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*Week Ending April 21, 2017*

**Please contact me to review a joint RBN Energy daily publication detailing natural gas fundamentals.**

**Price Action:** The May contract fell 12.6 cents (3.9%) to \$3.101 on a 16.7 cent range.

**Price Outlook:** Prices fell after last week's rare inside week, but did not establish the low until late in the week on bearish weather forecasts and a larger than expected EIA storage report. CFTC data indicated another increase in the managed money net long position to the largest since May 6, 2014. Total open interest rose to 3.881 million as of April 18. Aggregated CME futures open interest rose to 1.430 million as of April 21. The May \$4.00 call is still the highest open interest option followed by the May \$3.75 call. The June \$3.75 call is 3rd. The May \$2.75 put is in 13th.

**Weekly Storage:** US working gas storage for the week ending April 14 indicated a working gas storage injection of 54 bcf. Working gas inventories rose to 2,115 bcf. Current inventories fall (369) bcf (14.9%) below last year while surpassing the 5-year average by 281 bcf (15.3%).

**Storage Outlook:** Our EIA weekly storage estimate was mathematically 9 bcf smaller than the actual EIA report and is above our tolerance range. The 5-week summation of our error rose to 17 bcf and is at the upper end of our tolerance. The EIA has reported a net implied flow of (127) bcf over the last 5 weeks compared to our estimated (144) bcf. Our forecast for early November inventories is now 3,739 bcf. The forecasts use a 10-year rolling temperature profile past the 15-day forecast. Above normal national temperatures are bearish until mid-May.

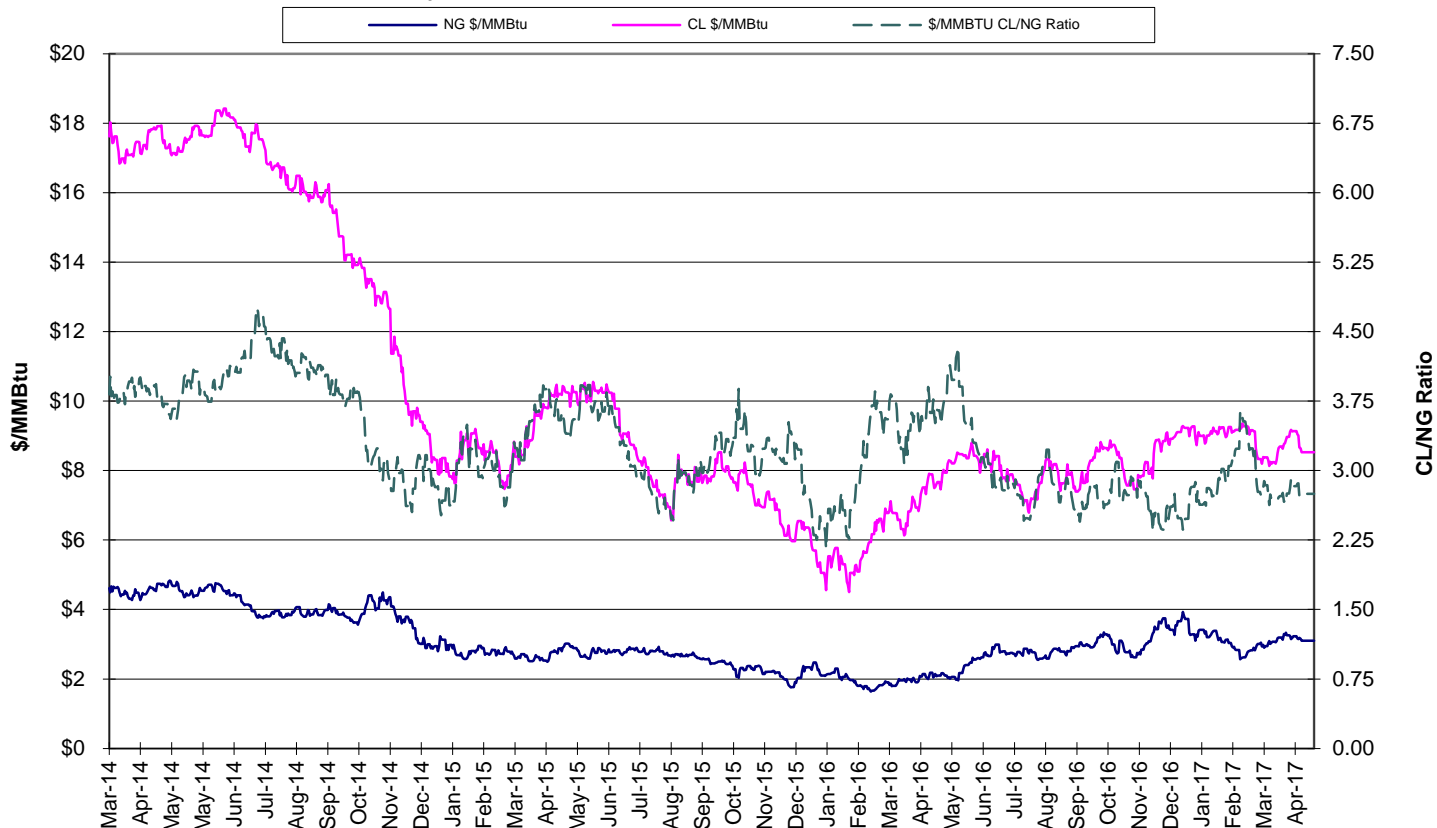
**Supply Trends:** Total supply rose +0.3 bcf/d to 70.0 bcf/d. Increases in US production and lower LNG and Mexican exports overcame lower Canadian imports. The US Baker Hughes rig count rose 10 with both oil and natural gas activity higher. The total US rig count now stands at 857. The Canadian rig count fell 19 to 99. Thus, the total North American rig count fell 9 to 956 and now exceeds last year by 485. **The higher efficiency US horizontal rig count rose 12 to 718 and rises 386 above last year.**

**Demand Trends:** Total demand was fell 5.4 bcf/d to 65.0 bcf/d. All components were lower. Electricity demand fell 661 gigawatt-hrs to 67,894 which trails last year by 120 (0.2%) and the 5-year average by 351 (0.5%).

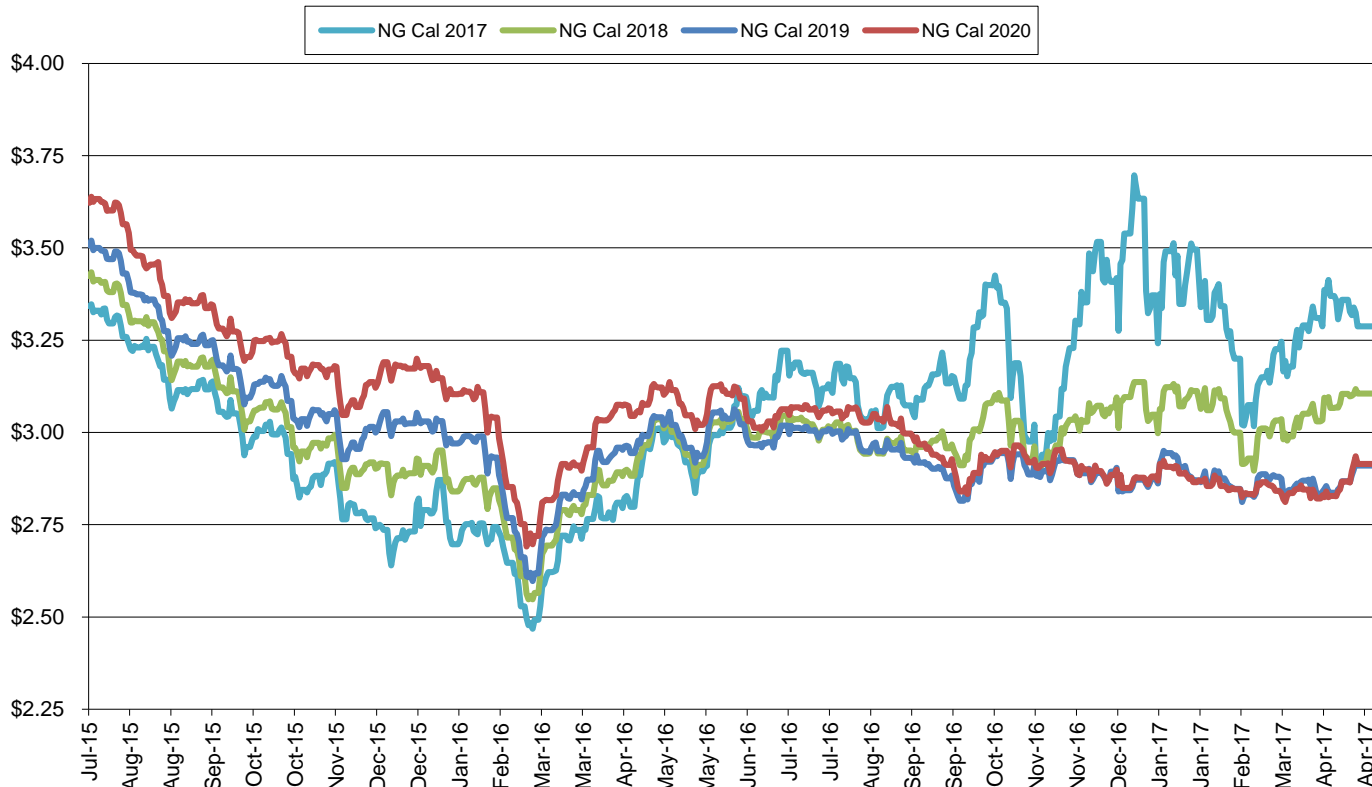
**Nuclear Generation:** Nuclear generation fell 1,200 MW in the reference week to 77,001 MW. This is (7,490) MW lower than last year and (2,314) MW lower than the 5-year average. **Recent output is near 76,000 MW.**

- The 2016/17 heating season is near an end. With a forecast through May 5, the 2016/17 total heating index is at 2,274 compared to 2,411 for 2015/16, 2,882 for 2014/15, 3,224 for 2013/14, 3,038 for 2012/13 and 2,567 for 2011/12 and 3,139 bcf for 2010/11.

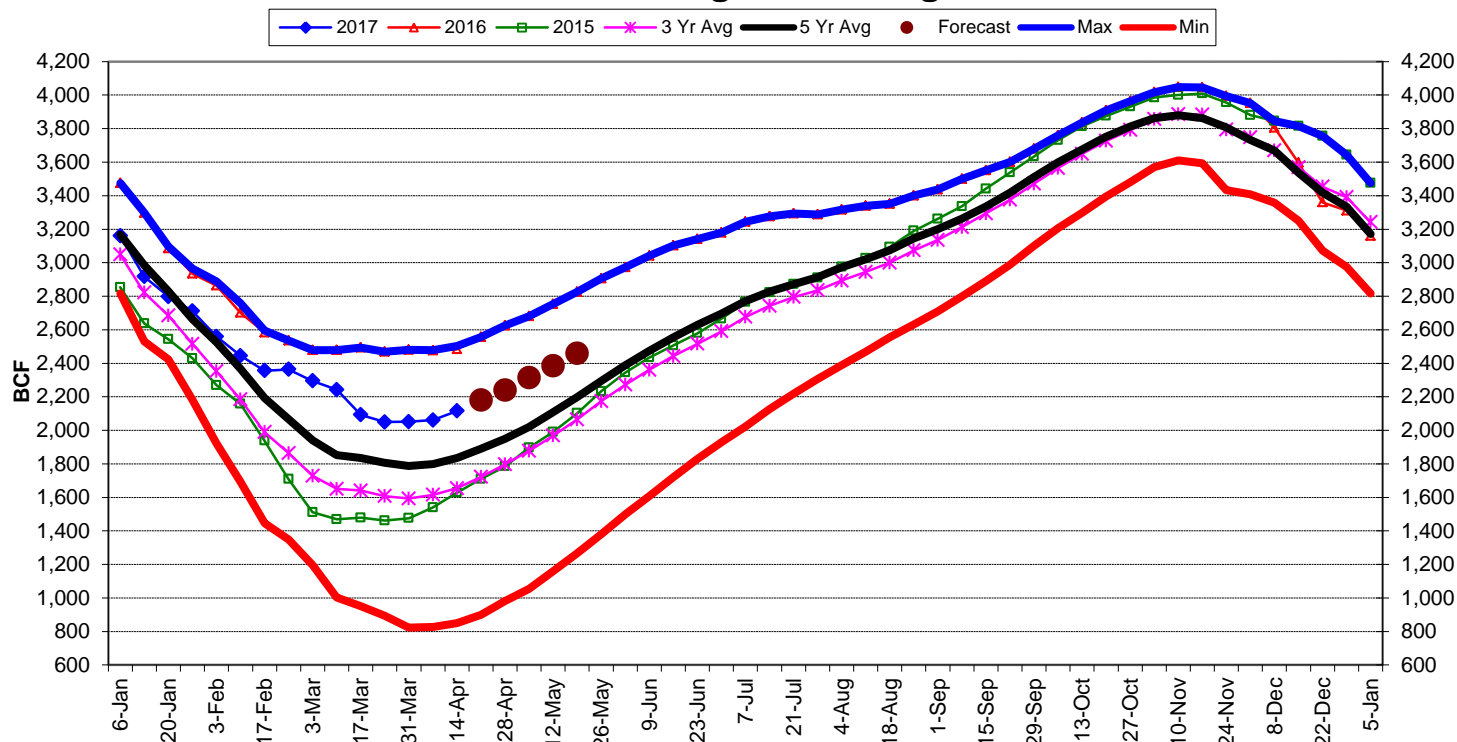
## \$/MMBtu Ratio of NYMEX CL and NG



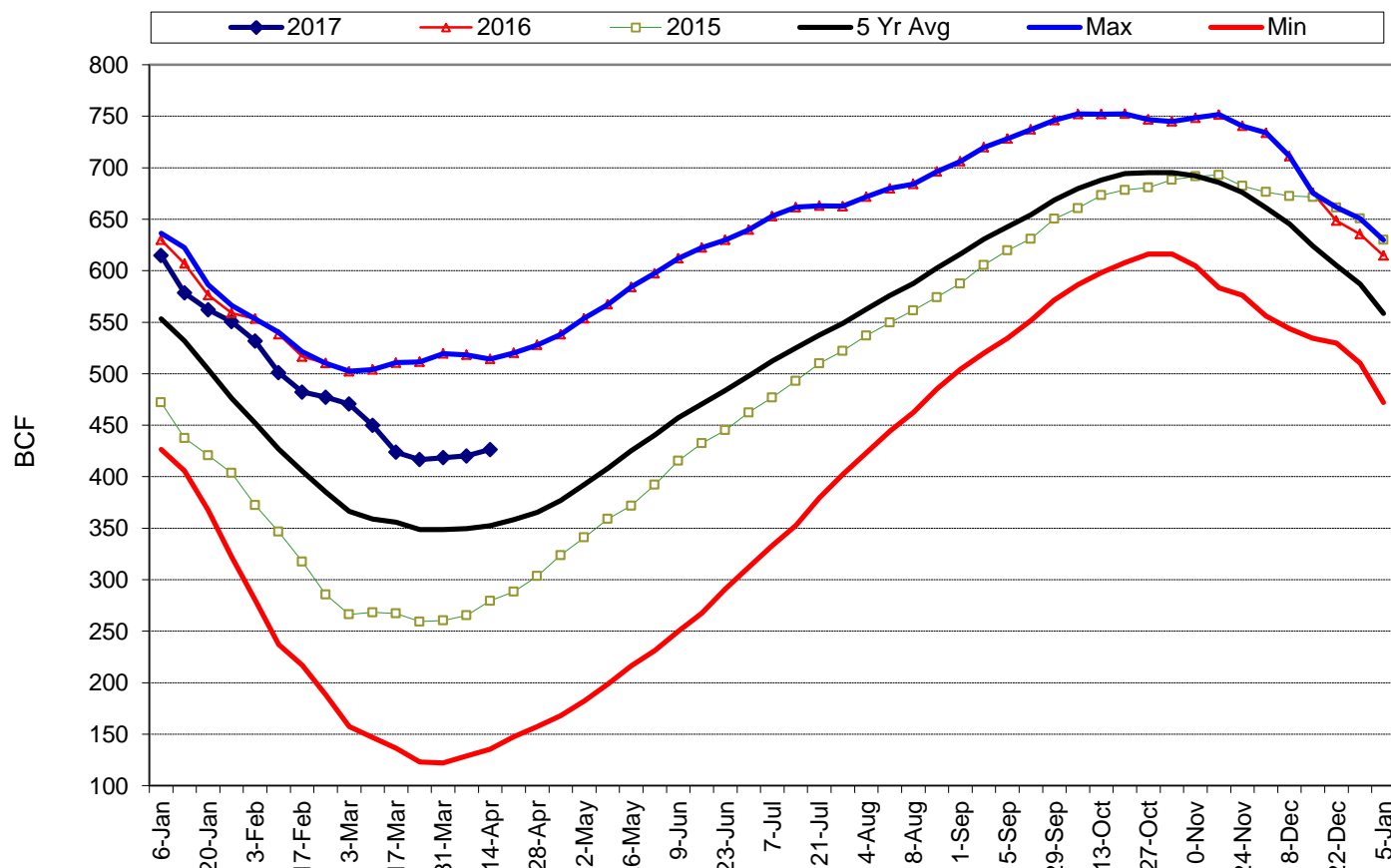
## NYMEX Calendar Strips



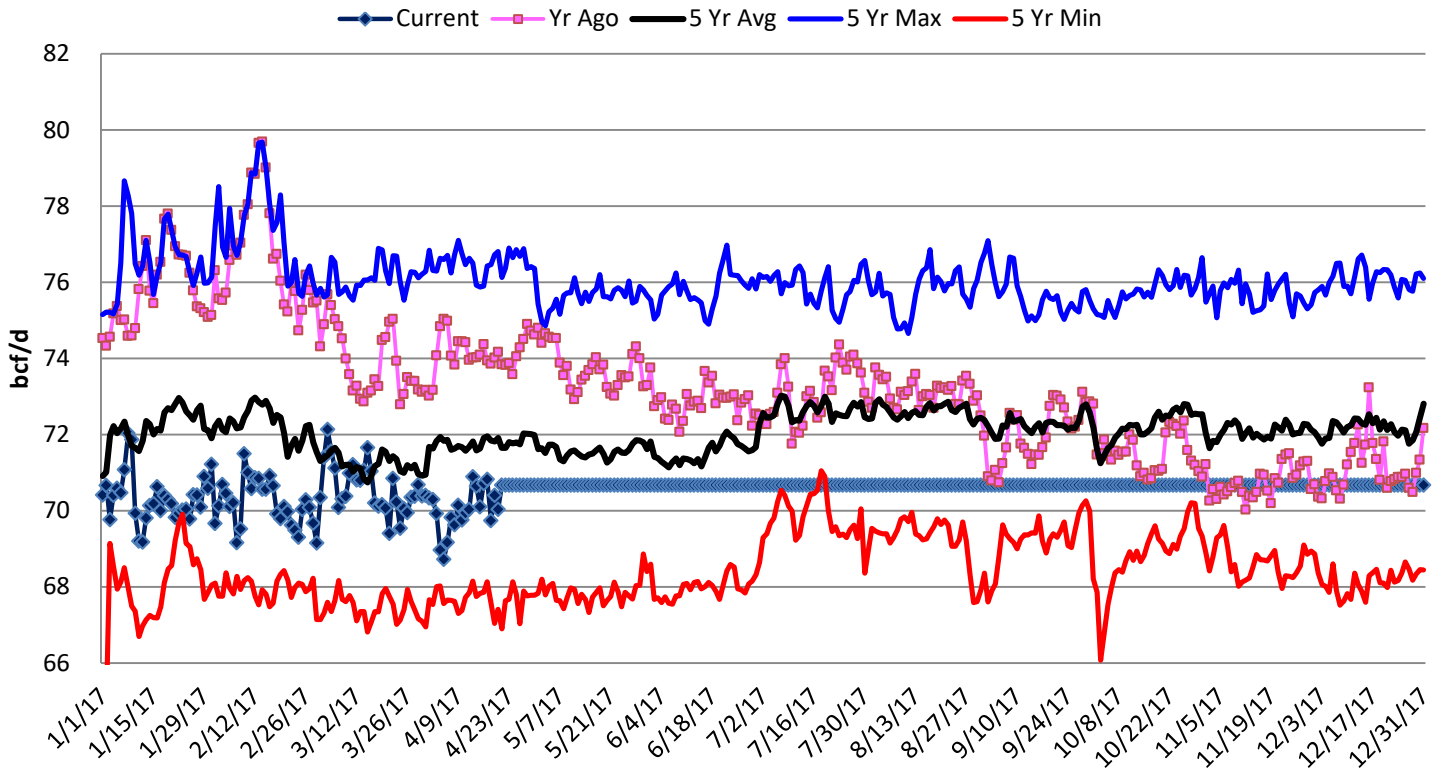
## US Total Working Gas Storage - Source - EIA



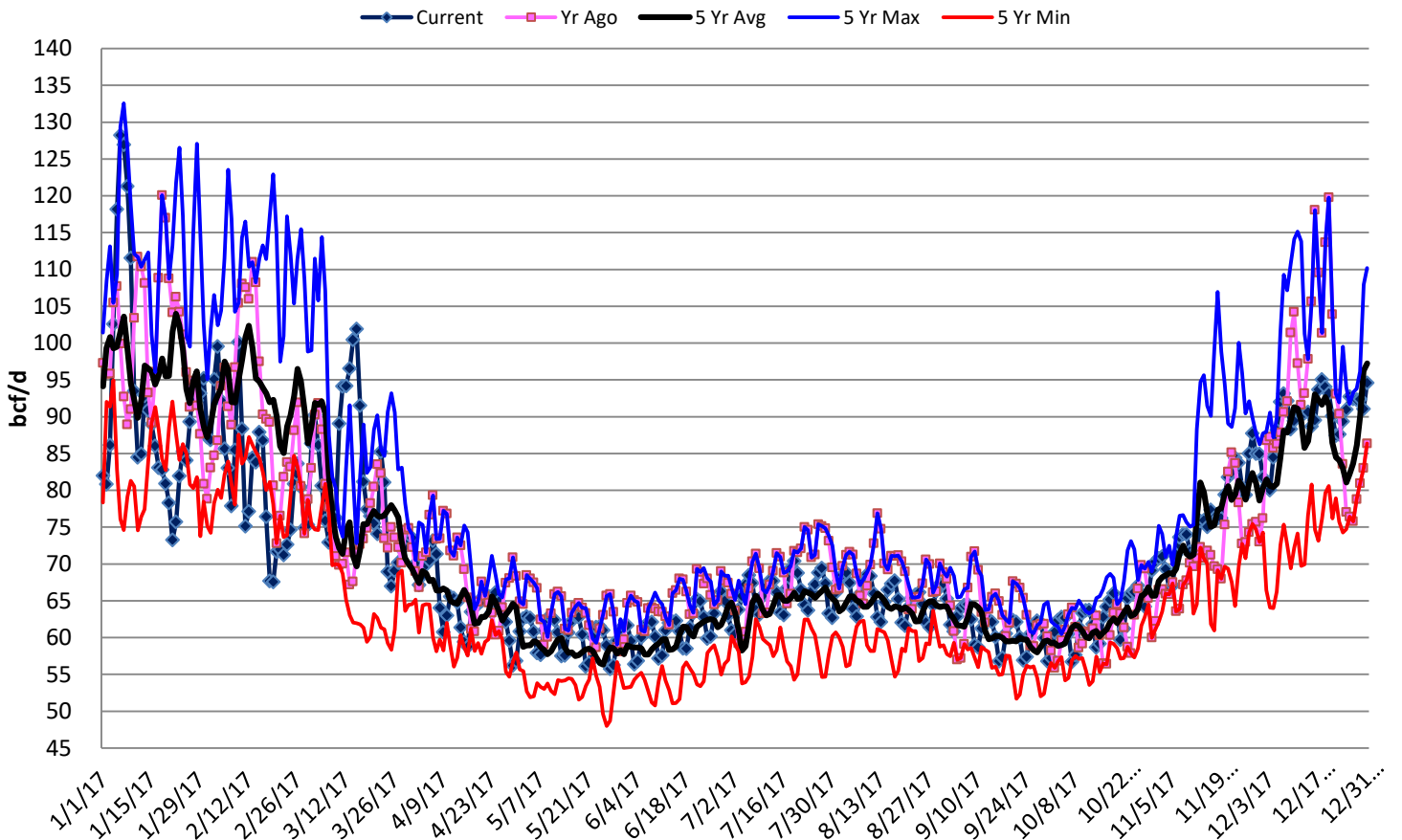
## Canadian Working Gas Storage - Enerdata



## US Total Supply



## US Total Demand



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**ADDITIONAL INFORMATION AVAILABLE UPON REQUEST**

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