

## Blake Baxter

**Subject:** FW: MEP Weekly Gas Update 4-6-2017  
**Attachments:** MEP Gas Storage Chart 2017 4 6.pdf; NG Price Curve 2017 4 6.pdf

### Natural gas is currently trading at \$3.331 per Dth

It appears that spring is right around the corner for Blue Mounds as robins began flocking back to the area this week. However, much of the country is still trying to shrug off lingering winter weather. Overnight temperatures across most of the country, including the south, will be in the 40's, thus we will continue to see residual winter gas consumption across much of the nation.



This lingering weather has contributed to continued strength in the natural gas contract that was further supported today by a disappointing storage inventory number. For the week, the EIA reported that we added +2 BCF to storage inventory which served to slightly increase the year-on-year storage deficit to -427 BCF. The storage news pushed the May gas contract to a close of \$3.331 /Dth, up 6.5 cents on the day.



Other news was mixed as the EIA has reported production gains in the Marcellus and Permian production areas. However, those regional gains are being offset by production declines in other areas. Also, Cheniere Energy commissioned their third new LNG train on March 31<sup>st</sup>. Exports from this train are dedicated to South Korea and are scheduled to commence in June.

Natural Gas Price Changes - April 6, 2017



With this week's gains we are getting near the high side of the recent trading ranges. The 2017 summer strip gained 12.9 cents this week to \$3.404 /Dth, while the 2017/18 winter strip gained 15 cents to reach \$3.627 /Dth. The 2018 calendar strip gained 4.9 cents this week to \$3.099 /Dth while the 2019 calendar strip lost 2.0 cents to \$2.855 /Dth.

Have a great weekend.

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.

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