

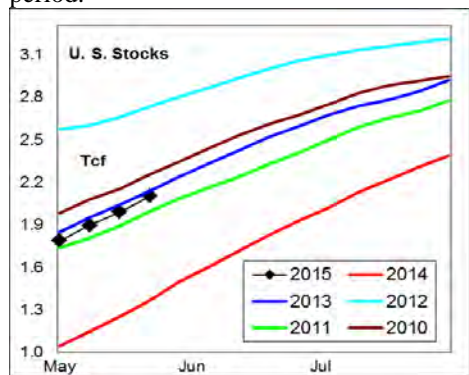
WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

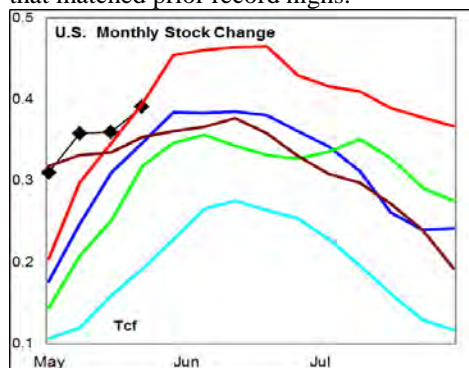
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Friday, May 29, 2015



Summary¹ The stock build of +112 Bcf last week matched the historic high for the period.



The latest 4-wk stock change was a build of +395 Bcf, equal to the prior record set in 2014. The cumulative stock build for the spring quarter was +637 Bcf, a level that matched prior record highs.



In the East Region stocks increased +15 Bcf for the week, a build near last year's record high. Stocks increased +13 Bcf for the week in the West Region, a build near the 3-yr mid range. Stocks saw a +35 Bcf build in the Producing region, extending the weekly trend of record builds.

Temperatures were near normal across the eastern 1/2 of the country last week ending 22May15. Temperatures were below normal in the central region for the week ending 22May15.

The 6-10 day NWS forecast for the week ending 07Jun15 is for above normal temperatures across the eastern 1/2 of the Country and the West coast – intermountain region.

¹ Related Web Sites:

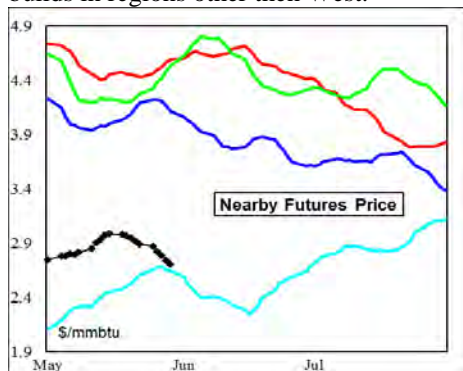
[Data Source is EIA Weekly Statistics](#)

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

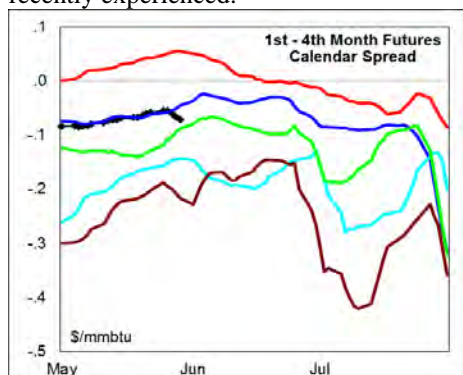
[National Weather Service 10-14 Day](#)

The 8-14 day NWS forecast for the week ending 11Jun15 is for above normal temperatures across the eastern and western 2/3rds of the country.

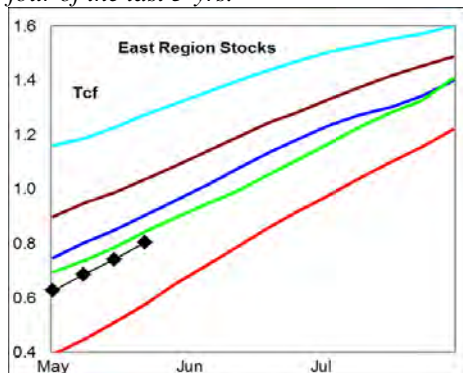
Prices: Nearby gas futures prices decreased -\$0.24/mmbtu for the week ending 29May15. Prices ended the week at a one-month low, driven by high rate of stock builds in regions other than West.



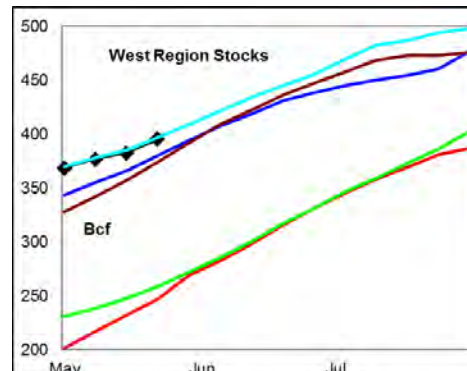
The 1st – 4th month forward price curve trended lower last week at a level below the 3-yr mid range. An expanding carry reflects the high rate of stock build recently experienced.



East Region stocks increased +15 Bcf for the week, a build near 5-yr highs for the period. *The current stock level is below four of the last 5-yrs.*

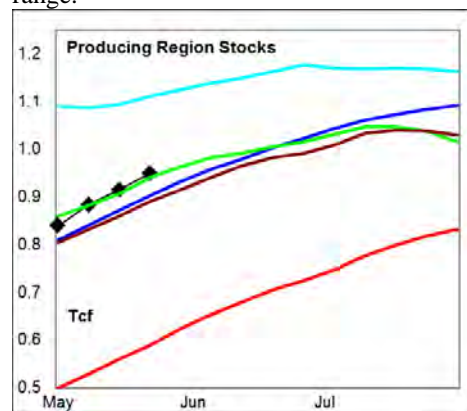


Temperatures were near normal for the week just ending, and are forecast to be much above normal over the next 2-wks.



West Region stocks increased +13 Bcf for the week, a build near the 3-yr mid range. Stock levels ended the week equal to the prior 5-yr high. Temperatures are forecast to be above normal during the next 2-wks.

Producing Region stocks increased +35 Bcf for the week, extending the trend of record stock builds in the region. 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 four of the last 5-yrs.

Outlook: Above normal temperatures are forecast for much of the country through the 1st week of June, which should lead to increased electric power demand. Warmer than normal temperatures may limit the rate of stock build, providing renewed support to gas prices during the next 2-wks.

NATURAL GAS: Graph Link and Weekly Summary



Report prepared as of: May 29, 2015

For the week ending: 22-May-15

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

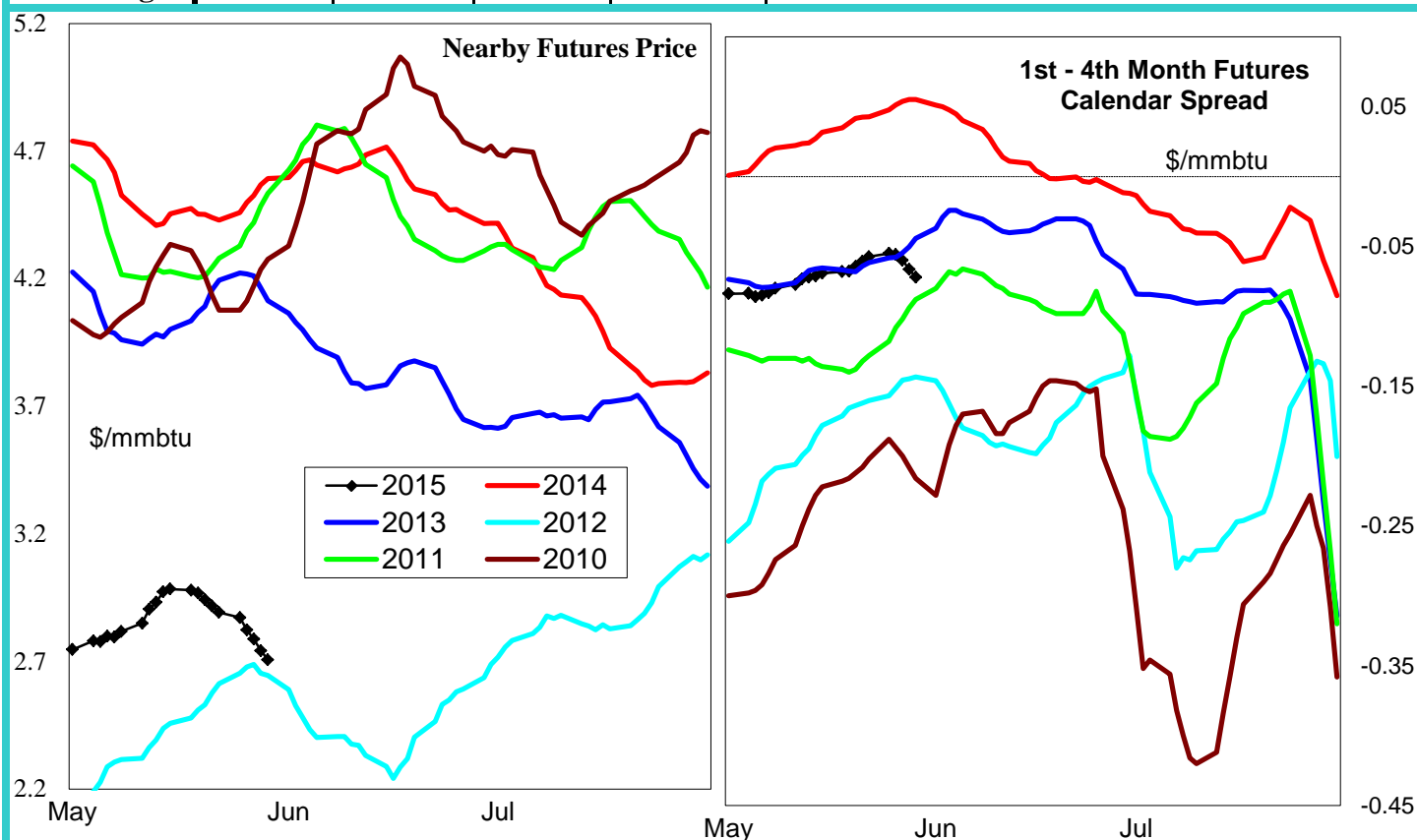
Week ending:	22-May-15			15-Jun-13		22-Jun-13		29-Jun-13	
Region	Weekly Stocks			Weekly Heating Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	2,101	112	54.0	-14	-45%	-2	-33%	-3	-77%
East	806	15	39.7	-17	-39%	-2	-18%	-4	-74%
West	395	13	59.9	-12	-58%	-2	-55%	-5	-78%
Producing	900	35	66.7	-4	-100%	0	-100%	0	-100%

Seasonal Trends in Stocks and Heating Degree Days

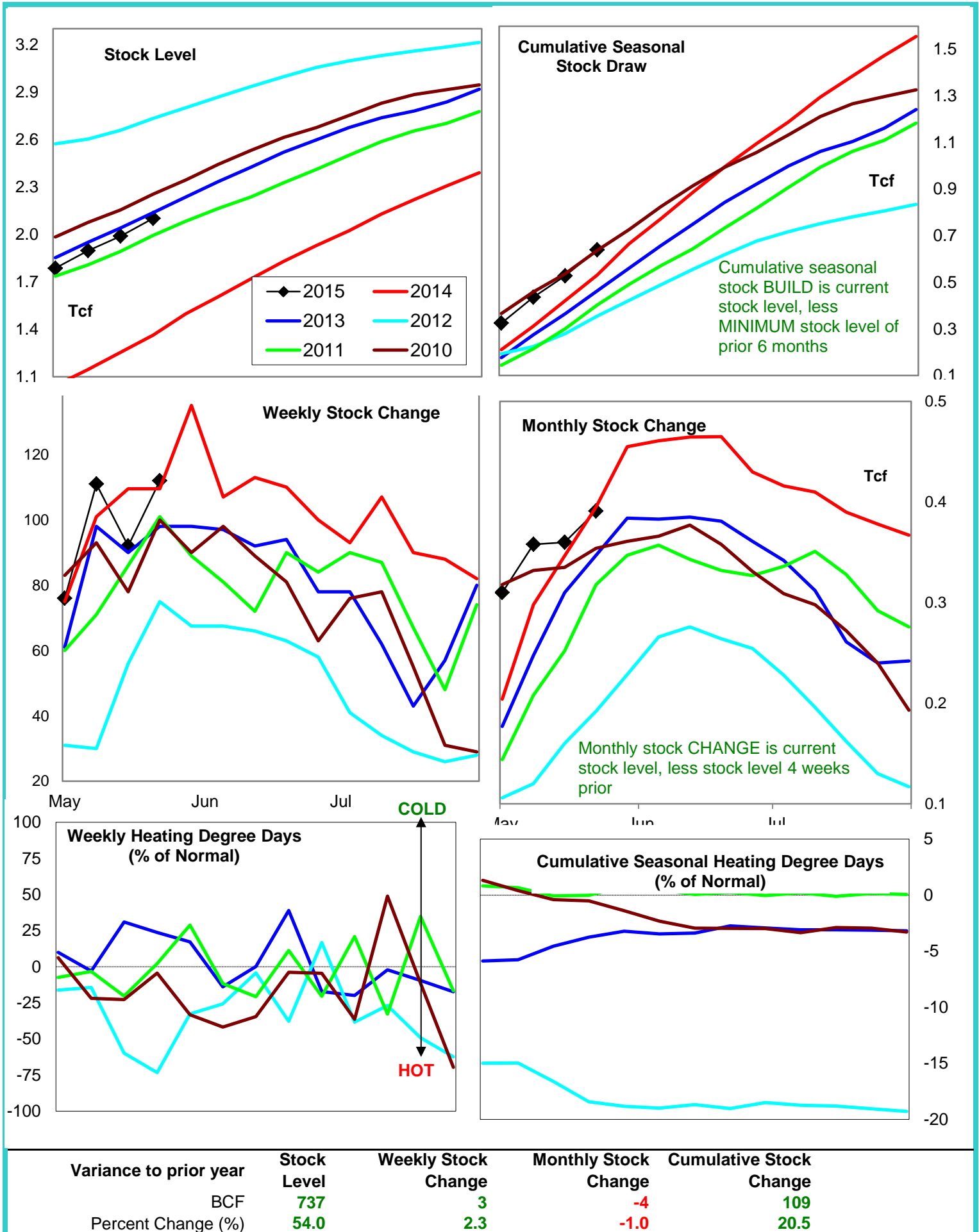
	Cumulative Stock Change			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
U.S. Total	640	109	17.0	6	-3.2	4	-3.2	1	-3.3
East	302	35	11.6	6	-2.9	4	-2.9	1	-2.9
West	57	-29	-50.9	10	-4.6	8	-4.7	3	-4.9
Producing	352	167	47.4	0	-4.0	0	-4.1	0	-4.1

Futures Market Price Trends

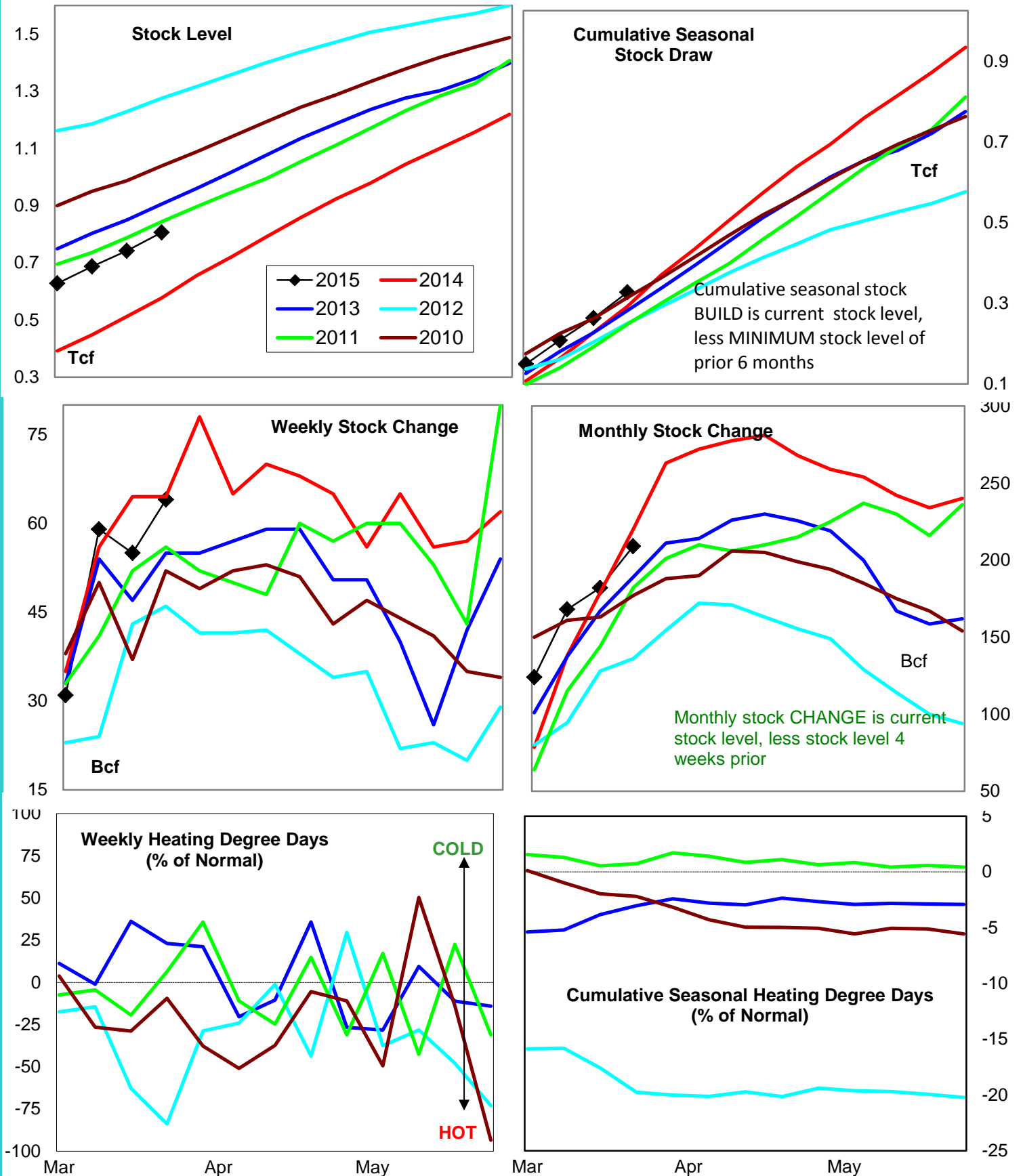
Date:	29-May-15	Change vs prior week, month, year		
		25-May-15	4-May-15	10-Jun-14
1st month Futures	2.71	-0.18	-0.12	-2.03
% change	xxxxx	-6.3	-4.1	-42.9



United States Natural Gas Stock and Weather Trends



Natural Gas East Region Stock and Weather Trends



Variance to prior year

Stock
LevelWeekly Stock
ChangeMonthly Stock
ChangeCumulative Stock
Change

BCF

229

-47

-11

35

Percent Change (%)

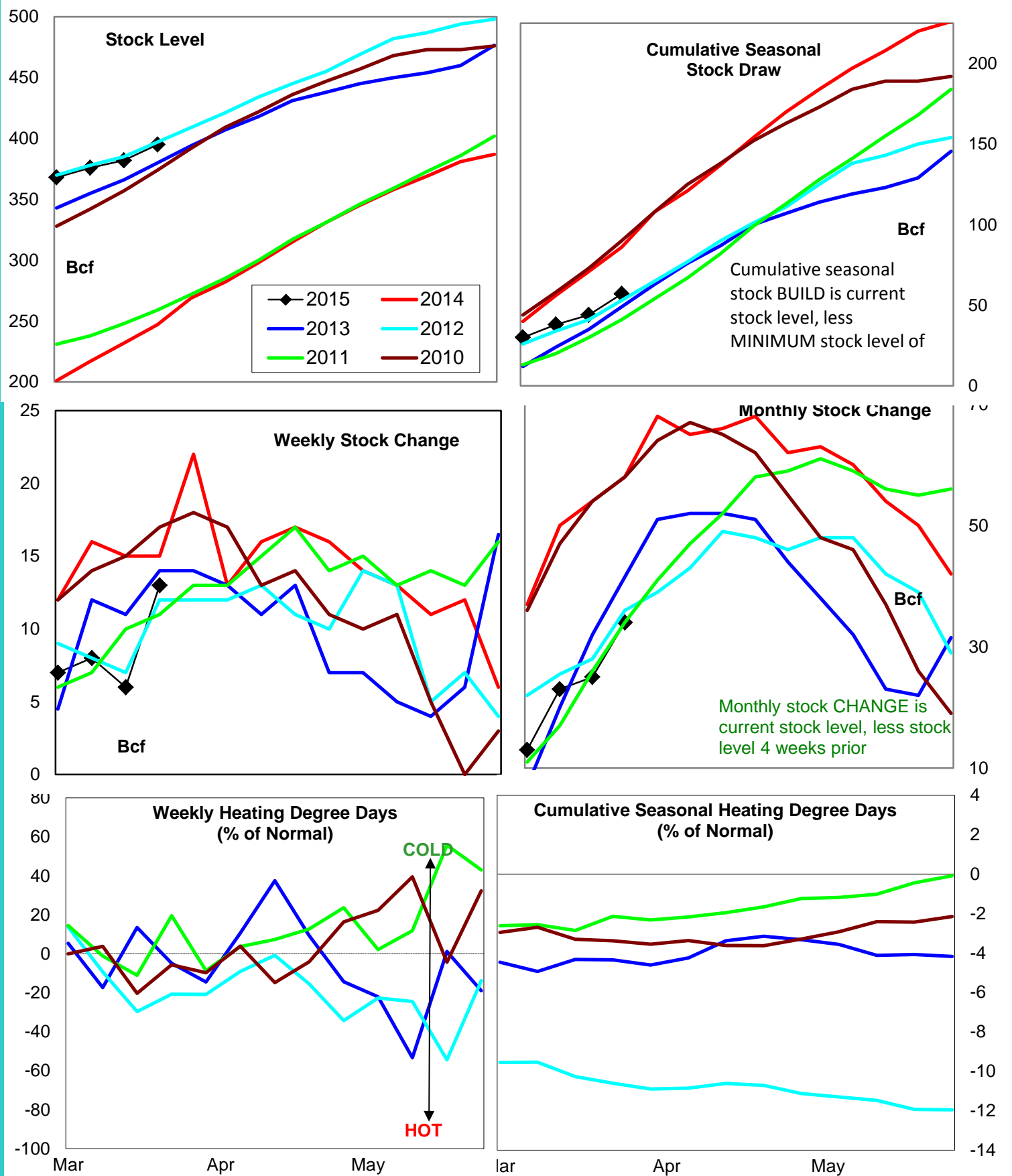
39.7

-75.8

-5.0

13.1

Natural Gas West Region Stock and Weather Trends



Variance to prior year

Stock Level

Weekly Stock Change

Monthly Stock Change

Cumulative Stock Change

BCF

148

-2

-24

-29

Percent Change (%)

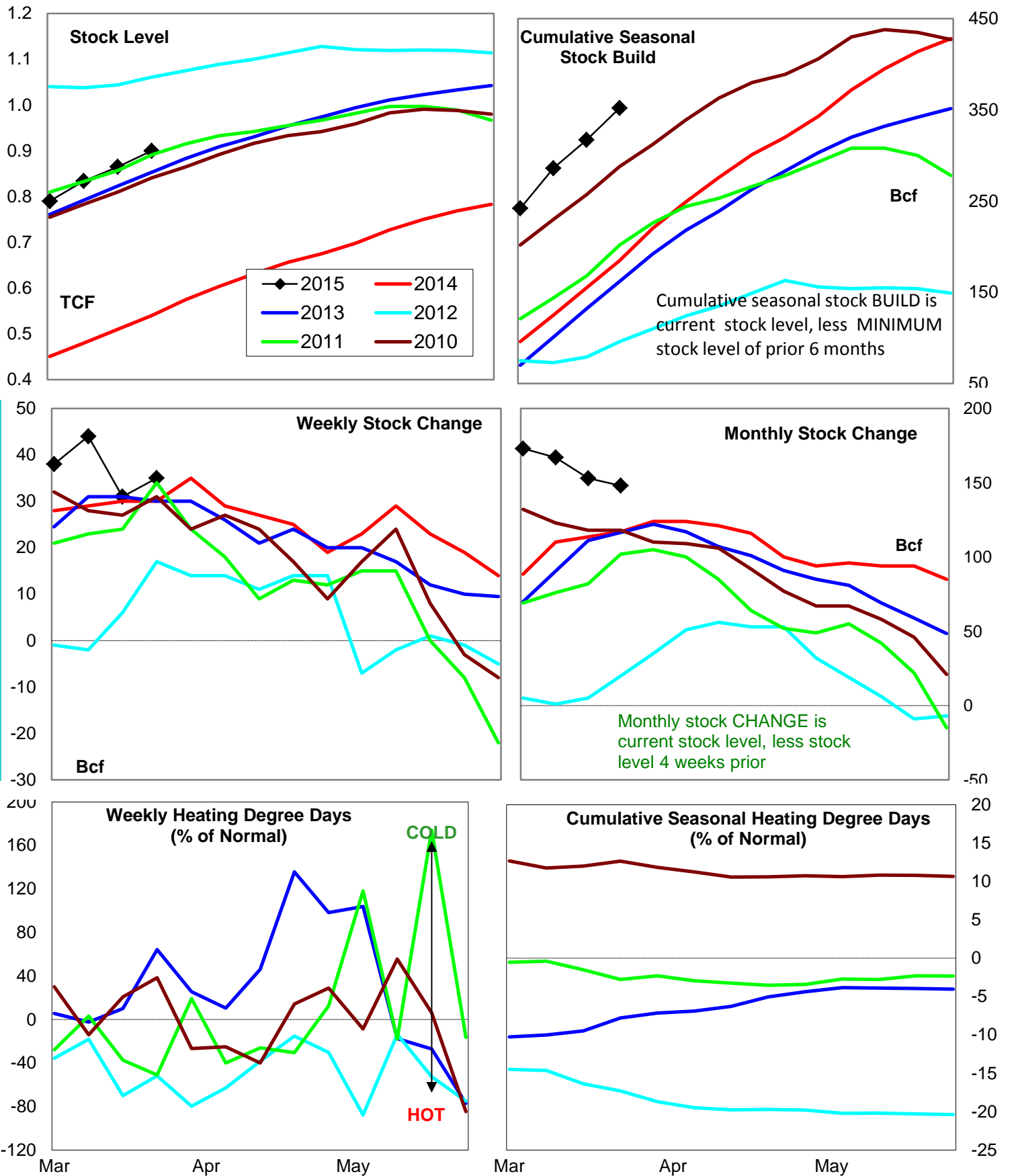
59.9

-13.3

-41.4

-33.7

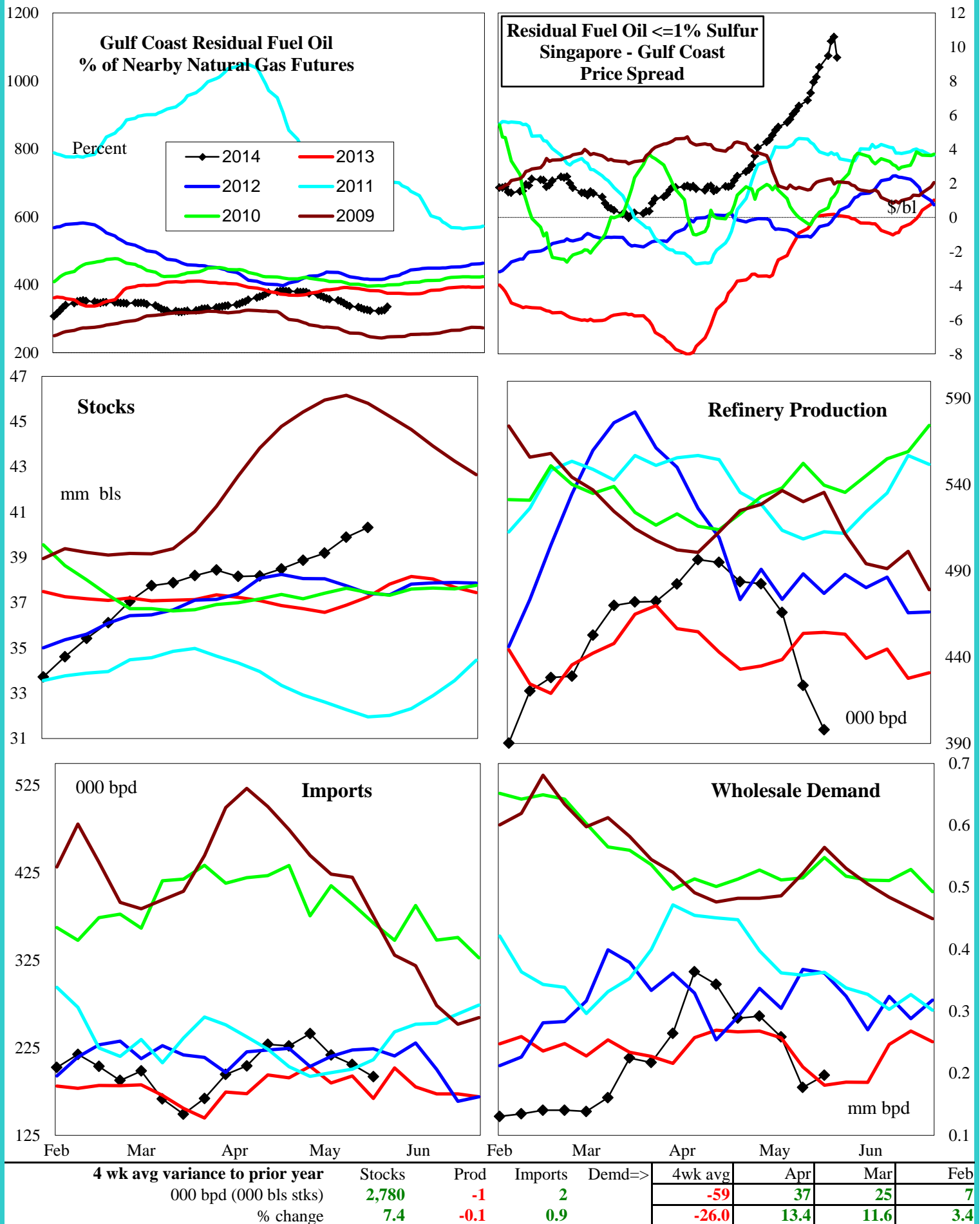
Natural Gas Producing Region Stock and Weather Trends



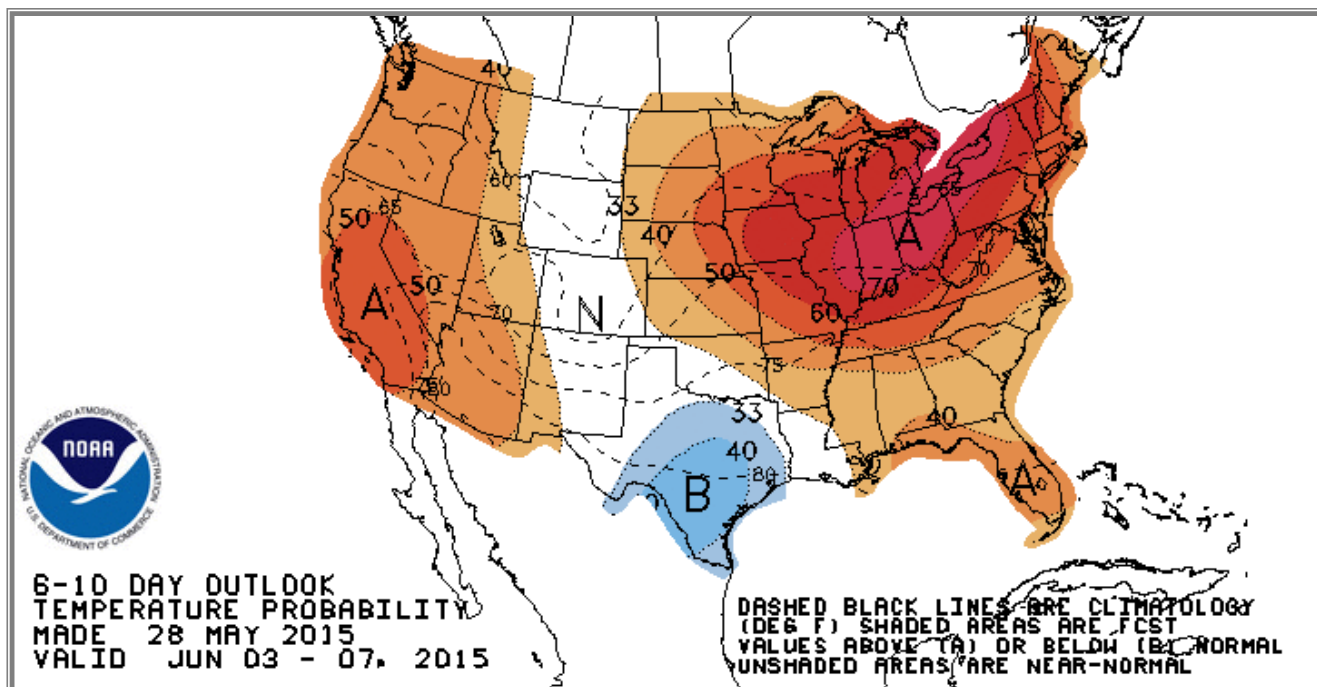
Variance to prior year

Stock
LevelWeekly Stock
ChangeMonthly Stock
ChangeCumulative Stock
ChangeBCF
Percent Change (%)360
66.75
16.731
26.5167
90.3

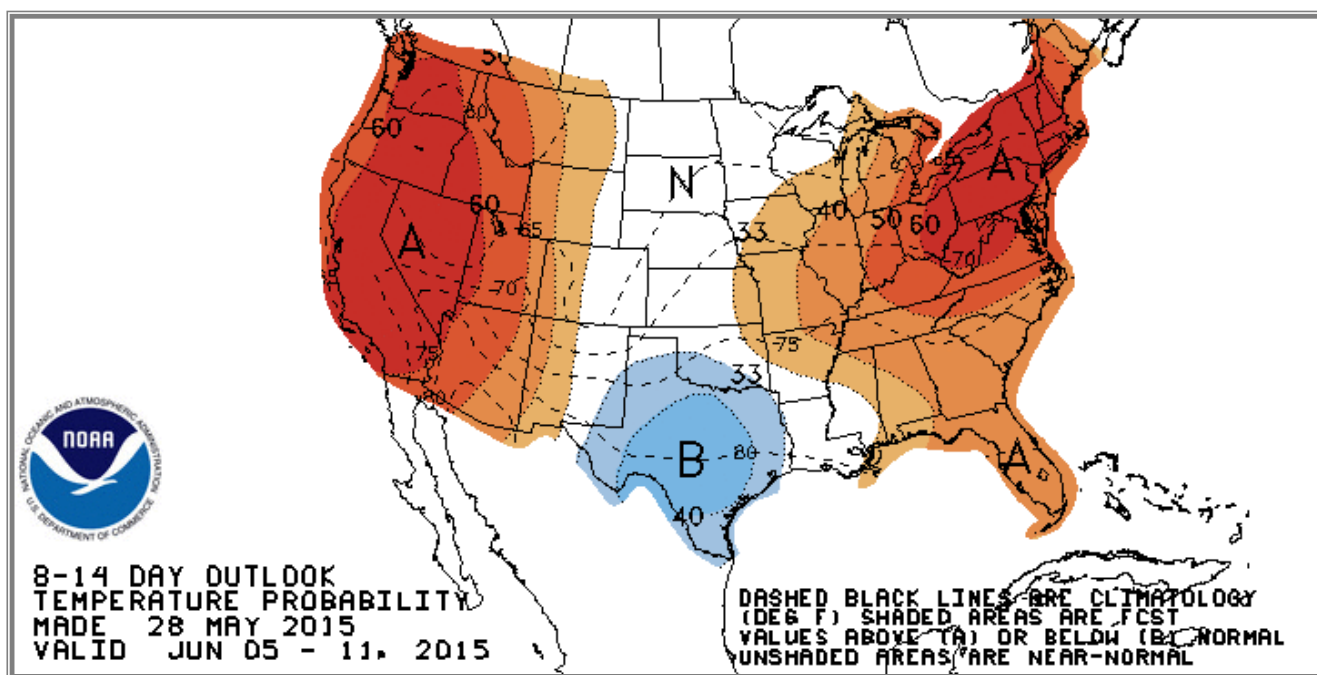
U.S. Residual Fuel Oil Price Spreads and Supply Balance



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

