

News Tracker:


-Natural gas prices declined in most market locations across the country over the Report Week (Wednesday, September 9, through Wednesday, September 16), and remained relatively low. The Henry Hub spot price began the Report Week at \$2.73/MMBtu and ended the week the Report Week at \$2.68/MMBtu.

-At the New York Mercantile Exchange (Nymex), the price of the near-month futures contract (October 2015) began the Report Week at \$2.651/MMBtu and ended the Report Week up slightly, at \$2.660/MMBtu yesterday.

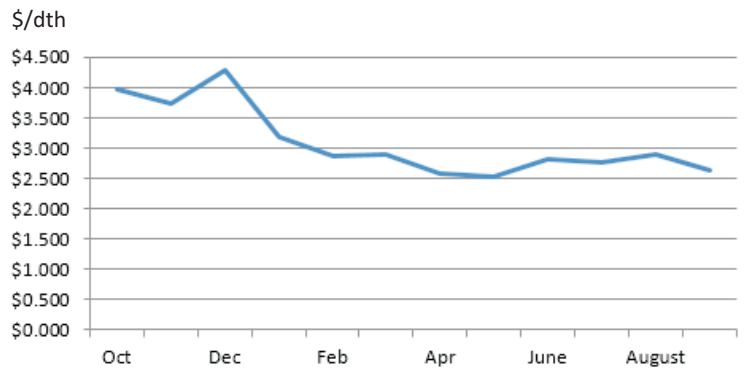
-Working natural gas in storage increased to 3,334 Bcf as of Friday, September 11. A net injection into storage of 73 Bcf for the week resulted in storage levels 16% above a year ago and 4% above the five-year average for this week. Market expectations, on average, called for a build of 73 Bcf for this week. From April 3 (the beginning of the injection season) through September 11, net storage injections totaled 1,873 Bcf, or 172 Bcf lower than the 2,045 Bcf injected during the same 24 weeks in 2014. During these weeks for the years 2010-14, net injections into storage averaged 1,558 Bcf. The estimated average unit value of the natural gas put into storage from April 3 to September 11 this year is \$2.76/MMBtu, 36% lower than the average value of \$4.33/MMBtu for the same 24 weeks last year. The highest winter-month Nymex price (for the January 2016 contract) in trading for the week ending September 11 averaged \$3.02/MMBtu. This price is 34¢/MMBtu more than the October Nymex contract price. A year ago, the difference was 36¢/MMBtu.

-The total oil and natural gas rig count fell by 16 from the previous week, with 848 units in service for the week ending Friday, September 11, and was 1,083 rigs below the same week in 2014, according to data from Baker Hughes Incorporated. The oil rig count decreased by 10 units to 652, and the natural gas rig count declined by 6 to 196 units.

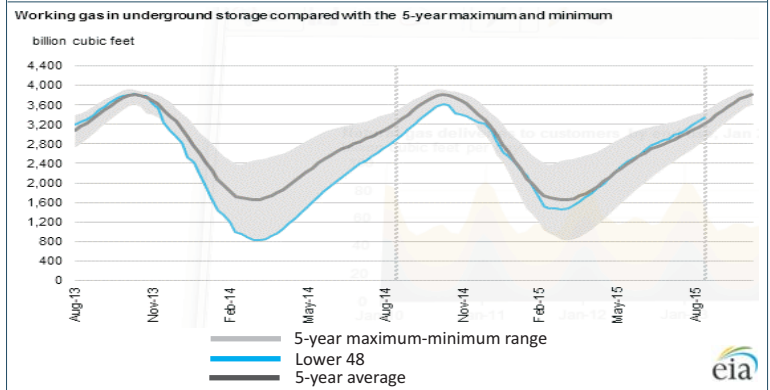
-The natural gas plant liquids composite price at Mont Belvieu increased slightly, by 4¢ (0.7%) to \$4.79/MMBtu for the week ending September 11. Natural gasoline prices declined by 7¢ (0.7%), while prices of ethane remained unchanged, and prices of propane, butane, and isobutane increased moderately, by 1.7%, 0.6%, and 2.1%, respectively.

Excerpted from 

Monthly NYMEX Natural Gas Settle Price Oct 2014 - Sep 2015:



Working nat. gas in underground storage as of September 11, 2015:



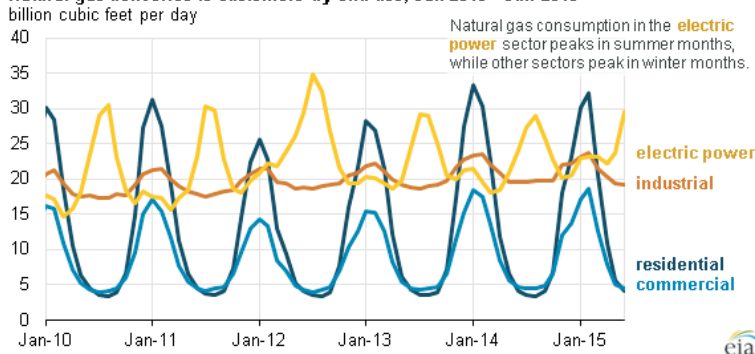
Forward 12-month NYMEX natural gas strip price - Oct15-Sep16:

Process Load-weighted \$2.858/dth (w/w -\$0.019)
 Heat Load-weighted \$2.893/dth (w/w -\$0.016)

US electric power sector is largest natural gas consumer:

Use of natural gas has two seasonal peaks, with consumption patterns predominantly driven by weather. The largest peak occurs during the winter, when cold weather increases the demand for natural gas space heating in the residential and commercial sectors. A second, smaller peak occurs in the summer when air conditioning use increases demand for electric power, an increasing portion of which is provided by natural gas-fired generators. The electric power sector is the largest consumer of natural gas, having surpassed the industrial sector in 2009. Consumption of natural gas in the power sector peaks in the

Natural gas deliveries to customers by end use, Jan 2010 - Jun 2015



summer when demand for electricity is highest. A smaller peak occurs during the winter, while the spring and fall seasons have the lowest consumption of natural gas for electric power. Monthly data for 2010 through 2014 show deliveries of natural gas to the electric power sector averaged 23 billion cubic feet per day (Bcf/d), ranging from about 30 Bcf/d in the summer peak to 16 Bcf/d in the spring or fall. Increased deliveries of natural gas to the electric power sector have accounted for much of the growth in total natural gas deliveries. Industrial users of natural gas exhibit the least seasonality, ranging from between 22 Bcf/d during the winter and 18 Bcf/d in the summer. Although industrial natural gas consumption had been declining, down from 23 Bcf/d in 1997 to about 17 Bcf/d in 2009, industrial consumption has been rising over the past five years, reaching 21 Bcf/d in 2014.

“I’ve been copied so well I’ve heard people copy my mistakes.” -Jimi Hendrix