

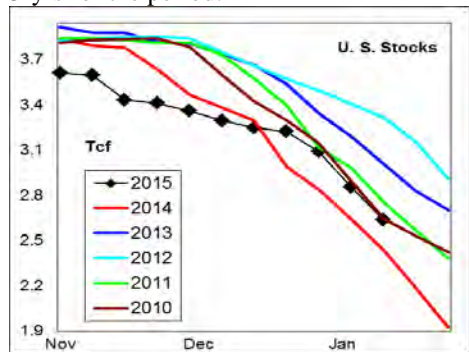
# WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

## A Fundamental Petroleum Trends Weekly Report

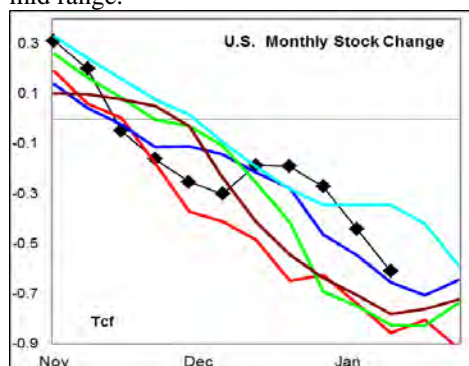
Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Sunday, January 25, 2015



**Summary**<sup>1</sup> The stock draw of -216 Bcf last week was larger than each of the last 3-yrs for the period.



The latest 4-wk stock change was a draw of -609 Bcf, less than the 3-yr mid range. The cumulative stock draw for the winter season was -30% less than last year, resulting in a stock level that is now +8% above last year and nearly equal to the 5-yr mid range.



In the East Region stocks decreased -118 Bcf for the week, slightly greater than each of the last 3-yrs for the period. Stocks declined -16 Bcf for the week in the West Region, nearly a record low draw for the period. Stocks saw an -82 Bcf draw in the Producing region last week, the 2<sup>nd</sup> consecutive near record weekly draw.

**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 09Jan15, and also below normal for the week ending 16Jan15.

### <sup>1</sup> Related Web Sites:

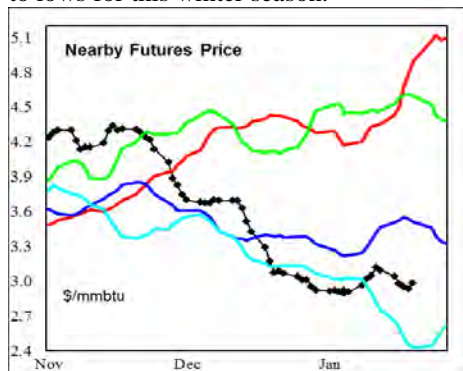
[Data Source is EIA Weekly Statistics](#)

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

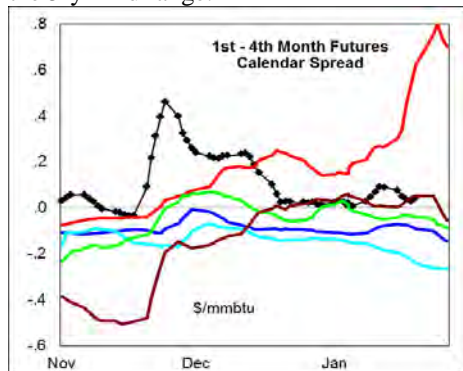
[National Weather Service 10-14 Day](#)

The 6-10 day NWS forecast for the week ending 04Feb15 is for sharply below normal temperatures in the eastern 2/3rds of the country, and much above normal in the west. The 8-14 day NWS forecast for the week ending 08Feb15 is for sharply below normal temperatures eastern 1/2 of the country and much above normal temperatures in the west.

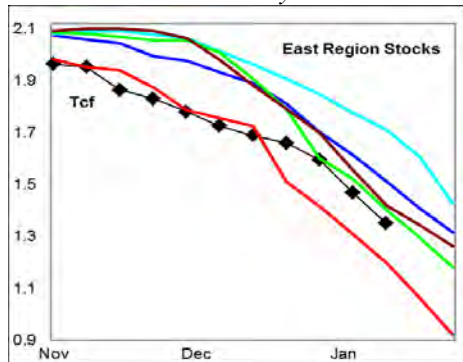
**Prices:** Nearby gas futures prices decreased -\$0.14/mmbtu for the week ending 23Jan15. Prices ended the week at a level well below each of the last 2-yrs and equal to lows for this winter season.



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

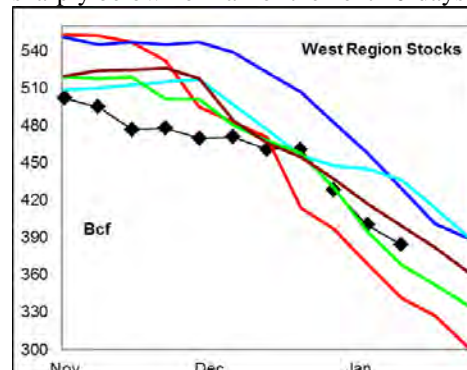


**East Region** stocks declined -118 Bcf for the week, slightly greater than each of the last 3-yrs for the period. *The current stock level is +13% above last year.*



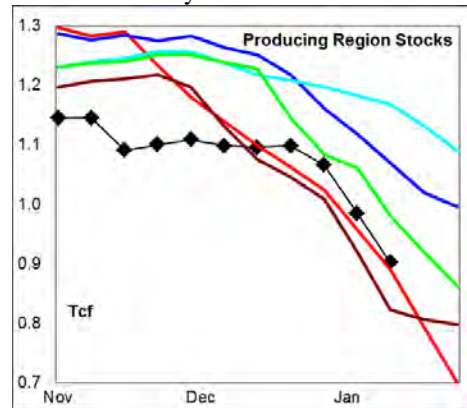
Temperatures were much below normal for the week just ended, and are forecast to be

sharply below normal for the next 10-days.



**West Region** stocks decreased -16 Bcf for the week, a near record low draw for the period. Stock levels ended the week +13% above last year. Temperatures are forecast to be sharply above normal for the next 2-wks.

**Producing Region** stocks decreased -82 Bcf for the week, the 2<sup>nd</sup> consecutive near record draw. Stock levels ended the week +1% above last year.



Temperatures are forecast to be well below 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 below normal over the next 10-days across the eastern 2/3rds of the country.

Look for an above average stock draw for the week just ended, followed by well above average draws for the following 2-wks.

There is potential for an uptrend in prices on the peak heating demand in the eastern 2/3rds of the country during the next 2-wks, limited by record production and ample stock levels.

## NATURAL GAS: Graph Link and Weekly Summary



Report prepared as of: January 25, 2015

For the week ending: 16-Jan-15

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

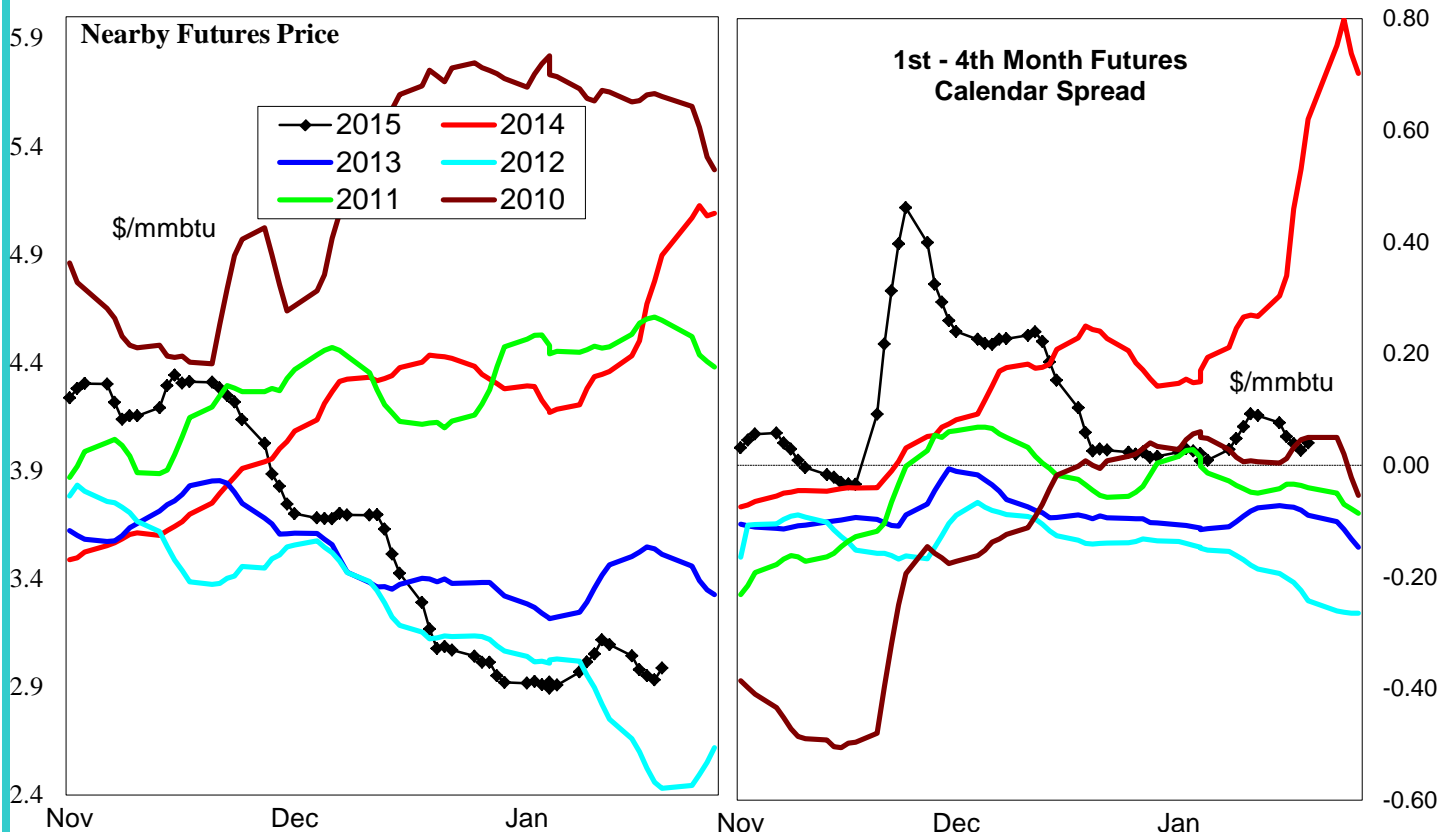
Week ending:	16-Jan-15			15-Jun-13		22-Jun-13		29-Jun-13	
Region	Weekly Stocks			Weekly Heating Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	2,637	-216	8.2	-14	-45%	-2	-33%	-3	-77%
East	1,350	-118	12.8	-17	-39%	-2	-18%	-4	-74%
West	384	-16	12.6	-12	-58%	-2	-55%	-5	-78%
Producing	903	-82	1.3	-4	-100%	0	-100%	0	-100%

### Seasonal Trends in Stocks and Heating Degree Days

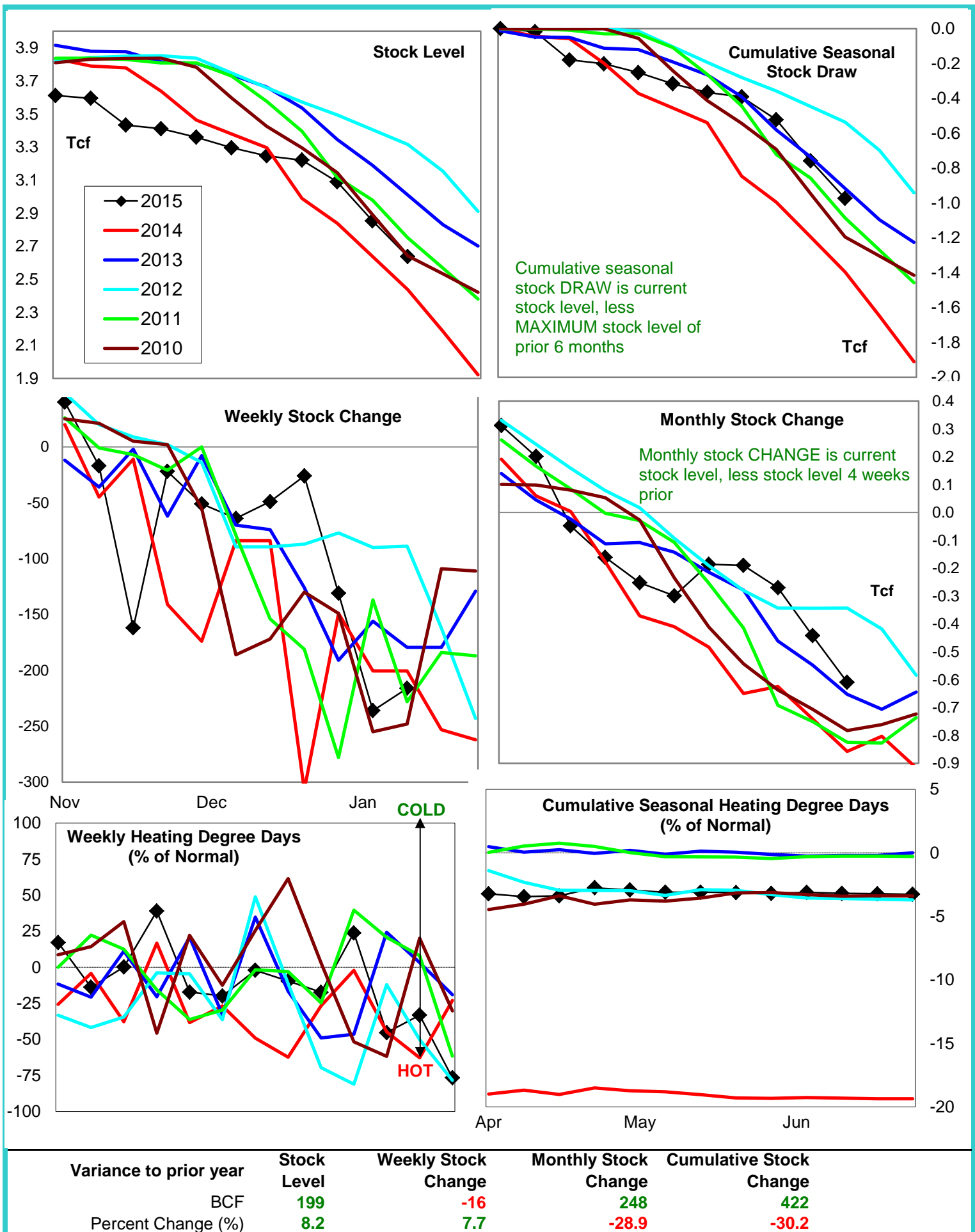
	Cumulative Stock Change			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
<b>U.S. Total</b>	<b>-974</b>	<b>422</b>	<b>-43.3</b>	<b>6</b>	<b>-3.2</b>	<b>4</b>	<b>-3.2</b>	<b>1</b>	<b>-3.3</b>
<b>East</b>	<b>-614</b>	<b>173</b>	<b>-28.2</b>	<b>6</b>	<b>-2.9</b>	<b>4</b>	<b>-2.9</b>	<b>1</b>	<b>-2.9</b>
<b>West</b>	<b>-118</b>	<b>96</b>	<b>-81.4</b>	<b>10</b>	<b>-4.6</b>	<b>8</b>	<b>-4.7</b>	<b>3</b>	<b>-4.9</b>
<b>Producing</b>	<b>-243</b>	<b>163</b>	<b>-67.1</b>	<b>0</b>	<b>-4.0</b>	<b>0</b>	<b>-4.1</b>	<b>0</b>	<b>-4.1</b>

### Futures Market Price Trends

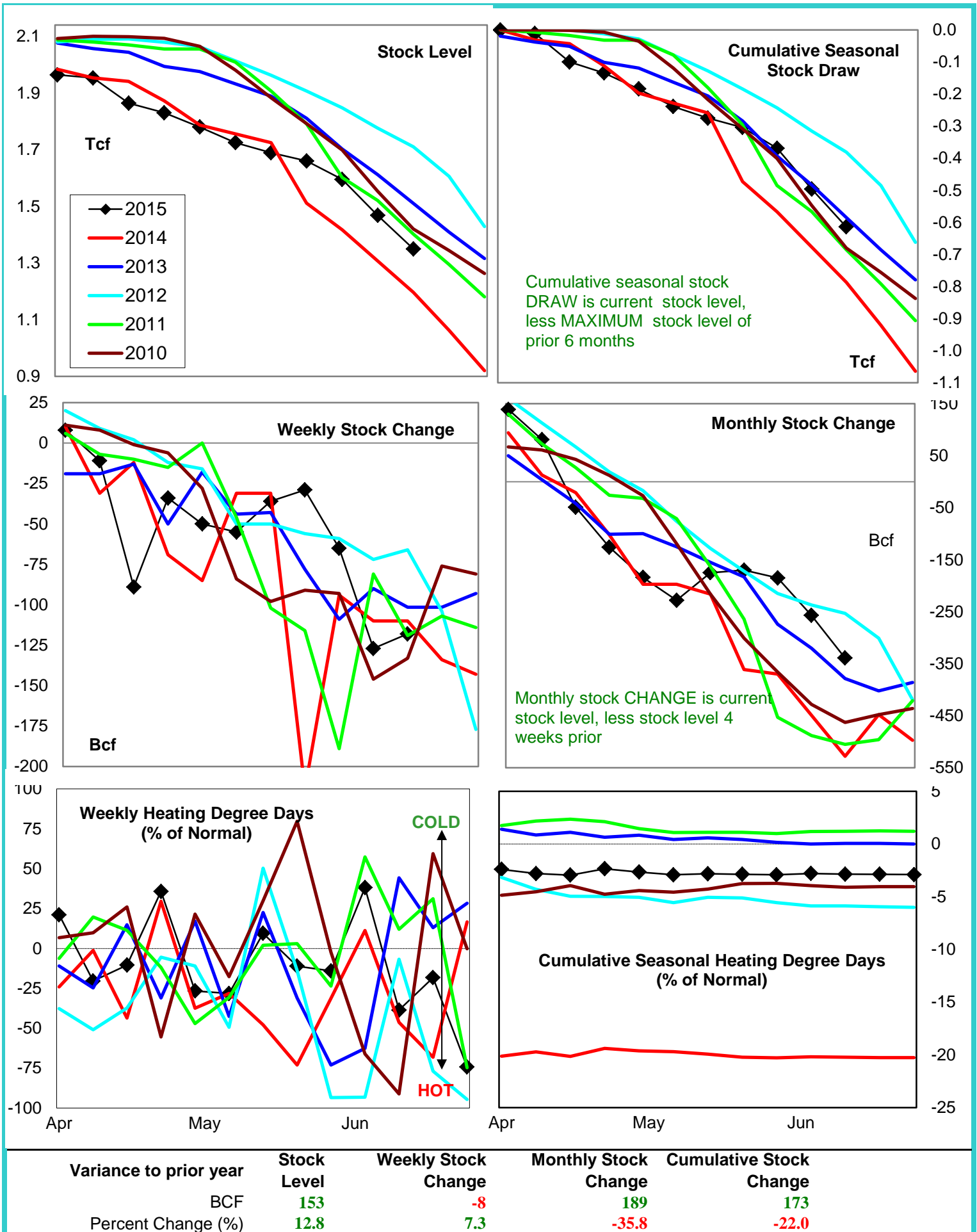
Date:	23-Jan-15	Change vs prior week, month, year		
		19-Jan-15	29-Dec-14	4-Feb-14
<b>1st month Futures</b>	<b>2.99</b>	<b>-0.14</b>	<b>-0.11</b>	<b>-1.79</b>
<b>% change</b>	<b>xxxxx</b>	<b>-4.5</b>	<b>-3.5</b>	<b>-37.5</b>



# United States Natural Gas Stock and Weather Trends

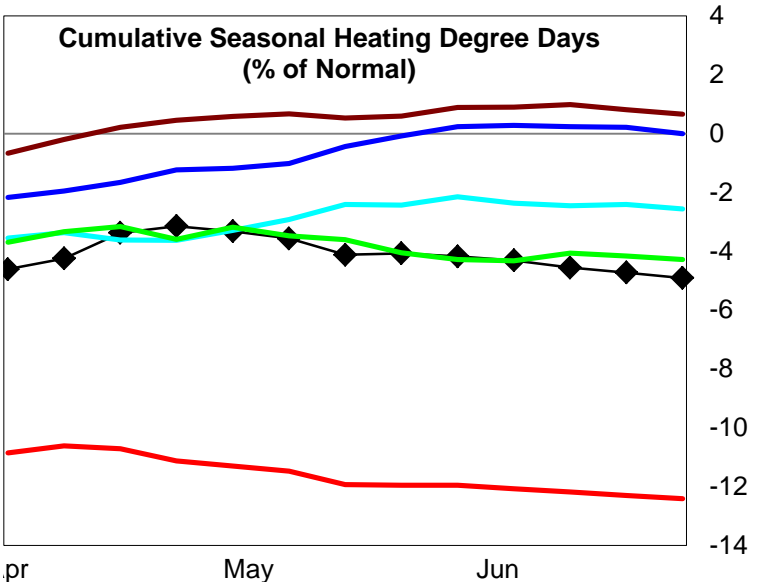
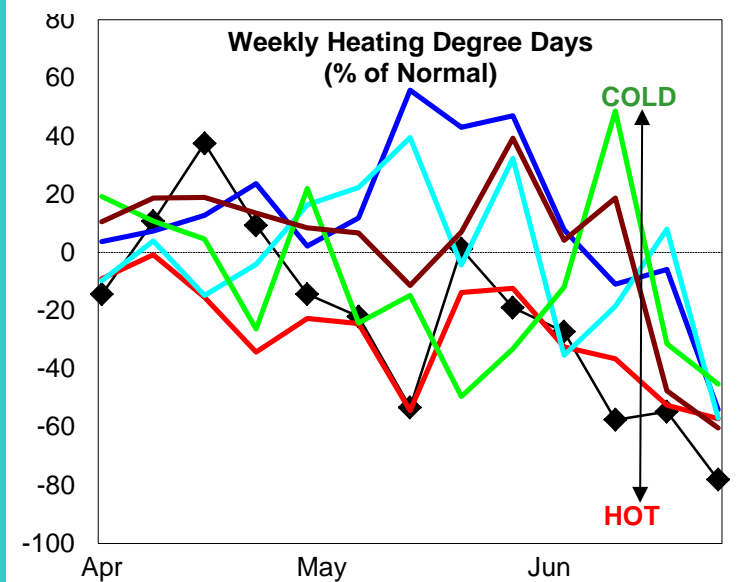
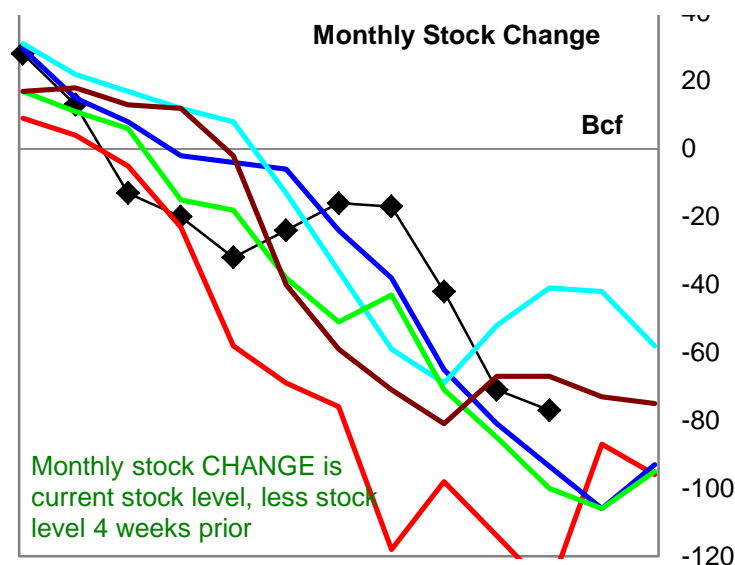
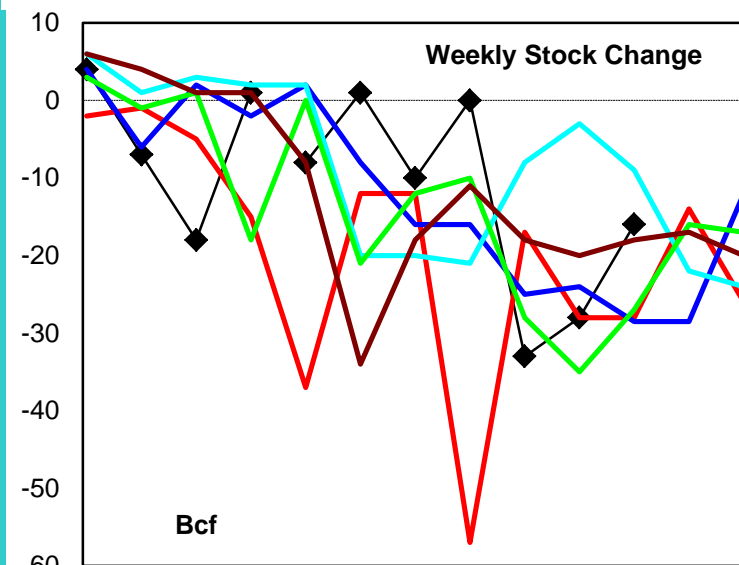
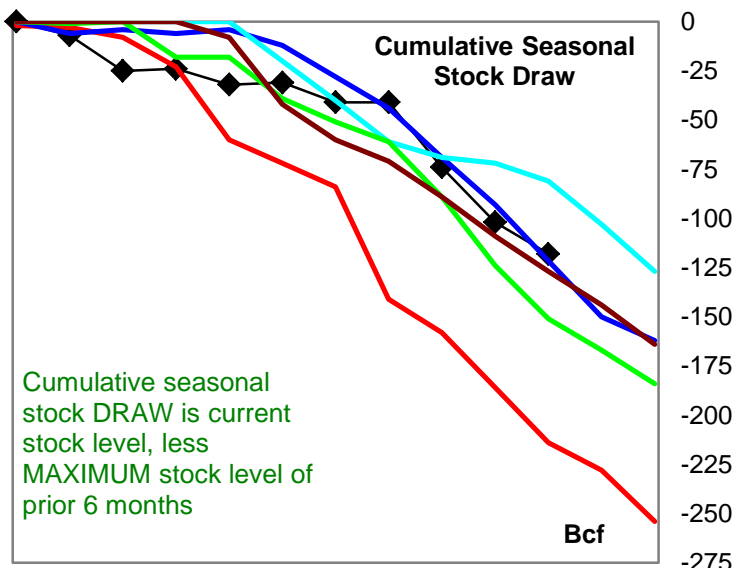
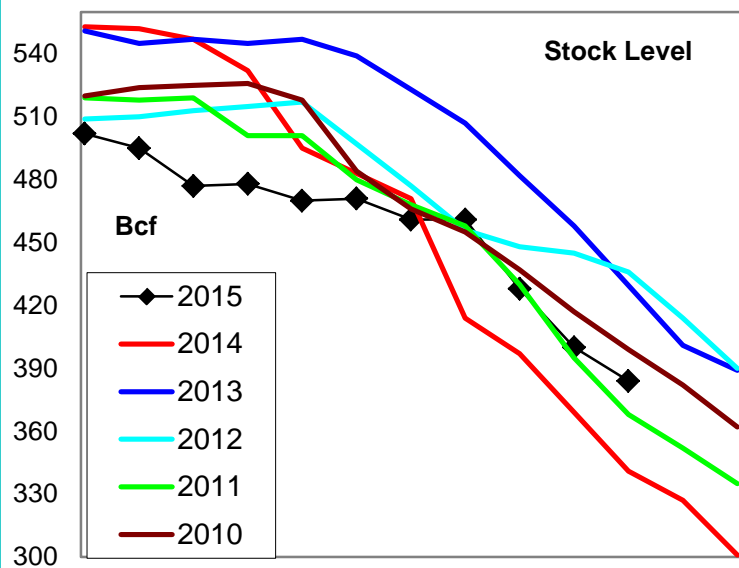


# Natural Gas East Region Stock and Weather Trends





## Natural Gas West Region Stock and Weather Trends



Variance to prior year

Stock Level

Weekly Stock Change

Monthly Stock Change

Cumulative Stock Change

BCF

43

12

53

96

Percent Change (%)

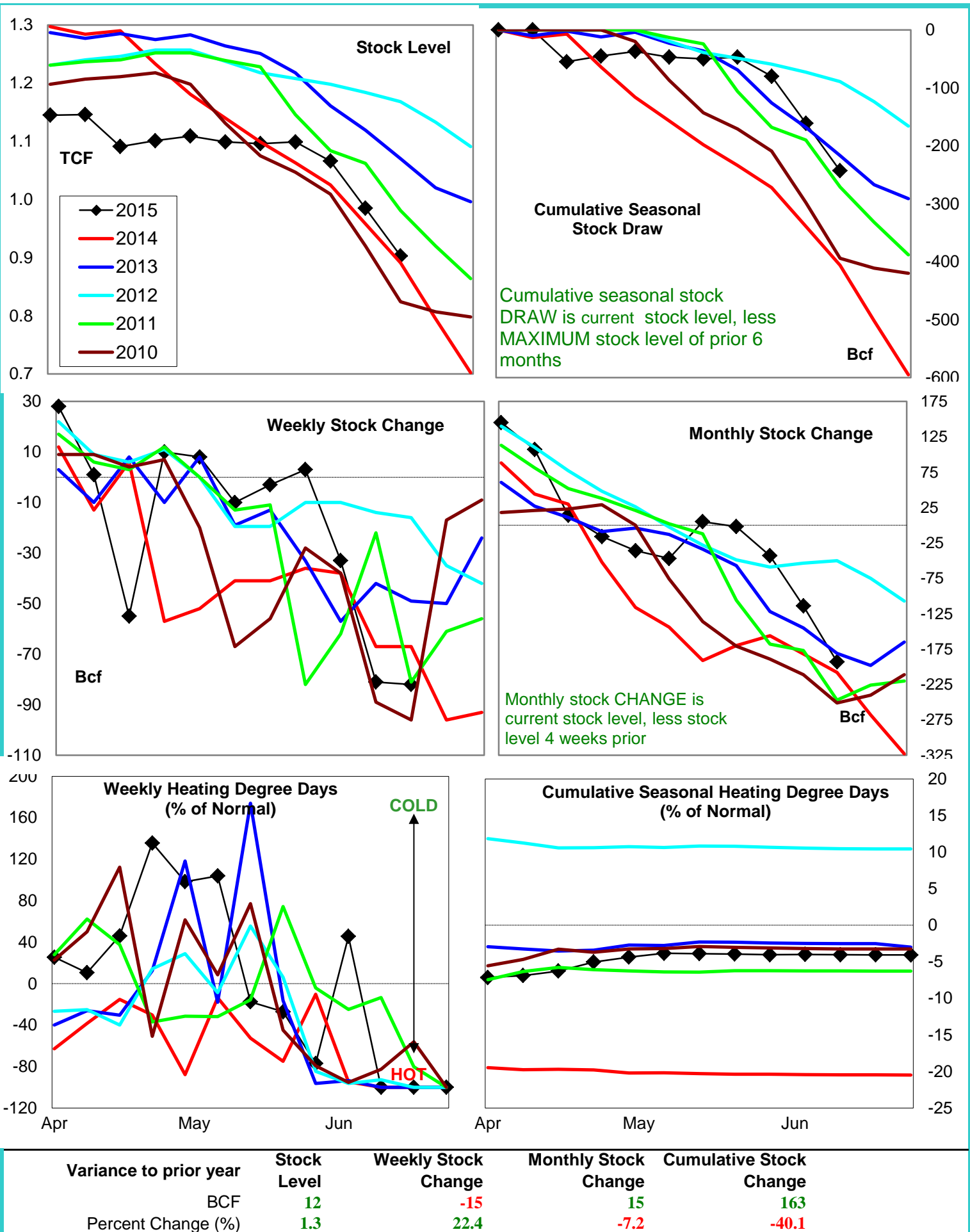
12.6

-42.9

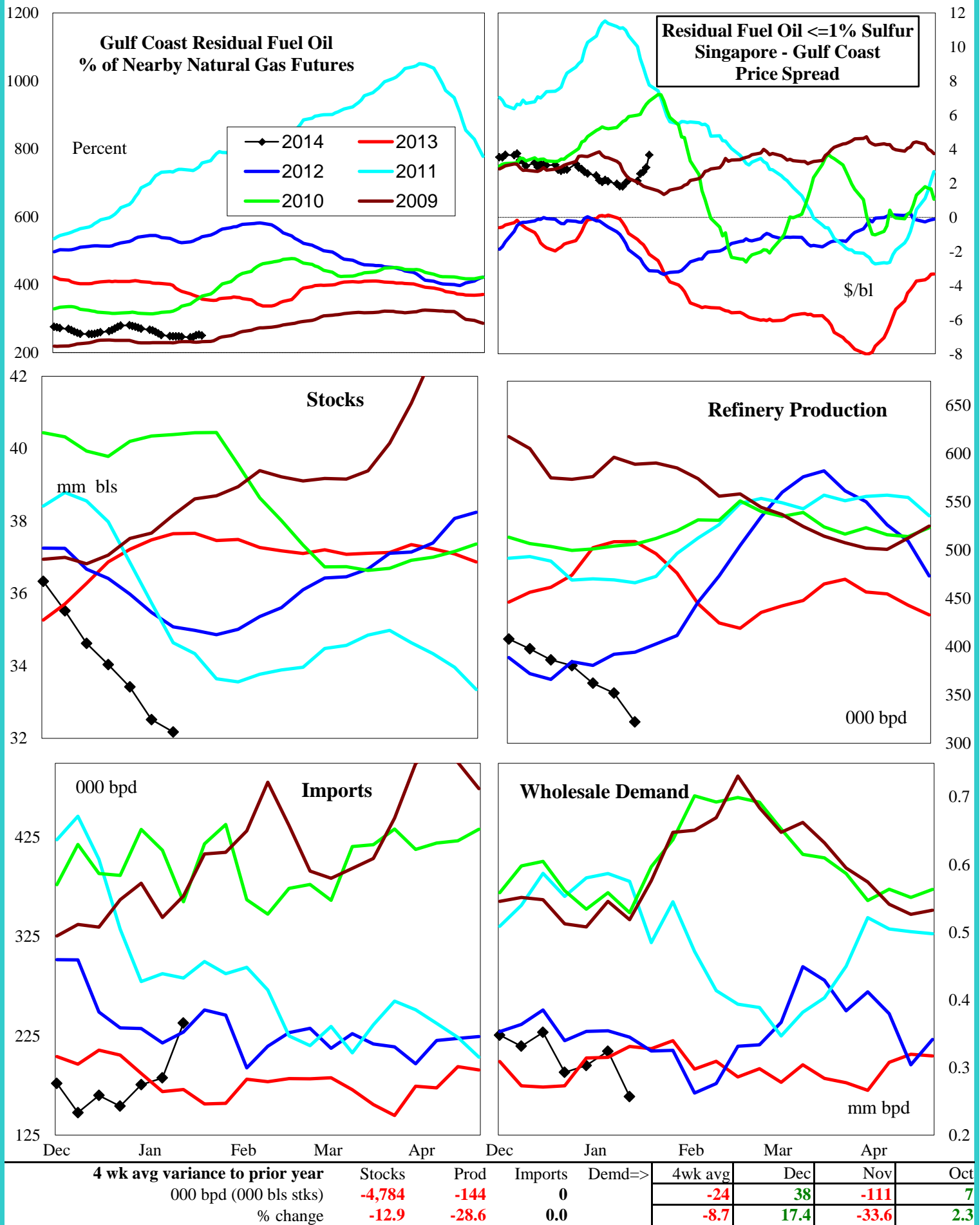
-40.8

-44.9

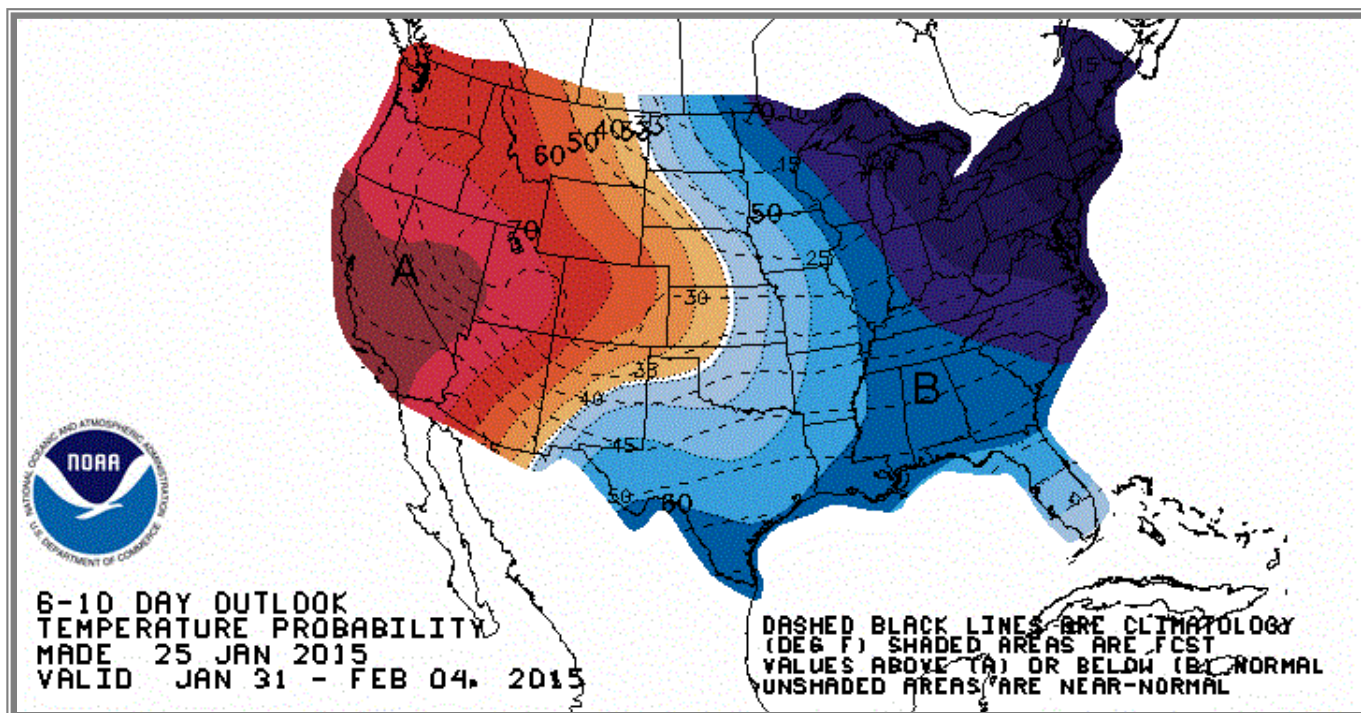
# Natural Gas Producing Region Stock and Weather Trends



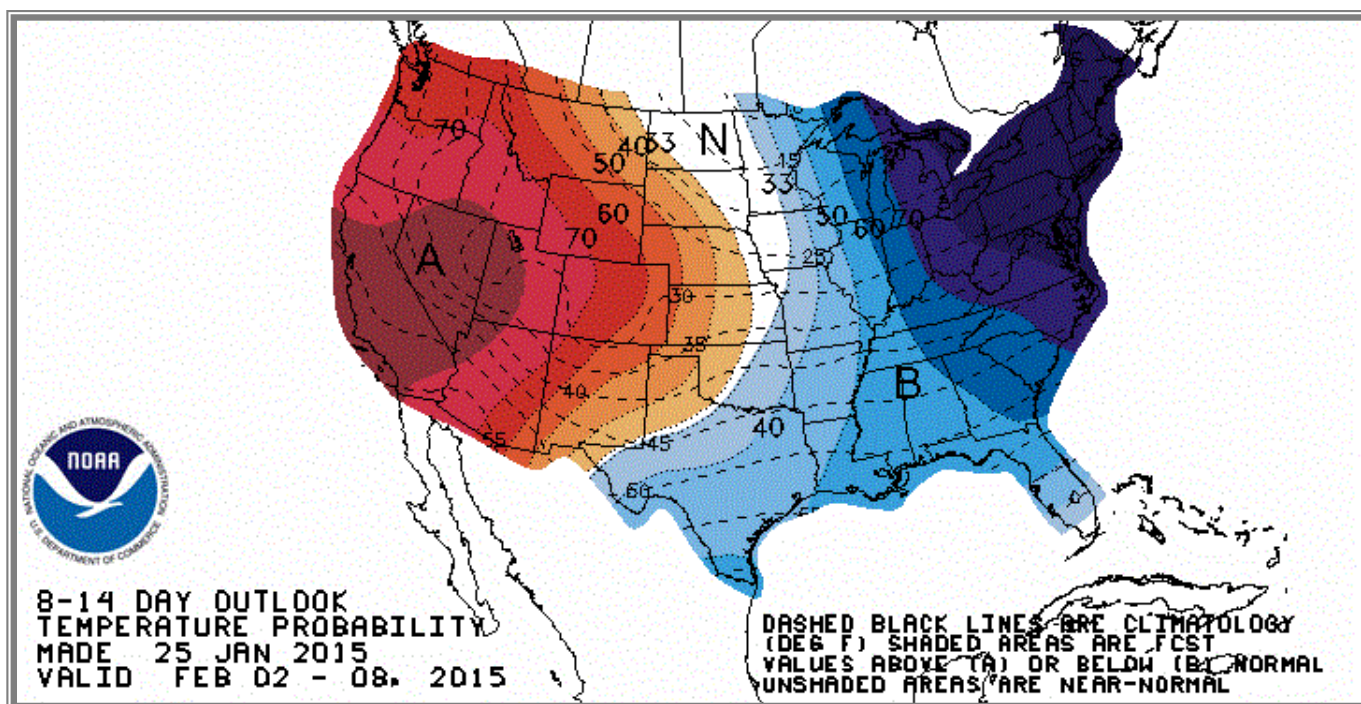
## U.S. Residual Fuel Oil Price Spreads and Supply Balance



## 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

