



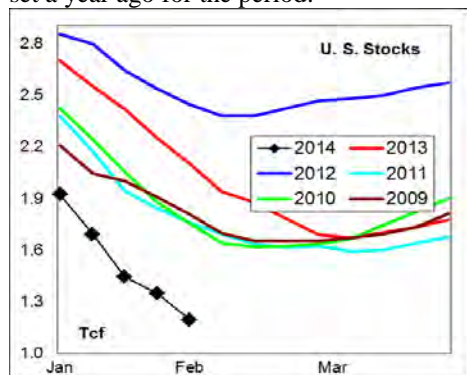
WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

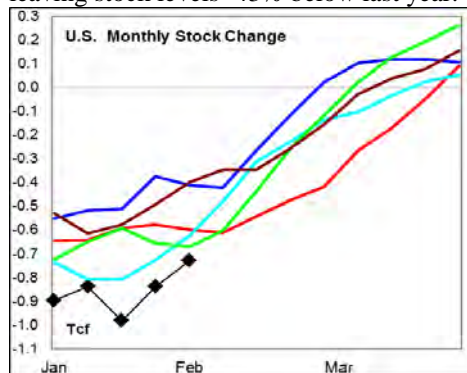
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Monday, March 10, 2014



Summary ¹ The stock draw of -152 Bcf for the week matched the 5-yr record draw set a year ago for the period.



The latest 4-wk stock change was a draw of -727 Bcf, a record draw for the period; leaving stock levels -43% below last year.



In the East Region stocks decreased -82 Bcf for the week, a draw equal to the 5-yr mid range. Stocks decreased -27 Bcf in the West Region, a record draw for the period. Stocks decreased -43 Bcf on the week in the Producing region, a draw greater than four of the last 5-yr.

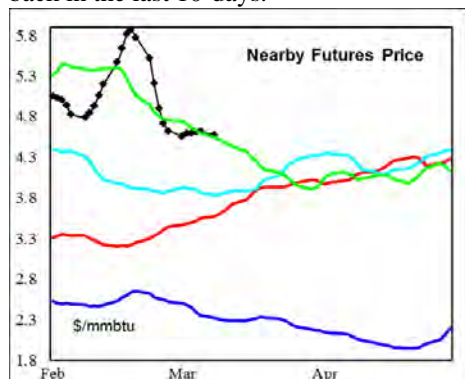
Heating degree days were well below normal East of the Rockies for the week ending 07Mar14 in, which should lead to a larger than average draw.

The 6-10 day NWS forecast for the week ending 19Mar14 is for above average heating degree days in the eastern 1/2 of the country and below normal in the west.

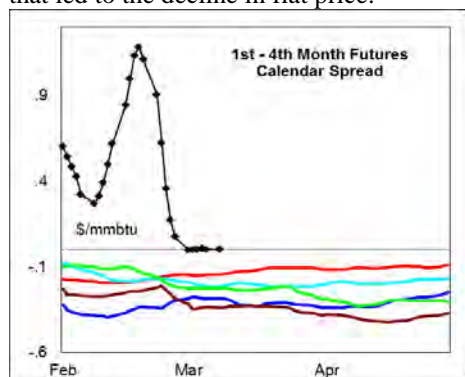
The 8-14 day NWS forecast for the week ending 23Mar14 is for above normal heating degree days across the 2/3rds of

the country and below normal in the southwest.

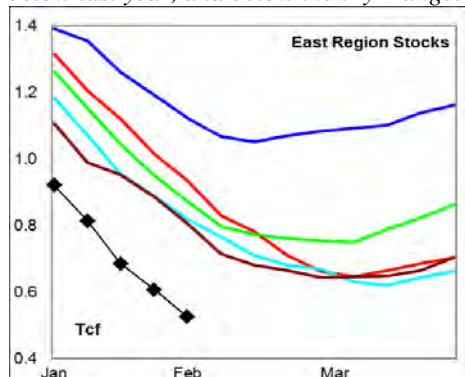
Prices: Nearby gas futures increased +\$0.09/mmbtu for the week ending 10Mar14. A seasonal decline in heating degree days; although above normal, mandated fuel switching to distillates by Northeast utilities underlies the price pull back in the last 10-days.



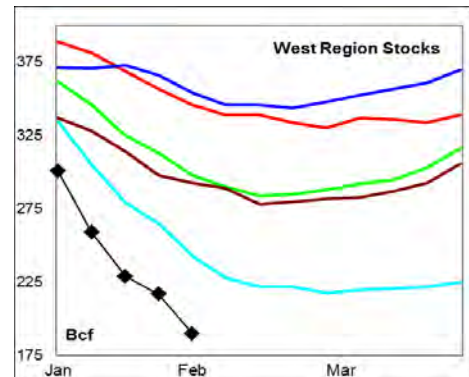
The 1st - 4th month forward price curve traded flat last week on the same factors that led to the decline in flat price.



East Region stocks decreased -82 Bcf for the week, a draw equal to the 5-yr mid range. The current stock level is -44% below last year, and below the 5-yr range.

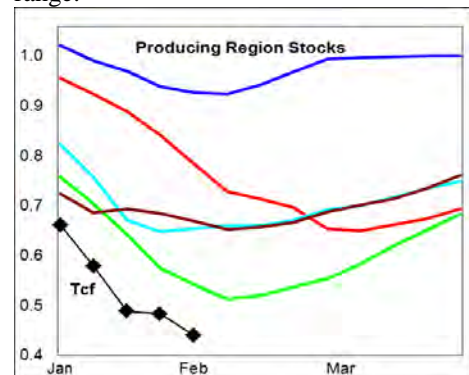


Heating degree days were above normal last week, above normal in the current week and forecast to remain above normal for the next 10-days.



West Region stocks decreased -27Bcf last week, a record draw for the period. Stock levels ended the week -45% below last year, and below the 5-yr range. Heating degree days are forecast to be below normal for the next 10-days. Stocks have dropped to very low levels in this region, even with well below average heating degree days during the winter quarter.

Producing Region stocks declined -43 Bcf for the week, a draw greater than four of the last 5-yr. Stock levels ended the week -42% below last year, and below the 5-yr range.



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 were below normal last week and forecast to remain below normal in the eastern 1/2 of the country for the next 10-days. However mandated utility fuel switching to distillates for peaking use a seasonal decrease in heating degree days underlies the pull back in prices. Prompt cash prices remain volatile on short term weather forecasts.

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: March 10, 2014

For the week ending: 28-Feb-14

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

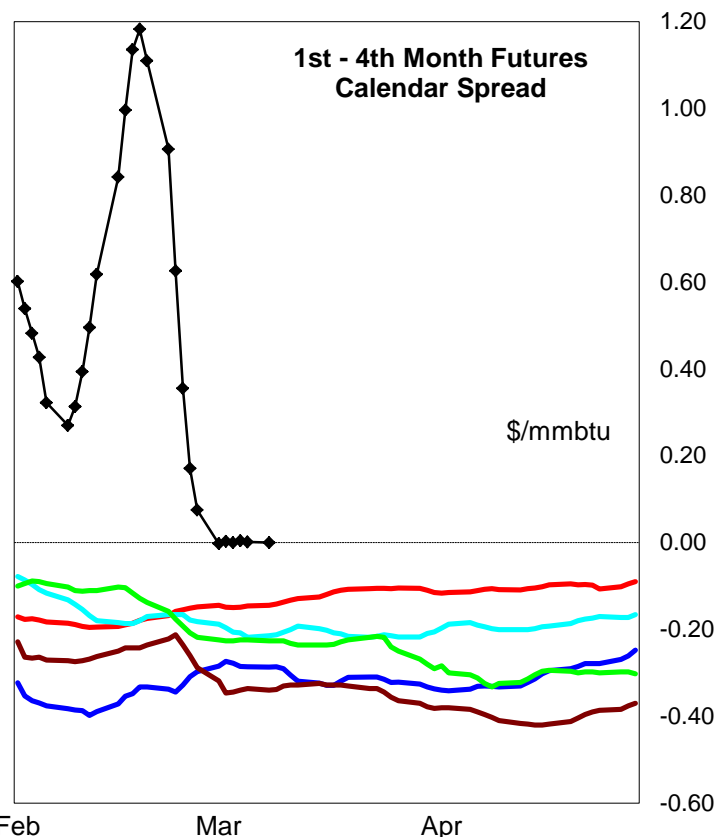
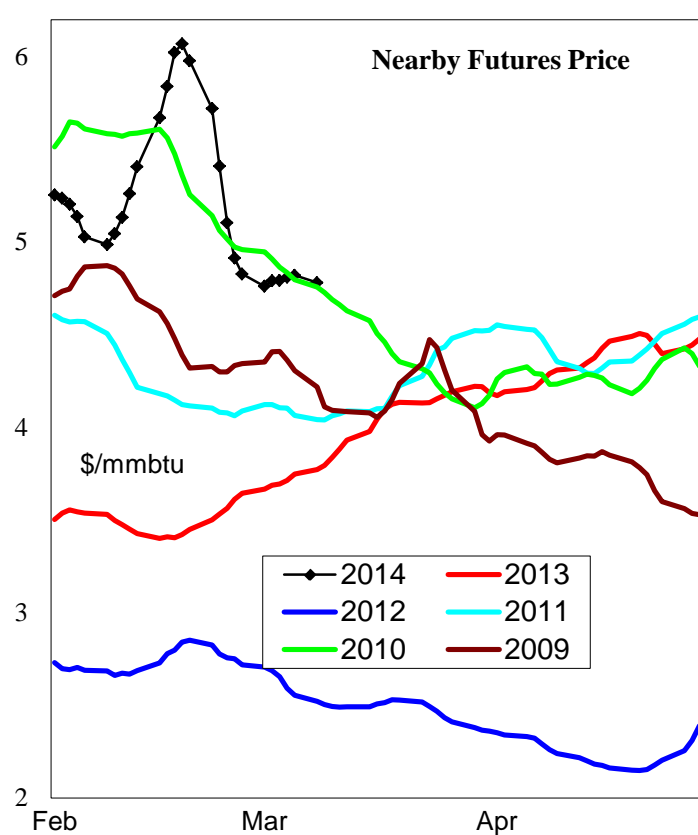
Week ending:	28-Feb-14			15-Jun-13		22-Jun-13		29-Jun-13	
Region	Weekly Stocks			Weekly Heating Degree Days					
		Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
	Bcf	Week Bcf	Year (%)						
U.S. Total	1,196	-152	-43.2	-14	-45%	-2	-33%	-3	-77%
East	525	-82	-43.7	-17	-39%	-2	-18%	-4	-74%
West	190	-27	-45.1	-12	-58%	-2	-55%	-5	-78%
Producing	481	-43	-41.7	-4	-100%	0	-100%	0	-100%

Seasonal Trends in Stocks and Heating Degree Days

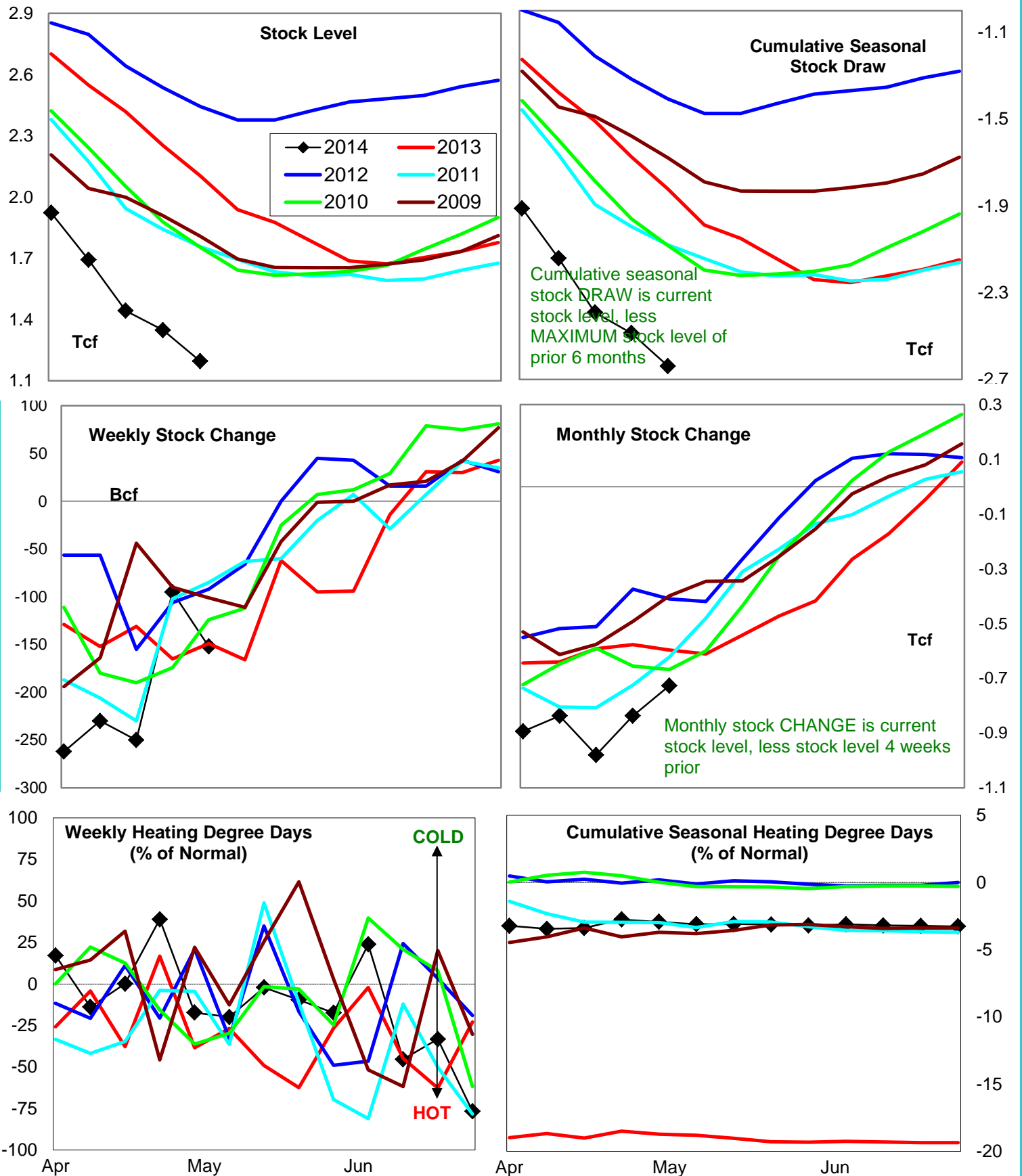
	Cumulative Stock Change			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
U.S. Total	-2,638	-816	30.9	6	-3.2	4	-3.2	1	-3.3
East	-1,459	-297	20.4	6	-2.9	4	-2.9	1	-2.9
West	-365	-160	43.8	10	-4.6	8	-4.7	3	-4.9
Producing	-816	-354	43.4	0	-4.0	0	-4.1	0	-4.1

Futures Market Price Trends

Date:	30-Apr-14	Change vs prior week, month, year		
		24-Apr-14	3-Apr-14	9-May-13
1st month Futures	4.58	-0.09	-0.24	0.65
% change	xxxxx	-1.9	-5.1	16.4



United States Natural Gas Stock and Weather Trends



Variance to prior year

Stock Level

Weekly Stock Change

Monthly Stock Change

Cumulative Stock Change

BCF

-908

-3

-130

-816

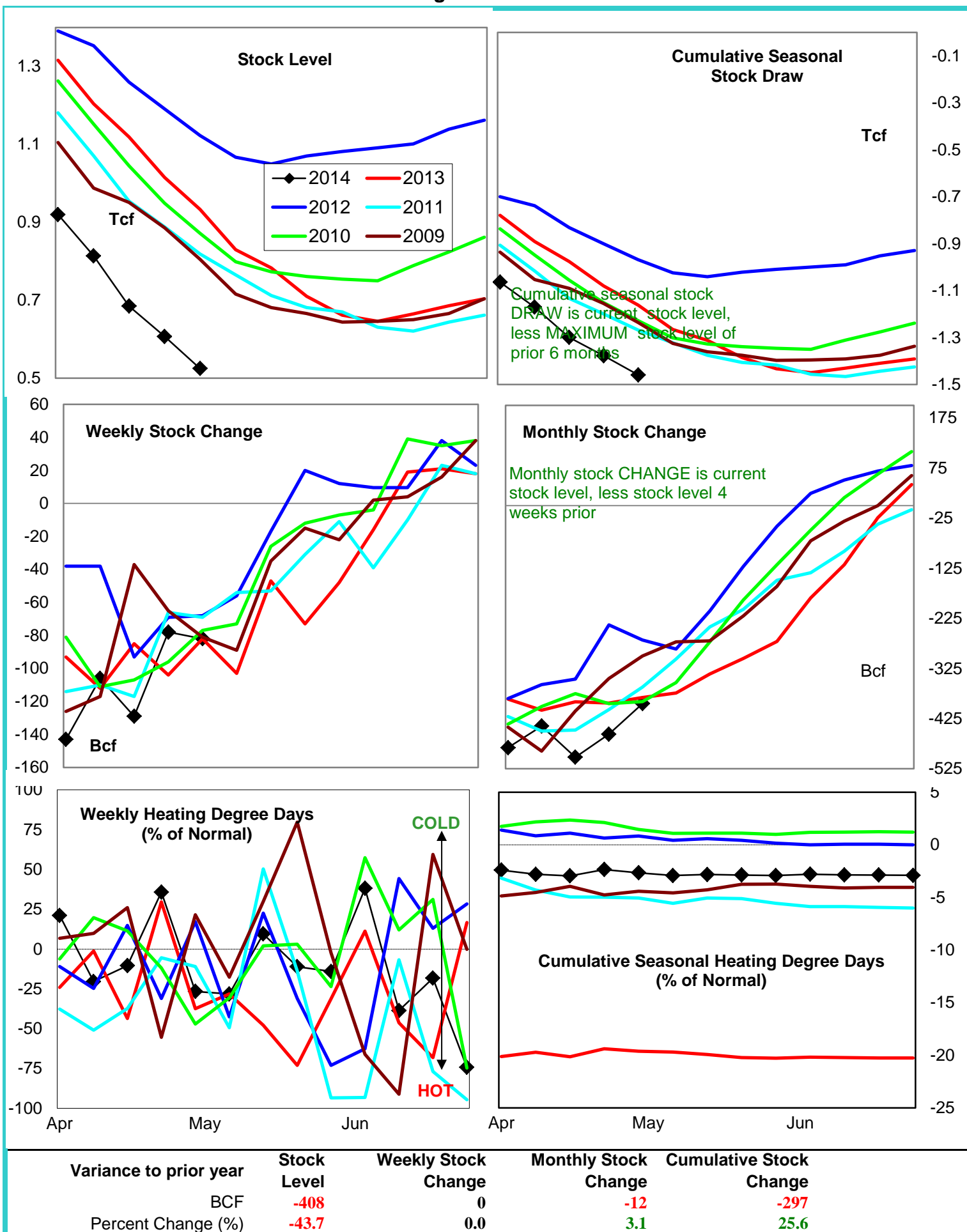
Percent Change (%)

-43.2

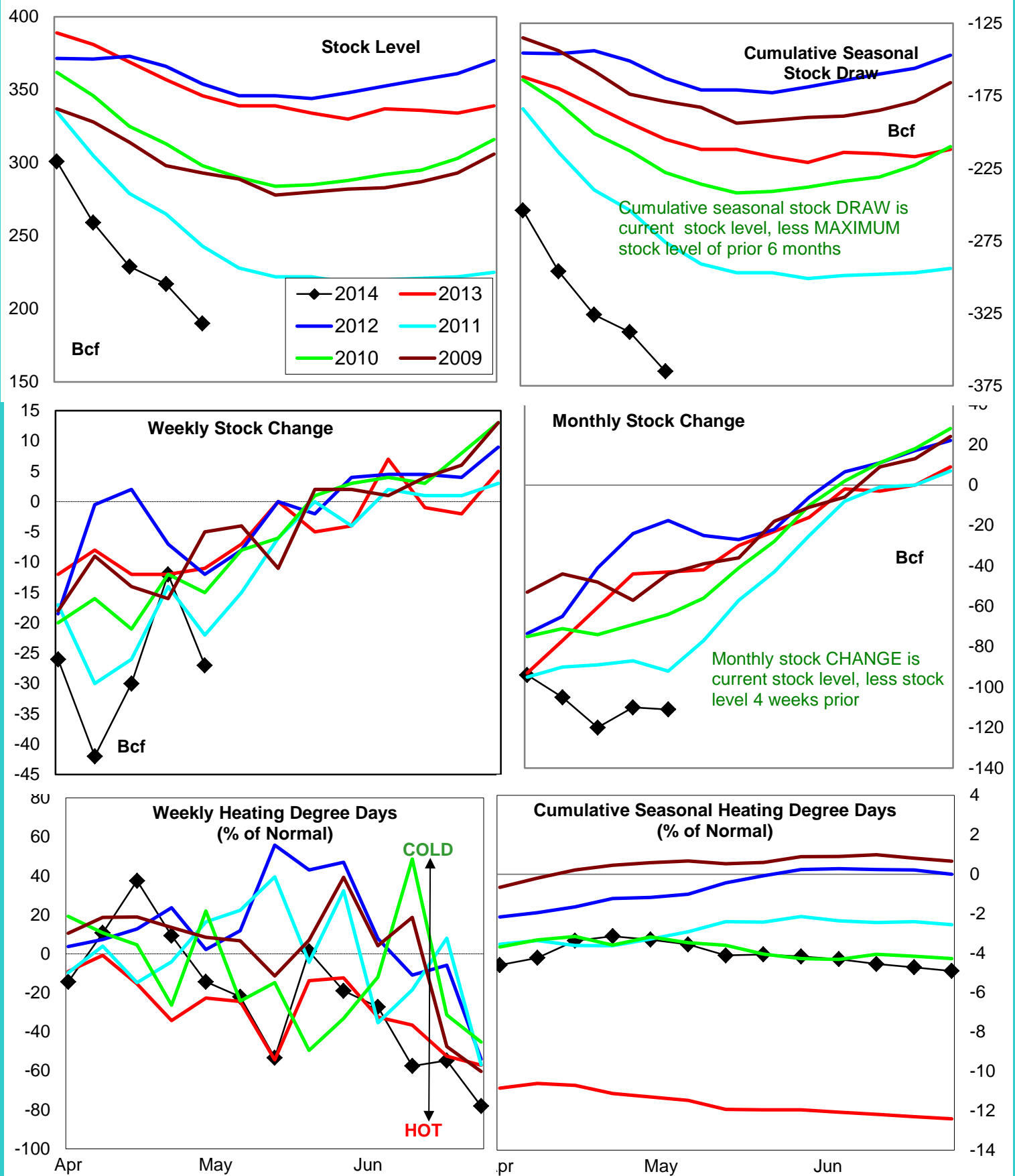
2.0

21.8

44.8



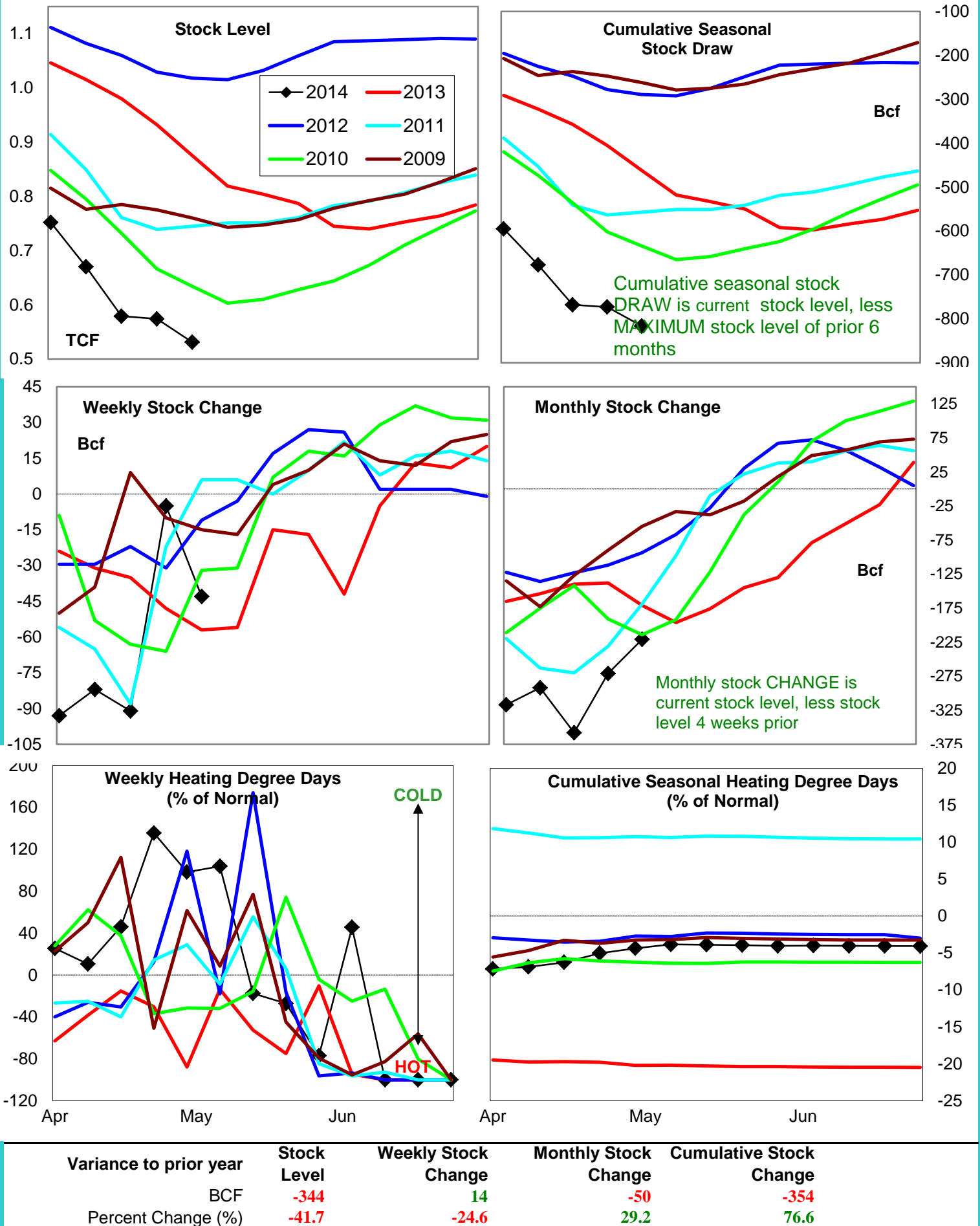
Natural Gas West Region Stock and Weather Trends



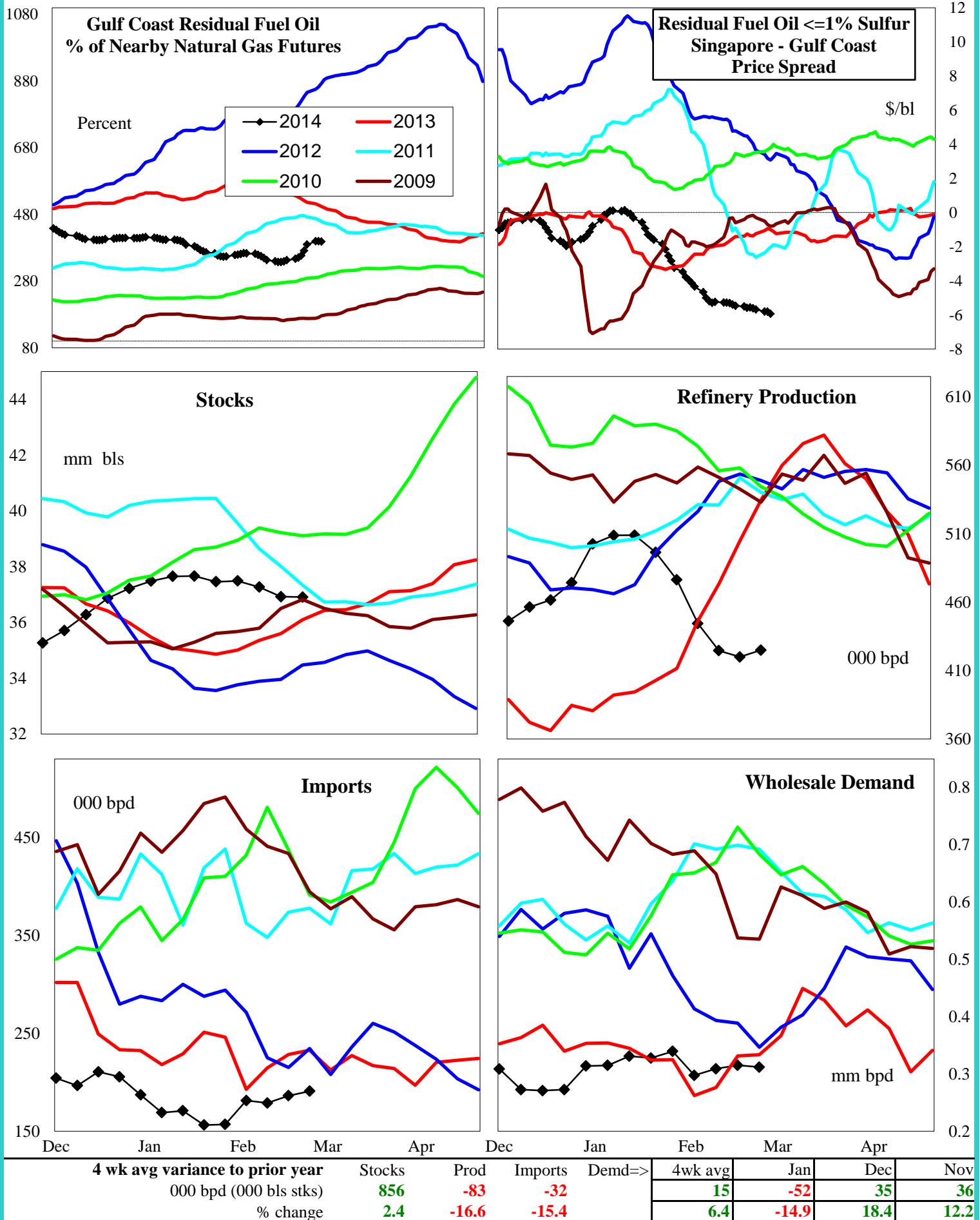
Variance to prior year

Stock
LevelWeekly Stock
ChangeMonthly Stock
ChangeCumulative Stock
ChangeBCF
Percent Change (%)-156
-45.1-16
145.5-68
158.1-160
78.0

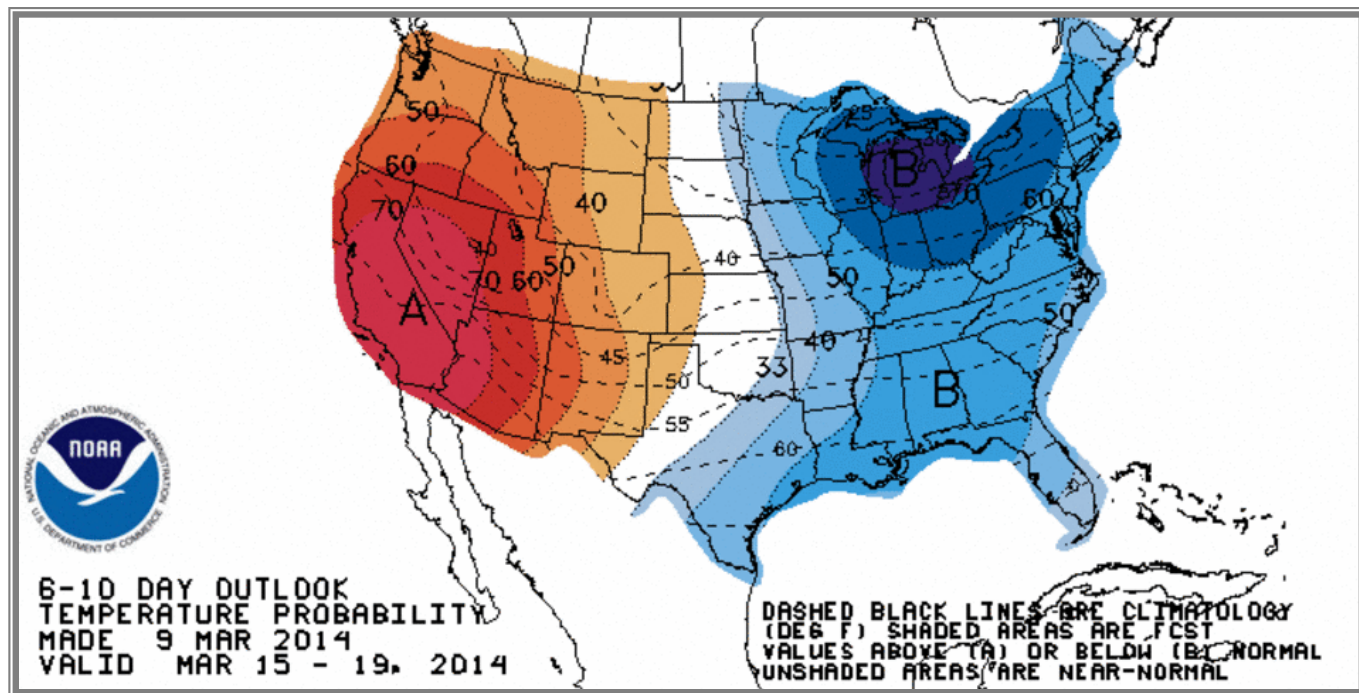
Natural Gas Producing Region Stock and Weather Trends



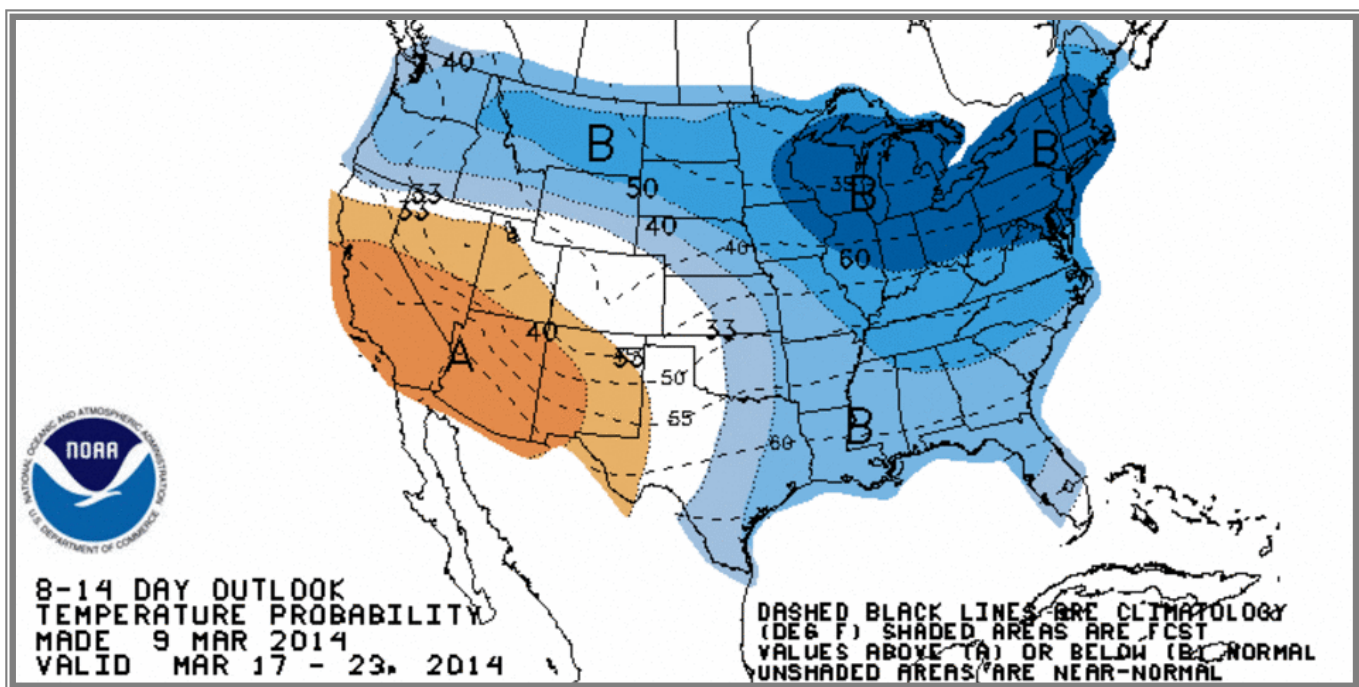
U.S. Residual Fuel Oil Price Spreads and Supply Balance



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

