



News Tracker:

-Natural gas spot prices fell at most locations outside of the northeastern United States this Report Week (Wednesday, May 18, to Wednesday, May 25). The Henry Hub spot price fell by 14¢, from \$1.91 per million British thermal unit (MMBtu) at the start of the Report Week to \$1.77/MMBtu to close the Report Week.

-At the New York Mercantile Exchange (Nymex), the June 2016 natural gas futures contract price fell slightly from \$2.001/MMBtu to open the Report Week to \$1.992/MMBtu at the end of the Report Week.

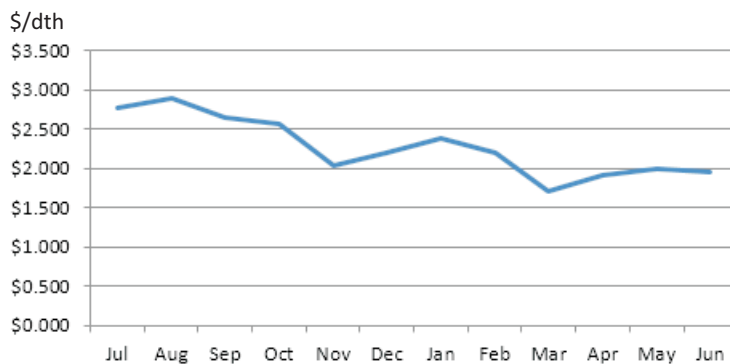
- Working natural gas in storage in the Lower 48 states posted its sixth straight week of net injections. Net injections into storage totaled 71 Bcf during the storage report week, compared with the five-year (2011-15) average of 97 Bcf and last year's net injection of 106 Bcf during the same week. As a result, the surplus in storage compared with the five-year average declined from the previous week to 769 Bcf, and the surplus compared with year-ago levels decreased to 756 Bcf. Cumulative net injections into working gas total 345 Bcf thus far in the 2016 refill season, compared with the five-year average of 450 Bcf and last year's tally of 597 Bcf during the same period. Despite the slow start to the refill season, working gas stocks remain near record-highs for this time of year. Working gas stocks as of last Friday were 61 Bcf above the previous five-year (2011-15) maximum, which occurred in 2012, of 2,764 Bcf for this time of year. This surplus over the 2012 refill season record decreased for the first time since April 22. Cumulative net injections totaled 290 Bcf at this point in the 2012 refill season.

- During the most recent storage week, the average natural gas spot price at the Henry Hub was \$1.91/MMBtu, while the Nymex futures price of natural gas for delivery in January 2017 averaged \$2.99/MMBtu, a difference of \$1.08/MMBtu. A year ago, the premium was 44¢/MMBtu, suggesting there is more financial incentive this year to buy and store natural gas in the summer for sale in the winter

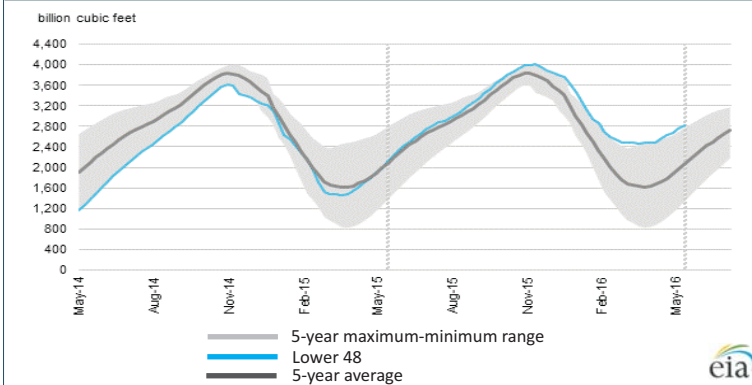
-According to Baker Hughes data, for the week ending May 20, the natural gas rig count decreased by 2 to 85 and oil-directed rigs remained flat at 318. The total rig count now stands at 404.

Excerpted from eia

Monthly NYMEX Natural Gas Settle Price: Jul 2015 - Jun 2016:



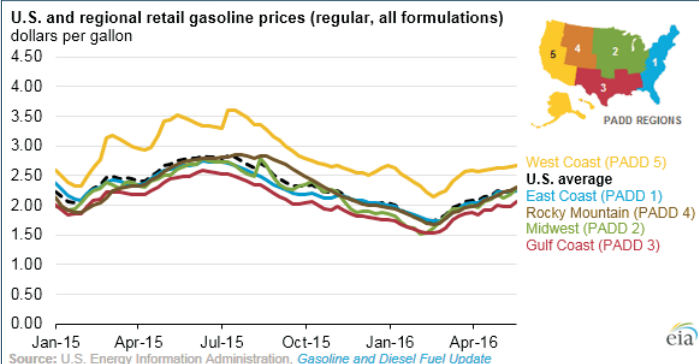
Working nat. gas in underground storage as of May 20, 2016



Forward 12-month NYMEX natural gas strip price - Jul16-Jun17:

Process Load-weighted \$2.714/dth (w/w = +\$0.117)
 Typical Heat Load-weighted \$2.725/dth (w/w = +\$0.128)

U.S. retail gasoline prices lowest since 2009 ahead of Memorial Day Weekend:



The U.S. average retail price for gasoline was \$2.24 per gallon (gal) on May 23, 50 cents per gallon (cents/gal) lower than at the same time last year, and the lowest average price just before Memorial Day weekend (the start of the summer driving season) since 2009. Lower gasoline prices reflect lower crude oil prices, with the spot price of North Sea Brent crude \$19 per barrel (b) lower than at the same time last year, despite a price increase of more than \$17/b since the last week of January. Average retail gasoline prices for all regions of the country are below their year-ago values. The West Coast price is the highest at \$2.64 per gallon, even though it is 87 cents/gal lower than at the same time last year, as the supply disruption that began in 2015 is expected to end once ExxonMobil's Torrance refinery in California resumes full operation. Gasoline prices on the West Coast are often higher than the U.S. average because the West Coast market is finely balanced between supply and demand and is relatively isolated from additional supply sources. Average retail gasoline prices are lowest on the Gulf Coast, at \$1.99/gal on May 23. Gulf Coast gasoline prices are often lower than the U.S. average because the region is home to half of U.S. refining capacity but has a smaller share of demand, with a large share of its additional supply sent to the East Coast by pipeline.

“The view of earth is absolutely spectacular, and the feeling of looking back and seeing your planet as a planet is just an amazing feeling. It's a totally different perspective, and it makes you appreciate, actually, how fragile our existence is.” -Sally Ride¹