

Blake Baxter

Subject: FW: MEP Weekly gas Update 01-06-2017 (Josh's Edition)
Attachments: MEP Gas Storage Chart 2017 05 01.PNG; NG Price Curve 2017 01 05.PNG

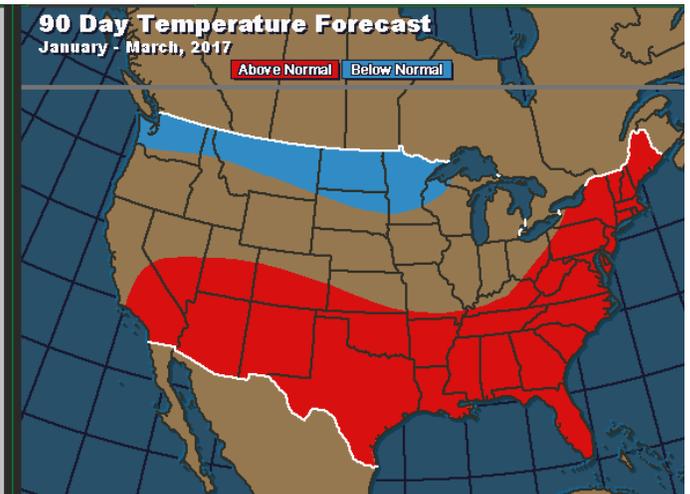
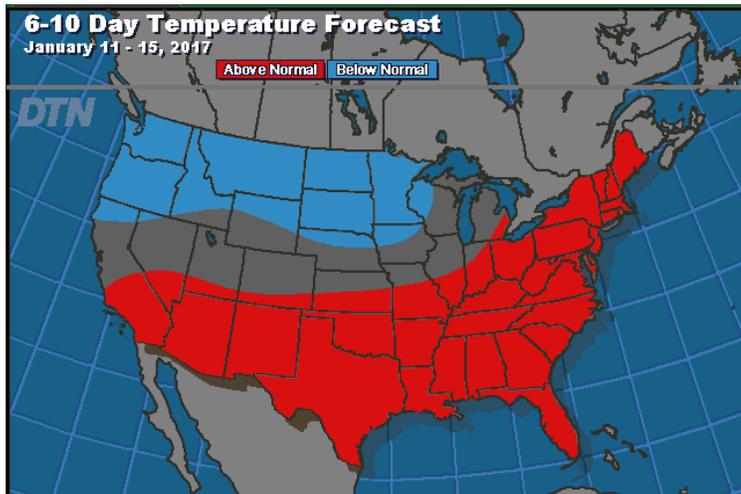
From: Josh Kaurich
Sent: Friday, January 06, 2017 2:17 PM
Subject: MEP Weekly gas Update 01-06-2017 (Josh's Edition)

Natural Gas is currently trading at \$3.273 per DTH

Well here we are in the first week of January with subzero temperatures throughout Wisconsin. What did you expect I guess?! For me there has been several reminders to stay inside as of late despite the cold. Perhaps it started with my neighbor sidetracking me as I stepped outside without a coat on to detail out how we are very close to finding bigfoot in Appalachia. Or perhaps the reminder was the other day when I took my kids sledding and I hit a chunk of ice at the bottom of the hill on my rump (kids seem to find it entertaining when you get hurt). Or the lunch hour I chose to play basketball with a bunch of 20 to 30 year old men and I rolled my ankle. Sometime you just feel like ol' Grandpa Simpson. The good news is that as I stay off my ankle for a while I can sanction our kids to cover our basement treadmill with a blanket and turn the former exercise machine into a cool fort, further validating why we not to use the treadmill. Speaking of kids, my wonderful wife is due with our third (a boy) in 2 weeks. When this young version of myself arrives, I am going to do something I regretfully did not do the first 2 times around and take some time off and focus on being a helper around the house and a taxi cab driver to events (kind of like an unpaid Kaurich family Uber). I will still be working in limited capacity on things and helping on our continued efforts.

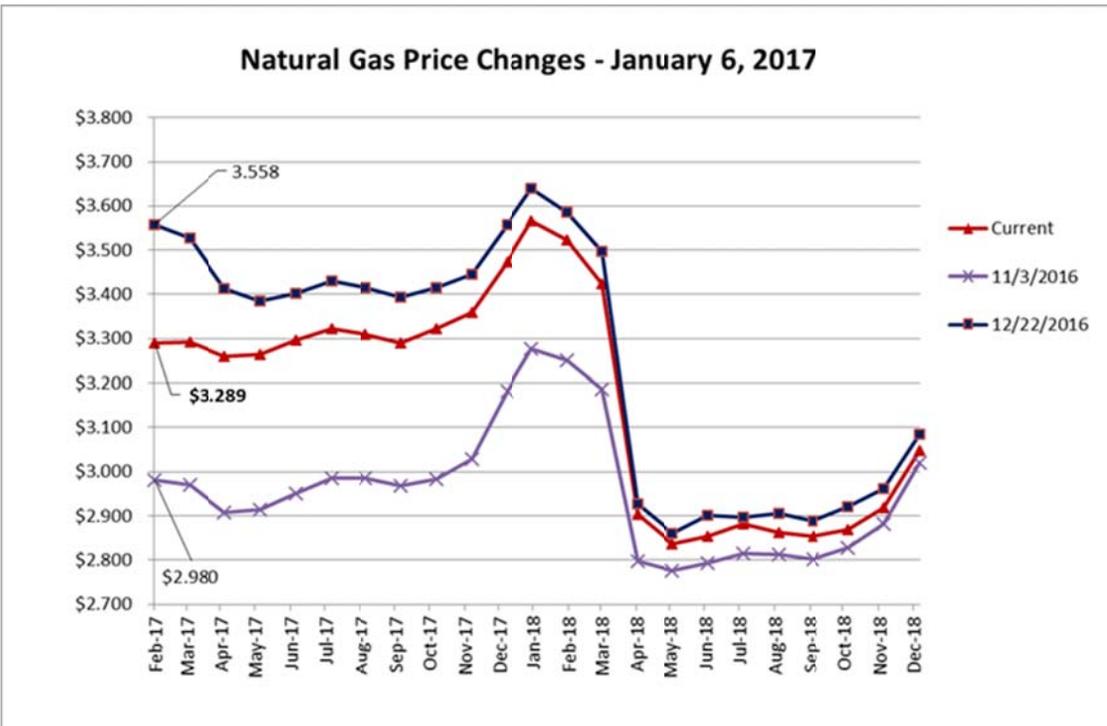


Enough about me, what is happening in the market in the last 2 weeks? First, we saw the largest withdrawal (-237 bcf) for the end of December since 1998 only surpassed in 1996 which showed a -260 Bcf Withdrawal. Second, the January NYMEX jumped 17 cents before settling at \$3.930. Lastly, we had A weather-derived Reset of epic proportions as seen on Tuesday as short-term weather forecast were revised, forfeiting an astonishing 39.7 cents or nearly 11% on the day. The largest one day move seen in years (Shown below). The weather forecasts show above average temperatures in the near future in the south with below normal cold temperatures remaining for the West and North.



The weekly change has been more pronounced in the prompt months with continued downward pressure throughout 2017 when compared to two weeks ago. To note the change over the past 2 months, I have included strip pricing from early November as well for comparison when many folks chose to lock in pricing.

Natural Gas Price Changes - January 6, 2017



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.

Josh