

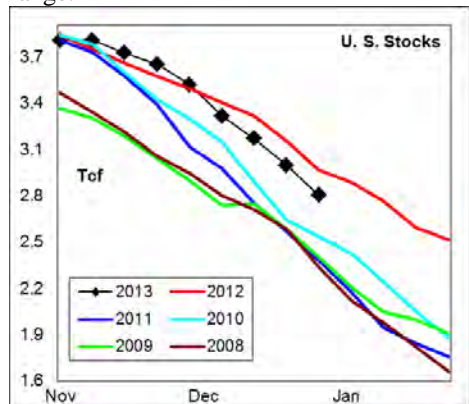
# WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

## A Fundamental Petroleum Trends Weekly Report

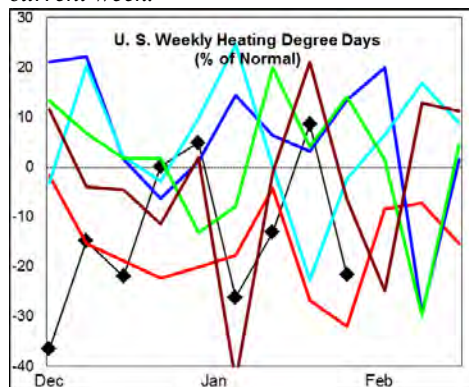
Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Friday, February 01, 2013



**Summary** <sup>1</sup> The stock draw of -194 Bcf for the week, was near the historic mid range.



Heating degree days for the week ending 26Jan13 were +9% above normal, and are forecast to be -22% below normal for the current week.



In the East Region stocks decreased -129 Bcf for the week, a draw that matched the 5-year average. Stocks decreased -18 Bcf in the West Region, a draw equal to the average of the last 3-years. Stocks decreased -47 Bcf in the Producing Region, a draw equal to the historic average.

Heating degree days were +16% above normal in the East Region, -5% below normal in the West Region and -26% below normal in the Producing Region for the week ending 26Jan13.

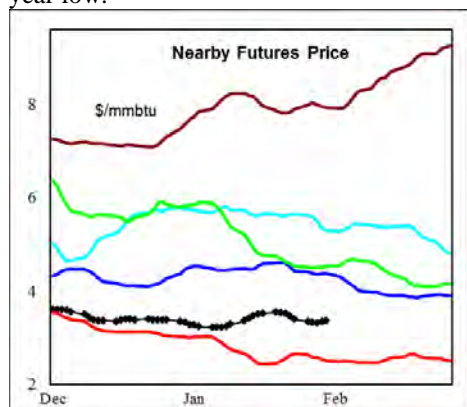
**Heating degree days** were +9% above normal for the week ending 26Jan13, and forecast to be -22% below normal for the

current week.

The 6-10 day NWS forecast for the week ending 10Feb13 is for sharply below normal heating degree days across the eastern 2/3rds of the country and near normal in the western 1/3<sup>rd</sup>.

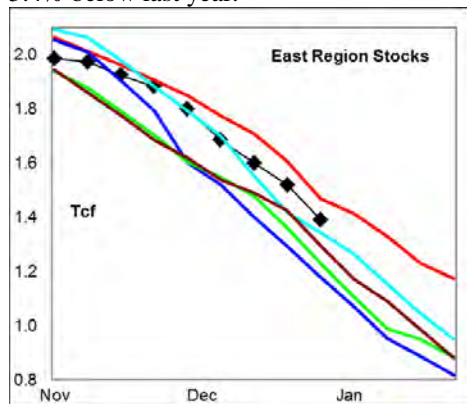
The 8-14 day NWS forecast for the week ending 14Feb13 is for above normal heating degree days in the eastern 1/2 of the country and below normal in the western 1/2.

**Prices:** Nearby gas futures prices decreased -\$0.07/mmbtu for the week ending 01Feb13. The current price level is +\$1.00/mmbtu above last years' record 5-year low.



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

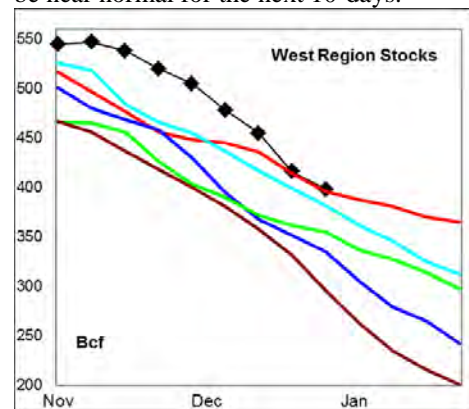
**East Region** stocks decreased -129 Bcf for the week, a draw that matched the 5-year average. The current stock level was -5.4% below last year.



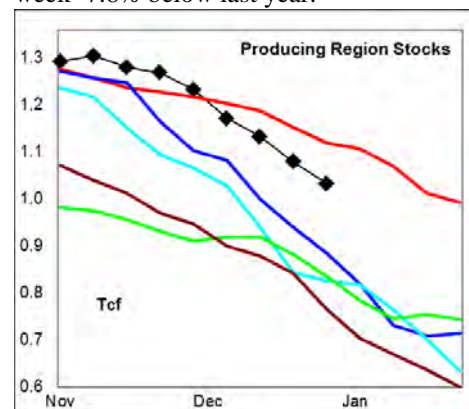
Heating degree days in the region were +16% above normal for the week ended 26Jan13, and forecast to be -20% below normal this week. Heating degree days are forecast to be sharply above normal in the region for the next 10-days.

**West Region** stocks decreased -18 Bcf on the week, a draw equal to the average of

the last 3-years. Stock levels ended the week +0.5% above last year and above the 5-year range. The latest 4-wk stock change was a draw of -107 Bcf, a draw that matched the largest draw of the last 5-years. Heating degree days were -5% below normal for the week ended 26Jan13, and forecast to be -7% below normal this week. Heating degree days are forecast to be near normal for the next 10-days.



**Producing Region** stocks decreased -47 Bcf for the week, a draw equal to the historic average. Stock levels ended the week -7.8% below last year.



Heating degree days were -26% below normal for the week ended 26Jan13, and forecast to be -45% below normal this week. Much 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 -34% below last year.

**Outlook:** Heating degree days are forecast to be sharply below normal for the next 10-days in the eastern 2/3rds of the country. The 1<sup>st</sup> half of February is the peak in winter heating degree days. Look for renewed price weakness as the industry begins to focus on the high level of carry out stocks.

### <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: February 1, 2013

For the week ending: 25-Jan-13

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

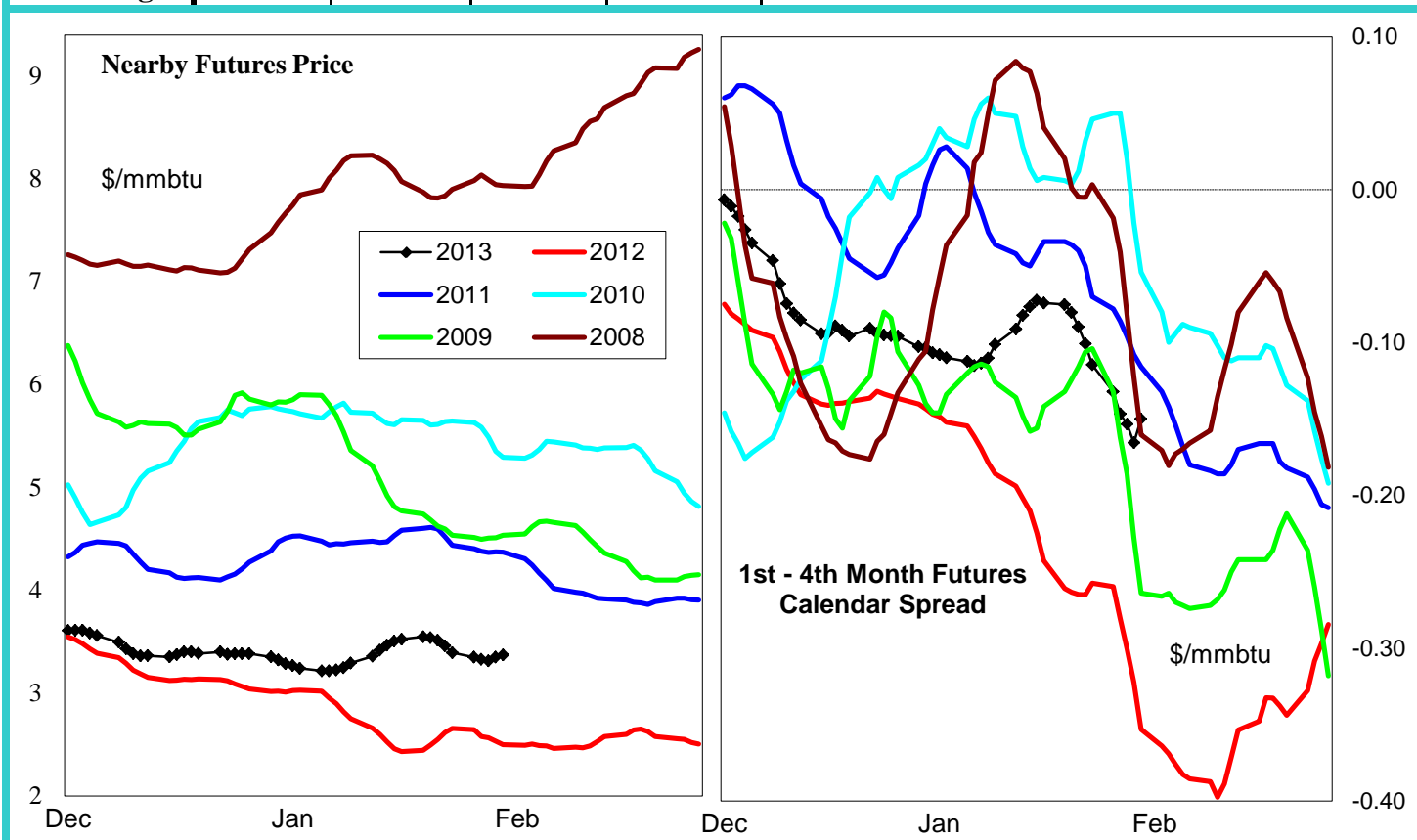
Week ending:	25-Jan-13			19-Jan-13		26-Jan-13		2-Feb-13	
Region	Weekly Stocks			Weekly Heating Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	2,802	-194	-5.5	32	-13%	50	9%	-76	-22%
East	1,391	-129	-5.4	25	-20%	95	16%	-99	-20%
West	398	-18	0.5	26	10%	-36	-5%	-10	-7%
Producing	1,013	-47	-7.8	60	7%	-57	-26%	-34	-45%

### Seasonal Trends in Stocks and Heating Degree Days

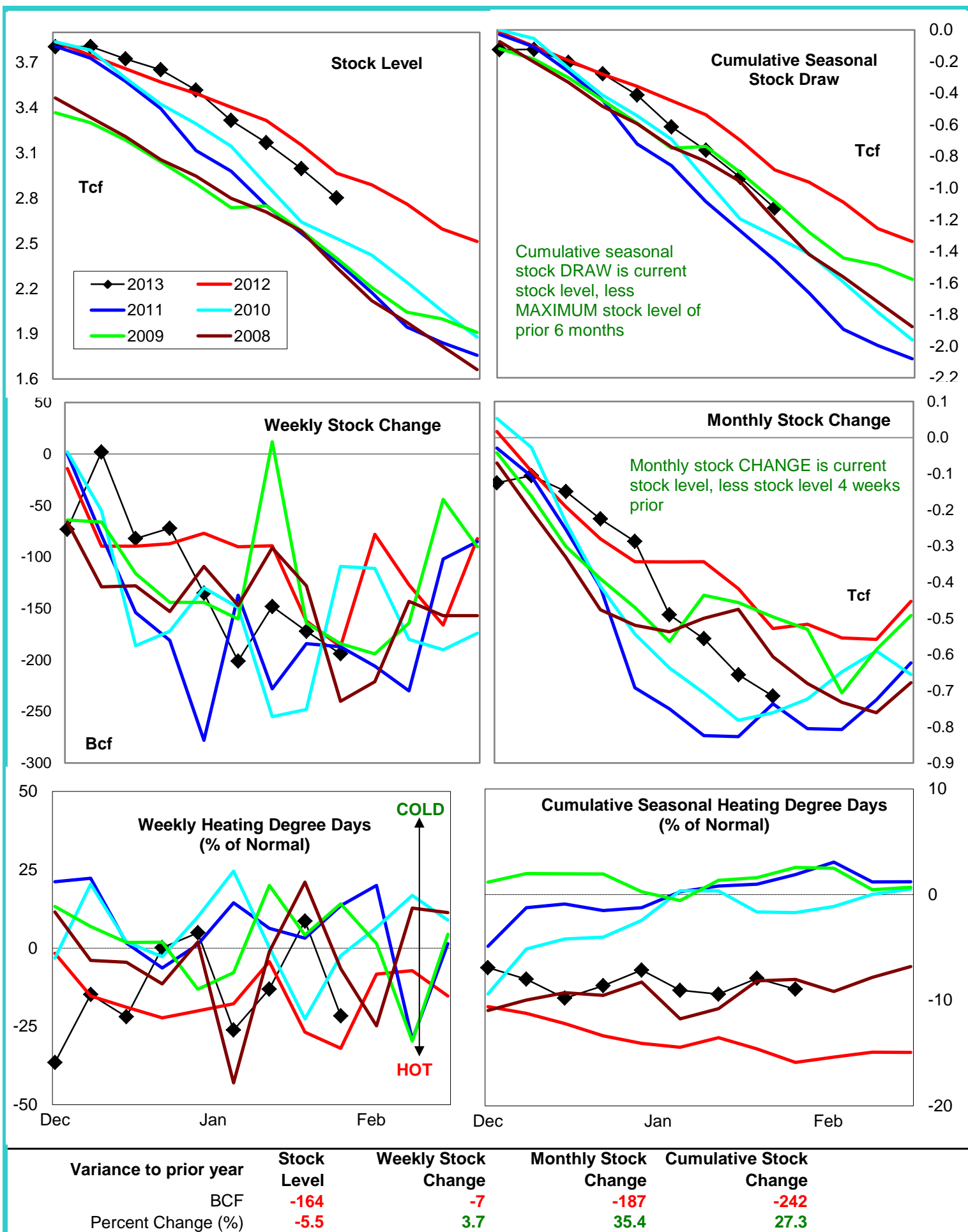
	Cumulative Stock Change			Cumulative Heating Degree Days					
	Bcf	Change vs prior year		CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
		Bcf	%						
<b>U.S. Total</b>	<b>-1,127</b>	<b>-242</b>	<b>21.5</b>	<b>208</b>	<b>-9.4</b>	<b>257</b>	<b>-7.9</b>	<b>181</b>	<b>-9.0</b>
<b>East</b>	<b>-705</b>	<b>-85</b>	<b>12.1</b>	<b>212</b>	<b>-9.6</b>	<b>307</b>	<b>-7.4</b>	<b>208</b>	<b>-8.3</b>
<b>West</b>	<b>-153</b>	<b>-32</b>	<b>20.9</b>	<b>235</b>	<b>-7.8</b>	<b>199</b>	<b>-7.6</b>	<b>189</b>	<b>-7.5</b>
<b>Producing</b>	<b>-274</b>	<b>-116</b>	<b>42.3</b>	<b>176</b>	<b>-10.1</b>	<b>119</b>	<b>-11.5</b>	<b>85</b>	<b>-14.1</b>

### Futures Market Price Trends

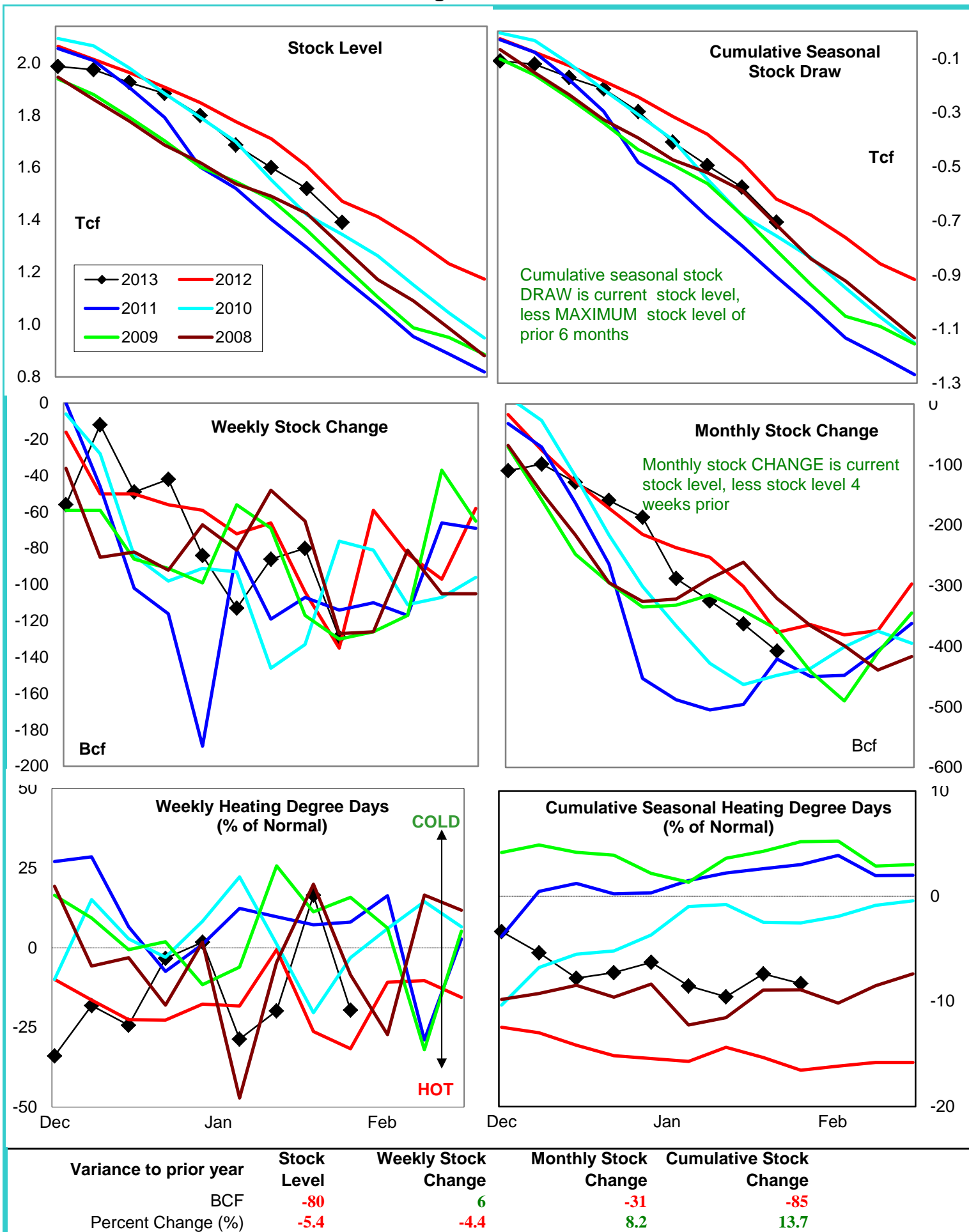
Date:	1-Feb-13	Change vs prior week, month, year		
		28-Jan-13	7-Jan-13	13-Feb-12
<b>1st month Futures</b>	<b>3.37</b>	<b>0.08</b>	<b>0.10</b>	<b>0.80</b>
<b>% change</b>	<b>xxxxx</b>	<b>2.5</b>	<b>3.2</b>	<b>31.3</b>



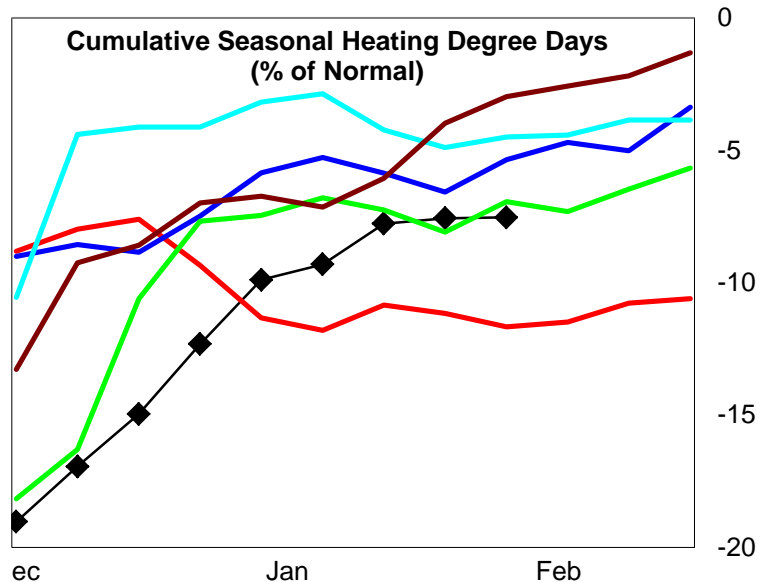
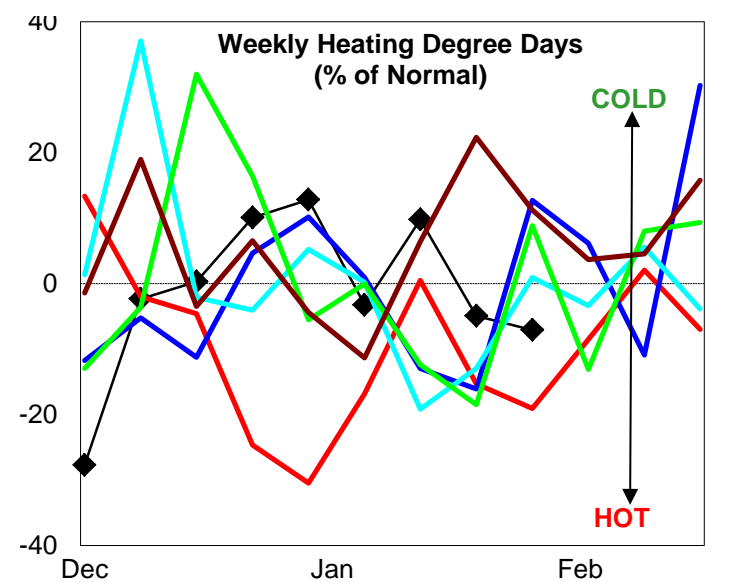
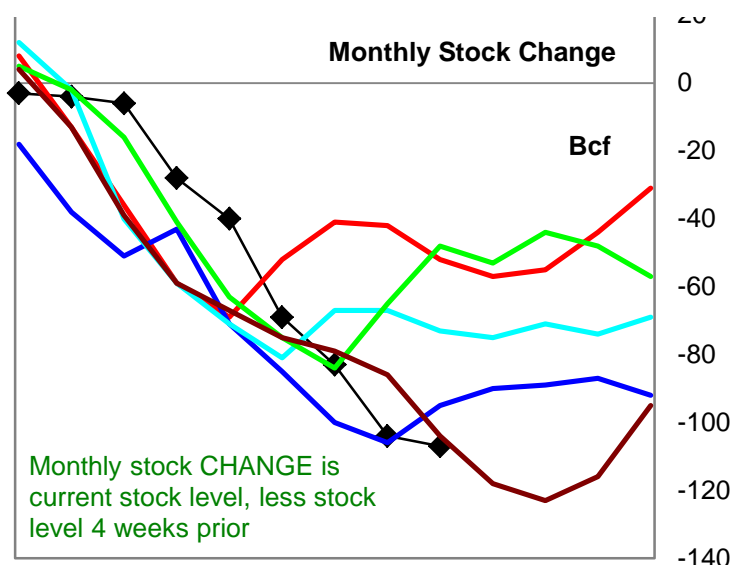
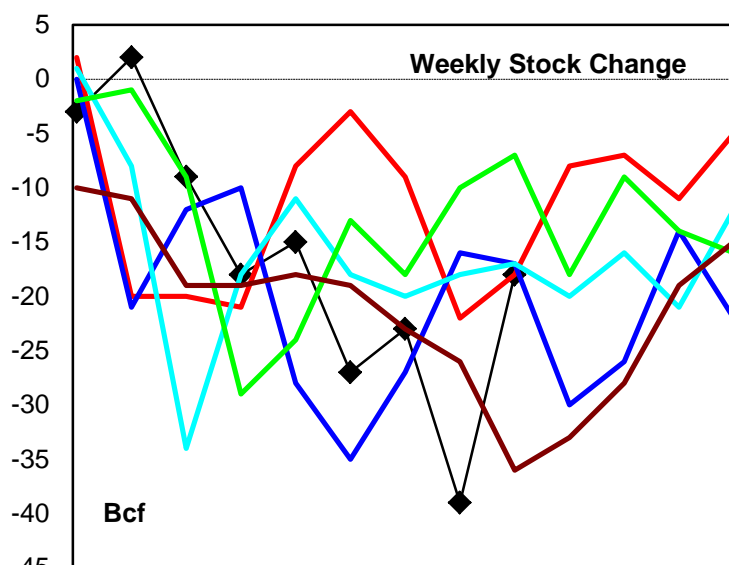
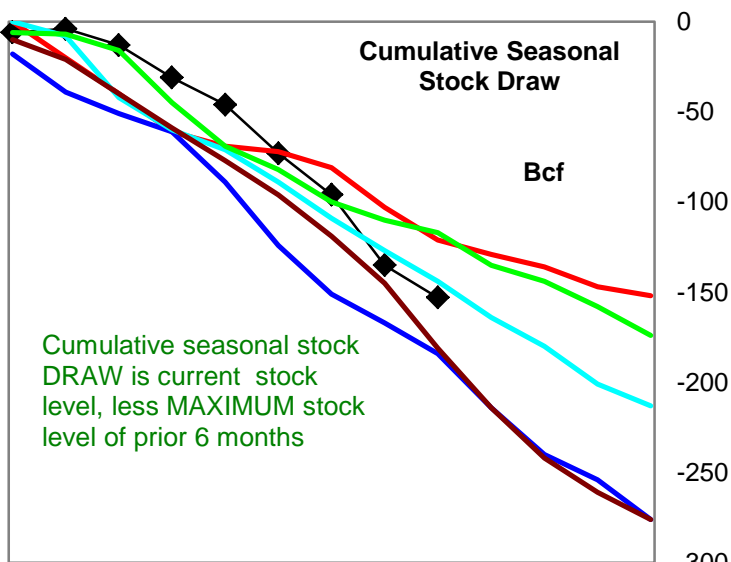
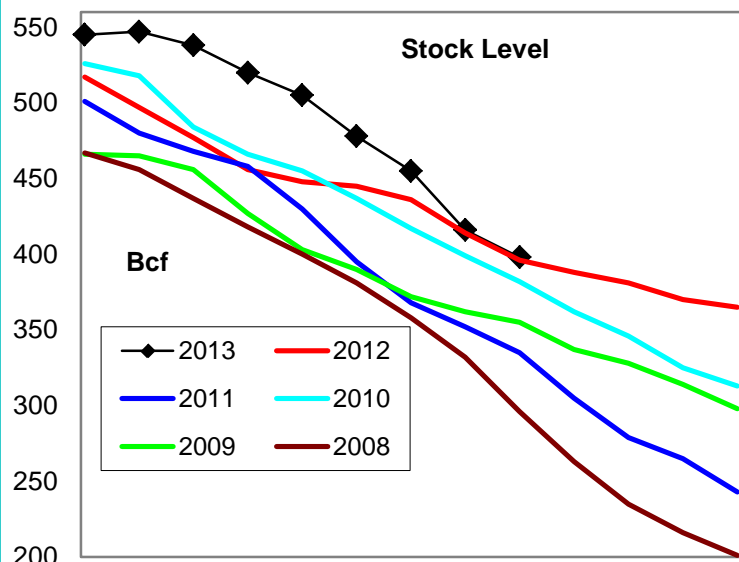
# United States Natural Gas Stock and Weather Trends



## Natural Gas East Region Stock and Weather Trends



# Natural Gas West Region Stock and Weather Trends



Variance to prior year

Stock Level

Weekly Stock Change

Monthly Stock Change

Cumulative Stock Change

BCF  
Percent Change (%)

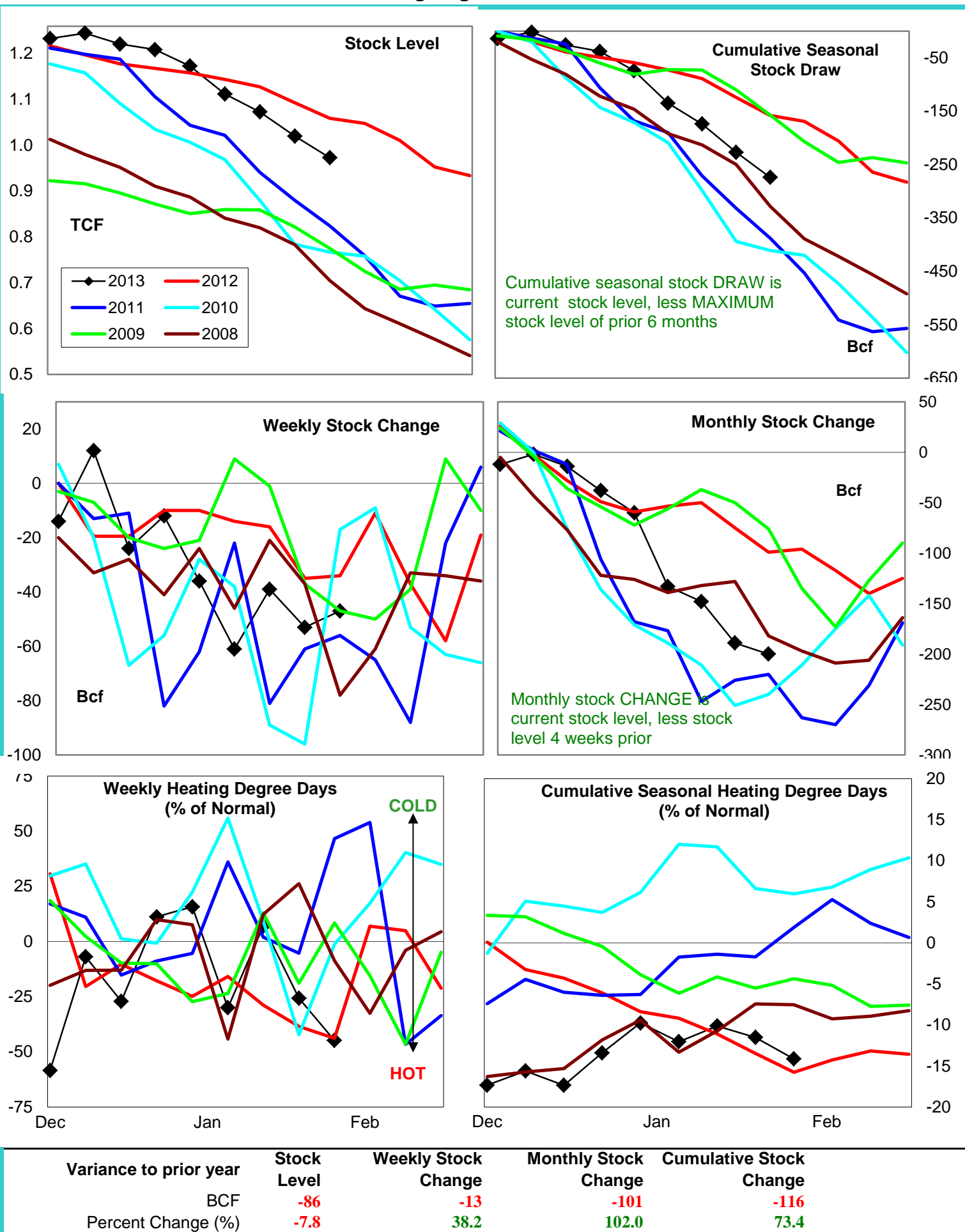
2  
0.5

0  
0.0

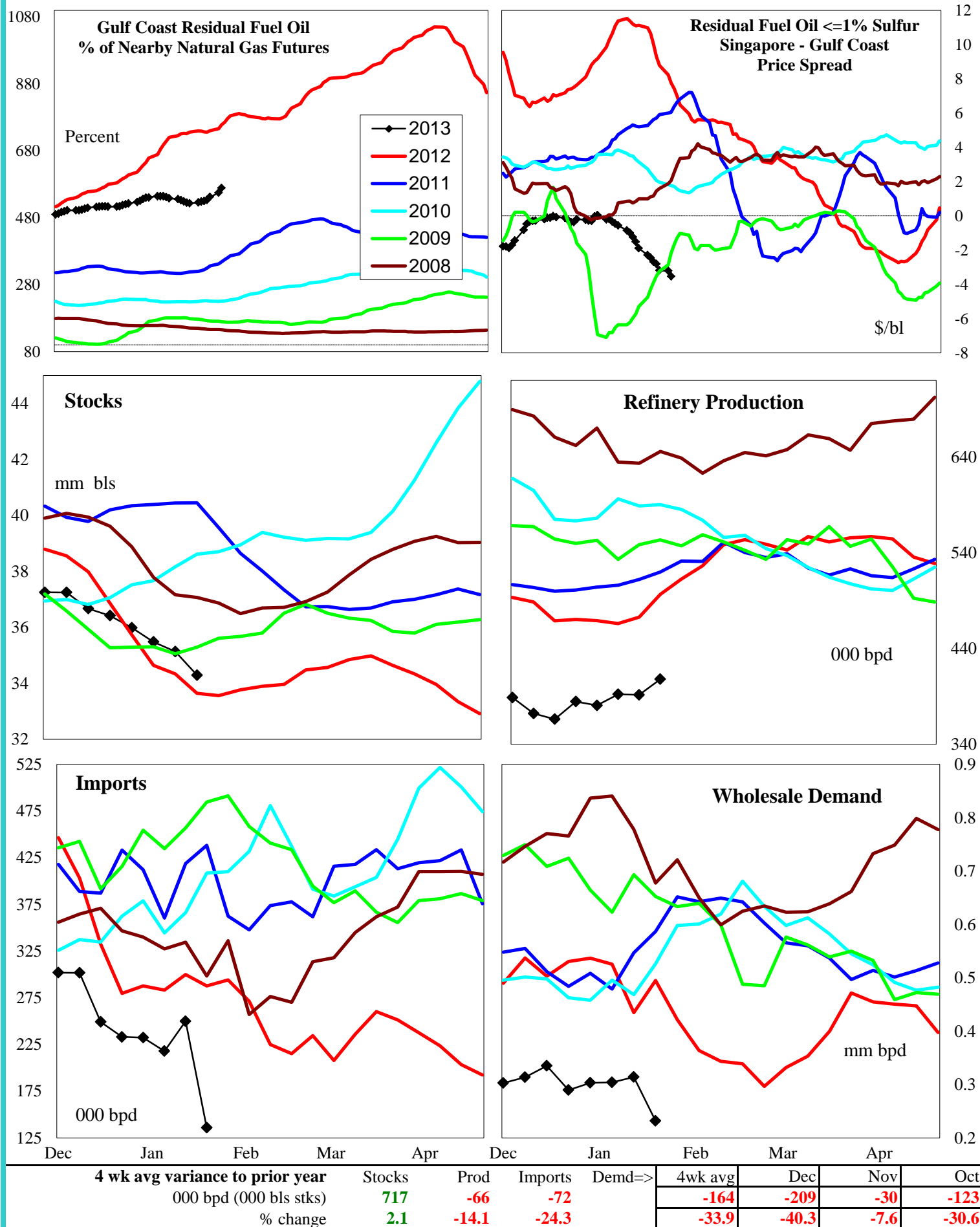
-55  
105.8

-32  
26.4

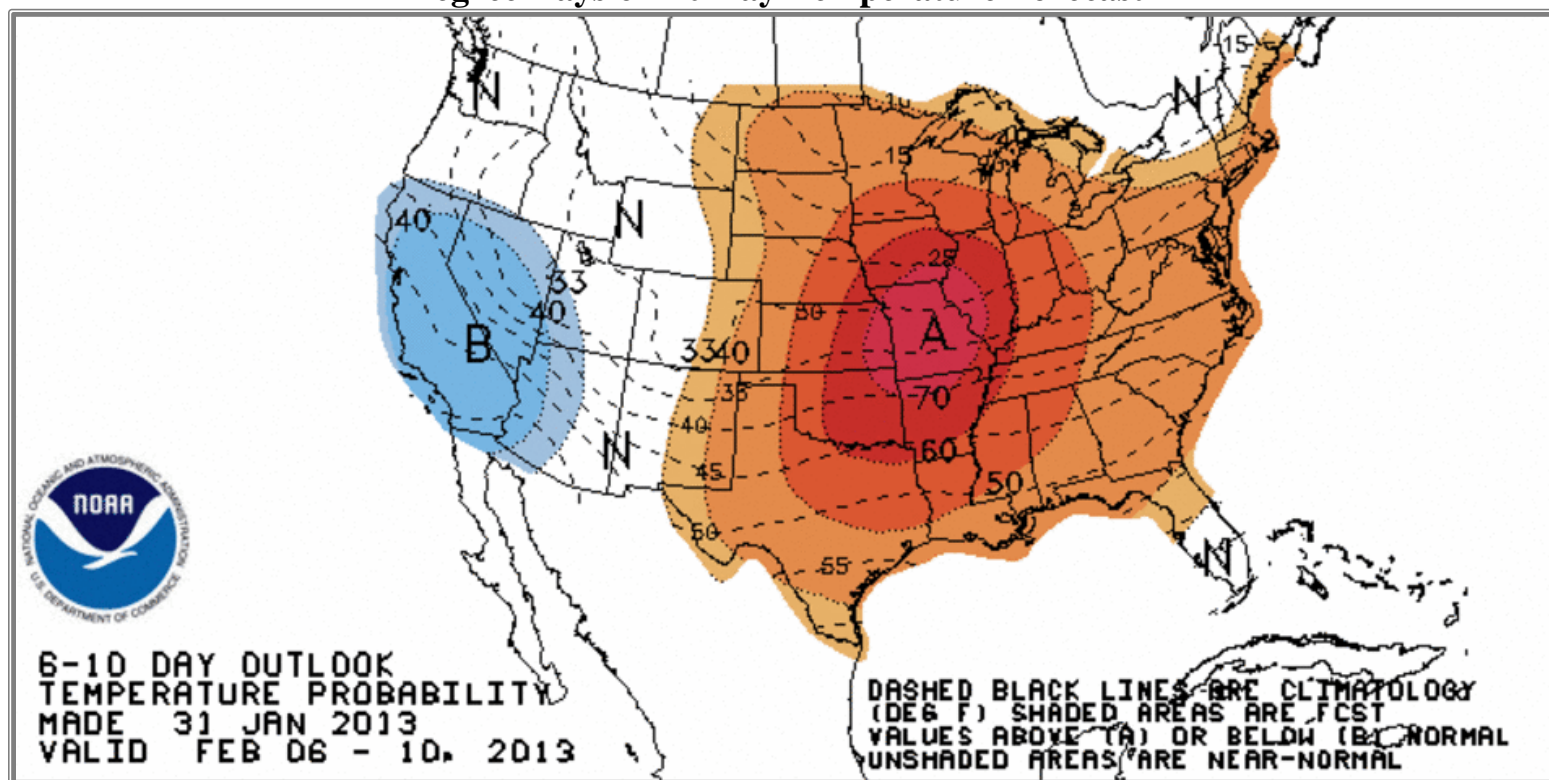
# Natural Gas Producing Region Stock and Weather Trends



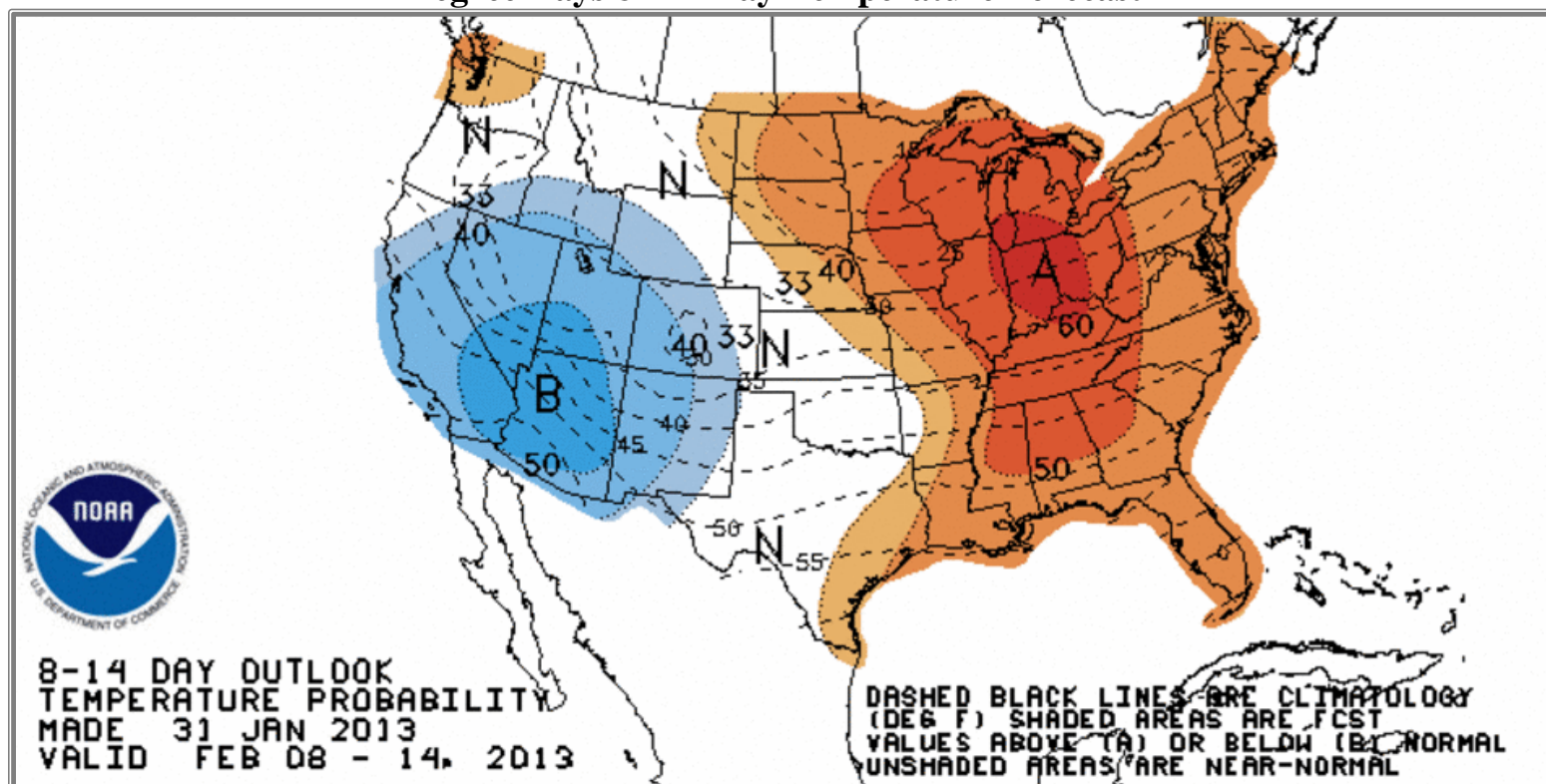
# U.S. Residual Fuel Oil Price Spreads and Supply Balance



## 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

