

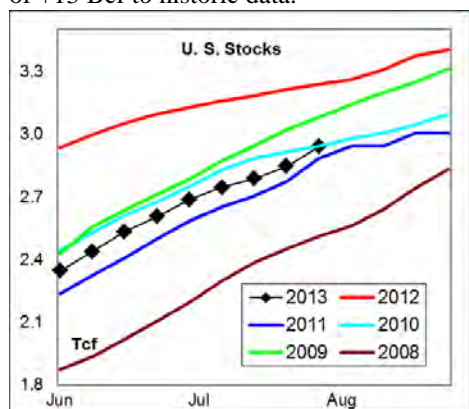
WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

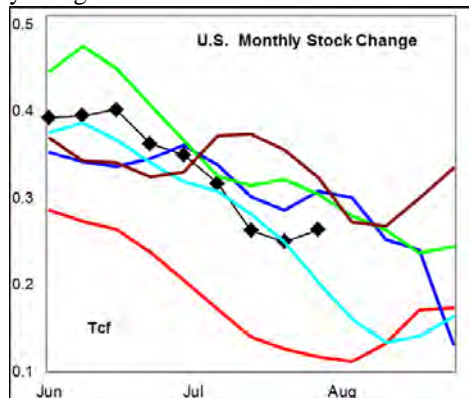
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Tuesday, August 13, 2013



Summary¹ The stock build of +96 Bcf for the week matched 5-yr highs for the period. This build included an adjustment of +13 Bcf to historic data.



The latest 4-wk stock change was a build of 254 Bcf, above the mid range of the last 3-yr for the period. Significantly below normal cooling degree days have led to sharply higher stock builds than occurred a year ago.



In the East Region stocks increased +58 Bcf for the week, a build above four of the last 5-yr. Stocks increased +23 Bcf in the West Region, a record build for the period that including an adjustment to historic stock levels. Stocks were +15 Bcf higher on the week in the Producing region, a record build for the week.

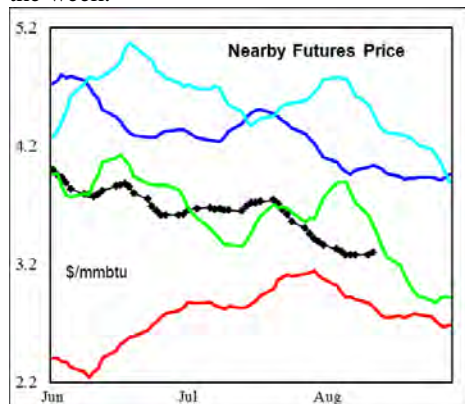
Cooling degree days were significantly below normal across the eastern 1/2 of the country last week.

The 6-10 day NWS forecast for the

week ending 22Aug13 is for below normal cooling degree days across the central and southeast 1/3rd of the country with above normal cooling degree days across the western and northern 2/3rds of the country.

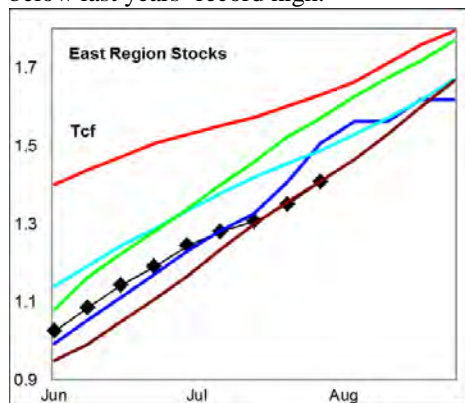
The 8-14 day NWS forecast for the week ending 26Aug13 is for an extension of the 6-10 day forecast; below normal cooling degree days across the central and southeast 1/3rd of the country and above normal cooling degree days in the west and northern 2/3rds of the country.

Prices: Nearby gas futures decreased - \$0.02/MMBTU for the week ending 13Aug13. The current price level ended the week below three of the last 4-yr for the week.



The 1st - 4th month forward price curve traded sideways last week at a level above the historic range; pointing to a record low carry in the forward price curve ahead of the fall heating season.

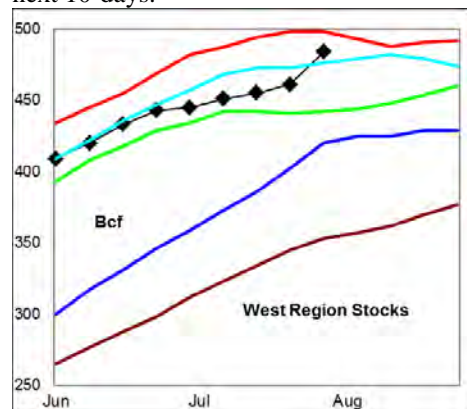
East Region stocks increased +58 Bcf for the week, a build larger than four of the last 5-yr. The current stock level is -14% below last years' record high.



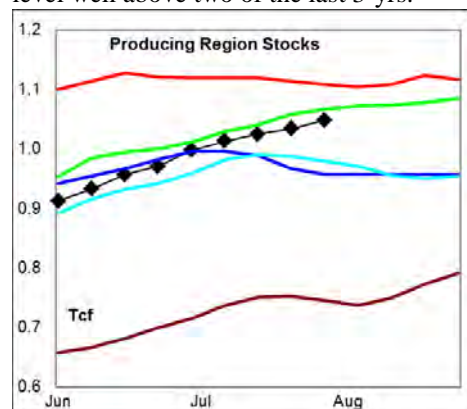
Cooling degree days are forecast to be below normal in the region for the next 10-days.

West Region stocks increased +23 Bcf last week, a record build for the week; including an adjustment to historic stock

levels. Stock levels ended the week -3% below last year. Cooling degree days are forecast to be much above normal for the next 10-days.



Producing Region stocks increased +15 Bcf for the week, a record build for the week. Stock levels ended the week at a level well above two of the last 3-yr.



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 -17% below last year.

Outlook: Cooling degree days are forecast to increase sharply across much of the country over the next 10-days to a level well above normal.

Seasonal stock builds in the East region are above the latest 3-yr average while the Producing region rate of build is at the upper end of the historic range.

Above normal cooling degree days across most of the country should lead to below average stock builds during the 2nd half of August.

With higher demand for electric power generation and hurricane season in the gulf, prices should trend higher in the near term.

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: August 13, 2013

For the week ending: 2-Aug-13

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

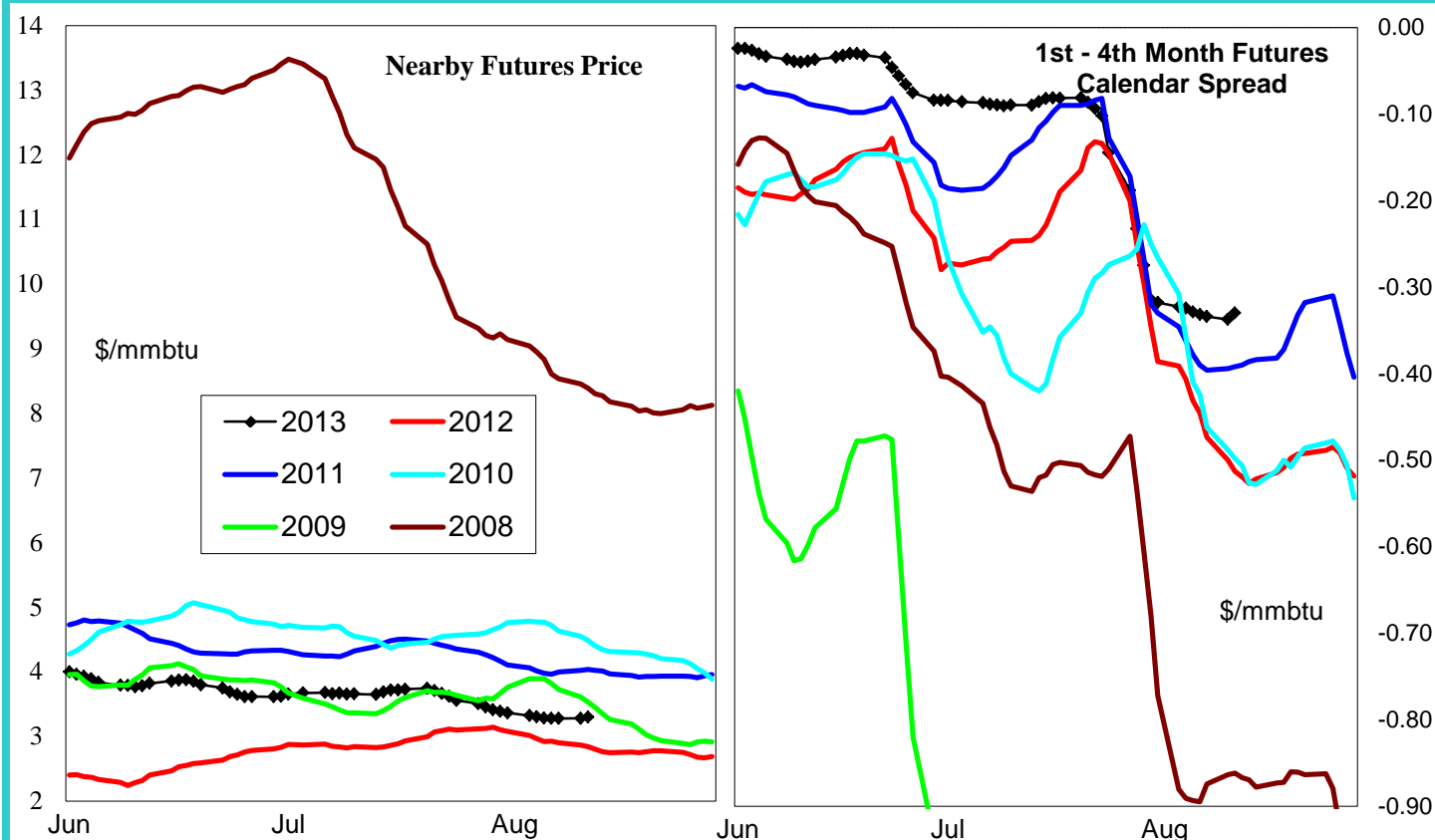
Week ending:	2-Aug-13			15-Jun-13		22-Jun-13		29-Jun-13	
Region	Weekly Stocks			Weekly Heating Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	2,941	96	-9.2	-14	-45%	-2	-33%	-3	-77%
East	1,408	58	-13.7	-17	-39%	-2	-18%	-4	-74%
West	484	23	-2.8	-12	-58%	-2	-55%	-5	-78%
Producing	1,049	15	-5.4	-4	-100%	0	-100%	0	-100%

Seasonal Trends in Stocks and Heating Degree Days

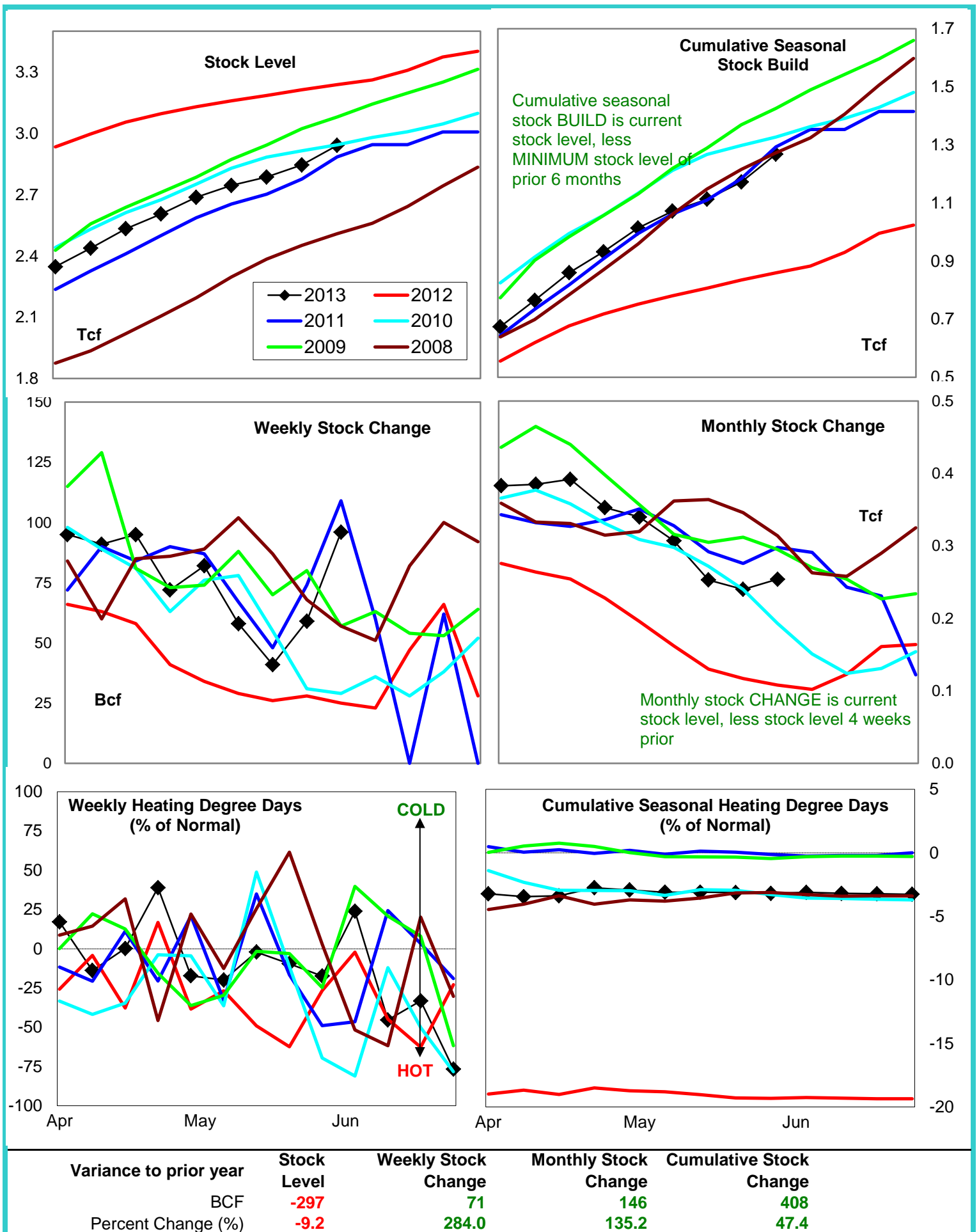
	Cumulative Stock Change			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
U.S. Total	1,268	408	32.2	6	-3.2	4	-3.2	1	-3.3
East	762	181	23.8	6	-2.9	4	-2.9	1	-2.9
West	154	0	0.0	10	-4.6	8	-4.7	3	-4.9
Producing	359	215	59.9	0	-4.0	0	-4.1	0	-4.1

Futures Market Price Trends

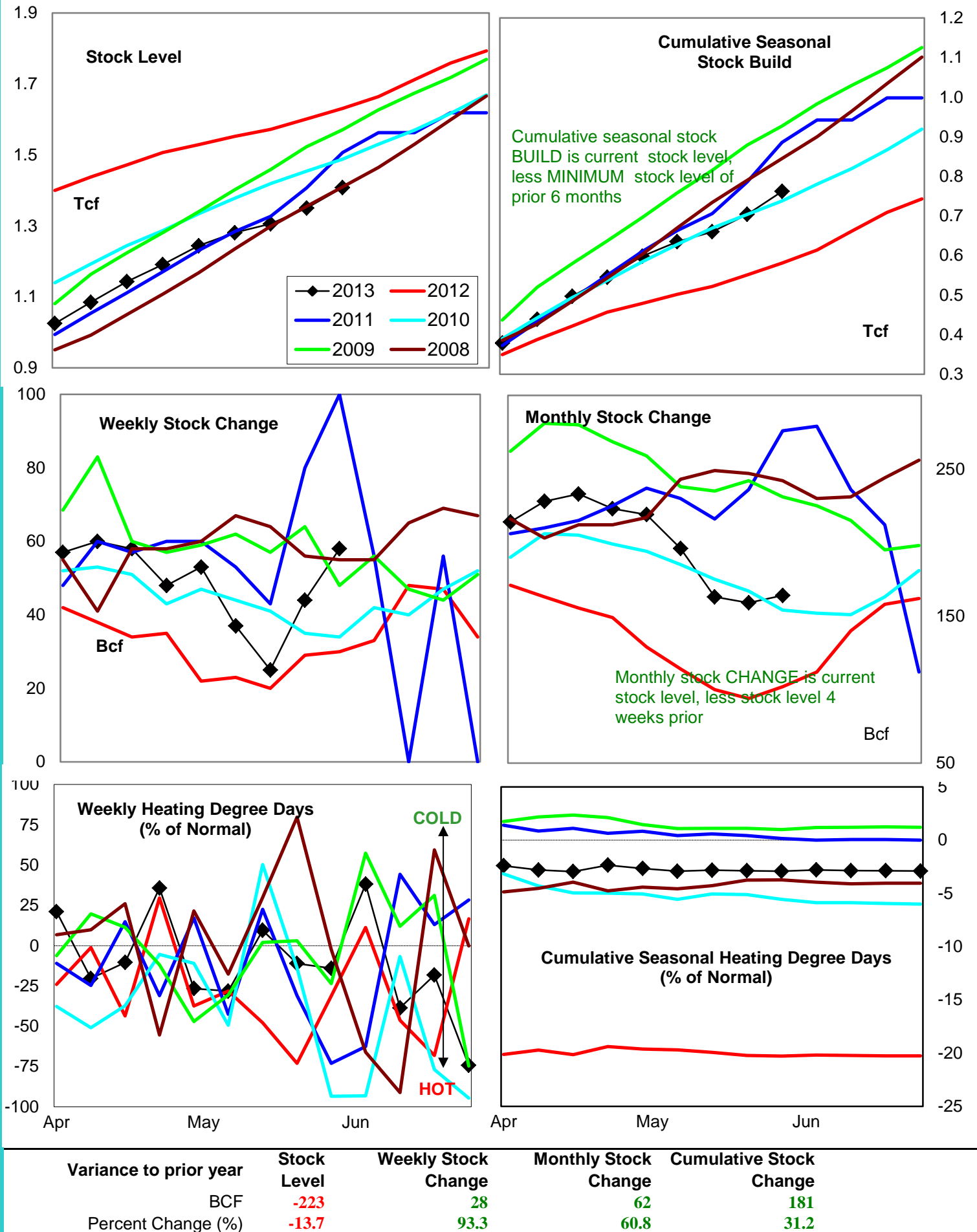
Date:	13-Aug-13	Change vs prior week, month, year		
		7-Aug-13	17-Jul-13	22-Aug-12
1st month Futures	3.30	0.05	-0.33	0.60
% change	xxxxx	1.6	-9.1	22.1



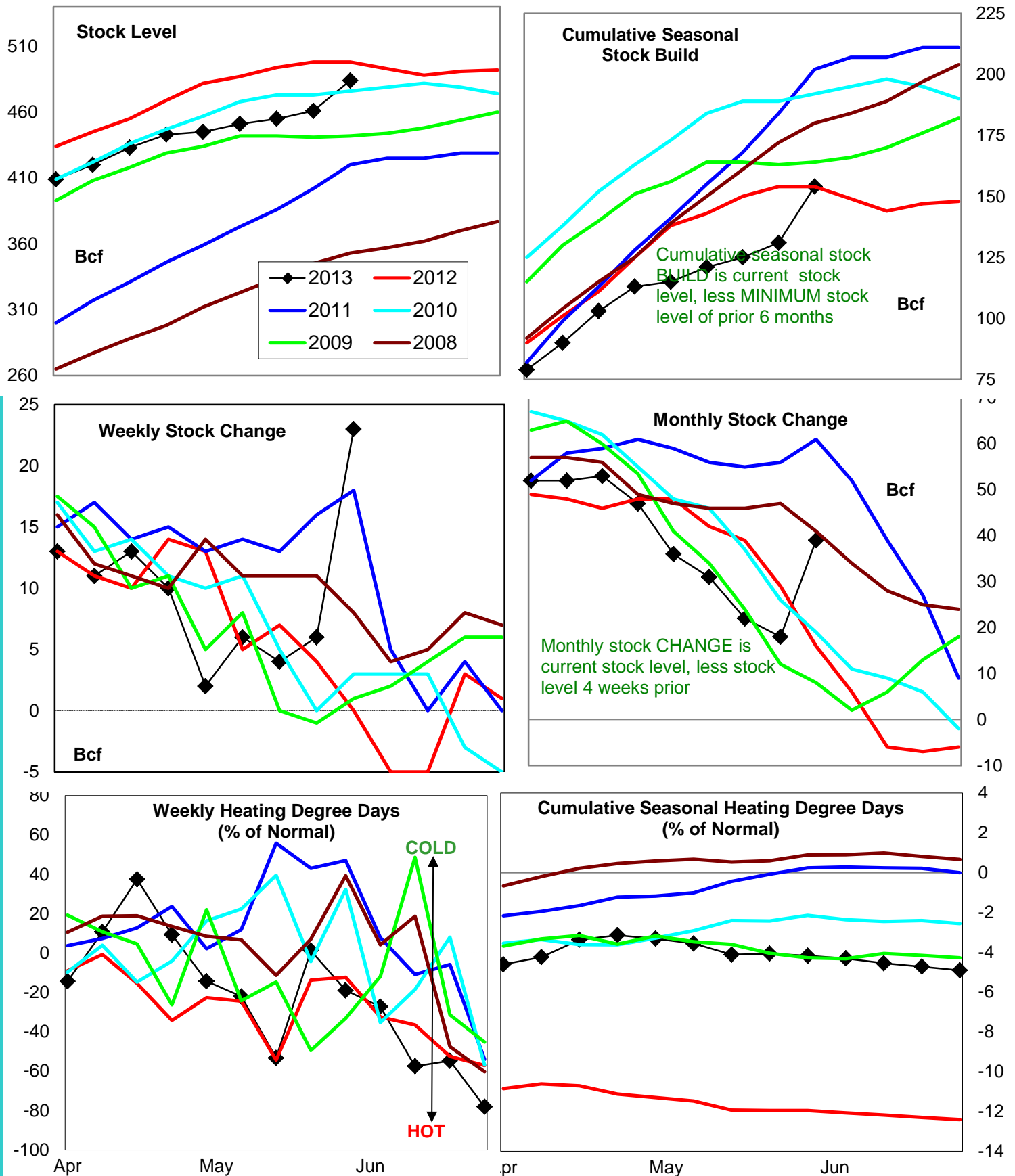
United States Natural Gas Stock and Weather Trends



Natural Gas East Region Stock and Weather Trends



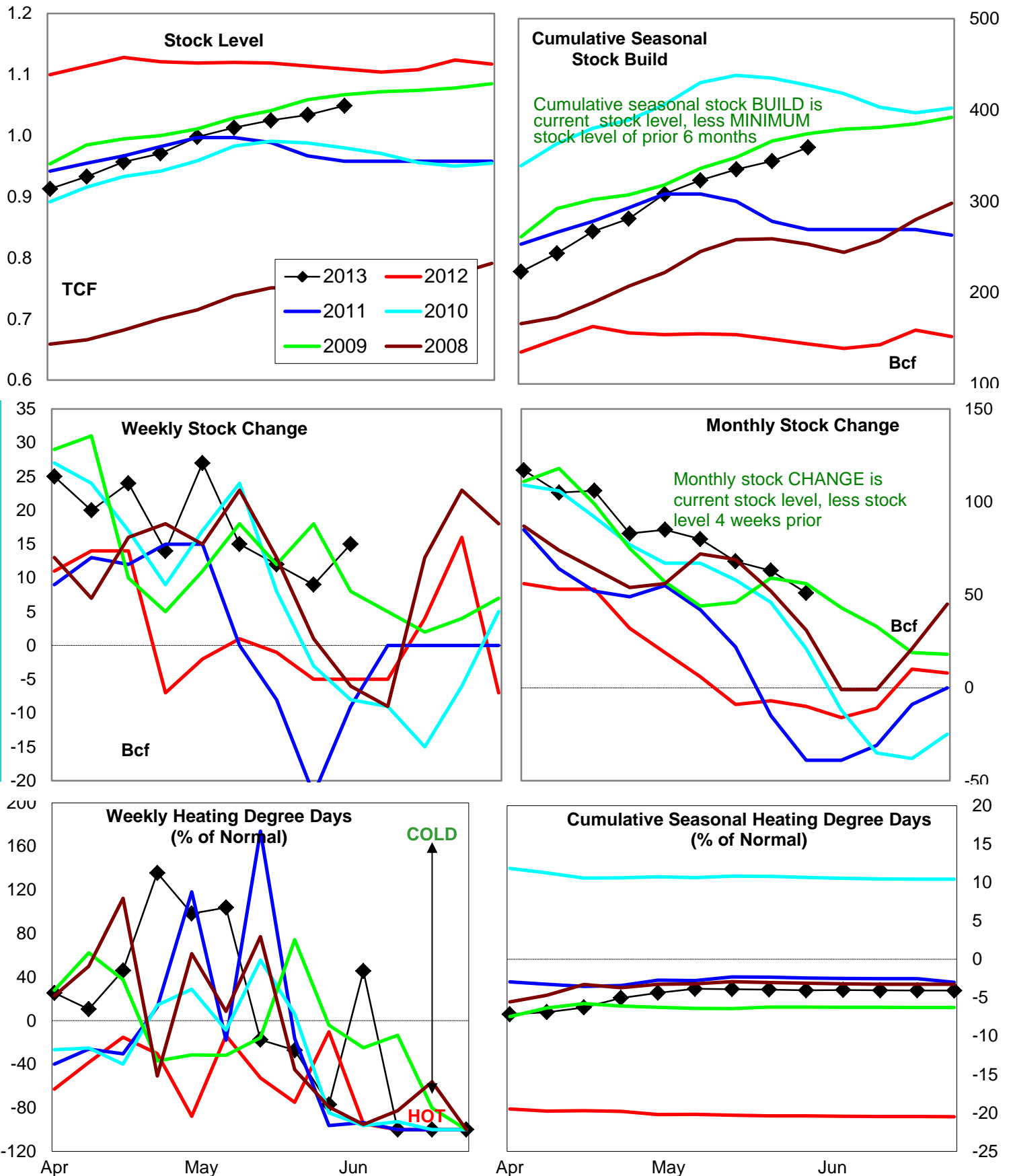
Natural Gas West Region Stock and Weather Trends



Variance to prior year

Stock
LevelWeekly Stock
ChangeMonthly Stock
ChangeCumulative Stock
ChangeBCF
Percent Change (%)-14
-2.823
#DIV/0!23
143.80
0.0

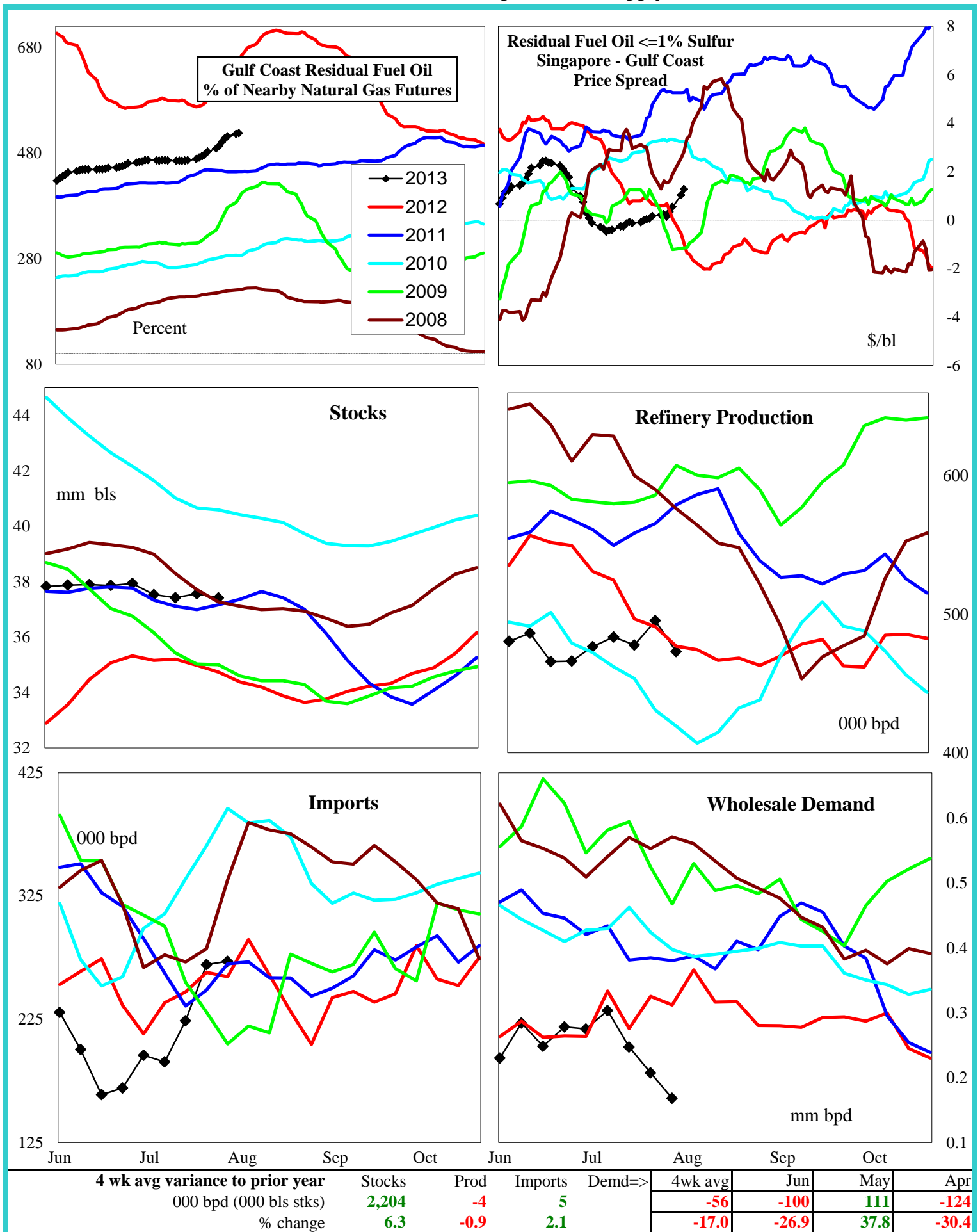
Natural Gas Producing Region Stock and Weather Trends



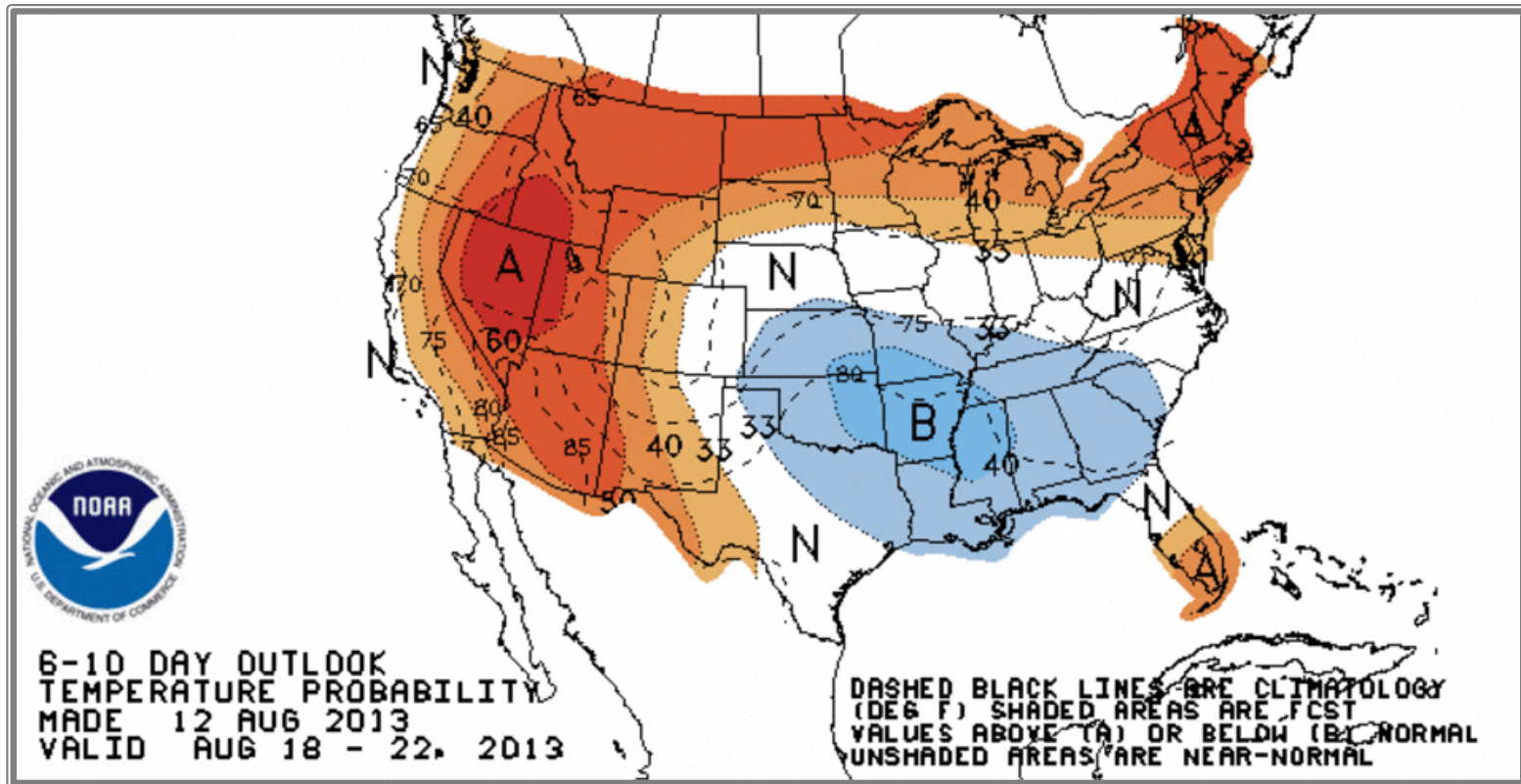
Variance to prior year

Stock
LevelWeekly Stock
ChangeMonthly Stock
ChangeCumulative Stock
ChangeBCF
Percent Change (%)-60
-5.420
-400.061
-610.0215
149.3

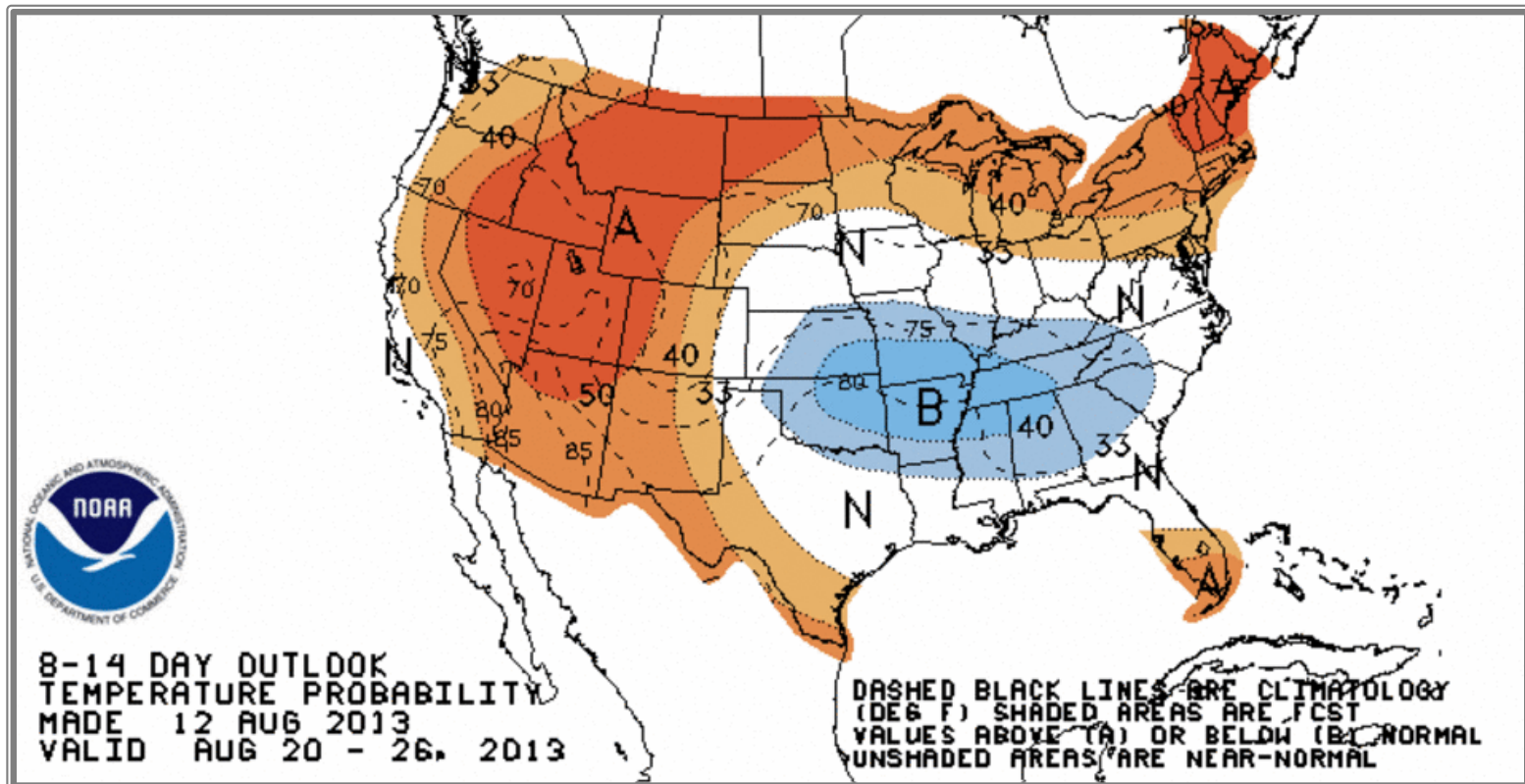
U.S. Residual Fuel Oil Price Spreads and Supply Balance



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

