

## Natural Gas Market Report

September 21, 2017

Week Ending 9-15-2017	EIA Last Year	EIA 5-Year Avg.	Average Weekly Injection to Reach 4000 Bcf	Injection Weeks Remaining
97	54	73	85	7
EIA Level	EIA Level Last Year	EIA 5-Year Avg. Level	EIA Prior Week	Comparison to 5 Year Avg.
3408	3544	3341	91	67

The October NYMEX natural gas futures price fell last Friday after significant gains earlier in the week before again rebounding this week when prices opened on Monday at \$3.114 per dth; Tuesday at \$3.146 per dth; and Wednesday at \$3.122 per dth. This morning the market is declining again with prices near \$3.08 per dth. The strength of the market has been a response to the updated weather forecasts that call for warmer than normal temperatures through much of the country. With this price move up, the resistance is now at \$3.25 per dth and support at \$2.98 per dth. Tuesday's price of \$3.146 per dth is the highest level since May 26<sup>th</sup> when the front month price settled at \$3.236 per dth. The NYMEX natural gas contract for the prompt month of October will settle on Wednesday, September 27.

NYMEX NG Price Summary Data as of 9-20-2017		
Term	Price Per MMBtu	Change
Oct 17	3.094	0.028
Nov 17	3.149	0.026
Dec 17	3.291	0.028
Jan 18	3.392	0.027
Feb 18	3.395	0.024
Mar 18	3.351	0.019
Apr 18	2.986	0.000
May 18	2.948	0.001
Jun 18	2.971	0.001
Jul 18	2.994	0.001
Aug 18	2.996	0.000
Sep 18	2.975	0.000

(Sources: EIA, CME Group, Baker Hughes)

Early estimates call for an injection this week between 80 and 90 Bcf which would compare to last year's injection of 54 Bcf and a five-year average injection of 73 Bcf. The actual injection reported by the EIA this morning was 97 Bcf which brings the total inventory to 3.408 Tcf. This is 136 Bcf below last year's level and 67 Bcf above the 5-year average inventory. The inventory is still capable of an end-of-season level of almost 3.8 Tcf that would imply average weekly injections of between 65 and 70 Bcf per week for the balance of the injection season. Weekly average US natural gas production hit a year-to-date high of 73.9 Bcf per day and deliveries to Sabine Pass LNG export terminal hit a single-day high last week of 2.8 Bcf per day.

Hurricanes Harvey and Irma have resulted in massive declines in demand for electrical power in recent weeks. Florida's electrical generation is 66% fueled by natural gas and an estimated 6 million people were without power in Florida at one point in time. It is interesting to note, and some of you will recall, that as recently as 2001 25% of the country's natural gas supply was produced in the Gulf of Mexico, compared to only 4% today.

The natural gas rig count, as reported by Baker Hughes, stands at 186, which is a decrease by 1 from the previous report and compares to 89 working rigs this time last year.