

# NATURAL GAS



JUNE 26, 2018

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



## NYMEX NG Futures

Month	Close	Change
Jul-18	2.923	(0.022)
Aug-18	2.921	(0.024)
Sep-18	2.898	(0.022)
Oct-18	2.906	(0.020)
Nov-18	2.947	(0.017)
Dec-18	3.058	(0.015)
Jan-19	3.144	(0.016)
Feb-19	3.110	(0.015)
Mar-19	3.010	(0.015)
Apr-19	2.670	(0.005)
May-19	2.632	(0.003)
Jun-19	2.659	(0.003)
Jul-19	2.690	(0.003)
Aug-19	2.697	(0.002)
Sep-19	2.682	(0.002)
Oct-19	2.700	(0.002)
Nov-19	2.754	(0.001)
Dec-19	2.879	(0.001)
Jan-20	2.976	(0.002)
Feb-20	2.944	(0.003)
Mar-20	2.852	(0.004)
Apr-20	2.545	(0.001)
May-20	2.516	(0.002)
Jun-20	2.542	(0.002)
1YR Strip	2.907	(0.015)
2018	2.942	(0.020)
5YR Strip	2.720	(0.005)

## IN THE NEWS

What a Summer Scorcher Means for Natural-Gas Prices— Wall Street Journal reported: Low supplies of natural gas could lead to higher prices this summer, as Americans begin to flip on their air-conditioning units, boosting demand for the energy source. Stockpiles of natural gas—made plentiful by the U.S. shale boom—have become depleted after an extended winter this year

- **What a Summer Scorcher Means for Natural-Gas Prices**
- **U.S. court order stops some work on Mountain Valley natural gas pipeline in West Virginia**

increased demand for heating homes. Booming U.S. exports of gas also have absorbed excess inventories, and analysts say cheap prices have made it more popular for power generation, compared with more expensive sources like coal. Natural gas consumption generally rises in the summer months as cooling needs drive energy demand. But this year, the amount of natural gas in storage started June at the lowest level since 2014 for that time of year, and the second lowest level in a decade. Now, with weather forecasts into July showing hotter-than-average temperatures across the U.S., consumers could see a pop in prices. For more on this story visit [wsj.com](http://wsj.com) or click <https://on.wsj.com/2KjpkQV>

U.S. court order stops some work on Mountain Valley natural gas pipeline in West Virginia— Reuters reported: EQT Midstream Partners will stop construction in West Virginia of parts of its \$3.5 billion Mountain Valley natural gas pipeline after a U.S. federal appeals court issued an order last week against a permit, a U.S. regulator and the company said. The pipeline company will not proceed with construction in waters affected by the stay order in West Virginia, the U.S. Federal Energy Regulatory Commission said in a document on Monday. Mountain Valley Pipeline (MVP) told FERC it was consulting on the implications of the stay by the U.S. Court of Appeals for the Fourth Circuit with the U.S. Army Corps, which issued the permit in December 2017, FERC said in the notice. In May, the U.S. Army Corp of Engineers pulled a permit for the Mountain Valley natural gas pipeline from West Virginia to Virginia. For more on this story visit [reuters.com](http://reuters.com) or click <https://reut.rs/2yQ35O2>

## 12 MONTH CANDLESTICK (WEEKLY)



## Prompt Natural Gas (NG) Daily Sentiment

**BULLISH**



RESISTANCE

2.95 & 2.97

SUPPORT

2.90 & 2.88

## Trading Summary

### NATURAL GAS

Futures	Close	Change
NG	2.923	(0.022)
Volume	243,122	(204,340)
Open Int.	1,463,945	(10,032)

### CRUDE AND GASOLINE

Futures	Close	Change
Crude	68.08	(0.50)
RBOB	2.0515	(0.0190)
Crude/NG	23.31	0.02

### METALS

Futures	Close	Change
Gold	1,265.60	(8.10)

### EQUITIES

Exchange	Close	Change
DOW	24,252.80	(328.09)
S&P 500	-320.04	(37.81)

### CURRENCY

Currency	Close	Change
EUR/USD	1.1675	(0.0029)
USD/CND	1.2405	0.0008

## Contact Us

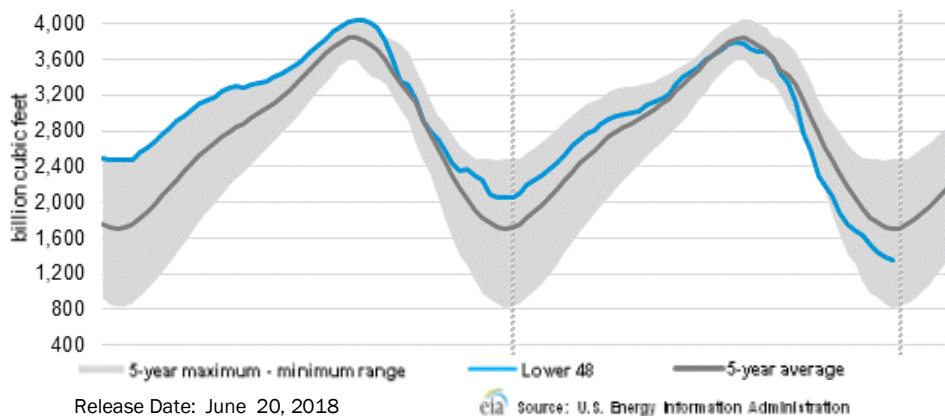


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Phone: (800) 695-6626



WEEKLY GAS IN UNDERGROUND STORAGE WITH 5-YR RANGE



Rig Count

Report Date: June 22, 2018

	Total	Change
US -	1052	(7)
CN -	160	+21

EIA Weekly NG Storage Actual and Surveys for June 15, 2018

Released June 14, 2018

- Range (74) to (89)
- PIRA – (86)
- Citi Futures – (87)
- Reuters – (91)

EIA ACTUAL – 96

Total Working Gas In Storage

2,004 BCF

- 91 BCF (LAST WEEK)
- (757) BCF (LAST YEAR)
- (499) BCF (5-YR AVG)

U.S. Natural Gas Supply Gas Week 6/14– 6/20

Average daily values (BCF/D):

Last Year (BCF/d)

Dry Production – +71.6

Total Supply – +77.6

Last Week (BCF/d)

Dry Production – +79.7

Total Supply – +85.3

[NEXT REPORT ON Jun 29]

U.S. Natural Gas Demand Gas Week 6/14– 6/20

Average daily values (BCF/D):

Last Year (BCF/d)

Power – +31.2

Total Demand – +69.9

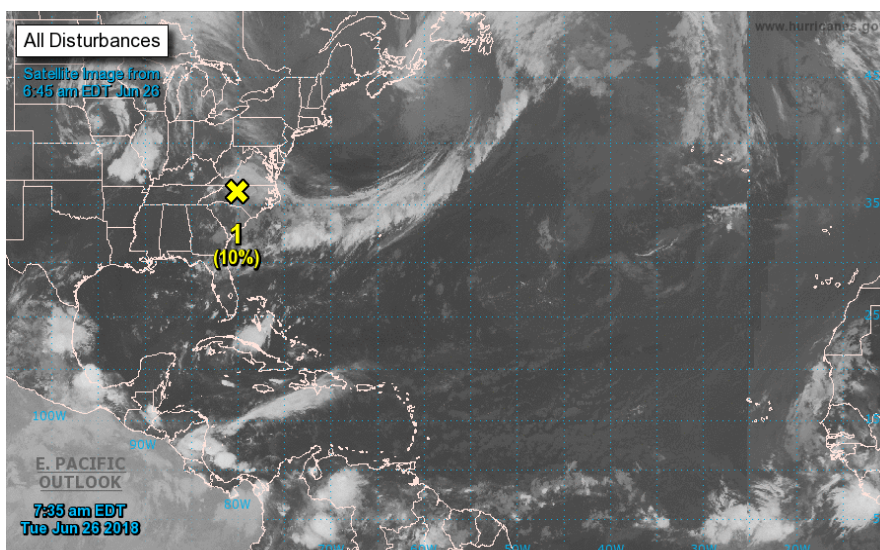
Last Week (BCF/d)

Power – +29.6

Total Demand – +71.0

[NEXT REPORT ON Jun 29]

TROPICAL STORM ACTIVITY— ATLANTIC



Tropical Weather Outlook

NWS National Hurricane Center Miami FL

800 AM EDT Tue Jun 26 2018

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

1. A non-tropical area of low pressure is likely to form along a stationary front near the coast of North Carolina on Wednesday. Thereafter, environmental conditions could support this system acquiring some tropical characteristics over the next few days as the system moves eastward or northeastward away from the United States.

\* Formation chance through 48 hours...low...10 percent.

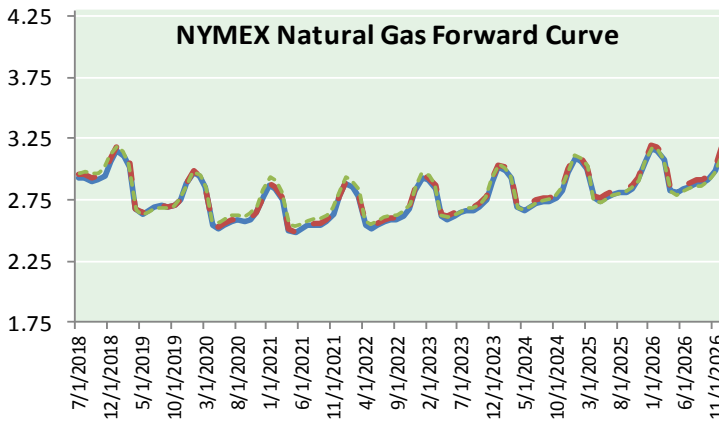
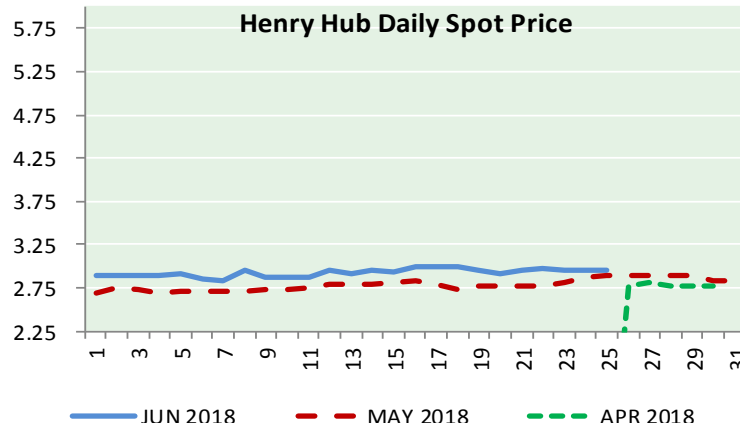
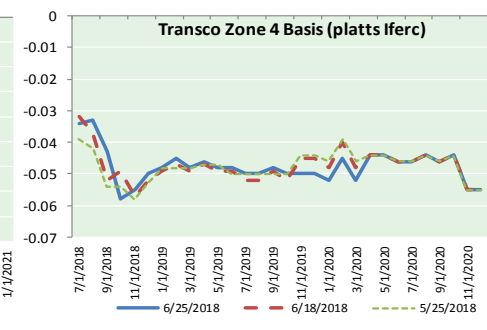
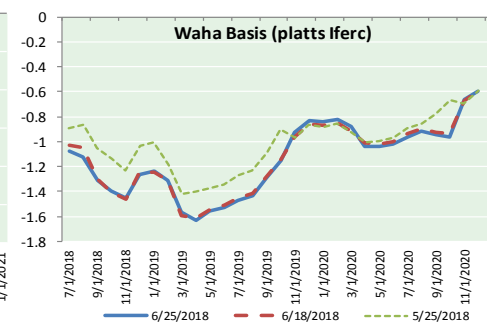
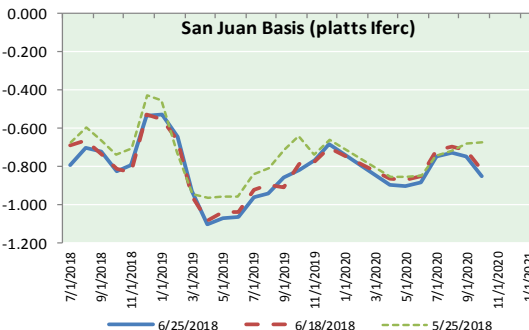
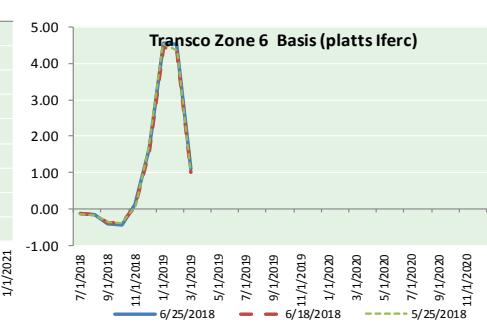
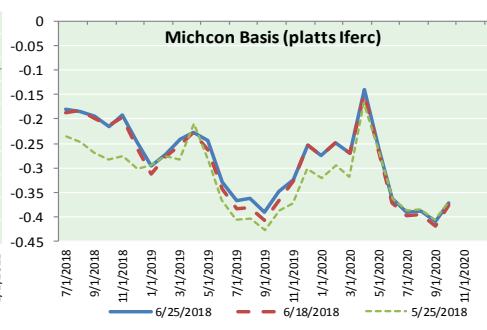
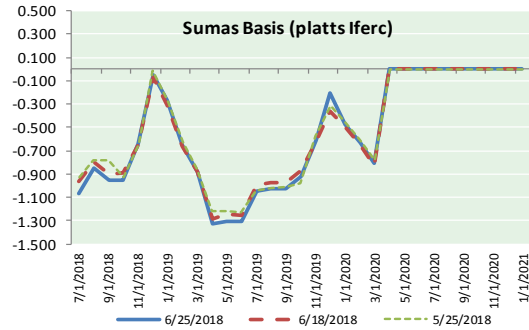
\* Formation chance through 5 days...low...20 percent.

Forecaster Blake



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: June 2018

Day	Price	Day	Price
1	65.81	16	
2		17	
3		18	65.85
4	64.75	19	65.07
5	65.52	20	66.22
6	64.73	21	65.54
7	65.95	22	68.58
8	65.74	23	
9		24	
10		25	68.08
11	66.10	26	
12	66.36	27	
13	66.64	28	
14	66.89	29	
15	65.06	30	

Average (Jun) 66.0524  
(through 06/25/2018)

Average (May) 69.9832

Average (Apr) 66.3252

CME NG Option Prices

ATM Call

Month	Strike	Close	Imp Vol
Aug-18			
Sep-18	2.900	0.094	26.2
Oct-18			
Nov-18			
Dec-18			

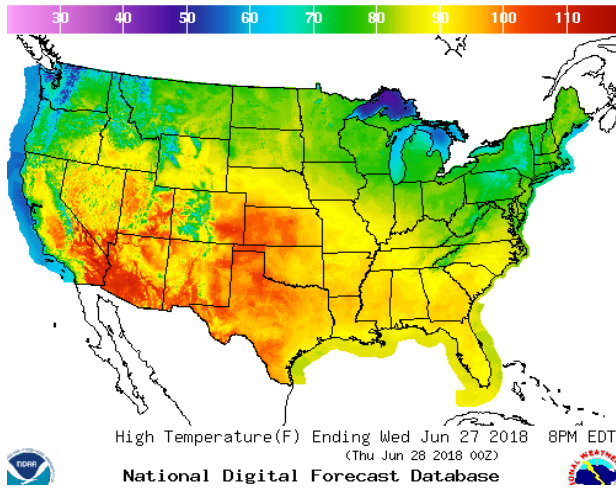
CME NG Option Prices

ATM Put

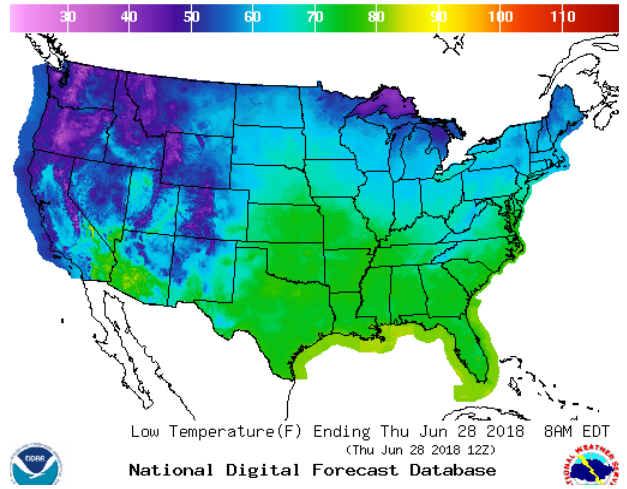
Month	Strike	Close	Imp Vol
Aug-18			
Sep-18	2.900	0.070	22.5
Oct-18			
Nov-18			
Dec-18			

WEATHER – HIGH / LOW TEMPERATURE TOMORROW

HIGH Temperature

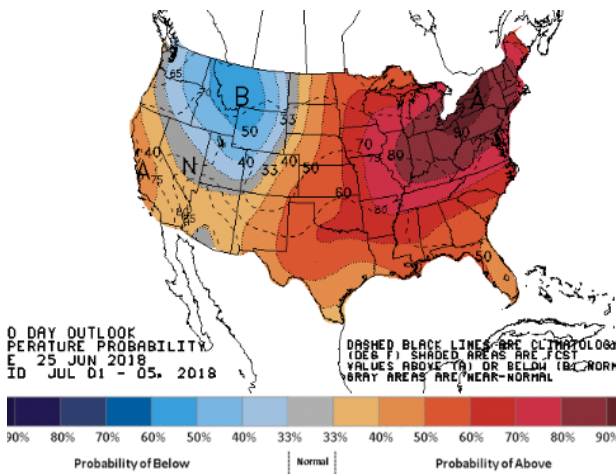


LOW Temperature

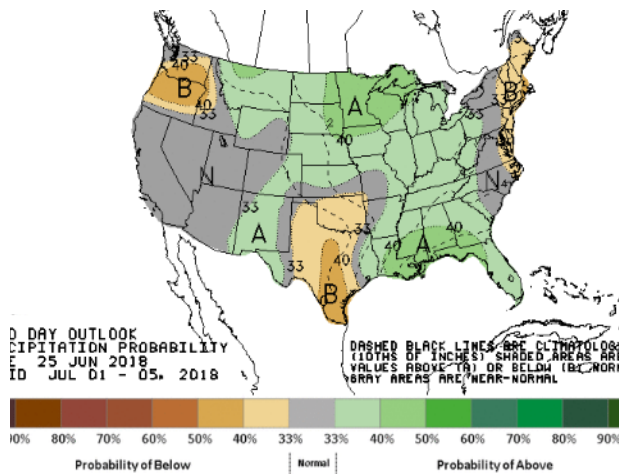


WEATHER – 6 TO 10 DAY OUTLOOK – NOAA

Temperature

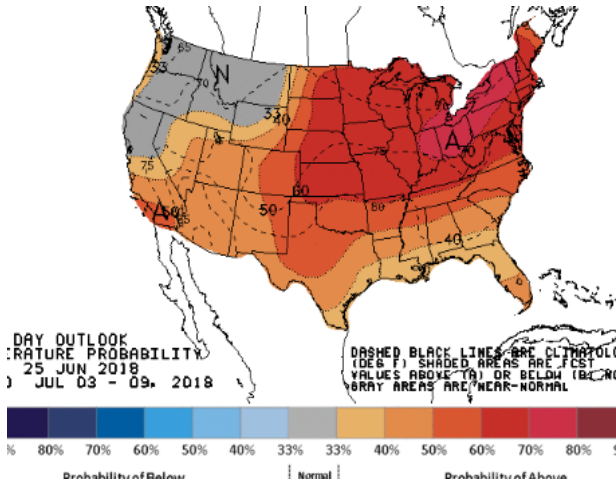


Precipitation

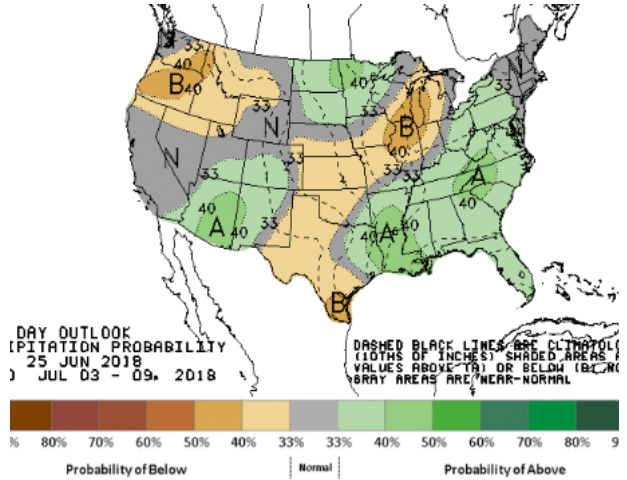


WEATHER – 8 TO 14 DAY OUTLOOK – NOAA

Temperature



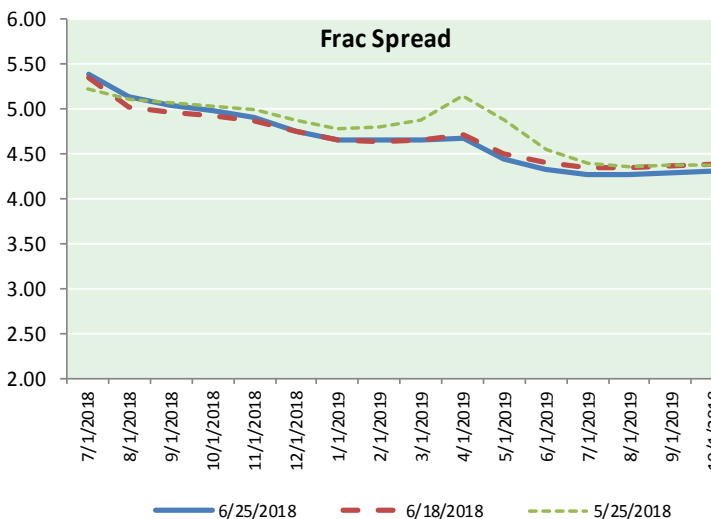
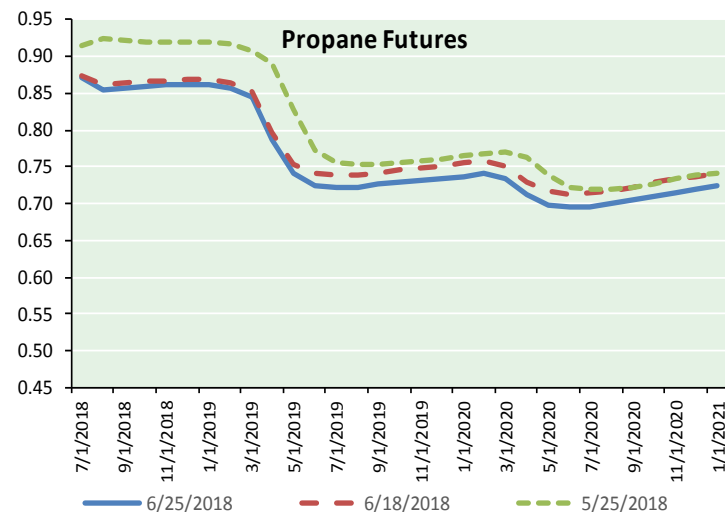
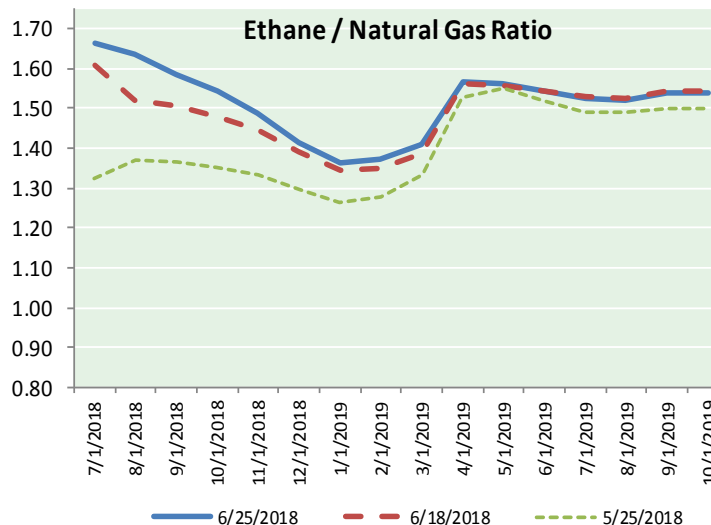
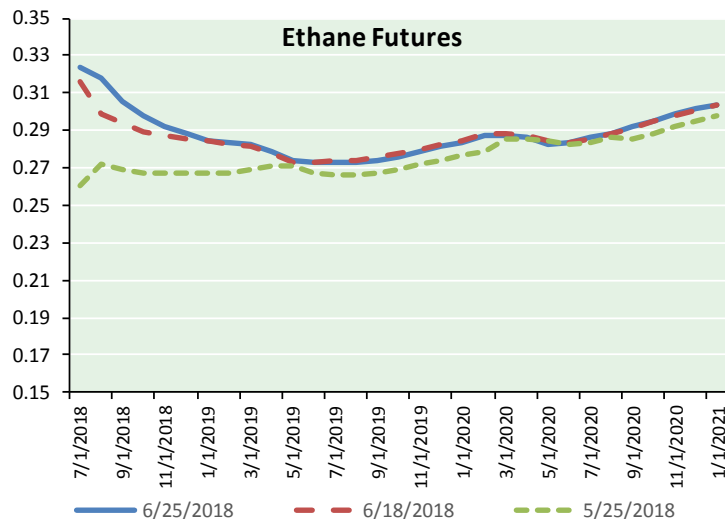
Precipitation





# 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
Jul-18	0.324	(0.000)
Aug-18	0.318	(0.002)
Sep-18	0.306	(0.003)
Oct-18	0.298	(0.003)
Nov-18	0.292	(0.003)
Dec-18	0.288	(0.003)
Jan-19	0.285	(0.003)
Feb-19	0.284	(0.002)
Mar-19	0.282	(0.001)
Apr-19	0.278	(0.001)
May-19	0.274	(0.002)
Jun-19	0.273	(0.002)

1YR Strip 0.292 (0.002)

### CME Future Prices

#### Propane (C3)

##### Non-LDH— Mont Belvieu

Month	Close	Change
Jul-18	0.871	(0.000)
Aug-18	0.854	(0.002)
Sep-18	0.857	(0.002)
Oct-18	0.860	(0.002)
Nov-18	0.862	(0.002)
Dec-18	0.862	(0.003)
Jan-19	0.862	(0.003)
Feb-19	0.858	(0.002)
Mar-19	0.844	(0.002)
Apr-19	0.788	(0.002)
May-19	0.740	(0.003)
Jun-19	0.725	(0.003)

1YR Strip 0.832 (0.002)

**NATURAL GAS NEWS**



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

**BULLISH**



RESISTANCE  
69.09 & 70.09  
SUPPORT  
67.43 & 66.77

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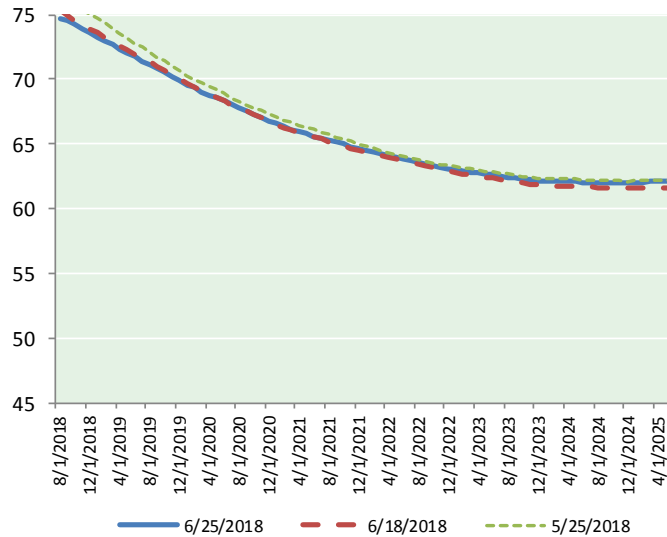
@MPG\_NatGasNews

**NYMEX Brent (BZ)**

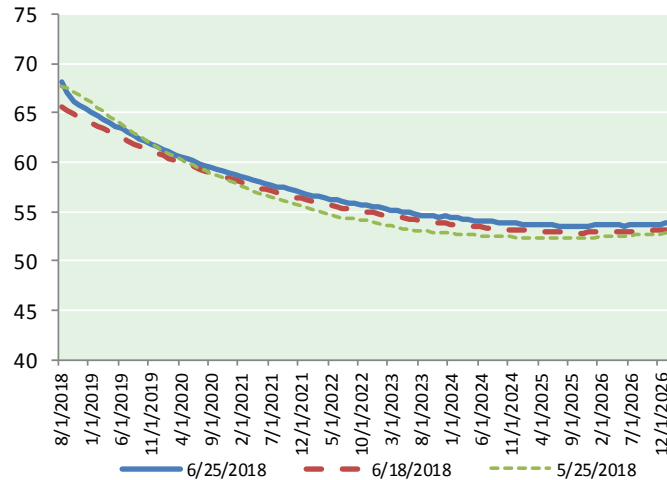
**Futures**

Month	Close	Change
Aug-18	74.73	(0.82)
Sep-18	74.55	(0.77)
Oct-18	74.22	(0.72)
Nov-18	73.94	(0.69)
Dec-18	73.60	(0.67)
Jan-19	73.29	(0.62)
Feb-19	72.97	(0.57)
Mar-19	72.65	(0.51)
Apr-19	72.34	(0.46)
May-19	72.02	(0.42)
Jun-19	71.71	(0.37)
Jul-19	71.42	(0.35)
Aug-19	71.15	(0.32)
Sep-19	70.84	(0.29)
Oct-19	70.54	(0.26)
Nov-19	70.25	(0.25)
Dec-19	69.90	(0.24)
Jan-20	69.59	(0.23)
Feb-20	69.33	(0.22)
Mar-20	69.05	(0.21)
Apr-20	68.79	(0.19)
May-20	68.55	(0.17)
Jun-20	68.31	(0.15)
Jul-20	68.05	(0.13)
1YR Strip	73.12	(0.58)
2018	74.21	(0.73)
5YR Strip	67.20	(0.20)

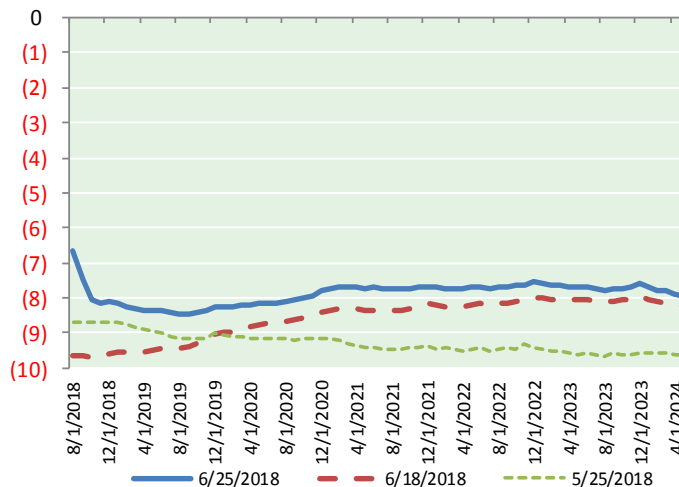
**BRENT CRUDE FORWARD CURVE**



**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)

	Jul-18	Close	Change
Butane	1.026	0.000	
Iso-Butane	1.342	(0.000)	
Nat Gasoline	1.479	(0.003)	

**NYMEX WTI (CL) Futures**

Month	Close	Change
Aug-18	68.08	(0.50)
Sep-18	67.04	(0.59)
Oct-18	66.18	(0.61)
Nov-18	65.79	(0.55)
Dec-18	65.47	(0.49)
Jan-19	65.11	(0.45)
Feb-19	64.72	(0.38)
Mar-19	64.33	(0.33)
Apr-19	63.99	(0.28)
May-19	63.67	(0.22)
Jun-19	63.36	(0.17)
Jul-19	63.01	(0.15)
Aug-19	62.68	(0.13)
Sep-19	62.38	(0.12)
Oct-19	62.12	(0.11)
Nov-19	61.88	(0.08)
Dec-19	61.64	(0.07)
Jan-20	61.35	(0.05)
Feb-20	61.08	(0.04)
Mar-20	60.82	(0.02)
Apr-20	60.58	(0.01)
May-20	60.37	0.00
Jun-20	60.16	0.01
Jul-20	59.91	0.02
1YR Strip	65.06	(0.39)
2018	66.51	(0.55)
5YR Strip	59.27	(0.04)