

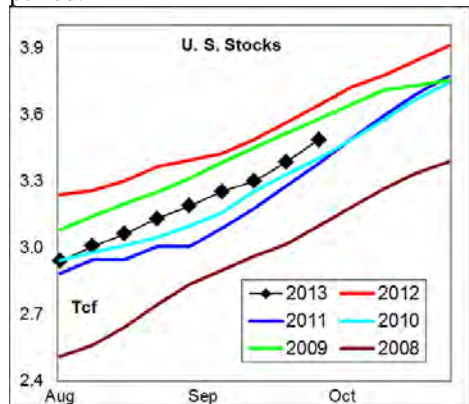
WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

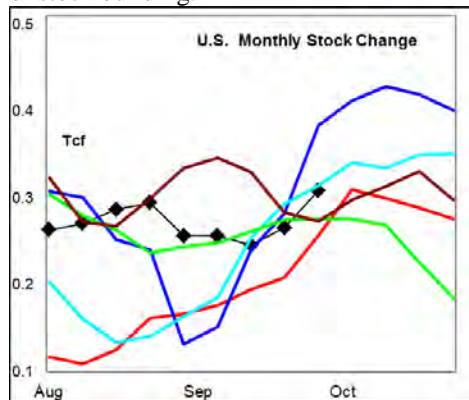
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Friday, October 04, 2013



Summary¹ The stock build of +101 Bcf for the week matched 5-yr highs for the period.



The latest 4-wk stock change was a build of 305 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 +58 Bcf for the week, a build near historic highs for the fall season. Stocks increased +10 Bcf in the West Region, a build above the 3-yr mid range. Stocks were +33 Bcf higher on the week in the Producing region, a record build for the period.

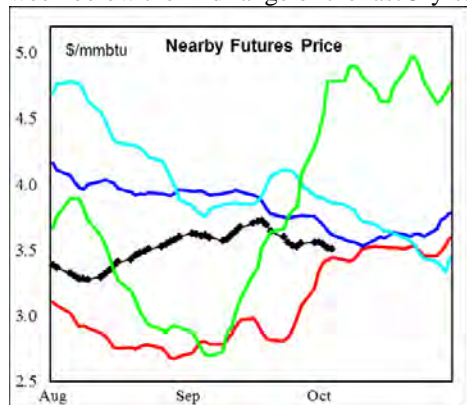
Heating degree days were below normal across nearly the entire country last week.

The 6-10 day NWS forecast for the week ending 13Oct13 is for below normal heating degree days across the eastern ½ of the country and above normal in the

western ½ of the country.

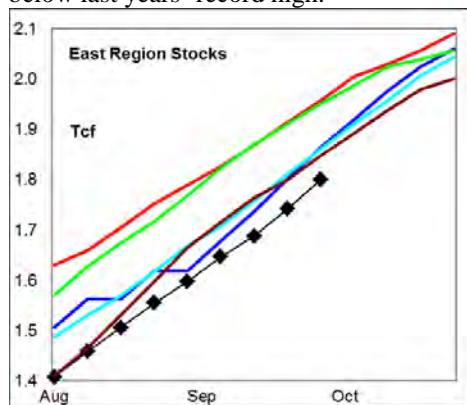
The 8-14 day NWS forecast for the week ending 17Oct13 is for below normal heating degree days in the eastern ½ of the country and near normal temperatures in the western ½.

Prices: Nearby gas futures declined - \$0.08/MMBTU for the week ending 04Oct13. The current price level ended the week below the mid range of the last 3-yr.



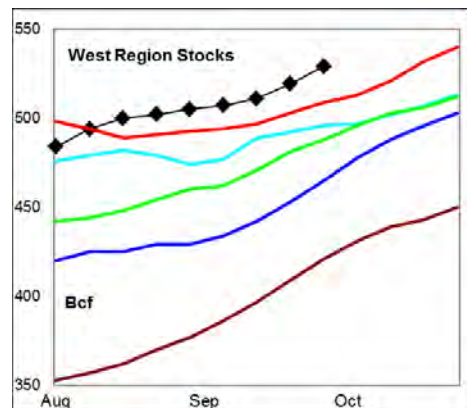
The 1st - 4th month forward price curve trended higher last week at a level well above the prior 5-yr, pointing to a very low carry in the forward price curve ahead of the winter heating season.

East Region stocks increased +58 Bcf for the week, a build near historic highs for the fall season. The current stock level is -8% below last years' record high.

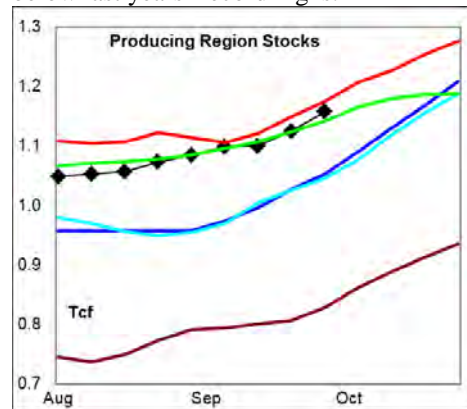


Heating degree days are forecast to be above much below normal in the region for the next 10-days.

West Region stocks increased +10 Bcf last week, a build above the 3-yr mid range. Stock levels ended the week at a 5-yr high for the period. Heating degree days are forecast to be slightly above normal for the next 10-days.



Producing Region stocks increased +33 Bcf for the week, a record build for the period. Stock levels ended the week -1.5% below last years' record highs.



Below normal heating 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 -14% below last year.

Outlook: Heating degree days are forecast to be well below normal in the eastern ½ half of the country through mid October.

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 below normal heating degree days.

Above normal temperatures across the eastern ½ of the country and higher production, should drive above average stock builds through mid month.

Arrival of the fall 'shoulder season', combined with the high level of stock building, has potential for a 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: October 4, 2013

For the week ending: 27-Sep-13

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

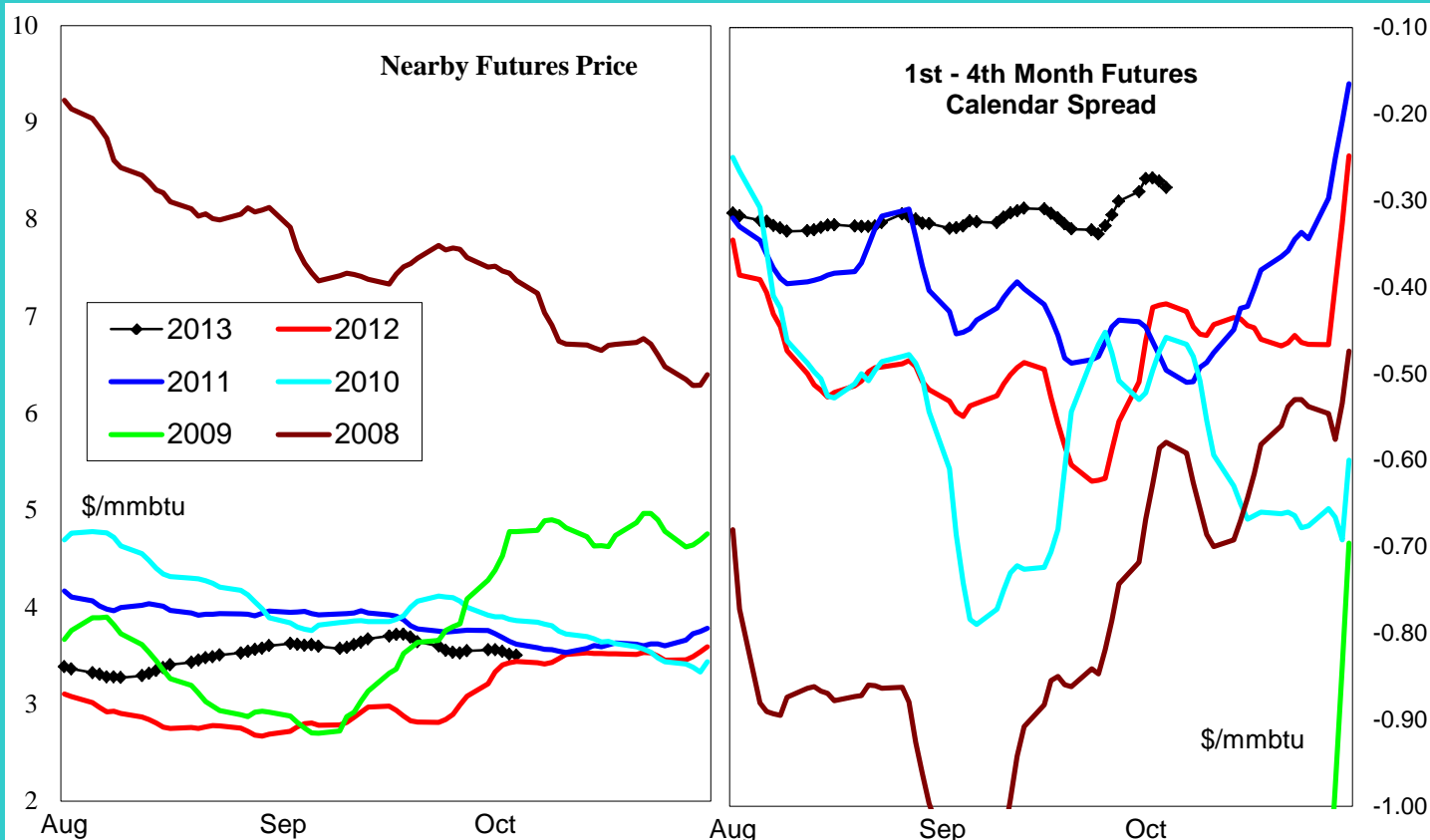
Week ending:	27-Sep-13			15-Jun-13		22-Jun-13		29-Jun-13	
Region	Weekly Stocks			Weekly Heating Degree Days					
		Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
	Bcf	Week Bcf	Year (%)						
U.S. Total	3,487	101	-4.3	-14	-45%	-2	-33%	-3	-77%
East	1,800	58	-8.0	-17	-39%	-2	-18%	-4	-74%
West	529	10	3.9	-12	-58%	-2	-55%	-5	-78%
Producing	1,158	33	-1.5	-4	-100%	0	-100%	0	-100%

Seasonal Trends in Stocks and Heating Degree Days

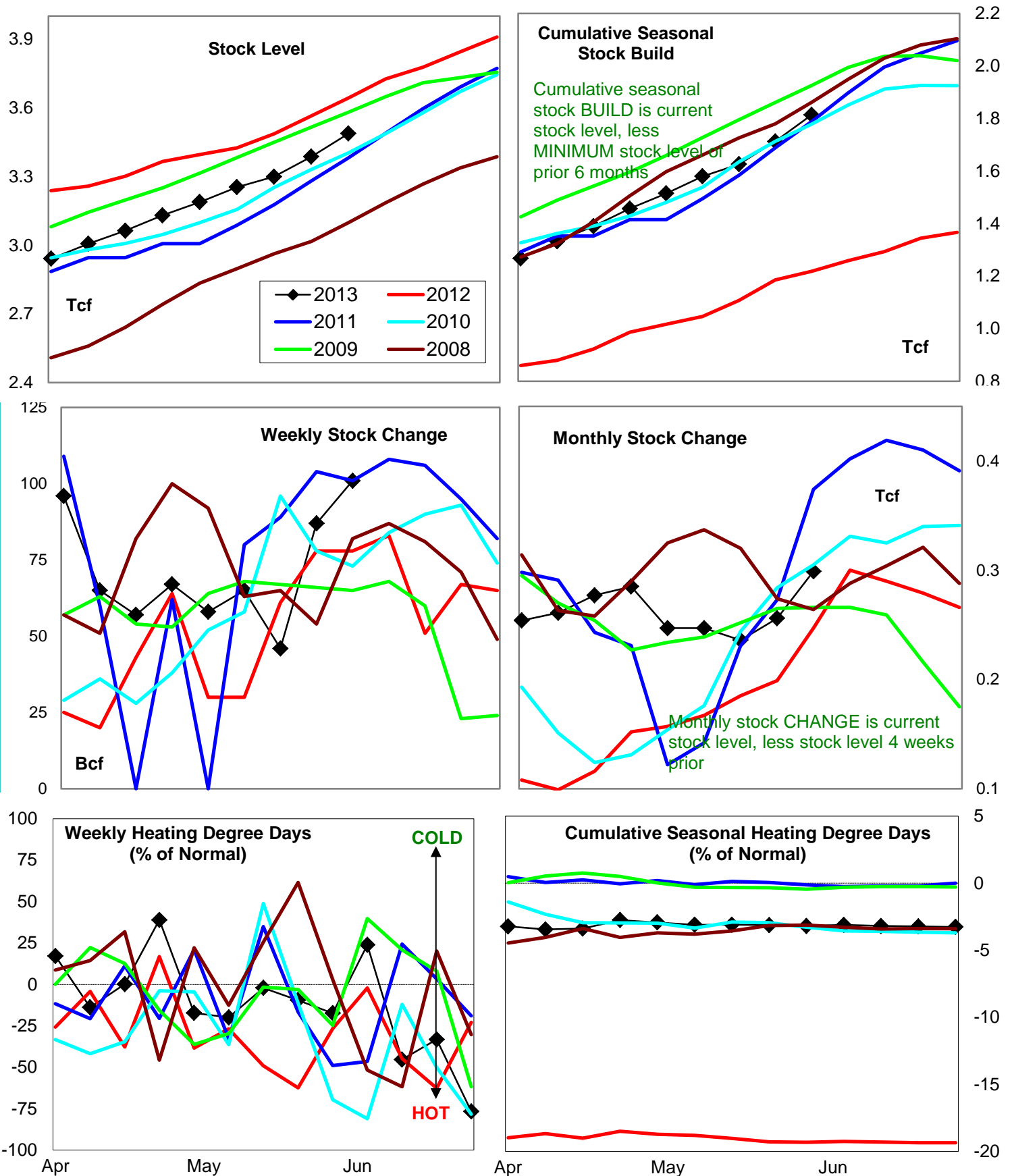
	Cumulative Stock Change			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
U.S. Total	1,814	595	32.8	6	-3.2	4	-3.2	1	-3.3
East	1,154	267	23.1	6	-2.9	4	-2.9	1	-2.9
West	199	34	17.1	10	-4.6	8	-4.7	3	-4.9
Producing	468	301	64.3	0	-4.0	0	-4.1	0	-4.1

Futures Market Price Trends

Date:	4-Oct-13	Change vs prior week, month, year		
		30-Sep-13	9-Sep-13	16-Oct-12
1st month Futures	3.51	-0.05	-0.10	0.04
% change	xxxxx	-1.5	-2.7	1.0



United States Natural Gas Stock and Weather Trends



Variance to prior year

Stock
LevelWeekly Stock
ChangeMonthly Stock
ChangeCumulative Stock
Change

BCF

-155

23

52

595

Percent Change (%)

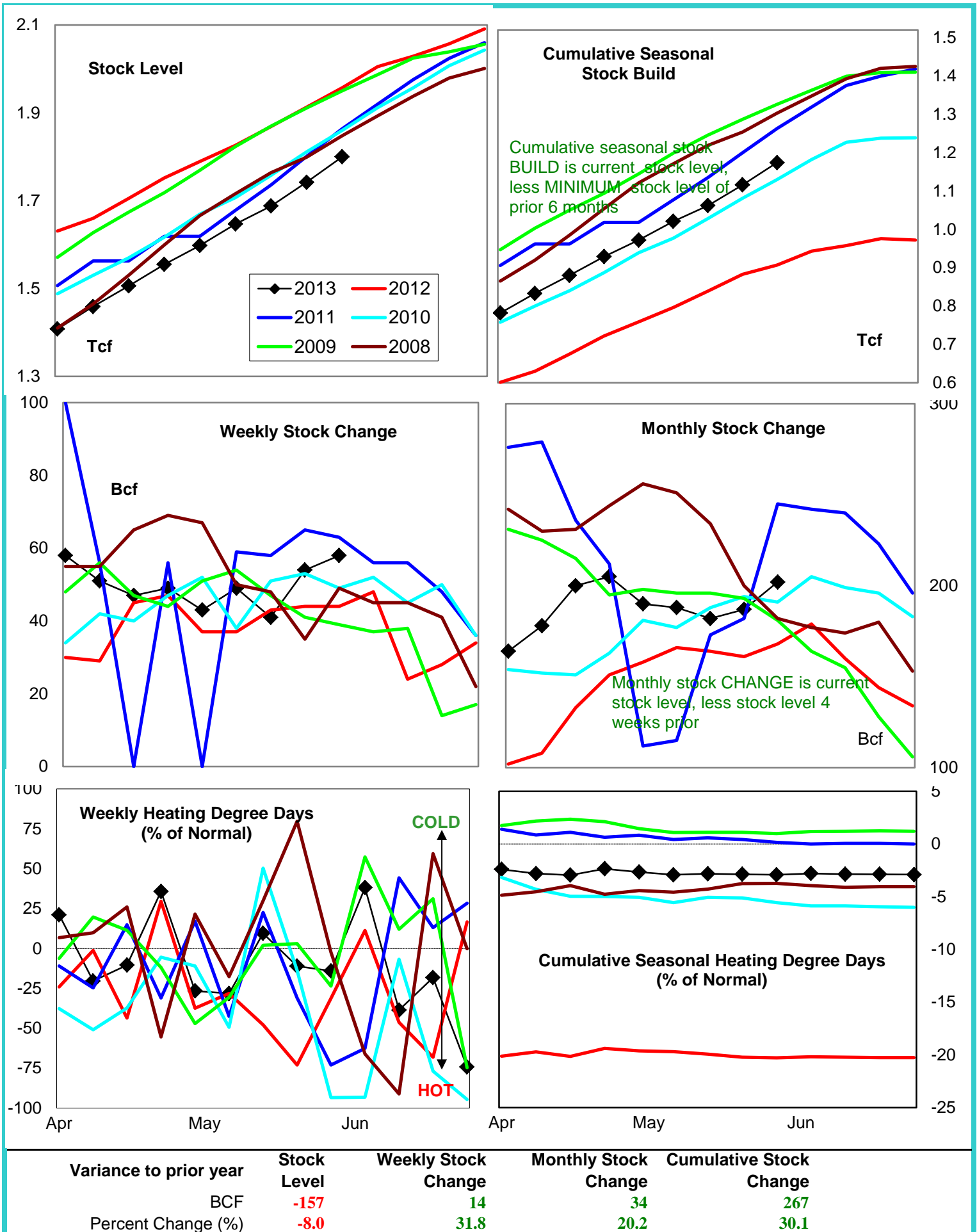
-4.3

29.5

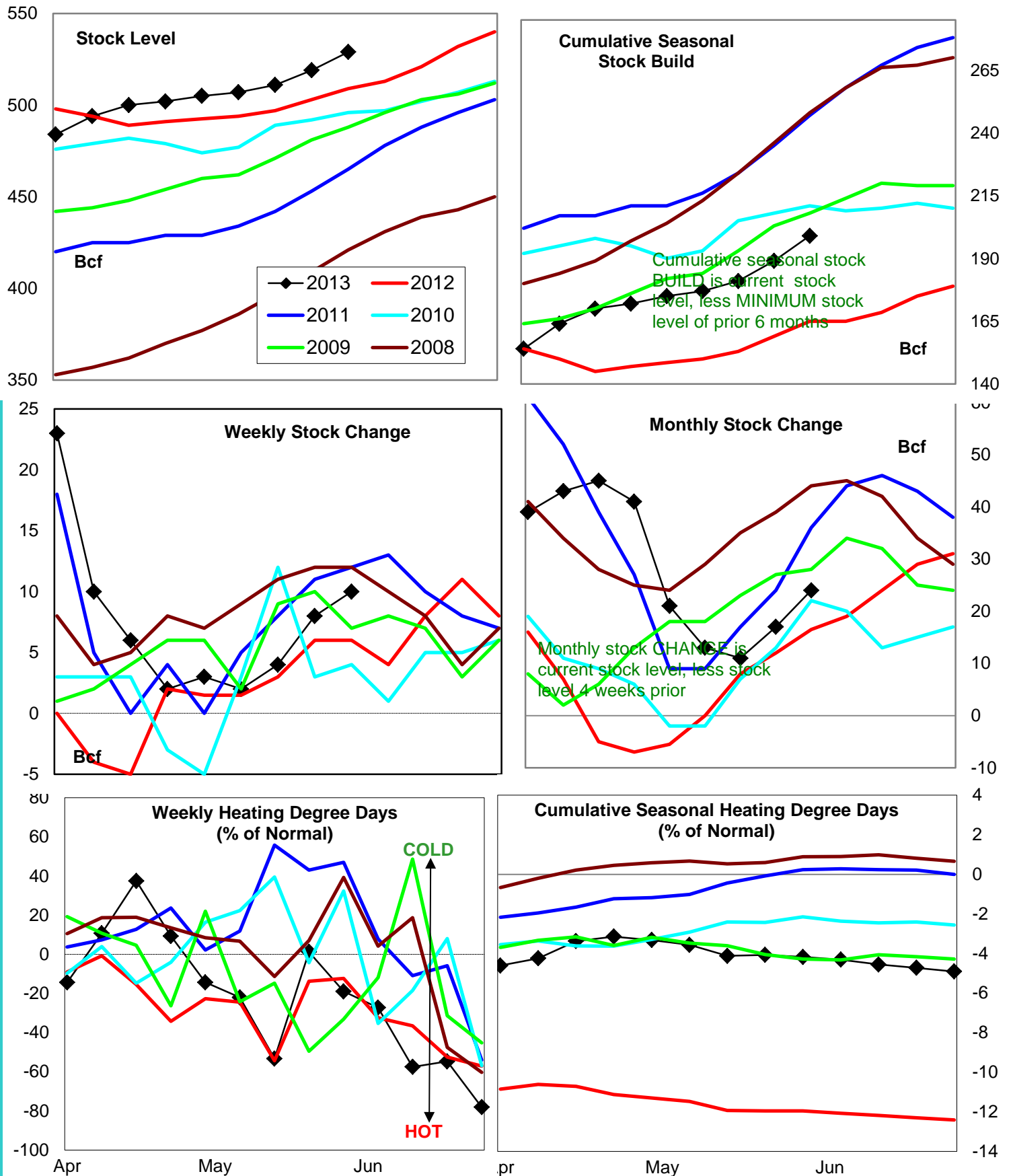
21.1

48.8

Natural Gas East Region Stock and Weather Trends



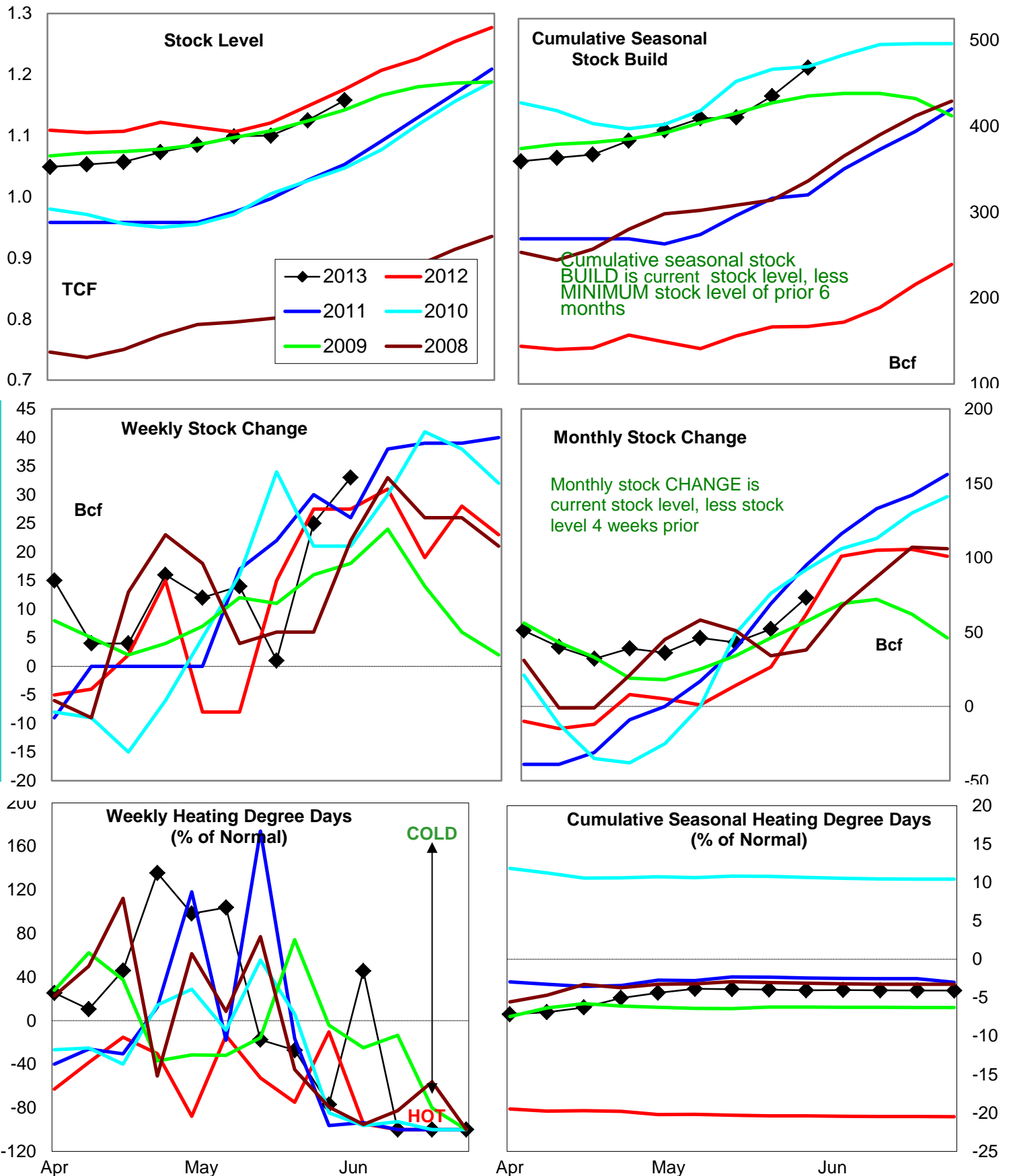
Natural Gas West Region Stock and Weather Trends



Variance to prior year

Stock
LevelWeekly Stock
ChangeMonthly Stock
ChangeCumulative Stock
ChangeBCF
Percent Change (%)20
3.94
66.78
45.534
20.6

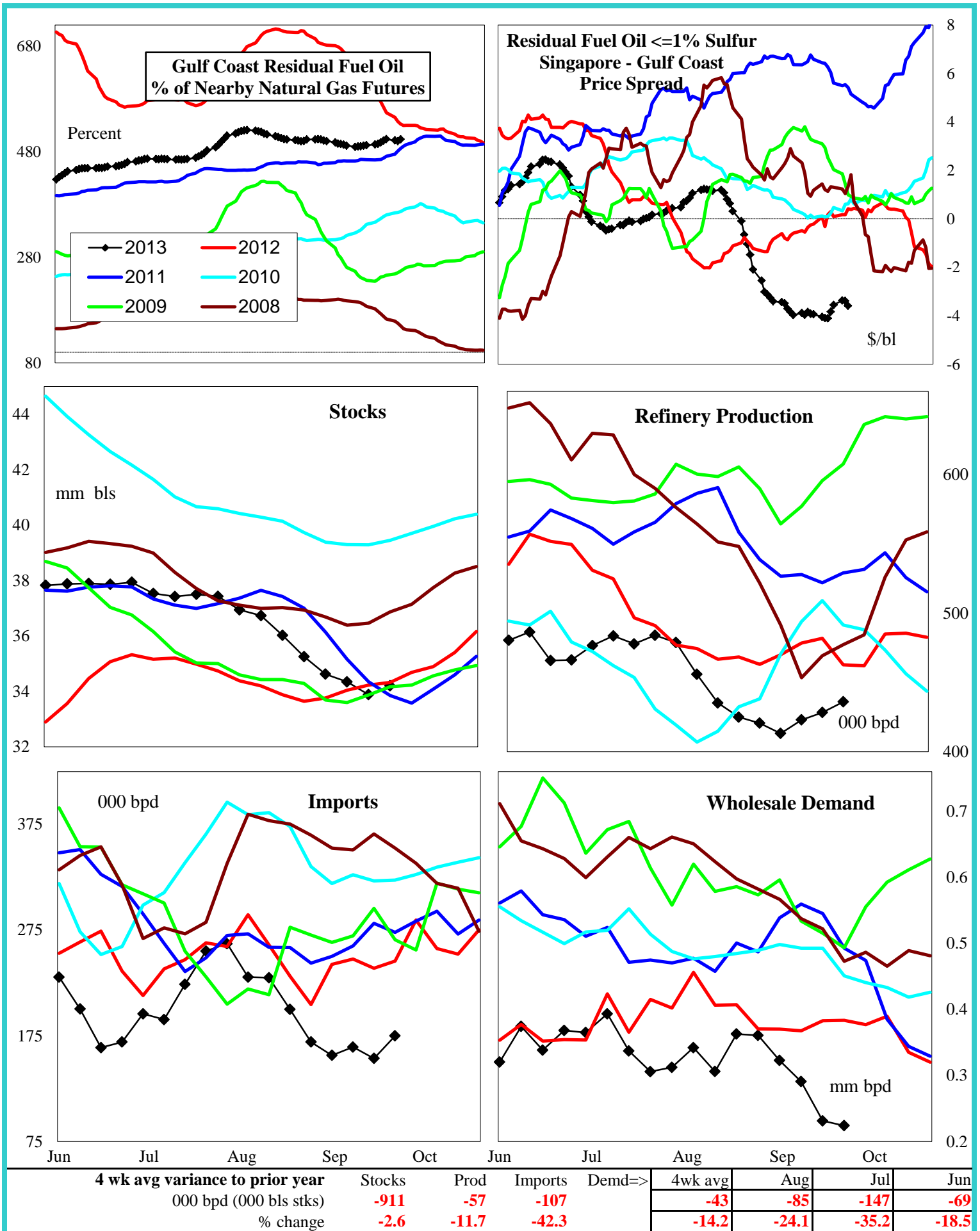
Natural Gas Producing Region Stock and Weather Trends



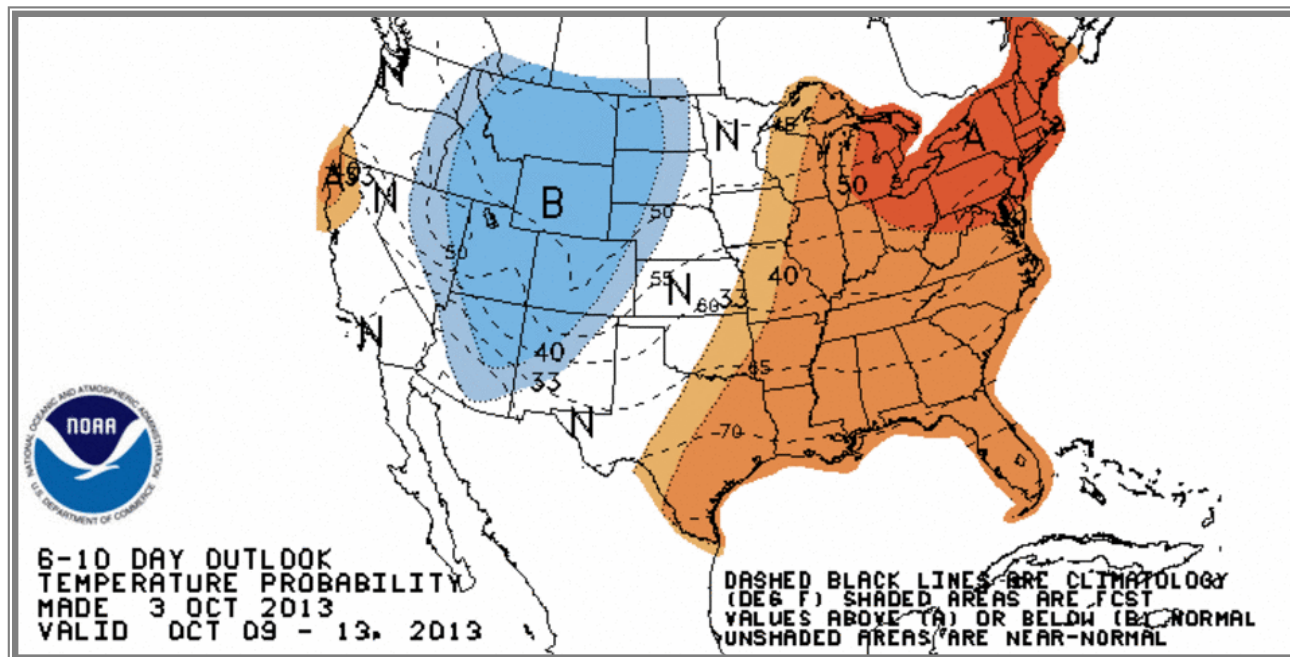
Variance to prior year

Stock
LevelWeekly Stock
ChangeMonthly Stock
ChangeCumulative Stock
ChangeBCF
Percent Change (%)-18
-1.56
20.011
17.7301
180.2

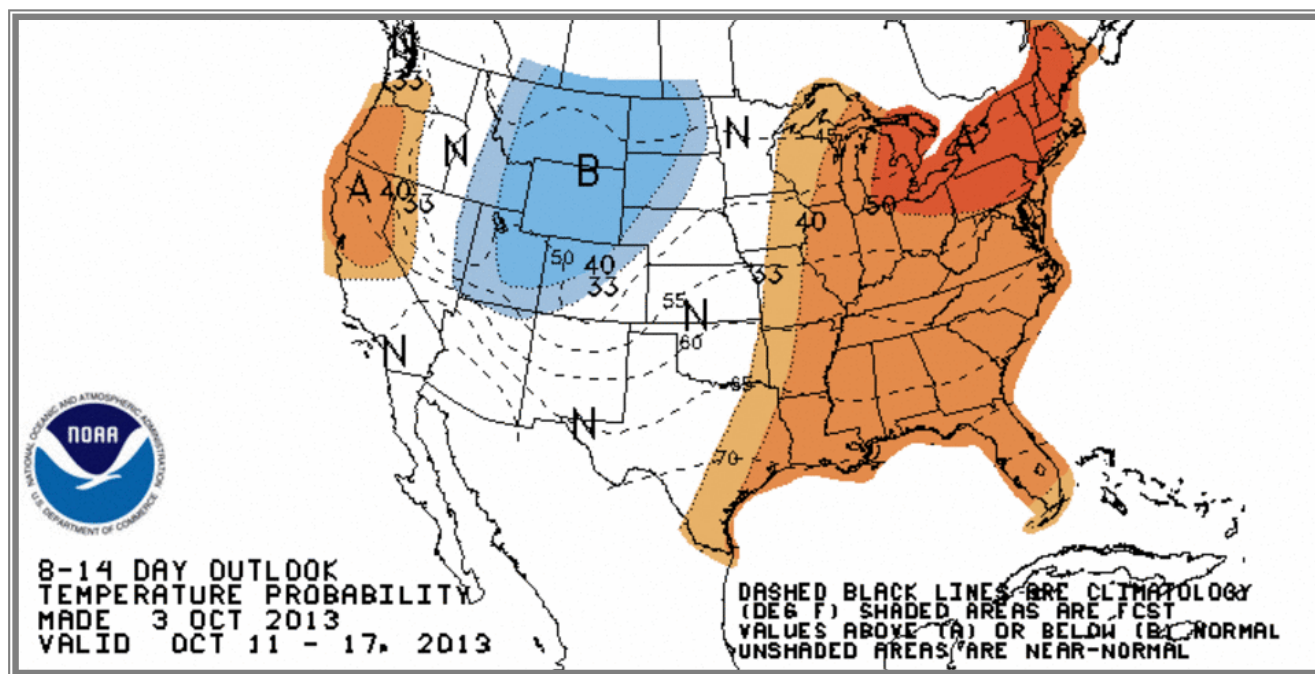
U.S. Residual Fuel Oil Price Spreads and Supply Balance



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

