



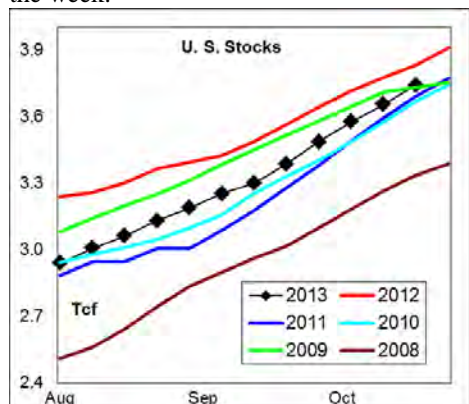
# WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

## A Fundamental Petroleum Trends Weekly Report

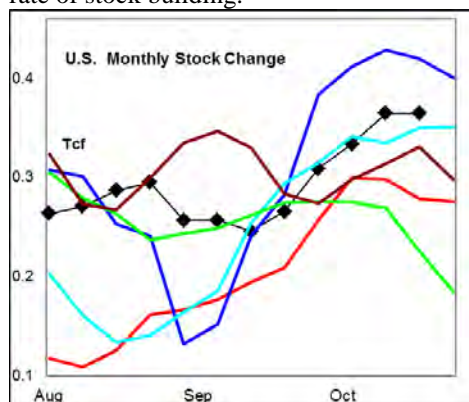
Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Monday, October 28, 2013



**Summary**<sup>1</sup> The stock build of +87 Bcf for the week matched the 3-yr mid range for the week.



The latest 4-wk stock change was a build of 355 Bcf, a level above the 3-yr mid range. Increased production and mild temperatures has led to an above average rate of stock building.



In the East Region stocks increased +50 Bcf for the week, a build that matched 5-yr highs for the week. Stocks increased +4 Bcf in the West Region, a build that matched historic lows for the week. Stocks were +33 Bcf higher on the week in the Producing region, a build above the historic mid range.

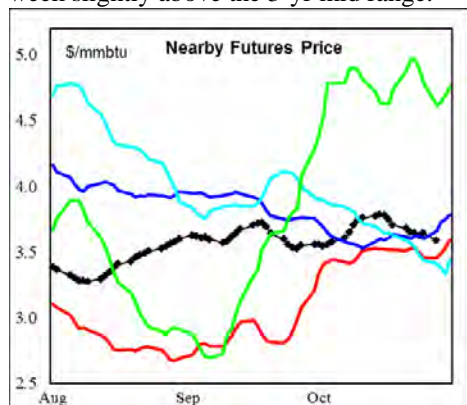
**Heating degree days** were above normal across the central 2/3rds of the country last week.

The 6-10 day NWS forecast for the week ending 06Nov13 is for above normal heating degree days across the northern

and western 1/2 of the country.

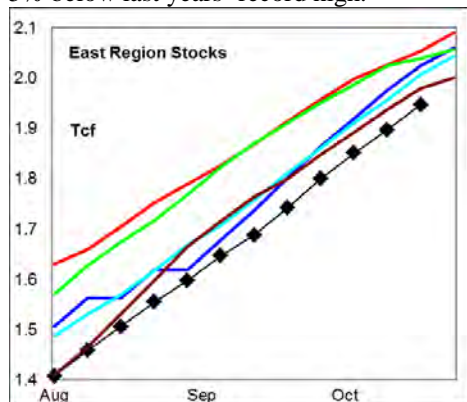
The 8-14 day NWS forecast for the week ending 10Nov13 is for below normal heating degree days across the eastern and southeastern 1/2 of the country.

**Prices:** Nearby gas futures decreased - \$0.08/MMBTU for the week ending 28Oct13. The current price level ended the week slightly above the 3-yr mid range.



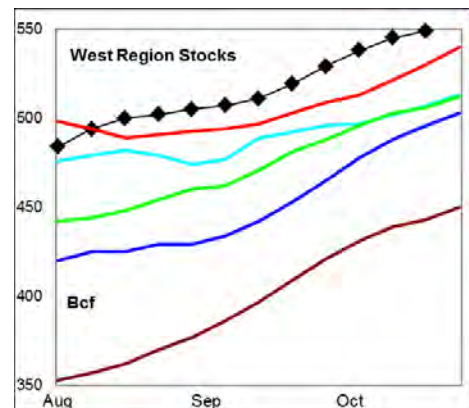
The 1<sup>st</sup> - 4<sup>th</sup> month forward price curve trended higher last week at a level above the prior 5-yr, pointing to a record low carry in the forward price curve ahead of the winter heating season.

**East Region** stocks increased +50 Bcf for the week, a build that matched 5-yr highs for the week. The current stock level is - 5% below last years' record high.

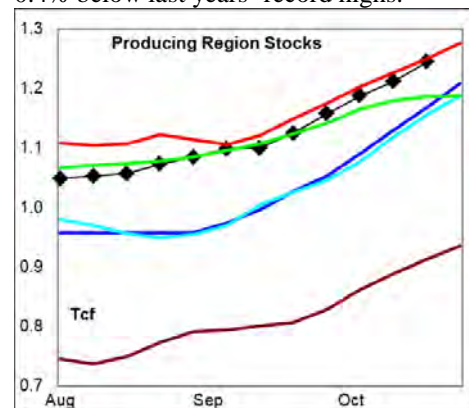


Heating degree days are forecast to be well below normal in the region for the next 10-days.

**West Region** stocks increased +4 Bcf last week, a build that matched historic lows for the period. Stock levels ended the week +3.6% above last years' record high. Heating degree days are forecast to be above normal for the next 10-days.



**Producing Region** stocks increased +33 Bcf for the week, a build above the historic mid range. Stock levels ended the week - 0.4% 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 -54% below last year.

**Outlook:** Heating degree days are forecast to be much below normal across the eastern 2/3rds of the country for the next 10-days.

U.S. stock levels are only -2.4% below last year's record highs, with the monthly rate of stock building above the 3-yr mid range.

These fundamental trends point toward a well supplied market and below average heating demand in the 1<sup>st</sup> half of November. There is risk of further price weakness over the next 2-wks; with short term trends to be weather driven.

<sup>1</sup> **Related Web Sites:**

[Data Source is EIA Weekly Statistics](http://Data Source is EIA Weekly Statistics)

[National Weather Service 6-10 Day](http://National Weather Service 6-10 Day)

[National Weather Service 10-14 Day](http://National Weather Service 10-14 Day)

## NATURAL GAS: Graph Link and Weekly Summary



Report prepared as of: October 28, 2013

For the week ending: 18-Oct-13

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

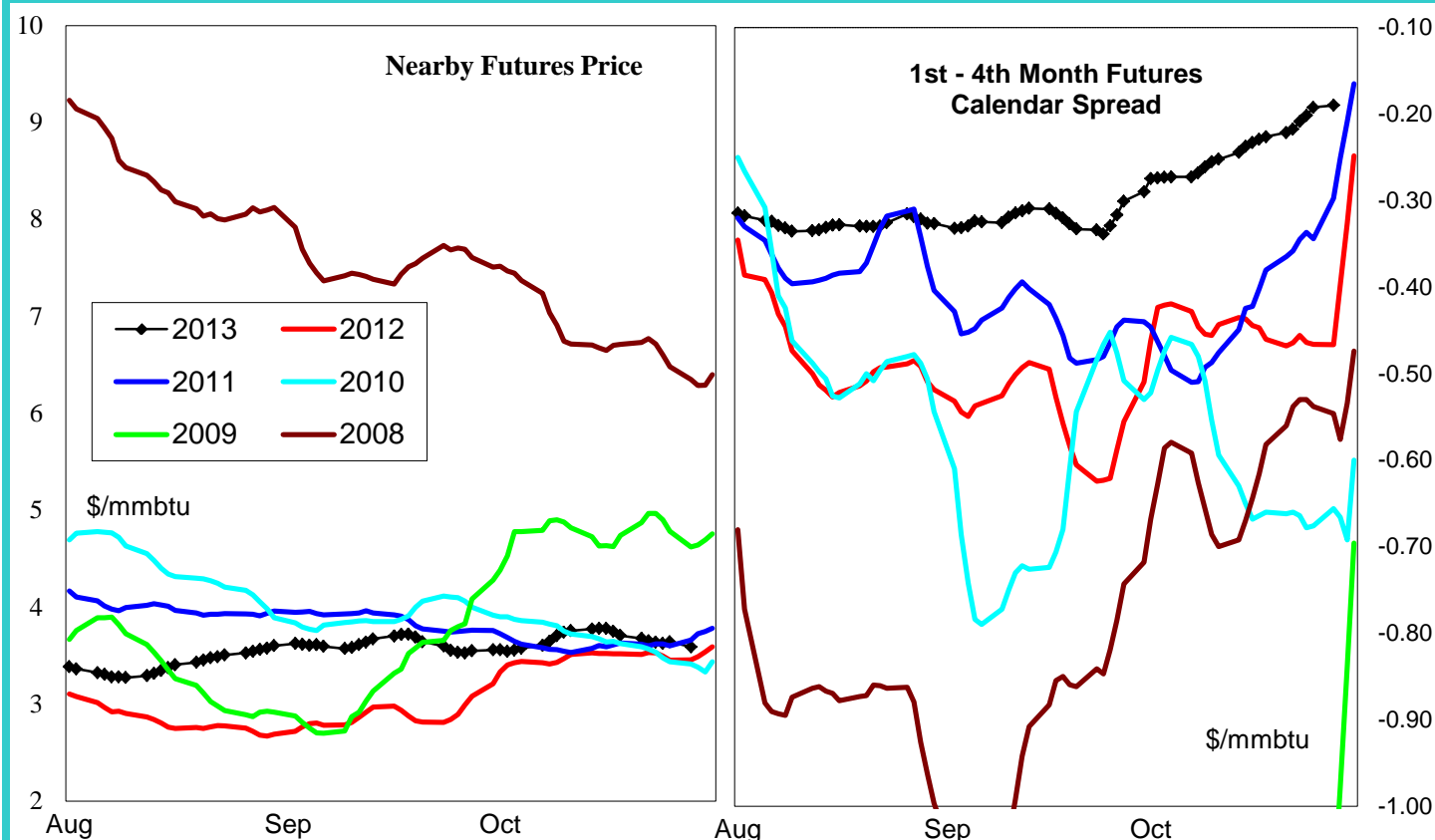
Week ending:	18-Oct-13			15-Jun-13		22-Jun-13		29-Jun-13	
Region	Weekly Stocks			Weekly Heating Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	3,741	87	-2.4	-14	-45%	-2	-33%	-3	-77%
East	1,947	50	-5.2	-17	-39%	-2	-18%	-4	-74%
West	549	4	3.6	-12	-58%	-2	-55%	-5	-78%
Producing	1,245	33	-0.4	-4	-100%	0	-100%	0	-100%

### Seasonal Trends in Stocks and Heating Degree Days

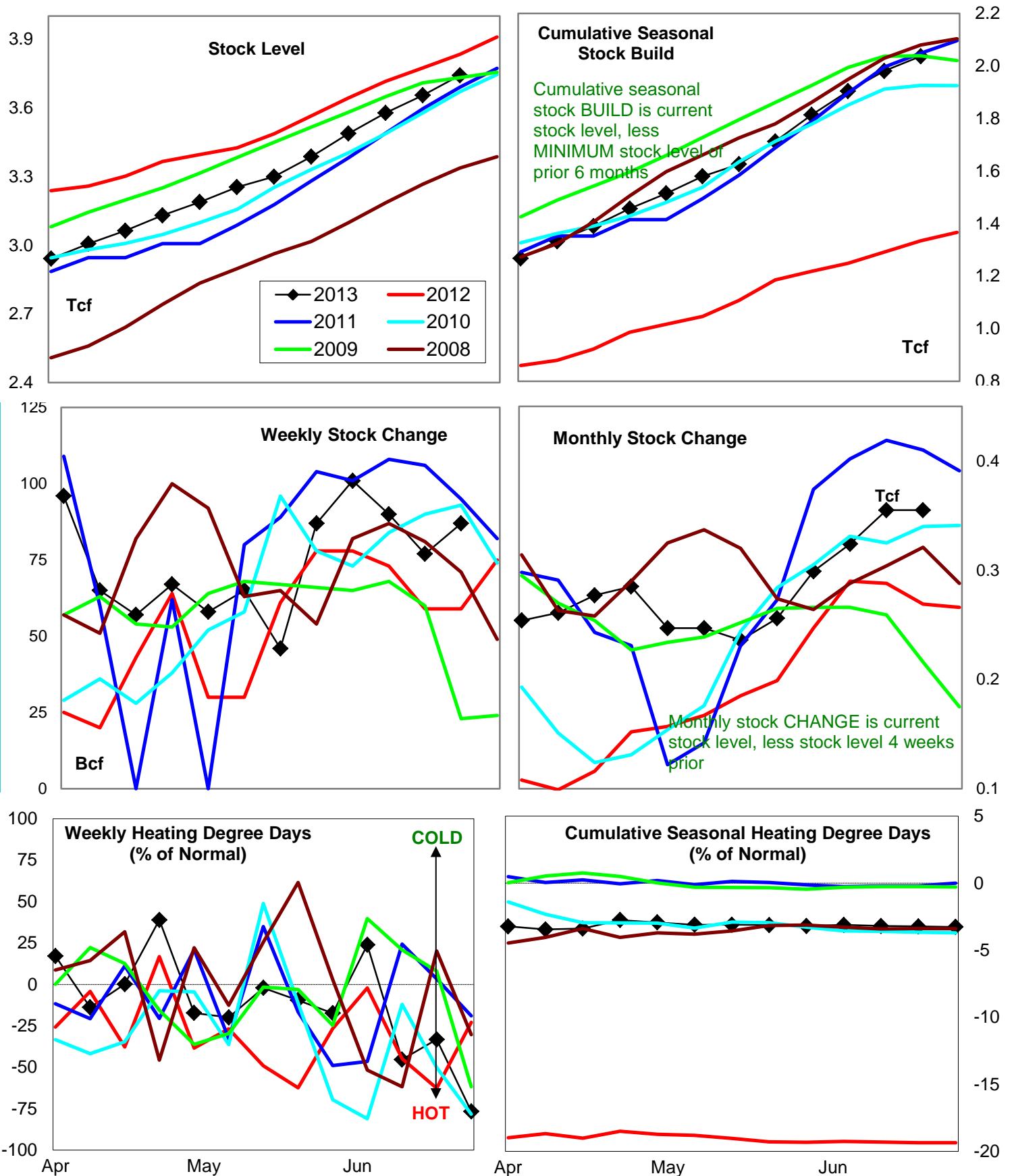
	Cumulative Stock Change			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
<b>U.S. Total</b>	<b>2,037</b>	<b>702</b>	<b>34.5</b>	<b>6</b>	<b>-3.2</b>	<b>4</b>	<b>-3.2</b>	<b>1</b>	<b>-3.3</b>
<b>East</b>	<b>1,282</b>	<b>330</b>	<b>25.7</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>215</b>	<b>42</b>	<b>19.5</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>542</b>	<b>330</b>	<b>60.9</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:	28-Oct-13	Change vs prior week, month, year		
		22-Oct-13	1-Oct-13	7-Nov-12
<b>1st month Futures</b>	<b>3.59</b>	<b>0.01</b>	<b>-0.02</b>	<b>-0.02</b>
<b>% change</b>	<b>xxxxx</b>	<b>0.3</b>	<b>-0.5</b>	<b>-0.5</b>



# United States Natural Gas Stock and Weather Trends



Variance to prior year

Stock  
LevelWeekly Stock  
ChangeMonthly Stock  
ChangeCumulative Stock  
Change

BCF

-92

28

86

702

Percent Change (%)

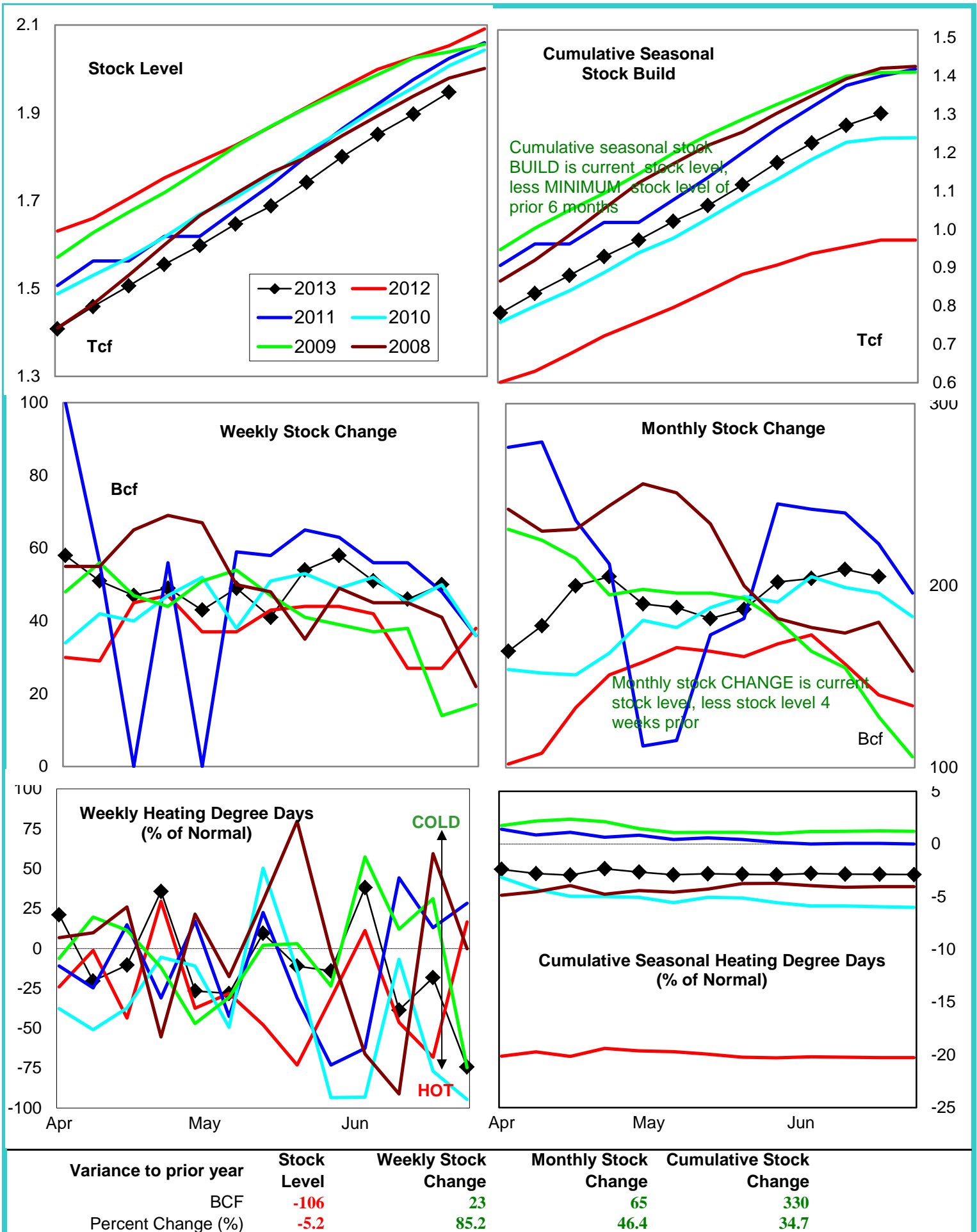
-2.4

47.5

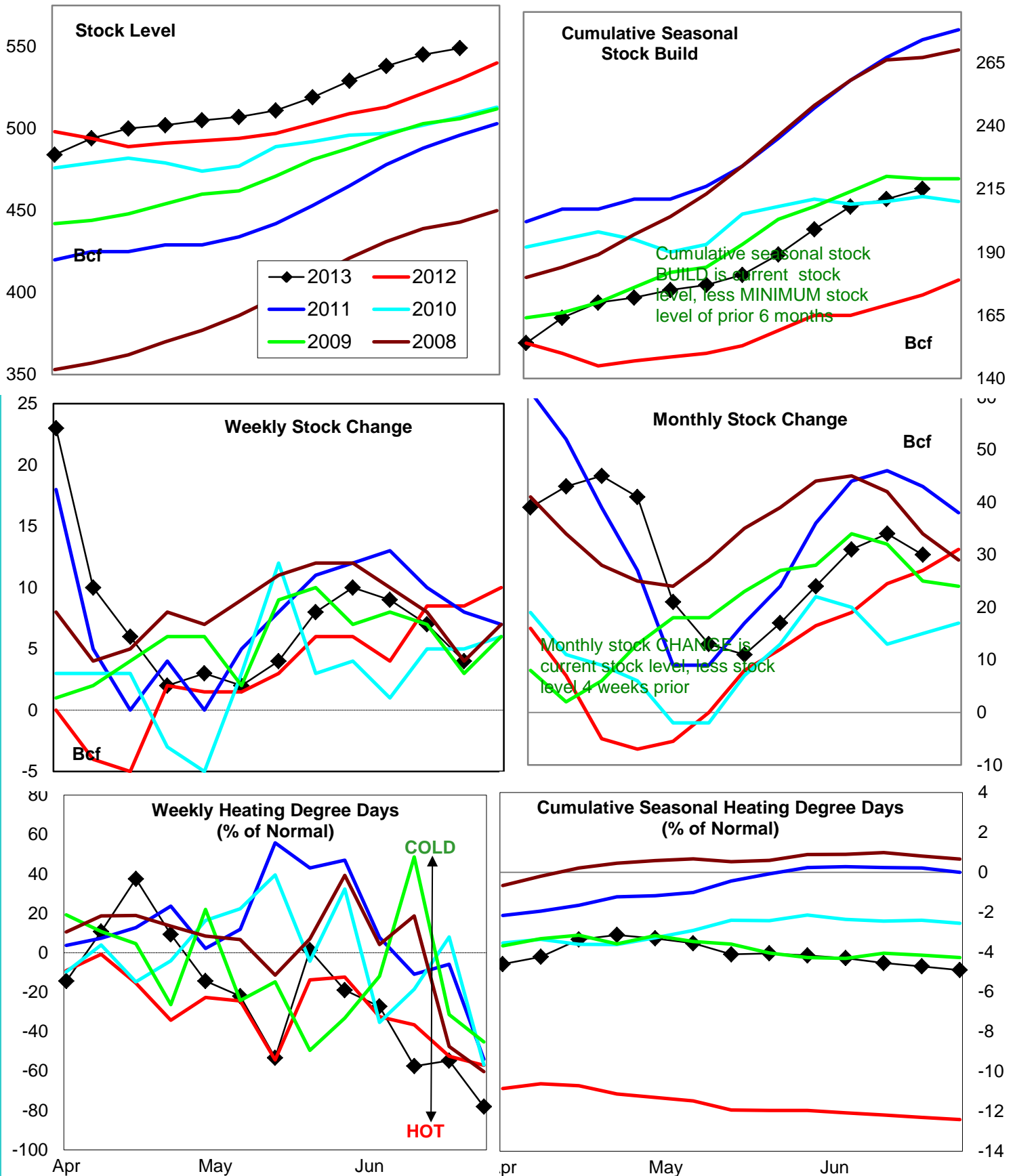
32.0

52.6

# Natural Gas East Region Stock and Weather Trends



# Natural Gas West Region Stock and Weather Trends

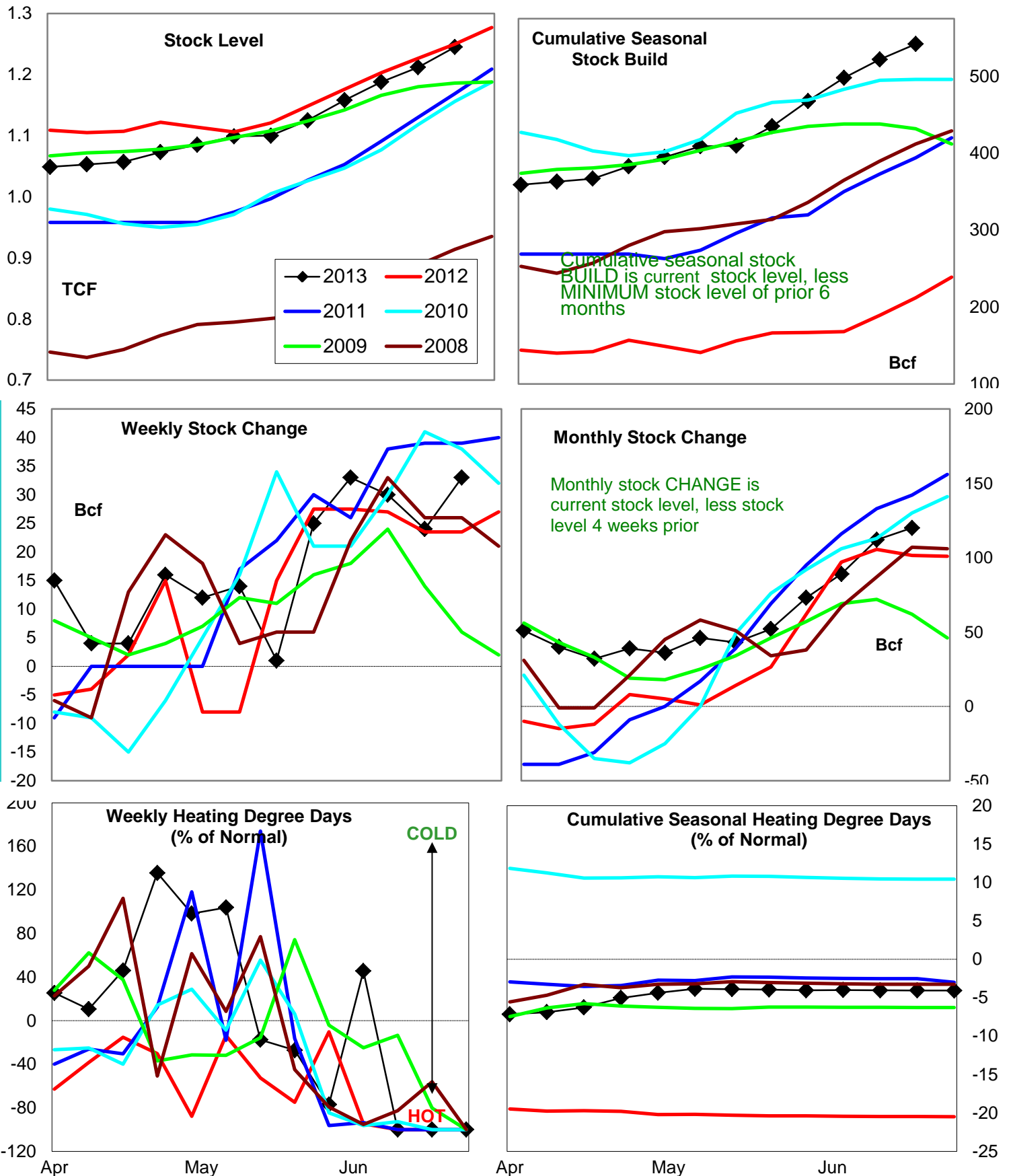


Variance to prior year

Stock  
LevelWeekly Stock  
ChangeMonthly Stock  
ChangeCumulative Stock  
ChangeBCF  
Percent Change (%)19  
3.6-5  
-52.93  
11.142  
24.3



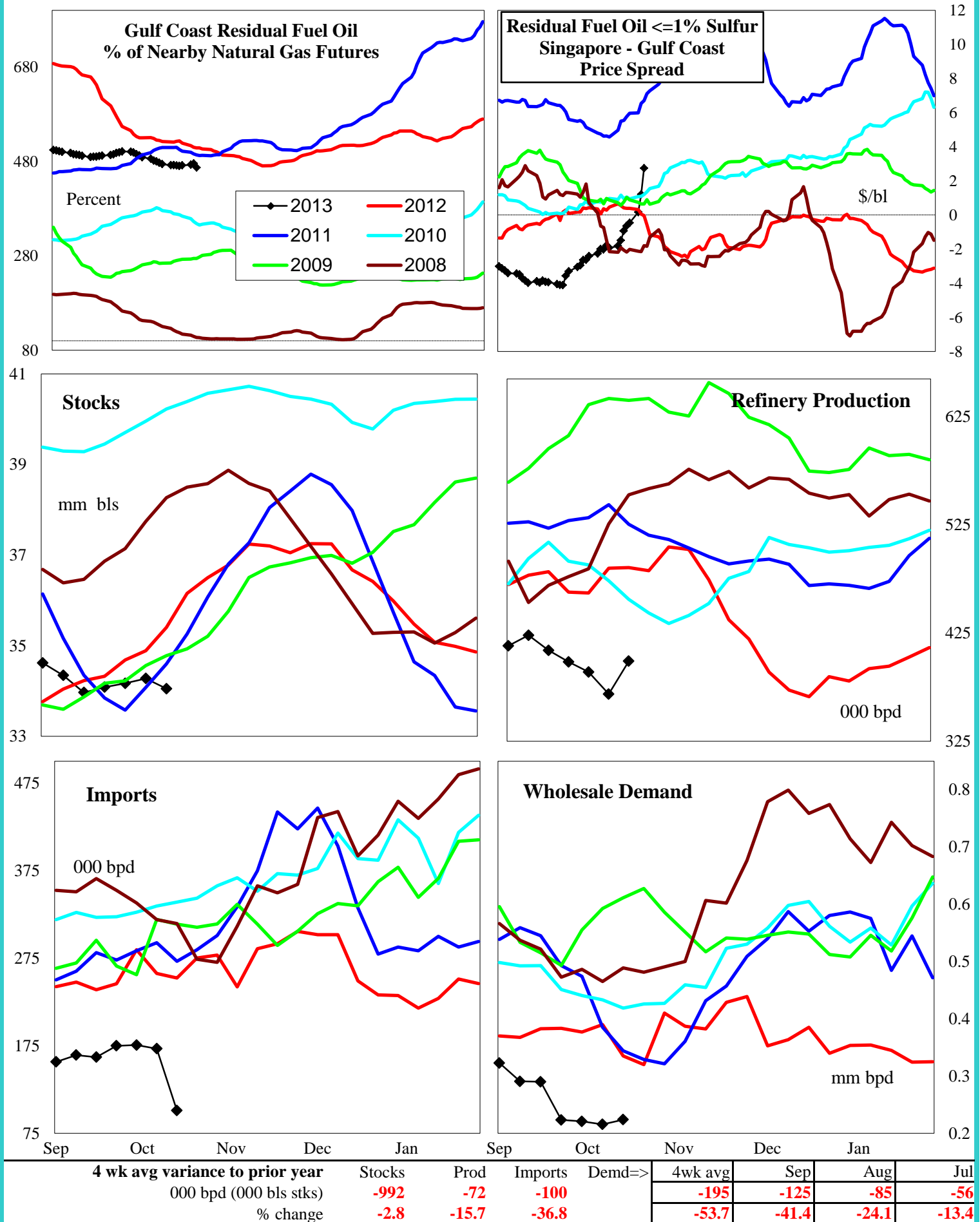
# Natural Gas Producing Region Stock and Weather Trends



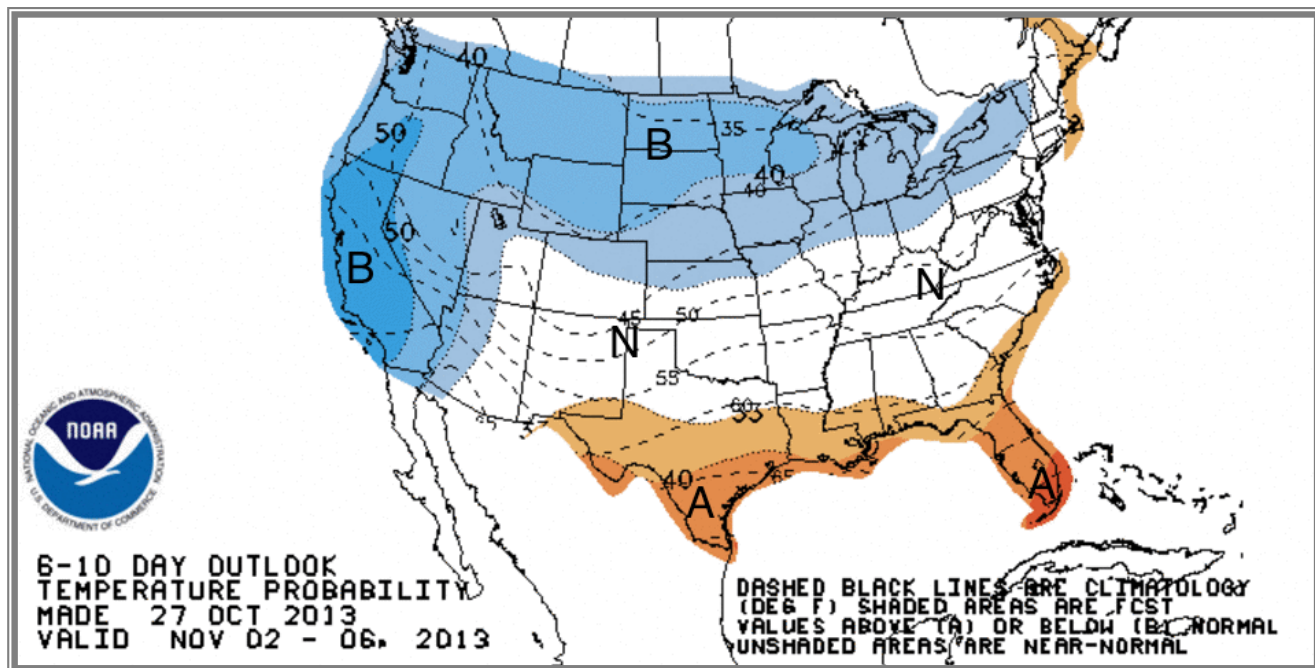
Variance to prior year

Stock  
LevelWeekly Stock  
ChangeMonthly Stock  
ChangeCumulative Stock  
ChangeBCF  
Percent Change (%)-5  
-0.410  
40.419  
18.2330  
155.7

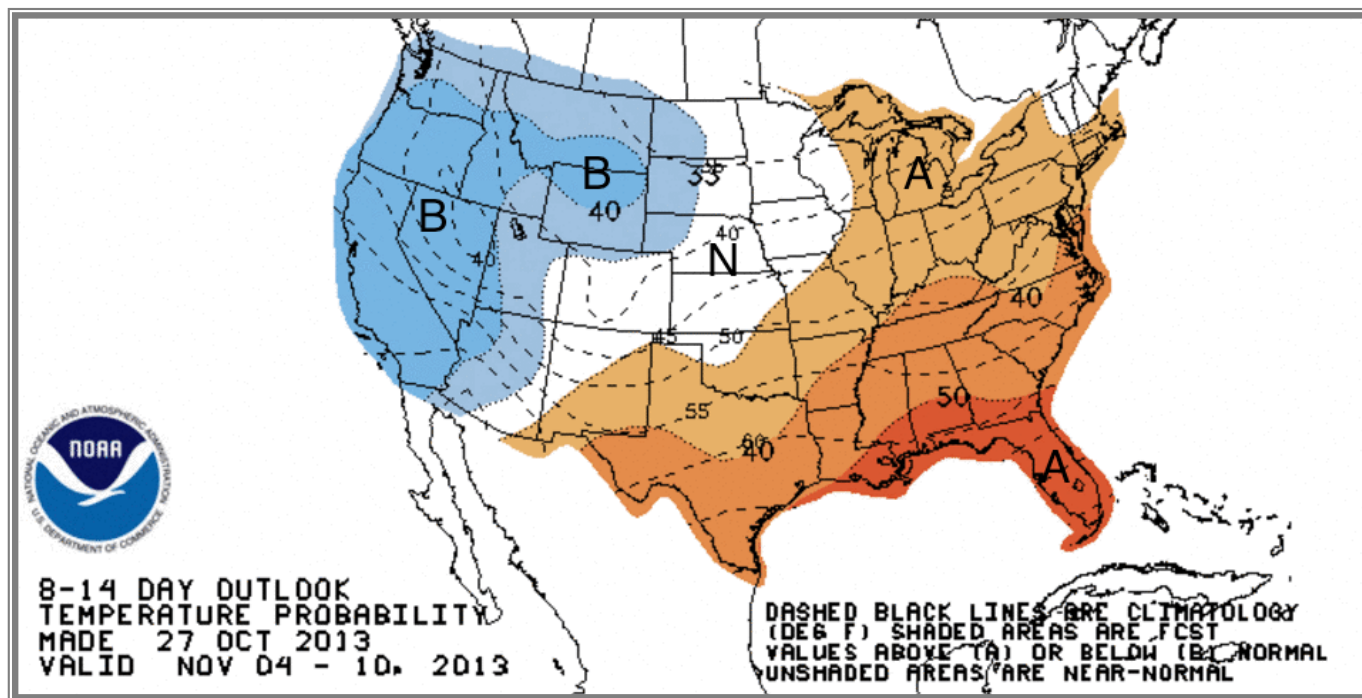
## U.S. Residual Fuel Oil Price Spreads and Supply Balance



## 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

