



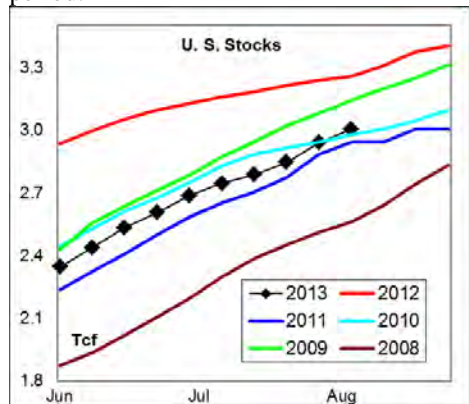
# WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

## A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Monday, August 19, 2013



**Summary**<sup>1</sup> The stock build of +65 Bcf for the week matched 5-yr highs for the period.



The latest 4-wk stock change was a build of 263 Bcf, near highs of the last 3-yrs. Below normal cooling degree days have led to sharply higher stock builds than occurred a year ago.



In the East Region stocks increased +51 Bcf for the week, a build equal to the historic mid range. Stocks increased +10 Bcf in the West Region, a record build for the period. Stocks were +4 Bcf higher on the week in the Producing region, matching historic highs for the week.

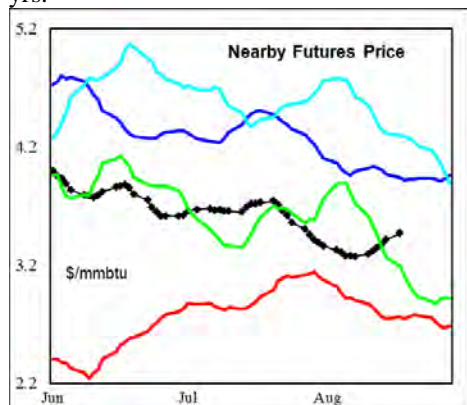
**Cooling degree days** were below normal across the eastern 1/2 of the country last week.

The 6-10 day NWS forecast for the week ending 28Aug13 is for above normal cooling degree days across most of the country, with much above normal in the

northern plains & Rocky Mountain states.

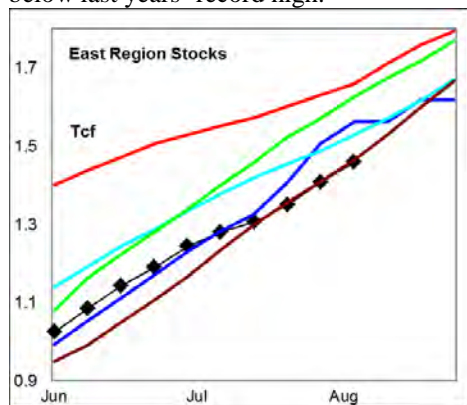
The 8-14 day NWS forecast for the week ending 01Sep13 is slightly above normal cooling degree days in the northern Rockies and inter mountain region.

**Prices:** Nearby gas futures increased +\$0.16/MMBTU for the week ending 19Aug13. The current price level ended the week near the mid range of the last 4-yrs.



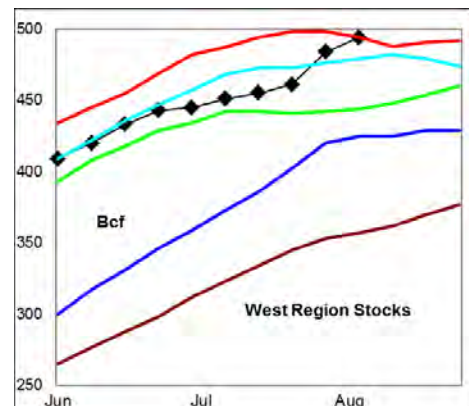
The 1<sup>st</sup> - 4<sup>th</sup> month forward price curve traded sideways last week at a level above the historic range; pointing to a record low carry in the forward price curve ahead of the fall heating season.

**East Region** stocks increased +51 Bcf for the week, a build equal to the 5-yr mid range. The current stock level is -12% below last years' record high.

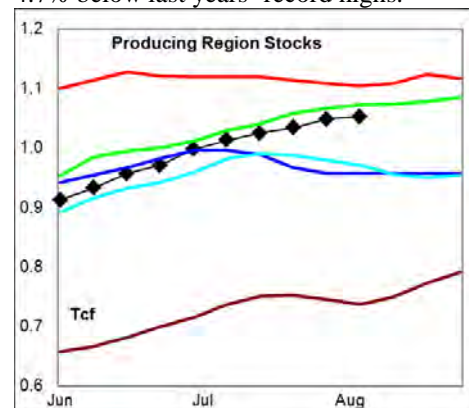


Cooling degree days are forecast to be above normal in the region for the next 10-days.

**West Region** stocks increased +10 Bcf last week, a record build for the week. Stock levels ended the week equal to a year ago. Cooling degree days are forecast to be above normal for the next 10-days.



**Producing Region** stocks increased +4 Bcf for the week, matching historic highs for the week. Stock levels ended the week -4.7% below last years' record highs.



Above 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 -40% below last year.

**Outlook:** Cooling degree days are forecast to be above normal over the next 10-days for most of the country.

The latest 4-wk stock builds in the East region are above the 3-yr average while the West and Producing regions' rate matches 5-yr highs.

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

With higher demand for electric power generation and hurricane season in the gulf, prices should trend higher 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: August 19, 2013

For the week ending: 9-Aug-13

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

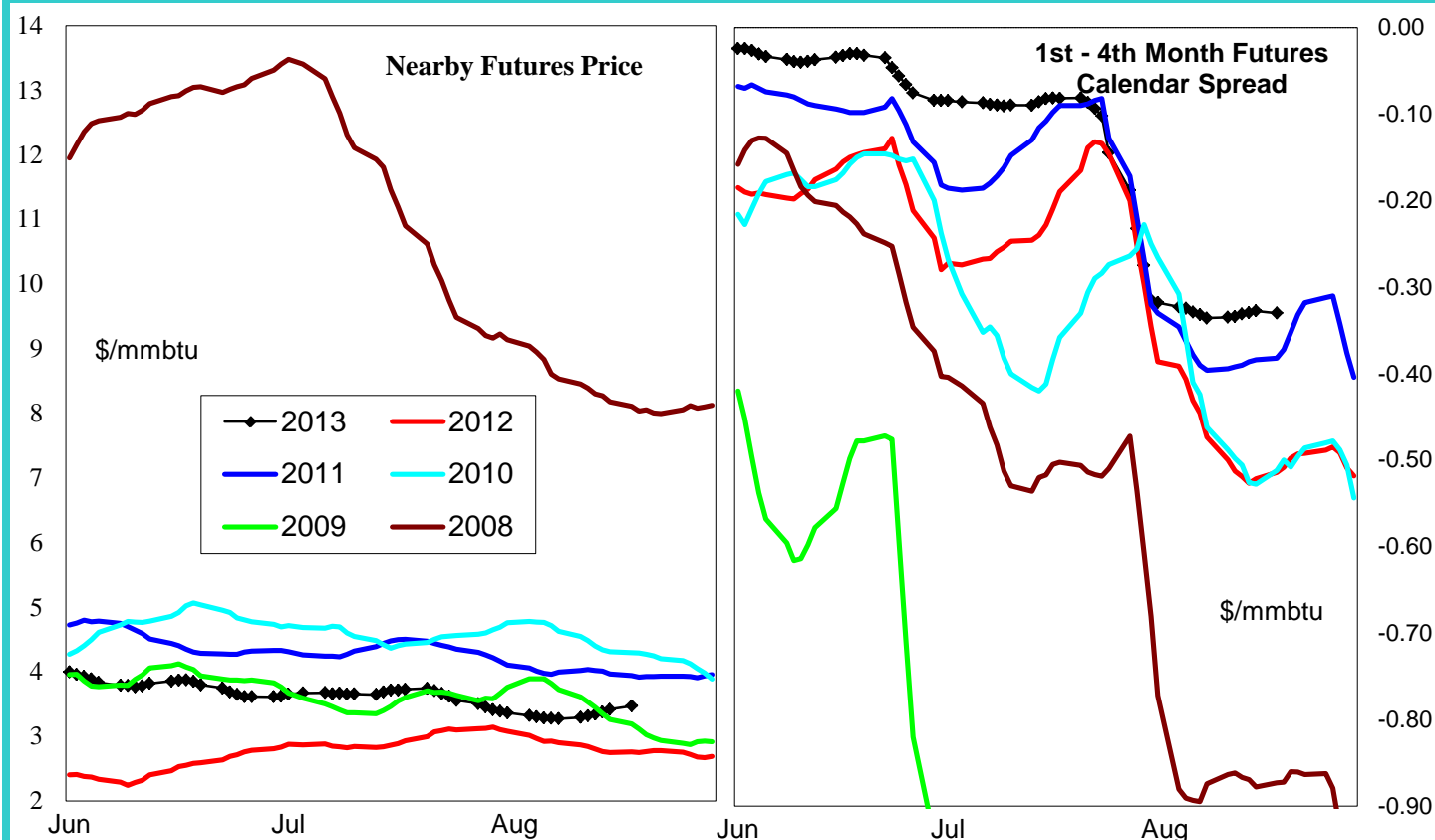
Week ending:	9-Aug-13			15-Jun-13		22-Jun-13		29-Jun-13	
Region	Weekly Stocks			Weekly Heating Degree Days					
		Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
	Bcf	Week Bcf	Year (%)						
U.S. Total	3,006	65	-7.7	-14	-45%	-2	-33%	-3	-77%
East	1,459	51	-12.1	-17	-39%	-2	-18%	-4	-74%
West	494	10	0.0	-12	-58%	-2	-55%	-5	-78%
Producing	1,053	4	-4.7	-4	-100%	0	-100%	0	-100%

### Seasonal Trends in Stocks and Heating Degree Days

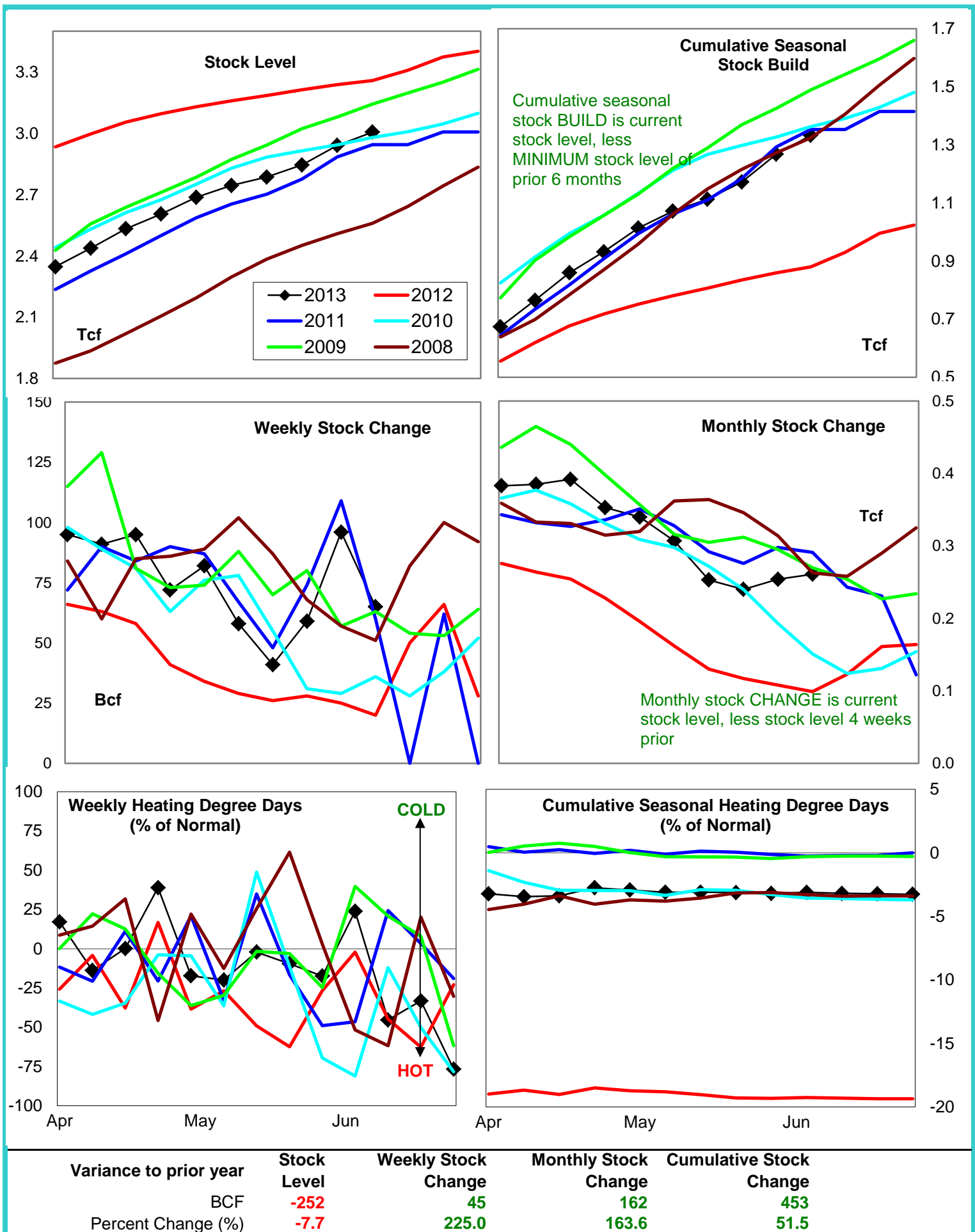
	Cumulative Stock Change			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
<b>U.S. Total</b>	<b>1,333</b>	<b>453</b>	<b>34.0</b>	<b>6</b>	<b>-3.2</b>	<b>4</b>	<b>-3.2</b>	<b>1</b>	<b>-3.3</b>
<b>East</b>	<b>813</b>	<b>203</b>	<b>25.0</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>164</b>	<b>14</b>	<b>8.5</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>363</b>	<b>223</b>	<b>61.4</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

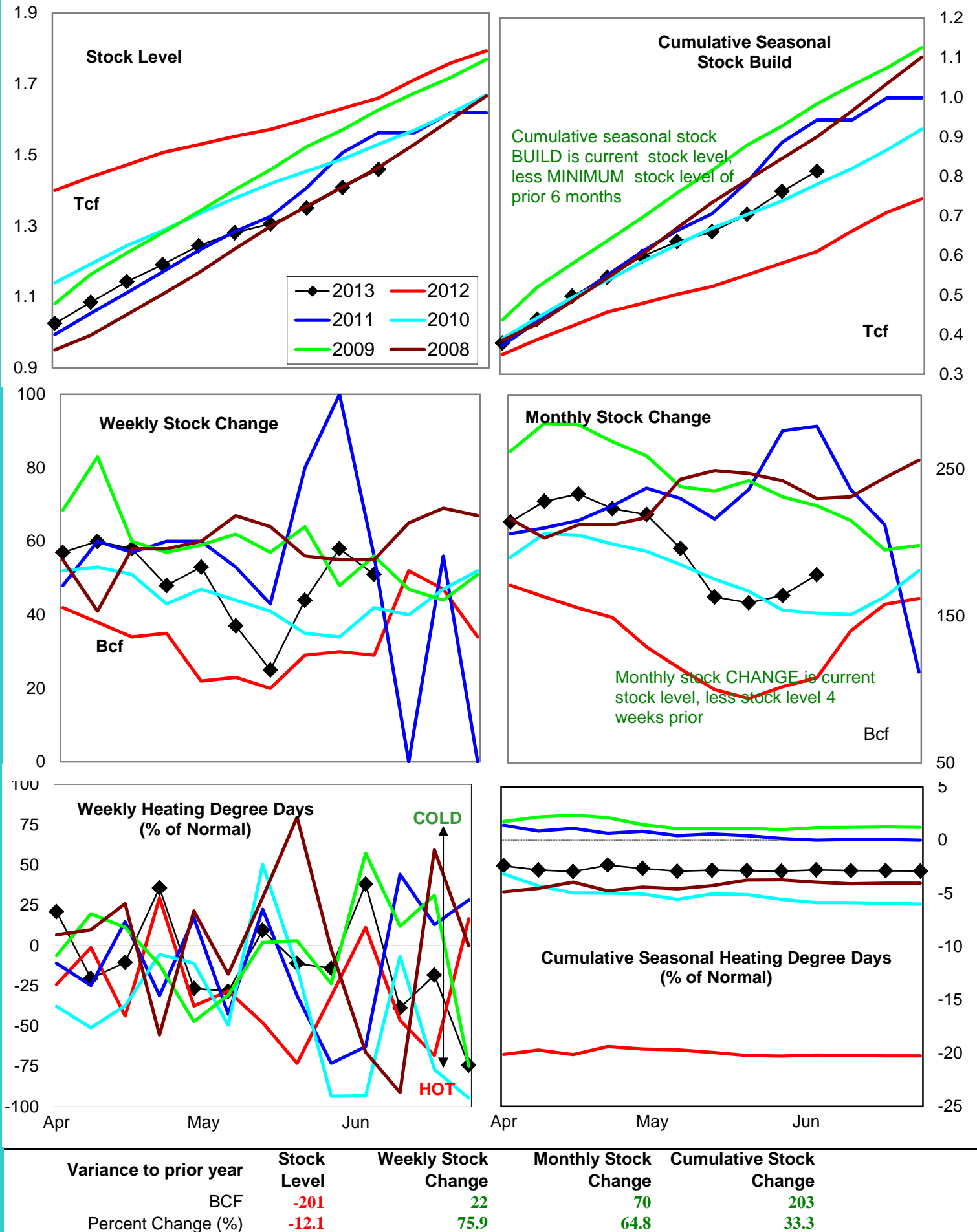
Date:	19-Aug-13	Change vs prior week, month, year		
		13-Aug-13	23-Jul-13	28-Aug-12
<b>1st month Futures</b>	<b>3.47</b>	<b>0.19</b>	<b>-0.27</b>	<b>0.72</b>
<b>% change</b>	<b>xxxxx</b>	<b>5.6</b>	<b>-7.3</b>	<b>26.3</b>



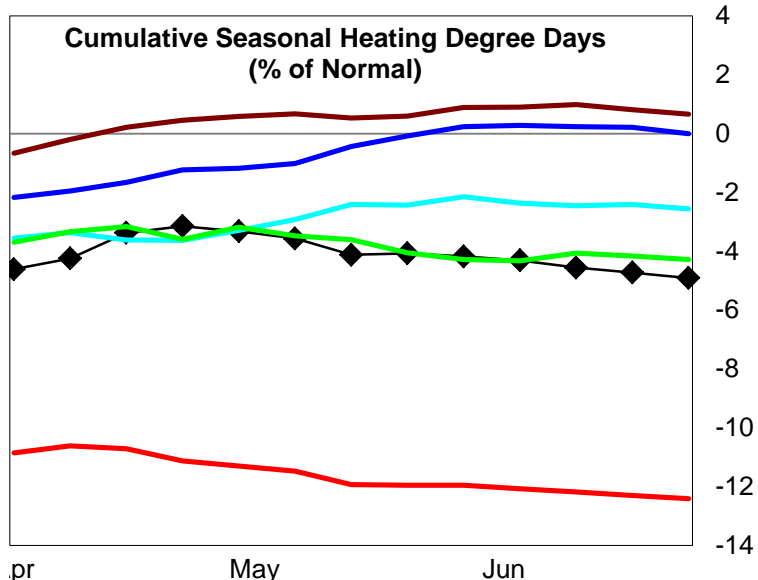
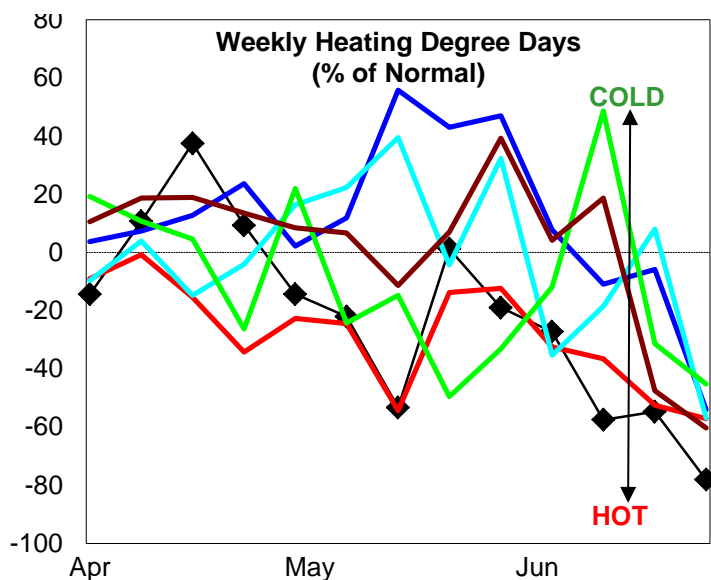
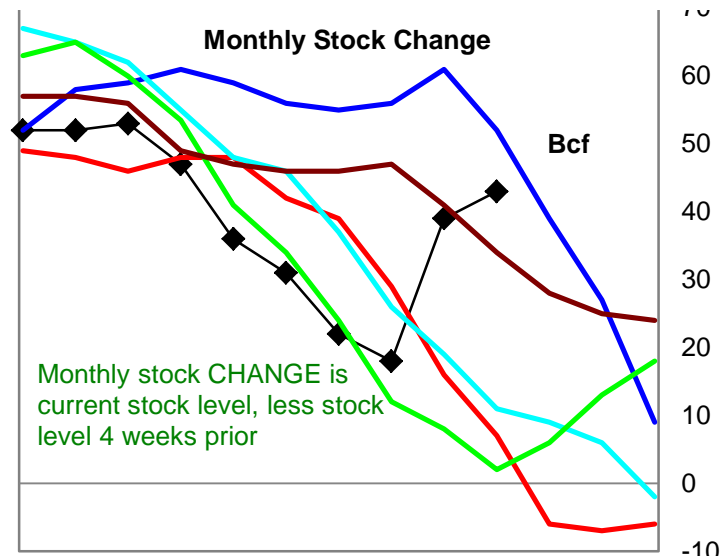
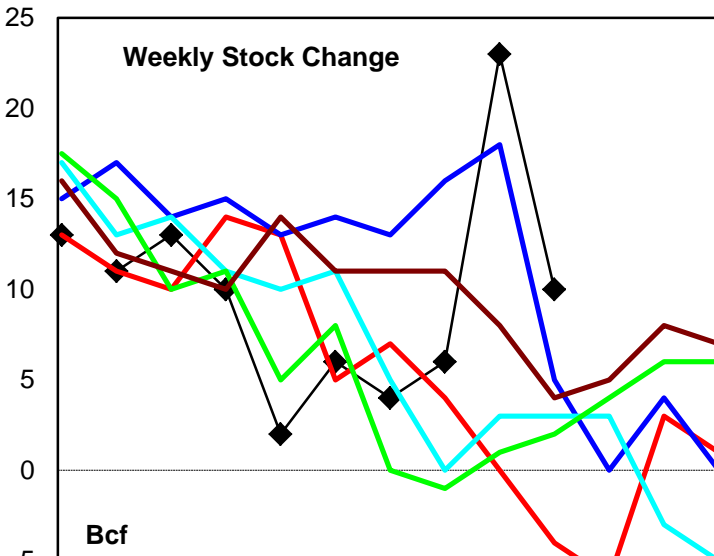
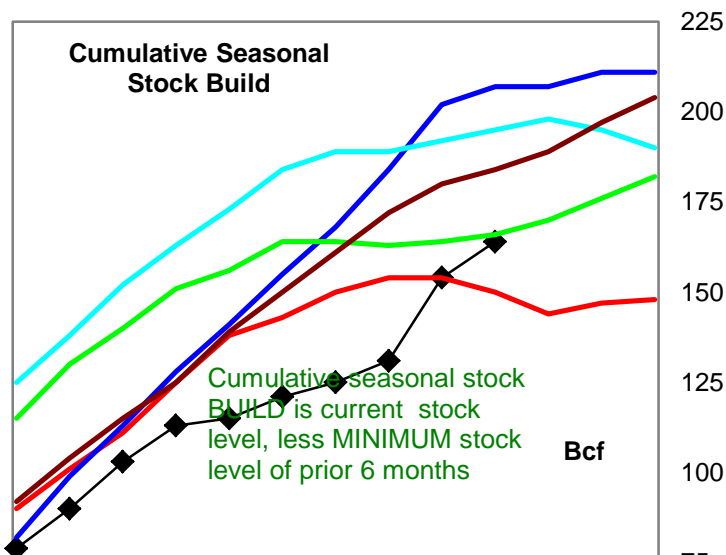
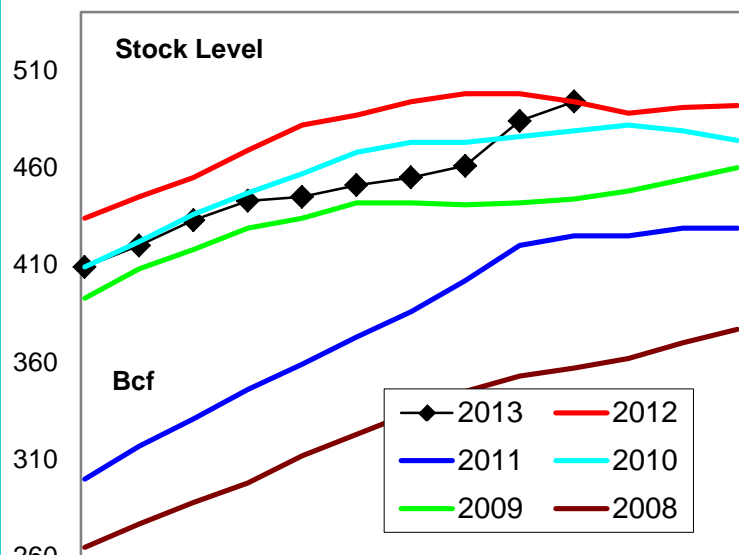
# United States Natural Gas Stock and Weather Trends



# Natural Gas East Region Stock and Weather Trends



# Natural Gas West Region Stock and Weather Trends

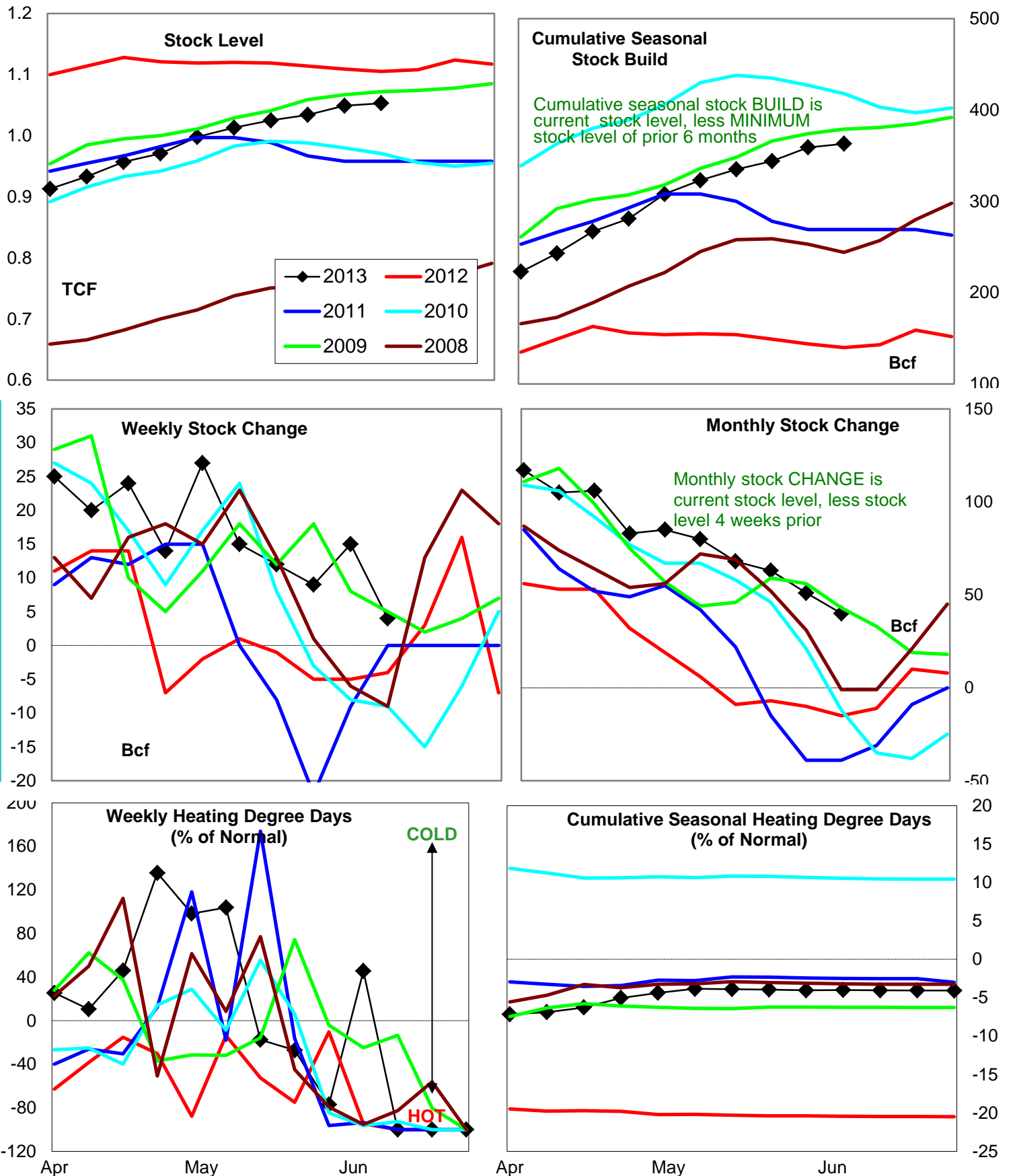


Variance to prior year

Stock  
LevelWeekly Stock  
ChangeMonthly Stock  
ChangeCumulative Stock  
ChangeBCF  
Percent Change (%)0  
0.014  
-350.036  
514.314  
9.3



# Natural Gas Producing Region Stock and Weather Trends



Variance to prior year

Stock  
LevelWeekly Stock  
ChangeMonthly Stock  
ChangeCumulative Stock  
Change

BCF

-52

8

55

223

Percent Change (%)

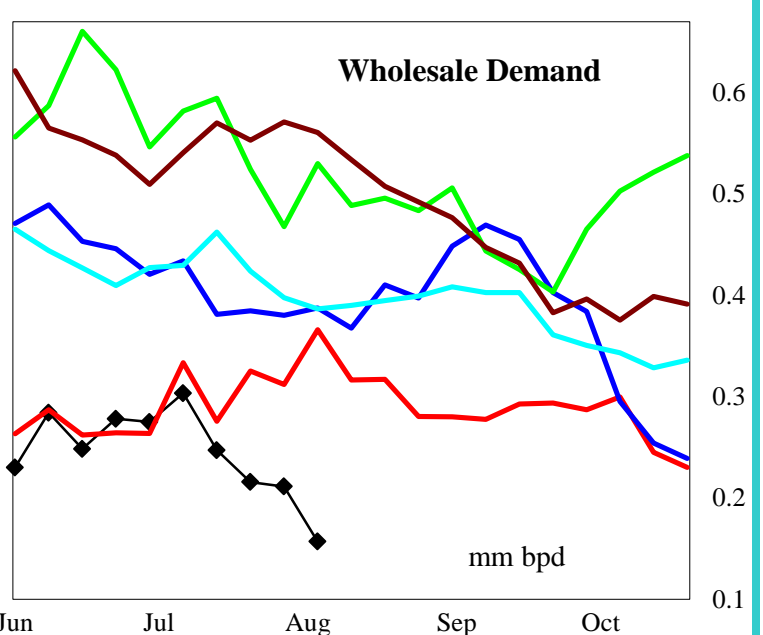
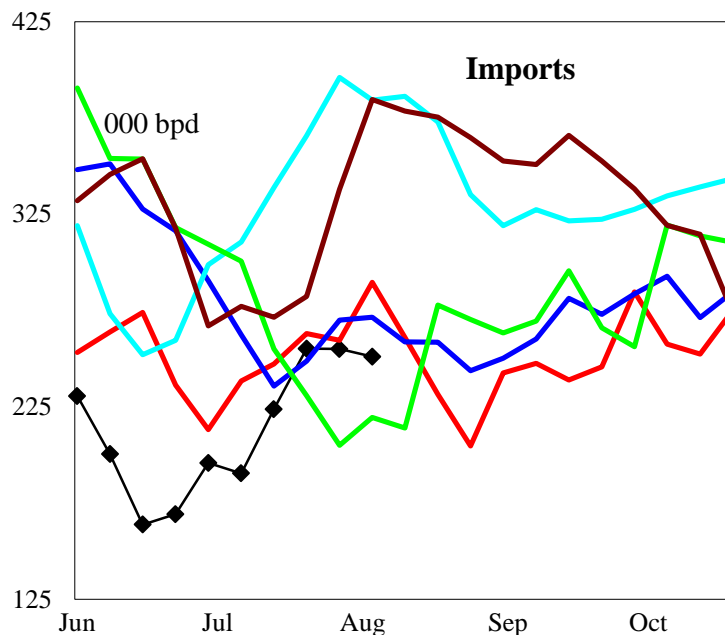
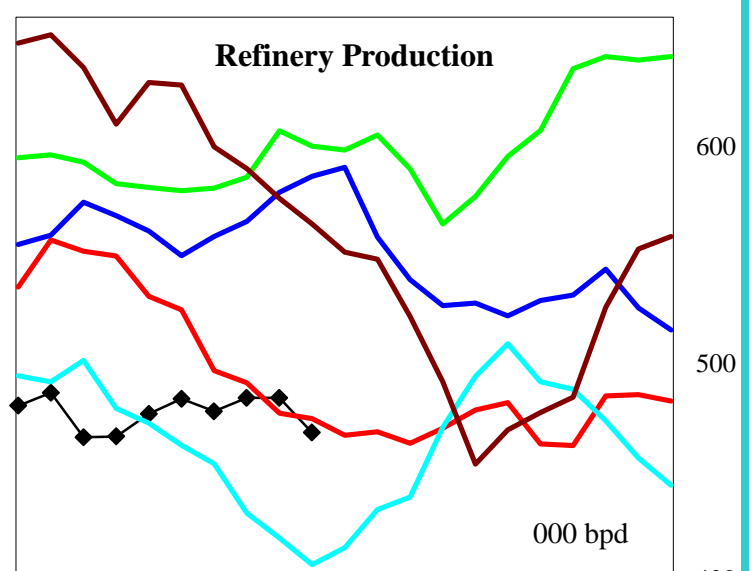
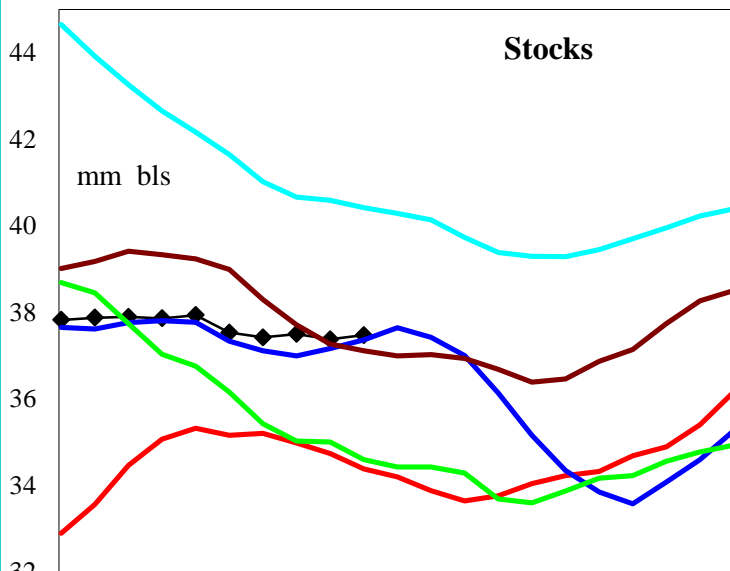
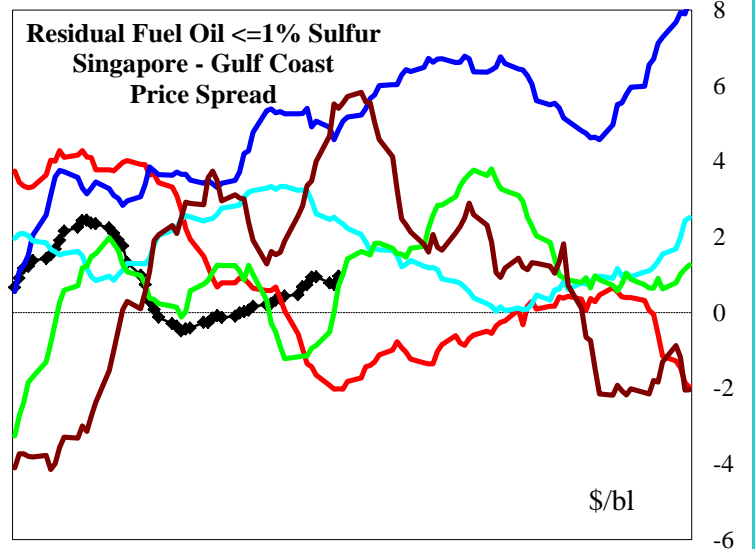
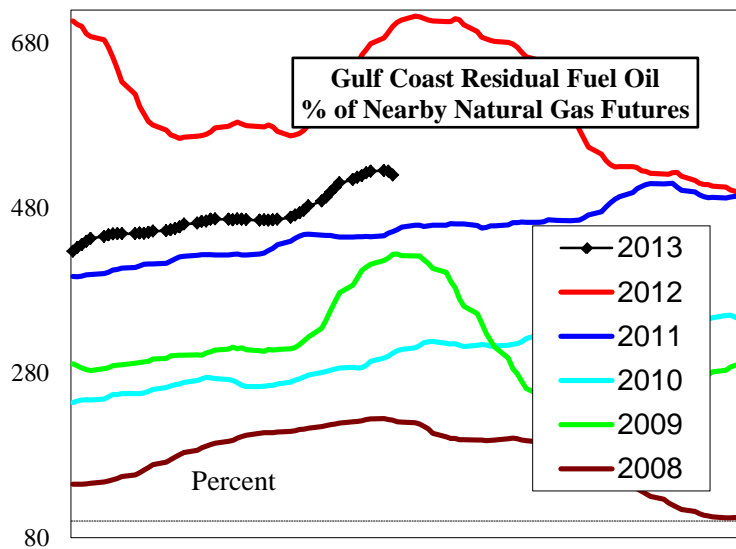
-4.7

-200.0

-366.7

159.3

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



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

**Stocks**  
**3,055**  
**8.9**

**Prod**  
**4**  
**0.8**

**Imports**  
**-24**  
**-8.4**

**Demd=>**  
**-159**  
**-40.3**

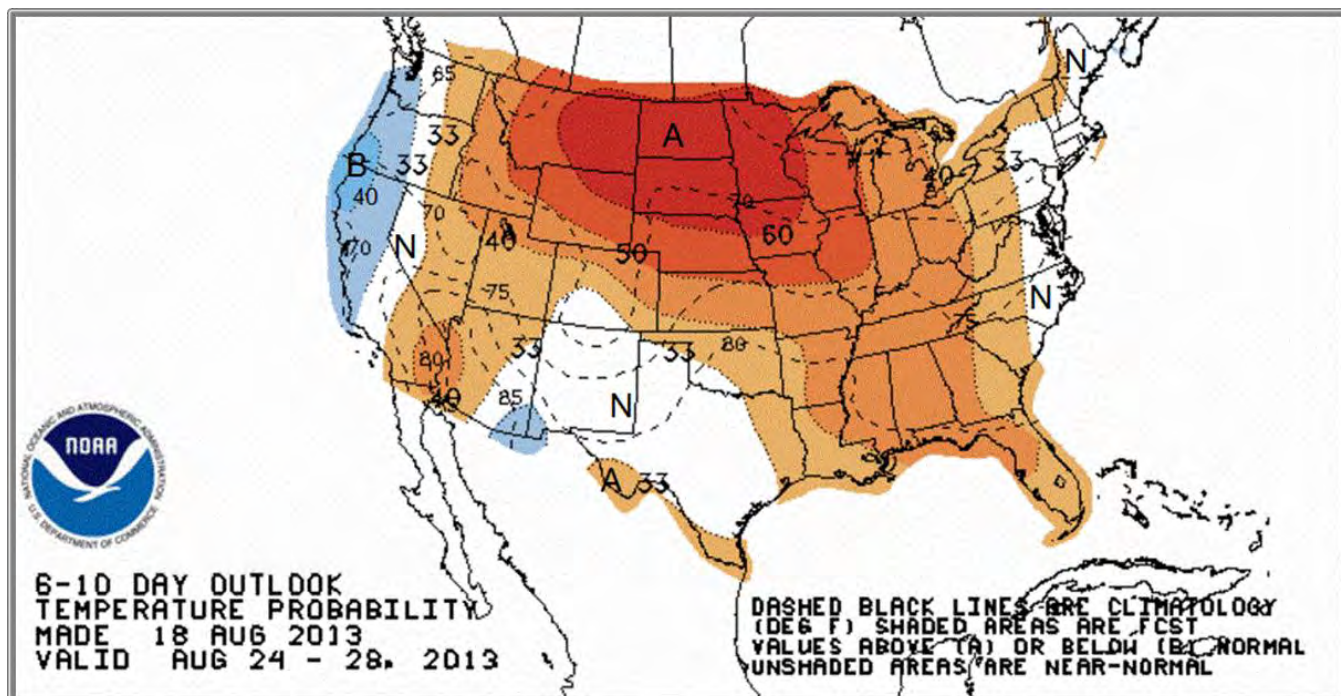
**4wk avg**  
**-147**  
**-35.2**

**Jul**  
**-100**  
**-26.9**

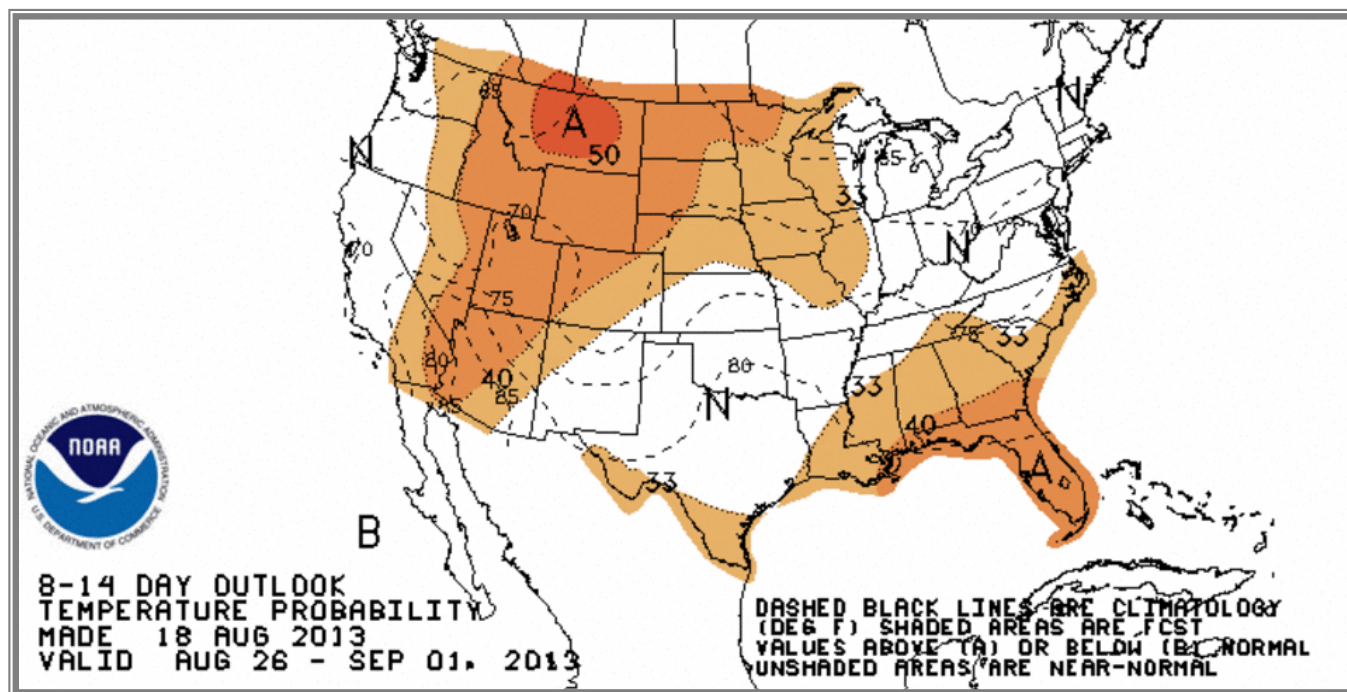
**Jun**  
**-79**  
**-26.9**

**May**  
**-79**  
**-26.9**

## 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

