

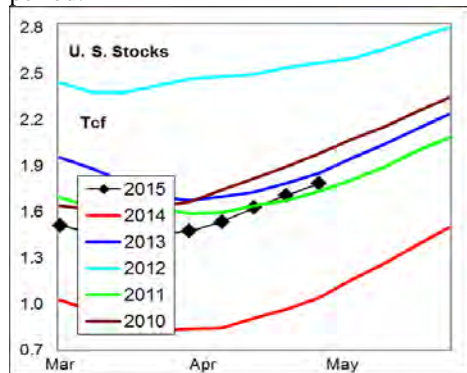
# WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

## A Fundamental Petroleum Trends Weekly Report

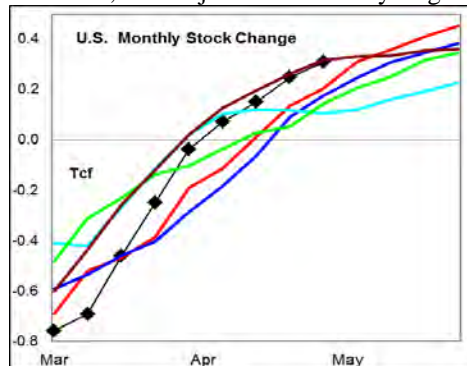
Lehi German Tel: 816.505.0980 [www.fundamentalpetroleumtrends.com](http://www.fundamentalpetroleumtrends.com) Monday, May 11, 2015



**Summary**<sup>1</sup> The stock build of +76 Bcf last week matched 3-yr highs for the period.



The latest 4-wk stock change was a build of +318 Bcf, a level that matched the 5-yr high for this time of year. The cumulative stock build for the spring quarter was +325 Bcf, a level just below the 5-yr high.



In the East Region stocks increased +31 Bcf for the week, a build below the 3-yr mid range. Stocks increased +7 Bcf for the week in the West Region, a build below the 3-yr mid range. Stocks saw a +38 Bcf build in the Producing region, which was the 4<sup>th</sup> consecutive weekly record build for the region.

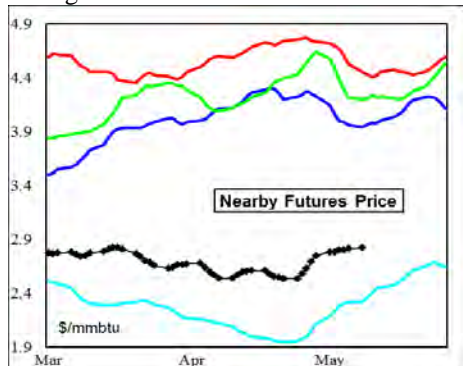
**Temperatures** were near normal across the eastern 1/2 of the country last week ending 01May15. Temperatures remained above normal in the western 1/2 of the country for the week ending 10May15.

The 6-10 day NWS forecast for the week ending 20May15 is for much above normal temperatures across the eastern 1/2 of the country, and below normal in the

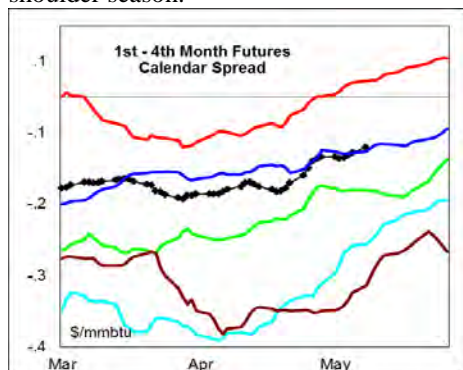
West.

The 8-14 day NWS forecast for the week ending 24May15 is for above normal temperatures across the eastern 1/2 of the country and below normal in the southwest.

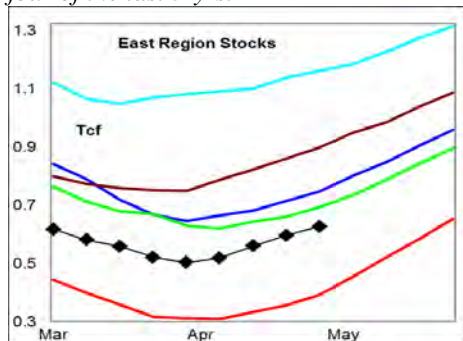
**Prices:** Nearby gas futures prices were unchanged for the week ending 11May15. Prices ended the week at the highest level since late winter on expectations of much above normal demand of electric power during the 2<sup>nd</sup> half of the month.



The 1<sup>st</sup> - 4<sup>th</sup> month forward price curve trended higher last week at a level equal to the 3-yr mid range. A narrowing carry reflects risk that stock builds will be less than expected for the balance of the shoulder season.

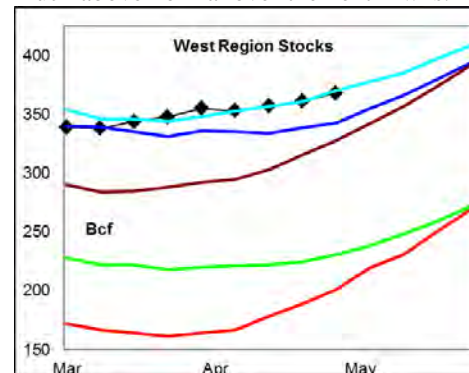


**East Region** stocks increased +31 Bcf for the week, a build below the 3-yr mid range. *The current stock level is below four of the last 5-yr.*



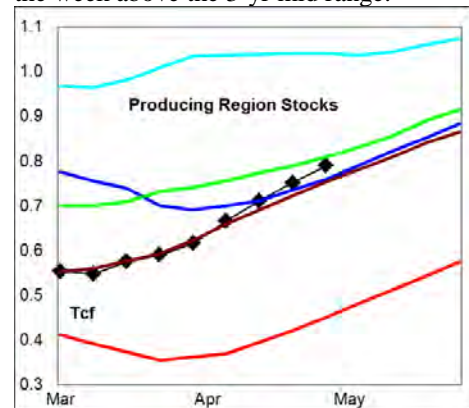
Temperatures were above normal for the

week just ending, and are forecast to be much above normal over the next 2-wks.



**West Region** stocks increased +7 Bcf for the week, a build below the 3-yr mid range. Stock levels ended the week equal to the prior 5-yr high. Temperatures are forecast to be below normal during the next 2-wks.

**Producing Region** stocks increased +38 Bcf for the week, the 4<sup>th</sup> consecutive record weekly build. Stock levels ended the week above the 3-yr mid range.



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

**Residual Fuel Oil Switching:** The price spread between fuel oil and natural gas ended the week at a level below the last 3-yr.

**Outlook:** Above normal temperatures are forecast for much of the country during the next 2-wks, which should lead to increased electric power demand. Warmer than normal temperatures may limit the rate of stock build, providing continued support to gas prices during the 2<sup>nd</sup> half of May.

### <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: May 11, 2015

For the week ending: 1-May-15

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

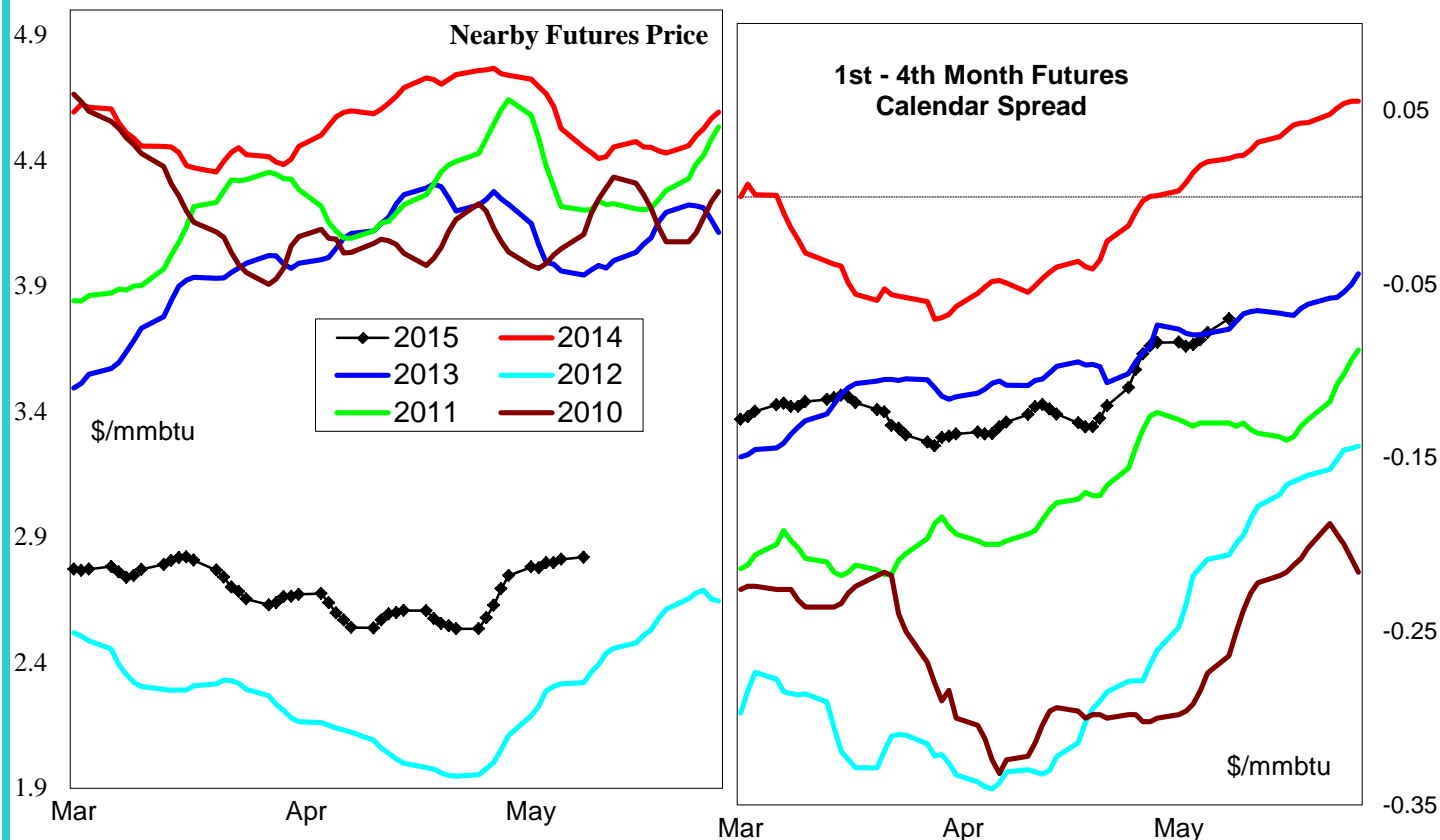
Week ending:	1-May-15			15-Jun-13		22-Jun-13		29-Jun-13	
Region	Weekly Stocks			Weekly Heating Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	1,786	76	71.1	-14	-45%	-2	-33%	-3	-77%
East	628	31	60.2	-17	-39%	-2	-18%	-4	-74%
West	368	7	83.1	-12	-58%	-2	-55%	-5	-78%
Producing	790	38	75.2	-4	-100%	0	-100%	0	-100%

### Seasonal Trends in Stocks and Heating Degree Days

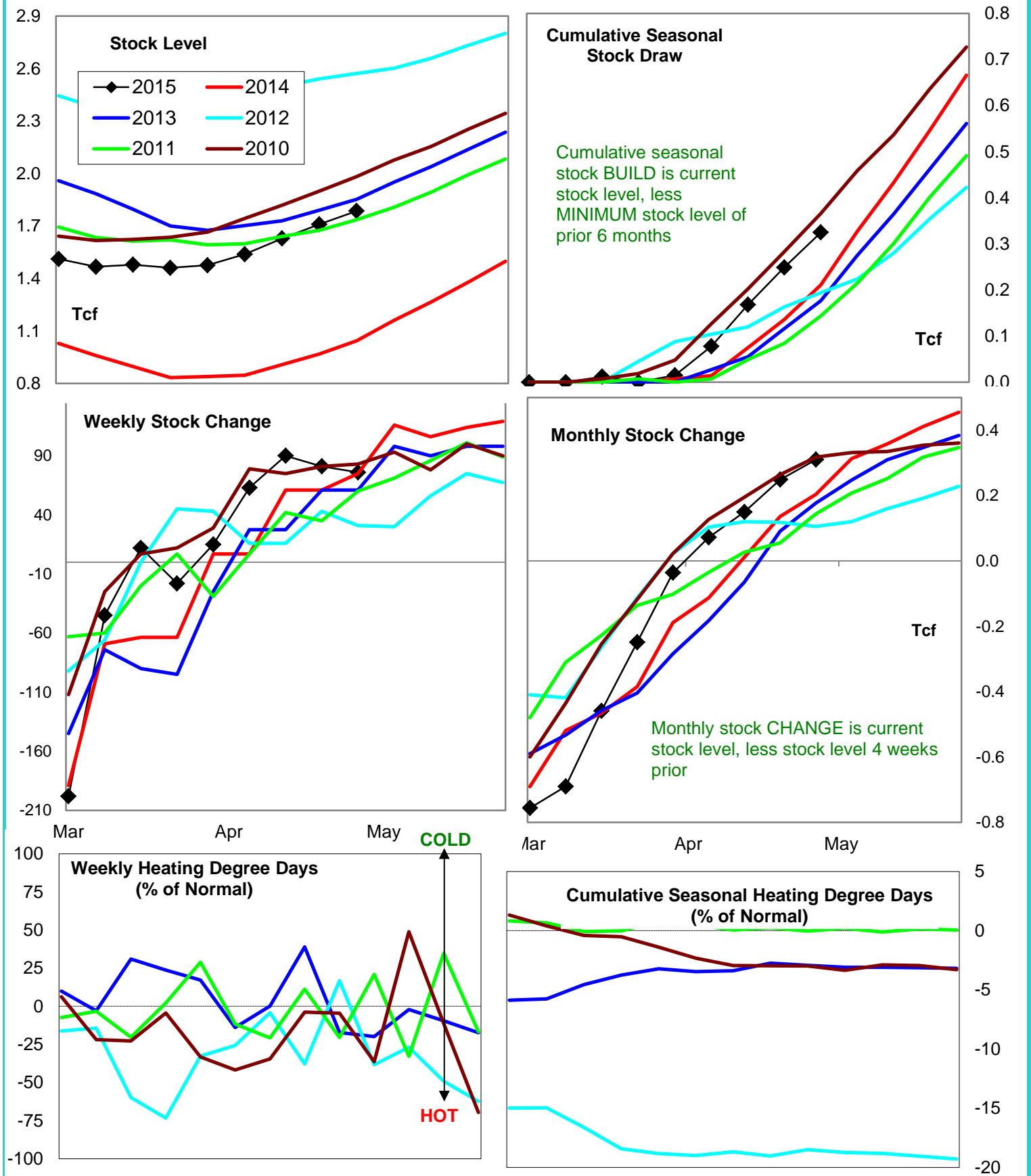
	Cumulative Stock Change			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
<b>U.S. Total</b>	<b>325</b>	<b>114</b>	<b>35.1</b>	<b>6</b>	<b>-3.2</b>	<b>4</b>	<b>-3.2</b>	<b>1</b>	<b>-3.3</b>
<b>East</b>	<b>124</b>	<b>42</b>	<b>33.9</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>30</b>	<b>-10</b>	<b>-33.3</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>242</b>	<b>146</b>	<b>60.3</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:	11-May-15	Change vs prior week, month, year		
		5-May-15	14-Apr-15	21-May-14
<b>1st month Futures</b>	<b>2.82</b>	<b>0.04</b>	<b>0.29</b>	<b>-1.59</b>
<b>% change</b>	<b>xxxxx</b>	<b>1.4</b>	<b>11.5</b>	<b>-36.0</b>



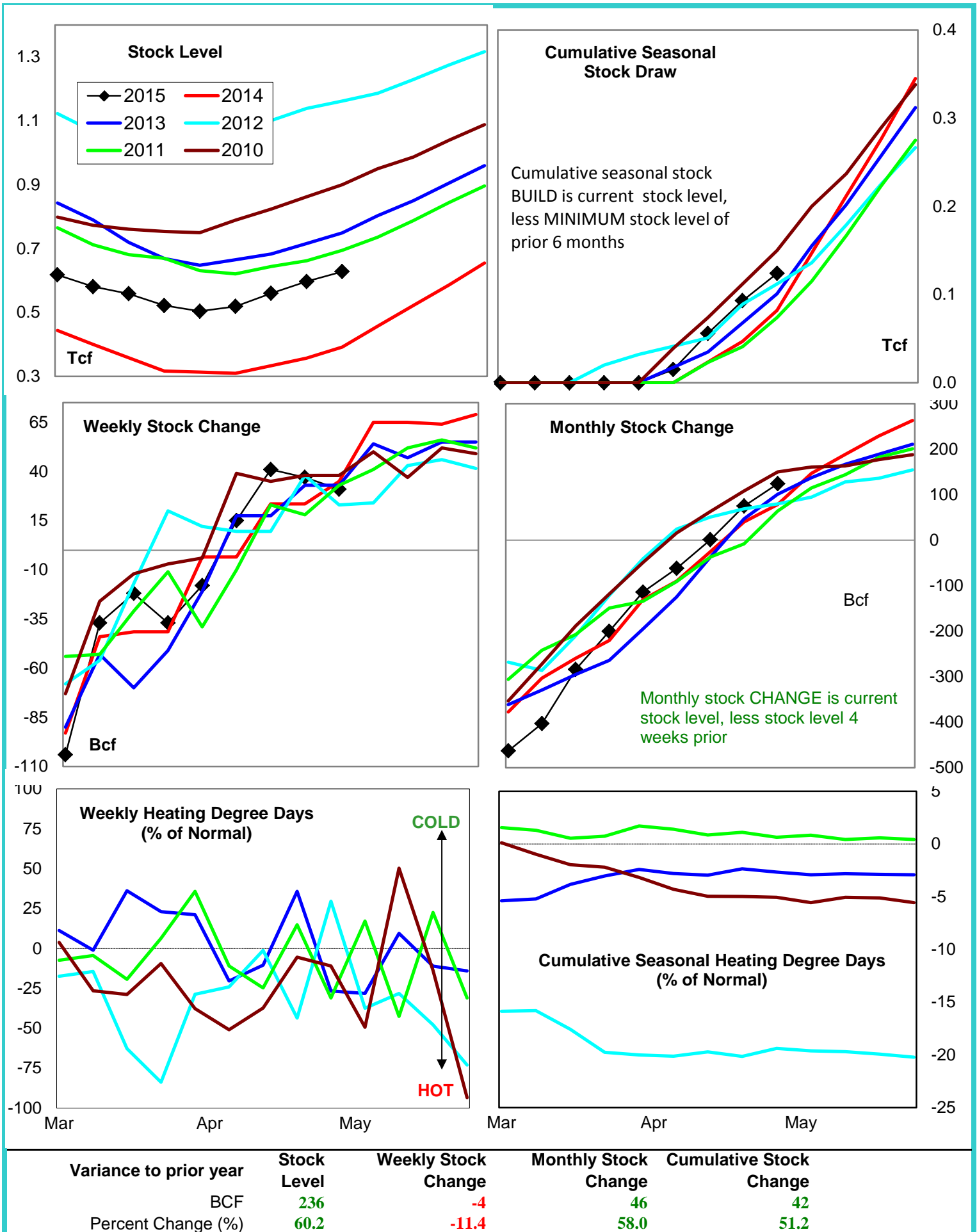
# United States Natural Gas Stock and Weather Trends



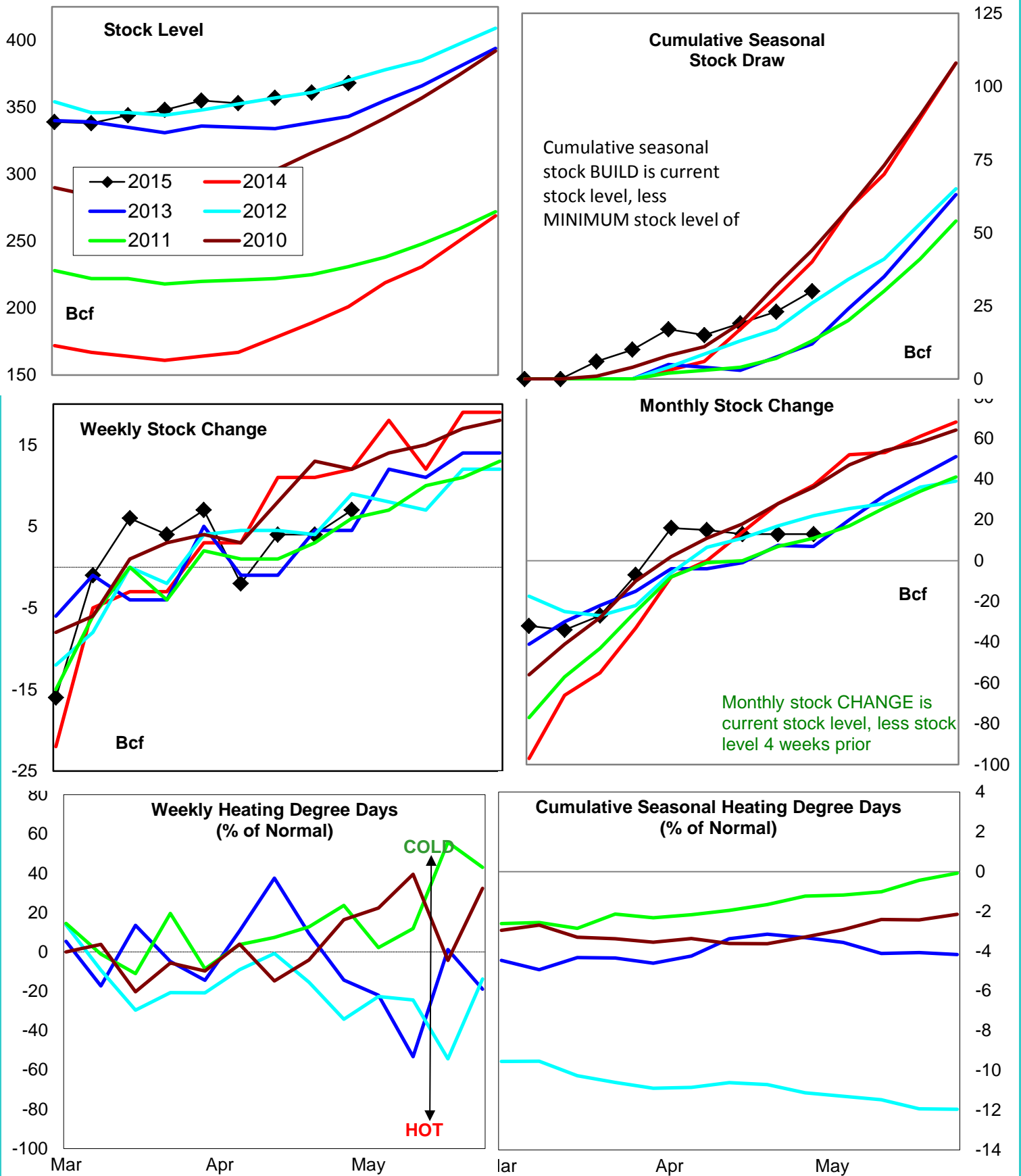
Variance to prior year

Stock  
LevelWeekly Stock  
ChangeMonthly Stock  
ChangeCumulative Stock  
ChangeBCF  
Percent Change (%)742  
71.11  
1.3106  
52.0114  
54.0

# 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  
Change

BCF

167

-5

-24

-10

Percent Change (%)

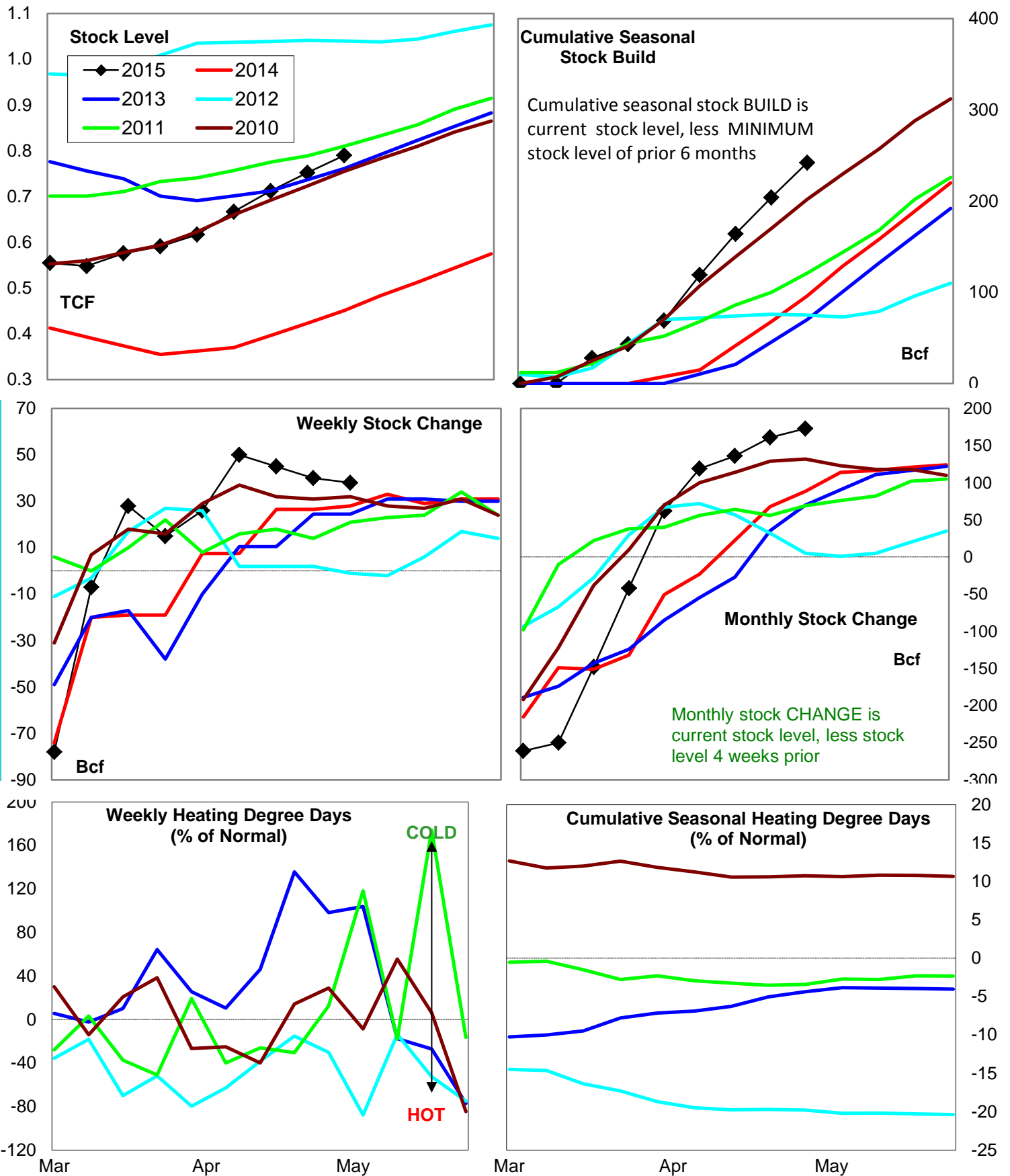
83.1

-41.7

-64.9

-25.0

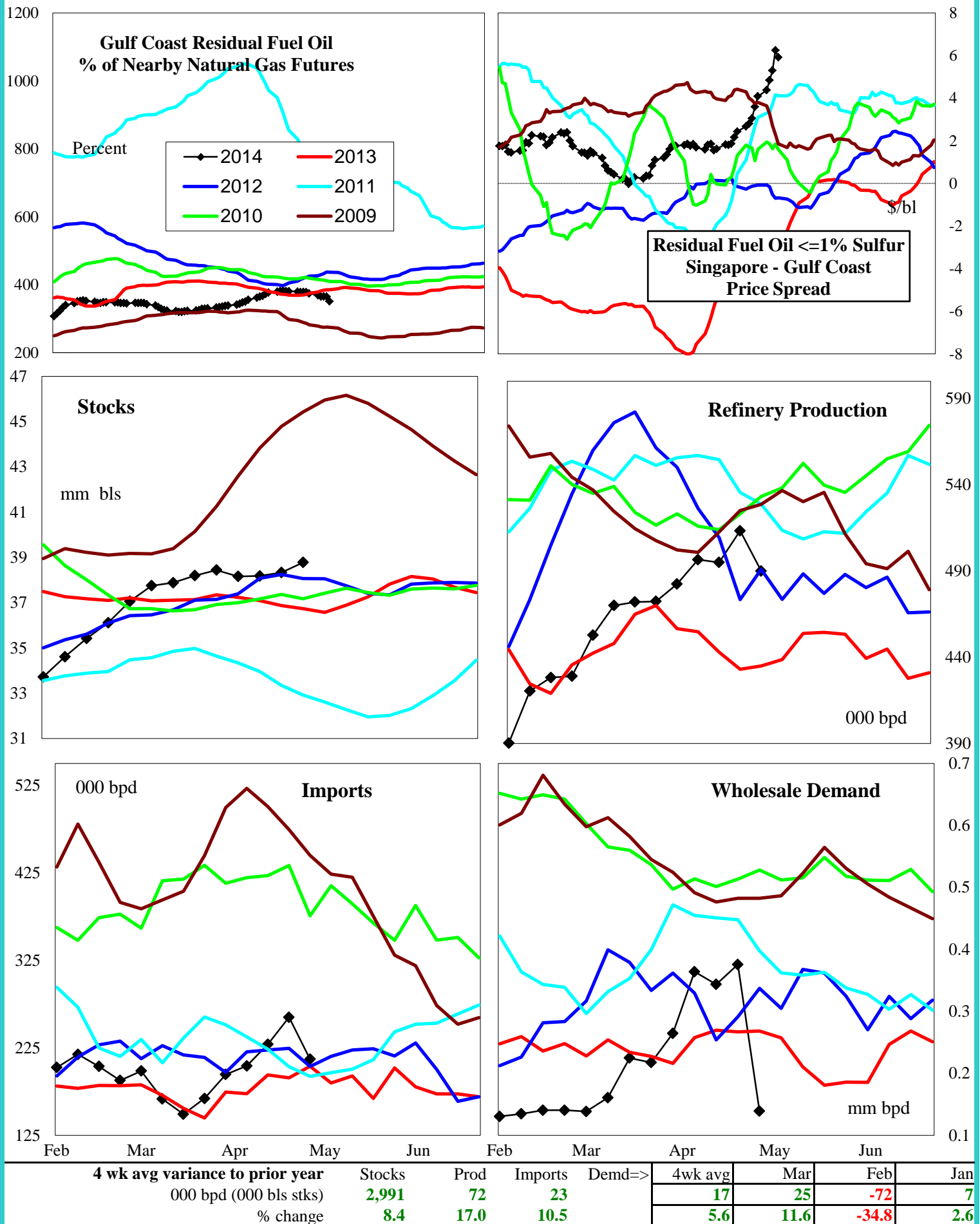
# Natural Gas Producing Region Stock and Weather Trends



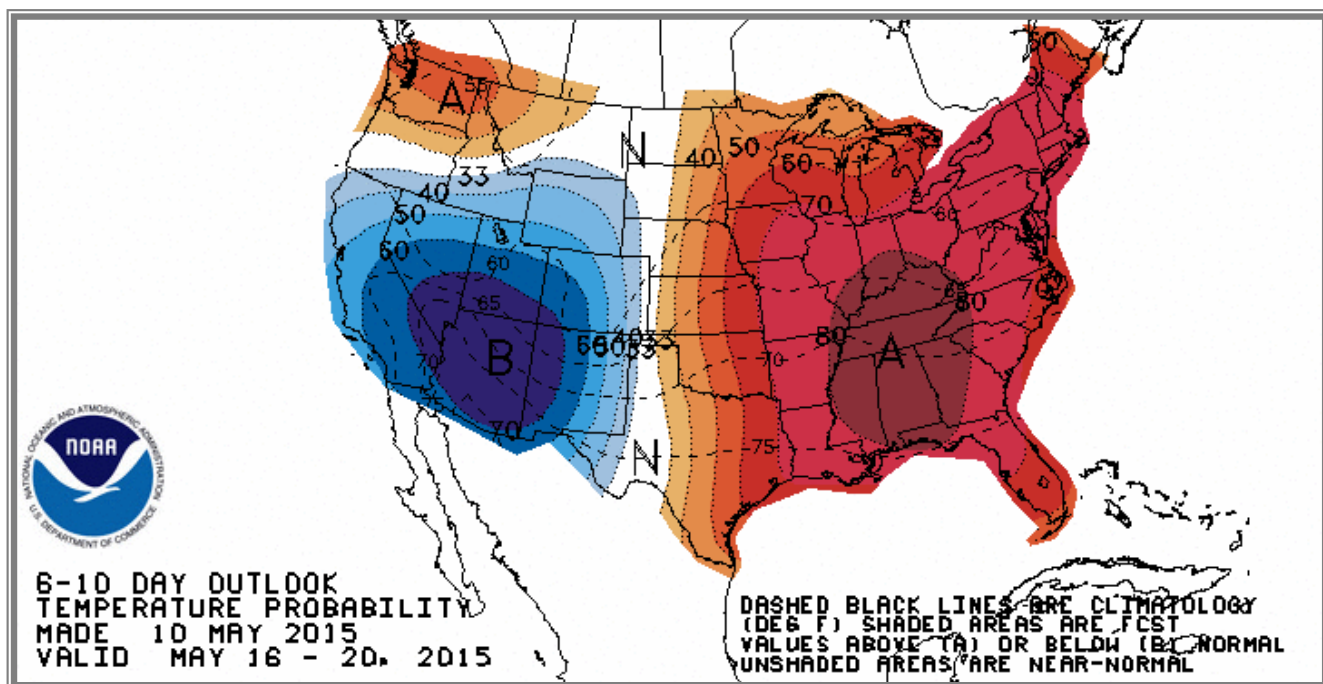
Variance to prior year

Stock  
LevelWeekly Stock  
ChangeMonthly Stock  
ChangeCumulative Stock  
ChangeBCF  
Percent Change (%)339  
75.210  
35.785  
95.5146  
152.1

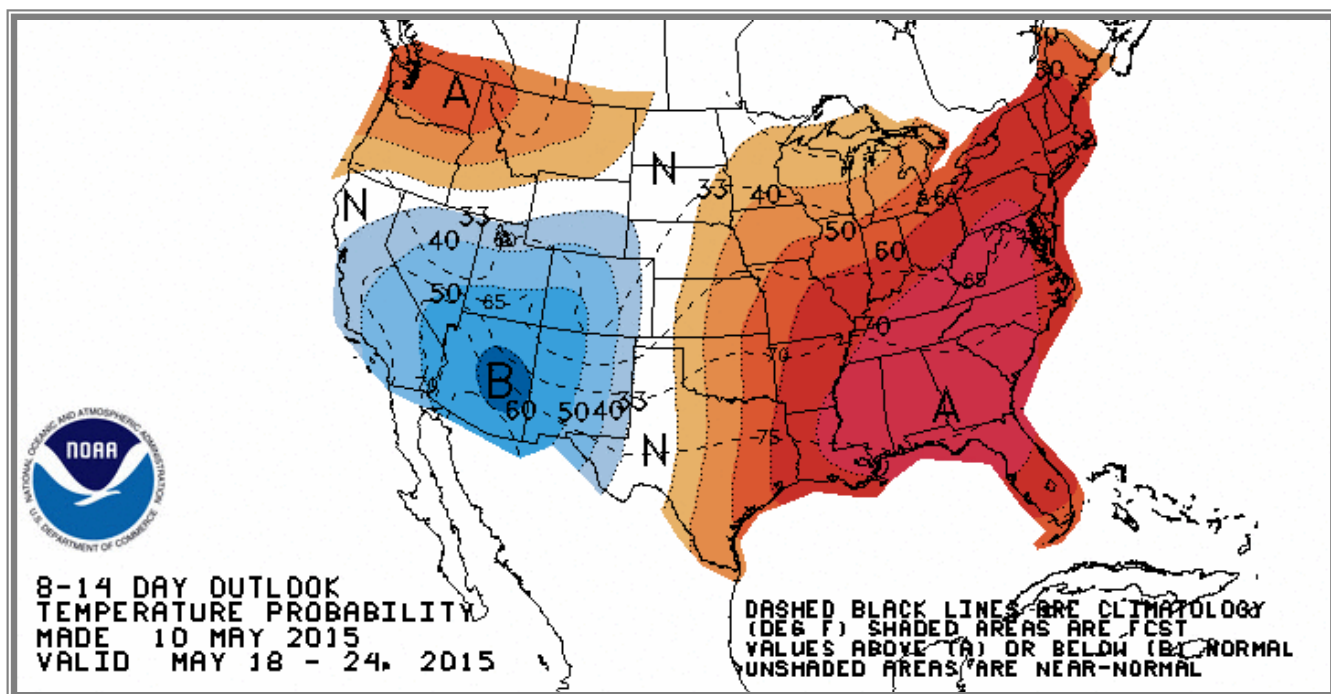
## U.S. Residual Fuel Oil Price Spreads and Supply Balance



## 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

