

# NATURAL GAS



NEWS

AUGUST 2, 2017

## Prior Day's NYMEX Sep-17 Contract (CT)



## NYMEX NG Futures

Month	Close	Change
Sep-17	2.819	0.025
Oct-17	2.855	0.021
Nov-17	2.936	0.016
Dec-17	3.093	0.014
Jan-18	3.182	0.009
Feb-18	3.171	0.007
Mar-18	3.127	0.008
Apr-18	2.806	0.011
May-18	2.780	0.011
Jun-18	2.804	0.009
Jul-18	2.828	0.007
Aug-18	2.833	0.007
Sep-18	2.814	0.008
Oct-18	2.836	0.010
Nov-18	2.887	0.011
Dec-18	3.019	0.010
Jan-19	3.106	0.010
Feb-19	3.084	0.010
Mar-19	3.022	0.011
Apr-19	2.680	0.011
May-19	2.646	0.010
Jun-19	2.666	0.010
Jul-19	2.690	0.009
Aug-19	2.702	0.008
1YR Strip	2.936	0.012
2017	2.926	0.019
5YR Strip	2.827	0.013

## IN THE NEWS

It's going to be a good winter for natural gas and the companies that drill for it, Morgan Stanley says — CNBC reports: Natural gas -focused drillers stand to benefit as low prices appear poised to drive up demand for the commodity, according to Morgan Stanley. Prices for future delivery of natural gas have fallen below \$3

- **It's going to be a good winter for natural gas and the companies that drill for it, Morgan Stanley says**
- **U.S. natural gas slides to 5-month low amid bearish weather outlook**

per million British thermal units. That sets up a more attractive backdrop for natural gas producers as low prices give power plants a reason to burn natural gas rather than coal. The bank believes investing in drillers with low cost structures and excellent balance sheets like Cabot Oil and Gas is the best way to play the more attractive risk-reward outlook this winter. It recently upgraded Cabot to overweight. Morgan Stanley expects some plants to switch over to natural gas in the August to October period, creating additional demand for about a half billion cubic feet per day of gas. For visit [cnbc.com](http://cnb.cx/2uhoiss) or click <http://cnb.cx/2uhoiss>

U.S. natural gas slides to 5-month low amid bearish weather outlook – Investing.com reports: U.S. natural gas futures extended its sharp losses from the prior session on Tuesday to hit a five-month low as updated weather forecasts predicted that below normal temperatures across the U.S. could persist through the first half of August. U.S. natural gas for September delivery was at \$2.766 per million British thermal units by 9:40AM ET (1340GMT), down 2.8 cents, or around 1%. It fell to its lowest since March 2 \$2.768 earlier in the session. A weather system with cooling will linger over the East with showers and thunderstorms through August 5, resulting in comfortable temperatures. A fresh weather system will arrive over the central, southern, and eastern U.S. the following week, resulting in light demand. For visit [investing.com](http://bit.ly/2ugWHru) or click <http://bit.ly/2ugWHru>

## 12 MONTH CANDLESTICK (WEEKLY)



## Prompt Natural Gas (NG) Daily Sentiment

**BEARISH**



RESISTANCE  
2.85 & 2.88

SUPPORT  
2.78 & 2.73

## Trading Summary

### NATURAL GAS

Futures	Close	Change
NG	2.819	0.025
Volume	218,043	(937)
Open Int.	1,053,330	5,123

### CRUDE AND GASOLINE

Futures	Close	Change
Crude	49.16	(1.01)
RBOB	1.6613	(0.0153)
Crude/NG	17.44	(0.52)

### METALS

Futures	Close	Change
Gold	1,272.60	(5.90)

### EQUITIES

Exchange	Close	Change
DOW	21,963.92	72.80
S&P 500	2,294.62	(175.68)

### CURRENCY

Currency	Close	Change
EUR/USD	1.1832	(0.0029)
USD/CND	1.2548	0.0009

## Contact Us



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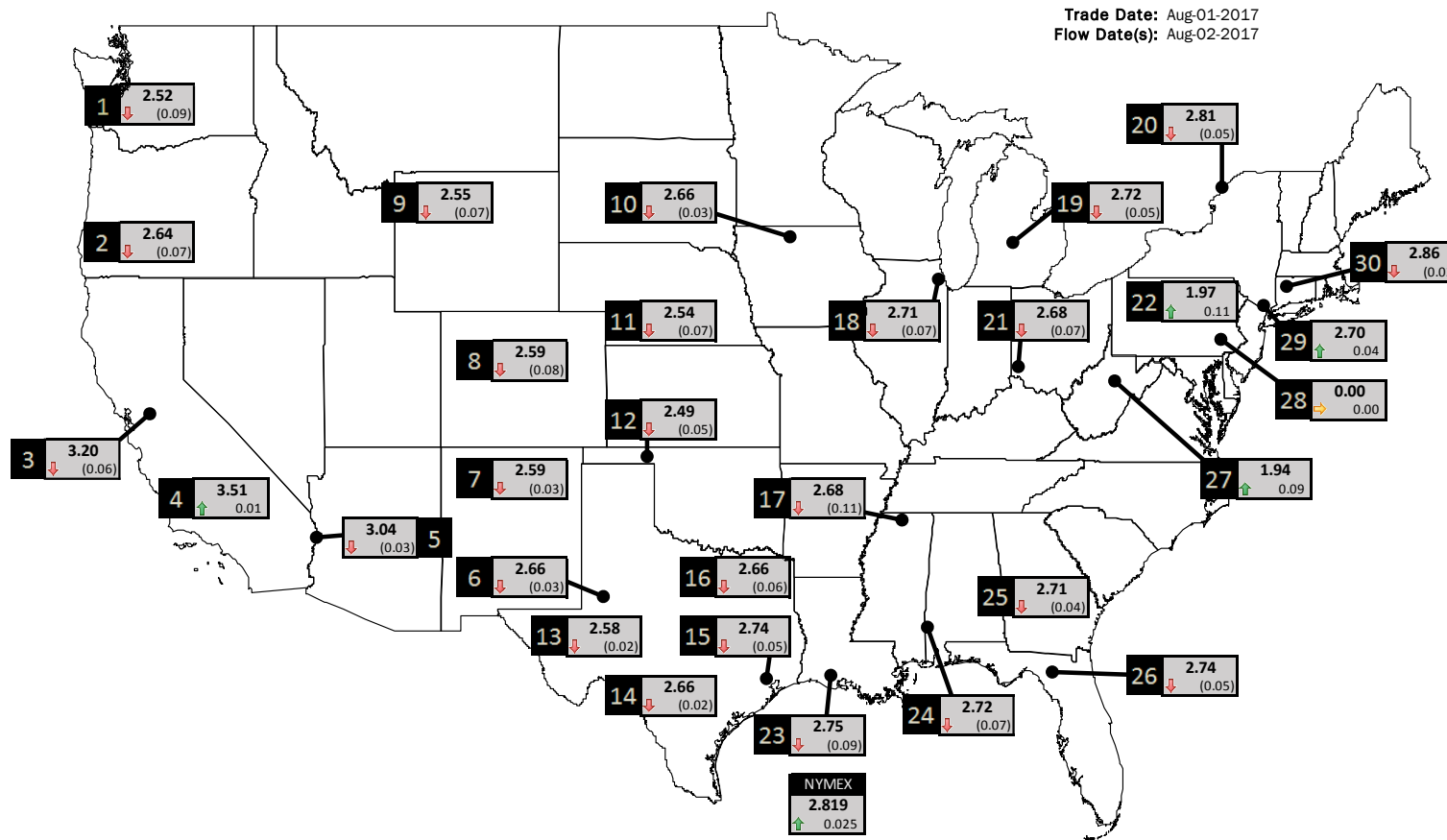
[www.mansfield.energy](http://www.mansfield.energy)  
[info@mansfieldoil.com](mailto:info@mansfieldoil.com)

Phone: (800) 695-6626



# NATURAL GAS NEWS

## PHYSICAL SPOT NATURAL GAS PRICE MAP



ID	DAILY INDEX	PRICE	CHANGE
1	Stanfield	2.52	(0.09)
2	Malin	2.64	(0.07)
3	PG&E - Citygate	3.20	(0.06)
4	SoCal-Citygate	3.51	0.01
5	SoCal Border	3.04	(0.03)
6	Waha	2.66	(0.03)
7	EP-SJ Blanco Pool	2.59	(0.03)
8	Opal Plant Tailgate	2.59	(0.08)
9	NWP-Wyoming	2.55	(0.07)
10	Ventura	2.66	(0.03)

ID	DAILY INDEX	PRICE	CHANGE
11	NGPL-Midcont Pool	2.54	(0.07)
12	Panhandle	2.49	(0.05)
13	EP-Permian	2.58	(0.02)
14	TGP-ZO	2.66	(0.02)
15	Houston Ship Channel	2.74	(0.05)
16	NGPL-TXOK	2.66	(0.06)
17	TETCO-M1 30	2.68	(0.11)
18	Chicago Citygates	2.71	(0.07)
19	Michcon	2.72	(0.05)
20	Iroquois (into)	2.81	(0.05)

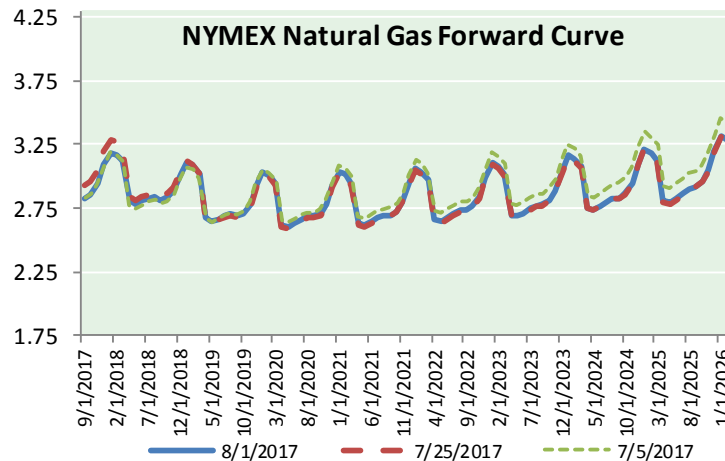
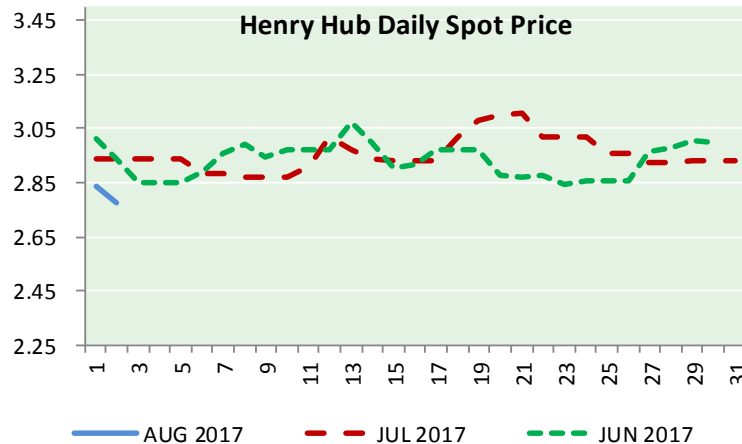
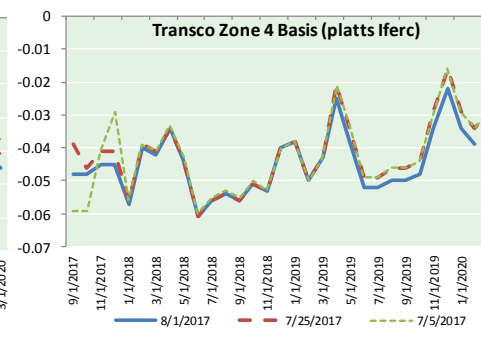
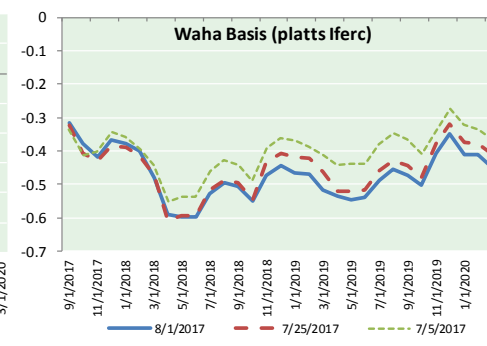
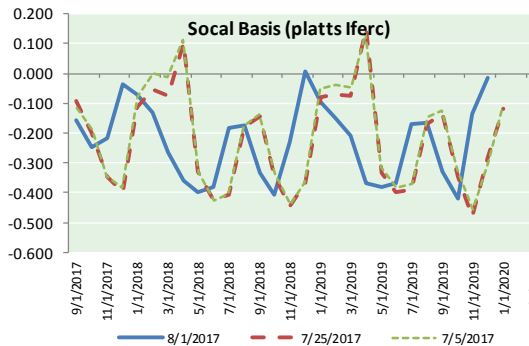
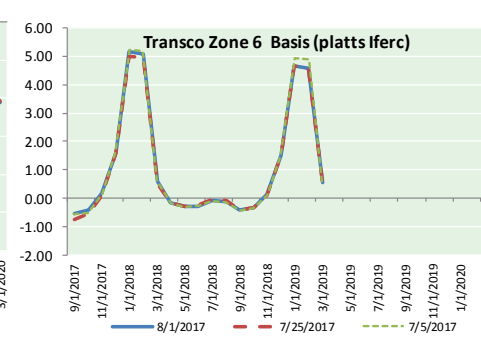
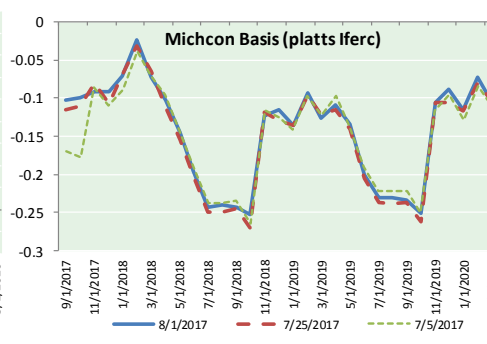
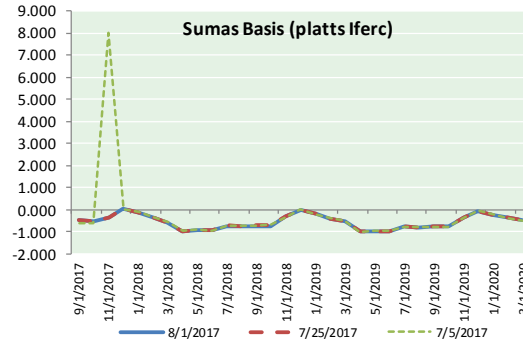
ID	DAILY INDEX	PRICE	CHANGE
21	REX E-ANR	2.68	(0.07)
22	Leidy-Transco	1.97	0.11
23	Henry	2.75	(0.09)
24	Transco-85	2.72	(0.07)
25	Sonat-ZO South	2.71	(0.04)
26	FGT-Z3	2.74	(0.05)
27	Dominion-South	1.94	0.09
28	Transco-Z6 (non-NY)	0.00	0.00
29	Transco-Z6 (NY)	2.70	0.04
30	Iroquois-Z2	2.86	(0.02)

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NATURAL GAS BASIS FUTURES, HENRY HUB SPOT PRICES, AND FORWARD CURVE



CME NG Option Prices

ATM Call

Month	Strike	Close	Imp Vol
Sep-17	2.800	0.109	37.5
Oct-17	2.850	0.139	33.7
Nov-17	2.900	0.197	33.7
Dec-17		2.800	0.1
Jan-18		2.800	0.1
Feb-18			
Mar-18			
Apr-18			
May-18			
Jun-18			
Jul-18			
Aug-18			
Sep-18			
Oct-18			
Nov-18			
Dec-18			
Jan-19			

CME NG Option Prices

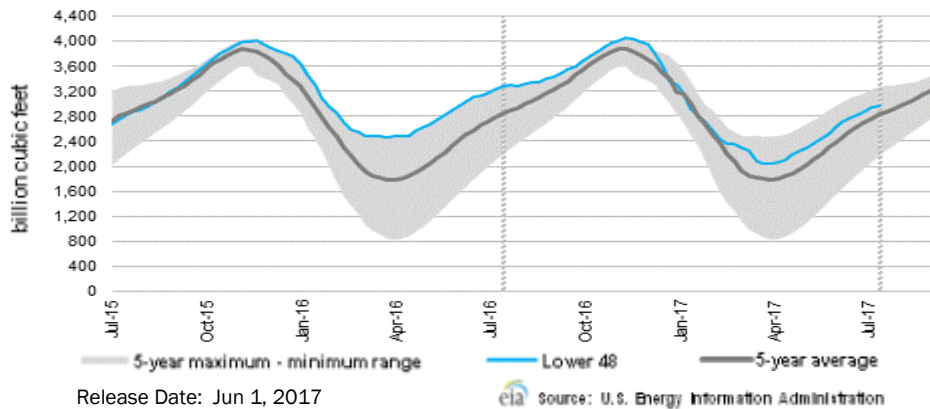
ATM Put

Month	Strike	Close	Imp Vol
Sep-17	2.800	0.083	26.2
Oct-17	2.850	0.135	28.1
Nov-17	2.900	0.157	29.0
Dec-17			
Jan-18			
Feb-18			
Mar-18			
Apr-18			
May-18			
Jun-18			
Jul-18			
Aug-18			
Sep-18			
Oct-18			
Nov-18			
Dec-18			
Jan-19			



# NATURAL GAS NEWS

## WEEKLY GAS IN UNDERGROUND STORAGE WITH 5-YR RANGE



## Rig Count

Report Date: July 28, 2017

	Total	Change
US -	958	+8
CN -	220	+14

**EIA Weekly NG Storage Actual and Surveys for July 21, 2017**  
Released July 26, 2017

PIRA — +21  
ARM— +25  
Reuters — +25

**EIA ACTUAL — +24**

## Total Working Gas In Storage

**2,973 BCF**

+28 BCF (LAST WEEK)  
(299) BCF (LAST YEAR)  
+141 BCF (5-YR AVG)

## U.S. Natural Gas Supply Gas Week 7/13 - 7/19

**Average daily values (BCF/d):**  
Last Year (BCF/d)  
Dry Production — +71.2  
Total Supply — +77.8  
Last Week (BCF/d)  
Dry Production — +71.7  
Total Supply — +77.9

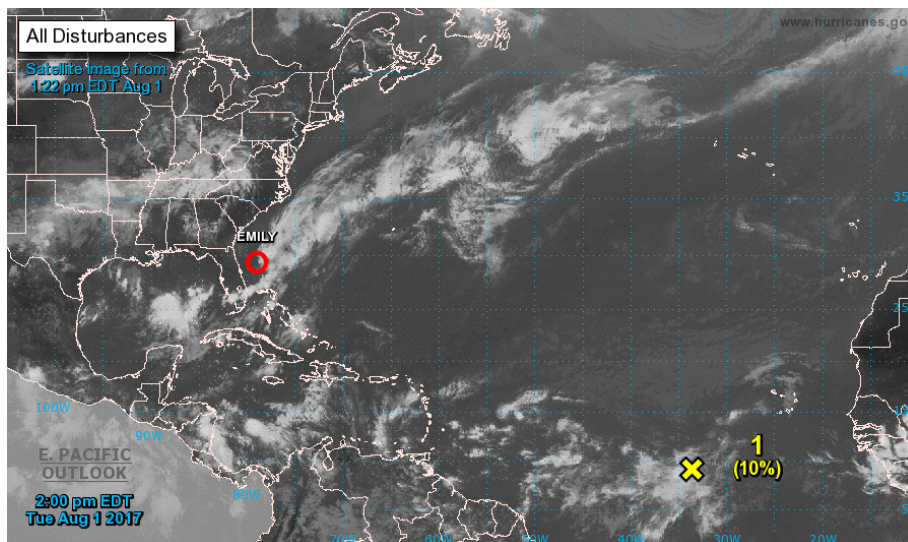
[NEXT REPORT ON AUG 3]

## U.S. Natural Gas Demand Gas Week 7/13 - 7/19

**Average daily values (BCF/d):**  
Last Year (BCF/d)  
Power — +36.8  
Total Demand — +74.1  
Last Week (BCF/d)  
Power — +35.1  
Total Demand — +73.7

[NEXT REPORT ON AUG 3]

## TROPICAL STORM ACTIVITY— ATLANTIC



For the North Atlantic...Caribbean Sea and the Gulf of Mexico:

The National Hurricane Center is issuing advisories on Tropical Depression Emily, located over the Atlantic Ocean well to the east Florida.

1. A tropical wave accompanied by a low pressure system is producing a large area of cloudiness and disorganized shower activity several hundred miles southwest of the Cabo Verde Islands. Some slow development is possible during the next few days while the disturbance moves westward at 10 to 15 mph. However, upper-level winds are expected to become less conducive for development by the weekend.

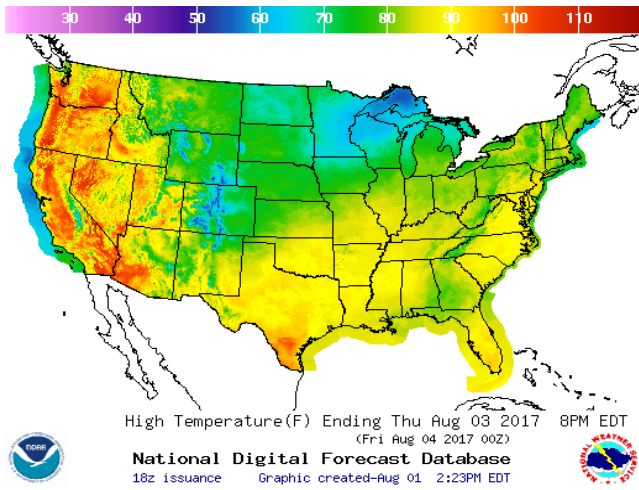
\* Formation chance through 48 hours...low...10 percent.  
\* Formation chance through 5 days...low...20 percent.

Forecaster Stewart

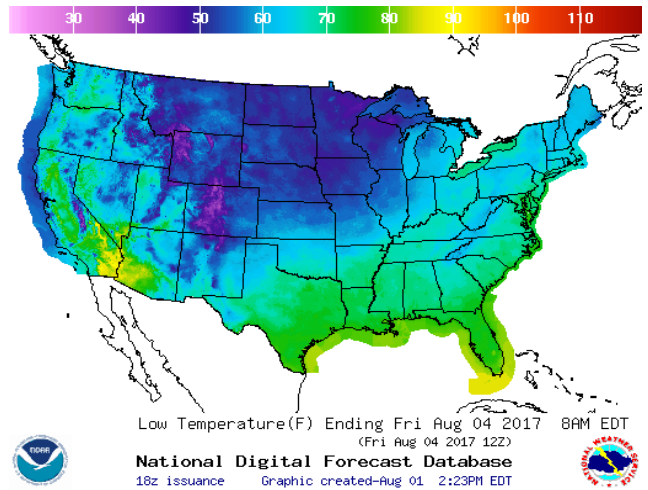


WEATHER – HIGH / LOW TEMPERATURE TOMORROW

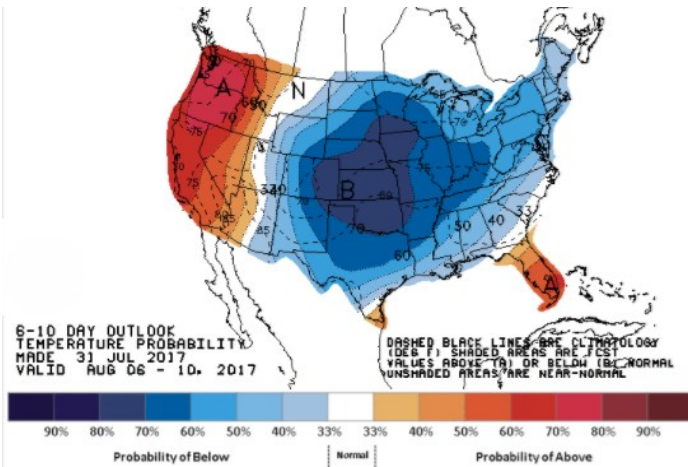
HIGH Temperature



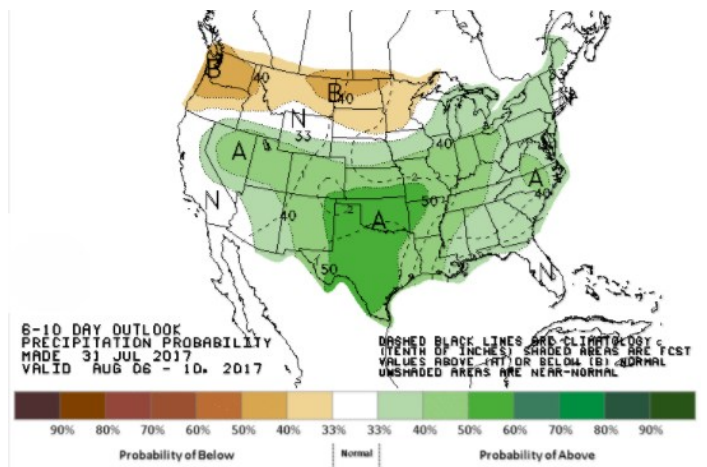
LOW Temperature



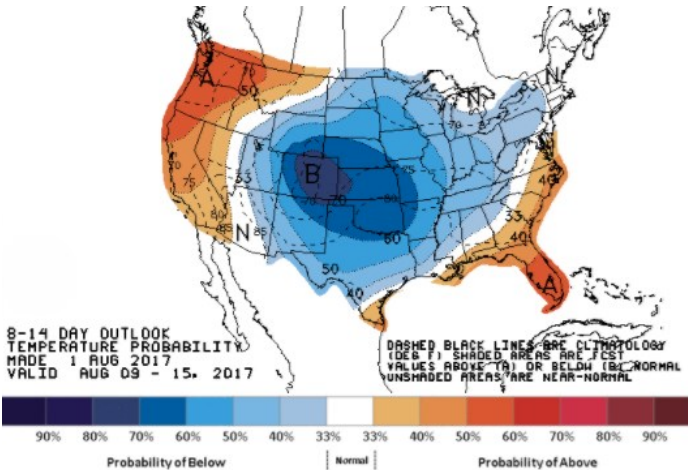
WEATHER – 6 TO 10 DAY OUTLOOK – NOAA  
Temperature



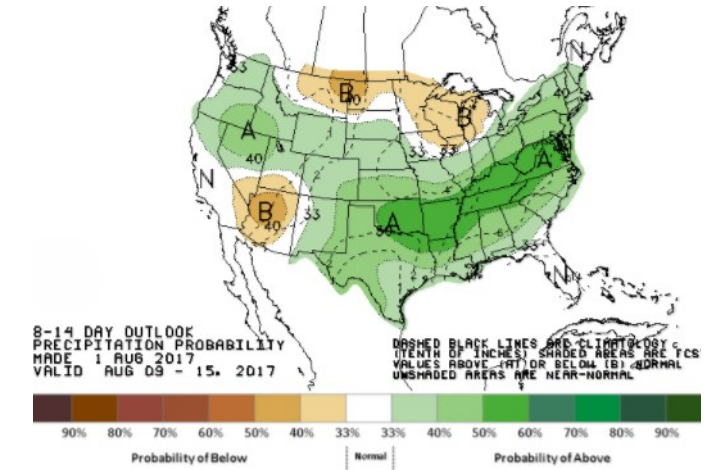
Precipitation



WEATHER – 8 TO 14 DAY OUTLOOK – NOAA  
Temperature



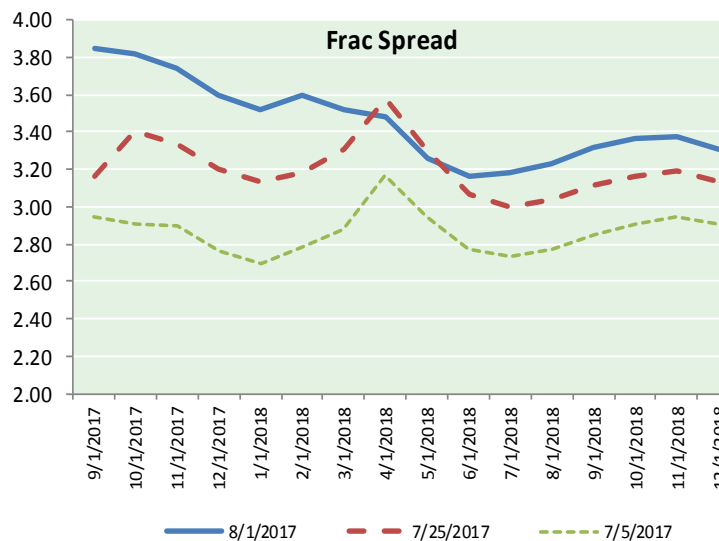
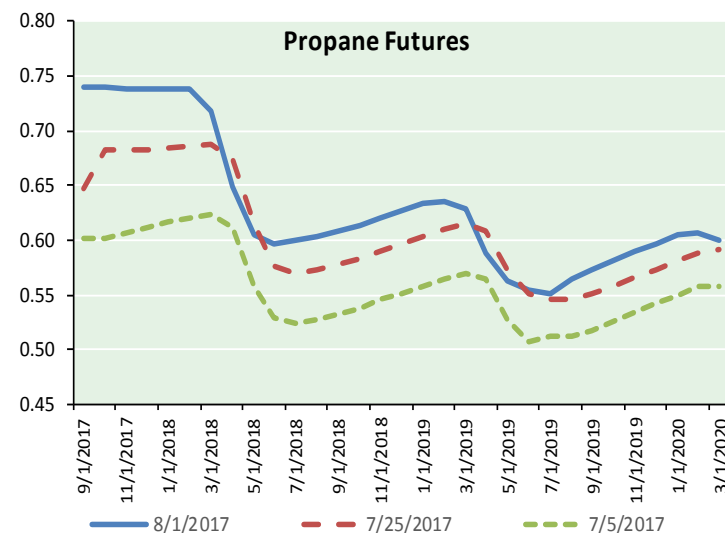
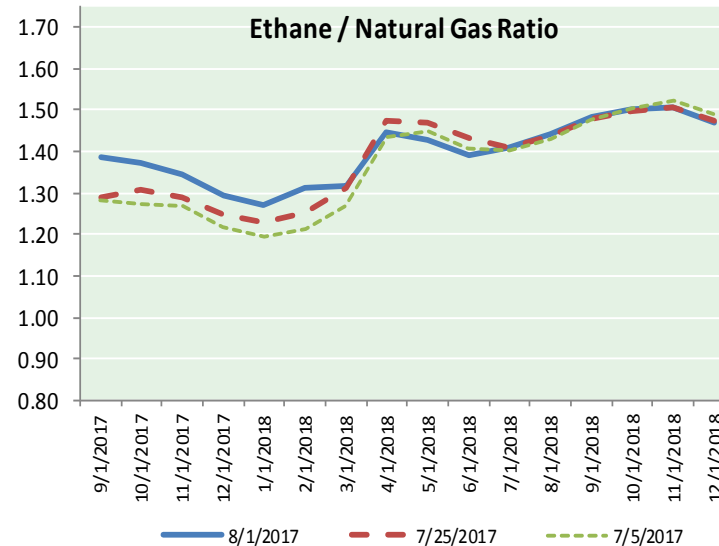
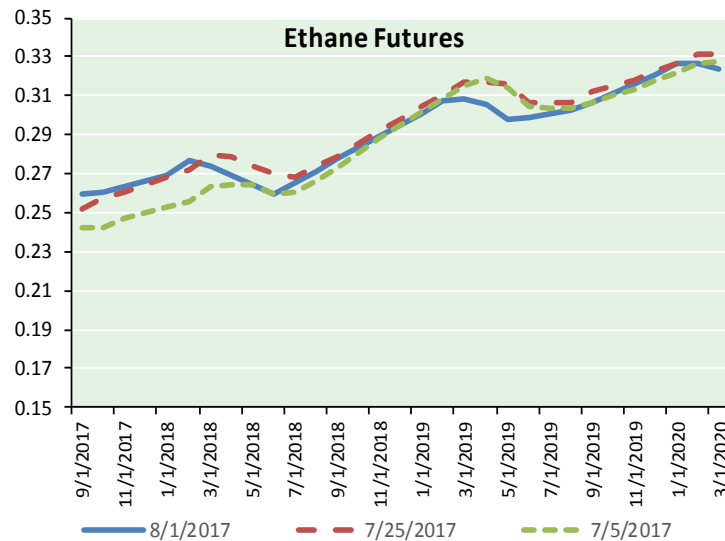
Precipitation



# NATURAL GAS NEWS



## ETHANE FUTURES, NG/ETHANE RATIO, PROPANE FUTURES, AND THE FRAC SPREAD



### CME Future Prices

#### Ethane (C2)

##### Non-LDH— Mont Belvieu

Month	Close	Change
Sep-17	0.260	0.008
Oct-17	0.261	0.004
Nov-17	0.263	0.005
Dec-17	0.266	0.005
Jan-18	0.269	0.006
Feb-18	0.277	0.010
Mar-18	0.274	0.001
Apr-18	0.270	(0.001)
May-18	0.264	(0.002)
Jun-18	0.259	(0.001)
Jul-18	0.265	0.009
Aug-18	0.271	0.007

1YR Strip 0.267 0.004

### CME Future Prices

#### Propane (C3)

##### Non-LDH— Mont Belvieu

Month	Close	Change
Sep-17	0.739	0.085
Oct-17	0.739	0.006
Nov-17	0.739	0.005
Dec-17	0.739	0.005
Jan-18	0.739	0.005
Feb-18	0.739	0.005
Mar-18	0.719	(0.016)
Apr-18	0.649	(0.066)
May-18	0.606	(0.044)
Jun-18	0.597	(0.010)
Jul-18	0.600	0.001
Aug-18	0.604	0.005

1YR Strip 0.684 (0.002)

# NATURAL GAS NEWS



## Prompt WTI (CL) Crude Daily Sentiment

**BULLISH**



RESISTANCE

50.27 & 51.38

SUPPORT

48.21 & 47.26

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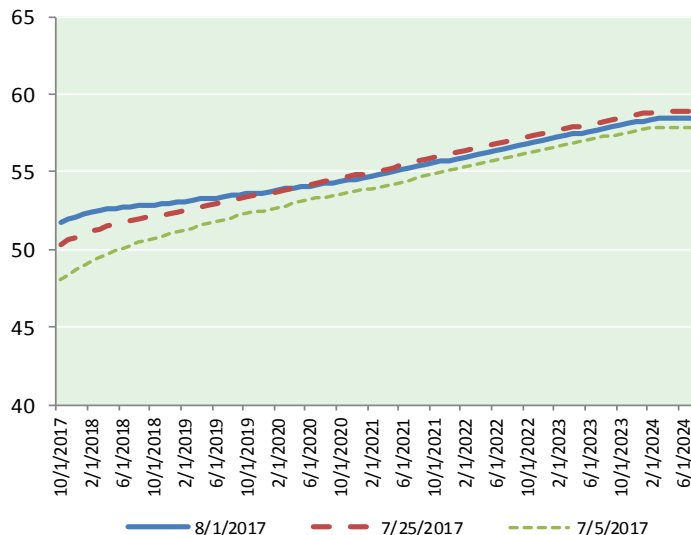
@MPG\_NatGasNews

## NYMEX Brent (BZ)

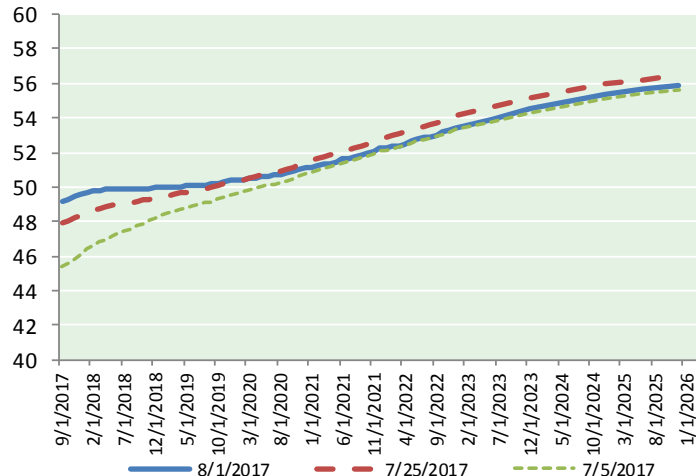
### Futures

Month	Close	Change
Oct-17	51.78	(0.94)
Nov-17	51.94	(0.93)
Dec-17	52.11	(0.91)
Jan-18	52.25	(0.87)
Feb-18	52.39	(0.84)
Mar-18	52.51	(0.79)
Apr-18	52.59	(0.75)
May-18	52.65	(0.73)
Jun-18	52.69	(0.72)
Jul-18	52.76	(0.71)
Aug-18	52.82	(0.70)
Sep-18	52.86	(0.67)
Oct-18	52.90	(0.66)
Nov-18	52.94	(0.65)
Dec-18	52.99	(0.64)
Jan-19	53.05	(0.63)
Feb-19	53.12	(0.63)
Mar-19	53.18	(0.63)
Apr-19	53.27	(0.63)
May-19	53.32	(0.62)
Jun-19	53.34	(0.62)
Jul-19	53.42	(0.62)
Aug-19	53.48	(0.63)
Sep-19	53.54	(0.64)
1YR Strip	52.45	(0.80)
2017	51.94	(0.93)
5YR Strip	54.17	(0.69)

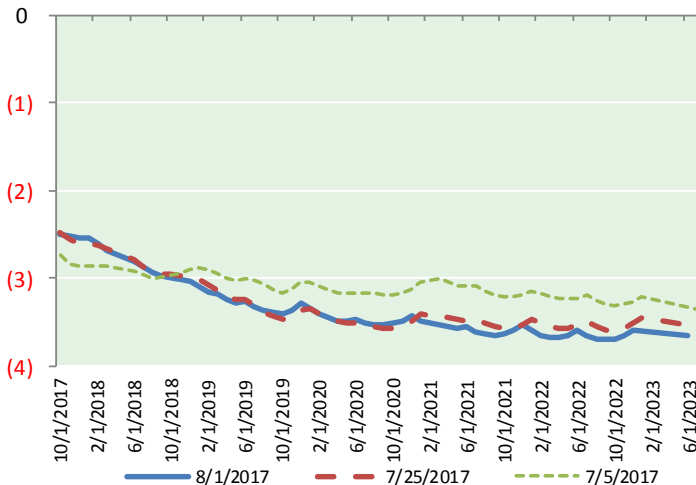
## BRENT CRUDE FORWARD CURVE



## WTI CRUDE FORWARD CURVE



## WTI-BRENT SPREAD



## FRAC Spread

### Specifications

Ethane : 42%	66,500 btu/g
Propane: 28%	90,830 btu/g
Butane: 11%	102,916 btu/g
Iso-Butane: 6%	98,935 btu/g
Natural Gasoline: 13%	115,021 btu/g

## Prompt NGL Futures

(\$/gallon)

	Sep-17	Close	Change
Butane	0.885	0.085	
Iso-Butane	0.899	0.101	
Nat Gasoline	1.113	0.066	

## NYMEX WTI (CL) Futures

Month	Close	Change
Sep-17	49.16	(1.01)
Oct-17	49.29	(0.97)
Nov-17	49.43	(0.94)
Dec-17	49.57	(0.89)
Jan-18	49.70	(0.83)
Feb-18	49.78	(0.78)
Mar-18	49.83	(0.75)
Apr-18	49.86	(0.72)
May-18	49.88	(0.69)
Jun-18	49.89	(0.67)
Jul-18	49.89	(0.64)
Aug-18	49.89	(0.63)
Sep-18	49.89	(0.62)
Oct-18	49.90	(0.61)
Nov-18	49.92	(0.60)
Dec-18	49.96	(0.59)
Jan-19	49.96	(0.58)
Feb-19	49.97	(0.58)
Mar-19	49.99	(0.57)
Apr-19	50.02	(0.57)
May-19	50.04	(0.58)
Jun-19	50.08	(0.59)
Jul-19	50.09	(0.59)
Aug-19	50.11	(0.60)
1YR Strip	49.68	(0.79)
2017	49.36	(0.95)
5YR Strip	50.78	(0.67)