



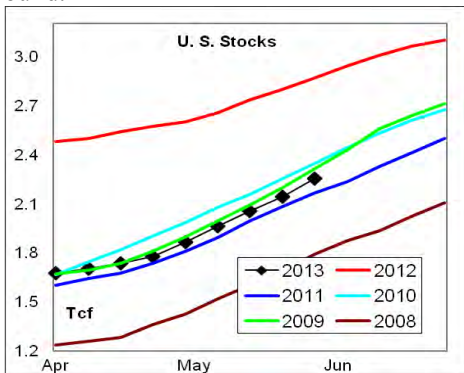
WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

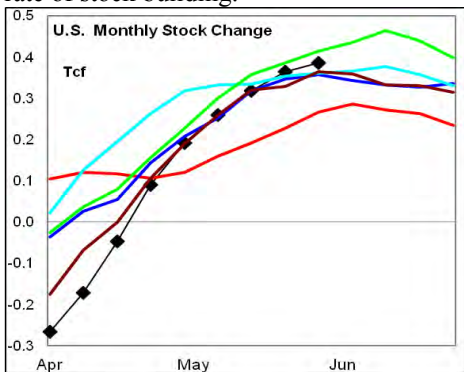
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Wednesday, June 12, 2013



Summary ¹ The stock build of +111 Bcf for the week was a near record weekly build.



The latest 4-wk stock change was a build of 387 Bcf, greater than four of the last 5-years. Increased production and mild temperatures has driven the above average rate of stock building.



In the East Region stocks increased +58 Bcf for the week, a build that exceeded each of the last 3-years. Stocks increased +16 Bcf in the West Region, a build greater than each of the last 2-years. Stocks were +37 Bcf higher on the week in the Producing region, a record build, which contributed to a record build for the latest 4-wk period in the region.

Heating degree days were -14% below normal in the East Region, -19% below normal in the West Region and -77% below normal in the Producing Region for the week ending 01Jun13.

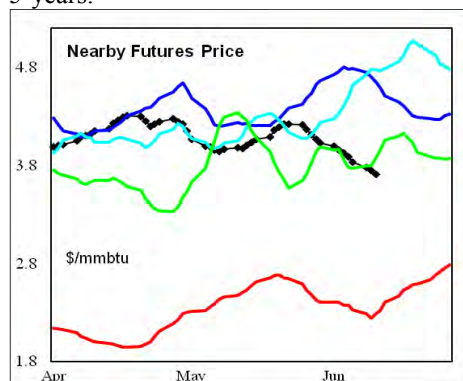
Heating degree days were -17% below normal for the week ending 01Jun13,

+24% above normal for the week ending 08Jun13, and forecast to be -83% below normal for the week ending 15Jun13.

The 6-10 day NWS forecast for the week ending 21Jun13 is for much above normal temperatures across the central 2/3rds of the country.

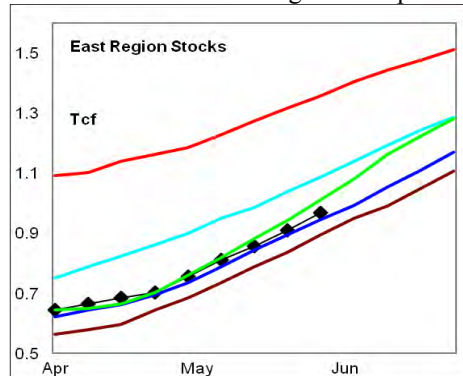
The 8-14 day NWS forecast for the week ending 25Jun13 is for a continuation of much above normal temperatures across the central 2/3rds of the country.

Prices: Nearby gas futures prices fell -29 cpg for the week ending 12Jun13. The current price level is below four of the last 5-years.



The 1st - 4th month forward price curve trended lower last week, still at a level above the historic range for this time of year.

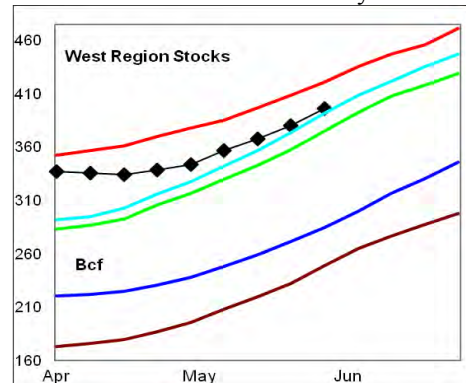
East Region stocks increased +58 Bcf for the week, a build that exceeded each of the last 3-years. The current stock level is below the historic mid range for the period.



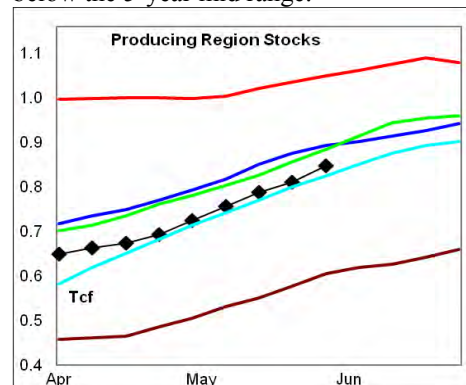
Heating degree days in the region were -14% below normal for the week ending 01Jun13, +38% above normal for the week ending 08Jun13, and forecast to be -87% below normal for the week ending 15Jun13. Heating degree days are forecast to be much below normal in the region for the next 10-days.

West Region stocks increased +16 Bcf last week, a build greater than each of the last 2-years. Stock levels ended the week -6%

below last year. Heating degree days were -19% below normal for the week ended 01Jun13, -27% below normal for the week ending 08Jun13, and forecast to be -73% below normal for the week ending 15Jun13. Heating degree days are forecast to be well below normal for the next 10-days.



Producing Region stocks increased +37 Bcf for the week, a record build for the season. Stock levels ended the week below the 5-year mid range.



Heating degree days were -77% below normal for the week ended 01Jun13, +46% above normal for the week ending 08Jun13, and forecast to be -100% below normal for the week ending 15Jun13. Unusually high temperatures 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 +12% above last year.

Outlook: Stock builds during the last month exceeded four of the last 5-years on mild temperatures and increased production. Stock building was a record high for this time of year in the key Producing region. Above normal cooling degree days are forecast for the next 10-days. Increased demand for electric power is likely to be offset by the increase in supplies, constraining prices at the start of peak summer demand.

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: June 12, 2013

For the week ending: 31-May-13

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

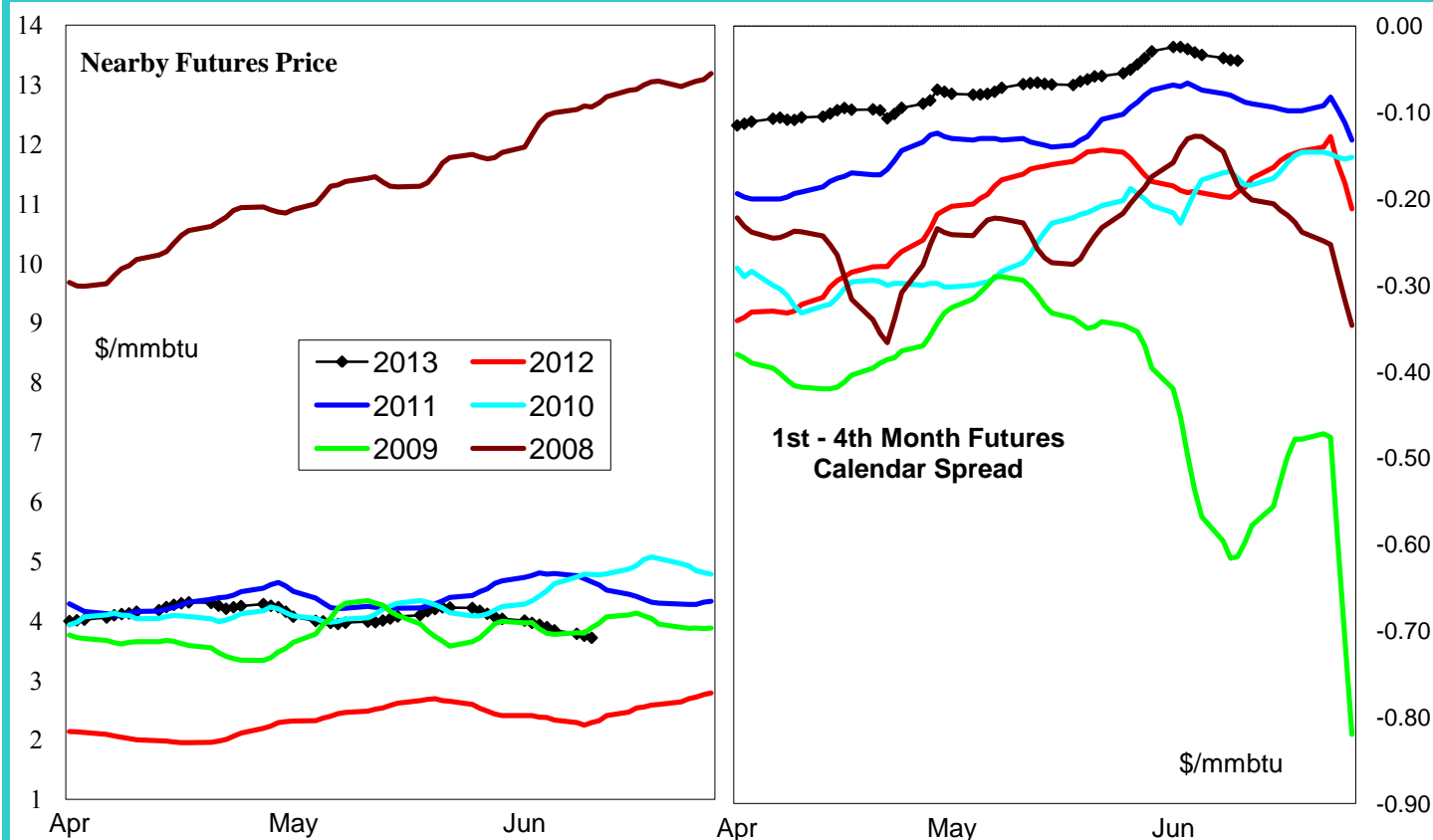
Week ending:	31-May-13			1-Jun-13		8-Jun-13		15-Jun-13	
Region	Weekly Stocks			Weekly Heating Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	2,252	111	-21.5	-9	-17%	2	24%	-18	-83%
East	968	58	-28.7	-10	-14%	3	38%	-22	-87%
West	396	16	-5.9	-19	-19%	-6	-27%	-16	-73%
Producing	888	37	-18.5	-4	-77%	3	46%	-4	-100%

Seasonal Trends in Stocks and Heating Degree Days

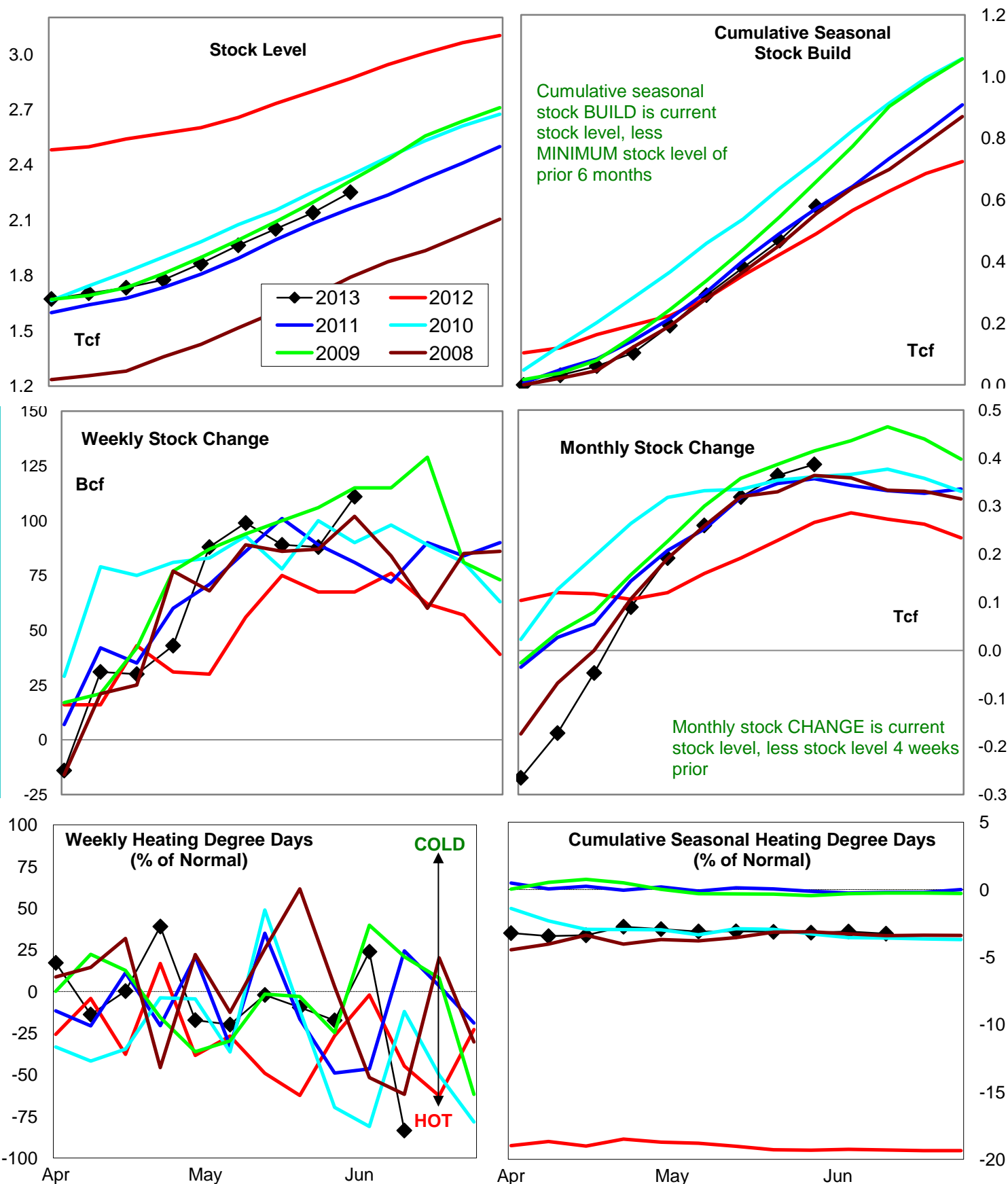
	Cumulative Stock Change			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
U.S. Total	579	89	15.4	18	-3.2	20	-3.1	2	-3.3
East	322	14	4.3	21	-2.9	24	-2.8	1	-2.9
West	66	-11	-16.7	28	-4.2	22	-4.3	6	-4.6
Producing	198	74	37.4	1	-4.0	4	-4.0	0	-4.0

Futures Market Price Trends

Date:	12-Jun-13	Change vs prior week, month, year		
		6-Jun-13	16-May-13	21-Jun-12
1st month Futures	3.71	-0.12	-0.22	0.94
% change	xxxxx	-3.1	-5.6	34.1



United States Natural Gas Stock and Weather Trends



Variance to prior year

Stock Level

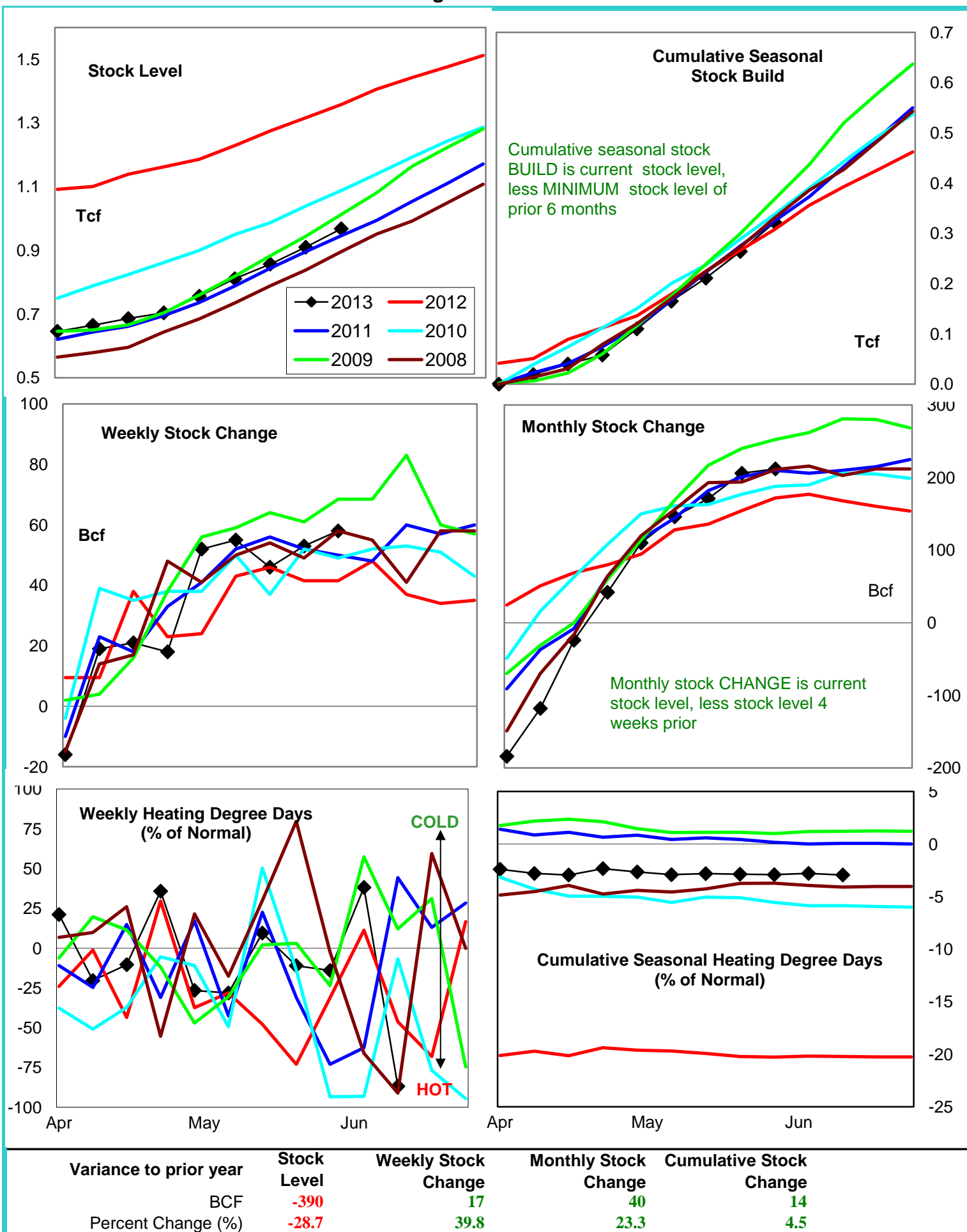
Weekly Stock Change

Monthly Stock Change

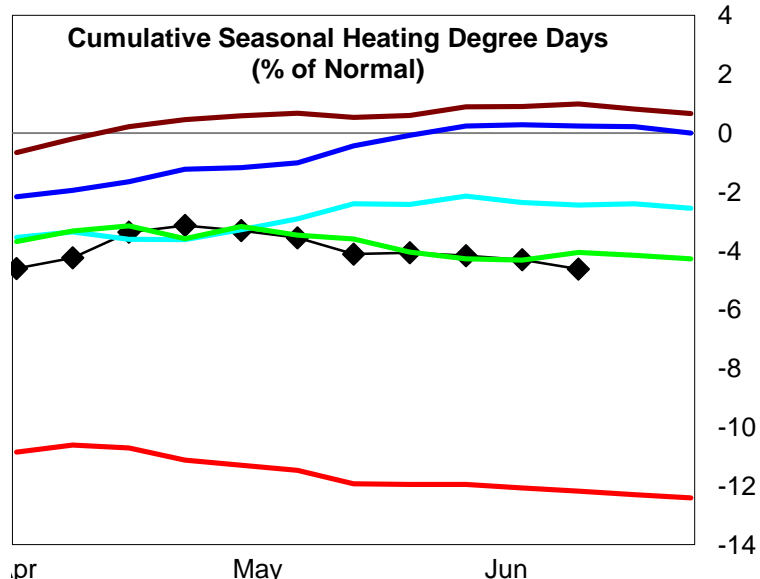
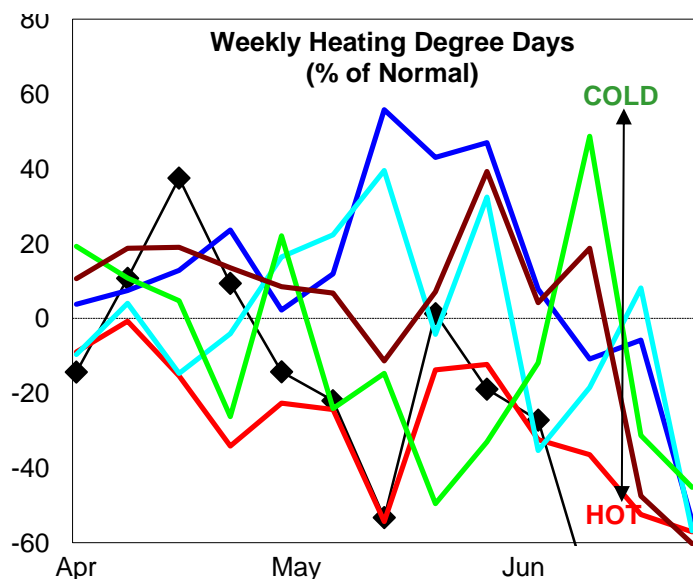
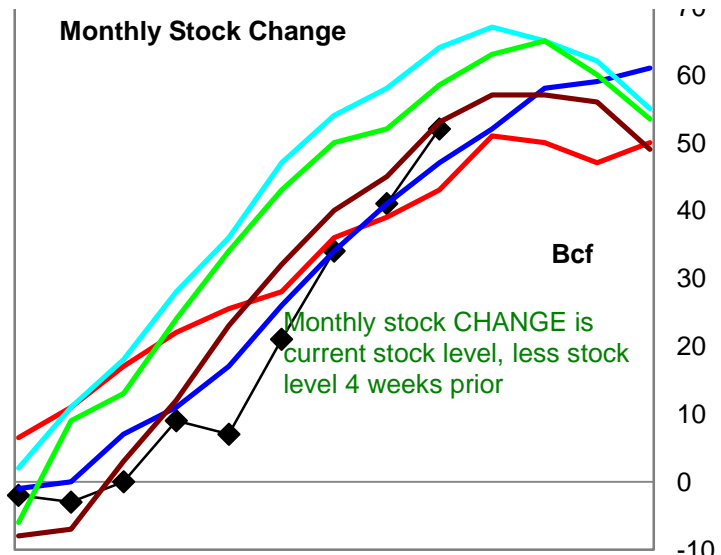
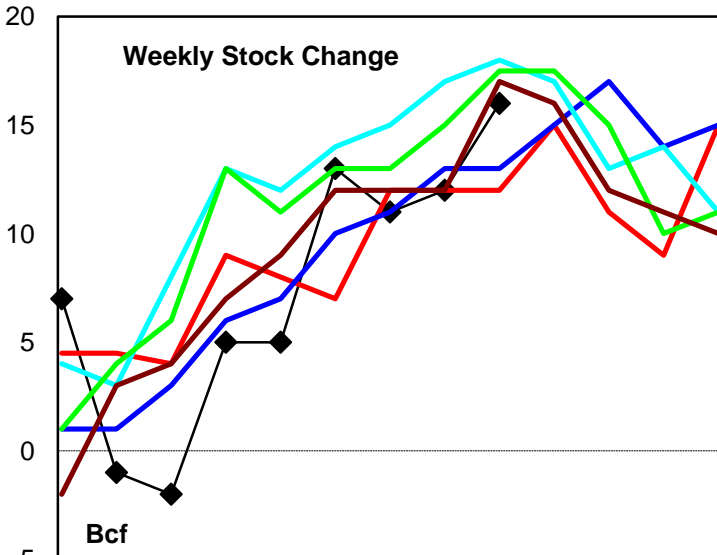
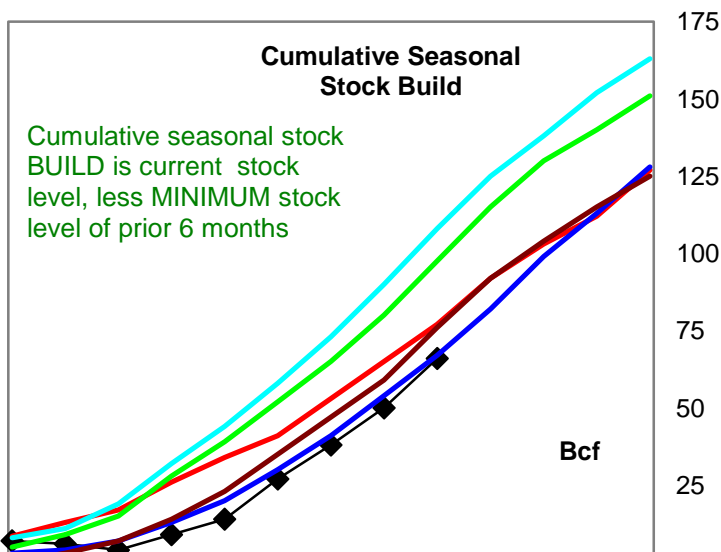
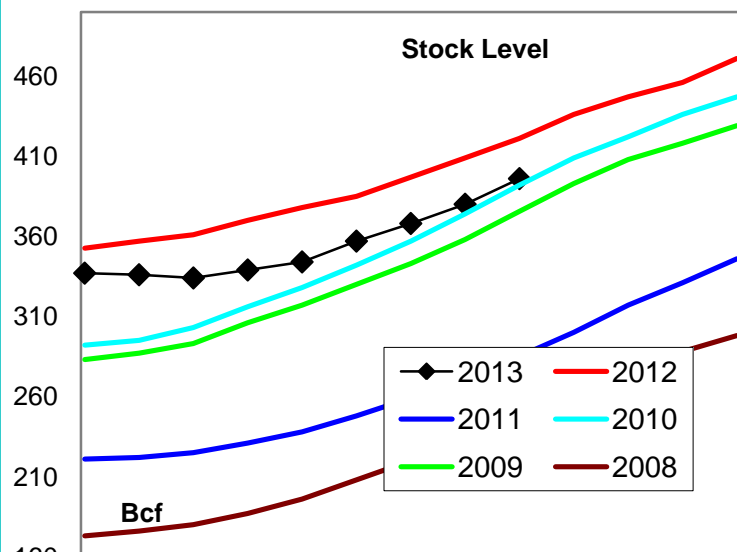
Cumulative Stock Change

BCF
Percent Change (%)-616
-21.544
64.4121
45.589
18.2

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 (%)

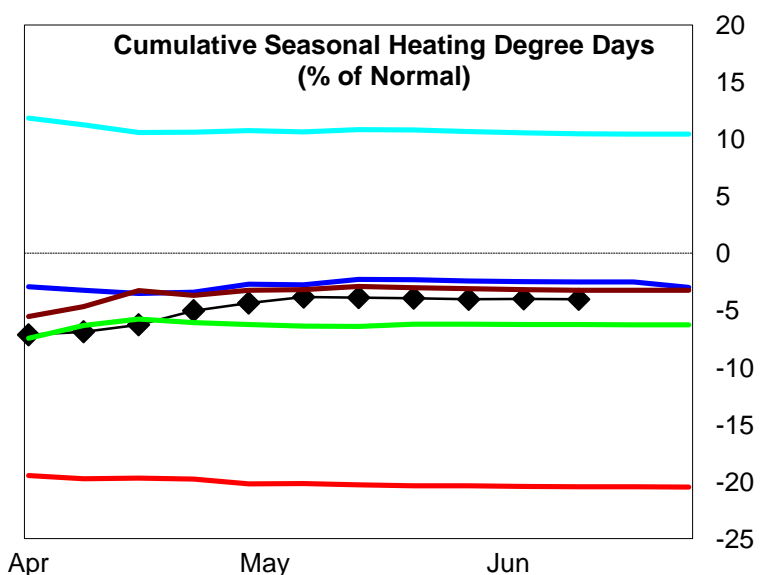
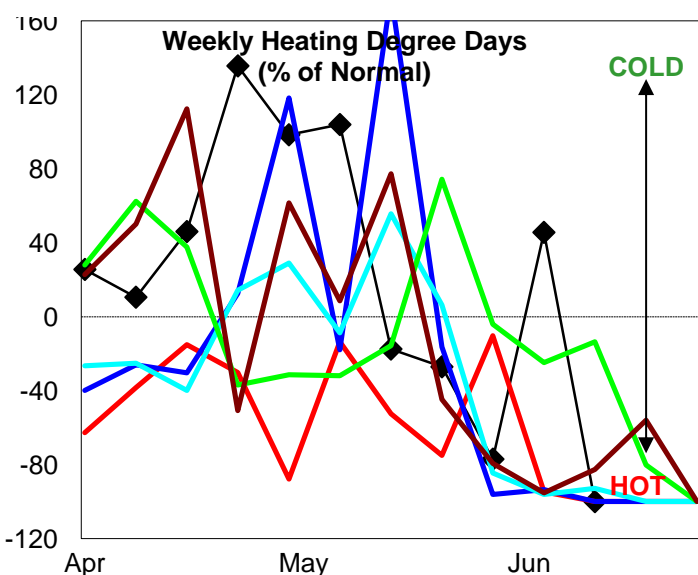
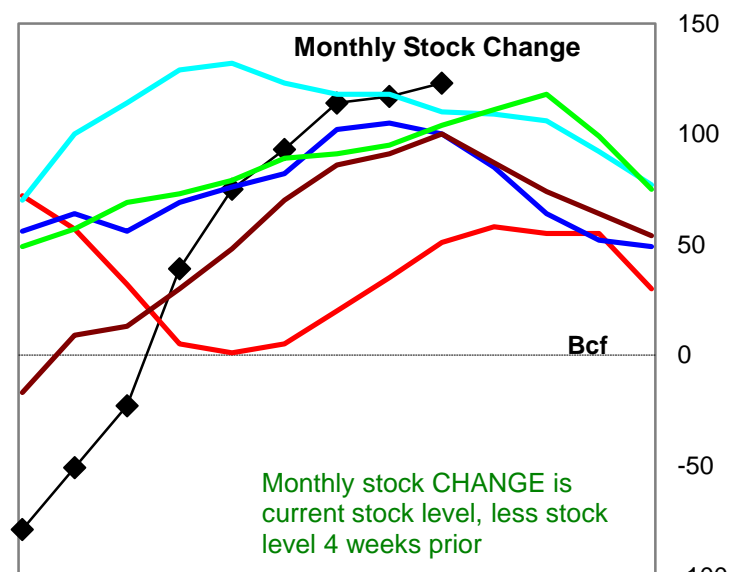
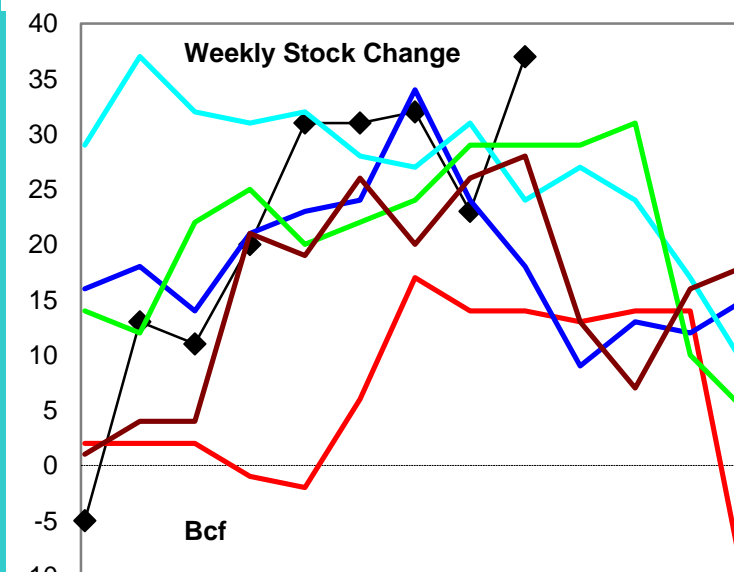
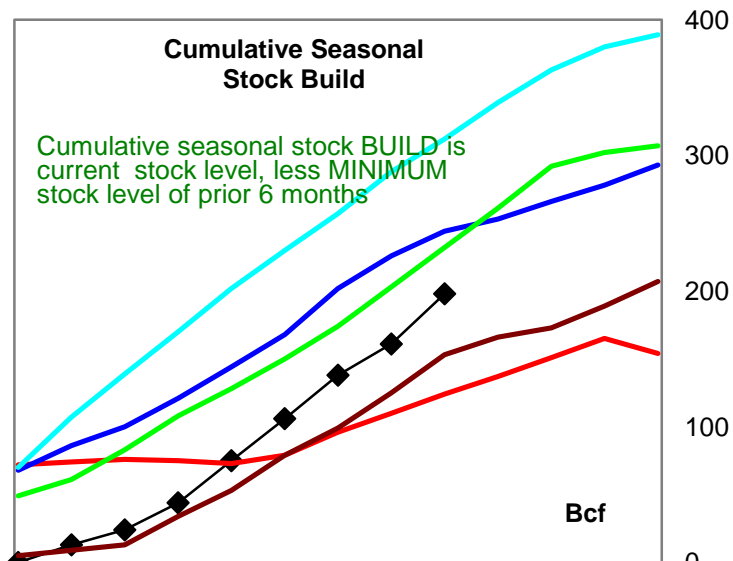
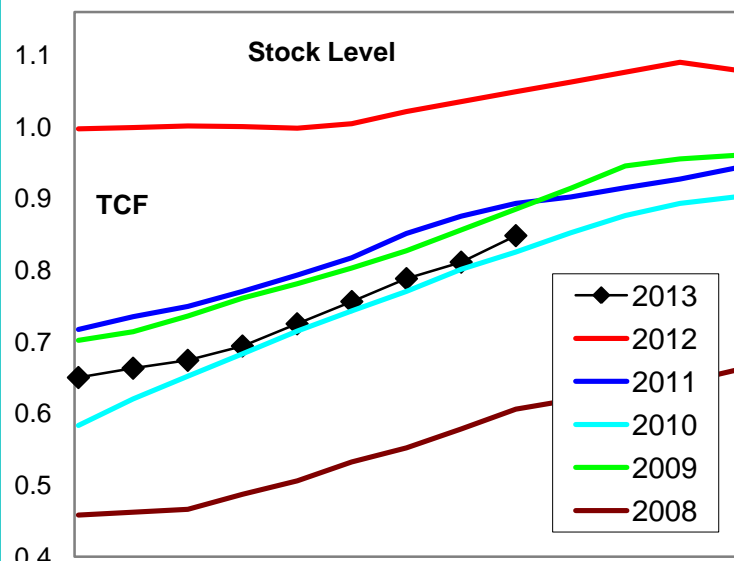
-25
-5.9

4
33.3

9
20.9

-11
-14.3

Natural Gas Producing Region Stock and Weather Trends



Variance to prior year

Stock Level

Weekly Stock Change

Monthly Stock Change

Cumulative Stock Change

BCF
Percent Change (%)

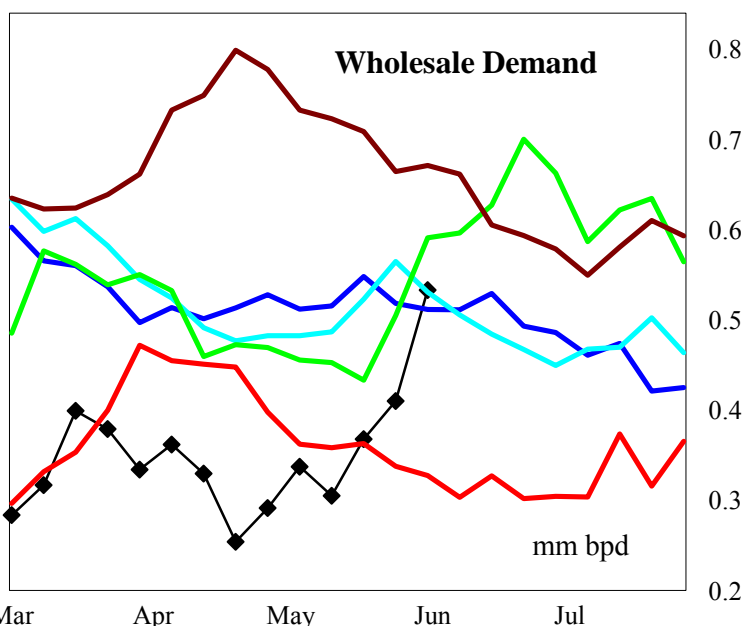
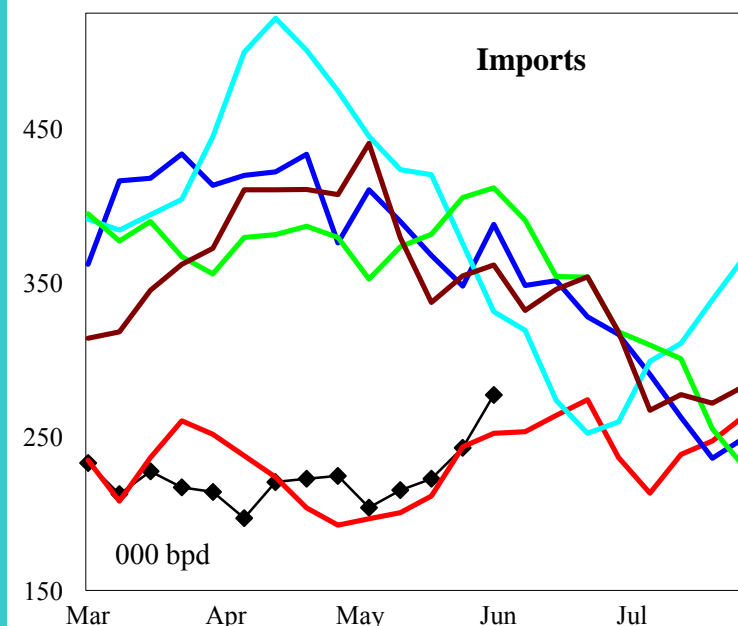
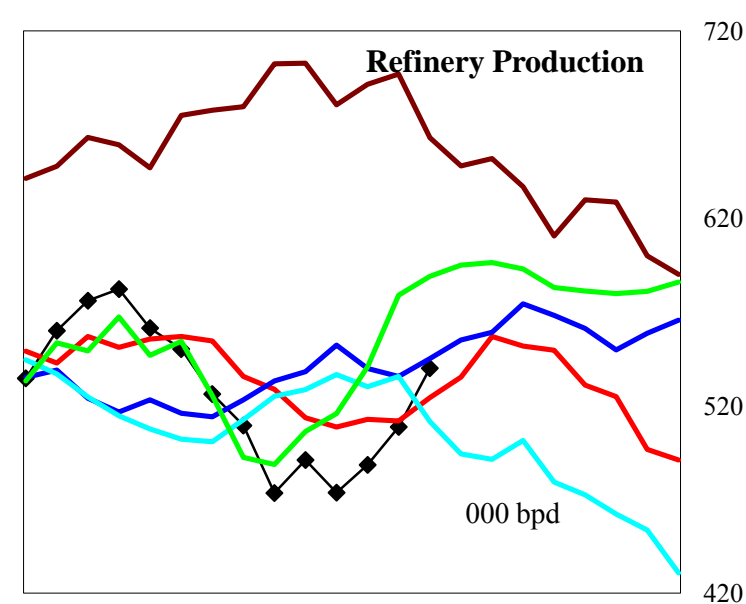
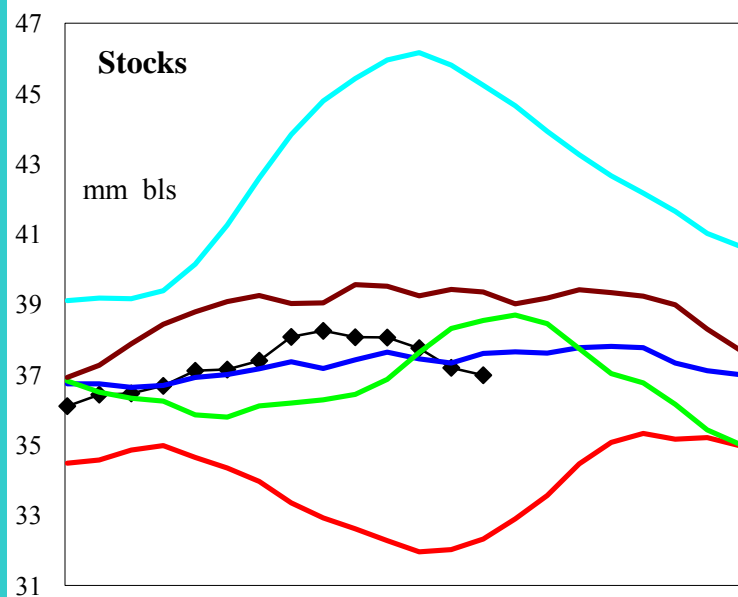
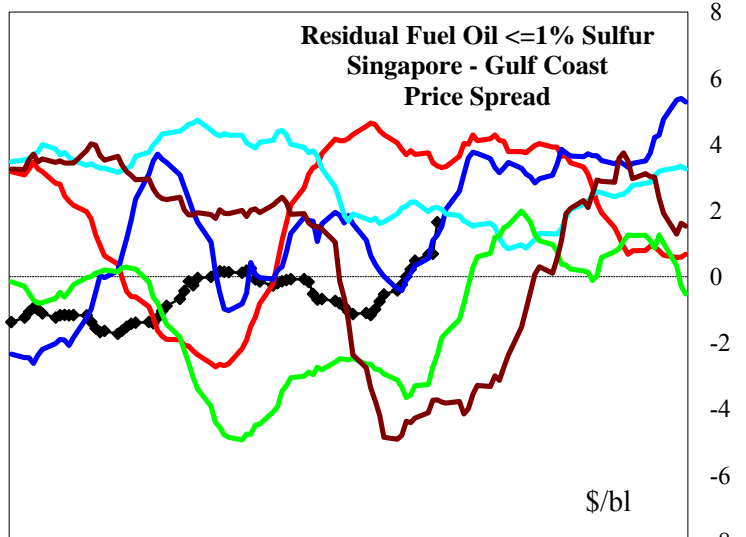
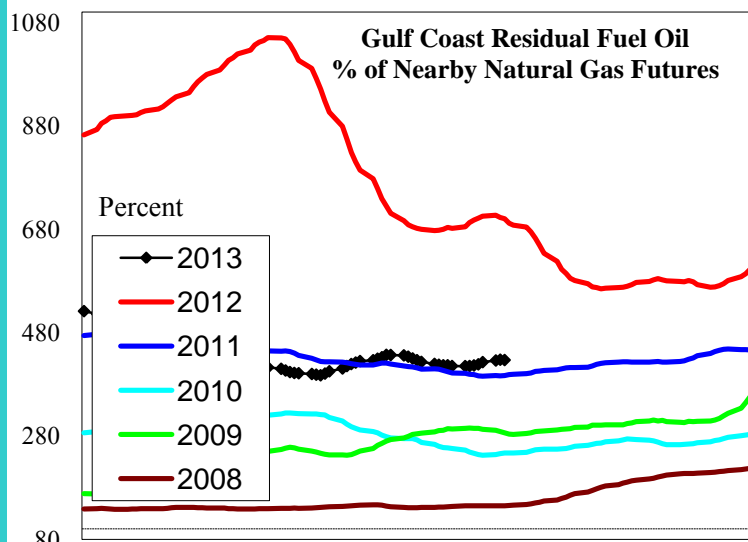
-201
-18.5

23
164.3

72
141.2

74
59.7

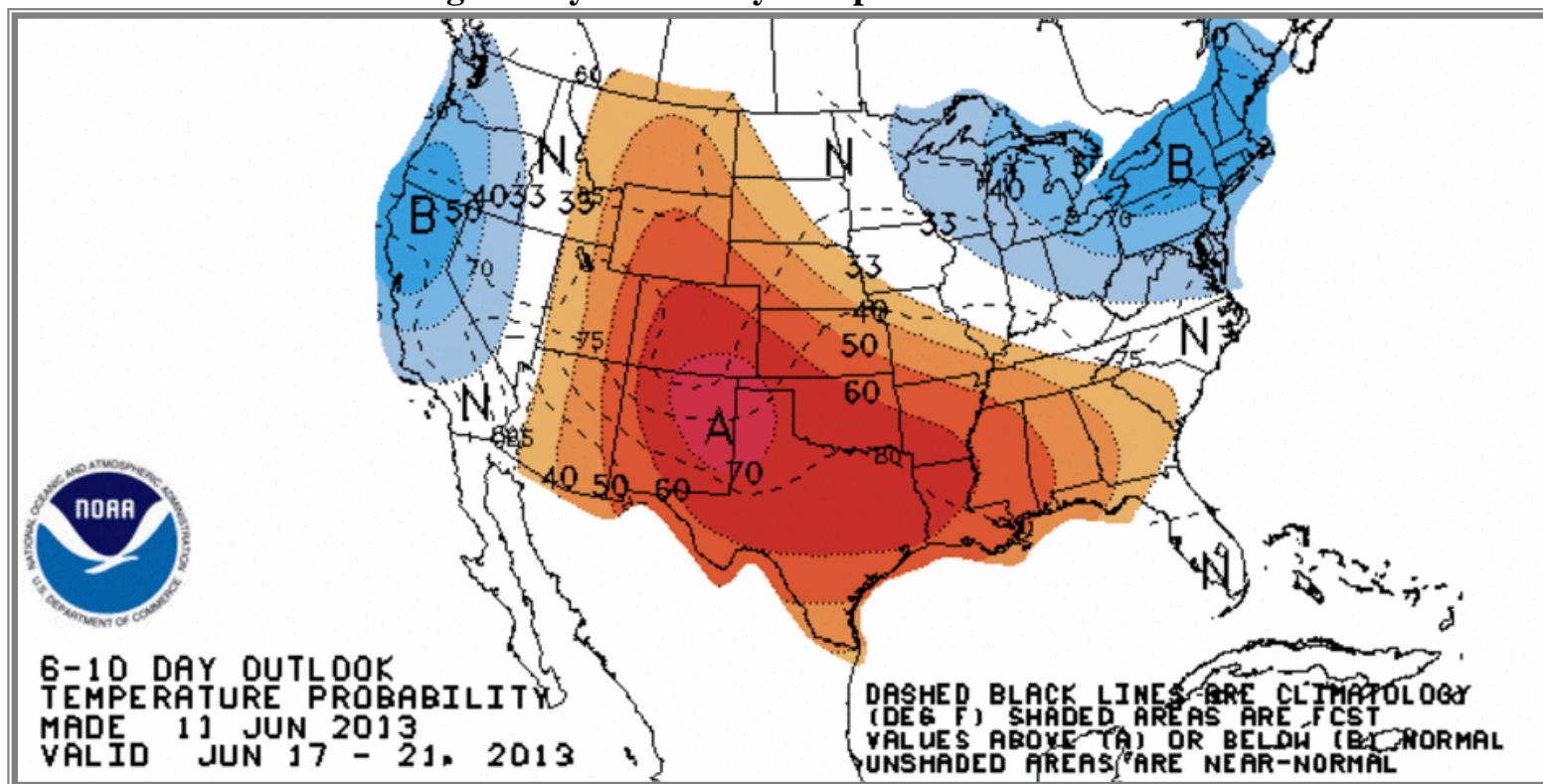
U.S. Residual Fuel Oil Price Spreads and Supply Balance



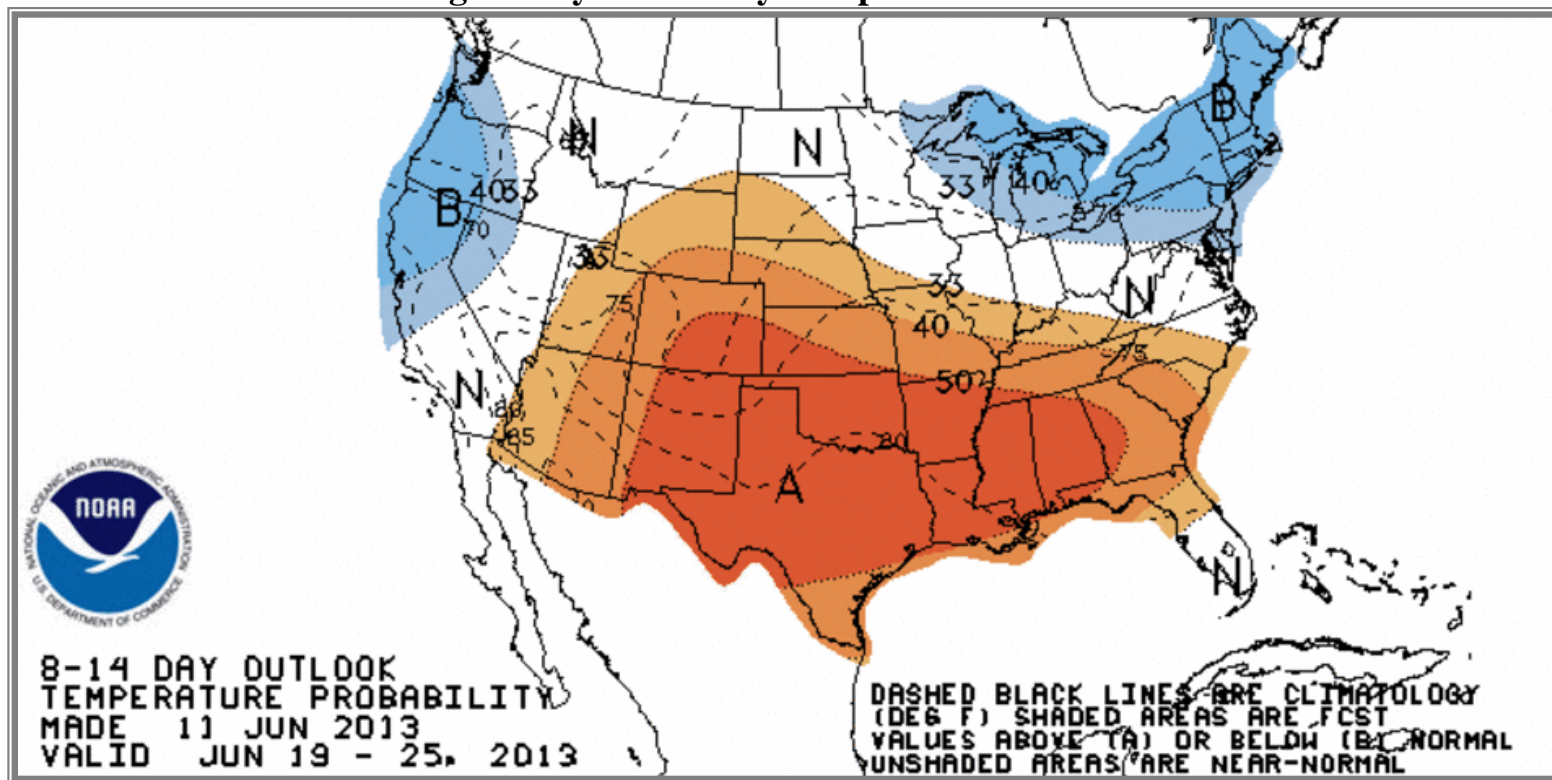
4 wk avg variance to prior year
000 bpd (000 bls stks)
% change

Stocks	Prod	Imports	Demd=>	4wk avg	Apr	Mar	Feb
5,960	-28	15		43	-146	8	-90
19.2	-5.5	7.0		11.7	-35.8	1.9	-22.8

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

