



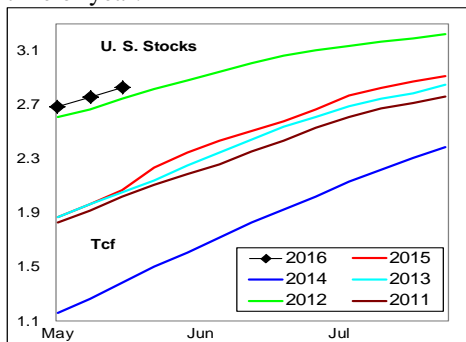
WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

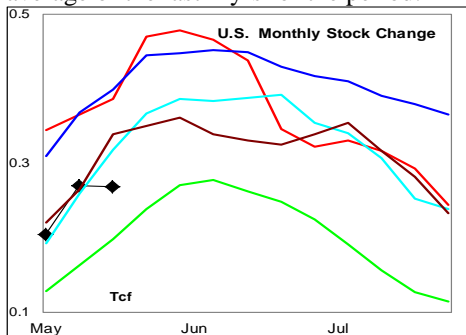
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Thursday, May 26, 2016



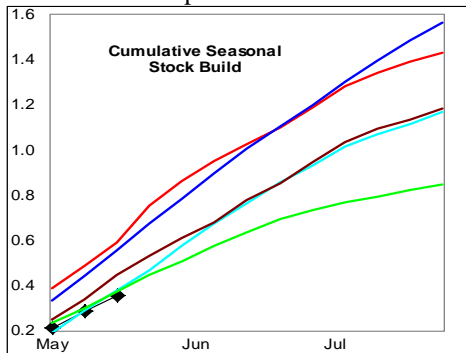
Summary¹ The stock build of +71 Bcf last week was below the 5-yr range for this time of year.



The latest 4-wk stock change was a build of +268 Bcf, -125 Bcf less than the average of the last 2-yr for the period.



The cumulative seasonal build matched 5-yr lows for this week; the result of below average temperatures in major heating markets and flat production.



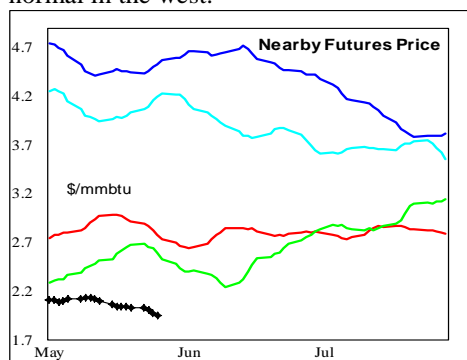
In the East Region stocks increased +44 Bcf for the week, a level that matched 5-yr lows for the period. Stocks increased +10

Bcf in the West Region, a level at the low end of the historic range. Stocks increased +17 Bcf in the Producing region, a build below the last 3-yr.

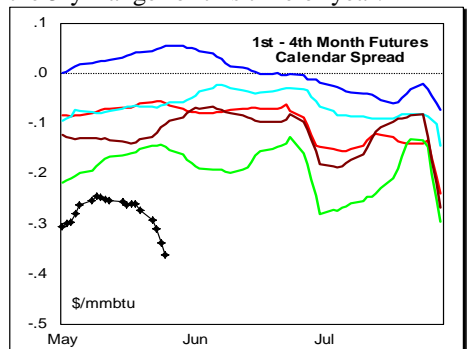
Temperatures were below normal across the eastern 2/3rds of the country last week.

The 6-10 day NWS forecast for the week ending 04June16 is for above normal temperatures across the eastern and western 2/3rds of the country.

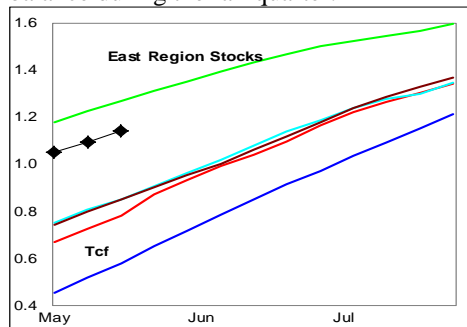
The 8-14 day NWS forecast for the week ending 08June16 is for slightly below normal temperatures in the eastern 2/3rds of the country and much above normal in the west.



Prices: Nearby gas futures prices decreased -\$0.09 mmbtu for the week ending 26May16. The price level remains below the 5-yr range for this time of year.



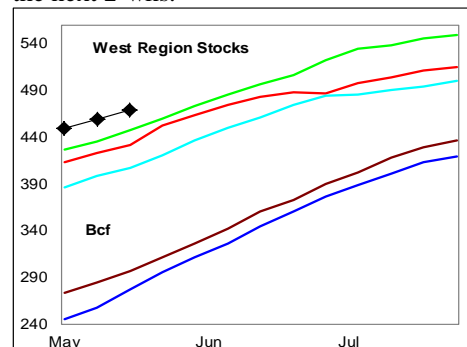
The 1st - 4th month forward price curve fell sharply last week. The steep forward curve confirms prompt over supply and expectations of improved supply-demand balance during the fall quarter.



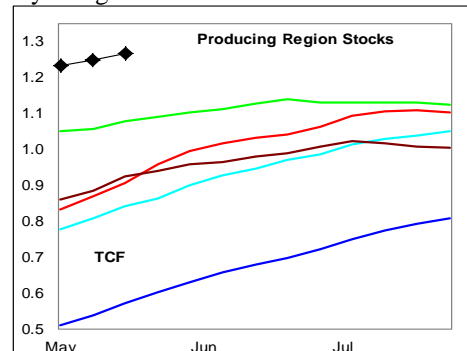
East Region stocks increased +44 Bcf for

the week, a build below the 5-yr range. The current stock level is +46% above a year ago. Temperatures are forecast to be above normal next week and near normal during the 2nd week.

West Region stocks increased +10 Bcf last week, a level below the 5-yr range. Stock levels ended the week above the 5-yr range. Temperatures are forecast to be much above normal in this region during the next 2-wks.



Producing Region stocks increased +17 Bcf for the week, a build less than the last 3-yr. Stock levels ended the week at 5-yr highs for this time of year and +42% above a year ago.



Temperatures are forecast to be above normal next week and near normal the following week.

Outlook: Even with a low rate of stock builds, stock levels remains very high, particularly in the Producing region.

Above normal temperatures in the eastern 2/3rds of the country next week should provide support to prompt spot prices, which have pulled back from highs seen earlier in the month.

¹ Related Web Sites:

[Data Source is EIA Weekly Statistics](#)

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

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



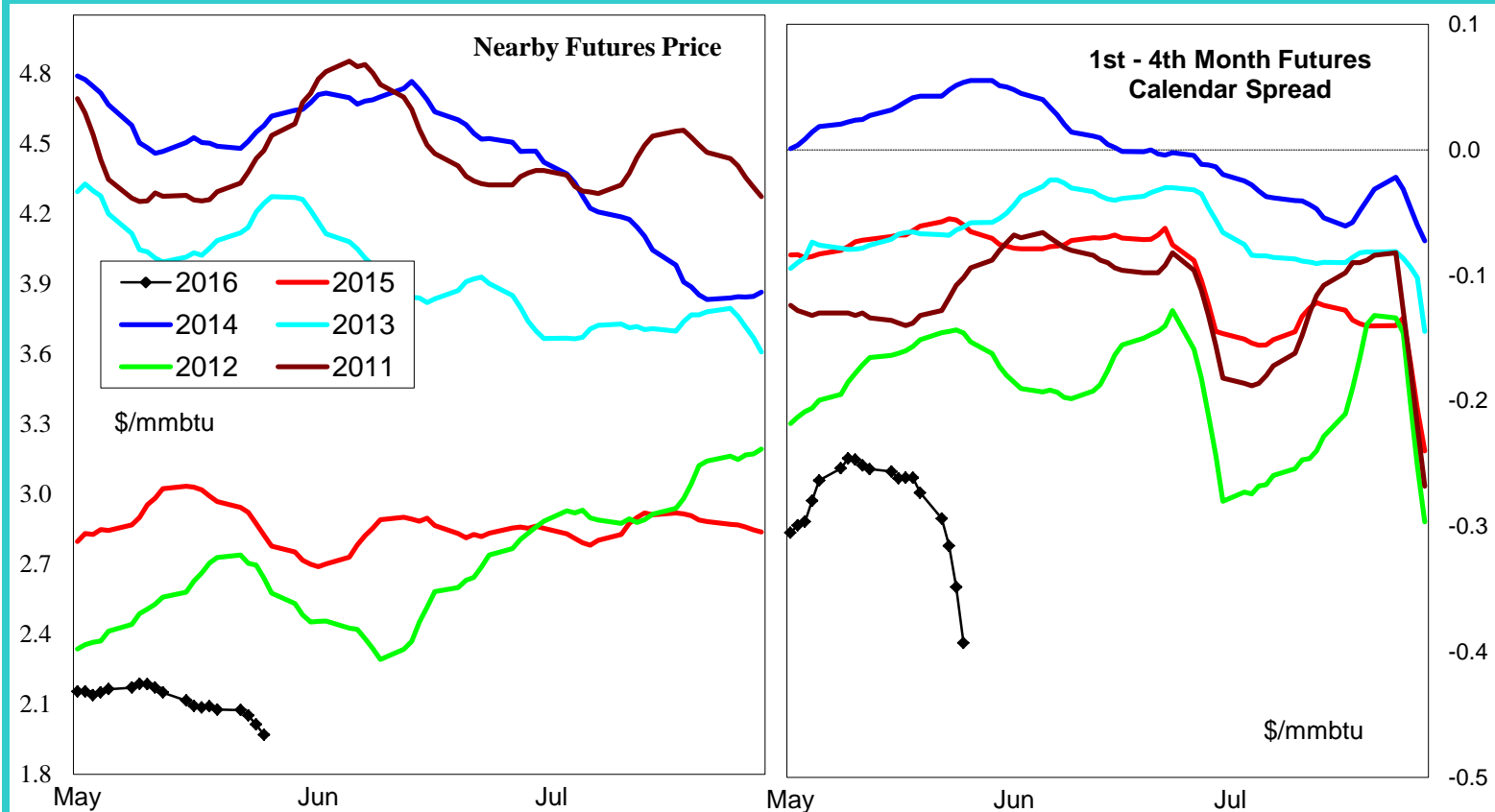
NATURAL GAS: Graph Link and Weekly Summary

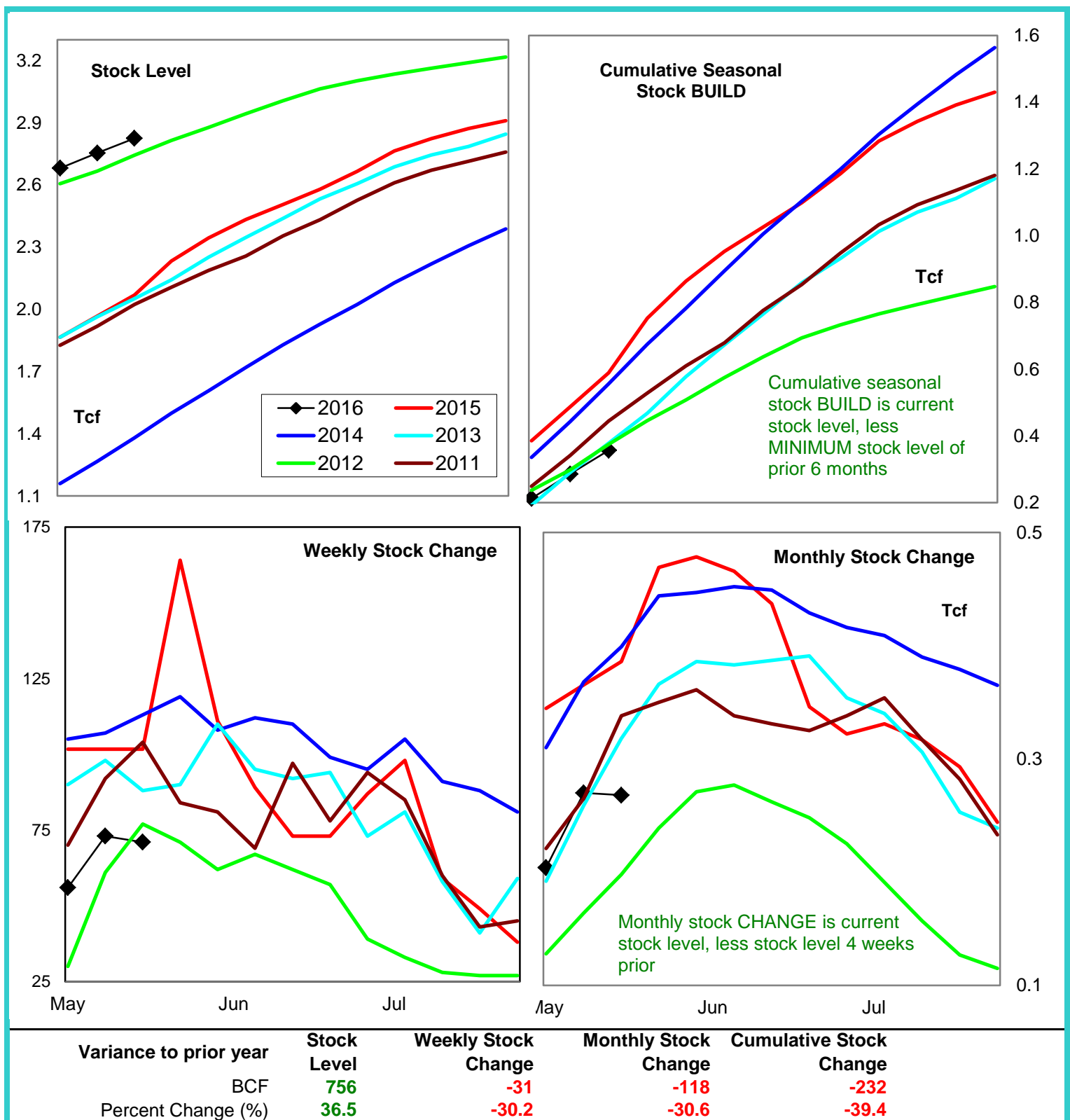
Report prepared as of: May 26, 2016

For the week ending:

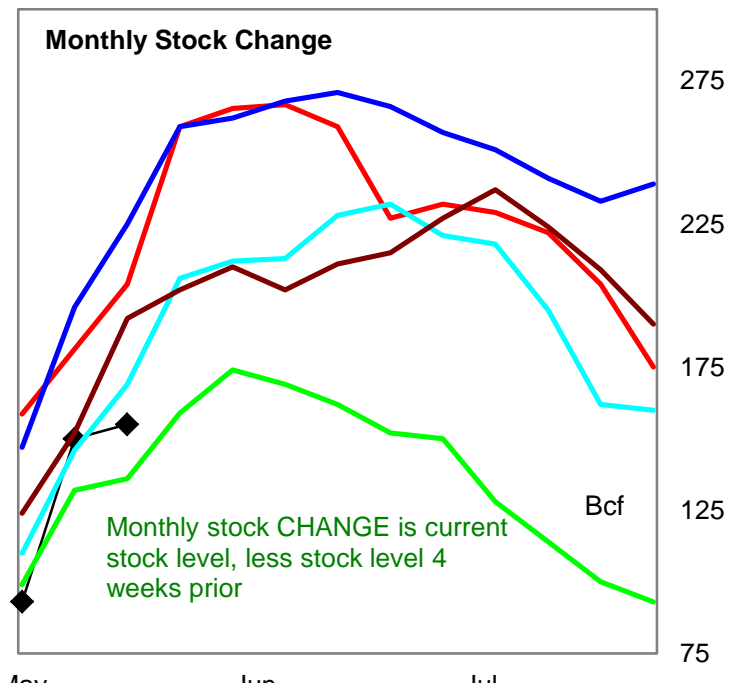
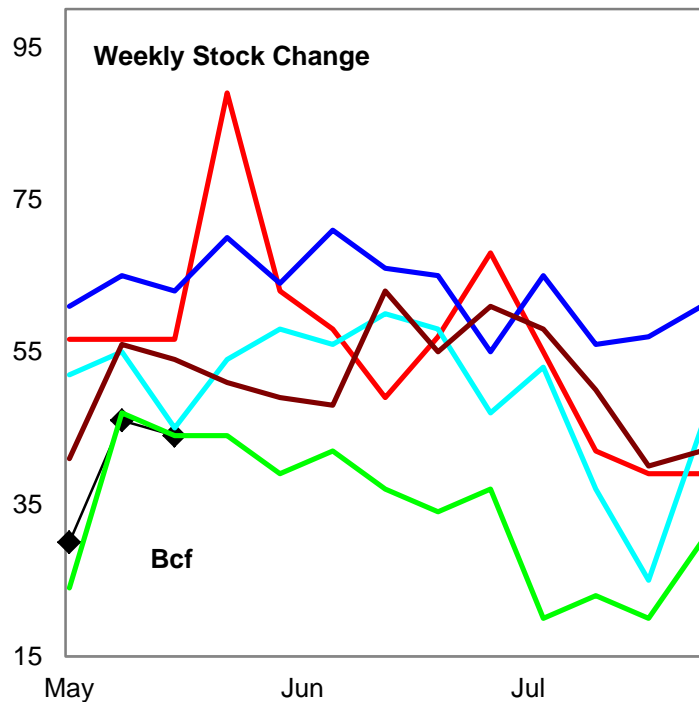
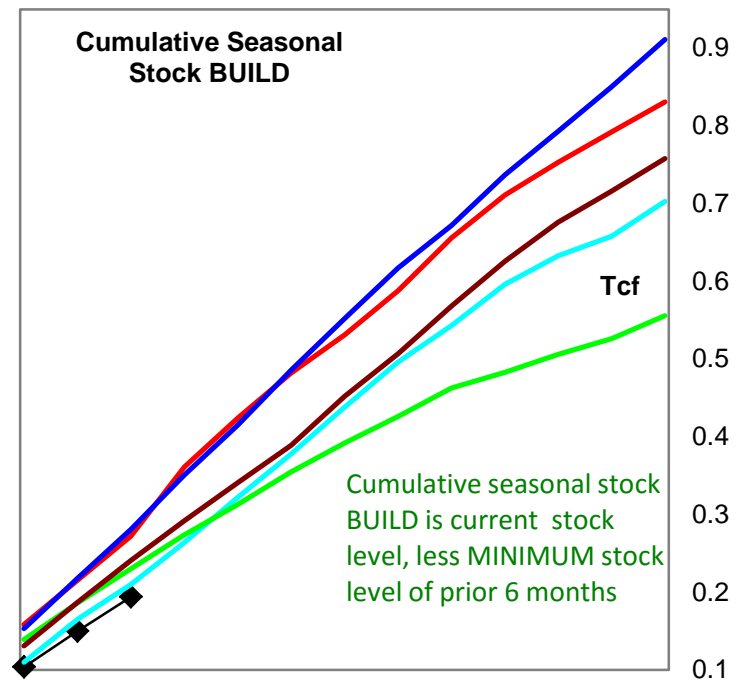
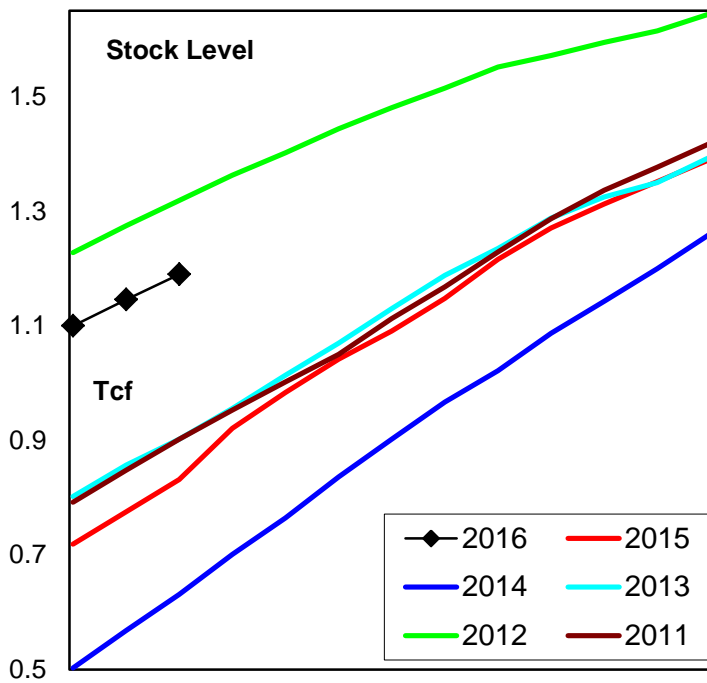
20-May-16

Stock Trends for the week ending:					Seasonal Trends in Stocks			
Week ending:	20-May-16							
Region	Weekly Stocks					Cumulative Stock Change		
	Bcf	Change vs prior:				Bcf	Change vs prior year	
		Week Bcf	Year (%)				Bcf	%
U.S. Total	2,825	71	36.5		U.S. Total	357	-232	-65.0
East	1,140	44	45.8		East	194	-78	-40.2
West	469	10	8.6		West	69	9	13.0
Producing	1,216	17	42.1		Producing	196	-136	-69.4
Futures Market Price Trends								
Date:	22-Mar-16	Change vs prior week, month, year						
		9-Mar-16	17-Feb-16	30-Mar-15				
1st month Futures	1.92	-0.14	-0.26	-0.97				
% change	xxxxx	-6.9	-11.9	-33.6				



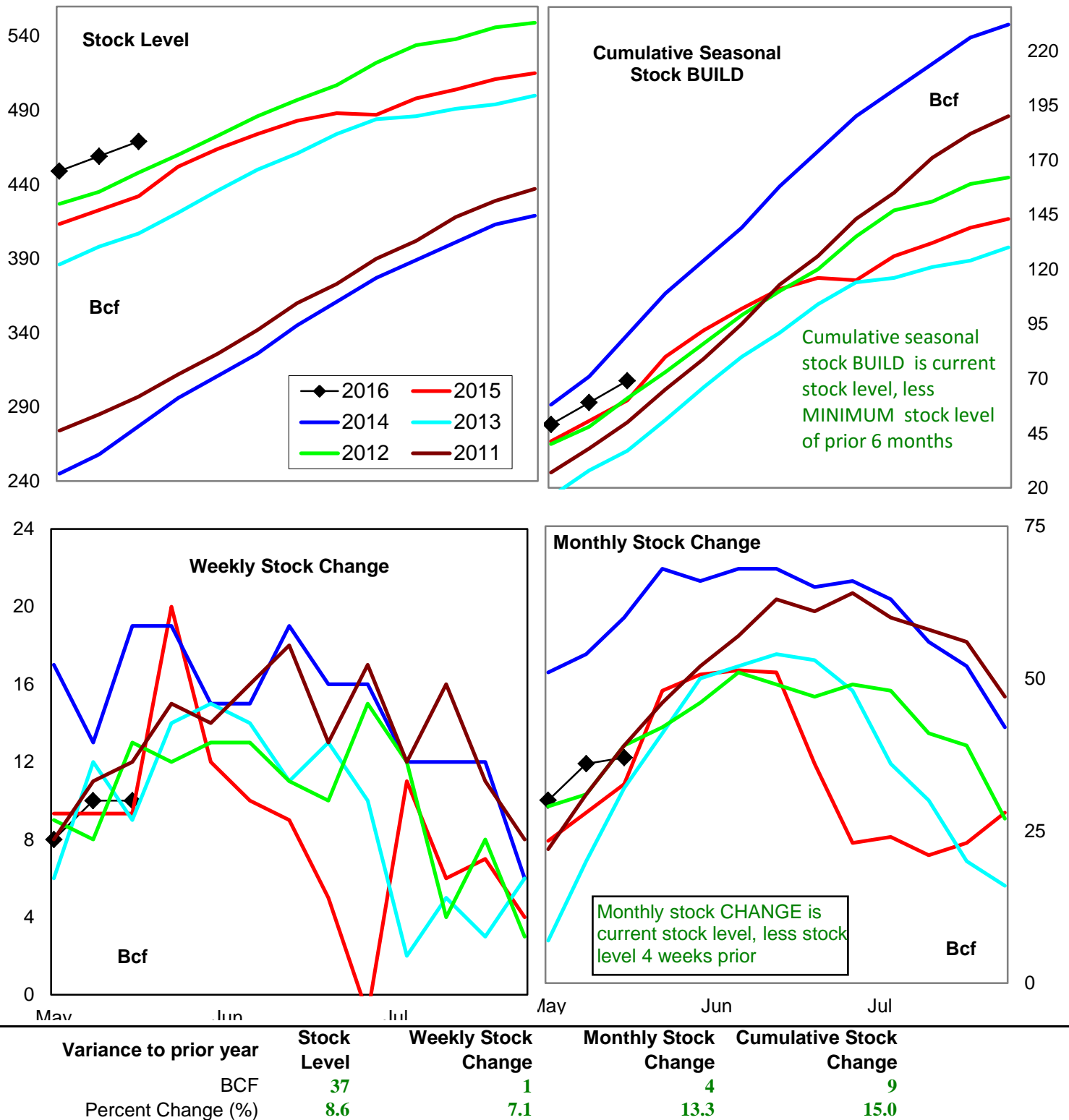


Natural Gas East Region Stock Trends

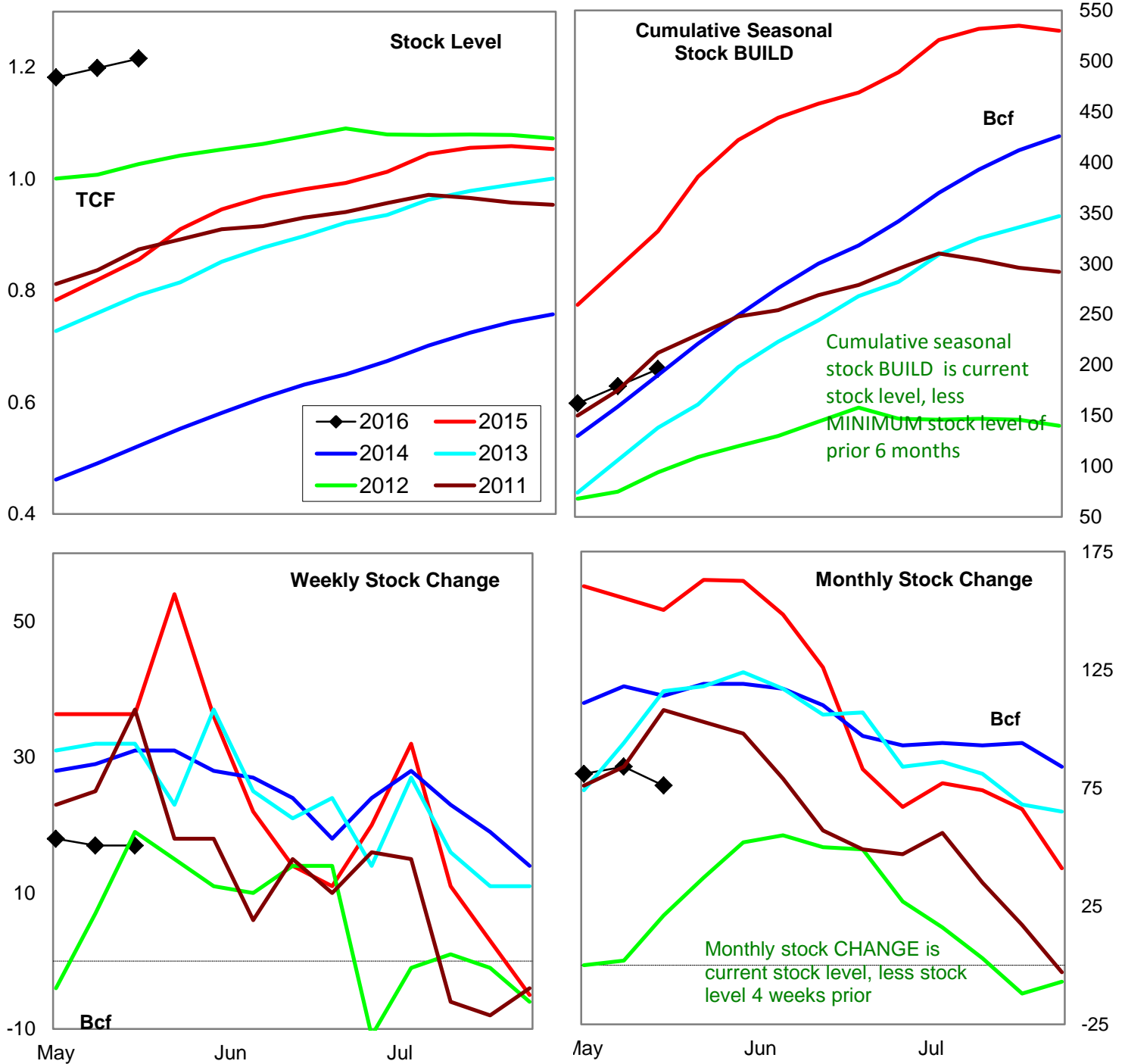


Variance to prior year	Stock Level	Weekly Stock Change	Monthly Stock Change	Cumulative Stock Change
BCF	358	-13	-49	-78
Percent Change (%)	45.8	-22.4	-24.0	-28.7

Natural Gas West Region Stock Trends

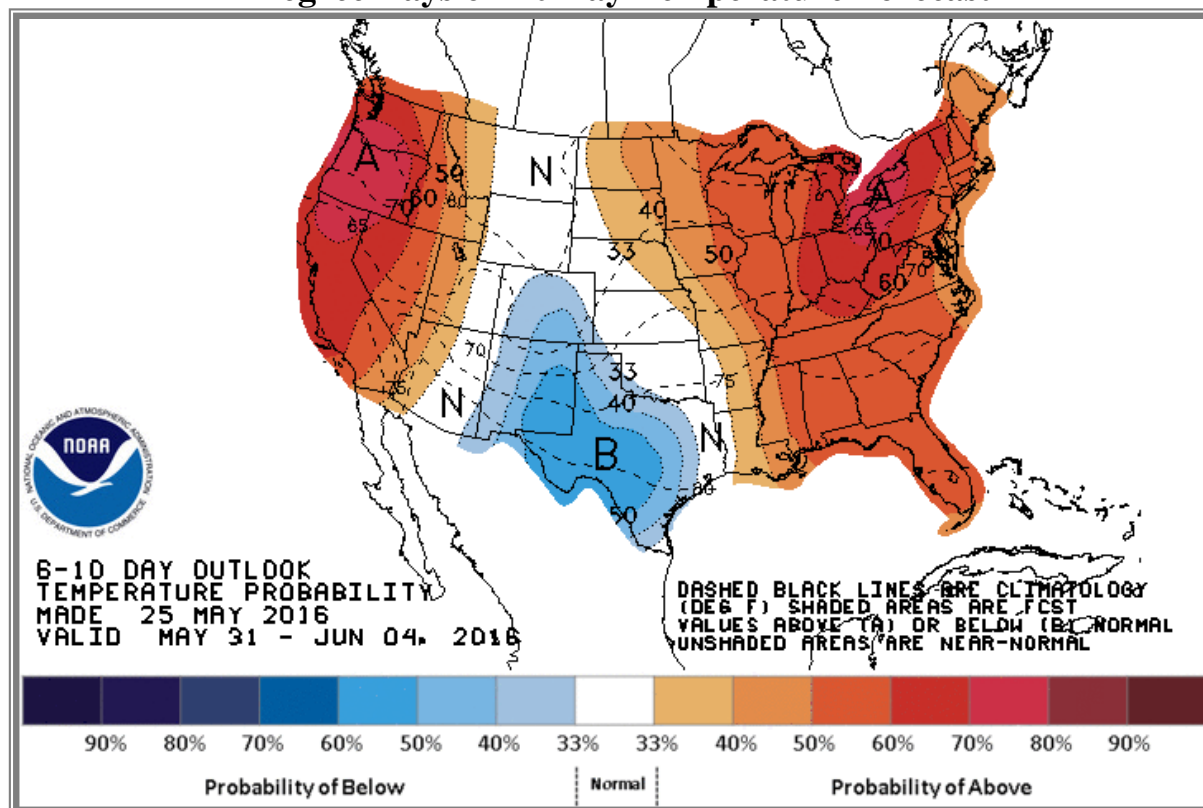


Natural Gas Producing Region Stock Trends

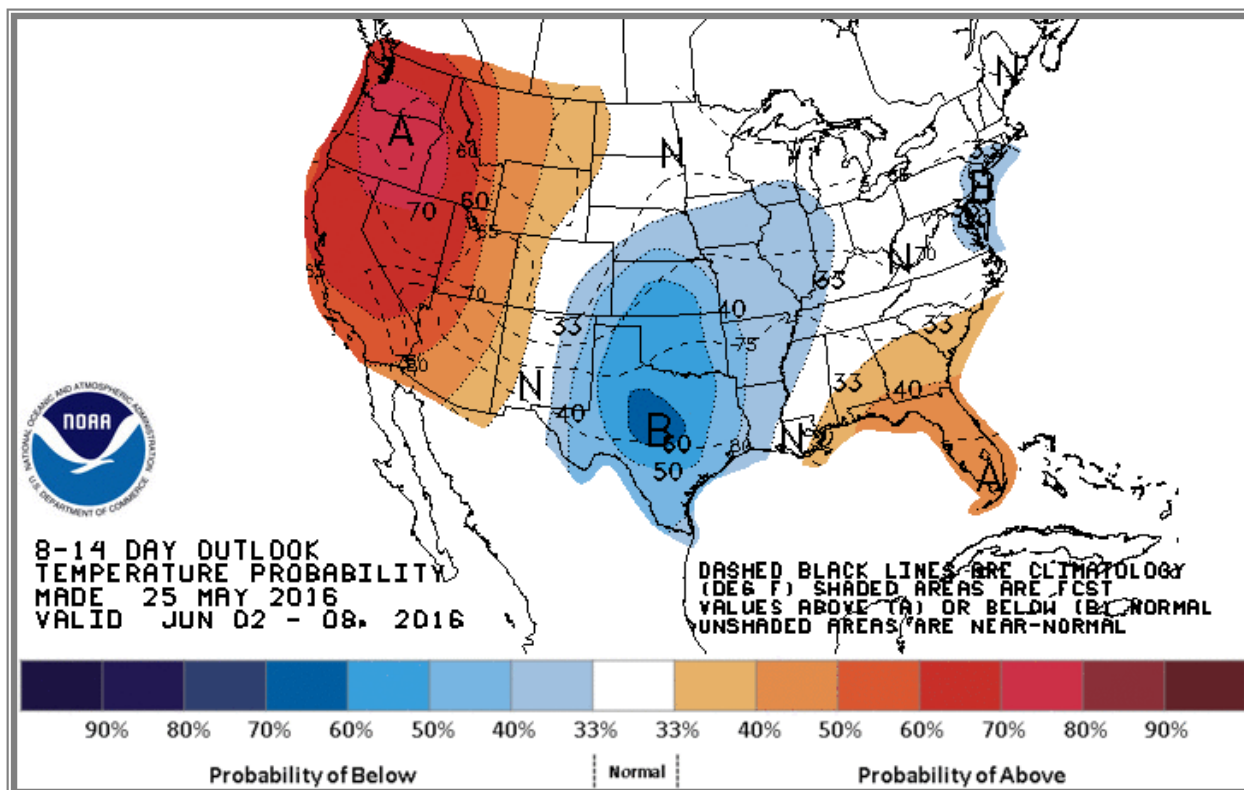


Variance to prior year	Stock Level	Weekly Stock Change	Monthly Stock Change	Cumulative Stock Change
BCF	360	-19	-74	-136
Percent Change (%)	42.1	-53.2	-49.4	-41.0

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

