

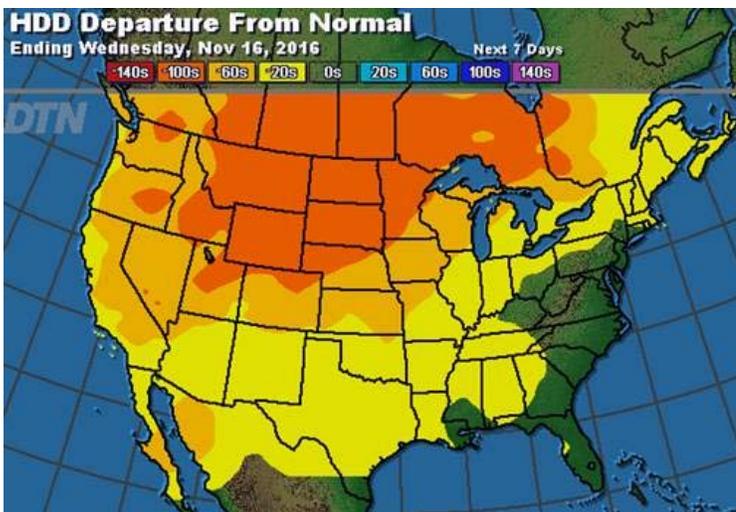
Blake Baxter

Subject: FW: MEP Weekly Gas Update 11-10-2016
Attachments: MEP Gas Storage Chart 2016 11 10.pdf; NG Price Curve 2016 11 10.pdf

From: Blake Baxter
Sent: Thursday, November 10, 2016 5:08 PM
Subject: MEP Weekly Gas Update 11-10-2016

Natural gas is currently trading at \$2.632 per Dth

The natural gas market has remained weak for the past week as the forecasted above normal temperatures continue to be closer to record breaking warm instead of just above normal. Currently the short-term forecast calls for more of the same leading into Thanksgiving. Longer term forecast still call for us to eventually have a winter.

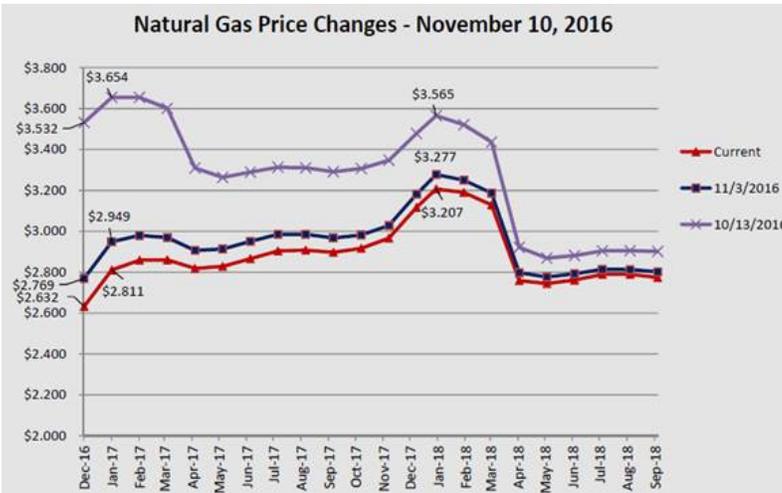


As we move forward we will need to watch how the new President deals with some issues, such as NAFTA, that might impact the commodities markets. Currently the US receives 5.3 BCF /day of natural gas from Canada and exports 4.0 BCF /day to Mexico. Another 1.3 BCF/day is being liquefied and shipped out of Louisiana, but that number is expected to double early next year. US production gas production is currently running 77.3 BCF /day which is about 1.5 BCF /day less than last year. Both gas drilling and LNG exports are currently expected to increase significantly next year.

Depending on who you talk to the EIA storage report was either dead on expectations or a smidge above them. Today's report of an injection of +54 BCF matched last week's report and sent us back over the 4.0 TCF threshold to 4.017 TCF in inventory. The report had the market trading off quickly to \$2.575 /Dth for December before finding some support in the afternoon to finish at \$2.632 /Dth, down 5.8 cents.



With the market off for the week all of the strip prices were also down. The Winter 2016-17 (Dec – Mar) traded down week-on-week 12.7 cents to \$2.79 /Dth. The 2017 Calendar strip moved down to \$2.983, off 8.7 cents, while the 2018 Calendar strip was off 3.8 cents for the week to \$2.898 /Dth.



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



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