



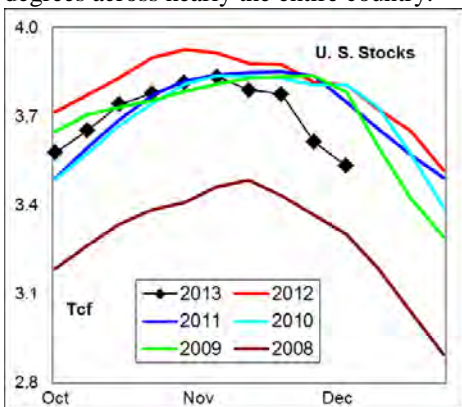
WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

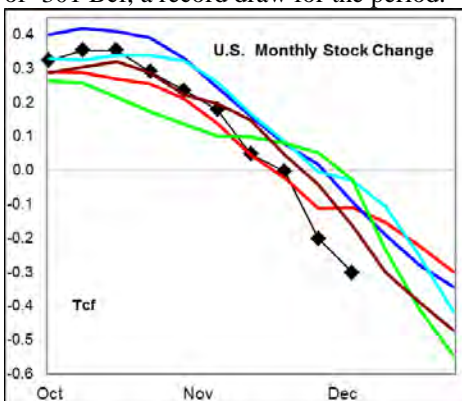
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Sunday, December 15, 2013



Summary¹ The stock draw of -81 Bcf for the week matched the 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 -301 Bcf, a record draw for the period.



In the East Region stocks decreased -46 Bcf for the week, a draw near the 5-yr mid range for the period. Stocks decreased -26 Bcf in the West Region, a record draw for the week. Stocks fell -9 Bcf on the week in the Producing region, a draw which matched the historic mid range for the period.

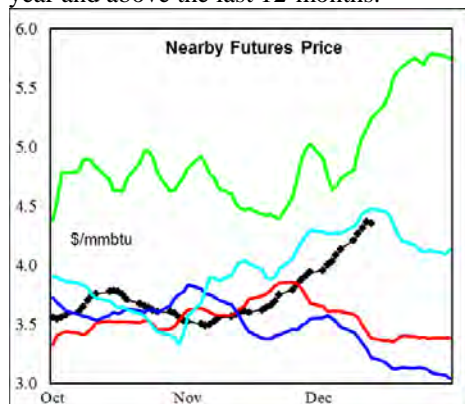
Heating degree days were extremely high across nearly the entire country last week.

The 6-10 day NWS forecast for the week ending 25Dec13 is below normal heating degree days across central 1/4th of the country and well below normal heating degrees in the eastern 1/4th of the country.

The 8-14 day NWS forecast for the

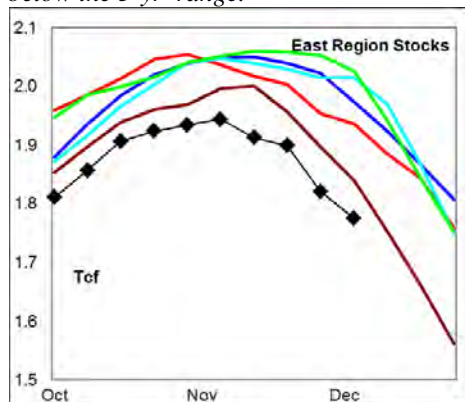
week ending 29Dec13 is for below normal heating degree days around the Great Lakes region and near normal elsewhere.

Prices: Nearby gas futures increased +\$0.246/MMBTU for the week ending 13Dec13. The current price level ended the week near 3-yr highs for this time of year and above the last 12-months.



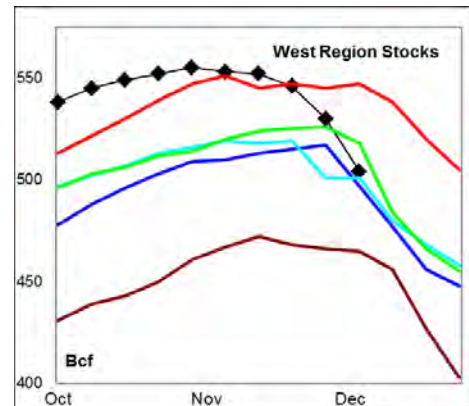
The 1st - 4th month forward price curve trended higher last week ending in an inversion on strong prompt demand.

East Region stocks decreased -46 Bcf for the week, a draw near the 5-yr mid range for the period. *The current stock level is -8% below last years' record high; and below the 5-yr range.*

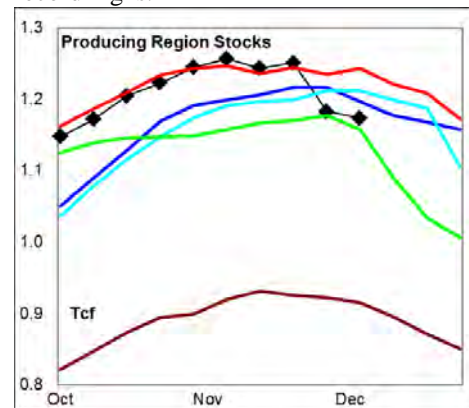


Heating degree days are forecast well below normal during the next 10-days.

West Region stocks decreased -26 Bcf last week, a record draw for the period. Stock levels ended the week -8% below last years' record high. Heating degree days are forecast to be near normal for the next 10-days.



Producing Region stocks fell -9 Bcf for the week, a draw which matched the historic mid range for the period. Stock levels ended the week -5.4% below last years' record highs.



Near 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 are forecast to return to near normal next week in key heating markets, with a warming trend in the east through month end.

Natural gas stock levels have dropped sharply in the last 3-wks to a level -7% 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.

Look for near normal stock draws, after the week ended 13Dec13 the balance of the month. Current warming trends risk 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: December 15, 2013

For the week ending: 6-Dec-13

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

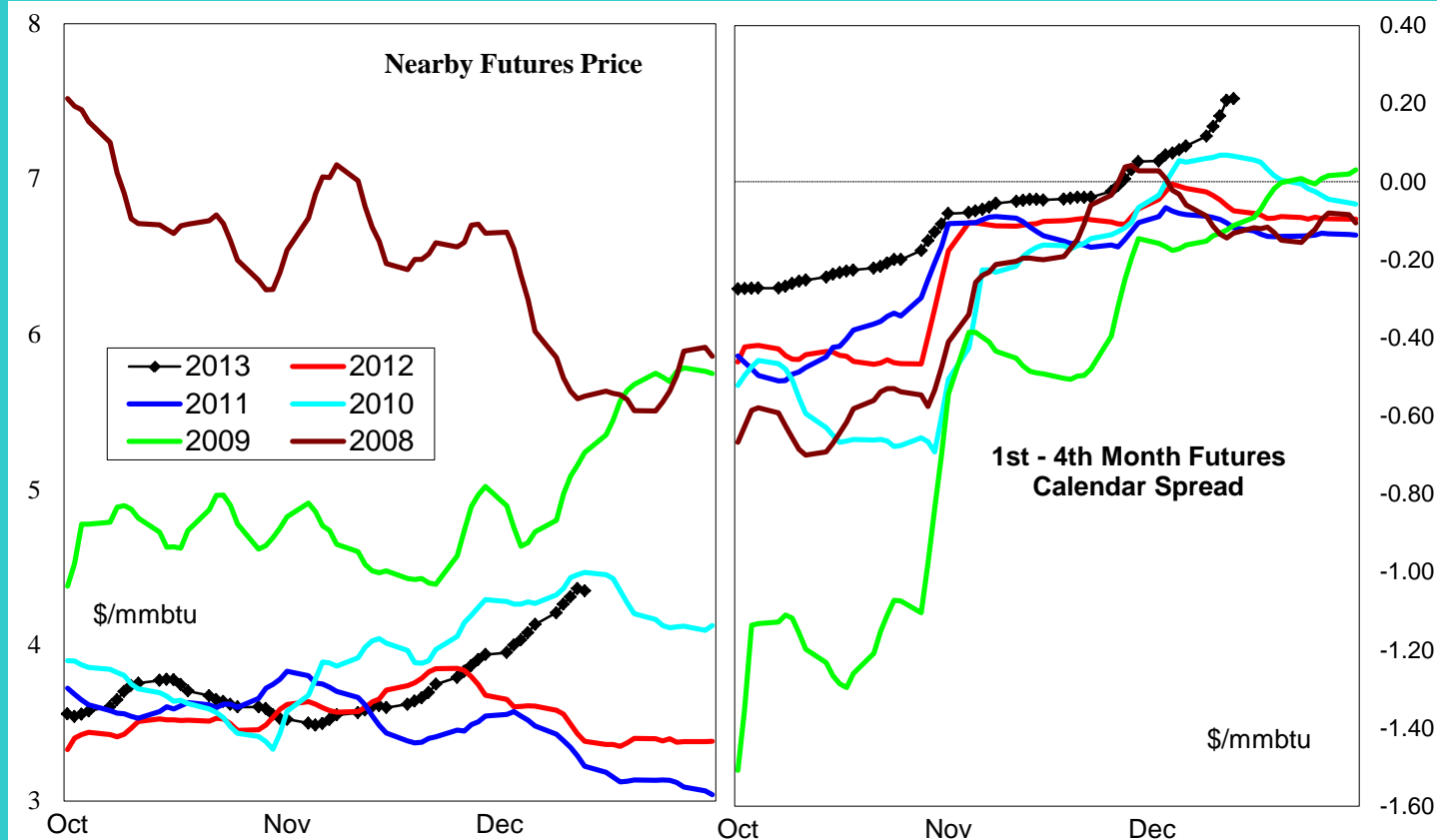
Week ending:	6-Dec-13			15-Jun-13		22-Jun-13		29-Jun-13	
Region	Weekly Stocks			Weekly Heating Degree Days					
		Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
	Bcf	Week Bcf	Year (%)						
U.S. Total	3,533	-81	-7.2	-14	-45%	-2	-33%	-3	-77%
East	1,815	-46	-8.1	-17	-39%	-2	-18%	-4	-74%
West	504	-26	-7.9	-12	-58%	-2	-55%	-5	-78%
Producing	1,214	-9	-5.4	-4	-100%	0	-100%	0	-100%

Seasonal Trends in Stocks and Heating Degree Days

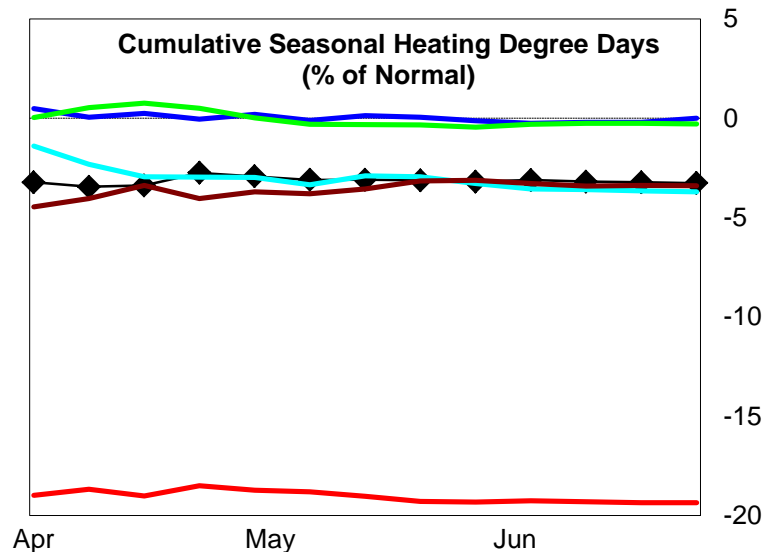
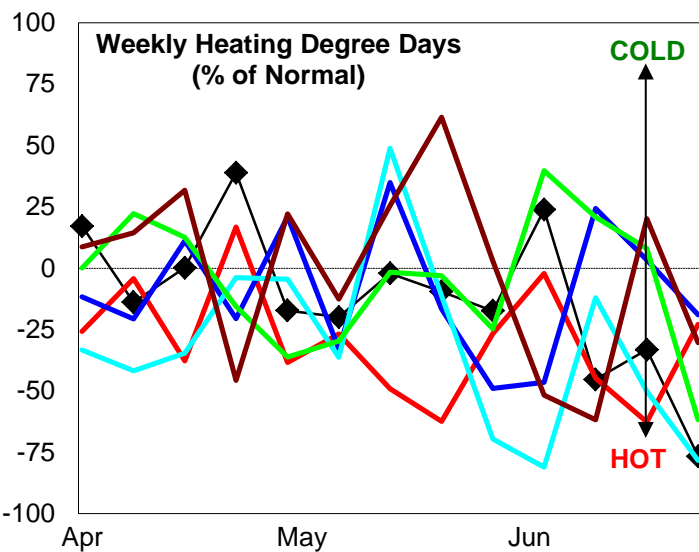
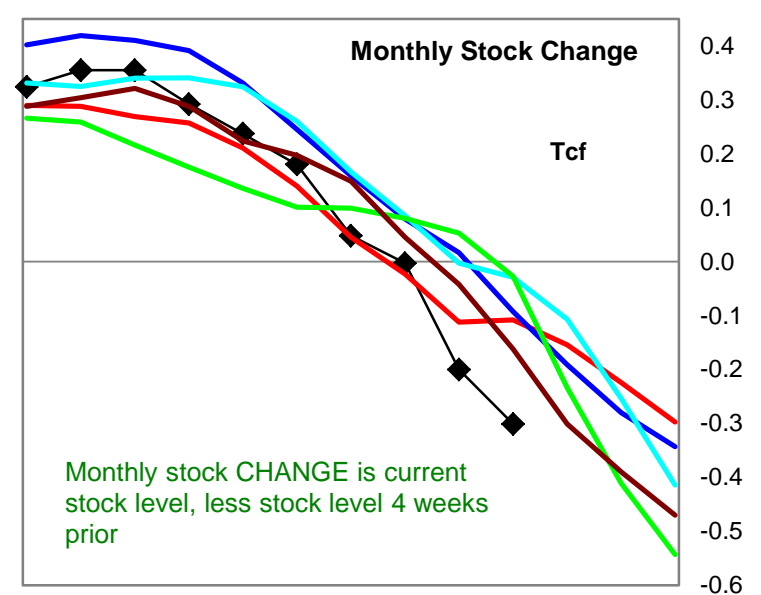
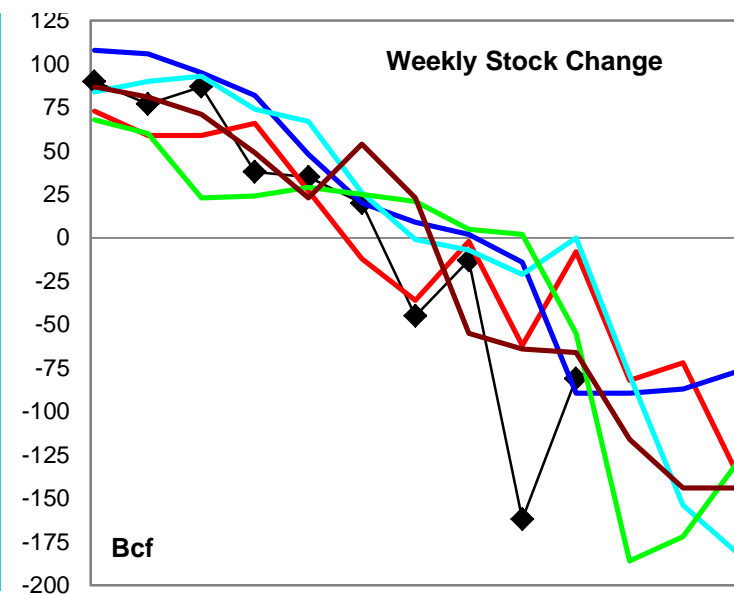
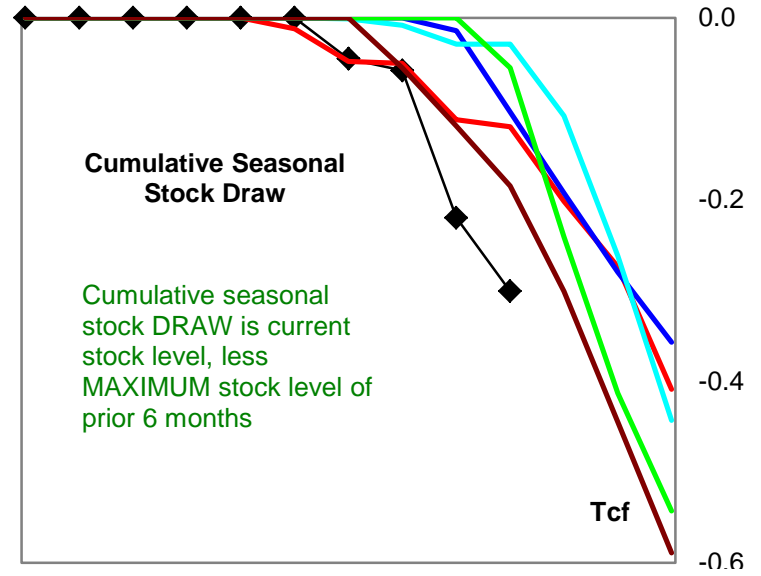
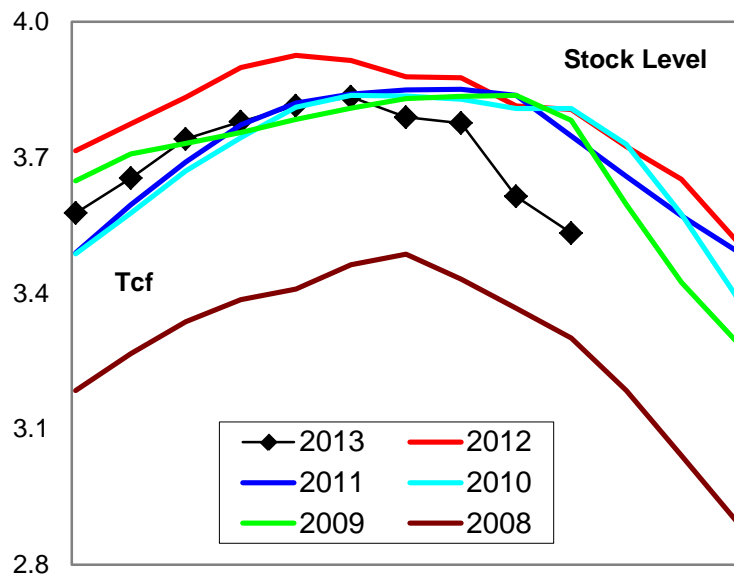
	Cumulative Stock Change			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
U.S. Total	-301	-181	60.1	6	-3.2	4	-3.2	1	-3.3
East	-169	-50	29.6	6	-2.9	4	-2.9	1	-2.9
West	-51	-47	92.2	10	-4.6	8	-4.7	3	-4.9
Producing	-83	-79	95.2	0	-4.0	0	-4.1	0	-4.1

Futures Market Price Trends

Date:	13-Dec-13	Change vs prior week, month, year		
		6-Dec-13	15-Nov-13	24-Dec-12
1st month Futures	4.35	0.12	0.73	0.96
% change	xxxxx	2.8	20.3	28.3



United States Natural Gas Stock and Weather Trends



Variance to prior year

Stock Level

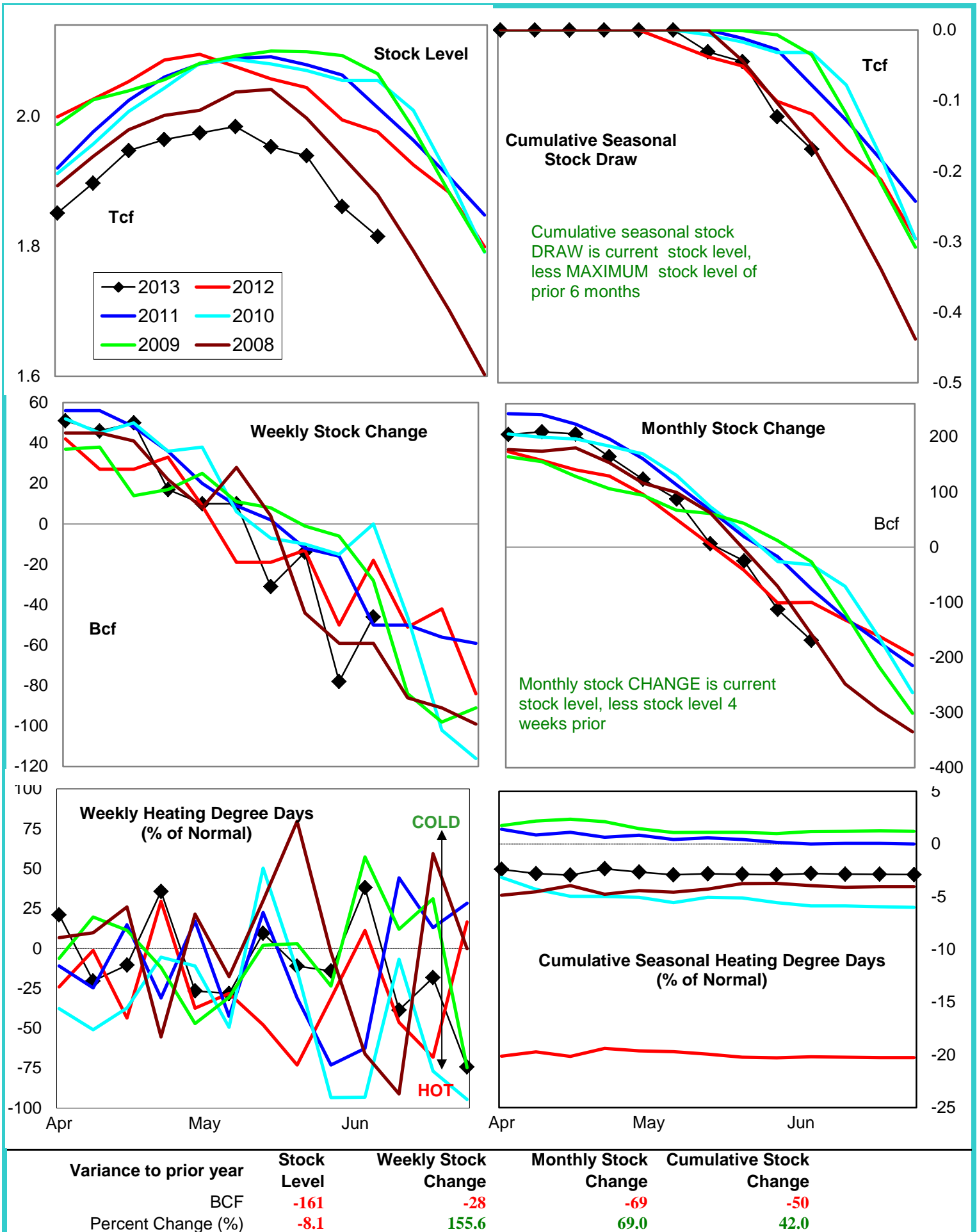
Weekly Stock Change

Monthly Stock Change

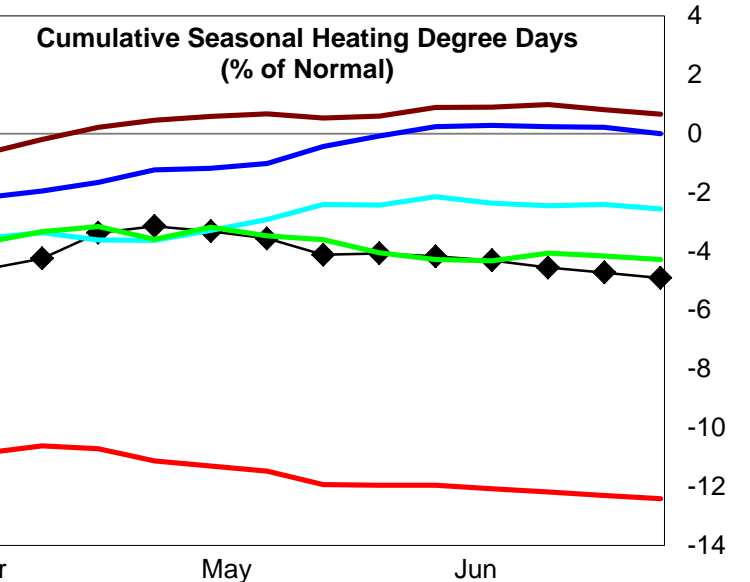
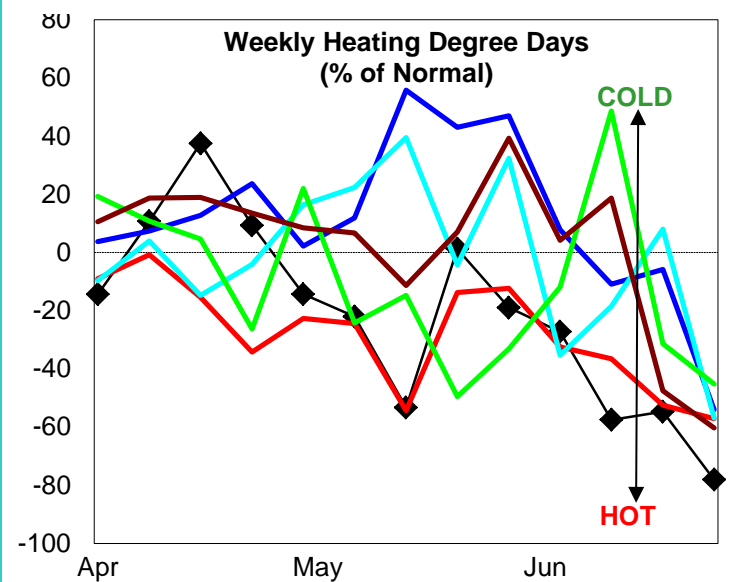
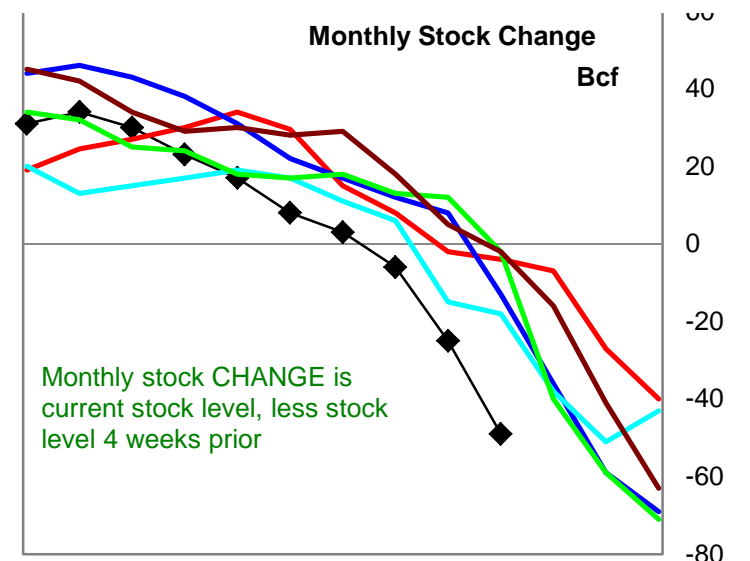
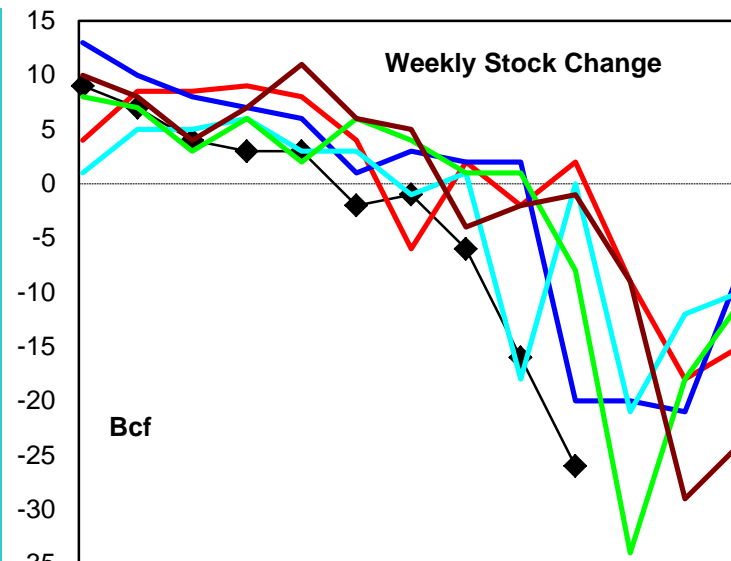
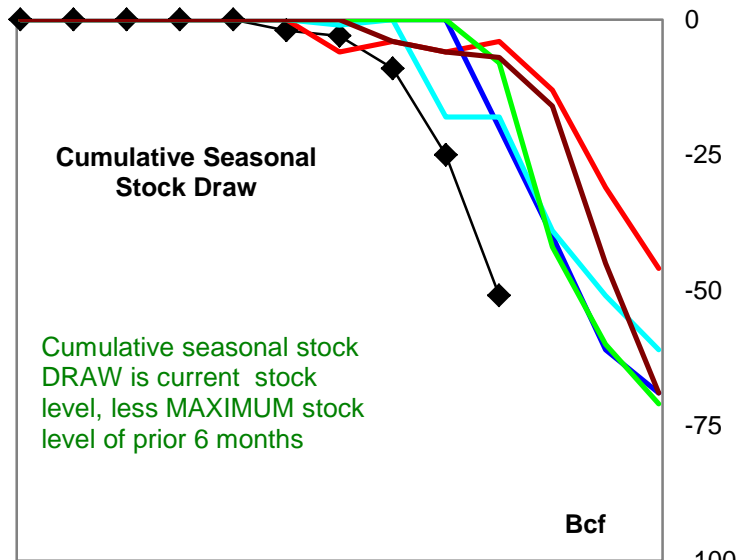
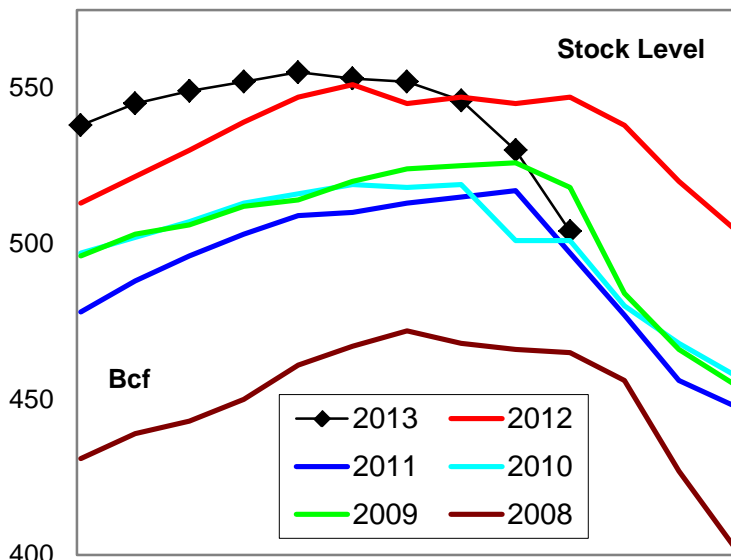
Cumulative Stock Change

BCF
Percent Change (%)-273
-7.2-73
912.5-193
178.7-181
150.8

Natural Gas East Region Stock and Weather Trends



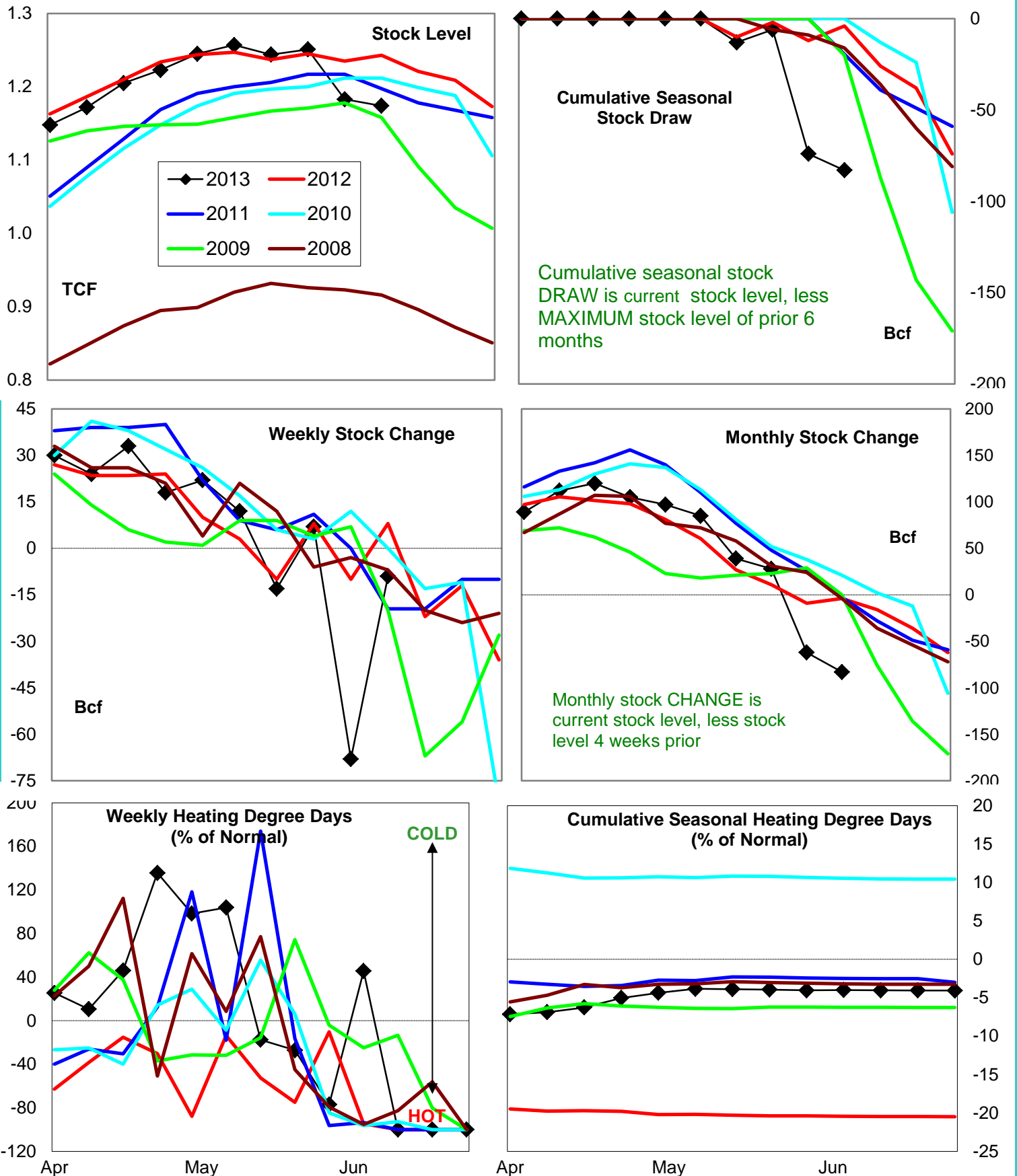
Natural Gas West Region Stock and Weather Trends



Variance to prior year

Stock
LevelWeekly Stock
ChangeMonthly Stock
ChangeCumulative Stock
ChangeBCF
Percent Change (%)-43
-7.9-28
-1,400.0-45
1,125.0-47
1,175.0

Natural Gas Producing Region Stock and Weather Trends



Variance to prior year

Stock Level

Weekly Stock Change

Monthly Stock Change

Cumulative Stock Change

BCF

-69

-17

-79

-79

Percent Change (%)

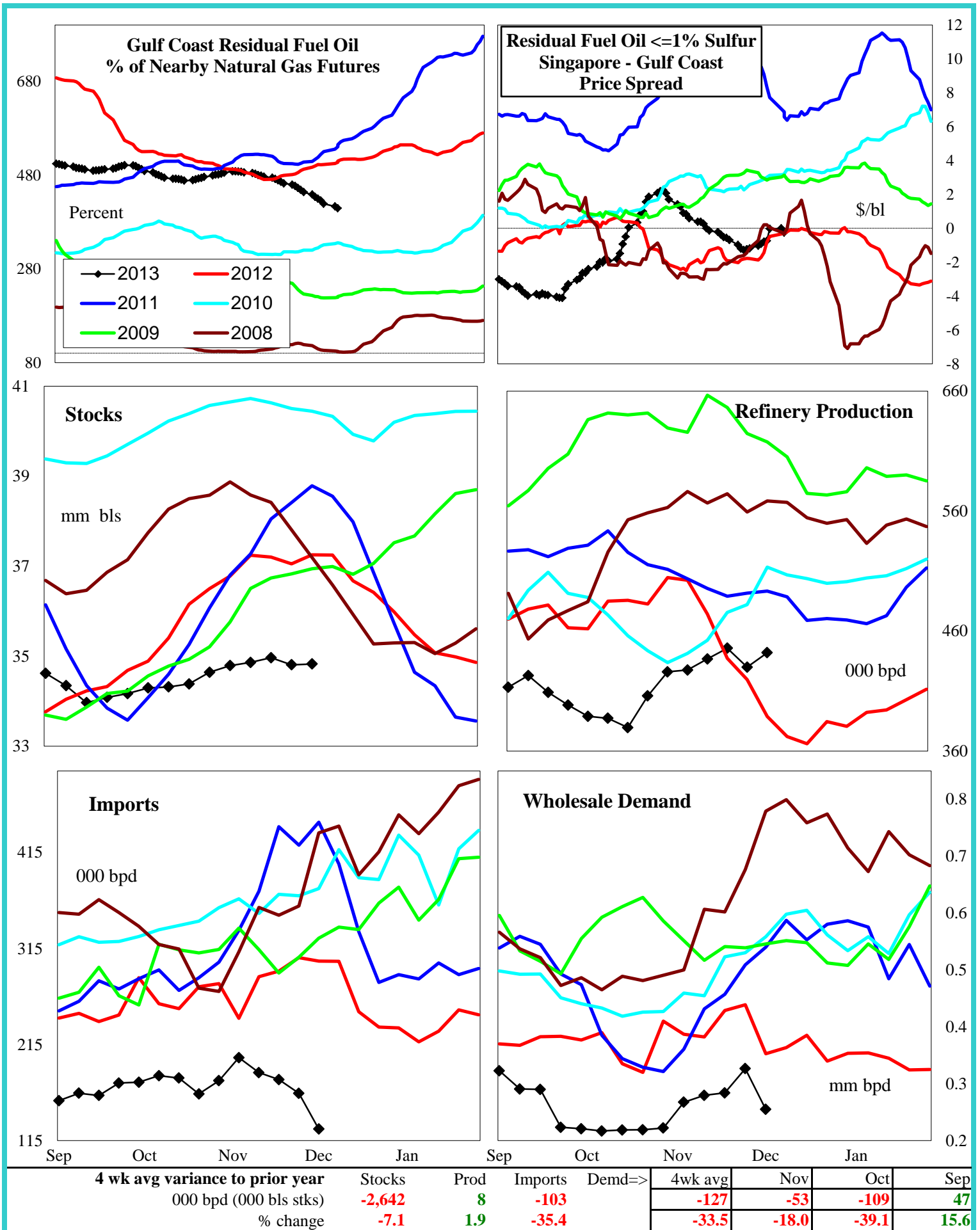
-5.4

-212.5

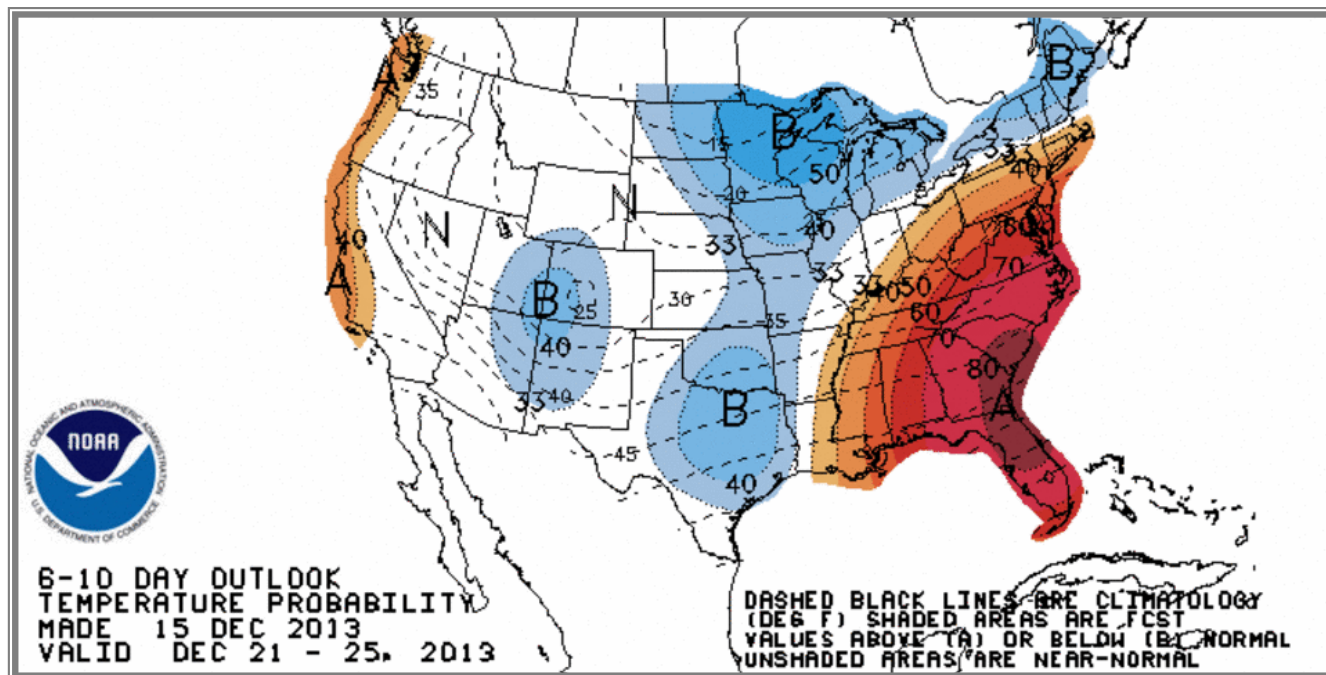
1,975.0

1,975.0

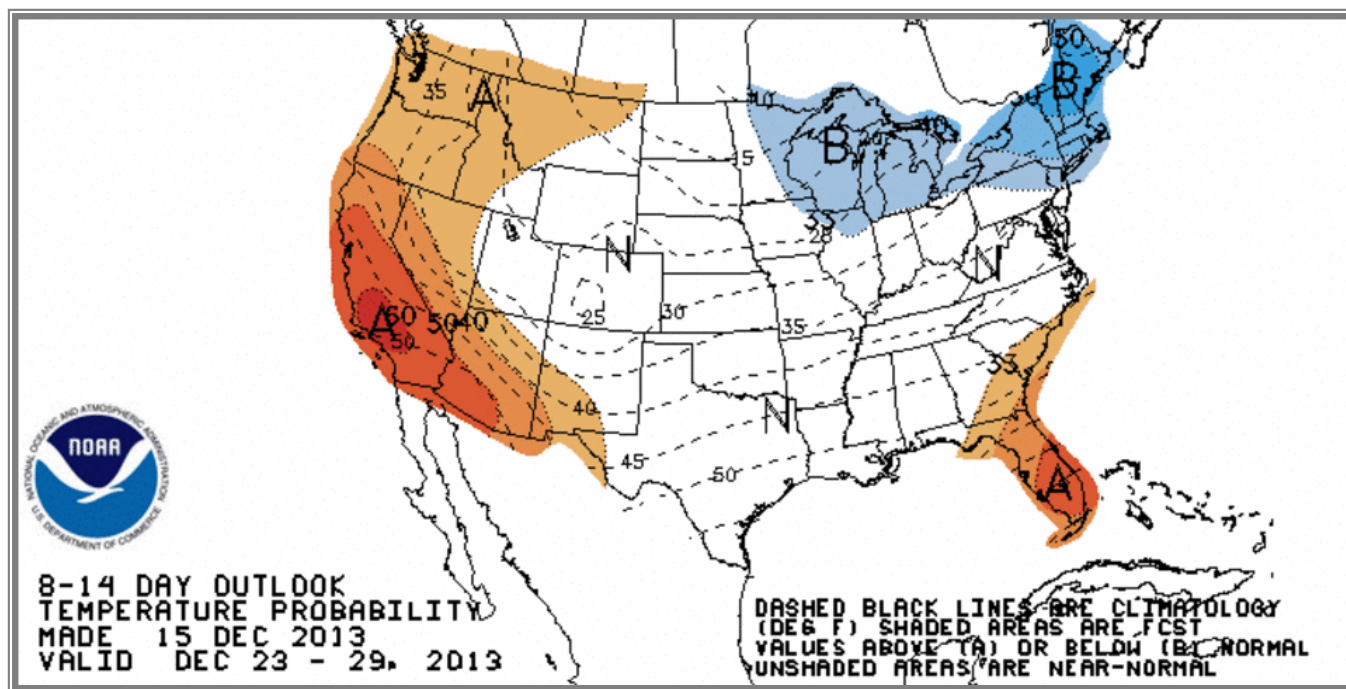
U.S. Residual Fuel Oil Price Spreads and Supply Balance



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

