

# NATURAL GAS



AUGUST 8, 2018

## Prior Day's NYMEX Sep-18 Contract (CT)



## NYMEX NG Futures

Month	Close	Change
Sep-18	2.897	0.037
Oct-18	2.900	0.034
Nov-18	2.935	0.032
Dec-18	3.031	0.028
Jan-19	3.117	0.027
Feb-19	3.080	0.028
Mar-19	2.974	0.027
Apr-19	2.657	0.023
May-19	2.625	0.021
Jun-19	2.653	0.021
Jul-19	2.683	0.019
Aug-19	2.687	0.018
Sep-19	2.668	0.017
Oct-19	2.684	0.017
Nov-19	2.732	0.016
Dec-19	2.857	0.014
Jan-20	2.952	0.014
Feb-20	2.912	0.014
Mar-20	2.806	0.011
Apr-20	2.507	0.011
May-20	2.466	0.008
Jun-20	2.491	0.005
Jul-20	2.518	0.002
Aug-20	2.524	0.001
1YR Strip	2.853	0.026
2018	2.941	0.033
5YR Strip	2.661	0.012

## IN THE NEWS

US confirms Iran sanctions waiver for Azerbaijan natural gas pipeline to Turkey, Europe— S&P Global Platts: The Southern Gas Corridor has received a waiver from US sanctions against Iran's energy customers, an expected win for the project, designed to transport 16 Bcm/year of Caspian natural gas to Turkey and southern Europe while bypassing Russia. The language ap-

- **US confirms Iran sanctions waiver for Azerbaijan natural gas pipeline to Turkey, Europe**
- **Open season begins for natural gas pipeline in Delaware Basin**

peared in an executive order that President Donald Trump signed Monday. BP had been seeking a sanctions waiver for its development of Azerbaijan's offshore Shah Deniz fields, the source of the Southern Gas Corridor's natural gas. Iran's NICO holds a 10% share in the second phase of Shah Deniz, potentially triggering US sanctions against Iran petroleum sector investment. US energy sector sanctions being re-imposed November 4 will ban companies from the US financial system if they continue to do business with Iran. Countries that depend on Iranian oil imports are continuing to press the US government for waivers. For more on this story visit [spglobal.com](https://bit.ly/2KD7ynv) or click <https://bit.ly/2KD7ynv>

Open season begins for natural gas pipeline in Delaware Basin— Kallanish Energy reported: Texas-based Summit Midstream Partners is holding a binding open season for its Double E natural gas pipeline in the Permian Basin in West Texas and New Mexico, Kallanish Energy reports. The open season on 500 million cubic feet of available capacity will close on Sept. 14. Total capacity is in excess of 1 billion cubic feet per day. Last week, Summit Midstream announced a deal with XTO Energy, an ExxonMobil subsidiary, to become a foundation shipper on the pipeline project. The pipeline will connect the northern Delaware Basin in West Texas and New Mexico to the Waha Hub in West Texas. The pipeline is expected to begin service in 2021. The project will stretch 134 miles with 30- to 42-inch pipe. It will originate in Eddy County, New Mexico, and serves Lera County in New Mexico and Loving, Reeves, Ward and Pecos counties in Texas. For more on this story visit [kallanishenergy.com](https://bit.ly/2Mpv0GG) or click <https://bit.ly/2Mpv0GG>

## 12 MONTH CANDLESTICK (WEEKLY)



## Prompt Natural Gas (NG) Daily Sentiment

**BULLISH**



RESISTANCE

2.91 & 2.93

SUPPORT

2.87 & 2.84

## Trading Summary

### NATURAL GAS

Futures	Close	Change
NG	2.897	0.037
Volume	468,940	(284,531)
Open Int.	1,577,281	(1,076)

### CRUDE AND GASOLINE

Futures	Close	Change
Crude	69.17	0.16
RBOB	2.1040	0.0389
Crude/NG	23.88	(0.25)

### METALS

Futures	Close	Change
Gold	1,209.60	(0.60)

### EQUITIES

Exchange	Close	Change
DOW	25,628.91	126.73
S&P 500	-1,696.15	8.05

### CURRENCY

Currency	Close	Change
EUR/USD	1.1582	(0.0017)
USD/CND	1.2405	(0.0002)

## Contact Us

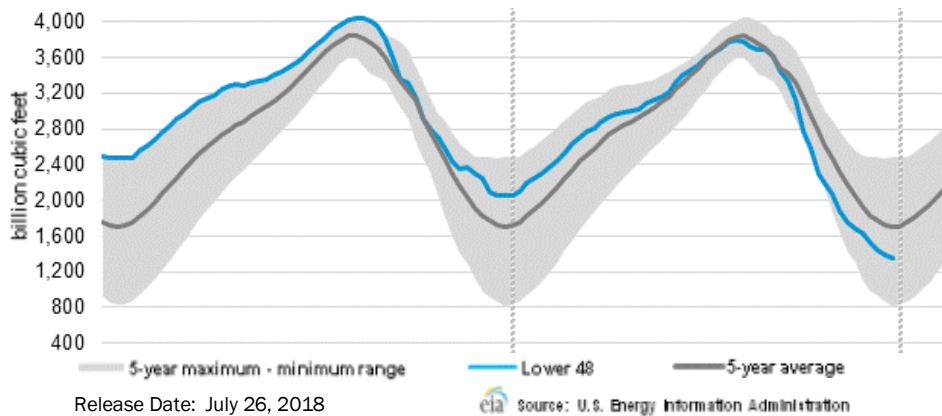


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[www.mansfield.energy](http://www.mansfield.energy)  
  
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Phone: (800) 695-6626



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



## Rig Count

Report Date: August 3, 2018

	Total	Change
US -	1044	(4)
CN -	223	0

**EIA Weekly NG Storage  
Actual and Surveys for  
August 3, 2018**

Released July 26, 2018

Range (35) to (74)

PIRA – (40)

Citi Futures – (44)

Reuters – (41)

**Total Working Gas In  
Storage**
**2,308 BCF**

35 BCF (LAST WEEK)

(668) BCF (LAST YEAR)

(565) BCF (5-YR AVG)

**U.S. Natural Gas Supply  
Gas Week 7/26 – 8/1**

Average daily values (BCF/D):

Last Year (BCF/d)

Dry Production – +73.4

Total Supply – +79.3

Last Week (BCF/d)

Dry Production – +81.0

Total Supply – +86.6

[NEXT REPORT ON Aug 10]

**U.S. Natural Gas Demand  
Gas Week 7/26 – 8/1**

Average daily values (BCF/D):

Last Year (BCF/d)

Power – +34.4

Total Demand – +73.3

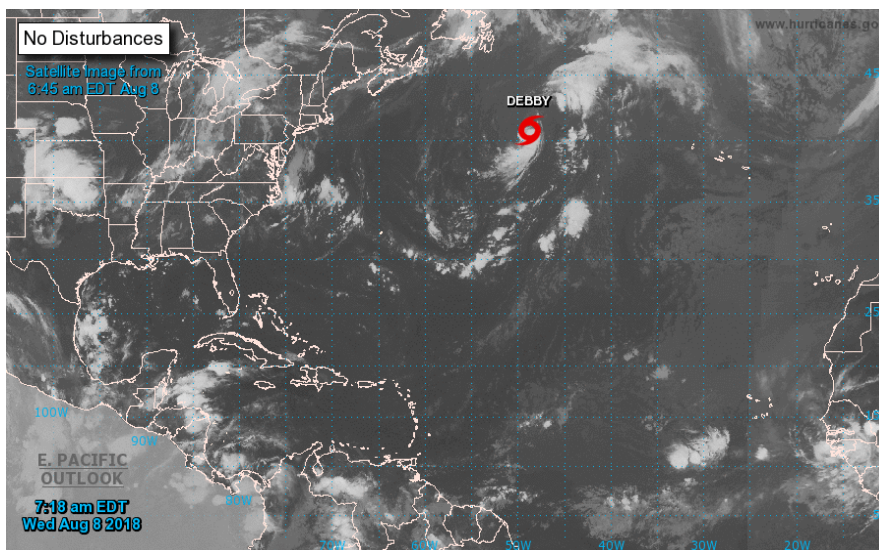
Last Week (BCF/d)

Power – +36.8

Total Demand – +78.9

[NEXT REPORT ON Aug 10]

## TROPICAL STORM ACTIVITY— ATLANTIC



ZCZC MIATWOAT ALL  
TTAA00 KNHC DDHMM

Tropical Weather Outlook  
NWS National Hurricane Center Miami FL  
800 AM EDT Wed Aug 8 2018

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

The National Hurricane Center is issuing advisories on Tropical Storm Debby, located a little more than 1100 miles west-northwest of the Azores.

Tropical cyclone formation is not expected during the next 5 days.

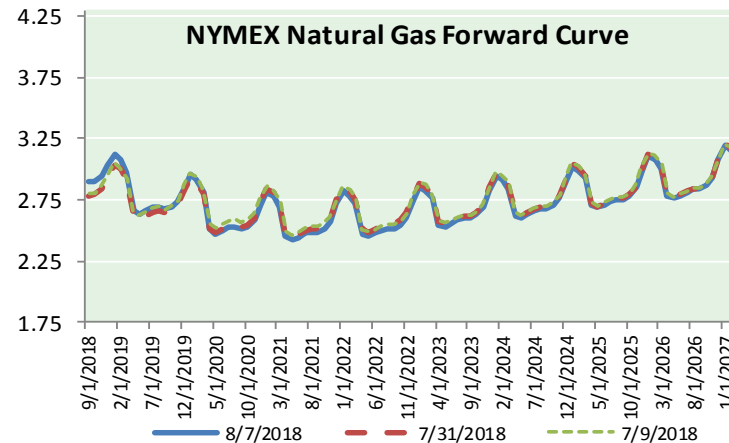
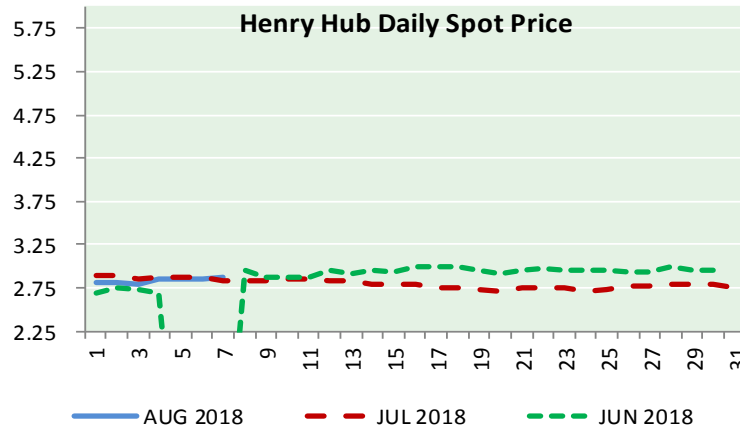
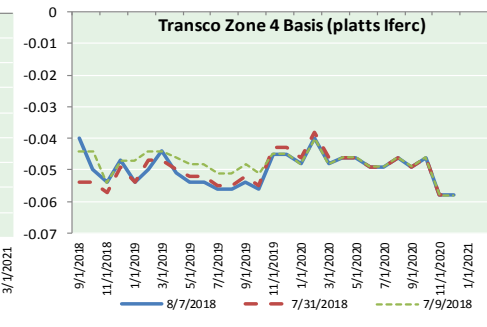
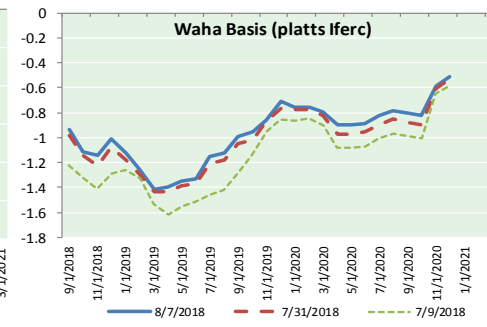
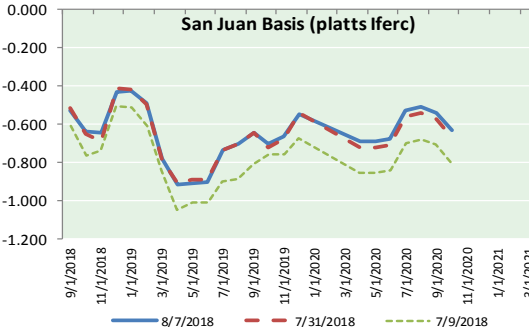
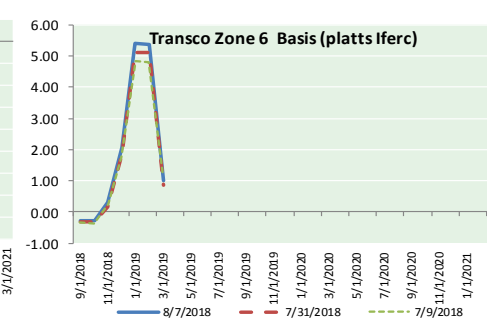
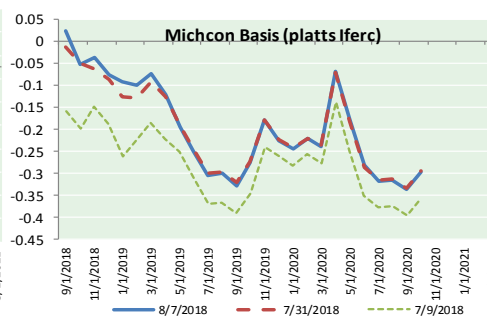
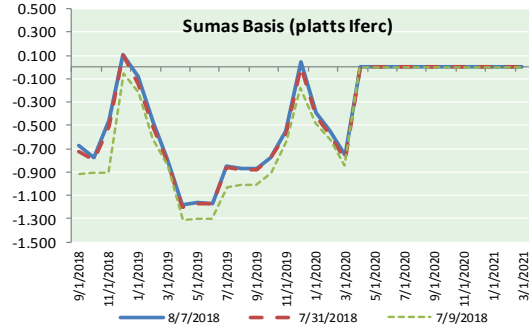
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Public Advisories on Debby are issued under WMO header WTNT34 KNHC and under AWIPS header MIATCPAT4. Forecast/Advisories on Debby are issued under WMO header WTNT24 and under AWIPS header MIATCMAT4.



NATURAL GAS NEWS

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



NYMEX WTI Delivery

Month Average (\$/bbl)

(Excluding Weekends and Holidays)

Month: August 2018

Day	Price	Day	Price
1	67.66	16	
2	68.96	17	
3	68.49	18	
4		19	
5		20	
6	69.01	21	
7	69.17	22	
8		23	
9		24	
10		25	
11		26	
12		27	
13		28	
14		29	
15		30	
		31	

Average (Aug) 68.6580  
(through 08/07/2018)

Average (Jul) 70.5819

Average (Jun) 67.3229

CME NG Option Prices

ATM Call

Month	Strike	Close	Imp	Vol
Oct-18				
Nov-18	2.950	0.093		22.5
Dec-18				
Jan-19				
Feb-19				

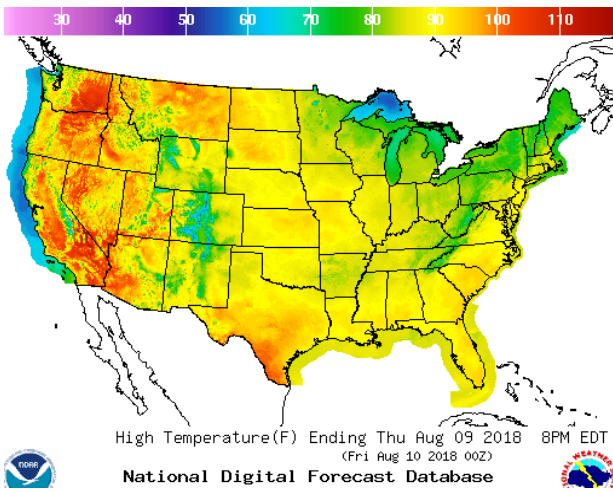
CME NG Option Prices

ATM Put

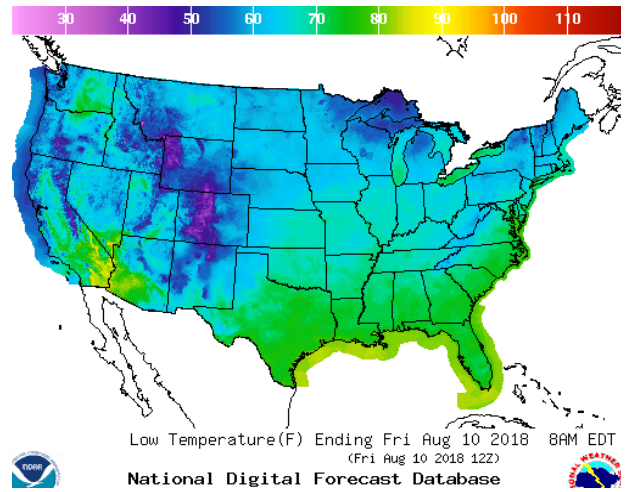
Month	Strike	Close	Imp	Vol
Oct-18				
Nov-18	2.950	0.101		22.5
Dec-18				
Jan-19				
Feb-19				

WEATHER – HIGH / LOW TEMPERATURE TOMORROW

HIGH Temperature

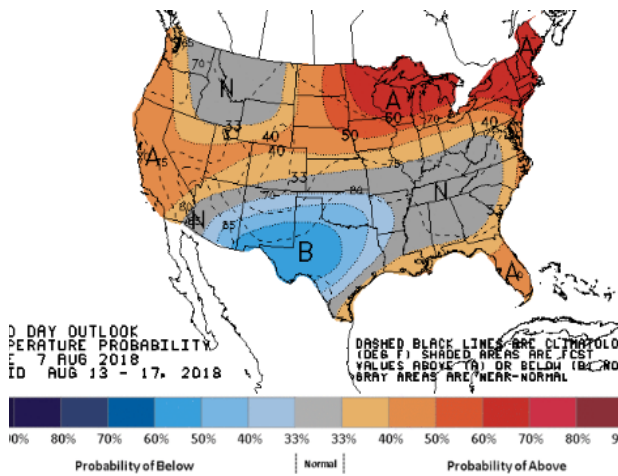


LOW Temperature

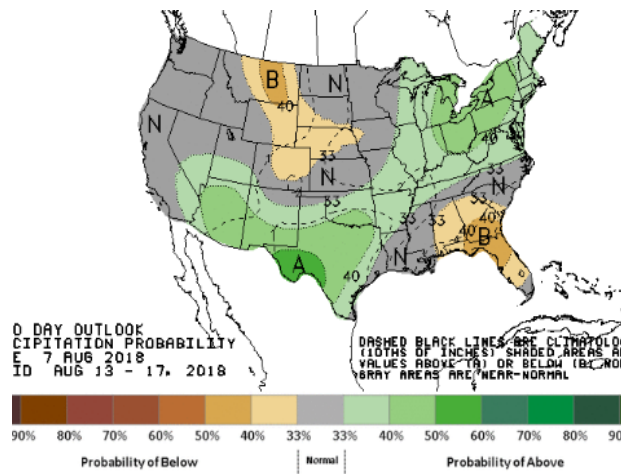


WEATHER – 6 TO 10 DAY OUTLOOK – NOAA

Temperature

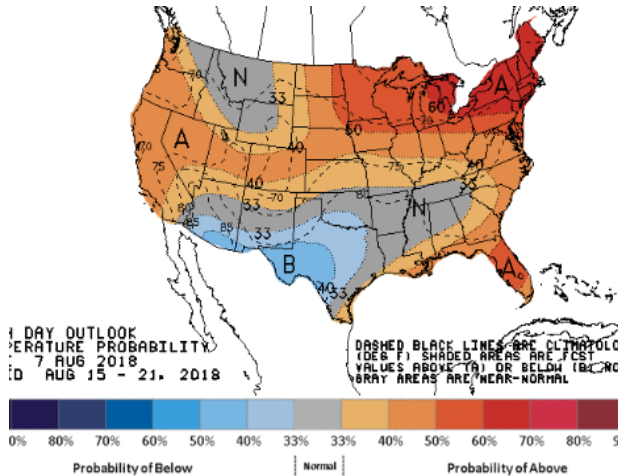


Precipitation

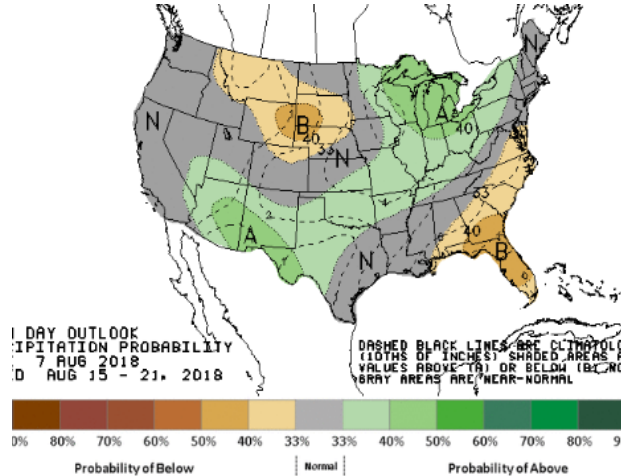


WEATHER – 8 TO 14 DAY OUTLOOK – NOAA

Temperature



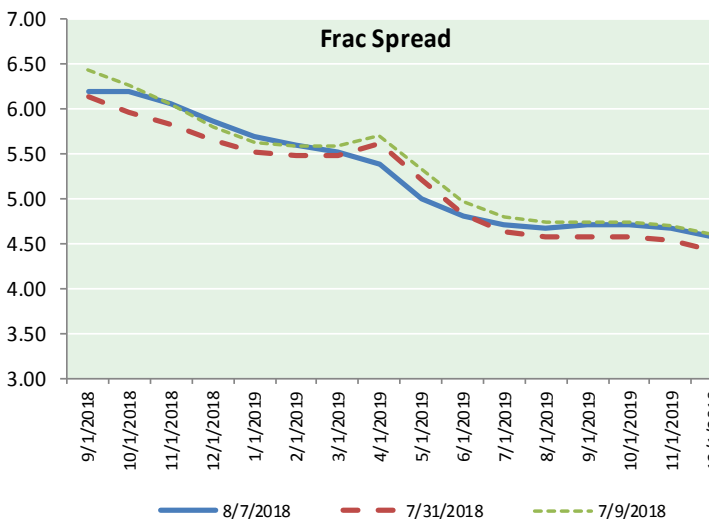
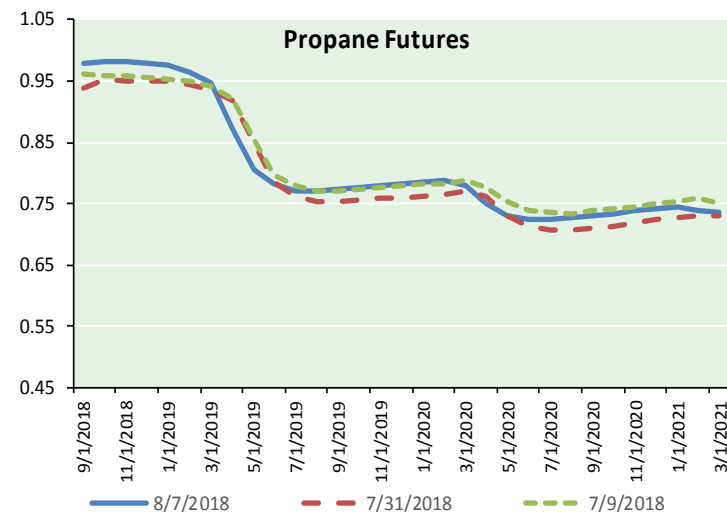
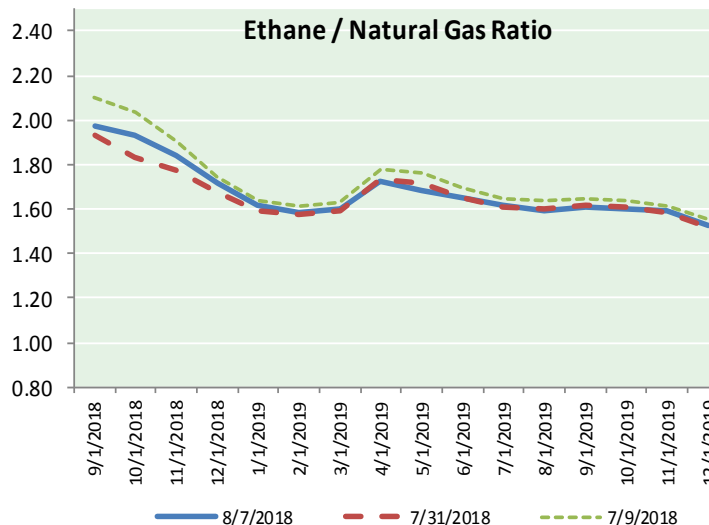
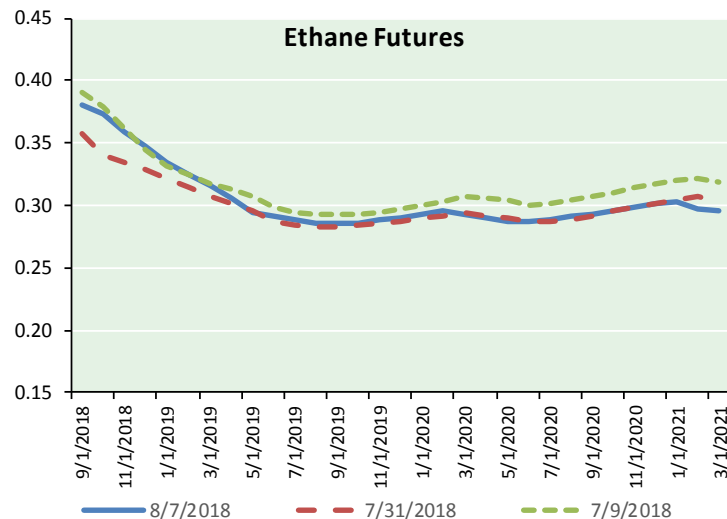
Precipitation





# 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-18	0.380	(0.012)
Oct-18	0.373	(0.010)
Nov-18	0.359	(0.008)
Dec-18	0.347	(0.004)
Jan-19	0.335	(0.002)
Feb-19	0.325	(0.001)
Mar-19	0.316	0.000
Apr-19	0.305	0.000
May-19	0.295	0.000
Jun-19	0.291	0.001
Jul-19	0.288	0.001
Aug-19	0.285	(0.001)

1YR Strip 0.325 (0.003)

### CME Future Prices

#### Propane (C3)

##### Non-LDH— Mont Belvieu

Month	Close	Change
Sep-18	0.978	0.014
Oct-18	0.982	0.017
Nov-18	0.981	0.017
Dec-18	0.980	0.018
Jan-19	0.975	0.016
Feb-19	0.965	0.016
Mar-19	0.948	0.016
Apr-19	0.873	0.015
May-19	0.807	0.015
Jun-19	0.781	0.014
Jul-19	0.772	0.014
Aug-19	0.772	0.014

1YR Strip 0.901 0.015

# NATURAL GAS NEWS



## Prompt WTI (CL) Crude

### Daily Sentiment

**BULLISH**



RESISTANCE

69.73 & 70.29

SUPPORT

68.71 & 68.25

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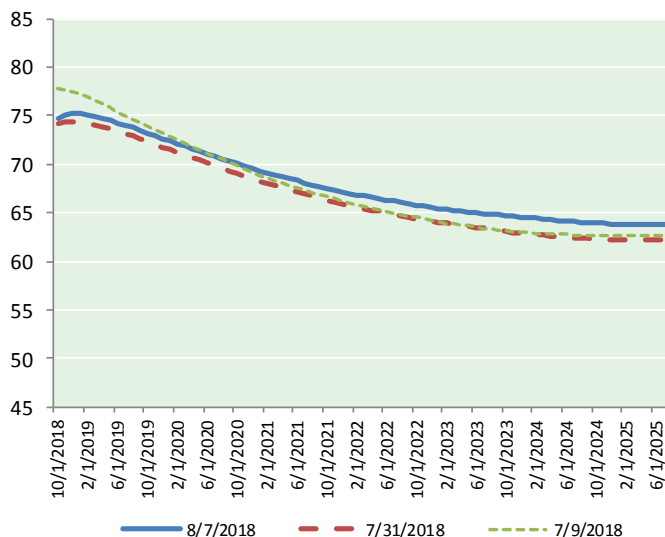
@MPG\_NatGasNews

## NYMEX Brent (BZ)

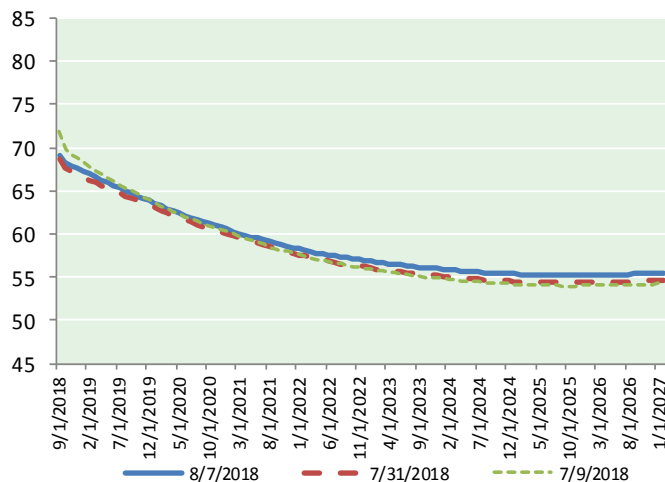
### Futures

Month	Close	Change
Oct-18	74.65	0.90
Nov-18	74.99	0.92
Dec-18	75.16	0.96
Jan-19	75.21	1.00
Feb-19	75.14	1.02
Mar-19	74.96	1.03
Apr-19	74.76	1.03
May-19	74.51	1.00
Jun-19	74.23	0.97
Jul-19	73.99	0.96
Aug-19	73.75	0.95
Sep-19	73.49	0.93
Oct-19	73.21	0.91
Nov-19	72.95	0.89
Dec-19	72.66	0.88
Jan-20	72.39	0.87
Feb-20	72.14	0.86
Mar-20	71.88	0.85
Apr-20	71.60	0.83
May-20	71.34	0.81
Jun-20	71.09	0.80
Jul-20	70.83	0.79
Aug-20	70.57	0.78
Sep-20	70.31	0.77
1YR Strip	74.57	0.97
2018	74.93	0.93
5YR Strip	69.32	0.77

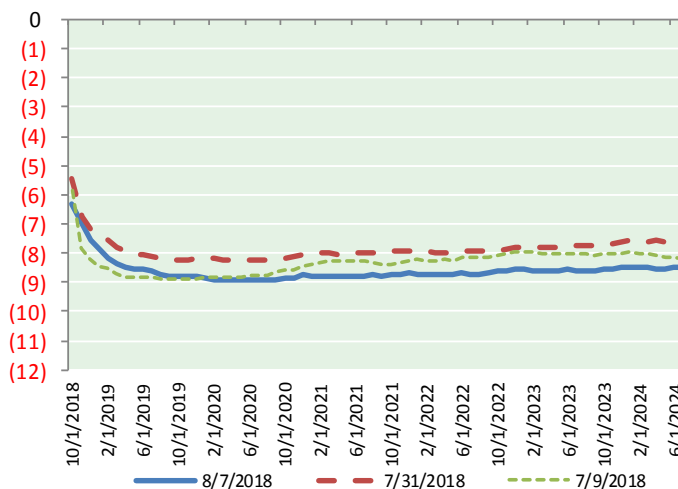
## BRENT CRUDE FORWARD CURVE



## 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-18	Close	Change
Butane	1.155	0.022
Iso-Butane	1.138	0.014
Nat Gasoline	1.547	0.016

## NYMEX WTI (CL) Futures

Month	Close	Change
Sep-18	69.17	0.16
Oct-18	68.33	0.39
Nov-18	67.96	0.48
Dec-18	67.62	0.52
Jan-19	67.35	0.55
Feb-19	66.96	0.59
Mar-19	66.61	0.63
Apr-19	66.29	0.66
May-19	65.99	0.68
Jun-19	65.69	0.70
Jul-19	65.35	0.71
Aug-19	65.02	0.72
Sep-19	64.72	0.73
Oct-19	64.43	0.73
Nov-19	64.14	0.73
Dec-19	63.87	0.72
Jan-20	63.54	0.72
Feb-20	63.24	0.72
Mar-20	62.93	0.69
Apr-20	62.66	0.68
May-20	62.41	0.67
Jun-20	62.17	0.66
Jul-20	61.89	0.66
Aug-20	61.64	0.65
1YR Strip	66.86	0.57
2018	68.27	0.39
5YR Strip	60.87	0.60