



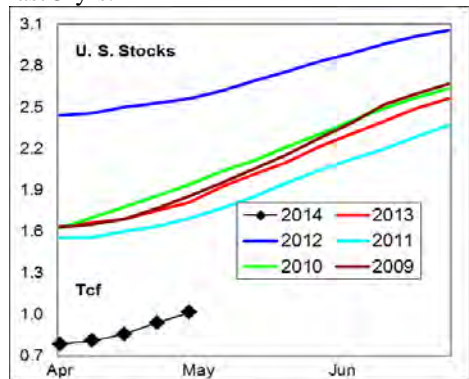
WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

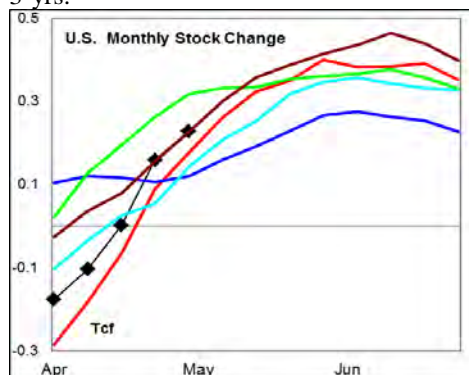
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Monday, May 12, 2014



Summary ¹ The stock build of +74 Bcf last week was slightly above each of the last 3-yrs.



The latest 4-wk stock change was a build of +229 Bcf, a build above each of the last 3-yrs.



In the East Region stocks increased +35 Bcf for the week, equal to the 3-yr mid range. Stocks increased +12 Bcf in the West Region, a build that matched highs for this time of year. Stocks increased +27 Bcf on the week in the Producing region, a build above the 3-yr range.

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

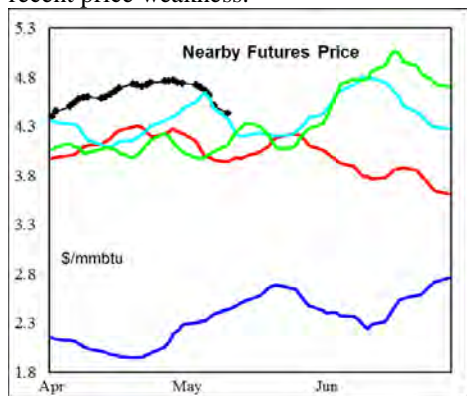
Temperatures were near below normal East of the Rockies for the week ending 09May14.

The 6-10 day NWS forecast for the week ending 21May14 is for well below normal temperatures in the eastern 2/3rd of the country and above normal in the west.

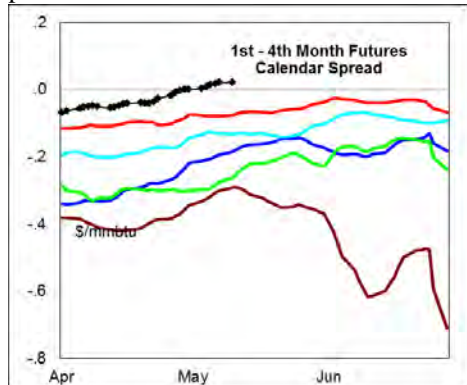
The 8-14 day NWS forecast for the

week ending 25May14 is for below normal temperatures across the northern 1/3rd of the country and above normal in the west and southwest.

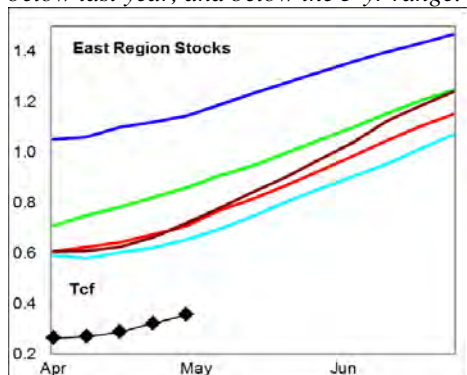
Prices: Nearby gas futures decreased - \$0.25/mmbtu for the week ending 12May14. The above average rate of stock builds and temperatures below normal in the eastern 1/2 of the country led to the recent price weakness.



The 1st - 4th month forward price curve traded sideways last week, ending in a small inversion, this compares to a 'carry' market in each of the last 5-yrs for the period.

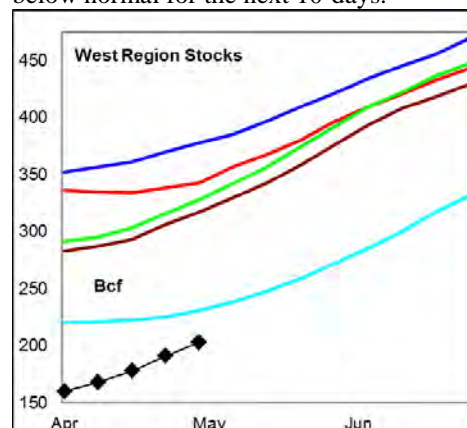


East Region stocks increased +35 Bcf for the week, a build equal to the 3-yr mid range. The current stock level is -47% below last year, and below the 5-yr range.



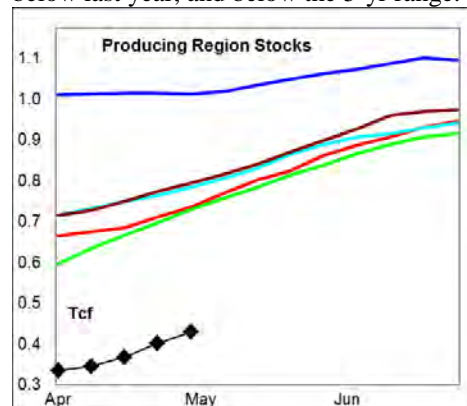
Temperatures were below normal in the week just ended, with a forecast to be well

below normal for the next 10-days.



West Region stocks increased +12 Bcf last week, a build that matched highs for this time of year. Stock levels ended the week -41% below last year, and below the 5-yr range. Temperatures are forecast to be above normal for the next 10-days, increasing gas demand for electric power.

Producing Region stocks increased +27 Bcf for the week, a build above the 3-yr range. Stock levels ended the week -40% below last year, and below the 5-yr range.



Temperatures are forecast to be below normal 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 continue to improve relative to year ago levels; from over -50% below to -43% below on average. Moderate temperatures are forecast for the next 2-wks which should lead to continued above average stock builds. These fundamentals point to continued price weakness.

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: May 12, 2014

For the week ending: 2-May-14

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

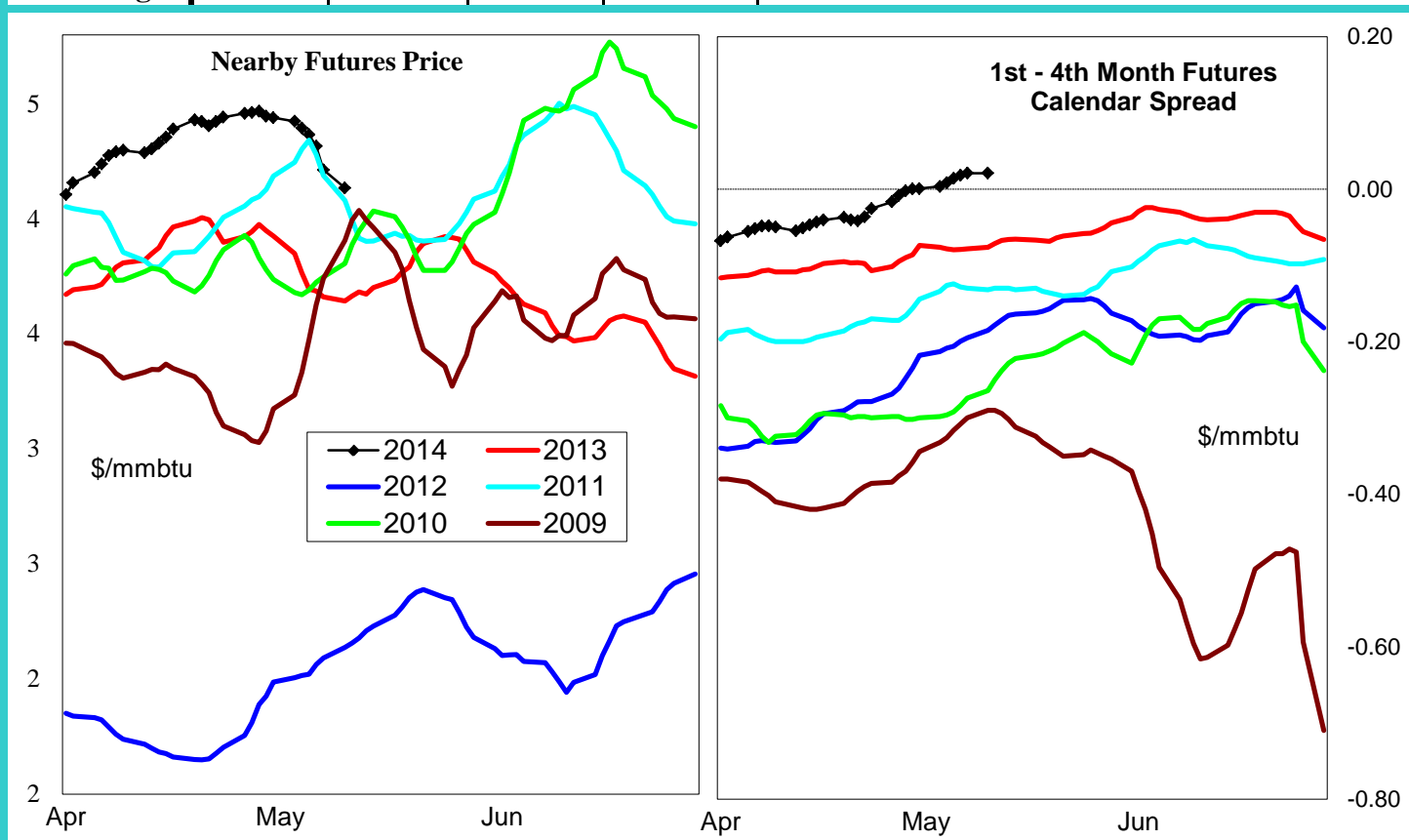
Week ending:	2-May-14			15-Jun-13		22-Jun-13		29-Jun-13	
Region	Weekly Stocks			Weekly Heating Degree Days					
		Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
	Bcf	Week Bcf	Year (%)						
U.S. Total	1,055	74	-43.0	-14	-45%	-2	-33%	-3	-77%
East	397	35	-47.0	-17	-39%	-2	-18%	-4	-74%
West	203	12	-40.8	-12	-58%	-2	-55%	-5	-78%
Producing	455	27	-40.2	-4	-100%	0	-100%	0	-100%

Seasonal Trends in Stocks and Heating Degree Days

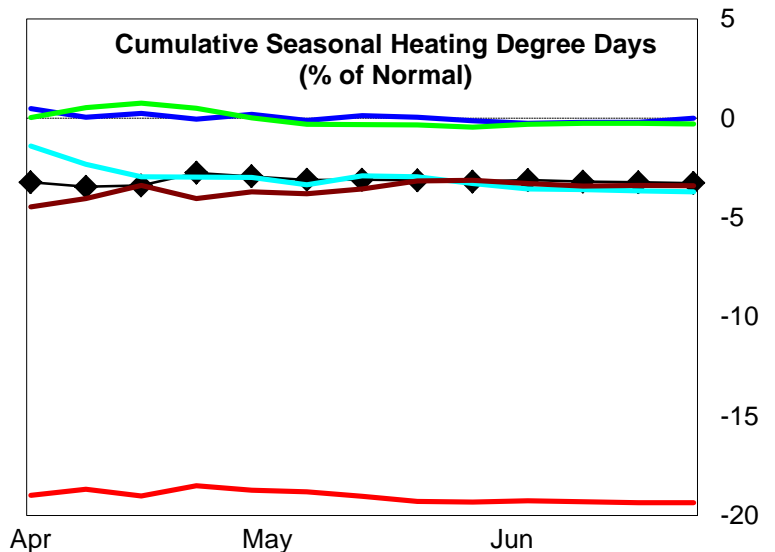
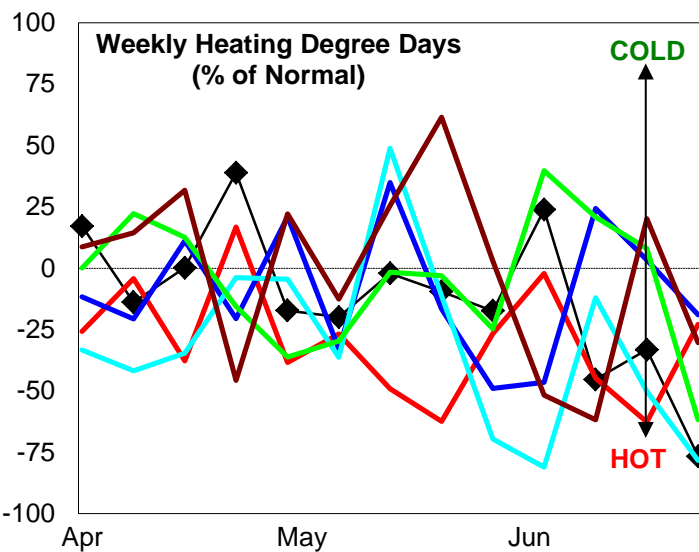
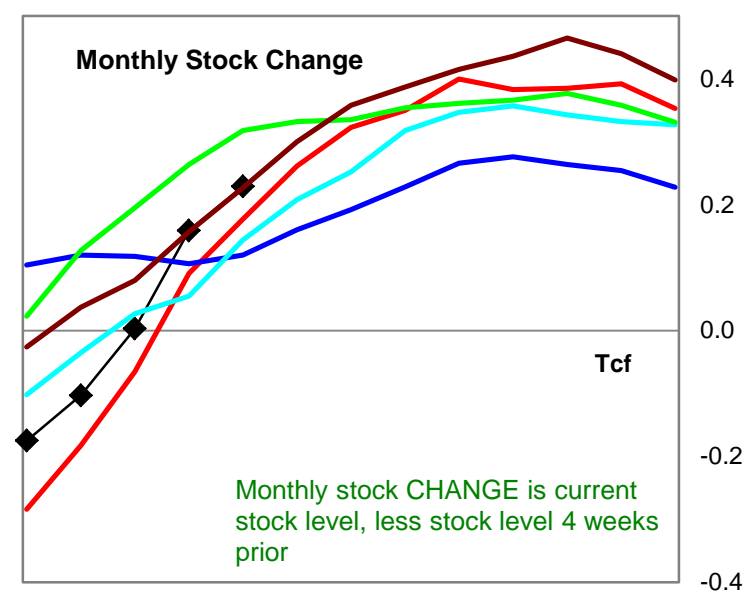
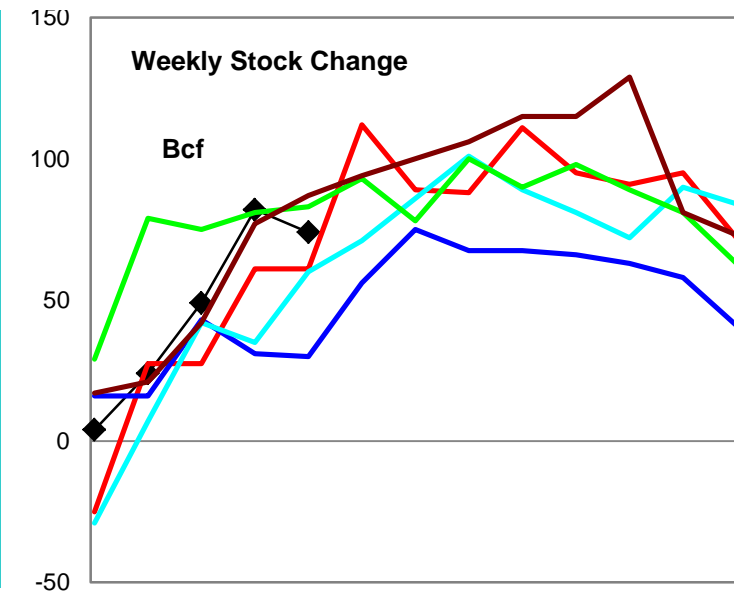
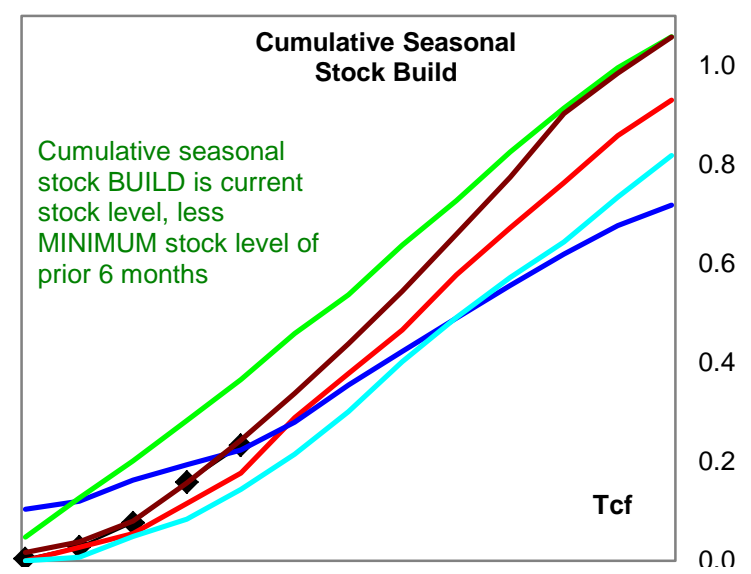
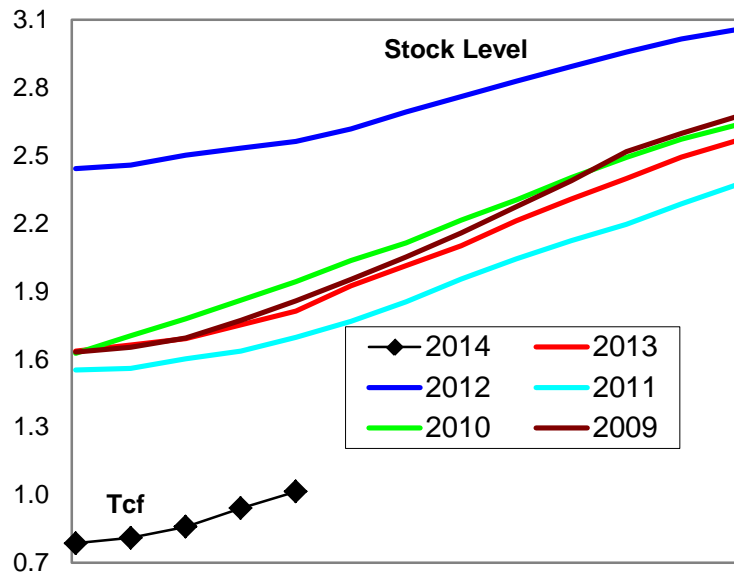
	Cumulative Stock Change			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
U.S. Total	233	56	24.0	6	-3.2	4	-3.2	1	-3.3
East	92	-9	-9.8	6	-2.9	4	-2.9	1	-2.9
West	43	31	72.1	10	-4.6	8	-4.7	3	-4.9
Producing	103	33	32.0	0	-4.0	0	-4.1	0	-4.1

Futures Market Price Trends

Date:	30-Jun-14	Change vs prior week, month, year		
		24-Jun-14	3-Jun-14	9-Jul-13
1st month Futures	4.43	-0.37	-0.13	0.17
% change	xxxxx	-7.6	-2.9	4.1



United States Natural Gas Stock and Weather Trends



Variance to prior year

Stock
LevelWeekly Stock
ChangeMonthly Stock
ChangeCumulative Stock
Change

BCF

-797

13

52

56

Percent Change (%)

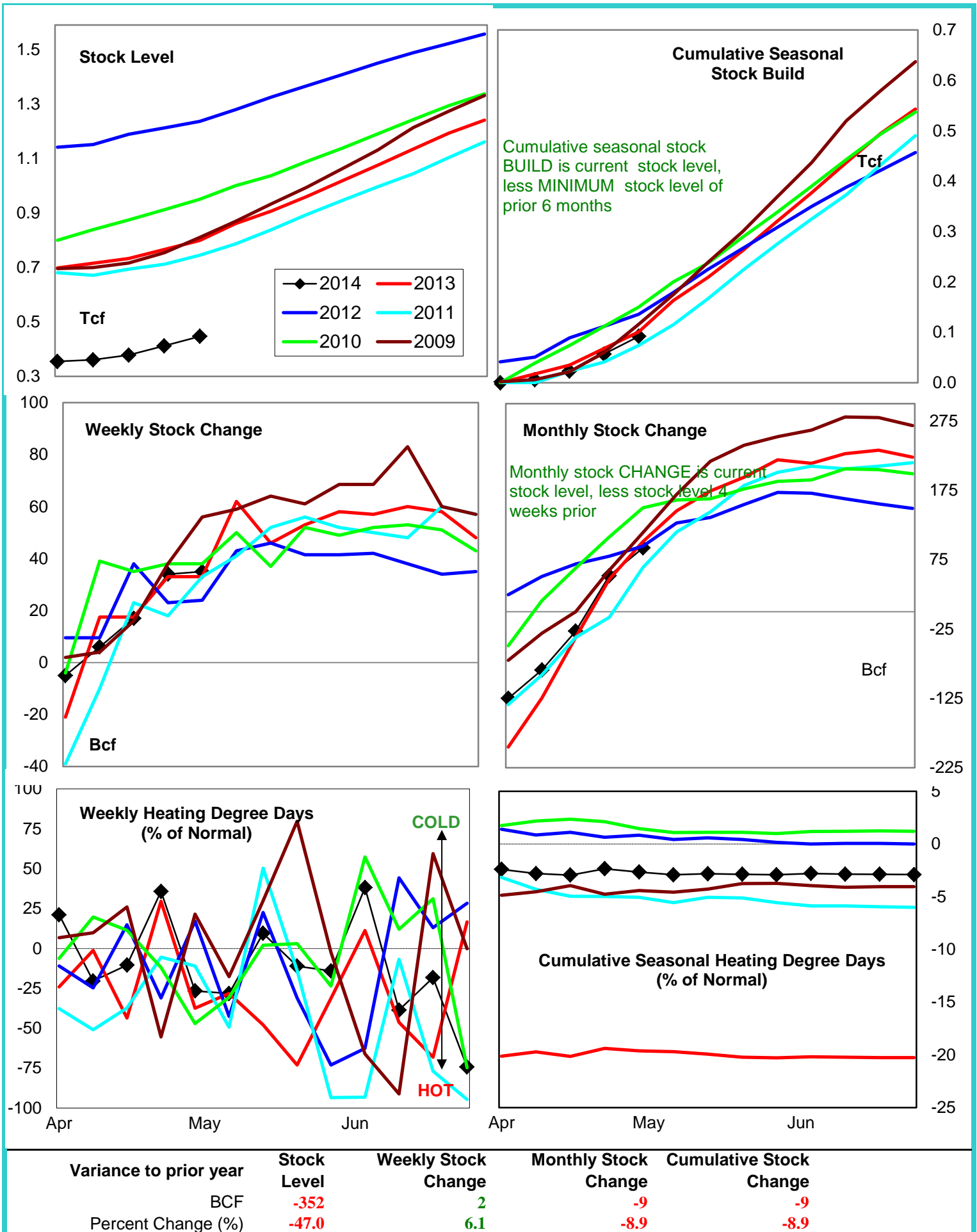
-43.0

21.3

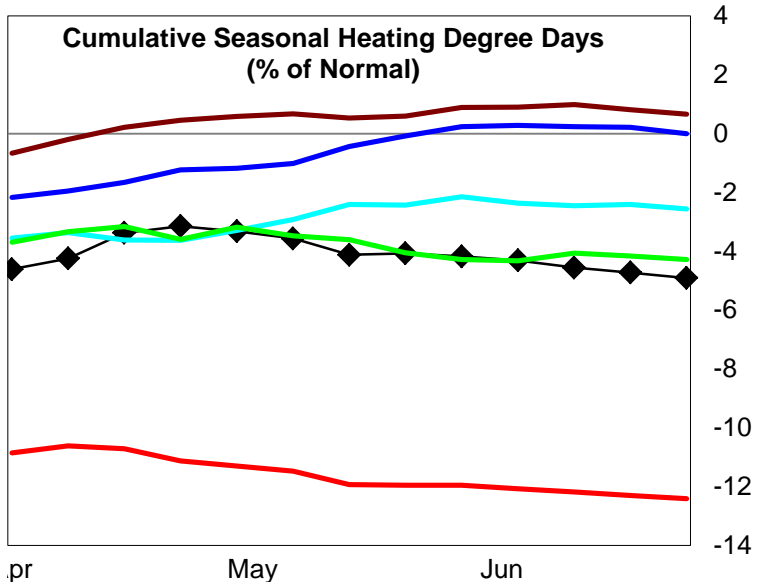
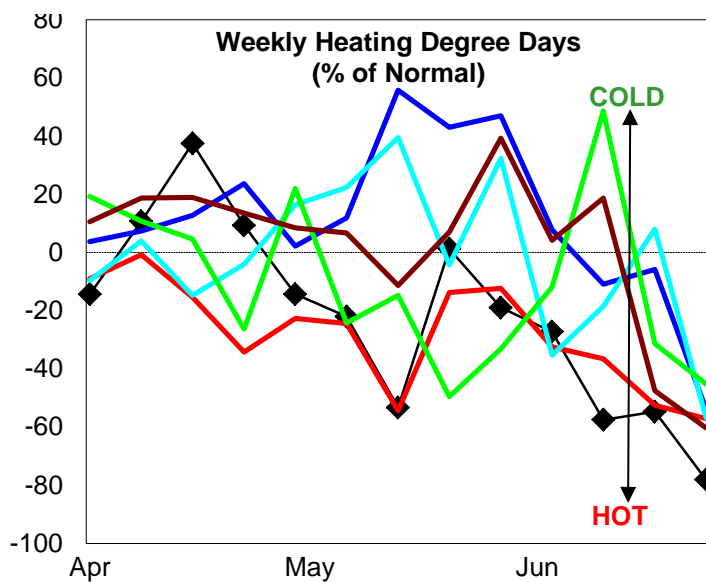
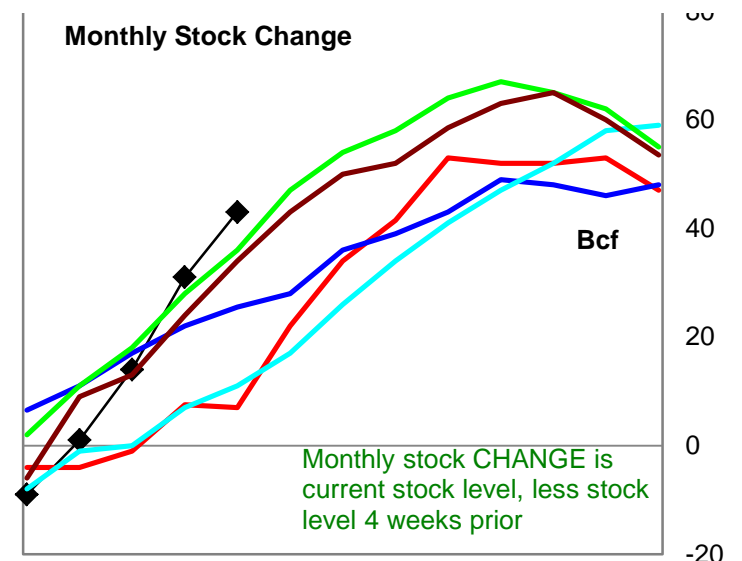
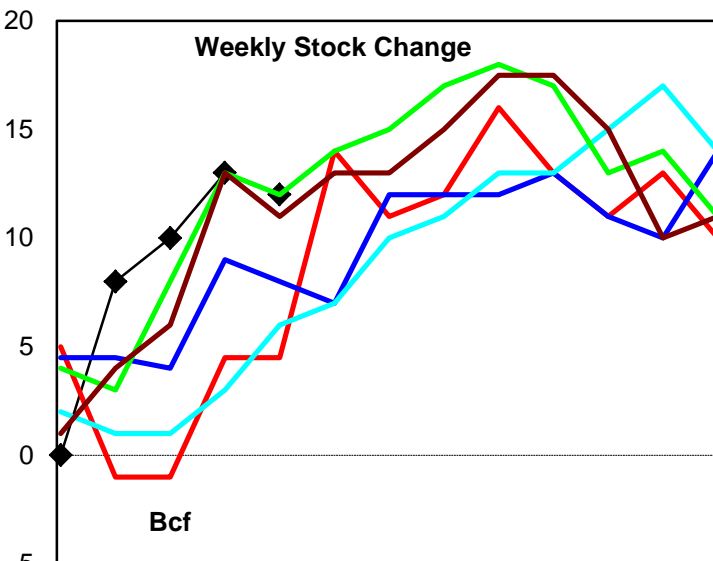
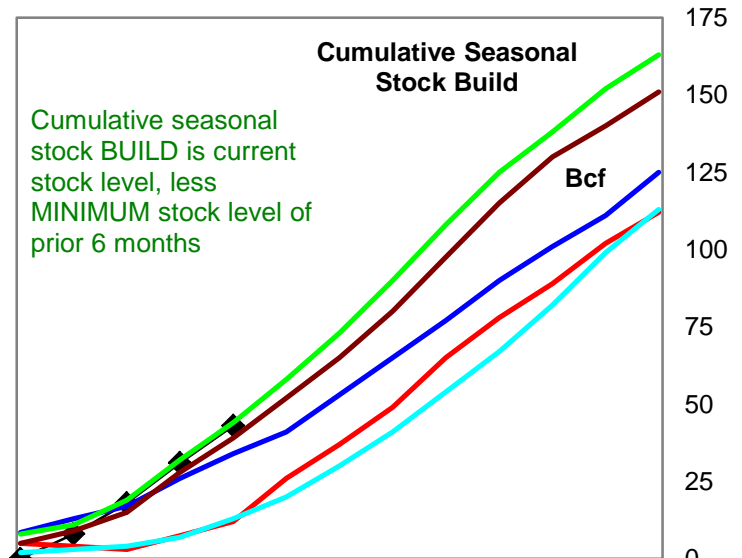
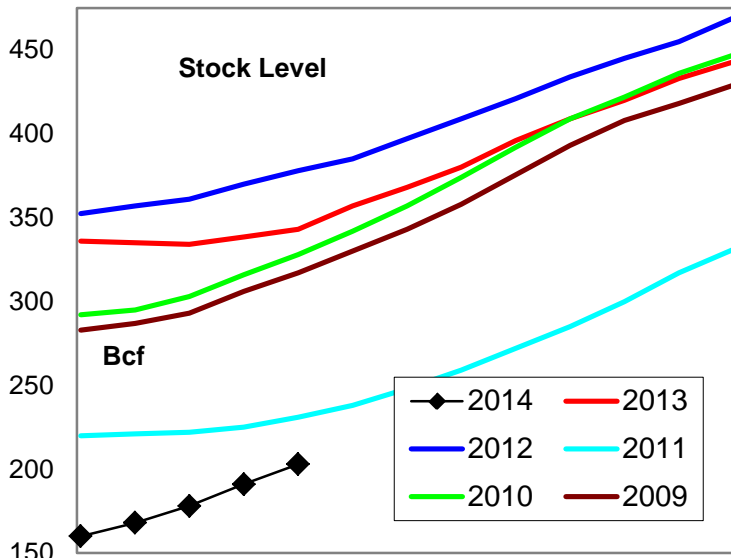
29.4

31.6

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

-140

8

36

31

Percent Change (%)

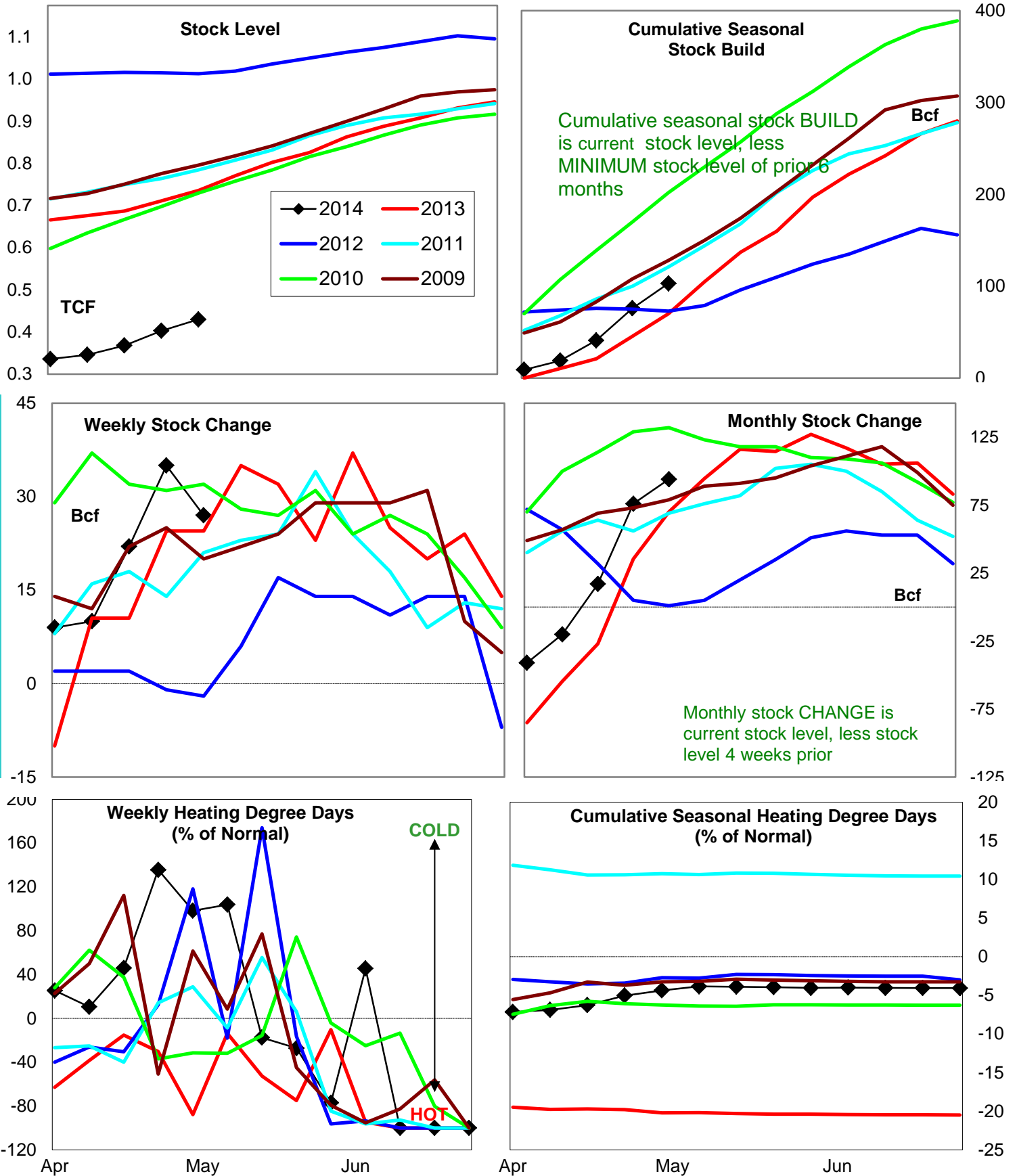
-40.8

166.7

514.3

258.3

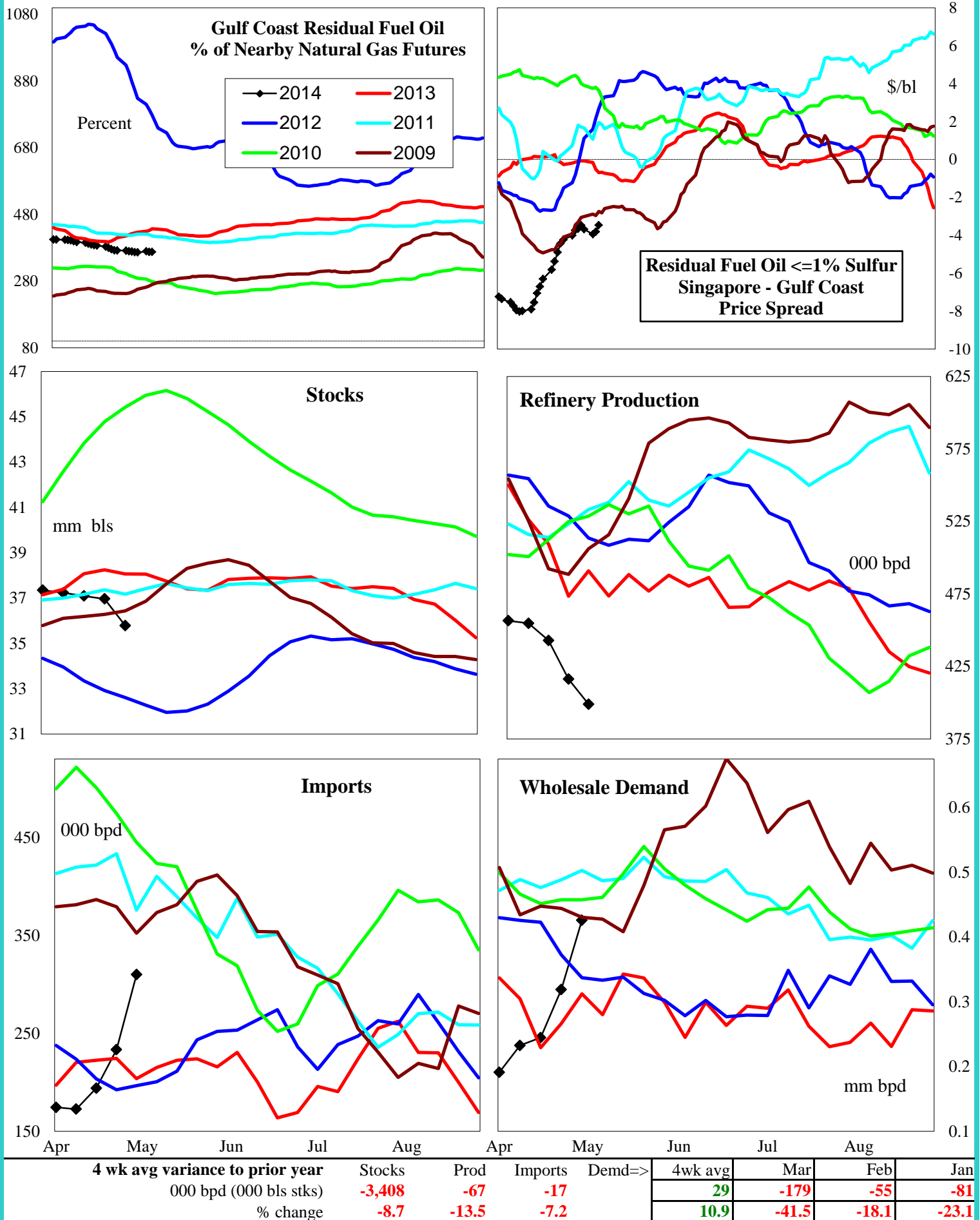
Natural Gas Producing Region Stock and Weather Trends



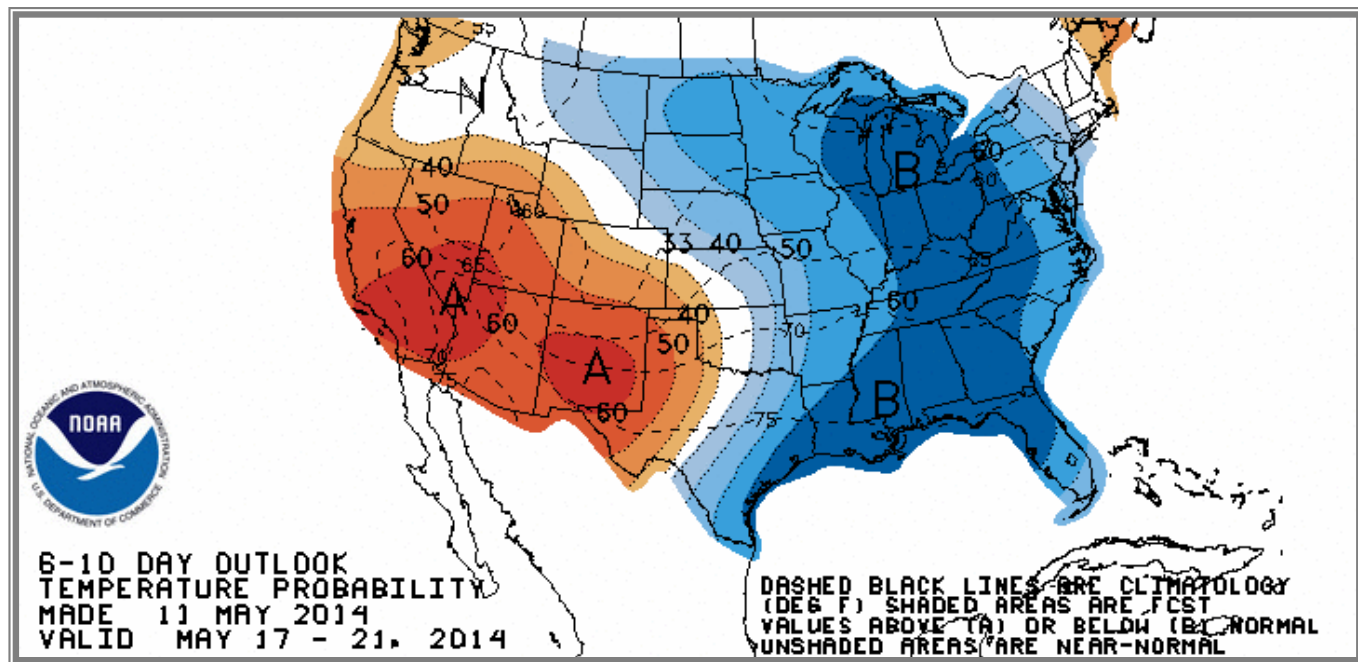
Variance to prior year

Stock
LevelWeekly Stock
ChangeMonthly Stock
ChangeCumulative Stock
ChangeBCF
Percent Change (%)-306
-40.23
10.224
34.333
47.1

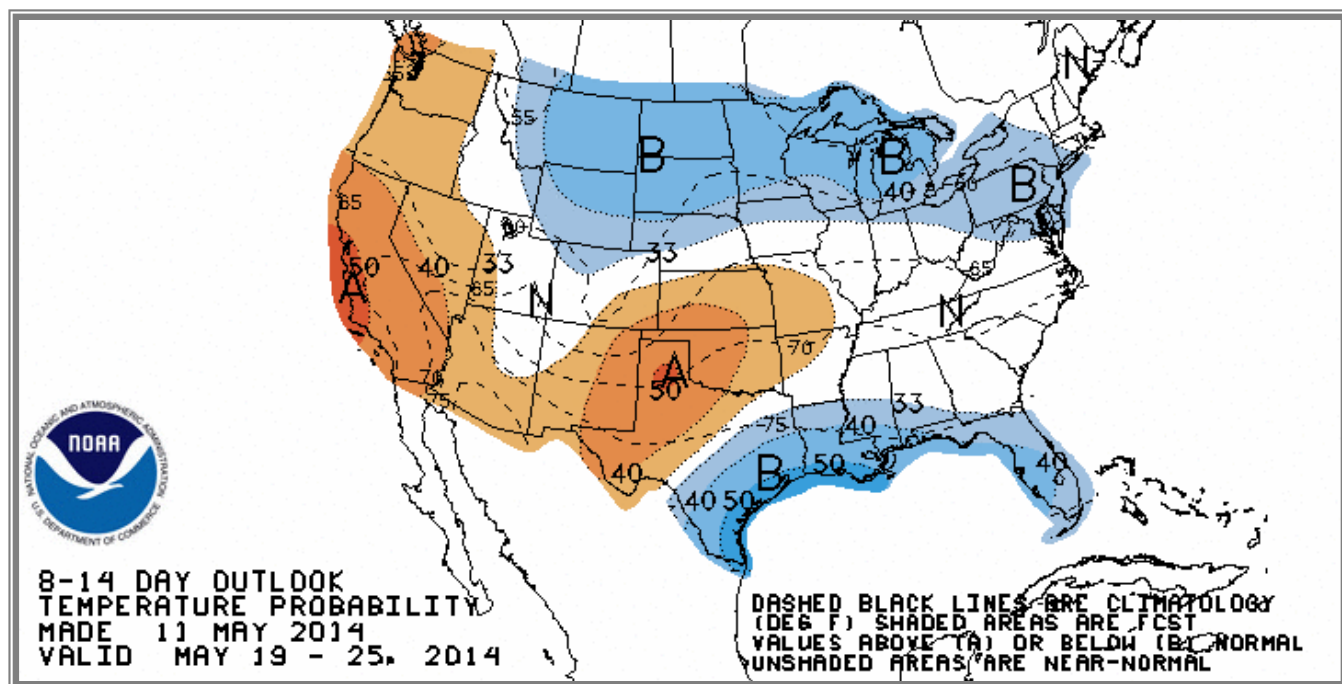
U.S. Residual Fuel Oil Price Spreads and Supply Balance



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

