



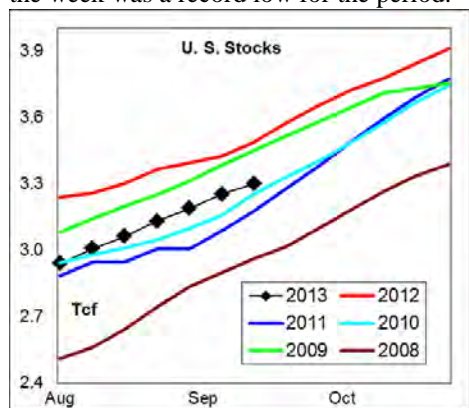
WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

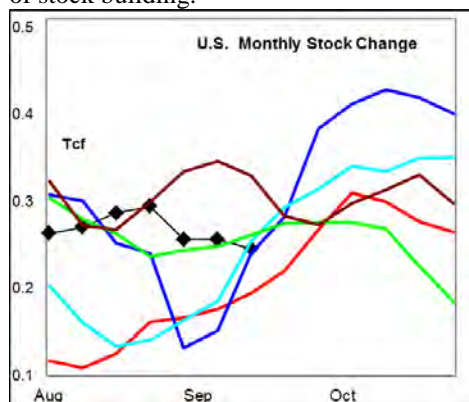
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Tuesday, September 24, 2013



Summary¹ The stock build of +46 Bcf for the week was a record low for the period.



The latest 4-wk stock change was a build of 244 Bcf, a level equal to the 3-yr mid range. Increased production has offset above normal cooling degree days during the last month, leading to an average rate of stock building.



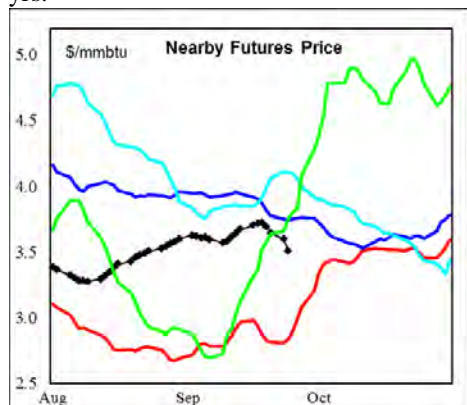
In the East Region stocks increased +41 Bcf for the week, a build just below the 5-yr range. Stocks increased +4 Bcf in the West Region, a build equal at the low end of the historic range. Stocks were +1 Bcf higher on the week in the Producing region, a build below the historic range.

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

The 6-10 day NWS forecast for the week ending 03Oct13 is for near normal cooling degree days across the lower 2/3rds of the country.

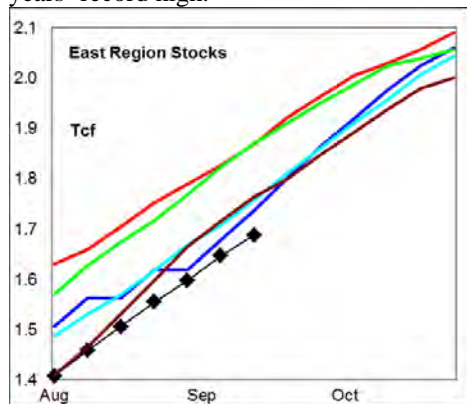
The 8-14 day NWS forecast for the week ending 07Oct13 is for near normal cooling degree days across the lower 2/3rds of the country.

Prices: Nearby gas futures declined - \$0.18/MMBTU for the week ending 24Sep13. The current price level ended the week below the mid range of the last 3-yrs.



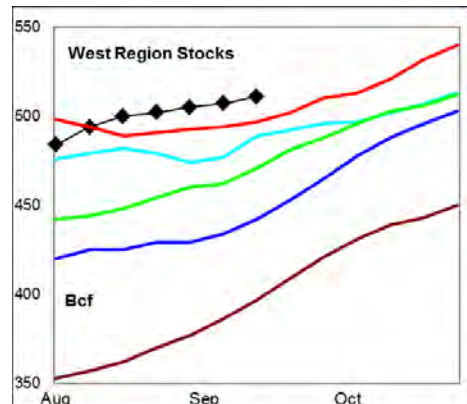
The 1st - 4th month forward price curve trended lower last week at a level well above the prior 5-yrs, pointing to a very low carry in the forward price curve ahead of the fall heating season.

East Region stocks increased +41 Bcf for the week, a build below the 5-yr range. The current stock level is -10% below last years' record high.

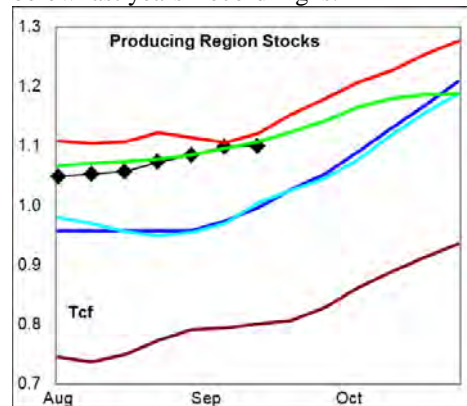


Cooling degree days are forecast to be near normal in the region for the next 10-days.

West Region stocks increased +4 Bcf last week, a build equal to low end of the historic range. Stock levels ended the week at a 5-yr high for the period. Cooling degree days are forecast to be near normal for the next 10-days.



Producing Region stocks increased +1 Bcf for the week, a record low build for the period. Stock levels ended the week -2% below last years' record highs.



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 be much near normal over the next 10-days across the lower 2/3rds of the country.

The latest U.S. 4-wk stock build matched the 3-yr mid range for the period, reflecting increased production that was offset by much above normal cooling degree days during the last month.

Near normal temperatures across most of the country and higher production, should drive above average 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 continued pull back in prices.

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 23, 2013

For the week ending: 13-Sep-13

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

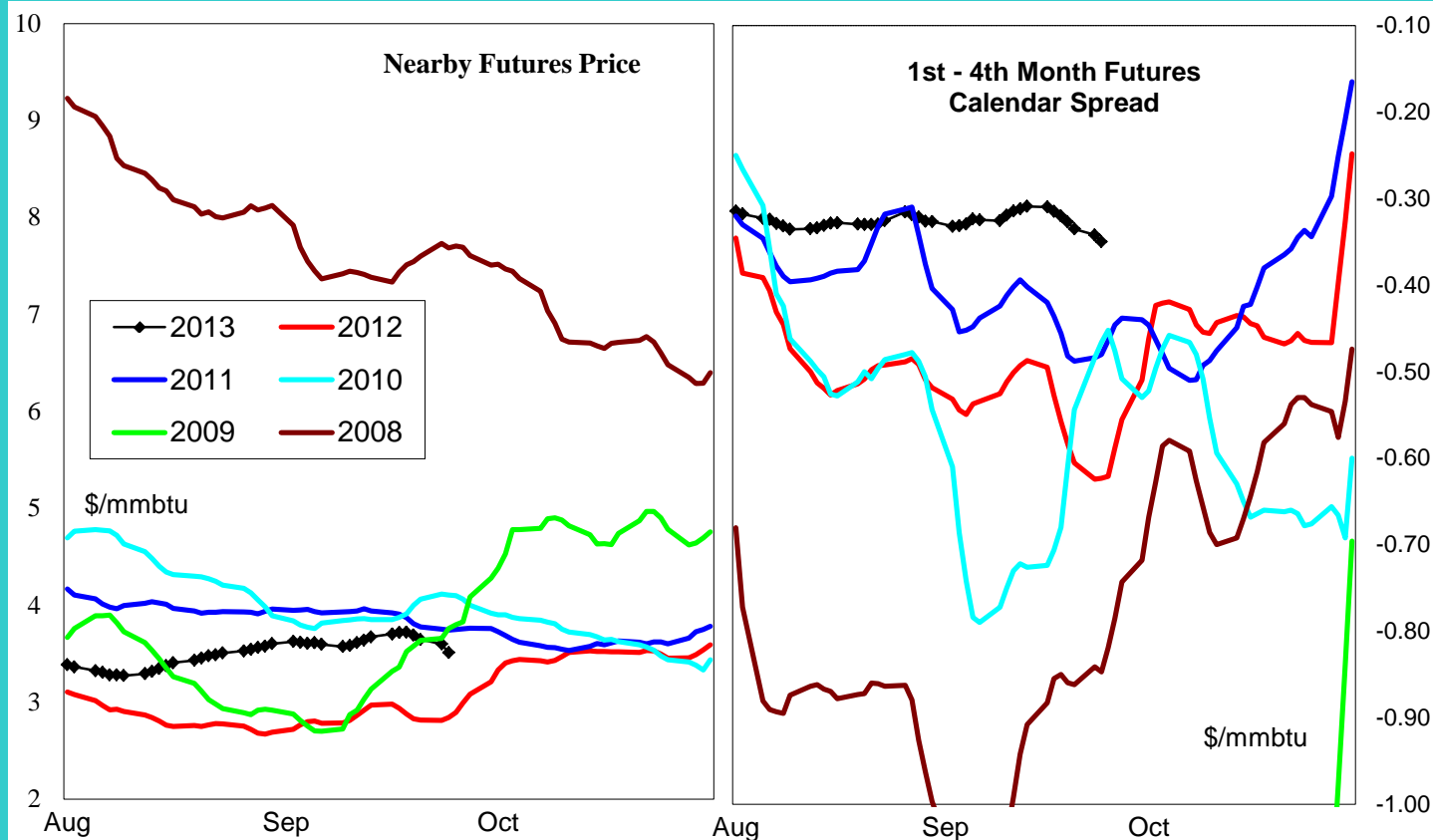
Week ending:	13-Sep-13			15-Jun-13		22-Jun-13		29-Jun-13	
Region	Weekly Stocks			Weekly Heating Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	3,299	46	-5.4	-14	-45%	-2	-33%	-3	-77%
East	1,688	41	-9.7	-17	-39%	-2	-18%	-4	-74%
West	511	4	2.8	-12	-58%	-2	-55%	-5	-78%
Producing	1,100	1	-1.9	-4	-100%	0	-100%	0	-100%

Seasonal Trends in Stocks and Heating Degree Days

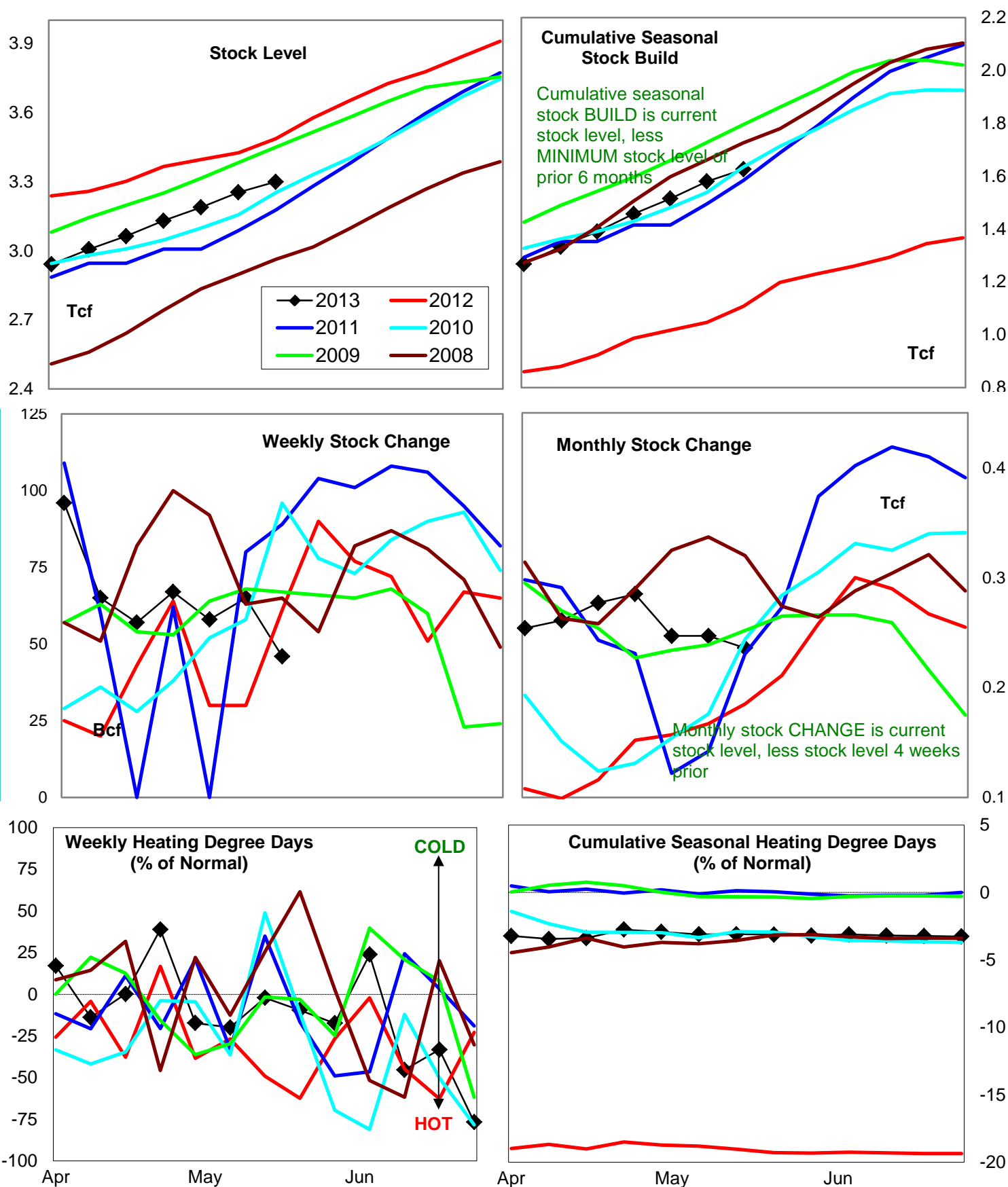
	Cumulative Stock Change			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
U.S. Total	1,626	518	31.9	6	-3.2	4	-3.2	1	-3.3
East	1,042	223	21.4	6	-2.9	4	-2.9	1	-2.9
West	181	28	15.5	10	-4.6	8	-4.7	3	-4.9
Producing	410	254	62.0	0	-4.0	0	-4.1	0	-4.1

Futures Market Price Trends

Date:	23-Sep-13	Change vs prior week, month, year		
		17-Sep-13	27-Aug-13	3-Oct-12
1st month Futures	3.51	-0.20	-0.06	0.11
% change	xxxxx	-5.5	-1.6	3.4



United States Natural Gas Stock and Weather Trends



Variance to prior year

Stock Level

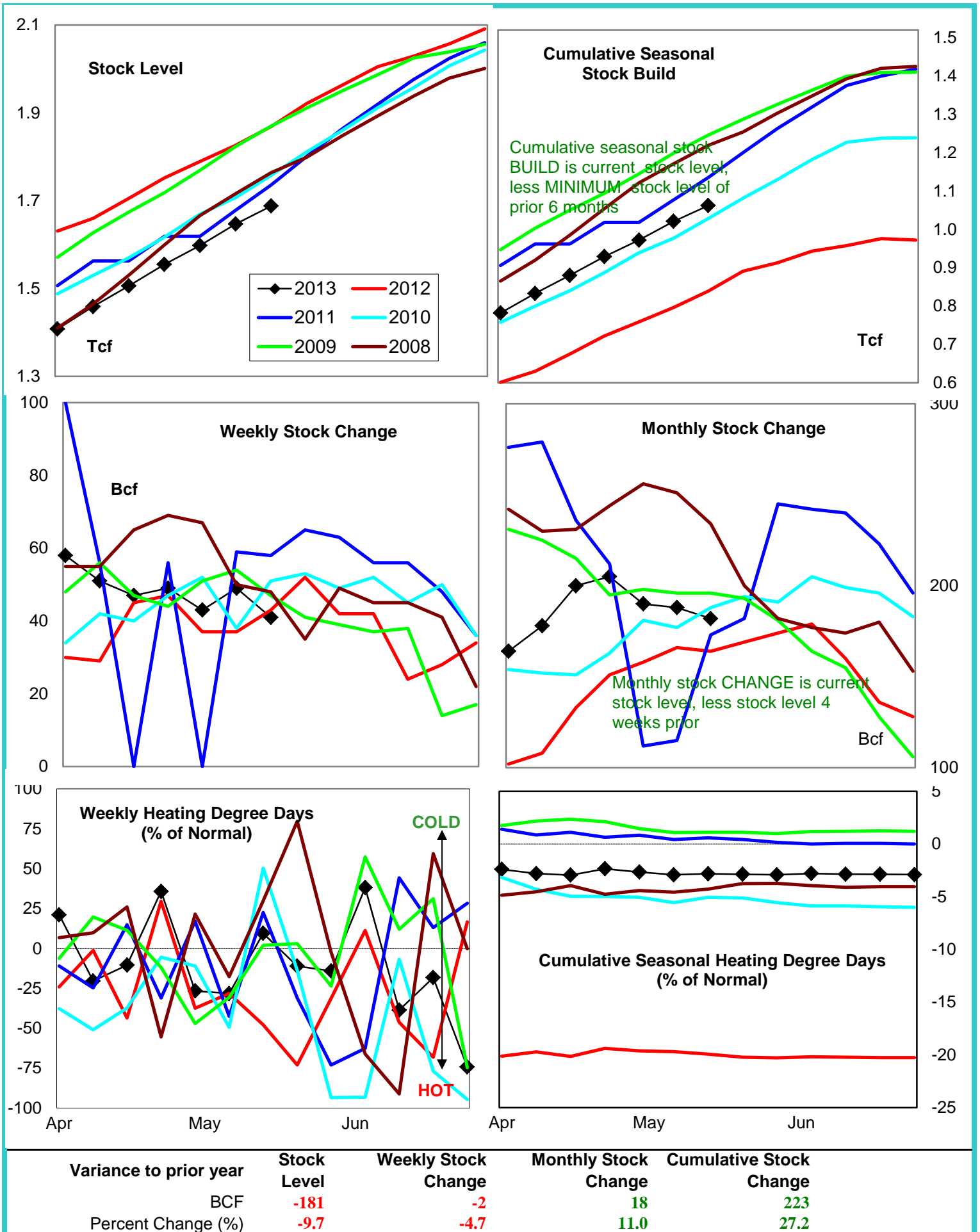
Weekly Stock Change

Monthly Stock Change

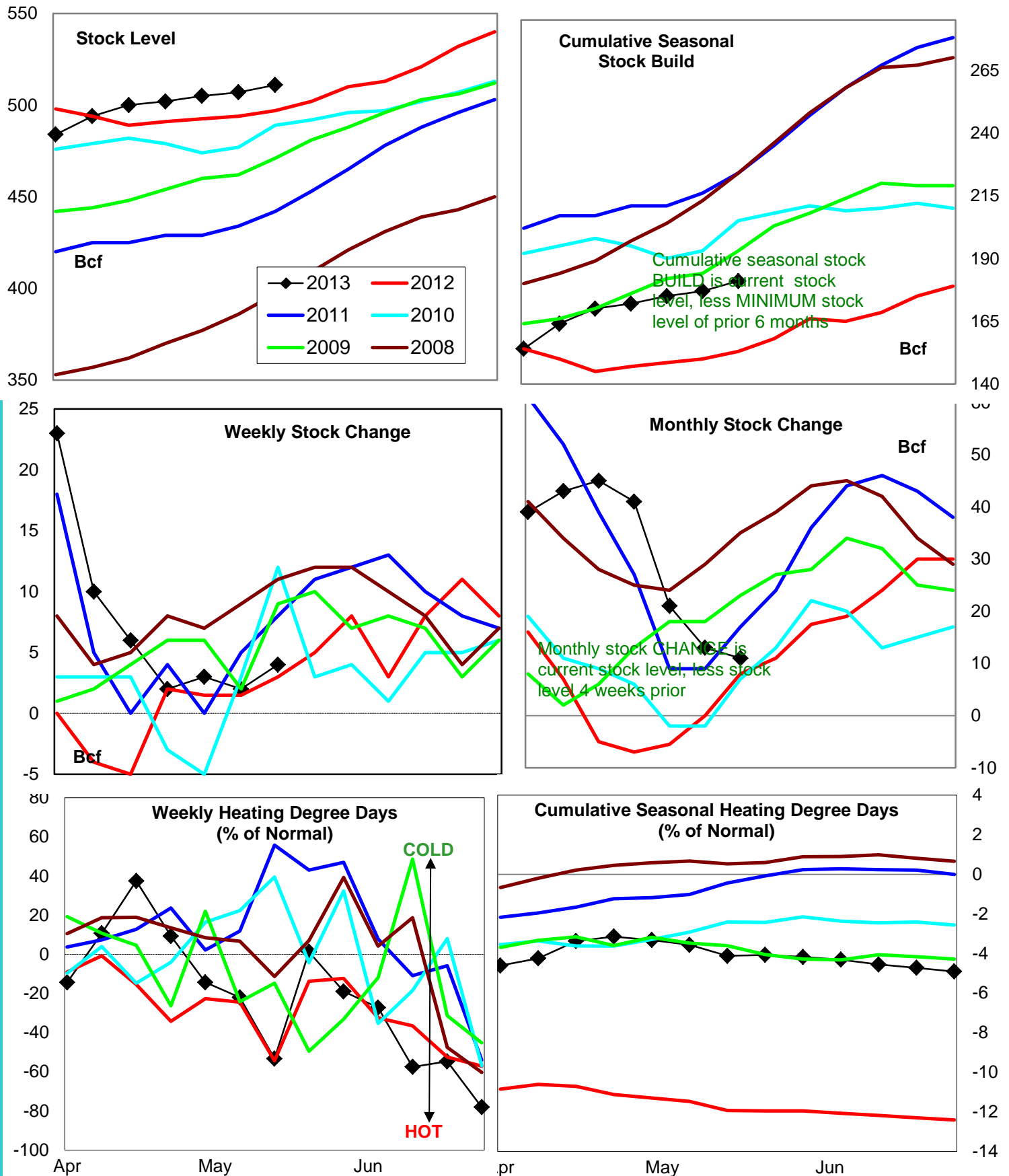
Cumulative Stock Change

BCF
Percent Change (%)-187
-5.4-15
-24.651
27.6518
46.8

Natural Gas East Region Stock and Weather Trends



Natural Gas West Region Stock and Weather Trends



Variance to prior year

Stock Level

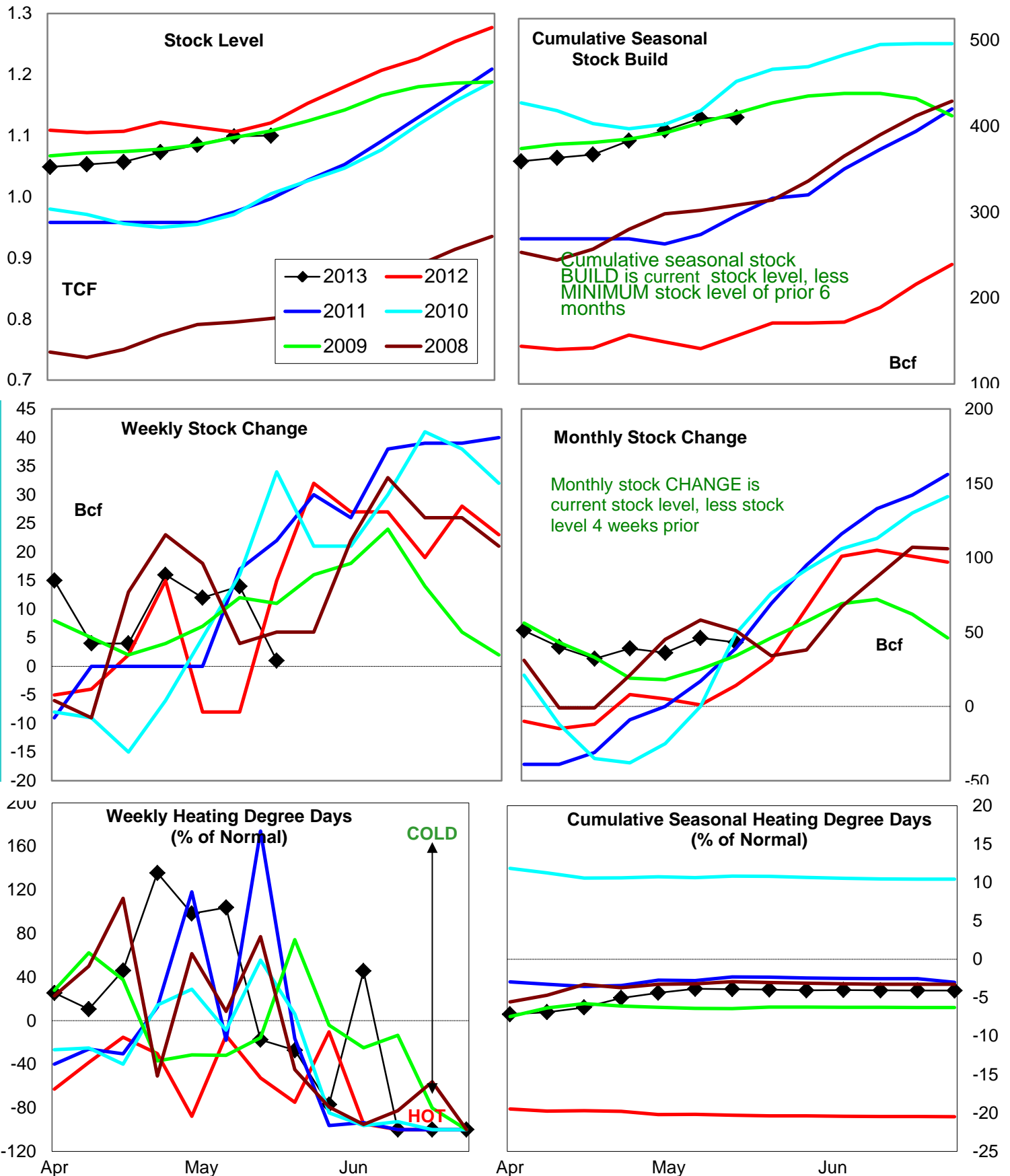
Weekly Stock Change

Monthly Stock Change

Cumulative Stock Change

BCF
Percent Change (%)14
2.81
33.33
37.528
18.3

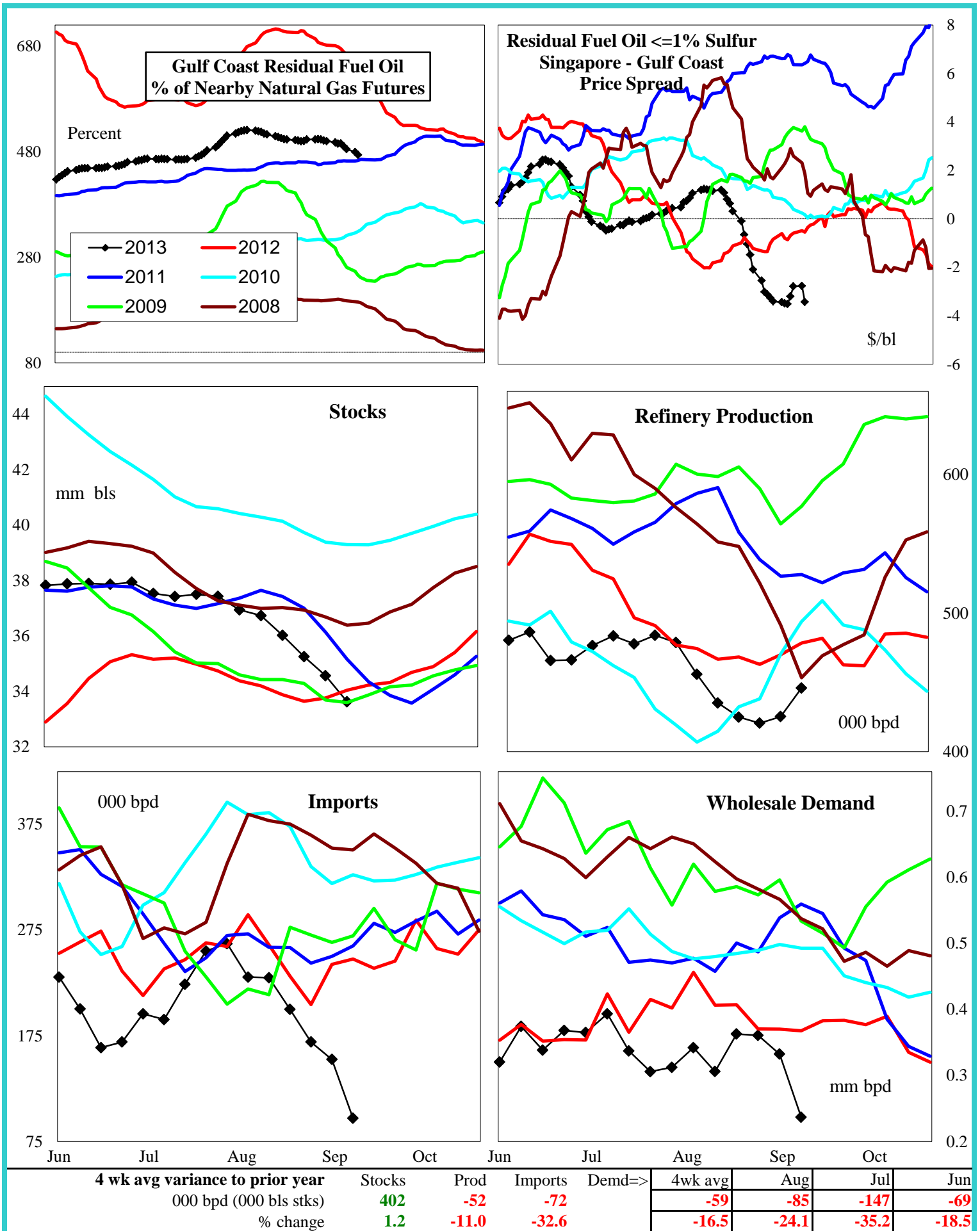
Natural Gas Producing Region Stock and Weather Trends



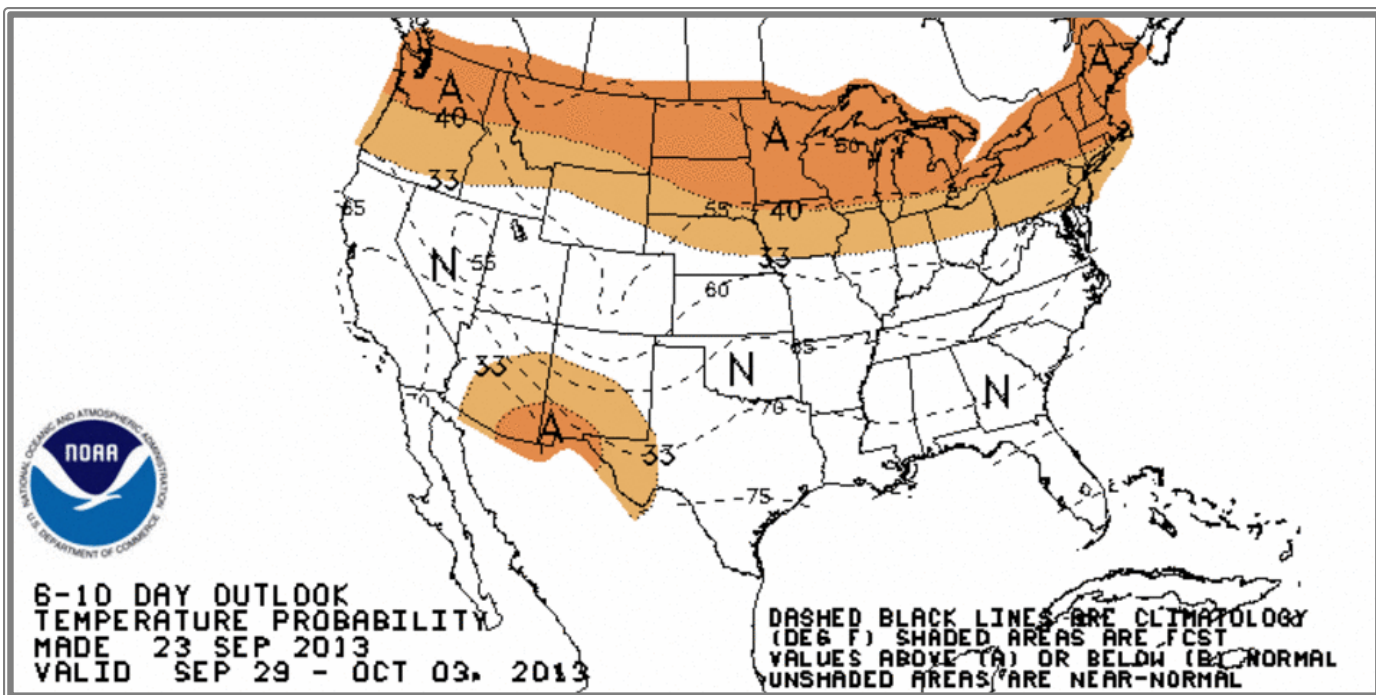
Variance to prior year

Stock
LevelWeekly Stock
ChangeMonthly Stock
ChangeCumulative Stock
ChangeBCF
Percent Change (%)-21
-1.9-14
-93.329
207.1254
162.8

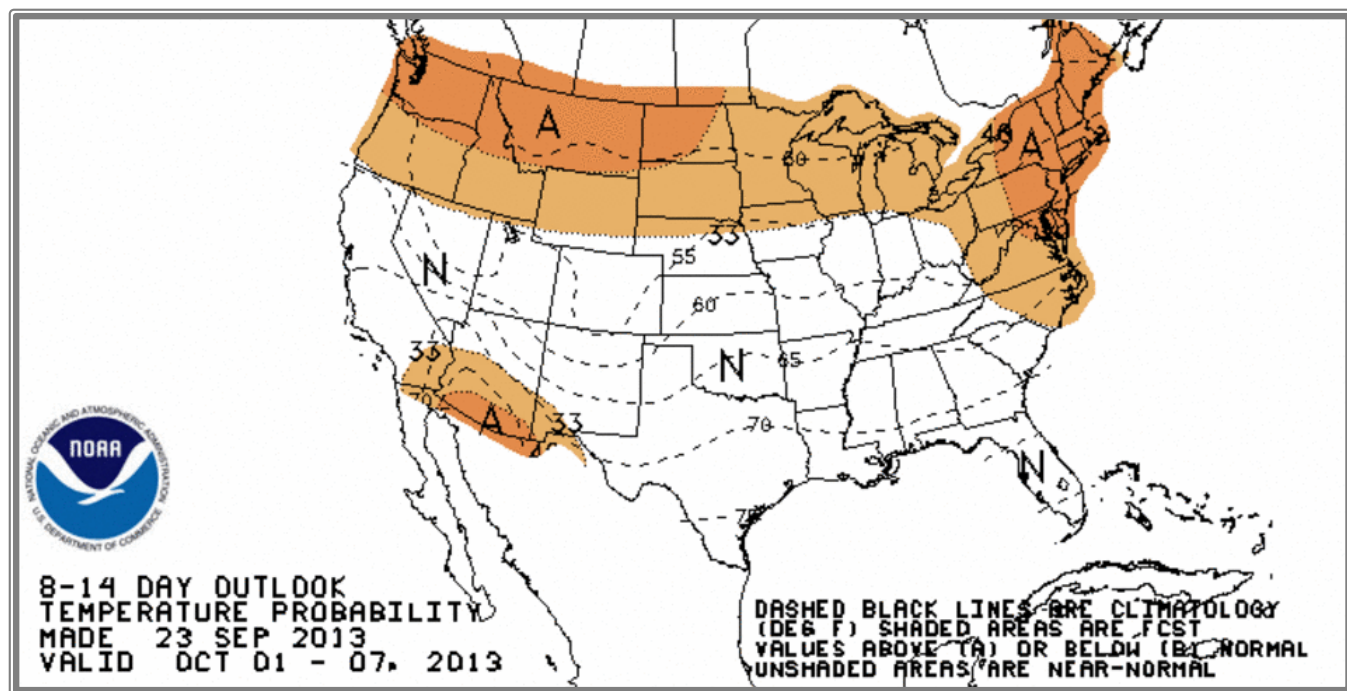
U.S. Residual Fuel Oil Price Spreads and Supply Balance



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

