

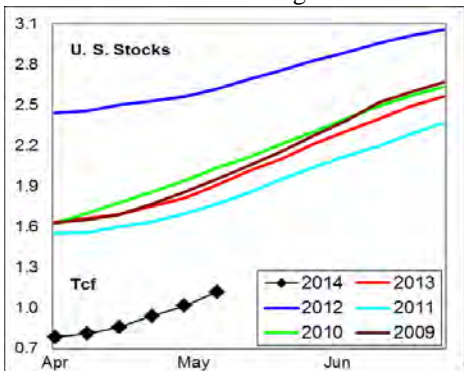
WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

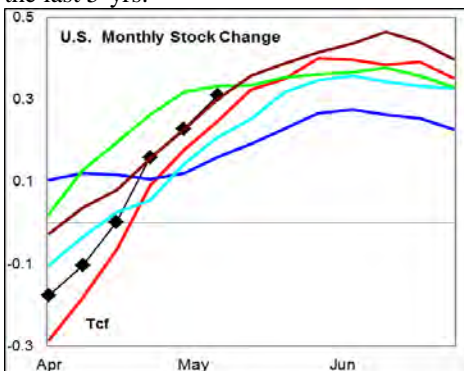
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Tuesday, May 20, 2014



Summary¹ The stock build of +105 Bcf last week was a record for the period. The build includes an 8 Bcf reclassification of stocks from base to working stocks.



The latest 4-wk stock change was a build of +300 Bcf, a build greater than four of the last 5-yrs.



In the East Region stocks increased +60 Bcf for the week, matching the 5-yr high for the period. Stocks increased +16 Bcf in the West Region, also a record build for the period. Stocks increased +29 Bcf on the week in the Producing region, a build near the historic high for the period.

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

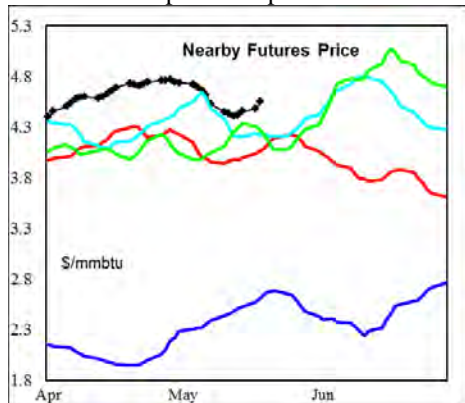
Temperatures were below normal East of the Rockies for the week ending 19May14.

The 6-10 day NWS forecast for the week ending 29May14 is for sharply above normal temperatures across the entire country except the south central region.

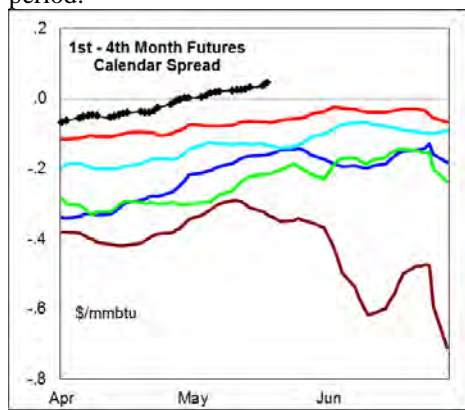
The 8-14 day NWS forecast for the

week ending 02Jun14 is for above normal temperatures across nearly the entire country except the Gulf coast region.

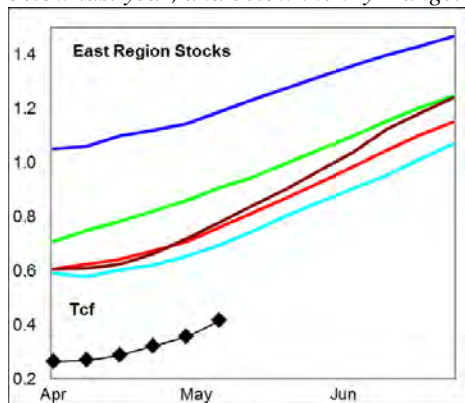
Prices: Nearby gas futures increased +\$0.19/mmbtu for the week ending 20May14. The outlook for much above normal temperatures, driving increased demand for electric power generation, underlies the uptrend in price.



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

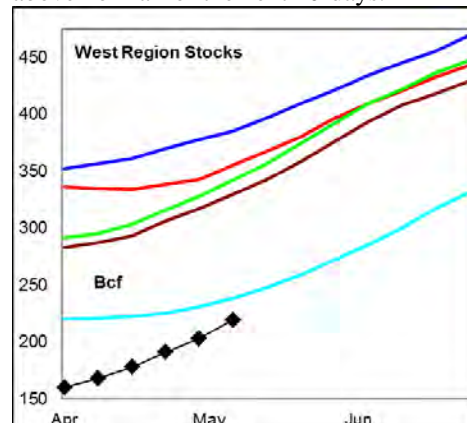


East Region stocks increased +60 Bcf for the week, matching the 5-yr high for the period. The current stock level is -43% below last year, and below the 5-yr range.



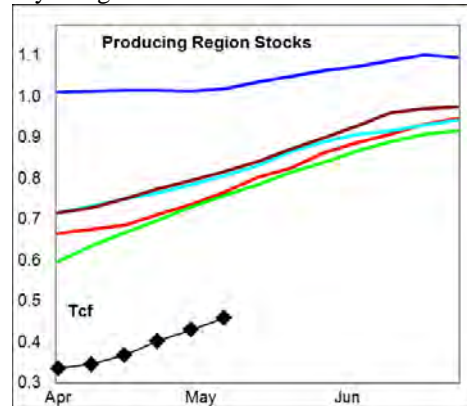
Temperatures were below normal in the

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



West Region stocks increased +16 Bcf last week, a record build for the period. Stock levels ended the week -38% 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 +29 Bcf for the week, a build near the historic high for the period. Stock levels ended the week -39% below last year, and below the 5-yr range.



Temperatures are forecast to be well above 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: The current forecast of much above normal temperatures during the next 10-days should lift demand for electric power generation. The inverted forward price curve reflects strong prompt demand, and reduces the economics of filling seasonal storage. Look for price strength in low stock levels and rising summer demand.

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 20, 2014

For the week ending: 9-May-14

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

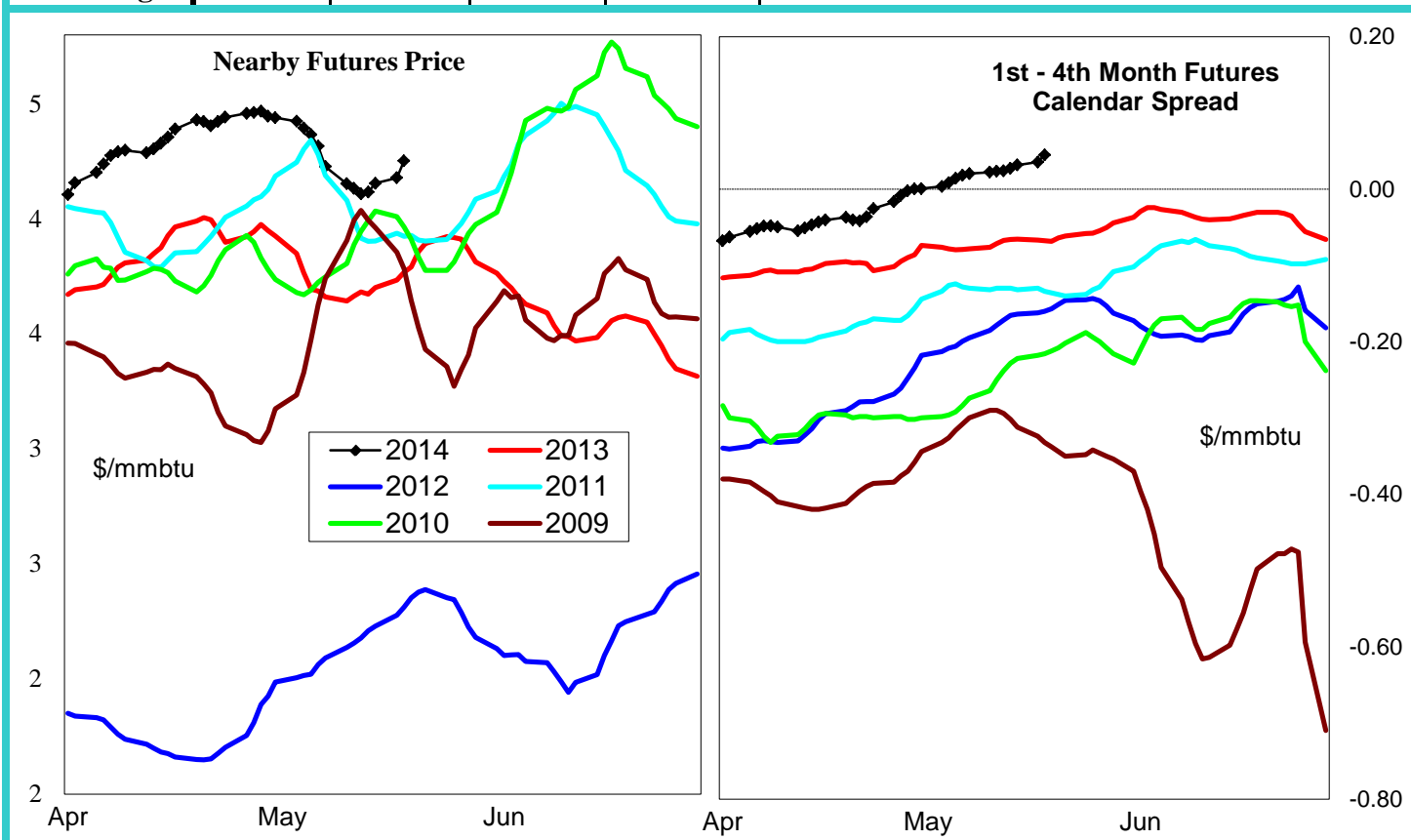
Week ending:	9-May-14			15-Jun-13		22-Jun-13		29-Jun-13	
Region	Weekly Stocks			Weekly Heating Degree Days					
		Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
	Bcf	Week Bcf	Year (%)						
U.S. Total	1,160	105	-40.5	-14	-45%	-2	-33%	-3	-77%
East	457	60	-43.1	-17	-39%	-2	-18%	-4	-74%
West	219	16	-38.3	-12	-58%	-2	-55%	-5	-78%
Producing	484	29	-38.9	-4	-100%	0	-100%	0	-100%

Seasonal Trends in Stocks and Heating Degree Days

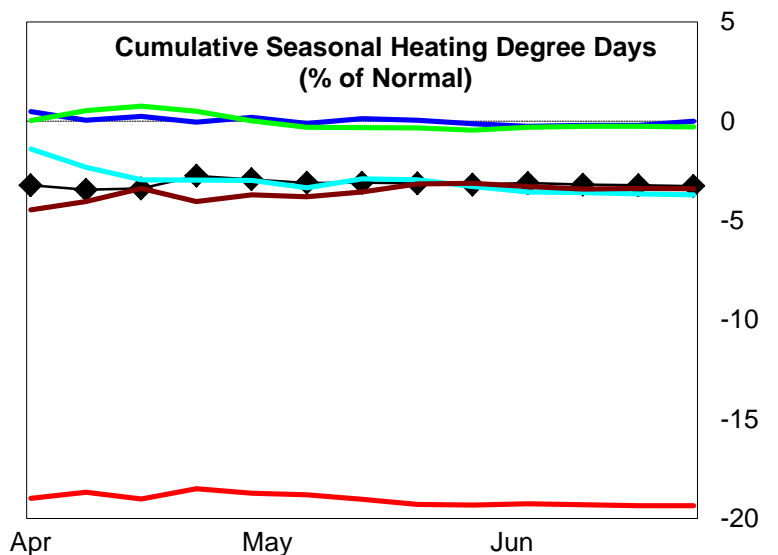
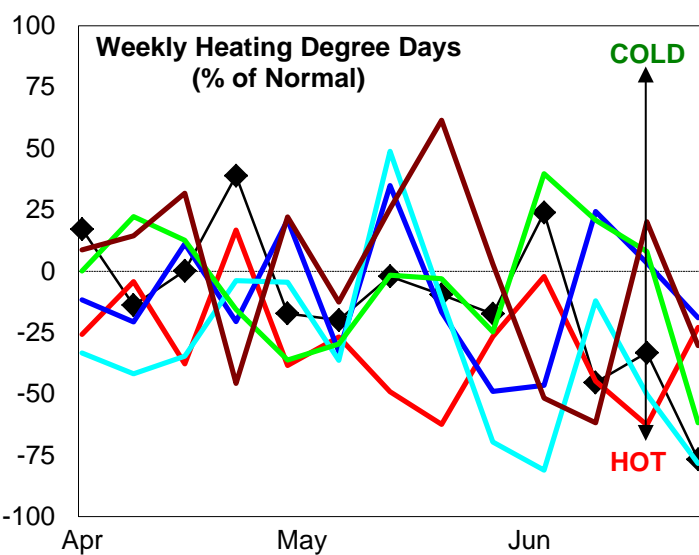
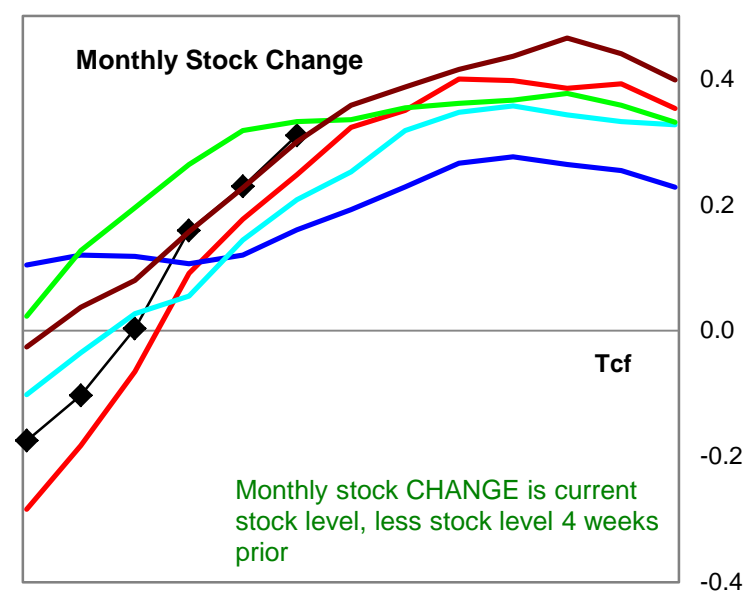
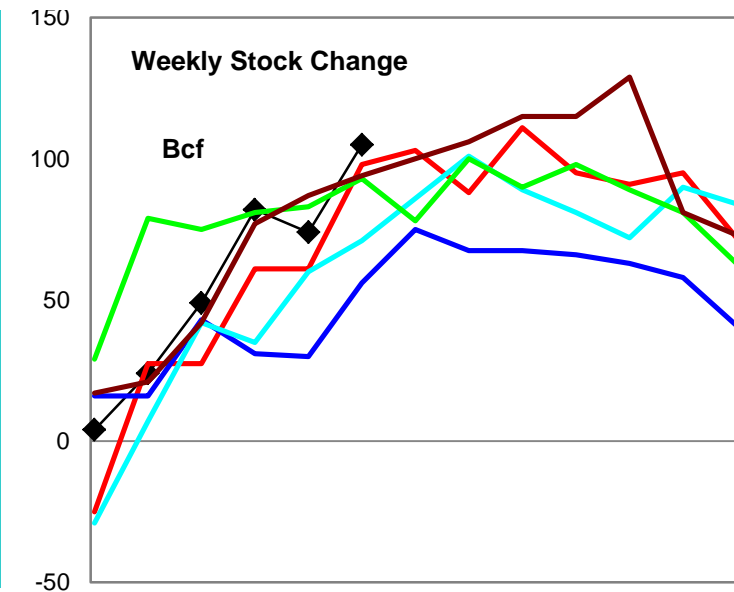
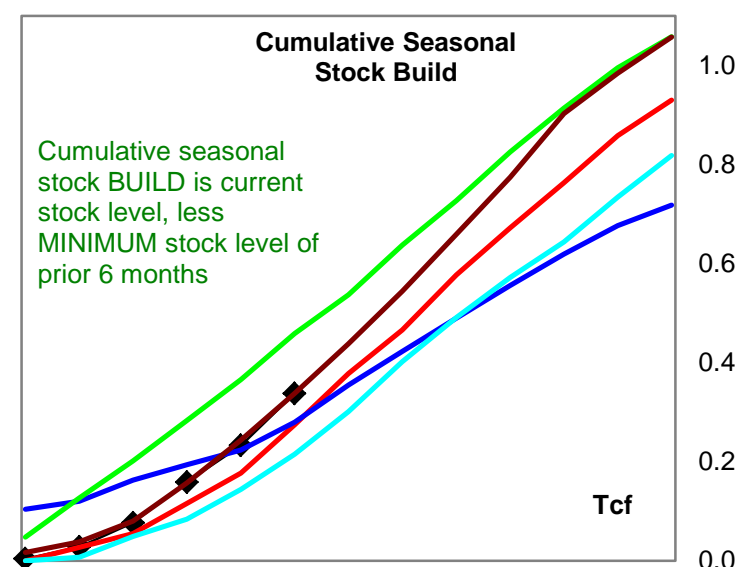
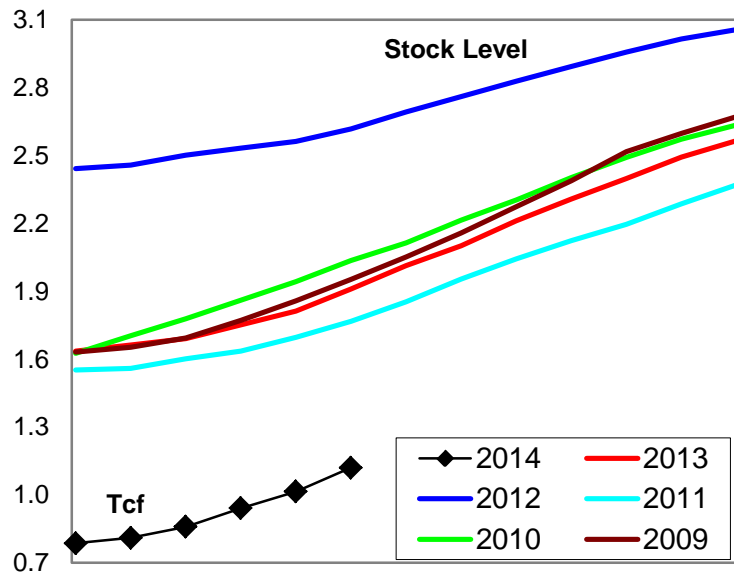
	Cumulative Stock Change			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
U.S. Total	338	63	18.6	6	-3.2	4	-3.2	1	-3.3
East	152	-3	-2.0	6	-2.9	4	-2.9	1	-2.9
West	59	35	59.3	10	-4.6	8	-4.7	3	-4.9
Producing	132	31	23.5	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	4.55	0.19	-0.18	0.57
% change	xxxxx	4.2	-3.8	14.3



United States Natural Gas Stock and Weather Trends



Variance to prior year

Stock Level

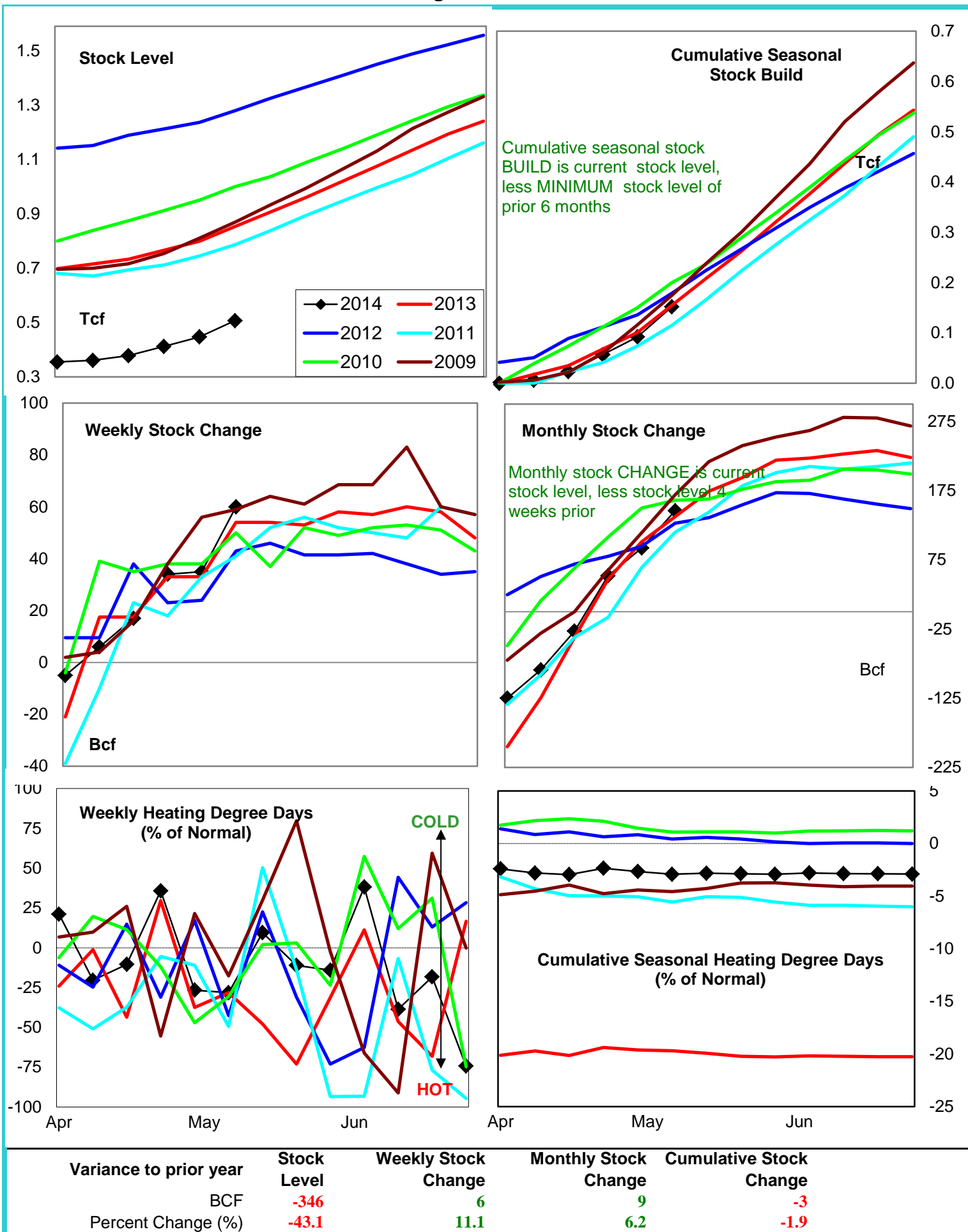
Weekly Stock Change

Monthly Stock Change

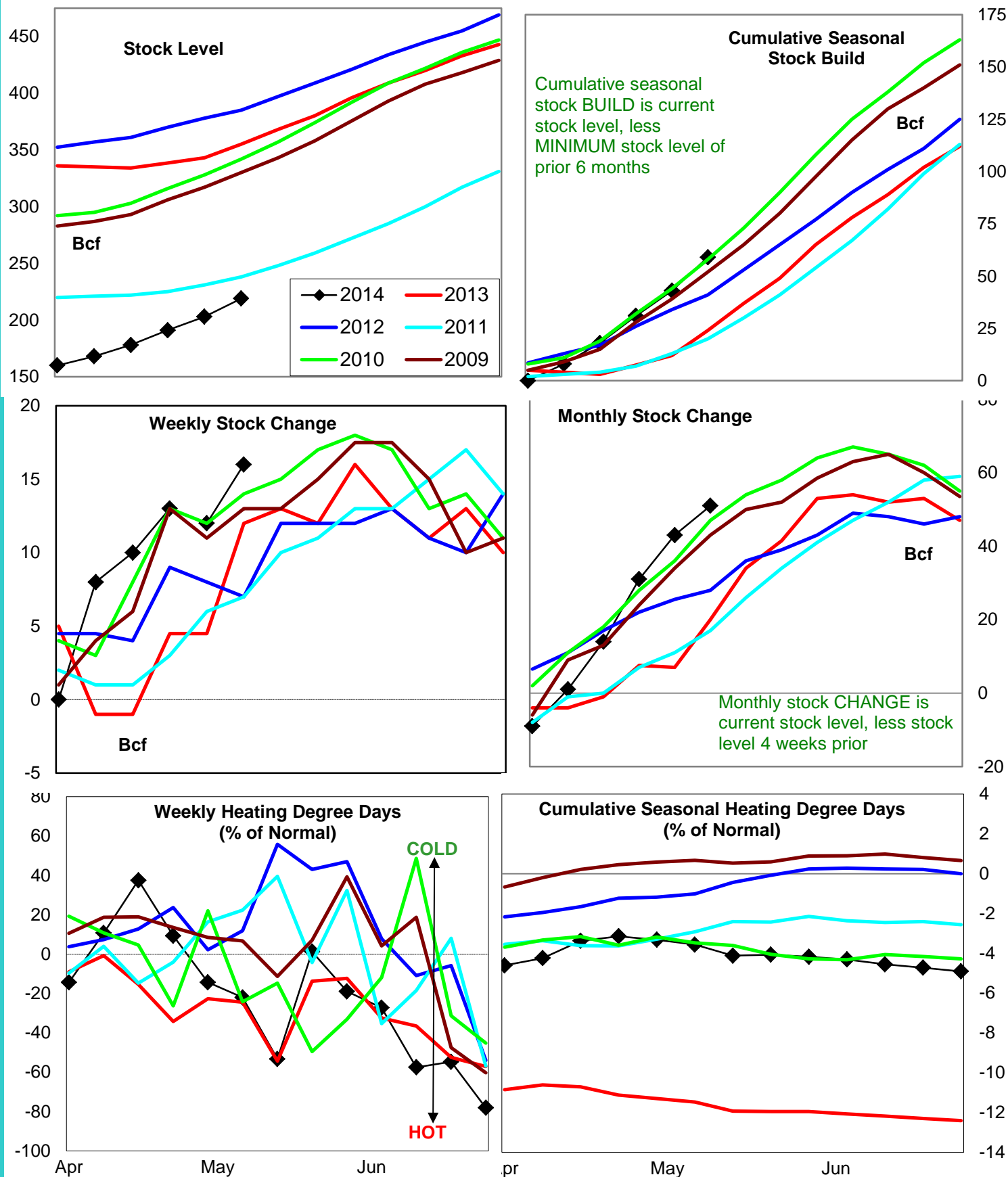
Cumulative Stock Change

BCF
Percent Change (%)-790
-40.57
7.163
25.363
22.9

Natural Gas East Region Stock and Weather Trends



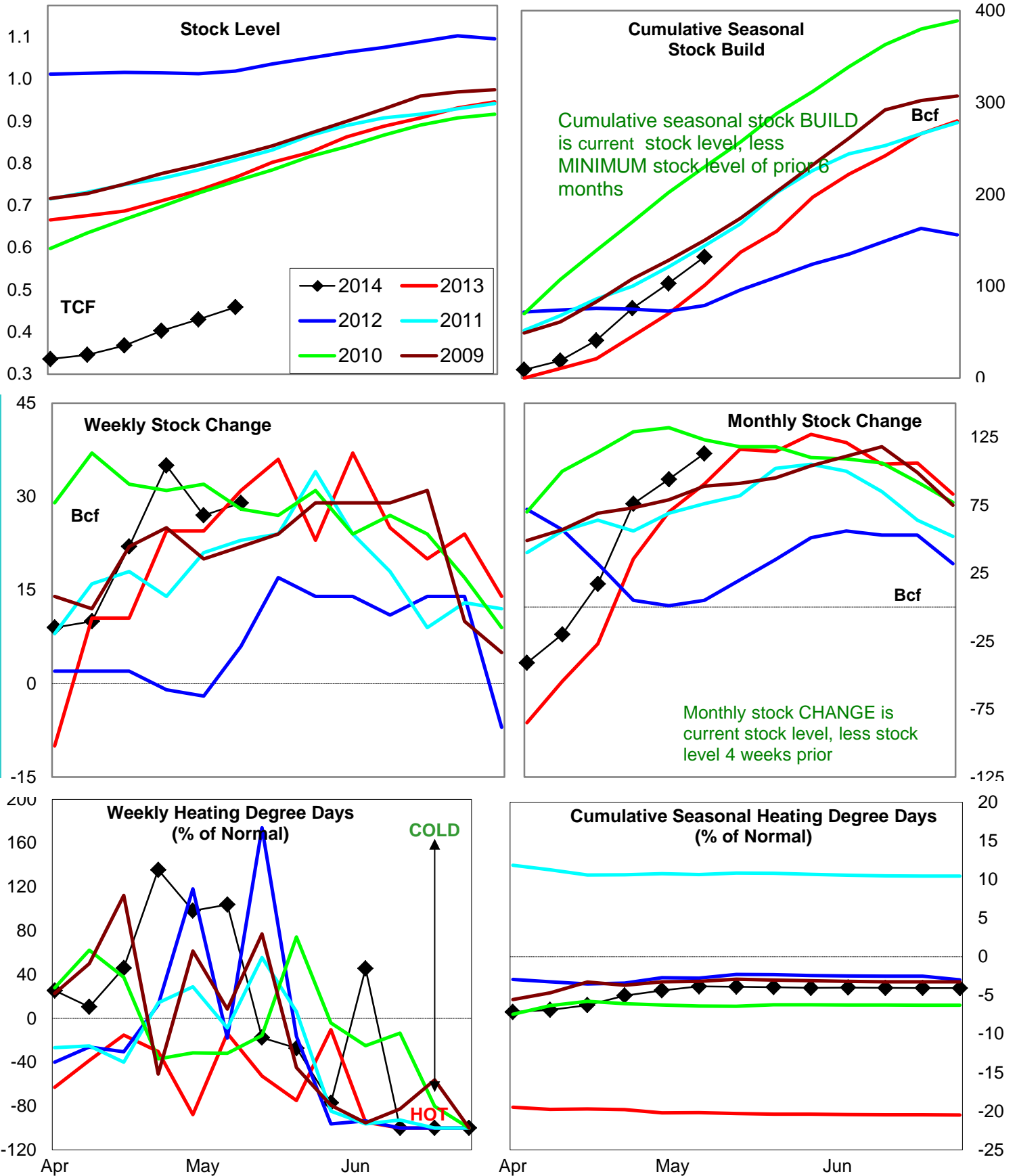
Natural Gas West Region Stock and Weather Trends



Variance to prior year

Stock
LevelWeekly Stock
ChangeMonthly Stock
ChangeCumulative Stock
ChangeBCF
Percent Change (%)-136
-38.34
33.331
155.035
145.8

Natural Gas Producing Region Stock and Weather Trends



Variance to prior year

Stock Level

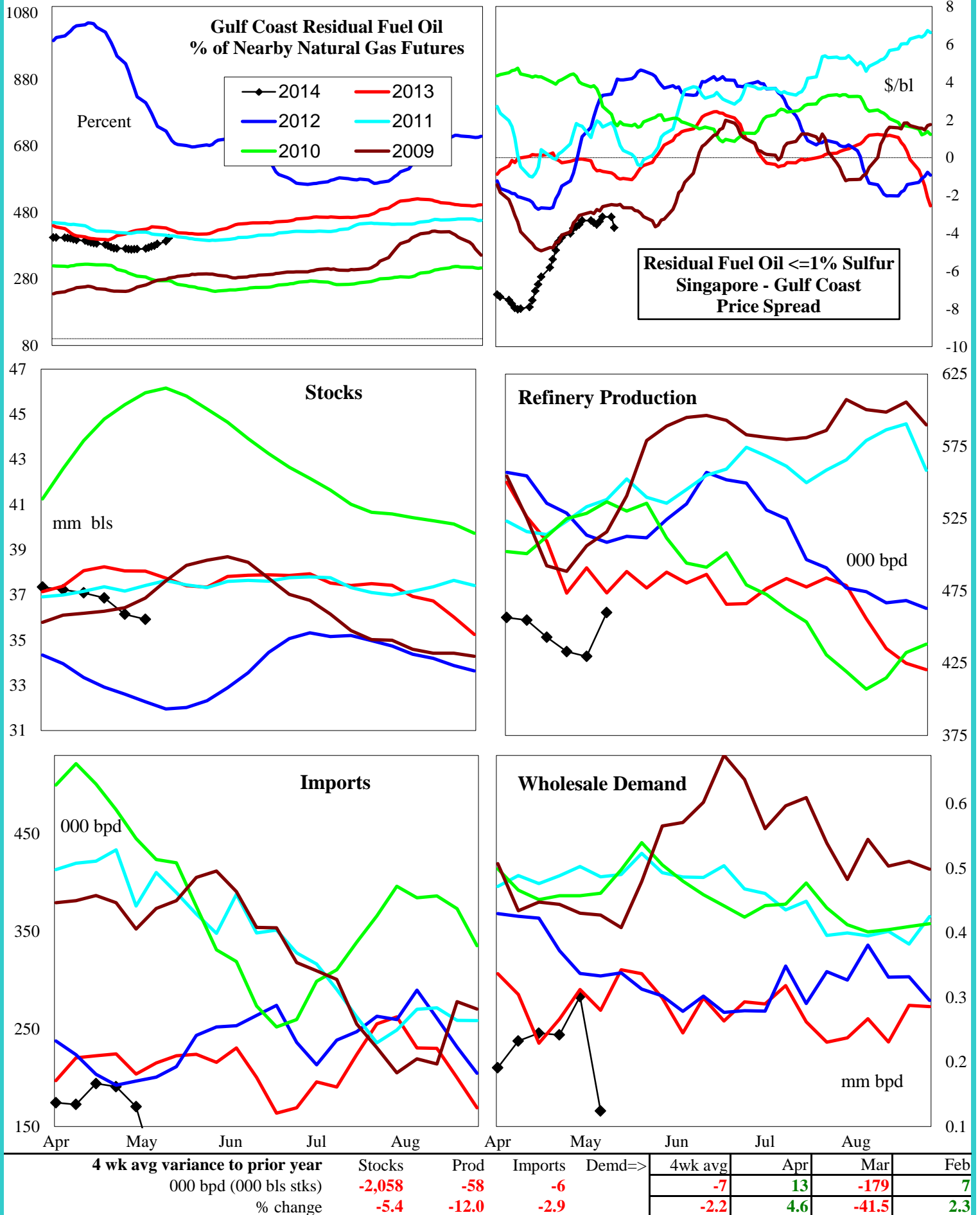
Weekly Stock Change

Monthly Stock Change

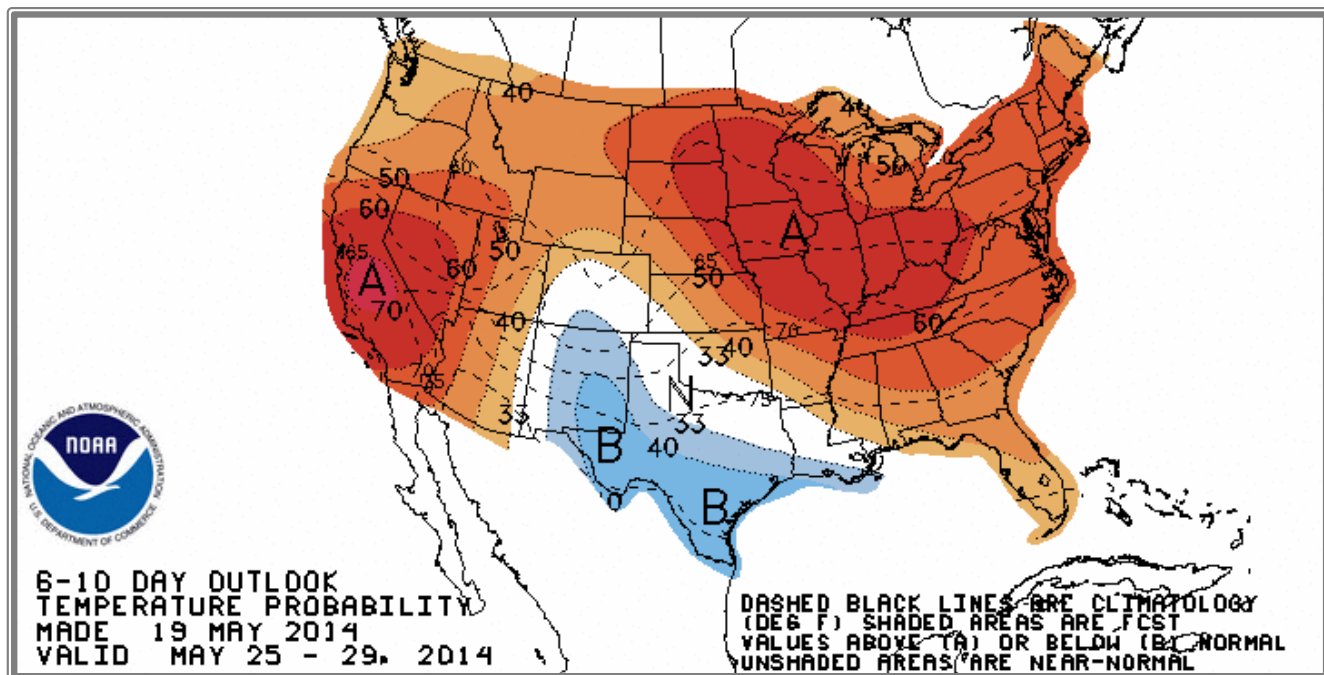
Cumulative Stock Change

BCF
Percent Change (%)-308
-38.9-2
-6.523
24.931
30.7

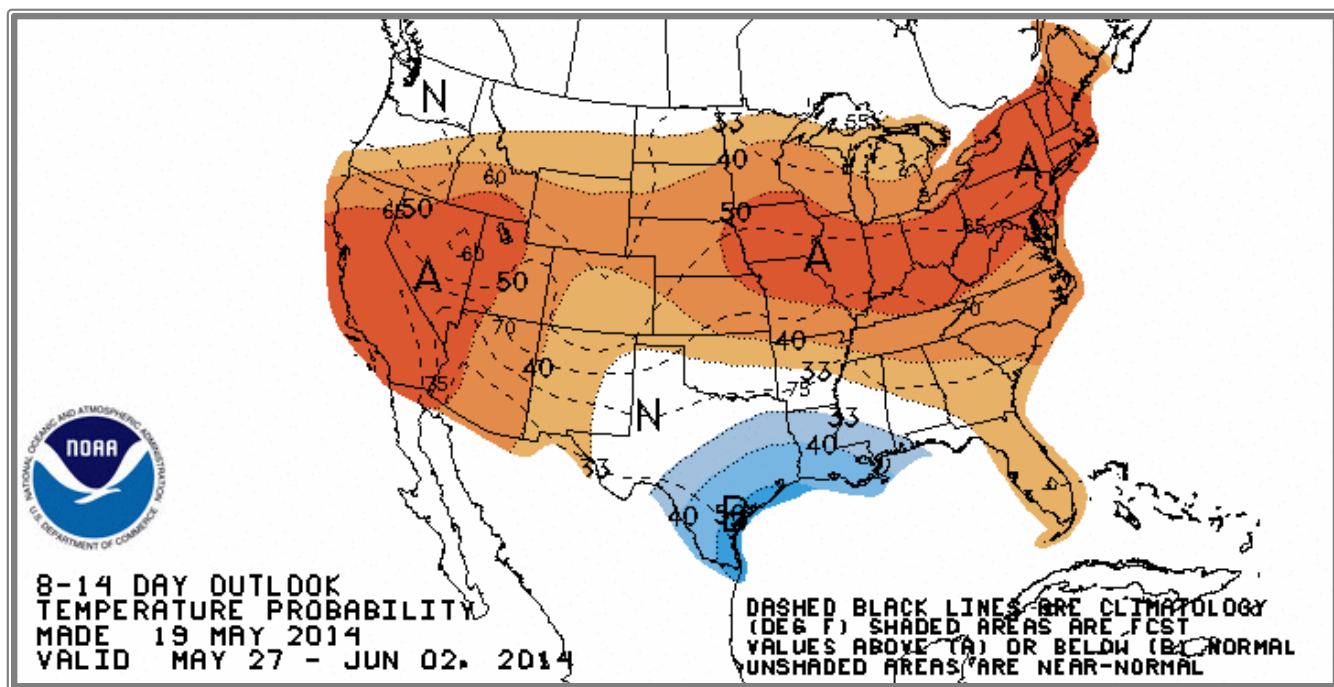
U.S. Residual Fuel Oil Price Spreads and Supply Balance



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

