



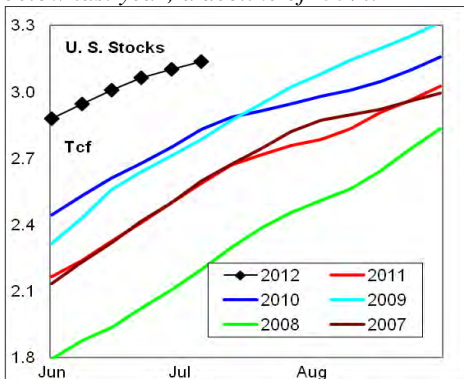
WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

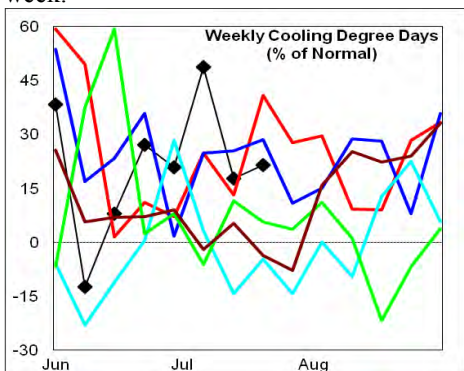
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Monday, July 16, 2012



Summary¹ The stock build of +33 Bcf for the week compares to an average build of +78 Bcf for the week. The average weekly build for the last 2-months was -28 Bcf below last year; a decline of -33%.



Cooling degree days for the week ending 07Jul12 were +49% above normal. Cooling degree days were +18% above normal for the week ending 14Jul12 and forecast to be +21% above normal this week.



In the East Region stocks increased +20 Bcf for the week, compared to an average build of +54 Bcf. Stocks increased +13 Bcf in the West Region, a build that matched 5-year highs for the week. Stocks were unchanged in the Producing Region compares to an average build of +15 Bcf for the period.

Cooling degree days were +75% above normal in the East Region, +7% above normal in the West Region and +18% above normal for the week ending 07Jul12.

¹ Related Web Sites:

[Data Source is EIA Weekly Statistics](#)

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

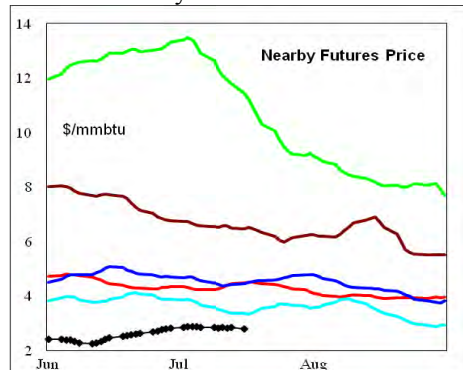
[National Weather Service 10-14 Day](#)

Cooling degree days were +18% above normal last week and forecast to be +21% above normal for the current week.

The 6-10 day NWS forecast for the week ending 26Jul12 is for much above normal cooling degree days across the northern 2/3rds of the country, with southern states near normal.

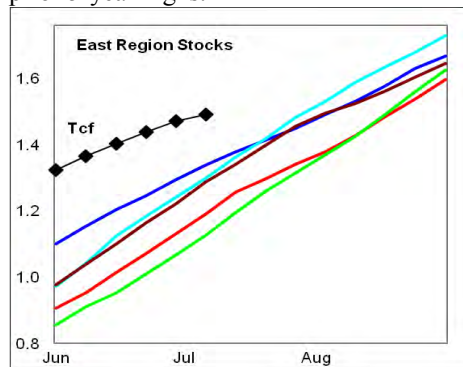
The 8-14 day NWS forecast for the week ending 30Jul12 is for much above normal cooling degree days in the northern plains and Mississippi valley states.

Prices: Nearby gas futures prices decreased -\$0.08/mmbtu for the week ending 16Jul12. The current price is -\$0.90/mmbtu below the prior 5-year low for this time of year.



The 1st - 4th month forward price curve trended higher for the week ending 16Jul12 (declining carry), ending at a level which was comparable to the last 2-years.

East Region stocks increased +20 Bcf for the week, compared to an average build of +54 Bcf for the week. The current stock level was +25% above last year, and above prior 5-year highs.



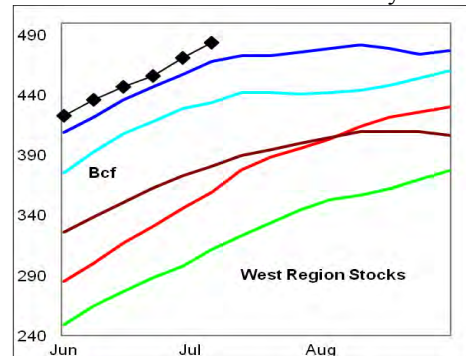
Cooling degree days in the region were +75% above normal for the week ending 07Jul12, +22% above normal for the week ending 14Jul12 and forecast to be 31% above normal this week.

Cooling degree days are forecast to be much above normal in the region for the next 10-days.

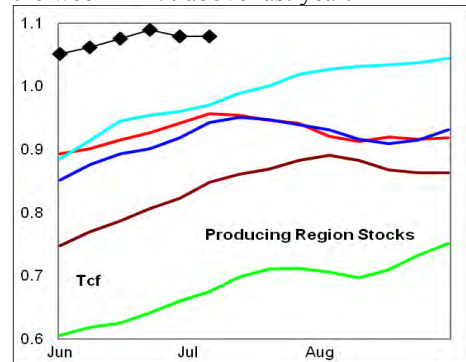
West Region stocks increased +13 Bcf on

the week, a build that matched 5-year highs for the period. Stock levels ended the week +35% above last year and above the 5-year range. The latest 4-wk stock build was above the 5-year average.

Cooling degree days were +7% above normal for the week ending 07Jul12, +38% above normal for the week ending 14Jul12 and forecast to be +11% above normal this week. Cooling degree days are forecast to be above normal for the next 10-days.



Producing Region stocks were unchanged last week, compared to an average build of +15 Bcf for the week. Stock levels ended the week +12% above last year.



Cooling degree days were +18% above normal for the week ending 07Jul12, -6% below normal for the week ending 14Jul12 and forecast to be +6% above normal this week. Above normal cooling 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, with residual fuel demand -37% below last year.

Outlook: The cumulative seasonal stock build this year was -23% below a year ago and below the 5-year range. High electric power demand, shut in of wells due to low prices and expected limits on storage capacity underlies the low stock build rate. Above average cooling degree days should continue to support prices through month end.



NATURAL GAS: Graph Link and Weekly Summary

Report prepared as of: July 16, 2012

For the week ending: 6-Jul-12

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

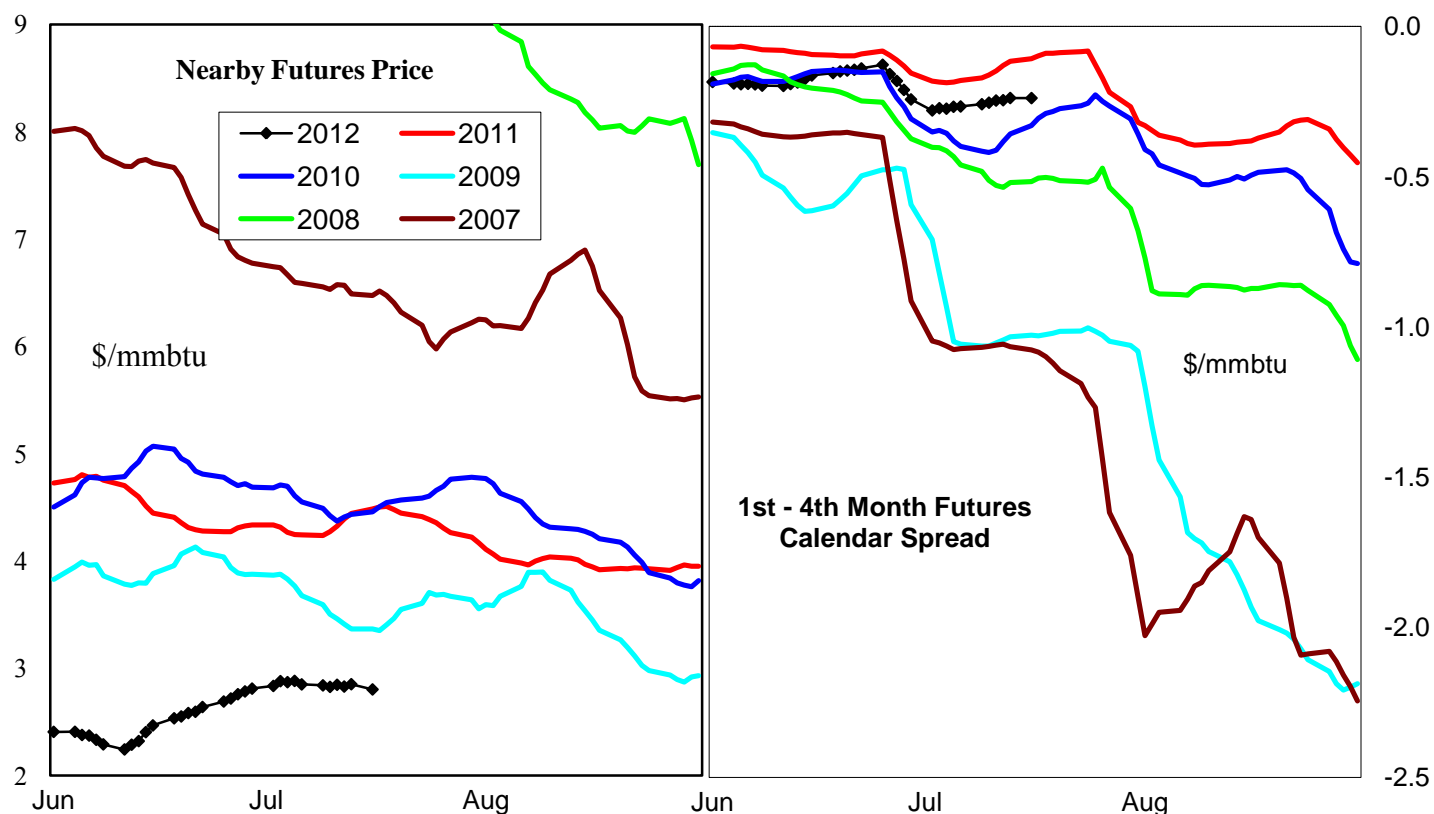
Week ending:	6-Jul-12			7-Jul-12		14-Jul-12		21-Jul-12	
Region	Weekly Stocks			Weekly Cooling Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	3,135	33	21.2	26	49%	-16	18%	5	21%
East	1,532	20	24.5	41	75%	-29	22%	9	31%
West	484	13	34.8	11	7%	21	38%	-13	11%
Producing	1,119	0	12.2	-8	18%	-22	-6%	16	6%

Seasonal Trends in Stocks and Cooling Degree Days

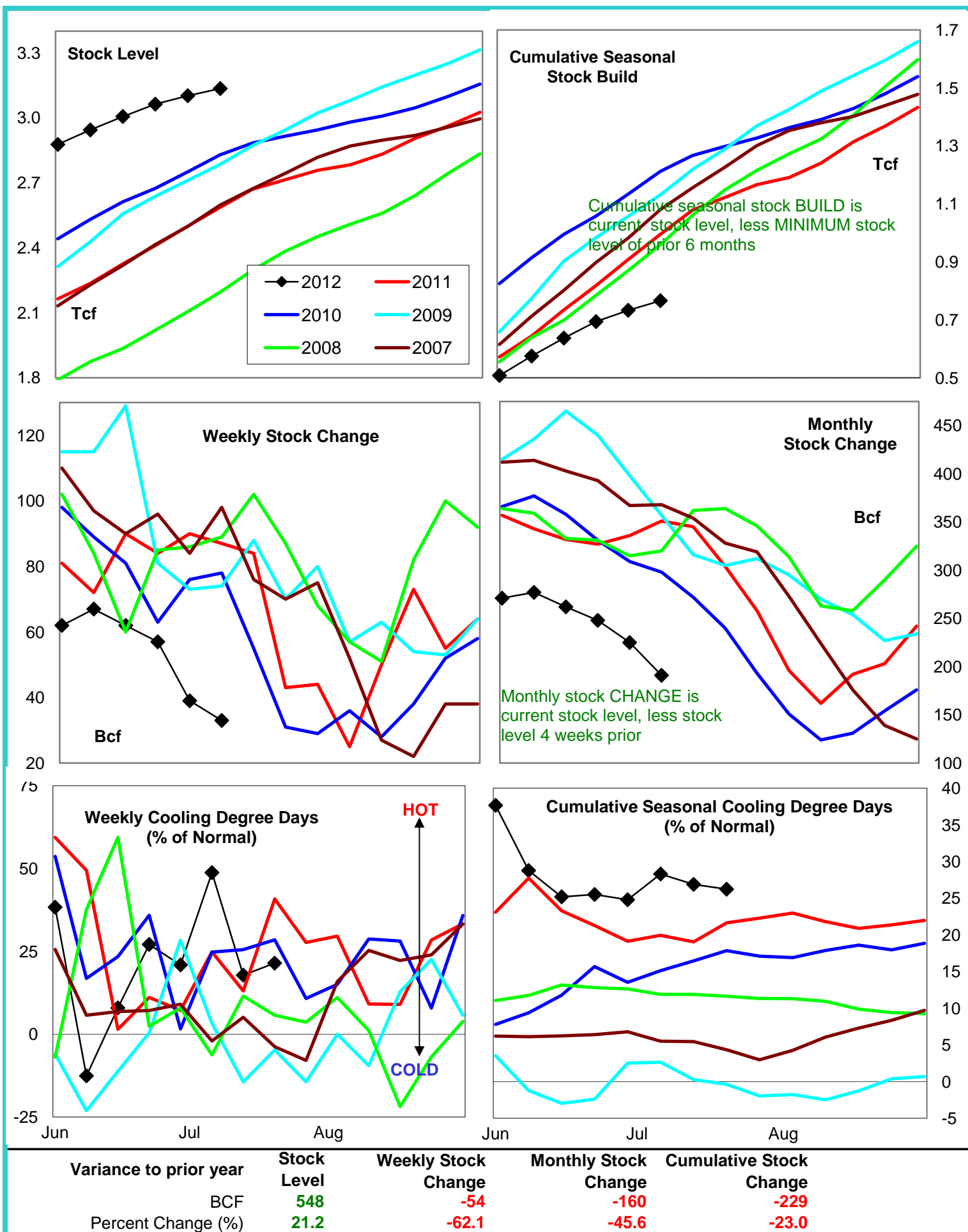
	Cumulative Stock change			Cumulative Cooling Degree Days					
	Bcf	Change vs prior year Bcf	%	CCDD's vs normal	% of normal	CCDD's vs normal	% of normal	CCDD's vs normal	% of normal
U.S. Total	766	-229	-29.9	132	28%	145	27%	161	26%
East	483	-127	-26.3	282	36%	276	34%	284	34%
West	140	-1	-0.7	-11	-3%	9	3%	16	4%
Producing	154	-154	-100.0	282	32%	276	27%	284	25%

Futures Market Price Trends

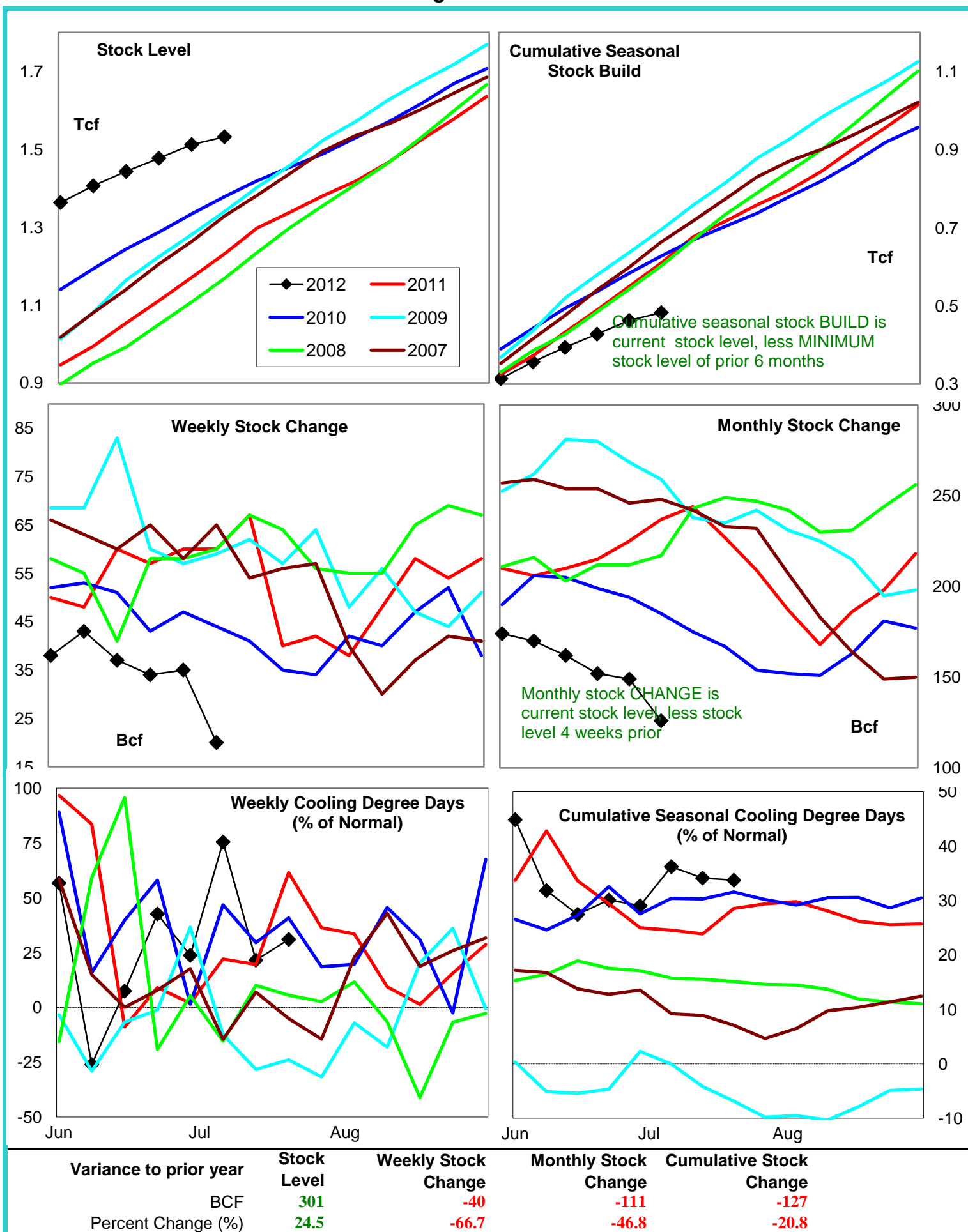
Date:	16-Jul-12	Change vs prior week, month, year		
		10-Jul-12	19-Jun-12	12-Jul-11
1st month Futures	2.80	0.06	0.26	-1.35
% change	xxxxx	2.3	10.1	-32.5



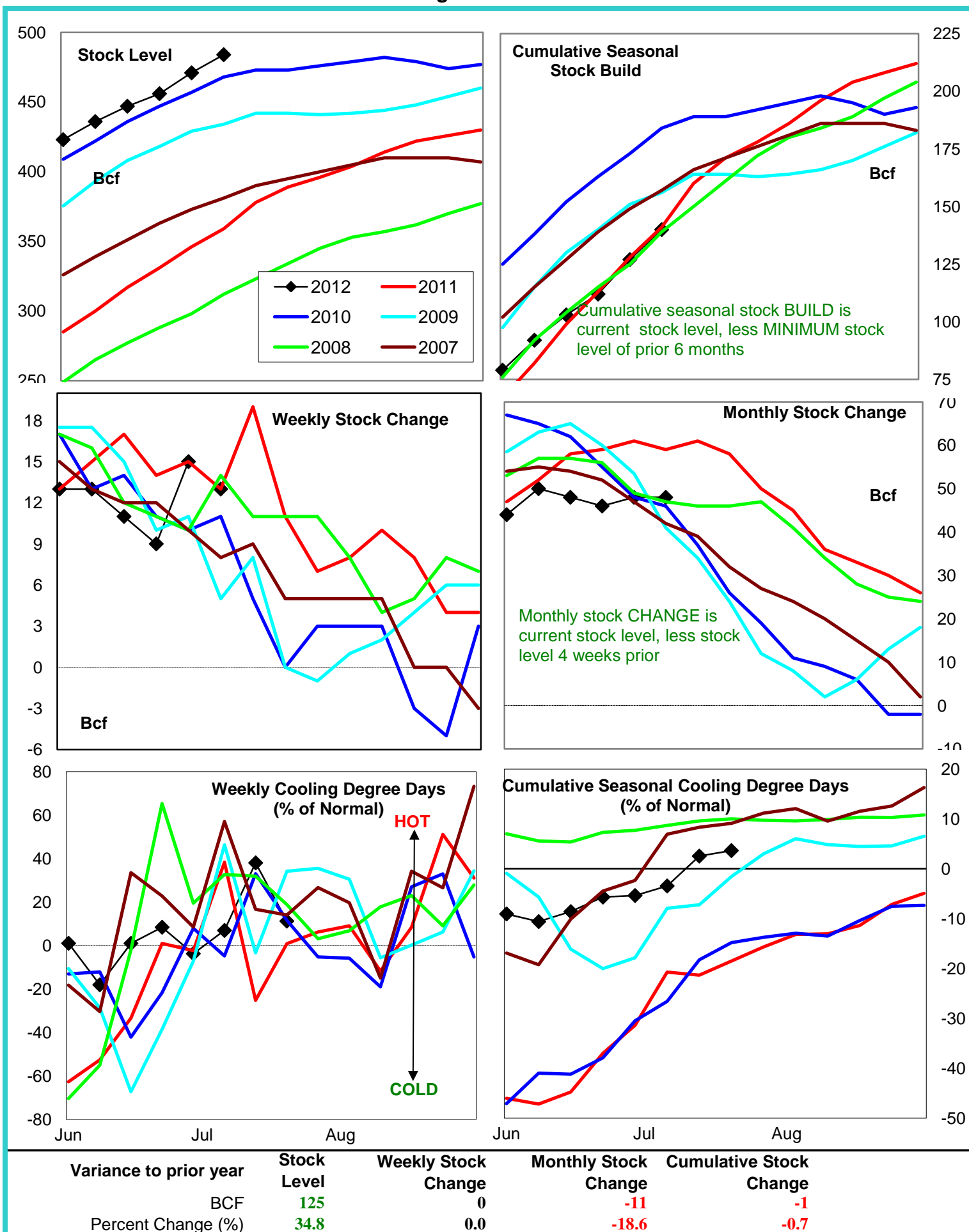
United States Natural Gas Stock and Weather Trends



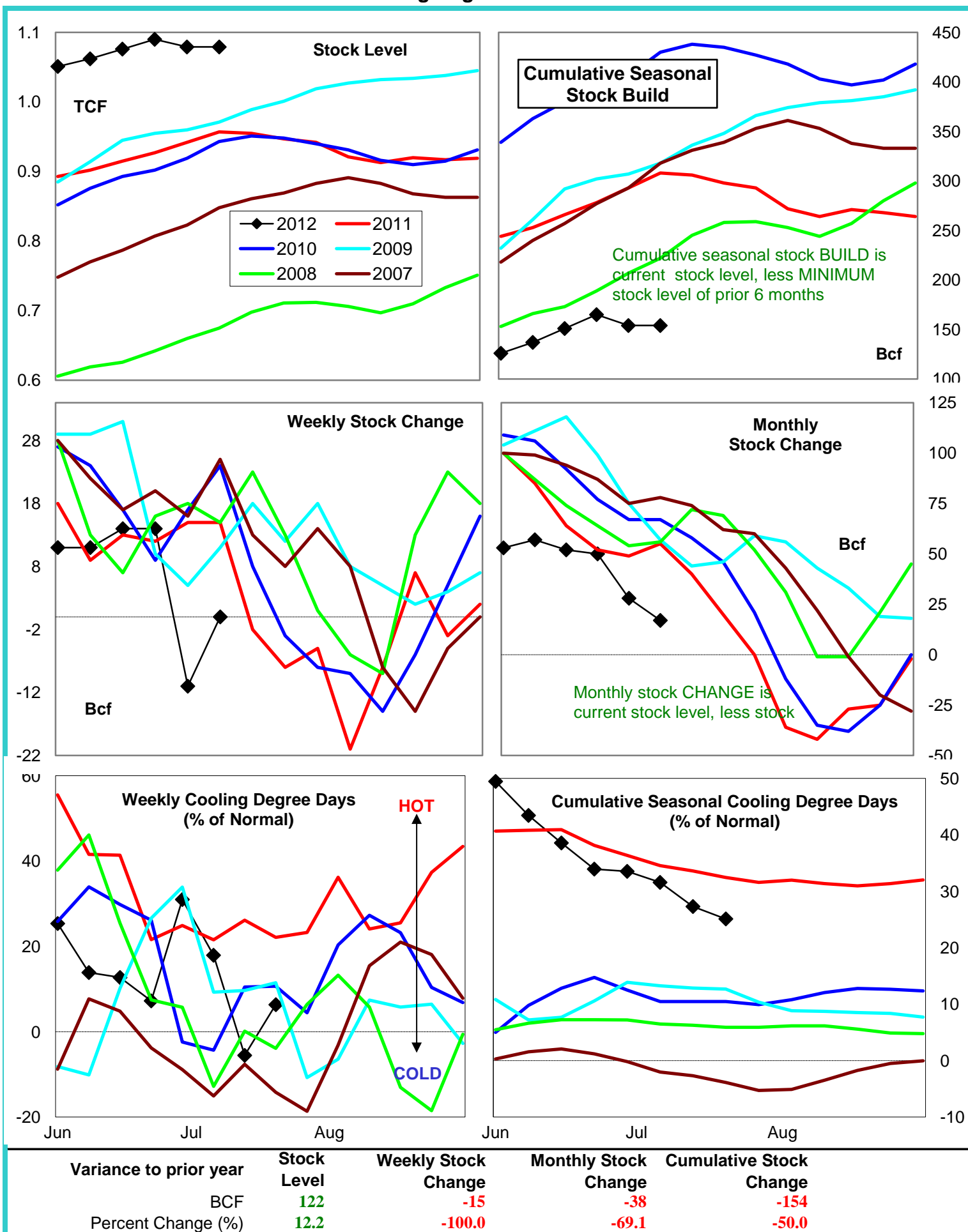
Natural Gas East Region Stock and Weather Trends



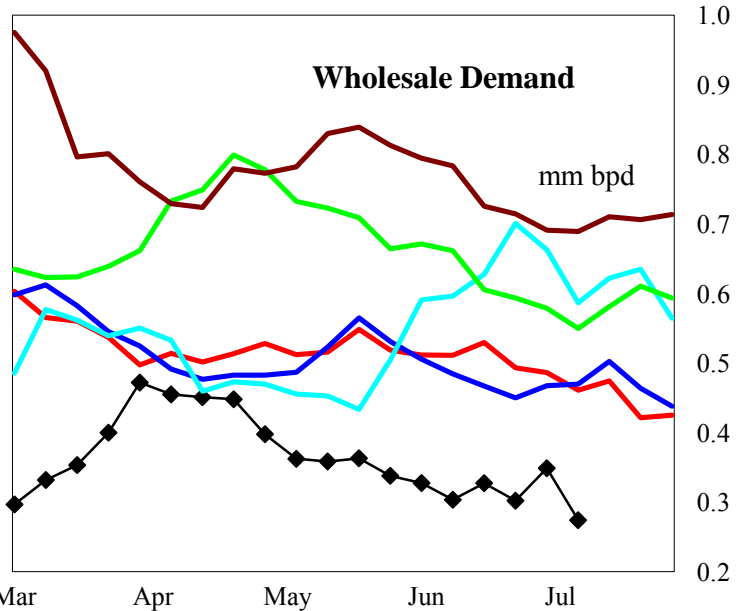
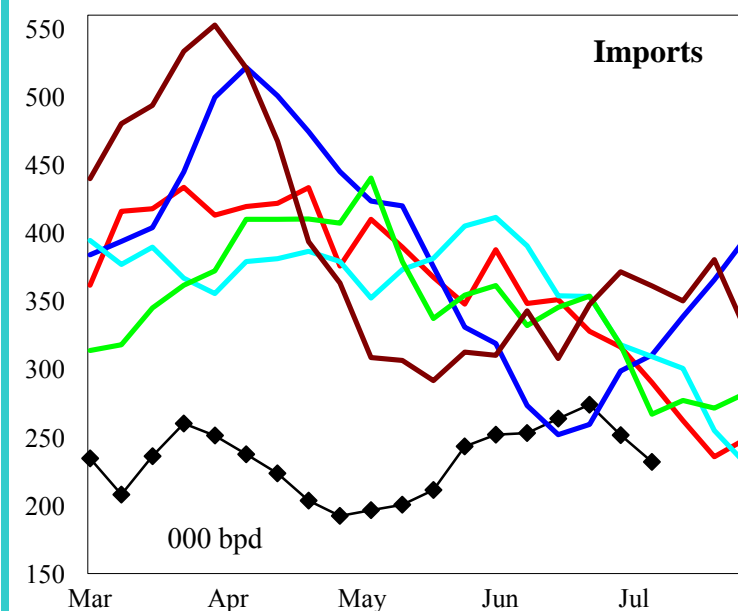
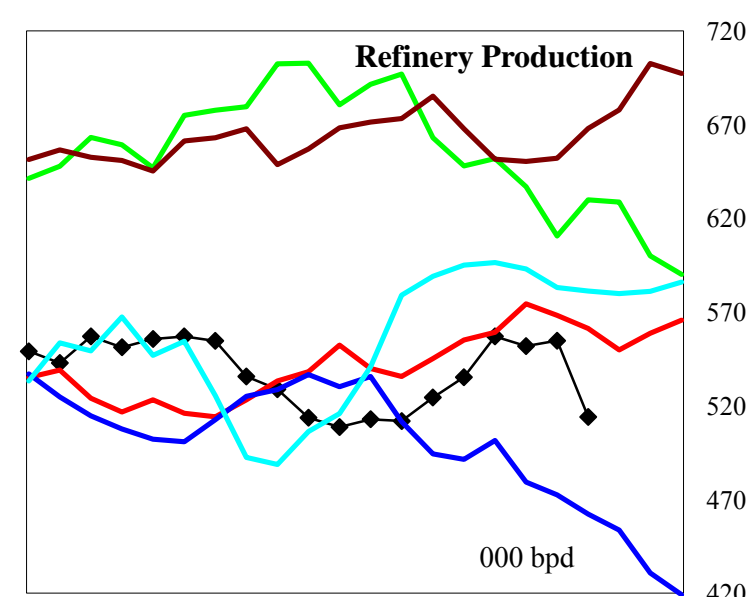
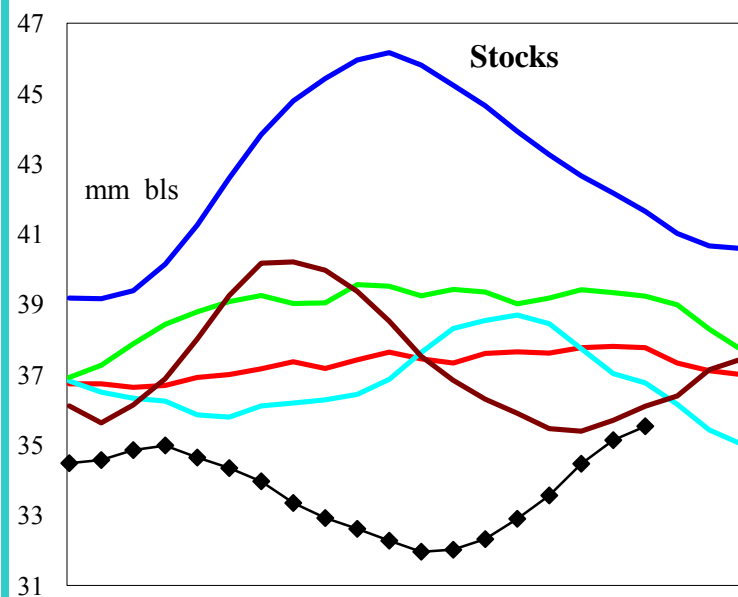
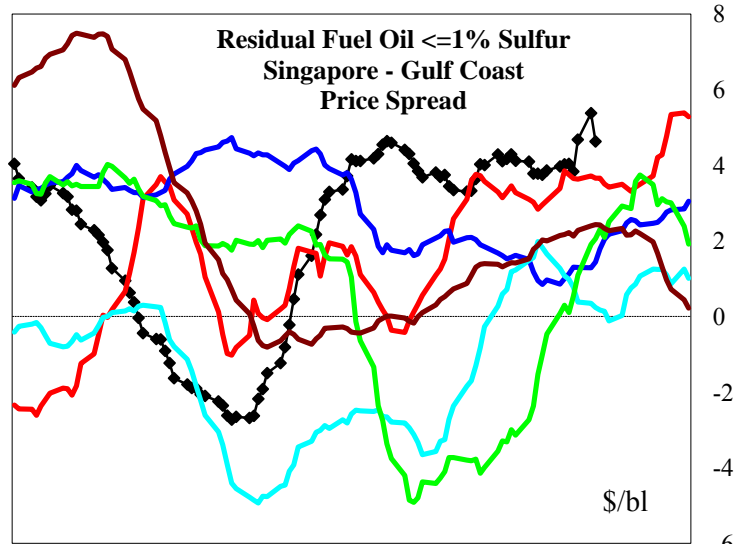
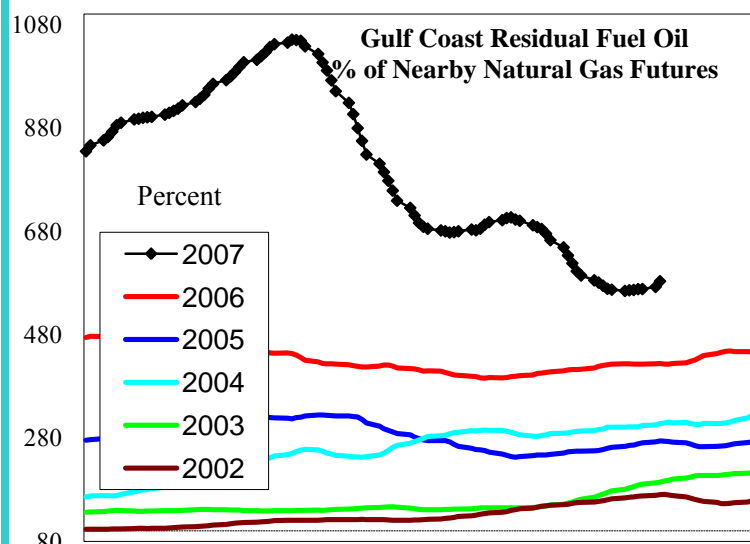
Natural Gas West Region Stock and Weather Trends



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 bbls stks)

% change

Stocks

-2,453

-6.5

Prod

-26

-4.4

Imports

-89

-25.8

Demd=>

4wk avg

-188

-37.2

May

-116

-24.3

Apr

-172

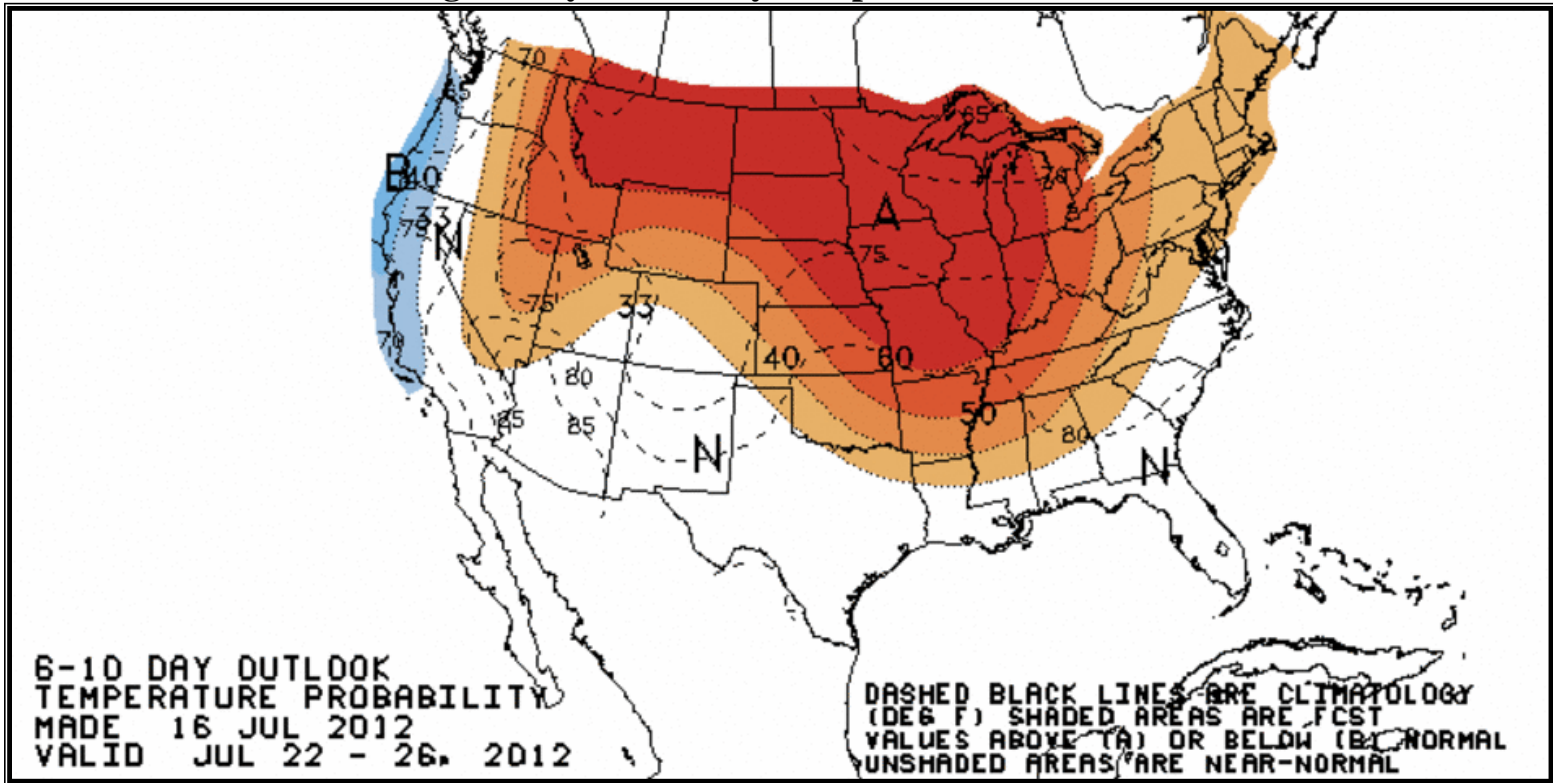
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Mar

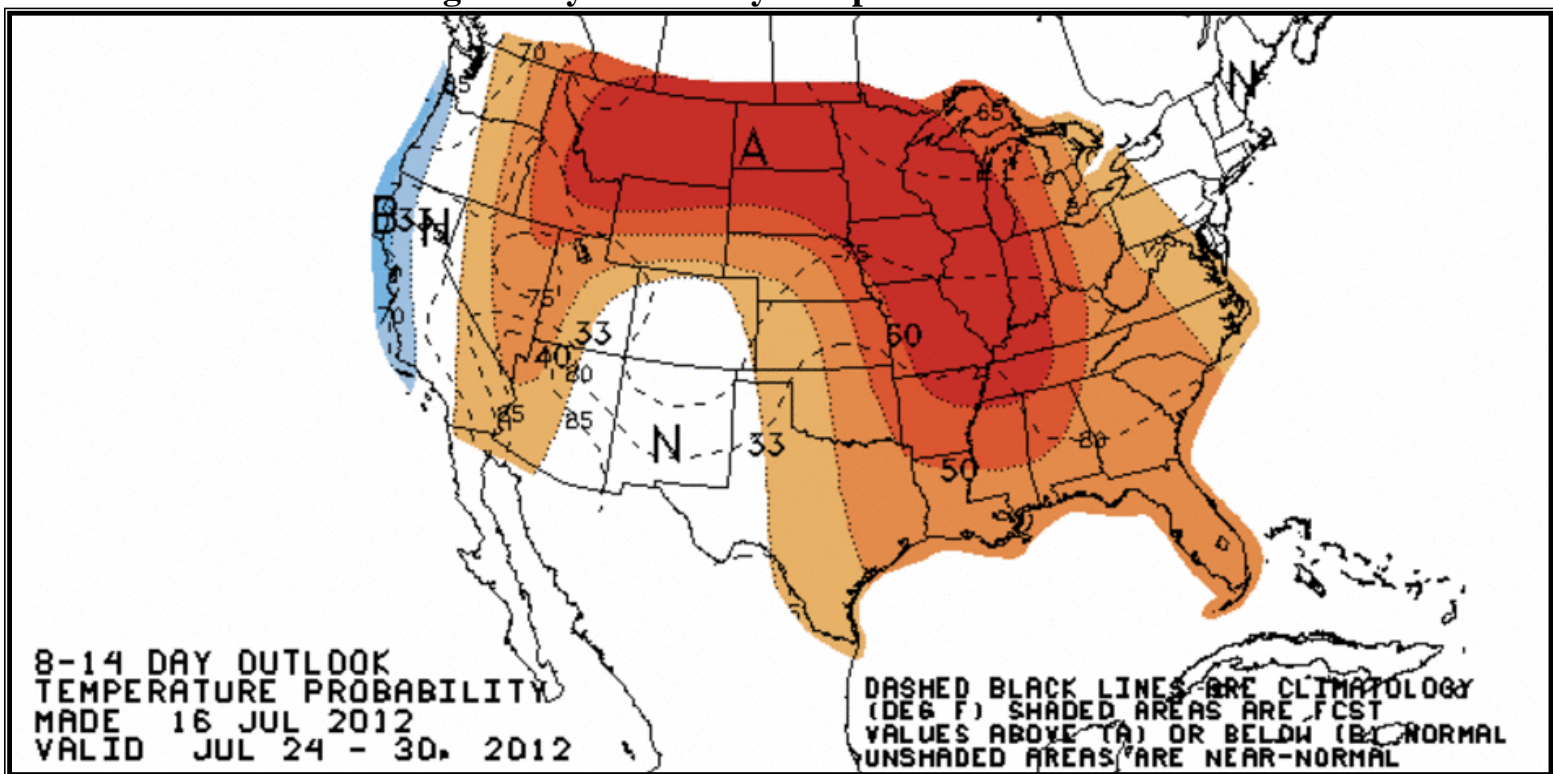
-131

-23.9

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

