

April 29, 2013

# Natural Gas Trends

## Highlights

### The Availability and Price of Petroleum and Petroleum Products Produced in Countries Other Than Iran

The U.S. Energy Information Administration (EIA) estimates that global liquid fuels consumption outpaced production in March and April 2013, resulting in a 1.1-million-barrel-per-day (bbl/d) average draw in global oil stocks. Despite consumption exceeding production, crude oil prices were lower during the two-month period, reflecting weaker expectations for global economic growth. The Brent front month futures price reached its lowest level since July 2012, averaging about \$99 per barrel for the five-day period ending April 23, about \$15 per barrel lower compared with the five-day average ending February 26. The average Brent price for March and April 2013 is nearly \$16 per barrel below its average for the same two-month period last year.

Global liquid fuels consumption during March and April decreased by an average of 0.2 million bbl/d from its average during January and February, consistent with typical seasonal patterns. However, average world consumption in March and April 2013 was 1.1 million bbl/d higher than the same time period last year and the three-year average. Non-OECD countries accounted for nearly all of the increase in total world consumption over year-ago levels and the three-year average. On the other hand, European members of the Organization for Economic Cooperation and Development (OECD) saw consumption decrease by 0.3 million bbl/d on average during March and April 2013 compared with the same time period last year.

Global liquid fuels production during March and April increased by an average of 0.2 million bbl/d from its average during January and February, mainly as a result of a slight increase in production from countries outside of the Organization of the Petroleum Exporting Countries (OPEC). However, world supply decreased by an average of 0.8 million bbl/d in March and April 2013 compared to year-ago levels, mainly due to a decline in OPEC production, which more than offset increases in non-OPEC production. OPEC liquid fuels production fell by 1.2 million bbl/d in March and April 2013 compared with last year, as a result of lower crude oil output in Saudi Arabia, Iran, and to a lesser extent, Nigeria and Algeria. The overall decrease occurred despite increased crude production in Iraq and higher OPEC non-crude liquids output.

[www.eia.gov/analysis/requests/ndaa/?scr=email](http://www.eia.gov/analysis/requests/ndaa/?scr=email)

## Data

- May 2013 Natural Gas Futures Contract (as of Apr. 26), NYMEX at Henry Hub closed at \$4.152 per million British thermal units (MMBtu)
- June 2013 Light, Sweet Crude Oil Futures Contract WTI (as of Apr. 26), closed at \$93.00 per U.S. oil barrel (Bbl.) or approximately \$16.03 per MMBtu

### Last week: Texas and U.S. cooler than normal

For the week beginning 4/21/13 and ending 4/27/13, heating degree days (HDD) were higher than normal (cooler) for Texas and the US.

61°F: [www.cpc.ncep.noaa.gov](http://www.cpc.ncep.noaa.gov)

HEATING DEGREE DAYS (HDD)				
City or Region	Total HDD for week ending 4/27/13	*Week HDD +/- from normal	Year-to-date total HDD	* YTD % +/- from normal
Amarillo	82	29	3637	-13%
Austin	17	10	1633	-1%
DFW	34	23	2001	-15%
El Paso	6	-8	2168	-14%
Houston	8	1	1171	-23%
SAT	11	4	1190	-24%
Texas**	42	32	1753	-12%
U.S.**	88	22	4155	-3%

\* A minus (-) value is warmer than normal; a plus (+) value is cooler than normal. NOAA uses 65° Fahrenheit as the 'normal' basis from which HDDs are calculated. \*\* State and U.S. degree days are population-weighted by NOAA.

-999 = Normal Less Than 100 or Ratio Incalculable

### Last week: U.S. natural gas storage at 1,734 Bcf

For the week ending 4/19/2013 working gas in storage increased from 1,704 Bcf to 1,734 Bcf. This represents an increase of 30 Bcf from the previous week. Stocks were 807 Bcf lower than last year at this time and 94 Bcf below the 5 year average of 1,828 Bcf.

Source: <http://ir.eia.gov/ngs/ngs.html>

U.S. WORKING GAS IN STORAGE				
Region	Week ending 4/19/13	Prior week	One-week change	Current Δ from 5-YR Average (%)
East	686	665	21	-12.7%
West	334	336	-2	21.5%
Producing	714	703	11	-6.9%
Lower 48 Total	1,734	1,704	30	-5.1%

Lower 48 states, underground storage, units in billion cubic feet (Bcf)

**Last week: U.S. gas rig count down 13**

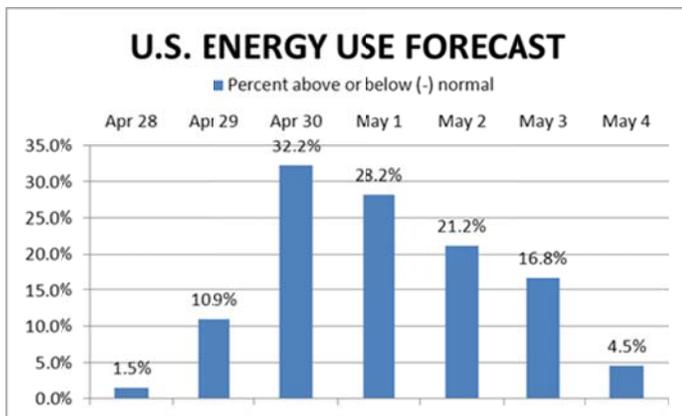
The gas rig count for the U.S. was down 13 when compared to the prior week and down 247 when compared to 12 months ago. The total rig count for the U.S. was down 4 for the week and down 191 when compared to 12 months ago. The total rig count includes both oil and natural gas rotary rigs. Source: Baker Hughes

BAKER HUGHES ROTARY RIG COUNT				
	As of 4/26/2013	+/- prior week	Year ago	+/- year ago
Texas	834	-3	925	-91
U.S. gas	366	-13	613	-247
U.S. oil	1381	10	1328	53
U.S. total	1754	-4	1945	-191
Canada	122	-4	134	-12

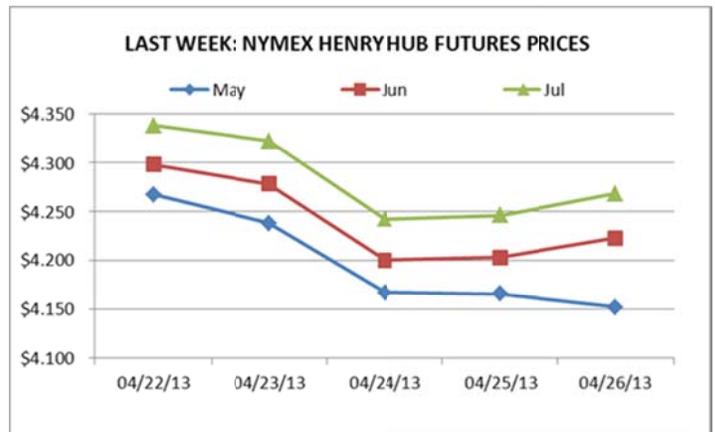
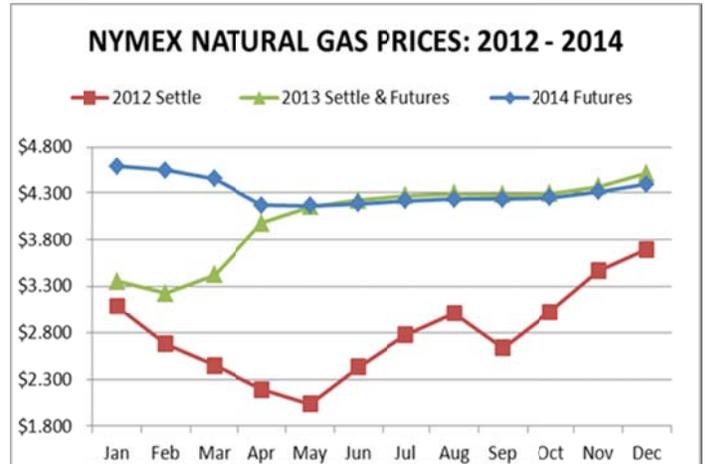
Numbers are excerpted and not meant to be totaled

**This week: U.S. energy use above normal**

U.S. energy use is predicted to be above normal throughout the week, according to the Dominion Energy Index, as shown below. Dominion forecasts total U.S. residential energy usage, a component of which is natural gas. Source: Dominion Energy Index



2013 prices. Natural gas prices for 2013, shown below in green, are the NYMEX settlement prices for January-May and the futures prices for the remaining months of 2013.



**NATURAL GAS PRICE SUMMARY AS OF 4/26/2013**

	This Week	+/- Last Week	+/- Last Year	12-Month Strip Avg.
US May futures				
NYMEX	\$4.152	-\$0.256	\$2.116	\$4.344