

# WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

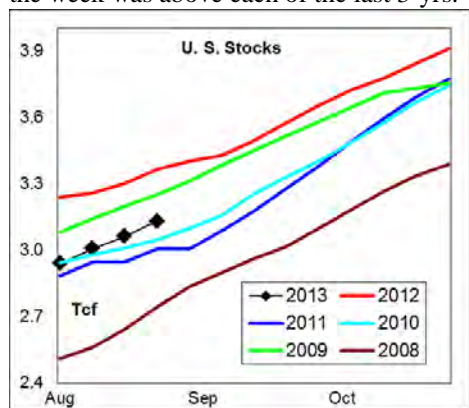
## A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Wednesday, September 04,

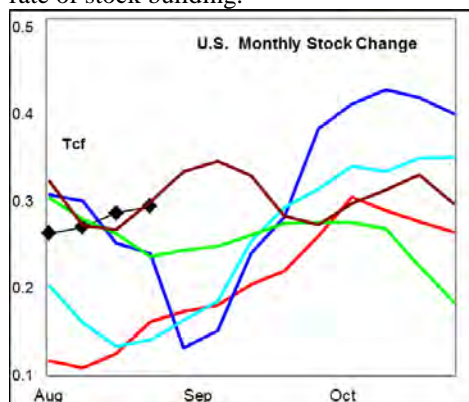
2013



**Summary**<sup>1</sup> The stock build of +67 Bcf for the week was above each of the last 3-yrs.



The latest 4-wk stock change was a build of 290 Bcf, matching the 5-yr high for this time of year. Increased production has offset above normal cooling degree days during the last month, leading to the record rate of stock building.



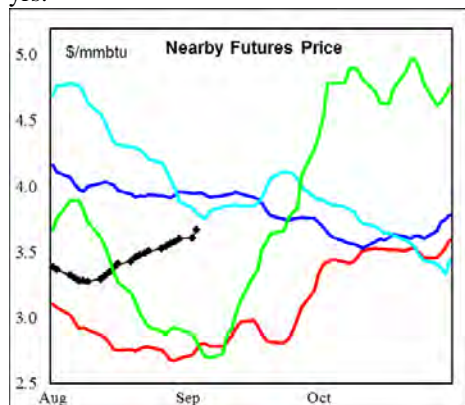
In the East Region stocks increased +49 Bcf for the week, a build equal to the historic mid range. Stocks increased +2 Bcf in the West Region, a build equal to the 3-yr average for the period. Stocks were +16 Bcf higher on the week in the Producing region, a build that matched 3-yr highs for the week.

**Cooling degree days** were above normal across nearly the entire country last week.

The 6-10 day NWS forecast for the week ending 13Sep13 is for above normal cooling degree days across the south and western 2/3rds of the country.

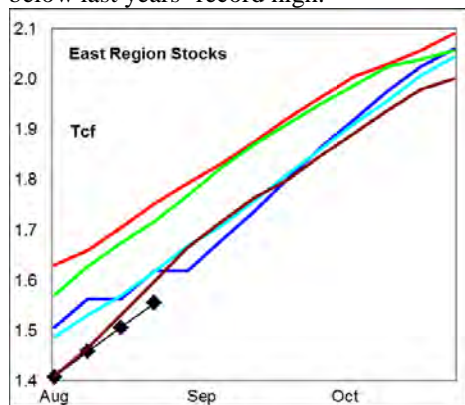
The 8-14 day NWS forecast for the week ending 17Sep13 is for above normal cooling degree days across the western 2/3rds of the country.

**Prices:** Nearby gas futures increased +\$0.13/MMBTU for the week ending 03Sep13. The current price level ended the week near the mid range of the last 4-yrs.



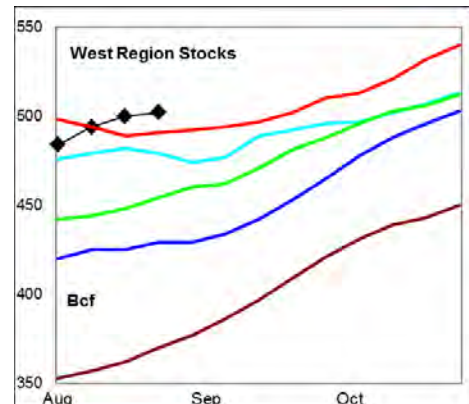
The 1<sup>st</sup> – 4<sup>th</sup> month forward price curve traded sideways last week at a level that which was a record high for the week, pointing to an exceptionally low carry in the forward price curve ahead of the fall heating season.

**East Region** stocks increased +49 Bcf for the week, a build equal to the 5-yr mid range. The current stock level is -11% below last years' record high.

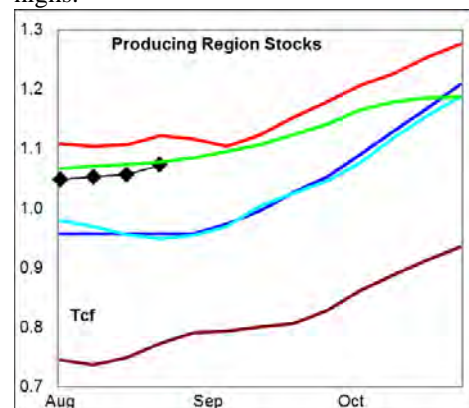


Cooling degree days are forecast to be near normal in the region for the next 10-days.

**West Region** stocks increased +2 Bcf last week, a build equal to the 3-yr average for the week. Stock levels ended the week at a 5-yr high for the period. Cooling degree days are forecast to be much above normal for the next 10-days.



**Producing Region** stocks increased +16 Bcf for the week, a build that matched 3-yr highs for the period. Stock levels ended the week -4.4% 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 -20% below last year.

**Outlook:** Cooling degree days are forecast to be much above normal over the next 10-days for the south and western 2/3rds of the country.

The latest U.S. 4-wk stock build matched 5-yr highs for the period, reflecting increased production that offset above normal cooling degree days during the last 4-wks.

Above normal cooling degree days across most of the country should be offset by higher production, leading to near normal stock builds for the next 2-wks.

Arrival of the fall 'shoulder season', combined with the high level of stock building, has potential for a price pull back.

<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: September 4, 2013

For the week ending: 23-Aug-13

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

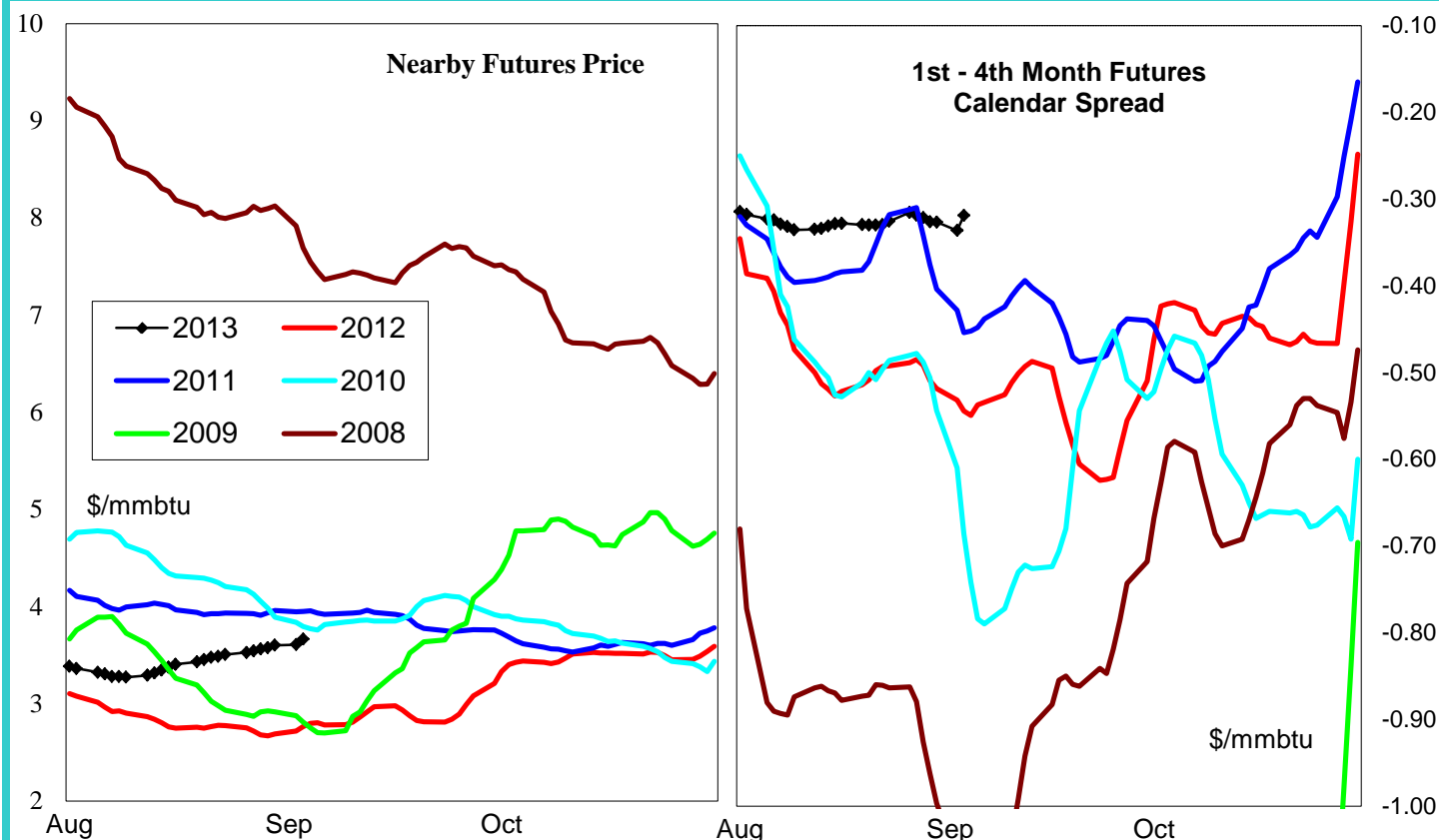
Week ending:	23-Aug-13			15-Jun-13		22-Jun-13		29-Jun-13	
Region	Weekly Stocks			Weekly Heating Degree Days					
		Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
	Bcf	Week Bcf	Year (%)						
U.S. Total	3,130	67	-7.0	-14	-45%	-2	-33%	-3	-77%
East	1,555	49	-11.2	-17	-39%	-2	-18%	-4	-74%
West	502	2	2.2	-12	-58%	-2	-55%	-5	-78%
Producing	1,073	16	-4.4	-4	-100%	0	-100%	0	-100%

### Seasonal Trends in Stocks and Heating Degree Days

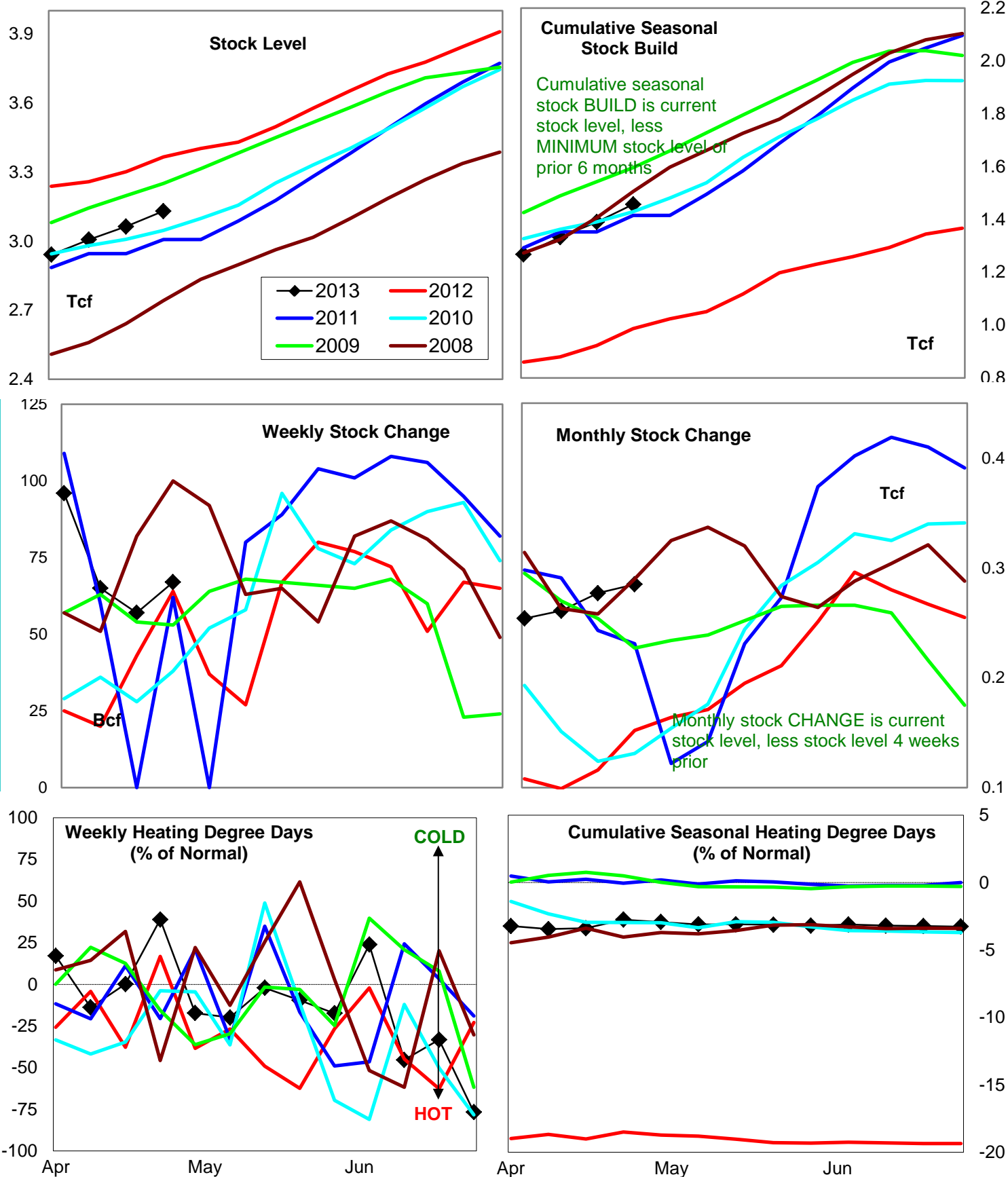
	Cumulative Stock Change			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
<b>U.S. Total</b>	<b>1,457</b>	<b>470</b>	<b>32.3</b>	<b>6</b>	<b>-3.2</b>	<b>4</b>	<b>-3.2</b>	<b>1</b>	<b>-3.3</b>
<b>East</b>	<b>909</b>	<b>207</b>	<b>22.8</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>172</b>	<b>25</b>	<b>14.5</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>383</b>	<b>226</b>	<b>59.0</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:	3-Sep-13	Change vs prior week, month, year		
		28-Aug-13	7-Aug-13	12-Sep-12
<b>1st month Futures</b>	<b>3.67</b>	<b>0.10</b>	<b>0.42</b>	<b>0.72</b>
<b>% change</b>	<b>xxxxx</b>	<b>2.8</b>	<b>12.9</b>	<b>24.6</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

-235

3

133

470

Percent Change (%)

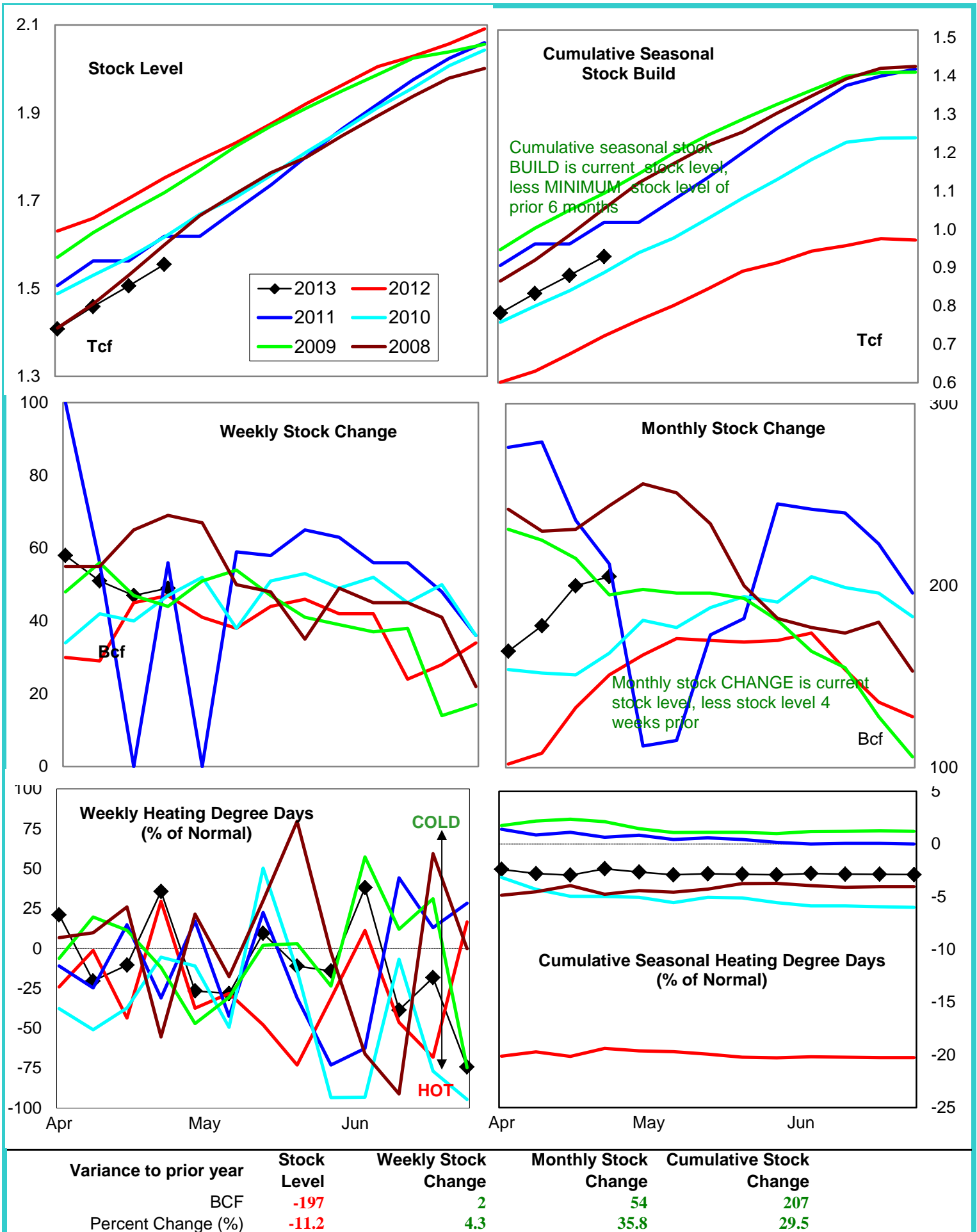
-7.0

4.7

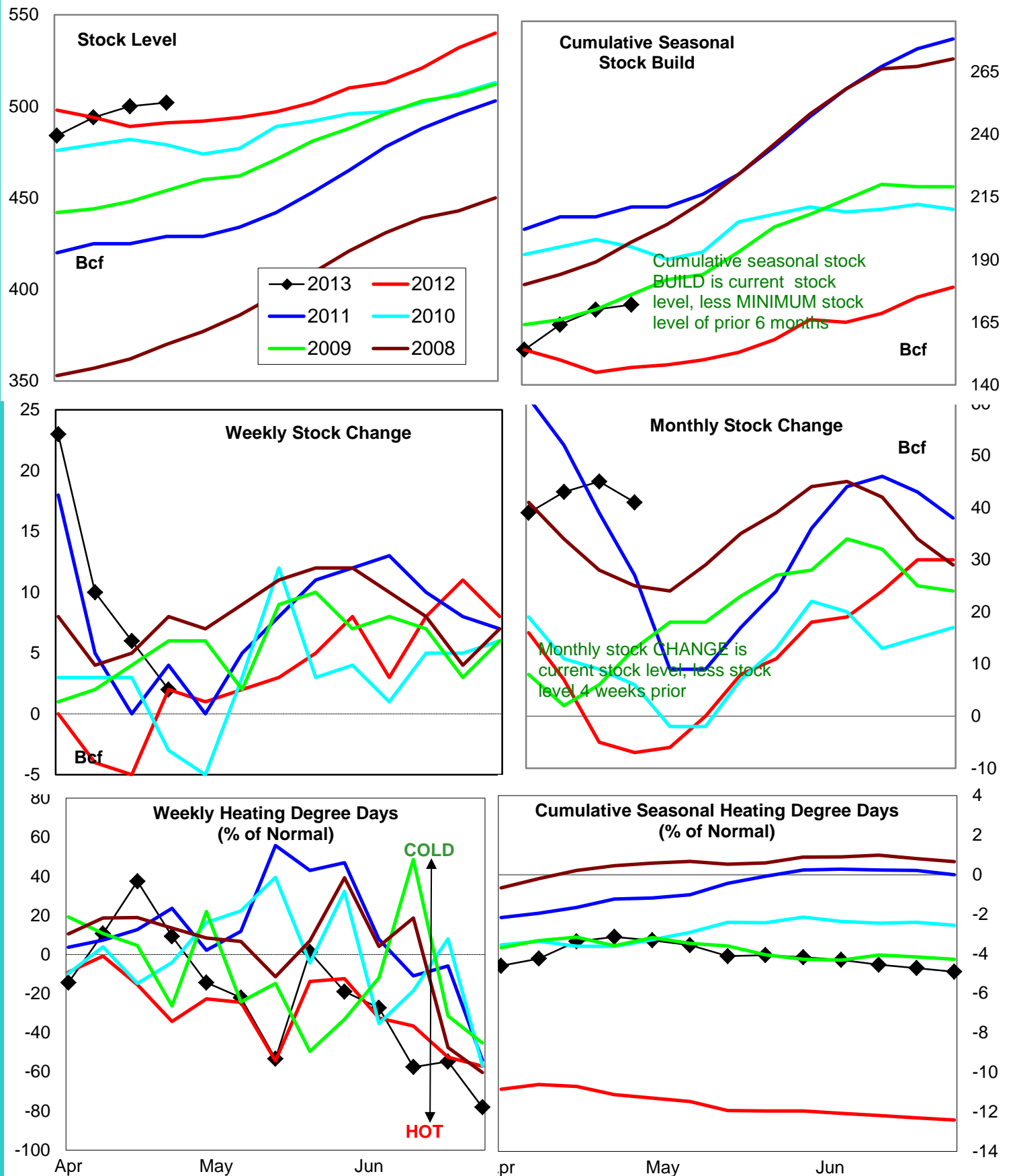
87.5

47.6

# Natural Gas East Region Stock and Weather Trends



# Natural Gas West Region Stock and Weather Trends



Variance to prior year

Stock Level

Weekly Stock Change

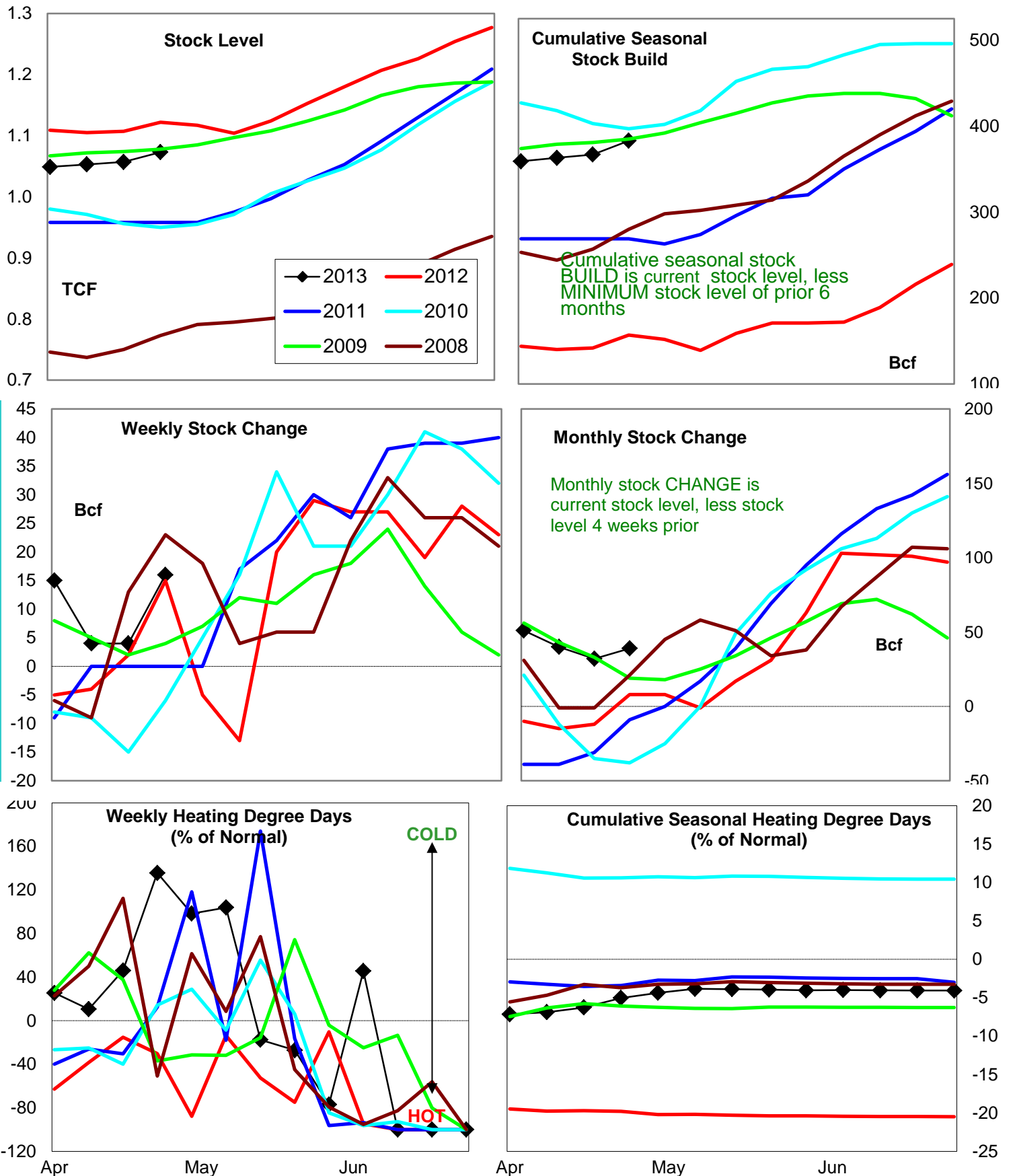
Monthly Stock Change

Cumulative Stock Change

BCF  
Percent Change (%)11  
2.20  
0.048  
-685.725  
17.0



# Natural Gas Producing Region Stock and Weather Trends



Variance to prior year

Stock  
LevelWeekly Stock  
ChangeMonthly Stock  
ChangeCumulative Stock  
Change

BCF

-49

1

31

226

Percent Change (%)

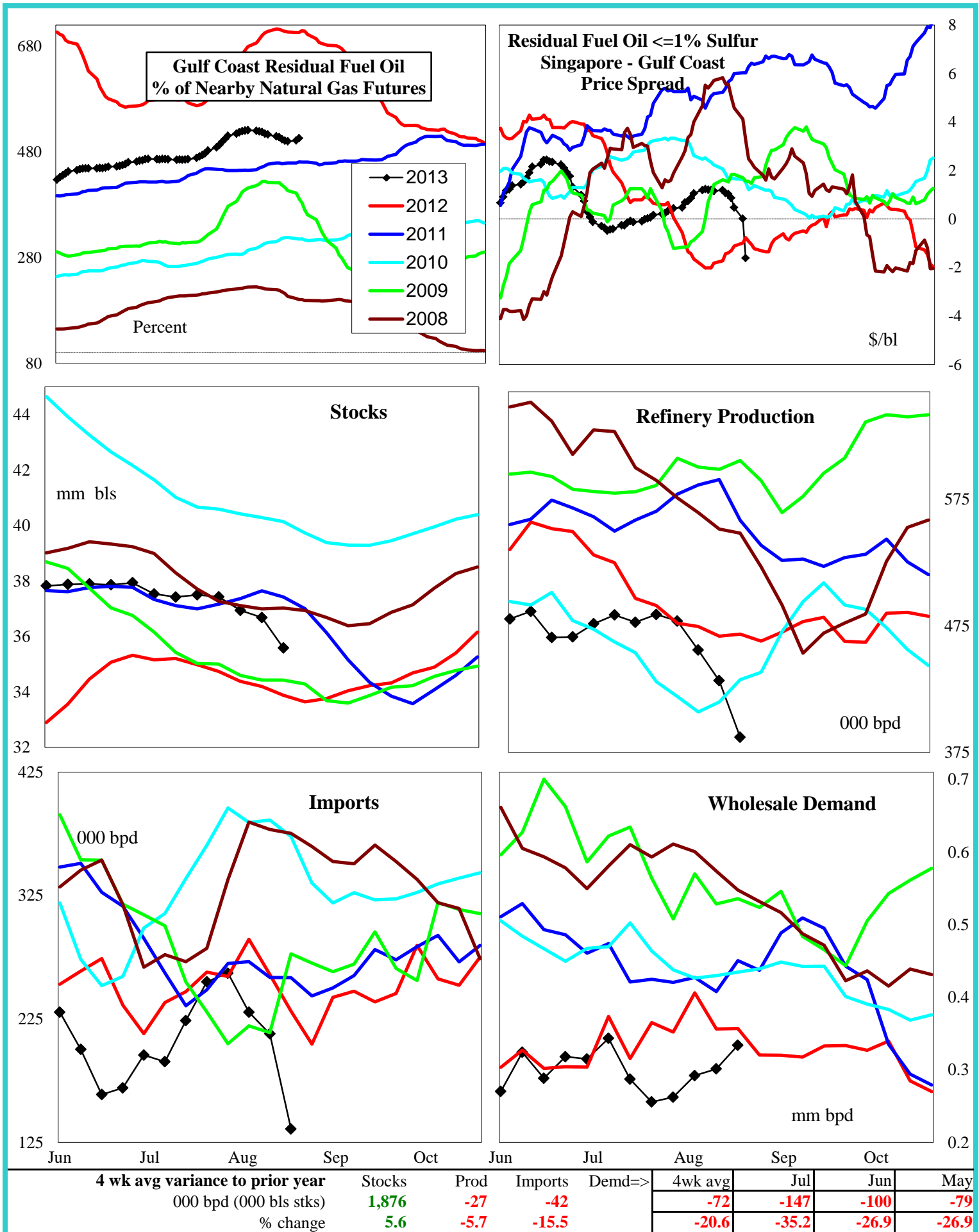
-4.4

6.7

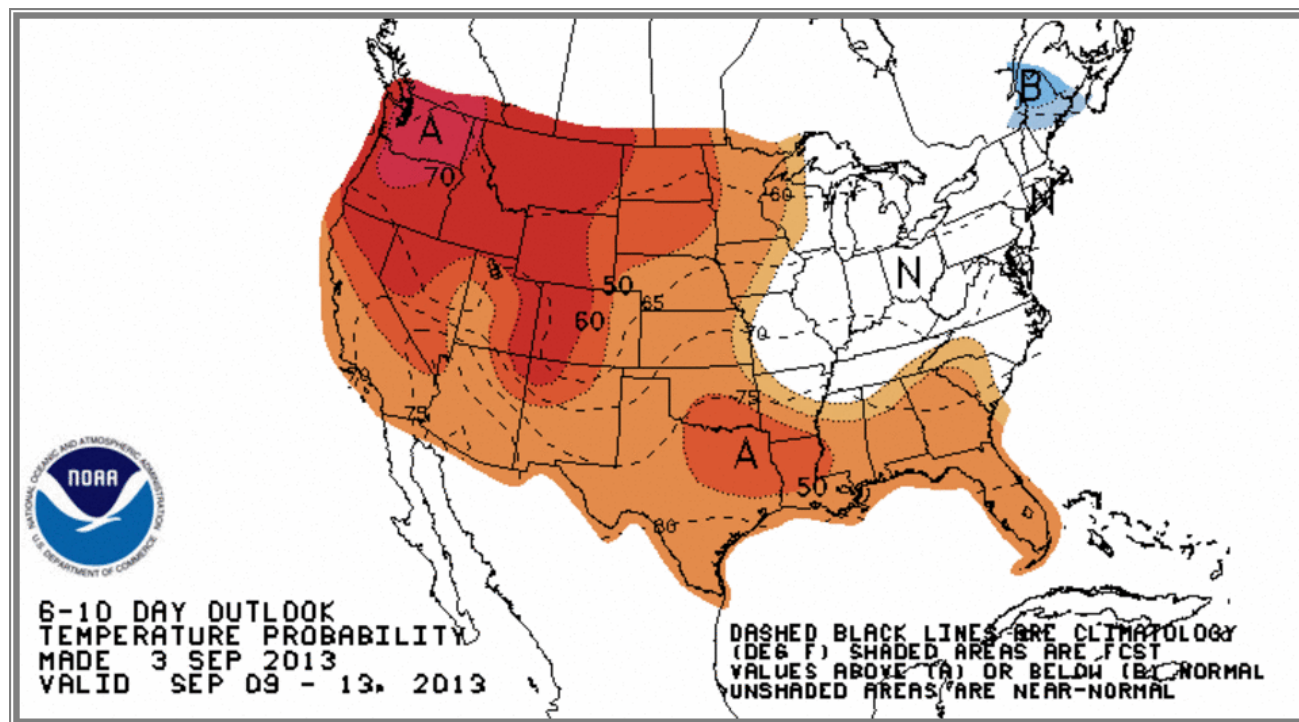
387.5

143.9

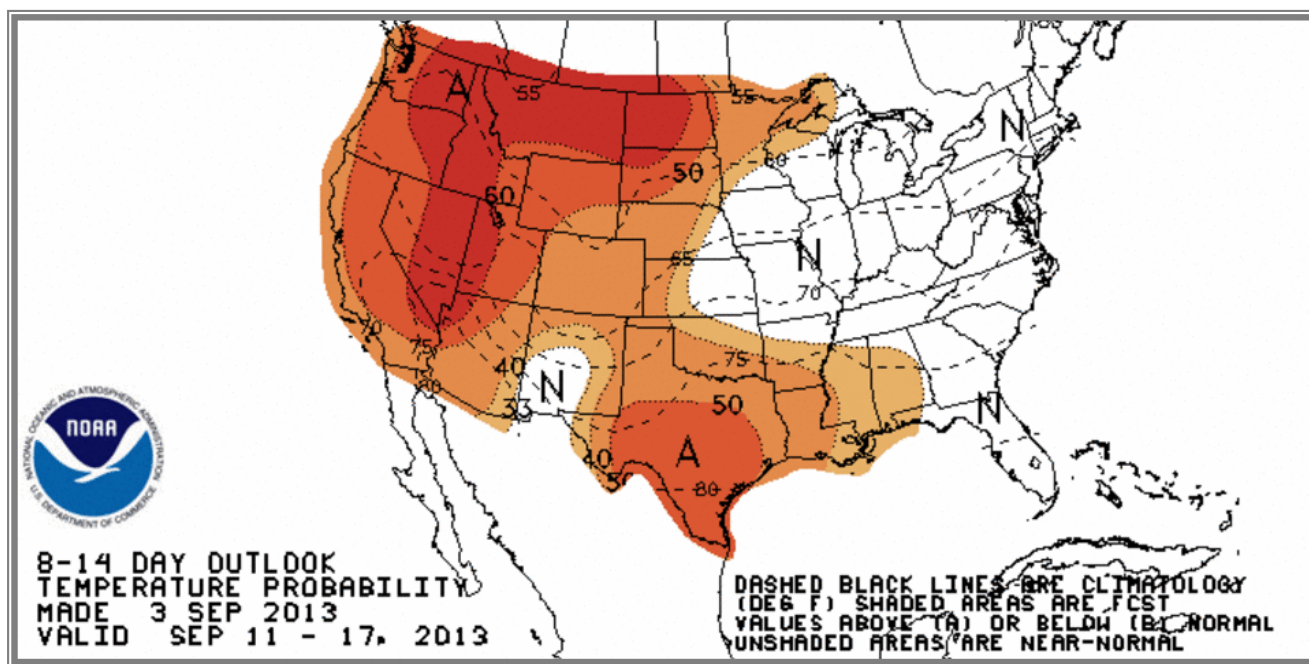
## U.S. Residual Fuel Oil Price Spreads and Supply Balance



## 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

