

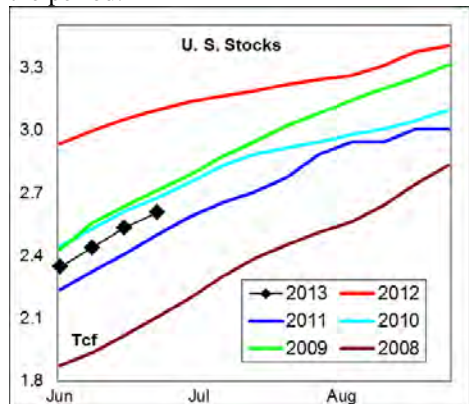
# WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

## A Fundamental Petroleum Trends Weekly Report

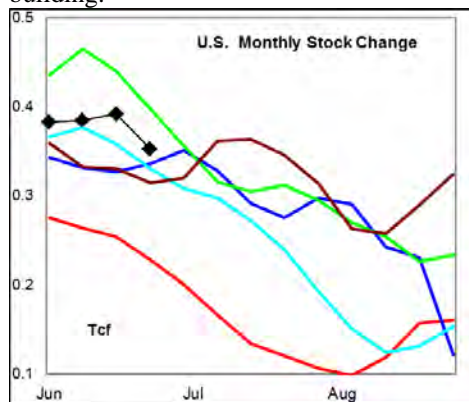
Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Tuesday, July 09, 2013



**Summary**<sup>1</sup> The stock build of +72 Bcf for the week matched the 5-year mid range for the period.



The latest 4-wk stock change was a build of 353 Bcf, greater than four of the last 5-years. Increased production and near normal cooling degree days continues to drive an above average rate of stock building.



In the East Region stocks increased +48 Bcf for the week, a build that matched the latest 3-year mid range. Stocks increased +10 Bcf in the West Region, a build that matched 5-year lows for this week. Stocks were +14 Bcf higher on the week in the Producing region, a build above the mid range for the week.

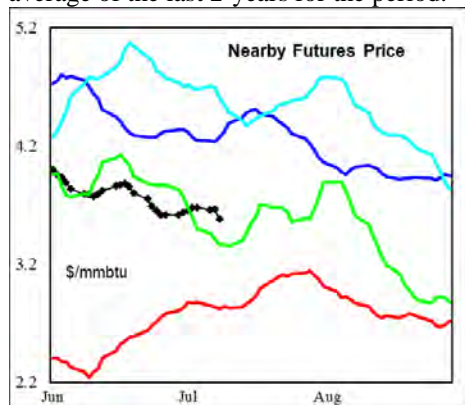
**Cooling degree days** were significantly above normal in the West and Northeast last week.

The 6-10 day NWS forecast for the week ending 18Jul13 is for much above

normal cooling degree days along the west coast, great lakes and New England regions. Near normal cooling degree days area forecast for the central and southern regions.

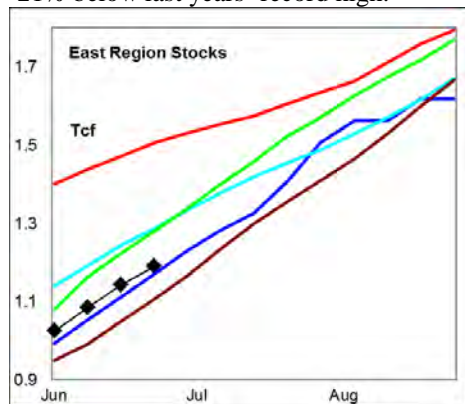
The 8-14 day NWS forecast for the week ending 22Jul13 is for an extension of the 6-10 day forecast; above normal cooling degree days in New England, great lakes and west coast regions. Near normal cooling degree days forecast for the central 2/3rds of the country and southeast.

**Prices:** Nearby gas futures prices declined - \$0.11/MMBTU for the week ending 09Jul13. The current price level is near the average of the last 2-years for the period.



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.

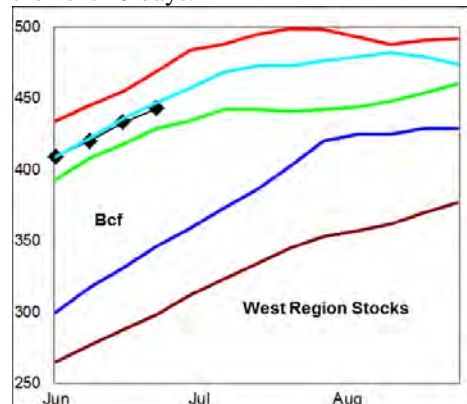
**East Region** stocks increased +48 Bcf for the week, a build that matched the latest 3-year mid range. The current stock level is -21% below last years' record high.



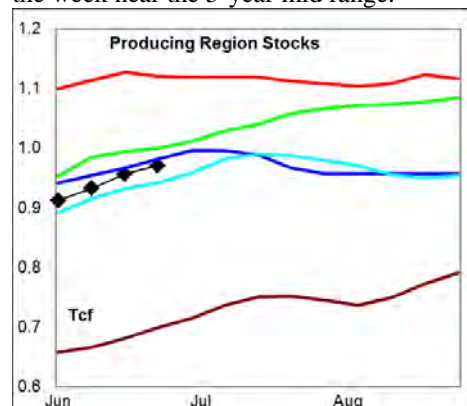
Cooling degree days are forecast to be much above normal in New England and near normal in the southern of the region. for the next 10-days.

**West Region** stocks increased +10 Bcf last week, a build that matched 5-year lows for the week. Stock levels ended the week - 5.5% below last year. Cooling degree days

are forecast to be sharply above normal for the next 10-days.



**Producing Region** stocks increased +14 Bcf for the week, a build above the mid range for the period. Stock levels ended the week near the 5-year mid range.



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 -12% below last year.

**Outlook:** The stock build last week was near the historic mid range on above normal cooling degree days in key markets. The latest 4-wk rate of stock building remains above each of the last 3-years.

Prices continue to trade near 4-month lows. Much above normal cooling degree days are forecast for the Northeast and West Coast, with near normal cooling degree days in the central 2/3rds of the country for the next 10-days.

With the start of hurricane season in the gulf, the risk of supply disruptions has began. In the absence of hurricane disruptions, there continue to be risk of further price weakness on a very well supplied market with above average stock builds.

### <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 9, 2013

For the week ending: 28-Jun-13

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

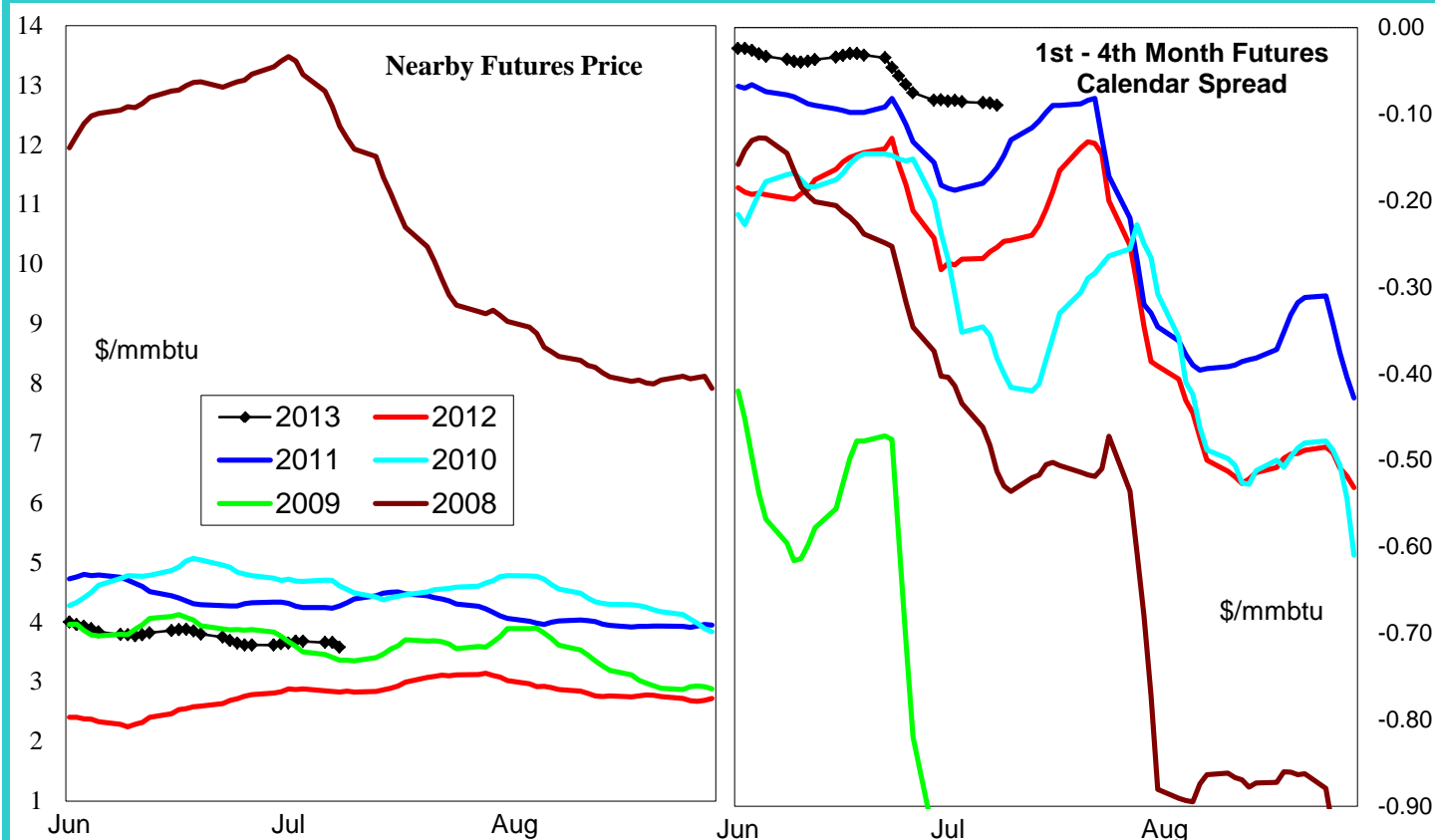
Week ending:	28-Jun-13			15-Jun-13		22-Jun-13		29-Jun-13	
Region	Weekly Stocks			Weekly Heating Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	2,605	72	-15.9	-14	-45%	-2	-33%	-3	-77%
East	1,191	48	-21.0	-17	-39%	-2	-18%	-4	-74%
West	443	10	-5.5	-12	-58%	-2	-55%	-5	-78%
Producing	971	14	-13.4	-4	-100%	0	-100%	0	-100%

### Seasonal Trends in Stocks and Heating Degree Days

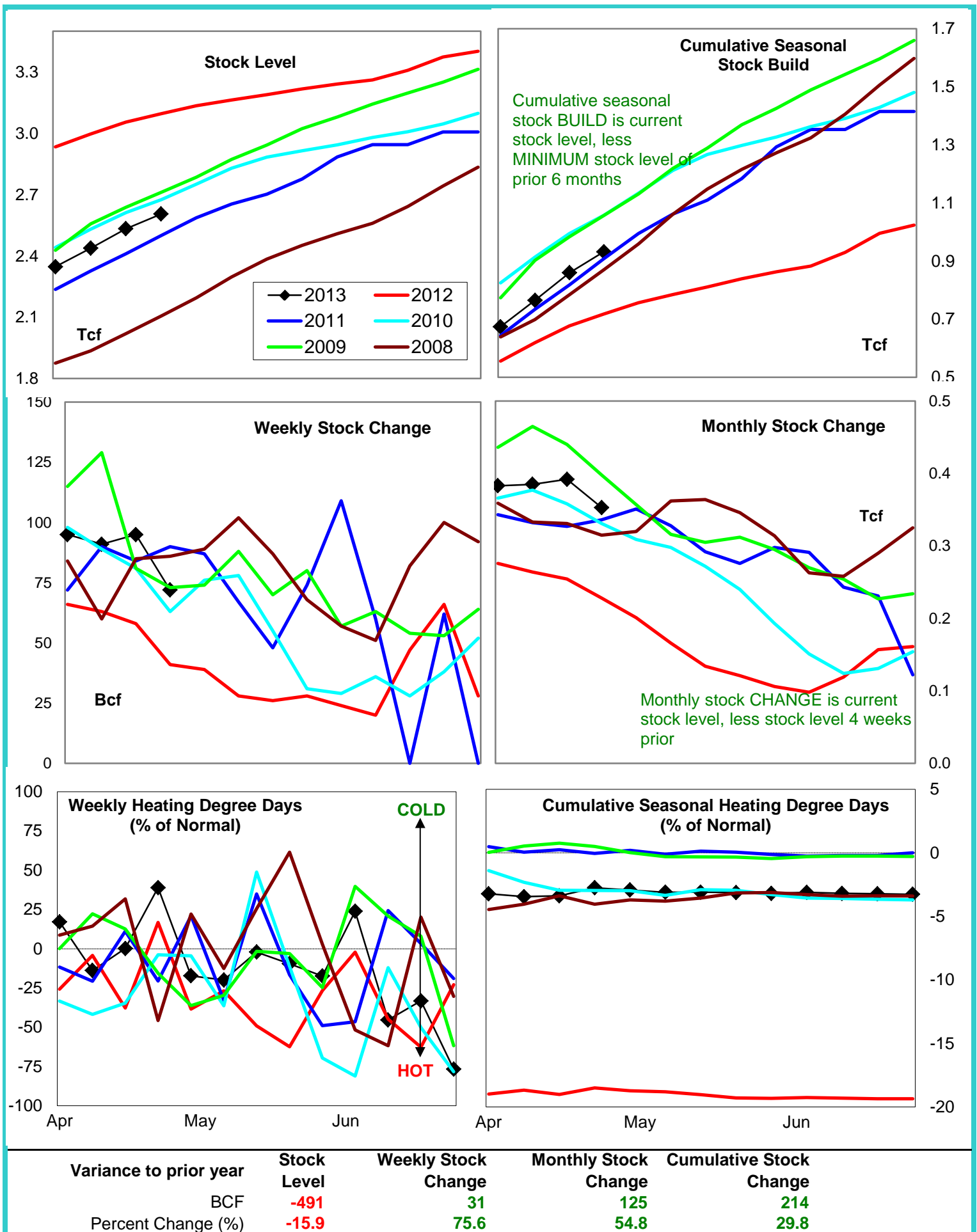
	Cumulative Stock Change			Cumulative Heating Degree Days					
	Bcf	Change vs prior year		CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
		Bcf	%						
<b>U.S. Total</b>	<b>932</b>	<b>214</b>	<b>23.0</b>	<b>6</b>	<b>-3.2</b>	<b>4</b>	<b>-3.2</b>	<b>1</b>	<b>-3.3</b>
<b>East</b>	<b>545</b>	<b>88</b>	<b>16.1</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>113</b>	<b>-12</b>	<b>-10.6</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>281</b>	<b>125</b>	<b>44.5</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

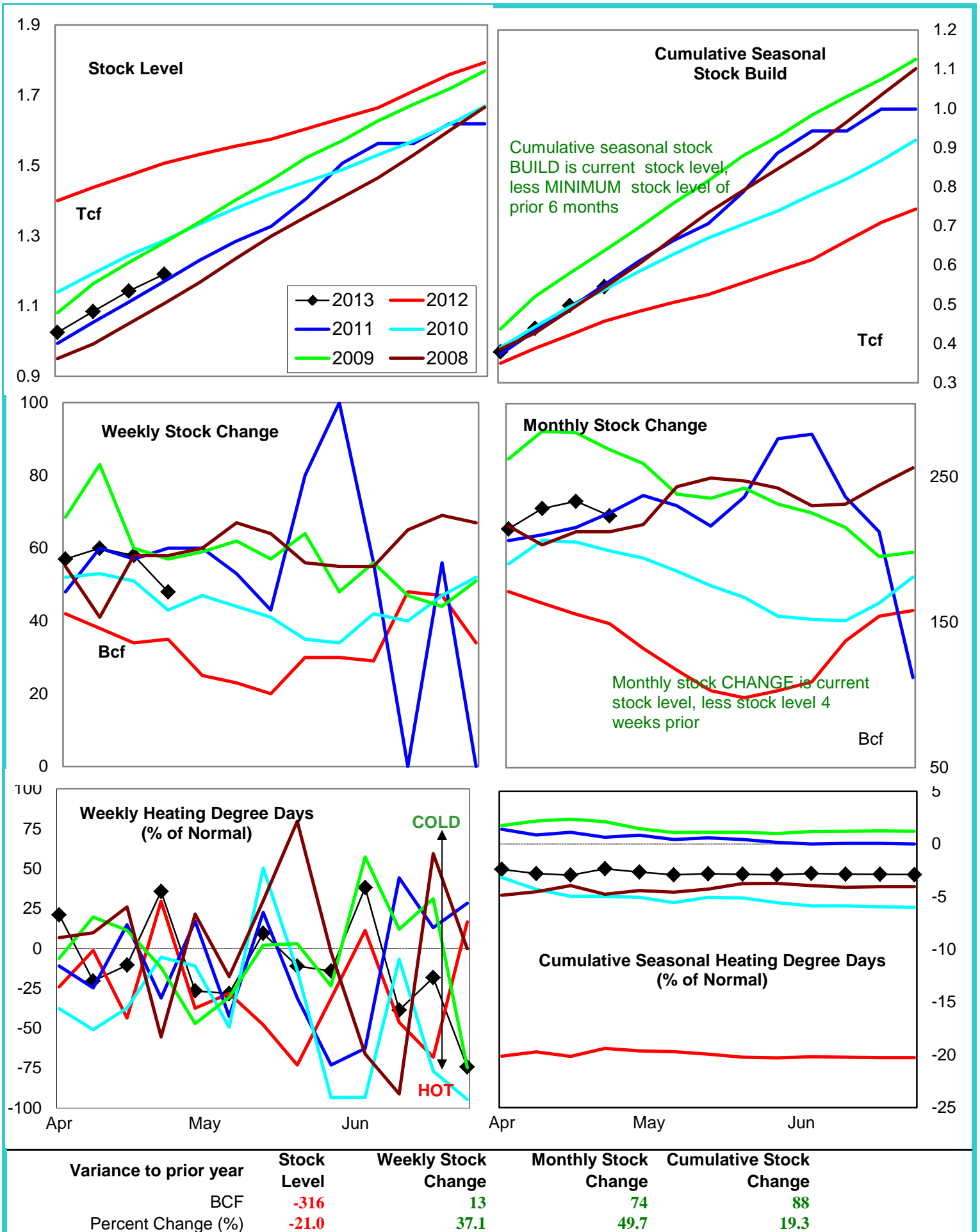
Date:	9-Jul-13	Change vs prior week, month, year		
		3-Jul-13	12-Jun-13	18-Jul-12
<b>1st month Futures</b>	<b>3.58</b>	<b>-0.11</b>	<b>-0.23</b>	<b>0.39</b>
<b>% change</b>	<b>xxxxx</b>	<b>-3.0</b>	<b>-6.1</b>	<b>12.3</b>



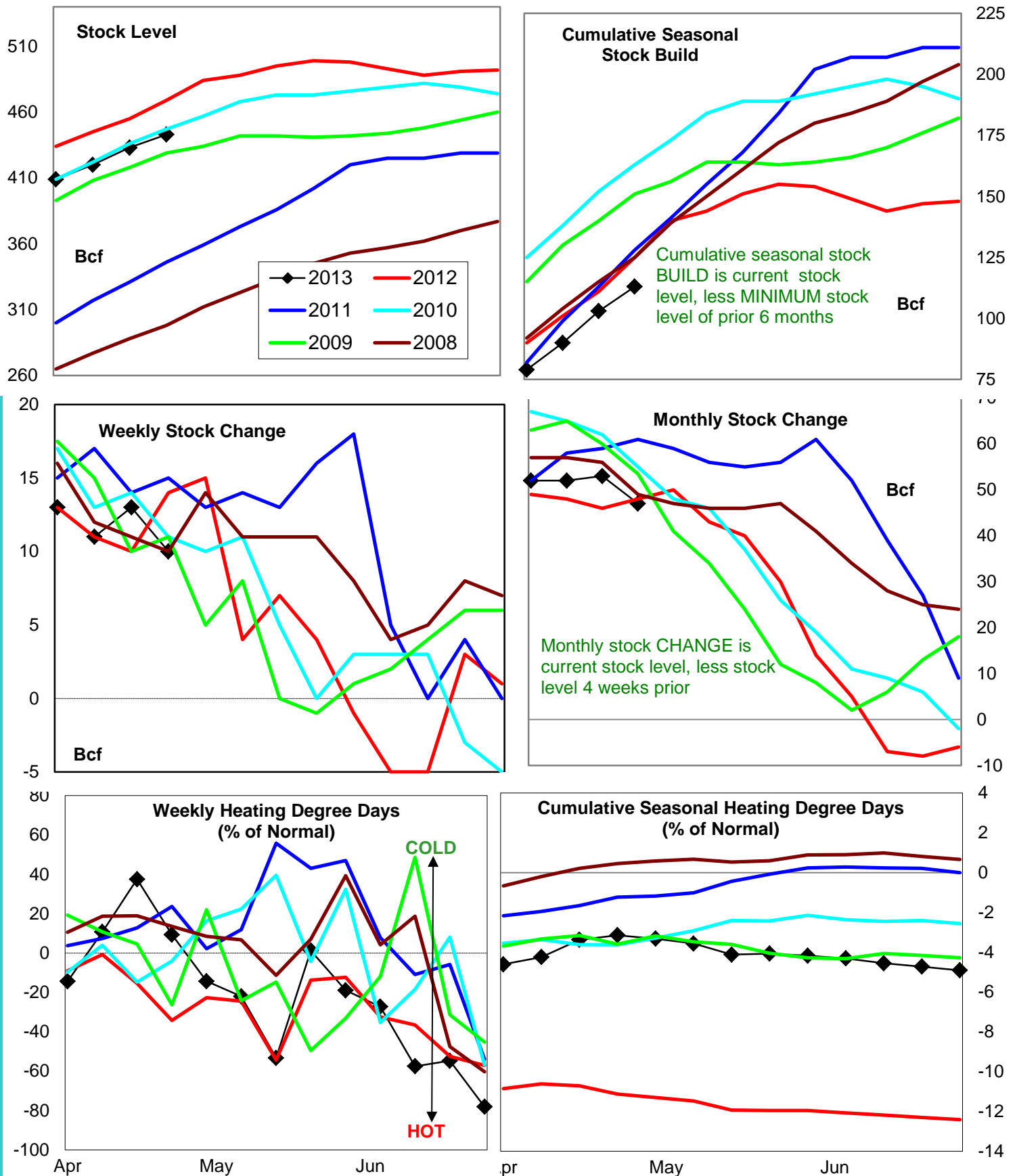
# United States Natural Gas Stock and Weather Trends



# 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  
Change

BCF

-26

-4

-1

-12

Percent Change (%)

-5.5

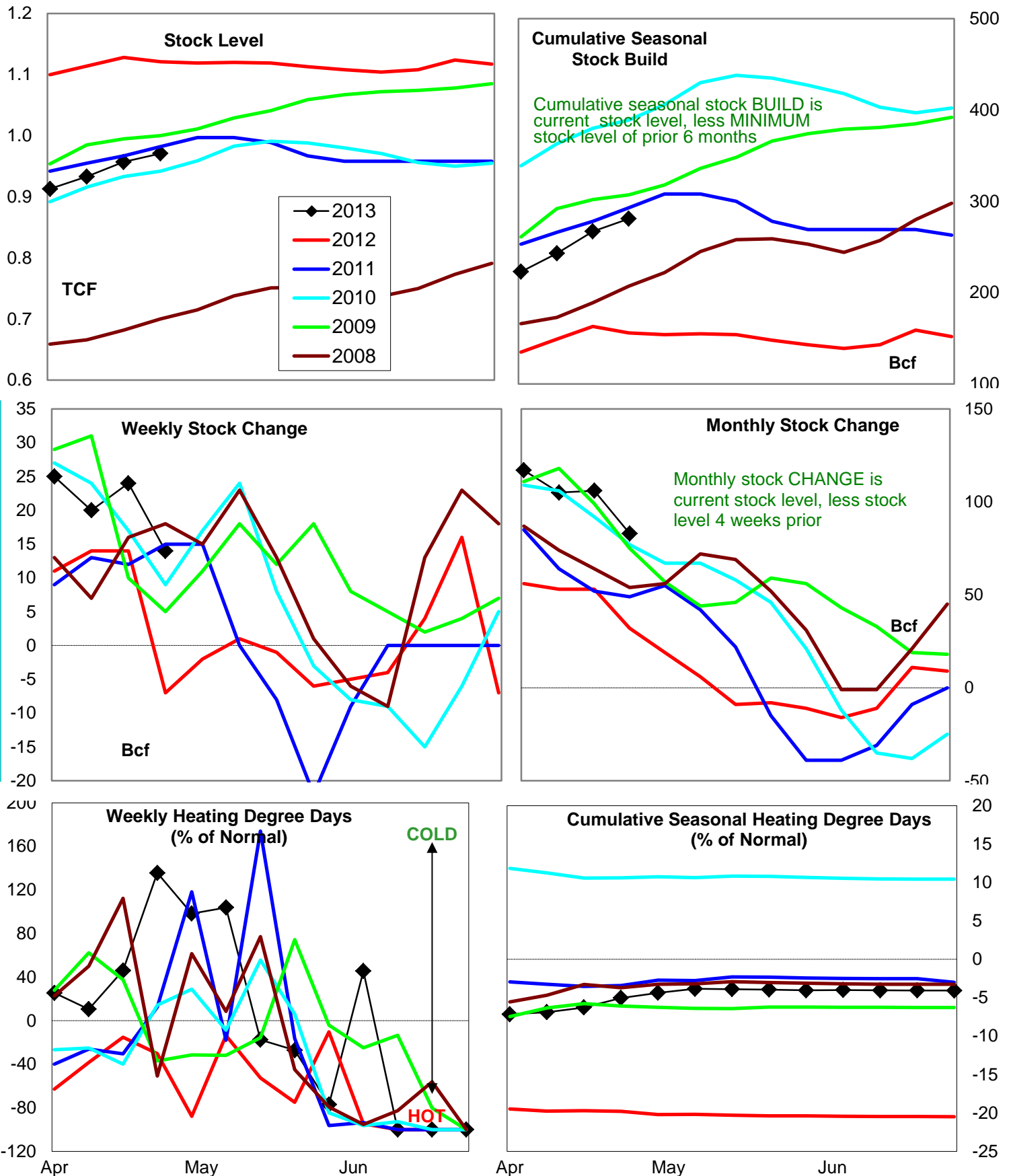
-28.6

-2.1

-9.6



# Natural Gas Producing Region Stock and Weather Trends



Variance to prior year

Stock Level

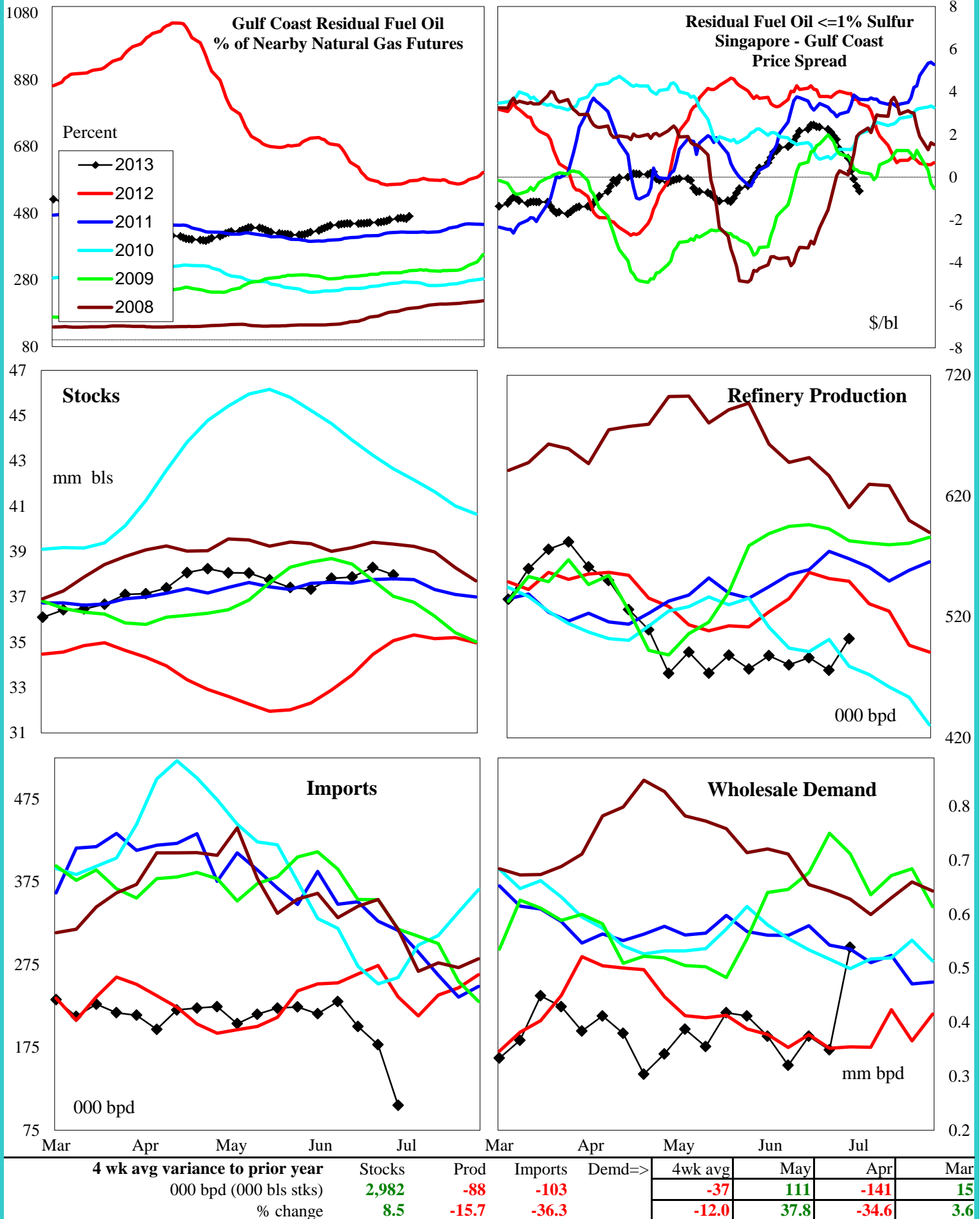
Weekly Stock Change

Monthly Stock Change

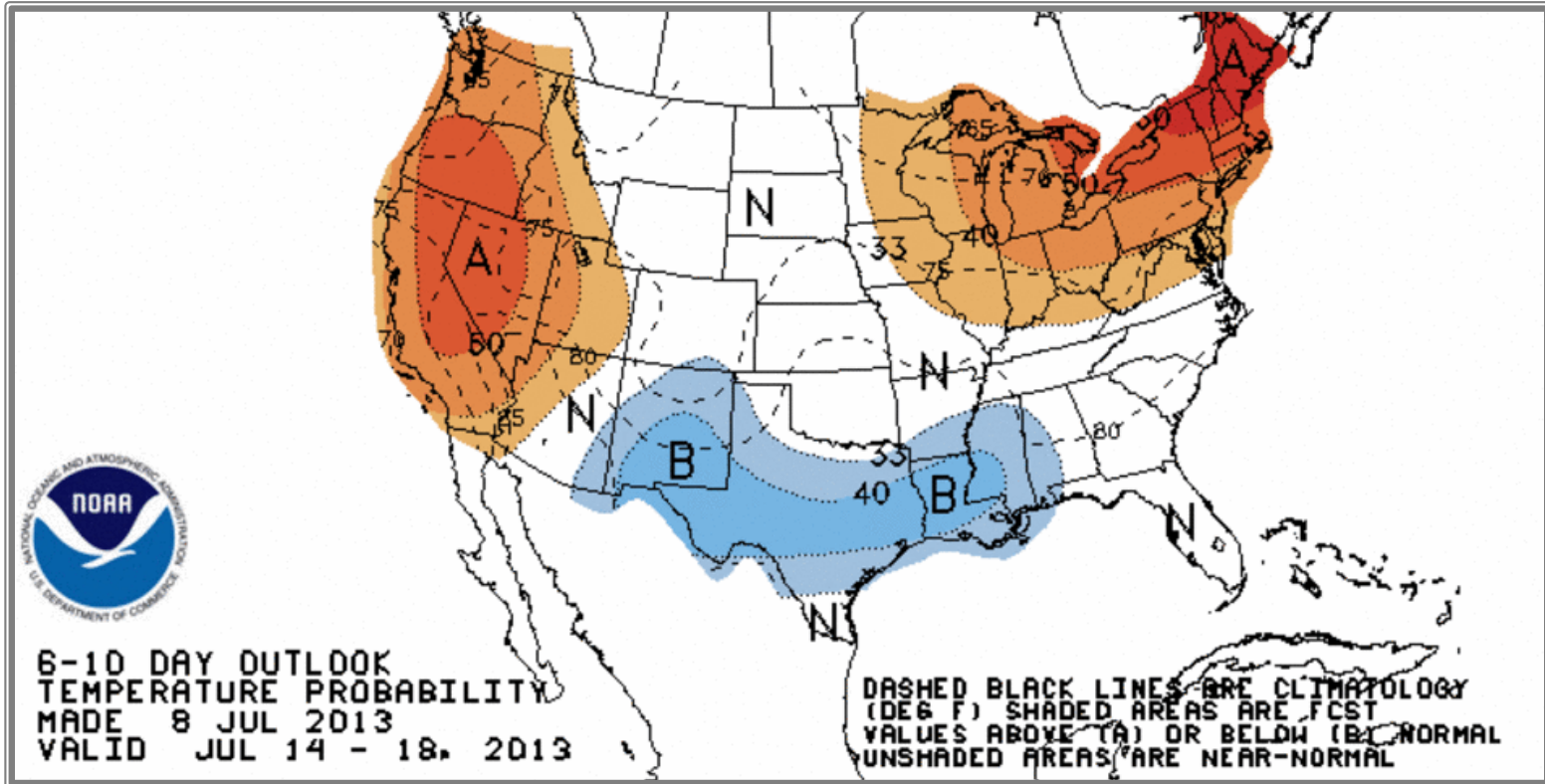
Cumulative Stock Change

BCF  
Percent Change (%)-150  
-13.421  
-300.051  
159.4125  
80.1

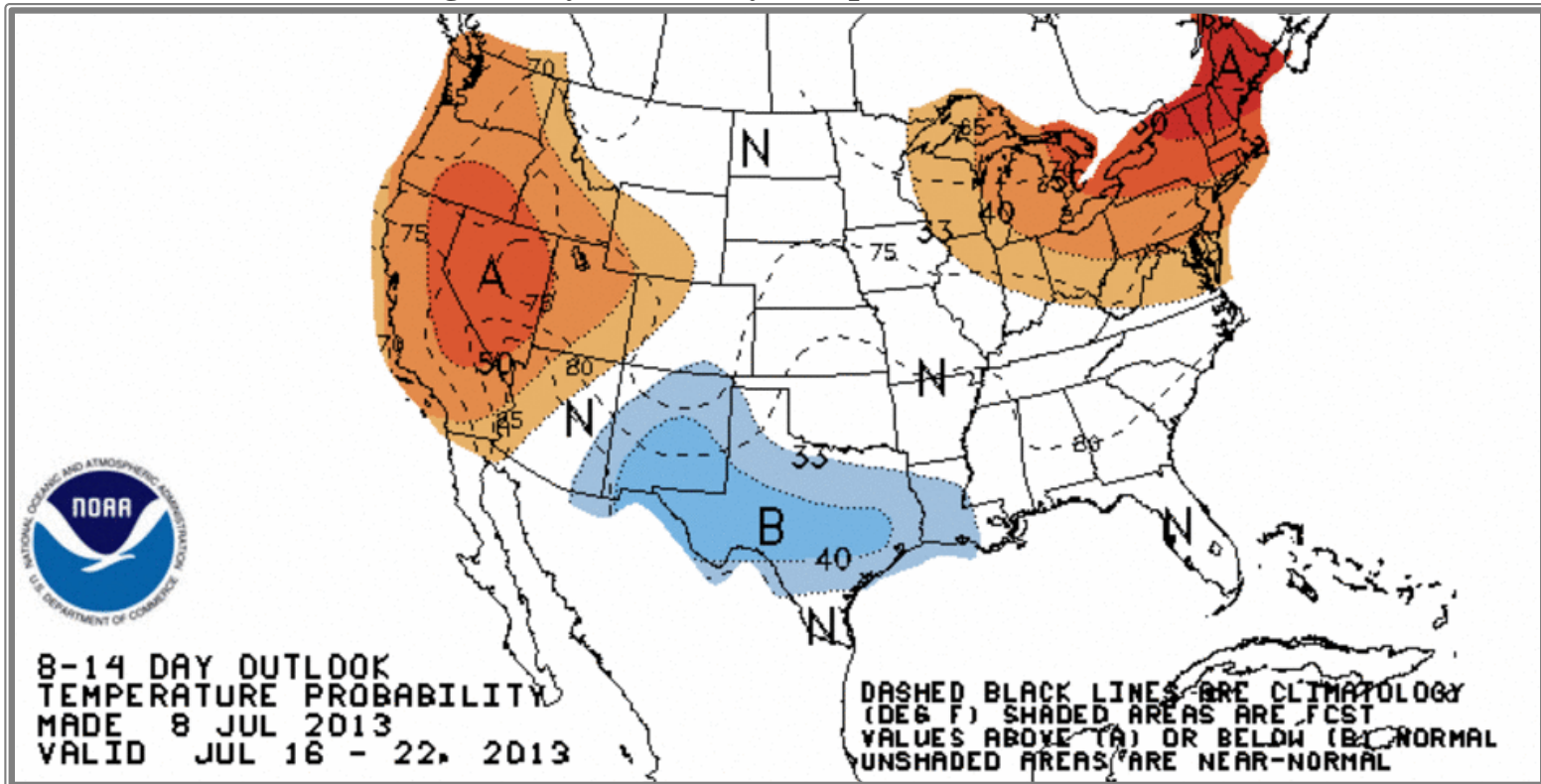
## U.S. Residual Fuel Oil Price Spreads and Supply Balance



## 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

