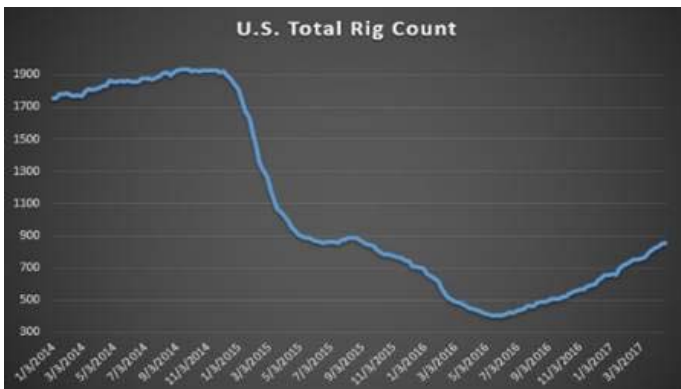


Blake Baxter

Subject: FW: MEP Weekly Gas Update 5-4-2017
Attachments: MEP Gas Storage Chart 2017 5 4.pdf; NG Price Curve 2017 5 4.pdf

Natural gas is currently trading at \$3.186 per Dth

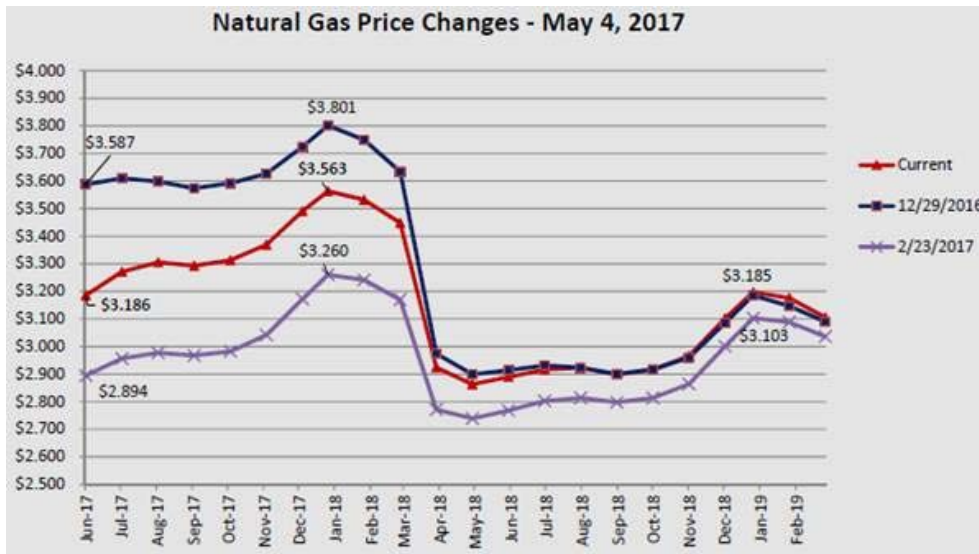
This is still a market looking to be moved. With the lingering cooler spring weather in much of the nation one would think the bears would be taking charge. However, there seemed to be a lot of overall concern weighing on the market this week with everything from lower oil prices to lower car sales and expectations for lower economic growth both here and in China weighing on the market. Plus, within the gas markets, despite the increases in drilling rigs and increased shale gas production, we are just not seeing signs of the expected surge in gas production.



The weekly EIA storage report came out today with a build of +67 BCF. While this was above expectations, it was on par with both year ago and five year average injections. Still while there is not a lot of concern at this point, gas injections are going to need to outperform last year given that the current inventory is -359 BCF lower this year. With today's EIA report gas traded down 4.2 cents for the day to finish at \$3.186 /Dth.



Today's market was reflected in the prices of the strips. The 2017 summer strip was down 3.3 cents for the week to \$3.241 while the 2017/18 winter strip faded 4.7 cents week-on-week to \$3.481 /Dth. The 2018 calendar strip lost 4.2 cents this week to trade at \$3.078 /Dth while the 2019 calendar strip dropped 4.4 cents to \$2.878 /Dth.



Josh and I will be in Houston meeting with gas producers next week so hopefully we will have some fresh words of wisdom. 😊

Have a great weekend!

Blake

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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