

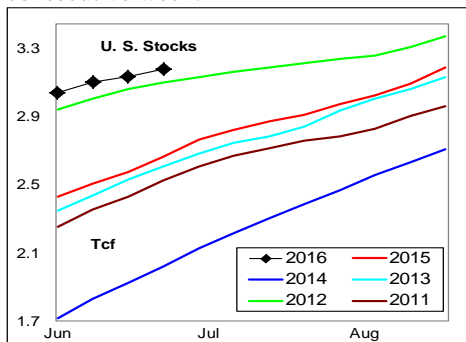
WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

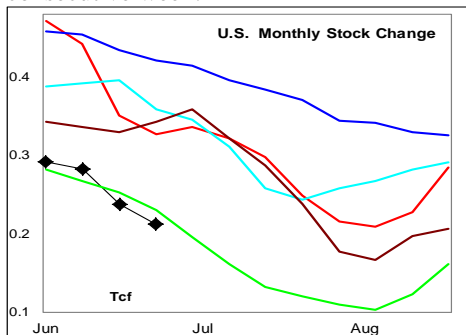
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Tuesday, July 12, 2016



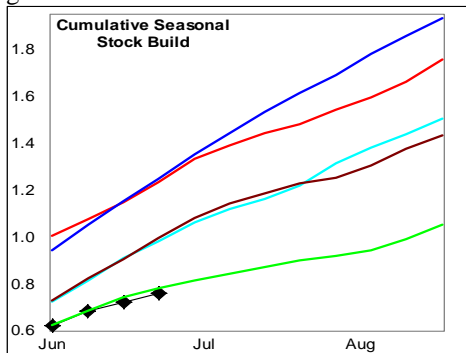
Summary¹ The stock build of +39 Bcf last week matched the 5-yr low for the 4th consecutive week.



The latest 4-wk stock change was a build of +207 Bcf, a record low for the 2nd consecutive week.



The cumulative seasonal build matched 5-yr lows for this week; the result of above average demand for electric power generation.



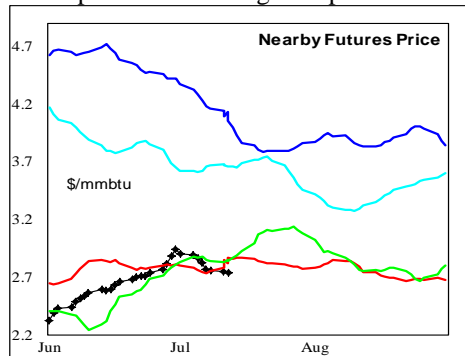
In the East Region stocks increased +44 Bcf for the week, a level below the last 3-yrs. Stocks increased +2 Bcf in the West

Region, a level at the low end of the historic range. Stocks decreased -7 Bcf in the Producing region, a draw equal to 5-yr lows, compared to an average build of +30 Bcf in each of the last 3-yrs.

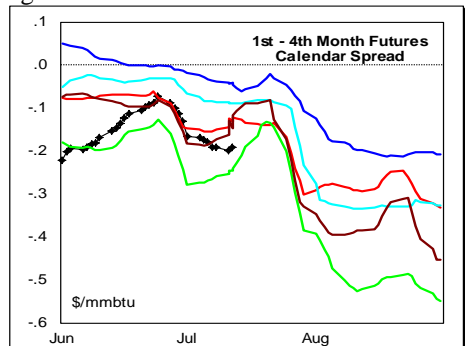
Temperatures were above normal across nearly the entire country last week.

The 6-10 day NWS forecast for the week ending 22Jul16 is for much above normal temperatures across all of the country except the Northwest.

The 8-14 day NWS forecast for the week ending 2Jul16 is for the same weather pattern to continue, much above normal temperatures across nearly the entire country, except the Northwest which will report below average temperatures.

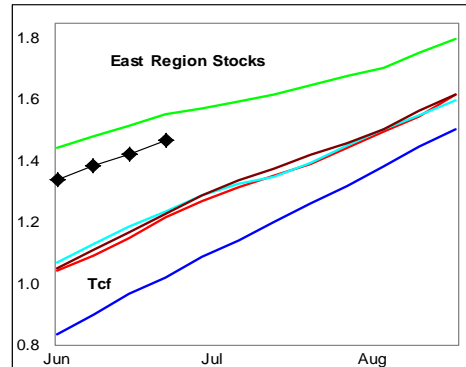


Prices: Nearby gas futures prices decreased -\$0.03 mmbtu for the week ending 12Jul16. The price level extends a month long trend of trading comparable to a year ago.

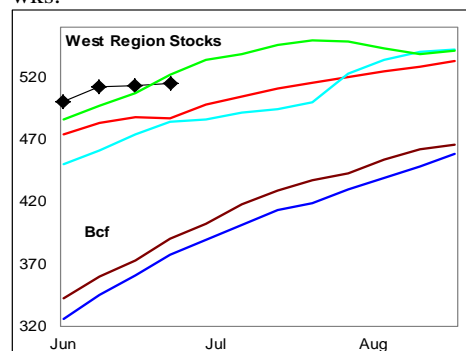


The 1st - 4th month forward price curve trended lower last week, ending at a level below four of the last 5-yrs. The steep forward curve points to expectations of tightening 4th quarter supply balance.

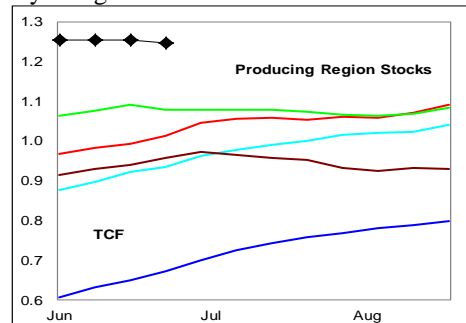
East Region stocks increased +44 Bcf for the week, a build below four of the last 5-yrs for the period. The current stock level is +22% above a year ago. Temperatures are forecast to be much above normal during the next 2-wks.



West Region stocks increased +2 Bcf last week, a level that matched historic lows for the period. Stock levels ended the week near 5-yr highs for this time of year. Temperatures are forecast to be above normal in this region during the next 2-wks.



Producing Region stocks decreased -7 Bcf for the week, a draw which matched 5-yr lows. Stock levels ended the week at 5-yr highs for this time of year and +23% above a year ago.



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

Outlook: Even with a low rate of stock builds, stock levels remain above the 5-yr range. Producing region stocks are particularly high.

Above normal temperatures across nearly all of the country during the next 2-wks should provide support to prompt spot prices.

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

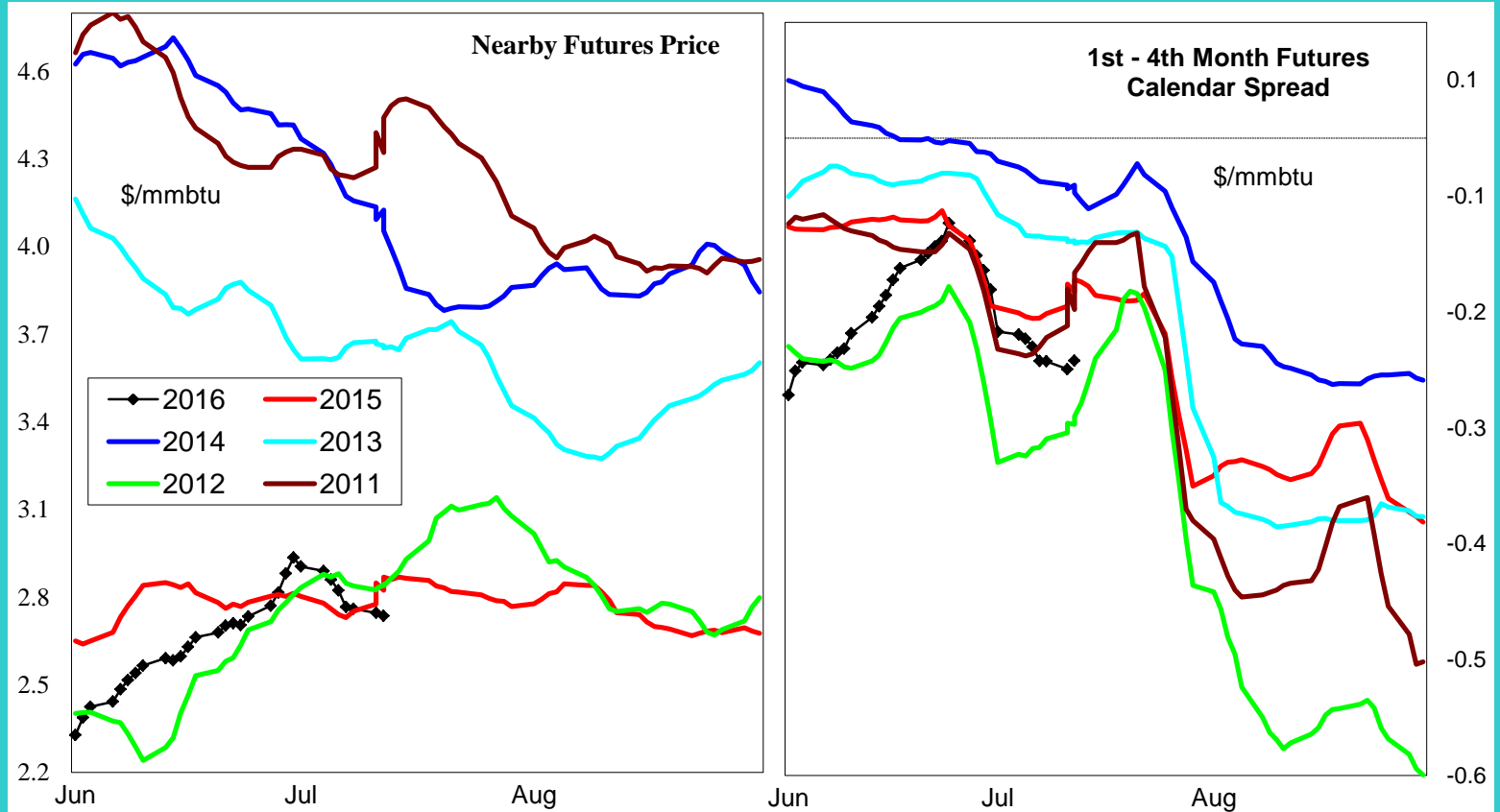


Report prepared as of: July 12, 2016

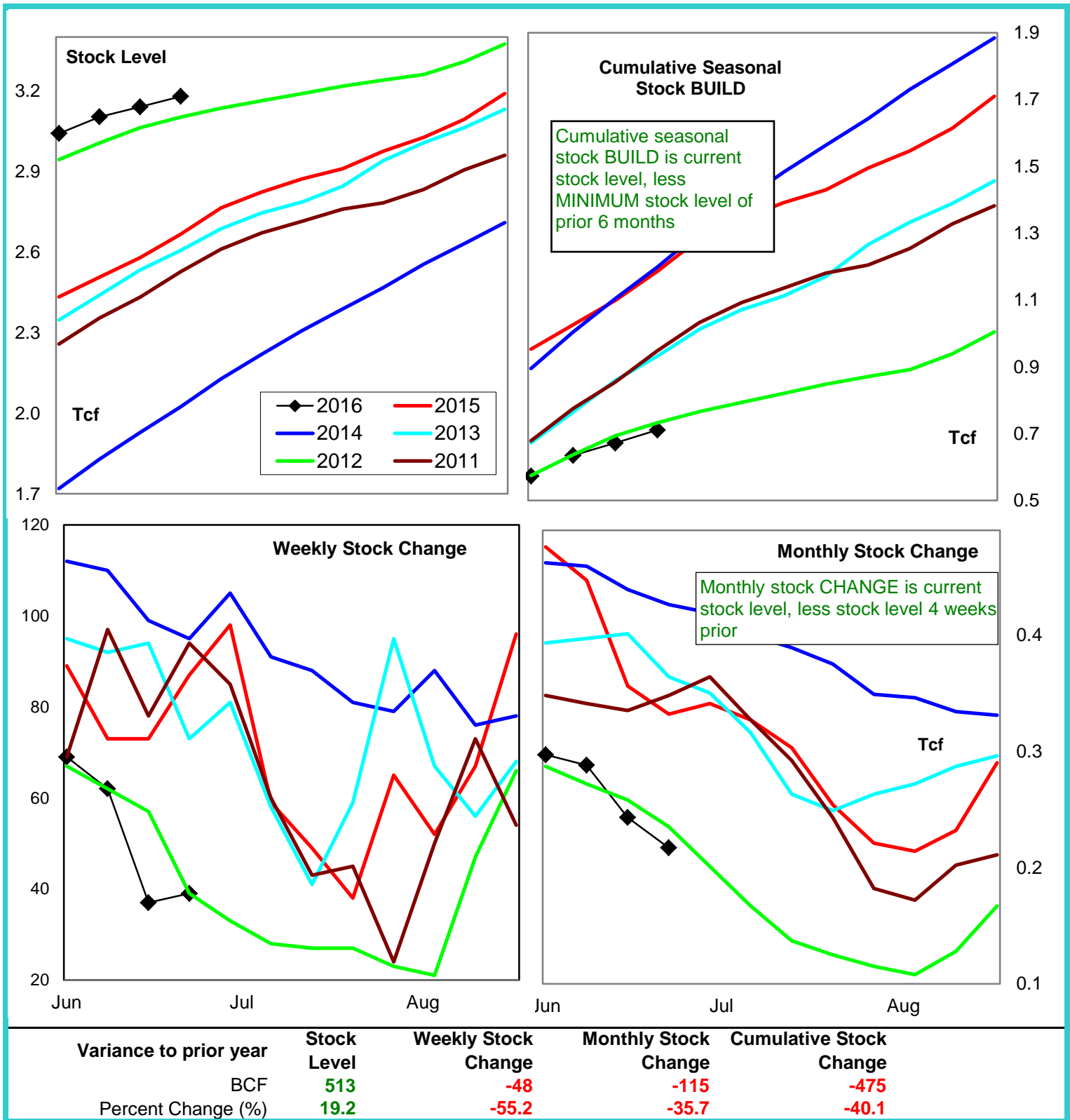
For the week ending:

1-Jul-16

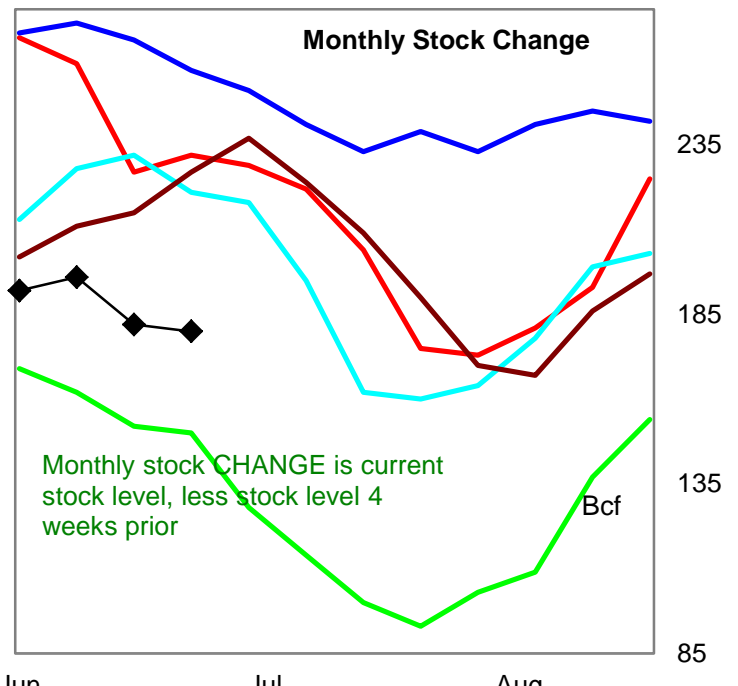
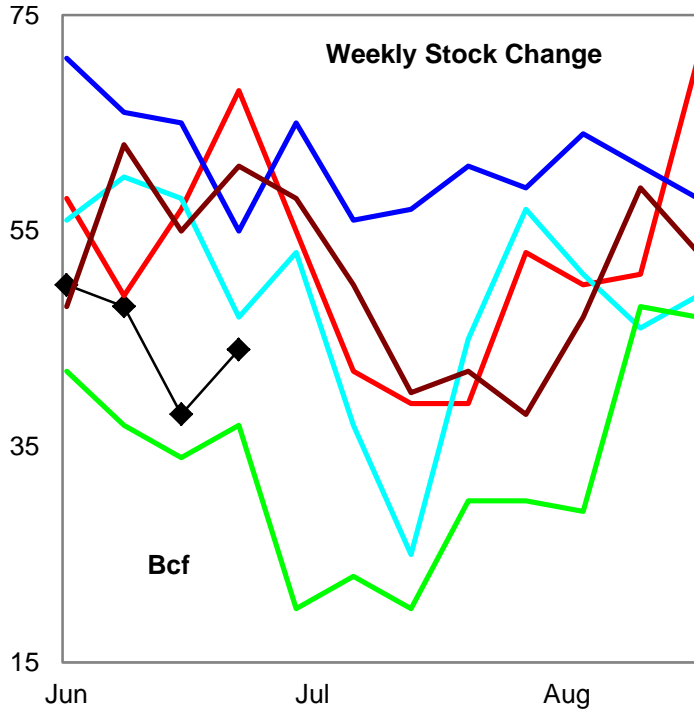
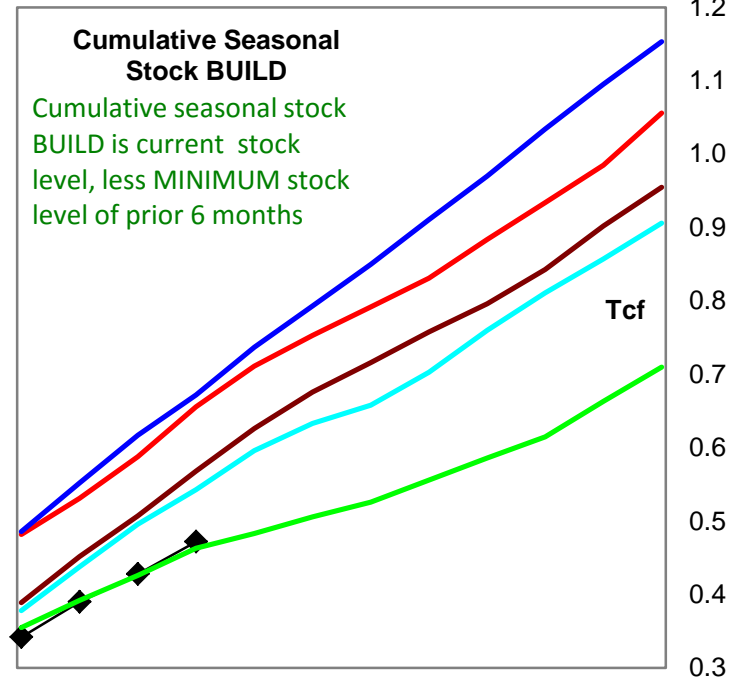
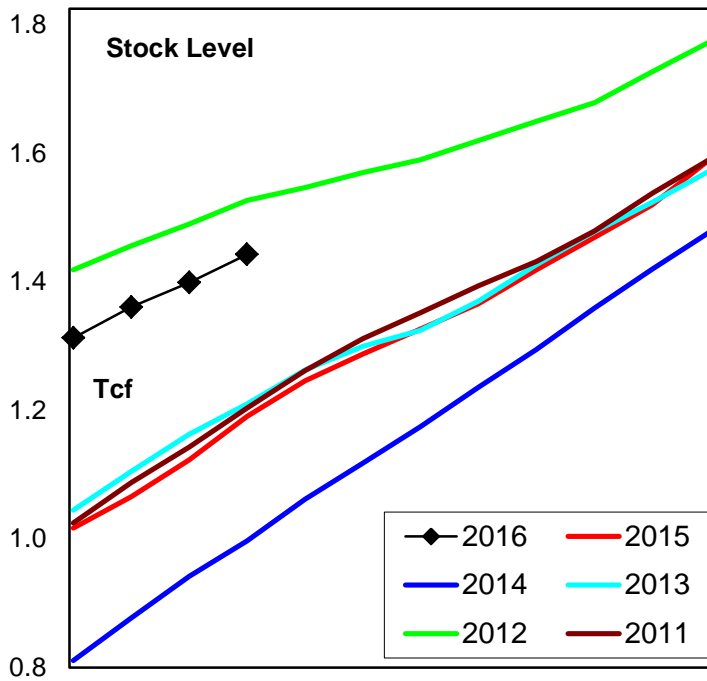
Stock Trends for the week ending:					Seasonal Trends in Stocks			
Week ending:	1-Jul-16							
Region	Weekly Stocks					Cumulative Stock Change		
	Bcf	Change vs prior:				Bcf	Change vs prior year	
		Week Bcf	Year (%)				Bcf	%
U.S. Total	3,179	39	19.2		U.S. Total	711	-475	-66.8
East	1,418	44	21.6		East	472	-184	-39.0
West	515	2	5.7		West	115	0	0.0
Producing	1,246	-7	23.0	Producing	226	-263	-116.4	
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	2.74	-0.05	0.14	-0.05				
% change	xxxxx	-1.8	5.4	-1.9				



United States Natural Gas Stock Trends

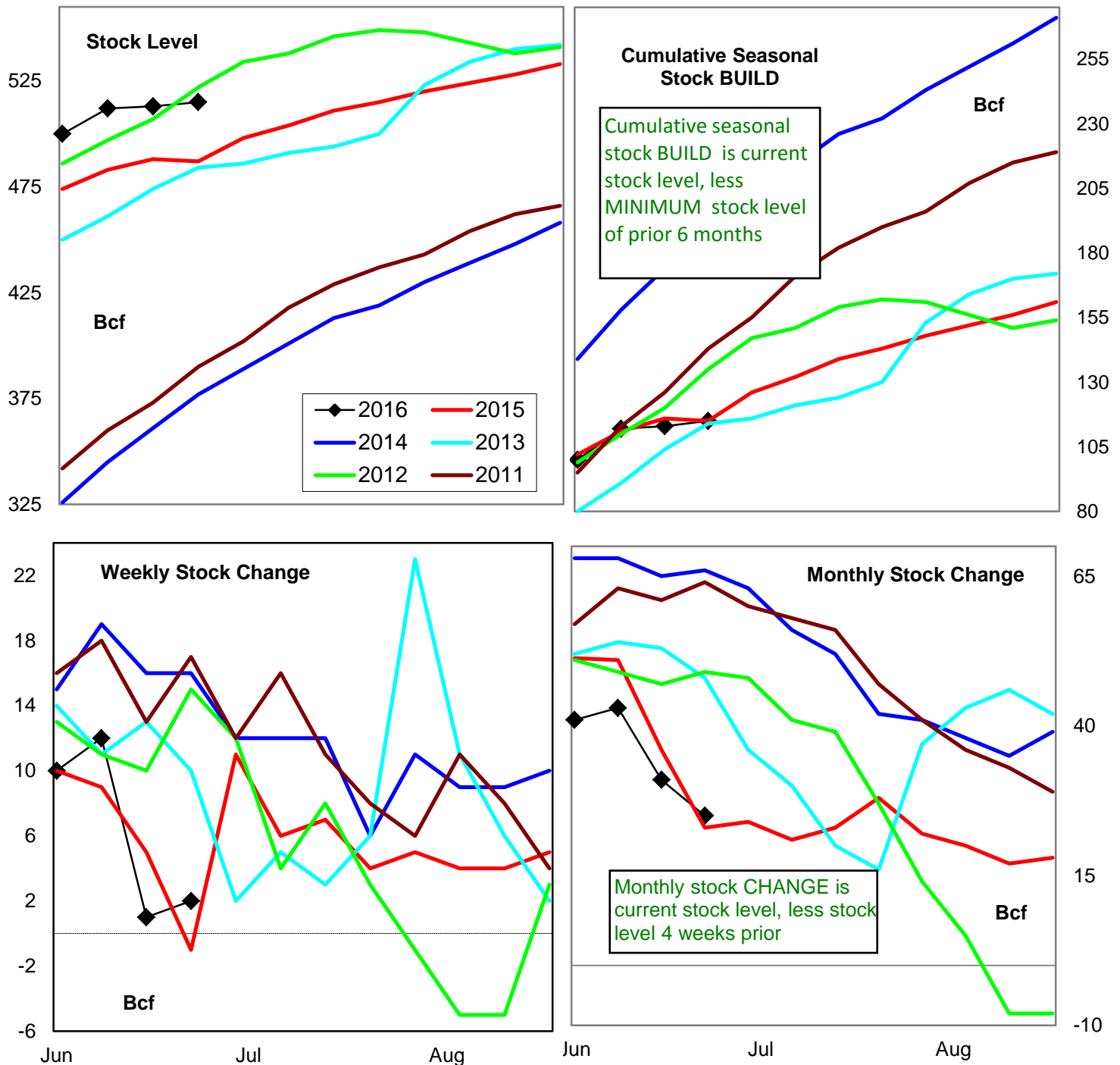


Natural Gas East Region Stock Trends



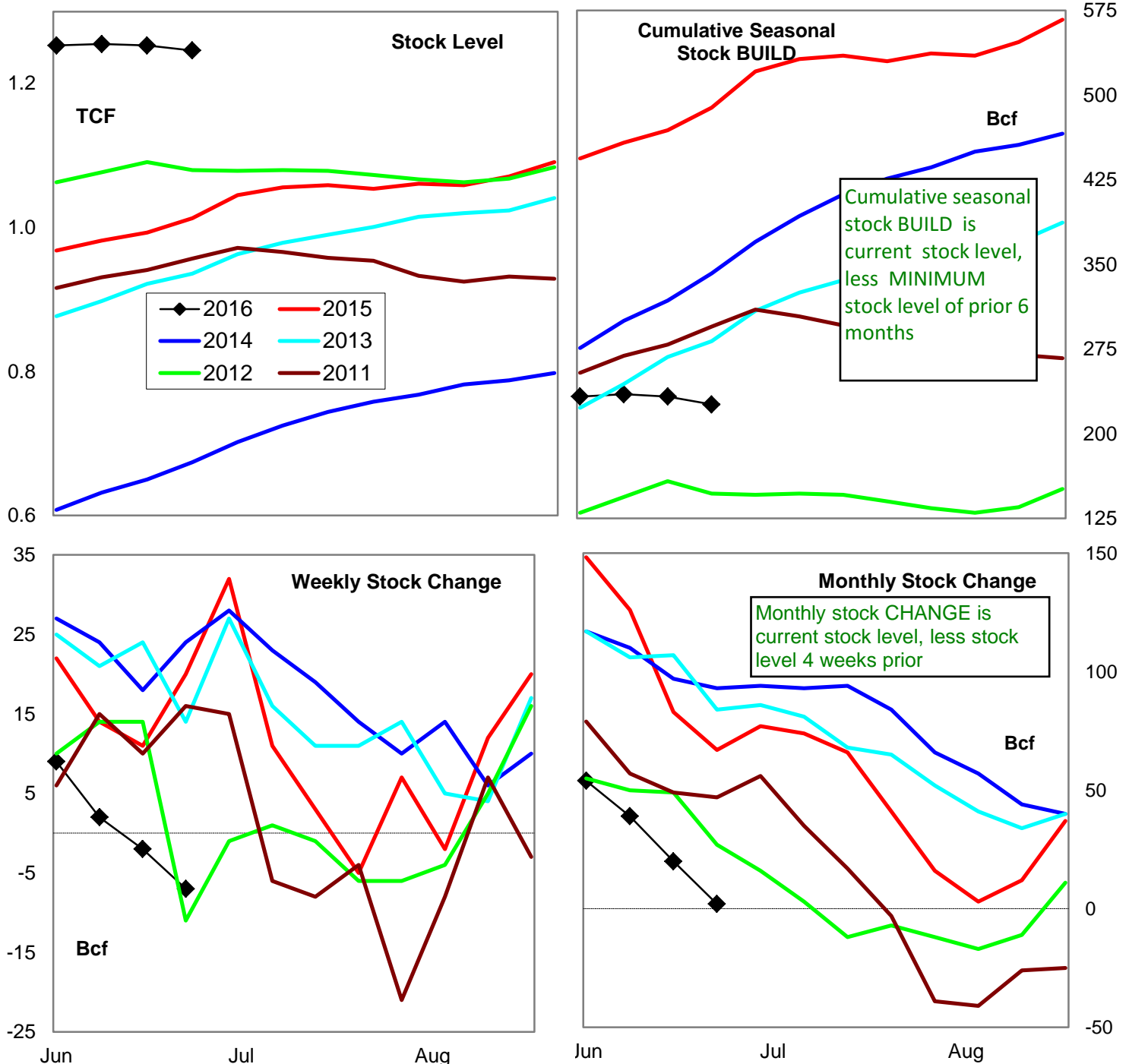
Variance to prior year	Stock Level	Weekly Stock Change	Monthly Stock Change	Cumulative Stock Change
BCF	252	-24	-52	-184
Percent Change (%)	21.6	-35.3	-22.4	-28.0

Natural Gas West Region Stock Trends



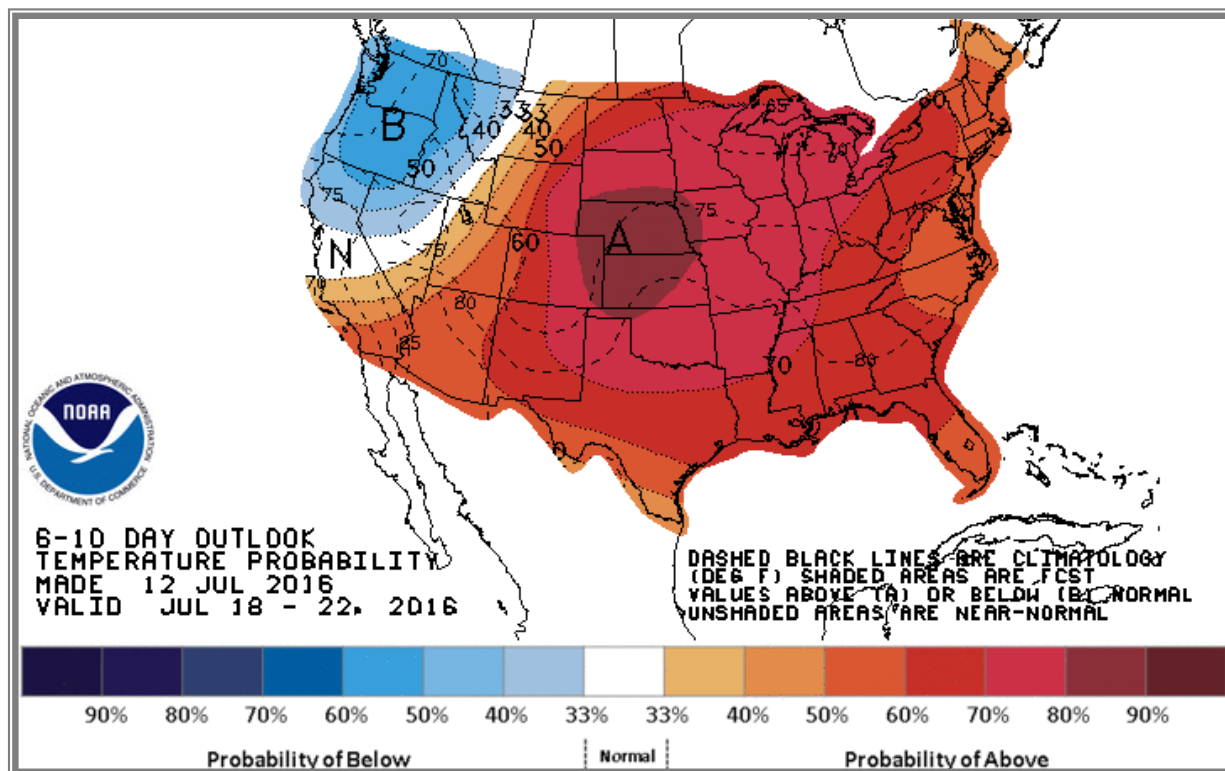
Variance to prior year	Stock Level	Weekly Stock Change	Monthly Stock Change	Cumulative Stock Change
BCF	28	3	2	0
Percent Change (%)	5.7	-300.0	8.7	0.0

Natural Gas Producing Region Stock Trends

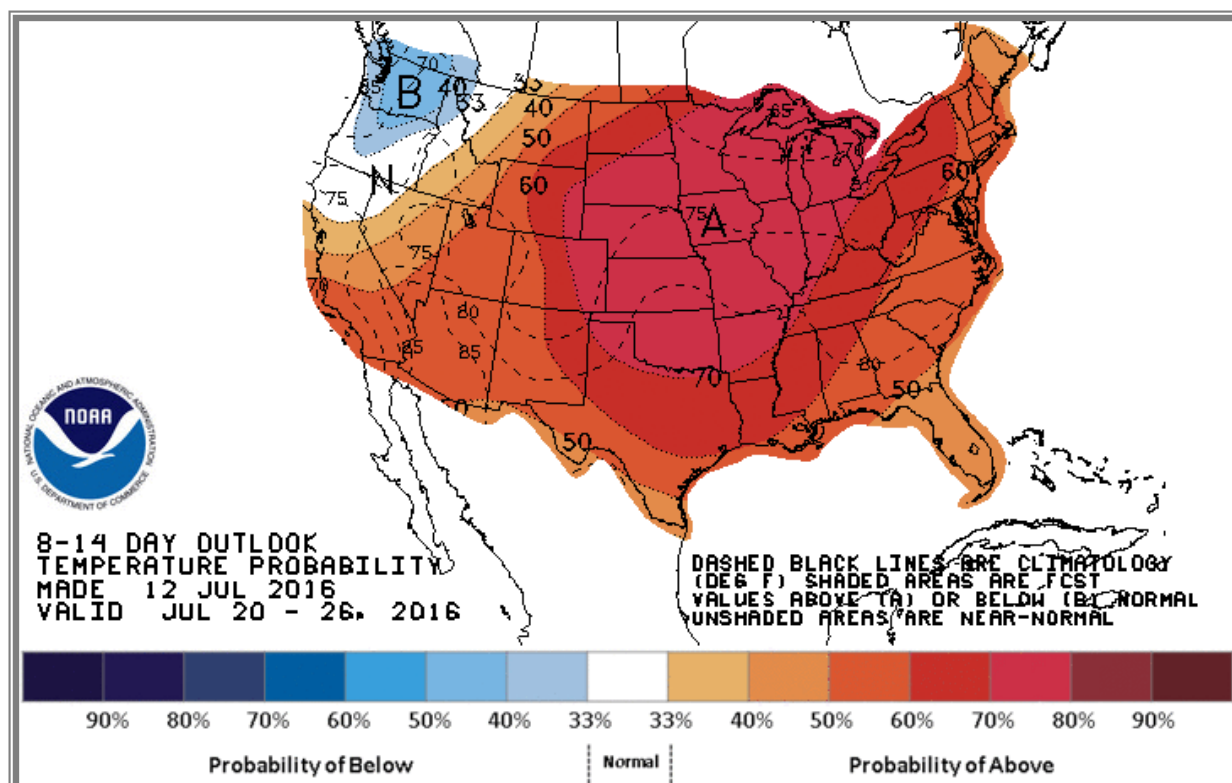


Variance to prior year	Stock Level	Weekly Stock Change	Monthly Stock Change	Cumulative Stock Change
BCF	233	-27	-65	-263
Percent Change (%)	23.0	-135.0	-97.0	-53.8

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

