



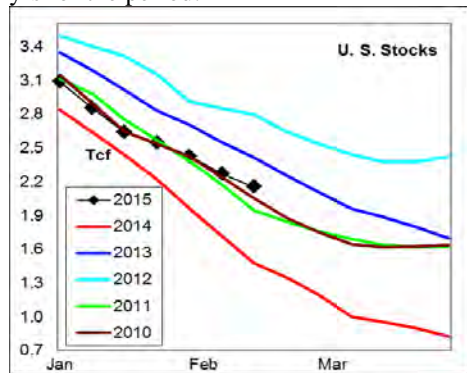
## WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

### A Fundamental Petroleum Trends Weekly Report

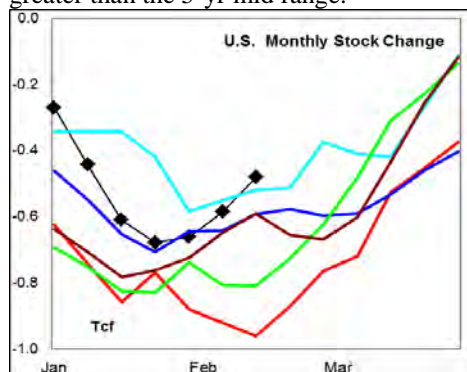
Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Monday, February 23, 2015



**Summary** <sup>1</sup> The stock draw of -111 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 -180 Bcf, a record low draw for this time of year. The cumulative stock draw for the winter season was -38% less than last year, resulting in a stock level that is now +45% above last year and slightly greater than the 5-yr mid range.



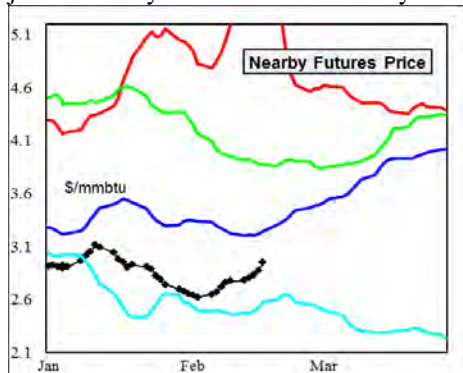
In the East Region stocks decreased -97 Bcf for the week, a draw less than the 5-yr mid range. Stocks increased +1 Bcf for the week in the West Region, this compares to an average draw of -20 Bcf in four of the last 5-yr. Stocks saw an -18 Bcf draw in the Producing region last week, also a record low draw for the period.

**Temperatures** were below normal across the eastern ½ of the country for the week ending 06Feb15, and well below normal for the week ending 13Feb15.

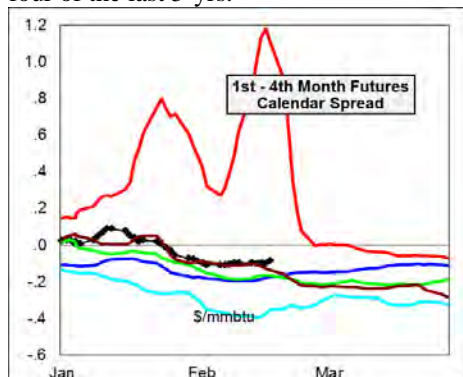
The 6-10 day NWS forecast for the week ending 04Mar15 is for sharply below

normal temperatures across the northern plains, great lakes and Midwest. The 8-14 day NWS forecast for the week ending 08Feb15 is for much sharply below normal temperatures in the great lakes region and below normal temperatures across nearly the entire country.

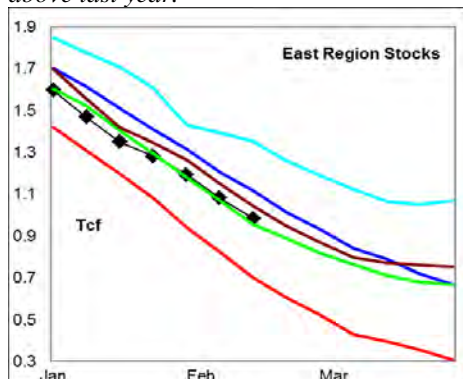
**Prices:** Nearby gas futures prices increased \$0.15/mmbtu for the week ending 20Feb15. Prices ended the week at a level just above 5-yr lows for this time of year.



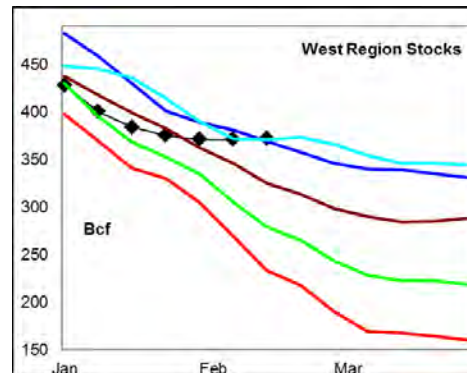
The 1<sup>st</sup> - 4<sup>th</sup> month forward price curve traded sideways last week at a level above four of the last 5-yr.



**East Region** stocks declined -97 Bcf for the week, a draw less than the 5-yr mid range. The current stock level is +40% above last year.

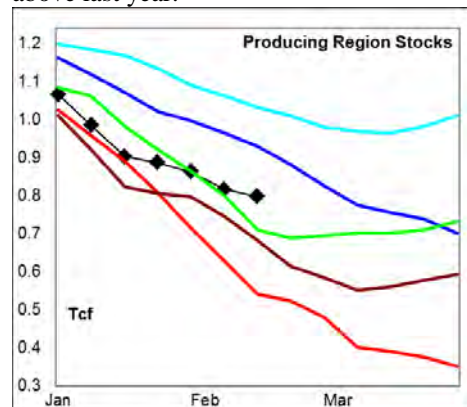


Temperatures were sharply below normal for the week just ended, and are forecast to be well below normal for the next 10-days.



**West Region** stocks increased +1 Bcf for the week, compared to an average draw of -20 Bcf for four of the last 5-yr. Stock levels ended the week +60% above last year. Temperatures are forecast to be below normal for the next 2-wks.

**Producing Region** stocks decreased -18 Bcf for the week, a record low draw for the period. Stock levels ended the week +47% 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 end the week near 3-yr lows in favor of gas.

**Outlook:** Extremely cold temperatures in the northeast have led to natural gas allocation for utilities, driven by a lack of pipeline capacity to deliver product. As a result of the pipeline capacity limits, the impact has been limited on Gulf spot prices.

Record production has limited total U. S. stock draws to a 5-yr low for the most recent 4-wk period. With the current forecast of sharply below normal temperatures across most of the country for the next 10-days, look for a continued uptrend in prices. Any warming trend would result in a price pull back.

#### <sup>1</sup> 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: February 23, 2015

For the week ending: 13-Feb-15

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

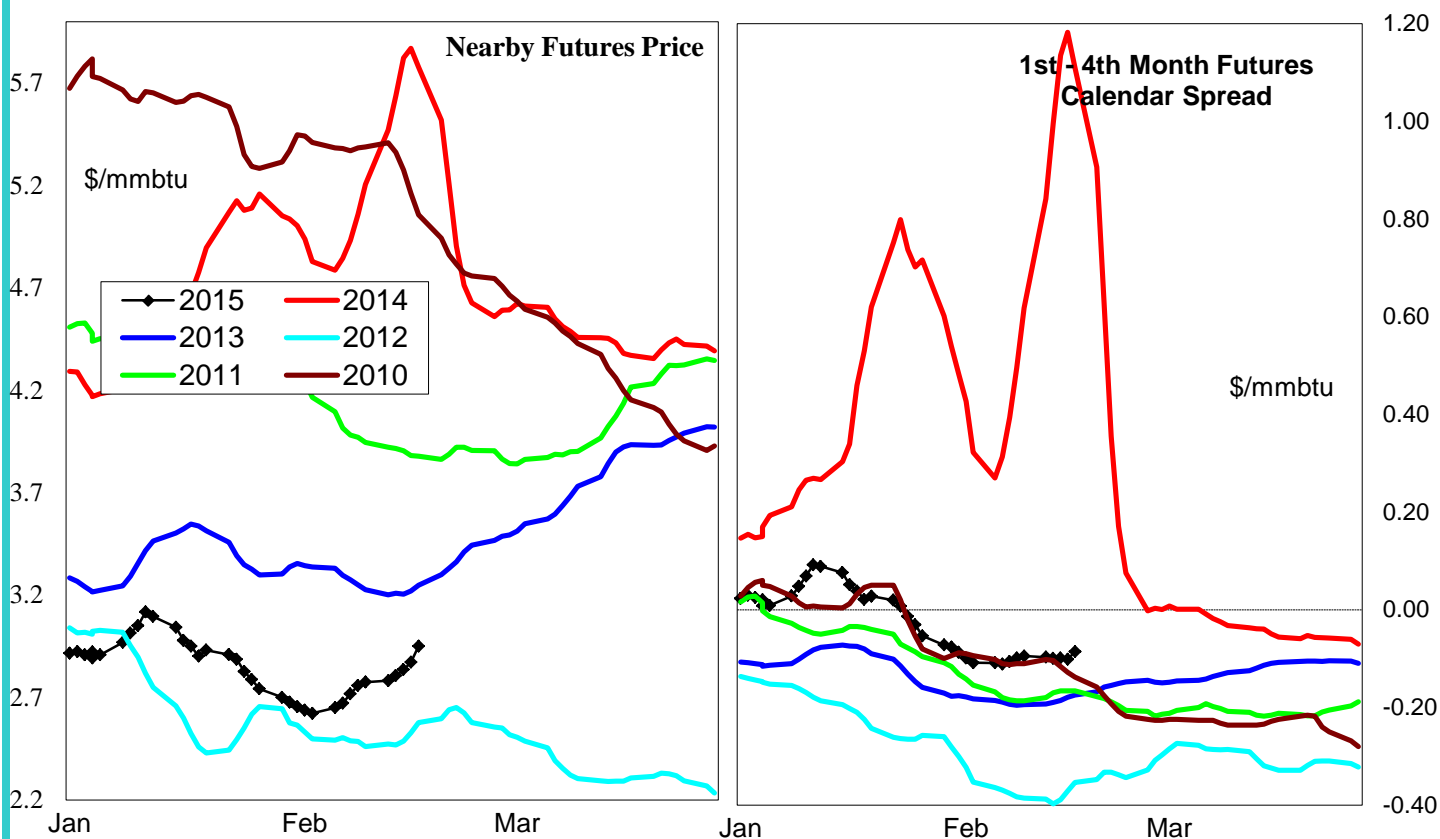
Week ending:	13-Feb-15			15-Jun-13		22-Jun-13		29-Jun-13	
Region	Weekly Stocks			Weekly Heating Degree Days					
		Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
	Bcf	Week Bcf	Year (%)						
U.S. Total	2,157	-111	45.8	-14	-45%	-2	-33%	-3	-77%
East	984	-97	40.0	-17	-39%	-2	-18%	-4	-74%
West	372	1	59.7	-12	-58%	-2	-55%	-5	-78%
Producing	798	-18	47.2	-4	-100%	0	-100%	0	-100%

### Seasonal Trends in Stocks and Heating Degree Days

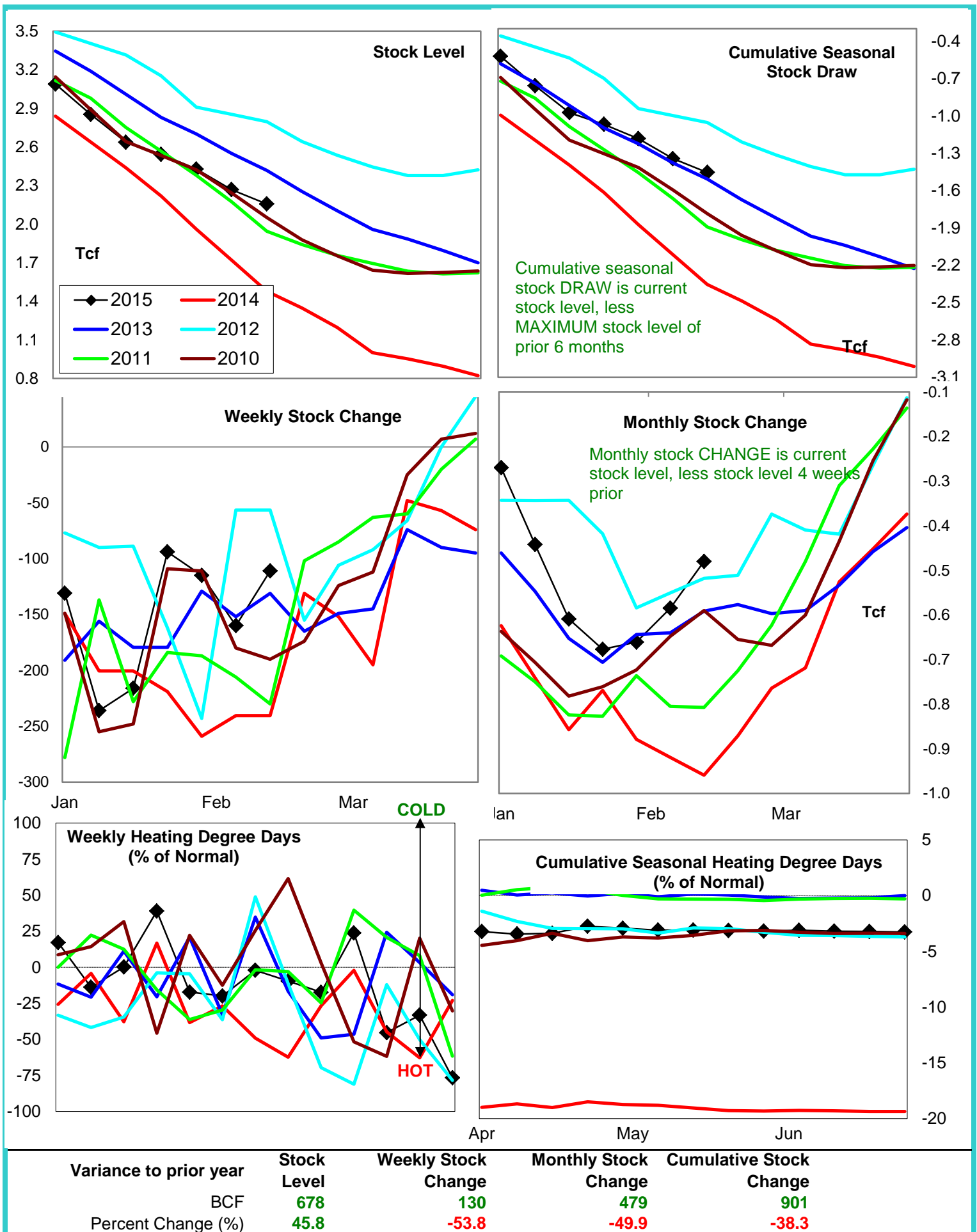
	Cumulative Stock Change			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
<b>U.S. Total</b>	<b>-1,454</b>	<b>901</b>	<b>-62.0</b>	<b>6</b>	<b>-3.2</b>	<b>4</b>	<b>-3.2</b>	<b>1</b>	<b>-3.3</b>
<b>East</b>	<b>-980</b>	<b>301</b>	<b>-30.7</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>-130</b>	<b>192</b>	<b>-147.7</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>-348</b>	<b>407</b>	<b>-117.0</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

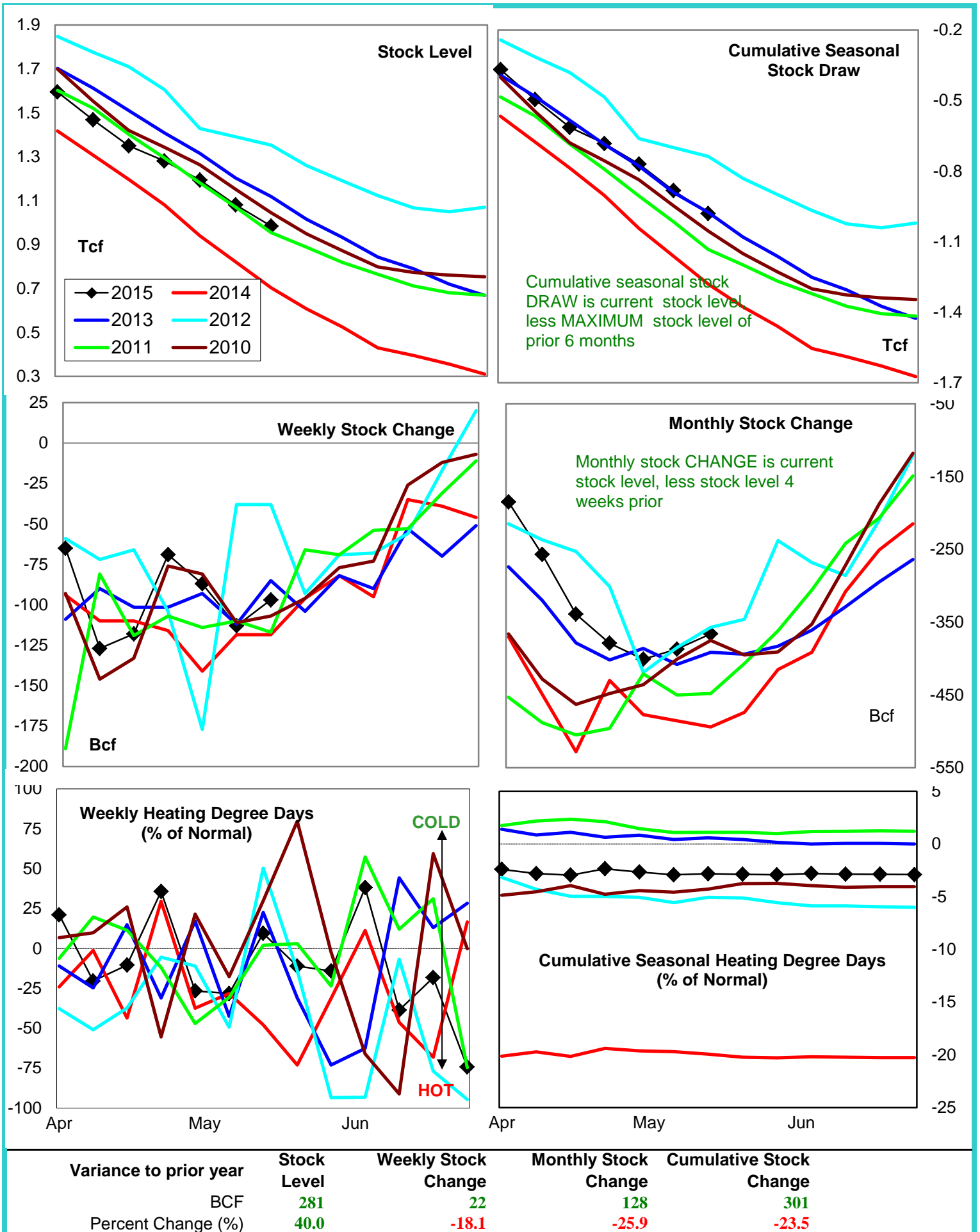
Date:	20-Feb-15	Change vs prior week, month, year		
		16-Feb-15	26-Jan-15	4-Mar-14
<b>1st month Futures</b>	<b>2.95</b>	<b>0.15</b>	<b>0.07</b>	<b>-1.67</b>
<b>% change</b>	<b>xxxxx</b>	<b>5.2</b>	<b>2.4</b>	<b>-36.1</b>



# United States Natural Gas Stock and Weather Trends

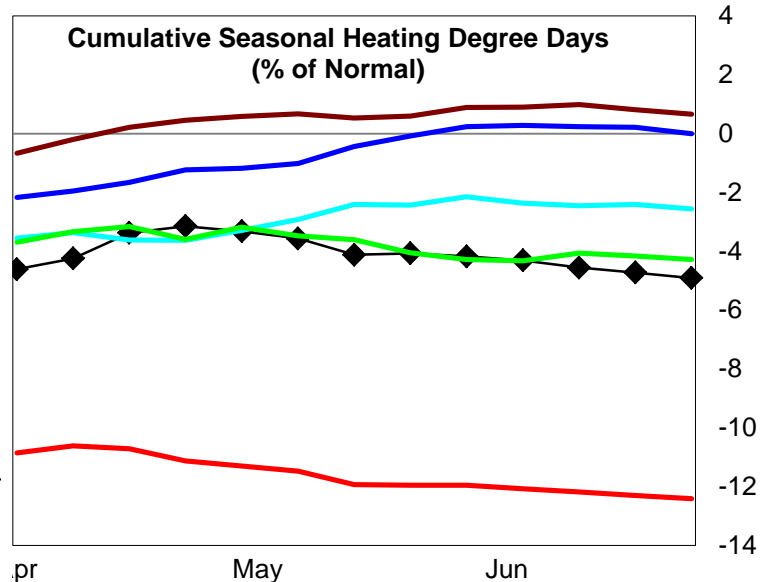
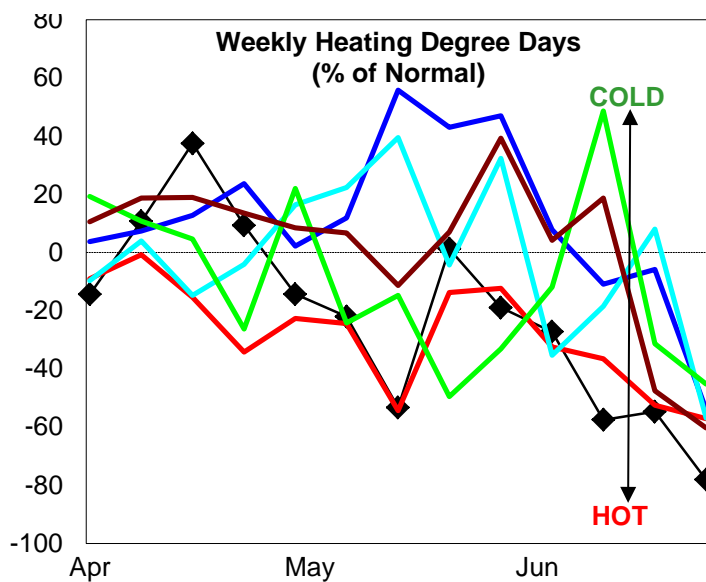
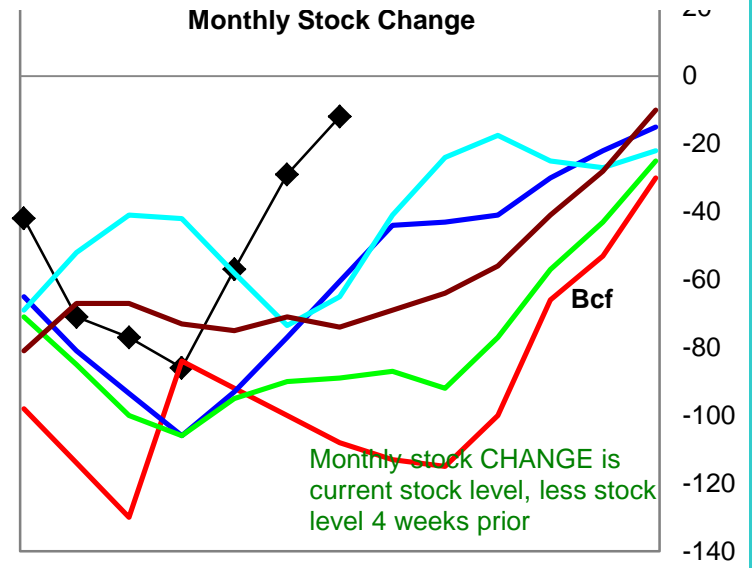
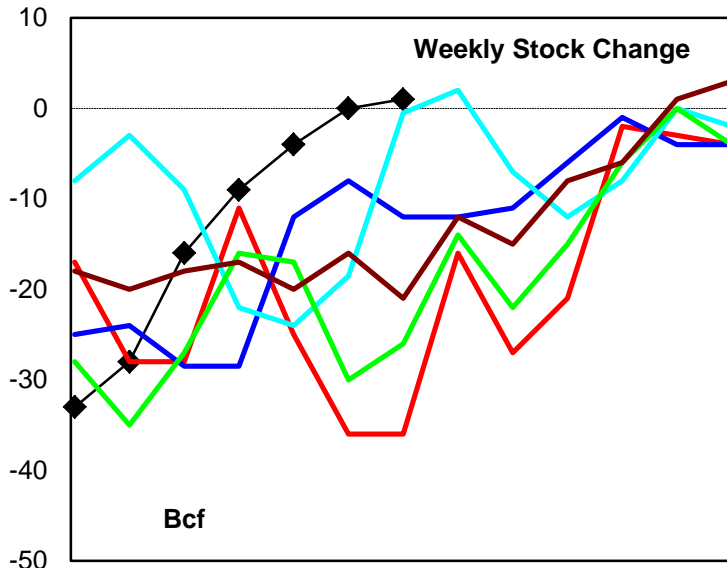
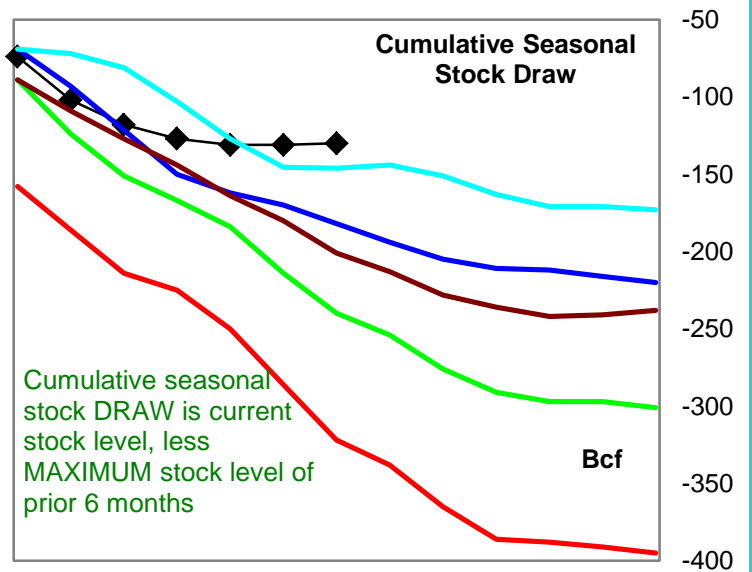
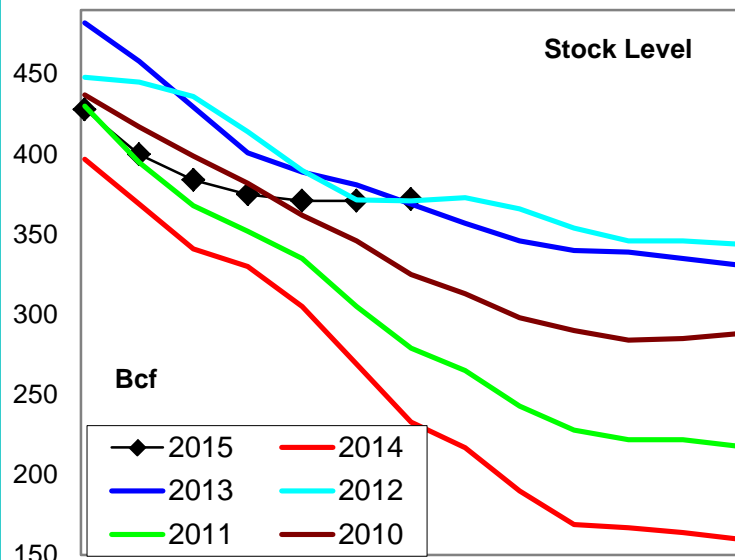


# Natural Gas East Region Stock and Weather Trends





# Natural Gas West Region Stock and Weather Trends



Variance to prior year

Stock Level

Weekly Stock Change

Monthly Stock Change

Cumulative Stock Change

BCF

139

37

96

192

Percent Change (%)

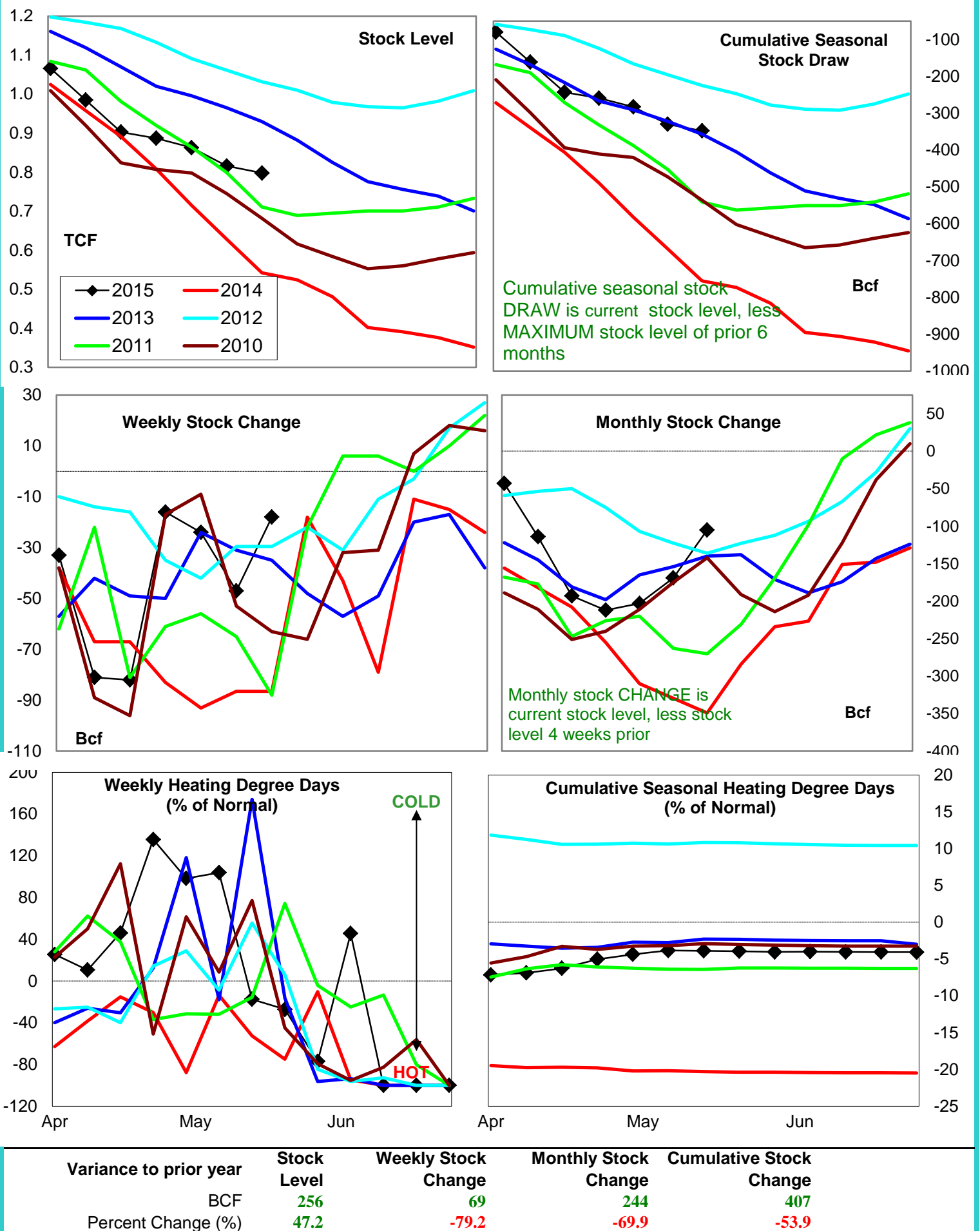
59.7

-102.8

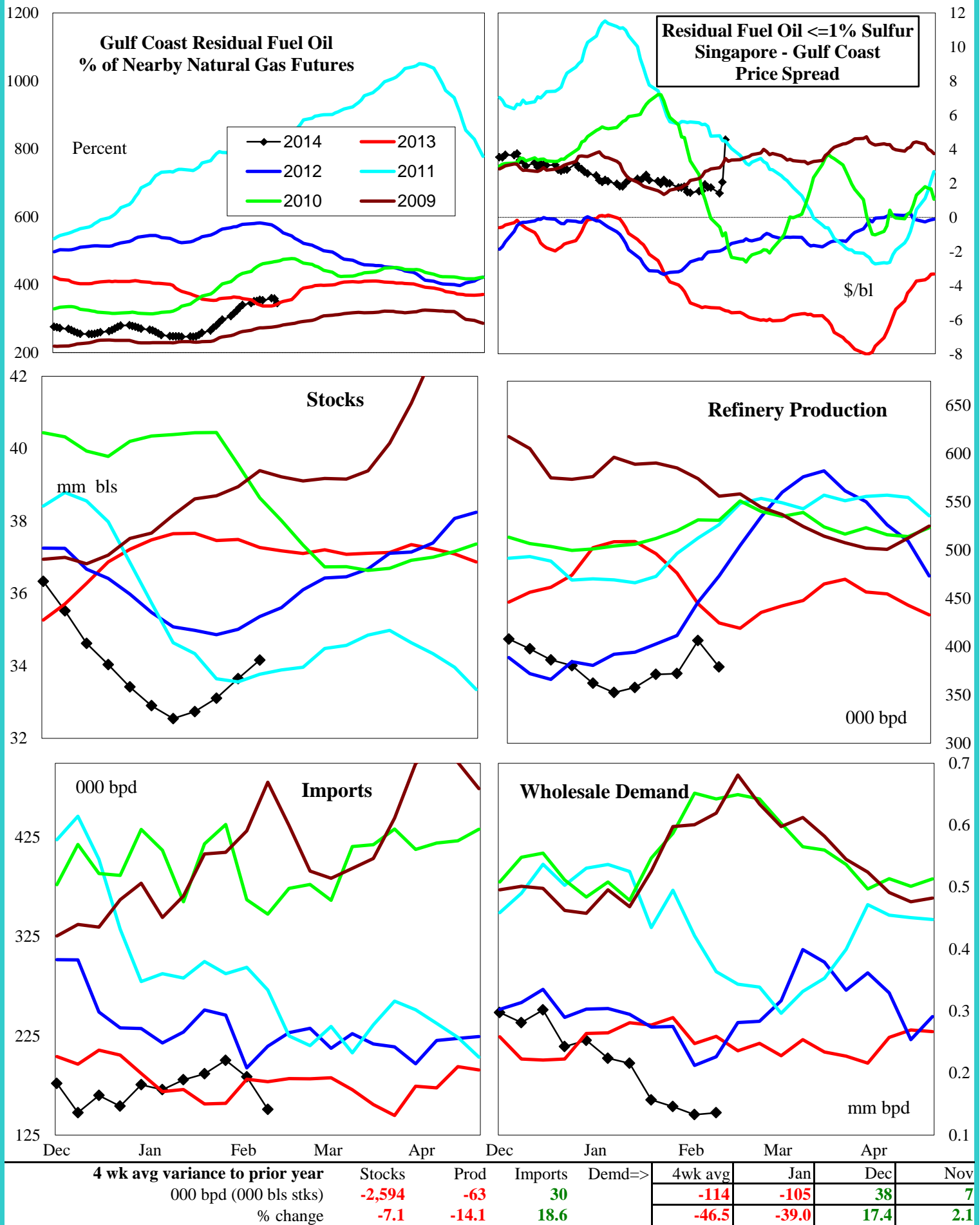
-88.9

-59.6

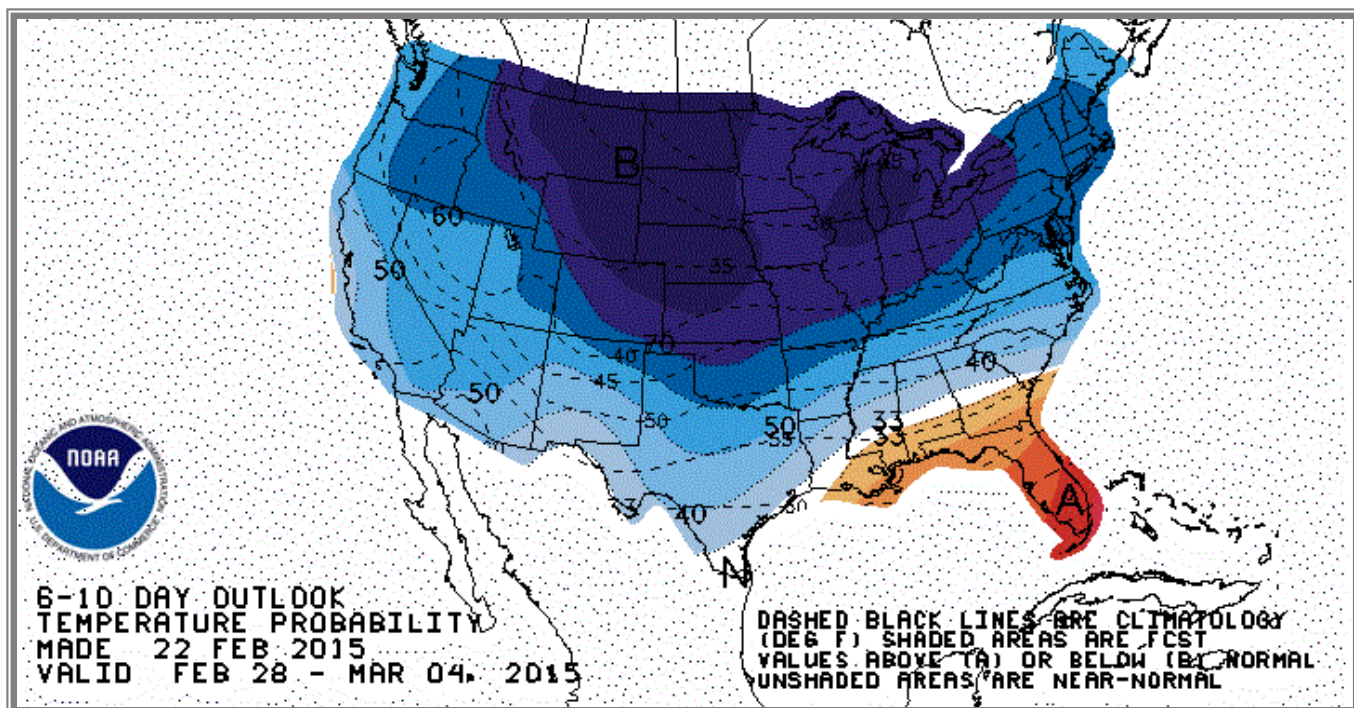
# Natural Gas Producing Region Stock and Weather Trends



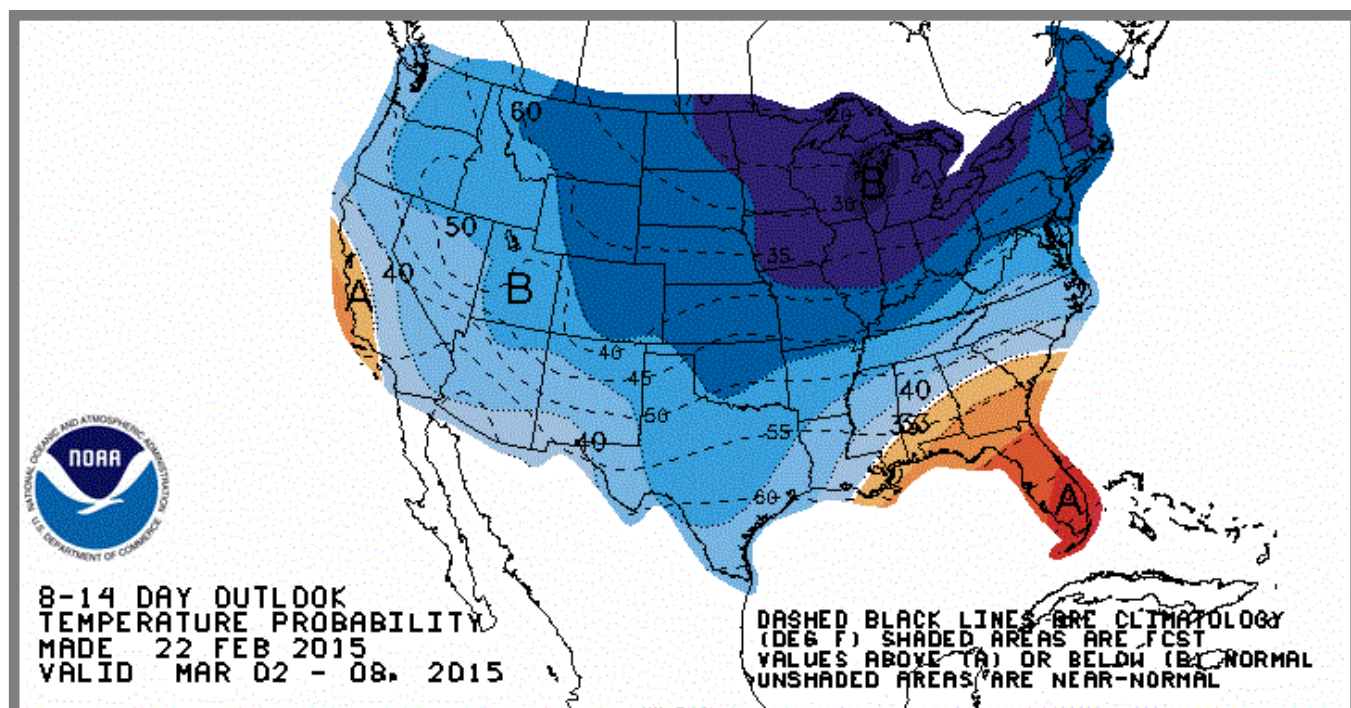
## U.S. Residual Fuel Oil Price Spreads and Supply Balance



## 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

