



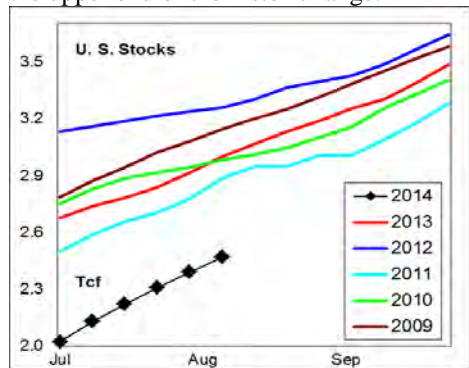
WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

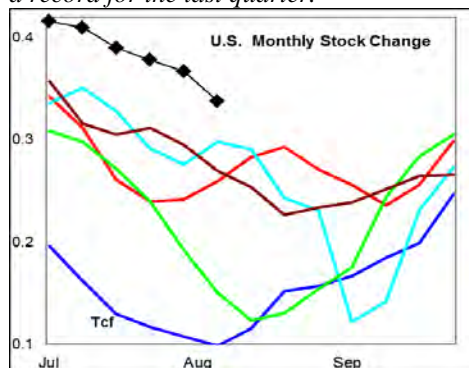
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Sunday, August 17, 2014



Summary ¹ The stock build of +78 Bcf last week matched a year ago and was at the upper end of the historic range.



The latest 4-wk stock change was a build of +338 Bcf, a record rate of build for the month. *The monthly rate of build has been a record for the last quarter.*



In the East Region stocks increased +58 Bcf for the week, above each of the last 2-yr. Stocks increased +11 Bcf in the West Region, a level well above the 5-yr mid range. Stocks increased +9 Bcf on the week in the Producing region, matching the 5-yr high for this time of year.

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

Temperatures were near normal across most of the country for the week ending 08Aug14.

The 6-10 day NWS forecast for the week ending 27Aug14 is for below normal temperatures across the western 1/3rd of the country, and much above normal in the southern one-half of the country.

¹ Related Web Sites:

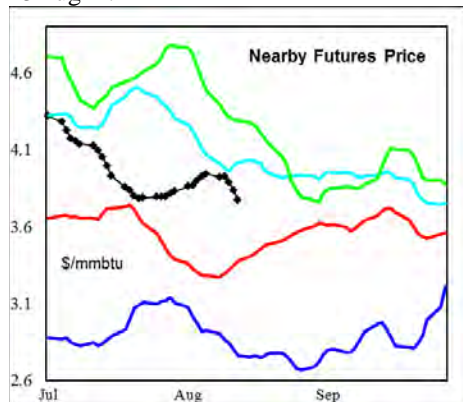
[Data Source is EIA Weekly Statistics](#)

[National Weather Service 6-10 Day](#)

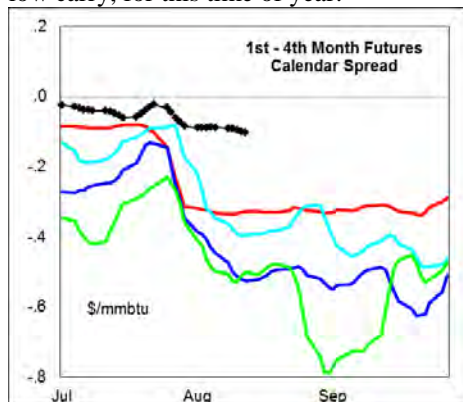
[National Weather Service 10-14 Day](#)

The 8-14 day NWS forecast for the week ending 31Aug14 is for below normal temperatures in the northern 1/2 of the country and above normal across states and the west coast.

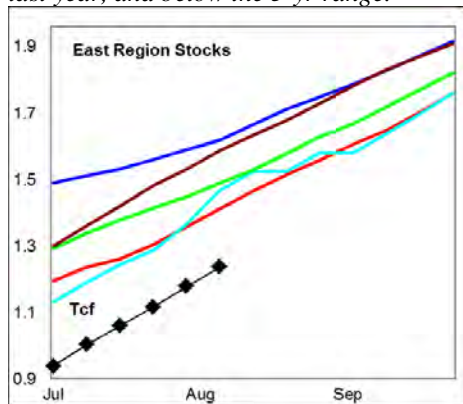
Prices: Nearby gas futures declined - \$0.19/mmbtu for the week ending 15Aug14.



The 1st - 4th month forward price curve trended lower last week, ending in a record low carry, for this time of year.

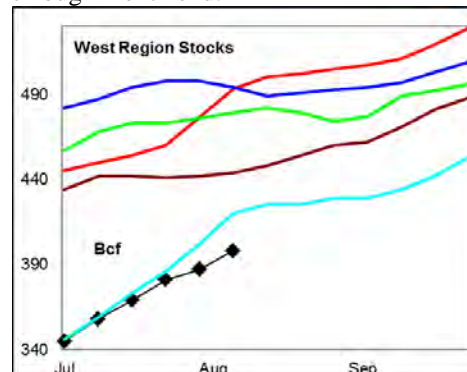


East Region stocks increased +58 Bcf for the week, a level above each of the last 2-yr. *The current stock level is -12% below last year, and below the 5-yr range.*



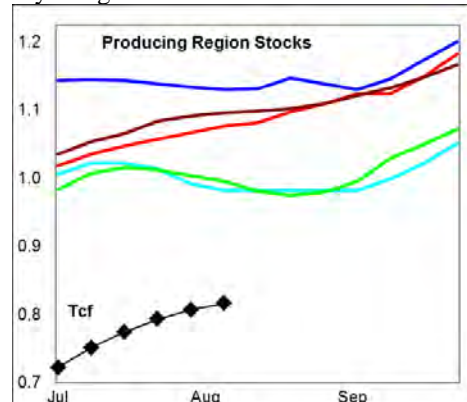
Temperatures were near normal in the week just ended, with near normal temperatures this week, followed by a forecast of below normal temperatures

through month end.



West Region stocks increased +11 Bcf last week, a level above the 5-yr mid range. Stock levels ended the week -19% below last year, and below the 5-yr range. Temperatures are forecast to be well above normal through month end in coastal areas.

Producing Region stocks increased +9 Bcf for the week, a level that matched 5-yr highs for the week. Stock levels ended the week -25% below last year, and below the 5-yr range.



Temperatures are forecast to be much above normal through month end in the region.

Residual Fuel Oil Switching: The price spread between fuel oil and natural gas favors natural gas use.

Outlook: Temperatures are forecast to be below normal across the north central region of the country through month end; but much above normal in other areas. Combined with high production, stocks should continue to build at above average rates. Even in the absence of hurricane disruptions, stock levels are likely to remain below the 5-yr range at the start of the winter heating season. Look for price strength on any gulf weather disruptions and/or start of fall heating season.

NATURAL GAS: Graph Link and Weekly Summary



Report prepared as of: August 17, 2014

For the week ending: 8-Aug-14

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

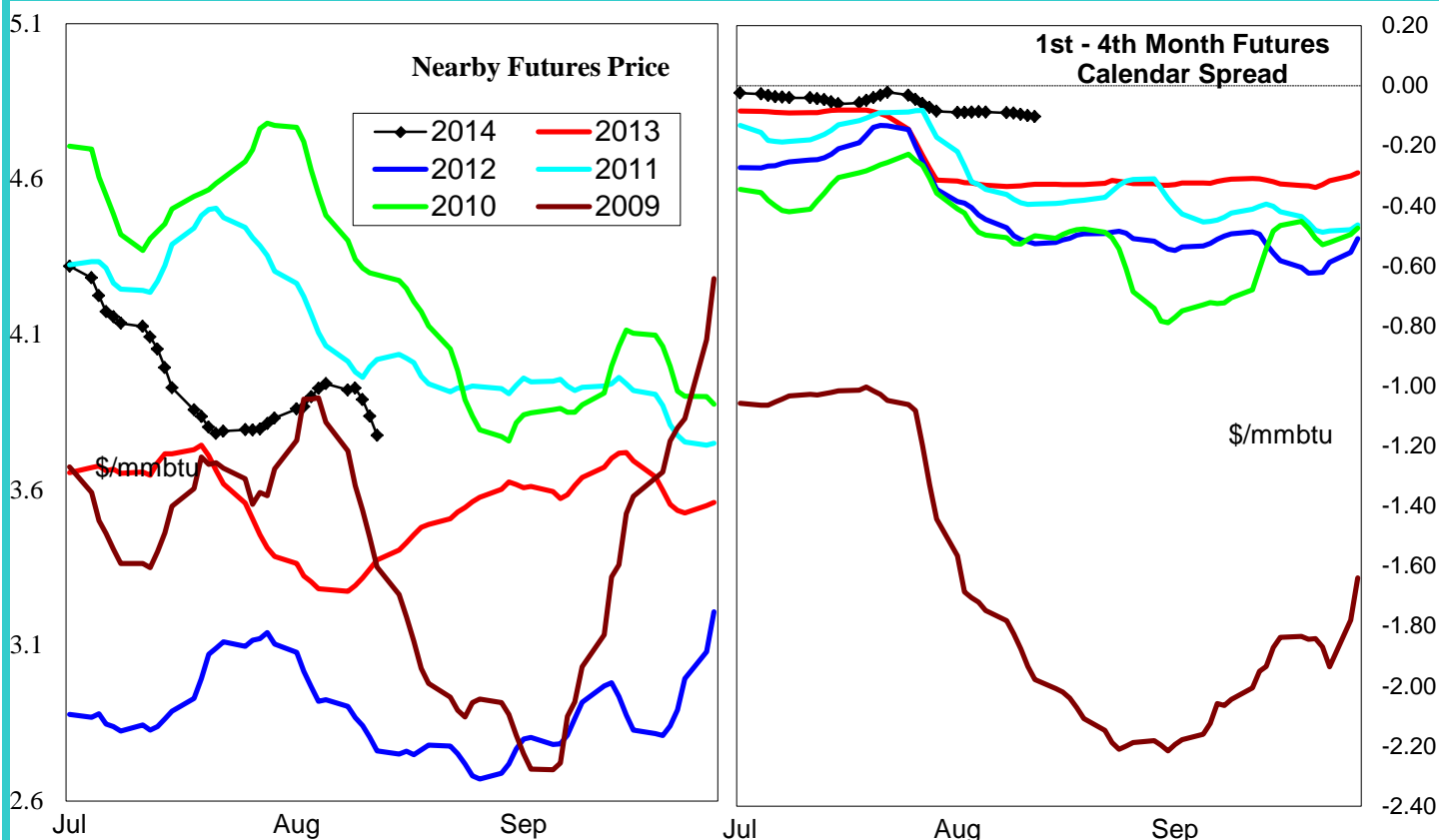
Week ending:	8-Aug-14			15-Jun-13		22-Jun-13		29-Jun-13	
Region	Weekly Stocks			Weekly Heating Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	2,467	78	-17.7	-14	-45%	-2	-33%	-3	-77%
East	1,277	58	-12.1	-17	-39%	-2	-18%	-4	-74%
West	398	11	-19.3	-12	-58%	-2	-55%	-5	-78%
Producing	792	9	-24.7	-4	-100%	0	-100%	0	-100%

Seasonal Trends in Stocks and Heating Degree Days

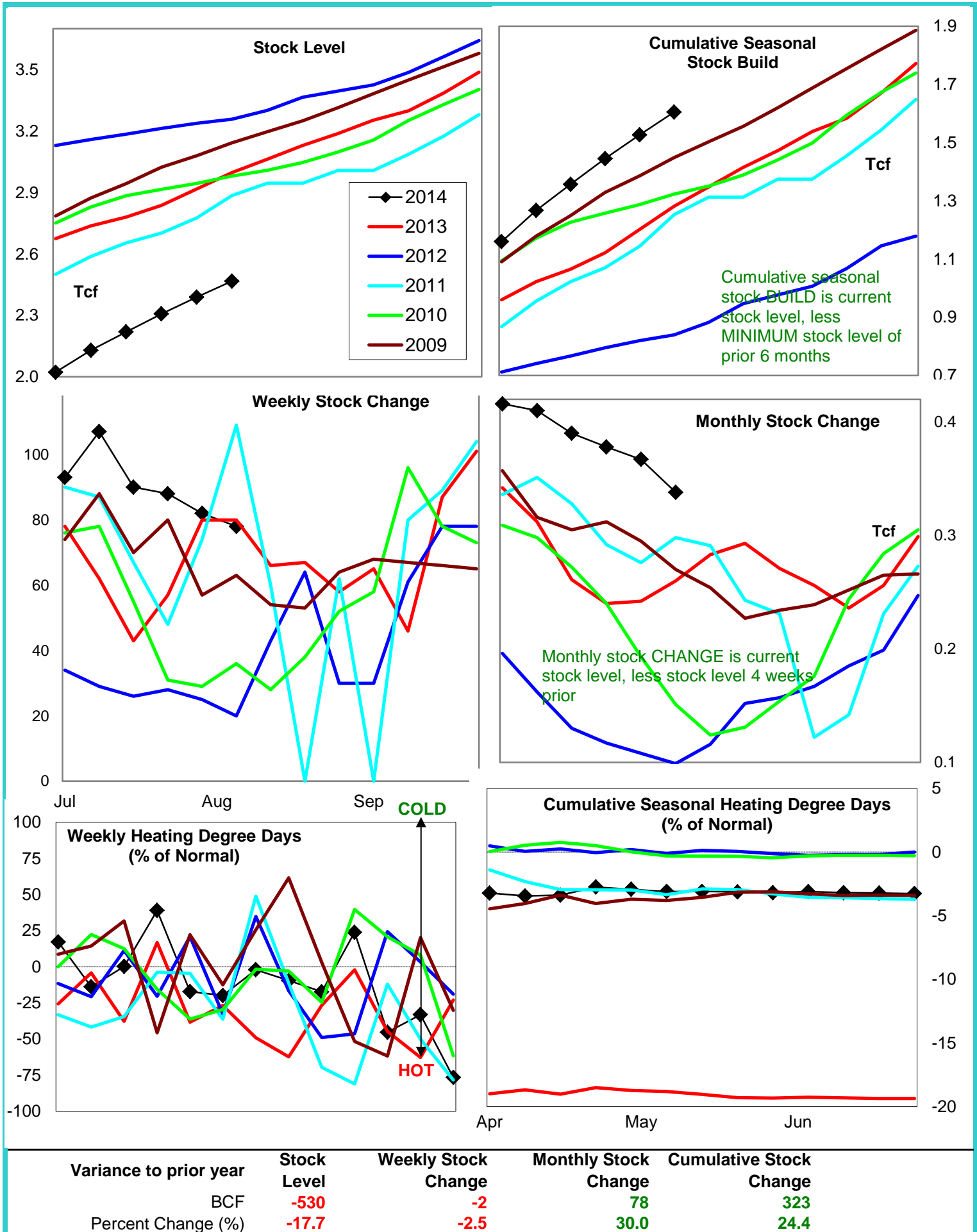
	Cumulative Stock Change			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
U.S. Total	1,645	323	19.6	6	-3.2	4	-3.2	1	-3.3
East	972	168	17.3	6	-2.9	4	-2.9	1	-2.9
West	238	76	31.9	10	-4.6	8	-4.7	3	-4.9
Producing	440	79	18.0	0	-4.0	0	-4.1	0	-4.1

Futures Market Price Trends

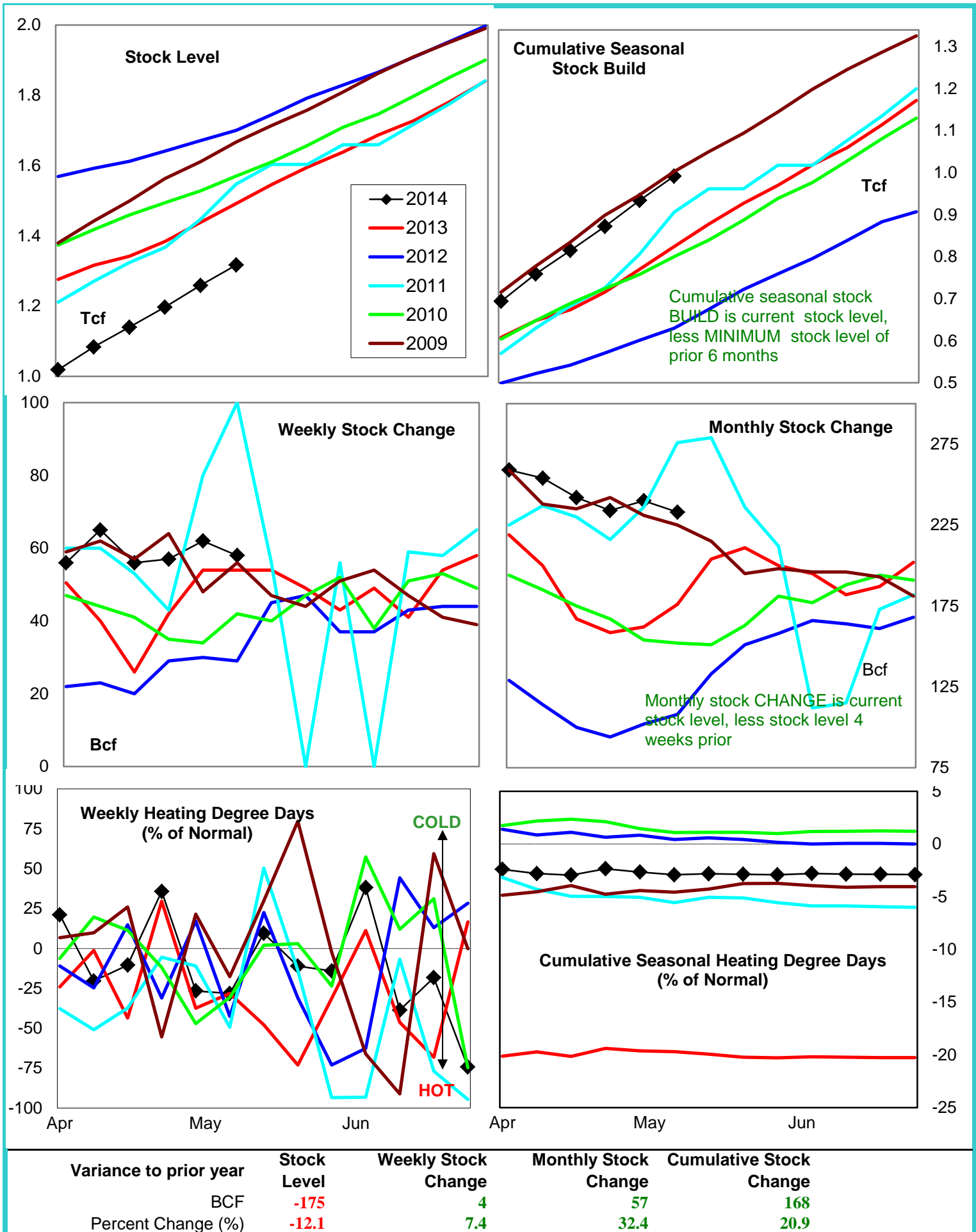
Date:	15-Aug-14	Change vs prior week, month, year		
		11-Aug-14	21-Jul-14	26-Aug-13
1st month Futures	3.78	-0.19	-0.07	0.16
% change	xxxxx	-4.8	-1.9	4.4



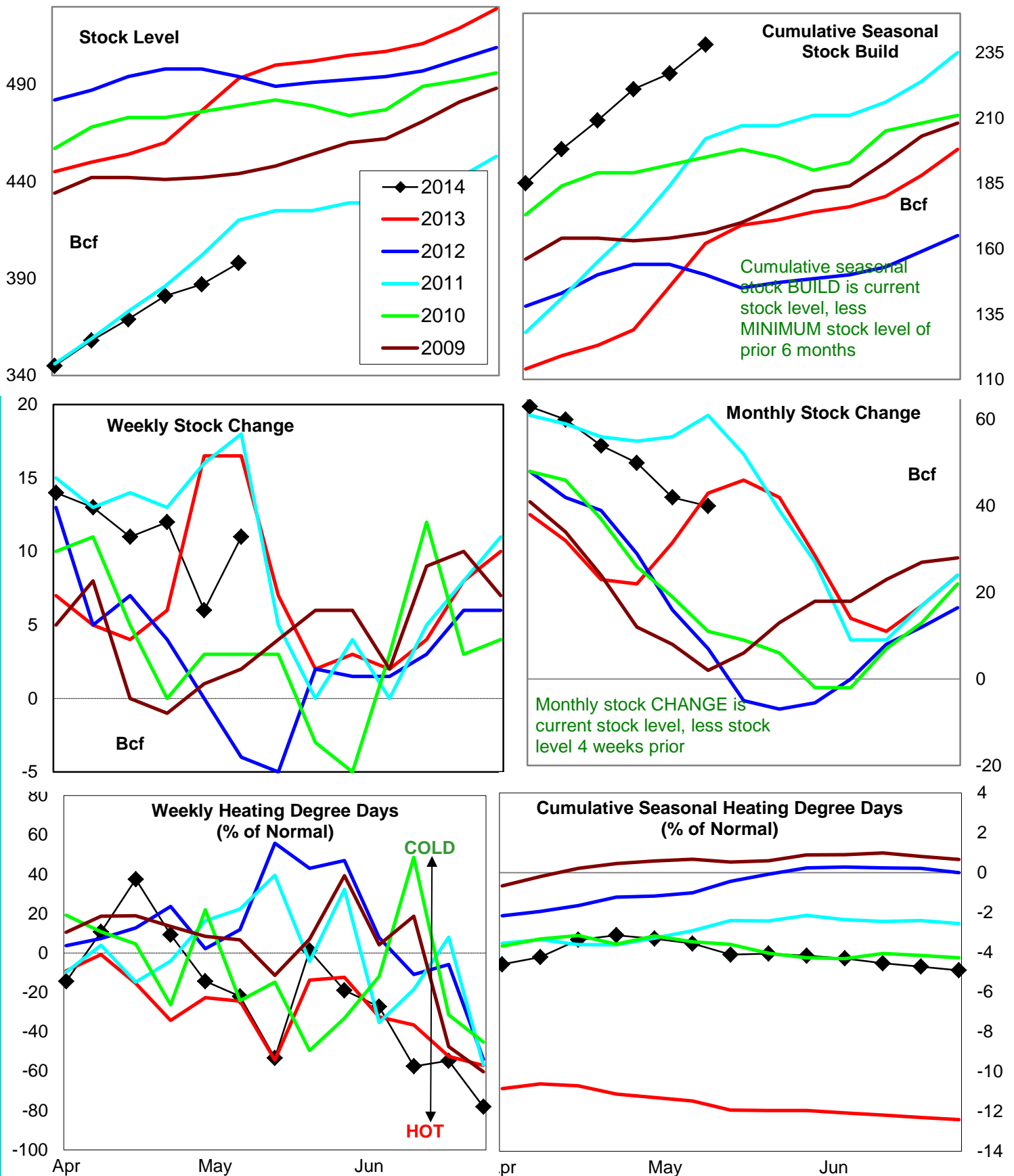
United States Natural Gas Stock and Weather Trends



Natural Gas East Region Stock and Weather Trends



Natural Gas West Region Stock and Weather Trends



Variance to prior year

Stock Level

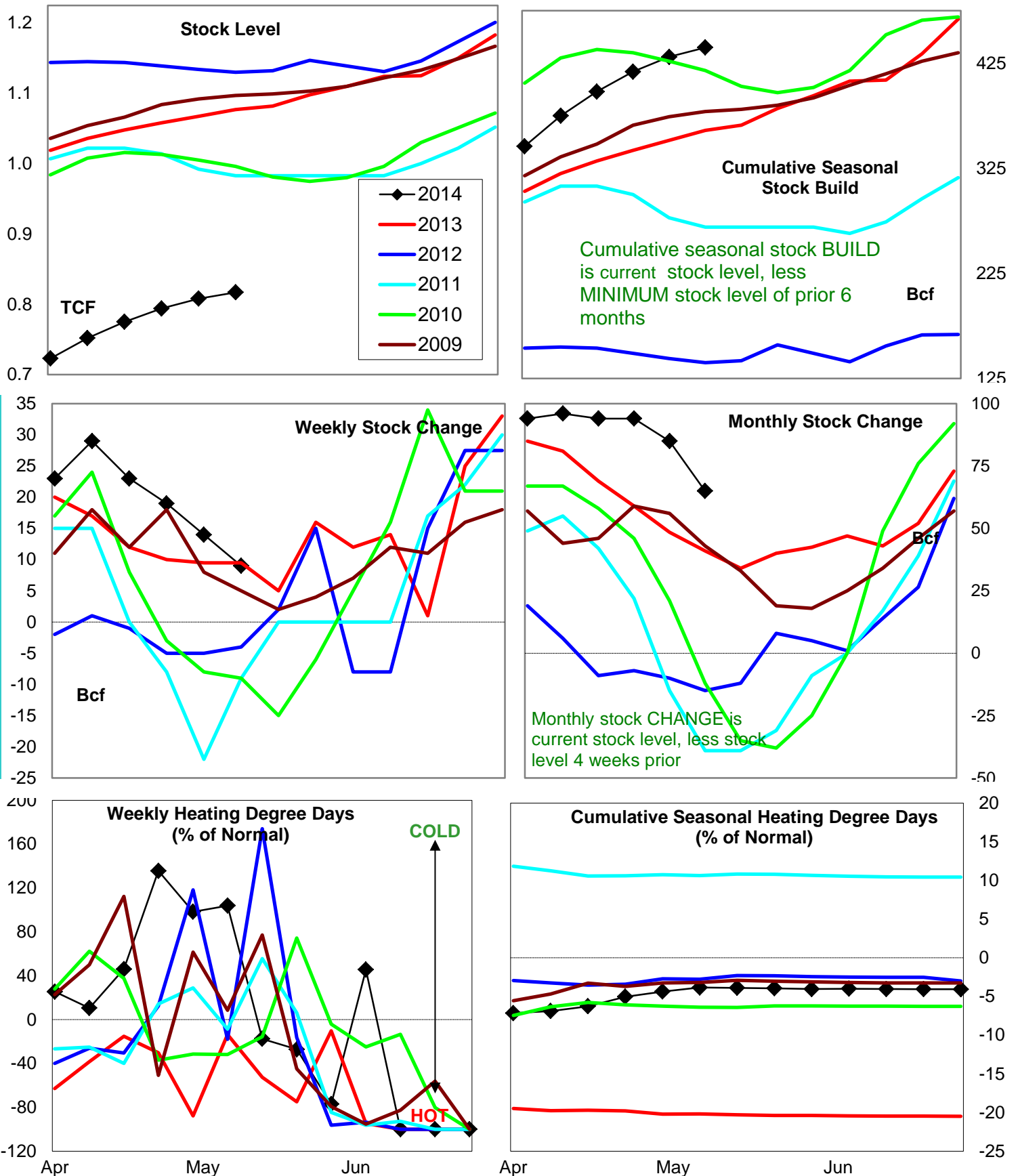
Weekly Stock Change

Monthly Stock Change

Cumulative Stock Change

BCF
Percent Change (%)-95
-19.3-6
-33.3-3
-7.076
46.9

Natural Gas Producing Region Stock and Weather Trends



Variance to prior year

Stock Level

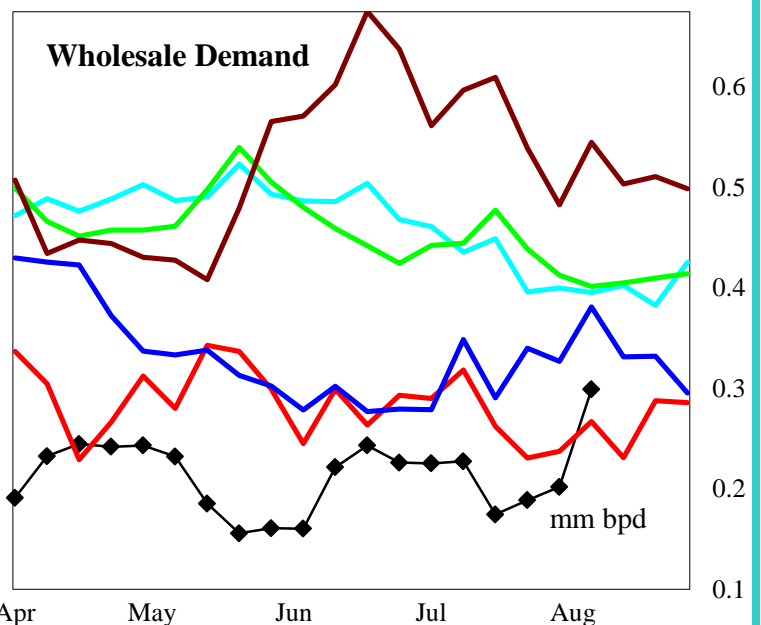
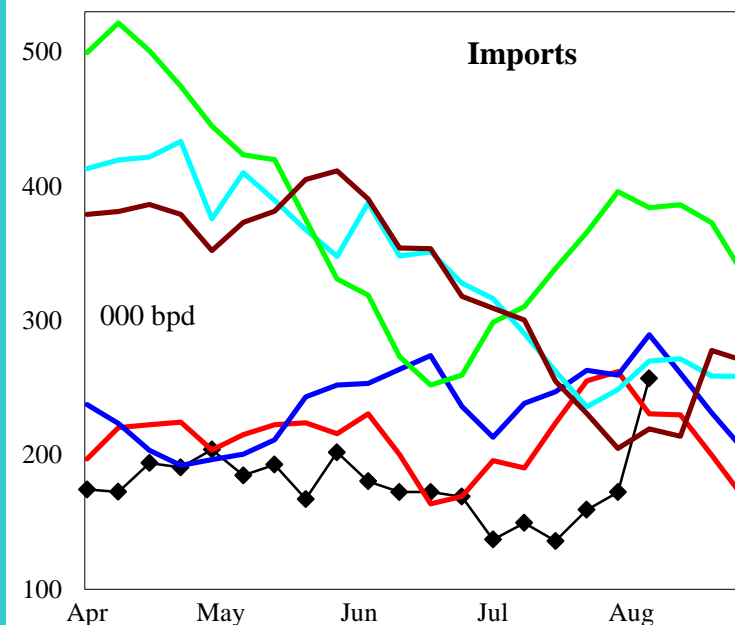
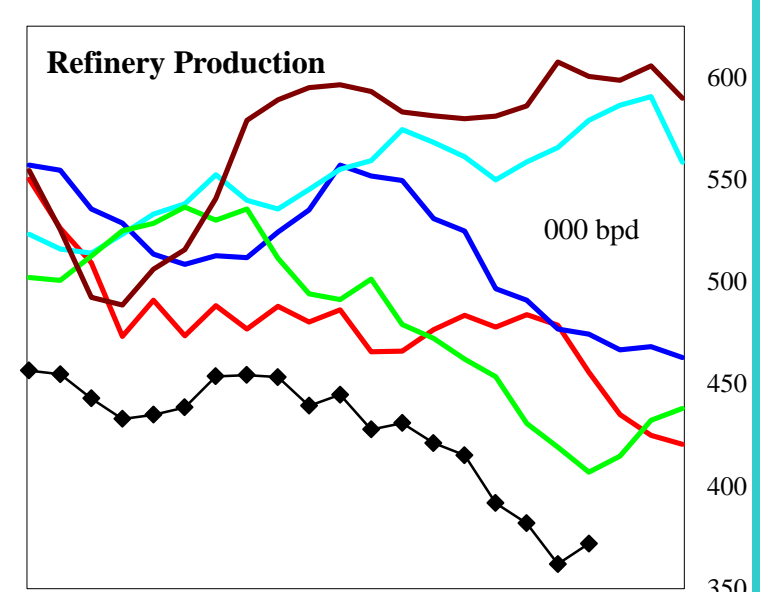
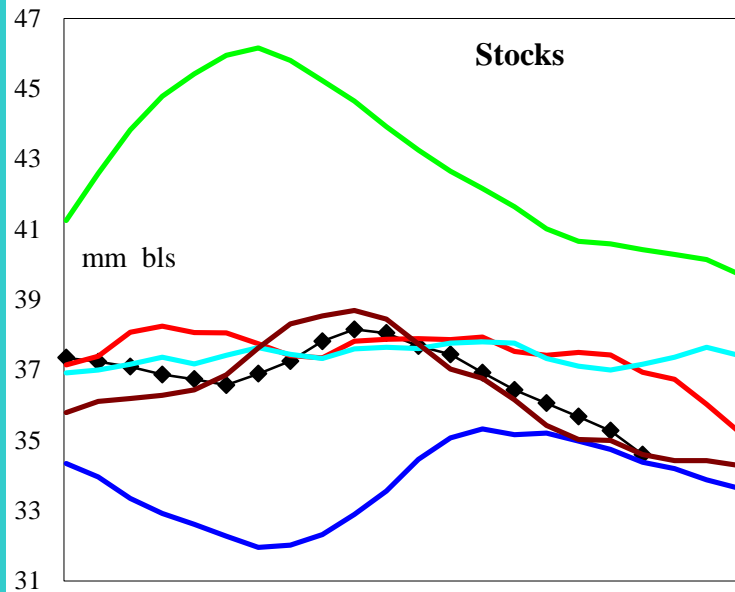
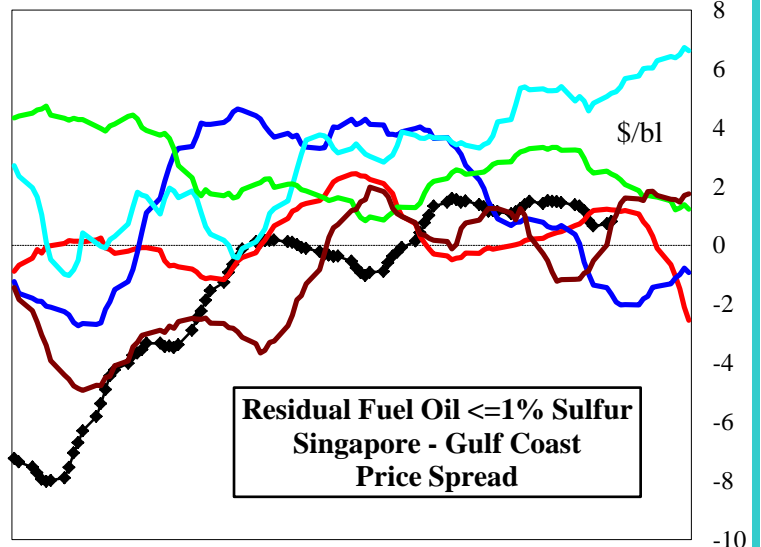
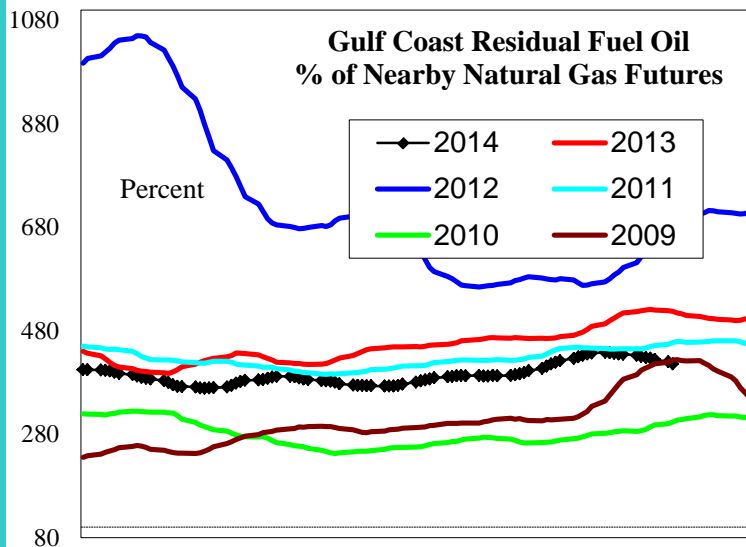
Weekly Stock Change

Monthly Stock Change

Cumulative Stock Change

BCF
Percent Change (%)-260
-24.7-1
-5.324
58.579
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

Jul

Jun

May

-2,877

-116

-107

-22

-173

-50

7

-7.7

-23.6

-40.4

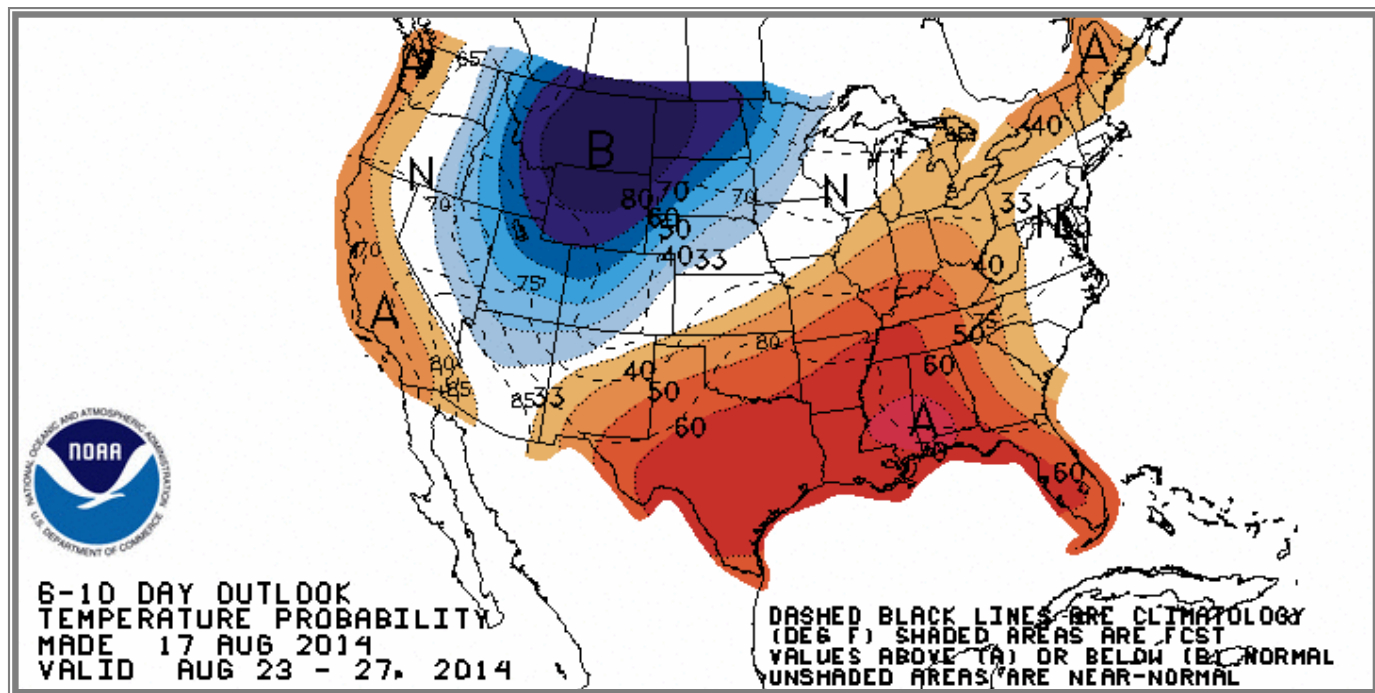
-9.4

-47.8

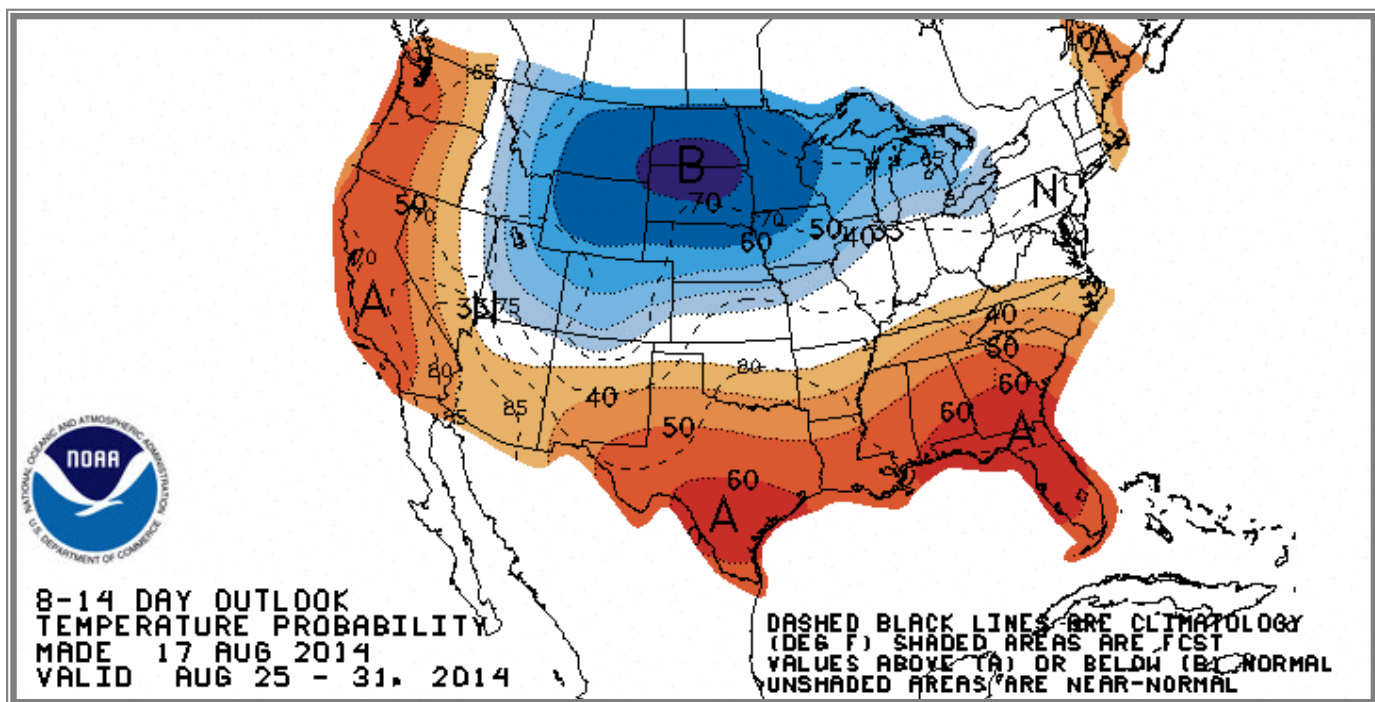
-16.5

3.3

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

