

Natural Gas Market Report

April 27, 2017

Week Ending 4-21-2017	EIA Last Year	EIA 5-Year Avg.	Average Weekly Injection to Reach 4000 Bcf	Injection Weeks Remaining
74	64	57	65	28
EIA Level	EIA Level Last Year	EIA 5-Year Avg. Level	EIA Prior Week	Comparison to 5 Year Avg.
2189	2547	1890	54	299

The May NYMEX Natural Gas futures contract expired yesterday and settled at \$3.142/dth. This settlement price is higher by \$1.147/dth than last May when the settlement price was \$1.995/dth. The average settlement price for May over the last 5 years is \$3.32/dth, with the highest price being in 2014 at \$4.795/dth. The average NYMEX settlement price for the first five months of 2017 is \$3.262/dth as compared with the average price for the same period in 2016 at \$2.034/dth, up \$1.228/dth. However, the average settlement price for the first five months of 2014 was \$4.839/dth.

NYMEX NG Price Summary Data as of 4-26-2017		
Term	Price Per MMBtu	Change
May 17	3.142	0.099
Jun 17	3.271	0.106
Jul 17	3.350	0.100
Aug 17	3.381	0.099
Sep 17	3.369	0.095
Oct 17	3.385	0.091
Nov 17	3.440	0.085
Dec 17	3.568	0.080
Jan 18	3.637	0.077
Feb 18	3.606	0.073
Mar 18	3.523	0.068
Apr 18	2.987	0.028

(Sources: EIA, CME Group, Baker Hughes)

The prompt month of June opened this morning at \$3.228/dth ahead of the release of the EIA storage report. The anticipated injection volume was between 65 – 75 Bcf. The actual injection reported by the EIA today was 74 Bcf. The prior year was an injection of 64 Bcf and the 5-year average is an injection of 57 Bcf. The current inventory balance is 2.189 Tcf which is 358 Bcf below the prior year and 299 Bcf above the 5-year average. Natural gas storage levels are 15% lower than last year but ahead of the 5-year average by 15%.

Each of the NYMEX monthly futures contracts from June 2017 through July 2019 are up, although only slightly. The 12- month, 24-month and 36-month NYMEX strip prices are also up today. The technical outlook shows a range of between \$2.90 - \$3.00/dth for support and a resistance range between \$3.15 - \$3.25/dth.

Natural gas production declined again last week for the 4th time in the last five weeks to 69.9 Bcf/day. Exports to Mexico fell to its lowest level since June 2015 (2.9 Bcf/day) due to delivery constraints as a result of maintenance work on the NET Mexico Pipeline.

The weather forecast for the upcoming two weeks shows cooler than normal temperatures throughout the eastern two-thirds of the country, and higher than normal temperatures along the western coast line from Washington to California moving to the east.