



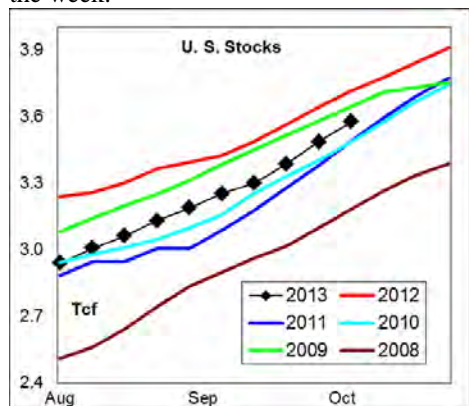
WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

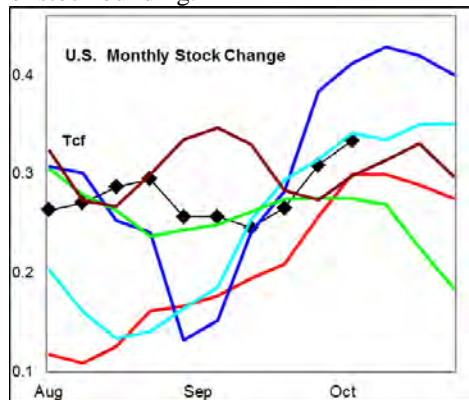
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Monday, October 14, 2013



Summary¹ The stock build of +90 Bcf for the week matched the 3-yr mid range for the week.



The latest 4-wk stock change was a build of 331 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 +51 Bcf for the week, a build near the 3-yr mid range. Stocks increased +9 Bcf in the West Region, a build above the 3-yr mid range. Stocks were +30 Bcf higher on the week in the Producing region, a build that matched the 3-yr mid range.

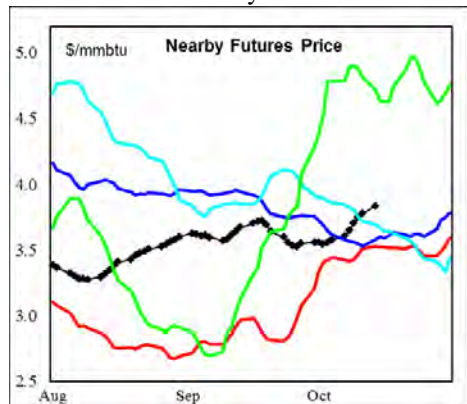
Heating degree days were above normal across the central 2/3rds of the country last week.

The 6-10 day NWS forecast for the week ending 23Oct13 is for above normal heating degree days across the central

3/4ths of the country.

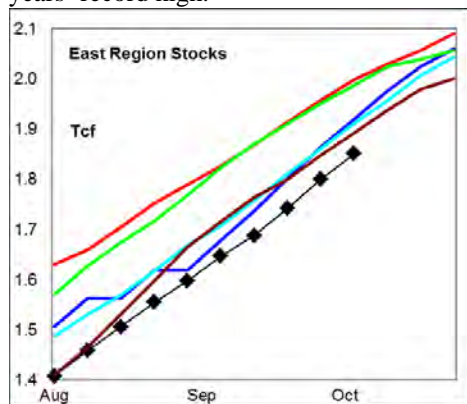
The 8-14 day NWS forecast for the week ending 27Oct13 is for above normal heating degree days in the central 1/3rd of the country and near normal temperatures in other regions except the southeast and west coast which will have below normal heating degree days.

Prices: Nearby gas futures jumped +\$0.21/MMBTU for the week ending 14Oct13. The current price level ended the week above the last 3-yrs.



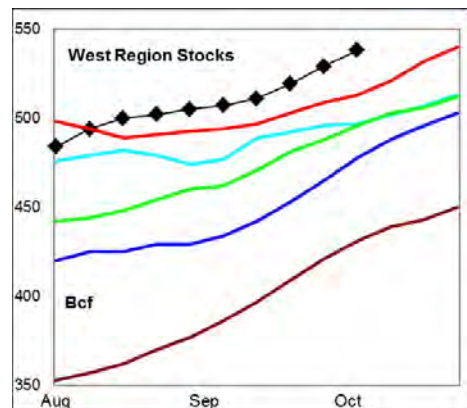
The 1st – 4th month forward price curve trended higher last week at a level well above the prior 5-yrs, pointing to a record low carry in the forward price curve ahead of the winter heating season.

East Region stocks increased +51 Bcf for the week, a build near the 3-yr mid range. The current stock level is -7% below last years' record high.

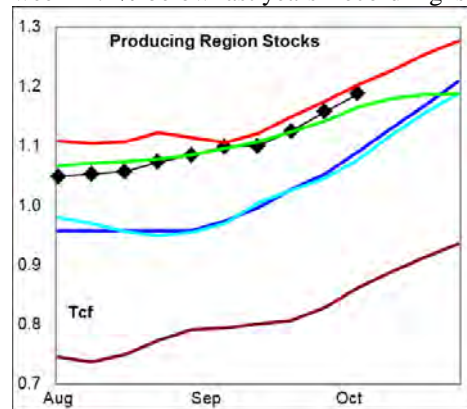


Heating degree days are forecast to be above normal in the region for the next 10-days.

West Region stocks increased +9 Bcf last week, a build above the 3-yr mid range. Stock levels ended the week +5% above last years' record high. Heating degree days are forecast to be slightly below normal for the next 10-days.



Producing Region stocks increased +30 Bcf for the week, a build that matched the 3-yr mid range. Stock levels ended the week -1.2% below last years' record highs.



Above 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 -52% below last year.

Outlook: Heating degree days are forecast to be above normal across the central 2/3rds of the country for the next 10-days.

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 during the last month.

Above normal heating degree days for the next 10-days and an average rate of stock building should support the current uptrend 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 14, 2013

For the week ending: 4-Oct-13

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

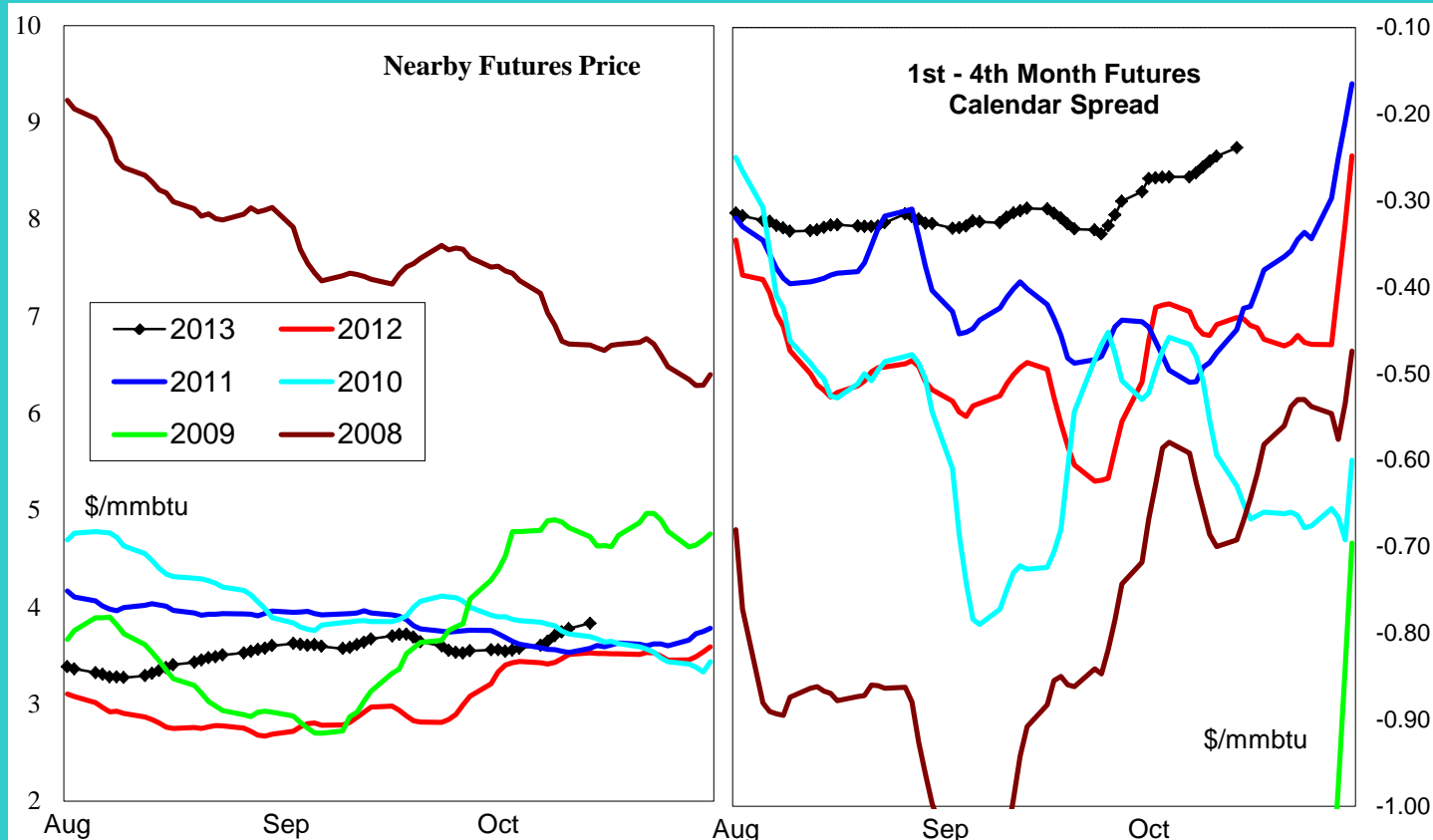
Week ending:	4-Oct-13			15-Jun-13		22-Jun-13		29-Jun-13	
Region	Weekly Stocks			Weekly Heating Degree Days					
		Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
	Bcf	Week Bcf	Year (%)						
U.S. Total	3,577	90	-3.7	-14	-45%	-2	-33%	-3	-77%
East	1,851	51	-7.4	-17	-39%	-2	-18%	-4	-74%
West	538	9	4.9	-12	-58%	-2	-55%	-5	-78%
Producing	1,188	30	-1.2	-4	-100%	0	-100%	0	-100%

Seasonal Trends in Stocks and Heating Degree Days

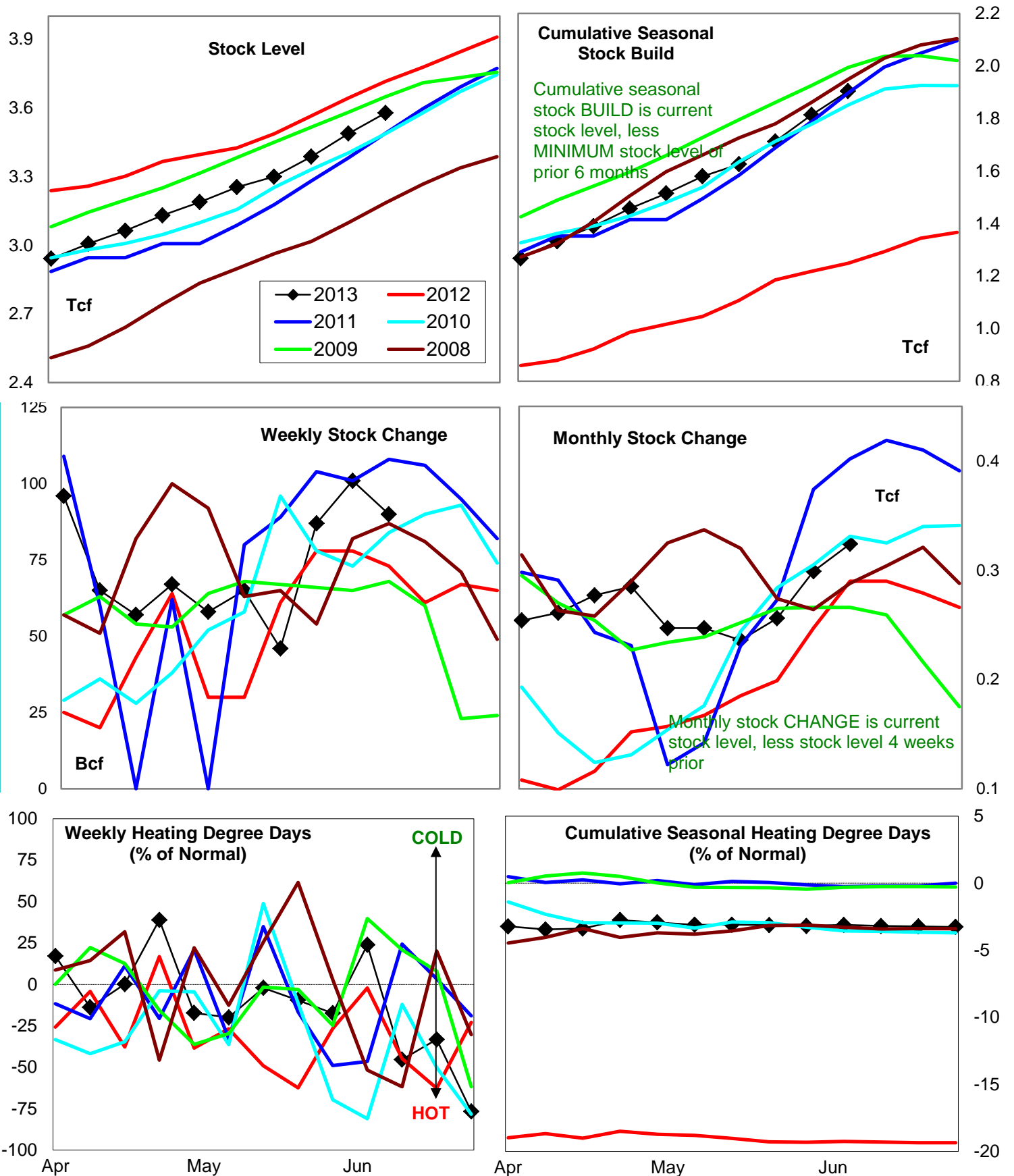
	Cumulative Stock Change			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
U.S. Total	1,904	655	34.4	6	-3.2	4	-3.2	1	-3.3
East	1,205	288	23.9	6	-2.9	4	-2.9	1	-2.9
West	208	43	20.7	10	-4.6	8	-4.7	3	-4.9
Producing	498	330	66.3	0	-4.0	0	-4.1	0	-4.1

Futures Market Price Trends

Date:	14-Oct-13	Change vs prior week, month, year		
		8-Oct-13	17-Sep-13	24-Oct-12
1st month Futures	3.84	0.12	0.09	0.40
% change	xxxxx	3.2	2.4	11.7



United States Natural Gas Stock and Weather Trends



Variance to prior year

Stock
LevelWeekly Stock
ChangeMonthly Stock
ChangeCumulative Stock
Change

BCF

-138

17

34

655

Percent Change (%)

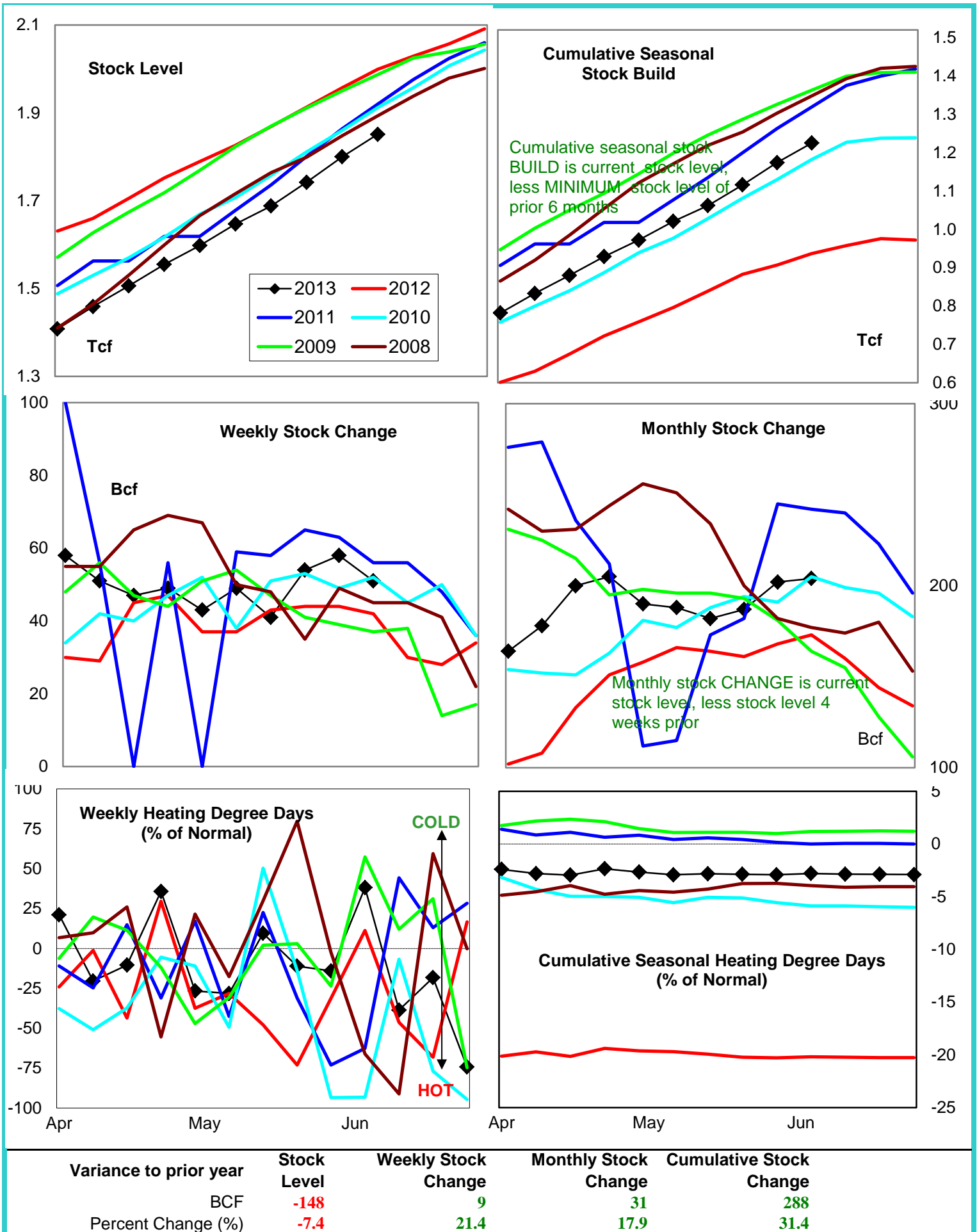
-3.7

23.3

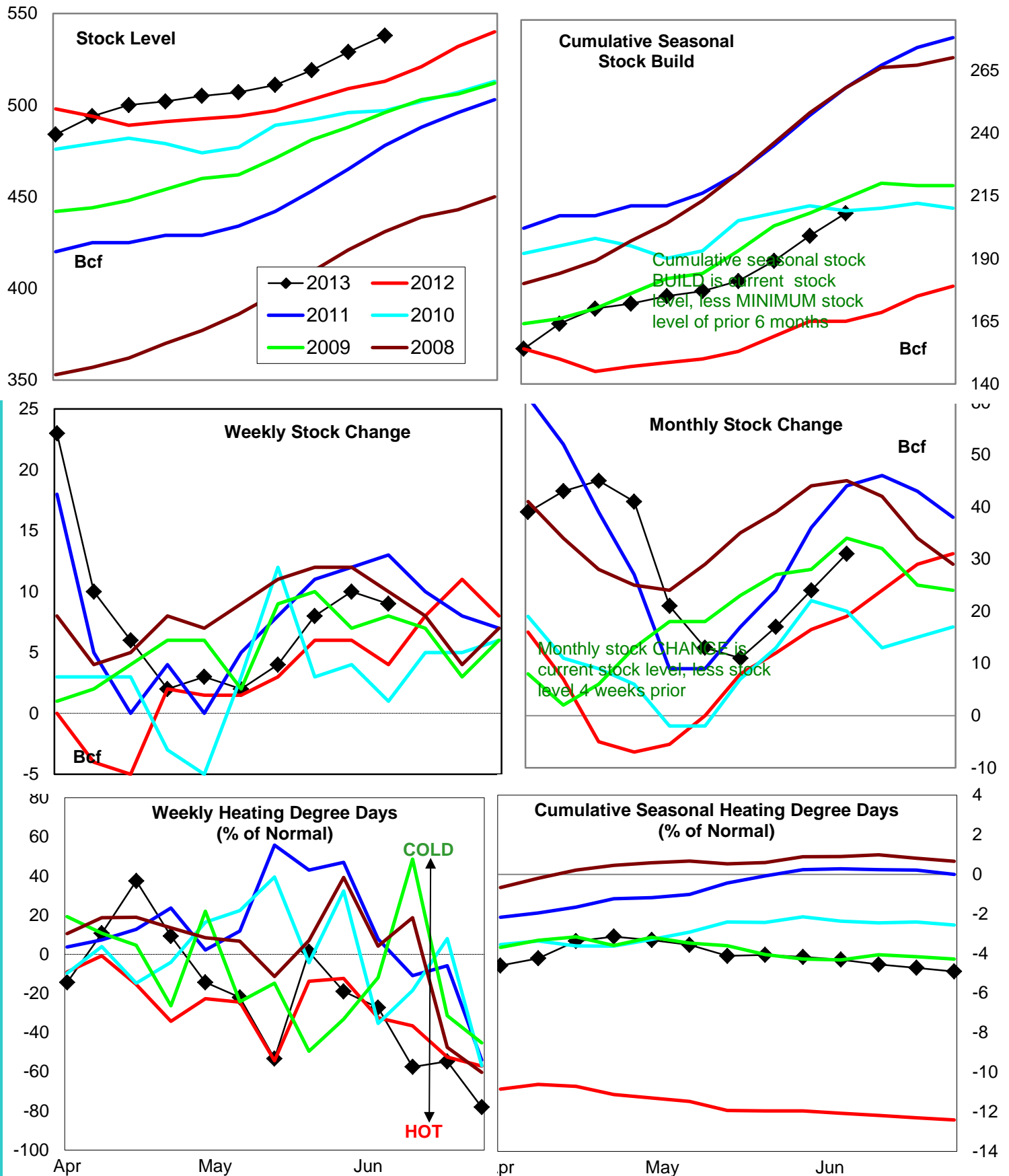
11.7

52.4

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 (%)

25

5

12

43

Percent Change (%)

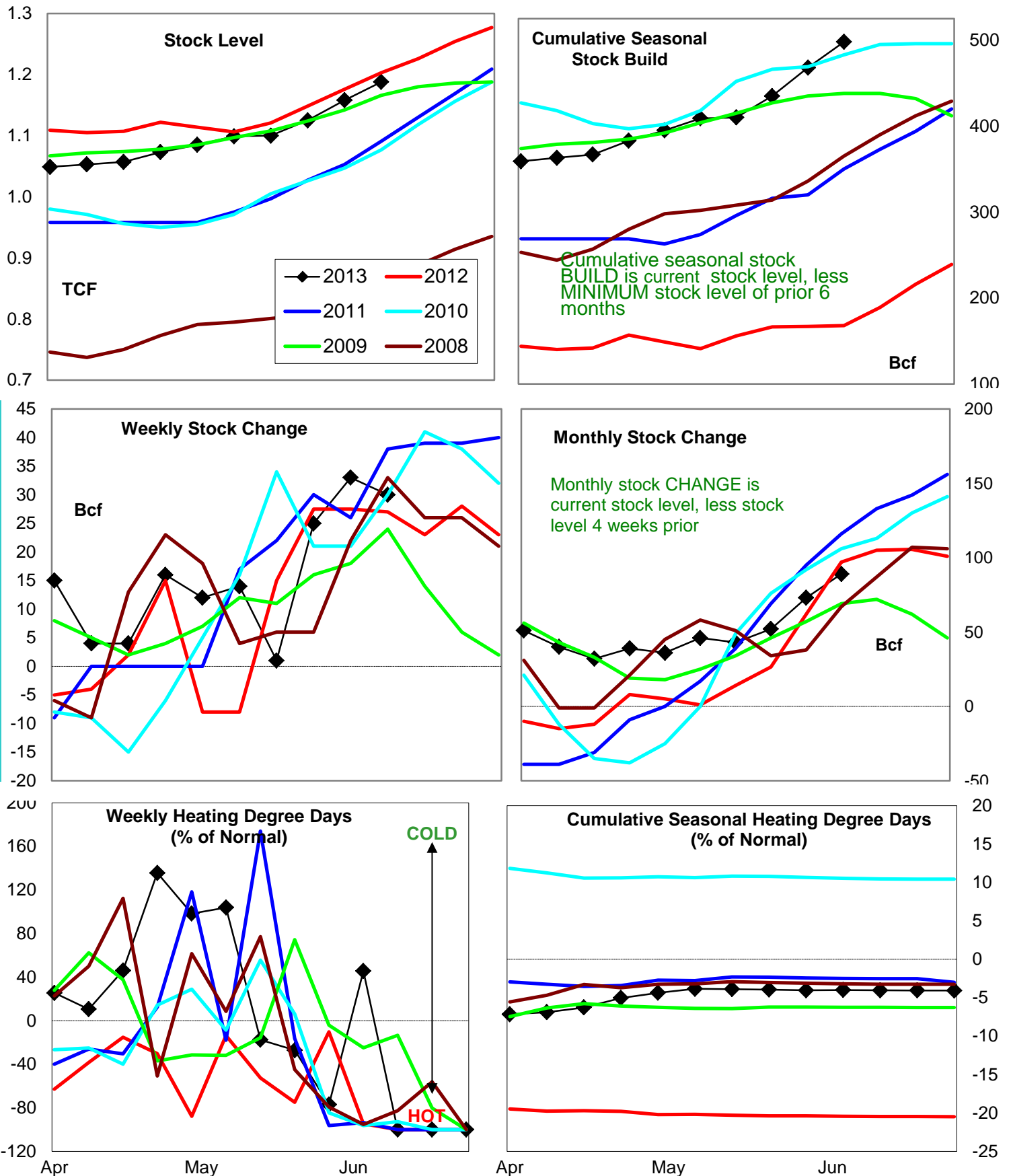
4.9

125.0

63.2

26.1

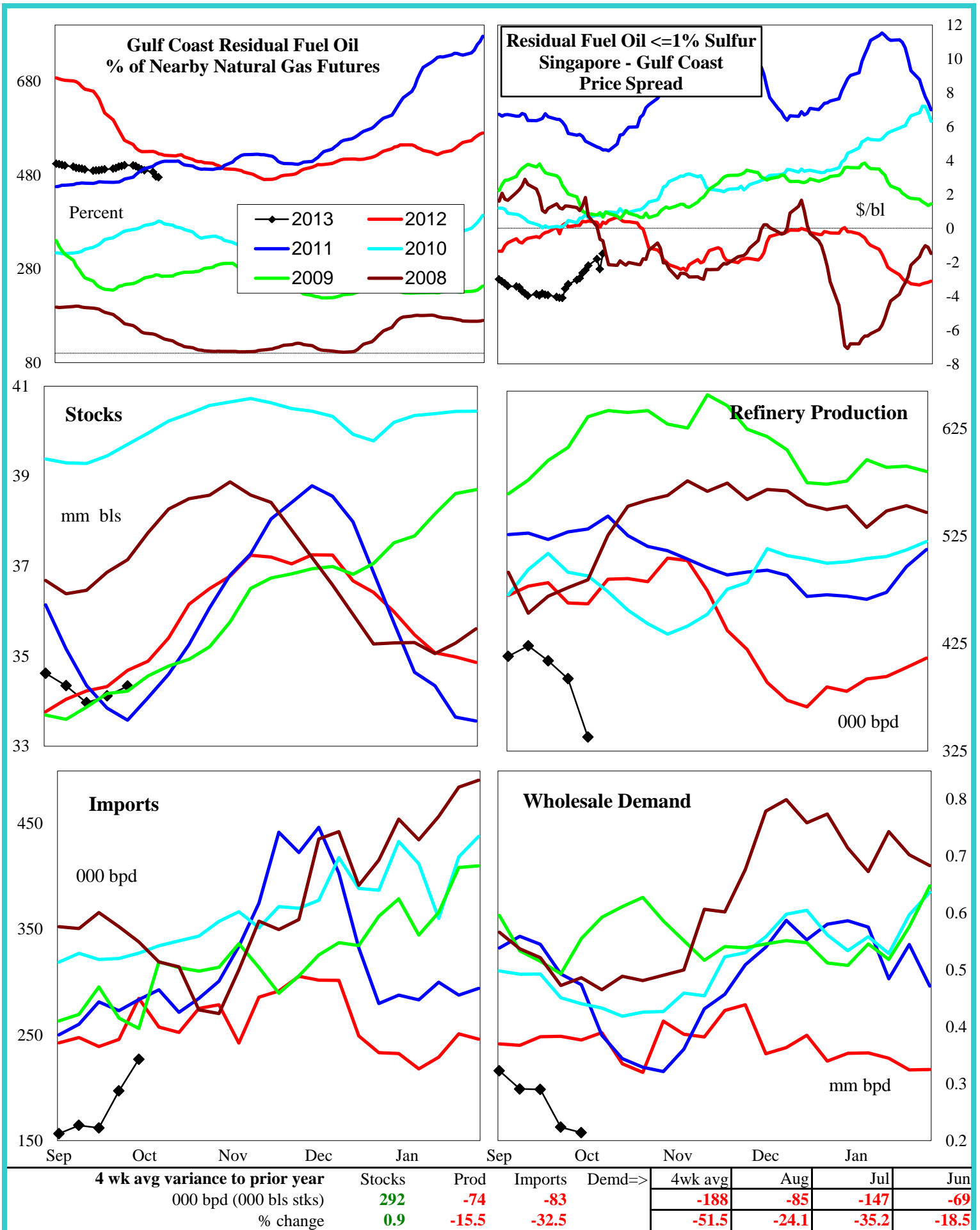
Natural Gas Producing Region Stock and Weather Trends



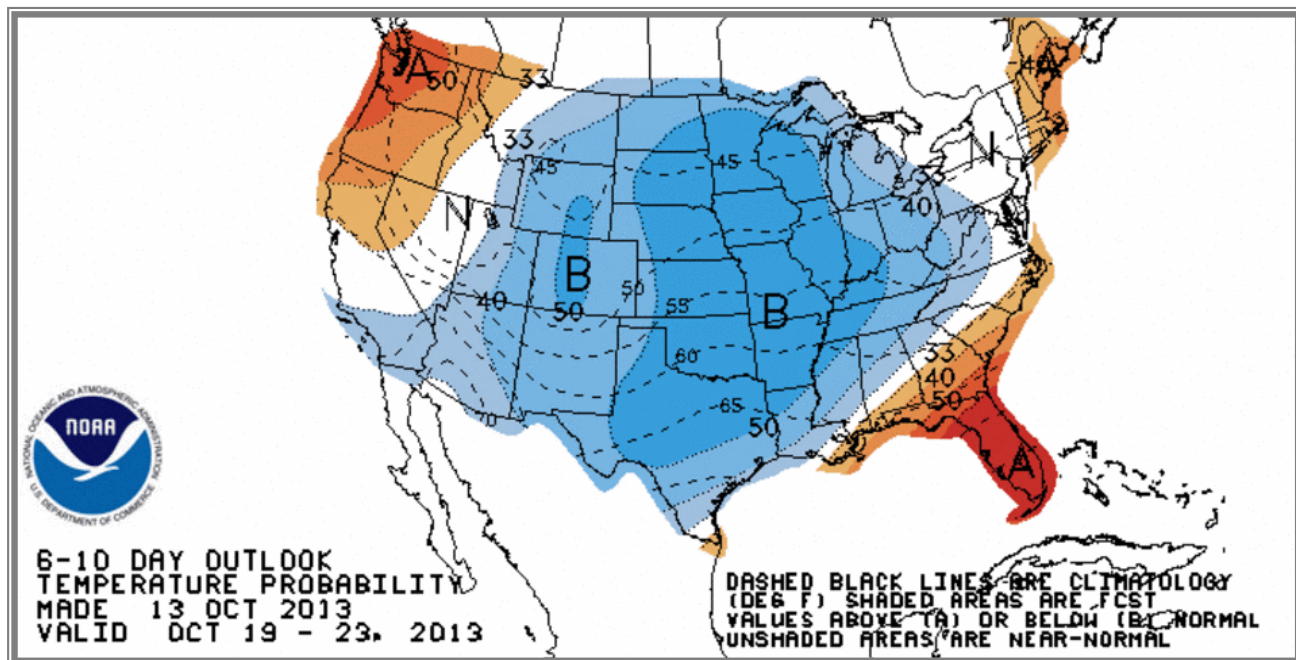
Variance to prior year

Stock
LevelWeekly Stock
ChangeMonthly Stock
ChangeCumulative Stock
ChangeBCF
Percent Change (%)-15
-1.23
11.1-8
-8.2330
196.4

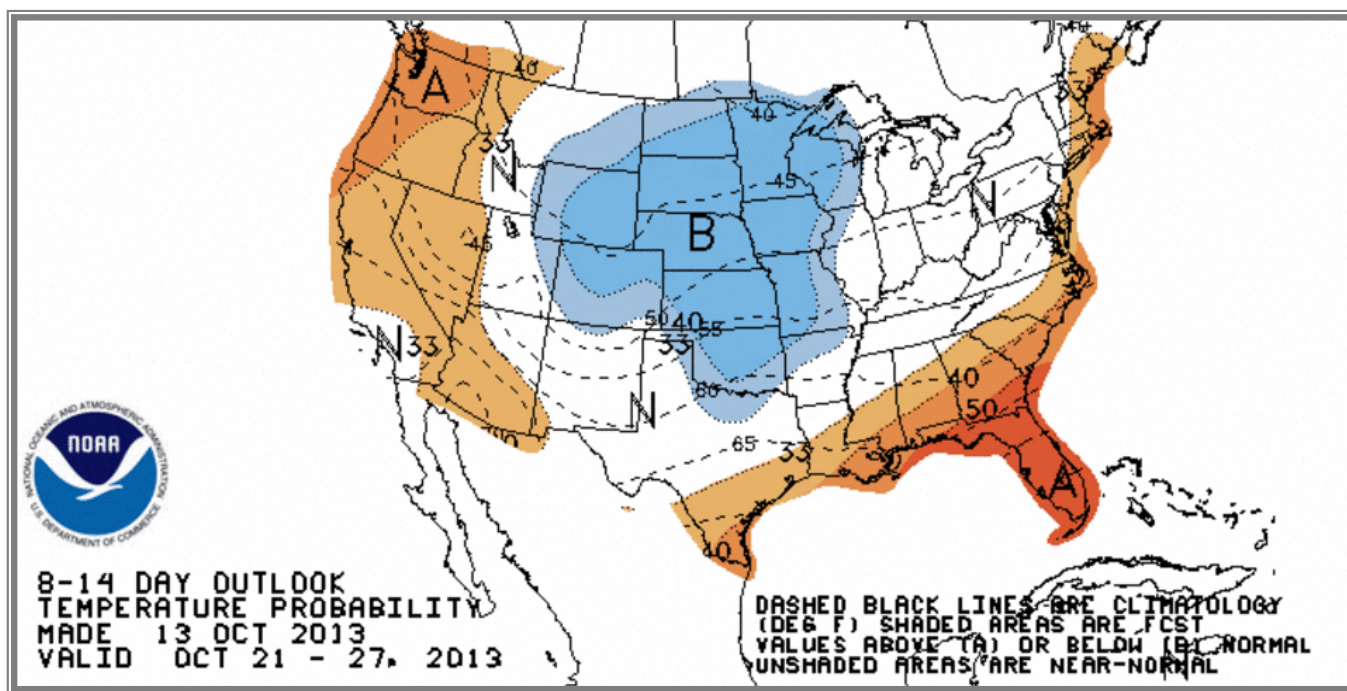
U.S. Residual Fuel Oil Price Spreads and Supply Balance



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

