



## WEEKLY NATURAL GAS MARKET UPDATE

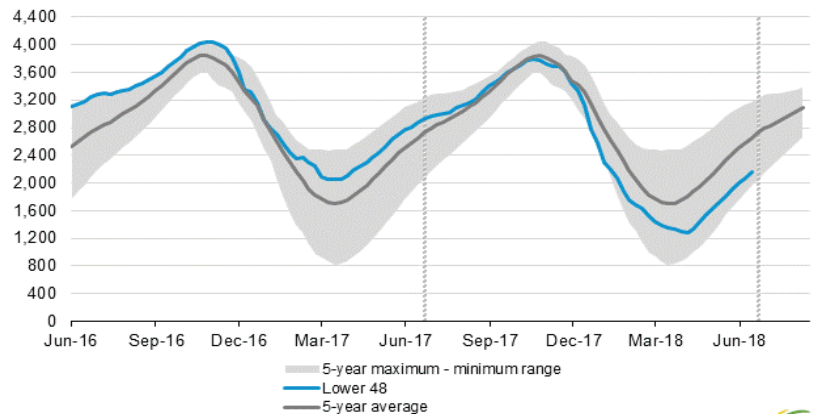
JULY 9, 2018

The Aug-2018 NYMEX natural gas contract closed Friday at \$2.858, down \$0.066 for the week. The 12-month strip average price of natural gas fell by \$0.048 over the same period. The Aug-2018 NYMEX crude oil contract closed Friday at \$73.80, up \$0.35 for the week. Updated NOAA forecasts indicate that temps will moderate for at least a portion of the US in the weeks ahead. In the tropical Atlantic, the remnants of Hurricane Beryl could redevelop later this week but should not pose a threat to energy assets in the Gulf. Baker Hughes reported on Friday that the US natural gas rig count was unchanged at 187 while total rigs (gas/oil combined) rose by 5 to 1052. In its most recent natural gas storage data, the EIA reported an injection of 78 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 50 to 60 Bcf vs. an injection of 59 Bcf for the same week last year and a 5-yr avg. injection of 77 Bcf.

EIA NATURAL GAS STORAGE REPORT  
Week Ending June 29, 2018

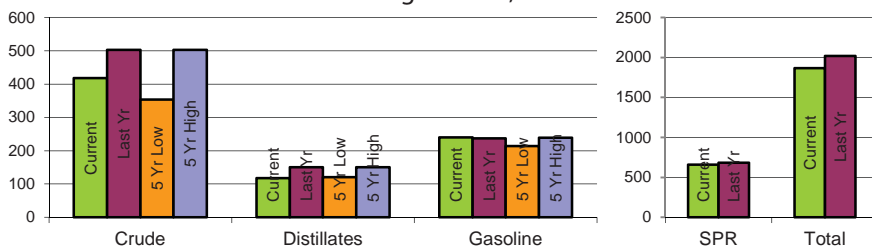
Region	Inv. Level	Week Δ	Year Ago	5yr Avg.
East	460	+30	560	569
Midwest	455	+30	696	614
Mountain	139	+6	187	163
Pacific	257	+6	286	302
S. Central	841	+6	1141	997
Total	2152	+78	2869	2645

WORKING GAS IN UNDERGROUND STORAGE  
COMPARED WITH 5-YEAR RANGE



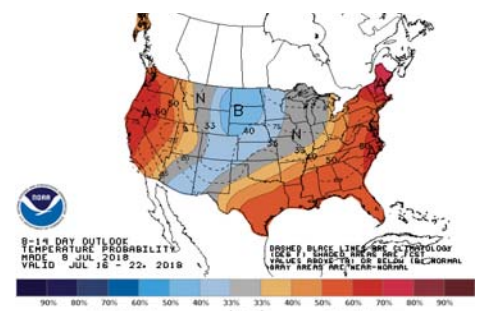
Working gas in storage was 2,152 Bcf as of Friday, June 29, 2018, according to EIA estimates. This represents a net increase of 78 Bcf from the previous week. Stocks were 717 Bcf less than last year at this time and 493 Bcf below the five-year average of 2,645 Bcf. At 2,152 Bcf, total working gas is within the five-year historical range.

EIA PETROLEUM INVENTORY (BARRELS X 1000)  
Week Ending June 29, 2018

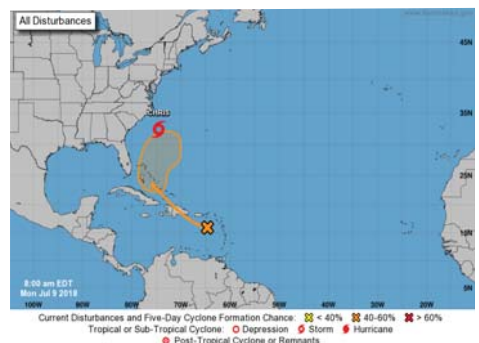


U.S. commercial crude oil inventories (excluding those in the Strategic Petroleum Reserve) increased by 1.2 million barrels from the previous week. At 417.9 million barrels, U.S. crude oil inventories are about 2% below the five year average for this time of year. Total motor gasoline inventories decreased by 1.5 million barrels last week and are about 6% above the five year range. Finished gasoline and blending components inventories both decreased last week. Distillate fuel inventories increased by 0.1 million barrels last week and are about 13% below the five year average for this time of year. Propane/propylene inventories increased by 2.9 million barrels last week and are about 10% below the five year average for this time of year. Total commercial petroleum inventories increased by 3.3 million barrels last week.

8-14 DAY TEMP OUTLOOK (NOAA)



TROPICAL ATLANTIC 7/9 AM (NHC)



BAKER HUGHES US NATURAL GAS RIG COUNT, 07/06/2018

	This Week	+/-	Last Week	+/-	Year Ago
Gas Rigs	187	-0-	187	-2	189