



**News Tracker:**

-Natural gas prices were flat at most trading locations during the report week (Wednesday, March 11<sup>th</sup> to Wednesday, March 18<sup>th</sup>). The benchmark Henry Hub spot price declined from \$2.79/MMBtu to start the report week to \$2.77/MMBtu to close the week. The temporary return of cold weather in the Northeast drove Boston prices up from a low of \$3.49/MMBtu on Friday to \$11.91/MMBtu yesterday.

-The NYMEX April natural gas contract settled at \$2.824/MMBtu on March 11<sup>th</sup> and ended the report week up a dime at \$2.920/MMBtu.

-Working natural gas in storage decreased to 1,467 Bcf as of Friday, March 13, according to the U.S. Energy Information Administration Weekly Natural Gas Storage Report. A net withdrawal from storage of 45 Bcf for the week resulted in storage levels 52.8% above year-ago levels and 13.3% below the five-year average for this week. Temperatures in the Lower 48 states averaged 43.4° for the storage report week, 0.7° warmer than the 30-year normal temperature and similar to the average temperature during the same week last year.

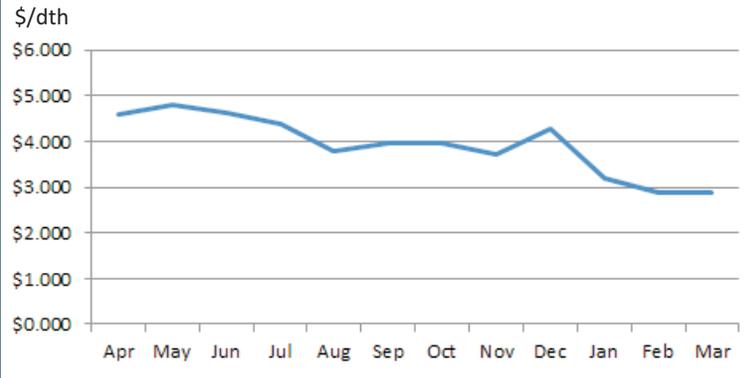
-As of March 13, there were 1,125 total rigs operating in the United States, with both the oil- and gas-directed rig counts falling substantially. The natural gas rig count fell by 11 to 257, and the oil rig count fell by 56 to 866. Additionally, two miscellaneous rigs were in operation this week.

-Gross natural gas production (which includes oil-like constituents) and dry gas production are up 8.8% and 8.7%, respectively, compared with last year at this time. Over the past week, total natural gas supply increased 0.5%. With moderate near-spring temperatures for most of the report period, imports from Canada saw a net decline of 1.4%. Sendout of regasified LNG from port terminals also declined from last week. The net increase in supply was driven by production, which increased by 0.8% in the past week.

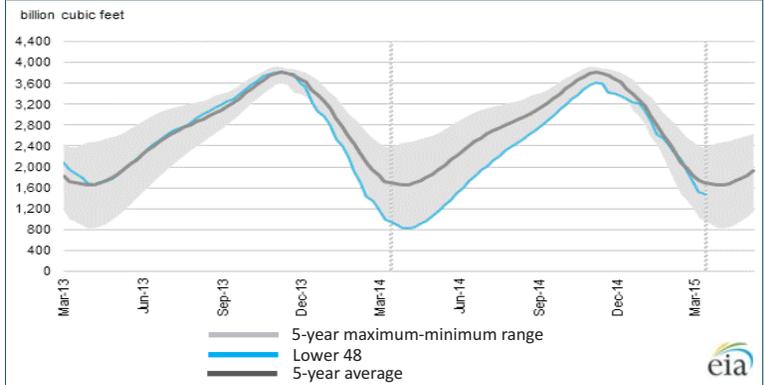
-Gas consumption has fallen in all sectors this report week, led by the residential/commercial sector. Total domestic consumption fell 16.9% week-over-week, and is now nearly 11% lower than this week last year. Residential/commercial consumption fell by nearly one third, or 31.1%. Industrial consumption declined 4.7%, and consumption of gas for electric power generation (power burn) fell 4.4%. Power burn decreased in most regions, falling 20.3% in Texas and 19.0% in the Mid-continent. Notably, it increased 21.1% in the Southwest.



**Monthly NYMEX Natural Gas Settle Price Apr 2014 - Mar 2015:**



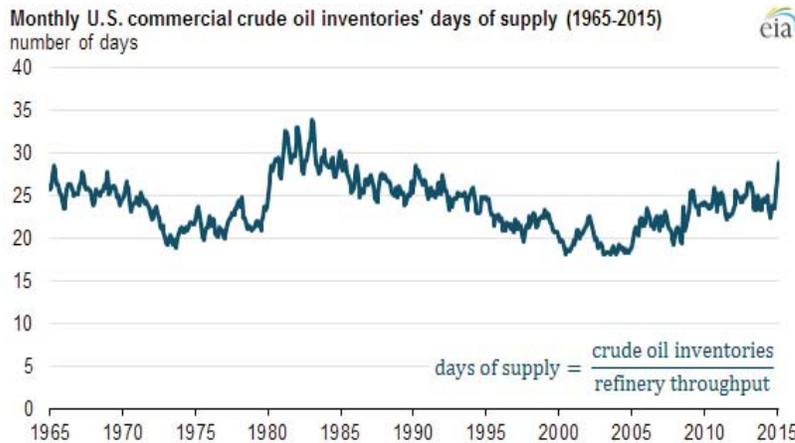
**Working nat. gas in underground storage as of March 13, 2015:**



**Forward 12-month NYMEX natural gas strip price - Apr15-Mar16:**

Process Load-weighted - \$3.014/dth  
Heat Load-weighted - \$3.087/dth

**US commercial crude oil inventories now provide the most days of supply since 1985:**



Source: U.S. Energy Information Administration, Petroleum and Other Liquids and Short-Term Energy Outlook  
Note: U.S. crude oil inventories exclude Strategic Petroleum Reserves. December 2014 to February 2015 are estimates.

With lower U.S. refinery runs and increases in domestic crude oil production, U.S. commercial crude oil inventories at the end of February provided the most days of supply since the mid-1980s. Commercial crude inventories were sufficient to supply 29 days of U.S. refinery demand, based on expected refinery runs in March. The number of days of supply is calculated by dividing the commercial crude oil inventory level at the end of the month by the forecast crude oil refinery runs in the following month. This calculation excludes government-held inventories such as the U.S. Strategic Petroleum Reserve. The days-of-supply calculation is an indicator of how loose or tight oil markets are by showing the number of days current commercial inventories will last given the future consumption rate at refineries. Refinery runs (or throughput) are the amount of crude oil that refineries process and are used as a proxy to measure the consumption rate.

“Our Constitution was made only for a moral and religious people. It is wholly inadequate to the government of any other.” -John Adams