



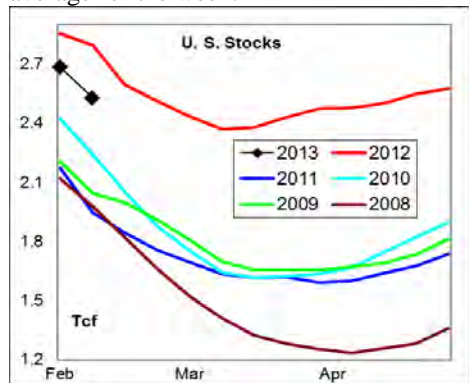
WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

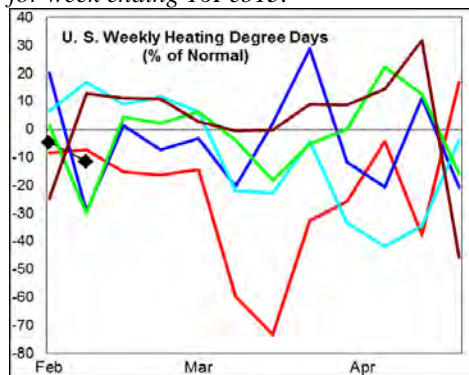
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Sunday, February 17, 2013



Summary ¹ The stock draw of -157 Bcf for the week, was equal to the 5-year average for the week.



Heating degree days for the week ending 09Feb13 were -5% below normal, and were estimated to be -11% below normal for week ending 16Feb13.



In the East Region stocks decreased -116 Bcf for the week, matched the record draw for the week. Stocks decreased -8 Bcf in the West Region, which was comparable to the historic midrange. Stocks decreased -33 Bcf in the Producing Region, a draw equal to the historic average.

Heating degree days were normal in the East Region, -3% below normal in the West Region and -37% below normal in the Producing Region for the week ending 09Feb13.

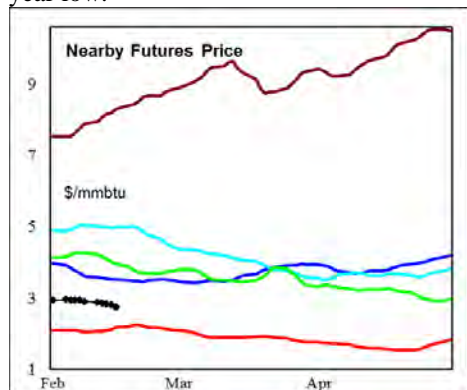
Heating degree days were -5% below normal for the week ending 09Feb13, and estimated to be -11% below normal for the week ending 15Feb13.

The 6-10 day NWS forecast for the

week ending 27Feb13 is for sharply above normal heating degree days across the western 2/3rds of the country and below normal in the eastern 1/4th of the country.

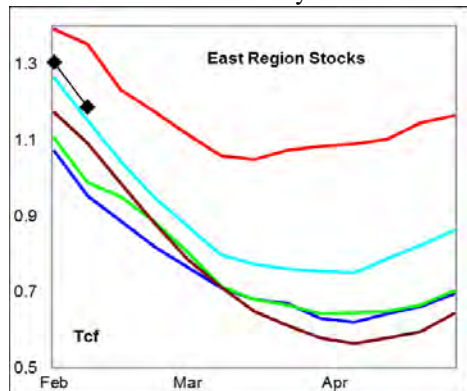
The 8-14 day NWS forecast for the week ending 03Mar13 is for above normal heating degree days in the west and southwest and below normal heating degrees in the great lakes and northeast.

Prices: Nearby gas futures prices decreased -\$0.12/mmbtu for the week ending 15Feb13. The current price level is +\$0.72/mmbtu above last years' record 5-year low.



The 1st - 4th month forward price curve trended lower last week on a drop in prompt demand, ending at a level near the 5-year mid range.

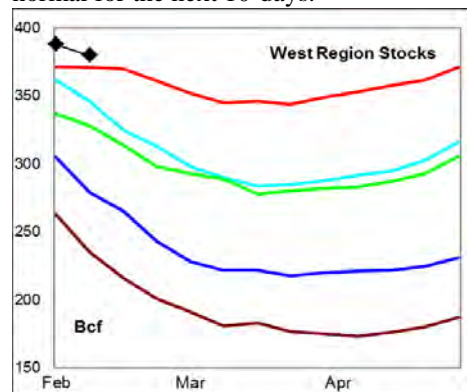
East Region stocks decreased -116 Bcf for the week, a draw that matched the 5-year record for the week. The current stock level was -12% below last year.



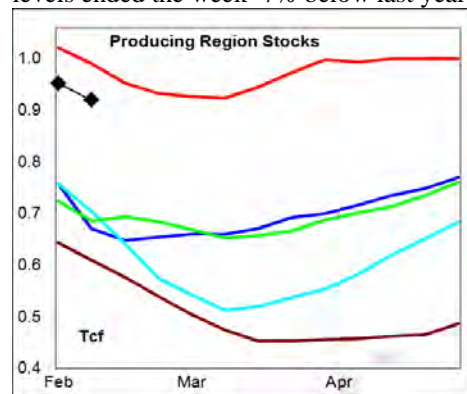
Heating degree days in the region were normal for the week ended 09Feb13, and estimated to be -14% below normal for the week ending 15Feb13. Heating degree days are forecast to be below normal in the region for the next 10-days.

West Region stocks decreased -8 Bcf on the week, a draw equal to the historic mid range. Stock levels ended the week +2.4% above last year, and a 5-year high. The latest 4-wk stock change was a draw of -75

Bcf, a draw near the 3-year average. Heating degree days were -3% below normal for the week ended 09Feb13, and estimated to be +3% above normal for the week ended 15Feb13. Heating degree days are forecast to be sharply above normal for the next 10-days.



Producing Region stocks decreased -33 Bcf for the week, a draw that matched the historic mid range for the week. Stock levels ended the week -7% below last year.



Heating degree days were -37% below normal for the week ended 09Feb13, and estimated to be -6% below normal for the week ending 15Feb13. 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 -39% below last year.

Outlook: Heating degree days are forecast to be sharply above normal for the next 10-days across the western 2/3rds of the country, but below normal in the eastern 1/4th of the country. Look for continued price weakness as the industry begins to focus on the high level of carry out stocks, the seasonal downtrend in heating degree days.

¹ 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 17, 2013

For the week ending: 8-Feb-13

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

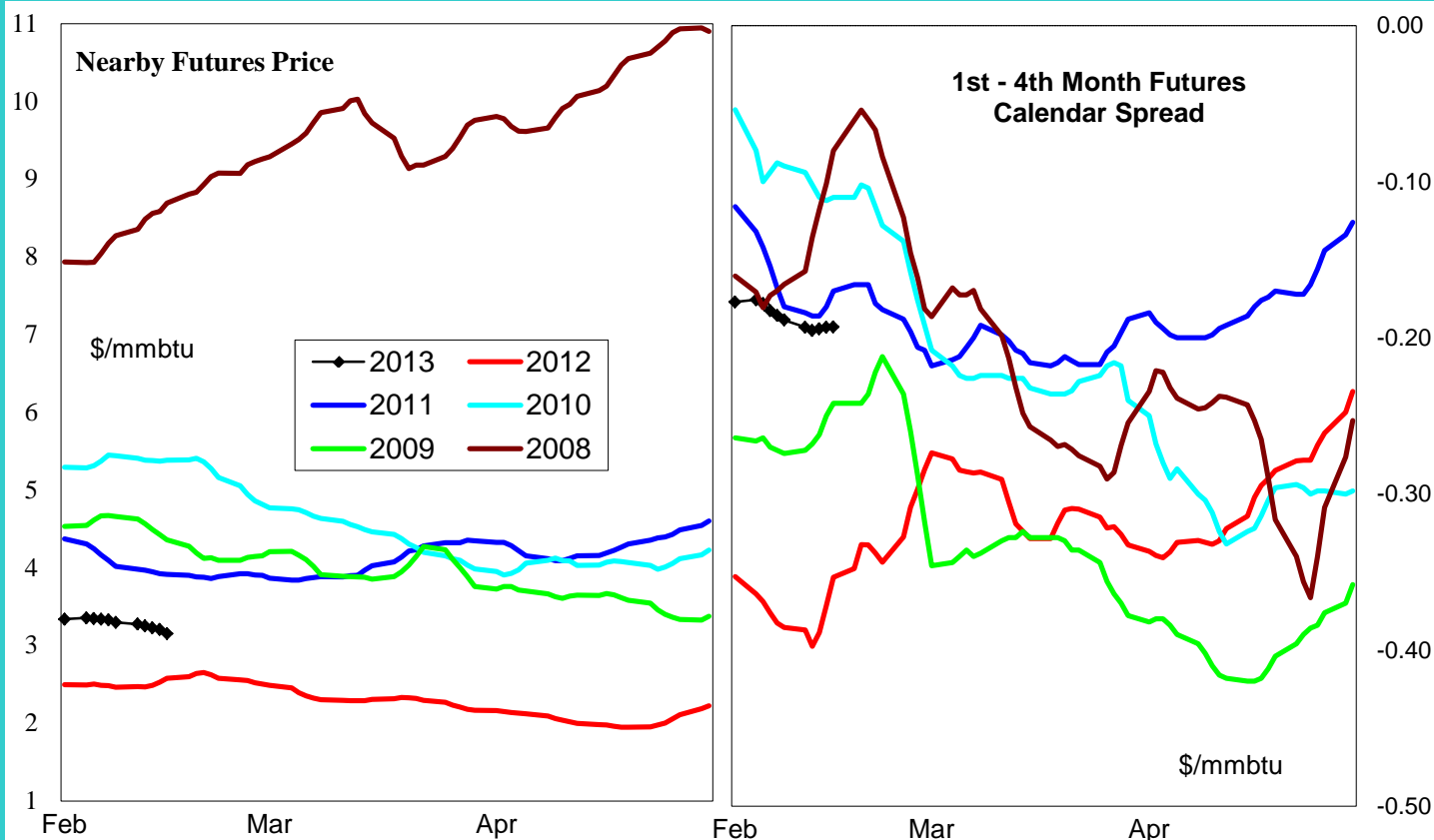
Week ending:	8-Feb-13			2-Feb-13		9-Feb-13		16-Feb-13	
Region	Weekly Stocks			Weekly Heating Degree Days					
		Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
	Bcf	Week Bcf	Year (%)						
U.S. Total	2,527	-157	-9.7	-62	-16%	19	-5%	-26	-11%
East	1,187	-116	-12.3	-84	-14%	31	0%	-48	-14%
West	380	-8	2.4	-3	-4%	-5	-3%	2	3%
Producing	960	-33	-7.0	-19	-35%	-9	-37%	34	-6%

Seasonal Trends in Stocks and Heating Degree Days

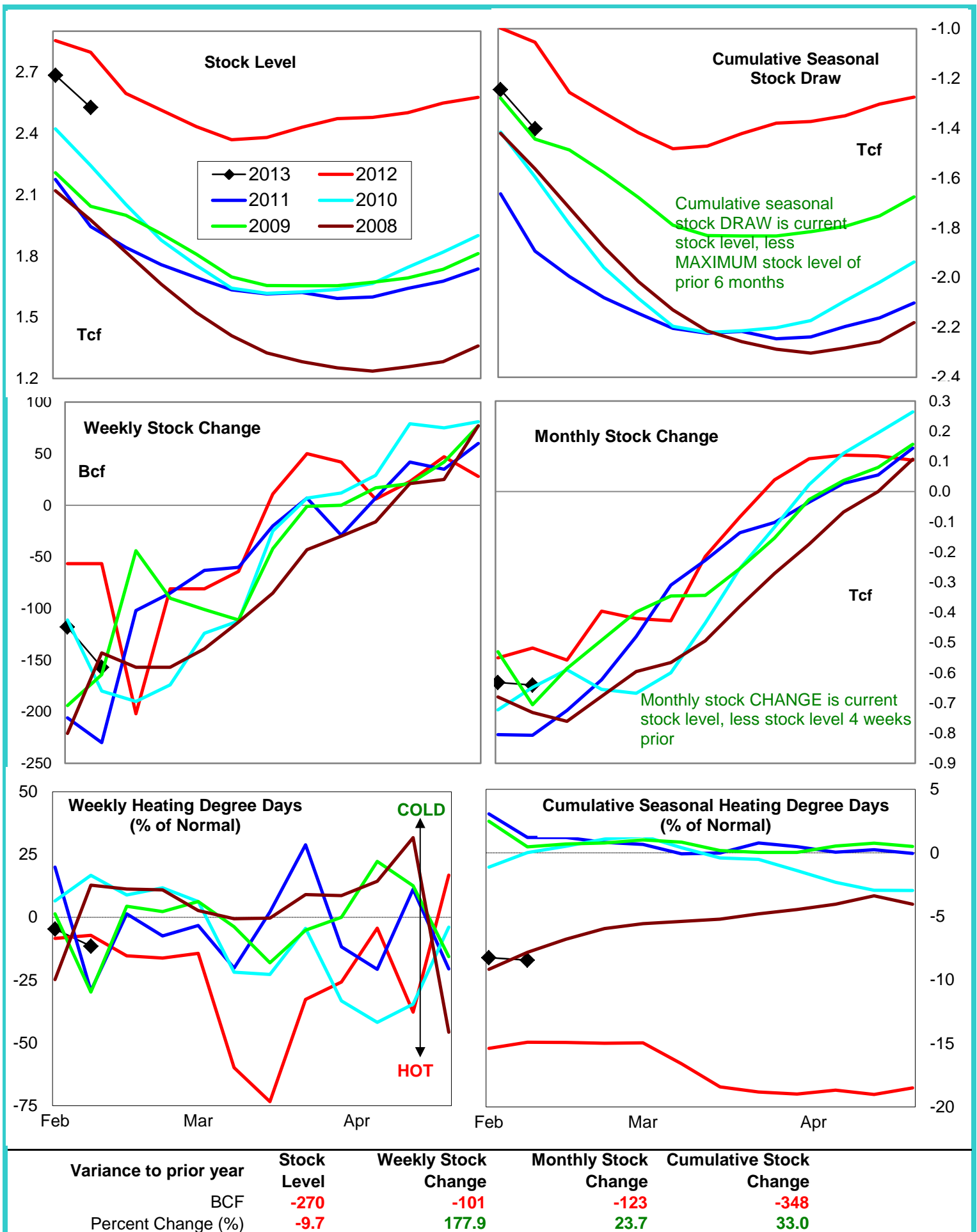
	Cumulative Stock Change			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
U.S. Total	-1,402	-348	24.8	195	-8.5	214	-8.3	189	-8.5
East	-909	-171	18.8	223	-7.9	254	-7.3	207	-7.8
West	-171	-25	14.6	196	-7.3	191	-7.1	193	-6.5
Producing	-327	-102	31.2	100	-13.3	91	-15.0	125	-14.4

Futures Market Price Trends

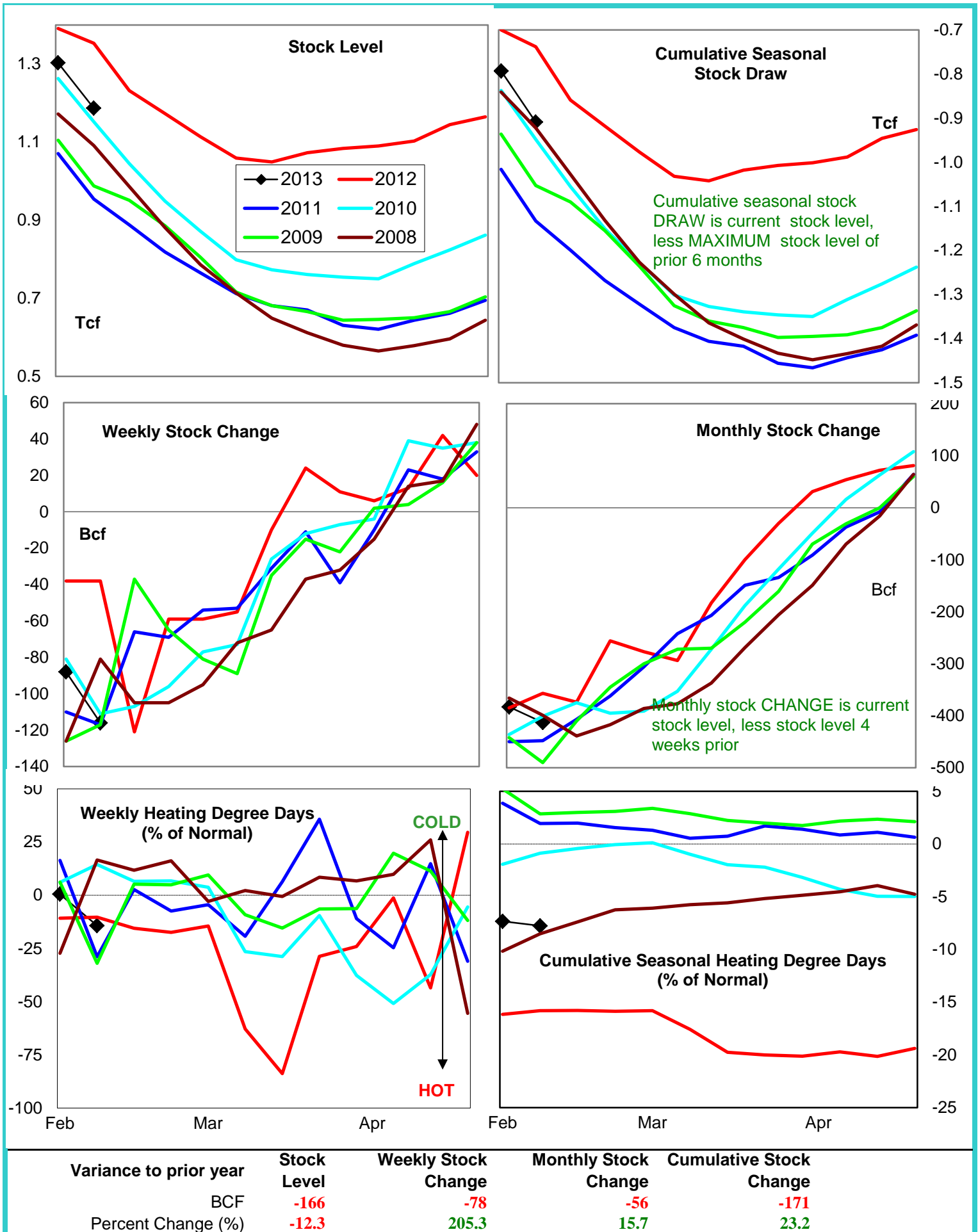
Date:	15-Feb-13	Change vs prior week, month, year		
		11-Feb-13	21-Jan-13	27-Feb-12
1st month Futures	3.15	-0.13	-0.41	0.69
% change	xxxxx	-3.8	-11.6	28.0



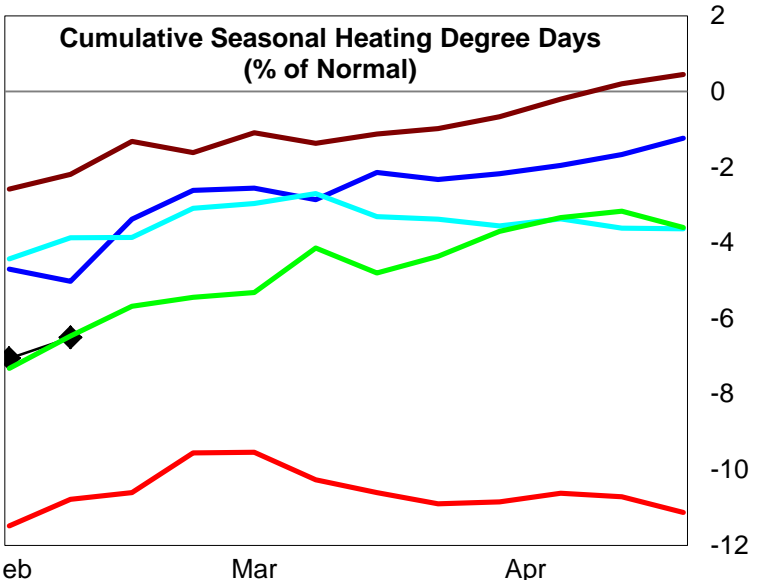
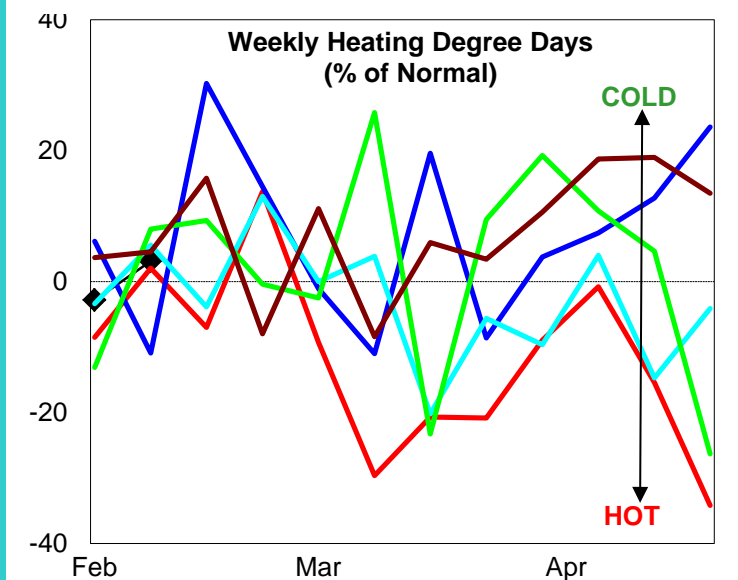
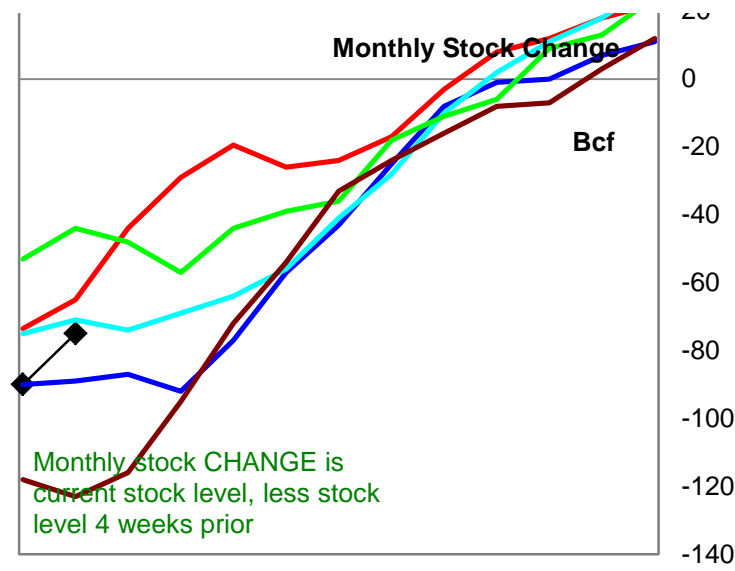
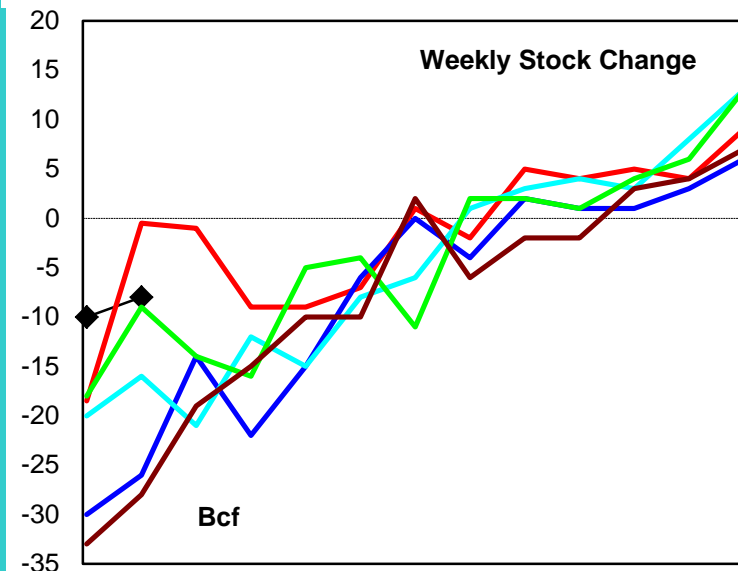
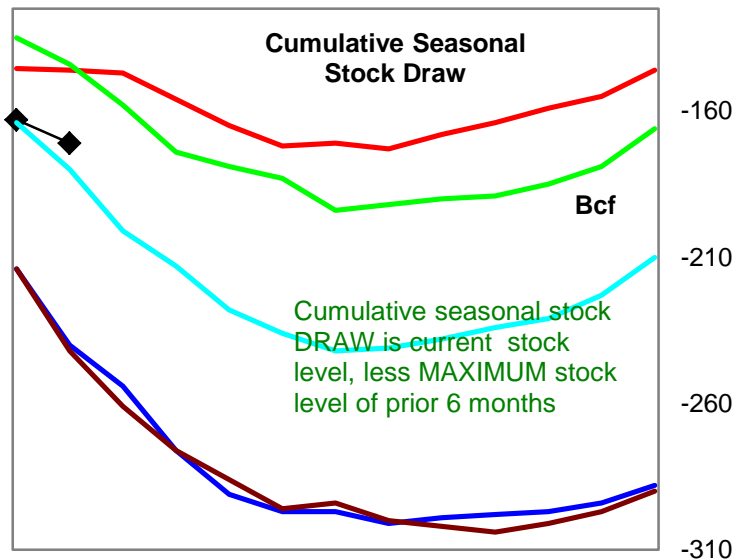
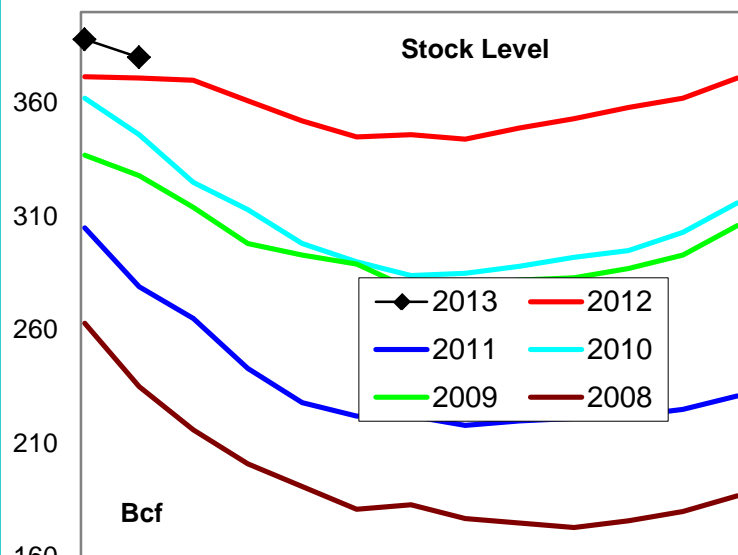
United States Natural Gas Stock and Weather Trends



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 (%)

9

-8

-10

-25

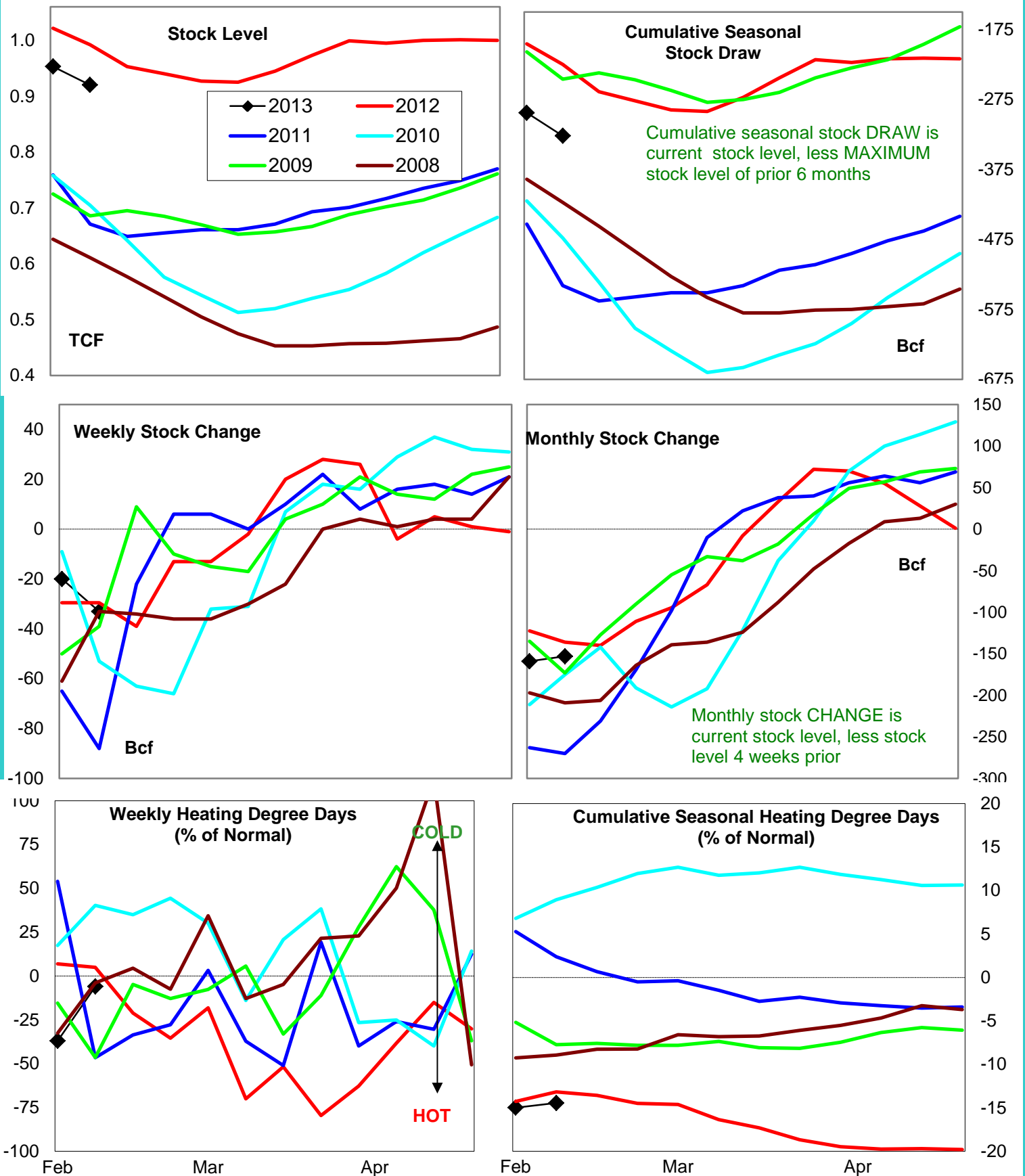
2.4

1,500.0

15.4

17.1

Natural Gas Producing Region Stock and Weather Trends



Variance to prior year

Stock Level

Weekly Stock Change

Monthly Stock Change

Cumulative Stock Change

BCF

-72

-4

-17

-102

Percent Change (%)

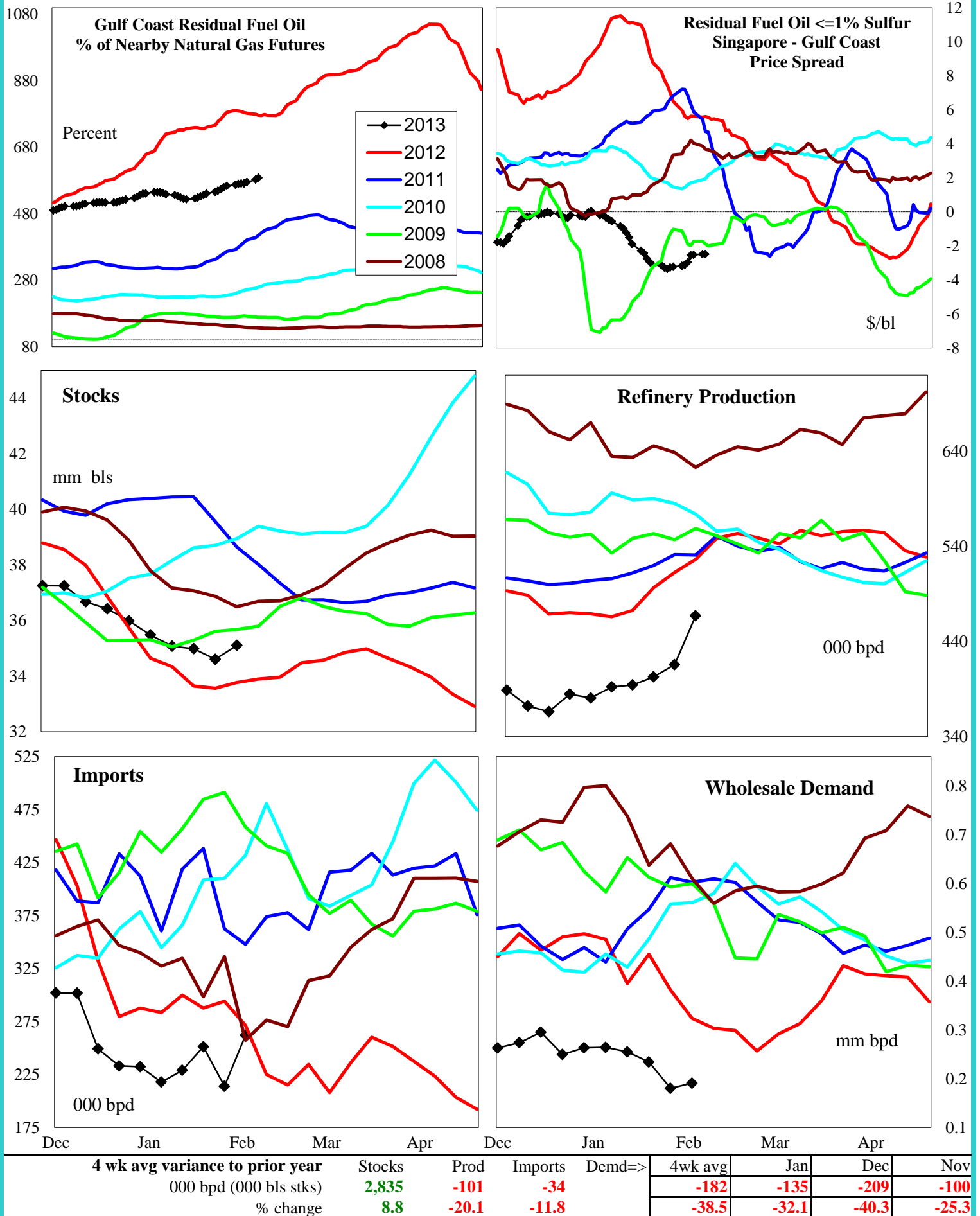
-7.0

11.9

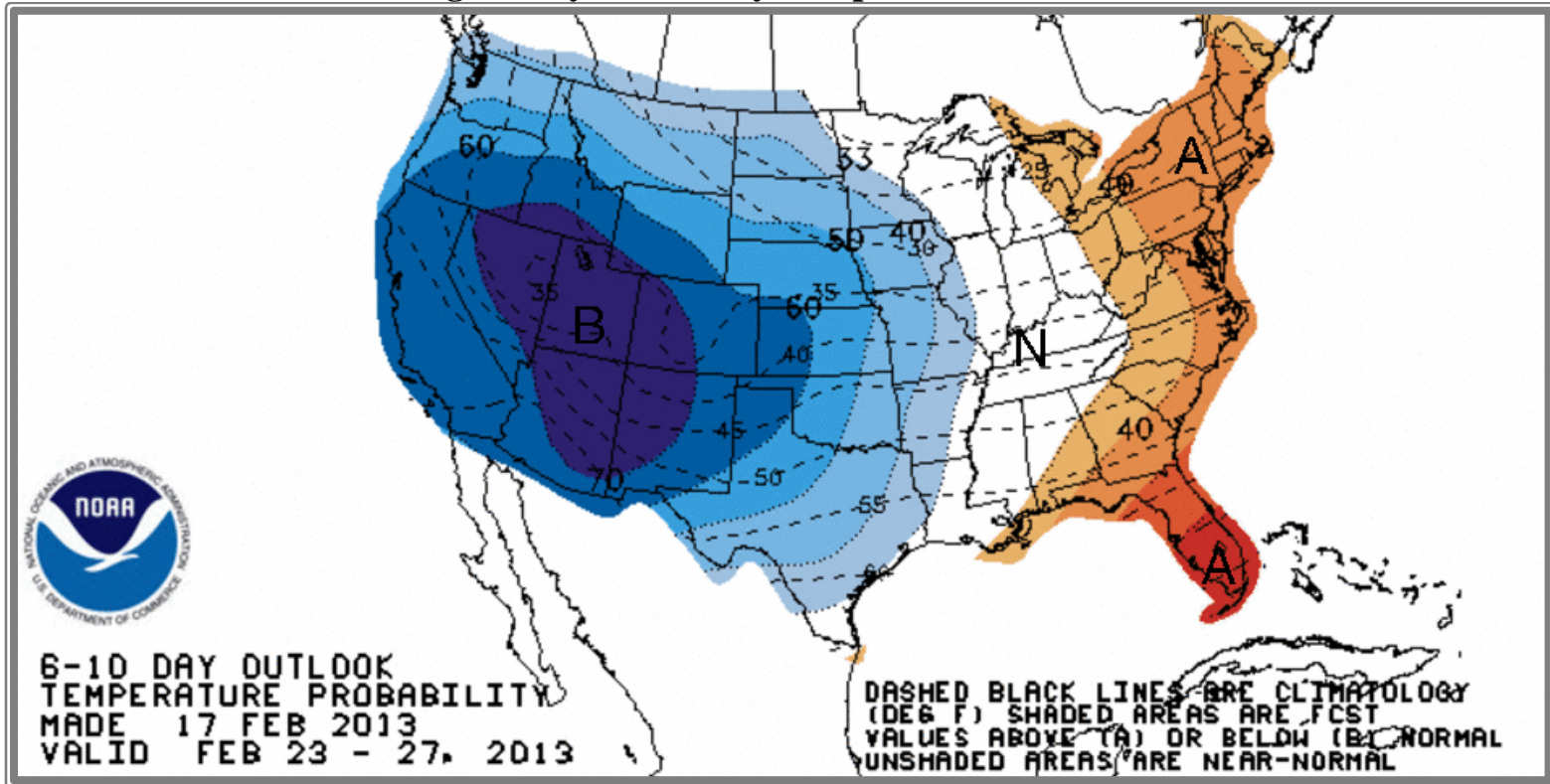
12.5

45.3

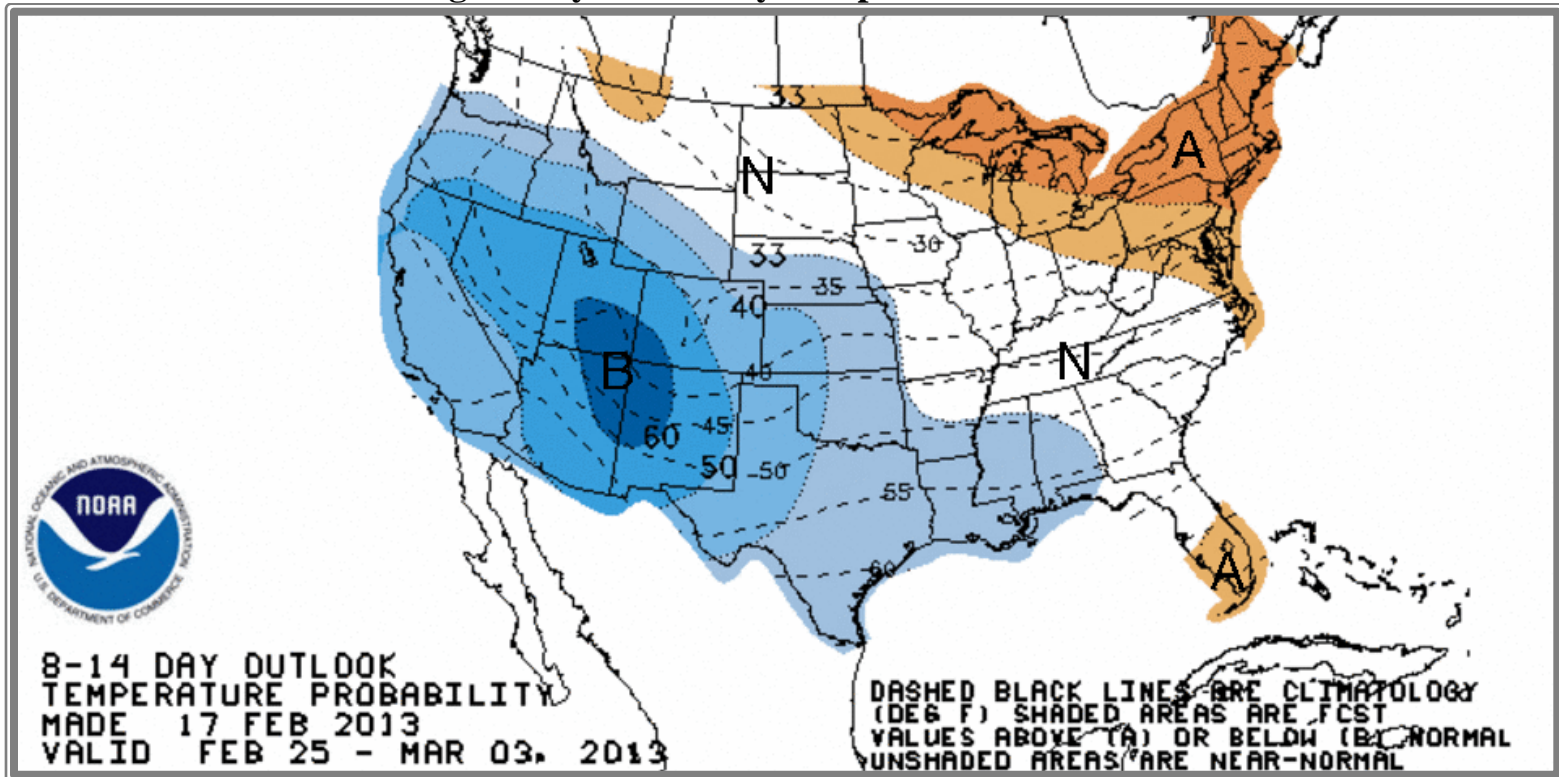
U.S. Residual Fuel Oil Price Spreads and Supply Balance



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

