

## Natural Gas Market Report

June 29, 2017

Week Ending 6-23-2017	EIA Last Year	EIA 5-Year Avg.	Average Weekly Injection to Reach 4000 Bcf	Injection Weeks Remaining
46	41	72	57	19
EIA Level	EIA Level Last Year	EIA 5-Year Avg. Level	EIA Prior Week	Comparison to 5 Year Avg.
2816	3135	2635	61	181

On Monday of this week the NYMEX natural gas futures price for July closed above \$3.00 per dth for the first time in over a week at \$3.027 per dth. On the previous Friday, June 23, the July NYMEX price closed at \$2.929 per dth. Yesterday, the final settlement for the July NYMEX natural gas futures price was \$3.067 per dth. Last year the July NYMEX settlement price was \$2.917 per dth and the average July settlement price over the previous 4 years is \$3.449 per dth. This morning, prior to the release of the EIA storage report, the August NYMEX is trading at \$3.094 per dth, and has an upward trajectory with expectations of \$3.22 - \$3.29 per dth in the coming weeks. The slight increase in prices this week can be attributed to revised weather forecasts which call for warmer than normal weather during the next 10 – 14 days.

NYMEX NG Price Summary Data as of 6-28-2017		
Term	Price Per MMBtu	Change
Jul 17	3.070	0.033
Aug 17	3.094	0.030
Sep 17	3.087	0.028
Oct 17	3.115	0.027
Nov 17	3.175	0.025
Dec 17	3.323	0.026
Jan 18	3.410	0.025
Feb 18	3.388	0.023
Mar 18	3.314	0.021
Apr 18	2.876	0.001
May 18	2.834	0.001
Jun 18	2.859	0.002

(Sources: EIA, CME Group, Gas Daily)

Higher than normal temperatures throughout the country this last week plus the lost production as a result of Tropical Storm Cindy will likely impact the storage injection reported last week. It was anticipated that the injection reported by the EIA would be in the range of 45 – 55 Bcf. Last year the injection was 41 Bcf and the five-year average injection is 72 Bcf. The actual storage volume reported by the EIA this morning was 46 which brings current inventory to 2.816 Tcf. This is 319 Bcf below the prior year and 181 Bcf above the 5-year average.

Natural gas production declined last week again by 0.3 Bcf per day to an average of 71.3 Bcf per day. The power sector demand rose again this week by 1.3 Bcf per day to 30.7 Bcf per day as temperatures were warmer than normal for much of the country. The rig count declined by 3 to 183 as compared to 90 working rigs this time last year. Crude oil prices remain below \$44.00 per barrel; however, there were 11 more oil rigs added last week to bring the total to 758. The working oil rig count has increased for 23 consecutive weeks and is up by 428 rigs from this time last week. Crude oil production for the lower 48 is currently at 8.9 million barrels per day.

The weather outlook is for warmer than normal temperatures throughout the country with extreme heat in the central region of the county for the next two weeks.

The technical outlook shows resistance levels between \$3.11 and \$3.21 per dth and support levels between \$2.83 and \$2.90 per dth.