

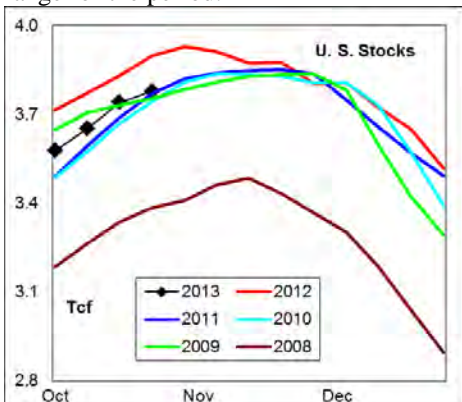
WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

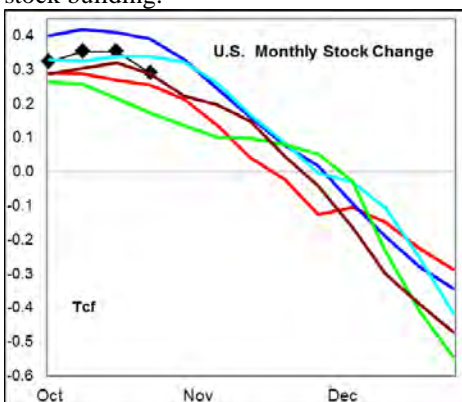
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Monday, November 04, 2013



Summary¹ The stock build of +38 Bcf for the week was at the low end of the 5-yr range for the period.



The latest 4-wk stock change was a build of 288 Bcf, a level below the 3-yr mid range. Recent colder than normal temperatures led to the drop in rate of stock building.



In the East Region stocks increased +17 Bcf for the week, a build at the low end of the 5-yr range for the week. Stocks increased +3 Bcf in the West Region, a build below the 5-yr range for the period. Stocks were +18 Bcf higher on the week in the Producing region, a build below the last 3-yrs.

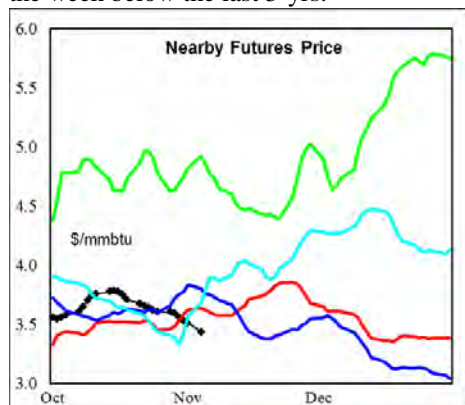
Heating degree days were above normal across the western 1/2 of the country last week.

The 6-10 day NWS forecast for the week ending 13Nov13 is for well below normal heating degree days across the

eastern 2/3rds of the country.

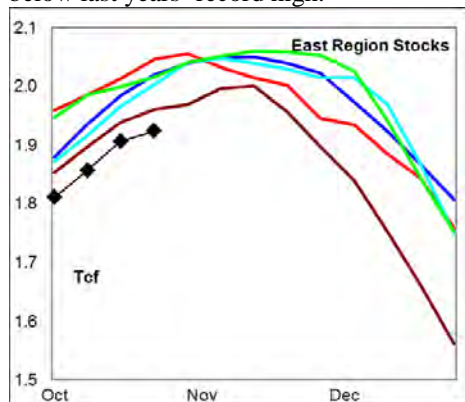
The 8-14 day NWS forecast for the week ending 17Nov13 is for well below normal heating degree days across the eastern 3/4ths of the country.

Prices: Nearby gas futures decreased - \$0.13/MMBTU for the week ending 04Nov13. The current price level ended the week below the last 3-yrs.



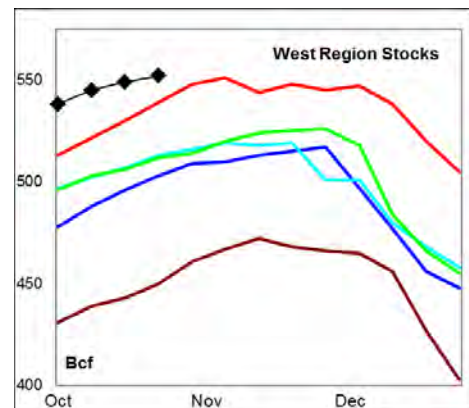
The 1st - 4th month forward price curve traded sideways last week at a level comparable to the last 2-yrs.

East Region stocks increased +17 Bcf for the week, a build at the low end of the 5-yr range. The current stock level is -6% below last years' record high.

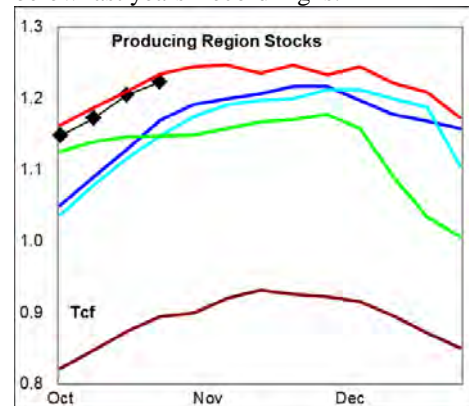


Heating degree days are forecast to be sharply below normal in the region for the next 10-days.

West Region stocks increased +3 Bcf last week, a build below the 5-yr range for the period. Stock levels ended the week +2.4% above last years' record high. Heating degree days are forecast to be near normal for the next 10-days.



Producing Region stocks increased +18 Bcf for the week, a build below the last 3-yrs. Stock levels ended the week -0.9% below last years' record highs.



Much 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 -46% below last year.

Outlook: Heating degree days are forecast to be much below normal across the eastern 3/4ths of the country for the next 10-days.

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

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

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: November 4, 2013

For the week ending: 25-Oct-13

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

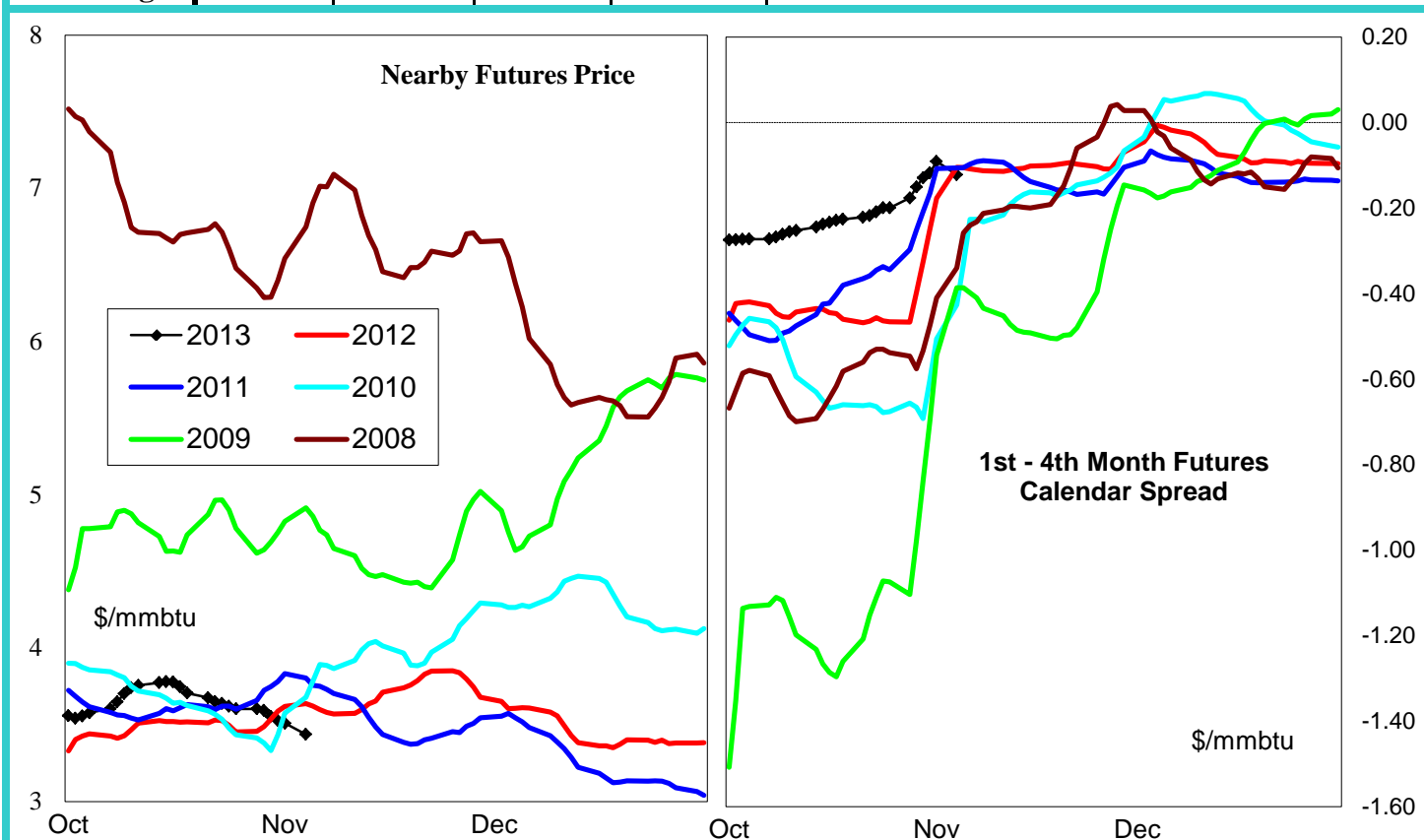
Week ending:	25-Oct-13			15-Jun-13		22-Jun-13		29-Jun-13	
Region	Weekly Stocks			Weekly Heating Degree Days					
		Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
	Bcf	Week Bcf	Year (%)						
U.S. Total	3,779	38	-3.1	-14	-45%	-2	-33%	-3	-77%
East	1,964	17	-5.8	-17	-39%	-2	-18%	-4	-74%
West	552	3	2.4	-12	-58%	-2	-55%	-5	-78%
Producing	1,263	18	-0.9	-4	-100%	0	-100%	0	-100%

Seasonal Trends in Stocks and Heating Degree Days

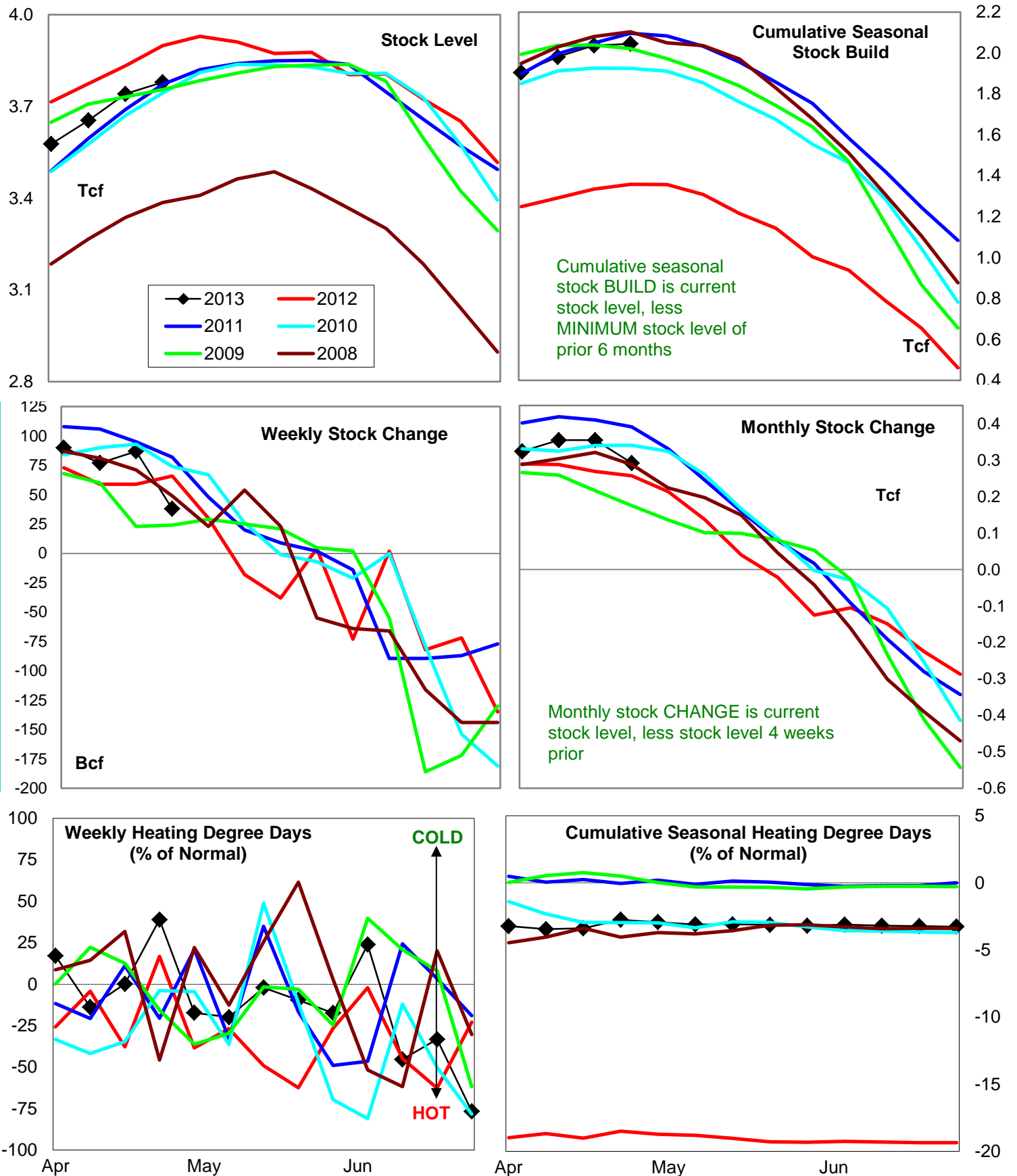
	Cumulative Stock Change			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
U.S. Total	2,045	687	33.6	6	-3.2	4	-3.2	1	-3.3
East	1,278	331	25.9	6	-2.9	4	-2.9	1	-2.9
West	218	40	18.3	10	-4.6	8	-4.7	3	-4.9
Producing	549	313	57.0	0	-4.0	0	-4.1	0	-4.1

Futures Market Price Trends

Date:	4-Nov-13	Change vs prior week, month, year		
		29-Oct-13	8-Oct-13	14-Nov-12
1st month Futures	3.44	-0.06	-0.28	-0.27
% change	xxxxx	-1.7	-7.5	-7.2



United States Natural Gas Stock and Weather Trends



Variance to prior year

Stock
LevelWeekly Stock
ChangeMonthly Stock
ChangeCumulative Stock
Change

BCF

-120

-28

35

687

Percent Change (%)

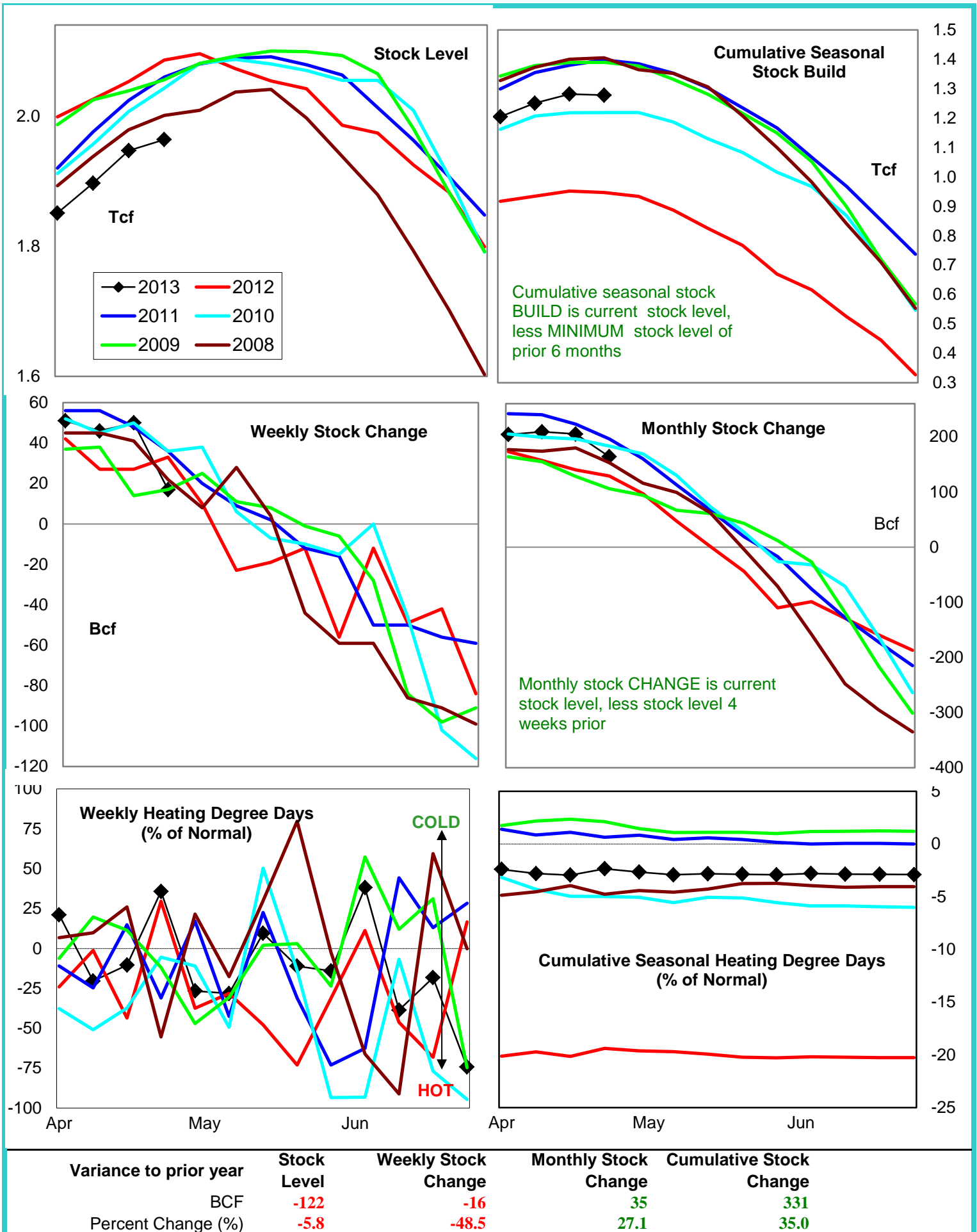
-3.1

-42.4

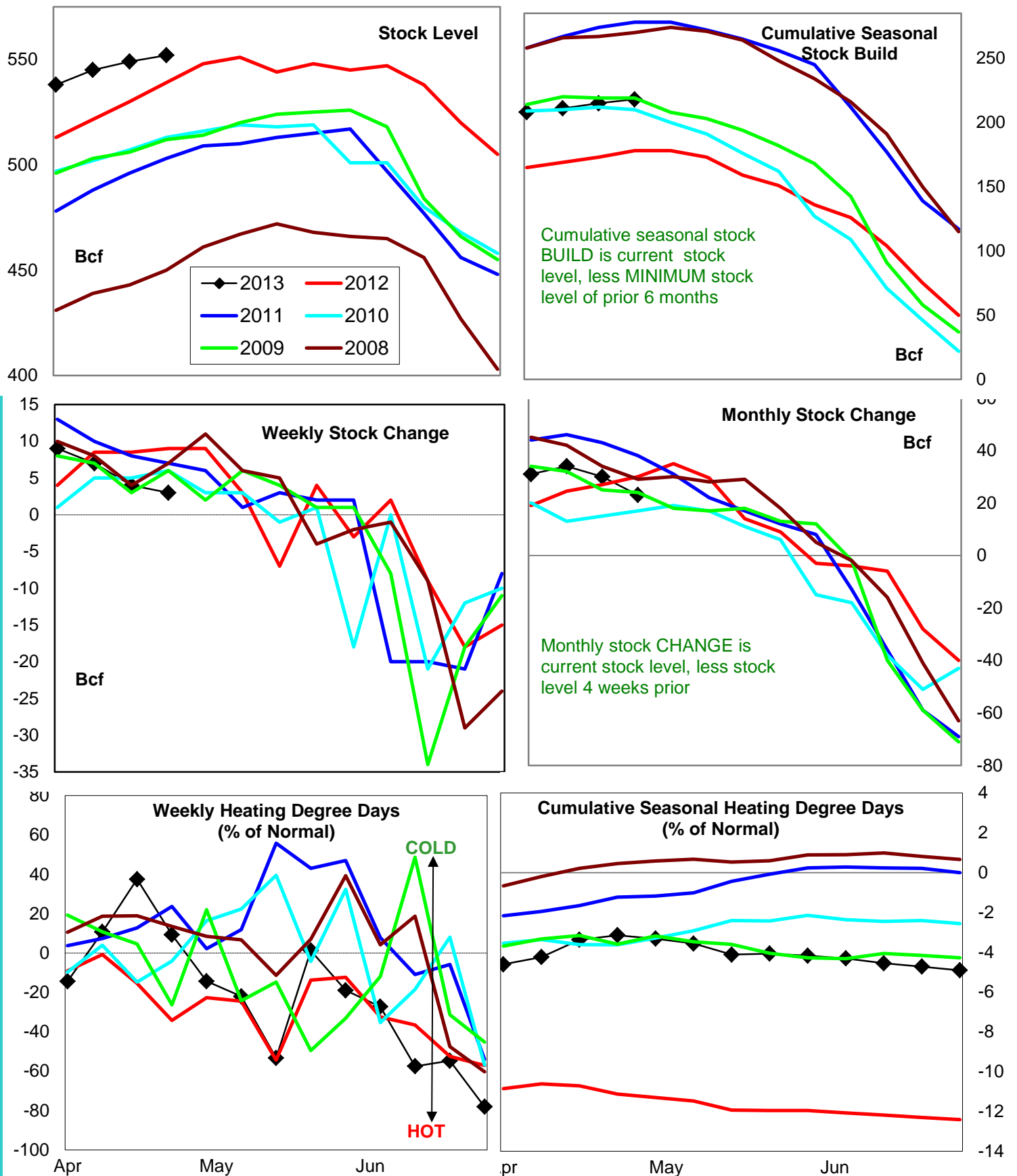
13.6

50.6

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
Change

BCF

13

-6

-7

40

Percent Change (%)

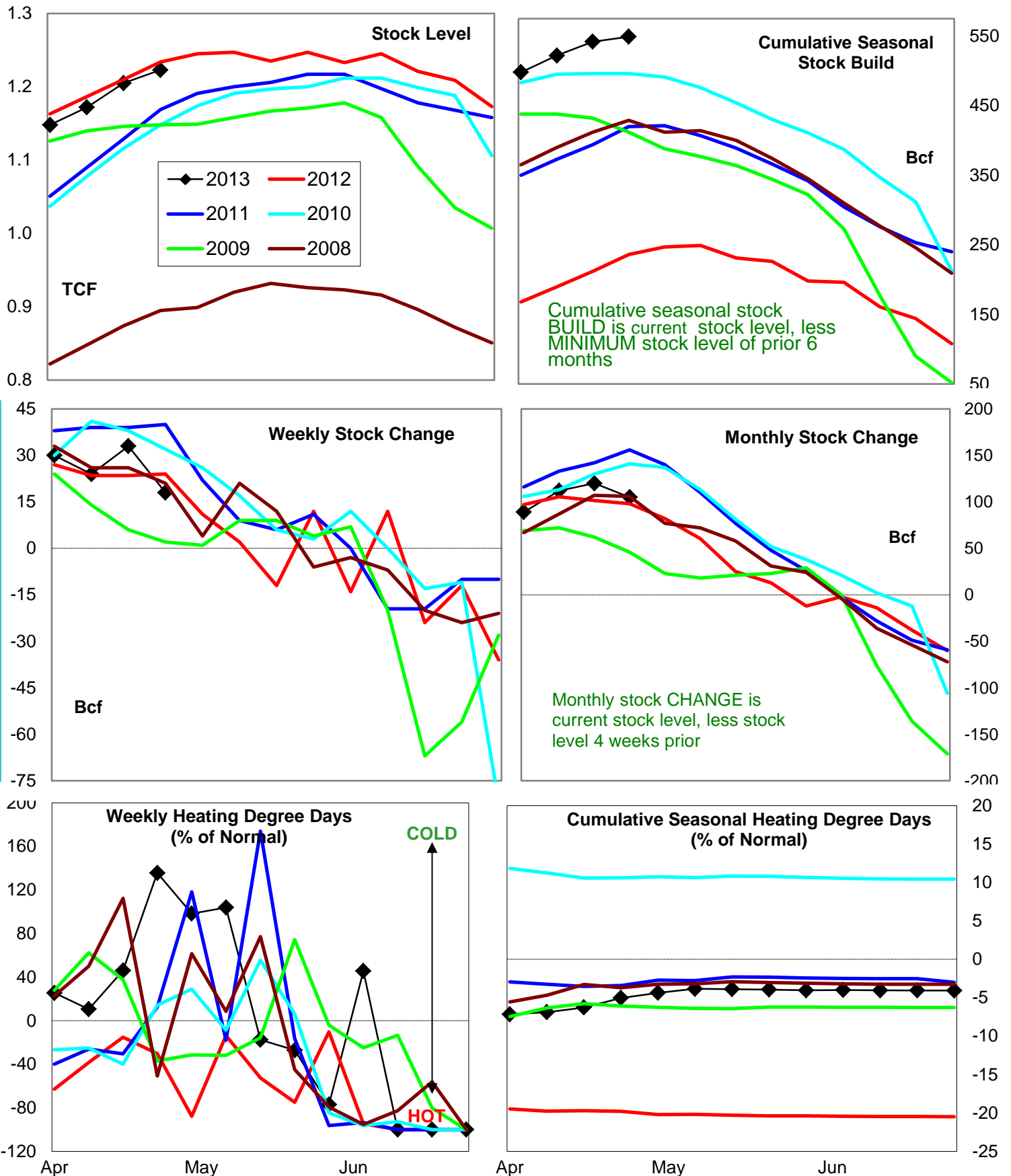
2.4

-66.7

-23.3

22.5

Natural Gas Producing Region Stock and Weather Trends



Variance to prior year

Stock Level

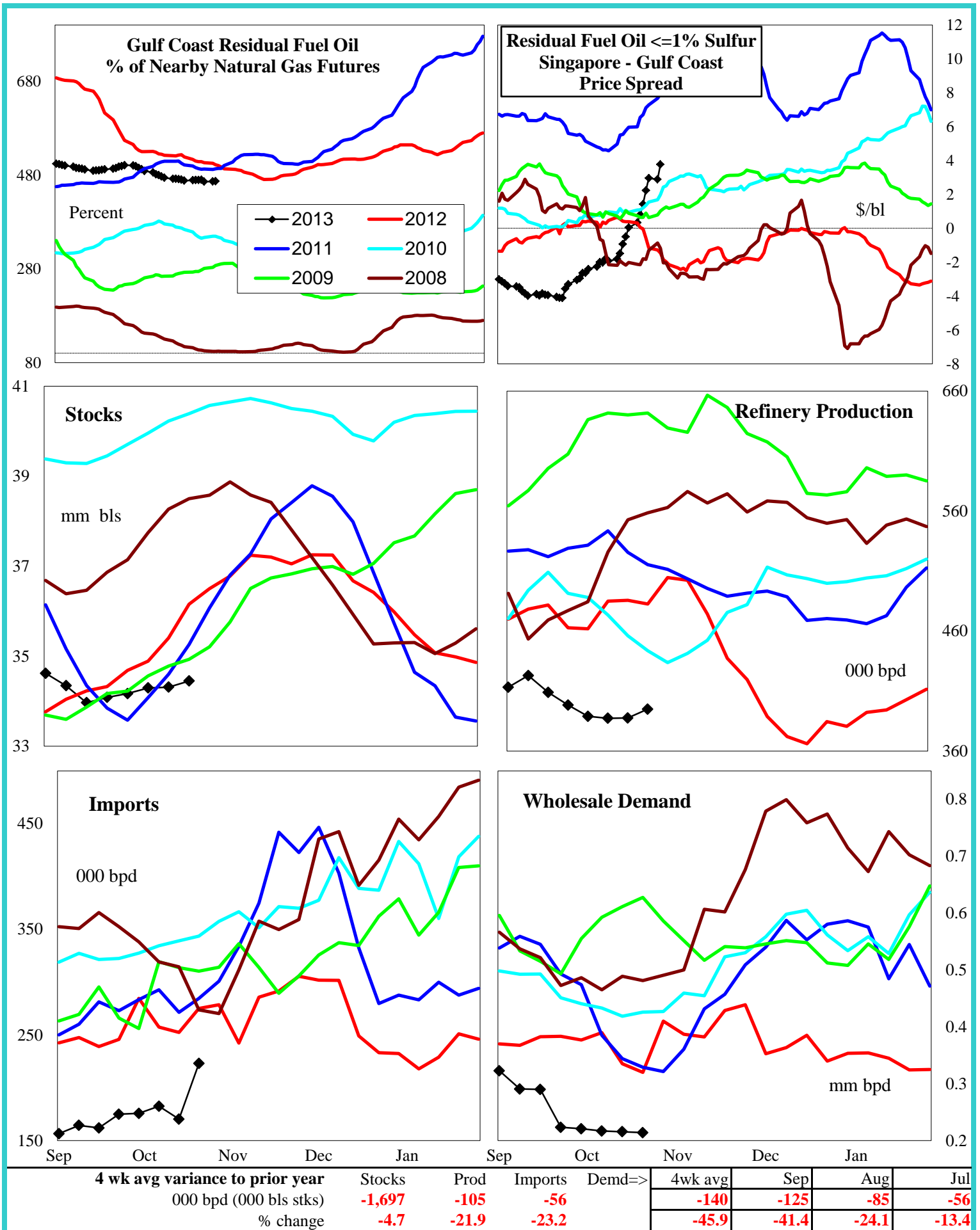
Weekly Stock Change

Monthly Stock Change

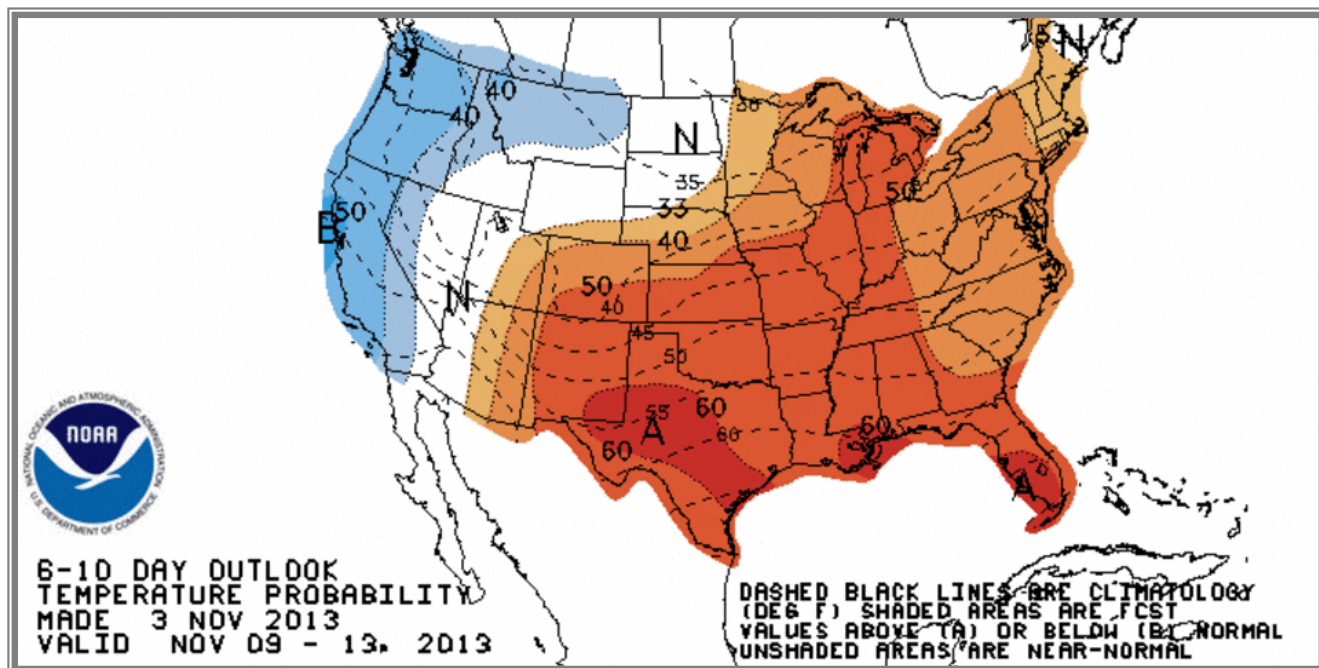
Cumulative Stock Change

BCF
Percent Change (%)-11
-0.9-6
-25.07
7.1313
132.6

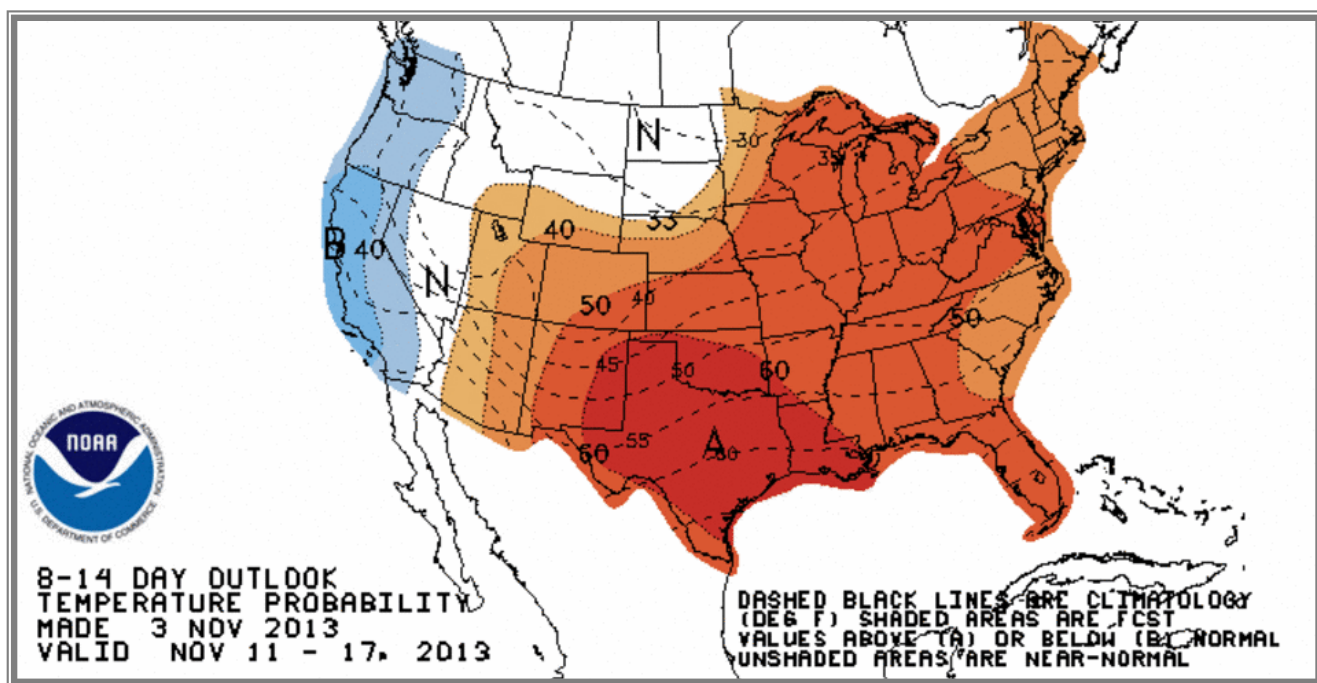
U.S. Residual Fuel Oil Price Spreads and Supply Balance



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

