



WEEKLY NATURAL GAS MARKET UPDATE

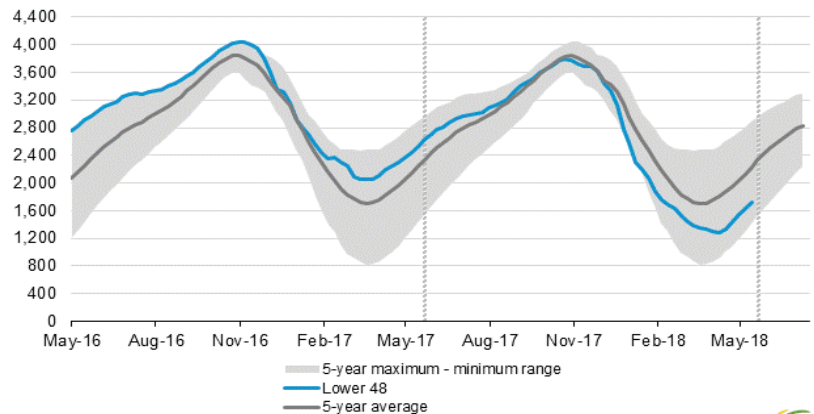
JUNE 4, 2018

The Jul-2018 NYMEX natural gas contract closed Friday at \$2.962, down \$0.001 for the week. The 12-month strip average price of natural gas fell by \$0.005 over the same period. The Jun-2018 natural gas contract expired last week at a final settlement price of \$2.875. The Jul-2018 NYMEX crude oil contract closed Friday at \$65.81, down \$2.07 for the week. NOAA forecasts indicate a return to above normal temps is likely across most of the US in the weeks ahead. The Tropical Atlantic is quiet with no signs of storm development this week. Baker Hughes reported on Friday that the US natural gas rig count fell by 1 to 197 while total rigs (gas/oil combined) rose by 1 to 1060. In its most recent natural gas storage data, the EIA reported an injection of 96 Bcf into national inventories, a number lower than 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 103 Bcf for the same week last year and a 5-yr avg. injection of 104 Bcf.

EIA NATURAL GAS STORAGE REPORT
Week Ending May 25, 2018

Region	Inv. Level	Week Δ	Year Ago	5yr Avg.
East	328	+29	415	429
Midwest	315	+27	582	475
Mountain	113	+6	166	139
Pacific	221	+8	257	270
S. Central	748	+26	1094	912
Total	1725	+96	2513	2225

WORKING GAS IN UNDERGROUND STORAGE
COMPARED WITH 5-YEAR RANGE

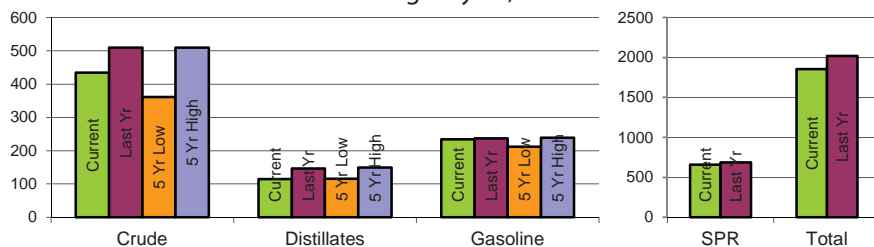


Source: U.S. Energy Information Administration



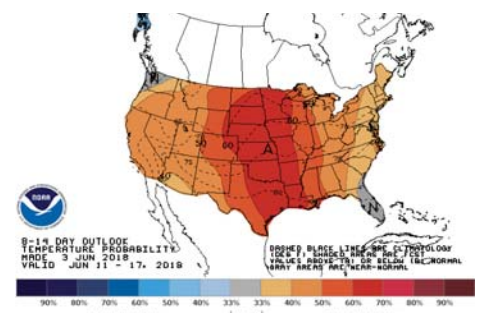
Storage Highlights: Working gas in storage was 1,725 Bcf as of Friday, May 25, 2018, according to EIA estimates. This represents a net increase of 96 Bcf from the previous week. Stocks were 788 Bcf less than last year at this time and 500 Bcf below the five-year average of 2,225 Bcf. At 1,725 Bcf, total working gas is within the five-year historical range.

EIA PETROLEUM INVENTORY (BARRELS X 1000)
Week Ending May 25, 2018



U.S. commercial crude oil inventories (excluding those in the Strategic Petroleum Reserve) decreased by 3.6 million barrels from the previous week. At 434.5 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 0.5 million barrels last week, and are in the upper half of the average range. Finished gasoline inventories increased, but blending components inventories decreased last week. Distillate fuel inventories increased by 0.6 million barrels last week and are in the lower half of the average range for this time of year. Propane/propylene inventories increased by 2.0 million barrels last week, and are in the lower half of the average range. Total commercial petroleum inventories increased by 1.8 million barrels last week.

8-14 DAY TEMP OUTLOOK (NOAA)



TROPICAL ATLANTIC 6/4 AM (NHC)



BAKER HUGHES US NATURAL GAS RIG COUNT, 06/01/2018

	This Week	+/-	Last Week	+/-	Year Ago
Gas Rigs	197	-1	198	+15	182