



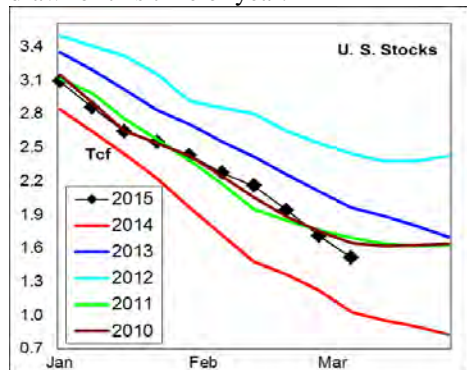
WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Tuesday, March 17, 2015



Summary¹ The stock draw of -198 Bcf last week was the 3rd consecutive record draw for this time of year.



The latest 4-wk stock change was a draw of -756 Bcf, a record draw for this time of year. The cumulative stock draw for the winter season was -25% less than last year, resulting in a stock level that is now +47% above last year, but below the 5-yr mid range.



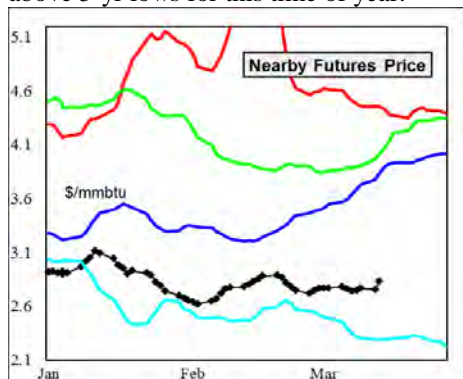
In the East Region stocks decreased -104 Bcf for the week, a record draw for the period. Stocks decreased -16 Bcf for the week in the West Region, a near record draw for the period. Stocks saw a -78 Bcf draw in the Producing region last week, a record draw for the period.

Temperatures were sharply below normal across the eastern ½ of the country for the week ending 06Mar15, then turning above normal for the week ending 13Mar15.

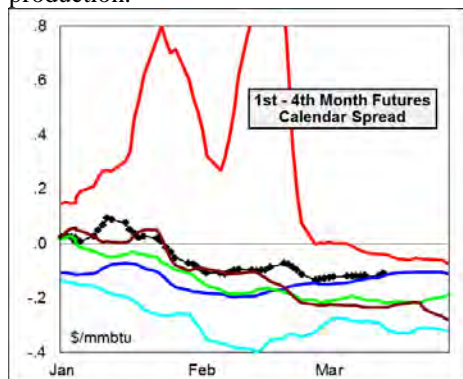
The 6-10 day NWS forecast for the week ending 26Mar15 is for sharply above normal temperatures in the western ½ of the country, and below normal in the

Northeast. The 8-14 day NWS forecast for the week ending 30Mar15 is for below normal temperatures in the eastern ½ half of the country and above normal in the west.

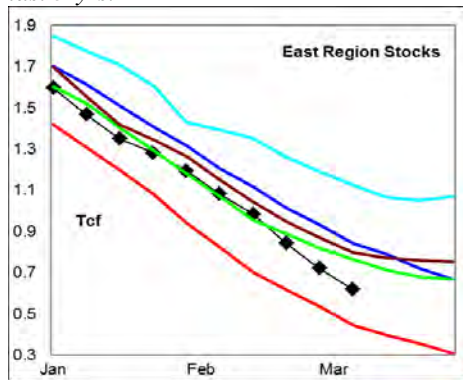
Prices: Nearby gas futures prices increased +\$0.10/mmbtu for the week ending 17Mar15. Prices ended the week at a level above 5-yr lows for this time of year.



The 1st - 4th month forward price curve traded sideways last week at a level near the 2-yr average. The market continues to trade in a 'carry', even with cold temperatures in the eastern ½ of the country; evidence of the impact of record production.

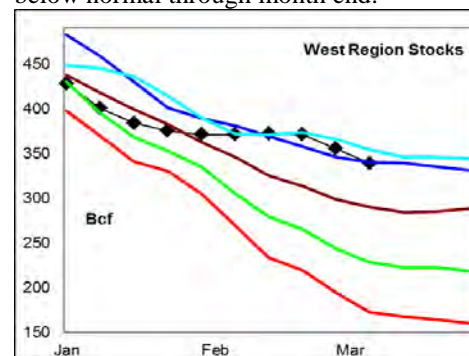


East Region stocks declined -104 Bcf for the week, a record draw for the period. The current stock level is below four of the last 5-yrs.



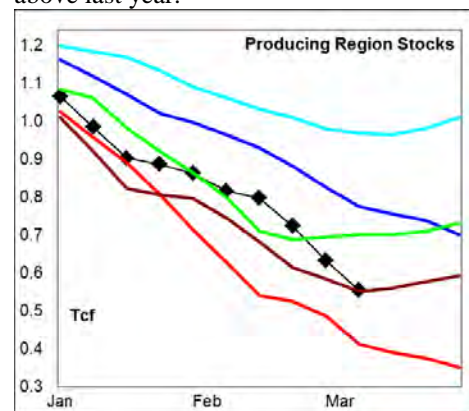
Temperatures were above normal for the week just ended, and are forecast to be

below normal through month end.



West Region stocks decreased -16 Bcf for the week, a near record draw for the period. Stock levels ended the week +2X last year and near 5-yr highs. Temperatures are forecast to be above normal through month end.

Producing Region stocks decreased -78 Bcf for the week, a record draw for the period. Stock levels ended the week +34% above last year.



Temperatures are forecast to be above normal through month end for the region.

Residual Fuel Oil Switching: The price spread between fuel oil and natural gas ended the week near 3-yr lows in favor of gas.

Outlook: Below normal temperatures are forecast for the eastern ½ of the country during the last 10-days of the month. The extremely cold temperatures of the last 3-wks have driven stock levels to below the 5-yr mid range.

These fundamental trends should support prices at the upper end of the recent trading range for the next 2-wks.

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: March 17, 2015

For the week ending: 6-Mar-15

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

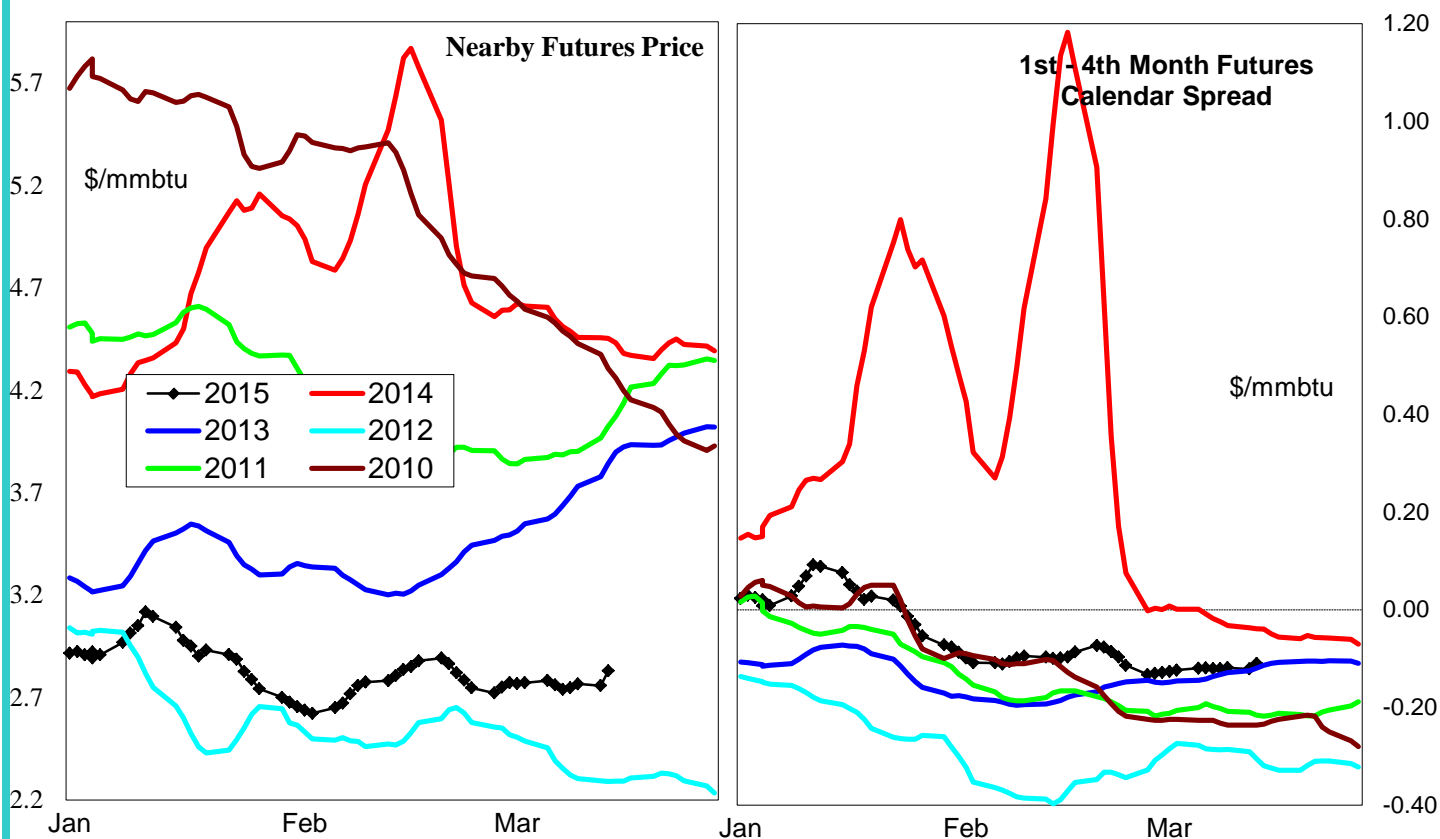
Week ending:	6-Mar-15			15-Jun-13		22-Jun-13		29-Jun-13	
Region	Weekly Stocks			Weekly Heating Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	1,512	-198	46.9	-14	-45%	-2	-33%	-3	-77%
East	618	-104	39.2	-17	-39%	-2	-18%	-4	-74%
West	339	-16	97.1	-12	-58%	-2	-55%	-5	-78%
Producing	555	-78	34.4	-4	-100%	0	-100%	0	-100%

Seasonal Trends in Stocks and Heating Degree Days

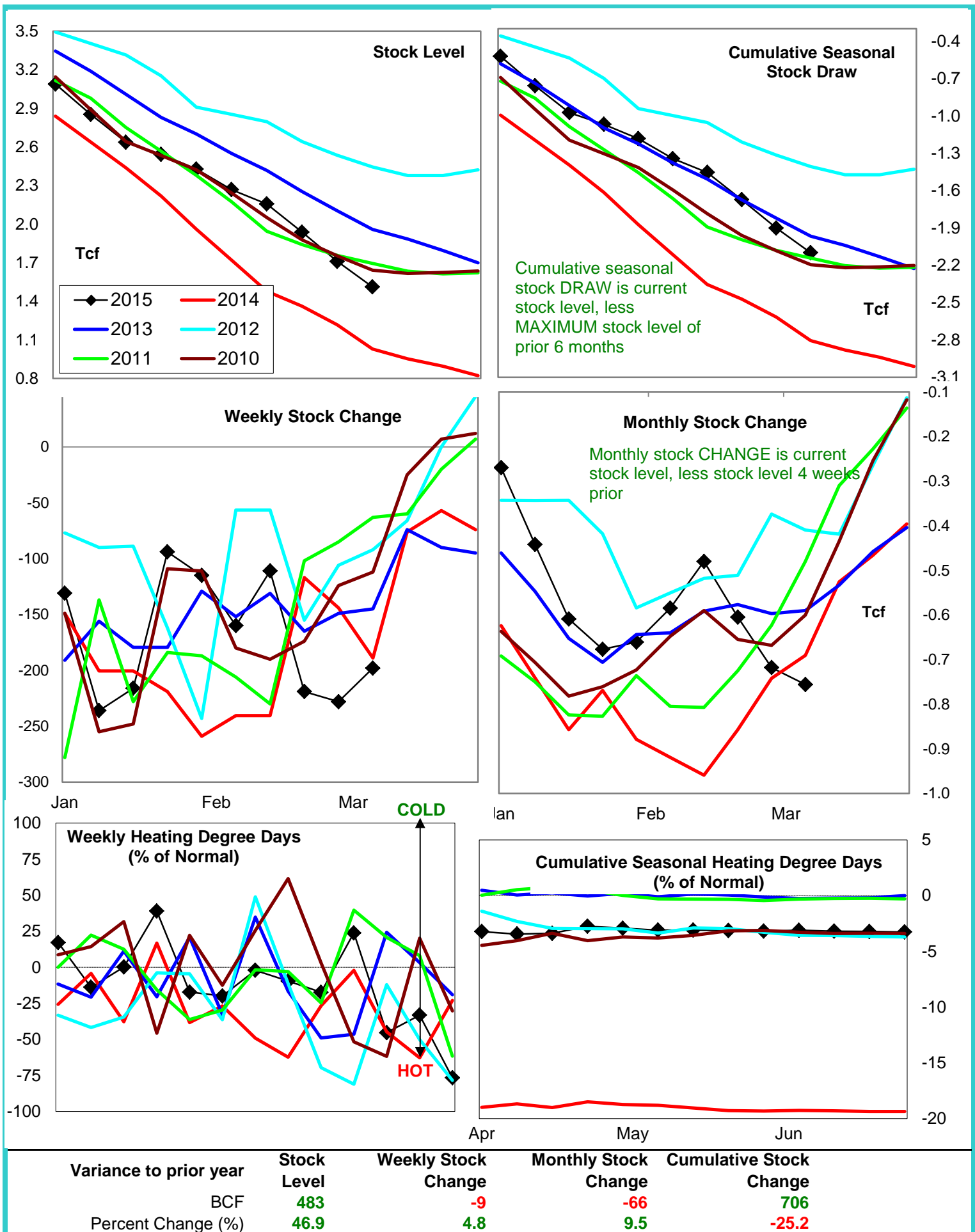
	Cumulative Stock Change			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
U.S. Total	-2,099	706	-33.6	6	-3.2	4	-3.2	1	-3.3
East	-1,346	194	-14.4	6	-2.9	4	-2.9	1	-2.9
West	-163	220	-135.0	10	-4.6	8	-4.7	3	-4.9
Producing	-591	293	-49.6	0	-4.0	0	-4.1	0	-4.1

Futures Market Price Trends

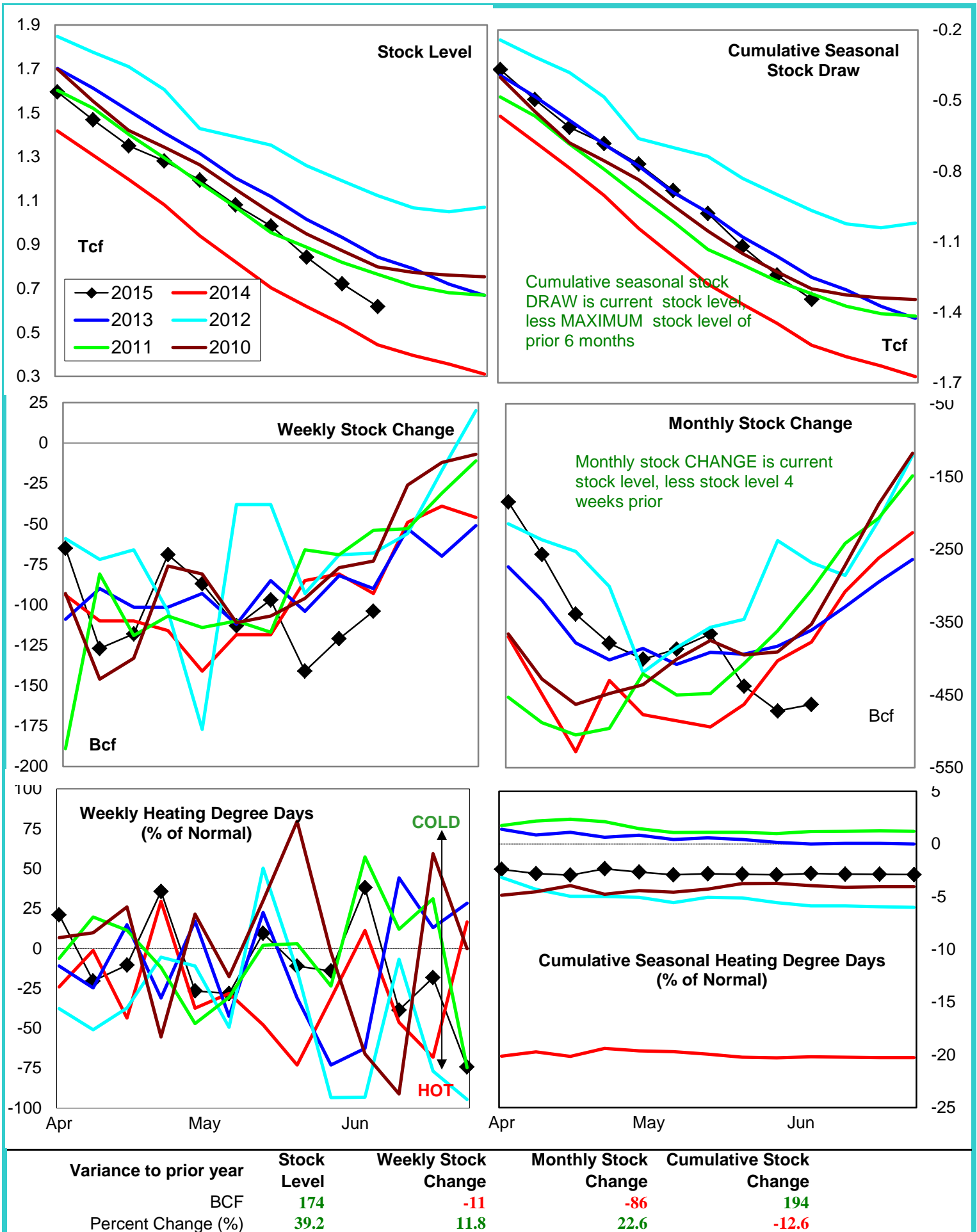
Date:	20-Feb-15	Change vs prior week, month, year		
		16-Feb-15	26-Jan-15	4-Mar-14
1st month Futures	2.83	0.01	0.00	-1.45
% change	xxxxx	0.2	0.0	-33.8



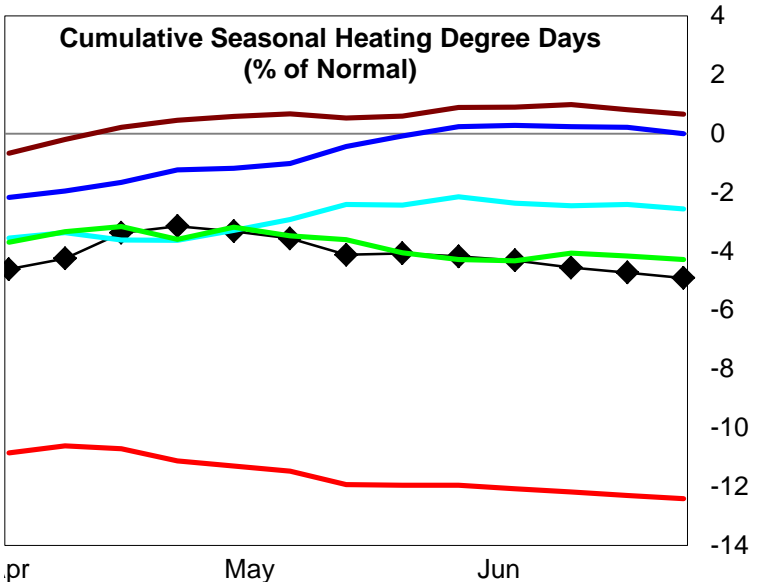
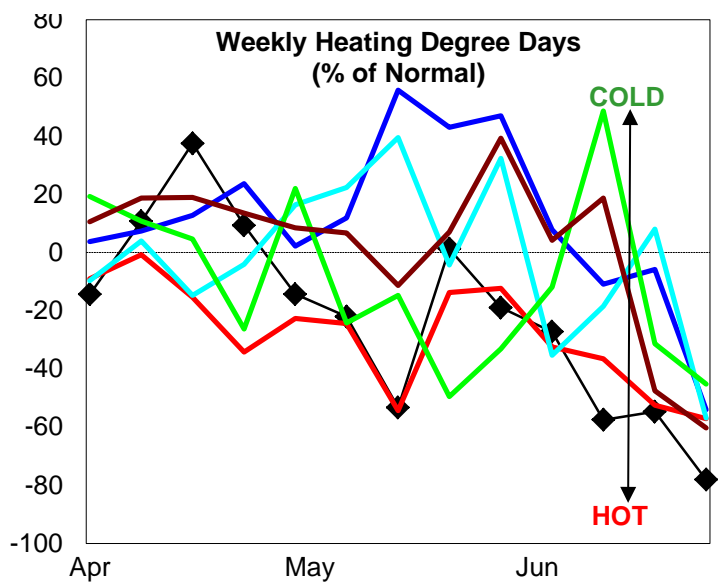
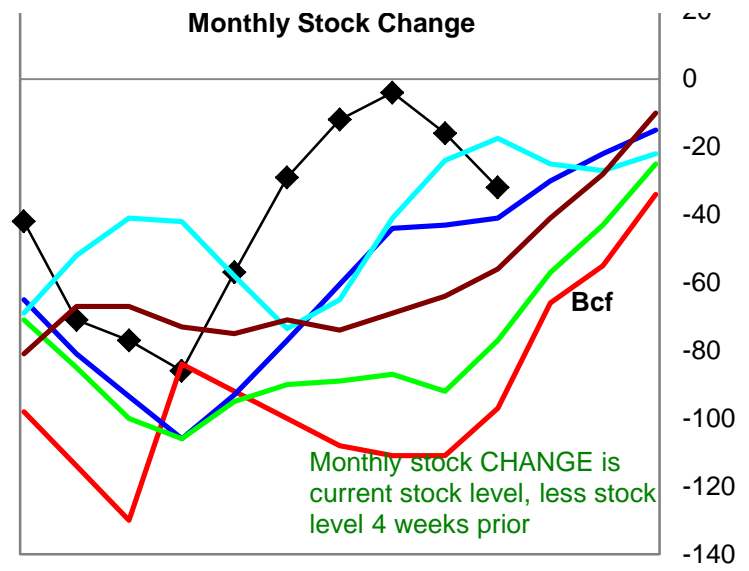
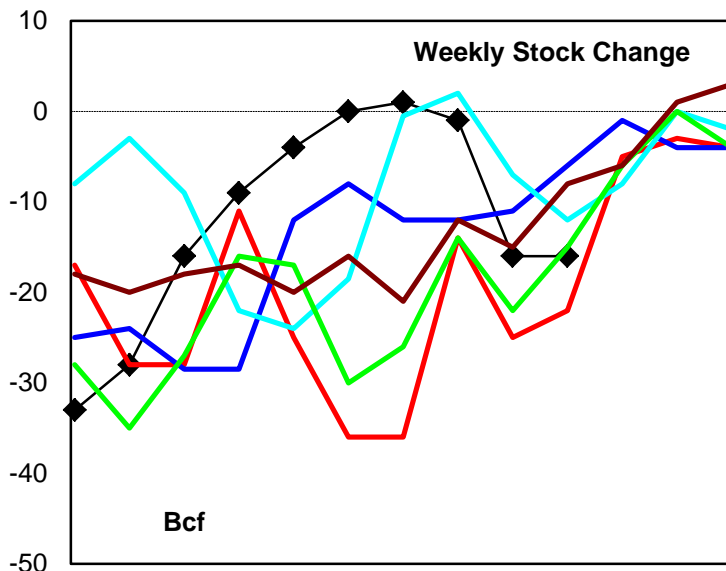
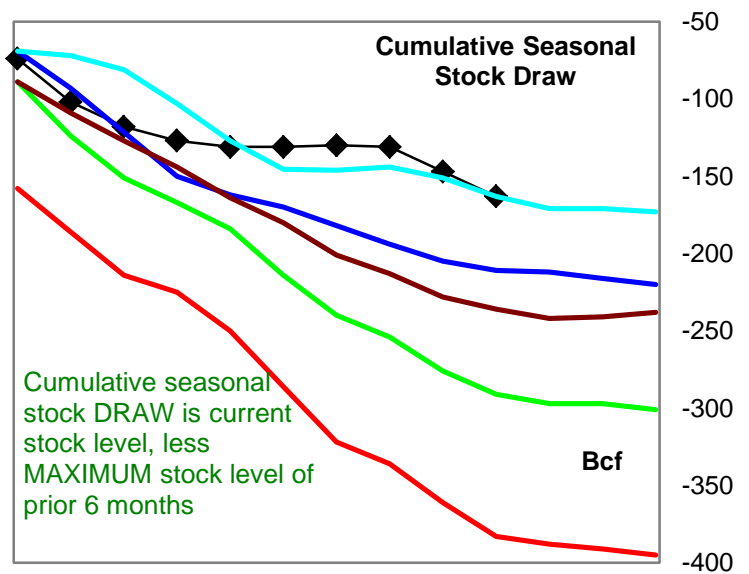
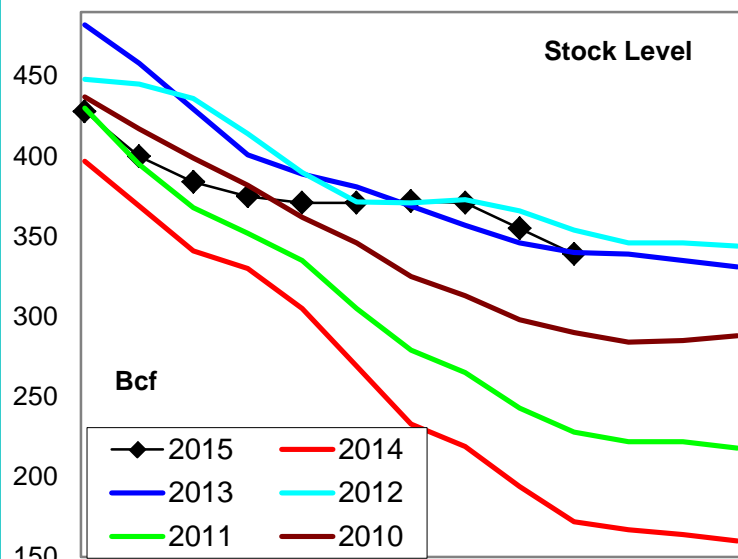
United States Natural Gas Stock and Weather Trends



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

167

6

65

220

Percent Change (%)

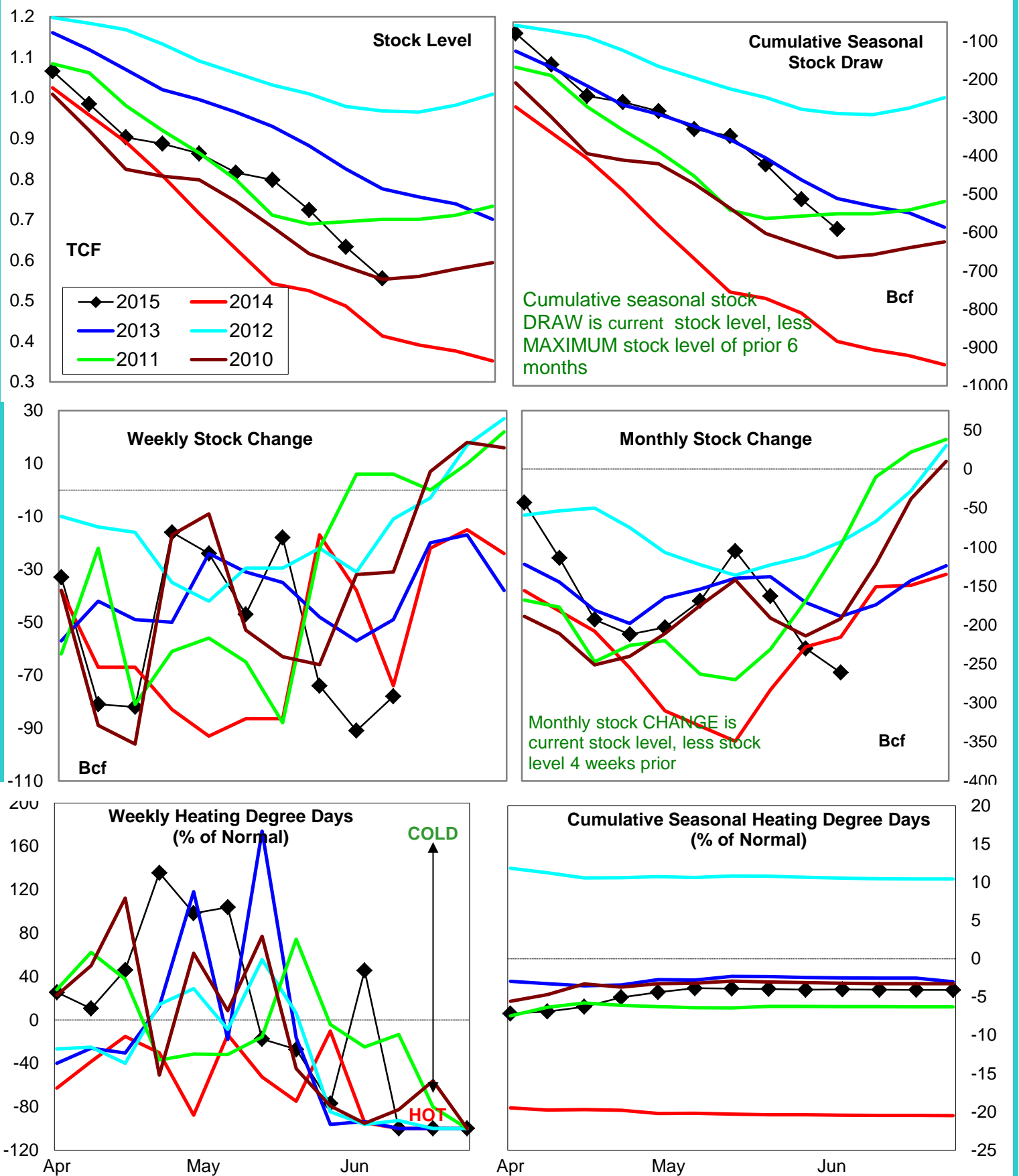
97.1

-27.3

-67.0

-57.4

Natural Gas Producing Region Stock and Weather Trends



Variance to prior year

Stock Level

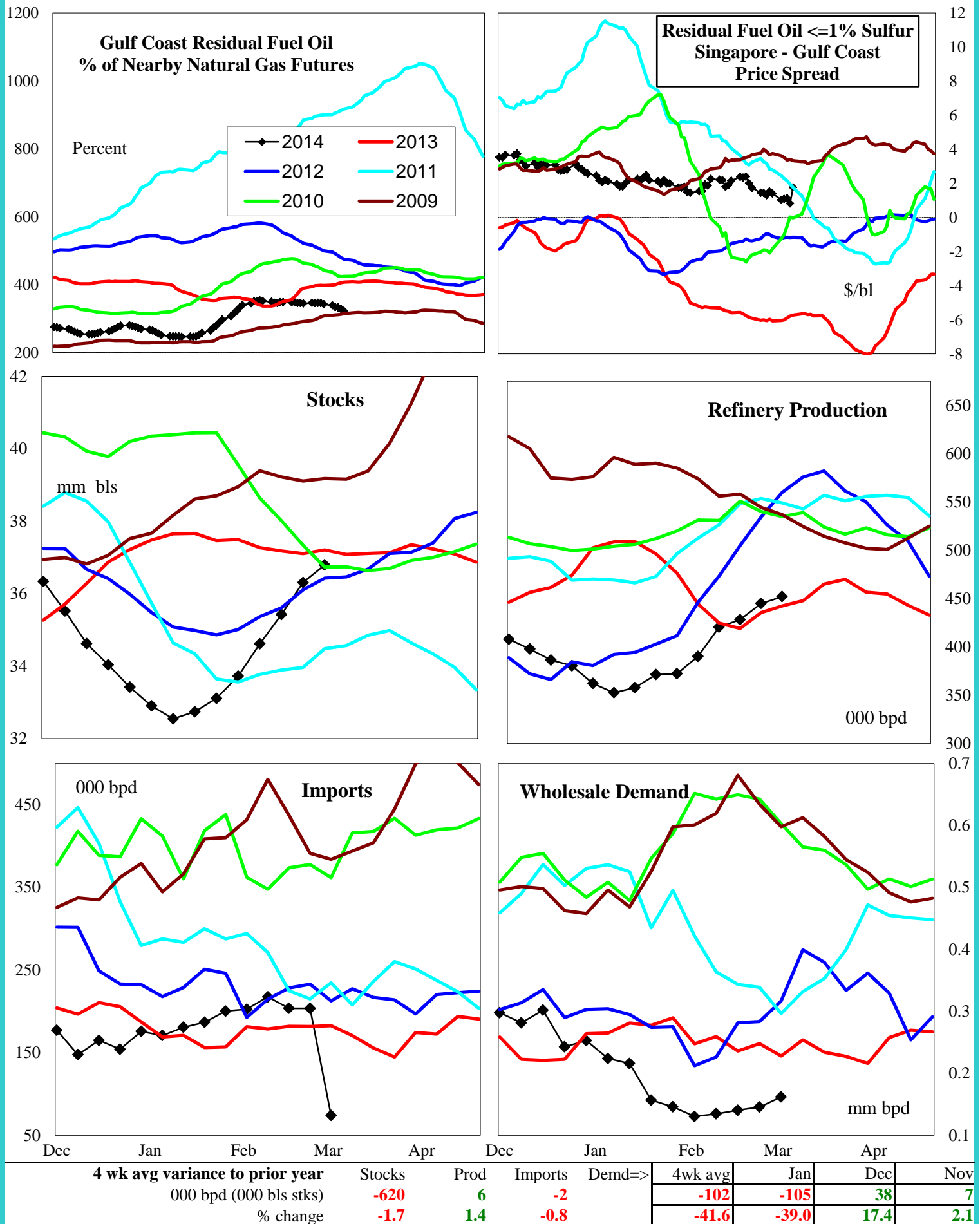
Weekly Stock Change

Monthly Stock Change

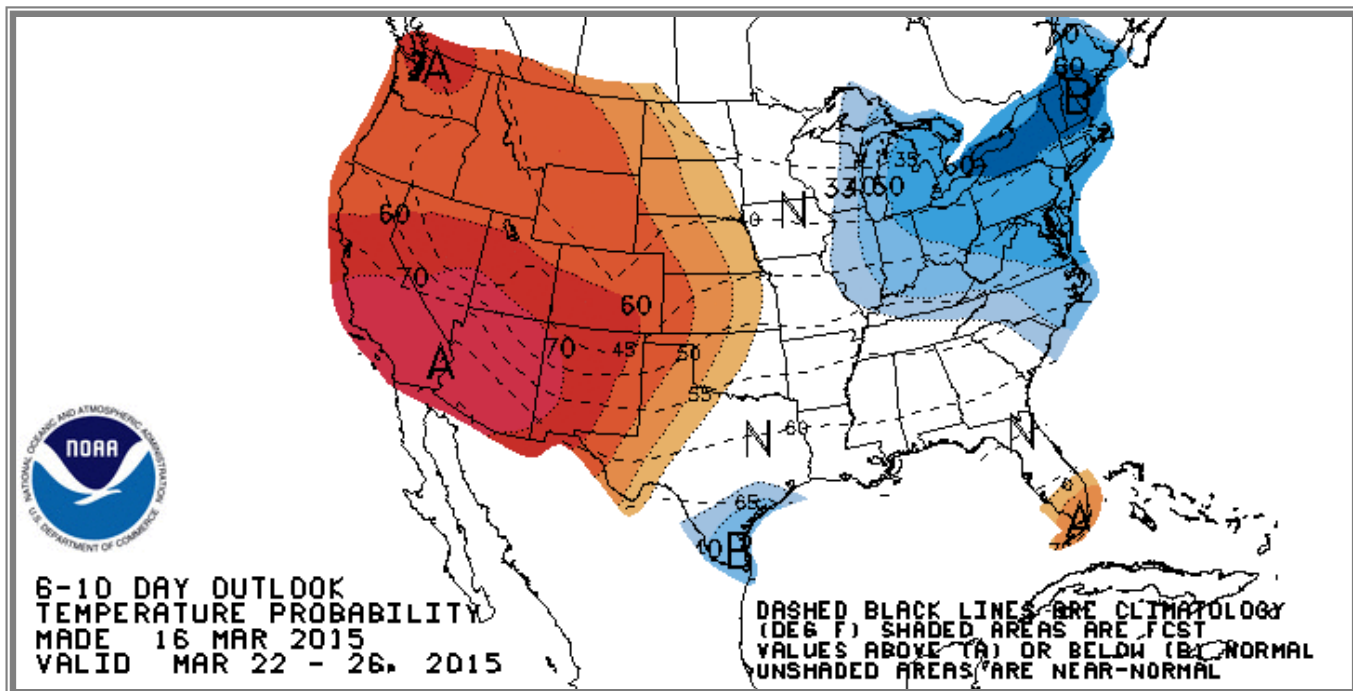
Cumulative Stock Change

BCF
Percent Change (%)142
34.4-4
5.4-46
21.1293
-33.1

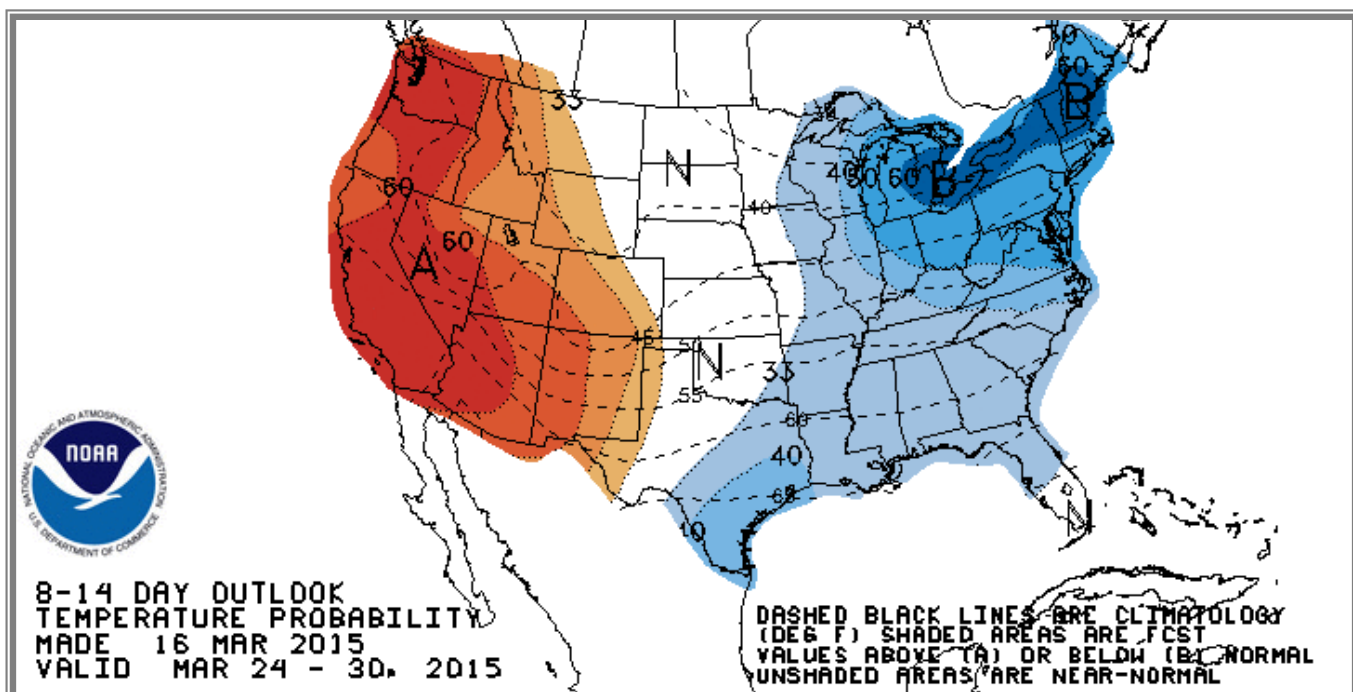
U.S. Residual Fuel Oil Price Spreads and Supply Balance



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

