



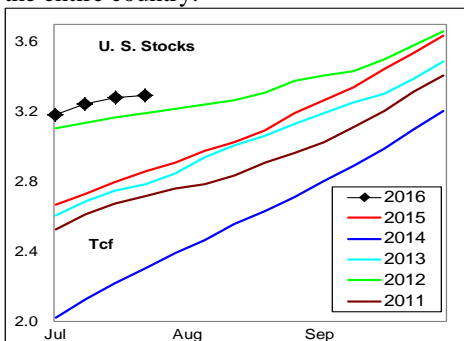
WEEKLY NATURAL GAS SUPPLY and PRICE TRENDS

A Fundamental Petroleum Trends Weekly Report

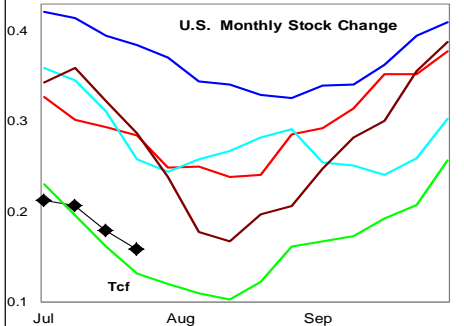
Lehi German Tel: 816.505.0980 www.fundamentalpetroleumtrends.com Thursday, July 28, 2016



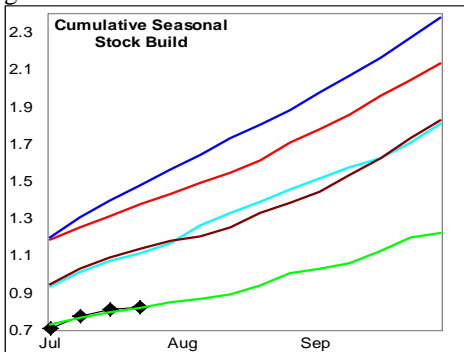
Summary ¹ The stock build of +17 Bcf last week was a record low draw for this time of year; driven by much higher than normal cooling degree days across nearly the entire country.



The latest 4-wk stock change was a build of +154 Bcf, near a 5-yr low for the period.



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



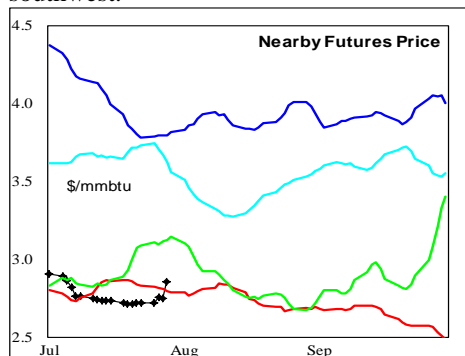
In the East Region stocks increased +32 Bcf for the week, a level at the low end of

the historic range. Stocks increased +3 Bcf in the West Region, a level that matched historic lows for the period. Stocks decreased -18 Bcf in the Producing region, a record draw during the month.

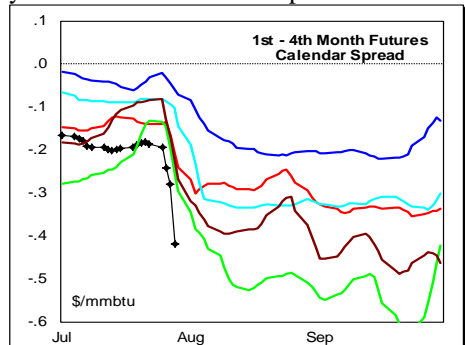
Temperatures were above normal across nearly the entire country last week.

The 6-10 day NWS forecast for the week ending 06Aug16 is for much above normal temperatures across all areas East of the Rockies.

The 8-14 day NWS forecast for the week ending 10Aug16 is for above normal temperatures across nearly the entire country except the west coast and southwest.

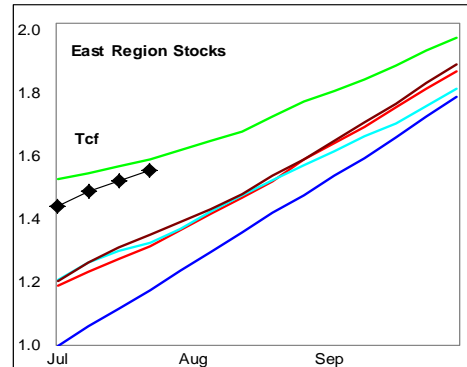


Prices: Nearby gas futures prices increased + \$0.16 mmbtu for the week ending 28Jul16. The price level was above last year's record lows for the period.

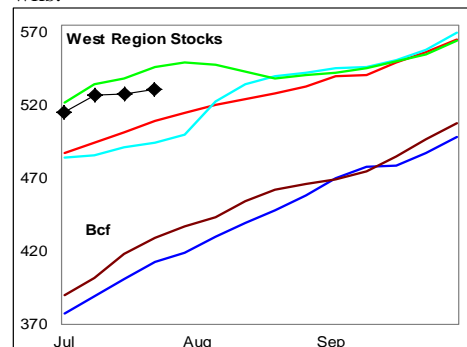


The 1st - 4th month forward price curve fell last week on the roll to next month futures, ending at a level below the 5-yr range. The steep forward curve points to expectations of tightening 4th quarter supply balance.

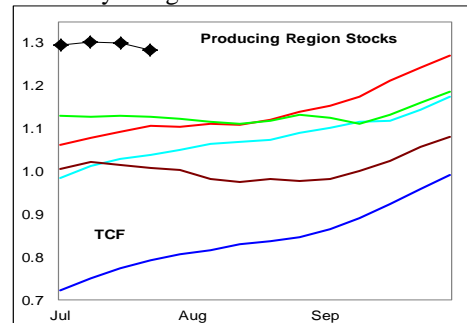
East Region stocks increased +32 Bcf for the week, a build at the low end of the historic range. The current stock level is +19% above a year ago. Temperatures are forecast to be much above normal during the next 2-wks.



West Region stocks increased +3 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 below normal in this region during the next 2-wks.



Producing Region stocks decreased -18 Bcf for the week, a record draw for the month. Stock levels ended the week at 5-yr highs for this time of year and +17% 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 17% above the prior 5-yr 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 28, 2016

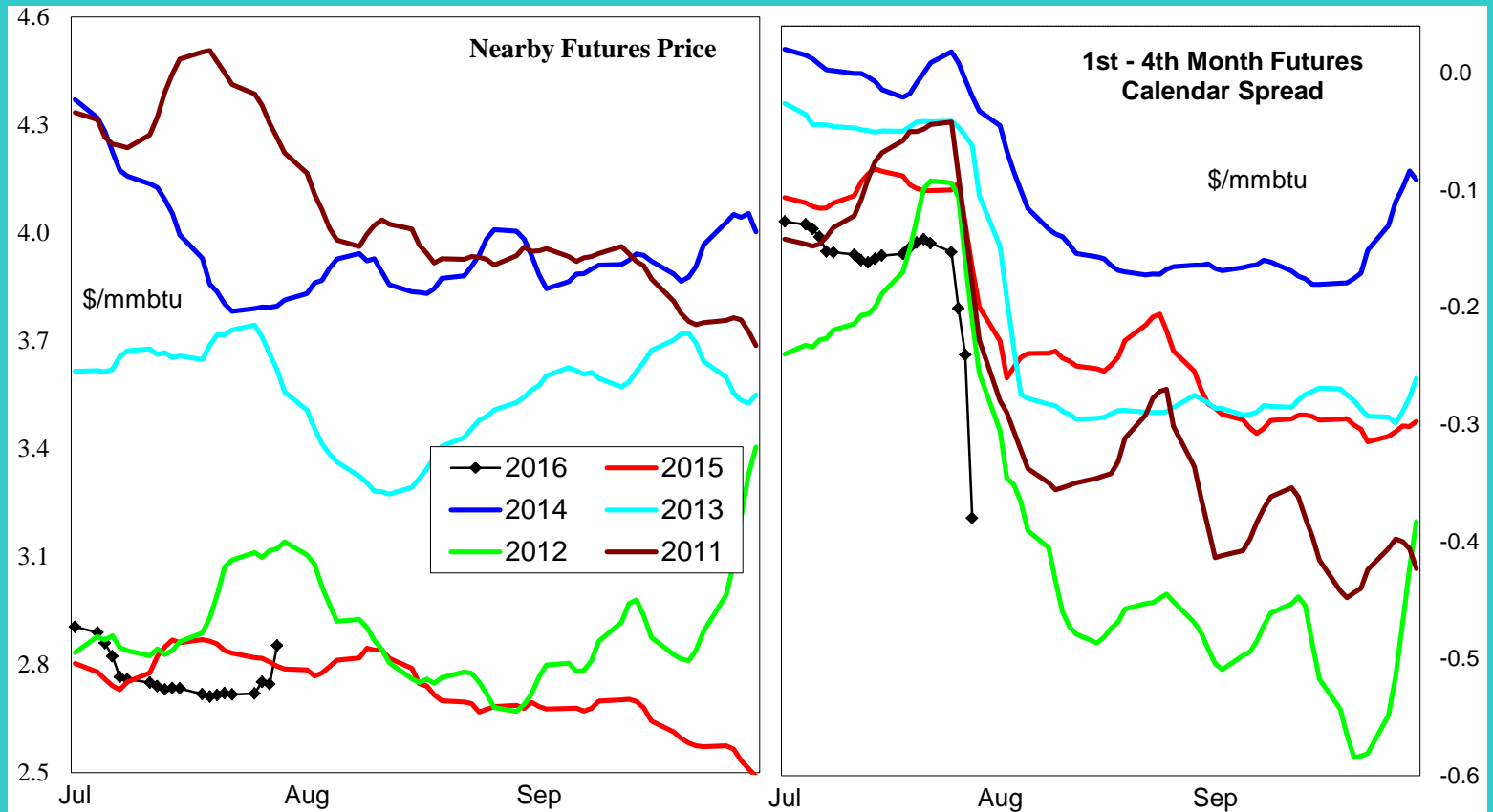
For the week ending:

22-Jul-16

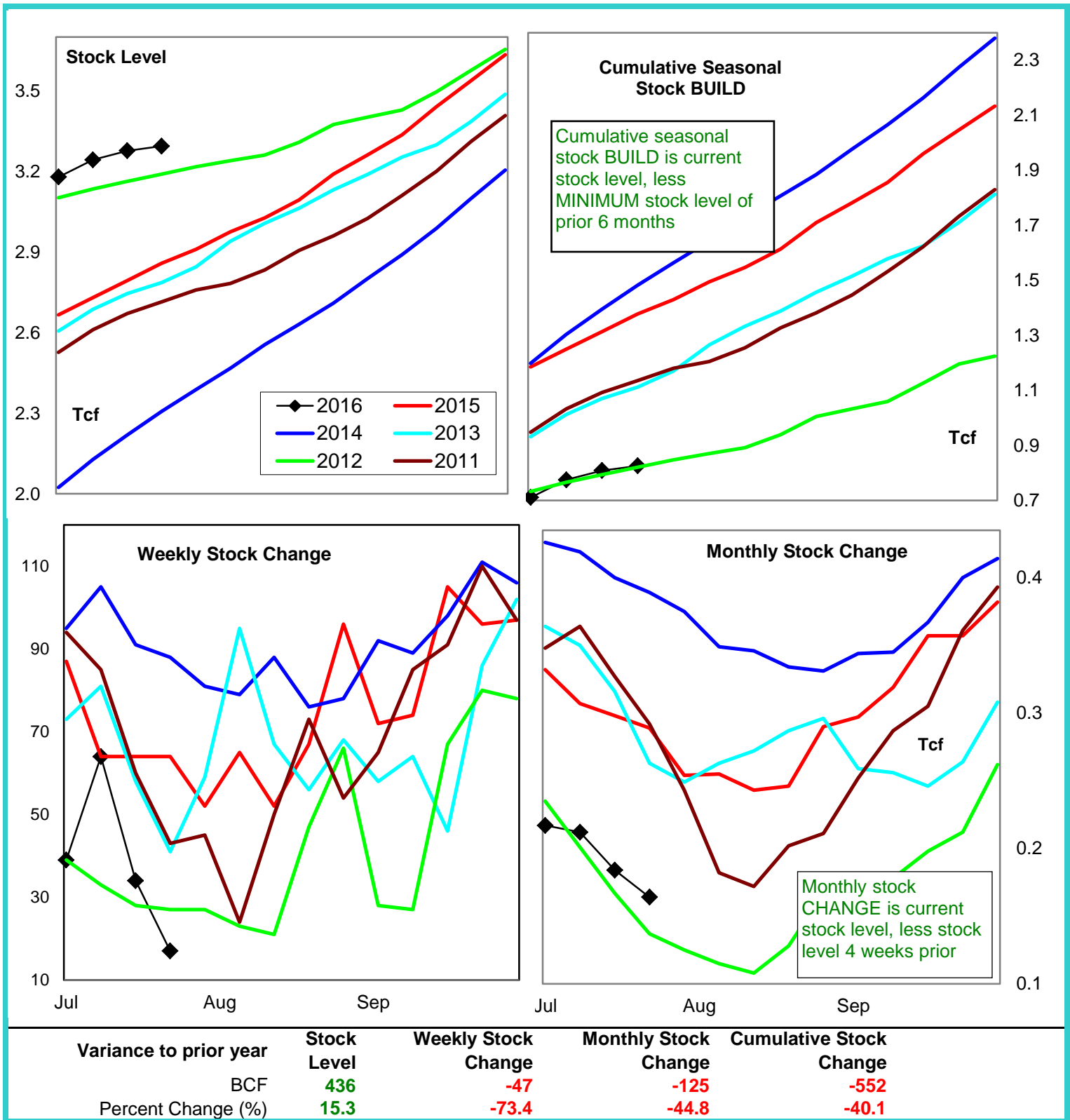
Stock Trends for the week ending:					Seasonal Trends in Stocks			
Week ending:	22-Jul-16							
Region	Weekly Stocks					Cumulative Stock Change		
	Bcf	Change vs prior:				Bcf	Change vs prior year	
		Week Bcf	Year (%)				Bcf	%
U.S. Total	3,294	17	15.3		U.S. Total	826	-552	-66.8
East	1,530	32	18.6		East	584	-196	-33.6
West	531	3	4.3		West	131	-6	-4.6
Producing	1,233	-18	16.5	Producing	213	-321	-150.7	

Futures Market Price Trends

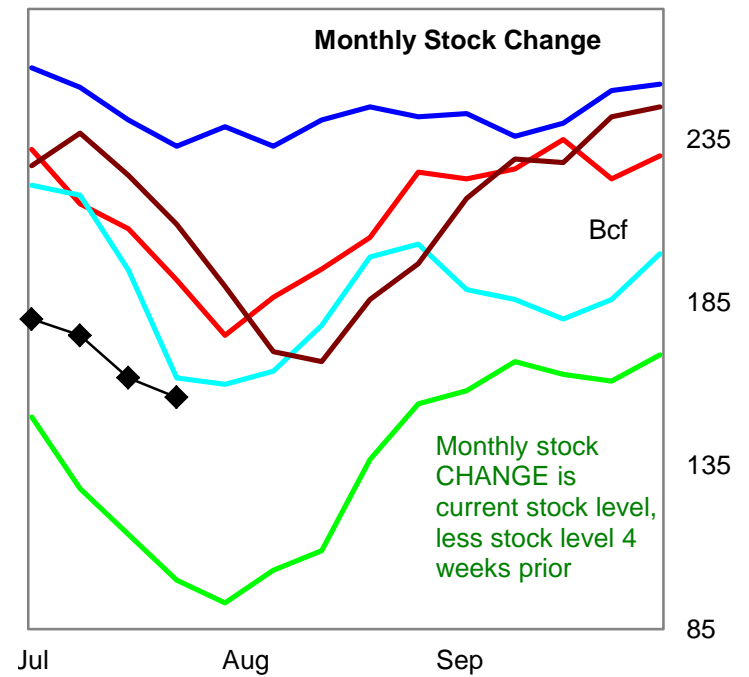
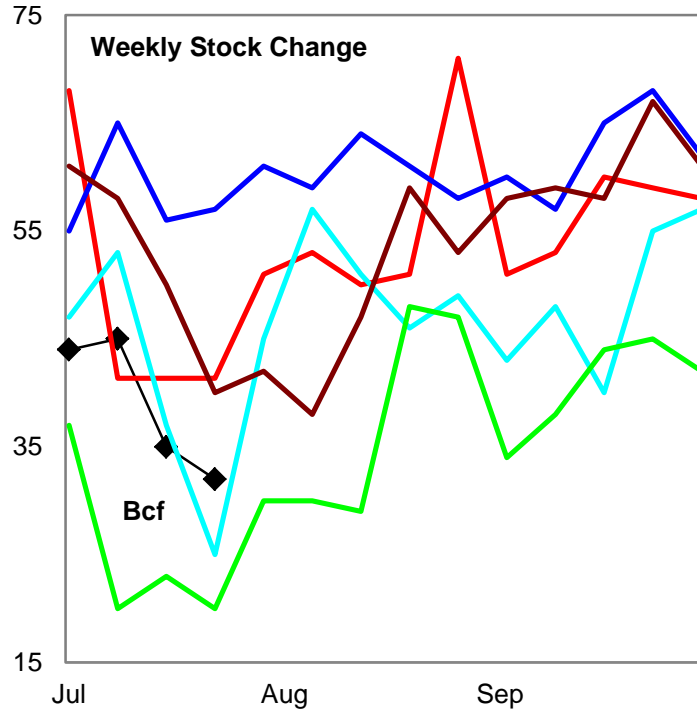
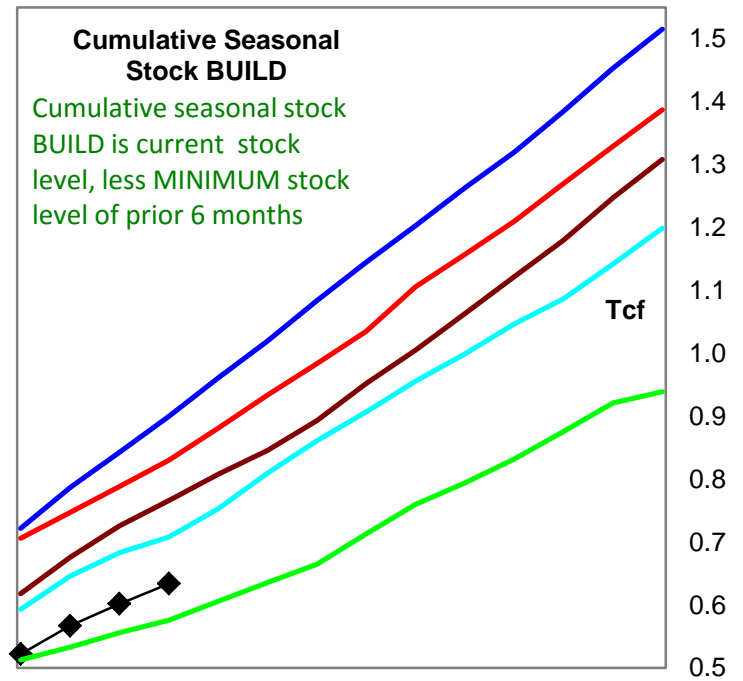
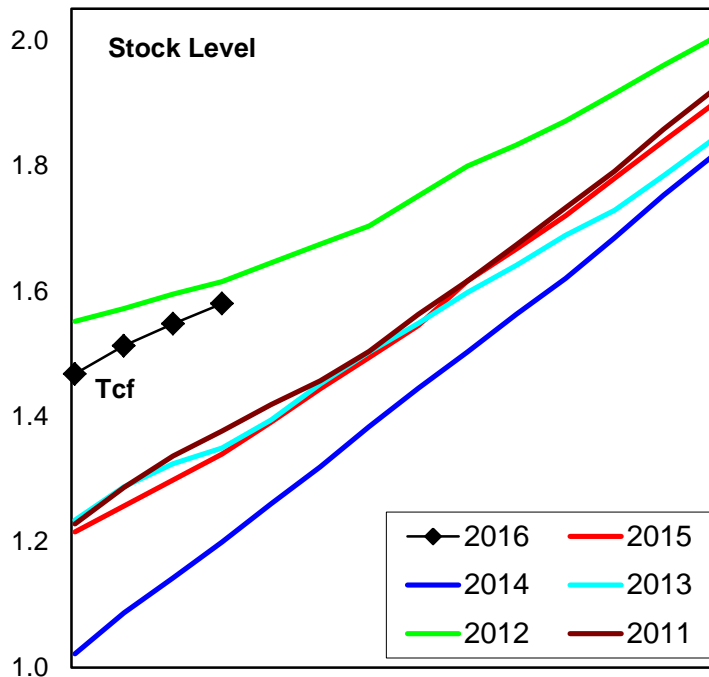
Date:	28-Jul-16	Change vs prior week, month, year		
		22-Jul-16	1-Jul-16	5-Aug-15
1st month Futures	2.85	0.08	-0.13	-0.08
% change	xxxxx	2.7	-4.5	-2.7



United States Natural Gas Stock Trends

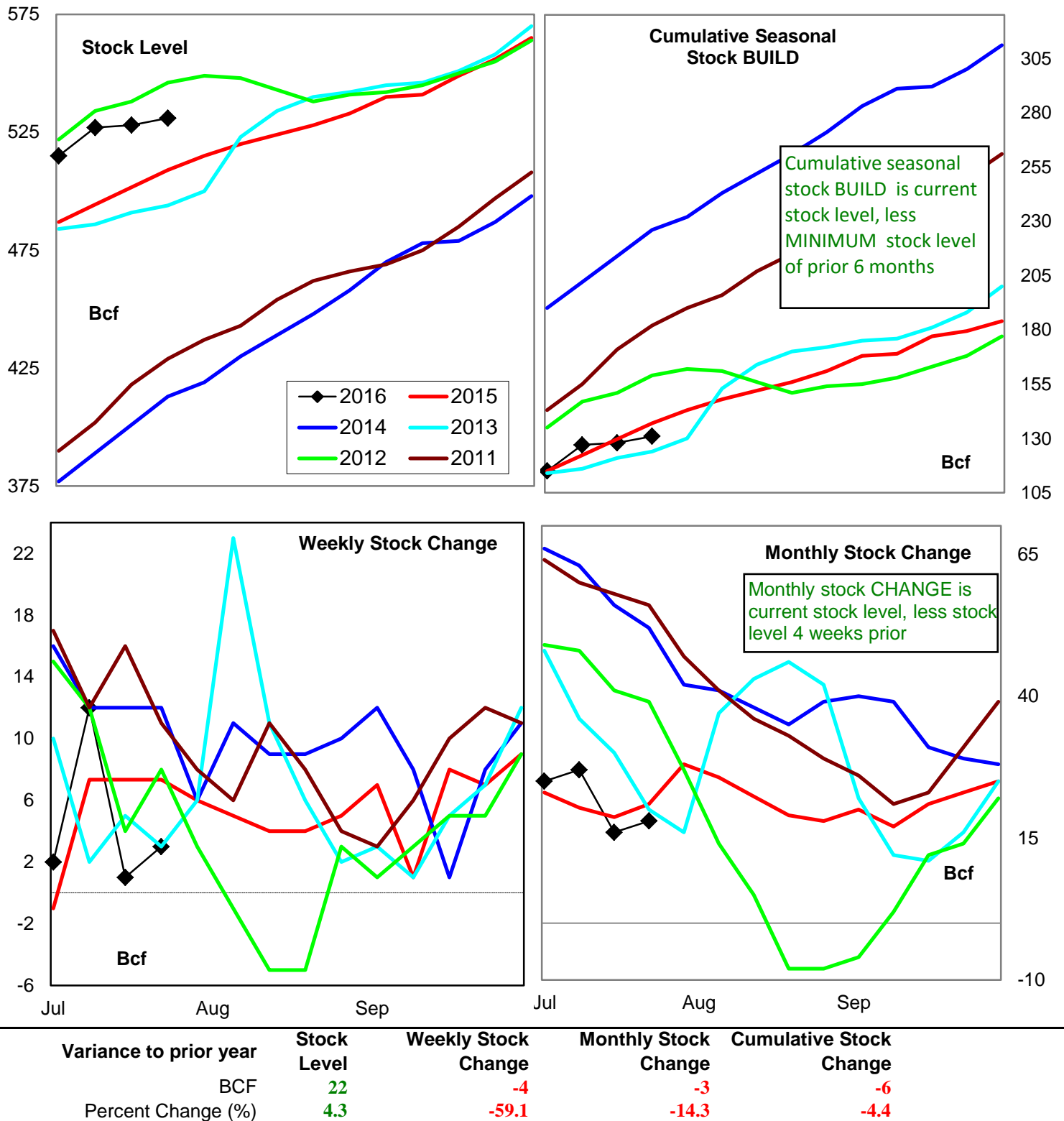


Natural Gas East Region Stock Trends

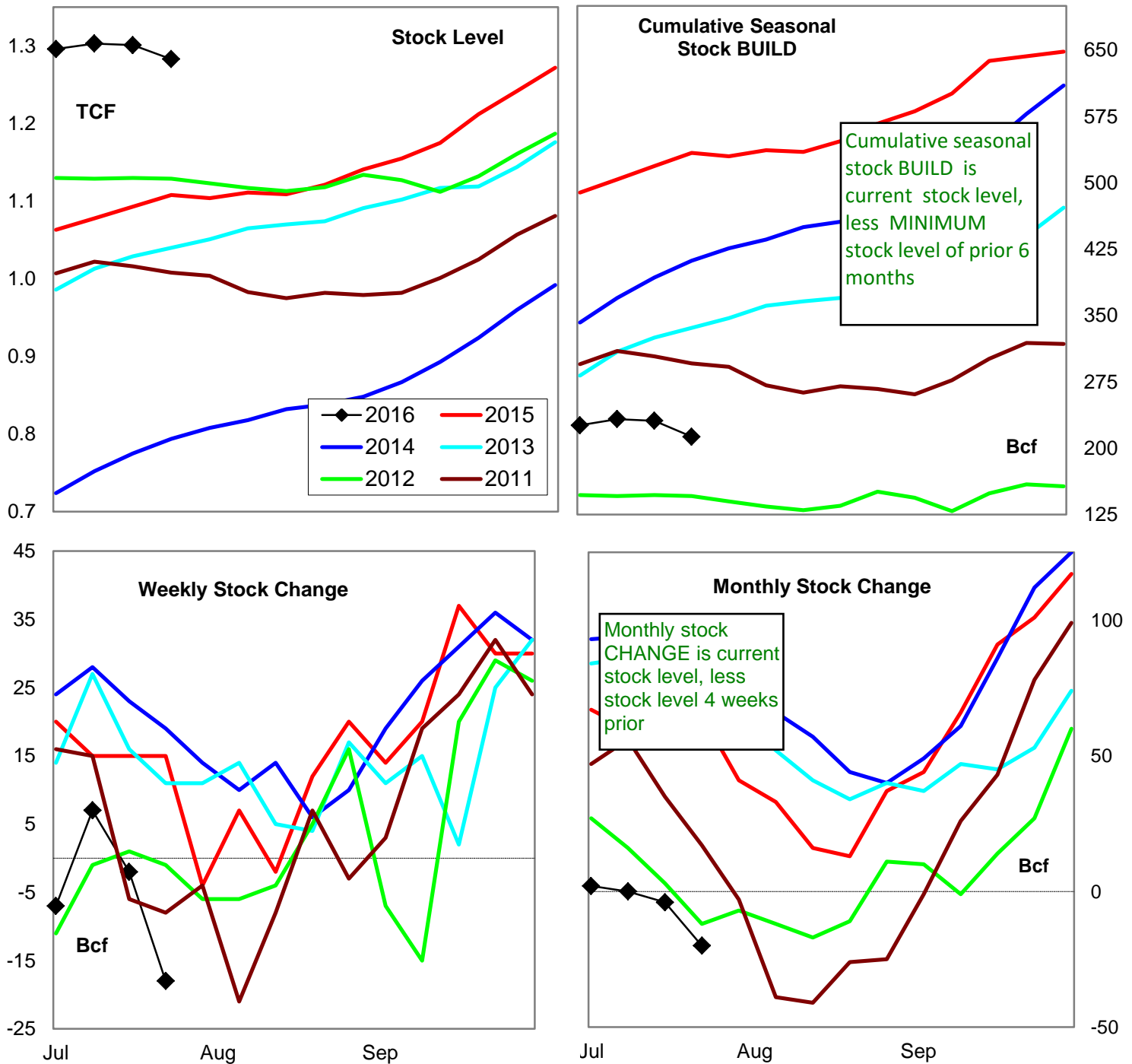


Variance to prior year	Stock Level	Weekly Stock Change	Monthly Stock Change	Cumulative Stock Change
BCF	240	-9	-36	-196
Percent Change (%)	18.6	-22.6	-18.8	-25.1

Natural Gas West Region Stock Trends

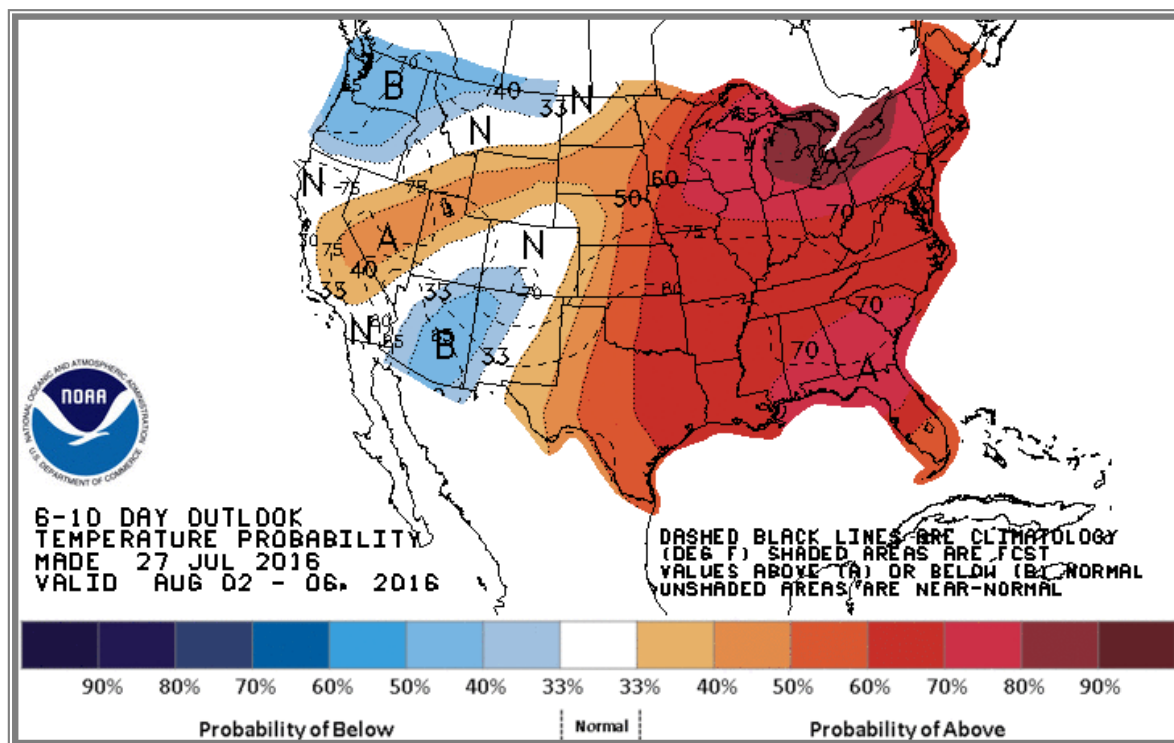


Natural Gas Producing Region Stock Trends

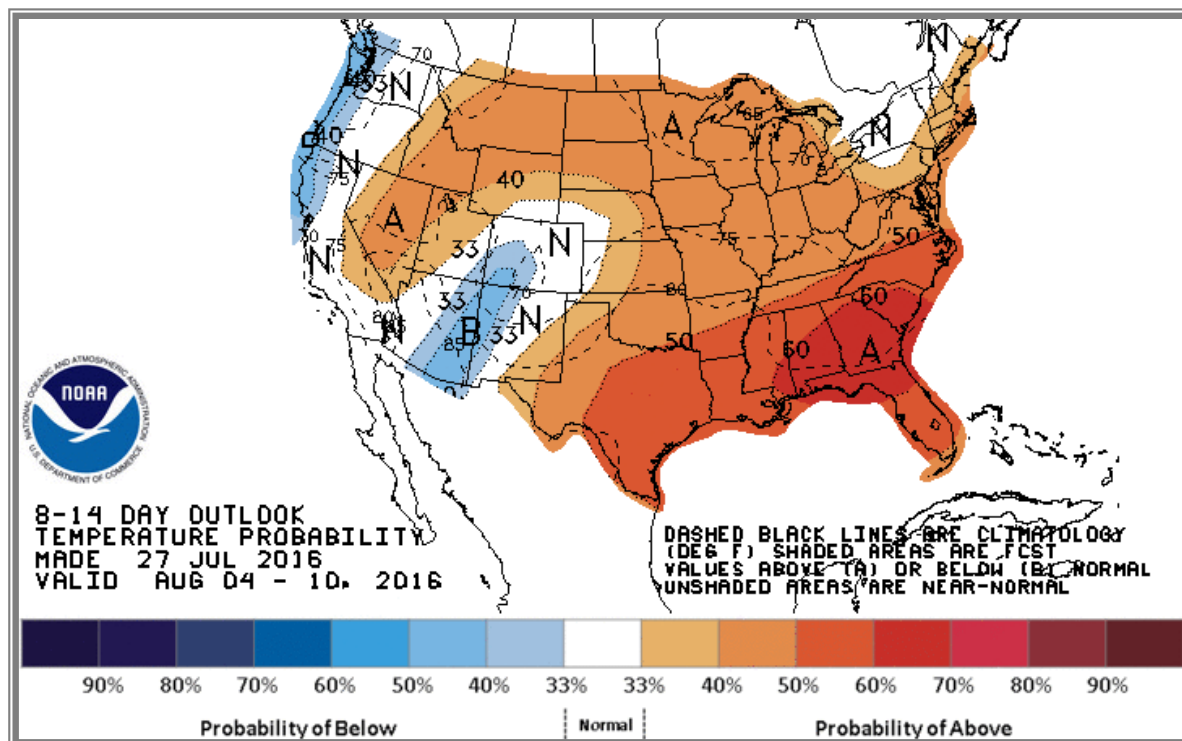


Variance to prior year	Stock Level	Weekly Stock Change	Monthly Stock Change	Cumulative Stock Change
BCF	175	-33	-85	-321
Percent Change (%)	16.5	-220.0	-130.8	-60.1

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

