



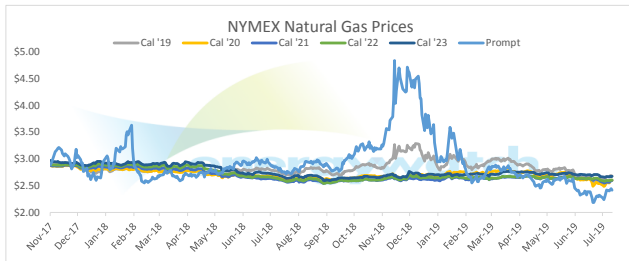
Week Ending: 7/11/2019

Weekly Update:

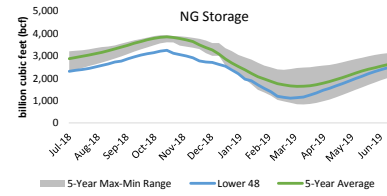
The August NYMEX Gas Contract closed yesterday at \$2.416/MMBtu. The market has moved up slightly off the lows with an early mid-July rally due to above average temperatures in the Northeast and CDDs in the Midwest. Natural gas storage levels increased by 81 bcf which was slightly less than the expected 84 bcf injection. Last year 55 bcf was injected for this week and the five-year average is a 71 bcf build. Current storage stands at 2,471 bcf, which is 12.5% above the previous year and 5.4% below the five-year average for this same week. Prices at the Transco Zone 6 trading hub for NYC increased 40 cents from \$1.98/MMBtu last Wednesday to \$2.38/MMBtu this past Wednesday (EIA).

"Natural gas feedstock deliveries to U.S. liquefaction facilities set a new record last week, reaching 6.3 billion cubic feet per day (Bcf/d) on July 4 and July 7, 2019. They averaged 6.1 Bcf/d for the report week—the highest weekly average to date" (EIA). UPS announced that they purchased 170 million gasoline gallon equivalent of renewable natural gas (RNG) to support its sustainability goals and as a result will increase RNG demand (EIA).

Natural gas pricing plays a key role in electricity power pricing due to the increasing reliance on natural gas fired generators as nuclear, coal, and oil generation is retired and mothballed. As the marginal unit of generation, gas prices are directly correlated to power pricing (more so in some regions such as NY vs. others such as parts of PJM). We keep an eye on natural gas market fundamentals in order to provide insights into forward power pricing for our clients. Gas production is expected to continue to grow, however, there is speculation that demand growth will outpace supply primarily due to LNG and Mexican exports and increased power burn, presenting upside risk to power pricing in the future.

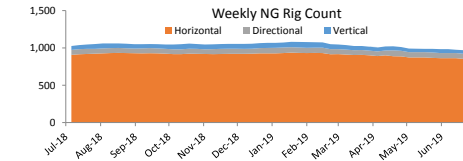


Natural Gas Storage	
Week Ending 7/5/2019	
Current Week Stocks (bcf)	2,471
Previous Week Stocks (bcf)	2,390
Implied Net Change (bcf)	81
Expected Net Change (bcf)	84
Variance(bcf)	-3
Year-Ago Stocks (bcf)	2,196
Variance vs Prev. Year (%)	12.5%
5-Year Average (bcf)	2,613
Variance vs 5-YR Avg (%)	-5.4%

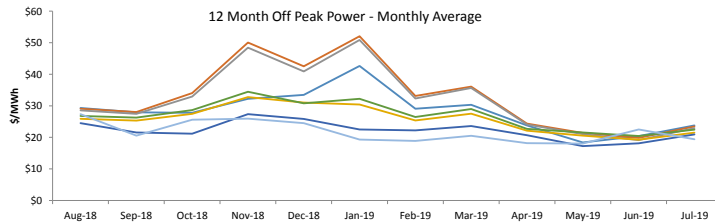
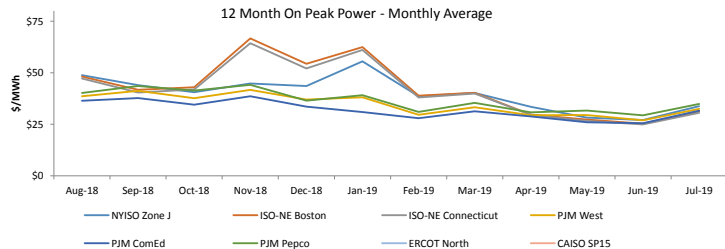


	\$/MMBtu	W-o-W Δ	Y-o-Y Δ
Prompt Month	\$2.416	0.3%	-12.3%
12-Month	\$2.574	1.6%	-6.8%
24-Month	\$2.593	1.6%	-4.7%
Cal 19	\$2.688	0.6%	-1.3%
Cal 20	\$2.605	1.7%	-1.6%
Cal 21	\$2.604	1.3%	0.6%
Cal 22	\$2.608	0.4%	0.3%

Week Ending:	7/5/2019	W-o-W Δ
Oil Rigs	788	-0.6%
Gas Rigs	174	0.6%
Vertical	58	-1.7%
Horizontal	839	-0.1%
Directional	66	-2.9%



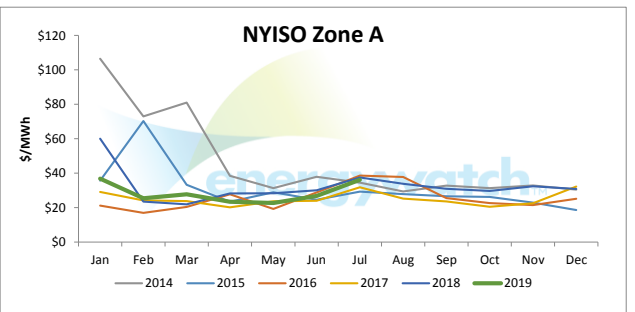
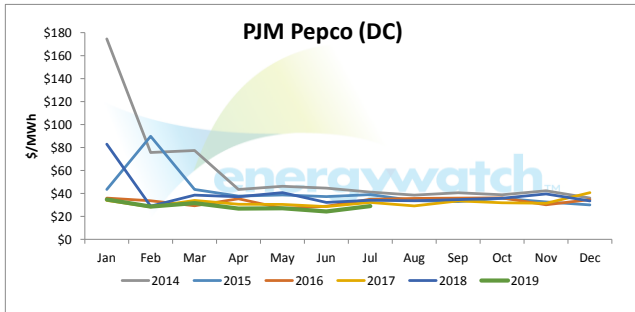
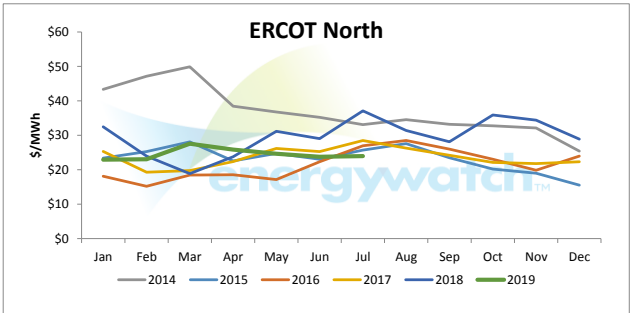
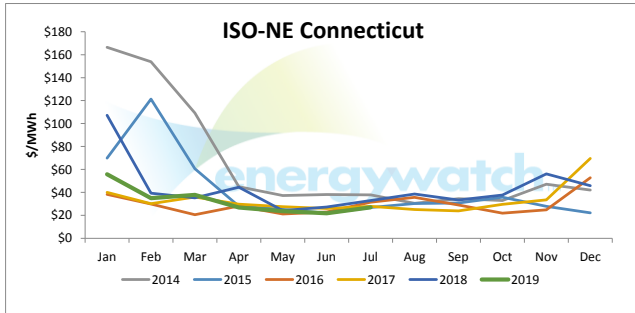
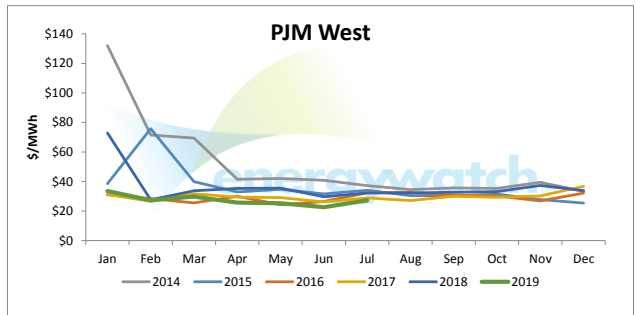
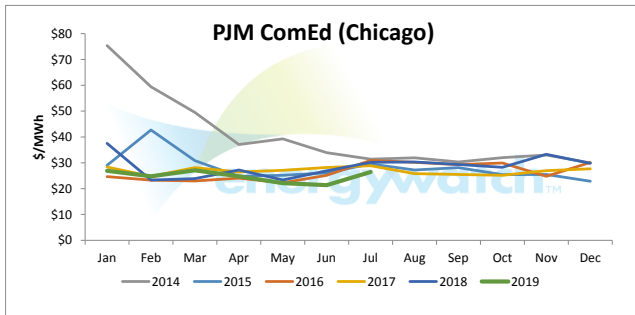
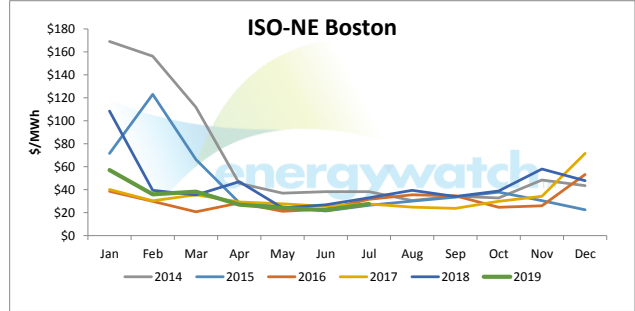
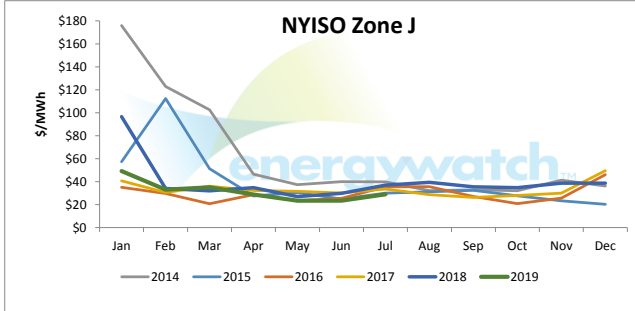
	Avg. Temp	Past 10 Weeks	Departure From Normal	CDD		HDD	
				CDD	HDD	CDD	HDD
Boston	80		6	15	0		
Chicago	79		5	15	0		
Columbus	80		6	16	0		
Dallas	85		0	21	0		
Denver	72		-2	7	0		
Detroit	79		6	14	0		
Hartford	77		0	13	0		
Houston	87		3	23	0		
Indianapolis	81		5	16	0		
Las Vegas	96		-1	31	0		
Los Angeles	67		-1	2	0		
Miami	84		2	19	0		
Minneapolis	73		-1	9	0		
New York City	81		4	17	0		
Philadelphia	80		2	16	0		
Phoenix	100		5	35	0		
Salt Lake City	86		8	22	0		
San Diego	69		0	4	0		
San Francisco	66		3	1	0		
Seattle	67		2	2	0		
St. Louis	83		3	18	0		
Washington D.C.	79		2	15	0		



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2014 - 2019 YTD Locational Marginal Pricing (LMPs)



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