

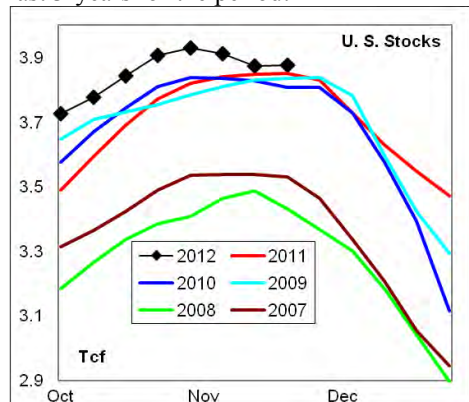
# WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

## A Fundamental Petroleum Trends Weekly Report

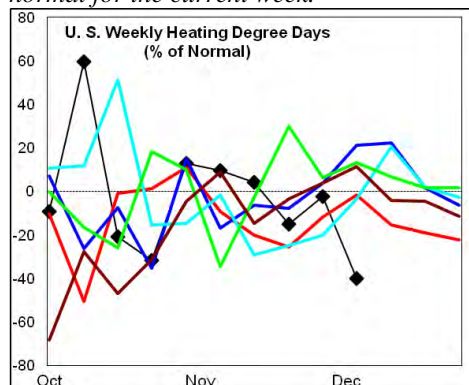
Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Tuesday, December 04, 2012



**Summary**<sup>1</sup> The stock build of +4 Bcf for the week, matched levels for two of the last 3-years for the period.



Heating degree days for the week ending 24Nov12 were -15% below normal, -2% below normal for the week ending 01Dec12 and forecast to be -40% below normal for the current week.



In the East Region stocks decreased -12 Bcf for the week, a draw that matched the historic mid range. Stocks increased +4 Bcf in the West Region, a record build for the period. Stocks increased +12 Bcf in the Producing Region, matching record builds of the last 5-years for the week.

Heating degree days were -10% below normal in the East Region, -27% below normal in the West Region and -30% below normal in the Producing Region for the week ending 24Nov12.

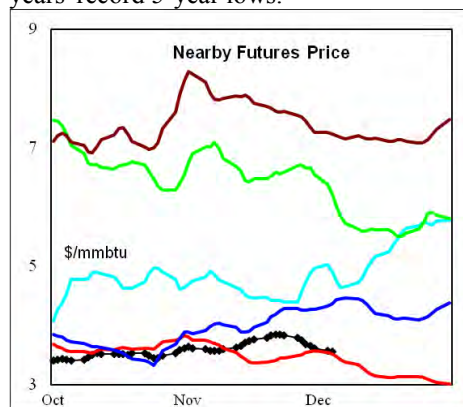
Heating degree days were -15% below normal for the week ending 24Nov12, -2% below normal for the week ending

01Dec12 and forecast to be -40% below normal for the current week.

The 6-10 day NWS forecast for the week ending 13Dec12 is for above normal heating degree days in the western 1/2 of the country and much below normal in the eastern 1/3rd of the country.

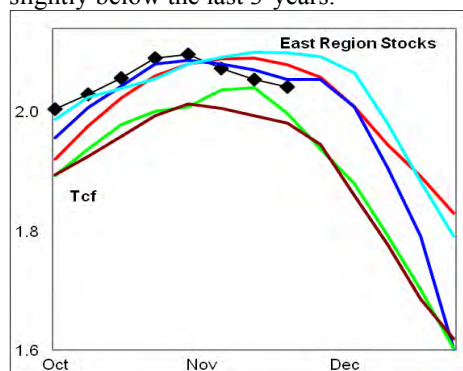
The 8-14 day NWS forecast for the week ending 17Dec12 is for below normal heating degree days across the eastern 1/2 of the country with the west near normal.

**Prices:** Nearby gas futures prices fell -\$.20/mmbtu for the week ending 04Dec12. The current price matches last years' record 5-year lows.



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

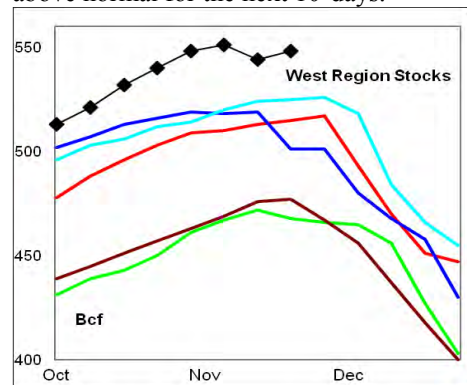
**East Region** stocks decreased -12 Bcf for the week, a draw that matched the historic mid range for the week. The current stock level was -1.8% below last year, and slightly below the last 3-years.



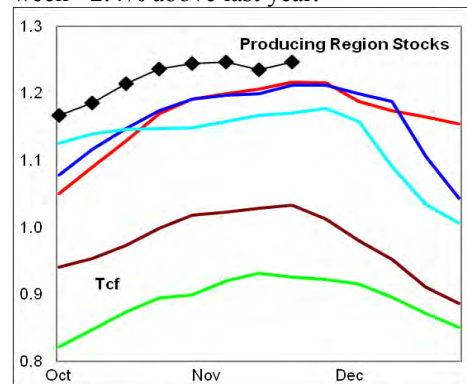
Heating degree days in the region were -10% below normal for the week ending 24Nov12, +4% above normal for the week ended 01Dec12 and forecast to be -38% below normal for the current week. Heating degree days are forecast to be much below normal in the region for the next 10-days.

**West Region** stocks increased +4 Bcf on the week, a record build for the week.

Stock levels ended the week +6.4% above last year and above the 5-year range. The latest 4-wk stock change was a draw of -8 Bcf, a draw greater than four of the last 5-years. Heating degree days were -27% below normal for the week ending 24Nov12, -20% below normal for the week ending 01Dec12 and forecast to be -30% below normal for the current week. Heating degree days are forecast to be above normal for the next 10-days.



**Producing Region** stocks increased +12 Bcf for the week, matching the record build for the week. Stock levels ended the week +2.4% above last year.



Heating degree days were -30% below normal for the week ending 24Nov12, -20% below normal for the week ended 01Dec12 and forecast to be -62% 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 +6% above last year.

**Outlook:** Heating degree days are forecast to be -40% below normal this week, with continued warm temperatures across the eastern 1/2 of the country through mid month. Prices should continue to trade near last years' record lows for this time of year.

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

[Data Source is EIA Weekly Statistics](http://Data Source is EIA Weekly Statistics)

[National Weather Service 6-10 Day](http://National Weather Service 6-10 Day)

[National Weather Service 10-14 Day](http://National Weather Service 10-14 Day)



## NATURAL GAS: Graph Link and Weekly Summary

Report prepared as of: December 4, 2012

For the week ending: 23-Nov-12

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

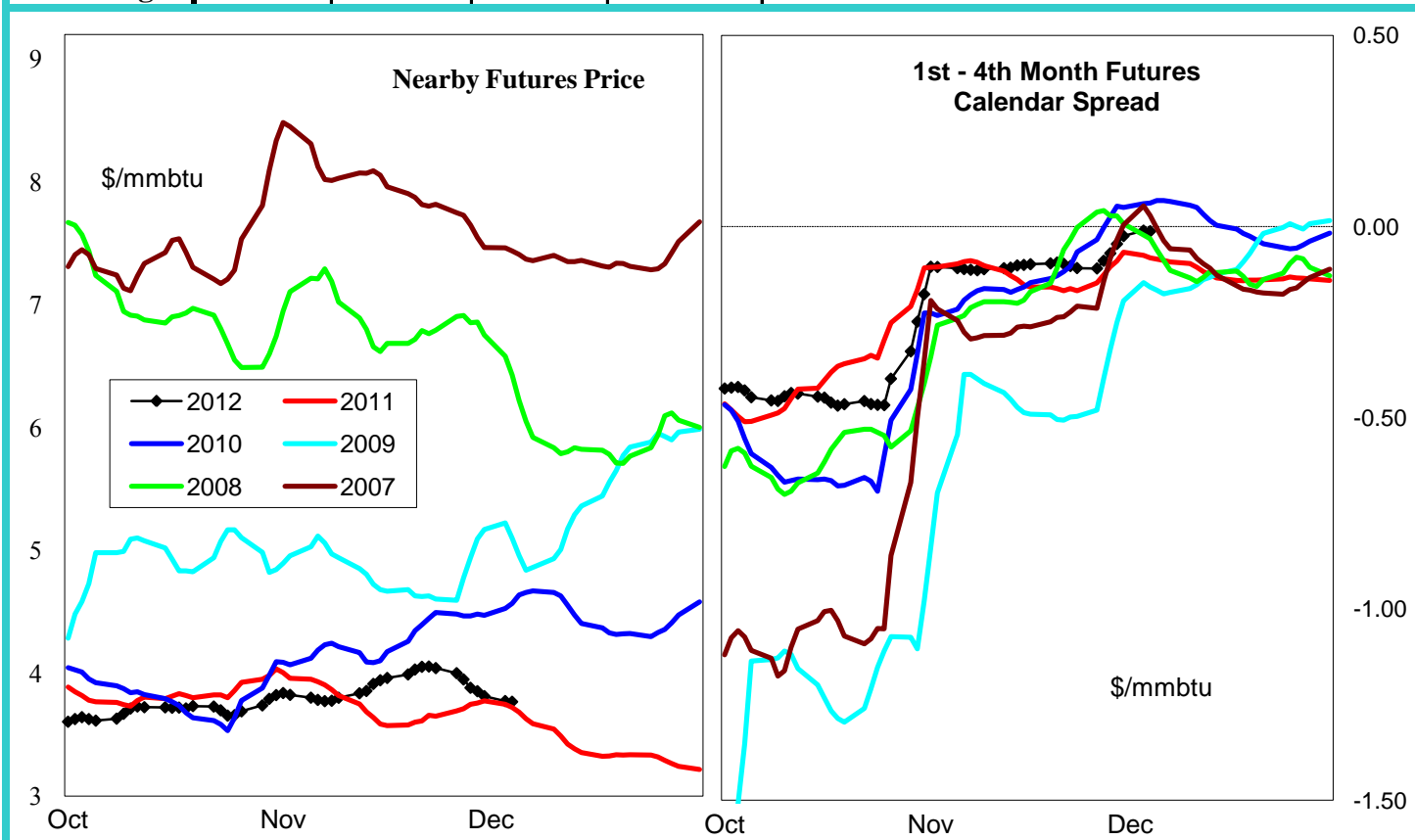
Week ending:	23-Nov-12			24-Nov-12		1-Dec-12		8-Dec-12	
Region	Weekly Stocks			Weekly Heating Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	3,877	4	0.7	-12	-15%	36	-2%	-57	-40%
East	2,042	-12	-1.8	-2	-10%	42	4%	-68	-38%
West	548	4	6.4	-31	-27%	24	-20%	-11	-30%
Producing	1,287	12	2.4	-33	-30%	21	-20%	-44	-62%

### Seasonal Trends in Stocks and Heating Degree Days

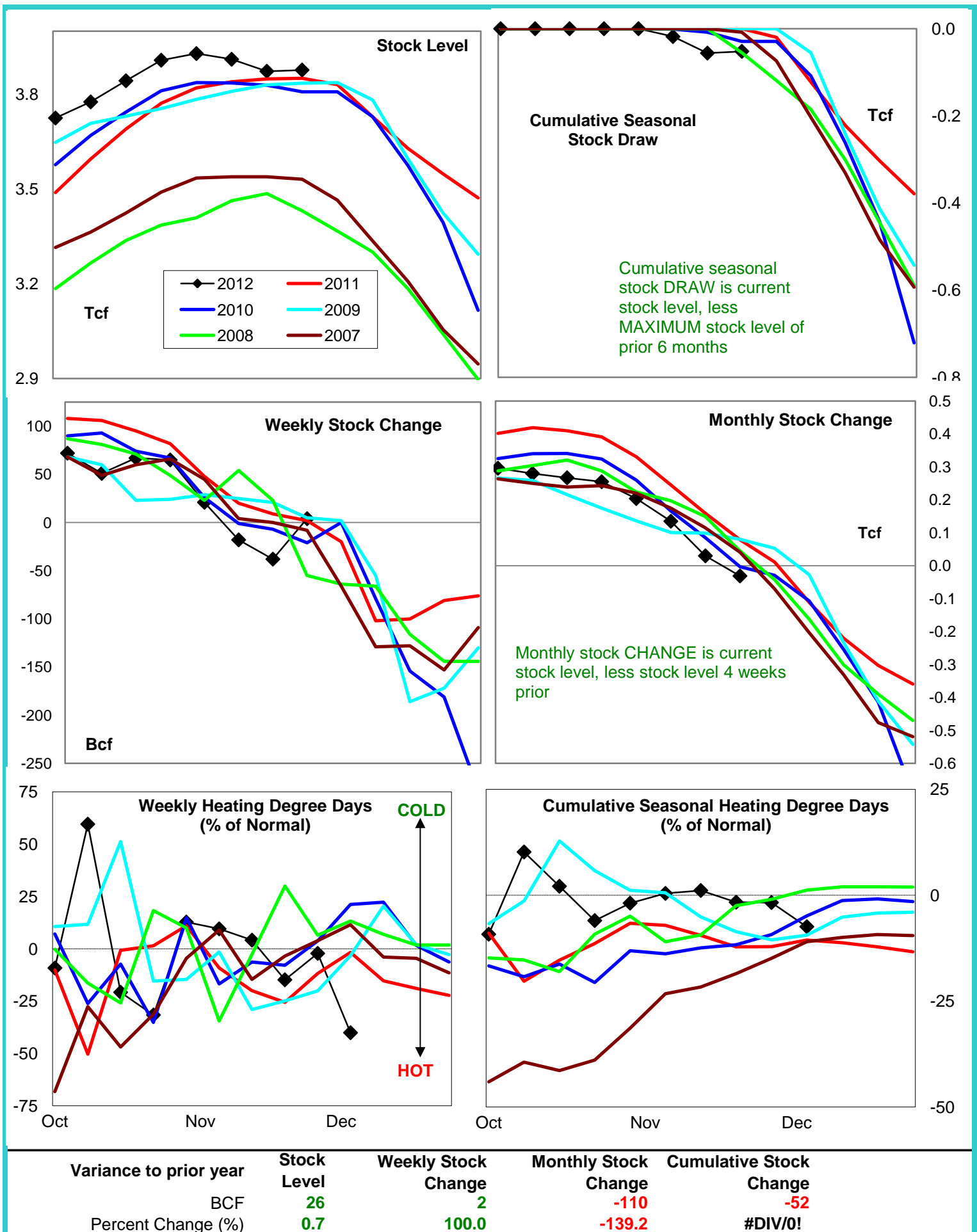
	Cumulative Stock Change			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
<b>U.S. Total</b>	<b>-52</b>	<b>-52</b>	<b>100.0</b>	<b>133</b>	<b>-1.6</b>	<b>169</b>	<b>-1.7</b>	<b>112</b>	<b>-7.4</b>
<b>East</b>	<b>-54</b>	<b>-42</b>	<b>77.8</b>	<b>153</b>	<b>1.5</b>	<b>195</b>	<b>1.9</b>	<b>127</b>	<b>-3.9</b>
<b>West</b>	<b>-3</b>	<b>-3</b>	<b>100.0</b>	<b>119</b>	<b>-17.3</b>	<b>144</b>	<b>-17.7</b>	<b>132</b>	<b>-19.4</b>
<b>Producing</b>	<b>0</b>	<b>0</b>	<b>#DIV/0!</b>	<b>72</b>	<b>-4.8</b>	<b>93</b>	<b>-8.0</b>	<b>48</b>	<b>-18.0</b>

### Futures Market Price Trends

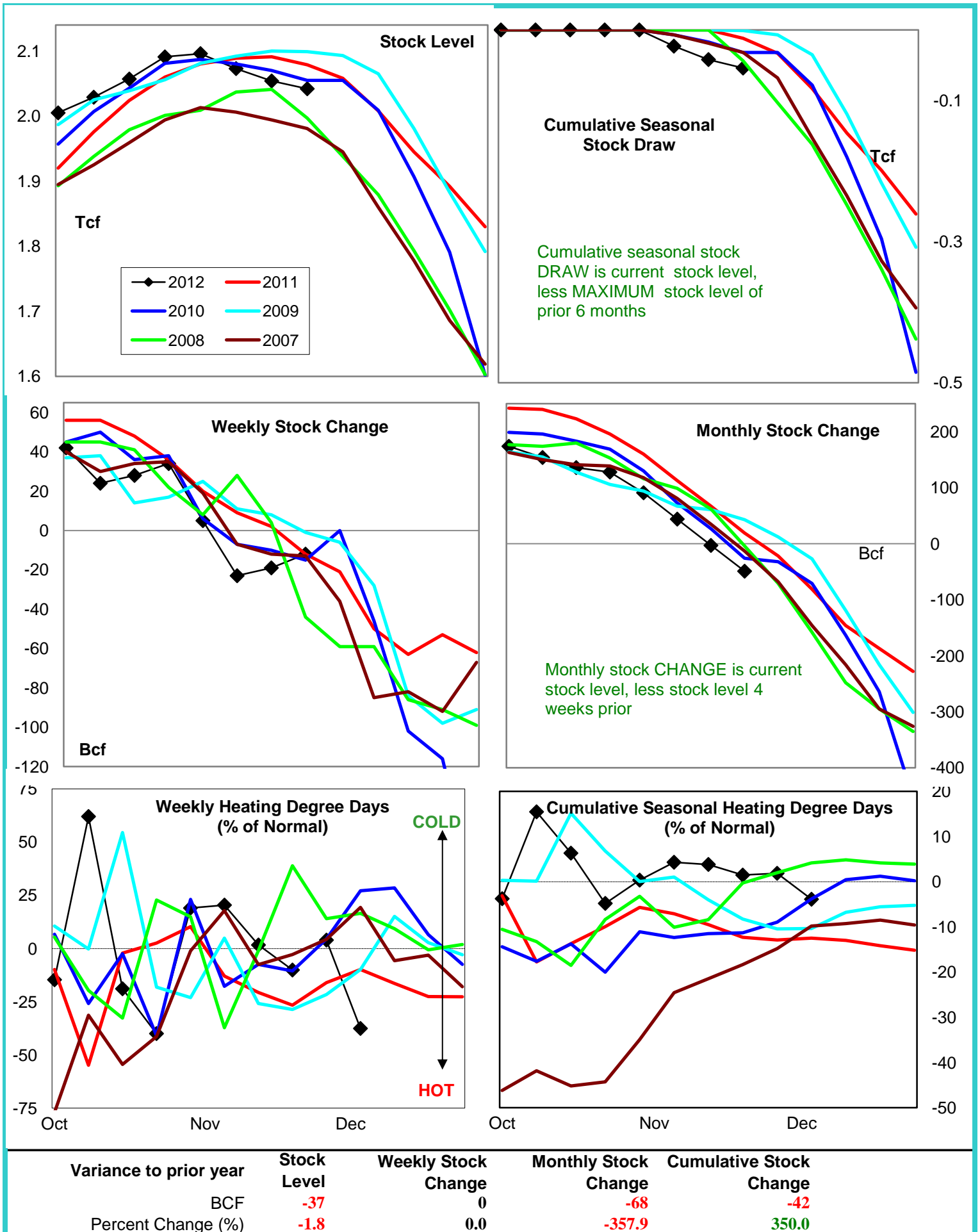
Date:	4-Dec-12	Change vs prior week, month, year		
		28-Nov-12	7-Nov-12	9-Dec-11
<b>1st month Futures</b>	<b>3.57</b>	<b>-0.13</b>	<b>-0.01</b>	<b>0.47</b>
<b>% change</b>	<b>xxxxx</b>	<b>-3.5</b>	<b>-0.3</b>	<b>15.2</b>



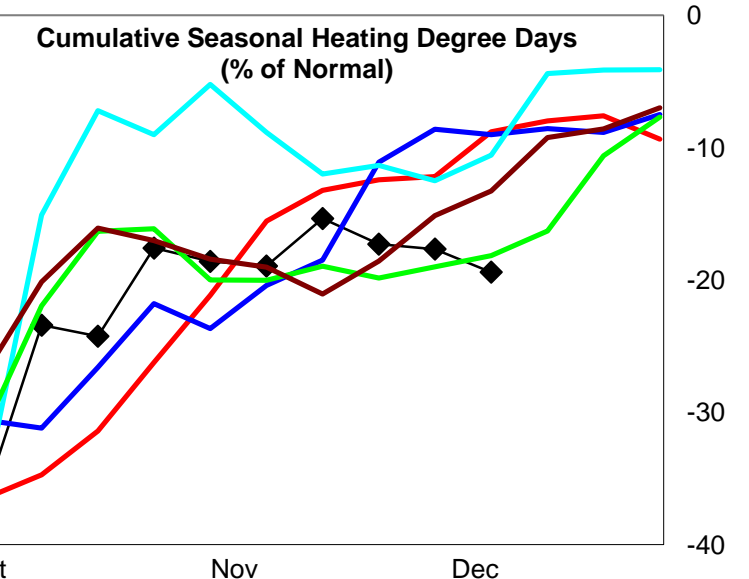
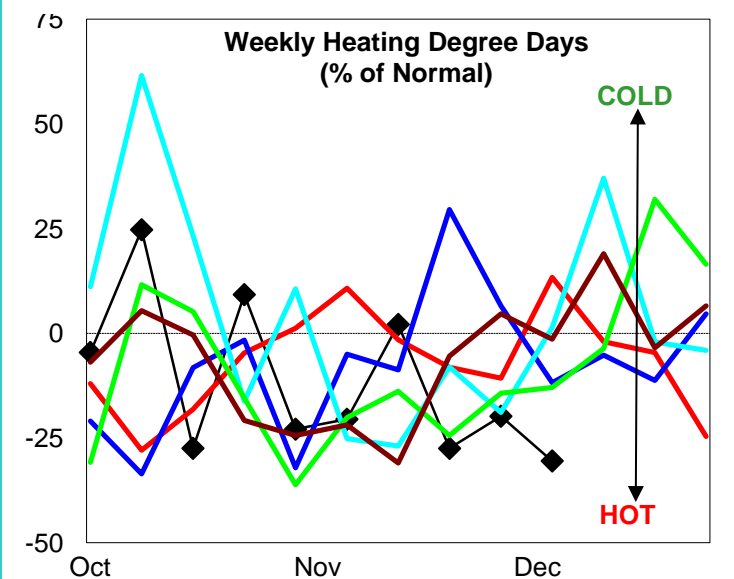
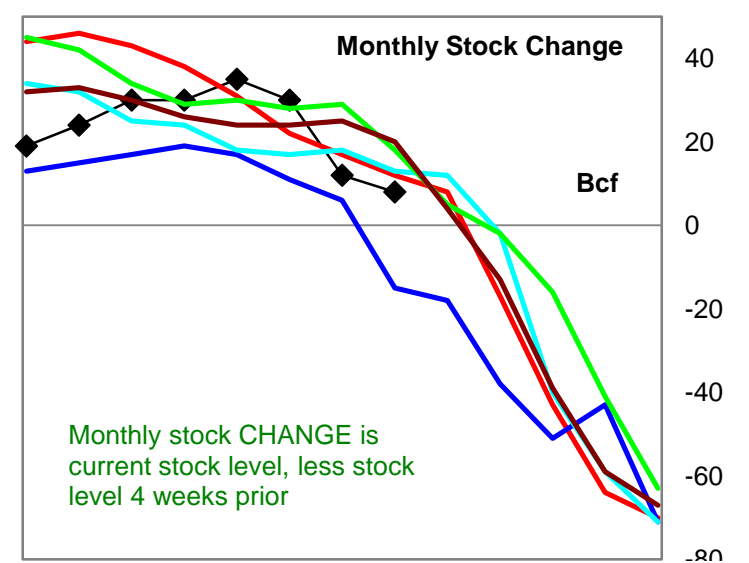
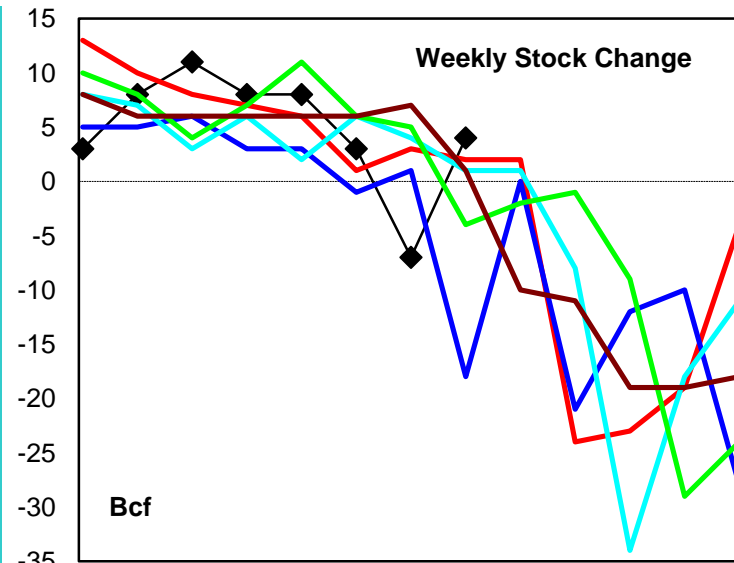
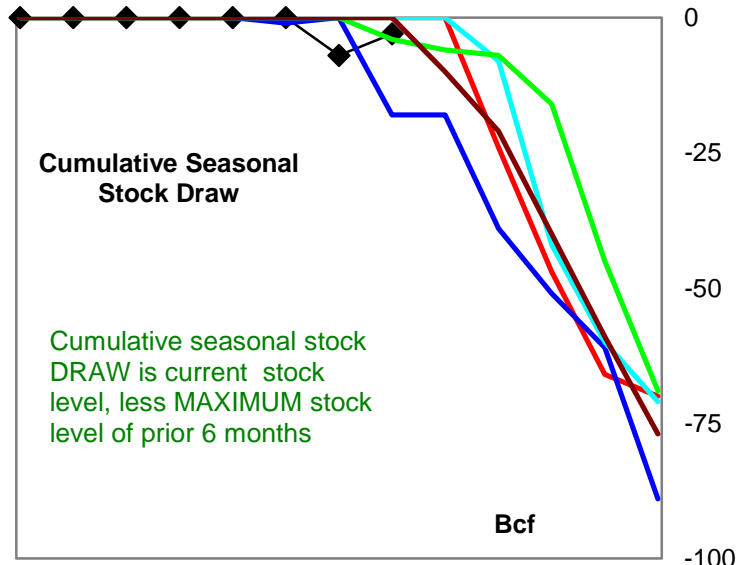
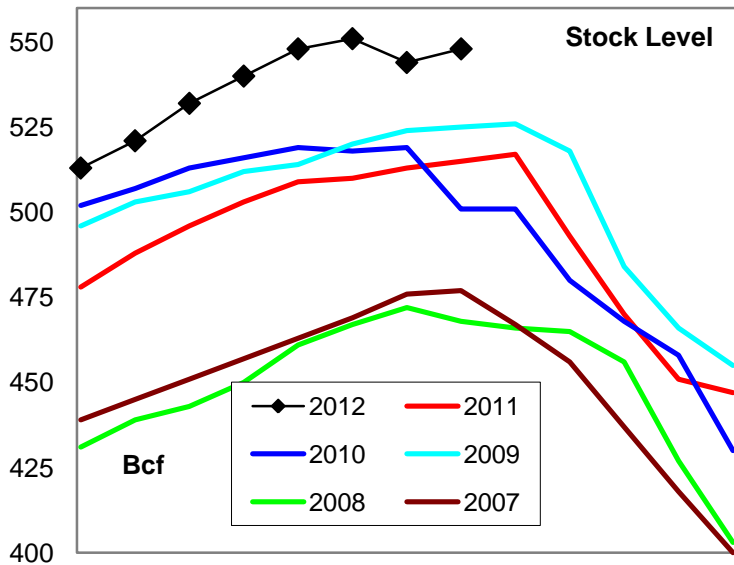
# United States Natural Gas Stock and Weather Trends



# Natural Gas East Region Stock and Weather Trends



# Natural Gas West Region Stock and Weather Trends



Variance to prior year

Stock Level

Weekly Stock Change

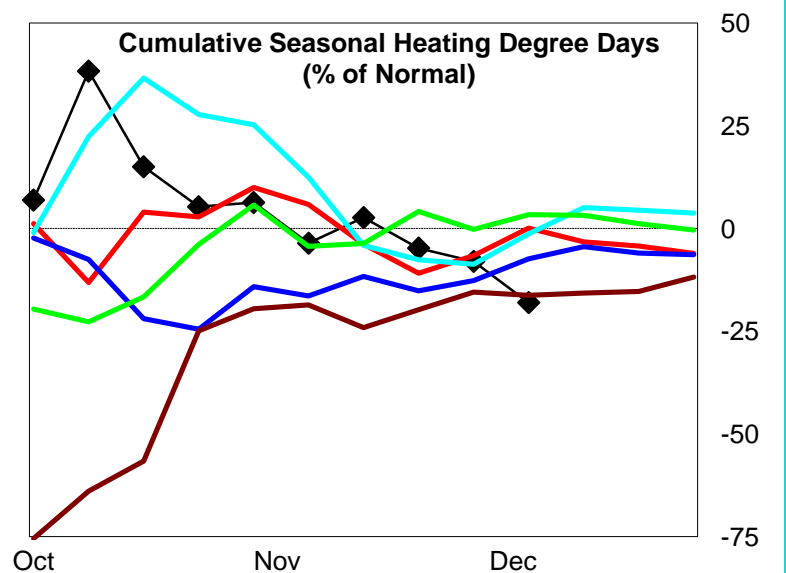
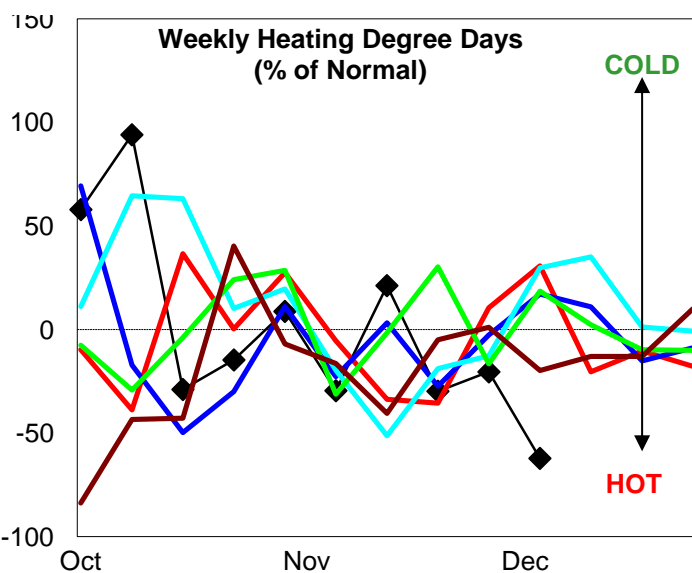
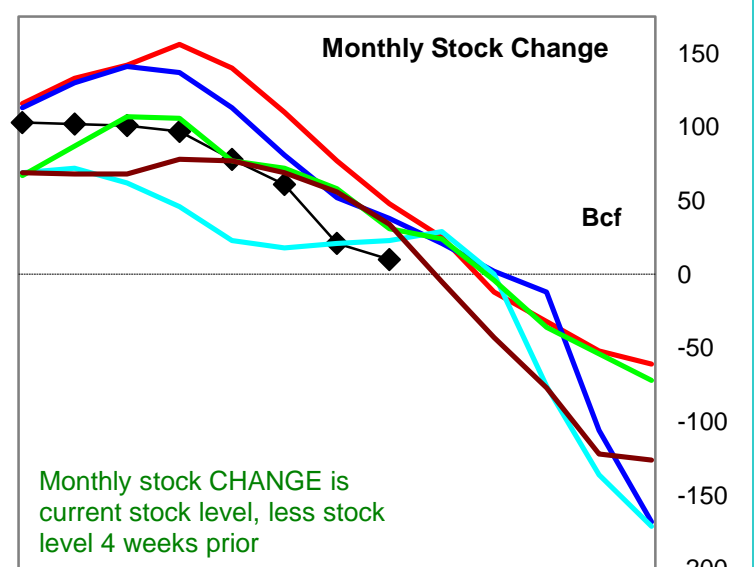
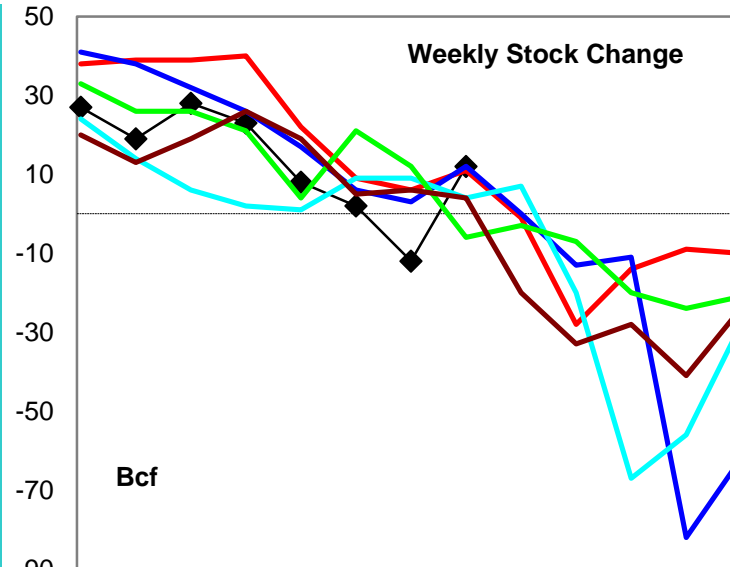
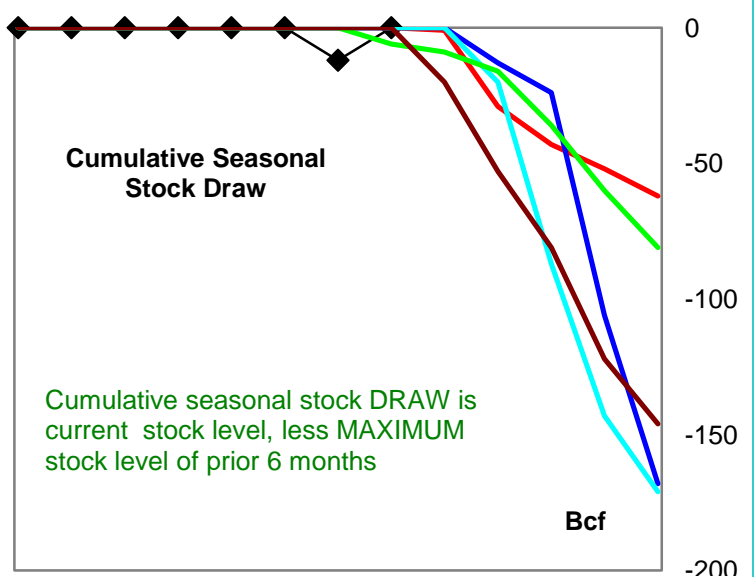
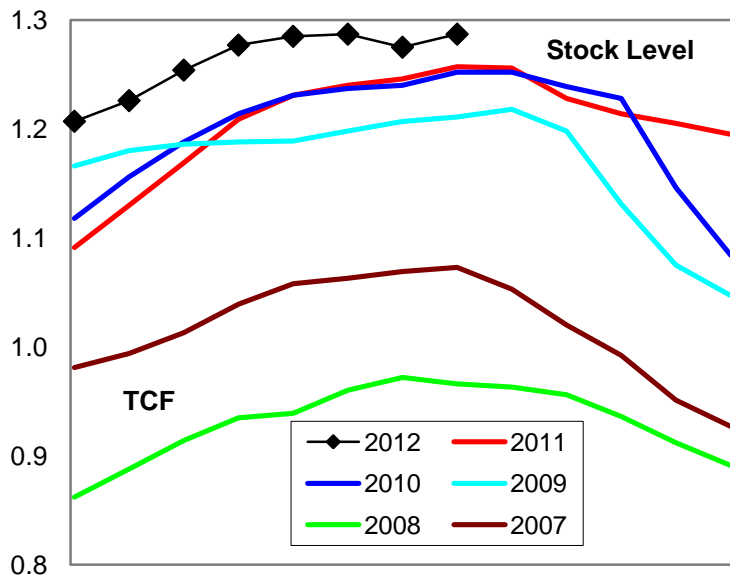
Monthly Stock Change

Cumulative Stock Change

BCF  
Percent Change (%)33  
6.42  
100.0-4  
-33.3-3  
#DIV/0!



# Natural Gas Producing Region Stock and Weather Trends



Variance to prior year

Stock Level

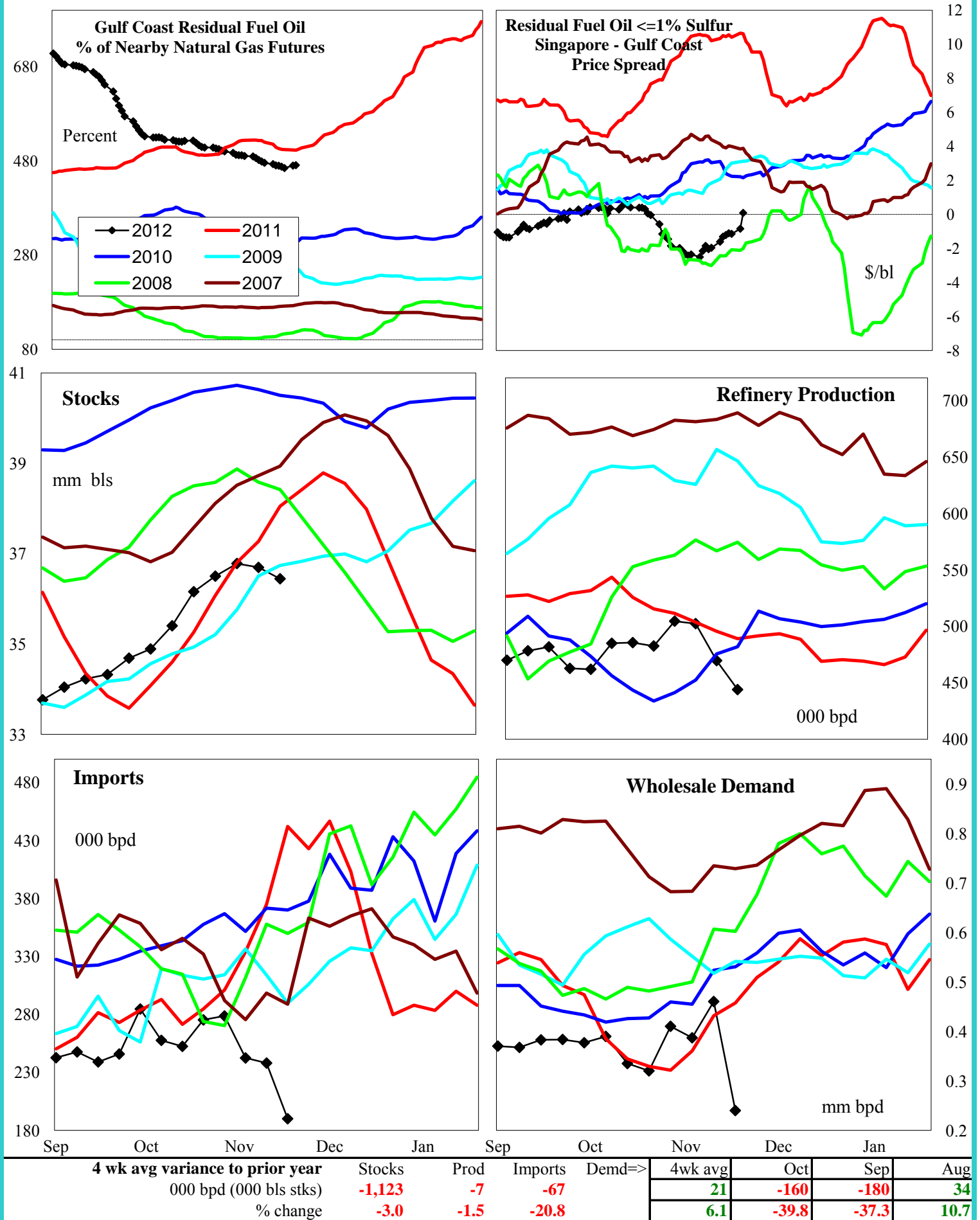
Weekly Stock Change

Monthly Stock Change

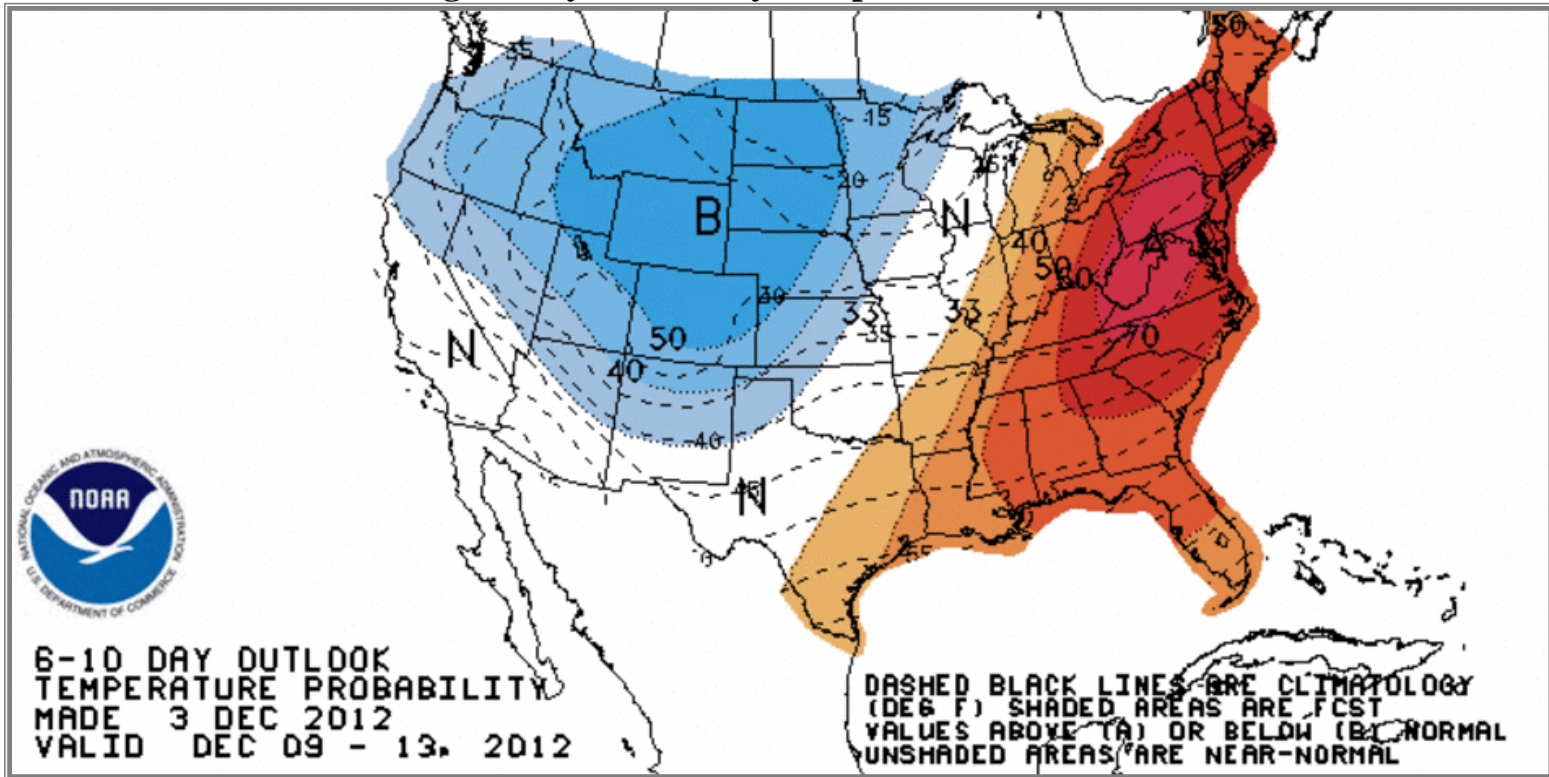
Cumulative Stock Change

BCF  
Percent Change (%)30  
2.41  
9.1-38  
-79.20  
#DIV/0!

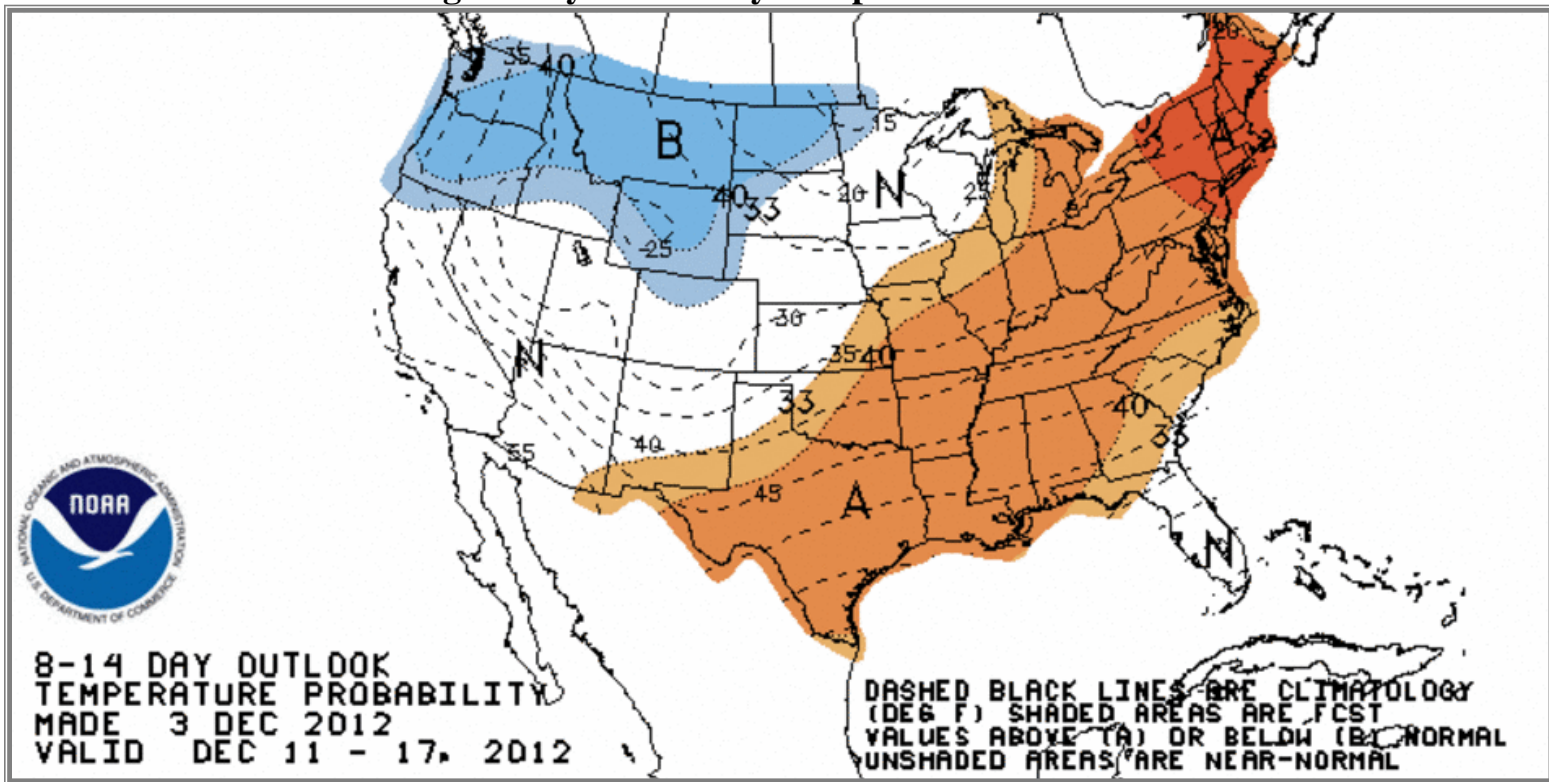
# U.S. Residual Fuel Oil Price Spreads and Supply Balance



## 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

