



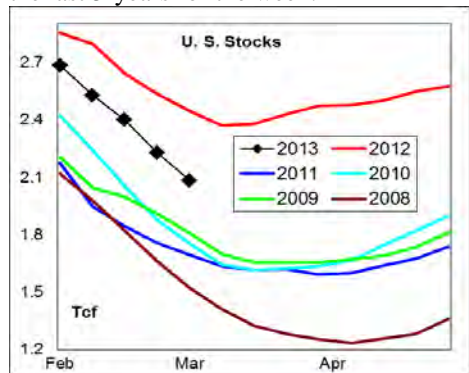
## WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

### A Fundamental Petroleum Trends Weekly Report

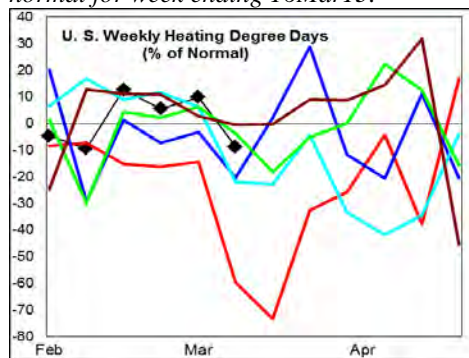
Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Monday, March 11, 2013



**Summary**<sup>1</sup> The stock draw of -146 Bcf for the week, matching the record draw of the last 5-years for the week.



Heating degree days for the week ending 02Mar13 were +5% above normal, +10% above normal for the week ending 08Mar13 and forecast to be -9% below normal for week ending 16Mar13.



In the East Region stocks decreased -77 Bcf for the week, a draw near the 5-year average for the period. Stocks decreased -11 Bcf in the West Region, a draw comparable to the 5-year mid range. Stocks decreased -58 Bcf in the producing region, a record draw for the week.

Heating degree days were +1% in the East Region, +5% above normal in the West Region and +37% above normal in the Producing Region for the week ending 02Mar13.

**Heating degree days** were +5% above normal for the week ending 02Mar13, +10% above normal for the week ending -09Mar13 and forecast to be -9% below normal for the week ending 16Mar13.

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

[Data Source is EIA Weekly Statistics](#)

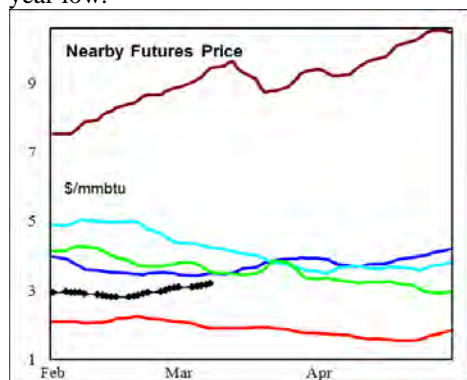
[National Weather Service 6-10 Day](#)

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

The 6-10 day NWS forecast for the week ending 20Mar13 is for below normal heating degree days across the western 1/2 and the entire southern region of the country and above normal heating degree days in the Great Lakes and New England.

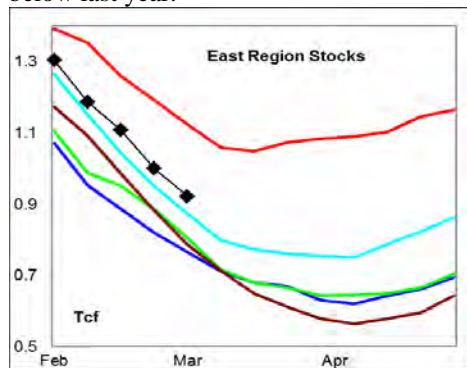
The 8-14 day NWS forecast for the week ending 24Mar13 is for below normal heating degree days in the southern region and above normal heating degree days in the northwest.

**Prices:** Nearby gas futures prices increased +\$0.14/mmbtu for the week ending 08Mar13. The current price level is +\$1.33/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 an increase in prompt demand, ending at a record high level for this time of year.

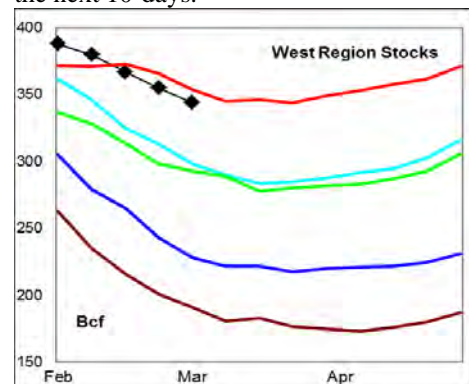
**East Region** stocks decreased -77 Bcf for the week, a draw near the 5-year mid range. The current stock level was -18% below last year.



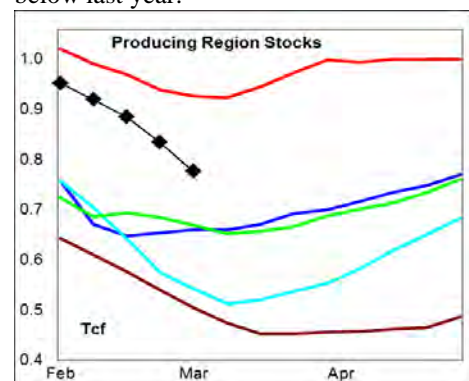
Heating degree days in the region were +1% above normal for the week ending 02Mar13, +11% above normal for the week ending 09Mar13 and forecast to be -7% below normal for the week ending 16Mar13. Heating degree days are forecast to be above normal in the region for the next 10-days.

**West Region** stocks decreased -11 Bcf on the week, a draw comparable to the 5-year

mid range. Stock levels ended the week -3% below last year. The latest 4-wk stock change was a draw of -44 Bcf, a draw less than the latest 3-year average. Heating degree days were +5% above normal for the weeks ended 02Mar13 and 09Mar13, and forecast to be -25% below normal for the week ended 16Mar13. Heating degree days are forecast to be below normal for the next 10-days.



**Producing Region** stocks decreased -58 Bcf for the week, a record draw for the week. Stock levels ended the week -16% below last year.



Heating degree days were +37% above normal for the week ended 02Mar13, +6% above normal for the week ended 09Mar13 and forecast to be -7% below normal for the week ending 16Mar13. 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 -37% below last year.

**Outlook:** Heating degree days are forecast to be below normal for the current week with the warming trend extending into the 3<sup>rd</sup> week of March for the western 2/3rds of the country.

Risk of price weakness is increased on this warming trend, combined with a seasonal downtrend in heating degree days and ample stock levels.

## NATURAL GAS: Graph Link and Weekly Summary



Report prepared as of: March 11, 2013

For the week ending: 1-Mar-13

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

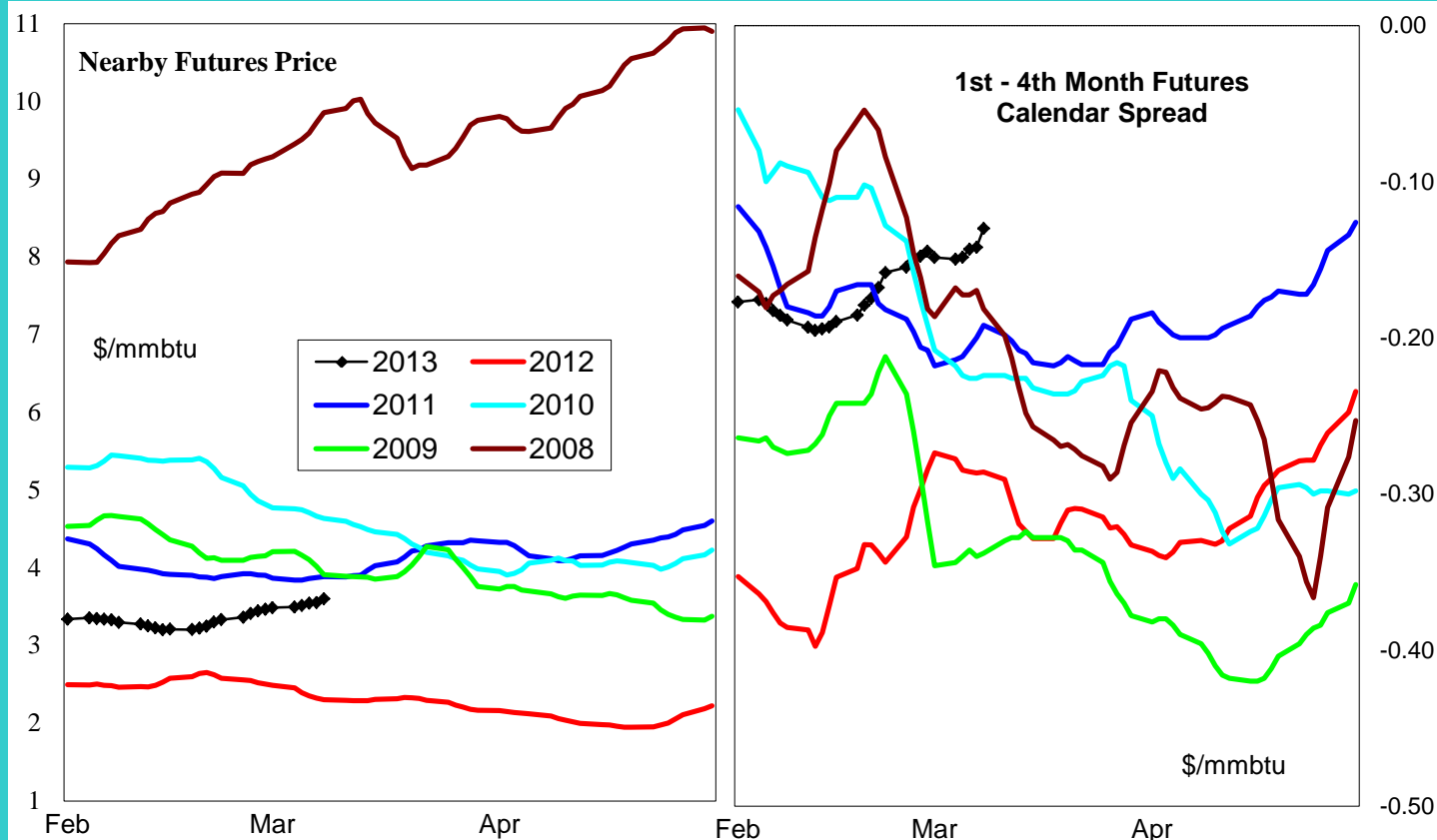
Week ending:	1-Mar-13			2-Mar-13		9-Mar-13		16-Mar-13	
Region	Weekly Stocks			Weekly Heating Degree Days					
		Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
	Bcf	Week Bcf	Year (%)						
U.S. Total	2,083	-146	-14.8	-29	5%	-7	10%	-46	-9%
East	922	-77	-17.9	-41	1%	5	11%	-51	-7%
West	344	-11	-2.8	-34	5%	-8	5%	-55	-25%
Producing	817	-58	-15.6	16	37%	-46	6%	-23	-7%

### Seasonal Trends in Stocks and Heating Degree Days

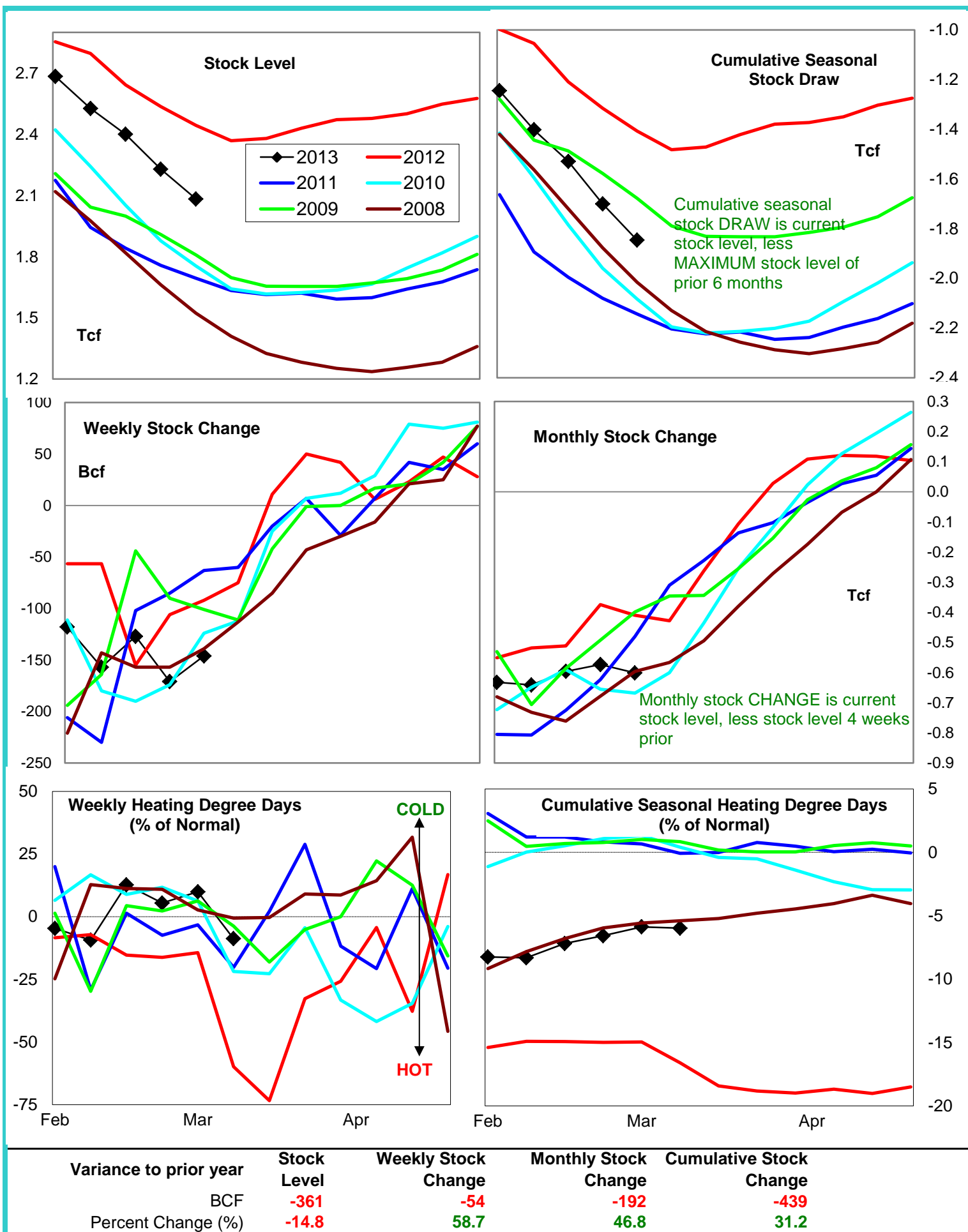
	Cumulative Stock Change			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
<b>U.S. Total</b>	<b>-1,846</b>	<b>-439</b>	<b>23.8</b>	<b>198</b>	<b>-6.6</b>	<b>191</b>	<b>-5.9</b>	<b>145</b>	<b>-6.0</b>
<b>East</b>	<b>-1,174</b>	<b>-206</b>	<b>17.5</b>	<b>216</b>	<b>-6.1</b>	<b>220</b>	<b>-5.4</b>	<b>169</b>	<b>-5.4</b>
<b>West</b>	<b>-207</b>	<b>-44</b>	<b>21.3</b>	<b>177</b>	<b>-4.9</b>	<b>169</b>	<b>-4.5</b>	<b>114</b>	<b>-5.2</b>
<b>Producing</b>	<b>-470</b>	<b>-181</b>	<b>38.5</b>	<b>147</b>	<b>-10.9</b>	<b>102</b>	<b>-10.3</b>	<b>79</b>	<b>-10.2</b>

### Futures Market Price Trends

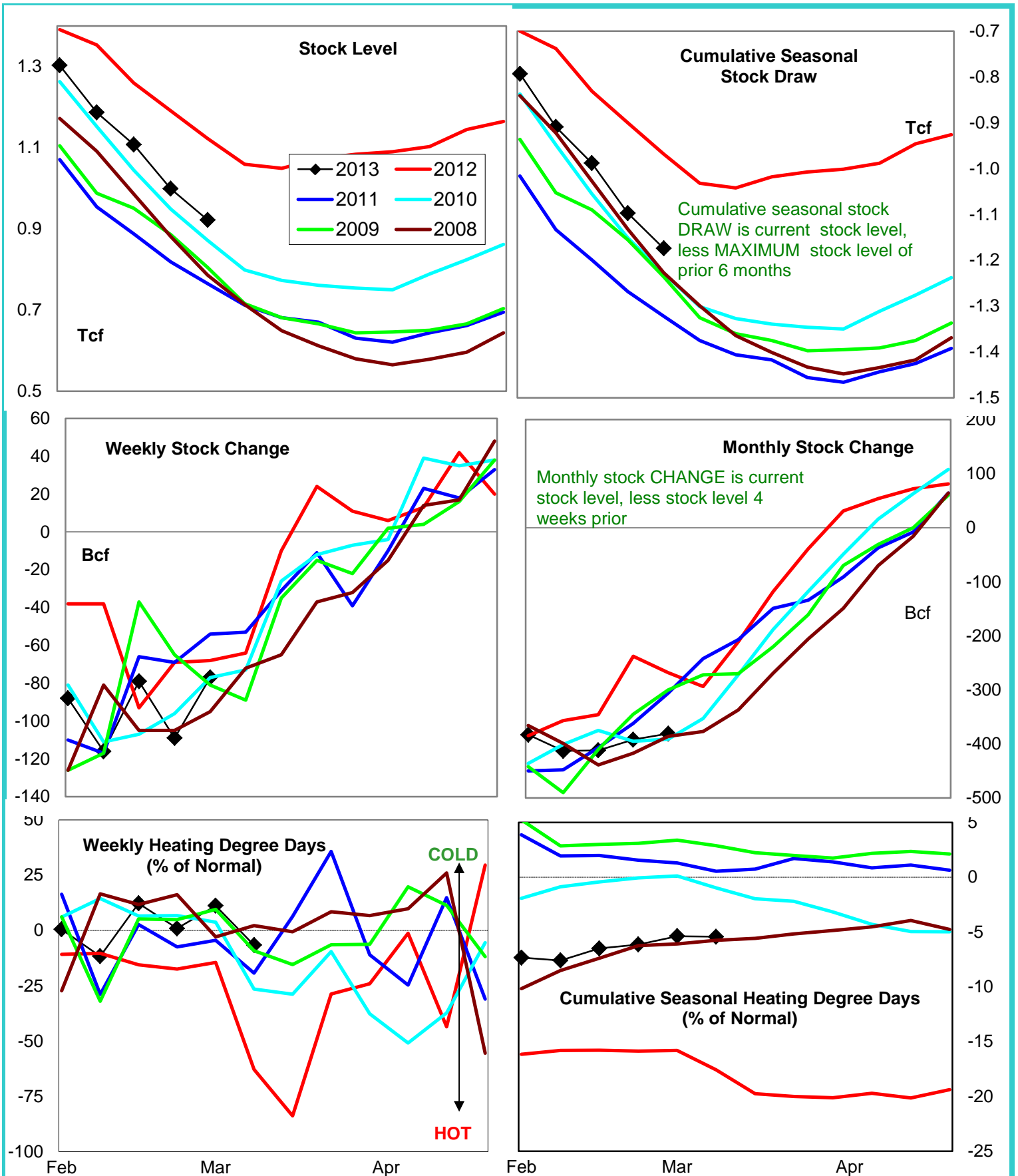
Date:	1-Mar-13	Change vs prior week, month, year		
		25-Feb-13	4-Feb-13	12-Mar-12
<b>1st month Futures</b>	<b>3.60</b>	<b>0.07</b>	<b>0.32</b>	<b>1.33</b>
<b>% change</b>	<b>xxxxx</b>	<b>2.0</b>	<b>9.8</b>	<b>58.7</b>



## United States Natural Gas Stock and Weather Trends



# Natural Gas East Region Stock and Weather Trends



Variance to prior year

Stock  
LevelWeekly Stock  
ChangeMonthly Stock  
ChangeCumulative Stock  
Change

BCF

-201

-9

-113

-206

Percent Change (%)

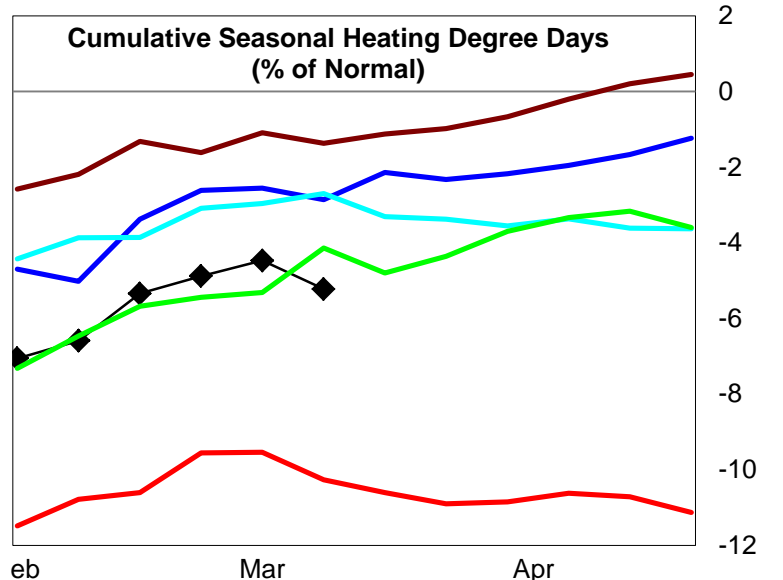
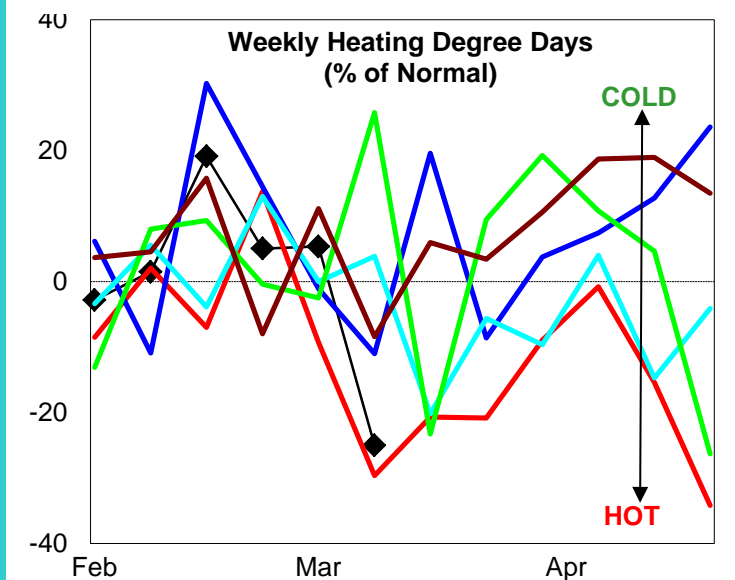
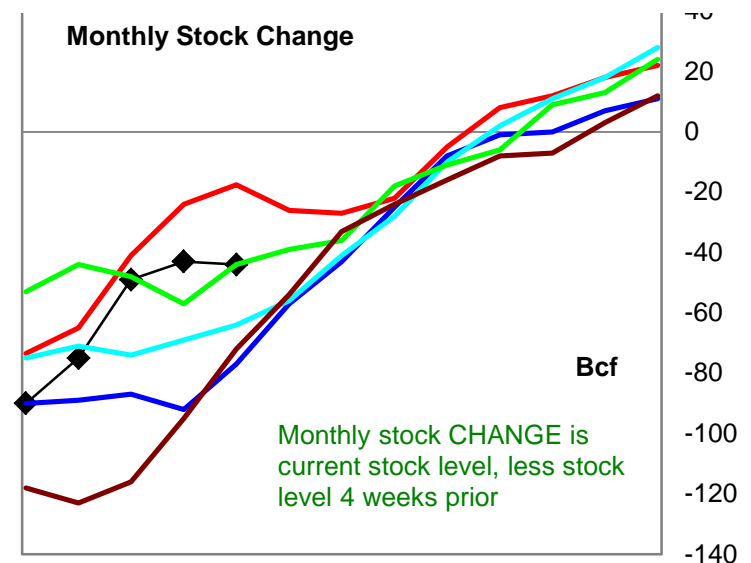
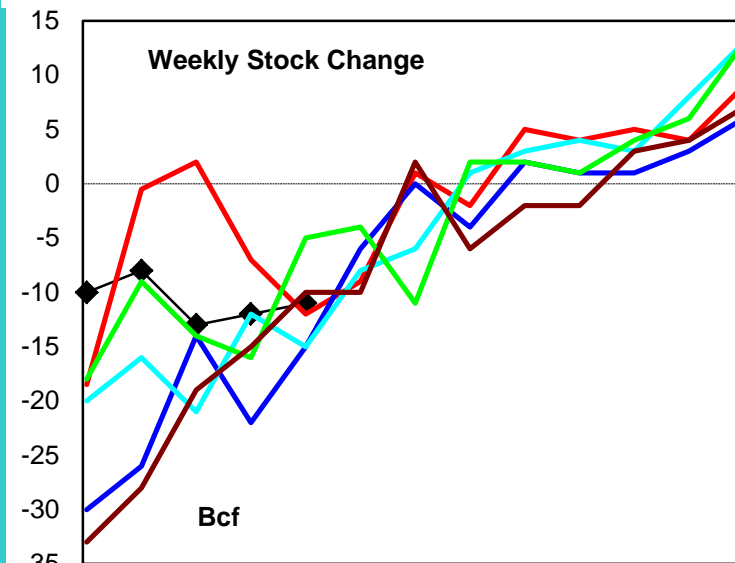
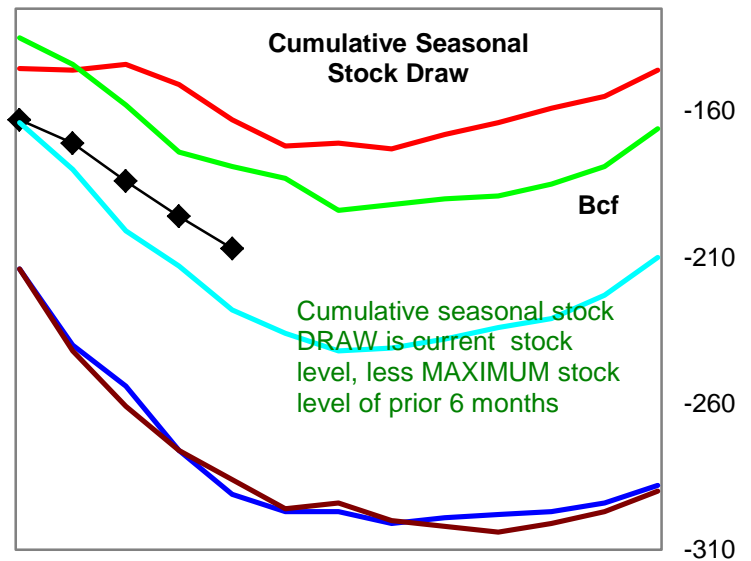
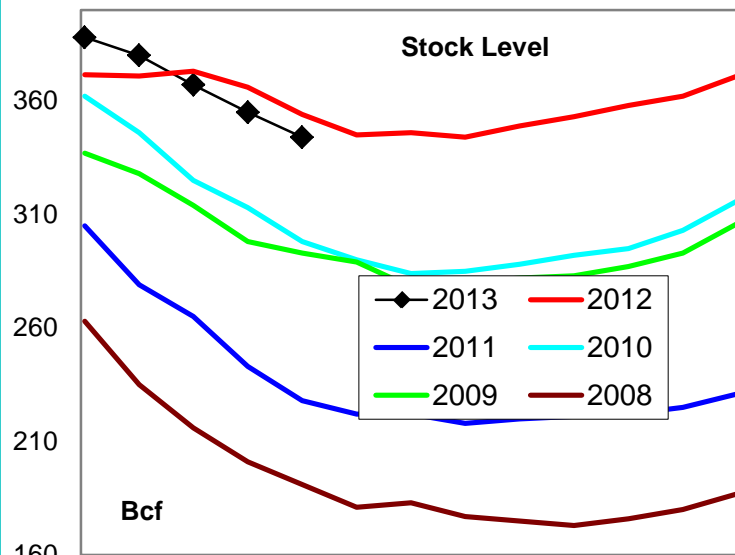
-17.9

13.2

42.2

21.3

# Natural Gas West Region Stock and Weather Trends



Variance to prior year

Stock Level

Weekly Stock Change

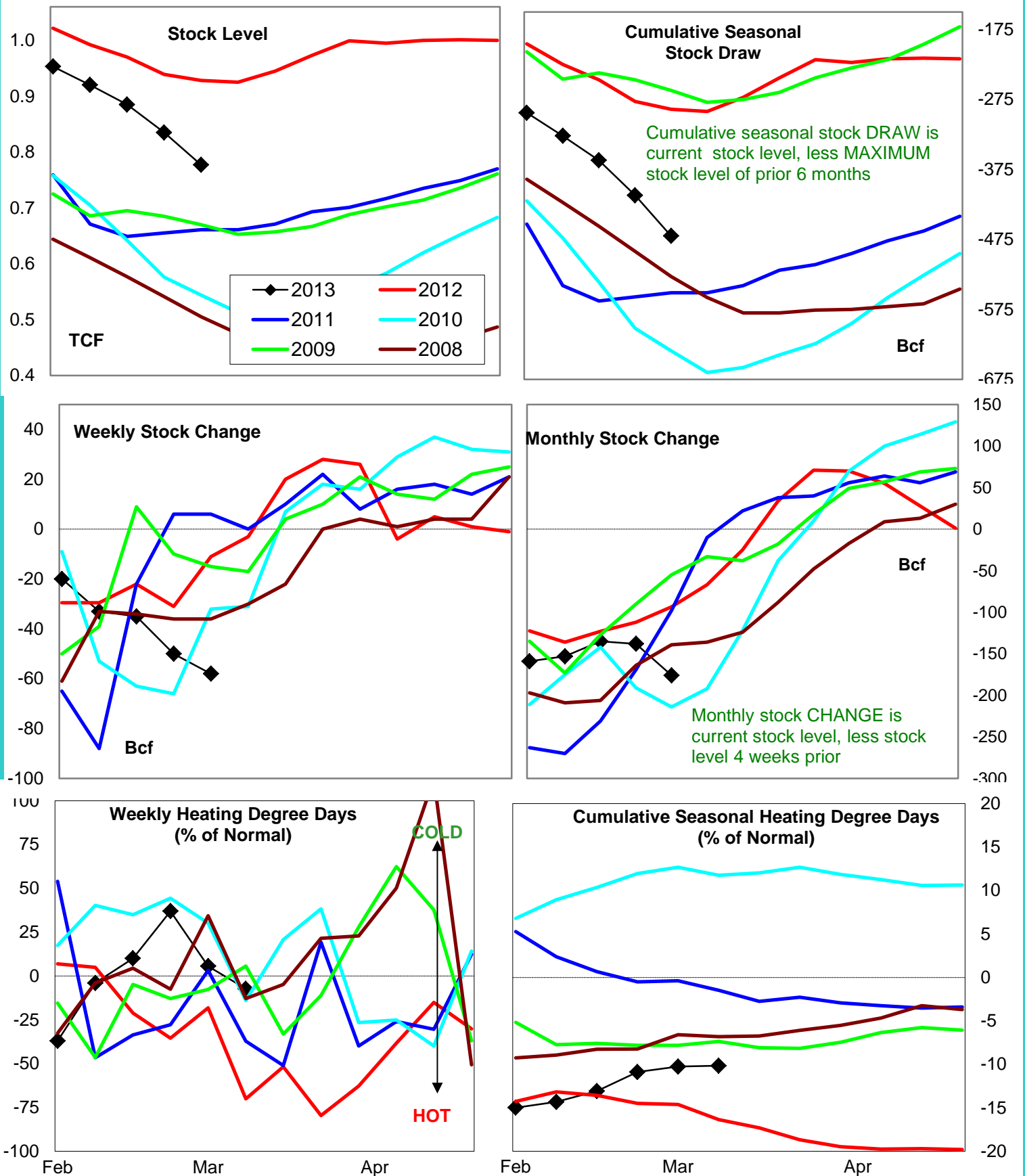
Monthly Stock Change

Cumulative Stock Change

BCF  
Percent Change (%)-10  
-2.81  
-8.3-27  
151.4-44  
27.0



# Natural Gas Producing Region Stock and Weather Trends



Variance to prior year

Stock Level

Weekly Stock Change

Monthly Stock Change

Cumulative Stock Change

BCF

-151

-47

-83

-181

Percent Change (%)

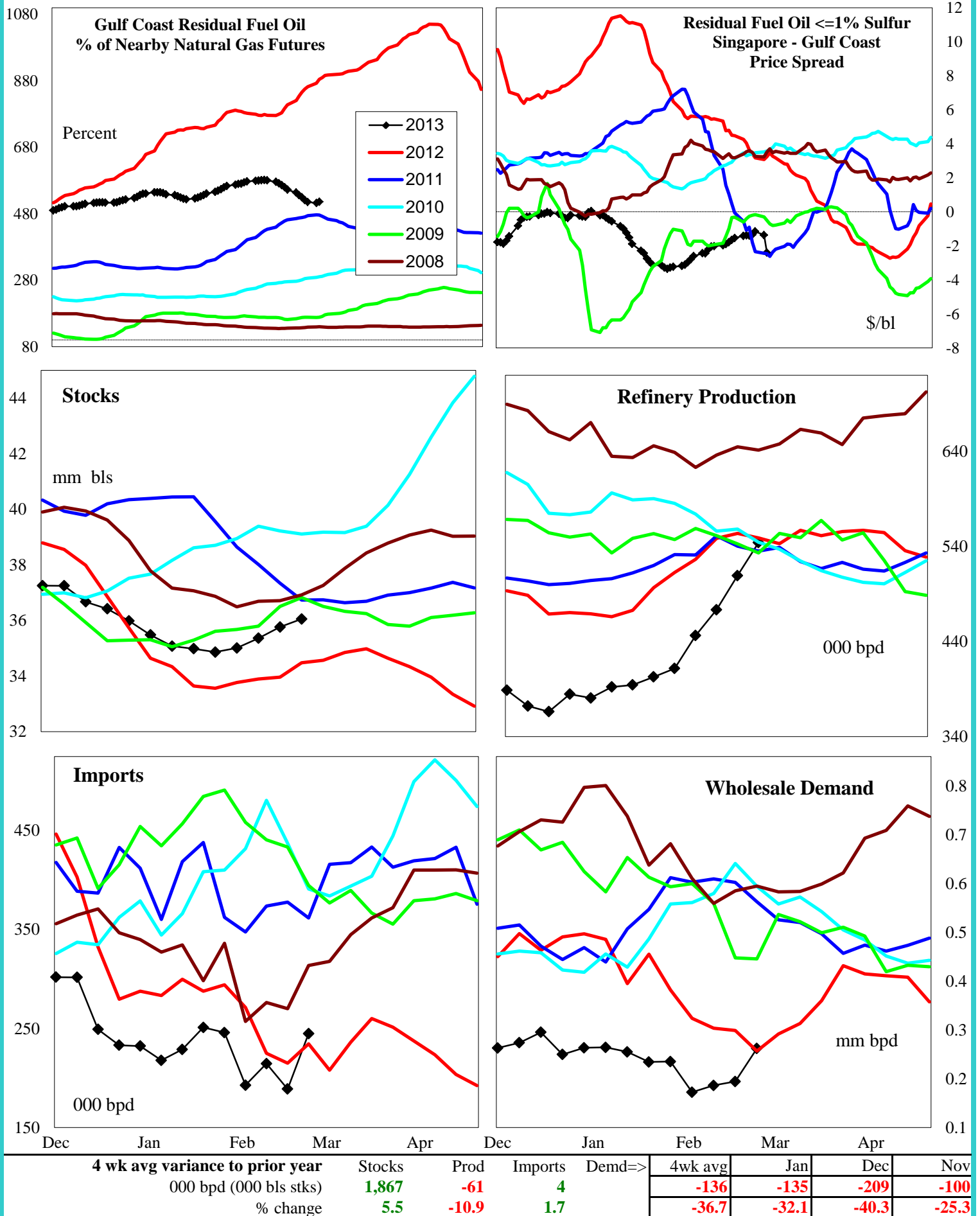
-15.6

427.3

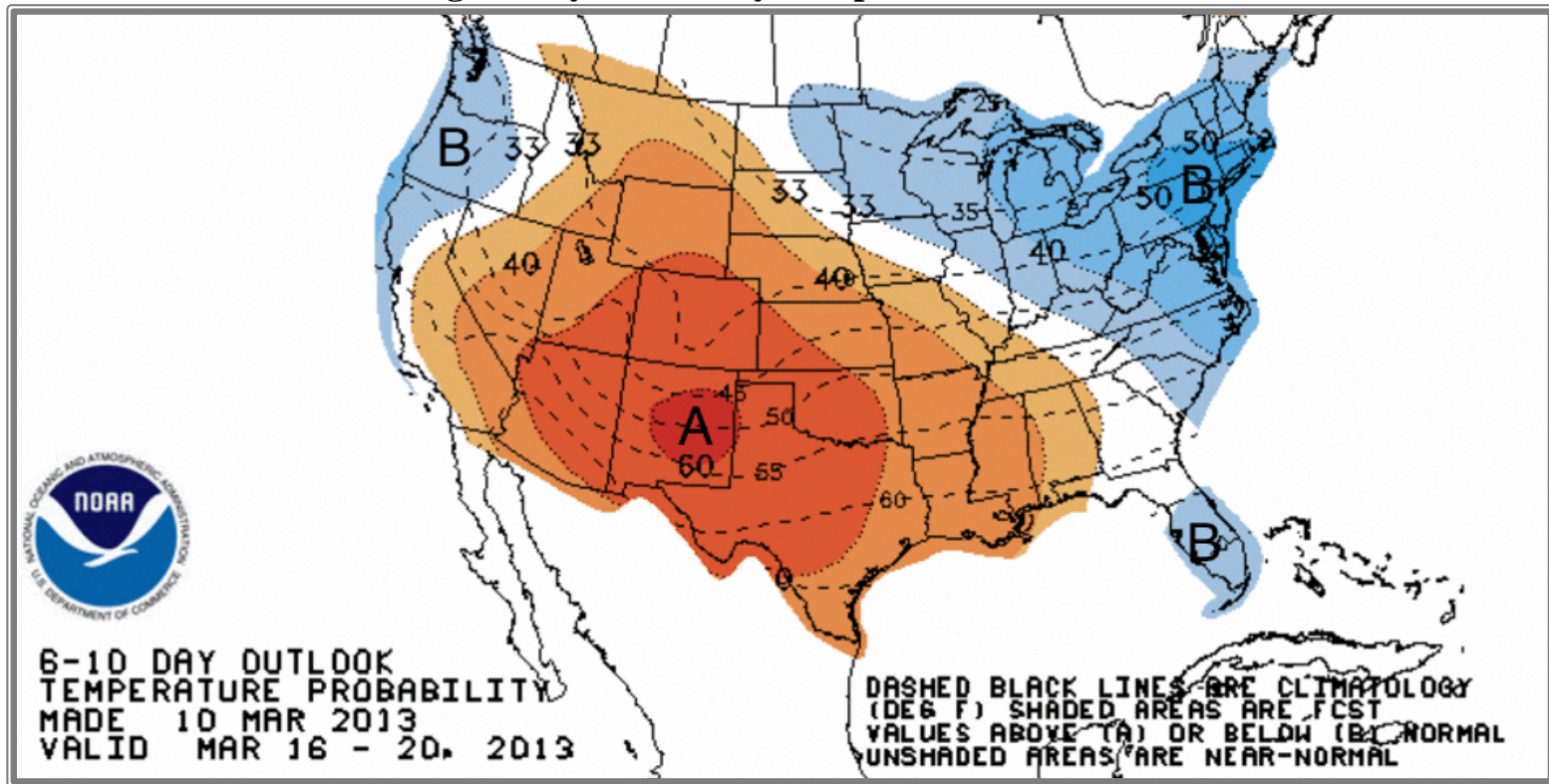
88.2

62.6

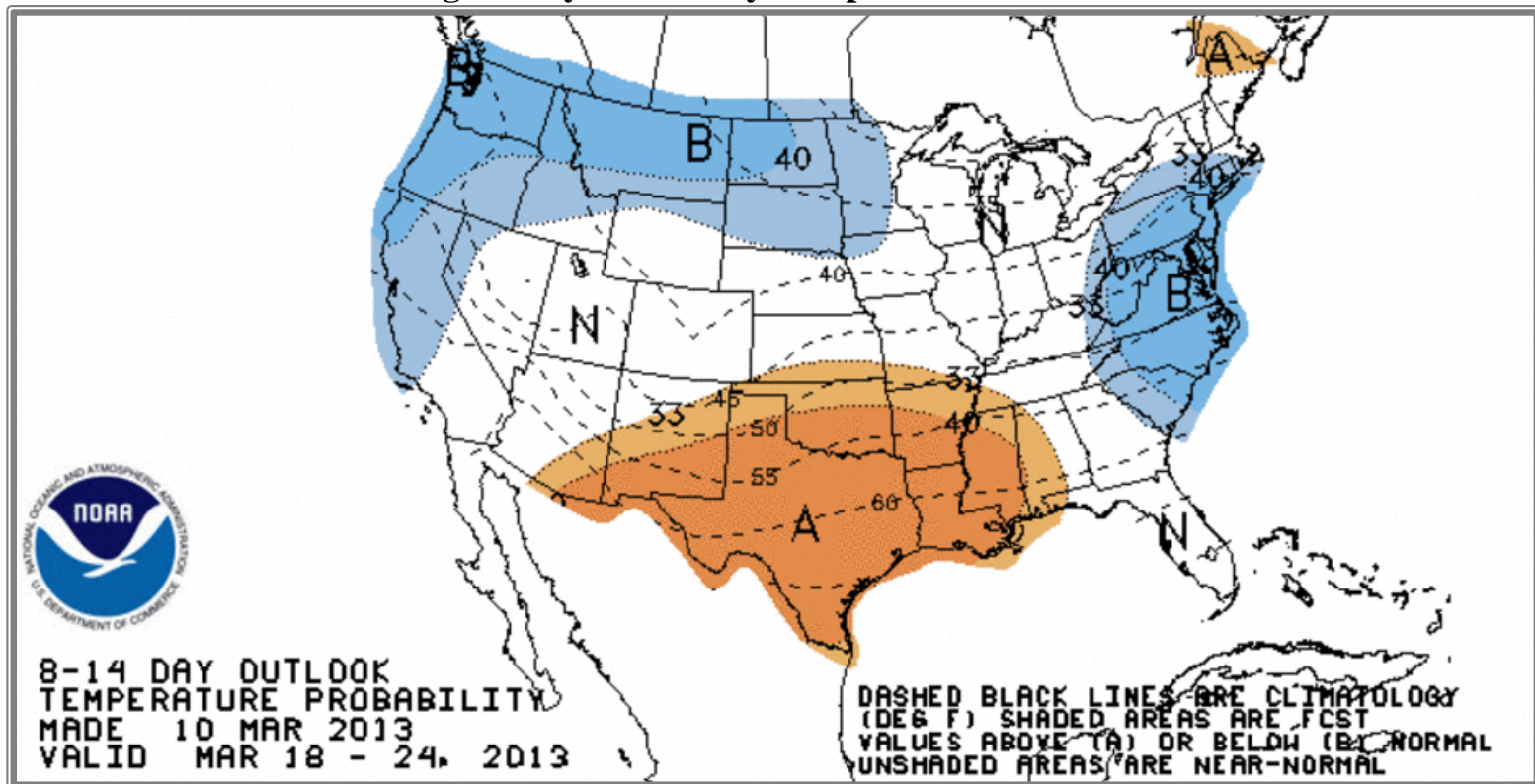
## U.S. Residual Fuel Oil Price Spreads and Supply Balance



## 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

