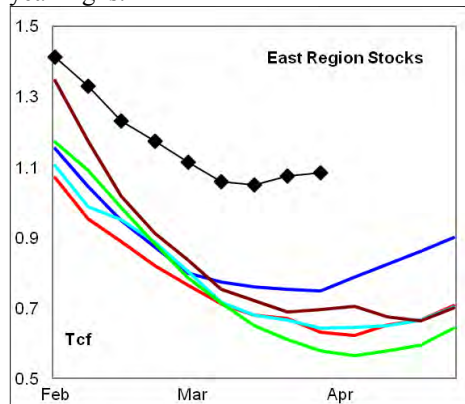
The 8-14 day NWS forecast for the week ending 22Apr12 is for below normal heating degree days across nearly the entire country.

**Prices:** Nearby gas futures prices decreased -\$0.05/mmbtu for the week ending 09Apr12. The current price is -\$1.50/mmbtu below the prior 5-year low for this time of year.



The 1<sup>st</sup> - 4<sup>th</sup> month forward price curve trended higher for the week ending 09Apr12 at a level near the mid range.

**East Region** stocks increased +11 Bcf for the week, a build slightly above the prior record high. The current stock level was +72% above last year, and above prior 5-year highs.

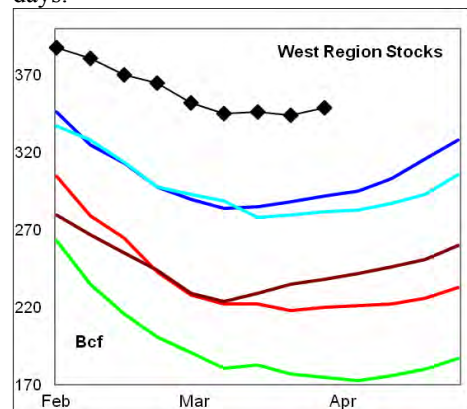


Heating degree days in the region were -29% below normal for the week ending 31Mar12, and forecast to be -11% below normal for the current week. Temperatures are forecast to be much above normal for the next 10-days.

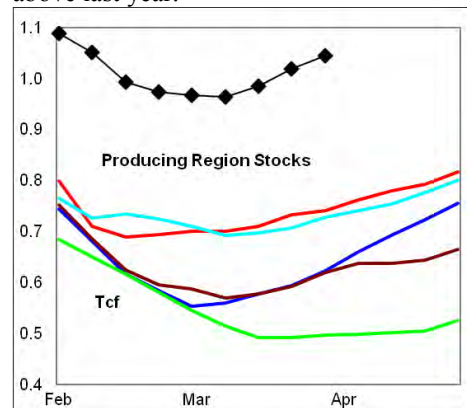
**West Region** stocks increased +5 Bcf on the week, a build slightly above the 5-year

range. Stock levels ended the week +59% above last year and above the 5-year range. The latest 4-wk stock draw was below the mid range for the week.

Heating degree days were -21% below normal for the week ending 31Mar12, and forecast to be -28% below normal for the current week. Temperatures are forecast to be warmer than normal for the next 10-days.



**Producing Region** stocks experienced a build of +26 Bcf on the week, a build near the 5-year high for the week. The monthly stock build was a record high for the period. Stock levels ended the week +41% above last year.



Heating degree days were -80% below normal for the week ending 31Mar12, and forecast to be -57% below normal for the current week. Above normal temperatures 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, with residual fuel demand -38% below last year.

**Outlook:** Stocks are +56% above a year ago. Look for significant volumes to be shut-in during the 3rd quarter shoulder season when storage is filled. Moderate temperatures are forecast through late April for most of the country. Prices should continue to make new lows.

### <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: April 9, 2012

For the week ending: 30-Mar-12

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

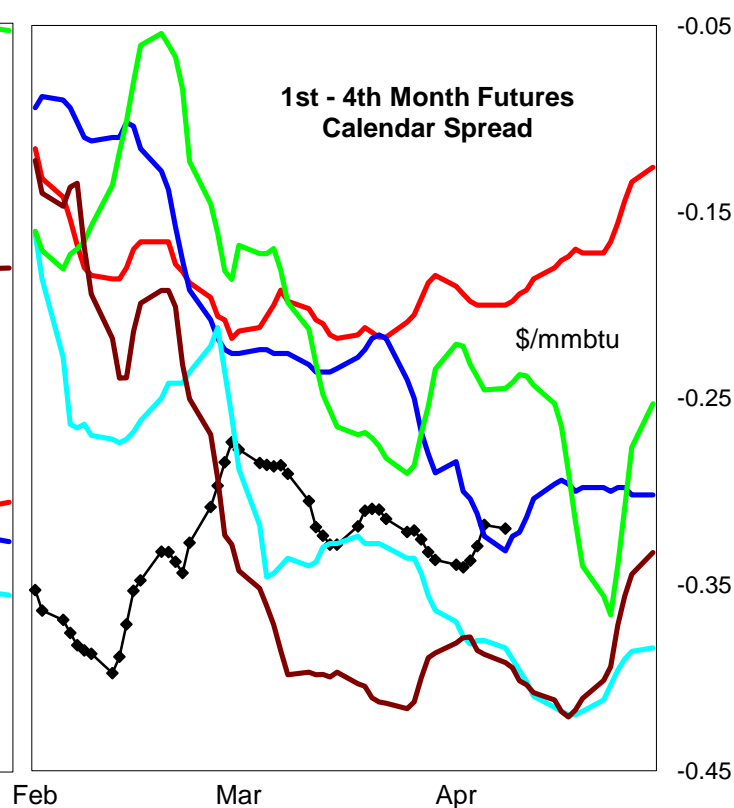
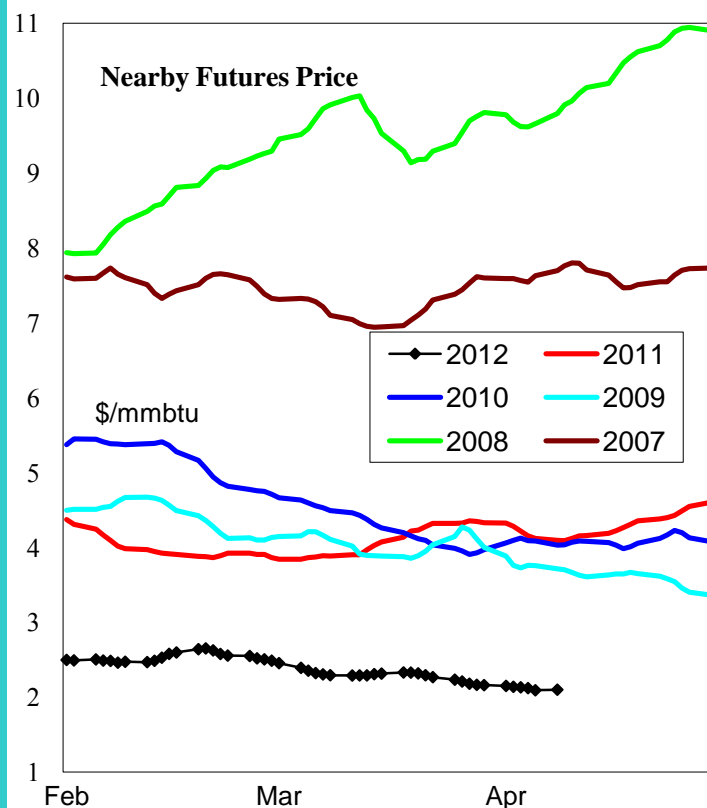
Week ending:	30-Mar-12			31-Mar-12		7-Apr-12		14-Apr-12	
Region	Weekly Stocks			Weekly Heating Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	2,479	42	55.7	48	-33%	-1	-26%	-2	-17%
East	1,085	11	71.9	78	-29%	-5	-24%	2	-11%
West	349	5	58.6	-8	-21%	6	-9%	-31	-28%
Producing	1,045	26	41.0	-22	-80%	7	-63%	-2	-57%

### Seasonal Trends in Stocks and Heating Degree Days

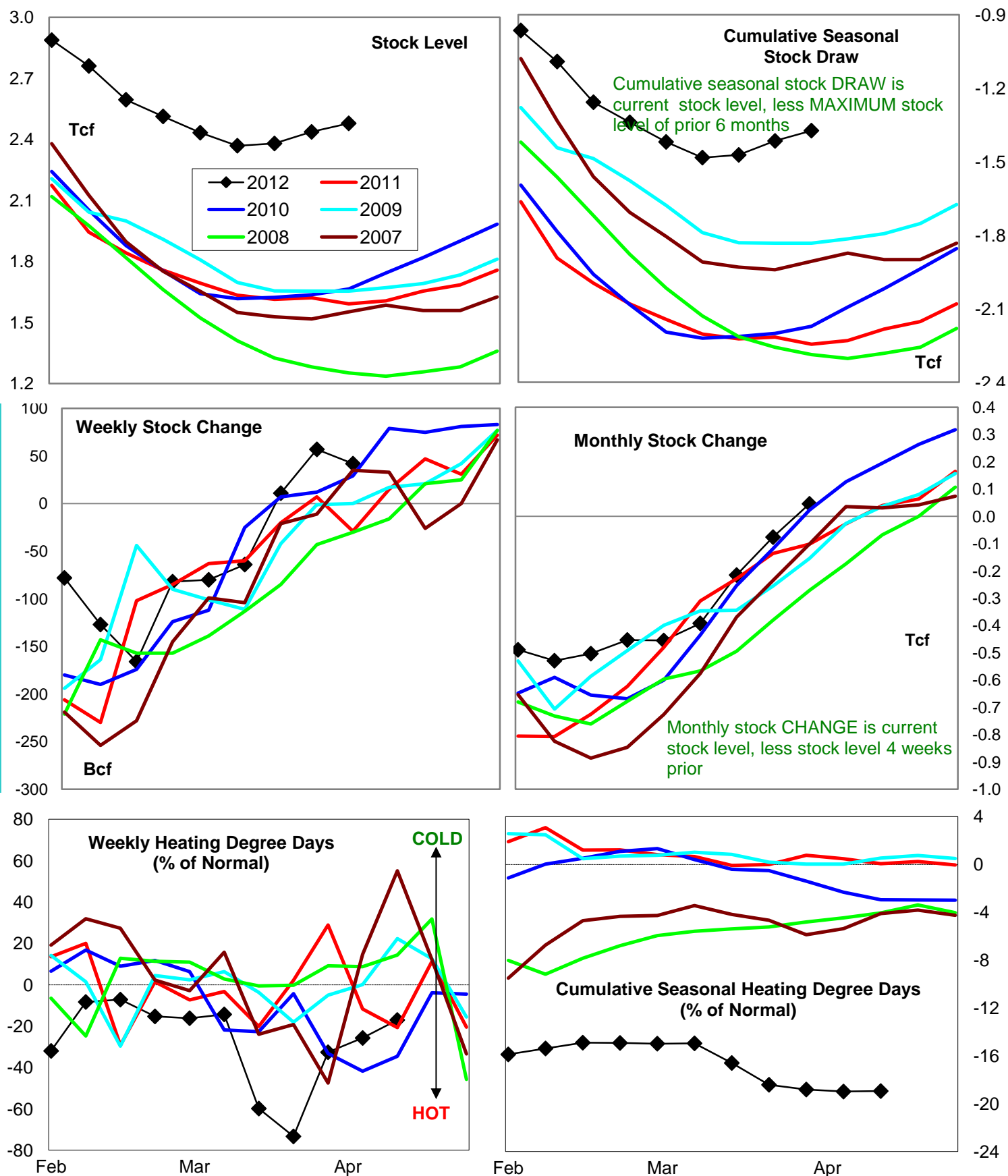
	Cumulative Stock Change			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
<b>U.S. Total</b>	<b>-1,373</b>	<b>872</b>	<b>-63.5</b>	<b>86</b>	<b>-18.8</b>	<b>85</b>	<b>-19.0</b>	<b>82</b>	<b>-18.9</b>
<b>East</b>	<b>-1,006</b>	<b>450</b>	<b>-44.7</b>	<b>104</b>	<b>-20.0</b>	<b>99</b>	<b>-20.1</b>	<b>102</b>	<b>-19.9</b>
<b>West</b>	<b>-168</b>	<b>131</b>	<b>-78.0</b>	<b>103</b>	<b>-10.9</b>	<b>110</b>	<b>-10.9</b>	<b>79</b>	<b>-11.3</b>
<b>Producing</b>	<b>-216</b>	<b>295</b>	<b>-136.6</b>	<b>13</b>	<b>-18.7</b>	<b>19</b>	<b>-19.5</b>	<b>18</b>	<b>-20.0</b>

### Futures Market Price Trends

Date:	9-Apr-12	Change vs prior week, month, year		
		3-Apr-12	13-Mar-12	8-Apr-11
<b>1st month Futures</b>	<b>2.10</b>	<b>-0.09</b>	<b>-0.20</b>	<b>-2.31</b>
<b>% change</b>	xxxxx	<b>-4.0</b>	<b>-8.7</b>	<b>-52.4</b>



# United States Natural Gas Stock and Weather Trends



Variance to prior year

Stock Level

Weekly Stock Change

Monthly Stock Change

Cumulative Stock Change

BCF

887

71

148

872

Percent Change (%)

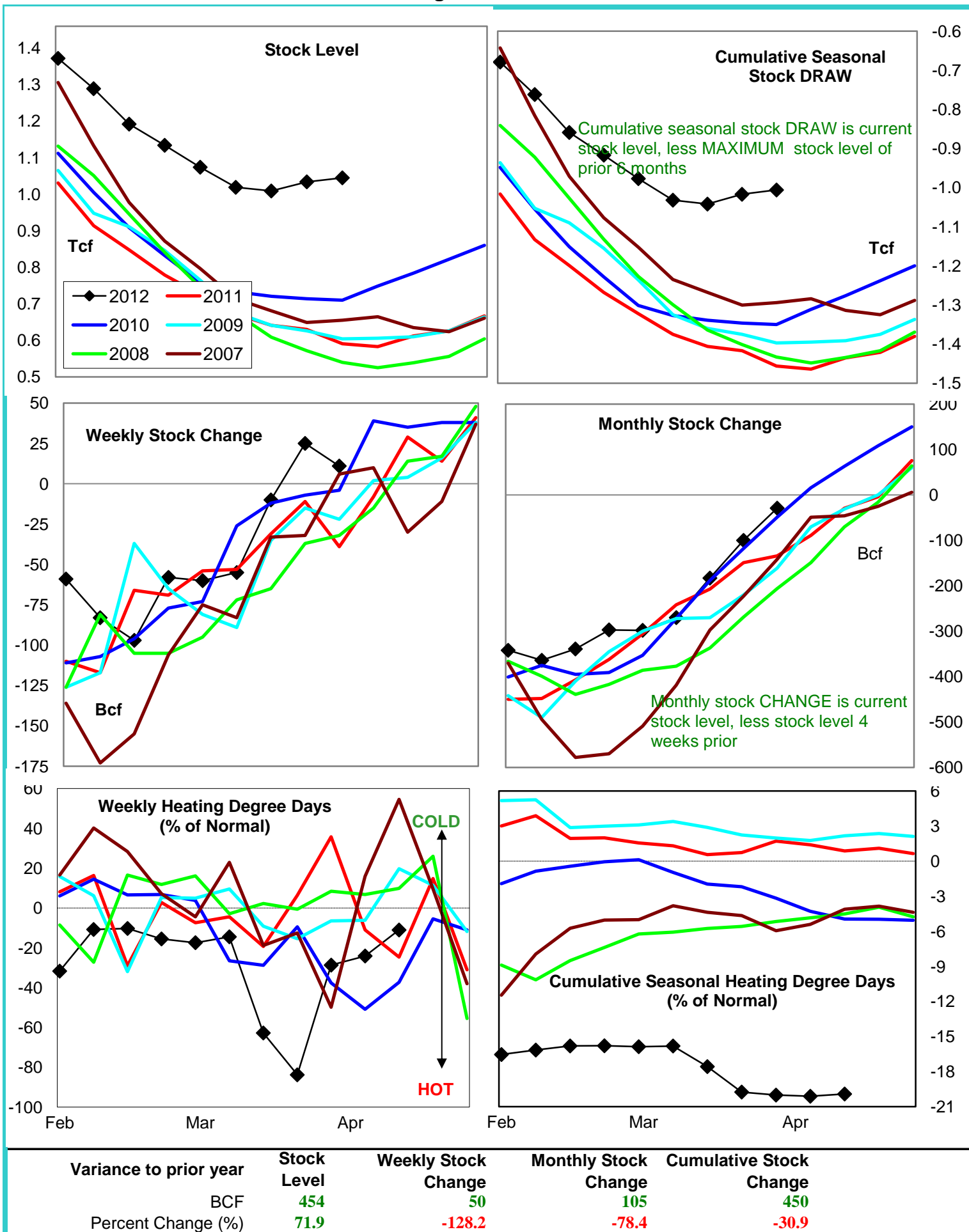
55.7

-244.8

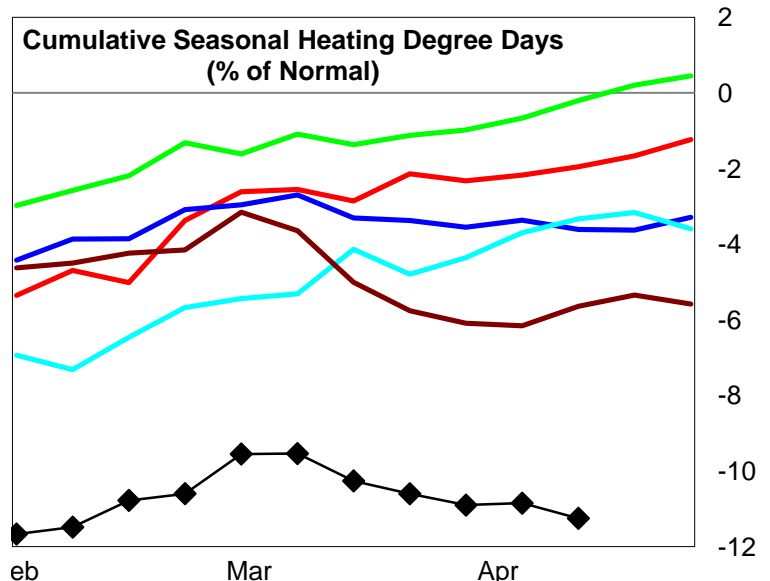
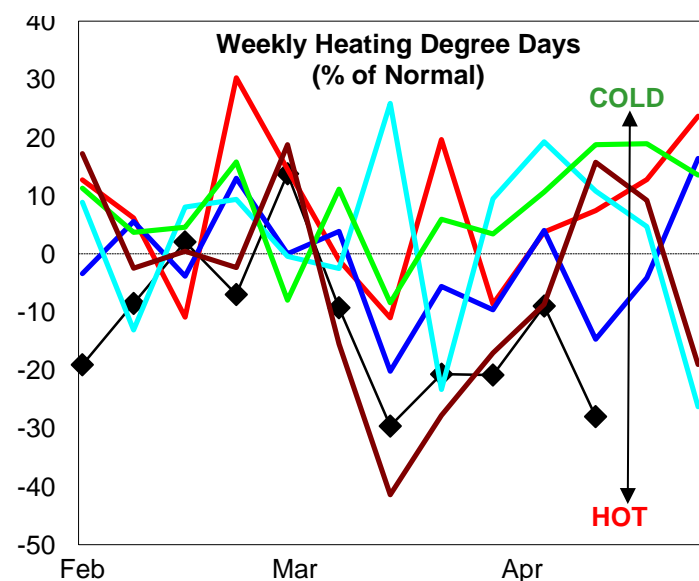
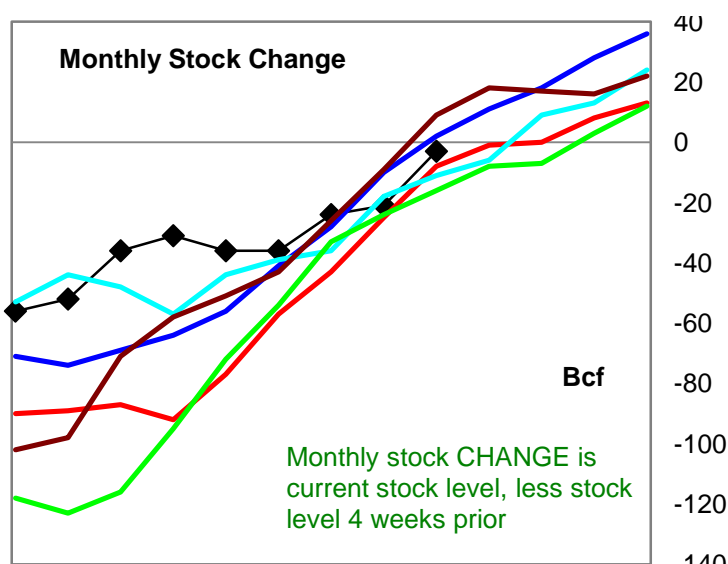
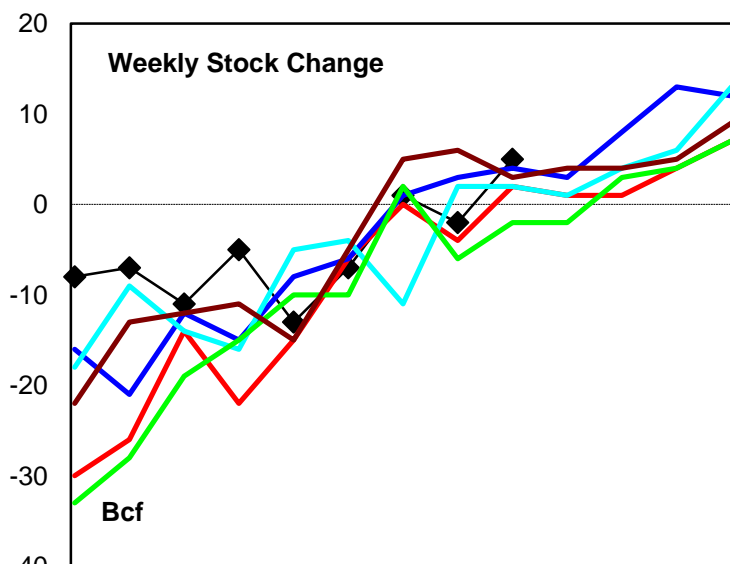
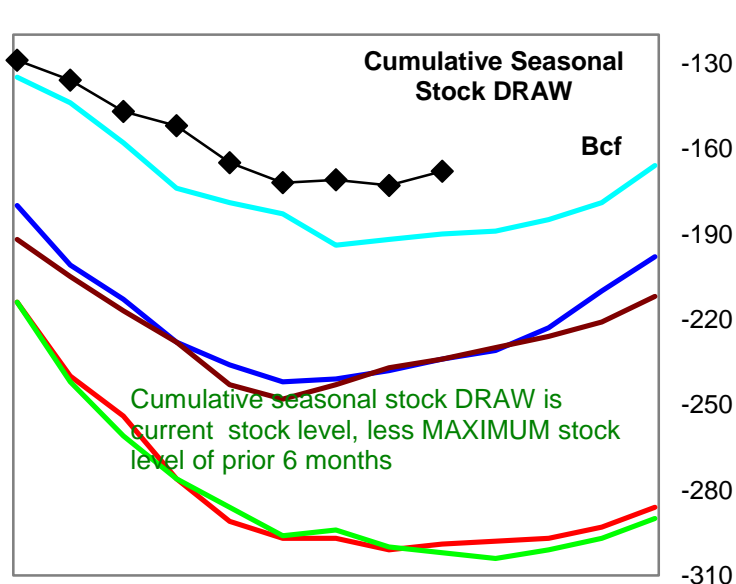
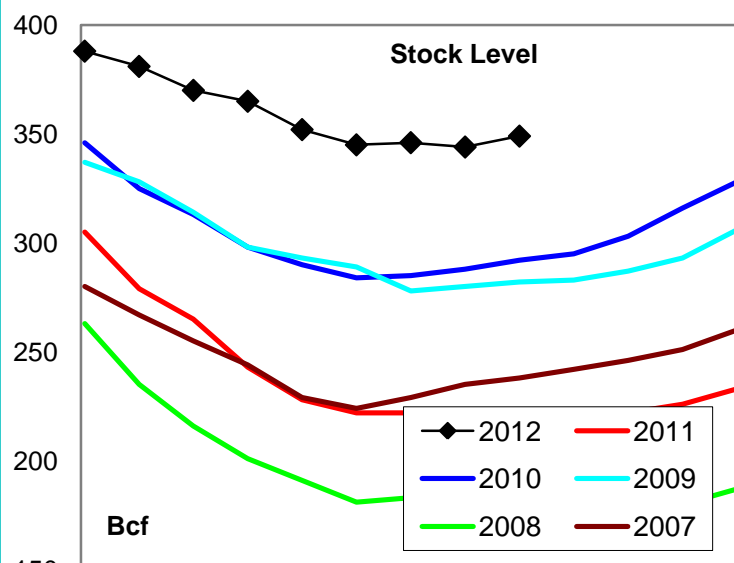
-145.1

-38.8

# 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

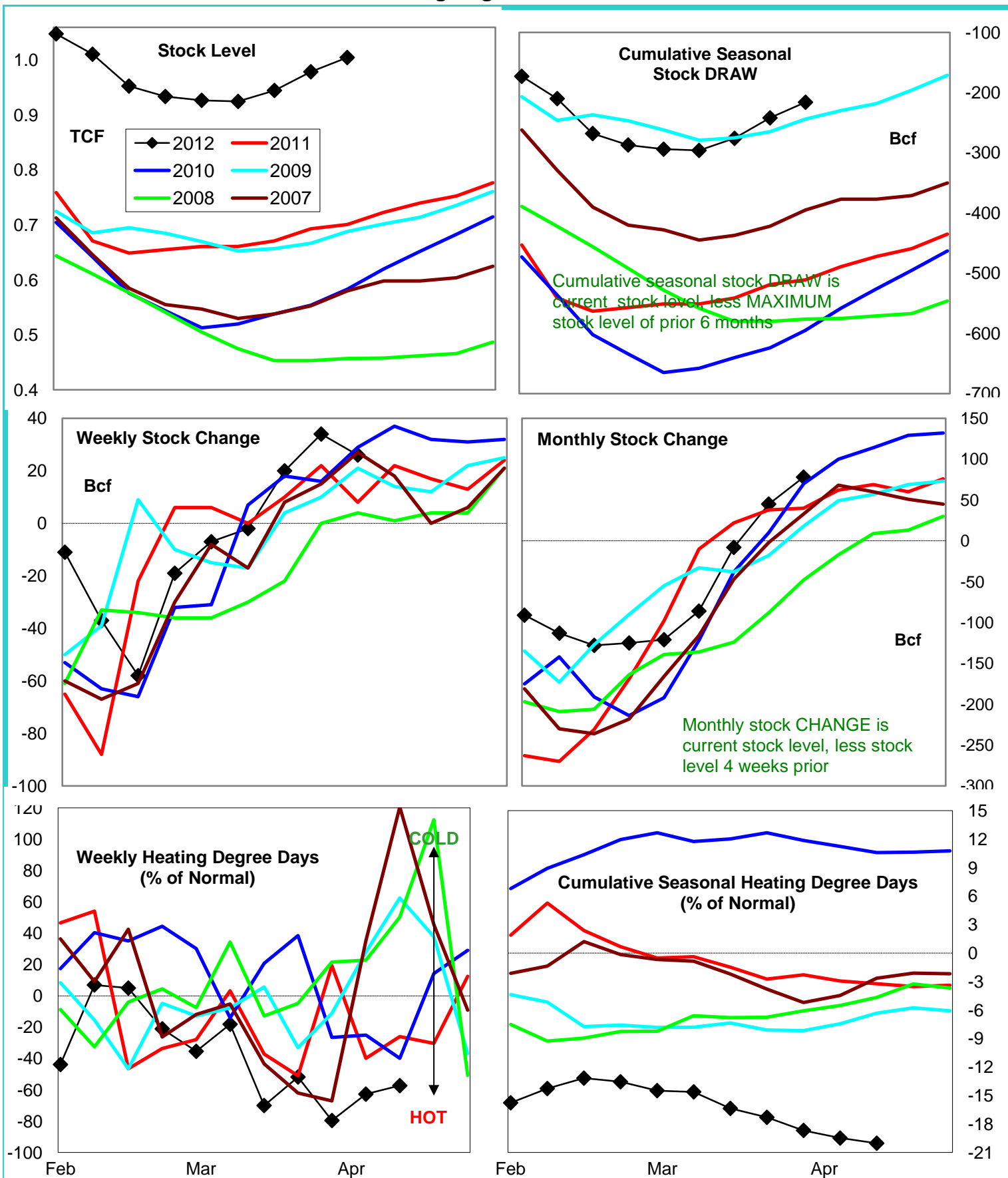
Monthly Stock Change

Cumulative Stock Change

BCF  
Percent Change (%)129  
58.63  
150.05  
-62.5131  
-43.8



# Natural Gas Producing Region Stock and Weather Trends



Variance to prior year

Stock Level

Weekly Stock Change

Monthly Stock Change

Cumulative Stock Change

BCF

304

18

38

295

Percent Change (%)

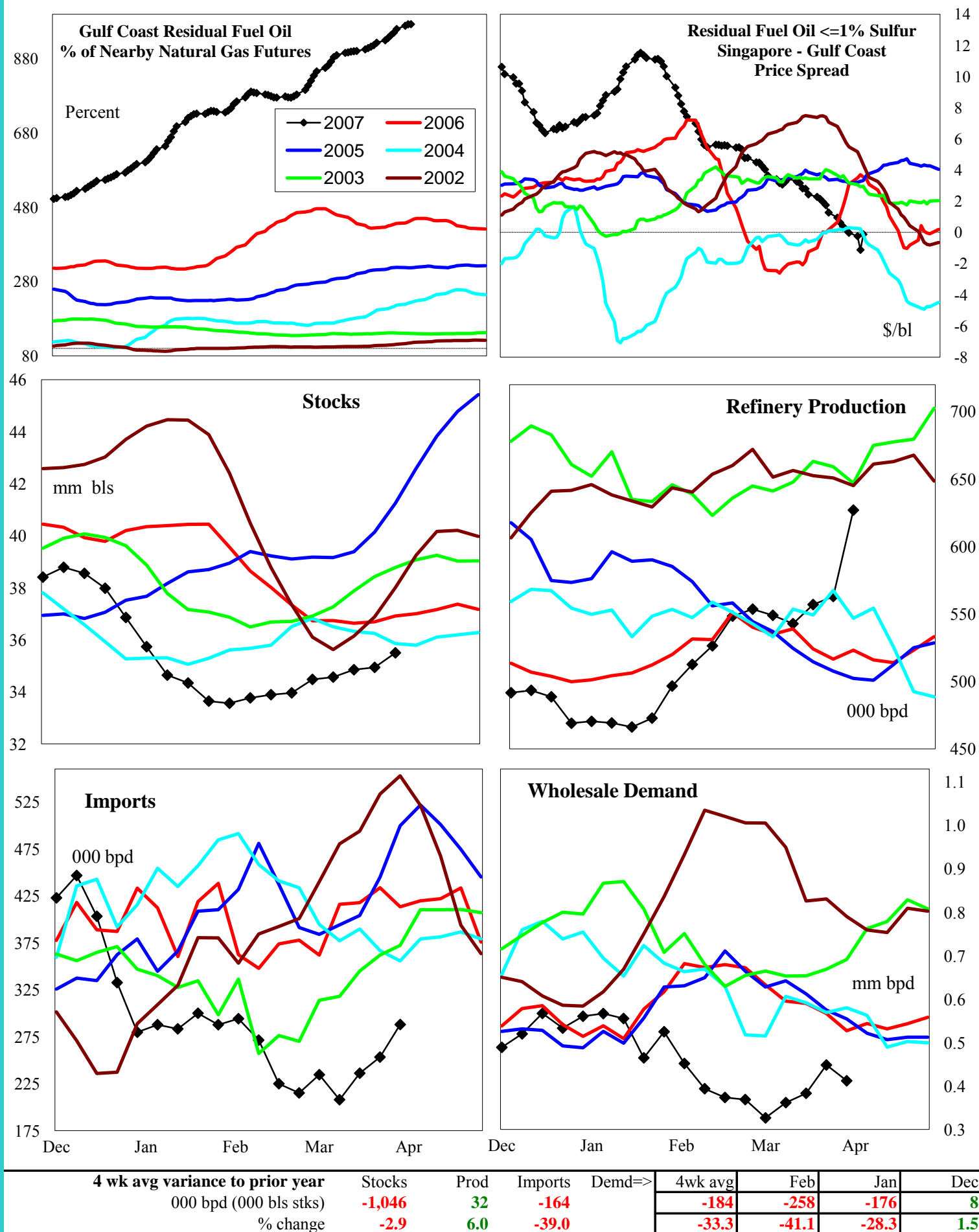
41.0

225.0

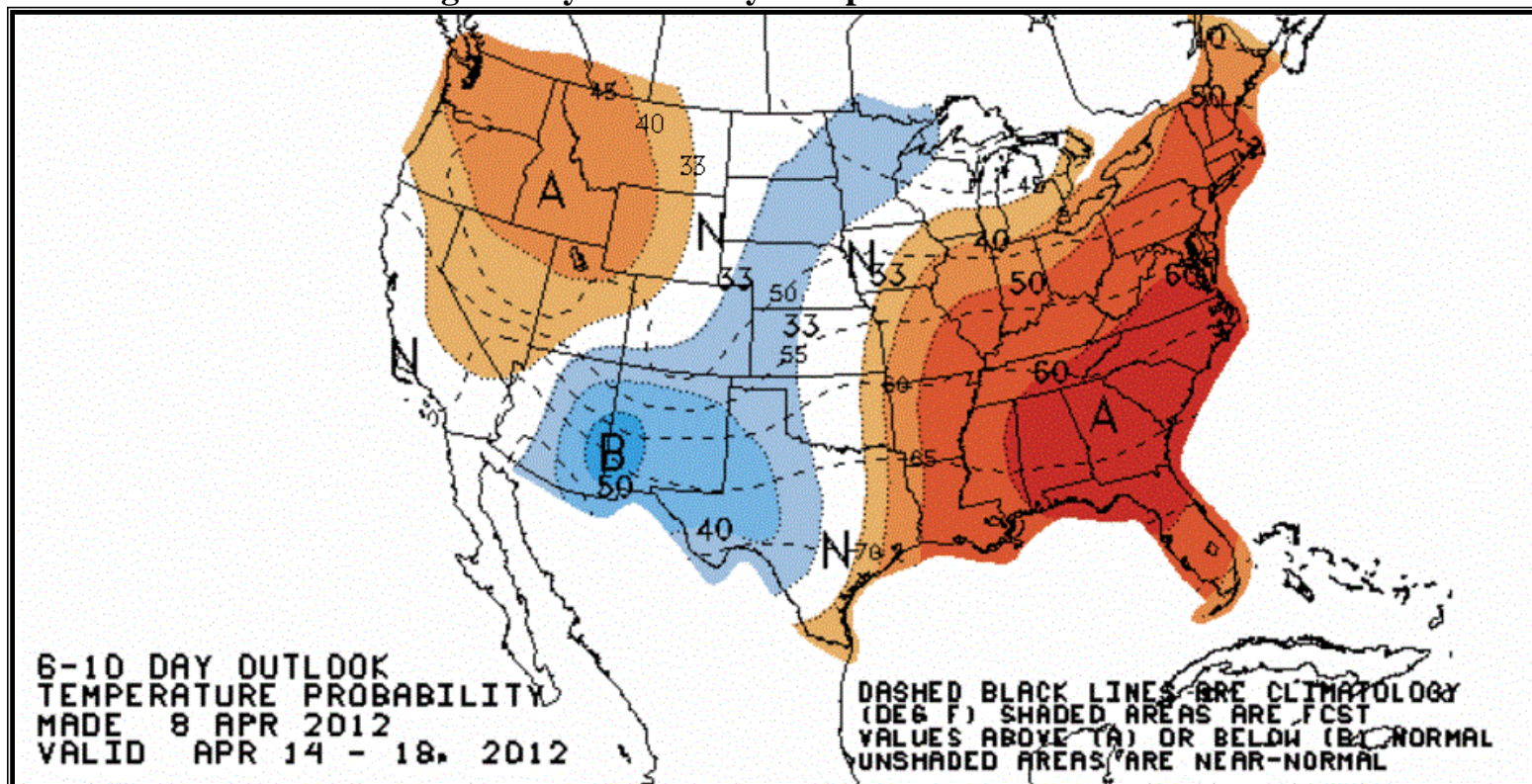
95.0

-57.7

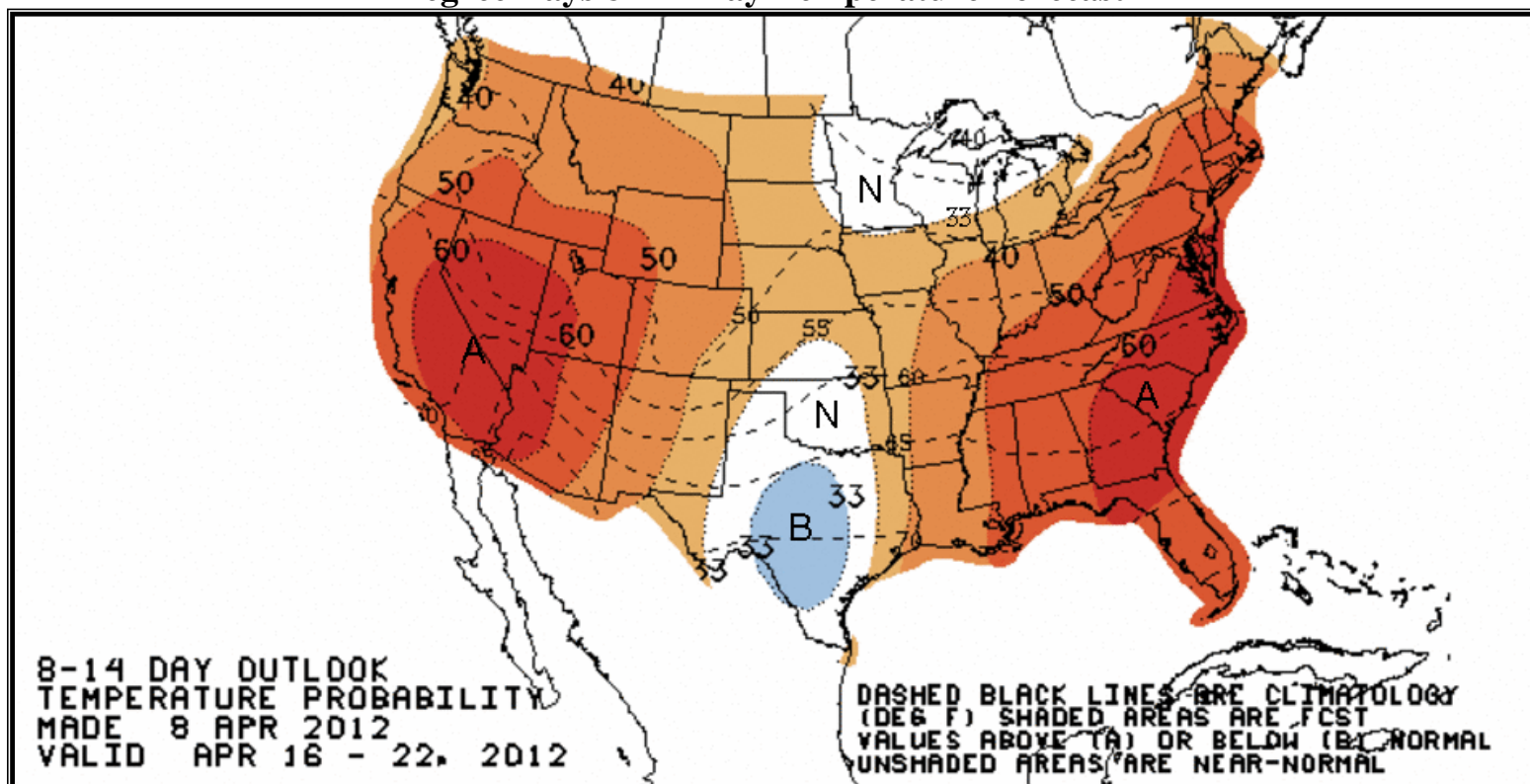
# U.S. Residual Fuel Oil Price Spreads and Supply Balance



## 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

