

Got Gas?

INVESTING TODAY IN TOMORROW'S ENERGY

12/3/10

SHORT TERM - Get Cold!

Natural gas futures rose for a second day in New York on forecasts of below-normal temperatures that may boost demand for the heating fuel.

Futures climbed as colder weather is likely in the Northeast, Southeast and Midwest from Dec. 7 through Dec. 16, according to Commodity Weather Group in Bethesda, Maryland. Prices fluctuated after the Energy Department reported a stockpile decline that was smaller than analysts predicted.

Heating demand from Dec. 8 through Dec. 12 may be 15 percent above normal levels, according to David Salmon, a meteorologist with Weather Derivatives in Belton, Missouri.

"Prices are still seeing a bit of support because of the cooler outlook coming in through mid-December," said Matt Smith, an analyst with Summit Energy in Louisville, Kentucky. "The forecasts are colder, especially for the key consuming regions of the Northeast and Southeast."

The low temperature in New York on Dec. 11 may be 26 degrees Fahrenheit (minus 3 Celsius), 5 degrees below normal, according to AccuWeather Inc. in State College, Pennsylvania. The low temperature in Chicago may be 17 Fahrenheit, 7 degrees below normal.

"There will be a swath of snow with this system from the northern Plains to the middle Atlantic coast," wrote Paul Pastelok, senior forecaster for AccuWeather, in a note to clients. "Another press of cold will follow and could lead to a freeze into Florida."

Natural Gas Rises in New York on Forecasts of Below-Normal Temperatures

Bloomberg

By Christine Buurma - Dec 2, 2010

LONG TERM - World Energy Outlook

December 1, 2010

Fatih Birol, Chief Economist of the International Energy Agency, gave a presentation at the Council on Foreign Relations on the current World Energy Outlook. In the presentation he spoke about the four major components shaping the current World Energy Outlook: oil, natural gas, China, and climate change. Below are a few points he has made in regard to natural gas.

- A natural gas oversupply will extend into the coming 10 years but prices will rise, supported by growing demand from China and the Middle East and retirement of coal generating facilities worldwide.
- Natural gas prices will rise to \$7 per million British thermal units (MMBTU) by 2015, Birol said in a conference call organized by Credit Suisse on the agency's World Energy Outlook.
- The significant natural gas demand growth in China will be concentrated mostly in coastal areas because of difficulties moving coal from mines in inner Mongolia to the coast.
- Global natural gas demand will resume its long-term upward trajectory from 2010, following an estimated 2 percent drop in demand in 2009.
- Natural gas is the only fossil fuel for which demand will be higher in 2035 compared with levels seen in 2008.



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http://www.cfr.org/publication/23536/world_energy_outlook_2010_video.html

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