



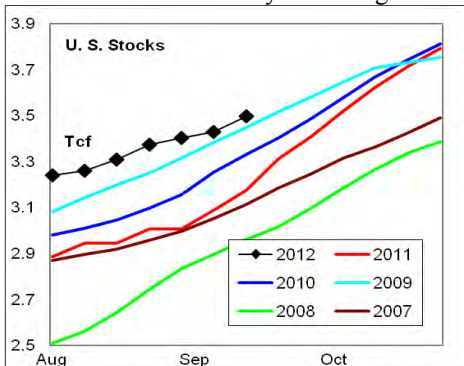
WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

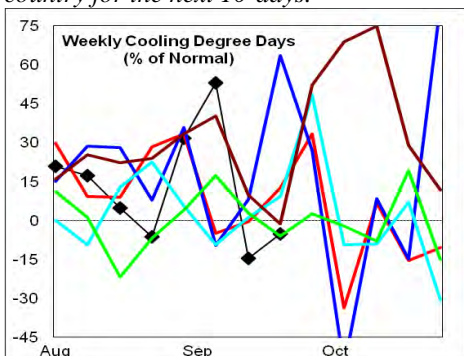
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Friday, September 21, 2012



Summary¹ The stock build of +67 Bcf for the week matched the 5-year average.



Cooling degree days for the week ending 15Sep12 were -15% below normal, are estimated to be -5% below normal this week near normal in the eastern 1/2 of the country for the next 10-days.



In the East Region stocks increased +44 Bcf for the week, a level at the low end of the 5-year range for the week. Stocks increased +3 Bcf in the West Region, a level at the low end of the historic range for the period. Stocks increased +20 Bcf in the Producing Region, a build that comparable to the last 2-years.

Cooling degree days were -31% above below normal in the East Region, +38% above normal in the West Region and -26% below normal in the Producing Region for the week ending 15Sep12.

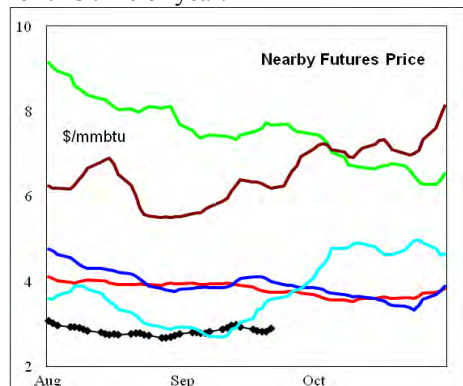
Cooling degree days were -15% below normal for the week ending 15Sep12, and estimated to be -5% below normal for the week ending 22Sep12.

The 6-10 day NWS forecast for the

week ending 30Sep12 is for near normal cooling degree days east of the Rockies and above normal in the northwest.

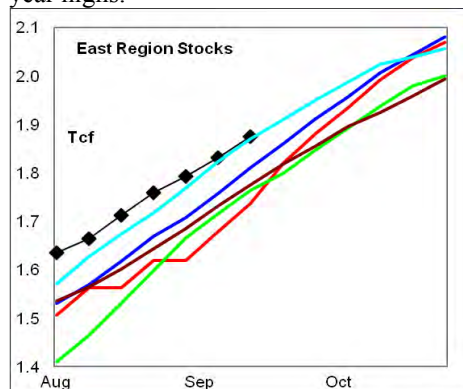
The 8-14 day NWS forecast for the week ending 04Oct12 is for near normal cooling degree days in the southern 1/3rd of the country and above normal temperatures in the northern 1/2 of the country.

Prices: Nearby gas futures prices decreased -\$0.06/mmbtu for the week ending 21Sep12. The current price is -\$0.69/mmbtu below the prior 5-year low for this time of year.



The 1st – 4th month forward price curve trended lower for the week ending 21Sep12, ending at a level below to the last 2-years.

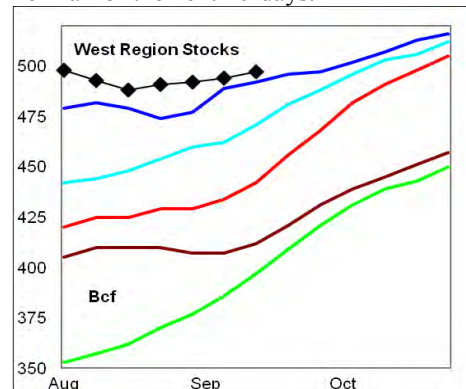
East Region stocks increased +44 Bcf for the week, a level at the low end of the historic range. The current stock level was +8% above last year, and equal to 5-year highs.



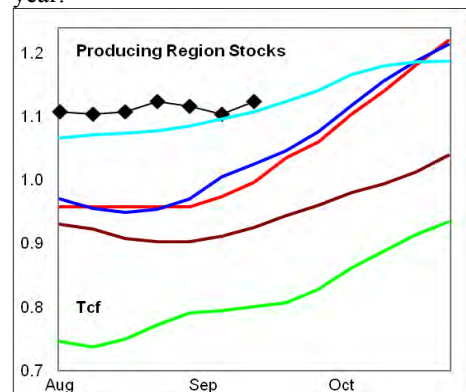
Cooling degree days in the region were -31% below normal for the week ending 15Sep12, and estimated to be -16% below normal this week. Cooling degree days are forecast to be below normal in the region for the next 10-days.

West Region stocks increased +3 Bcf on the week, a level equal to historic lows for the week. Stock levels ended the week +12% above last year and above the 5-year

range. The latest 4-wk stock change was a build of +9 Bcf, a level below the last 3-years. Cooling degree days were +38% above normal for the week ending 15Sep12, and estimated to be +42% above normal for the current week. Cooling degree days are forecast to be much above normal for the next 10-days.



Producing Region stocks increased +20 Bcf for the week, a build comparable to the average of the last 2-years. Stock levels ended the week +13% above last year.



Cooling degree days were -26% below normal for the week ending 15Sep12, and estimated to be -19% below normal for the current week. Slightly below 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 -21% below last year.

Outlook: Moderate temperatures are forecast into early October, leading to low gas demand during the shoulder season. Prices are more than -\$0.50/mmbtu below the prior 5-year low for this time of year. Look for prices to remain well below the historic range on slower economic growth, high stocks and excess production capacity.

¹ 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: September 21, 2012

For the week ending: 14-Sep-12

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

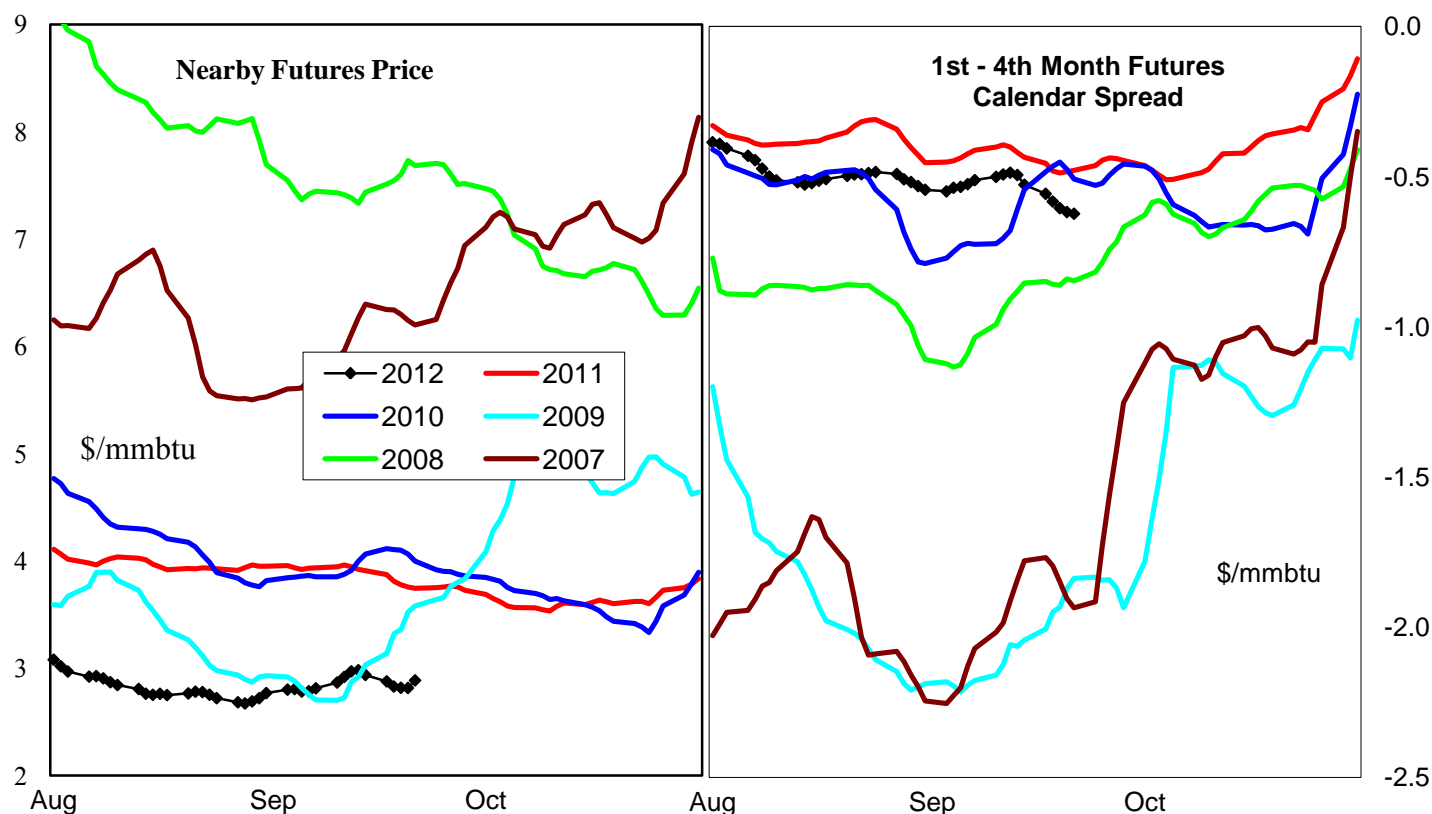
Week ending:	14-Sep-12			8-Sep-12		15-Sep-12		22-Sep-12	
Region	Weekly Stocks			Weekly Cooling Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	3,496	67	10.1	2	53%	-40	-15%	-4	-5%
East	1,875	44	8.0	1	68%	-47	-31%	-1	-16%
West	497	3	12.4	-3	35%	-5	38%	-10	42%
Producing	1,124	20	12.7	12	39%	-68	-26%	-5	-19%

Seasonal Trends in Stocks and Cooling Degree Days

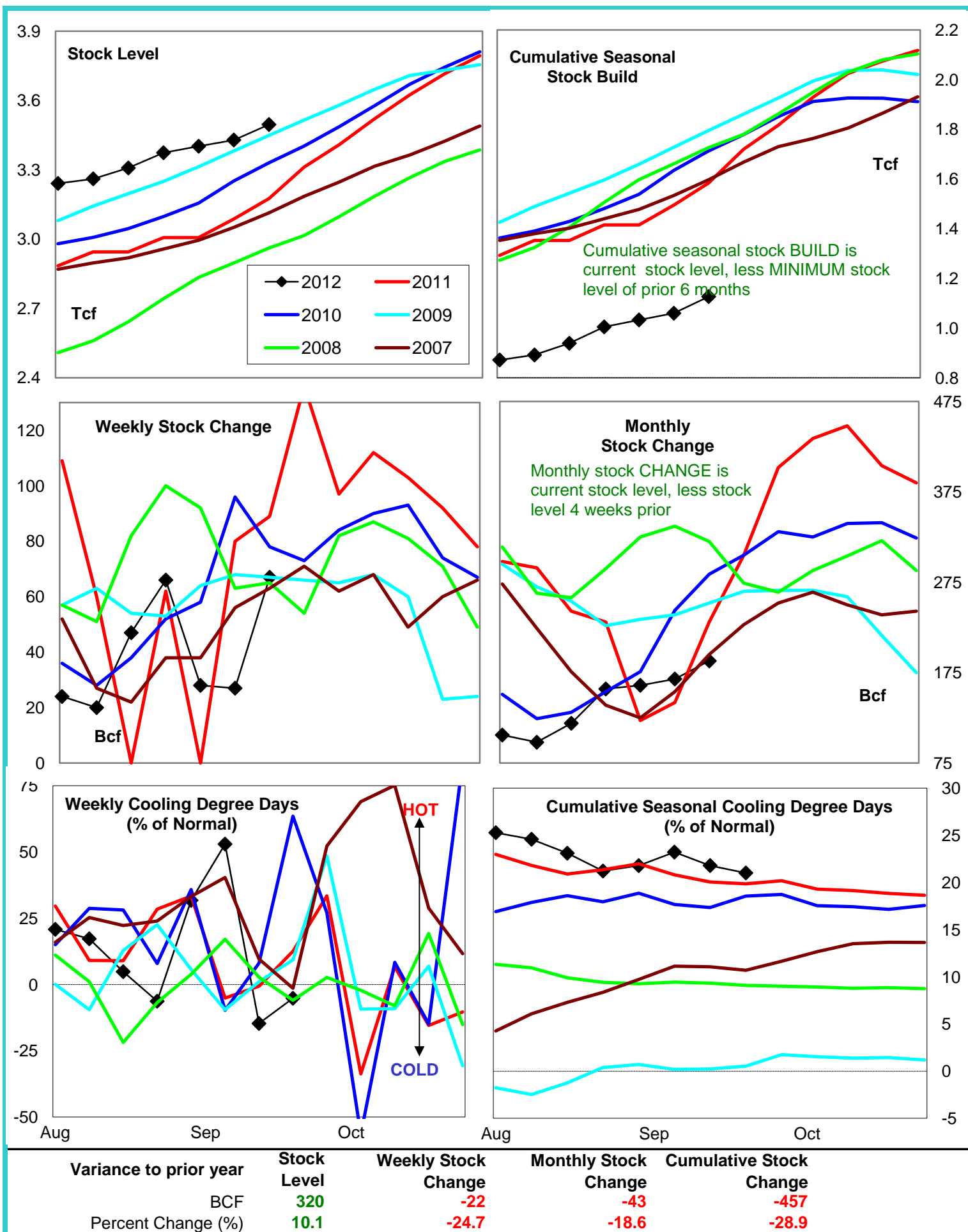
	Cumulative Stock change			Cumulative Cooling Degree Days					
	Bcf	Change vs prior year Bcf	%	CCDD's vs normal	% of normal	CCDD's vs normal	% of normal	CCDD's vs normal	% of normal
U.S. Total	1,127	-457	-40.6	250	23%	244	22%	242	21%
East	826	-289	-35.0	392	27%	371	25%	358	24%
West	153	-71	-46.4	110	14%	124	15%	136	16%
Producing	159	-137	-86.2	392	21%	371	19%	358	17%

Futures Market Price Trends

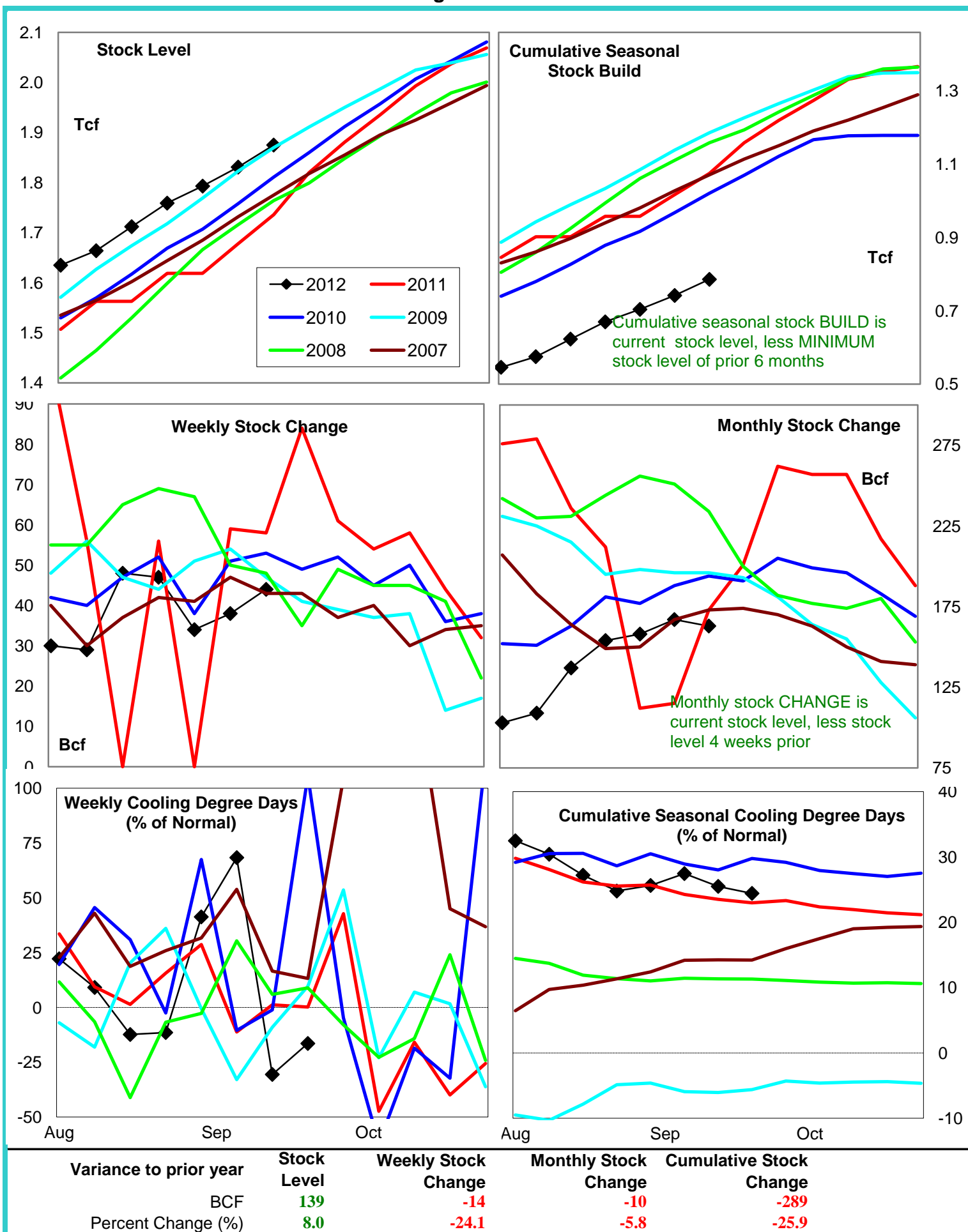
Date:	21-Sep-12	Change vs prior week, month, year		
		17-Sep-12	27-Aug-12	20-Sep-11
1st month Futures	2.89	0.02	0.23	-0.71
% change	xxxxx	0.7	8.7	-19.8



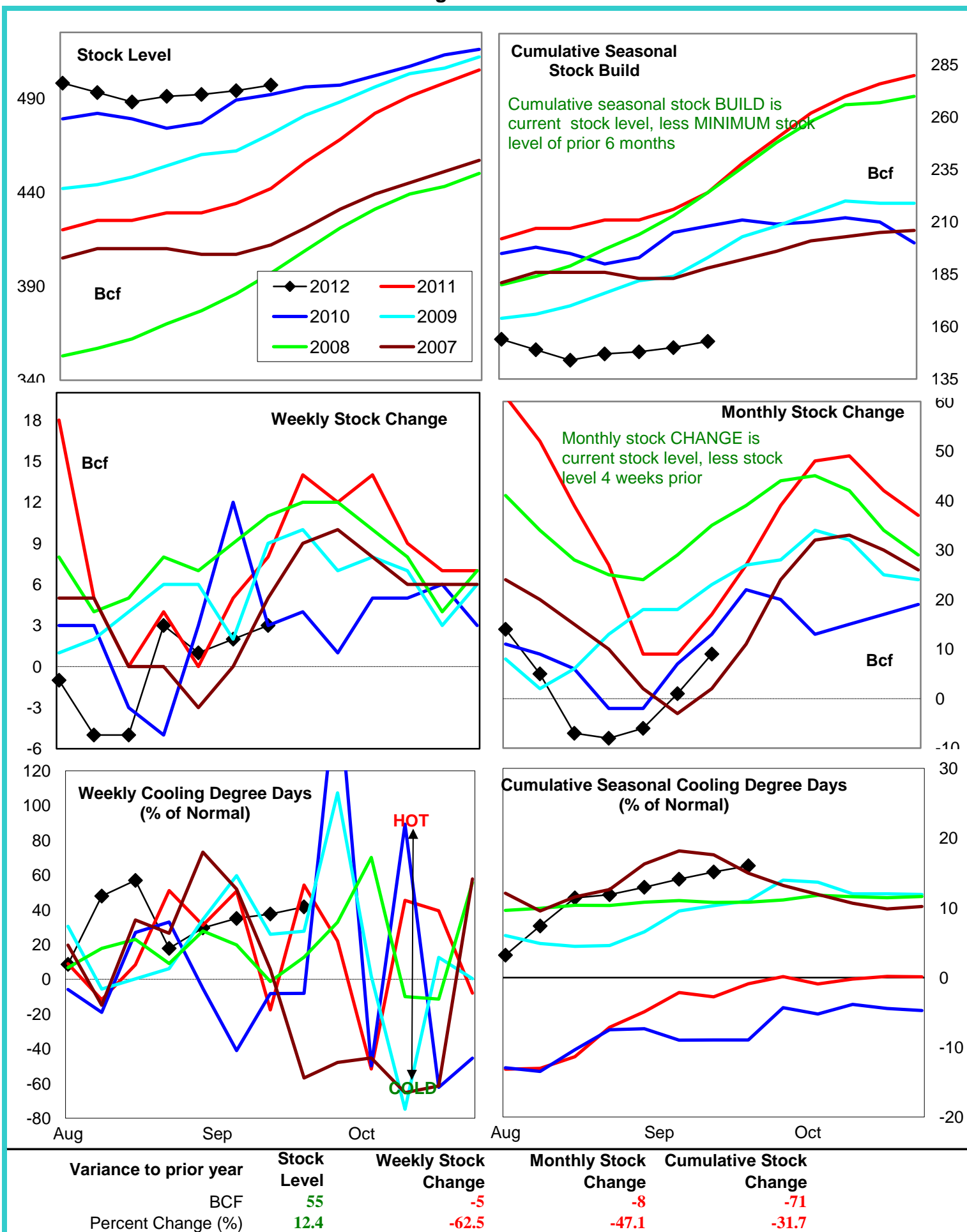
United States Natural Gas Stock and Weather Trends



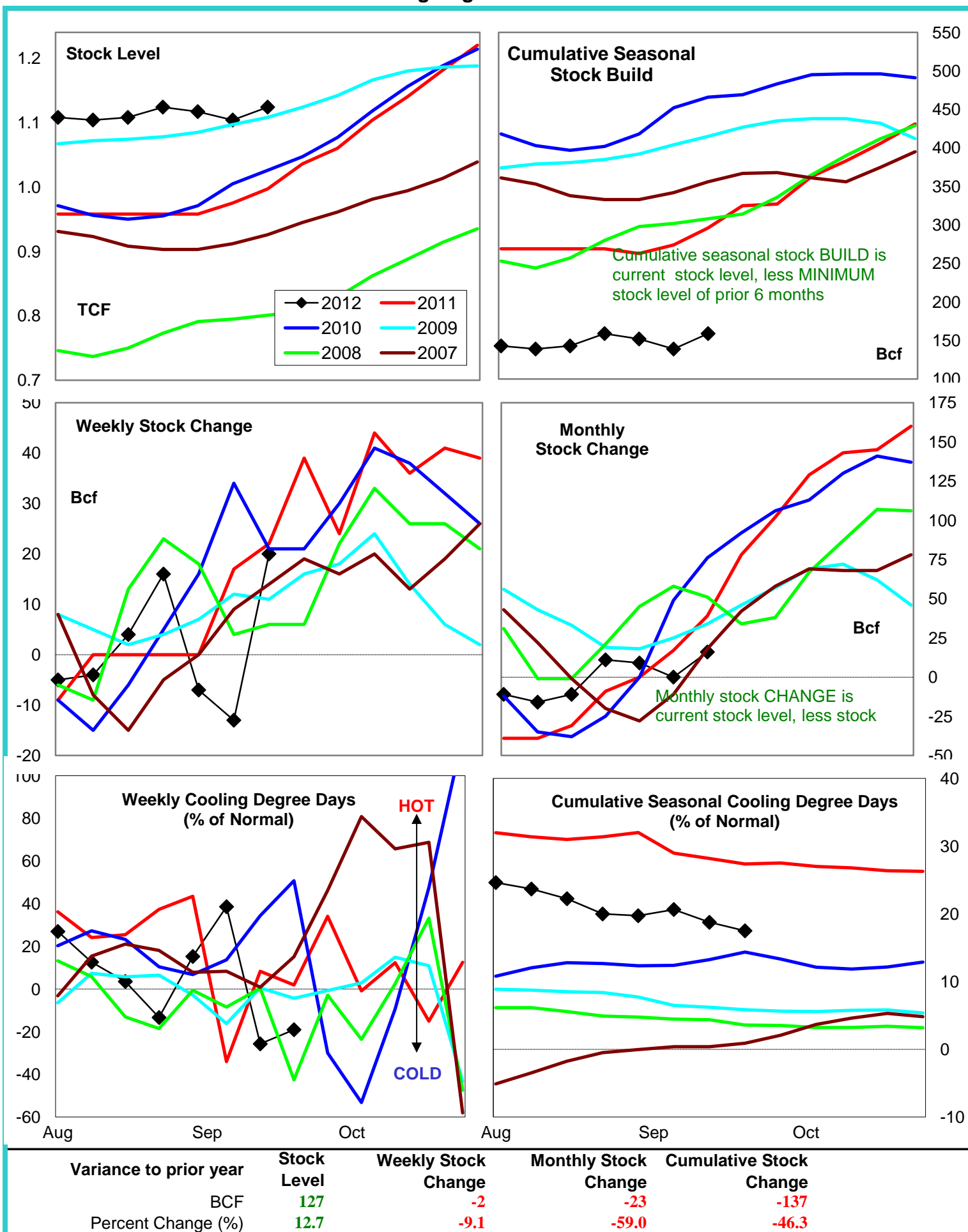
Natural Gas East Region Stock and Weather Trends



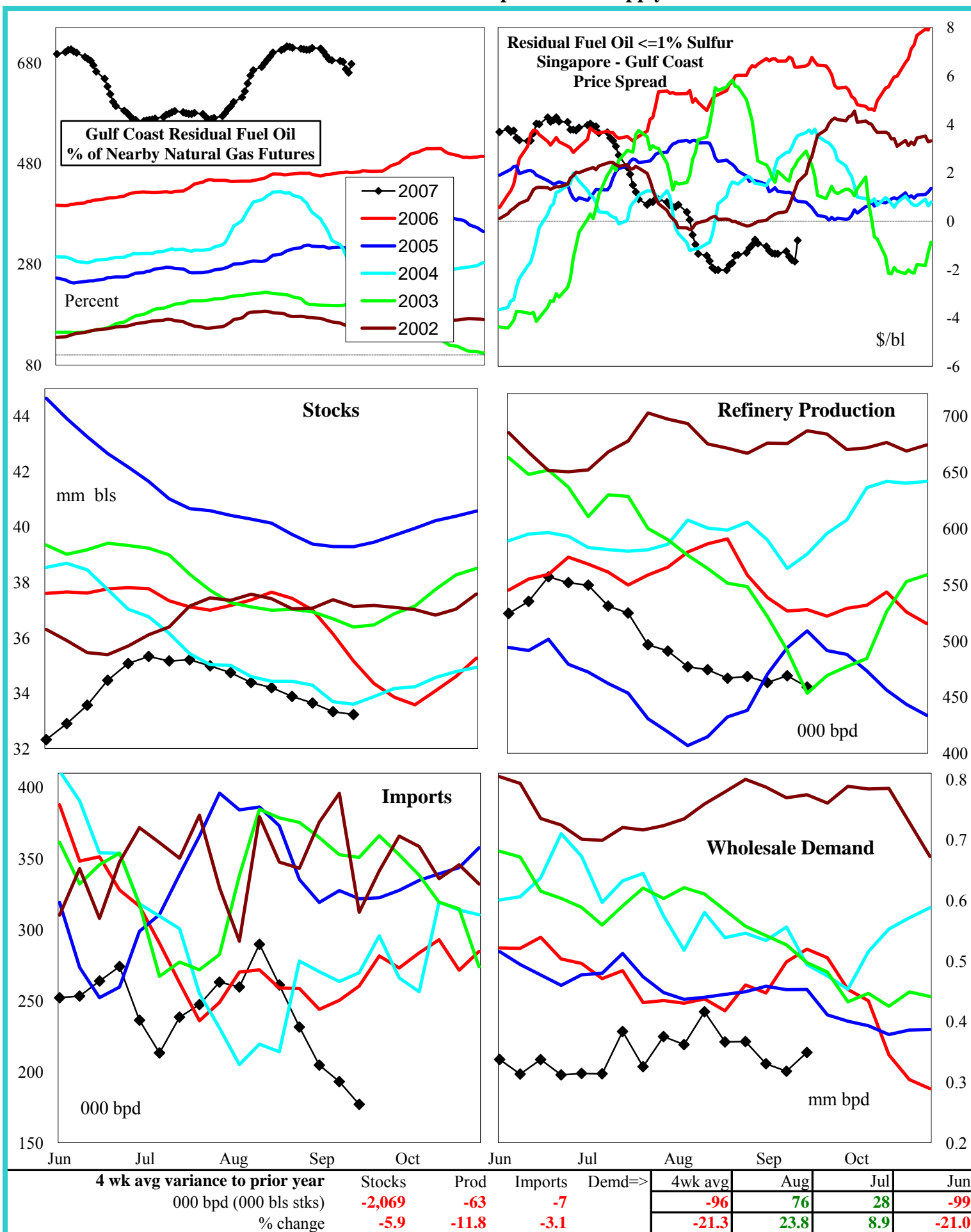
Natural Gas West Region Stock and Weather Trends



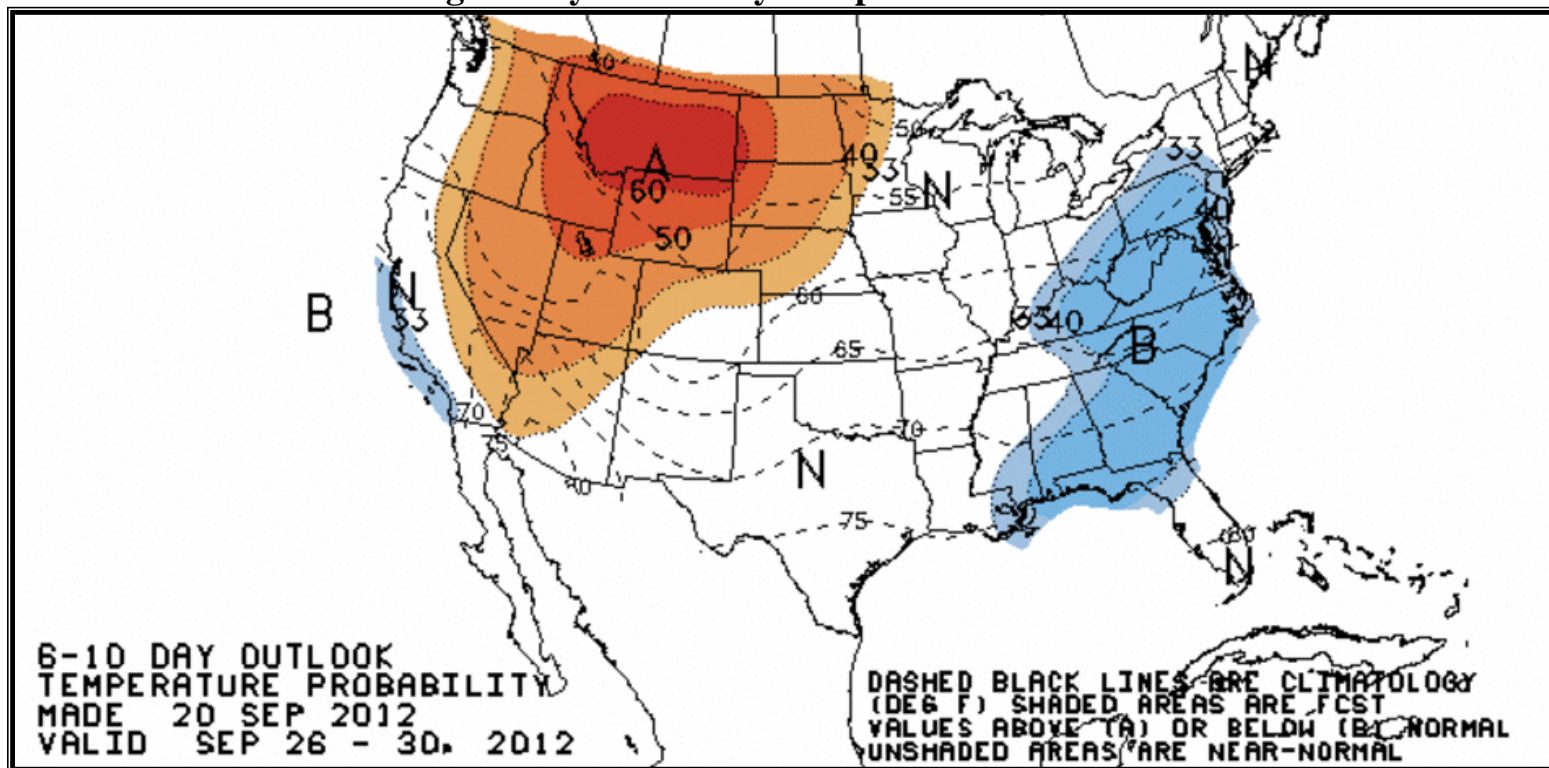
Natural Gas Producing Region Stock and Weather Trends



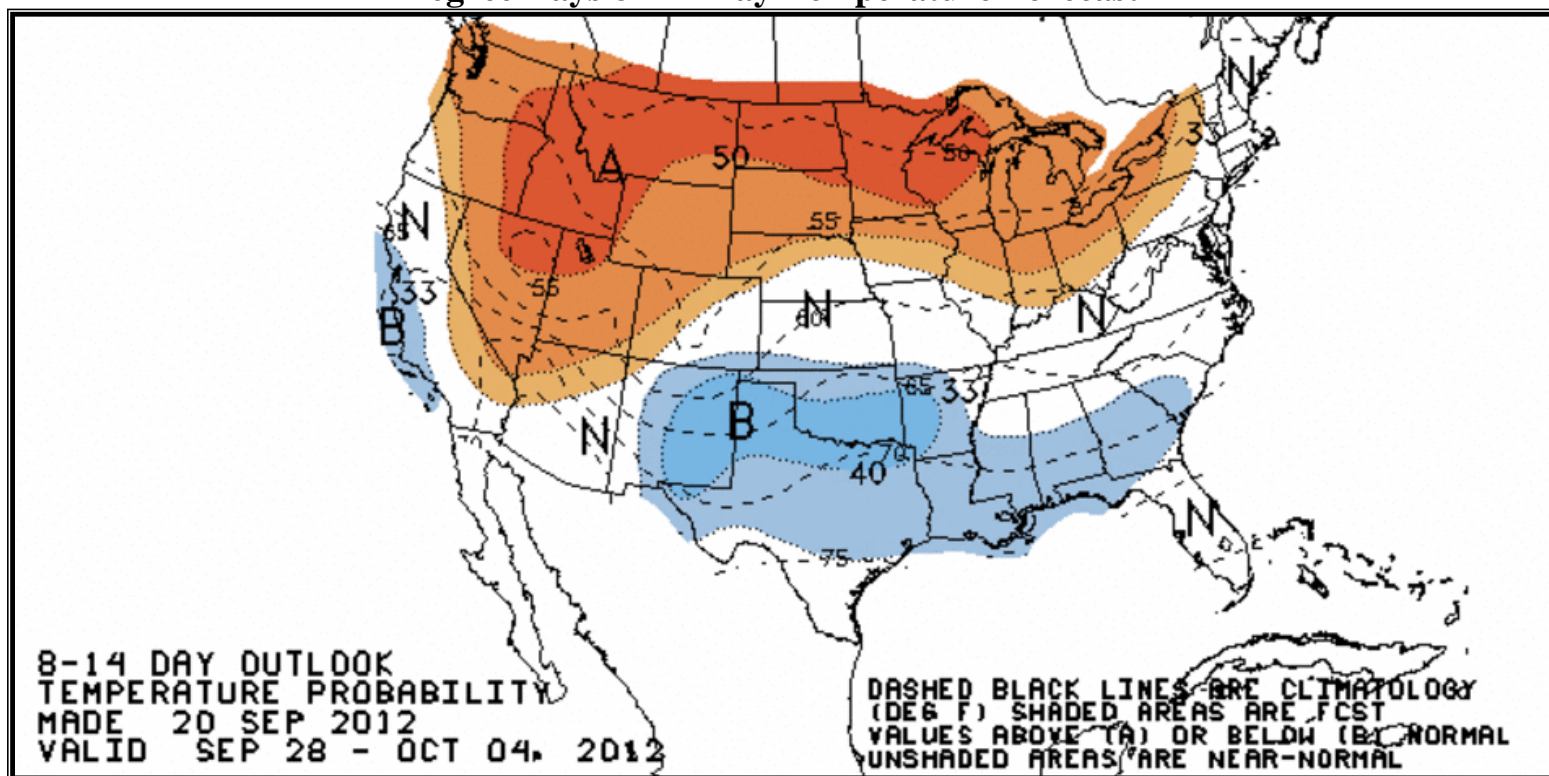
U.S. Residual Fuel Oil Price Spreads and Supply Balance



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

