

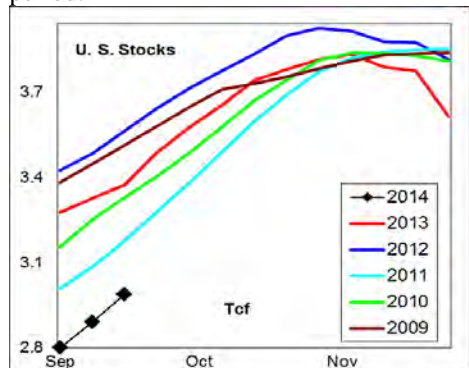
WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

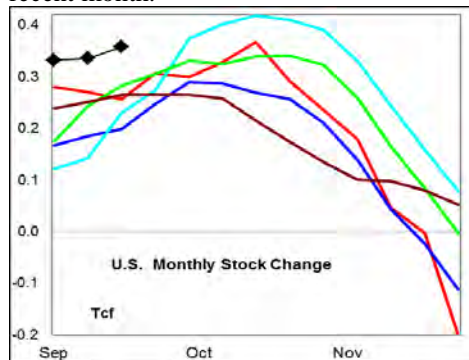
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Tuesday, September 30, 2014



Summary ¹ The stock build of +97 Bcf last week was a record build for the period.



The latest 4-wk stock change was a build of +358 Bcf, a record rate of build for the month. The rate of stock build has exceeded a year ago by +40% for the most recent month.



In the East Region stocks increased +66 Bcf for the week, a record build for the period. Stocks were unchanged in the West Region for the week on much above normal temperatures. Stocks increased +31 Bcf on the week in the Producing region, also a record for the period.

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

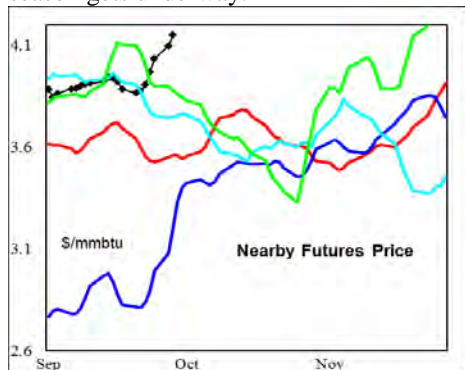
Temperatures were above normal across most of the country for the week ending 26Sep14.

The 6-10 day NWS forecast for the week ending 09Oct14 is for near normal temperatures in the eastern ½ of the c country and much above normal in the

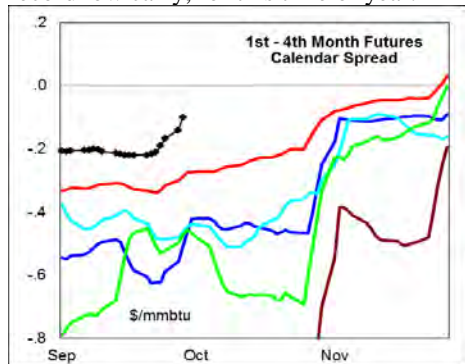
West.

The 8-14 day NWS forecast for the week ending 13Oct14 is for below normal temperatures in north central states and above normal in all coastal regions.

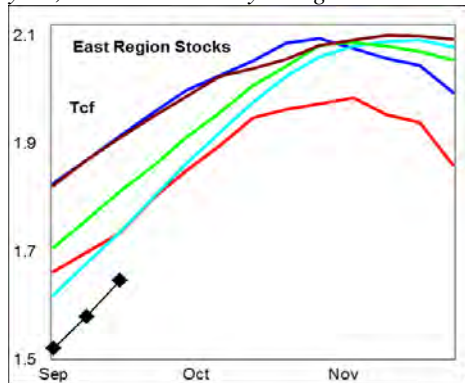
Prices: Nearby gas futures increased +\$0.33/mmbtu for the week ending 30Sep14. Prices climbed above the 3-month trading range as the fall heating season gets underway.



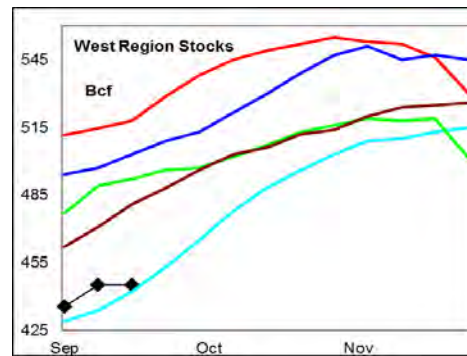
The 1st – 4th month forward price curve trended higher last week, ending in a record low carry, for this time of year.



East Region stocks increased +66 Bcf for the week, a record build for the period. *The current stock level is -5% below last year, and below the 5-yr range.*

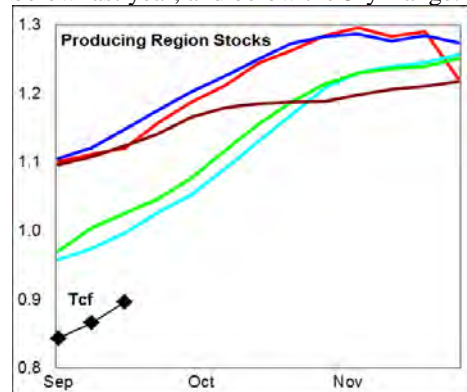


Temperatures were above normal for the week just ended, with above normal temperatures this week, followed by a forecast of above normal temperatures through mid October.



West Region stocks were unchanged last week, on warmer than normal temperatures. Stock levels ended the week -14% below last year, while matching historic lows for the period. Temperatures are forecast to be much above normal through mid October in region.

Producing Region stocks increased +31 Bcf for the week, a record build for the period. Stock levels ended the week -20% below last year, and below the 5-yr range.



Temperatures are forecast to be above normal through mid October 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 during the next 2-wks across much of the country – delaying start of the heating season.

Stocks have been building at a rate +40% above last year and above the historic range. A build rate of 100 Bcf for the next 7-wks would lift stock levels to near lows of the 5-yr range. The recent uptrend in prices risk a pull back on continued record rate of stock builds during the next 60-days.

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: September 30, 2014

For the week ending: 19-Sep-14

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

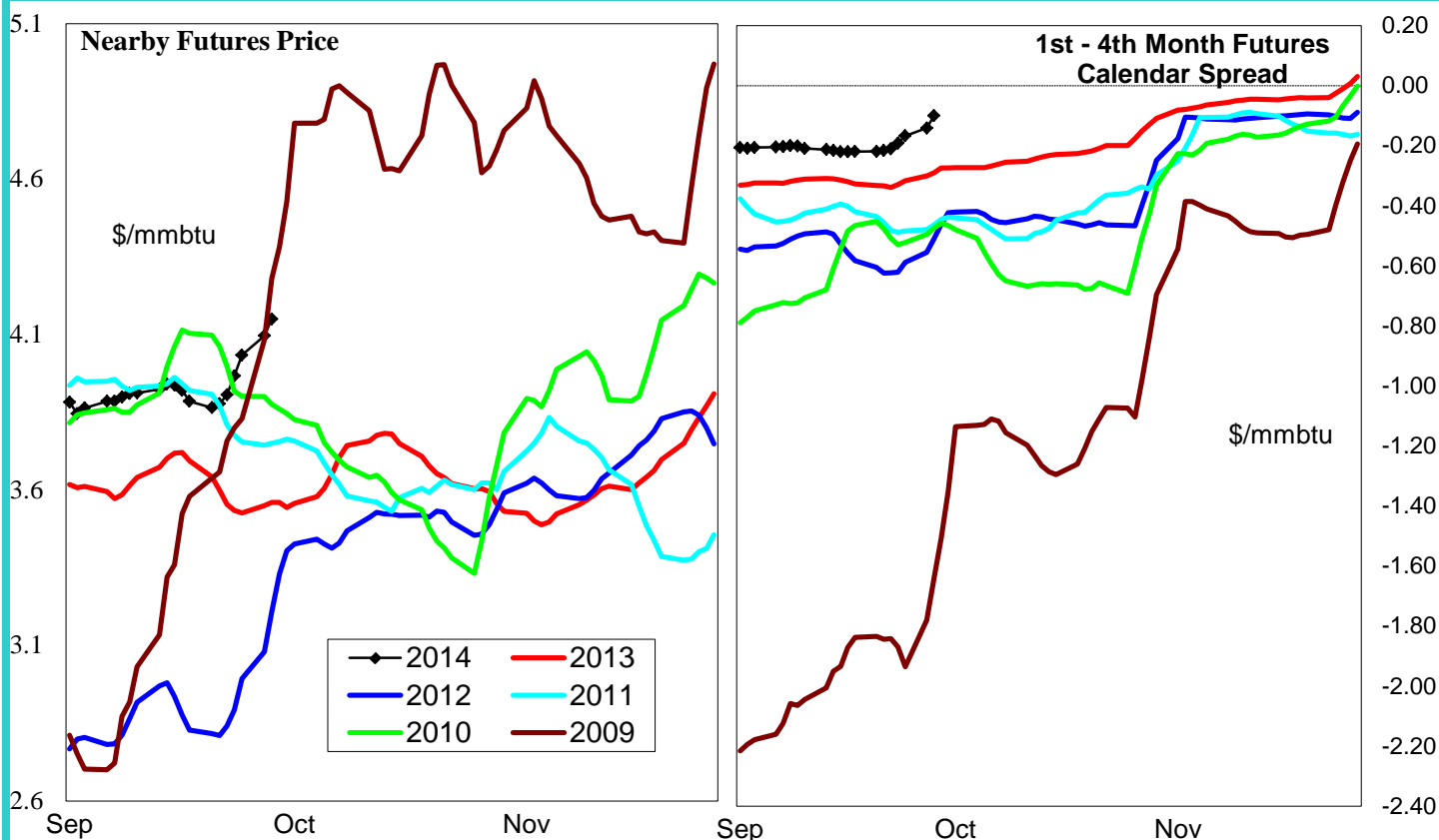
Week ending:	19-Sep-14			15-Jun-13		22-Jun-13		29-Jun-13	
Region	Weekly Stocks			Weekly Heating Degree Days					
		Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
	Bcf	Week Bcf	Year (%)						
U.S. Total	2,988	97	-11.4	-14	-45%	-2	-33%	-3	-77%
East	1,646	66	-5.1	-17	-39%	-2	-18%	-4	-74%
West	445	0	-14.1	-12	-58%	-2	-55%	-5	-78%
Producing	897	31	-20.0	-4	-100%	0	-100%	0	-100%

Seasonal Trends in Stocks and Heating Degree Days

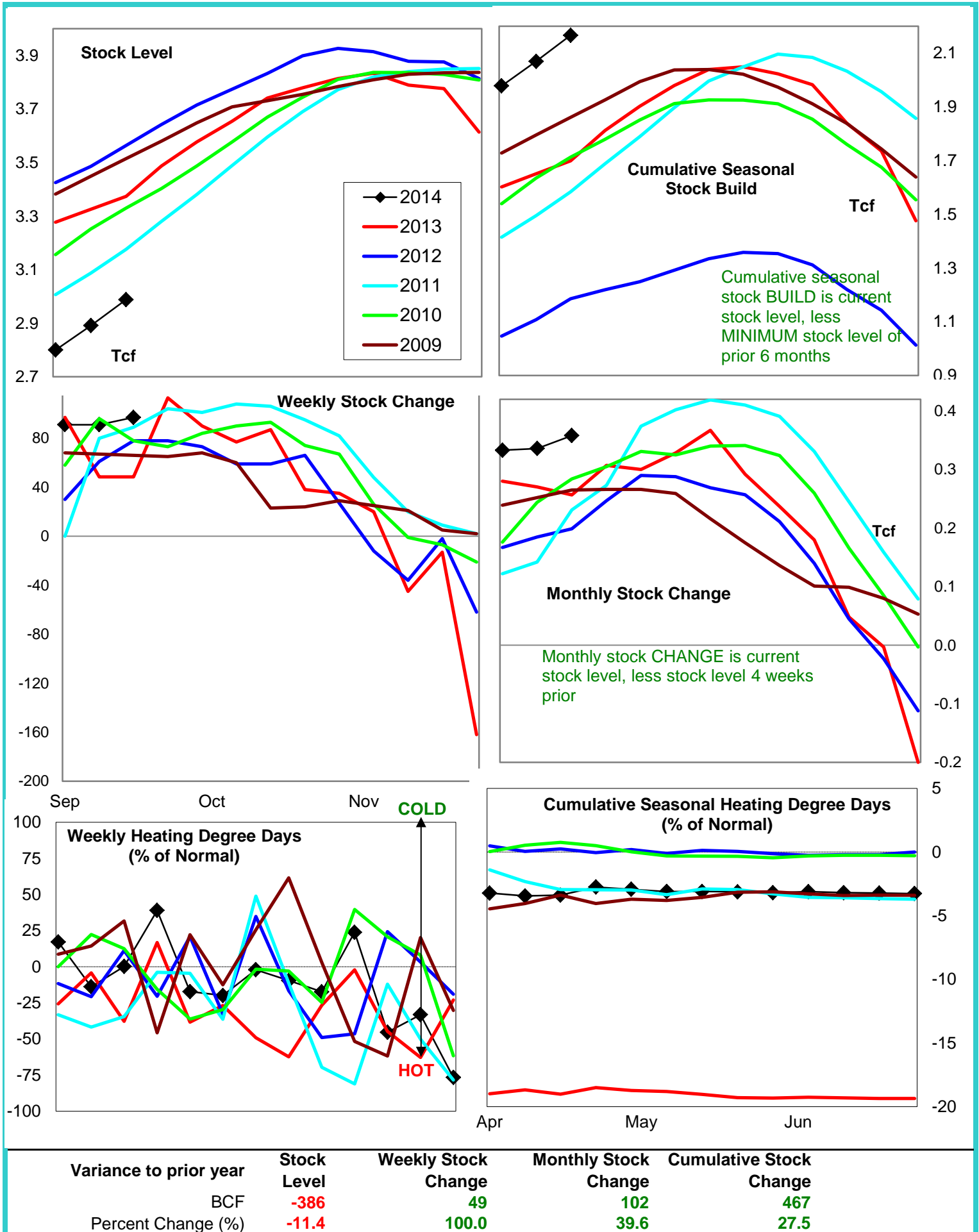
	Cumulative Stock Change			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
U.S. Total	2,166	467	21.6	6	-3.2	4	-3.2	1	-3.3
East	1,341	255	19.0	6	-2.9	4	-2.9	1	-2.9
West	285	98	34.4	10	-4.6	8	-4.7	3	-4.9
Producing	545	115	21.1	0	-4.0	0	-4.1	0	-4.1

Futures Market Price Trends

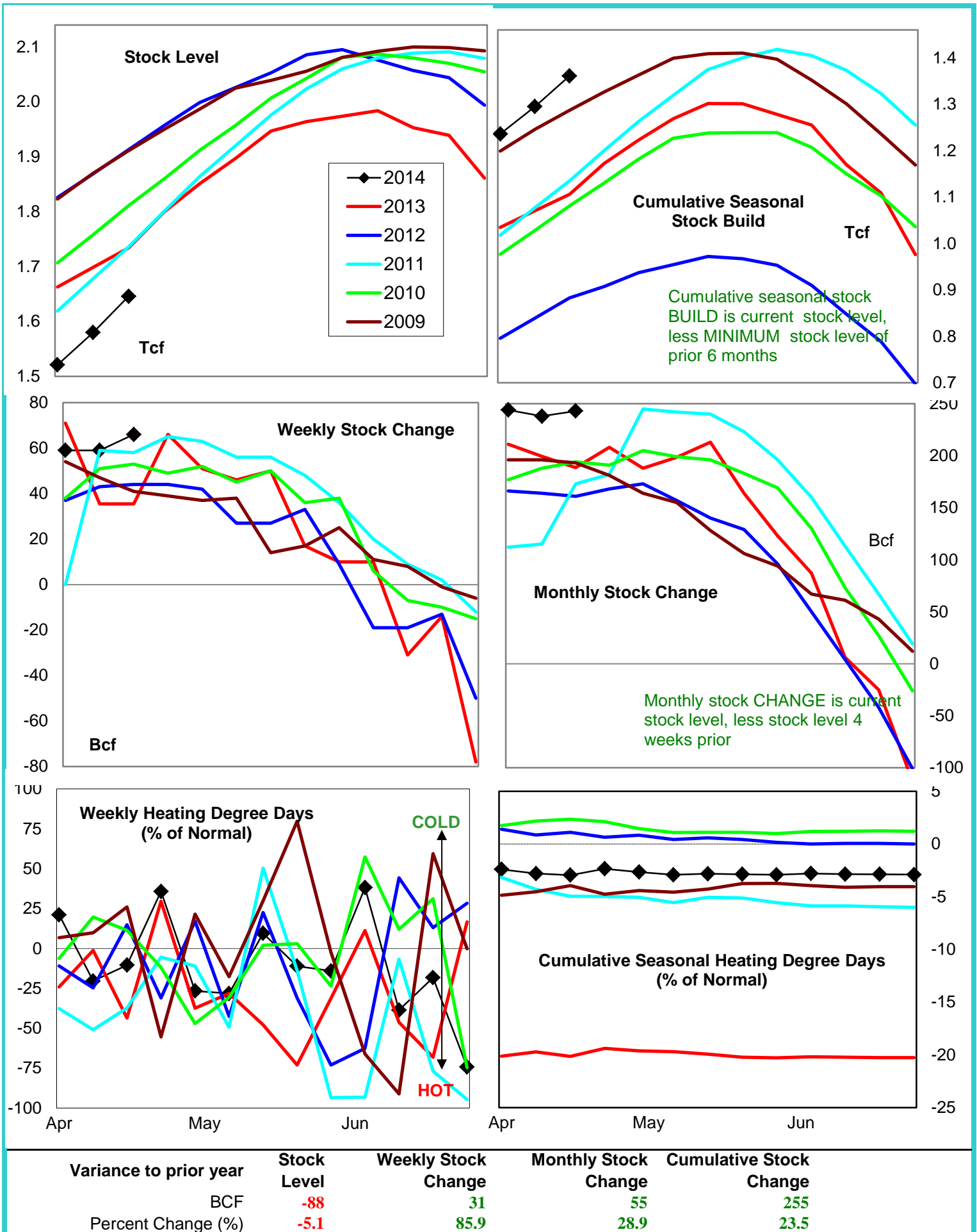
Date:	8-Sep-14	Change vs prior week, month, year		
		2-Sep-14	12-Aug-14	17-Sep-13
1st month Futures	4.15	0.24	0.30	0.33
% change	xxxxx	6.1	7.9	8.6



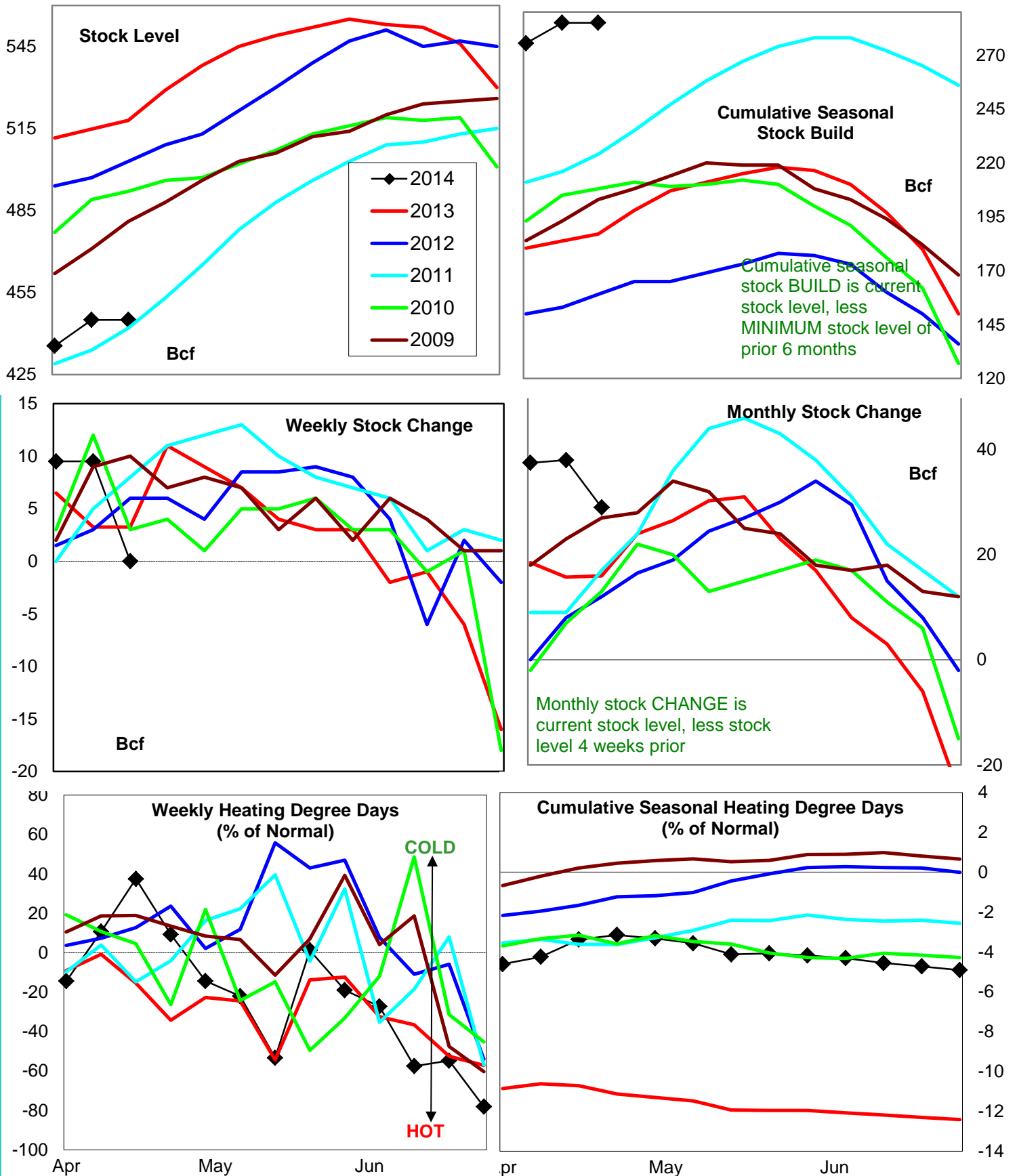
United States Natural Gas Stock and Weather Trends



Natural Gas East Region Stock and Weather Trends



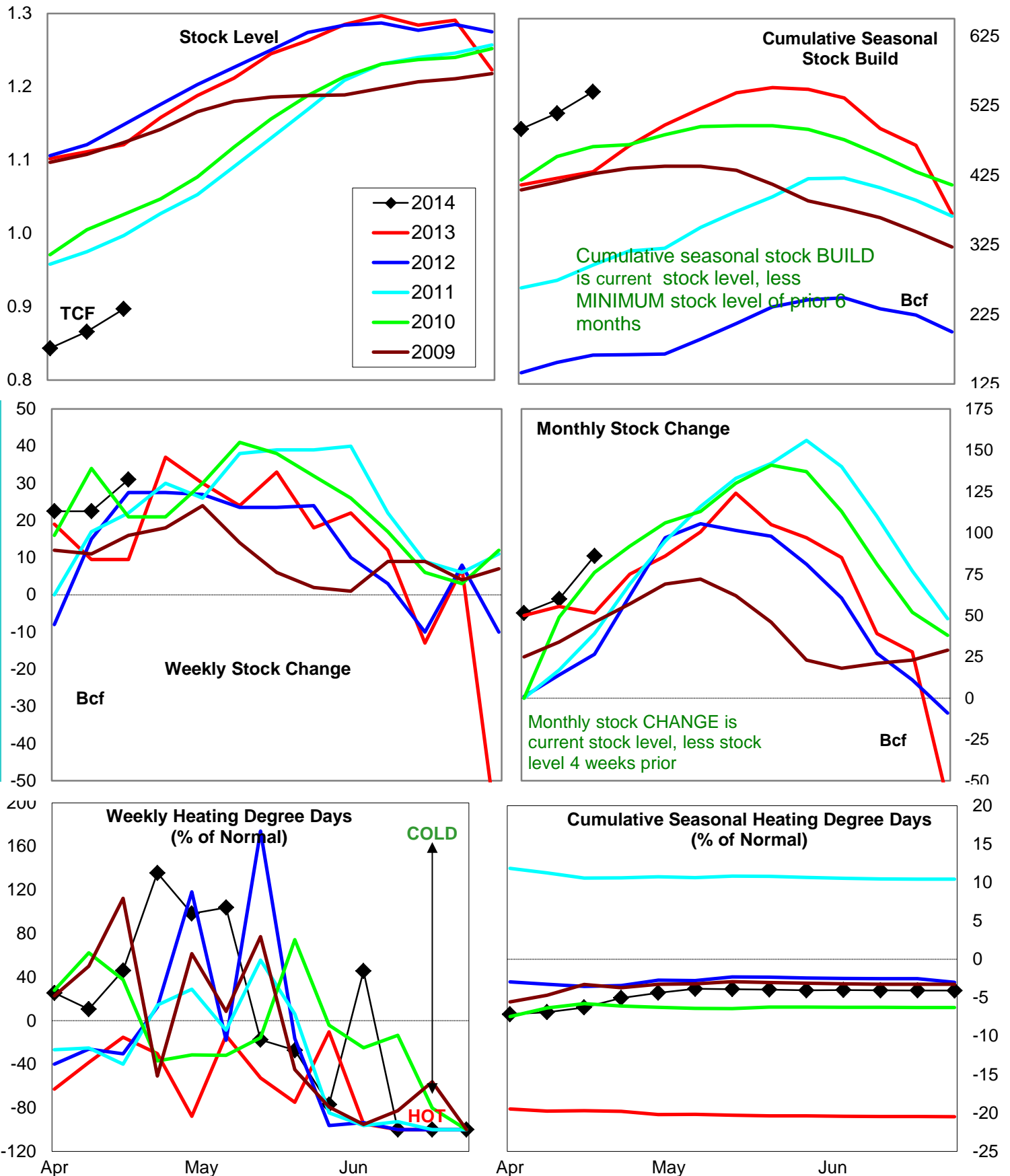
Natural Gas West Region Stock and Weather Trends



Variance to prior year

Stock
LevelWeekly Stock
ChangeMonthly Stock
ChangeCumulative Stock
ChangeBCF
Percent Change (%)-73
-14.1-3
-100.013
81.398
52.4

Natural Gas Producing Region Stock and Weather Trends



Variance to prior year

Stock Level

Weekly Stock Change

Monthly Stock Change

Cumulative Stock Change

BCF

-224

22

35

115

Percent Change (%)

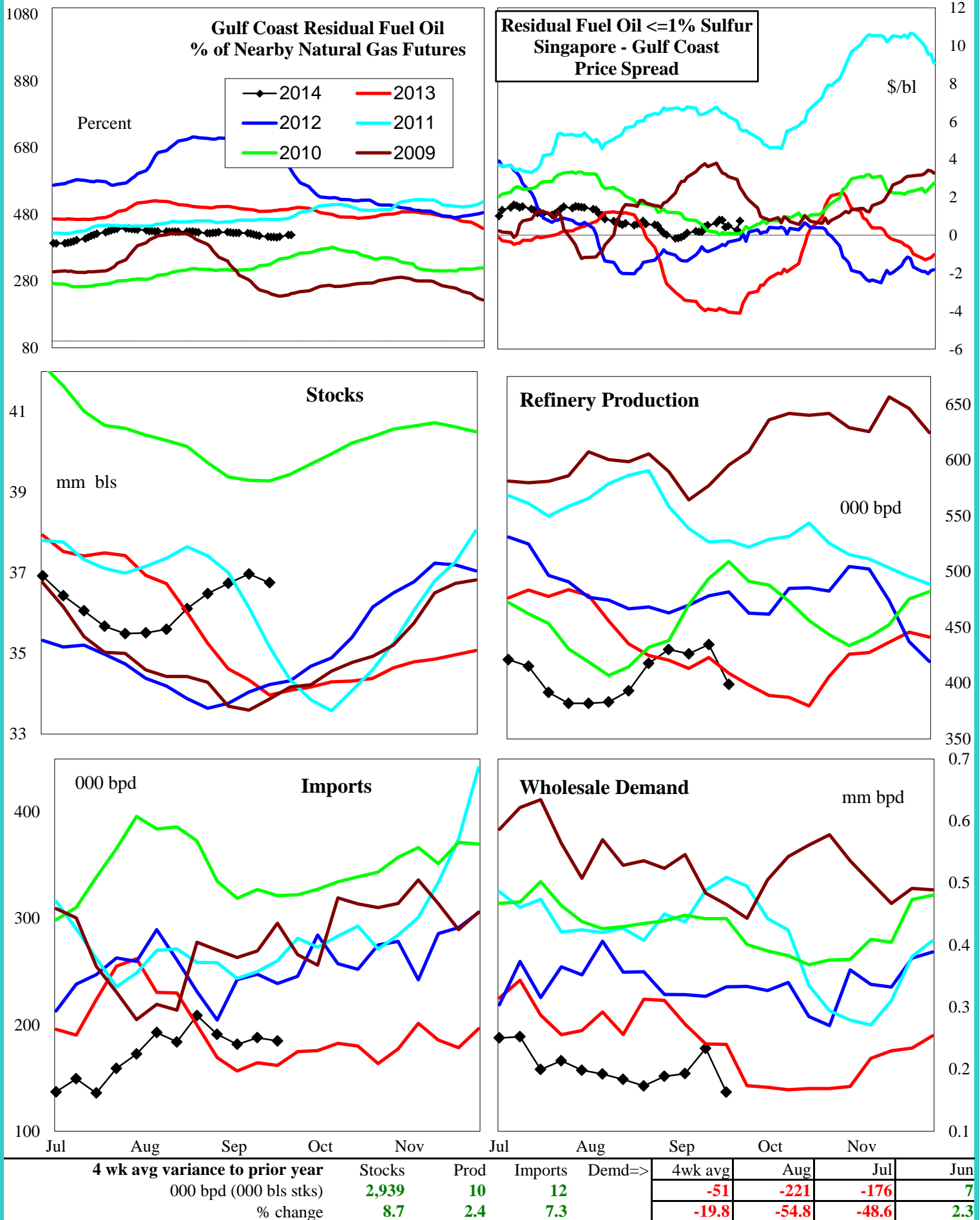
-20.0

226.3

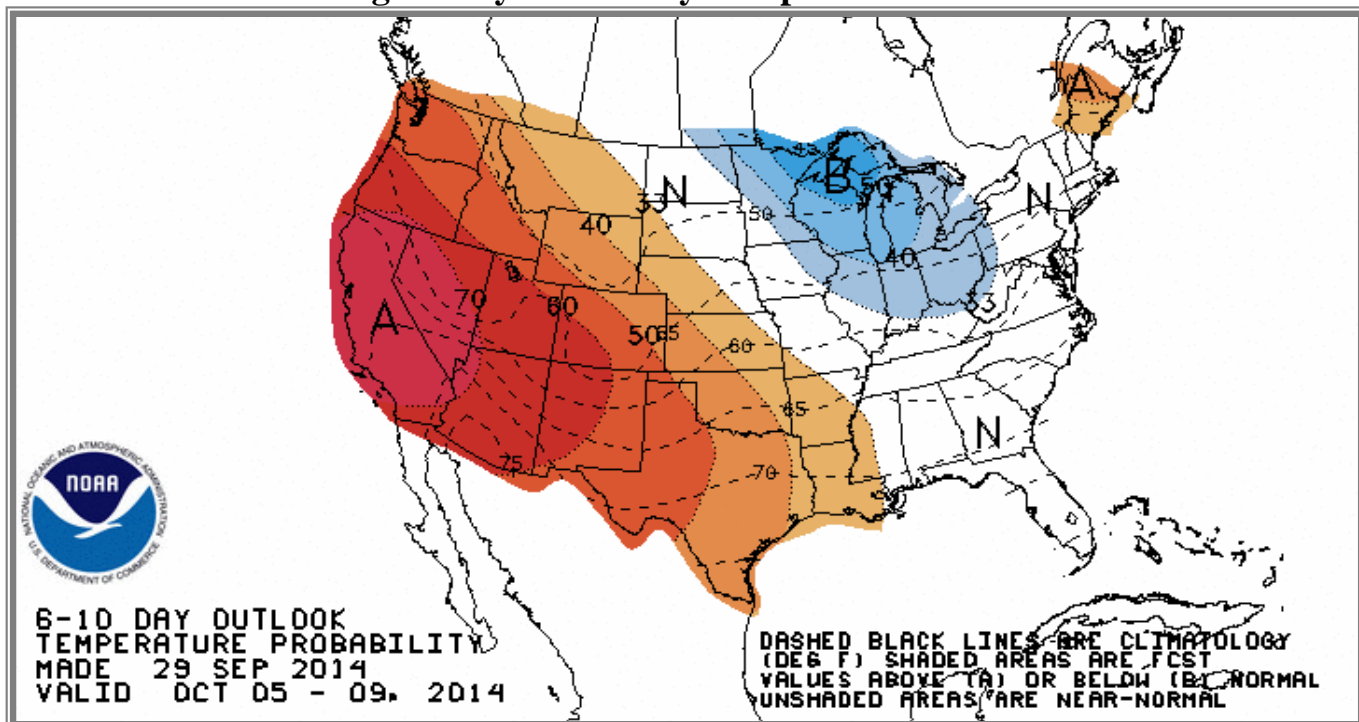
67.0

26.7

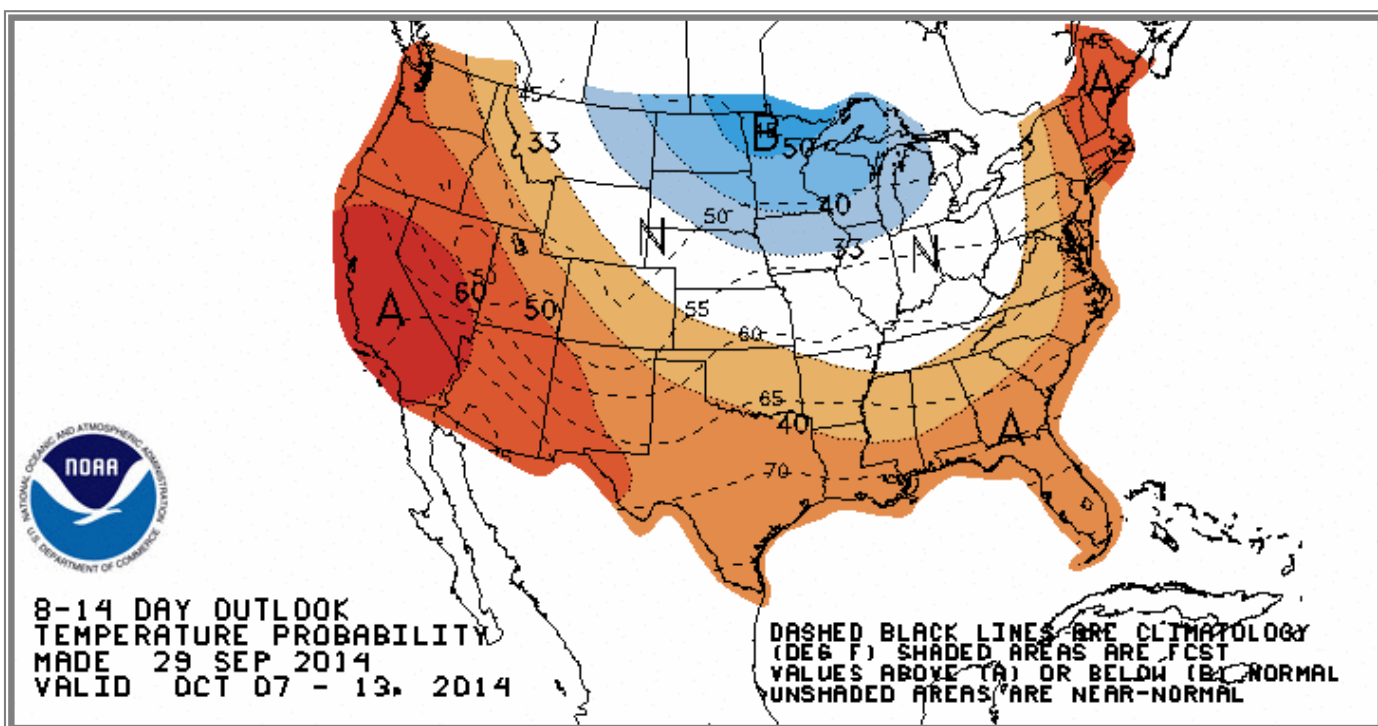
U.S. Residual Fuel Oil Price Spreads and Supply Balance



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

