

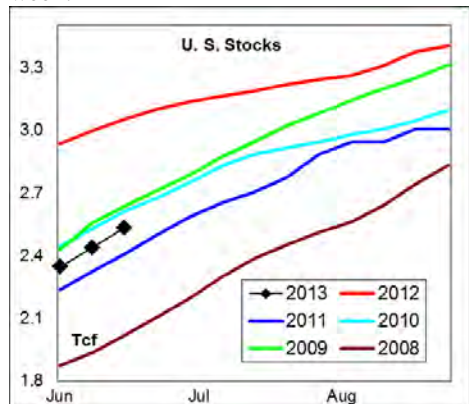
# WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

## A Fundamental Petroleum Trends Weekly Report

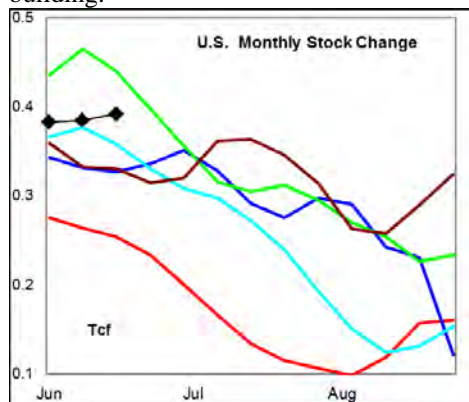
Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Tuesday, July 02, 2013



**Summary**<sup>1</sup> The stock build of +95 Bcf for the week was another record build for the week.



The latest 4-wk stock change was a build of 392 Bcf, greater than four of the last 5-years. Increased production and below normal cooling degree days continues to drive an above average rate of stock building.



In the East Region stocks increased +58 Bcf for the week, a build that matched the historic mid range. Stocks increased +13 Bcf in the West Region, a build that was above the mid range. Stocks were +24 Bcf higher on the week in the Producing region, a record build for the week.

Heating degree days were -18% below normal in the East Region, -55% below normal in the West Region and -100% below normal in the Producing Region for the week ending 22Jun13.

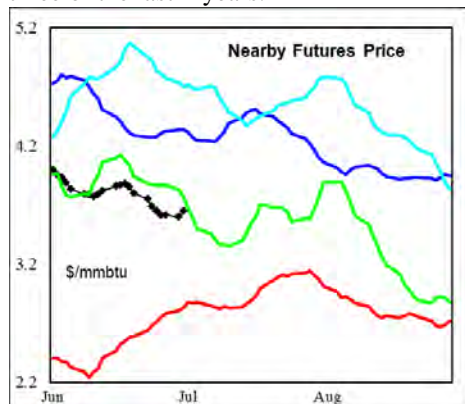
**Heating degree days** were -33% below

normal for the week ending 22Jun13, and -77% below normal for the week ending 29Jun13.

The 6-10 day NWS forecast for the week ending 11Jul13 is for much above normal temperatures across the western and eastern regions of the country and below normal in the central ½ of the country.

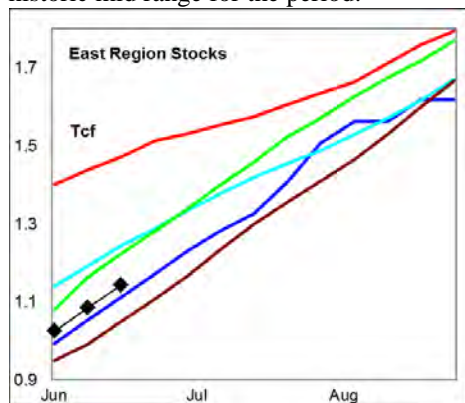
The 8-14 day NWS forecast for the week ending 15Jul13 is for much above normal temperatures across the western 1/3<sup>rd</sup> of the country and below normal in the central 1/3<sup>rd</sup> of the country.

**Prices:** Nearby gas futures prices were unchanged for the week ending 02Jul13. The current price level is slightly below three of the last 4-years.



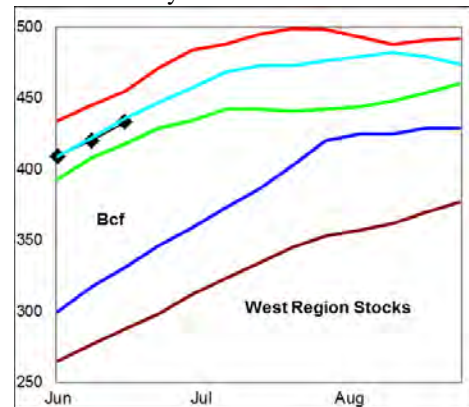
The 1<sup>st</sup> - 4<sup>th</sup> month forward price curve trended lower last week, ending at a level above the historic range for this time of year.

**East Region** stocks increased +58 Bcf for the week, a build that matched the mid range. The current stock level is below the historic mid range for the period.

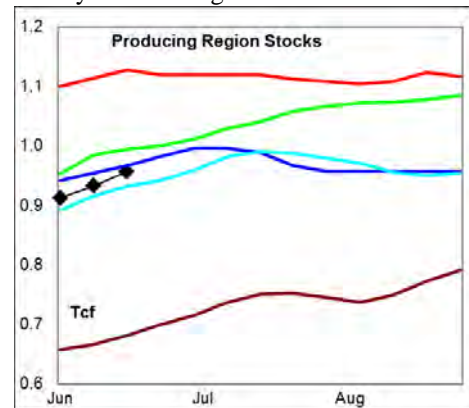


Heating degree days in the region were -18% below normal for the week ending 22Jun13, and -74% below normal for the week ending 29Jun13. Cooling degree days are forecast to much above normal in the region for the next 10-days.

**West Region** stocks increased +13 Bcf last week, a build that was above the mid range. Stock levels ended the week -4.8% below last year. Heating degree days were -55% below normal for the week ended 22Jun13, and -78% below normal for the week ended 29Jun13. Cooling degree days are forecast to be sharply above normal for the next 10-days.



**Producing Region** stocks increased +24 Bcf for the week, a record build for the period. Stock levels ended the week near the 5-year mid range.



Heating degree days were -100% below normal for the week ended 22Jun13, and -100% below normal for the week ending 29Jun13. Near normal cooling 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 -1% below last year.

**Outlook:** Stocks continued to build at a near record rate with the latest 4-wk build above each of the last 3-years. Prices continue to trade near 3-month lows. Much above normal temperatures are forecast for both the East and West Coasts over the next 10-days; partially offset by cooler than normal temperatures across the central ½ of the country. Risk continues of further price weakness.

### <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: July 2, 2013

For the week ending: 21-Jun-13

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

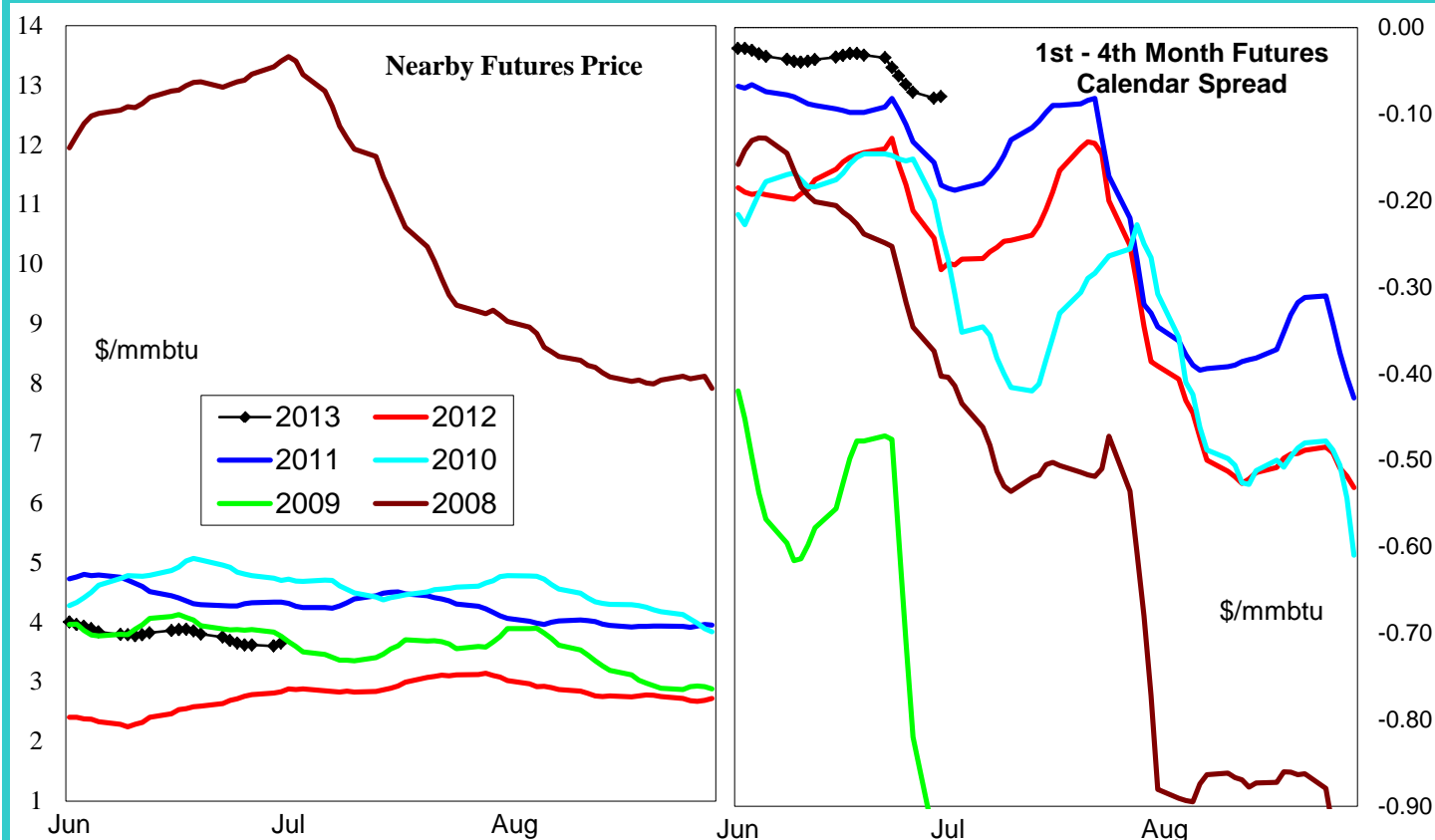
Week ending:	21-Jun-13			15-Jun-13		22-Jun-13		29-Jun-13	
Region	Weekly Stocks			Weekly Heating Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	2,533	95	-17.1	-14	-45%	-2	-33%	-3	-77%
East	1,143	58	-22.4	-17	-39%	-2	-18%	-4	-74%
West	433	13	-4.8	-12	-58%	-2	-55%	-5	-78%
Producing	957	24	-15.2	-4	-100%	0	-100%	0	-100%

### Seasonal Trends in Stocks and Heating Degree Days

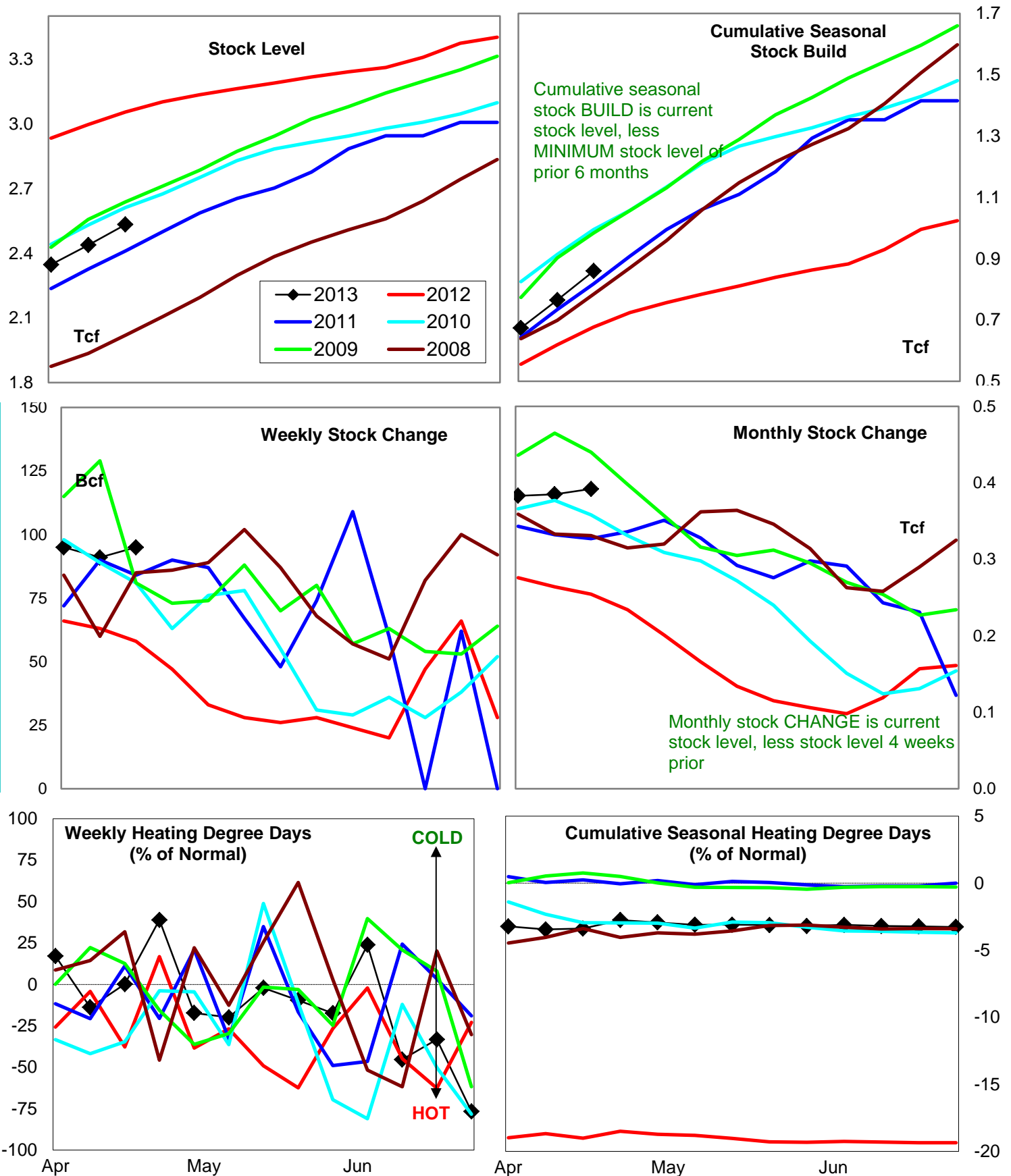
	Cumulative Stock Change			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
<b>U.S. Total</b>	<b>860</b>	<b>183</b>	<b>21.3</b>	<b>6</b>	<b>-3.2</b>	<b>4</b>	<b>-3.2</b>	<b>1</b>	<b>-3.3</b>
<b>East</b>	<b>497</b>	<b>75</b>	<b>15.1</b>	<b>6</b>	<b>-2.9</b>	<b>4</b>	<b>-2.9</b>	<b>1</b>	<b>-2.9</b>
<b>West</b>	<b>103</b>	<b>-8</b>	<b>-7.8</b>	<b>10</b>	<b>-4.6</b>	<b>8</b>	<b>-4.7</b>	<b>3</b>	<b>-4.9</b>
<b>Producing</b>	<b>267</b>	<b>104</b>	<b>39.0</b>	<b>0</b>	<b>-4.0</b>	<b>0</b>	<b>-4.1</b>	<b>0</b>	<b>-4.1</b>

### Futures Market Price Trends

Date:	2-Jul-13	Change vs prior week, month, year		
		26-Jun-13	5-Jun-13	11-Jul-12
<b>1st month Futures</b>	<b>3.65</b>	<b>-0.06</b>	<b>-0.35</b>	<b>0.85</b>
<b>% change</b>	<b>xxxxx</b>	<b>-1.5</b>	<b>-8.8</b>	<b>30.3</b>



# United States Natural Gas Stock and Weather Trends



Variance to prior year

Stock Level

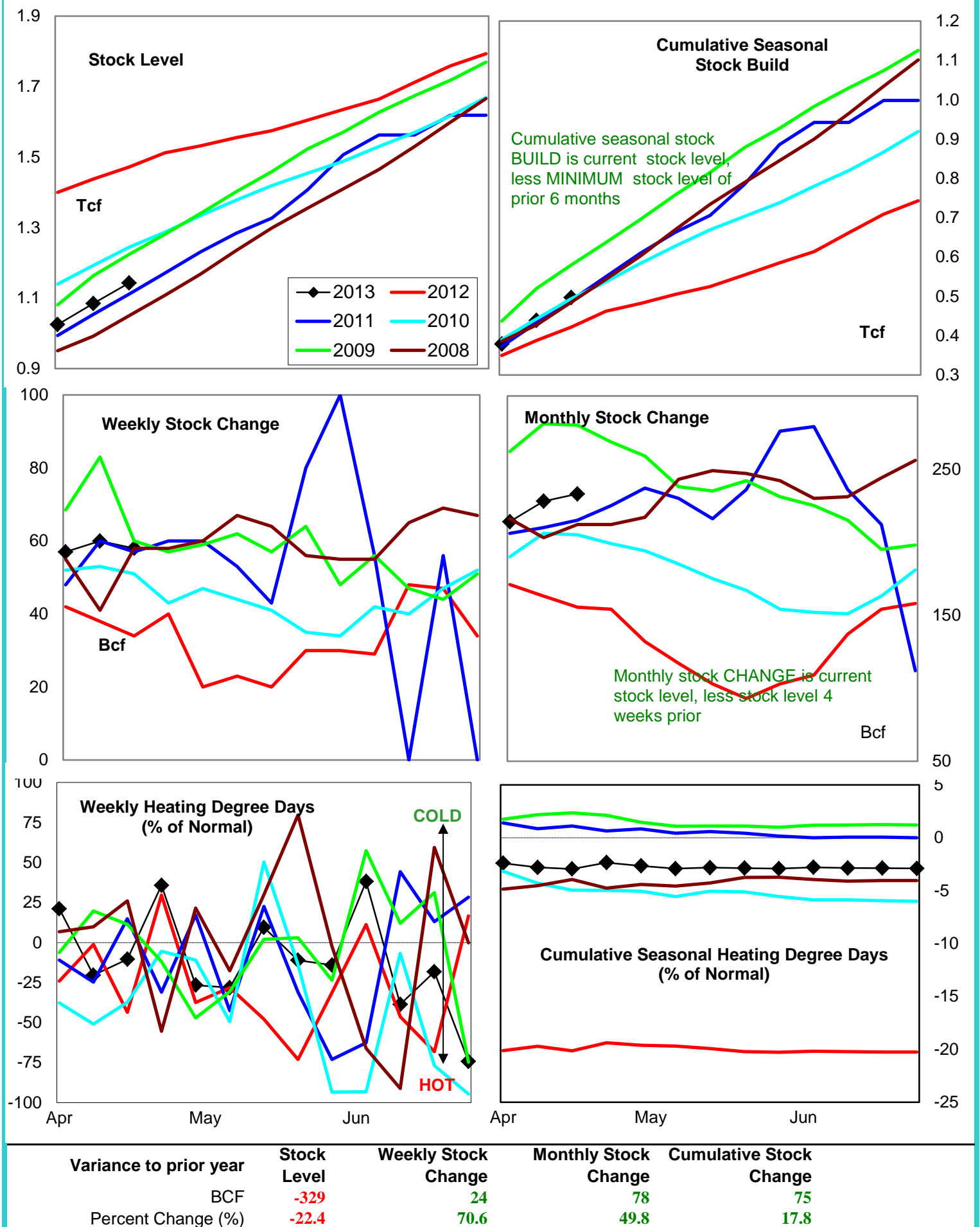
Weekly Stock Change

Monthly Stock Change

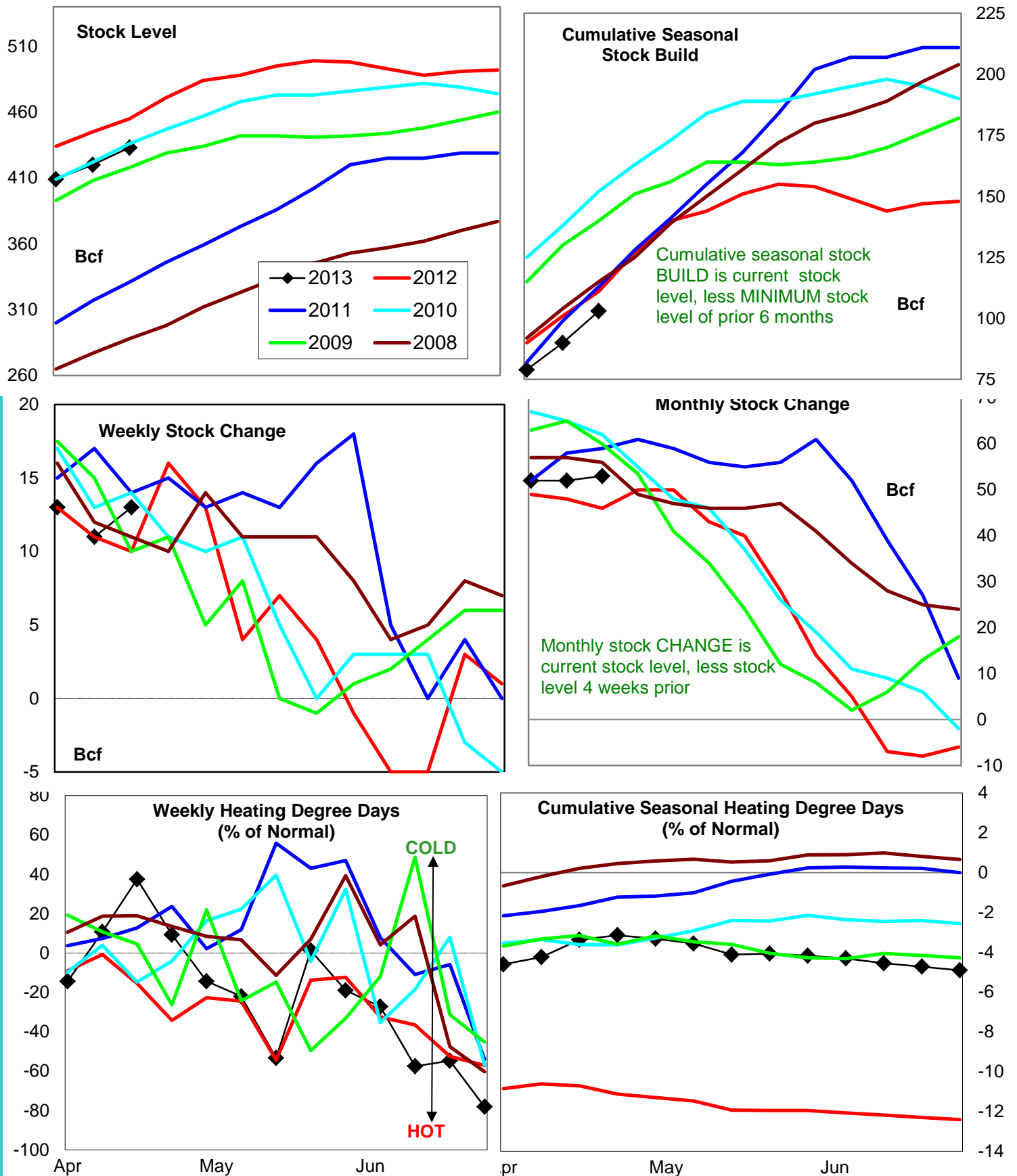
Cumulative Stock Change

BCF  
Percent Change (%)-522  
-17.137  
63.8138  
54.0183  
27.0

# Natural Gas East Region Stock and Weather Trends



# Natural Gas West Region Stock and Weather Trends

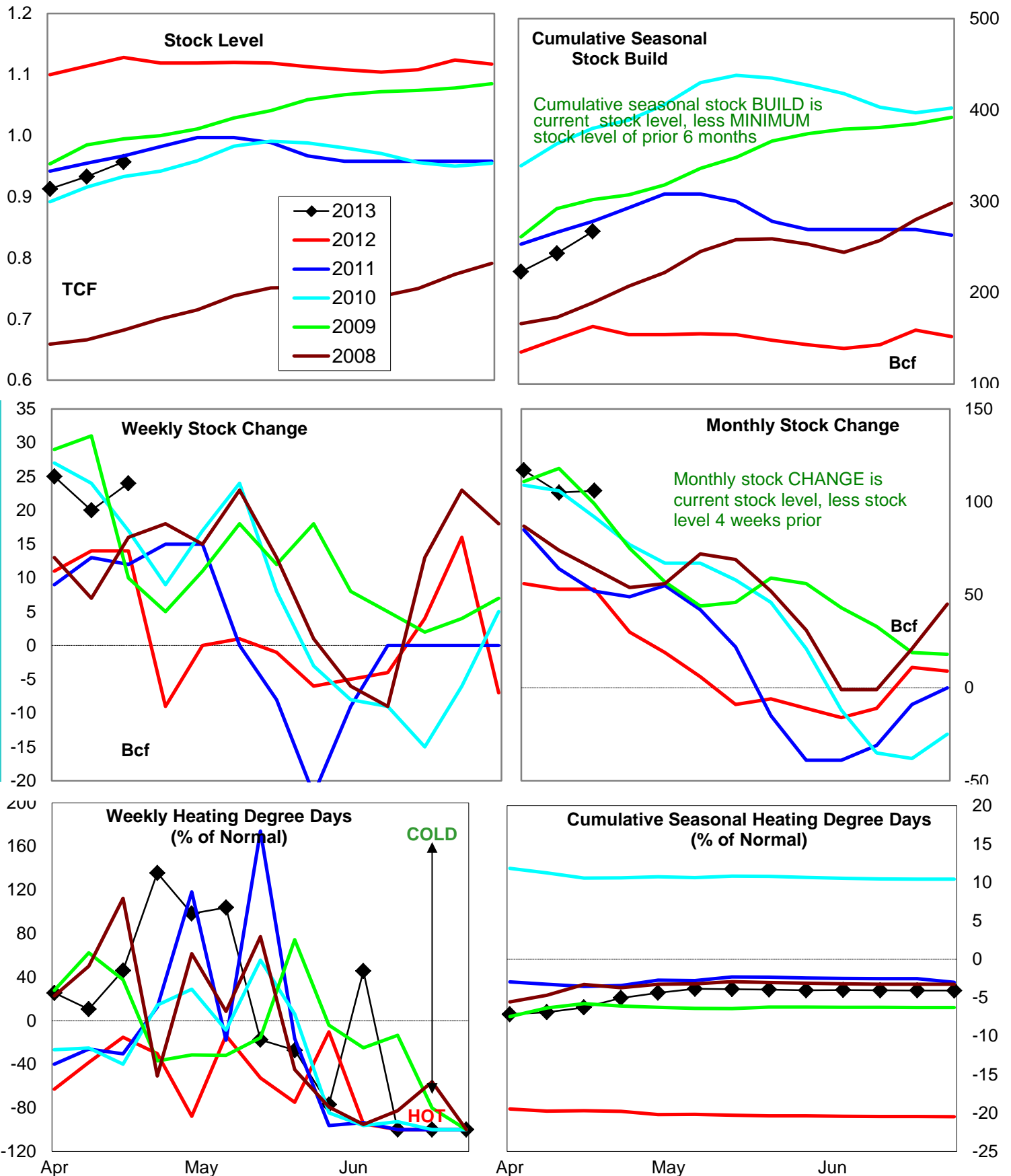


Variance to prior year

Stock  
LevelWeekly Stock  
ChangeMonthly Stock  
ChangeCumulative Stock  
ChangeBCF  
Percent Change (%)-22  
-4.83  
30.07  
15.2-8  
-7.2



# Natural Gas Producing Region Stock and Weather Trends



Variance to prior year

Stock Level

Weekly Stock Change

Monthly Stock Change

Cumulative Stock Change

BCF

-171

10

53

104

Percent Change (%)

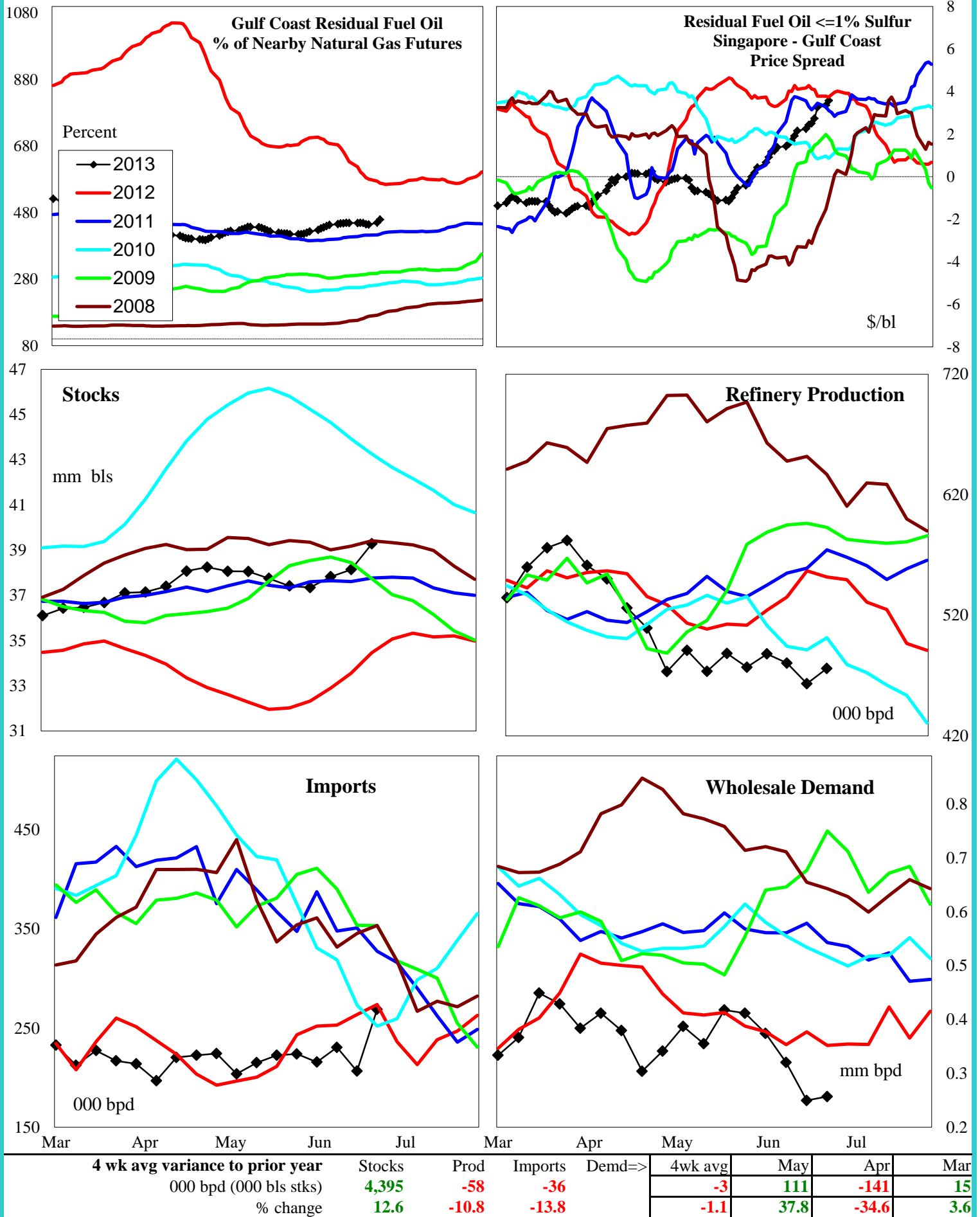
-15.2

71.4

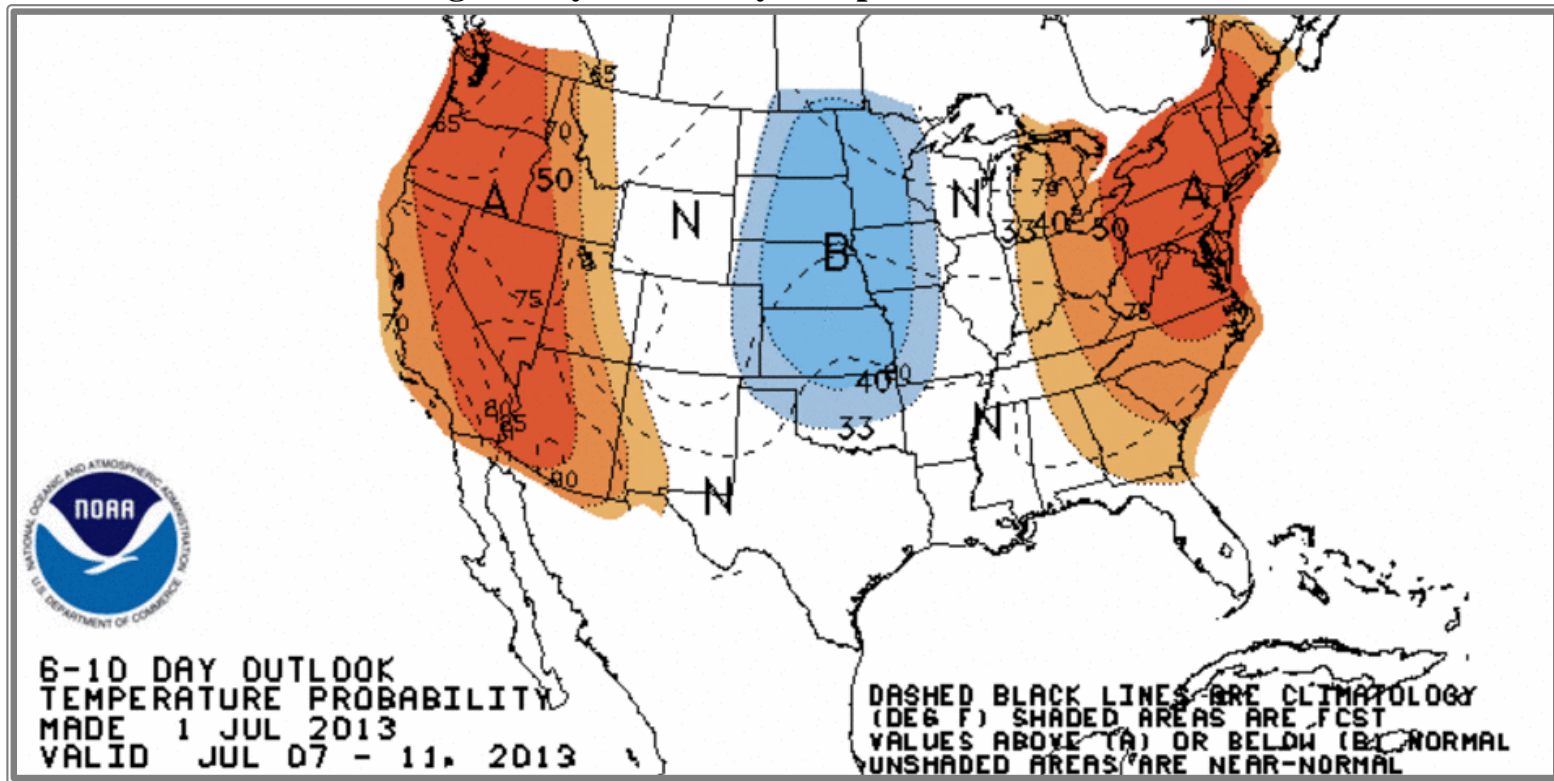
100.0

63.8

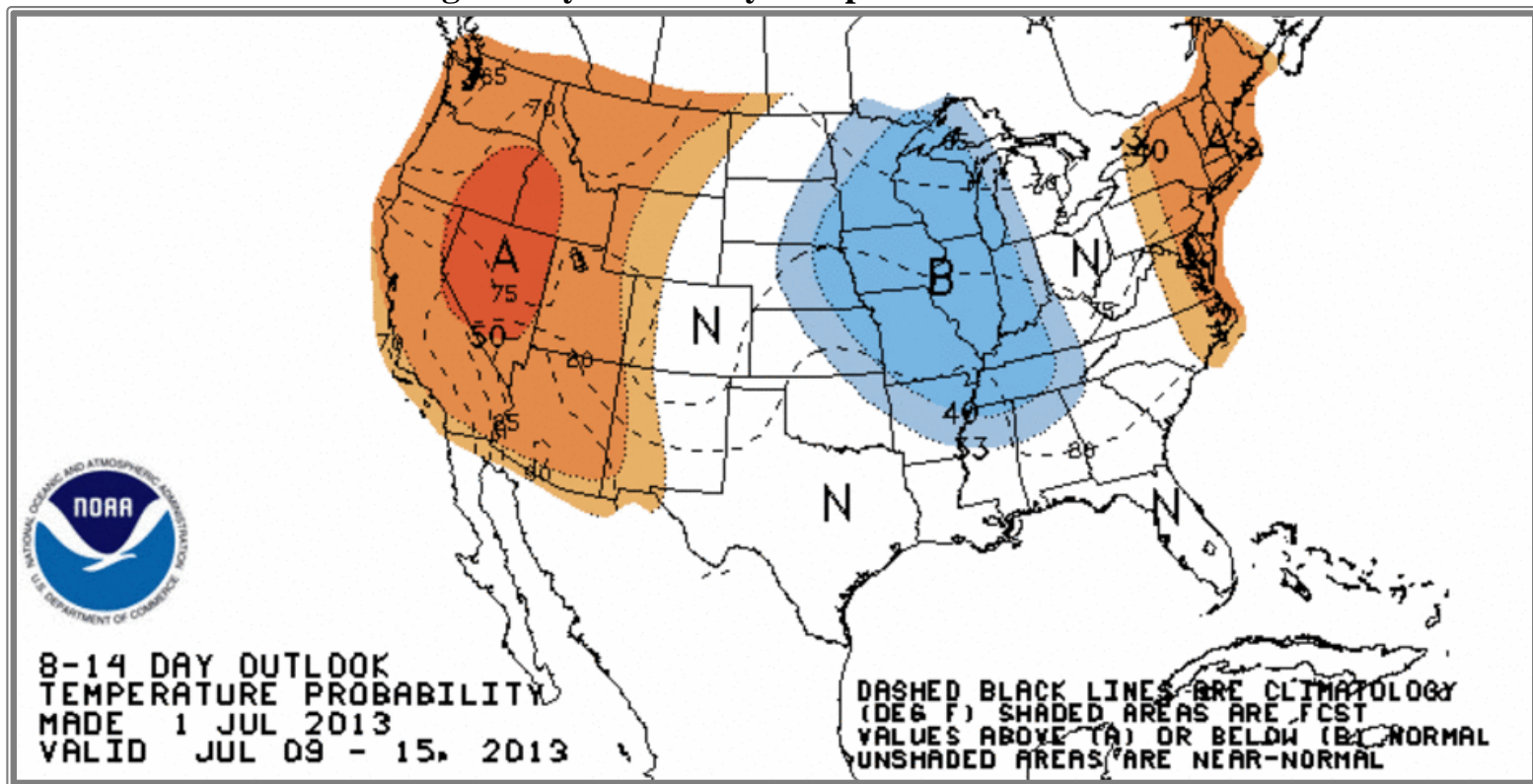
## U.S. Residual Fuel Oil Price Spreads and Supply Balance



## 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

