

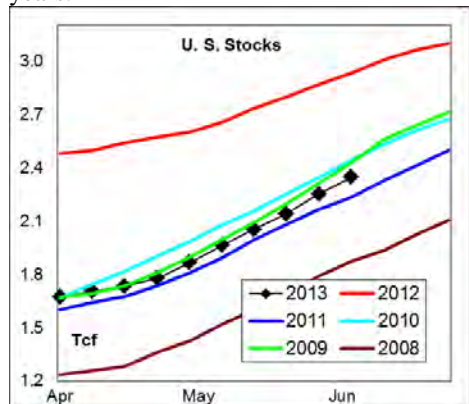
# WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

## A Fundamental Petroleum Trends Weekly Report

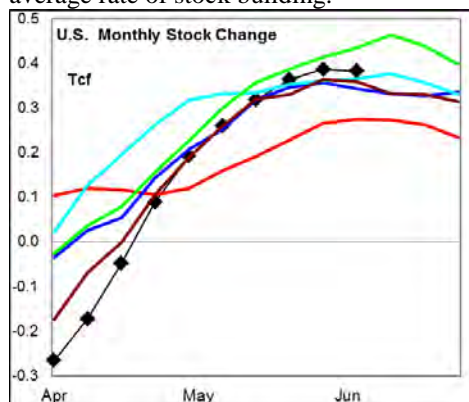
Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Monday, June 17, 2013



**Summary**<sup>1</sup> The stock build of +95 Bcf for the week was above each of the last 2-years.



The latest 4-wk stock change was a build of 383 Bcf, greater than four of the last 5-years. Increased production and mild temperatures continues to drive an above average rate of stock building.



In the East Region stocks increased +57 Bcf for the week, a build that exceeded each of the last 3-years. Stocks increased +13 Bcf in the West Region, a build that matched lows for this time of year. Stocks were +25 Bcf higher on the week in the Producing region, a build significantly above each of the last 2-years.

Heating degree days were +38% above normal in the East Region, -27% below normal in the West Region and +46% above normal in the Producing Region for the week ending 08Jun13.

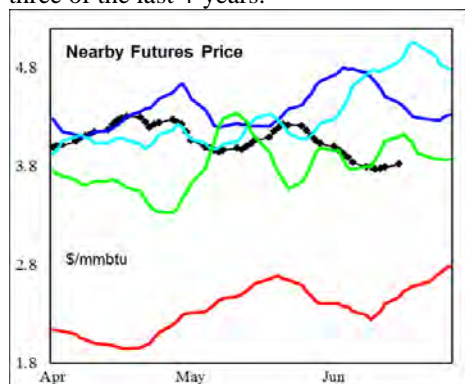
**Heating degree days** were +24% above

normal for the week ending 08Jun13, -45% below normal for the week ending 15Jun13, and forecast to be -50% below normal for the week ending 22Jun13.

The 6-10 day NWS forecast for the week ending 26Jun13 is for above normal temperatures across the eastern 2/3rds of the country.

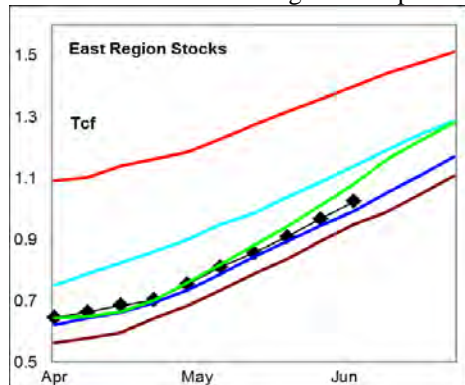
The 8-14 day NWS forecast for the week ending 30Jun13 is for above normal temperatures across the northern 2/3rds of the country.

**Prices:** Nearby gas futures prices increased +\$0.02/mmbtu for the week ending 17Jun13. The current price level is below three of the last 4-years.



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

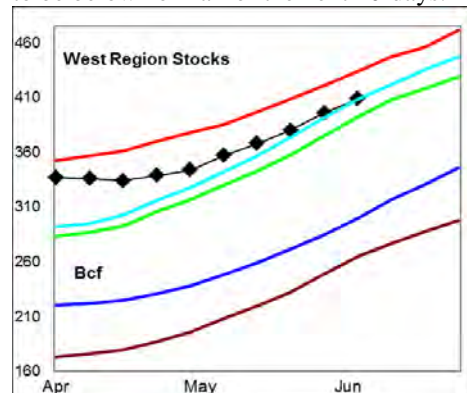
**East Region** stocks increased +57 Bcf for the week, a build that exceeded each of the last 3-years. The current stock level is below the historic mid range for the period.



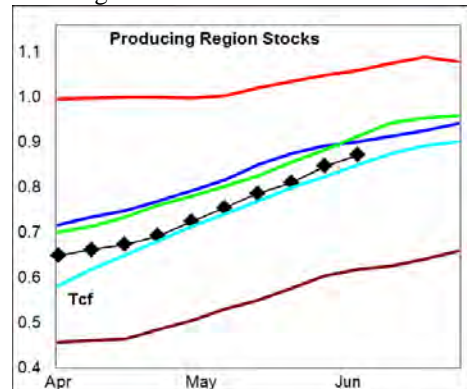
Heating degree days in the region were +38% above normal for the week ending 08Jun13, -39% below normal for the week ending 15Jun13, and forecast to be -31% below normal for the week ending 22Jun13. Heating degree days are forecast to be below normal in the region for the next 10-days.

**West Region** stocks increased +13 Bcf last week, a build that matched lows for this

time of year. Stock levels ended the week -6% below last year. Heating degree days were -27% below normal for the week ended 08Jun13, -58% below normal for the week ending 15Jun13, and forecast to be -80% below normal for the week ended 22Jun13. Heating degree days are forecast to be below normal for the next 10-days.



**Producing Region** stocks increased +25 Bcf for the week, a build significantly above each of the last 2-years. Stock levels ended the week below the 5-year mid range.



Heating degree days were +46% above normal for the week ended 08Jun13, -100% below normal for the week ending 15Jun13, and forecast to be -100% below normal for the week ending 22Jun13. Above normal 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 +01% above last year.

**Outlook:** Stocks continued to build at an above average rate for six of the last 7-wks, including the current week. As a result, prices are trading at 2-month lows. Expect increased demand for electric power on above average cooling degree days to provide support to prices in the near term.

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

[Data Source is EIA Weekly Statistics](http://Data Source is EIA Weekly Statistics)

[National Weather Service 6-10 Day](http://National Weather Service 6-10 Day)

[National Weather Service 10-14 Day](http://National Weather Service 10-14 Day)

## NATURAL GAS: Graph Link and Weekly Summary



Report prepared as of: June 17, 2013

For the week ending: 7-Jun-13

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

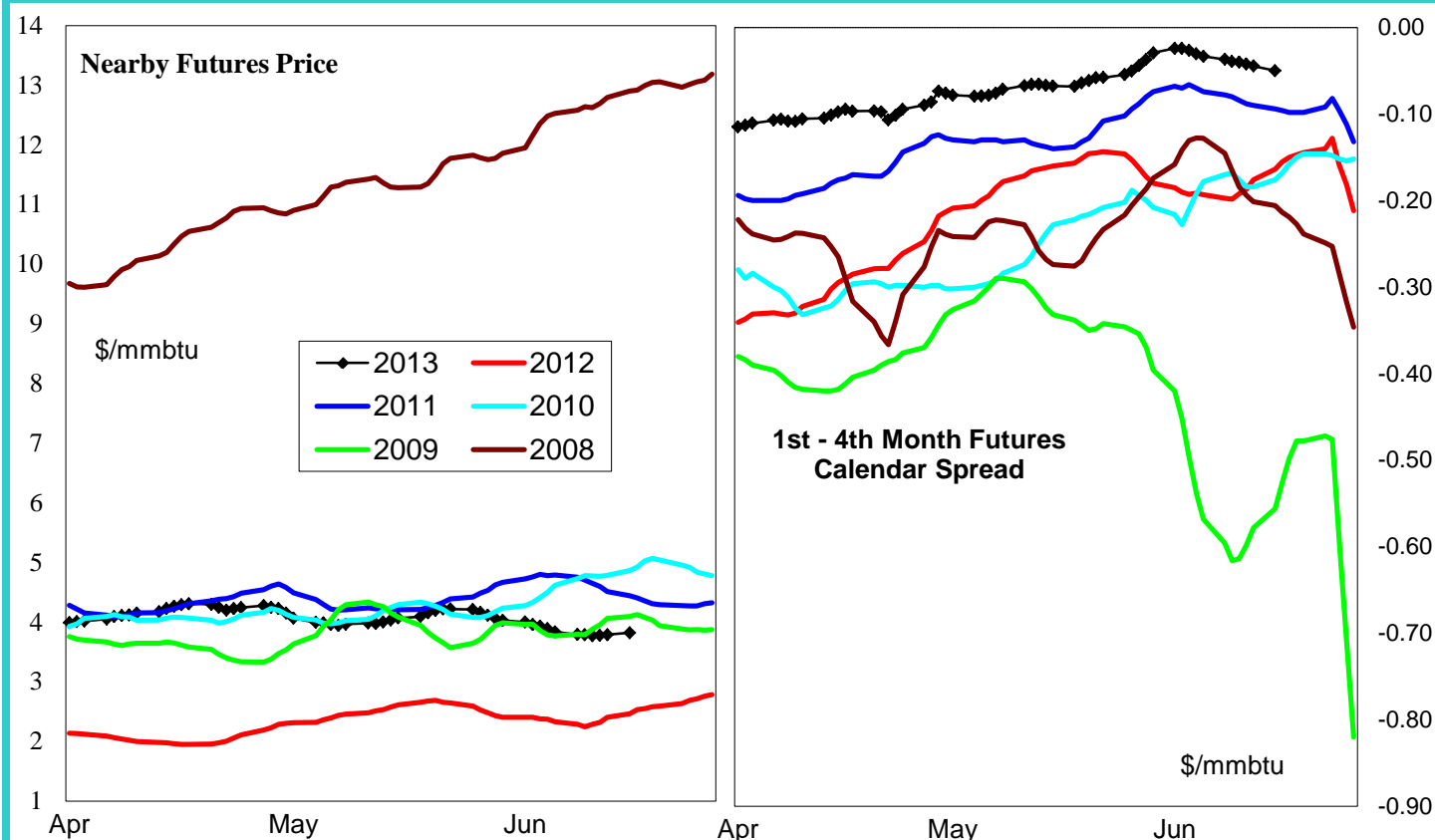
Week ending:	7-Jun-13			8-Jun-13		15-Jun-13		22-Jun-13	
Region	Weekly Stocks			Weekly Heating Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	2,347	95	-20.0	2	24%	-14	-45%	-3	-50%
East	1,025	57	-26.8	3	38%	-17	-39%	-3	-31%
West	409	13	-5.8	-6	-27%	-12	-58%	-7	-80%
Producing	913	25	-17.0	3	46%	-4	-100%	0	-100%

### Seasonal Trends in Stocks and Heating Degree Days

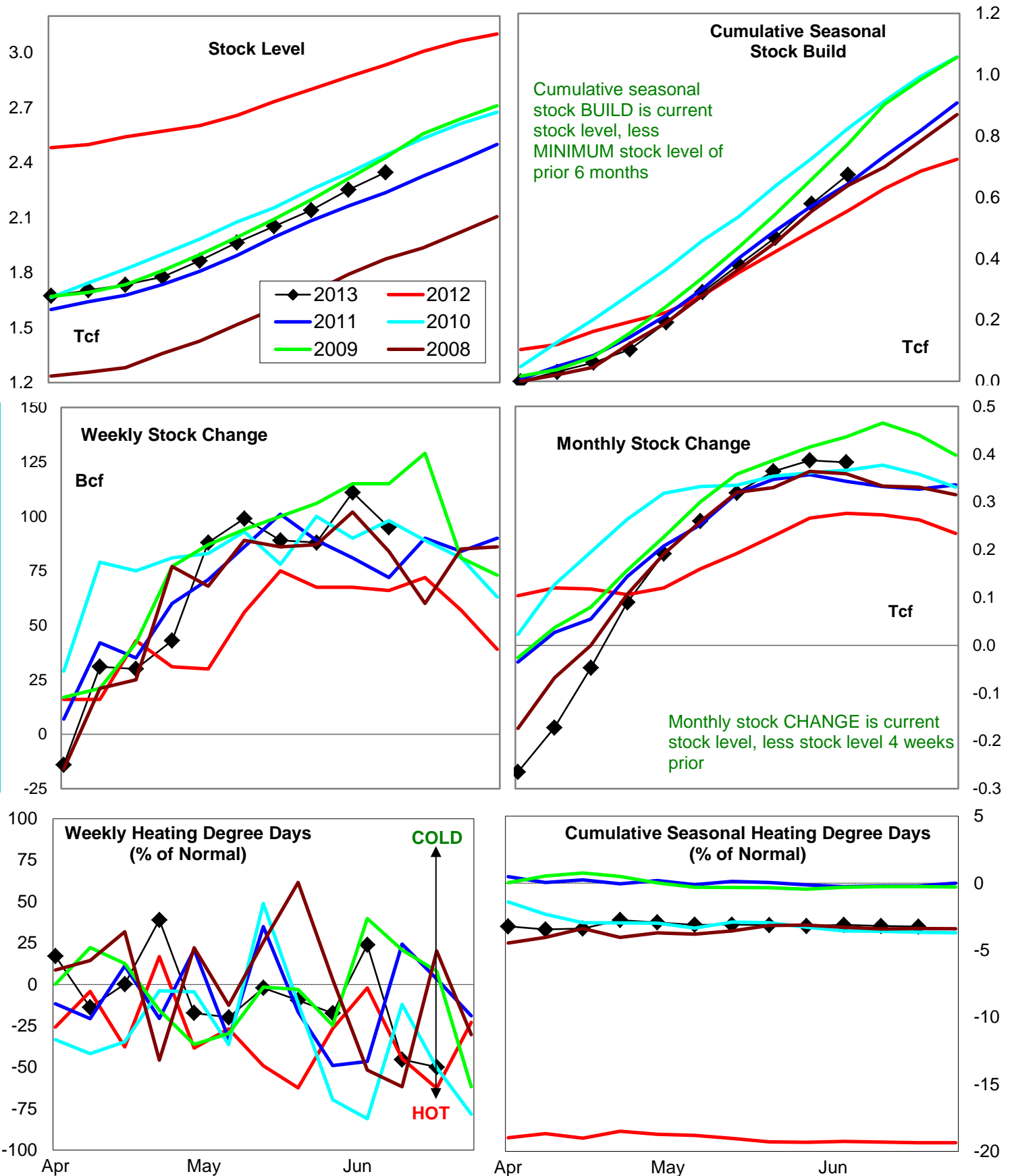
	Cumulative Stock Change			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
<b>U.S. Total</b>	<b>674</b>	<b>118</b>	<b>17.5</b>	<b>20</b>	<b>-3.1</b>	<b>6</b>	<b>-3.2</b>	<b>3</b>	<b>-3.2</b>
<b>East</b>	<b>379</b>	<b>29</b>	<b>7.7</b>	<b>24</b>	<b>-2.8</b>	<b>6</b>	<b>-2.9</b>	<b>3</b>	<b>-2.9</b>
<b>West</b>	<b>79</b>	<b>-11</b>	<b>-13.9</b>	<b>22</b>	<b>-4.3</b>	<b>10</b>	<b>-4.6</b>	<b>4</b>	<b>-4.8</b>
<b>Producing</b>	<b>223</b>	<b>88</b>	<b>39.5</b>	<b>4</b>	<b>-4.0</b>	<b>0</b>	<b>-4.0</b>	<b>0</b>	<b>-4.1</b>

### Futures Market Price Trends

Date:	17-Jun-13	Change vs prior week, month, year		
		11-Jun-13	21-May-13	26-Jun-12
<b>1st month Futures</b>	<b>3.82</b>	<b>0.10</b>	<b>-0.37</b>	<b>1.00</b>
<b>% change</b>	<b>xxxxx</b>	<b>2.6</b>	<b>-8.9</b>	<b>35.3</b>



# United States Natural Gas Stock and Weather Trends



Variance to prior year

Stock  
LevelWeekly Stock  
ChangeMonthly Stock  
ChangeCumulative Stock  
Change

BCF

-587

29

107

118

Percent Change (%)

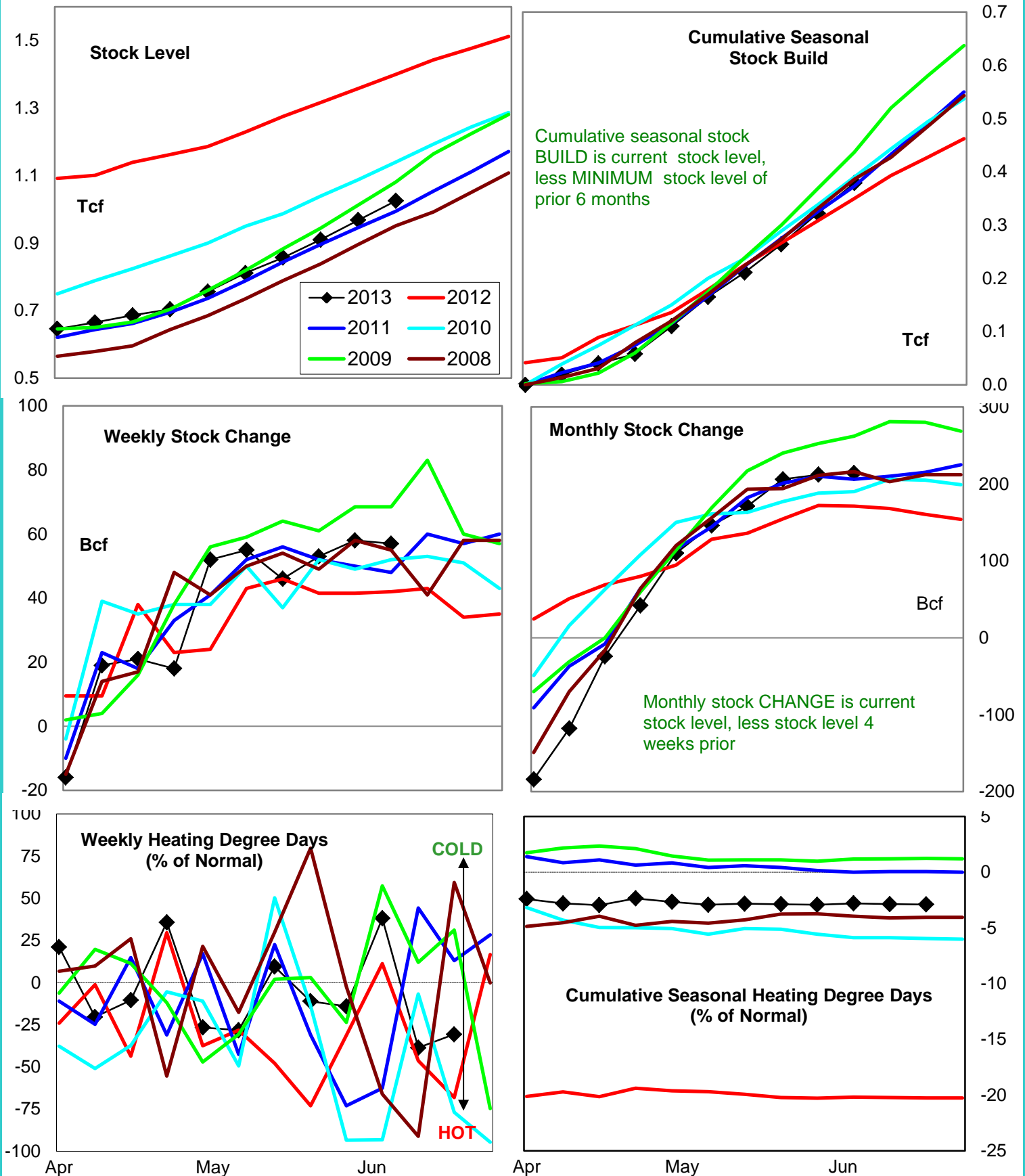
-20.0

43.9

38.8

21.2

# Natural Gas East Region Stock and Weather Trends



Variance to prior year

Stock  
LevelWeekly Stock  
ChangeMonthly Stock  
ChangeCumulative Stock  
Change

BCF

-375

15

43

29

Percent Change (%)

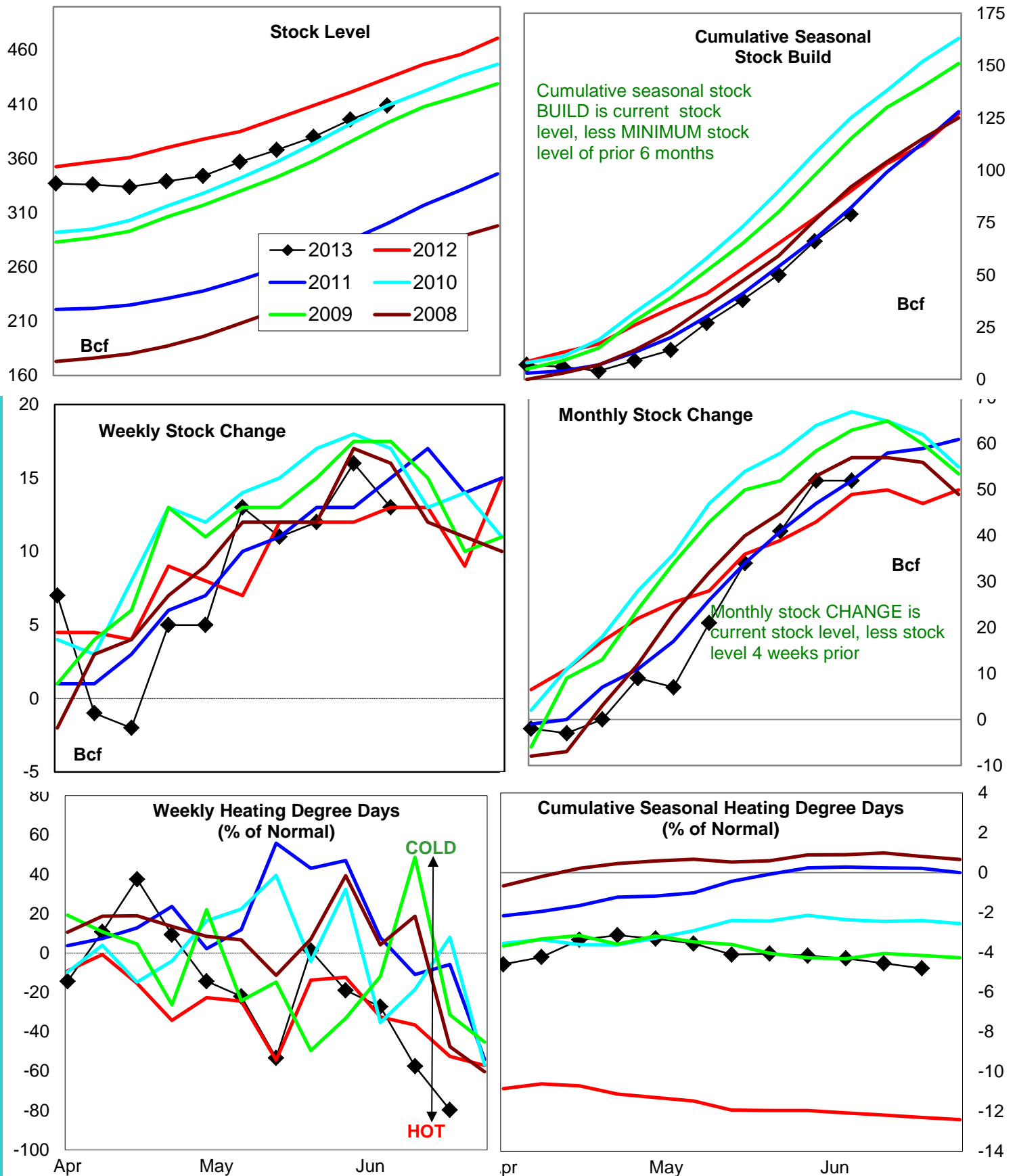
-26.8

35.7

25.1

8.3

# Natural Gas West Region Stock and Weather Trends



Variance to prior year

Stock  
LevelWeekly Stock  
ChangeMonthly Stock  
ChangeCumulative Stock  
Change

BCF

-25

0

3

-11

Percent Change (%)

-5.8

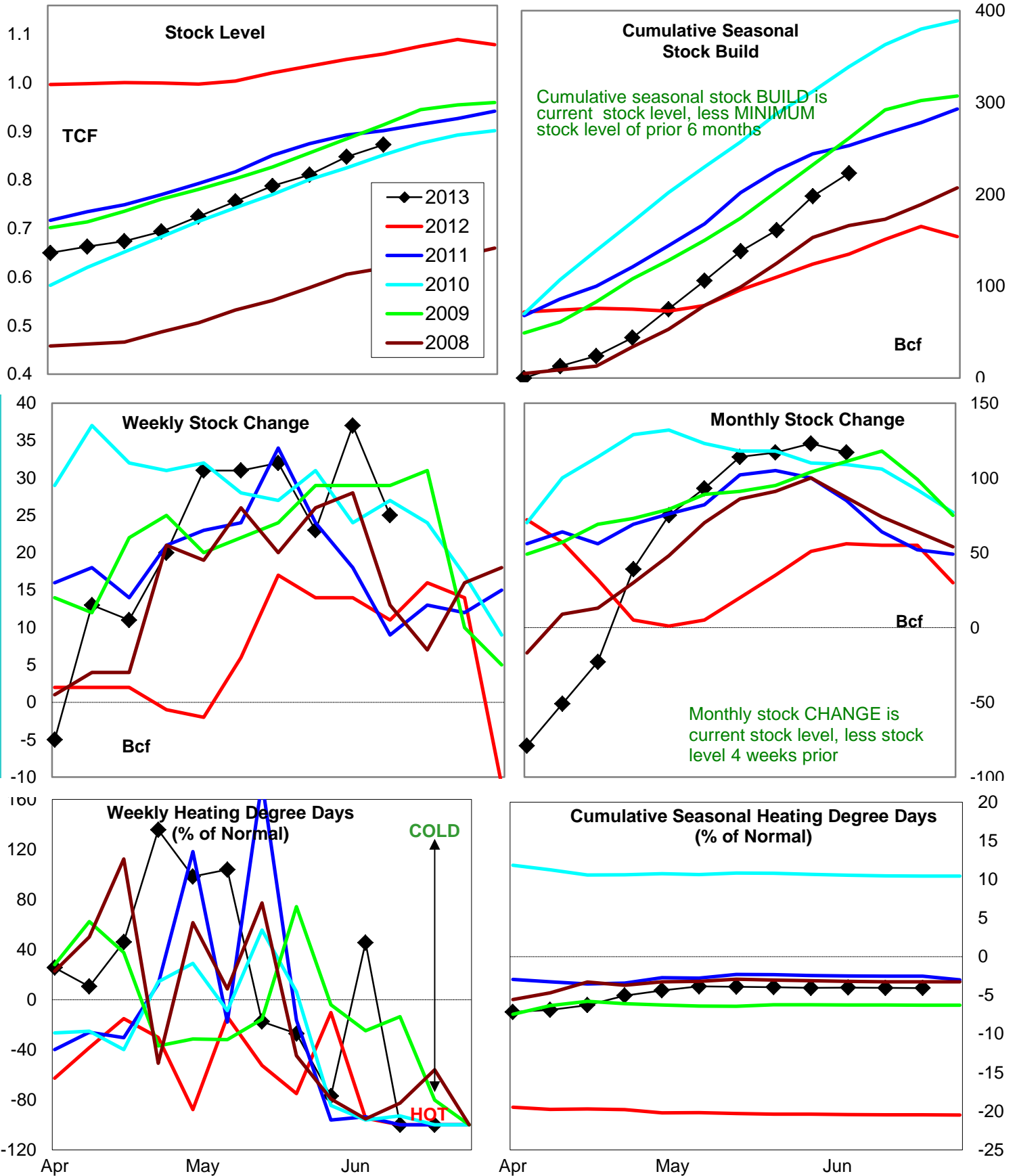
0.0

6.1

-12.2



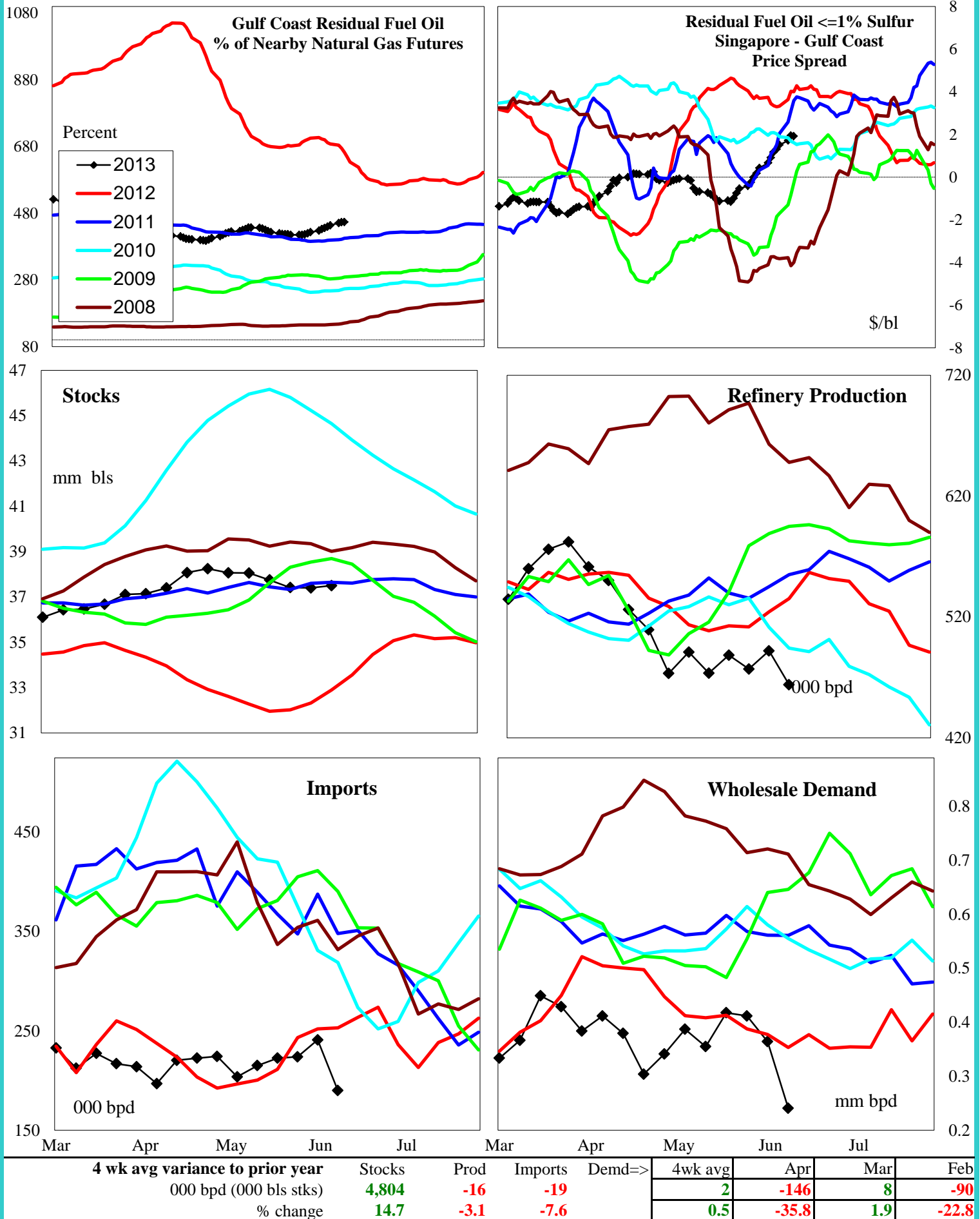
# Natural Gas Producing Region Stock and Weather Trends



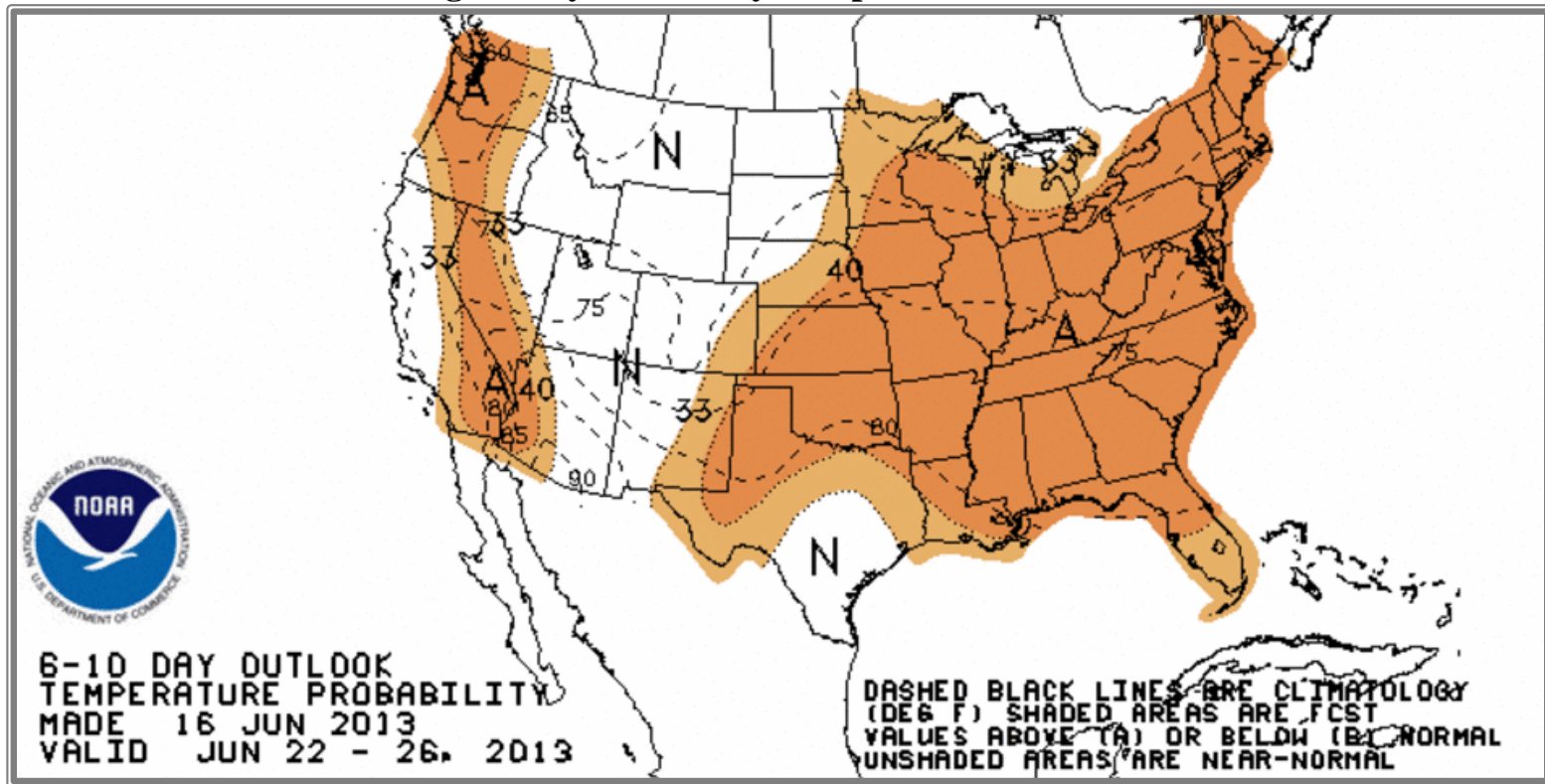
Variance to prior year

Stock  
LevelWeekly Stock  
ChangeMonthly Stock  
ChangeCumulative Stock  
ChangeBCF  
Percent Change (%)-187  
-17.014  
127.361  
108.988  
65.2

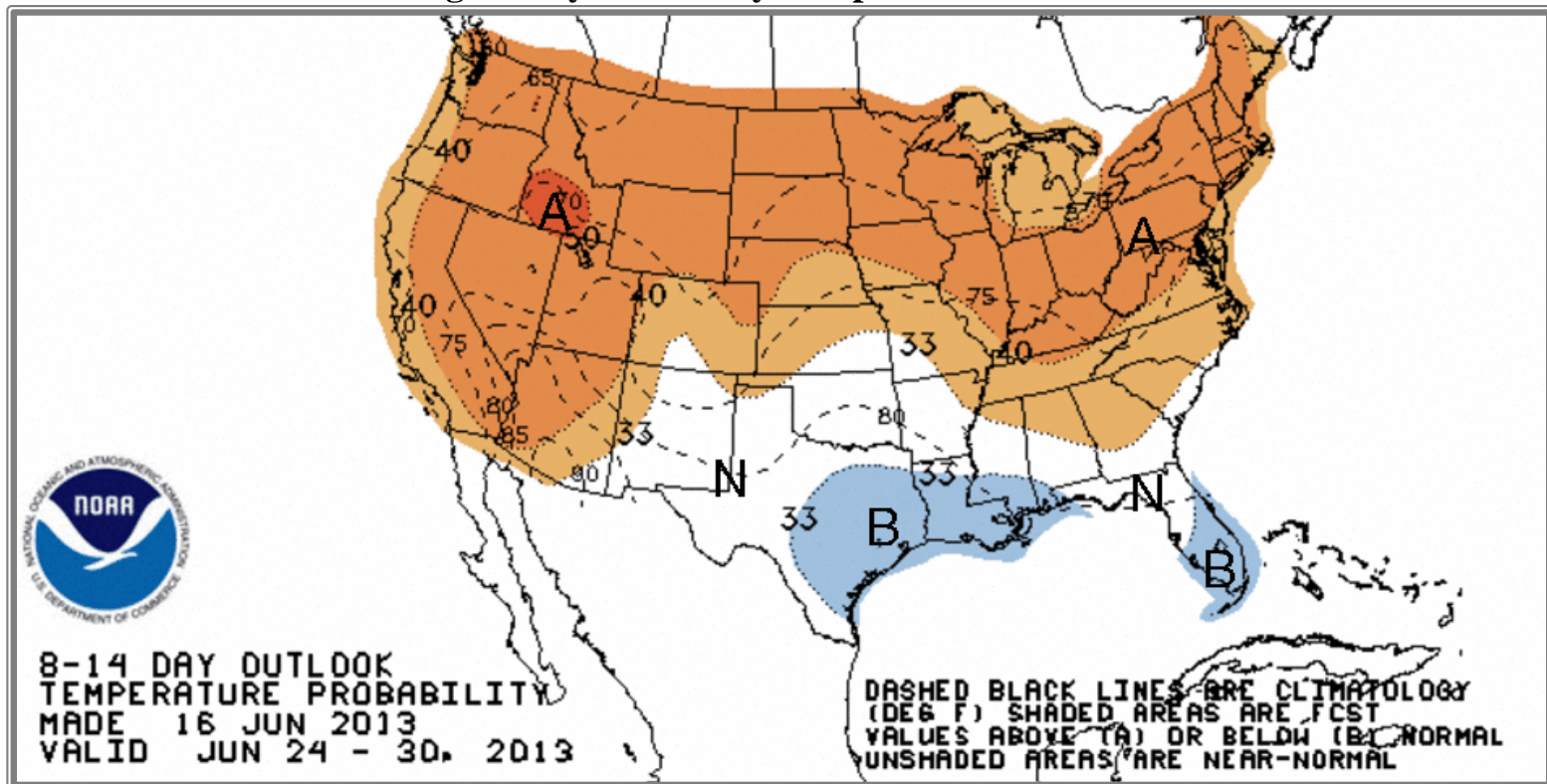
## U.S. Residual Fuel Oil Price Spreads and Supply Balance



### 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

