



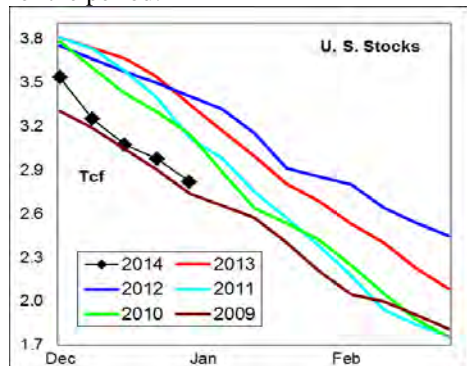
# WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

## A Fundamental Petroleum Trends Weekly Report

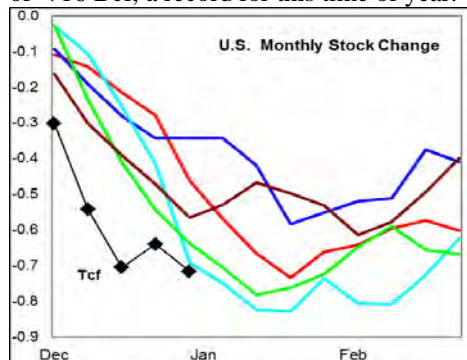
Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Friday, January 10, 2014



**Summary**<sup>1</sup> The stock draw of -1597 Bcf for the week was at the historic mid range for the period.



The latest 4-wk stock change was a draw of -716 Bcf, a record for this time of year.



In the East Region stocks decreased -98 Bcf for the week, a draw equal to the 5-yr mid range. Stocks decreased -17 Bcf in the West Region, a draw equal to the 5-yr mid range. Stocks decreased -42 Bcf on the week in the Producing region, a draw also comparable to the historic mid range.

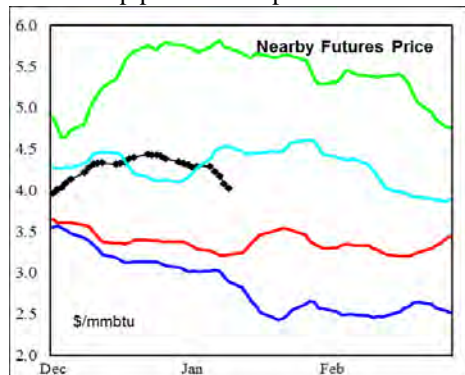
**Heating degree days** were near normal across much of the country for the week ending 03Jan14. Temperatures have been at record lows in most heating regions since last weekend.

The 6-10 day NWS forecast for the week ending 19Jan14 is for much above normal temperatures in the western ½ half of the country and below normal temperatures in the eastern ½ of the country.

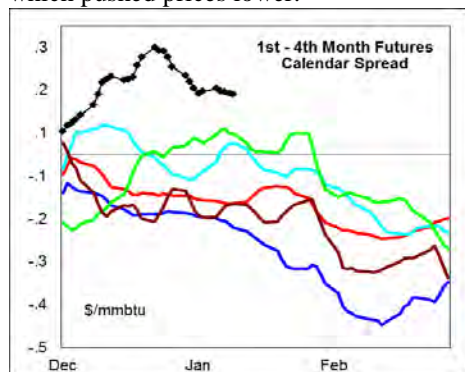
The 8-14 day NWS forecast for the week ending 23Jan14 is for a continuation

of the 8-10 day forecast, warmer than normal in the western ½ of the country and below normal temperatures in the eastern ½ of the country.

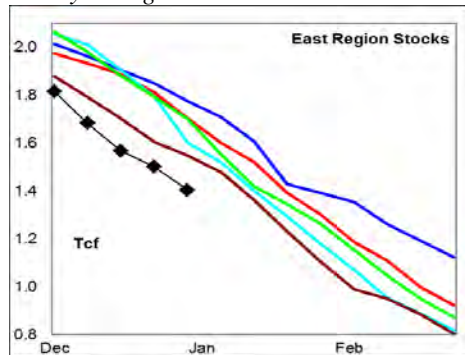
**Prices:** Nearby gas futures fell - \$0.28/mmbtu for the week ending 10Jan14. A forecast of moderating temperatures in major heating markets led to the sharp pull back in prices last week.



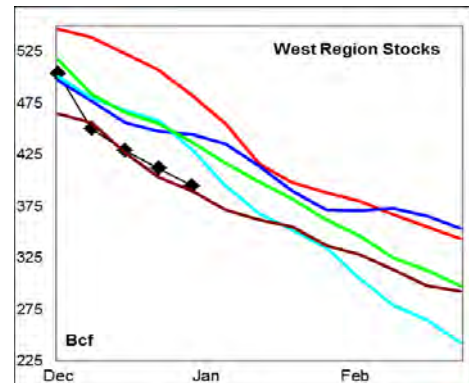
The 1<sup>st</sup> - 4<sup>th</sup> month forward price curve trended lower last week, driven by the forecast of moderating temperatures which pushed prices lower.



**East Region** stocks decreased -98 Bcf for the week, a draw equal to the 5-yr mid range. The current stock level is -18% below last years' record high; and below the 5-yr range.

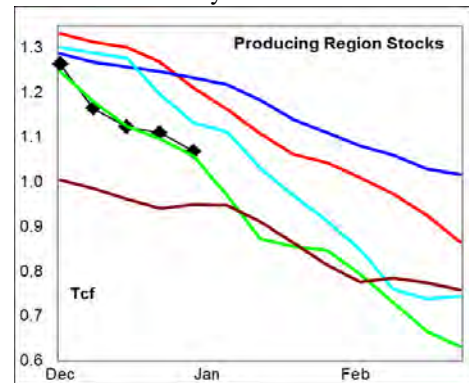


Heating degree days were at extremely high levels this week, and forecast to remain above normal for the next 10-days.



**West Region** stocks decreased -17 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 sharply below normal for the next 10-days.

**Producing Region** stocks declined -42 Bcf for the week, a draw comparable to the historic mid range. Stock levels ended the week -12% below last year and well below each of the last 3-yrs.



Near normal heating degree days are forecast for the next 10-days in the region – the west half being warmer than normal and east half being colder than normal.

**Residual Fuel Oil Switching:** The price spread between fuel oil and natural gas may favor residual fuel in some local eastern markets where pipeline capacity constraints exist.

**Outlook:** Look for record stock draws to be reported for the most recent 2-wk period, ending 10Jan14 on extremely cold temperatures in key heating markets.

The large snowpack should lead to below average temperatures in key heating markets over the next 60-days – driving large stock draws and supporting prices, although below the recent spike.

### <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: January 10, 2014

For the week ending: 3-Jan-14

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

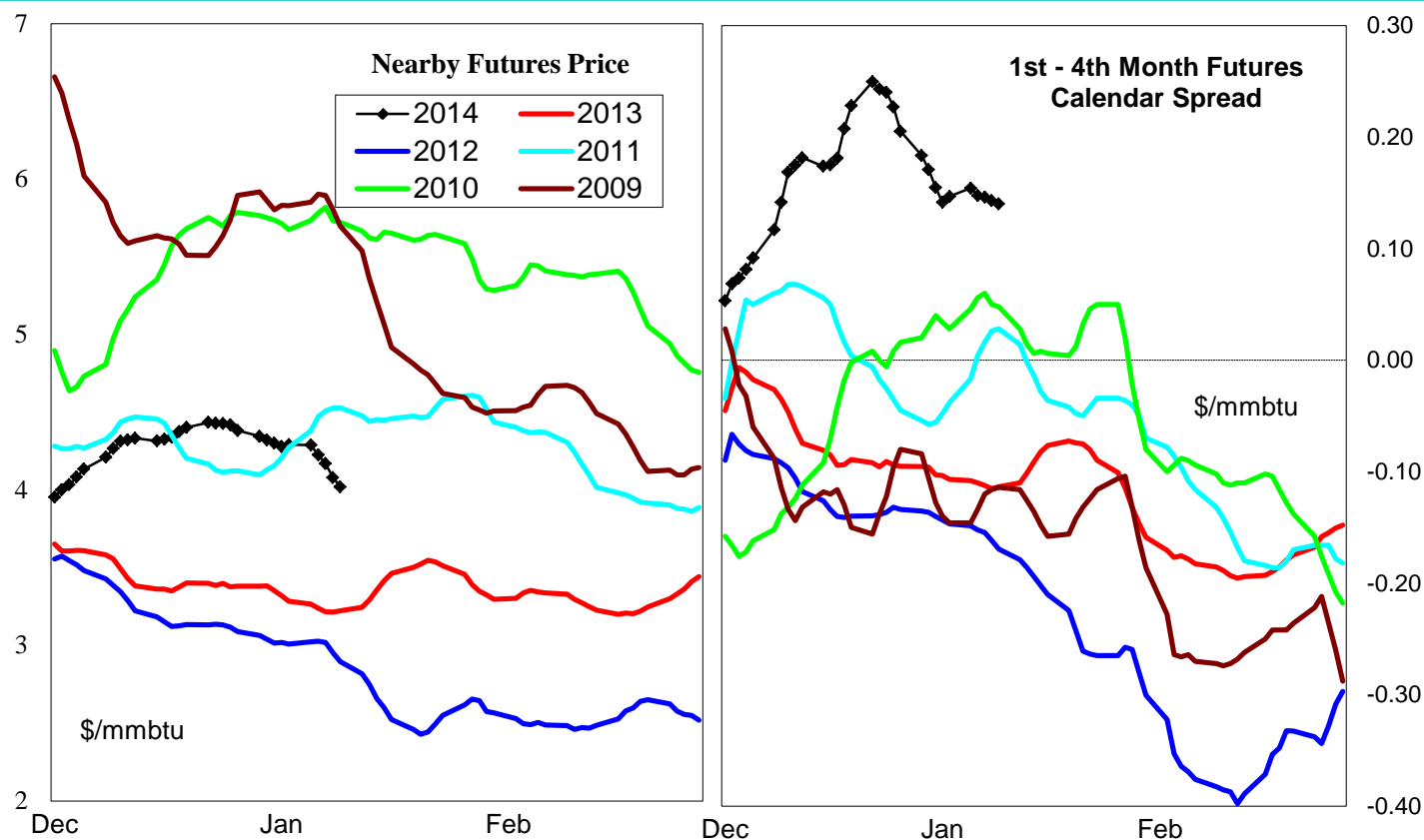
Week ending:	3-Jan-14			15-Jun-13		22-Jun-13		29-Jun-13	
Region	Weekly Stocks			Weekly Heating Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	2,817	-157	-15.8	-14	-45%	-2	-33%	-3	-77%
East	1,403	-98	-17.6	-17	-39%	-2	-18%	-4	-74%
West	395	-17	-18.0	-12	-58%	-2	-55%	-5	-78%
Producing	1,019	-42	-12.2	-4	-100%	0	-100%	0	-100%

### Seasonal Trends in Stocks and Heating Degree Days

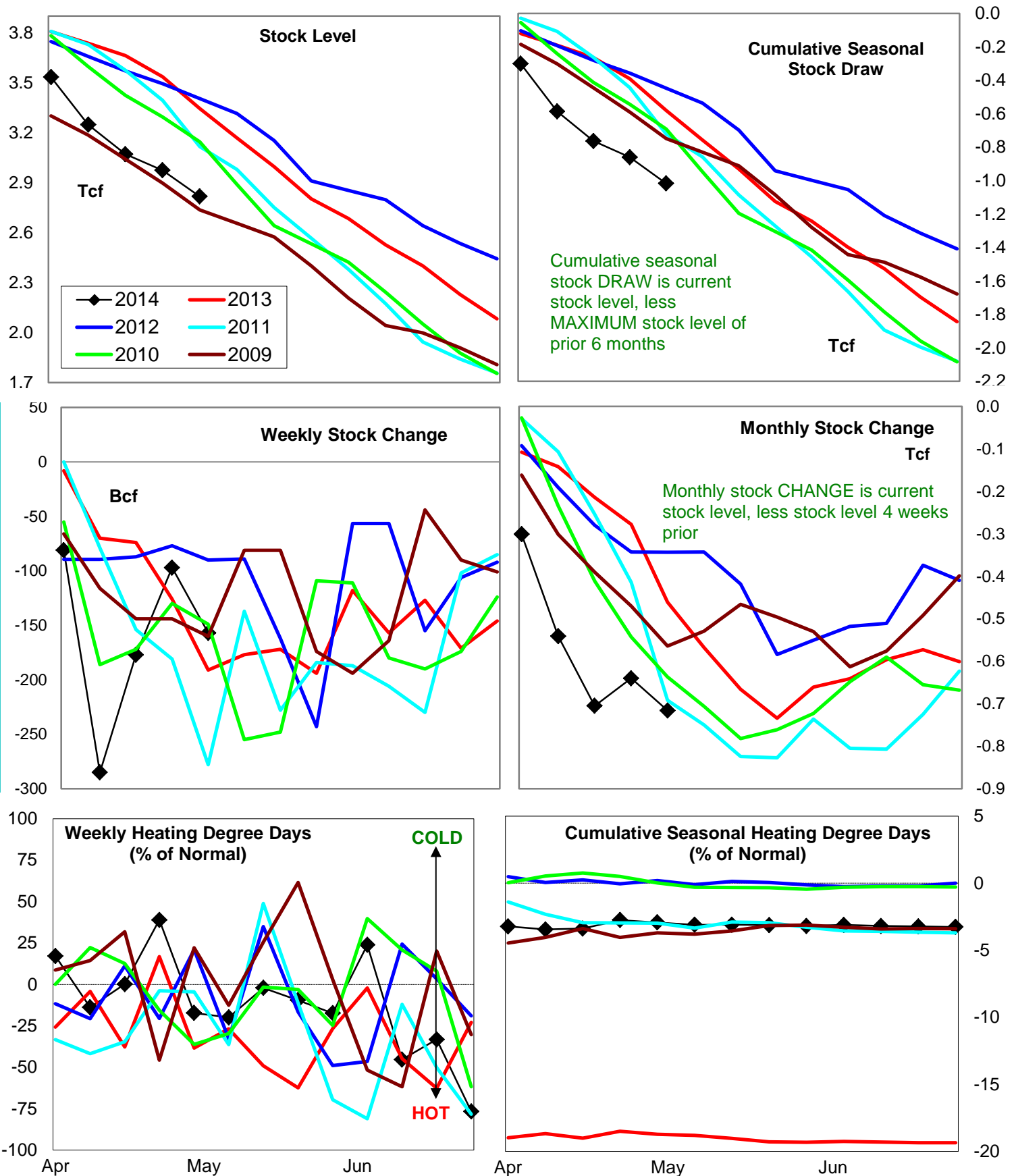
	Cumulative Stock Change			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
<b>U.S. Total</b>	<b>-1,017</b>	<b>-436</b>	<b>42.9</b>	<b>6</b>	<b>-3.2</b>	<b>4</b>	<b>-3.2</b>	<b>1</b>	<b>-3.3</b>
<b>East</b>	<b>-581</b>	<b>-188</b>	<b>32.4</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>-160</b>	<b>-91</b>	<b>56.9</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>-278</b>	<b>-152</b>	<b>54.7</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:	7-Jan-14	Change vs prior week, month, year		
		1-Jan-14	11-Dec-13	16-Jan-13
<b>1st month Futures</b>	<b>4.02</b>	<b>-0.29</b>	<b>-0.26</b>	<b>0.47</b>
<b>% change</b>	<b>xxxxx</b>	<b>-6.6</b>	<b>-6.1</b>	<b>13.1</b>



# United States Natural Gas Stock and Weather Trends



Variance to prior year

Stock Level

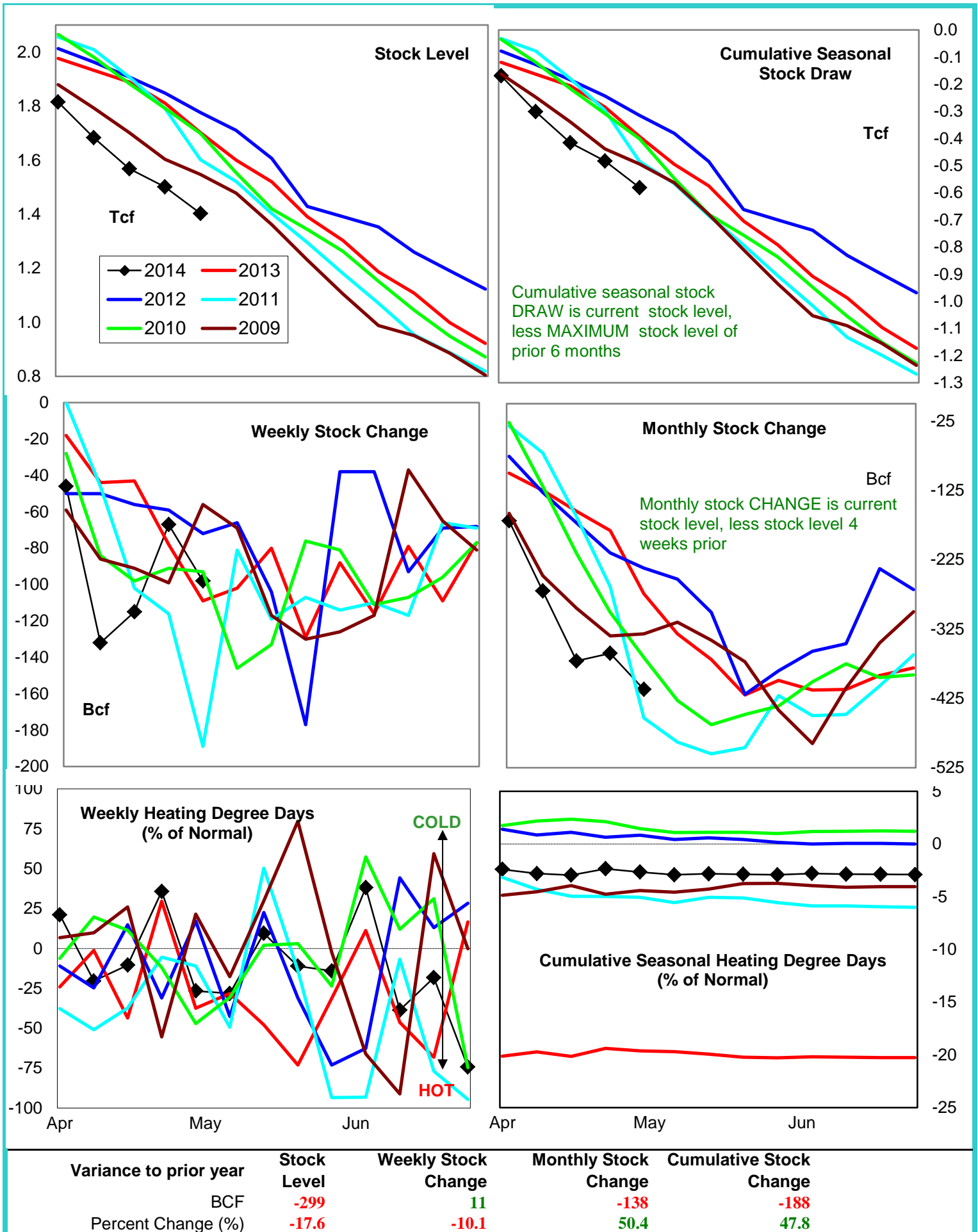
Weekly Stock Change

Monthly Stock Change

Cumulative Stock Change

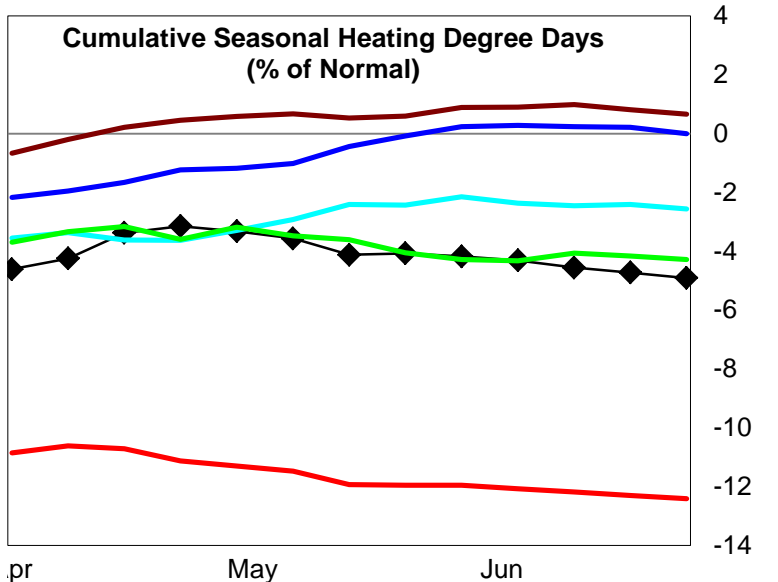
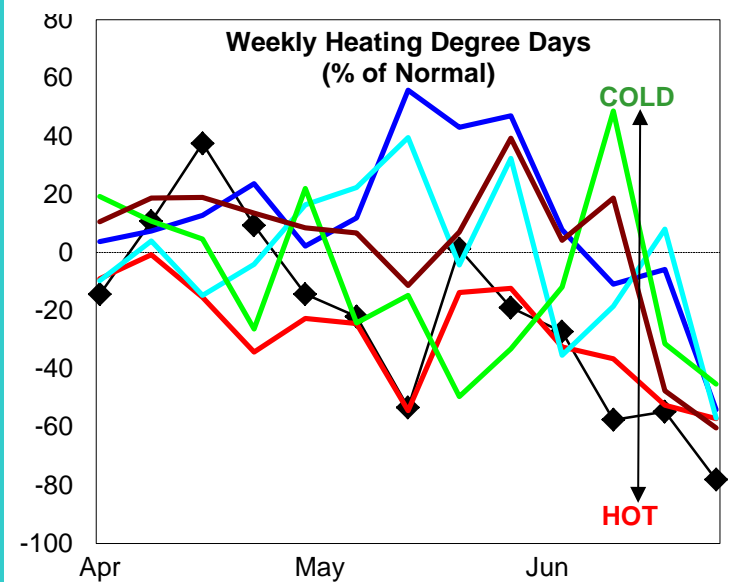
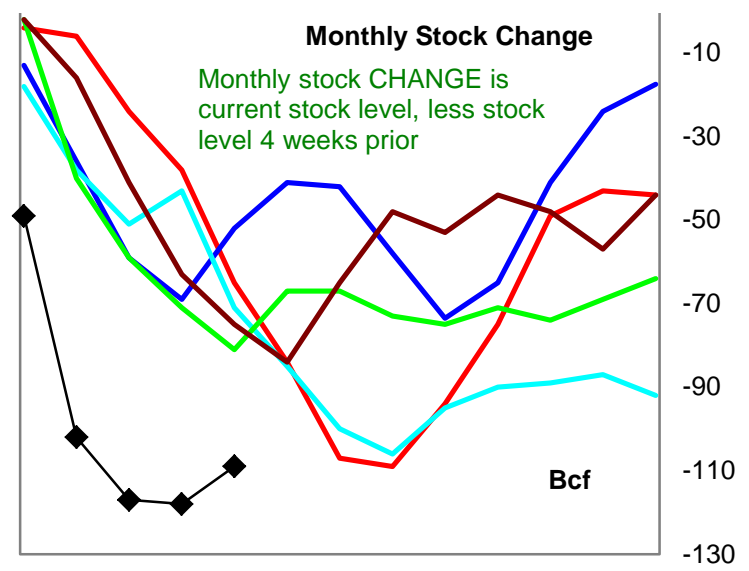
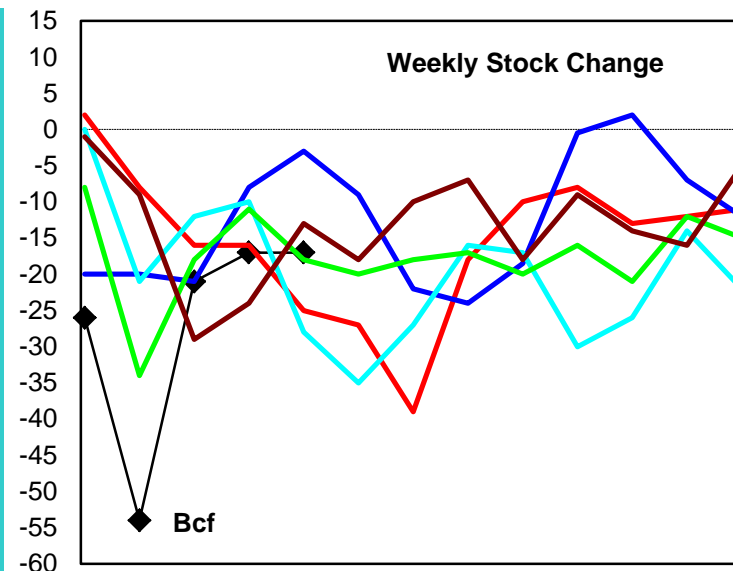
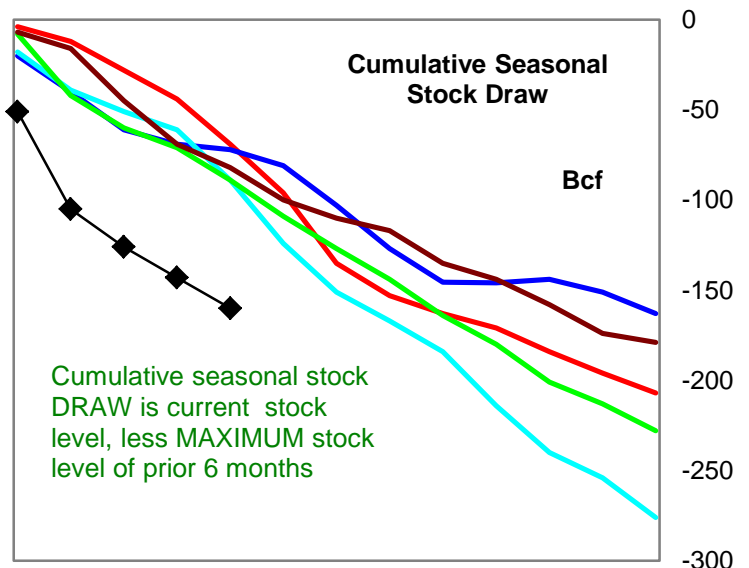
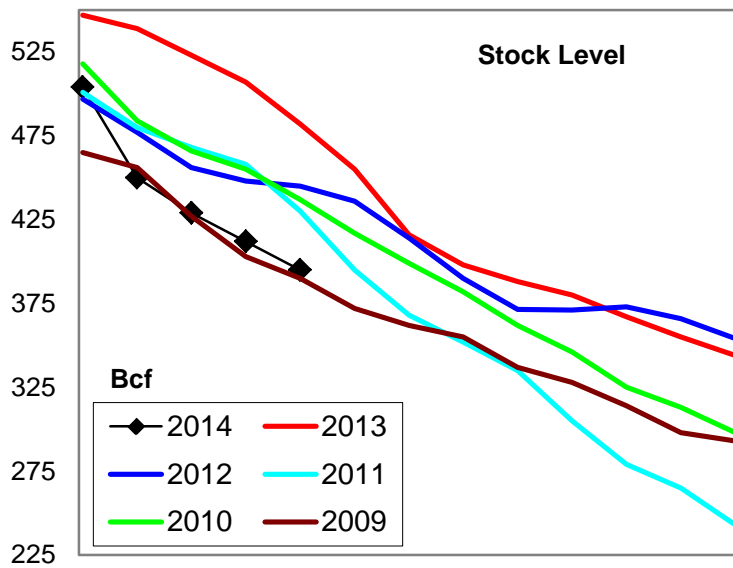
BCF  
Percent Change (%)-528  
-15.834  
-17.8-255  
55.3-436  
75.0

# Natural Gas East Region Stock and Weather Trends





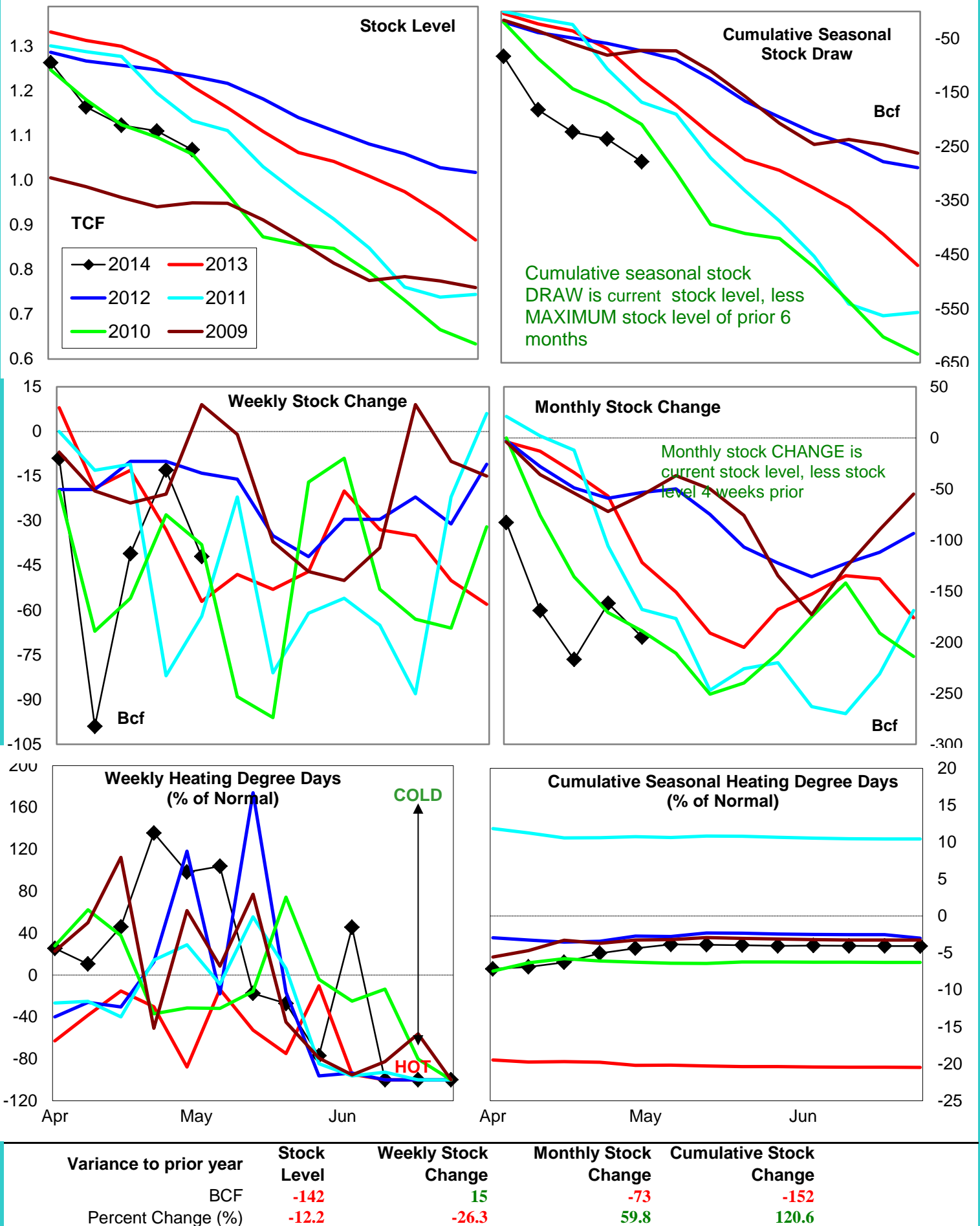
# Natural Gas West Region Stock and Weather Trends



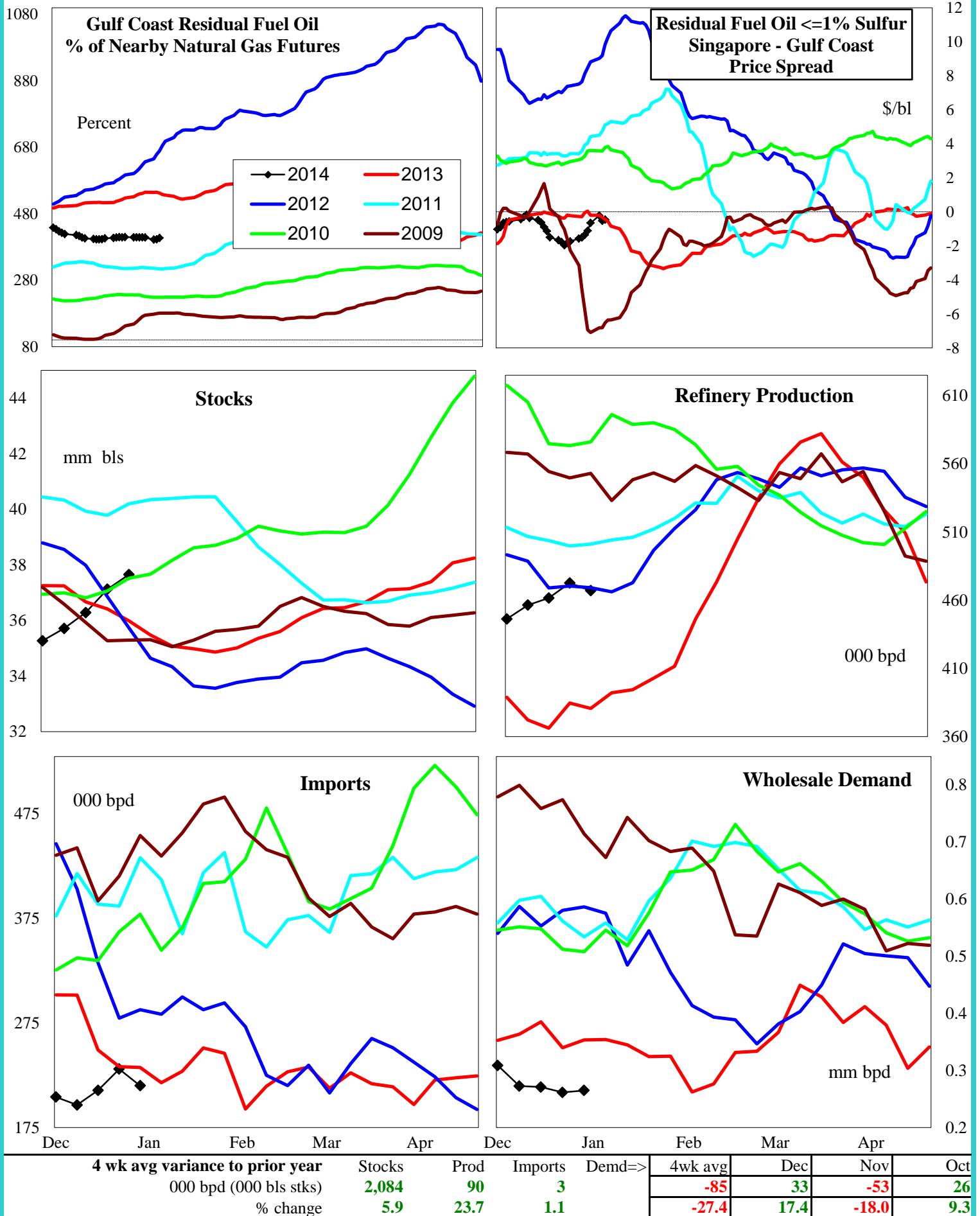
Variance to prior year

Stock  
LevelWeekly Stock  
ChangeMonthly Stock  
ChangeCumulative Stock  
ChangeBCF  
Percent Change (%)-87  
-18.08  
-32.0-44  
67.7-91  
131.9

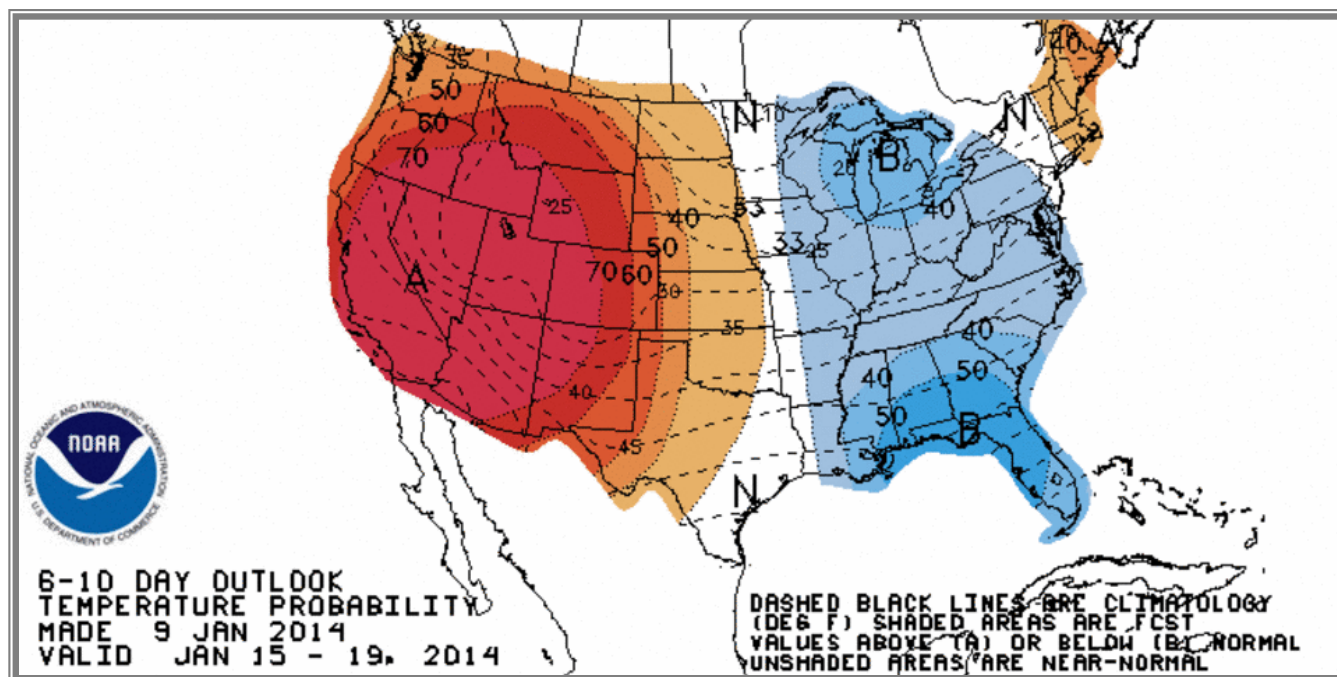
# Natural Gas Producing Region Stock and Weather Trends



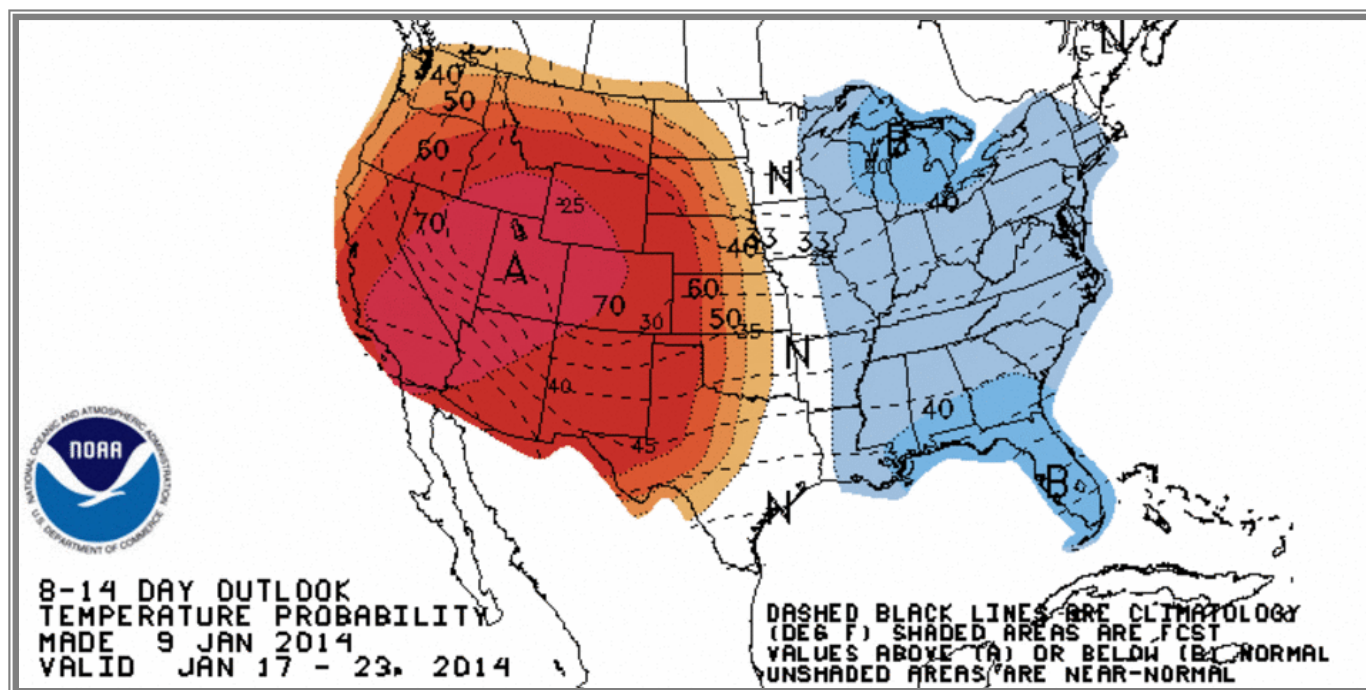
## U.S. Residual Fuel Oil Price Spreads and Supply Balance



## 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

