

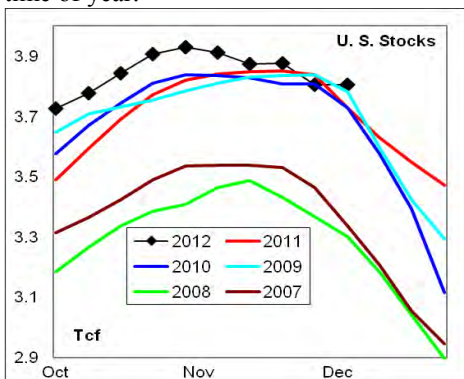
# WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

## A Fundamental Petroleum Trends Weekly Report

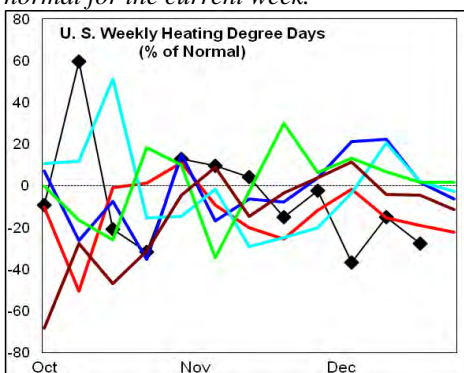
Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Monday, December 17, 2012



**Summary**<sup>1</sup> The stock build of +2 Bcf for the week, compares to an average draw of -110 Bcf during the last 3-years for this time of year.



Heating degree days for the week ending 08Dec12 were -37% below normal, -15% below normal for the week ending 15Dec12 and forecast to be -28% below normal for the current week.



In the East Region stocks decreased -12 Bcf for the week, much less than the 5-year range. Stocks increased +2 Bcf in the West Region, again a build compared to average draws of -20 Bcf in each of the last 2-years. Stocks increased +12 Bcf in the Producing Region, compared to an average draw of -20 Bcf in the last 3-years.

Heating degree days were -34% below normal in the East Region, -28% below normal in the West Region and -58% below normal in the Producing Region for the week ending 08Dec12.

Heating degree days were -37% below normal for the week ending 08Dec12, -

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

[Data Source is EIA Weekly Statistics](#)

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

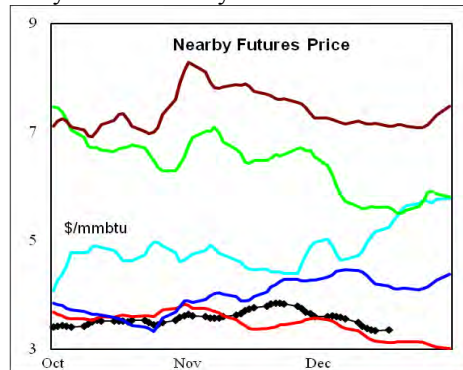
[National Weather Service 10-14 Day](#)

15% below normal for the week ending 15Dec12 and forecast to be -28% below normal for the current week.

The 6-10 day NWS forecast for the week ending 27Dec12 is for above normal heating degree days in the northwest and eastern seaboard with other regions near normal.

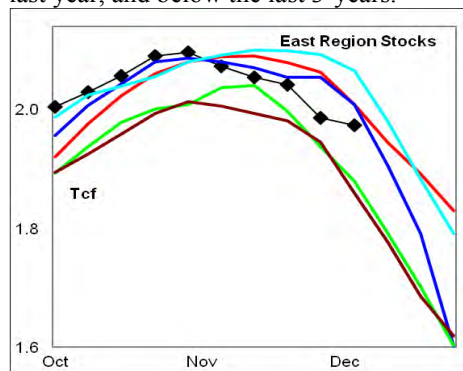
The 8-14 day NWS forecast for the week ending 31Dec12 is for above normal heating degree days in the northwest and northern plains with other areas near normal.

**Prices:** Nearby gas futures prices declined -\$.10/mmbtu for the week ending 17Dec12. The current price level is near last years' record 5-year low.



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.

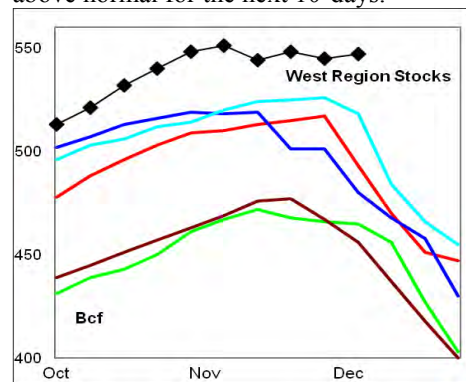
**East Region** stocks decreased -12 Bcf for the week, much less than the 5-year range. The current stock level was -1.7% below last year, and below the last 3-years.



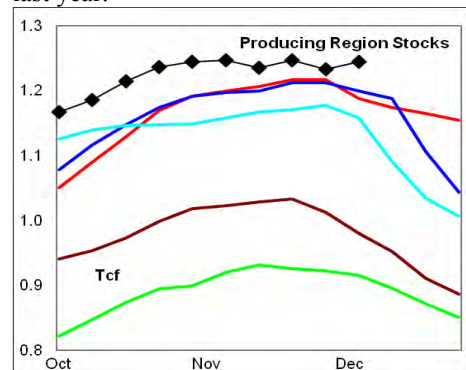
Heating degree days in the region were -34% below normal for the week ending 08Dec12, -18% below normal for the week ended 15Dec12 and forecast to be -30% below normal for the current week. Heating degree days are forecast to be above normal in the region for the next 10-days.

**West Region** stocks increased +2 Bcf on the week, compare to average draws of -20 Bcf during the last 2-years. Stock levels

ended the week +11% above last year and above the 5-year range. The latest 4-wk stock change was a draw of -4 Bcf, a record low. Heating degree days were -28% below normal for the week ending 08Dec12, -2% below normal for the week ending 15Dec12 and forecast to be -5% 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, compared to an average draw of -20 Bcf during the last 3-years. Stock levels ended the week +4.6% above last year.



Heating degree days were -58% below normal for the week ending 08Dec12, -7% below normal for the week ended 15Dec12 and forecast to be -33% below normal for the current week. Near 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 are forecast to be slightly above normal during the next 10-days for the northwest and eastern seaboard. This trend from warmer than normal to slightly colder than normal should provide support to gas prices, although record high stocks should limit a price uptrend.



## NATURAL GAS: Graph Link and Weekly Summary

Report prepared as of: December 17, 2012

For the week ending: 7-Dec-12

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

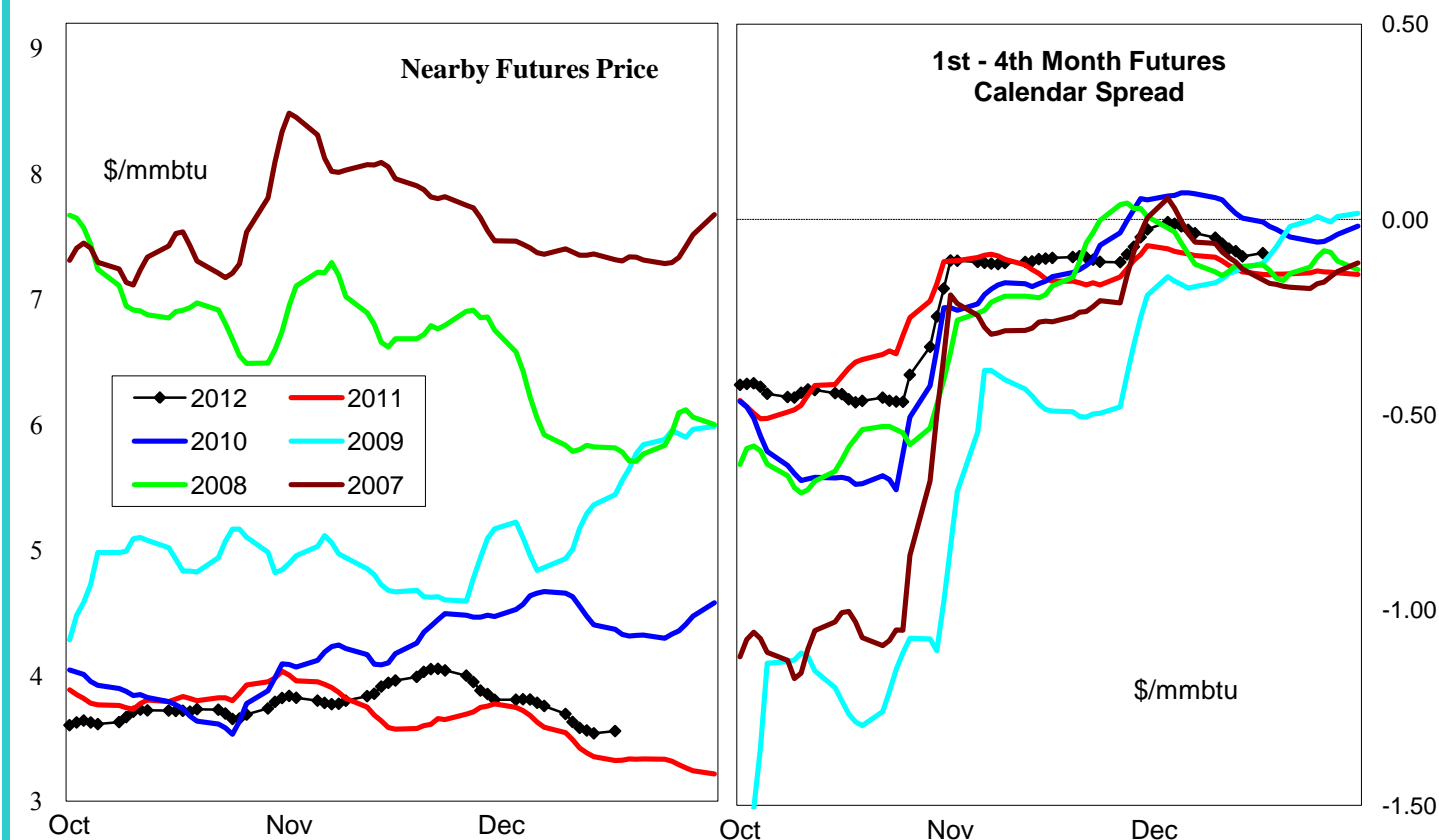
Week ending:	7-Dec-12			8-Dec-12		15-Dec-12		22-Dec-12	
Region	Weekly Stocks			Weekly Heating Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	3,806	2	2.1	-50	-37%	53	-15%	-17	-28%
East	1,974	-12	-1.7	-60	-34%	46	-18%	-16	-30%
West	547	2	11.0	-6	-28%	58	-2%	1	-5%
Producing	1,285	12	4.6	-39	-58%	77	-7%	-30	-33%

### Seasonal Trends in Stocks and Heating Degree Days

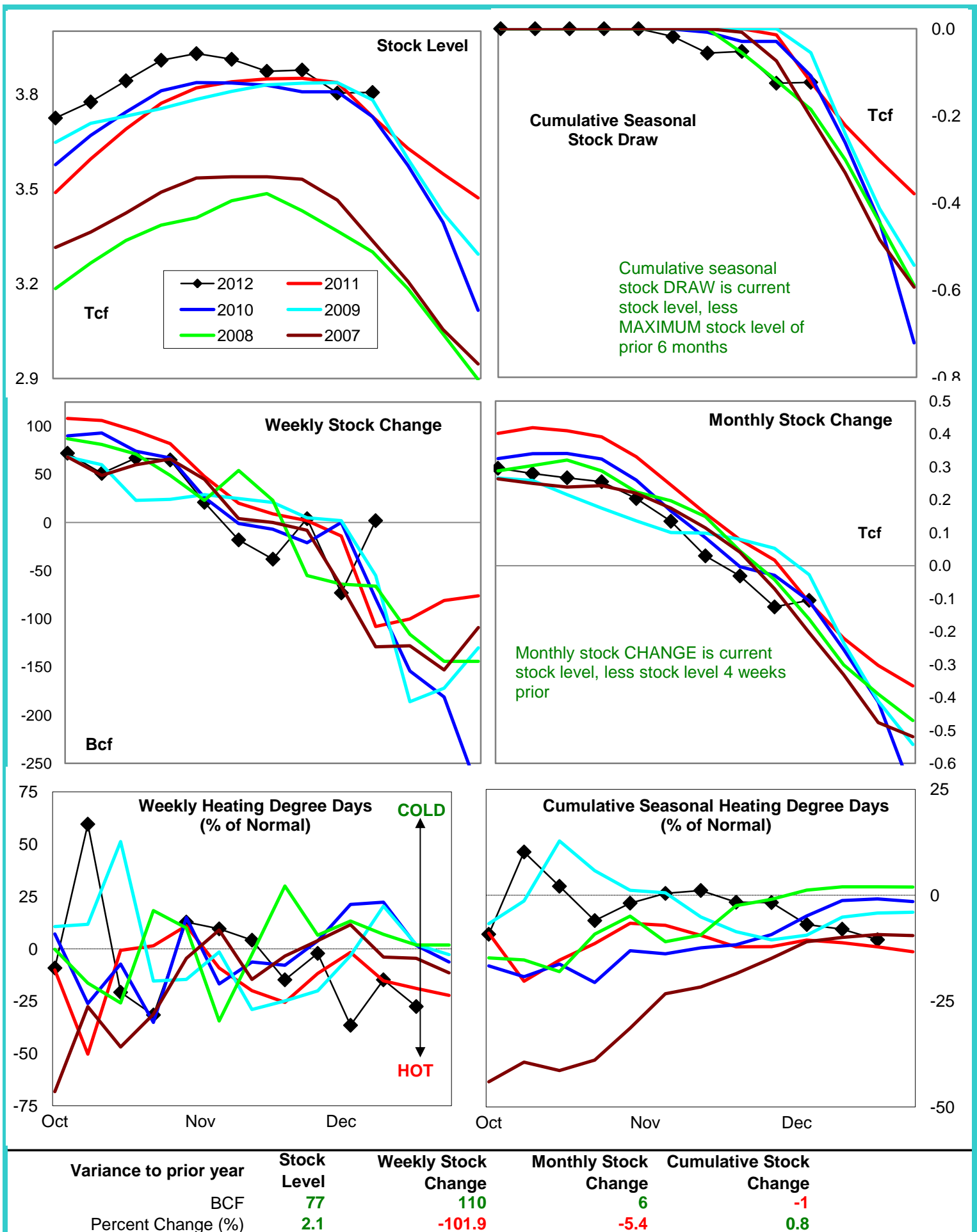
	Cumulative Stock Change			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
<b>U.S. Total</b>	<b>-123</b>	<b>-1</b>	<b>0.8</b>	<b>119</b>	<b>-6.9</b>	<b>173</b>	<b>-8.0</b>	<b>156</b>	<b>-10.5</b>
<b>East</b>	<b>-122</b>	<b>-39</b>	<b>32.0</b>	<b>135</b>	<b>-3.4</b>	<b>181</b>	<b>-5.4</b>	<b>165</b>	<b>-8.5</b>
<b>West</b>	<b>-4</b>	<b>20</b>	<b>-500.0</b>	<b>138</b>	<b>-19.0</b>	<b>195</b>	<b>-16.9</b>	<b>197</b>	<b>-15.6</b>
<b>Producing</b>	<b>-2</b>	<b>27</b>	<b>-1,350.0</b>	<b>53</b>	<b>-17.3</b>	<b>130</b>	<b>-15.6</b>	<b>100</b>	<b>-18.3</b>

### Futures Market Price Trends

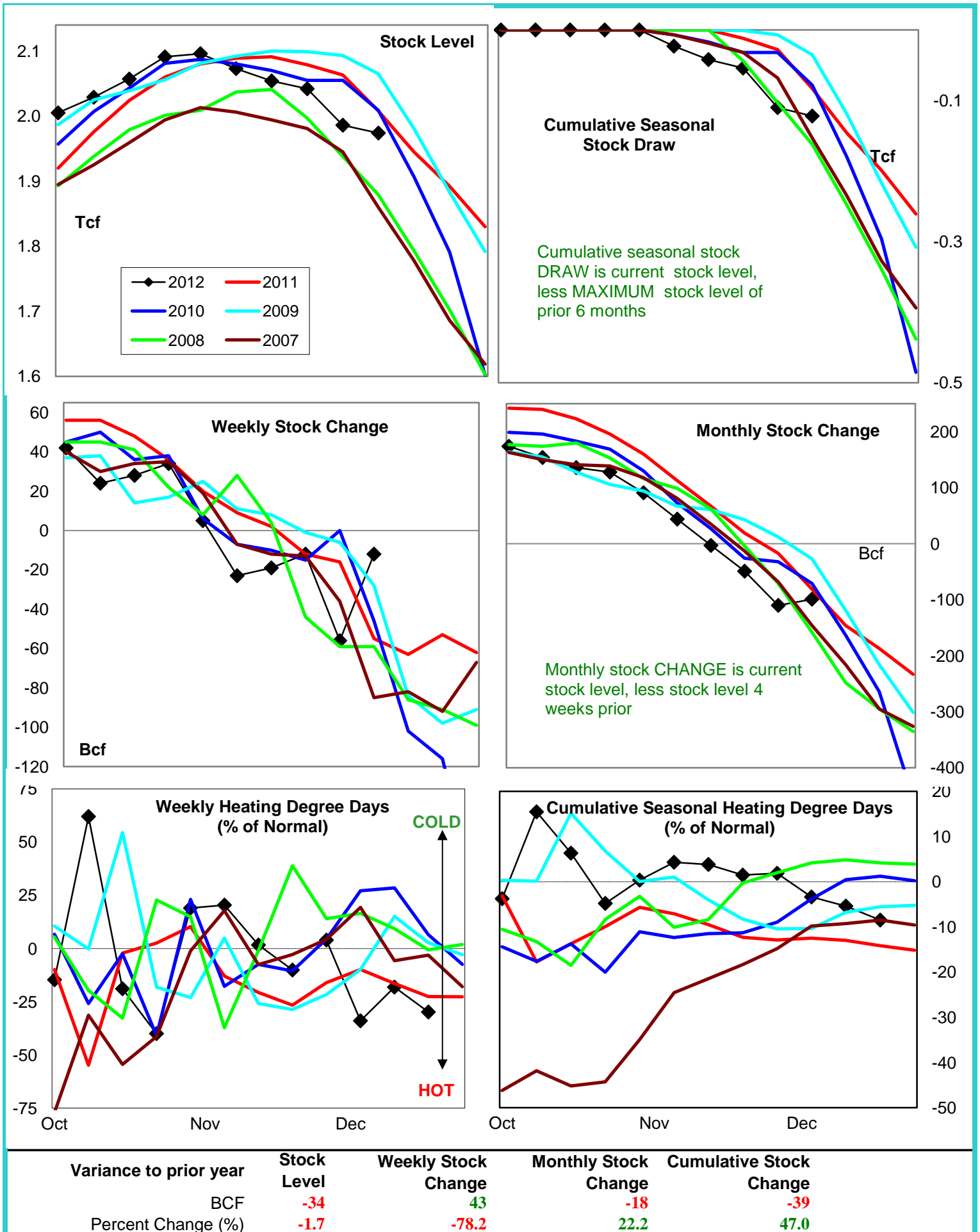
Date:	17-Dec-12	Change vs prior week, month, year		
		11-Dec-12	20-Nov-12	22-Dec-11
<b>1st month Futures</b>	<b>3.36</b>	<b>-0.05</b>	<b>-0.47</b>	<b>0.37</b>
<b>% change</b>	<b>xxxxx</b>	<b>-1.6</b>	<b>-12.4</b>	<b>12.3</b>



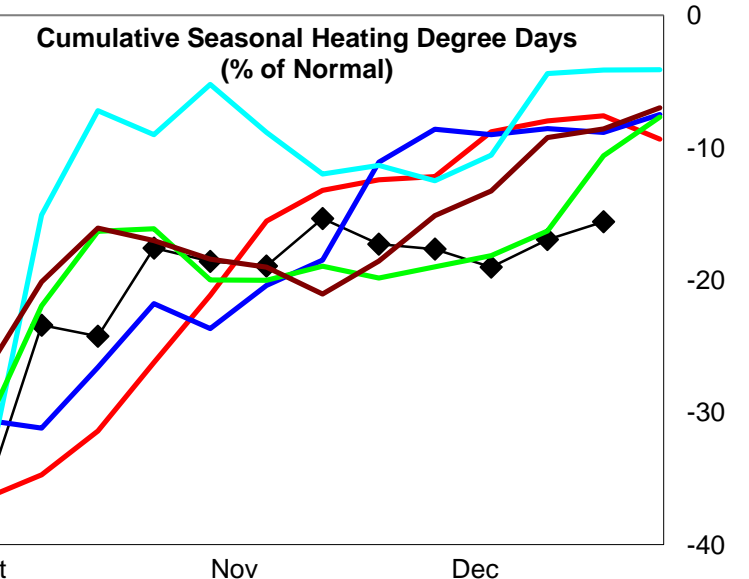
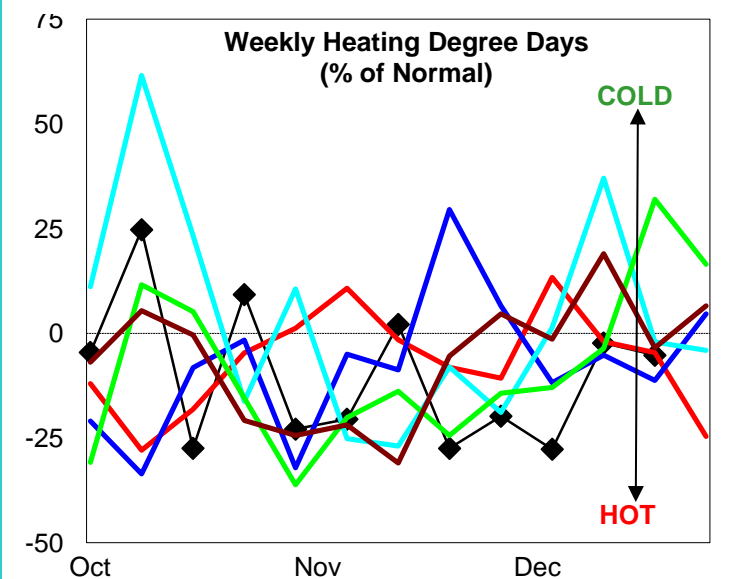
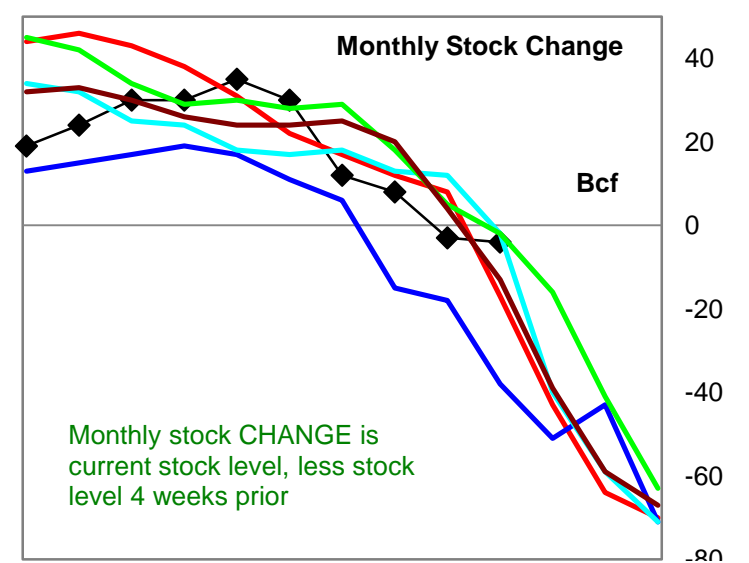
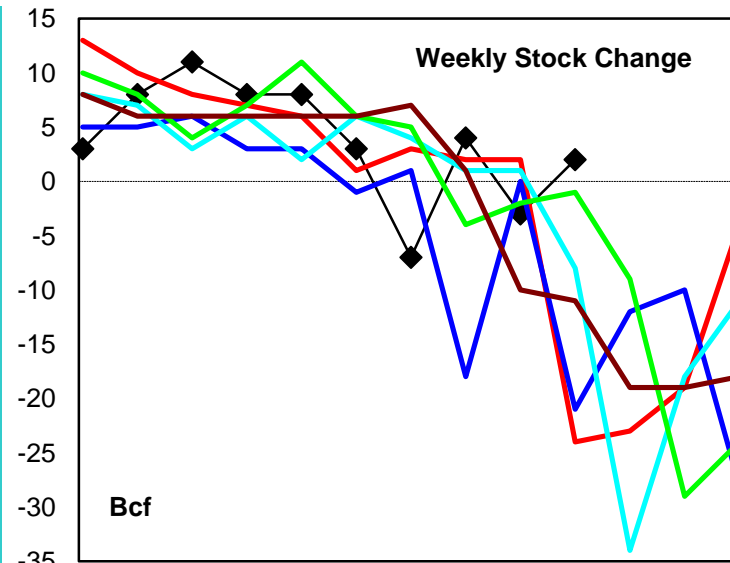
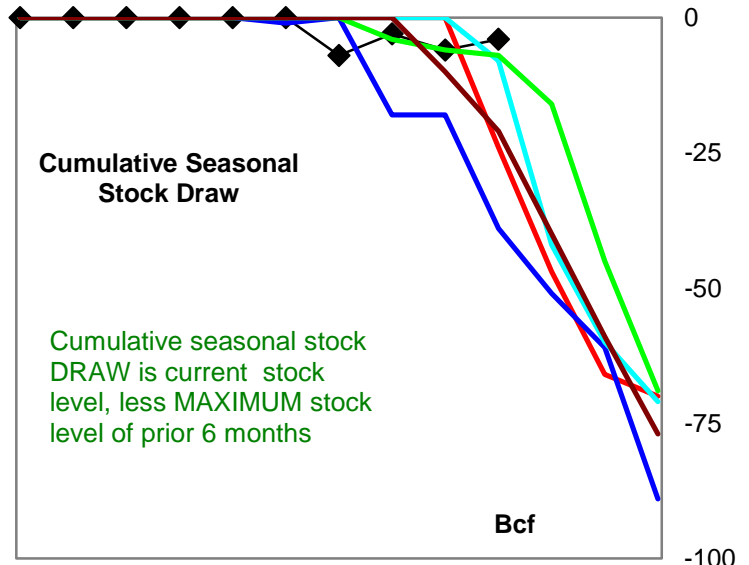
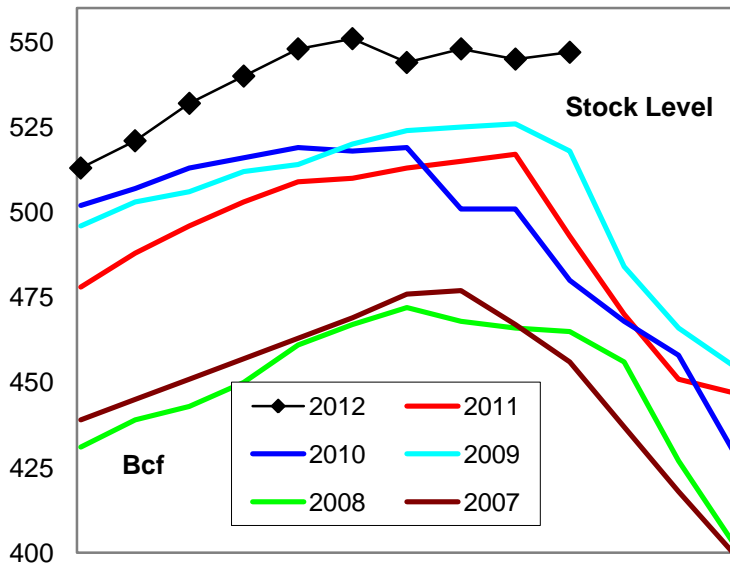
# United States Natural Gas Stock and Weather Trends



# Natural Gas East Region Stock and Weather Trends



# Natural Gas West Region Stock and Weather Trends

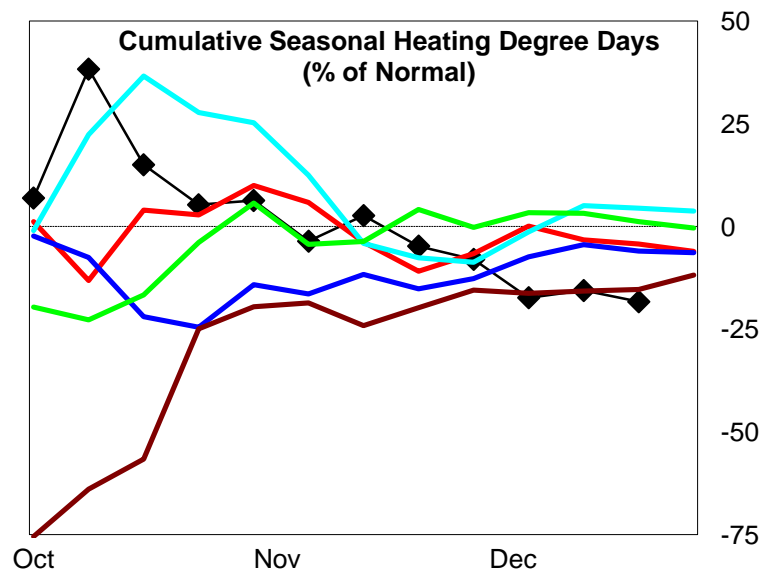
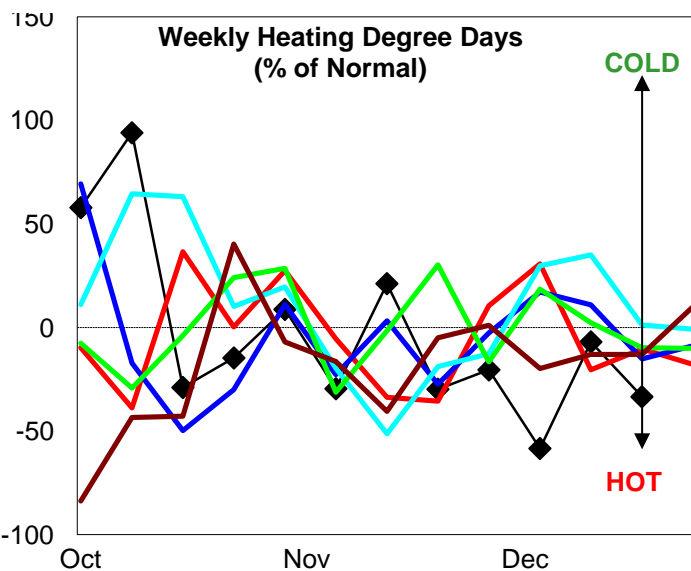
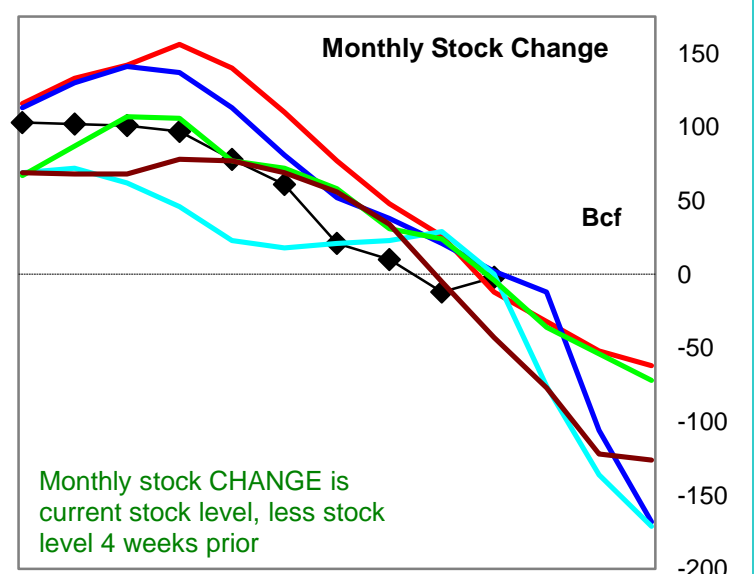
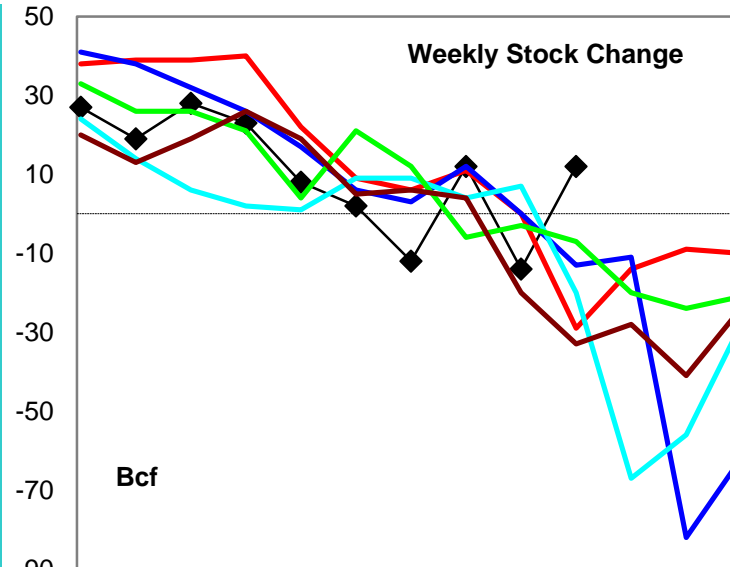
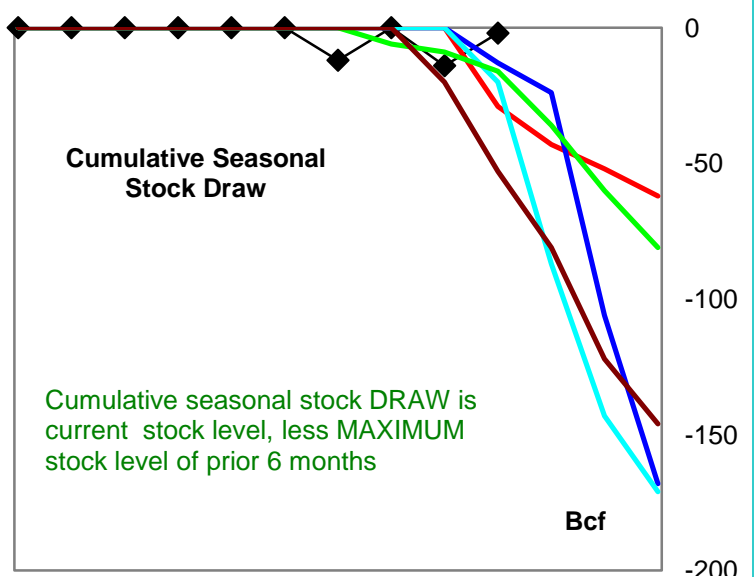
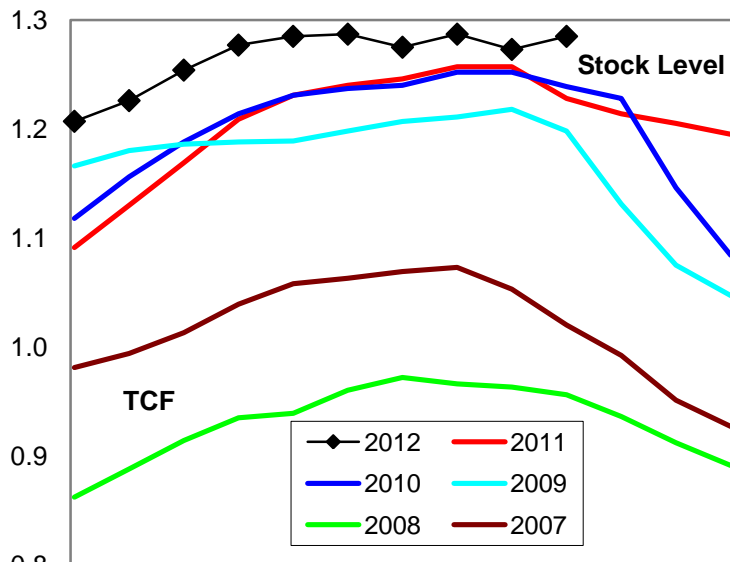


Variance to prior year

Stock  
LevelWeekly Stock  
ChangeMonthly Stock  
ChangeCumulative Stock  
ChangeBCF  
Percent Change (%)54  
11.026  
-108.313  
-76.520  
-83.3



# Natural Gas Producing Region Stock and Weather Trends



Variance to prior year

Stock  
LevelWeekly Stock  
ChangeMonthly Stock  
ChangeCumulative Stock  
ChangeBCF  
Percent Change (%)

57

41

10

27

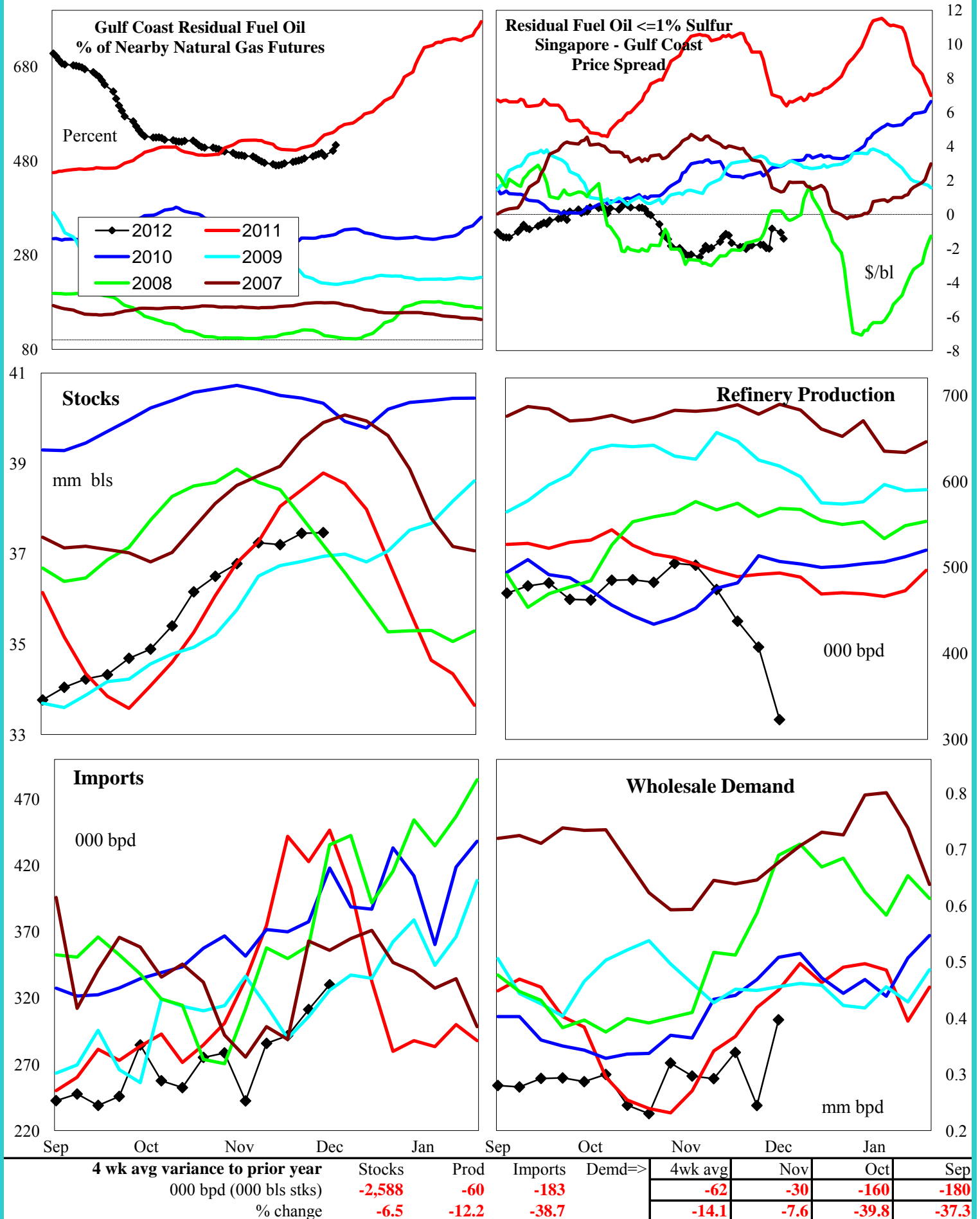
4.6

-141.4

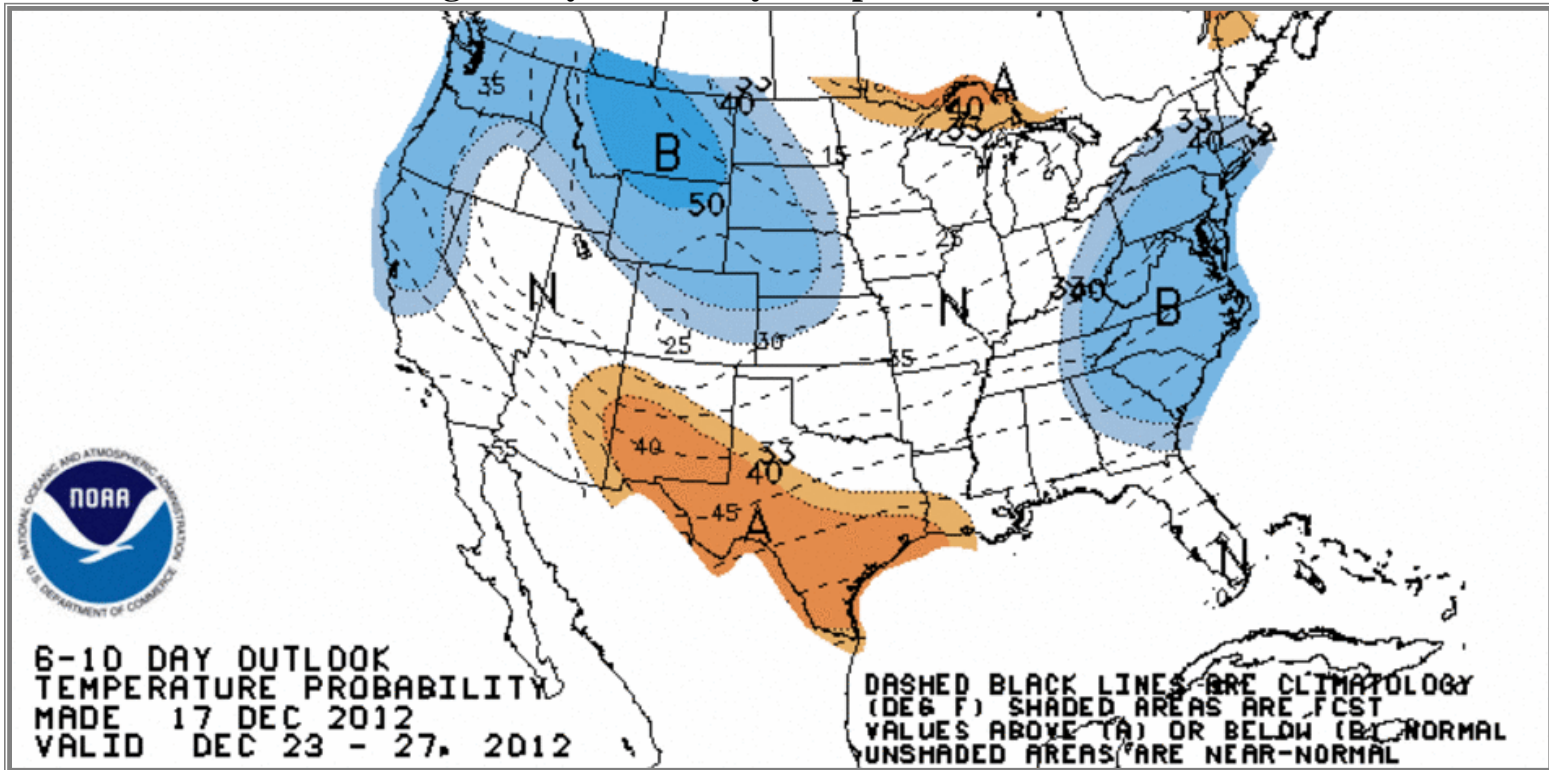
-83.3

-93.1

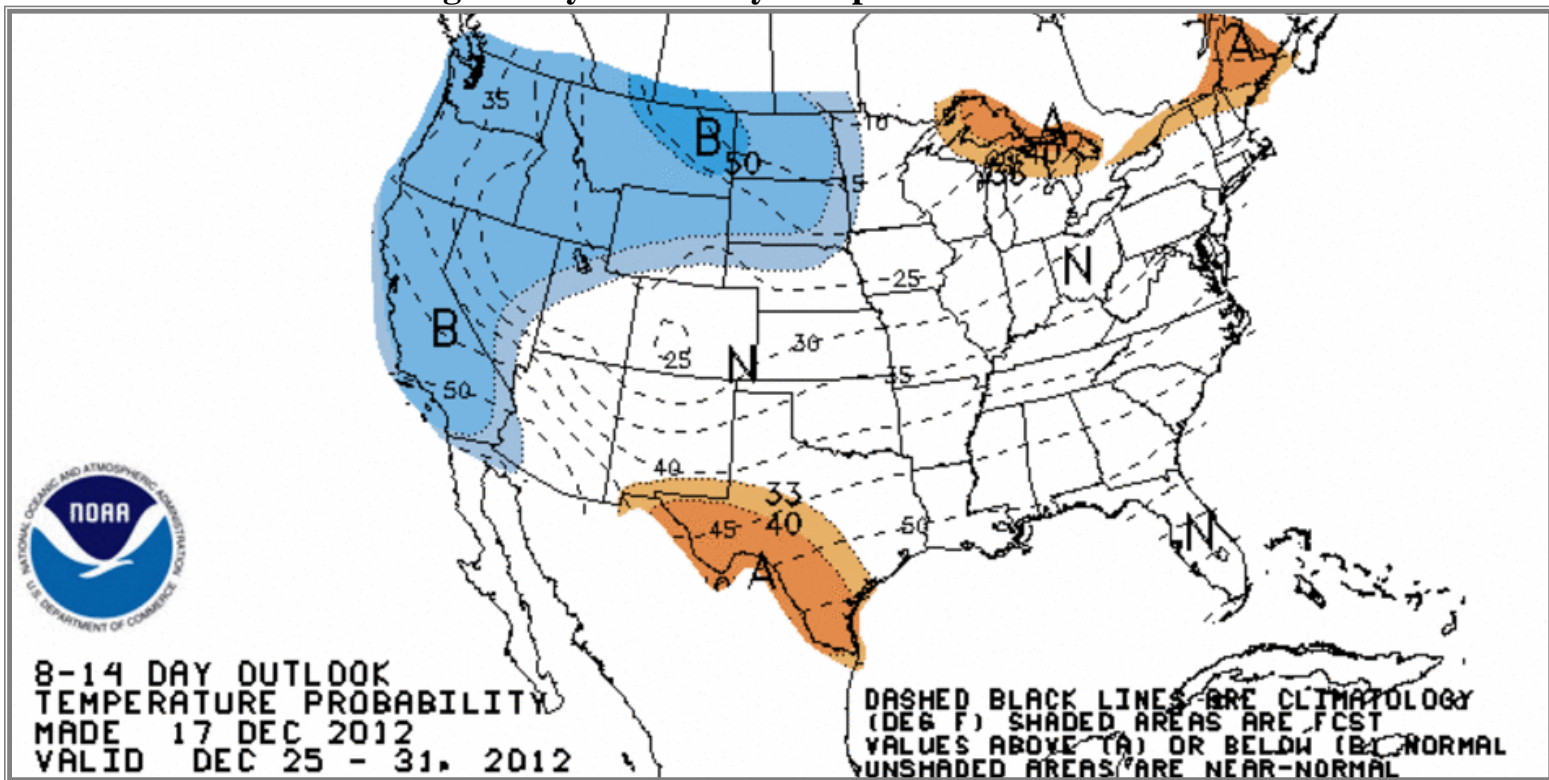
# U.S. Residual Fuel Oil Price Spreads and Supply Balance



## 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

