



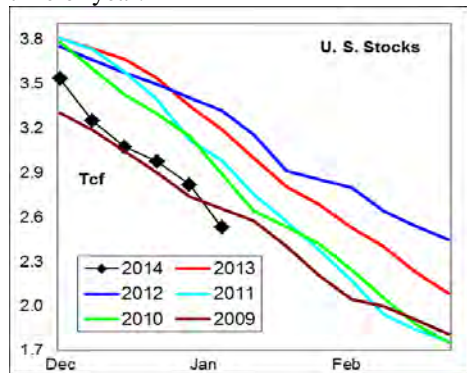
WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

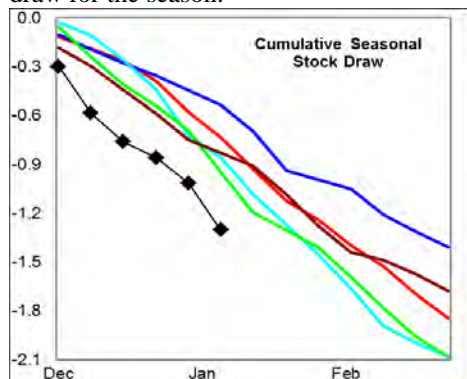
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Friday, January 17, 2014



Summary¹ The stock draw of -287 Bcf for the week was a record draw for this time of year.



The latest 4-wk stock change was a draw of -706 Bcf, nearly equal to the 5-yr record draw for the season.



In the East Region stocks decreased -149 Bcf for the week, a record draw for the week. Stocks decreased -31 Bcf in the West Region, a draw near the 3-yr mid range. Stocks decreased -107 Bcf on the week in the Producing region, a record draw for the winter quarter.

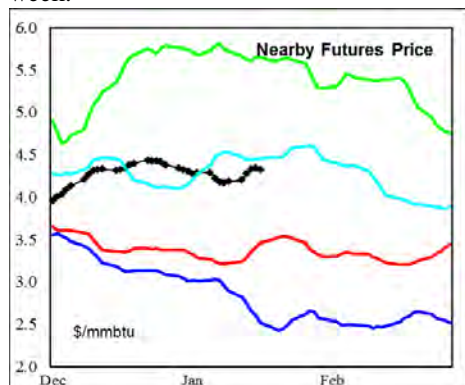
Heating degree days were extremely high across much of the country for the week ending 10Jan14.

The 6-10 day NWS forecast for the week ending 26Jan14 is for extremely high heating degree days in the eastern ½ half of the country and well below normal in the west.

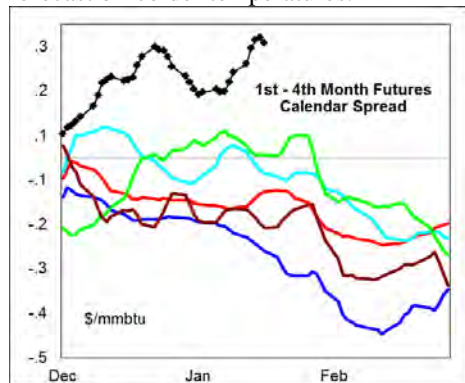
The 8-14 day NWS forecast for the week ending 30Jan14 is for a continuation of the 8-10 day forecast, below normal

heating degree days in the western ½ of the country and extremely high heating degree days in the east.

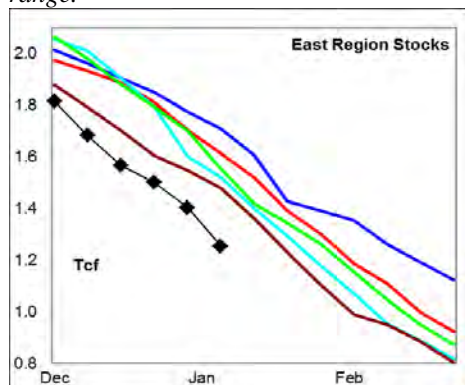
Prices: Nearby gas futures increased +\$0.27/mmbtu for the week ending 17Jan14. A forecast of extremely high heating degree days in the eastern ½ of the country led to the rebound in prices last week.



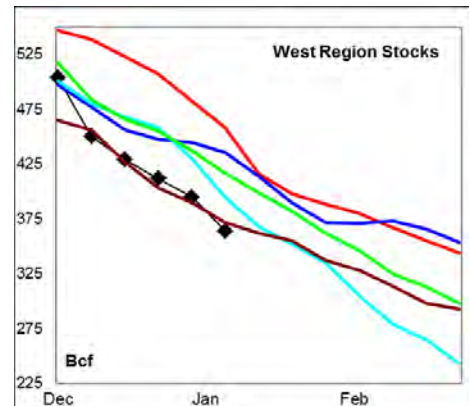
The 1st – 4th month forward price curve trended higher last week, driven by the forecast of colder temperatures.



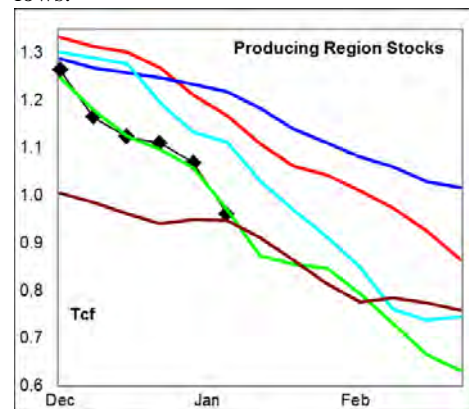
East Region stocks decreased -149 Bcf for the week, a record draw for the week. *The current stock level is -22% below last years' record high; and below the 5-yr range.*



Heating degree days were at extremely high levels last week, and forecast to spike to exceptional high levels again during the last 10-days of the month.



West Region stocks decreased -31 Bcf last week, a draw near the 3-yr mid range. Stock levels ended the week -21% below last years' record high, and below the 5-yr range. Heating degree days are forecast to be well below normal for the next 10-days. **Producing Region** stocks declined -107 Bcf for the week, a record draw for the winter quarter. Stock levels ended the week -19% below last year and near 5-yr lows.



Above 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 extremely high stock draws to be reported through early February.

The large snowpack should lead to below average temperatures in key heating markets over the next 45-days – driving large stock draws and supporting prices. During the last 10-days of the month, Gulf spot prices will likely make new 12-month highs.

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: January 17, 2014

For the week ending: 4-Jan-14

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

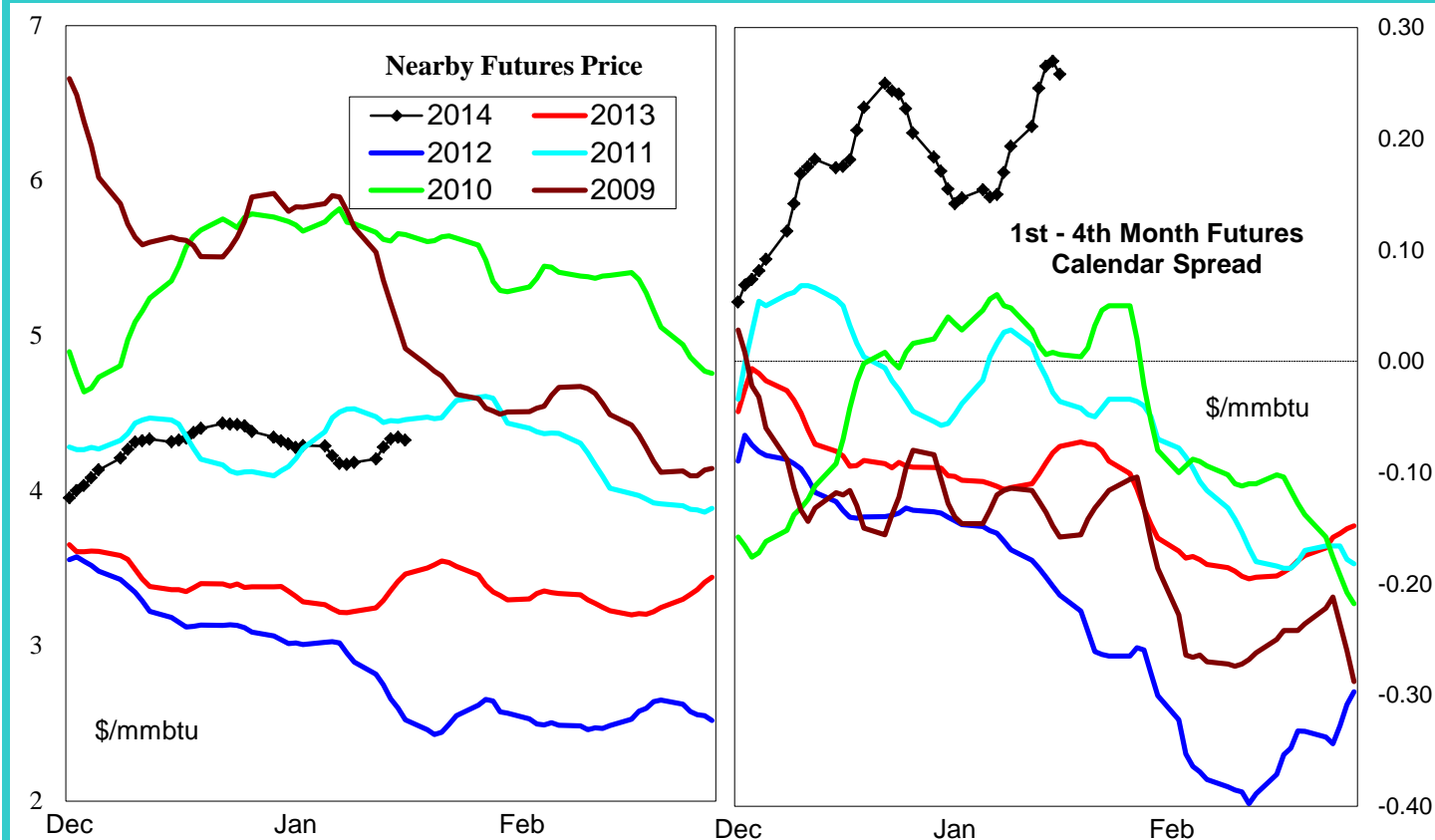
Week ending:	4-Jan-14			15-Jun-13		22-Jun-13		29-Jun-13	
Region	Weekly Stocks			Weekly Heating Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	2,530	-287	-20.7	-14	-45%	-2	-33%	-3	-77%
East	1,254	-149	-22.2	-17	-39%	-2	-18%	-4	-74%
West	364	-31	-20.5	-12	-58%	-2	-55%	-5	-78%
Producing	912	-107	-18.5	-4	-100%	0	-100%	0	-100%

Seasonal Trends in Stocks and Heating Degree Days

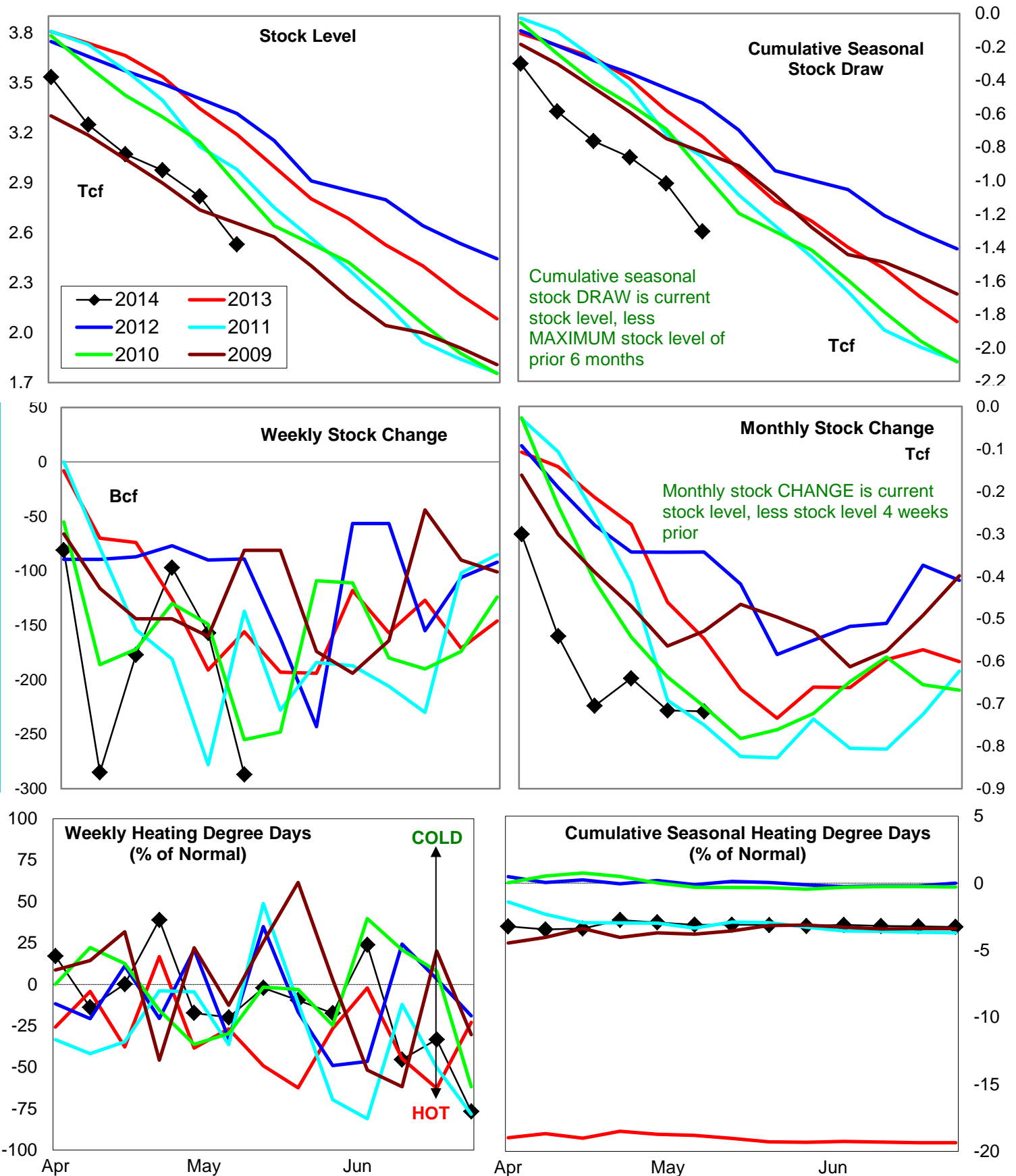
	Cumulative Stock Change			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
U.S. Total	-1,304	-567	43.5	6	-3.2	4	-3.2	1	-3.3
East	-730	-247	33.8	6	-2.9	4	-2.9	1	-2.9
West	-191	-98	51.3	10	-4.6	8	-4.7	3	-4.9
Producing	-385	-217	56.4	0	-4.0	0	-4.1	0	-4.1

Futures Market Price Trends

Date:	17-Jan-14	Change vs prior week, month, year		
		13-Jan-14	23-Dec-13	28-Jan-13
1st month Futures	4.33	0.05	-0.14	0.99
% change	xxxxx	1.2	-3.1	29.7



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 (%)

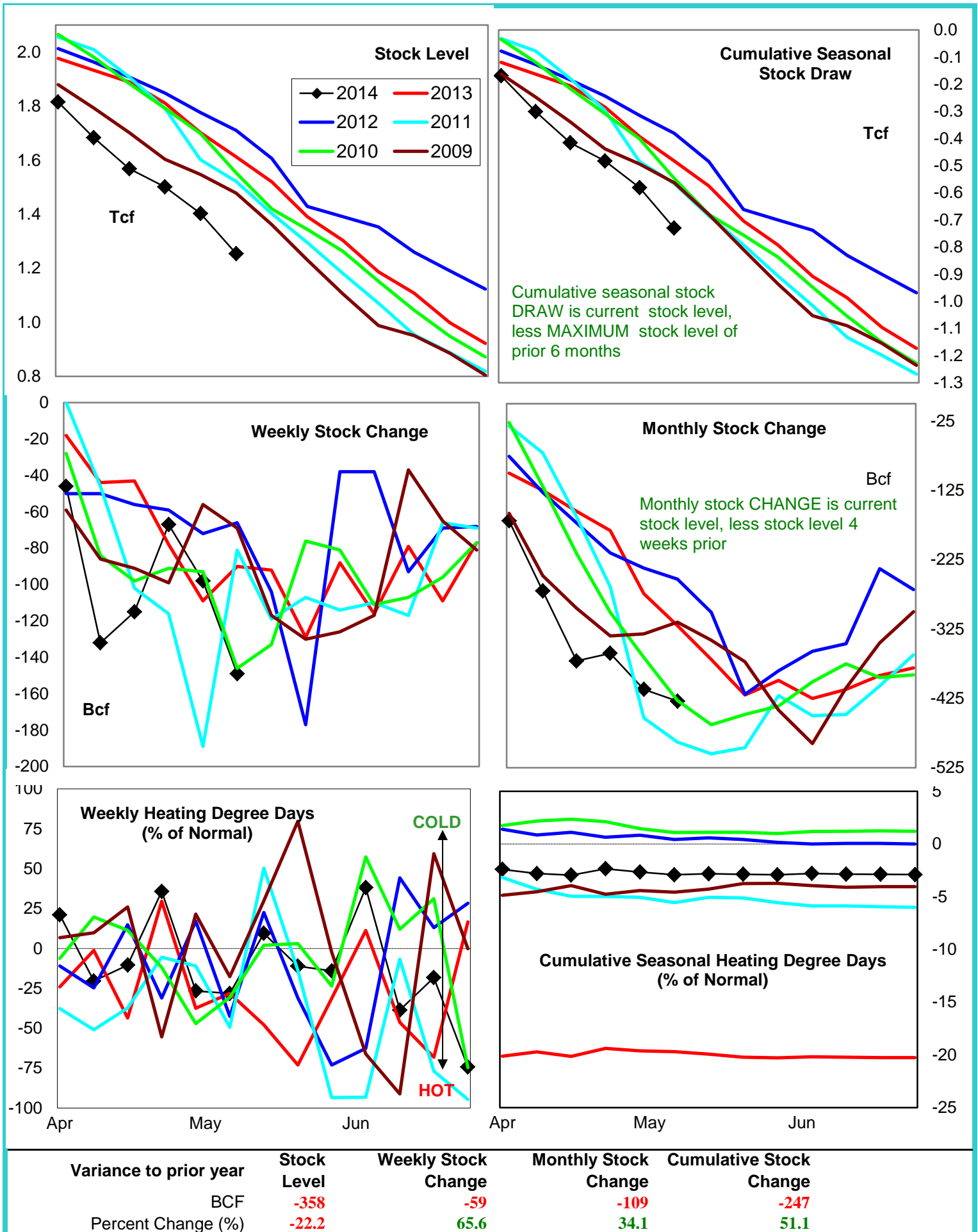
-659
-20.7

-131
84.0

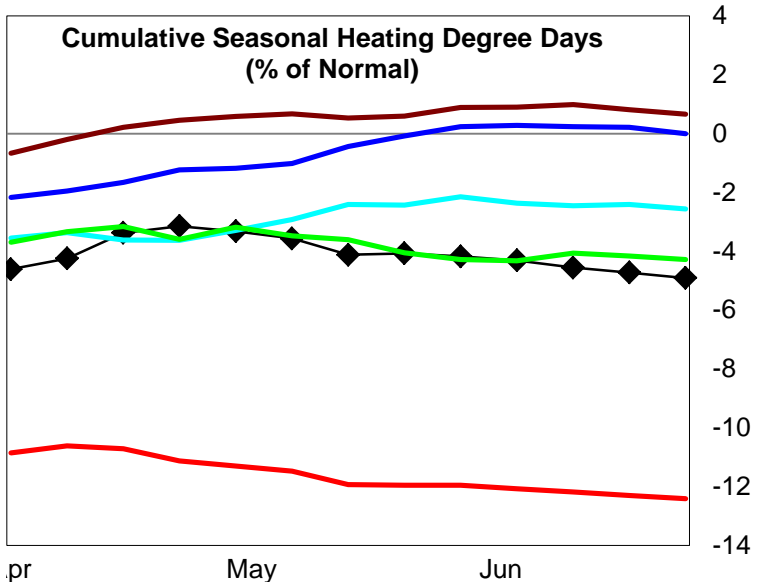
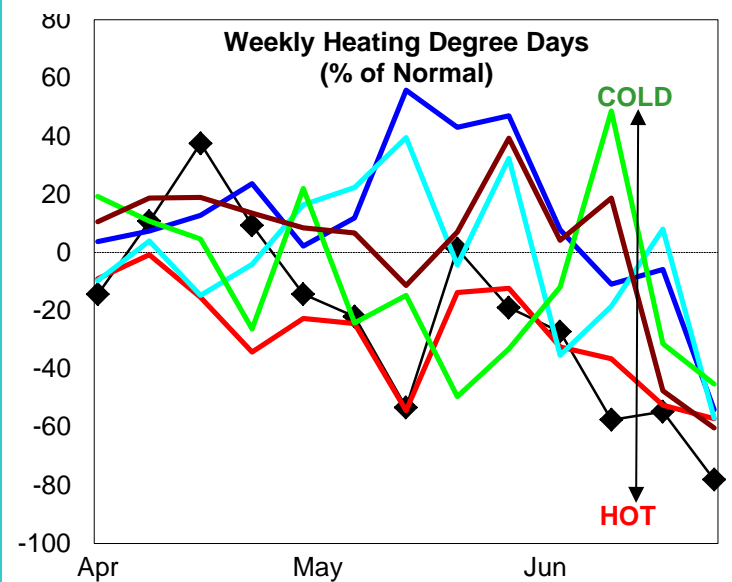
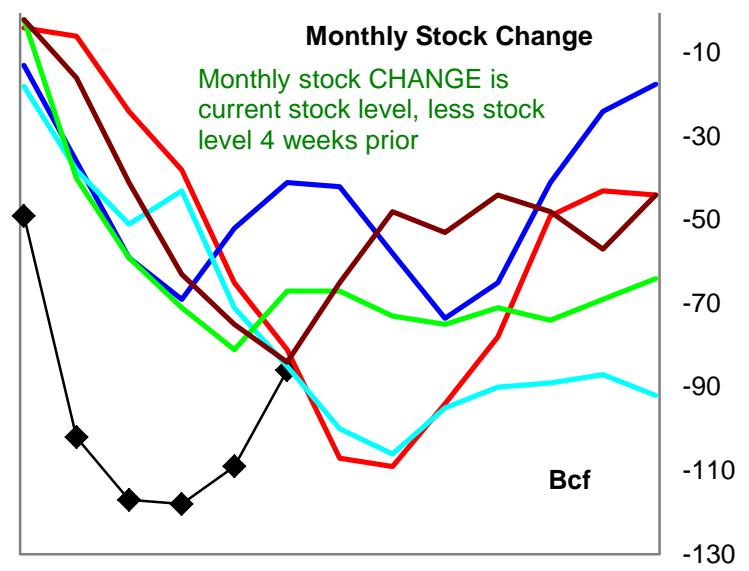
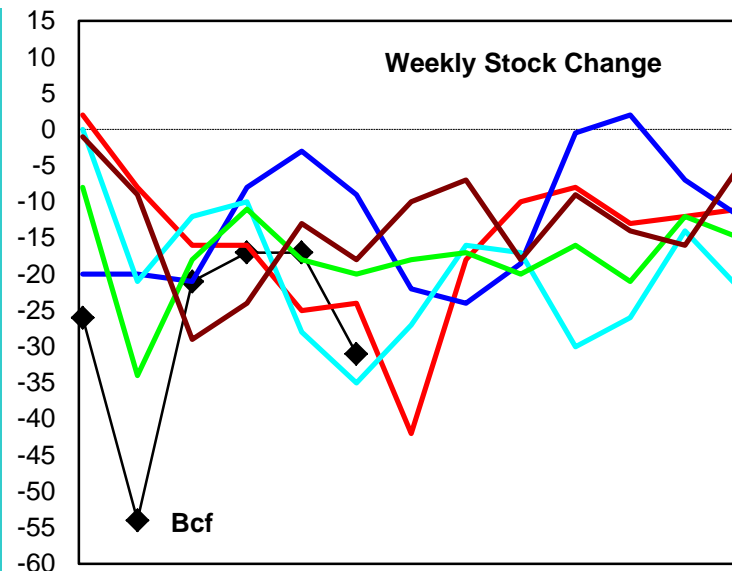
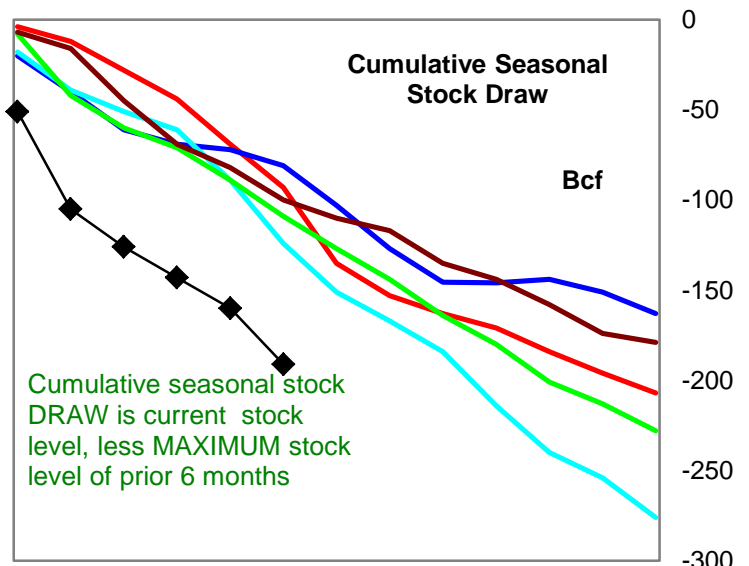
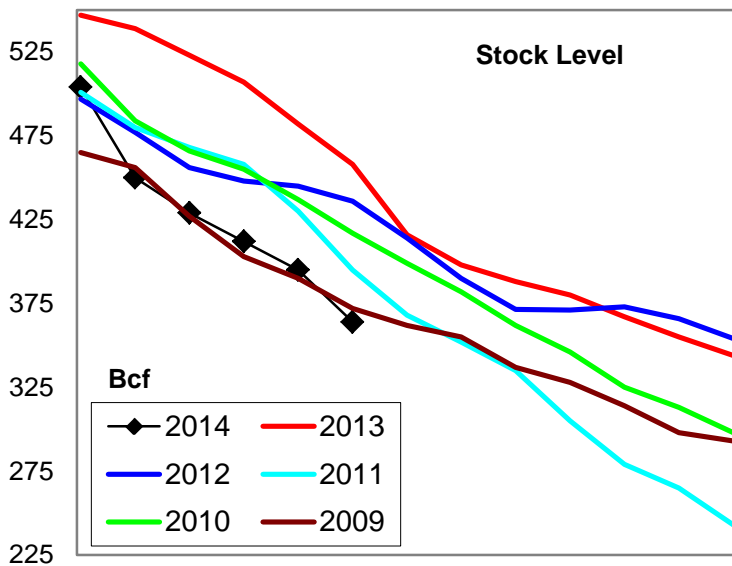
-171
31.3

-567
76.9

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

-7

-5

-98

Percent Change (%)

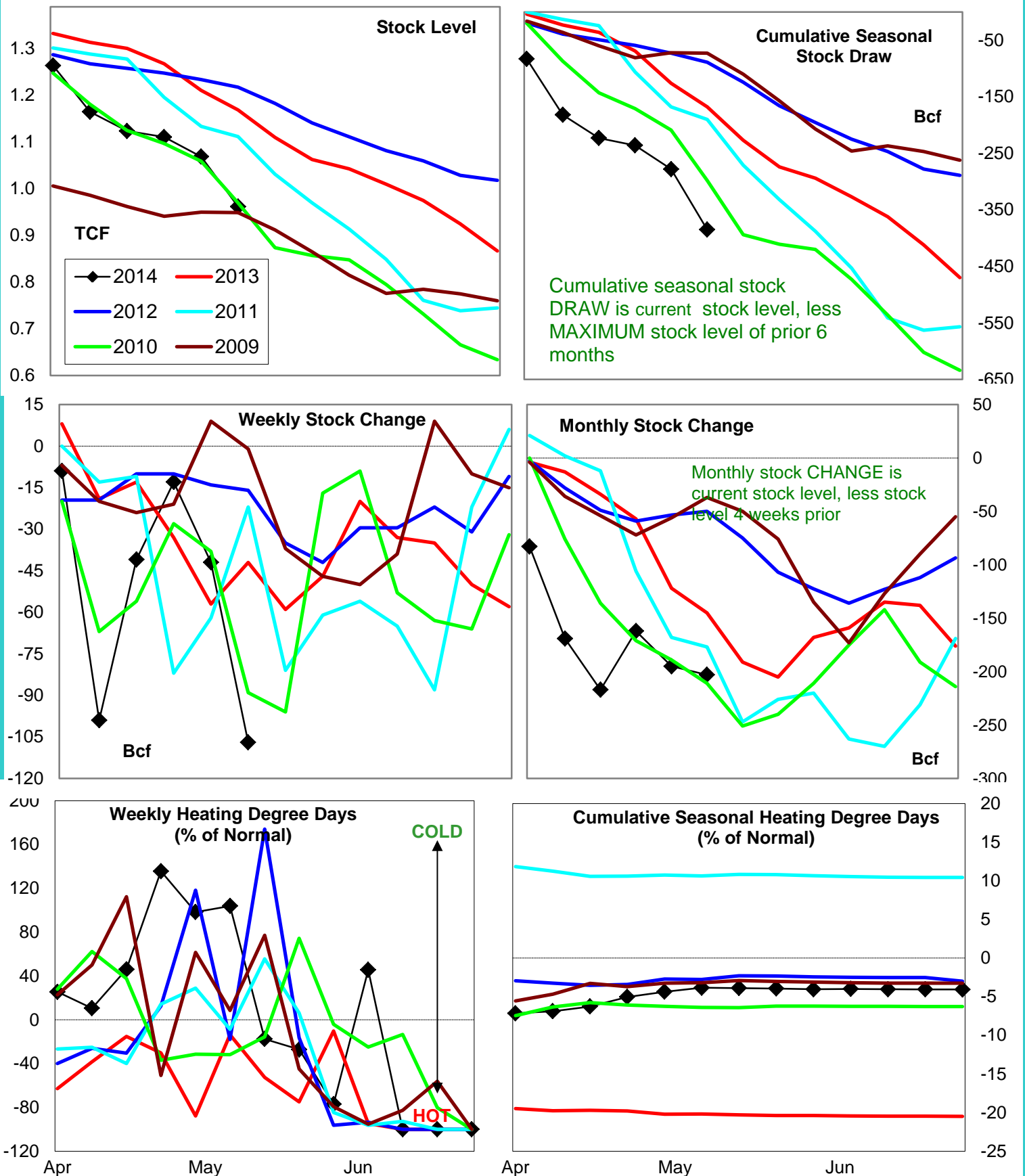
-20.5

29.2

6.2

105.4

Natural Gas Producing Region Stock and Weather Trends



Variance to prior year

Stock Level

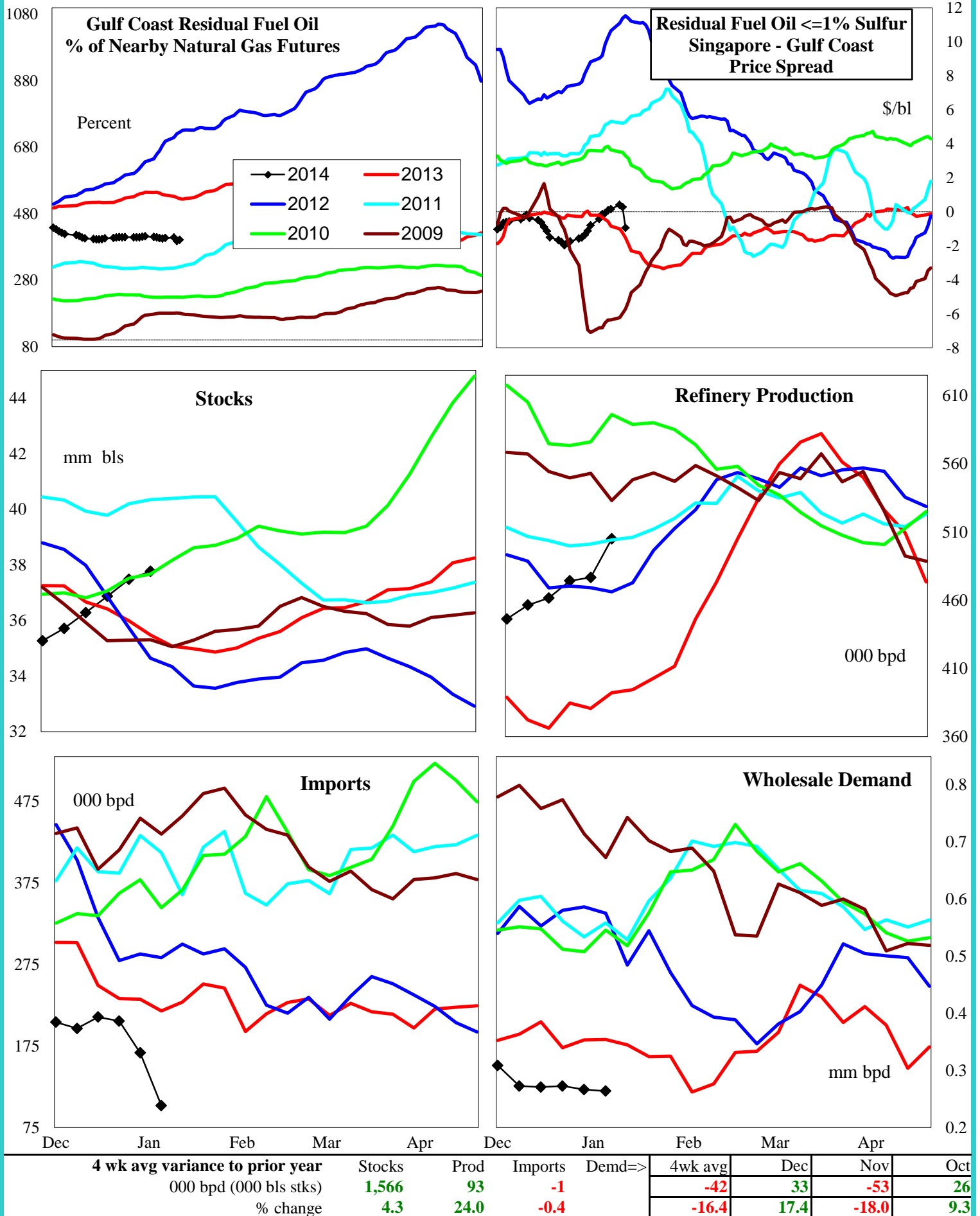
Weekly Stock Change

Monthly Stock Change

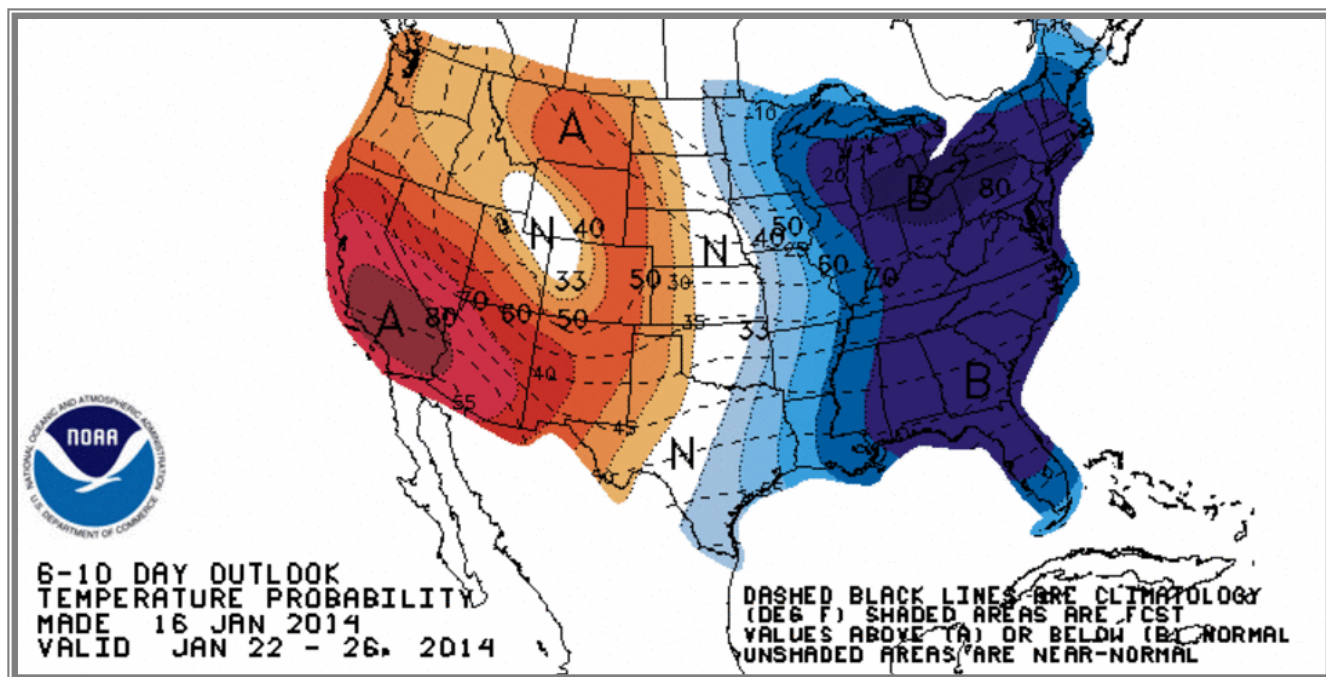
Cumulative Stock Change

BCF
Percent Change (%)-207
-18.5-65
154.8-58
40.0-217
129.2

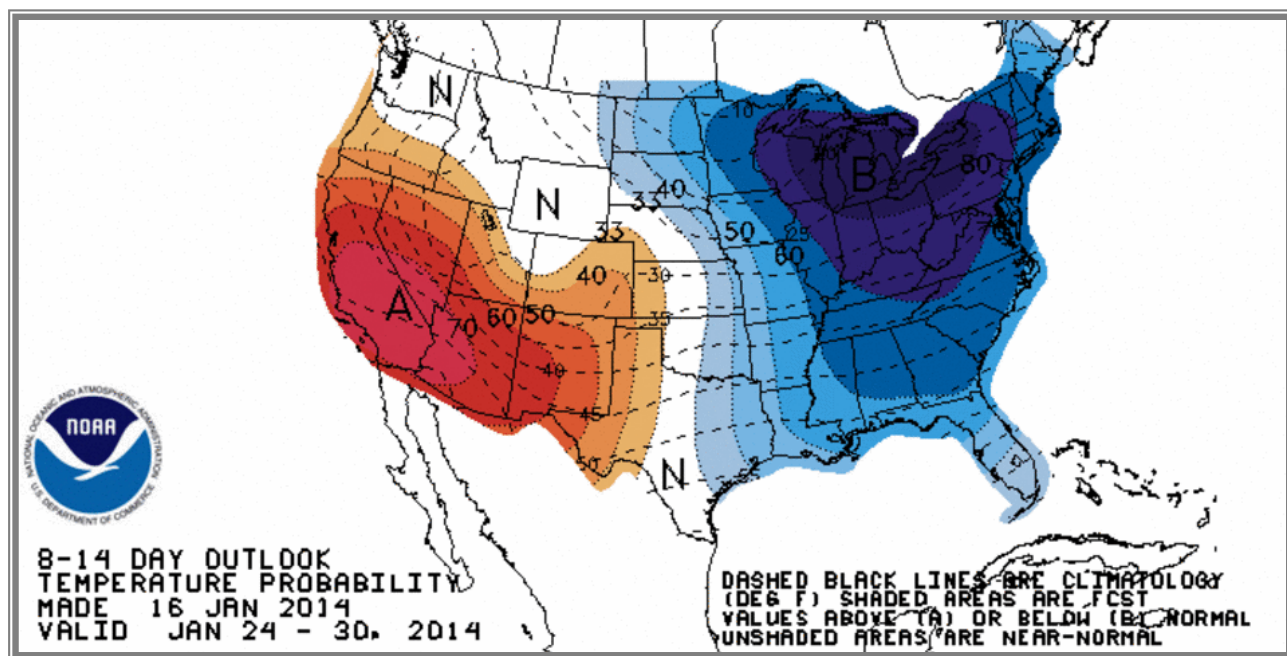
U.S. Residual Fuel Oil Price Spreads and Supply Balance



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

