



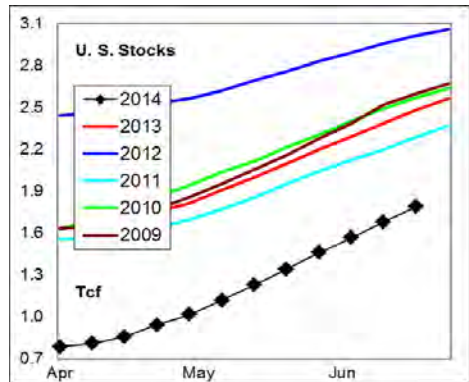
# WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

## A Fundamental Petroleum Trends Weekly Report

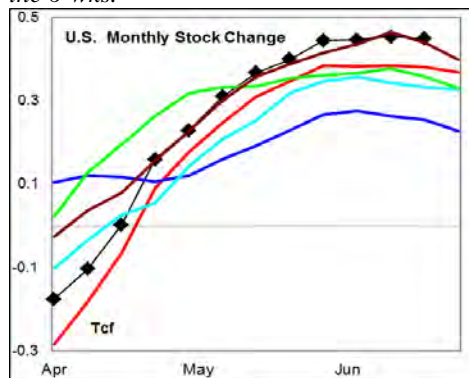
Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Thursday, June 26, 2014



**Summary**<sup>1</sup> The stock build of +110 Bcf last week was a record build for the week.



The latest 4-wk stock change was a build of +449 Bcf, 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 6-wks.*



In the East Region stocks increased +68 Bcf for the week, a record build for the period. Stocks increased +17 Bcf in the West Region, also a record weekly build for the period. Stocks increased +25 Bcf on the week in the Producing region, a build greater than each of the last 5-yrs.

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

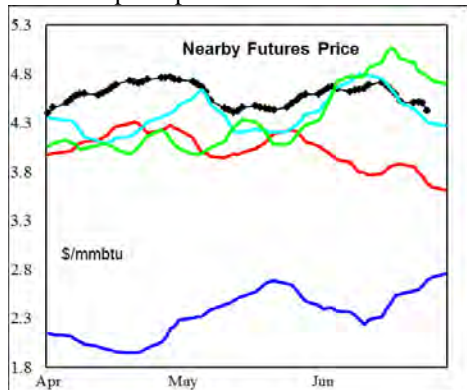
**Temperatures** were above normal across the East and West Coasts for the week ending 20Jun14.

The 6-10 day NWS forecast for the week ending 05Jul14 is for above normal temperatures in the East and West regions of the country, and near normal in the

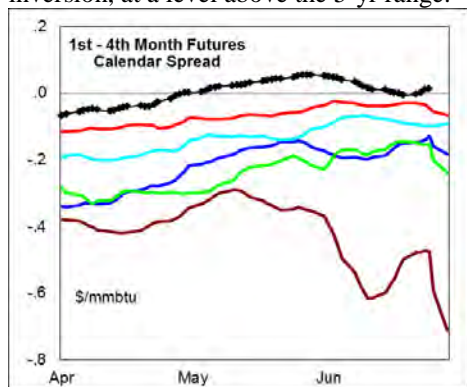
Midwest.

The 8-14 day NWS forecast for the week ending 09Jul14 is for above normal temperatures in the Eastern 1/3<sup>rd</sup> and Western 1/3<sup>rd</sup> of the country, and near normal in the Midwest.

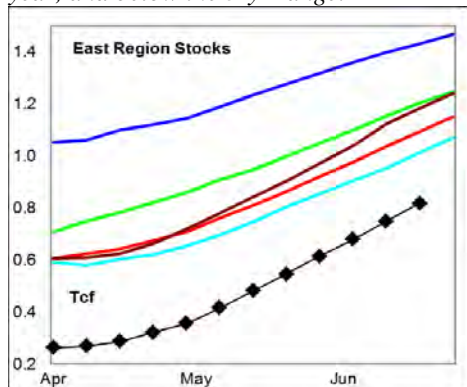
**Prices:** Nearby gas futures fell - \$0.16/mmbtu for the week ending 26June14. Record rates of stock building, combined with near normal temperatures led to the price pull back.



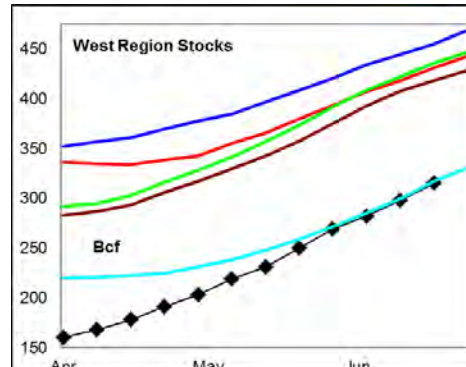
The 1<sup>st</sup> - 4<sup>th</sup> month forward price curve trended higher last week, ending in a small inversion, at a level above the 5-yr range.



**East Region** stocks increased +68 Bcf for the week, a record build for the period. *The current stock level is -24% below last year, and below the 5-yr range.*

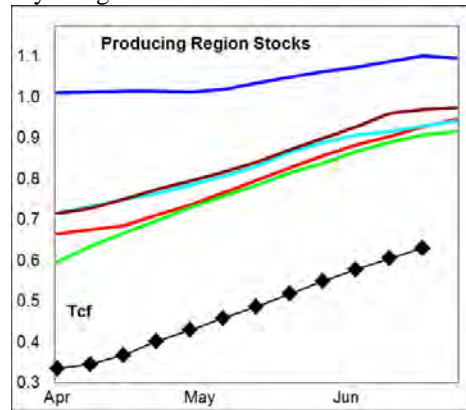


Temperatures were near normal in the week just ended, with a forecast to be above normal for the next 10-days.



**West Region** stocks increased +17 Bcf last week, a record build for the week. Stock levels ended the week -27% below last year, while matching prior 5-yr lows. Temperatures are forecast to be well above normal for the next 10-days.

**Producing Region** stocks increased +25 Bcf for the week, a build greater than each of the last 5-yrs. Stock levels ended the week -31% below last year, and below the 5-yr range.



Temperatures are forecast to be 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:** Weekly stock builds have exceeded each of the last 3-yrs for the past 2 1/2 months. The result is a record high cumulative seasonal build. *The current forecast of much above normal temperatures during the next 10-days in the eastern 1/3<sup>rd</sup> of the country should support wholesale prices at the low end of the 3-month range.*

### <sup>1</sup> Related Web Sites:

[Data Source is EIA Weekly Statistics](http://Data Source is EIA Weekly Statistics)

[National Weather Service 6-10 Day](http://National Weather Service 6-10 Day)

[National Weather Service 10-14 Day](http://National Weather Service 10-14 Day)

## NATURAL GAS: Graph Link and Weekly Summary



Report prepared as of: June 26, 2014

For the week ending: 20-Jun-14

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

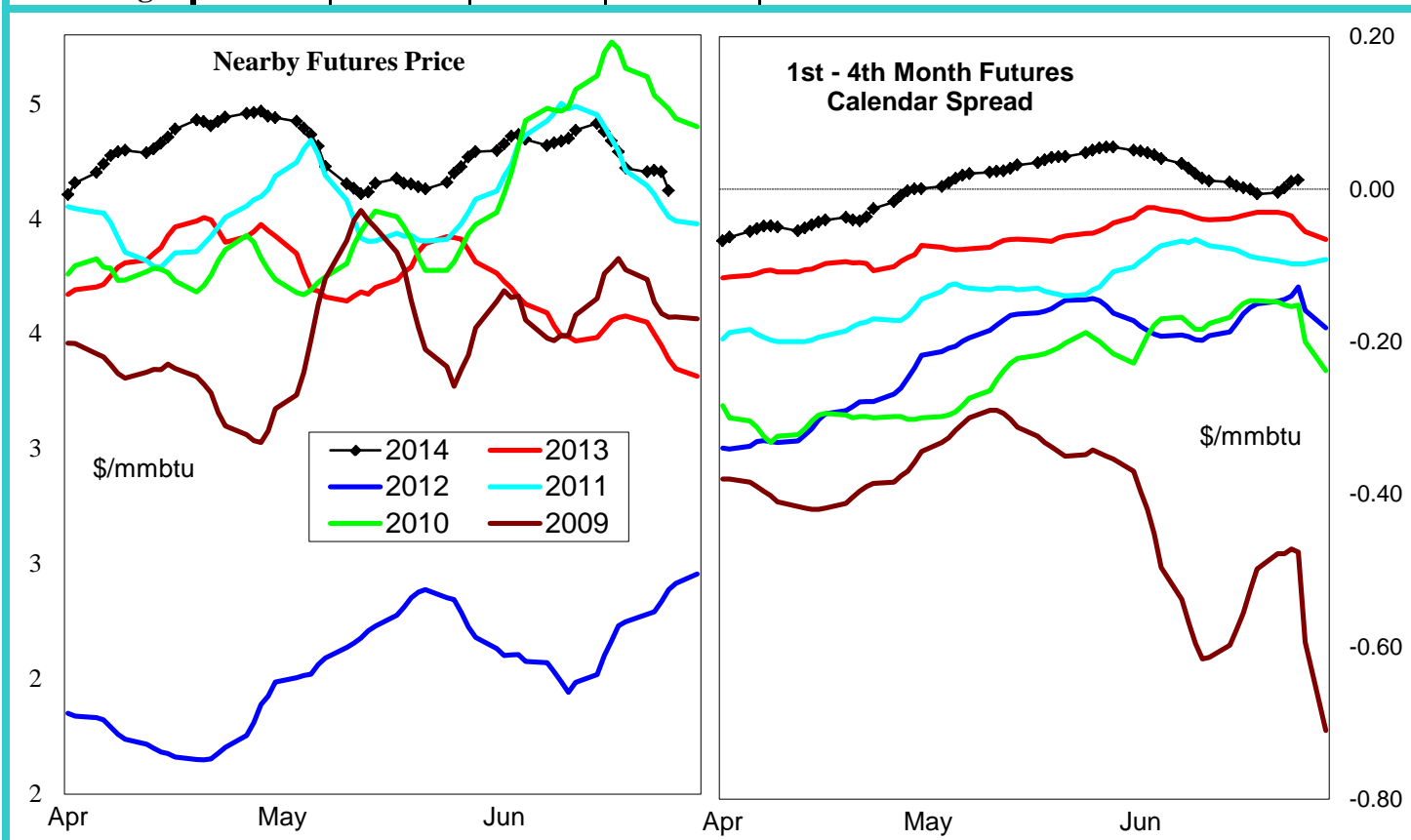
Week ending:	20-Jun-14			15-Jun-13		22-Jun-13		29-Jun-13	
Region	Weekly Stocks			Weekly Heating Degree Days					
		Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
	Bcf	Week Bcf	Year (%)						
U.S. Total	1,829	110	-27.4	-14	-45%	-2	-33%	-3	-77%
East	858	68	-24.4	-17	-39%	-2	-18%	-4	-74%
West	315	17	-26.9	-12	-58%	-2	-55%	-5	-78%
Producing	656	25	-31.2	-4	-100%	0	-100%	0	-100%

### Seasonal Trends in Stocks and Heating Degree Days

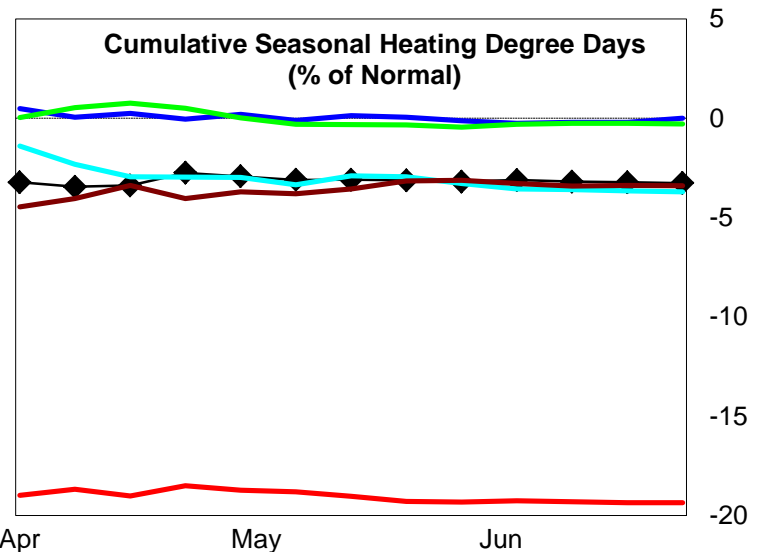
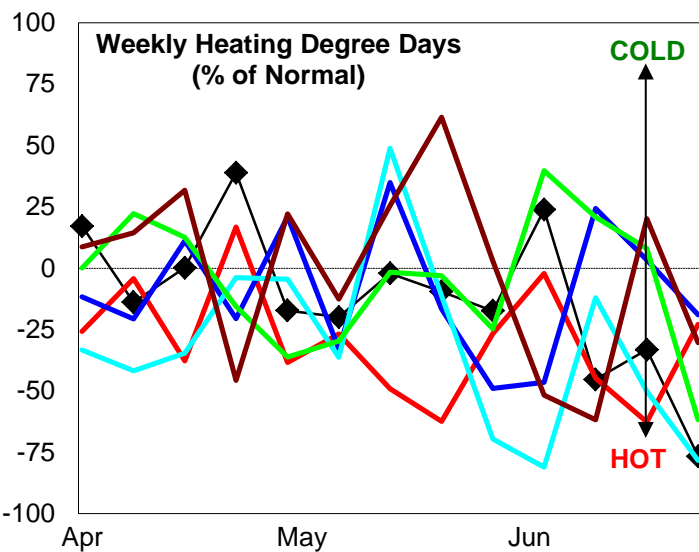
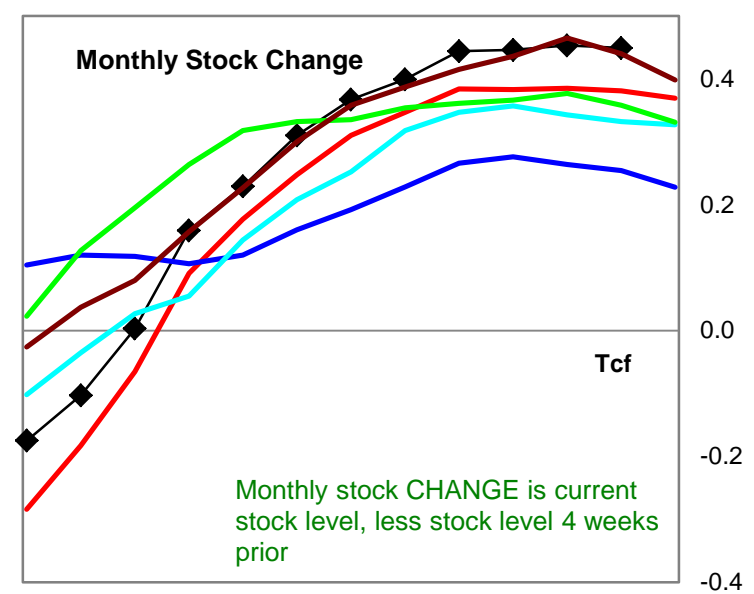
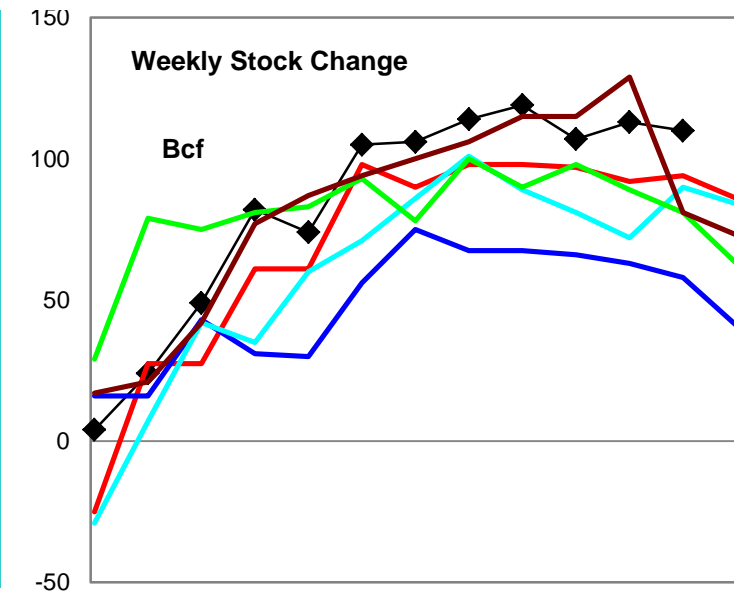
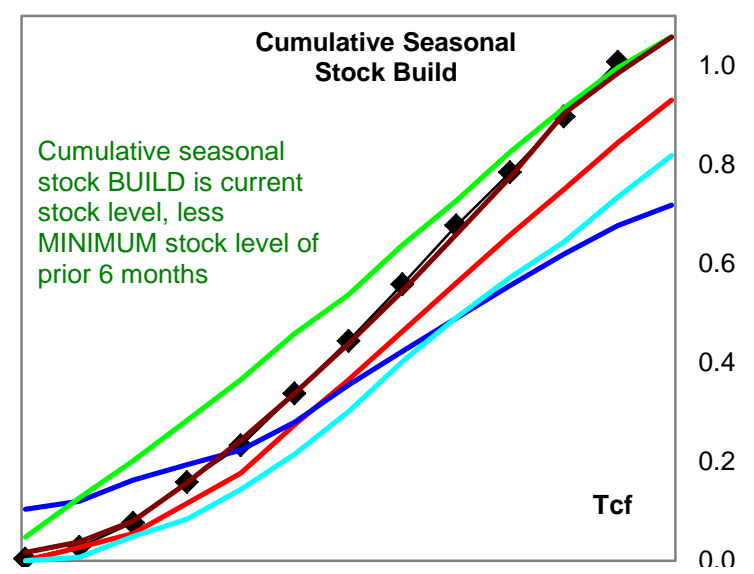
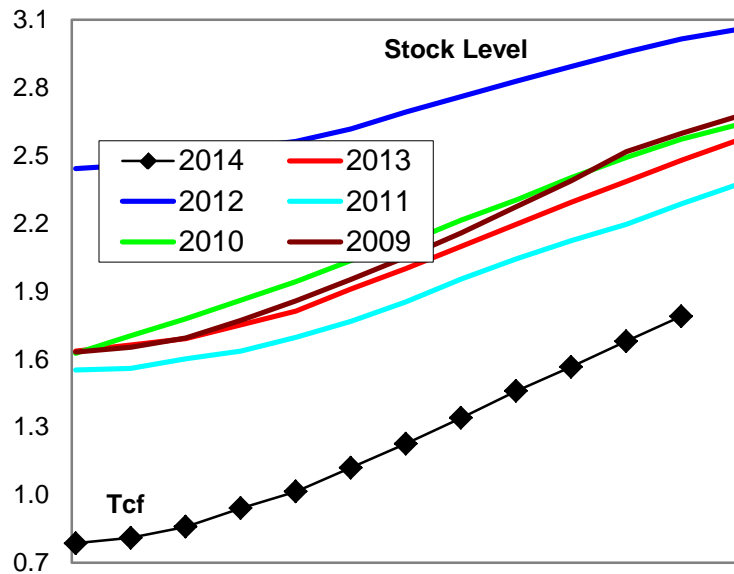
	Cumulative Stock Change			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
<b>U.S. Total</b>	<b>1,007</b>	<b>163</b>	<b>16.2</b>	<b>6</b>	<b>-3.2</b>	<b>4</b>	<b>-3.2</b>	<b>1</b>	<b>-3.3</b>
<b>East</b>	<b>553</b>	<b>66</b>	<b>11.9</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>155</b>	<b>55</b>	<b>35.5</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>304</b>	<b>41</b>	<b>13.5</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-Jun-14	Change vs prior week, month, year		
		24-Jun-14	3-Jun-14	9-Jul-13
<b>1st month Futures</b>	<b>4.42</b>	<b>-0.11</b>	<b>-0.12</b>	<b>0.74</b>
<b>% change</b>	<b>xxxxx</b>	<b>-2.4</b>	<b>-2.6</b>	<b>20.2</b>



# United States Natural Gas Stock and Weather Trends



Variance to prior year

Stock Level

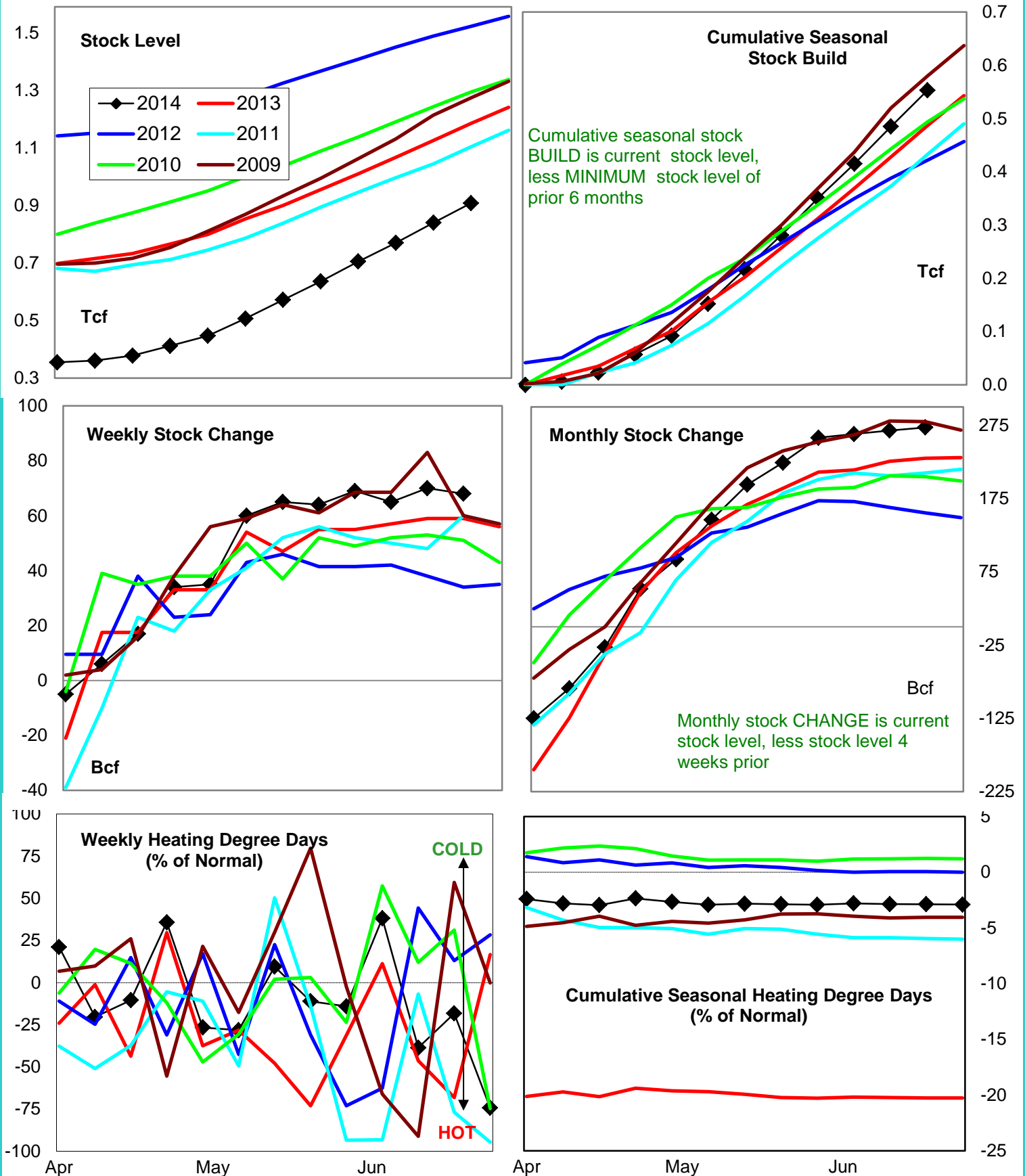
Weekly Stock Change

Monthly Stock Change

Cumulative Stock Change

BCF  
Percent Change (%)-690  
-27.416  
17.068  
17.8163  
19.3

# Natural Gas East Region Stock and Weather Trends



Variance to prior year

Stock  
LevelWeekly Stock  
ChangeMonthly Stock  
ChangeCumulative Stock  
Change

BCF

-277

9

42

66

Percent Change (%)

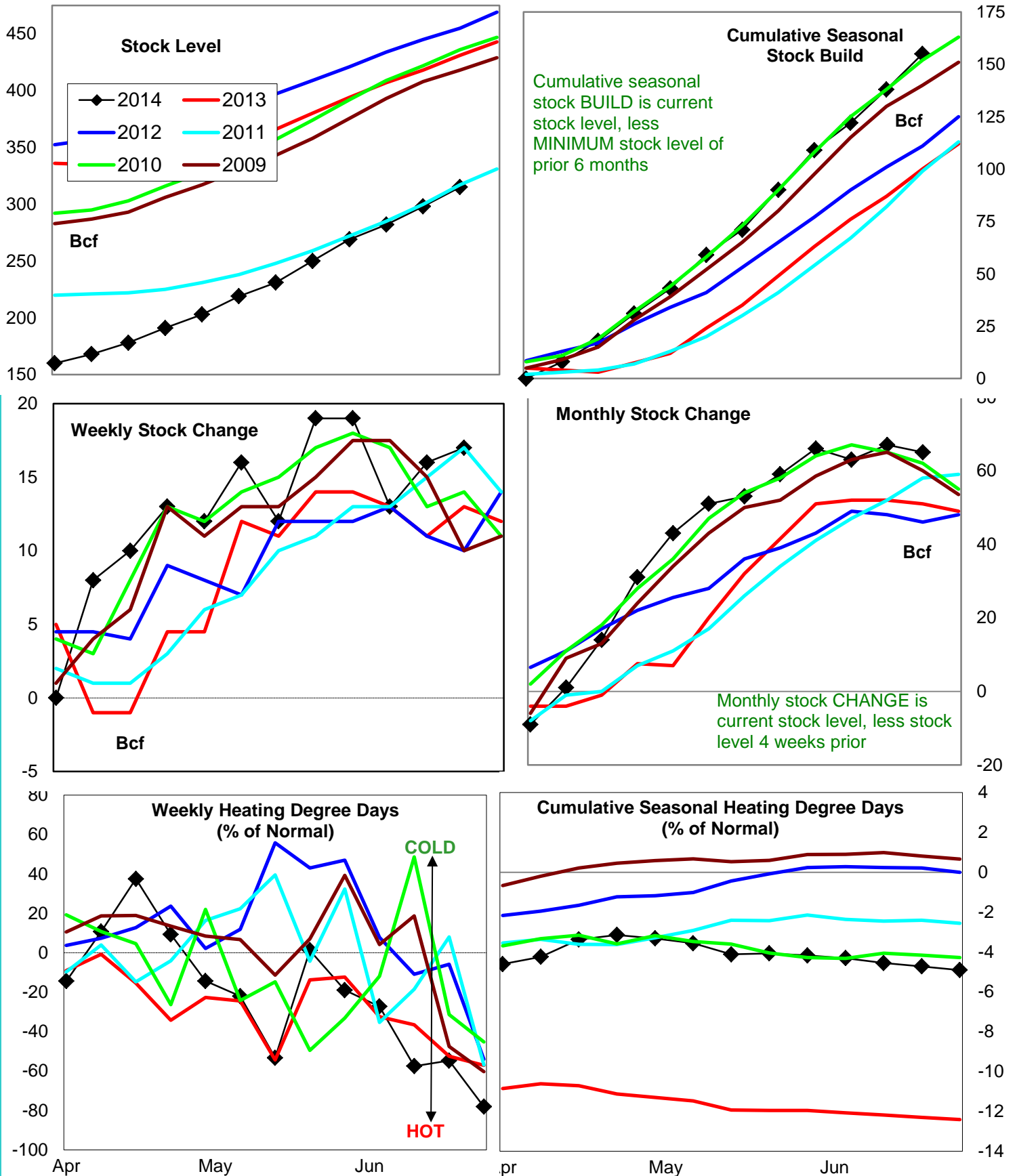
-24.4

15.3

18.3

13.6

# Natural Gas West Region Stock and Weather Trends

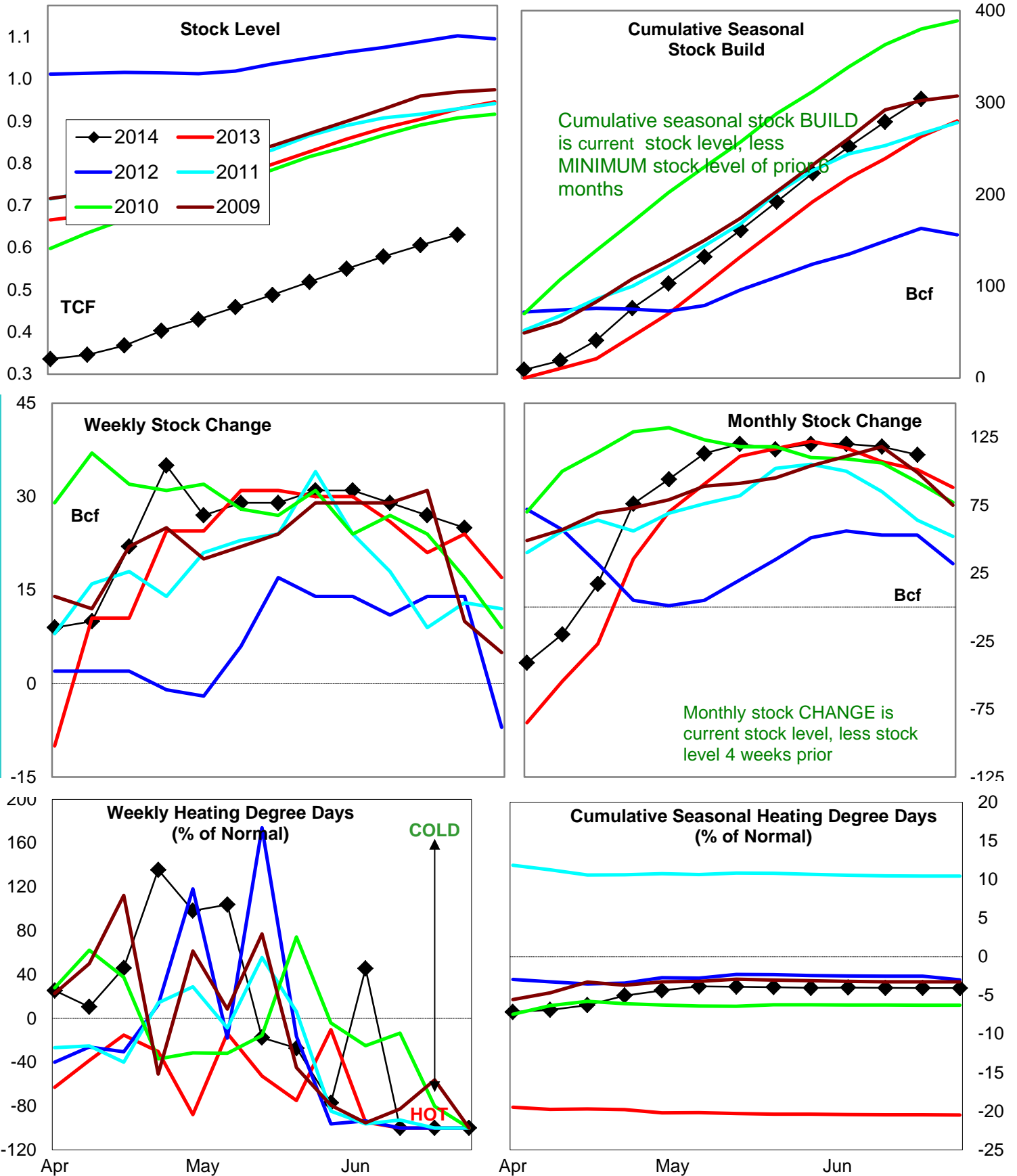


Variance to prior year

Stock  
LevelWeekly Stock  
ChangeMonthly Stock  
ChangeCumulative Stock  
ChangeBCF  
Percent Change (%)-116  
-26.94  
30.814  
27.555  
55.0



# Natural Gas Producing Region Stock and Weather Trends



Variance to prior year

Stock  
LevelWeekly Stock  
ChangeMonthly Stock  
ChangeCumulative Stock  
Change

BCF

-298

1

11

41

Percent Change (%)

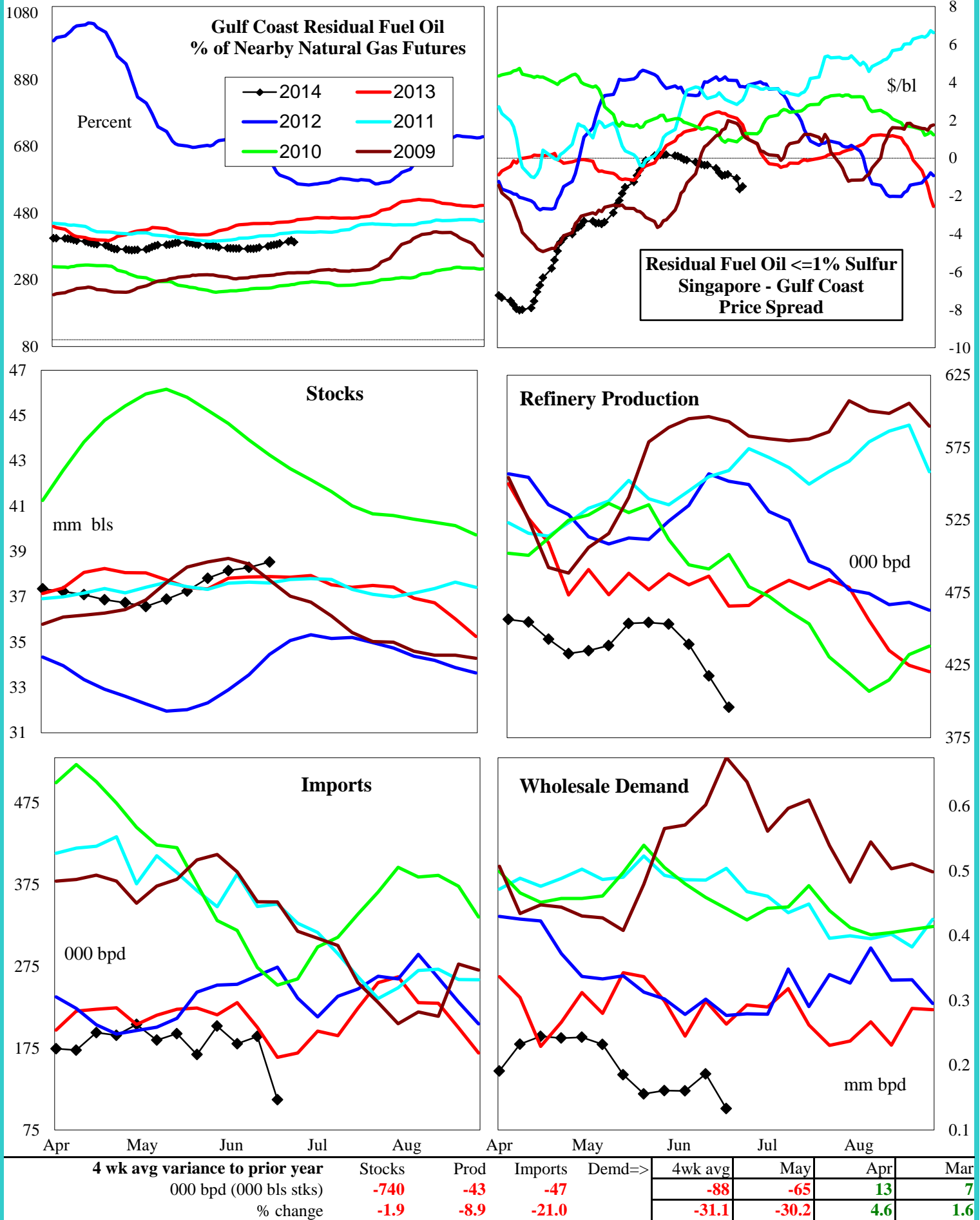
-31.2

4.2

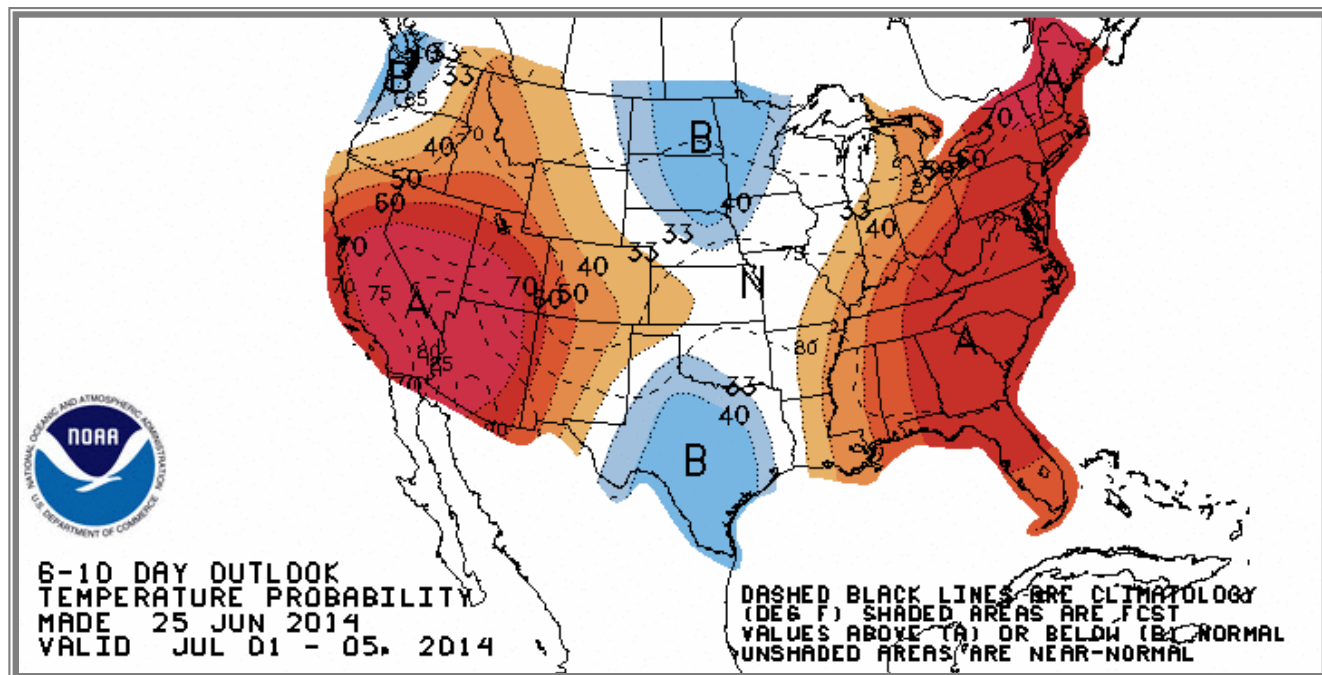
10.9

15.6

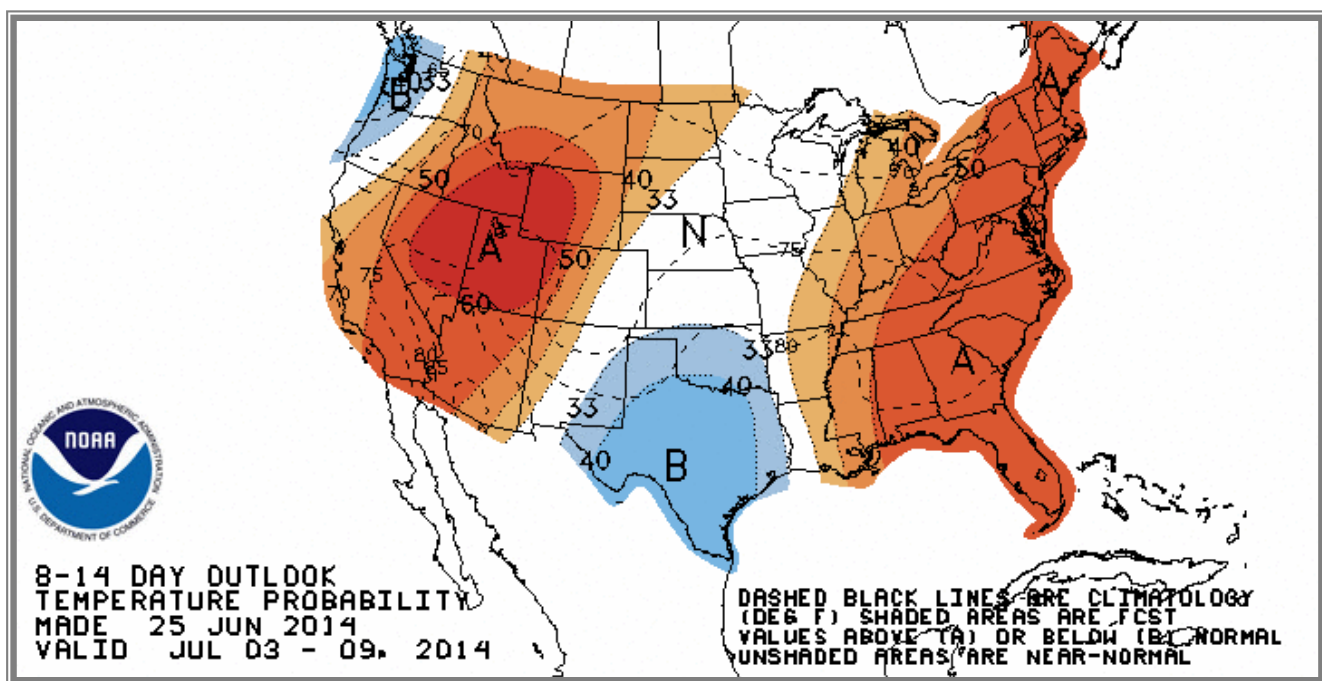
## U.S. Residual Fuel Oil Price Spreads and Supply Balance



## 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

