

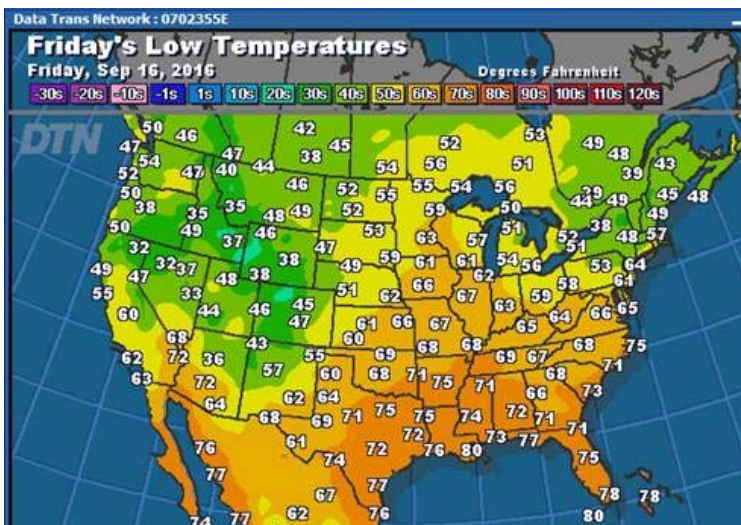
Blake Baxter

Subject: FW: MEP Weekly Gas Update 9-15-2016
Attachments: MEP Gas Storage Chart 2016 9 15.pdf; NG Price Curve 2016 9 15.pdf

From: Blake Baxter
Sent: Thursday, September 15, 2016 4:52 PM
Subject: MEP Weekly Gas Update 9-15-2016

Natural gas is currently trading at \$2.927 per Dth

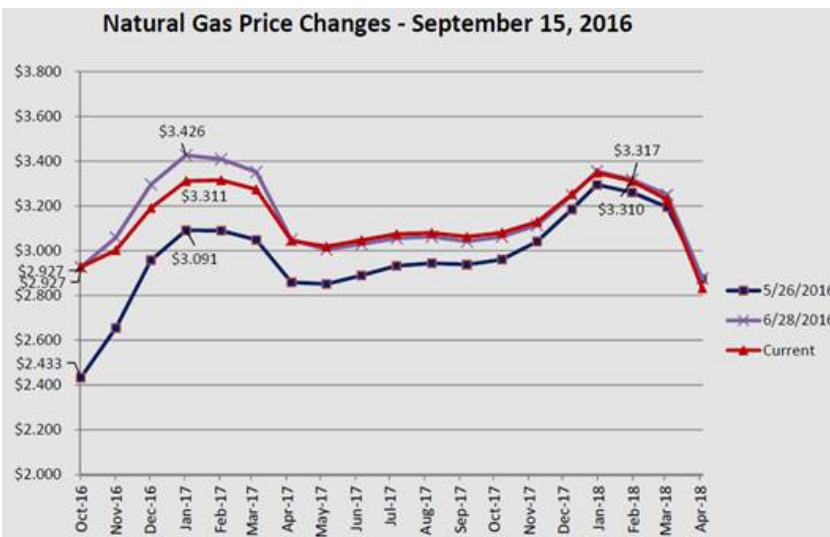
It is the Ides of September! It is the cusp of summer and fall. We can feel it now in our over night temperatures and most of the rest of the nation has also gotten a wee bit of that coming fall weather. That is why it has been interesting that the natural gas bulls have been able to run gas prices up this week on the narrative of hot weather. Yes, there is some hot weather hanging on in the deep South, but we are to the point where the nightly lows become more important than the daily highs. In fact if the weather man is right about a warm fall, then that should soon encourage the bears as people delay switching on their furnaces.



However, bearish sentiment is not what we saw with today's gas storage report. The EIA reported a net injection of +63 BCF which was almost spot on the market expectation. The futures market which had traded down to as low as \$2.834 /Dth in early morning trading did a complete reversal after the storage report came out and traded up to a high of \$2.944 /Dth. In afternoon trading the price faded and closed the day at \$2.927 /Dth, up 3.8 cents. While all the talk of heat was out there this week today's action looked more like another attempt by the technical players to break upside resistance. What the technicals give they can easily take away.



The back end of the market also made modest gains this week but remained inside the recent range of trading. The winter 2016/17 strip was up 5.4 cents for the week to \$3.219 /Dth. The Calendar 2017 strip is at \$3.141 /Dth this week, up 4.7 cents, while the Calendar 2018 strip is at \$2.973 /Dth, up 0.1 cents, this week.



Past copies are available on our website at <http://mepsolutions.org/monthly-market-updates/>

We are also available on **Twitter** at **@MEPNatGas** with updates on natural gas prices as well as national & Wisconsin gas industry news.

Have a great weekend.

Blake