

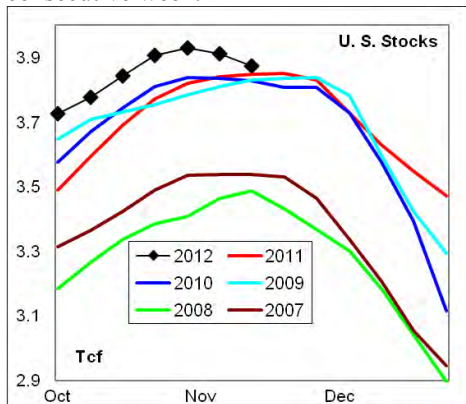
# WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

## A Fundamental Petroleum Trends Weekly Report

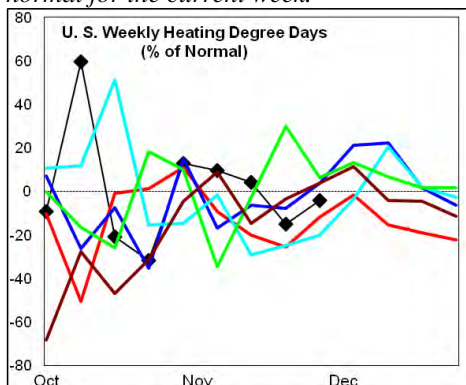
Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Monday, November 26, 2012



**Summary**<sup>1</sup> The stock draw of -38 Bcf for the week, was a record draw for 3rd consecutive week.



Heating degree days for the week ending 17Nov12 were +4% above normal, -15% below normal for the week ending 24Nov12 and forecast to be -4% below normal for the current week.



In the East Region stocks decreased -19 Bcf for the week, a record draw for the week. Stocks decreased -7 Bcf in the West Region, another record draw for this region. Stocks declined -12 Bcf in the Producing Region, also a record draw for the period.

Heating degree days were +2% above normal in the East Region, +2% above normal in the West Region and +21% above normal in the Producing Region for the week ending 17Nov12.

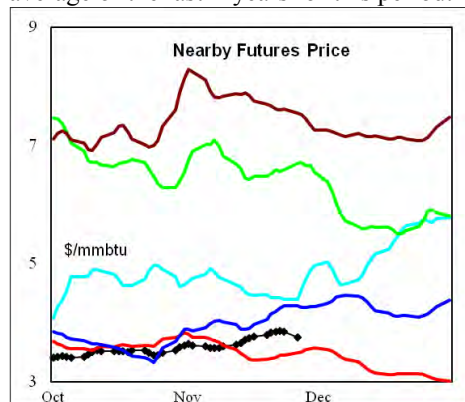
**Heating degree days** were +4% above normal for the week ending 17Nov12, -15% below normal for the week ending

24Nov12 and forecast to be -4% below normal for the current week.

The 6-10 day NWS forecast for the week ending 05Dec12 is for much below normal heating degree days across the entire country.

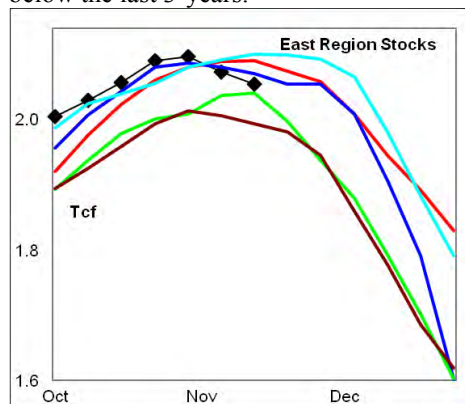
The 8-14 day NWS forecast for the week ending 09Dec12 is for below normal heating degree days across nearly the entire country.

**Prices:** Nearby gas futures prices increased +\$0.03/mmbtu for the week ending 26Nov12. The current price is below the average of the last 2-years for this period.



The 1<sup>st</sup> - 4<sup>th</sup> month forward price curve traded at a level near the 5-year mid range for this time of year.

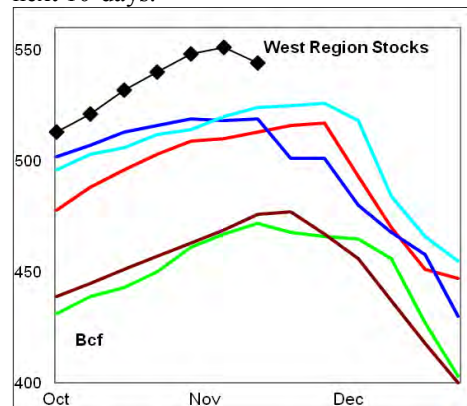
**East Region** stocks decreased -19 Bcf for the week, a record draw for the 3rd consecutive week. The current stock level was -1.8% below last year, and slightly below the last 3-years.



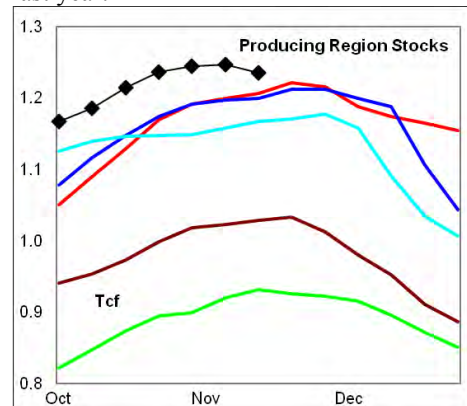
Heating degree days in the region were +2% above normal for the week ending 17Nov12, -10% below normal for the week ended 24Nov12 and forecast to be +3% above normal for the current week. Heating degree days are forecast to be much below normal in the region for the next 10-days.

**West Region** stocks declined -7 Bcf on the week, a record draw for the week. Stock

levels ended the week +6% above last year and above the 5-year range. The latest 4-wk stock change was a draw of -7 Bcf, a record draw for the month. Heating degree days were +2% above normal for the week ending 17Nov12, -27% below normal for the week ending 24Nov12 and forecast to be -19% below normal for the current week. Heating degree days are forecast to be sharply below normal for the next 10-days.



**Producing Region** stocks declined -12 Bcf for the week, a record draw for the week. Stock levels ended the week +2.3% above last year.



Heating degree days were +21% above normal for the week ending 17Nov12, -30% below normal for the week ended 24Nov12 and forecast to be -32% below normal for the current week. 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 +37% above last year.

**Outlook:** Heating degree days are forecast to be sharply below normal into early December across nearly the entire country. Prices should trade near last years' record lows for this time of year.

### <sup>1</sup> 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: November 26, 2012

For the week ending: 16-Nov-12

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

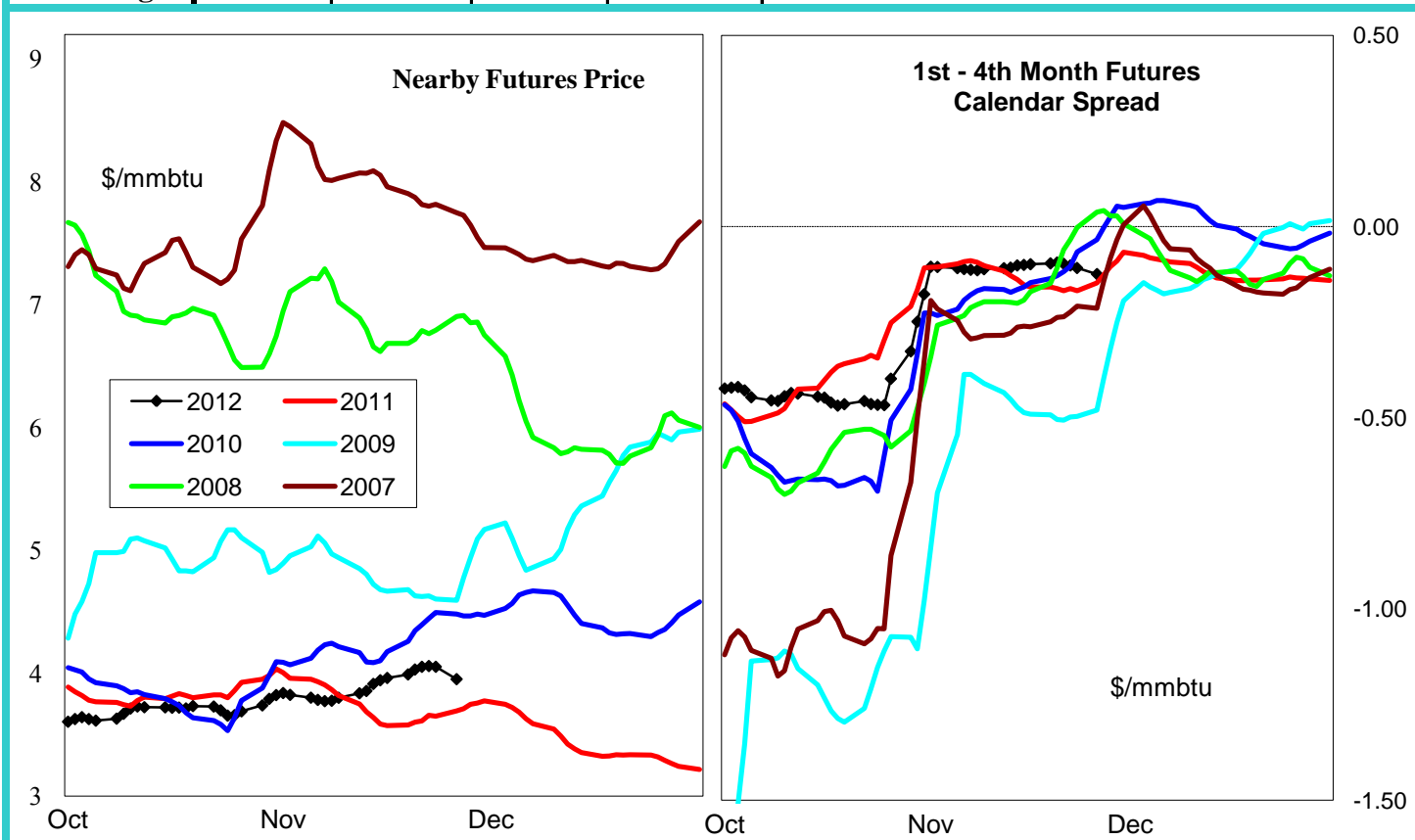
| Week ending: | 16-Nov-12     |                  |          | 17-Nov-12                  |             | 24-Nov-12            |             | 1-Dec-12             |             |
|--------------|---------------|------------------|----------|----------------------------|-------------|----------------------|-------------|----------------------|-------------|
| 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   | 3,873         | -38              | 0.6      | 11                         | 4%          | -12                  | -15%        | 32                   | -4%         |
| East         | 2,054         | -19              | -1.8     | -8                         | 2%          | -2                   | -10%        | 40                   | 3%          |
| West         | 544           | -7               | 6.0      | 48                         | 2%          | -31                  | -27%        | 26                   | -19%        |
| Producing    | 1,275         | -12              | 2.3      | 55                         | 21%         | -33                  | -30%        | 8                    | -32%        |

### Seasonal Trends in Stocks and Heating Degree Days

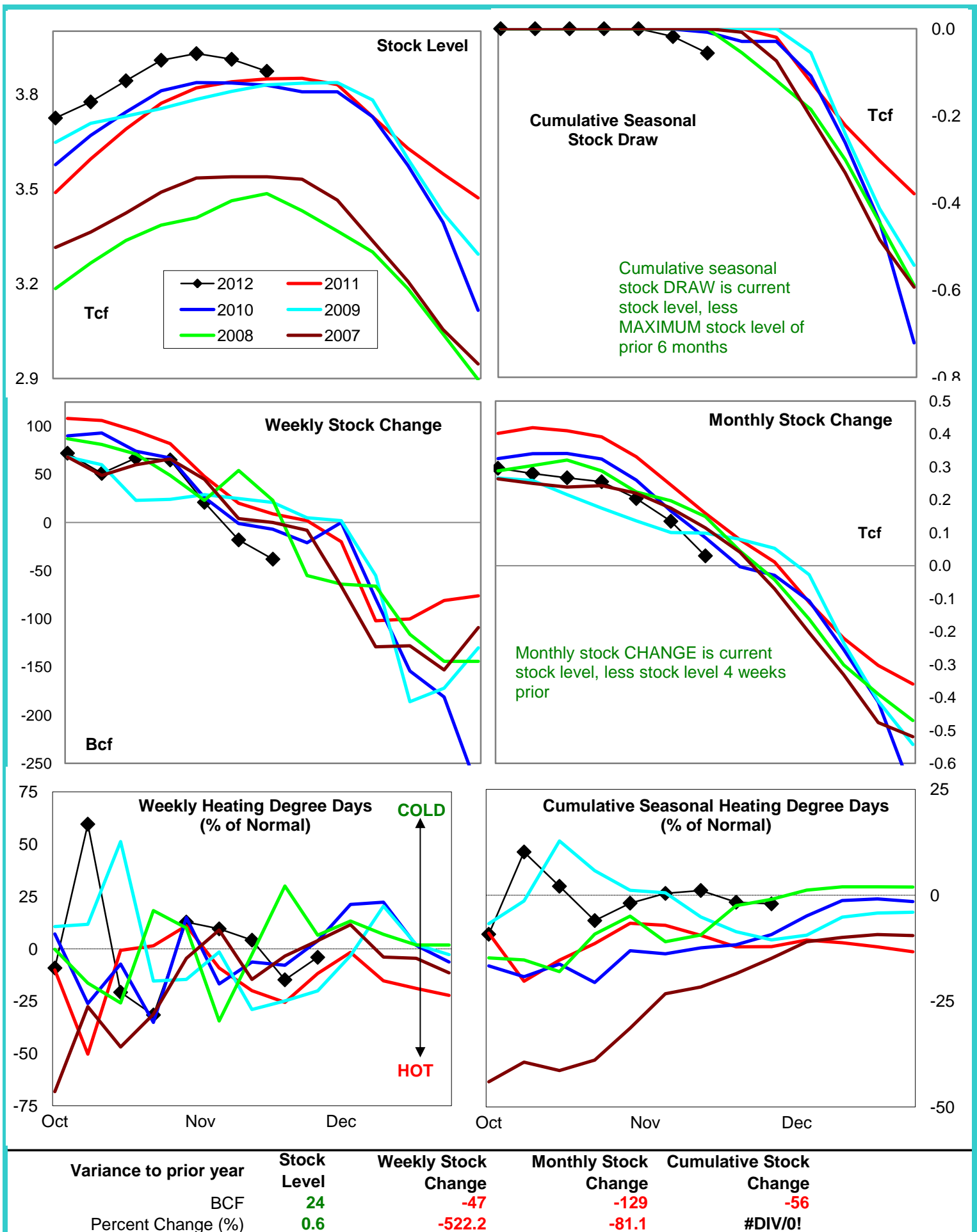
|                   | Cumulative Stock Change |                             |              | Cumulative Heating Degree Days |                |                     |                |                     |                |
|-------------------|-------------------------|-----------------------------|--------------|--------------------------------|----------------|---------------------|----------------|---------------------|----------------|
|                   | Bcf                     | Change vs prior year<br>Bcf | %            | CHDD's vs<br>normal            | % of<br>normal | CHDD's vs<br>normal | % of<br>normal | CHDD's vs<br>normal | % of<br>normal |
| <b>U.S. Total</b> | <b>-56</b>              | <b>-56</b>                  | <b>100.0</b> | <b>145</b>                     | <b>1.1</b>     | <b>133</b>          | <b>-1.6</b>    | <b>165</b>          | <b>-2.0</b>    |
| <b>East</b>       | <b>-42</b>              | <b>-42</b>                  | <b>100.0</b> | <b>155</b>                     | <b>3.8</b>     | <b>153</b>          | <b>1.5</b>     | <b>193</b>          | <b>1.8</b>     |
| <b>West</b>       | <b>-7</b>               | <b>-7</b>                   | <b>100.0</b> | <b>151</b>                     | <b>-15.4</b>   | <b>119</b>          | <b>-17.3</b>   | <b>146</b>          | <b>-17.5</b>   |
| <b>Producing</b>  | <b>-12</b>              | <b>-12</b>                  | <b>100.0</b> | <b>105</b>                     | <b>2.6</b>     | <b>72</b>           | <b>-4.8</b>    | <b>80</b>           | <b>-10.3</b>   |

### Futures Market Price Trends

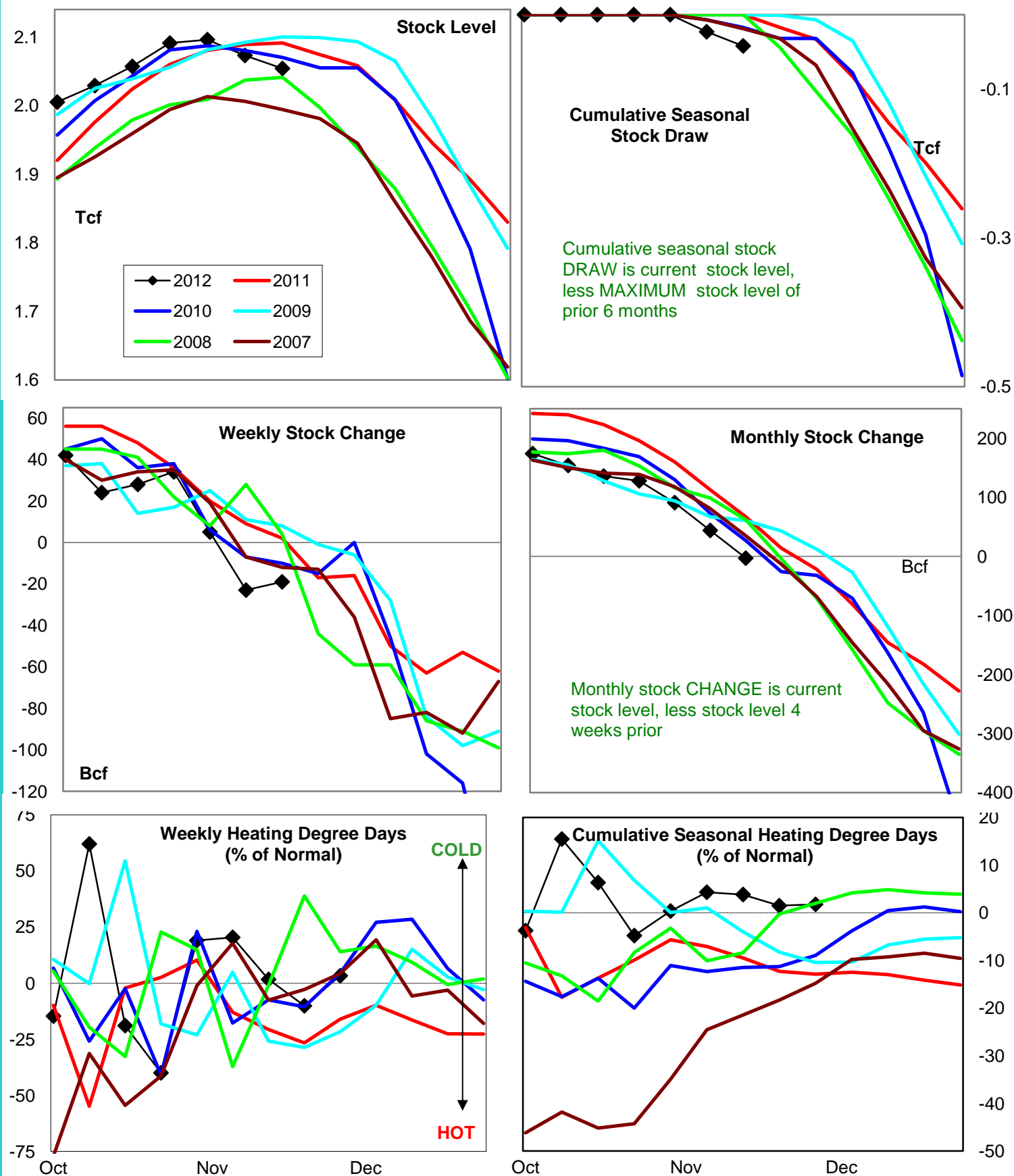
| Date:                        | 26-Nov-12    | Change vs prior week, month, year |             |             |
|------------------------------|--------------|-----------------------------------|-------------|-------------|
|                              |              | 20-Nov-12                         | 30-Oct-12   | 1-Dec-11    |
| <b>1st month<br/>Futures</b> | <b>3.75</b>  | <b>-0.08</b>                      | <b>0.06</b> | <b>0.43</b> |
| <b>% change</b>              | <b>xxxxx</b> | <b>-2.1</b>                       | <b>1.6</b>  | <b>13.1</b> |



# United States Natural Gas Stock and Weather Trends



# Natural Gas East Region Stock and Weather Trends



Variance to prior year

**Stock  
Level**

**Weekly Stock  
Change**

**Monthly Stock  
Change**

**Cumulative Stock  
Change**

BCF  
Percent Change (%)

-37

-21

-70

-42

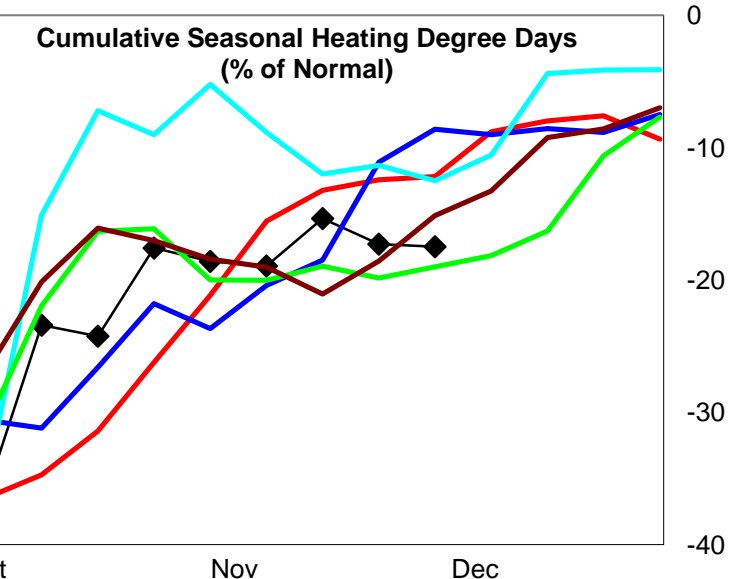
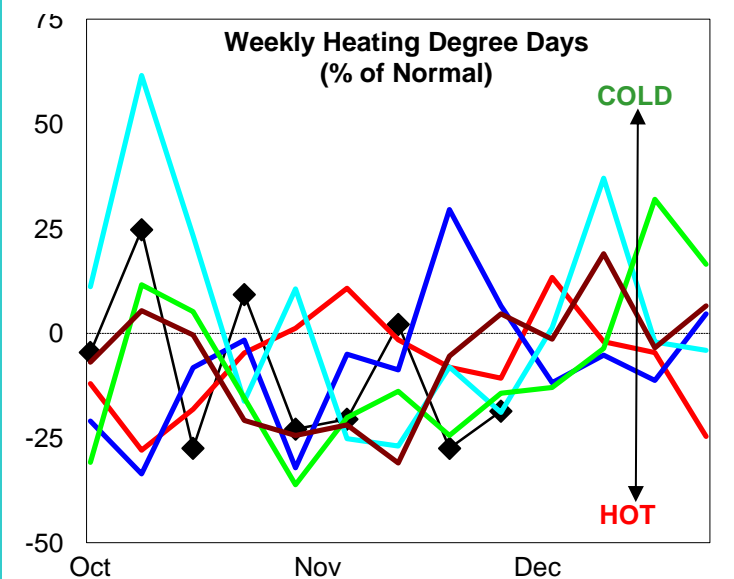
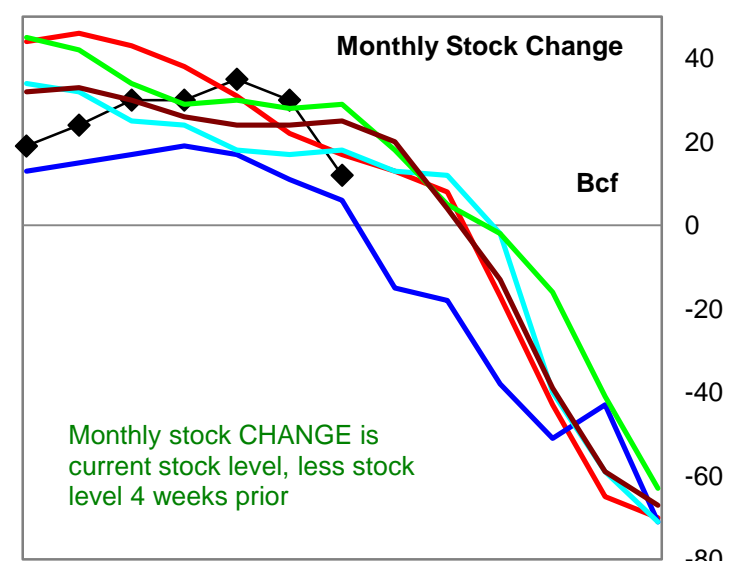
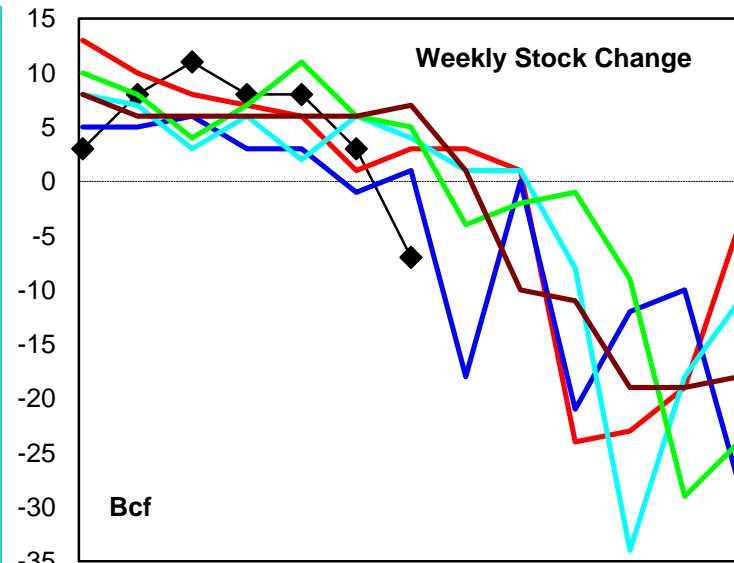
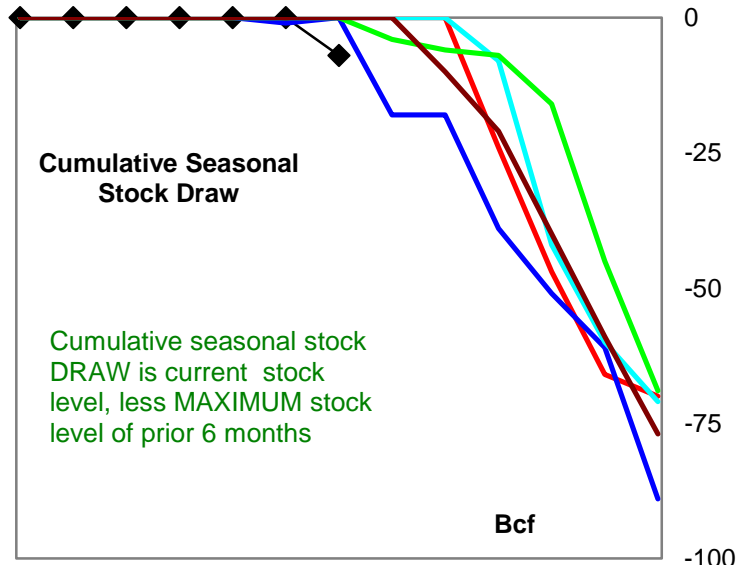
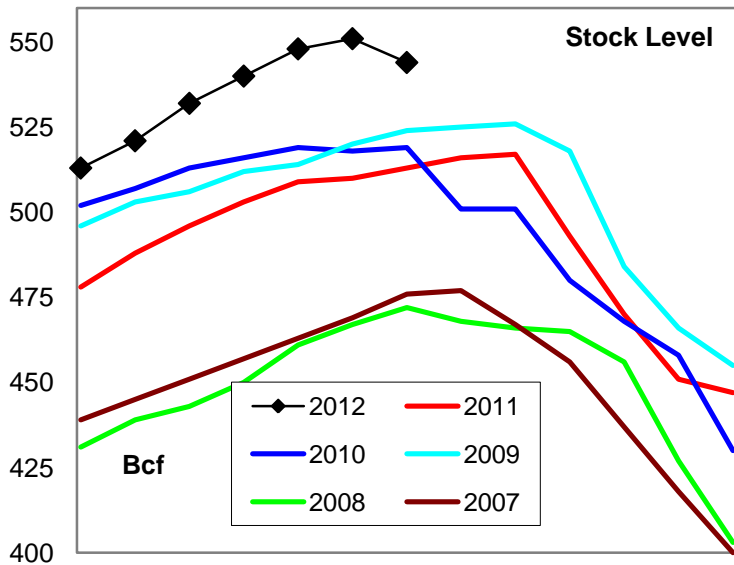
-1.8

-1,050.0

-104.5

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# Natural Gas West Region Stock and Weather Trends



Variance to prior year

Stock Level

Weekly Stock Change

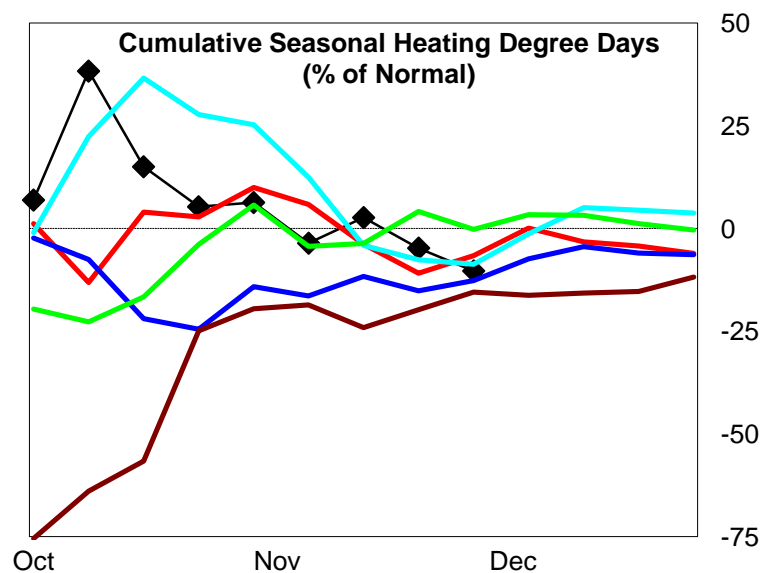
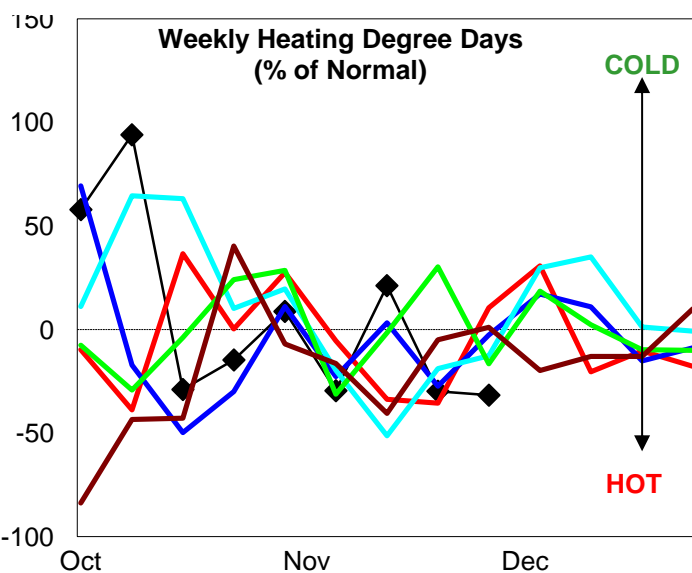
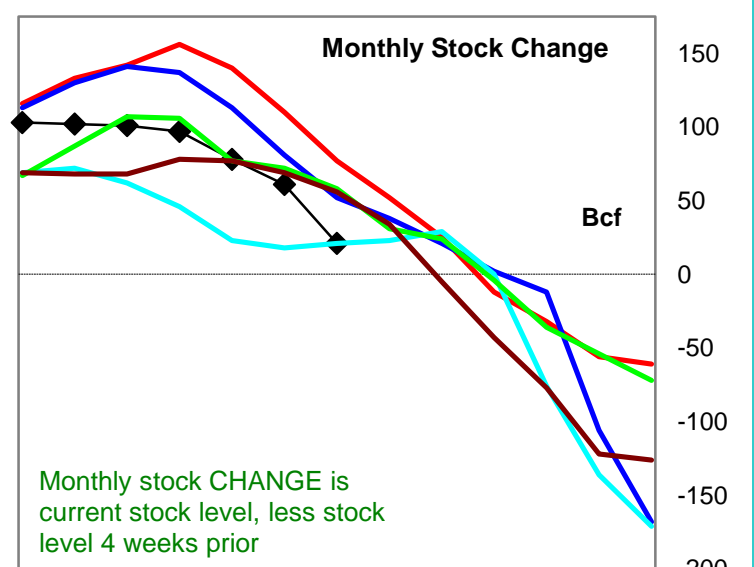
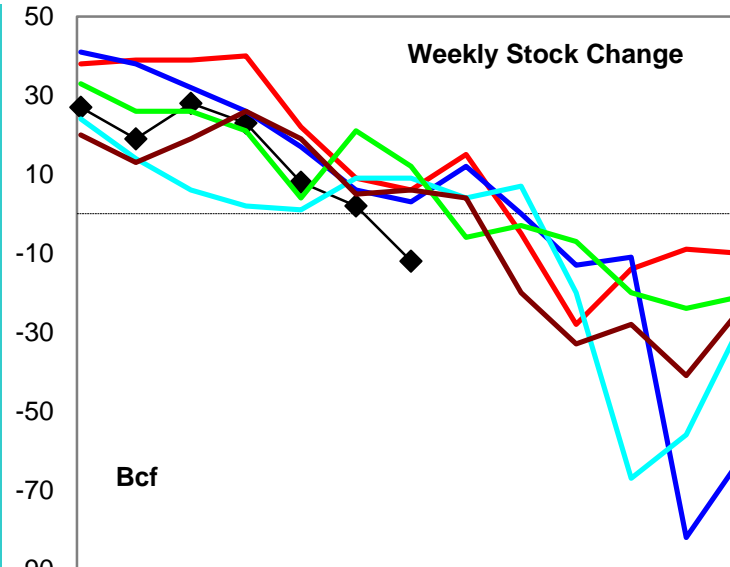
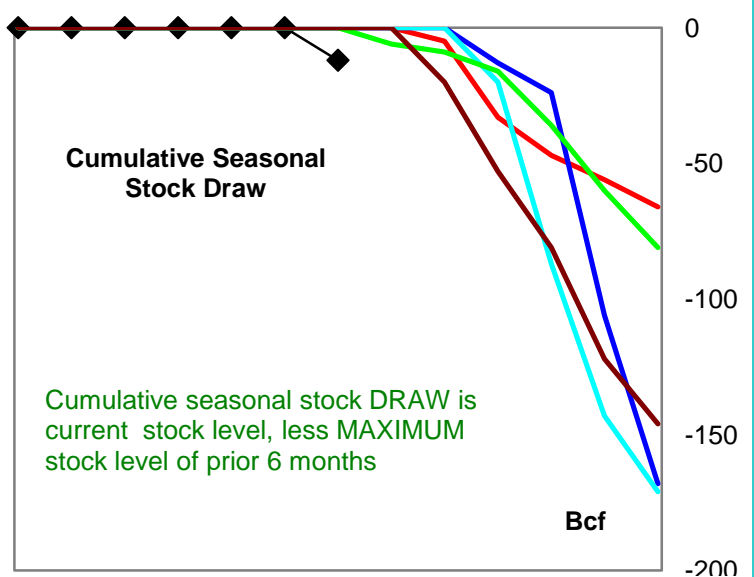
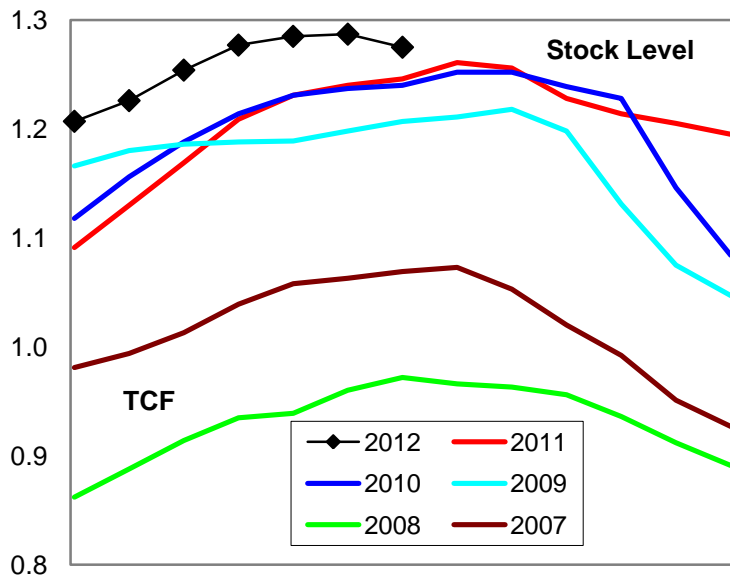
Monthly Stock Change

Cumulative Stock Change

BCF  
Percent Change (%)31  
6.0-10  
-333.3-5  
-29.4-7  
#DIV/0!



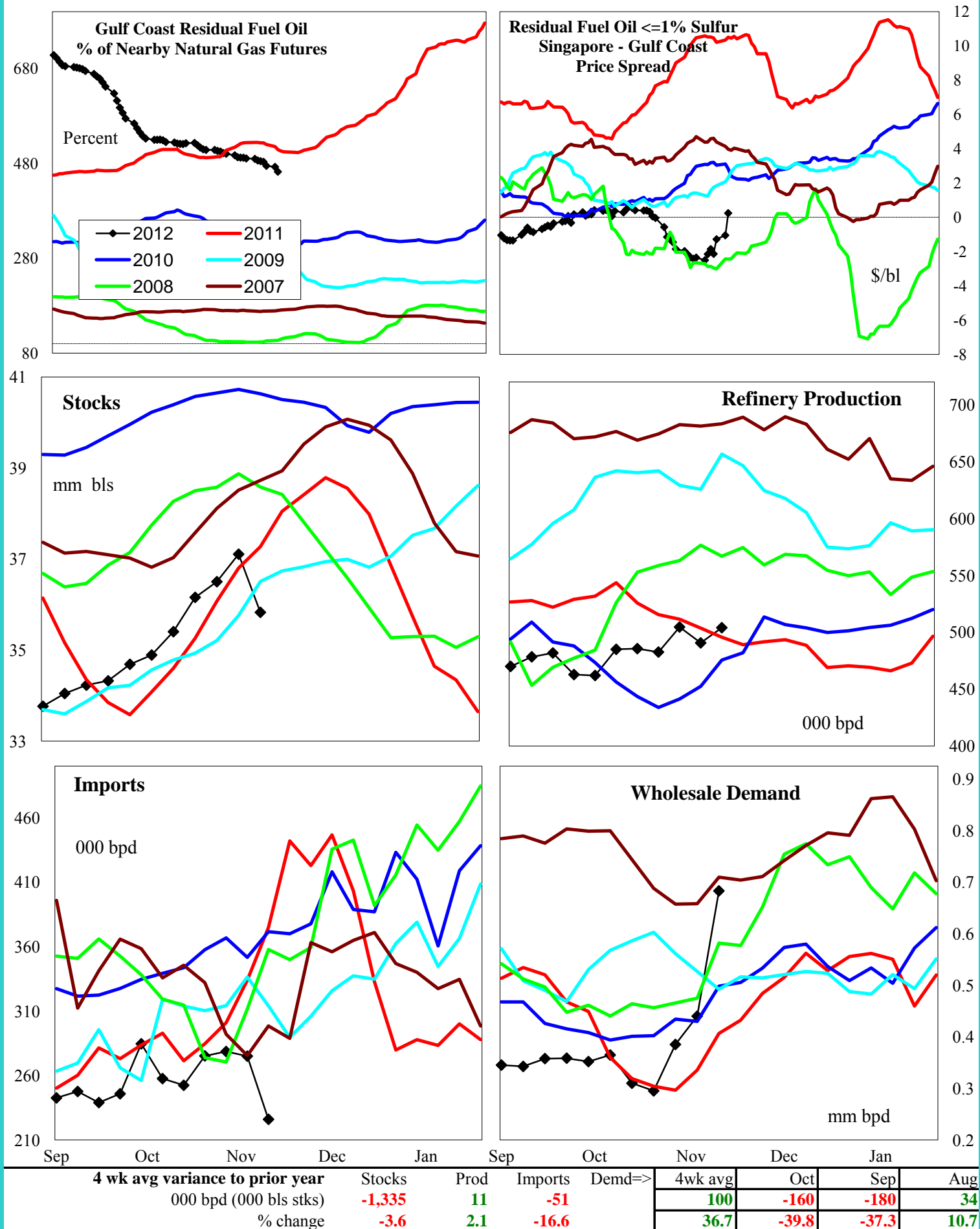
# Natural Gas Producing Region Stock and Weather Trends



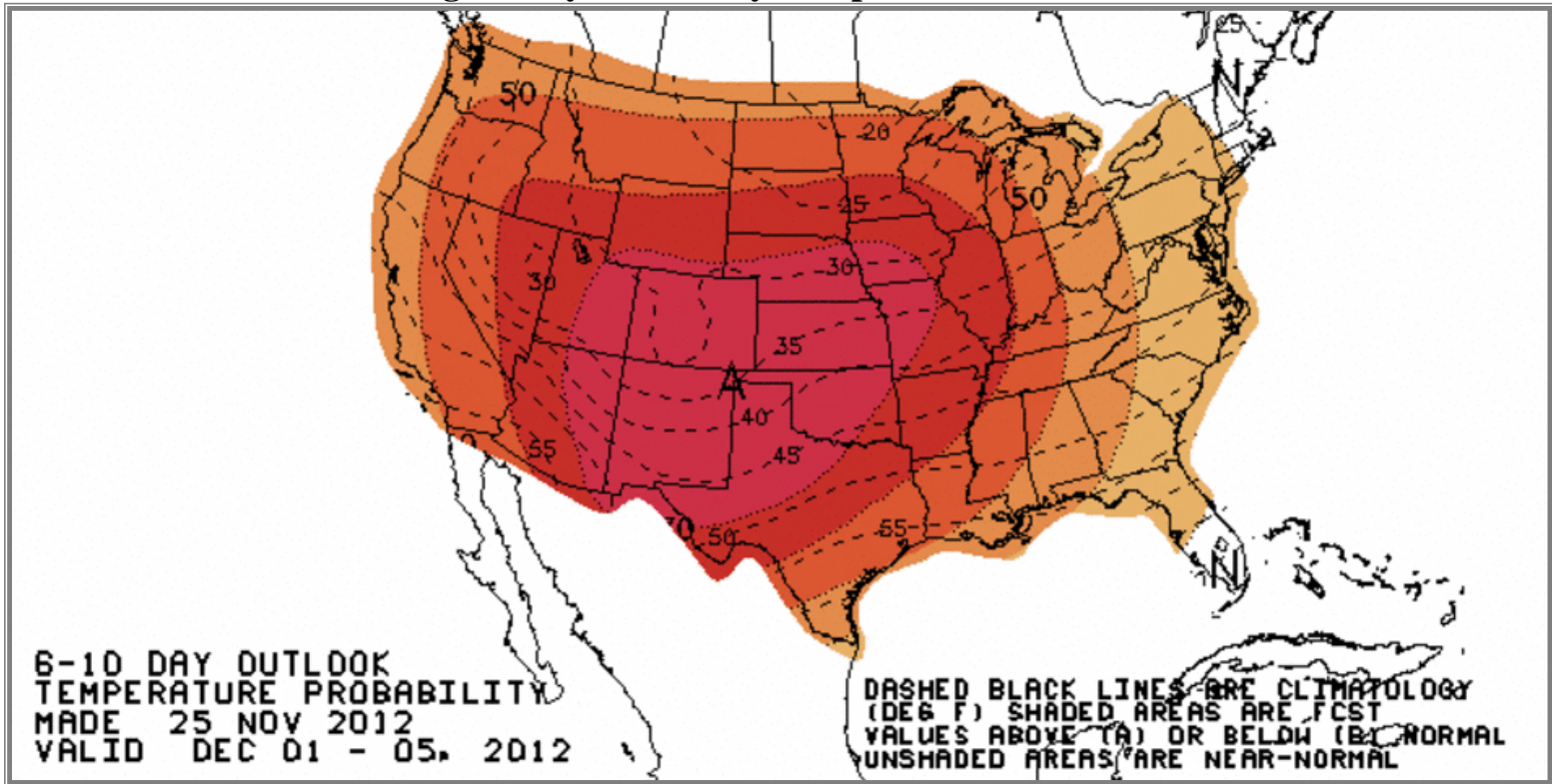
Variance to prior year

Stock  
LevelWeekly Stock  
ChangeMonthly Stock  
ChangeCumulative Stock  
ChangeBCF  
Percent Change (%)29  
2.3-18  
-300.0-56  
-72.7-12  
#DIV/0!

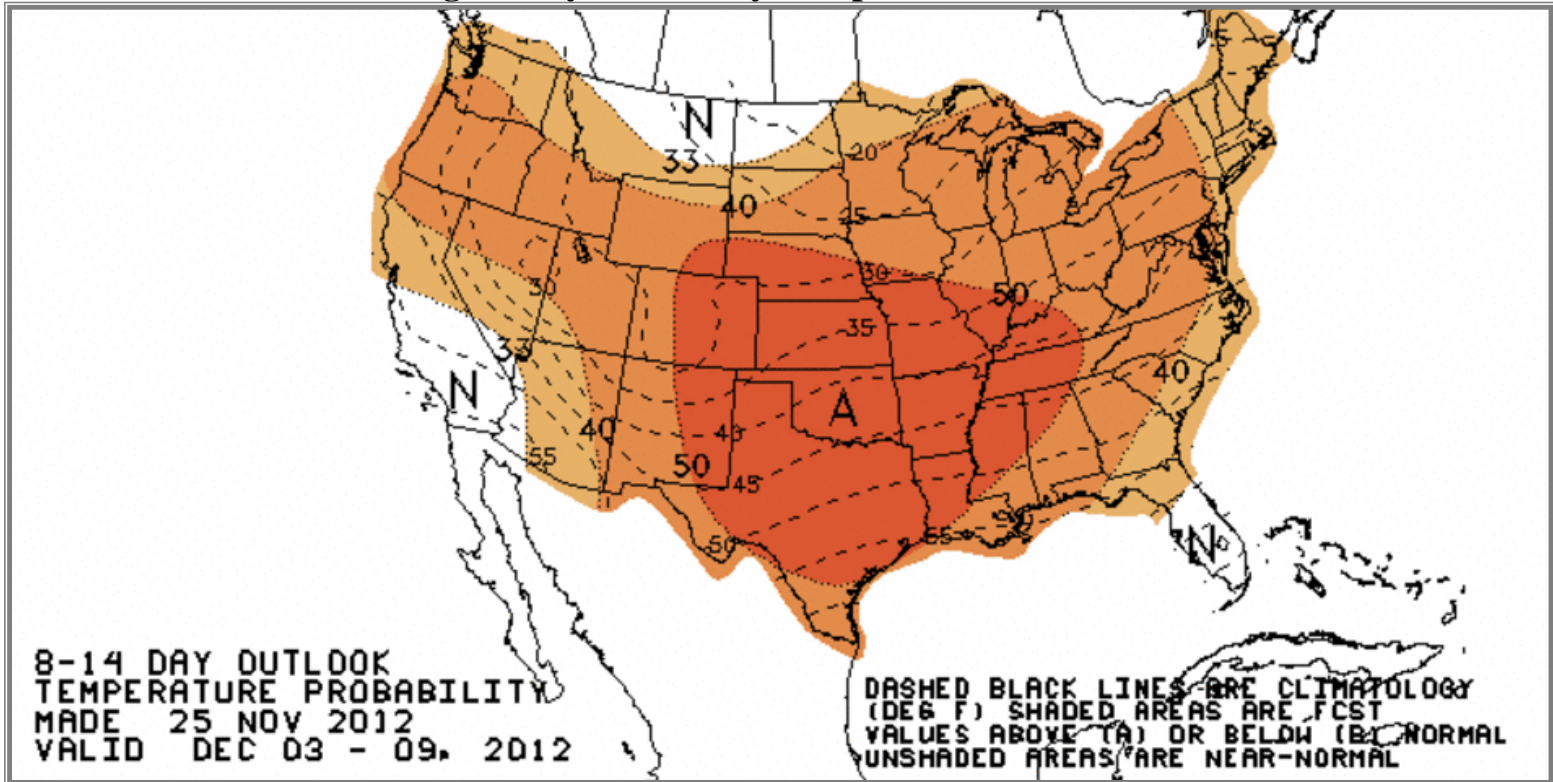
# U.S. Residual Fuel Oil Price Spreads and Supply Balance



## 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

