



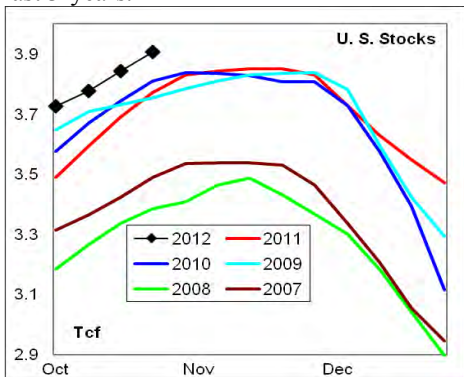
WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

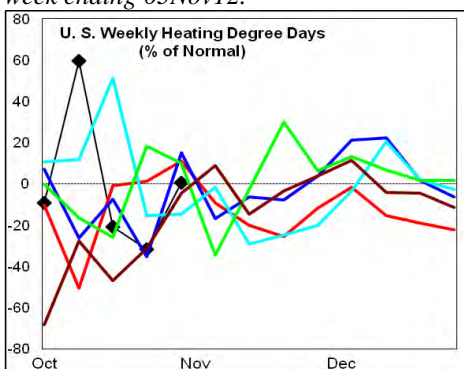
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Sunday, November 04, 2012



Summary¹ The stock build of +65 Bcf for the week, a level above the average of the last 3-years.



Heating degree days for the week ending 27Oct12 were -32% below normal, and estimated to be +1% above normal for the week ending 03Nov12.



In the East Region stocks increased +34 Bcf for the week, a level at the mid range of the last 5-years. Stocks increased +8 Bcf in the West Region, a level above the 5-year range for this week. Stocks increased +23 Bcf in the Producing Region, a build that was slightly below the last 2-years.

Heating degree days were -40% below normal in the East Region, +9% above normal in the West Region and -15% below normal in the Producing Region for the week ending 27Oct12.

Heating degree days were -32% below normal for the week ending 27Oct12, and estimated to be +1% above normal for the week ending 03Nov12.

¹ Related Web Sites:

[Data Source is EIA Weekly Statistics](#)

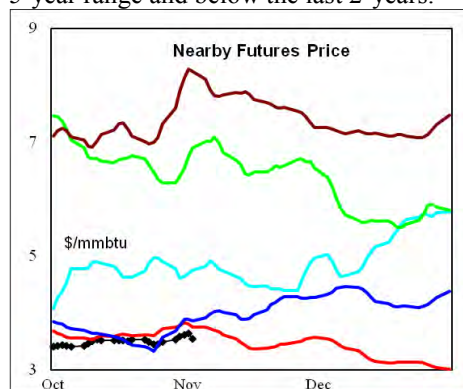
[National Weather Service 6-10 Day](#)

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

The 6-10 day NWS forecast for the week ending 14Nov12 is for much above normal heating degree days in the western 1/2 of the country and much below normal in the east.

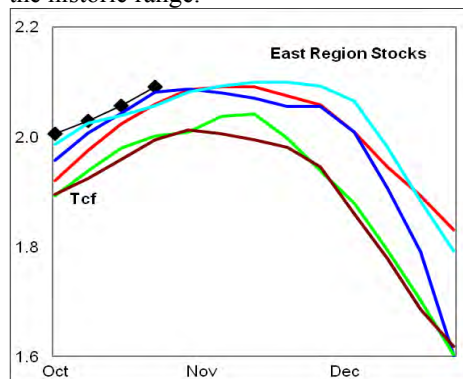
The 8-14 day NWS forecast for the week ending 18Nov12 is for above normal heating degree days in the western 2/3rds of the country and below normal heating degree days in the eastern 1/3rd of the country.

Prices: Nearby gas futures prices increased +\$0.15/mmbtu for the week ending 02Nov12. The current price is below the 5-year range and below the last 2-years.



The 1st - 4th month forward price curve traded at a level comparable to a year ago for the week ending 02Nov12, at the lowest inversion of the past 5-years

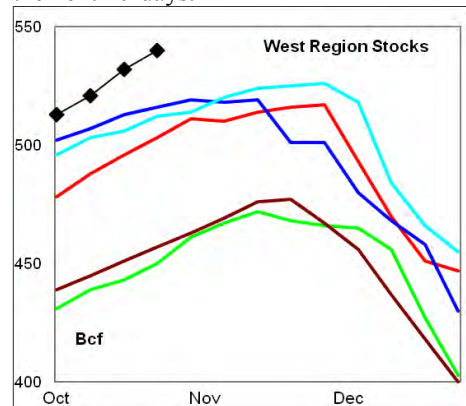
East Region stocks increased +34 Bcf for the week, a level at the mid range of the last 5-years. The current stock level was +1.5% above last year, and slightly above the historic range.



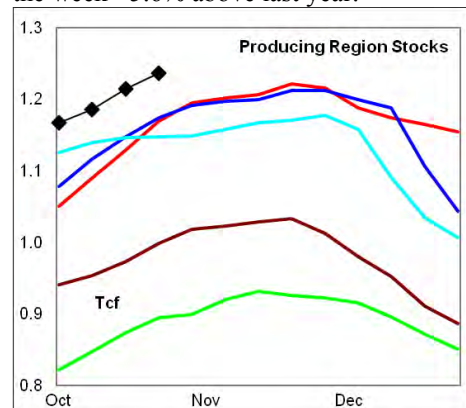
Heating degree days in the region were -40% below normal for the week ending 27Oct12, and estimated to be +6% above normal last week. Heating degree days are forecast to be well below normal in the region for the next 10-days.

West Region stocks increased +8 Bcf on the week, a level above the 5-year range. Stock levels ended the week +7.4% above last year and above the 5-year range. The

latest 4-wk stock change was a build of +30 Bcf, a level above the historic mid range. Heating degree days were +9% above normal for the week ending 27Oct12, and estimated to be -30% below normal for last week. Heating degree days are forecast to be sharply above normal for the next 10-days.



Producing Region stocks increased +23 Bcf for the week, a build that was slightly below the last 2-years. Stock levels ended the week +5.6% above last year.



Heating degree days were -15% below normal for the week ending 27Oct12, and estimated to be -5% below normal for last week. Well 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, with residual fuel demand +6% above last year.

Outlook: Hurricane Sandy and low heating degrees sharply cut natural gas demand in East Region last week. Look for continued low demand due to Hurricane Sandy and below normal heating degree days in the East region through mid month. Prices should remain below the historic range on reduce demand for the next 10-days.



NATURAL GAS: Graph Link and Weekly Summary

Report prepared as of: November 4, 2012

For the week ending: 26-Oct-12

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

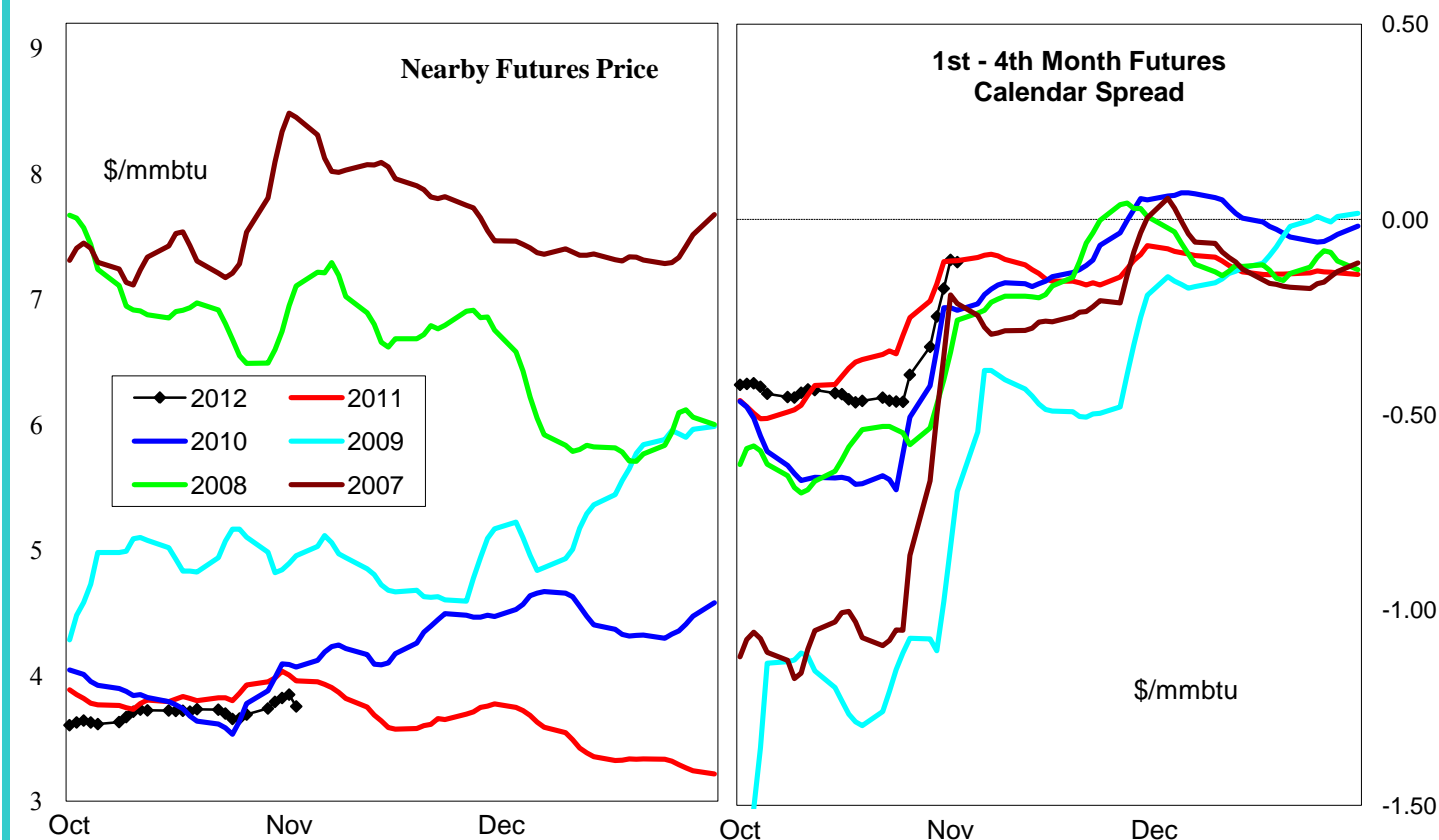
Week ending:	26-Oct-12			20-Oct-12		27-Oct-12		3-Nov-12	
Region	Weekly Stocks			Weekly Heating Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	3,908	65	3.6	-36	-21%	3	-32%	44	1%
East	2,091	34	1.5	-43	-19%	-8	-40%	64	6%
West	540	8	7.4	-23	-27%	47	9%	-25	-30%
Producing	1,277	23	5.6	-19	-29%	15	-15%	17	-5%

Seasonal Trends in Stocks and Heating Degree Days

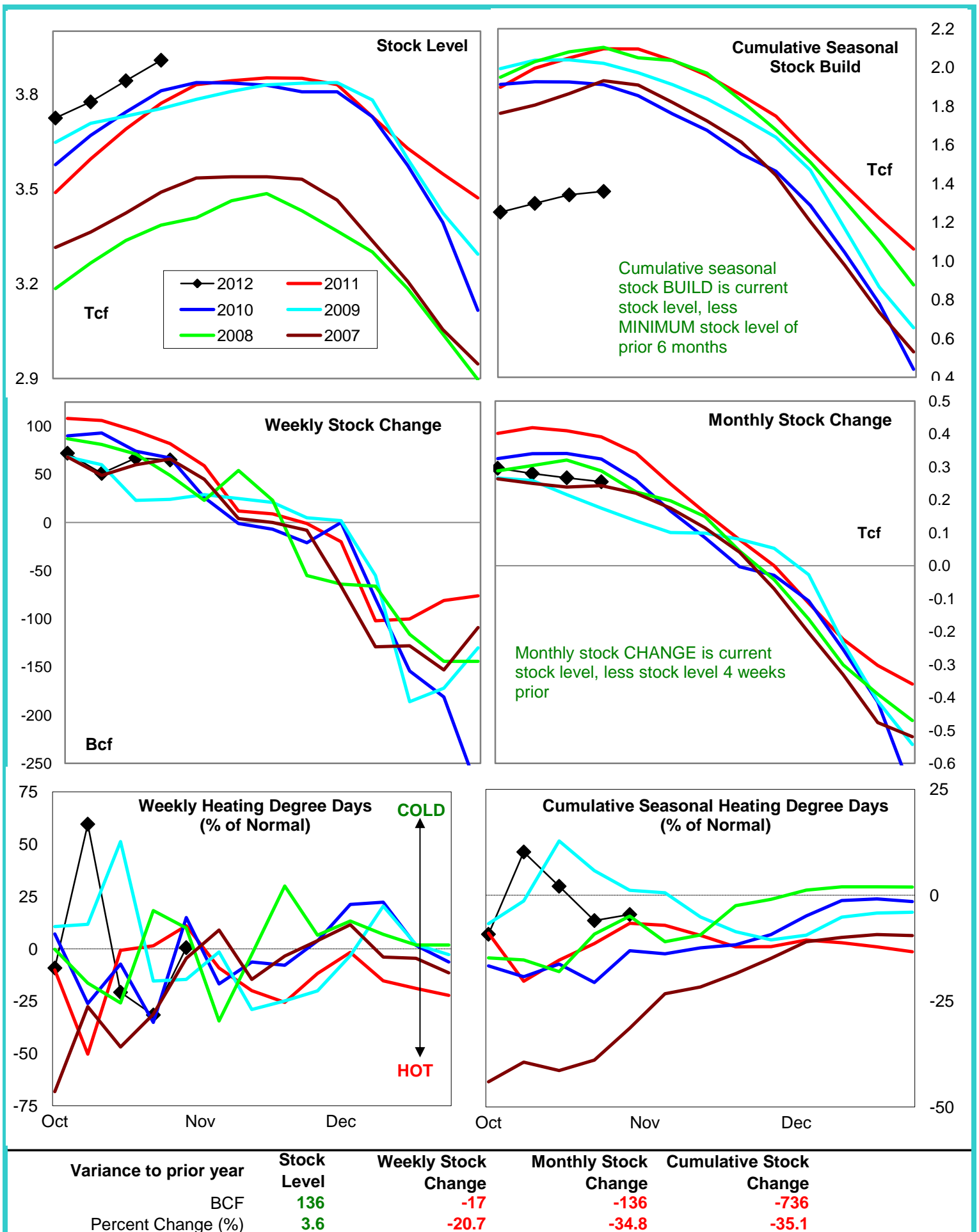
	Cumulative Stock Change			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
U.S. Total	1,360	-736	-54.1	59	2.1	62	-6.0	106	-4.5
East	946	-452	-47.8	71	6.3	62	-4.8	126	-2.4
West	178	-100	-56.2	57	-24.3	104	-17.6	78	-19.9
Producing	239	-181	-75.7	22	15.0	37	5.3	53	2.1

Futures Market Price Trends

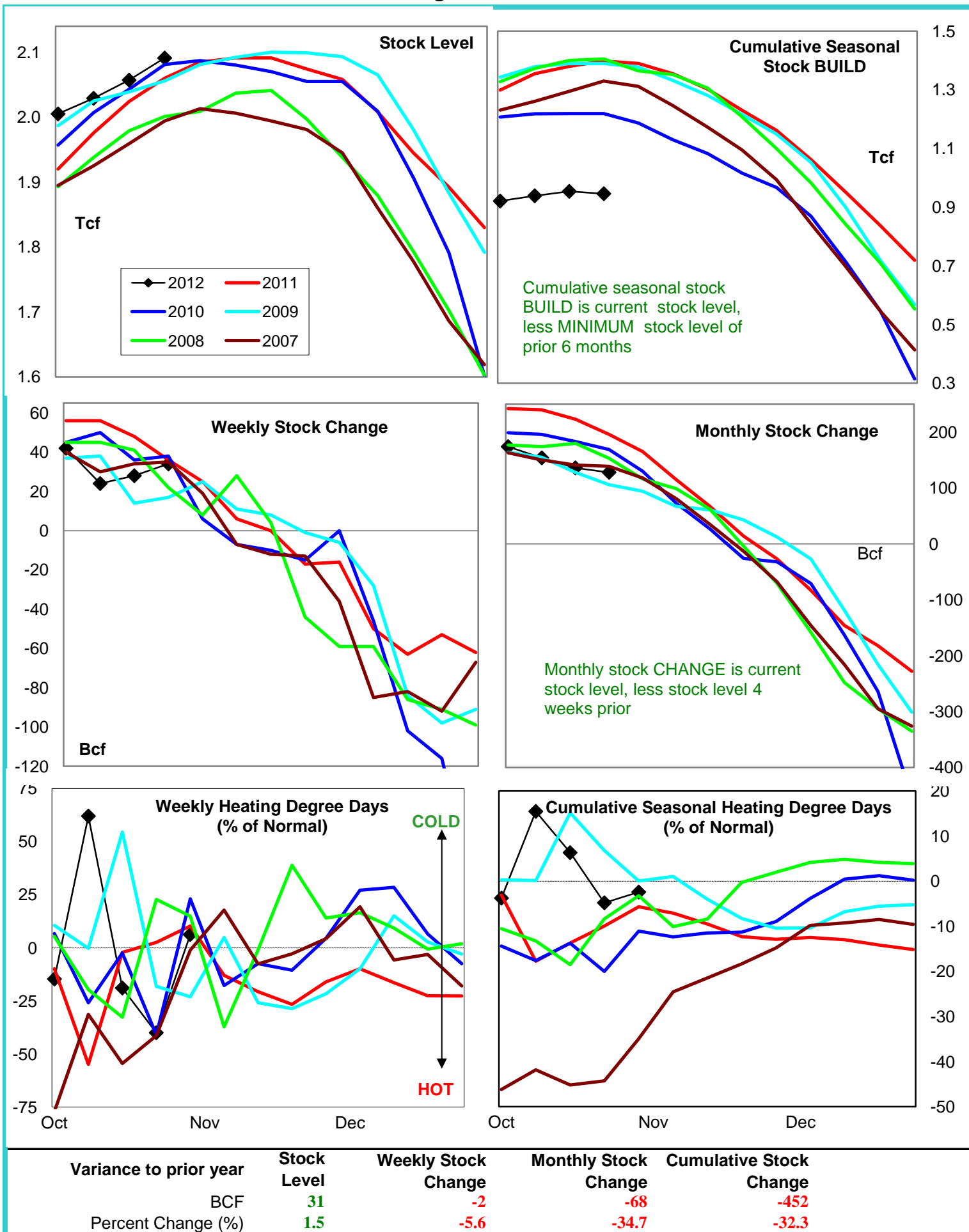
Date:	2-Nov-12	Change vs prior week, month, year		
		29-Oct-12	8-Oct-12	8-Nov-11
1st month Futures	3.55	0.08	0.15	0.14
% change	xxxxx	2.4	4.4	4.2



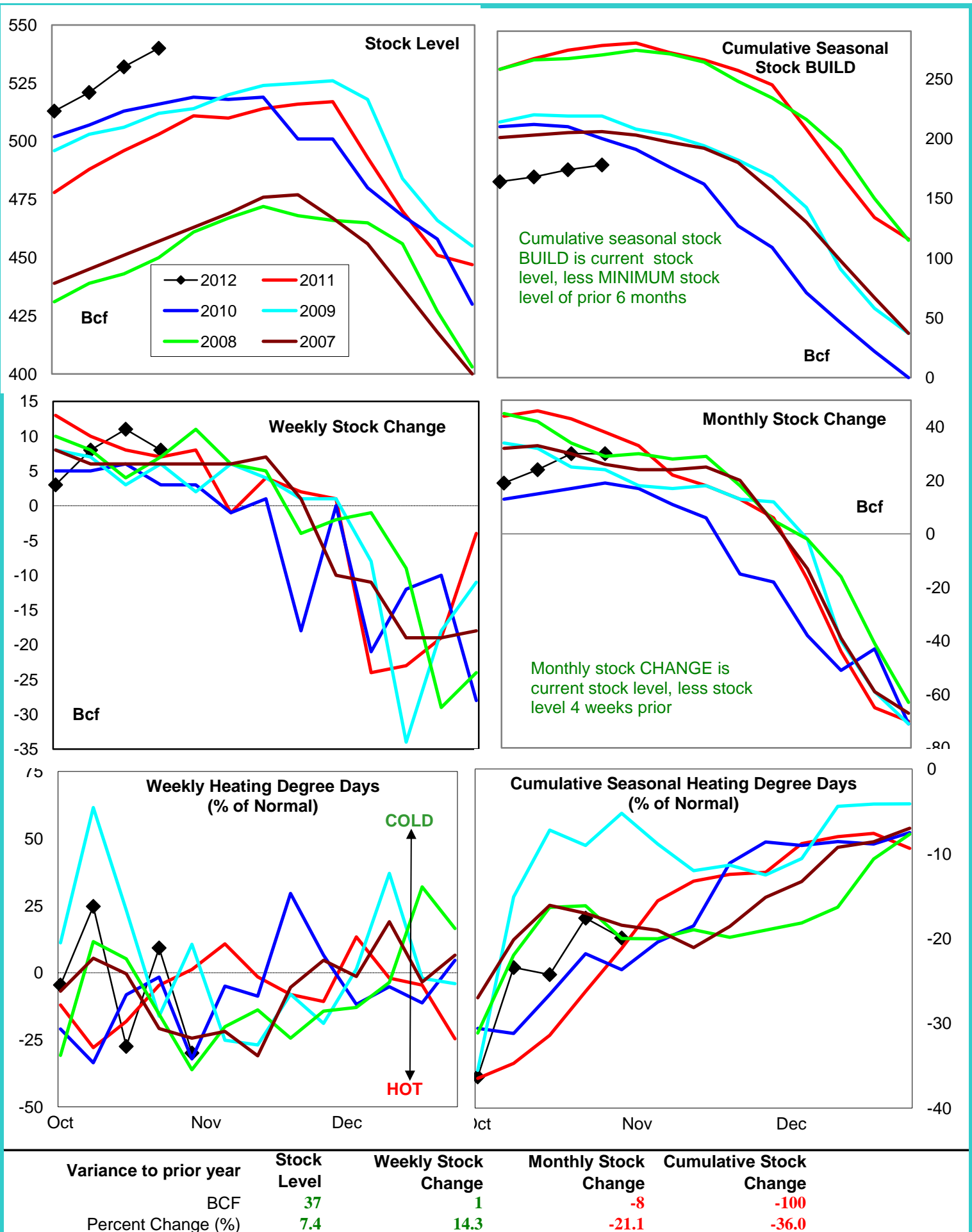
United States Natural Gas Stock and Weather Trends



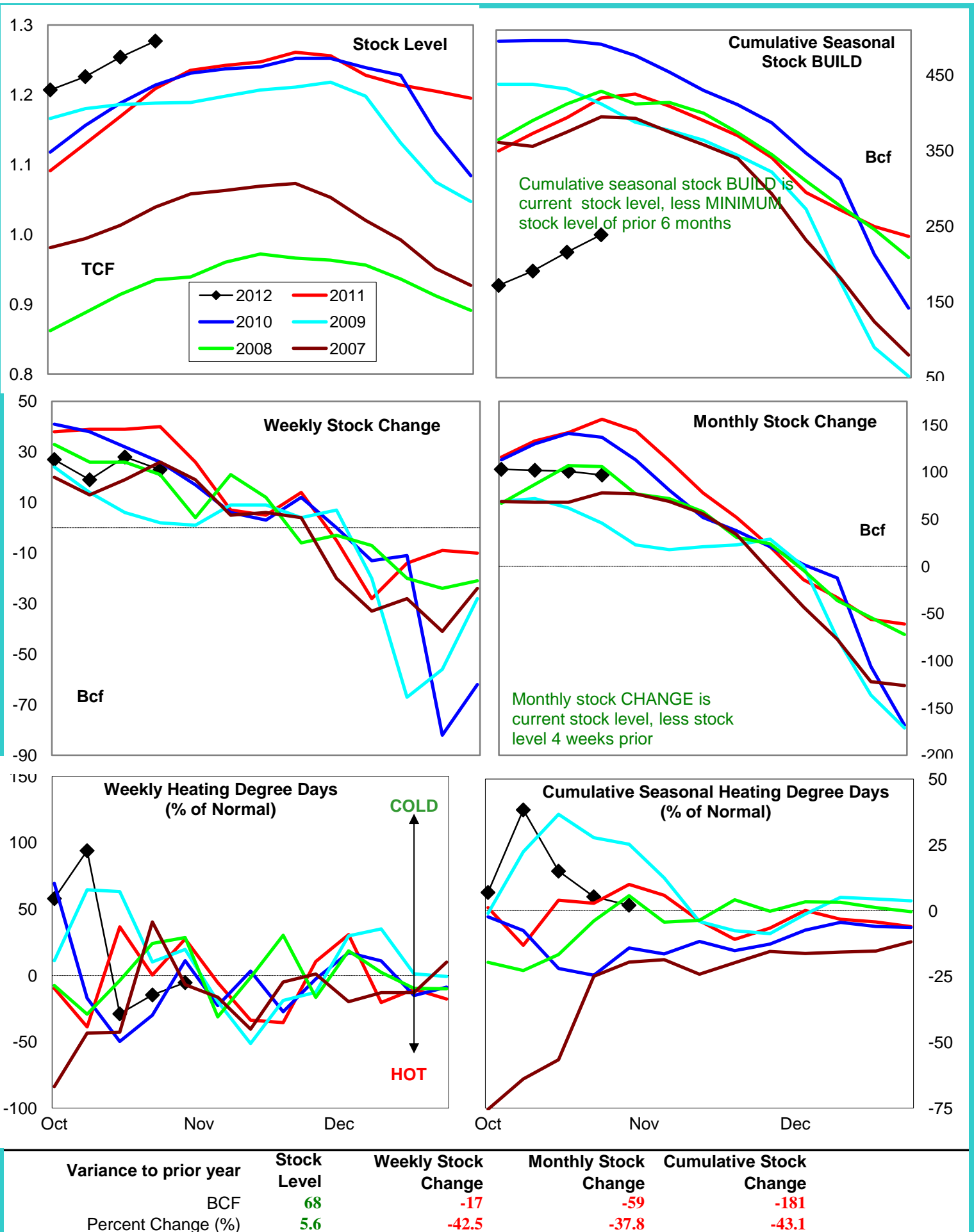
Natural Gas East Region Stock and Weather Trends



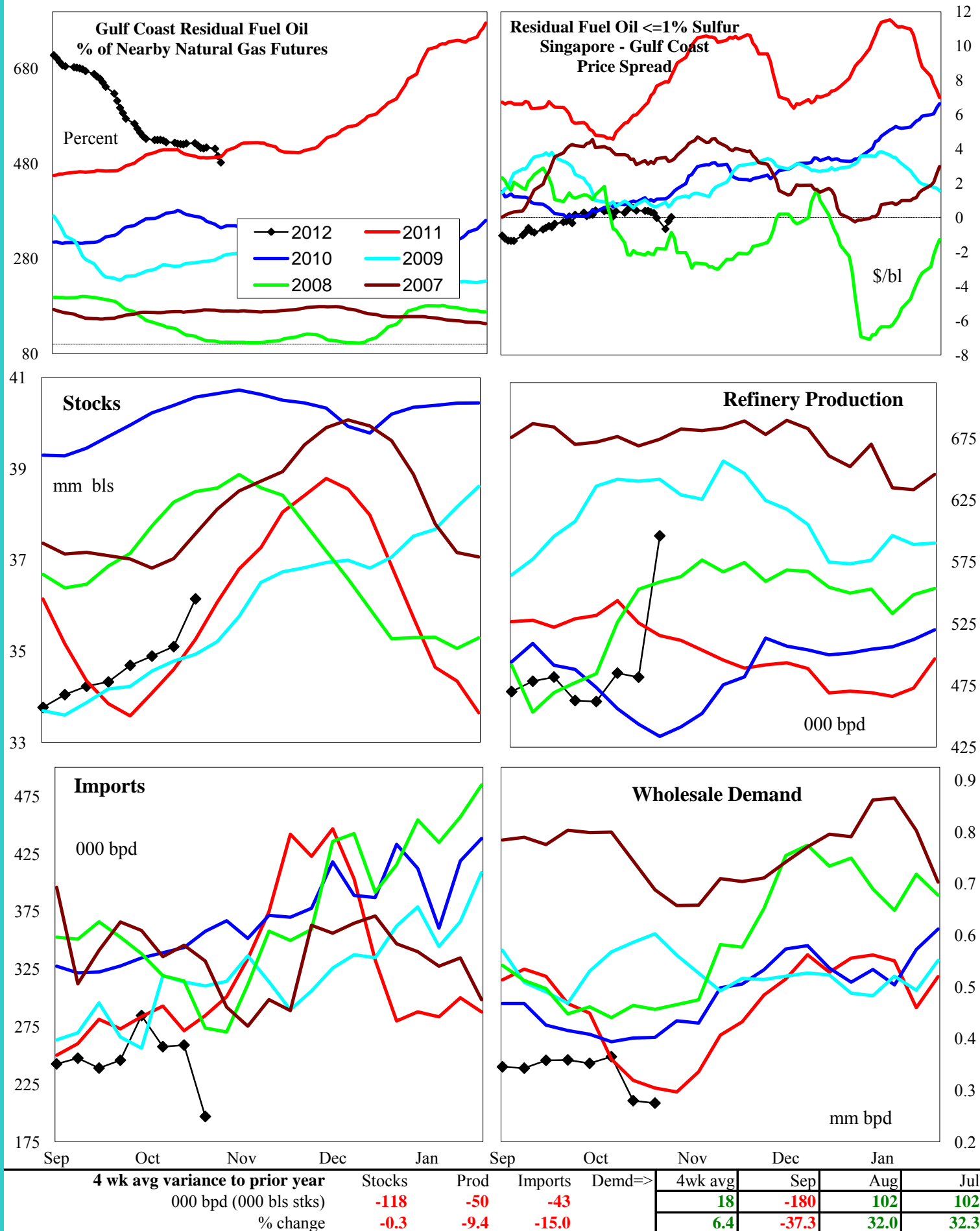
Natural Gas West Region Stock and Weather Trends



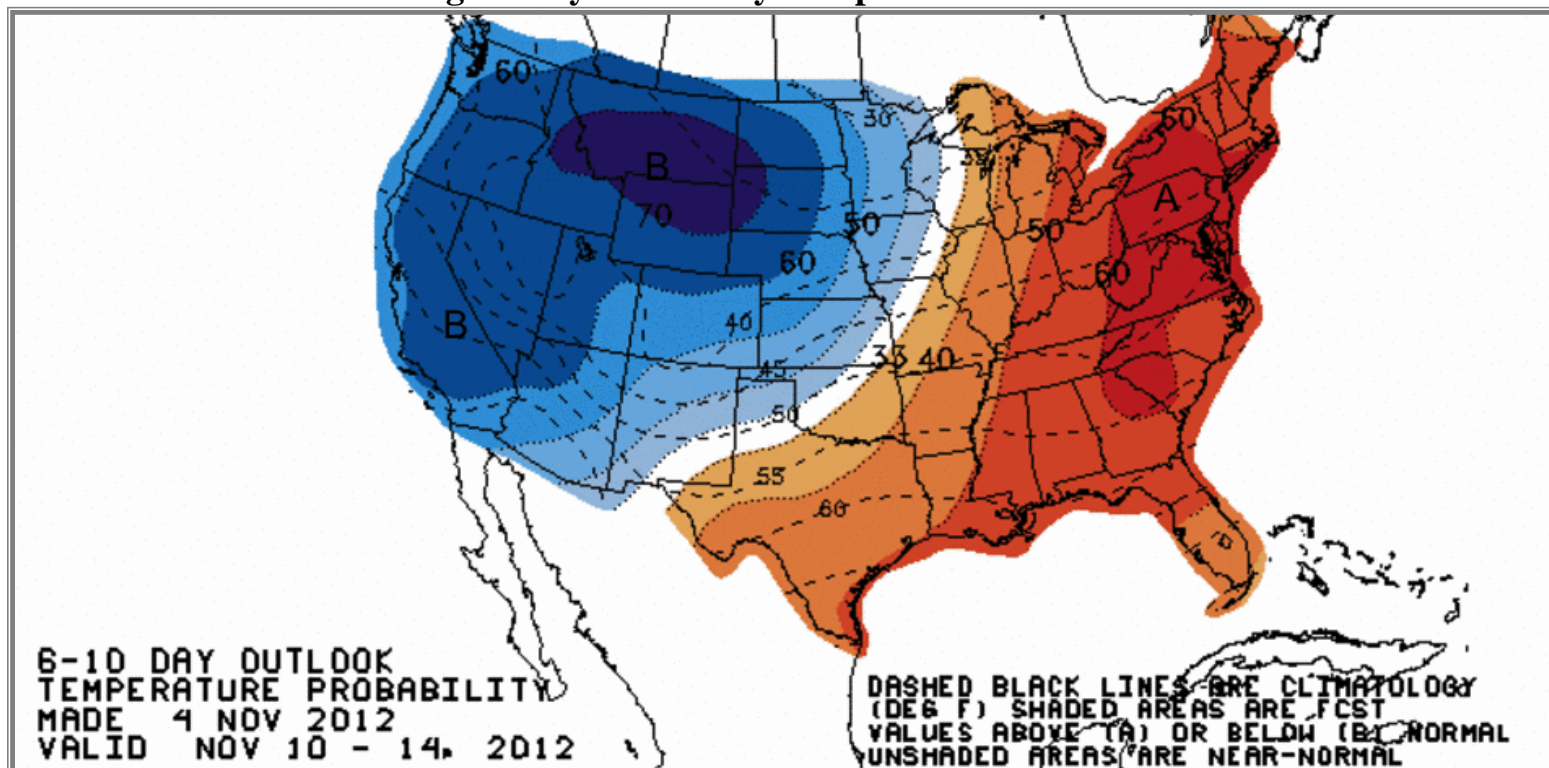
Natural Gas Producing Region Stock and Weather Trends



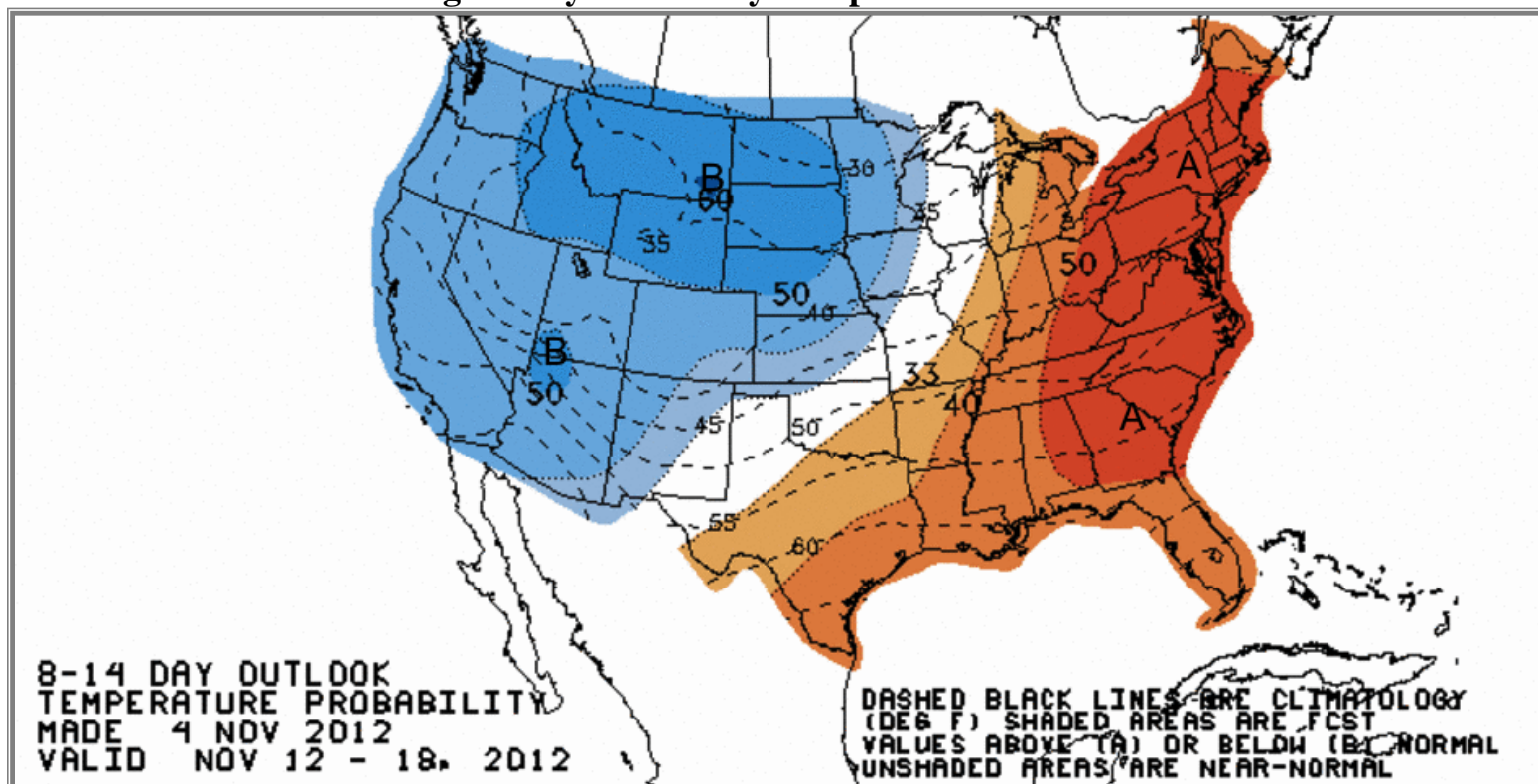
U.S. Residual Fuel Oil Price Spreads and Supply Balance



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

