

Weekly Energy Report

for the week of November 9, 2017

Week Ending 11-03-2017	EIA Last Year	EIA 5-Year Avg.	Average Weekly Injection to Reach 1200 Bcf	Withdrawal Weeks Remaining
15	54	45	123	21
EIA Level	EIA Level Last Year	EIA 5-Year Avg. Level	EIA Prior Week	Comparison to 5 Year Avg.
3790	4009	3861	65	71

NYMEX natural gas futures for December is up from November's NYMEX settlement price of \$2.752 per dth and has been trading up for the sixth straight session. The December contract was trading at \$3.205 per dth early this morning prior to the release of the EIA storage report. The cooler

weather has spurred this price increase during the last week but pricing will likely moderate by mid-week as temperatures warm. The NYMEX Price Summary chart reflects gains for each of the next 12-months and is also showing increases in the 12-month strip trading at \$3.077 per dth; the 24-month strip trading at \$3.003 per dth; and

the 36-month strip trading at \$2.995 per dth. The technical indicators show support in the \$2.85 to \$3.09 per dth range and resistance in the \$3.21 to \$3.28 per dth range.

The EIA reported the injection this week at 15 Bcf, which brings the current inventory to 3,790 Bcf. This compares to last year's 54 Bcf injection and the 5-year average build of 45 Bcf. The overall inventory levels are 219 Bcf below last year and 71 Bcf below the five-year average. Production remains at near record levels (75.5 Bcf last week) and natural gas rigs remain ahead of last year as Baker Hughes reported 169 active rigs working this year as compared to 117 rigs at this time last year.

A warming trend is expected over the next 7 to 14 days affecting the majority of the country with the exception of the extreme northwest and the peninsula of Florida.

The big news this week is the price of Crude oil. WTI prices continue to set record highs for the previous 2 years as OPEC cuts supplies as a result of geopolitical tensions in the Middle East. U.S. oil rig count is at 729 rigs, as reported by Baker Hughes, compared to 450 working oil rigs in 2016. ■

NYMEX NG Price Summary Data as of 11-8-2017		
Term	Price Per MMBtu	Change
Dec 17	3.175	0.023
Jan 18	3.272	0.021
Feb 18	3.275	0.023
Mar 18	3.231	0.019
Apr 18	2.975	0.010
May 18	2.949	0.011
Jun 18	2.974	0.009
Jul 18	3.004	0.009
Aug 18	3.007	0.009
Sep 18	2.990	0.009
Oct 18	3.011	0.008
Nov 18	3.063	0.008

(Sources: EIA, CME Group, Baker Hughes)