



News Tracker:

-Prices of natural gas declined in all market locations across the country over the report week (Wednesday, June 17 through Wednesday, June 24), and remained relatively low. The Henry Hub spot price began the report week at \$2.93/MMBtu and ended the report week at \$2.77/MMBtu.

-The near-month July 2015 NYMEX natural gas future contract declined from \$2.855/MMBtu to \$2.759/MMBtu during the report week.

-Working natural gas in storage increased to 2,508 Bcf as of Friday, June 19. A net injection into storage of 75 Bcf for the week resulted in storage levels 38% above a year ago and 1% above the five-year average for this week. Temperatures in the Lower 48 states averaged 75° Fahrenheit for the storage report week, 4° warmer than the 30-year normal temperature and 3° warmer than the average temperature during the same week last year.

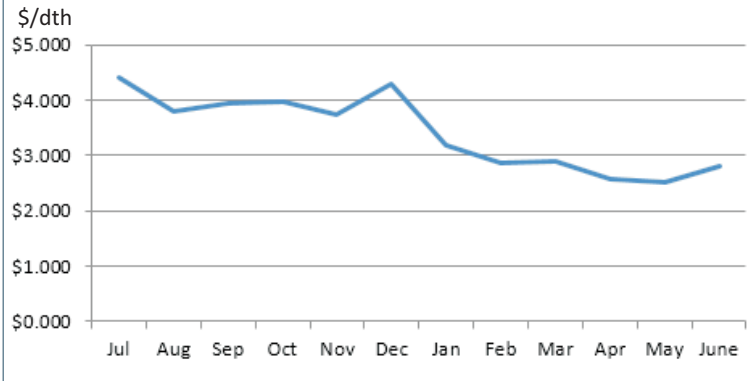
-The total oil and natural gas rig count fell by 2 units to 857 for the week ending Friday, June 19, down 1,001 rigs from the same week in 2014 and the lowest since January 2003, according to data from Baker Hughes Incorporated. This week marked the 28th consecutive week of declines in the rig count since December 12, 2014, with total rigs declining by 55% over this period. The largest decline was in the oil rigs, from 1,546 units on December 12 to 631 units on June 19, a decrease of 59%. Natural gas rig count also declined from 346 units to 223 units (36%) over this period and was 88 units (28%) below the same week last year.

-The natural gas plant liquids composite price at Mont Belvieu declined by 13¢ per MMBtu to \$4.54/MMBtu for the week ending June 19, and was 1¢ above the lowest price on record reported for the week ending May 29. Prices of natural gasoline, isobutane, and butane decreased by 4.1% (47¢), 7.6% (43¢), and 7.4% (38¢), respectively, while prices of propane and ethane remained unchanged from the previous week.

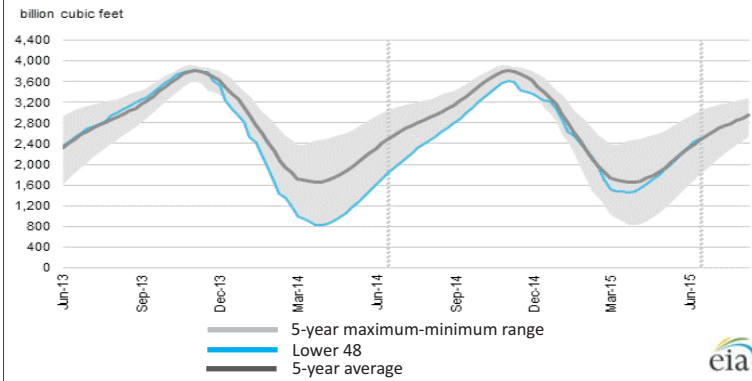
- U.S. gas consumption increased by 2.4% this week, with the largest increase in the power sector, which more than offset declines in residential/commercial and industrial sectors. Consumption of natural gas for power generation (power burn) increased by 6.1% during the report week, 24.2% higher than the same week last year.

Excerpted from eia

Monthly NYMEX Natural Gas Settle Price Jul 2014 - Jun 2015:



Working nat. gas in underground storage as of June 19, 2015:

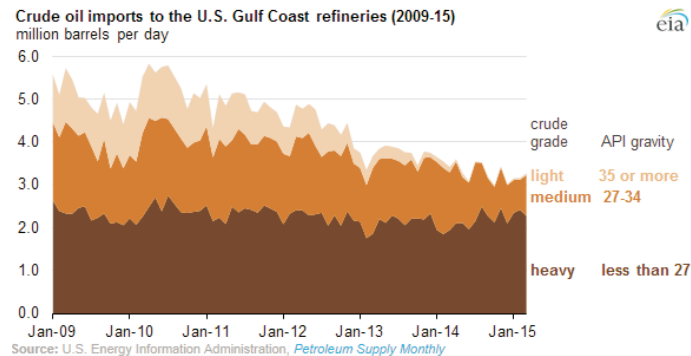


Forward 12-month NYMEX natural gas strip price - Jul15-Jun16:

Process Load-weighted \$3.019/dth (w/w -\$0.000)
Heat Load-weighted \$3.112/dth (w/w -\$0.001)

US crude oil production growth helps reduce Gulf Coast Imports :

In recent years, higher domestic production of light, tight crude oil has led to a reduction in crude oil imports. Certain types of crude oil have been affected more than others; for example, the increased economic availability of domestic light, tight crude oil has virtually eliminated Gulf Coast imports of light crude oil. In the past year, Gulf Coast imports of medium crude oil have also fallen because of increased production from the Eagle Ford, Bakken, and Permian regions. One of the key characteristics of crude oil is its density, measured by API gravity as established by the American Petroleum Institute. Less-dense liquids have higher API gravities. Crude oils with API gravities of 35 or above are considered light; 27 to 34 are medium; less than 27 are heavy. From the first quarter of 2014 to the first quarter of 2015, medium-grade crude oil imports to Gulf Coast refineries decreased 45%, from 1.5 million barrels per day (b/d) to 0.8 million b/d. On the other hand, over that same period there was a 0.4 million b/d (22%) increase in imports to Gulf Coast refineries of heavy crude oil. Improved refining margins from processing additional volumes of heavy crude have resulted in a 3% increase in gross atmospheric distillation unit (ADU) throughput in the Gulf Coast region over this period, from 8.0 million b/d to 8.2 million b/d. Almost all medium-grade crude oil imports are from Middle Eastern countries. Gulf Coast imports of medium crude oil from Saudi Arabia decreased by 52% from the first quarter of 2014 to the first quarter of 2015, from 0.9 million b/d to 0.4 million b/d. Similarly, Gulf Coast imports of medium crude oil from Kuwait decreased by 46% over this period, from 0.4 million b/d to 0.2 million b/d.



“Iron rusts from disuse; water loses its purity from stagnation.....even so does inaction sap the vigor of the mind.” -Leonardo da Vinci