

Join Kyle Cooper at 3:00 pm EST every Wednesday for his "Cooper on Oil & Gas" Live Chat on [www.enelyst.com](http://www.enelyst.com)

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

***Week Ending June 21, 2019***

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

**Price Action:** The July contract fell 20.1 cents (8.4%) to \$2.186 on a 25.9 cent range (\$2.418/\$2.159).

**Price Outlook:** After last week's rare inside week on a minimal 8.6 cent, early strength established a new weekly high before plummeting and also setting a new weekly low. Of the 1,016 weeks since 2000, there have been 118 with both a new weekly high and low compared to just 98 where neither a new high nor low was established. With another bearish absolute and temperature adjusted storage change, the market seems headed for new lows unless weather turns bullish. Increased power burn may be a supporting factor due to the low price. For daily updated storage projections, subscribe to our joint publication with RBN Energy. CFTC data indicated a (33,155) contract increase in the net short managed money position as longs liquidated and shorts added. This is the largest net short position since December 22, 2015, 2016. This is the lowest long position since ICE data was added in early January 2010. Total open interest rose 95,146 to 3.594 million as of June 18. Aggregated CME futures open interest fell to 1.323 million as of June 21. The current weather forecast is now cooler than 4 of the last 10 years. Pipeline data indicates total flows to Cheniere's Sabine Pass export facility were at 3.7 bcf. Cove Point is net exporting 0.7 bcf. Corpus Christi is exporting 1.300 bcf. Cameron is exporting 0.450 bcf. Freeport is exporting 0.000 bcf. Elba Island is exporting 0.000 bcf.

**Weekly Storage:** US working gas storage for the week ending June 14 indicated an injection of +115 bcf. Working gas inventories rose to 2,203 bcf. Current inventories rise 195 bcf (9.7%) above last year and fall (204) bcf (-8.5%) below the 5-year average.

**Storage Outlook:** The EIA weekly implied flow was 10 bcf from our EIA storage estimate. This week's storage estimate soared outside our error tolerance. Over the last five weeks, the EIA has reported total injections of +550 bcf compared to our +516 bcf estimate. The forecasts use a 10-year rolling temperature profile past the 15-day forecast. Our joint publication with RBN updates storage projections daily.

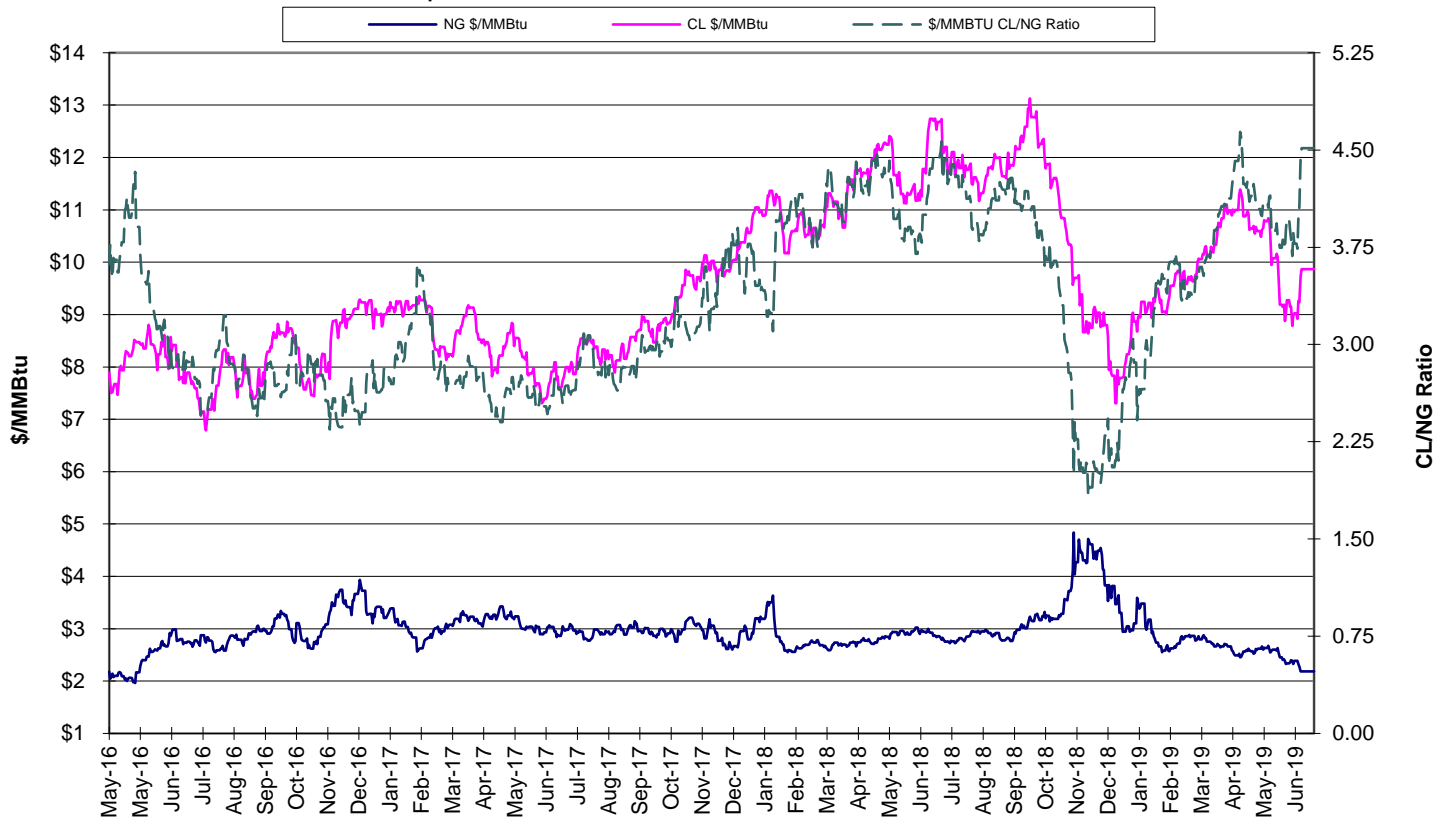
**Supply Trends:** Total supply fell (0.2) bcf/d to 84.9 bcf/d. US production rose. Canadian imports fell. LNG imports rose. LNG exports rose. Mexican exports rose. The US Baker Hughes rig count fell (2). Oil activity increased +1. Natural gas activity decreased (4). The total US rig count now stands at 967. The Canadian rig count rose +12 to 119. Thus, the total North American rig count rose +10 to 1,086 and now trails last year by (126). The higher efficiency US horizontal rig count fell (6) to 846 and falls (84) below last year.

**Demand Trends:** Total demand fell (1.2) bcf/d to +68.9 bcf/d. Power demand fell. Industrial demand fell. Res/Comm demand fell. Electricity demand fell (1,746) gigawatt-hrs to 77,184 which trails last year by (7,834) (-9.2%) and trails the 5-year average by (6,859)(-8.2%%).

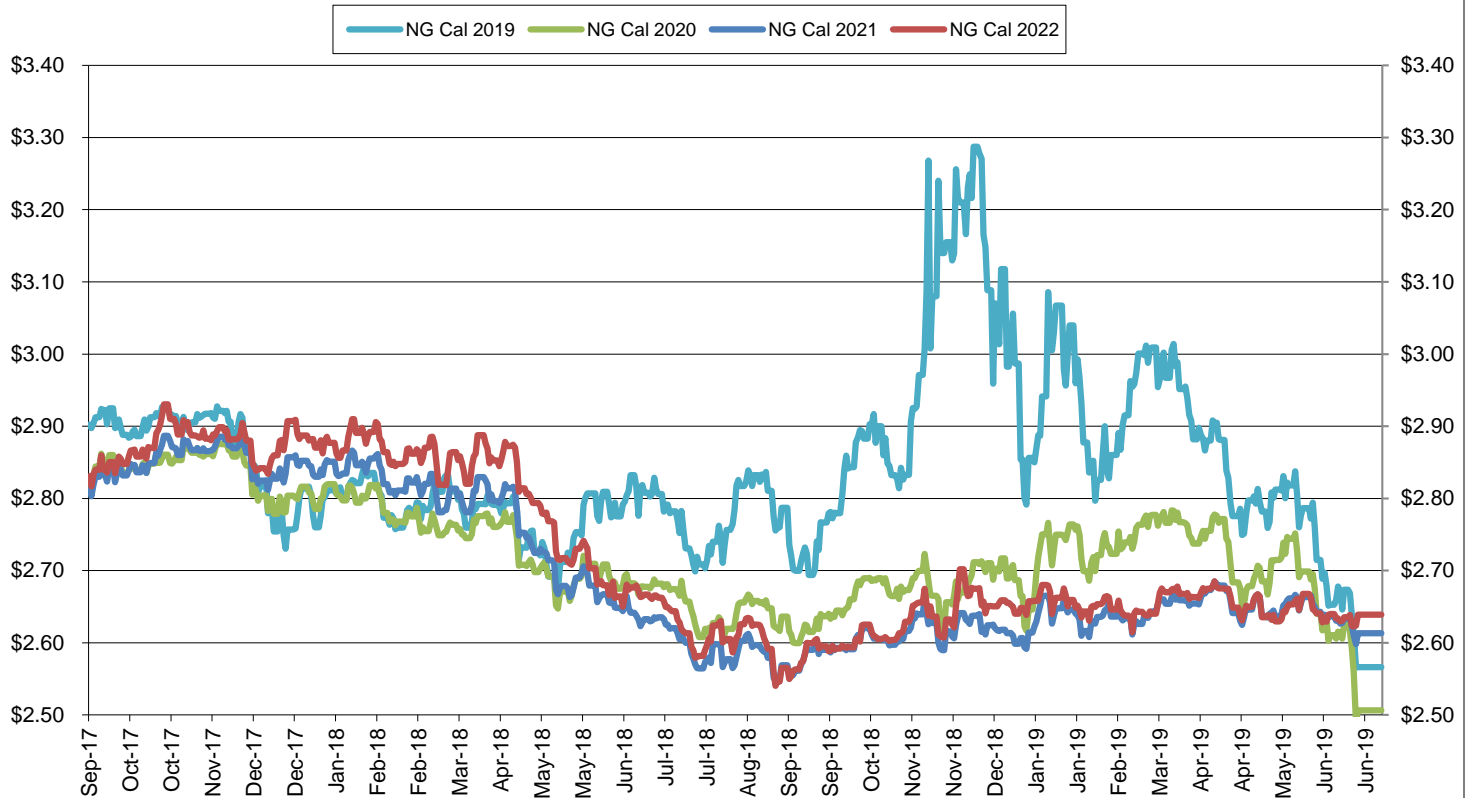
**Nuclear Generation:** Nuclear generation rose 1,458 MW in the reference week to 91,303 MW. This is (4,112) MW lower than last year and (876) MW lower than the 5-year average. Recent output was at 93,798 MW.

- The cooling season is beginning. With a forecast through July 5, the 2019 total cooling index is at 662 compared to 1,955 for 2018, 1,505 for 2017, 1,553 for 2016, 1,235 for 2015, 1,006 for 2014, 1,466 for 2013, 2,572 for 2012 and 1,672 for 2011.

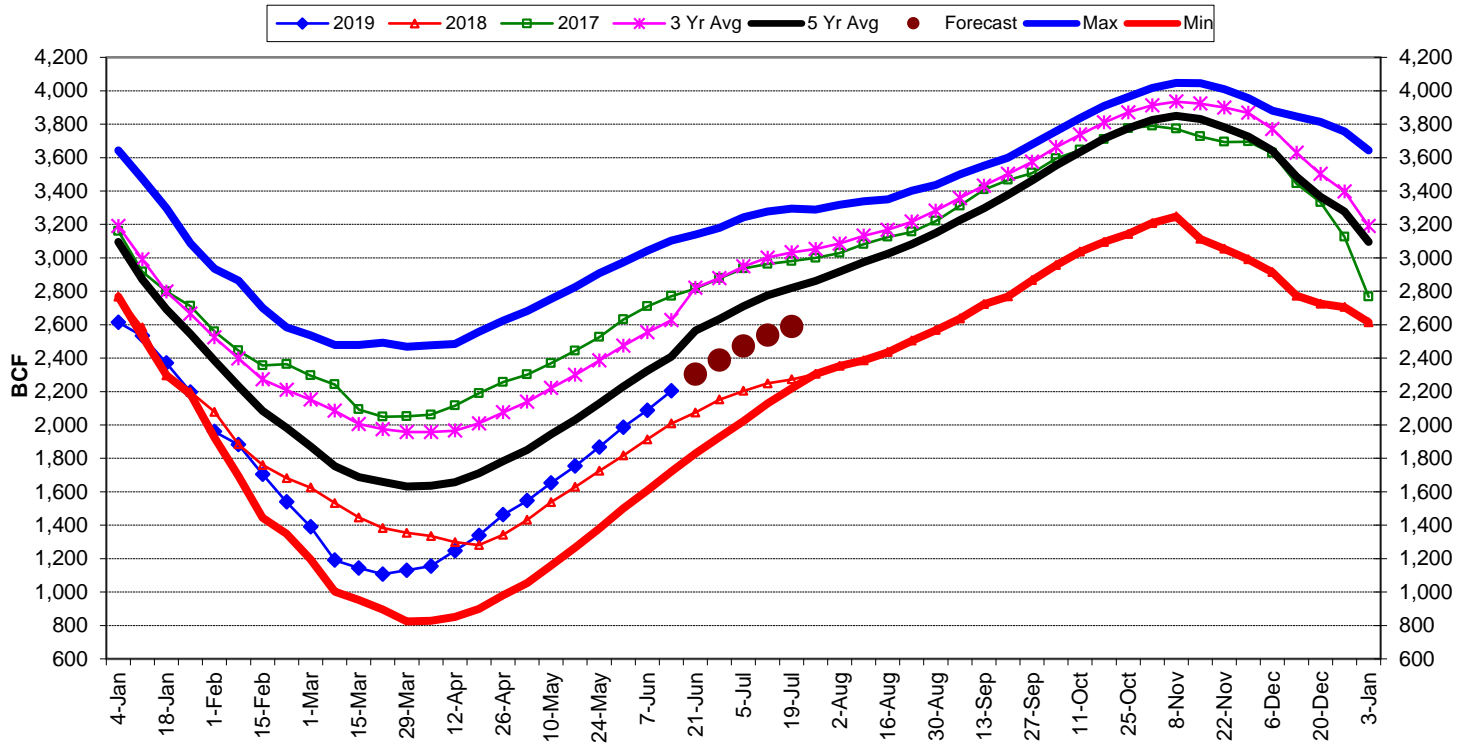
### \$/MMBtu Ratio of NYMEX CL and NG



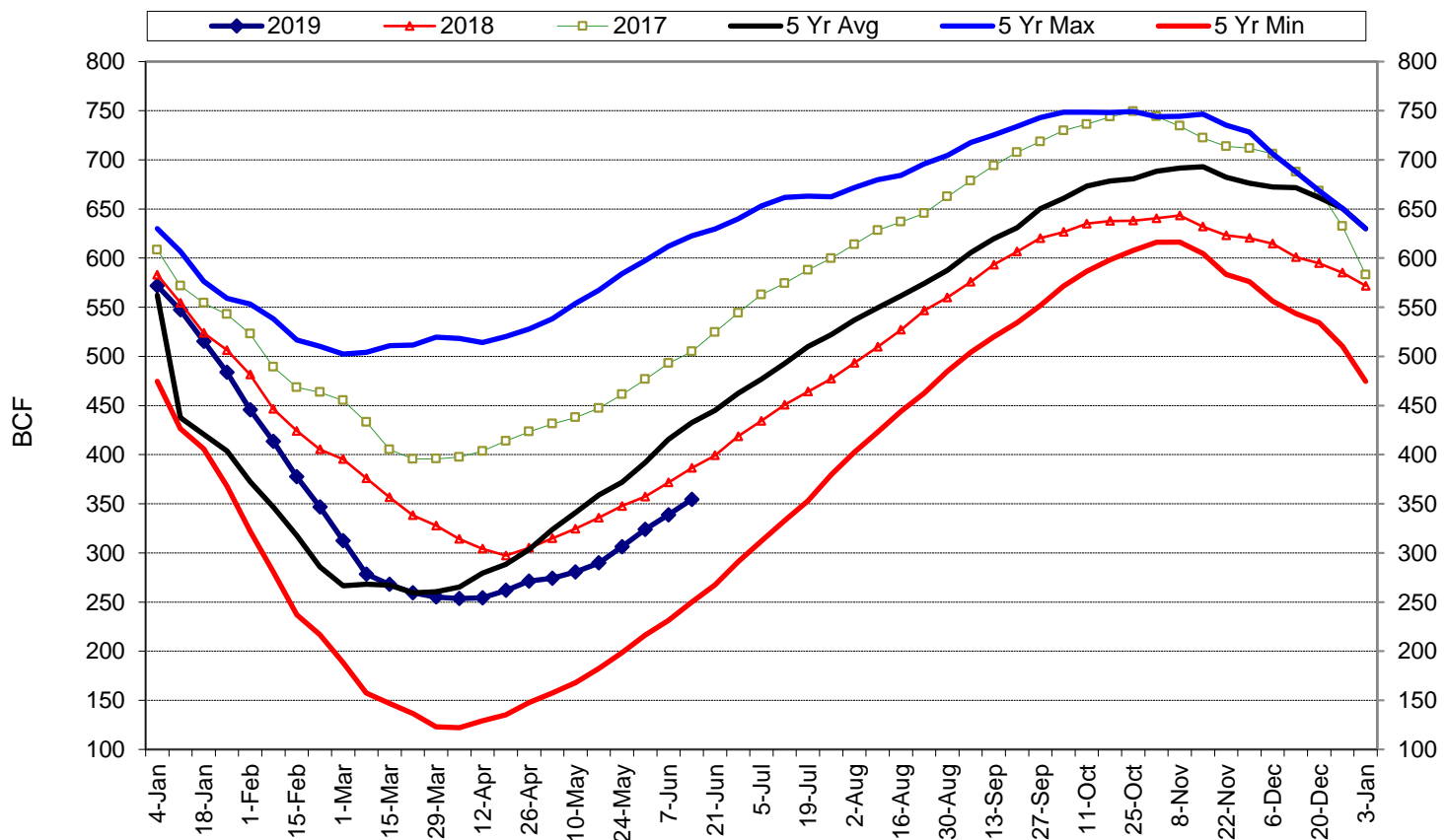
### NYMEX Calendar Strips



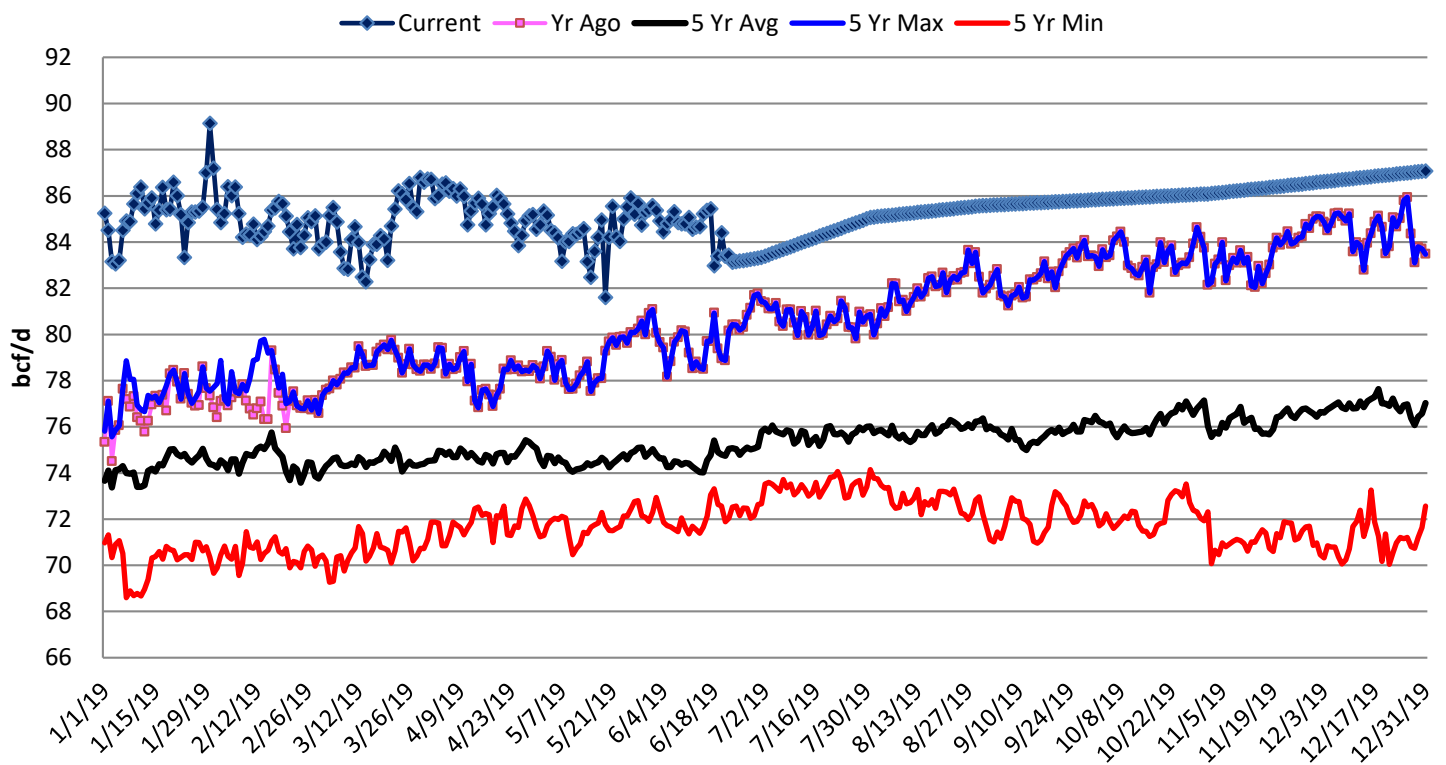
### US Total Working Gas Storage - Source - EIA



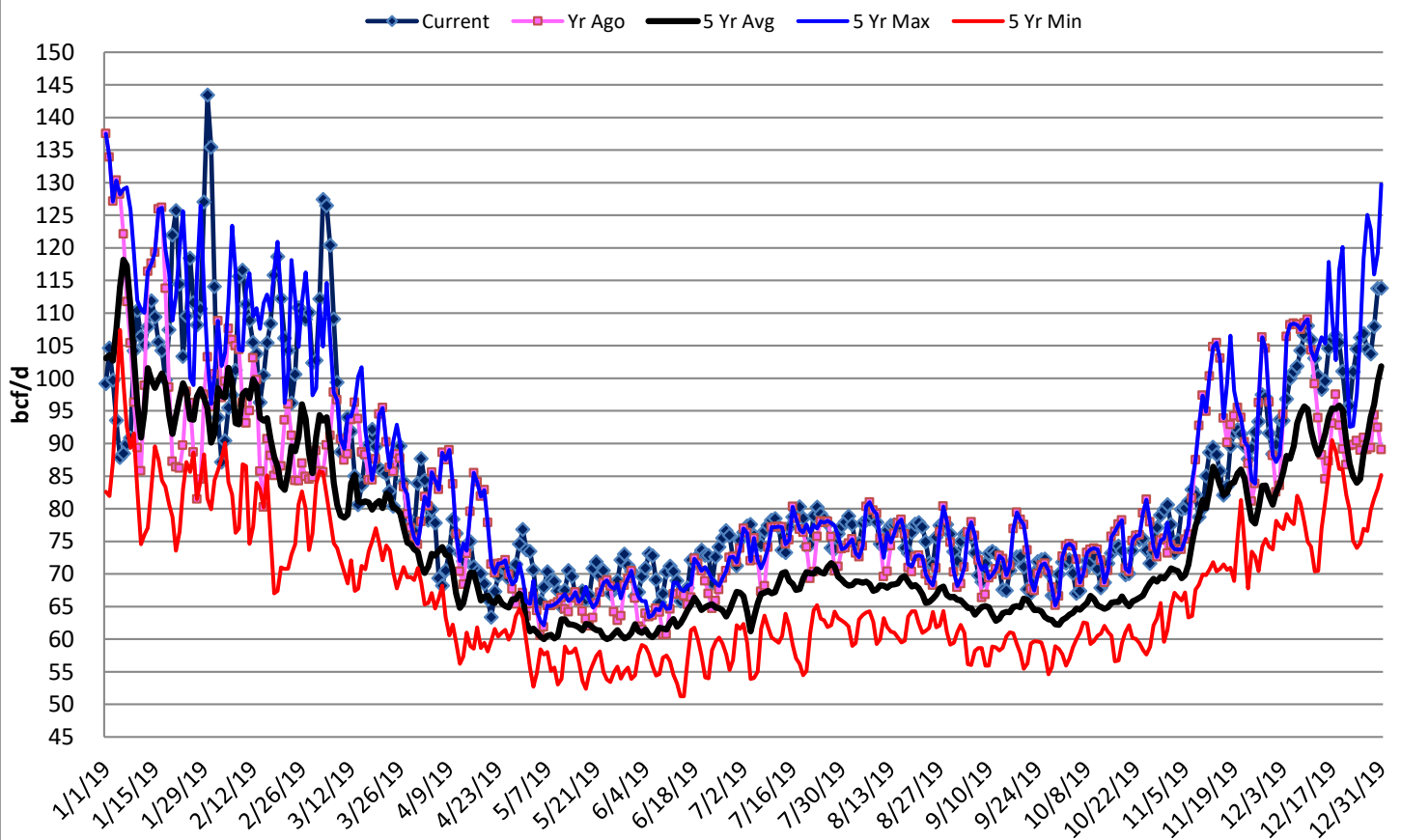
### Canadian Working Gas Storage - Enerdata



## US Total Supply



## US Total Demand



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**ADDITIONAL INFORMATION AVAILABLE UPON REQUEST**

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