



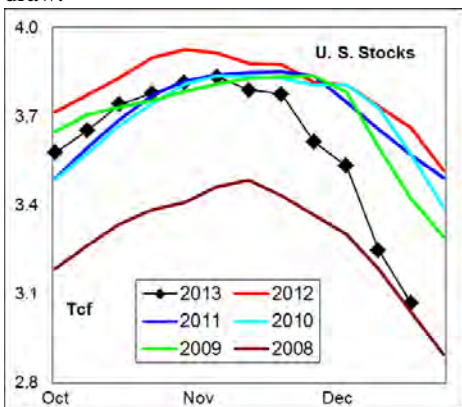
# WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

## A Fundamental Petroleum Trends Weekly Report

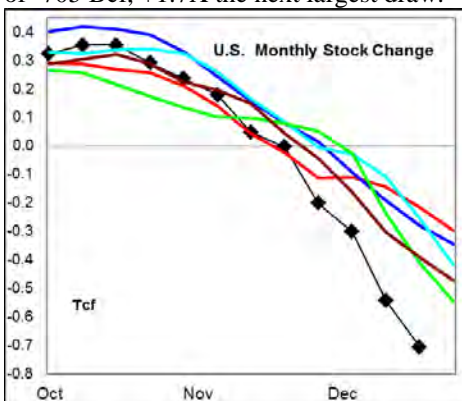
Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Monday, December 30, 2013



**Summary**<sup>1</sup> The stock draw of -177 Bcf for the week was a record draw for the period, the 4<sup>th</sup> consecutive extremely large draw.



The latest 4-wk stock change was a draw of -705 Bcf, +1.7X the next largest draw.



In the East Region stocks decreased -115 Bcf for the week, a record draw for the period. Stocks decreased -21 Bcf in the West Region, a draw equal to the 5-yr mid range. Stocks decreased -41 Bcf on the week in the Producing region, a draw larger than each of the last 3-yrs.

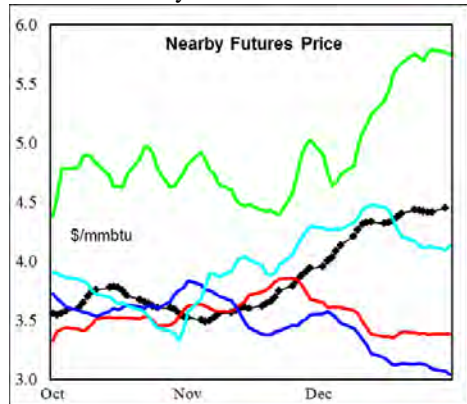
**Heating degree days** were well above normal across the eastern 2/3rds of the country last week.

The 6-10 day NWS forecast for the week ending 08Jan14 is for much above normal heating degree days across north and eastern 3/4ths of the country.

The 8-14 day NWS forecast for the week ending 12Jan14 is for above normal

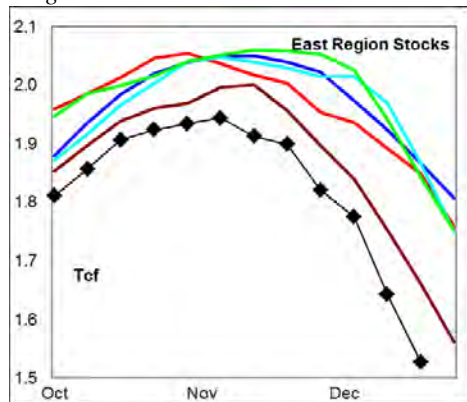
heating degree days in the central 1/2 of the country.

**Prices:** Nearby gas futures were unchanged for the week ending 30Dec13. The current price level ended the week at a 3-yr high for this time of year.



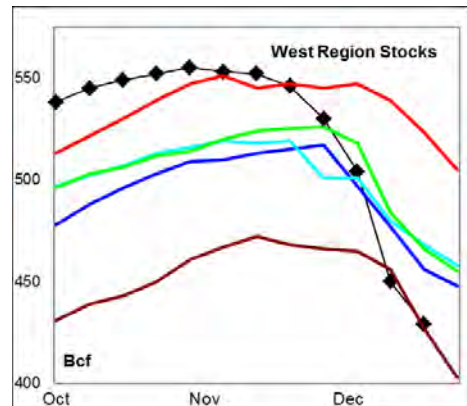
The 1<sup>st</sup> - 4<sup>th</sup> month forward price curve traded sideways last week ending in a record inversion for this time of year on exceptionally high prompt demand.

**East Region** stocks decreased -115 Bcf for the week, a record draw for the period. The current stock level is -17% below last years' record high; and below the 5-yr range.

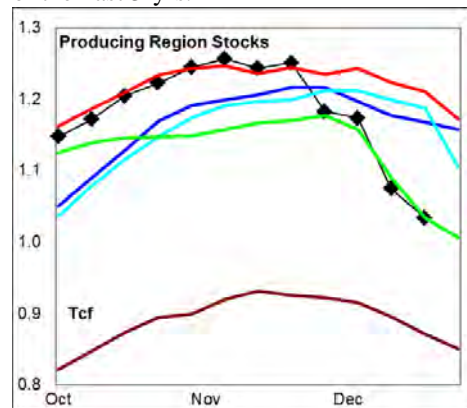


Heating degree days are forecast well above normal during the next 10-days.

**West Region** stocks decreased -21 Bcf last week, a draw equal to the 5-yr mid range. Stock levels ended the week -18% below last years' record high, and equal to 5-yr lows. Heating degree days are forecast to be well below normal for the next 10-days.



**Producing Region** stocks declined -41 Bcf for the week, a draw larger than each of the last 3-yrs. Stock levels ended the week -14% below last year and well below each of the last 3-yrs.



Above 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 -33% below last year.

**Outlook:** The seasonal stock draw of nearly 800 Bcf is +2X the average of the last 3-yrs and a record for the 4<sup>th</sup> quarter. Stock levels now match 5-yr lows set in 2008. Widespread snowpack risk continued above normal heating degree days beyond the current 10-day forecast.

Look for much above normal stock draws, over the next 2-wks to provide continued price strength.

### <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: December 30, 2013

For the week ending: 20-Dec-13

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

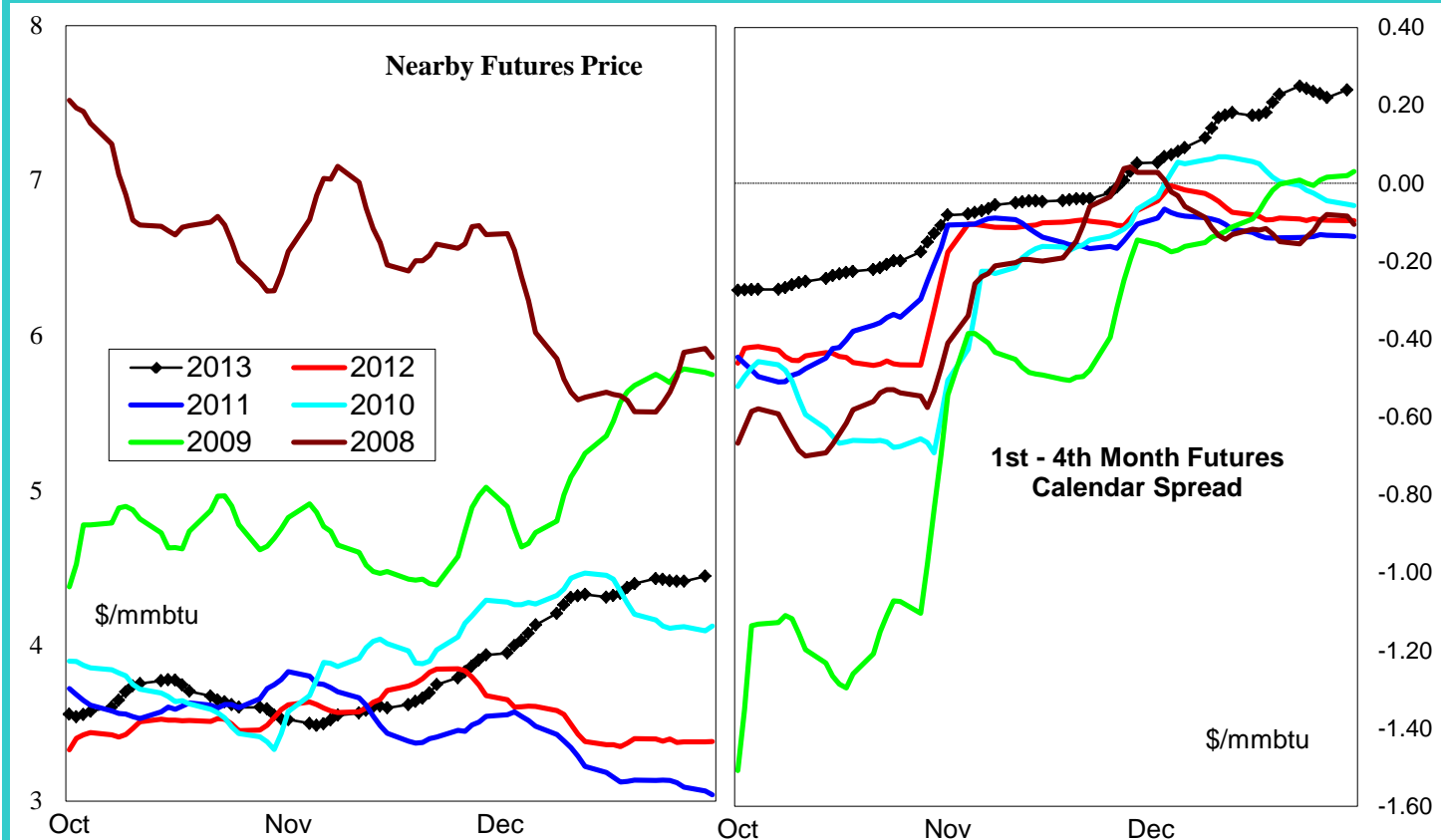
Week ending:	20-Dec-13			15-Jun-13		22-Jun-13		29-Jun-13	
Region	Weekly Stocks			Weekly Heating Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	3,071	-177	-16.1	-14	-45%	-2	-33%	-3	-77%
East	1,568	-115	-17.0	-17	-39%	-2	-18%	-4	-74%
West	429	-21	-18.0	-12	-58%	-2	-55%	-5	-78%
Producing	1,074	-41	-14.1	-4	-100%	0	-100%	0	-100%

### Seasonal Trends in Stocks and Heating Degree Days

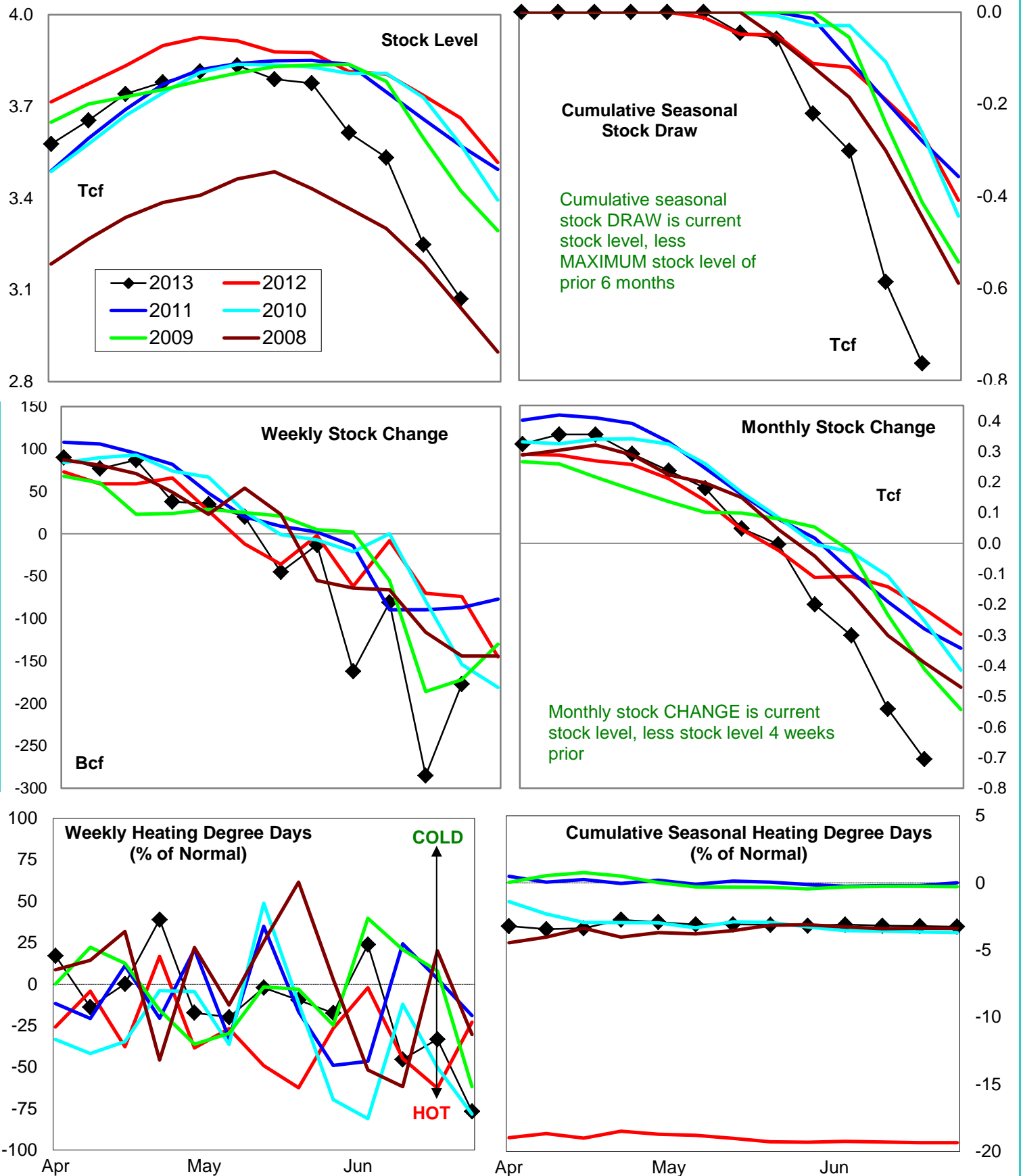
	Cumulative Stock Change			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
<b>U.S. Total</b>	<b>-763</b>	<b>-499</b>	<b>65.4</b>	<b>6</b>	<b>-3.2</b>	<b>4</b>	<b>-3.2</b>	<b>1</b>	<b>-3.3</b>
<b>East</b>	<b>-416</b>	<b>-210</b>	<b>50.5</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>-126</b>	<b>-98</b>	<b>77.8</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>-223</b>	<b>-187</b>	<b>83.9</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:	30-Dec-13	Change vs prior week, month, year		
		24-Dec-13	2-Dec-13	8-Jan-13
<b>1st month Futures</b>	<b>4.45</b>	<b>0.03</b>	<b>0.47</b>	<b>1.26</b>
<b>% change</b>	<b>xxxxx</b>	<b>0.8</b>	<b>11.9</b>	<b>39.4</b>



# United States Natural Gas Stock and Weather Trends



Variance to prior year

Stock  
LevelWeekly Stock  
ChangeMonthly Stock  
ChangeCumulative Stock  
Change

BCF

-591

-103

-491

-499

Percent Change (%)

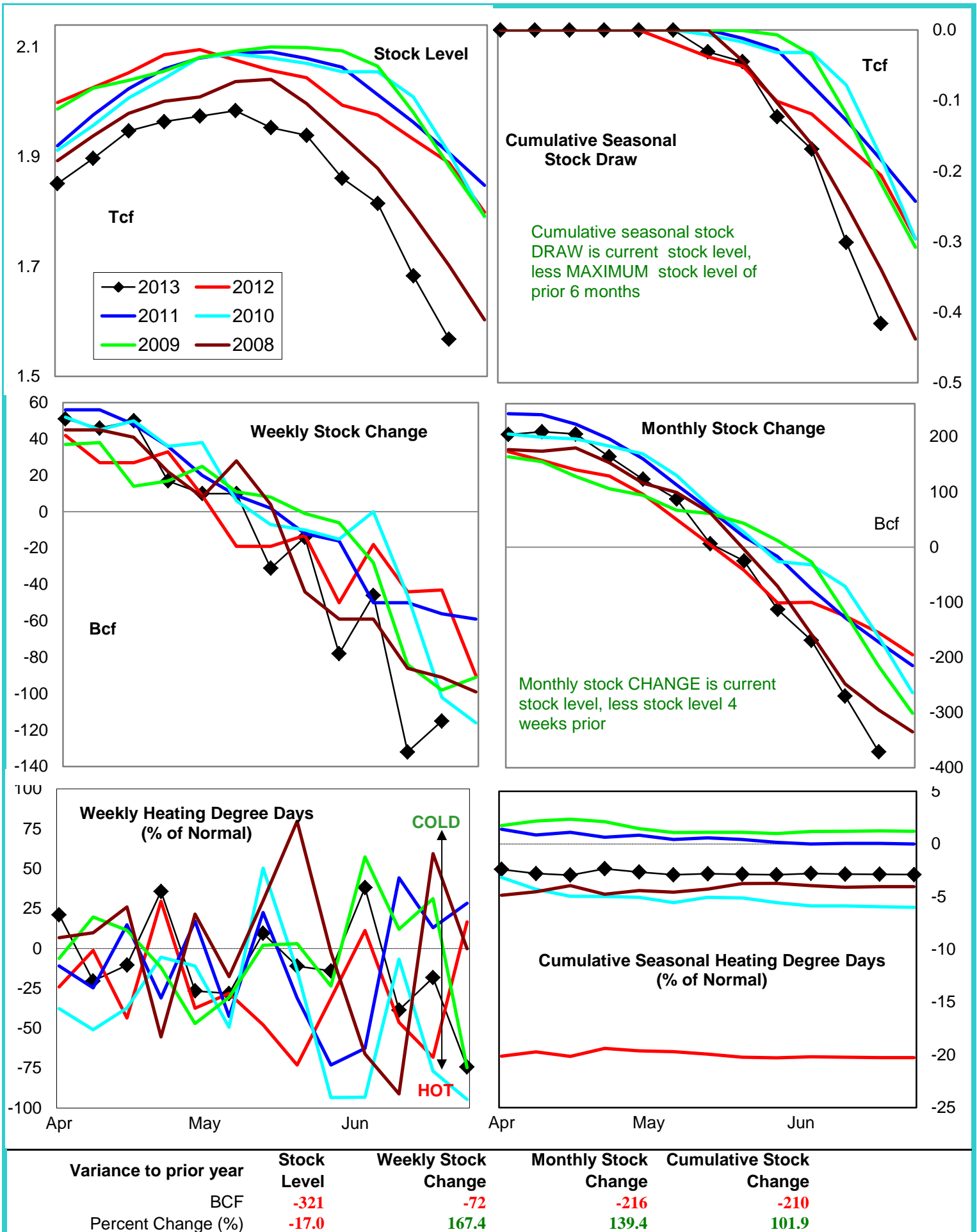
-16.1

139.2

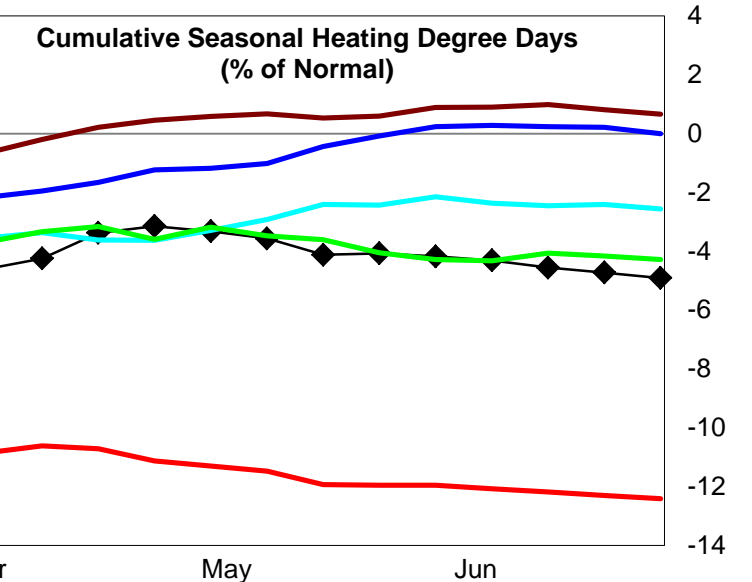
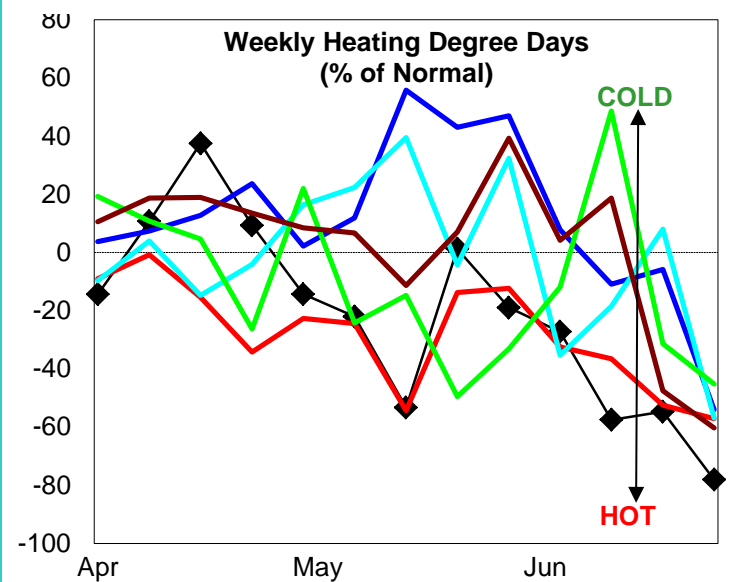
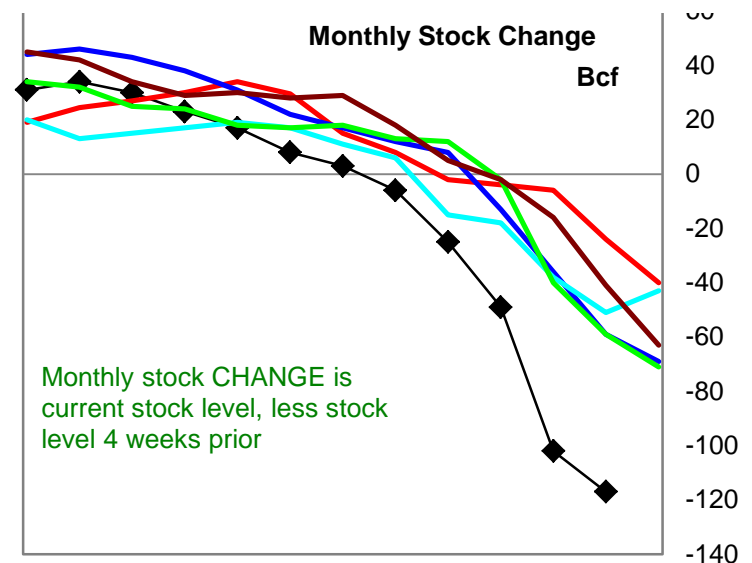
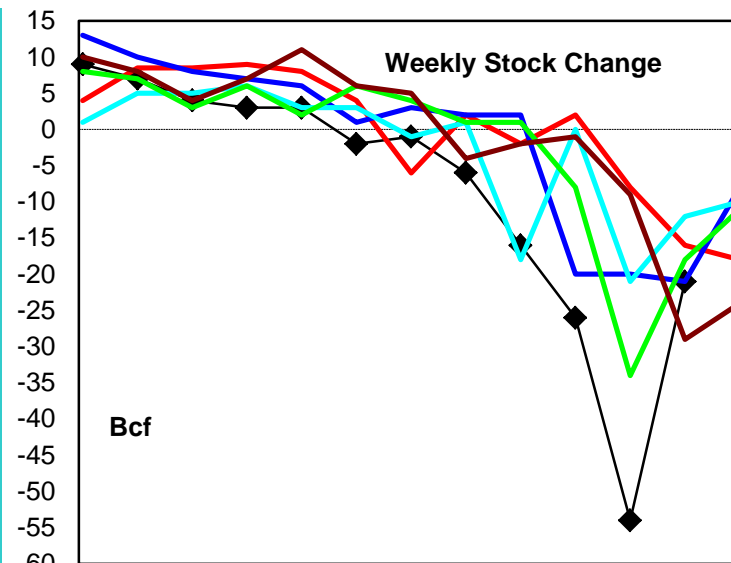
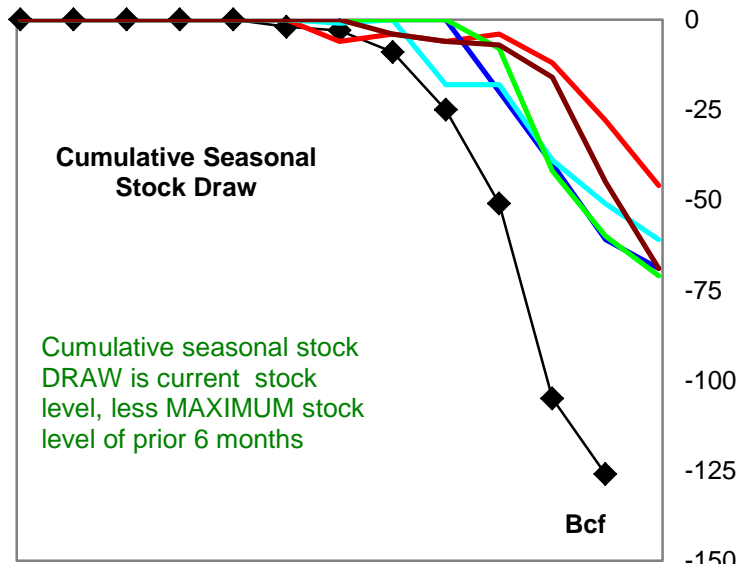
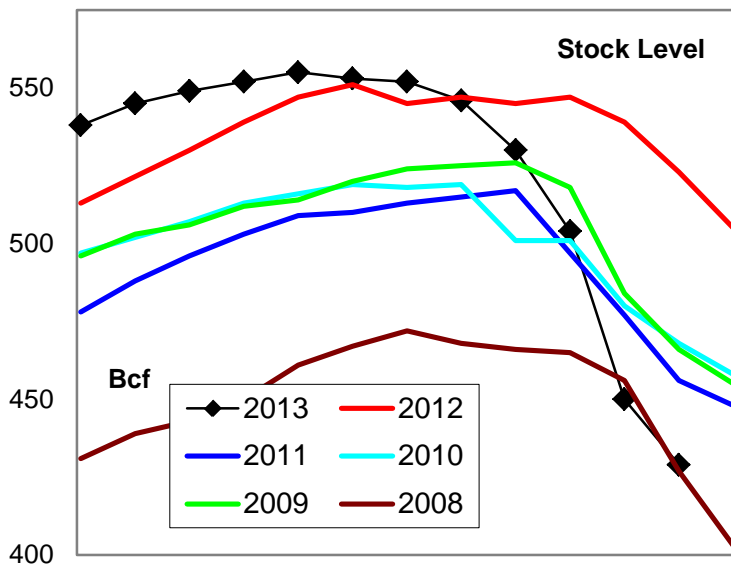
229.4

189.0

# 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

-94

-5

-93

-98

Percent Change (%)

-18.0

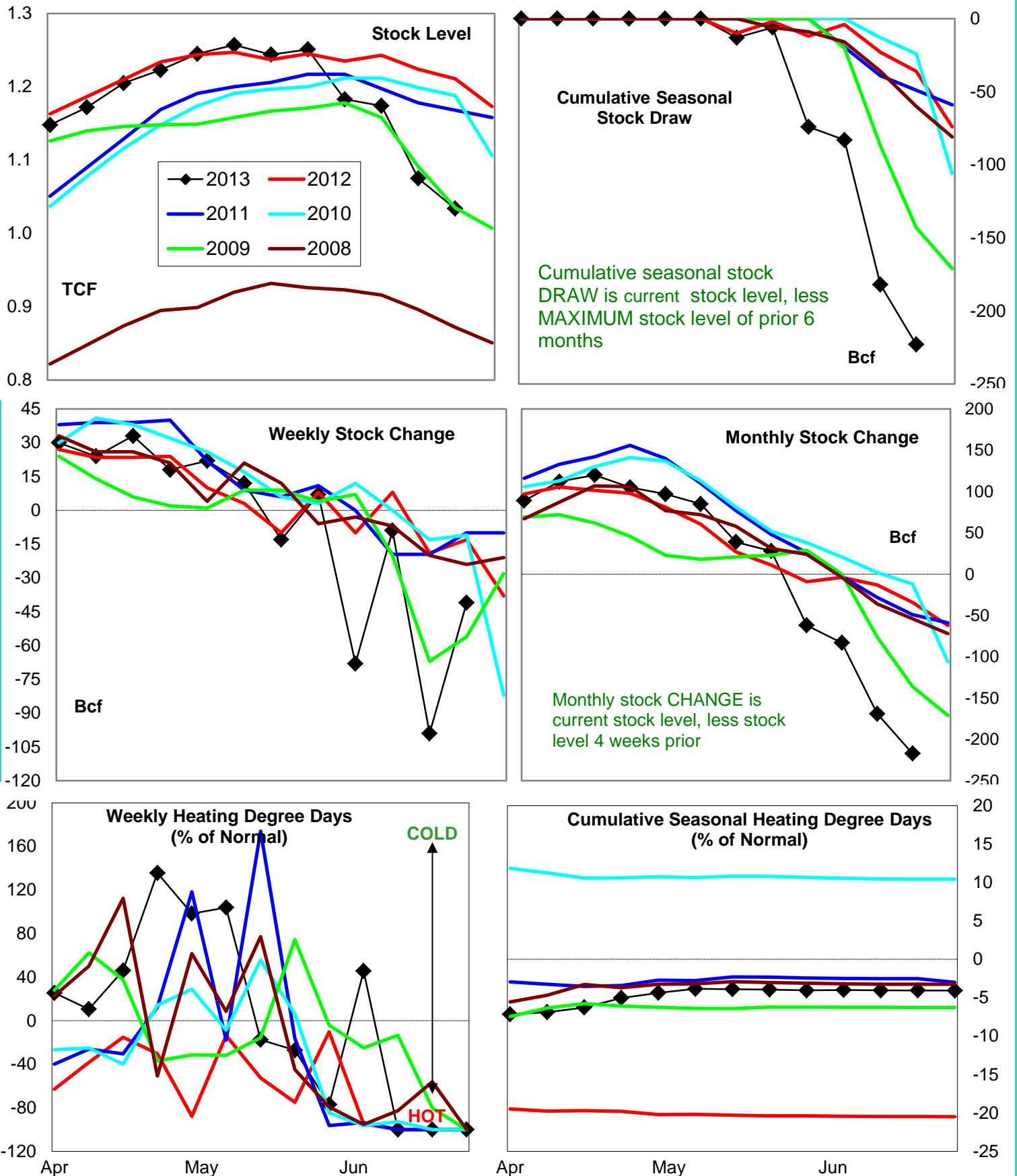
31.3

387.5

350.0



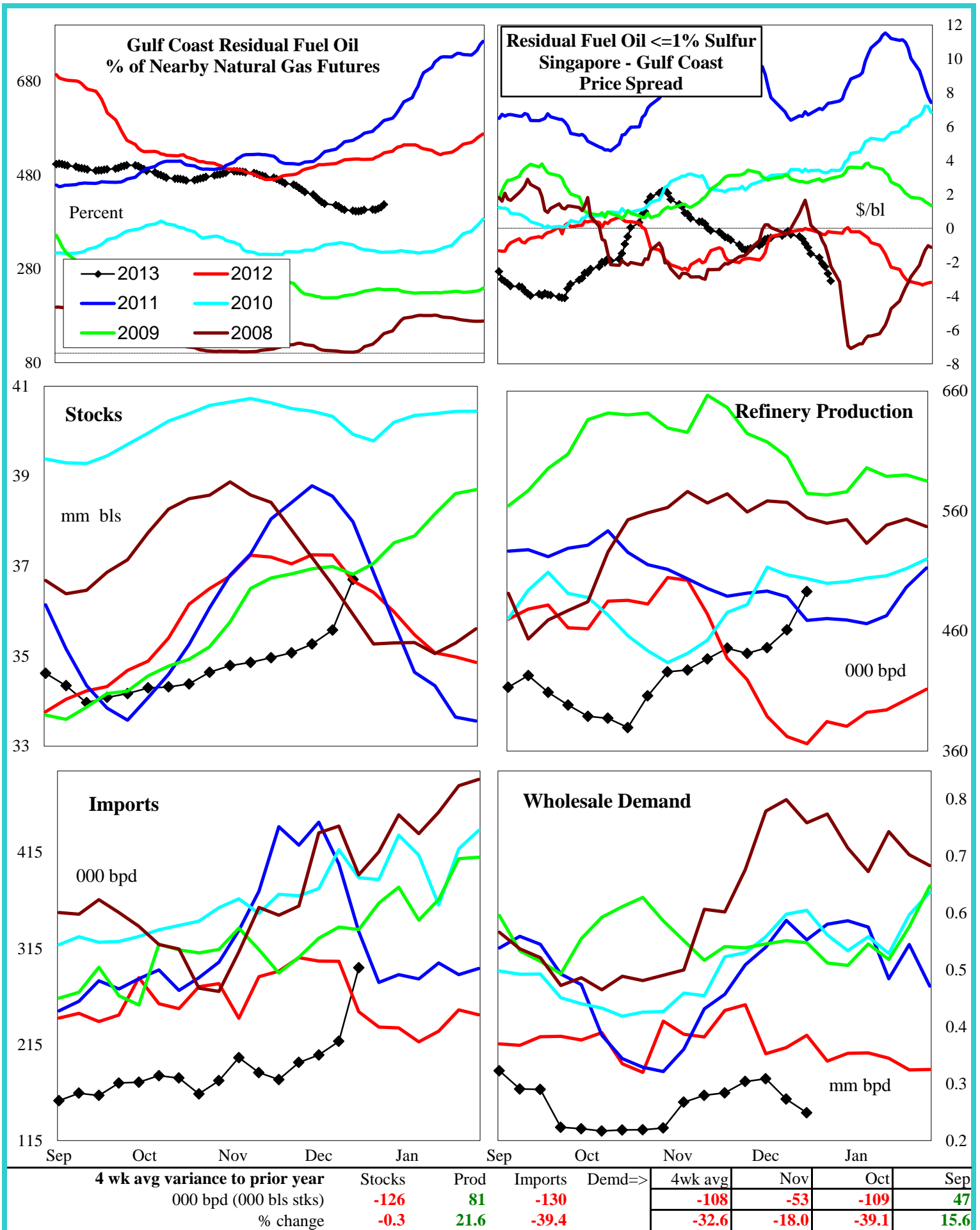
# Natural Gas Producing Region Stock and Weather Trends



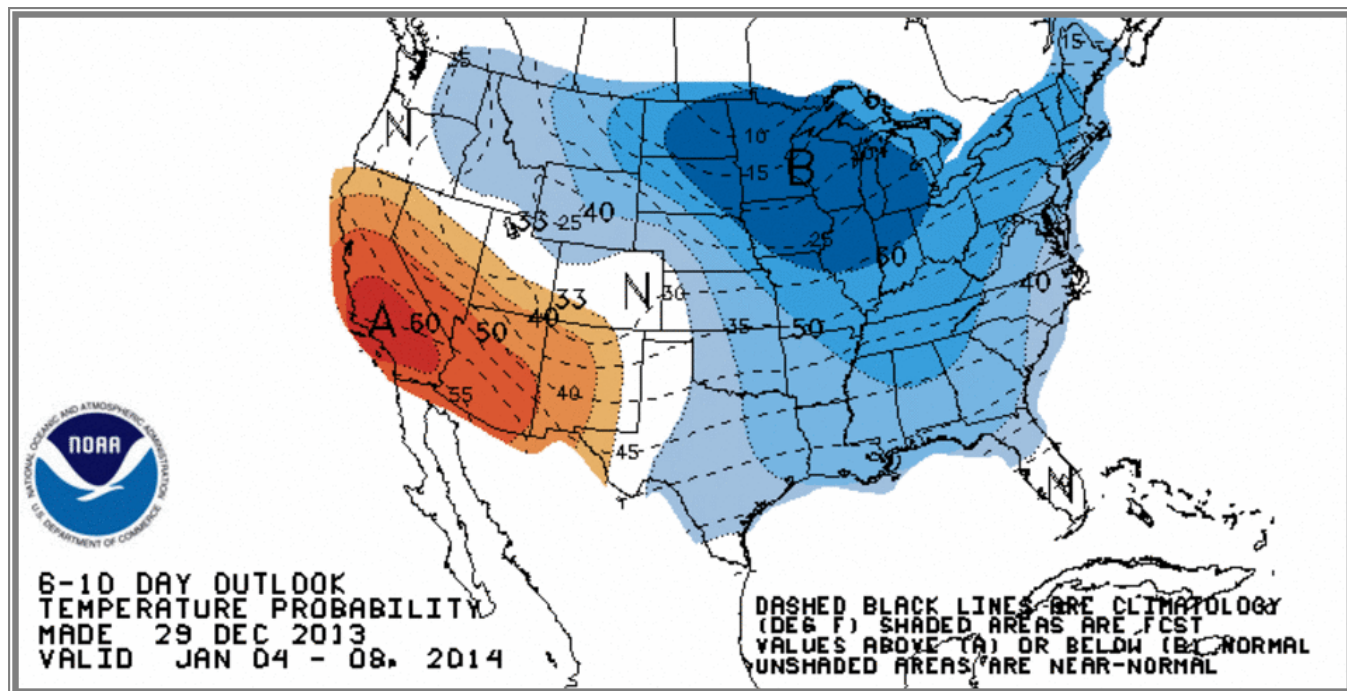
Variance to prior year

Stock  
LevelWeekly Stock  
ChangeMonthly Stock  
ChangeCumulative Stock  
ChangeBCF  
Percent Change (%)-177  
-14.1-28  
215.4-183  
538.2-187  
519.4

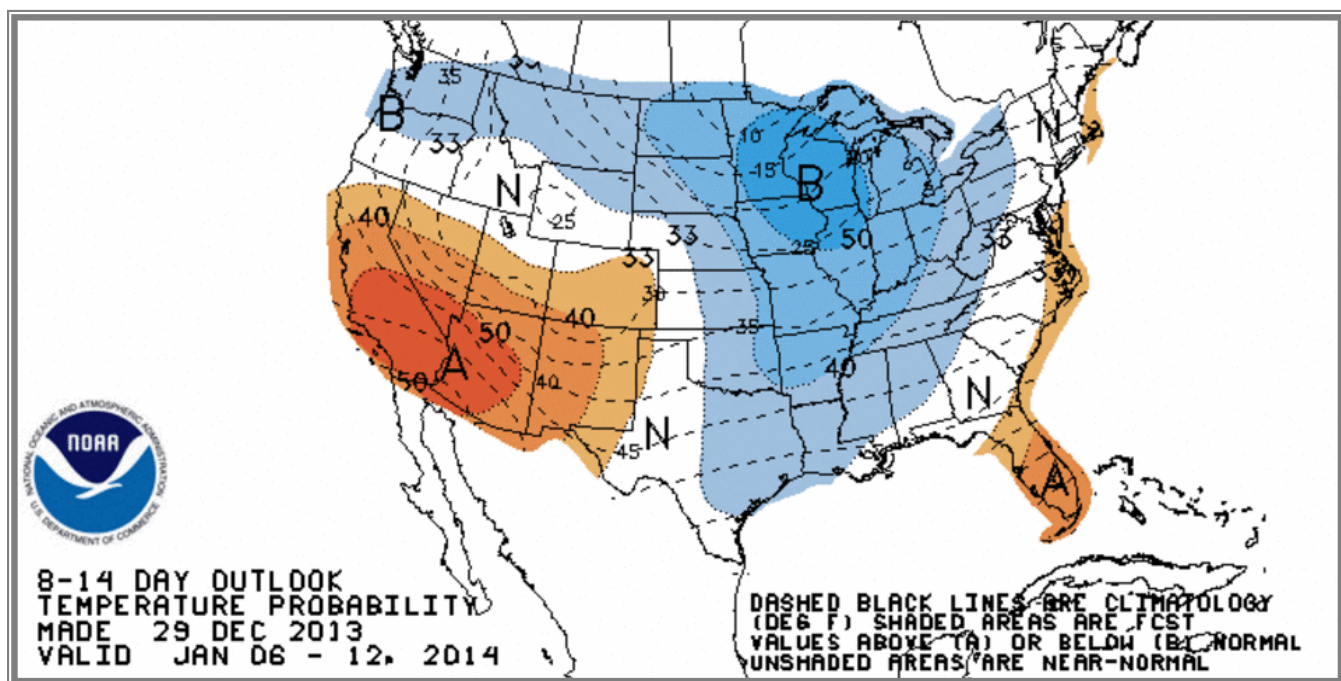
## U.S. Residual Fuel Oil Price Spreads and Supply Balance



## 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

