

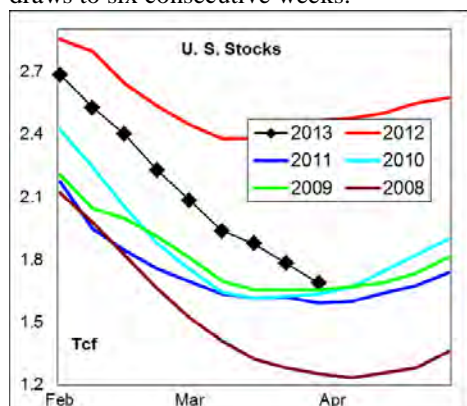
# WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

## A Fundamental Petroleum Trends Weekly Report

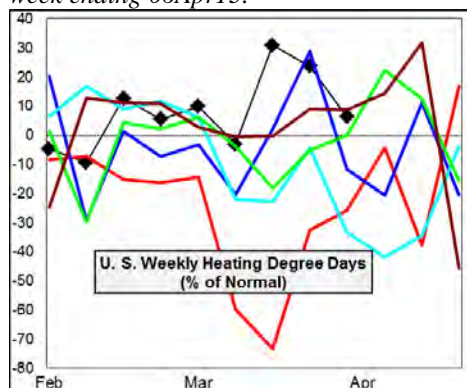
Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Friday, April 05, 2013



**Summary**<sup>1</sup> The stock draw of -94 Bcf for the week, was a record draw for the week, extending the trend of extremely large draws to six consecutive weeks.



Heating degree days for the week ending 30Mar13 were +24% above normal, and estimated to be +6% above normal for week ending 06Apr13.



In the East Region stocks decreased -48 Bcf for the week, a record draw for the period. Stocks decreased -4 Bcf in the West Region, a record draw for the week. Stocks were -42 Bcf lower on the week in the Producing region, compared to a build of +20 Bcf for the last 2-years.

Heating degree days were +23% above normal in the East Region, -5% below normal in the West Region and +64% above normal in the Producing Region for the week ending 30Mar13.

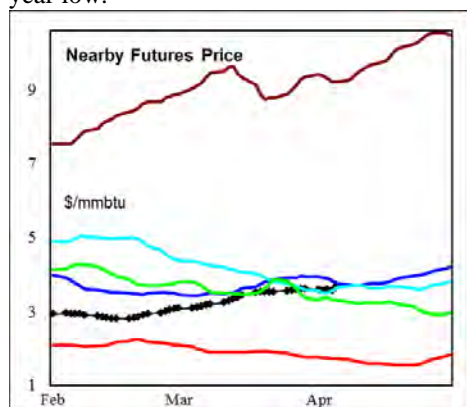
Heating degree days were +24% above normal for the week ending 30Mar13, and estimated to be +6% above normal for the

week ending 06Apr13.

The 6-10 day NWS forecast for the week ending 14Apr is for below normal heating degree days in the east and west regions, and above normal in the Rockies.

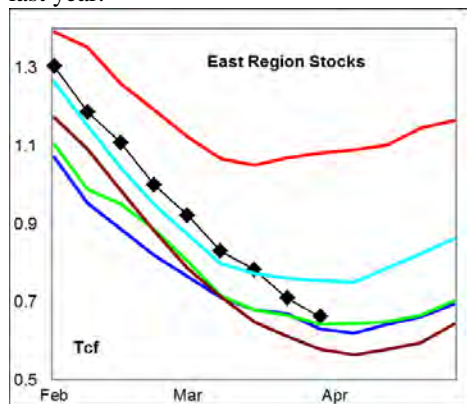
The 8-14 day NWS forecast for the week ending 18Apr13 is for near normal heating degree days in the central region, below normal in the east and southeast, and above normal in the northwest.

**Prices:** Nearby gas futures prices increased +\$0.09/mmbtu for the week ending 05Apr13. The current price level is +\$2.02/mmbtu above last years' record 5-year low.



The 1<sup>st</sup> - 4<sup>th</sup> month forward price curve traded higher last week, to a new record high for this time of year on an extended colder than normal early spring.

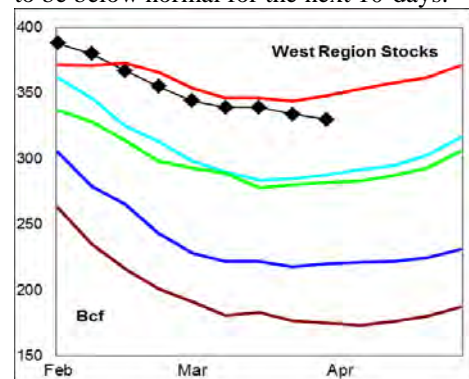
**East Region** stocks decreased -48 Bcf for the week, a record draw for the period. The current stock level was -39% below last year.



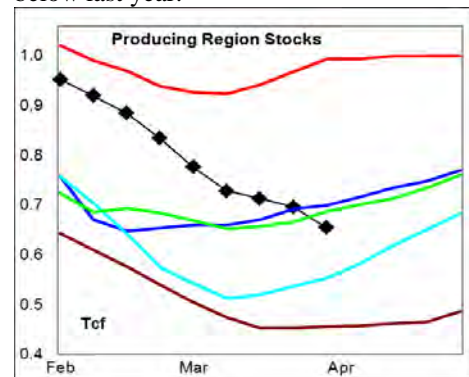
Heating degree days in the region were +23% above normal for the week ending 30Apr13, and estimated to be +14% above normal for the week ending 06Apr13. Heating degree days are forecast to be below normal in the region for the next 10-days.

**West Region** stocks declined -4 Bcf last week, a record draw for the week. Stock

levels ended the week -5% below last year. The latest 4-wk stock draw matched the historic mid range for the period. Heating degree days were -5% below normal for the week ended 30Mar13 and estimated to be -28% below normal for the week ended 06Apr13. Heating degree days are forecast to be below normal for the next 10-days.



**Producing Region** stocks decreased -42 Bcf for the week, compared to a build of +20 Bcf in the last 2-years for the same period. Stock levels ended the week -33% below last year.



Heating degree days were +64% above normal for the week ended 30Mar13, and estimated to be -13% below normal for the week ending 06Apr13. Low 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 +15% above last year.

**Outlook:** The average stock draw for the last 6-wks has been a record on much above normal heating degree days. Stock levels are now -32% below last year, and in line with the prior 3-year average.

Normal carry out stock levels and near normal heating degree days going forward should limit any end of season price pull back.

### <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: April 5, 2013

For the week ending: 29-Mar-13

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

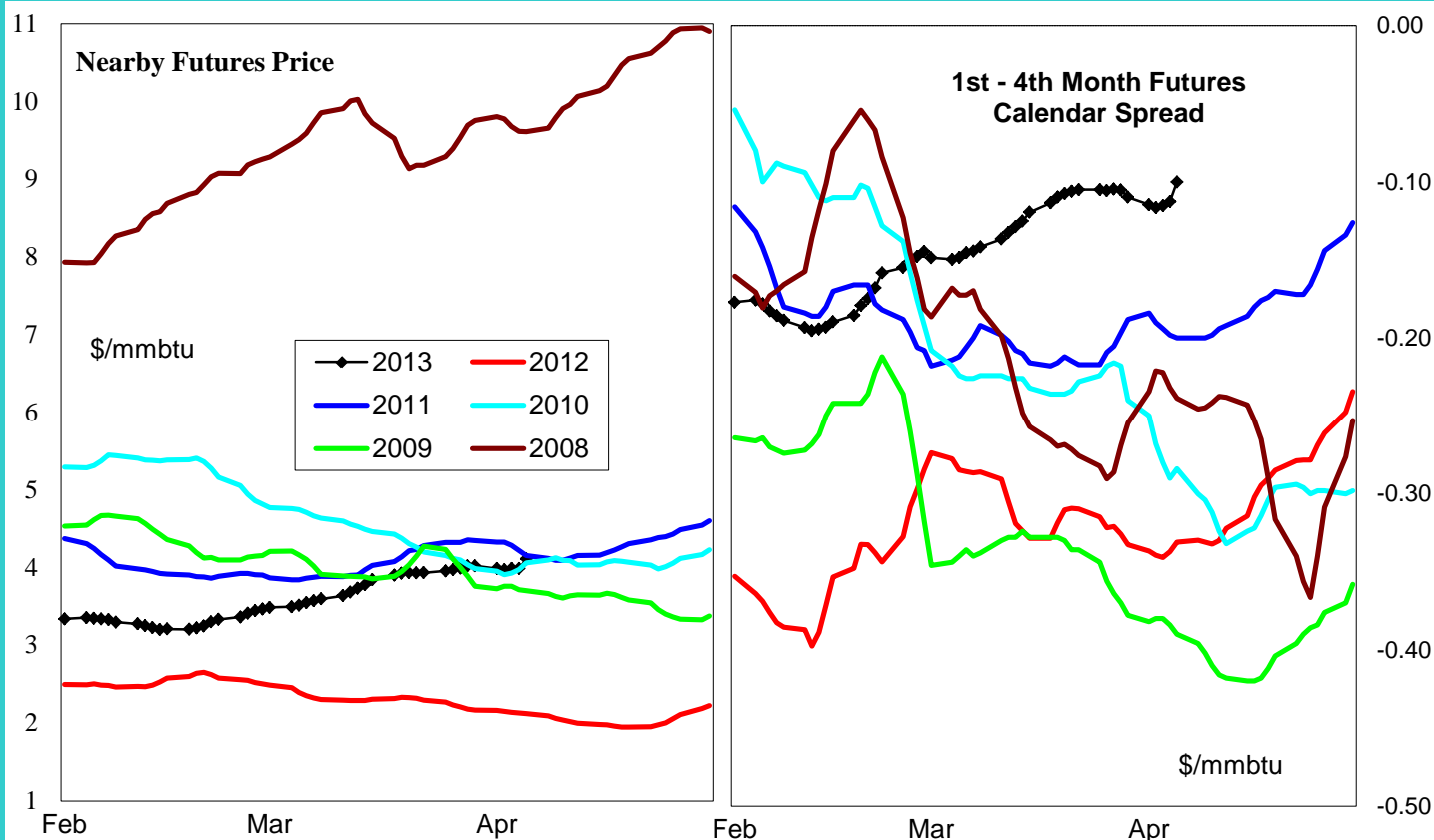
Week ending:	29-Mar-13			23-Mar-13		30-Mar-13		6-Apr-13	
Region	Weekly Stocks			Weekly Heating Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	1,687	-94	-31.6	35	31%	-28	24%	-38	6%
East	662	-48	-38.8	45	36%	-42	23%	-32	14%
West	330	-4	-5.2	36	13%	-36	-5%	-37	-28%
Producing	695	-42	-32.9	-2	10%	23	64%	-57	-13%

### Seasonal Trends in Stocks and Heating Degree Days

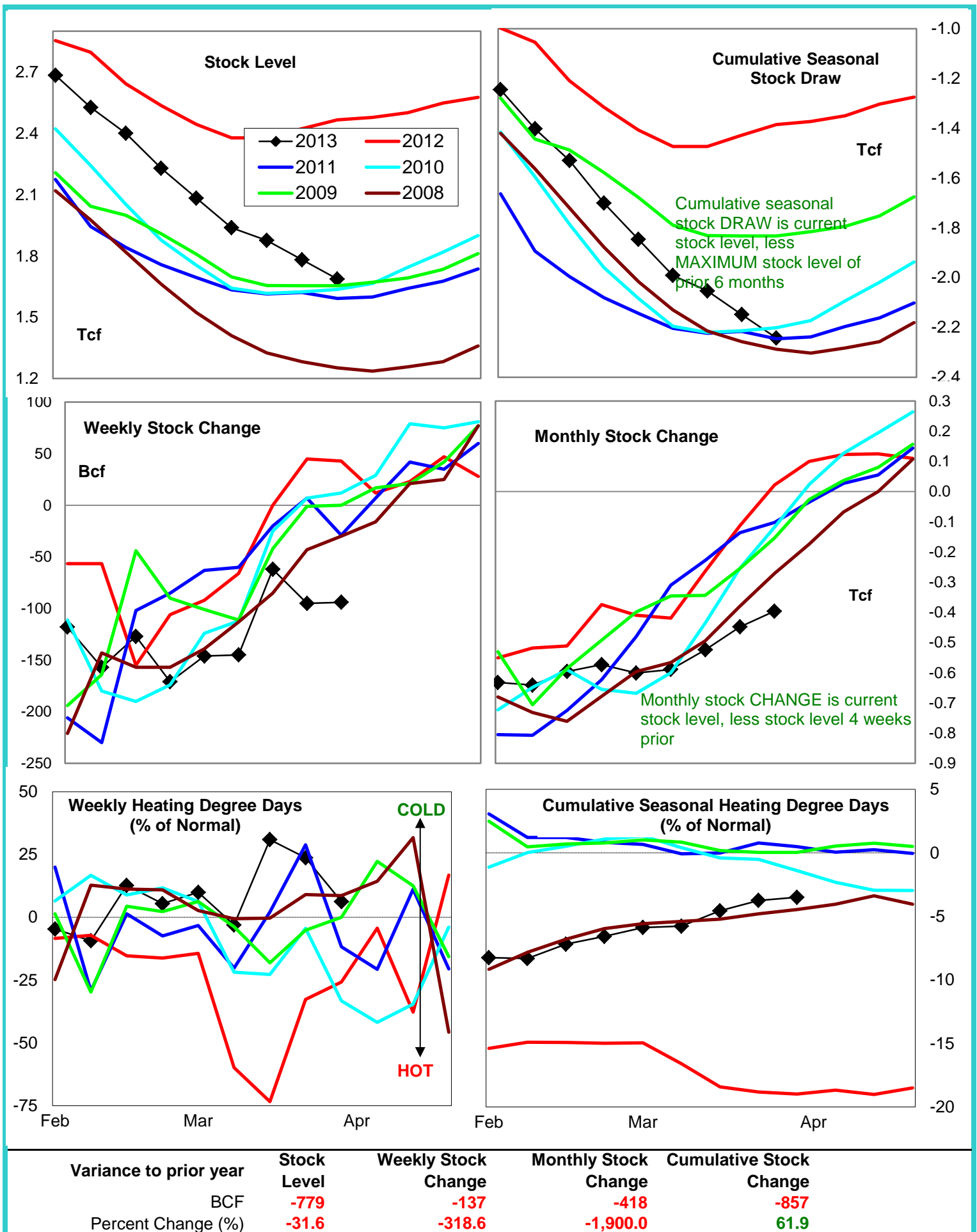
	Cumulative Stock Change			Cumulative Heating Degree Days					
	Bcf	Change vs prior year		CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
		Bcf	%						
<b>U.S. Total</b>	<b>-2,242</b>	<b>-857</b>	<b>38.2</b>	<b>189</b>	<b>-4.6</b>	<b>161</b>	<b>-3.7</b>	<b>123</b>	<b>-3.5</b>
<b>East</b>	<b>-1,434</b>	<b>-425</b>	<b>29.6</b>	<b>225</b>	<b>-3.8</b>	<b>183</b>	<b>-3.0</b>	<b>151</b>	<b>-2.6</b>
<b>West</b>	<b>-221</b>	<b>-52</b>	<b>23.5</b>	<b>161</b>	<b>-4.3</b>	<b>125</b>	<b>-4.3</b>	<b>89</b>	<b>-5.0</b>
<b>Producing</b>	<b>-592</b>	<b>-370</b>	<b>62.5</b>	<b>81</b>	<b>-9.5</b>	<b>104</b>	<b>-7.8</b>	<b>47</b>	<b>-7.9</b>

### Futures Market Price Trends

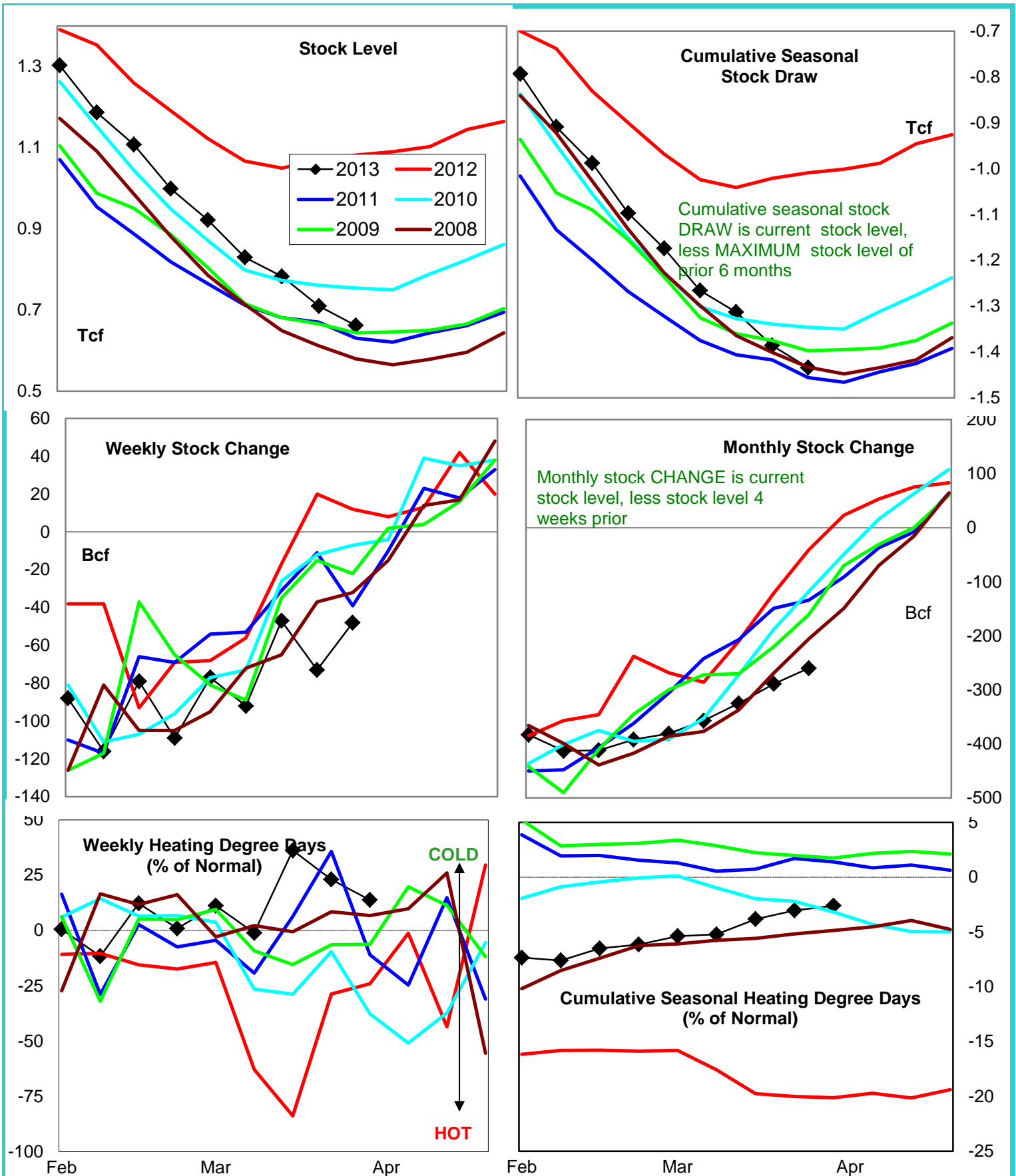
Date:	5-Apr-13	Change vs prior week, month, year		
		1-Apr-13	11-Mar-13	16-Apr-12
<b>1st month Futures</b>	<b>4.11</b>	<b>0.10</b>	<b>0.46</b>	<b>2.20</b>
<b>% change</b>	<b>xxxxx</b>	<b>2.4</b>	<b>12.6</b>	<b>115.5</b>



# United States Natural Gas Stock and Weather Trends



# Natural Gas East Region Stock and Weather Trends



Variance to prior year

Stock Level

Weekly Stock Change

Monthly Stock Change

Cumulative Stock Change

BCF

Percent Change (%)

-420

-38.8

-60

-500.0

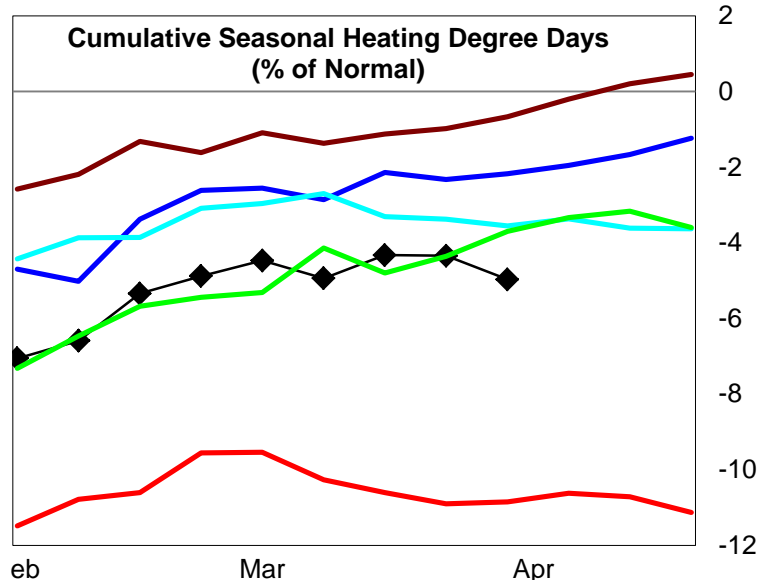
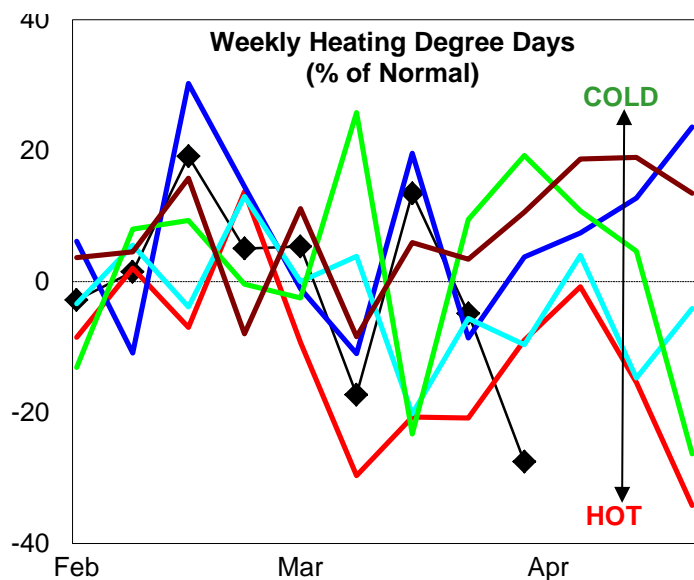
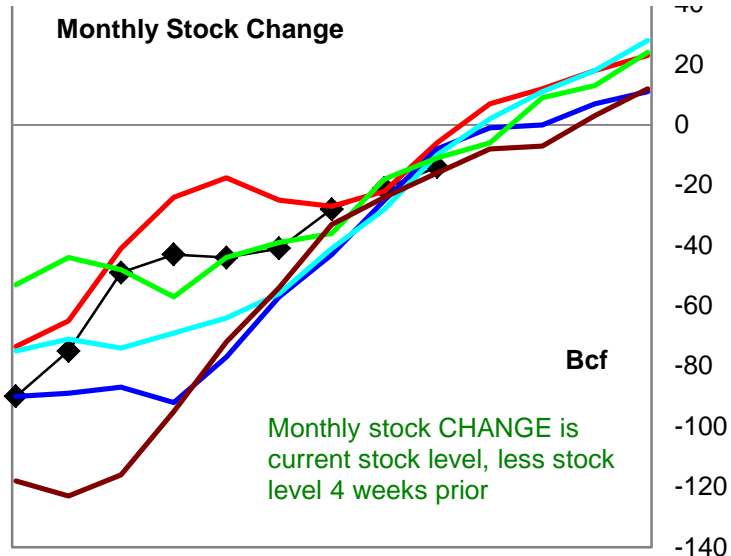
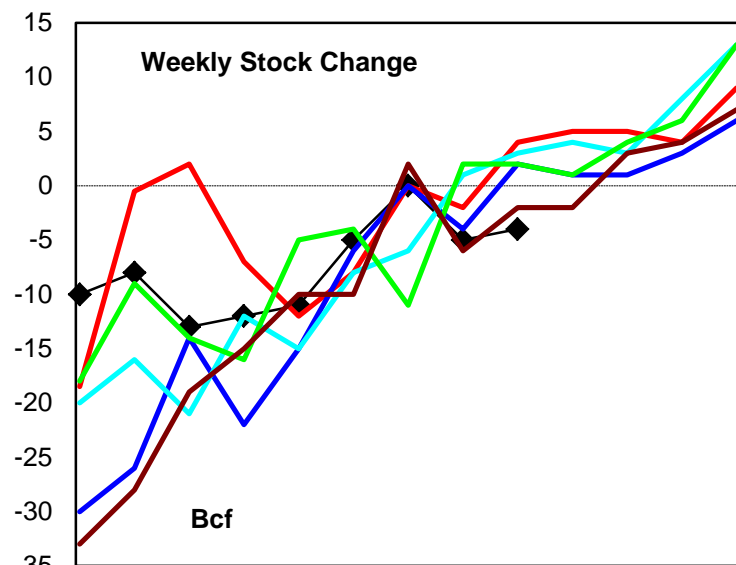
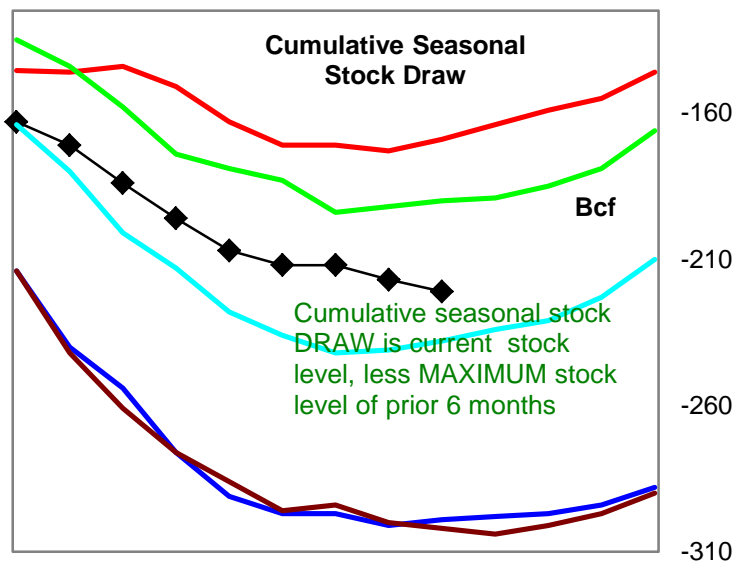
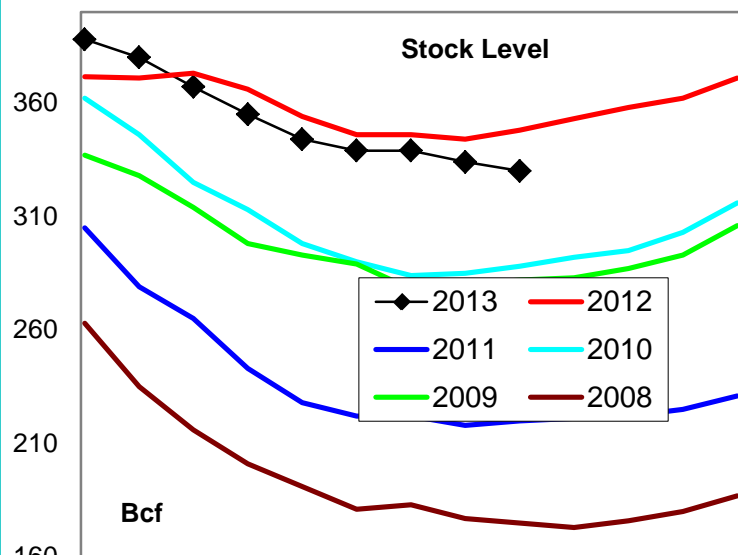
-219

534.1

-425

42.1

# Natural Gas West Region Stock and Weather Trends



Variance to prior year

Stock Level

Weekly Stock Change

Monthly Stock Change

Cumulative Stock Change

BCF

-18

-8

-8

-52

Percent Change (%)

-5.2

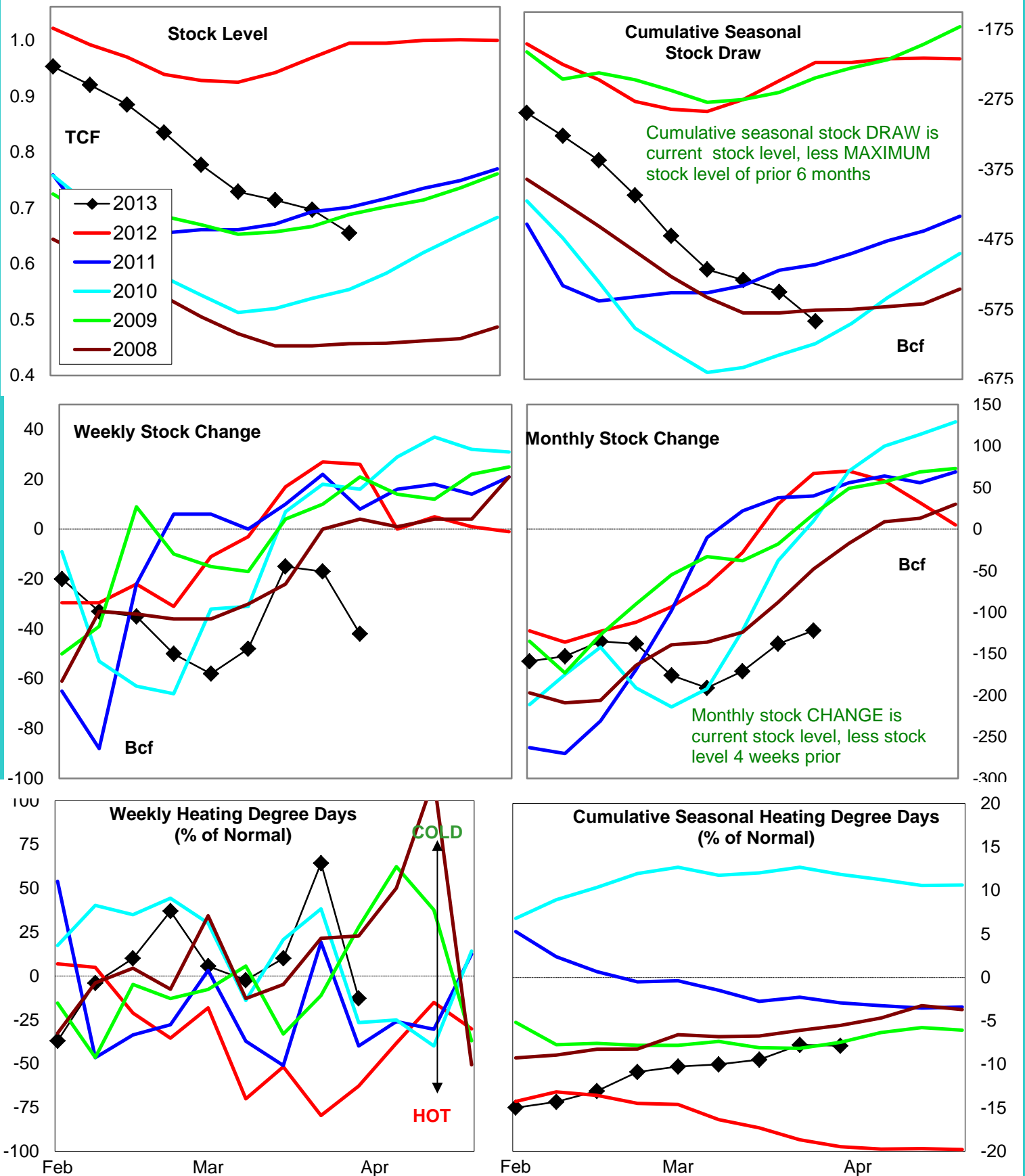
-200.0

133.3

30.8



# Natural Gas Producing Region Stock and Weather Trends



Variance to prior year

Stock Level

Weekly Stock Change

Monthly Stock Change

Cumulative Stock Change

BCF

-340

-68

-189

-370

Percent Change (%)

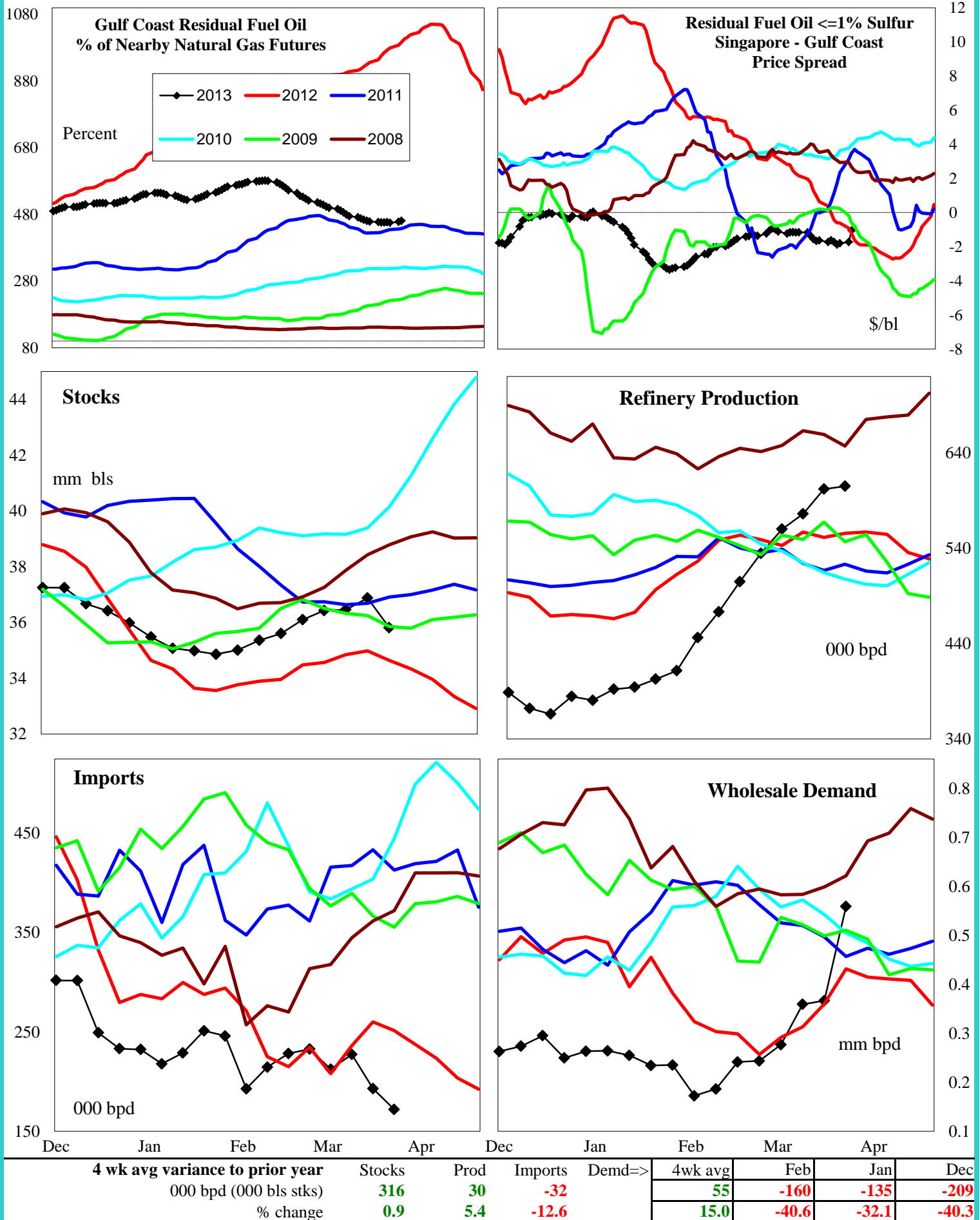
-32.9

-261.5

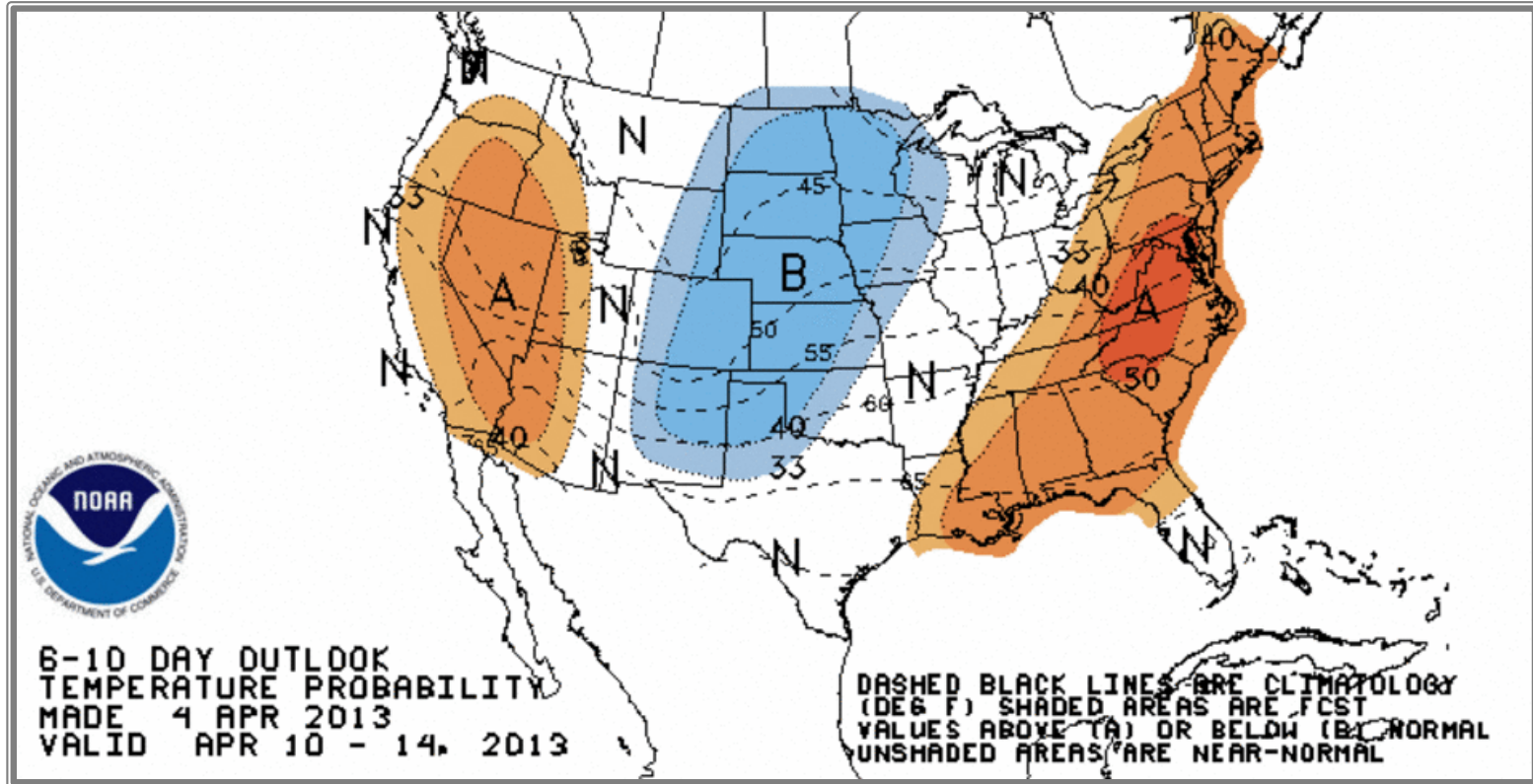
-282.1

166.7

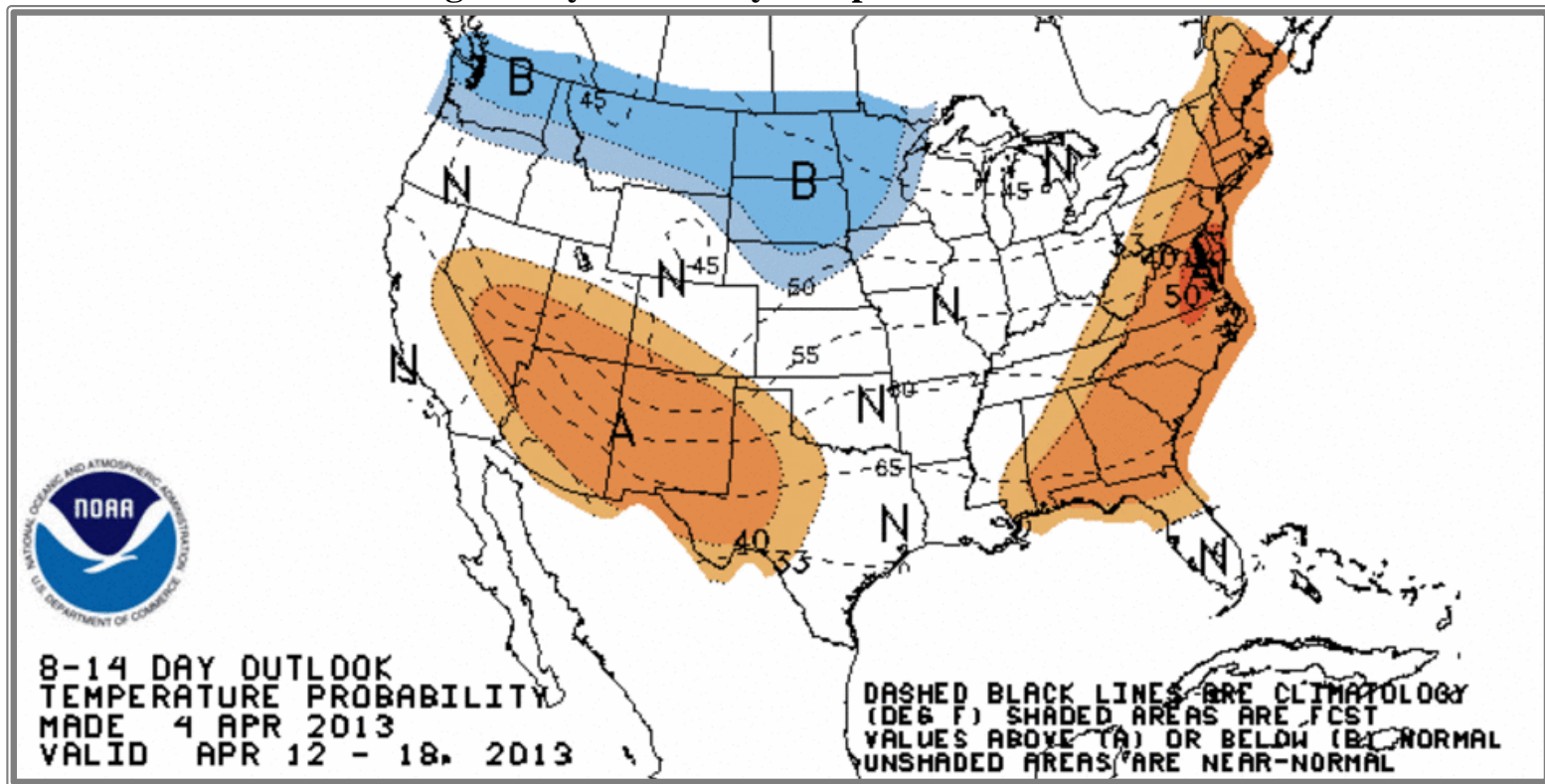
## U.S. Residual Fuel Oil Price Spreads and Supply Balance



## 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

