

Blake Baxter

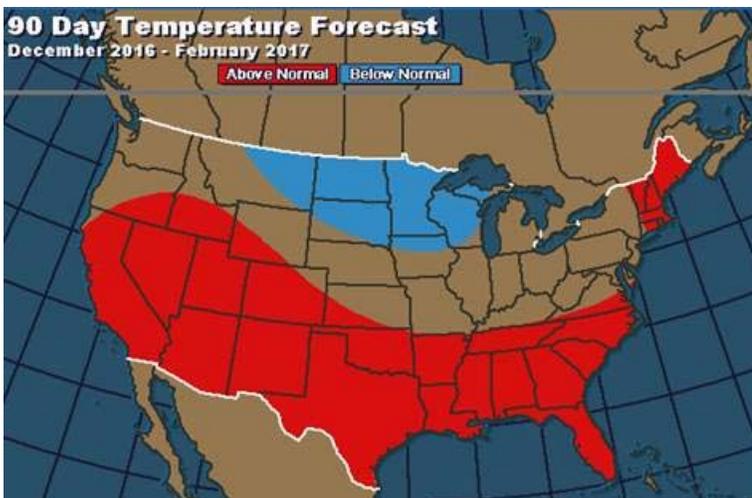
Subject: FW: MEP Weekly Gas Update 11-17-2016
Attachments: MEP Gas Storage Chart 2016 11 17.pdf; NG Price Curve 2016 11 17.pdf

From: Blake Baxter
Sent: Thursday, November 17, 2016 5:20 PM
Subject: MEP Weekly Gas Update 11-17-2016

Natural gas is currently trading at \$2.703 per Dth

Today was another incredibly warm and pretty day here in Blue Mounds. Paul and I went out for a long stretch of the legs on the Military Ridge trail to take advantage of the weather. The question now is whether it is finally time for me to put my walking shorts away for the winter?

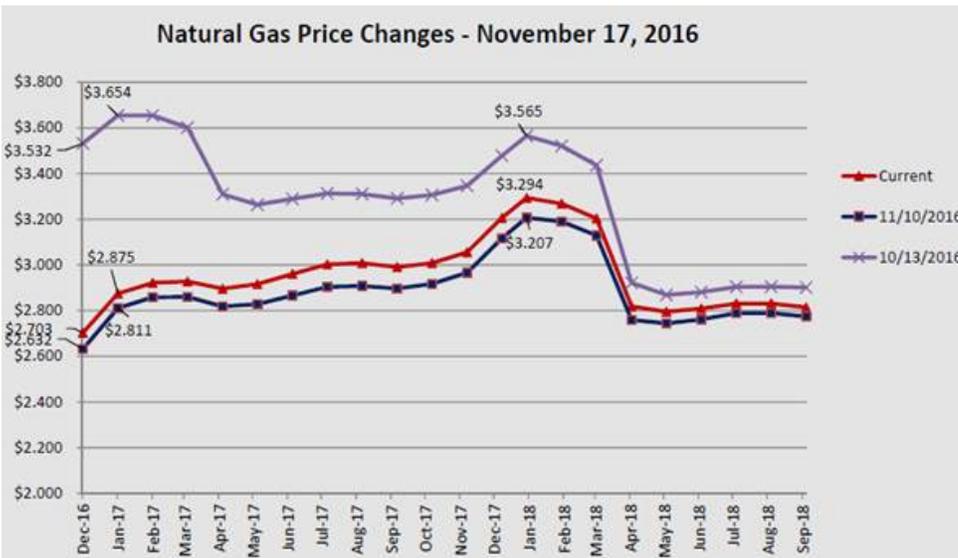
In its own way, this has been the questions that the gas markets have been asking this week. The forecasters are certainly calling for cooler weather to move in, but how long will it stay? And will it actually portend the start of winter? NOAA just issued an update to their winter forecast and they continue to maintain that winter will actually show up in Wisconsin this winter.



So the expectation of winter was enough this week to give some support to gas prices. Some of that was weakened by an EIA storage report that showed that we gained +30 BCF in inventory this week (right on expectations), thus setting a new record for gas in storage at 4.047 TCF. Inside the numbers, the Eastern US actually posted its first withdrawal with 2 BCF coming out of storage. On the news of the new record inventory, gas traded down through the afternoon to finish at \$2.703 /Dth, off 6.1 cents.



As mentioned, gas prices had been gaining ground this week, so strip pricing was up across the board. The Winter Strip (Dec-Mar) moved up week-on-week to \$2.857 /Dth, up 6.7 cents. The 2017 Calendar Strip was up 8.5 cents to \$2.981 /Dth while the 2018 Calendar Strip was up 5.3 cents for the week to finish at \$2.951 /Dth.



The gas markets will continue to be sensitive to changes in the weather forecasts although the week of Thanksgiving is generally a low demand period. Currently we are looking at highs in the mid-40's and lows in the lower 30's. However, the local forecast has also got some rain for mid-week and if there is one thing that gets me to turn up the heat, it is mid-40's and rain.

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