

# NATURAL GAS



OCTOBER 18, 2018

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



## NYMEX NG Futures

Month	Close	Change
Nov-18	3.320	0.081
Dec-18	3.369	0.068
Jan-19	3.439	0.065
Feb-19	3.347	0.051
Mar-19	3.152	0.038
Apr-19	2.763	0.008
May-19	2.712	0.003
Jun-19	2.736	0.001
Jul-19	2.771	0.001
Aug-19	2.772	(0.001)
Sep-19	2.753	(0.001)
Oct-19	2.771	(0.001)
Nov-19	2.823	(0.001)
Dec-19	2.963	0.004
Jan-20	3.054	0.004
Feb-20	2.983	0.004
Mar-20	2.833	0.002
Apr-20	2.561	0.004
May-20	2.525	0.004
Jun-20	2.553	0.003
Jul-20	2.583	0.004
Aug-20	2.586	0.003
Sep-20	2.571	0.003
Oct-20	2.591	0.004
1YR Strip	2.992	0.026
2018	3.345	0.075
5YR Strip	2.706	0.003

## IN THE NEWS

A fire near a California natural gas pipeline has forced 4,000 to evacuate— CNN reported: A grass fire was threatening an underground natural gas pipeline Thursday in the San Francisco Bay Area, forcing authorities to evacuate about 4,000 people and close an elementary school for the day, officials said. The fire, which started Wednesday evening in the community of Bay Point,

- **A fire near a California natural gas pipeline has forced 4,000 to evacuate**
- **BC May Feel Nat Gas Shortages Into The New Year After Pipeline**

apparently was caused by an electrical power line that fell, according to Chevron Pipe Line Company, which operates the threatened pipeline. Chevron said it shut down the gas line and worked with firefighters to evacuate the area as a precaution. The company is "working to reduce pressure in the at-risk gas line," and the venting is producing a loud shrieking noise "that has been described as a jet-engine-like sound" coming from a pipeline facility in the nearby community of Antioch, the Contra Costa County Fire Protection District said. For more on this story visit [cnn.com](http://cnn.com) or click <https://cnn.it/2J2KEqw>

BC May Feel Nat Gas Shortages Into The New Year After Pipeline Explosion— Oil Price reported: As the timeline for repair works on Enbridge's ruptured gas pipeline remains uncertain, British Columbia may experience natural gas shortages for months and well into the winter, and such shortages could grow if colder weather takes hold before repairs are complete, B.C.'s natural gas utility FortisBC says. A gas pipeline explosion that led to the evacuation of 100 people last week is forcing the residents of British Columbia and the state of Washington to cut their gas consumption as the region faces a shortage until the pipeline is repaired. The explosion damaged the two main pipelines, both operated by Enbridge, that bring natural gas into the FortisBC's gas distribution system. FortisBC announced that as many as 700,000 customers were facing a temporary lack of access to natural gas because of the explosion. That's more than two-thirds of the company's customer base. For more on this story visit [oilprice.com](http://oilprice.com) or click <https://bit.ly/2PEKuYV>

## 12 MONTH CANDLESTICK (WEEKLY)



## Prompt Natural Gas (NG) Daily Sentiment

**BULLISH**



RESISTANCE

3.36 & 3.40

SUPPORT

3.26 & 3.20

## Trading Summary

### NATURAL GAS

Futures	Close	Change
NG	3.320	0.081
Volume	447,741	(28,266)
Open Int.	1,626,117	(471)

### CRUDE AND GASOLINE

Futures	Close	Change
Crude	69.75	(2.17)
RBOB	1.9187	(0.0586)
Crude/NG	21.01	(1.20)

### METALS

Futures	Close	Change
Gold	1,223.70	

### EQUITIES

Exchange	Close	Change
DOW	25,548.56	(158.12)
S&P 500	-1,615.80	(16.70)

### CURRENCY

Currency	Close	Change
EUR/USD	1.1495	(0.0006)
USD/CND	1.2405	0.0018

## Contact Us



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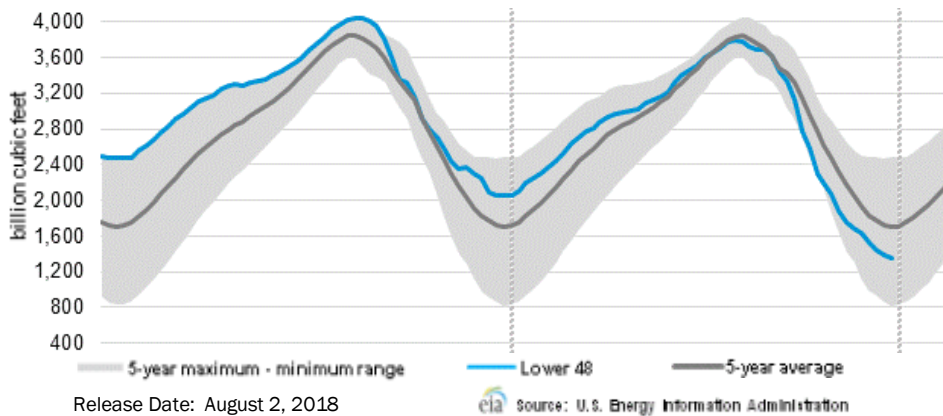
Phone: (800) 695-6626





**NATURAL GAS NEWS**

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



**Rig Count**

Report Date: October 12, 2018

	Total	Change
US -	1,063	+11
CN -	195	13

**EIA Weekly NG Storage Actual and Surveys for October 12, 2018**

Released October 11, 2018  
 Range — +71 to +90  
 PIRA— +89  
 CITI — +88  
 Reuters — +87

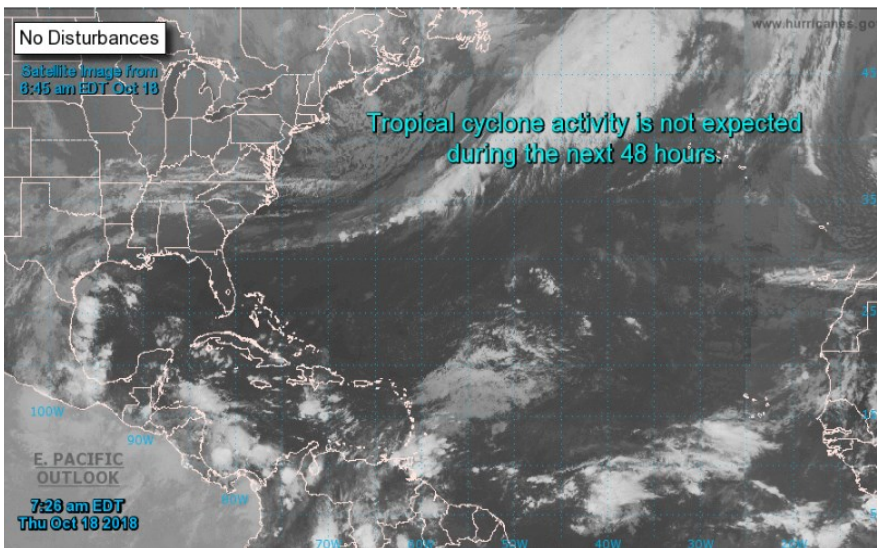
EIA ACTUAL — +46

**Total Working Gas In Storage**

**2956 BCF**

+90 BCF (LAST WEEK)  
 (627) BCF (LAST YEAR)  
 (607) BCF (5-YR AVG)

**TROPICAL STORM ACTIVITY— ATLANTIC**



Tropical Weather Outlook

NWS National Hurricane Center Miami FL

800 AM EDT Wed Oct 18 2018

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

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

**U.S. Natural Gas Supply Gas Week 10/4 — 10/10**

Average daily values (BCF/D):  
 Last Year (BCF/d)  
 Dry Production — +74.6  
 Total Supply — +80.3  
 Last Week (BCF/d)  
 Dry Production — +85.7  
 Total Supply — +90.8

[NEXT REPORT ON Oct 22]

**U.S. Natural Gas Demand Gas Week 10/4 — 10/10**

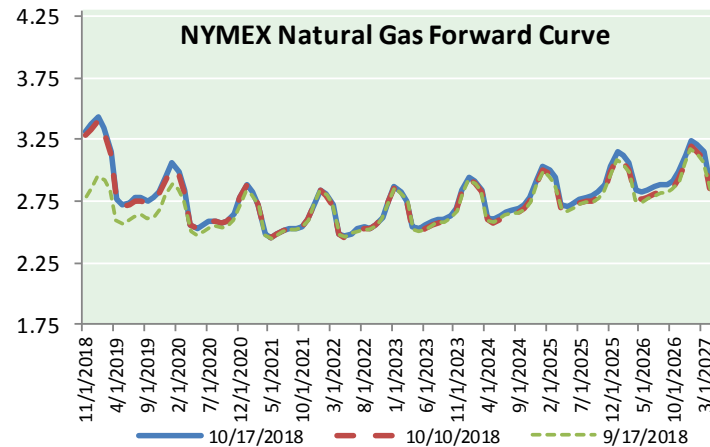
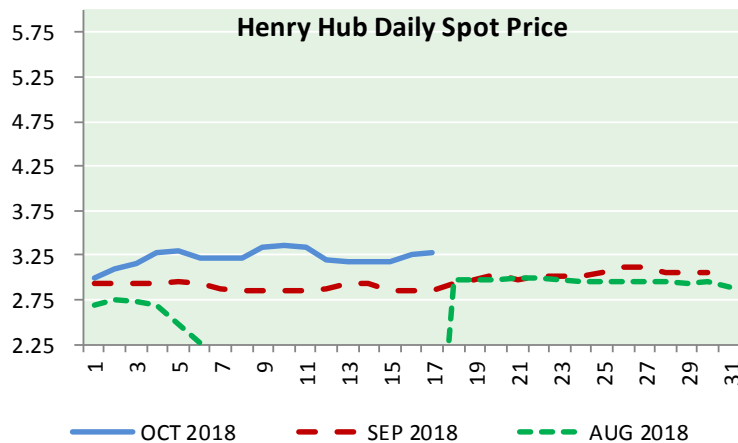
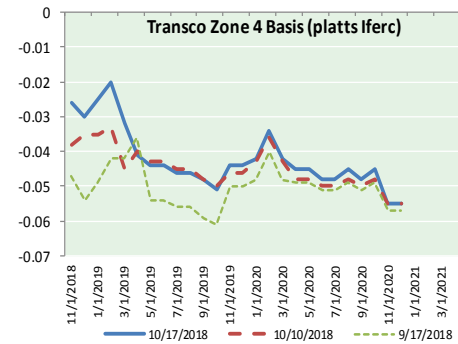
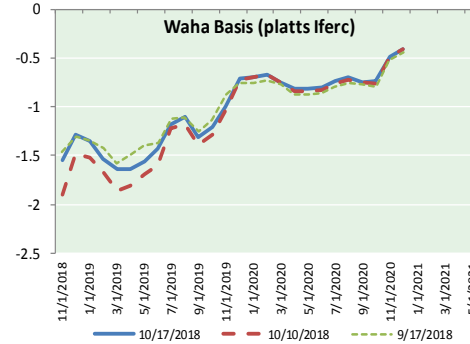
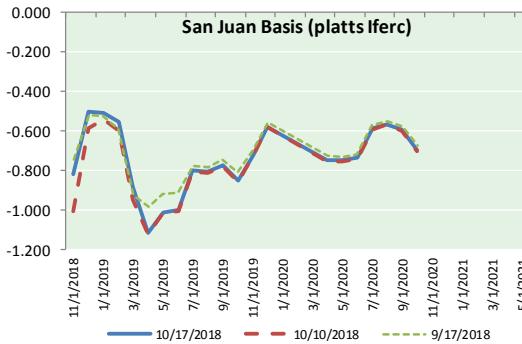
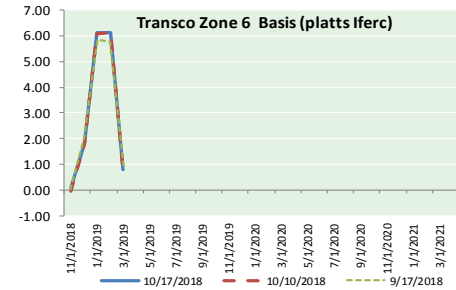
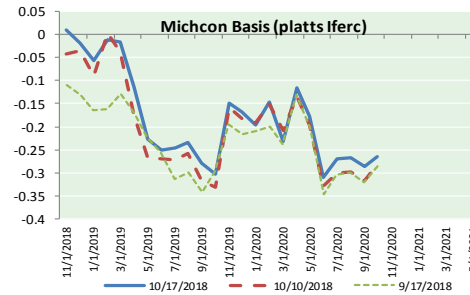
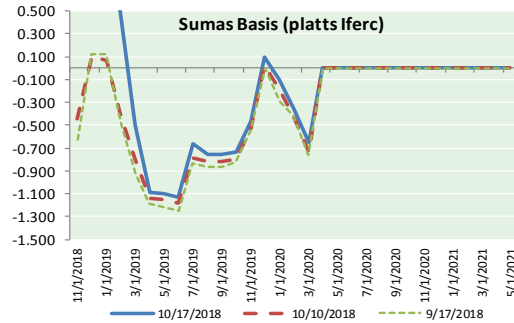
Average daily values (BCF/D):  
 Last Year (BCF/d)  
 Power — +28.6  
 Total Demand — +72.7  
 Last Week (BCF/d)  
 Power — +29.6  
 Total Demand — +77.5

[NEXT REPORT ON Oct 22]



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: October 2018

Day	Price	Day	Price
1	75.30	16	71.92
2	75.23	17	69.75
3	76.41	18	
4	74.33	19	
5	74.34	20	
6		21	
7		22	
8	74.29	23	
9	74.96	24	
10	73.17	25	
11	70.97	26	
12	71.34	27	
13		28	
14		29	
15	71.78	30	
		31	

Average (Oct) 73.3685  
(through 10/17/2018)

Average (Sep) 70.0847

Average (Aug) 67.8452

CME NG Option Prices

ATM Call

Month	Strike	Close	Imp Vol
Dec-18			
Jan-19	3.300	0.223	50.6
Feb-19			
Mar-19			
Apr-19			

CME NG Option Prices

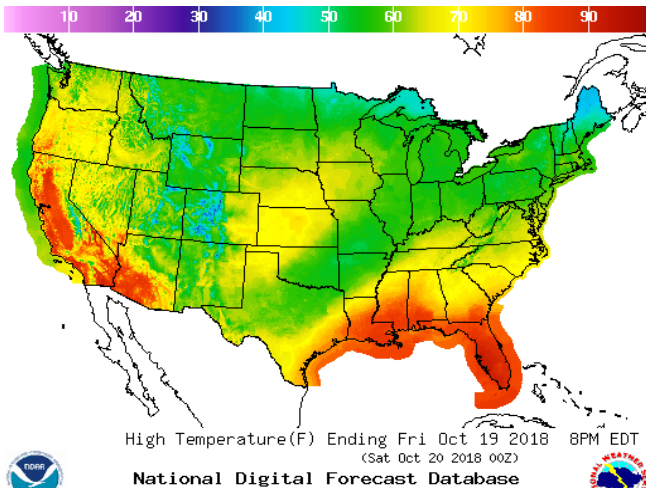
ATM Put

Month	Strike	Close	Imp Vol
Dec-18			
Jan-19	3.300	0.148	33.7
Feb-19			
Mar-19			
Apr-19			

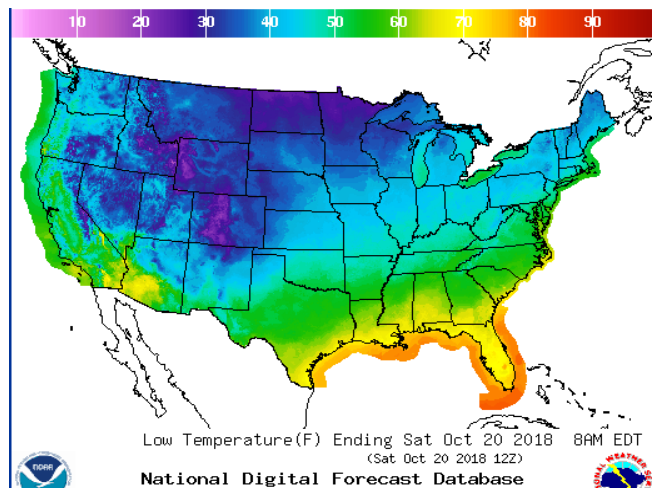


WEATHER – HIGH / LOW TEMPERATURE TOMORROW

HIGH Temperature

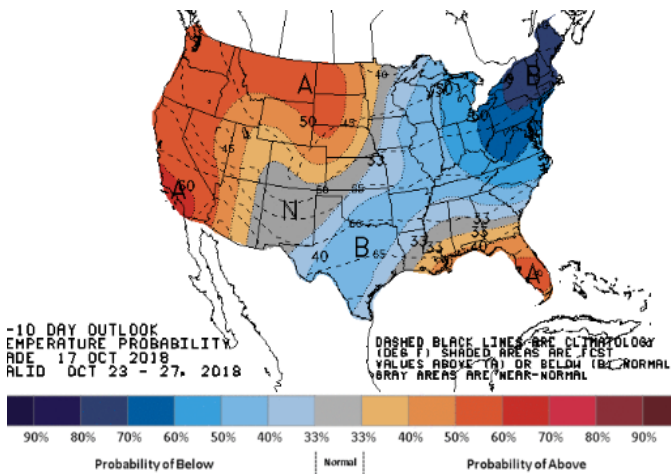


LOW Temperature

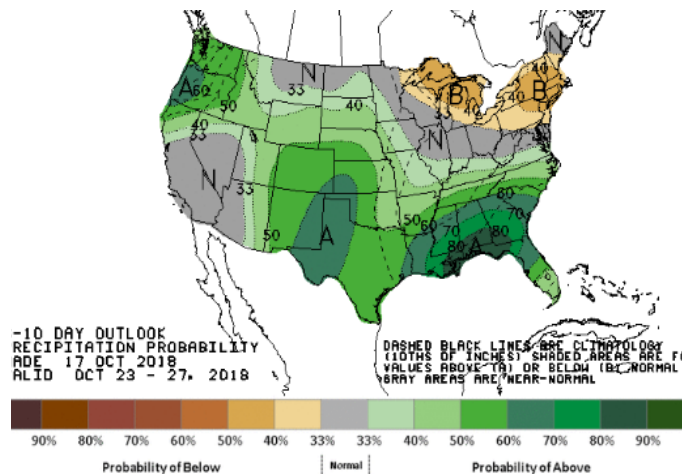


WEATHER – 6 TO 10 DAY OUTLOOK – NOAA

Temperature

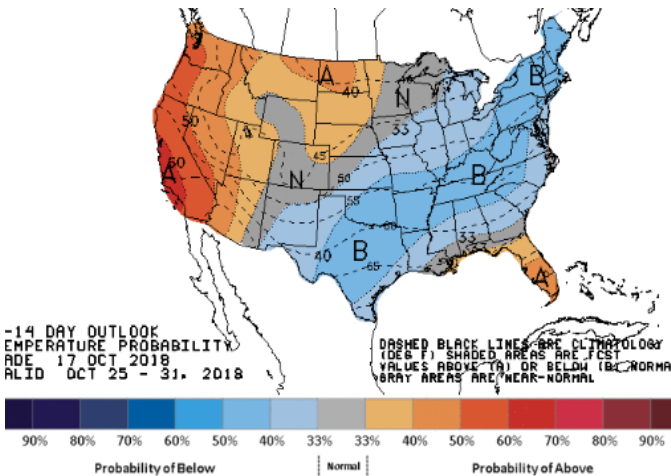


Precipitation

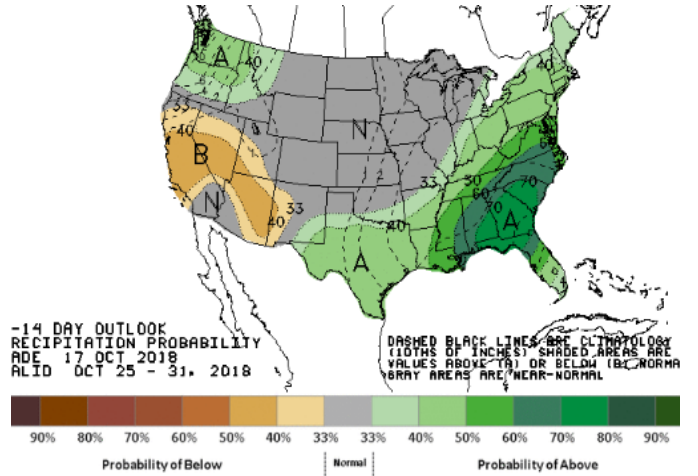


WEATHER – 8 TO 14 DAY OUTLOOK – NOAA

Temperature



Precipitation

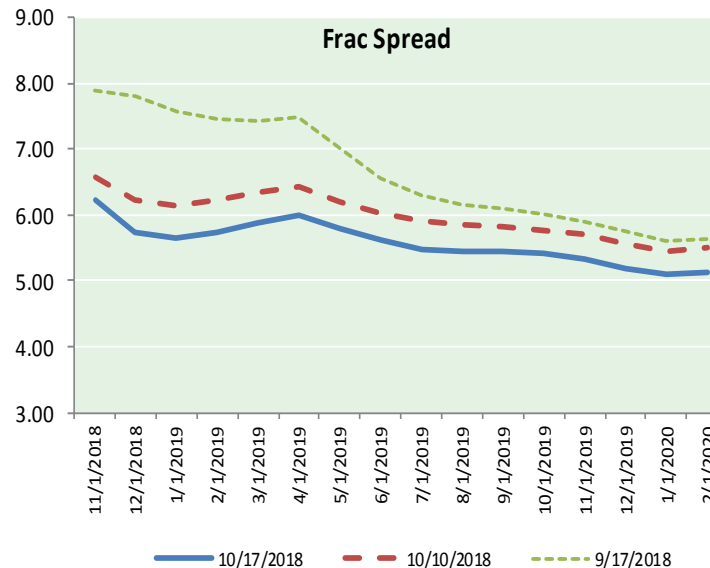
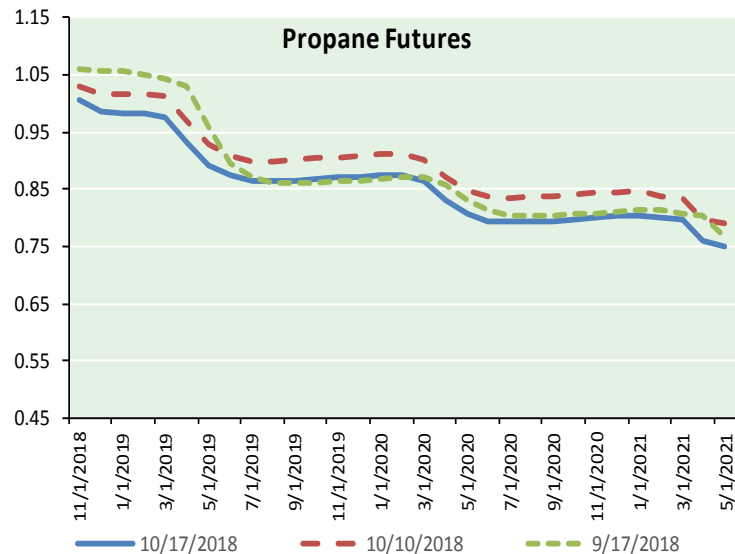
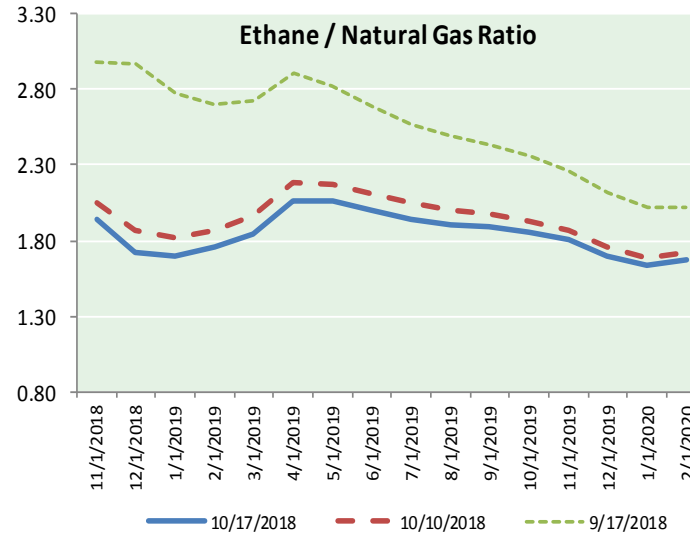
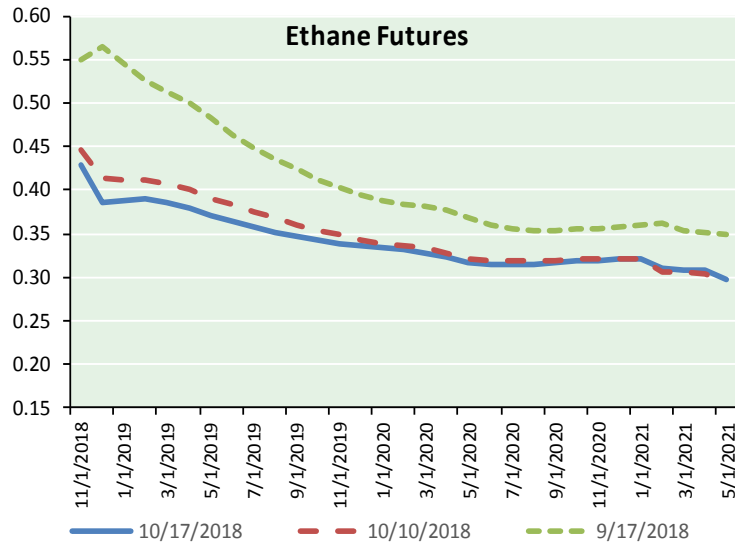


**NATURAL GAS NEWS**



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

**CME Future Prices**



Month	Close	Change
Nov-18	0.429	(0.014)
Dec-18	0.386	(0.026)
Jan-19	0.388	(0.021)
Feb-19	0.391	(0.019)
Mar-19	0.386	(0.020)
Apr-19	0.379	(0.018)
May-19	0.371	(0.016)
Jun-19	0.364	(0.016)
Jul-19	0.358	(0.014)
Aug-19	0.351	(0.013)
Sep-19	0.347	(0.011)
Oct-19	0.343	(0.008)
1YR Strip	0.374	(0.016)

**CME Future Prices  
Propane (C3)  
Non-LDH— Mont Belvieu**

Month	Close	Change
Nov-18	1.006	(0.010)
Dec-18	0.985	(0.020)
Jan-19	0.984	(0.019)
Feb-19	0.982	(0.016)
Mar-19	0.977	(0.016)
Apr-19	0.933	(0.013)
May-19	0.893	(0.010)
Jun-19	0.874	(0.009)
Jul-19	0.864	(0.008)
Aug-19	0.863	(0.008)
Sep-19	0.864	(0.008)
Oct-19	0.868	(0.007)
1YR Strip	0.924	(0.012)

**NATURAL GAS NEWS**



**Prompt WTI (CL) Crude**

**Daily Sentiment**

**BEARISH**



RESISTANCE

71.64 & 73.54

SUPPORT

68.64 & 67.54

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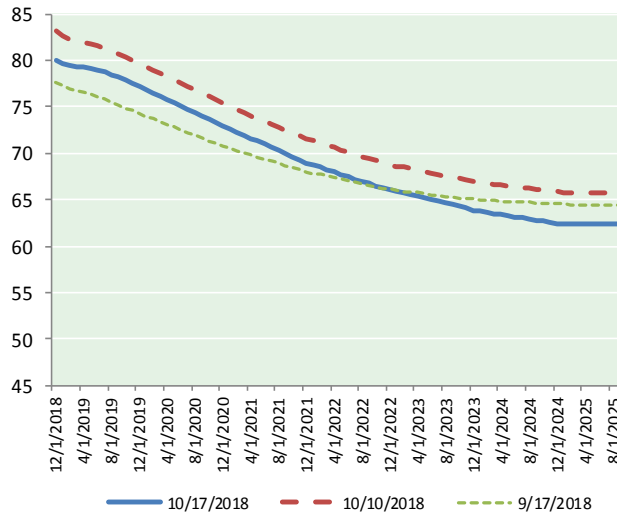
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**NYMEX Brent (BZ)**

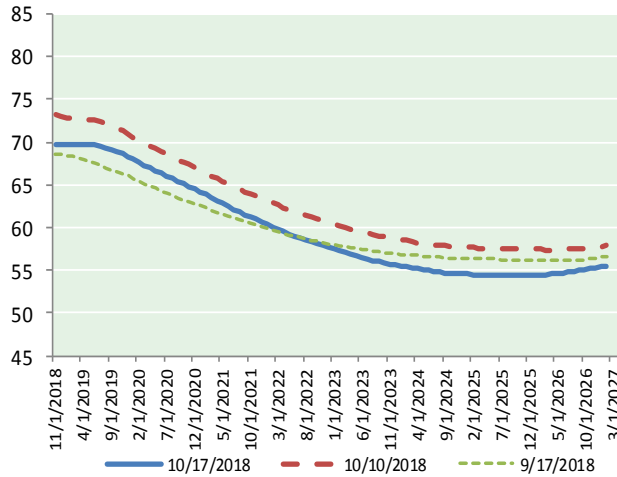
**Futures**

Month	Close	Change
Nov-18	69.75	(2.17)
Dec-18	69.70	(2.06)
Jan-19	69.72	(1.98)
Feb-19	69.73	(1.91)
Mar-19	69.74	(1.85)
Apr-19	69.75	(1.79)
May-19	69.73	(1.75)
Jun-19	69.67	(1.71)
Jul-19	69.55	(1.68)
Aug-19	69.37	(1.64)
Sep-19	69.15	(1.59)
Oct-19	68.90	(1.55)
Nov-19	68.64	(1.51)
Dec-19	68.36	(1.48)
Jan-20	68.01	(1.44)
Feb-20	67.66	(1.40)
Mar-20	67.32	(1.36)
Apr-20	67.00	(1.32)
May-20	66.71	(1.28)
Jun-20	66.43	(1.24)
Jul-20	66.09	(1.20)
Aug-20	65.74	(1.17)
Sep-20	65.42	(1.13)
Oct-20	65.12	(1.10)
1YR Strip 2018	69.56	(1.81)
5YR Strip	63.03	(1.05)

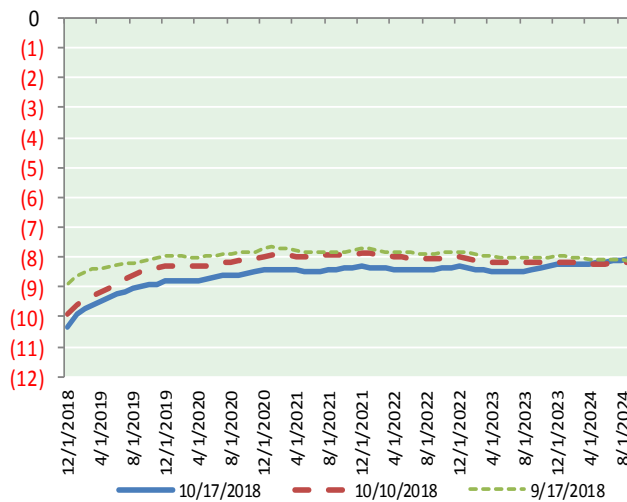
**BRENT CRUDE FORWARD CURVE**



**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**

	Nov-18	Close	Change
Butane	1.168	(0.012)	
Iso-Butane	1.172	(0.012)	
Nat Gasoline	1.572	(0.022)	

**NYMEX WTI (CL) Futures**

Month	Close	Change
Dec-18	80.05	(1.36)
Jan-19	79.63	(1.41)
Feb-19	79.48	(1.40)
Mar-19	79.36	(1.40)
Apr-19	79.23	(1.40)
May-19	79.11	(1.39)
Jun-19	78.93	(1.38)
Jul-19	78.70	(1.37)
Aug-19	78.44	(1.35)
Sep-19	78.15	(1.32)
Oct-19	77.84	(1.29)
Nov-19	77.53	(1.27)
Dec-19	77.17	(1.24)
Jan-20	76.83	(1.22)
Feb-20	76.48	(1.20)
Mar-20	76.14	(1.17)
Apr-20	75.78	(1.16)
May-20	75.44	(1.13)
Jun-20	75.09	(1.11)
Jul-20	74.73	(1.09)
Aug-20	74.37	(1.06)
Sep-20	74.01	(1.03)
Oct-20	73.64	(1.01)
Nov-20	73.32	(0.98)
1YR Strip 2018	78.87	(1.36)
5YR Strip	71.43	(0.92)