



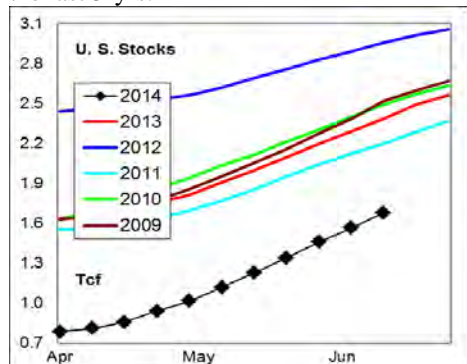
WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

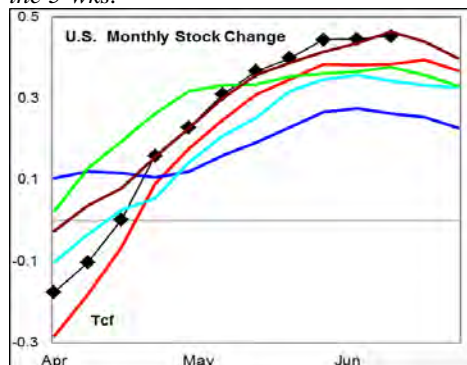
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Friday, June 20, 2014



Summary¹ The stock build of +113 Bcf last week was a build greater than four of the last 5-yrs.



The latest 4-wk stock change was a build of +465Bcf, a rate of build that matched 5-yr highs for this time of year. *The monthly rate of build has matched 5-yr highs for the 5-wks.*



In the East Region stocks increased +70 Bcf for the week, a larger build than four of the last 5-yrs. Stocks increased +16 Bcf in the West Region, record weekly build for the period. Stocks increased +27 Bcf on the week in the Producing region, also a build greater than four of the last 5-yrs.

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

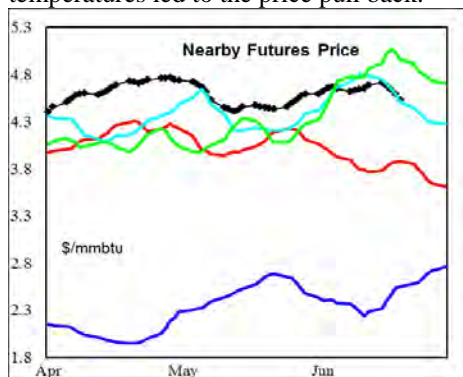
Temperatures were near normal across much of the country for the week ending 13Jun14.

The 6-10 day NWS forecast for the week ending 29Jun14 is for above normal temperatures in the East and West regions of the country, and below normal in the

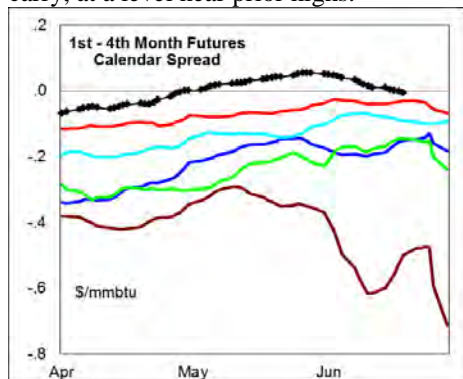
Midwest.

The 8-14 day NWS forecast for the week ending 03Jul14 is for above normal temperatures in the eastern ½ of the country and near normal in the West.

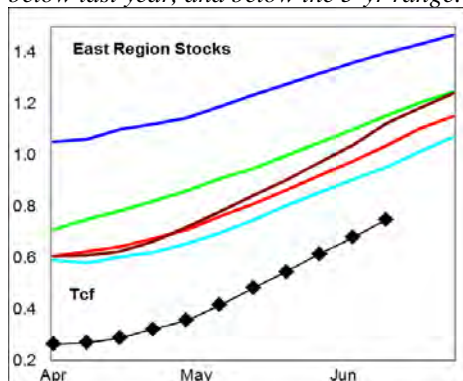
Prices: Nearby gas futures fell - \$0.21/mmbtu for the week ending 20June14. Continued near record rates of stock building, combined with near normal temperatures led to the price pull back.



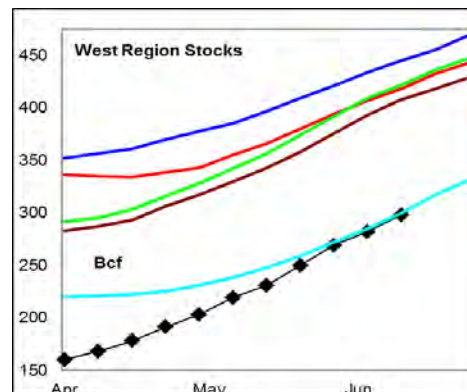
The 1st - 4th month forward price curve trended lower last week, ending in a small carry, at a level near prior highs.



East Region stocks increased +70 Bcf for the week, a larger build than four of the last 5-yrs. *The current stock level is -27% below last year, and below the 5-yr range.*

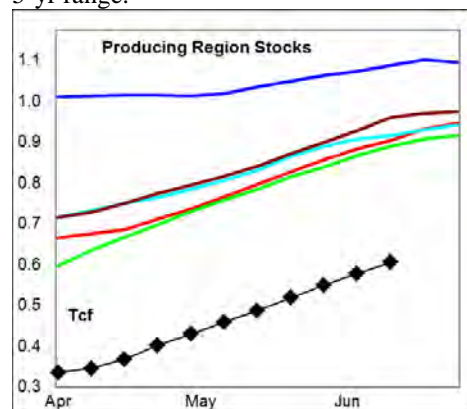


Temperatures were near normal in the week just ended, with a forecast to be above normal for the next 10-days.



West Region stocks increased +16 Bcf last week, a record build for the week. Stock levels ended the week -29% below last year, while matching prior 5-yr lows. Temperatures are forecast to be above normal for the next 10-days.

Producing Region stocks increased +27 Bcf for the week, a build greater than four of the last 5-yrs. Stock levels ended the week -32% below last year, and below the 5-yr range.



Temperatures are forecast to be near 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: A return to a record monthly rate of stock building last week and moderate temperatures led to the recent price pull back. *The current forecast of slightly above normal temperatures during the next 10-days and continued high stock builds should constrain prices.*

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: June 20, 2014

For the week ending: 13-Jun-14

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

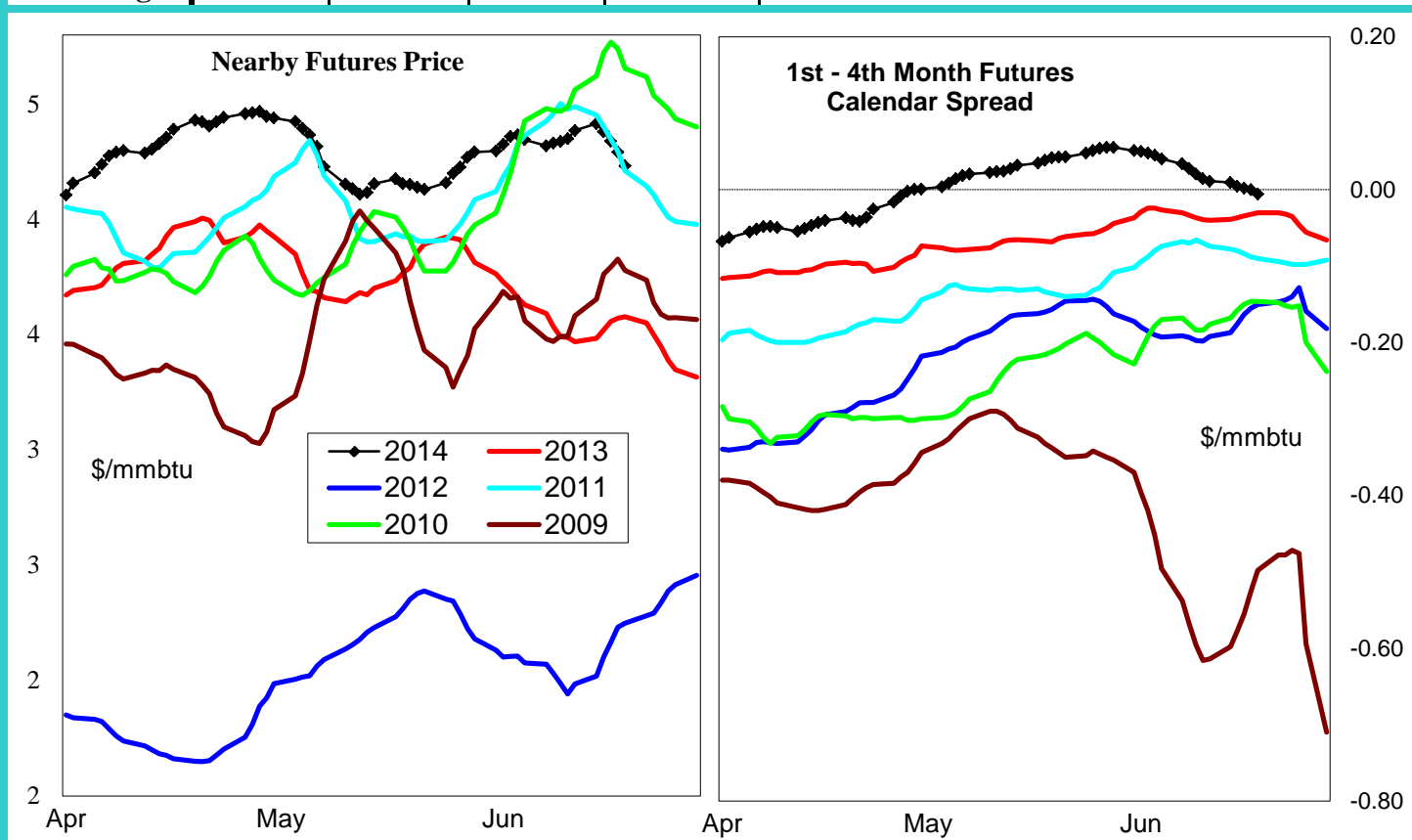
Week ending:	13-Jun-14			15-Jun-13		22-Jun-13		29-Jun-13	
Region	Weekly Stocks			Weekly Heating Degree Days					
		Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
	Bcf	Week Bcf	Year (%)						
U.S. Total	1,719	113	-29.1	-14	-45%	-2	-33%	-3	-77%
East	790	70	-26.6	-17	-39%	-2	-18%	-4	-74%
West	298	16	-28.7	-12	-58%	-2	-55%	-5	-78%
Producing	631	27	-32.2	-4	-100%	0	-100%	0	-100%

Seasonal Trends in Stocks and Heating Degree Days

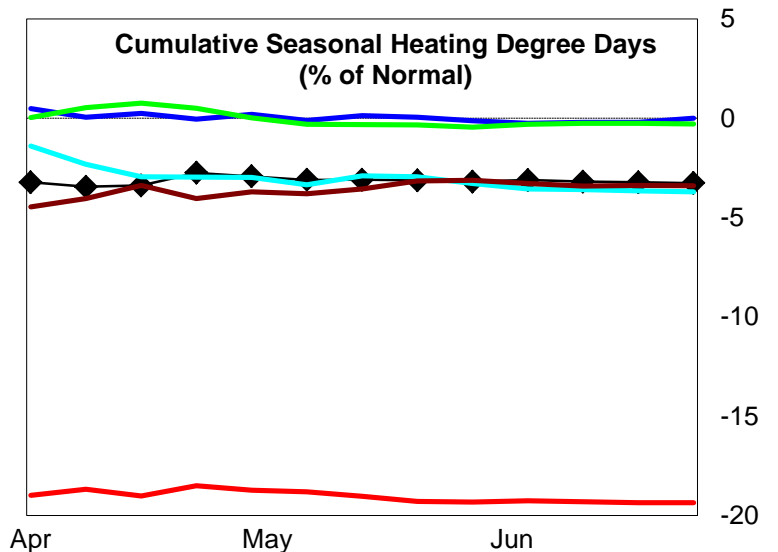
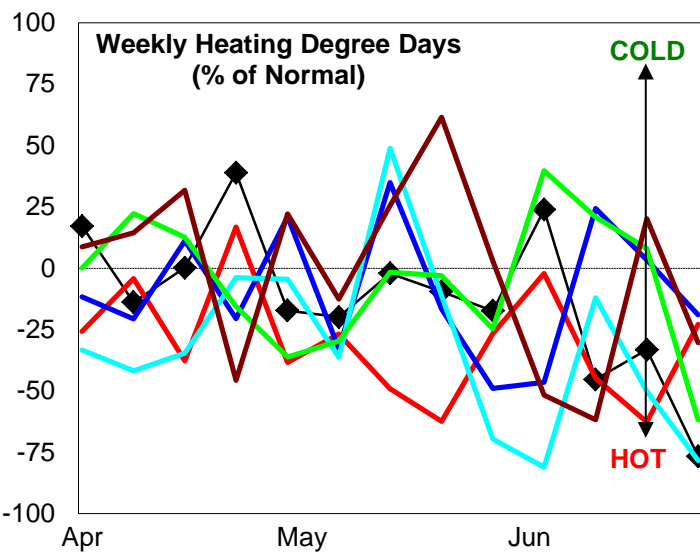
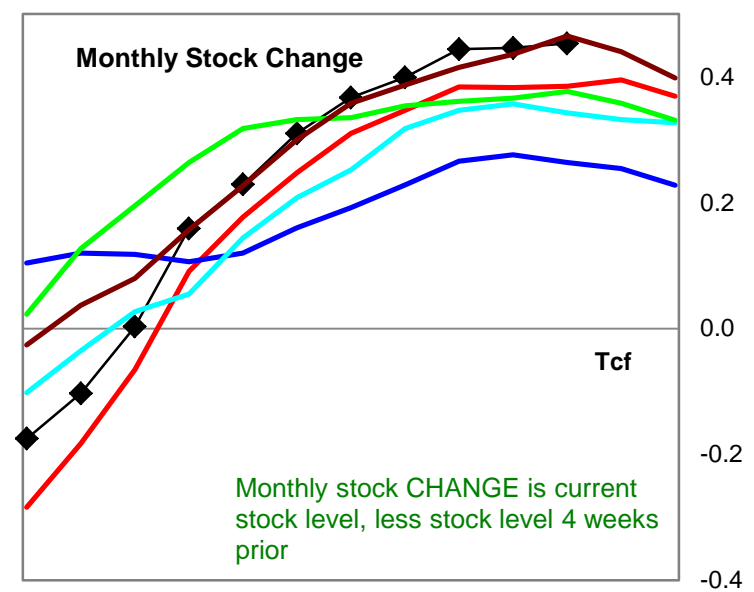
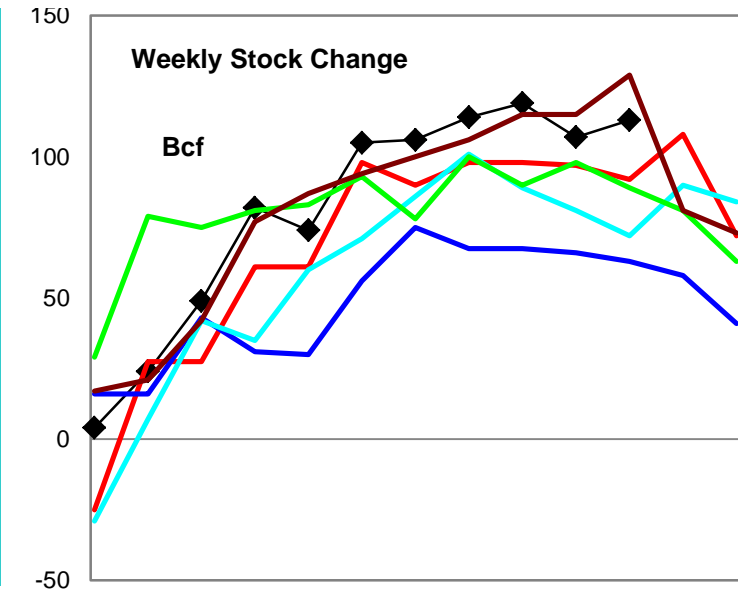
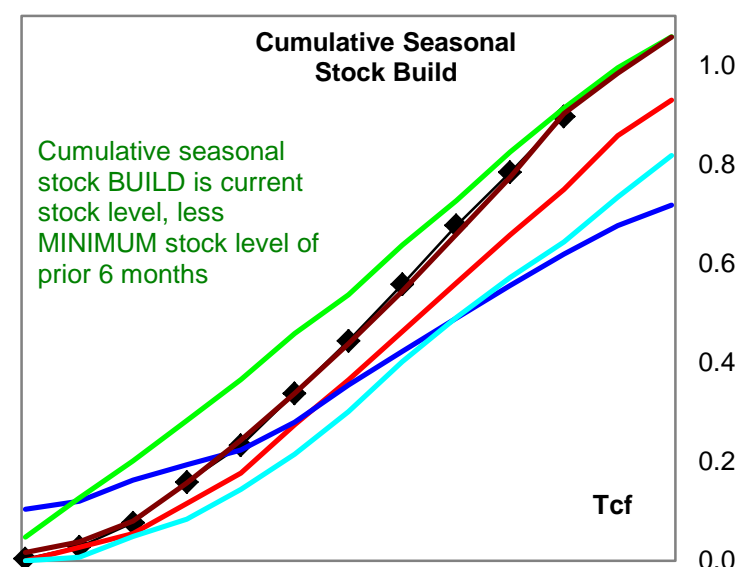
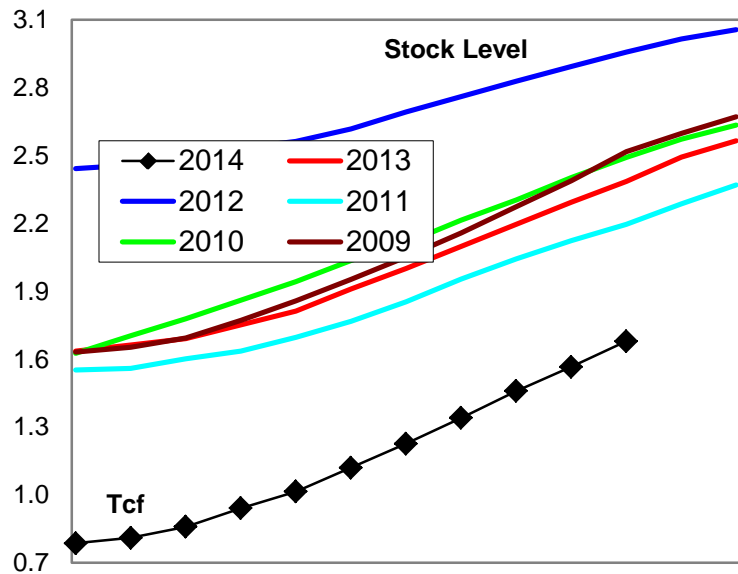
	Cumulative Stock Change			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
U.S. Total	897	147	16.4	6	-3.2	4	-3.2	1	-3.3
East	485	57	11.8	6	-2.9	4	-2.9	1	-2.9
West	138	51	37.0	10	-4.6	8	-4.7	3	-4.9
Producing	279	40	14.3	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	4.53	-0.18	0.13	0.84
% change	xxxxx	-3.7	2.9	22.8



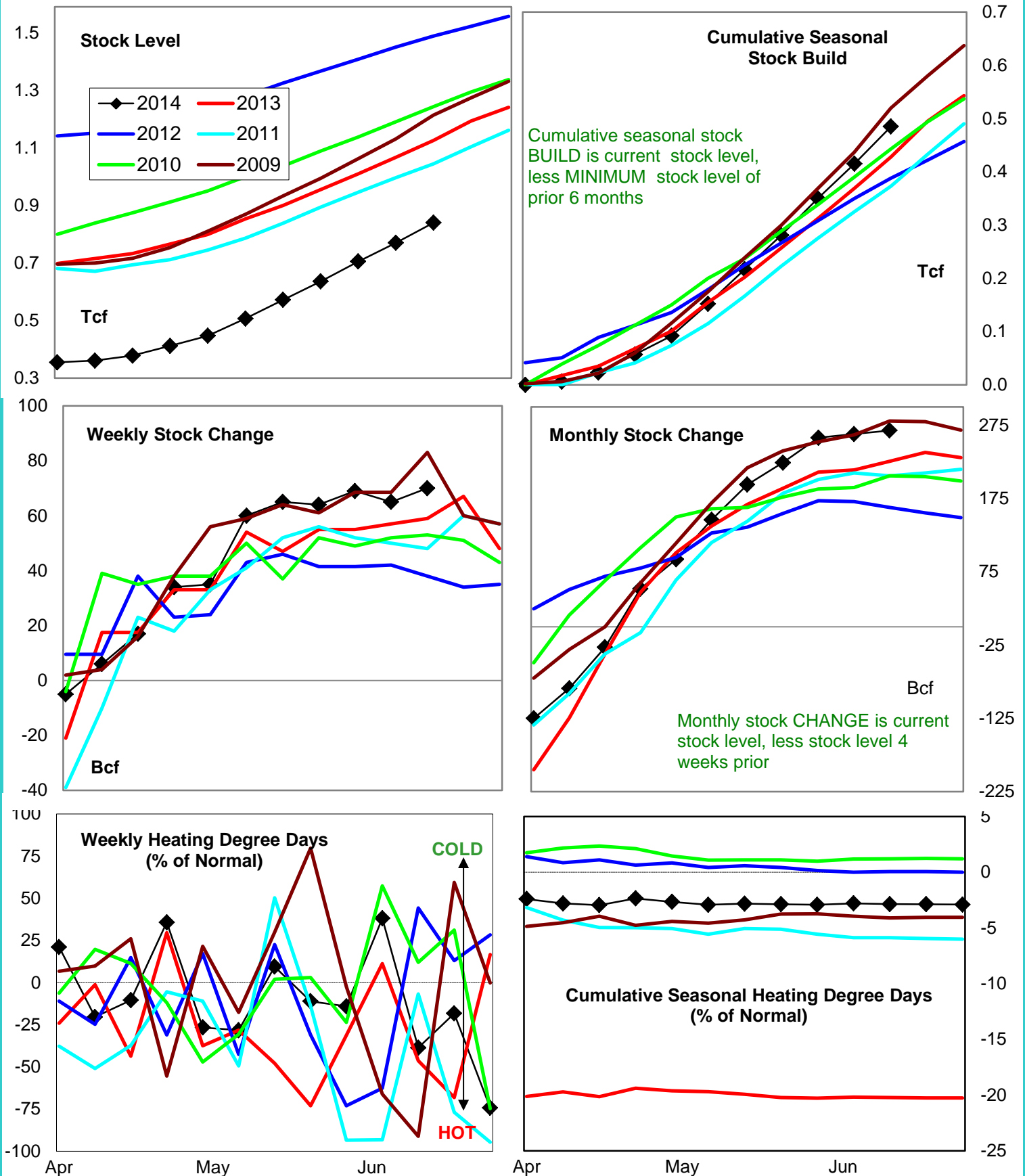
United States Natural Gas Stock and Weather Trends



Variance to prior year

Stock
LevelWeekly Stock
ChangeMonthly Stock
ChangeCumulative Stock
ChangeBCF
Percent Change (%)-706
-29.121
22.868
17.7147
19.6

Natural Gas East Region Stock and Weather Trends



Variance to prior year

Stock
LevelWeekly Stock
ChangeMonthly Stock
ChangeCumulative Stock
Change

BCF

-286

11

42

57

Percent Change (%)

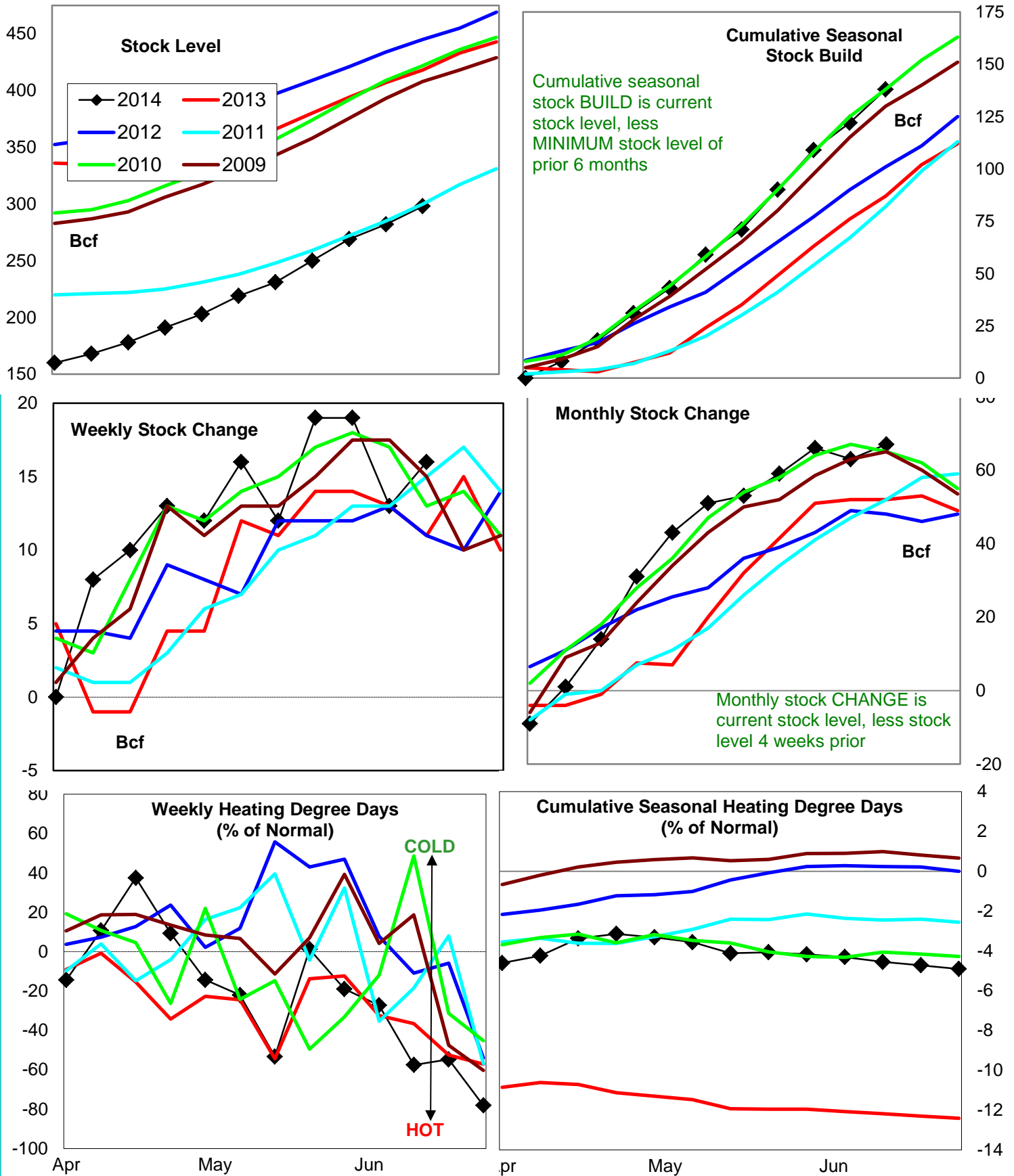
-26.6

18.6

18.6

13.3

Natural Gas West Region Stock and Weather Trends



Variance to prior year

Stock Level

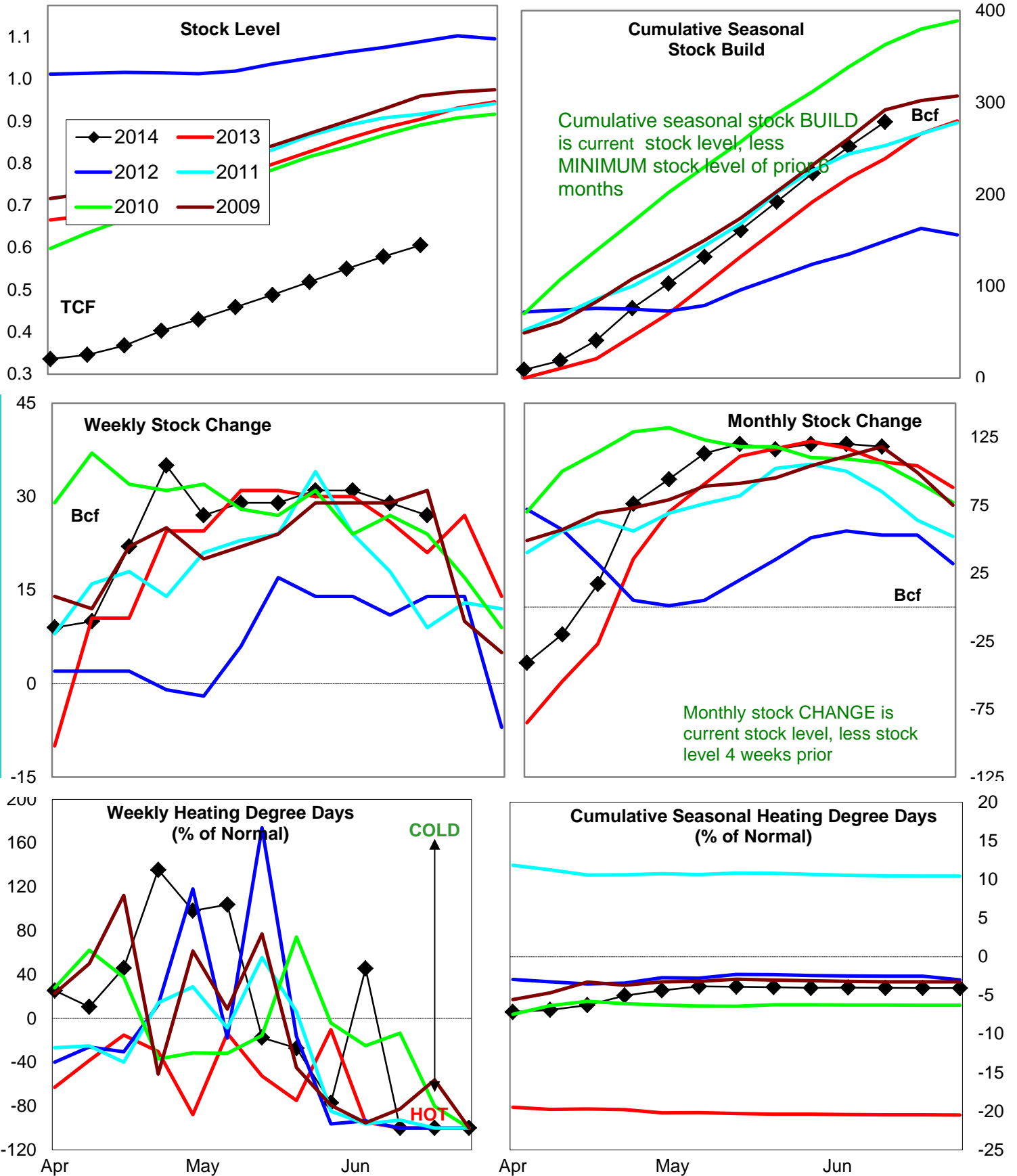
Weekly Stock Change

Monthly Stock Change

Cumulative Stock Change

BCF
Percent Change (%)-120
-28.75
45.515
28.851
58.6

Natural Gas Producing Region Stock and Weather Trends



Variance to prior year

Stock Level

Weekly Stock Change

Monthly Stock Change

Cumulative Stock Change

BCF

-299

6

11

40

Percent Change (%)

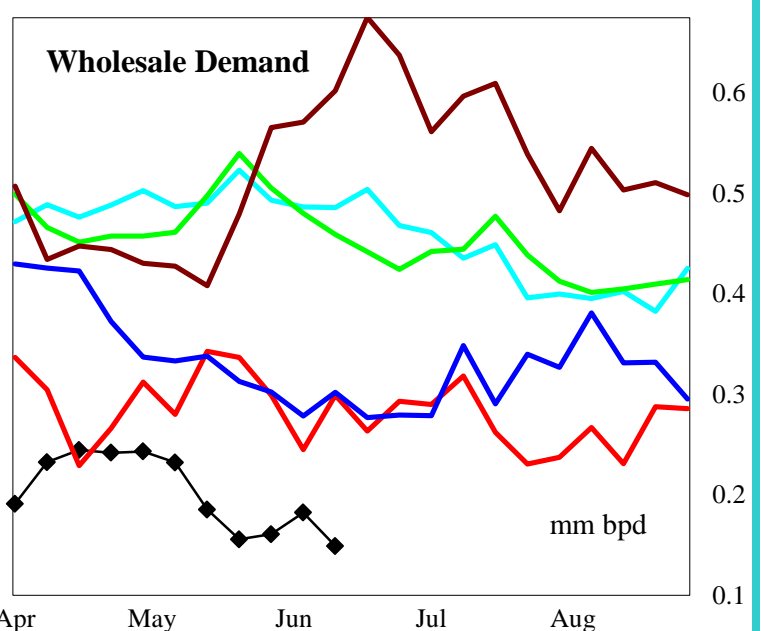
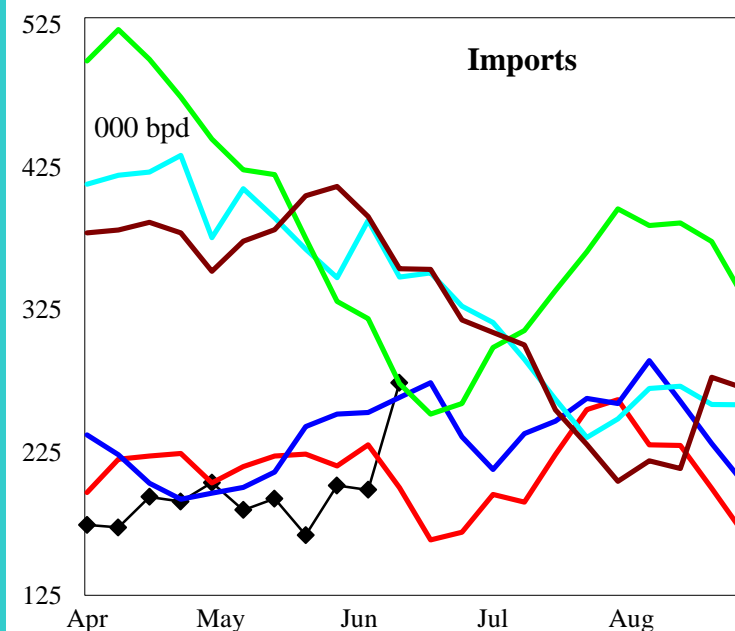
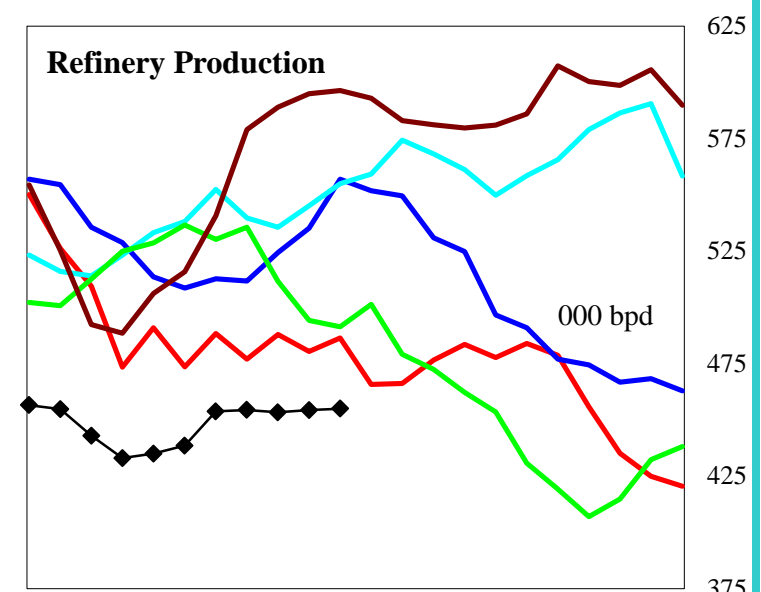
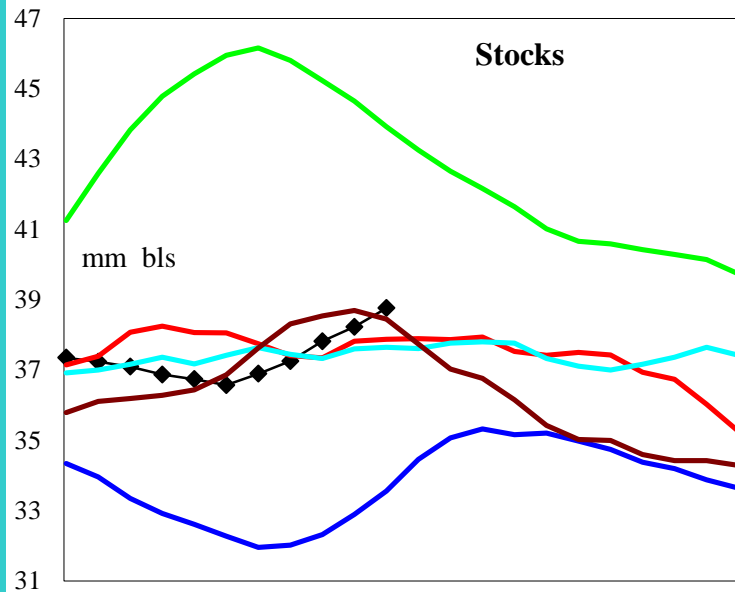
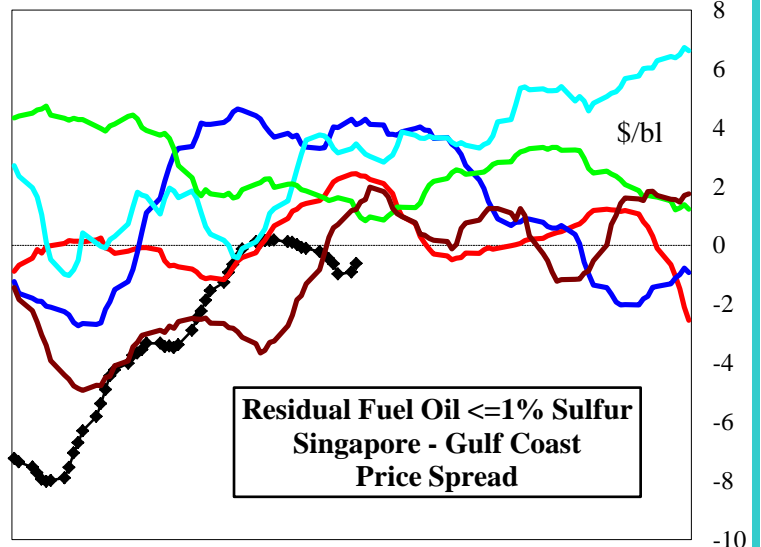
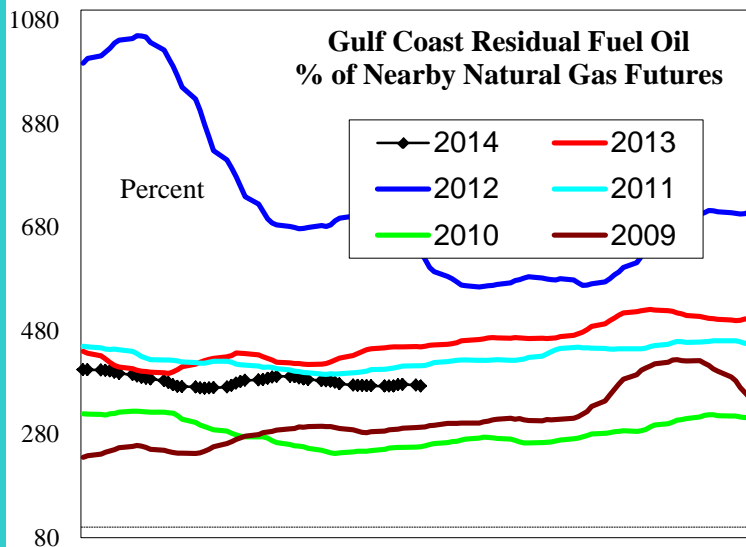
-32.2

28.6

10.3

16.7

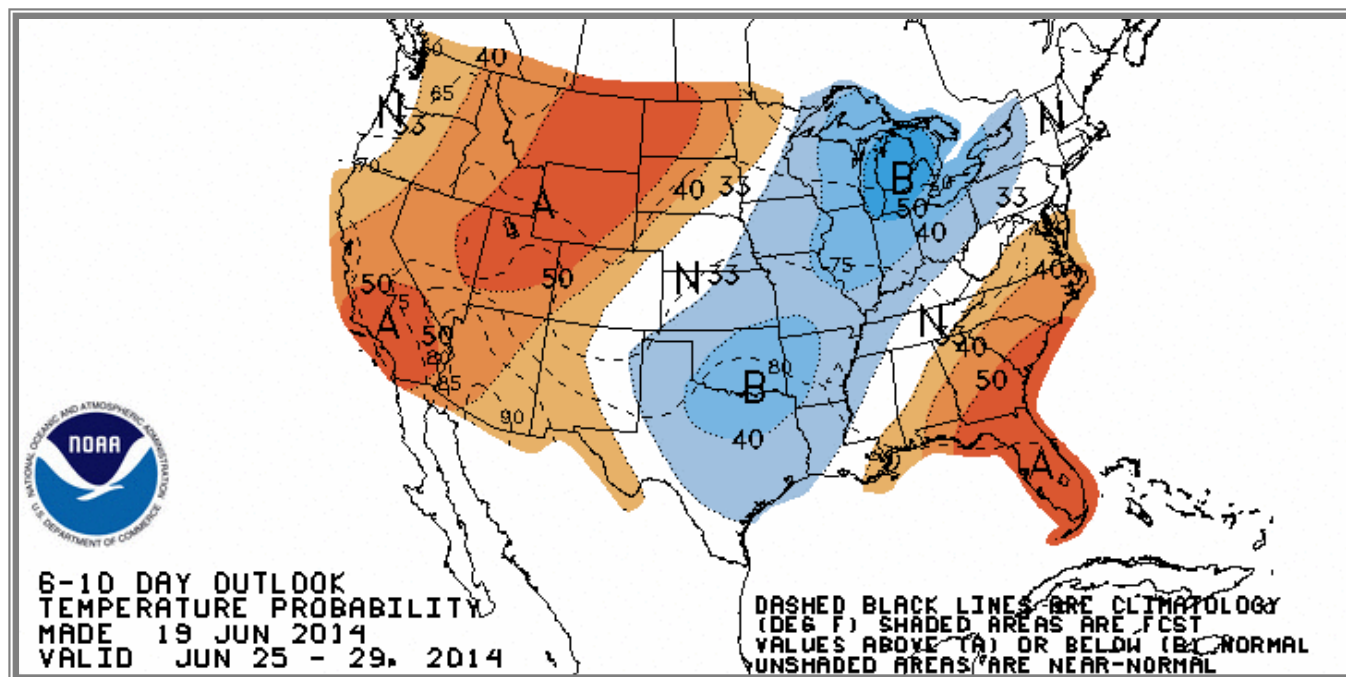
U.S. Residual Fuel Oil Price Spreads and Supply Balance



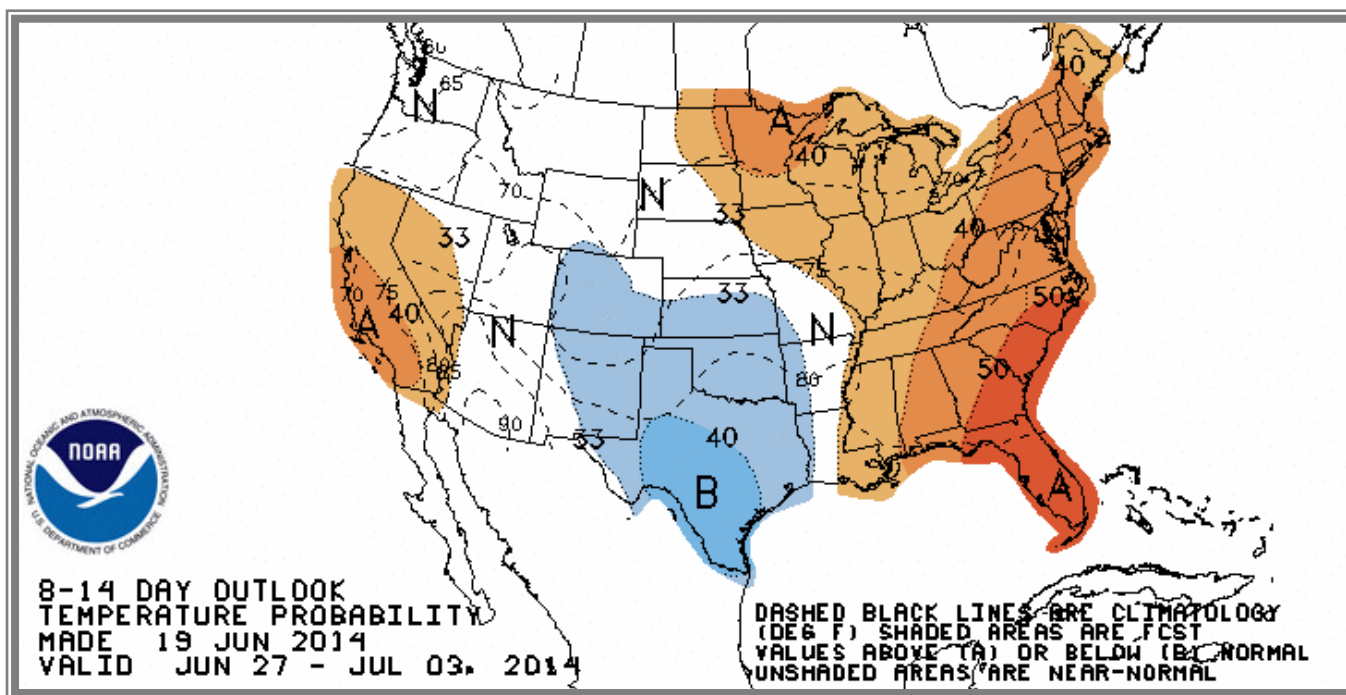
4 wk avg variance to prior year
000 bpd (000 bls stks)
% change

Stocks	Prod	Imports	Demd=>	4wk avg	May	Apr	Mar
1,114	-31	-24		-94	-65	13	7
3.0	-6.5	-10.6		-32.8	-30.2	4.6	1.6

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

