



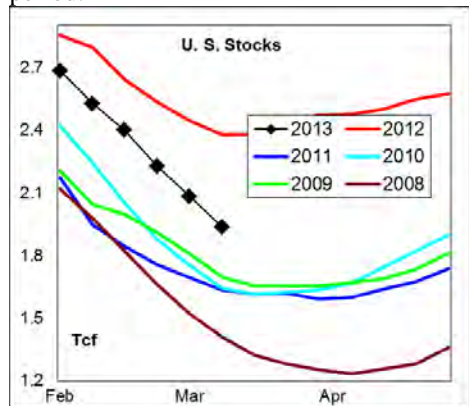
# WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

## A Fundamental Petroleum Trends Weekly Report

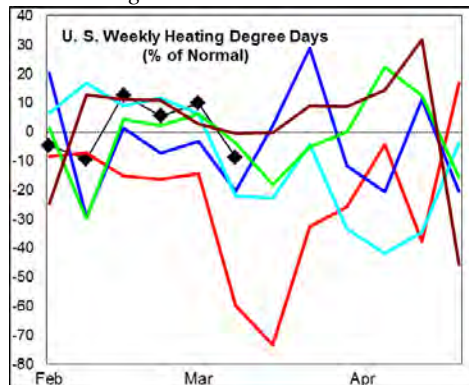
Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Monday, March 18, 2013



**Summary** <sup>1</sup> The stock draw of -145 Bcf for the week, was a record draw for the period.



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



In the East Region stocks decreased -92 Bcf for the week, a record draw for the period. Stocks decreased -5 Bcf in the West Region, a draw less than the 5-year mid range. Stocks decreased -48 Bcf in the producing region, a record draw for the week.

Heating degree days were +11% above normal in the East Region, +5% above normal in the West Region and +6% above normal in the Producing Region for the week ending 09Mar13.

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

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

[Data Source is EIA Weekly Statistics](#)

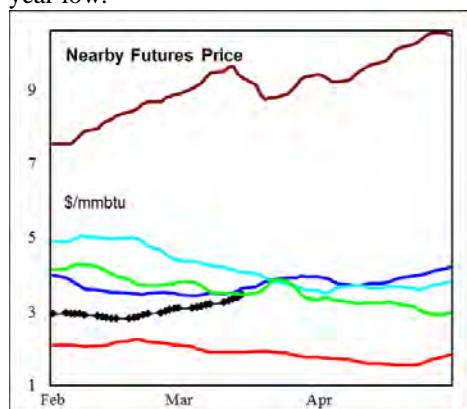
[National Weather Service 6-10 Day](#)

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

The 6-10 day NWS forecast for the week ending 27Mar13 is for much above normal heating degree days across the eastern 2/3rds of the country and below normal in the western 1/3<sup>rd</sup>.

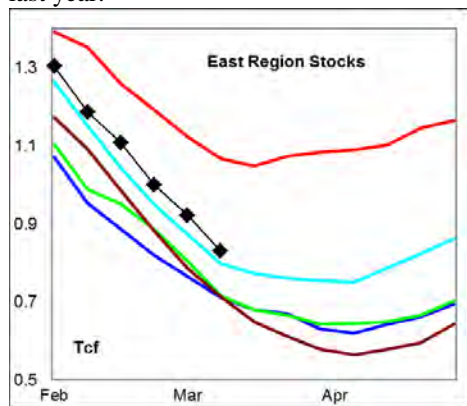
The 8-14 day NWS forecast for the week ending 31Mar13 is for above normal heating degree days in the eastern 1/2 of the country and below normal in the western 1/2.

**Prices:** Nearby gas futures prices increased +\$0.24/mmbtu for the week ending 15Mar13. The current price level is +\$1.59/mmbtu above last years' record 5-year low.



The 1<sup>st</sup> - 4<sup>th</sup> month forward price curve trended sharply higher last week on a surge in prompt demand, ending at a record high level for this time of year.

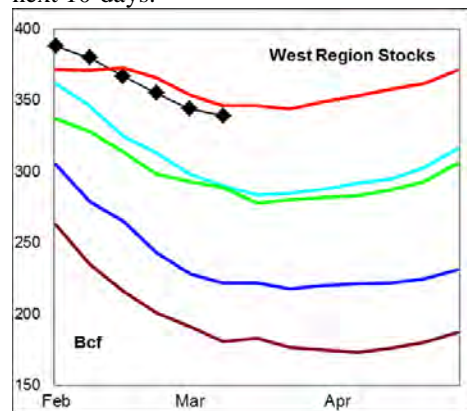
**East Region** stocks decreased -92 Bcf for the week, a record draw for the period. The current stock level was -22% below last year.



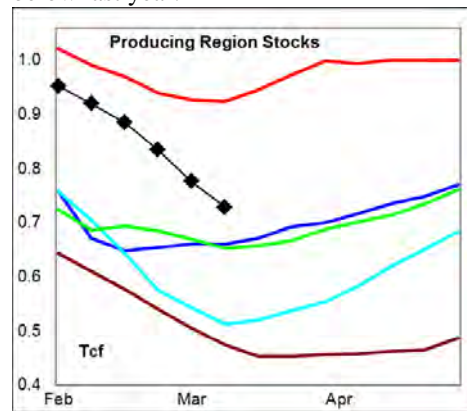
Heating degree days in the region were +11% above normal for the week ending 09Mar13, and estimated to be -9% below normal for the week ending 16Mar13. Heating degree days are forecast to be much above normal in the region for the next 10-days.

**West Region** stocks decreased -5 Bcf on the week, a draw less than the mid range.

Stock levels ended the week -2% below last year. The latest 4-wk stock change was a draw of -39 Bcf, a draw less than the latest 3-year average. Heating degree days were +5% above normal for the weeks ended 09Mar13 and estimated to be -25% below normal for the week ended 16Mar13. Heating degree days are forecast to be well below normal for the next 10-days.



**Producing Region** stocks decreased -48 Bcf for the week, a record draw for the week. Stock levels ended the week -20% below last year.



Heating degree days were +6% above normal for the week ended 09Mar13, and estimated to be -7% below normal for the week ending 16Mar13. Well 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 +17% above last year.

**Outlook:** Heating degree days are forecast to be sharply above normal through month end in the eastern 2/3rds of the country.

A late winter spike in heating demand should support prices at elevated levels for the near term.

## NATURAL GAS: Graph Link and Weekly Summary



Report prepared as of: March 18, 2013

For the week ending: 8-Mar-13

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

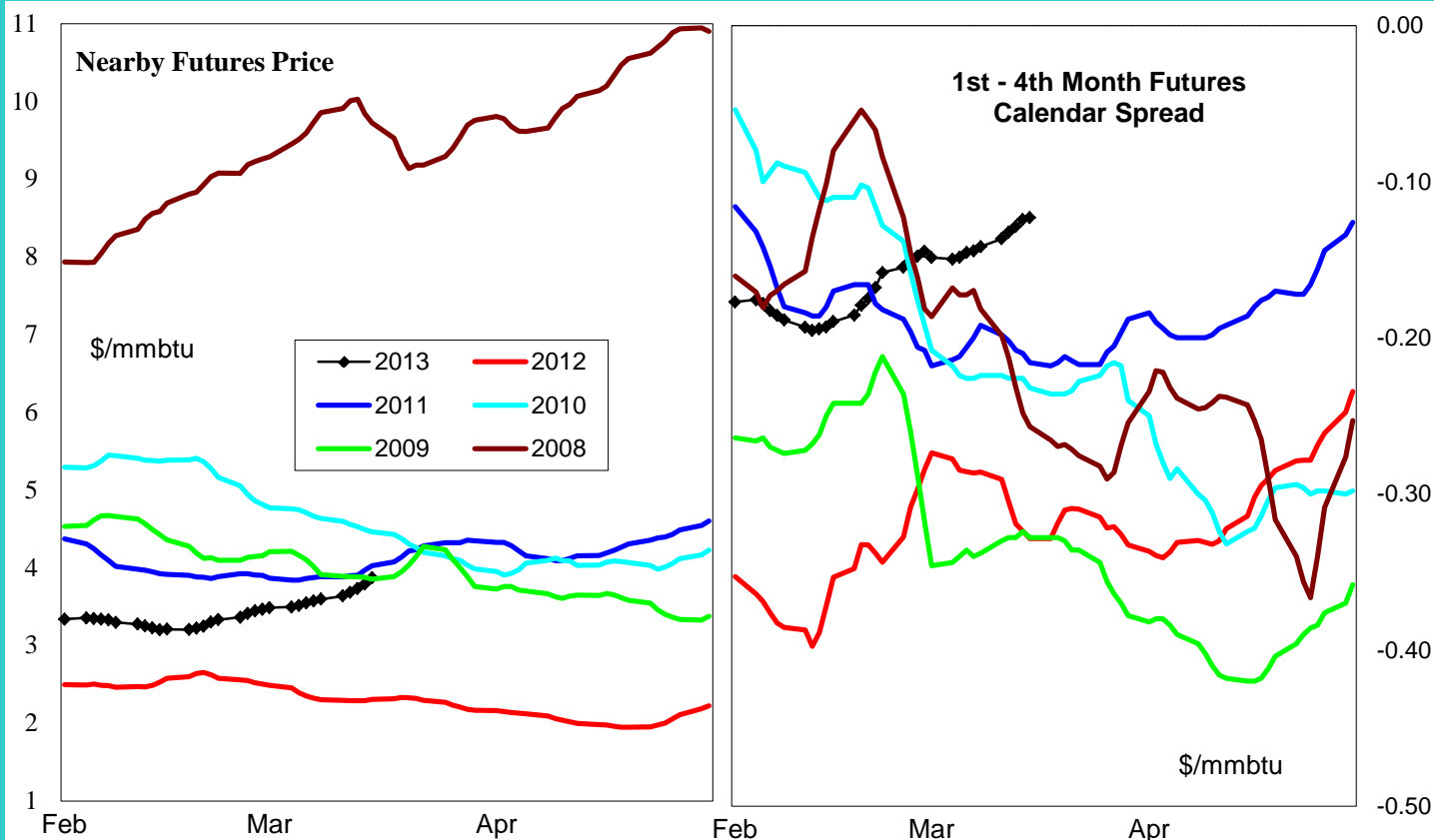
Week ending:	8-Mar-13			2-Mar-13		9-Mar-13		16-Mar-13	
Region	Weekly Stocks			Weekly Heating Degree Days					
		Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
	Bcf	Week Bcf	Year (%)						
U.S. Total	1,938	-145	-18.5	-29	5%	-7	10%	-46	-9%
East	830	-92	-22.2	-41	1%	5	11%	-51	-7%
West	339	-5	-2.0	-34	5%	-8	5%	-55	-25%
Producing	769	-48	-20.3	16	37%	-46	6%	-23	-7%

### Seasonal Trends in Stocks and Heating Degree Days

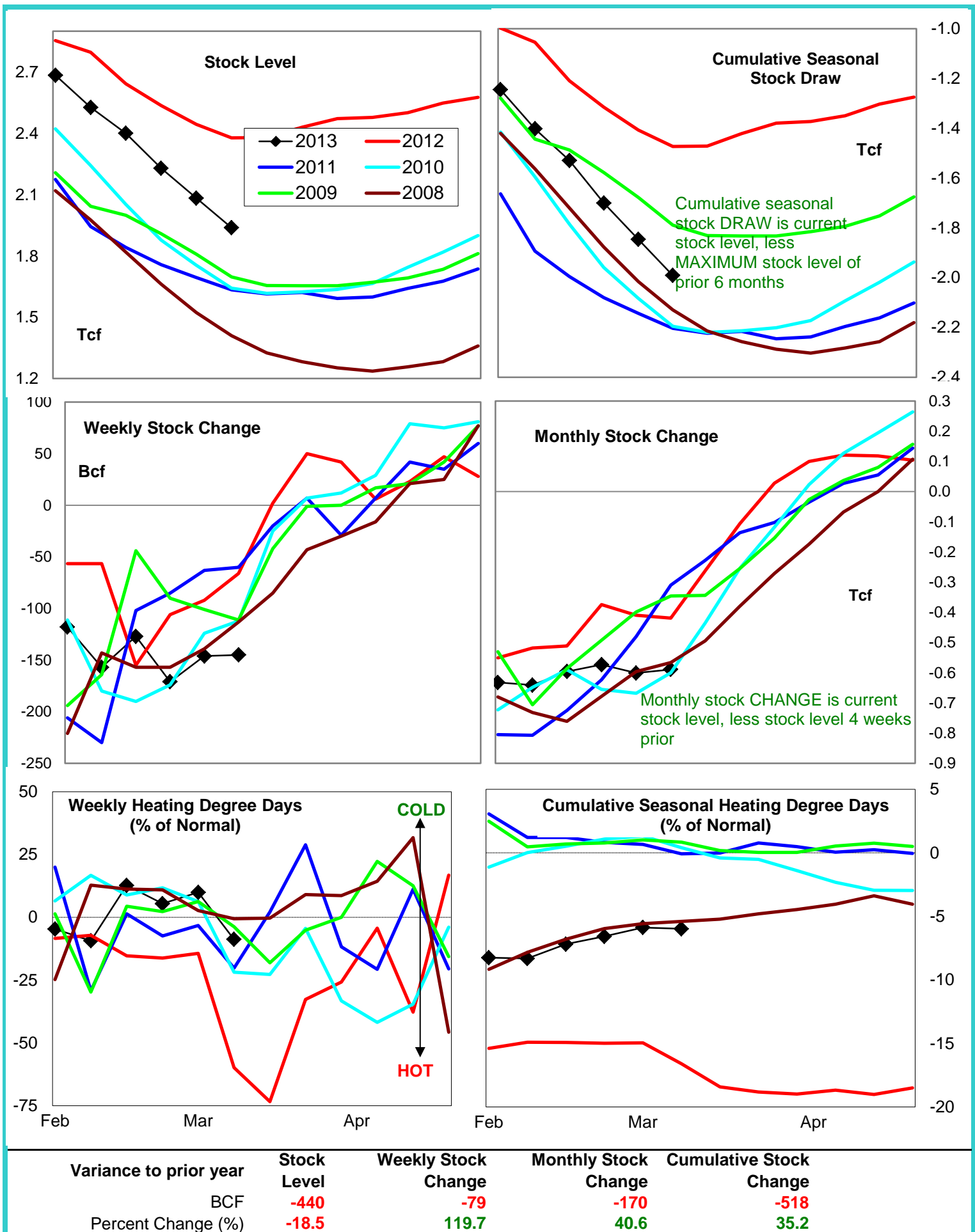
	Cumulative Stock Change			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
<b>U.S. Total</b>	<b>-1,991</b>	<b>-518</b>	<b>26.0</b>	<b>198</b>	<b>-6.6</b>	<b>191</b>	<b>-5.9</b>	<b>145</b>	<b>-6.0</b>
<b>East</b>	<b>-1,266</b>	<b>-242</b>	<b>19.1</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>-212</b>	<b>-41</b>	<b>19.3</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>-518</b>	<b>-226</b>	<b>43.6</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

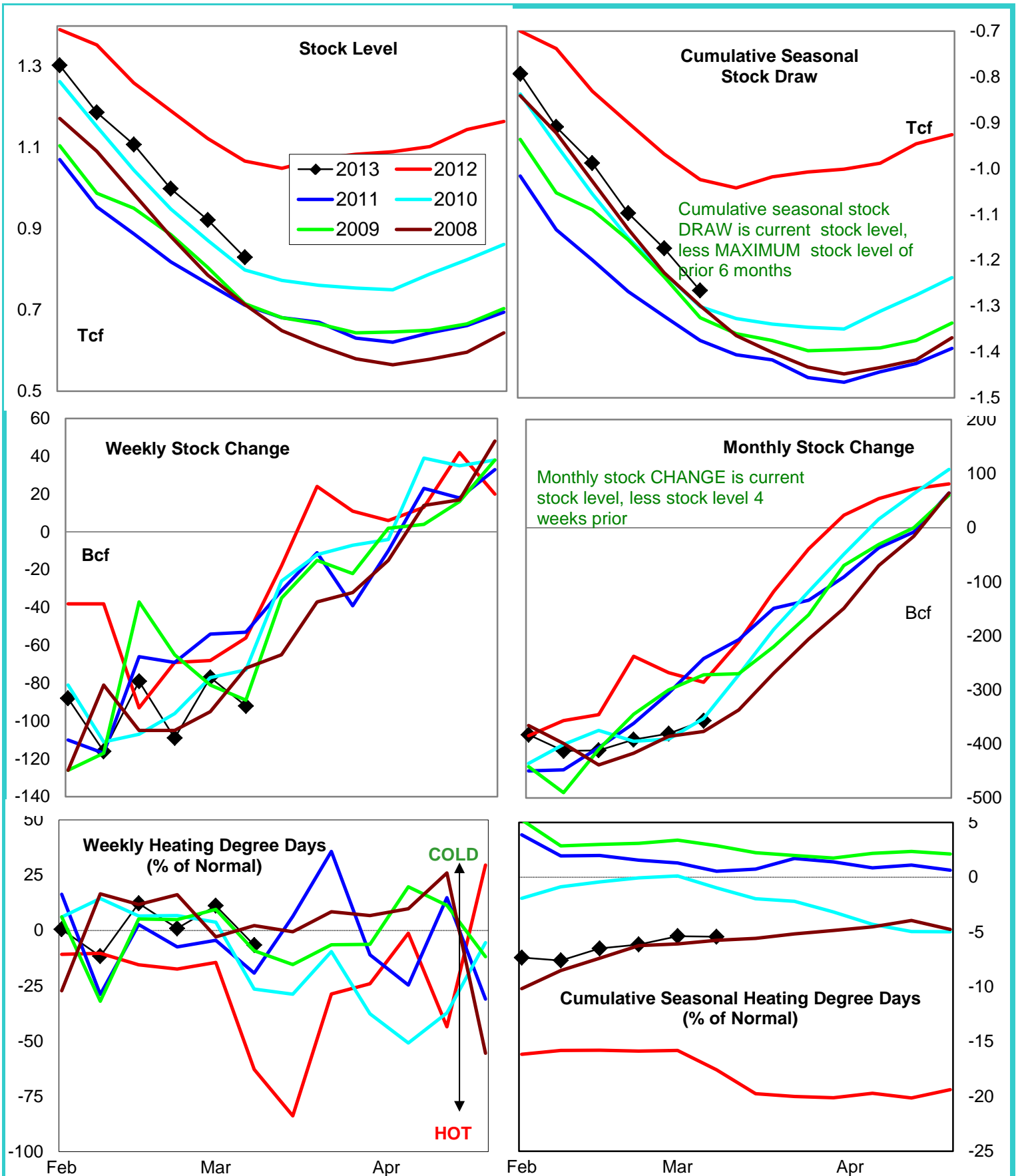
Date:	15-Mar-13	Change vs prior week, month, year		
		11-Mar-13	18-Feb-13	26-Mar-12
<b>1st month Futures</b>	<b>3.87</b>	<b>0.22</b>	<b>0.72</b>	<b>1.72</b>
<b>% change</b>	<b>xxxxx</b>	<b>6.1</b>	<b>22.8</b>	<b>80.2</b>



# 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

-237

-36

-71

-242

Percent Change (%)

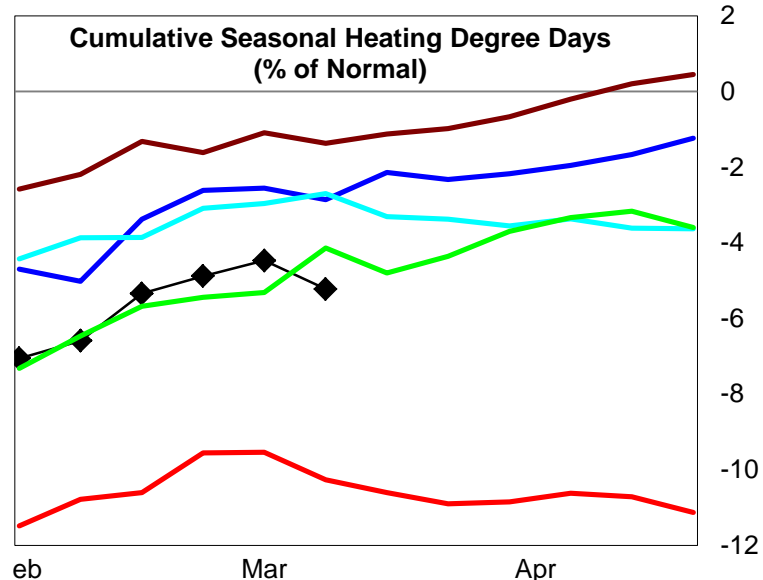
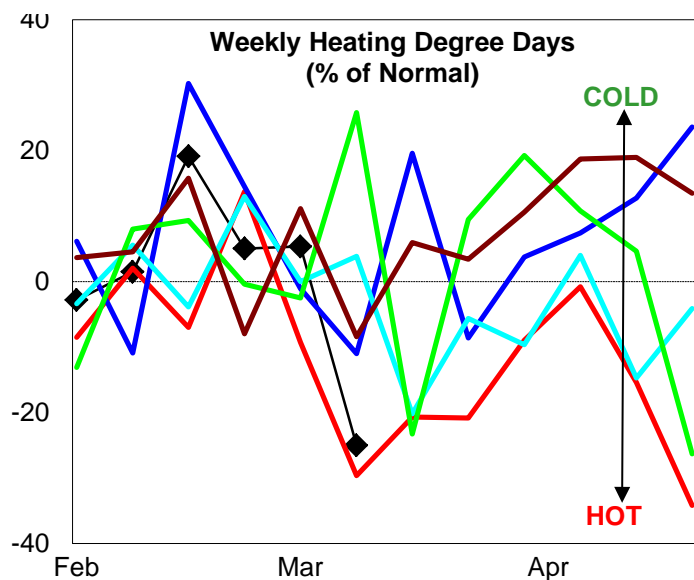
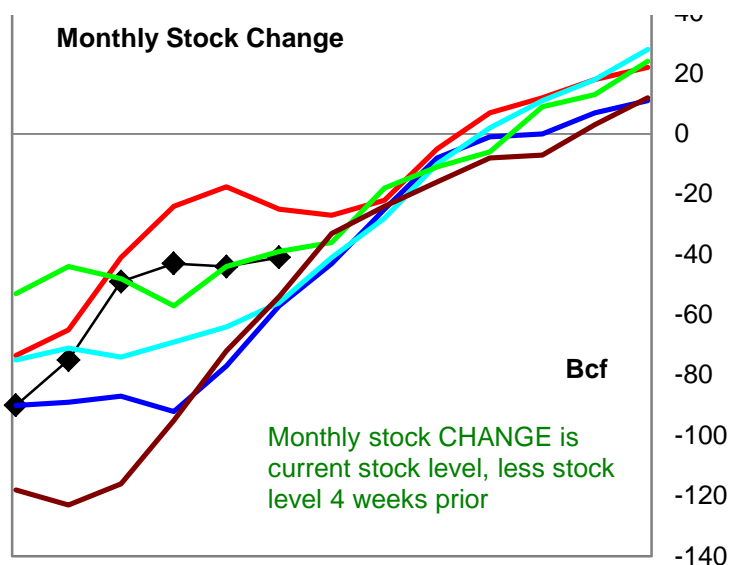
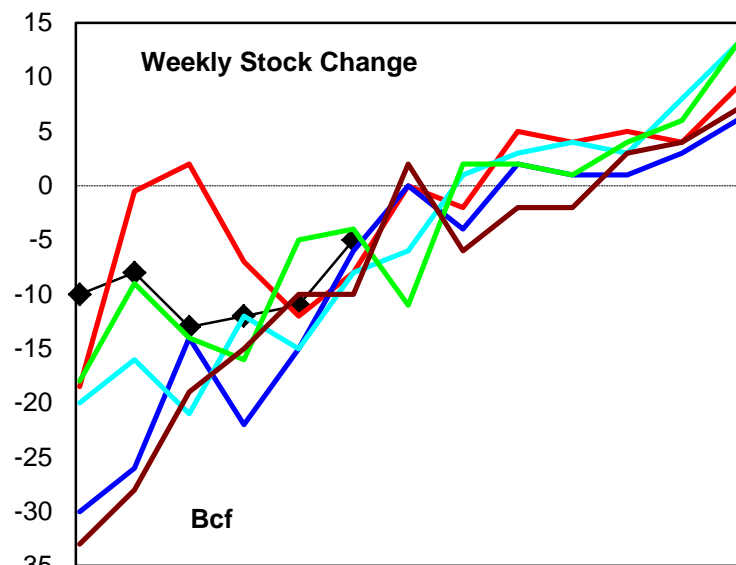
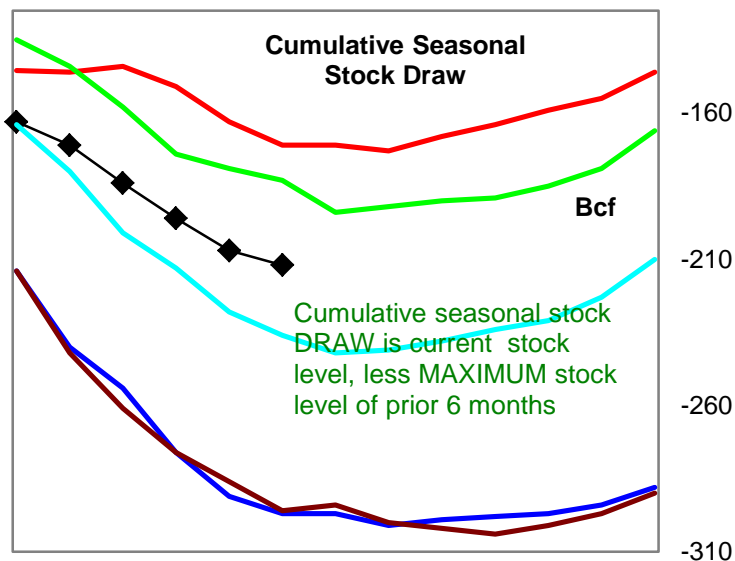
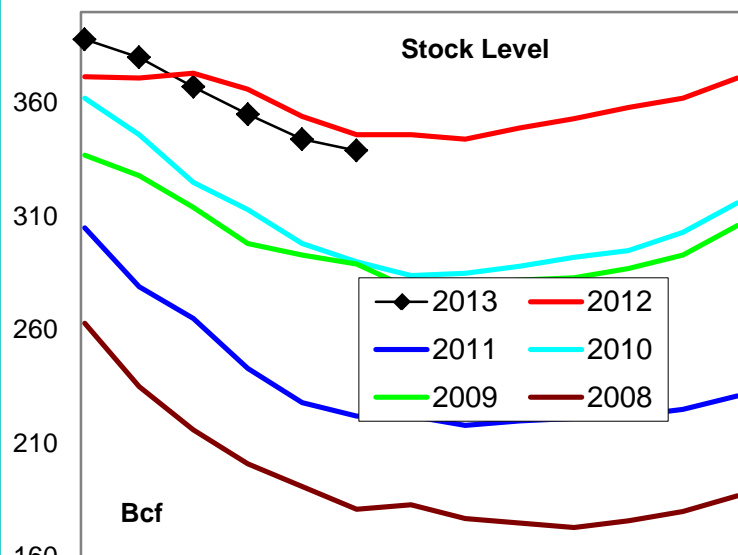
-22.2

64.3

24.8

23.6

# Natural Gas West Region Stock and Weather Trends



Variance to prior year

Stock Level

Weekly Stock Change

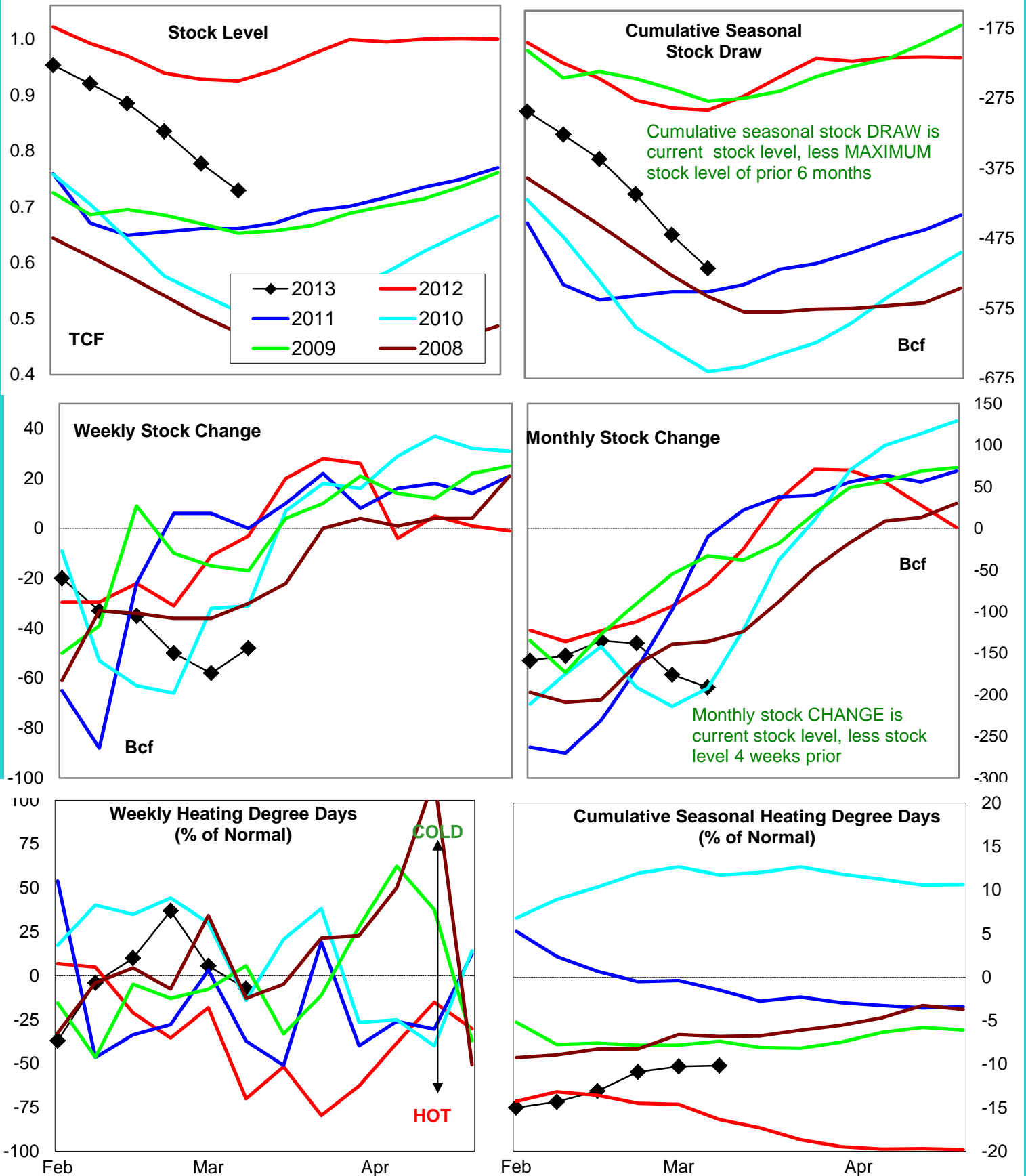
Monthly Stock Change

Cumulative Stock Change

BCF  
Percent Change (%)-7  
-2.03  
-37.5-16  
64.0-41  
24.0



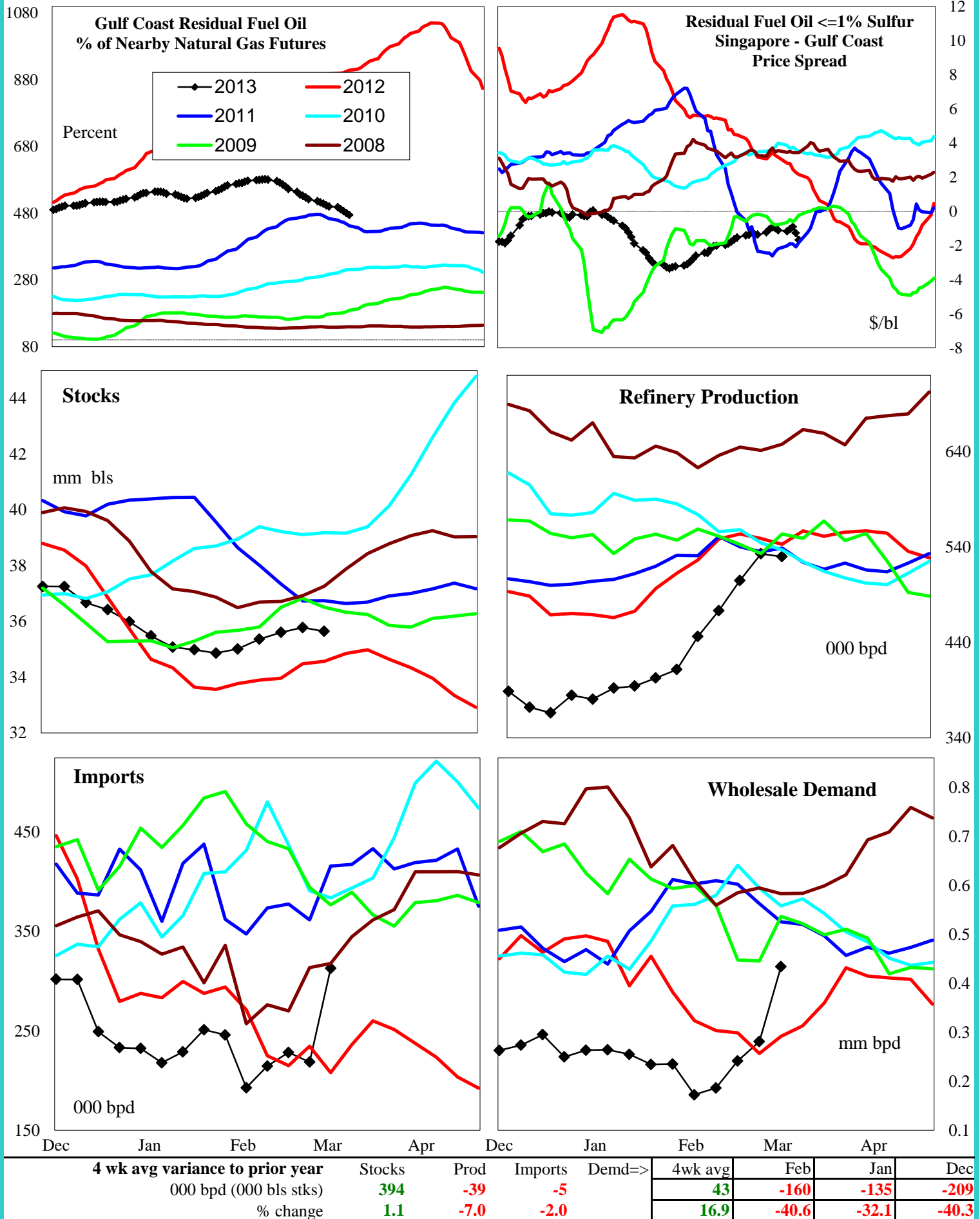
# Natural Gas Producing Region Stock and Weather Trends



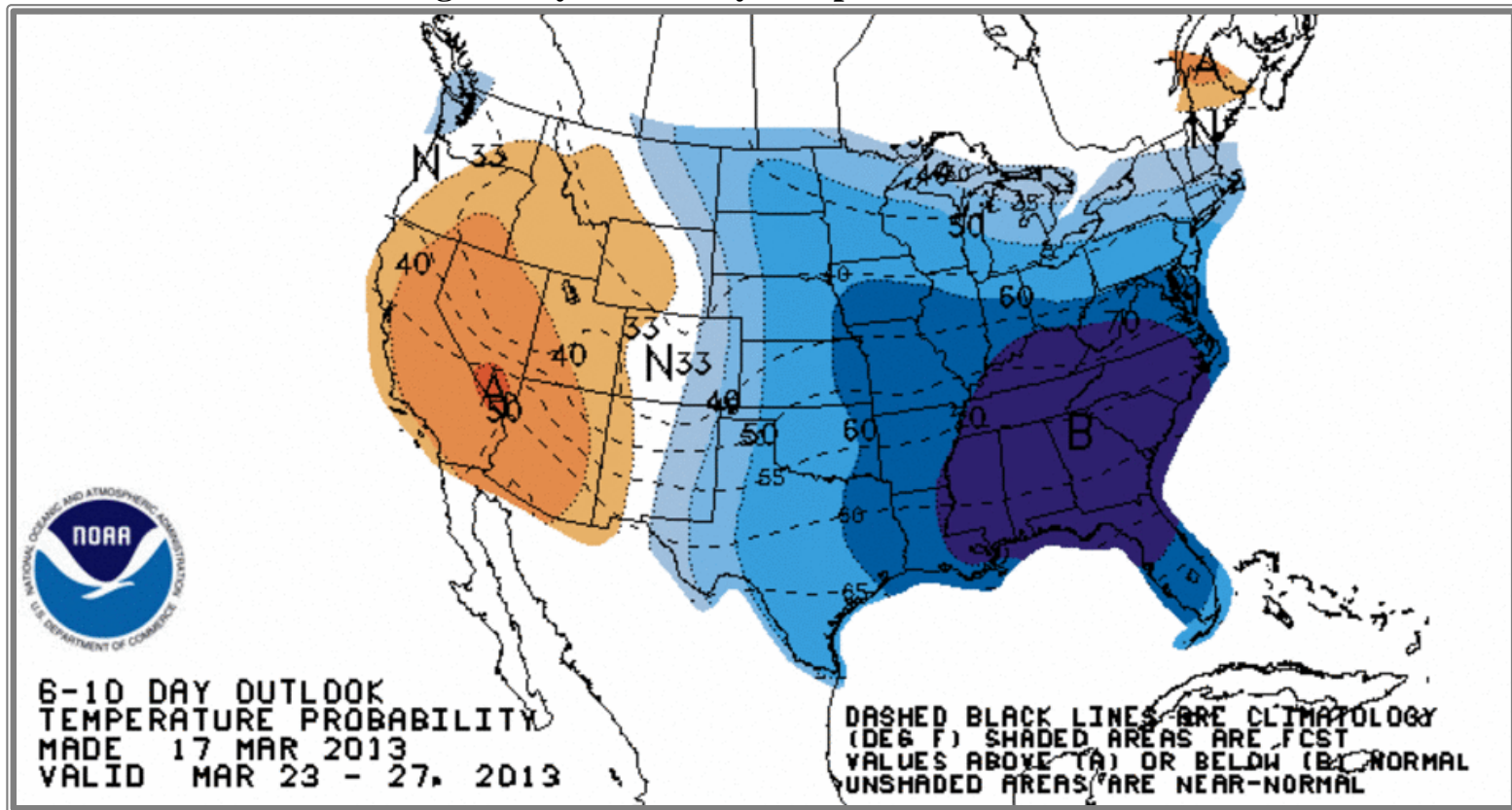
Variance to prior year

Stock  
LevelWeekly Stock  
ChangeMonthly Stock  
ChangeCumulative Stock  
ChangeBCF  
Percent Change (%)-196  
-20.3-45  
1,500.0-124  
185.1-226  
77.4

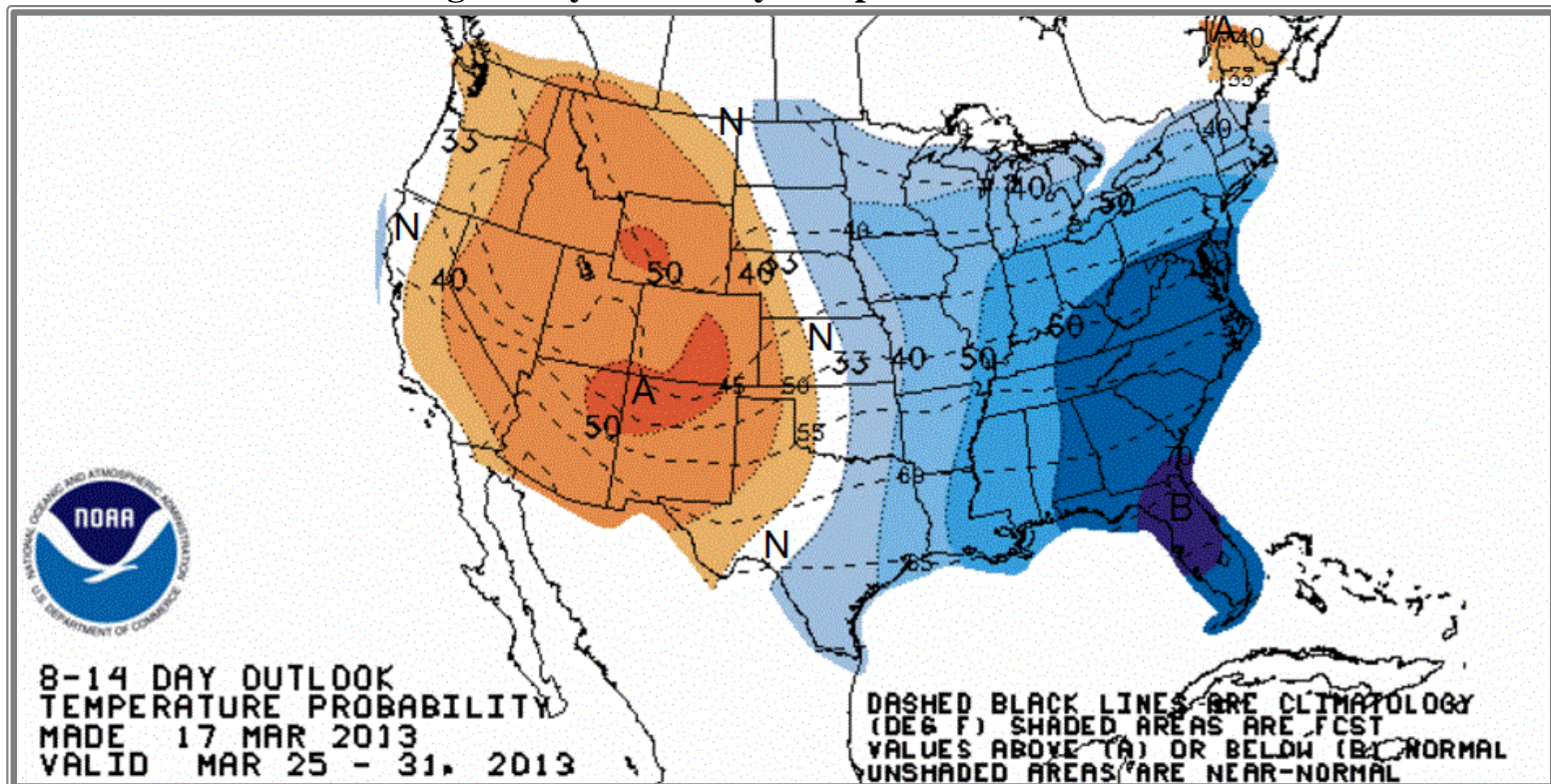
## U.S. Residual Fuel Oil Price Spreads and Supply Balance



### 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

