

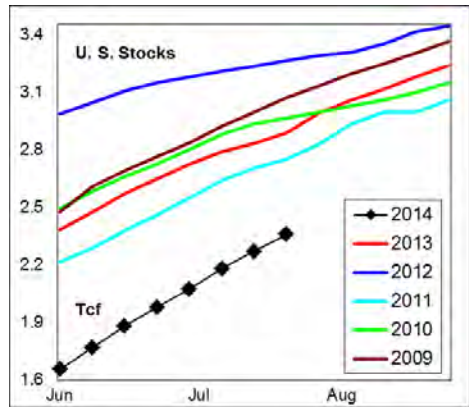
WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

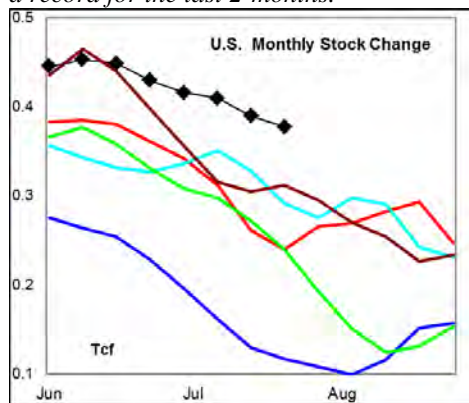
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Thursday, July 31, 2014



Summary ¹ The stock build of +88 Bcf last week was a record build for the week.



The latest 4-wk stock change was a build of +378 Bcf, a record rate of build for the month. *The monthly rate of build has been a record for the last 2-months.*



In the East Region stocks increased +57 Bcf for the week near the 5-yr high. Stocks increased +12 Bcf in the West Region, just below the historic high for the week. Stocks increased +19 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.

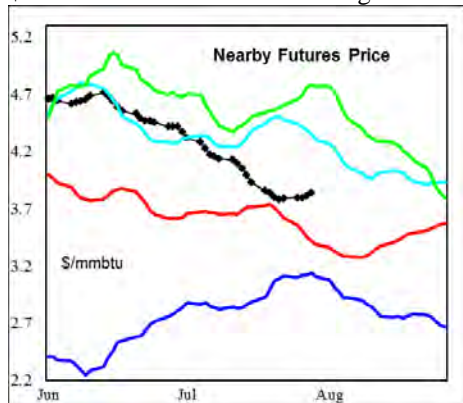
Temperatures were below normal across most of the country for the week ending 25Jul14.

The 6-10 day NWS forecast for the week ending 09Aug14 is for below normal temperatures across the eastern 2/3rds of

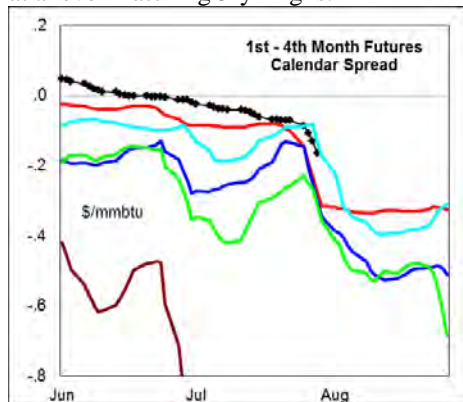
the country, with much above normal temperatures on the West Coast.

The 8-14 day NWS forecast for the week ending 13Aug14 is for below normal temperatures in the eastern 2/3rds of the country and above normal on the West Coast.

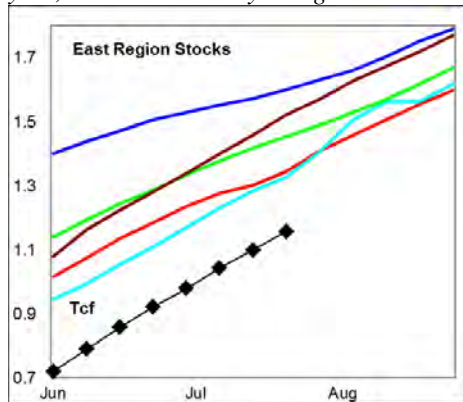
Prices: Nearby gas futures declined - \$0.02/mmbtu for the week ending 31Jul14.



The 1st - 4th month forward price curve trended lower last week, ending in a carry, at a level matching 5-yr highs.

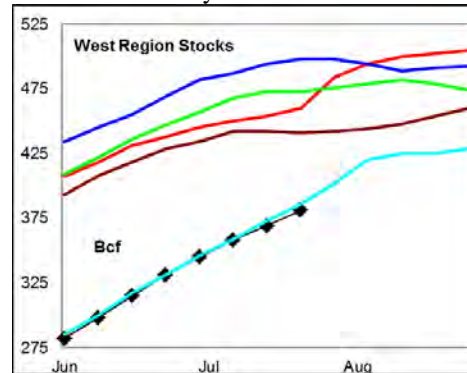


East Region stocks increased +57 Bcf for the week, near the 5-yr high for the period. *The current stock level is -14% below last year, and below the 5-yr range.*



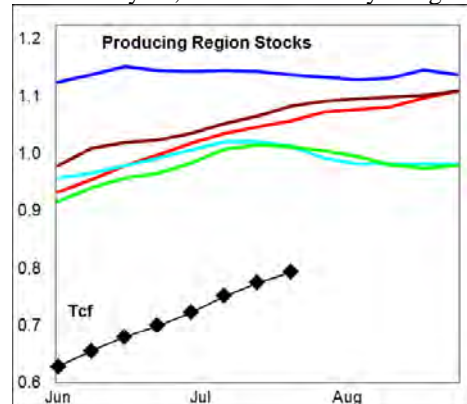
Temperatures were below normal in the week just ended, with continued below normal temperatures this week, followed

by a forecast of below normal temperatures for the next 10-days.



West Region stocks increased +12 Bcf last week, just below the historic high. Stock levels ended the week -17% 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 +19 Bcf for the week, a record build for the period. Stock levels ended the week -26% 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: Average temperatures remain well below normal across the eastern 2/3rds of the country and are forecast to continue through mid August. Combined with high production, stocks should continue to build at record rates - pointing to risk of renewed price weakness.

Possible hurricane disruptions during the next quarter, in the Gulf, represents an upside price risk.

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: July 31, 2014

For the week ending: 25-Jul-14

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

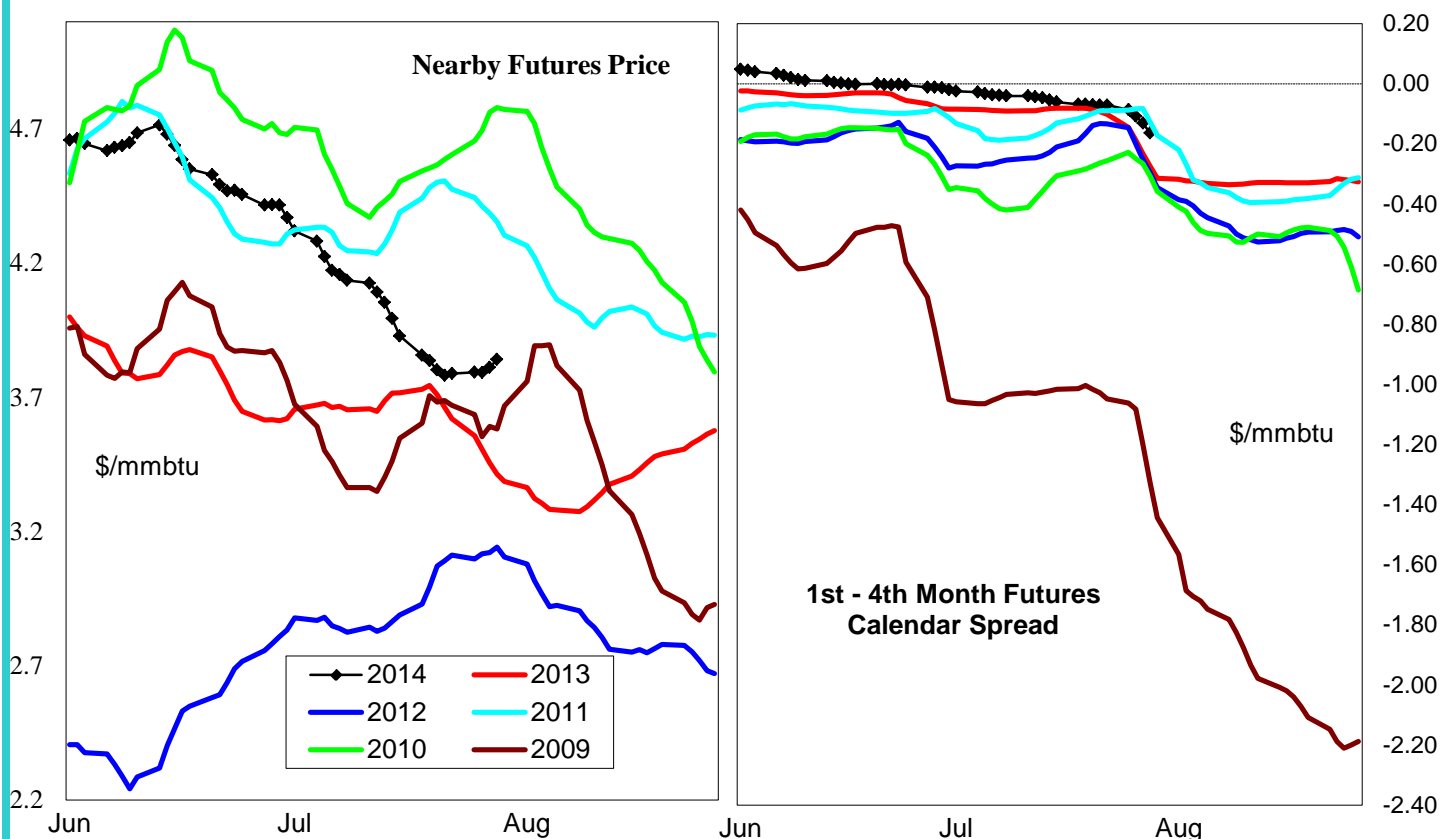
Week ending:	25-Jul-14			15-Jun-13		22-Jun-13		29-Jun-13	
Region	Weekly Stocks			Weekly Heating Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	2,307	88	-18.7	-14	-45%	-2	-33%	-3	-77%
East	1,157	57	-13.9	-17	-39%	-2	-18%	-4	-74%
West	381	12	-17.2	-12	-58%	-2	-55%	-5	-78%
Producing	769	19	-25.6	-4	-100%	0	-100%	0	-100%

Seasonal Trends in Stocks and Heating Degree Days

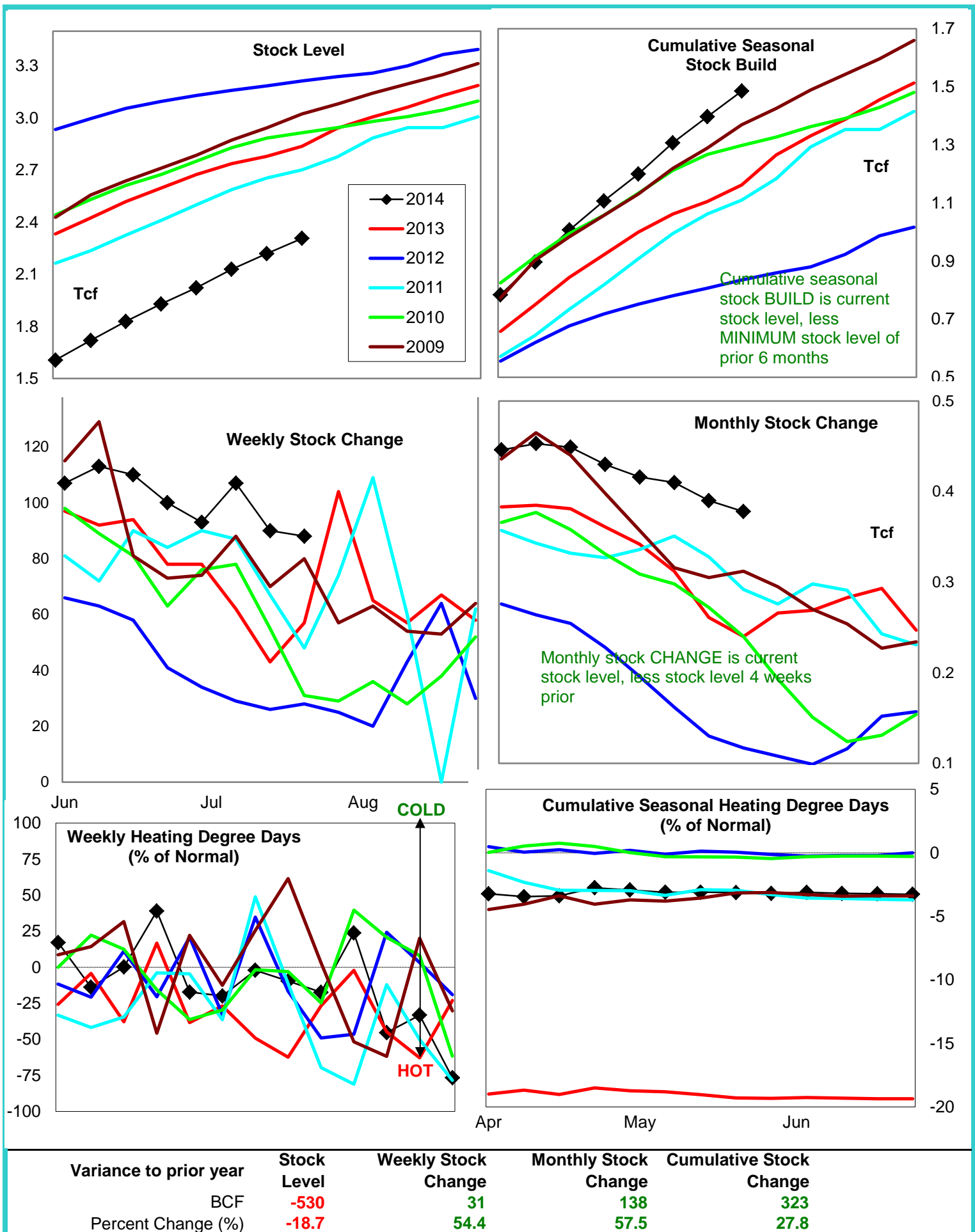
	Cumulative Stock Change			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
U.S. Total	1,485	323	21.8	6	-3.2	4	-3.2	1	-3.3
East	852	156	18.3	6	-2.9	4	-2.9	1	-2.9
West	221	92	41.6	10	-4.6	8	-4.7	3	-4.9
Producing	417	75	18.0	0	-4.0	0	-4.1	0	-4.1

Futures Market Price Trends

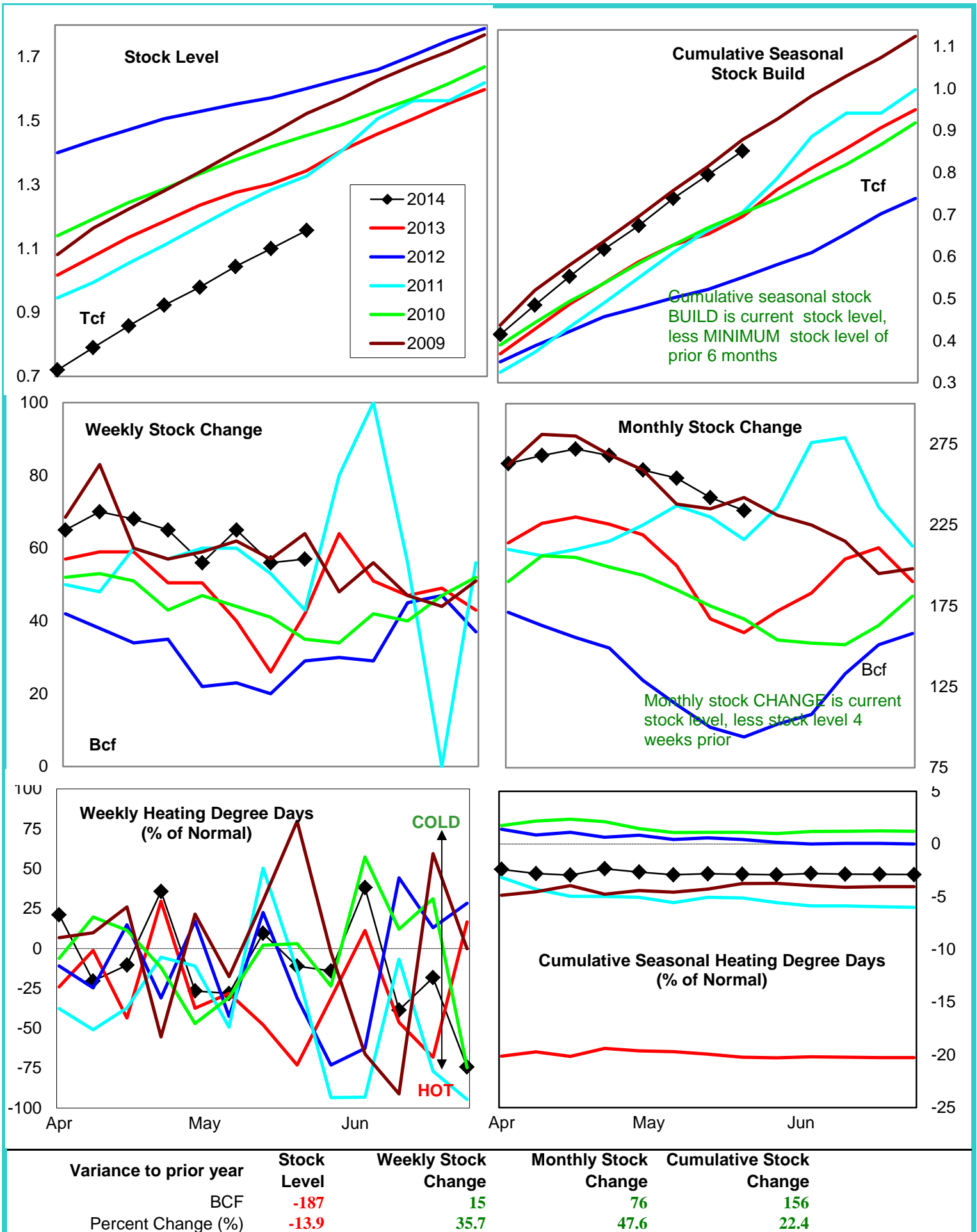
Date:	29-Aug-14	Change vs prior week, month, year		
		25-Aug-14	4-Aug-14	9-Sep-13
1st month Futures	-0.01	-3.81	-4.21	-3.37
% change	xxxxx	-100.2	-100.1	-100.2



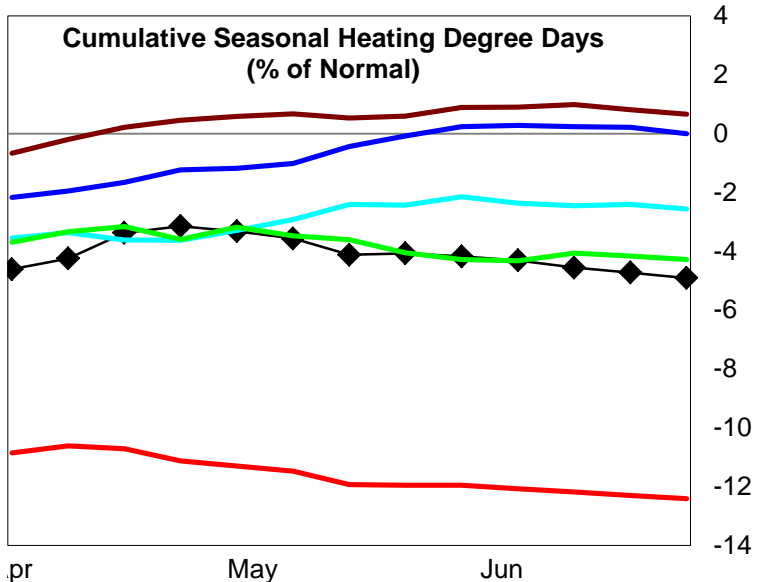
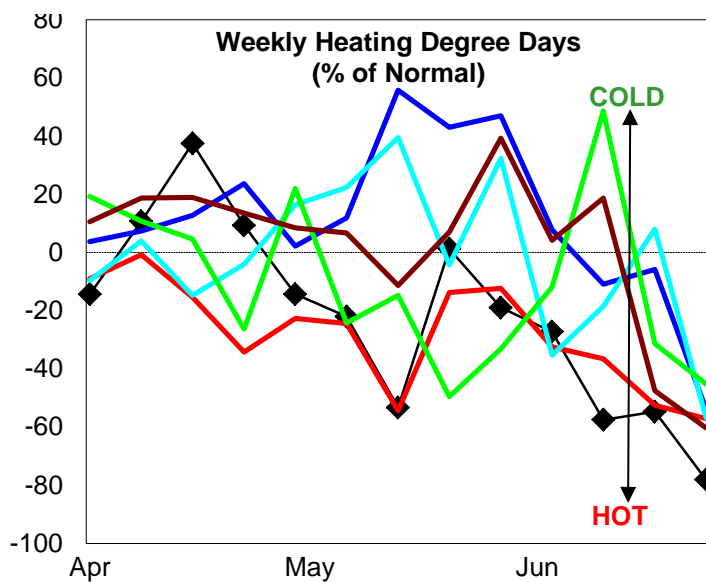
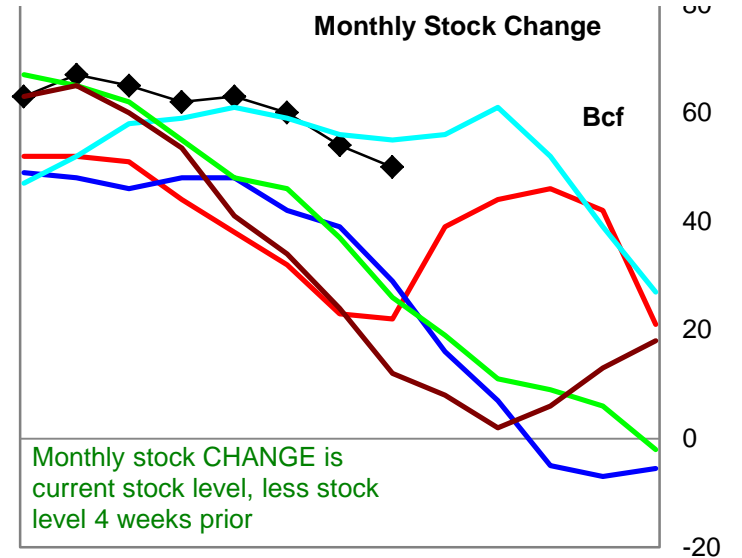
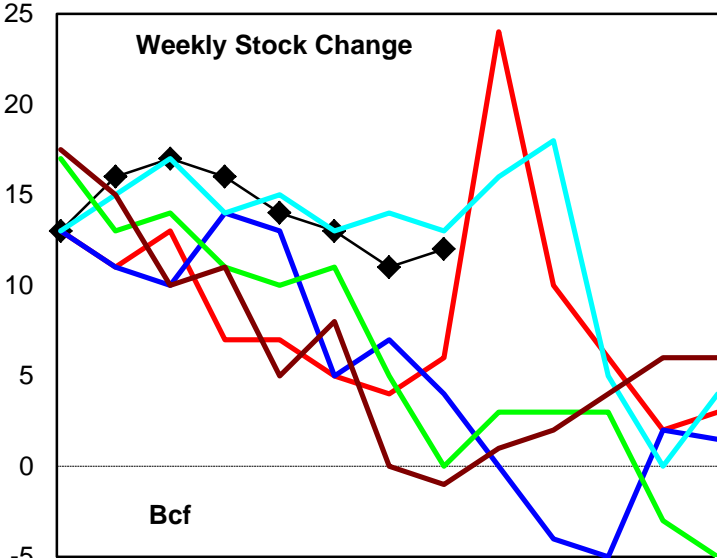
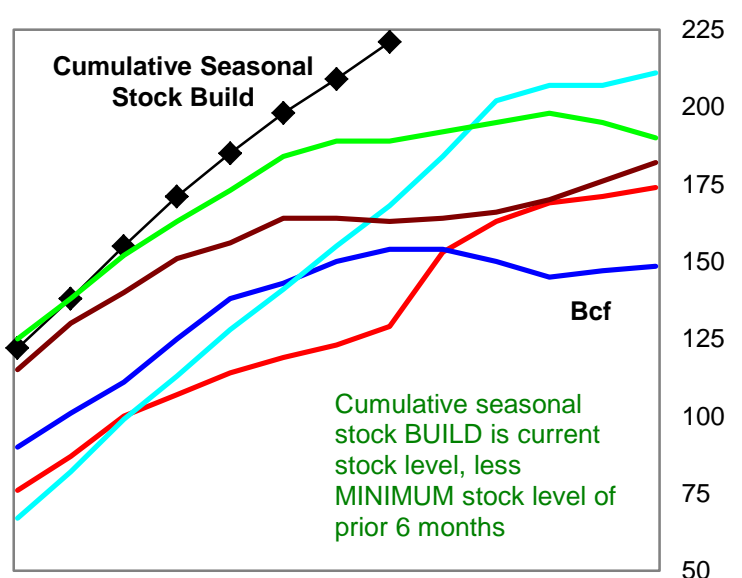
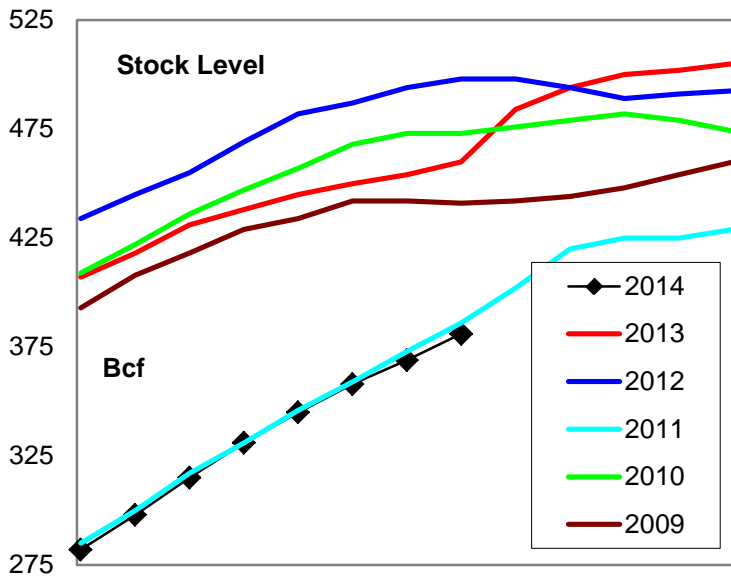
United States Natural Gas Stock and Weather Trends



Natural Gas East Region Stock and Weather Trends



Natural Gas West Region Stock and Weather Trends



Variance to prior year

Stock Level

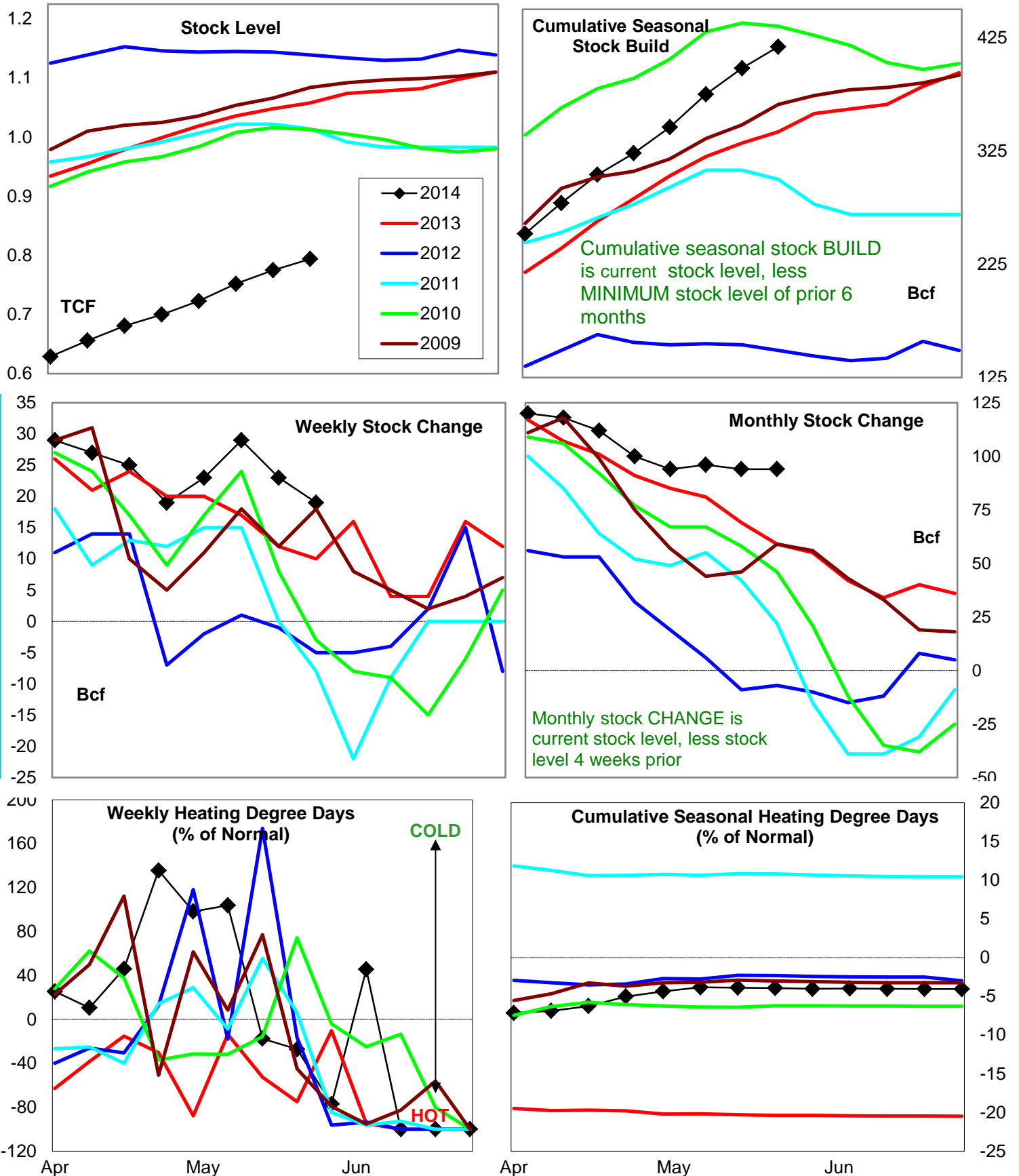
Weekly Stock Change

Monthly Stock Change

Cumulative Stock Change

BCF
Percent Change (%)-79
-17.26
100.028
127.392
71.3

Natural Gas Producing Region Stock and Weather Trends



Variance to prior year

Stock Level

Weekly Stock Change

Monthly Stock Change

Cumulative Stock Change

BCF

-264

9

35

75

Percent Change (%)

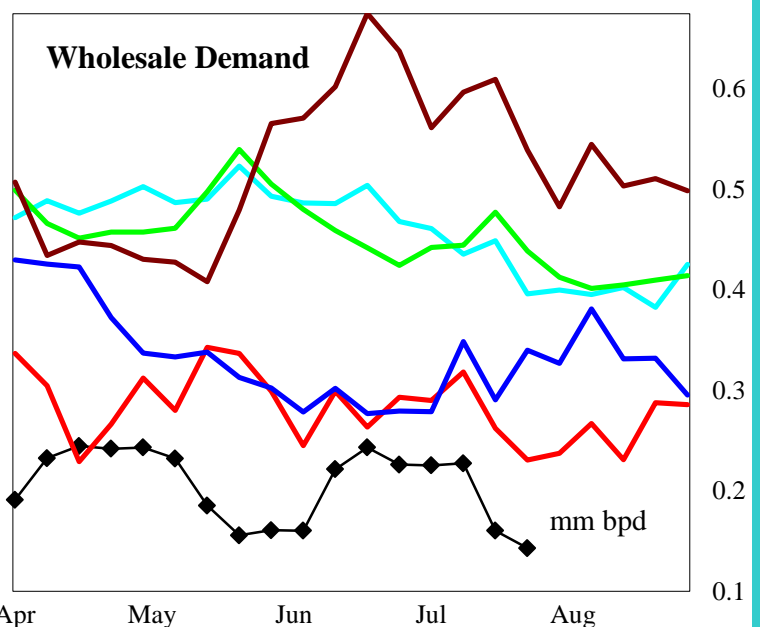
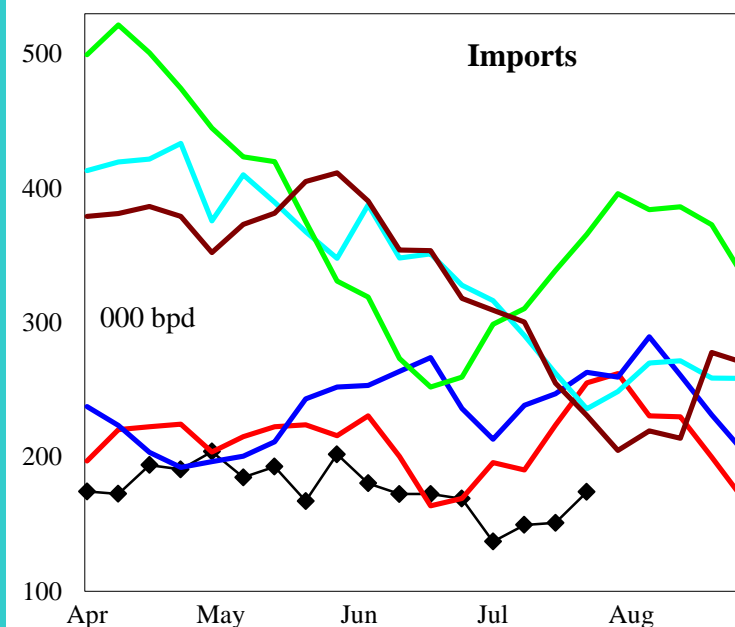
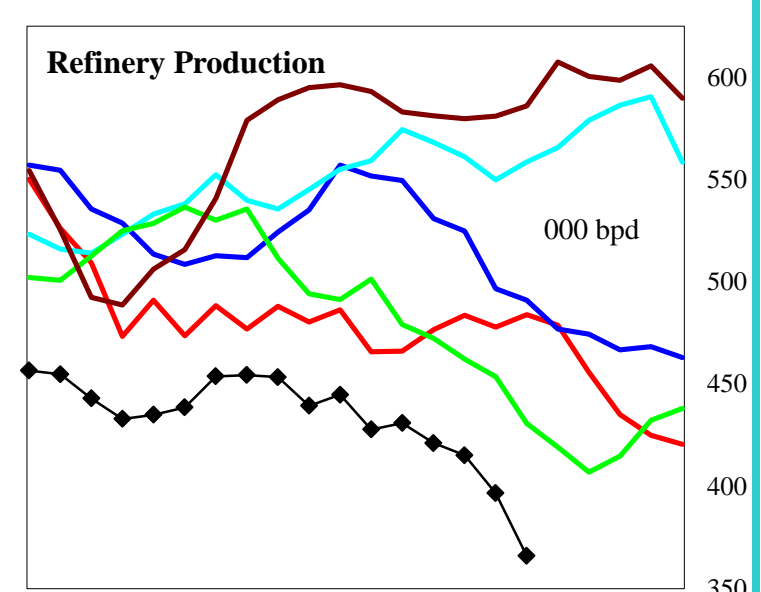
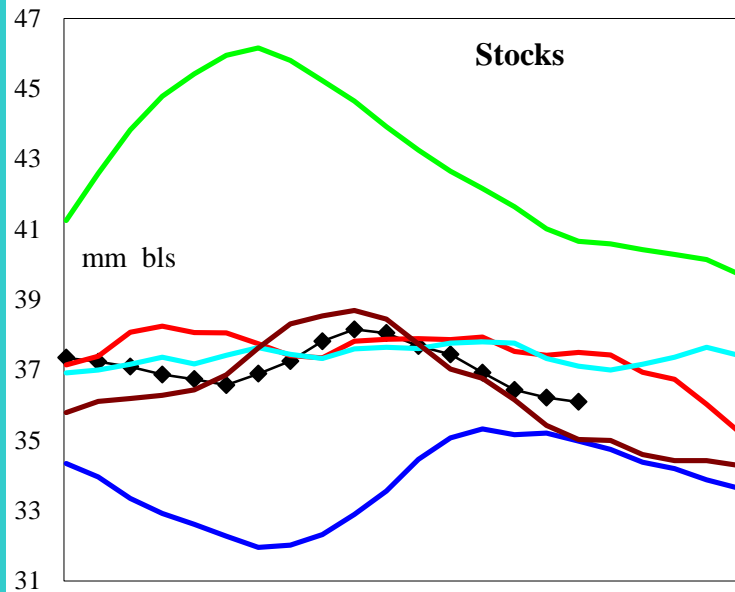
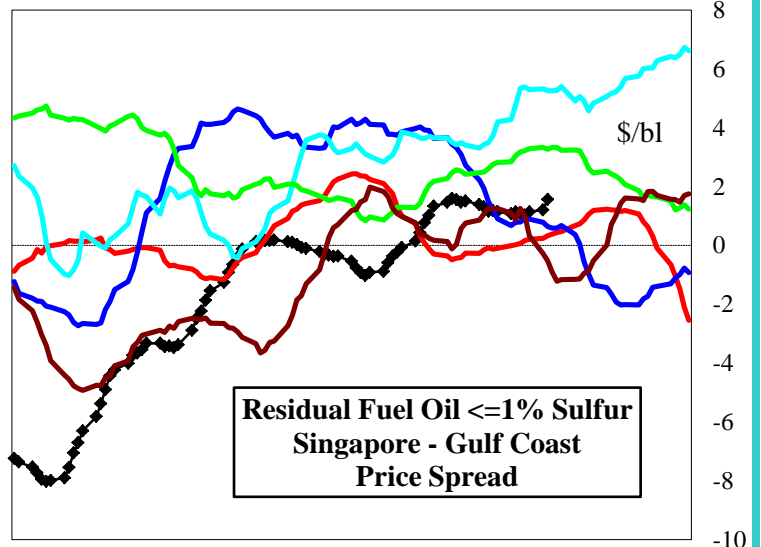
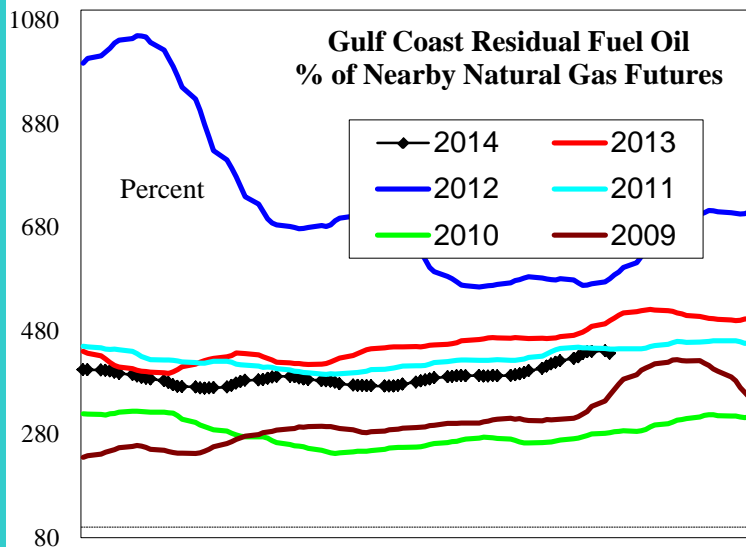
-25.6

90.0

59.3

21.9

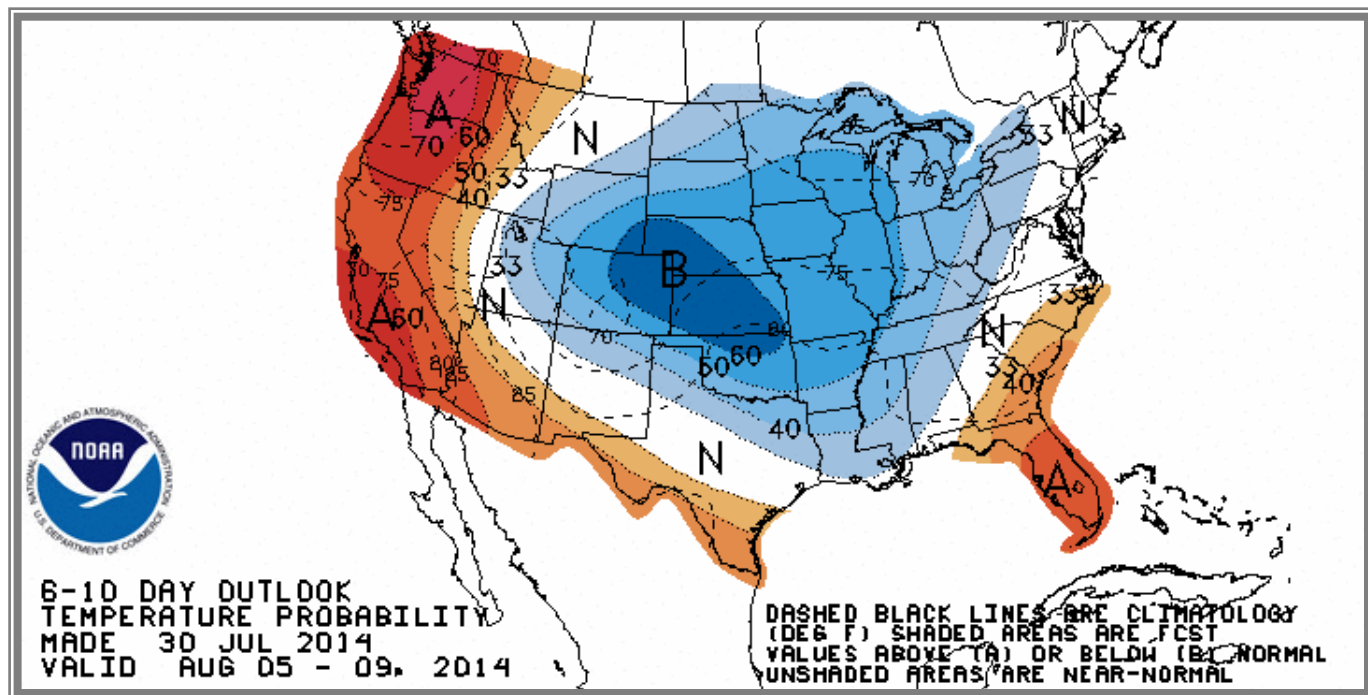
U.S. Residual Fuel Oil Price Spreads and Supply Balance



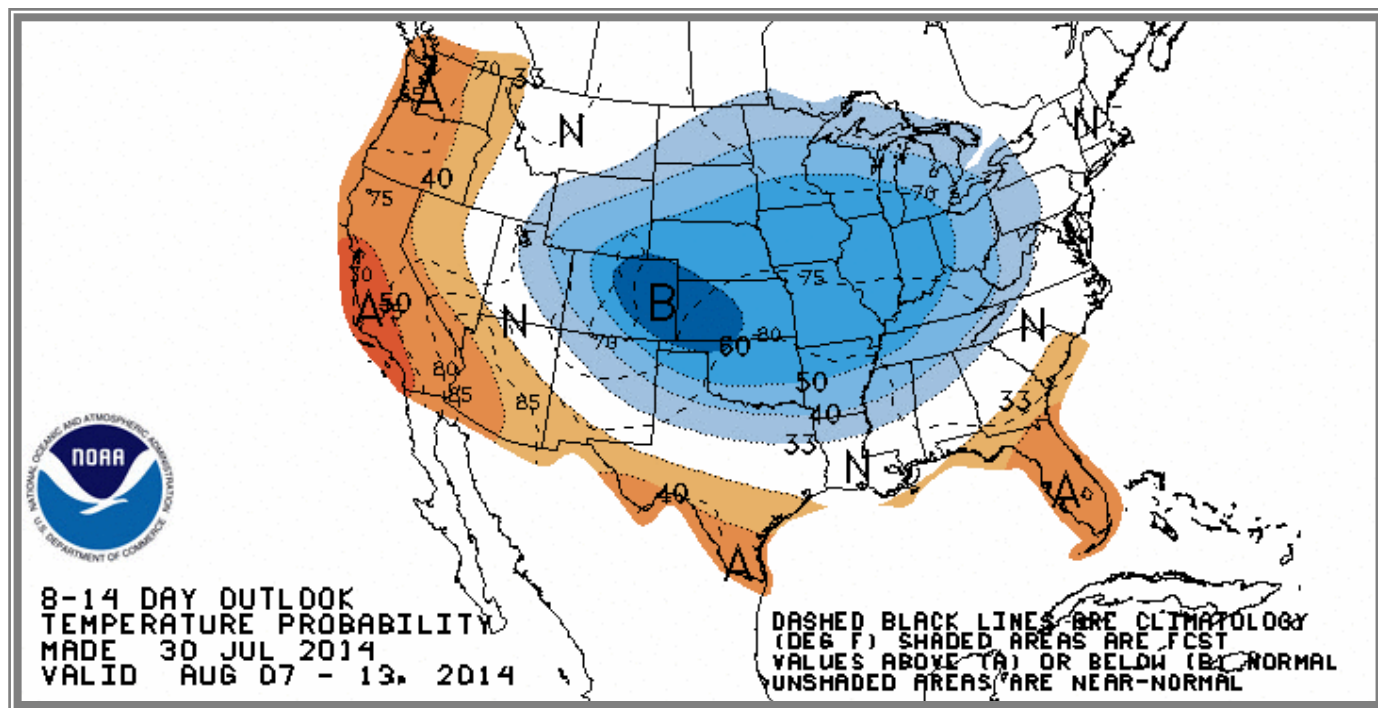
4 wk avg variance to prior year
000 bpd (000 bls stks)
% change

	Stocks	Prod	Imports	Demd=>	4wk avg	Jun	May	Apr
	-1,157	-76	-63		-105	-50	-70	7
	-3.1	-15.9	-29.9		-34.1	-16.5	-32.6	2.5

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

