



WEEK IN REVIEW

PUBLISHED FEBRUARY 7, 2012

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STAYING AHEAD OF THE REST

WeatherBELL Analytics Ensures You're Prepared

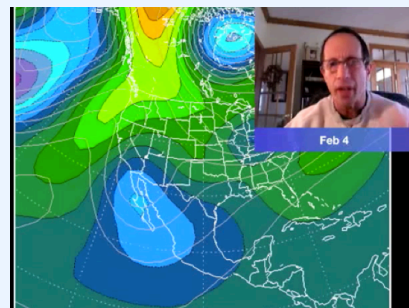
The extreme cold in Europe has been making headlines across the globe. The paralyzing conditions have led to hundreds of deaths across central and eastern Europe as temperatures dropped far below freezing. WeatherBELL Analytics meteorologists anticipated the brutal chill while analyzing the major stratospheric warming event. Surprisingly, two weeks ago, many weather models were predicting warmth over Europe.

The devastating winter conditions being seen in Europe are drastically different than the weather experienced in the US so far this season. Looking to the second half of winter, WeatherBELL



Analytics meteorologists see signs of a pattern favorable to more wintry weather in the Lower 48. For details and updates on their analysis, check the WeatherBELL Premium site.

SATURDAY SUMMARY VIDEO



Joe Bastardi's Saturday Summary is now available via video! Watch the Saturday Summary video every Saturday on the front page of www.weatherbell.com! Here, he gives an overview of his detailed Saturday Summary, which is available on the WeatherBELL Premium site.

[Click here](#) to watch the February 4th Saturday Summary with Joe Bastardi!

BLOG HIGHLIGHTS



BASTARDI'S BLOG HIGHLIGHTS

- **SOI Crashing Against the Nina, Models Taking MJO Where Lovers of Winter Want It-** Joe Bastardi looks at the MJO forecast as it now comes into Phase 8 and heads for Phase 1. He displays the ensemble forecasts from the US, ECMWF, UKMET and JMA. He also states that the La Nina is starting to die, which should allow for a more active pattern in the US. Read more [here](#).
- **US: The Last Domino of Winter to Fall-** Joe Bastardi discusses reasons why he believes the US will begin to see a more wintry pattern in the coming weeks. He states that although it is getting late, he believe this could be as memorable an end game to the winter season as we can remember. Read more [here](#).
- **Saturday Summary-** In this week's Saturday Summary, Joe Bastardi gives a detailed look at the MJO, PNA, NAO and AO. He then looks at the shorter-term forecast, which includes snow threats from the Texas Panhandle to the Northeast over the next couple days. Read Bastardi's full forecast [here](#).



D'ALEO'S BLOG HIGHLIGHTS

- **Differences In The Westerlies From 2010-11-- Implications-** Joe D'Aleo looks at the differences between last winter and this winter in the United States. He specifically looks at the jet stream and shows how this year's anomaly in December and January, along with a strong positive AO, helps explain the lack of cold air and snow in the lower 48. Read more [here](#).
- **Experiencing Winter Vicariously-** Besides a few scattered events across the United States, there has not been much winter weather to deal with so far this year. In this post, Joe D'Aleo takes us to Europe where deadly winter conditions have terrorized many countries. He also shows amazing photos of snow walls lining the roads of Japan in 2010. [More](#).
- **Sunspot Count Down Again in January-** For the second straight month, the sunspot number and solar flux declined. Joe D'Aleo displays the Solar Cycle Sunspot Number Progression and notes that in many of the recent cycles, we peaked around this time. To close, he revisits the Dalton Minimum. [More](#).

IN OTHER NEWS

- **Europe Battered By Deadly Cold-** Brutal cold in Europe has caused over 200 deaths as temperatures dipped below -30C (-22F) in some countries. The extreme cold has also caused portions of the Black Sea to freeze along the coastline of Romania. View amazing pictures of the extreme conditions [here](#).
- **Denver Area Snow a Record Breaker-** A new snowfall record was set in the Denver area after 12.5 inches of snow fell at Denver International Airport on February 3rd, 2012. The previous record of 7.5 inches was set in 1932. Read more about the Denver snowstorm [here](#).

WEATHERBELL NEWS

NATGAS WOBBLES AS US WINTER WEATHER WITHERS

by Alan Lammey, WeatherBELL Analytics Energy Market Analyst

March natural gas futures are wobbling near \$3.50/MMBtu amid projected cooler weather in parts of the US, including the Northeast. The coming weekend temperatures throughout the US are exactly the bullish weather drivers that WeatherBELL Analytics meteorologist Joe Bastardi has been alluding to over the last several weeks. However, there is certainly more volatility ahead for home heating and industrial fuel as a massive glut of natural gas supply continues to weigh on the market.

While temperatures are slated to get cooler in the US, temperatures throughout parts of Europe are downright frigid without much reprieve in sight for the near term. The European winter situation has been repeatedly outlined in WeatherBELL meteorologist Joseph D'Aleo's forecasts for multiple weeks as well. Overall, the conditions in the US appear to remain supportive for natgas for the next few days before a brief warm-up occurs, then relapses into another bout of cold.

While, there are some supportive heating degree days ahead for the US natural gas market, the oversupplied US market, which has stemmed from over-drilling/production and lackluster temperatures in the US this winter is sure to keep market bears firmly in the drivers seat. And in fact, the overall fundamentals are expected to produce yet another small withdrawal this Thursday. This week, a very small withdrawal is anticipated by a majority of the market, targeting the mid-80s/Bcf to low-100s Bcf, when the Energy Information Administration (EIA) reports its storage data for the week ending Feb 3. I'm eyeing a pull in the upper-80s-low 90s/Bcf. This will be compared with a 206 Bcf draw seen last year, while the 5-year average draw is estimated near 191 Bcf.

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A LOOK AHEAD

- Joe Bastardi and Joe D'Aleo will be looking at how much extreme cold, like that in Europe and Asia, will penetrate the northeastern US with the high latitude blocking that developed as expected. They will also be looking at whether a snowstorm will organize close enough to the coast to deliver something that has been rare this winter in the lower 48. JB and JD see signs that late February and March will be the US's turn to see some winter cold and snow.
- Winter around the rest of the hemisphere, which last year came on early, held off to mid-winter this year. We are seeing amazing stories and pictures from snow and ice bound Alaska, which had the coldest January on record in many locations to a snowy frigid Europe and FSU all the way to China and Japan. Meanwhile in the lower 48 states, many of the urban areas where snow was measured in feet last year, minimum snow records are currently at risk unless these February and March cold spells deliver snows. Currently, temperatures are ranking in the top ten warmest winters to date across the north.
- Even before the calendar winter ends, JB and JD are already talking about the upcoming spring severe weather season, summer weather and tropical seasons. US farmers are expected to plant record acreage for grains. Many areas are suffering soil moisture deficits. Can the late winter and spring deliver enough precipitation to recharge the ground water and maximize yields? The last year in which a second year La Nina gave way to El Nino (which JB and JD believe likely this year) was 2009. That was a cool summer that produced all time record crop yields. Given the droughty start to 2012, that will require quite a turn around.

WEATHERBELL NEWS

NATGAS WOBBLES AS US WINTER WEATHER WITHERS (cont.)

The oscillation of the March contract has very little to do with fundamentals at the moment as a majority of the market movement is based on technical trading. After trading near the upper \$2.60s to lower \$2.70s in the near term, I am however, looking for a regression toward the \$2.20s or lower in the next few weeks with a worse case scenario of a \$2.05 to \$1.99 bottom. There are very few weeks of withdrawal season remaining for the natural gas market and at this point, Mother Nature needs to kick-in some extreme temperatures to avoid a set-up for an extremely bearish beginning to the gas storage refill season, which begins on April 1st.

The recent announcements from some large natural gas producers, such as Chesapeake Energy as well as Conoco, Occidental, Talisman, etc to reduce natural gas production by as much as 50% has failed to show up in the pipeline flow data as of yet. This situation is also very likely to result in a further inundation of supply, which is likely to inflict further downside pressure on natural gas futures in the near term.

Technically speaking, on the upside, key resistance for the March contract resides between \$2.62 and \$2.69, followed by \$2.85. If violated, look for continued buying up to the \$2.88, \$2.94, \$3.03 area. Longer term resistance resides at \$3.15, \$3.18, and \$3.21. On the downside, key support is seen at \$2.54, followed by \$2.45 and \$2.34, which is a significant support area. If the latter is violated, look for further erosion down to \$2.23, followed by \$2.18 and \$1.99.

In the oil market, oil futures are oscillating between \$96 and \$99 a barrel as investors continue to take daily cues from the deepening economic drama in Europe. Investors remain anxious about Greek debt and a possible bankruptcy for the euro-zone nation. In fact, Greek officials will continue to meet with officials to further debate the terms set forth by the European Union, European Central Bank, and International Monetary Fund in return for another bailout package.

From the technical indicators perspective, on the upside, key resistance for March oil futures resides between \$97.45 and \$97.75, followed by \$99.50 and \$100.70, while \$102 remains the next major resistance area. If the latter is violated, look for continued buying attempts up to \$103.73, then it sets the stage for a further advance near the May 2011 high crossing at \$105.34. Beyond that, buyers will likely test the \$114 a barrel area or higher. On the downside, key support resides between \$95.84 and \$94.15, followed by \$92.54, \$92 and \$90.23.

If your company is looking for truly the best weather forecast data in the industry, please contact Alan Lammey at alan.lammey@weatherbell.com or 281-658-0395.

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