



News Tracker:

-Natural gas spot prices were mixed this Report Week (Wednesday, August 31 to Wednesday, September 7). The Henry Hub spot price fell from \$2.94/MMBtu at the open of the Report Week to \$2.82/MMBtu to close the Report Week.

-At the New York Mercantile Exchange (Nymex), the October 2016 natural gas futures contract fell 21¢, from \$2.887/MMBtu at the start of the Report Week to \$2.676/MMBtu at the close of the Report Week.

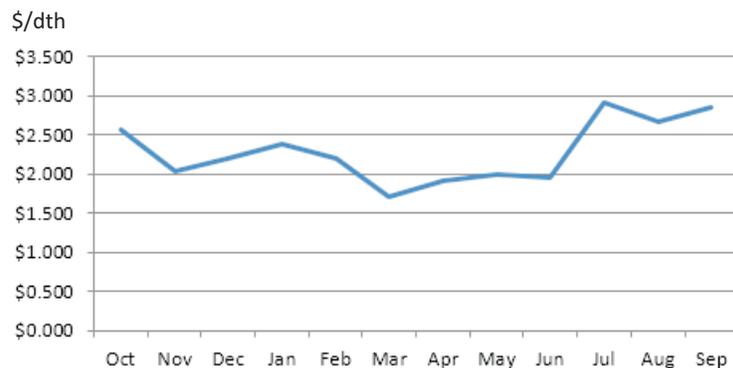
-Natural gas net injections into storage for the calendar week ending September 2 totaled 36 Bcf, compared with the five-year (2011-15) average net injection of 64 Bcf and last year's net injections of 78 Bcf during the same week. Working gas stocks total 3,437 Bcf, 306 Bcf above the five-year average and 196 Bcf above last year at this time. When the refill season began on April 1, working gas stocks were 874 Bcf above the five-year average. Temperatures in the Lower 48 states averaged 76°F, 4°F more than normal and 2°F more than last year at this time. Cooling degree-days (CDD) in the Lower 48 states totaled 79, compared with 65 last year and a normal of 54. During this most recent storage week, the average natural gas spot price at the Henry Hub was \$2.92/MMBtu, while the Nymex futures price of natural gas for delivery in January 2017 averaged \$3.30/MMBtu, a difference of 39¢/MMBtu. A year ago, the premium was 33¢/MMBtu.

-The natural gas plant liquids composite price at Mont Belvieu, Texas, fell by 20¢, closing at \$4.71/MMBtu for the calendar week ending September 2. The price of natural gasoline, propane, butane, and isobutane fell by 13%, 1%, 3%, and 5%, respectively. The price of ethane rose by 2%.

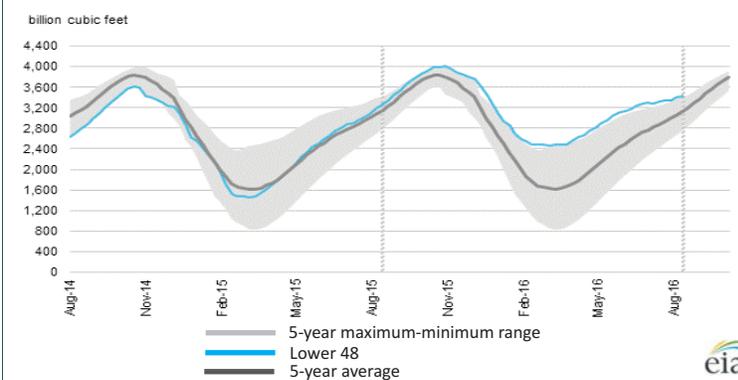
-According to Baker Hughes, for the week ending Friday, September 2, the natural gas rig count increased by 7 to 88, the largest weekly increase since April 2015. The number of oil-directed rigs rose by 1 to 407. The total rig count climbed by 8, and now stands at 497.

Excerpted from eia

Monthly NYMEX Natural Gas Settle Price: Oct 2015 - Sep 2016:



Working nat. gas in underground storage as of September 2, 2016

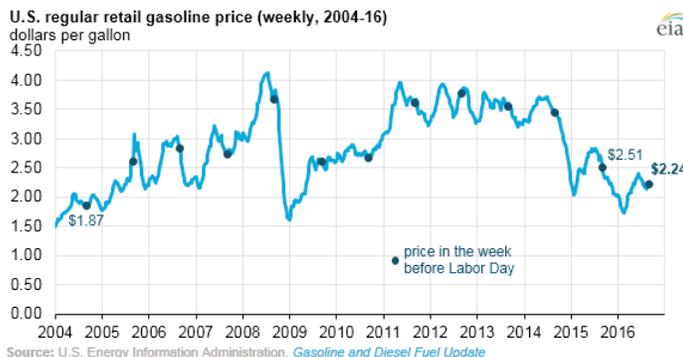


Forward 12-month NYMEX natural gas strip price - Oct16-Sep17:

Process Load-weighted \$2.982/dth (w/w = -\$0.118)
 Typical Heat Load-weighted \$3.045/dth (w/w = -\$0.127)

Gasoline prices prior to Labor Day were lowest in 12 years:

The US average retail price for regular gasoline was \$2.24/gallon (gal) on August 29, the lowest price on the Monday before Labor Day since 2004, and 27¢/gal lower than the same time last year. Lower crude oil prices are the main factor behind falling US gasoline prices. Lower crude oil prices reflect continued high global crude oil and petroleum product inventories and increased drilling activity in the US. The US average retail gasoline price increased 51¢/gal since the recent low point in mid-February, when gasoline prices averaged \$1.72/gal. The rise in gasoline prices was the result of higher crude oil prices and strong demand during the summer driving season. On a regional basis, average gasoline prices range from \$2.59/gal in the West Coast region to \$2.01/gal in the Gulf Coast region. The West Coast, particularly California, has the highest gasoline prices among states surveyed in the US Energy Information Administration's weekly Gasoline and Diesel Fuel Update, which is the result of a tightly balanced gasoline market, tighter environmental specifications, and higher taxes in West Coast states. As of Monday, August 26, gasoline prices averaged \$2.71/gal in California and \$2.74/gal and \$2.75/gal in Los Angeles and San Francisco, respectively. The Gulf Coast region, where much of the nation's petroleum refinery capacity is located, continues to have some of the lowest-priced gasoline in the nation, averaging \$2.01/gal for the region and \$1.97/gal in Houston. As fall approaches and US driving decreases, lower gasoline demand, shifts to less costly winter fuel specifications, and reduced crude oil purchases by refineries undergoing seasonal maintenance have the potential to put downward pressure on crude oil and gasoline prices.



“You always notice the guy who never pays the bill, and you always notice the guy who pays the bill.” -Dennis R. Washington¹