

# NATURAL GAS



JULY 11, 2018

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



## NYMEX NG Futures

Month	Close	Change
Aug-18	2.788	(0.040)
Sep-18	2.758	(0.038)
Oct-18	2.770	(0.035)
Nov-18	2.821	(0.033)
Dec-18	2.936	(0.028)
Jan-19	3.019	(0.028)
Feb-19	2.985	(0.028)
Mar-19	2.892	(0.028)
Apr-19	2.632	(0.015)
May-19	2.604	(0.015)
Jun-19	2.633	(0.016)
Jul-19	2.664	(0.016)
Aug-19	2.673	(0.016)
Sep-19	2.657	(0.015)
Oct-19	2.675	(0.014)
Nov-19	2.729	(0.014)
Dec-19	2.860	(0.014)
Jan-20	2.955	(0.013)
Feb-20	2.917	(0.013)
Mar-20	2.823	(0.011)
Apr-20	2.542	(0.005)
May-20	2.511	(0.006)
Jun-20	2.541	(0.007)
Jul-20	2.571	(0.005)
1YR Strip	2.792	(0.027)
2018	2.815	(0.035)
5YR Strip	2.678	(0.010)

## IN THE NEWS

Firefighter killed as natural gas blast rocks Sun Prairie, Wisconsin— CBS News reported: SUN PRAIRIE, Wis. -- An explosion rocked a Wisconsin community after a contractor struck a natural gas main in a downtown area filled with bars and other businesses, killing one firefighter and injuring several others, police officers and civilians, authorities said. First responders rushed to the

- **Natural Gas Drillers Are Fighting for Their Lives**
- **Construction on \$1B natural gas plant likely pushed back**

scene of a reported gas leak, and an evacuation was already underway when the first blast happened Tuesday evening, said police Lt. Kevin Konopacki in Sun Prairie, a Madison, Wisconsin, suburb of about 30,000. He added that lives were likely saved by the evacuation, which was set in motion by people smelling the odor of natural gas. Firefighters were still battling flames more than three hours after the explosion. The powerful blast, at around 7:15 p.m., sent a plume of smoke and flames into the air. By morning, the fire was pretty much out, contained to one or two buildings, and it appeared everyone had been accounted for. A search of the area didn't turn up any additional victims, officials said. For more on this story visit [cbsn.ws/2NGHZ84](https://cbsn.ws/2NGHZ84)

Construction on \$1B natural gas plant likely pushed back— Michigan Radio reported: An official says construction on a nearly \$1 billion natural gas power plant in southwestern Michigan probably has been pushed back to next year. Michael DuBois, vice president of project development for Buffalo Grove, Illinois-based In-deck Energy Services, told the South Bend Tribune that the company continues to work on financing for the plant in Niles. He says they're "optimistic" about lining up investors. The newspaper reports initial plans to break ground in 2017 were earlier pushed back to this year. Niles City Administrator Ric Huff says he's still expecting the plant will be built. The state issued an air permit for the proposed plant in 2017. The company has estimated the plant could create 21 permanent jobs and 500 to 600 temporary construction jobs. For more on this story visit [michiganradio.org](https://bit.ly/2zuwsFR) or click <https://bit.ly/2zuwsFR>

## 12 MONTH CANDLESTICK (WEEKLY)



## Prompt Natural Gas (NG) Daily Sentiment

**BEARISH**



RESISTANCE

2.82 & 2.86

SUPPORT

2.77 & 2.75

## Trading Summary

### NATURAL GAS

Futures	Close	Change
NG	2.788	(0.040)
Volume	381,949	(340,111)
Open Int.	1,491,881	6,878

### CRUDE AND GASOLINE

Futures	Close	Change
Crude	74.11	0.26
RBOB	2.1603	0.0118
Crude/NG	26.58	0.47

### METALS

Futures	Close	Change
Gold	1,253.80	(3.80)

### EQUITIES

Exchange	Close	Change
DOW	24,919.66	143.07
S&P 500	-986.90	9.67

### CURRENCY

Currency	Close	Change
EUR/USD	1.1752	0.0008
USD/CND	1.2405	0.0005

## Contact Us



**Mansfield Energy Corp**  
1025 Airport Pkwy  
Gainesville, GA 30501  
  
[www.mansfield.energy](http://www.mansfield.energy)  
  
[info@mansfieldoil.com](mailto:info@mansfieldoil.com)

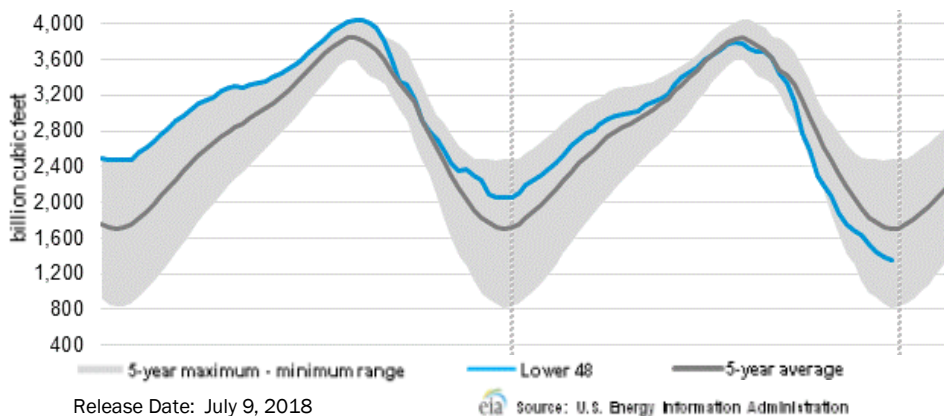
Phone: (800) 695-6626





# NATURAL GAS NEWS

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



## Rig Count

Report Date: July 6, 2018

	Total	Change
US -	1052	+5
CN -	182	+10

## EIA Weekly NG Storage Actual and Surveys for June 29, 2018

Released June 28, 2018

Range (74) to (89)

PIRA — (86)

Citi Futures — (87)

Reuters — (91)

EIA ACTUAL — 66

## Total Working Gas In Storage

**2,074 BCF**

66 BCF (LAST WEEK)

(735) BCF (LAST YEAR)

(501) BCF (5-YR AVG)

## U.S. Natural Gas Supply Gas Week 6/21— 6/27

Average daily values (BCF/D):

Last Year (BCF/d)

Dry Production — +71.3

Total Supply — +77.0

Last Week (BCF/d)

Dry Production — +80.1

Total Supply — +86.1

[NEXT REPORT ON Jul 5]

## U.S. Natural Gas Demand Gas Week 6/21— 6/27

Average daily values (BCF/D):

Last Year (BCF/d)

Power — +30.0

Total Demand — +69.4

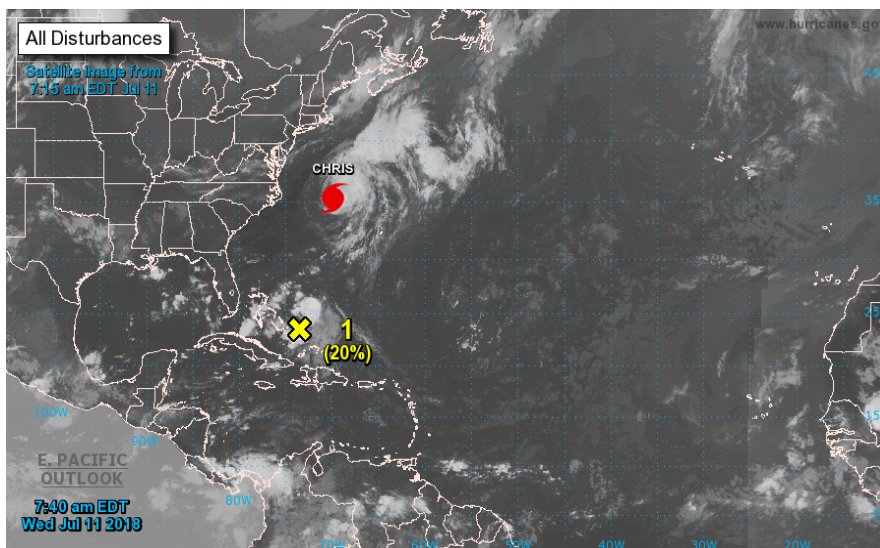
Last Week (BCF/d)

Power — +33.2

Total Demand — +74.2

[NEXT REPORT ON Jul 5]

## TROPICAL STORM ACTIVITY— ATLANTIC



Tropical Weather Outlook  
 NWS National Hurricane Center Miami FL  
 800 AM EDT Wed Jul 11 2018

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

The National Hurricane Center is issuing advisories on Hurricane Chris, located more than 300 miles east of the North Carolina Outer Banks.

1. A large area of cloudiness and disorganized thunderstorms associated with the remnants of Beryl is located over much of the Bahamas and extends northwestward over the western Atlantic for a few hundred miles. Little or no development is expected today, but conditions could become a little more favorable later in the week while the disturbance moves slowly northward over the western Atlantic. The previously scheduled Air Force Reserve reconnaissance flight to investigate the disturbance this afternoon has been canceled. Additional information on this system can be found in High Seas Forecasts issued by the National Weather Service.

\* Formation chance through 48 hours...low...20 percent.

\* Formation chance through 5 days...medium...50 percent.

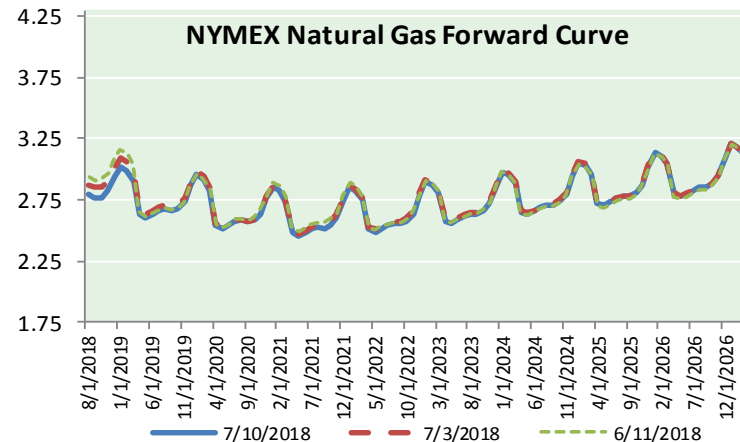
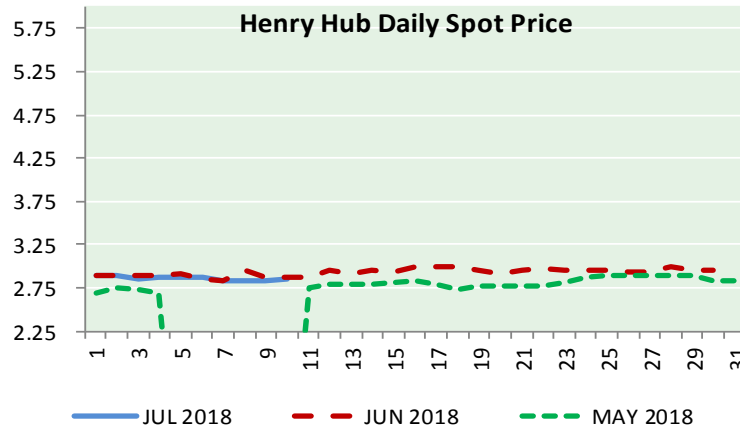
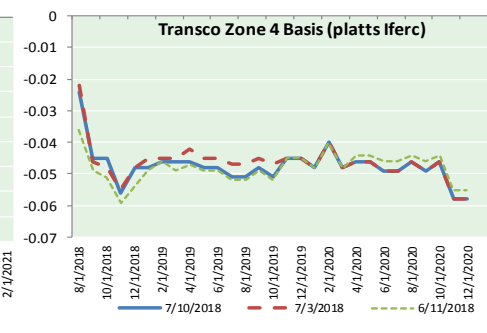
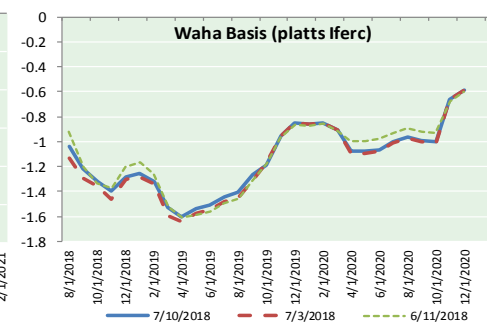
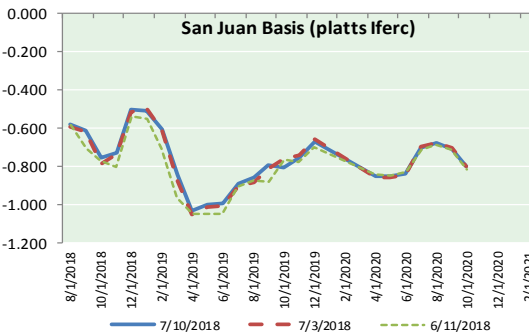
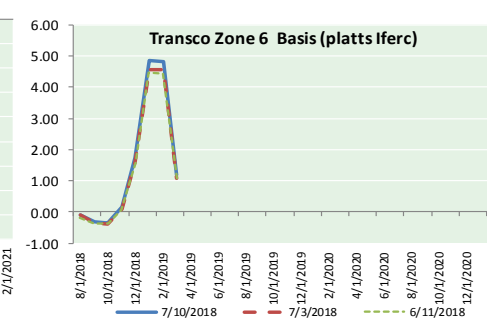
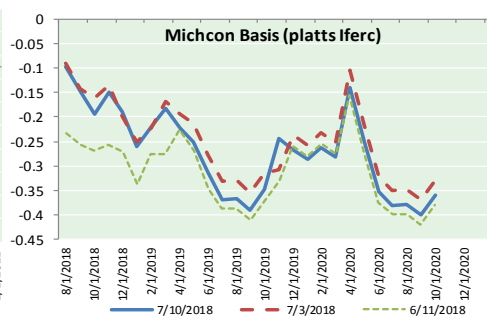
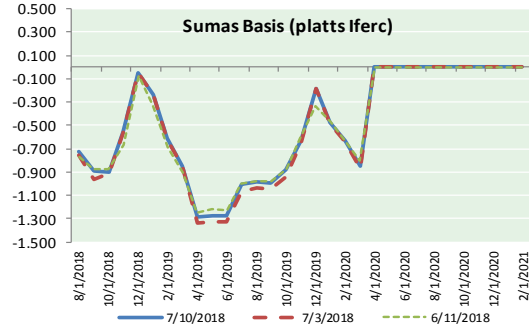
High Seas Forecasts issued by the National Weather Service can be found under AWIPS header NFDHSFAT1, WMO header FZNT01 KWBC, and on the Web at <http://ocean.weather.gov/shtml/NFDHSFAT1.shtml>.

Forecaster Stewart



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: July 2018

Day	Price	Day	Price
1		16	
2	73.94	17	
3	74.14	18	
4		19	
5	72.94	20	
6	73.80	21	
7		22	
8		23	
9	73.85	24	
10	74.11	25	
11		26	
12		27	
13		28	
14		29	
15		30	
		31	

Average (Jul) 73.7967 (through 07/10/2018)

Average (Jun) 67.3229

Average (May) 69.9832

CME NG Option Prices

ATM Call

Month	Strike	Close	Imp	Vol
Sep-18				
Oct-18	2.750	0.087		18.7
Nov-18				
Dec-18				
Jan-19				

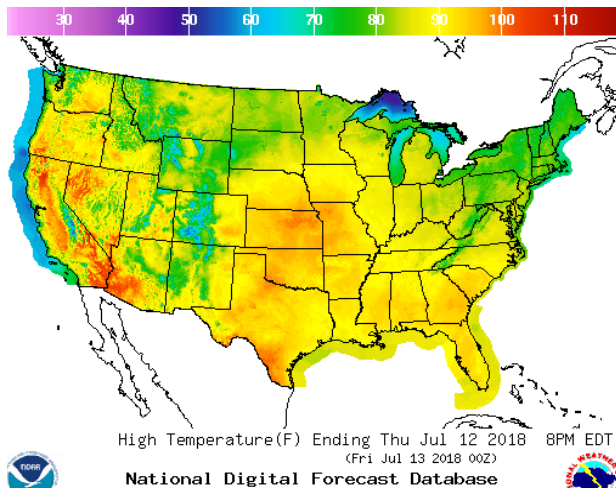
CME NG Option Prices

ATM Put

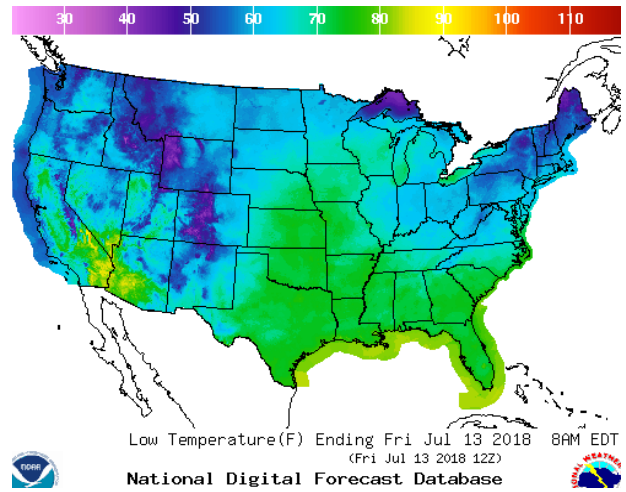
Month	Strike	Close	Imp	Vol
Sep-18				
Oct-18	2.750	0.065		18.7
Nov-18				
Dec-18				
Jan-19				

WEATHER – HIGH / LOW TEMPERATURE TOMORROW

HIGH Temperature

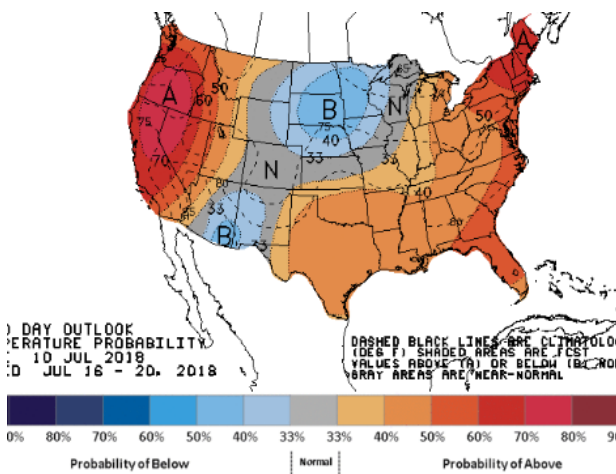


LOW Temperature

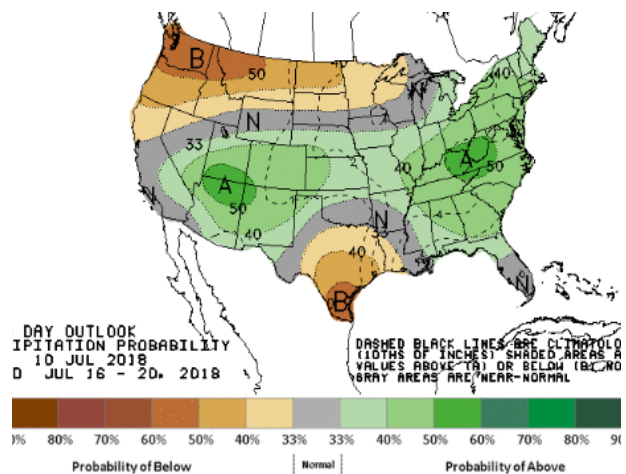


WEATHER – 6 TO 10 DAY OUTLOOK – NOAA

Temperature

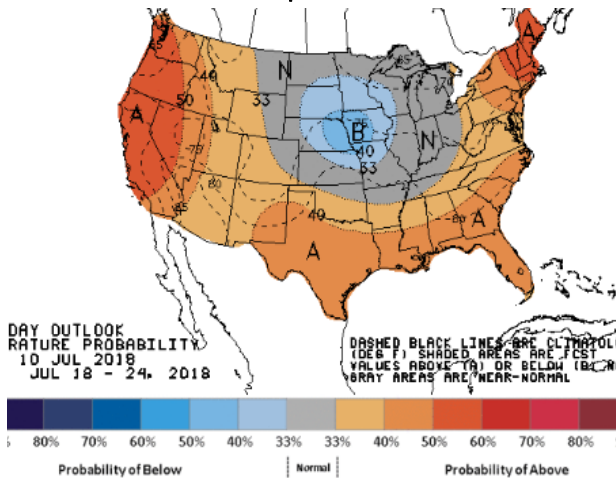


Precipitation

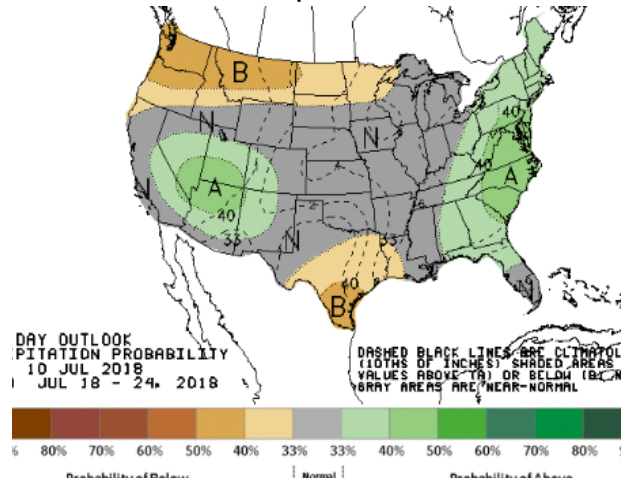


WEATHER – 8 TO 14 DAY OUTLOOK – NOAA

Temperature



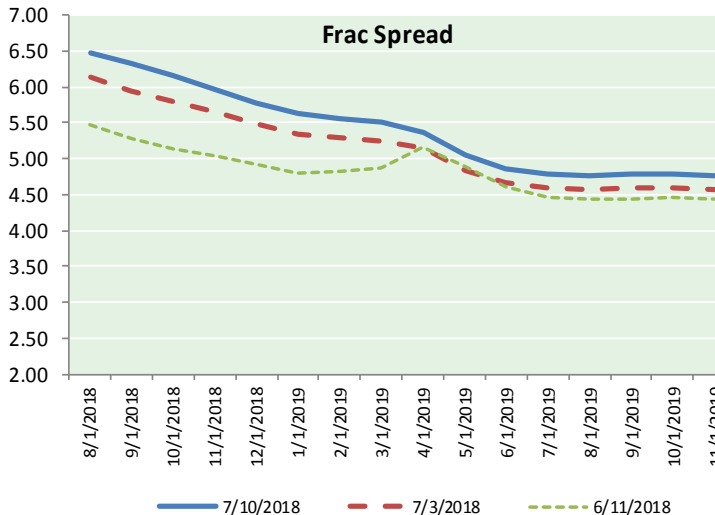
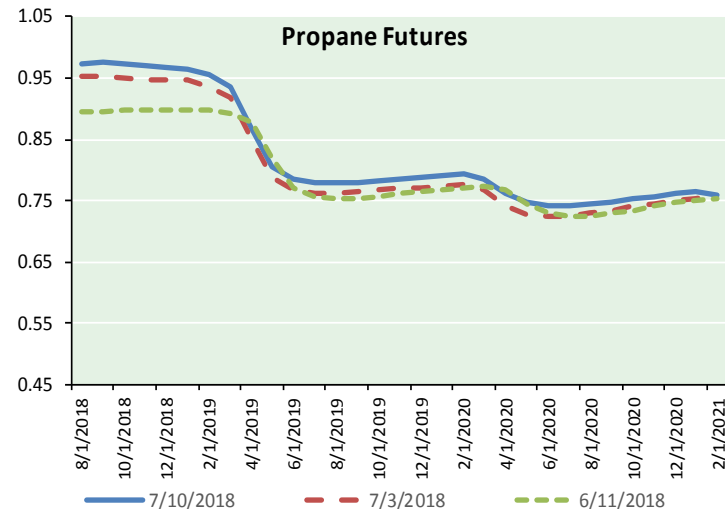
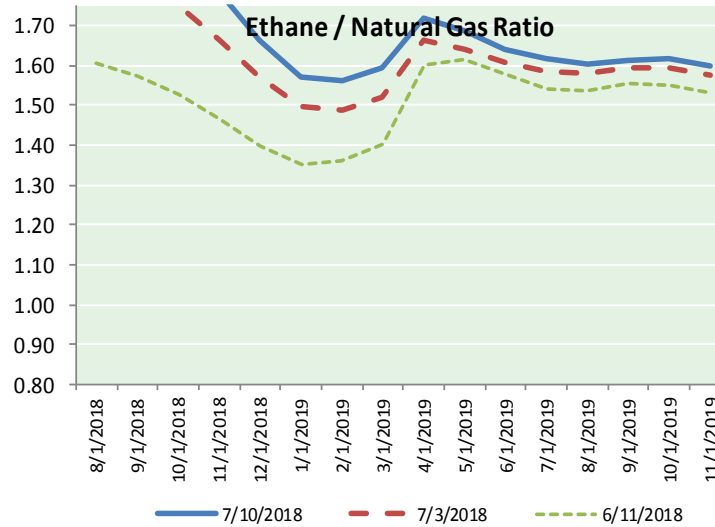
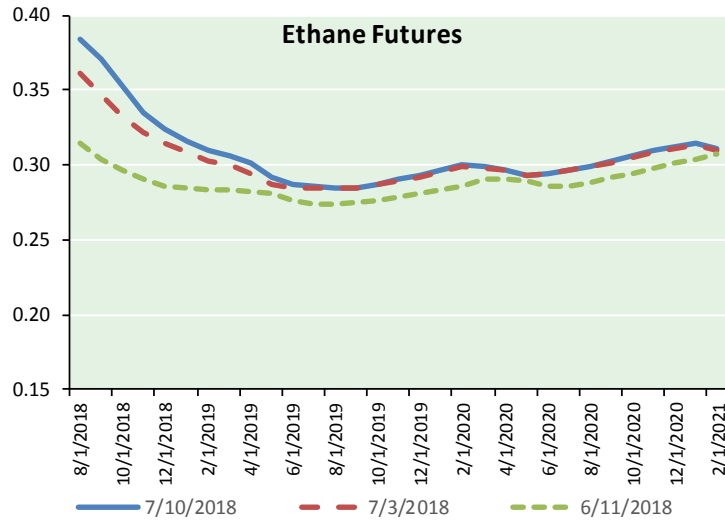
Precipitation



**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
Aug-18	0.383	(0.007)
Sep-18	0.370	(0.009)
Oct-18	0.353	(0.009)
Nov-18	0.335	(0.009)
Dec-18	0.325	(0.007)
Jan-19	0.316	(0.008)
Feb-19	0.310	(0.007)
Mar-19	0.307	(0.006)
Apr-19	0.301	(0.006)
May-19	0.292	(0.006)
Jun-19	0.288	(0.006)
Jul-19	0.286	(0.006)

1YR Strip 0.322 (0.007)

**CME Future Prices**

**Propane (C3)**

**Non-LDH— Mont Belvieu**

Month	Close	Change
Aug-18	0.972	0.012
Sep-18	0.975	0.015
Oct-18	0.973	0.015
Nov-18	0.970	0.014
Dec-18	0.968	0.014
Jan-19	0.965	0.013
Feb-19	0.955	0.013
Mar-19	0.935	0.013
Apr-19	0.865	0.010
May-19	0.805	0.009
Jun-19	0.786	0.008
Jul-19	0.780	0.008

1YR Strip 0.912 0.012



**Prompt WTI (CL) Crude  
Daily Sentiment**

**BULLISH**



RESISTANCE

74.66 & 75.20

SUPPORT

73.61 & 73.10

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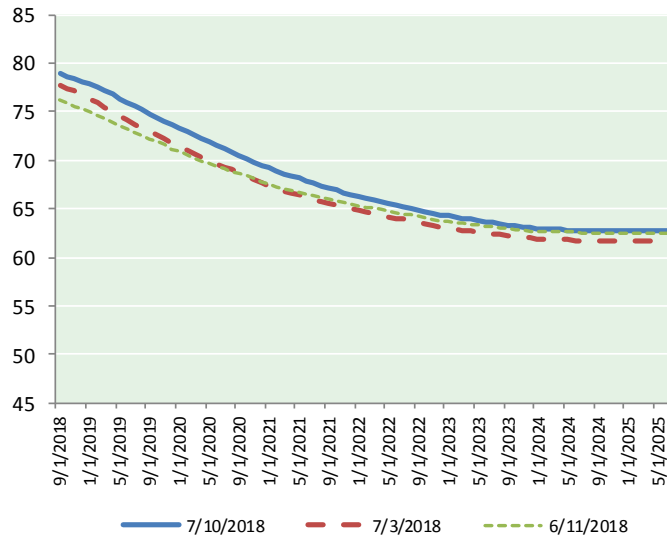
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**NYMEX Brent (BZ)**

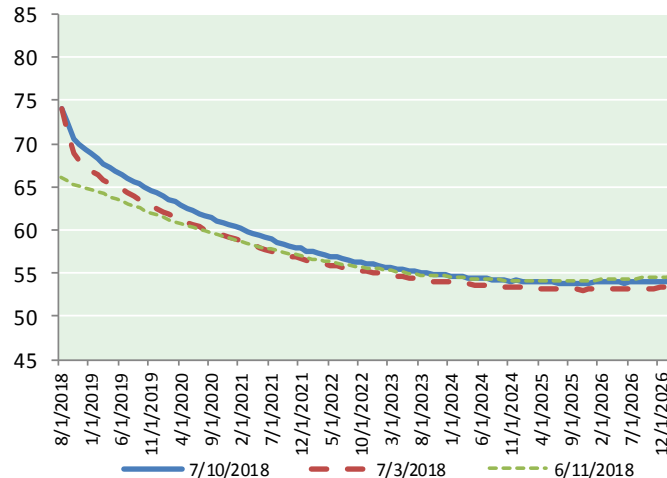
**Futures**

Month	Close	Change
Sep-18	78.86	0.79
Oct-18	78.62	0.77
Nov-18	78.40	0.74
Dec-18	78.14	0.70
Jan-19	77.83	0.65
Feb-19	77.47	0.62
Mar-19	77.10	0.60
Apr-19	76.74	0.59
May-19	76.35	0.58
Jun-19	75.94	0.57
Jul-19	75.57	0.56
Aug-19	75.19	0.55
Sep-19	74.79	0.53
Oct-19	74.41	0.51
Nov-19	74.05	0.50
Dec-19	73.64	0.49
Jan-20	73.28	0.48
Feb-20	72.94	0.47
Mar-20	72.58	0.46
Apr-20	72.23	0.45
May-20	71.89	0.43
Jun-20	71.54	0.41
Jul-20	71.20	0.40
Aug-20	70.88	0.39
1YR Strip	77.18	0.64
2018	78.51	0.75
5YR Strip	69.64	0.36

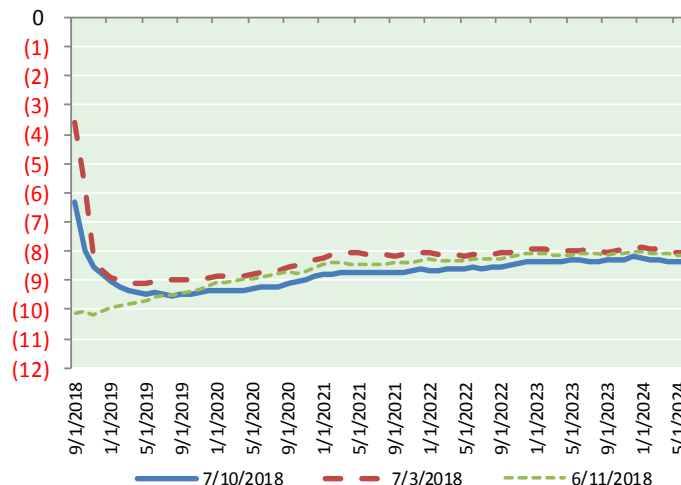
**BRENT CRUDE FORWARD CURVE**



**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)

Aug-18	Close	Change
Butane	1.216	0.012
Iso-Butane	1.260	0.012
Nat Gasoline	1.569	0.011

**NYMEX WTI (CL) Futures**

Month	Close	Change
Aug-18	74.11	0.26
Sep-18	72.56	0.58
Oct-18	70.62	0.77
Nov-18	69.88	0.66
Dec-18	69.32	0.57
Jan-19	68.81	0.49
Feb-19	68.23	0.43
Mar-19	67.73	0.39
Apr-19	67.30	0.38
May-19	66.90	0.36
Jun-19	66.52	0.35
Jul-19	66.09	0.34
Aug-19	65.68	0.32
Sep-19	65.30	0.32
Oct-19	64.95	0.32
Nov-19	64.61	0.32
Dec-19	64.30	0.30
Jan-20	63.92	0.29
Feb-20	63.57	0.28
Mar-20	63.22	0.27
Apr-20	62.89	0.25
May-20	62.58	0.24
Jun-20	62.28	0.23
Jul-20	61.96	0.22
1YR Strip	69.01	0.47
2018	71.30	0.57
5YR Strip	61.07	0.16