

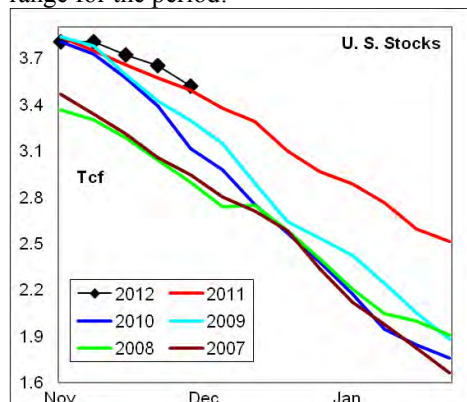
# WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

## A Fundamental Petroleum Trends Weekly Report

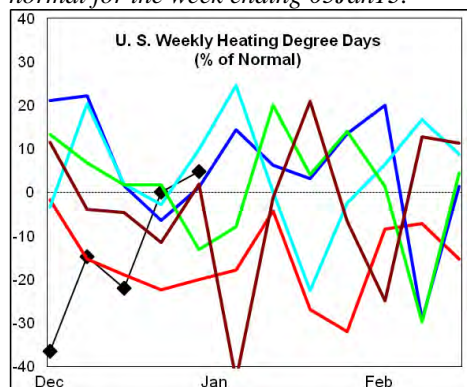
Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Monday, January 07, 2013



**Summary**<sup>1</sup> The stock draw of -135 Bcf for the week, matched the 5-year mid range for the period.



Heating degree days for the week ending 29Dec12 were normal, and +5% above normal for the week ending 05Jan13.



In the East Region stocks decreased -84 Bcf for the week, less than the 5-year mid range. Stocks decreased -15 Bcf in the West Region, a greater than the average of the last 3-years. Stocks decreased -36 Bcf in the Producing Region, a larger draw than four of the last 5-years for the week.

Heating degree days were -3% below normal in the East Region, +10% above normal in the West Region and +11% above normal in the Producing Region for the week ending 29Dec12.

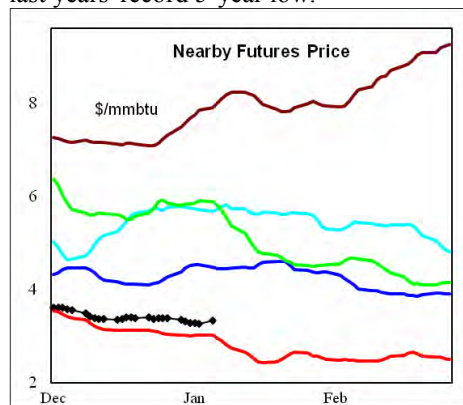
**Heating degree days** were normal for the week ending 29Dec12 and +5% above normal for the week ending 05Jan13.

The 6-10 day NWS forecast for the week ending 16Jan13 is for sharply above

normal heating degree days across the western 2/3rds of the country and well below normal in the eastern 1/3rd.

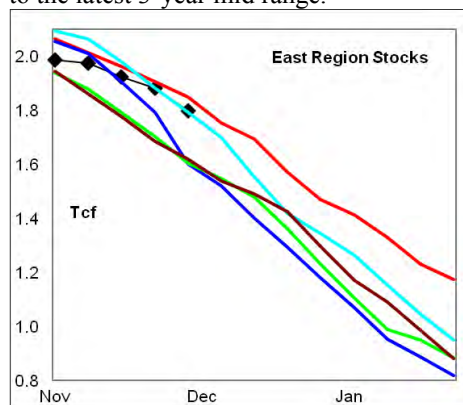
The 8-14 day NWS forecast for the week ending 20Jan13 is for above normal heating degree days in the western 3/4ths of the country and below normal along the eastern seaboard.

**Prices:** Nearby gas futures prices were unchanged for the week ending 07Jan13. The current price level is slightly above last years' record 5-year low.



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

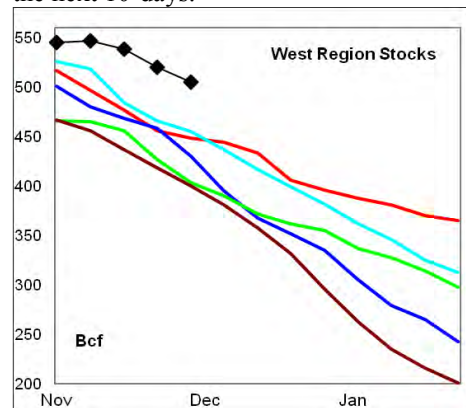
**East Region** stocks decreased -84 Bcf for the week, a slightly smaller draw than the historic mid range. The current stock level was -2.7% below last year, and comparable to the latest 3-year mid range.



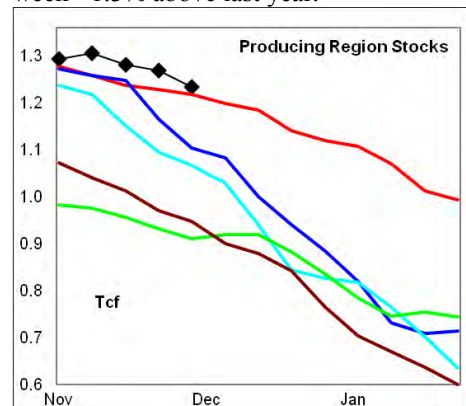
Heating degree days in the region -3% below normal for the week ended 29Dec12 and +2% above normal for the week ending 05Jan13. Heating degree days are forecast to be much below normal in the region for the next 10-days.

**West Region** stocks decreased -15 Bcf on the week, a draw slightly greater than the 3-year average. Stock levels ended the week +13% above last year and above the 5-year range. The latest 4-wk stock change was a draw of -40 Bcf, a record

low draw. Heating degree days were +10% above normal for the week ending 29Dec12 and +13% above normal for the week ended 05Jan13. Heating degree days are forecast to be sharply above normal for the next 10-days.



**Producing Region** stocks decreased -36 Bcf for the week, a larger draw than four of the last 5-years. Stock levels ended the week +1.3% above last year.



Heating degree days were +11% above normal for the week ended 29Dec12 and forecast to be +13% above normal for the week ended 05Jan13. 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 -37% below last year.

**Outlook:** Heating degree days are forecast to be extremely high in the western 2/3rds of the country for the next 10-days, partially offset by unusually low heating degree days in the eastern 1/3rd of the country. Below normal stock draws and high stock levels continue to pressure prices as heating degree days reach a seasonal peak.

### <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: January 7, 2013

For the week ending: 28-Dec-12

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

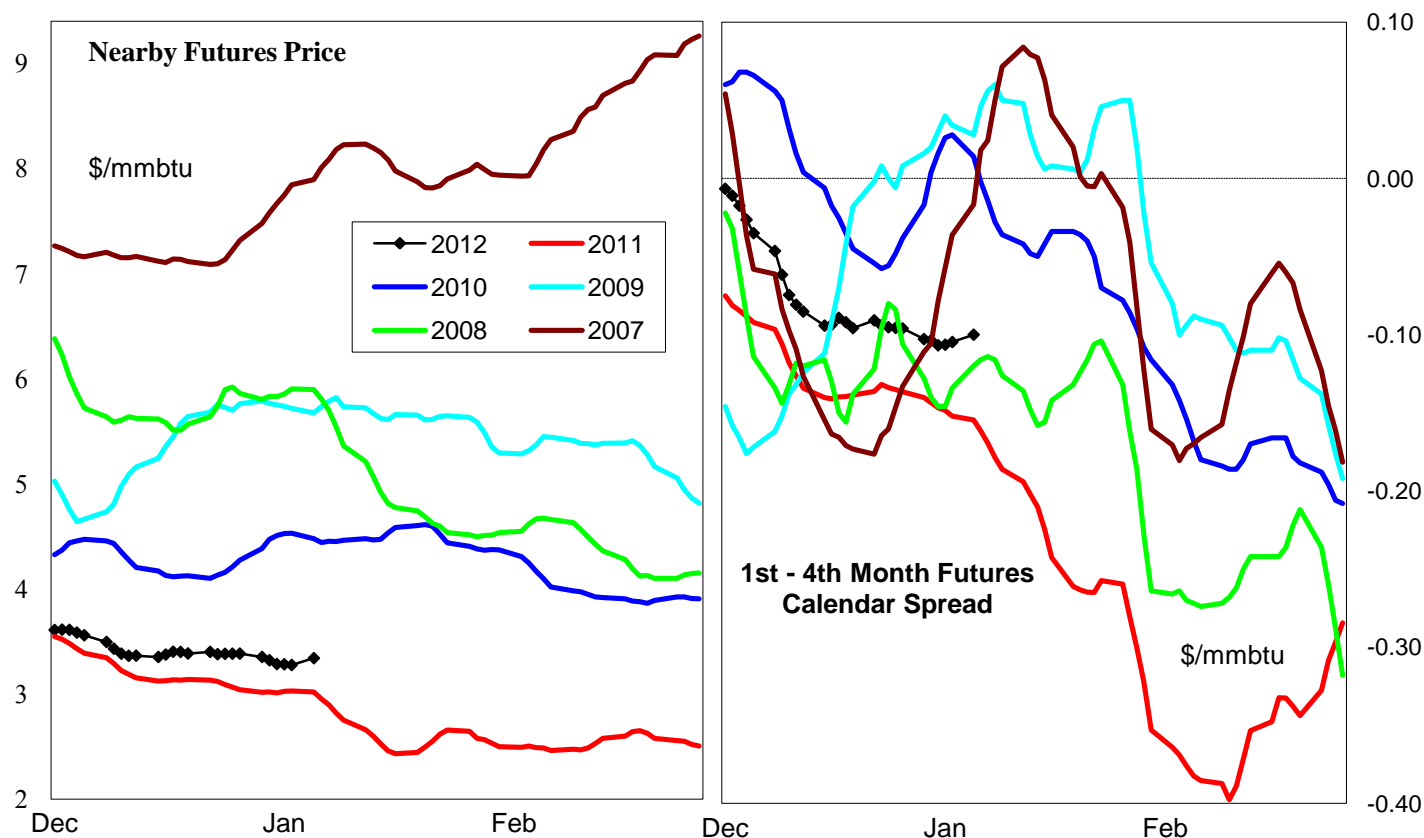
Week ending:	28-Dec-12			22-Dec-12		29-Dec-12		5-Jan-13	
Region	Weekly Stocks			Weekly Heating Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	3,517	-135	0.7	-4	-22%	58	0%	19	5%
East	1,799	-84	-2.7	-2	-24%	61	-3%	22	2%
West	505	-15	12.7	13	0%	26	10%	9	13%
Producing	1,213	-36	1.3	-21	-27%	66	11%	13	16%

### Seasonal Trends in Stocks and Heating Degree Days

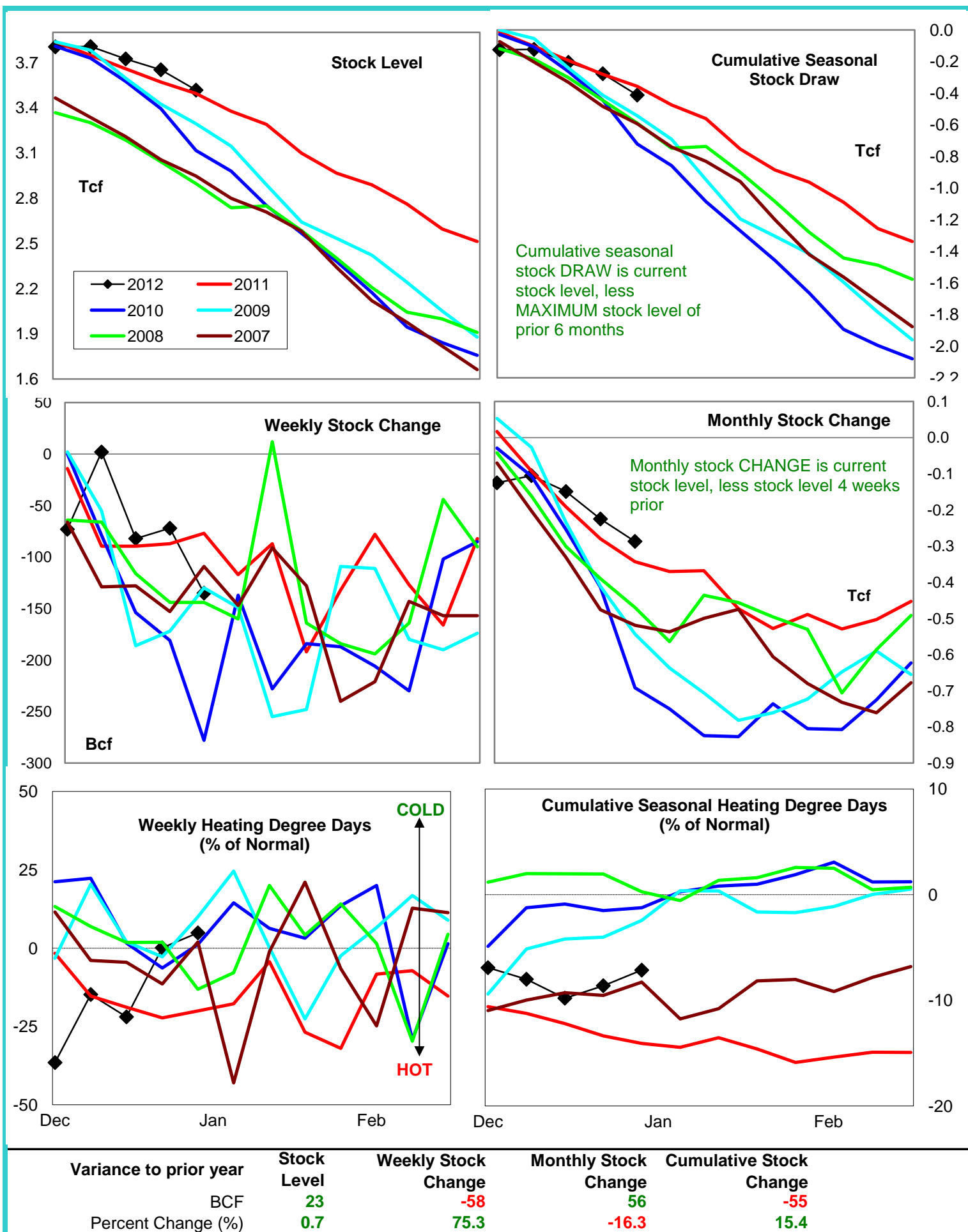
	Cumulative Stock Change			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
<b>U.S. Total</b>	<b>-412</b>	<b>-55</b>	<b>13.3</b>	<b>169</b>	<b>-9.8</b>	<b>227</b>	<b>-8.6</b>	<b>245</b>	<b>-7.1</b>
<b>East</b>	<b>-297</b>	<b>-54</b>	<b>18.2</b>	<b>179</b>	<b>-7.8</b>	<b>240</b>	<b>-7.3</b>	<b>262</b>	<b>-6.3</b>
<b>West</b>	<b>-46</b>	<b>23</b>	<b>-50.0</b>	<b>208</b>	<b>-15.0</b>	<b>235</b>	<b>-12.3</b>	<b>244</b>	<b>-9.9</b>
<b>Producing</b>	<b>-74</b>	<b>-15</b>	<b>20.3</b>	<b>109</b>	<b>-17.3</b>	<b>175</b>	<b>-13.4</b>	<b>188</b>	<b>-9.8</b>

### Futures Market Price Trends

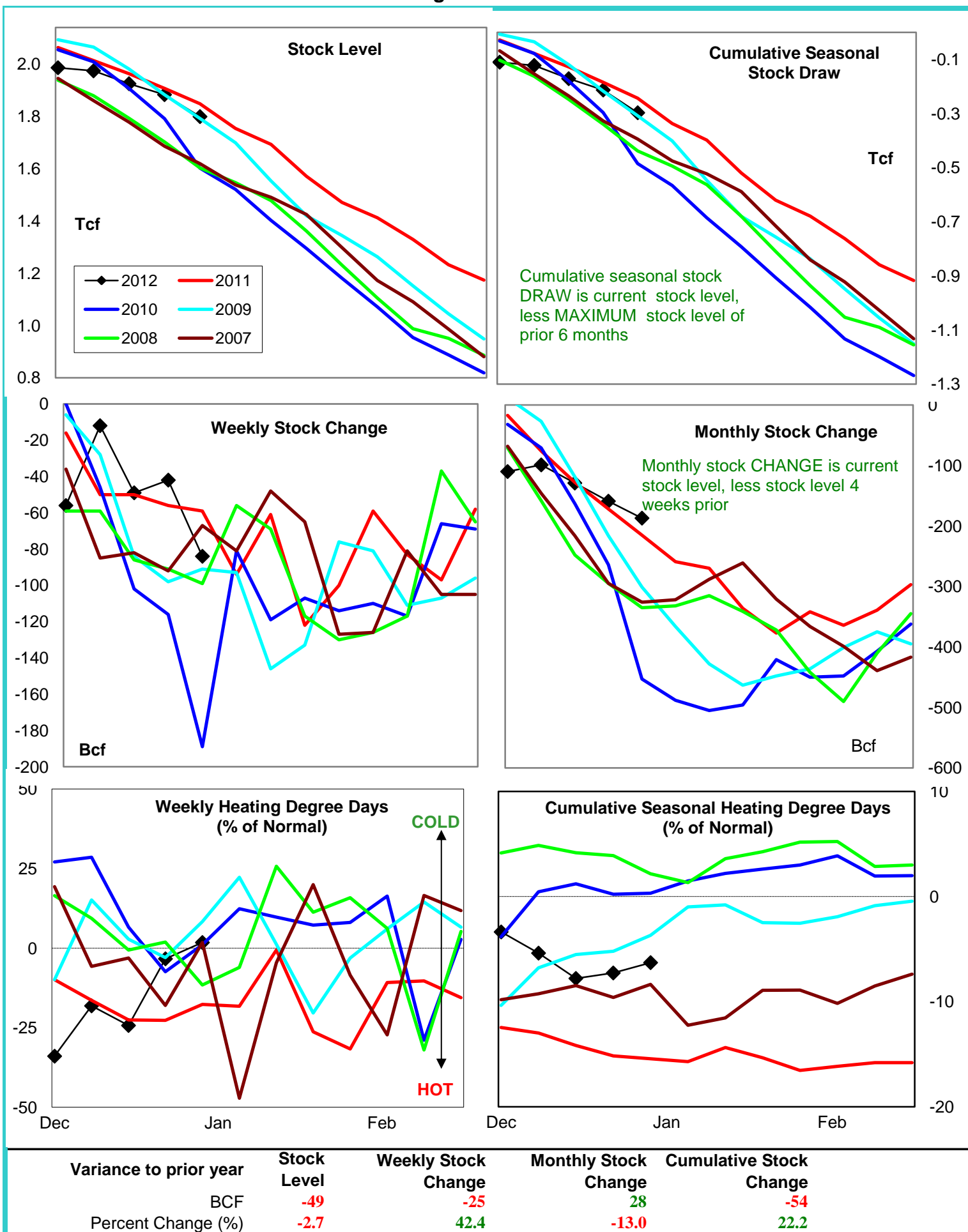
Date:	7-Jan-13	Change vs prior week, month, year		
		1-Jan-13	11-Dec-12	17-Jan-12
<b>1st month Futures</b>	<b>3.34</b>	<b>-0.01</b>	<b>-0.07</b>	<b>1.00</b>
<b>% change</b>	xxxxx	<b>-0.3</b>	<b>-2.1</b>	<b>42.6</b>



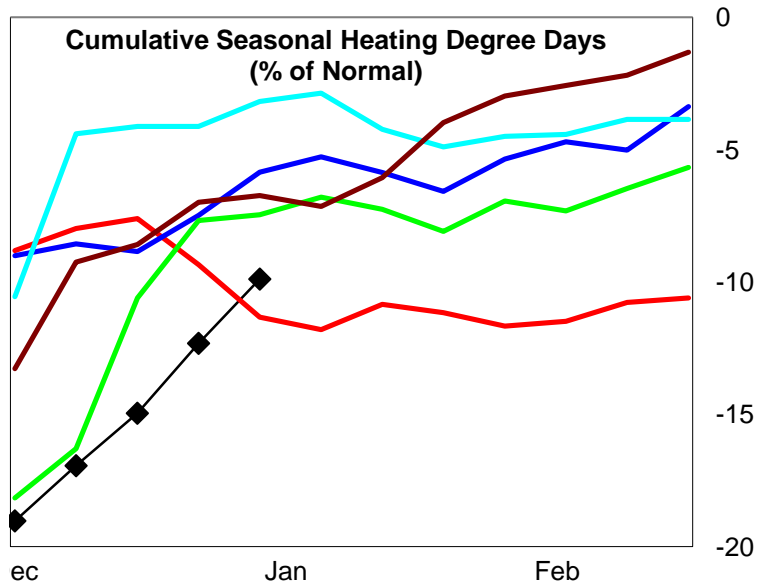
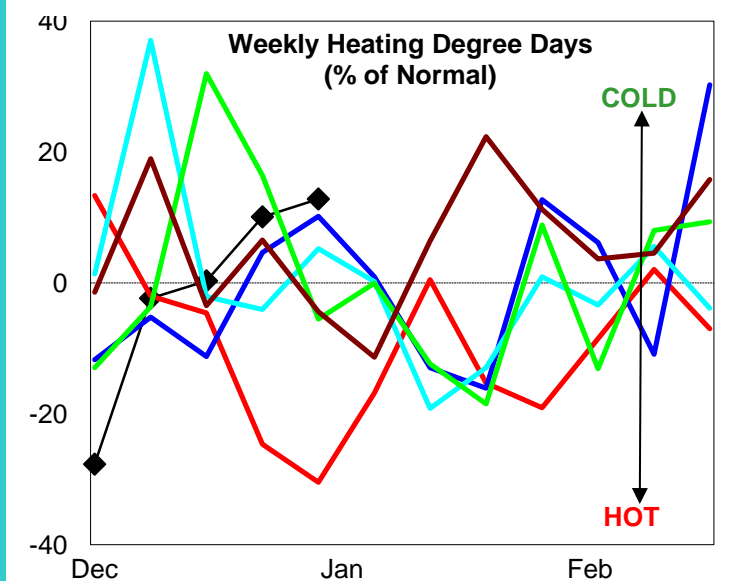
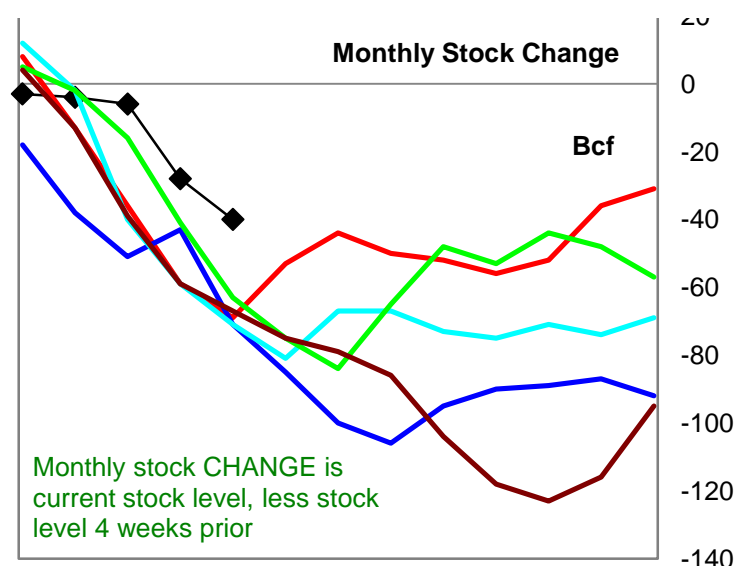
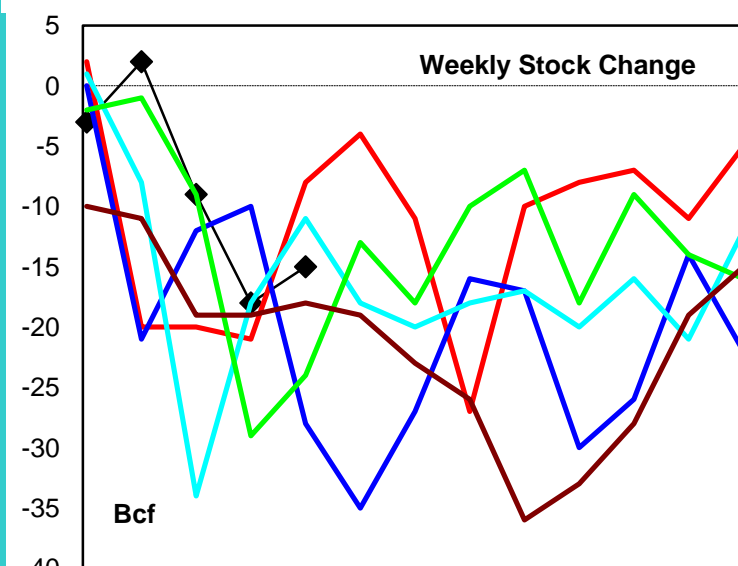
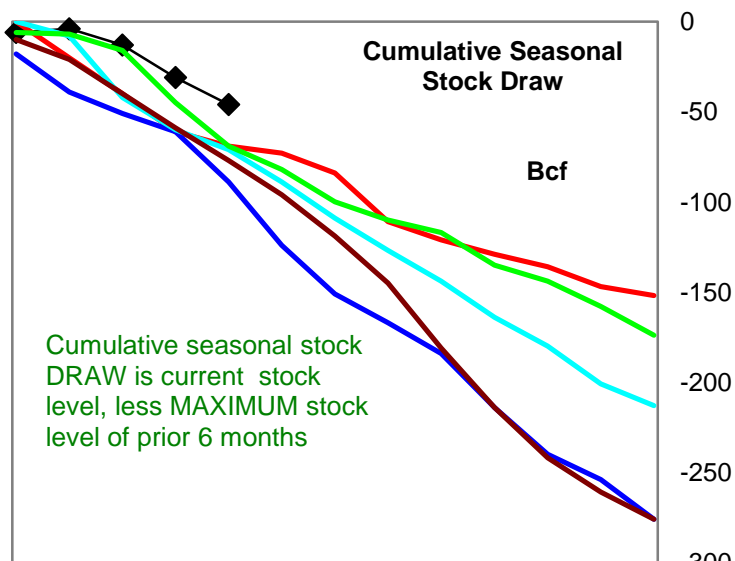
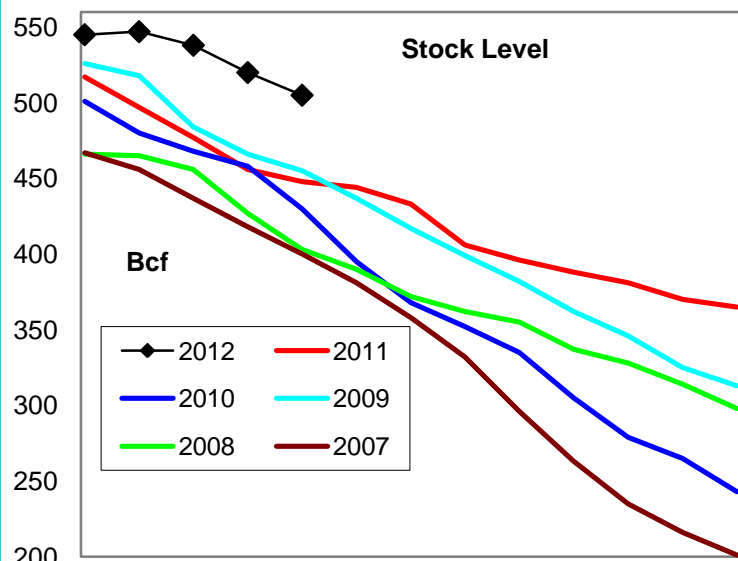
# United States Natural Gas Stock and Weather Trends



# 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

57

-7

29

23

Percent Change (%)

12.7

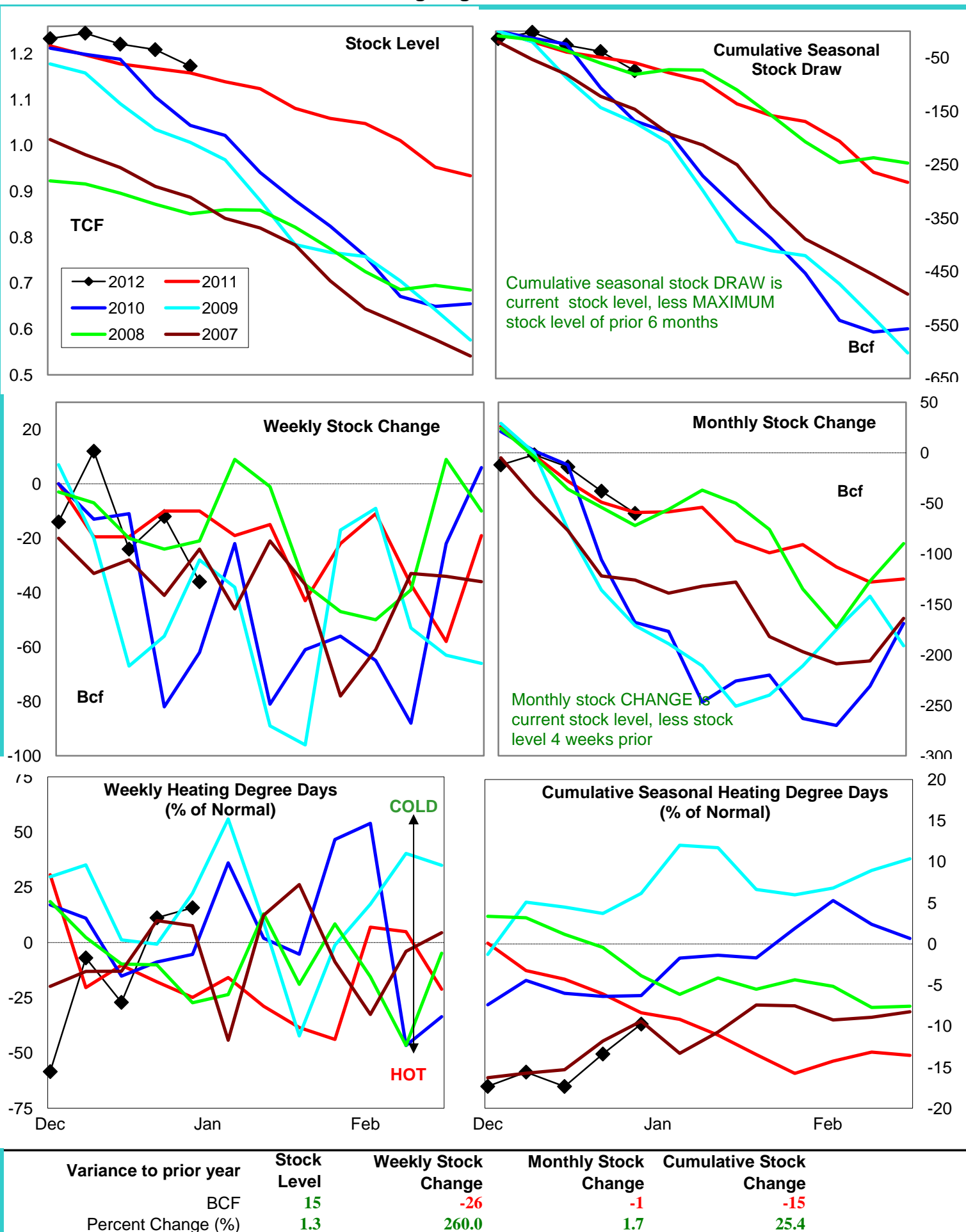
87.5

-42.0

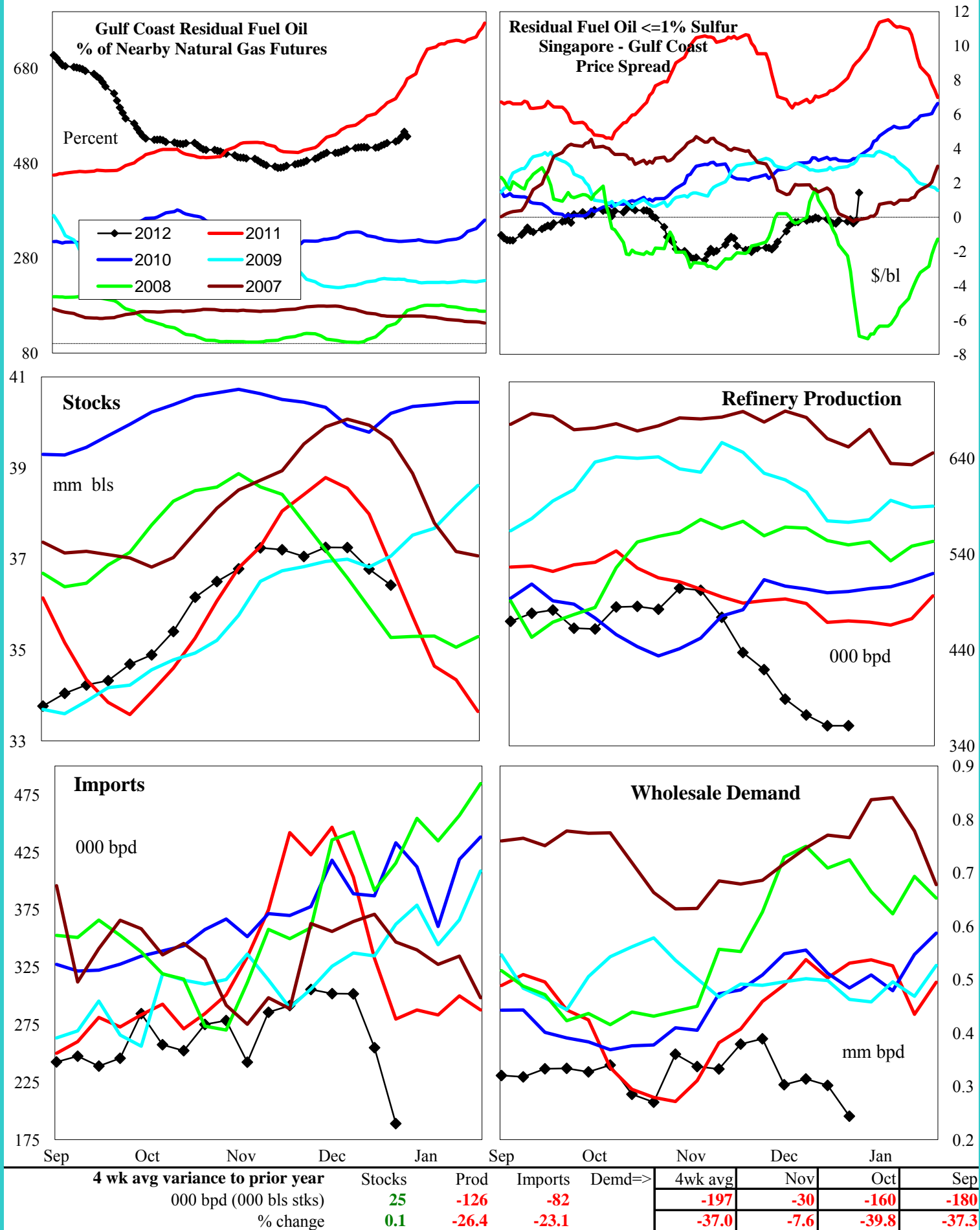
-33.3



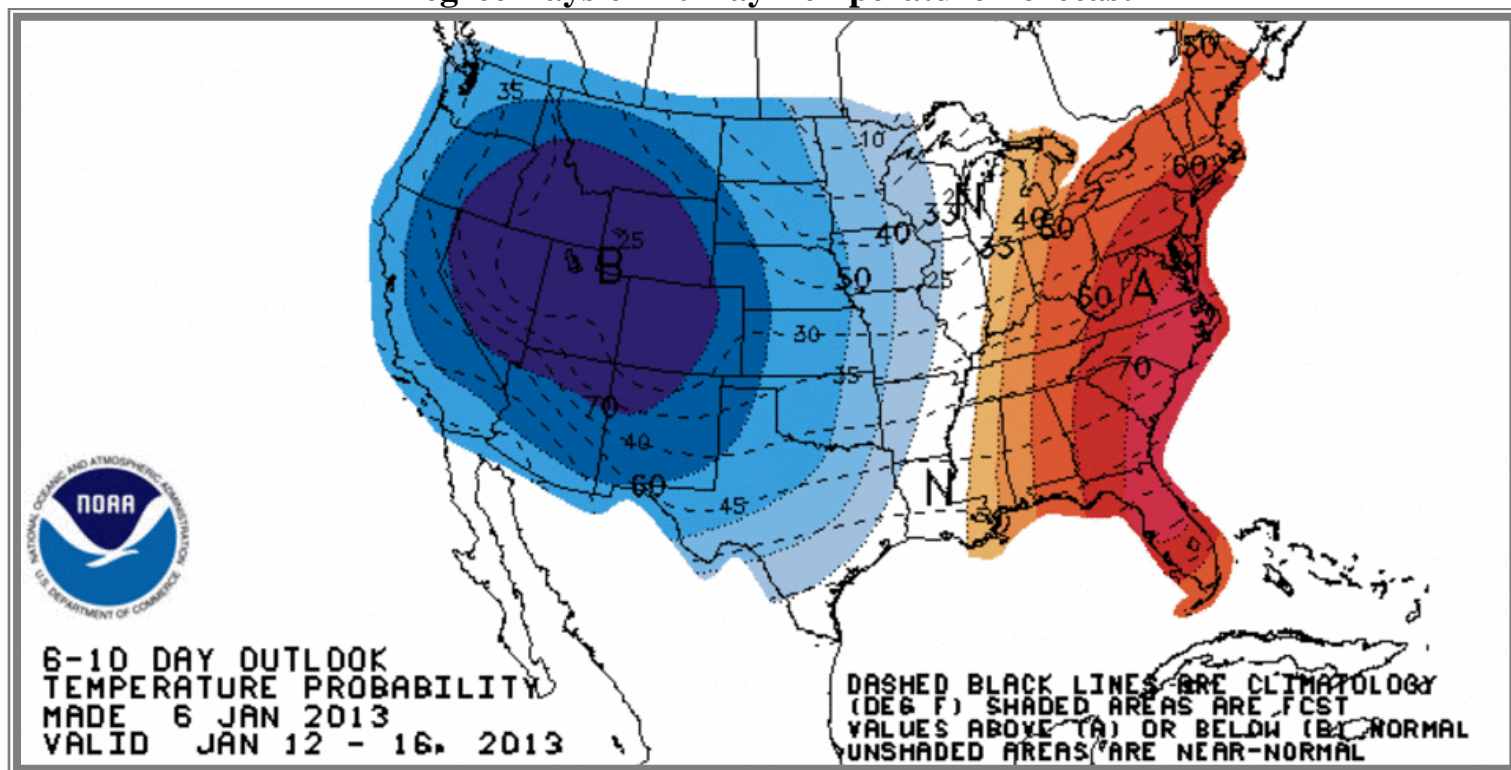
# Natural Gas Producing Region Stock and Weather Trends



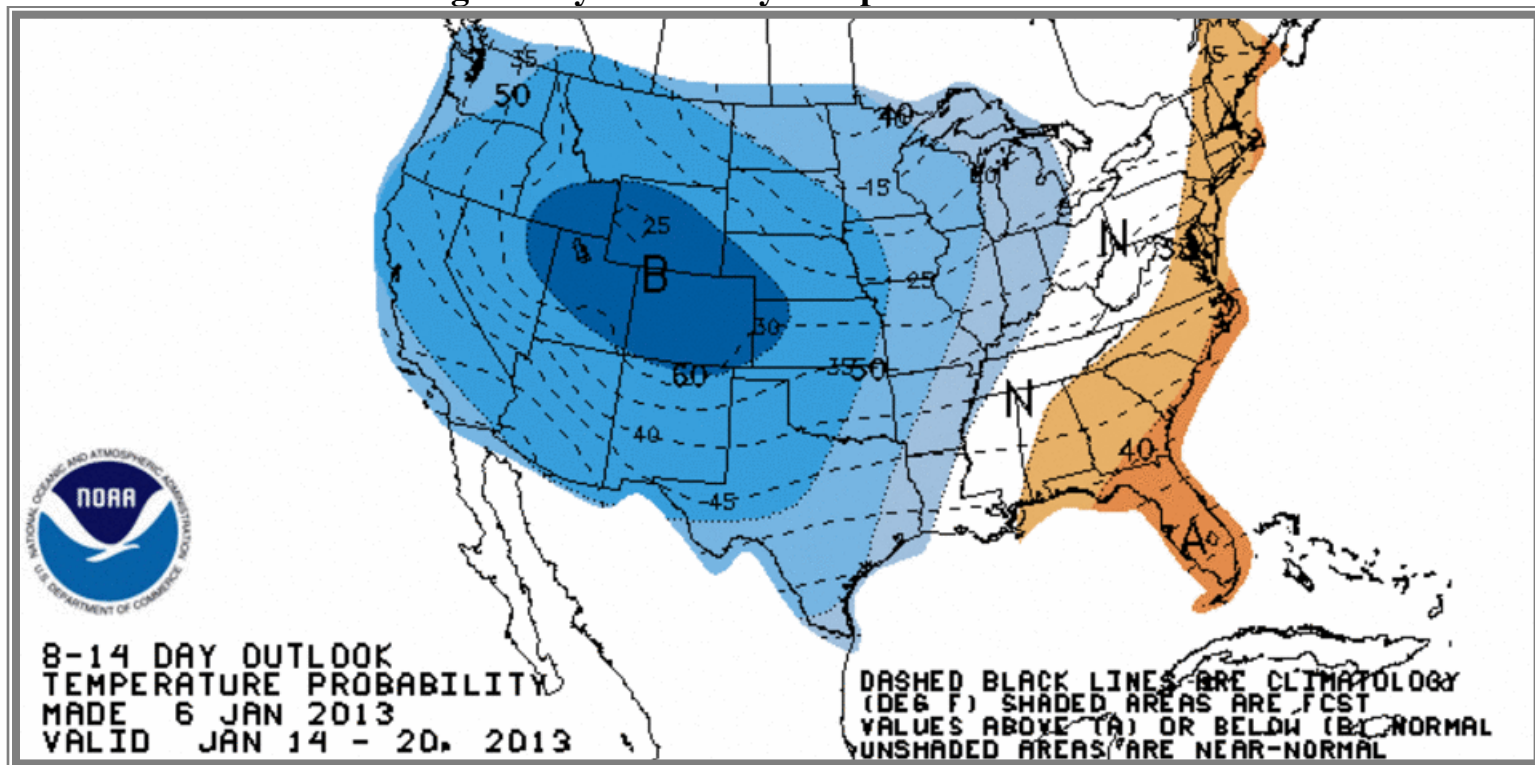
# U.S. Residual Fuel Oil Price Spreads and Supply Balance



## 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

