

## Natural Gas Market Report

June 15, 2017

Week Ending 6-9-2017	EIA Last Year	EIA 5-Year Avg.	Average Weekly Injection to Reach 4000 Bcf	Injection Weeks Remaining
78	68	87	61	21
EIA Level	EIA Level Last Year	EIA 5-Year Avg. Level	EIA Prior Week	Comparison to 5 Year Avg.
2709	3031	2481	106	228

The NYMEX prompt month of July traded down again this week and settled at \$2.966 per dth on Tuesday. On Wednesday morning, prices were \$3.037 per dth and this morning, prior to the release by the EIA of the storage report, the July NYMEX was trading at \$2.94 per dth. Early estimates of the injection volume are in the mid 80's which compares to the five-year average of 87 Bcf. Last year the EIA reported an injection of 68 Bcf. The actual volume reported by the EIA is 78 Bcf. This brings current inventory to 2.709 Tcf which is 322 Bcf below the prior year and 228 Bcf above the 5-year average.

Weather forecasts call for warmer than normal temperatures throughout the country, excluding the upper mid-west, for both the short term and longer term (8–14 days). The technical support this morning ranges between \$2.82 per dth and \$2.94 per dth and resistance is between \$3.10 per dth and \$3.22 per dth.

NYMEX NG Price Summary Data as of 6-14-2017		
Term	Price Per MMBtu	Change
Jul 17	2.933	0.033
Aug 17	2.953	0.036
Sep 17	2.937	0.035
Oct 17	2.962	0.038
Nov 17	3.037	0.035
Dec 17	3.175	0.035
Jan 18	3.263	0.033
Feb 18	3.249	0.034
Mar 18	3.196	0.036
Apr 18	2.856	0.026
May 18	2.827	0.024
Jun 18	2.857	0.024

(Sources: EIA, CME Group, Gas Daily)

Natural Gas News: Baker Hughes reported the current U.S. natural gas rig count increased by 3 to 185 as compared to only 85 at this time last year. Natural gas production reached a year-to-date high of 71.9 Bcf last week. The EIA predicts natural gas production will average 73.3 Bcf in 2017. The power sector natural gas demand increased by over 10% last week to an average of 26.5 Bcf per day due to the warmer than normal temperatures. Total U.S. natural gas demand increased to 66.1 Bcf per day, up 1.5% over the prior week. The U.S. maintained its spot as the world's largest producer of both natural gas and petroleum for the fifth straight year. The U.S. has been the world's largest natural gas producer since 2009 and the largest petroleum producer since 2013. As a result of the increased production of both petroleum and natural gas, exports have increased. The EIA predicts that by 2020 the U.S. will have the world's third largest LNG export capacity at about 10 Bcf per day, which is equal to about 14% of total natural gas production volumes.

Crude Oil News: WTI oil prices fell over 5% last week to reach a low for the month of \$44.40 per bbl. The EIA forecasts that U.S. crude oil production will average 10M bbl per day in 2018 which exceeds the production level of 9.6M bbl per day set in 1970. Crude oil production to date in 2017 has averaged 9.1M bbl per day.