



WEEKLY NATURAL GAS MARKET UPDATE

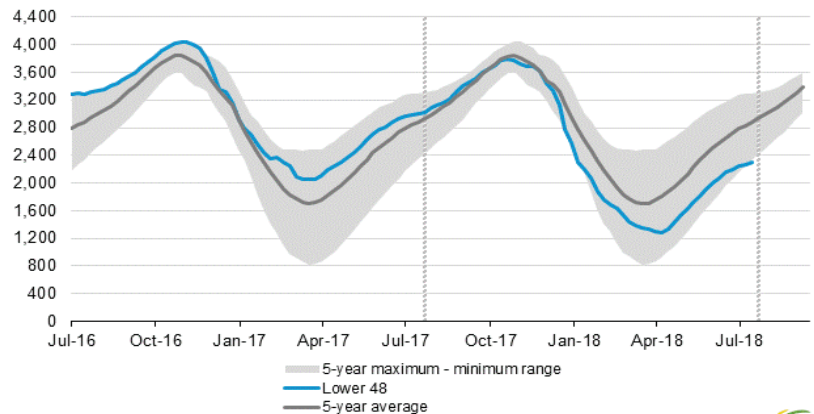
AUGUST 6, 2018

The Sep-2018 NYMEX natural gas contract closed Friday at \$2.853, up \$0.071 for the week. The 12-month strip average price of natural gas rose by \$0.033 over the same period. The Sep-2018 NYMEX crude oil contract closed Friday at \$68.49, down \$1.97 for the week. Updated NOAA forecasts indicate that temps in the Midwest/East are likely to remain above normal through at least mid-Aug while the West/Southwest cools off. There is currently no expected threat of tropical storm activity in the Gulf of Mexico this week. Baker Hughes reported on Friday that the US natural gas rig count fell by 3 to 183 while total rigs (gas/oil combined) declined by 4 to 1044. In its most recent natural gas storage data, the EIA reported an injection of 35 Bcf into national inventories, a number much lower than consensus market expectations. Early estimates for this week's report indicate an expected injection in the range of 45 to 55 Bcf vs. an injection of 29 Bcf for the same week last year and a 5-yr avg. injection of 53 Bcf.

EIA NATURAL GAS STORAGE REPORT
Week Ending July 27, 2018

Region	Inv. Level	Week Δ	Year Ago	5yr Avg.
East	552	+25	647	650
Midwest	552	+28	752	707
Mountain	146	+1	200	178
Pacific	250	-7	293	313
S. Central	808	-12	1104	1025
Total	2308	+35	2996	2873

WORKING GAS IN UNDERGROUND STORAGE
COMPARED WITH 5-YEAR RANGE

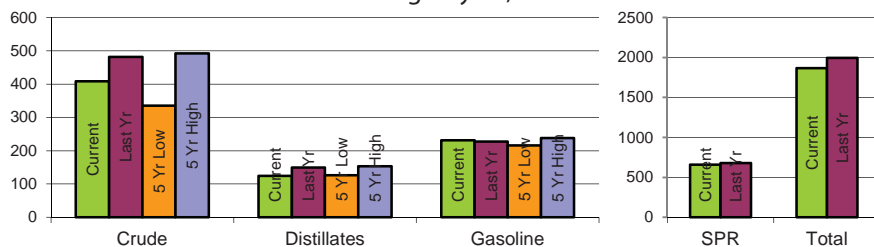


Source: U.S. Energy Information Administration



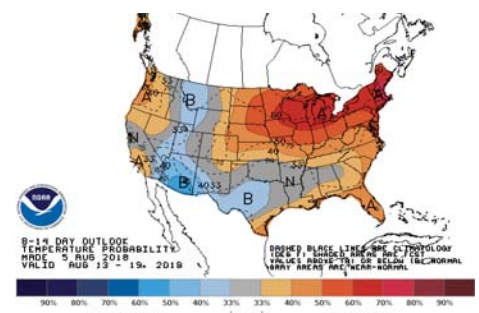
Storage Highlights: Working gas in storage was 2,308 Bcf as of Friday, July 27, 2018, according to EIA estimates. This represents a net increase of 35 Bcf from the previous week. Stocks were 688 Bcf less than last year at this time and 565 Bcf below the five-year average of 2,873 Bcf. At 2,308 Bcf, total working gas is below the five-year historical range.

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

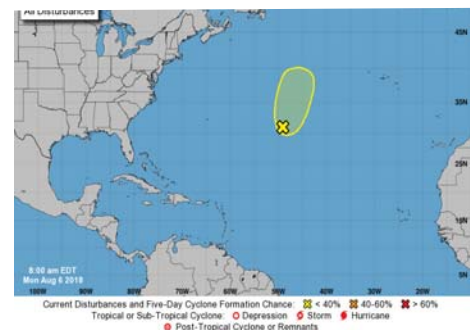


U.S. commercial crude oil inventories (excluding those in the Strategic Petroleum Reserve) increased by 3.8 million barrels from the previous week. At 408.7 million barrels, U.S. crude oil inventories are about 1% below the five year average for this time of year. Total motor gasoline inventories decreased by 2.5 million barrels last week and are about 3% 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 3.0 million barrels last week and are about 11% below the five year average for this time of year. Propane/propylene inventories increased by 1.8 million barrels last week and are about 12% below the five year average for this time of year. Total commercial petroleum inventories increased last week by 10.6 million barrels last week.

8-14 DAY TEMP OUTLOOK (NOAA)



TROPICAL ATLANTIC (8-6 AM; NHC)



BAKER HUGHES US NATURAL GAS RIG COUNT, 08/03/2018

	This Week	+/-	Last Week	+/-	Year Ago
Gas Rigs	183	-3	186	-6	189