



WEEKLY NATURAL GAS MARKET UPDATE

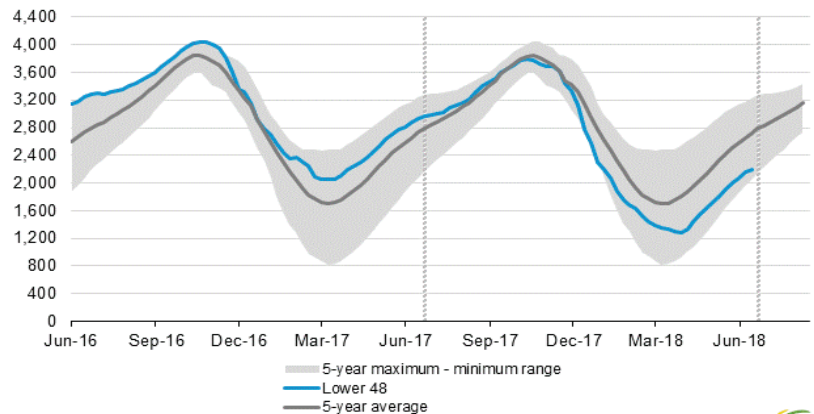
JULY 16, 2018

The Aug-2018 NYMEX natural gas contract closed Friday at \$2.752, down \$0.106 for the week. The 12-month strip average price of natural gas fell by \$0.071 over the same period. The Aug-2018 NYMEX crude oil contract closed Friday at \$71.01, down \$2.79 for the week. NOAA forecasts indicate that near term temps will moderate in the Midwest/East while the West/Southwest heats up. Later this week the NOAA will release its outlook for the balance of summer. The tropical Atlantic is quiet with no signs of storm development. Baker Hughes reported on Friday that the US natural gas rig count rose by 2 to 189 while total rigs (gas/oil combined) rose by 2 to 1054. In its most recent natural gas storage data, the EIA reported an injection of 51 Bcf into national inventories, a number at the low end of consensus market expectations. Early estimates for this week's report indicate an expected injection in the range of 55 to 65 Bcf vs. an injection of 31 Bcf for the same week last year and a 5-yr avg. injection of 62 Bcf.

EIA NATURAL GAS STORAGE REPORT
Week Ending July 6, 2018

Region	Inv. Level	Week Δ	Year Ago	5yr Avg.
East	480	+20	585	593
Midwest	477	+22	716	642
Mountain	143	+4	192	168
Pacific	260	+3	291	305
S. Central	843	+2	1144	1014
Total	2203	+51	2928	2722

WORKING GAS IN UNDERGROUND STORAGE
COMPARED WITH 5-YEAR RANGE

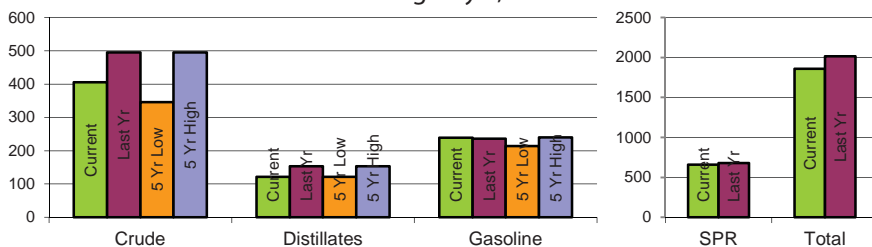


Source: U.S. Energy Information Administration



Storage Highlights: Working gas in storage was 2,203 Bcf as of Friday, July 6, 2018, according to EIA estimates. This represents a net increase of 51 Bcf from the previous week. Stocks were 725 Bcf less than last year at this time and 519 Bcf below the five-year average of 2,722 Bcf. At 2,203 Bcf, total working gas is within the five-year historical range.

EIA PETROLEUM INVENTORY (BARRELS X 1000)
Week Ending July 6, 2018

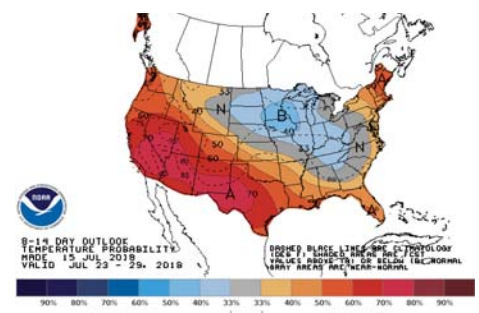


U.S. commercial crude oil inventories (excluding those in the Strategic Petroleum Reserve) decreased by 12.6 million barrels from the previous week. At 405.2 million barrels, U.S. crude oil inventories are about 4% below the five year average for this time of year. Total motor gasoline inventories decreased by 0.7 million barrels last week and are about 6% above the five year average for this time of year. Finished gasoline inventories increased while blending components inventories decreased last week. Distillate fuel inventories increased by 4.1 million barrels last week and are about 12% below the five year average for this time of year. Propane/propylene inventories increased by 2.4 million barrels last week and are about 10% below the five year average for this time of year. Total commercial petroleum inventories decreased by 7.2 million barrels last week.

BAKER HUGHES US NATURAL GAS RIG COUNT, 07/13/2018

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

8-14 DAY TEMP OUTLOOK (NOAA)



TROPICAL ATLANTIC 7/16 AM (NHC)

