

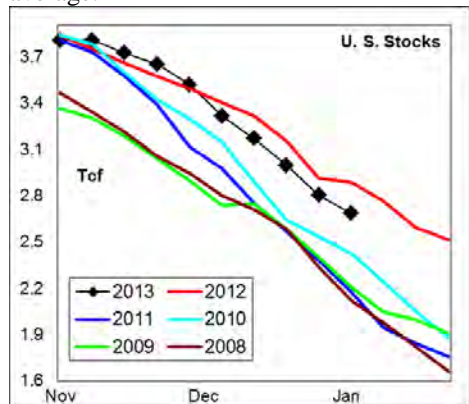
## WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

### A Fundamental Petroleum Trends Weekly Report

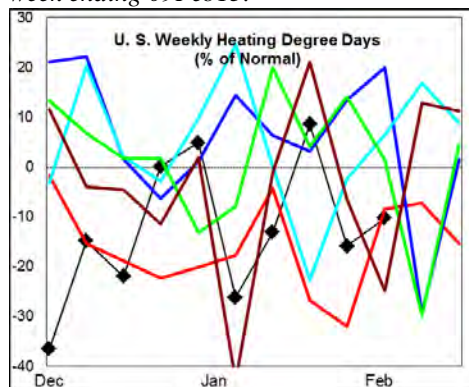
Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Friday, February 08, 2013



**Summary**<sup>1</sup> The stock draw of -118 Bcf for the week, was less than the 5-year average.



Heating degree days for the week ending 02Feb13 were -16% below normal, and are forecast to be -10% below normal for week ending 09Feb13.



In the East Region stocks decreased -88 Bcf for the week, a draw that was less than the 5-year average. Stocks decreased -10 Bcf in the West Region, less than four of the last 5-years. Stocks decreased -20 Bcf in the Producing Region, a draw again less than the historic average.

Heating degree days were -14% below normal in the East Region, -4% below normal in the West Region and -35% below normal in the Producing Region for the week ending 02Feb13.

**Heating degree days** were -16% below normal for the week ending 02Feb13, and forecast to be -10% below normal for the week ending 09Feb13.

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

[Data Source is EIA Weekly Statistics](#)

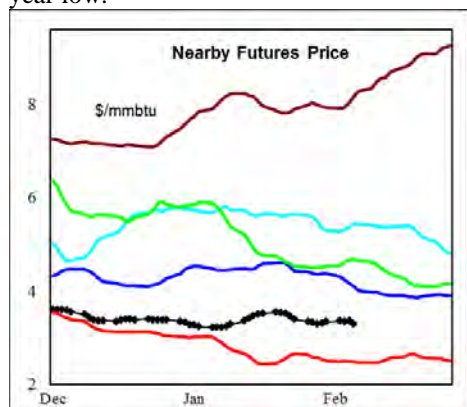
[National Weather Service 6-10 Day](#)

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

The 6-10 day NWS forecast for the week ending 17Feb13 is for sharply above normal heating degree days across nearly the entire country, excluding New England.

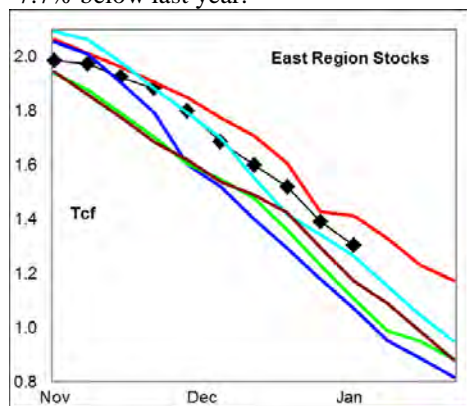
The 8-14 day NWS forecast for the week ending 21Feb13 is for above normal heating degree days throughout the entire country, excluding northern New England.

**Prices:** Nearby gas futures prices decreased -\$0.05/mmbtu for the week ending 07Feb13. The current price level is +\$0.80/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 5-year mid range.

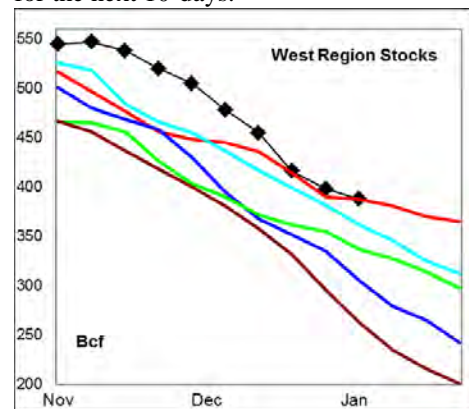
**East Region** stocks decreased -88 Bcf for the week, a draw that was less than the 5-year average. The current stock level was -7.7% below last year.



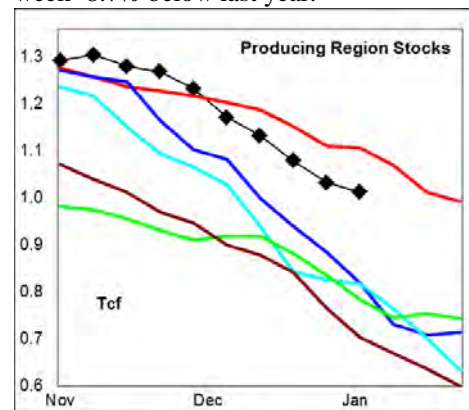
Heating degree days in the region were -14% below normal for the week ended 02Feb13, and forecast to be -6% below normal for the week ending 09Feb13. Heating degree days are forecast to be sharply above normal in the region for the next 10-days.

**West Region** stocks decreased -10 Bcf on the week, a draw less than four of the last 5-years. Stock levels ended the week

equal to last year, matching 5-year highs. The latest 4-wk stock change was a draw of -90 Bcf, a draw that matched 3-year highs. Heating degree days were -4% below normal for the week ended 02Feb13, and forecast to be -8% below normal for the week ending 09Feb13. Heating degree days are forecast to be well above normal for the next 10-days.



**Producing Region** stocks decreased -20 Bcf for the week, a draw again less than the 5-year average. Stock levels ended the week -8.7% below last year.



Heating degree days were -35% below normal for the week ended 02Feb13, and forecast to be -46% below normal for the week ending 09Feb13. Much above 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 -36% below last year.

**Outlook:** Heating degree days are forecast to be sharply above normal for the next 10-days across nearly the entire country. This 10-day period will be the peak in winter heating degree days for the country. Look for renewed price weakness as the industry begins to focus on the high level of carry out stocks.

## NATURAL GAS: Graph Link and Weekly Summary



Report prepared as of: February 8, 2013

For the week ending: 1-Feb-13

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

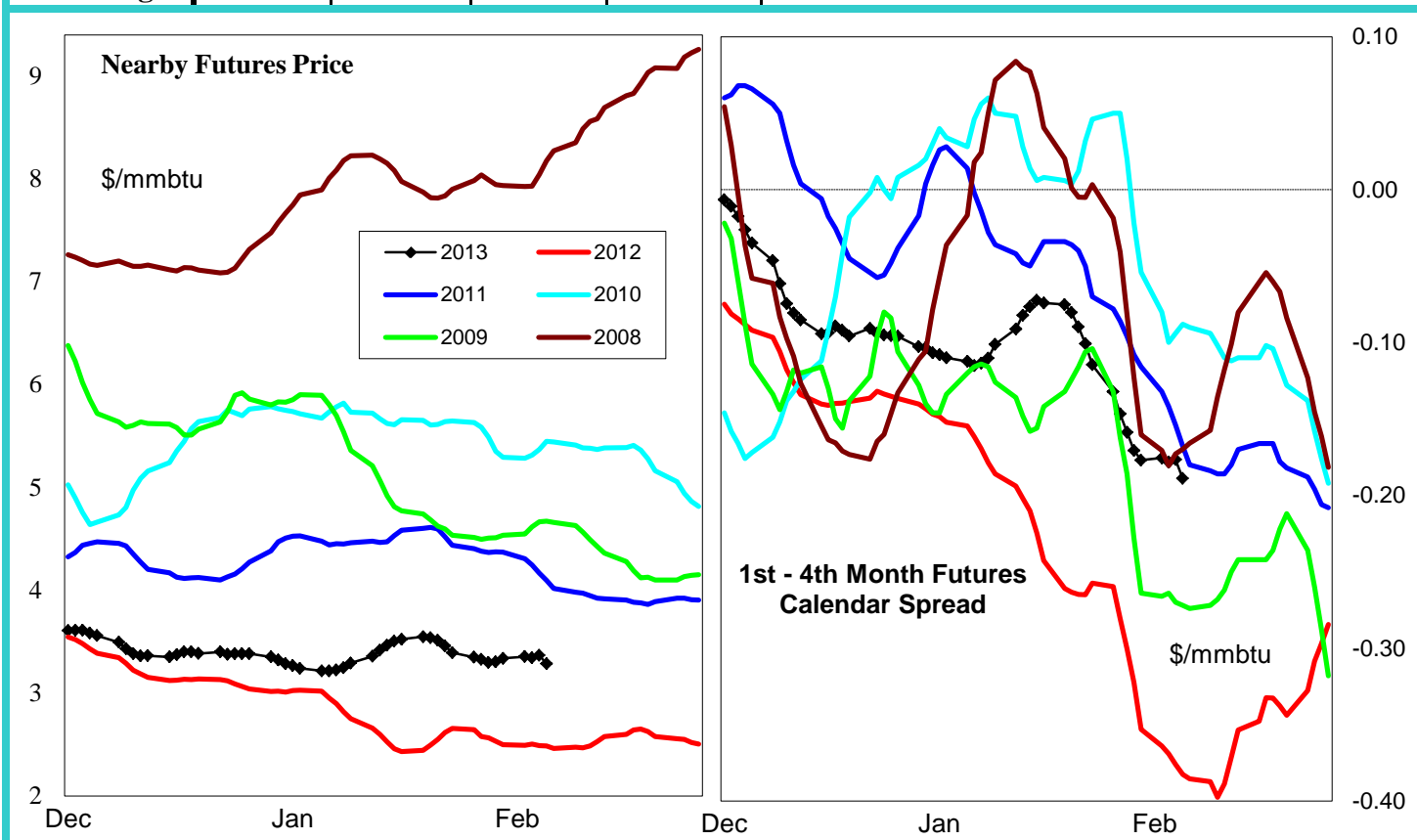
Week ending:	1-Feb-13			26-Jan-13		2-Feb-13		9-Feb-13	
Region	Weekly Stocks			Weekly Heating Degree Days					
		Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
	Bcf	Week Bcf	Year (%)						
U.S. Total	2,684	-118	-7.1	50	9%	-62	-16%	6	-10%
East	1,303	-88	-7.7	95	16%	-84	-14%	17	-5%
West	388	-10	0.0	-36	-5%	-3	-4%	-16	-8%
Producing	993	-20	-8.7	-57	-26%	-19	-35%	-22	-46%

### Seasonal Trends in Stocks and Heating Degree Days

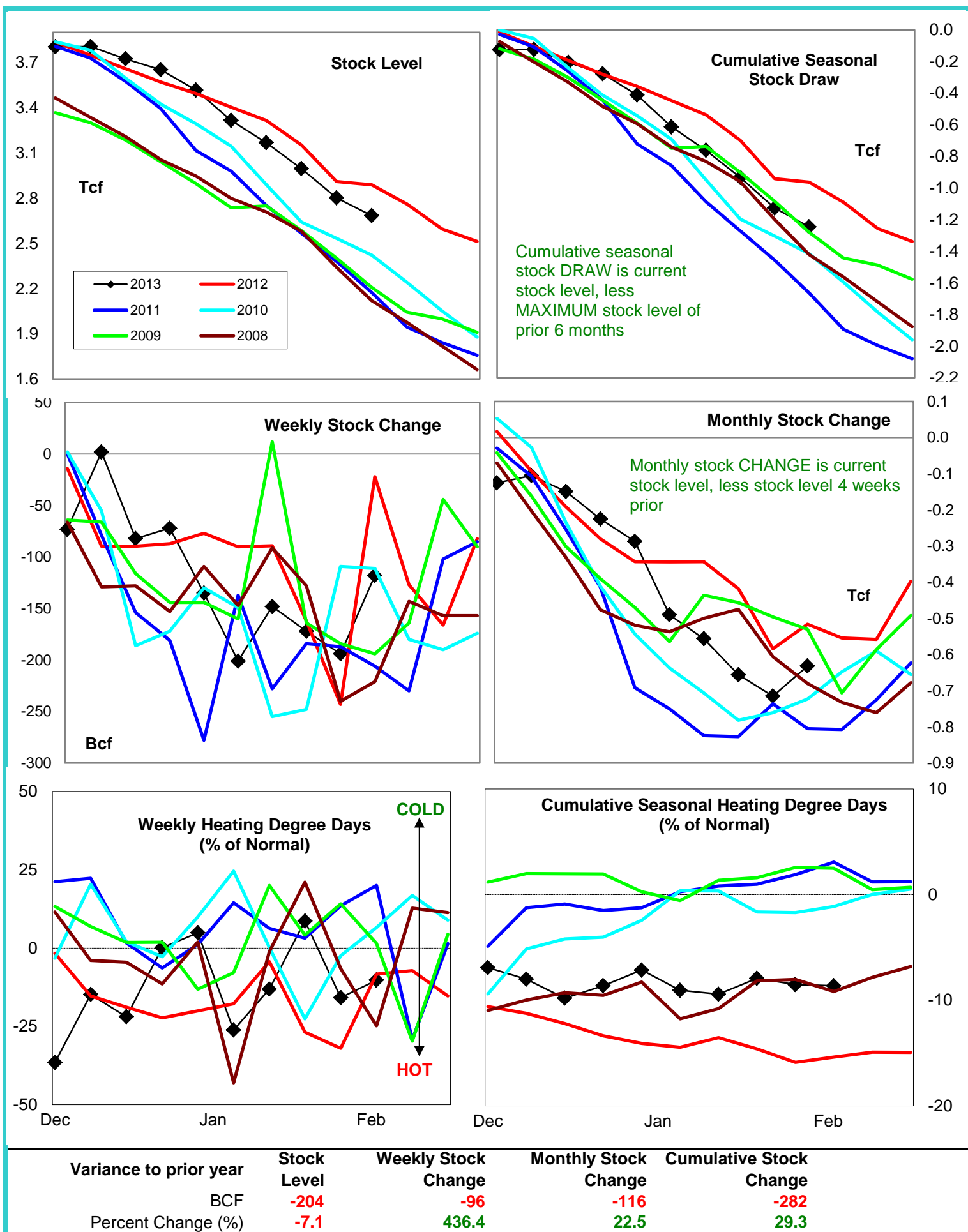
	Cumulative Stock Change			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
<b>U.S. Total</b>	<b>-1,245</b>	<b>-282</b>	<b>22.7</b>	<b>257</b>	<b>-7.9</b>	<b>195</b>	<b>-8.5</b>	<b>201</b>	<b>-8.6</b>
<b>East</b>	<b>-793</b>	<b>-114</b>	<b>14.4</b>	<b>307</b>	<b>-7.4</b>	<b>223</b>	<b>-7.9</b>	<b>240</b>	<b>-7.7</b>
<b>West</b>	<b>-163</b>	<b>-34</b>	<b>20.9</b>	<b>199</b>	<b>-7.6</b>	<b>196</b>	<b>-7.3</b>	<b>180</b>	<b>-7.4</b>
<b>Producing</b>	<b>-294</b>	<b>-125</b>	<b>42.5</b>	<b>119</b>	<b>-11.5</b>	<b>100</b>	<b>-13.3</b>	<b>78</b>	<b>-15.6</b>

### Futures Market Price Trends

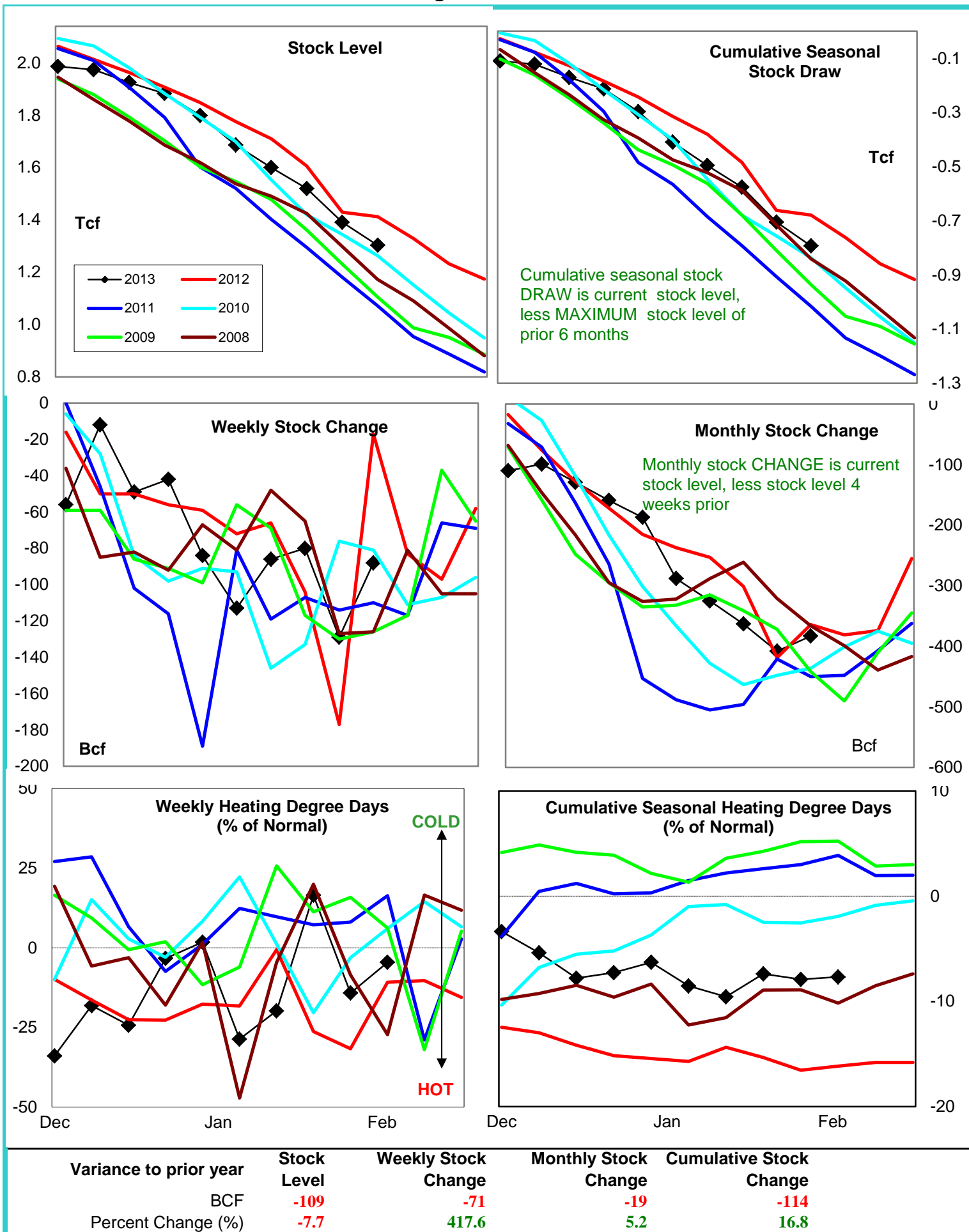
Date:	7-Feb-13	Change vs prior week, month, year		
		1-Feb-13	11-Jan-13	17-Feb-12
<b>1st month Futures</b>	<b>3.29</b>	<b>-0.02</b>	<b>-0.04</b>	<b>0.64</b>
<b>% change</b>	<b>xxxxx</b>	<b>-0.5</b>	<b>-1.3</b>	<b>24.3</b>



# United States Natural Gas Stock and Weather Trends

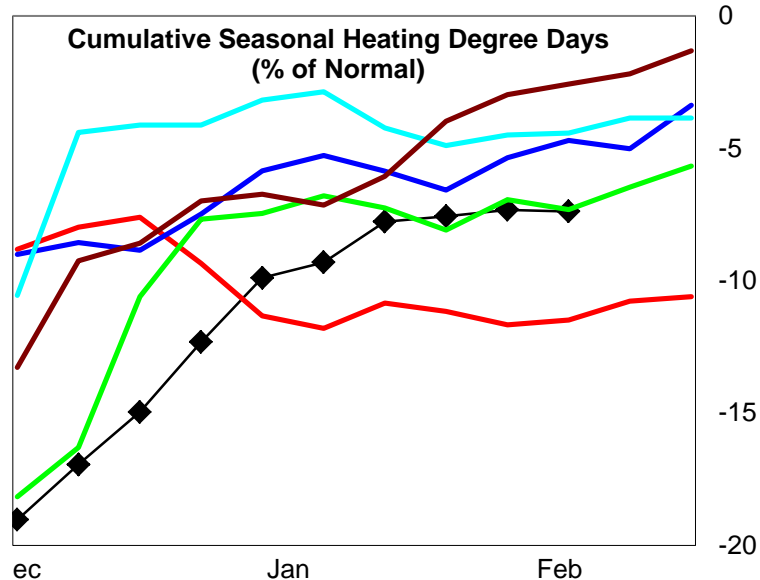
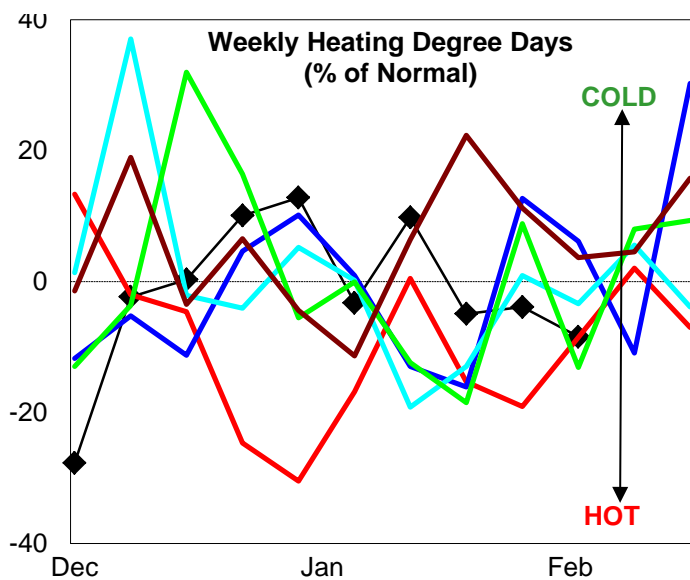
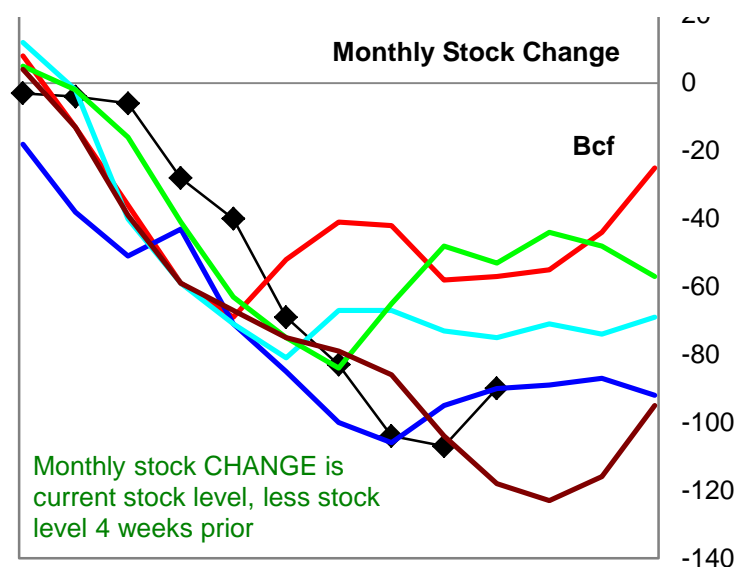
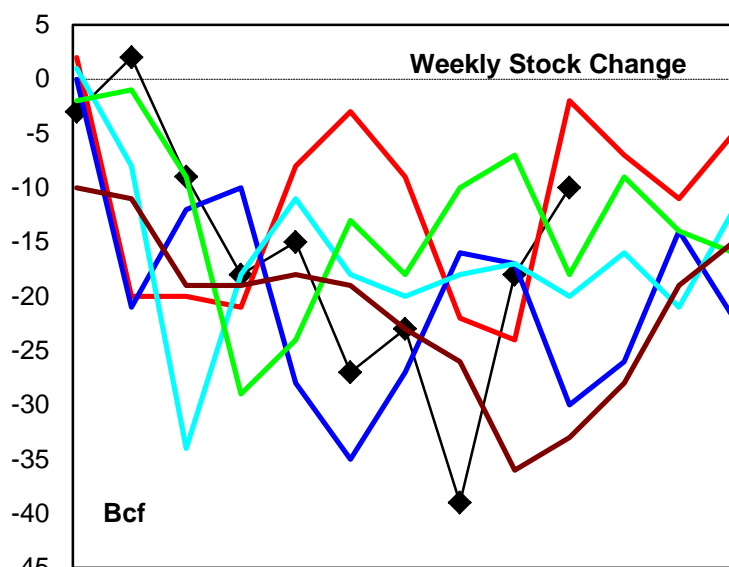
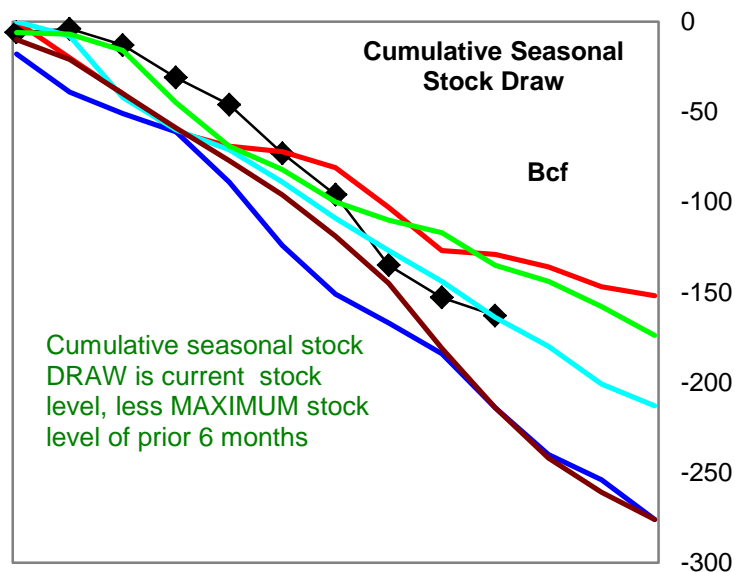
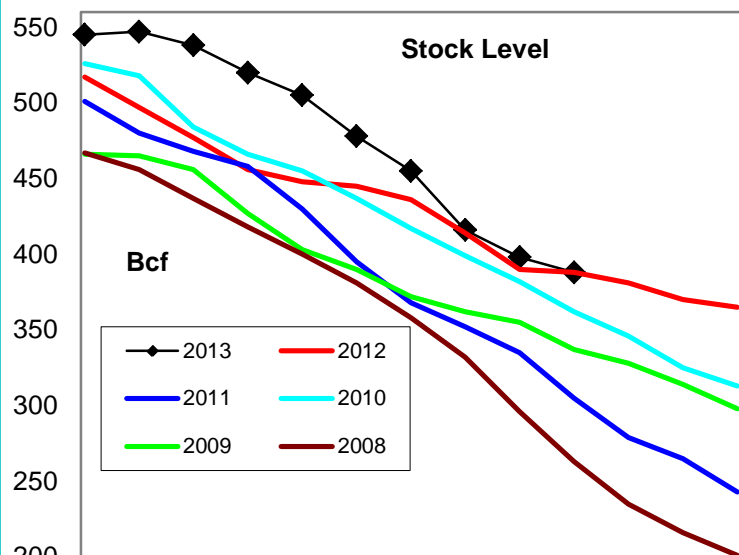


## Natural Gas East Region Stock and Weather Trends





## Natural Gas West Region Stock and Weather Trends



Variance to prior year

Stock Level

Weekly Stock Change

Monthly Stock Change

Cumulative Stock Change

BCF

0

-8

-33

-34

Percent Change (%)

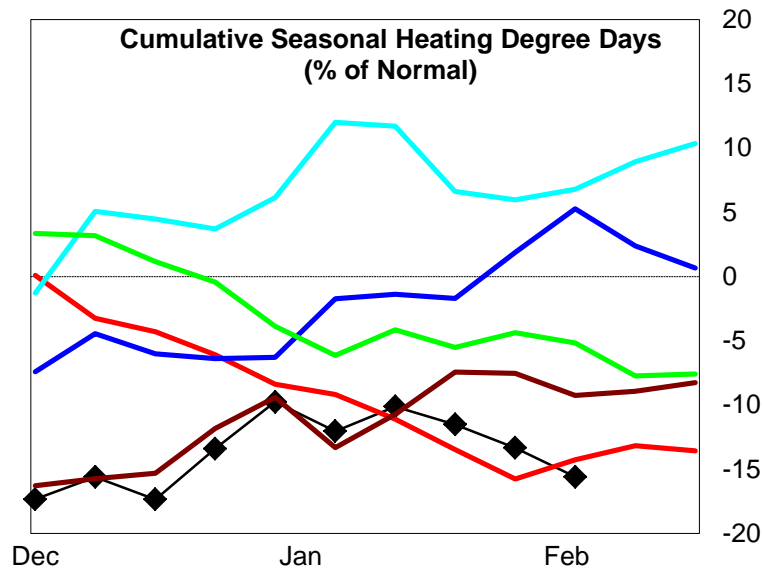
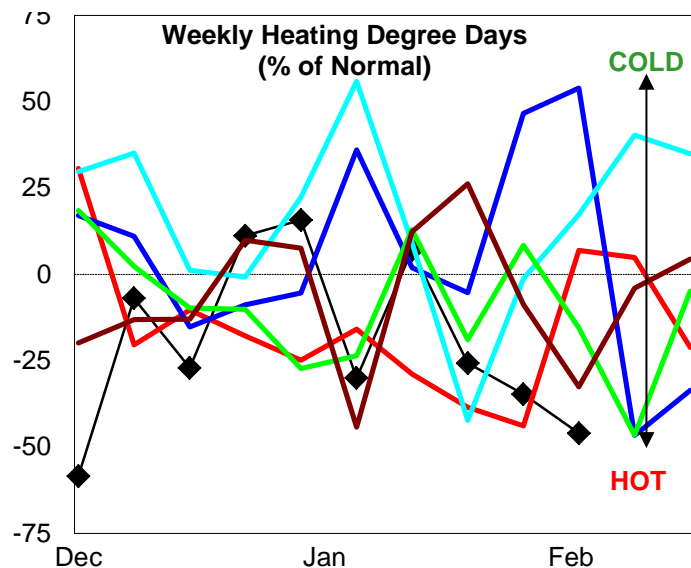
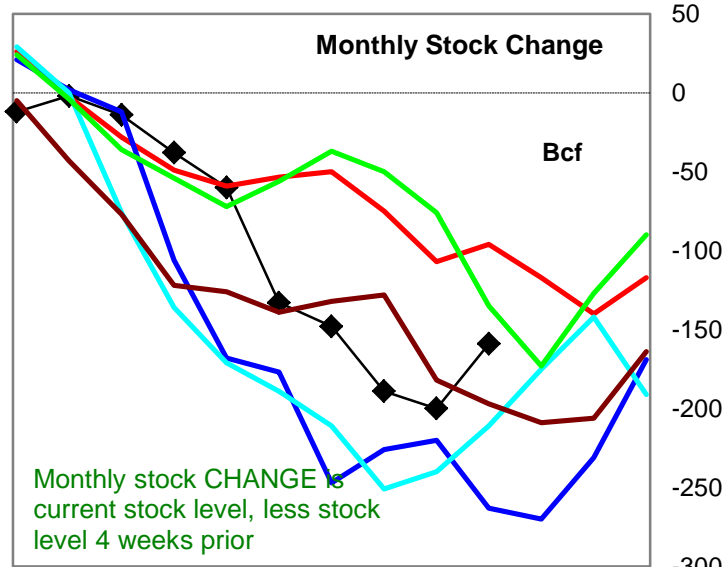
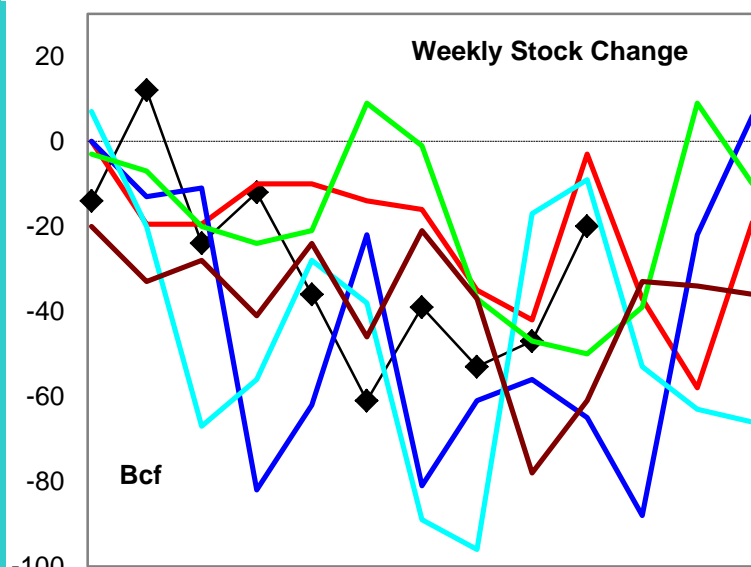
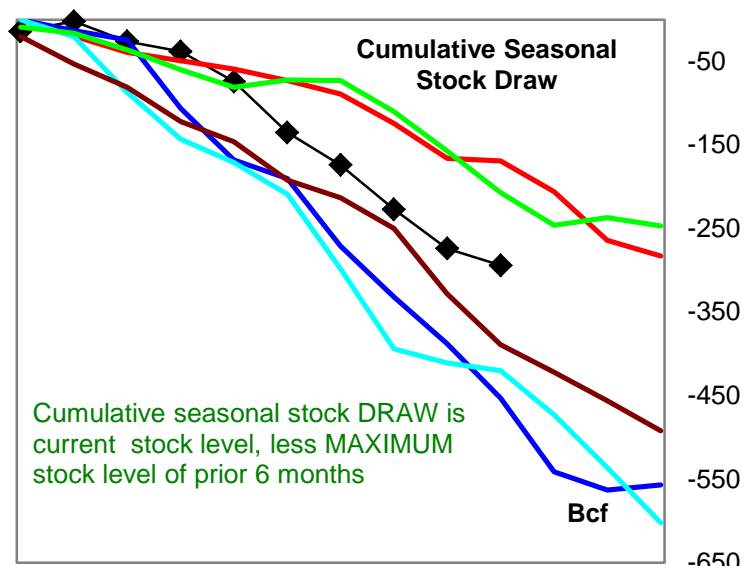
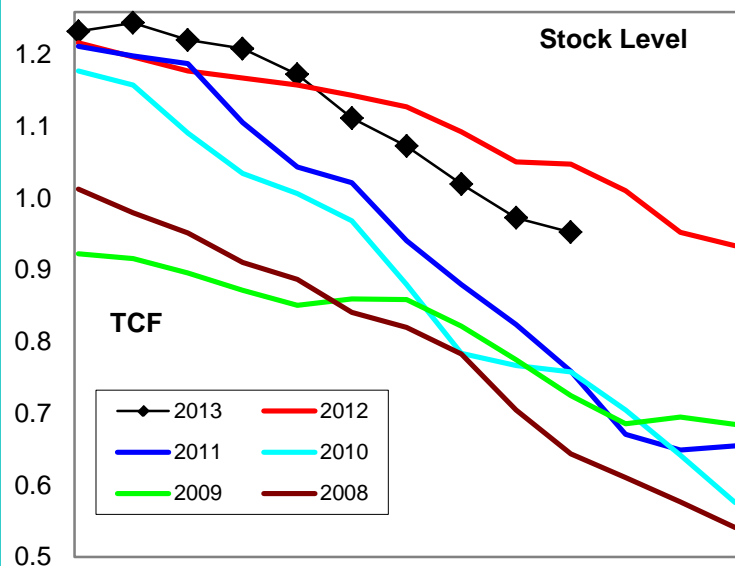
0.0

400.0

57.9

26.4

# Natural Gas Producing Region Stock and Weather Trends



Variance to prior year

Stock Level

Weekly Stock Change

Monthly Stock Change

Cumulative Stock Change

BCF

-95

-17

-63

-125

Percent Change (%)

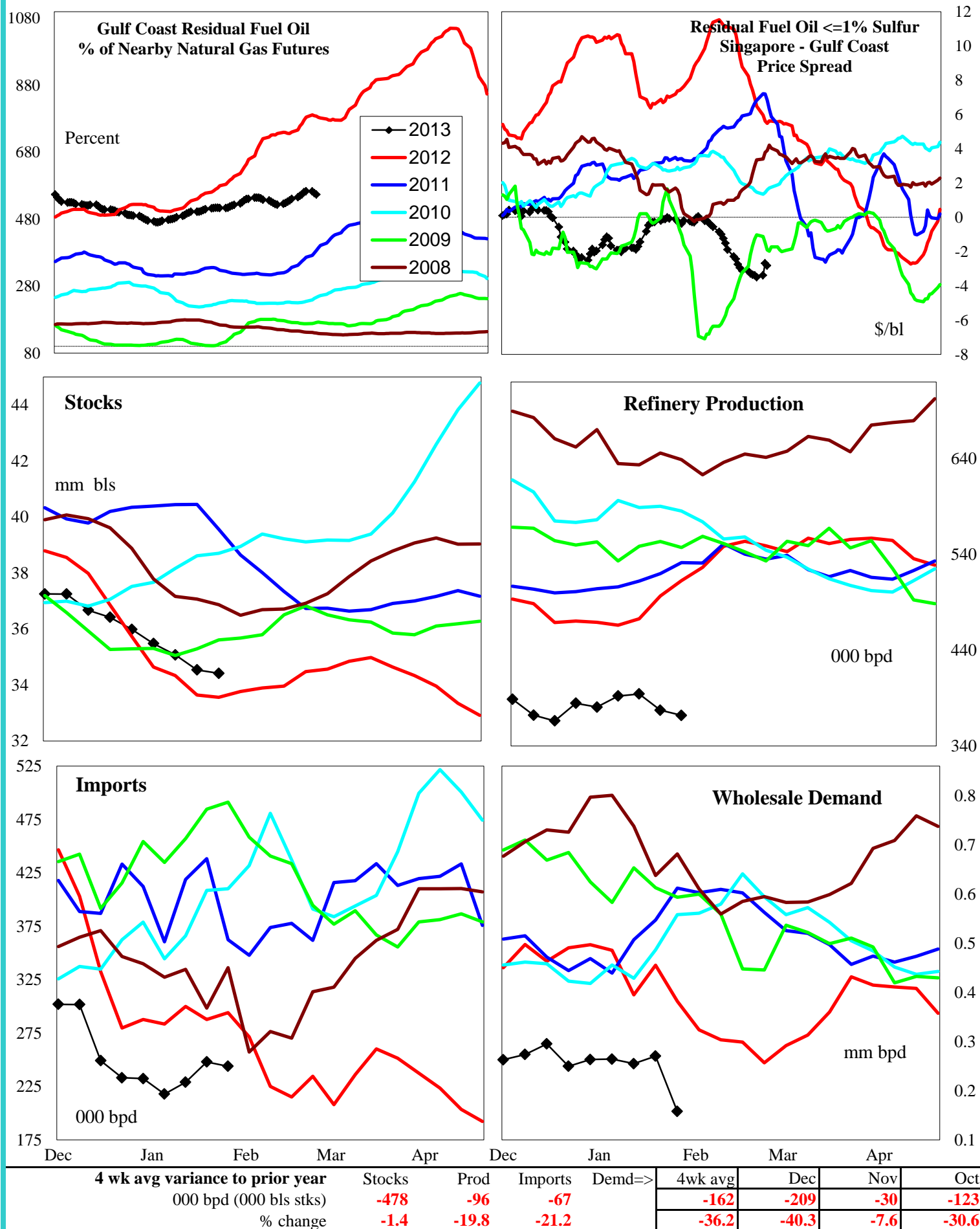
-8.7

566.7

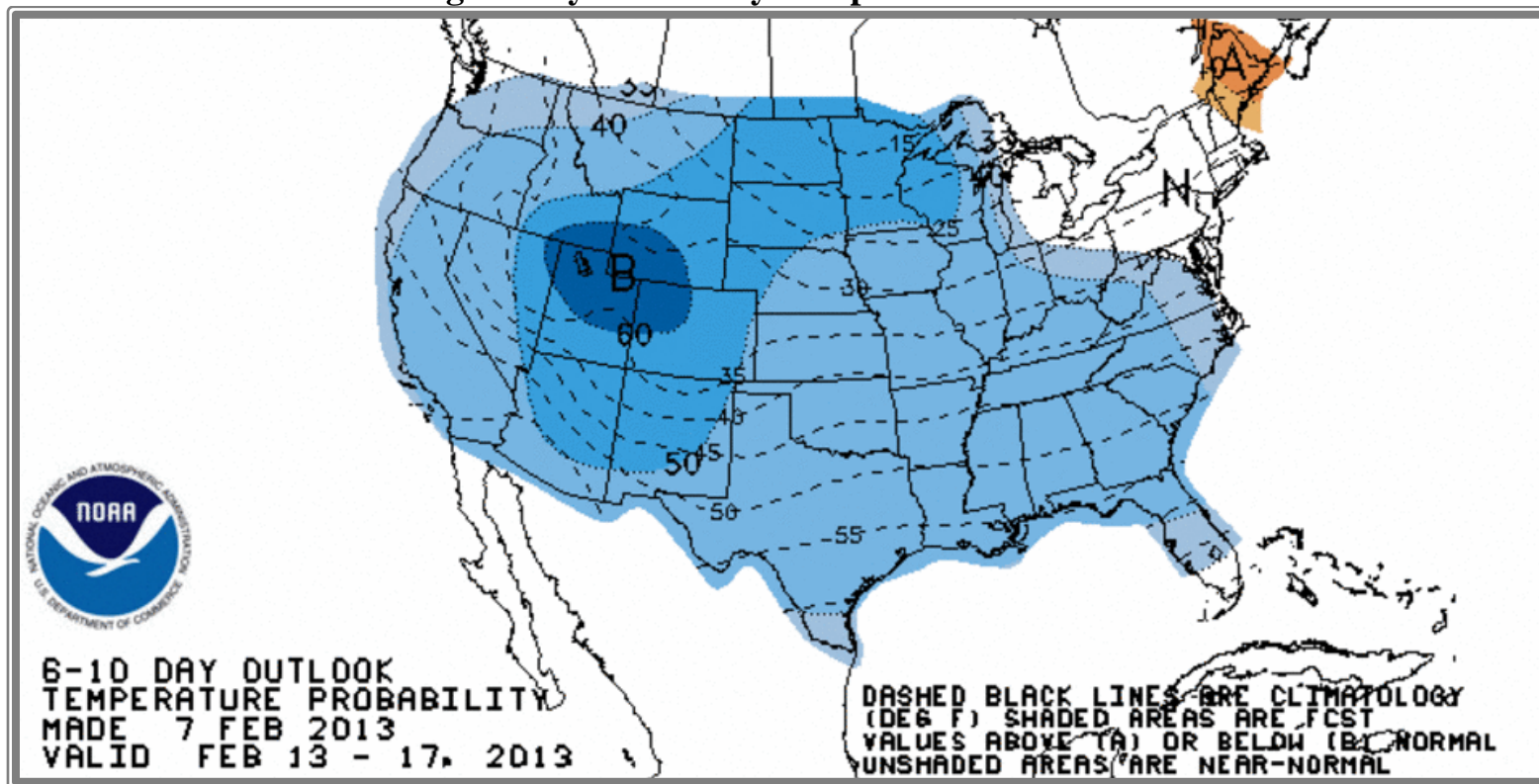
65.6

74.0

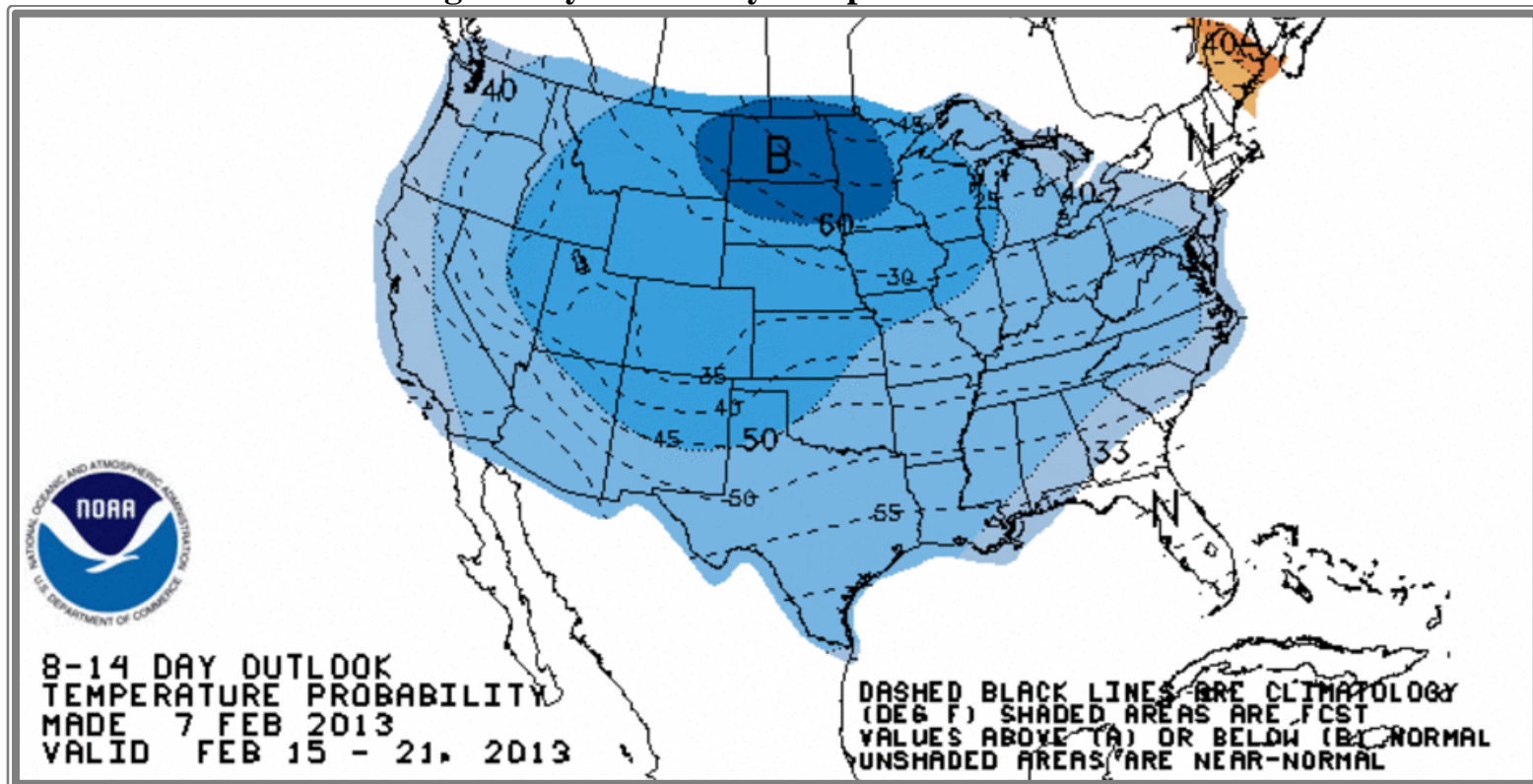
## U.S. Residual Fuel Oil Price Spreads and Supply Balance



## 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

