



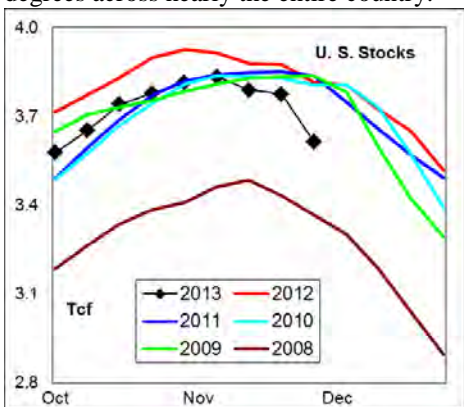
# WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

## A Fundamental Petroleum Trends Weekly Report

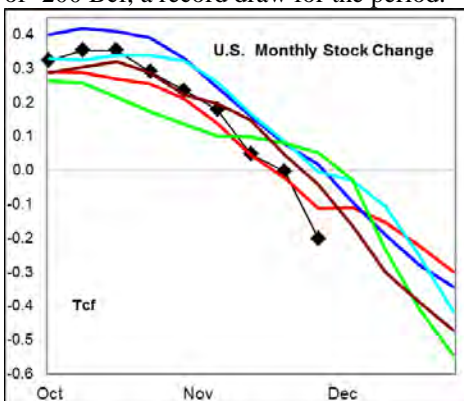
Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Sunday, December 08, 2013



**Summary**<sup>1</sup> The stock draw of -162 Bcf for the week was a record draw for the period; driven by extremely high heating degrees across nearly the entire country.



The latest 4-wk stock change was a draw of -200 Bcf, a record draw for the period.



In the East Region stocks decreased -78 Bcf for the week, a record draw for the period. Stocks decreased -16 Bcf in the West Region, matching the 5-yr record draw for the week. Stocks fell -62 Bcf on the week in the Producing region, a record draw for the 4<sup>th</sup> quarter.

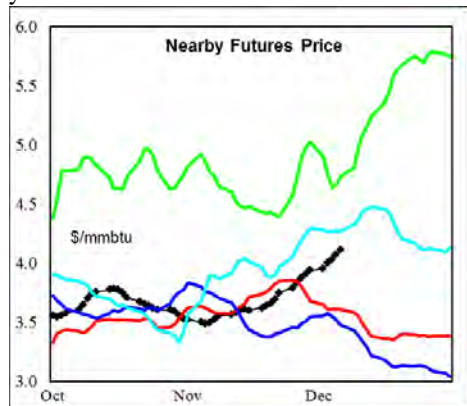
**Heating degree days** were extremely high across nearly the entire country last week.

The 6-10 day NWS forecast for the week ending 18Dec13 is for normal to below normal heating degree days across much of the country.

The 8-14 day NWS forecast for the week ending 22Dec13 is for below normal heating degree days across nearly the

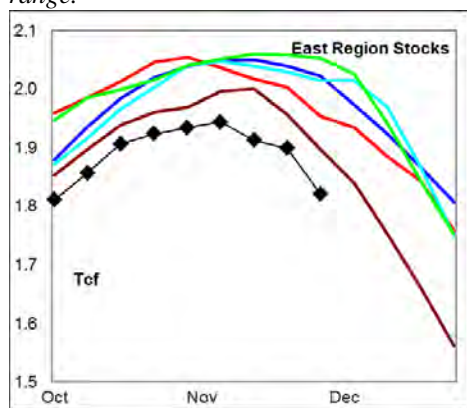
entire country.

**Prices:** Nearby gas futures increased +\$0.16/MMBTU for the week ending 06Dec13. The current price level ended the week near 3-yr highs for this time of year and above the last 6-months.



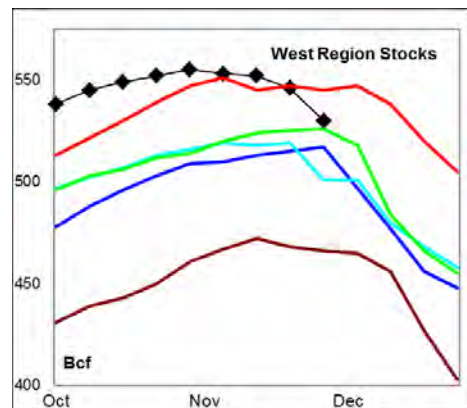
The 1<sup>st</sup> - 4<sup>th</sup> month forward price curve trended higher last week ending in an inversion on strong prompt demand.

**East Region** stocks decreased -78 Bcf for the week, a record draw for the period. The current stock level is -7% below last years' record high; and below the 5-yr range.

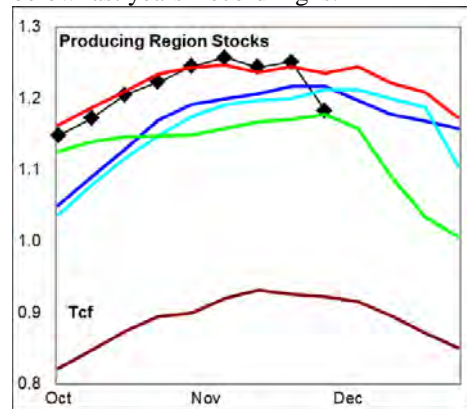


Heating degree days are forecast near normal during the next 10-days.

**West Region** stocks decreased -16 Bcf last week, matching the 5-yr record draw for the period. Stock levels ended the week -2.8% below last years' record high. Heating degree days are forecast to be below normal for the next 10-days.



**Producing Region** stocks fell -62 Bcf for the week, a record draw for the entire 4<sup>th</sup> quarter. Stock levels ended the week -4% below last years' record highs.



Below normal heating degree days are forecast for the next 10-days in the region.

**Residual Fuel Oil Switching:** The price spread between fuel oil and natural gas remains highly favorable for gas, with residual fuel demand -34% below last year.

**Outlook:** Heating degree days were extremely high for the week ended 08Dec13 and should drive another record stock draw for the week just ended.

Heating degree days are forecast to fall sharply in the next 10-days with much of the country below normal after mid month.

Natural gas stock levels have dropped sharply in the last 3-wks to a level -5% below last year and well below four of the last 5-yrs. The latest 4-wk stock draw was a record for this time of year.

A second consecutive week of record high stock draws should support prices in the near term. However the forecast of below normal heating degree days after mid month, risk a pull back in prices later in the month.

### <sup>1</sup> 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: December 8, 2013

For the week ending: 29-Nov-13

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

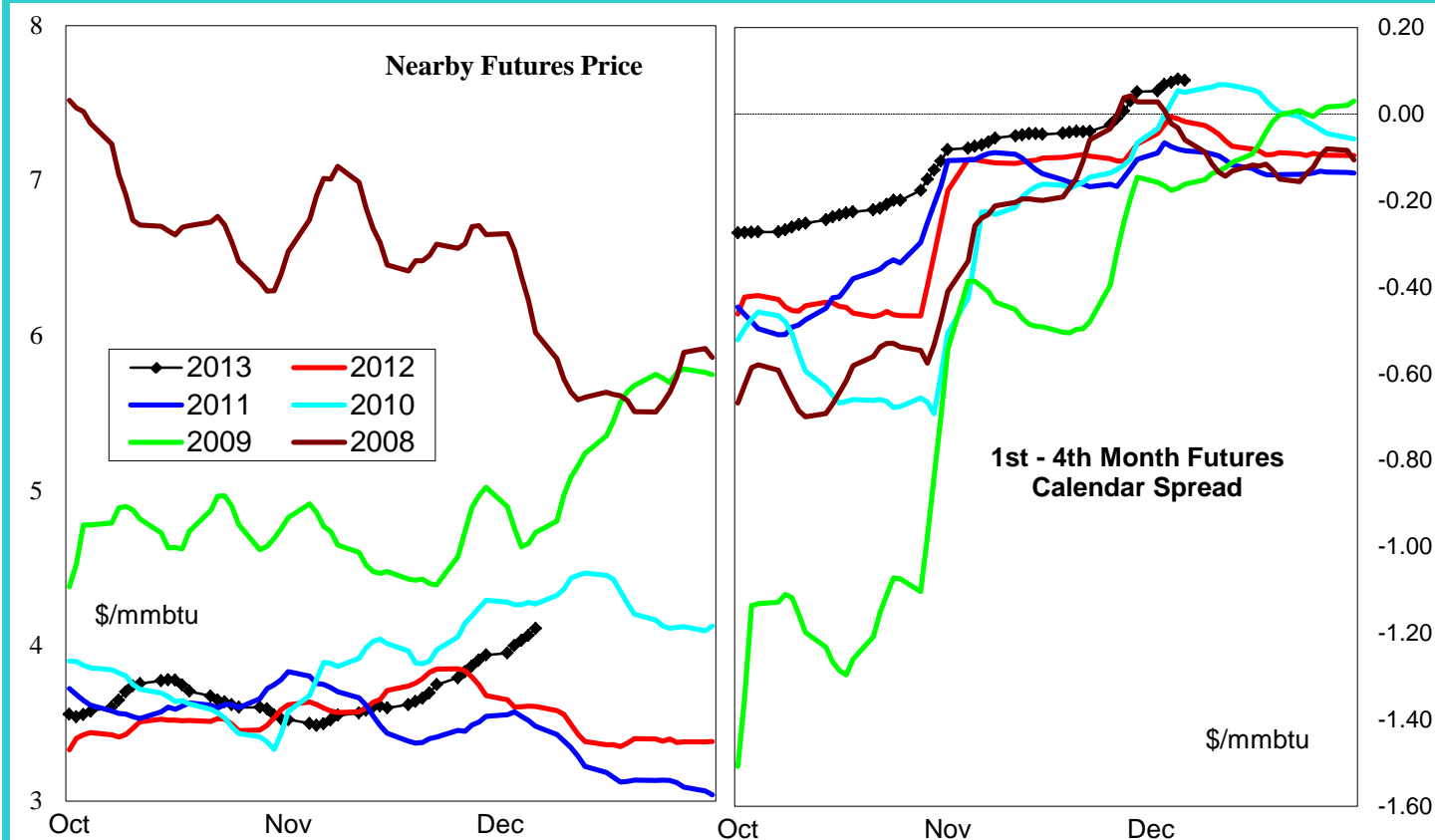
Week ending:	29-Nov-13			15-Jun-13		22-Jun-13		29-Jun-13	
Region	Weekly Stocks			Weekly Heating Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	3,614	-162	-5.2	-14	-45%	-2	-33%	-3	-77%
East	1,861	-78	-6.7	-17	-39%	-2	-18%	-4	-74%
West	530	-16	-2.8	-12	-58%	-2	-55%	-5	-78%
Producing	1,223	-68	-4.1	-4	-100%	0	-100%	0	-100%

### Seasonal Trends in Stocks and Heating Degree Days

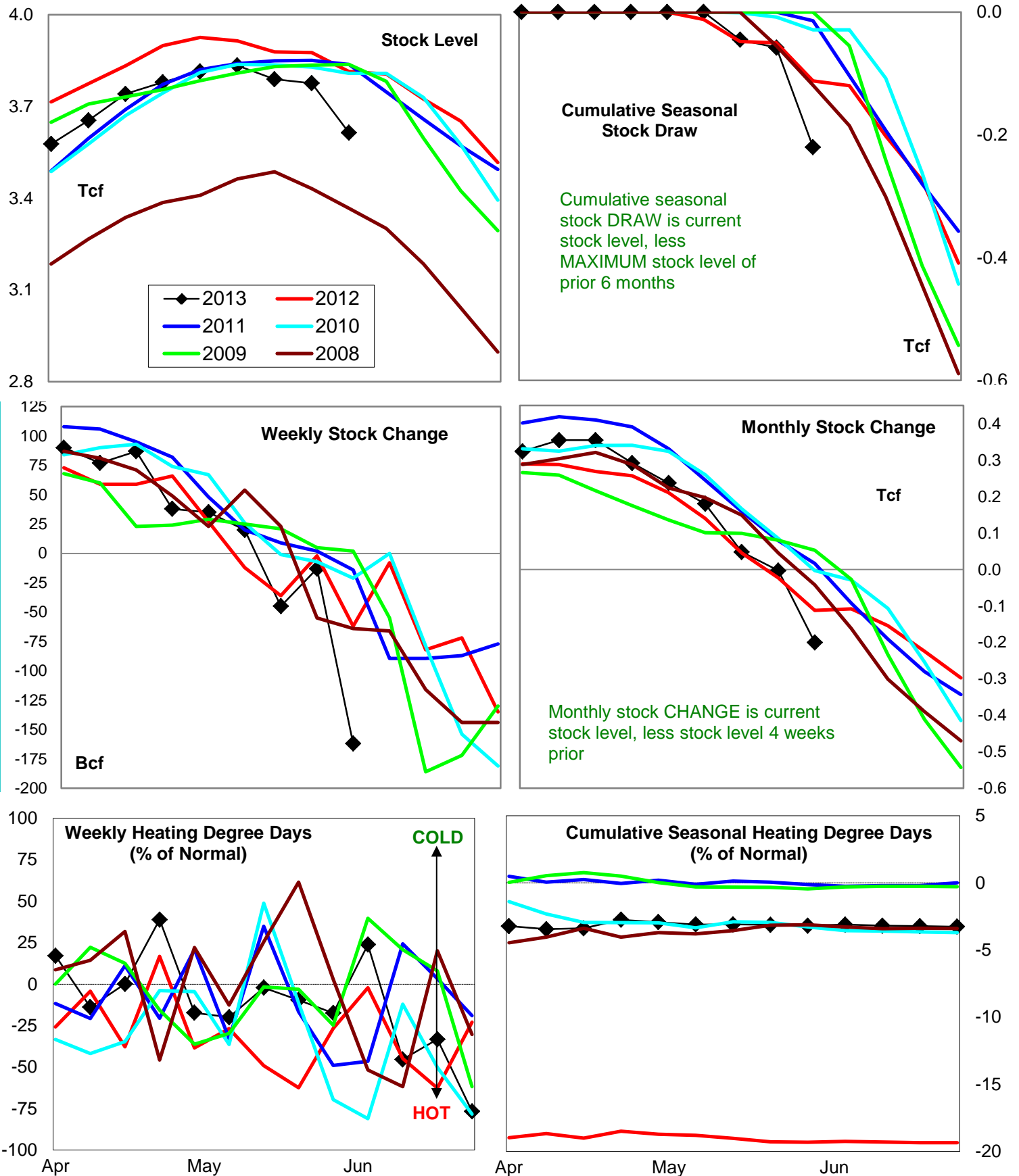
	Cumulative Stock Change			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
<b>U.S. Total</b>	<b>-220</b>	<b>-108</b>	<b>49.1</b>	<b>6</b>	<b>-3.2</b>	<b>4</b>	<b>-3.2</b>	<b>1</b>	<b>-3.3</b>
<b>East</b>	<b>-123</b>	<b>-22</b>	<b>17.9</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>-25</b>	<b>-19</b>	<b>76.0</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>-74</b>	<b>-62</b>	<b>83.8</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:	2-Dec-13	Change vs prior week, month, year		
		26-Nov-13	5-Nov-13	12-Dec-12
<b>1st month Futures</b>	<b>4.11</b>	<b>0.13</b>	<b>0.54</b>	<b>0.79</b>
<b>% change</b>	<b>xxxxx</b>	<b>3.2</b>	<b>15.1</b>	<b>23.9</b>



# United States Natural Gas Stock and Weather Trends



Variance to prior year

Stock Level

Weekly Stock Change

Monthly Stock Change

Cumulative Stock Change

BCF

-200

-100

-88

-108

Percent Change (%)

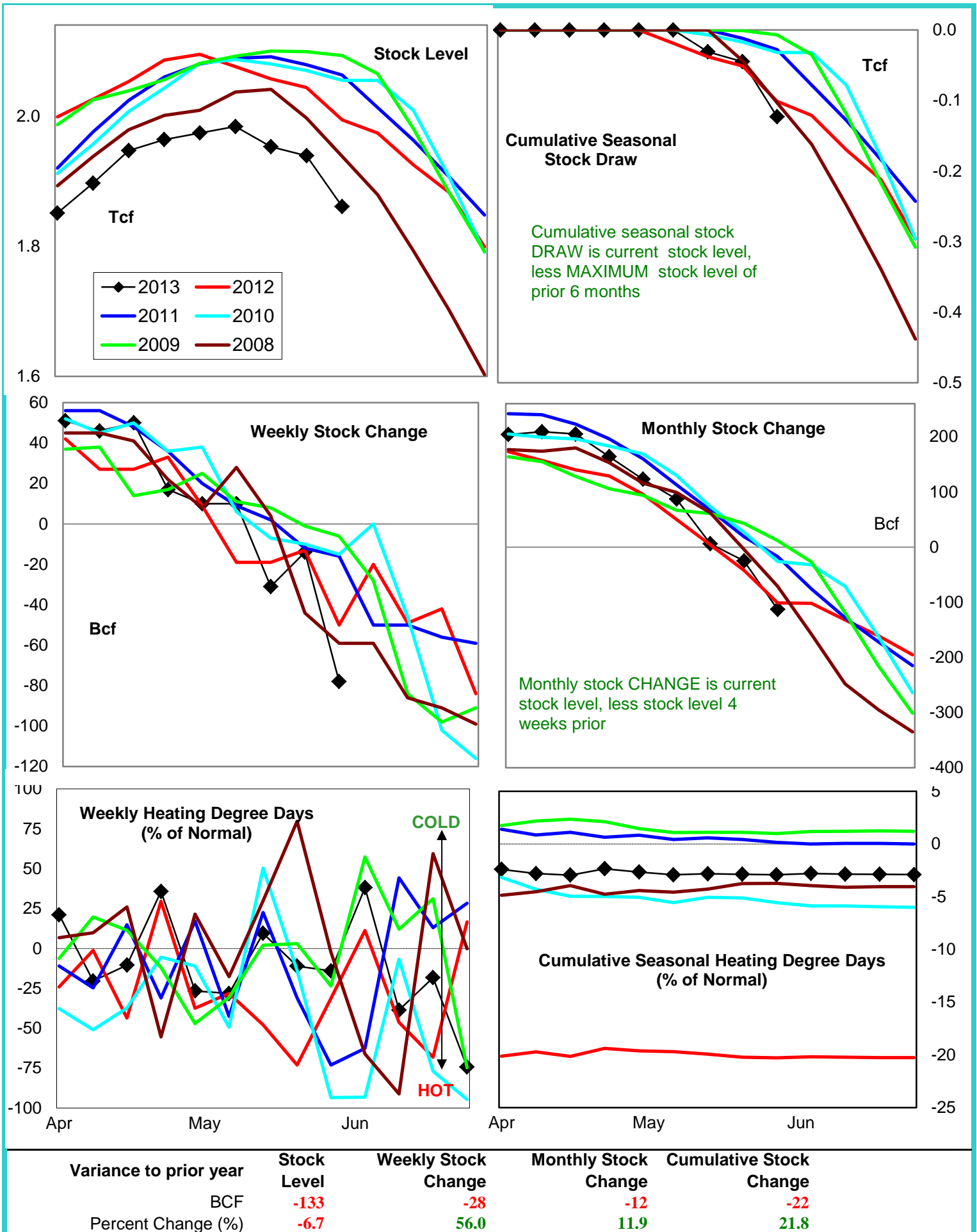
-5.2

161.3

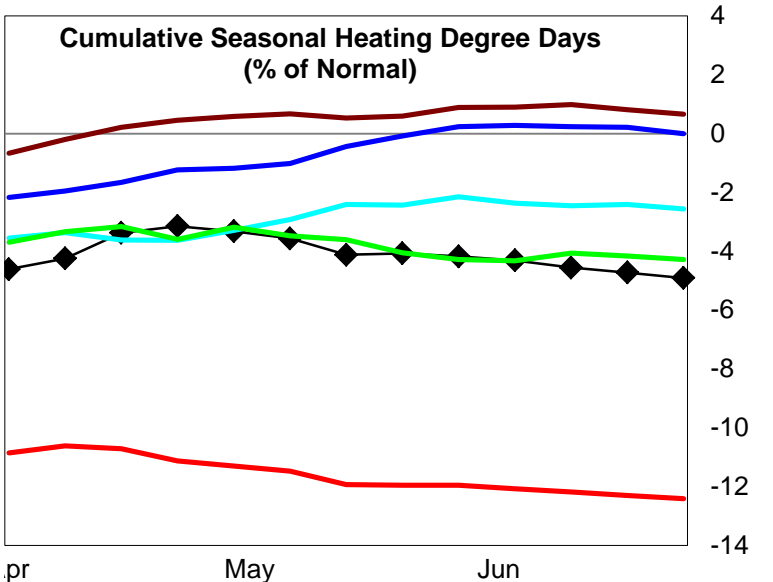
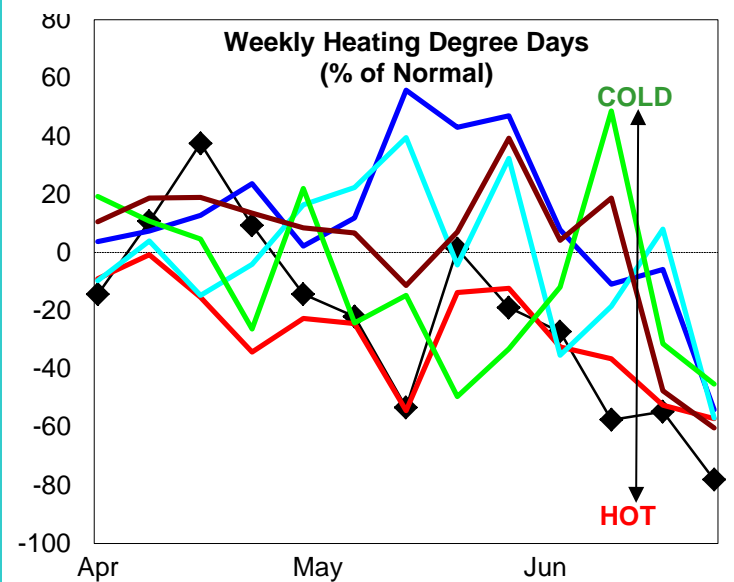
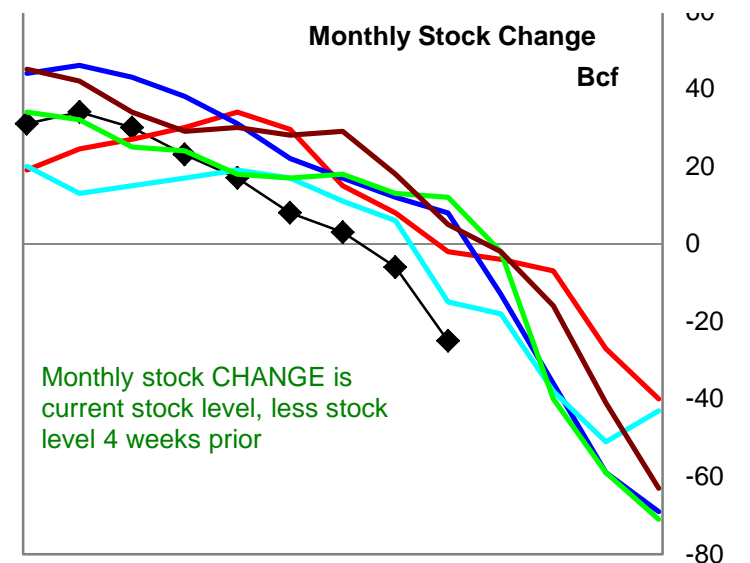
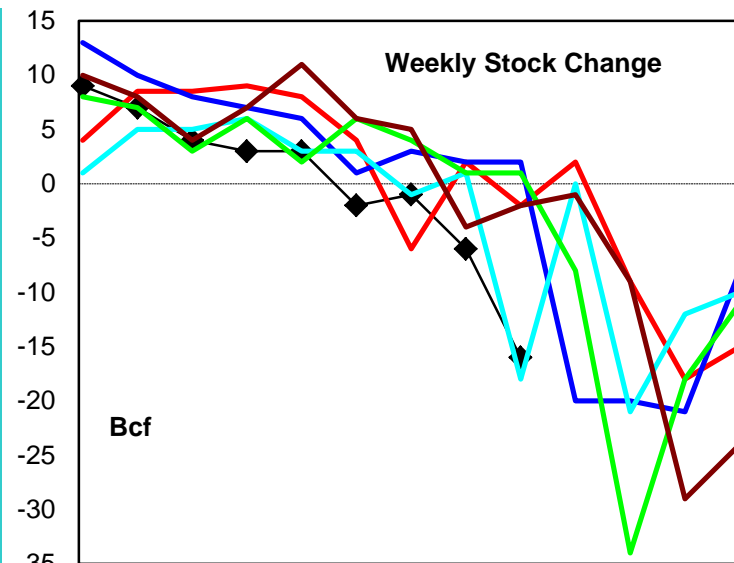
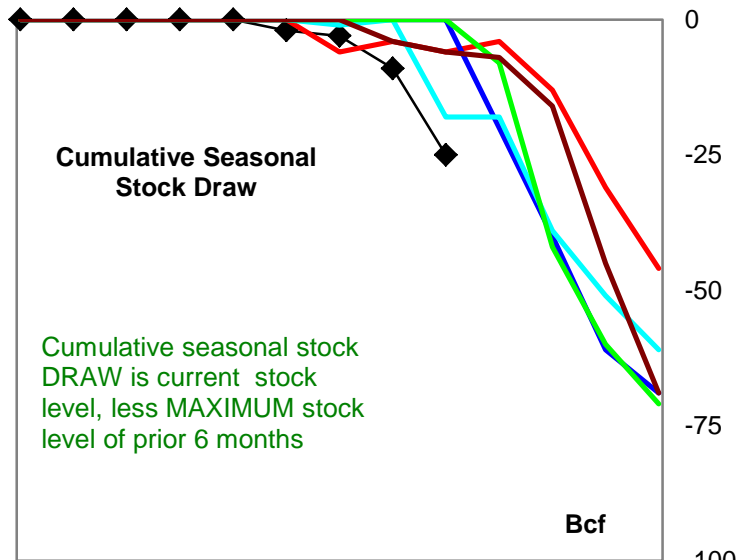
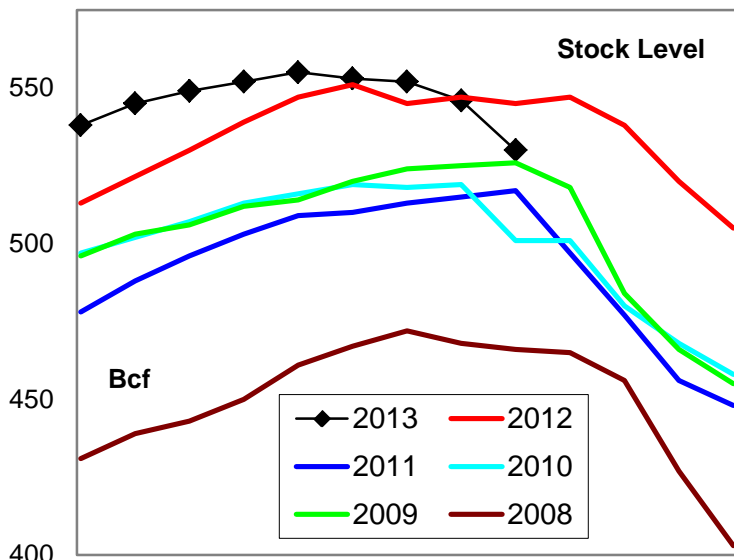
78.6

96.4

# 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

-15

-14

-23

-19

Percent Change (%)

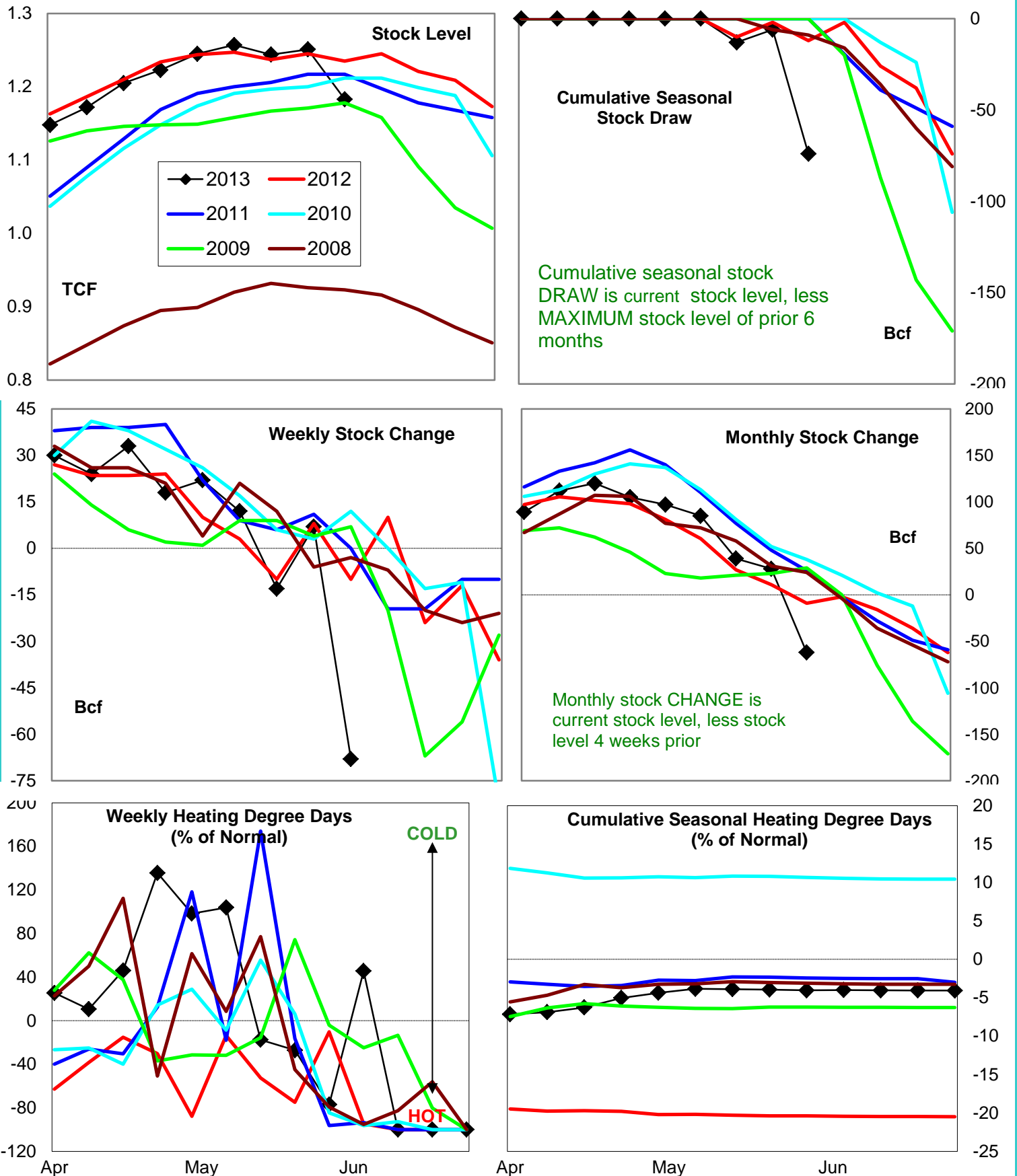
-2.8

700.0

1,150.0

316.7

# Natural Gas Producing Region Stock and Weather Trends



Variance to prior year

Stock Level

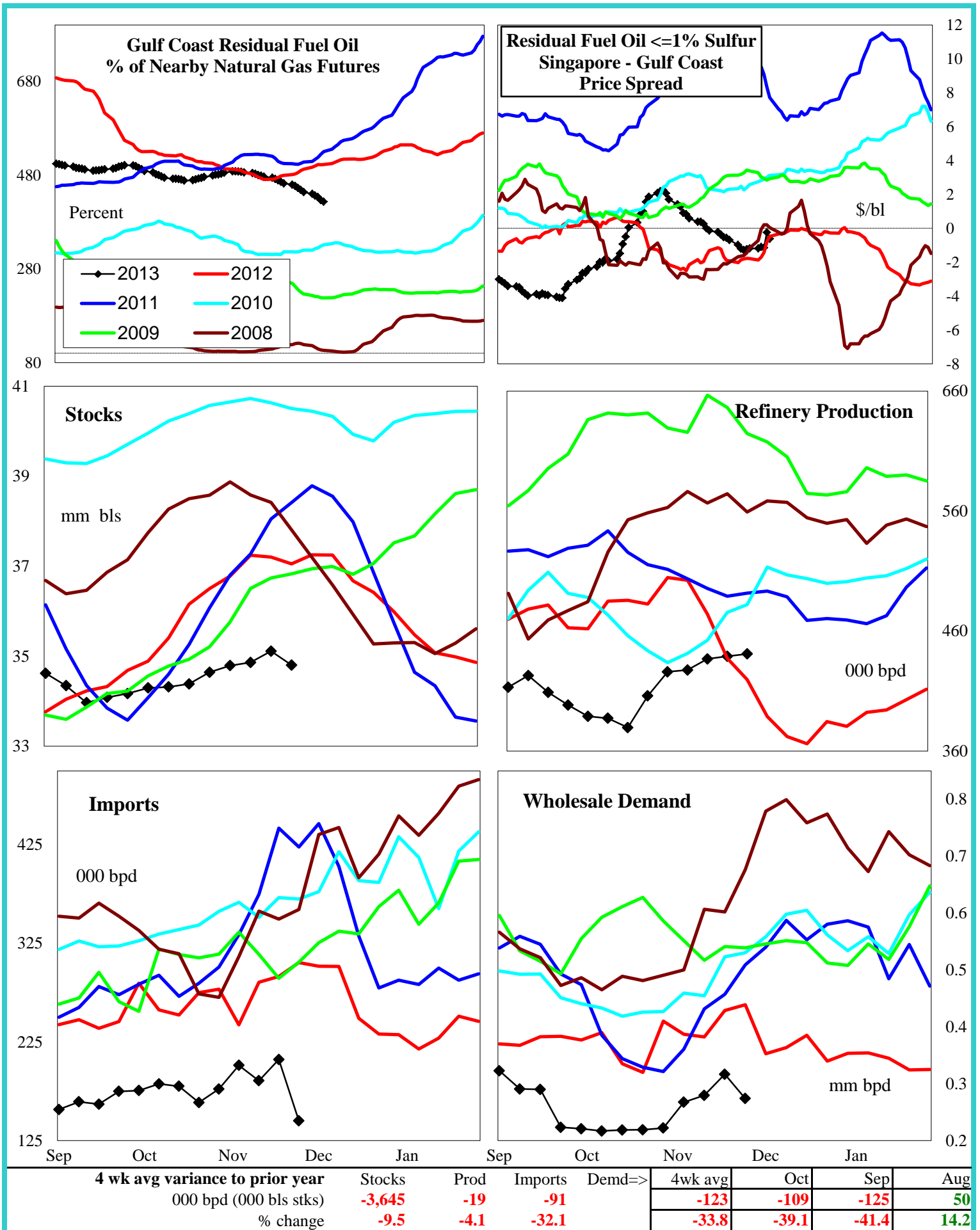
Weekly Stock Change

Monthly Stock Change

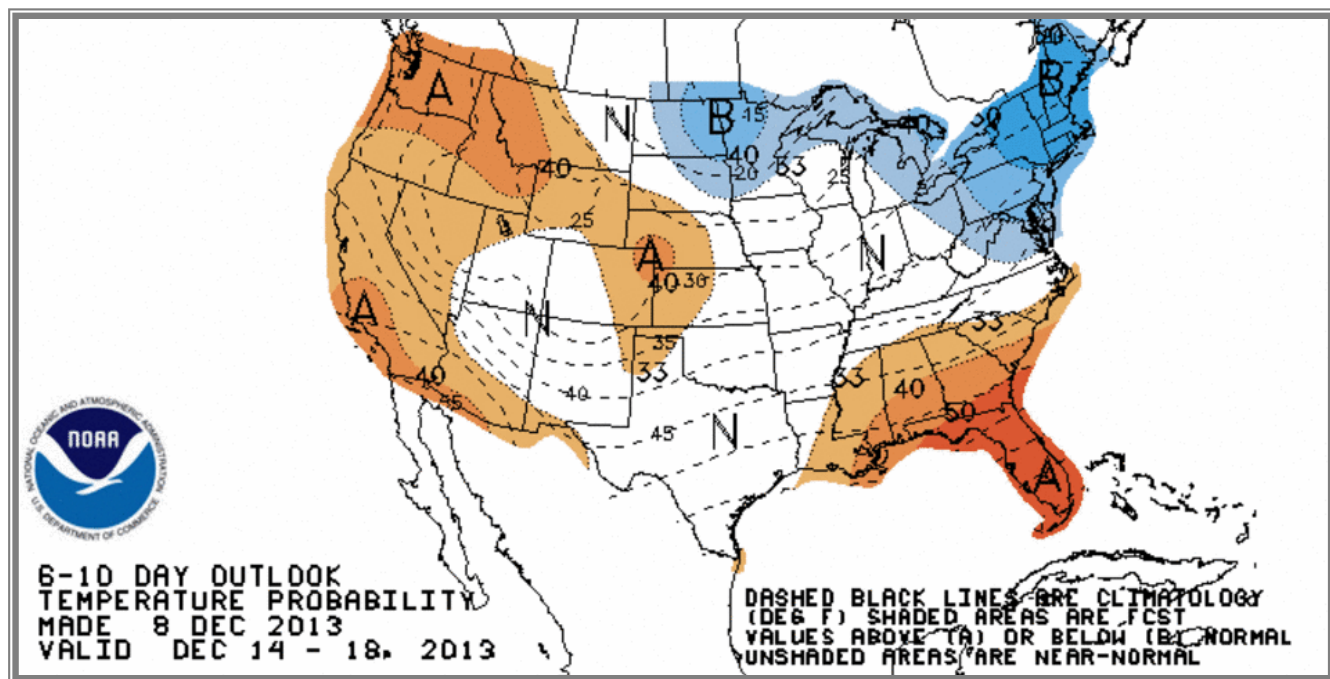
Cumulative Stock Change

BCF  
Percent Change (%)-52  
-4.1-58  
580.0-53  
588.9-62  
516.7

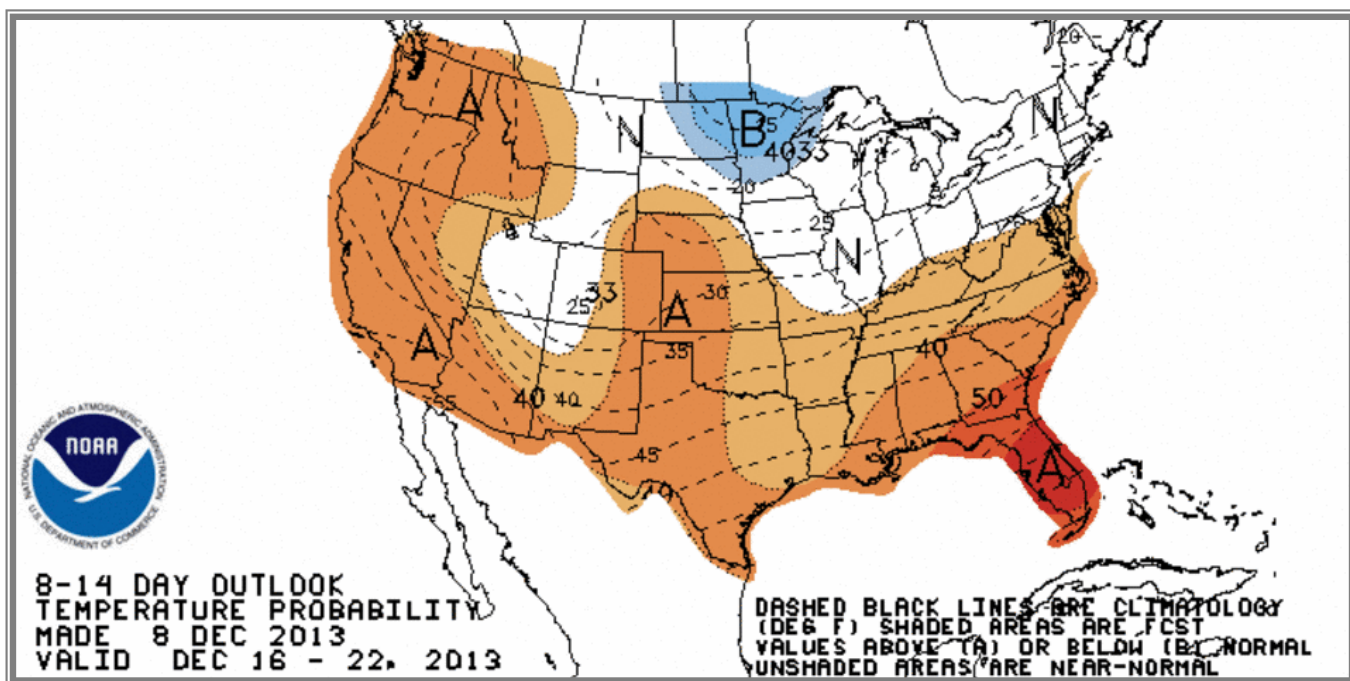
## U.S. Residual Fuel Oil Price Spreads and Supply Balance



## 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

