

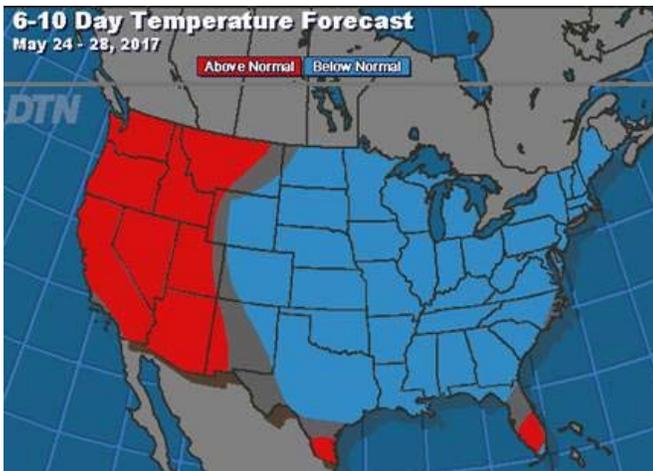
Blake Baxter

Subject: FW: MEP Weekly Gas Update 5-18-2017
Attachments: MEP Gas Storage Chart 2017 5 18.pdf; NG Price Curve 2017 5 18.pdf

Natural gas is currently trading at \$3.182 per Dth

I was very proud to become an officer of the Blue Mounds Historical Society this week. As a historian, a veteran and a senior citizen (at least by the reckoning of some folks), I think it is critical for people to know their history. In this case, Blue Mounds has a very significant and colorful history that has not been as well documented as other towns in Wisconsin. But I would encourage all of our schools to adopt a strong living history programs so that we can retain as much of the history of our towns and the men and women that reside there as possible. Whether one goes to the local nursing home or the local VFW, there are a lot of people out there with stories to tell.

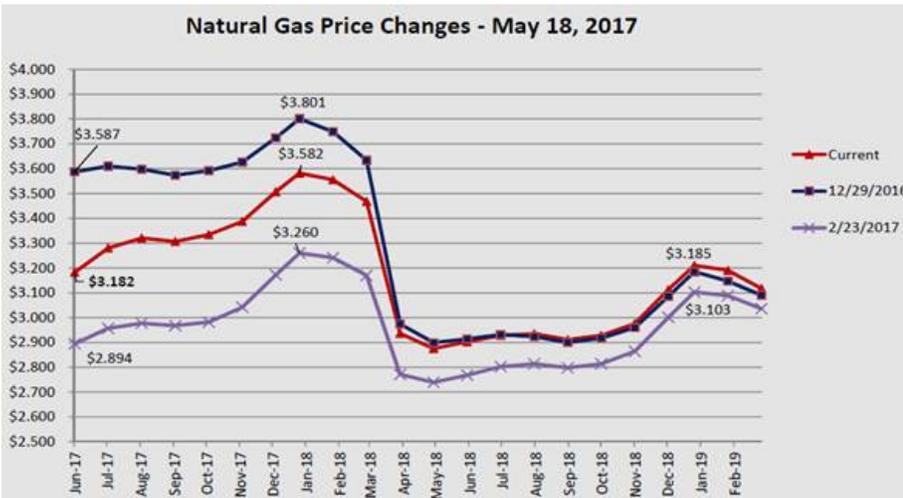
And while there are plenty of exciting stories out there, natural gas was not one of them this week. Basically after today's +68 BCF storage injection we are almost exactly back where we were 2 weeks ago at \$3.182 /Dth, down 1 cent for the day. While much of the north is still showing as cooler than normal, this is less problematic now than the cooler weather in south that is souring demand from the power sector. So while this week's storage build was a bit stronger than expected, it still under-performed against last year and the 5 year average leaving the market to scratch its proverbial head.



Thus the market has been happy to see freezing weather dissipate (thus a pull back in prices this week), but it is still lacking that strong directional signal, like a major uptick in gas production, that it continues to look for week after week. Again, that puts us right back to where we were two weeks ago with the expiration of the June contract coming up next Friday.



Looking at the rest of the market, the 2017 summer strip sits at \$3.249 /Dth, off 12.2 cents for the week. The 2017-18 winter strip also moved down 13 cents to finish at a nice round \$3.500 /Dth. The 2018 calendar strip lost 5 cents this week to \$3.092 /Dth while the 2019 calendar strip gained 0.4 cents to finish at \$2.872 /Dth.



And here is my final thought for the week. Thirty-seven years ago I moved to Houston, Texas, and was hired into the energy industry. If your sons and daughters are pursuing a liberal arts degree just remember that it is the ability to learn and curiosity that matter most when it comes to careers.

Have a great weekend!

Blake

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