

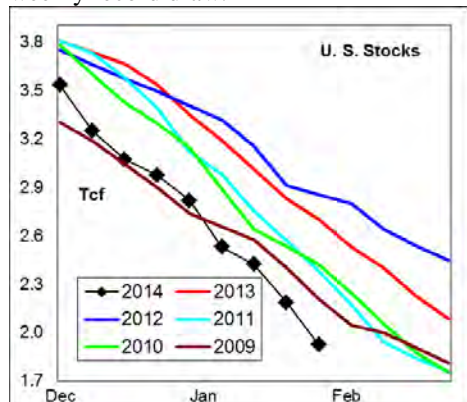
# WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

## A Fundamental Petroleum Trends Weekly Report

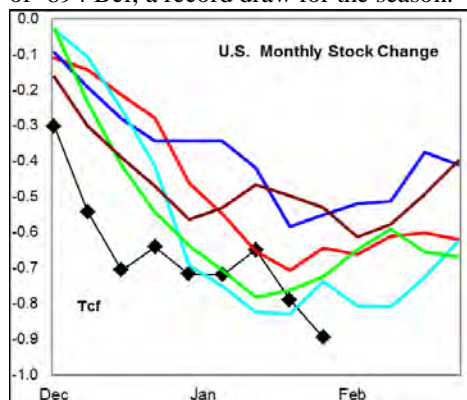
Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Monday, February 10, 2014



**Summary**<sup>1</sup> The stock draw of -262 Bcf for the week was the 2<sup>nd</sup> consecutive weekly record draw.



The latest 4-wk stock change was a draw of -894 Bcf, a record draw for the season.



In the East Region stocks decreased -143 Bcf for the week, a record draw for the period. Stocks decreased -26 Bcf in the West Region, also a record draw for the week. Stocks decreased -93 Bcf on the week in the Producing region, the 2<sup>nd</sup> consecutive record weekly draw.

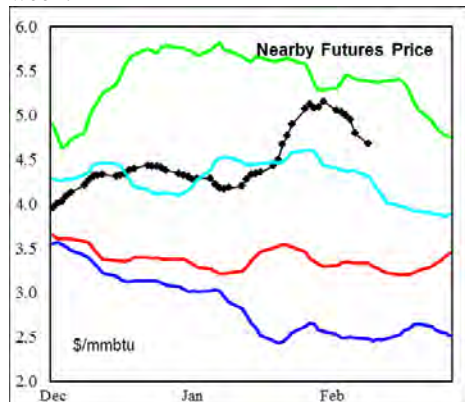
**Heating degree days** were sharply above normal in regions East of the Rockies for the week ending 07Feb14.

The 6-10 day NWS forecast for the week ending 19Feb14 is for sharply below normal heating degree days west of the Mississippi River, and slightly above normal in the East.

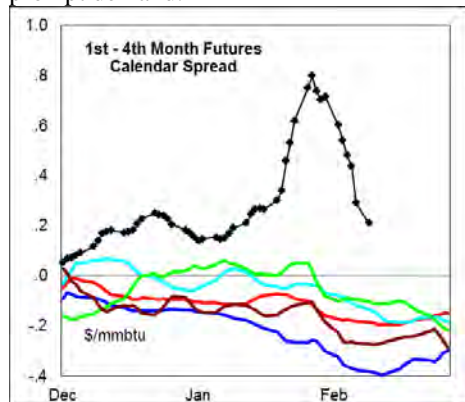
The 8-14 day NWS forecast for the week ending 23Feb14 is for well below

normal heating degree days across the western 2/3rds of the country and slightly below normal in the East.

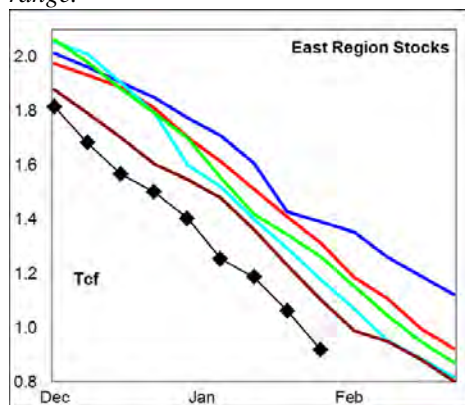
**Prices:** Nearby gas futures declined - \$0.23/mmbtu for the week ending 10Feb14. Moderating temperatures in the East led to the pull back in prices late last week.



The 1<sup>st</sup> - 4<sup>th</sup> month forward price curve fell sharply on the roll futures roll to March, however the spread remains well above the historic trend on continued very high prompt demand.

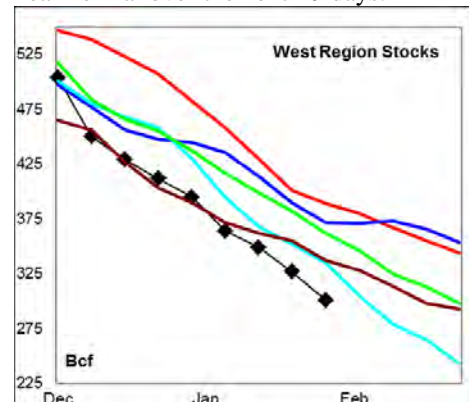


**East Region** stocks decreased -143 Bcf for the week, a record draw for the period. The current stock level is -30% below last years' record high; and below the 5-yr range.



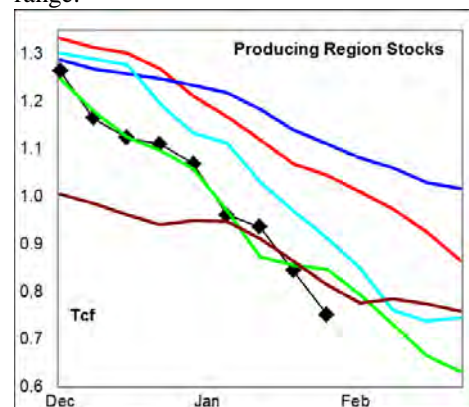
Heating degree days were at very high

levels last week, but forecast to return to near normal over the next 10-days.



**West Region** stocks decreased -26 Bcf last week, a record draw for the week. Stock levels ended the week -23% below last years' record high, and below the 5-yr range. Heating degree days are forecast to be sharply below normal for the next 10-days.

**Producing Region** stocks declined -93 Bcf for the week, the 2<sup>nd</sup> consecutive record weekly draw. Stock levels ended the week -30% below last year, and below the 5-yr range.



Much 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 may favor residual fuel in some local eastern markets where pipeline capacity constraints exist.

**Outlook:** Temperatures are forecast to turn sharply higher in the western 2/3rds of the country during the 2<sup>nd</sup> half of the month, with temperatures in the East returning to near normal for this time of year.

The warming trend risk a further pull back in prices, limited by record low stock levels for this time of year in all regions of the country.

### <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: February 10, 2014

For the week ending: 7-Jan-14

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

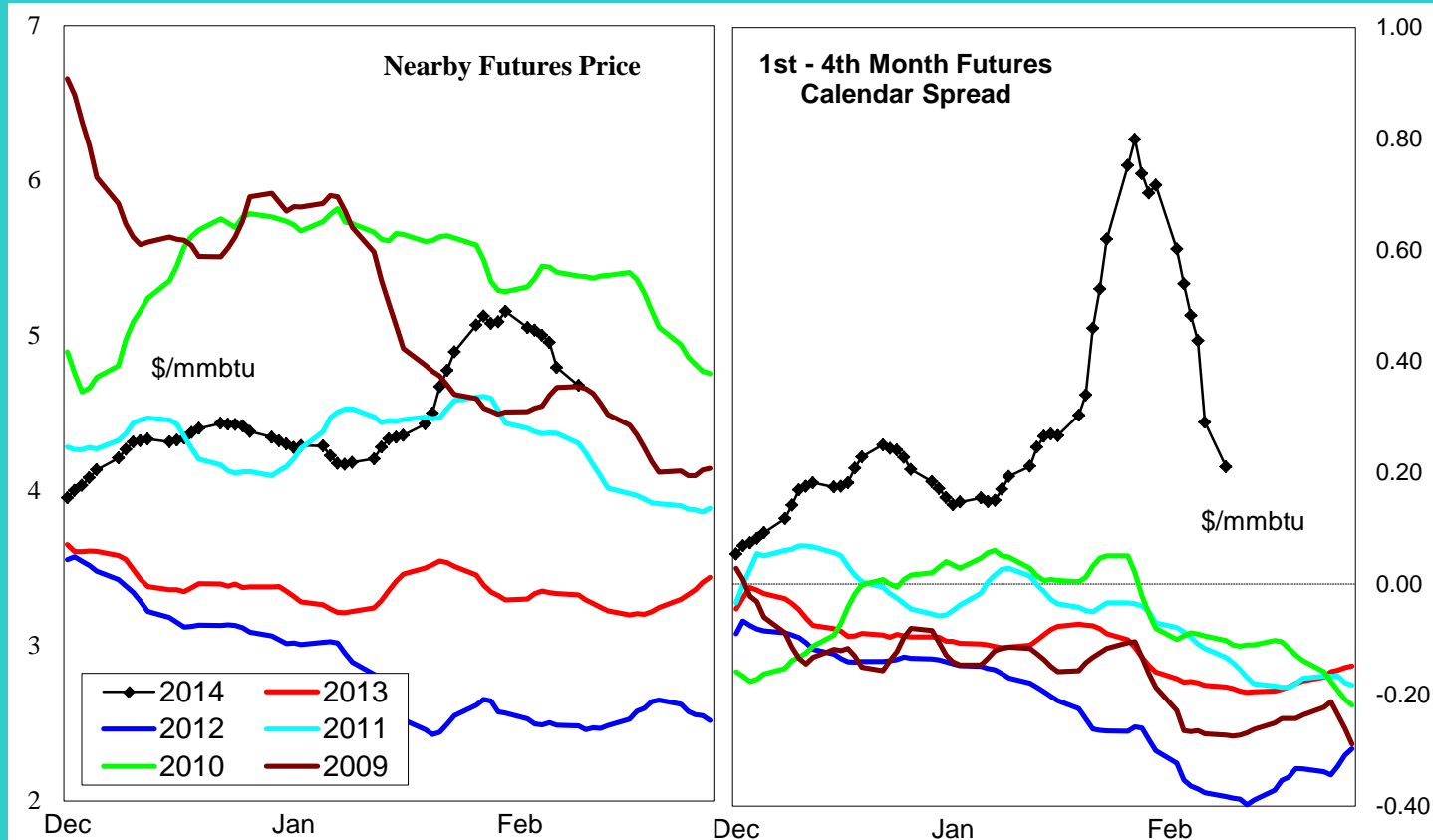
Week ending:	7-Jan-14			15-Jun-13		22-Jun-13		29-Jun-13	
Region	Weekly Stocks			Weekly Heating Degree Days					
		Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
	Bcf	Week Bcf	Year (%)						
U.S. Total	1,923	-262	-28.8	-14	-45%	-2	-33%	-3	-77%
East	920	-143	-30.1	-17	-39%	-2	-18%	-4	-74%
West	301	-26	-22.6	-12	-58%	-2	-55%	-5	-78%
Producing	702	-93	-29.5	-4	-100%	0	-100%	0	-100%

### Seasonal Trends in Stocks and Heating Degree Days

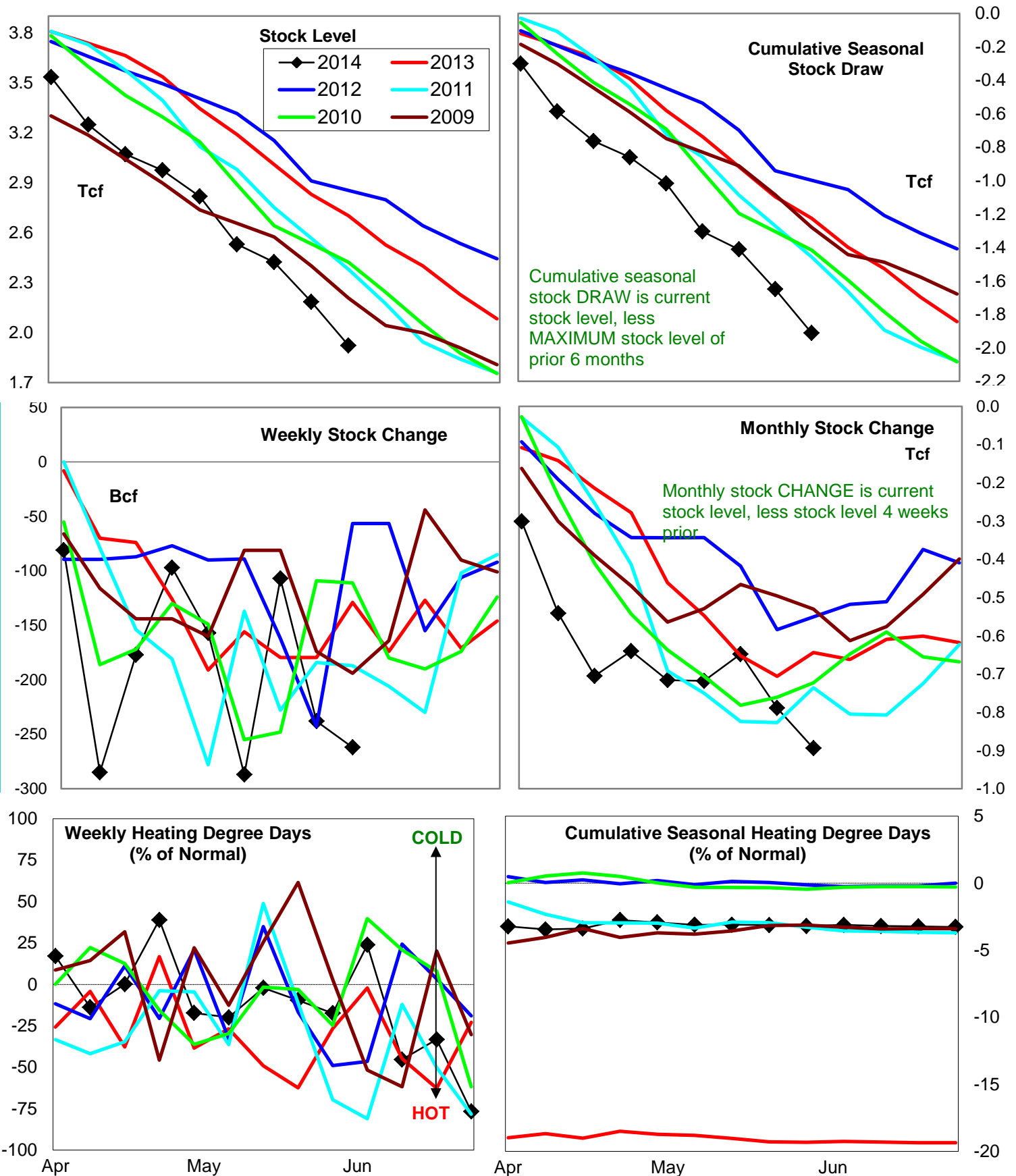
	Cumulative Stock Change			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
<b>U.S. Total</b>	<b>-1,911</b>	<b>-686</b>	<b>35.9</b>	<b>6</b>	<b>-3.2</b>	<b>4</b>	<b>-3.2</b>	<b>1</b>	<b>-3.3</b>
<b>East</b>	<b>-1,064</b>	<b>-285</b>	<b>26.8</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>-254</b>	<b>-92</b>	<b>36.2</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>-595</b>	<b>-304</b>	<b>51.1</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:	10-Feb-14	Change vs prior week, month, year		
		4-Feb-14	14-Jan-14	19-Feb-13
<b>1st month Futures</b>	<b>4.68</b>	<b>-0.70</b>	<b>0.31</b>	<b>1.43</b>
<b>% change</b>	<b>xxxxx</b>	<b>-12.9</b>	<b>7.1</b>	<b>44.2</b>



# United States Natural Gas Stock and Weather Trends



Variance to prior year

Stock Level

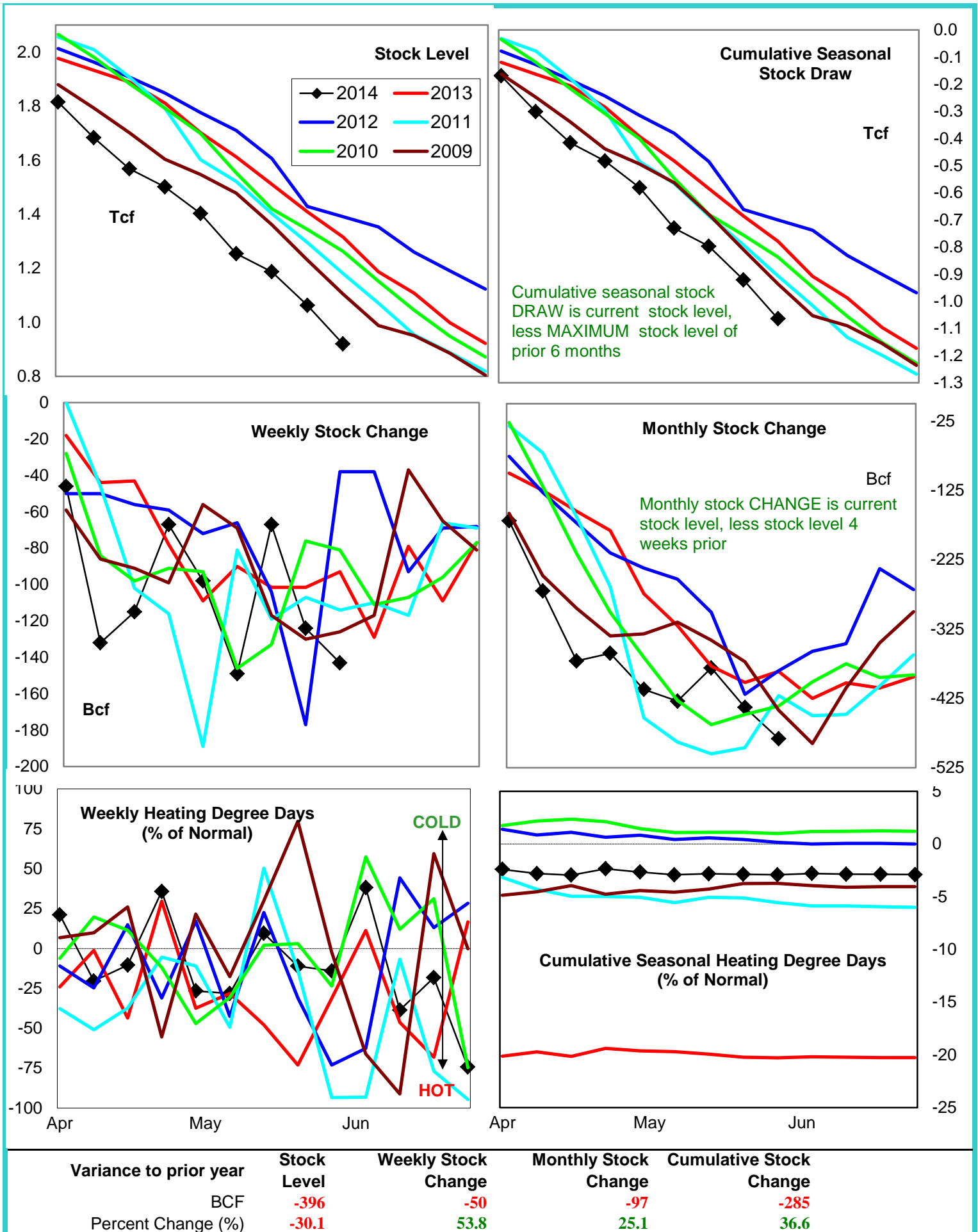
Weekly Stock Change

Monthly Stock Change

Cumulative Stock Change

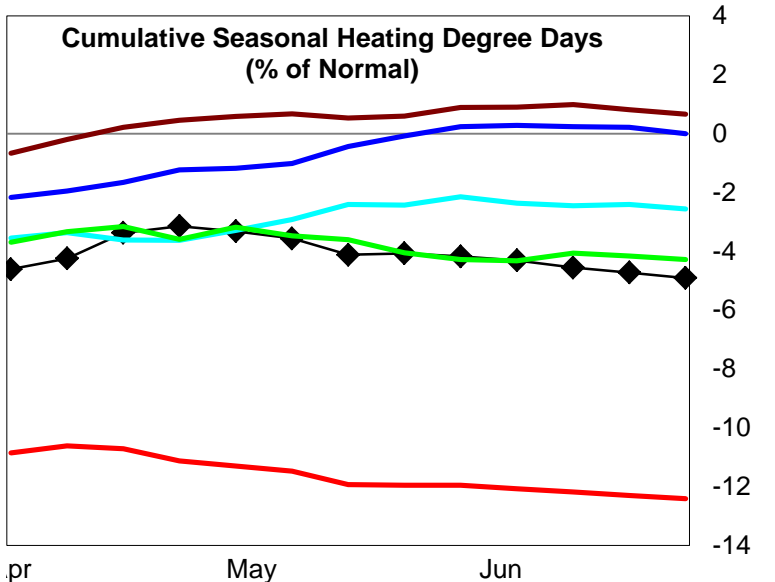
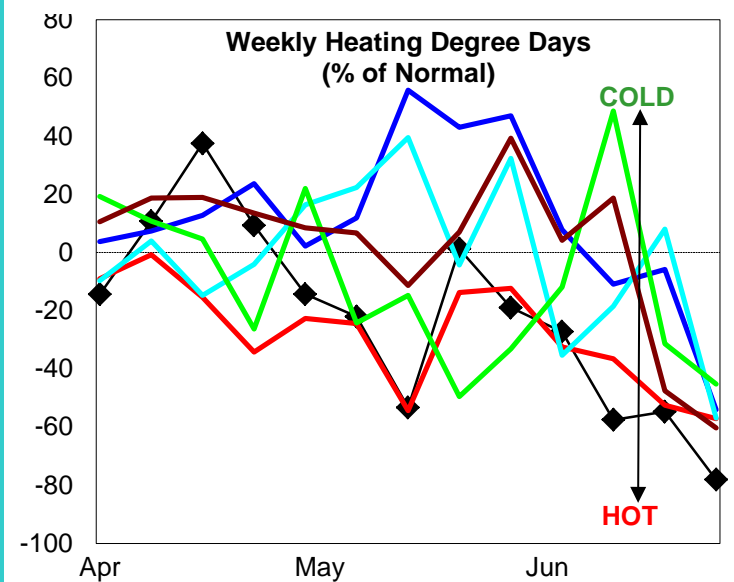
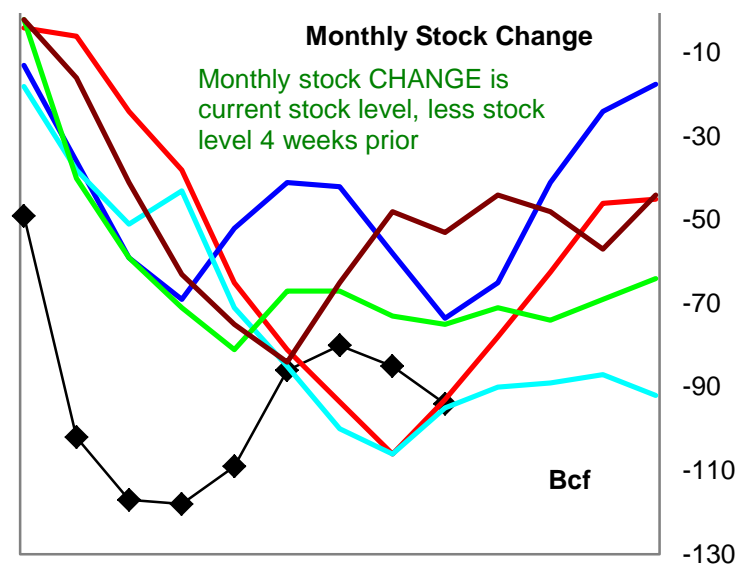
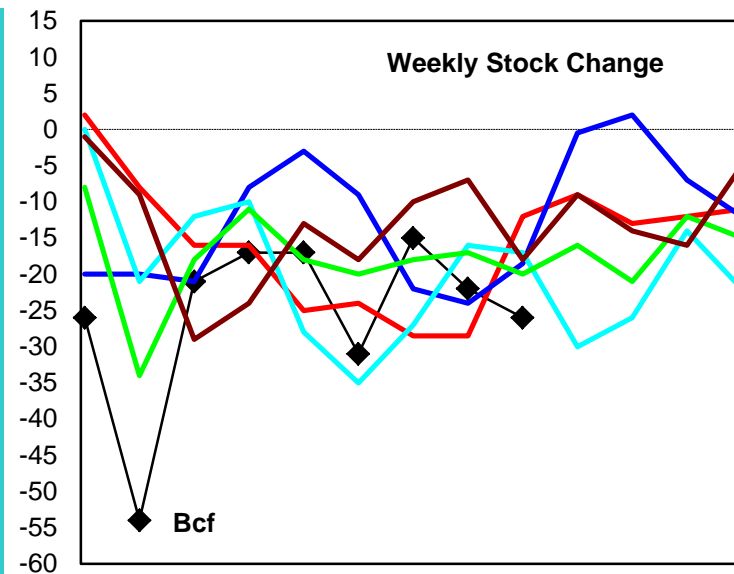
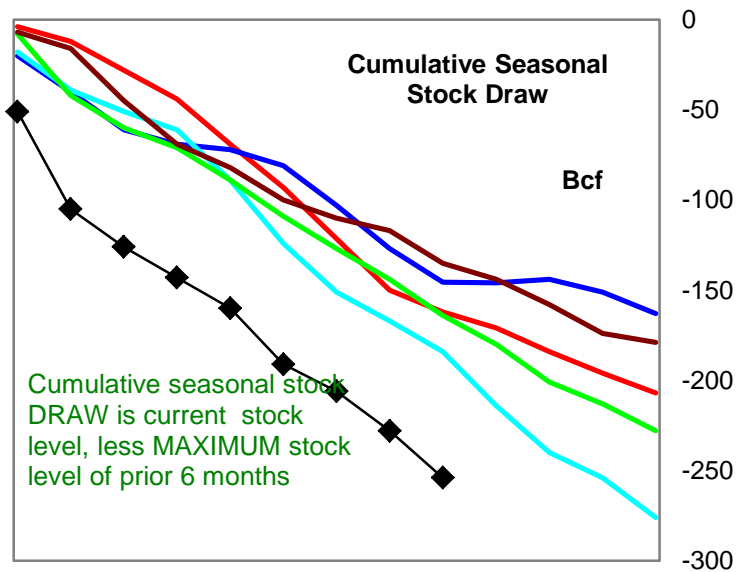
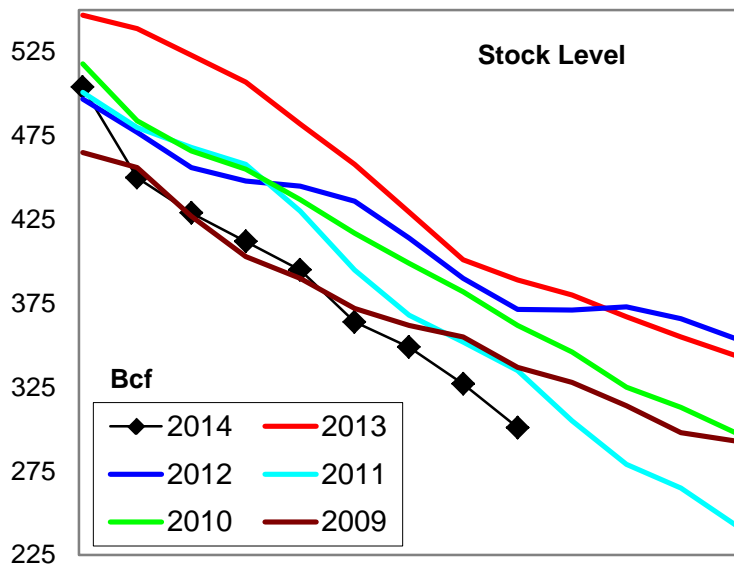
BCF  
Percent Change (%)-778  
-28.8-133  
103.1-250  
38.8-686  
56.0

# 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

-88

-14

-1

-92

Percent Change (%)

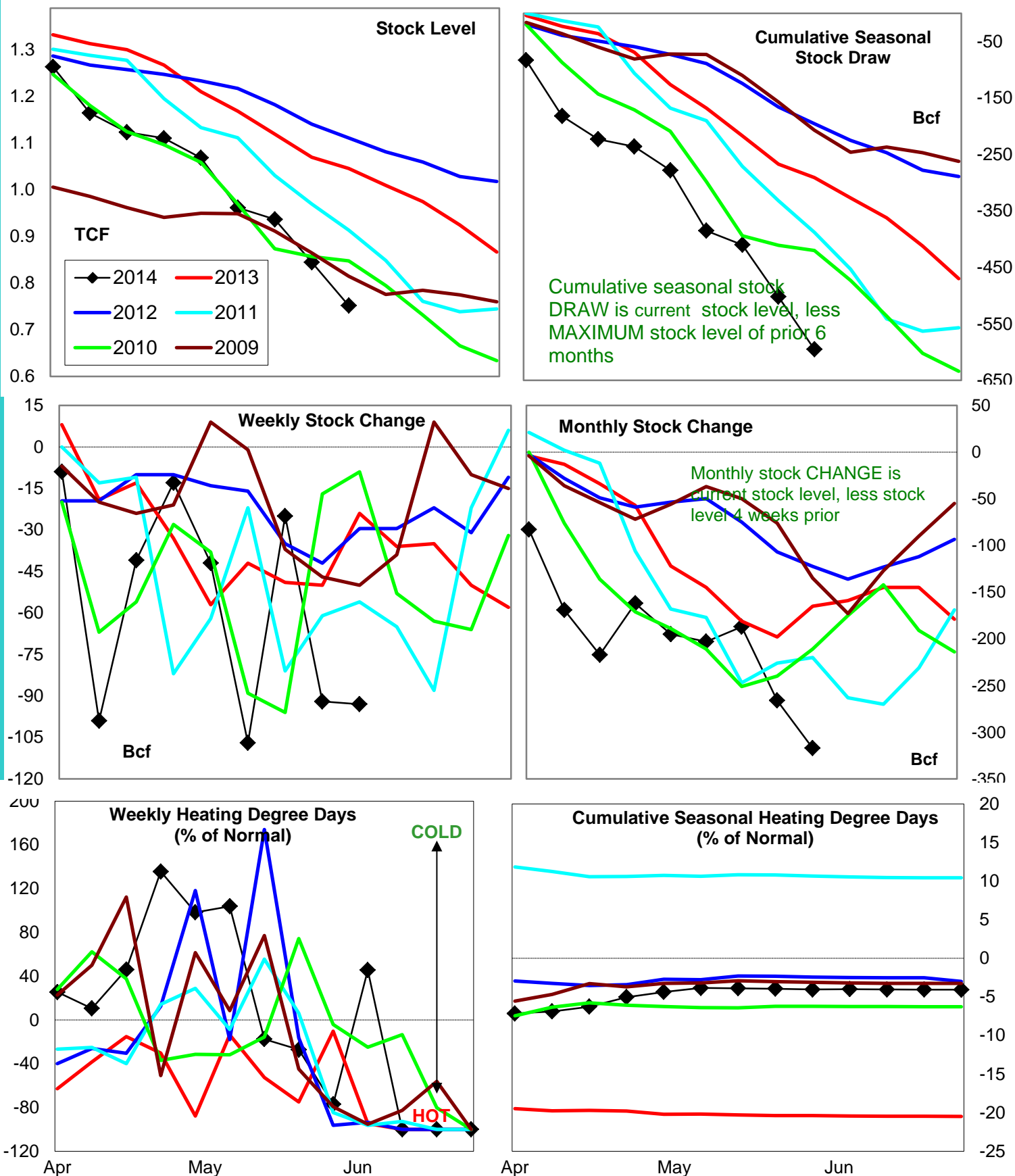
-22.6

116.7

1.1

56.8

# Natural Gas Producing Region Stock and Weather Trends



Variance to prior year

Stock Level

Weekly Stock Change

Monthly Stock Change

Cumulative Stock Change

BCF

-294

-69

-152

-304

Percent Change (%)

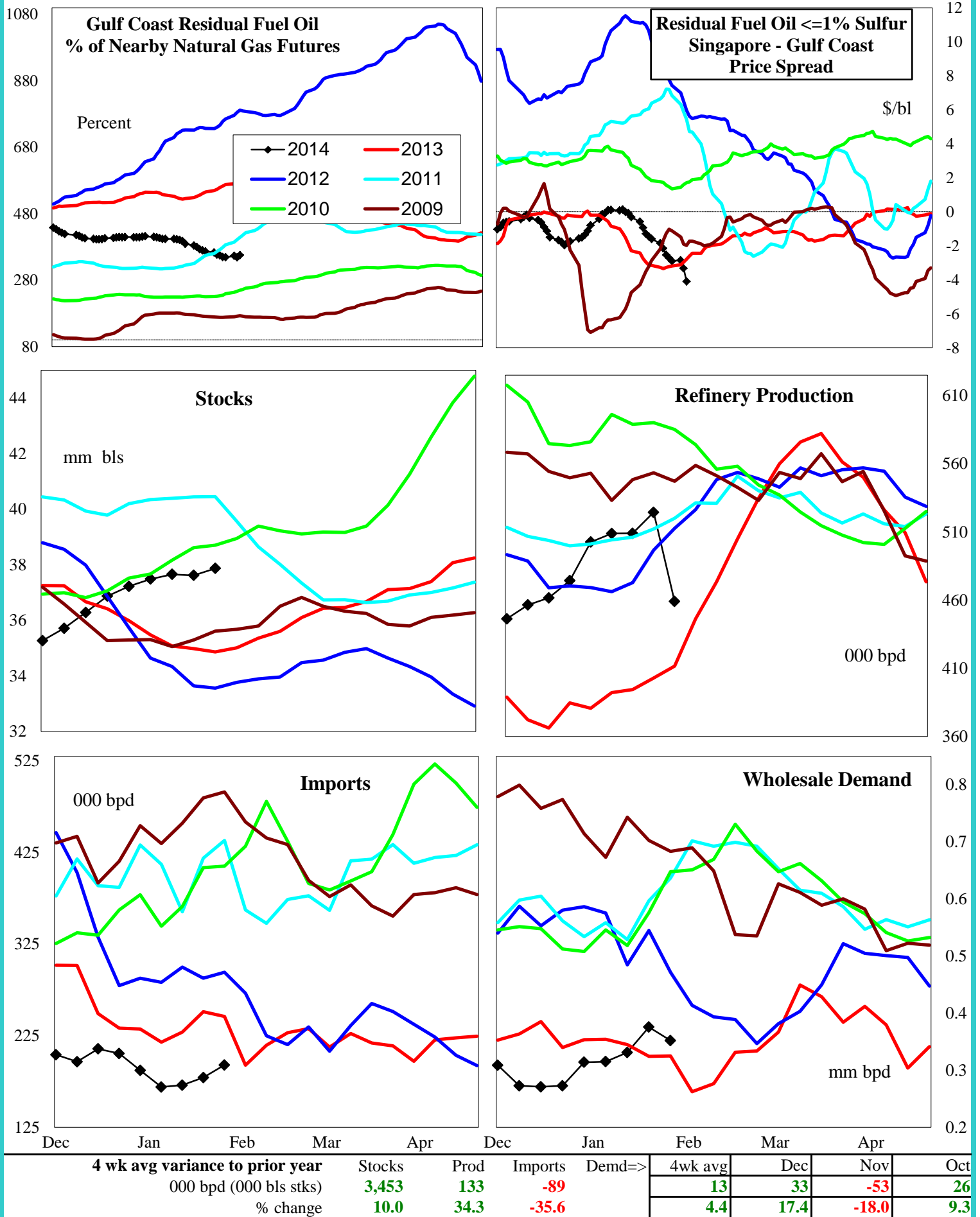
-29.5

287.5

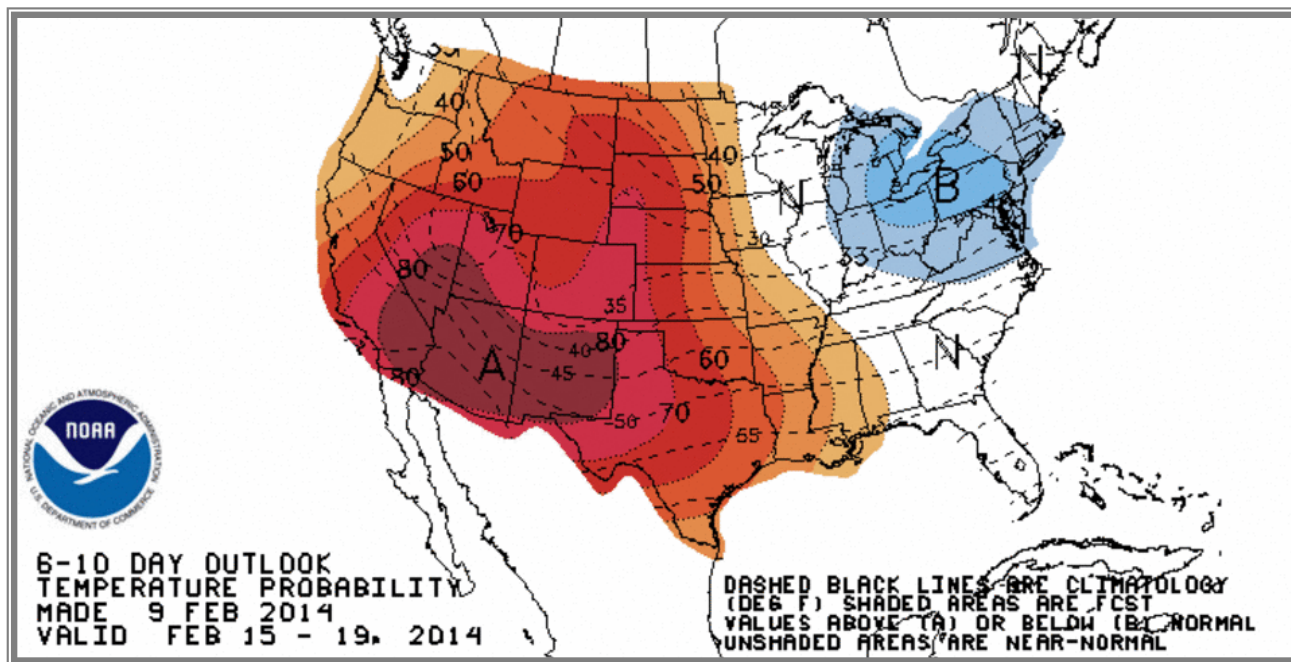
92.1

104.5

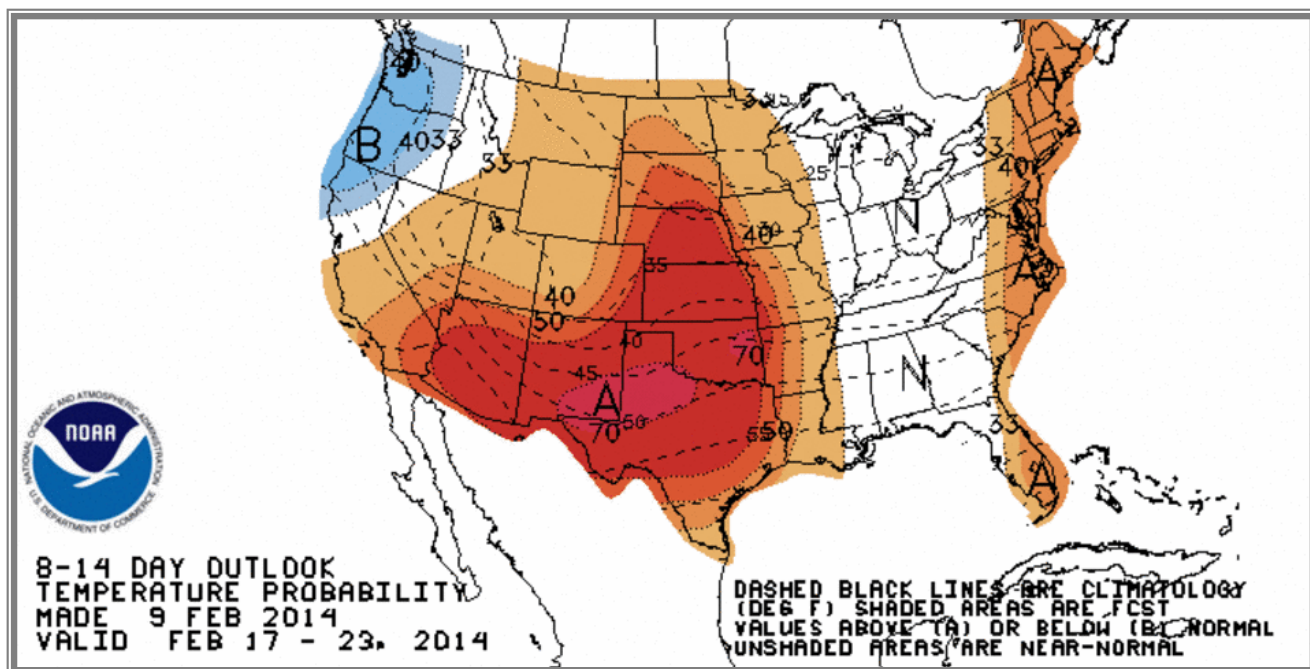
## U.S. Residual Fuel Oil Price Spreads and Supply Balance



## 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

