

Kyle Cooper, (713) 248-3009, [Kyle.Cooper@iafadvisors.com](mailto:Kyle.Cooper@iafadvisors.com)

***Week Ending March 9, 2018***

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

**Price Action:** The April contract rose 3.7 cents (1.4%) to \$2.732 on a 12.0 cent range (\$2.793/\$2.673).

**Price Outlook:** The market edged higher with below normal temperatures now forecast through mid-March. However, below normal temperatures in March do not generate the same demand as normal temperatures in January or early February and thus further price advances may be limited. Rather the market may chop back and forth near current levels until injection season begins in earnest. Weather forecasts subtracted 49 bcf from storage projections.

For daily updated storage projections, subscribe to our joint publication with RBN Energy. The current 15-day forecast is cooler than 8 of the previous 10 years. CFTC data indicated a 20,404 contract increase in the managed money net long position as longs added and shorts covered. Total open interest rose 60,890 to 3.439 million as of March 06. Aggregated CME futures open interest rose to 1.371 million as of March 09. Open interest in the April \$3.00 call fell (584) to 59,103. Open interest in the April \$3.50 call fell (51) to 54,299. Open interest in the April \$2.50 put rose +3,947 to 51,064.

**Weekly Storage:** US working gas storage for the week ending March 2 indicated a withdrawal of (57) bcf. Working gas inventories fell to 1,625 bcf. Current inventories fall (670) bcf (-29.2%) below last year and fall (327) bcf (-16.8%) below the 5-year average.

**Storage Outlook:** : Our EIA weekly storage estimate was 7 bcf from the actual EIA implied flow and again outside our tolerance as the deviation to the base model remained. The forecasts use a 10-year rolling temperature profile past the 15-day forecast. Our joint publication with RBN updates storage projections daily.

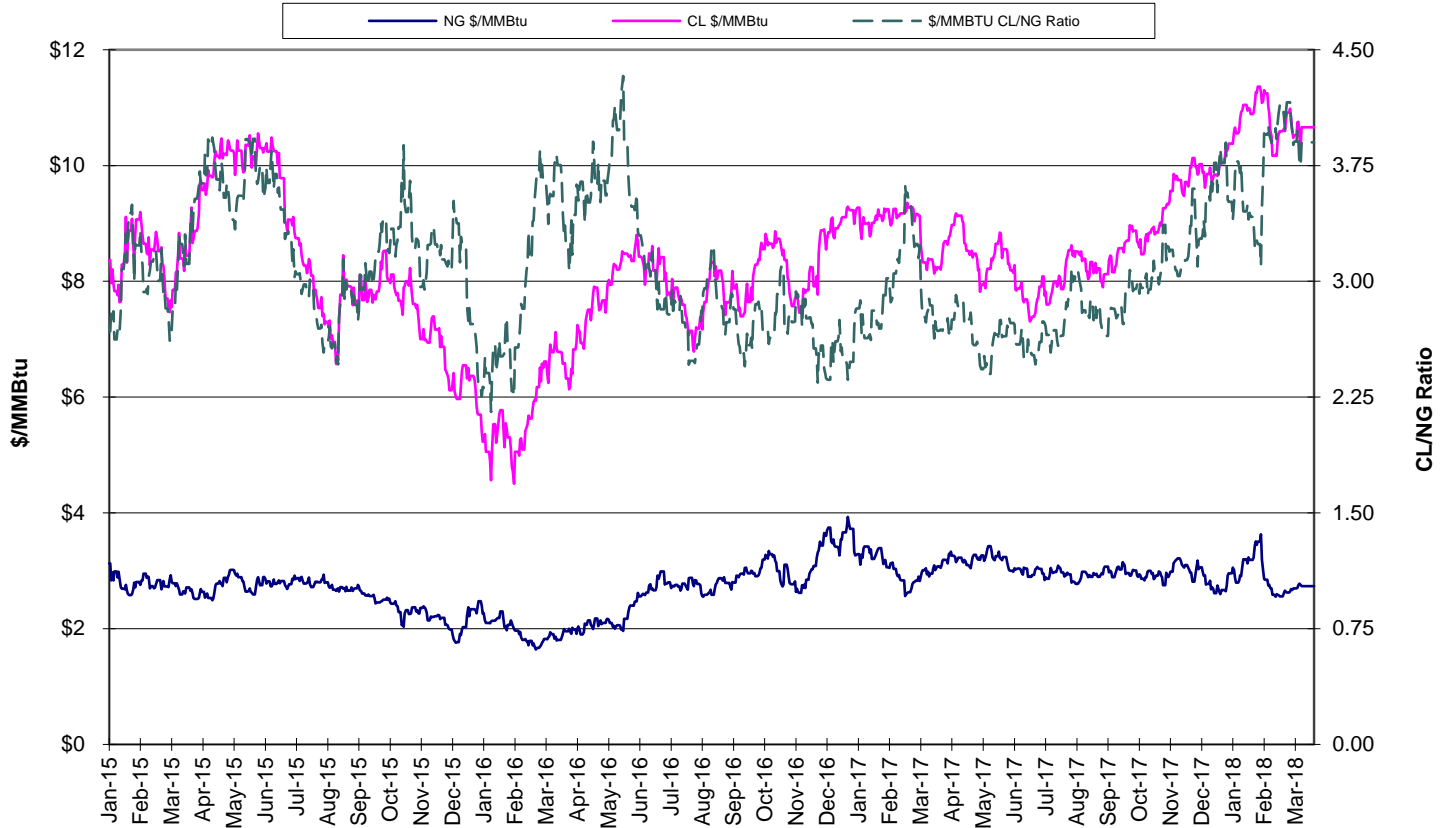
**Supply Trends:** Total supply fell (0.5) bcf/d to 76.7 bcf/d. US production rose. Canadian imports rose. LNG imports exports fell. LNG exports rose. Mexican exports rose. The US Baker Hughes rig count rose +3. Oil activity decreased (4). Natural gas activity increased +7. The total US rig count now stands at 984. The Canadian rig count fell (29) to 273. Thus, the total North American rig count fell (26) to 1,257 and now exceeds last year by +174. The higher efficiency US horizontal rig count rose +1 to 848 and rises +209 above last year. The EIA Monthly data indicated record US production in December.

**Demand Trends:** Total demand fell (2.6) bcf/d to +82.1 bcf/d. Power demand fell. Industrial demand fell. Res/Comm demand fell. Electricity demand fell (2,067) gigawatt-hrs to 71,725 which exceeds last year by +136 (0.2%) and trails the 5-year average by (3,834) (-5.1%). The EIA Monthly data indicated record US demand for a December.

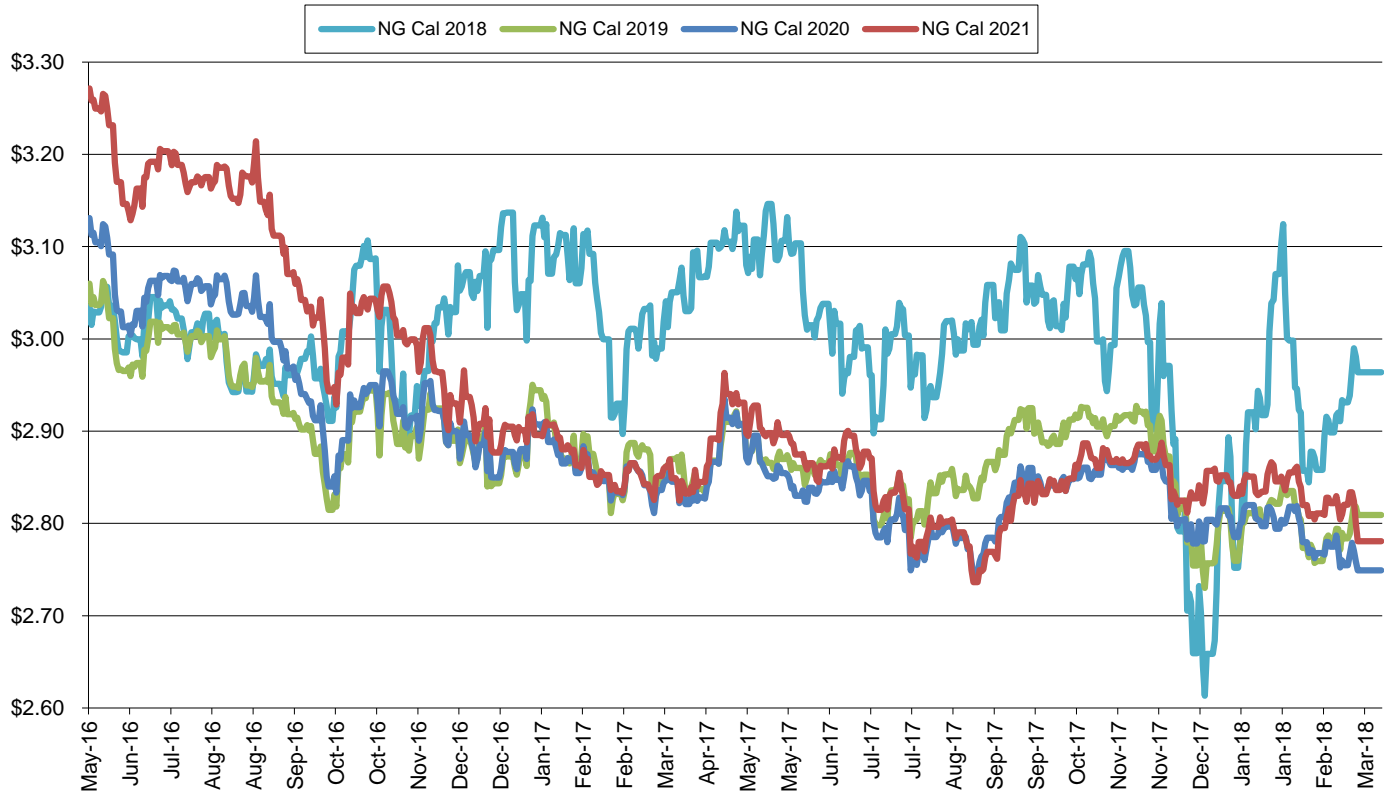
**Nuclear Generation:** Nuclear generation rose 139 MW in the reference week to 90,453 MW. This is +2,695 MW higher than last year and +3,616 MW higher than the 5-year average. Recent output was at 88,622 MW.

- The heating season is now well past its midpoint. With a forecast through March 23 the 2018 total heating index is at 2,623 compared to 2,191 for 2017, 2,183 for 2016, 2,609 for 2015, 2,963 for 2014, 2,724 for 2013, 2,425 for 2012 and 2,879 for 2011.

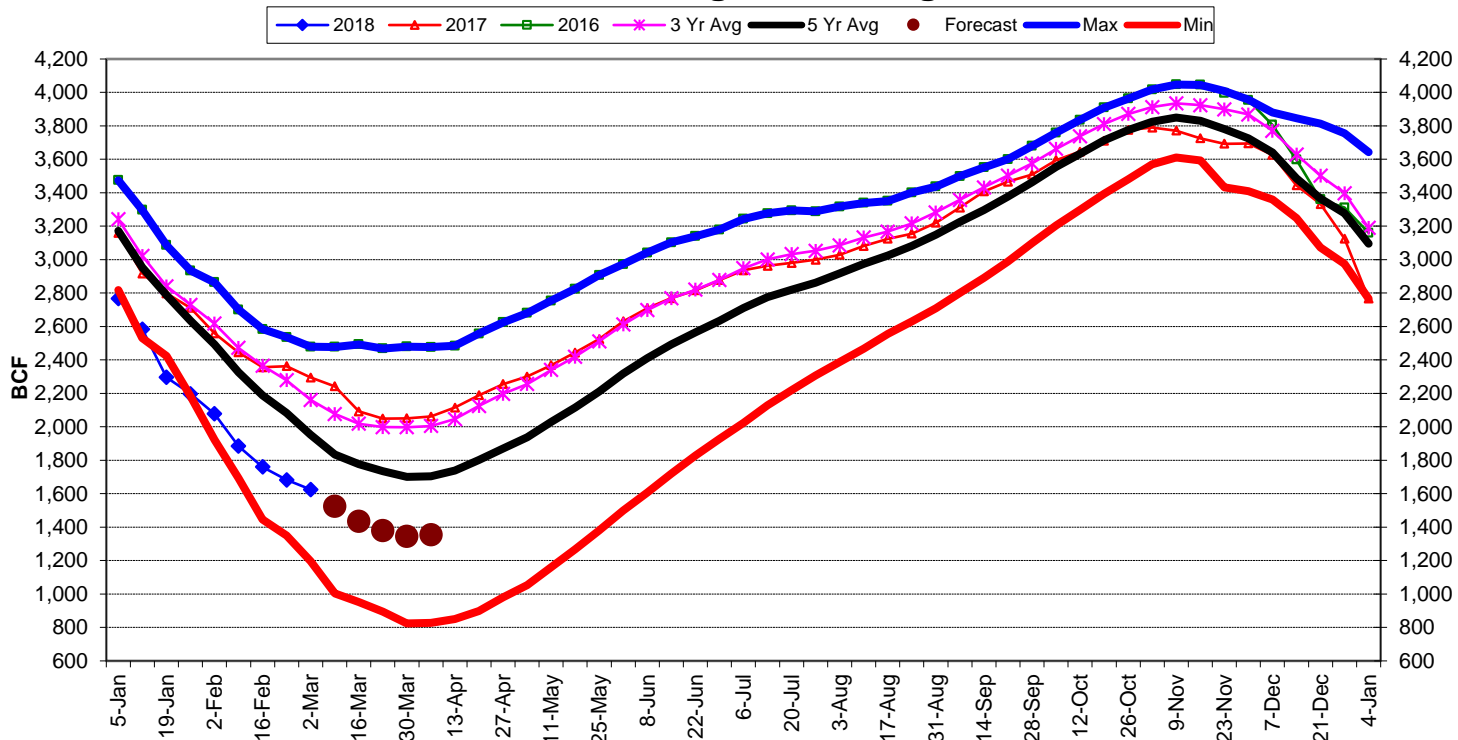
## \$/MMBtu Ratio of NYMEX CL and NG



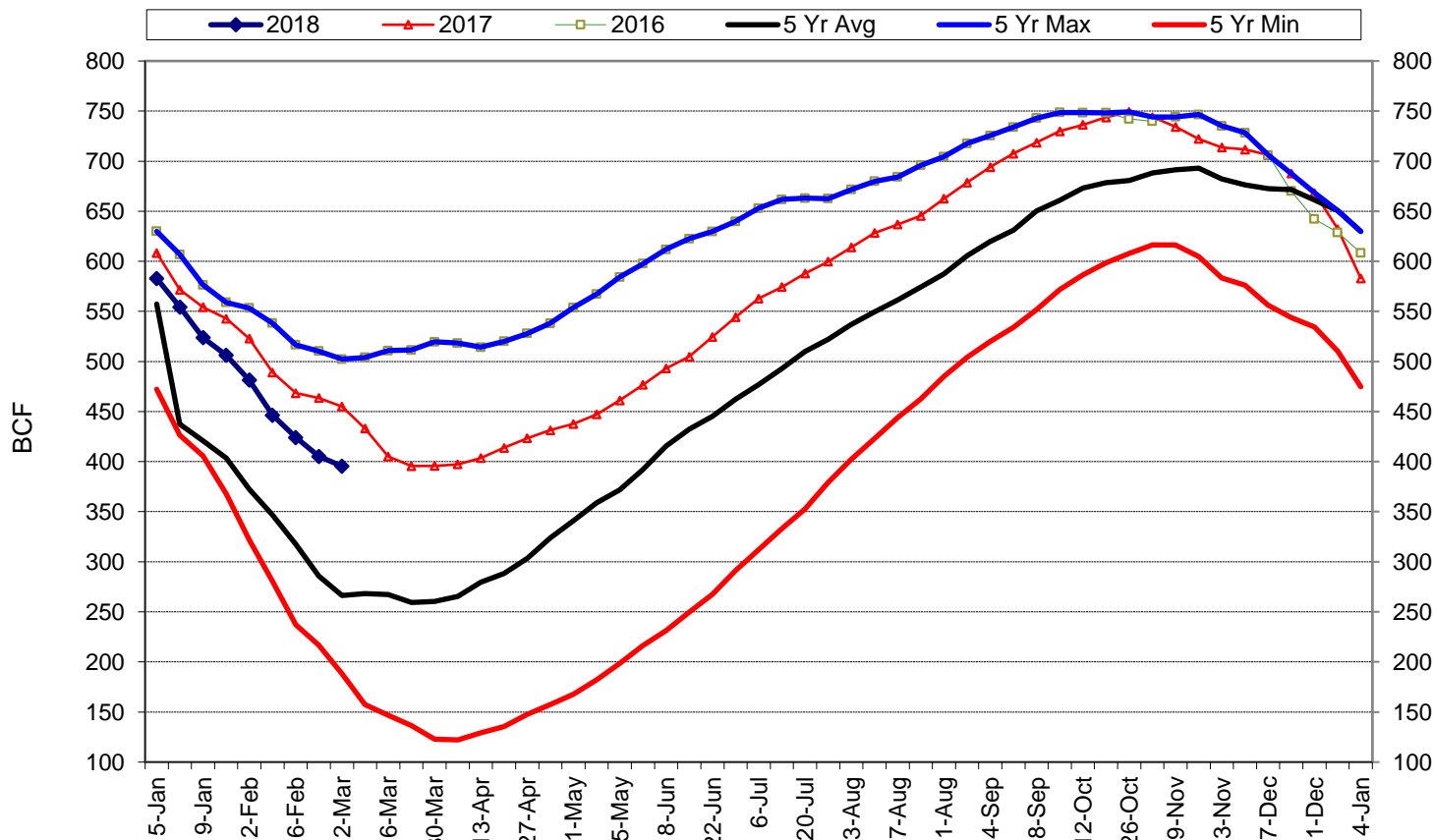
## NYMEX Calendar Strips



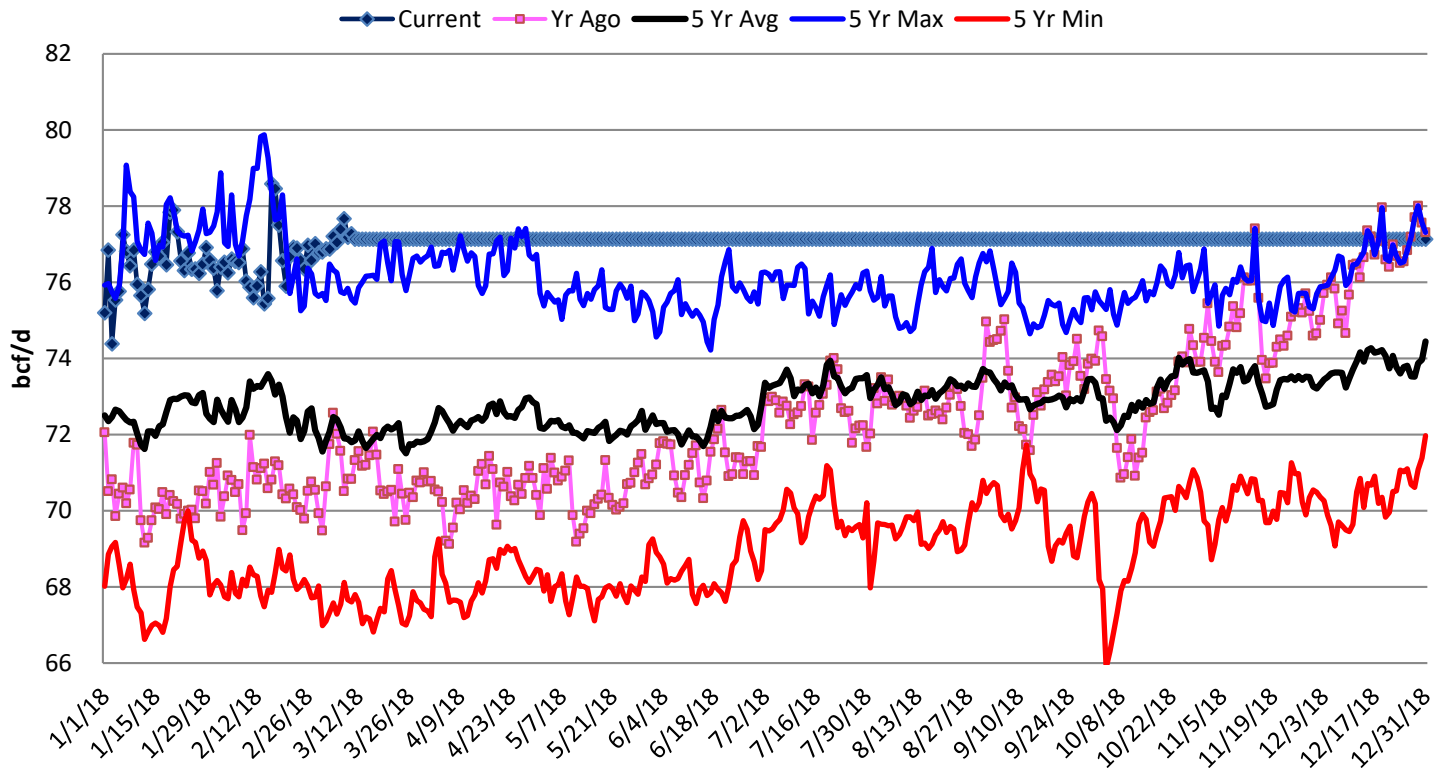
## US Total Working Gas Storage - Source - EIA



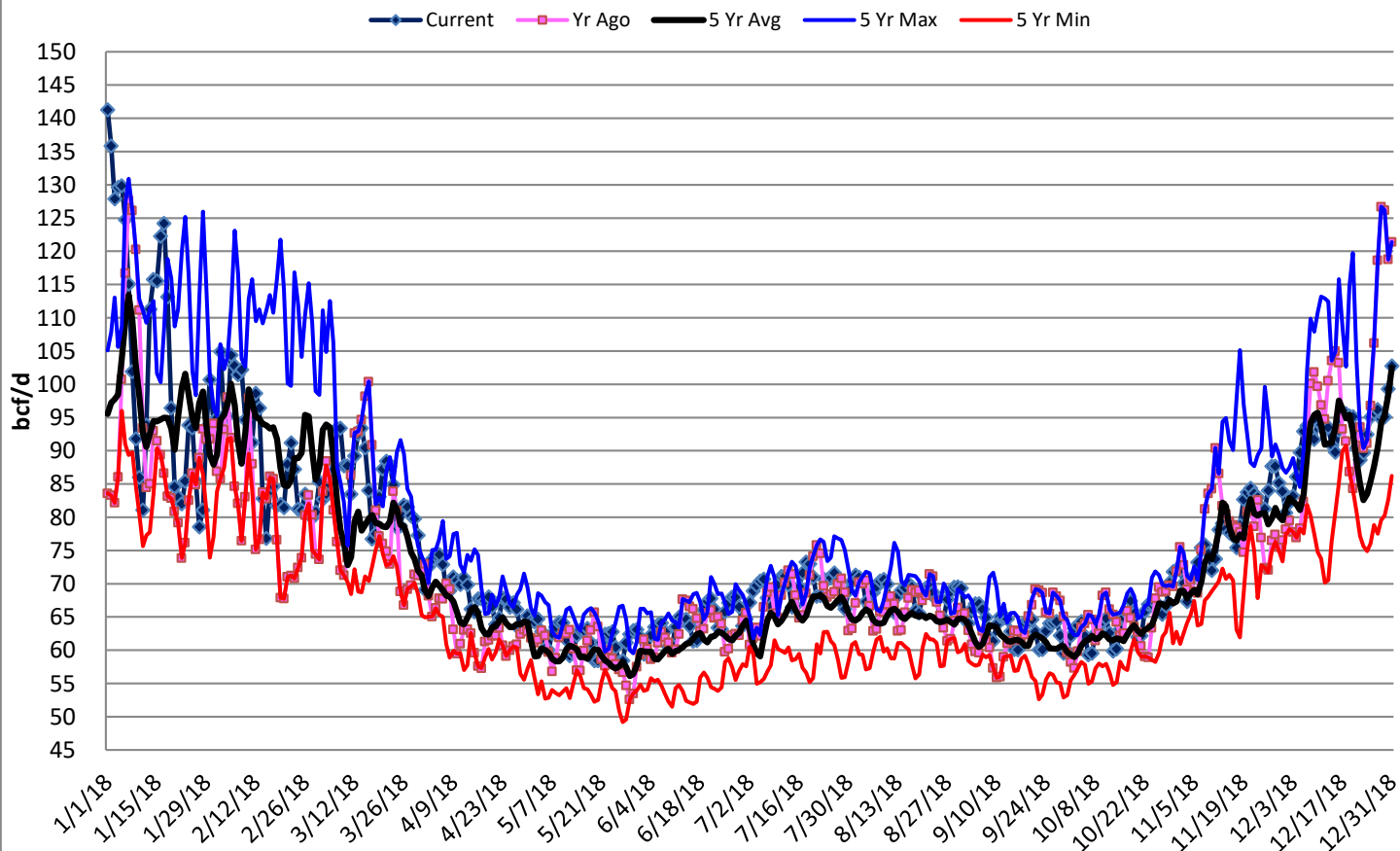
## Canadian Working Gas Storage - Enerdata



## US Total Supply



## US Total Demand



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**ADDITIONAL INFORMATION AVAILABLE UPON REQUEST**

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