

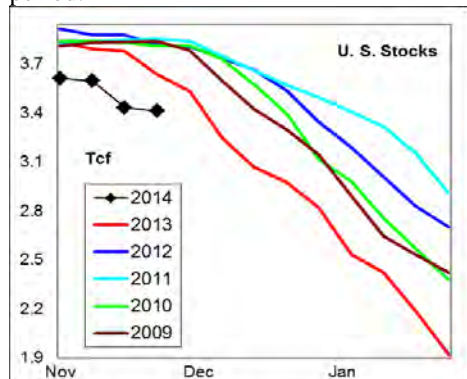
WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

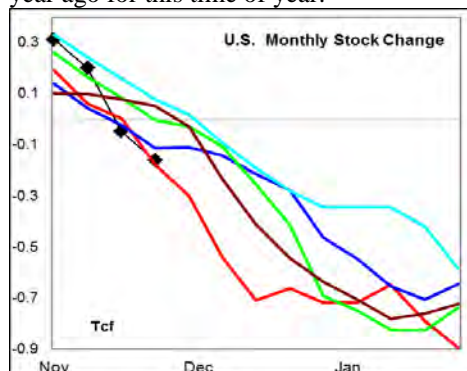
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Thursday, December 04, 2014



Summary¹ The stock draw of -22 Bcf last week was less than the 3-yr average for the period.



The latest 4-wk stock change was a draw of -177 Bcf, matching the record draw of a year ago for this time of year.



In the East Region stocks decreased -34 Bcf for the week, a draw less than the 3-yr average. Stocks increased +1 Bcf last week in the West Region, compared to draws in two of the last 3-yrs. Stocks increased +10 Bcf on the week in the Producing region, also compared to draws in two of the last 3-yrs.

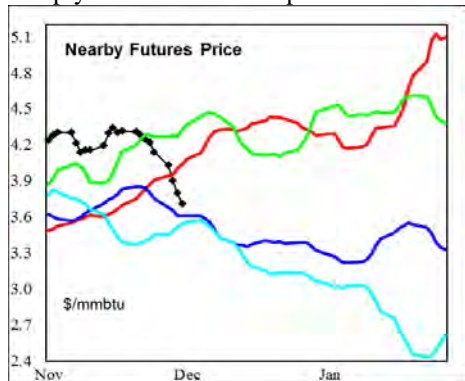
Note: heating degree charts in the report are not current with data under revision.

Temperatures were much above normal across the western 2/3rds of the country for the week ending 28Nov14, and forecast to be above normal for the week ending 05Dec14.

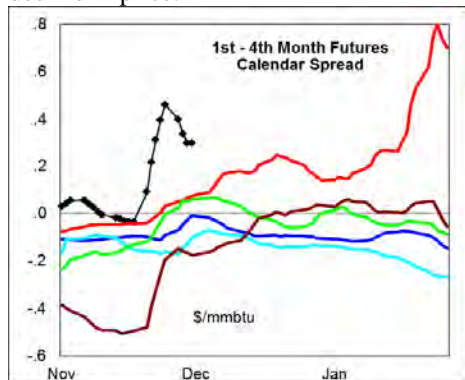
The 6-10 day NWS forecast for the week ending 13Dec14 is for sharply above

normal temperatures across the country except the southeast. The 8-14 day NWS forecast for the week ending 17Dec14 is for continued much above normal temperatures across nearly the entire country.

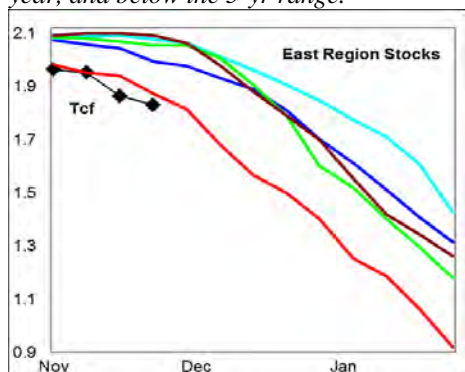
Prices: Nearby gas futures plunged - \$0.65/mmbtu for the week ending 04Dec14. Prices ended the week at a level near the 3-yr mid range; driven by moderating stock draws and forecast of sharply above normal temperatures.



The 1st - 4th month forward price curve trended lower last week on the sharp decline in price.

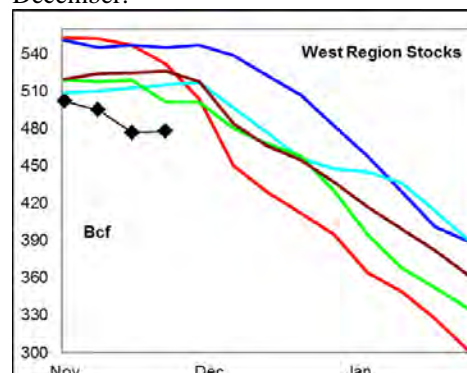


East Region stocks declined -34 Bcf for the week, a much below average draw. The current stock level is -2% below last year, and below the 5-yr range.



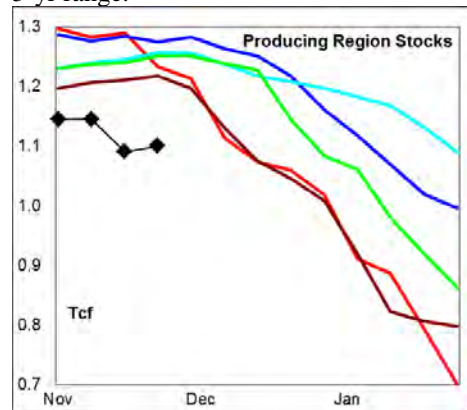
Temperatures were above normal for the week just ended, with much above normal temperatures forecast through mid

December.



West Region stocks increased +1 Bcf last week, compared to draws in two of the last 3-yrs. Stock levels ended the week -10% below last year, and below the 5-yr range. Temperatures are forecast to be sharply above normal through mid December in the region.

Producing Region stocks increased +10 Bcf for the week. Stock levels ended the week -11% below last year, and below the 5-yr range.



Temperatures are forecast to be sharply above normal through the 3rd week of December.

Residual Fuel Oil Switching: The price spread between fuel oil and natural gas has dropped to near a 5-yr low on declines in petroleum prices.

Outlook: Temperatures are forecast to be sharply above normal through the 3rd week of December.

Global weakness in petroleum prices, combined with lower heating demand for gas during the next 2wks risk continued weakness in natural gas spot prices.

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: December 4, 2014

For the week ending: 28-Nov-14

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

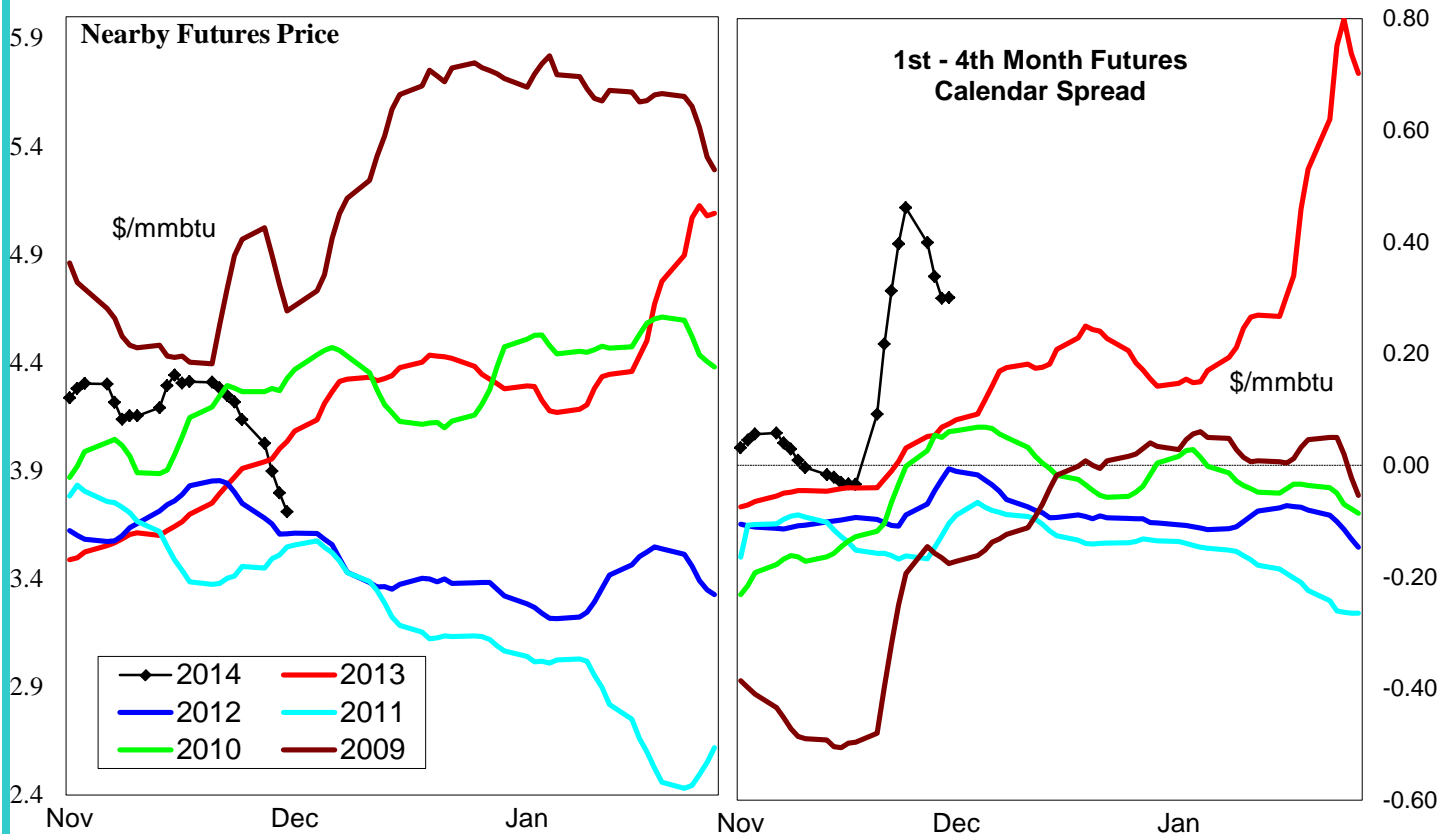
Week ending:	28-Nov-14			15-Jun-13		22-Jun-13		29-Jun-13	
Region	Weekly Stocks			Weekly Heating Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	3,410	-22	-6.2	-14	-45%	-2	-33%	-3	-77%
East	1,830	-34	-2.2	-17	-39%	-2	-18%	-4	-74%
West	478	1	-10.2	-12	-58%	-2	-55%	-5	-78%
Producing	1,101	10	-10.7	-4	-100%	0	-100%	0	-100%

Seasonal Trends in Stocks and Heating Degree Days

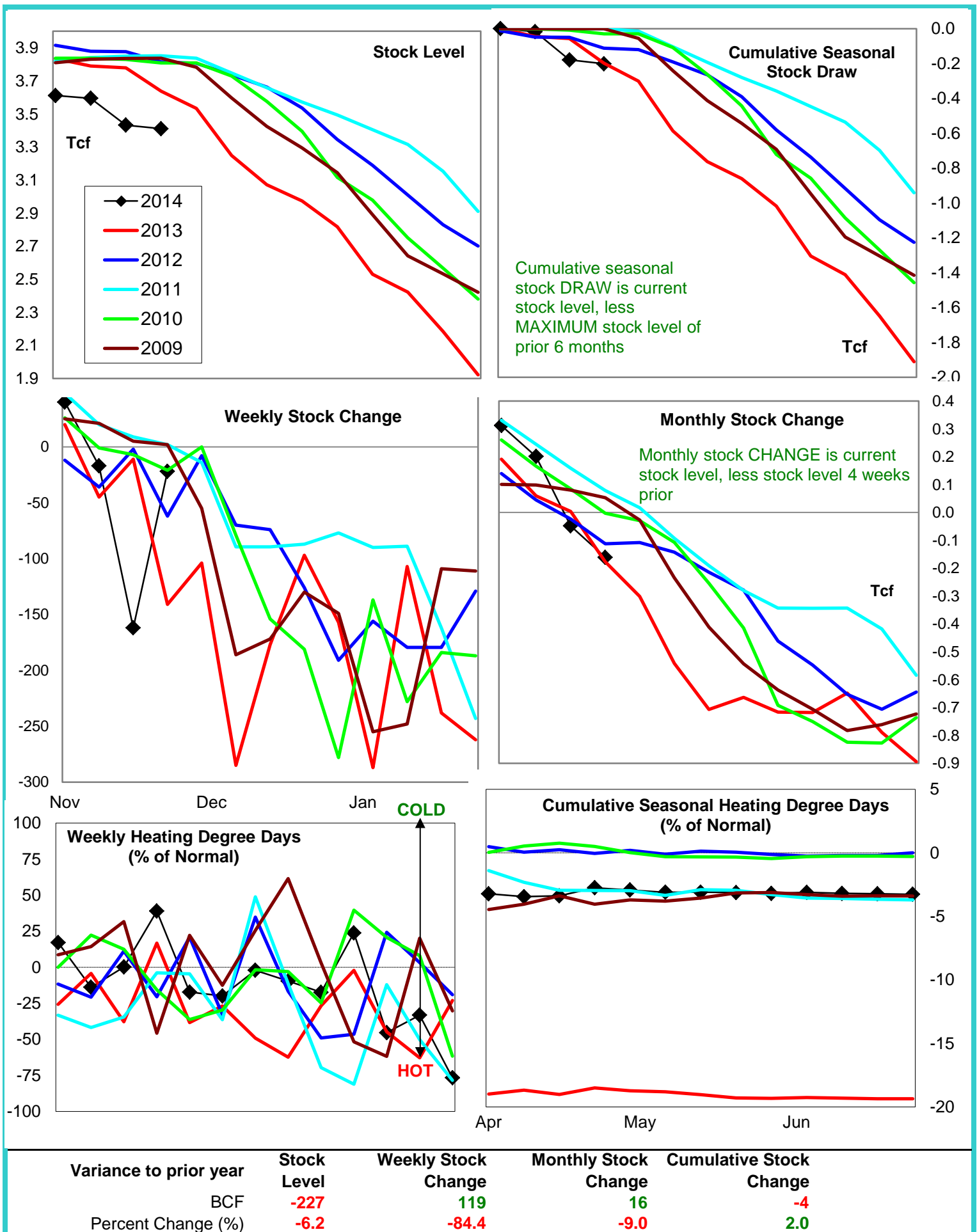
	Cumulative Stock Change			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
U.S. Total	-201	-4	2.0	6	-3.2	4	-3.2	1	-3.3
East	-134	-22	16.4	6	-2.9	4	-2.9	1	-2.9
West	-24	-1	4.2	10	-4.6	8	-4.7	3	-4.9
Producing	-45	19	-42.2	0	-4.0	0	-4.1	0	-4.1

Futures Market Price Trends

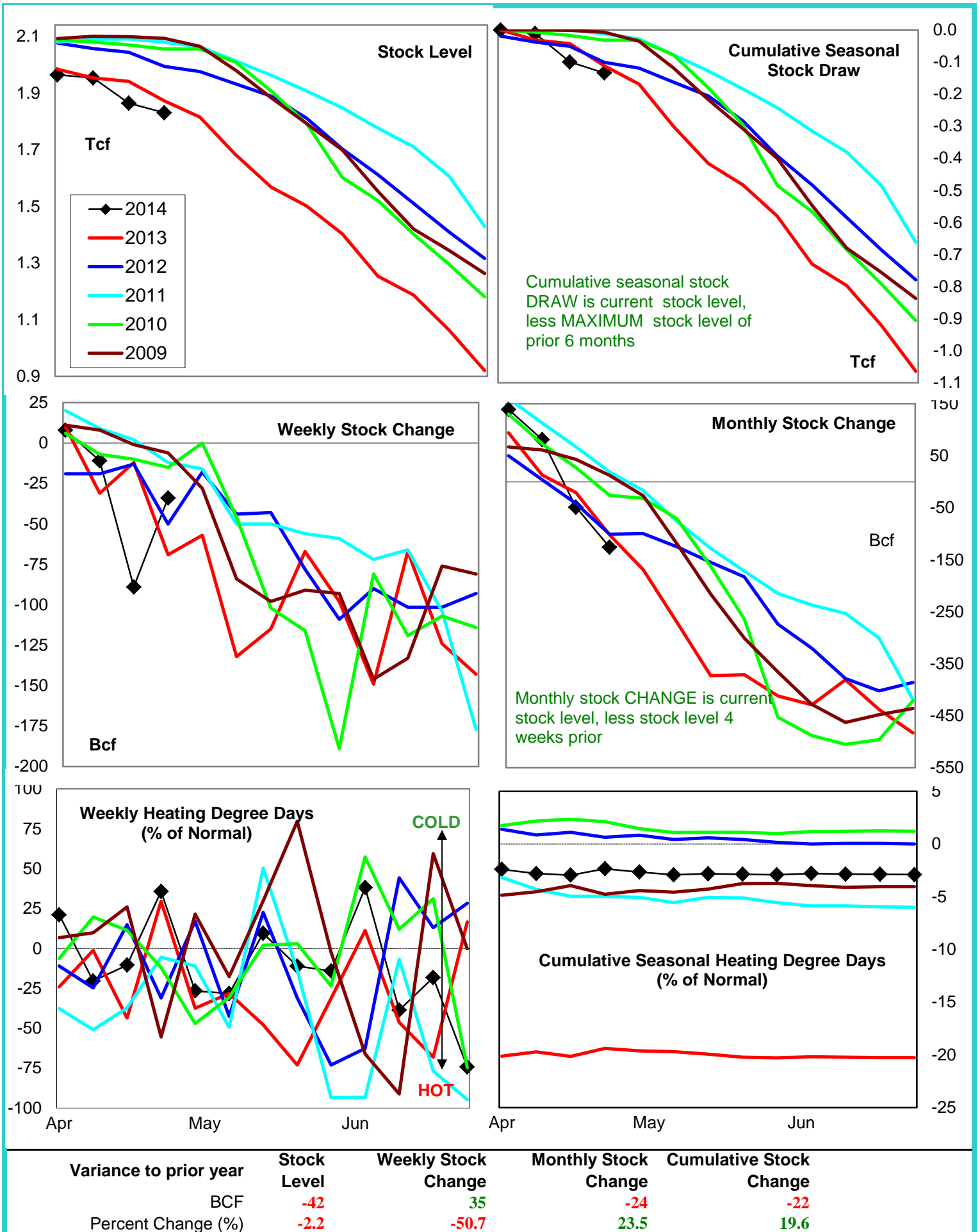
Date:	4-Dec-14	Change vs prior week, month, year		
		28-Nov-14	7-Nov-14	16-Dec-13
1st month Futures	3.71	-0.38	-0.70	-0.54
% change	xxxxx	-9.2	-15.9	-12.7



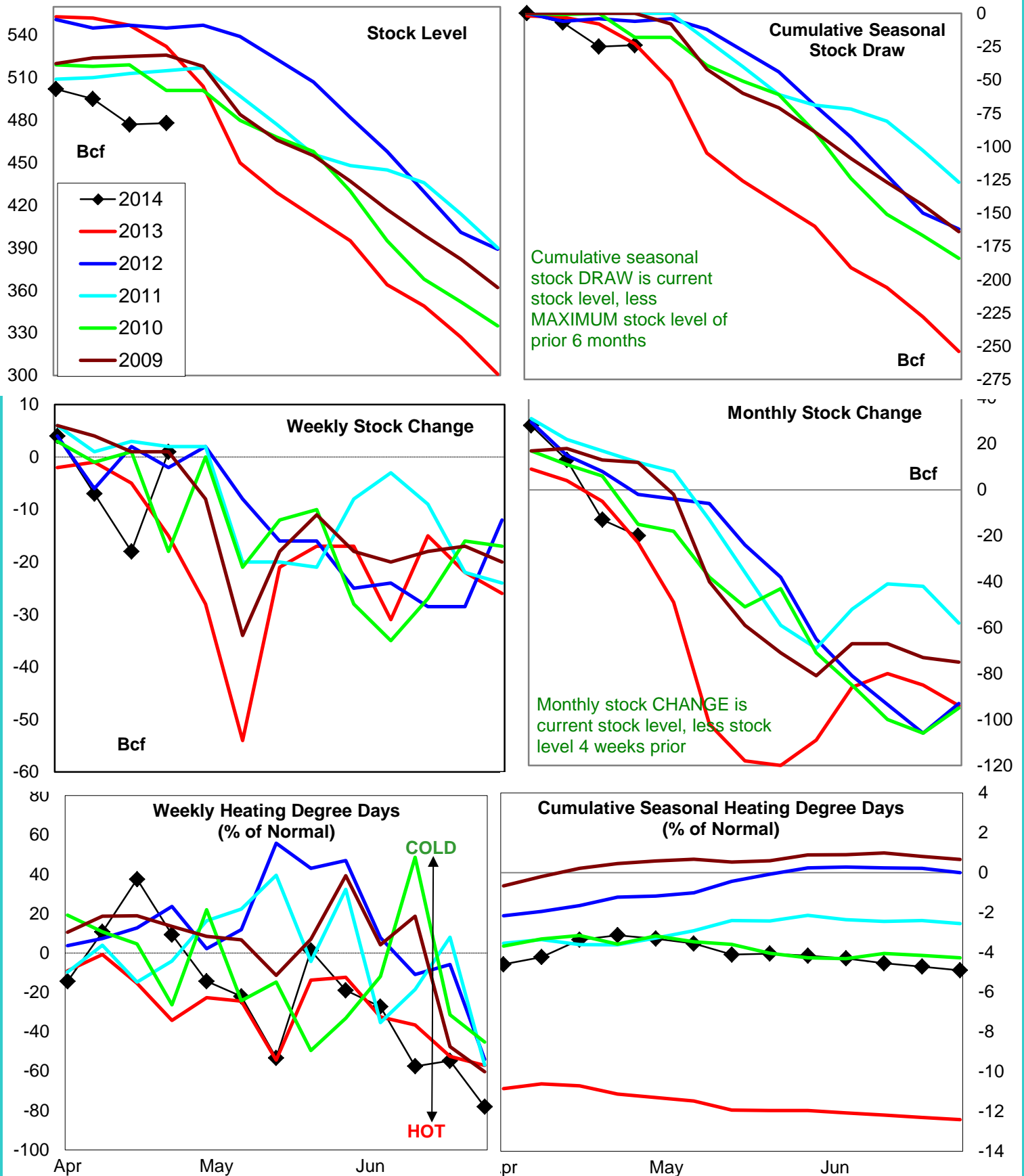
United States Natural Gas Stock and Weather Trends



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

-54

16

3

-1

Percent Change (%)

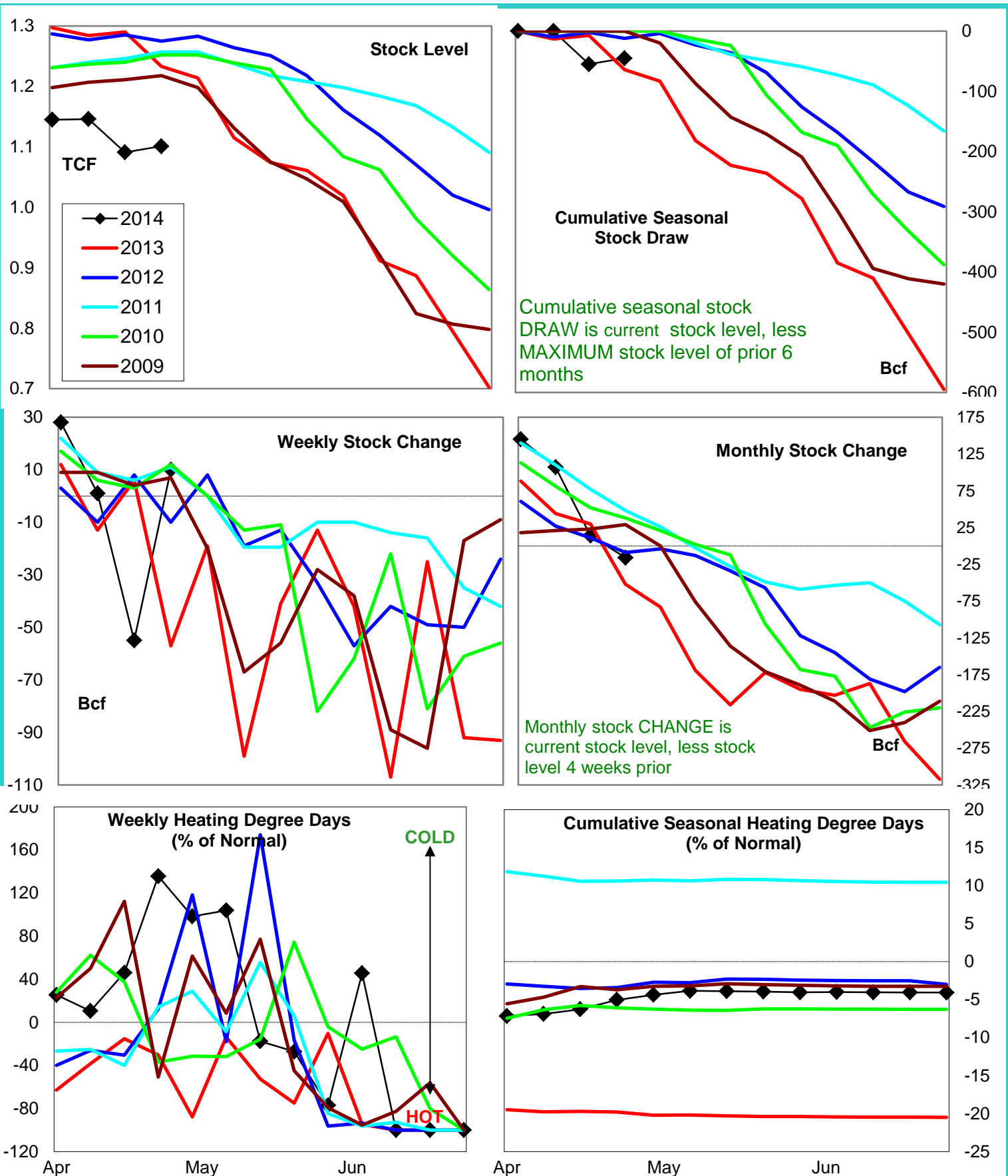
-10.2

-106.7

-13.0

4.3

Natural Gas Producing Region Stock and Weather Trends



Variance to prior year

Stock Level

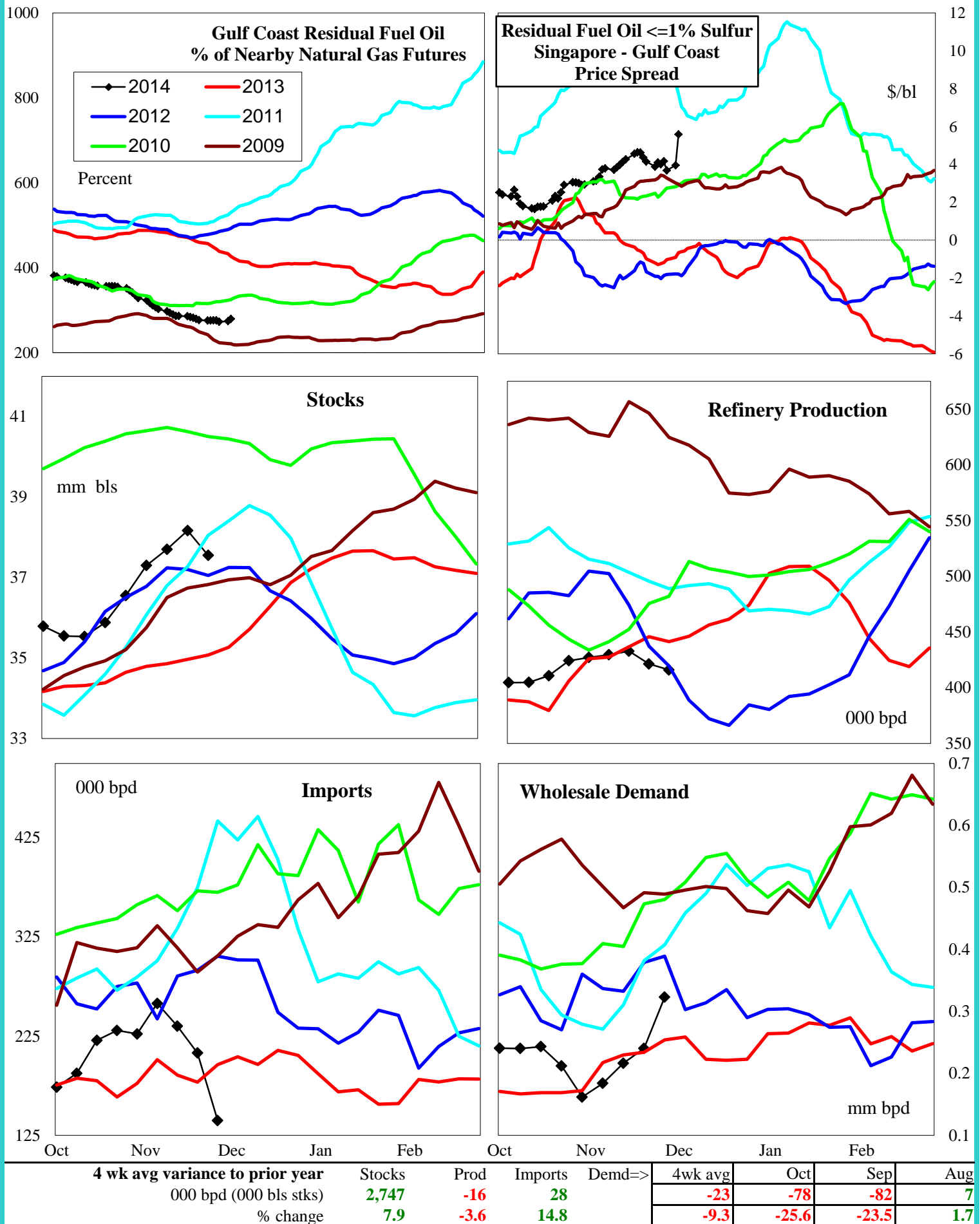
Weekly Stock Change

Monthly Stock Change

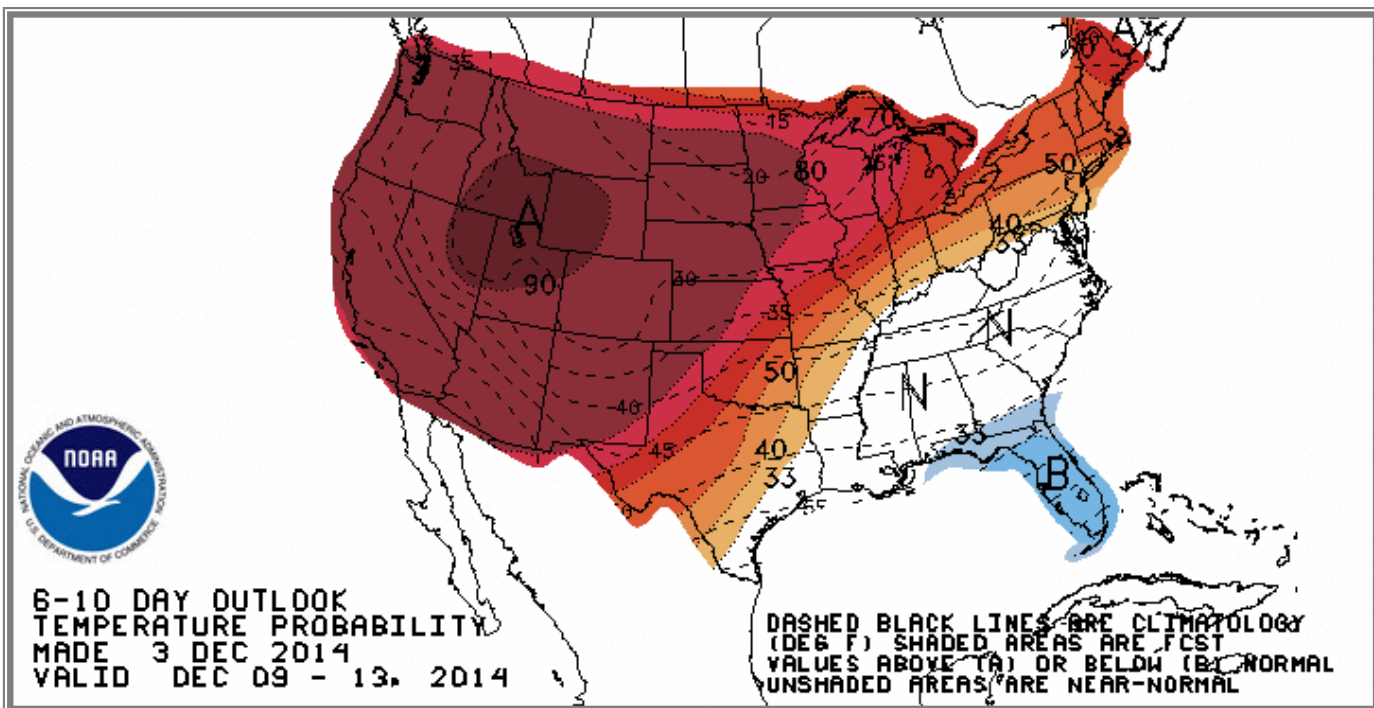
Cumulative Stock Change

BCF
Percent Change (%)-132
-10.767
-117.536
-69.219
-29.7

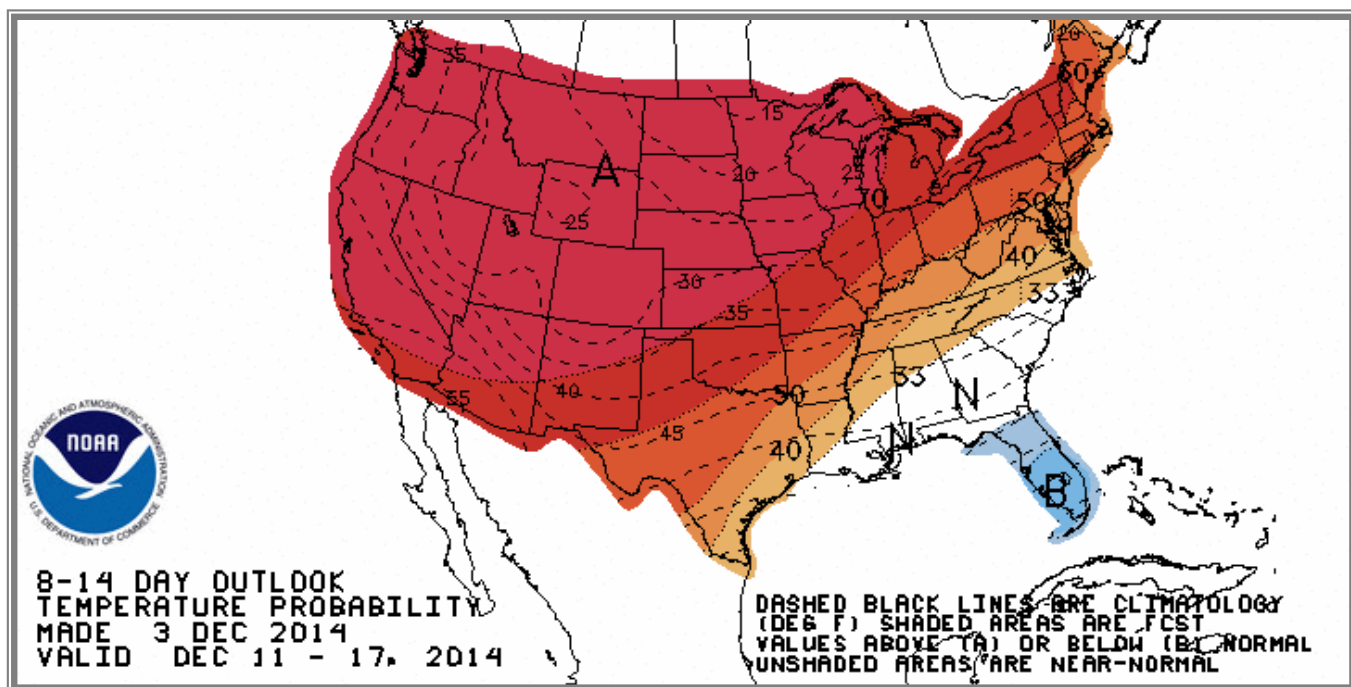
U.S. Residual Fuel Oil Price Spreads and Supply Balance



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

