

Natural Gas Market Report

September 29, 2017

Week Ending 9-22-2017	EIA Last Year	EIA 5-Year Avg.	Average Weekly Injection to Reach 4000 Bcf	Injection Weeks Remaining
58	49	84	89	6
EIA Level	EIA Level Last Year	EIA 5-Year Avg. Level	EIA Prior Week	Comparison to 5 Year Avg.
3466	3593	3425	97	41

On its last day of trading at the prompt month position, the October NYMEX natural gas contract settled at \$2.974 per dth. This settlement price was \$0.013 higher than last month's settlement price and \$0.022 higher than last year's settlement. The average October settlement price for the last 5 years is \$3.194 per dth which is \$0.22 per dth higher than the October settlement price for October 2017. The monthly year-to-date average NYMEX settlement price for 2017 is \$3.15 per dth as compared to last year's year-to-date average of \$2.35 per dth, an increase of nearly 80 cents per dth. The November NYMEX natural gas contract, which is now the prompt month, is trading at \$3.043 early Friday morning. It is interesting to note that on September 27th, all the NYMEX natural gas strip prices were up, both monthly and the 12-month; 24-month; and 36-month strips as compared to September 28th when all of those same prices were down.

NYMEX NG Price Summary Data as of 9-27-2017		
Term	Price Per MMBtu	Change
Oct 17	2.974	0.056
Nov 17	3.061	0.061
Dec 17	3.218	0.059
Jan 18	3.329	0.058
Feb 18	3.334	0.055
Mar 18	3.287	0.051
Apr 18	2.956	0.026
May 18	2.921	0.021
Jun 18	2.946	0.020
Jul 18	2.971	0.020
Aug 18	2.973	0.020
Sep 18	2.952	0.020

(Sources: EIA, CME Group, Baker Hughes)

The EIA reported an injection of 58 Bcf which brings the inventory level to 3.466 Tcf. This compares to last year's injection of 49 Bcf and the five-year average of 84 Bcf. The overall inventory level is 127 Bcf below last year and 41 Bcf above the five-year average.

Looking ahead to this shoulder period it is expected, as usual, that the pricing will move sideways with significant swings in both directions and most likely end up near the current price in 3 – 4 weeks from now. The expectation is that the possible low will be around \$2.89 and the high around \$3.21 per dth. Currently support is at \$3.00 and resistance is at \$3.16 per dth.

The immediate (6 – 10 day) and the extended (8 – 14 day) weather outlook calls for warmer than normal temperatures through the eastern two-thirds of the country with extremely high temperatures, for the season, in the upper mid-west and northern New England. The northwest quadrant of the country is predicted to have cooler than normal temperatures through this same time frame.