

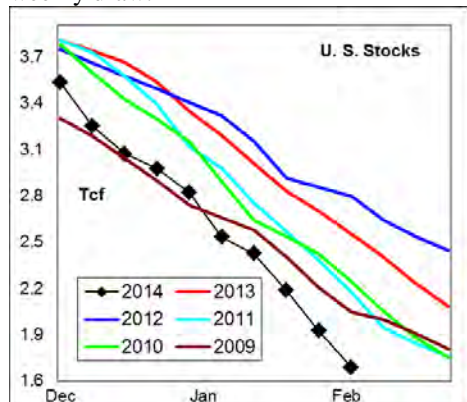
WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

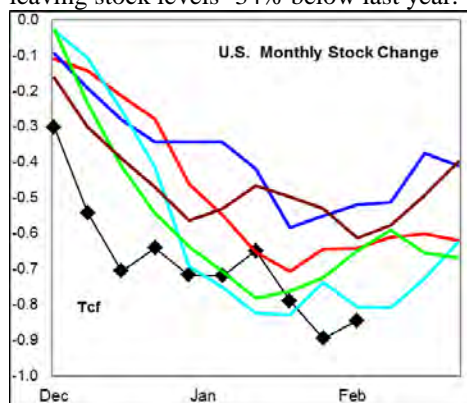
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Monday, February 17, 2014



Summary ¹ The stock draw of -237 Bcf for the week was the 3rd consecutive record weekly draw.



The latest 4-wk stock change was a draw of -844 Bcf, a record draw for the period; leaving stock levels -34% below last year.



In the East Region stocks decreased -106 Bcf for the week, a draw equal to the historic mid range. Stocks decreased -42 Bcf in the West Region, a record draw for the 1st quarter. Stocks decreased -89 Bcf on the week in the Producing region, the 3rd consecutive record weekly draw.

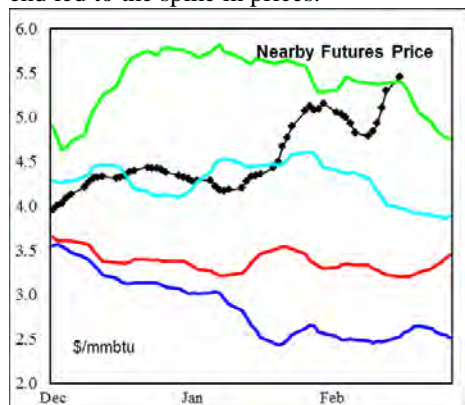
Heating degree days were sharply above normal in regions East of the Rockies for the week ending 14Feb14.

The 6-10 day NWS forecast for the week ending 26Feb14 is for above normal heating degree days in the Eastern 2/3rds of the country and below normal in the west.

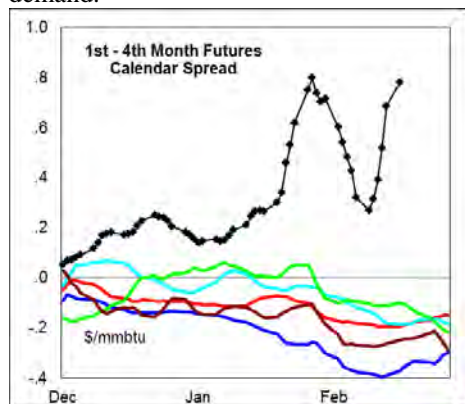
The 8-14 day NWS forecast for the

week ending 02Mar14 is for well above normal heating degree days across the eastern 1/2 of the country and well below normal in the West.

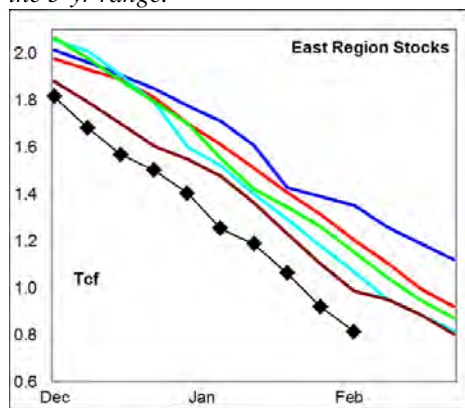
Prices: Nearby gas futures surged +\$0.88/mmbtu for the week ending 17Feb14. A forecast of much colder than temperatures in the East through month end led to the spike in prices.



The 1st - 4th month forward price curve surged last to near record highs see at the end of January on very high prompt demand.

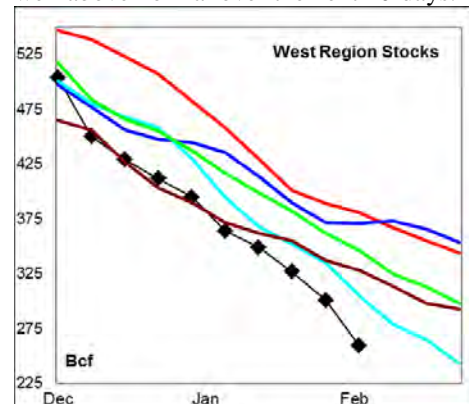


East Region stocks decreased -106 Bcf for the week, a draw equal to the historic mid range. *The current stock level is -32% below last years' record high; and below the 5-yr range.*



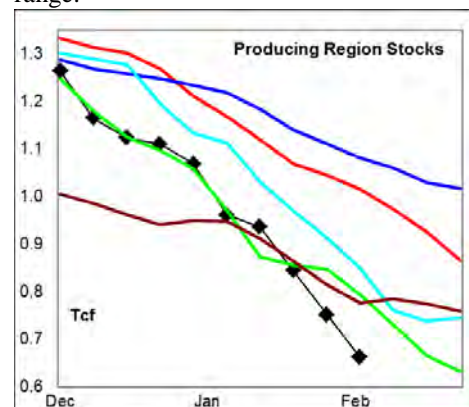
Heating degree days were at very high

levels last week, and forecast to return to well above normal over the next 10-days.



West Region stocks decreased -42 Bcf last week, a record draw for the 1st quarter. Stock levels ended the week -32% 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 -89 Bcf for the week, the 3rd consecutive record weekly draw. Stock levels ended the week -37% below last year, and below the 5-yr range.



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

Outlook: *Temperatures are forecast to return to below normal in the eastern 1/2 of the country during the last 10-days of the month. Combined with extremely low stock levels, a surge in prices is again underway.*

Another surge in heating demand risk a further spike in prices during the next 2-wks.

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: February 17, 2014

For the week ending: 8-Jan-14

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

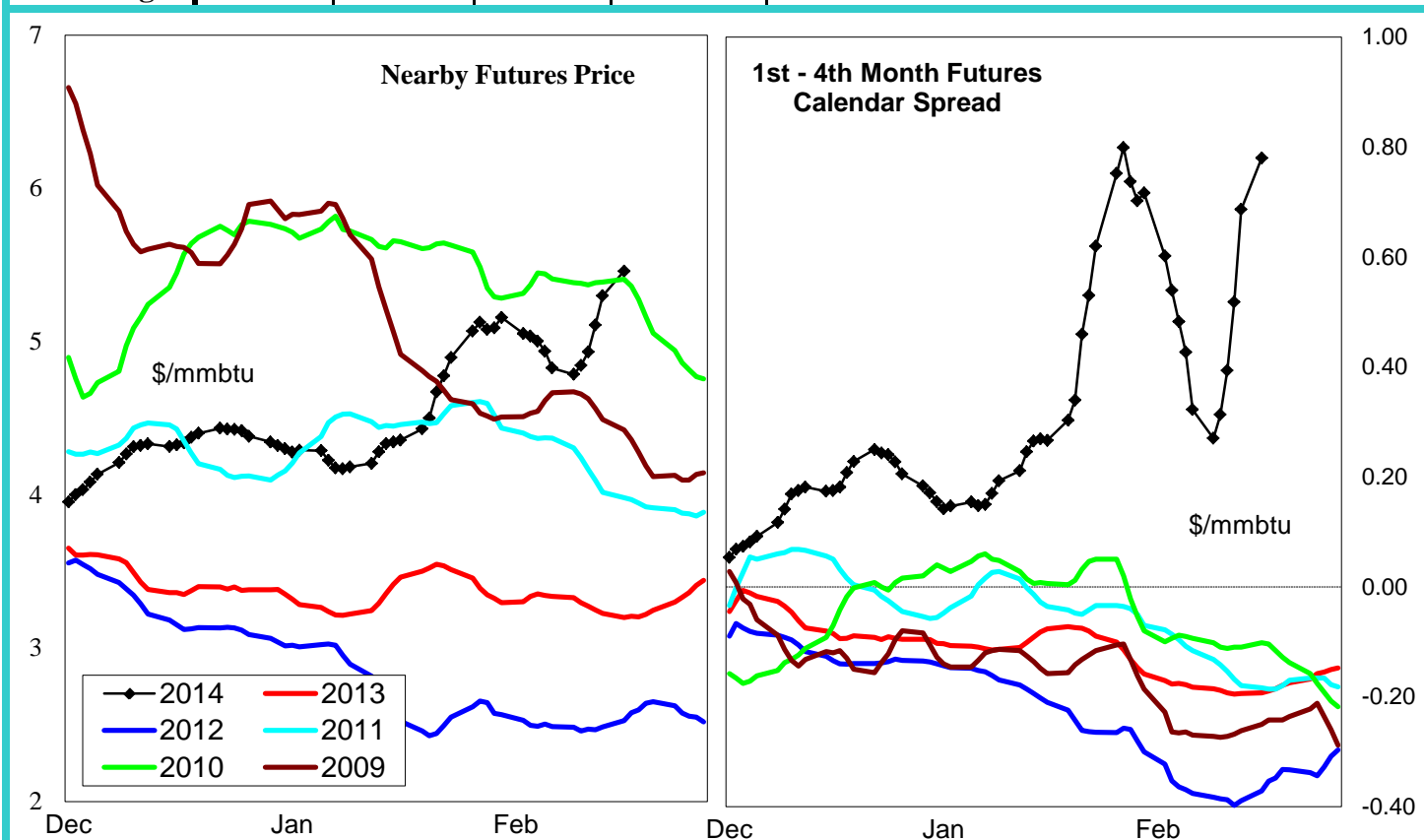
Week ending:	8-Jan-14			15-Jun-13		22-Jun-13		29-Jun-13	
Region	Weekly Stocks			Weekly Heating Degree Days					
		Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
	Bcf	Week Bcf	Year (%)						
U.S. Total	1,686	-237	-33.9	-14	-45%	-2	-33%	-3	-77%
East	814	-106	-32.4	-17	-39%	-2	-18%	-4	-74%
West	259	-42	-32.0	-12	-58%	-2	-55%	-5	-78%
Producing	613	-89	-36.5	-4	-100%	0	-100%	0	-100%

Seasonal Trends in Stocks and Heating Degree Days

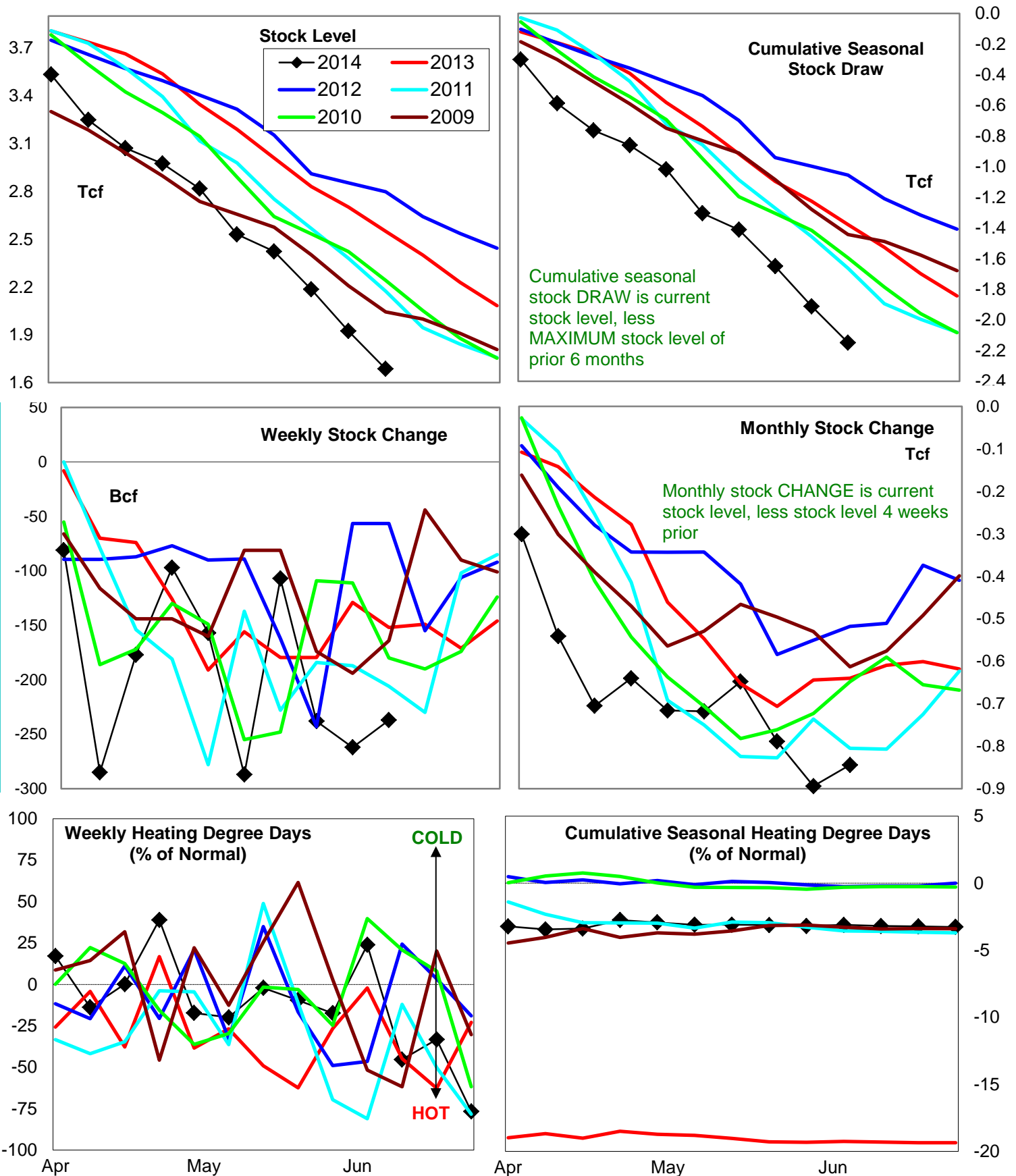
	Cumulative Stock Change			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
U.S. Total	-2,148	-771	35.9	6	-3.2	4	-3.2	1	-3.3
East	-1,170	-279	23.8	6	-2.9	4	-2.9	1	-2.9
West	-296	-126	42.6	10	-4.6	8	-4.7	3	-4.9
Producing	-684	-362	52.9	0	-4.0	0	-4.1	0	-4.1

Futures Market Price Trends

Date:	17-Feb-14	Change vs prior week, month, year		
		11-Feb-14	21-Jan-14	26-Feb-13
1st month Futures	5.46	0.64	1.03	1.97
% change	xxxxx	13.2	23.2	56.6



United States Natural Gas Stock and Weather Trends



Variance to prior year

Stock Level

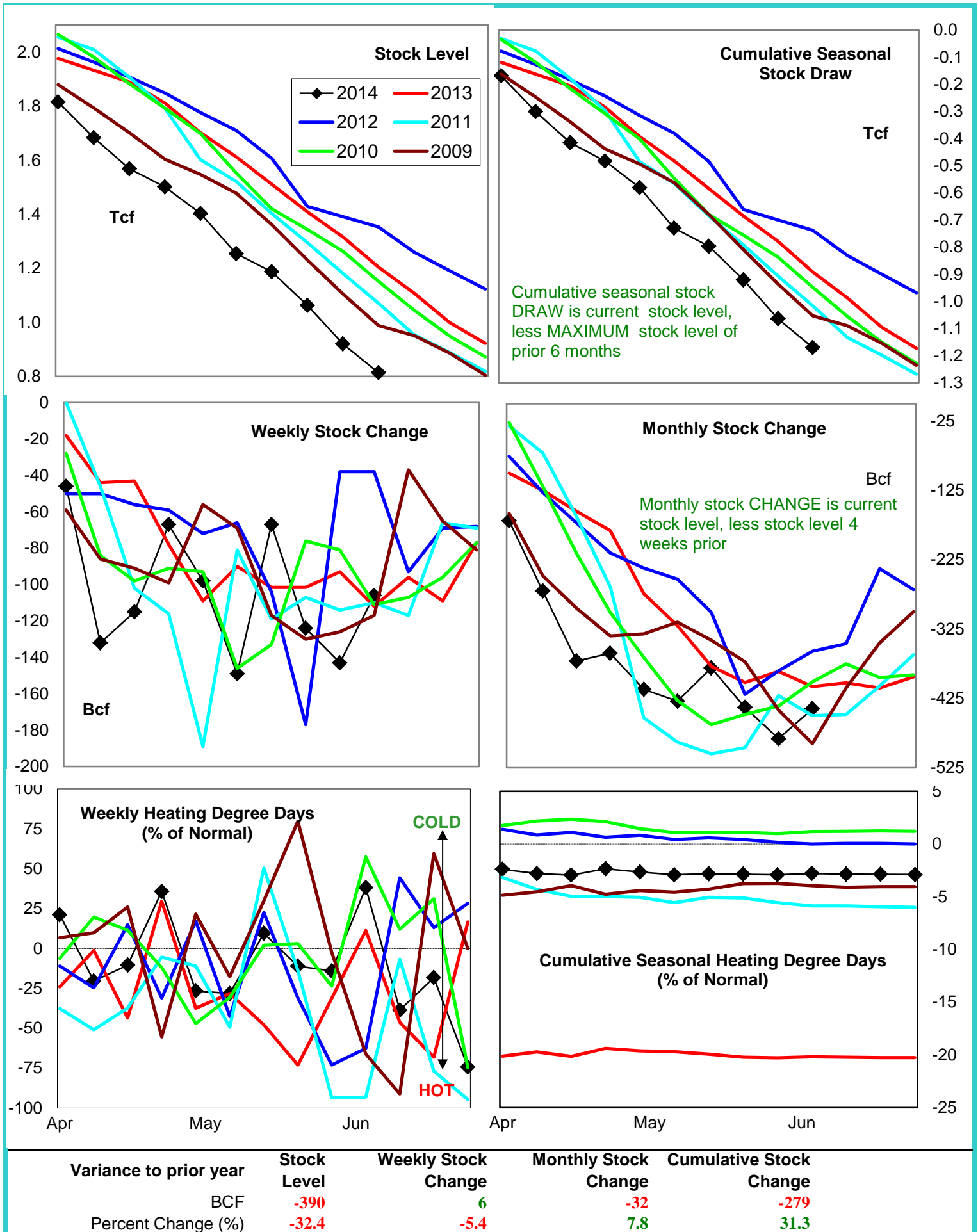
Weekly Stock Change

Monthly Stock Change

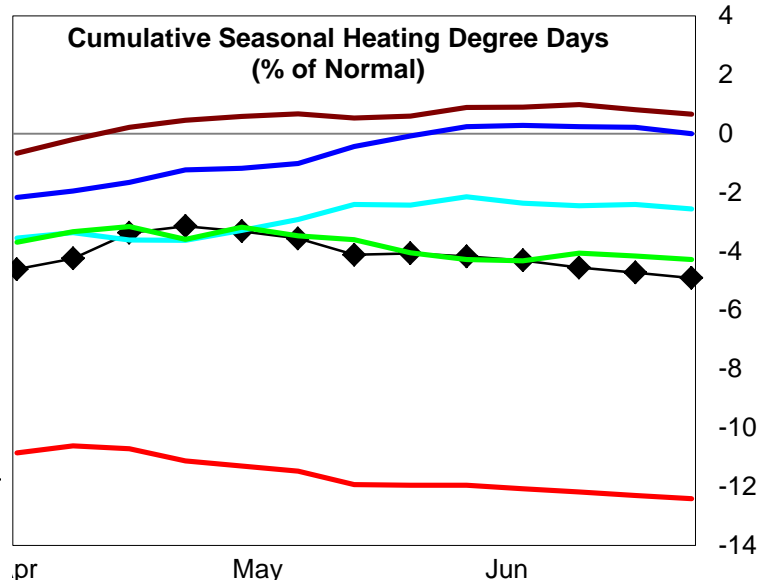
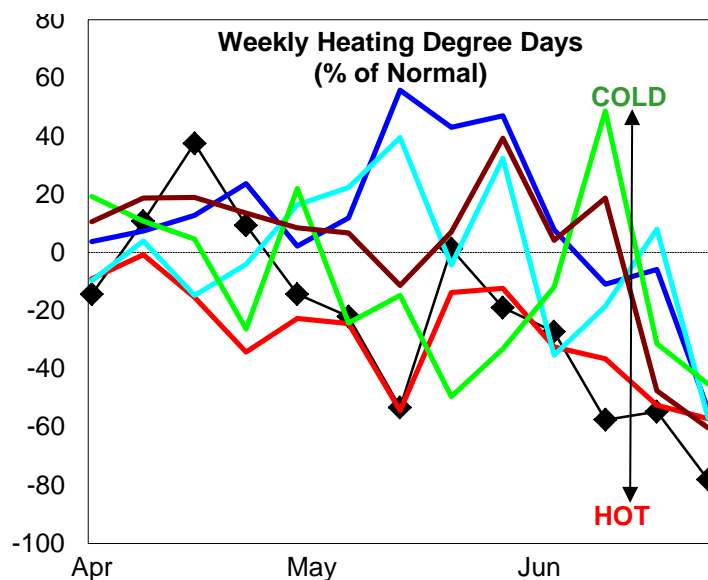
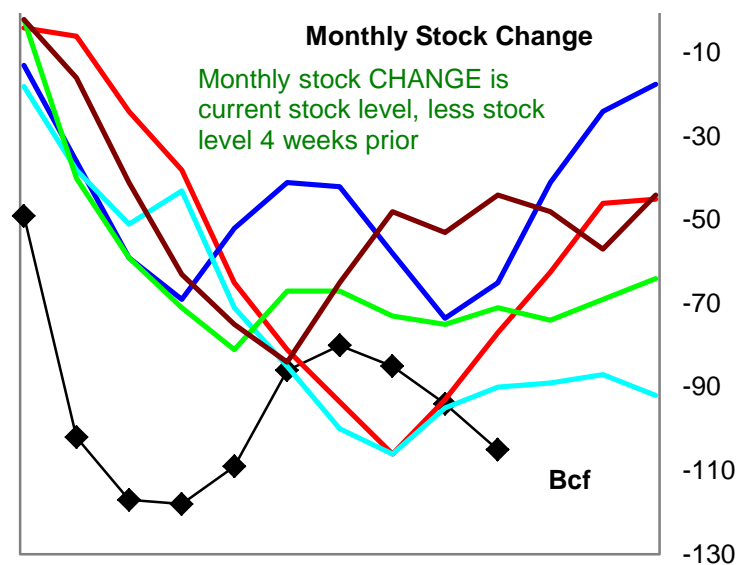
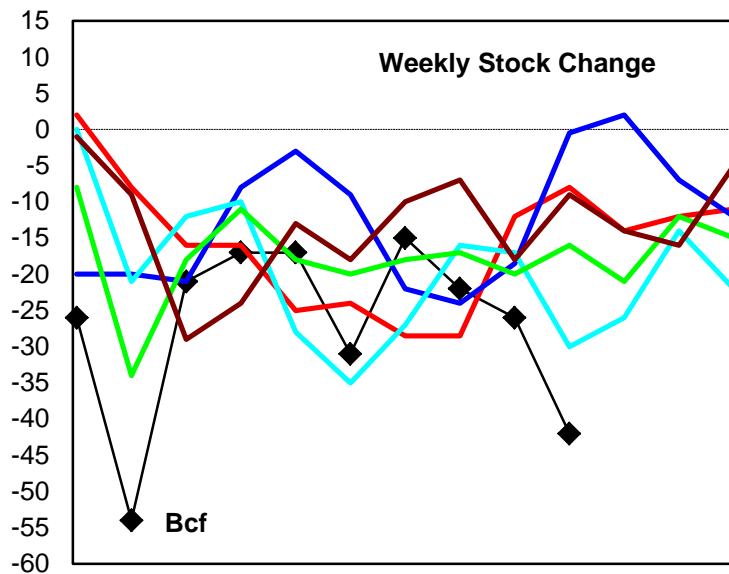
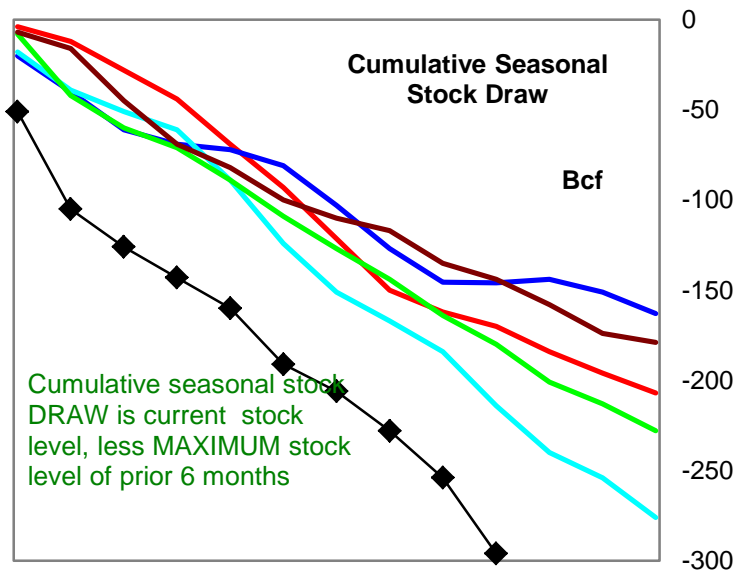
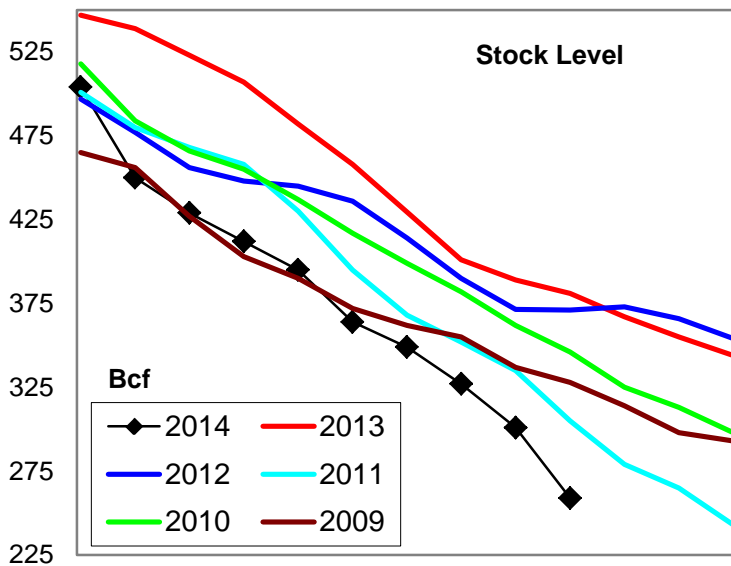
Cumulative Stock Change

BCF
Percent Change (%)-863
-33.9-85
55.9-204
31.9-771
56.0

Natural Gas East Region Stock and Weather Trends



Natural Gas West Region Stock and Weather Trends



Variance to prior year

Stock Level

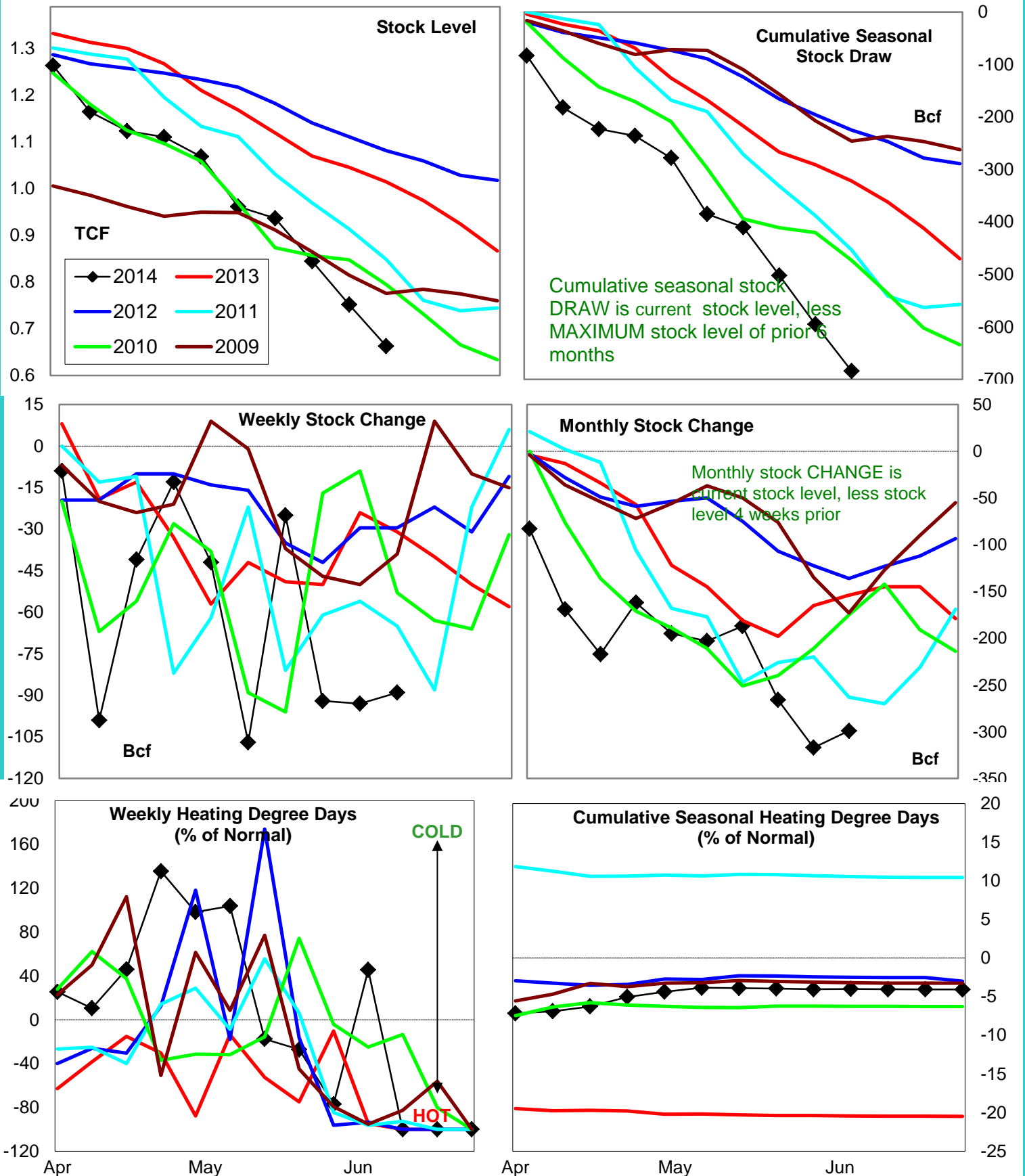
Weekly Stock Change

Monthly Stock Change

Cumulative Stock Change

BCF
Percent Change (%)-122
-32.0-34
425.0-28
36.4-126
74.1

Natural Gas Producing Region Stock and Weather Trends



Variance to prior year

Stock
LevelWeekly Stock
ChangeMonthly Stock
ChangeCumulative Stock
Change

BCF

-352

-58

-145

-362

Percent Change (%)

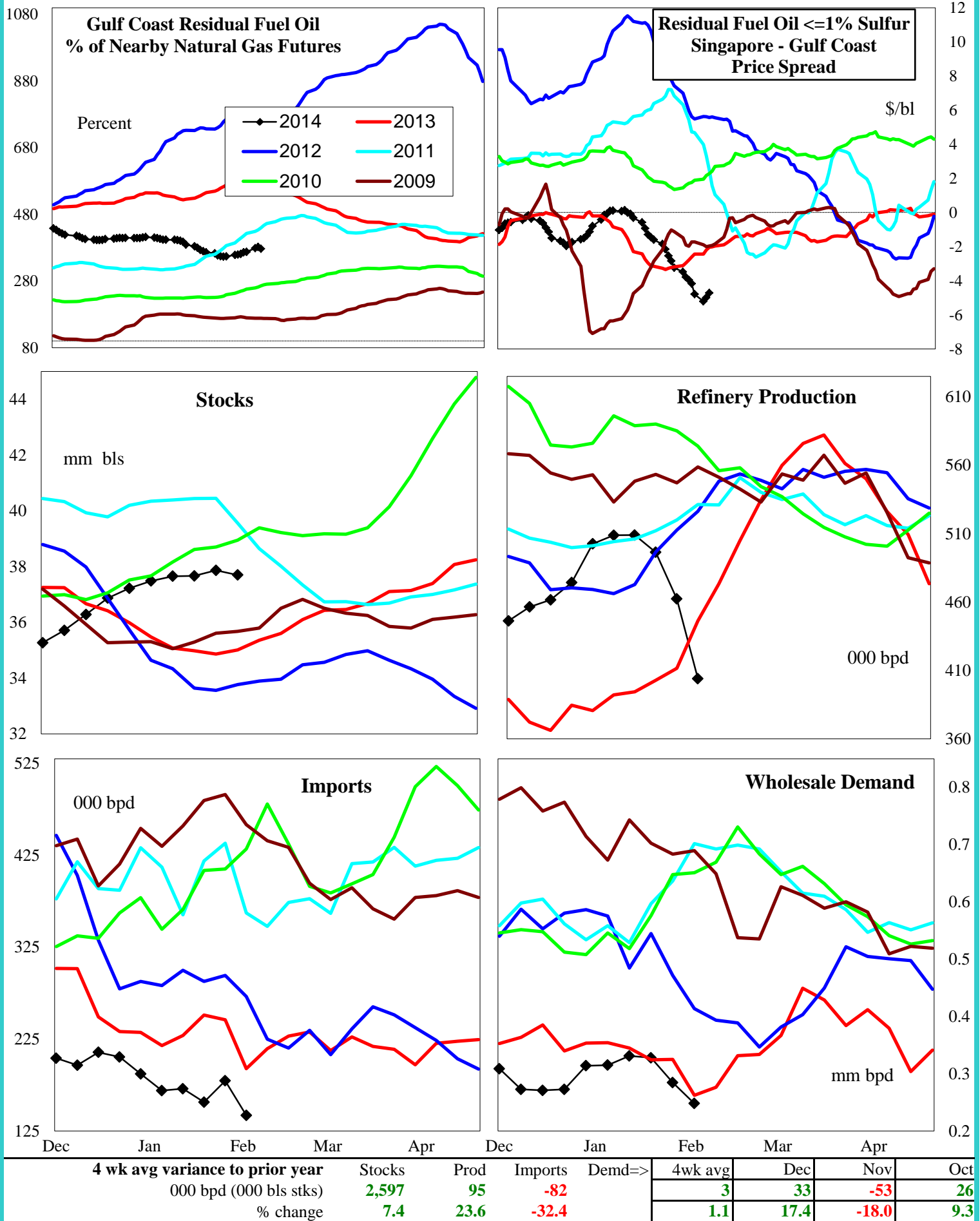
-36.5

187.1

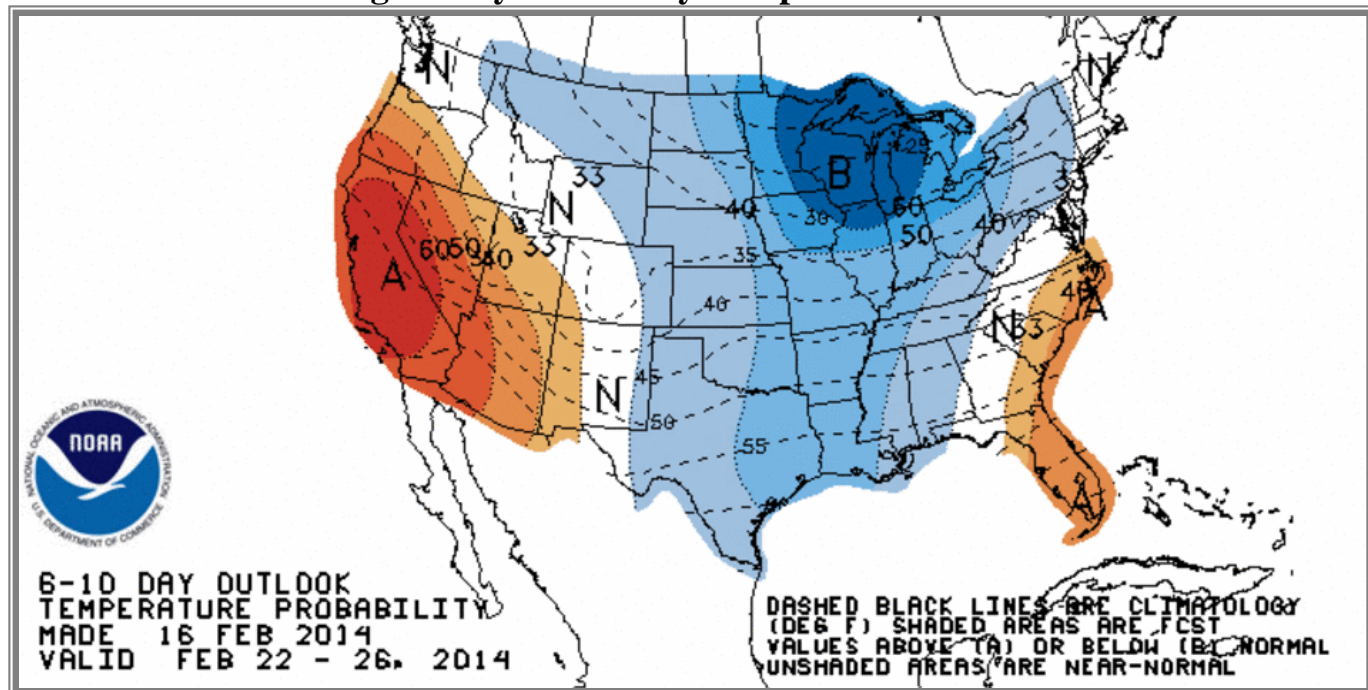
94.2

112.4

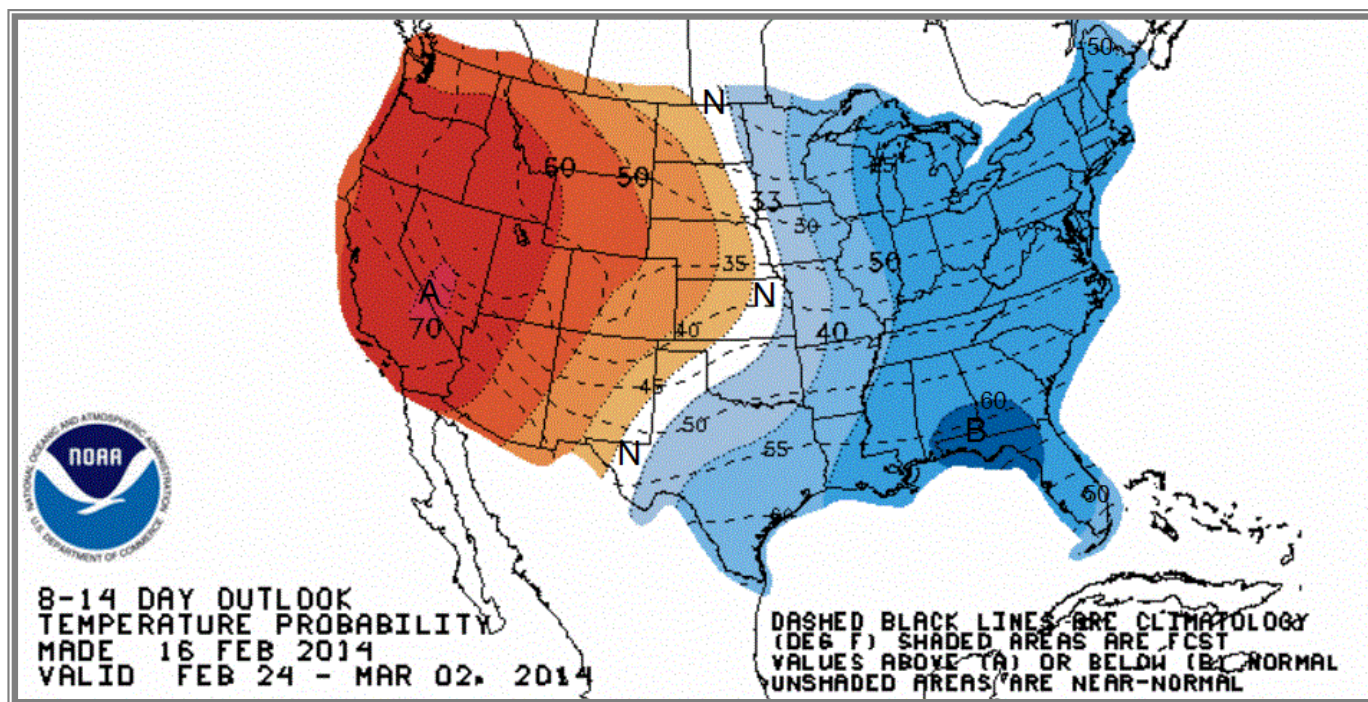
U.S. Residual Fuel Oil Price Spreads and Supply Balance



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

