



# WEEK IN REVIEW

**PUBLISHED JANUARY 31, 2012**

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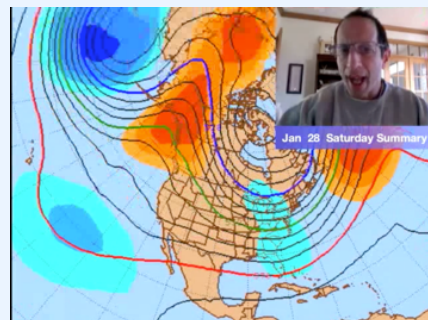
WeatherBELL Analytics Ensures You're Prepared

As the cold in Alaska becomes unbearable, many in the lower 48 are basking in the warmer than normal daytime highs. But as we approach the start of a new month, WeatherBELL Analytics meteorologists allude to the arrival of colder air. According to meteorologists Joe Bastardi and Joe D'Aleo, colder air will embrace the US during the month of February and may carry over into March. While they anticipate the nation cooling overall, there is question as to how much.

Meanwhile, the month of January will likely set new records in many Alaskan cities. Northern Alaska has been under the influence of a persistently cold air mass for the duration of the month. The average temperature in Bettles, AK for the month is -35 degrees, making this month the coldest January since records began in 1951.

Although the Lower 48 will not see temperatures that extreme, the winter weather that many have been searching for may be right around the corner. Check [www.weatherbell.com](http://www.weatherbell.com) for frequent updates as the winter progresses.

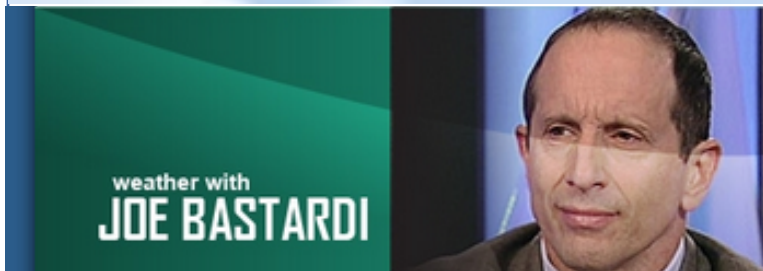
## SATURDAY SUMMARY VIDEO



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](http://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 January 28th Saturday Summary with Joe Bastardi!

## BLOG HIGHLIGHTS



### BASTARDI'S BLOG HIGHLIGHTS

- **Fear Not, It Will Be Stronger-** Joe Bastardi presents his views on the current system moving east through the Plains. He forecasts a storm into the Ohio Valley, reforming on the East Coast, and then moving Northeast. While 1-2 feet of snow is possible in the 1-80 corridor in Nebraska, Bastardi expects that to diminish to a few inches this weekend in the lower Lakes. Read his full discussion [here](#).
- **Can Negative NAO Pull A Rabbit Out Of The Hat Thursday?-** Joe Bastardi discusses the importance of not getting too hung up on the state of the NAO as there are different measurements of it. Bastardi explains that in some cases, a negative NAO and AO can re-enforce some systems by allowing them to roll east-southeast, drawing cold air into them. This is evident as he analyses the storm threat on Thursday. Read more [here](#).
- **CFSv2 Responding... Now Going The Way of Europe!-** The CFSv2 for weeks one through four show an arc of positives across the north in the means, which is in line with Bastardi's thinking on the strat warm. Read more [here](#).



### D'ALEO'S BLOG HIGHLIGHTS

- **Cold Invades Europe, Then Our Turn-** Although it arrived late, Europe is finally seeing brutal winter weather. Paralyzing snow has fallen in eastern Europe and D'Aleo suggests that snow may fall in parts of southern Europe. In the United States, the cold is expected to arrive in week 2. D'Aleo looks at the upcoming weeks as he anticipates the arrival of more winter-like weather in the US. Read more [here](#).
- **EC and the 'Mother Load'-** Often when amplification of the PNA and high latitude blocking takes place after a period when cold high pressure was trapped in polar regions, a "dumping" of cold air into the middle latitudes takes place. Joe D'Aleo looks at the European model, which displays this type of cold outbreak. Read more [here](#).
- **Alaska Cold-Evolving Pattern Is How Our Wildest Winter Weather Periods Start-** As of Wednesday, January 25, this month was ranked as the seventh-coldest January since records began in 1904. Read more about the Alaska cold pattern [here](#).

### IN OTHER NEWS

- **Winter Tornadoes-** Severe weather terrorized the south last week leading to nearly 50 preliminary tornado reports from Texas into the Southeast US. Winter tornadoes are often associated with strong, eastward moving frontal systems that form in the central US. On Sunday, January 22, 32 tornadoes were reported from Arkansas to Alabama, one of which was an EF3 tornado that claimed one life in Alabama. Read more about the January tornadoes [here](#).

# WEATHERBELL NEWS

## WINTER 'NOT DEAD YET'... BUT NATGAS WON'T DANCE AND SING

by Alan Lammey, WeatherBELL Analytics Energy Market Analyst

As I'm analyzing WeatherBELL Analytics meteorologist Joe Bastardi's most recent forecast for cold weather to enter the picture in February, and potentially hang around for several weeks, I can't help of but think of the tune 'I am not dead yet' from Monte Python's 'Spam-A-Lot'.

But, while the winter may very well not be dead yet, the natural gas market is most definitely on life-support or worse.

After reaching our stated technical resistance objectives of about \$2.85/MMBtu as published in the daily WeatherBELL Analytics TrendCast report, March natural gas has tumbled back down to major support levels in the mid-\$2.40s amid profit taking. In the near-term, it's very likely that prices could re-test the most recent lows in the \$2.20s before rebounding back toward the \$2.70s.

In addition to technical objectives being reached, part of this most recent bout of weakness is stemming from bearish production data released by the US Energy Information Administration (EIA), which shows that natural gas output in the lower 48 states hit a record 72.61 Bcf/day in November. The EIA report showed that natural gas production was about 0.92 Bcf/day higher than October's stats, while also besting September's numbers. Overall, the confirmed production increase from the EIA sort of negates the recently announced production curtailments from natural gas producers and sets an even more bearish tone to the gas market.

As such, gas market bears have ultimately regained control of the gas market as it's becoming obvious that there's no way to circumvent a 2-Tcf gas storage carryout at the end of March -- no matter how icy temperatures may get in the months of February, and potentially March as well. (More page 4)

### A LOOK AHEAD

- Europe has finally had winter arrive with a vengeance. The anticipated polar AO and NAO flip has brought Siberian air west. As Joe Bastardi pointed out, in 1985 the change to cold started in Europe and then later came to the US. Bastardi and D'Aleo are following the models, which are struggling with this change given the strong Pacific jet. Bastardi and D'Aleo believe after warmth subsides week 1, the cold starts week 2. In most of the years the cold arrived late this way, snow came with it. The models are on and off with the snow threats and vary on how much cold air from Alaska, which had one of the coldest months on record, and across the arctic in Siberia makes itself felt in the lower 48. Bastardi and D'Aleo believe it will be significant.
- Odds favor that the cold comes, and snow too, and it lingers for a Fab Feb and Mad March after the Dull December and Jaded January. What happens the next few months will have a lot to say as to whether drought picks up where it left off last year and heat repeats or whether, with the help of a move towards El Nino and late snows, the summer is more like 2009 than 2011.

# WEATHERBELL NEWS

## WINTER 'NOT DEAD YET'... BUT NATGAS WON'T DANCE AND SING (cont.)

On the gas storage front, my preliminary estimates for this week's storage withdrawal for the week ended Jan 27 is in range of 120 Bcf to 130 Bcf -- and I'm leaning toward the upper end of that scope. This week's storage report will be compared to last year's 209 Bcf withdrawal for the same week, while the 5-year average draw is estimated at around 190 Bcf.

Technically speaking, on the upside, key resistance for the March contract resides at \$2.69, followed by Monday's high near \$2.85. If violated, look for continued buying up to the \$2.88, \$2.94, \$3.03 area. On the downside, key support is seen at \$2.401, which is a BIG support area. If the latter is violated, look for further erosion down to \$2.231, \$2.18 and \$2.00.

In the crude oil market, March oil futures are wobbling between \$98 and \$102 a barrel as European Union leaders have agreed to endorse a treaty to address the region's ongoing fiscal struggles.

With the majority of countries climbing on board, a new round of stringent austerity measures appears to be in store for the debt-ridden euro zone. Furthering the optimistic outlook, Greek leaders are forecasting that the country is on pace to wrap up debt restructuring talks with private creditors by the end of the week. As such, the US dollar is lower and crude oil is higher this morning.

It appears that something has to give in the crude oil market soon. Either prices break down hard below \$98/bbl on economic concerns, such as the European recession, Chinese economic slowdown, early signs of another slowdown in the US. Otherwise, the oil market could very well bust out to the \$114 level amid a giant inverse head and shoulders pattern.

From the technical indicators perspective, on the upside, key resistance for March oil futures resides at \$101.30 followed by \$102 a barrel. If the latter is violated, look for continued buying attempts up to \$103.73, then it opens the possibility 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 at \$97.85 and \$96.80. If the latter is violated, look for further regression down to \$94.15 and \$92.54, while \$92 and \$90.23 becomes the next lower objectives.

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

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