

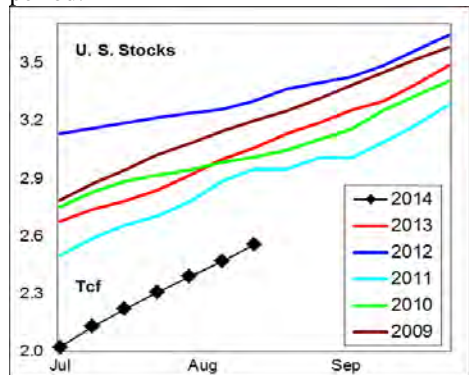
WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

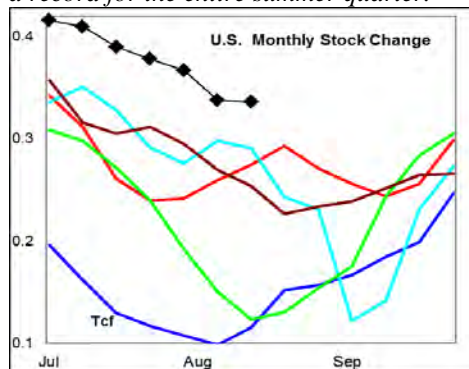
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Friday, August 22, 2014



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



The latest 4-wk stock change was a build of +336 Bcf, a record rate of build for the month. The monthly rate of build has been a record for the entire summer quarter.



In the East Region stocks increased +65 Bcf for the week, a record build for the period. Stocks increased +9 Bcf in the West Region, a level above the 5-yr mid range. Stocks increased +14 Bcf on the week in the Producing region, also a record build for this time of year.

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

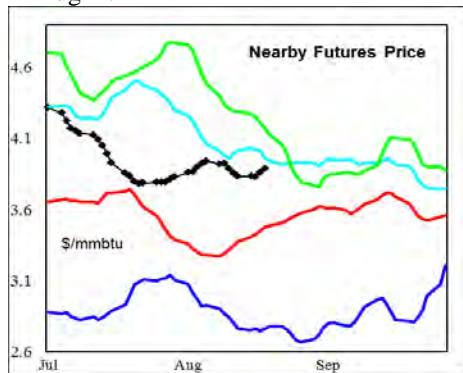
Temperatures were above normal across most of the country for the week ending 15Aug14.

The 6-10 day NWS forecast for the week ending 31Aug14 is for below normal temperatures across the northern plains and intermountain regions of the country, and

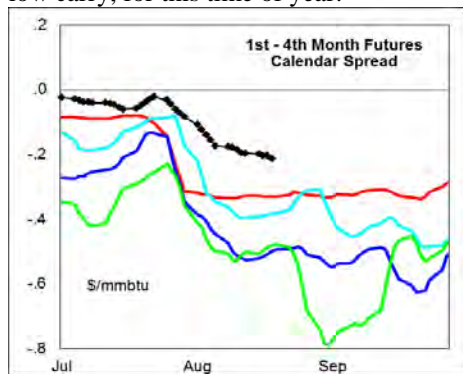
much above normal in the southern one-half of the country.

The 8-14 day NWS forecast for the week ending 04Sep14 is slightly less than normal temperatures in the northern 2/3rds of the country and above normal across the southern tier of states.

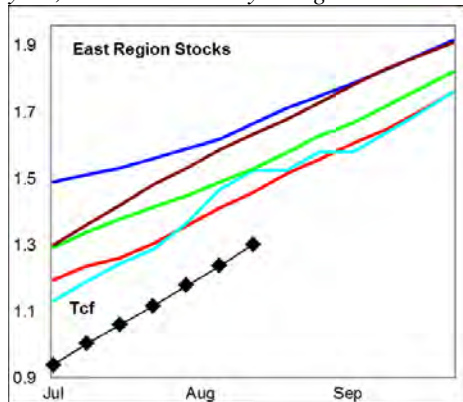
Prices: Nearby gas futures declined - \$0.02/mmbtu for the week ending 21Aug14.



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

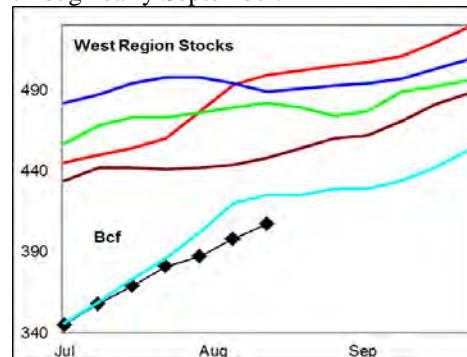


East Region stocks increased +65 Bcf for the week, a record build for the period. The current stock level is -11% below last year, and below the 5-yr range.



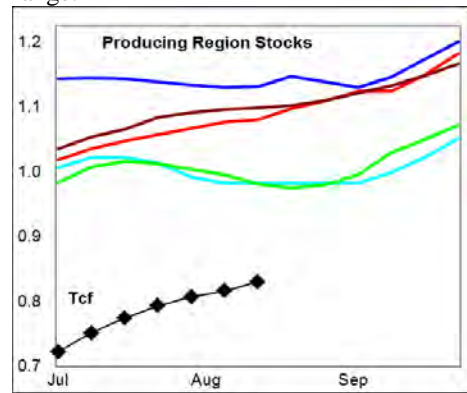
Temperatures were above normal for the week just ended, with above normal temperatures this week, followed by a forecast of above normal temperatures

through early September.



West Region stocks increased +9 Bcf last week, a record build for the week. Stock levels ended the week -18% below last year, and below the 5-yr range. Temperatures are forecast to be above normal through early September in coastal areas.

Producing Region stocks increased +14 Bcf for the week, also a record build for the week. Stock levels ended the week -24% below last year, and below the 5-yr range.



Temperatures are forecast to be much above normal through early September 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 above normal across the eastern and southern regions of the country through early September, with below normal temperatures in other areas of the country. Look for high production to offset increased electric power demand, leading to continued above average stock building. Stock levels are -16% below last year. 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.

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: August 22, 2014

For the week ending: 15-Aug-14

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

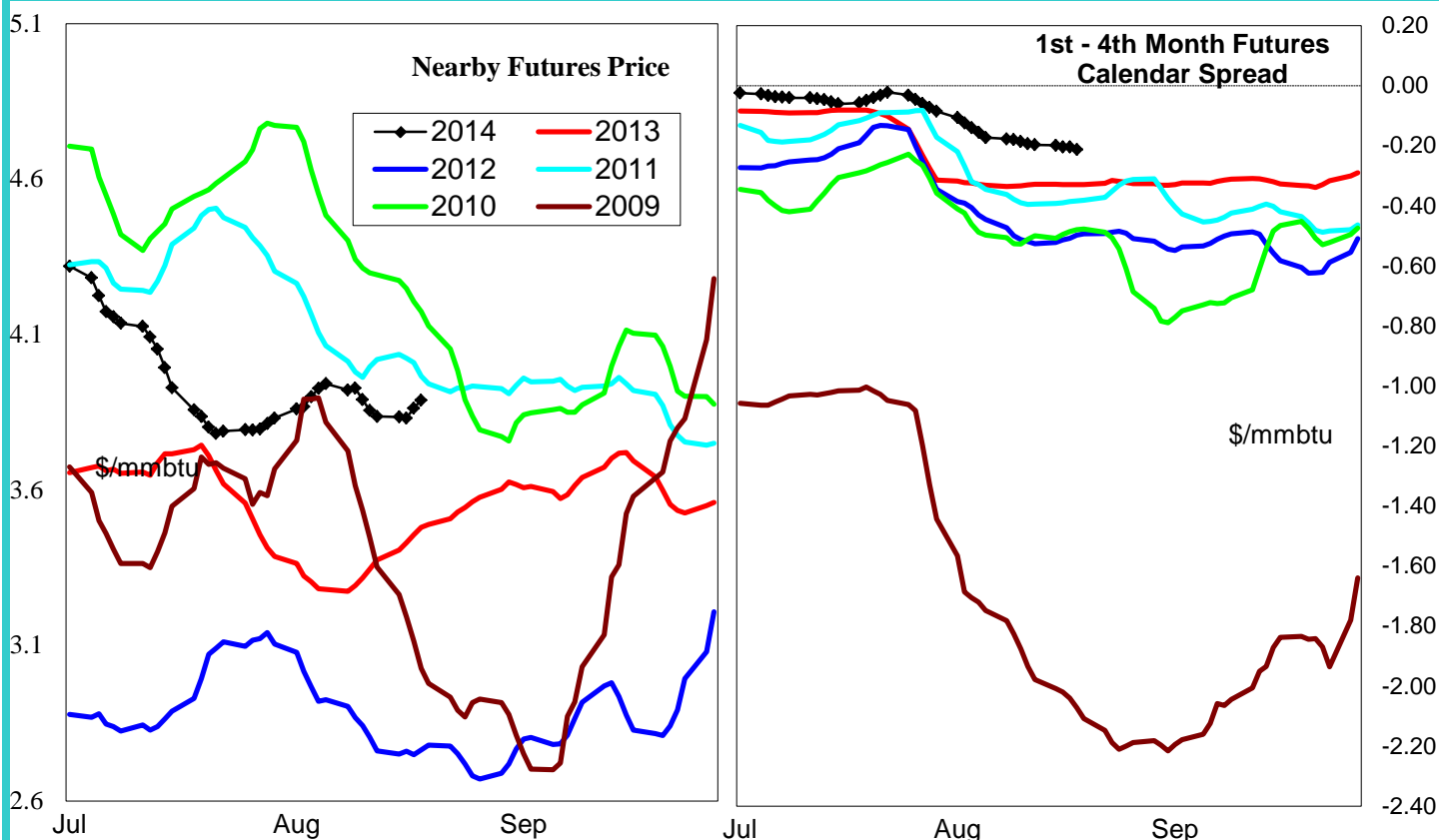
Week ending:	15-Aug-14			15-Jun-13		22-Jun-13		29-Jun-13	
Region	Weekly Stocks			Weekly Heating Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	2,555	88	-16.4	-14	-45%	-2	-33%	-3	-77%
East	1,342	65	-10.5	-17	-39%	-2	-18%	-4	-74%
West	407	9	-18.4	-12	-58%	-2	-55%	-5	-78%
Producing	806	14	-23.7	-4	-100%	0	-100%	0	-100%

Seasonal Trends in Stocks and Heating Degree Days

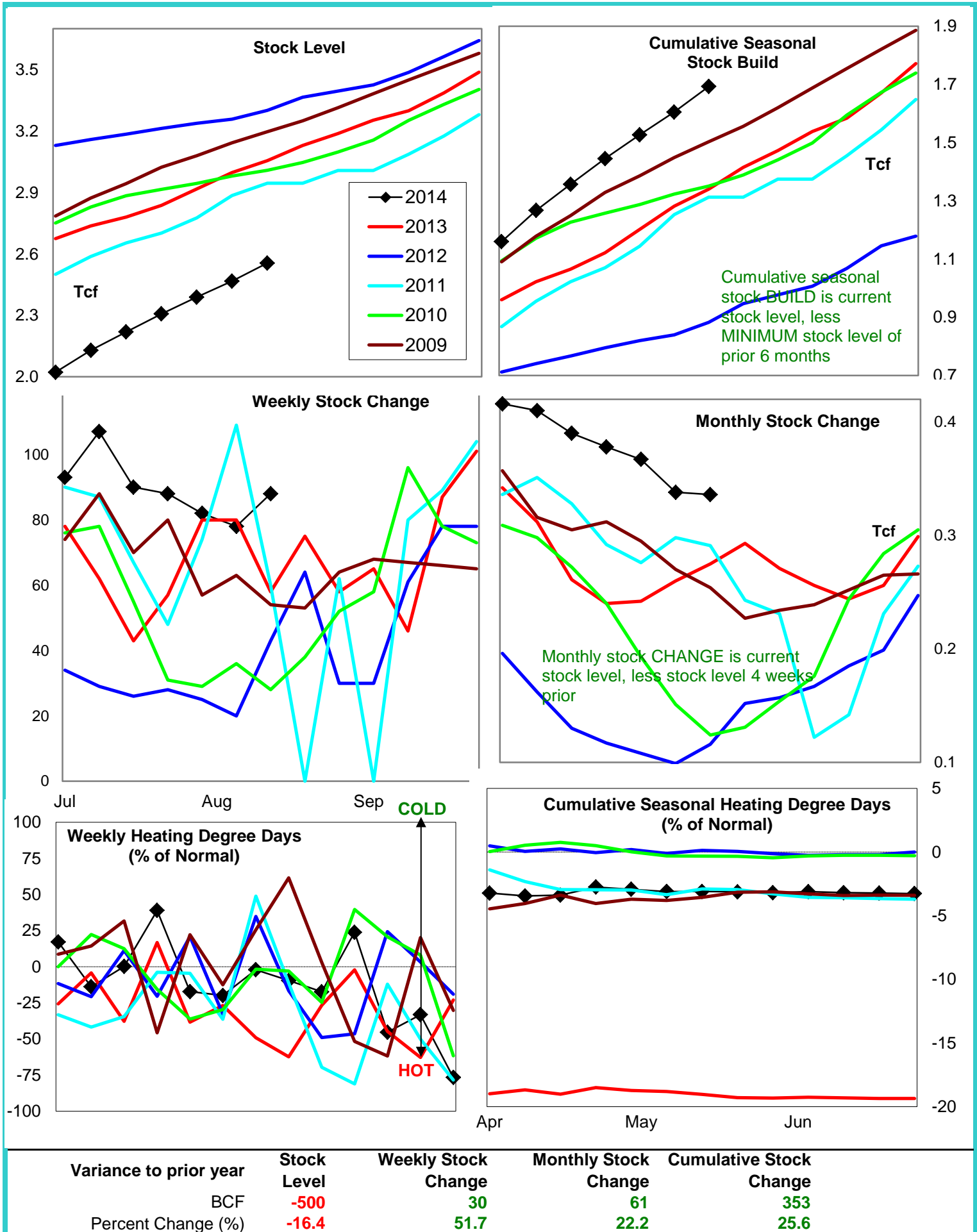
	Cumulative Stock Change			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
U.S. Total	1,733	353	20.4	6	-3.2	4	-3.2	1	-3.3
East	1,037	186	17.9	6	-2.9	4	-2.9	1	-2.9
West	247	79	32.0	10	-4.6	8	-4.7	3	-4.9
Producing	454	89	19.6	0	-4.0	0	-4.1	0	-4.1

Futures Market Price Trends

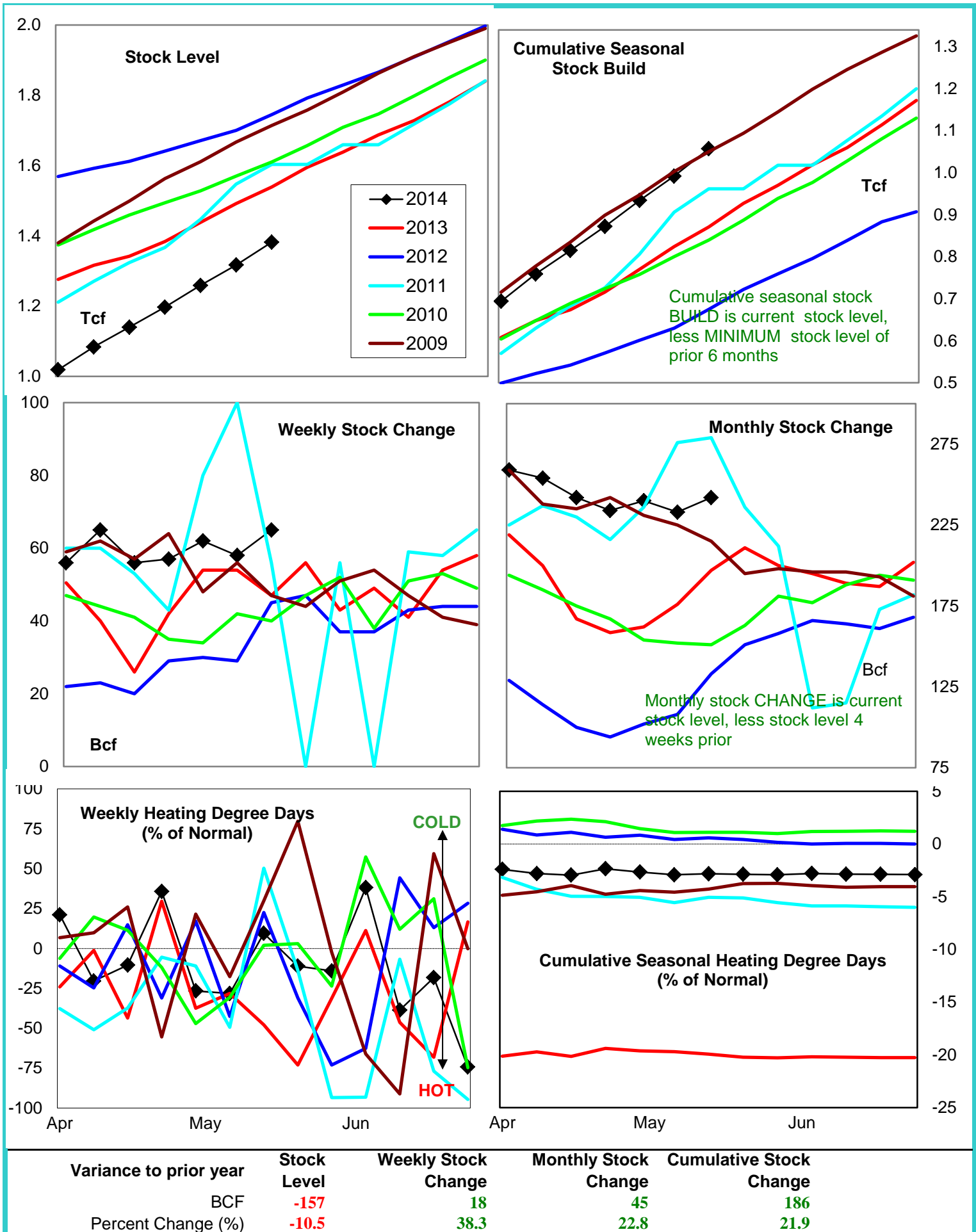
Date:	15-Aug-14	Change vs prior week, month, year		
		11-Aug-14	21-Jul-14	26-Aug-13
1st month Futures	3.89	0.11	0.11	0.21
% change	xxxxx	3.0	2.9	5.6



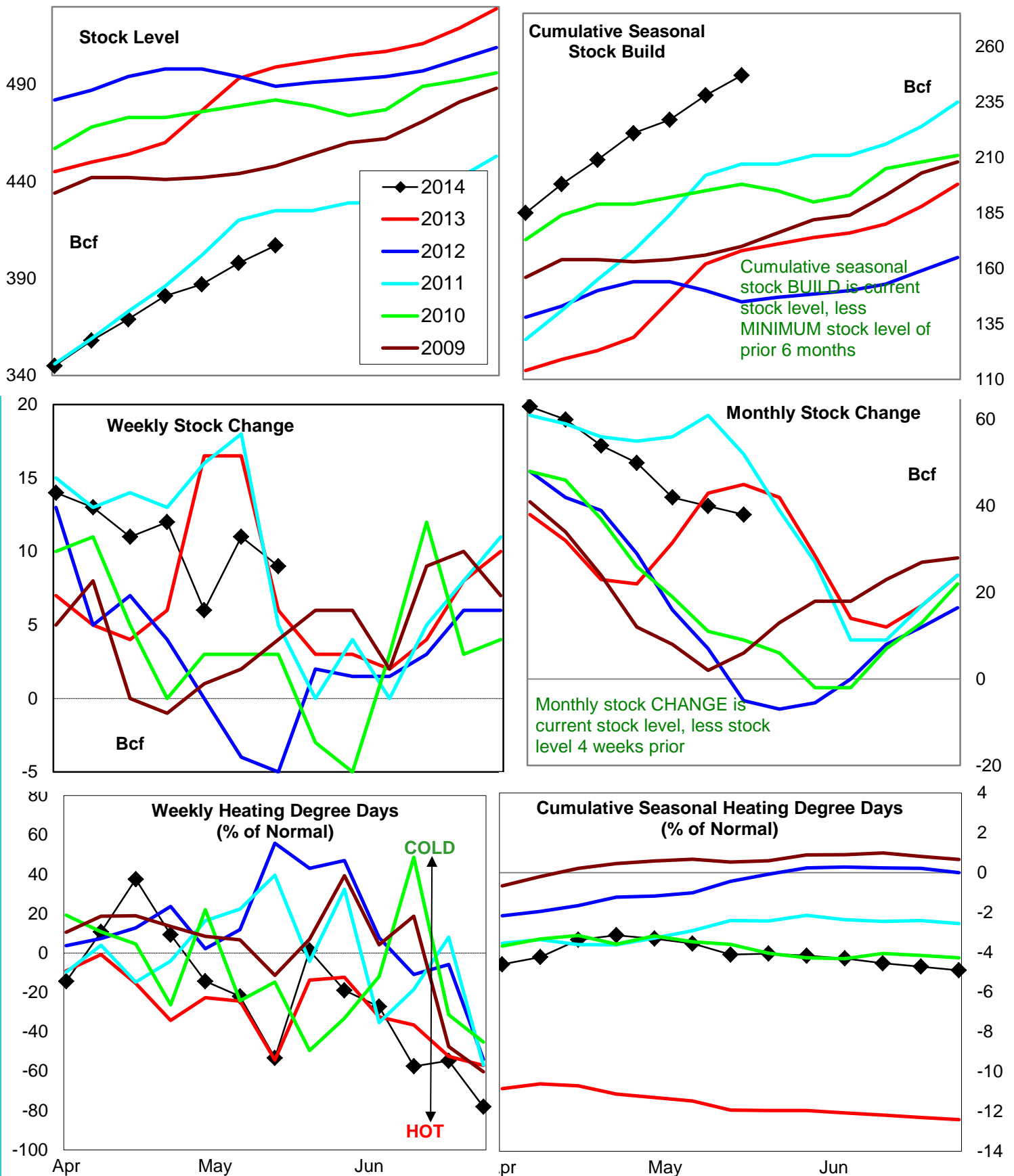
United States Natural Gas Stock and Weather Trends



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

-92

3

-7

79

Percent Change (%)

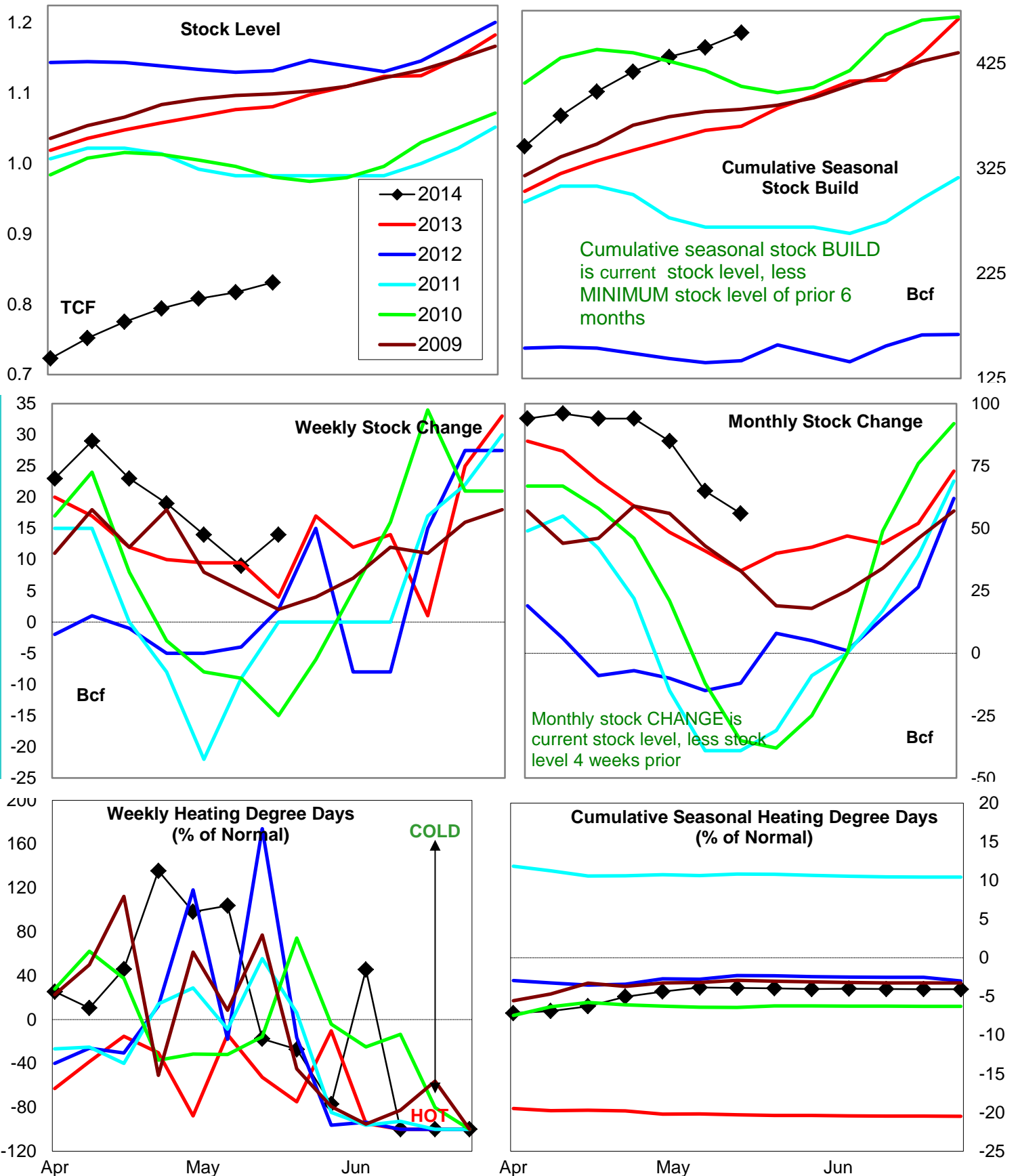
-18.4

50.0

-15.6

47.0

Natural Gas Producing Region Stock and Weather Trends



Variance to prior year

Stock Level

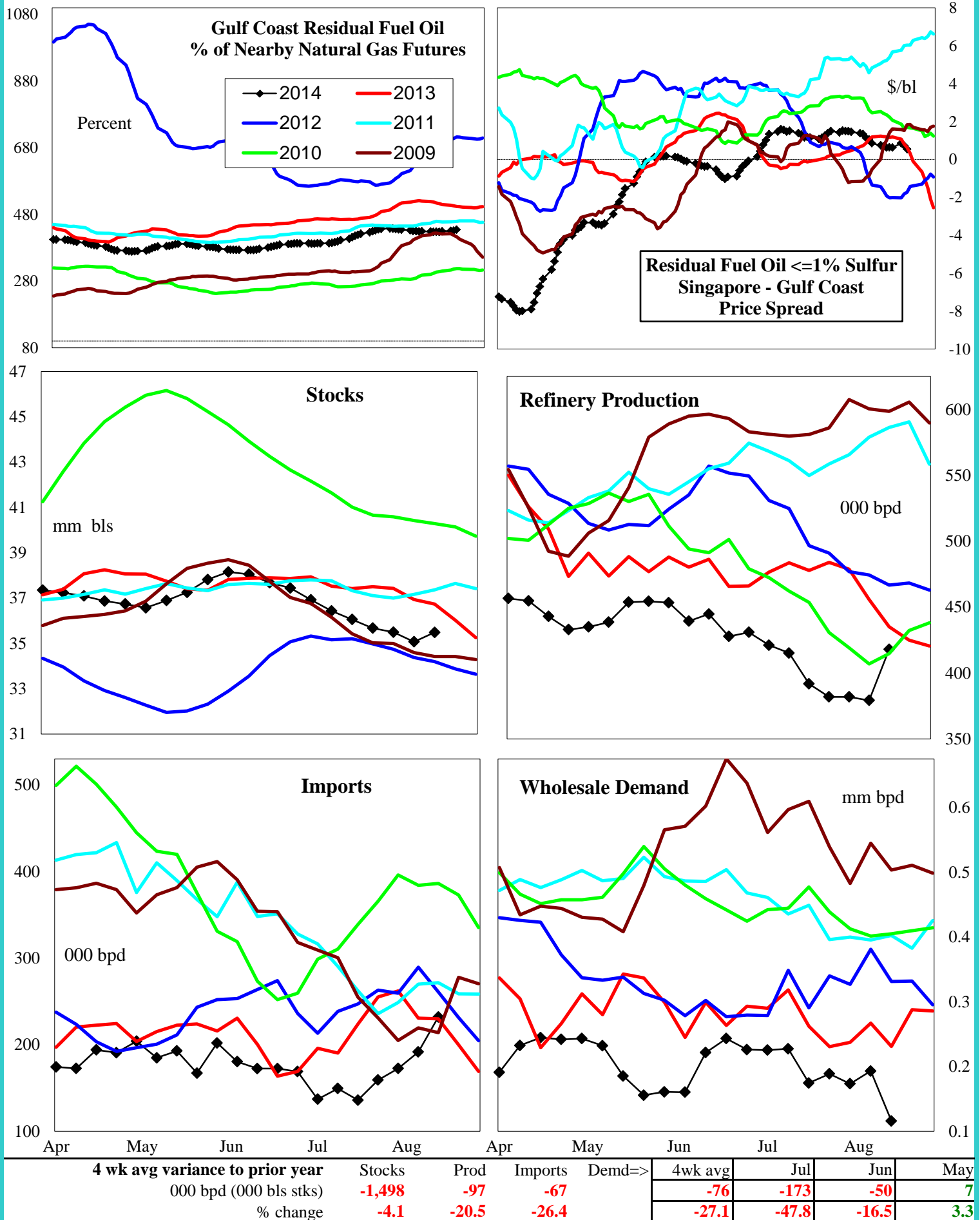
Weekly Stock Change

Monthly Stock Change

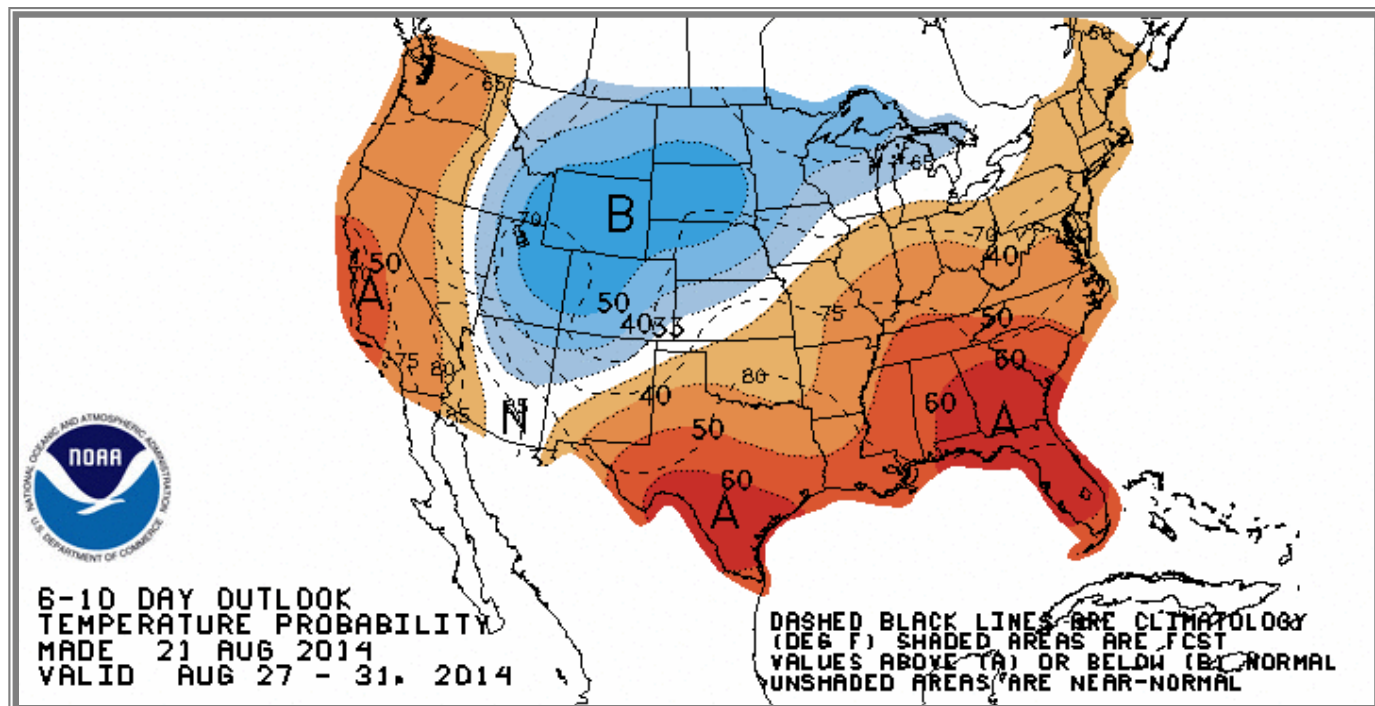
Cumulative Stock Change

BCF
Percent Change (%)-250
-23.710
250.023
69.789
24.4

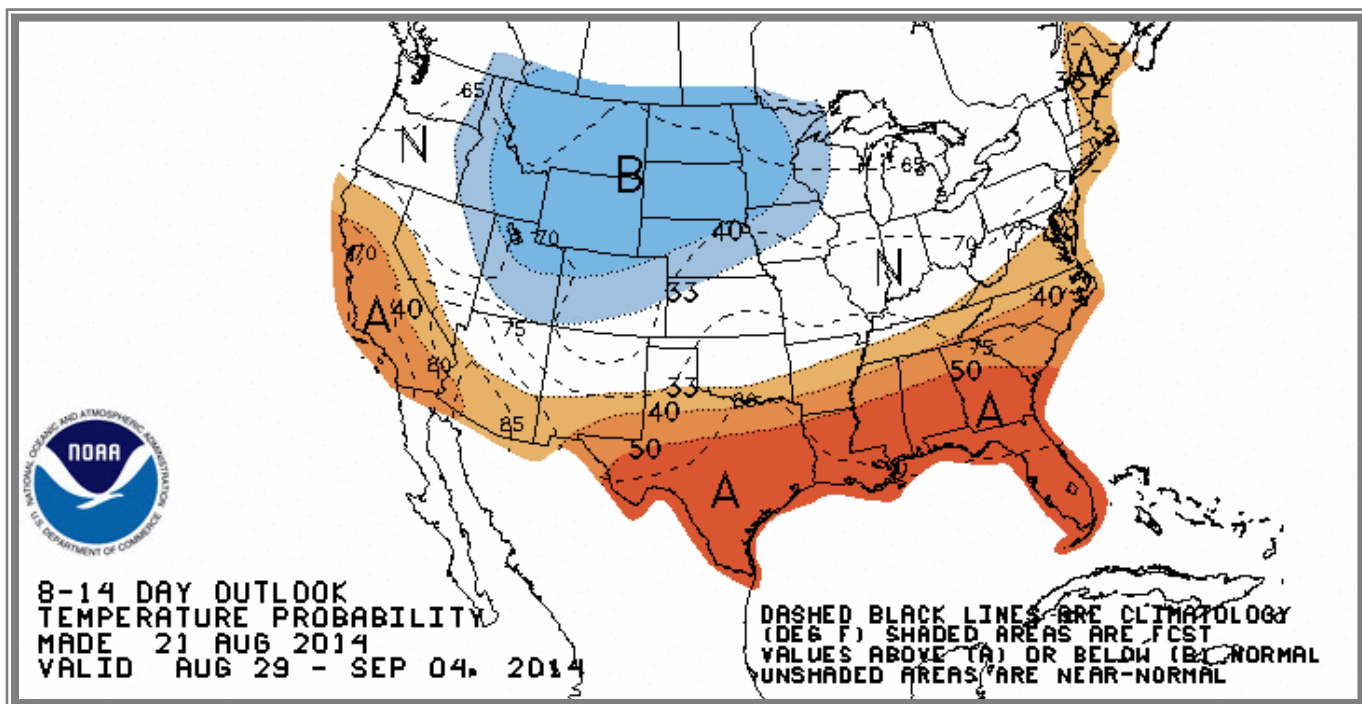
U.S. Residual Fuel Oil Price Spreads and Supply Balance



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

