

### News Tracker:

-Natural gas spot prices fell at most locations for the period Wednesday, July 19 to Wednesday, July 26 (the Report Week). The Henry Hub spot price fell from \$3.10 per million British thermal units (MMBtu) to \$2.92/MMBtu from start to end of the Report Week.

-At the New York Mercantile Exchange (Nymex), the August 2017 natural gas futures contract price fell 14¢ from \$3.066/MMBtu to \$2.924/MMBtu from open to close of the Report Week.

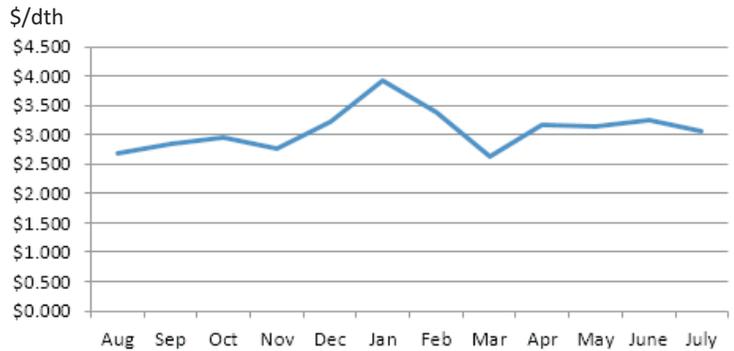
- Net injections into storage totaled 17 Bcf for the storage week ending July 21, compared with the five-year (2012-16) average net injection of 47 Bcf and last year's net injections of 20 Bcf during the same week. Working natural gas stocks are 2,990 Bcf, which is 9% less than the year-ago level and 4% more than the five-year (2012-16) average for this week. The smaller-than-average net injections this week likely resulted from the warmer-than-normal temperatures that prevailed throughout most of the Lower 48 states, increasing cooling demand for natural gas. Net injections into working gas are at 939 Bcf since March 31, 2017, the traditional beginning of the refill season compared with the five-year average of 1,093 Bcf over the same period. Smaller-than-average net injections to date during the 2017 injection season are the result of high electric sector demand, which was coupled with warmer-than-normal temperatures on average; relatively high levels of natural gas exports; and storage levels that were already above average at the start of the refill season. Temperatures in the Lower 48 states averaged 77 degrees Fahrenheit (°F), 2°F higher than the average and the same as last year at this time.

-The natural gas plant liquids composite price at Mont Belvieu, Texas, rose by 22¢, averaging \$6.31/MMBtu for the week ending July 26. The price of natural gasoline, ethane, propane, butane, and isobutane all rose, by 1%, 1%, 4%, 7%, and 7%, respectively.

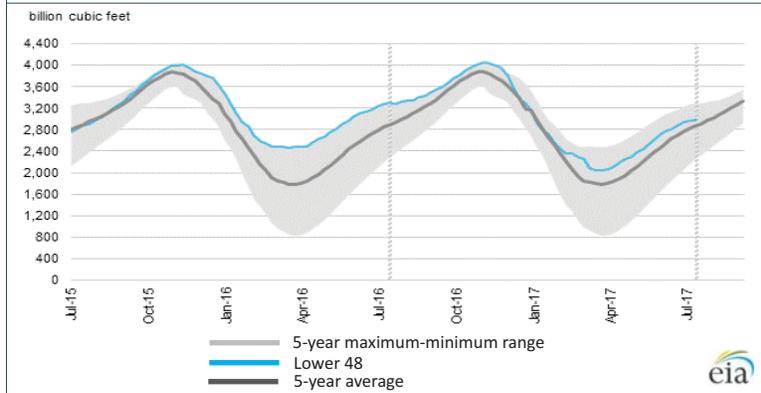
-According to Baker Hughes, for the week ending Friday, July 21, the natural gas rig count decreased by 1 to 186. The number of oil-directed rigs fell by 1 to 764. The total rig count decreased by 2, and it now stands at 950.

Excerpted from 

### Monthly NYMEX Natural Gas Settle Price: Aug2016 - Jul 2017:



### Working nat. gas in underground storage as of July 21, 2017



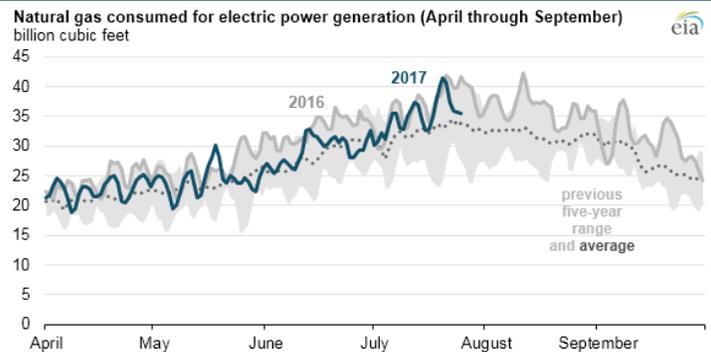
### Forward 12-month NYMEX natural gas strip price - Aug17-Jul18:

Process Load-weighted \$3.006/dth - w/o/w = ▼\$0.104  
 Typical Heat Load-weighted \$3.108/dth - w/o/w = ▼\$0.109

### Natural gas-fired electricity generation so far this summer is below last year's level:

The amount of natural gas used for electricity generation, also known as power burn, reached its highest daily level so far in 2017 during the past week, exceeding 41 billion cubic feet (Bcf) on July 20, according to data from PointLogic Energy. Natural gas-fired electricity generation typically peaks at the end of July or the beginning of August because of high demand for air conditioning during that period. Power burn reached a record daily high on August 11, 2016, surpassing 42 Bcf. Power burn from April 1 through July 25 averaged 27.1 Bcf/d, or 7% lower than last year's consumption over the same period. Although power burn in 2017 is lower than in 2016, it is still relatively high compared with the previous five-year average for that period. Higher natural gas prices relative to last summer explain part of the decrease. The Henry Hub natural gas spot price averaged \$2.27 per million British thermal units (MMBtu) from April 1, 2016, through July 25, 2016, compared with \$3.03/MMBtu during the same period in 2017. Average natural gas prices at power plants were \$1.02/MMBtu higher in the first half of 2017

compared with the first half of 2016, while coal prices were about the same in the first half of both years. Coal and natural gas generated 30% and 34% of U.S. electricity in 2016, respectively, the first year that natural gas-fired electricity generation exceeded coal-fired generation. The US Energy Information Administration's (EIA) most recent Electric Power Monthly data show that coal provided 30% of utility-scale U.S. electricity generation over the first four months of 2017, while natural gas provided 28%.



Excerpted from 

Right at the beginning I was told by doctors, "You won't be playing guitar." But I believed I could do it, and I did. -Tony Iommi<sup>1</sup>