

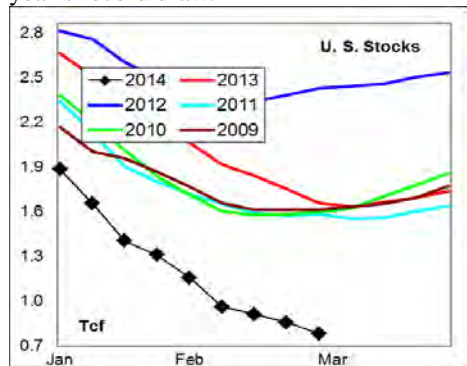
# WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

## A Fundamental Petroleum Trends Weekly Report

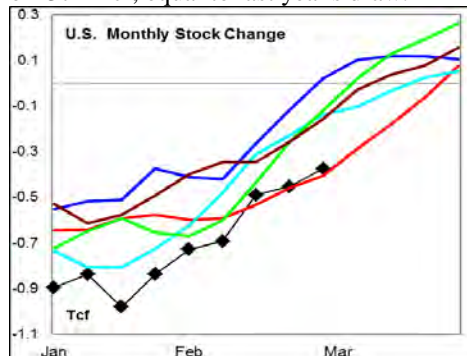
Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Monday, April 07, 2014



**Summary**<sup>1</sup> The stock draw of -74 Bcf for the week was only slightly less than last year's record draw.



The latest 4-wk stock change was a draw of -374 Bcf, equal to last year's draw.



In the East Region stocks decreased -46 Bcf for the week, greater than four of the last 5-yrs. Stocks decreased -4 Bcf in the West Region, a draw equal to the 3-yr mid range. Stocks decreased -22 Bcf on the week in the Producing region, a slightly smaller draw than a year ago.

**Note:** heating degree charts in the report are not current with data under revision.

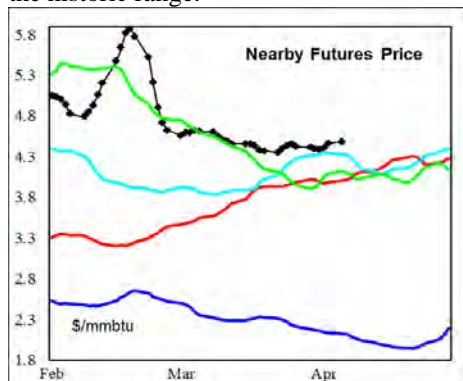
**Heating degree days** were above normal East of the Rockies for the week ending 04Apr14; which should lead to an above average draw in the upcoming EIA report.

The 6-10 day NWS forecast for the week ending 16Apr14 is for below normal heating degree days in the central 1/2 of the country and above normal in the east and west.

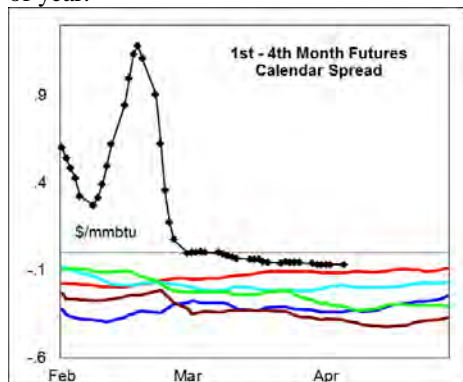
The 8-14 day NWS forecast for the

week ending 20Apr14 is for above normal heating degree days across the eastern 2/3rds of the country and well below normal in the west.

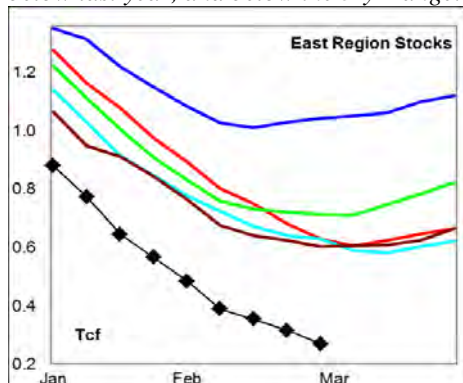
**Prices:** Nearby gas futures increased +\$0.11/mmbtu for the week ending 07Apr14. The -50% draw down in stocks below a year ago and continued colder than normal temperatures in the eastern 1/2 of the country is supporting prices above the historic range.



The 1<sup>st</sup> - 4<sup>th</sup> month forward price curve trended lower last week, ending in a small carry; still a record low carry for this time of year.

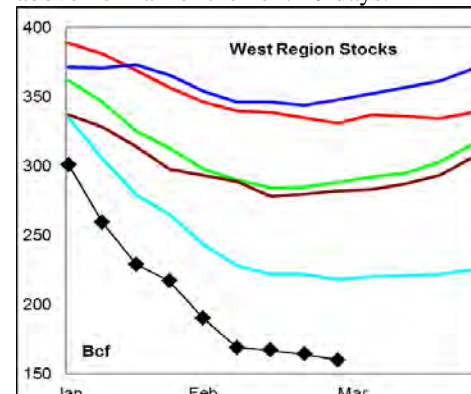


**East Region** stocks decreased -46 Bcf for the week, a draw greater than four of the last 5-yrs. The current stock level is -54% below last year, and below the 5-yr range.



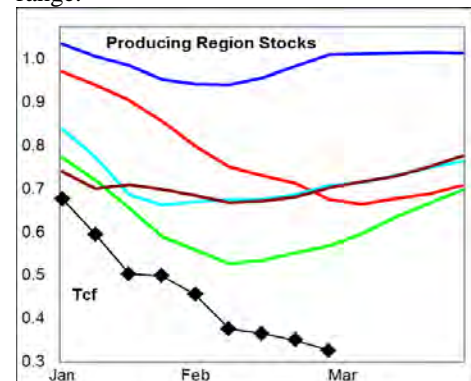
Heating degree days were above normal in the prior week, above normal in the week

just ended, with a forecast to be slightly above normal for the next 10-days.



**West Region** stocks decreased -4 Bcf last week, a draw equal to the 3-yr mid range. Stock levels ended the week -52% below last year, and well below the 5-yr range. Heating degree days are forecast to be well below normal for the next 10-days. Stocks have dropped to very low levels in this region, even with much below heating degree days during the winter quarter.

**Producing Region** stocks declined -22 Bcf for the week, a slightly smaller draw than last year. Stock levels ended the week -50% 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 favors natural gas use.

**Outlook:** Stock levels in all regional markets are more than -50% below last year, and at record lows. Lower seasonal heating degree days, even with cooler than normal temperatures East of the Rockies, has focused attention on the low carryout stocks. Continued below normal temperatures are forecast into the 3<sup>rd</sup> week of April East of the Rockies, which may delay the start of seasonal stock building. These fundamentals should support prices at the upper end of the 5-yr range.

### <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: April 7, 2014

For the week ending: 28-Mar-14

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

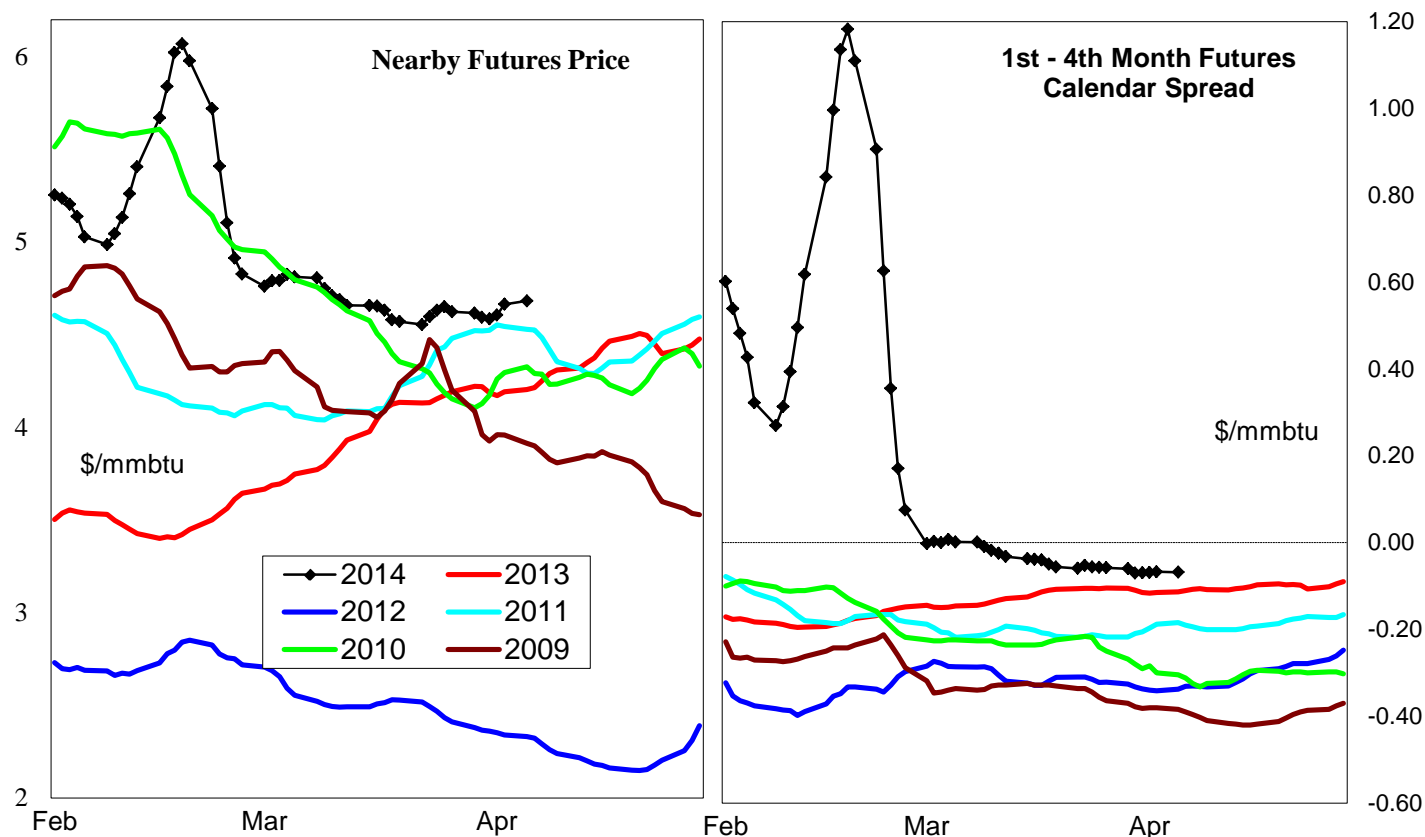
Week ending:	28-Mar-14			15-Jun-13		22-Jun-13		29-Jun-13	
Region	Weekly Stocks			Weekly Heating Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	822	-74	-51.6	-14	-45%	-2	-33%	-3	-77%
East	310	-46	-53.7	-17	-39%	-2	-18%	-4	-74%
West	160	-4	-51.7	-12	-58%	-2	-55%	-5	-78%
Producing	352	-24	-49.8	-4	-100%	0	-100%	0	-100%

### Seasonal Trends in Stocks and Heating Degree Days

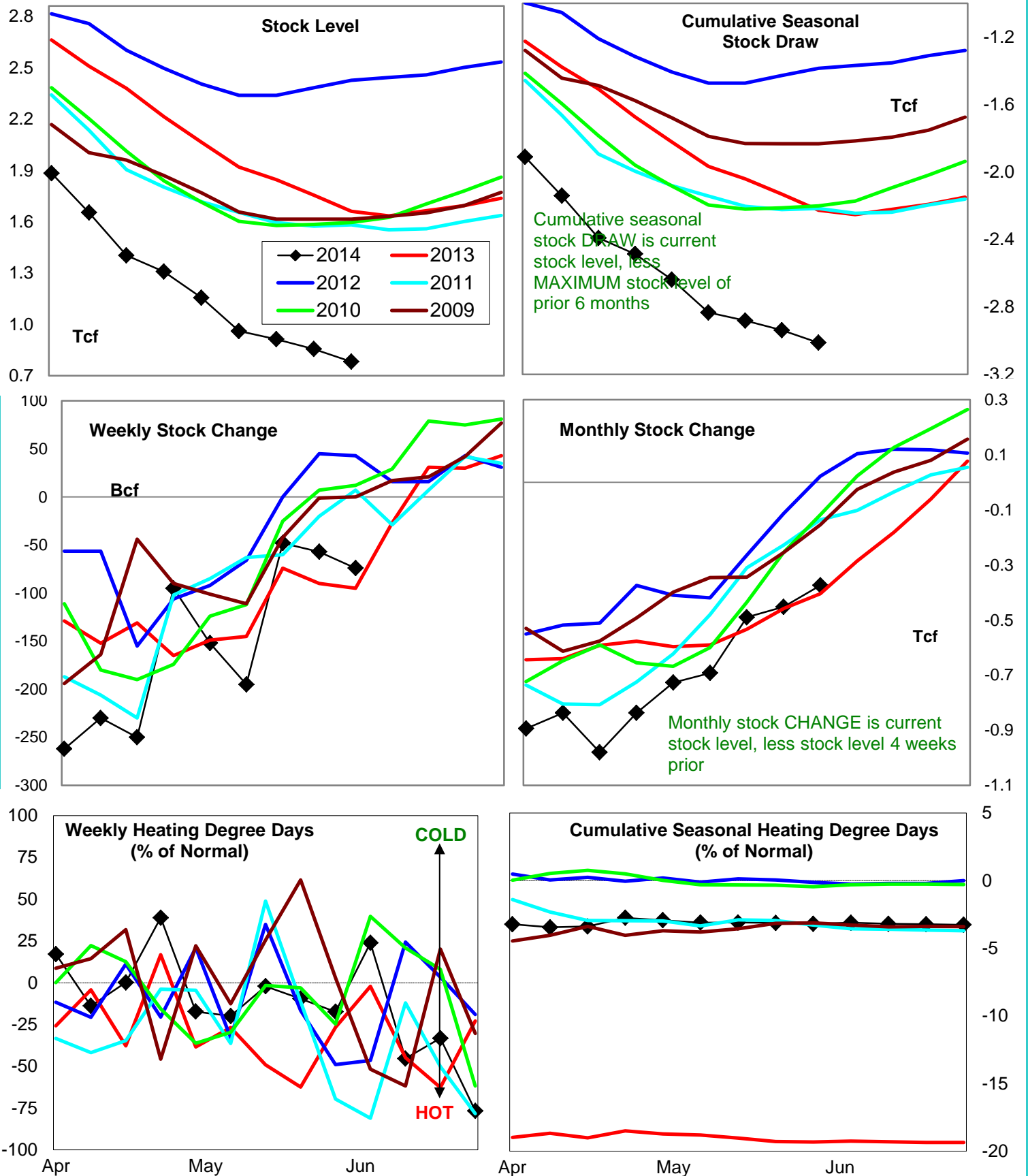
	Cumulative Stock Change			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
<b>U.S. Total</b>	<b>-3,012</b>	<b>-786</b>	<b>26.1</b>	<b>6</b>	<b>-3.2</b>	<b>4</b>	<b>-3.2</b>	<b>1</b>	<b>-3.3</b>
<b>East</b>	<b>-1,674</b>	<b>-248</b>	<b>14.8</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>-395</b>	<b>-175</b>	<b>44.3</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>-945</b>	<b>-359</b>	<b>38.0</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:	30-Apr-14	Change vs prior week, month, year		
		24-Apr-14	3-Apr-14	9-May-13
<b>1st month Futures</b>	<b>4.48</b>	<b>0.21</b>	<b>-0.12</b>	<b>0.08</b>
<b>% change</b>	<b>xxxxx</b>	<b>4.8</b>	<b>-2.7</b>	<b>1.8</b>



# United States Natural Gas Stock and Weather Trends



Variance to prior year

Stock Level

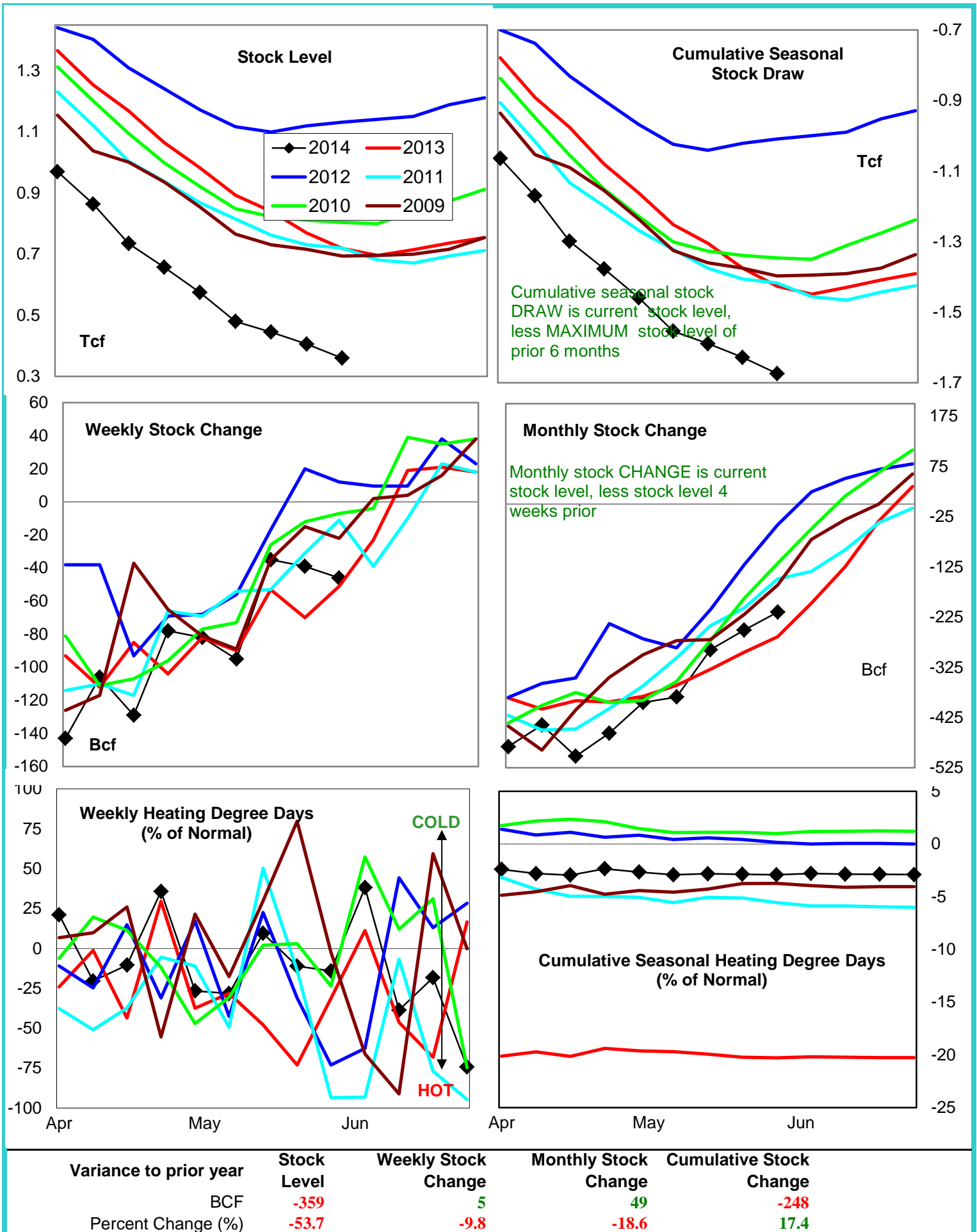
Weekly Stock Change

Monthly Stock Change

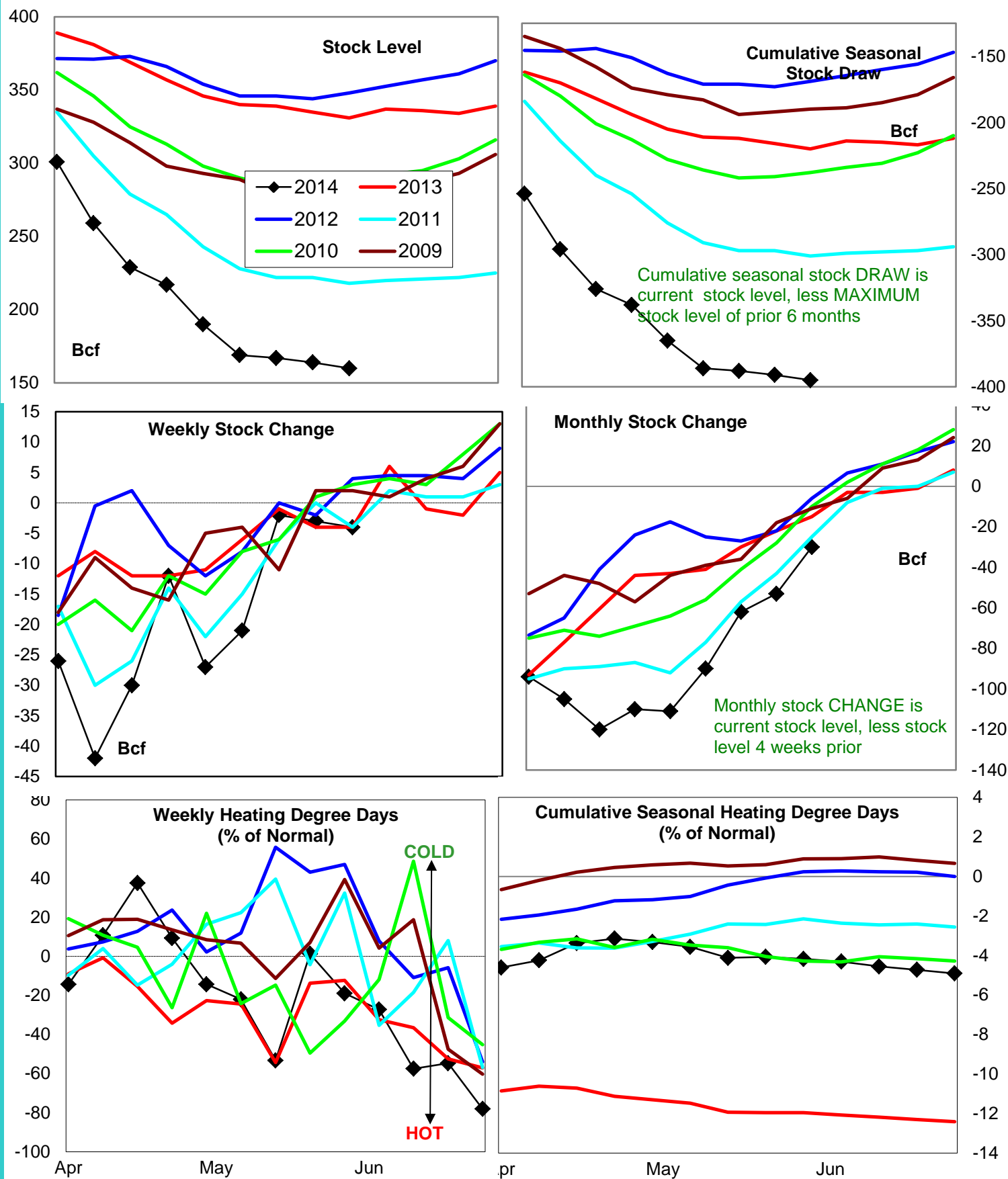
Cumulative Stock Change

BCF  
Percent Change (%)-878  
-51.621  
-22.130  
-7.4-786  
35.3

# 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

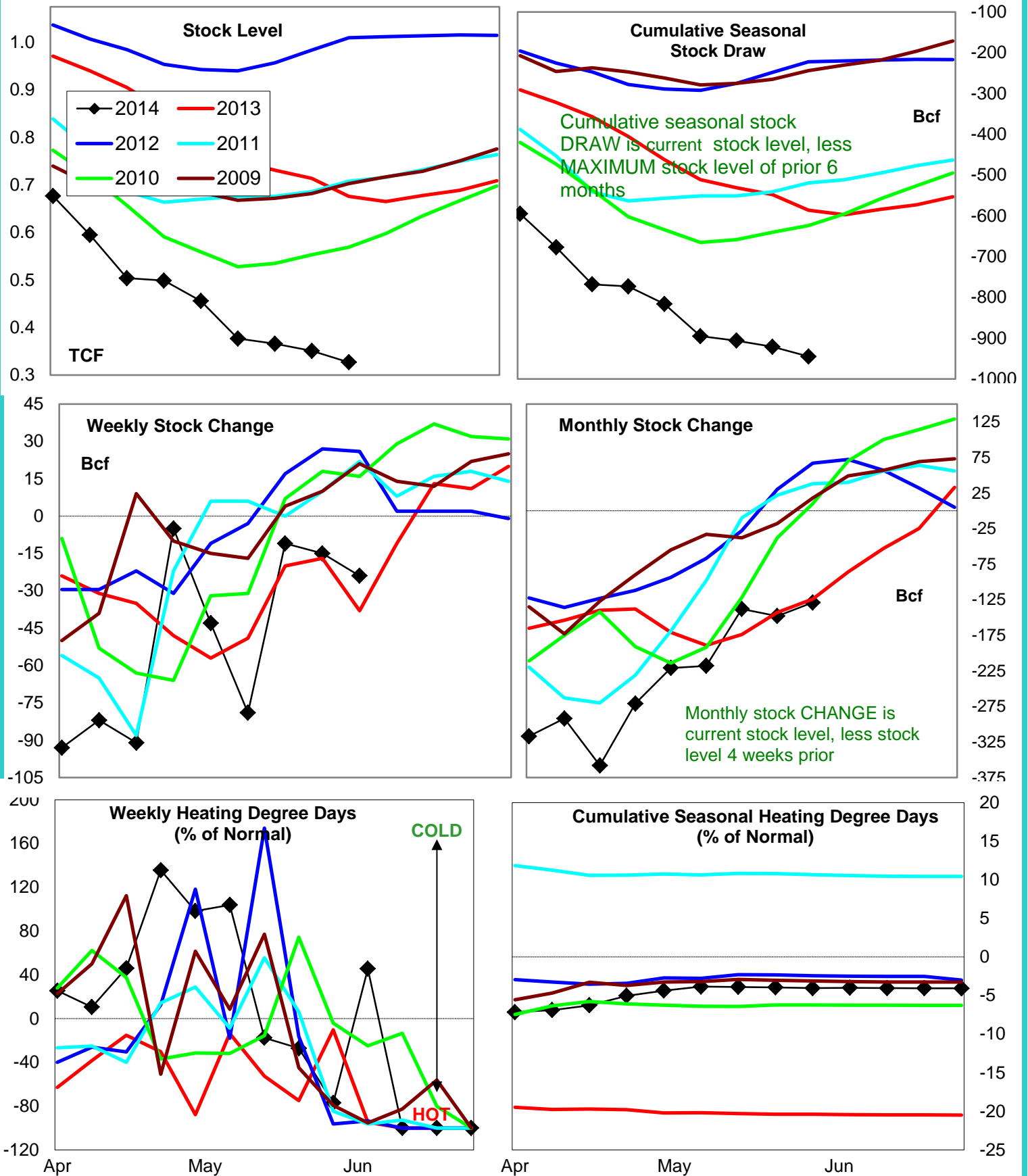
Monthly Stock Change

Cumulative Stock Change

BCF  
Percent Change (%)-171  
-51.70  
0.0-15  
100.0-175  
79.5



# Natural Gas Producing Region Stock and Weather Trends



Variance to prior year

Stock Level

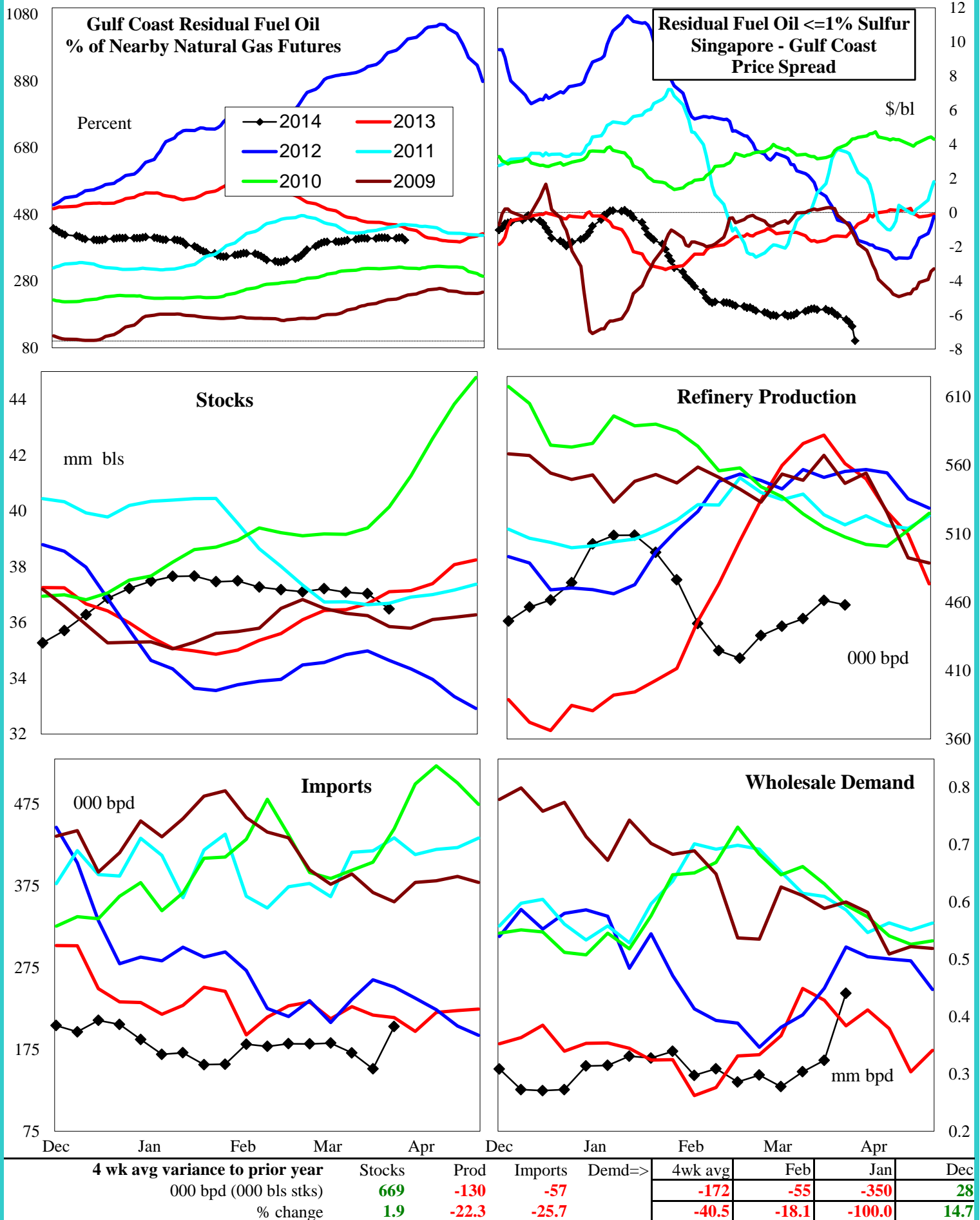
Weekly Stock Change

Monthly Stock Change

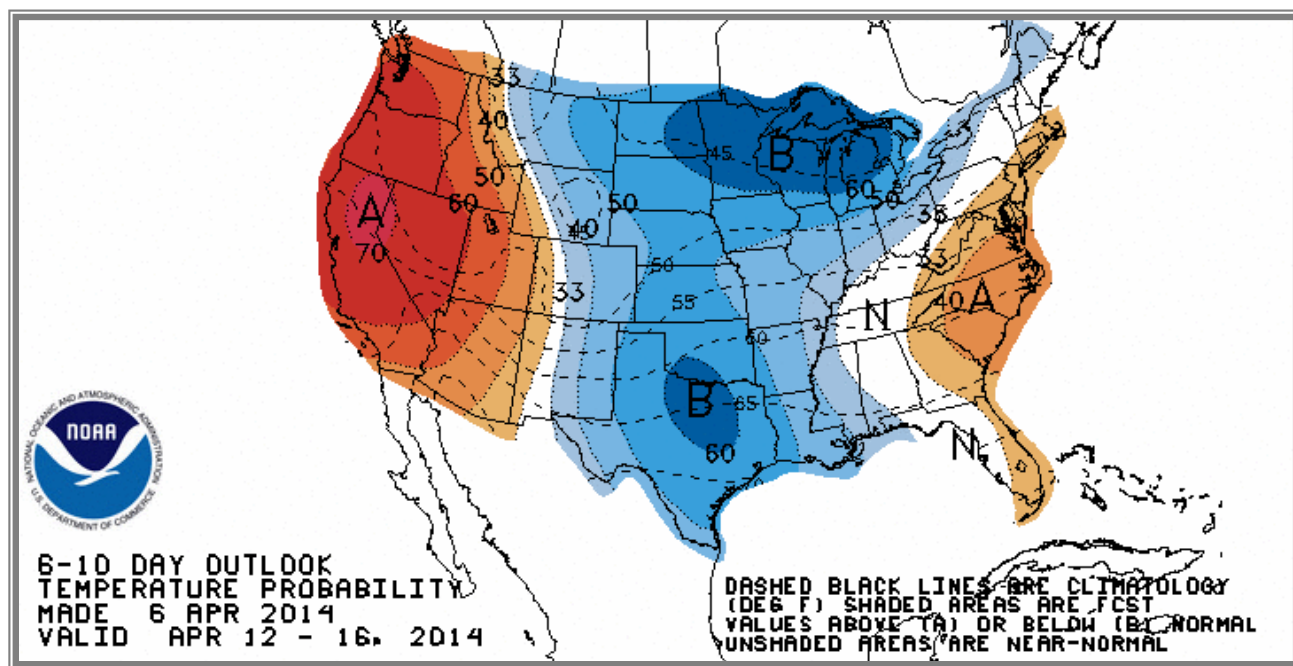
Cumulative Stock Change

BCF  
Percent Change (%)-349  
-49.814  
-36.8-5  
4.0-359  
61.3

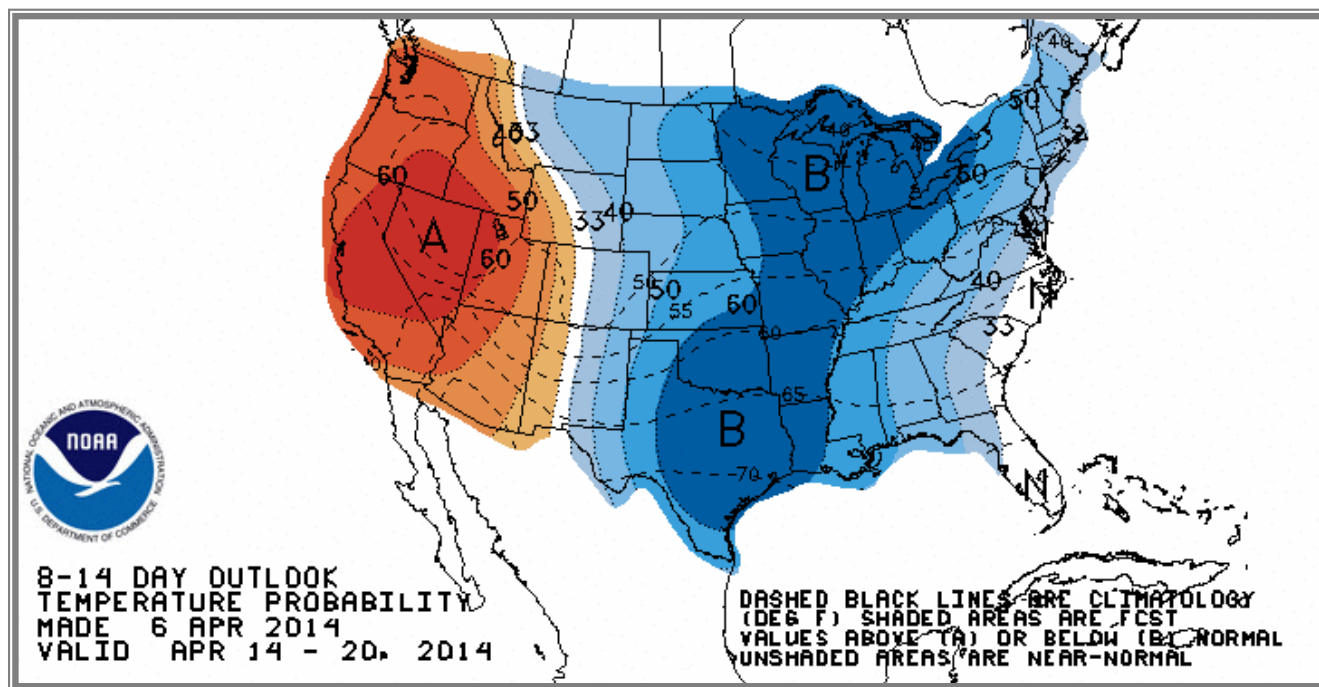
## U.S. Residual Fuel Oil Price Spreads and Supply Balance



## 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

