

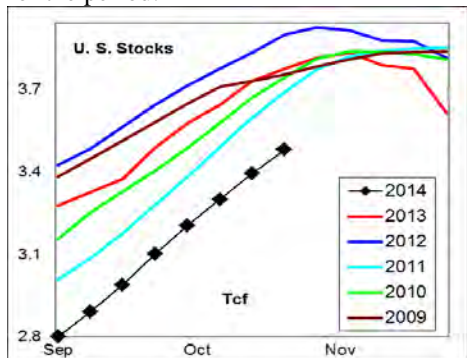
WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

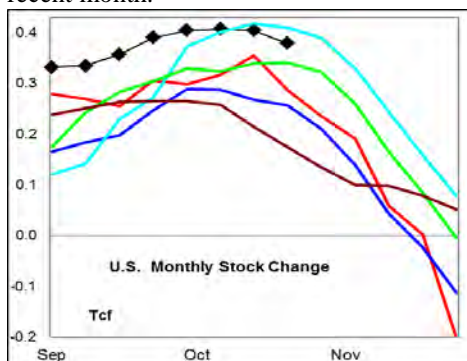
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Sunday, November 02, 2014



Summary¹ The stock build of +84 Bcf last week was above the 3-yr mid range for the period.



The latest 4-wk stock change was a build of +380 Bcf, near the 5-yr record build for the period. The rate of stock build has exceeded a year ago by +32% for the most recent month.



In the East Region stocks increased +41 Bcf for the week, a level above the 3-yr mid range. Stocks increased +8 Bcf last week in the West Region, a level equal to the 3-yr mid range. Stocks increased +38 Bcf on the week in the Producing region, a level that matched the historic high for the season.

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

Temperatures were much above normal across the entire country for the week ending 24Oct14.

The 6-10 day NWS forecast for the week ending 12Nov14 is for much above normal temperatures in the western 1/2 of

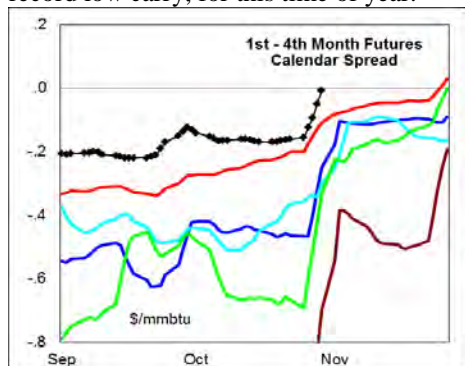
the country and well below normal in the eastern 1/2 of the country.

The 8-14 day NWS forecast for the week ending 16Nov14 is for much above normal temperatures across the western 1/2 of the country and below normal temperatures in the eastern 1/2 of the country.

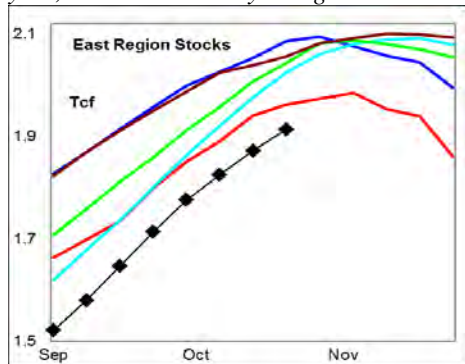
Prices: Nearby gas futures climbed +\$0.25/mmbtu for the week ending 31Oct14. Prices ended the week at a level just above the 4-yr range for the period; driven by forecast of below normal temperatures in the eastern 1/2 of the country.



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

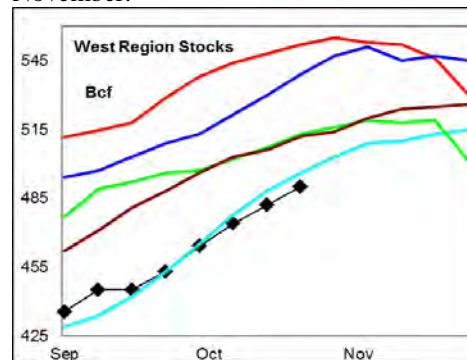


East Region stocks increased +41 Bcf for the week, a build above the 3-yr mid range. The current stock level is -2.5% below last year, and below the 5-yr range.



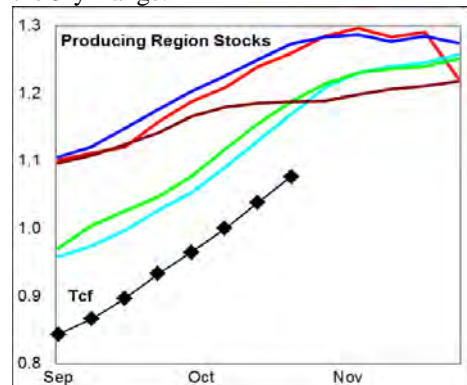
Temperatures were much above normal for

the week just ended, with below normal temperatures this week, followed by a forecast of much below normal temperatures through the 2nd week of November.



West Region stocks increased +8 Bcf last week, a build equal to the 3-yr mid range. Stock levels ended the week -11% below last year, and below the 5-yr range. Temperatures are forecast to be exceptionally above normal through the 2nd week of November in this region.

Producing Region stocks increased +38 Bcf for the week, a build that matched highs for the season. Stock levels ended the week -14% below last year, and below the 5-yr range.



Temperatures are forecast to be below above normal through the 2nd week of November.

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

Outlook: Temperatures are forecast to be exceptionally below normal during the next 2-wks in the western 1/2 of the country and well below normal in the eastern 1/2 of the country.

With the eastern 1/2 of the country having the greatest impact on gas demand, look for below normal stock builds and significant support to prices in the near term.

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: November 2, 2014

For the week ending: 24-Oct-14

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

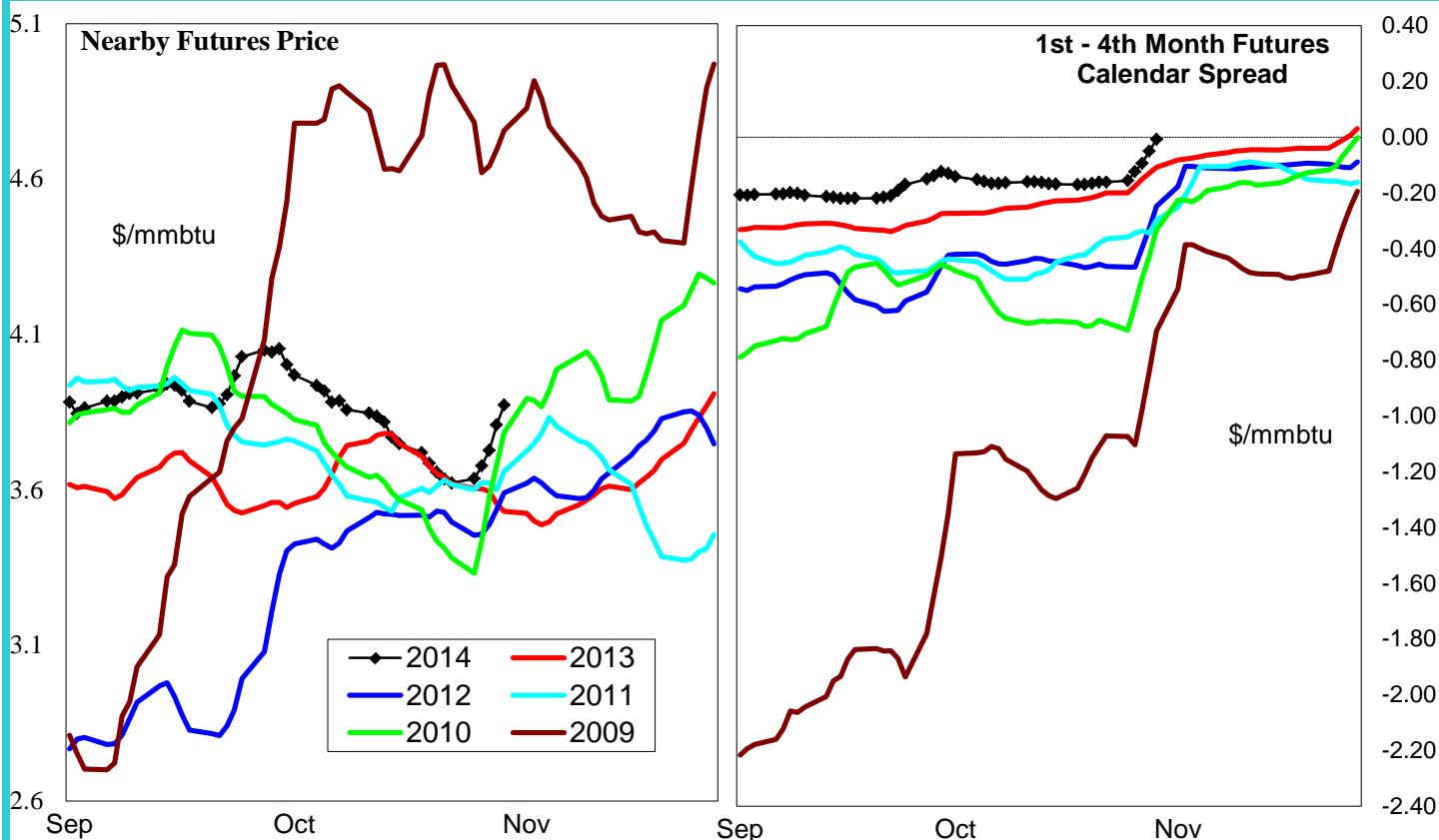
Week ending:	24-Oct-14			15-Jun-13		22-Jun-13		29-Jun-13	
Region	Weekly Stocks			Weekly Heating Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	3,480	87	-7.8	-14	-45%	-2	-33%	-3	-77%
East	1,913	41	-2.5	-17	-39%	-2	-18%	-4	-74%
West	490	8	-11.2	-12	-58%	-2	-55%	-5	-78%
Producing	1,077	38	-14.5	-4	-100%	0	-100%	0	-100%

Seasonal Trends in Stocks and Heating Degree Days

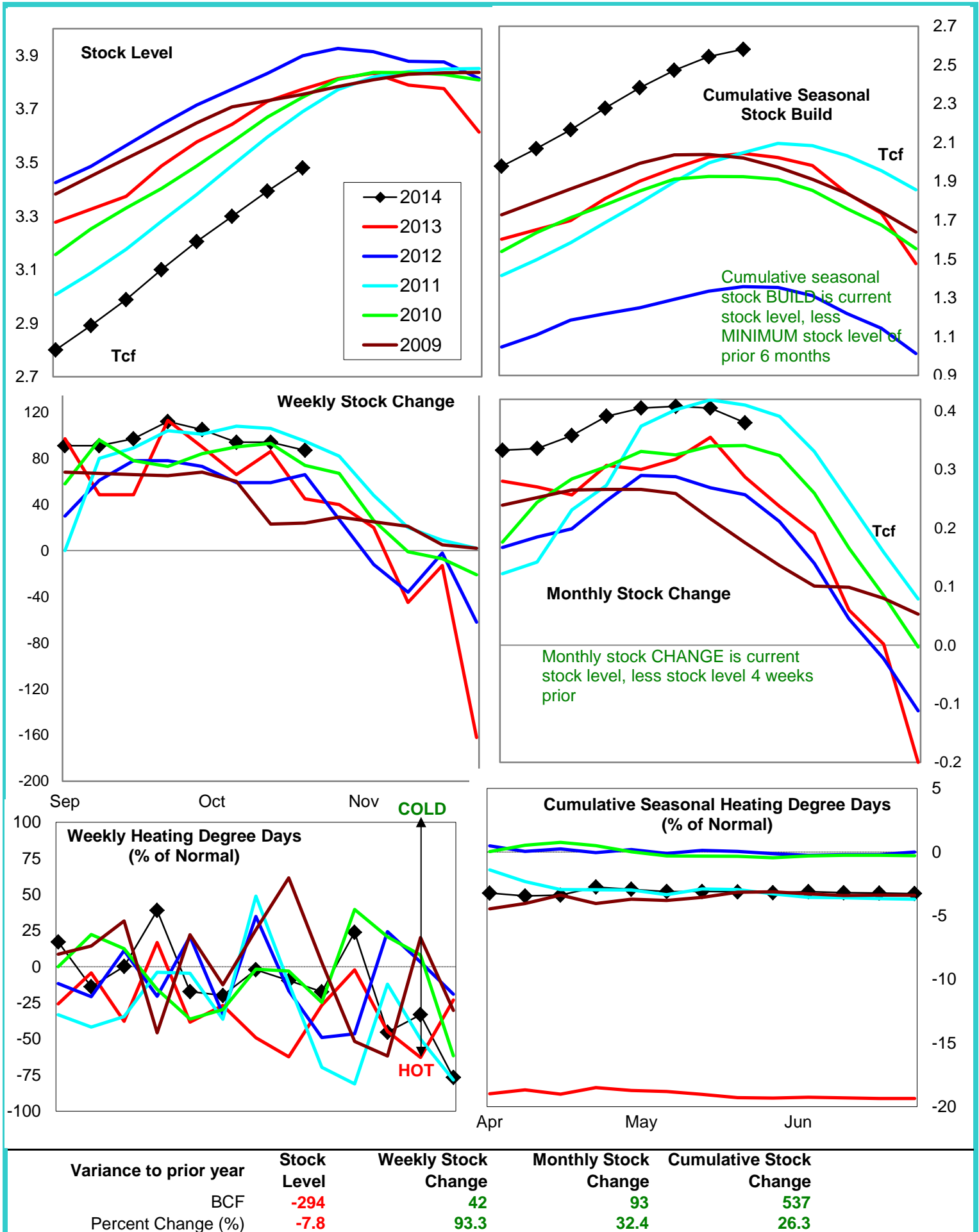
	Cumulative Stock Change			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
U.S. Total	2,581	537	20.8	6	-3.2	4	-3.2	1	-3.3
East	1,585	306	19.3	6	-2.9	4	-2.9	1	-2.9
West	312	94	30.1	10	-4.6	8	-4.7	3	-4.9
Producing	684	136	19.9	0	-4.0	0	-4.1	0	-4.1

Futures Market Price Trends

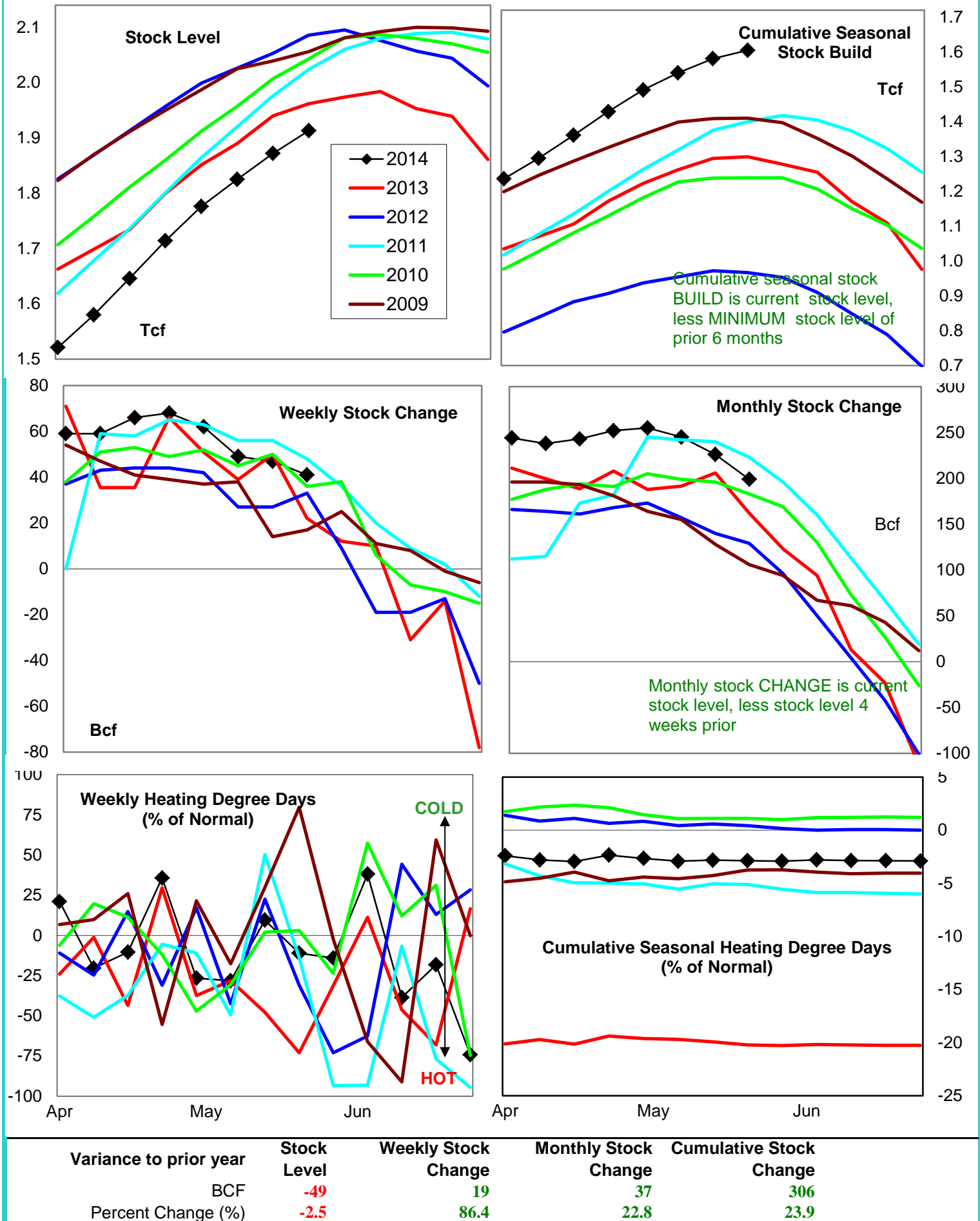
Date:	21-Oct-14	Change vs prior week, month, year		
		15-Oct-14	24-Sep-14	30-Oct-13
1st month Futures	3.87	0.31	-0.02	0.27
% change	xxxxx	8.8	-0.6	7.4



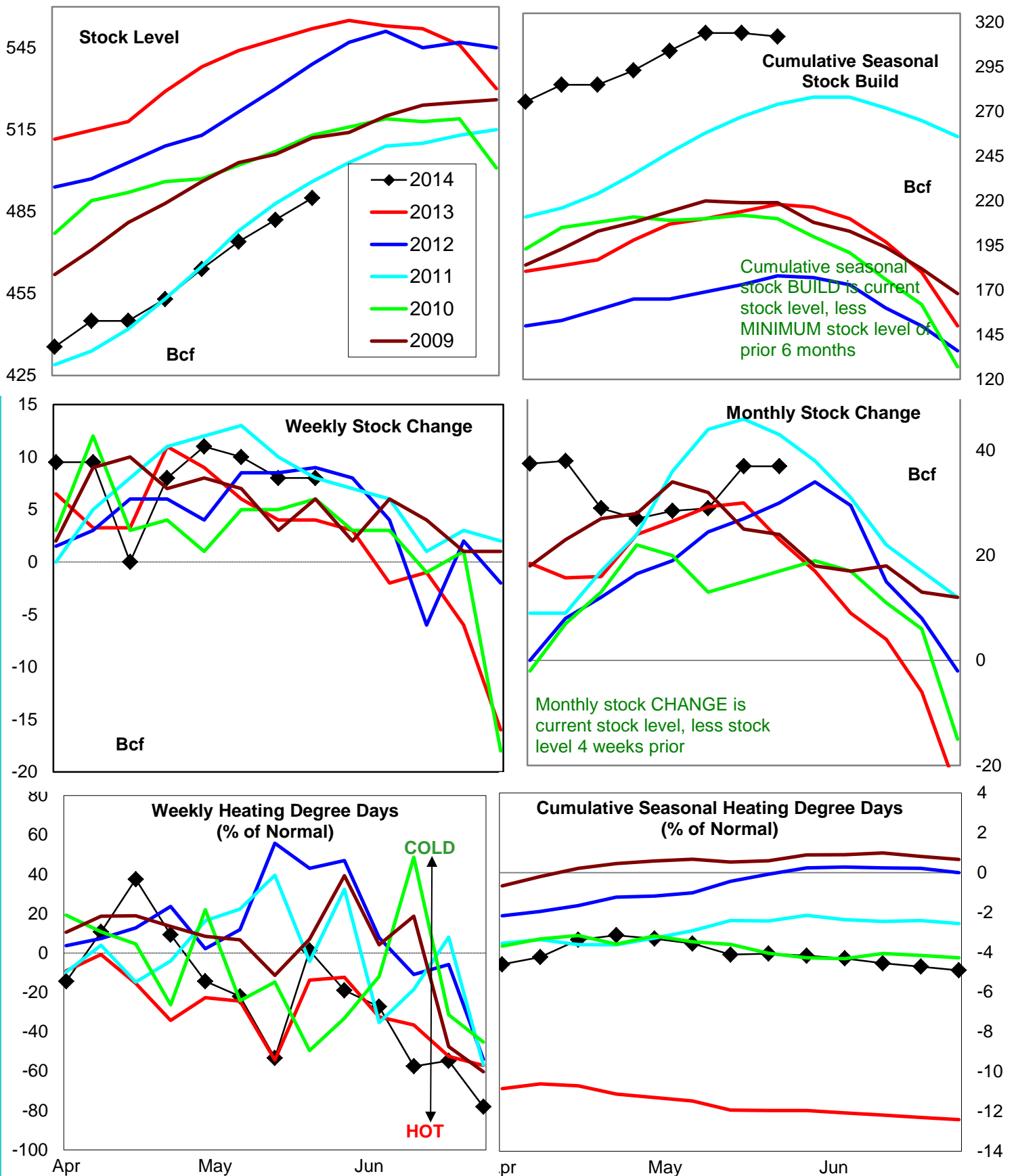
United States Natural Gas Stock and Weather Trends



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

-62

4

14

94

Percent Change (%)

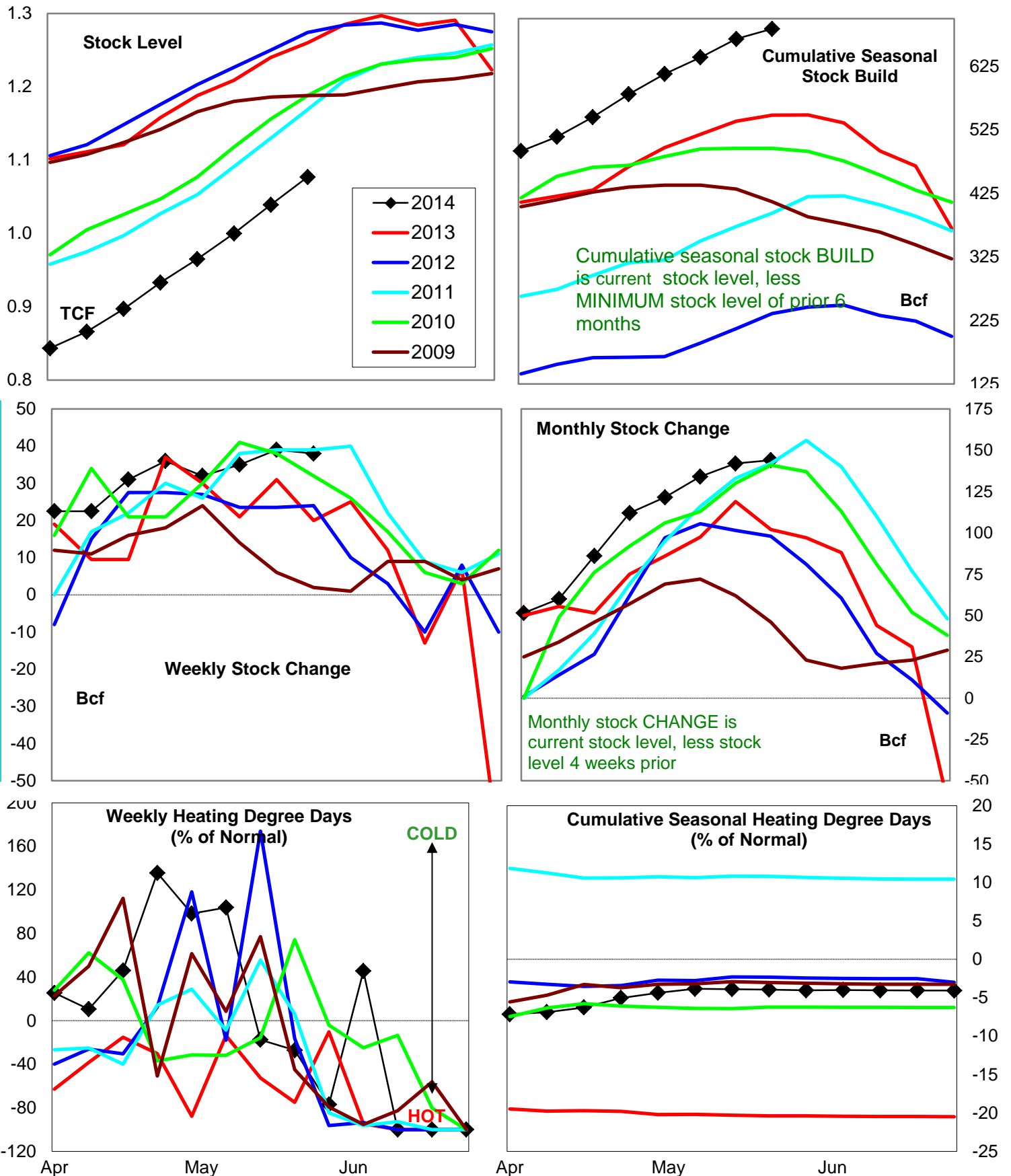
-11.2

100.0

60.9

43.1

Natural Gas Producing Region Stock and Weather Trends



Variance to prior year

Stock
LevelWeekly Stock
ChangeMonthly Stock
ChangeCumulative Stock
Change

BCF

-183

18

42

136

Percent Change (%)

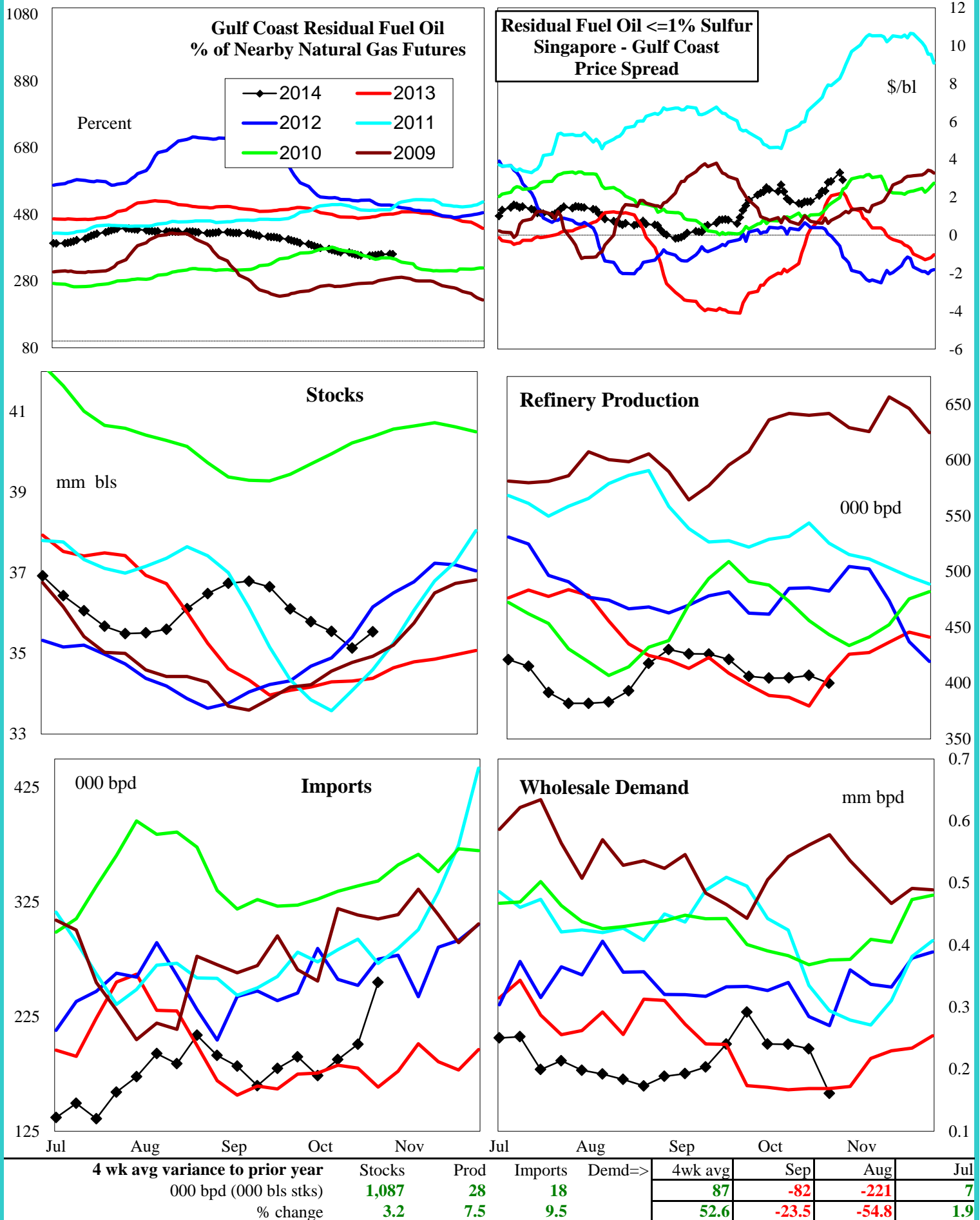
-14.5

90.0

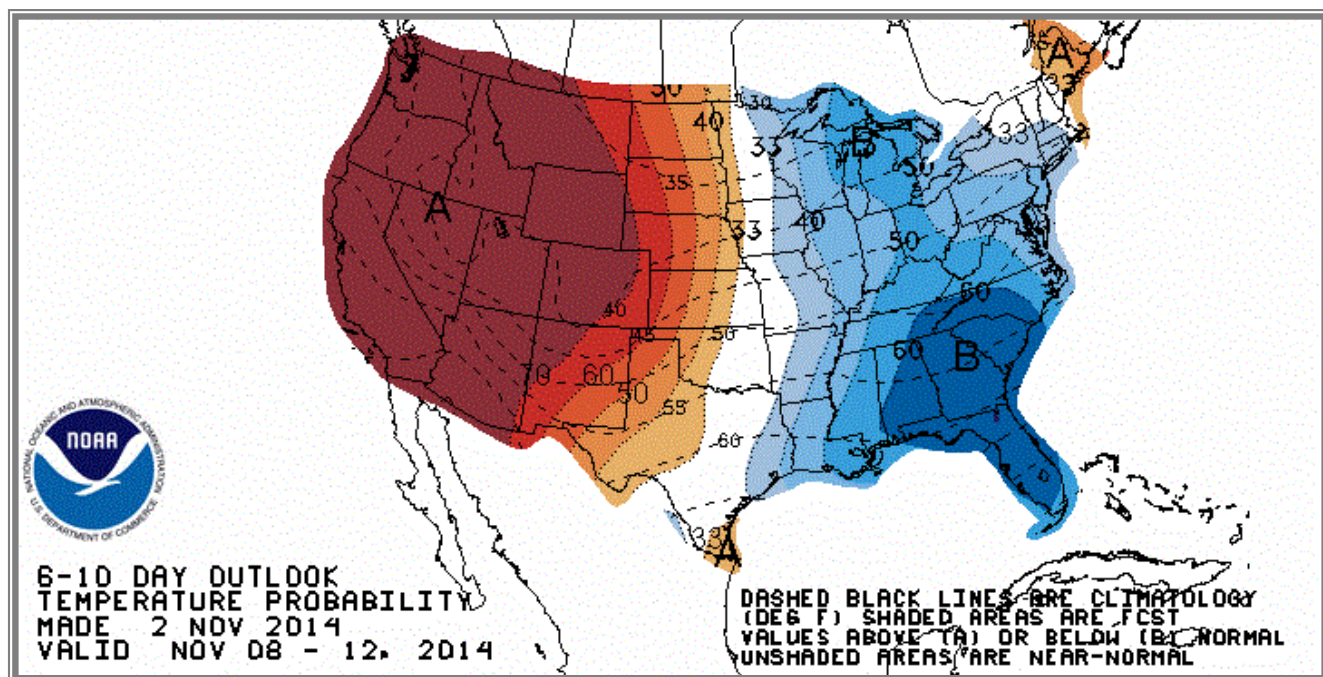
41.2

24.8

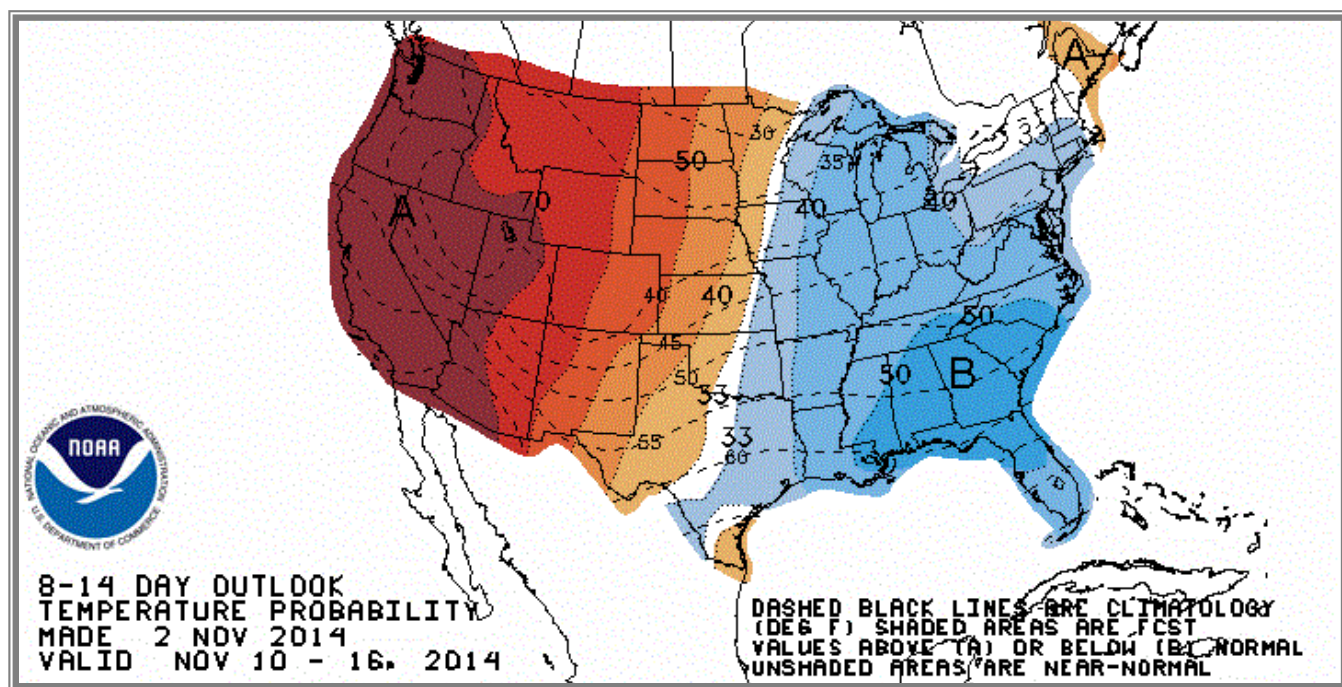
U.S. Residual Fuel Oil Price Spreads and Supply Balance



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

