



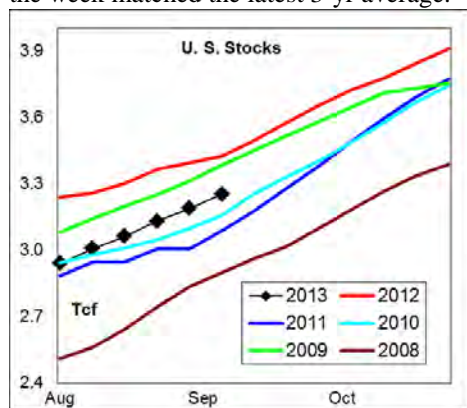
WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

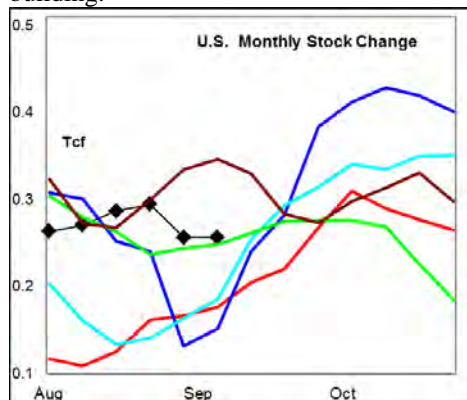
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Monday, September 16, 2013



Summary¹ The stock build of +65 Bcf for the week matched the latest 3-yr average.



The latest 4-wk stock change was a build of 247 Bcf, a level well above the last 3-yrs. Increased production has offset above normal cooling degree days during the last month, leading to high 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 +14 Bcf higher on the week in the Producing region, a build that matched 3-yr mid range for the week.

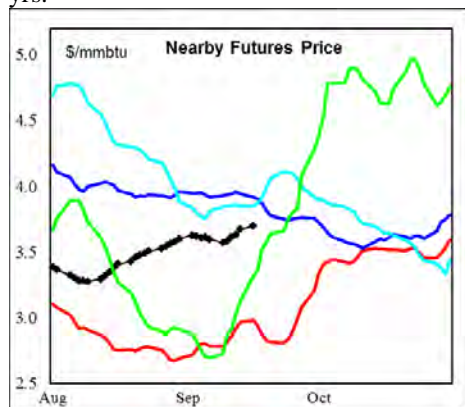
Cooling degree days were much above normal across nearly the entire country last week.

The 6-10 day NWS forecast for the week ending 25Sep13 is for above normal cooling degree days across the central

2/3rds of the country.

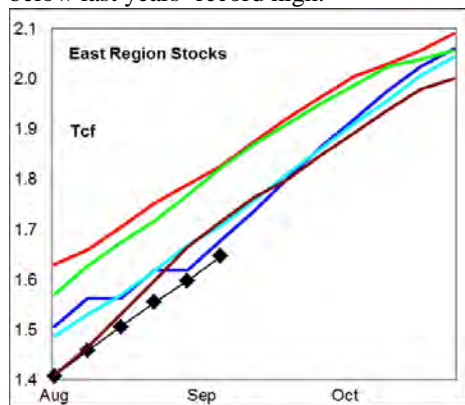
The 8-14 day NWS forecast for the week ending 29Sep13 is for above normal cooling degree days across the eastern 2/3rds of the country.

Prices: Nearby gas futures increased +\$0.10/MMBTU for the week ending 16Sep13. The current price level ended the week near the mid range of the last 4-yrs.



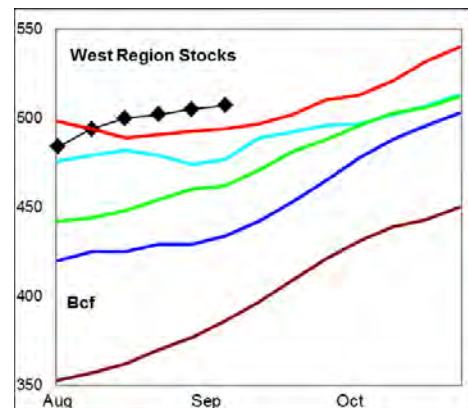
The 1st – 4th month forward price curve traded sideways last week at a level well above the prior 5-yrs, pointing to an exceptionally low carry in the forward price curve ahead of the fall heating season.

East Region stocks increased +49 Bcf for the week, a build equal to the 5-yr mid range. The current stock level is -10% below last years' record high.

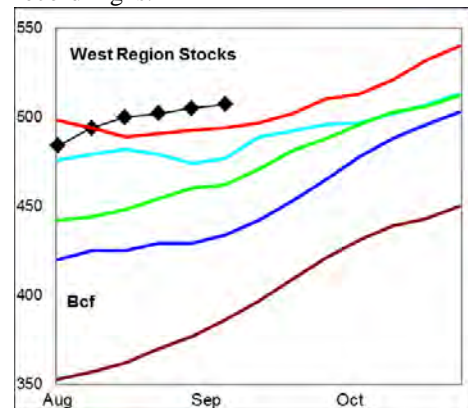


Cooling degree days are forecast to be much above normal in the region for the next 10-days.

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 below normal for the next 10-days.



Producing Region stocks increased +14 Bcf for the week, a build that matched 3-yr mid range for the period. Stock levels ended the week -0.6% below last years' record highs.



Much 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 +8% above last year.

Outlook: Cooling degree days are forecast to be much above normal over the next 10-days across the eastern 2/3rds of the country.

The latest U.S. 4-wk stock build was above the last 3-yrs 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.

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: September 16, 2013

For the week ending: 6-Sep-13

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

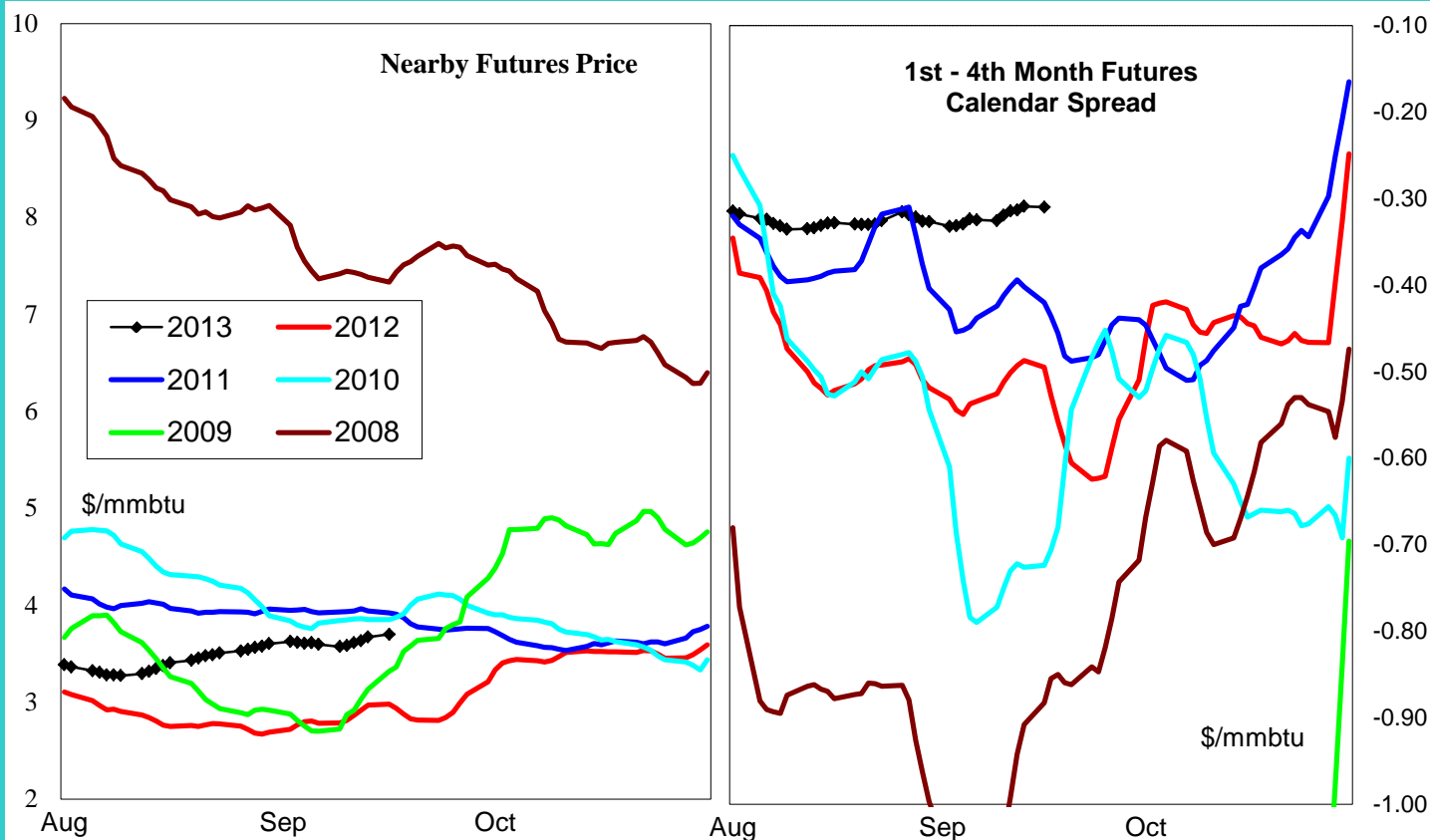
Week ending:	6-Sep-13			15-Jun-13		22-Jun-13		29-Jun-13	
Region	Weekly Stocks			Weekly Heating Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	3,253	65	-5.0	-14	-45%	-2	-33%	-3	-77%
East	1,647	49	-9.8	-17	-39%	-2	-18%	-4	-74%
West	507	2	2.6	-12	-58%	-2	-55%	-5	-78%
Producing	1,099	14	-0.6	-4	-100%	0	-100%	0	-100%

Seasonal Trends in Stocks and Heating Degree Days

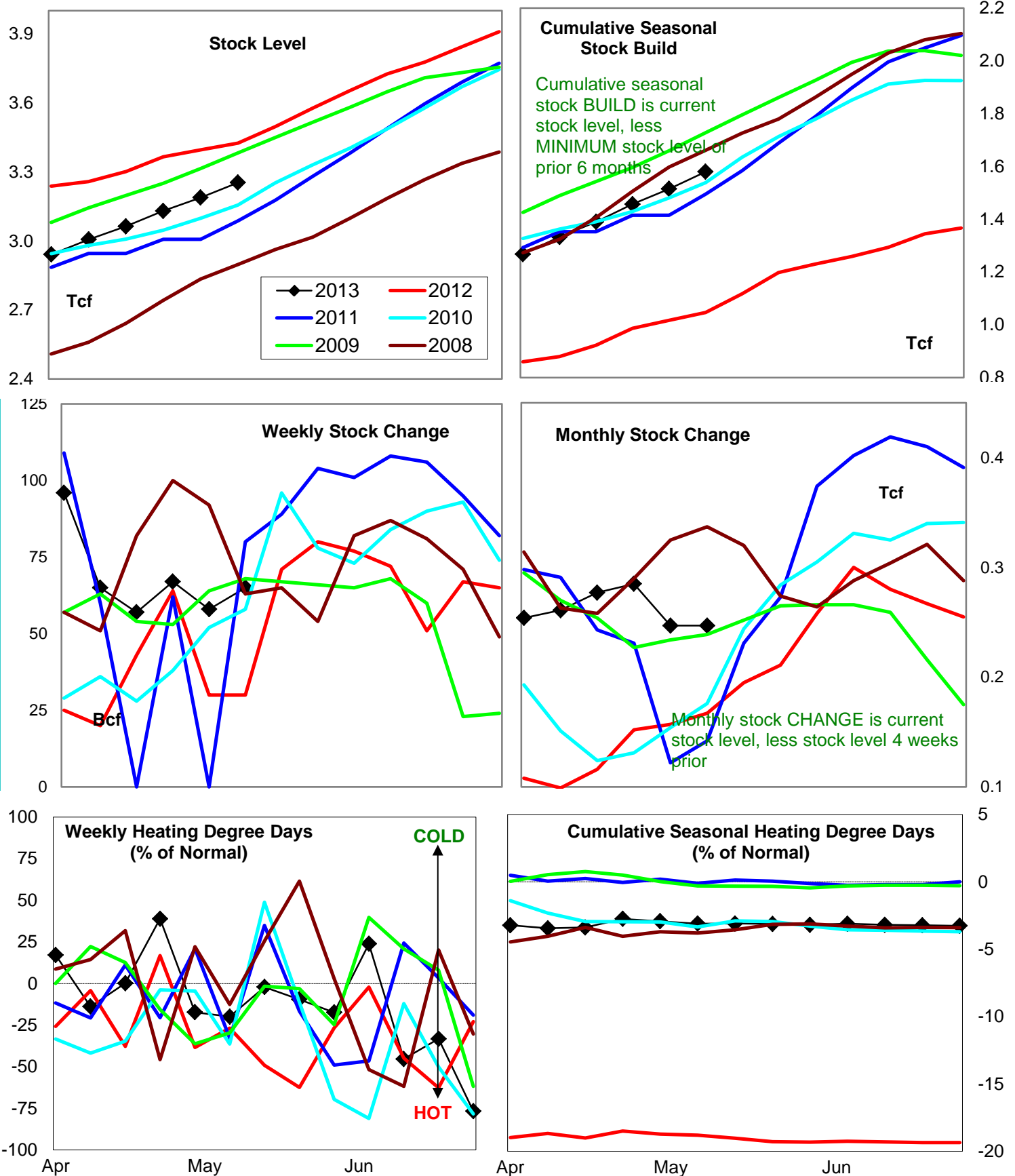
	Cumulative Stock Change			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
U.S. Total	1,580	533	33.7	6	-3.2	4	-3.2	1	-3.3
East	1,001	225	22.5	6	-2.9	4	-2.9	1	-2.9
West	177	27	15.3	10	-4.6	8	-4.7	3	-4.9
Producing	409	268	65.5	0	-4.0	0	-4.1	0	-4.1

Futures Market Price Trends

Date:	16-Sep-13	Change vs prior week, month, year		
		10-Sep-13	20-Aug-13	26-Sep-12
1st month Futures	3.70	0.12	0.26	0.40
% change	xxxxx	3.2	7.4	12.2



United States Natural Gas Stock and Weather Trends



Variance to prior year

Stock
LevelWeekly Stock
ChangeMonthly Stock
ChangeCumulative Stock
Change

BCF

-172

35

80

533

Percent Change (%)

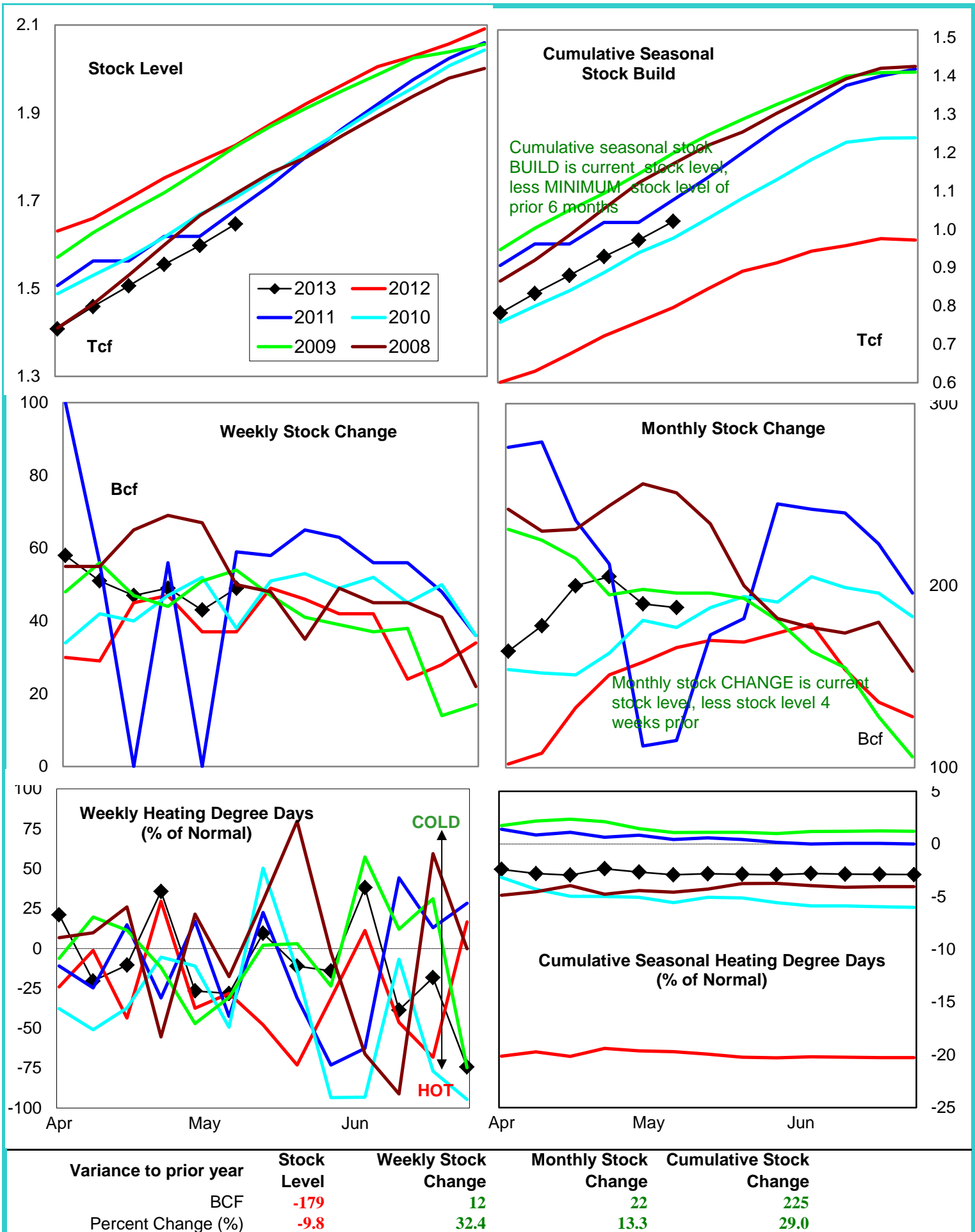
-5.0

116.7

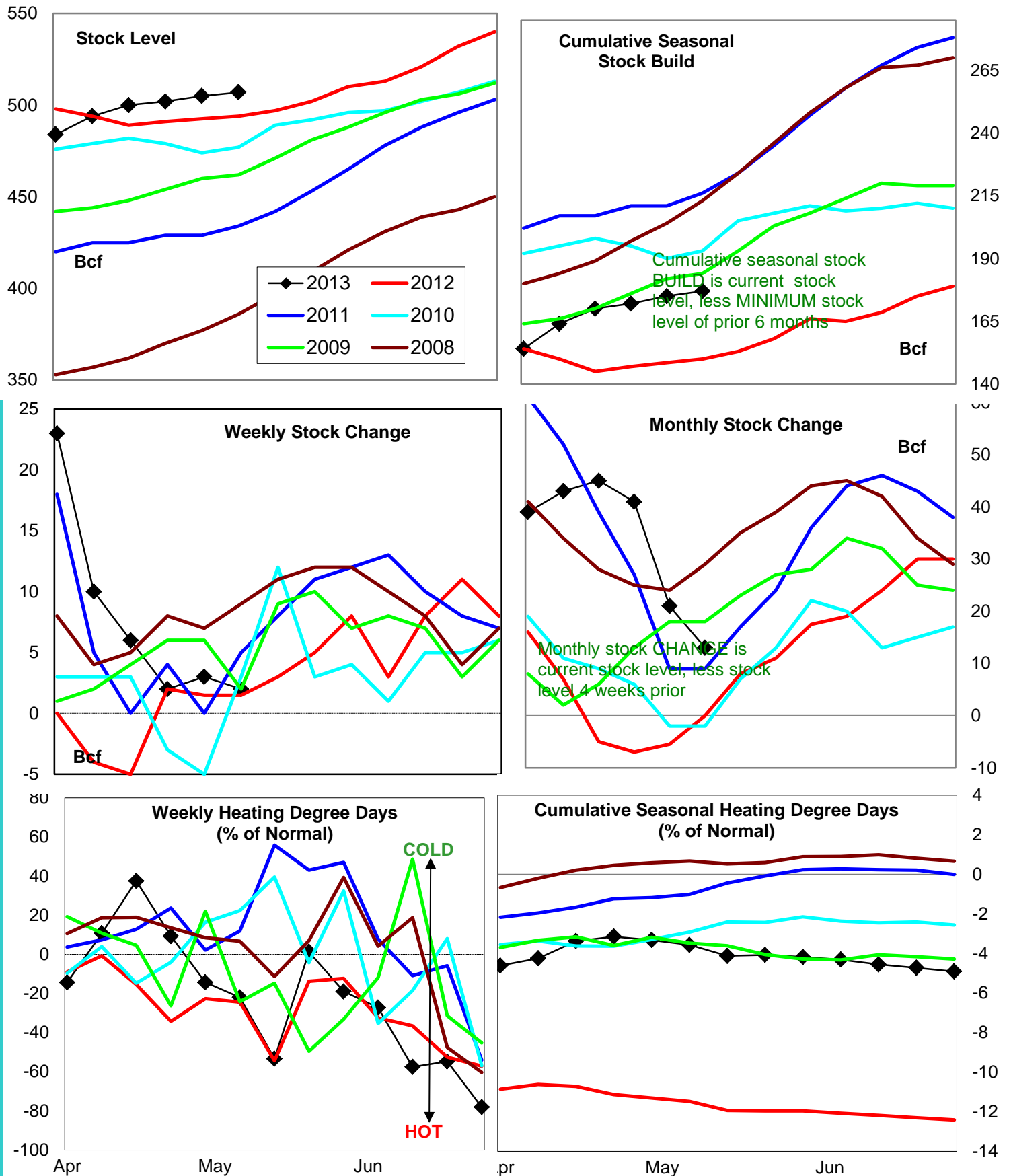
47.9

50.9

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

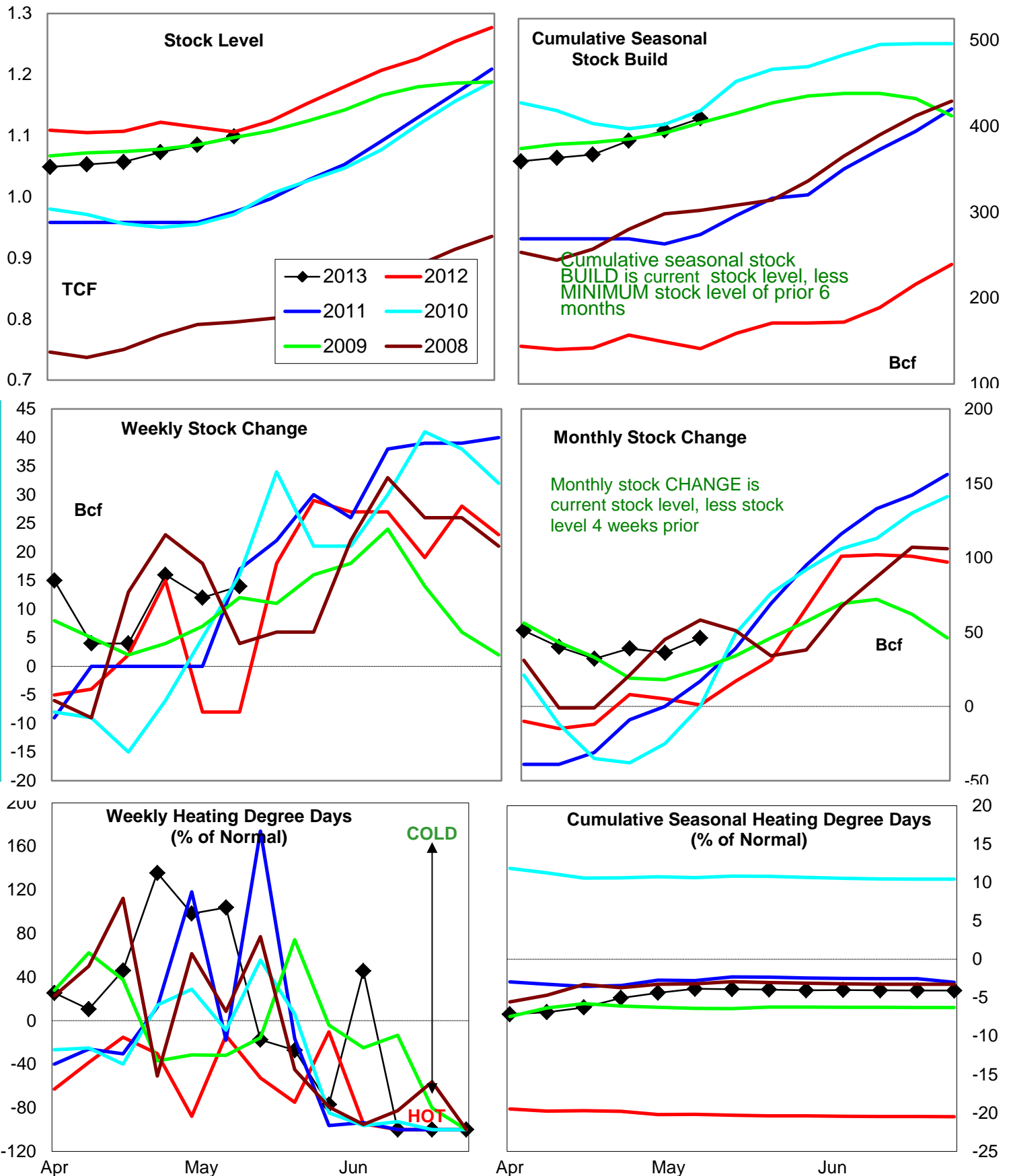
Cumulative Stock Change

BCF
Percent Change (%)13
2.61
33.3

#DIV/0!

27
18.0

Natural Gas Producing Region Stock and Weather Trends



Variance to prior year

Stock Level

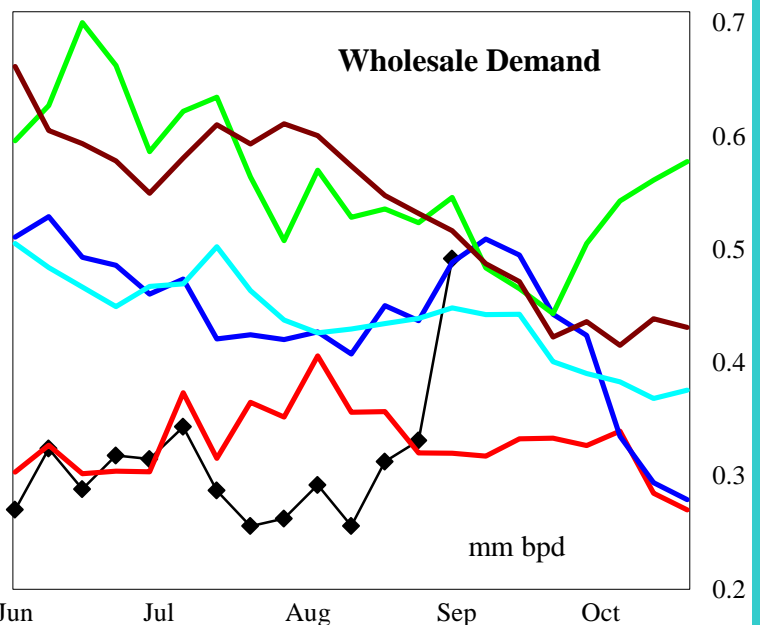
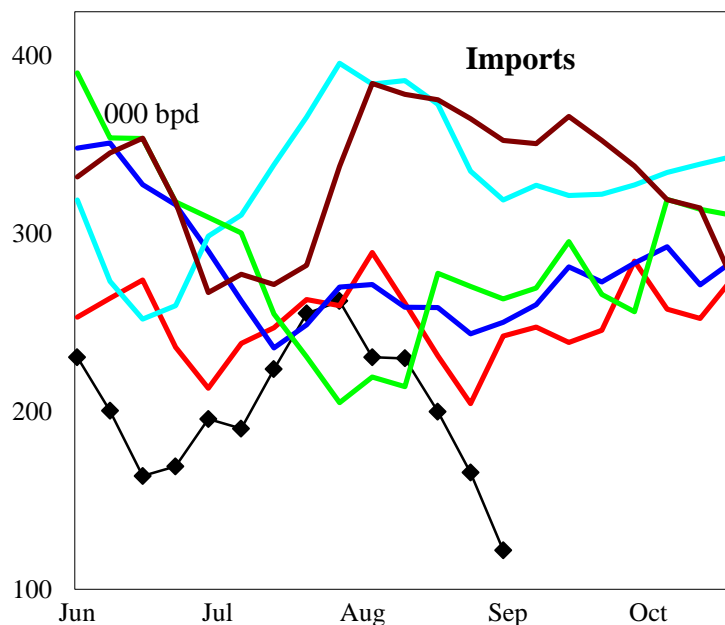
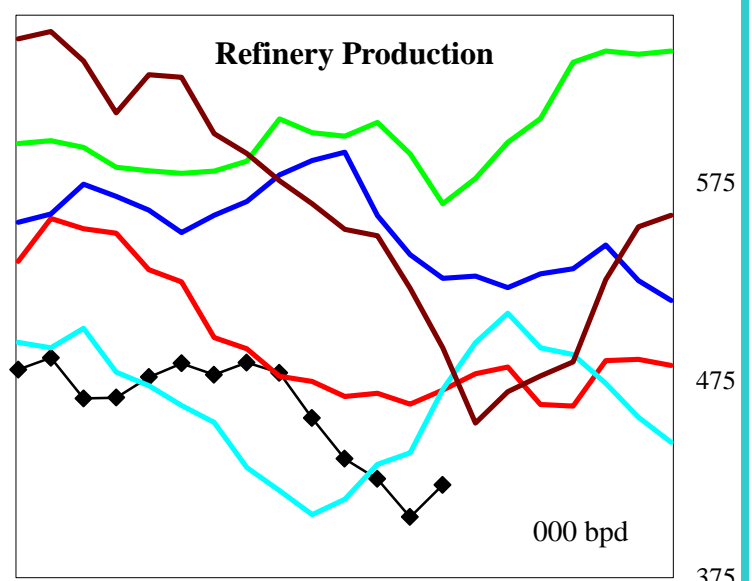
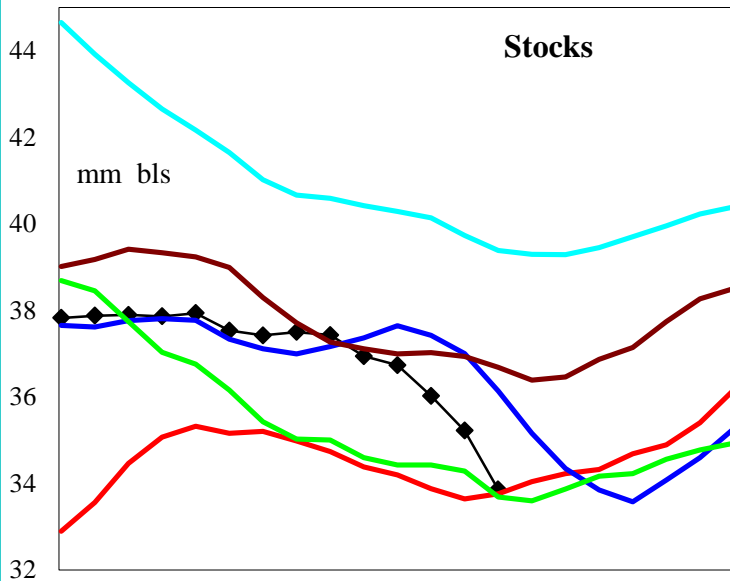
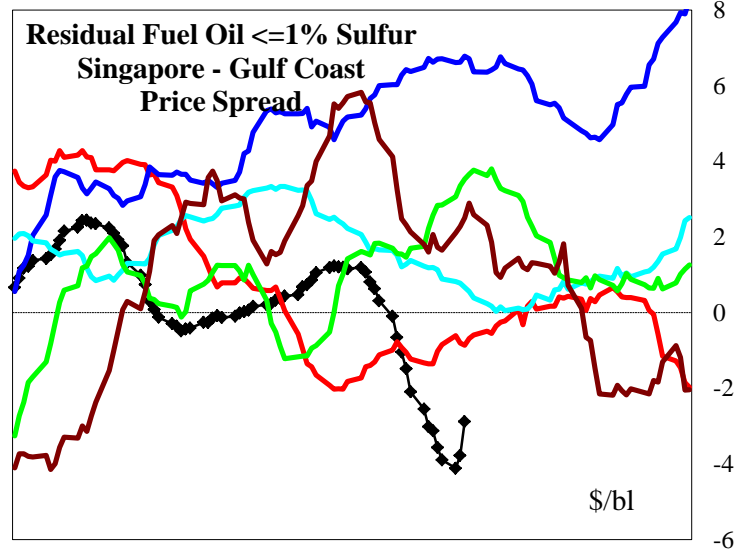
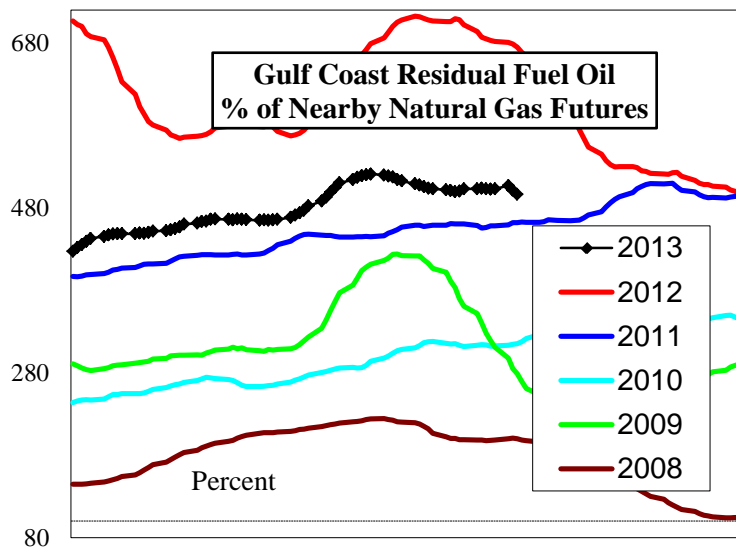
Weekly Stock Change

Monthly Stock Change

Cumulative Stock Change

BCF
Percent Change (%)-7
-0.622
-275.045
4,500.0268
190.1

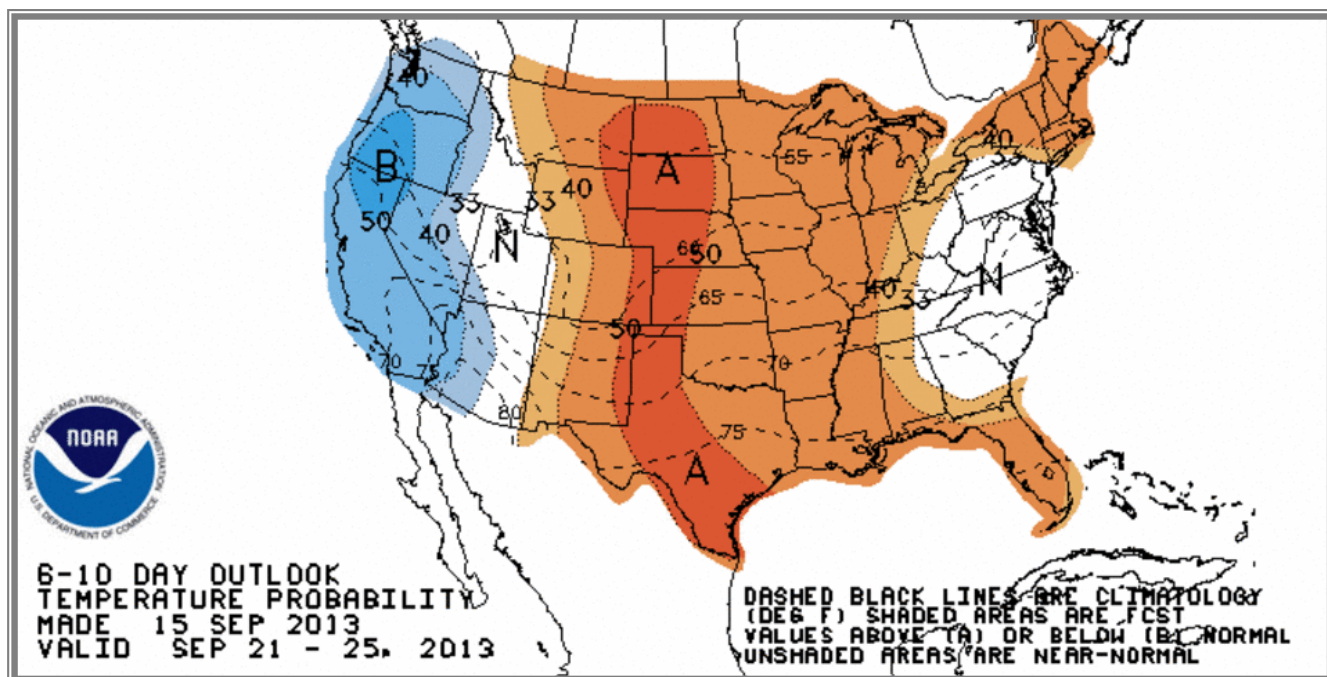
U.S. Residual Fuel Oil Price Spreads and Supply Balance



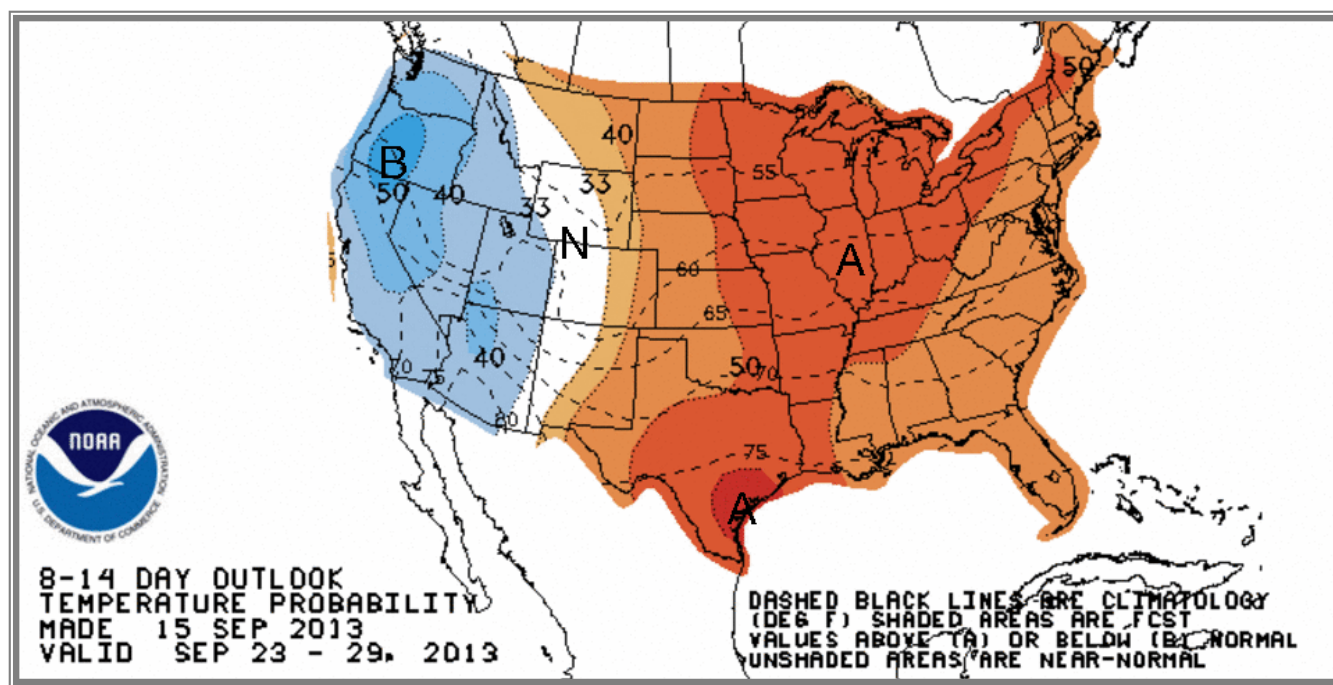
4 wk avg variance to prior year
000 bpd (000 bls stks)
% change

	Stocks	Prod	Imports	Demd=>	4wk avg	Jul	Jun	May
	226	-50	-24		26	-147	-100	-79
	0.7	-10.7	-11.5		8.2	-35.2	-26.9	-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

