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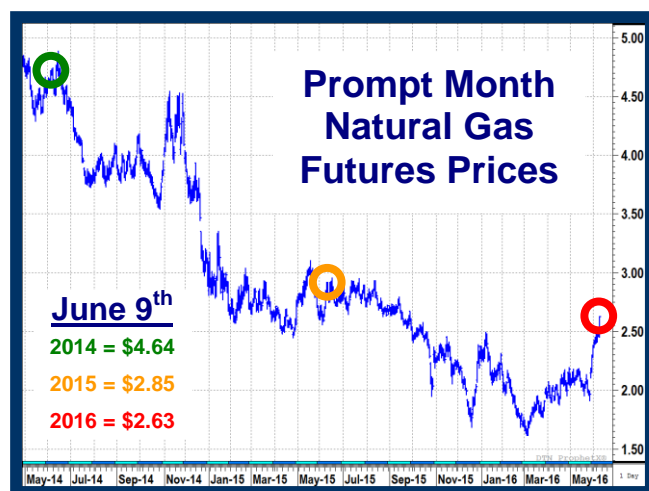
## Natural Gas Market Report for June 9, 2016

### EIA Storage Data

Week Ending 6-9-16	EIA Last Year	EIA 5 Year Avg.	Average Weekly Injection to Reach 4,000	Injection Weeks Remaining
65	117	96	49	21
EIA Level	EIA Level Last Year	EIA 5-Year Avg. Level	EIA Prior Week	Comparison to 5 Year Avg.
2972	2312	2250	82	722

Today, the EIA reported a modest injection of 65 Bcf for the week ending June 3<sup>rd</sup>. Inventory levels remain well above average but this week's inventory build was weak compared to last year and the five-year average. NYMEX natural gas futures prices jumped higher on the news. The July contract reached \$2.63, up \$0.16 for the day and up \$0.23 since last week.

### Natural Gas Futures Prices



Natural gas prices have jumped up dramatically the last nine trading sessions – \$0.70 or 37%. Prices reached their highest point today since September of 2015. This chart shows prompt month prices (the month expiring next) for the past two years. Prices are still favorable historically but 2016 prices are now approaching 2015 levels. After a winter with declining prices, the market has surged on above normal temperatures and predictions of a record demand for natural gas for electricity generation this summer. The market remains volatile and price swings in both directions are probable in an expanding trading range. Price increases to the \$3.00 range could spark an increase in production.

### Technical Market Indicators

Technical market indicators are bullish. Support for the July natural gas futures contract is at \$1.91. Resistance is at \$2.63.

## Weather

Weather forecasts call for above normal temperatures for most of the US for the next six to ten days.

## Of Note

The July NYMEX natural gas futures contract expires Tuesday, June 28<sup>th</sup>.

The 12-month strip price (July '16 – June '17) is \$2.98, up \$0.16 from last week.

July crude oil futures reached \$51.67 barrel today.

## Natural Gas Futures Prices

Natural Gas Futures Prices		
Month	Last	Change
Jul-16	\$2.60	\$0.13
Aug-16	\$2.67	\$0.13
Sep-16	\$2.70	\$0.11
Oct-16	\$2.77	\$0.10
Nov-16	\$2.95	\$0.09
Dec-16	\$3.21	\$0.09
Jan-17	\$3.33	\$0.09
Feb-17	\$3.32	\$0.08
Mar-17	\$3.27	\$0.08
Apr-17	\$2.99	\$0.04
May-17	\$2.96	\$0.02
Jun-17	\$2.99	\$0.02
	<b>\$2.98</b>	

At the left are NYMEX natural gas futures contract prices for the next 12 months showing the most recent prices and the changes since yesterday as well as the average, which is the price of the current 12-month strip.

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