

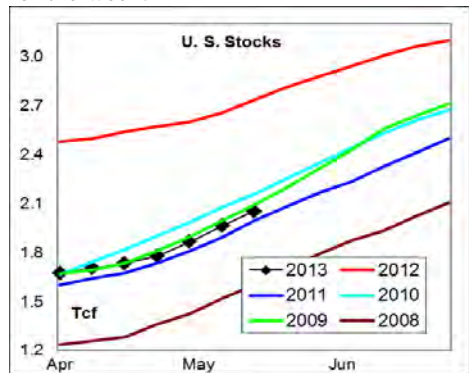
# WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

## A Fundamental Petroleum Trends Weekly Report

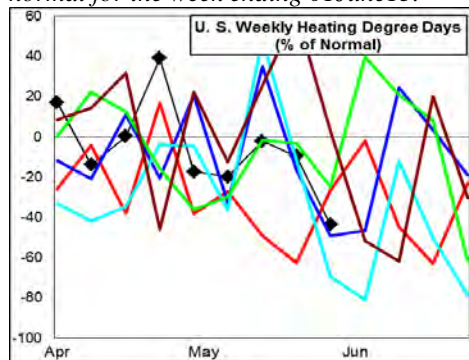
Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Wednesday, May 29, 2013



**Summary**<sup>1</sup> The stock build of +89 Bcf for the week was above the 5-year mid range for the week.



Heating degree days for the week ending 18May13 were -2% below normal, -10% below normal for the week ending 25May13 and forecast to be -44% below normal for the week ending 01June13.



In the East Region stocks increased +46 Bcf for the week, a build that matched the latest 3-year mid range. Stocks increased +11 Bcf in the West Region, a build comparable to the last 2-years. Stocks were +32 Bcf higher on the week in the Producing region, the 3<sup>rd</sup> consecutive weekly record build.

Heating degree days were +9% above normal in the East Region, -53% below normal in the West Region and -17% below normal in the Producing Region for the week ending 18May13.

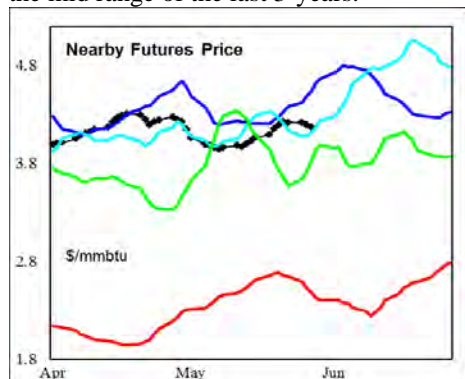
**Heating degree days** were -2% below normal for the week ending 18May13, -10% below normal for the week ending 25May13, and forecast to be -44% below

normal for the week ending 01June13.

The 6-10 day NWS forecast for the week ending 07Jun13 is for below normal heating degree days across most the country.

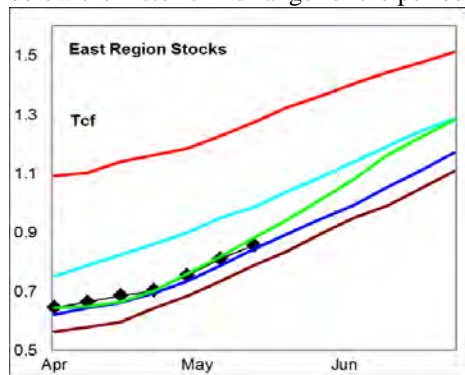
The 8-14 day NWS forecast for the week ending 11Jun13 is for below normal heating degree days across the country, with the exception of the central plains which will be near normal.

**Prices:** Nearby gas futures prices were nearly unchanged for the week ending 29May13. The current price level is near the mid range of the last 3-years.



The 1<sup>st</sup> - 4<sup>th</sup> month forward price curve traded sideways last week, at record high for this time of year.

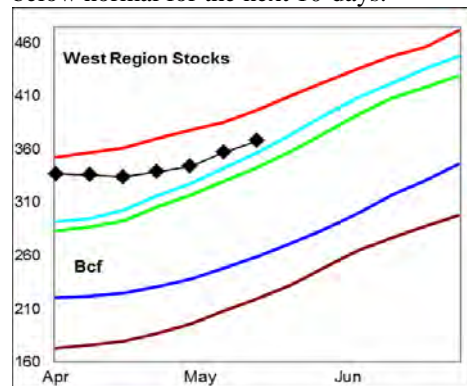
**East Region** stocks increased +46 Bcf for the week, a build that matched the latest 3-year mid range. The current stock level is below the historic mid range for the period.



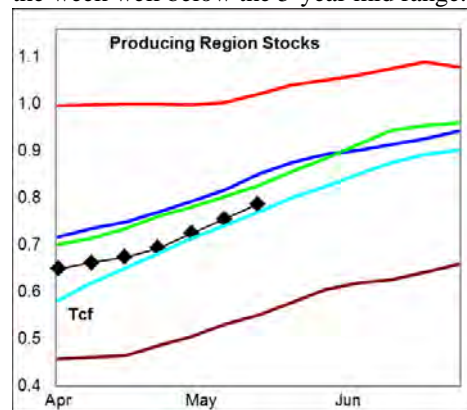
Heating degree days in the region were +9% above normal for the week ending 18May13, -11% below normal for the week ending 25May13, and forecast to be -49% below normal for the week ending 01Jun13. Heating degree days are forecast to be much below normal in the region for the next 10-days.

**West Region** stocks increased +11 Bcf last week, a build comparable to the last 2-years. Stock levels ended the week -7% below last year. Heating degree days were -53% below normal for the week ended

18May13, +1% above normal for the week ending 25May13, and forecast to be -26% below normal for the week ended 01Jun13. Heating degree days are forecast to be well below normal for the next 10-days.



**Producing Region** stocks increased +32 Bcf for the week, the 3<sup>rd</sup> consecutive weekly record build. Stock levels ended the week well below the 5-year mid range.



Heating degree days were -17% below normal for the week ended 18May13, -27% below normal for the week ending 25May13, and forecast to be -100% below normal for the week ending 01Jun13. Well 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 -8% below last year.

**Outlook:** Stock builds in the Producing Region continue at record rates for 3-consecutive weeks. Carry out stock levels remain below the 5-year mid range. Above normal cooling degree days are forecast for the next 10-days, with longer term forecast of below normal temperatures in mid June. These trends should provide support to prices.

<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: May 29, 2013

For the week ending: 17-May-13

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

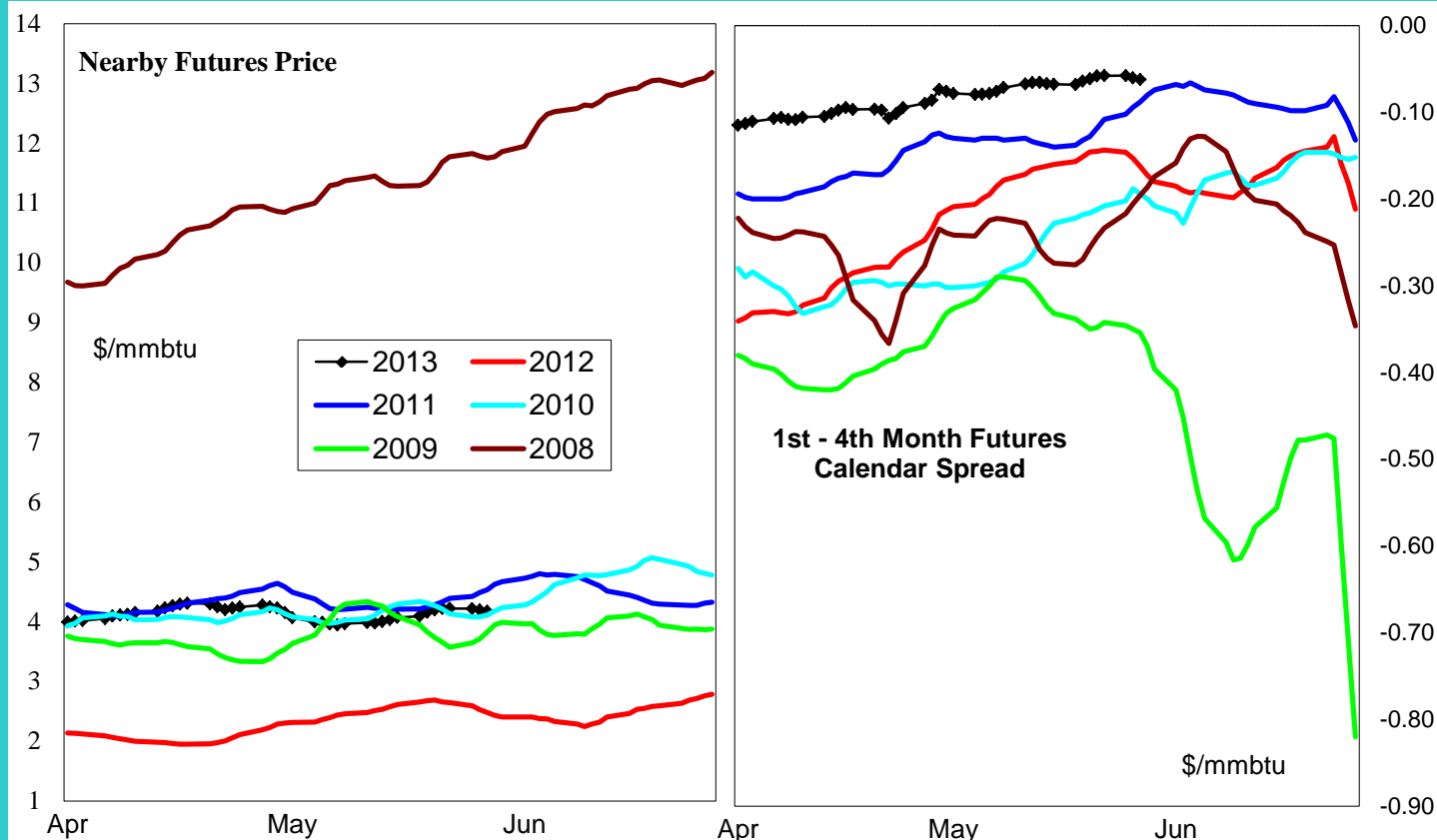
Week ending:	17-May-13			18-May-13		25-May-13		1-Jun-13	
Region	Weekly Stocks			Weekly Heating Degree Days					
		Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
	Bcf	Week Bcf	Year (%)						
U.S. Total	2,053	89	-24.9	-1	-2%	-12	-10%	-13	-44%
East	857	46	-32.8	8	9%	-19	-11%	-18	-49%
West	368	11	-7.3	-25	-53%	21	1%	2	-26%
Producing	828	32	-22.0	-21	-17%	-3	-27%	-5	-100%

### Seasonal Trends in Stocks and Heating Degree Days

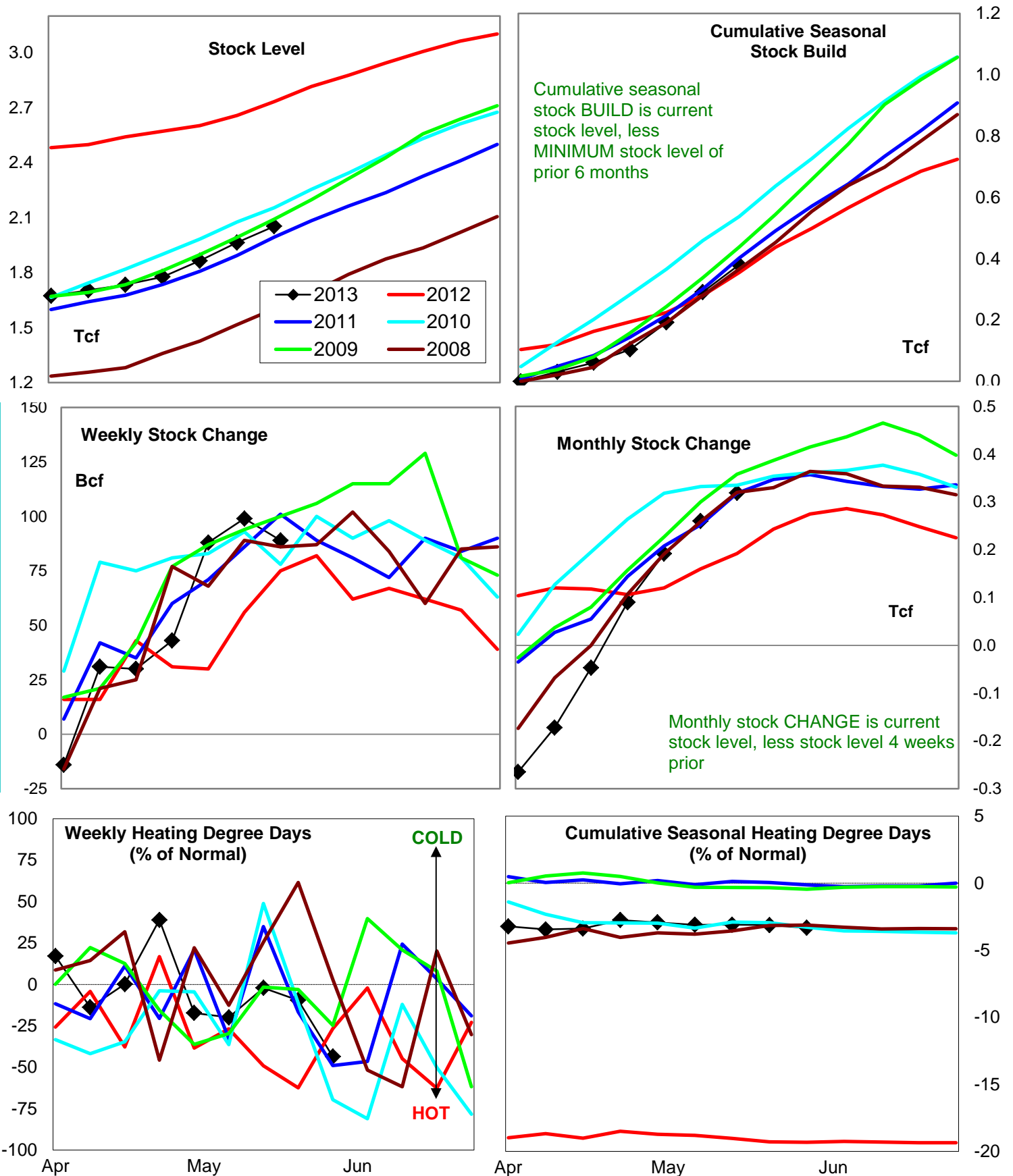
	Cumulative Stock Change			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
<b>U.S. Total</b>	<b>380</b>	<b>25</b>	<b>6.6</b>	<b>39</b>	<b>-3.1</b>	<b>27</b>	<b>-3.1</b>	<b>14</b>	<b>-3.3</b>
<b>East</b>	<b>211</b>	<b>-14</b>	<b>-6.6</b>	<b>50</b>	<b>-2.8</b>	<b>31</b>	<b>-2.9</b>	<b>13</b>	<b>-3.1</b>
<b>West</b>	<b>38</b>	<b>-15</b>	<b>-39.5</b>	<b>26</b>	<b>-4.1</b>	<b>47</b>	<b>-4.1</b>	<b>49</b>	<b>-4.4</b>
<b>Producing</b>	<b>138</b>	<b>42</b>	<b>30.4</b>	<b>8</b>	<b>-3.9</b>	<b>5</b>	<b>-3.9</b>	<b>0</b>	<b>-4.1</b>

### Futures Market Price Trends

Date:	29-May-13	Change vs prior week, month, year		
		23-May-13	2-May-13	7-Jun-12
<b>1st month Futures</b>	<b>4.17</b>	<b>-0.09</b>	<b>0.15</b>	<b>1.94</b>
<b>% change</b>	<b>xxxxx</b>	<b>-2.0</b>	<b>3.7</b>	<b>87.0</b>



# United States Natural Gas Stock and Weather Trends



Variance to prior year

Stock  
LevelWeekly Stock  
ChangeMonthly Stock  
ChangeCumulative Stock  
Change

BCF

-680

14

127

25

Percent Change (%)

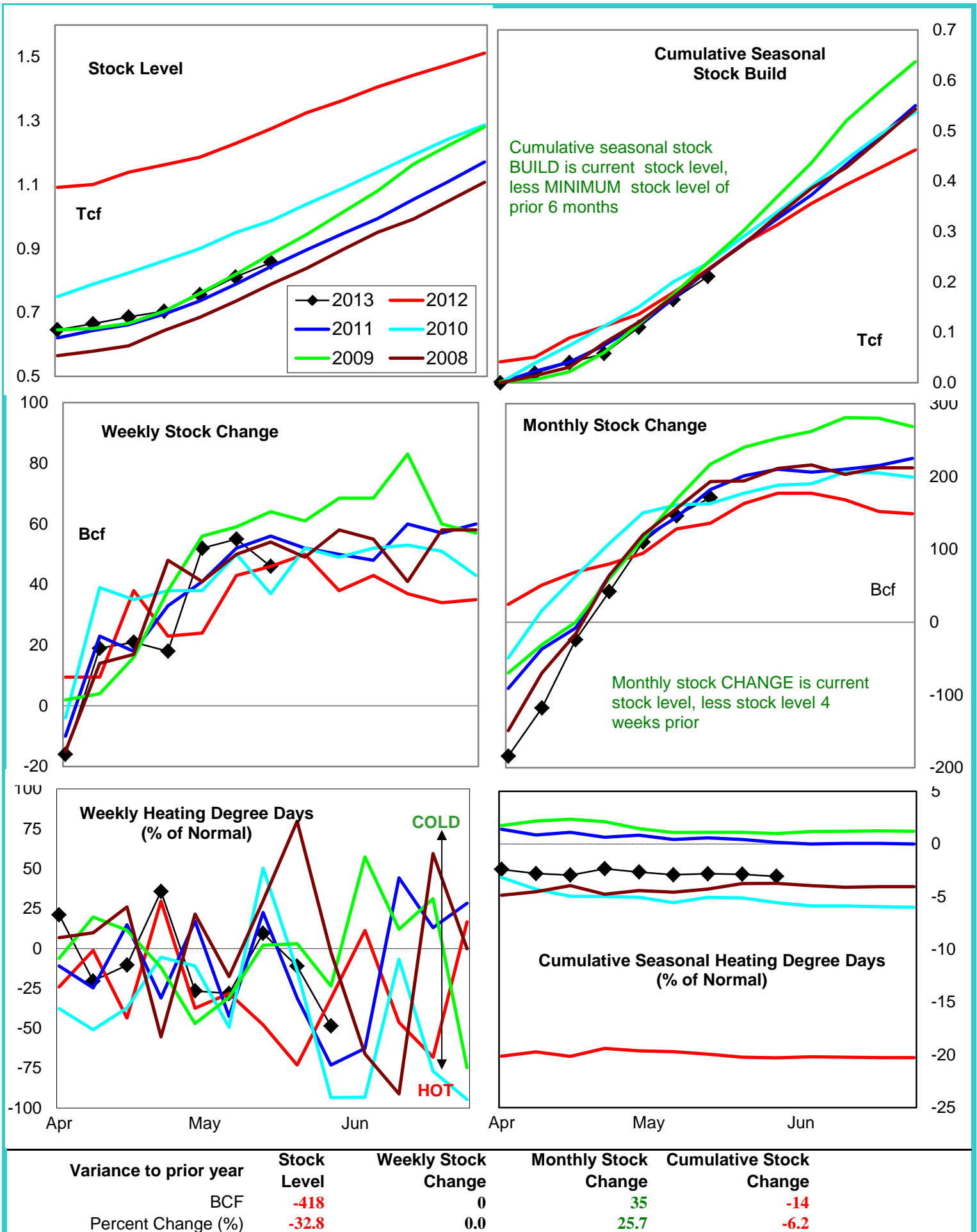
-24.9

18.7

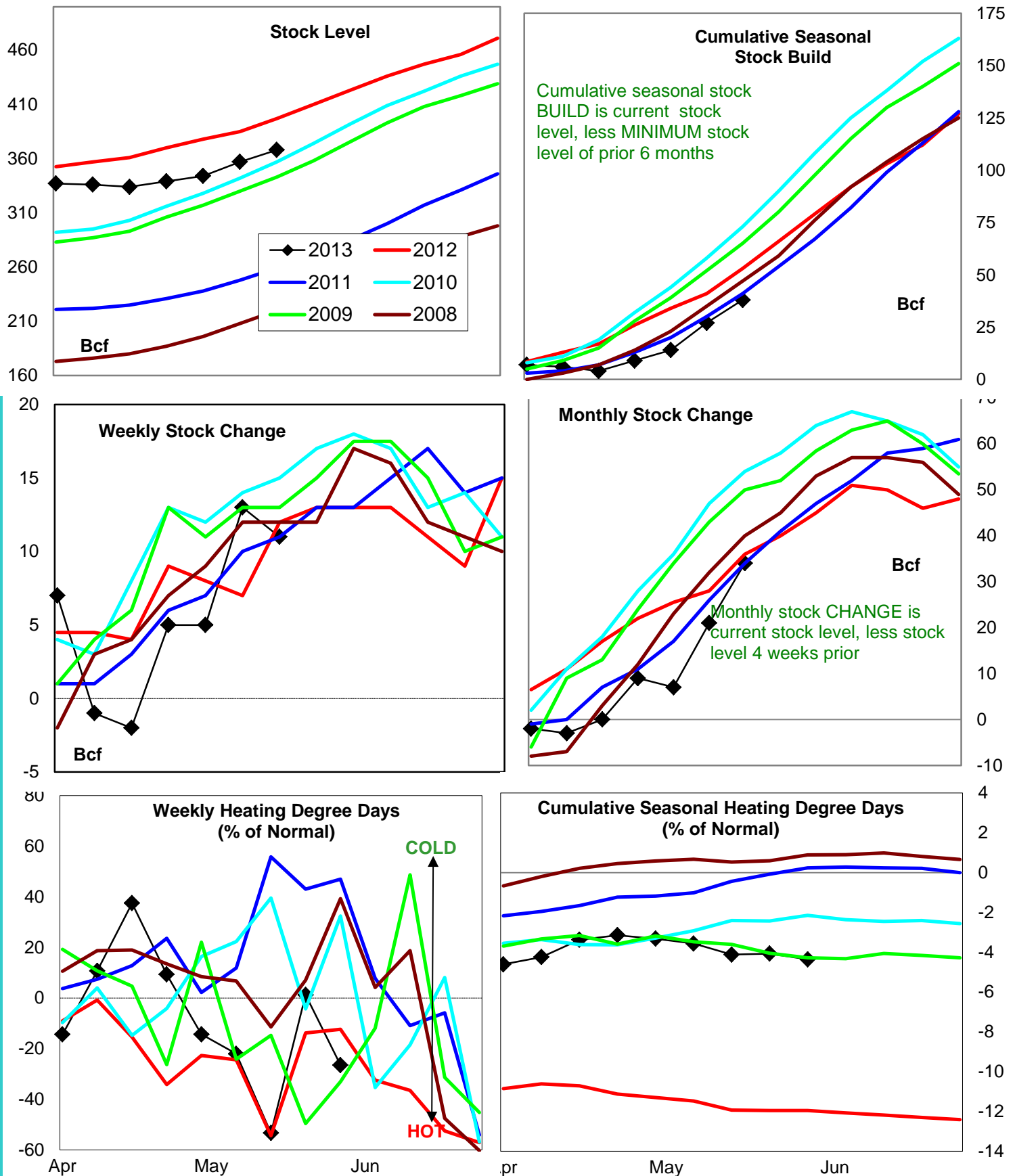
66.1

7.0

# Natural Gas East Region Stock and Weather Trends



# Natural Gas West Region Stock and Weather Trends

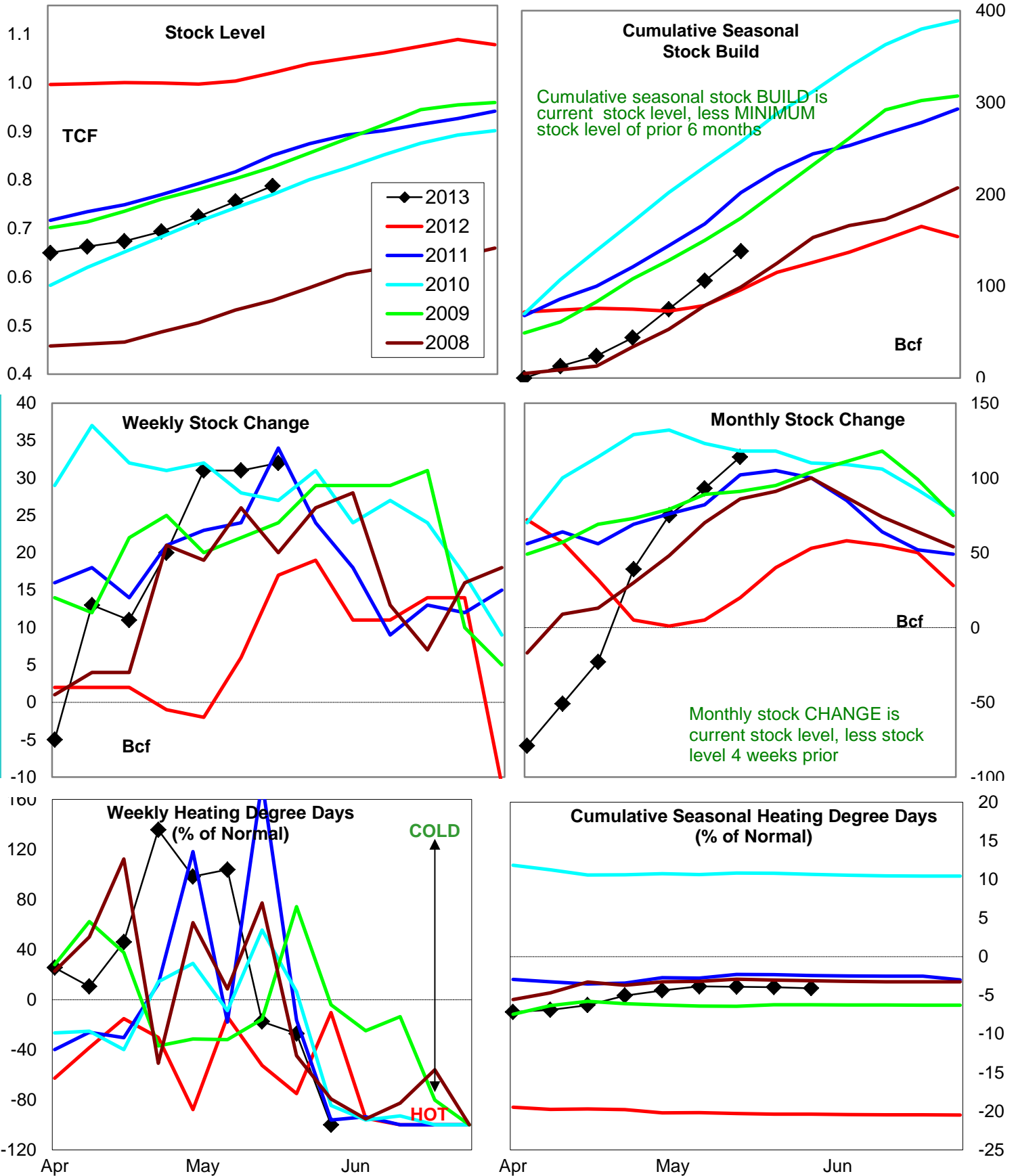


Variance to prior year

Stock  
LevelWeekly Stock  
ChangeMonthly Stock  
ChangeCumulative Stock  
ChangeBCF  
Percent Change (%)-29  
-7.3-1  
-8.3-2  
-5.6-15  
-28.3



# Natural Gas Producing Region Stock and Weather Trends



Variance to prior year

Stock  
LevelWeekly Stock  
ChangeMonthly Stock  
ChangeCumulative Stock  
Change

BCF

-233

15

94

42

Percent Change (%)

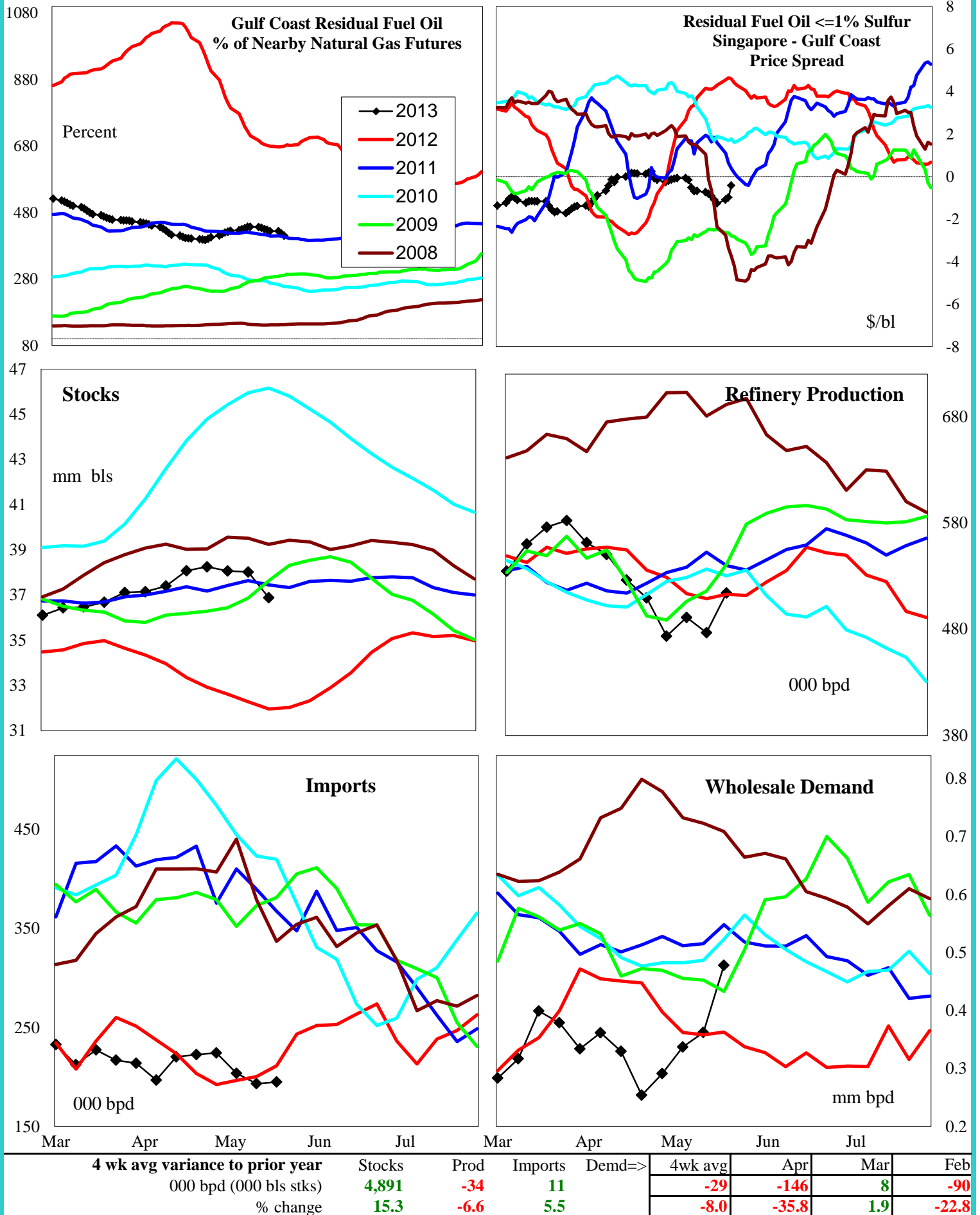
-22.0

88.2

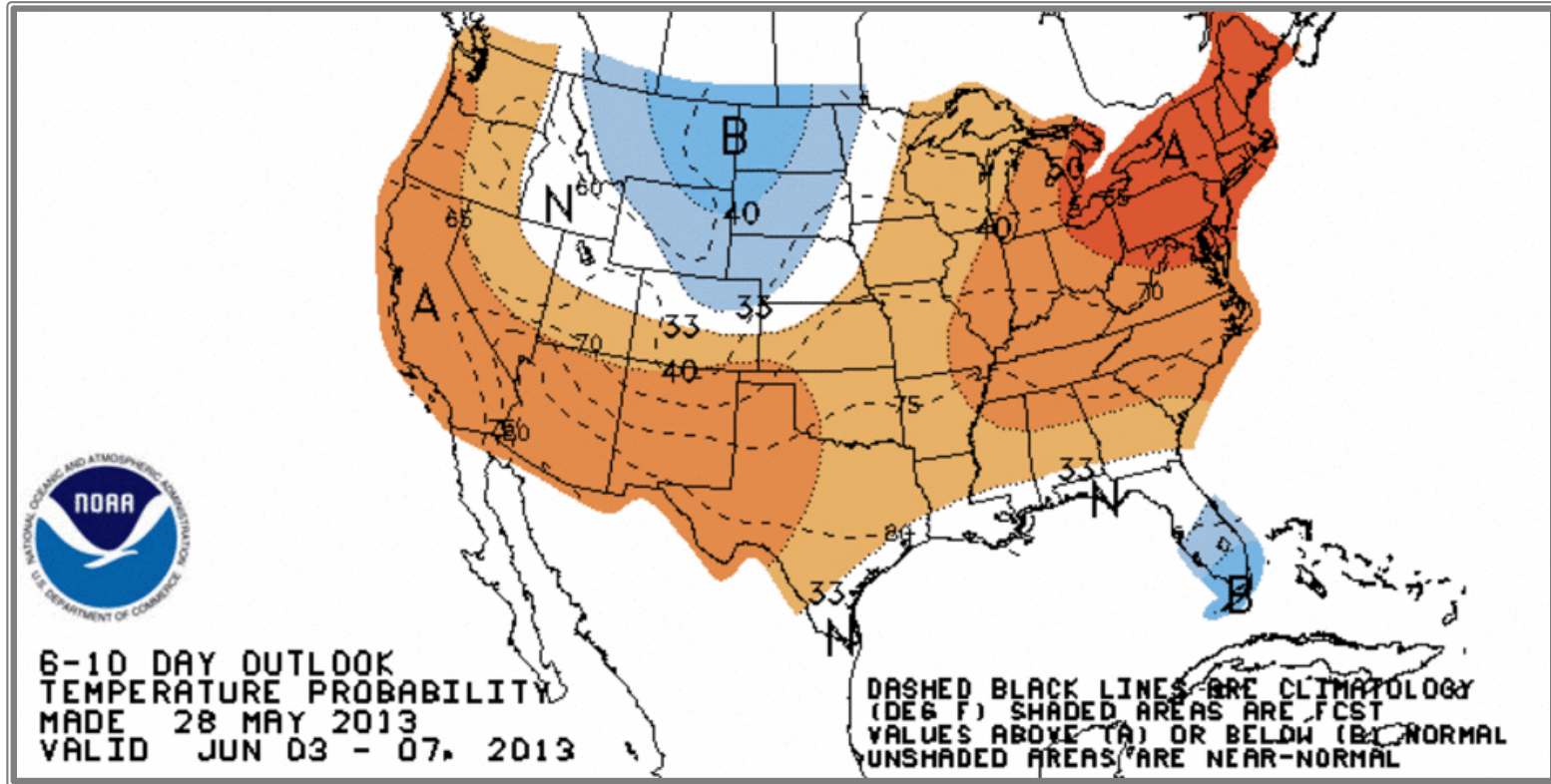
470.0

43.8

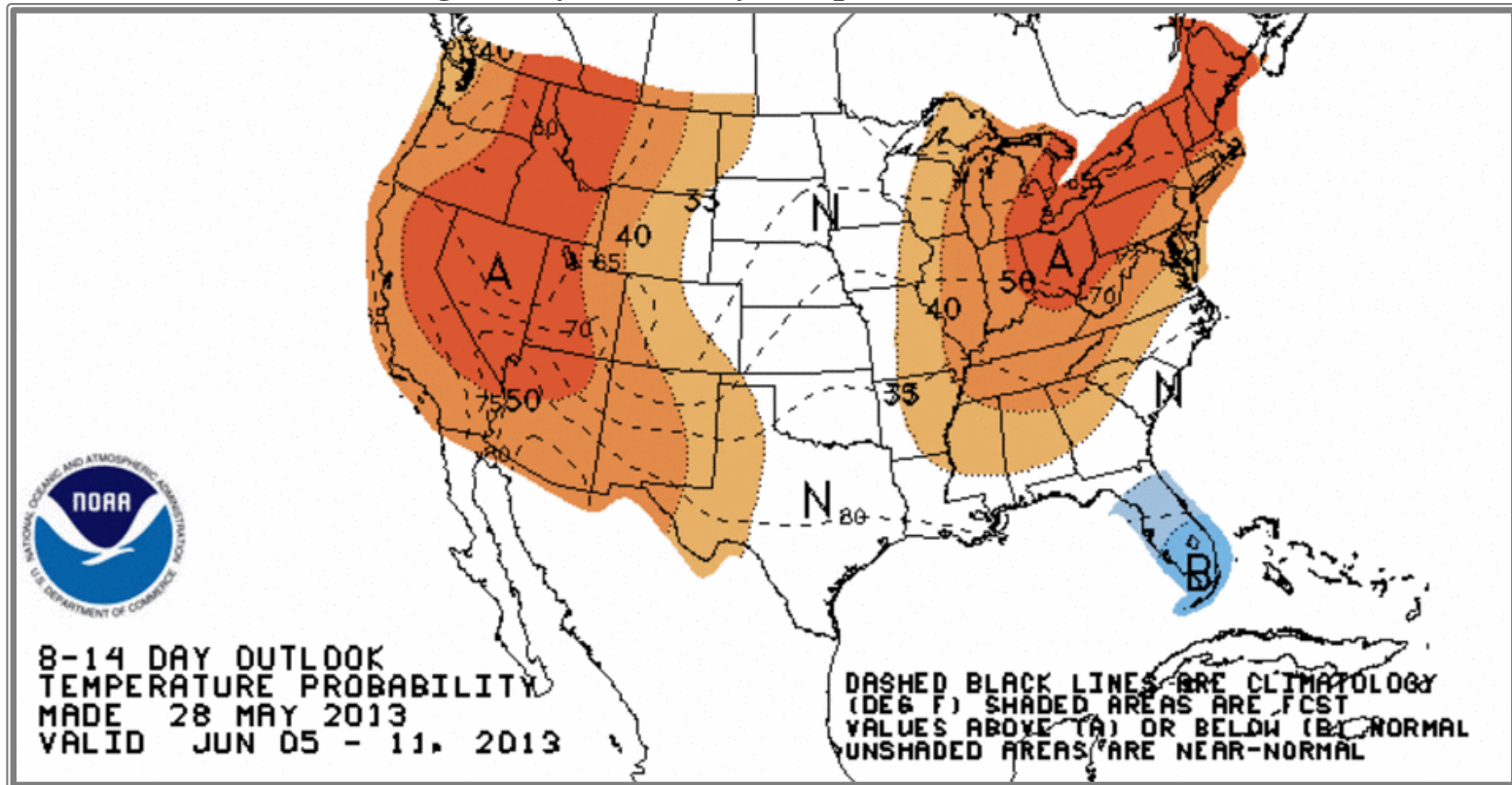
## U.S. Residual Fuel Oil Price Spreads and Supply Balance



## 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

