

# NATURAL GAS



NEWS

DECEMBER 5, 2018

## Prior Day's NYMEX Jan-19 Contract (CT)



## NYMEX NG Futures

Month	Close	Change
Jan-19	4.457	0.118
Feb-19	4.305	0.148
Mar-19	3.937	0.169
Apr-19	2.957	0.051
May-19	2.839	0.045
Jun-19	2.853	0.043
Jul-19	2.876	0.041
Aug-19	2.871	0.037
Sep-19	2.845	0.033
Oct-19	2.866	0.032
Nov-19	2.903	0.030
Dec-19	3.059	0.027
Jan-20	3.177	0.023
Feb-20	3.114	0.027
Mar-20	2.879	0.017
Apr-20	2.499	(0.001)
May-20	2.450	(0.011)
Jun-20	2.498	(0.012)
Jul-20	2.553	(0.014)
Aug-20	2.553	(0.014)
Sep-20	2.527	(0.014)
Oct-20	2.538	(0.013)
Nov-20	2.603	(0.013)
Dec-20	2.786	(0.006)
1YR Strip	3.231	0.065
2018 #DIV/O!	#DIV/O!	#DIV/O!
5YR Strip	2.758	0.007

## IN THE NEWS

Overseas Markets Should Help Cap U.S. Natural Gas Prices—Forbes reported: Current plans calling for the construction of as much as 18 bcf/d of capacity in the next few years should be interpreted cautiously; recall that in 2003, 5.3 bcf/d of import capacity was planned given long-term expectations of tight U.S. gas markets and continued high prices. As the figure below

- Overseas Markets Should Help Cap U.S. Natural Gas Prices
- OPEC Oil Decision Could Undercut U.S. Natural Gas Price Surge

shows, LNG imports never reached more than a fraction of that level, and the country is now a net exporter. Most plants were never built though some were later converted to export facilities. Could there be a new boom and bust cycle in LNG exports? Quite possibly. At present, 8 bcf/d of capacity is under construction, and another 8 bcf/d is approved but not under construction (as of late October). If all were built and operated, they would absorb a fifth or more of current domestic gas production levels. Already, this appears, in combination with cold weather, to have raised prices in the U.S. For more on this story visit [forbes.com](https://forbes.com) or click <https://bit.ly/2PknSvZ>

OPEC Oil Decision Could Undercut U.S. Natural Gas Price Surge—Bloomberg reported: A decision by OPEC and its allies to cut oil output in order to bolster prices could, in an odd market twist, undermine a recent price surge for natural gas heading into winter. For most of 2018, gas prices sat in a narrow trading range significantly below the five-year average. In November, though, prices surged as much as 41 percent as frigid weather stoked concerns about supply shortages ahead. The Economic Commission Board for the global oil cartel and its partners will meet Dec. 6 in Vienna to decide whether to curb crude output to help raise oil prices that have fallen by more than 30 percent in the last two months. If the 15-nation group approves limits, it could give U.S. shale drillers added revenue to boost their output of both oil and the gas that's pumped up alongside it. The more gas, the lower the price. "The OPEC decision will definitely matter," said Jane Trotsenko, an analyst with Stifel Nicolaus & Co. Inc., in a telephone interview. For more on this story visit [bloomberg.com](https://bloom.bg/2KWCKd3) or click <https://bloom.bg/2KWCKd3>

## 12 MONTH CANDLESTICK (WEEKLY)



## Prompt Natural Gas (NG) Daily Sentiment

**BULLISH**



RESISTANCE  
4.57 & 4.68  
SUPPORT  
4.35 & 4.25

## Trading Summary

NATURAL GAS		
Futures	Close	Change
NG	4.457	0.118
Volume	393,486	(328,344)
Open Int.	1,279,480	10,315
CRUDE AND GASOLINE		
Futures	Close	Change
Crude	53.25	0.30
RBOB	1.4434	0.0120
Crude/NG	11.95	(0.26)
METALS		
Futures	Close	Change
Gold	1,241.10	(3.50)
EQUITIES		
Exchange	Close	Change
DOW	25,027.07	(799.36)
S&P 500	-1,094.31	(90.31)
CURRENCY		
Currency	Close	Change
EUR/USD	1.1358	0.0015
USD/CND	1.2405	0.0027

## Contact Us



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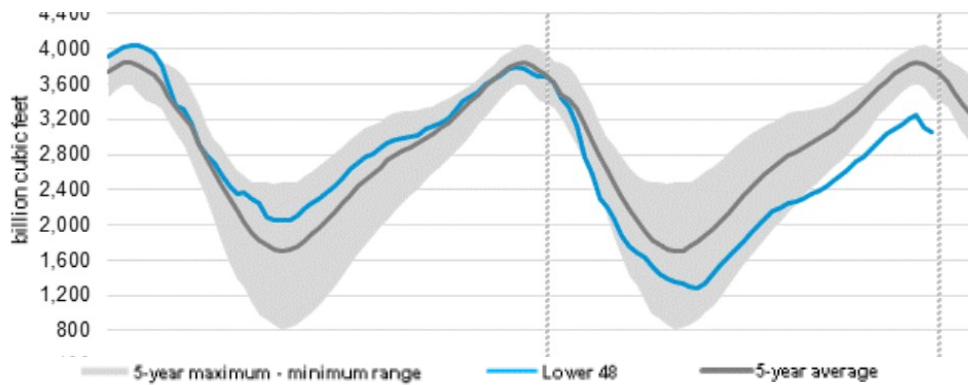
Phone: (800) 695-6626





**NATURAL GAS NEWS**

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



Release Date: November 30, 2018

Source: U.S. Energy Information Administration

**Rig Count**

Report Date: November 30, 2018

	Total	Change
US -	1,076	(3)
CN -	199	(5)

**EIA Weekly NG Storage Actual and Surveys for**

**November 30, 2018**

*Released November 29, 2018*

Range – +121 to +92

PIRA– +120

PointLogic – +108

Wells Fargo – +92

**EIA ACTUAL – +59**

**Total Working Gas In Storage**

**3,054 BCF**

(59) BCF (LAST WEEK)

(644) BCF (LAST YEAR)

(720) BCF (5-YR AVG)

**U.S. Natural Gas Supply Gas Week 11/22 – 11/28**

**Average daily values (BCF/D):**

Last Year (BCF/d)

Dry Production – +78.7

Total Supply – +84.1

Last Week (BCF/d)

Dry Production – +88.0

Total Supply – +92.4

[NEXT REPORT ON Dec 7]

**U.S. Natural Gas Demand Gas Week 11/22 – 11/28**

**Average daily values (BCF/D):**

Last Year (BCF/d)

Power – +21.1

Total Demand – +85.8

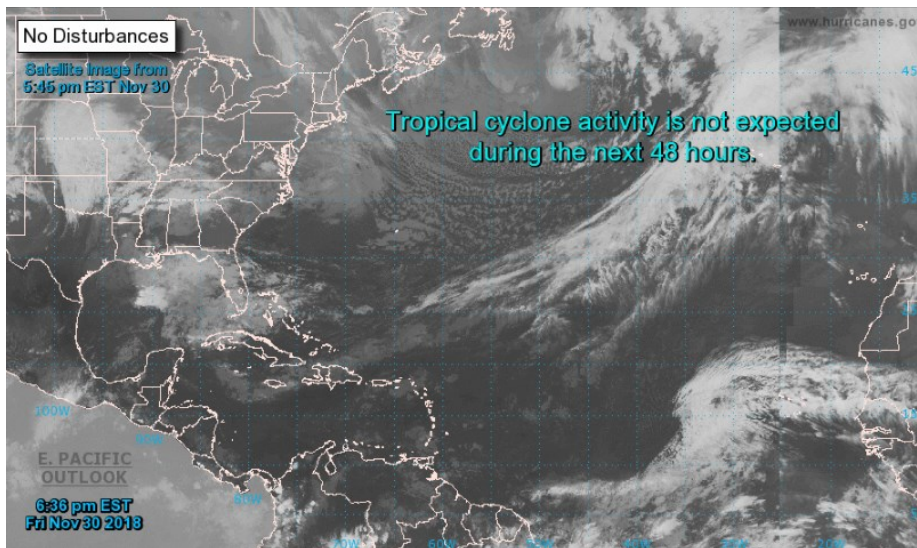
Last Week (BCF/d)

Power – +23.6

Total Demand – +100.8

[NEXT REPORT ON Dec 7]

**TROPICAL STORM ACTIVITY– ATLANTIC**



Tropical Weather Outlook on June 1, 2019. During the off-season, Special Tropical Weather Outlooks will be issued as conditions warrant.

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

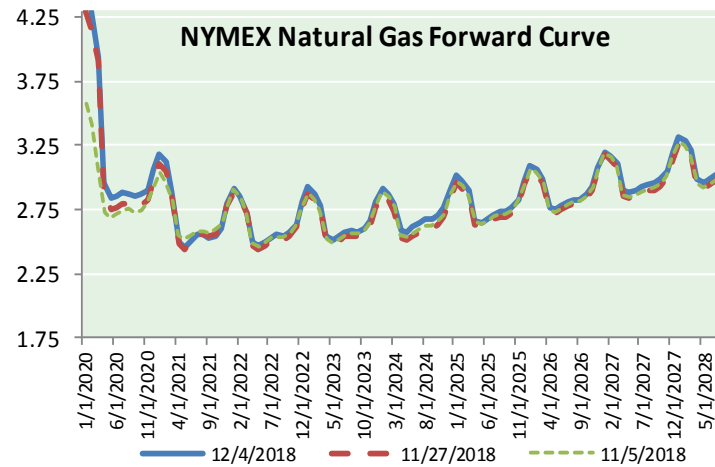
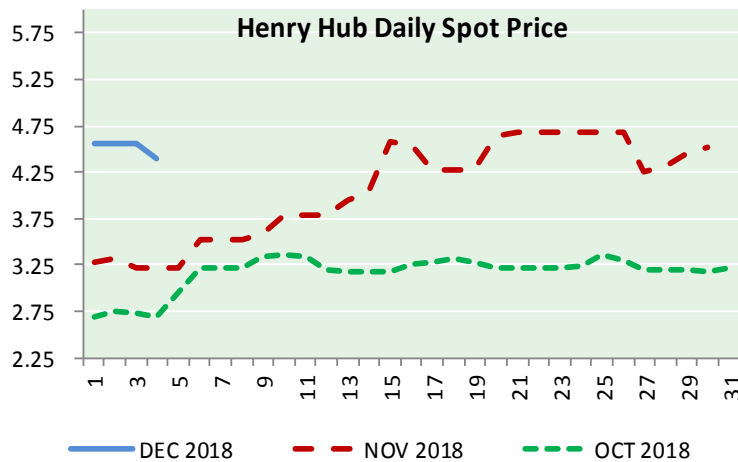
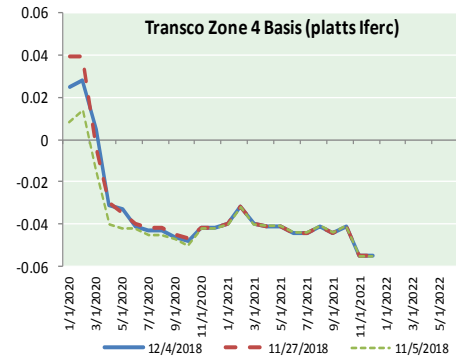
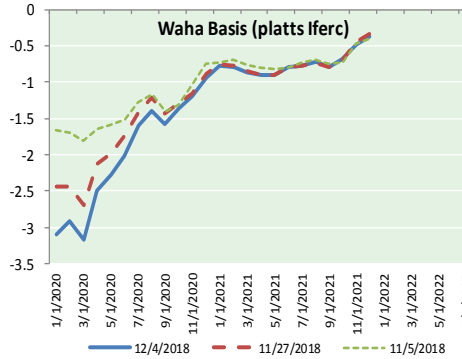
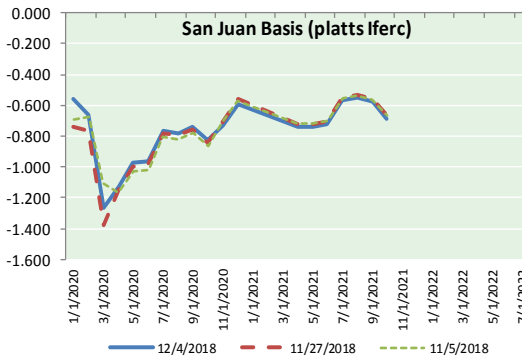
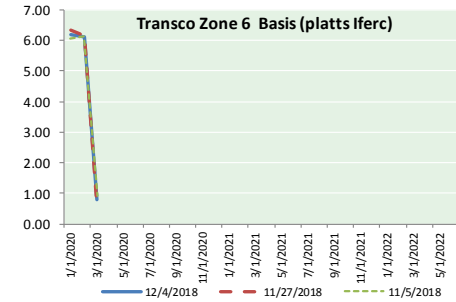
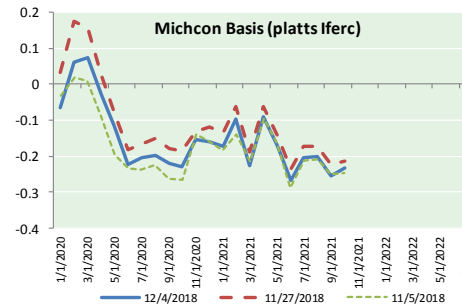
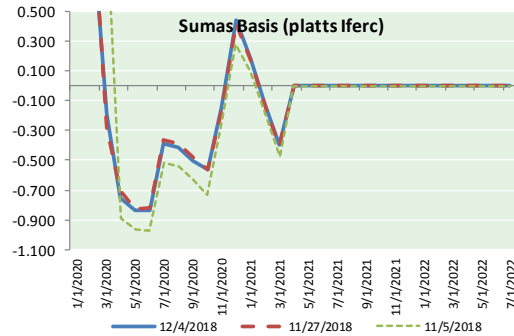
Tropical cyclone formation is not expected during the next 5 days.

This is the last regularly scheduled Tropical Weather Outlook of the 2018 Atlantic hurricane season. Routine issuance of the Tropical Weather Outlook will resume

# 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: December 2018

Day	Price	Day	Price
1		16	
2		17	
3	52.95	18	
4	53.25	19	
5		20	
6		21	
7		22	
8		23	
9		24	
10		25	
11		26	
12		27	
13		28	
14		29	
15		30	
		31	

Average (Dec) 53.1000  
(through 12/04/2018)

Average (Nov) 56.6933

Average (Oct) 70.7578

### CME NG Option Prices

#### ATM Call

Month	Strike	Close	Imp Vol
Feb-19			
Mar-19	4.400	0.532	78.7
Apr-19			
May-19			
Jun-19			

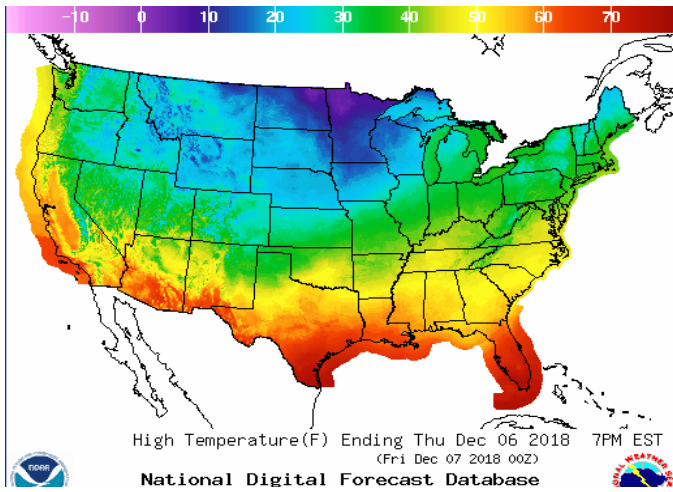
### CME NG Option Prices

#### ATM Put

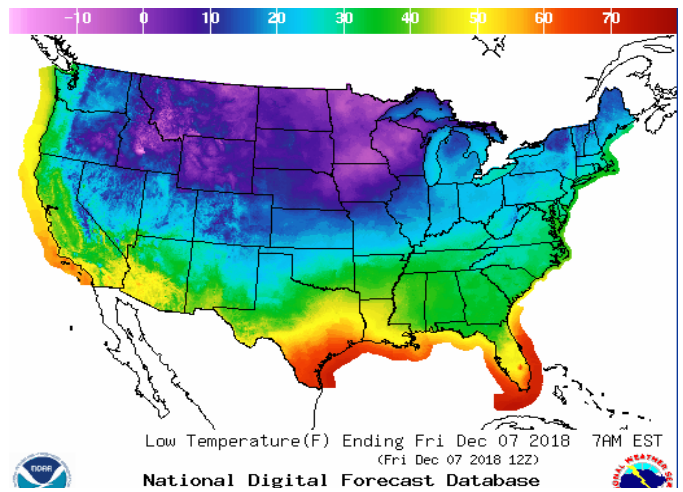
Feb-19			
Mar-19	4.400		
Apr-19			
May-19			
Jun-19			

WEATHER – HIGH / LOW TEMPERATURE TOMORROW

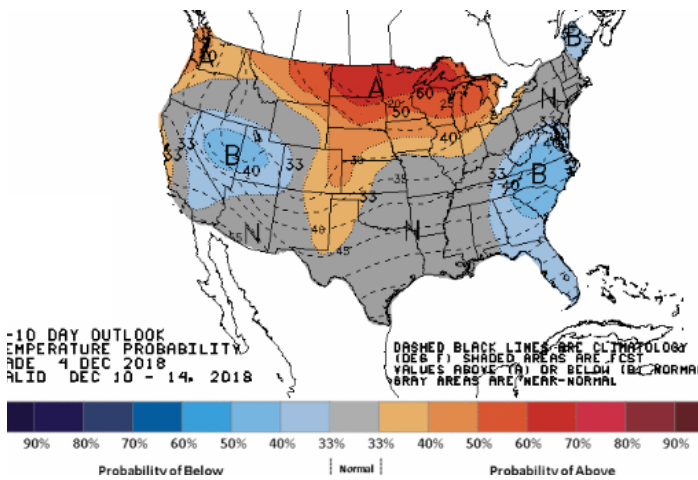
HIGH Temperature



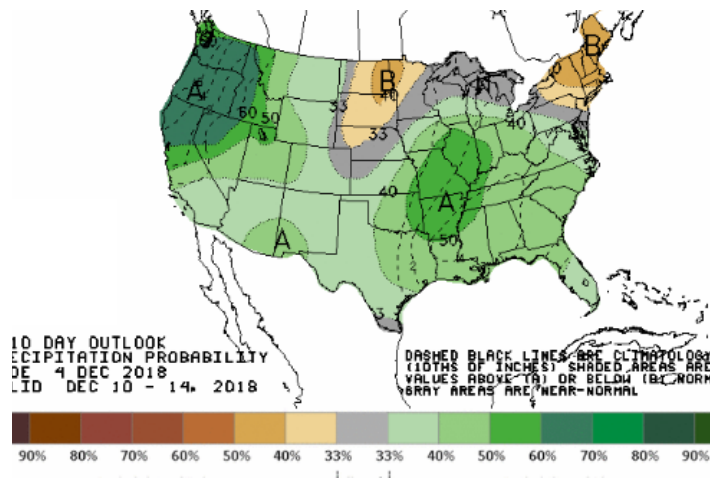
LOW Temperature



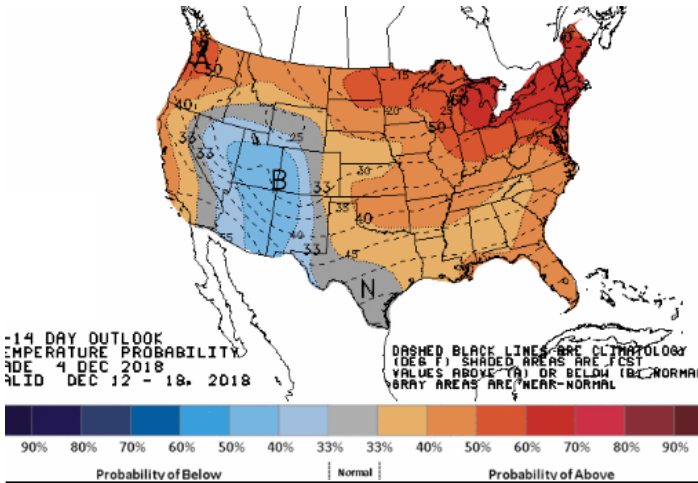
WEATHER – 6 TO 10 DAY OUTLOOK – NOAA  
Temperature



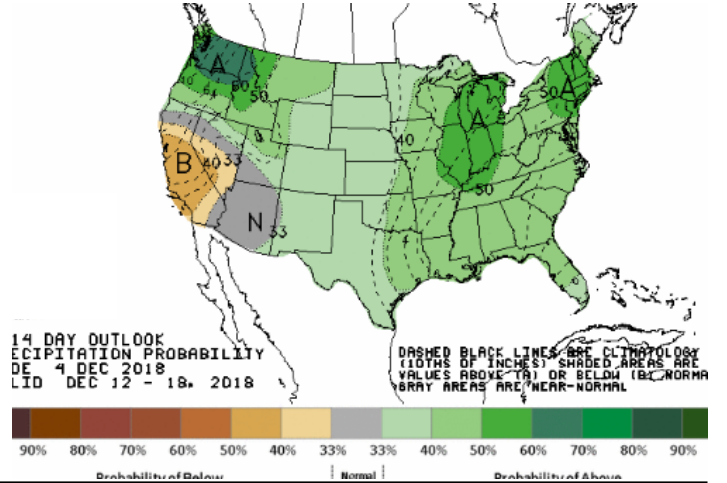
Precipitation



WEATHER – 8 TO 14 DAY OUTLOOK – NOAA  
Temperature



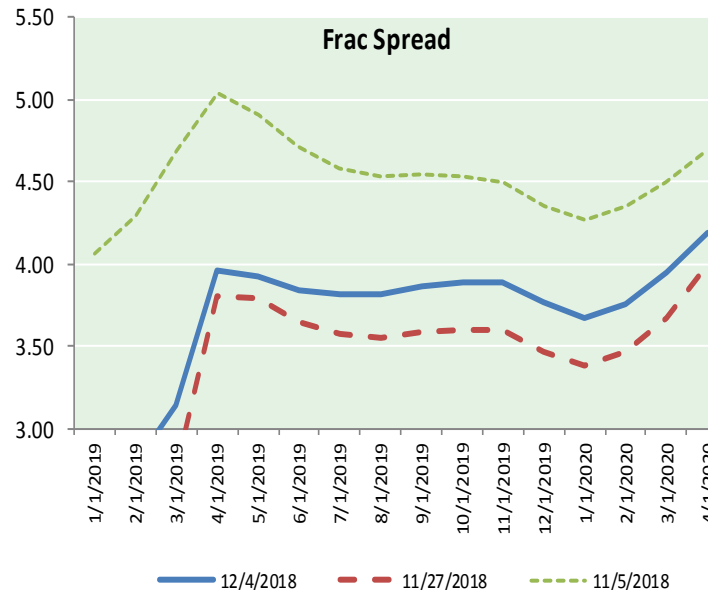
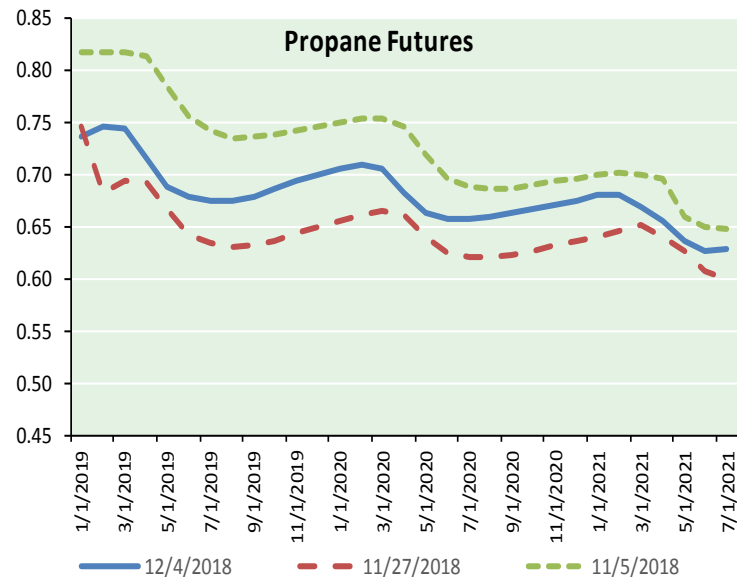
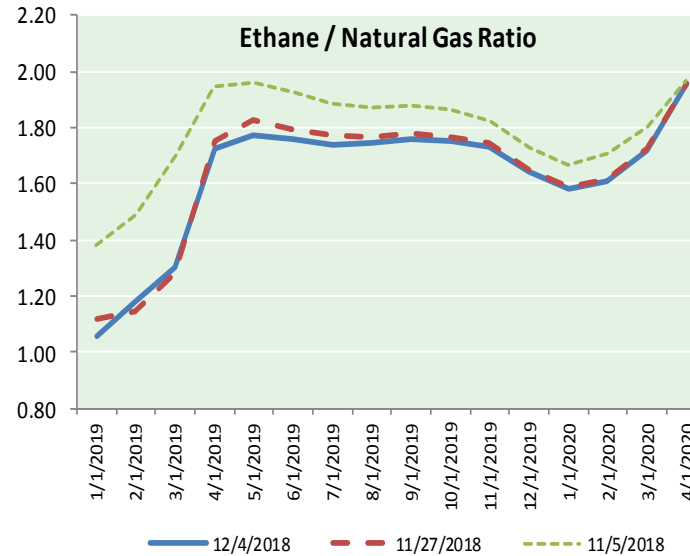
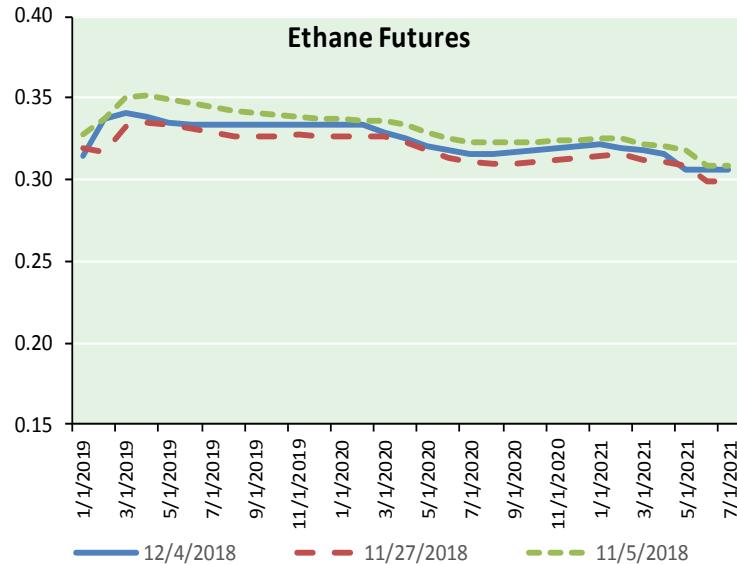
Precipitation



**NATURAL GAS NEWS**



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



**CME Future Prices**

Month	Close	Change
Jan-19	0.314	0.004
Feb-19	0.338	0.008
Mar-19	0.341	0.008
Apr-19	0.339	0.008
May-19	0.335	0.008
Jun-19	0.333	0.007
Jul-19	0.333	0.007
Aug-19	0.333	0.007
Sep-19	0.333	0.006
Oct-19	0.334	0.007
Nov-19	0.334	0.007
Dec-19	0.334	0.007
1YR Strip	0.333	0.007

**CME Future Prices**

**Propane (C3)  
Non-LDH— Mont Belvieu**

Month	Close	Change
Jan-19	0.738	0.024
Feb-19	0.748	0.026
Mar-19	0.744	0.025
Apr-19	0.716	0.022
May-19	0.689	0.021
Jun-19	0.679	0.020
Jul-19	0.676	0.019
Aug-19	0.676	0.019
Sep-19	0.679	0.019
Oct-19	0.687	0.019
Nov-19	0.694	0.018
Dec-19	0.700	0.018
1YR Strip	0.702	0.021

# NATURAL GAS NEWS



## Prompt WTI (CL) Crude Daily Sentiment

**BEARISH**



RESISTANCE

54.39 & 55.53

SUPPORT

52.27 & 51.29

FOLLOW US ON TWITTER:



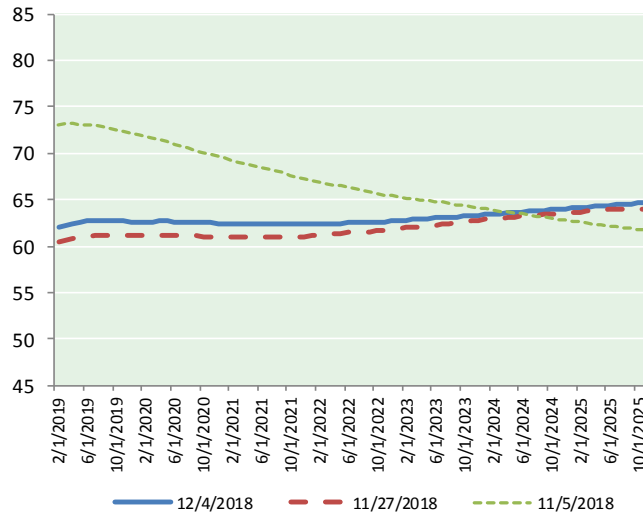
@MPG\_NatGasNews

## NYMEX Brent (BZ)

### Futures

Month	Close	Change
Jan-19	53.25	0.30
Feb-19	53.46	0.32
Mar-19	53.67	0.34
Apr-19	53.90	0.38
May-19	54.13	0.43
Jun-19	54.32	0.49
Jul-19	54.46	0.54
Aug-19	54.55	0.57
Sep-19	54.61	0.58
Oct-19	54.64	0.59
Nov-19	54.67	0.60
Dec-19	54.70	0.61
Jan-20	54.68	0.61
Feb-20	54.67	0.62
Mar-20	54.68	0.64
Apr-20	54.68	0.65
May-20	54.69	0.66
Jun-20	54.70	0.65
Jul-20	54.66	0.65
Aug-20	54.64	0.64
Sep-20	54.64	0.65
Oct-20	54.63	0.63
Nov-20	54.62	0.62
Dec-20	54.63	0.58
1YR Strip	54.20	0.48
2018	#DIV/O!	#DIV/O!
5YR Strip	54.28	0.46

## BRENT CRUDE FORWARD CURVE



## 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

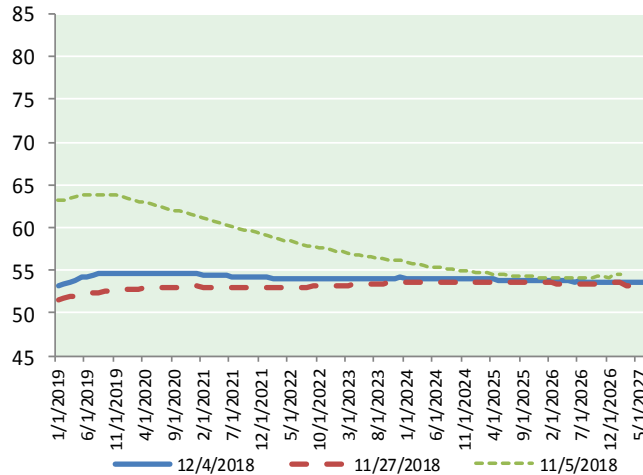
## Prompt NGL Futures

	Jan-19	Close	Change
Butane	0.837	0.059	
Iso-Butane	0.866	(0.002)	
Nat Gasoline	1.051	0.009	

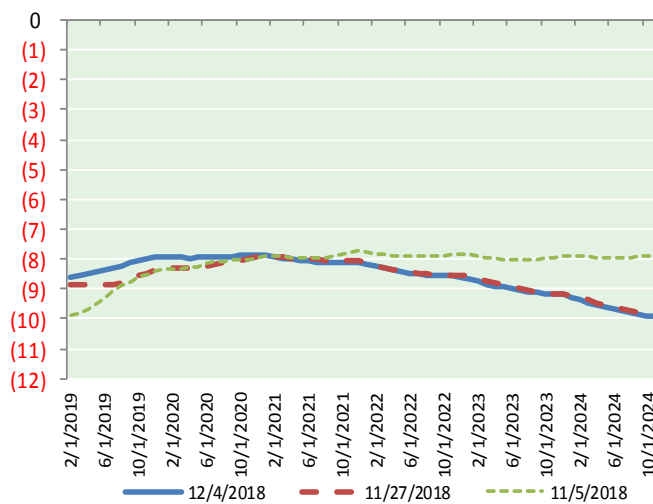
## NYMEX WTI (CL) Futures

Month	Close	Change
Feb-19	62.08	0.39
Mar-19	62.22	0.40
Apr-19	62.36	0.43
May-19	62.54	0.47
Jun-19	62.69	0.52
Jul-19	62.76	0.55
Aug-19	62.78	0.59
Sep-19	62.74	0.61
Oct-19	62.70	0.62
Nov-19	62.68	0.63
Dec-19	62.64	0.63
Jan-20	62.64	0.63
Feb-20	62.63	0.62
Mar-20	62.64	0.61
Apr-20	62.65	0.61
May-20	62.65	0.61
Jun-20	62.64	0.61
Jul-20	62.60	0.60
Aug-20	62.56	0.60
Sep-20	62.54	0.60
Oct-20	62.50	0.60
Nov-20	62.48	0.59
Dec-20	62.47	0.59
Jan-21	62.46	0.56

## WTI CRUDE FORWARD CURVE



## WTI-BRENT SPREAD



1YR Strip	62.57	0.54
2018	#DIV/O!	#DIV/O!
5YR Strip	62.64	0.42