

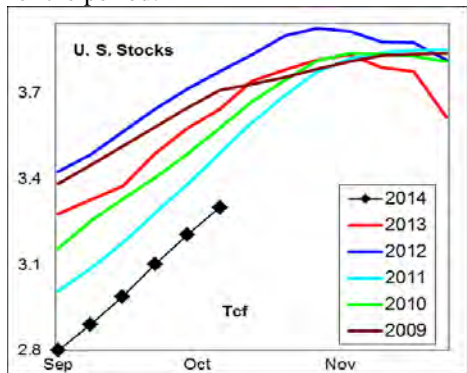
WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

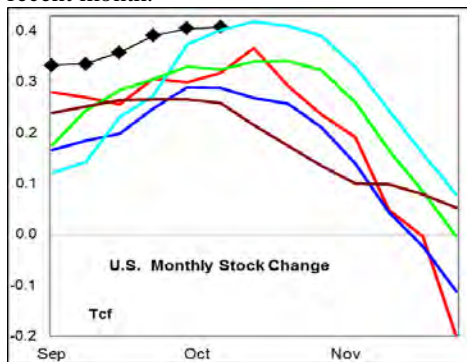
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Friday, October 17, 2014



Summary¹ The stock build of +94 Bcf last week was above the 3-yr mid range for the period.



The latest 4-wk stock change was a build of +402 Bcf, matched the 5-yr record build for the period. The rate of stock build has exceeded a year ago by +28% for the most recent month.



In the East Region stocks increased +49 Bcf for the week, a level greater than the 3-yr mid range. Stocks increased +10 Bcf last week in the West Region, a level greater than four of the last 5-yrs. Stocks increased +35 Bcf on the week in the Producing region, also near 5-yr highs for the week.

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

Temperatures were much above normal across most of the country for the week ending 10Oct14.

The 6-10 day NWS forecast for the week ending 26Oct14 is for much above normal temperatures in the western 2/3rds

¹ Related Web Sites:

[Data Source is EIA Weekly Statistics](#)

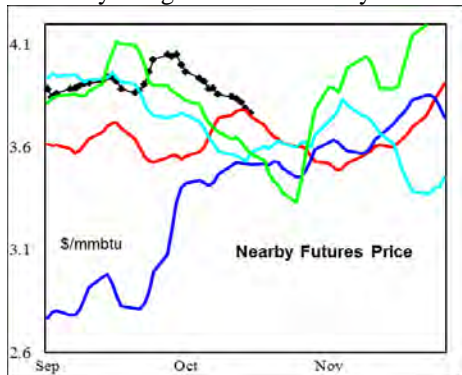
[National Weather Service 6-10 Day](#)

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

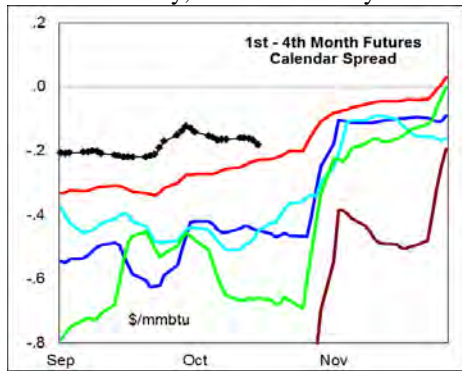
of the country and below normal in the east.

The 8-14 day NWS forecast for the week ending 30Oct14 is for above normal temperatures in western 3/4ths of the country and normal in the southeast.

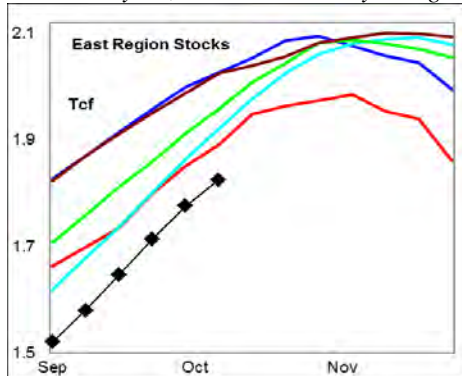
Prices: Nearby gas futures decreased -\$0.09/mmbtu for the week ending 17Oct14. Prices ended the week at a level comparable to a year ago, at the upper end of the 4-yr range for this time of year.



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

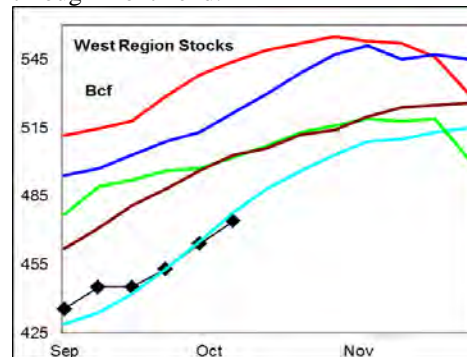


East Region stocks increased +49 Bcf for the week, a build greater than the 3-yr mid range. *The current stock level is -3.4% below last year, and below the 5-yr range.*



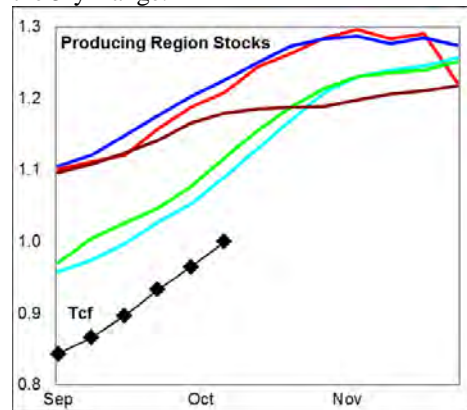
Temperatures were above normal for the week just ended, with near normal temperatures this week, followed by a forecast of near normal temperatures

through month end.



West Region stocks increased +10 Bcf last week, a build greater than four of the last 5-yrs. Stock levels ended the week -13% below last year, while matching historic lows for the period. Temperatures are forecast to be much above normal through the end of the month in the West.

Producing Region stocks increased +35 Bcf for the week, a build near historic highs for the period. Stock levels ended the week -17% below last year, and below the 5-yr range.



Temperatures are forecast to be 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 above normal during the next 2-wks in all major heating markets – delaying start of the heating season.

Stocks have been building at a rate +28% above last year for the most recent 4-wk period, and above the historic range. Stock levels should reach the low end of the historic range by start of the winter heating season. A bearish price outlook continues on mild temperatures and rapid stock builds.

NATURAL GAS: Graph Link and Weekly Summary



Report prepared as of: October 17, 2014

For the week ending: 10-Oct-14

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

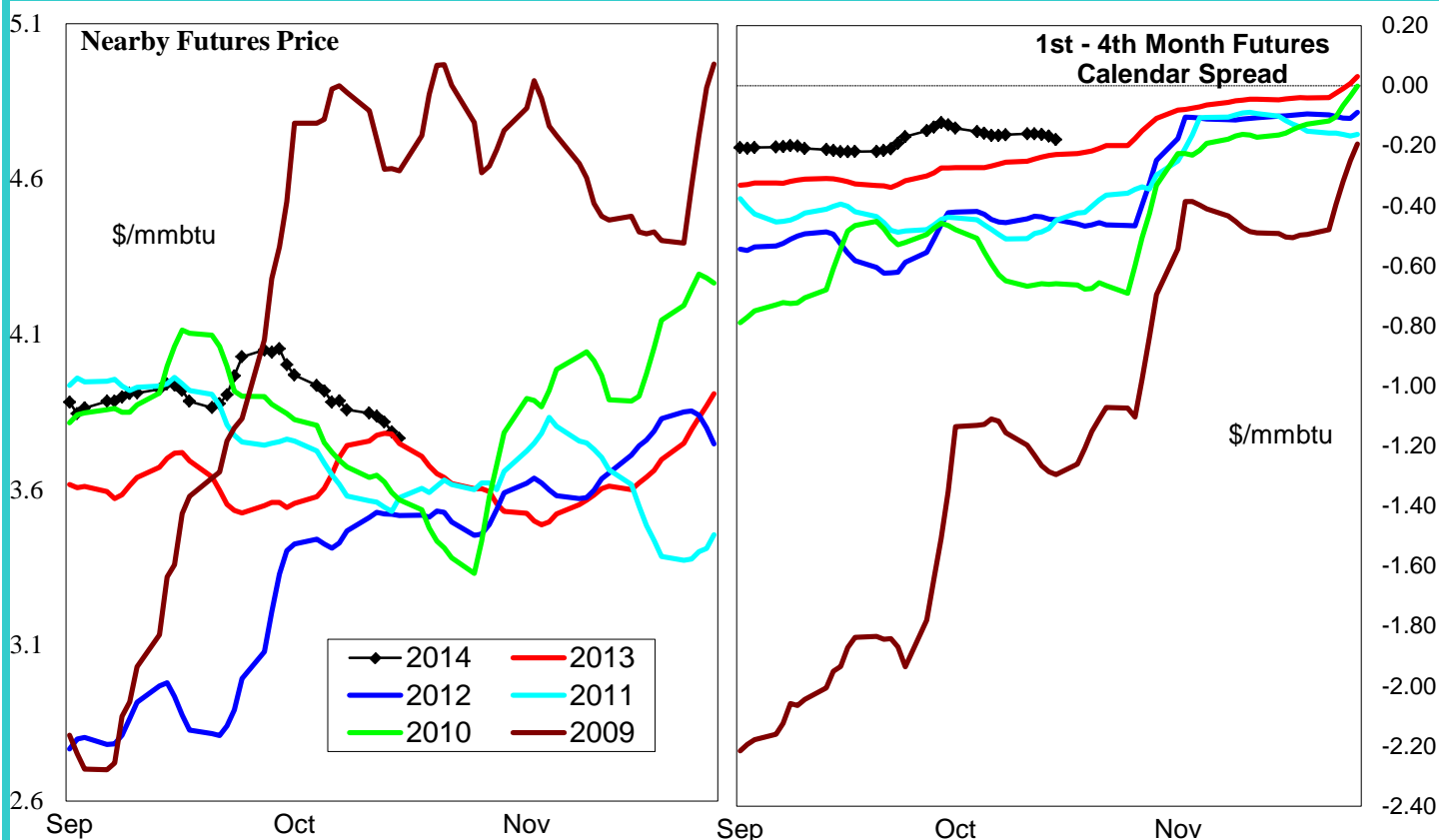
Week ending:	10-Oct-14			15-Jun-13		22-Jun-13		29-Jun-13	
Region	Weekly Stocks			Weekly Heating Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	3,299	94	-9.4	-14	-45%	-2	-33%	-3	-77%
East	1,825	49	-3.4	-17	-39%	-2	-18%	-4	-74%
West	474	10	-12.9	-12	-58%	-2	-55%	-5	-78%
Producing	1,000	35	-17.3	-4	-100%	0	-100%	0	-100%

Seasonal Trends in Stocks and Heating Degree Days

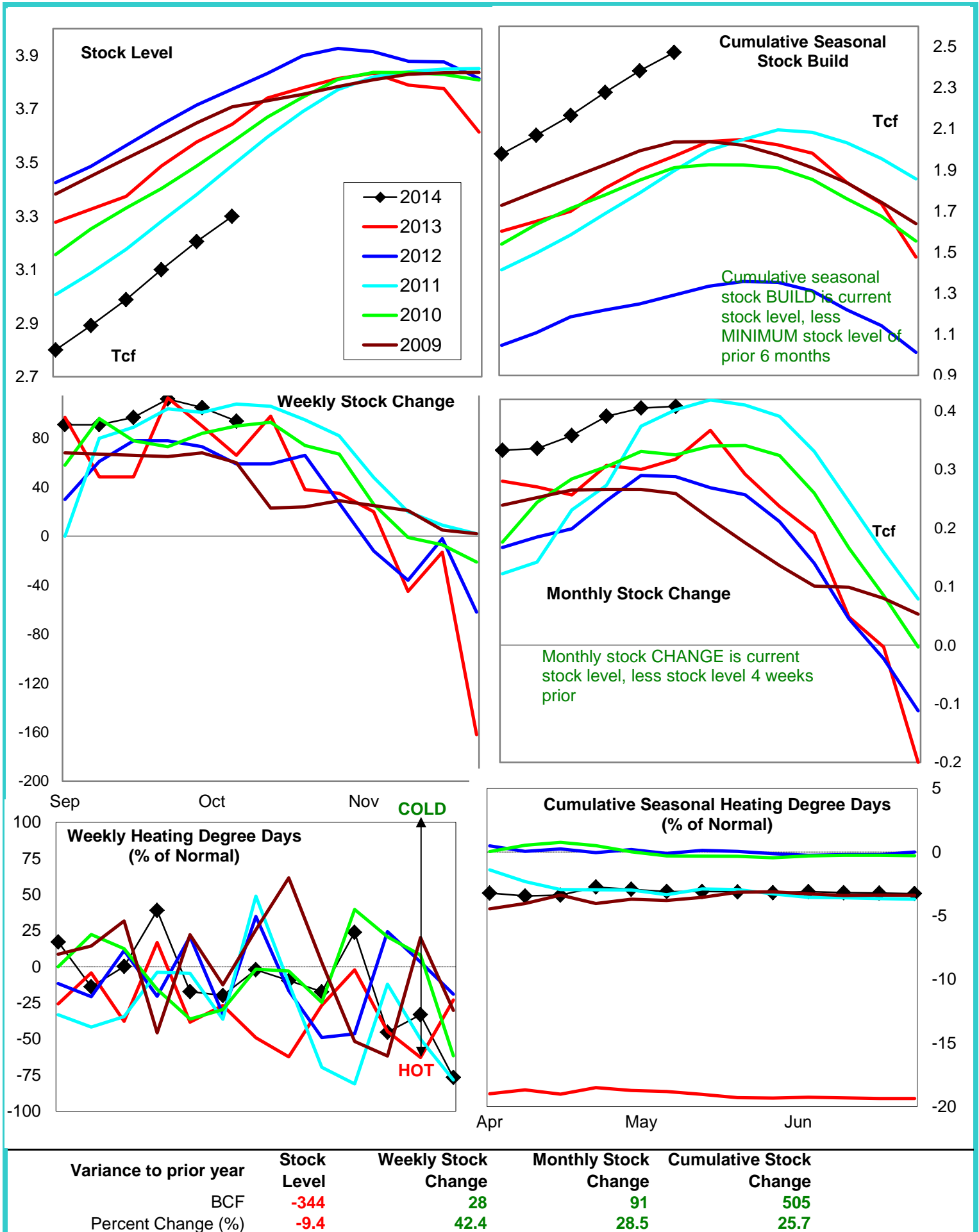
	Cumulative Stock Change			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
U.S. Total	2,473	505	20.4	6	-3.2	4	-3.2	1	-3.3
East	1,520	278	18.3	6	-2.9	4	-2.9	1	-2.9
West	314	104	33.1	10	-4.6	8	-4.7	3	-4.9
Producing	639	121	18.9	0	-4.0	0	-4.1	0	-4.1

Futures Market Price Trends

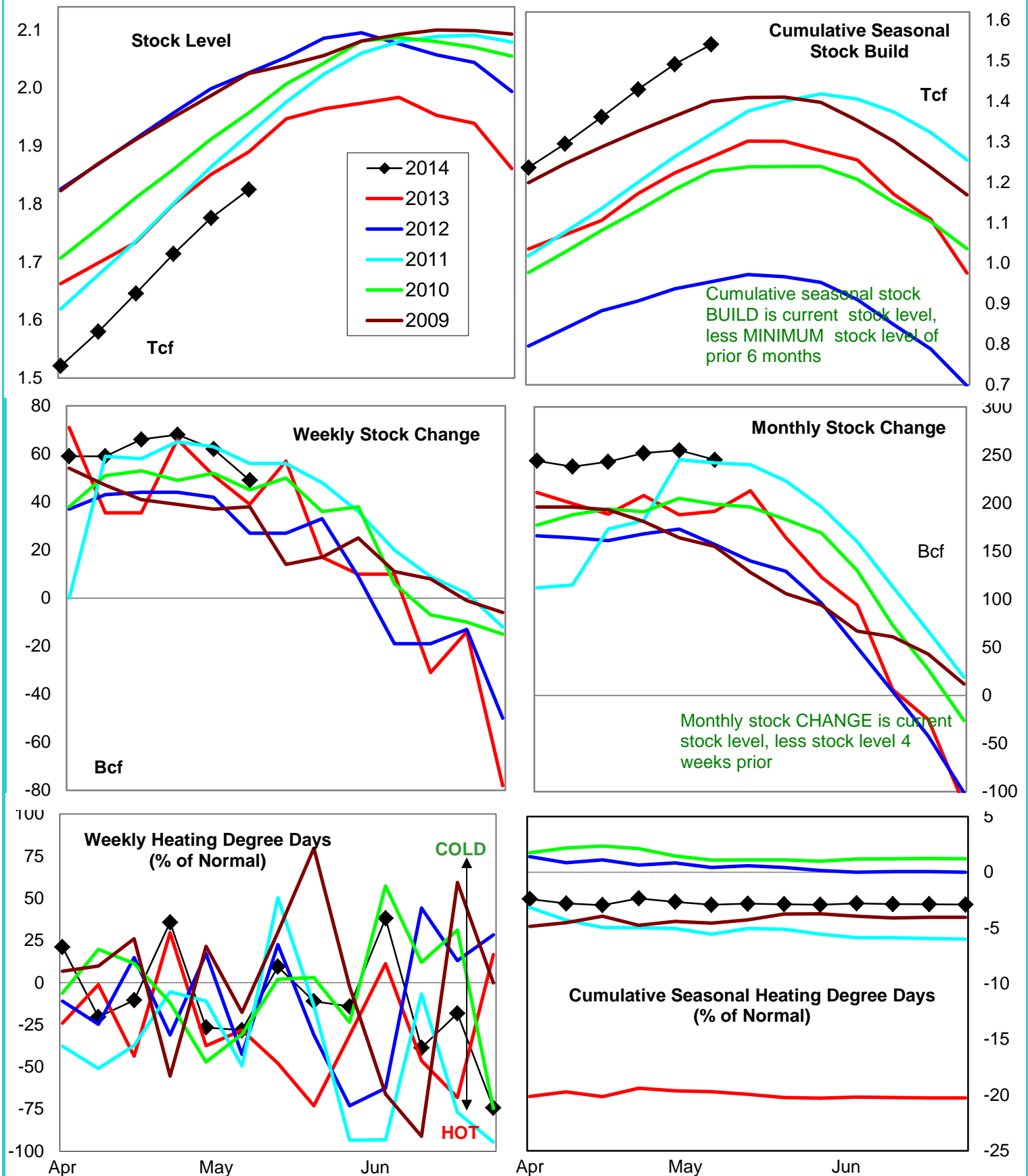
Date:	8-Sep-14	Change vs prior week, month, year		
		2-Sep-14	12-Aug-14	17-Sep-13
1st month Futures	3.77	-0.15	-0.08	0.19
% change	xxxxx	-3.8	-2.2	5.2



United States Natural Gas Stock and Weather Trends



Natural Gas East Region Stock and Weather Trends



Variance to prior year

Stock
LevelWeekly Stock
ChangeMonthly Stock
ChangeCumulative Stock
Change

BCF

-65

10

54

278

Percent Change (%)

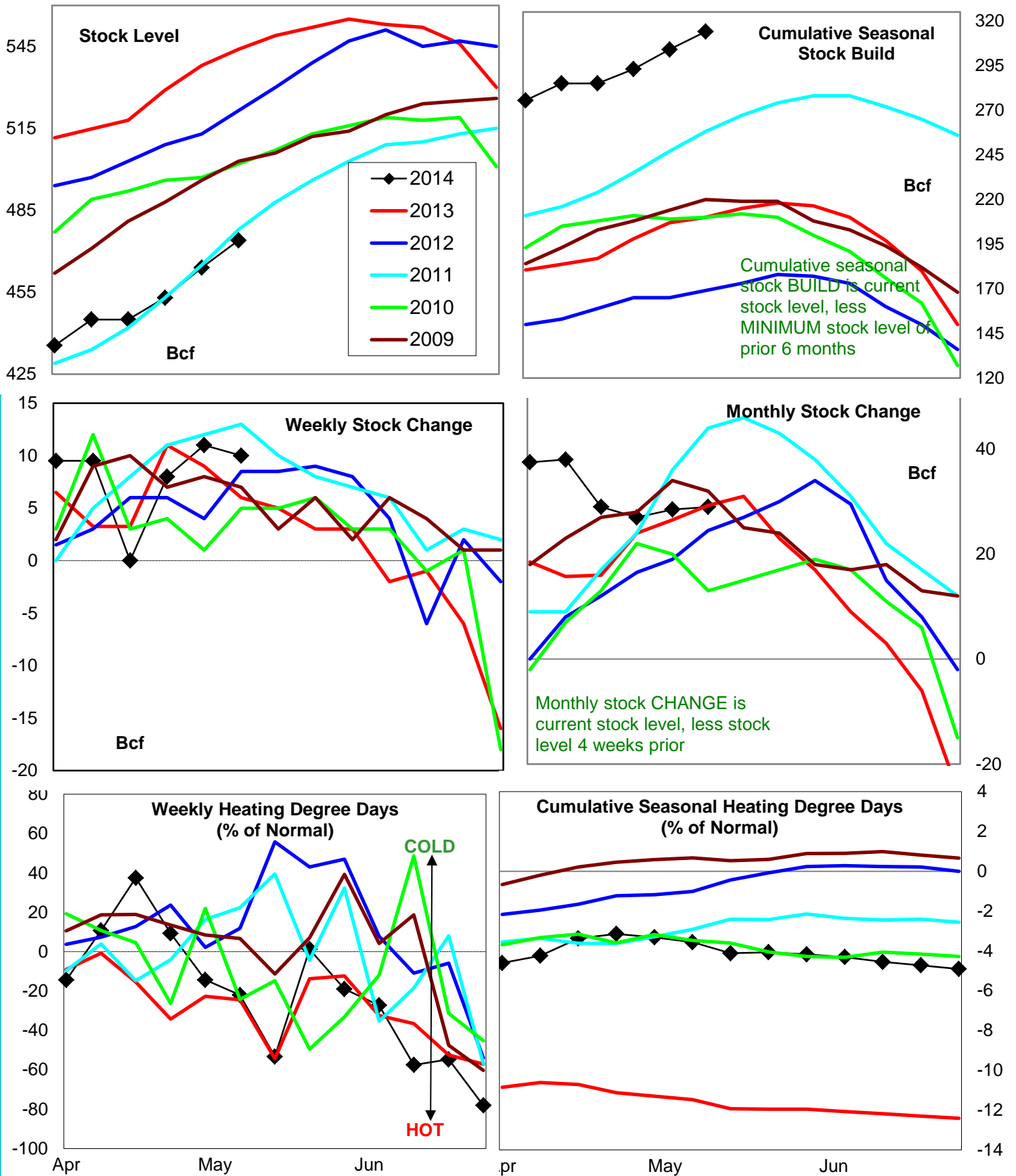
-3.4

25.6

27.9

22.4

Natural Gas West Region Stock and Weather Trends



Variance to prior year

Stock Level

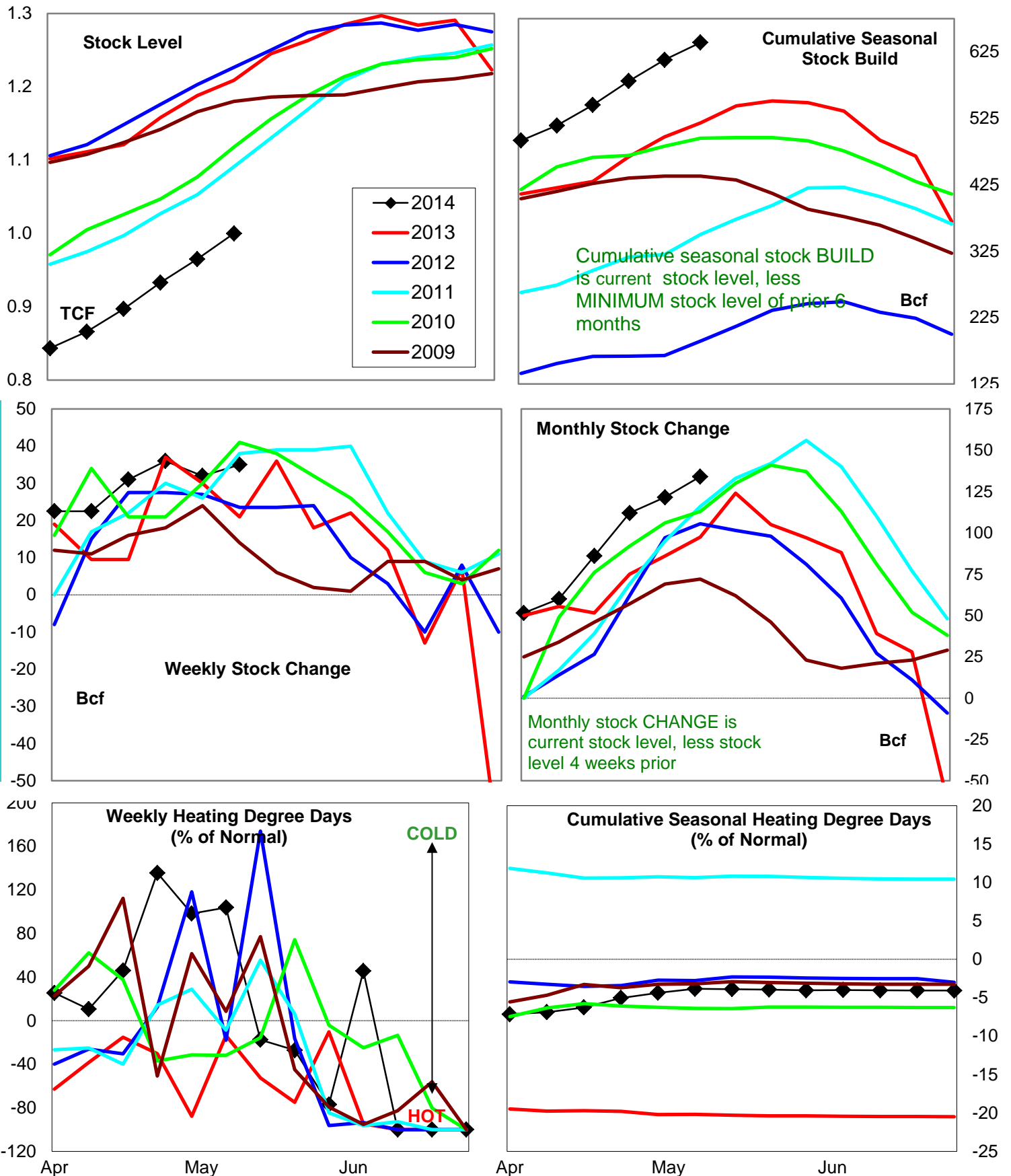
Weekly Stock Change

Monthly Stock Change

Cumulative Stock Change

BCF
Percent Change (%)-70
-12.94
66.70
-0.9104
49.5

Natural Gas Producing Region Stock and Weather Trends



Variance to prior year

Stock Level

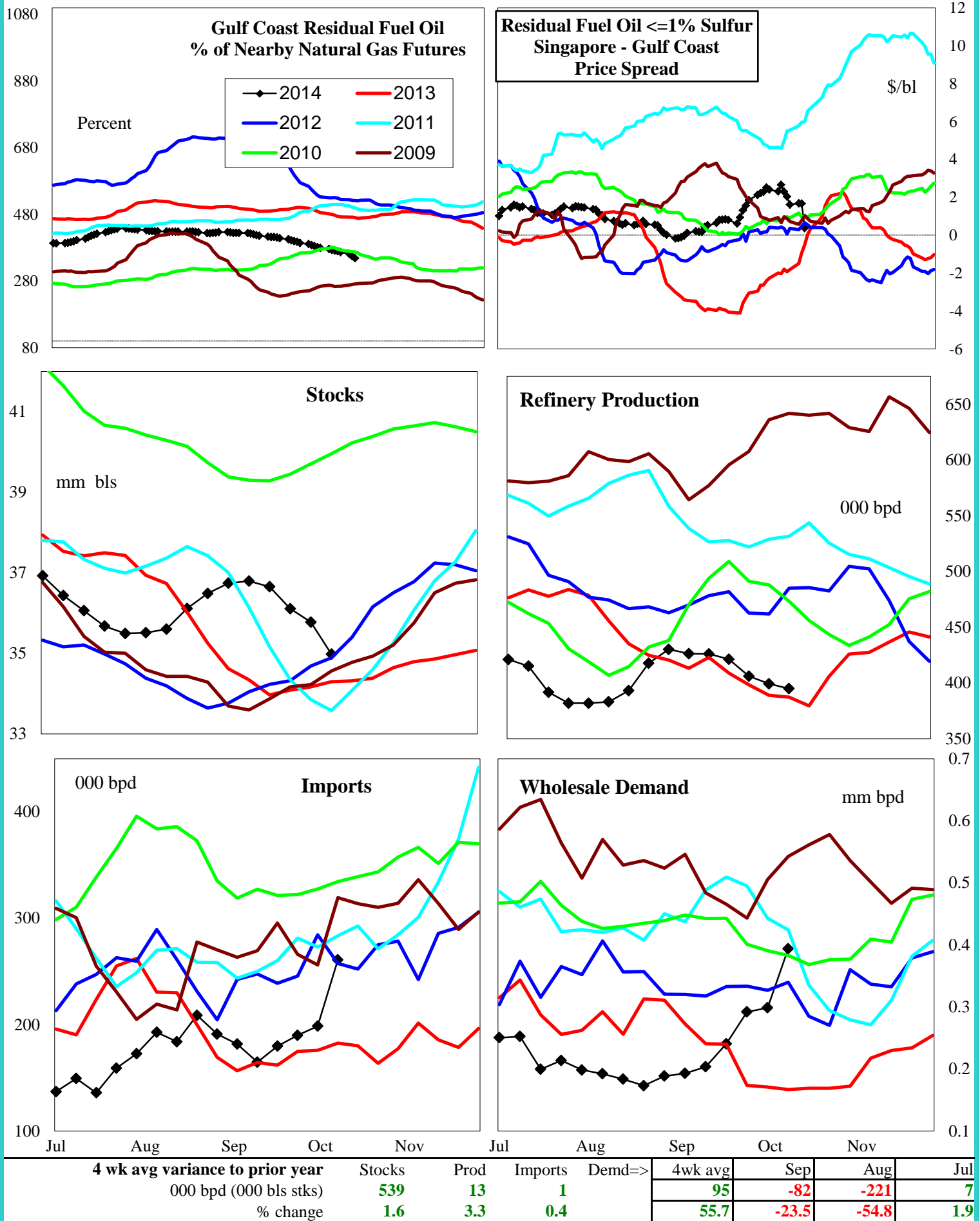
Weekly Stock Change

Monthly Stock Change

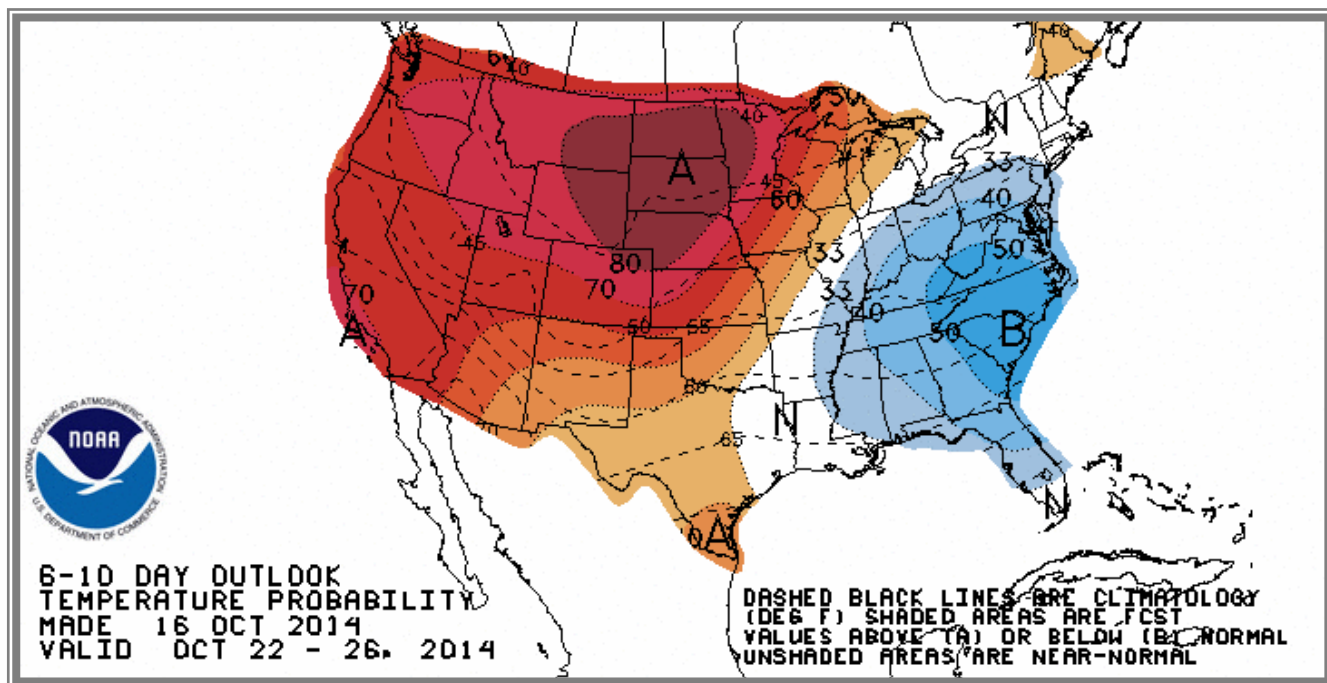
Cumulative Stock Change

BCF
Percent Change (%)-209
-17.314
66.737
37.4121
23.4

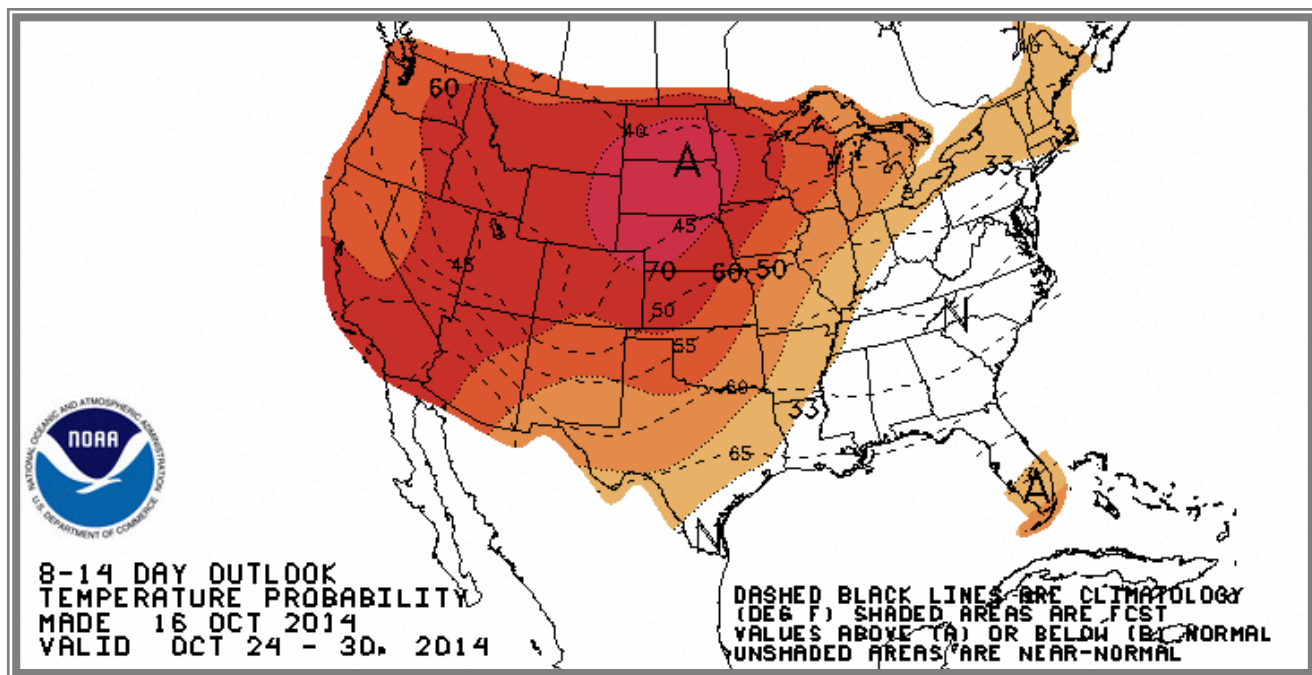
U.S. Residual Fuel Oil Price Spreads and Supply Balance



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

