

**News Tracker:**

-Natural gas spot prices remained at historic lows this Report Week (Wednesday, March 2, to Wednesday, March 9) as Henry Hub spot prices dropped to their lowest level in 20 years. Henry Hub spot prices during the report week posted a net loss of 2¢ as they fell from \$1.59 per million British thermal unit (MMBtu) at the beginning of the Report Week to \$1.57/MMBtu to close the Report Week.


- In contrast to spot markets, prices in the futures market increased slightly this week. At the New York Mercantile Exchange (Nymex), the price of the near-month (April 2016) natural gas futures contract rose from \$1.678/MMBtu at the start of the Report Week to \$1.752/MMBtu on March 9.

-Net natural gas withdrawals from storage totaled 57 billion cubic feet (Bcf) for the week ending March 4. Working gas stocks are 2,479 Bcf, 58% and 42% above the year-ago and five-year (2011-15) average levels, respectively. Analyst expectations for this week's storage figure ranged between 35 to 63 Bcf, with a median of 58 Bcf. Temperatures in the Lower 48 states averaged 44°F during the storage report week, 10% higher than normal, and 44% above last year at this time. These above-normal temperatures continued an ongoing pattern during the 2015-16 heating season (November 1, 2015-March 31, 2016). Temperatures have been above normal levels during 15 out of 18 weeks in the 2015-16 heating season.

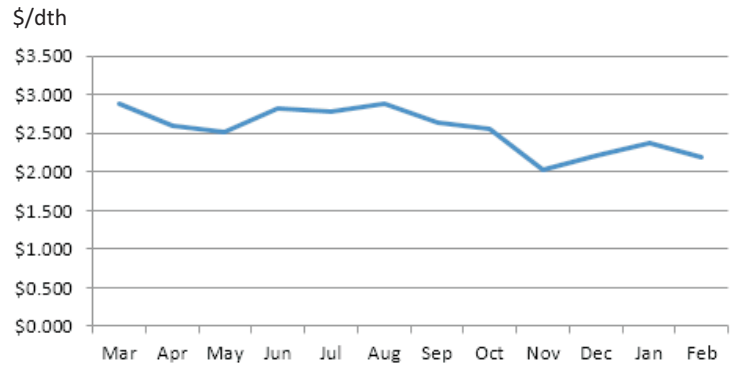
-The natural gas rotary rig count fell below 100 this week, with 97 active units in service as of March 4, 2016. This is the lowest level in Baker Hughes's recorded history. The total rig count fell by 13 units to 489, with oil rigs falling by 8 units to 392.

-The natural gas plant liquids (NGPL) composite price at Mont Belvieu, Texas, increased by 22¢ to \$4.17/MMBtu for the week ending Friday, March 4. The spot price movements were mixed this week, with ethane rising 5.9%, natural gasoline rising 7.9%, and propane rising 8.5%. The spot price of butane fell 0.5% and the price of isobutane fell 0.6%.

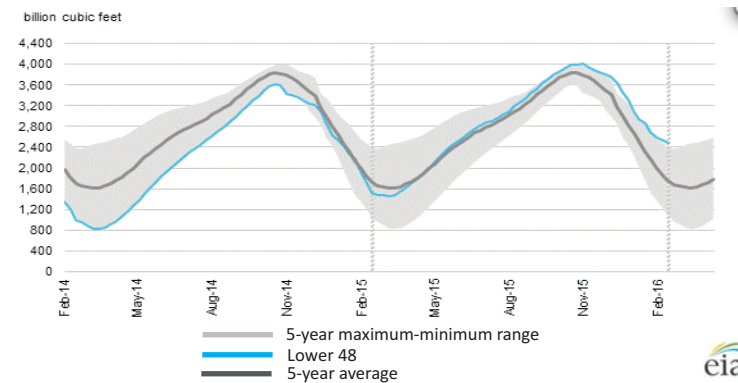
-Total natural gas supply fell by 0.8% as a slight increase in domestic production was offset by declines in imports. Dry production rose by 0.1% this week, and remains 2.4% greater than year-ago levels. Pipeline imports to the United States from Canada fell by 4.7%, and LNG sendout, already very low, dropped to minimal levels.

Excerpted from 

**Monthly NYMEX Natural Gas Settle Price: Apr 2015 - Mar 2016:**



**Working nat. gas in underground storage as of March 4, 2016**

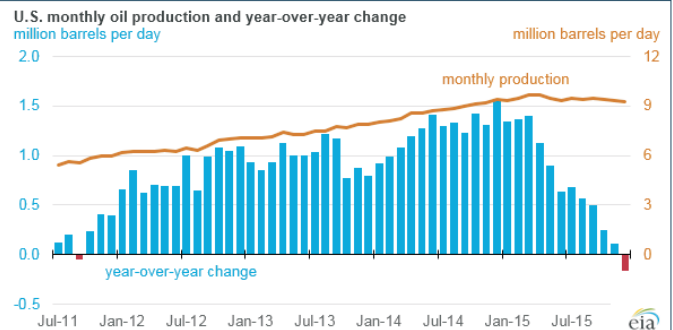


**Forward 12-month NYMEX natural gas strip price - Apr16-Mar17:**

Process Load-weighted \$2.240/dth (w/w = +\$0.053)  
 Typical Heat Load-weighted \$2.368/dth (w/w = +\$0.057)

**U.S. oil production continues to decline, and is now below its year-ago level:**

U.S. monthly crude oil production in December 2015 continued to decline, as oil production reached its lowest level since November 2014. Production also declined from year-ago levels for the first time in more than four years. This continued production decline is the result of lower crude prices, which have declined more than 70% since the summer of 2014. Crude oil production in December 2015 averaged 9.3 million barrels per day (b/d), down 166,000 b/d from December 2014 and the first year-over-year decline in U.S. monthly oil output since September 2011, according to the latest data from the U.S. Energy Information Administration's (EIA) Petroleum Supply Monthly report released at the end of February. Domestic oil production has generally declined month to month since reaching a 44-year peak of almost 9.7 million b/d in April 2015. Even as production declined, output was still above levels from the same month a year earlier until EIA published production for December 2015. Most of the decline in oil production has occurred in states where a large portion of output comes from tight oil formations, including North Dakota, Texas, and New Mexico. Oil production from tight formations accounted for most of the increase in U.S. oil production during the past five years, and it is now making up most of the decline in output. EIA's Short-Term Energy Outlook forecasts U.S. oil production will continue to decline both on a month-to-month basis and from year-ago levels until the fourth quarter of 2017.



“The education, the background that I had, the straightforward principles that I referred to, based on rules and values - which is the truth, honesty, decent behavior, decency - all this really gave me a lot of support around people, among the working people.” -Lech Walesa<sup>1</sup>