

News Tracker:

-Natural gas spot prices were relatively flat at most market locations over the report week (Wednesday, August 26 through September 2). The Henry Hub spot price began the week at \$2.72/MMBtu and ended the week at \$2.71/MMBtu.

-At the New York Mercantile Exchange (Nymex), the September near-month contract began the week at \$2.693/MMBtu and settled the report week at \$2.638 on Thursday, August 27. The October contract began the report week at \$2.703/MMBtu and settled the report week down a nickel, at \$2.648/MMBtu.

-Working natural gas in storage increased to 3,193 Bcf as of Friday, August 28. A net injection into storage of 94 Bcf for the week resulted in storage levels 18% above a year ago and 4% above the five-year average for this week. Market expectations, on average, called for a build of 90 Bcf. Temperatures in the Lower 48 states averaged 72° for the storage report week, 1° cooler than the 30-year normal temperature and 3° cooler than the average temperature during the same week last year.

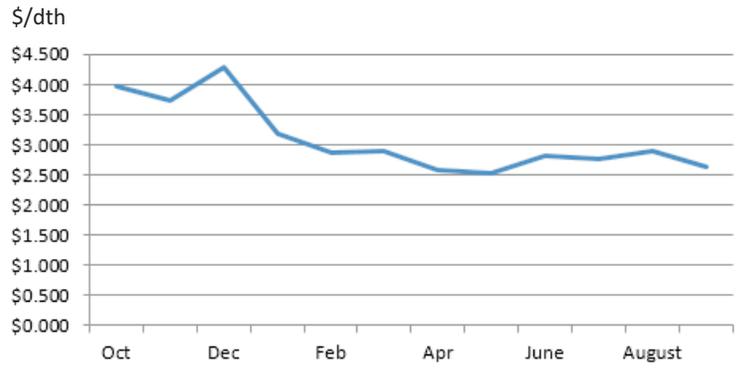
-The total oil and natural gas rig count fell by 8 from the previous week, with 877 units in service for the week ending Friday, August 28, according to data from Baker Hughes Incorporated. The oil rig count increased by 1 to 675 units, while the natural gas rig count decreased by 9 to 202 units.

-The natural gas plant liquids composite price at Mont Belvieu, Texas, decreased by 27¢ per MMBtu to \$4.19/MMBtu, down 6.0 % for the week ending August 28. All natural gas liquids spot prices fell this week, with ethane down 3.7%, propane down 5.3%, butane down 4.9%, isobutane down 4.8%, and natural gasoline down 9.7%. WTI crude oil prices dropped below \$40/barrel, likely applying downward pressure on natural gas liquids prices.

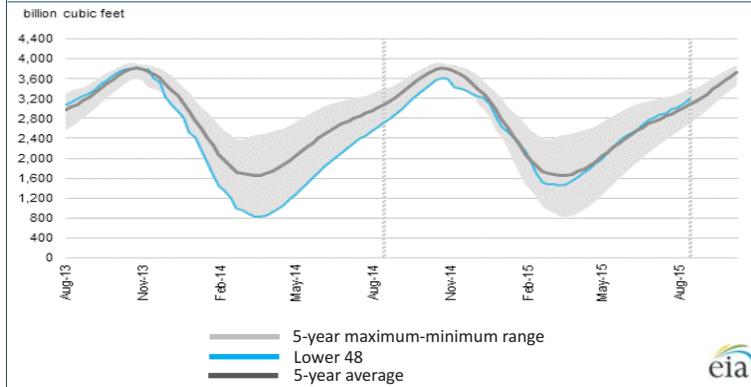
-U.S. consumption increased 0.9% for the week, led by a 3% increase in natural gas for power generation (power burn). Power burn increased in all regions but the Southeast.

-Dry natural gas production was similar to the past report week, averaging 72.3 Bcf/d, which is 3.7% higher than last year at this time, according to Bentek Energy data. Imports of natural gas from Canada fell by 1%, while LNG sendout increased by 5%, averaging 0.3 Bcf/d. Excerpted from 

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



Working nat. gas in underground storage as of August 28, 2015:

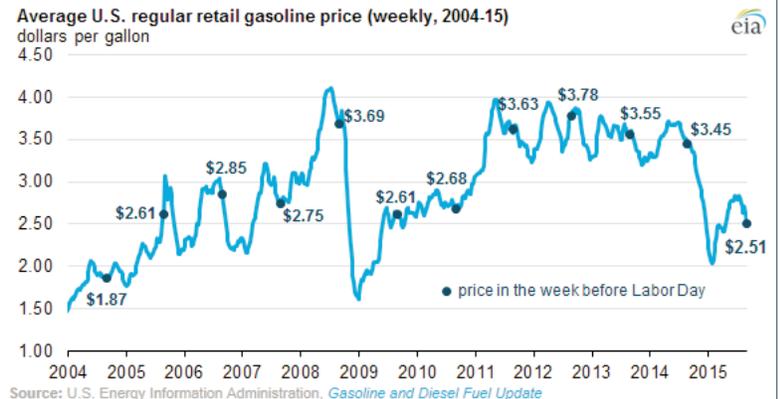


Forward 12-month NYMEX natural gas strip price - Oct15-Sep16:

Process Load-weighted \$2.881/dth (w/w +\$0.002)
 Heat Load-weighted \$2.916/dth (w/w -\$0.010)

US gasoline prices in week before Labor Day lowest in 11 years:

The U.S. average retail price for regular gasoline was \$2.51/gallon (g) on August 31, the lowest price for the Monday before Labor Day since 2004, and 95¢/g lower than the same time last year. Declines in crude oil prices are the main driver behind falling U.S. gasoline prices. Lower crude oil prices reflect concerns about economic growth in emerging markets, expectations of higher oil exports from Iran, and continuing actual and expected growth in global crude oil inventories. The U.S. average retail gasoline price increased 47¢/g since the last week of January, when it was \$2.04/g, driven by rising crude oil prices earlier in the year, strong demand during the summer driving season, and unplanned refinery outages on the West Coast and more recently in the Midwest. On a regional basis, average gasoline prices range from \$3.16/g on the West Coast to \$2.20/g in the Gulf Coast. Gasoline on the West Coast, particularly in California, continues to be in short supply, and California continues to have the highest price among states surveyed in EIA's weekly Gasoline and Diesel Fuel Update. As of Monday (August 31), gasoline prices averaged \$3.34/g in California and \$3.55/g and \$3.24/g in Los Angeles and San Francisco, respectively. As fall approaches and U.S. driving levels are lower, reduced gasoline demand, shifts to less costly winter specifications for gasoline, and reduced crude oil purchases by refineries undergoing seasonal maintenance have the potential to put downward pressure on crude oil and gasoline prices.



“Angling may be said to be so like the mathematics that it can never be fully learned.” -Izaak Walton