

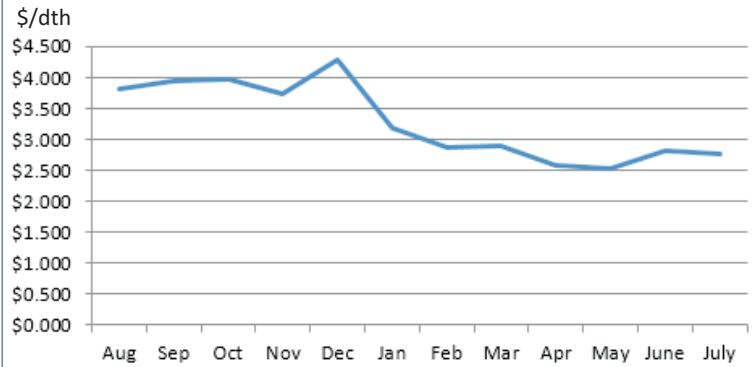


News Tracker:

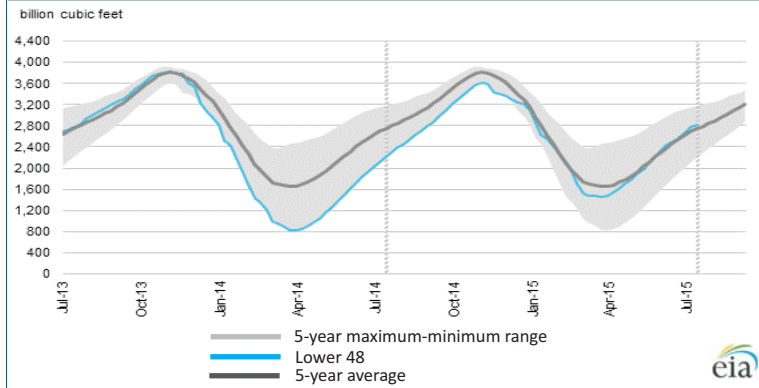
- Natural gas prices were flat or slightly down at most market locations through the report week (Wednesday, July 15, through Wednesday, July 22). The Henry Hub spot price began the report week at \$2.92/MMBtu and ended the report week down a few cents, closing at \$2.89.
- The NYMEX August natural gas futures contract began the report week at \$2.918/MMBtu and decreased by 2¢ to finish the report week at \$2.897.
- Working natural gas in storage increased to 2,828 Bcf as of Friday, July 17. A net injection into storage of 61 Bcf for the week resulted in storage levels 28% above a year ago and 3% above the five-year average for this week. However, there was a reclassification totaling 7 Bcf in the East region of working gas to base gas for the storage week. The implied flow for the week, reflecting the actual amount that flowed into storage, is an increase of 68 Bcf to working gas stocks. But with 7 Bcf removed from working gas stocks because of reclassification, the net effect is an increase of 61 Bcf. Total working gas inventories are now 622 Bcf (28%) higher than last year at this time and 81 Bcf (3%) higher than the five-year (2010-14) average.
- The total oil and natural gas rig count decreased by 6 units to 857 for the week ending Friday, July 17, according to data from Baker Hughes Incorporated. The oil rig count decreased by 7 units, totaling 638, while the natural gas rig count increased by 1 to 218. Horizontal rigs accounted for 76% of all rigs this week, down from an all-time high of 78% in April, but up from 2014, which averaged 68% horizontal rigs for the year.
- The natural gas plant liquids composite price at Mont Belvieu, Texas, increased by 17¢ to \$4.68/MMBtu for the week ending July 17. The price for natural gasoline was nearly flat, falling by 2¢, but prices for ethane, propane, butane, and isobutane all increased between 3% and 8% for the week.
- U.S. natural gas consumption was up by 1.5% this week, driven by increased power sector demand. The hot summer weather pushed up home-cooling demand, causing power burn to rise by 3.4%, or 1.1 Bcf/d. On Monday, July 20th, power burn reached 36.6 Bcf/d, yet another high for 2015. The increased power burn levels for the report week were driven largely by increases in the Northeast and the Southwest, where consumption increased by 5.4% and 12.1%, respectively. Consumption was up 0.3% in the industrial sector, but down 1.5% in the residential/commercial sector. Exports to Mexico increased 4.4% week over week, and were 33.6% above 2014 levels.

Excerpted from eia

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



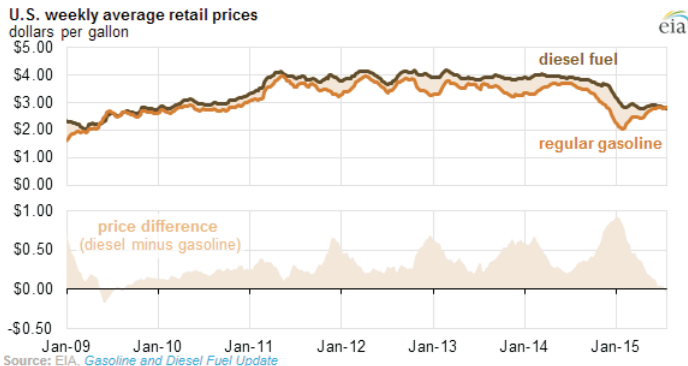
Working nat. gas in underground storage as of July 17, 2015:



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

Process Load-weighted \$3.007/dth (w/w -\$0.047)
Heat Load-weighted \$3.079/dth (w/w -\$0.047)

Average US diesel retail price below gasoline price for first time in six years:



On July 13, the U.S. average diesel fuel retail price fell below the average regular gasoline retail price for the first time since the week of August 10, 2009. From August 2009 through June of this year, retail diesel fuel sold at an average premium of 34 cents per gallon (gal) over regular grade gasoline, with the difference reaching more than 90 cents/gal in January. The persistent price premium for diesel compared with gasoline from August 2009 until last week reflected a combination of factors including strong global demand for diesel, federal fuel taxes for diesel that are 6 cents/gal higher than those for gasoline, and the higher production cost of ultra-low sulfur diesel (ULSD) that was phased in between 2006 and 2010. Gasoline and diesel have opposite seasonal demand patterns: gasoline demand tends to peak in the summer driving months, while diesel demand generally peaks in the winter heating months. Since January, gasoline demand growth has been unusually strong both in the United States and abroad. Furthermore, although retail gasoline prices in most parts of the country have in recent weeks followed decreasing crude oil prices, elevated retail gasoline prices in California, as a result of ongoing supply disruptions, have raised the U.S. weekly average gasoline retail price. Tight diesel markets over the past six years have reflected growing diesel demand from developing economies and the switchover to ultra-low sulfur diesel (ULSD) for home heating oil in northeastern states, where more than 80% of U.S. use of oil for space heating occurs. Over the same period, gasoline demand has generally been weak, reflecting increasing vehicle fuel economy and changing consumer driving patterns. Price parity between gasoline and diesel is likely to be a relatively short-term phenomenon, as gasoline demand moderates with the end of the summer driving season and diesel demand begins to grow in response to the fall agricultural harvest and the winter heating season.

“If everything seems under control, you’re just not going fast enough.” -Mario Andretti