



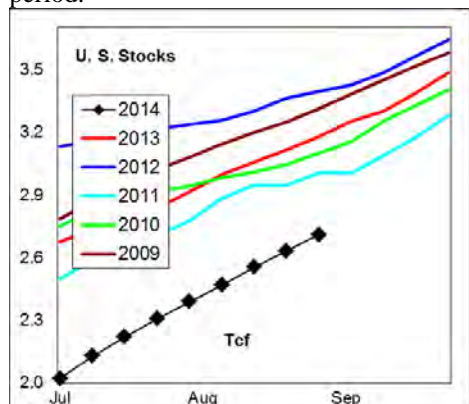
# WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

## A Fundamental Petroleum Trends Weekly Report

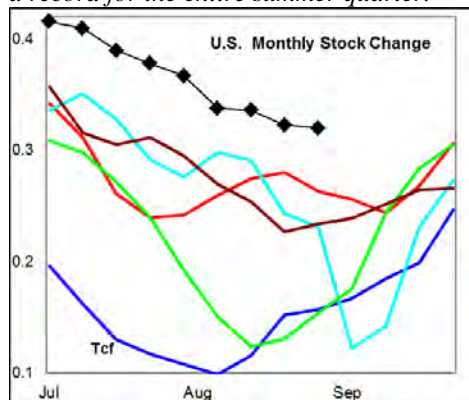
Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Monday, September 08, 2014



**Summary**<sup>1</sup> The stock build of +79 Bcf last week was a record build for the period.



The latest 4-wk stock change was a build of +320 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 +59 Bcf for the week, a record build for the period. Stocks increased +10 Bcf in the West Region, also a record build for the week. Stocks increased +10 Bcf on the week in the Producing region, a level above the 3-yr mid range.

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

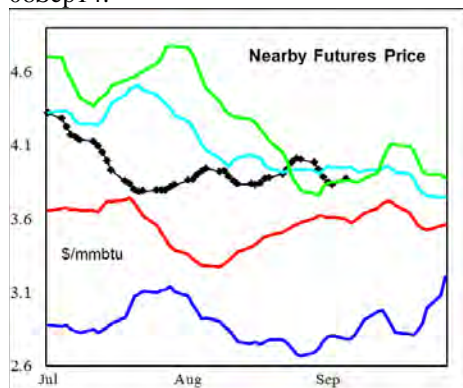
**Temperatures** were near normal across most of the country for the week ending 29Aug14.

The 6-10 day NWS forecast for the week ending 17Sep14 is for sharply below

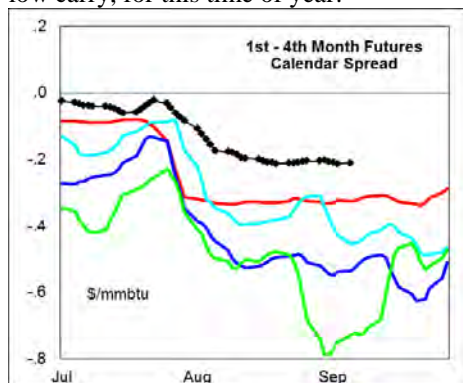
normal temperatures across the eastern 2/3rds of the country and much above normal in the west.

The 8-14 day NWS forecast for the week ending 21Sep14 is for below normal temperatures in the eastern 1/2 of the country and above normal in the West.

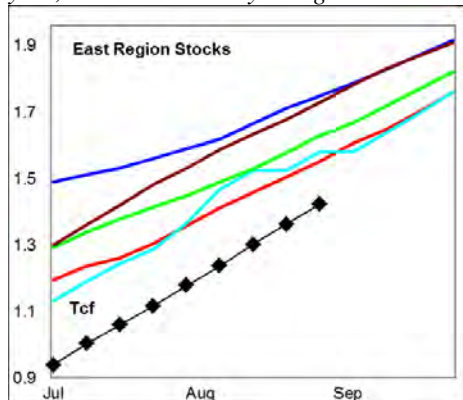
**Prices:** Nearby gas futures declined - \$0.19/mmbtu for the week ending 08Sep14.



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

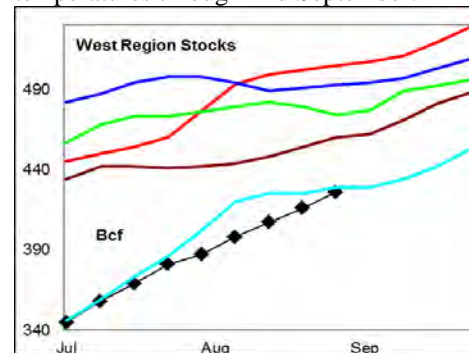


**East Region** stocks increased +59 Bcf for the week, a record build for the period. *The current stock level is -8% below last year, and below the 5-yr range.*



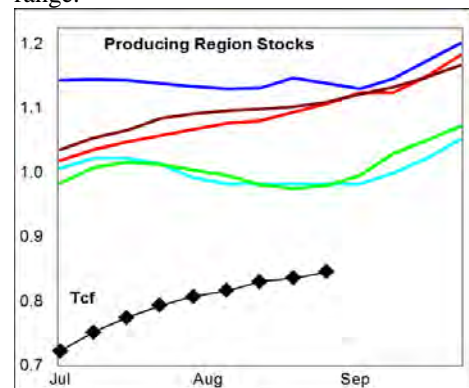
Temperatures were near normal for the week just ended, with below normal temperatures this week, followed by a forecast of sharply below normal

temperatures through mid September.



**West Region** stocks increased +910 Bcf last week, a record build for the week. Stock levels ended the week -16% below last year, and below the 5-yr range. Temperatures are forecast to be much above normal through mid September in region.

**Producing Region** stocks increased +10 Bcf for the week, a build above the 3-yr mid range. Stock levels ended the week -24% below last year, and below the 5-yr range.



Temperatures are forecast to be below normal through midSeptember 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 much below normal during the next 2-wks across nearly 2/3rds of the country, with above normal temperatures in the west.

Look for high production and below normal electric power demand to drive continued record rate of stock building. Stock levels are -15% 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.

<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: September 8, 2014

For the week ending: 29-Aug-14

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

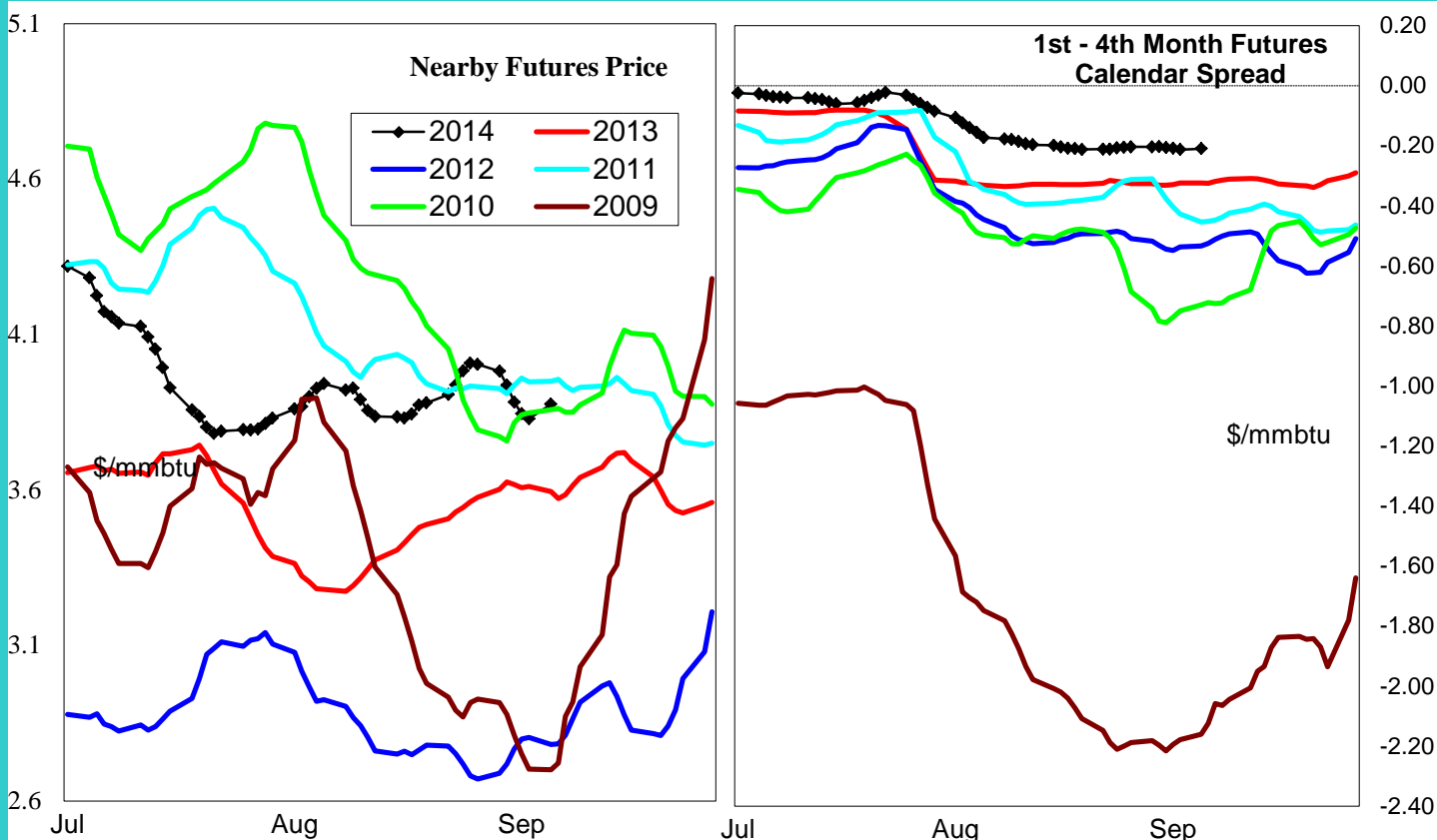
Week ending:	29-Aug-14			15-Jun-13		22-Jun-13		29-Jun-13	
Region	Weekly Stocks			Weekly Heating Degree Days					
		Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
	Bcf	Week Bcf	Year (%)						
U.S. Total	2,709	79	-14.8	-14	-45%	-2	-33%	-3	-77%
East	1,462	59	-8.2	-17	-39%	-2	-18%	-4	-74%
West	426	10	-15.6	-12	-58%	-2	-55%	-5	-78%
Producing	821	10	-24.2	-4	-100%	0	-100%	0	-100%

### Seasonal Trends in Stocks and Heating Degree Days

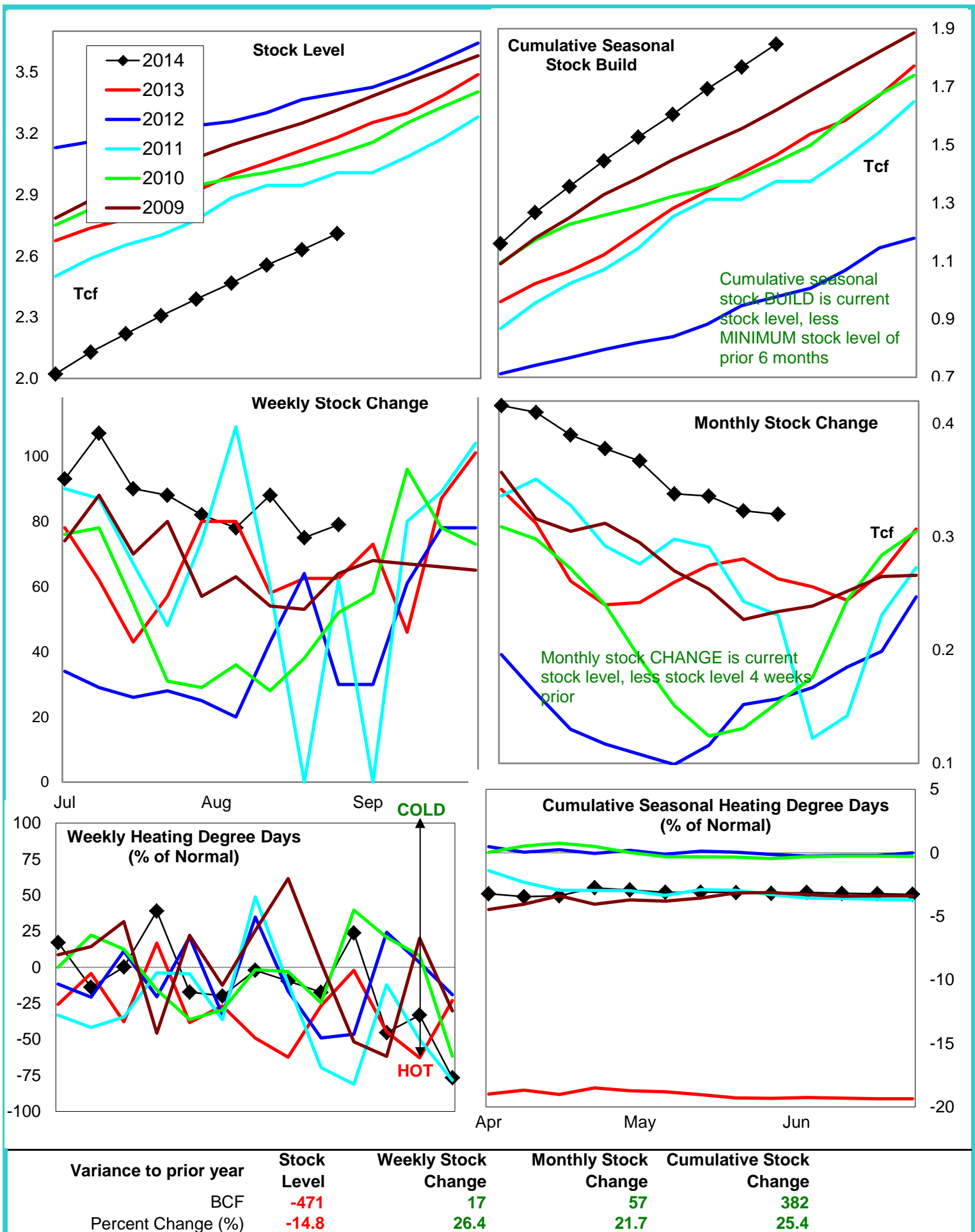
	Cumulative Stock Change			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
<b>U.S. Total</b>	<b>1,887</b>	<b>382</b>	<b>20.2</b>	<b>6</b>	<b>-3.2</b>	<b>4</b>	<b>-3.2</b>	<b>1</b>	<b>-3.3</b>
<b>East</b>	<b>1,157</b>	<b>213</b>	<b>18.4</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>266</b>	<b>92</b>	<b>34.6</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>469</b>	<b>77</b>	<b>16.4</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

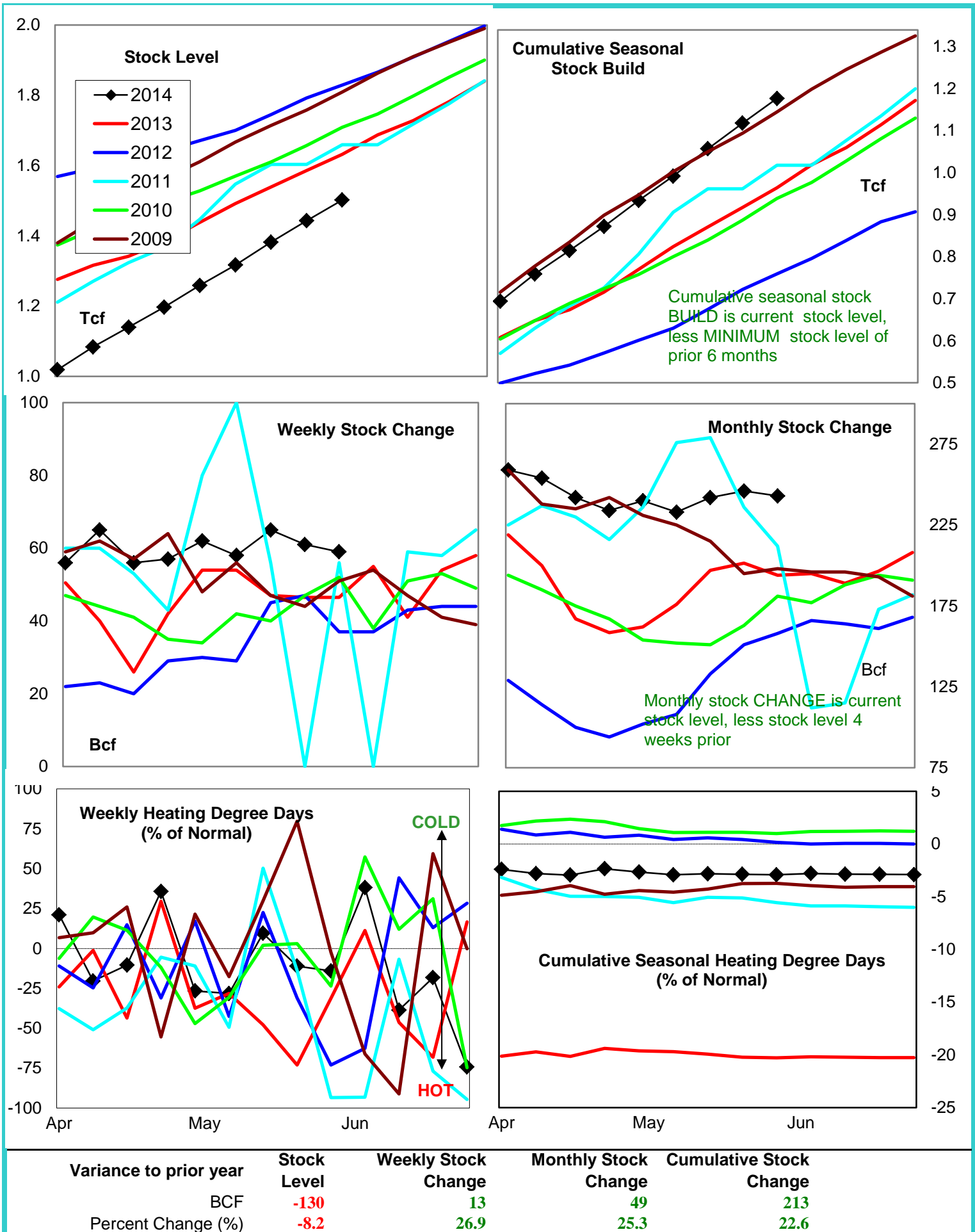
Date:	8-Sep-14	Change vs prior week, month, year		
		2-Sep-14	12-Aug-14	17-Sep-13
<b>1st month Futures</b>	<b>3.88</b>	<b>-0.01</b>	<b>-0.10</b>	<b>0.19</b>
<b>% change</b>	<b>xxxxx</b>	<b>-0.4</b>	<b>-2.5</b>	<b>5.1</b>



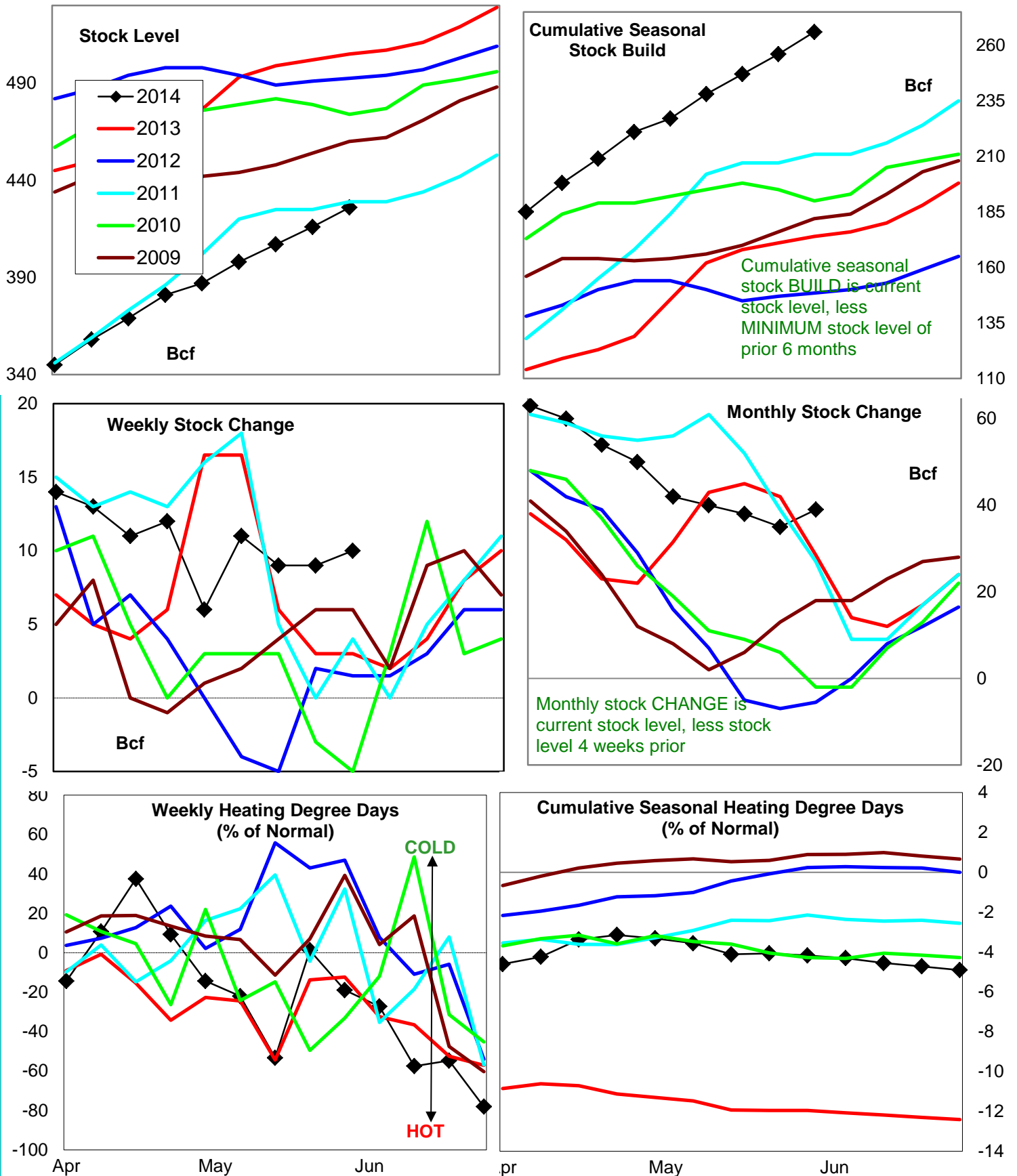
# United States Natural Gas Stock and Weather Trends



# 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

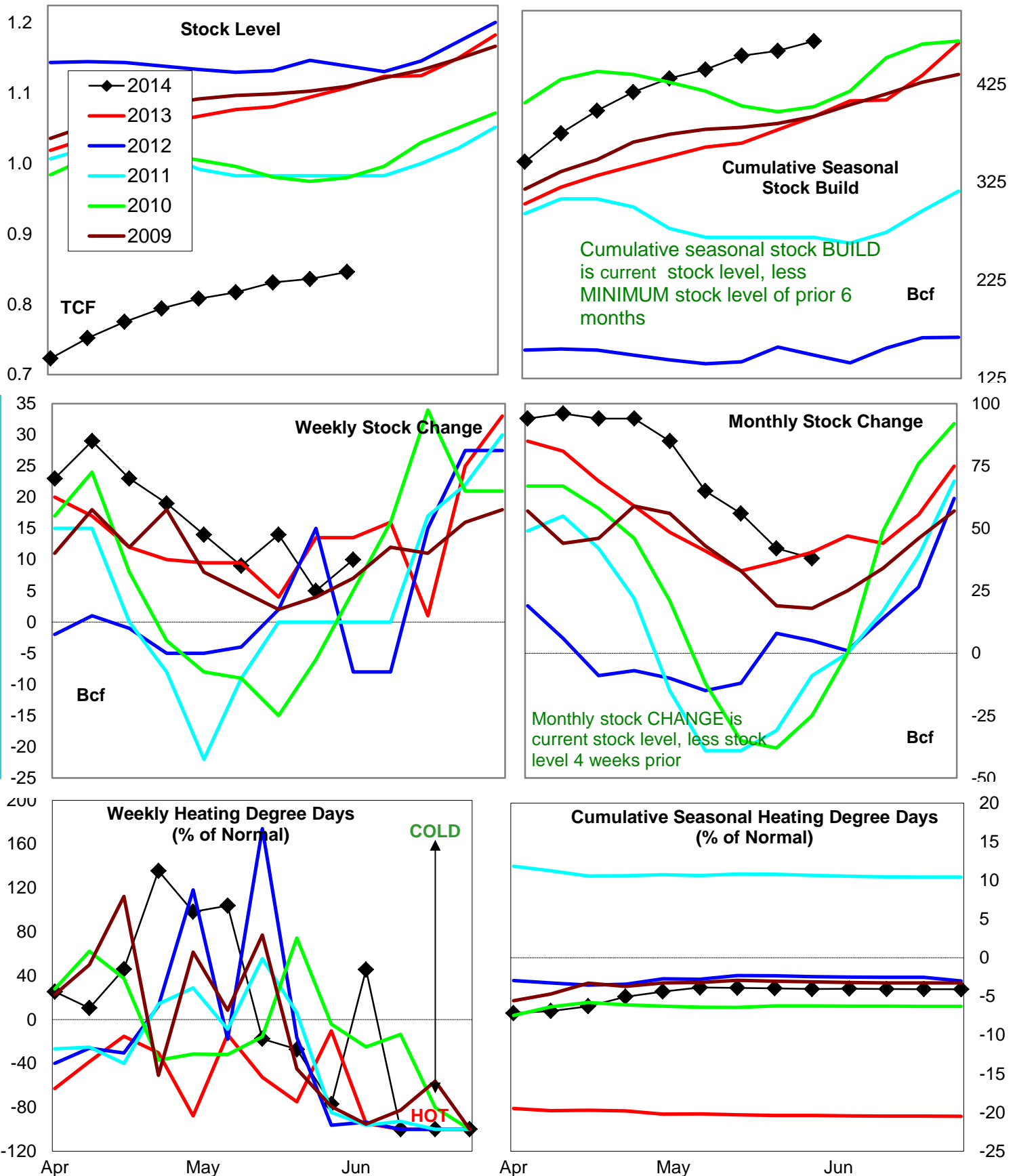
Monthly Stock Change

Cumulative Stock Change

BCF  
Percent Change (%)-79  
-15.67  
233.311  
36.892  
52.9



# Natural Gas Producing Region Stock and Weather Trends



Variance to prior year

Stock Level

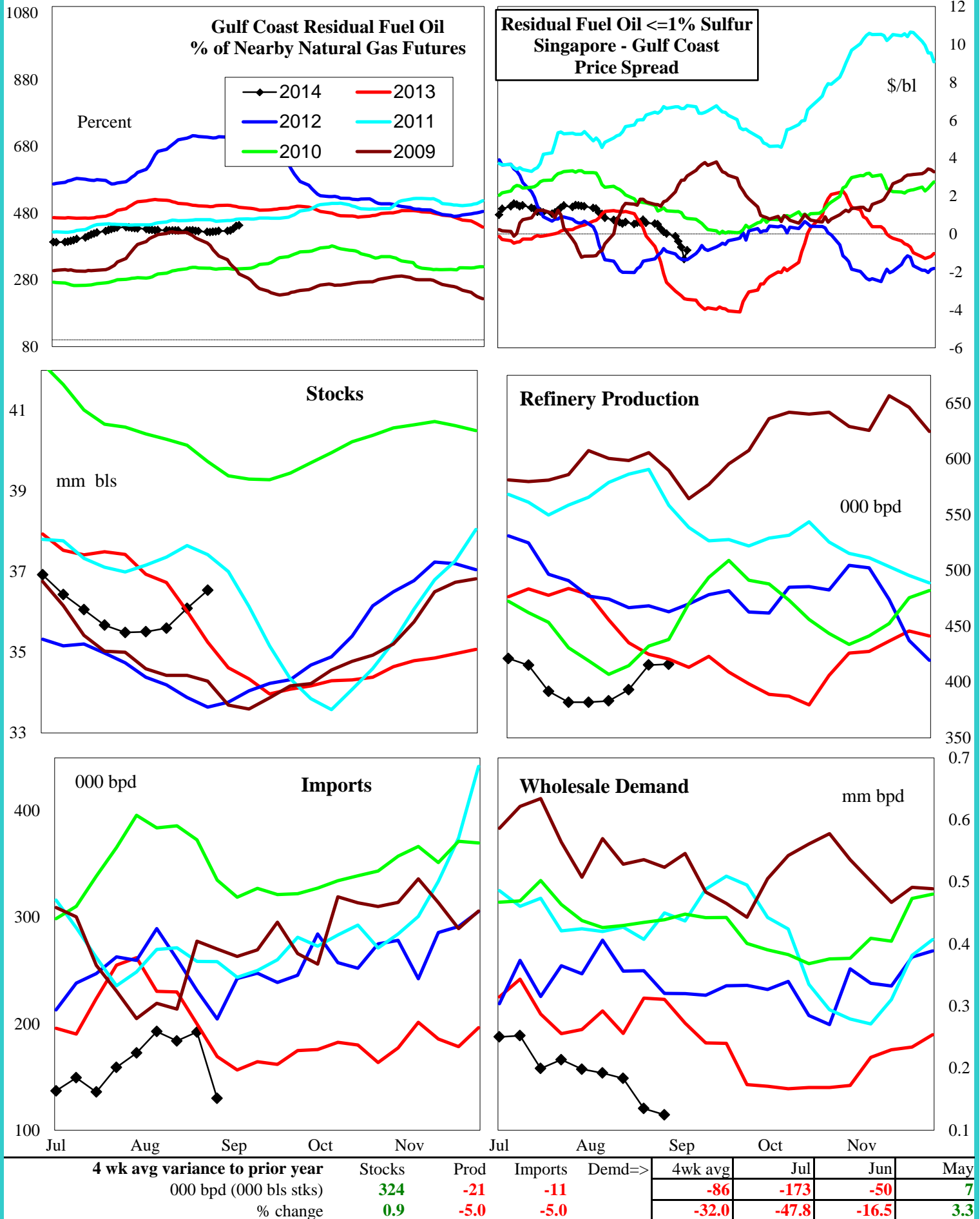
Weekly Stock Change

Monthly Stock Change

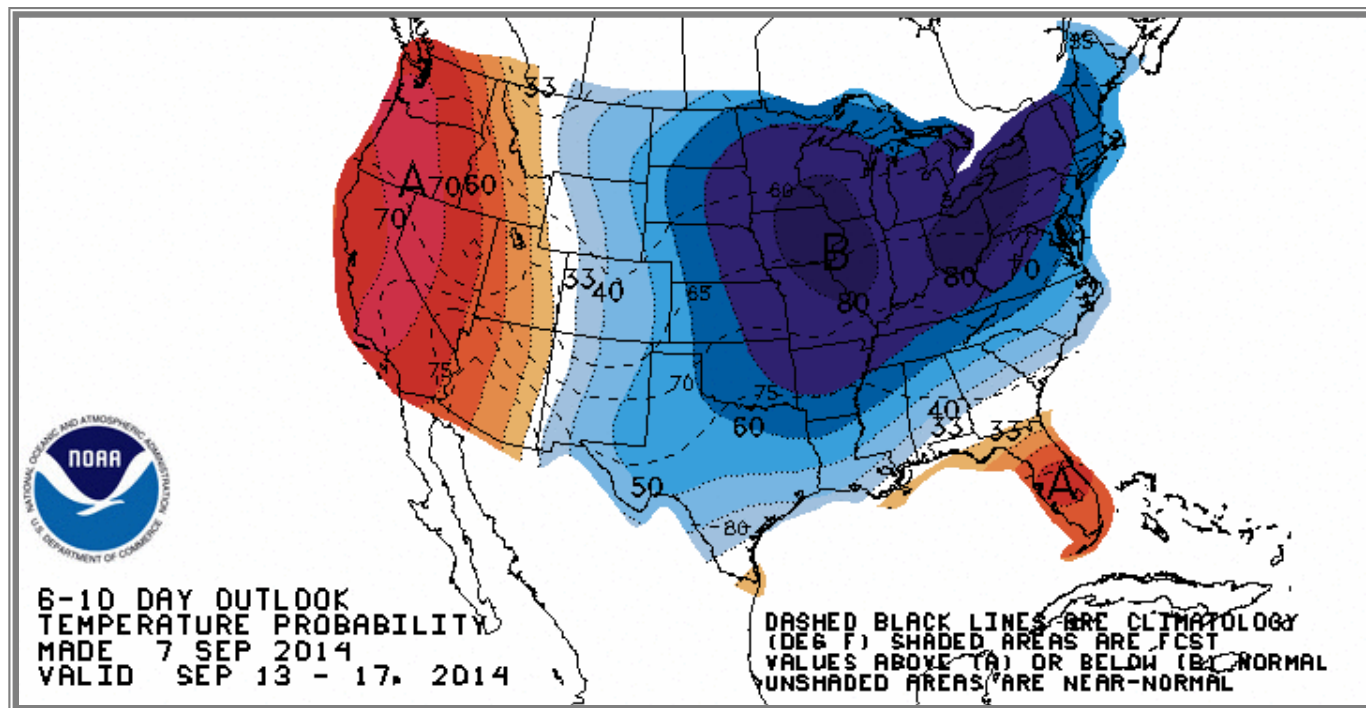
Cumulative Stock Change

BCF  
Percent Change (%)-262  
-24.2-4  
-25.9-3  
-6.277  
19.6

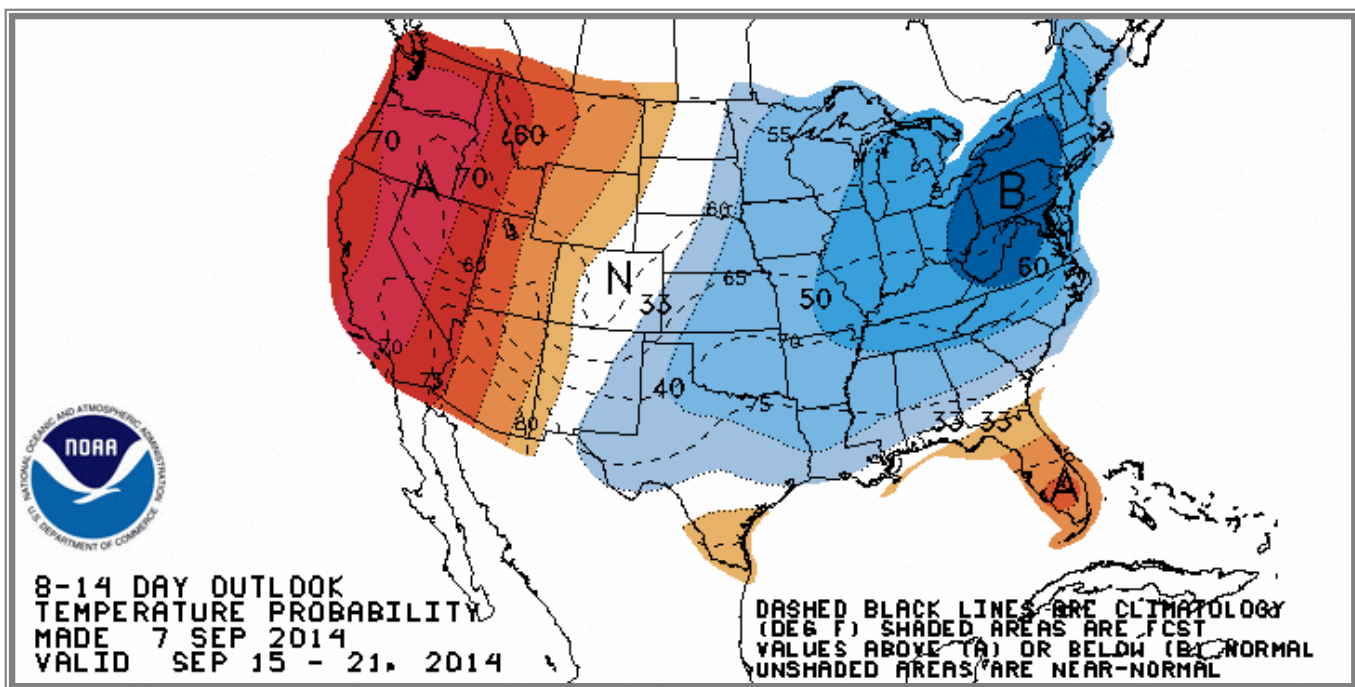
## U.S. Residual Fuel Oil Price Spreads and Supply Balance



## 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

