

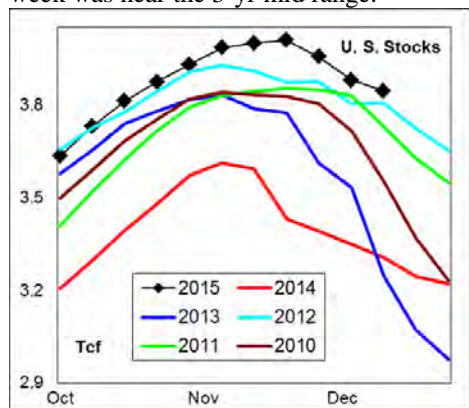
WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

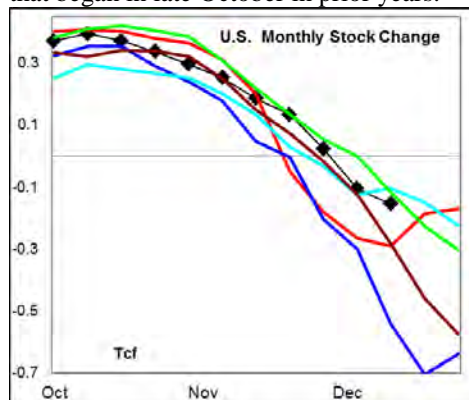
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Tuesday, December 22, 2015



Summary¹ The stock draw of -34 Bcf last week was near the 3-yr mid range.



The latest 4-wk stock change was a draw of -154 Bcf, a level less than two of the last 3-yrs. Stocks have only begun to draw during the last 4-wks, compared to draws that began in late October in prior years.



In the East Region stocks decreased -33 Bcf for the week, a draw less than two of the last 3-yrs. Stocks were unchanged for the week in the West Region, compared to draws in the last 2-yrs. Stocks decreased -1 Bcf in the Producing region, a draw equal to the 3-yr mid range.

Temperatures were above normal across much of the country last week ending 18Dec15.

The 6-10 day NWS forecast for the week ending 31Dec15 is for much above normal temperatures across the eastern ½ of the country and below normal temperatures in the West.

¹ Related Web Sites:

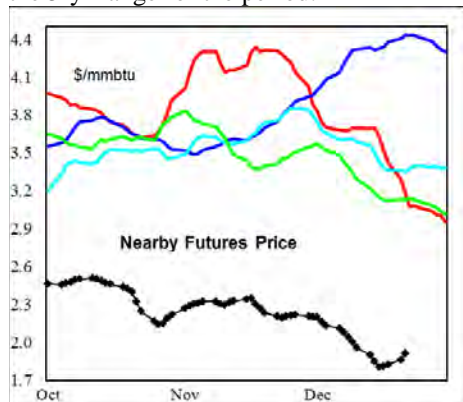
[Data Source is EIA Weekly Statistics](#)

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

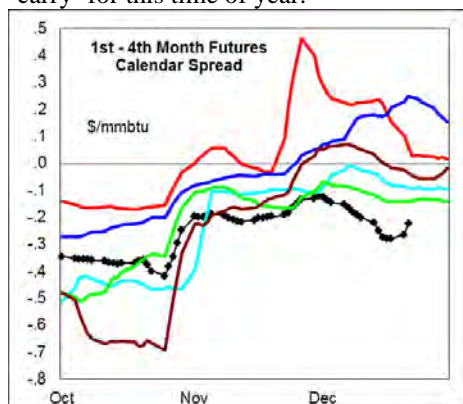
[National Weather Service 10-14 Day](#)

The 8-14 day NWS forecast for the week ending 04Jan15 is for above normal temperatures across the eastern ½ of the country and below normal in the West.

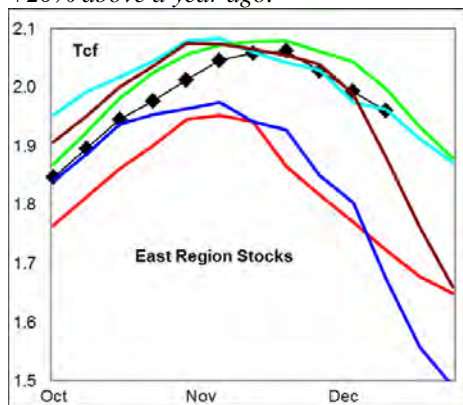
Prices: Nearby gas futures prices increased +\$0.06/mmbtu for the week ending 22Dec15, more than -\$1.24/mmbtu below the 5-yr range for the period.



The 1st – 4th month forward price curve trended higher last week, still a record 'carry' for this time of year.



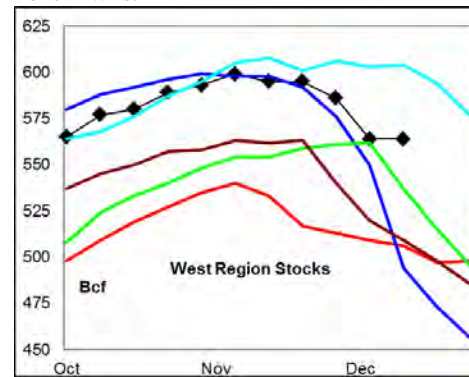
East Region stocks decreased -33 Bcf for the week, a draw less than two of the last 3-yrs for the period. *The current stock level matched 3-yr highs for the period and +20% above a year ago.*



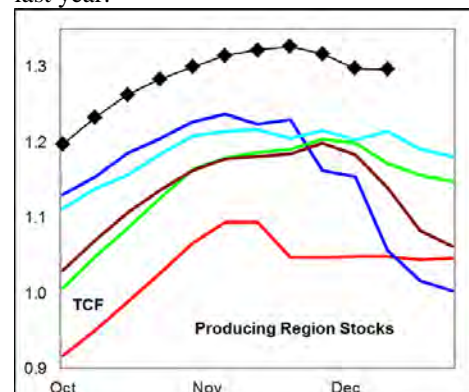
Temperatures are forecast to be sharply above normal for the next 2-wks.

West Region stocks were unchanged for

the week, compared to draws for the last 2-yrs. Stock levels ended the week well above the 3-yr mid range, and +12% above last year. The monthly rate of stock change matched the 3-yr mid range for this time of year. Temperatures are forecast to be below normal in this region during the next 2-wks.



Producing Region stocks decreased -1 Bcf for the week, a draw equal to the 3-yr mid range. Stock levels ended the week at 5-yr highs for this time of year and +23% above last year.



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 well below the historic range.

Outlook: Sharply above normal temperatures are forecast to continue for eastern ½ of the country through early January. Stock levels are at record highs for the period, with high levels in every region.

The rate of stock draw is significantly less than the last 2-yrs. Very high stock levels, a low rate of stock draw and weak heating demand due to much above normal temperatures in all heating regions should drive continued weak wholesale prices through early January.

NATURAL GAS: Graph Link and Weekly Summary



Report prepared as of: December 22, 2015

For the week ending: 11-Dec-15

Weekly Trends in Stocks for the week ending:

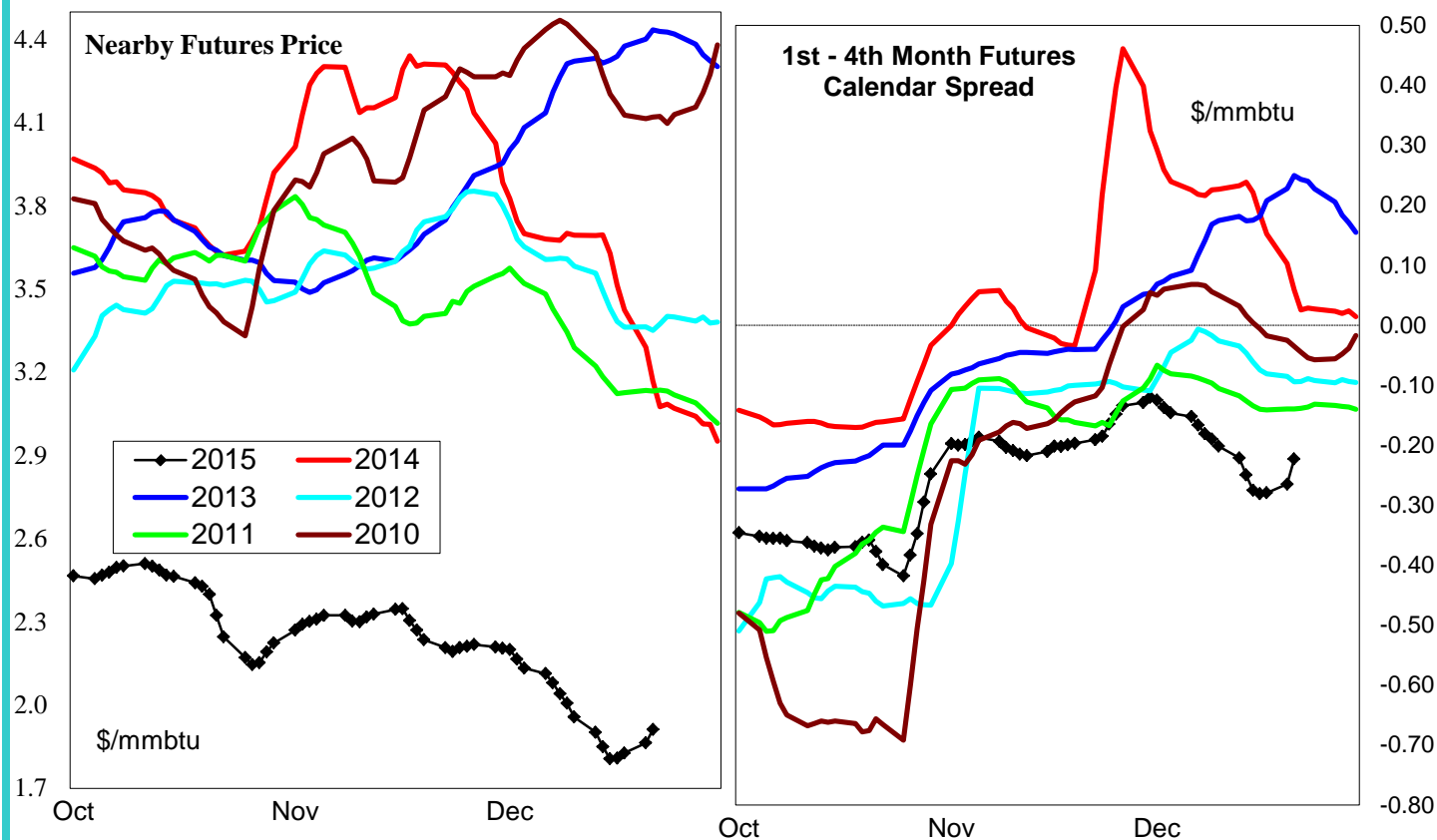
Week ending:	11-Dec-15		
Region	Weekly Stocks		
	Bcf	Change vs prior:	
		Week Bcf	Year (%)
U.S. Total	3,846	-34	16.4
East	1,960	-33	13.8
West	564	0	11.5
Producing	1,322	-1	23.1

Seasonal Trends in Stocks

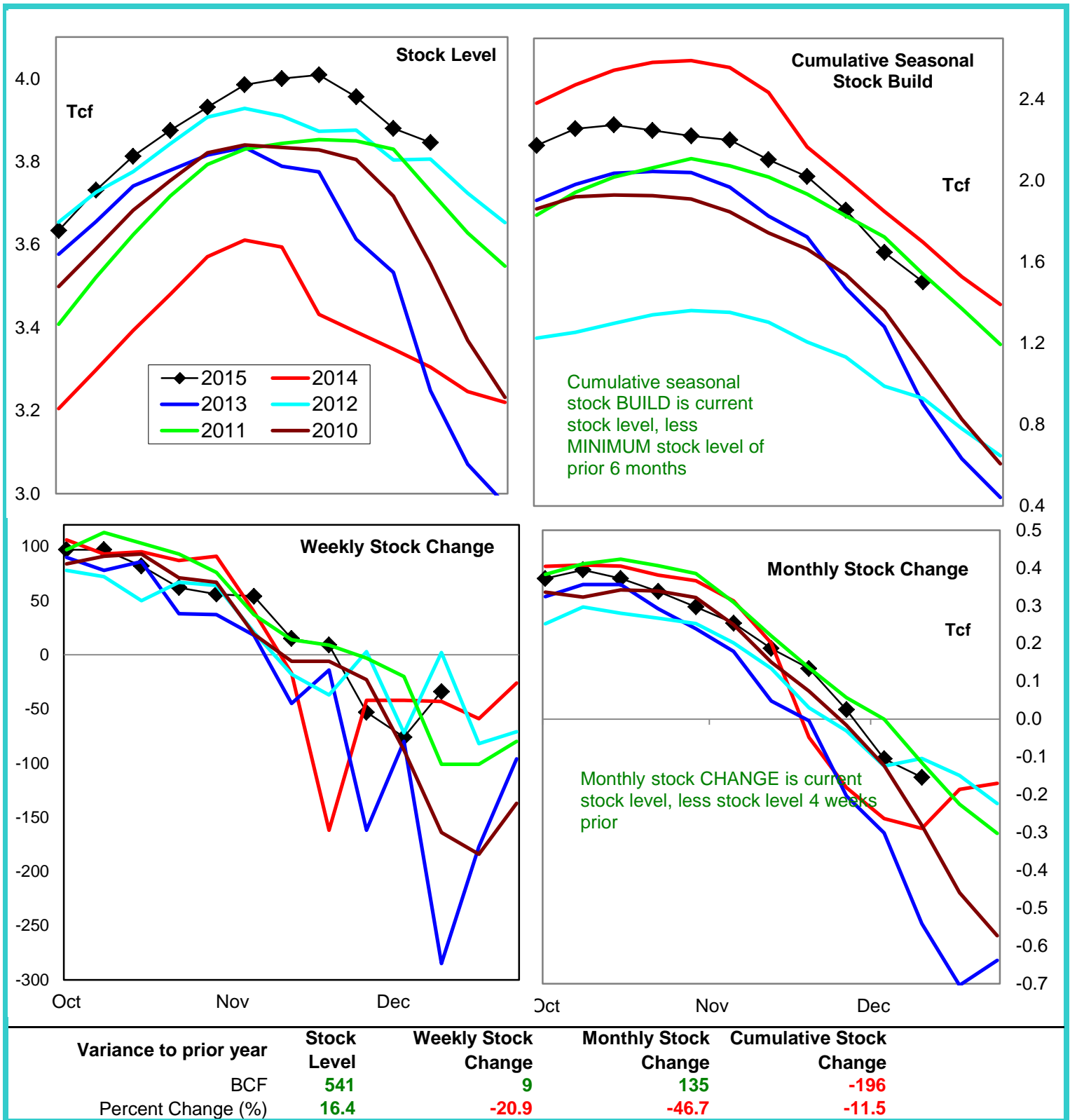
	Cumulative Stock Change		
	Bcf	Change vs prior year	
		Bcf	%
U.S. Total	1,502	-196	-13.0
East	1,026	18	1.8
West	100	-95	-95.0
Producing	376	-117	-31.1

Futures Market Price Trends

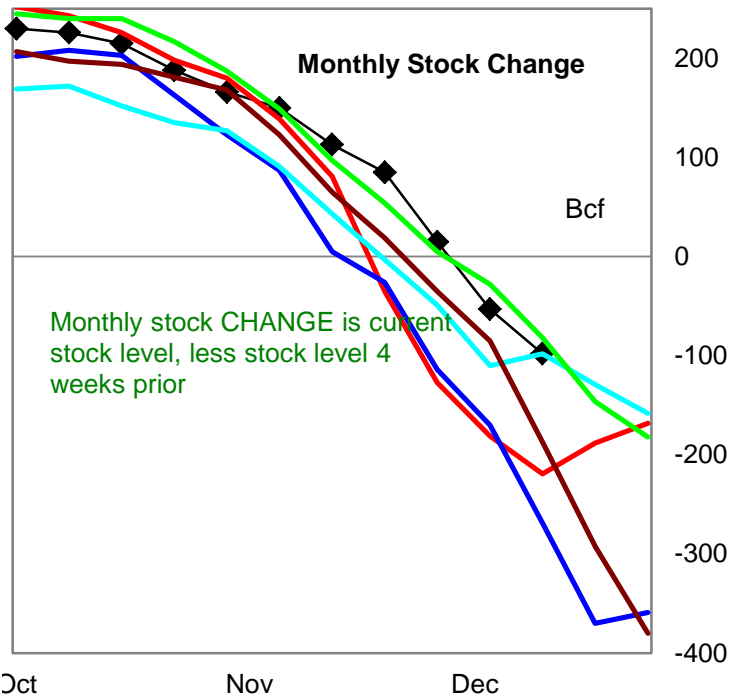
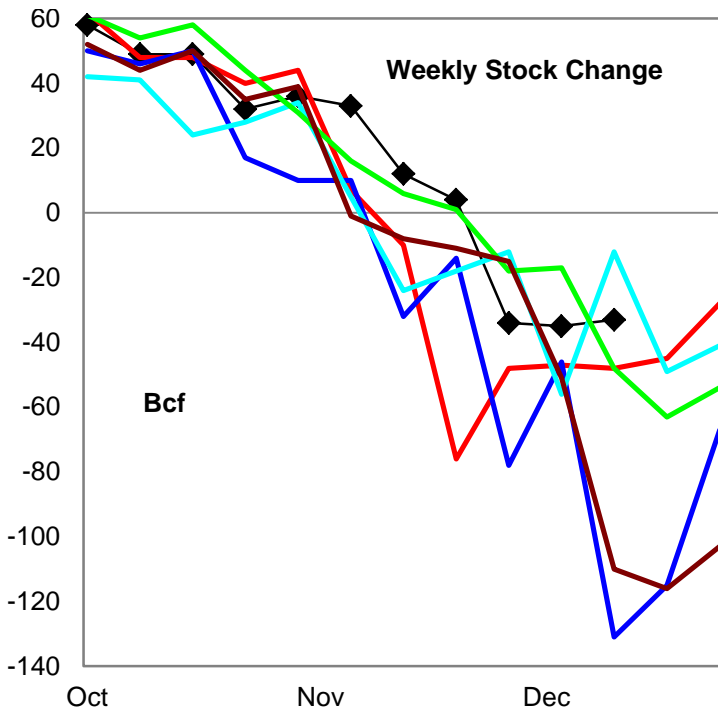
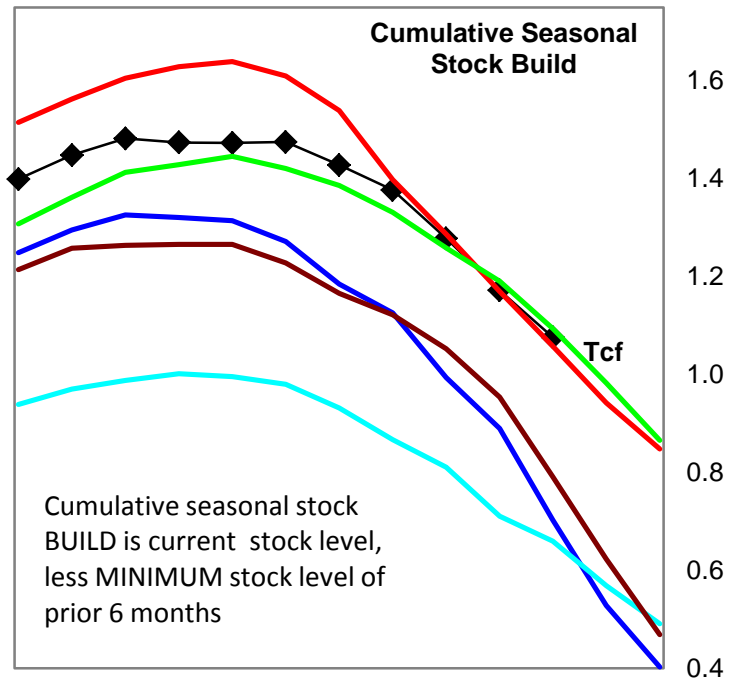
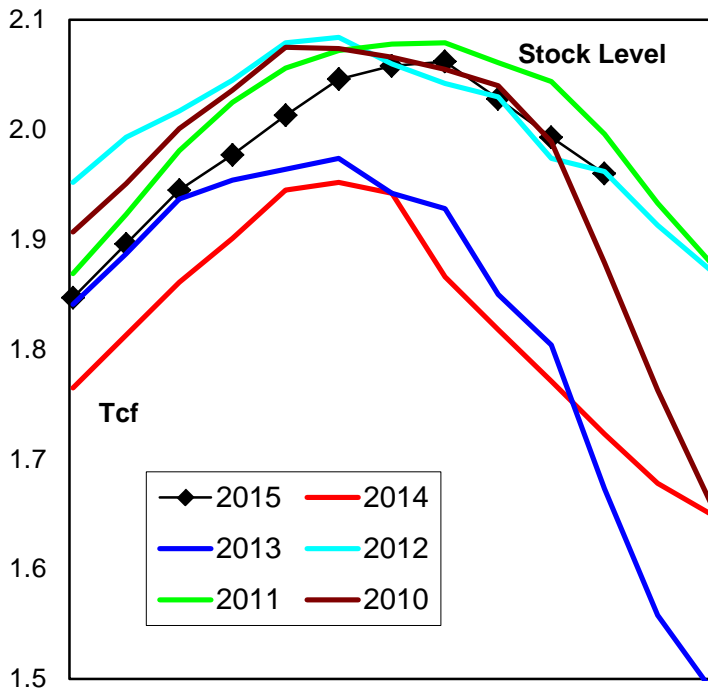
Date:	30-Nov-15	Change vs prior week, month, year		
		24-Nov-15	3-Nov-15	10-Dec-14
1st month Futures	1.91	0.12	-0.29	-1.03
% change	xxxxx	6.8	-13.3	-34.9



United States Natural Gas Stock Trends

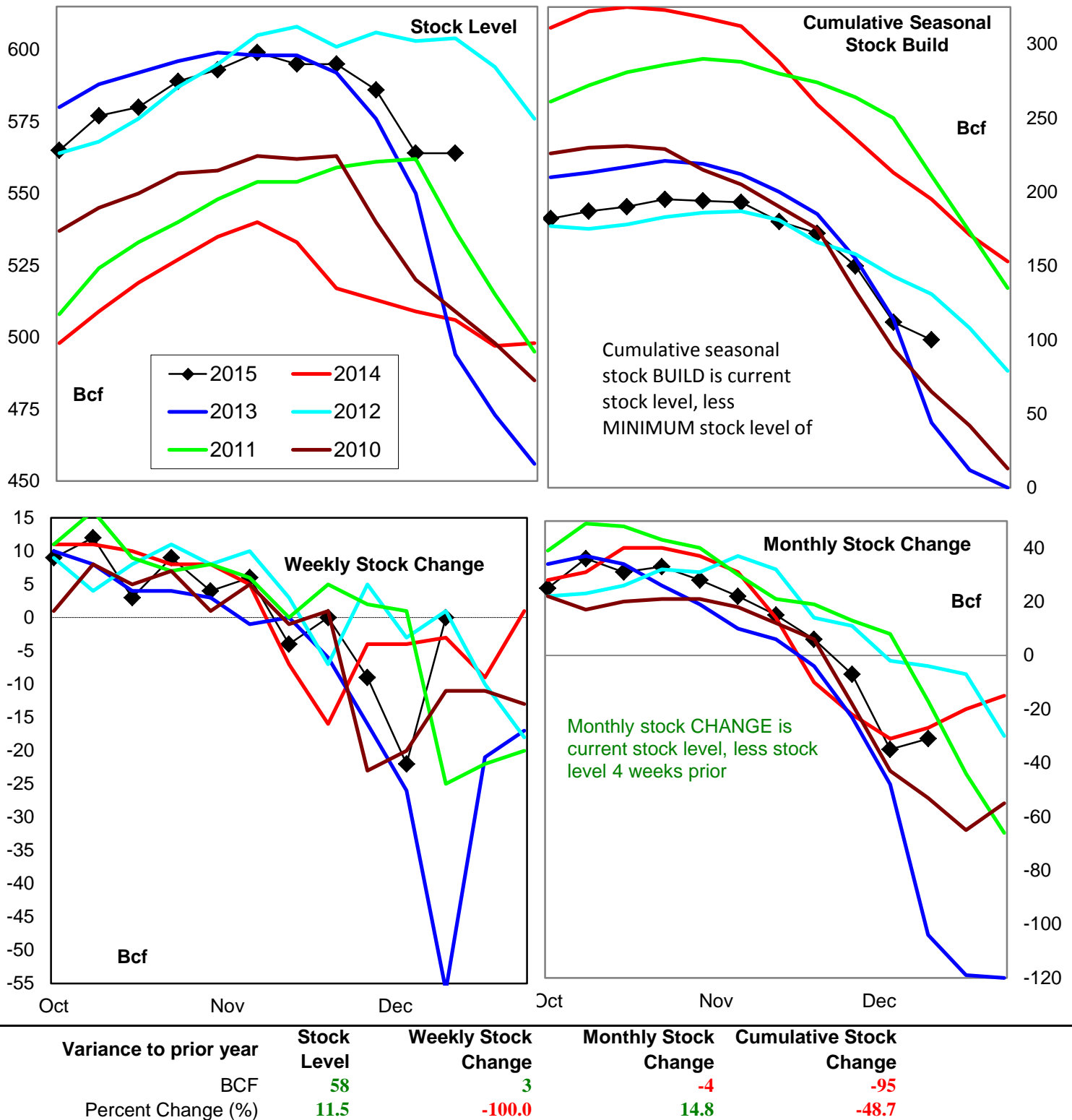


Natural Gas East Region Stock Trends

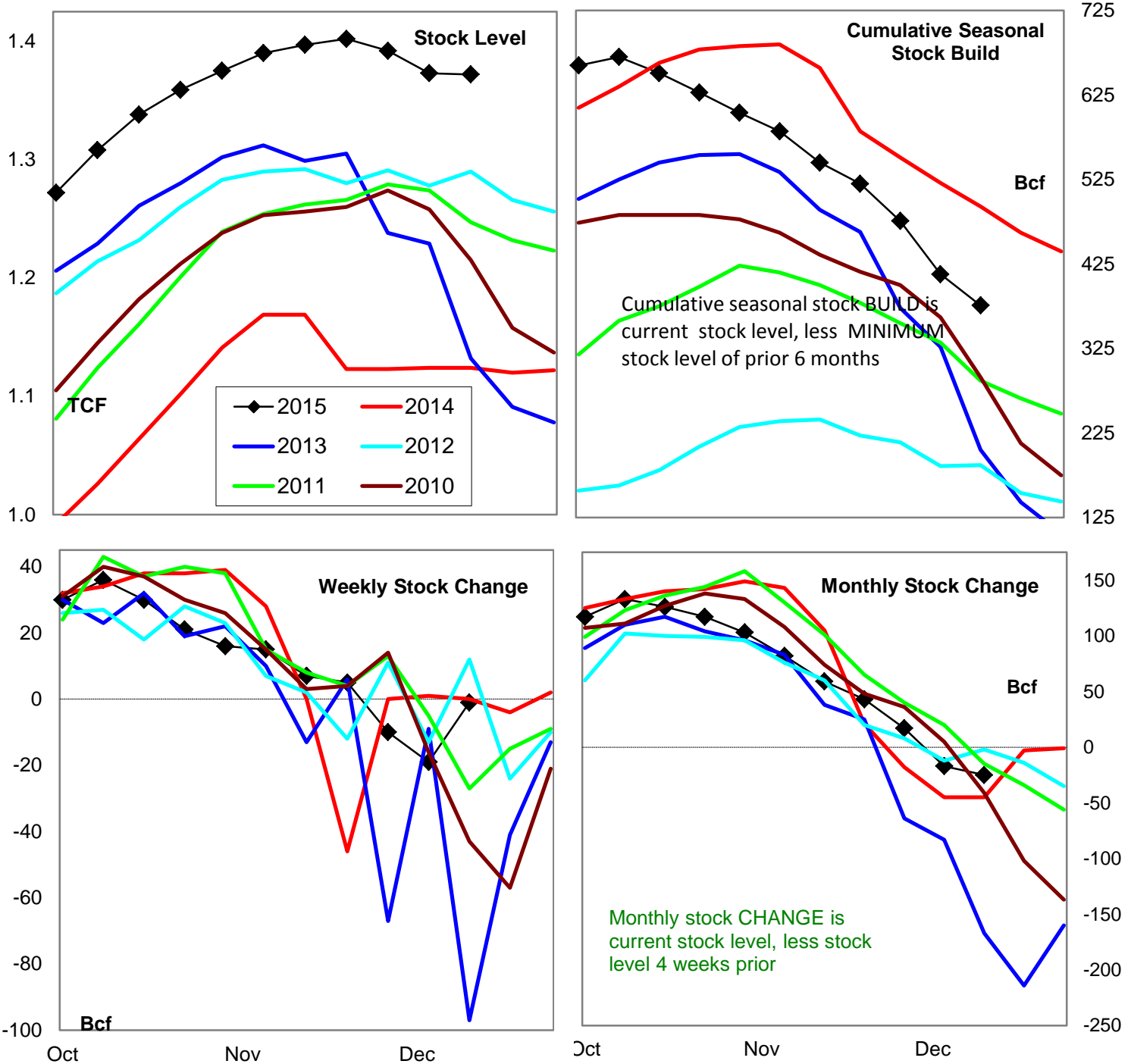


Variance to prior year	Stock Level	Weekly Stock Change	Monthly Stock Change	Cumulative Stock Change
BCF	237	15	121	18
Percent Change (%)	13.8	-31.3	-55.3	1.8

Natural Gas West Region Stock Trends

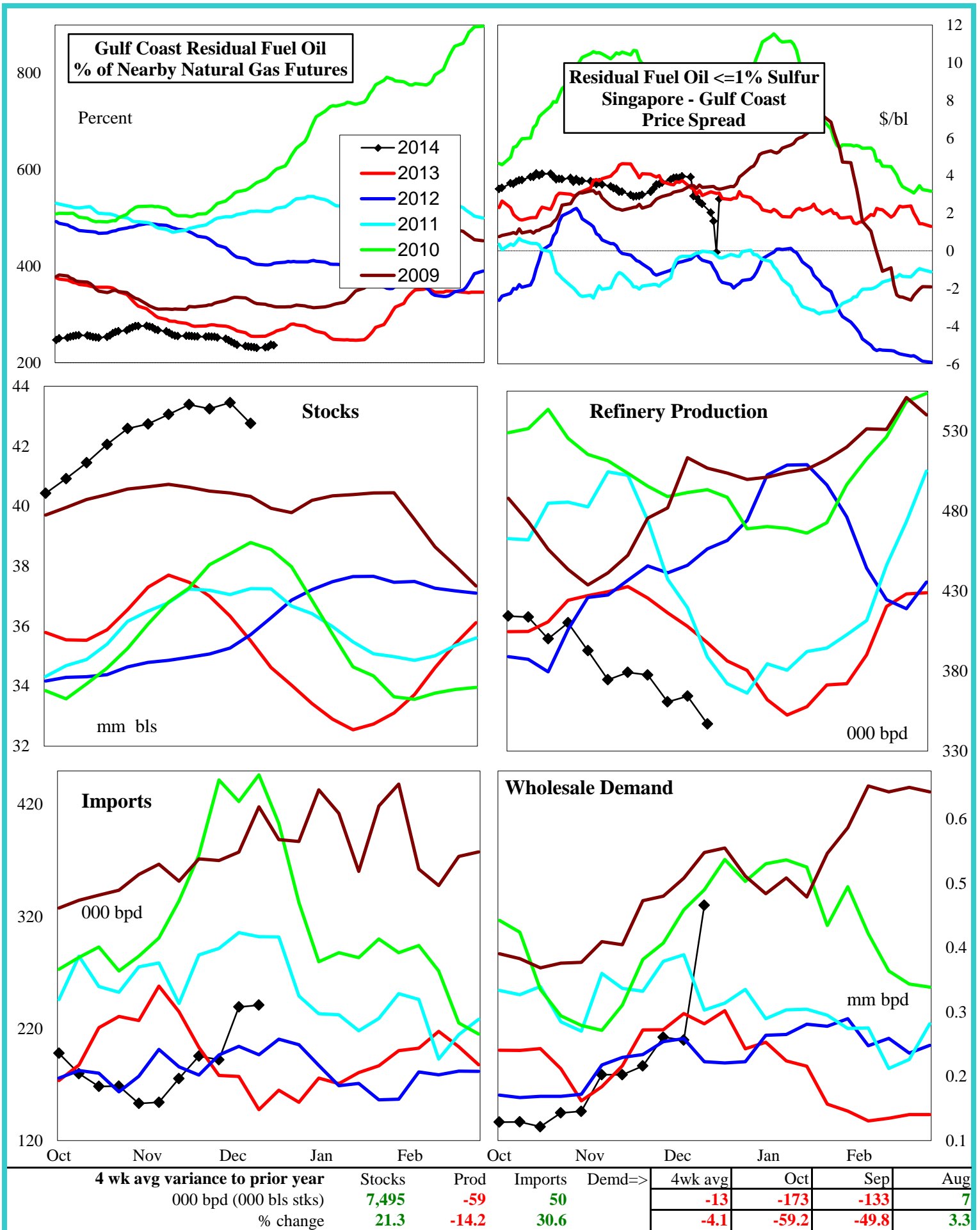


Natural Gas Producing Region Stock Trends

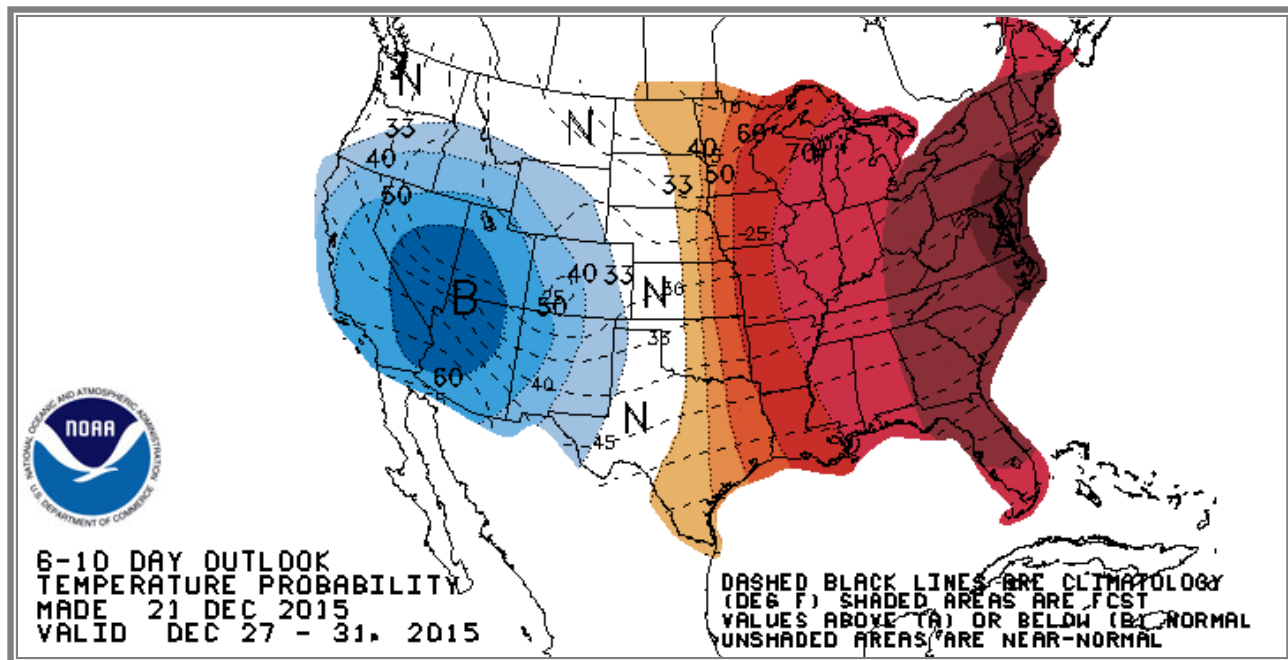


Variance to prior year	Stock Level	Weekly Stock Change	Monthly Stock Change	Cumulative Stock Change
BCF	248	-1	20	-117
Percent Change (%)	23.1	#DIV/0!	-44.4	-23.7

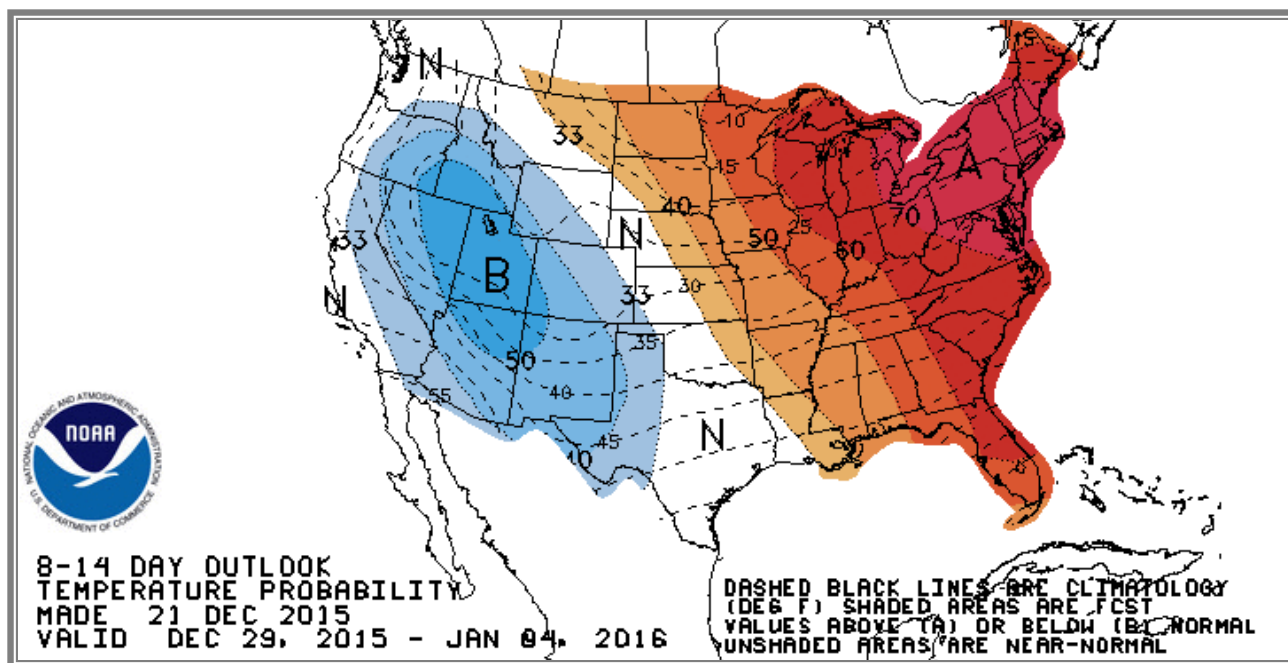
U.S. Residual Fuel Oil Price Spreads and Supply Balance



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

