



The Mobius Report

February 25, 2013

Natural Gas

Price Overview

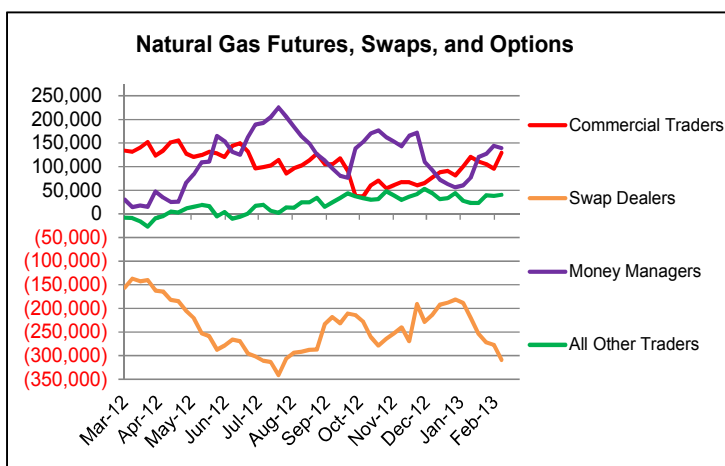
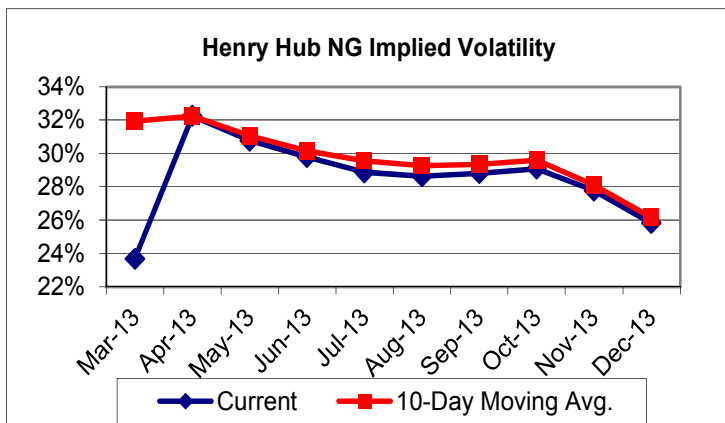
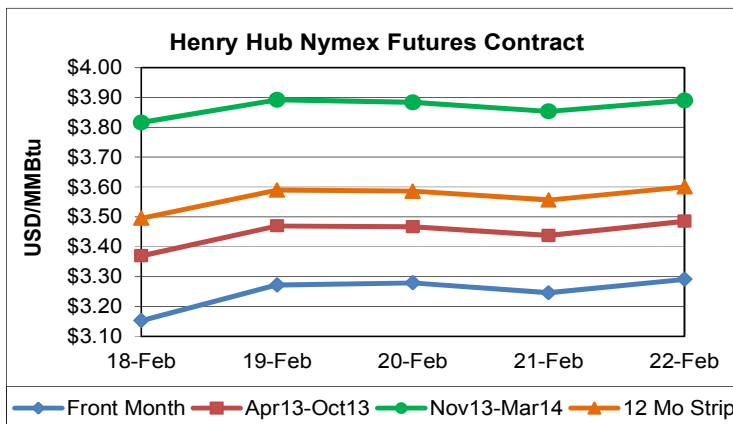
- The March 2013 NYMEX natural gas futures contract ended the week at \$3.291, up \$0.138 from last week's settlement price of \$3.153.
- The summer strip (Apr13-Oct13) settled at \$3.486 and next winter's strip (Nov13-Mar14) settled at \$3.890.
- The 12-month forward strip (Mar13-Feb14) settled at \$3.600.
- Bal13 (Mar13-Dec13) ended the week at \$3.525 and Cal14 (Jan14-Dec14) settled at \$3.98.
- Spot market prices ended the week at \$3.265, up 7½ ¢ from last week's cash price of \$3.19 at Henry Hub.
- Natural gas prices rose on a larger than expected storage withdrawal and on the prospect of a boost in demand from the round of frigid weather that is now moving into the Midwest and expected to continue eastward.
- Storage inventories, at 2.4 Tcf, are now only 31 Bcf above last year's lowest level of 2.369 Tcf, reached in mid-March 2012.
- Forecasts for continued cold weather for the remainder of February and early March will take final inventories at the end of the winter heating season down well below last year, with 2 Tcf or below remaining well within the realm of possibility.

➤ **PRICE UPDATE: The March 2013 NYMEX natural gas futures contract settled at \$3.414, up 12¢ at the end of today's trading.**

Commitments of Traders

For the week ending February 19:

- Commercial Traders increased their net long positions by 19,802 contracts to a net long position of 109,534.



- Swap Dealers increased their net short positions by 21,704 contracts to a net short position of 309,257.
 - Money Managers increased their net long positions by 2,873 contracts to a net long position of 139,275 contracts.
 - The market's overall holdings rose by 47,663 contracts, to end the week with 3,405,898 open contracts.
- Source: CFTC

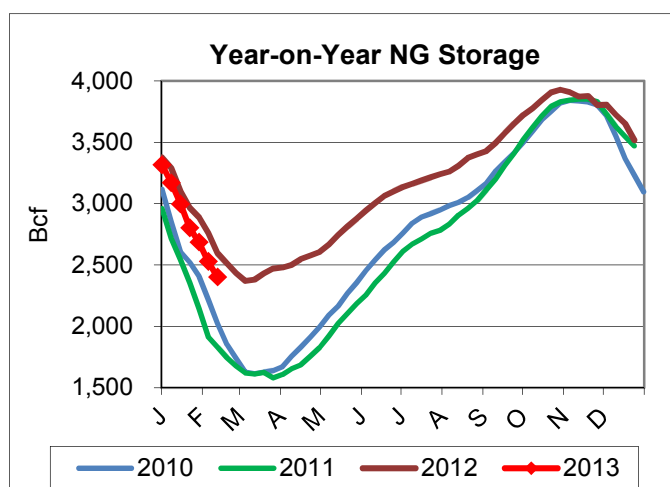
	NYMEX and ICE Natural Gas Futures and Options Combined (Disaggregated)									
	Producer/Merchant/ Processor/			Swap Dealers			Managed Money			Open Interest
	Long	Short	Net	Long	Short	Net	Long	Short	Net	Total
19-Feb	775,586	646,251	129,336	363,729	672,987	(309,257)	477,260	337,985	139,275	3,405,898
12-Feb	764,030	654,496	109,534	368,676	656,230	(287,554)	473,698	337,296	136,402	3,358,235
5-Feb	750,744	655,406	95,337	376,380	653,759	(277,379)	470,793	326,637	144,157	3,327,905

Natural Gas Storage

EIA Natural Gas Storage						
Region	2/15/2013 Stocks (Bcf)	2/8/2013 Stocks (Bcf)	Weekly Change (Bcf)	Year Ago Stocks	5 yr. average (BCF)	5 Yr. Comparison (%)
East	1,108	1,187	(79)	1,260	1,006	10.1%
West	367	380	(13)	373	296	24.0%
Producing	925	960	(35)	1,010	737	25.5%
Total Lower 48	2,400	2,527	(127)	2,642	2,039	17.7%

The Energy Information Administration reported a net withdrawal of 127 Bcf from natural gas storage inventories for the week ending February 15. Inventories ended the week at 2,400 Bcf, which is about 57% full. Natural gas inventories are 361 Bcf over the 5-year average, but are 242 Bcf under the inventory level recorded at this time last year.

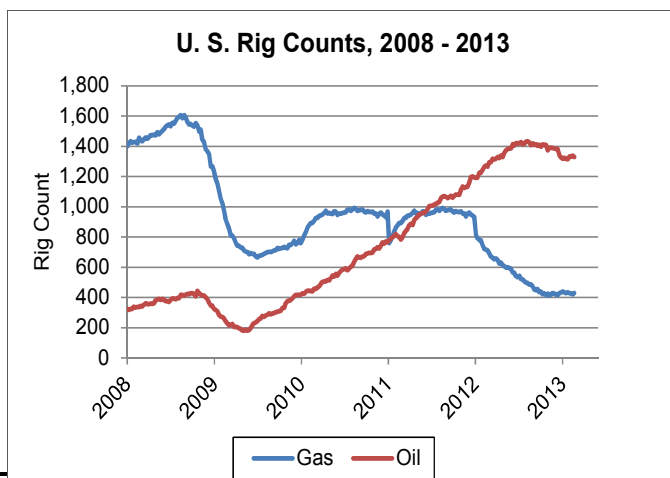
Source: EIA



Rig Count

Baker Hughes reported a gas rig count of 428 rigs active on February 15, up seven rigs from last week. The number of rigs drilling for oil was down by eight rigs to 1,329, while the total rig count was down by one rig to 1,761. At this time last year, the overall U.S. rig count was 1,981 with 710 rigs targeting natural gas and 1,265 rigs targeting crude oil.

Source: Baker Hughes



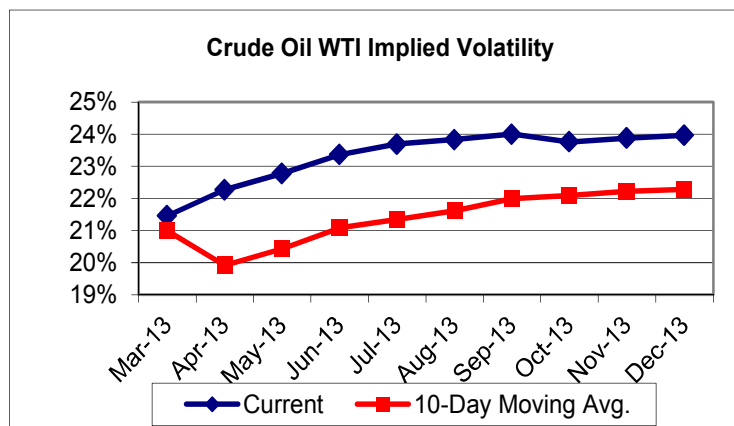
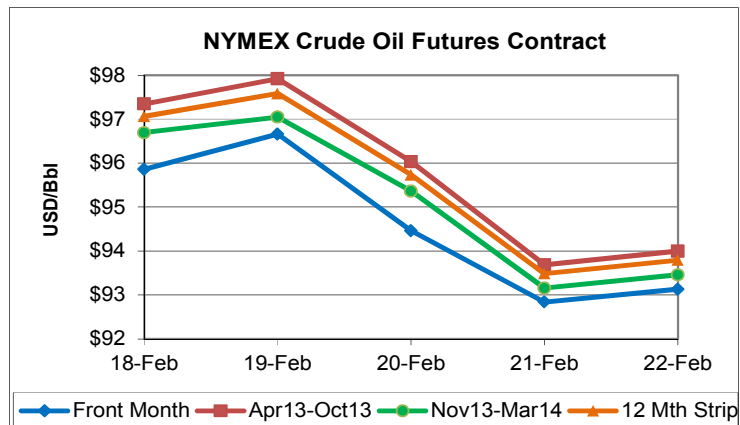
Petroleum

Price Overview

- The March 2013 NYMEX crude oil futures contract expired on Wednesday at a final settlement price of \$94.46.
- The April 2013 contract ended the week at \$93.13, down \$3.28 from last week's April 2012 settlement price of \$96.41.
- The summer strip (Apr13-Oct13) settled at \$93.997 and next winter's strip (Nov13-Mar14) settled at \$93.458.
- The 12-month forward strip (Apr13-Mar14) ended the week at \$93.773.
- Bal13 (Apr13-Dec13) ended the week at \$93.974 and Cal14 (Jan14-Dec14) settled at \$92.097.
- NYMEX crude oil futures prices rallied early in the week, but took a dive as the March 2012 contract expired and demand outlooks in the U.S. and Europe receded.
- As the EU economy continued to contract, the U.S. dollar gained strength against the major currencies, pushing the price of crude oil and other dollar denominated commodities down.

Source: NYMEX

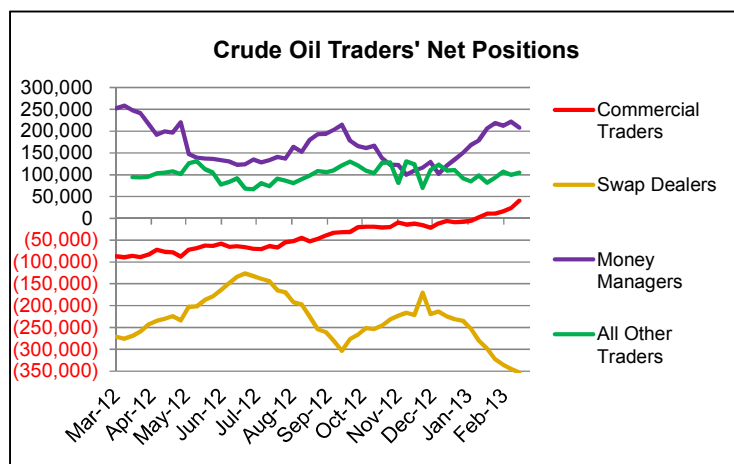
- **PRICE UPDATE: The March 2013 NYMEX crude oil futures contract settled at \$93.11, down 2¢ in today's trading.**



Commitments of Traders

For the week ending February 19:

- Commercial Traders increased their long positions by 16,768 contracts to a net long position of 40,482 contracts.
- Swap Dealers increased their short positions by 8,282 contracts, bringing their net short position to 353,305 contracts.
- Money Managers decreased their net long positions by 13,533 contracts to a net long position of 208,001 contracts.
- Market open interest totaled 2,348,538 contracts, down 72,724 contracts from the previous week. Source: CFTC



	NYMEX Crude Oil Futures and Options Combined (Disaggregated)									
	Producer/Merchant/ Processor/			Swap Dealers			Managed Money			Open Interest
	Long	Short	Net	Long	Short	Net	Long	Short	Net	Total
19-Feb	348,538	308,056	40,482	123,639	476,944	(353,305)	232,271	24,270	208,001	2,348,538
12-Feb	343,179	319,465	23,714	122,698	467,721	(345,023)	241,141	19,607	221,534	2,421,262
5-Feb	333,805	317,682	16,123	123,321	458,727	(335,406)	235,553	23,327	212,226	2,355,000

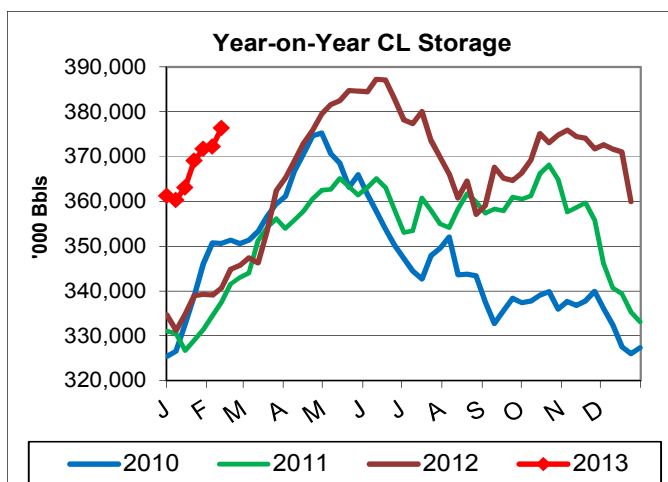
Storage, Imports, & Refining

Crude Oil & Petroleum Products Storage								
	2/15/2013		2/8/2013		Weekly Change		Weekly Change (%)	
	DOE	API	DOE	API	DOE	API	DOE	API
Crude Oil	376,388	372,489	372,245	369,528	4,143	2,961	1.11%	0.8%
Gasoline	230,352	232,604	233,236	232,726	(2,884)	(122)	-1.2%	-0.1%
Distillate	123,627	126,073	125,904	127,714	(2,277)	(1,641)	-1.8%	-1.3%
Residual	35,589	37,552	35,104	36,978	485	574	1.4%	1.6%

Crude Oil & Petroleum Products Storage				
	Annual Change (%)		5 yr. Comparison (%)	
	DOE	API	DOE	API
Crude Oil	9.3%	9.1%	7.4%	9.8%
Gasoline	0.7%	15.5%	0.2%	3.5%
Distillate	-12.3%	-12.1%	-14.2%	-13.6%
Residual	3.2%	7.8%	-2.9%	0.0%

For the week ending February 15, 2012:

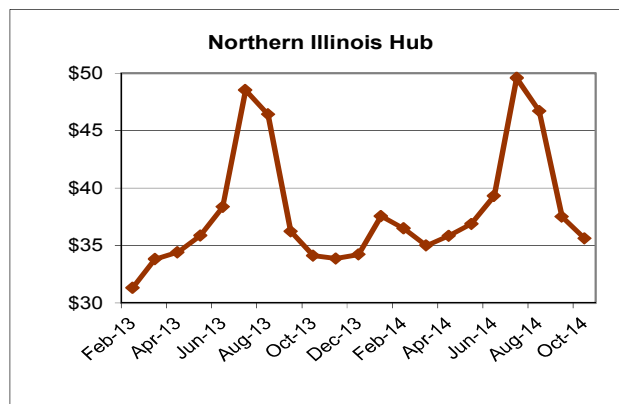
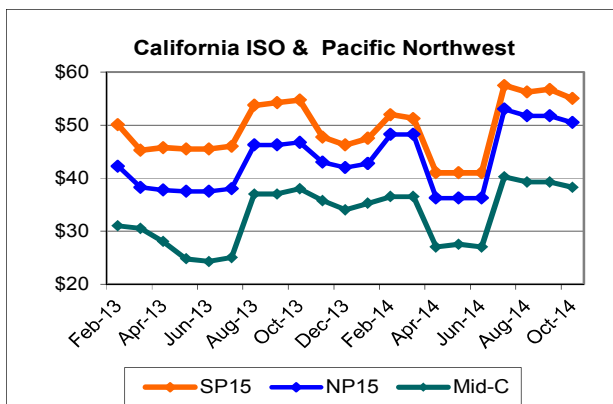
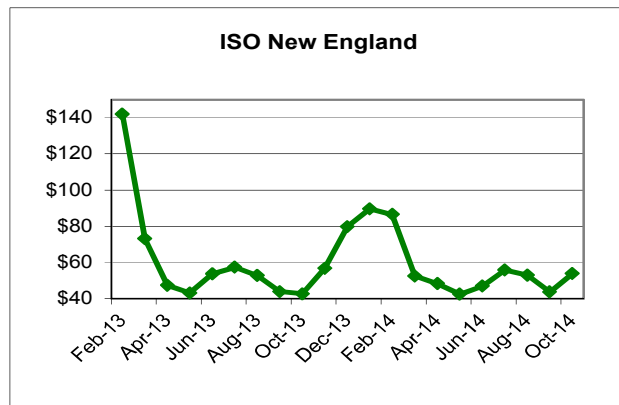
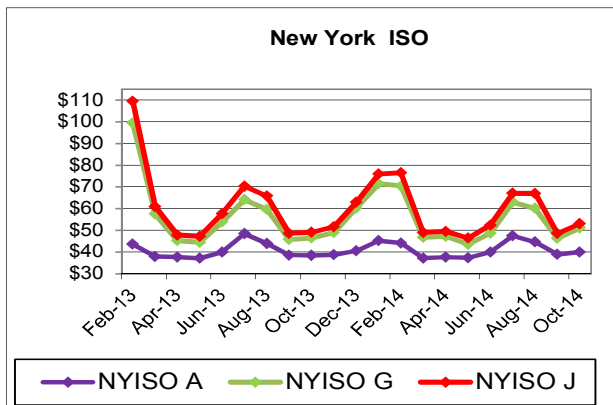
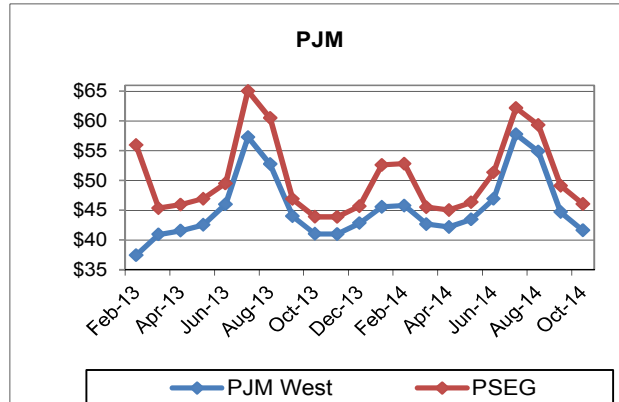
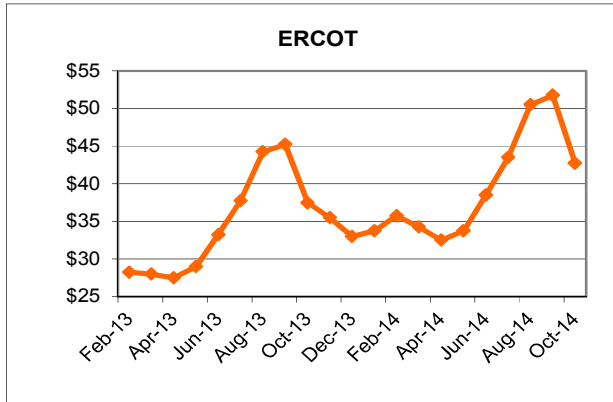
- Inventories of crude oil rose by 4.1 million barrels to end the week at 376.4 million barrels.
- Motor gasoline stocks fell by 2.9 million barrels to 230.4 million barrels.
- Distillate fuel oil inventories fell by 2.3 million barrels to 123.6 million barrels.
- Residual fuel oil stocks rose by 0.5 million barrels to 35.6 million barrels.
- Strategic Petroleum Reserve (SPR) stocks were unchanged at 696.0 million barrels.
- Refinery inputs averaged 14.2 million barrels per day, down 134,000 barrels per day from last week.
- Refineries operated at 82.9% capacity, down 0.9% from last week.
- The U.S. imported 7.7 million barrels of crude oil per day, up 176,000 barrels per day from last week.
- The U.S. exported 1,075,000 barrels per day (net) of refined petroleum products, up from 1,016,000 barrels per day last week. *Source: EIA*



Electricity

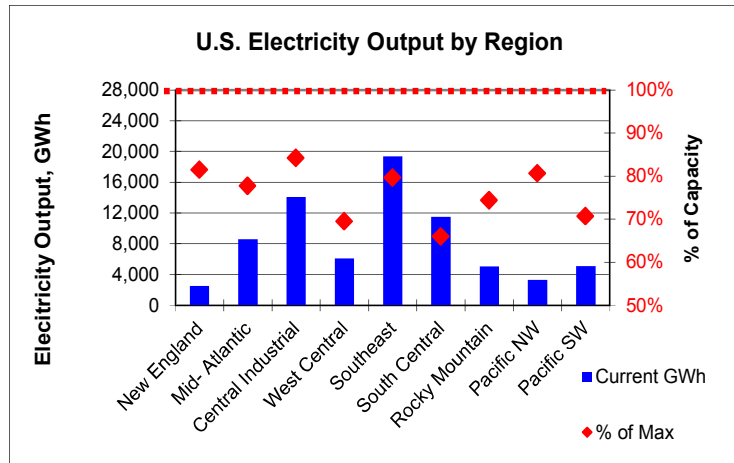
Prices

Northeast daily power prices were lower as a spell of mild weather punctuated successive winter storms, with the next cold spell due to arrive midweek. Midwestern dailies were lower in changing weather, while ERCOT prices rose on colder Texas temperatures. Western dailies were a little higher on colder temperatures. Forward prices were higher on rising NYMEX natural gas futures prices.



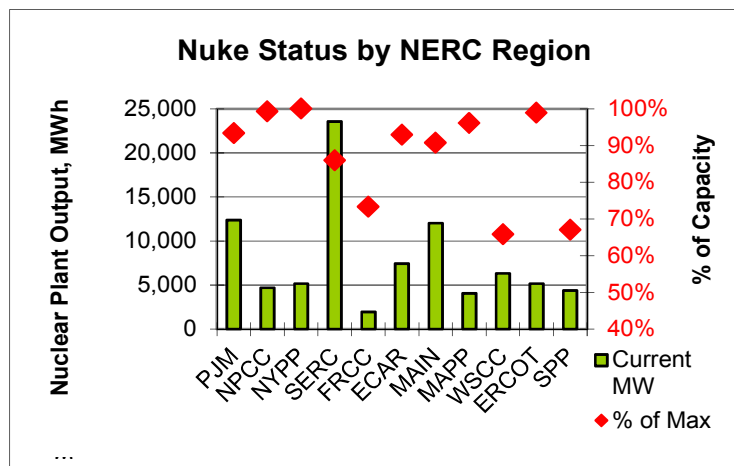
U. S. Electricity Output and Capacity

For the week ending February 15, total U.S. electric output was 75,580 Gigawatt hours, or 76.0% of combined maximum regional capacity. Last week, U.S. electric output was 75,447 GWh, and last year at this time, 76,654 GWh.



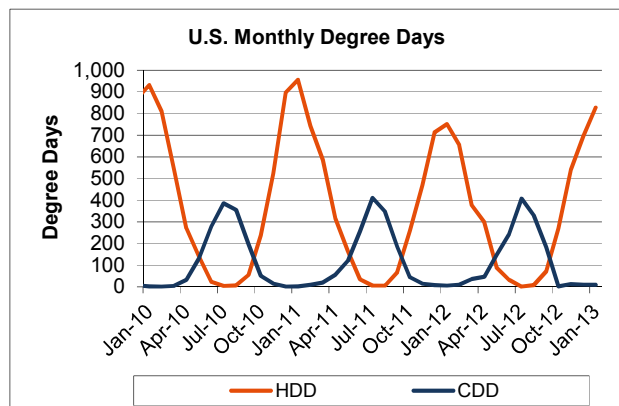
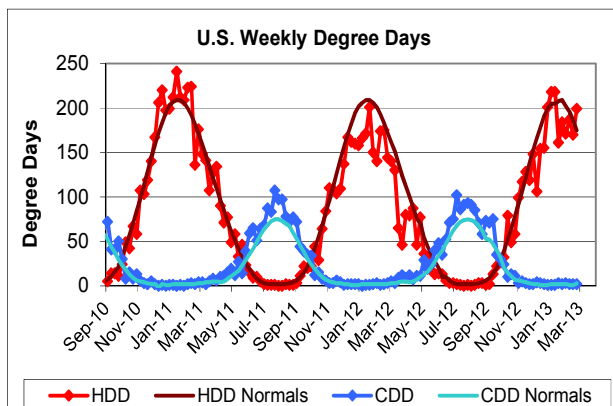
Nuclear Facilities Status

Nuclear plant outages totaled 12,963 MW, or 12.9% of U.S. nuclear capacity, with 87,254 MW of nuclear generation capacity presently available nationwide. Source: Nuclear Regulatory Commission



Degree Days

For the week ending February 23, 2013, heating degree days (HDD) totaled 199, which is **24% above normal**, and is **56% over** last year. Year-to-date HDD's are **7% below normal**, but are **8% over** last year. Cooling degree days (CDD) for the week totaled three.



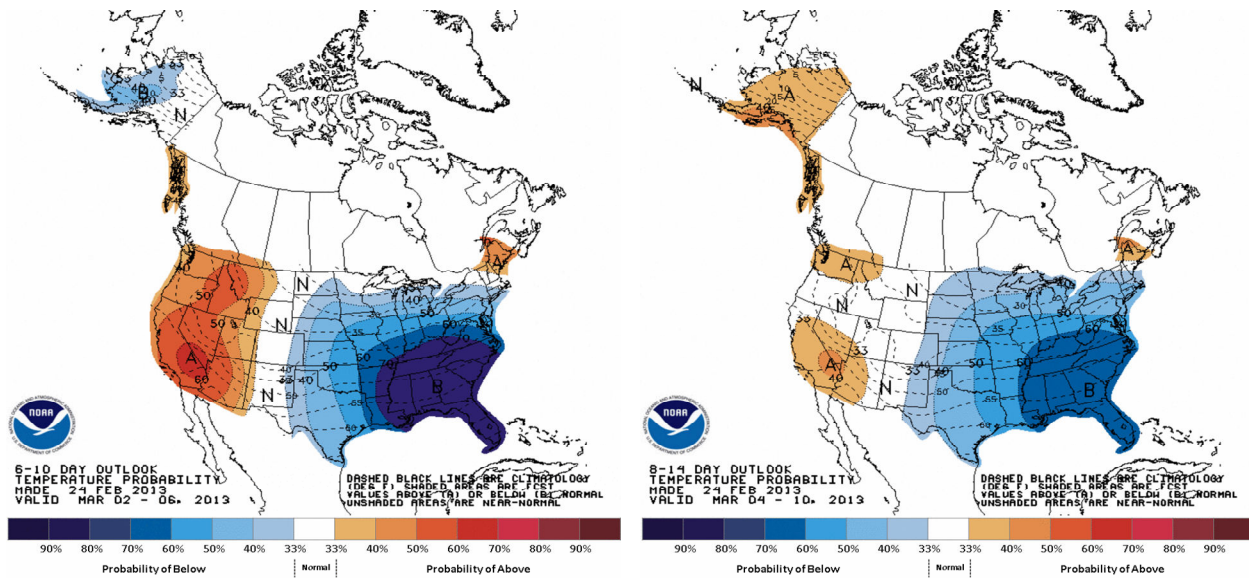
For **January 2013**, a total of 827 HDD's were recorded, which was **12% below normal**, but was **10% over last year**. January 2013 monthly CDD's totaled 10, which was **above normal**. Cumulative CDD's for the summer season just ended (Apr12- Oct 12) were **23% above normal**, and were **1% over** last year. Source: NOAA

Weather

1-5 day summary: A strong winter storm will push out of the Central Plains and bring snow and rain into the Midwest by midweek and cool down the Northeast and South thereafter. Snow and blizzard conditions are expected in Kansas, Oklahoma, and the Texas Panhandle today, and the snow will reach Chicago by Wednesday. Cold temps will invade the South and Mid-Atlantic with rain early in the week. In the West, another round of heavy snow in the Sierras and the Cascades will add to the snowpack in the Northwest. At lower elevations and on the West Coast, temperatures will be mild.

6-10 Day Outlook

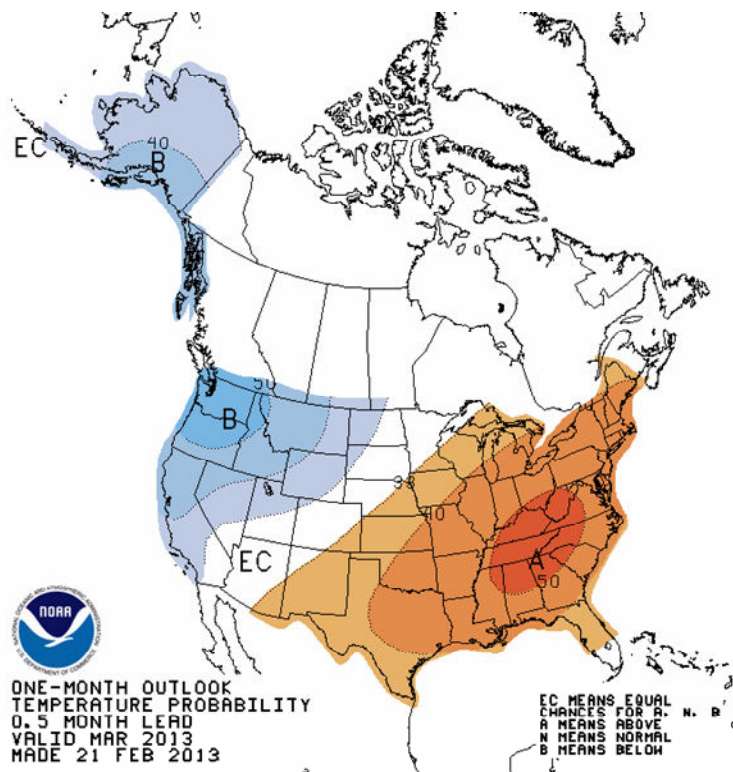
8-14 Day Outlook



Source: NWS and private forecasts

NOAA Three-Month (March, April, and May) Temperature Outlook issued 2/21/2013

The National Oceanic and Atmospheric Administration's outlook for March, April, and May calls for warmer-than-normal temperatures in the Northeast, South, and Southwest. Temperatures in Midwest and southern Plains States will be normal to warmer than normal, while temperatures in the northern Plains States will be normal to cooler than normal. Temperatures in the Northwest and in California will be cooler than normal. Source: National Weather Service Climate Prediction Center



The Economy

For the week, the Dow rose 19 points to end the week at 14,001, up 0.1%, while the S&P 500 fell 4 points to end the week at 1,516, down 0.3%. The NASDAQ composite index fell 30 points, ending the week at 3,162, down 1.0%.

Date	Statistic	For	Actual	Market Expects	Prior	Revised From	Next Release
2/21	CPI	Jan	0.0%	0.1%	0.0%		3/15
2/21	Core CPI	Jan	0.3%	0.2%	0.1%		3/15
2/15	Industrial Production	Jan	-0.1%	0.4%	0.4%	0.30%	3/15
2/15	Capacity Utilization	Jan	79.1%	79.0%	79.3%	78.80%	3/15
2/13	Retail Sales	Jan	0.1%	-0.4%	0.5%		3/13
2/13	Retail Sales ex-auto	Jan	0.2%	-0.3%	0.3%		3/13
2/12	Treasury Budget	Jan	+2.88B	-\$2.0B	-\$27.4B		3/12
2/20	PPI	Jan	0.2%	0.3%	-0.3%	-0.2%	3/14
2/20	Core PPI	Jan	0.2%	0.1%	0.1%		3/14
2/8	Trade Balance	Dec	-\$38.5B	-\$42.5B	-\$48.7B	-	3/7
2/8	Wholesale Inventories	Dec	-0.1%	0.7%	0.4%	-	3/8
2/7	Consumer Credit	Dec	\$14.6B	\$10.0B	\$15.9B	-	3/7
2/1	Nonfarm Payrolls	Jan	157K	195K	196K	-	3/8
2/1	Nonfarm Private Payrolls	Jan	166K	215K	202K	-	3/8
2/1	Unemployment Rate	Jan	7.9%	7.7%	7.8%	-	3/8
2/1	Hourly Earnings	Jan	0.2%	0.2%	0.3%	-	3/8
2/1	Average Workweek	Jan	34.4	34.5	34.4	-	3/8
2/5	ISM Services	Jan	55.2	55.5	55.7	-	3/5
2/1	ISM Index	Jan	53.1	49.5	50.2	-	3/1
2/1	Construction Spending	Dec	0.9%	0.3%	0.1%	-	3/1
2/4	Factory Orders	Dec	1.8%	3.0%	-0.3%	-	3/6
1/31	Chicago PMI	Jan	55.6	50.0	50.0	-	2/28
2/15	Mich Sentiment	Feb	76.3	73.0	73.8		3/15
1/31	Personal Income	Dec	2.6%	3.4%	1.0%	-	3/1
1/31	Personal Spending	Dec	0.2%	0.1%	0.4%	-	3/1
1/28	Durable Orders	Dec	4.6%	2.5%	0.7%	-	2/27
1/28	Durable Goods -ex transportation	Dec	1.3%	0.0%	1.2%	-	2/27
1/29	Consumer Confidence	Jan	58.6	61.0	66.7	-	2/26
1/25	New Home Sales	Dec	369K	360K	398K	-	2/26
2/21	Leading Indicators	Jan	0.2%	0.3%	0.5%		3/21
2/21	Existing Home Sales	Jan	4.92M	4.94M	4.90M	4.94M	3/21
2/20	Housing Starts	Jan	890K	914K	973K	954K	3/19
2/7	Productivity-Prel	Q4	-2.0%	-1.5%	3.2%	-	3/7
1/30	GDP-Adv.	Q4	-0.1%	0.1%	3.1%	-	2/28
1/30	Chain Deflator-Adv.	Q4	-0.6%	1.5%	2.7%	-	2/28

Source: MSN Money, Briefing.com

Mobius Risk Group

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