



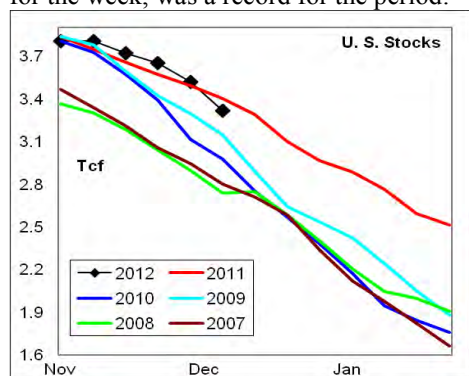
# WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

## A Fundamental Petroleum Trends Weekly Report

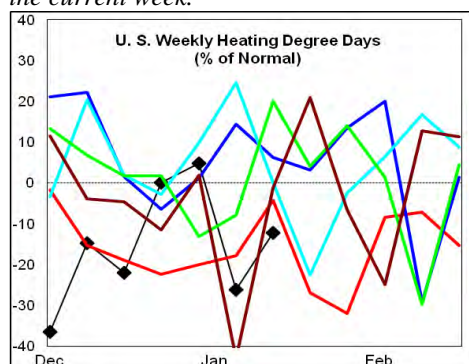
Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Monday, January 14, 2013



**Summary** <sup>1</sup> The stock draw of -201 Bcf for the week, was a record for the period.



Heating degree days for the week ending 05Jan13 were +5% above normal, -26% below normal for the week ended 12Jan13 and forecast to be -12% below normal for the current week.



In the East Region stocks decreased -113 Bcf for the week, a record draw for the period. Stocks decreased -27 Bcf in the West Region, a greater draw than four of the last 5-years. Stocks decreased -61 Bcf in the Producing Region, also a record draw for the week.

Heating degree days were +2% above normal in the East Region, +13% above normal in the West Region and +16% above normal in the Producing Region for the week ending 05Jan13.

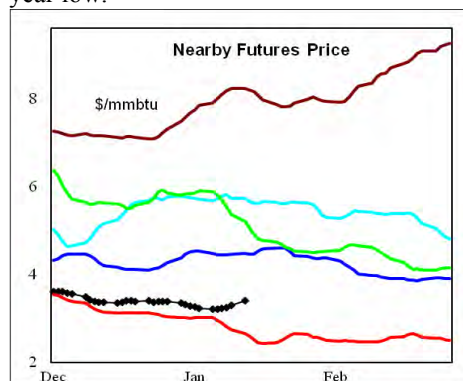
**Heating degree days** were +5% above normal for the week ending 05Jan13, -26% below normal for the week ending 12Jan13 and forecast to be -12% below normal this week.

The 6-10 day NWS forecast for the

week ending 23Jan13 is for sharply above normal heating degree days across the eastern 60% of the country and well below normal in the western 40%.

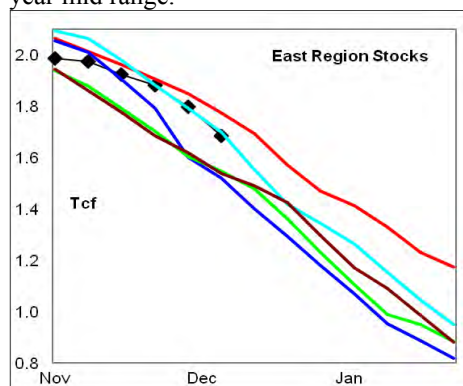
The 8-14 day NWS forecast for the week ending 27Jan13 is for above normal heating degree days in the eastern 60% of the country and below normal in the western 40%.

**Prices:** Nearby gas futures prices climbed +\$0.13/mmbtu for the week ending 14Jan13. The current price level is \$0.75/mmbtu above last years' record 5-year low.



The 1<sup>st</sup> - 4<sup>th</sup> month forward price curve trended higher last week on increased prompt demand, ending at a level below the average of the last 3-years.

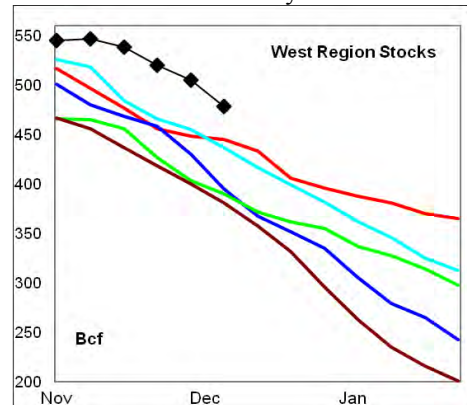
**East Region** stocks decreased -113 Bcf for the week, a record draw for the period. The current stock level was -5.1% below last year, and comparable to the latest 3-year mid range.



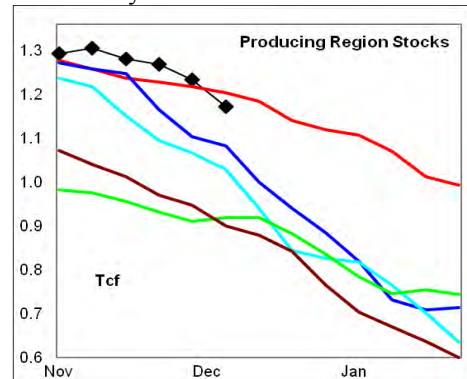
Heating degree days in the region +2% above normal for the week ended 5Jan13, -29% below normal for the week ended 12Jan13 and forecast to be -18% below normal this week. Heating degree days are forecast to be sharply above normal in the region for the next 10-days.

**West Region** stocks decreased -27 Bcf on the week, a draw greater than four of the last 5-years. Stock levels ended the week +7% above last year and above the 5-year

range. The latest 4-wk stock change was a draw of -69 Bcf, a draw less than four of the last 5-years. Heating degree days were +13% above normal for the week ended 5Jan13, -3% below normal for the week ended 12Jan13 and forecast to be +8% above normal this week. Heating degree days are forecast to be well below normal for the next 10-days.



**Producing Region** stocks decreased -61 Bcf for the week, a record draw for the period. Stock levels ended the week -2.7% below last year.



Heating degree days were +16% above normal for the week ended 05Jan13, -30% below normal for the week ended 12Jan13 and forecast to be +6% above normal this 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 -40% below last year.

**Outlook:** Heating degree days are forecast to be much above normal in the Eastern 60% of the country during the next 10-days, which should support an uptrend in gas prices. Expect price weakness on any forecast warming trends over the next 30-days.

### <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: January 14, 2013

For the week ending: 4-Jan-13

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

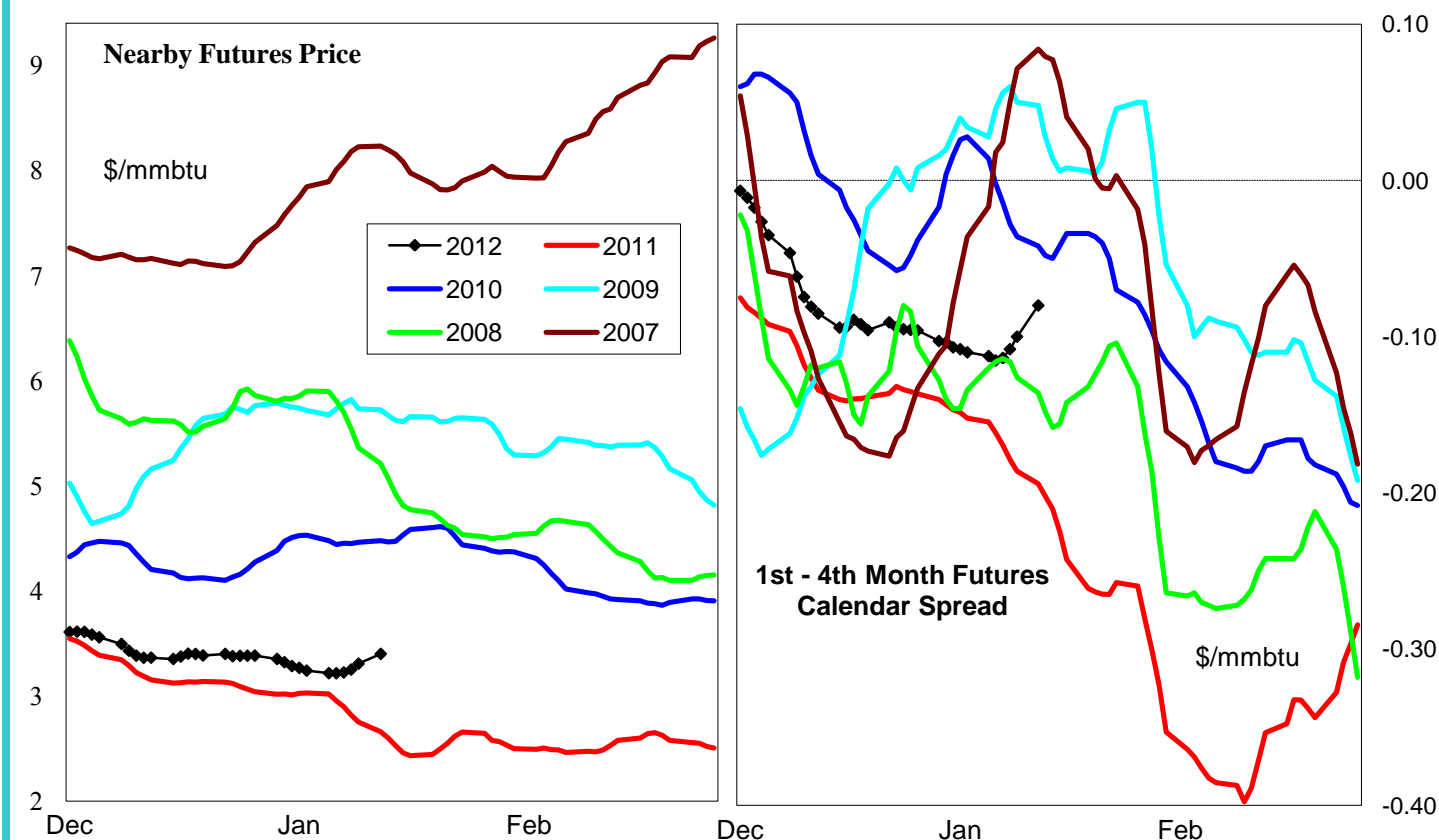
Week ending:	4-Jan-13			5-Jan-13		12-Jan-13		19-Jan-13	
Region	Weekly Stocks			Weekly Heating Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	3,316	-201	-2.6	19	5%	-69	-26%	33	-12%
East	1,686	-113	-5.1	22	2%	-74	-29%	28	-18%
West	478	-27	7.4	9	13%	-34	-3%	22	8%
Producing	1,152	-61	-2.7	13	16%	-73	-30%	59	6%

### Seasonal Trends in Stocks and Heating Degree Days

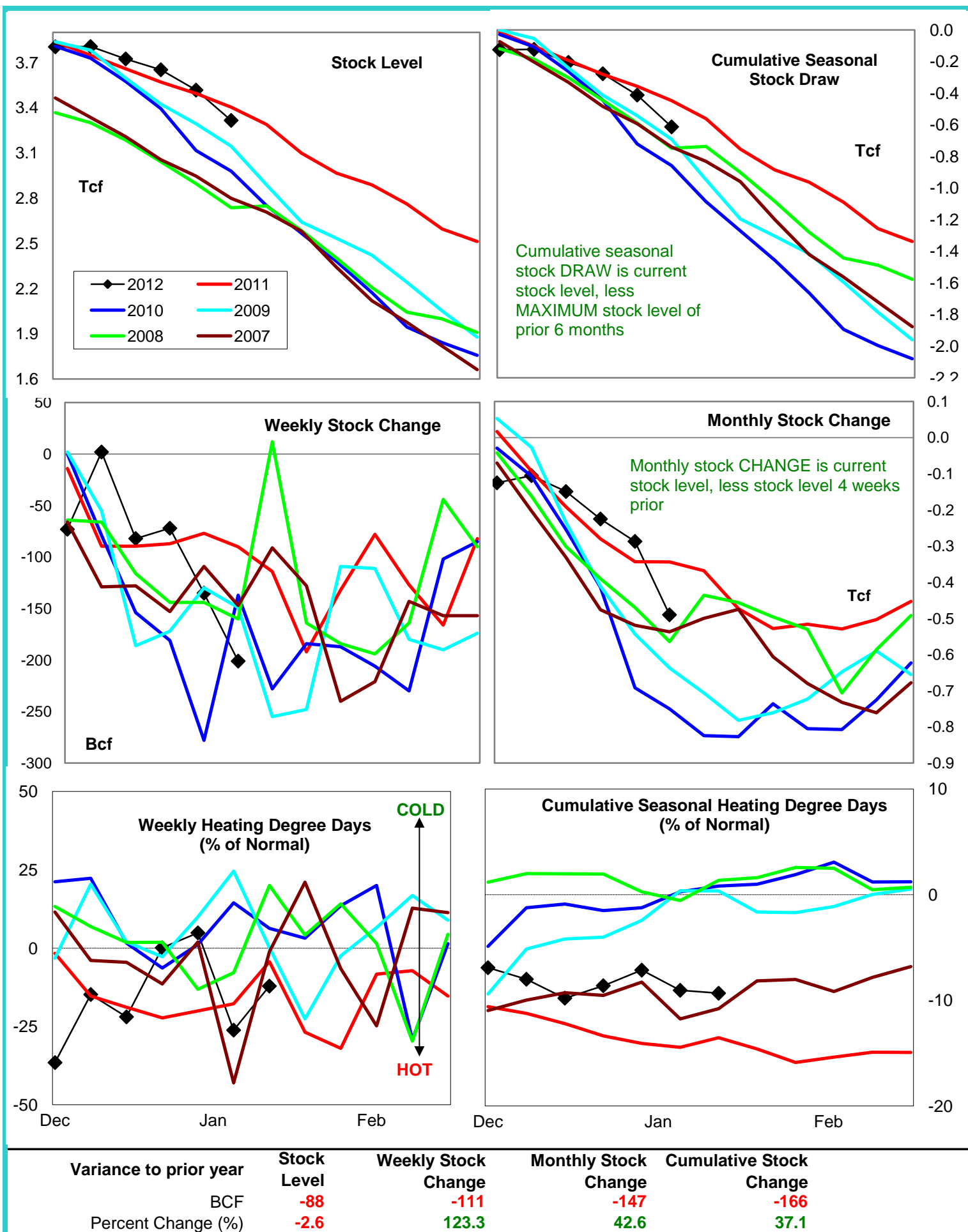
	Cumulative Stock Change			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
<b>U.S. Total</b>	<b>-613</b>	<b>-166</b>	<b>27.1</b>	<b>245</b>	<b>-7.1</b>	<b>176</b>	<b>-9.1</b>	<b>209</b>	<b>-9.3</b>
<b>East</b>	<b>-410</b>	<b>-95</b>	<b>23.2</b>	<b>262</b>	<b>-6.3</b>	<b>188</b>	<b>-8.5</b>	<b>215</b>	<b>-9.4</b>
<b>West</b>	<b>-73</b>	<b>-1</b>	<b>1.4</b>	<b>244</b>	<b>-9.9</b>	<b>209</b>	<b>-9.3</b>	<b>232</b>	<b>-7.9</b>
<b>Producing</b>	<b>-135</b>	<b>-62</b>	<b>45.9</b>	<b>188</b>	<b>-9.8</b>	<b>116</b>	<b>-12.0</b>	<b>175</b>	<b>-10.2</b>

### Futures Market Price Trends

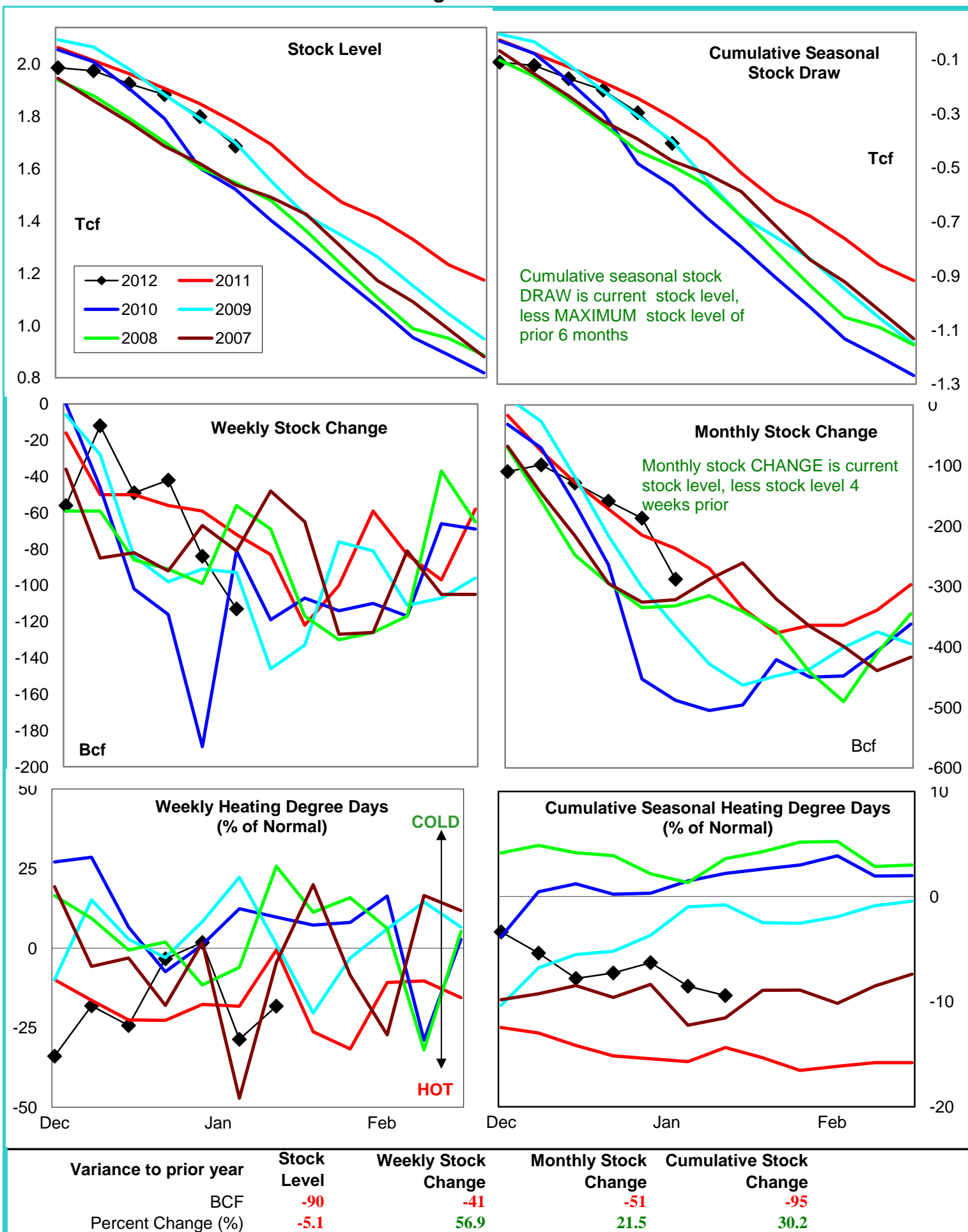
Date:	14-Jan-13	Change vs prior week, month, year		
		8-Jan-13	18-Dec-12	24-Jan-12
<b>1st month Futures</b>	<b>3.40</b>	<b>0.18</b>	<b>-0.02</b>	<b>0.72</b>
<b>% change</b>	xxxxx	<b>5.7</b>	<b>-0.5</b>	<b>27.0</b>



# United States Natural Gas Stock and Weather Trends

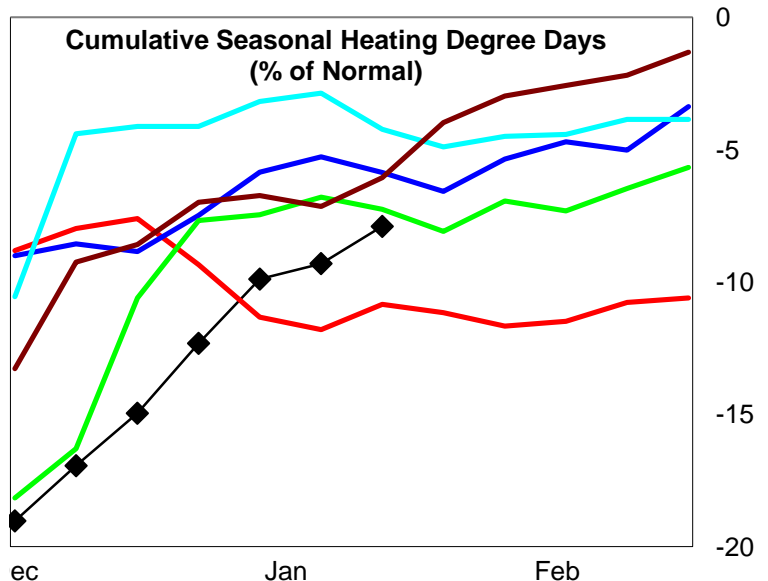
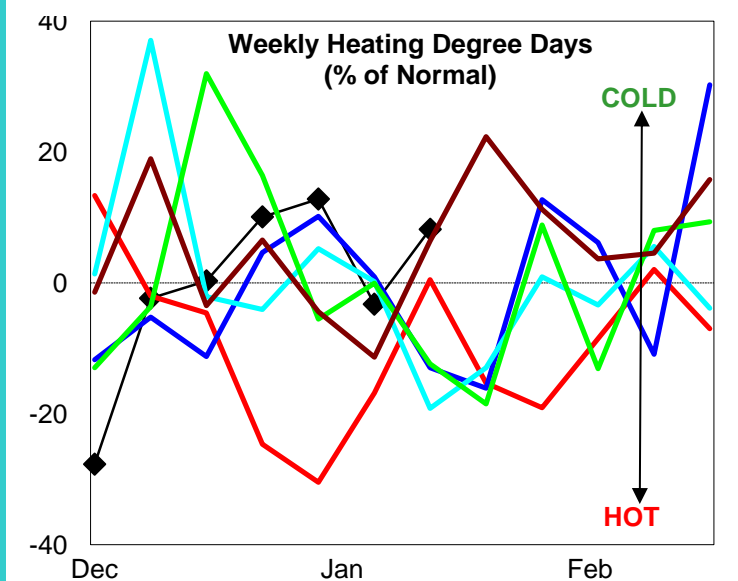
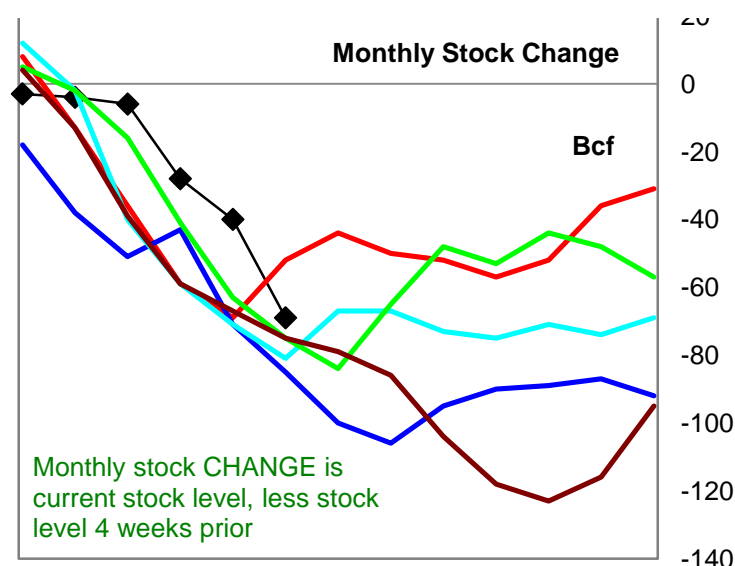
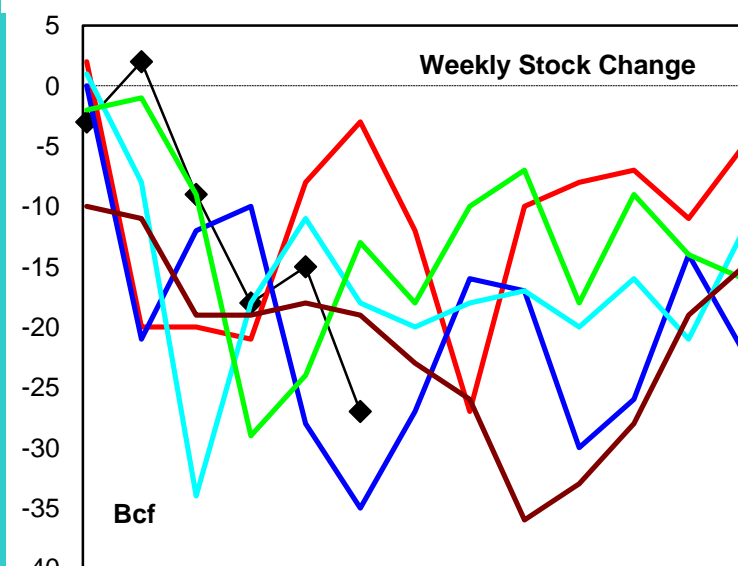
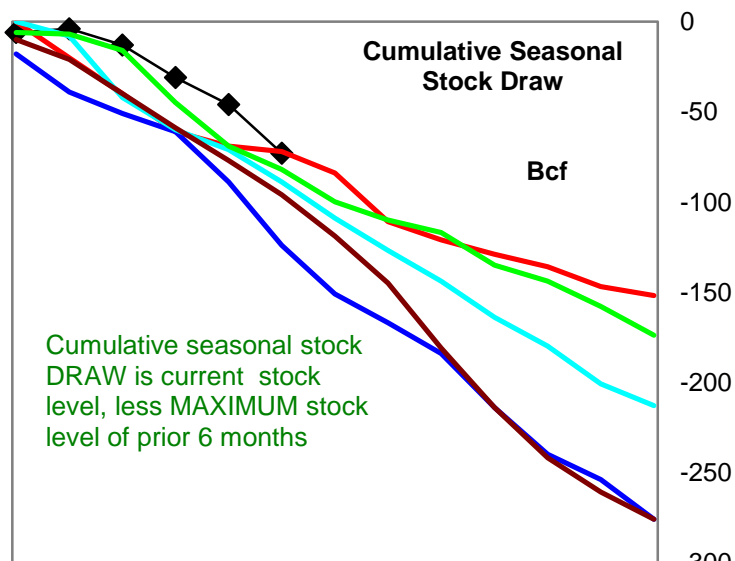
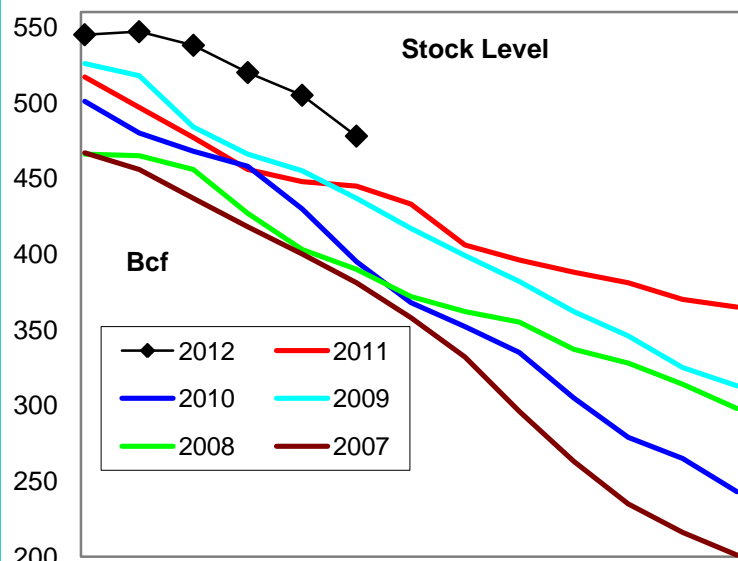


# Natural Gas East Region Stock and Weather Trends





# 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 (%)

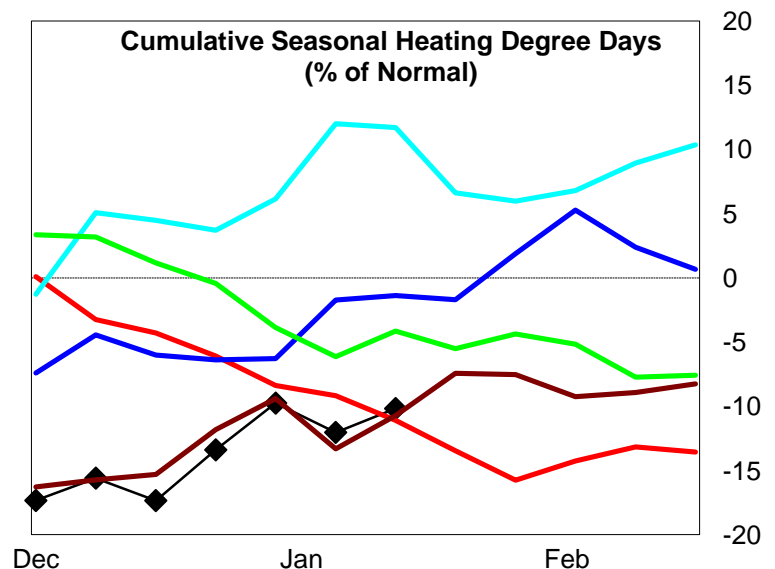
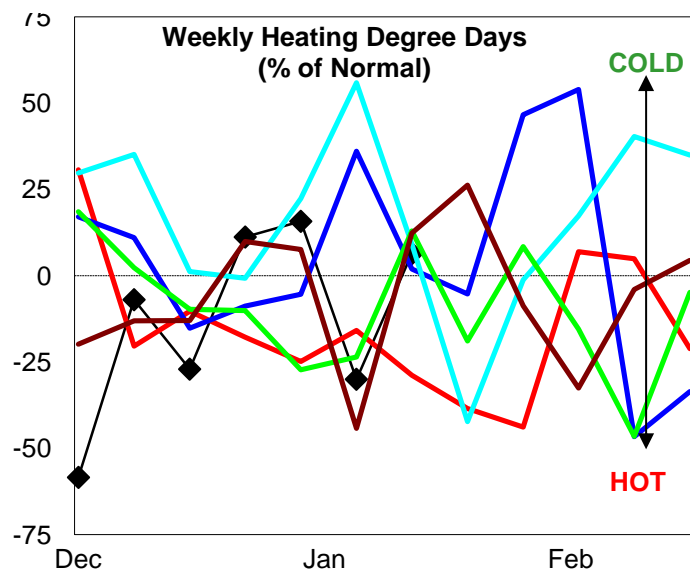
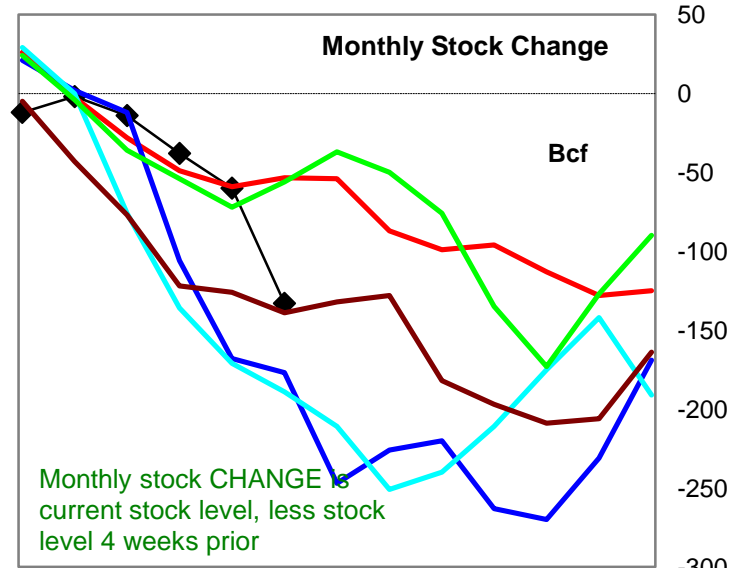
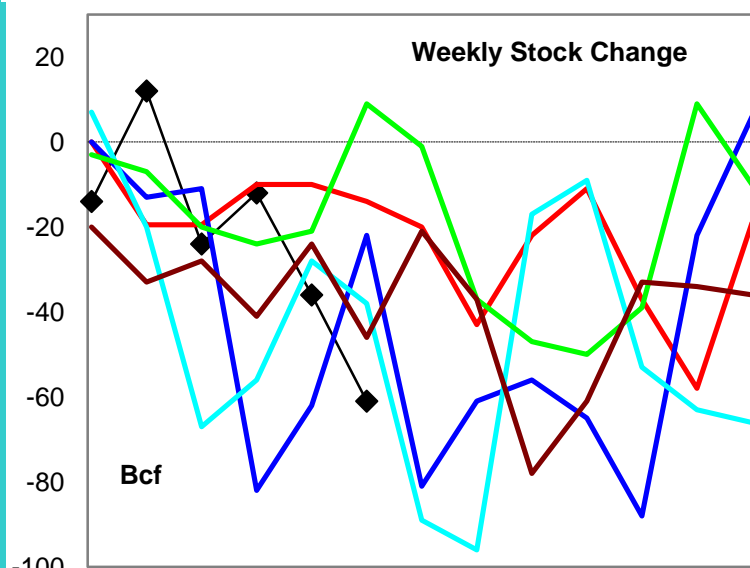
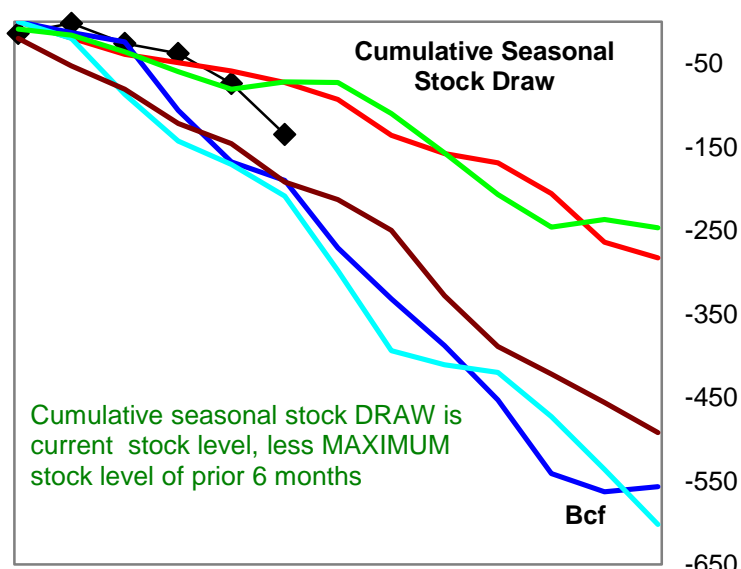
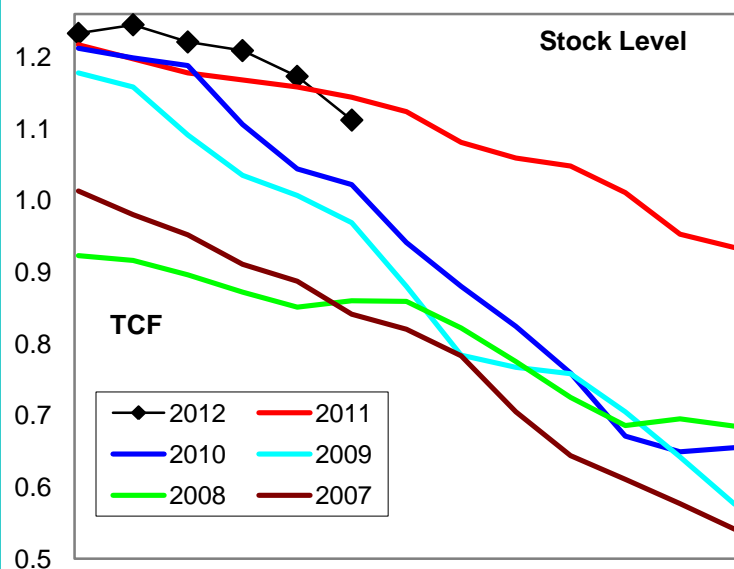
33  
7.4

-24  
800.0

-17  
32.7

-1  
1.4

# Natural Gas Producing Region Stock and Weather Trends



Variance to prior year

Stock Level

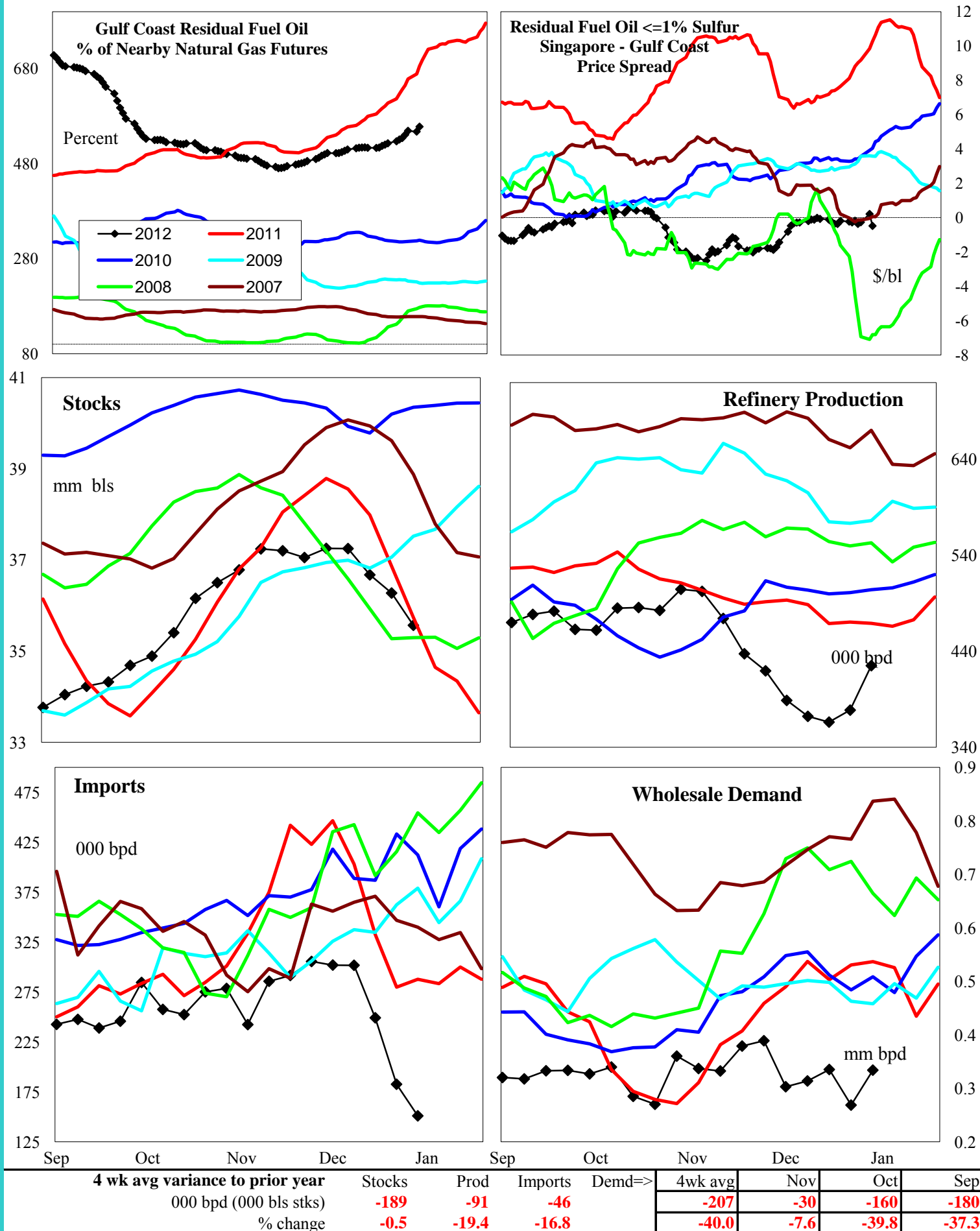
Weekly Stock Change

Monthly Stock Change

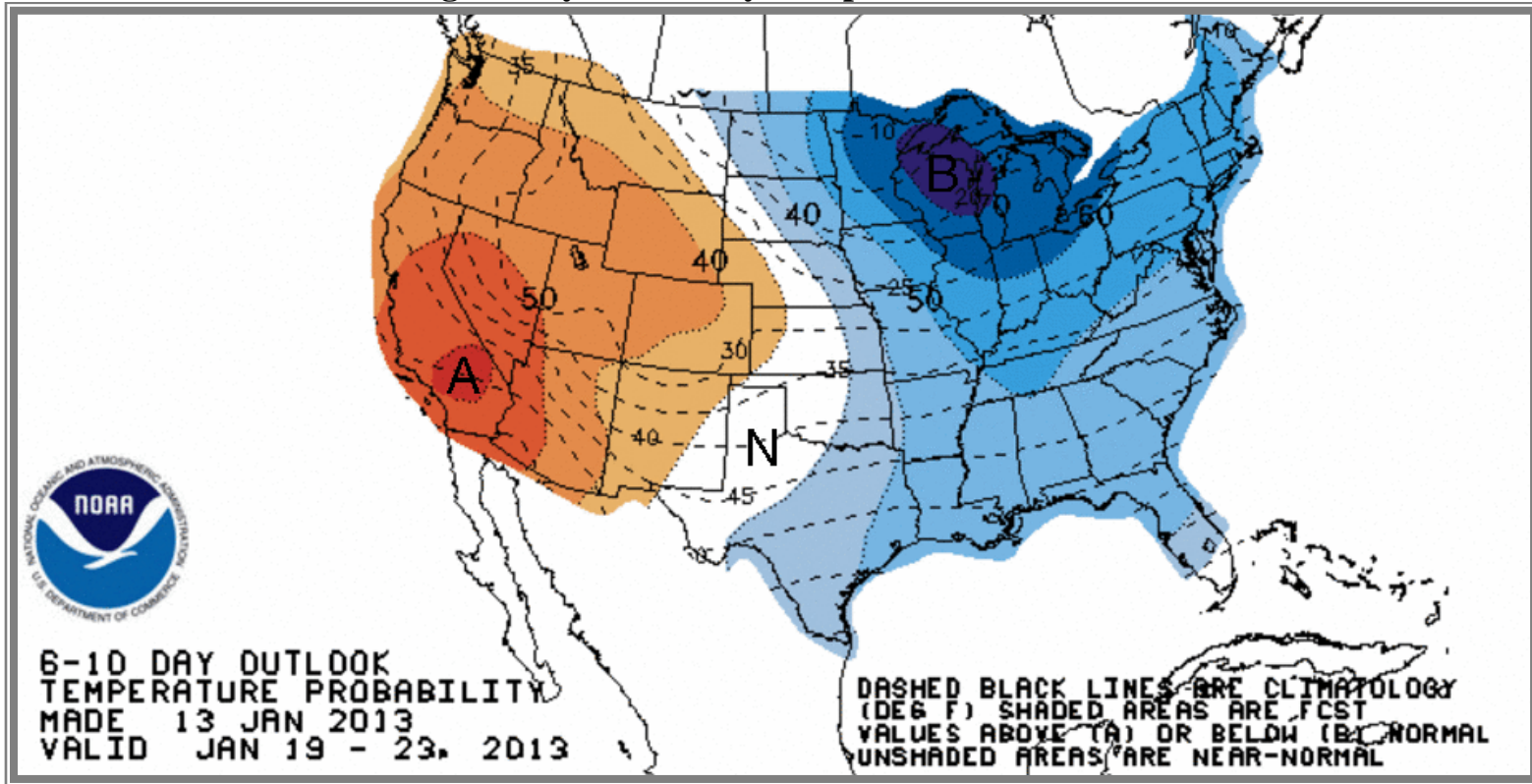
Cumulative Stock Change

BCF  
Percent Change (%)-32  
-2.7-47  
335.7-80  
148.6-62  
84.9

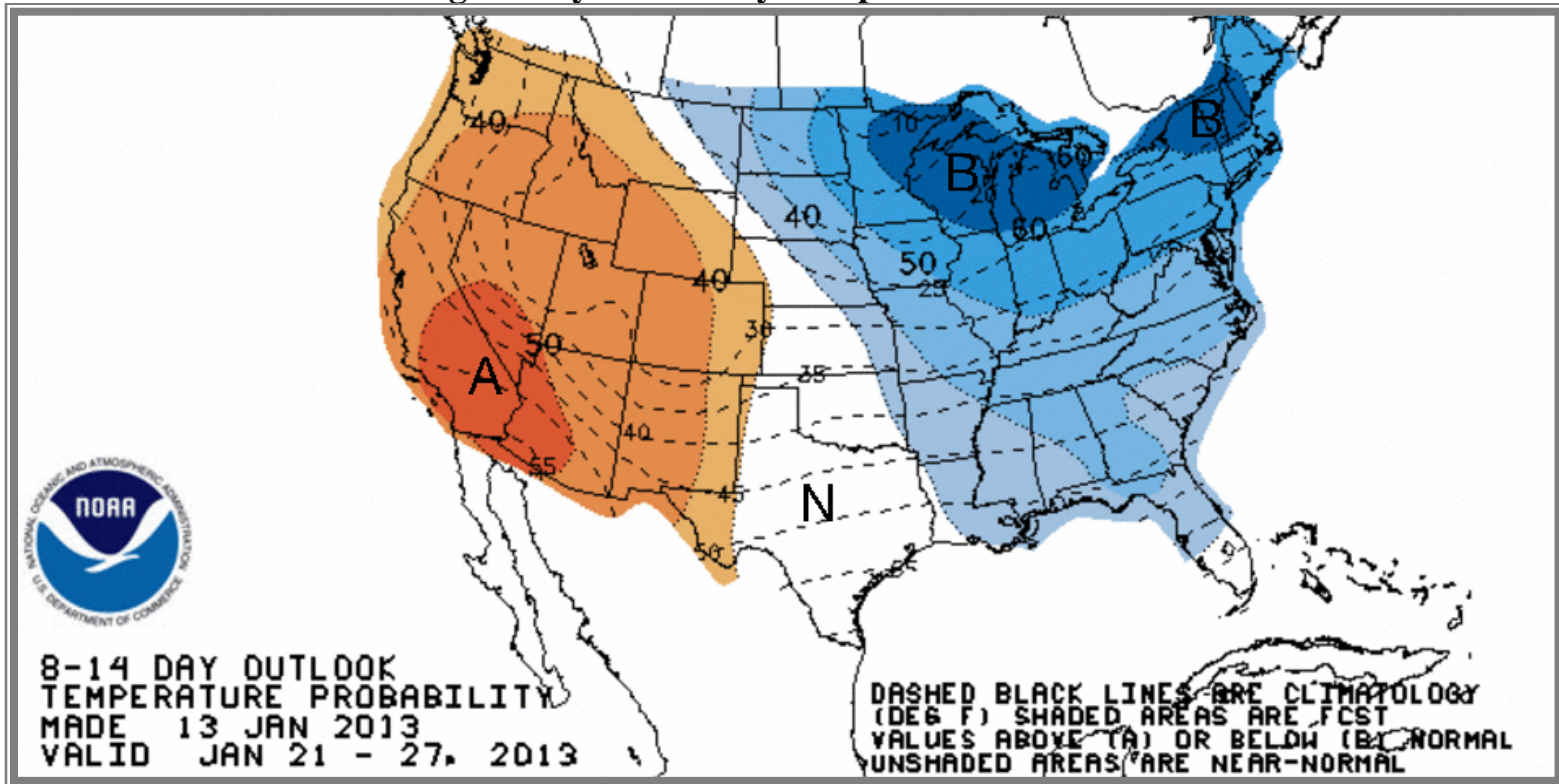
# U.S. Residual Fuel Oil Price Spreads and Supply Balance



## 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

