



WEEKLY NATURAL GAS MARKET UPDATE

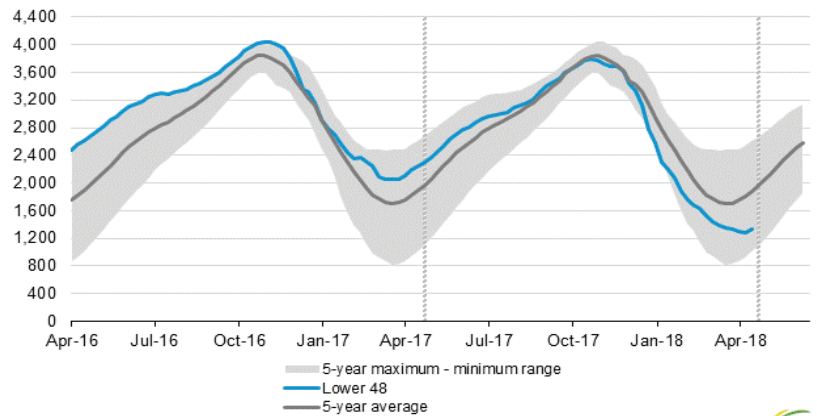
MAY 7, 2018

The Jun-2018 NYMEX natural gas contract closed Friday at \$2.711, down \$0.060 for the week. The 12-month strip average price of natural gas fell by \$0.063 over the same period. The Jun-2018 NYMEX crude oil contract closed Friday at \$69.72, up \$1.62 for the week. Updated NOAA forecasts suggest that mixed conditions across the US over the near term will give way to above normal temperatures for pretty much the whole country during the 2nd ~1/2 of May. Baker Hughes reported on Friday that the US natural gas rig count rose by 1 to 196 while total rigs (gas/oil combined) rose by 11 to 1032. In its most recent natural gas storage data, the EIA reported the season's first injection of 62 Bcf into national inventories, a number at the high end of consensus market expectations. Early estimates for this week's report indicate an expected injection in the range of 85 to 95 Bcf vs. an injection of 49 Bcf for the same week last year and a 5-yr avg. injection of 75 Bcf.

EIA NATURAL GAS STORAGE REPORT
Week Ending April 27, 2018

Region	Inv. Level	Week Δ	Year Ago	5yr Avg.
East	223	+18	322	324
Midwest	221	+10	517	381
Mountain	86	+2	152	126
Pacific	187	+10	232	240
S. Central	626	+22	1023	807
Total	1343	+62	2246	1877

WORKING GAS IN UNDERGROUND STORAGE
COMPARED WITH 5-YEAR RANGE

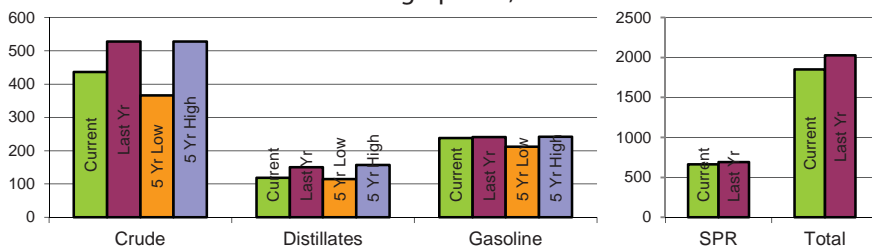


Source: U.S. Energy Information Administration



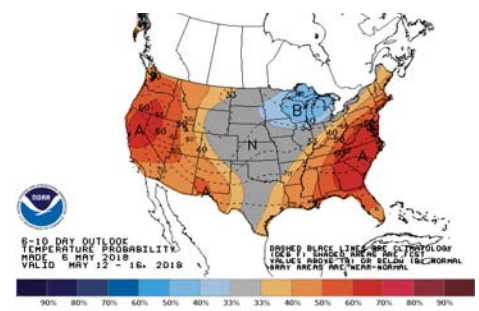
Storage Highlights: Working gas in storage was 1,343 Bcf as of Friday, April 27, 2018, according to EIA estimates. This represents a net increase of 62 Bcf from the previous week. Stocks were 903 Bcf less than last year at this time and 534 Bcf below the five-year average of 1,877 Bcf. At 1,343 Bcf, total working gas is within the five-year historical range.

EIA PETROLEUM INVENTORY (BARRELS X 1000)
Week Ending April 27, 2018

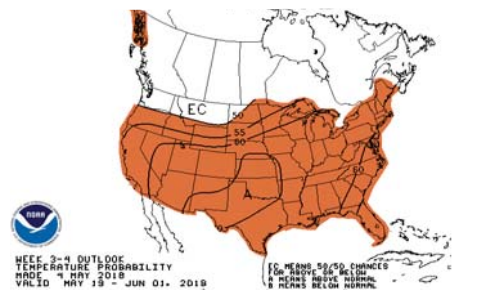


U.S. commercial crude oil inventories (excluding those in the Strategic Petroleum Reserve) increased by 6.2 million barrels from the previous week. At 436.0 million barrels, U.S. crude oil inventories are in the lower half of the average range for this time of year. Total motor gasoline inventories increased by 1.2 million barrels last week, and are in the upper half of the average range. Both finished gasoline inventories and blending components inventories increased last week. Distillate fuel inventories decreased by 3.9 million barrels last week and are in the lower half of the average range for this time of year. Propane/propylene inventories increased by 0.7 million barrels last week, and are in the lower half of the average range. Total commercial petroleum inventories increased by 5.4 million barrels last week.

6-10 DAY TEMP OUTLOOK (NOAA)



LATE MAY TEMP OUTLOOK (NOAA)



BAKER HUGHES US NATURAL GAS RIG COUNT, 05/04/2018

	This Week	+/-	Last Week	+/-	Year Ago
Gas Rigs	196	+1	195	+23	173