

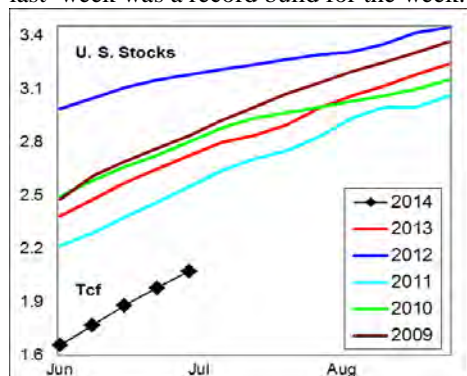
# WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

## A Fundamental Petroleum Trends Weekly Report

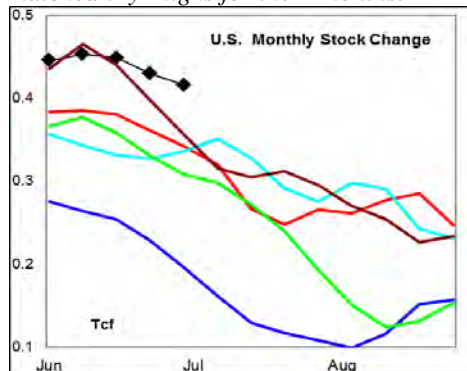
Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Thursday, July 10, 2014



**Summary**<sup>1</sup> The stock build of +93 Bcf last week was a record build for the week.



The latest 4-wk stock change was a build of +416 Bcf, a record rate of build for the month. The monthly rate of build has matched 5-yr highs for the 2-months.



In the East Region stocks increased +56 Bcf for the week, a build above the 3-yr mid range. Stocks increased +14 Bcf in the West Region, matching the historic high for the week. Stocks increased +23 Bcf on the week in the Producing region, a record build for the period.

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

**Temperatures** were near normal across the East and West Coasts for the week ending 04Jul14.

The 6-10 day NWS forecast for the week ending 19Jul14 is for sharply below normal temperatures in the north central 1/2 of the country, with above normal temperatures in the West.

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

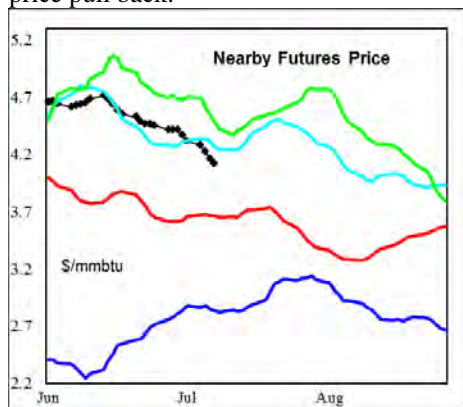
[Data Source is EIA Weekly Statistics](http://Data Source is EIA Weekly Statistics)

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

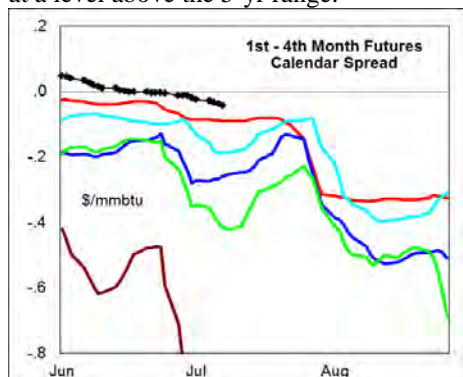
[National Weather Service 10-14 Day](http://National Weather Service 10-14 Day)

The 8-14 day NWS forecast for the week ending 23Jul14 is for below normal temperatures in the Eastern 2/3rds of the country with above normal temperatures on the West Coast.

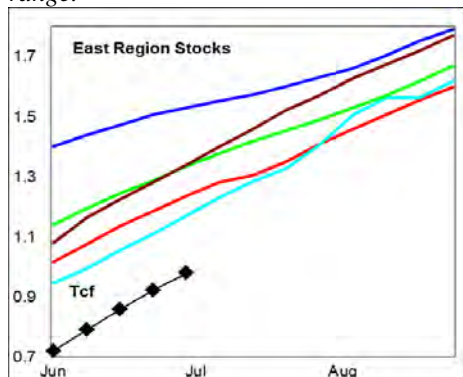
**Prices:** Nearby gas futures fell - \$0.29/mmbtu for the week ending 10Jul14. Record rates of stock building, combined with below normal temperatures led to the price pull back.



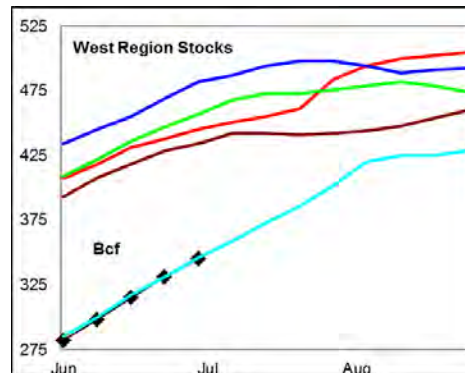
The 1<sup>st</sup> - 4<sup>th</sup> month forward price curve trended lower last week, ending in a carry, at a level above the 5-yr range.



**East Region** stocks increased +56 Bcf for the week, a build above the 3-yr mid range for the period. The current stock level is - 21% below last year, and below the 5-yr range.

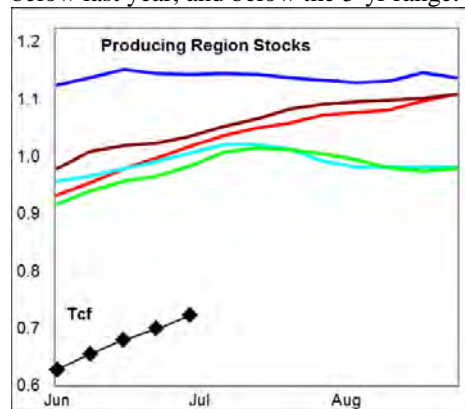


Temperatures were near normal in the week just ended, with a forecast to be much below normal for the next 10-days.



**West Region** stocks increased +14 Bcf last week, matching the previous record for the period. Stock levels ended the week -23% 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 +23 Bcf for the week, a record build for the period. Stock levels ended the week -30% 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:** Weekly stock builds have exceeded each of the last 3-yr for the past 3-months. The result is a record high cumulative seasonal build. The current forecast of much below normal temperatures during the next 10-days in the eastern 1/2 of the country risk further price weakness.

## NATURAL GAS: Graph Link and Weekly Summary



Report prepared as of: July 10, 2014

For the week ending: 4-Jul-14

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

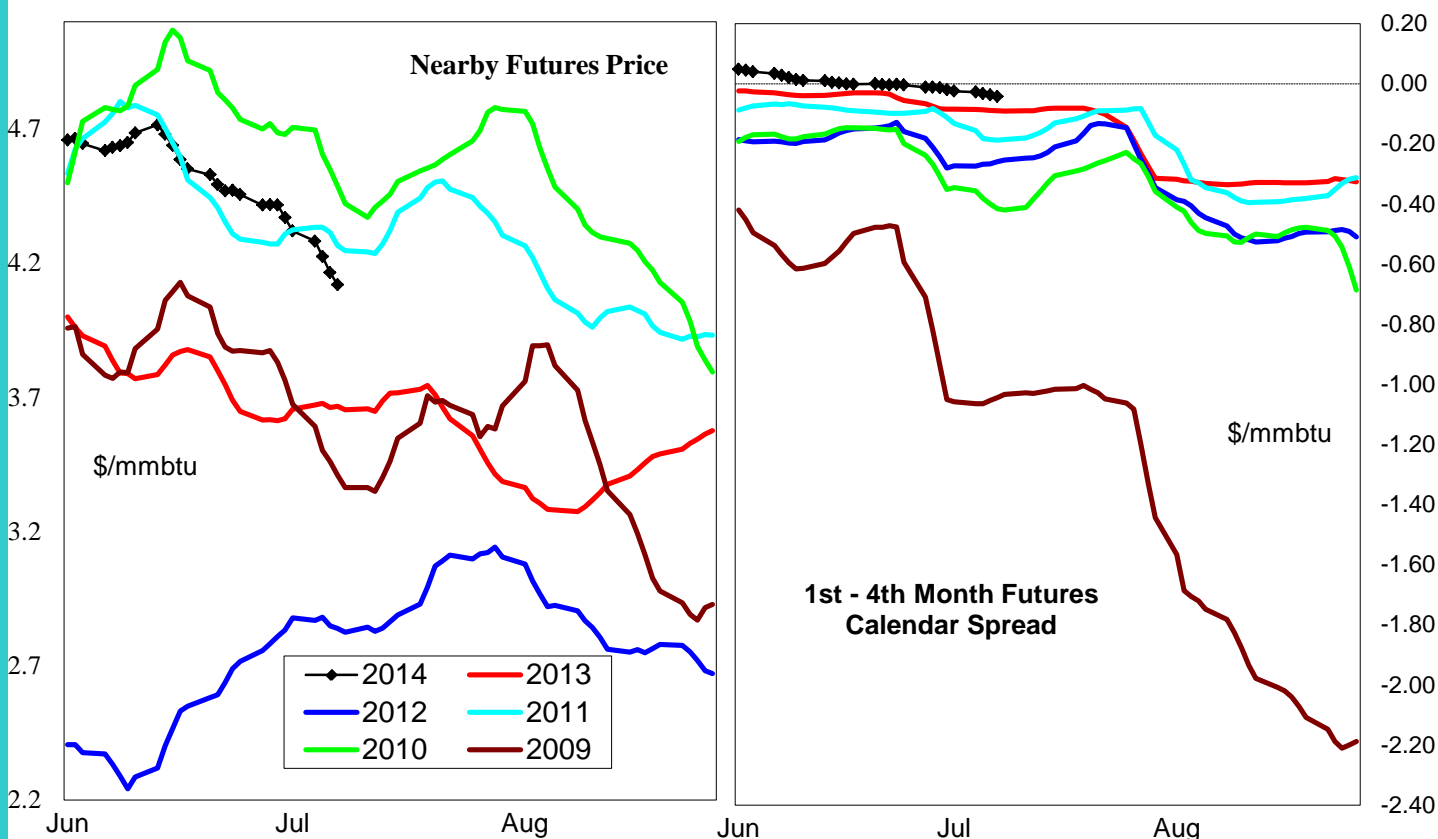
Week ending:	4-Jul-14			15-Jun-13		22-Jun-13		29-Jun-13	
Region	Weekly Stocks			Weekly Heating Degree Days					
		Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
	Bcf	Week Bcf	Year (%)						
U.S. Total	2,022	93	-24.4	-14	-45%	-2	-33%	-3	-77%
East	979	56	-20.8	-17	-39%	-2	-18%	-4	-74%
West	345	14	-22.5	-12	-58%	-2	-55%	-5	-78%
Producing	698	23	-29.8	-4	-100%	0	-100%	0	-100%

### Seasonal Trends in Stocks and Heating Degree Days

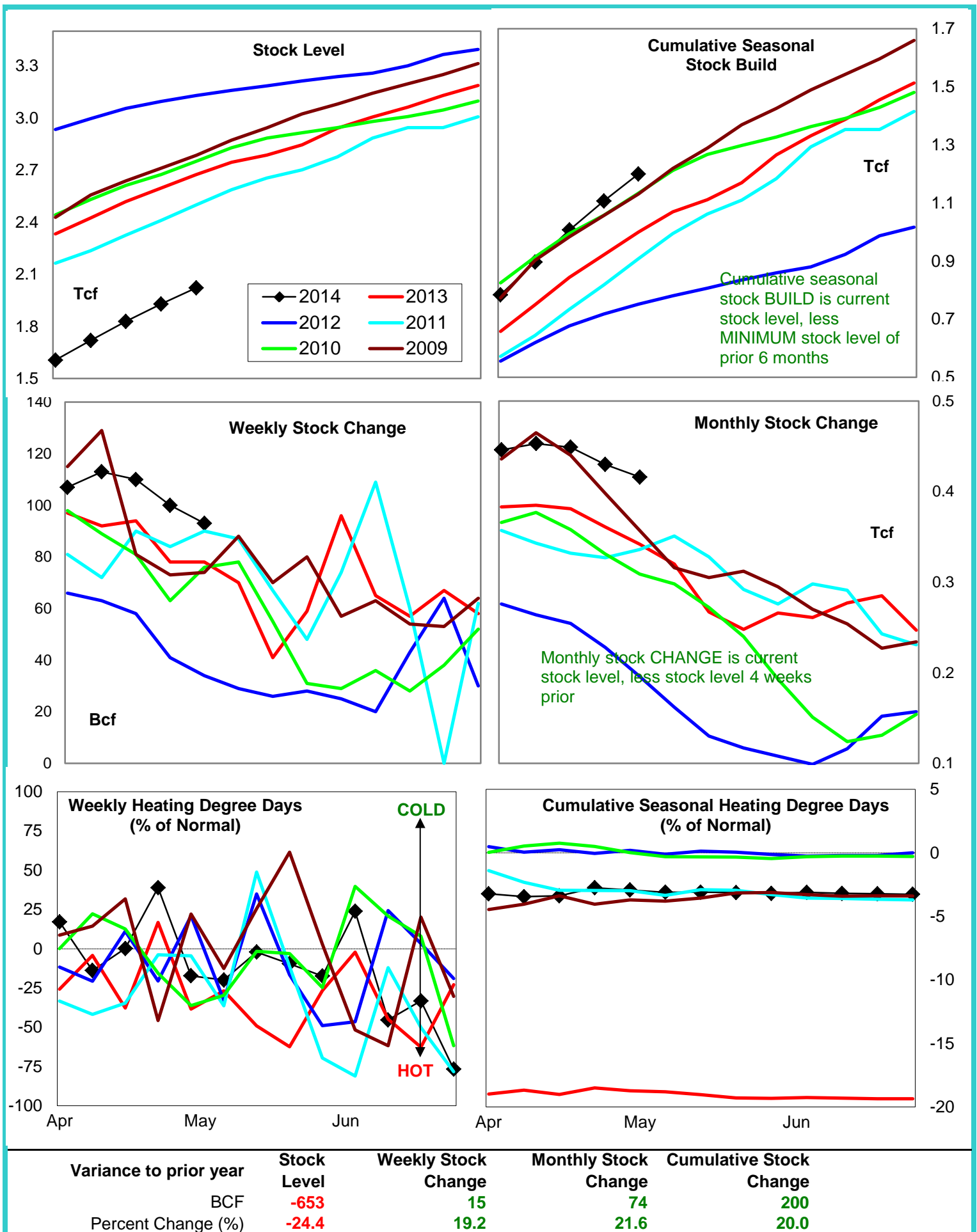
	Cumulative Stock Change			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
<b>U.S. Total</b>	<b>1,200</b>	<b>200</b>	<b>16.7</b>	<b>6</b>	<b>-3.2</b>	<b>4</b>	<b>-3.2</b>	<b>1</b>	<b>-3.3</b>
<b>East</b>	<b>674</b>	<b>86</b>	<b>12.8</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>185</b>	<b>71</b>	<b>38.4</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>346</b>	<b>43</b>	<b>12.4</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

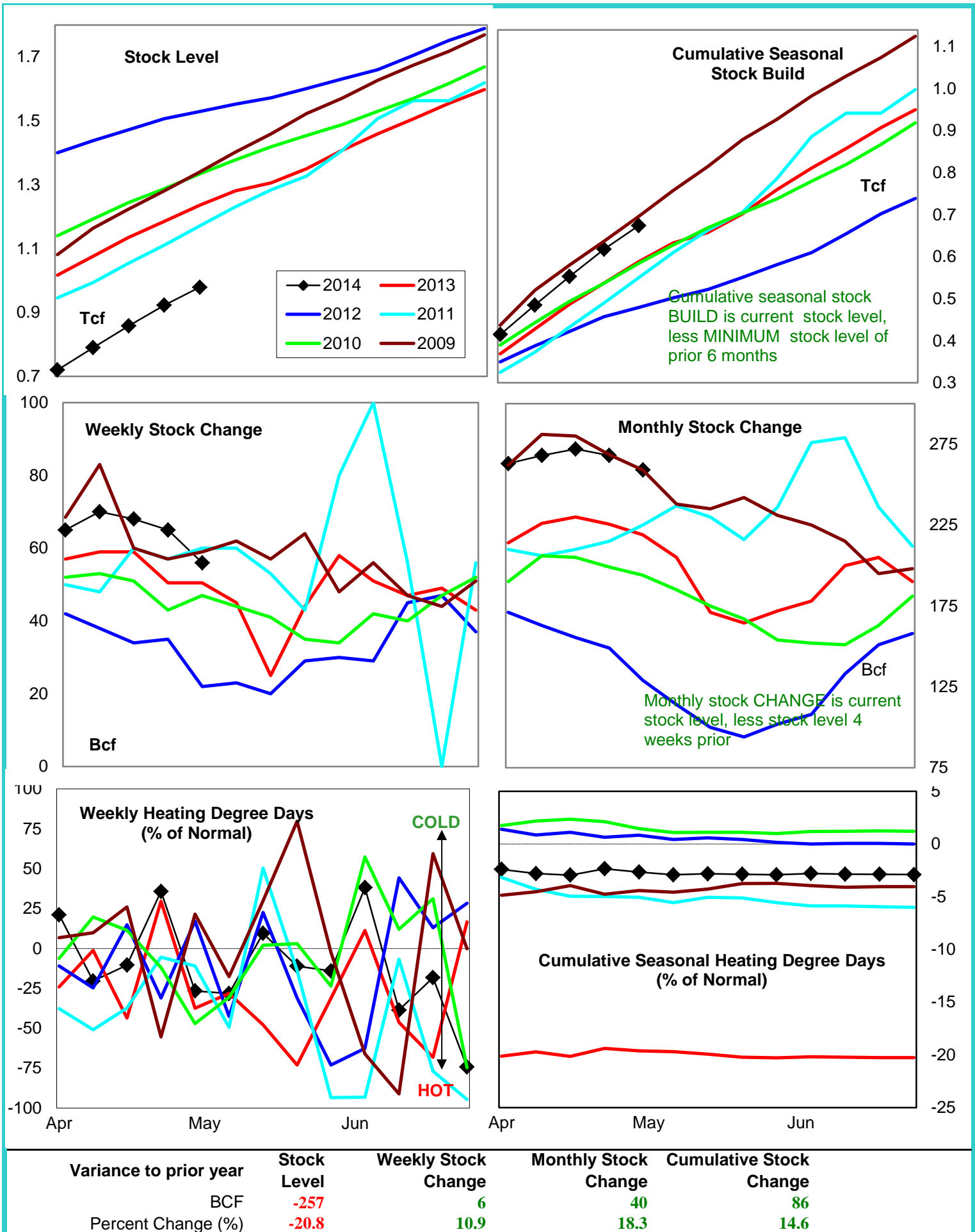
Date:	29-Aug-14	Change vs prior week, month, year		
		25-Aug-14	4-Aug-14	9-Sep-13
<b>1st month Futures</b>	<b>4.12</b>	<b>-0.29</b>	<b>-0.62</b>	<b>0.42</b>
<b>% change</b>	xxxxx	<b>-6.5</b>	<b>-13.1</b>	<b>11.4</b>



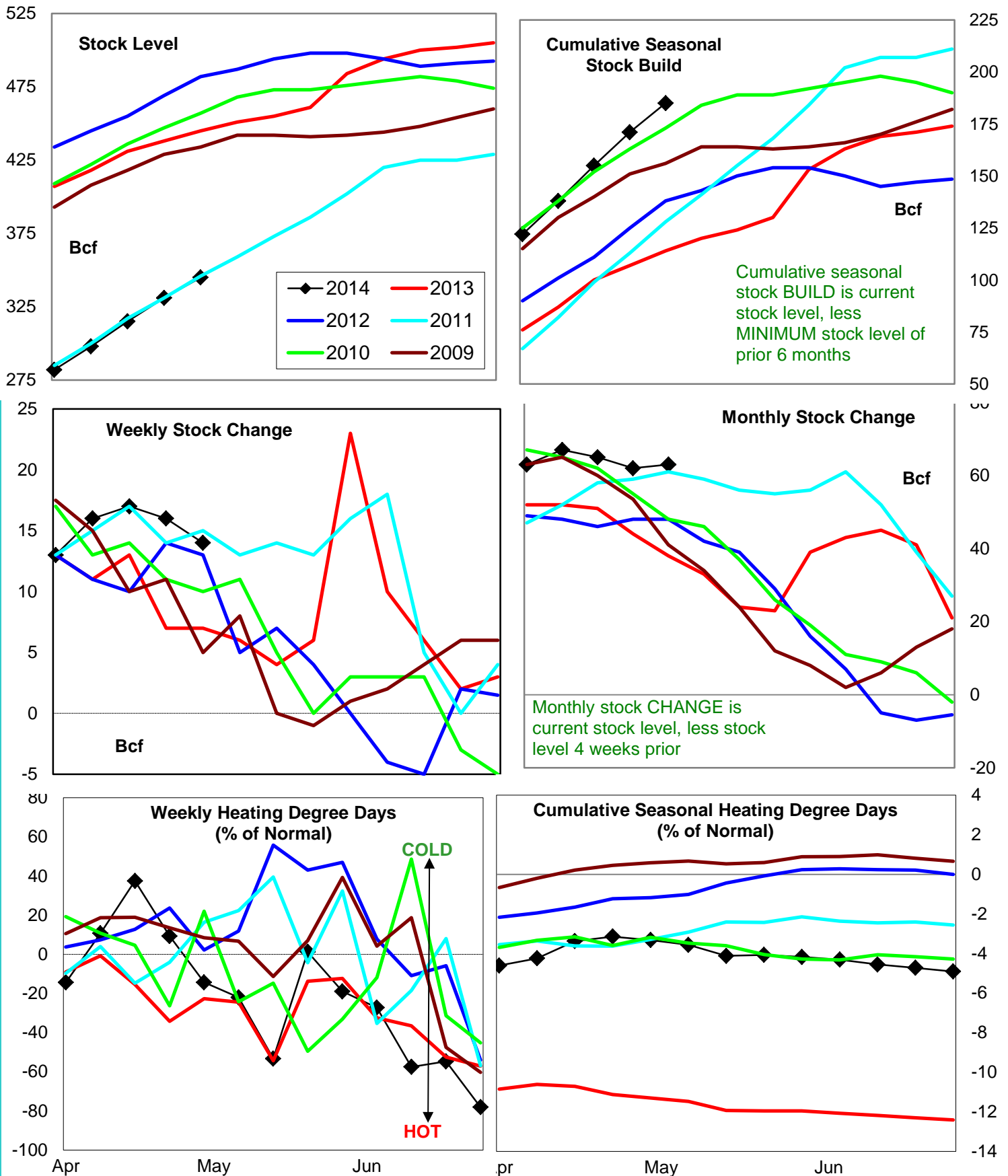
# United States Natural Gas Stock and Weather Trends



# 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

-100

7

25

71

Percent Change (%)

-22.5

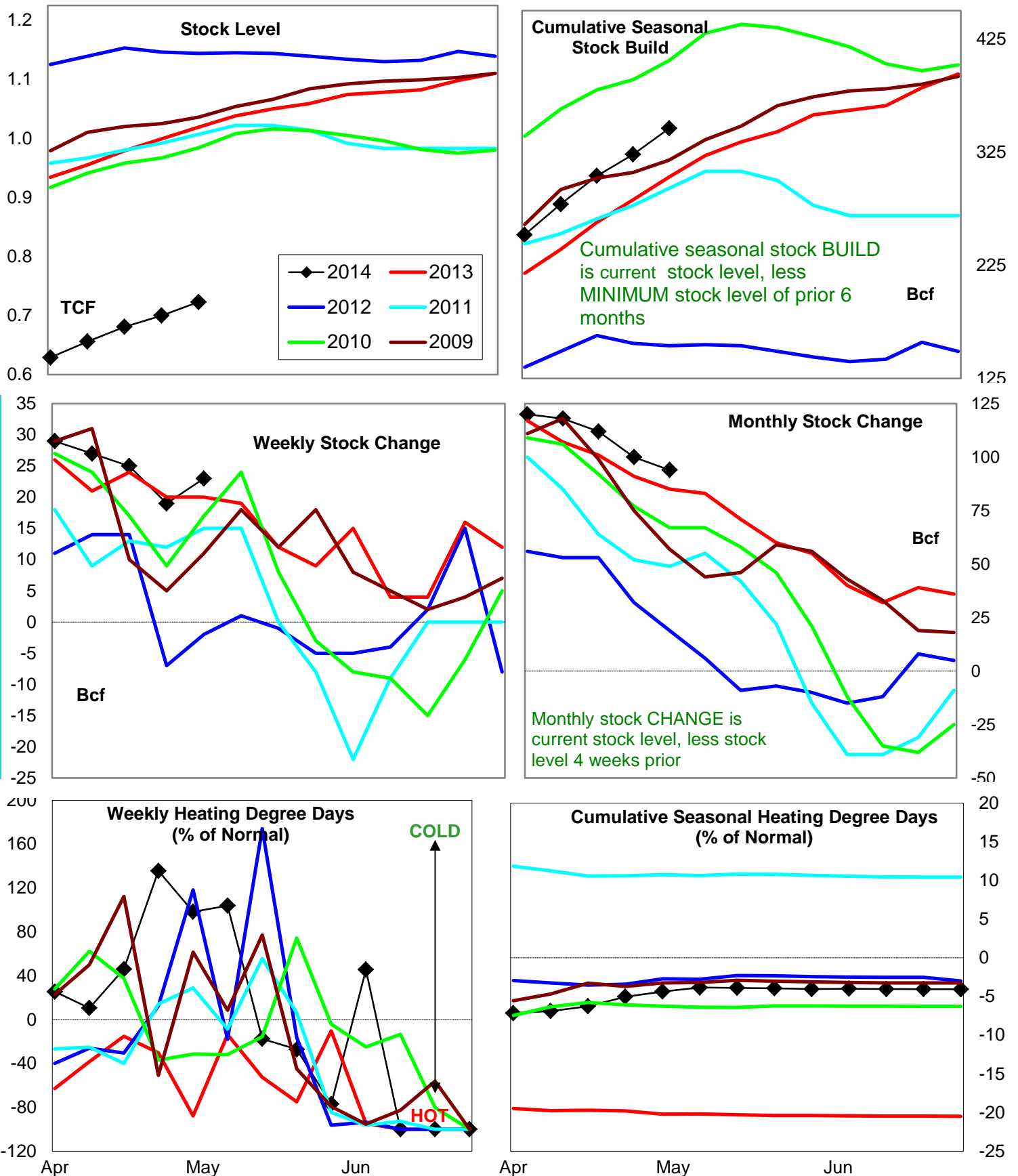
100.0

65.8

62.3



# Natural Gas Producing Region Stock and Weather Trends



Variance to prior year

Stock Level

Weekly Stock Change

Monthly Stock Change

Cumulative Stock Change

BCF

-296

3

9

43

Percent Change (%)

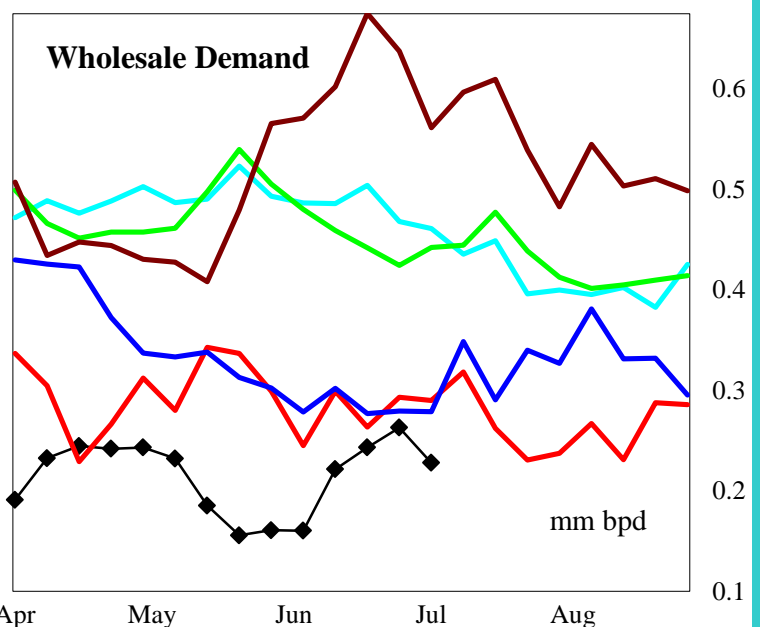
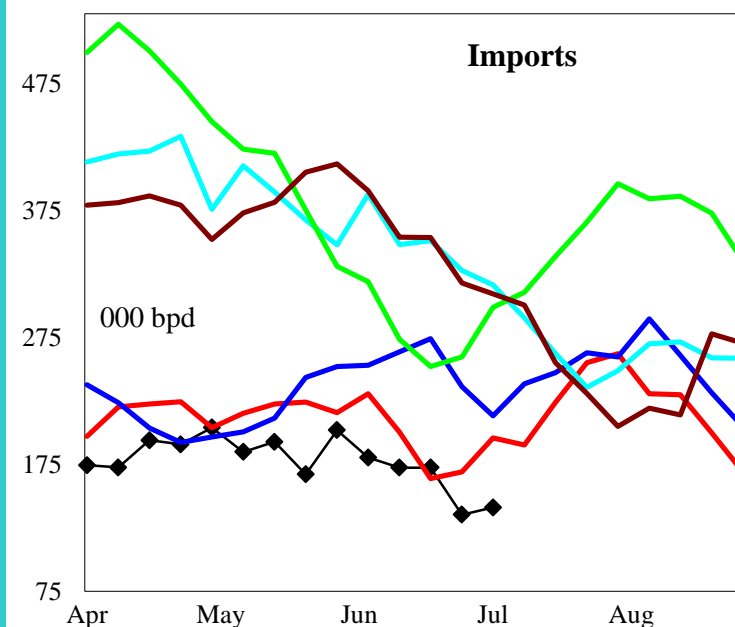
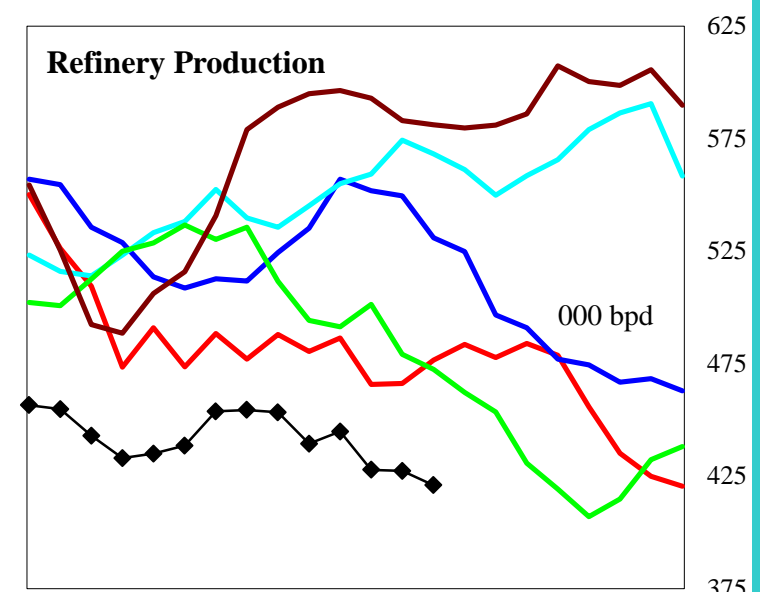
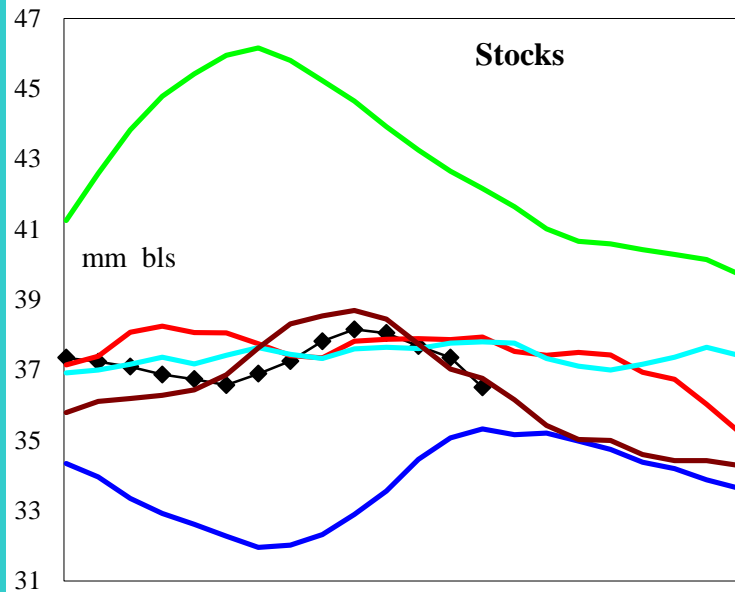
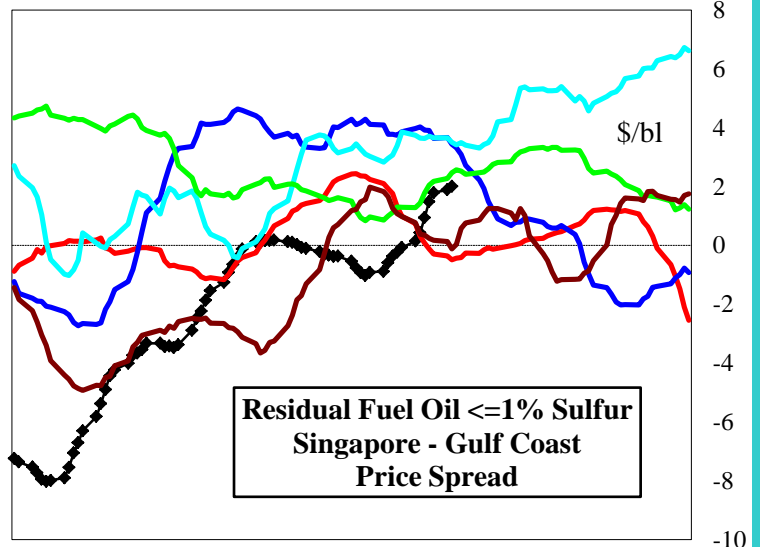
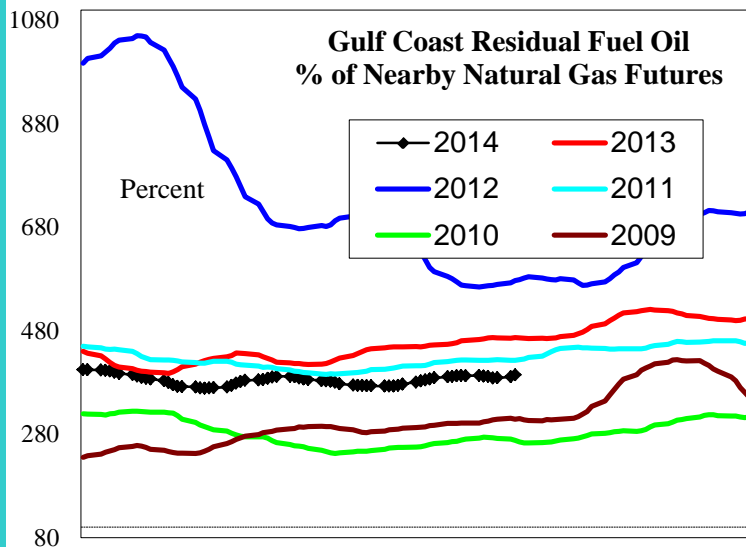
-29.8

15.0

10.6

14.2

## 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=&gt;

4wk avg

May

Apr

Mar

-566

-32

13

-53

-65

13

7

-1.5

-6.9

8.1

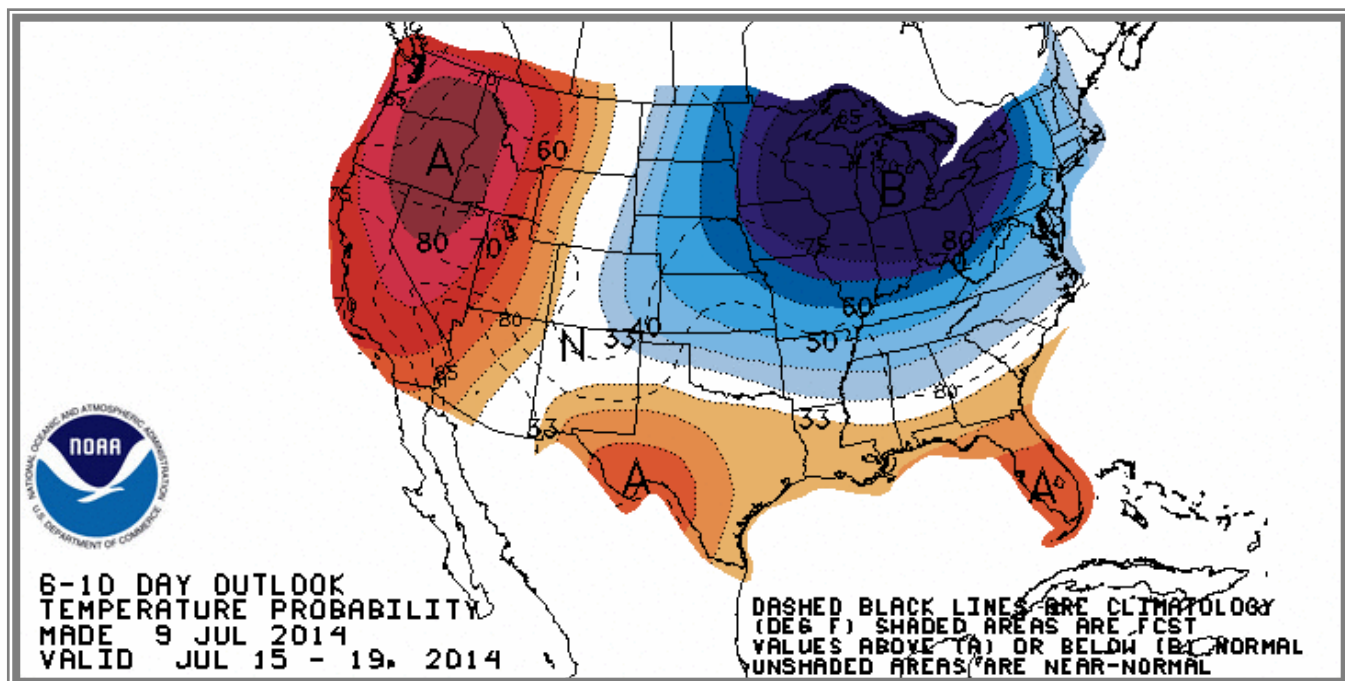
-17.0

-30.2

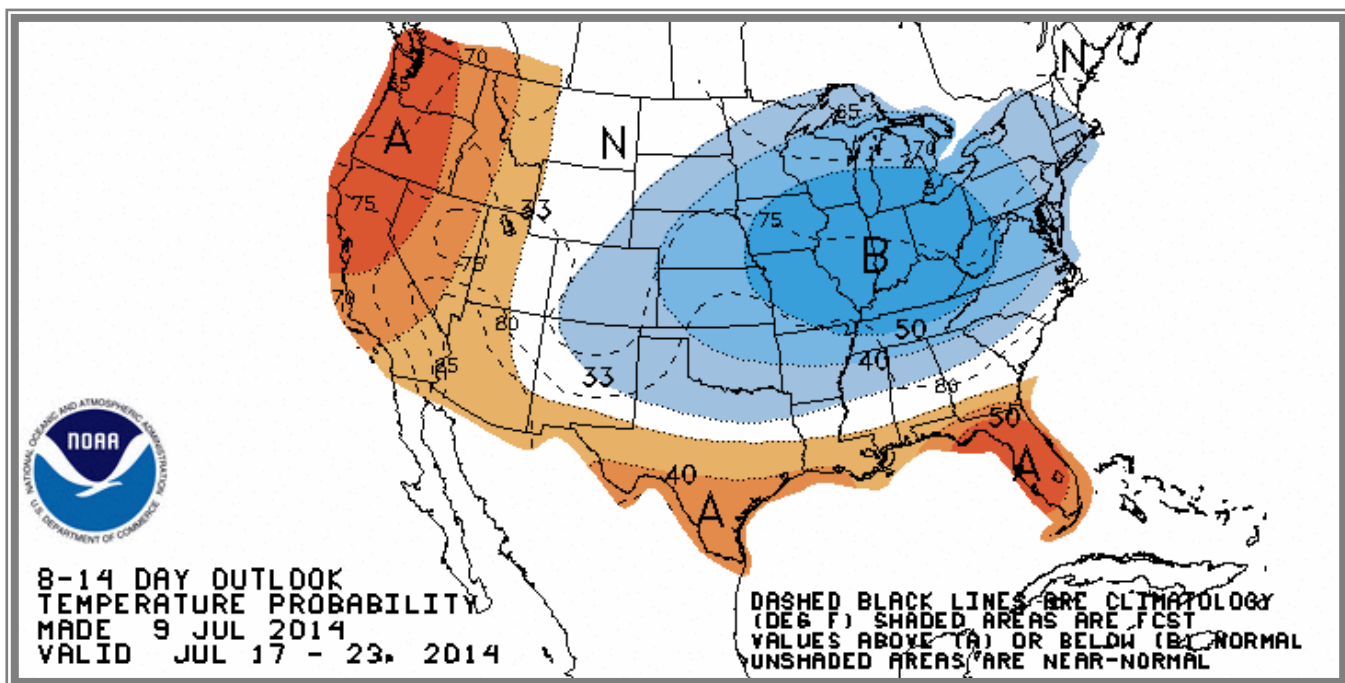
4.6

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

