

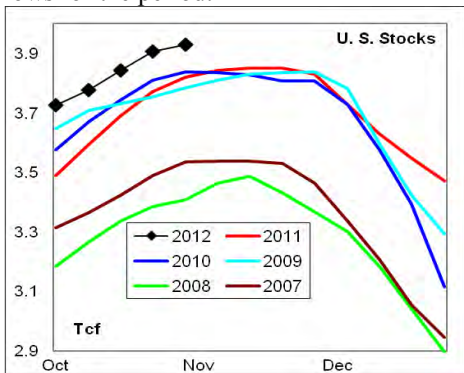
# WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

## A Fundamental Petroleum Trends Weekly Report

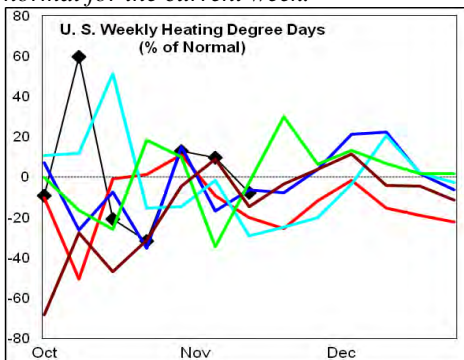
Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Monday, November 12, 2012



**Summary**<sup>1</sup> The stock build of +21 Bcf for the week, was a level that matched 5-year lows for the period.



Heating degree days for the week ending 03Nov12 were +13% above normal, +10% above normal for the week ending 10Nov12 and forecast to be -8% below normal for the current week.



In the East Region stocks increased +5 Bcf for the week, a level that matched 5-year lows for the week. Stocks increased +8 Bcf in the West Region, a level near historic highs for the week. Stocks increased +8 Bcf in the Producing Region, a build that was below the last 2-years.

Heating degree days were +19% above normal in the East Region, -23% below normal in the West Region and +9% above normal in the Producing Region for the week ending 03Nov12.

**Heating degree days** were +13% above normal for the week ending 03Nov12, +10% above normal for the week ending 10Nov12 and forecast to be -9% below normal for the current week.

### <sup>1</sup> Related Web Sites:

[Data Source is EIA Weekly Statistics](#)

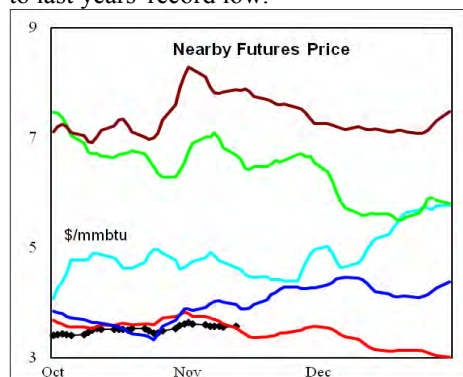
[National Weather Service 6-10 Day](#)

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

The 6-10 day NWS forecast for the week ending 22Nov12 is for much above normal heating degree days in the western 2/3rds of the country and near normal in the east.

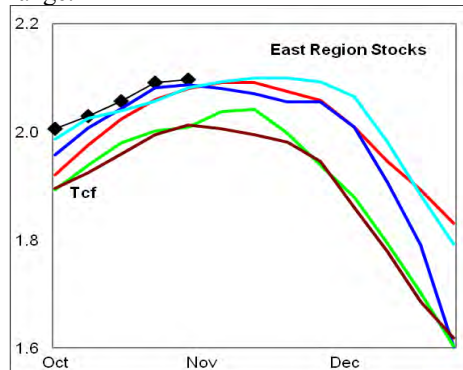
The 8-14 day NWS forecast for the week ending 26Nov12 is for above normal heating degree days in the western 2/3rds of the country and near normal heating degree days in the eastern 1/3rd of the country.

**Prices:** Nearby gas futures prices increased +\$0.02/mmbtu for the week ending 12Nov12. The current price is comparable to last years' record low.



The 1<sup>st</sup> - 4<sup>th</sup> month forward price curve traded at a level comparable to a year ago for the week ending 12Nov12, at the lowest inversion of the past 5-years

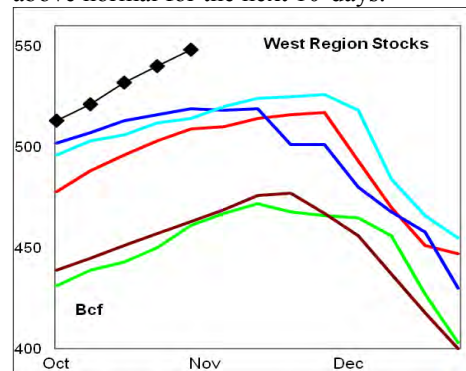
**East Region** stocks increased +5 Bcf for the week, a level that matched 5-year lows. The current stock level was +1% above last year, and slightly above the historic range.



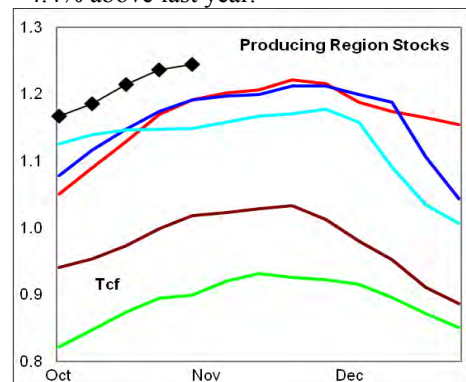
Heating degree days in the region were - +19% above normal for the week ending 03Nov12, +20% above normal for the week ended 10Nov12 and forecast to be - 9% below normal for the current week. Heating degree days are forecast to be below normal in the region for the next 10-days.

**West Region** stocks increased +8 Bcf on the week, a level above the last 3-years.

Stock levels ended the week +7.7% above last year and above the 5-year range. The latest 4-wk stock change was a build of +35 Bcf, a record high for the month. Heating degree days were -23% below normal for the week ending 03Nov12, - 21% below normal for the week ending 10Nov12 and forecast to be -6% below normal for the current week. Heating degree days are forecast to be sharply above normal for the next 10-days.



**Producing Region** stocks increased +8 Bcf for the week, a build that was below the last 2-years. Stock levels ended the week +4.4% above last year.



Heating degree days were +9% above normal for the week ending 03Nov12, - 30% below normal for the week ended 10Nov12 and forecast to be near normal for the current 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 -14% below last year.

**Outlook:** Heating degree days remain below normal in a majority of the country. Look for continued low demand due to Hurricane Sandy and below normal heating degree days through month end. Prices should remain near 5-year lows on reduced demand.



## NATURAL GAS: Graph Link and Weekly Summary

Report prepared as of: November 12, 2012

For the week ending: 2-Nov-12

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

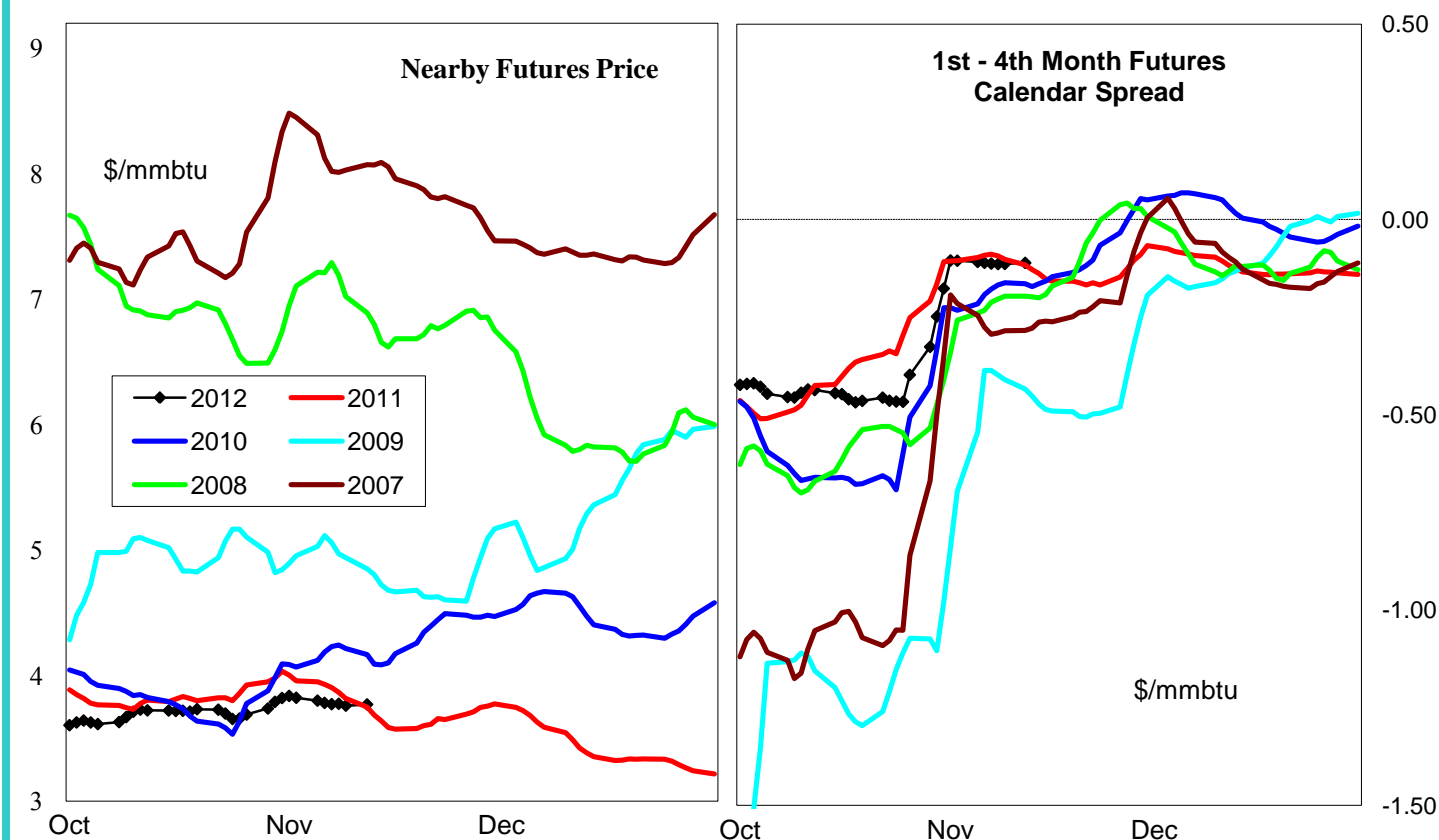
Week ending:	2-Nov-12			3-Nov-12		10-Nov-12		17-Nov-12	
Region	Weekly Stocks			Weekly Heating Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	3,929	21	2.9	58	13%	14	10%	-6	-8%
East	2,096	5	0.8	80	19%	21	20%	-26	-9%
West	548	8	7.7	-18	-23%	17	-21%	37	-6%
Producing	1,285	8	4.4	25	9%	-11	-30%	37	0%

### Seasonal Trends in Stocks and Heating Degree Days

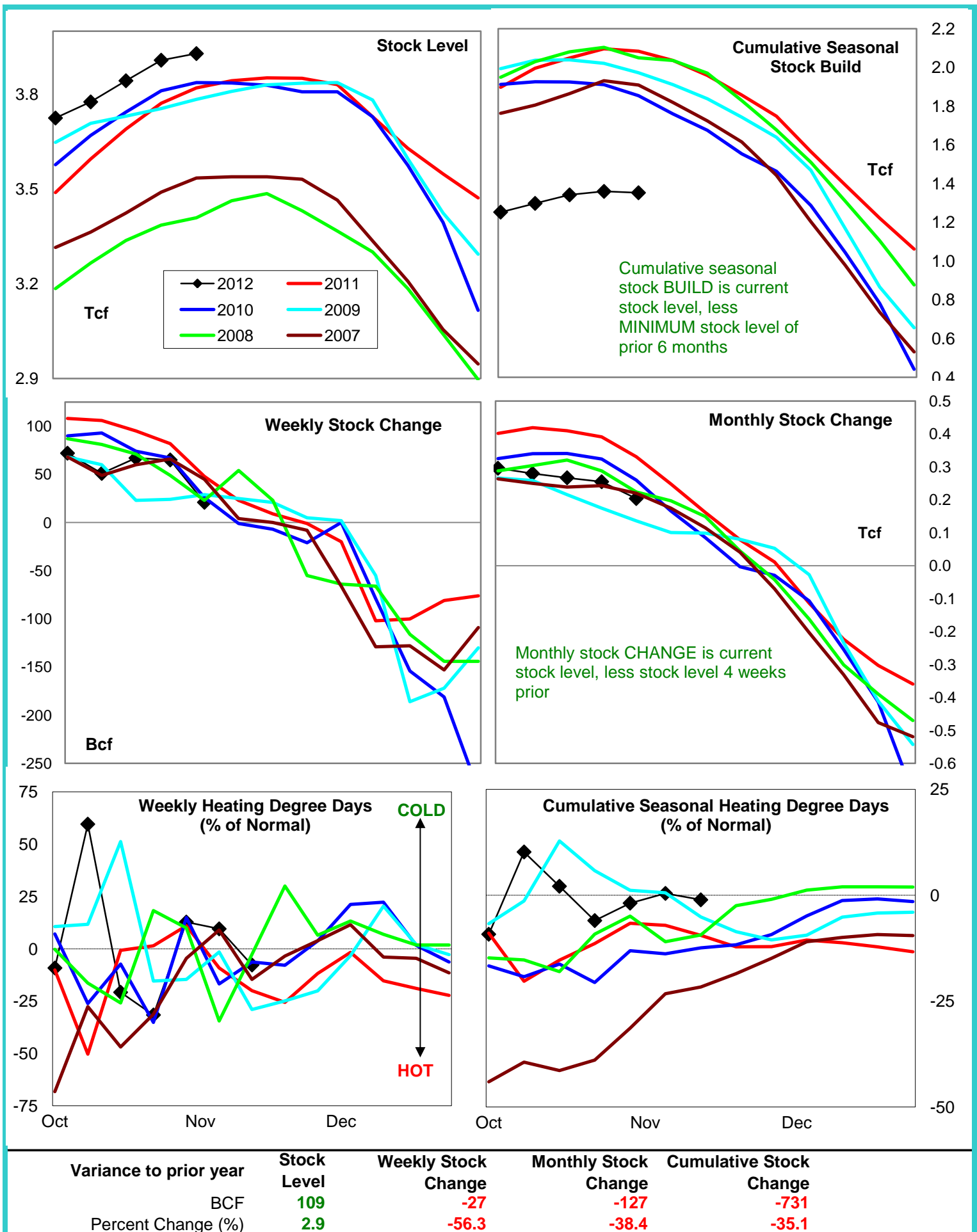
	Cumulative Stock Change			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
<b>U.S. Total</b>	<b>1,353</b>	<b>-731</b>	<b>-54.0</b>	<b>120</b>	<b>-1.9</b>	<b>134</b>	<b>0.4</b>	<b>128</b>	<b>-1.1</b>
<b>East</b>	<b>931</b>	<b>-454</b>	<b>-48.8</b>	<b>142</b>	<b>0.4</b>	<b>163</b>	<b>4.3</b>	<b>137</b>	<b>1.8</b>
<b>West</b>	<b>177</b>	<b>-101</b>	<b>-57.1</b>	<b>86</b>	<b>-18.6</b>	<b>103</b>	<b>-18.9</b>	<b>140</b>	<b>-16.7</b>
<b>Producing</b>	<b>247</b>	<b>-174</b>	<b>-70.4</b>	<b>61</b>	<b>6.3</b>	<b>50</b>	<b>-3.6</b>	<b>87</b>	<b>-2.6</b>

### Futures Market Price Trends

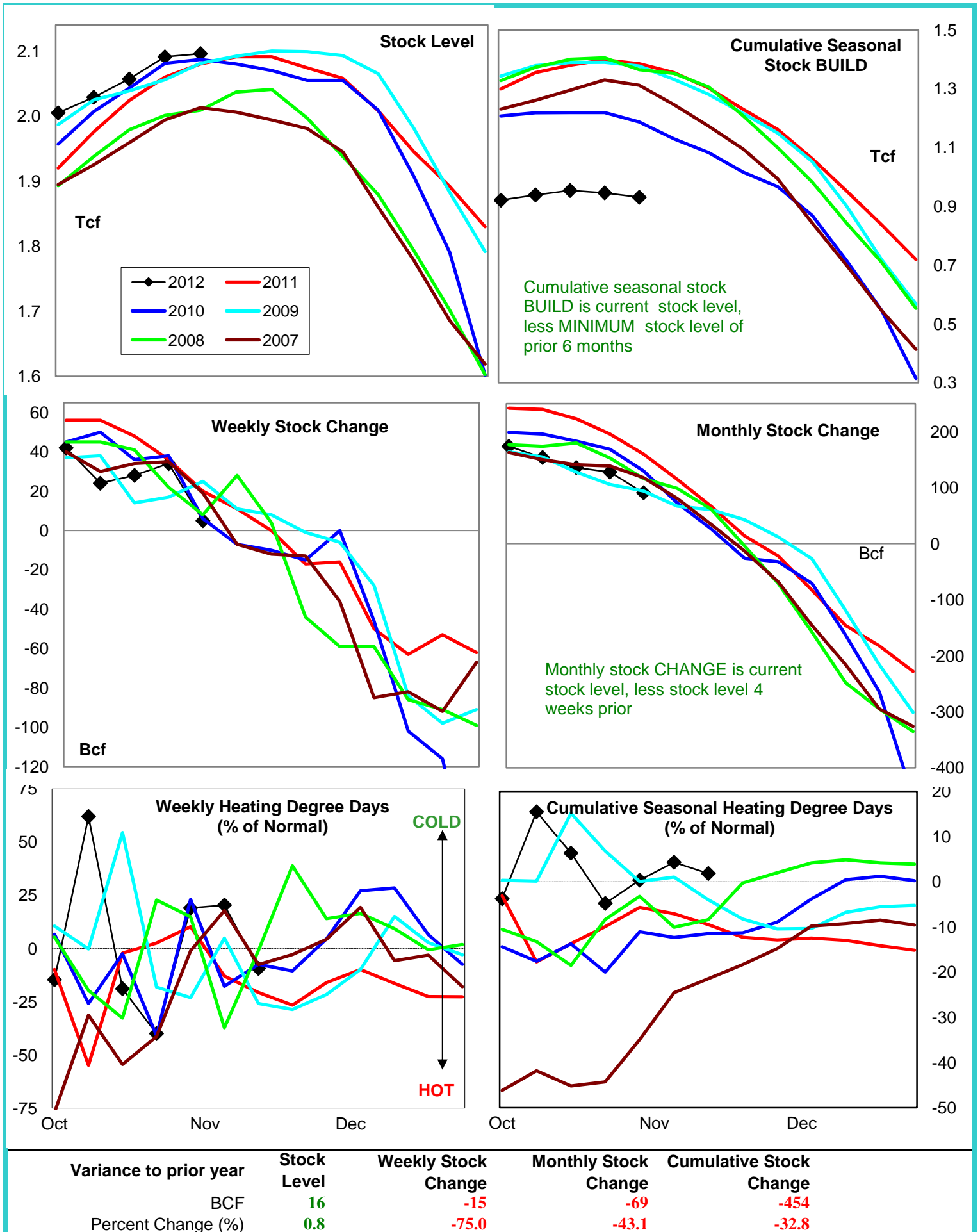
Date:	12-Nov-12	Change vs prior week, month, year		
		6-Nov-12	16-Oct-12	16-Nov-11
<b>1st month Futures</b>	<b>3.57</b>	<b>-0.05</b>	<b>0.13</b>	<b>0.03</b>
<b>% change</b>	xxxxx	<b>-1.3</b>	<b>3.9</b>	<b>0.8</b>



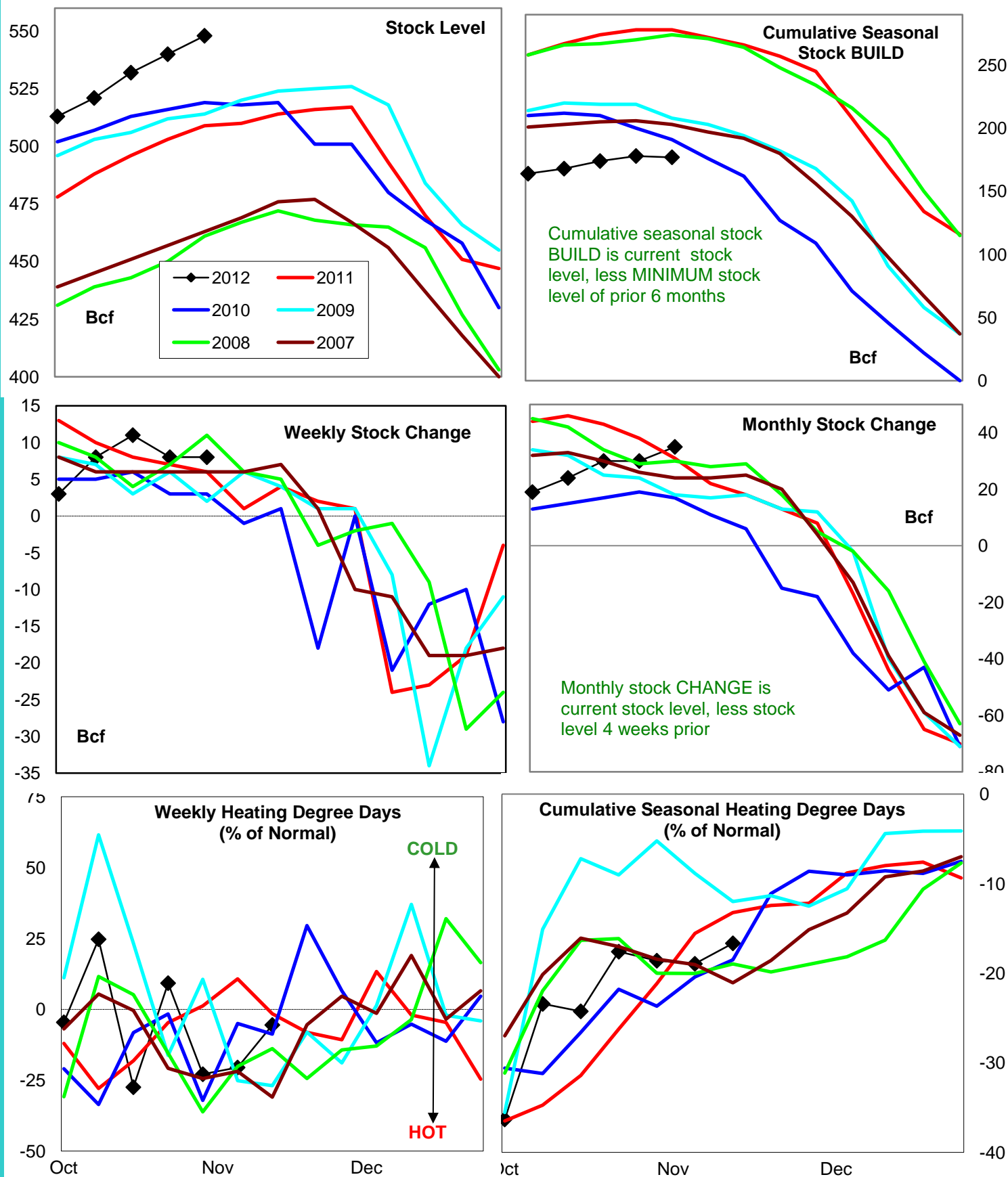
# United States Natural Gas Stock and Weather Trends



# Natural Gas East Region Stock and Weather Trends



# Natural Gas West Region Stock and Weather Trends



Variance to prior year

Stock  
LevelWeekly Stock  
ChangeMonthly Stock  
ChangeCumulative Stock  
Change

BCF

39

2

4

-101

Percent Change (%)

7.7

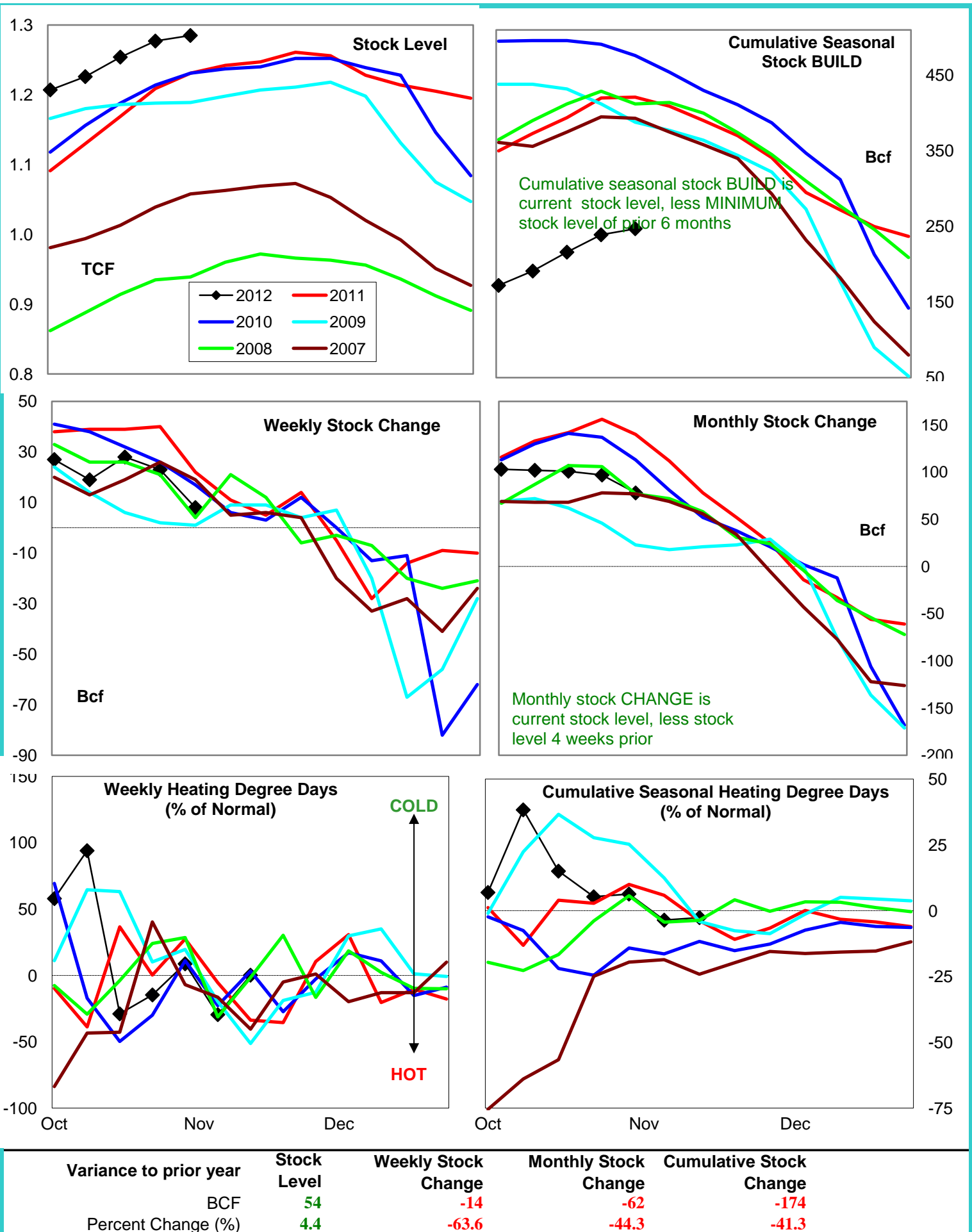
33.3

12.9

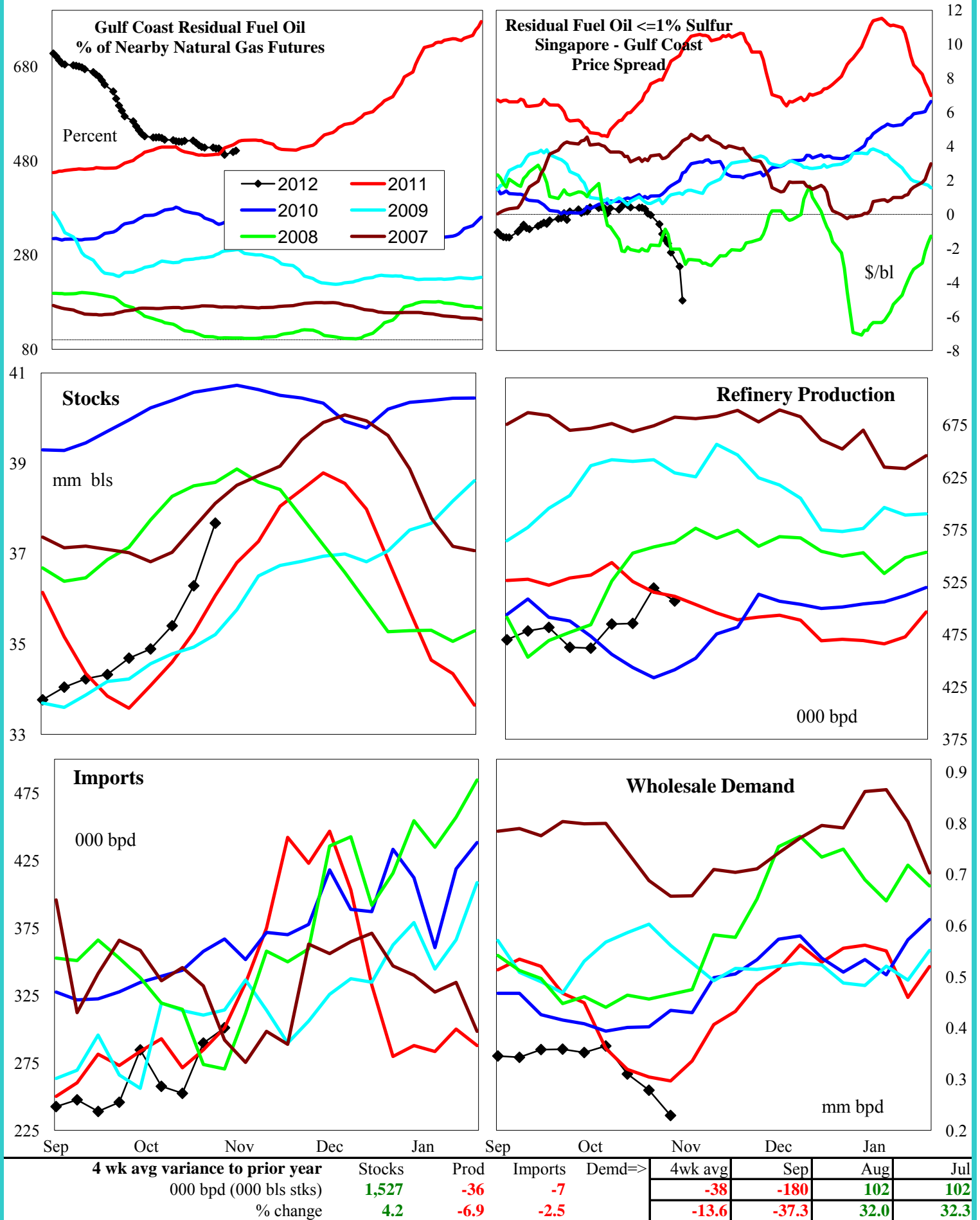
-36.3



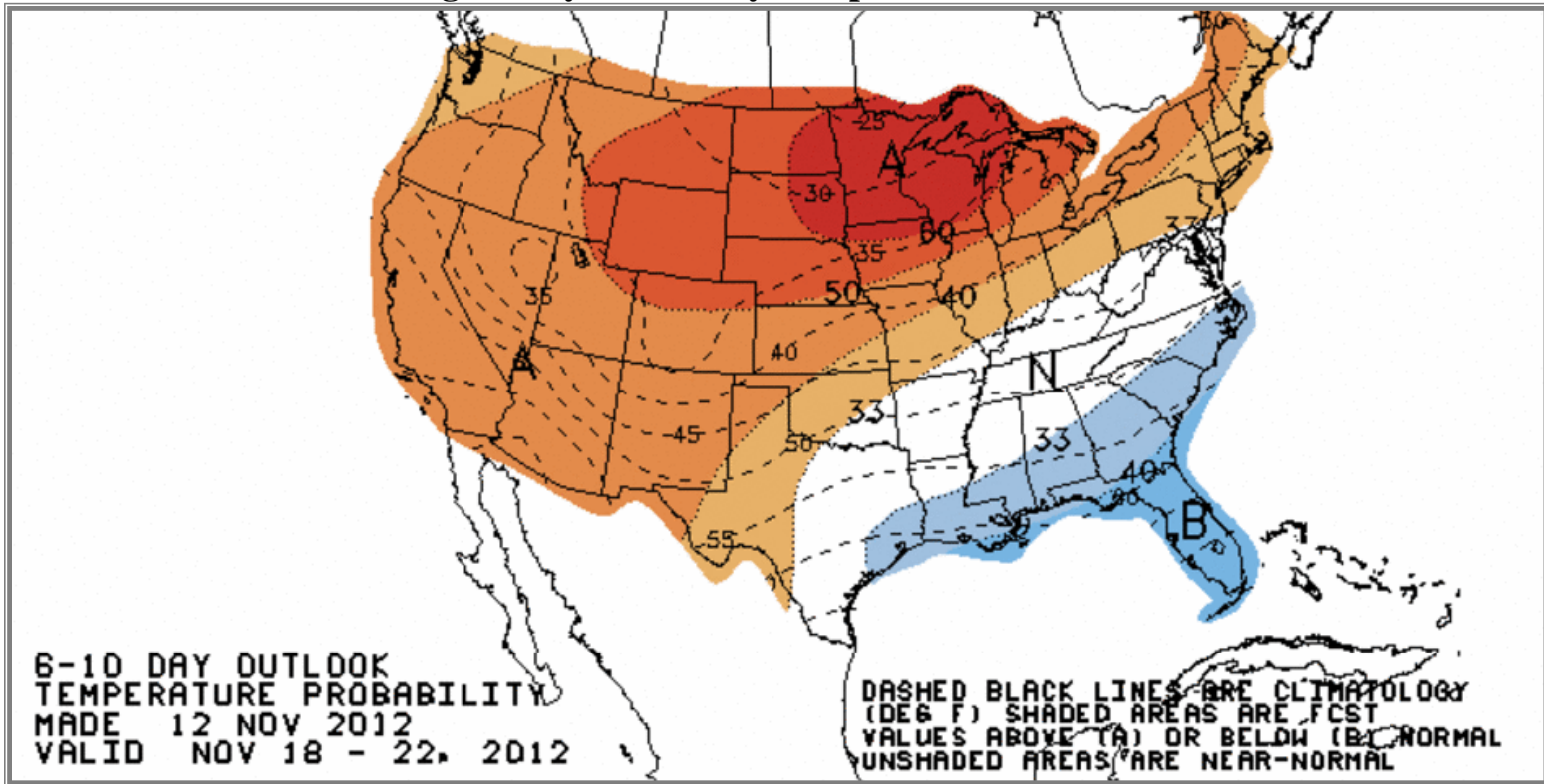
# Natural Gas Producing Region Stock and Weather Trends



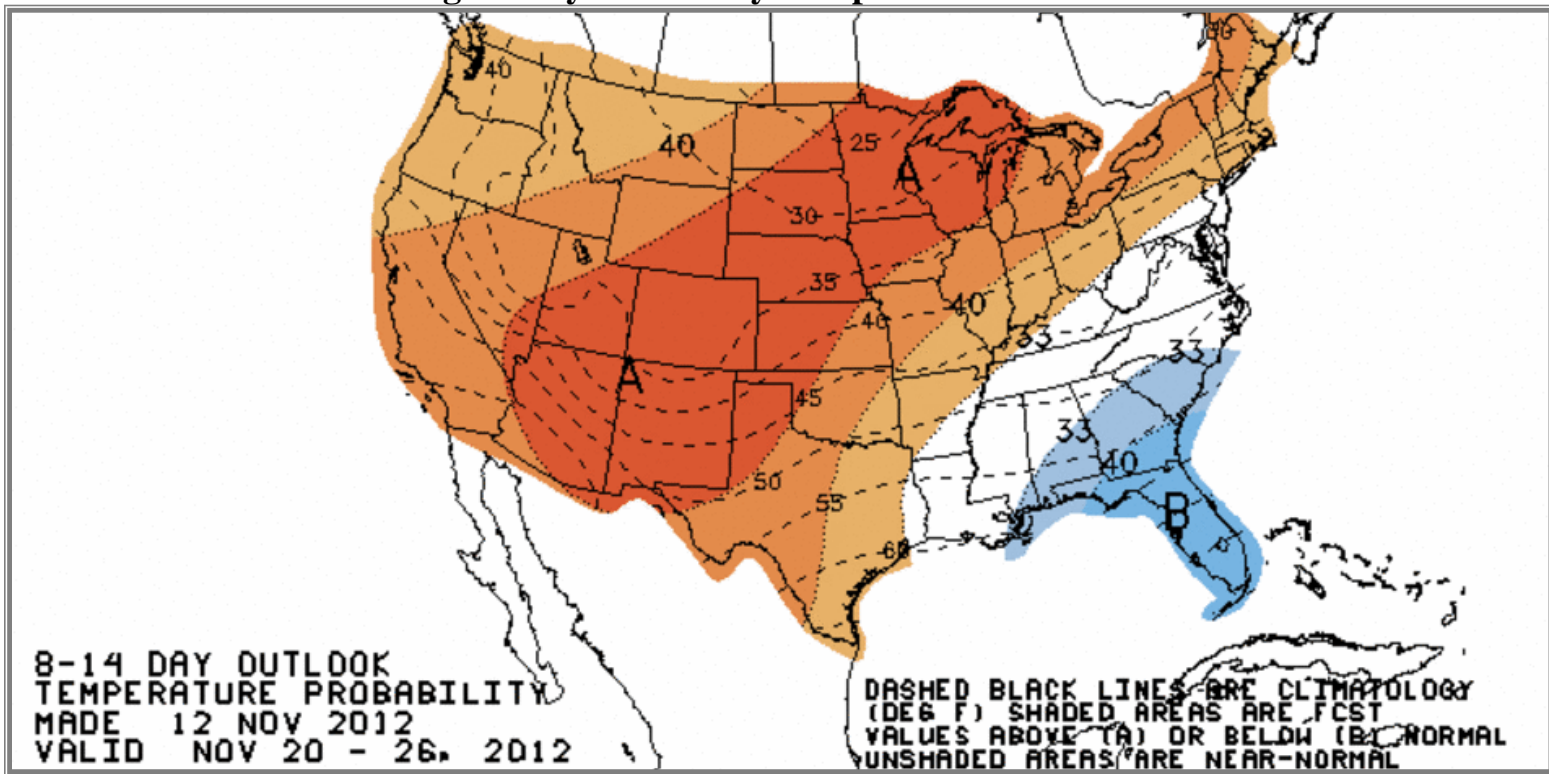
# U.S. Residual Fuel Oil Price Spreads and Supply Balance



## 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

