



News Tracker:

-Prices of natural gas declined in all market locations across the country over the report week (Wednesday, June 17 through Wednesday, June 24), and remained relatively low. The Henry Hub spot price began the week at \$2.93/MMBtu and ended the week at \$2.77/MMBtu.

-The July 2015 NYMEX natural gas futures contract declined from \$2.855/MMBtu to \$2.759/MMBtu during the report week.

-Working natural gas in storage increased to 2,508 Bcf as of Friday, June 19. A net injection into storage of 75 Bcf for the week resulted in storage levels 38% above a year ago and 1% above the five-year average for this week. Temperatures in the Lower 48 states averaged 75° Fahrenheit for the storage report week, 4° warmer than the 30-year normal temperature and 3° warmer than the average temperature during the same week last year.

-The total oil and natural gas rig count fell by 2 units to 857 for the week ending Friday, June 19, down 1,001 rigs from the same week in 2014 and the lowest since January 2003, according to data from Baker Hughes Incorporated. This week marked the 28th consecutive week of declines in the rig count since December 12, 2014, with total rigs declining by 55% over this period. The largest decline was in the oil rigs, from 1,546 units on December 12 to 631 units on June 19, a decrease of 59%. Natural gas rig count also declined from 346 units to 223 units (36%) over this period and was 88 units (28%) below the same week last year.

-The natural gas plant liquids composite price at Mont Belvieu declined by 13¢ per MMBtu to \$4.54/MMBtu for the week ending June 19, and was 1¢ above the lowest price on record reported for the week ending May 29. Prices of natural gasoline, isobutane, and butane decreased by 4.1% (47¢), 7.6% (43¢), and 7.4% (38¢), respectively, while prices of propane and ethane remained unchanged from the previous week.

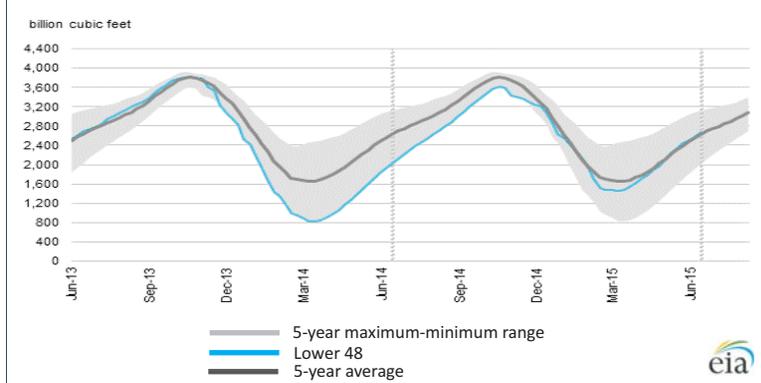
-U.S. gas consumption increased by 2.4% this week, with the largest increase in the power sector, which more than offset declines in residential/commercial and industrial sectors. Consumption of natural gas for power generation (power burn) increased by 6.1% during the report week, 24.2% higher than the same week last year. Power burn reached its highest level this year on Tuesday, increasing to 34.4 Bcf/d.

Excerpted from eia

Monthly NYMEX Natural Gas Settle Price Aug 2014 - Jul 2015:



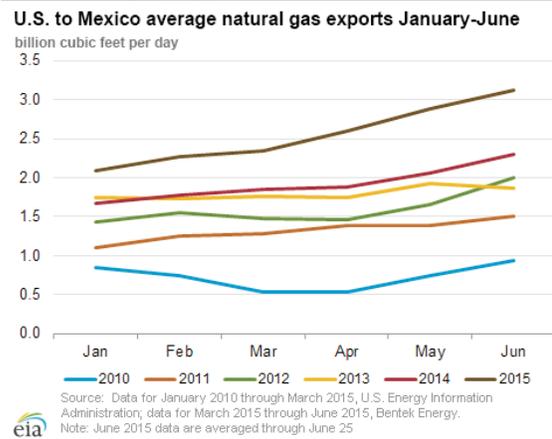
Working nat. gas in underground storage as of July 3, 2015:



Forward 12-month NYMEX natural gas strip price - Aug15-Jul16:

Process Load-weighted \$3.022/dth (w/w -\$0.041)
Heat Load-weighted \$3.097/dth (w/w -\$0.036)

US natural gas exports to Mexico in June set for record high levels:



U.S. natural gas exports to Mexico reached a record-high 3.5 billion cubic feet (Bcf) on June 18, according to data from Bentek Energy. Exports have been trending up since 2010, and are 33% higher year-to-date over 2014 levels. From 2010 to 2014, U.S. natural gas exports to Mexico doubled in response to declining Mexican production, increasing Mexican demand for natural gas, and rising U.S. production. Cross border export capacity from the United States expanded in 2014 by 2.5 Bcf/d to approximately 7 Bcf/d, and is on track to expand again with several planned pipeline projects. In February 2015, Mexico's state utility Comisión Federal de Electricidad (CFE) awarded contracts for construction and operation of the Waha-Presidio and Waha-San Elizario pipelines, with capacity totaling 2.7 Bcf/d, to flow increased volumes of natural gas from Texas to Mexico. There are additional pipelines that are planned, but not currently under construction. Mexico's increasing demand for natural gas is driven primarily by the power generation sector, with its commitment to reduce the use of fuel oil for the generation of electricity, followed by the industrial sector. Though the increased capacity of these new cross-border export projects may outpace the initial demand from Mexico, the expansion of the national pipeline system in Mexico will open access to new regions and industries.

"All I got for the Big Mac was a plaque." -Jim Delligatti