

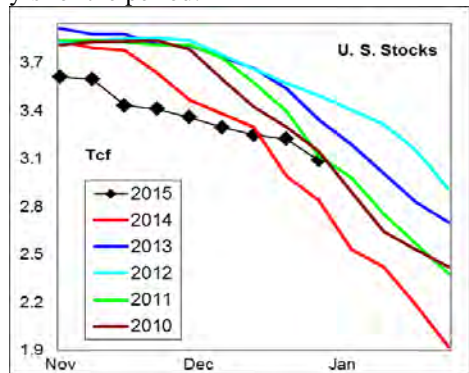
WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

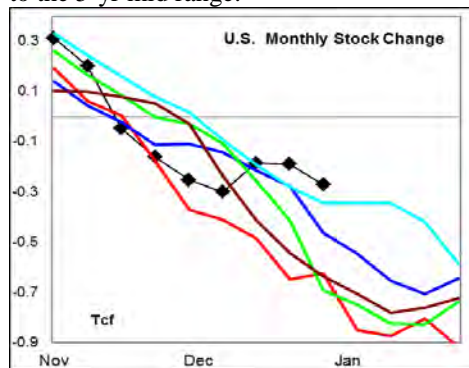
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Sunday, January 11, 2015



Summary ¹ The stock draw of -131 Bcf last week was less than four of the last 5-yr for the period.



The latest 4-wk stock change was a draw of -270 Bcf, a record low draw for this time of year. The cumulative stock draw for the winter season was -47% less than last year, resulting in a stock level that is now +9% above last year and nearly equal to the 5-yr mid range.



In the East Region stocks decreased -65 Bcf for the week, nearly equal to the lowest draw in the last 5-yr for the period. Stocks declined -33 Bcf for the week in the West Region, which was a record draw for the period. Stocks saw a -33 Bcf draw in the Producing region last week, a lower draw than the 3-yr mid range.

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

Temperatures were below normal across the country for the week ending 02Jan15, while forecast to be much below normal for the week ending 11Jan15.

¹ Related Web Sites:

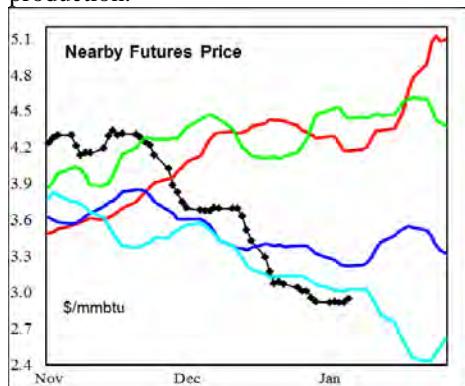
Data Source is EIA Weekly Statistics

National Weather Service 6-10 Day

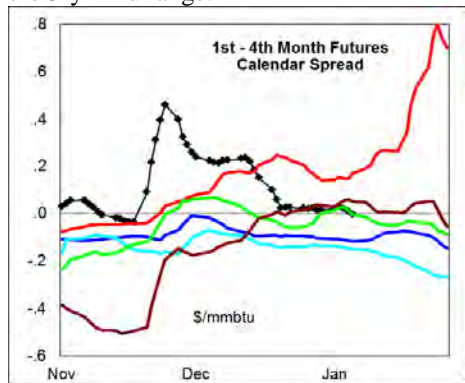
National Weather Service 10-14 Day

The 6-10 day NWS forecast for the week ending 21Jan15 is for sharply above normal temperatures across the entire country. The 8-14 day NWS forecast for the week ending 25Jan15 is for sharply above normal temperatures eastern ½ of the country and slight above normal temperatures in the west.

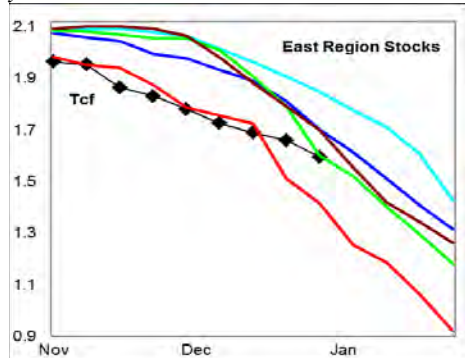
Prices: Nearby gas futures prices decreased -\$0.06/mmbtu for the week ending 09Jan15. Prices ended the week at a level just below the 5-yr range; driven by extremely low stock draws and record production.



The 1st - 4th month forward price curve traded sideways last week at a level near the 5-yr mid range.

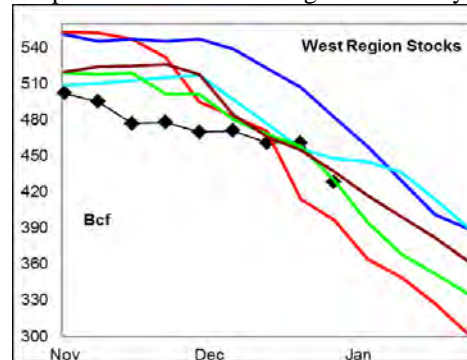


East Region stocks declined -65 Bcf for the week, a near record low draw. *The current stock level is +13% above last year.*



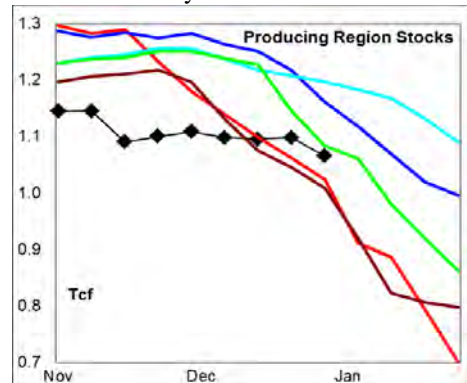
Temperatures were much below normal for

the week just ended, sharply above normal temperatures forecast through late January.



West Region stocks decreased -33 Bcf for the week, a record draw for the period. Stock levels ended the week +8% above last year. Temperatures are forecast to be above normal for the next 2-wks.

Producing Region stocks decreased -33 Bcf for the week, a lower draw than the 3-yr mid range. Stock levels ended the week +4% above last year.



Temperatures are forecast to be sharply above normal during the next 2-wks.

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 over the next 10-days across nearly the entire country.

Look for an above average stock draw for the week just ended on above normal heating degree days. Then sharply below normal heating degree days for the next 10-days should lead to very low stock draws.

Look for prices to remain very weak through the balance of the heating season, with short term uptrends during periods of much below normal temperatures.

NATURAL GAS: Graph Link and Weekly Summary



Report prepared as of: January 11, 2015

For the week ending: 2-Jan-15

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

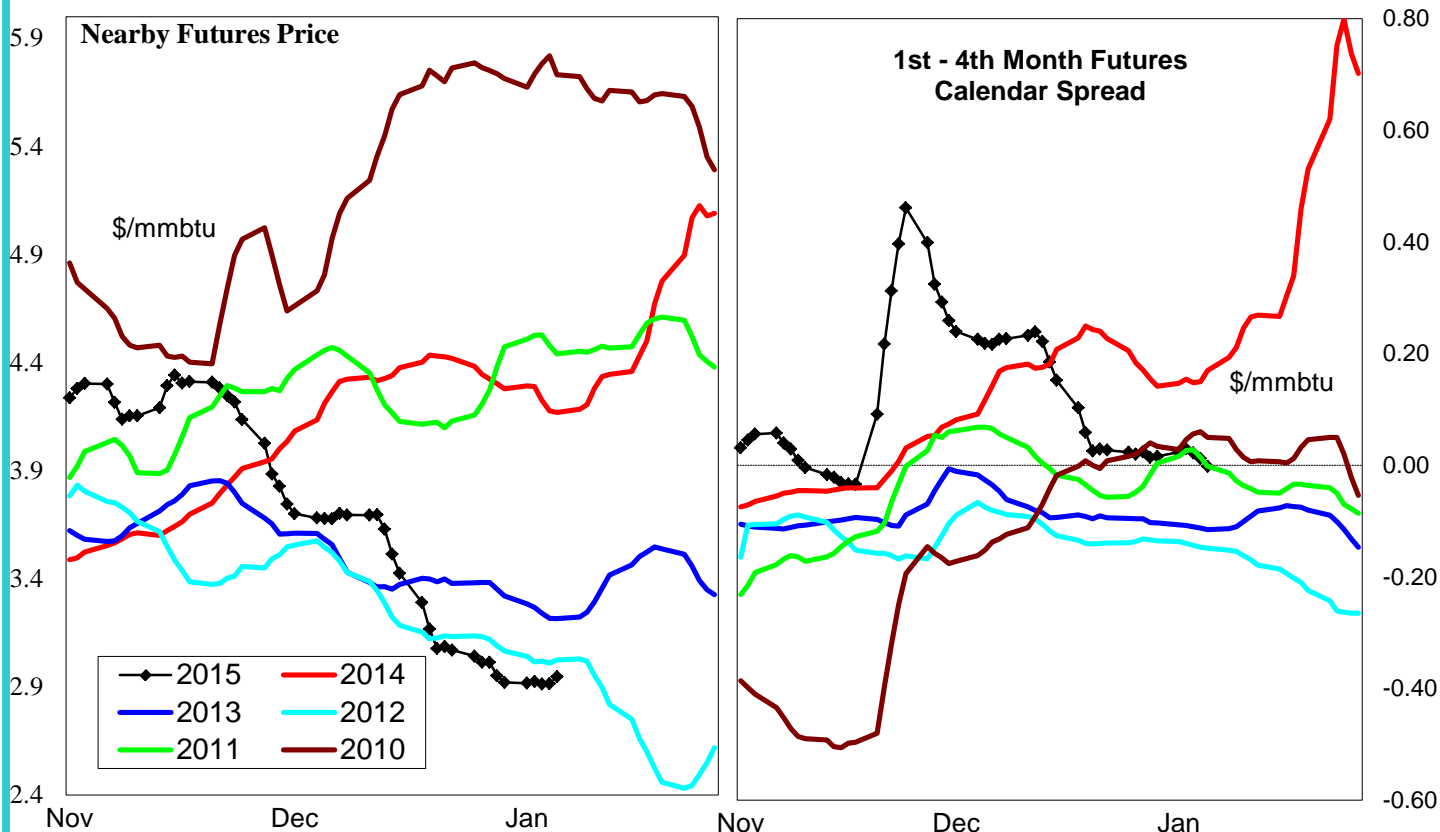
Week ending:	2-Jan-15			15-Jun-13		22-Jun-13		29-Jun-13	
Region	Weekly Stocks			Weekly Heating Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	3,089	-131	8.8	-14	-45%	-2	-33%	-3	-77%
East	1,595	-65	12.6	-17	-39%	-2	-18%	-4	-74%
West	428	-33	7.8	-12	-58%	-2	-55%	-5	-78%
Producing	1,066	-33	4.0	-4	-100%	0	-100%	0	-100%

Seasonal Trends in Stocks and Heating Degree Days

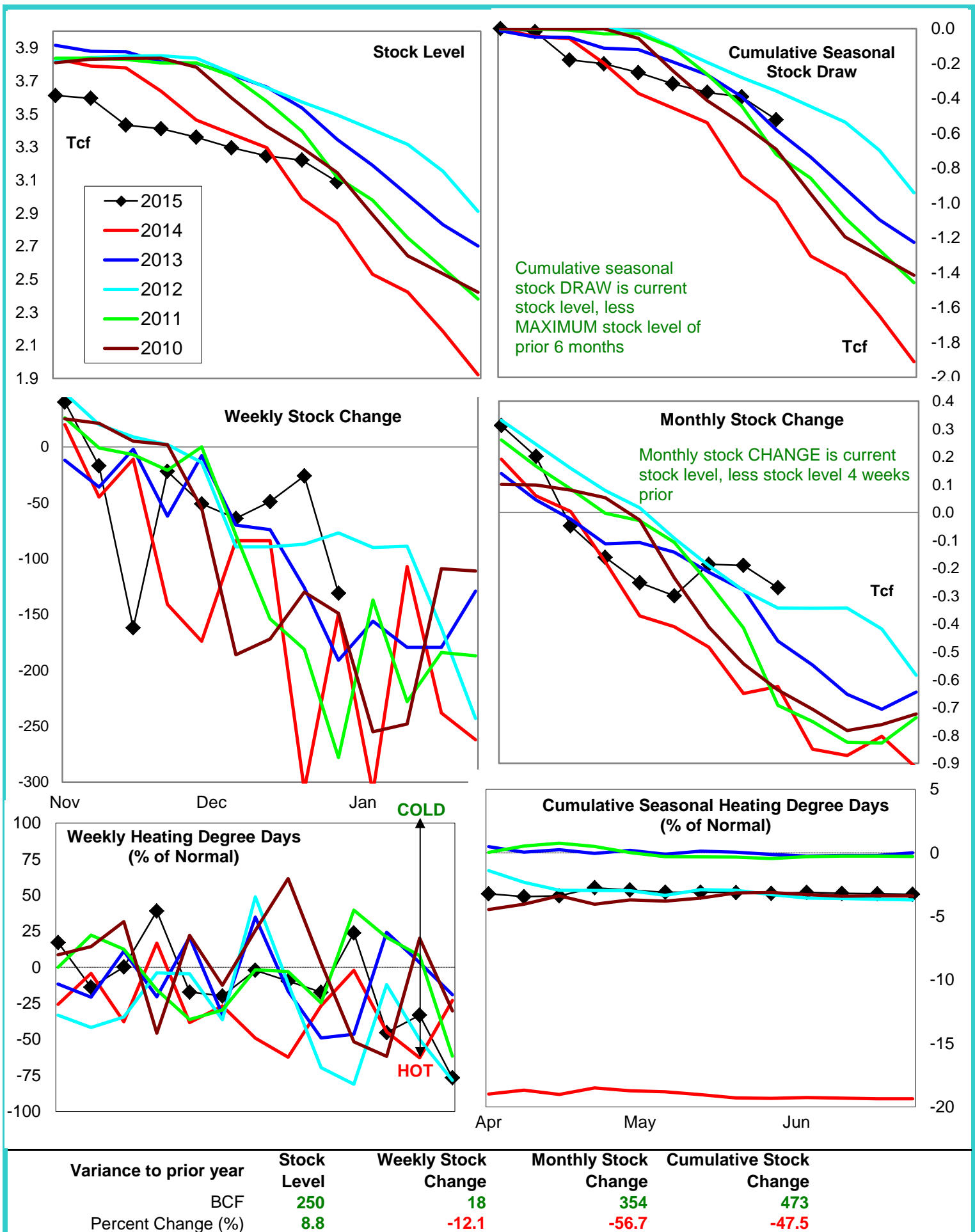
	Cumulative Stock Change			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
U.S. Total	-522	473	-90.6	6	-3.2	4	-3.2	1	-3.3
East	-369	198	-53.7	6	-2.9	4	-2.9	1	-2.9
West	-74	84	-113.5	10	-4.6	8	-4.7	3	-4.9
Producing	-80	192	-240.0	0	-4.0	0	-4.1	0	-4.1

Futures Market Price Trends

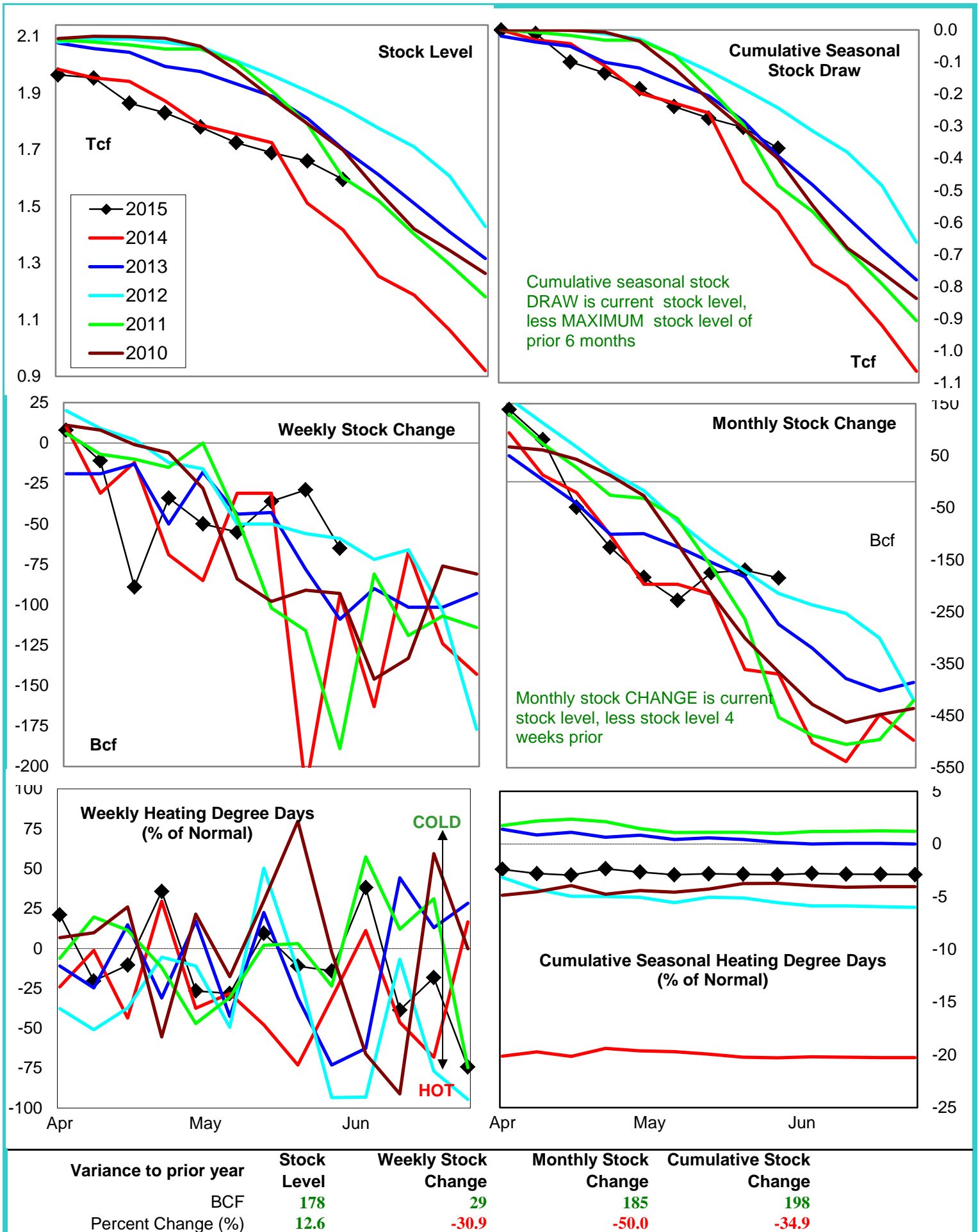
Date:	2-Jan-15	Change vs prior week, month, year		
		29-Dec-14	8-Dec-14	14-Jan-14
1st month Futures	2.95	0.06	-0.77	-1.78
% change	xxxxx	2.2	-20.8	-37.7



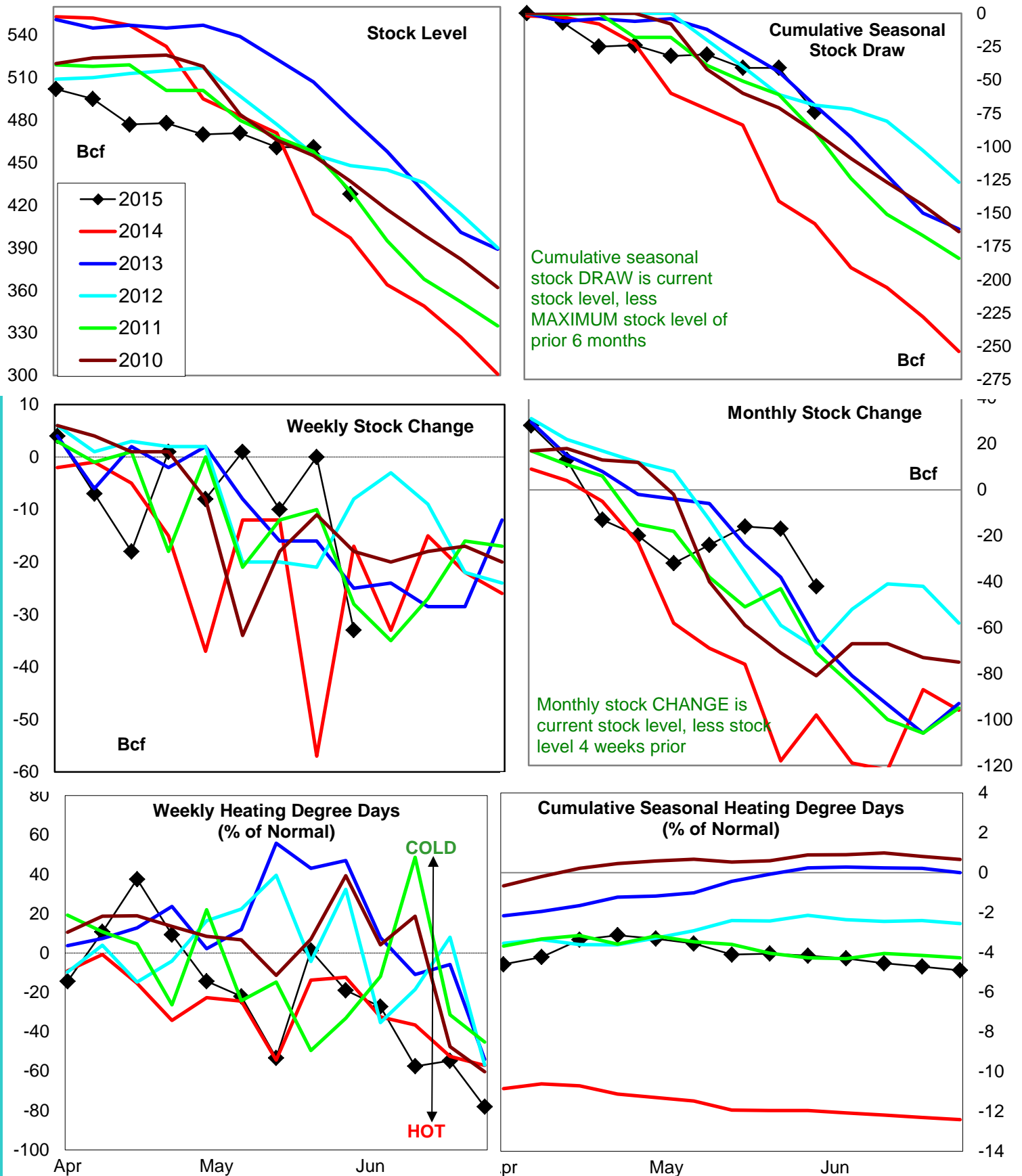
United States Natural Gas Stock and Weather Trends



Natural Gas East Region Stock and Weather Trends



Natural Gas West Region Stock and Weather Trends



Variance to prior year

Stock
LevelWeekly Stock
ChangeMonthly Stock
ChangeCumulative Stock
ChangeBCF
Percent Change (%)

31

-16

56

84

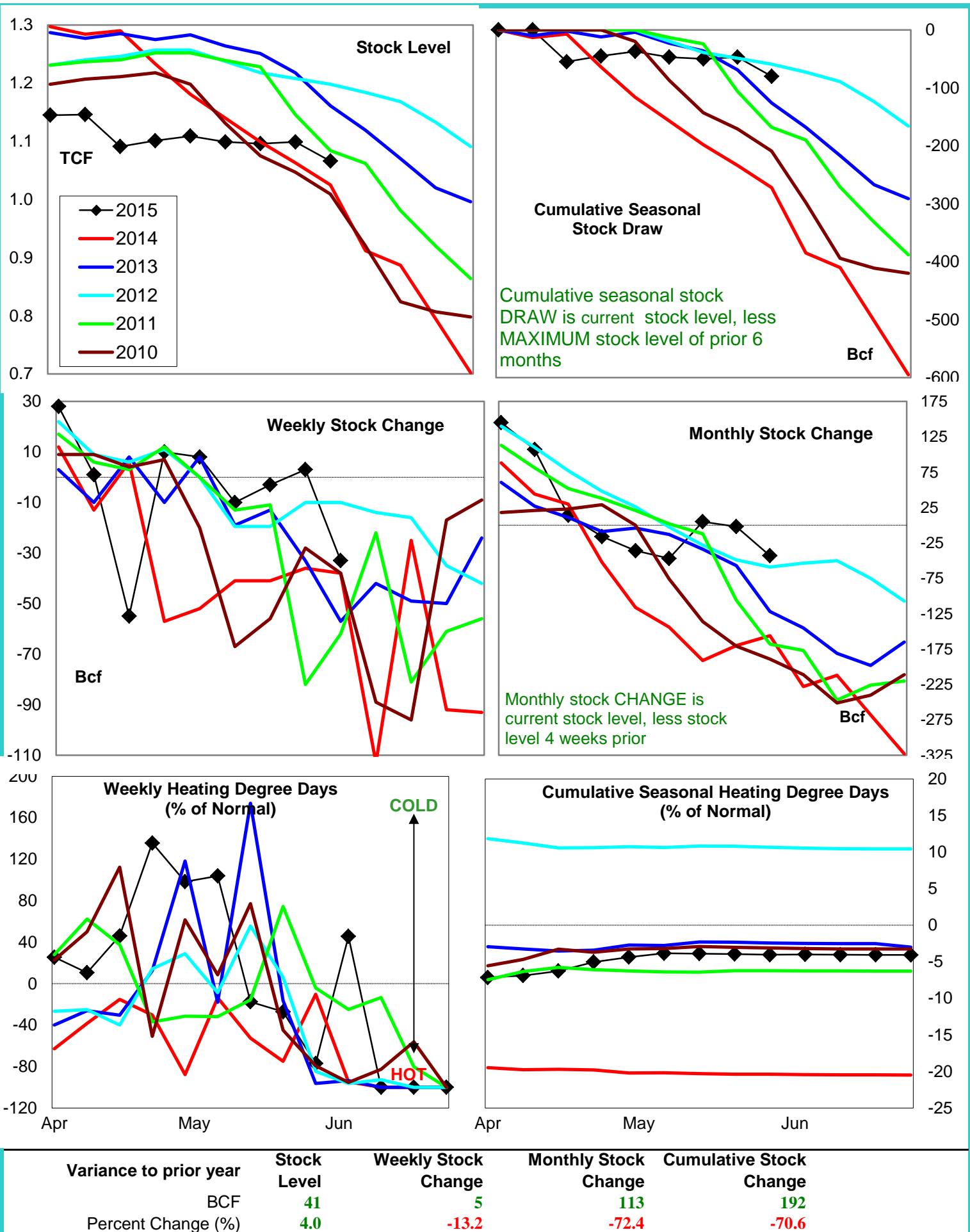
7.8

94.1

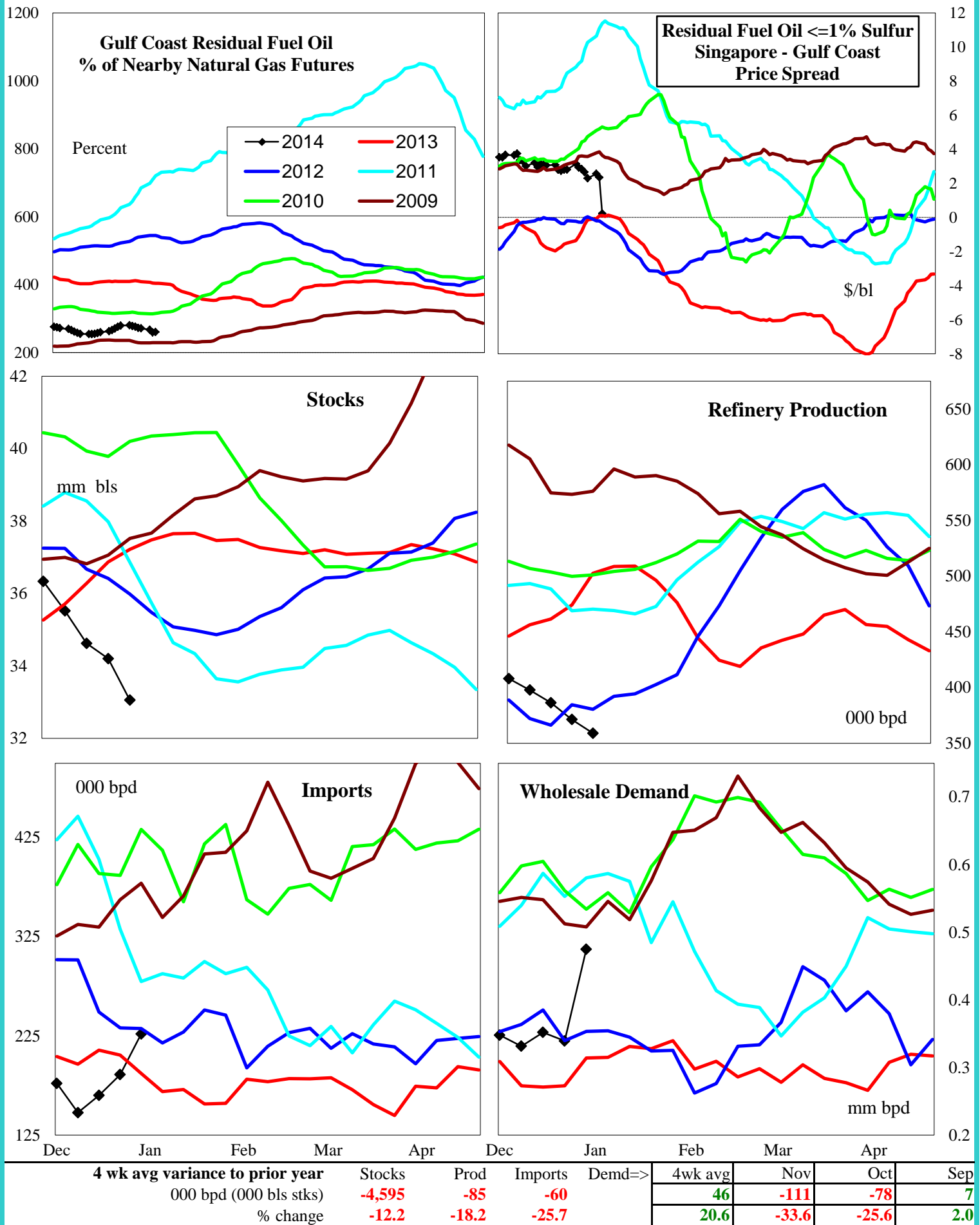
-57.1

-53.2

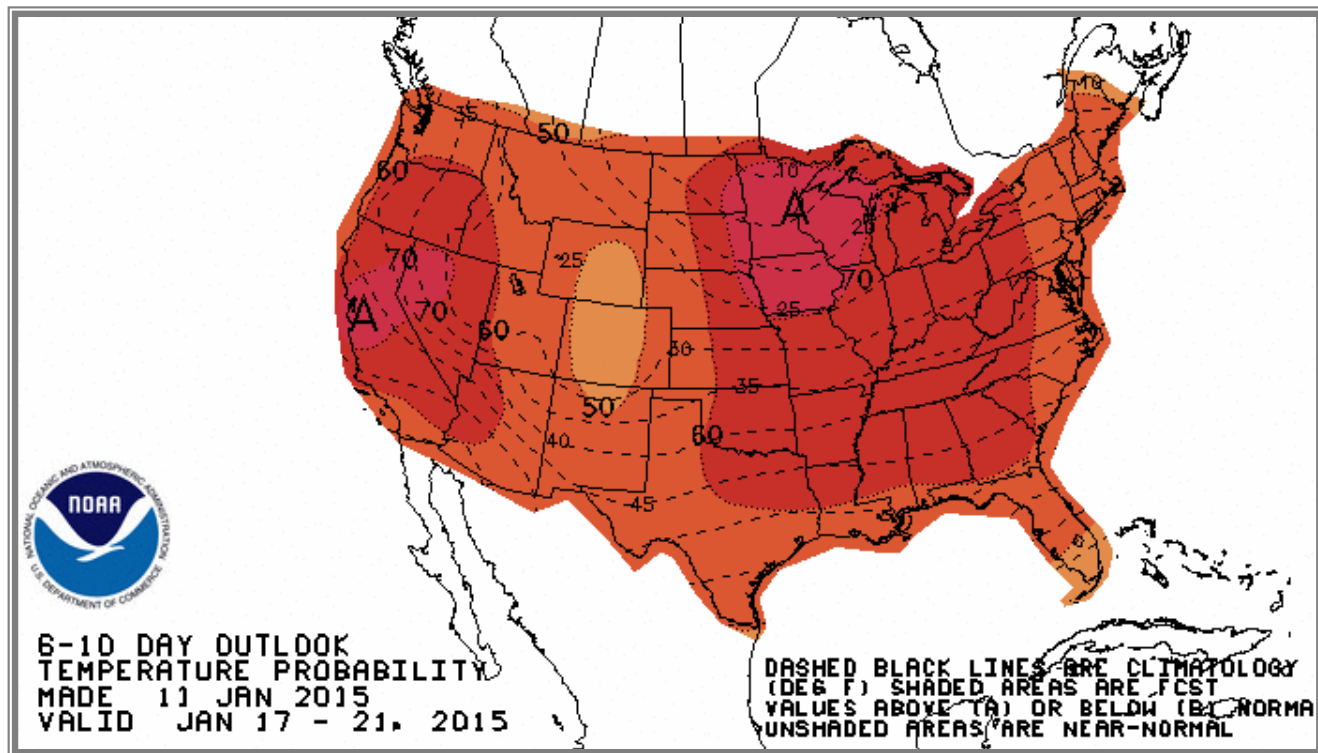
Natural Gas Producing Region Stock and Weather Trends



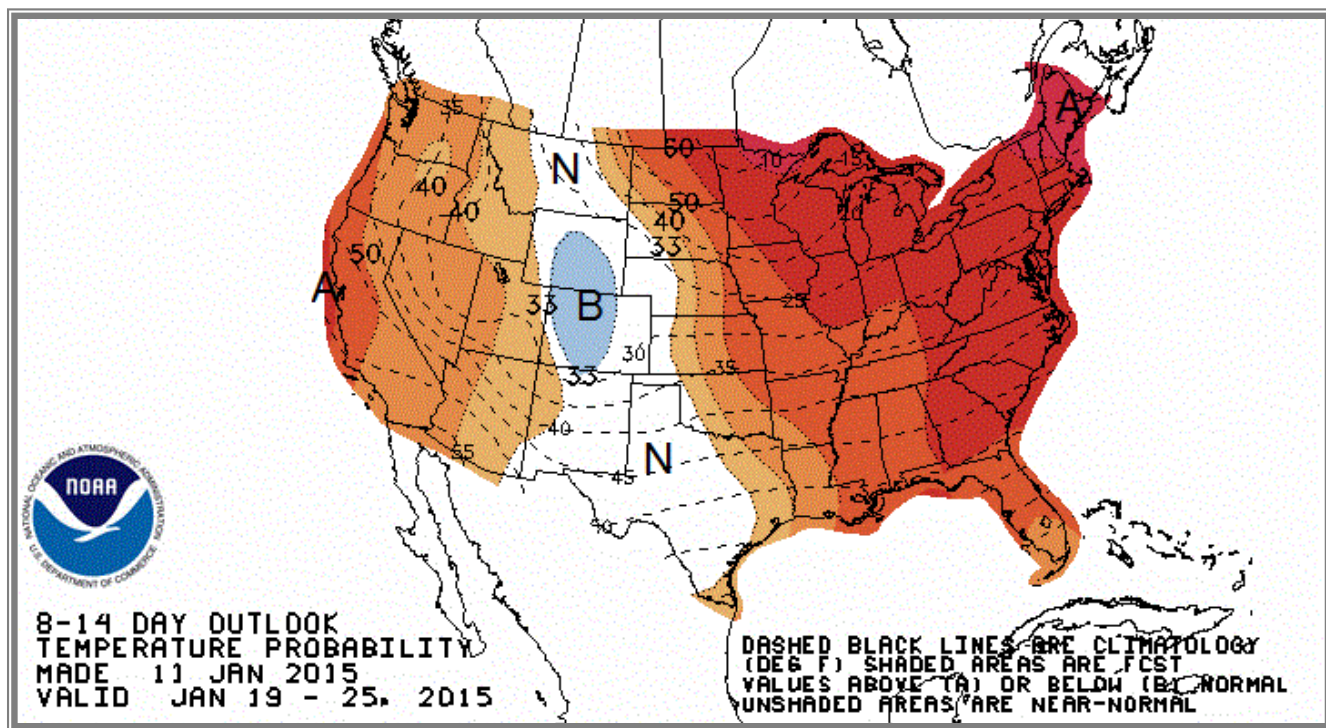
U.S. Residual Fuel Oil Price Spreads and Supply Balance



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

