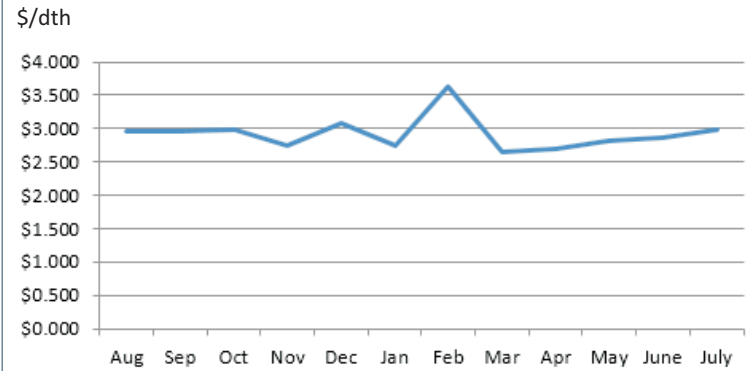


News Tracker:

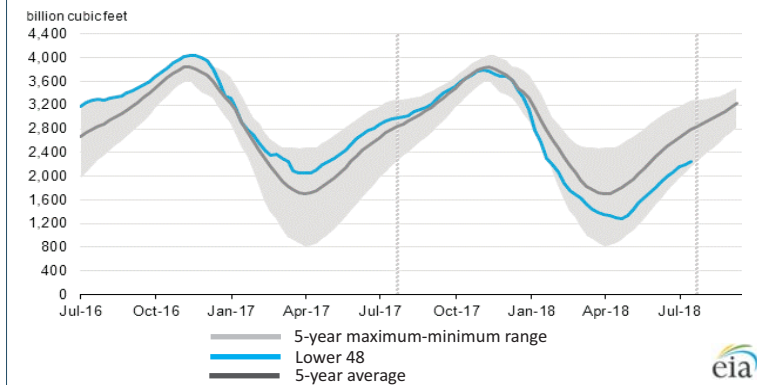
- Natural gas spot price movements were mixed this Report Week (Wednesday, July 11 to Wednesday, July 18). The Henry Hub spot price fell from \$2.84 per million British thermal units (MMBtu) to \$2.72/MMBtu from beginning to end of the Report Week.
- At the New York Mercantile Exchange (Nymex), the August 2018 natural gas futures contract price fell 11¢ from \$2.829/MMBtu to \$2.721/MMBtu from open to close of the Report Week.
- Net natural gas injections into storage totaled 46 Bcf for the week ending July 13, compared with the five-year (2013-17) average net injections of 62 Bcf and last year's net injections of 31 Bcf during the same week. Working gas stocks totaled 2,249 Bcf, which is 535 Bcf (19%) lower than the five-year average and 710 Bcf (24%) lower than last year at this time. Net injections into storage are 17% lower than the five-year average rate so far in the 2018 refill season. If working gas stocks match the five-year average rate of injections of 9.4 Bcf/d for the remainder of the refill season, inventories will total 3,280 Bcf on October 31, compared with the five-year low of 3,560 Bcf for that time of year.
- Total U.S. consumption of natural gas rose by 4% compared with the previous report week, according to data from PointLogic Energy. Natural gas consumed for power generation climbed by 9% week over week. Industrial sector consumption decreased by 1% week over week. In the residential and commercial sectors, consumption declined by 6%. Natural gas exports to Mexico decreased 3%.
- The natural gas plant liquids composite price at Mont Belvieu, Texas, fell by 51¢, averaging \$8.64/MMBtu for the week ending July 18. The price of natural gasoline, ethane, propane, butane, and isobutane all fell, by 4%, 5%, 6%, 5%, and 8%, respectively.
- According to Baker Hughes, for the week ending Tuesday, July 10, the natural gas rig count increased by 2 to 189. The number of oil-directed rigs remained constant at 863. The total rig count increased by 2, and it now stands at 1,054.

Excerpted from 

Monthly NYMEX Natural Gas Settle Price: Aug 2017 - Jun 2018:



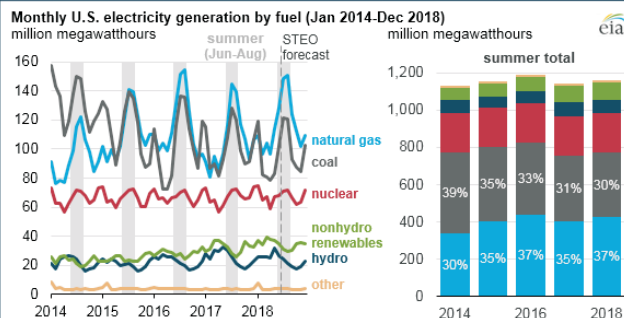
Working natural gas in underground storage as of July 13, 2018



Forward 12-month NYMEX natural gas strip price - Aug18-Jul19:

Process Load-weighted \$2.733/dth - w/o/w = ▼\$0.094
 Typical Heat Load-weighted \$2.805/dth - w/o/w = ▼\$0.096

Natural gas-fired electricity generation this summer expected to be near record high:



The US Energy Information Administration's (EIA) July 2018 Short-Term Energy Outlook (STEO) expects natural gas-fired power plants to supply 37% of US electricity generation this summer (June, July, and August), near the record-high natural gas-fired generation share in summer 2016. EIA forecasts the share of generation from coal-fired power plants will drop slightly to 30% in summer 2018, continuing a multi-year trend of lower coal-fired electricity generation.

The share of electricity generation supplied by natural gas-fired power plants has increased over the past decade, while the share supplied by coal has fallen, primarily as a result of sustained low natural gas prices, increases in natural gas-fired capacity, and retirements of coal-fired generating capacity. Over the three-year period from 2015 to 2017, the cost of natural gas delivered to electric generators averaged \$3.16 per million Btu (MMBtu), compared with \$7.69/MMBtu between 2006 and 2008. The combination of relatively low

natural gas prices, environmental regulations, and supportive renewable energy policies has led the industry to build new natural gas-fired and renewable capacity and to retire coal-fired power plants. As reported on EIA's Preliminary Monthly Electric Generator Inventory, power plant operators added 5.4 gigawatts (GW) of new natural gas-fired generating capacity during the first four months of 2018 with an additional 15 GW scheduled to come online through the end of the year. This addition would be the largest increase in natural gas capacity since 2004. The electric industry also added 2.6 GW of new utility-scale solar and wind generating capacity during the first four months of the year, with an additional 9.6 GW scheduled to come online by the end of 2018. More than 10 GW of coal-fired capacity was retired over the 12-month period ending April 2018.

Excerpted from 

“Orators are most vehement when their cause is weak.” -Marcus Tullius Cicero¹